
Submission

Counsel Assisting's final submissions

11 November 2020

Response: Counsel Assisting final submissions

About the Victorian Healthcare Association

The Victorian Healthcare Association (VHA) is the peak body supporting Victoria's public health services to deliver high quality care. Established in 1938, the VHA represents the Victorian public hospitals, registered community health services, multi-purpose services, and bush nursing services.

Public sector aged care in Victoria

The Victorian public health system is the largest provider of public sector residential aged care in Australia, with 178 public sector residential aged care services delivering approximately 10 per cent of operational places across Victoria. Run by small and rural hospitals as well as larger regional and metropolitan health services, public sector providers of residential aged care are often co-located with acute services. Over 89 per cent of all Victorian public sector residential facilities are in regional and rural areas.

In addition to residential care, the state's hospitals and 28 registered community health services deliver Home Care Packages (HCP) and a significant proportion of the Commonwealth Home Support Program (CHSP) in Victoria. These organisations deliver community and home support services, allied health and nursing services and carer supports, providing tailored responses to the unique needs of the communities in which they operate.

Introduction

There is broad agreement that transformative reform is needed to address the shortcomings of the aged care system and fundamentally change the way aged care services are delivered across Australia. The VHA welcomes and in principle supports most of the far-reaching submissions and recommendations made by Counsel Assisting.

Government-run facilities were highlighted in the submissions and hearing as being a leading service type, out-performing services operated by both private for-profit and not-for-profit approved providers on many quality measures, including in a Royal Commission commissioned study.

While Counsel Assisting highlighted 'two aspects of Victorian Government-run residential aged care facilities which are notable' including the compulsory quality indicator program and prescribed ratios of nurses to residents in public sector residential aged care services, it was disappointing to see little reference or consideration of the specific needs of the public sector in the recommendations. We encourage the Commissioners to give further thought to the needs of the public aged care sector in its final report.

Outlined below is our response to relevant aspects of Counsel Assisting's final submissions and other matters arising at the hearing, including remarks made by Commissioners.

Principles of the new aged care system

- **Recommendation 1: A new Act**

We are supportive of the proposal for a new aged care act to protect the rights of older people in aged care to be free of mistreatment and neglect; to exercise choice and control in the planning and delivery of their care; and have equity of access to care.

Irrespective of the final design of the new aged care system, we consider that the *Aged Care Act 1997* should be replaced with a new Act underpinned by a human rights approach and key principles to guide its administration.

Design of the new aged care system

- **Recommendation 3: Australian Aged Care Commission**
- **Recommendation 4: Aged Care Advisory Council**
- **Recommendation 6: Inspector-General of Aged Care**

There have been major failings and inadequacies in the stewardship of the aged care system by successive Commonwealth Governments, the Department of Health and relevant government agencies directly contributing to substandard care. However, we caution against the establishment of new entities, independent to the Minister and Government, at the risk of delaying much needed reform across the system or detracting from the resources and funding available to support the implementation of reform.

Further, *Recommendation 3.1d* suggests that ‘*the Commission should have a distributed network of offices including regional offices to deliver or manage the delivery of assessment and care finding services, administer the aged care program, and provide general assistance to the public, and a head office outside Canberra.*’

Current arrangements regarding the delineation of service provision and assessment are clear. If the Australian Aged Care Commission were to be established and have responsibility to deliver or manage the delivery of assessment and care finding services, clear processes must be in place to avoid bias and demonstrate separation of service provision and assessment.

Recommendation 5: Australian Aged Care Pricing Authority

In our [submission](#) to the Department of Health consultation on the proposed new funding model in aged care, we called for the establishment of an independent pricing authority or for the remit of the Independent Hospital Pricing Authority (IHPA) to be expanded.

We continue to support this recommendation noting that should the remit of IHPA be expanded it must be adequately resourced to scale up and meet the needs of the aged care sector. Further, the work of the Australian Aged Care Pricing Authority, or equivalent, should be underpinned by principles of transparency, ongoing consultation and partnership with the sector. The Australian Government should also be mandated to follow the advice of the Australia Aged Care Pricing Authority. This recommendation intends to remove the prospect of an aged care pricing model based on the fiscal impacts for the budget as opposed to one that funds the true cost of care to meet the needs of consumers.

The independent pricing authority should also work in close partnership with the Aged Care Quality and Safety Commissioner, or equivalent, to ensure pricing, quality and performance measures are complementary and facilitate a strong national framework for the delivery of aged care services.

Program design

Recommendation 9: Meeting preferences to age in place

While supportive of clearing the home care package waiting list, we urge caution in the approach. If undertaken too rapidly there may be unintended consequences for the quality and safety of care as new 'players' enter the market to take advantage of the funding opportunities. Rapid growth may also impact the ability of existing and new providers to find the required and skilled workforce to keep pace with demand.

Aged care workforce

Recommendation 39: Aged care workforce planning

When it comes to health and care workforce modelling and planning, Australia has a history of fragmented and unaligned planning approaches that have resulted in both the over and under supply of health professionals.

Before changes are implemented across the aged care setting, a more coherent national system to develop and oversee workforce strategy and ensure its alignment with the changing models of delivery of health and social care is needed. Siloed workforce planning cannot continue; an effective approach to planning for the workforce needs to consider the requirements of all sectors holistically.

Further, all levels of the health system are struggling to attract and retain the right people with the right skills to meet the changing needs of communities. This is the result of several factors, however, one of the critical issues for health and social care in Australia, including for aged care, is that the supply of health and care professionals has been unable to keep pace with demand. Currently, there are recorded shortages of most health professionals including not only nurses but many key allied health professions across Australia; these obstacles must be considered as part of the final recommendations.

The lack of coordination and level of competition for similar workforces across health, aged and disability sectors and metropolitan, regional and remote settings means that any attempt to secure the supply of staff in the aged care sector is likely to have serious impacts on other parts of the system or will simply not be achievable, particularly in rural and remote areas.

Accommodation

Recommendation 58: Capital grants for 'small home' models of accommodation

Per the recommendation, the Australian Government should not only expand the Rural, Regional and Other Special Needs Building Fund to provide for additional capital grants for building or upgrading aged care facilities, it should also expand the eligibility requirement to include government-run aged care facilities.

Over 89 per cent of all public sector residential facilities are in regional and rural areas of Victoria. In rural and remote areas, facility size is dictated by location. The smaller size of public sector residential aged care facilities in these areas reflects that rural and remote areas do not have adequate demand to operate at scale. However, these services are not eligible for Commonwealth capital grants under the current arrangements.

Younger people in residential aged care

Recommendation 59: No younger people in residential aged care

We are highly supportive of the intent of this recommendation, noting that capacity in the Specialist Disability Accommodation market must develop in unison with increased commitment by the Australian Government to ensure no one under the aged of 65 enters or lives in residential aged care. This includes the need for targeted investment in alternative accommodation options, particularly in thin market areas.

Better access to healthcare

Recommendation 72: Improving the transition between residential aged care and hospital care

This recommendation does not go far enough to address the persistent challenges spanning the health and aged care interface. More clarity is required on the definition of residential aged care and what is a 'fair and reasonable expectation' of the health services provided within the funding available. A shared understanding and purpose between aged care and health sectors, and between state and federal governments must be achieved.

Aged care in regional, rural and remote areas

Recommendation 79: The Multi-Purpose Services Program

We strongly support and urge the Commissioners to ensure these recommendations are adopted in the final report; the VHA has long advocated for a strengthened Multi-Purpose Service (MPS) model. Evaluation of the model has found that the MPS program has delivered significant benefits to small rural communities and has demonstrated the effective application of a population model of health service delivery. These benefits included:

- expanded the service offering in small rural communities
- delivered a client-centred continuum of care
- enabled service innovations
- integrated service systems
- resulted in efficiencies.¹

Funding in the new aged care system

We urge the Royal Commission to include immediate recommendations on interim measures in its final report that ensure providers are not worse off while financing mechanisms are developed and implemented, which could take a significant amount of time. This includes the immediate abolishment of the Adjusted Subsidy Reduction (ASR) for public sector residential aged care providers to redress the unjustified funding shortfall of approximately \$4,800 per bed per year.

A significant issue around the transition to a new financing model is whether government payment systems are adequate. There have been ongoing problems with the current system and adding further complexity may have negative consequences for providers. To avoid unnecessary challenges and issues for providers, the government payment system must be comprehensively tested prior to the transition and implementation of the proposed financing model to ensure the payment system is fit for purpose.

Transition and implementation

The final report offers an opportunity to address the issues of the past and create a system to best meet the needs of older Australians. The implementation of the recommendations must be underpinned by a renewed focus on broad engagement and consultation with a diverse range of voices and stakeholders. The lack of acknowledgement of the unique needs and opportunities presented by a strong public aged care sector in Counsel Assisting's submissions and recommendations typifies the experience of the public aged care sector at a national level.

¹ Department of Health, Review of the Multi-Purpose Services Program, available at: <https://www.health.gov.au/health-topics/aged-care/aged-care-reforms-and-reviews/review-of-the-multi-purpose-services-program>

We call on the Commissioners to provide thought and guidance around the parameters of implementation including the role of broad engagement and consultation to inform the operationalisation of reform and the future of the aged care system.



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