AUSTRALIAN
NURSING
FEDERATION

Productivity Commission Enquiry into Nursing Home Subsidies

ANF (Vic Branch) Concluding Comments

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ANF (Vic Branch) welcomes this further opportunity to present our concluding comments to the Commission. We shall be brief as we believe we have presented much detailed information, most of our comments relate to Preliminary Proposal 3. Of the Commission's Position Paper, October 1998.

Preliminary Proposal 3.

1 . ANF (Vic Branch) made brief comment in our statement to the Commission on 18/11/98 of the impact to the Victorian Nursing Home industry of the coalescence to a
National SAM rate. We tender to the Commission the following data from the Commonwealth Department of Health & Family Services 15/3/1996.

Victoria had 437 Commonwealth funded nursing homes. Of these:

- 175 were 45 beds or greater.
- 265 were less than 45 beds

of these 265:

- 178 were between 45 and 30 beds (mostly 30 beds)
- 87 were less than 30 beds and in receipt of "top up" or special funding to support maintenance of a RN 24 hours per day.

From our experience over the last ten years, we sincerely believe the historically small size of many of our facilities has been one of the risk factors leading to the high rate of non compliance with outcomes standards as proprietors scrabbled to maintain profits and viability while staff struggled to maintain care.

We respectfully refer the Commission to Professor Gregory's Review of the Structure of Nursing Home Funding Arrangements Stage 1 1993 page 67, 69 and 70 and to Stage 2 of that report where it is demonstrated that a nursing home at that time (1994) was believed to need to be at least 45 beds to be "efficient".

Many provider organisations now state that a home needs to be at least 60 beds to be viable and some say 90 beds.

Victoria's problem of course is how we manage to achieve this rebuild without destroying care standards at a time when the recurrent funding will effectively reduce with coalescence.

If the Government bases funding on an average "efficient" sized facility that leaves the Victorian industry largely below that level, there will be no incentive for Victorian proprietors to say in the industry past 2001.

2. In comparing wage rates across jurisdictions, ANF (Vic Branch) make the point that to be valid, the comparisons must compare applies with apples ie. base rates sit in an award that is a decision of the AIRC and legally enforceable. Base rates are only one part of a workers remuneration - in many cases a further considerable part of a workers remuneration comes from shift and other penalties, The base rates must further be put in the context of classifications (career structure) of the worker and years of experience and bed size of the facility.

   The problems now experienced in SA and Queensland may reflect that CAM was long overdue for a review because the context of the relevant awards had changed so markedly since the development of CAM in 1986.

   We attach for your reference ANF Table One which sets out some reasonably comparative base rates form Nursing Award across 4 states.

3. ANF Table One also demonstrates the divergence of wages created by EBAs. The last column are the rates in Victoria's Public Sector Nursing Homes where two successful EBAs have been negotiated in 1995 and 19975. It demonstrates the disparity (currently 13.15%) existing between Private and Public aged care nursing rates that we have previously referred to.

   ANF (Vic Branch) would predict that similar divergence will occur from time to time interstate.

   ANF (Vic Branch) recommends that the Commonwealth move away from the indexation using COPOS (initially introduced as a temporary pre budget measure in 1996).

4. ANF (Vie Branch) make comment on TABLE 3.1 Page 7 of the Commission's Position Paper. We are not sure what Aged Care Queensland are trying to demonstrate in this table. We are fairly confident they are not trying to demonstrate that Victoria and Tasmania are funded for nursing homes at a lower $ hourly rate than SA or ACT - which is the logical outcome of their table data.

For the table to be "relevant" it needs a further two columns that includes average hours of care provided by non-registered staff and another that includes ENs ie. they cannot be described as performing the same work as RNs by legislation and/or education. ENs are restricted in their practise (medication administration and complex care are two examples). So logically if one was examining skill mix by state, RN hours would need to be separated from EN hours. One would then have to break down the work of both RNs and ENs and remove the 'personal care' that these two workers performed to have an accurate picture of their workloads and efficiency.

One would hope also that providers would be aware that a direct comparison of the work of ENs across jurisdictions cannot be made. For example, Queensland (where very few ENs work in Aged Care, see AIHW stats) are Certificate V (18 months full time training) in Victoria. ENs are Certificate IV (12 months full time training).

Victoria has retained by far the greatest numbers of ENs in aged care of any state. If we remove an "average" % of EN hours based on the ratio of EN/RN for the state, from Table 3,1 hours of qualified nursing time - one is FT with 6 hours of RN time and 8 hours of EN time. If we do the same for SA, the division is 5,5 hours of RN time and 4.4 hours of EN time (and so on). See **ANF TABLE 2.** As RNs and ENs are not interchangeable in the workforce, we feel that table 3.1 would need a great deal of additional information to give good usable data. (The RN/EN ratio we have used above are the number of RNs and ENs employed in the industry, to be accurate, it would need to be based on an average number of hours worked by RNs and ENs.

As there is no official data collected on the unregistered component of the care workforce in nursing homes, it is not possible to gauge how efficient this workforce is compared to registered staff, Anecdotal information from the nursing profession is that you can replace two nurse assistants with one EN and achieve better outcomes for residents, This supports all the research on quality outcomes that ANF (Vie Branch) have given to the Commission.

Having a high EN component in the workforce not only produces better outcomes for residents, M we look at the states RN/EN mix, it enables the more efficient use of RNs. RNs can delegate elements of care such as wound and continence care to the EN leaving the RN free to concentrate on such matters as complex care, and administration. This delegation from RN to nurse attendants could not occur without a great deal more supervision ie. time from the RN,

5. Accreditation of facilities in the health sector in Australia has been in place for several decades now. It has never before been linked to funding as will occur in aged care from 2001.

Casemix funding in the acute sector is not linked to accreditation. ANF (Vic Branch) do not believe that accreditation in aged care will describe a measurable benchmark level of care. We believe that urgent work needs to be done (see our previous reference to Professor Gregory's comments 1993) to protect quality of care to residents in Residential Care. The industry currently (nor in the foreseeable future) will have measurable quality indicators.

Preliminary Proposal 9

ANF (Vic Branch) welcomes most strongly the Commission's P.P. 9. We have been most concerned about the current arrangements regarding reducing funding for small rural facilities. With respect, we suggest two issues require addressing.

1 The Commonwealth's current definition of rural and remote needs to have broader criteria and take into account particular service needs of some communities otherwise there is a serious danger of disadvantaging further our rural communities.

2. The original care funding formula for Multi Purpose Services was developed on the RCI, this was a five (5) level dependency tool. For high care residents, the RCS is now a 4 level high care tool. To our knowledge, the funding for MPS care funding has not been reviewed since the implementation of the RCS. If MPS funding for care is still based on the category 3 RCS level, this should be raised to a category 2 level RCI as data demonstrates that high care residents under the new tool are moving on average up the scale. This would give MPS recurrent funding the access to category growth that has been given to other Nursing Homes.

Conclusion

ANF (Vic Branch) urges the Commission In Its Report to recommend that the Commonwealth address the current divergence of wage rates within Victoria between the public and private aged care sectors to enable the Industry to retain and recruit the necessary experienced and skilled gerontic nurses to give quality care to our elderly.

Finally, ANF (Vic Branch) places before the Commission our contention of the need in our community to further contain the spending of public revenue on aged care. We attach for your reference **(ANF TABLE 3 & 4)** current and future projections of Australia's Age Profile, **TABLE 3,** Age Structure of Population and Dependence Ratios. **TABLE 4** (sourced). In data that we have seen used in aged care, little if any reference Is ever made to the Dependency Ratios and the fact that Australia's population now has a greater number of people at working age than in 1961 and that that working age group to dependent age group will not fall back to the 1961 level until the late 2030s.

The progress that has been made in savings on provision of acute health services to the aged over the past decade are never offset against the cost of aged care and we confidently predict that by the year 2040, further enormous progress will have been made in acute medical services to the aged in our community.

ANF (Vic Branch) believes that the outcome for Victoria of the Commonwealth's budget measures 1997/1998 have been most discriminatory (Commonwealth Department of Health and Family Services Annual Report 1997 - 98 page l67 and 168 - copy attached for your reference).

The stated target is: cost increases no greater than inflation plus increased dependency growth. Yet the national average cost per nursing home place decreased by 1 per cent in nursing homes.

While the RCS data to date demonstrates a greater increase in Categories under the RCS for Victorian nursing home residents - not contained in this report, than any other state ie. increased dependency growth **TABLE 32** - average annual cost per utilised place, nursing homes, this table shows a marked drop in the average cost per place in Victoria. le an overall loss of recurrent funding.

It appears to Victorians that our residents are between a ’rock and a hard place" when it comes to funding for aged care. Even in increases in funding for Hostels, Victoria did not make the funding % average increases that other states did.

We wish the Commission well in its deliberations and thank the Commissioners for their Interest and considered approach.

Ms Julie Ligeti is available if you require any clarification regarding the Tables or require any supplementary information.

ANF TABLE 1 (ONE)

RN & EN Weekly Rates of Pay Aged Care
Private Sector & Vic Public Sector September 1998
D.O.N. Rate at Average 68 Bed Nursing Home

	South Australia	Queensland	New South Wales	Vic Private	Vic Public
Level ½ (Vic ACN 3A)	711.15 (Level 1 Year 8)	718.90 (Level 1 Year 8) 794.60	788.60 (Level 1 Year 8)	743.80	837.70
Level 3 (Vic C/N 4A)	880.10	882.95 (CNC)	899.20 (Optional Position)	819.80	949.80
Level 4 (Vic Supervisor)	929.92	N/A	941.20 (DDON)	877.00	993.60
Level 5 (Vic D.O.N.)	984.06	1047.00	1109.80	992.50	1111.50
EN Level 3	503.20	520.85	517.10	496.15	542.00
EN Level 5	524.02	451.05	539.00	515.05	565.30

ANF TABLE (2)

AIHW Table 32 and 40 1995 Report

Numbers of RNs and Ens Employed in Gerontology by State

		No of Nurses	No of Nursing Home Beds per State 1995
New South Wales	RN	8,415	29,392
	EN	4,143	
Victoria	RN	5,657	17,001
	EN	7,678	
Queensland	RN	3,327	12,385
	EN	1,583	
Western Australia	RN	1,603	6,130
	EN	1,190	
South Australia	RN	2,041	6,938
	EN	1,366	
Tasmania	RN	796	2,133
	EN	363	
A.C.T.	RN	234	519
	EN	150	
Northern Territory	RN	57	192
	EN	59	