



IRT Response to Productivity Commission draft report – Caring for older Australians

The Productivity Commission’s report into Caring for Older Australians represents a vast amount of research, consultation and insight. The report clearly distils the industry at national level, addressing federal bottom lines and the changes required to the aged care system. The report also depicts the user’s perspective in considerable detail, examining co-contributions and net financial impacts.

With over 40 years of experience in the seniors lifestyle and aged care sector, IRT believes there is a further provider perspective which could inform the Commission’s final report. IRT views adjustment to the proposed new national framework and further pressures on personal care costs as the most significant impacts on the operator environment, should the report translate to policy.

IRT suggests further investigation into the approach to the workforce challenge, Gateway implementation, the technological transition required and the benefits of a greater focus on purpose built housing models, in order to deal with the challenges faced by approved providers.

Our Position

PC Draft Report Recommendations	IRT Position
Delivering care to the aged — workforce issues	
Draft Recommendation 11.3 <i>The Australian Government should promote skill development through an expansion of courses to provide aged care workers at all levels with the skills they need, including:</i> <ul style="list-style-type: none"> • <i>advanced clinical courses for nurses to become nurse practitioners</i> • <i>management courses for health and care workers entering management roles.</i> 	<ul style="list-style-type: none"> • IRT does not agree with the licensing of care workers • Measurement of competency could be managed by existing systems – where the provider would be required to undertake annual competency skills assessments at the time of the employee’s annual performance review. • The proposed Regulation Commission through its workplace audits could assess the results of these competency skills through the outcomes provided in care delivery • That it be mandated that all Care Service Employees must hold a Certificate III in Aged Care • IRT does not agree with mandated carer to resident ratios.
Care and support	
Draft Recommendation 8.1 <i>The Australian Government should establish an Australian Seniors Gateway Agency to provide information, assessment, care coordination and</i>	<ul style="list-style-type: none"> • Qualified Gateway assessors should be positioned both within the Gateway and with providers.

<p><i>carer referral services. The Gateway would deliver services via a regional structure.</i></p> <ul style="list-style-type: none"> <i>A platform within the Gateway would provide information on healthy ageing, social inclusion and participation, age-friendly accommodation, and also information on the availability, quality and costs of care services from approved providers, and how to access those services.</i> <i>Assessments of the needs of older people would be undertaken for their potential entitlement to approved care services, with the level of assessment resourcing varying according to anticipated need.</i> <i>An aged care needs assessment instrument would be used to conduct assessments and an individual's entitlement to basic support, personal care and specialised care, and carer support. Assessments of financial capacity to make care co-contributions toward the cost of the services would also be arranged.</i> <i>Initial care coordination services would be provided, where appropriate, as part of the Gateway. If required, case management would be provided in the community or in residential aged care facilities by an individual's provider of choice.</i> 	<ul style="list-style-type: none"> Providers of provider based assessors should be allowed to employ qualified assessors to facilitate the transition from ACAT to the Seniors Gateway Agency and conduct reassessments as required. Their independence would be underpinned through registration and accreditation with the Gateway Agency.
<p>Aged care policy research and evaluation</p>	
<p>Draft Recommendation 13.1</p> <p><i>To encourage transparency and independence in aged care policy research and evaluation, the proposed Australian Aged Care Regulation Commission (draft recommendation 12.1) should perform the role of a national 'clearinghouse' for aged care data. This will involve:</i></p> <ul style="list-style-type: none"> <i>being the central repository for aged care data and coordinating its collection from various agencies and departments</i> <i>making these data sets publicly available in a timely manner for research, evaluation and analysis, subject to conditions that manage confidentiality risks and other concerns about potential data misuse.</i> <p><i>To maximise the usefulness of aged care data sets, reform in the collection and reporting of data should be implemented through:</i></p> <ul style="list-style-type: none"> <i>adopting common definitions, measures and collection protocols</i> <i>linking databases and investing in de-identification of new data sets</i> 	<ul style="list-style-type: none"> IRT recommend a focus on government support and investment to encourage and sector-wide take up of associated technology and training. A technology premium to be included in the care cost calculations to be factored into the consumer co-pay and subsidy amount for personal care. This technology premium will start relatively high to facilitate the cost of transition but will diminish over time. Permanent inclusion as an aspect of care costs at a lesser level will allow for the implementation of technological upgrades in care delivery

<ul style="list-style-type: none"> • <i>developing, where practicable, outcomes based data standards as a better measure of service effectiveness.</i> 	
Age-friendly housing and retirement villages	
<p>Draft Recommendation 10.2</p> <p><i>For older people with functional limitations who want to adapt their housing, the Australian Government should develop building design standards for residential housing that meet their access needs. Those standards should be informed by an evidence base of the dimensions and capabilities of people aged 65 and older and of the dimensions and capabilities of contemporary disability aids.</i></p> <p>Draft Recommendation 10.4</p> <p><i>The regulation of retirement villages and other retirement specific living options should remain the responsibility of state and territory governments, and should not be aligned with the regulation of aged care.</i></p>	<ul style="list-style-type: none"> • IRT believe that the benefits of living in a purpose built environment are numerous and substantial. • The promotion of purpose built environments should be a major consideration in implementing the transition to the new industry model. • Planning regulations to be influenced Federally to create life-long building design principles for new dwellings and community design. This would encourage the development of seniors lifestyle communities, whilst ensuring those people that chose to receive in-home care also benefit from age-friendly design principles.

Workforce Competencies

Dealing with the workforce shortage and skills issues in a realistic manner are a critical underpinning to the successful transition to a new aged care framework. IRT does not agree with the licensing of care workers. Instead, IRT recommend that the level of professionalism of its care workers be measured by its care delivery output or in other words competency levels. The measurement of competency could be managed by existing systems – where the provider would be required to undertake annual competency skills assessments at the time of employee’s annual performance review; and the proposed Regulation Commission through its workplace audits could assess the results of these competency skills assessments as well as the level of professional development provided to this cohort through the outcomes provided in care delivery. This would achieve the aims of maintaining the level of care delivery without imposing yet another layer of regulation to the sector.

To support the professionalism of the aged care sector and to guarantee a minimal level of skills or competency across the sector, IRT suggests that by 2020, it be mandated that all Care Service Employees must hold a Certificate III in Aged Care. The Federal Government has existing structures in place where employers can access traineeship incentives; and registered training organisations can access traineeship funds to pay for the provision of the training. In conjunction with this is the opportunity for unskilled workers to enter the aged care workforce through pre-employment programs (funded by DEEWR) which would be a precursor to employment as a trainee.

IRT supports the Commission's approach to flexibility being applied in the skills mix of a Residential Care Facility. By ensuring that quality care is delivered by a range of competent workers, whether be they RN, EEN, ENs or CSEs. The mandating of ratios can be a limiting factor in best meeting the care requirements of the resident needs of individual facilities.

Gateway Operation

IRT's original submission argued that the aged care system is unnecessarily complicated. IRT put the view that approved providers can be the initial contact for people seeking services from the aged care system and that they be entrusted to classify and assess the accommodation and care needs of individual older people. It was proposed that the assessment would be conducted by suitably qualified assessors employed by approved providers, as well as through the established central gateway for those requiring further information or more comfortable with an impartial third party.

The Productivity Commission's draft report proposes the "Australian Seniors Gateway Agency", which is a more efficient method from a regulator point of view, but is not conducive to a shift to a more free market operation, and still creates a service bottleneck.

In a move to a more competitive and free market mode of operation, approved providers would expect investment in marketing and communications would lead to a certain degree of "top-of-mind" awareness of their brands among the potential market for aged care services. IRT believes that the return on this investment is for approved providers to become initial points of contact for aged care services and to have the opportunity to build a client relationship that would be maintained throughout the continuum of the provision of aged care services from initial assessment.

In addition to this economic argument, the Commission's proposed central Gateway would do nothing to lessen the actual time taken from assessment to placement, regardless of the nature or type of the assessment. Even with the removal of caps and abolishment of care types, providers will need to have the accommodation and staff capacity to take on the client. Backlogs and delays similar in nature (if not size) to the current situation can still be expected from the new structure. Having multiple access points would assist in preventing waiting periods after assessments..

IRT stands by its suggestion that approved providers be included as potential system access points for seniors, that is the qualified Gateway assessors should be located within the Gateway, but also with providers. This would reduce the time taken from assessment to placement. A multi-point access approach makes further sense when looking at the context of consumer decision making around moving into aged care centres and the importance placed on location – the location will often dictate which provider the individual will prefer and they are certain of this before even approaching assessment. Thus seniors may not need to access the Gateway directly; rather providers become part of an extended Gateway.

The proposed system would also allow for a better staged roll out, with the assessment responsibilities of the current ACAT being shared by providers while the Government focuses on recruitment and development of staff to handle the increased responsibilities of the current ACAT as it transitions to the more encompassing Australian Seniors Gateway Agency.

Technological Transition

Another key transition factor from the current aged care system to the Productivity Commission's proposed framework is that of technology and the burden on providers in upgrading, or implementing systems where there are currently none.

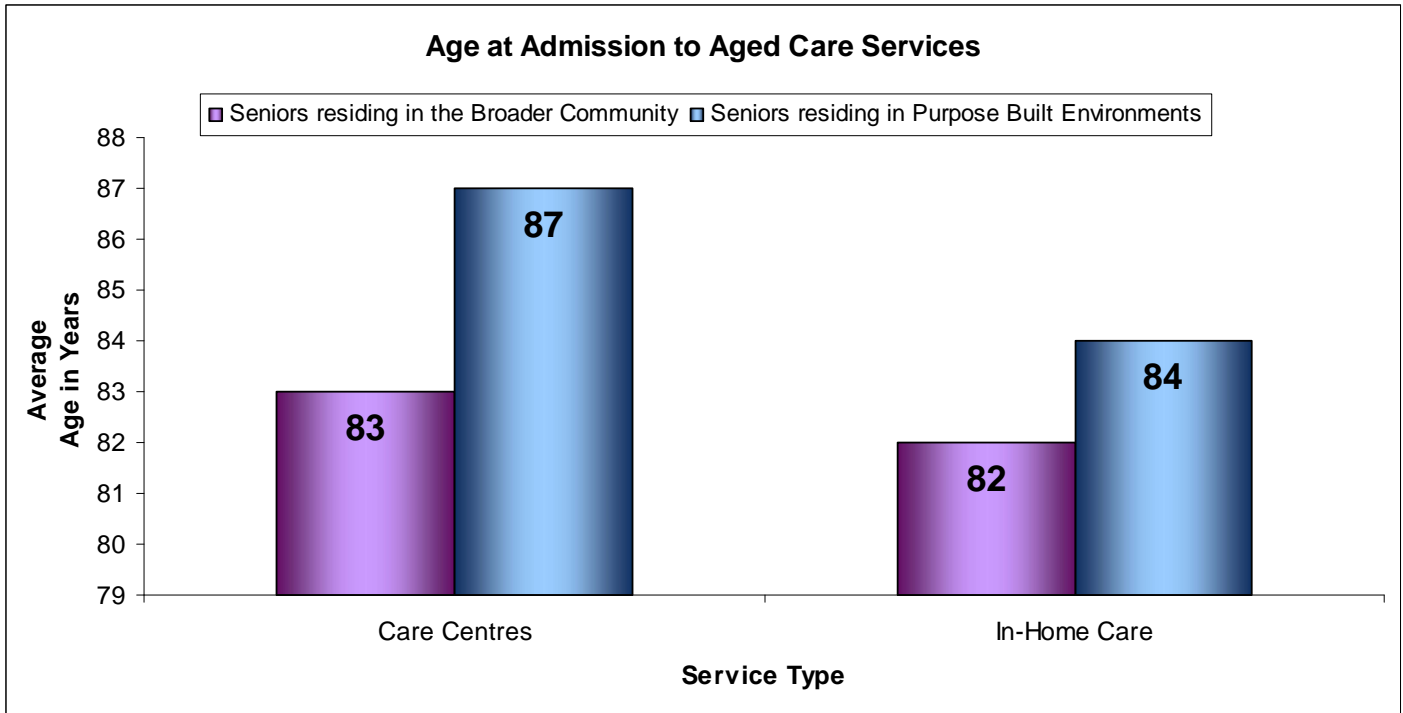
IRT sees technology as an area where significant and immediate benefits can be gained especially in the establishment of client records, community care administration systems, assistive technologies and electronic health records. We also applaud the Commission's recognition for industry wide reforms in regard to reporting transparency and data collection and sharing. This transition to technology based systems, while an expensive prospect for many providers is crucial to the industry as a whole. IRT recommend a focus on government support and investment in incentives and sector-wide training to drive a move to technology.

Given the lag time before the benefits of technology and competition will be realised, IRT suggests a technology premium be included in the care cost calculations to be factored into the consumer co-pay and subsidy amount for personal care. Technology is a component of the cost of care, but one that will be much larger in the transition period before diminishing over the longer term. Accordingly we can see the need for this technology premium to lessen over time, but would strongly recommend its permanent inclusion at a lesser level to allow for the implementation of technological upgrades in care delivery.

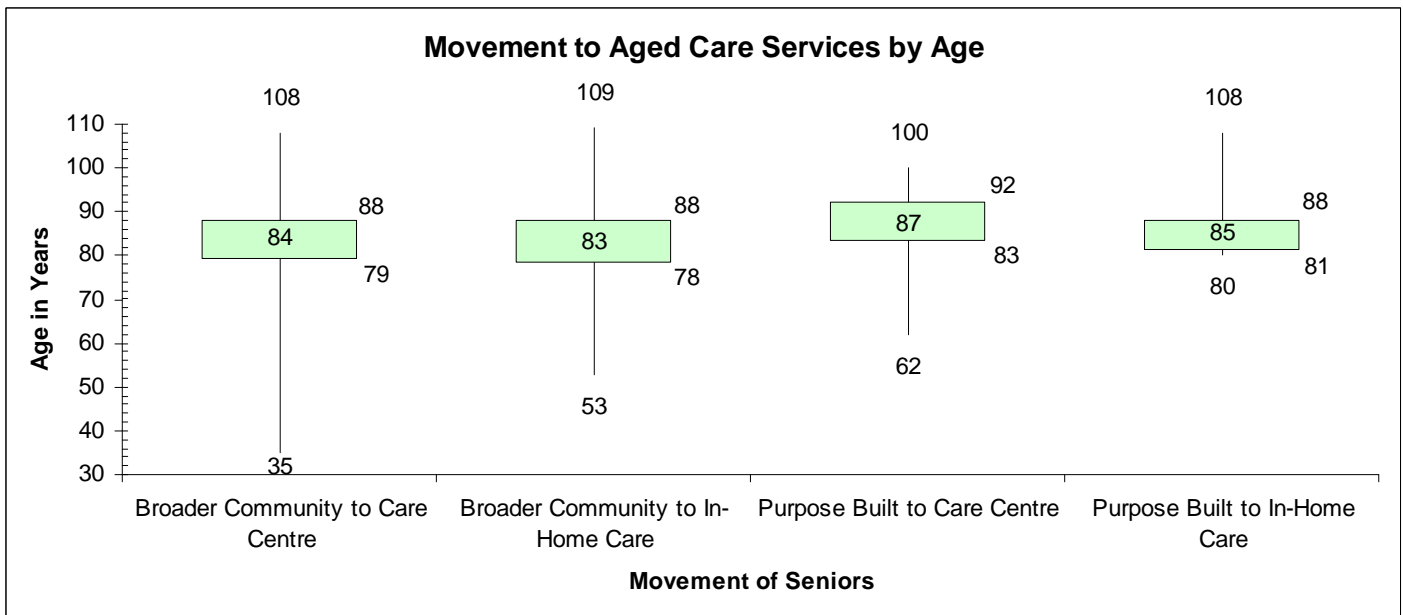
Community Building

Analysis of IRT's 5,000 plus residents and clients has shown that on average, seniors living in a purpose built community require access to both forms of aged care (Care Centres and In-Home Care) later in life, therefore maintaining independence for longer.

For admission to Care Centres the purpose built environment added an extra four years on average, while those requiring In-Home Care were two years older than their peers in the broader community.



The similar distribution in the movement of seniors from the broader community to both types of Aged Care Services indicates that for residents in the broader community in need of care, there is a *choice* between either admission to Care Centres or In-Home Care (see below).



The behaviour of residents living in purpose built communities is different. It is clear these residents are accessing In-Home Care later, and are likely to access In-Home Care before entering into a Care Centre. This can be attributed to increased

independence, but also a greater knowledge of the services available through living in a community consisting predominantly of other seniors.

These findings are further supported by recent analysis of a national “wellbeing index” found that village residents had an average Personal Wellbeing Index score of 80.3, compared to 77.0, among all older respondents¹. These studies tell us that not only do seniors maintain their independence for longer when living in purpose built communities, but they are also happier than those living in the broader community.

This indicates that there is work to be done in changing seniors attitudes towards purpose built communities for seniors, a role the Department of Health and Ageing or Gateway Agency should be encouraged and resourced to undertake in the Productivity Commission’s recommendations.

IRT believes that the benefits of living in a purpose built environment are numerous and substantial. It is for these reasons that the promotion of purpose built environments should be a major consideration in implementing the transition to the new industry model. Seniors and those who care for them need to be educated on the new system, and the increased choice, control and safeguards it provides them, but also to the health and wellbeing benefits that are gained from living in a purpose built environment as we age. Governments too need to be aware of the economic savings that are available to be made through viewing seniors lifestyle communities under the umbrella of a social infrastructure as a preventative health initiative.

In light of this research, IRT recommends that planning regulations be influenced Federally to create life-long building design principles for new dwellings and community design. This would encourage the development of seniors lifestyle communities, whilst ensuring those who chose to receive in-home care also benefit from age-friendly design principles.

The Federal Government can take an active role in ensuring that our broader communities are age-friendly by leading other levels of Government in their approach to housing and community design. For example, the regulations around roads can be altered to include age-friendly stipulations such as:

- Roads have adequate non-slip, regularly spaced pedestrian crossings ensuring that it is safe for pedestrians to cross the road.
- Roads have well-designed and appropriately placed physical structures, such as traffic islands, overpasses or underpasses, to assist pedestrians to cross busy roads.
- Pedestrian crossing lights allow sufficient time for older people to cross the road and have visual and audio signals.

These simple ideas, and others outlined by the World Health Organisation’s Age-Friendly Cities Guide, have a huge impact on the mobility and independence of seniors when navigating their own communities.

¹ <http://www.australianageingagenda.com.au/2010/05/17/article/Village-residents-have-greater-wellbeing/WNDLSGGBRI>