

Combined Pensioners
& Superannuants Association

OF NEW SOUTH WALES INC



Submission to the Care of Older Australians Inquiry

MAKE LIFE WORTH LIVING IN NURSING HOMES

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Combined Pensioners & Superannuants Association of NSW Inc (CPSA)

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Summary of recommendations

Recommendation 1

The Australian Government implements mandatory staff to resident ratios in nursing homes, which include appropriate staff skill mix.

Recommendation 2

The Australian Government must address the wage gap between nursing staff in the aged care and hospital sectors.

Recommendation 3

The Australian Government must fund programs that increase the number of staff and volunteers to allow nursing home residents to pursue their interests.

Recommendation 4

The Australian Government increase funding for community transport, especially in rural and regional areas.

Recommendation 5

The Australian Government provide funds to residential aged care facilities to provide transport for residents.

Recommendation 6

Home and Community Care and Community Care Packages be greatly increased to fully service need and commence a transfer of aged care from residential to community care.

Recommendation 7

Respite services must be adequately subsidised by the Australian Government to ensure that they are affordable for carers and care recipients.

Recommendation 8

Booking fees for respite care should be abolished.

Recommendation 9

Aged care providers publicly account for the way they spend Government subsidies and resident fees and charges.

Recommendation 10

Bonds must not be expanded to high care places.

Recommendation 11

An independent analysis of the cost of care, including community care is carried out to set appropriate benchmarks for aged care subsidies.

Recommendation 12

An insurance scheme be explored to boost funding for aged care.

Recommendation 13

A ratings system for all aged care services be developed to provide consumers with information about the quality of care on offer as well as the quality of lifestyles of those being cared for.

Recommendation 14

Approved providers must supply prospective residents and their representatives the information as outlined in Section 23.43 Disclosure to prospective care recipients, User Rights Principles, Aged Care Act 1997. This information should be provided in a standardised form, written in plain English, and languages other than English.

Recommendation 15

Appointees to the Aged Care Standards and Accreditation Agency Ltd.'s board do not hold conflicts of interest.

Recommendation 16

The Office of the Aged Care Commissioner must be separated from the Department of Health and Ageing and operate independently.

Recommendation 17

Appointees to the role of Aged Care Commissioner must not hold conflicts of interest.

Recommendation 18

The Australian Government purchase residential aged care buildings, taking full responsibility for capital works funding.

Combined Pensioners & Superannuants Association of NSW Inc (CPSA) was founded in 1931 in response to pension cuts. CPSA is a non-profit, non-party-political membership association serving the interests of pensioners of all ages, superannuants and low-income retirees.

CPSA has 140 Branches and affiliated organisations with a combined membership of over 34,000 people throughout NSW. CPSA serves the interests of its membership and broader constituency at the local, state and federal levels.

Quality of care and lifestyle

Few, if any people, want to go into a nursing home. Unfortunately, because of a lack of home care places for older people needing care, nursing homes are often the only option available. While there are many good nursing homes that provide excellent care and decent lifestyles for their residents, many do not. CPSA rejects the notion that there are a 'few bad apples in the cart' with respect to poor nursing homes, because it encourages an ethos that, on the whole, all is well in the residential aged care system. The sheer volume of complaints to the Complaints Investigation Scheme (CIS), the number of failed standards and breaches recorded and published by the Department of Health and Ageing (the Department) and the Aged Care Standards and Accreditation Agency (the Agency) as well as frequent media reports of shocking conditions in nursing homes suggest that the problem is more endemic than limited to a few poor performers.

Older people deserve dignity and respect if they are no longer able to care for themselves. Older people have a right to holistic, good quality care, regardless of their care needs and their ability to pay.

Recommendation 1

The Australian Government implements mandatory staff to resident ratios in nursing homes, which include appropriate staff skill mix.

CPSA has no doubt that a nursing home's workforce is central to quality care and lifestyles in nursing homes. Where there is a lack of suitably qualified staff in a facility, quality of care drops. The lifestyles of residents also largely depend on interaction with staff. Staff need time to spend with residents, and they need time to avoid resorting to restraints and the like because they cannot tend to residents who need constant care. CPSA considers the lack of wage parity between nurses who work in the aged care sector and the hospital sector a key reason behind workforce shortages in the aged care sector. Motivation to stay in the aged care sector wanes when staff are overworked and poorly remunerated.

Recommendation 2

The Australian Government must address the wage gap between nursing staff in the aged care and hospital sectors.

'Living' in a nursing home

CPSA calls for the implementation of programs to boost the numbers of staff and volunteers in nursing homes to support residents in pursuing their interests. Residents should be able to do the things they enjoyed before entering a nursing home. Leaving residents in front of a television

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for hours on end is not quality care. Equally, making residents participate in structured activities that are only intended to satisfy accreditation requirements ignores the right of residents to live their own lives.

Nursing homes must engage sufficient numbers of staff and volunteers to allow residents to do what they want. If that means going out to a park, a club, a show, etcetera, homes should be able to accommodate that. Nursing home residents often feel 'locked-up'. Many residents rarely set foot outside of the home's doors. A resident's health and wellbeing is largely dependent on the level of control they feel they have over their own lives. Residential aged care must be reformed to give residents back some of the independence they had before entering care.

Recommendation 3

The Australian Government must fund programs that increase the number of staff and volunteers to allow nursing home residents to pursue their interests.

Transport

Community transport must be increased to allow nursing home residents to attend medical appointments and interests outside of the aged care facility. CPSA understands that, in general, community transport under the Home and Community Care cannot service residential aged care facilities because of funding constraints. HACC services are designed to keep people out of nursing homes and therefore do not provide services to people living in nursing homes. In the NSW context, this principle applies to community transport operated by the NSW Ministry of Transport. Therefore, funding for community transport must be increased to allow community transport providers to service residential aged care facilities.

Residents often have no way of getting to and from medical appointments that are held outside of a facility either because community transport is inadequate or there is no community transport at all. It has been shown that family and friends of residential aged care residents are burdened with unreasonable demands to provide transport and care because of a lack of staff or transport options available. If there are no family or friends available to carry out the transport, the resident must rely on the nursing home, or miss the appointment altogether.

Recommendation 4

The Australian Government increase funding for community transport, especially in rural and regional areas.

If the nursing home has the resources to provide the transport and an escort, they may charge the resident for the cost of the nurse or attendant, potentially making the exercise unaffordable.

If residents cannot access transport even for essential medical appointments, there is little chance they are able to pursue personal interests outside of the facility.

CPSA calls for funding for community transport to ensure that unmet needs are met. Now that the Australian Government is taking full responsibility for aged care funding, funding must be increased for community transport because it provides an integral service for older and vulnerable people. Where a nursing home resident requires care outside of a facility, that care

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should not be obstructed because of a lack of private resources. Equally, residents should have access to transport to pursue out-of-facility activities. Just because someone requires care should not mean that that person can no longer participate in their community. A system that allows each facility to provide free transport for residents to attend medical or other appointments would ensure all residents have access to essential services and the community.

Recommendation 5

The Australian Government provide funds to residential aged care facilities to provide transport for residents.

Community care

It is clear that older people do not want to be cared for in an institution but rather in their home. Home and community care is less expensive than residential aged care, and allows older people to stay in their community. Access Economics showed in a recent report on dementia and aged care needs¹ that if half of the forecast expenditure on residential aged care in 2011 was redirected to aged care in the home, 81,824 extra aged care places would be generated. Although such a shift would have to overcome the problem of workforce shortages, it is very clear that community care places must be expanded to serve the interests of older people. Shifting from residential aged care to community care is far more financially and socially sustainable.

Recommendation 6

Home and Community Care and Community Care Packages be greatly increased to fully service need and facilitate a transfer of aged care from residential to community care.

The cost of respite care

The Australian Government must fund respite services so as to make them affordable for carers and care recipients. Many carers and care recipients are dependent on Government income support, which by definition, offers a very low rate of income. If one spouse cares for another and their sole source of income is the Carer Payment, Carer Allowance and Age Pension, their income is less than \$300 a (week). Many people with disability or requiring care have large medical and appliance costs, which prove to be insurmountable when one's sole source of income is a pension or carer payment.

Recommendation 7

Respite services must be adequately subsidised by the Australian Government to ensure that they are affordable for carers and care recipients.

Respite booking fee

Booking fees for respite care should be abolished. Although the booking fee is directed to funding the cost of the care received, if the prospective recipient cancels the respite care within seven days before the care is due to be received, the provider does not have to refund the booking fee amount.

¹ Access Economics, 2010, Caring places: planning for aged care and dementia 2010-2050 p. v.

As flexibility is hugely important for carers and those they care for, it is unwarranted for providers to not refund booking fees if the respite must be cancelled (for reasons other than death or admission to hospital). Respite already remains unaffordable for many carers and care recipients, and therefore should not incur a booking fee.

Recommendation 8

Booking fees for respite care should be abolished.

Accountability of nursing homes & profit-based providers

There remains no requirement for approved providers of aged care to publicly account for the way that they spend Government subsidies and resident fees. Government subsidies to aged care providers are projected to reach \$10.7 billion in 2010/11. Government subsidies are boosted by resident fees, retention amounts from bonds, and accommodation charges. The average bond has now reached \$213,000, and the minimum basic daily care fee is 84% of the base rate of the pension (which currently equates to \$38 per day).

The majority of aged care places are owned by profit-based providers, and the proportion of profit-based providers continues to grow, suggesting that there are considerable profits to be made in the aged care sector. Myriad calls for increased funding are paradoxical when profit-based providers continue to enter the sector. Macquarie Bank, Lend Lease, AMP Capital and ANZ are all investors in the aged care market. There is a clear contradiction when care and profit are forced to compete. There remains no benchmark of the cost of providing residential aged care, despite numerous calls for such a benchmark to be developed and repeated claims that nursing homes are underfunded.

CPSA calls for the return of acquitted accounts so that aged care providers are obliged to publicly document expenditure of government subsidies and resident fees.

Recommendation 9

Aged care providers publicly account for the way they spend Government subsidies and resident fees and charges.

Bonds

CPSA opposes bonds. There is no evidence that high care bonds would solve alleged funding problems, not least because there is conflicting information about the cost of care and capital works. Aged care pensioner residents pay most of their income in daily fees, imposing considerable financial strain upon them and their families. Pensioners who have no private income must still pay for medication, toiletries, clothing, specialists and dentists on 16% of the base rate of pension. Families of aged care residents are typically exhausted and time poor (especially if they previously cared for the resident) and are in a far from ideal position to negotiate the sale of the family home to fund a bond.

If bonds are imposed on older people needing high care, the financial burden already placed on the resident's family is likely to increase. Julianne Cheek & Alison Ballantyne 2001 study on

families' experiences of securing a bed for a relative found that "coping with the financial side of the maze created considerable additional stress for participants".² High care residents are typically older, in poorer health, and have often been in hospital for a longer period of time than low care residents. The increasing prevalence of dementia among older people needing high care will mean that financial decisions will be made by family members or advocates. A resident without family or an advocate may find their affairs being dealt with by the Public Trustee or Public Guardian, possibly resulting in the sale of their home at a much lower rate than would otherwise have been achieved.

Bonds also lead to distortions in the market. Rather than the level of the bond being set by the service delivered, the bond is set by the assets of the consumer. This inevitably leads to cherry-picking by aged care providers seeking the most profitable residents. This process also stifles competition, because the price does not necessarily reflect the quality of the service. Thirdly, the so-called 'consumer' of residential aged care has no choice about needing the care, and very little or no choice about where that care comes from. They are not, therefore on an equal playing field when it comes to 'negotiating' a bond with an aged care provider. These circumstances also prevent aged care acting like other markets where consumers have a choice about purchasing a particular product and knowledge about a product, which in turn, creates competition, drives down the price, and encourages providers to improve their product.

Most consumers of aged care have little knowledge of aged care fees, their rights, the type of care they will receive, or where they can go for help. In this light, CPSA objects to the notion of aged care being viewed in purely economic terms. Such a view overlooks the purpose of aged care, which is to ensure older people receive the care they need in a timely and dignified manner.

Recommendation 10

Bonds must not be expanded to high care places.

Funding alternatives

CPSA stresses that before funding reform takes place, a benchmark of the cost of residential aged care must be established. If it demonstrated that residential aged care is underfunded, CPSA supports the adoption of an insurance scheme along the same line as that being proposed to fund disability services.

Recommendation 11

An independent analysis of the cost of care, including community care is carried out to set appropriate benchmarks for aged care subsidies.

Current projections of need for residential aged care indicate that a third of men and half of women who reach age 65 will need residential aged care at some point in their lives. An insurance scheme would offer a fairer and more stable way of funding aged care. The recent

²Cheek, J. & Ballantyne, A. (2001) Moving Them On and In: The Process of Searching for and Selecting an Aged Care Facility, Qualitative Health Research, Vol. 11 No. 2, March 2001 221-237

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Henry Review of Australia's future tax system recommended consideration of an insurance scheme for aged care, in a similar vein to that currently being examined for disability services.

CPSA understands that the disability insurance scheme is not intended to provide support for people aged 65 or over. CPSA does not support health care systems or policies which differentiate between under- and over- 65s. In CPSA's experience, such policies hinder continuity of care and create anomalies where people with the same health needs are treated differently according to age. Obviously there are areas where differentiation must occur, such as ensuring young people with disability and high care needs receive care outside residential aged care facilities. However, in a broad sense, CPSA believes that treatment for a health condition should be determined on the basis of the health condition rather than age.

In this light, someone who has acquired an age-related disability after the age of 65 should not be excluded from a disability insurance scheme. CPSA recognises that one of the main justifications for not including over 65s in the disability insurance scheme, is the cost and high incidence of disability among the over 65s. However, revenue from the insurance scheme would supplement current aged care funding, rather than fund the entirety of services, as would happen with disability services, where current funding levels are unacceptably insufficient. It is important to consider the expansion of such a scheme to people aged over 65 in order to fund aged care services to meet the needs of older people. CPSA believes an insurance scheme funded by an increase in the Medicare levy would evenly spread the risk.

Recommendation 12

An insurance scheme be explored to boost funding for aged care.

Transparency and information for the community

The community can only have confidence in the aged care system if the system is open, transparent and adequate complaints mechanisms are in place. Confidence also depends on sufficient information being provided to prospective residents, their families and representatives about the quality of care and lifestyle within the home.

CPSA supports the introduction of a ratings system that assesses residential aged care facilities (on a five-star basis, for example) across a comprehensive range of areas concerning care and lifestyle in the home. This system would emulate rating systems currently operating in the UK and USA and encourage providers to surpass the bare minimum required to pass accreditation. Such a system would necessitate reform of the accreditation system and should include a far greater involvement of residents, families, representatives and health professionals who have regular contact with the home. The accreditation process must focus on the actual health and wellbeing of residents, rather than the systems in place designed to support the health and wellbeing of residents. CPSA calls for the Government's response to the 'Review of the residential aged care accreditation process', which was handed to Government over 12 months ago.

Recommendation 13

A ratings system for all aged care services be developed to provide consumers with information about the quality of care on offer as well as the quality of lifestyles of those being cared for.

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Transparency could immediately be improved if all approved providers were obliged to show their financial record to prospective residents and their representatives when they approach a provider seeking care.

The Aged Care Act stipulates that:

“The approved provider must, if requested by a prospective care recipient or a prospective care recipient’s representative, give the prospective care recipient (or the representative), within 7 days of the request being made:

- (a) the following information in relation to the preceding financial year:
 - (i) the number of bond balances that, in the financial year, were not refunded in accordance with subsection 57-21 (3) of the Act or a formal agreement;
 - (ii) whether the approved provider complied with this Division in the financial year; and
- (b) a copy of:
 - (i) the audit opinion mentioned in paragraph 23.40 (1) (e), in respect of the preceding financial year; and
 - (ii) either:
 - (A) the most recent statement of the aged care service’s audited accounts; or
 - (B) if the aged care service is operated as part of a broader organisation — the most recent statement of the audited accounts of the organisation’s aged care component.”³

CPSA would hazard a guess that most prospective residents are not aware of their right to request such information. Furthermore, it is highly likely that even if consumers were aware of this right, they may not exercise it for fear of ‘rocking the boat’ and missing out on the aged care place. If approved providers are required to supply this information if it is requested, there should be no problem making such disclosure obligatory for all prospective residents and their representatives.

CPSA calls for the above information to be provided to all prospective residents and their representatives within seven days of first approaching the service. This information should be provided in a standardised form, written in plain English, and languages other than English.

Recommendation 14

Approved providers must supply prospective residents and their representatives the information as outlined in Section 23.43 Disclosure to prospective care recipients, User Rights Principles, Aged Care Act 1997. This information should be provided in a standardised form, written in plain English, and languages other than English.

CPSA calls for the development of, and adherence to, a conflicts of interest policy for the Aged Care Standards and Accreditation Agency board of directors. Currently a quarter of the Agency’s directors serves on the board of, or works for, a current aged care provider. The Agency is the principal monitor of standards in nursing homes, and therefore, its board members should not have direct involvement in the provision of aged care. The board of directors of the Agency

³ User Rights Principles 1997 Subdivision 3.4 Section 23.43 Disclosure to prospective care recipients p. 30

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should comprise experts in the field of aged care who do have a current or potential future conflict of interest.

Recommendation 15

Appointees to the Aged Care Standards and Accreditation Agency Ltd.'s board do not hold conflicts of interest.

CPSA calls for the separation of the Aged Care Commissioner from the Department of Health and Ageing. The Aged Care Commissioner should operate independently from the Department, which is the funder and regulator of aged care. The Department is also under the direction of the Minister for Ageing, who has a clear political interest that aged care facilities meet aged care standards.

Recommendation 16

The Office of the Aged Care Commissioner must be separated from the Department of Health and Ageing and operate independently.

CPSA calls for the appointment of the Aged Care Commissioner to be without any conflicts of interest. CPSA considers appointments of commissioners who have clear connections with the aged care provider industry grossly inappropriate, undermining the integrity of the Minister, the Office of the Aged Care Commissioner, and the capacity of the Commissioner to adjudicate fairly and uphold the rights of residents.

Recommendation 17

Appointees to the role of Aged Care Commissioner must not hold conflicts of interest.

Residential aged care buildings

CPSA proposes that the Australian Government purchase residential aged care buildings and take responsibility for capital works. Approved providers would be responsible for care provision and would continue to be accountable to the Aged Care Standards and Accreditation Agency as well as the Department.

In 2008, 44 residential aged care facilities (operating 1,404 places) closed. Approximately half of these places resulted in the resident moving to another facility.⁴

One need only revisit the Riverside Nursing Home (2000) or Bridgewater Aged Care Facility (2008) disasters to witness the upheaval and considerable cost imposed on residents, families and the public purse when a nursing home is closed. When a nursing home closes and residents are forced to move, residents and their families are faced with a huge, often traumatic, disruption. Residents who have forged friendships and ties within a home have those connections severed because residents are seldom kept together.

⁴ Senate Community Affairs Committee Answers to Estimates Questions on Notice, Health and Ageing Portfolio, Additional Estimates 2008-2009, 25 February 2009 p. 206

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Given the Australian Government draws heavily from the public purse when an approved provider goes into liquidation, CPSA considers it prudent that the Government purchase these facilities. This would ensure that residents do not have to change facilities due to provider failure. This would not impose a huge impact on the budget's bottom line because the Department would, under this model, have a profitable asset to show for its inevitable expenditure. It would also ensure that funding responsibility for capital works was held by the Australian Government, thereby removing the blame game between providers and the Government with respect to funding these capital works.

Recommendation 18

The Australian Government purchase residential aged care buildings, taking full responsibility for capital works funding.

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