Submission

No 20

Outsourcing Community Service Delivery

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Inquiry into Outsourcing Government Community Service Delivery.

Ref LAC12/115

Calvary Home Care Services Ltd t/a Calvary Silver Circle (CSC) is pleased to contribute to this inquiry, outlining its experience with various models of outsourcing in home care and disability services, mostly in other states and territories.

I. Background of Calvary Silver Circle.

CSC commenced in 1991 as Silver Circle, a for profit organisation established by allied health professionals to provide responsive and flexible home care services to all who needed it.

It was acquired in 2006 by Little Company of Mary Health Care Ltd, becoming Calvary Silver Circle, a Catholic not for profit company and the community care arm of a broader health group with public and private hospitals and residential aged care services.

Currently, CSC operates across 4 states and 2 territories, providing 1.1 million hours of service to people in their own homes, through 1900 support workers, 250 office administrative professionals and management staff across 23 sites.

It also manages a flexible aged care service in the Tiwi Islands, a Supported Residential Facility in SA for 14 adults with mental health issues, 2 respite cottages in the Hunter Manning region and 4 houses leased from NT Housing for 12 vulnerable male residents in need of affordable housing.

II. Outsourced services

CSC has considerable and varied experiences with outsourcing of home care and disability services.

1. Exclusive tendering

In Victoria, over its history, CSC has been the successful tenderer with 6 local councils which outsourced their HACC services during the Kennett Compulsory Competitive Tendering initiative in the 1990's. It continues to be the provider for the City of Maroondah's 1200 recipients, providing 91000 hours of service pa.

In this, and most of the other LGA tenders, the council retains the assessment function and CSC provides the service as assessed. CSC staff are required to provide feedback on changes in client circumstances and needs which will prompt a review of the service to be given. Over the 15 years this process has been in place, increased understanding of processes to monitor performance has developed and this involves clear KPIs in the

contract, regular monitoring of processes against these, external reporting on behalf of council(mds), monthly meetings, annual Client Surveys. Tenders are renewed at varying times- eg 3 years with 2 x 2 year options.

The outsourcing of the full service has benefits for clients in that the council/ funder's assessors set clear expectations and the provider must meet these targets or risk losing the tender when it is renewed.

The downside is that if the tender is lost, the employees may lose work or some conditions. Generally, with a change of provider, the incoming provider is keen to employ the existing staff to enable continuity of care for the client and a streamlined transition of the service.

2. Provider panel tendering

CSC has also been successful in tendering to be one of a number of providers to deliver home care and disability services. These have no guarantee of hours and some, such as DVA's Veteran Home Care set the fees they will pay, while others eg Dom Care SA, will consider and accept or reject the fees put forward by the provider.

CSC provides significant services for some of these eg DVA VHC, Dom Care SA, Transport Accident Commission Vic. and small amounts in other areas such as City of Marion Holdfast Bay SA, and Cambelltown City Council in NSW, ADHC attendant care in Riverina/Murray, Mid North Coast and Southern Highlands.

CSC was on the panel to deliver personal care and low level home care to Sydney SW Area Health Service until October 2011 when the AHS determined that all contractors must have vaccinations against infectious diseases. This is not a requirement in any other area CSC operates and provided a further financial and logistical burden on the company for irregular referrals. CSC withdrew from continuing service provision. Where there are specific requirements such as this then it is probably preferable to have fewer providers with more certain services.

Home care is a low margin enterprise, with increasing costs of compliance impacting on it already, eg 3 yearly police checks after the initial one, OH&S annual training, certificate 3 qualifications. It cannot sustain additional costs and monitoring which are not deemed necessary across the rest of the sector and meet current market expectations.

CSC does considerable work for Disability SA. CSC must meet the requirements of the Master Agreement and once satisfied, it can receive funding for service delivery through the state department and can tender for specific programs within it. Recently CSC tendered and was successful to manage 5 cluster homes in Adelaide for adults with ABI - 2 residents per unit. CSC has managed 2 of these units for many years and the state department sought to have one provider for all 5.

In Victoria, CSC, through a tender process, is one of 3 providers in the Hume region, to undertake the Facilitation role with the Dept of Human Services (DHS) in working with people with disabilities to determine what services they require to remain in the community and how best to implement this. This function remains separate from our service delivery function, which the individual may or may not choose to use.

These services are allocated as individualised packages of care (ISP) that the client, or someone on their behalf, manages. At the moment, the client can select from a panel of providers approved by DHS, but special arrangements can be made in some circumstances.

CSC provides over 100 of these packages – sometimes being paid in advance the agreed annual amount for the agreed hours and others, paying as each fortnight's actual services are invoiced.

3. Direct funding

CSC receives direct HACC funding in SA and NT. This has been through the state departments until recently when 2 agreements are now in place, one with the state regarding people with disabilities to age 65 and one with the Commonwealth for those over 65 or classified as aged.

There is discussion regarding expected outputs for the designated funding and there is 6 monthly reporting on activity and reasons for any variances.

In Victoria, DHS refer individual clients to CSC for service provision, sometimes paying in advance the agreed annual amount for the agreed hours and other times, paying as each fortnight's actual services are invoiced.

CSC is also approved to provide attendant care in 3 regions of NSW through Aged, Disability and Home Care. These are irregular referrals given the regions. Additional services through the Supported Living Fund are expected with this new initiative.

With individual referrals, the service continues while the client/carer is satisfied with the service provision and the funding continues.

III. Comment

1. Client Impact

Introducing competition into the sector through outsourcing has been positive in raising the bar of service provision for clients/carers and reducing the complacency which previously existed.

It provides choice for funders and clients.

It ensures that providers are responsive to the service requests received and work to find efficiencies in order to be competitive in future tenders, to retain their clients and their workforce.

Much of CSC's experience has been providing the outsourced service delivery while the funder retains the assessment function. As mentioned earlier this has benefits for the client in that the provider must meet the agreed service regardless of any unexpected barriers which may have arisen in the organisation eg staff shortages. When assessment and delivery are undertaken by the one organisation, an understanding of the organisation's issues may tolerate some slippage in service levels.

It also allows the funder to keep control of the budget and make its preferred decisions when there are budget issues. A risk however, with this arrangement, is that the provider may not

feel that there is enough information in the referral and wish to do a second assessment/introductory visit increasing the intrusion for the client and the cost of the service.

To undertake the full service can be more stimulating for providers who can then be innovative in how they might approach the service delivery to that cohort. eg DVA nursing-assessment and delivery role. CSC has been able to trial the use of telehealth monitoring which has been positive for a number of clients who have responded well to being in control of their health and its monitoring and reduced the need for as many nurse visits. It also allows providers to 'educate' clients on what provides the best outcomes – eg don't elect to have fortnightly domestic assistance on a Monday as there are too many public holiday disruptions, or for high service level clients encourage them to have a small team of workers known to them rather than a single worker, and allows for providers to have a better understanding of which worker to match to the client. Occupational Health and Safety responsibility is another area that needs to be considered when considering outsourcing care as even though the provider has a responsibility to ensure a safe workplace for its staff, the agency requesting the service also has a responsibility and it is important to deal with this in a way that ensures a safe workplace to everyone's satisfaction but minimises intrusion and disruption to the client.

Our Supported Residential Facility in SA works with local mental health team to jointly work with each resident to develop and support their care plan. The same applies with the cluster units in Adelaide.

The community aged care packages from Dept Health & Ageing are managed by the Approved Provider to undertake the assessment and then to either provide the service provision or to broker this to another agency. CSC has 1000 packages in its own right and undertakes both aspects of service, although in most areas, the CSC case managers 'purchase' from a CSC centre as if from another agency as we have found that the separation of service delivery and case management is beneficial for the clients, even internally.

CSC also provides considerable levels of service to other community providers who assess their clients and then purchase/ broker the service delivery from CSC.

Changes in providers can be distressing for clients and carers with the potential change of personnel and routine. From our experience, new providers will usually take on the outgoing staff if suitable to clients and there is mutual good will to minimize client disruption.

2. Staff Impact

While new providers usually take on the outgoing staff, this is not always the case and it may also involve a change and/ reduction in conditions and acknowledgement of years of service. Some staff are distressed by the process and will remain with the existing employer, rebuilding their work hours over time with other work, rather than move to the unknown. Many have their strongest loyalty to their clients and will move to remain with them.

3. *Employer Impact*

Volume of work, length of contract, unit costs and level & costs of reporting/compliance are factors considered when deciding to submit.

Transmission of business was an issue for CSC in its 6th local government tender in Victoria, which was fought and won by the ASU at that time- 1999/2000. Legal and Dept of Health & Ageing advice since indicate transfer of business (FWA terminology) would not now apply in these circumstances.

Redundancy payments are potentially an issue for employers, but this has not been required if the incoming provider takes on the relevant employees or the outgoing provider has other work it can offer its employees.

CSC has found that the best outsourcing relationships have occurred where the arrangements are established as expected outcomes rather than as tightly defined work practices. The latter encourages a master-servant relationship whereas the former encourages a spirit of partnership and allows for more initiative and improved ways of meeting the needs of those we serve.

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