

A photograph of an elderly woman with blonde hair and glasses, wearing a light-colored coat, standing and holding a cane. Next to her is an elderly man with a grey beard, wearing a brown cardigan and a striped blanket, sitting in a wheelchair. They are outdoors in a park-like setting with trees in the background. A large yellow rectangular overlay is positioned on the left side of the image, containing text.

Aged Care Business and Workforce Advisory Service Program

Case Studies

Reliance Restricted

Last Updated: 30/08/2024

Workforce Advisory Case Examples

	Provider A – Culture Review	Provider B – Rostering Review	Provider C – Training Review
Overview and Challenges	<p>Provider A is a residential aged care facility with 101 beds. They reported they had workforce cultural challenges related to ways of working, communication, teamwork, and training practices.</p>	<p>Provider B is a not-for-profit organisation offering Home Care Packages (HCP) and Commonwealth Home Support Programmes (CHSP) to over 2,000 consumers.</p> <p>Provider B's rostering system and patterns were not efficiently meeting staff or client needs and preferences, which was having an impact to service delivery and operating costs.</p>	<p>Provider C is a not-for-profit organisation delivering HCP and CHSP services to approximately 400 clients.</p> <p>Provider C reported it was having challenges with elevating the quality of the care provided and ensuring staff understood the expectations of their role.</p>
Intervention and Advice	<p>EY conducted a rapid culture review of Provider A which included:</p> <ul style="list-style-type: none">▶ Desktop analysis of Provider A's engagement survey data, exit interview results and other people feedback available▶ Facilitating two focus groups with nurses and carers▶ Interviewing three members of the senior leadership team <p>EY analysed the findings to provide an assessment of the culture of Provider A and practical recommendations to improve.</p> <p>The recommendations provided in the final report included Provider A improving its employee value proposition and making clear culture changes such as amending internal policies and procedures and improving communication within the organisation.</p>	<p>EY conducted a review of Provider B's approach to rostering by:</p> <ul style="list-style-type: none">▶ Facilitating a workshop with the home care team and the wider organisation's central rostering team.▶ Reviewed the end-to-end rostering process and performed a gap analysis. <p>EY identified rigid and inefficient rostering practices that were limiting scheduling optimisation to ensure travel time is minimised and client care time is maximised.</p> <p>The final report highlighted opportunities for the home care team to better cater for staff shift preferences into the rostering process without compromising high quality client care, in order to increase engagement and retention, and reduce absenteeism.</p>	<p>EY conducted a rapid review of Provider C's performance management framework which included:</p> <ul style="list-style-type: none">▶ Desktop analysis of Provider C's existing learning and development strategy, performance frameworks, capability matrix and employee engagement data▶ Facilitating a workshop with Provider C's management team to map their ideal future state performance management framework and problem solve suggested strategies and initiatives to achieve this <p>The recommendations provided in the final report included shifting the culture of performance management within the organisation and increase leadership capability to support staff engagement and development.</p>

Business Advisory Case Examples

Overview and Challenges

Intervention and Advice

Provider D – Performance Review

Provider D is operating at a deficit, with significant differences in performance between its two facilities. Management were keen to understand causes for underperformance.

Occupancy had dropped whilst direct care labour costs had significantly increased (with an increased reliance on agency staff to maintain operations).

- EY collaborated with Management to:
- ▶ Perform a detailed review using the provider’s ACFR Reporting data over a historic period (FY21 – FY23), comparing performance of its 2x RAC facilities.
 - ▶ Identified causes for underperformance, which was primarily a rise in workforce costs due to inefficiencies (based on analysing KPIs for care minutes per bed, agency spend, hourly nursing and care rates, and fluctuating occupancy levels).
 - ▶ Facilitated discussions with Management to qualify the causes and identify opportunities to improve workforce efficiency, including improving rostering and reducing reliance on agency staff to reduce costs.

Provider E – RAD Management and Governance

Provider E had been contacted by Aged Care Quality and Safety Commission’s Financial and Prudential Compliance team (“Commission”) regarding its use of Refundable Accommodation Deposits (“RADs”) for non-permitted purposes throughout 2023 and 2024.

Provider E had not been able to implement actions to remediate non-compliance due to challenges and roadblocks.

- EY collaborated with Provider E’s Management to:
- ▶ Rapidly review its current-state RAD management practices, including analysis of policies, procedures, bank accounts, and more).
 - ▶ Develop an interim (“band-aid”) solution, as well as an end-state solution, including processes, procedures and bank account structures, to resolve non-compliance.
 - ▶ Developed an implementation plan to guide Management on the steps needed to achieve compliance.
 - ▶ Facilitated several discussions between Provider E and the Commission representatives to align around key challenges and create buy-in on the path forward.

Provider F – Cash Flow Concerns

Provider F is currently operating at a FY24 deficit with management forecasting cash to drop in the lead up to end of financial year.

Management had cited challenges in obtaining information to understand the current-state financial position and to confidently utilise this information to inform strategic decisions.

- EY collaborated with Management to:
- ▶ Review the company’s financial information to better understand its historic operating cash flow, including investigation into specific income and expense items with 3rd party accountant.
 - ▶ High-level profit and loss analysis from FY21 – YTD FY24 to highlight some of the key contributors to the historical and current cash and operating deficit position (together with discussions with Management).
 - ▶ Developed a new week-by-week cash flow forecast (from scratch), using 9 months of historic bank account transactional data, to provide a more detailed and easier representation of cash, to inform strategic options and recommendations.



Business Advisory Case Examples

Overview and Challenges

Provider G - Pricing Review

Provider G incurred a ~4% loss in FY23. Management indicated this was largely attributed to their Care at Home division, considering the residential facility is operating at a surplus.

Provider G requested EY's support to:

- ▶ Review transactional data relating to Care at Home (CaH) services to analyse pricing, and
- ▶ Conduct service price benchmarking against comparable Providers.

Provider H - Profitability and Price Benchmarking

Provider H experienced continued growth in the number of care packages under management however profit margins had decreased in recent years (FY22 - FY24YTD). Management were not clear on what was causing the underlying margin squeeze.

The provider had front loaded hiring care staff (full-time fixed cost) to respond to market demands however was concerned about inefficiencies in the workforce.

The provider requested EY's support to analyse the profit and loss to understand the reasons for profitability challenges and potential levers available to improve profitability.

Provider I - Operational "maturity"

Provider I requested EY's support to conduct a high-level walk-through of their end-to-end business 'value chain' to help uncover issues that are prohibiting their growth and draining management's time.

Intervention and Advice

EY collaborated with Management to:

- ▶ Perform a review of transactional data for services delivered over an assessed period, identifying trends and areas for potential improvement.
- ▶ Perform a comparison of the provider's pricing for Care at Home services against its competitors.

EY identified that on average the provider's prices were slightly higher than the competitors' benchmark, however there was an opportunity to increase prices for 2 services as the average price charged for those services was lower than the advertised rates.

In addition to that, EY identified significant variances in the prices being charged in comparison to the advertised rates which can result in operational issues.

EY collaborated with Provider H's Management to:

- ▶ Create an annualised forecast of FY24 using FY24YTD performance data to appropriately analyse trends during the review period.
- ▶ Categorise and re-allocate costs using detailed FY24YTD data to better understand reasons for decreasing profits.
- ▶ Created an adjusted P&L from FY22 to FY24F to re-allocate employee costs to form a more accurate view of Gross Profit.
- ▶ Conducted a price benchmarking exercise based on the competitors.
- ▶ Identified initiatives, areas for further analysis and/or recommendations to improve the profitability that were subsequently discussed with Management.

EY developed a method to rapidly walk-through the Home Care businesses operations and facilitate a workshop to "self-assess" what is working well and the potential areas for improvement.

The method includes summarising a Home Care business into 5 key steps and asking probing questions to pin-point challenges and areas for opportunity.

- ▶ Services & Customers
- ▶ Care Agreements
- ▶ Preparation of service delivery
- ▶ Service Delivery
- ▶ Business administration and operations

The key challenges, findings and areas of opportunity that were discussed were summarised into a report and shared with the Provider.

Business Advisory Case Examples

Provider J - Customer and Workforce Data Analysis

Overview and Challenges

Provider J identified that they had a strong pool of CHSP consumers that were switching to other Providers when they transitioned over to Home Care Packages. Through discussions with the Provider, we identified that the potential drivers included:

- ▶ Customers were not aware that the Provider offered HCP services.
- ▶ Care coordinators were overseeing a large volume of CHSP customers and were not focusing on pro-actively identifying prospective HCP customers and promoting services to ensure a smooth transition across.

Intervention and Advice

EY performed analysis and presented potential solutions to help the Provider:

- ▶ Identify target customers that would be more likely to transition from CHSP to HCP based on certain criteria and characteristics.
- ▶ Analyse the number of customers allocated to each coordinator and identify if there are excessive allocations and re-adjust if necessary (to ensure coordinators have the bandwidth to connect with their CHSP customer base and identify prospective HCP customers).

Case Study 1: RAC and HCP Provider – Business and Workforce Advisory

Provider Overview	Provider Issues	EY work delivered through the Program	Outcome
<ul style="list-style-type: none">• Provider operates two sites, each offering Residential Aged Care (“RAC”) (66 and 60 beds, respectively) and Home Care Packages (“HCP”) (approximately 50 packages, primarily levels 2-3).• The combined workforce consists of 180 staff members, with 98 FTE allocated to direct care provision. Due to geographical distance between the two facilities (>2-hour drive), workforce sharing is impractical.	<ul style="list-style-type: none">• The Provider is operating at a deficit, with significant differences in performance between its two facilities.• Management were keen to understand causes for underperformance.• Occupancy had dropped whilst direct care labour costs had significantly increased (with an increased reliance on agency staff to maintain operations).	<p>In a short timeframe, EY:</p> <ul style="list-style-type: none">• Performed a detailed review using the provider’s ACFR Reporting data over a historic period (FY21 – FY23), comparing performance of its 2x RAC facilities.• Identified causes for underperformance, which was primarily a rise in workforce costs due to inefficiencies.• Facilitated discussions with Management to qualify the causes and identify opportunities to improve workforce efficiency, including improving rostering and reducing reliance on agency staff to reduce costs.	<p>Through the Program, EY has supported the provider to better tailor their rostering and scheduling for staff and clients, by providing recommendations such as introducing:</p> <ul style="list-style-type: none">• Shorter shifts in afternoons when care activities are quieter.• ‘Pooling’ roster in order to help to cover night shifts and avoid the reliance on expensive agency staff or overtime for existing employees.

Case Study 2: Home Care Provider – Business and Workforce Advisory

Provider Overview	Provider Issues	EY work delivered through the Program	Outcome
<ul style="list-style-type: none">A not-for-profit organisation offering Home Care Packages (HCP) and Commonwealth Home Support Programmes (CHSP) to over 2,000 consumers.	<ul style="list-style-type: none">Provider’s centralised rostering team manages the schedule for over 250 employees and 2000 clients.Current rostering system and patterns do not currently meet staff or client needs and preferences, with an impact to service delivery and operating costs.The rostering team receive 15 - 20 sick calls daily, with a ripple effect on service continuity and high reliance on casual workforce.The current system and rostering pattern limits the ability to design more efficient rosters, maximise client facing time, and minimise travel for workers leading to increased WHS and employee engagement issues.Delays to onboarding new staff into the roster system mean workers don’t receive a schedule and/or adequate hours in a timely manner.	<p>In a short timeframe, EY:</p> <ul style="list-style-type: none">Facilitated a workshop with the home care team and the wider organisation’s central rostering team.Reviewed the end-to-end rostering process and performed a gap analysis.Identified rigid and inefficient rostering practices that were limiting scheduling optimisation to ensure travel time is minimised and client care time is maximised.Highlighted opportunities for the home care team to better cater for staff shift preferences into the rostering process in order to increase engagement and retention, without compromising high quality client care.	<p>Through the Program, EY has supported the provider to better tailor their rostering and scheduling for staff and clients, by providing recommendations and support to:</p> <ul style="list-style-type: none">Establish mechanisms for engaging with staff and clients to understand absence trends, reduce costs, and mitigate service disruptions.Consider geographical location of staff and clients to maximise care and support time, reduce costs and minimise WHS impacts of excessive travel time.Reduce operational costs associated with recruitment and onboarding, and rescheduling appointments or shifts with contingent or casual workers.