SENATE COMMUNITY AFFAIRS REFERENCES COMMITTEE
INQUIRY INTO AGED CARE

Introduction

This submission represents the views of the Victorian Government to the Inquiry into Aged Care by the Senate Community Affairs References Committee. The Victorian Government welcomes the opportunity to present its views to the Inquiry and looks forward to the outcome of its deliberations.

Main Points

1. Aged Care Workforce

Victoria welcomes the announcements in the 2004 Budget but more needs to be done to assist in meeting aged care workforce shortages and training:

- Australian Government to provide significant additional tertiary places for nurse training;
- Strategies required to highlight aged care nursing and to encourage nurses to enter aged care;
- Retention strategies to address current and predicted workforce shortages;
- Strategies to minimise workplace injuries, including additional funding by the Australian Government for training and equipment; and
- Development of aged care workforce to complement newly emerging care needs and client preferences, including for residential and community-based care.

2. Aged Care Standards and Accreditation Agency

Victoria supports the ongoing commitment to the continuous improvement approach underpinning the Aged Care Act quality accreditation framework but there remains room for further development of the quality arrangements:

- Lack of consistency in the interpretation of the standards;
- Lack of consistency in the provision of education and advice, both in accreditation assessments and in support visits;
- Need for adequate resources for the standards agency; and
- Need for more definition in minimum requirements.

3. Young People in Residential Aged Care and Meeting Care Needs of Residents with Special Needs

<u>Young People in Residential Aged Care</u>
The Victorian government recognises that younger people with disabilities with nursing care needs require a range of care and accommodation options. While services provided through residential aged care provide an option for some, more appropriate care alternatives are required for others. Victoria strongly favours the joint development of sustainable and long-term solutions with the Australian government.

Meeting Care Needs of Residents with Special Needs

Current funding arrangements are not at an adequate level to meet the care needs of older people with special needs. Victoria welcomes the recent recognition of the specific costs of dementia care by the Australian Government with the creation of a dementia care supplement. The payment of a dementia supplement needs to reflect the actual cost of care.

4. Home and Community Care Program

There is immense demand on the Home and Community Care (HACC) program and additional resources from the Australian Government are required to enable more older people to receive care in their own homes for as long as possible. The Australian Government also needs to address the way community care for older people are best organised and targeted.

5. Transition Arrangements from acute to aged care

The lack of available residential aged care beds, especially high care places, puts extreme pressure on available hospital beds. The effectiveness of transition arrangements of the elderly from acute hospital settings to aged care settings will depend upon the provision of more high care places.

1. Aged Care Workforce

The Senate Community Affairs References Committee seeks to determine 'the adequacy of current proposals, including those in the 2004 Budget, in overcoming aged care workforce shortages and training.'

Victoria welcomes the announcements in the 2004 Budget but more needs to be done to assist in meeting aged care workforce shortages and training.

The **issue of the aged care workforce** is of particular interest for Victoria and includes the availability and training of the workforce for the Home and Community Care program and residential aged care. In Victoria, the aged care workforce is a substantial one with over 50 000 direct care workers estimated to work in residential aged care alone. However, the workforce is predominantly part-time and equivalent to some 18 000 full-time workers. The main workers in direct care are Registered Nurses Division one (31%), Registered Nurses Division 2 (34%) and Personal Care Workers (36%). (Source: State Report of Commonwealth Survey of Residential Aged Care Workforce 2003).

The provision of additional resources for training of aged care workers in the 2004 Budget by the Australian Government is congruent with the general aim of Victoria of increasing education levels in aged care. The Budget announcements are a good start but Victoria would welcome a larger commitment by the Australian Government to assist in attracting and training the aged care workforce, including nurses. The **Australian Government needs to take steps to ensure** that a sufficient number of nurses are trained to meet current and future workforce needs.

Fundamental in overcoming aged care workforce shortages and training is for the Australian Government to provide significant **additional tertiary places** for nurse training to address the present systemic nurse shortage. **Strategies** to highlight aged care nursing and to encourage nurses to enter aged care should be developed in tandem with those to address the shortage.

Victoria notes that Registered Nurses in the aged care sector are older (confirmed by the recent National Aged Care Labour Force survey) than the average nurse. Recruitment and **retention** strategies are important to address current and predicted workforce shortages. Retention strategies should include attention to **minimising workplace injuries**, with additional funding for **training and equipment**.

GPs are important in the provision of primary health care to aged care residents. While the GP workforce strictly does not form part of the aged care workforce, GP workforce shortages contribute to the decline in Medicare Benefit Schedule (MBS) funded services provided to people in residential care.

Victoria welcomes the recent announcements which will enhance GP services for older people, by the Australian Government, including in the recent Budget. These include the introduction of a new Medicare rebate for GPs to visit aged care homes and provide a comprehensive assessment of residents' health, and funding to Divisions of General Practice to establish panels of GPs for residential aged care facilities in their area. Victoria will monitor the effect these have on service provision

to residents of aged care and will also be closely monitoring the impact of the new bulk billing incentives.

New models of care will be explored in response to newly emerging care needs and client preferences, including for residential and community-based care. Steps should be taken to develop the **workforce to complement these models**.

Victoria has initiated a number of steps to improve the aged care workforce. For example, Victoria initiated the **HACC Workforce Development Strategy** Project that commenced in 2001. The project focuses on the improvement of recruitment, retention and training of community care workers, enhancing professional development opportunities for staff in management, coordination, case management and other roles and increasing the diversity of the HACC workforce to match the increasing diversity of the HACC target group.

The **Office of Tertiary and Training Education** (OTTE) funds aged care training through TAFE Institutes and private providers, who deliver training to trainers and other students. In 2003, OTTE funded $27 million in aged care training, including nursing, aged care and personal care workers.

Aged care training also benefits from the Victorian Government's *New Apprentice Trainee Completion Bonus* scheme. Announced in the 2003-2004 Budget, this scheme provides an additional incentive for employers to encourage apprentices and trainees to complete their training.

Victoria is currently suffering from a marked undersupply of geriatricians. In order to remedy this situation, Victoria has initiated a pilot project to increase the number of **geriatric medicine trainees** through targeted recruitment and improved training opportunities. An increase in geriatrician numbers will ease current pressure on areas of the health system that are in need of consultant geriatricians including public health services and Aged Care Assessment Teams (ACAS), as well as residential care facilities. This is a potential area for greater co-operative effort between the Australian and Victorian Government, which would yield long-term benefits for the care of older people and the effective operation of relevant programs.

2. Aged Care Standards and Accreditation Agency

The Senate Community Affairs References Committee seeks to determine 'the performance and effectiveness of the Aged Care Standards and Accreditation Agency.'

Victoria supports the ongoing commitment to the continuous improvement approach underpinning the Aged Care Act quality accreditation framework but there remains room for further development of the quality arrangements.

Through its provision of public sector residential aged care places (up to 16% of total Victorian places), Victoria has extensive experience with quality and standards. Victoria has taken the initiative in establishing a Quality Improvement Unit within its Department of Human Services to support improved service quality in public sector residential aged care services. The focus is on continuous improvement and the promotion of quality outcomes for residents, and to support services to meet the Commonwealth's Aged Care Standards and Accreditation requirements.

Victoria supports the continued commitment to the continuous improvement approach underpinning the Aged Care Act quality accreditation framework. Seven years' experience of the continuous improvement approach under the Aged Care Act has demonstrated real advances in quality of care standards – something simple regulation cannot do. We note that the Hogan Review recognises that standards are not designed to provide a 'recipe' but are 'about opportunities to pursue quality in ways best suited to the characteristics of each residential care facility and the needs of its residents.'

However, there remains room for further development of the quality arrangements and the assessment and support provided by the Aged Care Standards and Accreditation Agency. It is Victoria's experience that there is a **lack of consistency in the interpretation of the standards** and in the **provision of education and advice,** both in **accreditation assessments** and in **support visits**. The standards agency requires **adequate resources** to continue to refine and improve the accreditation process and Victoria encourages such provision.

Further, there is a need for **more definition in minimum requirements**. This can be achieved without stifling innovation. An important example is in the Accreditation Guidelines where reference is made to services referring to the 'Guidelines for Medication Management in Residential Aged Care Facilities'. **A more rigorous requirement would place in the Standards themselves, an obligation to meet those guidelines or to demonstrate that an equivalent system is in place.**

A strong quality standards regimen will bring greater public confidence. This would in turn allow us to examine clearer separation of any remaining areas of duplication of regulation by the Commonwealth and States, an area identified by the Review of Pricing Arrangements for Residential Aged Care as with potential for further efficiencies.

In the particular area of the **management of medication** in residential aged care facilities, it now seems appropriate to move to a **nationally consistent approach** that clearly distinguishes the lines of responsibility for quality of care in residential

aged care facilities and responsibility for possession of and handling of drugs and poisons.

3. Young People in Residential Aged Care and Meeting Care Needs of Residents with Special Needs

The Senate Community Affairs References Committee seeks to determine 'the appropriateness of young people with disabilities being accommodated in residential aged care facilities and the extent to which residents with special needs, such as dementia, mental illness or specific conditions are met under current funding arrangements.'

Young People in Residential Aged Care

The Victorian government recognises that younger people with disabilities with nursing care needs require a range of care and accommodation options. While services provided through residential aged care provide an option for some, more appropriate care alternatives are required for others. Victoria strongly favours the joint development of sustainable and long-term solutions with the Australian government.

Victoria acknowledges that **younger people with disabilities eligible for residential aged care services are a highly diverse group** across age, life stage, disability and care requirements; however, there are common care needs including support, clinical/nursing care, therapy and accommodation.

The main conditions experienced by these residents include acquired brain injury, various degenerative neurological disorders (including Multiple Sclerosis and motor neurone disease), physical disabilities, and intellectual disabilities with associated premature ageing including dementia.

In November 2003 in Victoria there were 1574 people aged 69 years or less residing in high residential aged care including 155 or 10 per cent of whom were aged 49 years or less. There were a further 1014 people aged 69 years or less residing in low residential aged care including 72 or 7 per cent are aged 49 years or less (Based on data provided by the State Office of the Department of Health & Ageing).

The number of younger people with disabilities is proportionally small within the total number of people living in residential aged care, however, they experience a range of complex care needs.

Although the younger people with disabilities are able to access services through the residential aged care program, there are funding and policy issues that affect service provision for this group.

The Victorian Government is engaged with the Australian Government on progressing these issues. The Victorian Government has consistently argued that while it accepts its responsibilities under the Commonwealth States and Territories Disability Agreement (CSTDA), people with disabilities who require residential aged care services are not readily provided for under the Agreement. Recent negotiations, as part of the Commonwealth-State Disability Agreement Bi-Lateral Agreements are seeking to progress the discussion. Victoria strongly favours the joint development of sustainable and long-term solutions with the Australian government.

While engaging in these broader discussions, t**he Victorian Government has in place a number of service development initiatives** supporting younger people with disabilities and high care needs.

The Victorian Government has established the Acquired Brain Injury: Slow to Recover (ABI:STR) Program, which provides slow-stream rehabilitation and case-management services to younger people with catastrophic brain injury. The Program has assisted individuals to improve personal functioning and reduce care need requirements and has assisted others to move from acute health and nursing home care to community-based options.

The Victorian Government is also seeking to progress small-scale jointly funded initiatives through the Commonwealth Innovative Pool (CIP) Program, which has offered two-year pilot funding to trial community-based service options for younger people with disabilities in nursing homes. The results of these activities can inform further development of jointly funded options. Of concern to Victoria is the lack of flexibility and sustainability in the CIP Program limiting opportunities to develop long-term care alternatives.

A further initiative in assisting younger people with disabilities to move from nursing homes to the community is Victoria's Social Housing Innovations Project (SHIP). With funding support from this program, a not-for-profit community housing provider commenced operating in mid 2004, nine independent living units for tenants with significant disabilities. Tenants moving to the new units include young people with acquired brain injury transferring from residential aged care.

Meeting Care Needs of Residents with Special Needs

Current funding arrangements are not at an adequate level to meet the care needs of older people with special needs. Victoria welcomes the recent recognition of the specific costs of dementia care by the Australian Government with the creation of a dementia care supplement. The payment of a dementia supplement needs to reflect the actual cost of care.

Current **funding arrangements do not appropriately support the provision of residential aged care services to older people presenting with special needs** including dementia, residents with challenging behaviours and complex care needs. Funding arrangements support a standard service response to all needs with some special needs not being met, such as older people needing mental health care who experience access restrictions to generic residential aged care.

In its submission to the 'Review of Pricing Arrangements in Residential Aged Care', Victoria stated that present arrangements assume that most residents of residential aged care services are permanent residents and that the role is almost exclusively to provide long-term accommodation for older people who can no longer be supported in a community setting. Consideration is required to responsive and innovative models of care, including episodic care, to be matched by appropriate funding arrangements and workforce development.

Within current service models there is a **need to improve training for staffing to ensure ability to manage with increasing complexity of care needs**, including premature ageing, dementia, disability and complex health issues.

In respect to dementia, the Victorian submission to the 'Review of Pricing Arrangements in Residential Aged Care' noted that **residential aged care provision will be affected by an increase in dementia** and the number of people in need of care and the number of cases of dementia will continue to rise. Similarly, the high prevalence of depression in residential aged care is an indicator that models of care need further development, supported by adequate funding to improve resident wellbeing and respond to individuals with special needs.

Dementia care has a particular impact on residential aged care provision. The management of challenging behaviour is a specialist area that requires specialised staffing skills and facilities. It is necessary that there is a sufficient number of skilled staff to appropriately manage the likely increase in numbers of residents with challenging behaviours. The disruptive behaviours exhibited by these clients would be difficult to handle in most residential aged care facilities.

The Victorian submission to the 'Review of Pricing Arrangements in Residential Aged Care' argued that **subsidy levels needed to increase to reflect the real cost of care provision** as current subsidy levels are not sufficient to meet these costs. Victoria welcomes the recent recognition of the specific costs of dementia care by the Australian Government with the creation of a dementia care supplement. **The payment of a dementia supplement needs to reflect the actual cost of care.** The recent Senate Estimates hearings suggest that there may not be additional funds from the Australian Government for the specific costs of a dementia supplement. Victoria seeks assurance that the basic care subsidy and the dementia and palliative nursing supplements are at a level commensurate with care costs.

Residents in the terminal phase of a life threatening illness also have particular needs. These people require palliative care or a palliative approach. There are issues in relation to the capacity of residential care providers to manage percutaneous endoscopic gastrostomy (PEG) feeding and ventilation, communicate with residents and their families about their care, and deal with grief and bereavement issues for staff and families.

4. Home and Community Care Program

The Senate Community Affairs References Committee seeks to determine 'the adequacy of Home and Community Care programs in meeting the current and projected needs of the elderly.'

There is immense demand on the Home and Community Care (HACC) program and additional resources from the Australian Government are required to enable more older people to receive care in their own homes for as long as possible. The Australian Government also needs to address the way community care for older people is best organised and targeted.

The provision of community care services is crucial in maintaining older people in their own homes and local communities. Combined spending on HACC by the Australian and Victorian governments in 2003–04 was $358 million. Victoria has consistently contributed more to the HACC Program than was required by the HACC Agreement since the present Government came into office. Victoria's additional contribution was $41.7 million in 2003-04. This brought the State's total contribution to $168.5 million in 2003-04.

The current national HACC equalisation formula is of some concern to Victoria. Its aim is to equalise the cost-shared dollars per person in the HACC target population in each State and Territory by 2010–11. There are two problems.

Firstly, the **HACC equalisation formula ignores that Victoria has historically contributed a higher level of per capita funding than the national average**. But the HACC equalisation strategy means that Victoria has been penalised with slower growth since 1994/95 for its past readiness to contribute more than other States to HACC expenditure.

Secondly, the present formula considers only HACC funding and ignores the wider aged care sector. **An equalisation strategy should consider the total funds available for both aged residential care and aged community care**, and compare this total to an appropriate indicator of need for residential and home-based care.

Determining the current and projected needs of older people would be aided by the **release of the results and assumptions of the Aged Care Dynamic Cohort Model** (ACDCM), modelling commissioned by the recent Review of Pricing Arrangements for Residential Aged Care. **This would allow jurisdictions to better determine likely demand for the HACC program along with other aged care services including residential aged care, CACPs and EACH packages**.

Victoria seeks a commitment by the Commonwealth to work with the States and Territories to address:

- Additional resources by the Australian Government for HACC to enable more older people to receive care in their own homes for as long as possible.
- Ways of creating continuity of care between HACC, HACC-like services, disability services, acute, sub-acute and post-acute care;
- Demand management for these services (as well as for aged residential care); and
- Maintaining basic community care as the core of a primary care system.

Any proposals for change should build on the progress already made in Victoria's Primary Care Partnerships Strategy and the work being done to improve the outcomes for older people passing through Victoria's sub-acute and rehabilitation services, and for people requiring palliative care.

5. Transition Arrangements from acute to aged care

The Senate Community Affairs References Committee seeks to determine 'the effectiveness of current arrangements for the transition of the elderly from acute hospital settings to aged care settings or back to the community.'

The lack of available residential aged care beds, especially high care places, puts extreme pressure on available hospital beds. The effectiveness of transition arrangements of the elderly from acute hospital settings to aged care settings will depend upon the provision of more high care places.

Victoria observes that the lack of available residential aged care beds, especially high care places, is one of the factors that contribute to pressures on availability of acute and sub-acute beds. **Public hospitals are caring for increasing numbers of elderly Victorians** with people over the age of 70 years using more than 45 per cent of all multiday patient stays. **In the March 2004 quarterly bed census for all Victorian non-specialist hospitals, 632 patients assessed as requiring residential aged care were awaiting placement**. While this represents a decrease of 16% over March 2002, the average length of stay had increased from 41.0 days for the December 2003 quarter to 47.67 days. These figures refer to older people aged 65 years and over in public hospital acute, sub-acute and interim care beds.

The effectiveness of transition arrangements of the elderly from acute hospital settings to aged care settings relies on a number of complementary strategies.

Of crucial importance is an increased supply of high care residential places. Data from the Australian Institute of Health and Welfare clearly shows that the acuity level of individuals entering residential care is increasing since older people are being admitted later with higher, and increasingly, complex needs. With ageing in place a greater proportion of facilities are now providing care for residents who are increasingly frail and have a range of care needs, including chronic health issues.

The Review of Pricing Arrangements in Residential Aged Care was the most wide-ranging review of aged care undertaken in many years. Despite the financial commitment, it is not clear that the Australian Government has adequately addressed the pressing need for high care places. **Victoria is disappointed to see that the Australian Government has not varied the proportion of places available as high-care on entry. The doubling of the planning ratio for community places is welcomed**, as older people have made clear that they want to stay in their own homes while they can. But when an older person requires residential aged care they are more likely to enter into high care. High care places are widely acknowledged as the pressure point of unmet demand.

For its part, Victoria has undertaken a number of initiatives to assist with the transition of the elderly from an acute hospital setting. Victoria has:

- Funded a well-developed sub-acute service system that includes both an inpatient and community focus - with a particular focus on rehabilitation services (inpatient and ambulatory) and inpatient geriatric evaluation and management services;

- Developed a targeted Interim Care Program that provides temporary support and active management of older patients who have completed their acute or sub-acute episode of care, have been recently assessed by an Aged Care Assessment Service (ACAS) and recommended for high or low level residential aged care, and are suitable for immediate placement in a residential care facility if a place were available; and

- Through the Australian Government's Aged Care Innovative Pool, supported Innovative Care Rehabilitation Service (ICRS) pilots. The pilots target people who have been assessed as requiring residential care and who may benefit from an additional period of convalescence and lower intensity therapy as a means of enabling people to return home where possible or enter residential care with a lower level of dependency. The Victorian pilots focus on the care of older people where there is less certainty about the outcome of therapy interventions (compared to sub-acute services).

Victoria is finalising arrangements with the Australian Government regarding access to 100 flexible care places as part of the Australian Government's Aged Care Innovative Pool for 2003-04. These places would be used to minimise the number of older people experiencing inappropriate extended hospital lengths of stay and being prematurely admitted to residential aged care.

Victoria is keen to work with the Australian Government to develop a transition care program based on the Commonwealth Budget initiative, that brings together the best aspects of interim care and ICRS and that is available to older people in each region. This would deliver high quality care in the setting most appropriate to individual need and maximise the chances of people being able to return home and complement the existing Victorian investment in sub-acute care.