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The Committee Secretary
Senate Finance and Public Administration Committee
Department of The Senate
PO Box 6100
Parliament House
Canberra ACT 2600

Inquiry into Residential and Community Aged Care in Australia

Royal College *of* Nursing, *Australia* (RCNA) is please to provide a submission to the Senate Finance and Public Administration Committee Inquiry into residential and community aged care in Australia.

RCNA has sought the advice of Professor McDonald as the primary contributor to this submission. Professor McDonald is the RCNA representative on the Aged Care Funding Instrument Industry Reference Group and the National Aged Care Alliance. Her background and experience in nursing and aged care span several decades and we value her insights on aged care issues and trends. RCNA is grateful to her for collaboration on this submission.

As the peak professional organisation for nursing in Australia, RCNA takes an active interest in promoting and advancing the work of nurses to benefit the health of the Australian community. To this end, in this submission RCNA seeks to raise issues in Age Care in Australia that are of priority concern from the nursing perspective.

Please find the response from RCNA attached.

Yours sincerely

Elizabeth R Foley FRCNA
Director Policy

RCNA Submission to the Senate Finance and Public Administration Committee Inquiry into Residential and Community Aged Care in Australia

1. Royal College *of* Nursing, *Australia* (RCNA) – Background

RCNA is the peak national professional organisation for Australian nurses. RCNA represents nursing across all areas of practice throughout Australia. RCNA has members in all states and territories of Australia, and internationally. A not-for-profit organisation, RCNA provides a voice for nursing by speaking out on health issues that affect nurses and the community. With representation on government committees and health advisory bodies, RCNA is recognised as a key centre of influence in the health policy arena in Australia. When health policy decisions are made, RCNA presents a professional nursing perspective, independent of political allegiance.

2. Introduction

RCNA considers that this Inquiry provides the ideal opportunity to highlight issues currently impacting on the nursing profession and the ways in which nursing services are planned and delivered in residential and community aged care contexts. It is timely, in this climate of increasing demand for aged care and predicted decline in overall workforce participation, to focus on the elements that most affect nurses practising in this context and the likely effects of policy and funding changes recently introduced (such as the Aged Care Funding Instrument) to further regulate the aged care industry.

It is well known that demographic change in Australia is reflecting increased longevity of the population and it is a credit to the health care system and the efforts of the general population that the proportion of people accessing residential aged care has remained relatively stable at around 6-7% of older people compared with a decade ago. Whether this is a feature of restricted access to residential care, a demonstrated reduction in need for such services, or due to delivery of more services within the community, is a question to be answered elsewhere.

3. Funding - general comments

Changes to the way residential and community aged care is funded and regulated were implemented in March 2008 and the roll-out of further changes will continue well into 2009. Through the design of the Aged Care Funding Instrument (ACFI) the focus of care and treatment services has been shifted to the high care end. Consequently the morbidity profile of residents in all aged care contexts has become more complex requiring skilled aged care nursing as well as skilled care staff who are capable of accepting delegations of relatively complex nursing tasks[1]. As ACFI re-shapes aged care services, an access issue is developing for low-care where people with social isolation or anxiety states are not funded in a sustainable way ($0 - $6 per day) and are therefore not able to be admitted. As well, the effect of shifting resources from low to high care with no additional funding has overall consequences for staffing, building, equipment and risk management.

The ACFI tool business rules present anomalies for providers because the $15 funding hurdle is arbitrary and prevents funding from being matched to resident care needs. Another anomaly is that the low entry, authorised by Aged Care Assessment Teams (ACAT), is often inconsistent with the ACFI assessment. Additionally, there is confusion linked to the ACAT determined high care/low care category split which has yet to be resolved. As a result, bonds levied for low care

[1] Access Economics Pty Ltd (2008).*Testing the distribution of first 33,000 ACFI appraisal*, Report to ACFI Industry Reference Group 2 Sept 2008

have to increase. These bonds currently average around $250,000 preventing many from accessing low care when they need it.

4. Aged care access

Increasingly there are inequities in access to aged care. ACAT has demonstrated a reluctance to reappraise residents or to recommend high care for dementia-linked behaviours unless the person also has self-care deficits. The general public will become increasingly aware when they are personally involved in having their confused relatives denied access because funding subsidies are not viable.

There is a planned review of ACFI to occur in 2009 and if the sector is to go forward, industry and professional input should be sought in the development of the terms of reference (TOR). For example, the review needs to examine whether aged care is sustainable following the end of 'grand parenting' provisions. Nurses employed in aged care are closely involved professionally and industrially with the consequences of ACFI and these matters need to be examined in any review of the system.

Difficulties with accessing community care and low care hostels have also occurred with the refocusing of aged care services to high care residents. The proportion of low care admissions to residential aged care is falling and combined with the unresolved issues about payment of refundable deposits, sometimes referred to as 'bonds', being linked to low care services only, the viability of low care services is increasingly uncertain. Increases in daily fees for high care goes some way toward ensuring financial sustainability of services. However, restrictions on fees and the provision of specified care and services linked to whether a resident has been approved for high or low care is causing considerable financial strain on smaller organisations.

5. Allocation planning

Planning for distribution of approved residential and community aged care places requires more strategic targeting with greater attention given to maintaining a comprehensive service able to meet different levels of resident needs. The low level of funding provided for occupied beds means that aged care organisations rely heavily on high occupancy rates to be sustainable. There is a view that, allocation of an increasing number community places in areas of low occupancy in established residential care services is a strategy to see residential services close. Access and availability of residential aged care places is contracting with reports in *The Australian* that "…almost 100 (approved providers) quit in 2007-08" and returned bed licences to the government[2]. In that time only 53 new providers have entered aged care. These contractions in service availability have a direct effect on nurses practising in aged care and in hospitals where older people, forced to remain in unsuitable situations, often access hospital services, instead.

Appropriately, where it is feasible and safe, planning is placing greater emphasis on providing community care services due to a preference by many older people to remain at home for as long as possible. However, the unintended consequences have seen a reduction in access to residential care and a greater burden on families and carers who provide aged care with little training; no supervision; meagre resources and at times having to forgo paid employment to do so.

Further, because people are remaining at home longer, their overall condition can deteriorate to such an extent that when they access aged care they require high care having not received the benefits of good nutrition, informed care and essential treatment and skilled nursing staff.

6. Demand for carers

As the effects of low birth rate and longer life expectancy manifest over the next 20 years, the demand for family carers will increase. Simultaneously, there will be fewer available women who are not in the paid workforce and therefore not available to provide unpaid care to frail, disabled people at home. The number of people aged 65+ years with a severe or profound

[2] Ryan, S. *Failure to cover costs forces nursing homes to quit The Australian* 26 Nov 2008 accessed at www.theaustralian.com.au

disability will also increase, placing greater demands on a diminishing resource that many have assumed will continue to be available.

Our current escalating emphasis on community care services will be affected by general demographic trends as well as a growing understanding of the cost in real terms of creating expectations that families will provide informal care. The cost of residential aged care is assumed to be far more than the real costs of providing community based care to older frail people. But when we add in the loss of paid work, more frequent hospitalisations and medical consultations associated with home care, the cost savings are not as convincing. Added to this are perhaps unrealistic expectations of accommodation and services for the available funding, at times by both politicians and the public, resulting in an unsustainable financial impost on aged care providers[3].

7. Access to acute care

Aged care residents do not always have the same access to hospital services as do people in the general community. In a report on transfers of aged care residents between hospitals and aged care homes, commissioned by Aged Care Association Australia (ACAA) in 2007[4], access barriers experienced by residents of aged care facilities were identified. A significant finding was that hospital staff do not always regard aged care residents as having the same access rights as the wider community, resulting in risks to a resident's safety. This problem relates in part to the funding split between state and national governments with aged care funded and regulated by the Commonwealth Government and hospitals essentially being under state control and accountability. Other aspects relate to perceived workload issues affecting hospital clinicians who appear to resist accepting patients from residential aged care facilities because they expect aged care services to provide nursing and medical services.

8. Recommendations

Royal College of Nursing, Australia urges the Senate Inquiry to:

1. ensure that aged care funding through the ACFI and associated business rules be sufficient to support quality aged care including adequate funding for employment of qualified nurses and access to education for all staff;
2. promote the role of and funding for the nurse practitioner as a manager of a community of age care clients, either as a hospital outreach or private facility services, as a practical solution to improving access to high quality care and to reduce the high cost of dependence on hospital based services;
3. promote nurse practitioner access to the MBS and PBS to enable effective health care intervention within the aged care setting;
4. insist on transparency of processes and provision of dedicated funding sufficient to achieve comparable wages and working conditions for all aged care nurses and other staff across relevant industrial classifications;
5. recommend funding for research into benchmarking of care services and industry practices in terms of skill mix relevant to residents' care needs, and the establishment of an aged care workforce strategy that values professional nursing;
6. press for funding and support for a public education process that will promote realistic expectations by the public of the services and service levels available in residential and community aged care;
7. recommend the introduction of an indexation system to replace the current care subsidy indexation system (the Commonwealth Own Purpose Outlays) which would allow for wage and non-wage growth linked to real costs of living; and
8. address the access to aged care services restrictions inherent in the ACFI funding emphasis on high care when access to low care services would have a health promotion

[3] Ansell, C. "Aged Care survey 2008" Grant Thornton Report October 2008

[4] McDonald, T. 2007 *For their sake: Can we improve the quality and safety of resident transfers from hospital to aged care homes?* Commissioned report Aged Care Association Australia access at www.agedcareassociation.com.au

and illness prevention effect on older people.

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