

National Aged Care Alliance Contents

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About the National Aged Care Alliance

The National Aged Care Alliance (the Alliance) is a representative body of 23 peak national organisations in aged care including consumer groups, providers, unions, and health professionals, working together to determine a more positive future for the aged care sector in Australia.

Alliance members are concerned about the future sustainability of aged care services.

The Alliance was formed in April 2000, and has developed a united policy agenda to achieve better outcomes for the care of older people in Australia.

Alliance members are concerned about the future sustainability of aged care services. The funding of aged care and the establishment of industry wide benchmarks of care, which link staffing levels, skills mix and funding to quality outcomes for older people, are the major focus.



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The Alliance's vision for aged care in Australia is that:

All older people in Australia have access to planned and properly resourced integrated quality aged care services that are flexible, equitable, that recognise diversity and promote choice and respect for users and workers.

The Alliance is making these statements available to encourage informed discussion on matters of concern in aged care and to articulate our vision for a future of quality aged care services in Australia. Federal election candidates may contact Alliance members to discuss in more detail the issues included in these statements and individual organisation's own policy initiatives.

Since the 2001 Federal Election

Since the 2001 Federal Election what has changed – unfortunately not enough.

- The inadequate care subsidy annual indexation factor remains the same;
- The wages gap between staff working in aged care and their public hospital colleagues has doubled;
- High care (nursing home) capital funding remains inadequate;
- Priority of access to care is still being decided on factors other than need; and
- There has been no relief from the excessive documentation for care and funding.

In the 2002–03 Federal Budget the Government announced a \$7.2 million Review of Pricing Arrangements in Residential Aged Care under the chairmanship of Professor Warren Hogan. The review delayed by at least two years any meaningful changes.

In the 2003–04 Budget there were no savings measures introduced that would impact adversely on aged care services, however neither did the budget include any significant aged care measures.

The 2004-05 Budget delivered a funding package of \$2.2 billion over four years and released the Review of Pricing

Arrangements in Residential Aged Care report and the Government’s response.

The Alliance has concluded that the budget funding patches up residential aged care in the short term while paying some attention to a number of key issues. However, effective long-term solutions to the underlying problems in aged care still need to be addressed.

Fundamental issues still unresolved include:

- setting a benchmark of quality aged care and linking it to the level of subsidy paid for both residential and community care;
- providing sufficient funds to ensure wages parity between staff in aged care and their public hospital colleagues;
- ensuring access to care for those with special needs including people with dementia; those from culturally and linguistically diverse backgrounds; and Indigenous people;
- eliminating perverse incentives to selecting clients on reasons other than their need for care; and
- establishing a framework for integrating health care and aged care.

In this Federal election document, the Alliance has identified four priority areas for action – funding, workforce, dementia and health care for older people. Whichever major party wins the election, their aged care policy credentials will be judged by whether they commit themselves to addressing these four issues and how quickly.

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1 Getting Aged Care Funding Right

The current funding system for residential aged care is an inadequate basis on which to provide quality care and quality buildings.

The current funding system for residential aged care, both for capital and recurrent costs, is an inadequate basis on which to provide quality care and quality buildings.

Similar issues also apply in the case of community care. The Commonwealth has direct responsibility for Community Aged Care Packages (CACPs) and Extended Aged Care at Home (EACH) but with HACC, State and Territory governments need to be involved.

The recurrent funding does not reflect the real costs nor bear any direct relationship to the costs of providing care, which are not the same in all parts of Australia. There are interstate differences, partly as a result of State Government charges (such as workers' compensation) and differences in costs of living between capital cities, rural towns and remote areas. Pretending that these do not exist is flying in the face of reality.



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The inadequate price paid by the Federal Government for aged care services inhibits the supply of services, making access to services more difficult, and aggravating existing waiting times. These difficulties are especially serious for those with special needs, and particularly for those requiring dementia specific services.

Since 1997, the indexation formula used to adjust Government subsidies has not reflected the actual costs faced by the aged care industry. A recent Alliance report found that residential aged care has been underfunded by \$406M as a direct result.²

Quality buildings are essential for quality care. Residential aged care facilities should be modern, efficient, safe, and sensitive to cultural factors. The current accommodation charge and Government subsidies for high care residents do not meet the capital needs of providing and maintaining quality buildings. Also in geographic areas of Australia where house values are low or large numbers of the community are non-homeowners, the current capital income arrangements do not provide sufficient income for capital construction of new facilities or major refurbishment of existing buildings.

The Alliance calls for...

1. The introduction of a defined and properly costed benchmark of care for aged and community care.
2. This benchmark of care to reflect the real costs – capital, staffing and operating – of providing a quality aged care service in different regions around Australia, and allow for the flexible delivery of aged care services responsive to the needs of the individual.
3. The introduction of a care subsidy indexation system that recognises the cost pressures on the sector. The residential care subsidy must include a capital component.

² La Trobe University Residential Aged Care Funding (Fourth Report) October 2003

2 Getting the Aged Care Workforce Right

Quality care in aged care services will not be achieved without an appropriately skilled and qualified workforce.

Quality care in aged care services will not be achieved without an appropriately skilled and qualified workforce. Staffing levels and skills mix in aged care services should be driven primarily by the need to achieve optimal care outcomes.

Increasing dependency levels of people accessing aged care services require facilities to be adequately staffed. This is necessary to fulfil duty of care requirements to both older people and staff and to manage complex care needs, including dementia and challenging behaviour.

Nurses and care workers find heavy workloads, excessive documentation and lack of wage parity with their public hospital counterparts, and their inability to achieve desired care outcomes as a deterrent to remaining in the industry. These contribute to a critical shortage of skilled staff that impacts on the delivery of quality aged care services. These are also major barriers that create disincentives for doctors and allied health professionals to work in aged care.

Despite the \$211 million allocated in the 2003-2004 federal budget to 'close

the wages gap', of which \$101 million has already been paid to providers, the wages gap between nurses working in aged care and their public hospital colleagues for example has doubled from a national average of \$84.00 a week to \$170.00 per week currently.

Working conditions and wages must be attractive in order for the aged care sector to be able to recruit and retain quality staff to provide quality care, and to compete in a contracted employment market.

The Alliance calls for...

1. A national workforce strategy for aged care which will provide sufficient staff with the necessary skills to deliver quality care across all settings where aged care is provided.
2. The Federal Government to introduce a mechanism, accompanied by sufficient dedicated funding, to achieve and maintain wage parity for all staff working in aged care with their public hospital counterparts.
3. An immediate increase in the number of undergraduate nursing places to the level recommended in the Hogan Report.



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Getting it right: Facing the Dementia Epidemic

Caring for people with dementia is an integral part of aged care.

Currently the number of people in Australia with a diagnosis of moderate to severe dementia is estimated at over 170,000, although as many people again may be in the early stages of dementia. By 2040 it is predicted that the number will reach half a million people in Australia.³

About half of those people living with dementia are living in the community. There is evidence to show that the application of best practice carer education and support models can show significant benefits in terms of delay in admission to residential aged care. However, even with the provision of the best community services, for many people there comes a time when the transition to residential care is considered necessary.

Around 60% of people receiving nursing home or high care and 30% of those receiving hostel or low care have dementia. Some 90% and 54% respectively have an obvious cognitive impairment.⁴ Caring for people with dementia is an integral part of aged care.

Access Economics has estimated that dementia is the most expensive mental health item in Australia, costing \$3.2 billion in 2002. Of this amount a dominating factor is the cost of residential care for this group of residents (\$2.9 billion).⁵

Consumers report having problems in accessing dementia services for people with challenging behaviours. The Review of Pricing Arrangements in Residential Aged Care found evidence that the

current arrangements in aged care do not adequately ensure equity of access for people with special needs, such as older people with dementia.⁶

The Alliance calls for...

1. The Federal Government to adopt dementia as a national health priority and make a significant investment in dementia research.
2. All care staff and GPs to be provided with education and support to implement models of care that include early diagnosis.
3. Flexible community and respite care to be available and to be provided by workers skilled in dementia care, to enable people with dementia to be cared for in the community for as long as possible.
4. Greater incentives to be provided to mainstream residential aged care providers to provide quality dementia care with an improved mix of capital and recurrent funding to promote dementia specific care for people with challenging behaviours.

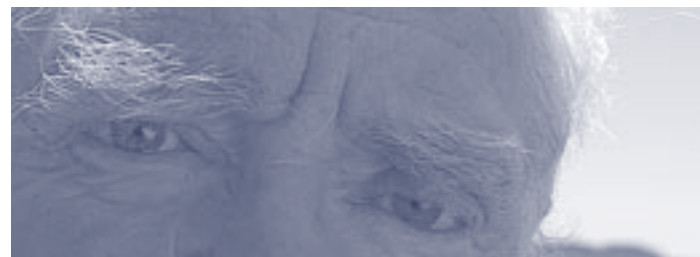


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³ Jorm A 2002 Dementia: A Major health Problem for Australia Policy Paper 1 Alzheimer's Australia

⁴ Two Year Review of Aged Care Reforms (2001) AGPS p.216

⁵ Access Economics 2003 The Dementia Epidemic: Economic Impact and Positive Solutions for Australia prepared for Alzheimer's Australia Canberra p.1

⁶ Review of Pricing Arrangements in Residential Aged Care Summary Report p.32

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Getting the link between Aged Care and Health Right

Older people need fair and equitable access to the full range of health services for optimal independence and wellbeing to be achieved.

Quality health and aged care need to be integrally linked. Governments need to act urgently to introduce policies to achieve a system of services where access is determined by the needs of people, rather than the particular point of contact or service setting.

Older people need fair and equitable access to the full range of health services for optimal independence and well-being to be achieved. Currently access to such services can be inhibited depending on where the person lives and which care setting they find themselves in.

Progress towards a continuum of care for older people requires policies and strategies for the integration of primary care; community care; health promotion and illness prevention; rehabilitation; acute care; sub-acute care; and residential care.

People in residential aged care need more appropriate health care in the residential setting to avoid unnecessary hospitalisation. In the acute hospital setting, older people need access to specialist geriatric services. Currently their health care needs are not being adequately met in either setting. This unacceptable state of affairs is a result of the fragmentation of health and aged care service.

Acute hospitals need to modify their practices to provide appropriately for the care needs of frail older people.

Governments need to agree on how to provide for the care needs of older

people who require a level of care that lies between current hospital and residential aged care provision, eg sub-acute, 'transitional', or 'interim' care.

Health care for older people in both the community and in aged care facilities should be funded to ensure adequate availability of general practitioners and specialists, including geriatricians, other medical specialists, pharmacists, allied health practitioners and nurse specialists.

The Alliance calls for...

1. The introduction of a national strategic framework for the health care of older people covering all settings where care services are provided.
2. The development of best practice care pathways and guidelines to be developed and introduced across the acute, community and residential aged care settings to cover a range of areas and conditions.
3. A common clinical assessment process to be introduced for use across the continuum of care regardless of where care is being provided.
4. A network of health coordinators to be appointed to work closely with nurses, general practitioners, medical specialists, pharmacists and allied health staff to ensure the effective integration of both the common assessment process and the best practice care pathways and guidelines.

National Aged Care Alliance

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