Southern Cross Care (Vic)

Submission to the Productivity Commission Inquiry into Care of Older Australians

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Executive Summary

There is growing disparity between the number of people requiring aged care services and the size of the available workforce. In order to meet this demand, the aged care sector must be funded to attract and retain staff at all levels. Education needs must be met, together with providing attractive compensation and conditions. New service delivery models that utilise extended scope of practice should be funded and accompanied by rigorous standards that prescribe education requirements and boundaries of practice.

Aged care providers must also be funded to harness workforce potential in order to meet the wants and needs of older Australians. Increasing cultural and linguistic diversity is evident in both groups, and represents challenges to provide person-centred, high-quality care.

The growing cost burden of meeting regulatory requirements, whether it is for police checks or to meet the accreditation standards required by the Aged Care Act, must also be recognised and funded.

Funding for the provision of aged care services has not kept pace with inflation or the costs of providing services. Independent periodic reviews of the cost of care and support would provide a more accurate indication of the services able to be delivered under present levels of funding compared to the current arrangements.

Discontinuity in the service system has affected the viability of programs, including community packaged care and residential funding arrangements. By reducing gaps and improving continuity between funded programs, consumers will be enabled to remain in their own homes for a longer time, and programs will remain viable for aged care service providers. A joined-up service continuum would improve continuity of aged care services, and would provide increased choice and access to information and services for consumers.

Improvement in the funding models for residential care services (such as collection of bonds from residents with high care needs) will facilitate person-centred care through construction of appropriate facilities and operation of models of care that support this approach.

The investment in primary health care, primary care and health promotion should be reshaped and expanded in aged care services to address chronic disease, but also to promote wellness, independence and mental health of older Australians.

The increasing emphasis on person-centred care and consumer involvement in decision making should continue to be supported. Education for staff to embrace this philosophy must be supported to enable these philosophies of care, such as Consumer Directed Care and the Active Service Model, to be delivered. However, there must be a concurrent emphasis on improving quality of care and delivering evidence-based interventions.

Older Australians require support to face existential and spiritual issues, particularly as they approach the end of life. Services to appropriately attend to these needs must be provided and explicitly funded as a cost component of care subsidies.

Partnership approaches support the provision of specialist services at appropriate times, as well as broader provision by generalist providers. Partnerships also improve care continuity throughout an increasingly sophisticated service system, particularly to people with chronic and complex care needs, those affected by the social determinants of health, and people with cultural and linguistic diversity.

Introduction

Southern Cross Care (Victoria) [SCC (Vic)] provides older people and their families with care and support services within a Christian ethos that promotes choice and independence, integrity and dignity, and embraces diversity. As one of the largest providers of aged care services in Australia, SCC (Vic) is committed to achieving its aspiration of *older people, living well, loving life and participating within a just and inclusive community*.

Workforce

There is growing disparity between the number of people requiring aged care services and the size of the available workforce. This increase in service demand creates supply-side shortages, resulting in increased competition for workers, including competition from within other health services sectors such as acute care that are often able to attract and retain staff more easily due to better wages and conditions.

Competition in the market is not limited to the health sector. In many instances jobs in the retail industry that do not require qualifications can provide a higher salary level than salaries offered to staff in aged care with Certificate III qualifications from the vocational education and training sector.

In order to recognise the value of services to older Australians and maintain quality and long-term viability, the aged care sector must be funded to compete within the broader job market. This assists not only with recruitment into the aged care sector, but with retaining talent and the investment made in skills development. Aged care also needs to be seen as a valuable and important sector in which to work. Governments need to place importance on the sector by providing additional value in order to attract new people – and in particular, younger people.

The shortage of qualified staff places pressure on other workers to assume responsibilities for meeting peoples' health care needs. Alternative service models, including the use of Allied Health Assistants, Nurse Practitioners, Allied Health Practitioners with extended scope, and TAFE-trained staff, should be accompanied by rigorous standards that prescribe education requirements and boundaries of practice. Staff who increase their expertise and responsibilities must also be recompensed accordingly, which places value on themselves, their work, and the older Australians for whom they care. This also assists in staff retention and future recruitment into the aged care services sector.

As average life expectancy has increased, there has been a corresponding change in morbidity, with rapid growth in chronic conditions and complexity of health care needs. Recent investment in prevention and primary health care initiatives can be amplified by ensuring that aged care staff are provided with education opportunities to develop skills in managing these conditions. The increase in people with dementia who are more mobile and physically able represents a risk to the safety of residents in aged care facility settings and residential/community-based staff. Further investment in education to proactively manage this risk and its associated costs is required.

There is an increase in the number of direct care staff with a culturally and linguistically diverse (CALD) background. This should be recognised as an opportunity to meet, not only the growing demand for services, but also the change in cultural diversity amongst recipients of care. Organisations must be supported to meet the cultural needs of their staff, and to ensure staff deliver culturally acceptable services. Partnerships with organisations skilled in these areas should be encouraged.

This must be balanced with the need to meet quality standards, including professional practice (eg. documentation and record-keeping) and client expectations (eg. language and communication, and a person-centred approach). Service standards across the sector can be maintained and improved by continued funding of education. Further work in standardising

curriculums and qualifications within Australia, and recognising equivalent qualifications from overseas, would provide clarity in skills requirements, improve outcomes for older Australians, reduce risks for aged care service providers and assist in maintaining workforce supply.

The growing cost burden of meeting regulatory requirements, whether it is for police checks or to meet the accreditation standards required by Aged Care, must also be recognised and funded.

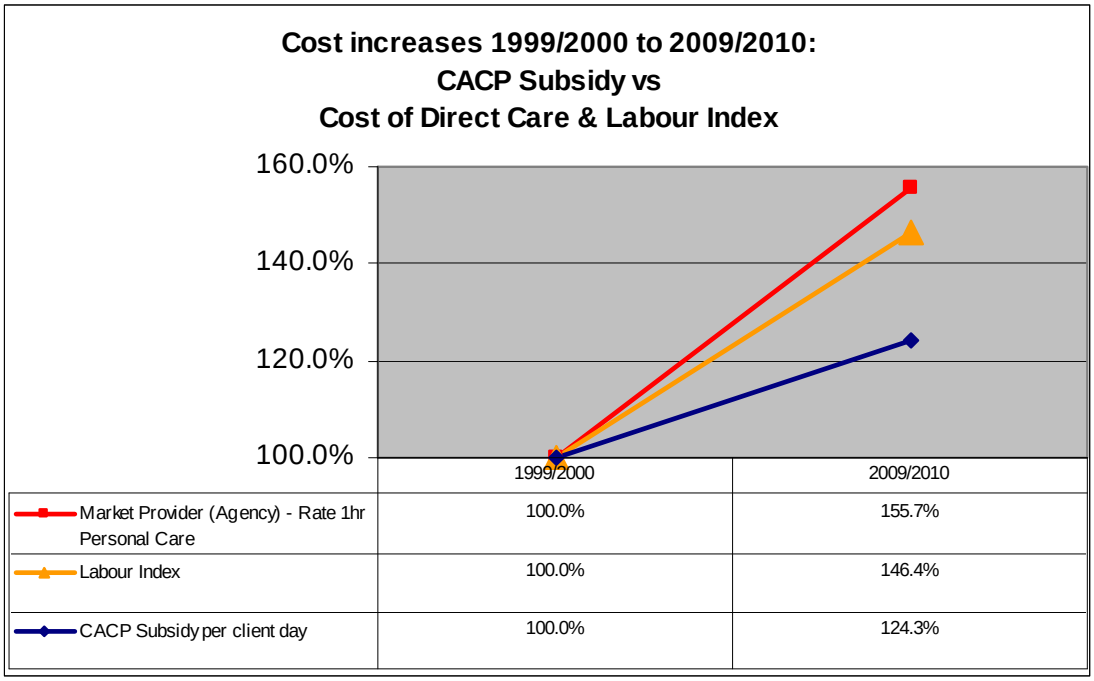
It is recommended that:

1. **A review of aged care services funding and sector promotion is undertaken to enable providers to compete within the job market for staff at all levels.**
2. **The use of alternative service models that incorporate extended scope of practice is supported through funding for education and rigorous standards that prescribe education requirements and boundaries of practice.**
3. **Education opportunities are provided to enable aged care services staff to deliver care that:**
    i. **manages chronic and complex care needs, including chronic disease and dementia**
    ii. **improves awareness of cultural and linguistic diversity in community members and within the workforce**
    iii. **meets quality standards and client expectations.**
4. **The growing cost of meeting regulatory requirements for recruitment and in the management of quality services in aged care of staff is recognised and funded.**

Sustainable system

Funding for the provision of aged care services has not kept pace with inflation or the costs of providing services (see Table 1). The costs of providing services are reflected not only in internal wages growth, but also in the market price of direct care services. This has eroded the average amount of services received by recipients of Community Packaged Care, substantially reducing its value to consumers.

Table 1: Comparison between CACP subsidy, Cost of providing care, and Labour Index (source: SCC (Vic) Finance Department).



	1999/2000	2009/2010
Market Provider (Agency) - Rate 1hr Personal Care	100.0%	155.7%
Labour Index	100.0%	146.4%
CACP Subsidy per client day	100.0%	124.3%

Independent periodic reviews of the cost of care and support would provide a more accurate indication of the services able to be delivered under present levels of funding compared to the current arrangements.

Discontinuity in the service system has affected the viability of programs, including Community Packaged Care and residential funding arrangements. The significant subsidies afforded to recipients of Home and Community Care (HACC) services in Victoria results in clients being disadvantaged when they move to a Community Aged Care Package (CACP). Similar levels of direct care services are received by clients, but they are asked to pay a higher fee compared to the amount paid when in receipt of HACC services. This reduces the value of a CACP in the eyes of the consumer. Although case management is an obvious point of differentiation between HACC services and Community Packaged Care, it is viewed by many potential clients as being of limited value, particularly those with less complex needs until they experience the benefits. Often it is only then that consumers report how much they value the case management component and how this service type can assist them live at home for longer.

The end result for providers of CACP programs is that it is increasingly difficult to maintain the high levels of occupancy necessary to operate Community Packaged Care programs efficiently. Anecdotal evidence indicates that people often access case management at a later date, minimising its benefits and leading to possible premature entry into residential care.

Community Packaged Care programs are also characterised by significant gaps between program types. This places pressure on package recipients and families to meet service needs that are not able to be fully met by CACPs. Individuals must wait for re-assessment and meet eligibility criteria for more comprehensive packages of care (Extended Aged Care at Home (EACH); Extended Aged Care at Home Dementia (EACHD), and then typically wait several months more on a service waiting list. It is recommended that a more flexible range of subsidies be developed for people receiving Community Packaged Care. These subsidies should be compatible with subsidies for care provided in residential facilities, and would improve service continuity for clients.

There are many benefits in helping clients in the community to stay in their own homes for as long as possible through HACC, Community Packaged Care, and other services such as the National Respite for Carers Program (NRCP). However, this has significantly impacted on the residential aged care funding model. People receiving Community Packaged Care who move to residential care settings are increasingly classified as requiring High Care, removing the ability of the service provider to attract a bond. By allowing the attraction of a bond from residents with High Care needs, access to capital would be improved, enabling the increasing demand to be met for development and renewal of aged care homes for residents with High Care needs. It is therefore recommended that bonds be collected for people moving to residential care settings who have been determined to have High Care needs.

Furthermore, aged care providers must have the capacity to fund the construction of buildings and environments that facilitate high-quality, person-centred care. This includes the inclusion of gardens and surroundings that promote wellbeing, and meeting evidence-based recommendations for residents with dementia to be supported in smaller units with a higher staffing ratio.

While the introduction of the Aged Care Funding Instrument (ACFI) has generally been positive, capacity to meet the needs of clients with mental illness or dementia has decreased. Preventative action for residents who are at increased risk but may not display signs or symptoms is currently not funded under ACFI, making the system incongruous with preventative initiatives in other areas of health care. Although capacity exists for early intervention, the system is built on reaction rather than prevention, relying on identifying deficits instead of maintaining wellness. It is therefore recommended that greater investment be made in maintaining the wellness and independence of residents by preventative mental health programs that enhance the quality of life for each individual.

Significant investment has been made in Australia in bolstering primary health care and, to a lesser extent, health promotion in the community. Notwithstanding the innovative programs being delivered in Victoria[1], these programs are often of limited benefit to people receiving aged care services due to their frailty. However, the growth in the incidence of chronic disease amongst frail older Australians means that they would benefit from programs that not only promote wellness and independence (such as Day Therapy Centre programs), but help people effectively participate in decisions related to their care. This proactive approach is likely to continue to reduce dependence on care, increase independence and functionality, and enhance individual quality of life, including remaining in their own homes for as long as possible.

It is recommended that:

1. **Independent periodic reviews of the cost of care and support be undertaken to provide a more accurate indication of the services able to be delivered with current levels of funding than the current arrangements.**

[1] including the Hospital Admission Risk Program, Early Intervention in Chronic Disease in Community Health Services, Enhanced Primary Care initiatives, and Active Service Model approaches mandated by Government.

2. **The continuum of aged care services be reviewed to promote viability of programs at all levels while maintaining a focus on providing people with the choice of living in their own homes for as long as possible.**

3. **The continuum of service needs between a Community Aged Care Package (CACP) and an Extended Aged Care at Home (EACH) package be aligned with the Aged Care Funding Instrument (ACFI) to better meet client needs.**

4. **Provision is made to collect a bond payment from people entering aged care facilities assessed as having High Care needs.**

5. **Investment is made in preventative initiatives for those:**

    I. **at risk of mental health and dementia, specifically in residential settings**

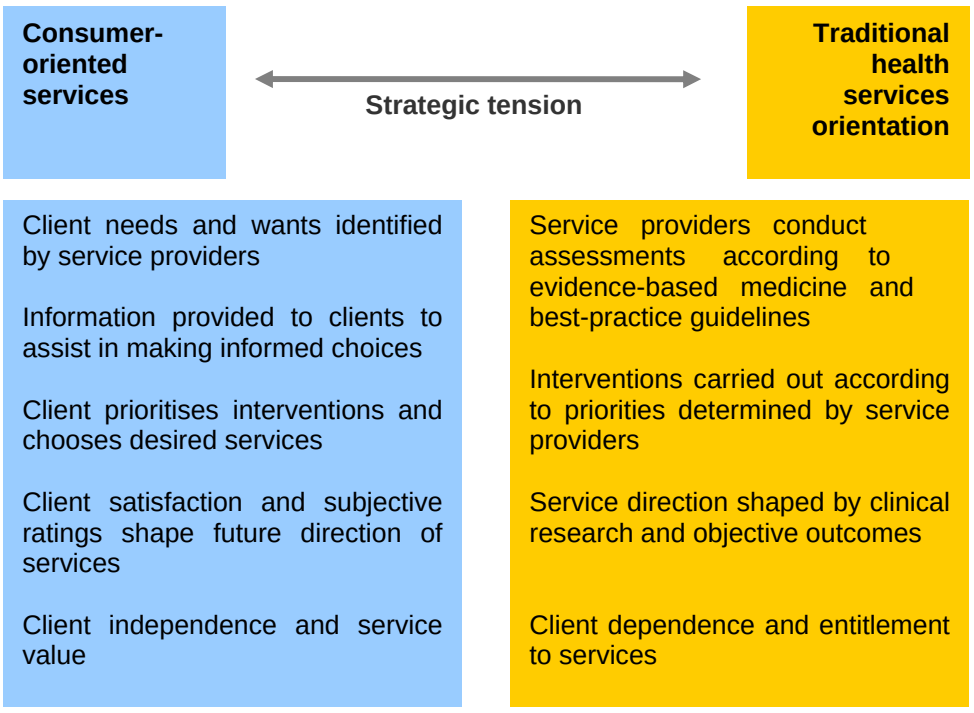
    II. **at risk of or in the early stages of chronic disease, specifically in residential settings**

Right type of care

Increasing the involvement of consumers in decision making and service choice assists not only in improving consumer satisfaction, but also in meeting individually identified priorities and needs. However, a tension exists between this and the demands of quality systems and evidence-based practice. Traditional health services delivery has focused strongly on the latter, and has resulted in disengagement of the person receiving the services. This is at odds with true person-centred care, as well as business models that seek to provide customer value and satisfaction.

The aged care sector requires strong leadership if it is to truly achieve a balance between person-centred care and the highest standards of health care. Clients would benefit from aged care service providers embarking on a broad shift in underlying beliefs from client dependence and entitlement to one of independence and service value (see Figure 1). Along with the above approach, the concepts of self-management and consumer empowerment are highly relevant within aged care services, and play a crucial role in client independence, as well as reducing dependence on the acute health system.

Figure 1: Consumer-oriented services vs Traditional health services orientation



Consumers should continue to be supported to have the choice to live in their own homes for as long as possible. This can be achieved by improved investment in community-based services, including enhancement of Community Packaged Care and alignment with HACC services to achieve a better service continuum.

The evaluation of consumer-directed community care programs will assist in determining the circumstances where they will be most beneficial to clients and what roles should be assumed by service providers. Continued funding growth of this initiative is recommended. However, strong evaluation of this trial is required to mitigate the risk to (i) service providers of destabilising service capacity and (ii) consumers who may not have the capacity to fully direct their own care.

People receiving aged care services, investigating service options, or seeking information on aged care would benefit from support in navigating the service system itself. People who already receive aged care services are provided with varying levels of information; those receiving Community Packaged Care or Linkages programs have access to case management, but HACC recipients do not.

The growing reliance on informal carers has generated an increasing need for respite service options to support carers and clients in maintaining their independence and allowing people to have the choice to remain in their own homes as long as possible. Funding for NRCP remains at a pilot level in some areas, reducing capacity for the fund holders to consolidate NRCP services.

In order to increase consumer access to services and further support their involvement in control and choice of the services they receive, it is recommended that the role of Commonwealth Carelink be promoted and expanded beyond providing information to become a body responsible for conducting assessments and assisting consumers to make informed choices to meet their needs. Joined-up care would reduce the need for multiple assessments and improve access to services required.

Further incentive for meeting client needs and maintaining independence may also be achieved by shifting focus to client outcomes rather than simply accounting for services or outputs delivered. Although there is inherent complexity in measuring performance within a demographic characterised by decline in independence and capacity, this shift may facilitate improvement in services delivered by providers and the commitment to maintaining client independence.

The need for pastoral care for people receiving palliative care and their families in the community and aged care homes must be considered in order to enhance quality of life for the individual, and to provide support during this process for families and other carers. Existential and spiritual issues are present throughout life. They become increasingly prominent as people approach the end of life, either through palliative care or longevity, and services to appropriately attend to these needs must be provided and explicitly funded as a cost component of care subsidies.

It is recommended that:

1. **Government policy and investment in education continue to shape service delivery models while recognising the necessity of maintaining the tension between consumer-directed care and evidence-based practice**

2. **Community Packaged Care better align with HACC services in Victoria to give clients the choice to remain in their own homes as long as possible, while maintaining viability of the programs**

3. **Consumer Directed Care programs continue to be piloted and evaluated, while mitigating the risks to consumers and service providers**

4. **The role of Commonwealth Carelink be promoted and expanded beyond providing information to become a body responsible for conducting assessments and assisting consumers to make informed choices to meet their needs**

5. **Consideration be given to utilise client outcomes as the basis for performance measurement**

6. **Pastoral care be funded as a cost component of care subsidies to support people receiving palliative care in the community and aged care homes.**

Partnerships

The delivery of aged care services is carried out in an increasingly complex environment. The rise in chronic and complex health conditions and growing cultural and linguistic diversity, combined with an increased awareness of the contributions from the social determinants of health (eg housing, transport), has produced demand for providers to deliver quality services that meet these needs. There is also increasing demand on Australia's acute and sub-acute sectors.

There is a concurrent need for providers to develop generalist skills in a range of service areas, along with providers of specialist services. This approach supplies better continuity of service for consumers, as well as the capacity to address specialist needs.

Partnerships between aged care service providers and specialist agencies, such as migrant resource centres, community housing organisations, hospitals, GPs, Divisions of General Practice, and community health services, can leverage expertise to provide a better continuum of care for consumers. Chronic and complex needs that influence the health and wellbeing of consumers can be addressed more consistently and comprehensively, with resulting economic benefits as care is provided in alternative settings.

It is recommended that:

1. **Support continue to be provided for the establishment and continuation of partnerships, particularly in the development of service innovations and ongoing management of clients with complex needs**

2. **Further investment is made in partnerships between aged care service providers and the acute and subacute sectors, in order to provide quality care in alternative settings**

Efficient use of healthcare resources for consumer benefit

Health promotion plays a role in maintaining independence throughout a person's life, and has substantial economic and social benefits at individual, family, and community levels. As discussed previously, this may assume different forms for older Australians, particularly those whose independence has already been compromised. Social inclusion activities, Day Therapy Centre programs, Falls Prevention programs, and Planned Activity Groups provide formal options for consumers to participate in to maintain independence and wellbeing.

Potential exists for the aged care sector to provide better service continuity and reduce pressure on acute health services by developing better interfaces with subacute and palliative care services. Although some programs with the potential to achieve this are already in existence, support is required for any substantial shift to take place. This would not only deliver services more efficiently, but would provide better continuity for those receiving services, particularly people living in aged care facilities.

It is recommended that:

1. **Increased resources be committed to targeted health promotion and preventative initiatives**

2. **Funding be allocated for the delivery of subacute and palliative care services to be delivered in consumer homes and residential care settings**

3. **Day Therapy Centre programs be expanded and be subject to more comprehensive evaluation**

4. **Active Service Model concepts of a goal-oriented, time-limited, person-centred approach be endorsed as a requirement in all aged care services.**