

# National Aged Care Alliance

## Submission to House of Representatives Standing Committee on Ageing *Inquiry into Long Term Strategies to Address the Ageing of the Australian Population Over the Next 40 Years*

### 1. Introduction

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

The Alliance welcomes the opportunity to submit to the House of Representatives Standing Committee on Ageing *Inquiry into long term strategies to address the ageing of the Australian population over the next 40 years*.

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 delivery of quality aged care services requires informed consumers; a person-centred approach to care; adequately qualified and prepared staff; input from a range of qualified and competent professionals and care workers; quality facilities; enlightened policy makers advising a Government which has the necessary vision; and adequately resourced, competent and caring operators.

The key to a robust, efficient and effective aged care system is improved integration of care services between acute, residential, transitional, and home and community care sectors. The current situation of ineffective integration leaves consumers at a loss in moving purposefully through the system and results in unnecessary duplication and piecemeal health and aged care. Strategies must be implemented to improve the continuity of care across programs and to address any cost-shifting measures that impede quality care.

### 2. Recommendations

- 2.1 That health spending be seen as an investment rather than a cost with a move to health strategies that focus on the healthy well-being of individuals. Public health programs that focus on home-based services; local community-based health services; prevention of ill health; and promotion of a healthy lifestyle; will reduce costly hospitalisations and demand for residential care services.

- 2.2 That the current allocation process of aged care places be subject to examination, review and community debate.
- 2.3 That a new funding system be introduced for aged care based on a defined and properly costed and indexed benchmark of care. This benchmark of care must reflect the real costs of providing a quality aged care service in different regions around Australia, and allow for the flexible delivery of aged care services responsive to the needs of the individual.
- 2.4 That a national strategic response be developed now to address the serious staffing shortages in aged care in order to ensure that skilled staff are available to deliver quality care. Part of this response must include achieving and maintaining wage parity for all staff with their public hospital counterparts. It also needs to include integrated education and training for all staff working in aged care including specific care needs such as dementia and palliative care.
- 2.5 That access to, and funding of, dementia specific care be urgently reviewed.
- 2.6 That immediate strategies be implemented in community care that include:
  - Increasing HACC funding by 20% as an initial injection to enable a more appropriate level of care to be offered to existing clients (with appropriate indexation of the program – starting at 8% – to ensure continuing growth).
  - Expanding the number of Community Aged Care Packages.
  - Expanding the Extended Aged Care at Home program.
  - Reviewing the structure and relationships of community programs to achieve better integration and targeting of resources.
  - Promoting best practice in respite care and develop incentives for specialisation and diversification of models of respite care including at home and residential based respite services.
- 2.7 That policies are developed that will ensure the medical care of residents is integrated with nursing, allied health and other care.
- 2.8 That the collaboration of doctors, nurses and allied health practitioners is encouraged and facilitated so that multidisciplinary practice guidelines can be developed and implemented.
- 2.9 That the Government encourage alliances between consumers, providers, professional associations and education institutions to promote and guide research and encourage participation in international comparative studies of health care in the aged care setting.
- 2.10 That all governments urgently address the disincentives that currently discourage the provision of care services in the aged care sector and the integration of services across the continuum of care.

- 2.11 That all Australian jurisdictions review and remove all legislative barriers to a nationally consistent continuum of care for older people in Australia.
- 2.12 That all accreditation processes established be independent of government, transparent and accountable.
- 2.13 That the role of carers in providing the foundation of care for frail older people be encouraged, supported and given better recognition through improving and better resourcing current programs within the community care sector; the provision of appropriate social security support; changes to superannuation policy to deliver adequate retirement incomes; and greater flexibility in the workplace to include input from carers.

### **3. Health spending**

Over the next 40 years the demand for a range of quality services for older Australians will increase because of the rising number of older people in our population. While the overall population will increase by 30% by 2030, the population of people aged 80 or more will increase by over 200%<sup>1</sup>.

By 2041 those aged 65 and over will represent 25% of the population compared with 8% 30 years ago and just over 12% currently. As the current 12% of people aged 65+ account for 36% of all health care expenditure, there will be major funding and service implications by 2041 when those over 65 will represent 25% of the population. Among this population will be a greatly increased number of people with dementia.

Currently the likelihood of being admitted to a residential aged care facility doubles with each 5 year increase in age, reaching 35% in people over 85<sup>2</sup>. Other predictors of admission are overwhelmingly health-related, rather than social. Of the 134,000 Australians diagnosed with dementia in 1996, about 50% were housed in residential care<sup>3</sup>. The prevalence of cognitive impairment is 54% in low level care (formerly called hostels) and 90% in high level care (formerly called nursing homes)<sup>4</sup>.

The Australian Bureau of Statistics has also predicted that over the 25 year period to 2021, the number of Australians who will be living alone will increase by 70% from under 1.6 million in 1996 to over 2.7 million in 2021. For those aged 65 and over, the increase will be 90%. Without carer support systems, many more older people will require residential aged care at an earlier point in time. At present levels they will not be able to access community care.

The National Aged Care Alliance welcomes the direction of the health policy reform agenda endorsed by the Australian Health Ministers' Conference, particularly the recognition by all Commonwealth, State and Territory Health Ministers of the need to improve the interface between hospitals and primary and aged care services. The Alliance stands ready to work with all Health Ministers to achieve better outcomes.

The development of specific wellness initiatives for older people to reduce future demand on health services will mean a refocusing of health outlays. The significant shifts needed in the financing and structure of health care delivery will require the development of universally embraced medium and long term strategies.

Healthier ageing should not be taken for granted. A national goal of the majority of people entering old age as healthy as possible requires the development of initiatives at national, state, regional and local community levels.

The National Aged Care Alliance calls on governments to consider spending on health as an investment rather than a cost with a move to health strategies that focus on the healthy well-being of individuals. Public health programs that focus on home-based services; local community-based health services; prevention of ill health and promotion of a healthy lifestyle; will reduce costly hospitalisations and demand for residential care services.

#### **4. Allocation of aged care places**

The existing allocation of operational places is not meeting the access needs of considerable numbers of frail older people. The medium term strategic challenge is the question as to whether the current planning ratios are appropriate to meet the longer term care access needs of the approaching bulge of demand. The Alliance considers that this question requires examination, review and community debate.

The National Aged Care Alliance calls for the current allocation process of aged care places to be subject to examination, review and community debate.

#### **5. Funding of aged care services**

Australia has an aged care sector in which we can take some pride, however currently its funding base is not as secure as it needs to be to prevent longer waiting lists, and pressures on both the quantity and quality of future services. There has been a real decline in aged care funding at a time of rising demand for aged care services, and a lack of transparency in the Government's funding of residential aged care services because there is no benchmark.

The current funding bears no direct relationship to the actual costs of providing care. Unlike some other output-based funding models that are periodically tested against actual costs, aged care payments are not. The announcement by the Government in this year's Federal Budget of the Pricing Review will provide an opportunity for these issues to be examined and resolved through future Federal Budgets. Getting right the quality of care and the appropriate cost price for that care as expected by consumers of services and the community is fundamental.

The Alliance considers that the current funding system for residential aged care is an inadequate basis on which to provide quality care because the funding is inadequately indexed and does not reflect the real costs of providing care. The viability of aged care services will continue to deteriorate as the funding gap grows and as Australia's population ages.

The National Aged Care Alliance calls for the introduction of a new funding system for aged care based on a defined and properly costed benchmark of care. This benchmark of care must reflect the real costs of providing a quality aged care service in different regions around Australia, and allow for the flexible delivery of aged care services responsive to the needs of the individual.

## **6. Staffing of aged care services**

There is an immediate need for a national strategic response to address the serious existing and projected staffing shortages in aged care in order to ensure that skilled staff are available to deliver quality care. Optimal health outcomes will not be achieved without an appropriately skilled and qualified workforce. Part of this response must include achieving and maintaining wage parity for all staff with their public hospital counterparts. Working conditions and wages for all staff in aged care must be attractive and competitive in order for the aged care sector to be able to recruit and retain quality staff to provide quality care. It also needs to include integrated education and training for all staff working in aged care including specific care needs such as dementia and palliative care.

The National Aged Care Alliance calls for a national strategic response to address the serious staffing shortages in aged care in order to ensure that skilled staff are available to delivery quality care; and calls on the Federal Government to develop a model of funding (mutually agreed by all stakeholders) that reflects the real costs of providing sufficient staff to achieve quality outcomes. Part of this response must include achieving and maintaining wage parity for all staff with their public hospital counterparts. It also needs to include integrated education and training for all staff working in aged care including specific care needs such as dementia and palliative care.

## **7. Dementia specific services**

The Two Year Review of Aged Care Reforms identified that the adequate provision of specialist dementia residential aged care services is an existing policy priority needing to be addressed. The Alliance considers that the 40 year time frame for the development of long term strategies should not just focus on the distant future but identify immediate and short to medium term strategies to deal with existing issues.

The challenge of the provision of specialist dementia services cannot be left till the 'baby boomer' demographic bulge is upon us.

The National Aged Care Alliance calls for an urgent review of access to, and funding of, dementia specific care.

## **8. Community care**

Through the current planning framework, the Commonwealth seeks to achieve and maintain a national provision level of 100 residential and Community Aged Care (CACPs) per 1,000 of the population aged 70 years and over. The target ratios are 40 high care places, 50 low care places and 10 CACPs per 1,000 of the population aged 70 years and over.

As at 30 June 2002, there were 42.4 operational high care places, 40.5 low care and 15.0 CACPs making a total of 98.0. The total number of allocated places however, were at 108.4, representing principally high and low care places that had not come on stream as operational.

The Commonwealth's strategy since 1992 has been to steadily increase the provision of community care in line with consumer expectations and to achieve a balance of care away from reliance on residential care. Forty two per cent of CACP recipients receive packages for more than 12 months and forty six per cent of all package recipients enter residential care<sup>5</sup>.

As care in the community increases thus delaying or obviating the need for residential aged care, the above predictors of admission will change over the next 40 years. Styles of residential aged care will alter to more closely reflect the support needs of specific care groups, eg transitional, rehabilitative, palliative, dementia, disability and psycho-social.

The National Aged Care Alliance supports the enhancement of community-based care options as an alternative to residential aged care for older people living in the community. This enhances people's independence, and avoids premature admission or inappropriate stays in hospital or residential aged care.

Community based care options are also fundamental in supporting informal carers in providing the main source of help in day to day activities of frail older people. The increasingly ageing population and increasing number of people with age related or early onset disabilities, will result in an increased demand for informal care and community care services. The role of family and friends in providing informal care therefore needs to be appropriately supported and resourced to make it sustainable for carers and the community care sector in the medium to long term.

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

The National Aged Care Alliance calls on the implementation of immediate strategies that include:

- Increasing HACC funding by 20% as an initial injection to enable a more appropriate level of care to be offered to existing clients (with appropriate indexation of the program – starting at 8% – to ensure continuing growth).
- Expanding the number of Community Aged Care Packages.
- Expanding the Extended Aged Care at Home program.
- Reviewing the structure and relationships of community programs to achieve better integration and targeting of resources.
- Promoting best practice in respite care and develop incentives for specialisation and diversification of models of respite care including at home and residential based respite services.
- Encouraging, supporting and giving better recognition to carers through improving and better resourcing current programs within the community care sector; the provision of appropriate social security support, changes to superannuation policy to deliver adequate retirement incomes; and greater flexibility in the workplace to include input from carers.

## **9. Medical input into aged care services**

Multiple coexisting medical conditions result in many people having particularly complex health care needs. These needs may be for active treatment aimed at cure or prolongation of life or may be essentially palliative and aimed at effective control of distressing symptoms. Failure to meet these care needs is the strongest predictor of depression among people in residential care settings<sup>6</sup>.

Quality health care depends on the effective integration of medical, nursing, allied health and other care workers. Medical care is not effectively integrated within the broad range of services provided, and there are many disincentives to doctors and other staff working within residential aged care facilities, which are not just economic.

The National Aged Care Alliance calls for the development of policies that will ensure that the medical care of residents is integrated with nursing, allied health and other care and the introduction of incentives to encourage doctors to work in aged care.

## **10. Multidisciplinary practice guidelines**

There is an international movement toward the development of multidisciplinary practice guidelines for all common conditions of ageing including the behavioural symptoms of dementia. These condition-specific guidelines outline the important elements of assessment and indicate the most well researched and beneficial medical, nursing and allied health interventions for each condition. The guidelines also clarify the inter-related roles of each professional discipline, and identify people for whom specialist support should be considered.

The National Aged Care Alliance calls on the Federal Government to encourage and facilitate the collaboration of doctors, nurses and allied health practitioners in order to develop and implement multidisciplinary practice guidelines.

## **11. Research**

The capacity to conduct high calibre research is another pillar on which quality health and medical care can be progressively built. Strategic alliances need to be formed among providers, consumers, professional associations and educational institutions, to set priorities for targeted research and conduct studies monitoring adherence to accepted best practice and evaluating practice innovations.

Sound research, effective strategic planning, and strong public policy are essential prerequisites to ensuring that resources will be available and used to maintain a high quality of life for older people in Australia, and to reducing the need for more expensive hospital care.

The National Aged Care Alliance calls on the Federal Government to allocate specific funding for research in aged care and encourage alliances between consumers, providers, professional associations and education institutions to promote and guide research and encourage participation in international comparative studies of health care in the aged care setting.

## **12. Disincentives**

The Alliance is concerned at the disincentives and barriers that currently exist which make it difficult for doctors, other health professionals, and carers to operate in the aged care sector, particularly in residential aged care facilities. These disincentives include an inequitable fee structure for doctors; inequitable wages for nurses and other care staff; the large number of non-face-to-face administrative tasks and red tape expected of GPs and care staff; the lack of integration of medical services in the aged care system; and the absence in many residential facilities of consultation rooms with adequate treatment facilities and plug-in computer facilities that would facilitate access to patient records.

The National Aged Care Alliance calls on all governments to urgently address the disincentives that currently discourage the provision of care services in the aged care sector and the integration of services across the continuum of care.

## **13. Legislative barriers**

The Aged Care Act 1997 and the various State and Territory operator licensing and regulatory requirements that impact variously across the acute, residential and community care sectors need to be reviewed and aligned in order to remove the barriers to achieving a nationally consistent continuum of care for older people.

The National Aged Care Alliance calls on all Australian jurisdictions to review and remove all legislative and practice barriers to a nationally consistent continuum of care for older people in Australia.

## **14. Quality assurance**

The administrative costs of compliance with the quality assurance process need to be factored into Government funding of aged care as a way of ensuring that the Government, accrediting bodies and approved providers are mindful of, both the costs of accreditation processes and the costs associated with continuous improvement in the quality of the services.

Further education and information programs and products should 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.

The National Aged Care Alliance calls for an accreditation process that is independent of government, transparent and accountable.



## 15. Summary

The National Aged Care Alliance has a vision for aged care in Australia that will give all older people in Australia 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 considers that the House of Representatives Standing Committee on Ageing should use this vision as an essential plank in its report on the long term strategies to address the ageing of the Australian population.

In February this year the Alliance released a Discussion Paper: *Options for financing long-term care for older people in Australia*, confirming that the long term financing of aged care is a major focus of future work for the Alliance. The Alliance is including this Paper as an Exhibit to its Submission. A copy of the Discussion Paper can be located on the Alliance website at: [http://www.naca.asn.au/pdf/report\\_03.pdf](http://www.naca.asn.au/pdf/report_03.pdf)

## 16. References

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- 5 Australian Institute of Health and Welfare, 2002. *Community aged Care Packages in Australia 2000-01 – A statistical overview*, Canberra.
- 6 Mann AH, Schneider J, Mozley CG, et al, 2000. Depression and the response of residential homes to physical health needs, *International Journal of Geriatric Psychiatry*.