

**A PREFERENCE FOR QUALITY:
AUSTRALIAN GENERAL PUBLIC'S WILLINGNESS TO PAY
FOR HOME AND RESIDENTIAL CARE**

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BACKGROUND

- Quality of aged care in Australia is a fundamental societal concern
- Described by the Royal Commission as a system that is ‘rife with substandard and low quality care [Interim Report, Royal Commission into Aged Care Quality and Safety, Nov 2019]
- Quality in aged care service delivery is inextricably linked to the health system

“Older Australians deserve to have the same opportunity to have the best quality of life as everyone...ignoring the health and care needs of older Australians will lead to an increase in avoidable hospitalisations and excessive cost to the health system” *Dr Tony Bartone, AMA President Australian Ageing Agenda 30th September 2019.*

Aged care financing

- Aged care in Australia is a multi-billion \$ industry
- Royal Commission estimates \$27 billion public and private contributions to aged care in 2018-2019
- 75% public funding (income tax), 21% individual co-payments
- Public accountability and transparency is critical: expenditure reporting and quality assessment



SURVEY PARTICIPANTS AND ADMINISTRATION

- Survey questions were pre-piloted (n=12) and piloted (n=50) prior to main survey administration with Australian adults from a variety of socio-demographic backgrounds
- Comprised 4 main sections
 - A. attitudinal questions
 - B. DCE
 - C. WTP individual co-payments (fees) and future funding (taxation)
 - D. socio-demographic characteristics and exposure to aged care services
- 10,000 plus survey respondents sourced through Quality Online Research, survey panel company
- Eligibility criteria aged 18 years and over, able to read and respond in the English language, residing in Australia, no personal experience of accessing aged care services
- Demographic quotas applied to ensure representativeness by age group, sex and state or territory

WHAT CONSTITUTES QUALITY OF CARE?

- Informed by comprehensive literature review, new aged care quality standards and Advisory Group consultation
- Literature review focused on Australian and international literature (grey and peer reviewed) relating to quality of care and/or person-centred care in aged care over a 10 year time frame - June 2009 to June 2019

DCE Attributes
I am treated with respect and dignity
I am supported to make informed choices about the care and services I receive
I receive care and support from aged care staff who have the appropriate skills and training
I receive services and supports for daily living that are important for my health and wellbeing
I am supported to maintain my social relationships and connections with the community
I am comfortable lodging complaints with confidence that appropriate action will be taken
Levels (common to all attributes)
Never, Rarely, Sometimes, Mostly, Always

DCE CHOICE QUESTION EXAMPLE

- Section B: discrete choice experiment

CHARACTERISTIC	PROVIDER A	PROVIDER B
I am treated with respect and dignity	Sometimes	Sometimes
I am supported to make my own decisions about the care and services I receive	Sometimes	Mostly
I receive care and support from aged care staff who have the appropriate skills and training	Rarely	Sometimes
I receive services and support for daily living that are important for my health and wellbeing	Mostly	Mostly
I am supported to maintain my social relationships and connections with the community	Mostly	Rarely
I am comfortable lodging complaints, with confidence that appropriate action will be taken	Always	Always

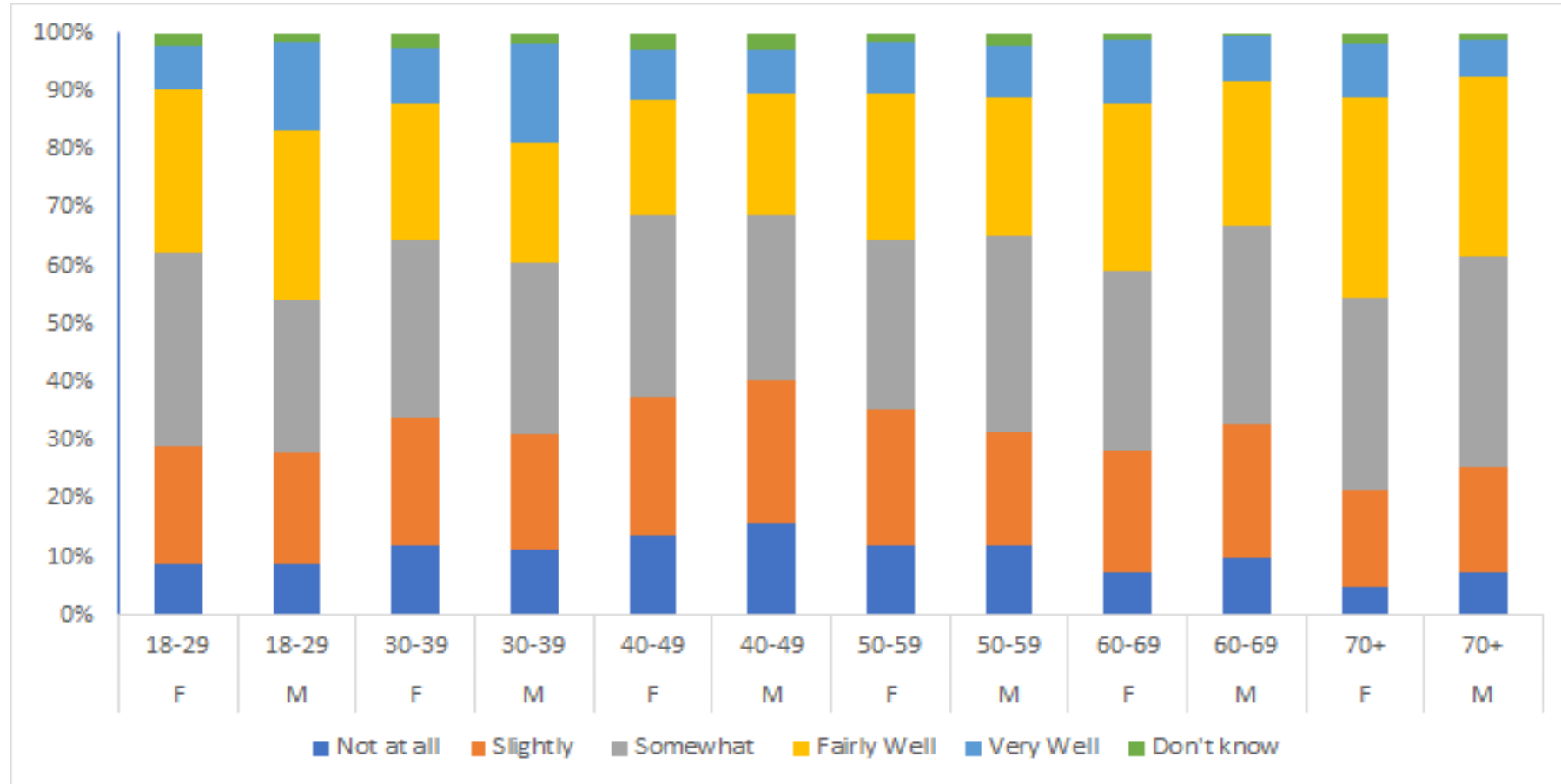
Think about the provider you have chosen and the quality characteristics associated with it.
How would you rate the overall quality of their care?

Unacceptable	Poor	Satisfactory	High	Very High
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RESULTS: SOCIO-DEMOGRAPHICS

Variable	Labels	N)	Unweighted percent (%)	Weighted percent (%)
Gender	Female	5,357	51.9	50.8
	Male	4,958	48.1	49.2
Age category (years)	18-29	2,102	20.4	25.2
	30-39	1,846	17.9	17.7
	40-49	1,724	16.7	16.1
	50-59	1,671	16.2	15.1
	60-69	1,402	13.6	12.6
	70+	1,570	15.2	13.3
State	New South Wales	3,434	33.3	32.1
	Victoria	2,644	25.6	25.2
	Queensland	1,774	17.2	20.0
	Western Australia	1,003	9.7	10.0
	South Australia	830	8.0	6.9
	Tasmania	302	2.9	2.8
	Australian Capital Territory	211	2.0	1.9
	Northern Territory	117	1.1	1.1
Living arrangements (Do you live with)	On your own	2,232	21.6	22.1
	With spouse	4,555	44.2	42.3
	With family	3,080	29.9	30.8
	With other-not relatives	448	4.3	4.8
Highest education level	Primary school	61	0.6	0.6
	Some secondary school	970	9.4	9.1
	Completed high school	1,737	16.8	17.2
	Some additional training (e.g.TAFE, apprenticeship)	3,120	30.2	29.4
	Undergraduate University	2,902	28.1	28.8
	Postgraduate University	1,525	14.8	14.9
Country of birth	Australia	7,424	72.0	71.1
	Europe	756	7.3	6.9
	Asia	719	7.0	7.3
	Other	1,416	13.7	14.1
Close family member receiving aged care	Yes	2,223	21.6	21.8
	No	8,092	78.4	78.2
Employment status	Full-time	3,787	36.7	38.4
	Part-time	1,985	19.2	19.4
	Student	459	4.4	5.3
	Retired	2,402	23.3	21.0
	Unemployed	1,026	9.9	9.9
	Other	656	6.4	6.0
Annual household Income	Up to \$19,999	834	8.1	8.6
	\$20,000-\$39,999	1,829	17.7	17.4
	\$40,000-\$79,999	2,766	26.8	26.3
	\$80,000-\$124,999	2,118	20.5	20.6
	\$125,000 plus	1,742	16.9	17.0
	Prefer not to say	1,026	9.9	10.1

GENERAL PUBLIC: LEVEL OF UNDERSTANDING AUSTRALIA'S AGED CARE SYSTEM



Source: Ratcliffe et al, Research report No 6. Royal Commission into Aged Care Quality and Safety, July 2020

QUALITY OF CARE PRIORITIES AND CURRENT SUCCESS IN ACHIEVING THESE

Rank	Statements	N	Success categories	N	Unweighted percent (%)	Weighted Percent (%)
1	Older people should be treated with respect and dignity	4,055	Always	280	6.9	7.5
			Often	1030	25.4	25.7
			Sometimes	1,973	48.7	48.2
			Rarely	484	11.9	11.7
			Not at all	175	4.3	4.2
			Don't know	113	2.8	2.8
2	Older people should feel safe and comfortable receiving aged care services whether in a nursing home or in their own home	3,602	Always	196	5.4	5.9
			Often	1030	28.6	28.9
			Sometimes	1,800	50.0	49.3
			Rarely	333	9.2	9.3
			Not at all	122	3.4	3.2
			Don't know	121	3.4	3.5
3	Aged Care Staff should have the skills and training needed to provide appropriate care and support	3,556	Always	245	6.9	7.5
			Often	959	27.0	27.7
			Sometimes	1,676	47.1	46.2
			Rarely	408	11.5	11.1
			Not at all	172	4.8	4.7
			Don't know	96	2.7	2.8

Source: Ratcliffe et al, Research report No 6. Royal Commission into Aged Care Quality and Safety, July 2020

ATTITUDES TOWARDS AGED CARE FUNDING

Statements	Categories	N (10,315)	Unweighted Percent (%)	Weighted Percent (%)
1. The government should provide more funding for aged care	Strongly Agree	5,469	53.0	51.9
	Agree	3,567	34.6	35.2
	Neither Agree nor Disagree	936	10.3	10.6
	Disagree	133	1.3	1.4
	Strongly Disagree	85	0.8	0.8
2. I would be willing to pay more tax to ensure Australians are able to access aged care services when they need them	Strongly Agree	1,533	14.9	14.8
	Agree	3,523	34.2	34.4
	Neither Agree nor Disagree	3,538	34.3	34.1
	Disagree	1,119	10.8	10.9
	Strongly Disagree	602	5.8	5.7
3. Australians should contribute towards the funding for the aged care services that they receive in line with their ability to pay	Strongly Agree	2,275	22.1	21.8
	Agree	4,753	46.1	46.0
	Neither Agree nor Disagree	2,443	23.7	24.0
	Disagree	582	5.6	5.7
	Strongly Disagree	262	2.5	2.5
4. I would be willing to pay more tax to improve the quality of the aged care services being provided to older Australians	Strongly Agree	1,579	15.3	15.2
	Agree	3,578	34.7	35.0
	Neither Agree nor Disagree	3,477	33.7	33.5
	Disagree	1,123	10.9	11.0
	Strongly Disagree	558	5.4	5.3

RESULTS: WILLINGNESS TO PAY AGED CARE LEVY (FINANCED THROUGH INCREASED INCOME TAX CONTRIBUTIONS)

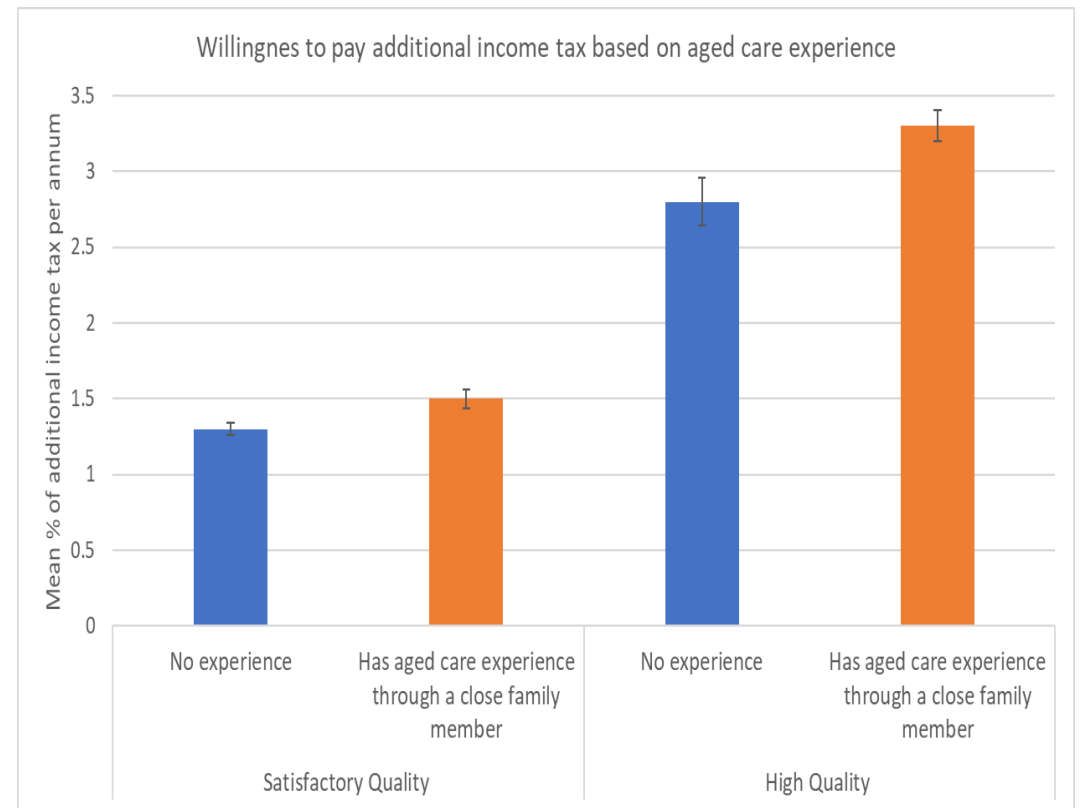
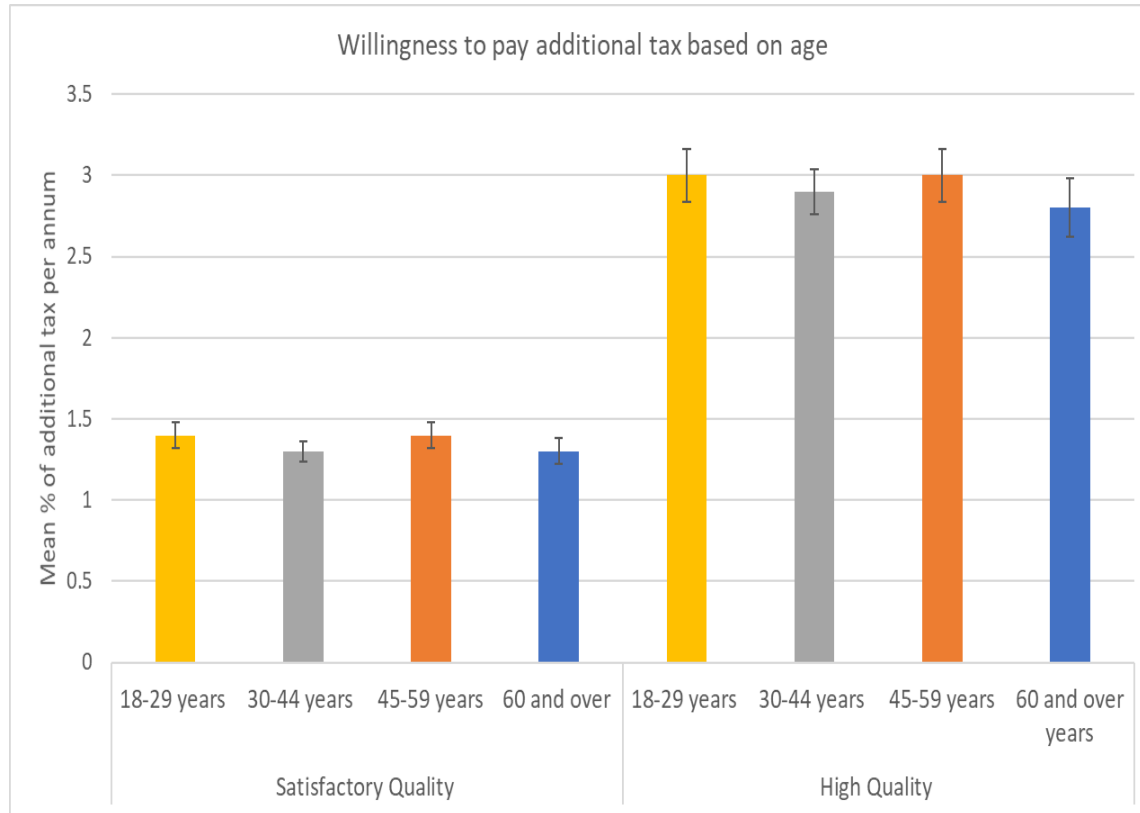
Additional tax	Satisfactory level of quality aged care ¹		
	Yes: N (4030) 61%	Unweighted (%)	Weighted %
0.5%	1201	29.8	29.6
1%	1206	29.9	29.8
1.5%	525	13.0	13.2
2%	617	15.3	15.5
2.5%	321	8.0	8.2
More than this	160	4.0	3.6

Additional tax ¹	High level of quality aged care ^{1,2}		
	Yes: N (3591) 54%	Unweighted %	Weighted %
0.5%	768	21.4	21.0
1%	809	22.5	22.3
1.5%	553	15.4	15.4
2%	623	17.3	17.3
2.5%	598	16.7	17.2
More than this	240	6.7	6.8

¹ Current income tax payers only

² Beyond the amount already indicated to secure satisfactory quality aged care

RESULTS: WILLINGNESS TO PAY AGED CARE LEVY



RESULTS: WILLINGNESS TO PAY CO-CONTRIBUTIONS (PER WEEK)

	Not WTP	Positive WTP	Total	WTP (AU \$) – All values		WTP – Positive (non-zero) values only	
	n (%)	n (%)	n (%)	Mean (SD) ^b	Median (Min - Max) ^b	Mean (SD) ^b	Median (Min - Max) ^b
WTP ^a satisfactory home care	2,097 (20)	8,188 (80)	10,285 (100)	127 (151)	75 (0 – 2,000)	159 (153)	150 (75 – 10,000)
WTP ^a high level home care	3,995 (39)	6,290 (61)	10,285 (100)	145 (160)	150 (0 – 3,000)	237 (141)	225 (75 – 3,000)
WTP ^a satisfactory residential care	3,693 (36)	6,592 (64)	10,285 (100)	335 (323)	400 (0 - 2,800)	522 (254)	400 (400 - 10,000)
WTP ^a high level residential care	5,646 (55)	4,639 (45)	10,285 (100)	309 (412)	0 (0 – 5,000)	685 (343)	600 (400 – 8,000)

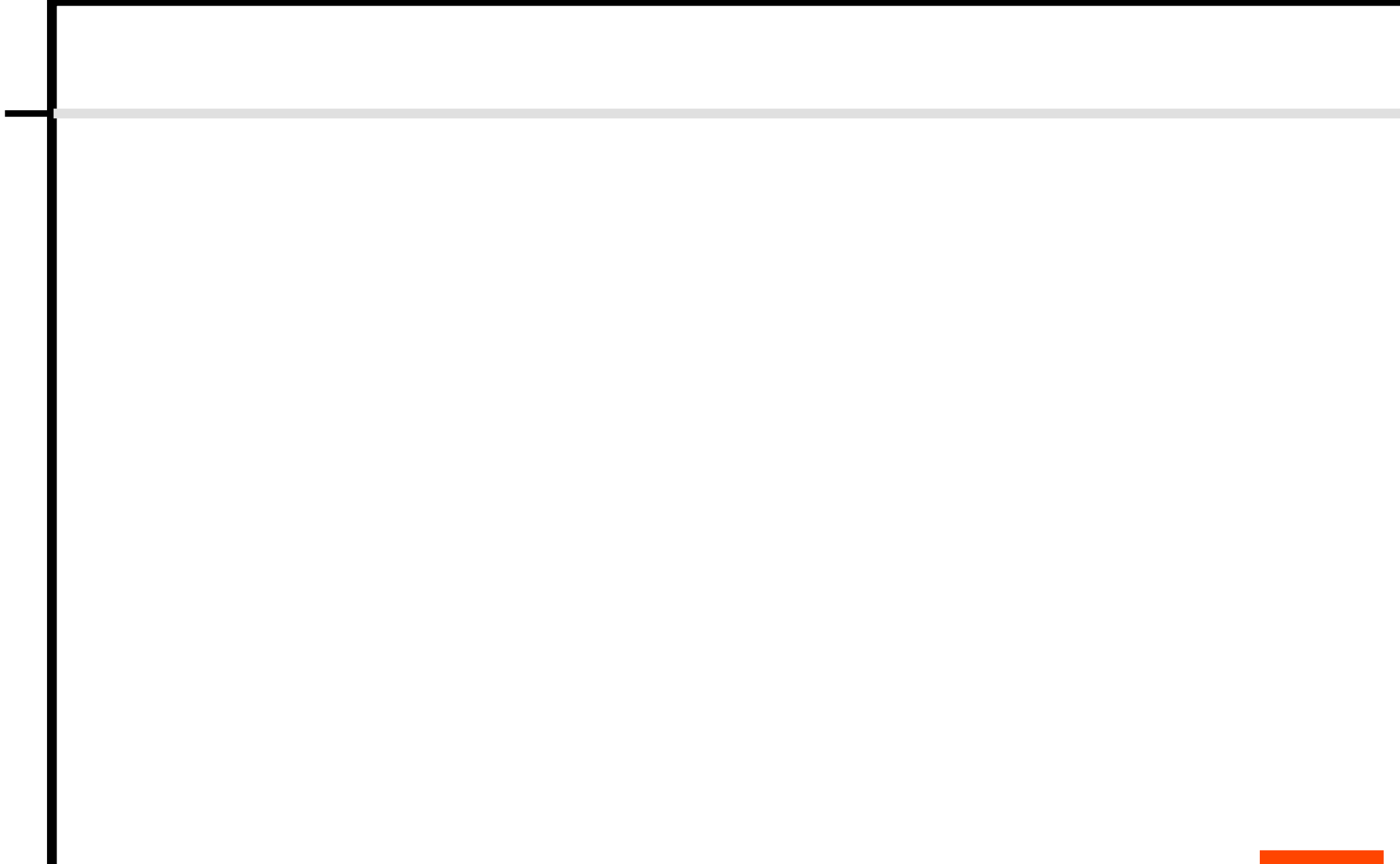
^a Zero WTP co-contributions were recorded for all respondents who said they would not be willing to make a co-contribution to access satisfactory or high-quality home or residential care;

WTP = willingness to pay

^bSD = Standard deviation; Min. = Minimum; Max. = Maximum

respondents

40



respondents

40

60



respondents

20

30



DISCUSSION

- Strong agreement amongst members of the general public about what constitutes quality in aged care. Salient characteristics consistently rated as highly important in encapsulating quality in aged care service delivery are largely reflective of the fundamentals of care.
- Overall, more positive WTP values were associated with aged care experience, younger age, living in metro regions, income (ability to pay), having private health insurance and being a current income tax payer.
- A higher proportion of respondents were willing to make a co-contribution to access home compared to residential care, i.e., 80% versus 64% for satisfactory-quality home versus satisfactory-quality residential care and 61% versus 45% for high-quality home versus high-quality residential care.
- Respondents were willing to pay \$10,000 per year on average to remain living and cared for at home rather than enter a residential care facility. Some people were willing to pay much more (up to \$40,000 per year).
- Limitations: Hypothetical bias – satisfactory and high quality aged care. Also stated WTP may not reflect actual WTP values. Sample broadly representative but not entirely representative of the general population.
- The findings provide an important and timely societal perspective to inform aged care policy and practice in Australia and in other countries which share similar values, aspirations and circumstances.



Rachel Milte, Christine Kaambwa,

Commitment to Aged Care Quality and Safety

Quality and Safety is gratefully

Reference: Kaambwa B.....Ratcliffe J. A preference for quality: Australian general public's willingness to pay for home and residential aged care. *Social Science and Medicine* 289 (2021) 114425

