SOUTHERN CROSS CARE (TAS) INC

Caring Across Tasmania

Submission to Productivity Commission Inquiry
Caring for Older Australians 2010

Date: 29 July 2010

I N D E X

About Southern Cross Care (Tas) Inc

Southern Cross Care (Tas) Inc is a not-for-profit Tasmanian community organisation. It currently provides care, accommodation and support for more than 1,500 Tasmanians; operates 7 residential aged care facilities and 10 retirement villages and has approximately 850 employees.

The organisation commenced its operations in Tasmania in 1973. Since that time, Southern Cross Care has grown to be a leading provider of the aged and community care services throughout Tasmania and has representation in the regions as follows:

South

A A Lord Homes – West Hobart	90 Independent Living Units
Guilford Young Grove – Sandy Bay	27 High Care Places
	29 Low Care Places
	38 Independent Living Units
Rosary Gardens – New Town	141 High Care Places
Sandown Village – Sandy Bay	60 Low Care Places
	34 Independent Living Units
Taroona Villas – Taroona	13 Independent Living Units
Community Care – New Town	40 Community Aged Care Packages

North

Ainslie – Launceston/Westbury	71 Independent Living Units
Ainslie – Low Head	48 High Care Places
	21 Low Care Places
	34 Independent Living Units
Glenara Lakes – Youngtown	36 High Care Places
	36 Low Care Places
	17 High Care – Dementia Places
	91 Independent Living Units
Mount Esk – St Leonards	40 High Care Places
	58 Low Care Places
	2 Independent Living Units
Community Care – Low Head	17 Community Aged Care Packages

North West

Yaraandoo – Somerset	82 High Care Places
	6 Independent Living Units
Community Care – Devonport	15 Community Aged Care Packages
	5 Extended Aged Care Packages Dementia
Community Care	62 Community Aged Care Packages
(Burnie, Wynyard, Somerset)	5 Extended Aged Care Packages Dementia

SCC also operates in excess of 300 Department of Veterans' Affairs packages, an In-Home Diversional Therapy Services Programme and Dementia Respite Programme, along with a Registered Training Organisation with 2 campuses located at New Town and at Glenara Lakes in Youngtown. This service delivery structure is based on a philosophy that the needs of people in our care are of paramount importance.

SCC has 10 retirement villages in the south, north and north-west of Tasmania as follows:

South:	Taroona Villas
	Sandown Retirement Village
	Guilford Young Grove Village
	Saint Canice Lifestyle Village
	A A Lord Homes
North:	Glenara Lakes Village
	Ainslie Launceston
	Ainslie Low Head
	Westbury Villas
North-West:	Yaraandoo Villas

1. Introduction

Southern Cross Care (Tas) Inc. (SCC) is pleased to present a submission to the Productivity Commission Inquiry and looks forward to the views and recommendations of the Commission for reform of the aged care sector.

The lack of action following the many reviews previously undertaken by various government bodies and organisations (see Attachment A) into the delivery of aged care services in Australia over the past 5 years has been most disappointing.

SCC has contributed to these previous reviews by providing written submissions or contributing to submissions made by industry peak bodies. From our perspective there have been no really significant reform measures introduced to the sector since the introduction in 1997 of the Aged Care Act and associated Principles.

In the preparation of this submission we have considered many of the reports of the previous reviews. The central themes of those reviews are consistent, i.e. the aged care sector in Australia is in urgent need of significant structural reform.

This submission outlines some of the key issues which we believe need to be addressed in this Inquiry.

We certainly hope that positive action will flow from the recommendations of this Inquiry.

Summary of Recommendations

1. **Revise the Aged Care Planning Advisory Committee process to make it more efficient and responsive to genuine aged care needs.**

2. **In order to provide for aged people remaining at home the support provided must address current Activities of Daily Living needs as well as support for household deficits and social isolation.**

3. **That smaller providers struggling to survive in the current financial climate be encouraged to engage larger aged care organisations to provide, at a reasonable cost, smaller providers, particularly those in rural and remote areas, with essential business support services.**

4. **That there be a single Government funder and regulator to avoid duplication of services and systems.**

5. **(a) A funding level should be provided which reflects the actual costs of providing the services supplied and also that there be an appropriate indexation formula which also accurately reflects annual increases in costs.**

   (b) Where appropriate, providers be permitted to charge bonds for both low care and high care residents.

6. **That a concerted effort be made to eliminate unnecessary regulation of the Aged Care sector.**

7. **Southern Cross Care endorses the recommendation made by Associate Professor Walton that an independent Aged Care Complaints Commission reporting directly to the Minister for Ageing be established.**

8. **The accreditation cycle be changed from three years to five years and that unless there are serious complaints or exceptional circumstances, 48 hours notice be provided prior to a spot check of a facility taking place.**

9. **"One stop shop" aged care information centres be established in all major centres throughout Australia to provide a range of information on aged care issues.**

10. **ACAT should be a Federal Government funded and managed service. The team members should be located within a "one stop shop" aged care information centre.**

11. **That the Federal Government assist in providing scholarships and financial incentives to encourage appropriate training in aged care.**

2. Planning Mechanisms

The current planning system is too complex and outdated with an associated low level of certainty of outcomes. The Aged Care Planning Advisory Committee process is ineffectual and requires urgent review.

The current process is an essay writing contest with a completion date of six weeks maximum (five weeks after receiving the information pack) but then a minimum waiting period of six months before we are advised of the outcome. Each year the relevant dates for the calling for and making of submissions are different. As an example, in 2007 applications closed just before Christmas and it has been as early in the year as April. These uncertainties do not allow providers to effectively develop long term planning strategies. The process is complicated and requires a huge commitment of financial and human resources often for little or no return.

Planning would be enhanced by allowing the application of market forces but with incentives for providers who choose to deliver services to small communities and special needs groups within communities. As far as Community Aged Care Packages (CACP's) allocations in Tasmania are concerned, some areas continually have empty packages while others have huge waiting lists. Southern Cross Care's north west coast services often have empty packages with no one on the waiting list; yet in Hobart the waiting list for 40 packages is currently 134 (this waiting list was 76 in November 2009). The average number of persons on the list over the last 12 months was 87.

Recommendation:
Revise the Aged Care Planning Advisory Committee process to make it more efficient and responsive to genuine aged care needs.

3. Independence - Remaining at Home

Wellness models of support for the aged focus on the delivery of services within an individual's community. Residential care is available as an option only when "all alternative options have failed". Ageing in a person's own home is the ideal option if the needs of individuals are satisfactorily addressed. The support available must be real and accessible and address current Activities of Daily Living (ADL) as well as household support deficits. Essential services must also include assistance for social isolation and respite for carers.

A typical example of an anomalous situation which SCC believes occurs regularly in the community is as follows:

"You are housebound because you can no longer drive your car with confidence, using public transport is exceedingly difficult from a mobility perspective and the service is poor; but you can wash and dress yourself, you are continent and can prepare your meals if some one assists with shopping; your family are unable to provide regular support because 1, they are still working full time, 2. have their own family commitments and 3. you didn't make sacrifices to educate them so that they would become your carer; you visit your GP every 6 months for prescription renewal and he/she doesn't consider you need assistance as really you are "well for your age"; your income is an Aged Pension, you own your home and your life partner is now deceased."

This person is "independent" when rated by the current assessment processes but does not qualify for financial assistance under the current rules. The person has no other alternative but to either remain socially isolated at home or seek admission to the acute sector in the hope that they will be admitted to an aged care facility as a "placement problem". This is an example of how the current system fails somebody by focusing only on their medical and physical needs.

If there is to be an increase in emphasis towards consumers remaining at home in their community, there must be appropriate government funding for ADL care and basic social support. For this to be practical a benchmark of acceptable level of care is required and this benchmark must be costed to ensure the funding provided to meet it is realistic. This base level must be suitable to meet all the needs of those individuals who do not have the capacity to contribute to the costs of their care.

To encourage consumer payment towards additional levels of service it is reasonable to allow/facilitate the capacity for individuals to insure for aged care services. However, it will not be possible to accurately calculate insurance premiums without the setting of a benchmark of an acceptable standard of care and an associated realistic costing with appropriate indexation formulae for this care.

Recommendation:

In order to provide for aged people remaining at home the support provided must address current Activities of Daily Living needs as well as support for household deficits and social isolation.

4. Business Models

SCC agrees with the comments in the “Scope of the Inquiry” that generating alternative revenue streams by aged care providers diversifying the range of activities provided is an effective way of ensuring long term viability. We also recognise that the size of an organisation and economies of scale can also greatly assist an organisation to remain viable and also to provide the quality of support and care that is so essential in the aged care sector.

It is very difficult for smaller providers, especially those in rural and regional communities, to survive in the current climate because they do not have the advantage of the economies of scale of a larger, more diverse organisation.

We see advantages in the larger aged care organisations providing a range of business and corporate support services to smaller providers, for example accounting services which are quite complex and specialised.

Recommendation:
That smaller providers struggling to survive in the current financial climate be encouraged to engage larger aged care organisations to provide, at a reasonable cost, smaller providers, particularly those in rural and remote areas, with essential business support services.

5. A Single Government Funder and Regulator

The only solution to maximising the capacity of aged care services is to have a single government funder and regulator of those services. The benefits to the system and community would be enormous if this was achieved.

The current convoluted aged care arrangements cause duplication of services and systems, active cost shifting between government tiers and multiple layers of bureaucratic red tape. These inefficiencies cause confusion to both the consumer and the service providers; the confusion in turn causes delays in the delivery of treatments and services which result in adverse health outcomes. The confusion and delays in accessing services also impact adversely on the uptake of preventative health and wellness initiatives once again resulting in at times unnecessary health and service costs.

All health care is like life, a continuum. Aged care is at the far end of the continuum but is not less important than other stages in the procession. The key to efficient travel along the health care continuum is to have the facility for seamless transition through the various stages; bearing in mind that for some individuals the progression through these stages may not be perfectly linear. Thus it is important to the success of any health delivery programs that individuals can travel in and out of various services and delivery modes as their needs dictate.

Clearly defined roles and functions and minimal duplication will facilitate movement between services.

Recommendation:
That there be a single Government funder and regulator to avoid duplication of services and systems.

6. Financial Sustainability

The majority of aged care services currently funded by government argue that the funding received is inadequate. There is no doubt that many smaller providers are now genuinely struggling to survive. However, merely "throwing" increased funds into services is not in the long term interest of either government or the aged care sector. There are two issues with the current funding arrangements that require immediate attention.
The correction of these issues would enable efficient aged care service providers to operate and grow and adapt their businesses for the future.

SCC believes it is a priority role of government to fund a basic or minimal standard of accommodation and care for those who require residential care and a minimal standard of support services for those who choose to be and who can maintain an acceptable quality of life in their community. Consumers who require/desire a higher level of services should be prepared to either self fund or insure for the additional services. It may be time to separate care and accommodation funding. This system was in place prior to 1997 and appeared to work well.

For appropriate funding delivery to occur a benchmark against which to measure expected services needs to be developed. Once established this benchmark needs to then be supported by an indexation formula to ensure funding continues to meet the cost of service provision to an acceptable level.

Incorporated into a revision of the principles of funding services the removal of the arbitrary division of residential care into high level and low level care should be considered. There are fewer low care residents entering residential care; the Aged Care Funding Instrument (ACFI) no longer recognises a distinction between high or low care and the provision of the same Scheduled Services to all residential care recipients who require them appears a more equitable arrangement. The removal of the distinction between high and low

care also impacts on the role of the Aged Care Assessment Team (ACAT) and the calculation of the financial contributions to be paid by care recipients.

Bonds are permitted for low care residents but not high care except where extra services are provided. Because people are entering aged care later in life and are often very frail, they tend to be high care rather than low care residents. This means that fewer residents are paying bonds when they enter an aged care facility. Bonds are an important source of capital to improve facilities and to build new facilities. There is now less funding available from this source than previously. This is now a vital issue for aged care providers as it limits the opportunity to upgrade our facilities to meet contemporary standards.

In developing service benchmarks and indexation formulae, detailed attention is required to cater for a form of incentive to encourage providers to deliver services to the “unpopular” areas of the sector such as the financially disadvantaged, the homeless aged, older persons with mental health disorders, persons living in remote communities including older indigenous persons. These groups within the aged care population have an additional range of differing and specialised needs as well as the care needs common to other aged persons.

Contributions by the consumer to the cost of providing community care services needs urgent review. HACC and Veterans contributions have remained at a base level of $10 per week since inception while other programmes such as Community Aged Care Packages (CACP) and Extended Aged Community at Home (EACH) Packages have a different fee structure. Often the level of care is the same but the fee structures bear no resemblance to each other. Consumers’ contributions to the cost of care should be assessed by an independent body as is the case with residential care and be related to the actual cost of service provision..

Recommendation:

(a) A funding level should be provided which reflects the actual costs of providing the services supplied and also that there be an appropriate indexation formula which also accurately reflects annual increases in costs.

(b) Where appropriate, providers be permitted to charge bonds for both low care and high care residents.

7. Over-regulation

The regulatory framework imposed is far too great for the outcomes required to be delivered by aged care providers. Compliance with the myriad aspects required imposes a significant cost burden on providers. The costs of compliance are required to be met from general operating costs i.e. from the funding provided to deliver direct care services and in the main reduces the level of care that should be provided to ever increasing levels of dependence in the residents being admitted to aged care facilities.
The regulatory framework differs from residential to community and within the myriad of community services. There is a plethora of different quality systems in community care causing duplication and fragmentation of accountability.

There are duplicated monitoring and reporting requirements across various levels of government and monitoring bodies. These differences cause considerable conflict for providers attempting to ensure compliance on all fronts; the following example relating to food preparation and delivery may appear trivial but it is real and has occurred at many Residential Aged Care Facilities (RACF) in Tasmania - the interpretation of food safety regulations by accreditation agency assessors has resulted in food delivered to residents seated at the table in facility dining rooms by staff wearing hair covering hats and blue gloves – this practice is not adopted in restaurants, nor does this occur in anyone's home. From a provider's perspective there is a need to comply with the Agency assessor's view or be found non compliant with the Standards Outcome. The process for appealing against the trivialness and irrelevance of the assessor's finding is time consuming (and hence costly) and unlikely to be successful.

Recommendation:
That a concerted effort be made to eliminate unnecessary regulation of the Aged Care sector.

8. Complaints

The other major area of conflict is the duplication caused in the management of complaints raised through the Complaints Investigation Scheme (CIS) and their convoluted and intertwined working relationship between the Department of Health and Ageing (DoHA) and the Aged Care Standards and Accreditation Agency (ACSAA). A single complaint raised through the CIS can be investigated by both bodies, finalised by one but not the other etc.

The way complaints are handled is causing our organisation a great deal of concern. They involve an extraordinarily lengthy process with almost unending reviews of the original decision. It takes an enormous amount of time and effort to deal with complaints once they enter into this system. Obviously complaints have to be taken seriously and must be responded to. Our Board is always concerned at any complaint and wants to have answers to any of the issues that arise from complaints. But the process that has been created is extraordinarily complicated and at times seems to go on endlessly. The time and effort involved can detract from our real purpose which is to provide the highest level of care for our residents.

The recently released report on the Review of the CIS made what we believe to be a worthwhile recommendation.

Recommendation:
Southern Cross Care endorses the recommendation made by Associate Professor Walton that an independent Aged Care Complaints Commission reporting directly to the Minister for Ageing be established.

9. Accreditation and Spot Checks

These are two areas of great concern to our staff and our organisation generally.

In the lead up to the three year accreditation process and during that process there is a great deal of worry and concern and emotional strain on our staff members including Senior Management. The amount of time and financial resources directed to satisfying the accreditation process is enormous and regrettably can redirect the energy and time of staff away from the essential care needed for our residents to satisfy the bureaucratic demands of this process.

SCC recognises that some form of accreditation and on occasion spot checks are needed, however, the process as currently implemented is doing more harm than good.

We believe that accreditation should occur each five years rather than three years. This will give everyone concerned a little more breathing space and should reduce the costs to providers and also to Government.

Spot checks are a serious cause of emotional worry to staff. We give a specific example that occurred only the day before this submission was being written. Yesterday, three assessors arrived at our Rosary Gardens facility without any warning at 9.15 am and remained there until approximately 5.00 pm. This sudden visit took up the time of senior staff at this aged care facility for the whole of the day. The unannounced visit was a “routine” inspection and not related to any issue of concern. This kind of occurrence occurs from time to time at our facilities throughout Tasmania. In fact the current Minister’s requirement is that there be at least three spot checks each two years at each facility.

SCC considers that unless there are very serious complaints or exceptional circumstances, 48 hours notice should be provided to a facility when a spot check is to occur. We appreciate that there can be very serious issues that may arise in a nursing home, for example serious neglect of residents, but often the visits are quite routine visits and we think it is only reasonable that some notice be provided, particularly to enable senior staff arrangements to be put in place.

Recommendation:

The accreditation cycle be changed from three years to five years and that unless there are serious complaints or exceptional circumstances, 48 hours notice be provided prior to a spot check of a facility taking place.

10. “One Stop Shop” Aged Care Information Centres

This idea may not be strictly within the Terms of Reference of this Inquiry but we consider that it would be a most important initiative in providing essential information to individuals and families wanting to make important decisions about aged care options.

In our view it would be a major step forward to establish a “one stop shop” in major centres throughout Australia which would provide a whole range of information about aged care. There is no doubt there is confusion in the minds of many people about aged care, the services available, access to those services, the costs involved and related issues. Such a “one stop shop” could provide a comprehensive range of information and services on aged care issues which would be very beneficial to older people and the wider community.

Recommendation:
“One stop shop” aged care information centres be established in all major centres throughout Australia to provide a range of information on aged care issues.

11. The Future Role of Aged Care Assessment Team

The Aged Care Assessment Teams are funded by the Federal Government but are employees of the relevant State Government.

The time has come for one central entry point to care. While this goal has been attempted there has been no real progress made. The entry system is convoluted and fragmented resulting in people slipping through the system and not being able to access the levels of care they require. People simply do not know how to access services due to the complexity of the system.

One assessment system to determine the required level of care and avoid duplication of assessments is essential to a sound aged care system.
This will be achievable with funding and responsibility from one level of Government rather than the present cost sharing arrangements.
ACAT must be an Australian government funded and managed service. There is no logical reason that the Australian government should fund the state governments to operate this service.

Recommendation:
ACAT should be a Federal Government funded and managed service. The team members should be located within a "one stop shop" aged care information centre.

12. Future Workforce Requirements

In 2000 the government commissioned LaTrobe University to “undertake a thorough examination of the issues relating to the recruitment and retention of nurses in residential aged care”. In 2002 the government issued a response to the findings of the study; this response contained a number of initiatives aimed at improving the recruitment and retention of nurses. In 2010, a decade after the study was undertaken, there has been no success from the initiatives. The same issues have been identified in multiple reviews undertaken since 2000 and most of the initiatives have now been rescinded. The issues outlined in both the study and the response can be applied to all health professionals working in aged care not just nurses.

The use of pilot programs to trial services and service delivery models is a sound approach but firm decisions are needed around the continuation or otherwise of the programs following evaluation of pilot programs. An example is the Dementia Behaviour Management Assessment Service (DBMAS). This program is funded on a short term basis from Department of Health & Ageing to, in Tasmania, the state Mental Health Service. The predecessor to DBMAS the Psychogeriatric Unit or Dementia Support Unit, had an identical delivery model and was a “pilot” for nearly 10 years. The DBMAS is still a “pilot” with no guarantees of ongoing funding – how can a service recruit and retain highly specialised health care workers when they cannot be offered certainty of employment? This frequent use of joint government funded pilots is inefficient and not conducive to Non Government Organisations (NGO) developing long term business strategies to deliver services.

It is apparent that over then next decade skilled and experienced health professional numbers will continue to decline. To optimise the available pool, there is a requirement to ensure that each health professional is used to the maximum level of their scope of education and training, and to increase the scope of practice in some instances. For example, to maximise the use of

nurses in aged care the pathway to Nurse Practitioner registration could be enhanced and encouraged with associated Medicare funding capacity. An initiative such as this would also allow medical practitioners to focus on more complex issues.

The problem for aged care providers is attracting and keeping nurses and other highly skilled employees. There is a need to make full use of our existing staff and to train employees so that they have additional skills to undertake the highly skilled roles which are so necessary in aged care. What we really need are scholarships and financial incentives to encourage staff members to undertake training so they can assume those skilled positions, including nursing.

Recommendation:
That the Federal Government assist in providing scholarships and financial incentives to encourage appropriate training in aged care.

Conclusion

We believe the views expressed in this submission should be carefully considered by the Commission when examining funding and structural reform needed within the aged care sector.

Our organisation would very much appreciate the opportunity to attend a hearing in order to expand on the views we have expressed in this submission.

We certainly trust that the recommendations of the Productivity Commission will be given genuine and urgent consideration by the Federal Government.

Ray Groom, AO
Chairman
Southern Cross Care (Tas) Inc