

The Whiddon Group

Response Submission

to

Productivity Commission Caring for Older Australians Draft Report 2011



The Whiddon Group
dignity • integrity • growth

Organisation Contact:

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Abbreviations

ACAR Aged Care Approval Round
CALD Culturally and Linguistically Diverse
HACC Home and Community Care
MPS Multipurpose Service
OH&S Occupational Health and Safety

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Introduction

The Whiddon Group supports and commends the Productivity Commissions' foci to actively enable Older Australians rights and the impetus for independence, whilst providing an improved and cohesive aged care system.

As specialists in providing care to the needs of older people in rural and remote regions, this has been underrepresented in this report. The escalating costs are nationwide and have been considered in this document, however there is a lack of recognition to the specific needs of rural and remote clients as well as the socially disadvantaged in the community. Promoting and addressing the needs of older people living in rural and remote locations was a stated request (pg 3) within the scope of this project and has lacked direction to adequately address this issue.

Key Points

The Whiddon Group makes the following statements in response to the draft report presented by the Productivity Commission in January 2011;

- Rural and remote needs are not adequately addressed by this report
- The payment system suggested is socially discriminating and lacks necessary consideration for fair and equitable access for older Australians (regardless of geography or situation)
- There is no direction to how organisations will fund capital expenses
- A modified building block approach is recommended
- Carers and clients should be supported by a single provider/entity
- Gateway has significant risk for bias and inequitable provision of services to providers
- Client assessment must be undertaken by very skilled professionals

Context of Response

The Whiddon Group is a large not for profit residential and community aged care provider in New South Wales whilst also supporting independent living units. We specialise in the needs of ageing persons in rural and remote communities. Whilst overall the recommendations of the report are dynamic and thought provoking, the needs of rural and remote clients are not being adequately considered in this document and welcome further opportunities to explore this with the Commission in addition to our written response.

Response to Draft Recommendations

The following is based on the printed document distributed by the Productivity Commission, such that there is confusion between 1.1 and 6.1 when comparing the online document to the printed document. Furthermore, we would invite the Commission to consider using consistent reference to the 'client' rather than 'resident'. 'Resident' is not an inclusive term as it does not represent the cohort being described within this report.

A Framework for Assessing Aged Care

The Framework is currently positioned as having the potential to drive significant change and dramatically improve the aged care sector. However, it is with caution that The Whiddon Group endorses this framework as the contextualisation and detail provided in the report does not adequately address these aims.

Recommendation 4.1: Guide to future policy change

The Whiddon Group supports the aims identified in the Draft Report namely;

- Promote independence and wellness,
- Ensure access to care and services that are flexible,
- Promote clients choice and control over care,
- Support clients with dignity and respect,
- Easy to navigate,
- Provide assistance to informal carers, and
- Be affordable.

Aside from further clarity needed to describe “provide incentives to ensure the efficient use of resources devoted to caring for older Australians and broadly equitable contributions between generations”, and their currently being limited rigorous research into consumer directed care as the future of aged care, the other remain contemporary and foundational to the future of care in Australia.

Factors which we suggest to be included in these aims include;

- Provide confidentiality
- Ensure transparency
- Wellness model
- Be flexible enough to be able to respond to evidence based practice and system initiatives

These are further echoed in section 1.5 of your approach.

Paying for Aged Care

Considerable concern exists within the recommendations contained in this section of the report. The concern resonates through the proposed tiered and hierarchical approach that is socially discriminating. As experts in rural and remote area service provision we hold concerns that this is not addressing the needs of these communities and does not provide us surety that there is a financially viable future in the aged care industry.

Recommendation 1.1: Policy for major cost components of aged care

The Whiddon Group would not support the bond being capped.

Recommendation 1.2: Accommodation and living expenses, health service subsidy and individual contribution

No changes

Recommendation 1.3: Remove regulatory restrictions on bed/package numbers and high/low care beds

This recommendation is envisaged to promote considerable uncertainty to the market potential. As a rural and remote specialist, there is no incentive to develop or remain in these areas nor acquire additional facilities. There needs to be significant consideration for incentives to attract service providers.

Recommendation 1.4: Remove regulatory restrictions on accommodation payments

Accommodation charges currently have a higher rate of bad debt due to clients limited ability to access income. The restrictions within the current Act do not allow service providers to take appropriate action for the recovery of these monies.

There will be a significant increase in planning and administrative requirements based on the proposals in this report. For example; on one site at Glenfield where there are 441 beds, under the proposed arrangements there will now be at least eight different packages (presently there is only three) based on variation in quality of accommodation, room size, bed numbers, and services provided. The variability forecasted when the payments are commenced is envisaged to be significant in terms of planning of income streams.

Recommendation 1.5: Sufficient provision of residential accommodation for those with limited financial means

The Whiddon Group has ensured an equitable social model in the past, however this report presents a very clear three tired option. Socially discrimination will be clearly evident!

Where there needs to be agreements within regions (boundaries are yet to be defined) to the ratio of supported (concessional) clients, inevitable tensions amongst the sector will develop which will be even more significant in rural and remote areas where choice is restricted. Taking on supported clients will further reduce revenue opportunities and increase likelihood for displacement of needy clients where there is a paucity of beds already. We recommend that this ratio needs to be applied to all service providers and geographic locations. This ratio needs to be reviewed by the proposed commission at maximum of every three years in alignment with census determinants.

This recommendation is both inequitable and non sustainable!

Recommendation 1.6: Establish an Australian Pensioners Bond Scheme

The main point made on page XXXV identified removing client incentives to pay a high bond. Given the proposed timeframe, the majority of clients will have changed within three years. The contention (pg XXXI) that average bonds have risen from \$58,000 to \$230,000 is not true for The Whiddon Group. At present our average bond is \$157,500. However, for an organisation such as The Whiddon Group which has a large speciality in non metropolitan rural and remote regions this needs to be broken down further. The average bonds are currently major cities \$177,700, inner regional \$168,700, outer regional \$138,000 and remote \$61,800. It is necessary in this mix to look to pooling accommodation bond funds across all regions to allow for the capital expenditures in the lower value areas. It is generally the case that the very remoteness of these areas causes the capital costs of construction to be higher.

It should also be considered that many 'not for profit' providers have been encouraged over many decades to structure their financial arrangements for capital around the accommodation bond source. This cannot be readily replaced from either equity sources or from financial institution borrowing. Much of the land used by 'not for profit' providers is crown land on long term leases. This would not be seen as a viable source of security by lenders. Furthermore, the proposed scheme

would mean that since most current clients would be replaced in around three years such major changes in capital funding arrangements would not be available in the short term to cover the non payment of larger bonds by new entrants.

Our ability to generate income through other strategies is limited. These funds are generally used to improve clients' individual circumstances. It should also be appreciated that the 'not for profit' sector has a proven track record of value adding on funds supplied by government and other sources at rates that cannot be approached by government in its own right; thereby the sector lowers the real cost of service provision for aged care that government would otherwise have to bear.

Recommendation 1.7: Government contribution to reflect basic standard of residential accommodation

The proposed funding for supported clients on a two bedroom with shared bathroom basis is incongruent with stated Government policy and consumer pressure. The Government contribution should reflect this policy of a single room with ensuite.

Recommendation 1.8: Discontinue extra-service bed licences

We are in support of this.

Recommendation 1.9: Set prescribed client co-contributions and comprehensive means testing to determine contribution through Gateway,

In many instances, income is described with reference to assets, particularly in rural and remote regions where these assets are not convertible to cash. The proposed options such as the equity release scheme and Government bond will not have an effect due to non transferability of this equity.

Recommendation 1.10: Set up a lifetime stop-loss limit

Whilst we are in support of this concept, however it needs to be made clear who is responsible for these costs after the lifetime stop-loss limit is exceeded. We would not be in support of service providers having to meet the shortfall in the clients cost of care.

Recommendation 1.11: Transparent schedule of care service prices and indexation

Supporting of this.

Options for Broadening the Funding Base

Whilst the concept may be reasonable much further detail is needed before we as a service provider are adequately informed in order to suitably respond.

Recommendation 7.1: Government-backed Aged Care Equity Release Scheme

We remain unclear to how this would work when a spouse or dependent remains resident in the property. Again, this is of particular issue for those living on rural property.

Care and Support

The concept of case management as a framework for the assessment, allocation and evaluation of services is both reasonable and sustainable only if there are clear and transparent systems in place to manage bias and ensure equitable distribution of services.

Recommendation 8.1: Establish an Australian Seniors Gateway Agency

An Australian Seniors Gateway Agency is an option. However, it has considerable risk due to historically very different programs and regulatory requirements. The Agency will need to be suitably skilled and resourced to undertake a comprehensive assessment processes. The assessment component needs to be undertaken by skilled professionals (Registered Nurses, Nurse Practitioners, and Medical Practitioners). The assessment must be fair and equitable. The selection of facilities and services will need to be very transparent to ensure that choices are informed. Unbiased and transparent systems will need to be monitored to ensure even the smallest providers are suitably supported to fill vacancies. This Gateway needs to be directly managed and resourced by the Department of Health and Ageing.

Access to the Australian Seniors Gateways Agency in rural and remote communities has not been addressed in this report.

Recommendation 8.2: Single system for care provision to combine HACC, community packages and residential services. Expand advocacy services. Set the scheduled price for each service.

This is a substantial recommendation with little direction nor specific information to how this would be operationalised let alone be more effective. We would suggest the revision of the building block model (Figure 1) to better indicate the ‘add on’ approach of care payments. All funding should be tied to the individual which is philosophically aligned to Consumer Directed Care.

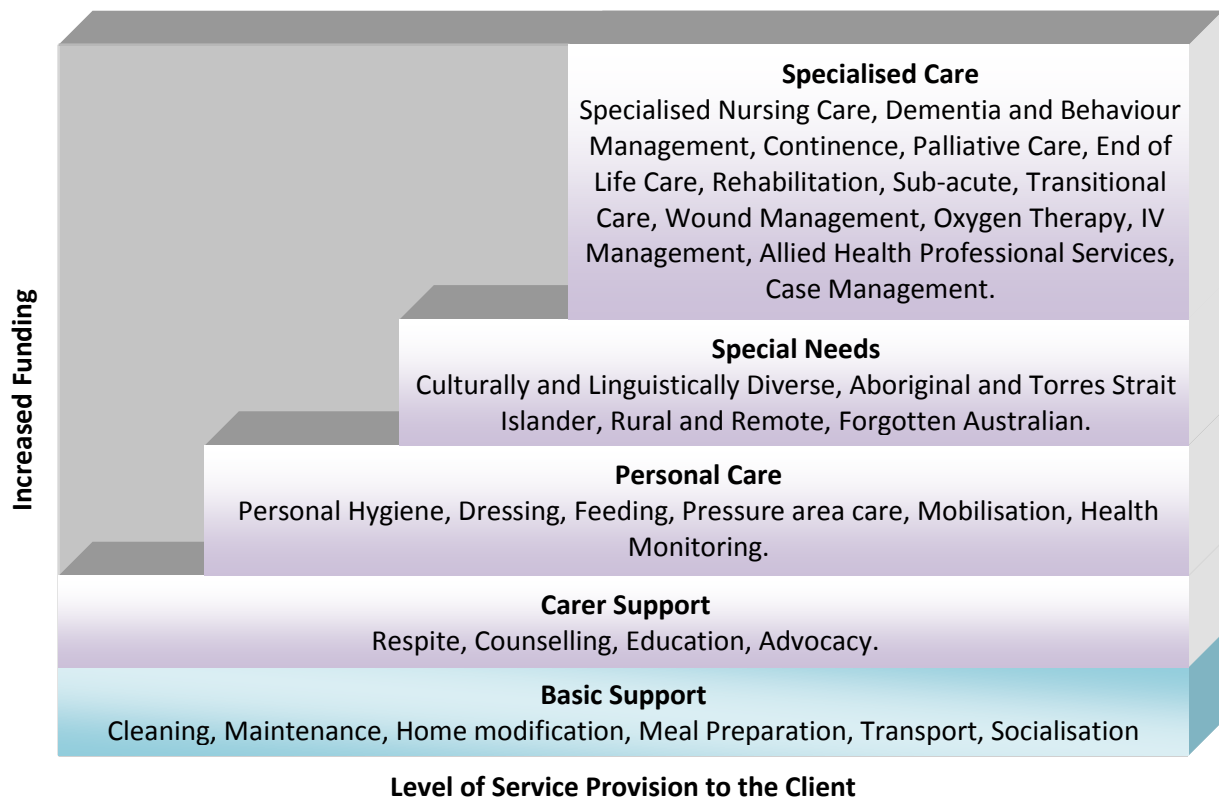


Figure 1: Modified Building Block

Recommendation 8.3: Providers receive appropriate palliative and end of life case mix payments

There is a large gap in capability across HACC, Community and residential sectors when supporting the needs of palliative care clients. Palliative care is a challenging funding issue as there is very short periods whereby additional resources are rarely able to be funded sufficiently to address the resources needed. Funding should be considered retrospective. Can not be time specific.

Recommendation 8.4: Detailed consideration for any future block fund programs

Worthwhile – nil comments

Recommendation 8.5: Promote expanded use of in-reach services to residential aged care and development of multidisciplinary teams

Worthwhile – nil comments

Recommendation 8.3: Providers receive appropriate palliative and end of life case mix payments

We support the report for palliative care funding reflecting the incurred costs of the service. Due to the nature of palliative or end of life care we recommend that these be recognised on the basis of retrospective claims. There should be no time limit to the period of this care.

Recommendation 8.4: Detailed consideration for any future block fund programs

Nil comments

Recommendation 8.5: Promote expanded use of in-reach services to residential aged care and development of multidisciplinary teams

Worthwhile – nil comments

Catering for Diversity – Caring for Special Needs Groups

The needs of rural and remote clients, along with indigenous, culturally and linguistically diverse (CALD) clients and Forgotten Australians need to have funding allocated to the individual, rather than the existing structures whereby funding is allocated to facilities based on location.

Recommendation 9.1: Gateway Agency should cater for diversity (access to information and assessment, interpreter services, culturally appropriate assessment tools)

Diversity should include consideration for access to information technology and capability to interpret such systems.

Recommendation 9.2: Regulation Commission to set transparent set of prices of care services (inc. interpreter services and staff training in cultural awareness)

Development in cultural awareness cannot be achieved through training alone, therefore there needs to be further funding consideration to organisational needs to support and develop this awareness. In many cases, providers specifically employ staff who are able to meet the needs of culturally specific clients, as opposed to needing to contract an interpreter service. This should be considered within this recommendation.

Recommendation 9.3: Remote and Indigenous aged care services need to be actively supported (building, quality, training, funding models) before remedial intervention

We support this recommendation, due to our experience that remotely located facilities run at a deficit. However, funding should be directed to the specific needs of that client rather than only to a dedicated facility. These aged care packages and services function in very unique community circumstances, and should be strongly supported for their efforts in supporting the needs of these specific clients. This would result in multipurpose services (MPS) and transitional care facilities not being directly funded; funding should be directed to specific clients. This funding structure is represented in the amendment to Figure 1 (Building block approach).

Age-Friendly Housing and Retirement Villages

These recommendations are foundationally dependent on state buy-in.

Delivering Care to the Aged Care – Workforce Issues

Workforce pressures are both significant and challenging with seemingly no easy solution. We would recommend that the Commission reconsider its positioning on workforce capability, to improve sustainability and capacity at a service level. Carer support should be funded at its delivery point.

Recommendation 11.1: Assess capacity of informal carers to provide ongoing support (carer education, training, respite, counselling and support). Carer Support Centres should be developed from existing National Carelink and respite centres.

Carer support services should be funded directly to the service provider who is caring for the client. This strategy promotes a wholistic approach which aligns with a Consumer Directed Care Model.

We remain very concerned that with the strategies proposed the carers will need to be ‘assessed’ in order to continue to provide care. This is in direct opposition to the principles of consumer directed approach. This carer assessment needs to be an educative and empowering opportunity to engage carers and clients, thereby treating all parties as pivotal in the goal development process, rather than being judgemental and punitive in its approach. We recommend that carers and clients are supported at a single point of care and remain under the one case manager rather than providing it from the Gateway service.

Recommendation 11.2: Assessment of care prices needs to consider need for competitive wages

There is a lack of clarification as to how this is will evolve and be considered regardless of state/territory or sector discrepancies.

Recommendation 11.3: Promote skill development (inc Nurse Practitioners, management courses)

Skill and capability development is pivotal to meet the needs of older people. However, the focus on Nurse Practitioners in the sector has neither been researched sufficiently nor is there policy frameworks to suitably engage this workforce. There is little evidence to suggest that the implementation of Nurse Practitioners will improve either quality of care or service provision. Furthermore, skill development needs to be focused on aged care service specific needs, rather than Certificate III funding. This recommendation should embrace funding resources for internal education, whether it is funding an educator position or upskilling conjoint positions for current senior nursing positions in the facility.

Given the increasing needs of older Australians, additional emphasis must be provided to attract greater numbers of Registered Nurses into the sector. This needs to be adequately funded! The impact of eliminating low and high care will demand further consideration. This needs to be considered in terms of tertiary training, new graduate programs, Registered Nurse upskilling and career progression strategies.

Proposed comprehensive client assessment methods must ensure suitably skilled professionals are undertaking this activity. These assessments must be completed by Registered Nurses or Medical Practitioners as it has been well recognised that these professional groups have adequate skill to undertake such a comprehensive and critical assessment to determine their needs, trajectory and consumer directed goals.

Recommendation 11.4: Promote expansion of teaching aged care services

Further research funding into the development of and operationalising of this initiative is required.

Recommendation 11.5: Assessment of care prices needs to consider costs associated with volunteering

We support this.

Regulation – the Future Direction

The approach proposed within this report is innovative and warranted. Integrating the Commissions' Complaints Commissioner with powers is critical to the severity of issues and the actions needed to be enforced. HACC however should not be the interim lead agency in this process as it is ill equipped to meet the needs of this sector and bias and division have historically lead to issues in the sector.

Recommendation 12.1: Establish Australian Aged Care Regulation Commission (Department of Health and Ageing cease regulatory authority except policy development (quality standards and advice). Establish Aged Care Standards and Accreditation Agency under Commission. Establish office for complaints handling and review under the Commission. Appoint 3 full time commissioners.

Nil Comment

Recommendation 12.2: Commissions Commissioner for complaints and review to determine complaints, assess, undertake early resolution and conciliation, investigate, refer and undertake communication, stakeholders management and outreach. Abolish Office of Aged Care Commissioner. Commission and Gateway Agency appeals to be heard by Administrative Appeals Tribunal (Aged Care Division)

Nil Comment

Recommendation 12.3: Council of Australian Governments should agree to publish quality assessment results. Community Care Standards to be consistent with residential aged care.

HACC and community should have the same standards of regulation as exists in residential aged care. However, the recommendation should extend to revisiting residential aged care standards of care to promote more contemporary and evidenced based indicators for quality and standards of care.

Recommendation 12.4: Commission to ensure penalties exist proportional to the severity of non-compliance

Nil Comment

Recommendation 12.5: Prior to implementation of the commissions model of aged care, all governments should agree to reforms to aged care services delivered under HACC (principal funder and regulator).

Nil Comment

Recommendation 12.6: Introduce a streamlined reporting mechanism for aged care providers.

Nil Comment

Recommendation 12.7: Amend residential aged care prudential standards to allow providers to disclose on request rather than automatically.

Nil Comment

Recommendation 12.8: Amend missing client reporting requirements to allow longer reporting to Department whilst promptly pursuing police services

Nil Comment

Recommendation 12.9: Remove onerous duplication and inconsistent regulations (eg- disease outbreaks, OH&S, food safety, nursing scope of practice, power of attorney, guardianship and advanced care planning)

Nil Comment

Aged Care Policy Research and Evaluation

Aged care policy research is fundamental to the development and professionalism of this sector and we support this as an imperative.

Recommendation 13.1: Encourage policy and research (set up data repository and coordinate, set up protocols, set up databases and promote research findings)

This recommendation is supported by The Whiddon Group. The recommendation should go further to support additional funding to drive this research and evaluation of policy.

Reform Implementation

Recommendation 14.1: Announce a timetable for changes and impact, consult and integrate feedback, grandfather current users, sequence reforms carefully and establish an Aged Care Implementation Taskforce

Within Stage 1 the Commission should become the Aged Care Taskforce with progressive empowerment. Changes to state based Acts need to be implemented, such as in NSW that 24 hour Registered Nurse coverage in high care facilities is removed.

Additional Recommendations

Whilst there is agreement in the fact that “...people will require complex care for dementia, diabetes and other morbidities associated with longevity, as well as palliative care (1) ” there are many other more or equally as significant factors that will impact on management of diseases in the future. These need to be reported as is highlighted in internationally recognised literature, including; cancer (2), heart disease (3), stroke (4), arthritis (4), obesity (5), mental health (6), pain (4).

Informal carers are referred to throughout the document and we would suggest that this term be defined in the glossary.

Based on the scope of inquiry as indicated on pg VII, the following statements are not in our opinion adequately covered by both the recommendations nor the information presented in the report;

- The clinical aspects of aged care in Australia
- Ensuring access (affordable and available) to an appropriate standard of aged care for older people in rural and remote locations
- Ensuring that the sector has access to a sufficient and appropriate trained workforce.

Benchmarking – Nationally there already exists three financial and two clinical benchmarking programs and they should be considered instead of government creating its own.

Mandatory reporting has serious issues around the 24 hour time period! It is not reasonable to report to police someone on an alleged incident when you have not had suitable time to investigate the matter. We would recommend an immediate suspension of alleged aggressor, 24 hour report to the organisation, followed by a 72 hour report, including action statements, to both the Complaints Investigation Scheme and the police. We support mandatory organisational proactive approaches training and awareness strategies.

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