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To whom it may concern

RE: Consultation on Star Ratings

The Aged and Community Care Providers Association (ACCPA) welcomes the evaluation of the Star Ratings system, and appreciates the opportunity to make a submission to the consultation process.

ACCPA is the national Industry Association for 1,100 aged care providers who offer retirement living, seniors housing, residential care, home care, community care and related services. We work to unite aged care providers under a shared vision to enhance the wellbeing of older Australians through a high performing, trusted and sustainable aged care sector.

We note that the Australian Government introduced Star Ratings in December 2022 in response to recommendation 24 of the Royal Commission into Aged Care Quality and Safety (Royal Commission). The Royal Commission recommended the development of a Star Ratings system and publication of performance data on My Aged Care to 'allow older people and their families to make meaningful comparisons of the quality and safety performance of services and providers.'¹

ACCPA supports transparency and recognises the importance of older people and their representatives having access to the necessary information to make informed care decisions. Star Ratings also have the potential to provide information to providers about service performance and encourage continuous improvement. In this regard, we are pleased to see that there has been a 15% improvement in the number of aged care homes with 4 or 5 stars since Star Ratings were introduced in December 2022.²

However the Star Ratings system in its current form has several significant limitations which need to be addressed for it to be more effective. Despite its primary purpose being to facilitate consumer choice, aged care providers report that very few prospective residents and/or representatives appear to be aware of and/or using Star Ratings to inform their care decisions. The way Star Ratings data is presented on the My Aged Care website also makes it difficult for consumers to access and understand the data, as it lacks the contextual information needed. ACCPA also has concerns that the methodology used to generate Star Ratings for certain subcategories unfairly disadvantages particular types of providers. Negative media coverage and technical issues have also reduced confidence in the Star Ratings system.

¹ Royal Commission into Aged Care Quality and Safety, 2021, *Final Report Volume 1*, p.225,

<https://www.royalcommission.gov.au/system/files/2021-03/final-report-recommendations.pdf>

² The Hon Anika Wells MP, 2023, *One-year on – Star Ratings highlights improved aged care*, media release, 19 December 2023, <https://www.health.gov.au/ministers/the-hon-anika-wells-mp/media/one-year-on-star-ratings-highlights-improved-aged-care#:~:text=The%20Hon%20Anika%20Wells%20MP,-Minister%20for%20Aged&text=Within%2012%20months%2C%20the%20number,a%2015%20per%20cent%20improvement.>

Our recommendations regarding the evaluation are:

1. That the Department of Health and Aged Care (the Department) reviews how Star Ratings data is presented on the My Aged Care website to assess its accessibility and makes the changes necessary to make it more user friendly for older people.
2. That the Department updates the My Aged Care website to provide the contextual information needed to help consumers understand and interpret Star Ratings data.
3. That the Department updates the methodology used to calculate Staffing Star Ratings, so that the ratings reflect an aged care home's Staffing performance in the last quarter rather than their performance two quarters ago.
4. That the Department reevaluates how the restrictive practices quality indicator informs the Quality Measures rating, in order to better reflect that there are some circumstances in which restrictive practices may be appropriate.
5. That polypharmacy should not inform the Quality Measures Star Rating.
6. That the Department refines the methodology used to collect residents experience data to ensure it does not impose an undue burden on residents and that Residents Experience Star Ratings are current, accurate and comparable.
7. That the Department updates the format of Residents' Experience Star Ratings webpages to identify how many residents were surveyed at each aged care home to enable consumers to draw more meaningful conclusions.
8. That the Department undertakes a campaign to increase community awareness and understanding of the Star Ratings system.
9. That the Department undertakes an independent technical review of the Star Ratings system.

Each recommendation is discussed in more detail below.

R1. That the Department of Health and Aged Care (the Department) reviews how Star Ratings data is presented on the My Aged Care website to assess its accessibility and make the changes necessary to make it more user friendly for older people.

One of the main aims of the Star Ratings system is to provide performance information about aged care homes to enable people seeking care to make informed decisions. Despite this, many ACCPA members report that very few prospective residents and their family members rely on Star Ratings. This is particularly the case in rural, regional and remote areas, where consumers often have less aged care homes to choose from. When making decisions about care, factors such as location, cost and the amenities or 'feel' of a facility are often the most influential. This raises questions about whether the Star Ratings system is a useful tool for consumers if it does not provide information about what is most important to them when making decisions about their care. Given that Star Ratings data is published on the My Aged Care website, lack of digital literacy and/or access to technology may be a barrier preventing some older people from using Star Ratings data.

The design of the My Aged Care website itself may also be a contributing factor, with reports that Star Ratings data is not easy for consumers to find, navigate or understand. Overall Star Ratings data, plus Star Ratings for each subcategory, is featured at the top of the webpage for each aged care home. No explanatory information is provided on these webpages about the Star Ratings system or how this data should be used or interpreted by consumers, however there is a hyperlink below it which states 'Learn how this is calculated' which directs users to another webpage called 'Quality in aged care' with information about how Star Ratings are calculated, what Star Ratings mean and why

a home may not have a rating, among other topics. Simple changes, such as using more direct language and more accurately reflecting the topic of the information available (e.g. 'Click here to learn more about the Star Ratings system'), may result in more users accessing important explanatory information. We also recommend that the information about the Star Ratings of each home should be accompanied by a hyperlink not only to the 'Quality in aged care' webpage, but also any other key resources which may help consumers understand Star Ratings data. For example, the Department's ['Frequently Asked Questions for older people in care and going into care' factsheet](#) on Star Ratings.

R2. That the Department updates the My Aged Care website to provide the contextual information needed to help consumers understand and interpret Star Ratings data.

Another major limitation of the way in which Star Ratings data is currently presented is that important contextual information to help consumers understand and interpret the data is not provided. For example, the webpage which shows an aged care home's overall Star Rating and Star Ratings for each subcategory does not show how this compares to the national average. Further, no contextual information is provided which may help consumers understand Star Ratings data and to what extent the results of different homes are comparable. For example, an aged care home in a remote area may have a poor Staffing Star Rating compared to a home in a metropolitan area because they are being impacted by workforce shortages. Without the appropriate contextual information, there is a risk that consumers may draw inaccurate conclusions.

There are several ways that contextual information could be provided to support consumers to understand and interpret Star Ratings data. For example, aged care providers could be given the option of including a provider statement on My Aged Care which provides contextual information that may have impacted their facility's Star Ratings. This would give providers the opportunity to supply information about the local context of the facility, which would encourage further transparency and access to information for consumers – including a reference to systemic workforce challenges in a regional area. Alternatively, the Department could develop a guidance resource to help consumers understand Star Ratings data and include a hyperlink to this on all My Aged Care webpages with Star Ratings data. This resource would identify contextual factors which may impact an aged care home's Staffing, Compliance, Quality Measures and Residents Experience Star Ratings. This would enable consumers to consider whether any of factors may be relevant to the aged care home/s they are considering and/or to help identify questions a consumer may want to ask a provider about.

R3. That the Department updates the methodology used to calculate Staffing Star Ratings, so that the ratings reflect an aged care home's Staffing performance in the last quarter rather than their performance two quarters ago.

An aged care home's Staffing Star Rating is calculated based on the total amount of nursing and personal care time provided by a registered nurse (RN), Enrolled Nurse (EN) and personal care workers, as well as the amount of care time delivered by a Registered Nurse. However notably it reflects an aged care home's performance two quarters ago, rather than the previous quarter. The explanation for this lag provided in the *Star Ratings Provider Manual* is that, 'It takes approximately 3–5 months for submitted QFR care minutes and costs data sets to be available for calculation in Star Ratings. This allows time for submission, data validation by the Department and where necessary,

opportunity for providers to review and re-submit data to correct omissions or errors.’³ ACCPA acknowledges the importance of these processes occurring prior to reliance on and/or publication of such data. However the effect of the amount of time currently taken for these processes to occur is that Staffing Star Ratings are based on out of date data. This means that by the time a consumer uses Star Ratings data to inform their decision-making, a home’s Staffing performance may have changed significantly – for better or worse. The Department should address this issue by exploring opportunities to streamline its data collection, validation and publication processes so that Staffing data becomes available for calculation of Star Ratings sooner.

Given the transparency function of Star Ratings, it is also highly concerning that this time lag is not clearly communicated on the My Aged Care website. Staffing Star Ratings data is presented with accompanying text which implies the data is more recent (e.g. How much care did residents receive on average *last quarter*? How much care did residents receive on average *last quarter*?). ACCPA has provided feedback to the Department about this issue and we understand that the wording used on the My Aged Care website will be rectified in the coming months to more accurately describe the time period the data relates to. Nevertheless, it is concerning that data has been and, at this stage continue to be, presented in this misleading way since Star Ratings were introduced in December 2022.

Another significant issue with the Staffing Star Rating relates to funding and financial viability. While most consumers are likely to prefer an aged care home with a 4 or 5 Star Rating for Staffing, aged care providers are only funded to provide the level of staffing required to achieve a 3 Star Rating. This means that for an aged care home to achieve a 4 or 5 Star Rating, the provider would need to be supplying workforce over and above what they are funded to do which contributes to financial hardship. Recent research by the UTS Ageing Research Collaborative provided evidence of this, finding that that each incremental increase in Staffing Star Rating is associated with poorer financial outcomes.⁴ Performing well in the Star Ratings system should not require or incentivise providers to risk their financial position. It is therefore critical that aged care homes are adequately funded to deliver the standard of care expected by consumers to ensure the sustainability of the sector and that the star rating is reflective of this.

R4. That the Department reevaluates how the restrictive practices quality indicator informs the Quality Measures rating, in order to better reflect that there are some circumstances in which restrictive practices may be appropriate.

The Quality Measures Star Rating is informed by five of the quality indicators which residential aged care providers must report on as part of the National Aged Care Mandatory Quality Indicator Program (QI Program). The QI Program defines a restrictive practice as any action which restricts a person’s rights or freedom of movement. As such, restrictive practices can include seclusion or environmental, mechanical, physical and/or chemical restraints. Notably this differs from the

³ Department of Health and Aged Care, 2024, *Star Ratings Provider Manual: Manual 2.0*, <https://www.health.gov.au/sites/default/files/2024-05/star-ratings-provider-manual.pdf>

⁴ Sutton, N., Ma, N., Yang, J.S., Lewis, R., Woods, M., Tsihlis, E., Lin, J., Parker, D., 2023, *Australia’s Aged Care Sector: Full-Year Report (2022–23)*, UTS Ageing Research Collaborative, p.67, <https://opus.lib.uts.edu.au/bitstream/10453/173661/2/Australia%27s%20Aged%20Care%20Sector%3a%20Full-Year%20Report%20%282022-23%29.pdf>.

approach in the United States, where there is a physical restraint indicator for the percentage of long-stay residents who were physically restrained on a daily basis during a seven day look-back.⁵

While ACCPA recognises the potential harmful outcomes of continued use of restrictive practices, it is also important to acknowledge that there are some circumstances where they may be appropriate to prevent harm to an older person, their carers or other residents. This is reflected in the '[Quality Measures in aged care](#)' page of the My Aged Care website, which includes an explanation of when restrictive practices should be used and the steps aged care homes must take before doing so.

However this nuance is not reflected in the algorithm which is currently used to calculate Quality Measures Star Ratings, with the My Aged Care website simply publishing the percentage of residents in an aged care home who are subject to restrictive practices. This means that services with a high proportion of residents who may need restrictive practices to prevent harm (and whose representatives have consented to this) will score poorly against this indicator. Conversely, a service which uses restrictive practices inappropriately, but for a smaller proportion of their residents, would perform better against this indicator.

This limitation of the current algorithm significantly disadvantages aged care services with secure dementia units, which are considered a form of environmental restraint. This is resulting in aged care services scoring poorly on the Quality Measures Star Rating, which in turn lowers their overall Star Rating. Issues such as this act as a disincentive for providers admitting residents with complex needs, who require a secure unit due to the potential implications of this on their Star Ratings.

This issue needs to be addressed to ensure older people with dementia can continue to access high quality care that meets their needs. One option for achieving this could be to exclude environmental restraint from the definition of restrictive practices for the purposes of the quality indicator, until a longer-term solution can be found.

R5. That polypharmacy should not inform the Quality Measures Star Rating.

The medication management quality indicator, which currently informs the Quality Measures Star Rating, measures the incidence of polypharmacy and the use of antipsychotic medication. ACCPA does not believe that polypharmacy should be considered as part of Quality Measures Star Rating, as aged care providers do not have control over what general practitioners and other specialists prescribe. We also note that many older people who live in aged care homes have complex needs and co-morbidities. As such, the proportion of residents being prescribed nine or more medications is likely to reflect the complexity of the needs of the residents in a home, rather than being an indicator of quality of care. This means that aged care homes who take on complex residents are likely to have a higher incidence of polypharmacy, and are therefore disadvantaged under the current Star Ratings system.

R6. That the Department refines the methodology used to collect residents experience data to ensure it does not impose an undue burden on residents and that Residents Experience Star Ratings are current, accurate and comparable.

ACCPA members have also expressed concern about the methodology used to collect data to inform Residents Experience Star Ratings. Residents Experience Star Ratings are based on annual Residents

⁵ The Registry of Senior Australians (ROSA) Research Team, 2020, *International and National Quality and Safety Indicators for Aged Care: Report for the Royal Commission into Aged Care Quality and Safety*, p.64, https://www.palliated.com.au/Portals/5/Documents/Australian_Context/research_paper_8_-_international_and_national_quality_and_safety_indicators_for_aged_care.pdf

Experience interviews conducted by an independent third party with 10% of residents at each aged care home. In certain circumstances, a resident's representative may instead be asked to complete a survey on a resident's behalf. Such circumstances may include if a resident is unable to speak, has a cognitive impairment which makes them unable to participate or if the older person does not speak English.⁶

Providers have expressed concern that Residents Experience interviews are being conducted with residents with dementia or other forms of cognitive impairment who do not have the capacity to fully understand and participate. This raises questions about whether the data being collected from such residents is accurate and meaningful, as well as the extent to which those conducting the interviews are appropriately trained to identify whether older people have capacity. As noted above, if a resident is identified as being unable to participate in an interview, a representative for the resident may be asked to complete a survey on their behalf. It is therefore important that research is undertaken to understand how representatives' survey responses compare to those of residents and, if a difference is identified, that appropriate adjustments are made to the weightings. This is necessary to ensure that all Residents Experience Star Ratings data is comparable, irrespective of the proportion of interviews completed by residents or their representatives.

Providers also report that residents and their representatives are experiencing survey fatigue. Many residents are frustrated about being regularly asked to provide feedback on similar topics. For example, in addition to participating in Residents Experience interviews, all residents are required to complete quarterly surveys about their quality of life and consumer experience for the QI Program. These data collection exercises are also time consuming for providers, and take team members away from delivering direct care to residents. While ACCPA recognises the importance of collecting accurate and timely data on the experience of residents, the Department should explore opportunities to streamline how and when this information is collected to reduce the burden on residents.

Providers have also expressed concerns about Residents Experience Star Ratings data on My Aged Care being out of date. As Residents Experience interviews are only conducted annually, this means the data can be up to 12 months old. As such, a provider who has put significant effort into improving their Residents Experience Star Rating will not see any improvements reflected in their Star Rating for up to a year.

R7. That the Department updates the format of Residents' Experience Star Ratings webpages to identify how many residents were surveyed at each aged care home to enable consumers to draw more meaningful conclusions.

Another limitation of the Residents' Experience Star Ratings data is that the My Aged Care website does not indicate how many residents were interviewed at an aged care home. The My Aged Care website only includes a summary of Residents Experience results which shows the proportion of residents at an aged care home who responded to interview questions with Always, Most of the Time, Some of the Time or Never. However, the number of residents interviewed is not specified – despite the fact that this context is necessary for consumers to properly understand, interpret and compare data. For example, in a small aged care home, one resident's experience (which is not

⁶ Department of Health and Aged Care, *Taking part in the Residents' Experience Survey*, accessed 13 June 2024, <https://www.health.gov.au/our-work/residents-experience-survey/taking-part?language=en>

representative of the broader experience) can skew results. We therefore recommend the Department take a different approach to measuring consumer experience in smaller facilities.

Regardless, given that the sample size may differ significantly depending on the number for residents at a particular aged care home, the number of residents interviewed should be stated on the My Aged Care website.

R8. That the Department undertakes a campaign to increase community awareness and understanding of the Star Ratings system.

Technical issues and negative media coverage have significantly undermined both the public and the aged care sector's confidence in the Star Ratings system. For example, in December 2023 the Department informed aged care providers of a data transmission between Services Australia and the Department. This resulted in the care minutes targets published on the Department's website for some aged care services being out by a small margin and also affected the Star Ratings of some services.

Negative media coverage about the Star Ratings system has also significantly undermined the public's confidence in the accuracy and usefulness of Star Ratings data. For example, a recent report which found 'no evidence to suggest the Star Rating system achieved its stated objectives of being clear, transparent or effectively driving improvement'⁷ was picked up by several prominent news publications earlier this year.⁸ Such reporting clearly demonstrates the need to educate the community about the Star Ratings system, in order to increase understanding and awareness of Star Ratings, as well as to counteract misinformation.

R9. That the Department undertakes an independent technical review of the Star Ratings system.

Analysis by Bolton Clarke suggests that while the current Star Ratings may be useful for understanding sector performance, further work is needed to improve validity before Star Ratings can be used to compare individual aged care homes. ACCPA therefore recommends that, as a priority, the Department undertakes an independent technical review to refine the Star Ratings methodology.

In summary, while Star Ratings have the potential to be a useful tool to enable informed decision-making by consumers and their representatives, there are a number of issues with the current system which need to be addressed for the Star Ratings system to be effective. These include improving the way Star Ratings data is presented on My Aged Care, refining the current methodology and increasing awareness and understanding of the Star Ratings system.

⁷ Jilek, R. 2023, *The Failure of the Aged Care Star Rating System – A Discussion Paper*, Aged Care Consulting and Advisory Services Australasia, <https://onedrive.live.com/view.aspx?resid=F304A3C0AC4DEFB6!50626&authkey=!ANeVqmd4rW9qtz8>

⁸ See, for example, Lane, R., 2024, 'Why some five-star aged care homes are the worst in the country', 16 June, *Sydney Morning Herald*, <https://www.smh.com.au/money/super-and-retirement/why-some-five-star-aged-care-homes-are-the-worst-in-the-country-20240116-p5exo4.html> and Belot, H., 2024, 'Five stars awarded to Australian aged care homes failing safety and care standards', 19 January, *The Guardian*, <https://www.theguardian.com/australia-news/2024/jan/19/five-stars-awarded-to-australian-aged-care-homes-failing-safety-and-care-standards>

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Thank you again for the opportunity to provide feedback to inform the Star Ratings evaluation. If you have any questions or would like to discuss this submission, please contact Anne Liddell, Head of Policy at anne.liddell@accpa.asn.au.

Yours sincerely

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