Ms J. Irvine
Inquiry into Caring for Older Australians
Productivity Commission
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A.I.R. SUBMISSION TO PRODUCTIVITY COMMISSION

INTRODUCTION

The Association of Independent Retirees (A.I.R.) Ltd appreciates the opportunity to make a submission to the Productivity Commission into Aged Care and thanks the Commission for releasing the Issues Paper which is most helpful.

In considering the aged care system and ways it can be improved A.I.R. is mindful of the approvals contained in the 2010/11 Federal budget. However, we would argue that more needs to be done to further improve the system.

GENERAL DIRECTION FOR THE FUTURE

A.I.R. supports the direction and recommendations contained in the National Aged Care Alliance (NACA) 2010/11 Pre Budget submission as a basis for improvements in the aged care system and urges the Commission to give strong consideration to this submission and its recommendations. The Alliance is a representative body of peak national organizations 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.

A.I.R. endorses the following comments from the Executive Summary of the NACA Submission as the basis for the Aged Care system moving forward.

"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 realizing 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"

The thrust of the NACA Submission supported by A.I.R. is aimed at "placing older people at the centre of a system that provides a choice of timely, accessible and affordable support and care services that maximize independence".

A transition plan proposed by NACA, to be developed in consultation with stakeholders, would 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 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".

The above extracts, the NACA Submission generally, and its recommendations are in the view of A.I.R. very relevant to the development of higher quality care throughout the aged care system.

A.I.R.'s priority recommendations, with those from NACA marked accordingly, are indicated below.

MORE FLEXIBLE, CONSUMER-FOCUSSED AGED CARE

Recommendation 1

"That the current separation of community packages into separate allocations of places for Community Aged Care Packages, Extended Aged Care at Home and Extended Aged Care at Home Dementia be replaced by one allocation, with approved providers being able to offer the level of Aged Care Assessment Team care required and care recipients able to choose the approved provider of their care" – NACA

Recommendation 2

"That 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"--NACA

Recommendation 3

"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" – NACA

Recommendation 4

"That 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"

In endorsing the above recommendations, it is felt there is a need for more home care services to meet the needs of the considerable number of persons preferring to remain at home and receive necessary care in their homes for as long as possible. Aged persons often want to remain in their homes as long as possible but need assistance with direct care and support to be able to do so. Further, some need support in the form of information and advice to be able to manage their affairs effectively and safely.

FUNDING ARRANGEMENTS

This is obviously a very important and complex matter, and A.I.R. looks forward to being able to comment on any specific proposals presented in your Draft Report to be released in December. A.I.R. is however supportive of the two recommendations listed below, again as advocated by NACA.

Recommendation 5

"That 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)"--NACA.

One of the key issues identified in your Issues Paper is "the debate about the efficiency, equity and sustainability of aged care funding arrangements" and, in particular, the regulatory restrictions on Accommodation Bonds for high care residents". In this regard, one of our Branches has advocated that Providers of both High and Low Care services should have the capacity to introduce reasonable Accommodation Bonds to maintain viability of facilities and services, and provide incentive to build new facilities. In advocating this view, the Branch highlighted a National Survey finding that some 55% of nursing homes were currently operating at a loss.

A.I.R. appreciates the importance of Providers being able to remain viable and provide quality services. At the same time A.I.R. believes that any Accommodation Bonds should not be excessive, as this can force some families to keep their family members at home with community services when this is not the most appropriate form of care in the circumstances. Accommodation Bonds should be set at a fair and reasonable level irrespective of a person's income and assets.

It is our view that fees of all kinds should be transparent and not disadvantage consumers unfairly. It is felt that for those who do have sufficient means to pay for aged care accommodation there should be a range of flexible payment options to ensure that people paying such fees are not unfairly impacted by unreasonable fees and charges and can sustain a decent standard of living.

Consistent with the above point re the merits of there being a variety of payment options available, it is felt that non-concessional residents should be able to choose other options of payment in lieu of Accommodation Bonds in any case

A.I.R. looks forward to offering its comments on your Commission's views on Accommodation Bonds, and would ask that their impact as part of a total package of fees for Residents be an important matter of consideration.

Recommendation 6

"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"--NACA

The above recommendation is consistent with our view that access to quality aged care facilities into the future, will be significantly influenced by the funding available through government subsidies being set to reflect increasing costs associated with the provision of services and facilities. In this regard some form of benchmark of care against which costs and funding can be assessed, raised as an issue in your Issues Paper, does seem a sound idea.

WORKFORCE REQUIREMENTS

In addition to the above recommendations the National Alliance on Aged Care Submission includes the following recommendation in respect to staffing issues in the aged care area.

"That the Government commission and fund research into the appropriate levels and mix of staff linked to care needs to determine 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".

NACA's proposal advises that "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 7

A.I.R. supports the above recommendation, and does so believing that the Federal Government should provide sufficient additional funding to the Aged Care Industry to ensure that older Australians can have access to a genuine choice of services in their own communities and homes which are readily available, affordable, and client directed; and in particular, that the Industry can:

(a) compete with the acute care arena in the training and employment of adequate and suitable staff; and
(b) provide high quality health care and health amenities within residential aged care facilities.

Whilst control of the Residential Aged Care Industry is currently a joint Federal-State responsibility, Aged Care legislation is in the Commonwealth's jurisdiction under the Aged Care Act 1997, and the Federal Government controls the funding. A.I.R. also notes the intended extension of that funding responsibility.

The number of residents in residential aged care is constantly increasing as the population ages and, as life spans increase, they have been accompanied by notable increases in clients with complex needs. Further as our population mix is changing at a rapid rate, and as care organizations and facilities are facing changes in the resident/client mix of the future, it is important for hostels and nursing homes to plan so that adequate staffing levels can be provided and maintained to deliver adequate care and support services.

Overall, the quality of aged care at any given aged care institution is very much affected by the funding available.

For many residential aged care facilities there is a delicate balance between the cost of delivering services, the funding income, and the fees charged. With current award rates, staff wages in aged care facilities are significantly less than those in the private and public acute care sectors; hence, it is commonly very difficult to attract well qualified and experienced staff, particularly nurses and care workers, to work in residential aged care facilities.

Working in the sector can be very difficult. It can be heavy, demanding work that involves the physical handling of residents who sometimes exhibit difficult behaviour; and while the work can be rewarding, it is not easy to sell the benefits in this field of endeavour when salary levels are lower than those paid in more professionally attractive areas.

A.I.R. believes it is essential that the Government act to see that optimal staffing for all health professionals in the sector is achieved. It is, in A.I.R.'s view, essential that the Federal Government provide adequate funding to ensure that sufficient skilled, appropriately and competitively remunerated staff are attracted to and retained in aged care; and respected for their work.

A view has also been expressed that Aged Care facilities should look to provide a more holistic approach to services; eg. with more emphasis on leisure and lifestyle, and employ more diversional therapists and recreational officers in any new funding structure. It is worth noting that some aged persons who choose to stay in their homes also need some leisure and lifestyle support to assist them in remaining active.

The quality and level of provision of amenities and infrastructure vary considerably between residential aged care facilities, and are unlikely to be improved within present funding regimes of most establishments. There is an urgent need for high quality health care and health amenities within residential aged care facilities, and a need for improved funding arrangements, including a sustainable indexation of subsidy provision to take these matters into account. The latter point is covered in **Recommendation 6** above.

Clearly Government should ensure adequate funding that reflects the real costs of delivering quality care, to enable aged people to have a choice of services including residential, as well as home care and community, options. Additional funding for all these services, including Home and Community Care, is of the highest priority.

Recommendation 8

"That funding for services include provision for optimal levels of continuing and recognized qualifications, training and development for all staff and volunteers in community and residential aged care"—NACA

It is our view that adequate staff training and training for volunteers is essential to the provision of high quality services, and in this regard A.I.R. supports the above recommendation in the NACA Submission.

FUNDING FOR IMPROVING INFORMATION SERVICES

Recommendation 9

A.I.R. feels that Government should provide sufficient additional funding, so that the Aged Care Industry can provide education and awareness programs to assist with the transition process from home care to residential care, and across the aged care industry generally.

There is a very strong view within A.I.R. that obtaining information should be easier to assist those consumers, or their representatives, needing such information as the nature and level of financial commitments and types of accommodation available, and to also make it easier when people are transitioning from community through to residential care.

In our view the Government should foster the development of a better information system relating to aged care services options which are available within the aged care system generally for consumers. This information service should be complemented by advocacy and support services which should assist people to access services that optimize choice and positive outcomes.

For most carers of the aged, the transition from home care to residential care is particularly difficult, not only for the obvious reasons (e.g. finding a suitable establishment, managing the attendant financial considerations and, commonly, operating under time restraints), but also from the impact of feelings of emotional guilt and abandonment. The problems associated with this transition time need to be handled with great care and empathy, and this will only happen properly if appropriately funded information systems are provided to assist people to deal with the transition.

In advocating on this point we do recognize the Federal Government's actions in setting up One Stop Information Centres as announced in its 2010 budget.

MENTAL HEALTH

The NACA Submission supported by A.I.R asks Government "for an increased investment in services and supports that will address the challenges Australia faces in addressing the dementia epidemic - as 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."

A.I.R. agrees that priority needs to be given to addressing mental health issues, as well as issues relating to palliative care. With regard to residential care facilities, it is felt that adequate staffing and staff training are needed especially to cover the needs of persons in specific dementia care units. It is also felt that adequate controls are necessary in such facilities to ensure staff can deal with the different mix of behavioural problems associated with dementia, including safeguards for residents from unwanted behaviour of other residents; and appropriate control of drug usage for persons in care.

On this issue A.I.R. supports the recommendation in the NACA Submission as follows:

Recommendation 10

"That 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" --- NACA

CARERS

The needs of carers being adequately addressed is seen as an important issue and concern has been expressed by members that more assistance is needed for carers to assist them with their important roles and responsibilities. Accordingly, A.I.R. supports the following recommendation in the NACA submission:

Recommendation 11

"That (there be) increased funding and infrastructure for carer support services including respite, counseling, education, training and advocacy to improve the overall efficiency and effectiveness of the care system"-----NACA

One of our country members has expressed the view that whilst the number of days allowed for carer respite - 63 per annum - is not unreasonable, bookings need to be made a long time in advance to secure dates that may be required, and there are not sufficient respite beds available in Hostels or Nursing Homes in some areas, particularly those in country and remote locations.

Based on her extensive personal experience, our member comments "that the number of days allowed for carer respite is governed by two departments, the Department of Health and Ageing which is used by the Hostels / Nursing Homes and the Department of Families, Housing, Community Services and Indigenous Affairs (FAHSCIA) used by Centrelink for the payment of Carer Allowance and Pension. Centrelink operates on a calendar year (1st January to 31st December) and the Hostels / Nursing Homes operate (and have always done) on a financial year (1st July to 30th June).

It is extremely difficult for carers to satisfy both departments given the different systems and financial periods. Our member contends that "you cannot have half-days for respite as the calculation is based on full days and nights, and a carer would have to take 31 ½ days each 6 months, which is not possible as well as impracticable. The Departments will advise you the carer can apply for additional respite days, but that is not necessarily what the carer wants".

Our enquiries indicate that review of the point above which can see carers disadvantaged in terms of losing their carers allowance is appropriate, and would be greatly appreciated.

CONSUMER RIGHTS AND ACCOUNTABILITY

There is a view that more is needed to be done to safeguard consumers' rights and ensure that complaint management and the investigation of complaints is effective.

The need to empower residents to exercise their rights has been raised as it was felt that residents were often too frightened to complain for fear of reprisal or discrimination by management and staff and inadequate attention was often given by Management to complaints. The view has been expressed that the accreditation system for aged care facilities should be reviewed to optimize its effectiveness, and the NACA recommendation set out below has merit.

Recommendation 12

"NACA amongst its recommendations calls for an Independent national complaints service to be established to replace the current Complaints Investigation Scheme 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"—NACA

DISABILITY

Recommendation 13

(a) That the Commission give particular attention to the aged care needs of people with an intellectual disability, toward ensuring the circumstances of each person are paramount in determining their specific service delivery, and by the most appropriate Provider; and

(b) Determinations made by Government are such that flexibility in their application and interpretation ensure that (a) above is achieved.

A.I.R. believes it imperative that the needs of those persons with a disability who have been in long-term care are specifically identified, notwithstanding that they fall outside our Association's normal parameters of interest, because in the present system they are often being inappropriately placed and therefore suffering great trauma.

The term 'ageing in place' came into being some time ago and, just as any other person is able to stay in their own home, supported by 'Community Care Packages', so should those who have an intellectual disability. After all, many of the older residents of Disability Support Services have been in that care environment for 20, 30, even 40 years; in fact that placement is their 'home', and the 'family' they live with, have come to know well and love, on whom they rely for personal, caring relationships, are the only family they now have.

These people are in an environment where they have been nurtured and supported all those years, and where their every need is understood. To move them from that emotionally safe environment to a foreign environment, no matter how well provided for and how well intentioned, is a trauma beyond belief. These people depend on stability and on routines; in which they find their security.

There are well managed, caring organisations willing to offer higher level support to their clients who are ageing; even to the point of modifying or providing new buildings, but are prevented from doing so because of inflexibility in government bureaucracy and funding; an overlap of responsibility between FAHCSIA and the NSW Department of Ageing, Disability and Home Care (DADHC).

Governments and bureaucrats seem to struggle with understanding that the care of the intellectually disabled who are ageing, needs to be managed in a transitional way between conventional disability support and early aged care support. In the conventional aged population this is known as 'ageing in place', and the proposal is not about a disability service provider moving into aged care or bringing in additional residents; it is simply about providing a more appropriate level of accommodation and care, and keeping their residents out of nursing homes until such a move is absolutely necessary; if at all.

This proposal is for a unique relationship between the Federal and State governments and an NGO to develop a process for retaining the intellectually disabled within their home to minimize their care costs, and to avoid premature and inappropriate placement in full aged care – it's about appropriate 'ageing in place'.

However, many people with an intellectual disability age earlier than the main stream population, and their care needs increase considerably as they age, meaning an NGO cannot possibly support them adequately without increased funding. It should be remembered nevertheless that the NGO where a resident has been accommodated is far better suited to provide for their long term needs, and will do so at a much lower cost than moving them into an Aged Care facility.

To ensure there is clarity in the care of aged people with an intellectual disability, the Federal Government would need to take full responsibility for funding their care. Funding would need to be quarantined and specific to the needs of each individual person; and the service Provider be required to regularly present an audited report to the Federal Government accounting for the funding. This would then differentiate and clarify the funding the NGO received for aged care services, as distinct from that made available by the State Government for disability services.

Given the need for our community to accept responsibility and appropriately provide for these vulnerable people, our Association would appreciate the Commission taking these comments into account in its deliberations.

COUNTRY AND REMOTE AREAS

In putting forward this submission A.I.R. believes that the issues we have raised exist across our aged care system but often exist in a more severe form in some country and remote locations due to restricted facilities and services, difficulty in attracting staff and accessibility issues. Arranging respite care for a loved one either at home or in an appropriate facility can be so much harder for a carer if substantial distances are involved.

There would be many, many people, primarily but not only, in rural areas who under the system which operates at present, simply do not receive appropriate care in their own community.

When assessed as needing care, particularly as the urgency intensifies, people are often placed hundreds of kilometers away from the community in which they have lived, most for many years, many all their life. This is traumatising. As if the change and the uncertainty surrounding it are not enough, in the new location they are totally removed from family and friends, meaning at a time of immense crisis, they are alone; and those who would normally visit them regularly (quite often a spouse) cannot do so, which in turn leaves all parties in a state of absolute upheaval, and the support services with which they've become familiar and on which they've been dependent, are gone.

A.I.R. is very pleased to see this matter highlighted in the Issues Paper as a specific task of the Commission.

CONCLUSION

A.I.R. is engaged in a process of continuing to ascertain the views of our members on a range of very important matters which are the subject of the work of your Commission. We look forward to the opportunity of providing further input to the Commission, including our response to your Commission's draft report due to be released later this year. We would also welcome the opportunity of elaborating upon the matters raised in this submission.