



*Edith Bendall Lodge*

A.C.N. 006 180 490

Correspondence To:  
Secretary  
P.O. Box 193,  
Pascoe Vale South, Vic. 3044  
Registered Office:  
11 Park Street,  
Pascoe Vale, Victoria 3044  
Phone: 9379 0079  
Fax: 9379 0244  
Email: edithben@optusnet.com.au

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Committee Secretary,  
Senate Finance and Public Administration Committee  
Department of the Senate,  
P.O. Box 6100  
Parliament House  
Canberra ACT 2600

Dear Sir

*Re: Aged Care Funding Crisis*

*Edith Bendall Lodge is a not for profit ageing in place facility sponsored by the local Lions and Rotary clubs. In June 2008 we completed a 13 bed extension to make a viable 60 bed facility with appropriate high care and dementia specific accommodation to cater for our changing resident population.*

*During the months of June and July 2008 twenty five residents were admitted (13 new beds and 12 residents replacements for 12 deaths during this time) thus nearly two thirds of our residents have now been assessed using the ACFI tool with devastating shortfalls as follows:*

- 10 Low Care residents on "saved" rates at SS5, 6 & 7
- 4 High Care residents on "saved" rates at SS2, 3 & 4
- 8 New residents – no funding (RSC funding approximately \$70,000 pa)
- 8 High Care residents on "capped" rates (approximate loss \$68,000 pa)

*This approximate loss of \$140,000 in subsidies also impacts on other subsidies (e.g. CAPs payments are based on overall subsidy payments)*

*The "new" residents not attracting funding using the ACFI tool are frail aged who are not able to benefit by staying in the community using community packages as they are at risk of falls and often community packages are not sufficient or adequate enough to monitor their needs and keep them safe. These elderly Australians need residential care to prevent falls and the consequences of falls, therefore reducing the number and severity of episodes of acute hospital attendance and admissions.*

*The experience to date show that ACFI funding is not adequate for resident care needs to be met and totally neglects to fund lifestyle needs. Whilst the Standards mandate a person centred holistic approach there is no funding to support lifestyle needs. This is also evidenced where ACFI validates depression but does not fund for other than chemical treatment and ignores the importance of lifestyle support necessary to assist residents to manage their depression.*



A Joint Project of the Lions Club and the Rotary Club of Pascoe Vale.





*The other major cost confronting aged care that has become evident during June and July 2008 admissions and high resident turnover is the actual financial cost of admissions, discharges and transfers. There needs to be inbuilt allowance for these activities as the admission process is highly complex and not only residents, but also relatives / representatives, need intervention and attention from management and staff.*

*There is an intense assessment process for residents over four to six weeks requiring staff on all shifts to assess and document residents' care and lifestyle needs to enable residents' individual preferences and needs to be identified and met.*

*Similar costs are incurred during discharge of residents, a process that is usually the end result of palliative / terminal care involving complex care needs and emotional support for residents and relatives. Housekeeping hours have to be allocated to clean and detail the room including the ensuite and furniture. Funded bed days are often lost in this change over period as grieving relatives are unable to remove the resident's belongings. Management and staff are sensitive to relatives during this grieving period; however this sensitivity leads to loss of funding.*

*Transfers to and from hospital involve management and staff time in organizing the transfer, documenting required information, and numerous phone calls contacting relatives and health care professionals; none of this is funded.*

*Another area of aged care operations that is not funded is the provision of escorts for residents needing to attend medical appointments where no family members are available. Hospitals insist that residents are accompanied to these visits in order to maintain resident care and safety while they are outside the Aged Care facility. Currently meeting this expectation costs the organization to the detriment of services to other residents.*

*At a time when we are struggling to recruit staff to meet the revised legislative requirements in terms of medication management, the proposed reduction in the CAPs payments will lead to a reduction in education hours for staff. Education is a necessity in an industry battling to keep staff when the acute sector pays 10-20% higher than Aged Care can afford. Many staff require further education to expand their knowledge and skills to meet the needs of the residents as required by the Aged Care Standards. Also there is a need to provide additional language training; as the lack of good English language skills puts some residents potentially at risk especially those with problems requiring special and specific care. When both resident and staff have communication problems complex and challenging situations are often exacerbated.*

*The lack of funding increases the frustration experienced by professionals in the field who are unable to attain the goals for real quality care. This leads to staff turnover and further costs.*

*Aged care is not going away and those of us working in the industry are attempting to give the care and maintain the Standards but the financial constraints currently presenting are making this an impossible task and ones needs to ask who is going to care for you if and when you need it, and don't say it wont happen because you just never know!*

*Yours faithfully*



**KATHLEEN TURNER**  
**CEO/DON**