

Tongala and District Memorial Aged Care Service Inc.

Approved Provider for:
. R. M. McHale Hostel (3314H)
. Koraleigh Nursing Home (4441C)

Purdey Street
Tongala, Vic. 3621

29th November 2008

Ph. 03 59 590 800
Fax. 03 58 590 983

Email tacs@tongalas.own.net.au

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

Dear Sir/Madam,

Re: Senate Enquiry into Residential and Community Aged Care.

The Committee of Management of the Tongala and District Memorial Aged care Service Inc. wish to make the following submission to the Senate Enquiry into Residential and Community Aged care.

- . The submission relates to the two areas of:
 - . Funding of residential aged care services
 - . Providing residential aged care services in a rural community

The Tongala and District Memorial Aged Care Service:

The Organisation is not for profit owned by the people of Tongala and District. It was established in 1926 and operated as the 12 bed Bush Nursing Hospital until 1990 when the Hospital closed and the residential services commenced. Services currently provided are R. M. McHale Hostel (ageing in place – 42 places); Koraleigh Nursing Home (30 funded and one unfunded high care place); Deakin Village (15 independent living units – low rental). Facilities are provided on a break even rental basis for medical services and community health services. This helps secure residents access to these services. It is governed by a 12 member Committee of Management and managed by a Manager/Director of Nursing. There are 98 employees and 60 volunteers. Accounting and payroll services are outsourced. Services are provided to residents of Tongala and District and neighboring centres in the Shire of Campaspe, Greater Shire of Shepparton and Murray Shire. Tongala and District is has a population of approximately 3000. It is a former Soldiers Settlement area. It was predominantly a dairy farming area. This has changed over recent years. Back-to-back droughts, partial closure of the local milk

processing factory, permanent changes to the water irrigation system and the recent economic down turn are having a social and financially devastating impact on the community.

The residential services maintain high occupancy rates. They have a sound record of quality service provision and have been found compliant in each of the 44 Expected Outcomes of the Aged Care Accreditation Standards at the three site surveys and various planned and unplanned site visits.

Funding of Residential Aged Care Services:

. Current funding levels are inadequate to meet expected quality service provision outcomes.

- Real funding is being eroded, as wages, service provision and building costs outstrip government payments.
- Phased implementation ACFI “top level \$10 adjustment until 2011” a significant delay in accessing improved funding.
- Nurses wages up to 10 per cent higher in the public hospital sector.

The commitment and efforts of the staff play a major part in the quality of resident care and prudent use of resources. Many staff members work far in excess of their paid hours and in particular those in key positions. The two Executive staff work 60 to 80 hours a week without remuneration for overtime worked. Staff, like family carers in the community, are becoming more and more overburdened. In the 1989 the introduction of CAM/SAM funding staff were told to work smarter. This has not changed. Since this time there have been many productivity changes and there is absolutely nothing to trim back. The time currently available for direct care is totally inadequate to feed residents, provide dementia quality care, meet residents daily oral and dental care needs (including more residents with natural teeth), maintain and promote functional and cognitive abilities, continence care, and skin care let alone meet their leisure and lifestyle preferences and needs.

There are numerous education programs available. These programs and the resources allocated to them cannot reach their full worth as the staff at the residents bedside simply do not have sufficient time to put this wonderful knowledge into practice. It is difficult to provide humane care for the frailest and most dependent people in our community within the current financial resources available. This is looking even worse for the future.

Staff of the Organisation consistently report their reason for working at Tongala Aged Care and, in particular, residential aged care is the value of the work that they do. There are well respected by the local community, residents and families. The almost constant negative media comments, and on occasions those of the Minister for Ageing her Department, is sad to say the least. This use of frail aged people and their families for political, career and financial gain is unethical.

Koraleigh Nursing Home is the only not for profit high care facility in the Shire of Campaspe. All the others are State funded facilities. Staff in these facilities are paid at a higher rate and additionally receive additional direct and indirect State funding. This creates issues with regard to attracting and retaining staff. The additional funding to state facilities creates issues of equity or why do some residents have access to additional benefits, such as staffing numbers, and cross subsidization of some residential aged care services from health budgets. The question of equity seems to get raised but never adequately answered.

The Organisation reported an operating loss of \$ 130,965 after depreciation for the year ending 30 June 2008 and an operating loss of \$ 50,544 the previous year. The 18 month rolling operating budget from 1 July 2008 to 31 December 2009 forecasts an operating loss of \$ 285,656. This does not include capital expenditure or an allowance for staff wage increases after 30 November 2008. It does include an estimated \$80,000 from fundraising, a \$135,000 Capital Grant to up-grade the living and utility area of the high care dementia wing and provision for depreciation. Accommodation Bond and employee liabilities are invested. The organization has a reserve fund of \$166,338. The current ration is 1.17 and the quick ratio is 1.09.

As previously indicated staff time is fully utilized with resident care and required documentation. ACFI has not reduced the paper work burden. Resident care requirements and the complexity of care are increasing but the cost of providing the required care is not adequately reflected in the ACFI subsidy. More residents are eligible for high care Specified Services. Funding for providing dementia is insufficient to provide dementia care in accordance with contemporary best practice, that is, person centred care within a supportive social and physical environment. The requirements for complex care needs do not represent current and emerging trends. The funding is for a level of sophistication beyond what is currently generally provided. It is beyond the skill level of many of the Registered Nurses. Some of the clinical technology is expensive and not factored into the subsidy. It has been suggested a registered nurse with a background in intensive care had a major influence on the development of the criterion for the clinical care domains. If this was the case it would certainly show disregard for the expertise within the sector.

Other issues regarding ACFI was the poor quality of the Commonwealth funded training attended by Tongala Staff, the time taken to complete the assessments and increased complexity in differentiating high and low care (a resident admitted with a high care ACAT assessment may score as low care on the ACFI assessment and visa versa).

The current COPO funding increases are lower than the actual costs of providing services let alone new costs such as the proposed "Emissions Trading Scheme" and water conservation. The future of the Conditional Adjustment Payments is uncertain. Loss of the CAP funding will result in an overall reduction of \$750 funding per resident per annum. The CAP funding was a recommendation of the Hogan report introduced as an interim arrangement while more appropriate funding arrangements were put in place. Unfortunately this has not occurred. A long term "Aged Care Index" has been proposed to

adequately cover all costs incurred in providing residential aged care services including staff costs, non salary and wage costs and building costs. Removal of the \$10, \$20 \$30 cap on the maximum ACFI subsidy for high care would provide some immediate relief. A move away from the “No Bonds in High Care” policy would reduce some of the complexity in the system, provide greater fairness with all eligible residents paying the same type of accommodation payment and remove the existing two tiers of residents.

. Providing Residential Aged Care Services in a Rural Community.

Tongala experiences many of the issues reported by other service providers in rural areas including higher costs in providing services, accessing specialist medical services; staff recruitment, maintenance and retention; waiting time for ACAT assessments and capital costs. The Shire of Campaspe is reported to have the highest aged population of any local Government area in Victoria. As well as the ageing of the community in general the numbers are increasing significantly due to the number of retirees migrating to the area.

Two major cost areas are accessing specialist medical services and capital income. The number of residents with appointments with medical specialists and diagnostic services has more than doubled in the past five years. Coinciding with this has been an increase in the age and frailty of the residents; fewer family members living locally or aged over 70 years themselves, fuel costs, difficulty in accessing service facilities and parking, and more residents with dementia. The Organization has found it is more satisfactory for the resident to be escorted and transported by staff except in the case of emergency care and very debilitated residents. This is an additional cost but achieves better resident outcomes. For example the resident has an informed advocate, better quality communication with the service provider, residents care needs such as nutrition, continence, pressure area care and pain management are maintained. It is understood various transport options are being investigated. It is proposed a prior approved funded scheme enabling staff to escort and transport their own residents be considered.

The ability to attract the number and amount of accommodation bonds is reducing. This trend is expected to increase as the current economic downturn impacts on our already financially compromised community. The Shire of Campaspe Drought Recovery Officer

reports evidence of increasing poverty in the community including the aged. On the 30 June 2008 the Tongala Aged Care held \$1,925,881 in accommodation bonds. The total number of bonds was 27 and the average bond was \$71,328. This is lower than 30 June 2007 when the total value of the bonds was \$2,555,948. The number of bonds at that date was 34 and the average bond was \$75,175. A reduction in interest earned on the Bonds will

further reduce the funds available for capital works.

The Committee of management would like to express their disappointment that the recommendations of the Hogan report have only in part been implemented. They believe the findings of the report, in particular those relating to the provision of residential aged care services aptly represented Tongala’s situation.

Tongala and District Memorial Aged Care Service Inc will be pleased to provide any further information required. Thank you for the opportunity to make a submission to the

Senate Enquiry into Aged Care.

Yours sincerely,

Jean Courtney
Director of Nursing/Manager