

National Aged Care Alliance

Recommendations for Strengthening the Government Agenda for Aged Care

February 2005

1. Introduction

The National Aged Care Alliance (the Alliance) is a representative body of 24 peak national organisations in aged care including consumer groups, providers, unions, and health professionals, working together to achieve a more positive future for the aged care sector in Australia.

The Alliance was formed in April 2000, and has developed a united policy agenda to achieve better outcomes for the care of older people in Australia.

Alliance members are concerned about the future sustainability and funding of aged care services, and are seeking the establishment of industry wide benchmarks of care.

The Alliance's vision for aged care in Australia is that:

All older people in Australia have access to planned and properly resourced integrated quality aged care services that are flexible, equitable, that recognise diversity and promote choice and respect for users and workers.

The Alliance is urging the re-elected Coalition Government to use this term of government to address the major program and policy areas that currently inhibit the aged care program.

The Alliance has grouped these under the broad headings of:

- funding;
- workforce,
- facing the dementia epidemic;
- linking aged care and health;
- service planning; and
- service quality.

2. Funding

Despite recent, welcome initiatives, the current funding system for residential aged care, both for capital and recurrent costs, is an inadequate basis on which to provide quality care and quality buildings. Similar issues also apply in the case of community care.

The Australian Government has direct responsibility for Community Aged Care packages (CACPs) and Extended Aged Care at Home packages (EACH), however other community care services funded through the home and community care (HACC) program are the responsibility of State and Territory governments, and there is little coordination between the two levels of government on rationalising or integrating service provision.

Recurrent funding for aged care does not reflect the real costs of providing care, which are not the same in all parts of Australia. There are interstate differences, partly as a result of State Government charges (such as workers' compensation) and differences in costs of living between capital cities, rural towns and remote areas. Pretending that these differences do not exist is flying in the face of reality.

Since 1997, the indexation formula used to adjust Government subsidies has not reflected the actual costs faced by the aged care industry. The additional funds provided in the 2004 budget provided some assistance to residential aged care but are not enough to ensure that high quality services can be maintained or to pay staff in aged care comparable wages to those in other comparable sectors.

Quality buildings are essential for quality care. Residential aged care facilities should be modern, efficient, safe, and sensitive to cultural factors. The current accommodation charge and Government subsidies for residents receiving high care do not meet the capital needs of providing and maintaining quality buildings on an ongoing basis. Also in geographic areas of Australia where house values are low or large numbers of the community are non-homeowners, the current capital income arrangements do not provide sufficient income for capital construction of new facilities or major refurbishment of existing buildings. The additional viability supplement provided in the budget will offset some of the additional costs of providing care in remote areas but will not address the ongoing capital raising issues.

Quality community care is a critical factor in a positive experience of ageing for the 93% of people over 65 years of age who live in the community and want the choice of remaining at home.

The Alliance recommends:

- The introduction of a defined and properly costed benchmark of care for aged and community care that reflects the real costs – capital, staffing and operating – of providing a quality aged care service in different regions around Australia, and allows for the flexible delivery of aged care services responsive to the needs of the individual.
- The introduction of a care subsidy indexation system that recognises the cost pressures on the sector. The residential care subsidy must include a capital component.
- An increase in HACC funding by 20% as an initial injection to enable a more appropriate level of care to be offered to existing clients (with 8% indexation of the program to ensure continuing growth).
- Further expansion in the number of Extended Aged Care at Home and Community Aged Care packages.

3. Workforce

Quality care in aged care services cannot be achieved without an appropriately skilled and qualified workforce. Staffing levels and skills mix in aged care services should be driven primarily by the need to achieve optimal care outcomes.

Increasing dependency levels of people accessing aged care services require facilities to be adequately staffed. This is necessary to fulfil duty of care requirements to both older people and staff and to manage complex care needs, including dementia and challenging behaviour.

All workers in aged care experience heavy workloads and lack of wage parity with other comparable workers. These factors contribute to a critical shortage of staff that impacts on the delivery of quality aged care services.

The Alliance recommends that:

- The Australian Government, in consultation with:
 - the aged care and health workforce and their representatives;
 - aged care providers and their representatives; and
 - consumers and their representatives;should initiate a process to establish benchmarks¹ for staffing levels and skills mix, which meet duty of care requirements; which achieve optimal health and quality of life outcomes for residents and clients; which provide a safe and healthy employment environment for staff; which provide flexibility at the local level to be able to respond in a timely manner to changes in the care needs or the way in which care is delivered; and which contribute to the long term viability of aged care services.

¹ A benchmark is defined as: 'a structured approach for identifying the best practices from industry and government and comparing and adapting them to the organisation's operations. Such an approach is aimed at identifying more efficient and effective processes for achieving intended results' (www.ichnet.org) ; 'a point of reference from which quality or excellence is measured' (Macquarie Dictionary 1982 p.196); 'a reference point or standard against which performance or achievements can be compared' (www.ifad.org).

- The Australian Government introduce a mechanism, accompanied by sufficient dedicated funding, to achieve and maintain comparable wages for all staff working in aged care with their acute public sector counterparts.
- The Australian Government develop a national workforce strategy for aged care that will provide sufficient staff with the necessary skills to deliver quality care across all settings where aged care is provided.
- There be an immediate increase in the number of undergraduate nursing places to the level recommended in the *Review of Pricing Arrangements in Residential Aged Care*, ie 2,700 over the next three years, with 1,000 first year places commencing in the 2005 academic year. These additional places should only be available to universities that offer specialist training in aged care for nurses, including aged care specific preceptor programs for newly graduated nurses and quality aged care placements for students.

4. Facing the Dementia Epidemic

Currently the number of people in Australia with a diagnosis of moderate to severe dementia is estimated at over 180,000, although as many people again may be in the early stages of dementia. By 2040 it is predicted that the number will reach half a million people in Australia.

About half of those people living with dementia are living in the community. There is evidence to show that the application of best practice carer education and support models can show significant benefits in terms of delay in admission to residential aged care. However, even with the provision of the best community services, for many people there comes a time when the transition to residential care is considered necessary.

Around 60% of people receiving high care and 30% of those receiving low care have dementia. Some 90% and 54% respectively have an obvious cognitive impairment. Caring for people with dementia is an integral part of aged care.

Consumers report having problems in accessing dementia services for people with challenging behaviours. The Review of Pricing Arrangements in Residential Aged Care found evidence that the current arrangements in aged care do not adequately ensure equity of access for people with special needs, such as older people with dementia.

The Alliance welcomes the recent measures announced by the Government to address issues relating to dementia. In developing this package the Alliance recommends that the Australian Government:

- Implement a program to enable all care staff and GPs to be provided with education and support to implement models of care that include early diagnosis.
- Fund the provision of flexible community and respite care to be available and provided by workers skilled in dementia care, to enable people with dementia to be cared for in the community for as long as possible.

- Provide greater incentives to mainstream residential aged care providers to provide quality dementia care with an improved mix of capital and recurrent funding to promote dementia specific care for people with challenging behaviours.
- Provide additional funding for dementia research, including care and medical research, aimed at building dementia research capacity and promoting cooperation and collaboration between existing centres of research in Australia and internationally.

5. Linking Health and Aged Care

Quality health and aged care need to be integrally linked by the introduction of policies to achieve a system of services where access is determined by the needs of people, rather than the particular point of contact or service setting.

Older people need fair and equitable access to the full range of health services for optimal independence and wellbeing to be achieved. Currently access to such services can be inhibited depending on where the person lives and the care setting in which they find themselves. Progress toward a continuum of care for older people requires policies and strategies across the acute, community and residential aged care settings. It also requires better integration of primary care; community care; health promotion, illness prevention; acute care; sub-acute care; rehabilitation; and residential care. People in residential aged care need more appropriate health care in the residential setting, including the effective management of both acute episodes of ill health and their medicines, in order to avoid unnecessary hospitalisation. Acute hospitals need to change their care practices so they are more appropriate to frail older people with acute illness or requiring surgery. While the best setting for providing health care for older people is often their own home or in residential settings, there will always be a need for acute hospital care, particularly as the population ages.

In the acute hospital setting, older people need access to specialist multidisciplinary gerontic services. When they are discharged from hospital, there needs to be effective coordination with community health services. Currently their health care needs are not being adequately met in any setting. This unacceptable state of affairs is a result of the fragmentation of health and aged care services.

Governments also need to agree on how to meet the care needs of older people who require a level of care that lies between current hospital and residential aged care provision, eg 'sub-acute', 'transitional', or 'interim' care. The Alliance notes the recent initiative on transitional care packages but would argue strongly that much more effort is required in this area. Planning for measures to bridge the gap between hospitals, the community and residential care and must involve all service providers – the aged care sector, the acute hospital sector, general practitioners and gerontic specialists – from the outset if they are to maximise their potential.

Health care for older people in both the community and in aged care facilities should be funded to ensure adequate availability of general practitioners and specialists, including geriatricians, other medical specialists, pharmacists, allied health practitioners and nurse specialists.

The Alliance recommends:

- The introduction of a national strategic framework for the health care of older people covering all settings where care services are provided.
- The development of best practice care pathways and guidelines to be developed and introduced across the acute, community and residential aged care settings to cover a range of areas and conditions.
- A common clinical assessment process is introduced for use across the continuum of care regardless of where care is being provided.
- A network of health coordinators is appointed to work closely with nurses, general practitioners, medical specialists, pharmacists and allied health staff to ensure the effective integration of both the common assessment process and the best practice care pathways and guidelines.

6. Service Planning

The *Review of Pricing Arrangements in Residential Aged Care*¹ recommended that the current utilisation in high care and low care should be taken into account in ensuring that the planning arrangements for the allocation of places are more flexible.

The review also recommended taking account of the needs of older people with special needs, including those of Indigenous people, older people in rural and remote areas, older people from culturally and linguistically diverse backgrounds, older people with disabilities, older people with dementia, homeless older people and veterans.

A further recommendation was a review of the Australian Government's needs based planning arrangements after 2008.

In the 2004 Federal Budget, the Government announced that there would be no change in the proportion of places offered as high-level residential care. The Government did announce that there would be review in 2007-08 of the effectiveness of the new planning arrangements announced in the Budget.

The Alliance is of the view that the review of the planning arrangements should be undertaken now rather than being delayed until 2007/2008 because the following matters have not yet been addressed, are having a growing impact, and there is no benefit in further delaying their resolution:

- the need to reassess the balance between high and low residential care places and between residential and community care in an environment of increasing demand for high level residential care and more community care;

¹ Hogan W P, *Review of Pricing Arrangements in Residential Aged Care*, Commonwealth of Australia, 2004

- the need to consider a supply formula to better meet demand on the basis of age and other social and economic variables;
- the need to develop a mechanism for integrating the planning of community care and residential aged care; and
- the need for greater transparency in how planning arrangements are responding to the needs of special groups.

When investigating planning frameworks for the future, account should be taken of the need for transition care beds.

The Budget announcements also stated that the allocation process will be improved by announcing places three years in advance. The Alliance would like the Government to go further by making allocations to providers three years in advance on an 'in principle' basis with certain milestones to be met, such as, local government approval, for the 'in principle' allocation to be converted to full approval. Such an arrangement would ensure providers can plan with certainty and assurance. Such a scheme would also have the benefit of bringing new beds on line at the scheduled time.

The Alliance recommends that:

- The review of the planning arrangements not be left until 2007/2008 but be undertaken in the current financial year.
- Place allocations to providers be made three years in advance on an 'in principle' basis with certain milestones to be met, such as local government approval, for the 'in principle' allocation to be converted to full approval.

7. Service Quality

Accreditation is a mechanism for ensuring the quality of aged care services and for promoting quality assurance and continuous improvement.

The *Review of Pricing Arrangements in Residential Aged Care* recommended that the Aged Care Standards and Accreditation Agency should significantly improve its focus on supporting informed consumer choice and consumer input to monitoring standards by:

- improving direct communication with consumers, including those with special needs, and by better informing other organisations of the level of quality provided by specific services; and
- exploring, with consumers and the industry, a star rating system to assist consumers to more readily compare services and to provide incentives for providers to become more competitive in providing quality services.

The Government's response in the Budget increased the funding for the Agency and allocated funds for, in part, the development of a standards rating system for aged care homes. The Alliance is of the view that the first step in considering the development of a standard rating system should be to find out what information it is that consumers want.

The Alliance considers that the overall Government response to the *Review of Pricing Arrangements in Residential Aged Care* needs an even stronger focus on achieving better quality outcomes in residential aged care. Moreover there is a need to review the tensions between the functions of the Agency (including monitoring, review audits and education functions). The Alliance is concerned that there are conflicts of interest in these functions and has issued a discussion paper on future directions for accreditation in the aged care sector, which is available on the Alliance website: www.naca.asn.au.

The Alliance recommends that:

- Education and information programs and products be developed to increase consumer knowledge and understanding and to support their involvement in the accreditation process, and to clarify the roles and responsibilities of the Minister, the Agency and the Department in accreditation, complaints and compliance processes.
- Training and community education for consumers about the complaints process be available and be funded.

8. Conclusion

The Alliance's broad representative membership offers to Government the opportunity to consult across a range of stakeholders with an interest in the issues canvassed in this submission.

Representatives from the Alliance are available to discuss with Government the recommendations outlined.