

## The impact of travel costs in a Community Care budget©

Managing community care is a complex business. It presents a different set of challenges to managing health care and personal support in residential or other institutional settings.

The nature of the hands-on-care services for the clients is similar. However, the logistics of delivering the care are very different. In a residential care or other institutional setting, the service provision environment is geographically defined within known boundaries. For service provision in a residential care site staff come to the site and walk between residents/clients as they deliver care and support.

When care is provided at-home in the community the staff must drive between the clients. The extremes of a rural service's geographical boundaries may involve extensive travel. In some urban areas, even over a short distance heavy traffic congestion may cause long delays. In both environments the travel to and from some clients will be more than the time taken to deliver the care.

**Managers who want to achieve maximum service outcomes from their budgets have expressed a need to identify four basic cost elements in delivering community care:**

1. Client contact time,
2. Travel time,
3. Non-Contact time,
4. Administration time.

The impact of the travel component in service overheads will vary from program to program and from location to location. In an urban environment some early studies looking at the four central cost factors of providing community care, (client contact, travel, non-contact, administration) indicated that there can be wide variations in the time spent travelling in a day. The graphs on page two provide an urban ratios sample of the four cost factors.

**Travel has a direct impact on the cost of client contact time in two ways:**

- 1/. the cost per kilometre travelled ;
- 2/. the worker's time taken to travel.

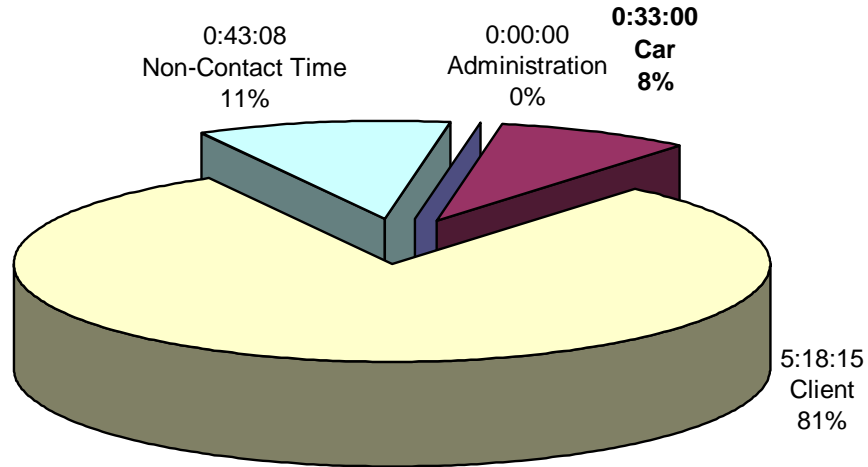
It is thought that travel will impact more on client contact time in a rural region than in an urban environment. Is that likely to be so? Hypothetically it appears so.

A theoretical comparison of delivering the same type of services daily for 300 days, to 30 clients living in an urban setting and to 30 clients living in a rural setting reveals some significant cost variations. The rates are based on paying a travel allowance of \$0.59 cents per kilometre and a wage rate of \$20.00 per hour, including on-costs. An Excel Worksheet for your testing of this theory is available, from : [ianb@daelibs.com](mailto:ianb@daelibs.com).

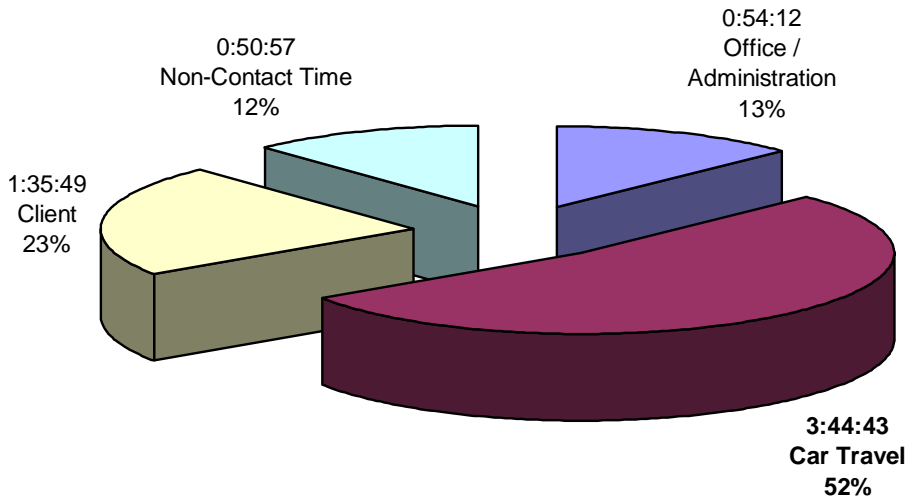
Item	Urban	Rural
Clients receiving services	30	30
Minutes travel time per client contact	4	15
Km distance per client contact	3.2 km	18 km
Travel hours per day – all clients.	2 hrs	7.5 hrs
Travel distance per day	96 km	540 km
Cost per day - Travel time	\$ 40.00	\$150.00
Cost per day - Travel km	\$ 56.64	\$318.60
Travel time cost per year (300 days)	\$12,000.00	\$45,000.00
Travel cost per km per year (300 days)	\$16,992.00	\$95,580.00
Total cost Travel + Time per year	\$28,992.00	\$140,580.00
<b>Cost differential of the travel factor</b>		<b>\$111,588.00</b>

**These illustrations of the travel component have been taken from two separate pilot studies conducted in an urban setting (1995-1996).**

**Urban 1**



**Urban 2**



In any one day the impact of travel time upon the time available for client contact can be significant. The cost effect of travel time can be understood if the relevant data is documented to present a clear picture of these four central components of service delivery.

## **END OF THE 20 MINUTE CITY**

Car journey times on the increase, how does this impact on community care service delivery?

*“Figures from the RAA and Transport SA show there are longer travelling times and slower average speeds on seven arterial roads....*

(The Adelaide Advertiser Saturday March 9 2002 Page 1).

**In a fee for service delivered model the travel component will directly impact on the cost margin in a significant way, it will need to be known and managed. If there is not sufficient travel weighting incorporated into the rate per hour of client service contact, travel costs may directly threaten the viability of some service agencies. In some cases care workers or contractors may be required to carry the cost of travel within the hourly rate paid for client contact time.**

Across a team of 10 care workers, serving 5 clients per day each, over 300 days, the extra five minutes of travel time can add \$49,000 per year to a travel budget.

Daelibs (Data Analysis Electronically Logged Information Based System) collects community care service data that can identify the impact of travel time on a community care service budget.

**Is it time to consider replacing paper technology with electronic information technology? Where Daelibs is being used the administration benefits across the board for care-in-the-home services are significant.**

Whilst this is a copyright document; for the purposes of education and discussion permission is granted for it to be copied and distributed. As a courtesy, quoted extracts from the document should be acknowledged.

For further information or discussion on this topic contact:

Ian Bruce  
Daelibs Keeping Track of Business  
Phone: 08 8377 2460  
Email: [ianb@daelibs.com](mailto:ianb@daelibs.com)