



Comments on the *Overview of proposed changes to the Aged Care Act 1997 and related legislation* Consultation Paper

1. Introduction

This submission outlines the Victorian Healthcare Association's (VHA) response to the *Overview of proposed changes to the Aged Care Act 1997 and related legislation* consultation paper.

The Victorian Healthcare Association agrees to this submission being treated as a public document and the information being cited by the Department of Health and Ageing (DoHA).

1.1 The Victorian Healthcare Association

The VHA is the major peak body representing the public healthcare sector in Victoria. Our members include public hospitals, rural and regional health services, community health services and aged care facilities. Established in 1938, the VHA promotes the improvement of health outcomes for all Victorians, from the perspective of its members.

2. The VHA Response

Australia's ageing population has ramifications on the delivery and design of aged care services. These changing demographics create an opportunity to reshape the aged care system by building on existing frameworks and service capacity that have been successful to date, particularly in Victoria.

The proposed legislative changes, which are designed to increase the level of flexibility and sustainability in aged care, have been commended by the VHA as an innovative and responsive approach to demand. However, it is also critical that the investment and good practice built over the last decade in Victoria is not compromised during the implementation of these federal reforms.

The VHA's views on the proposed legislative changes to the Aged Care Act 1997 are reflected in our recent position paper on the Commonwealth's *Living Longer Living Better* plan for aged care. While the VHA welcomes the Commonwealth Government's commitment to a 10-year plan to reshape the aged care sector, we do have some reservations. These concerns, particularly surrounding the proposed amendments to residential aged care and home care, are identified in the attached VHA position paper (**Appendix 1**).

To further discuss these comments or the position paper, please contact:

Trevor Carr
Chief Executive
Victorian Healthcare Association
Level 6, 136 Exhibition Street
Melbourne, VIC 3000
(03) 9094 7777

Eloisa Evangelista
Senior Research & Policy Officer
(03) 9094 7777
eloisa.evangelista@vha.org.au

VHA Position

Living Longer. Living Better: The VHA View

September 2012 | www.vha.org.au

By 2021, Victoria's population will grow to more than six million – almost a 20 per cent increase since 2008. Of these people, 1.1 million, or 17.5 per cent, will be aged over 65 – a 50 per cent increase from 2008. Population growth and ageing will create a public healthcare crisis by 2021 unless there is a strong service and capacity strategy to meet future demand. The recent decision to classify dementia as a National Health Priority Area is recognition of the increasing prevalence of the condition in the coming years, and why a robust and efficient aged care system needs to be in place to support and be responsive to older Australians living with dementia.

The VHA commends the Commonwealth Government's commitment to a 10-year plan to reshape the aged care sector. Under the *Living Longer. Living Better* Plan (the Plan), the Commonwealth will commit \$3.7 billion to deliver easier access, better care and more choice for older Australians and their families.

Over 90 per cent of the VHA's members provide aged care services, encompassing the spectrum of residential and community care services. The changes, which are designed to increase the level of flexibility and sustainability in aged care, have been welcomed by the VHA as an innovative and responsive approach to demand. However, the reforms fall short of the optimism stimulated by the Productivity Commission's (PC) *Caring for Older Australians* report and will not be possible without adequate resourcing and funding.

The VHA calls on all levels of government to work together to improve the health of our ageing community. In particular, the VHA believes a concerted effort is required to ensure **quality** of life and **quality** of care, rather than merely **quantity** of life.

VHA Recommendations:

- Federal and state governments must regulate the supply of services in a 'free market' within the aged care sector. They must ensure that providers do not compromise the needs of local communities by providing incentives to ensure collaboration.
- Appropriate and flexible funding arrangements must acknowledge the priorities in providing aged care services in the community. The emphasis of funding must ensure the effective provision of care in the right place at the right time.
- The Federal Government must recognise the impact of amending the pricing policy on the capacity to undertake capital works in public sector residential aged care (PSRAC). The Federal Government must also consider supplementary grants to help maintain the viability and sustainability of aged care services.
- The Federal Government must clearly articulate Home and Community Care (HACC) guidelines that support and encourage current good practice and partnership between HACC providers and provide funding flexibility to cater for the specific needs of the client.
- The Workforce Compact must investigate modernisation in workforce models, including expanding the scope of practice for healthcare workers, increasing skills and partnering between health agencies. The focus should be to achieve efficient and patient-centred care outcomes.
- The Gateway must support and continue to invest in good practice models that currently exist across Australia in providing a comprehensive aged care assessment. In Victoria, this includes supporting face-to-face assessments that fundamentally meet the needs of local individuals.

The VHA Response

1.0 | When is competition in the sector healthy?

The plan's emphasis on a market-driven system is generally welcomed by the VHA. However, the concept of increasing competition also has its potential consequences.

Removing the distinction between high and low care places enables providers to be more responsive to the level of demand and the preferences of a wider range of care recipients. The flexibility of bed licenses will also benefit small health campuses that seek to meet the needs of their local community. The reform enables individuals to remain in the community where they may have lived for most, if not all, of their lives.

A history of collaboration between organisations is seen as one of the Victorian health system's strengths, particularly in overcoming poor service integration. Placing a greater emphasis on competition, risks removing incentives to pursue collaborative solutions. The ability to remain responsive and competitive is not always feasible, often to the disadvantage of those living in rural and remote areas or in economically deprived metropolitan areas where market forces are likely to be weak. If there is an inability to meet unwarranted demand, it may result in small providers closing down, overseas providers flooding the market and/or the consolidation of aged care services by large private providers who are unaware of the needs and requirements of the local community.

The VHA has long asserted that local needs are best addressed by local decisions that lead to local solutions. Therefore to understand the intricacies of communities, population health data must be available in a way that supports effective aged care service planning and addresses service gaps. The capacity to implement a population health approach to planning will require strong leadership, a role that local government and Medicare Locals would be best placed in assuming to facilitate inter-organisational collaboration amongst all aged care providers whether public, private or not-for-profit.

VHA Recommendation:

- Federal and state governments must regulate the supply of services in a 'free market' within the aged care sector. They must ensure that providers do not compromise the needs of local communities by providing incentives to ensure collaboration.

2.0 | Flexible funding

The VHA believes that the current mix of services provided to older Victorians is reasonable, although problems exist with timely access to appropriate services and a lack of service coordination. There is increasing awareness within the sector of the disconnect between client choices and the availability of services.

Older people value their independence. They want to live in their own homes and neighbourhoods, stay connected to their families and friends and remain part of their community as they age. This shift in patient choice has caused a decline in average PSRAC occupancy rates and an increased demand for home based services. However, there is currently no flexibility in capacity to convert residential care beds into home care packages and the Plan does not address this.

Despite the Plan's objective for greater choice there is little flexibility for health agencies to be innovative and responsive to changing demands. The VHA supports the notion of flexible funding models in the aged care sector which enable healthcare services to obtain the 'most value for money' in responding to the health needs of their aged community.

VHA Recommendation:

- Appropriate and flexible funding arrangements must acknowledge the priorities in providing aged care services in the community. The emphasis of funding must ensure the effective provision of care in the right place at the right time.

3.0 | Public sector residential aged care

Victoria has the highest proportion of PSRAC beds of all Australian jurisdictions. This is not considered a weakness, but an important aspect of the viability of rural health services, where the majority of these residential care beds are co-located. It has also enabled rural clients to remain in their local town and maintain their community and social networks.

The condition of the facilities in which residents live influences the quality of residents' lives, their experiences while in care and ultimately, their general health, wellbeing and behaviour. Poor maintenance of the building surrounds can reduce the satisfaction that residents feel in their accommodation, cause possible safety risks and impact efforts to provide a home-like environment.

The Plan's proposed changes to the accommodation bond system are not without potential implications. From 1 July 2014, all residents will have a choice to pay a fully refundable lump-sum, a rental style periodic payment, or a mixture of both. Many rural and regional PSRAC facilities utilise accommodation bonds paid by low care residents to provide funding for capital works. If residents opt to pay accommodation charges periodically, it will reduce the amount of investment funds available to agencies and therefore negatively impact revenue flows from interest and the capacity for investment in the capital development of the facility. This has potential repercussions on the viability of health services.

VHA Recommendation:

- The Federal Government must recognise the impact of amending the pricing policy on the capacity to undertake capital works in PSRAC. The Federal Government must also consider supplementary grants to help maintain the viability and sustainability of aged care services.

4.0 | Home Care

The VHA welcomes the Commonwealth Government's commitment to double the number of Home Care packages across Australia over the next 10 years. This will provide greater support to older Australians who wish to stay in their own homes and reduce the emphasis on residential care.

The creation of a Home Support Program from July 2015, which amalgamates HACC, the National Respite for Carers Program, Day Therapy Centres and the Assistance with Care and Housing for the Aged Program, is supported by the VHA with reservations. There is concern that a loss of localised knowledge and skills set may be the cost of gaining efficiencies.

In the past, HACC services centred on providing assistance to individuals with tasks they could no longer perform alone. The shift towards 'wellness' or 'active ageing', as outlined in the Victorian HACC Active Service Model, emphasises proactive and preventative interventions that have the potential to reduce dependency levels of older Victorians or slow their decline, despite the presence of a disability resulting from a chronic illness. This notion emphasises the roles of healthy lifestyles and daily routines, degree of social inclusion, amount of exercise and sense of autonomy and control in enabling older people to maintain their health and independence as long as possible. These actions have the potential to save expenditure through decreased demand for high-cost, high-intensity services such as intensive community care, unplanned hospital admissions, or premature residential aged care. The Active Service Model still presents as a viable blueprint for shaping the direction of HACC services towards achieving patient-centred care into the future and thus it is essential that this foundation is not lost when HACC is merged within the Home Support Program.

The aged population cannot be viewed as one homogenous group. Funding flexibility is important in meeting client needs. The VHA, therefore, supports the expansion of the current community care packages from three levels to five from July 2013. However, greater clarification is required on what this will mean for linkages between different providers. This is particularly pertinent given the number of problems that currently exist regarding timely access to appropriate services and an absence of service coordination.

VHA Recommendation:

- The Federal Government must clearly articulate HACC guidelines that support and encourage current good practice and partnership between HACC providers and provide funding flexibility to cater for the specific needs of the client.

5.0 | Workforce

Any attempt at reshaping the current aged care system must be matched by an appropriate, well-distributed and sustainable workforce. Victorian health services already experience significant challenges in recruiting and retaining appropriately trained staff to meet current demand, particularly in rural and regional areas. For example, the incentive for an individual to spend the time and money to complete a certificate III in HACC or Aged Care is deterred by the remuneration available to them upon completion.

The sufficiency of current funding is being eroded by increases in staffing costs, which are not matched by funding increases from government. The need for Victorian PSRAC services to staff their facilities to the levels stipulated in the Nurses' Enterprise Bargaining Agreement places significant costs on PSRAC services, costs which are not borne by private providers. A freeing-up of the health workforce - not just nursing - is required to address this issue.

The VHA supports the priorities of the Workforce Compact that encourage a skilled workforce to meet growing demand. However, this must also be complemented by other innovations, including broadening the scope of staff practice, their skills, roles and sharing staff between aged care providers.

The current approach to workforce requires patient care to be given according to professional discipline, regardless of the competency of other healthcare workers to do the same work. This often results in healthcare services being restricted in their workforce solutions. For example, an experienced patient care worker trained in the activities of daily living and with some drug competencies could provide routine home nursing in consultation with a registered nurse. Work demarcation needs to be addressed in order to move away from professional 'silos' and towards a workforce based on capability and competency.

The Workforce Compact must also investigate more inter-professional and multidisciplinary models of care. A core of workforce redesign is creating new categories of healthcare workers that complement trained health professionals and relieve them of the routine and time-consuming elements of their profession.

While the new Workforce Compact is a positive step towards addressing the critical shortages, the VHA is concerned that the Plan articulates that the reform's five year plan will take place only after the Federal Government election in 2013. Ensuring that suitably qualified staff are always available to coordinate, oversee and drive quality must be a minimum standard wherever care is delivered. To delay workforce reforms places significant risk on a community's capacity to provide appropriate and quality aged care.

VHA Recommendation:

- The Workforce Compact must investigate modernisation of workforce models, including expanding the scope of practice for healthcare workers, increasing skills and partnering between health agencies. The focus should be to achieve efficient and patient-centred care outcomes.

6.0 | The Gateway

The introduction of a single gateway for entry into all types of aged care services is welcomed. Streamlining information, initial needs identification and assessment will simplify the navigation of consumers in the aged care system. This will also assist in the development of a consistent national assessment framework, which should standardise assessment for home care packages, home care support and residential care.

The Commonwealth Government has committed \$198.2 million over five years to establish a gateway to aged care services. The first steps include establishing a new *My Aged Care* website and a national call centre to be the main entry point of the aged care system. This will aid consumers to make an appropriate choice about providers within their own geographic area.

Continuity of care depends on the integration and coordination of services by all organisations involved in a person's care. This is one of the intentions of the Plan by reducing the inconsistencies and anomalies within the aged care sector that hinder choice and control by older Australians. However, this will not be possible if it does not align with the wider health system. This is in order to remove silos that currently create substantial duplication of services and information resources. The Gateway must take a broad view of the needs of older people and must have the capacity to work with the wide range of community resources including the newly established local health networks and Medicare Locals.

Medicare Locals will be responsible for the improvement, availability, appropriateness, coordination and integration of primary healthcare within their local communities. This involves building partnerships with a full range of local private and public health professionals and services including GPs, allied health professionals and pharmacists. As many of these services will be centred around the treatment of chronic disease, these partnerships must also be extended to local networks of the Gateway.

The VHA recognises the role of information and communication technology (ICT) in enabling health services to effectively promote patient-centred care. Thus the application of the Gateway will have implications for current and future structures, systems and practices if it is not underpinned by a centralised record for each person.

The Gateway should feed into current initiatives, such as the personally controlled electronic health record (PCEHR). This has the potential to enhance interoperability between providers within the aged care sector and the wider health system to allow better sharing of assessment and treatment information of aged care clients.

6.1 | Aged Care Assessments

The purpose of aged care assessments is to help older Australians to determine the kind of care that will best meet their needs when they are no longer able to manage at home without assistance. While assessment through phone, web and email may be appropriate for consumers with low level care needs, it may not be practical for others who require greater assistance.

In the 2010-11 financial year, a total of 55,806 face to face aged care assessments took place in Victorian health services. This represents one of the good practice elements inherent in the Victorian aged care system that provides a comprehensive assessment locally in order to address clients' individual needs.

If the Gateway is not implemented effectively, the capacity to provide assessments which benefit from local knowledge, responsiveness and networks could be compromised. The VHA is uncertain whether one assessment process will be suitable for a variety of older Australians who present across the spectrum of care need and whether an accurate evaluation of their competencies and level of assistance required can be achieved if the main point of entry into the Gateway is virtually or over the phone.

The assessment of individuals needing care must be comprehensive and should be conducted, wherever possible, in a person's own home. This is of particular importance for people of cultural and linguistically diverse backgrounds. Providing these types of assessments requires adequate funding and commitment, particularly for those in rural and regional areas who may be geographically isolated.

Although the VHA acknowledges the Gateway as a more efficient use of national resources, it is also recognised that a one-size-fits-all approach to aged care assessments is not appropriate to meet the care needs of all older Australians. Apart from a national call centre and website, the Gateway must also establish a national network of regional Gateway centres in order to ensure that assessments remain timely, locally relevant and responsive in order to achieve consistent and equitable outcomes. The

Gateway must also ensure that monitoring, review and reassessment remains an important aspect of the process.

The VHA proposes a three-tiered assessment framework according to the level of care need. The first level involves initial needs identification that could be done through the *My Aged Care* website or the national call centre. Should the client require further assistance, they can be referred to the second level of assessment that will be undertaken by a skilled clinician with a face to face option through the regional Gateway outlets. The third level involves a comprehensive assessment performed in person by a multidisciplinary team with strong links with a general practitioner. The Gateway must also provide flexibility to enable clients to be assessed in their own homes and other care settings as opposed to physically attending a specific Gateway location, where this causes difficulty.

VHA Recommendation:

- The Gateway must support, and continue to invest in good practice models that currently exist across Australia in providing a comprehensive aged care assessment. In Victoria, this includes supporting face-to-face assessments that fundamentally meet the needs of local individuals.

For further information please contact:

Trevor Carr, *Chief Executive*
Victorian Healthcare Association
Trevor.Carr@vha.org.au

Eloisa Evangelista, *Senior Research & Policy Officer*
Victorian Healthcare Association
Eloisa.evangelista@vha.org.au