



## It's a Paradigm Shift...

*As The Royal Commission into Aged Care Quality and Safety's Recommendations take their place in history, the Commonwealth Government's Responses to these Recommendations provide the mandate for the Reforms being enacted by the Department of Health.*

*Combined, the Recommendations, Responses and Reforms create a new paradigm, delivering profound strategic impacts and implications for customers, aged care organisations, the Department and industry stakeholders, the likes of which should not be underestimated.*

Joel Barker the world-renowned scholar and futurist once said, "when a paradigm shifts, all the rules go back to naught"<sup>1</sup>... no statement could be more prophetic, yet pragmatic for customers, aged care organisations, the Commonwealth Department of Health (the Department) and industry stakeholders.

In summary, the Royal Commission into Aged Care Quality and Safety and its Recommendations, commonly referred to as the Aged Care Royal Commission (ACRC) was phase one, the Commonwealth Government's Response is phase two and the Commonwealth Department Reforms are phase three.

Combined, the Recommendations, Responses and the Reforms create a new paradigm in which customers, aged care organisations, the Department and industry stakeholders will operate. In reality it's a case of make or break for all aged care organisations, given the profound strategic impacts and implications at governance, organisational and service levels.

For the boards, chief executive officers and executives of leading organisations, you are on the right trajectory, power on! For the leaders of following or resisting organisations you stand at the cross roads, read on!

Consequently there are four key questions that the boards, chief executive officers and executives of aged care organisations – particularly followers and resisters – should ask themselves, definitively answer and strategically address:

1. What overarching, headline messages are contained in the ACRC Report and what do they mean for our organisation and its services today and tomorrow?
2. What specific ACRC Recommendations, Government Responses and enacting Department Reforms – referred to later in this article as Key Reform Drivers – will directly impact on or have implication for both our organisation's current and future service, business and financial models?

<sup>1</sup> Joel A Barker defines a paradigm shift as "a profound change in a business or an industry and their associated rules or processes."

## **It's a Paradigm Shift...**

3. In light of these Key Reform Drivers, are our organisation's traditional, programmatic, government funded residential aged care and/or home care (incl. CHSP) service, business and financial model/s doomed to failure or continual demise?
4. On the basis of the answers to the previous questions, is there a strategic imperative to transform our organisation, re-engineer our service, business and financial models and reinvent our culture?

In considering these questions, leaders must seriously come to grips with the fact that over the next 4 years, unless they transform their existing service, business and financial models, they will no longer be aligned to the Department's Reforms, the new policies and guidelines, let alone be able to deliver safe and quality care that meets the expectations and requirements of customers. In essence "the rules of the game" will have profoundly changed, driving a new approach to aged care service design and delivery; subsequently organisations will have either adapted or died.

### **The ACRC Report, The Two Headline Messages:**

The two headline messages from the ACRC Report are:

#### **A. Deinstitutionalise Care, Individualise Care, Transform Care**

Message one is squarely focused on the organisation and how it delivers care to individuals, therefore... "the deinstitutionalisation of care, the individualisation of care, the transformation of care" is the name of the game.

In essence, a dramatic shift in focus, from an organisation that is receiving funding and delivering care, to an individual who is receiving funding and determining their care.

#### **B. A Set of Rules, A New Framework, A New Way Of Operating**

Of the 148 ACRC Recommendations, thus far 126 have been accepted, informing the establishment of various enacting Department Reforms.

By adopting a creative approach, each Reform can be considered as an individual LEGO block, which when combined create

... "a new set of rules, a new framework of care, a new way of operating"

In essence, the rules, framework and modus operandi of the new aged care paradigm.

#### **Three Strategic Considerations For Leaders**

With these headline two messages in mind, the three strategic considerations for aged care leaders are:

- what do these LEGO blocks create for our organisation; a "Death Star", that will terminate our organisation, or an "Intergalactic Starship", that will strategically propel our organisation into the future?
- what are the impacts and implications of the new rules and framework on our organisation's current service, business and financial models, versus its future models?
- what are the definitive strategies and projects that will propel our organisation's strategic direction, journey and destiny in order to transition between our current and future organisational states?

#### **The 5 Reform Pillars, The 17 Key Reform Drivers:**

To enact the 126 ACRC Recommendations the Department has adopted a Reform Implementation Strategy consisting of 5 Reform Pillars; 1. Home Care, 2. Residential Aged Care, 3. Residential Aged Care Quality and Safety, 4. Workforce and 5. Governance.

## *It's a Paradigm Shift...*

However, a detailed analysis of the 126 ACRC Recommendations demonstrates there are 87 Recommendations, along with their respective Government Responses and Departmental Reforms that will have direct applicability to organisations; acknowledging that some of these are applicable in a number or variety of ways or will not apply to individual organisations, due to their various residential aged care and/or home care service configurations.

These 87 Recommendations, along with their Responses and Reforms have been grouped into 17 Key Reform Drivers—that in part, not only reflect the new paradigm, but will forcibly drive change at governance, organisational, service and customer levels for every organisation.

From an organisational perspective these 17 Key Reform Drivers not only establish the new rules and framework, but will cause the complete decimation of an organisation's underlying service model, business model and financial model assumptions and parameters; leaders will have no choice but to either research and develop new service, business and financial models, undertake a merger or amalgamation, or sell or close their organisation.

In summary, the identified 17 Key Reform Drivers for aged care organisations are:

1. The ACRC Report, The Headline Messages, *All 126 Recommendations*
2. A New Human Rights Based Aged Care Act, *Recommendations 1, 2, 3*
3. New Aged Care Quality and Safety Standards, *Recommendations 13, 17, 18, 19, 20, 21, 65, 93*
4. A New Care Assessment Framework, *Recommendations 25, 28*
5. Star Ratings of Organisations, Performance Information & Support For Customers, *Recommendations 15, 24, 26, 27, 29, 94, 95*
6. In-home Care: Additional Packages *Recommendations 39*
7. In-home Care: A Single In-home Care Program *Recommendations 31, 32, 33, 34, 35, 36, 117, 118*
8. Residential Care: A New Funding Model, AN-ACC & Minimum Staff Time, *Recommendations 11, 85, 86, 110, 117, 116, 120, 121*
9. Enhanced Access To Primary and Allied Health Services, Increased Use Of Telehealth, Digital Technology and MyHealth Record, *Recommendations 61, 63, 68, 34, 35, 36, 37, 38, 58, 59, 109*
10. Registered Workforce, Qualified Workforce, *Recommendations 48, 77, 78, 79, 80, 81, 82, 83, 114*
11. Quality Indicators, National Benchmarking and Evidence Based Reporting, *Recommendations 22, 23, 100, 122*
12. Strengthened Care Regulator, Increased Requirements, *Recommendations; 10, 97, 98, 103, 104, 137*
13. Residential Care: Prudential Standards, Liquidity, Capital Adequacy Requirements and Reporting, *Recommendations 116, 131, 132, 133, 134, 135, 136*
14. Residential Care: No ACAR, Places Go Directly To Customers, *Recommendation 25*
15. Residential Care: National Design Standards For Accommodation, *Recommendation 45*
16. Strengthened Board Governance & Leadership, *Recommendations 14, 77, 88, 89, 90, 101*

## **It's a Paradigm Shift...**

### 17. Recommendations Yet To Be Determined, *Recommendations,*

- a. Residential Care: No RADS,  
*Recommendation 142*
- b. Increased Award Wages, Increased  
Remuneration To Staff,  
*Recommendation 84, 85*
- c. Civil Penalties For Directors Breaches  
& Care Recipient Compensation,  
*Recommendation 101,102*

### **More Than A Call To Action:**

The ACRC 126 Recommendations, the Government Responses and Department Reforms – therein the 17 Key Reform Drivers - are more than just a call to action, combined they create a cataclysmic paradigm shift, with profound strategic impacts and implications that must be understood and addressed.

As previously stated, for the boards, chief executive officers and executives of leading organisations, you are on the right trajectory, power on!

For the leaders of following or resisting organisations, you stand at the cross roads; it has never been more critical or urgent to address the 17 Key Reform Drivers as they apply to your organisation and in so doing:

- understand and implement the new rules, the new framework of care, the new way of operating,
- deinstitutionalise your care, individualise your care and transform your care.

From a practical perspective these leaders must develop and implement definitive strategies, timeframes and metrics that will transform their organisation, re-engineer your service, business and financial models and re-invent your culture.



### **About the Authors**

A visionary, an entrepreneurial strategist, a big picture thinker, Michael Goldsworthy is widely known by directors, chief executive officers and executives of community businesses (NFPs) throughout Australia for his comprehensive understanding of the big picture and his strategic insights into the current and future trends and dynamics of the various human service industries/sectors.



Michael is an engaging, educative and strategic opinion leader; his primary modus operandi are facilitating, strategically advising and project management. His significant ability to engage and influence boards, chief executive officers and executives/senior managers and provide practical strategies and tools is acknowledged by industry leaders. He has a demonstrated track record of turning theory into practice, ensuring leaders balance their “heads and hearts” (that is business and service objectives) and advance proactive strategies and projects for the future.

A Senior Consultant with Australian Strategic Services, Aaron works with boards and individual directors to assist them to not only understand what their duties at law are but, understand the key concepts underlying their organisation. Additionally, his presentations and work with boards assists directors to strengthen their understanding and application of their governance roles and responsibilities, build successful and sustainable organisations and meet or exceed customer expectations.

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