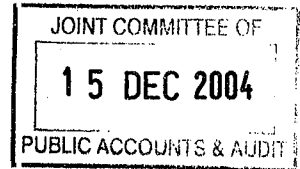




The Hon Julie Bishop MP
Minister for Ageing



The Chairman
Joint Committee of Public Accounts and Audit
Department of the House of Representatives
Parliament House
CANBERRA ACT 2600

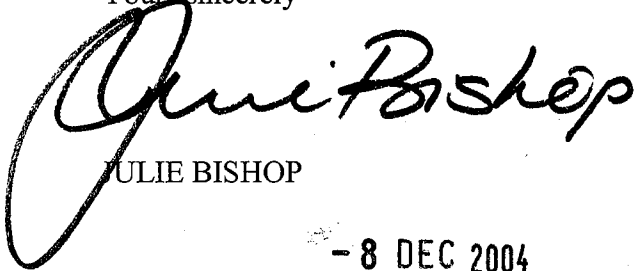
Dear Chairman

Enclosed is a response from the Chief Executive Officer, The Aged Care Standards and Accreditation Agency Ltd, Mr. Mark Brandon, to Recommendation 1 of the 398th report of the Joint Committee of Public Accounts and Audit "*Review of Auditor General's Reports 2002-2003, Fourth Quarter*".

This submission was not forwarded to the Chairman of the Committee as originally intended on 16 September 2004 because caretaker conventions were in place.

All Committees in the House of Representatives and joint committees of the Senate and House of Representatives for the 40th Parliament ceased to exist upon the dissolution of the House of representatives at 4.59 p.m. on Tuesday, 31 August 2004. Therefore inquiries of the 40th Parliament that were not completed before the dissolution of Parliament have now lapsed.

Yours sincerely



JULIE BISHOP

- 8 DEC 2004



The **Aged Care**

Standards and Accreditation Agency Ltd

EXECUTIVE MINUTE

on

**JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT
REPORT [No398]**

Review of Auditor-General's Reports 2002-2003, Fourth Quarter

General comments

1. The Aged Care Standards and Accreditation Agency Ltd

The Aged Care Standards and Accreditation Agency Ltd (the Agency) was established by the Australian Government to manage accreditation of residential aged care services. The Agency is a company limited by guarantee incorporated under the Corporations Act, 2001 and subject to the Commonwealth Authorities and Companies Act, 1997. The Agency was appointed the "accreditation body" by the Secretary of the (then) Department of Health and Aged Care in 1997 under Part 5.4 of the Aged Care Act, 1997 (the Act).

The functions of the "accreditation body" as described in the Accreditation Grant Principles, 1999, made under the Act, are as follows:-

"The Aged Care Standards and Accreditation Agency is the body corporate paid an accreditation grant under the accreditation grant agreement for the purpose of accreditation of residential aged care services in accordance with these Principles, and for other purposes set out in these Principles. The functions of the Agency include:-

- i) promoting high quality care, and helping industry to improve service quality, by identifying best practices and providing information, education and training to industry; and
- ii) assessing and strategically managing, services working towards accreditation; and
- iii) liaising with the department of Health and Aged Care about services that do not comply with the standards applicable to them (the Residential Aged Care Standards or the Accreditation Standards, as appropriate)."

2. Conduct of the Agency's Accreditation Functions

The Accreditation Grant Principles, 1999 (the Principles) set out things that the Agency must and may do in managing accreditation. In relation to the assessment of residential care services the Principles specify (inter alia) that:-

- i) when approved providers apply for accreditation of existing residential aged care services, the Agency must arrange desk audits and site audits of the services to assist it to determine whether or not to grant accreditation and, if so, the period of accreditation;

- ii) the Agency must carry out regular supervision of accredited residential care services to ensure compliance with the Accreditation Standards and other responsibilities under the Act and that supervision must be carried out through support contacts during which the Agency will monitor compliance with the Accreditation Standards and the Act and will assist the service to undertake continuous improvement;
- iii) the Agency may arrange a review audit if it believes that there may not be compliance with the Accreditation Standards or other responsibilities under the Act and in certain other circumstances. The Agency must arrange a review audit if the Secretary of the Department of Health and Ageing requests it.

The Principles also specify that desk audits, site audits, support contacts and review audits are carried by assessment teams and that in each case their assessments about the quality of care provided is measured against the Accreditation Standards.

3. The Accreditation Standards

The Accreditation Standards are set out in Schedule 1 to the Quality of Care Principles, 1997, made under the Act.

There are forty-four (44) expected outcomes within the Accreditation Standards grouped into four matters each of which has an associated principle (shown below in brackets):-

- 1 Management systems, staffing and organisational development.
(Within the philosophy and level of care offered in the residential care service, management systems are responsive to the needs of residents, their representatives, staff and stakeholders, and the changing environment in which the service operates);
- 2 Health and personal care.
(Residents' physical and mental health will be promoted and achieved at the optimum level, in partnership between each resident (or his or her representative) and the health care team);
- 3 Resident lifestyle.
(Residents retain their personal, civic, legal and consumer rights, and are assisted to achieve active control of their own lives within the residential care service and the community). and
- 4 Physical environment and safe systems,
(Residents live in a safe and comfortable environment that ensures the quality of life and welfare of residents, staff and visitors.)

Under the Act it is a requirement for approved providers of residential aged care services to ensure that the Accreditation Standards are satisfied.

As an adjunct to these Standards and to assist accurate assessment by assessment teams, the Agency has published a document called 'Results and processes in relation to the expected outcomes of the Accreditation Standards'.

This document sets out considerations relevant to the assessment of a residential care service's performance against each expected outcome.

4. Resident Quality-of-Life and Accreditation

Accreditation of residential care services is concerned with the quality of life of residents. It is based on performance against the Accreditation Standards and these Standards deal very broadly with health, safety and well-being of residents. While clinical care aspects of residential aged care are arguably more codified than lifestyle aspects, it is nevertheless a fact that the Accreditation Standards and therefore accreditation have a broad focus not dominated by clinical considerations. It is a commonly held view in aged care and health environments that there is interdependency between clinical health and other quality of life issues. In this way, for example, maintenance of independence and active participation in social and leisure interests can contribute to maintenance of better health just as effective clinical care, such as in pain management, can promote greater independence and social participation. Consequently it is appropriate that the Agency takes a holistic view of the quality of care and services provided in residential aged care.

Response to the recommendation(s)

Recommendation No. 1 paragraph 2.48

"The Aged Care Standards and Accreditation Agency Ltd limited broaden the focus of the quality assessment data currently used for accreditation purposes to include quality-of-life information experienced industry-wide by residents of aged care homes. Overall, the resultant data collection mechanism must not impose additional costs on the aged care facilities nor further complicate the accreditation system."

[Agency name -] *The Aged Care Standards and Accreditation Agency Ltd;*

The recommendation of the Joint Committee is supported by the Agency.

A tender to evaluate the impact of accreditation on the delivery of quality of care and quality of life to residents in residential aged care homes was nationally advertised on 20 March 2004, and the tender closed on 17 May 2004. The tender evaluation was completed during August 2004.

The purpose of the project is to develop an evaluation methodology and evaluate the impact of accreditation on the delivery of quality of care and quality of life to residents in residential aged care facilities; and to identify improvement and performance and benchmarking assessment systems to take the provision of world class care for Australian residential aged care into the future.

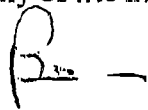
A contract has been signed between the Department and the consultant to the project, Campbell Research and Consulting.

A technical reference Committee of key sector stakeholders will be assembled to advise this project to ensure that the views of aged care residents, consumers and broader stakeholders are considered in the conduct of this evaluation.

The membership of the Technical Reference Committee will include representatives from the aged care industry (both private and religious and charitable representatives), consumers, carers and a representative with a background in quality and safety in health care. The Committee will be chaired by the Department of Health and Ageing and will also include a representative of the Agency.

The project commenced upon the signing of the contract in October 2004 and it is expected to be completed by October 2006.

It is noted that the report of the Australian National Audit Office (ANAO), "Managing Aged Care Accreditation, Audit Report No 42, 2002-2003, included, as recommendation 5, that the Agency and the Department of Health and Ageing should plan an evaluation of the impact of accreditation on the quality of care in the residential care industry. The action taken goes beyond that recommendation to specifically include quality of life measures as an aspect to be covered by the evaluation.



*Mark Brandon
Chief Executive Officer
The Aged Care Standards and Accreditation Agency Ltd
10 November 2004*