

 <p>PRESBYTERIAN CARE TASMANIA <i>Our Mission: "Making a difference in the lives of others"</i></p>	<p>Senate Finance and Public Administration Committee MINUTE</p>	<p>Critical Date: 27 Mar 09</p>
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Overview:

- Presbyterian Care Tasmania is a major provider of residential aged care services in the Northern Region of Tasmania and in the Southern Region. PresCareTas is approved to operate 287 aged care beds, specialises in residential and community dementia services through the operation of four dementia specific safer care units. Our service operates in the community EACH dementia packages, CACP dementia and CACP packages.

Issues that Impact on Operational Viability:

- **ACFI:** The introduction of ACFI has resulted in the disadvantaging of Residential Aged Care facilities in respect to existing clients impacting when the grand parenting arrangements cease. Residents who were originally assessed through the RCS system with significant behaviour problems have had strategies implemented to manage/mitigate these behaviours. On re-assessment using ACFI, the behaviours are not currently exhibited therefore resulting in a lower score on behaviours.

Action Recommended:

- a. **Recognition of and funding of strategies that minimise challenging behaviours.**
Reduce
 - b. **Revise ACFI to reduce the funding points from 60 to four namely:**
 - Extensive Care
 - High Care
 - Medium Care
 - Low care
- **Annual Funding Rate Adjustment – COPO:** The recurrent funding of residential aged care including the CAP funding does not keep pace with escalation in real costs of service operation with energy costs, transport of goods, fuel, medical supplies and staff salaries increasing at far greater than the CPI national rate. Decisions of the Australian Fair Pay Commission as an example will increase our wages bill by \$193,000. Cease discriminatory aged and community sector indexation.
- ### Action Recommended:
- a. **Provide the same indexation as agreed by the Australian Government and States on 29 November 2008 for new health and disability funding agreements for residential aged and community care services.**
 - b. **Provide an immediate 3% increase in indexation effective from 1 July 2008. Link aged and community aged care indexation with Australian Government and States five year indexation agreements (6% - 7.3%).**
- **Accommodation Bonds:** The inability to charge accommodation bonds for high care creates inequities for older persons now with low care residents deciding to remain within

their own homes with and without support for longer times and until assessed as requiring high care (and no Bond).

Action Recommended: Bonds to be paid by both high and low care residents entering residential care creating a capital reserve the interest of which can be used for service improvement and re-development.

- **Compliance Costs:** The cost of compliance with Commonwealth Policy, System and Accreditation changes is significant and estimated by our organisation to be in excess of \$250,000pa for which there is no separate funding. Introduction of computer software to manage ACFI and financial packages, Systems Managers to manage Accreditation and quality assurance programs alone is necessary.

Action Recommended: RACS receive an annual allocation to help defray the ongoing costs of regulatory compliance.

- **Changes in Community Expectations:** These changes in expectations have resulted in a need for organisations to commit significantly into the upgrade of facilities and services to provide quality accommodation for older members of our community. PresCareTas has committed in excess of \$7m of reserves over the past five years with the assistance of the Commonwealth. The result is excellent but creates facilities that are more labour intensive and costly to operate. This finding is supported by the Grant Thornton research. In the next 18 months we will commit a further \$2m of reserves and with the assistance of a \$7m ZRIL will bring on line a further 48 beds.

Action Recommended: Change the conditions of the ZRIL to become interest and CPI free. Provide additional Capital Grants to assist PresCareTAS bring on line the further 44 AIP's.

Current Issues:

- The rapidly ageing Tasmanian population (second highest State in Australia) requires organisations such as PresCareTas to have adequate recurrent funding to create financial security to progressively 'roll out' services that match and meet community demands.
- Funding uncertainty and inappropriate levels of funding are affecting operational viability as evidenced by the forward scoping work recently completed by Deloitte's who were engaged specifically to review our proposed ZRIL Hobart development.

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4 Mar 09

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