

12 December 2024

To whom it may concern

RE: Consultation on Star Ratings design changes

The Aged & Community Care Providers Association (ACCPA) appreciates the opportunity to provide feedback on the proposed design changes for the Star Ratings system.

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.

As noted in our submission to the recent evaluation of Star Ratings,¹ we recognise the importance of older people and their representatives accessing information to inform care decisions. We also recognise that Star Ratings have the potential to provide information about service performance and encourage continuous improvement. ACCPA notes that the methodology currently used to generate Star Ratings requires refinement to ensure the information it provides is current, relevant and meaningful for consumers. It is also critical that the methodology does not unfairly disadvantage certain types of services.

Given the above, we are pleased that the Department of Health and Aged Care (Department) is reviewing the Star Ratings methodology. This submission provides ACCPA's feedback on the proposed design changes, with reference to the questions included in the Department's [Consultation Paper](#).

Our recommendations are as follows:

1. Compliance ratings should be updated regularly to ensure they reflect an aged care home's current compliance status.
2. That the Department should not incorporate the 24/7 registered nurse (RN) requirement into the Staffing rating design until the RN shortage affecting the aged care sector has been addressed.
3. That the Department re-evaluates how the restrictive practices quality indicator informs the Quality Measures rating.
4. That the Department publishes the findings of the recent evaluation of Star Ratings and its response to its recommendations.
5. That the Department consults on design changes to the other two Star Ratings subcategories, Residents' Experience and Quality Measures, which should be informed by the findings of the recent evaluation of Star Ratings.

¹ [ACCPA Submission to the Star Ratings Evaluation Consultation](#)

Compliance rating

The *Consultation Paper* outlines proposed changes to the Compliance rating, including changing the design of the Compliance rating to include graded assessments against the strengthened Aged Care Quality Standards. ACCPA recognises the need for the Compliance rating to align with the new regulatory model, which is due to come into effect from 1 July 2024. We also note that this change is in line with the Royal Commission into Aged Care Quality and Safety's recommendation that graded assessment of service performance against Standards should be incorporated into Star Ratings.²

Under the proposed changes, an aged care home's Compliance rating will be informed by whether the provider has had any regulatory notices and a home's conformance with the strengthened standards. The *Consultation Paper* asks whether it is appropriate for the exceeding grade to still be displayed on My Aged Care for an aged care home if it has received a formal regulatory notice. In a recent survey of our members, providers expressed mixed views on this. Some believed that the display of the exceeding grade should not continue in these circumstances, as it could cause confusion for consumers. Others felt that whether it was appropriate would depend on the circumstances. For example, if the regulatory notice did not concern a matter related to care quality, then it should not affect whether the exceeding grade is displayed.

R1: Compliance ratings should be updated regularly to ensure they reflect an aged care home's current compliance status.

ACCPA members expressed strong support for enabling an aged care home to return to their previous rating immediately once non-compliance has been resolved or, at minimum, reducing delay timeframes. Delays of 1-3 years to return to a previous Compliance rating mean that an aged care home could have a Compliance rating which does not reflect their current compliance status and (instead) their non-compliance from up to three years ago. This is misleading for consumers who expect Star Ratings to be current and comparable. Delayed timeframes, limiting an aged care home's Compliance rating, are also disheartening for services and their employees – who have gone to great effort to quickly and effectively resolve non-compliance. We recommend that Compliance ratings are updated regularly to reflect currency.

Members had mixed views on whether a regulatory notice issued by the System Governor should impact the Compliance rating the same way regulatory notices issued by the Commission do. Some providers were of the view that regulatory notices are relevant to compliance - irrespective of who they are issued by. Others felt that it would depend on the circumstances. For example, the extent or nature of the issue which has resulted in a regulatory notice being issued (e.g. whether there has been deliberate and sustained non-compliance or whether non-compliance was due to a one-off technical or human error). An alternative approach could be to publish information about any regulatory notices issued by the System Governor alongside Compliance rating information,

² [Aged Care Royal Commission Final Report: Recommendations](#)

without it impacting the Compliance rating itself. This would be similar to the changes to restrictive practices proposed in the *Consultation Paper*, where information about environmental restraint is published alongside the compliance rating.

Staffing rating

The *Consultation Paper* states that from 1 October 2025, aged care homes will only be able to achieve a Staffing rating of 3 or more stars if they have met both their mandatory care minute targets. We do not support this change, as it is not sufficiently nuanced to accurately reflect the level of care being delivered. For example, applying the proposed Staffing rating design (*Consultation Paper*, p.24), an aged care home which exceeded its RN care minutes significantly but was 1% away from meeting its total care minutes targets would receive a Staffing rating of 2. A home significantly below both its total care minutes and RN care minutes targets would also receive a Staffing rating of 2. While both homes would have a Staffing rating of 2 stars, the former home is exceeding its RN minutes and is 99% compliant with its total care minutes. As such, the proposed changes would not result in the Staffing rating providing meaningful data for consumers about the level of care being provided.

Table 1. Hypothetical aged care homes' Staffing ratings under the proposed Staffing rating design

	Total care minutes	RN care minutes	Staffing rating
<i>Aged care home 1</i>	99%	130%	2
<i>Aged care home 2</i>	20%	76%	2
<i>Aged care home 3</i>	114%	99%	2
<i>Aged care home 4</i>	30%	140%	2

Capping the Staffing rating to 2 stars for services which have not met both their total care minutes and RN care minutes targets would also unfairly disadvantage services in Modified Monash Model (MMM) 2-4 areas. Such services find it challenging to meet their care minutes targets. This is because although services in these locations are significantly impacted by workforce shortages, they are not eligible for some of the additional funding and support available to services in MMM 5-7. Many services in these areas report having difficulty recruiting sufficient permanent staff to meet their targets, and consequently incurring high staffing costs because of having to use agency staff. Where services are unable to meet their care minute targets but have appropriate alternative care arrangements in place (e.g. experienced enrolled nurses, virtual nursing), a 2 star Staffing rating would not appropriately signal the level of care being delivered.

Another key concern with the Staffing rating, both its current form and the proposed future design, relates to funding and financial viability. Most consumers are likely to prefer an aged care home with a 4 or 5 rating for Staffing. However, aged care providers are only funded to provide the level of staffing required to achieve a 3 star Staffing rating (i.e. meet 100% of their total

care minutes and RN care minutes targets). This means that for an aged care home to achieve a 4 or 5 Staffing rating, the provider needs to supply workforce over and above what they are funded for. This contributes to viability challenges, with the UTS Ageing Research Collaborative finding that each incremental increase in the Staffing rating is associated with poorer financial outcomes.³ Performing well in the Star Ratings system should not require or incentivise providers to risk their financial viability. It is therefore critical that aged care homes are adequately funded to deliver the standard of care expected by consumers and the Star Ratings system.

R2: That the Department should not incorporate the 24/7 RN requirement into the Staffing rating design until the RN shortage affecting the aged care sector has been addressed.

ACCPA is concerned about incorporating the 24/7 RN requirement into the Staffing rating design, at this point in time, given the well known workforce shortages in aged care. In February 2024, the Department forecasted a shortage of 5,918 RNs in residential aged care homes in 2024-25.⁴ Such shortages limit the ability of services to meet the 24/7 RN requirement for reasons beyond their control. As discussed earlier in relation to care minutes, workforce shortages persist across Australia and are particularly acute in outer metro, regional, rural and remote areas.

Without recognition and incorporation of these shortages into Star Ratings, services in these areas will have lower Staffing ratings through no fault of their own. We also note that the system will need to cater for the 19 providers who have an exemption from the 24/7 RN responsibility.⁵

The *Consultation Paper* asks whether capping a home's Staffing rating to 2 stars if they do not meet their 24/7 RN requirement would appropriately signal the quality of care being delivered at the aged care home. It is important to note that where services have not met the RN requirement, they are required to have appropriate alternative care arrangements in place. A service with these arrangements can still deliver a high standard of care despite not meeting the 24/7 RN requirement. In such circumstances, capping their Staffing rating to 2 stars would not be appropriate and is not reflective of the quality of care being delivered. This is particularly the case where alternative arrangements include a mix of General Practitioners, Nurse Practitioners, remote supervision, and/or Enrolled Nurses under supervision.

Changes following the recent Star Ratings evaluation

The *Consultation Paper* notes that the preliminary findings of the Star Ratings evaluation recommended changes to the way Star Ratings are published. These include introducing half stars to Overall Star Ratings and publishing information related to environmental restraint and the Quality Measures rating.

³ [Australia's Aged Care Sector: Full-Year Report \(2022–23\)](#), p.67.

⁴ [Department of Health and Aged Care's response to Senator Ruston](#)

⁵ [Approved providers with an exemption from the 24/7 registered nurse responsibility](#)

Half stars

Despite some mixed views, ACCPA members are overall supportive of introducing half stars for Overall Star Ratings. Providers identified several possible benefits of half stars, including better differentiation between services, greater ability to demonstrate improvement, and better alignment with other star ratings systems the public are familiar with (e.g. star ratings for hotels).

Publishing environmental restraint

R3: That the Department re-evaluates how the restrictive practices quality indicator informs the Quality Measures rating.

According to the *Consultation Paper*, the Star Ratings evaluation found that some older people and providers are seeking more information regarding the use of restrictive practices. The Department is therefore considering publishing information about environmental restraint alongside restrictive practices and the Quality Measure rating. We understand this would include figures on the proportion of residents who experienced environmental restraint versus other forms of restrictive practices.

ACCPA does not believe that the proposed changes to the way restrictive practices information is presented go far enough. Changes are needed to the way environmental restraint is included in the restrictive practices quality indicator and incorporated into the Quality Measures rating.

As noted in our submission to the Star Ratings evaluation, the methodology used to calculate Quality Measures rating is based on 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 to themselves and/or others (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.

This significantly disadvantages aged care services with secure dementia units, which are considered a form of environmental restraint. This results in such aged care services scoring poorly on the Quality Measures rating, which in turn impacts their Overall Star Rating. This acts as a disincentive for providers to admit residents with complex needs and who require a secure unit, due to the potential implications this will have on their Star Ratings.

We acknowledge that adding information about the proportion of residents subjected to environmental restraint is likely to enable some consumers to better understand the extent to which a service's restrictive practices data is of concern. However, as the proposed change only relates to what information is published – as opposed to the methodology used to calculate the Quality Measure rating – this change would not address the problem outlined above.

R4: That the Department publishes the findings of the recent evaluation of Star Ratings and its response to its recommendations.

While we are pleased that the Department is considering possible changes to Star Ratings based on the evaluation, it is unclear why the two proposed changes identified in the *Consultation Paper* have been selected for consultation and not others. We note that both changes only relate to how Star Ratings information is published, as opposed to how they are calculated.

Further design changes to Star Ratings are needed

R5: That the Department consults on design changes to the other two Star Ratings subcategories, Residents' Experience and Quality Measures, which should be informed by the findings of the recent evaluation of Star Ratings.

We note that the focus of the current consultation is limited to proposed design changes to the Compliance and Staffing ratings, as well as possible changes to the way Star Ratings are published. It does not include changes to the way the Quality Measures and Residents' Experience rating are calculated, nor to the weightings of each subcategory. Given that, together, these subcategories account for 48 per cent of a service's Star Rating, it is critical that the methodology used to calculate them are similarly subject to consultation and refinement.

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

Yours sincerely

Roald Versteeg
General Manager, Policy and Advocacy
Aged & Community Care Providers Association