![UnitingCare Australia logo]

Submission to the Australian Senate Inquiry into
Residential and Community Aged Care in Australia
December 2008

Our authority to comment

As a national network of organisations, UnitingCare:

- Employs 35 000 staff and 24 500 volunteers;

- Includes 400 organisations providing services; and

- Provides services in all major metropolitan centres across regional Australia and through remote and indigenous communities.

UnitingCare manages 12 per cent of all aged care places in Australia. We have the experience and knowledge to understand the trends and pressures in aged care — and propose actions to address them.

UnitingCare is founded on the Uniting Church's basic Christian values and principles, such as the importance of every human being, the need for integrity in public life, the proclamation of truth and justice, the rights for each citizen to participate in decision-making in the community, religious liberty and personal dignity, and a concern for the welfare of the whole human race. Our values affirm the rights of all people to equal educational opportunities, adequate health care, freedom of speech, and employment or dignity in unemployment if work is not available. These values underpin all the work we do.

This submission represents the view of UnitingCare Australia, incorporating aged care services in all states and territories. Specific submissions have also been provided by BlueCare in Queensland and Uniting Church Homes in Western Australia.

Key Concerns

The current model for provision of services for people as they get older is no longer relevant or appropriate and does not meet the needs or expectations of older people or their families now, and will not in the future. Consider these facts:

- 50% of women and 40% of men aged 65 years in 2008 will be placed in an aged care residential facility before they die;

- There will be a fourfold increase in demand for aged care services over the next generation;

- The majority of residential care facilities operated at a loss in 2007;

- 60% of people aged 70 and older have expressed a clear preference to remain in their own homes supported by a range of services

- Many facilities cannot operate at full capacity due to staffing shortages, despite strong demand;

- Staff shortages are compounded by frustration with regulation and compliance burdens diverting staff time from delivering quality care and promoting quality of life for residents to administrative tasks.

UnitingCare Australia is of the view that the current service model will be completely unable to meet future demand from older people and their families for support, housing or care. UnitingCare service providers, along with many others within the sector, are facing enormous risks to sustainability over the coming two years:

Immediate challenges

There are immediate challenges putting pressure on the capacity of the aged care sector to provide equitable and sustainable community-based and residential care:

- *Design of service system*: Community-based care should be the primary point of delivery of services to people as they age, with residential care providing for a smaller proportion of older people who require very complex medical and/or palliative care. The current community care system is complex, can't meet demand and doesn't facilitate smooth transitions between different service types. Inadequate funding to community-based services creates increased demand for residential care services.

- *Capital funding:* Recent estimates predict a funding shortfall for residential capital development between 2008 and 2020 of $5.7 billion. In recent years the cost of building has risen by up to 6 per cent per year on average, with much higher increases seen in the states impacted by the resources boom.

- *Recurrent funding:* Funding for community-based and residential care is being squeezed by rising costs — in particular staffing pressures. Key funding programs for aged care are changing or have an uncertain future.

- *Workforce pressures:* In the midst of an acute national skills crisis the aged care sector is under particular pressure. Aged care staff are paid less than equivalent staff in the acute health sector, resulting in chronic skill shortages.

- *Burden of regulation:* The Regulation Taskforce has highlighted the excessive burden of regulation on aged care providers. Processes are unwieldy and divert substantial staff time away from actual care.

Long term challenges

Providing care for all Australians as they get older will become even more difficult as we face a number of long term challenges:

- *An ageing population:* Between now and 2047 the number of working age Australian will rise by about one-fifth while the number of older people will more than double, and the number of very old will more than quadruple.

- *An ageing workforce:* As the pressure for aged care increases, the pool of available workers will decrease.

- *A more diverse population:* Changes in Australian society over the past thirty years are beginning to be reflected in the older people seeking services. Australia's diverse population will require more specialised, high quality and more appropriate services.

- *Long-term health conditions:* Chronic and 'lifestyle' diseases such as diabetes and heart disease will add to the pressure on services. Dementia is increasing, necessitating changes in health and care management.

- *Decline in informal care:* The structure of families and society is changing, with the result that there will be fewer carers available to meet the needs of an ageing population. This means a greater reliance on formal, paid care.

- *Sustainable funding:* According to Treasury projections, expenditure on aged care will consume 2 per cent of GDP by the middle of the century – more than double the current level. A robust policy discussion is required to establish how this increase in cost can be met.

The inadequacies of the current system have been articulated in detail in submissions by UnitingCare Australia over the past 5 years. The following submissions are attached for your reference:

- Blue Care, Uniting Aged Care Victoria and Tasmania and Uniting Church Homes WA submission to the *Review of the Conditional Adjustment Payment* and an additional submission: *Critical issues impacting residential aged care viability* (2008)

- UnitingCare Australia response to the *Review of Subsidies and Services in Australian Government Funded Community Aged Care Programs* (2007)

- A letter to the Community Affairs Legislation Committee with regard to the Aged Care (Bond Security) Bill 2005, the Aged Care (Bond Security) Levy Bill 2005 and the Aged Care Amendment (2005 Measures No. 1) Bill 2005

- Submission to the Senate Community Affairs References Committee Inquiry into Aged Care (2004)

- UnitingCare Australia Response to Department of Health and Ageing Consultation Paper *A New Strategy for Community Care* (2003)

- UnitingCare Australia submission to the *Review of Pricing Arrangements in Residential Aged Care* (2003)

- Submission to the House of Representatives Standing Committee on Ageing Inquiry (2002)

These submissions have suggested specific measures that would address the immediate and longer term challenges facing services provided for older people. A summary of these is provided below.

Capital funding

Notwithstanding the continued financial pressures on the network, UnitingCare is planning to continue to operate services.

Governments can assist by:

- Exploring financial instruments that will enable older people to contribute to the cost of delivering services, particularly housing costs;

- In the medium-term, review capital funding arrangements; and

- Allowing tax concessions under the National Housing Affordability Scheme to apply to age-specific rental properties.

UnitingCare Australia has developed core principles on which future financing options for residential aged care should be based. A copy of these principles is provided at *Attachment* A.

<u>Recurrent funding</u>

The new ACFI (Aged Care Funding Instrument) is a substantial change to the way aged care is funded and the way in which care is assessed. While ACFI is an evidence-based model to assess need it is a medicalised model that emphasises deficiency and deficit rather than a person-centred and rounded assessment. UnitingCare has concerns that ACFI risks destabilising care delivery and its foundations run counter to the trends in care that emphasise outcomes and aspirations of individual older people. ACFI is reducing the size of the pool of eligible people who can be admitted to low care and pay an accommodation bond, this impacts on the viability of low care and high care and on finding low care options for people who wish to move into low care.

The Government can provide some stability to the funding of aged care in the short term by:

- More realistic indexation of funding so it keeps pace with the growing costs of remunerating the workforce and purchasing the goods and services used by community and residential services;

- Reducing the large gap in subsidies between CACPs and EACH;

- Continuing the interim CAP; and

- Managing the risks of ACFI by bringing forward the planned 18-month review of implementation, and put in place plans to support the sector in the event that ACFI destabilises the care market.

<u>Workforce</u>

Addressing skills shortages requires creative thinking and long-term planning. UnitingCare is making efforts to become an 'employer of choice' by, amongst other measures, providing flexible working conditions. It is also working on innovative training programs to access new pools of workers.

Government can assist innovation in the care workforce by:

- Streamlining skilled migration program processes to facilitate timely recruitment of skilled staff from overseas;

- Funding pilots to evaluate models of residential care that use less expensive models of care and commit to supporting those that work;

- Funding the evaluation of a range training schemes that aim to increase the number and diversity of people entering the care profession, both as registered nurses and as care workers; and

- In the medium term, ensuring that care funding is increased to allow parity in pay for nurses between aged care and health.

<u>Regulation</u>

The Regulation Taskforce report of 2006 was clear on the case for rationalising the regulatory burden on care providers. However, there has been little movement to implement the findings of the taskforce.

The Government should prioritise the reduction of regulation as recommended by the Regulation Taskforce.

Further, there is evidence that the elder abuse reporting requirements are overly burdensome. The government should review the requirements with a view to allowing more flexible reporting arrangements.

Community Care

The health of aged care going forward requires a capable, accessible, integrated community sector. Current policy settings do not support achievement of this. Immediate concerns in delivery of Community Aged Care are:

- The current community care system is complex to access and navigate, both initially, and as a person's needs change;

- Indexation of recurrent funding has sat around 2% for the last few years. This is totally inadequate with staffing costs rising at 6-8%;

- The large gap in subsidies between CACPs and EACH; and

- The planning model is not providing a proper distribution of services based on need. The separation of HACC is compounding the problem.

We have articulated the core principles on which development of community aged care services should be based, and a copy of these principles is provided in *Attachment B.*

Carers

Many older people provide ongoing care for a partner, family member or friend. While ageing carers are committed to those they care for, access to support services such as respite care, counselling and regular in home assistance can make care at home more sustainable in the long term.

Future development of services for older people

UnitingCare Australia does not believe iterative reform of funding, planning, allocation of places, capital or equity of residential and community aged will resolve the challenges facing the sector or deliver cost-effective and responsive services in the longer term. If Australia is to respond effectively to structural ageing, changing consumer expectations about choice and quality, increased disability and growing complexity of care we need to create a sustainable service model that enables all older Australians to enjoy a healthy future within available resources and regardless of their ability to pay for services. This service system needs to be re-designed with the aspirations and expectations of older people and their families at the core.

UnitingCare will work with staff, the community and with government to create a new vision for services for older Australians and to design and implement a service system that enables healthy ageing and inclusive communities where people can access a wide range of services that meet their needs as they get older.

This vision should be founded on the core principles of:

- All people have the right to timely, effective, high quality services, regardless of their ability to pay for these services

- Funding systems need to provide mechanisms for people to contribute to the cost of services provided, especially housing costs

- Respect for diversity and facilitating access to meaningful choices in the type of and settings for services

- Consumer centred planning, delivery, regulation and accreditation of services

UnitingCare Australia recognises that building a service system that properly supports older people, their carers and their families will require structural changes beyond what is currently considered the business of "aged care". Health, education and employment policy will need to better reflect the different needs and opportunities at different stages in the life cycle. Urban planning needs to facilitate active and inclusive communities where people can maintain mobility, live in

proximity to relevant services and participate and contribute. Housing design needs to be universal so people can age in place.

However, policy makers and service providers can begin the reform process by redesigning key aspects of the service system, including:

- Providing funding arrangements whereby capital, accommodation and care are considered separately and allocated according to assessed needs and the real costs of providing quality person-focused care;

- Significantly expanding funding for community care to meet the growing demand for services such as respite care. This should include a specific commitment to improve the planning and integration of community care programs

- Identifying the key "tipping points" into residential care, and identifying effective strategies to delay and reduce entry to residential care, and restore capacity to move back into community settings;

- Re-organising planning, funding and allocation of places so the emphasis is on community care with one simple access point and smooth transitions across care settings;

- Integrating assessment processes and make assessments localised, so they can be progressive, and feed into care planning;

- Developing an effective workforce development plan that addresses the critical skills gaps and workforce shortages, including increasing the scope of practice;

- Developing a service framework that supports continuity of formal carers across service settings, and facilitates restoration of mobility and capacity as people become more frail; and

- Establishing and testing a more streamlined and quality of life focused quality improvement system for services for older people, including residential aged care.

- Encouraging and supporting early planning for the impacts of ageing on financial wellbeing and access to services, both as individuals and in families

Concluding remarks

This inquiry provides an opportunity to consider some stop-gap measures via changes to existing policy settings to address immediate risks to the sustainability of current aged care services. UnitingCare hopes this Inquiry also provides an opportunity to begin the conversations with older people, younger generations, service providers and policy makers about comprehensive and fundamental redesign of services, funding models and planning systems so all Australians can access timely, effective, high quality services that promote quality of life and dignity as people get older.

National UnitingCare position on flexible financing options for funding residential aged care

UnitingCare Australia

- Affirms that access to high quality aged care should be available to all people in need, irrespective of their resources;
- Acknowledges that the current capital financing arrangements for high care facilities is totally inadequate; and
- Supports the introduction of flexible financing options, including the possibility of accommodation bonds, for funding aged care (specifically high care) as part of a range of strategies in response to a review of user charges and government subsidy support of elderly clients in residential facilities.

The above statements are provisional on the following:

1. That disadvantaged elderly Australians entering residential facilities continue to be protected and supported by government subsidised (concessional) funding, with percentage levels per site to at least match current policies.

2. That a substantially increased concessional payment level be introduced to more closely reflect the value of new user contributions and effectively funds real levels of both capital and operational costs of accommodation

3. That palliative care and other short stay residents will be given special consideration.

November 2006

Principles for Care in the Community
April 2008

INTRODUCTION

"The community care sector provides vital services to a diverse range of Australians. The sector helps maintain the independence of older people, assists those with health and other vulnerabilities, contributes to the independent living capacity of people with disabilities and supports the families and informal carers on which these people depend.

Over the coming decade, the sector will be transformed. Demographic changes, health service arrangements and community preference for care in the community rather than residential aged care will generate sustained growth. How this happens, and how satisfactory the outcomes will be for service users and their carers, service providers and government, is a critical question"
(*Moving to Centre Stage: Community Care for the Aged over the next Ten Years,* Victorian Community Care Coalition (Prepared by the Nous Group), August 2006.

UnitingCare Australia is a major provider of support for older people, both through services provided in residential settings and also through community care. The above quote acknowledges the increasing importance of the community care sector for the future. In response to this shift the Aged Care National Advisory Committee of Uniting*Care* Australia has had a Community Care Working Group for the last two years, who have developed this set of Community Care Principles.

We are very pleased to be launching these principles at our National Conference in April 2008.

PURPOSE OF THIS DOCUMENT

This document is intended to inform the work of the Uniting*Care* Network Australia wide as we seek to develop high quality community supports and advocate for systems changes that benefit older people and people with disabilities.

The primary purpose of these principles is to inform the advocacy work of UnitingCare Australia in a bid to reform the community care system. A secondary purpose may be to provide a resource to community care providers within the UnitingCare network for developing their own service principles. However, it is recognized that some agencies already have these well developed, and we thank them for their contribution to the development of these national principles.

DESIRED OUTCOMES OF COMMUNITY SUPPORT

As a UnitingCare network we aim to preserve the dignity and independence of all people who need support, whilst also recognising that we are all interdependent and value our friendships and community networks.

It is our hope that people who need support to maximise their health and wellbeing and ability to participate in the community will:
- have a positive experience of life;
- have the opportunity for full citizenship and community inclusion;
- maintain cultural practices that are integral to their identity;
- continue to learn, grow and develop regardless of frailty or disability;
- be as healthy as possible and able to make a speedy recovery from illness or disabling events;
- be respected as unique and valuable individuals and their strengths and capacities honoured and utilised;
- have valued roles in the community – both "being" and "doing" roles;
- be able to participate in community life;
- be respected for their valuable contribution to the community;
- be in control of their lives and involved in all decisions that affect them.
- be empowered through access to information and participation in planning and evaluation of services that impact on their lives
- have meaning and purpose in life
- be able to meet basic needs for food, shelter and assistance when required

SYSTEMS PRINCIPLES

UnitingCare Australia believes that the following principles should underpin the system of community care in Australia.

1. Australia should have an integrated subsidy system which provides funding at a range of levels according to people's care needs, regardless of the source of funds.

2. The system should be easily accessible with easily identifiable points of entry.

3. Subject to privacy principles, assessments and information should be shared to avoid multiple assessments.

4. The first consideration should be the person's preferred living arrangement and seeking to meet their needs in the most cost-effective manner.

5. The community setting should be the natural location for the provision of support, accessing the acute sector as required for episodic care.

6. In general terms, for people within the Disability Services Act target group, the disability service system should be responsible for their ongoing support at an appropriate level, including those currently receiving support in the residential aged care system.

7. The quality of services is consistent, regardless of the funding source, with the use of one overarching quality assessment process.

8. New models of service should be developed in response to changing community & consumer requirements.

9.   Facilitation of the continuum of care is seen as a necessary activity in caring for, or supporting, anyone accessing a community service. It should not be identified as another service type.

10. Consumers should be provided with choice through linkages across residential and community streams.

11. There is scope for sharing resources across community and residential arenas to enhance the quality of life and care outcomes for the consumer.

12. Special needs groups require innovative flexible models of care including, people with dementia, Indigenous people, those from diverse cultural and linguistic backgrounds, and those living in rural and remote areas.

13. There is scope for sharing resources across community and residential arenas to enhance the quality of life and care outcomes for the consumer.

14. Workforce is the key to quality care and service, and staff must be well trained and supported.

SERVICE DELIVERY PRINCIPLES

Uniting*Care* Australia believes the following principles should underpin the delivery of community care services.

1.   <u>Person-centred</u>
   • Support needs to be individualised (person and family centred) and allow for flexible service responses.
   • The person should be the focus of service delivery - wherever they sit in the continuum of care settings - rather than the programs and/or service types.
   • The level and complexity of the individual needs of people should be a primary consideration in designing care services, rather than fitting individuals to the categories of services that can be offered.

2.   <u>Support for families and carers</u>
   • A primary aim of care services should be to support family (and other) carers, including the provision of a range of carer support services including respite care and entitlements to material support such as allowances and benefits.
   • Services for a care recipient and their carer are integrated given the inextricable link and dependence between the two, including flexible models of respite and integrated health care.
   • Services need to balance the sometimes conflicting desires of the carer and the person they care for, seeking to develop services that offer a balance of outcomes for both.

3.   <u>Quality of Life</u>
   • Recognising human interdependence, older people should be supported to maintain a balance of independence and social connectedness in their life, and to achieve the best quality of life possible.

4.   <u>Vulnerability</u>
   • The Uniting Church is concerned for the vulnerable and disadvantaged – Uniting*Care* services endeavors to ensure access to community services for these groups.
   • Not all people have the capacity to contribute financially to the cost of their care, and no-one should be refused services because of an inability to pay.

- Services are provided first to those who need them most.

5. Information
   - People should be assessed for, and informed about, the full range of care and support services available (not just those provided by UnitingCare) and given contact details for information services, such as the Commonwealth Carelink Centres. This would include assessing beyond the particular service types that the agency offers and providing information about support groups such as Carers Australia, Alzheimer's Australia and the Continence Foundation.

6. Fairness
   - Care services should be provided on the basis of assessed need, and priority given to those most in need, based on a standardised and consistent way of understanding and measuring their level of need.
   - The special needs of people with a culturally and linguistically different background, and Indigenous people, should be recognised in planning care services in partnership with these communities.
   - Indigenous services within the Uniting Church are developed in partnership with the United Aboriginal and Islander Christian Congress.

7. Location of choice
   - Individuals should be able to remain within their preferred environment in the location of their choice (eg. their own home, a family member's home, or a retirement unit) and receive support to remain in that setting commensurate with their level of need.
   - The option of a more secure and supported environment should be available if their needs cannot be met in their home environment.

8. Wellness & independence
   - Services should have a focus on promoting independence, health and wellness with a restorative focus aimed at realising their potential maximum functional gain and rehabilitation.

9. Prevention & early intervention
   - Services should consider preventative approaches and community education that strengthen natural and informal supports, ensure appropriate nutrition and physical activity, and support for carers.
   - Where possible services should ensure the early detection and pro-active management of conditions such as dementia, depression, incontinence and mobility disorders which are factors that could contribute to early entry to residential aged care.
   - There should be timely identification of and intervention to provide appropriate supports that will minimise crisis events.

10. Balance of Care
    - The balance between long or short term care/support and/or therapeutic/restorative services should be totally dependent on the needs, aspirations and personal circumstances of the individual and not on funding program parameters.
    - Episodic support should be available at times of short term higher levels of need.

11. Control and risk
    - Most people wish to be in control of their environment and should be able to influence service delivery, enabling some dignity of risk.

- Consumer choice should be facilitated by encouraging innovation in service provision and recognition of individuals to determine personal risk.
- Consumers should be involved in the design, management and evaluation of services.

12. Strengths-based
- Services should be designed on the philosophy of strengths based care. This means that services should recognise the strengths and capacities of consumers and not only focus on deficits and disabilities.
- Services should promote a positive image of older people and people with disabilities.

13. Holistic
- Services should be holistic considering social and spiritual needs as well as physical needs.
- A comprehensive and holistic assessment should be undertaken to identify the most appropriate support and care required which could depend on:
    o the person's health & ability to perform the activities of daily living;
    o availability of informal support at home; and
    o the individuals care needs and goals.

14. Continuity of Care
- Continuity of care should be preserved as much as possible, both in terms of a gradation of the amount and intensity of services and consistency in terms of the people delivering care and seamless transitions.

15. Co-ordination
- Where people have complex issues, need higher levels of support and are receiving multiple services, service providers should ensure that services are co-ordinated or case-managed in a way which enables the person to deal with one care manager or co-ordinator and seek to avoid the duplication of coordination functions.

16. Citizenship
- Services should support citizenship by maintaining the roles and rights of consumers as determined by the individual not the system.

17. Evidence based
Continuous improvement principles should be incorporated into the planning and delivery of community care services, so that these services are based on sound evidence, and staff are encouraged to participate in research and development activities which seek to optimise the outcomes for clients of community care services.