

# National Aged Care Alliance

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## Federal Budget Submission 2010-2011

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## About the National Aged Care Alliance

The National Aged Care Alliance (the Alliance) is a representative body of 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.

The following organisations are members of the Alliance:

*Aged and Community Services Australia, Aged Care Association Australia, Alzheimer's Australia, Anglicare Australia, Australian Association of Gerontology, Australian General Practice Network, Australian Healthcare and Hospital Association, Australian Nursing Federation, Australian Physiotherapy Association, Australian & New Zealand Society for Geriatric Medicine, Baptist Care Australia, Carers' Australia, Catholic Health Australia, COTA Over 50's (Councils on the Ageing), Diversional Therapy Association of Australia, Geriaction, Health Services Union, Legacy Australia, LHMU, Lutheran Aged Care Australia, OT Australia, Palliative Care Australia, Pharmacy Guild of Australia, Returned and Services League of Australia, Royal Australian College of General Practitioners, Royal College of Nursing Australia and UnitingCare Australia.*

Further information about the Alliance is available on their website [www.naca.asn.au](http://www.naca.asn.au).

## Executive summary

The challenges and changes needed in aged care have been well documented and canvassed in recent reports and Government commissioned studies. Despite reforms over the last decade, it is now time for action to substantially change the system and take these reforms to the next level.

The National Aged Care Alliance (the Alliance) considers that where older Australians require support or care, they should:

- have access to services in their own communities and homes that:
  - are readily available, affordable and client-directed
  - promote wellness and independence, and assist them in realising their aspirations
  - provide genuine choice to meet the aspirations, needs and preferences of a diverse older population
  - are underpinned by a commitment to quality improvement, evaluation and ongoing research
- be the principal decision makers about when they may need assistance and the nature of that assistance
- have access to affordable, effective and safe health and medical care
- have easy access to reliable and relevant information about the availability, quality and cost of aged care services.<sup>1</sup>

The reform agenda presented in this Alliance Federal Budget Submission provides an integrated suite of proposals that are consistent with reform directions outlined in recent reviews and reports.

Of the 26 budget recommendations contained in this submission, the Alliance places priority on the following recommendations as they represent essential first steps towards a realisation of the reforms envisaged in the recent reviews and reports, and reflected in the Alliance's Vision Paper *Leading the Way – Our Vision for Support and Care of Older Australians*:

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<sup>1</sup> National Aged Care Alliance. September 2009. *Leading the Way – Our Vision for Support and Care of Older Australians*.

- The current separation of community packages into separate allocations of places for Community Aged Care Packages (CACPs), Extended Aged Care at Home (EACH) and Extended Aged Care at Home Dementia (EACHD) be replaced by one allocation with approved providers being able to offer the level of Aged Care Assessment Team (ACAT) care required and care recipients able to choose the approved provider of their care. (Recommendation 4).
- The Government commence, through an industry agreed staged process, revoking the current regulatory restrictions on the quantity and type of services providers can offer by discontinuing the current separate distinction between High and Low care residential place allocations in the annual Aged Care Assessment Rounds (ACAR). (Recommendation 6).
- As an initial step the Government gradually increase the community care place allocation target beyond the current target of 25 places per thousand persons aged 70+ and at the same time allow residential aged care providers to convert their High and Low care places to community care packages. (Recommendation 7).
- The Government commence a trial to permit approved care recipients the option of managing their community care subsidy entitlement in order that they may manage the resources allocated to them for the assessed care and support services they need. (Recommendation 8).
- The Government establish nationally consistent, transparent, equitable and affordable user contributions to the cost of supportive accommodation options with a variety of payment methods available from 1 July 2010. Consumers should be provided with genuine choice in how their user contributions are made (e.g. loans, periodic payment, deferred contributions, rent). (Recommendation 17).
- Pending the formulation of a robust basis for setting prices based on a benchmark cost of care, as from 1 July 2010, and until such time as the indexation method is reviewed and revised, the greater of the Consumer Price Index (CPI) or the All Groups Pensioner and Beneficiary Living Cost Index (PBLCI) for the year ending 31 March be used to index the Government's aged care subsidies currently indexed by the COPO Index. (Recommendation 18).

- The Government commission and fund research into the appropriate levels and mix of staff linked to care needs to determine:
  - current staffing levels;
  - current staffing levels and those required to achieve acceptable and optimal quality of care; and
  - the mechanisms best suited to implement and obtain the optimal staffing for all health professionals in the sector. (Recommendation 19).

## Introduction

The challenges and changes needed in aged care have been well documented. Reforms over the last decade have increased the range of services and improved access and quality. However, it is now time for action to substantially change the system and take these reforms to the next level<sup>2</sup>.

The substantial reforms that have been canvassed in recent reports and Government commissioned studies include:

- ensuring greater choice and responsiveness in the services and supports for older Australians by:
  - funding people rather than places (NHHRC); and
  - lifting the current restrictions on the services providers may offer (NHHRC and Productivity Commission).
- considering options to enable greater flexibility in relation to payments and services directed at providing a client-centred aged care system (Senate Committee).
- securing the availability and sustainability of services and supports for older Australians by:
  - allowing more flexible payment arrangements in high care as a source of capital funding (NHHRC and Productivity Commission);
  - periodic review of care subsidies to ensure that they are adequate to meet the care needs of the people living in residential care (NHHRC) and establishing a benchmark cost of care (Productivity Commission and Senate Committee); and
  - establishing a nationally consistent approach to gathering data for determining the financial status of the residential and community aged care sectors (Senate Committee).
- achieving the most effective use of public monies through more choice and competition while protecting those older people who are most in need, including older people with limited or no ability to contribute to the costs

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<sup>2</sup> National Aged Care Alliance. September 2009. *Leading the Way – Our Vision for Support and Care of Older Australians*.

of their accommodation and/or care (NHHRC, Productivity Commission and WP Hogan).

- reducing the regulatory burden on the aged care sector by tackling the underlying policy framework that stifles competition (Productivity Commission).
- strengthening and simplifying the systems that ensure the safety and promote quality improvement of services (Productivity Commission and NHHRC).
- setting clear targets to increase provision of sub-acute services by June 2010. These targets to cover both inpatient and community-based services and link the demand for sub-acute services to the expected flow of patients from acute services and other settings (NHHRC).
- making additional investment in specialist palliative care services to support more availability of these services to people at home in the community (NHHRC).
- ensuring people with dementia and their families and carers have scope to choose between whether they receive care in the community or in a residential facility, with options to provide flexibility in tailoring a consumer-directed service package to best meet their needs (Access Economics).
- providing adequate funding to ensure sufficiently skilled and qualified staff can be attracted to and retained in social services (Productivity Commission *draft report on contribution of the NFP sector*).

The reform agenda presented in this Alliance Federal Budget Submission provides an integrated suite of proposals that are consistent with the reforms articulated in the reviews and reports. These are necessary to transform aged care in Australia and place older people at the centre of a system that provides a choice of timely, accessible and affordable support and care services that maximise independence.

Increasing choice and responsiveness in how older people use aged care services without phasing in the reforms would pose a risk to the continuity of existing services as there is a high probability that the current regulated balance of care ratios which determine the proportions of residential low and high care places and community care places will not align with consumer preferences.



It is recommended that the implementation of the reforms be accompanied by a phased plan for the introduction of greater choice, developed in consultation with consumers, providers, health professionals and unions that allows for a reasonable period for adjustment, clear timelines and milestones.

The transition plan would, inter alia, set out timelines and arrangements for:

- the gradual conversion of existing low care residential places to community care or high care;
- allowing community care recipients to choose their care provider, transition to higher care levels without changing provider and the option to manage their entitlement;
- removing quotas and lifting restrictions on what services providers can offer; and
- funding care recipients rather than places and allowing care recipients choice of residential or community care.

The Alliance has developed a Vision Statement for the future of services and supports for older Australians and a copy is attached to this submission.

The aim is for a range of readily available support and care services that are linked seamlessly into the broader health system. These include easily accessible primary health care services; transition care after any acute health episode, so that no one has a long term aged care assessment while acutely unwell; restorative and rehabilitative services to provide the greatest opportunity of getting back to as full function as possible after acute care; support and care services for people living with dementia; and palliative and end of life care.

This Budget submission also includes a call for an increased investment in services and supports that will address the challenges Australia faces in addressing the dementia epidemic. There needs to be an emphasis on encouraging community awareness and positive lifestyle choices, dramatically improving dementia care practice and outcomes, promoting equitable access to dementia care services and supporting cutting-edge research.



## Promoting a society for all ages

There is a need to promote realistic and respectful paradigms of the roles of ageing in our society and stimulate positive and accurate representations of ageing and combat all forms of ageism.

Address the challenge that population ageing brings by promoting the development of a coherent agenda of the ageing research that will address the key outstanding questions that face us and translate the research outcomes into policy and practice.

### Recommendation 1:

The Government make a commitment to raising the profile of aged support and care by presenting positive images to demonstrate the significant contribution of aged care to enhancing the well being of older people, through funding of a specialist advisory group. This group would recommend specific campaign initiatives. These initiatives would lay the groundwork for the looming baby boomer bulge that will access support and care services from around 2015 onwards.

### Recommendation 2:

Policy development be undertaken in the areas of retirement incomes and employment, health, transport, housing provision and design and urban design. All of these factors bear on the welfare of older people, especially those who live with socio-economic disadvantages.

### Recommendation 3:

The Government amend the Building Code of Australia to provide for mandatory adaptable, accessible and sustainable design standards for all housing provided in the public, private and community sectors.

## B Consumer focused, user friendly and equitable support and care services

Over a transition period funding for care and support services needs to be linked to each recipient so the recipient and their family can determine how and where they receive their care and support, including the option to control how their funding entitlement is used.

### Recommendation 4:

The current separation of community packages into separate allocations of places for Community Aged Care Packages (CACPs), Extended Aged Care at Home (EACH) and Extended Aged Care at Home Dementia (EACHD) be replaced by one allocation with approved providers being able to offer the level of care required to best support the individual's Aged Care Assessment Team (ACAT) assessed needs. The care recipients should be able to choose the approved provider of their care.

This would be an initial first step towards a more flexible range of care subsidies for people receiving community care packages, determined in a way that is compatible with care subsidies for residential care as recommended by the NHHRC.

### Recommendation 5:

The Government commence the establishment of a national aged care assessment and information system to achieve:

- consistent and equitable outcomes;
- provide high quality, rapid, seamless and appropriate assessments based on multi-disciplinary skills; and
- support consumer choice by providing reliable information and assistance.

The Alliance recommends all stakeholders are consulted on the various information items needed to achieve this goal and also on the development of a user-designed data platform that will support informed consumer decision making.

This information service should be complemented by advocacy and support services that assist people to access services that optimise choice and positive outcomes.

#### Recommendation 6:

The Government commence, through an industry agreed staged process, revoking the current regulatory restrictions on the quantity and type of services providers can offer by discontinuing the current separate distinction between High and Low care residential place allocations in the annual Aged Care Approvals Rounds (ACAR).

#### Recommendation 7:

As an initial step the Government gradually increase the community care place allocation target beyond the current target of 25 places per thousand persons aged 70+ and at the same time allow residential aged care providers to convert their High and Low care places to community care packages.

#### Recommendation 8:

The Government commence a trial to permit approved care recipients the option of managing their community care subsidy entitlement in order that they may manage the resources allocated to them for the assessed care and support services they need.



## Consumer entitlement to robust community care is front and centre - within a seamless continuum of care and support services

Consumers need a genuine integration and choice of all aged care and support services, that are linked seamlessly to the continuum of health services, from primary, to planned and emergency acute, to restorative; all equitably accessible by older people without discrimination.

### Recommendation 9:

Funding for support and care services and accommodation be separated so that choices about each are as far as possible independent of each other. This would enable consumers to have greater options and choices in both services and housing.

### Recommendation 10:

Discharge of older persons from acute care be supported by additional restorative and rehabilitative services at home or in a Day Therapy Service consistent with consumer choice according to properly assessed clinical need.

### Recommendation 11:

The number of community and facility based transition, convalescent, rehabilitation/restorative and palliative care services be increased to reduce inappropriate use of acute care services and enable access to more appropriate pre and post acute care.

### Recommendation 12:

Increase the availability of restorative/rehabilitative services, including Day Therapy Centre services, so as to assist older people experiencing disability to maximise capacity and well being and reduce or remove their need for ageing support wherever the person lives.

### Recommendation 13:

The number of respite, temporary care and support options be increased to better support carers to maintain their roles for as long as they wish and are able, and be flexible so as to meet client need.

### Recommendation 14:

Increase the range, availability and funding of high quality in home palliative and end-of-life support and care, and the access to specialist palliative care services for residential care.

## D Properly funded, flexibly and equitably financed system

Access to high quality aged care should be available to all people in need, irrespective of their background and resources.

The Alliance supports increasing the ability of consumers to contribute to the costs of services as part of a range of strategies, including improved government funding, to decrease the gap between the full costs of optimal care and funding available to meet these costs. Contributions should be able to be made flexibly, in a way that ensures people can sustain a decent standard of living.

To achieve a properly funded, flexibly and equitably financed system, funding needs to be provided to individuals as an entitlement based on assessed needs, rather than subject to quotas. Funding for care and support should be based on regularly updated independent benchmarking of the cost of providing care and support in an environment where recipients have full choice of such services.

### Recommendation 15:

The Government request the Productivity Commission to establish the cost of care in residential and community settings to identify standard benchmarks of support and care services.

### Recommendation 16:

Funding models be implemented to incentivise the medical workforce to improve access to services for residents in residential aged care facilities (RACFs) and reward quality of care, eg capitation models and funding linked to annual cycles of care.

### Recommendation 17:

The Government establish nationally consistent, transparent, equitable and affordable user contributions to the cost of supportive accommodation options with a variety of payment methods available from 1 July 2010. Consumers should be provided with genuine choice in how their user contributions are made (e.g. loans, periodic payment, and deferred contributions, rent).

### Recommendation 18:

Pending the formulation of a robust basis for setting prices based on a benchmark cost of care, as from 1 July 2010, and until such time as the indexation method is reviewed and revised, the greater of the Consumer Price Index (CPI) or the All Groups Pensioner and Beneficiary Living Cost Index (PBLCI) for the year ending 31 March be used to index the Government's aged care subsidies currently indexed by the COPO Index.

### Recommendation 19:

The Government commission and fund research into the appropriate levels and mix of staff linked to care needs to determine:

- current staffing levels ;
- current staffing levels and those required to achieve acceptable and optimal quality of care; and
- the mechanisms best suited to implement and obtain the optimal staffing for all health professionals in the sector.

The government funded research would aim to achieve:

- a dynamic and resourced workforce planning regime with adequate funding to ensure sufficient skilled, appropriately qualified and competitively remunerated staff are attracted to and retained in aged care and respected for their work.

### Recommendation 20:

Specific incentives need to be introduced to increase investment in information management and communication systems in aged care services to ensure 'e-health readiness' and ICT capacity to support improvements in quality and integration of health care provided by health professionals for care recipients of aged care services.





## A framework of support for informal carers and families

There is a need for formal acknowledgement and improved support for families, friends and community carers, including the acknowledgement that family and informal carers have the right to cease carer roles for short periods or permanently.

### Recommendation 21:

Increased investment in improving access to sub-acute and rehabilitation services. This will reduce the risk of community based care being used to compensate for a lack of appropriate medical intervention, or failing as a result of unreasonable demands being placed on informal carers, or from services not being equipped to manage more complex health care needs.

### Recommendation 22:

Increased funding and infrastructure for carer support services including respite, counselling, education, training and advocacy to improve the overall efficiency and effectiveness of the care system.



## Continuous improvement and quality control

Services continuously improve through shared learning founded on evidence based practice and well supported research programs into all facets of ageing and of caring for older people.

### Recommendation 23:

Funding for services include provision for optimal levels of continuing and recognised qualifications, training and development for all staff and volunteers in community and residential aged care.

### Recommendation 24:

An independent national complaints service be established to replace the current Complaints Investigation Scheme (CIS) run by the Department of Health and Ageing. This new service would meet the Australian Standard and be based on fostering feedback and complaints mechanisms from service level up. The focus of the new service would be on prompt complaints resolution, enhanced learning and service and system improvement.

### Recommendation 25:

The Department of Health and Ageing conduct a publicly available evaluation of the current safeguards that protect older people receiving care, including police check requirements, to explore whether the benefits of the existing safety framework could be achieved in a less costly manner.



## Facing the Dementia Epidemic

The Access Economics report *Dementia Front of Mind: Incidence and Prevalence 2009–2050* showed that unless new therapeutic interventions are identified there will be 1.13 million Australians with dementia by 2050 and 7,400 new cases of dementia a week.

The Alliance supports Alzheimer's Australia's proposal for a four-part approach to facing the dementia epidemic backed up by the necessary financial commitment.

### Recommendation 26:

The Government provide funding for:

- investment in health infrastructure to achieve a reduction in the numbers of people with dementia through a commitment to increased funding for research into the cause and prevention identification of population groups most at risk and action to better inform Australians about how to reduce their risk of dementia;
- a dementia workforce strategy that will strengthen quality dementia care through professional development and training, expansion of successful programs such as the National Dementia Support Program and the Dementia Behaviour Management Advisory Service, and knowledge translation to ensure evidence based practice becomes the norm;
- improved access to care services and support for family carers; and
- a national communication strategy to promote public understanding of dementia whilst helping to reduce stigma and social isolation of those living with the condition.