# A Vision for the Future

Benetas response to Productivity Commission Draft Report: Caring for Older Australians

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benetas
THE CARING SPIRIT

## *1. Introduction*

Overall we are pleased with the report and its recommendations. We believe it has picked up on many of the main concerns of the aged care industry and has put forward acceptable solutions. Benetas supports many of the recommendations such as having one gatekeeper, separating accommodation and care costs, benchmarking the true cost of care, including the care required by special needs group, and reducing the regulatory burden. Also the emphasis on consumer choice and control is pleasing to see, as are the initiatives to support older people to make a suitable contribution to care and support costs.

However while the report is wide-ranging and the recommendations provide directions for the future, in our opinion it lacks details on how a number of these recommendations would translate into policy and be implemented. While this is understandable, to some extent, because of the Terms of Reference for the Commission, many of the recommendations need to be underpinned by implementation details if they are to be properly understood and evaluated. For example it is proposed that the Australian Seniors Gateway Agency (Gateway) have specialist teams available for complex assessments but how would this differ from the current ACAT service model, with its often long wait for assessments and re-assessments? Also how will the Gateway intersect with Medical Locals and the proposed Commonwealth one-stop shops?

In our response we have focussed on some important areas crucial for the care of older Australians which were either not mentioned in the draft report or which lacked detail and clarity. The suggestions we put forward are aimed at enhancing and strengthening the draft report, and certainly not at criticizing the overall thrust and direction of the draft report.

## *2. Public attitudes towards older people and ageing*

We were surprised that the Commission did not raise the issue of improving public attitudes towards older Australians and ageing in general. Our research shows that the Australian population is rife with ageist views, and initiatives need to be developed to raise the status of older people in our community and counteract the negative viewpoint of ageing and old people so prevalent in our society.

The following quote from a young person in our research project gives an indication of this ageist viewpoint:

> *"It's hard because they (older people) can't do much. They are nice and the older people I know are good to me, but they don't do anything. I mean they stay at home and don't want to do anything."*

It is also important to educate the public regarding positive ageing and the needs of older people so they can more readily understand, and hopefully support, the recommendations from the Productivity Commission.

We understand that the Productivity Commission may believe that this issue is outside its terms of reference, but how can we discuss care of older Australians when

Australian society has such a non-caring attitude towards older Australians? To improve care for older Australians the Australian population needs to understand the value of older Australians and why we should provide proper care for them.

The poor status of older people in our society also reflects badly on the aged care industry. It is often seen as not being particularly attractive and skilled and qualified people are often not drawn to it. We believe this unattractiveness of the aged care industry is a big a barrier to recruiting suitable staff as is the low wage structure.

Rather than a burden on our society older people are making a significant contribution to our nation's social and economic well being and this needs to be acknowledged and celebrated.

In our opinion there needs to be national policy on ageing which puts forward strategies for engendering a positive viewpoint by Australian society of older people and ageing. There is ample evidence that supports the benefits of older people if they are active engaged members of the community. This in turn impacts on their confidence and capacity to choose where and how they will live, including taking a proactive approach to planning for their future.

We trust that this issue will be mentioned in the final report and we hope that the release of this report will herald the start of much debate on ageing, the contribution of older people to our society and the shape of the future services system.

## *3. Social Disadvantage – Special Needs*

In our original submission to the Productivity Commission's Inquiry into Aged Care we pointed out the extra amount of time and resourcing required by care managers to engage with people from special needs groups and to undertake suitable assessments for community care. As a result we recommended that a flexible funding pool be established to be used by care managers when working with special needs groups.

While it is pleasing that the draft report recommends extra support for Indigenous people and extra resources for those from cultural and linguistically different backgrounds, it is disappointing that the Productivity Commission has overlooked the special needs of homeless people. These people have specific needs which are different to many of those mentioned in the report under "financially disadvantaged", especially those who own their own homes. We trust that the final report gives due recognition to the costs associated with engaging with homeless people and assessing their needs. One possible way of addressing this issue is to explore the option of block funding for organisations that specifically cater for people from homelessness backgrounds. This option would give these organisations the flexibility to deal with older people on an individual basis to meet each person's particular needs.

We were also pleased to note that the draft report mentions the inability of the current Aged Care Funding Instrument (ACFI) to fully capture costs associated with behaviour, and we support the setting of a scheduled set of prices for care services. However we believe this needs to be taken further with a specific recommendation that the provision of appropriate care for a person with challenging behaviours needs

to be fully costed and taken into account in a scheduled set of prices. Again this costing could be included into block funding as mentioned above.

In recommending the removal of regulatory restrictions on supply the Productivity Commission has in effect suggested a competition policy akin to a "free market" with consumers meeting the costs of accommodation. While we do not object to this in principle we are concerned that people unable to pay for their accommodation costs may be put into a position where they do not have equal access to aged care services. We acknowledge that the draft report puts forward a safety net through a contribution by the Australian Government towards the accommodation costs of "supported' residents. However the Productivity Commission has recommended that this baseline contribution be based on the cost of providing a two-bed room with a shared bathroom and allows for regional variations.

We support the concept of a baseline standard for accommodation pricing but we believe the standards proposed in the draft report are in need of a further review. The vast majority of residential aged care facilities are now being built to the specification of a one person room with an en-suite. This is occurring to meet consumer expectations and demands, and also to cater for the increasingly complex clinical care needs and higher levels of functional dependence of residents. Two bed rooms do not meet consumer preferences and are not always suitable to meet the needs of many residents.

We strongly support the Productivity Commission's emphasis on equity and access, but for this to occur we believe the standard for accommodation pricing should reflect modern design and construction standards. However, we acknowledge that not all people in residential aged care require, or particularly desire, a one person room with an ensuite, but, in our experience, family members who often make the choice of facility, do expect a one person room with an ensuite. Consequently there is not always a fit between market expectations and models of care.

There are numerous examples where a single bedroom may not be suitable such as a person who does not want to be alone or a person with complex health needs or a person needing palliative care. As a result we recommend that further research be undertaken to these types of situations where a single room may not be appropriate, and to ascertain what would be an acceptable person to room ratio.

We are pleased to note the draft report raised the important issue of services being available in areas of social needs, particularly if there is to be an easing of planning ratios and bed licences. However the suggested solution of setting the level of obligation on a regional basis and allowing the obligation to be tradeable over the first five years, in our opinion, needs further consideration. Some regions in Australia are extremely large, and if this recommendation was implemented, over a period of time, a situation could arise where the only "supported" places available may be in a part of a region which is difficult to access from some other part of the region and would lead to "supported" residents becoming isolated. Also this could severely constrain the consumers' choices in regard to services they wish to access. We are concerned that this would not fit with the principles in the report of equity and choice. However, we are also aware of the concerns of providers whose facilities may not be able to

achieve the 40% plus number of supported residents to claim the full supported subsidy payment amount.

In order to overcome this difficulty we suggest that the subsidy rate for supported residents be based on the true cost of accommodation, taking into account regional and sub-regional differences and the quality of the building stock. These costs would be identified by an independent investigative body and would need to be subject to constant review. If this were too occur supported residents would be put on an equal footing with non-supported residents and the 40% ratio could be abolished. However until this occurs we believe the 40% ratio per facility should remain.

## *4. Opening up Supply of Care and Accommodation*

Benetas has no objection to the recommendation that the supply limits on bed licences, community care packages and other services be eventually removed. However this will be a massive change to the industry and one which will test the management skills of some providers. Also there is as risk that this moving to a free market may lead to business failures if providers are critically dependent on bed licence valuations incorporated into their balance sheets for financing purposes. Consequently while the utmost importance of ensuring the ongoing delivery of safe quality care during the transition period has to be recognised, there must also be a focus on the continuing viability of the industry.

In order to assist providers to adapt to the opening up of the market it is suggested that the Government undertake some financial modelling, as part of the implementation phase, to ascertain the possible effects on the industry of this reform. The Government has assisted other industries in the past in a similar vein when undergoing large changes, as for example the car industry, and this financial modelling would great assist the aged care industry to make the necessary changes in line with the reform.

## *5. Consumer Choice and Control*

Benetas strongly supports the emphasis in the draft report on services designed to meet people's needs rather than people fit into an inflexible service system**.** In particular the removal of the artificial boundaries between high and low care and of the silos in which community care packages have to operate. We also strongly support the creation of a flexible range of services based on meeting the needs of older people through a building block approach.

However it is essential that all potential consumers, including carers, guardians and appropriate family members, who need support with their decision-making, are given all the information required so they can make informed decisions about services and service providers. The draft report mentions the provision of specific information tailored to individual circumstances but no information is provided on how this may occur. Also the link between the Gateway services and the new initiative by the Government of one stop shops is also mentioned but again no details are provided. This issue of information provision is too important to be left with no substance. Consequently it is suggested that the final report give some clarity as to how this individually tailored information will be provided and how the Gateway services will link with the one stop shops.

An important part of the initial contact with a potential service user is the consultation process. Not only does the necessary information about services and service providers need to be given, but also older people must be consulted about how they see the best way of meeting their needs. This is again about putting the emphasis on the needs of the older person, as described by the older person, and for the assessor to identify those services which meet these needs which are then put to the older person so a choice can be made.

In this regard older people should not only be consulted about available services they should also be given opportunities to have input into the actual design of services so they can ensure they do their needs.

## *6. Research and Evaluation*

Again it is pleasing that the draft report has acknowledged the importance of research and evaluation in building a better evidence base to support ongoing policy and service development. We also strongly support the recommendation that research findings should be publicly released and made available in a timely manner. However we believe that this needs to be strengthened.

While it is agreed that the proposed Australian Aged Care Regulation Commission should be a clearinghouse for aged care data, we believe this role should be expanded to undertake the role of a clearinghouse for research findings on ageing and service evaluations. Knowledge transfer should not be just about specific data, but should also include the results of research projects and evaluations. Evidence from research needs to be utilised to inform service practice and a clearinghouse providing this type of information would be of great value to the industry.

The draft report mentions the various large research centres which the Government is funding, but there needs to be specific funding streams for research targeted at obtaining evidence for service improvement and innovation. Many of the large research centres are focused on clinical issues, which we support, but care of the aged encompasses more than clinical care and research is needed on those non-clinical areas which affect the quality of life of older people, such as overcoming social isolation.

## *7. Care and Support*

The draft report mentions the need for a single (or joined up) assessment process as this is likely to produce better outcomes for individuals and produce savings for the community. We are in full agreement with this approach and believe it could be taken even further by including sub-acute services in this one assessment. The draft report says that an assessment tool can be developed which would provide a base assessment of an older person's core functions. In doing this surely it can be quickly assessed if a person needs rehabilitation services and the type of services required. If required they could be referred for a more complex assessment, as suggested in the draft report. In this way older people would not have to travel to different sites to undertake different assessments and duplication of assessments could be avoided.

Similarly care co-ordination could include sub-acute care services and people could be given a list of services and service providers in the sub-acute area as recommended could occur for aged care services.

The draft report mentions the benefits of improving the interface between health and aged care and the current poor co-ordination between these sectors. Having the one integrated assessment process would be an important step in bringing about a greater coo-ordination between health and aged care.

We also strongly support the recommendation that in-reach services be provided to residents in aged care facilities, and visiting multi-disciplinary teams be developed. However we believe it is important that these teams should include mental health professionals, and it is somewhat disappointing that the draft report did not address the mental health needs of older people.

The following case study gives an indication of need for mental health services for older people and the current lack of these services:

*Our concept of residential aged care revolves around people living quietly, participating in arranged activities and enjoying occasional visits from family members. It is, therefore a very difficult and distressing time for all when someone in our care attempts suicide.*

*Claudia has a history of mental illness – paranoid delusions, anxiety and depression - as does her son, who is her next of kin and most regular visitor. Although these diagnoses are known and managed by her GP with medication, there have been no specialist interventions, training or guidance about how to manage her condition which fluctuates greatly and staff have difficultly reading her behaviour and moods.*

*A few weeks ago on a Friday afternoon, a staff member walked into Claudia's room to ask if she needed anything, only to find Claudia lying on her bed, a plastic beg over her head and tied under her chin. The staff member immediately removed it, calling for help and finding Claudia unconscious but breathing. First aid commenced and an ambulance was called. Claudia was rushed to hospital, the staff not knowing what had happened and what might happen next.*

*Some three hours later, staff found out that Claudia was much better and would undertake a psychiatric review before returning to the facility.*

*On the day, staff and residents received support from pastoral care practitioners who happened to be on sight, staff were offered the assistance of our Employee Assistance Program, and informal debriefing took place, but there was no one to talk about the clinical issues underlying Claudia's decision to attempt suicide or to plan how to better manage her condition on return.*

*Apart from and updated medication chart, no new information was provided for staff caring for Claudia on her return and no follow up specialist psychiatric support was arranged.*

*Now staff are anxious about what they might find on entering her room. They don't have the support of a mental health practitioner in planning for Claudia's care, and as her son also has a mental illness, how best to support him in caring for his mother at this time. It's a real gap in the system.*

## *8. Housing*

An essential part of caring for older Australians is that they have access to suitable and affordable housing. Studies have identified a trend that underlines the problems of housing affordability for older people and this is the increasing number of older people retiring to fixed incomes without owning their home. A literature review of senior housing in Australia (Naufel, 2009) has shown that the most dramatic decline in home ownership people is for the forthcoming generation of retirees, people aged 45 to 59 years. The home ownership rate amongst this group declined from 54.4% in 1995-96 to 35.8% in 2005-06. Twice as many people aged over 60 are now paying off their homes, up from 4.2% to 9.5% (NATSEM 2008). In a presentation to a Senate inquiry into housing affordability, the Federal Treasury identified that the proportion of people age 55 to 64 who fully owned their own homes has shrunk from 74% to 54% in 2008 while people still paying off mortgages jumped from 13% to 27% (Colebatch 2008).

Also a recent study by the Australian Housing and Urban Research Institute (AHURI 2011) has shown the link between lack of housing, poor health and social exclusion and the high need for aged specific housing for the aged.

Given this situation it is clear that there is an urgent need to increase the supply of suitable and affordable housing for older people. One way for this to occur is to allow aged care providers to have the same access to housing funds as do registered housing organisations. This would enable aged care providers to take on a more active role in the provision of accommodation.

Also it is estimated that in 2004 the non-government sector held 34,700 independent living units, 34% of which need upgrading (McNelis, 2007). Benetas alone has 200 independent living units in Melbourne and Bendigo and almost all of these are in urgent need of major refurbishment, and in some cases, replacement. As result we will not be able to continue to provide this accommodation unless we receive housing funds. However we cannot access the National Rental Assistance Scheme funding or other possible housing funds as they are not new developments. So ultimately older people will lose access to some urgently required housing.

Consequently there is an urgent need to create a capital works funding stream which would enable aged care organisations, such as Benetas, to undertake refurbishment and replacement work on their housing stock so that they are not lost to the housing market. The Commonwealth Government initially had a strategy of supporting the development of these independent living units but this funding has lapsed and it is time that serious consideration be given to re-establishing this funding program.

## *9. Case Management*

The draft report says that the Gateway would provide information on availability, quality, costs of services and how to access services, and that this information would be tailored to individual needs. Also the Gateway would provide care co-ordination.

However older people and their carers, in these early stages, often need assistance to locate a professional service to put together and manage a package of care to match their needs as well as negotiate on their behalf. This is particularly the case with older people with complex needs or who have a high level of need. This is clearly a case management role and this must be a core element above the basic supports mentioned in the draft report, as in itself case management is a defined service.

This case management role for an older person should be undertaken by only one agency to avoid confusion and duplication and to ensure the older person has to deal with only one person. Also there is a strong connection between a consumers taking control of their service delivery and being provided with the type of case management that all allows this to occur.

We believe the Productivity Commission's draft report was making reference to case management but we believe this role must be mentioned overtly and given some prominence.

A case study of one of our clients in regard to the case management role is given below and this illustrates how this service sits above basic supports but is still an essential element in assessment and service provision:

*An 83 year old gentlemen with limited English skills was discharged from hospital following a stroke. Although the stroke was not serious, it left him with less ability to perform tasks of daily living. The client has two daughters who are unable to assist as much as needed due to work and family life commitments. The Case Manager organised a family meeting to discuss client needs and how he can be met. An interpreter was organised to allow client's full participation in the process. As a result of the discussion the Case Manager organised a referral to ACAS for reassessment and deciding client's eligibility for an EACH package and referral to an Occupational Therapist (OT) for home modification. Following the OT's recommendation, an application was forwarded to the Aids and Equipment program to assist the client in funding all necessary modifications. In the meantime extra services and volunteer visit were introduced to assist client and family.*

## *10. Implementation Plan and Cultural Change*

An important question the Productivity Commission needs to address is how can a Federal Government with a possible life of 3-4 years commit to and follow up on a 5 year plus implementation plan? Clearly the first step is an all party commitment to this plan. While the political realities are outside the scope of the Inquiry we believe there needs to be mention of the need of political commitment if the reforms are to be implemented.

In particular it is important that the Government does not accept and implement only those recommendations that are deemed politically and fiscally palatable. The recommendations from the draft report set a new direction for aged care, and if key recommendation are rejected by the Government as being not easily implemented and not politically acceptable then the whole reform movement will be lost.

We also believe that the establishment of the two key agencies, the Australian Seniors Gateway Agency (Gateway) and the Australian Aged Care Regulation Commission (AACRC) need to occur within two years of commencement of reform, not the 2-5 year period as mentioned in the draft report. These are the key agencies which will be responsible for the crucial areas of assessment, referral and regulation and so much of the reform agenda depends upon their successful establishment and operation. To delay their establishment to anything up to 5 years will seriously delay the implementation of the reforms, and could result in the loss the motivation, impetus and excitement generated by the reform agenda.

While the composition of the Taskforce to oversee the implementation of the reforms is not mentioned in the draft report we believe it needs to have as members representatives of the aged care industry including peak associations, older people's representative groups, carer representatives, government agencies and other bodies essential for the implementation. We also suggest this Taskforce be independent of the Department of Health and Ageing (DOHA), while acknowledging that DOHA needs to have a key role in the implementation phase. The reforms would result in great changes to the bureaucratic structure and functions of DOHA and this vested interest could be detrimental to the work of the Taskforce.

Benetas strongly supports the underlying thrust of the draft report that the primary focus for aged care must be on the needs of individual older people and their carers, not, as currently happens, on funding programs and service delivery. This change in focus will require a huge change in culture for all stakeholders in the aged care industry and the transition process to ensure this happens is of paramount importance.

However the aged care industry will need assistance to bring about this huge turn around in direction and focus and this needs to be built into the transition process. More research is required into the costs involved in moving to the new system. In this regards a cost study needs to occur on the changes to the care and accommodation aspects of aged care.

## 12. Recommendations

**11.1 That a national policy on ageing be developed which puts forward strategies for engendering a positive viewpoint by Australian society on older people and ageing.**

**11.2 That recognition be given to the costs associated with engaging with homeless people, assessing their needs and providing appropriate care, and the option of providing block funding to meet these costs be investigated.**

**11.3 That further research be undertaken to the those situations where a single room may not be appropriate, and to ascertain what would be an acceptable person to room ratio.**

**11.4 That the subsidy rate for supported residents be based on the true cost of accommodation, taking into account regional and sub-regional differences and the quality of the building stock, and that the 40% ratio be abolished once the subsidy reflects the true costs.**

**11.5 That the establishment of the two key agencies, the Australian Seniors Gateway Agency (Gateway) and the Australian Aged Care Regulation Commission (AACRC) occur within two years of commencement of reform, not the 2-5 year period as mentioned in the draft report.**

**11.6 That the composition of the Taskforce to oversee the implementation of the reforms include representatives from the aged care industry and be independent of Department of Health and Ageing.**

**11.7 That the final report give some clarity as to how individually tailored information will be provided and how the Gateway services will link with Medicare Locals and the Commonwealth's proposed One Stop Shops.**

**11.8 That a clearinghouse for research findings and evaluation on ageing and aged care be established to inform service practice, and funding be available to undertake research into those non-clinical areas which affect the quality of life of older people, such as overcoming social isolation.**

**11.9 That visiting multi-disciplinary teams include mental health professionals**

**11.10 That aged care providers have the same access to housing funds as do housing organisations and that a capital works funding stream be created to enable aged care organisations to undertake refurbishment and replacement work on their independent living units housing stock .**

**11.11 That the case management role must be a core element above the basic supports mentioned in the draft report and that this role be mentioned overtly in the Productivity Commission's final replace and be given some prominence.**

**11.12 That a study be undertaken into the costs involved in transitioning into the new system and especially in regard to costs for accommodation and care.**

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