



Operational efficiency: Planning for financial sustainability

Webinar | 29 June 2023



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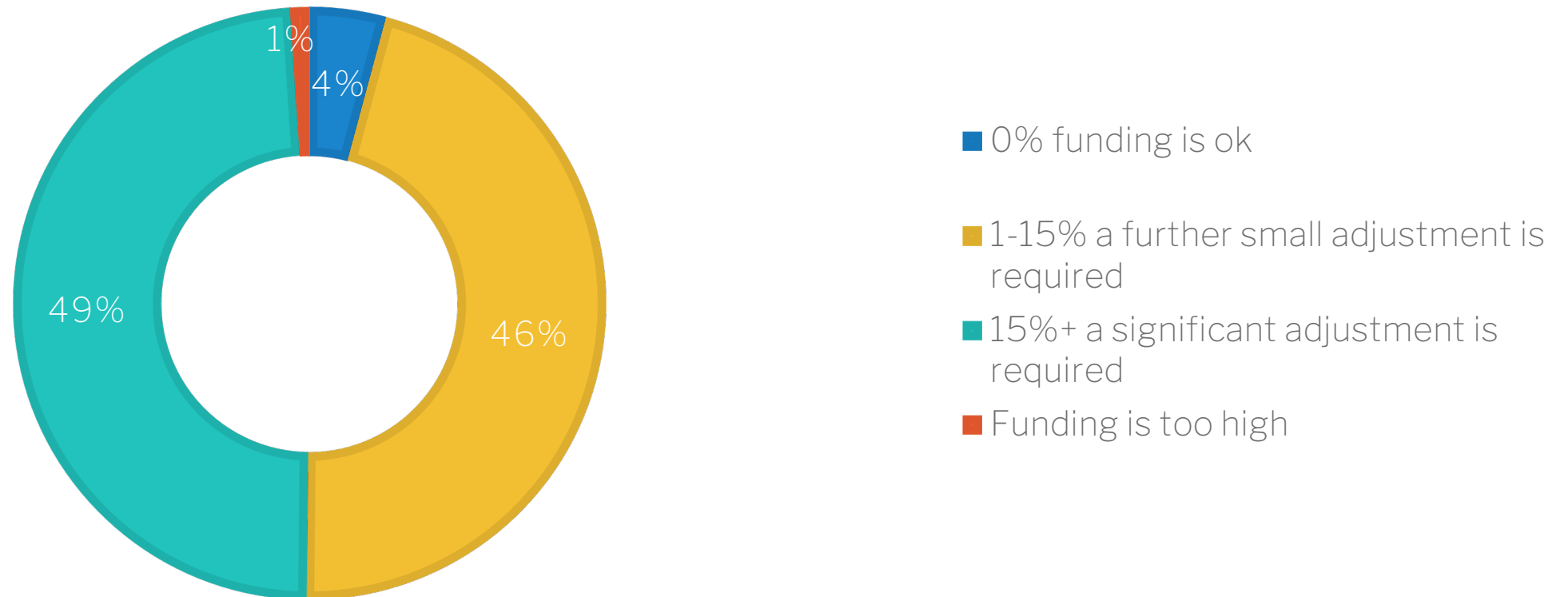
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Agenda

1. Welcome
2. Survey findings
3. Data insights
4. Let's hear from the panel
5. Some key take aways
6. More from the panel
7. Close

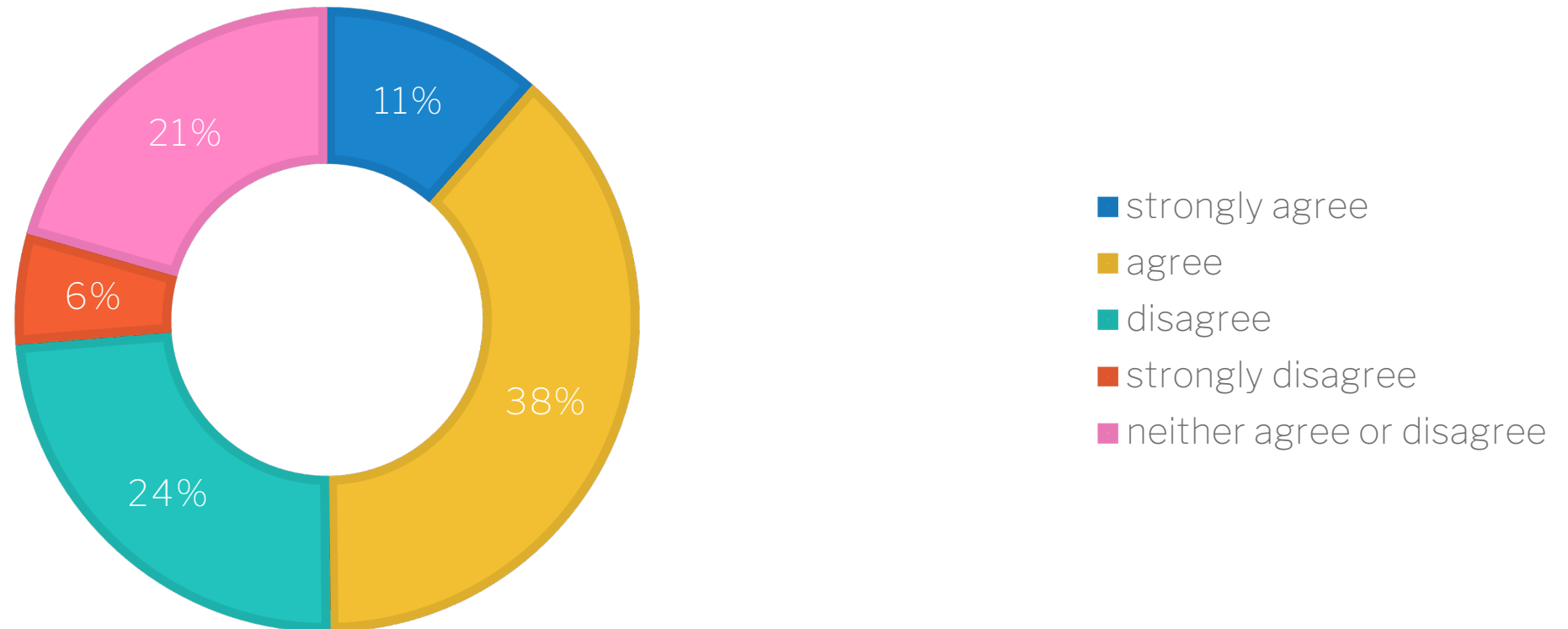


How far off fair funding do you think we are?



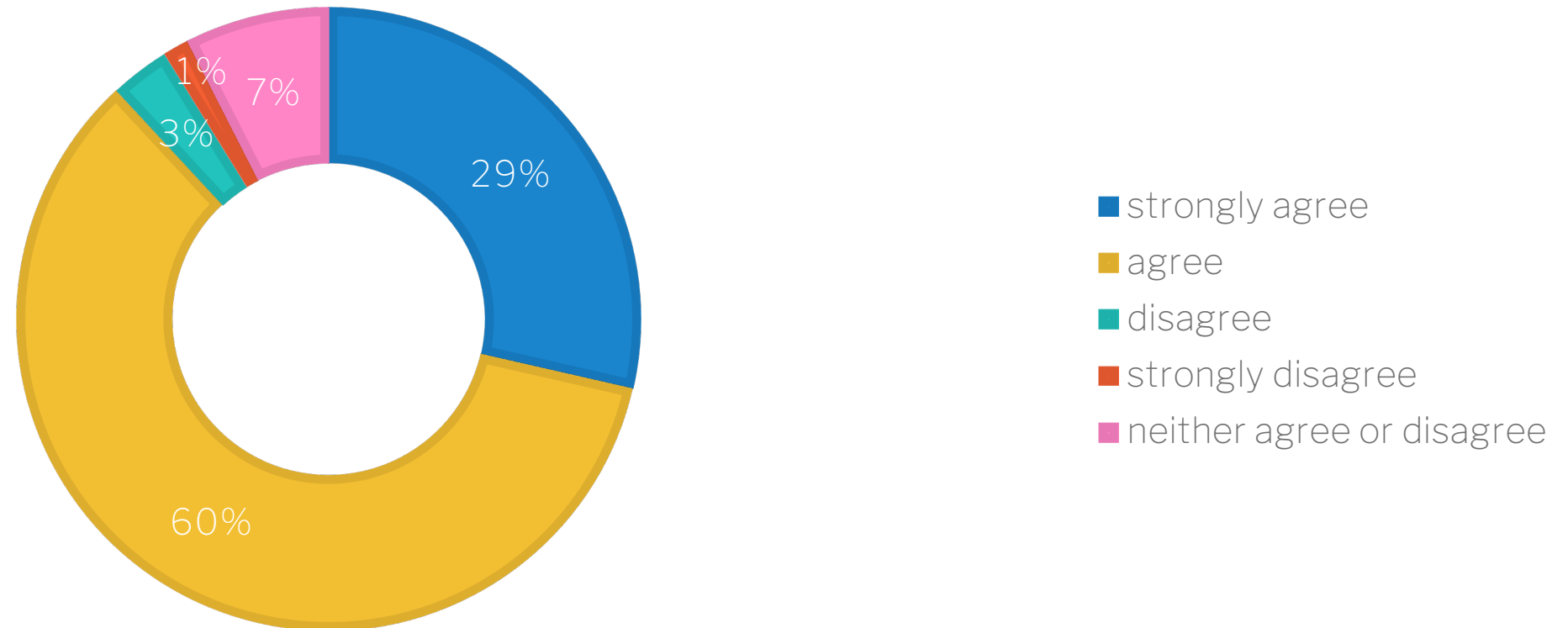
Represents 287 responses

Care funding is adequate if there is more opportunity to include greater “user pays” revenue from accommodation and services.



Represents 297 responses

My business will continue to go through significant transformation to increase financial sustainability.

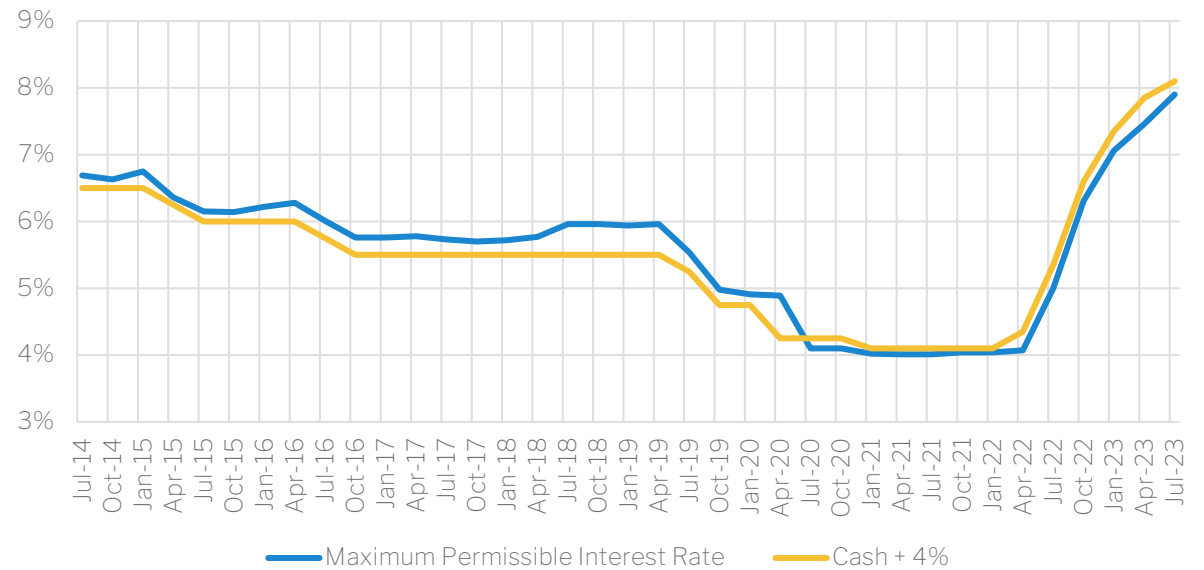
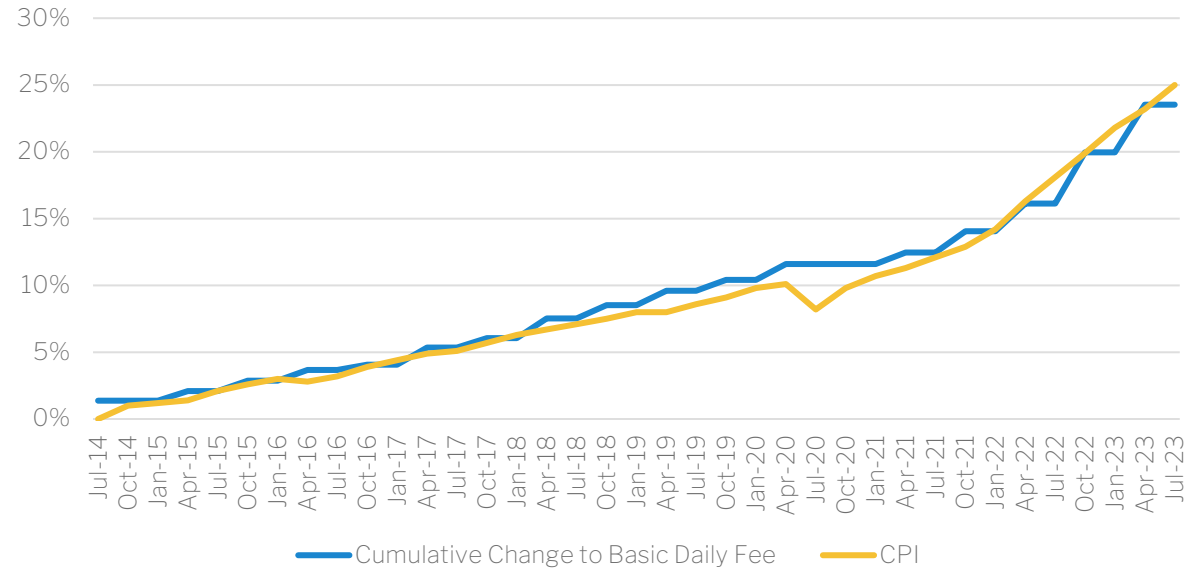


Represents 294 responses

Payment Infrastructure

The Basic Daily Fee is equivalent to 85 percent of the standard full aged pension (\$58.98 a day at present). Like the aged pension, it is indexed therefore keeps pace with CPI.

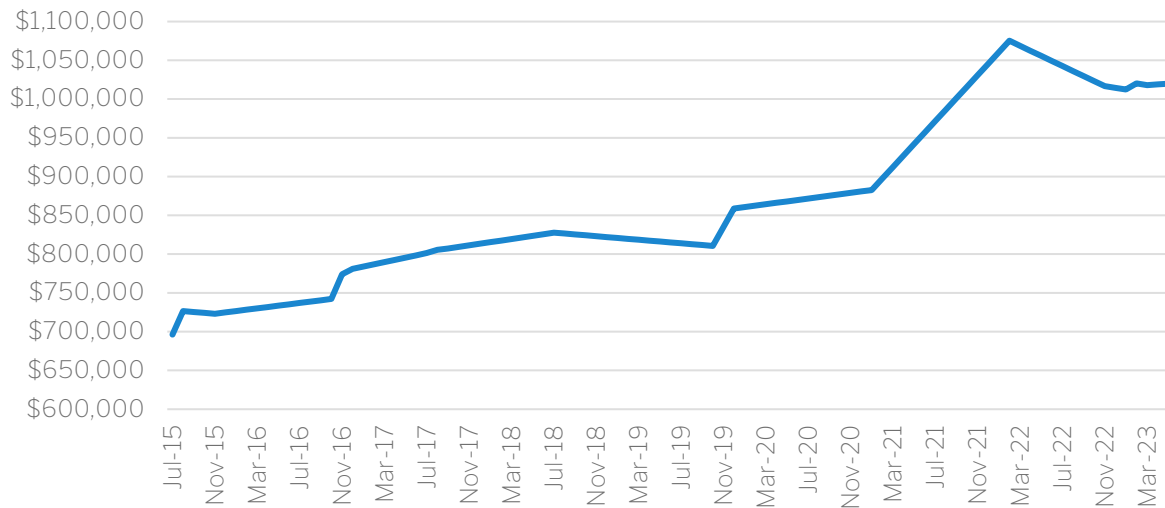
The MPIR approximates the cost of capital for an aged care provider, the rate they would have to pay to borrow money. When LLLB was introduced in 2014, interest rates were near historic lows. Interest rates reduced even further because of the pandemic and are now rapidly increasing due to inflationary pressure. This means the system for calculating Daily Accommodation Payments has significant inherent potential volatility.



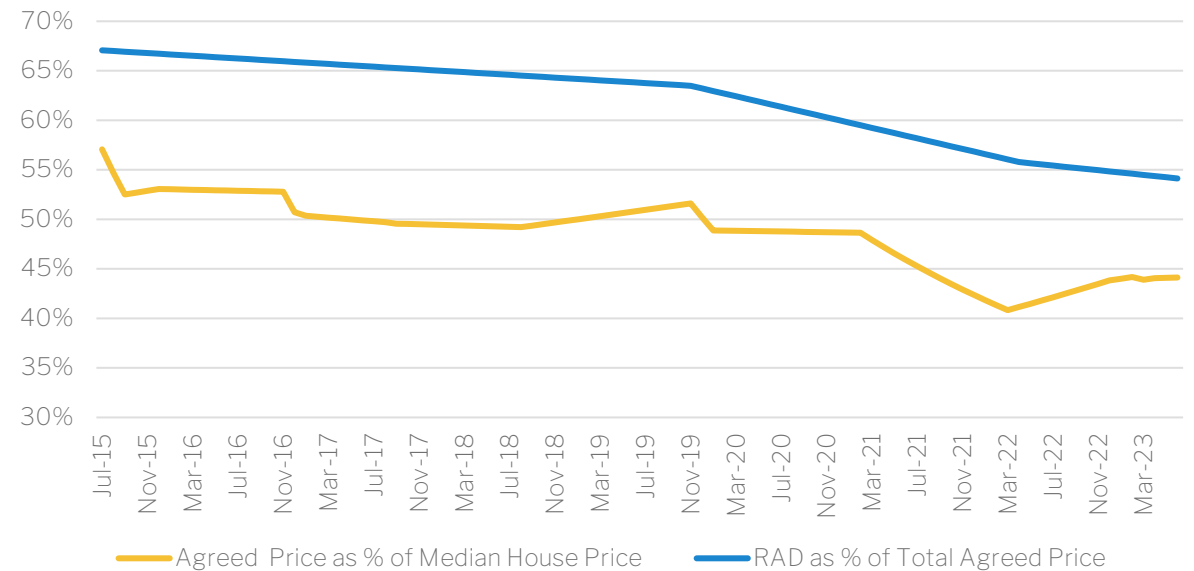
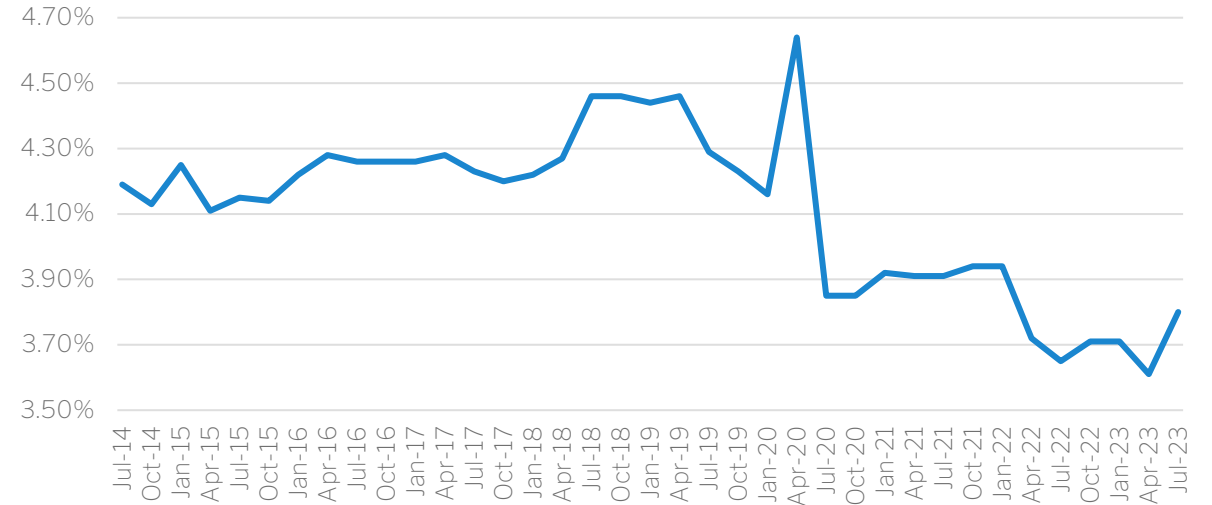
Market Operations

From 2015 the median house price has increased over 50%. Over the same period the agreed room price has increased 18%. Combined with low interest rates, DAPs became more attractive and caused the industry RAD/DAP ratio to decline 13% to the current balance around 54%.

Median House Price



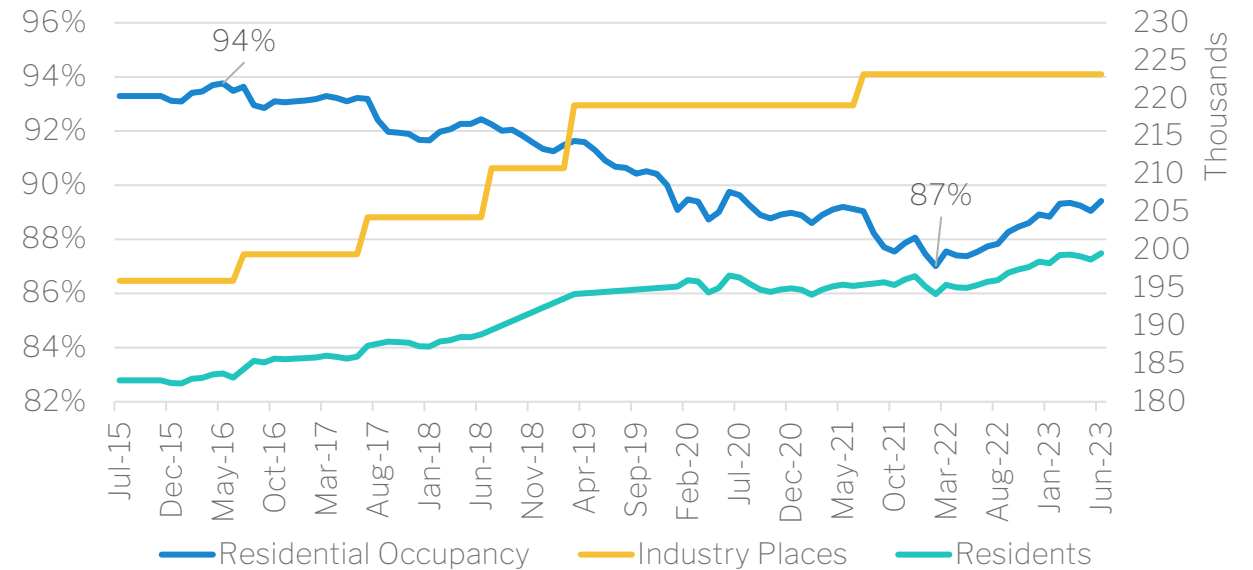
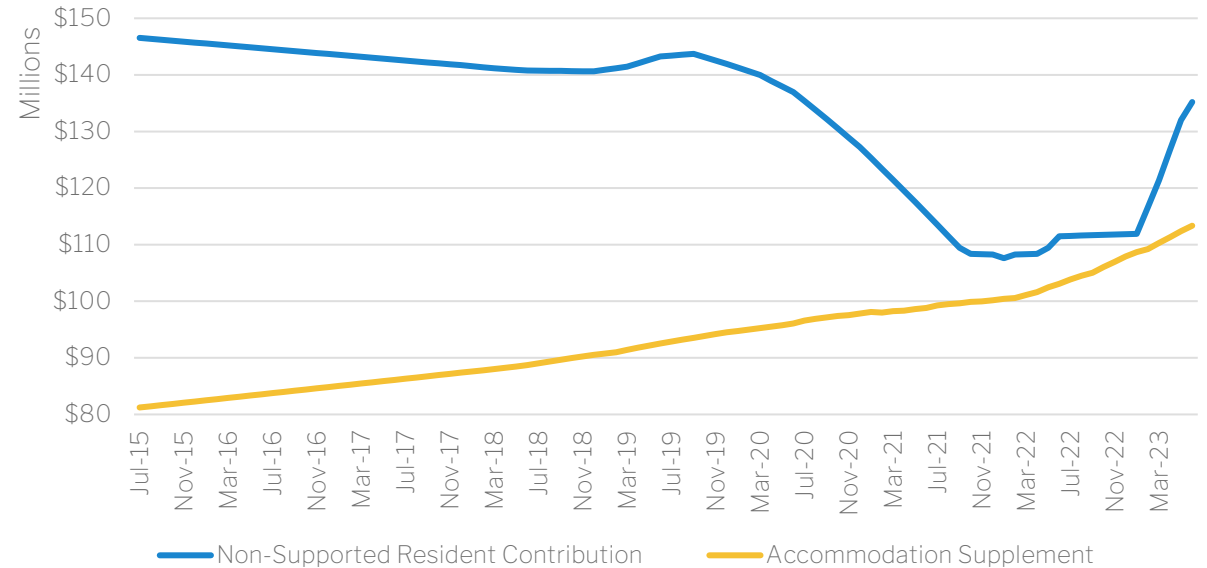
Difference Between MPIR & Cash



Financial Stability

Because interest rates became so low accommodation payments also got lower, but the cost of living kept increasing.

Occupancy declined steadily from 2016 to 2022 as a result of new bed licences being issued regularly during that period. However, the total number of residents in care increased consistently apart from a slow down during the pandemic. Despite there being more residents and an increase in agreed prices, in eight years the non-supported accommodation revenue for the industry has decreased by 8%.



Meet the panel



Saviour Buhagiar
Director Seniors Services at
Uniting NSW.ACT



Greg Muddle
Chief Financial Officer at
Anglicare Sydney

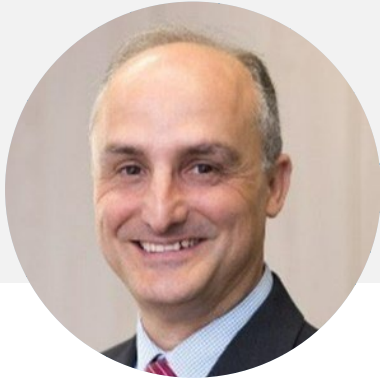


Allen Candy
Chief Executive Officer at Life
Care

How to ensure quality care while maintaining financial viability

- ❑ Improved reporting at a management level to provide oversight on daily funding and care minutes, including forecasting your 1 July (new price) and 1 October (new care minute levels) changes.
- ❑ Improved systems and data capability at a resident level to support decision making for your funding team on reclassification potential (An AN-ACC management system).
- ❑ Embedding a new process for reviewing all residents for potential changes in AN-ACC on a minimum 2-3 monthly basis.
- ❑ Efficient care minute reporting for quarterly financial reporting (QFR) process and working on the ability to forecast your position within the quarter.
- ❑ A review of the efficiency of your rosters and what is the optimal (normal) operating balance between funding and care minutes for each facility.
- ❑ An efficient rostering process (system) with costed rosters and shift offers to allow you to make real time decisions on cost and availability of staff to avoid agency as much as possible.
- ❑ A review process on the new quality indicators (currently in first quarter of data collection) and planning beginning on the new standards and impact on your operations
- ❑ An understanding of your Star Ratings and how each element is affected by the above initiatives, what your overall strategy is and how you can make short term improvements to your ratings.

More from the panel



Saviour Buhagiar
Director Seniors Services at
Uniting NSW/ACT



Greg Muddle
Chief Financial Officer at
Anglicare Sydney



Allen Candy
Chief Executive Officer at Life
Care



Questions from the chat



Budget reforecast report



Free analysis on the impact of the changing AN-ACC price and care minutes. A tailored report will detail your organisation's:

- AN-ACC class distribution across your resident cohort compared to industry average
- Average Daily Subsidy (ADS) compared to industry average
- Total case mix compared to industry average
- Cost and margin assumptions based on staffing requirements over total subsidy
- Scorecard comparison of your facilities against ADS, case mix and margin.

Scan the code to request your report.



Need more help?



We can support you to give you confidence that your AN-ACC processes are on track.

Over an intensive 3-month program, an analysis of each facility gives you:

- Accurate classifications and an understanding of your potential revenue change
- Optimisation of your care minutes and an understanding of the impact on your rosters
- Education for your teams on assessment processes
- An understanding of how you can maintain your key AN-ACC processes across your organisation.

Scan the code to speak to one of our team.



Our next webinar



The FY24 Preview

The key changes and requirements ahead and how to successfully navigate through them

Thursday 27 July

12pm – 1pm AEST

www.mirusaustralia.com/the-fy24-preview

Check your inbox for details or scan the code to register now



Contact us



Andrew Farmer
Partner

andrew.farmer@mirus.group



Tyler Fisher
Data Scientist

tyler.fisher@mirus.group



1300 738 145 | info@mirusaustralia.com
mirusaustralia.com