

The ill-informed market for residential aged care

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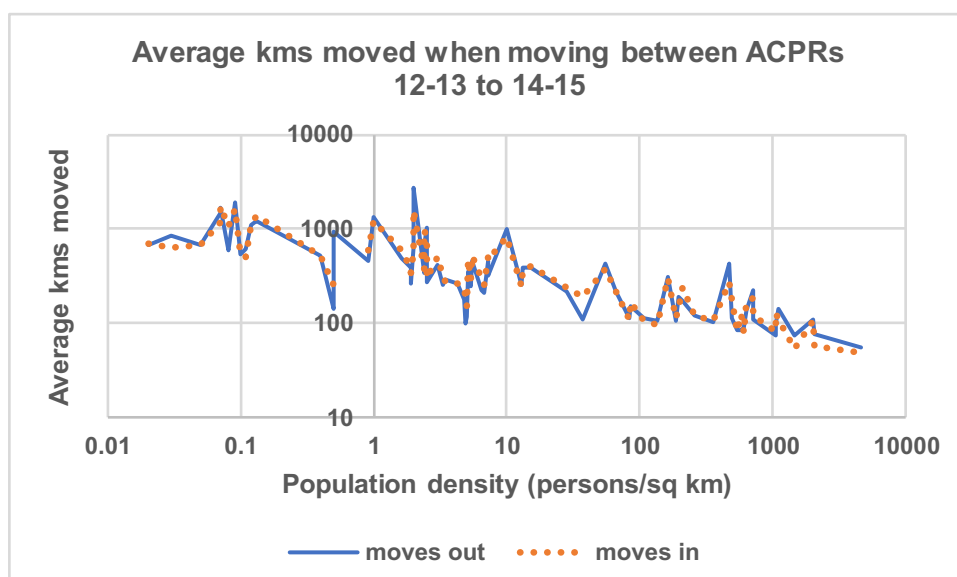
Summary

This submission is made in response to a UTS StewartBrown discussion paper [1] about proposed alternative models for allocating places. It uses movement data from 12-13 to 14-15, the most recent available. It shows that persons receiving approval for residential care often chose to move long distances into aged care homes. These moves may have been to homes with better climate or services, or may have reflected a desire to be closer to relatives.

For the 15 aged care planning regions with less than 1 person per sq km, distances moved were often high, and occupancy rates at 30 June 2015 for these regions were generally low. For regions with higher population densities, distances moved gradually decreased, but probabilities of moving increased. Occupancy rates increased between about 1 and 10 persons per sq km, and then averaged about 92%.

These limited data show that a market exists for residential care, with many persons choosing to move long distances. But in choosing homes, persons have almost no data on the quality of care provided by a home, or on its financial stability. Many aged care homes may be choosing not to admit financially unattractive residents, but again the data are not available. There is no system to follow persons approved for residential care but not able to obtain such care. These information deficiencies need to be fixed to ensure that provider payment and place allocation systems are fair to both consumers and providers.

1. Distances moved into aged care homes



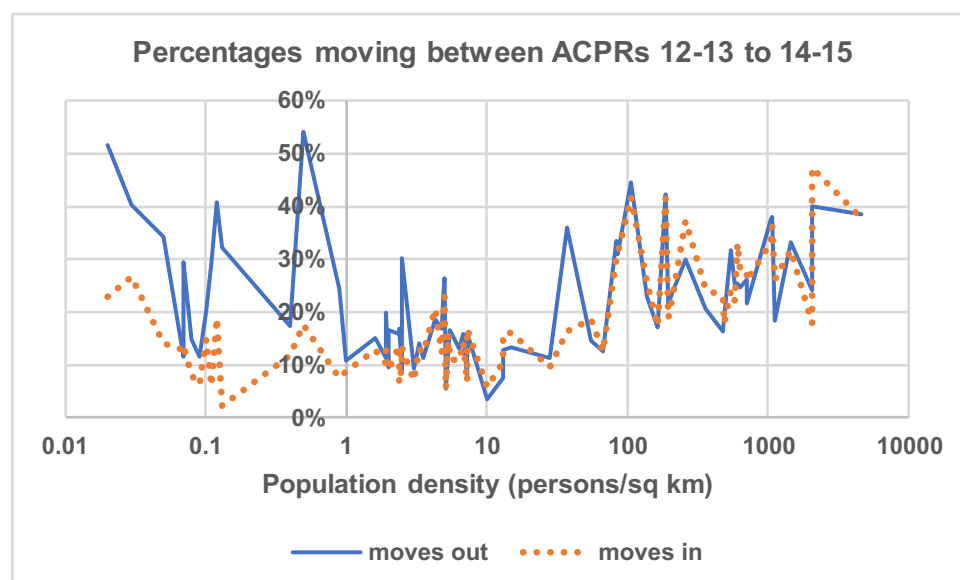
Average distances moved were estimated from data supplied by AIHW [2] on first admissions to residential care in 12-13 to 14-15. These data are the latest available [3]. The data gave the postcode of residence when approval for permanent residential care was granted, and the aged care planning region (ACPR) of the aged care home into which the person was admitted. Distances moved were calculated as great circle distances from the population centroid of the ACPR of residence at approval to the centroid of the ACPR of the aged care home entered. Of the 176,275 first admissions in the three years, 21.3% moved into a different ACPR, moving an average 179 kms.

The above figure shows the average distance moved by persons moving out of an ACPR into an aged care home elsewhere, (solid line), and the average distance moved by persons moving into an APR from elsewhere (dotted line). In general, the average distance moved reduces as population density increases, for both moves out and moves in. The average distance moved by persons moving out is generally about equal to the distance moved by persons moving in. It is not clear why these patterns exist.

The largest average distance moved out was 2739 kms for the ACPR of Darwin in the NT, which had a population density of 2.0 persons per square km. There were about 38.6 persons approved in Darwin for residential care moving to residential care outside Darwin (the fractions are created by the approximate process of converting postcodes to ACPRs). Of these, about 6.5 went to Brisbane, 3 to the Sunshine Coast, 6 to Sydney, 4 to Melbourne, 2.5 to Perth and 2 to Adelaide. These destinations suggest moves to homes with better climates and services, or to be closer to relatives. There were also 19.2 persons moving into Darwin for residential care, moving an average distance of 1598 kms.

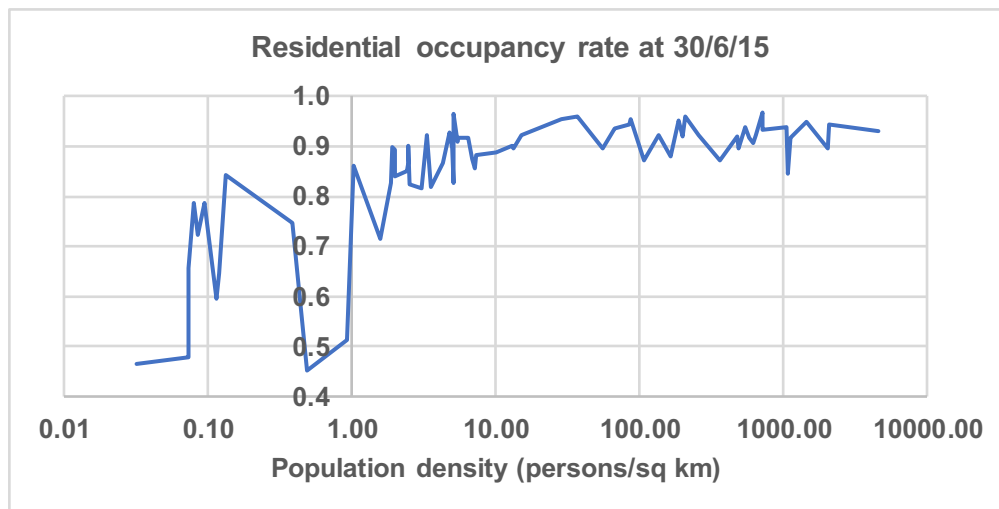
2. Percentages of moves outside ACPRs

About 243.4 persons were approved for residential care in the Darwin ACPR, and admitted to care somewhere in Australia in 12-13 to 14-15. Of these, about 38.6, or 16.5%, were admitted to care outside Darwin. This “moves out” percentage is shown in the solid line in the graph. About 215 persons were admitted to care in Darwin, and of these about 19.2, or 8.9%, were approved outside Darwin. This “moves in” percentage is shown on the dotted line.



The proportions moving out to residential care outside their ACAR of approval were very erratic for the 15 ACARs with population densities below 1 person per sq km, but were generally higher than the proportions moving in. Above this density they showed a gradual increase in the proportion moving out, rising from about 10% to about 40% for the densest ACARs. Proportions moving in also rose above 1 person per sq km, being broadly equal to proportions of persons moving out.

3. Occupancy rates



Occupancy rates were erratic but generally low for ACARs with population densities below 1 person per sq km. Above this density they rose gradually to about 92% for densities above 15 persons per sq km. The average occupancy rate over all homes was 90.2%. These occupancy rates suggest that using a planning ratio based on the proportion of person aged 70+ in the region is too rigid, and has resulted in excessive numbers of places in low-density regions.

Glossary

ACPR	Aged care planning region
AIHW	Australian Institute of Health and Welfare

References

- [1] UTS StewartBrown. *Residential aged care: Proposed alternative models for allocating places. Discussion paper July 2019.* Available from: URL <https://consultations.health.gov.au/aged-care-policy-and-regulation/alternative-allocation-models-residential-care/> (accessed 20 August 2019)
- [2] AIHW. *R1617_2085 Cumpston.xlsx*, file supplied 7 12 December 2016.
- [3] Email from AIHW, 12 August 2019.

Appendix A: Estimates for each ACPR

A1 NSW, Victoria and Queensland

ACPR	Name	Persons per sq km	Moves out	Moves in	Mean kms out	Mean kms in	Moves as % out	Moves as % in
101	NSW Central Coast	196.9	871	751	191	147	21.3%	18.9%
102	NSW Central West	3.5	187	205	292	272	11.3%	12.2%
103	NSW Far North Coast	15.0	464	585	384	399	13.2%	16.1%
104	NSW Hunter	28.3	688	578	220	240	11.3%	9.6%
105	NSW Illawarra	66.9	500	498	219	217	12.6%	12.6%
106	NSW Inner West	4611.7	1264	1230	55	49	38.4%	37.7%
107	NSW Mid North Coast	13.2	484	619	386	360	12.8%	15.8%
108	NSW Nepean	84.1	699	604	114	111	33.4%	30.3%
109	NSW New England	1.9	178	162	387	382	11.2%	10.3%
110	NSW Northern Sydney	1110.6	1303	2052	144	111	18.4%	26.2%
111	NSW Orana Far West	0.4	220	141	529	519	17.4%	11.8%
112	NSW Riverina/Murray	2.4	413	350	340	378	15.7%	13.6%
113	NSW South East Sydney	2037.2	1834	1254	110	106	24.2%	17.9%
114	NSW South West Sydney	136.3	1186	1378	106	97	22.8%	25.6%
115	NSW Southern Highlands	4.3	369	420	262	262	18.5%	20.5%
116	NSW Western Sydney	1050.8	1812	1500	75	83	37.4%	33.1%
201	Vic Barwon-South Western	13.0	304	440	251	246	7.6%	10.6%
202	Vic Eastern Metro	356.9	1820	2259	102	106	20.5%	24.3%
203	Vic Gippsland	6.4	390	314	225	297	13.0%	10.8%
204	Vic Grampians	4.8	378	264	177	240	16.7%	12.3%
205	Vic Hume	6.8	441	387	212	256	15.9%	14.2%
206	Vic Loddon-Mallee	5.4	449	562	250	290	13.1%	15.9%
207	Vic Northern Metro	579.9	1481	1248	85	126	25.1%	22.0%
208	Vic Southern Metro	491.0	2091	1903	112	176	19.2%	17.8%
209	Vic Western Metro	709.4	997	1263	109	121	21.6%	25.9%
301	Qld Brisbane North	1065.3	1310	1216	100	130	37.9%	36.2%
302	Qld Brisbane South	640.4	1250	1474	138	171	24.7%	27.9%
303	Qld Cabool	85.7	928	933	153	166	30.9%	31.0%
304	Qld Central West	0.03	24	13	844	642	40.2%	26.7%
305	Qld Darling Downs	3.3	308	284	254	320	14.1%	13.1%
306	Qld Far North	1.0	130	103	1329	1214	10.7%	8.7%
307	Qld Fitzroy	2.0	128	126	628	579	9.6%	9.5%
308	Qld Logan River Valley	106.4	746	668	114	107	44.6%	41.9%
309	Qld Mackay	2.4	129	45	679	955	16.7%	6.5%
310	Qld North West	0.1	42	14	1085	1112	40.9%	18.8%
311	Qld Northern	2.5	121	131	1035	825	9.0%	9.7%
312	Qld South Coast	473.7	669	1024	424	274	16.3%	22.9%
313	Qld South West	0.10	32	22	533	544	20.1%	14.8%
314	Qld Sunshine Coast	55.6	484	656	425	381	14.5%	18.7%
315	Qld West Moreton	36.9	478	167	110	192	36.0%	16.4%
316	Qld Wide Bay	5.5	401	247	458	519	16.5%	10.9%

A2 SA, WA, Tasmania, NT & ACT

ACPR	Name	Persons per sq km	Moves out	Moves in	Mean kms out	Mean kms in	Moves as % out	Moves as % in
401	SA Eyre Peninsula	0.9	76	19	462	595	24.4%	7.5%
402	SA Hills Mallee & Southern	5.0	358	292	115	154	26.5%	22.8%
403	SA Metropolitan East	2053.8	987	1335	76	57	39.9%	47.3%
404	SA Metropolitan North	610.0	735	1054	89	79	25.5%	32.9%
405	SA Metropolitan South	541.4	1191	819	84	81	31.6%	24.1%
406	SA Metropolitan West	1456.5	923	861	73	53	33.2%	31.7%
407	SA Mid North	1.9	65	38	260	343	19.8%	12.7%
408	SA Riverland	2.5	117	41	269	299	30.2%	13.2%
409	SA South East	3.0	54	39	419	511	9.3%	6.9%
410	SA Flinders & Far North	0.04	42	13	686	686	34.2%	14.1%
411	SA Yorke Lower North & Barossa	4.9	290	233	99	184	22.9%	19.2%
501	WA Goldfields	0.08	32	16	600	1066	14.8%	7.9%
502	WA Great Southern	1.6	56	46	493	592	15.1%	12.7%
503	WA Kimberley	0.09	12	6	1901	1608	11.4%	6.1%
504	WA Metropolitan East	187.3	937	907	105	114	42.3%	41.5%
505	WA Metropolitan North	708.9	990	1076	222	186	26.1%	27.7%
506	WA Metropolitan South East	256.7	726	1015	121	120	29.9%	37.3%
507	WA Metropolitan South West	208.4	791	757	173	238	23.5%	22.7%
508	WA Mid West	0.11	93	14	607	498	29.5%	5.9%
509	WA Pilbara	0.13	22	1	1215	1380	32.3%	2.1%
510	WA South West	7.3	168	176	324	468	16.1%	16.7%
511	WA Wheatbelt	0.5	238	43	140	251	54.1%	17.5%
601	Tas North Western	5.1	72	71	355	474	5.5%	5.4%
602	Tas Northern	7.2	101	91	461	506	7.4%	6.8%
603	Tas Southern	10.1	84	141	1003	822	3.4%	5.6%
701	NT Alice Springs	0.07	10	11	1472	1165	11.5%	12.7%
702	NT Barkly	0.02	3	1	679	706	51.7%	22.9%
703	NT Darwin	2.0	39	19	2739	1598	16.5%	8.9%
704	NT East Arnhem	0.5	4		927		100.0%	
705	NT Katherine	0.07	11	4	1667	1711	29.3%	13.5%
801	ACT ACT	163.7	314	317	305	304	17.1%	17.2%