NATIONAL RURAL HEALTH ALLIANCE INC.

Mr David Tune AO PSM
Chair
Aged Care Legislated Review
Department of Health
GPO Box 9848
CANBERRA ACT 2601

Dear Mr Tune

Aged Care Legislated Review

Please find at ***Attachment A*** a submission from the National Rural Health Alliance (the Alliance) addressing the wide range of issues set out in the Terms of Reference for the Aged Care Legislated Review.

The Alliance actively supports the development of policy that promotes good health and wellbeing for people living in rural and remote Australia. In developing our response, the Alliance has drawn on comments and input from our 39 member organisations, who are listed at ***Attachment B***.

The advice from our member organisations is incorporated into our response to the specific issues to be addressed and reflected in the general comments presented in the submission.

The Alliance believes that the Aged Care Legislation plays an important role in ensuring the access of people in rural and remote communities to aged care services that enable and sustain their continuing contact with their local communities, families and friends.

The Alliance is pleased to support the work of the review team and would be happy to provide further information to support that work as necessary.

Yours sincerely

David Butt
Chief Executive Officer
13 December 2016

Attachment A

Background

The National Rural Health Alliance (the Alliance) notes that this review is a legislative requirement and must address specific issues. In developing this response, the Alliance has sought advice and input from its 39 member organisations.

The National Rural Health Alliance is comprised of 39 national organisations. We are committed to improving the health and wellbeing of the 7 million people living in rural and remote Australia. Our members include consumer groups, representation from the Aboriginal and Torres Strait Islander health sector, Health professional organisations (representing doctors, nurses, midwives, allied health professionals, dentists, optometrists, paramedics and health service managers) and health service providers.

We advocate for good health and wellbeing for people living in rural and remote Australia
The advice from our member organisations is incorporated into our response to the specific issues to be addressed and reflected in the general comments presented here. The Alliance believes that the Aged Care Legislation has an important role in ensuring the access of people in rural and remote communities to aged care services that enable and sustain their continuing contact with their local communities, families and friends.

Being able to age in place, or at least in a residential care facility that enables you to maintain your connection to place, is at the heart of maintaining their identity for many older people living in rural and remote communities (1).

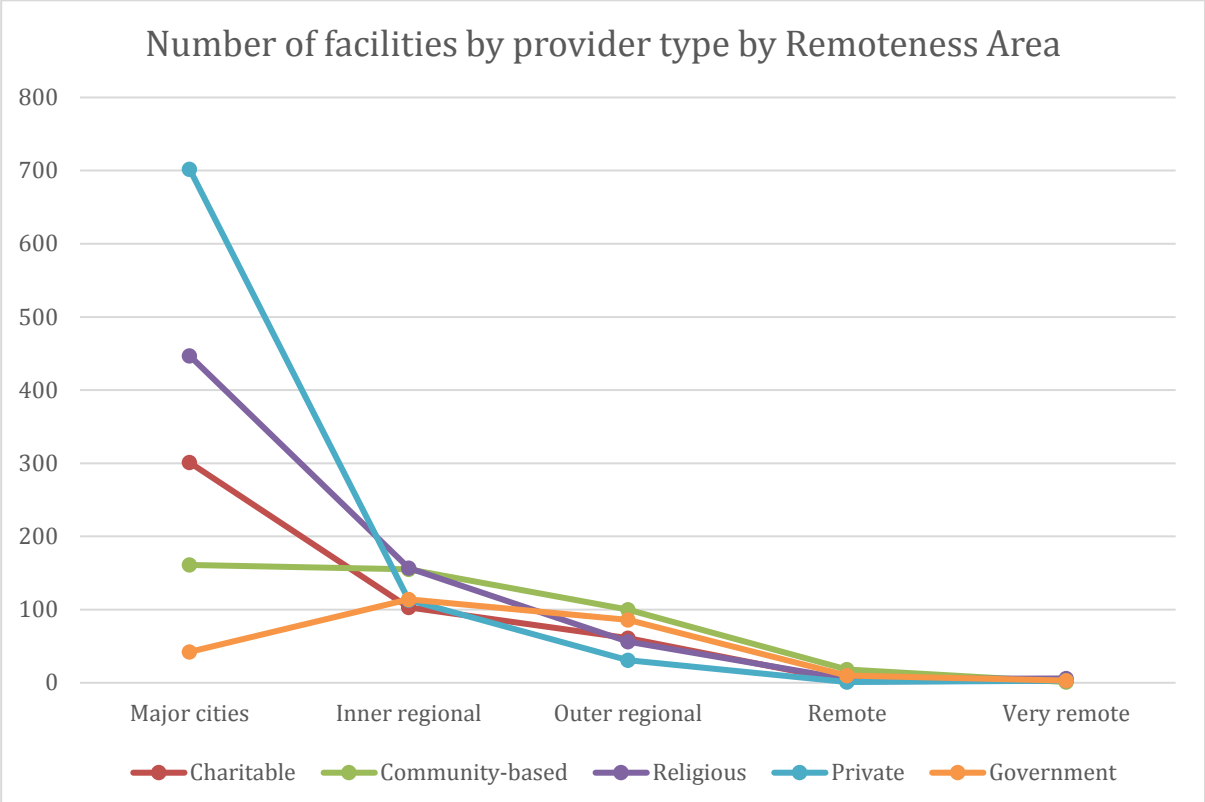
The purpose of legislation and regulation is to ensure that disadvantage is not a barrier to accessing services. Disadvantage can be ascribed to many causes – economic causes are those most often discussed as causing disadvantage, additionally geography is also a cause of disadvantage, as are culture and language. Age and disability may also contribute to disadvantage.

In an open market residential aged care system, those who are disadvantaged due to any reason will struggle to gain access and may find themselves without choice and accessing second class care.

In this submission, the Alliance will use the terms major cities, inner regional, outer regional, remote and very remote, using the definition of those terms applied by the Australian Bureau of Statistics[1].

The data shows that access to residential aged care in remote and very remote communities is extremely limited. The type of provider of residential aged care in rural and remote Australia differs from major cities substantially. The largest provider type in major cities is the private provider, but their market share outside major cities is extremely limited – particularly once you leave inner regional locations.

[1] http://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/2C28C8B6013FB2D0CA257B03000D6DA8?opendocument



Private providers are not found in locations that operate on marginally sustainable business models, such as those facilities that operate in remote and very remote communities. The concept of consumer choice is thus more constrained as you progress into more remote locations. In these locations, the need for legislated requirements and regulation is vital to guarantee both access to residential and community based aged care and to an acceptable quality of care.

Rural and remote demographics

More than 7 million people live outside the major cities of Australia. Compared with major cities:

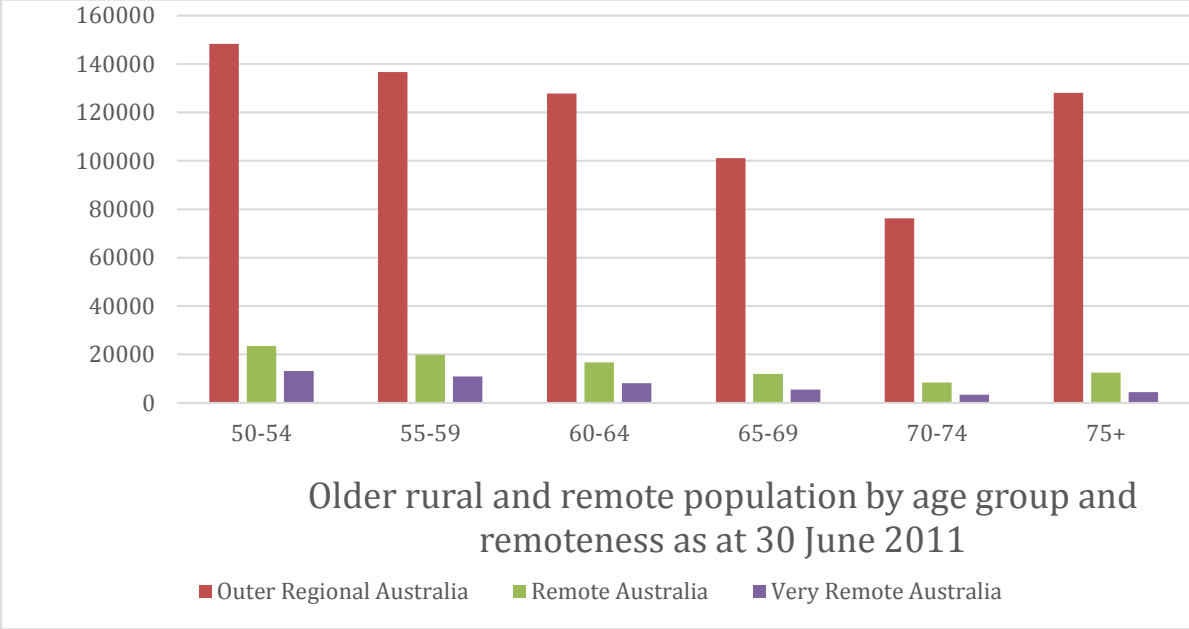
- Inner and outer regional populations have proportionally more children, fewer young adults, fewer people of working age, more people in late working age approaching retirement, and more elderly people.
- Remote and very remote populations have proportionally more children, fewer young adults, slightly more people of working age, similar numbers of people in late working age approaching retirement, and substantially fewer elderly people.

For every ten working age adults aged 25-54 years, there are:

- three elderly (65+) people in Major cities,
- four elderly people in regional areas and
- two elderly people in remote areas.

This data strongly suggests that as people in remote and very remote communities age, they move to regional locations where they are able to access better health and aged care services.

The graph below shows a growing cohort of older people outside major cities. For their needs to be met, there will need to be a considerably larger allocation of aged care (both residential and community) places in outer regional, remote and very remote communities.



Aboriginal and Torres Strait Islander people have a unique pattern of need for aged care services. Aboriginal and Torres Strait Islander people have a higher fertility rate and shorter life expectancy, resulting in a proportionately smaller ageing population than non-Indigenous Australians (2). However, based on 2009 estimates, the number of older Indigenous people (55 years and over) is projected to more than double, from 40,000 in 2006 to between 82,000 and 86,600 in 2012 (3).

Poor health means that Aboriginal and Torres Strait Islander people are affected by conditions of ageing, and require services, much earlier (2). Add to this a proportionately high regional and remote based population and high levels of poverty and large demographic differences in the needs for aged care emerges. Aboriginal and Torres Strait Islander people have a very strong connection to country and to 'their place'. Leaving the community to access appropriate aged care services can be very upsetting and difficult for individuals, their families and communities. Further, accessing culturally safe and appropriate services can be difficult and can add to the distress and upheaval during this time of transition.

Residential aged care in rural and remote Australia

In many ways, the provision of residential aged care falls into two geographically distinct regions that operate independently:

- Major city and Inner regional locations that are well serviced by the full range of provider types and
- Outer regional, remote and very remote communities that are sparsely serviced with a negligible private provider presence.

The models of service that operate in these two regions are very different. Larger centres work well for medium and large service that can be delivered using traditional business models for residential aged care. However, service models for remote and very remote communities must be flexible, small and integrated– for example as part of a Multi-Purpose Service combining hospital and aged care places funded jointly by Commonwealth and state/territory governments or as part of a community delivered service incorporating residential and community outreach aged care services.

Only 35% of Aboriginal and Torres Strait Islander people live in major cities - representing only 1% of the population in major cities. However, Aboriginal and Torres Strait Islander people are 45% of the population in very remote communities. The delivery of aged care services in remote and very remote Australia that meet cultural needs and allow Aboriginal people to maintain their links to country and family means a very different, flexible and responsive approach is necessary. This is a requirement to deliver both home based and residential aged care employing and supporting a culturally appropriate and culturally safe workforce.

The cultural safety and responsiveness of services as well as the cost and location are factors that impact on Aboriginal and Torres Strait Islander peoples' ability and confidence in accessing aged care services. While it is well known that Aboriginal and Torres Strait Islander people are more likely to access, and experience better outcomes from, services that are culturally safe and responsive, approaches to education, training and quality assurance for health professionals in these areas remains inconsistent.

In summary, cultural safety is the final step on a continuum in which systemic change occurs within an organisation or service, and individual health professionals develop awareness of their own identity and how this impacts on the care provision for Aboriginal and Torres Strait Islander peoples. It is an ongoing process, requiring regular self-reflection and proactive response, both at the organisation and health professional level, to the person, family or community with whom the interaction is occurring.

Addressing the specific review issues:

1. **Whether unmet demand for residential and home care places has been reduced**

Quantitative evidence on unmet need is difficult to find. Our members advise that there is considerable unmet demand in the residential aged care and community context in rural and remote communities. A significant number of Australians are still being forced to take up residential aged care places that displace them from their community and family due to an insufficient number of places available within the community. Lack of access to higher level home care packages is also a significant issue. The lack of places in rural and remote communities results in more and more Australians with increasing community aged care needs accepting packages that do not cater for those needs on the basis that something is better than nothing.

Further, the lack of places, even in larger rural centres, makes it difficult for families to find residential aged care facilities where it is possible to visit and support family members relocating from more remote communities. For carers this adds to the pain and guilt associated with no longer being able to care for their loved one in the family home (4).

Based on member feedback, the Alliance believes that unmet demand for culturally appropriate and safe residential aged care delivered in rural and remote communities has grown, not been reduced and that more flexibility needs to be provided to enable aged care providers in rural and remote communities to meet growing consumer needs.
There is now considerable evidence that the 'marketisation' of aged care has exacerbated inequalities in consumer access to appropriate aged care due to poor consumer knowledge and inability to exercise choice and also due to inequalities in consumer resources (5).

2. **Whether the number and mix of places for residential care and home care should continue to be controlled**

The Alliance believes that there remains significant need for government control of both the number and mix of residential and community based aged care places.
The aged care sector operates very differently in major centres and in rural and remote areas – in fact as two distinct geographically based entities: one – in major centres – where an aged care market can be considered to be in place with a number of providers; and the other where the concept of a market is unlikely to ever exist: that is, there are very few providers.

To ensure those outside major cities are able to access quality, affordable residential and community based aged care services that are appropriate to their needs necessitates management of the supply and distribution of aged care places. Government moving out of this role would be to the detriment of those living in rural and remote communities – there is a considerable risk that should an open market situation be the default position for delivery of aged care outside major cities, inequality of access will grow considerably with even fewer services available.

The Alliance supports greater access to residential aged care in rural and remote communities and urges an increased allocation of residential aged care places.

3. **Whether further steps could be taken to change key aged care services from a supply driven model to a consumer demand driven model**

It should be noted that moving to a consumer driven model rather than a supply driven model could be very difficult in rural and remote Australia given the small market ie. the small number of individuals seeking aged care services particularly in small rural and remote communities. In these areas it is not financially viable to provide a wide range of services to small populations. For rural and remote aged care services to be delivered through a consumer demand driven model will require a significant change in emphasis in the current system of allocation of aged care places outside the major cities.

It is now possible to develop modelling tools that can make aged care place allocations based on consumer needs – at least in the sense of needs that can be incorporated in local health and demographic profiles. It is also important to recognise and accommodate the strong desire of rural and remote populations, particularly Aboriginal and Torres Strait Islander people, to retain their connection to place by remaining in their community.

As people age, and particularly as they approach death, the need for connection to country, family and friends is paramount. We need to develop aged care models that are sufficiently flexible to accommodate those needs. We know of the impact the current system has on

individuals who feel broken by their experiences in the current aged care system and their trauma at being forced to leave their families and home communities (4).

It should be noted that the funding model used to determine costs in residential aged care is a significant barrier to consumer-directed care. Many providers of services that would support the health and wellbeing of aged care residents are, at present, underutilised because the aged care funding instrument (ACFI) does not fund many allied health services in residential aged care facilities. This barrier limits the consumer's choice and control in determining the type of provider/service they want to access if they transition to residential care.

There is also a lack of continuity of care between the services older people can access in the community and the care which is provided to them on entering a residential aged care facility. This is often the result of the application of the ACFI within the residential aged care facility. For example, the ACFI covers not pain relief but not care that addresses the underlying causes of pain such as poor mobility, low muscle strength and poor flexibility. The Alliance supports a move towards consumer-directed care in residential facilities, akin to the shift that is happening in home care (with a portion of funding that is flexible and which residents and their families can decide how best it is used).

4. **The effectiveness of means testing arrangements for aged care services, including an assessment of the alignment of charges across residential care and home care services**

The effectiveness of means testing, particularly in remote and very remote aged care service provision, is questionable.

In 2010-11, wage and salary earners outside Australia's capital cities earnt only 85% the amount that their capital city counterparts earned. The percentage of employed people earning $15,600 or less is 15% higher outside capital cities, while the percentage of employed people earning $78,000 or over is 26% lower outside capital cities.

In 2011-12 the median gross household income in the major cities across Australia was 1.37 times higher than for the 'balance of state' i.e. areas outside of major cities. The city-country income differential has significantly increased over time.

The impact of this on business models in rural and remote communities is that very few residents will be in a position to make additional payments for their aged care services from their income, and the facility will therefore remain reliant on government subsidies to fund the place.

5. **Effectiveness of arrangements for regulating prices for aged care accommodation**

Judging the effectiveness of arrangements for regulating prices requires sound evidence of the impact those arrangements are having on access and equity in the most disadvantaged populations. Unfortunately, little empirical evidence is available to enable such judgement to be made.

One of the few studies on this subject makes use of 2006-07 data. This data indicates that there has been a reduction in admissions of those on low incomes into residential aged care from 56% of admissions in 1998-99 to 36% of admissions in 2006-07 (6). Gargett concludes that

there is evidence that the private sectors' financial contribution to residential aged care services has increased through increasing the price paid by some residents (6). Unfortunately, this study includes no analysis by remoteness, making it impossible to judge whether the increase in consumer costs has impacted differentially across rural and remote Australia.

The Alliance believes there is a need for access to better data on the way in which consumer prices are impacting up on the access to residential aged care, particularly with regard to remoteness.

6. **Effectiveness of arrangements for protecting equity of access to aged care services for different population groups**

The earlier sections of this submission highlight the current inequity of access to aged care services in rural and remote Australia compared to major cities. Therefore, the alliance supports measures to address this inequity. Multi-Purpose Services (MPS) offer a viable business model to enable a range of health services together with aged care support to be provided in rural and remote locations. Increasing the number of MPS within rural and remote based settings is needed to bridge the gap of delivery and access to services to the ageing rural.

The employment of appropriately qualified Allied Health Professionals to work in these settings needs to be supported.

There also needs to be greater input from Aboriginal Health Workers and Social and Emotional Wellbeing counsellors in the integration of MPS and residential aged care to ensure successful transition of care from community based care at home y to higher care facilities with access to appropriate care.

The Alliance supports greater access to residential aged care that meets the needs of people living in rural and remote communities. This will require increased support for a culturally competent workforce with appropriate training and skills to support the range of consumer needs for health and wellbeing.

7. **Effectiveness of workforce strategies in aged care services, including strategies for the education, recruitment, retention and funding of aged care workers**

Current funding and policy restrictions encountered under ACFI mean that many allied health providers who could provide a valuable contribution to the aged care workforce are not employed by providers as funding does not stretch to include these 'non-essential' staff. Allied health providers are valuable members of multi-disciplinary primary health care teams and are particularly valuable in providing ongoing care, management and rehabilitation. The Alliance supports the employment of appropriately qualified health professionals to ensure the safety and quality of services provided to consumers. Substitution of health professionals, particularly allied health providers, with under-qualified or lower paid workers may jeopardises the care and well-being of consumers.

The Alliance believes that significant work needs to be done to develop the appropriately qualified workforce of the future in rural and remote locations. At present, there are significant difficulties in recruiting and retaining qualified staff, with significant use made of 457 visas. The Alliance believes that for rural and remote communities, the jobs of now and the future are in

the service industries, such as aged care, child care and disability services. For many communities, struggling with rising unemployment, we need to take a broad community view on the skills the community will need in order to grow and flourish into the future and work with local schools and technical colleges to deliver training that is locally accessible and culturally appropriate and is able to feed into the local service industries.

It is also important to ensure local aged care providers have access to the range of staff, including appropriately qualified nurses and allied health providers who can support the diverse care needs of community elders. Not to do so leads to missed care for residents which significantly impacts their dignity and wellbeing (7). This also necessitates consideration of both the level of resourcing and the skills mix that should be on hand. The level and nature of care needed by residents, and not simply the financial bottom line, should be the driver of staffing mix and numbers.

The desire for age care services to have a restorative care and reablement approach has not been fully realised in practice. While progress has been made, barriers in the assessment process do remain, such as:

- Inadequate training or skills within assessment staff and providers to identify the most appropriate services for consumers
- Gaps in the assessment tool (e.g. NSAF does not adequately screen to capture responses that should trigger referral for early intervention, restorative care and reablement services).

The result is inappropriate referrals to providers or for example, assessors missing key signs that should trigger early referral to a service in order to retard functional decline. The Alliance suggests that assessors (particularly of entry level age care services) and providers would be better equipped to imbed restorative care and reablement approaches within services if the assessment process was refined. This would lead to better targeting of resources to individual needs, improved health and wellbeing of individuals and slowing of decline.

8. **Effectiveness of arrangements for protecting refundable deposits and accommodation bonds**

The Alliance believes that where local aged care facilities take refundable deposits and accommodation bonds, these must be adequately protected. The failure of even one local facility leading to forfeiture of inappropriately protected consumer funds meant to be held in trust, is a damning indictment on our protection of the most vulnerable people in society.

9. **Effectiveness of arrangements for facilitating access to aged care services.**

In rural and remote Australia, one of the most difficult issues is the ability to access services that are close to community or family. No individual should feel that they have been 'forced into exile' in order to access aged care services (4), but unfortunately this is often the case. The combination of insufficient places in residential aged care facilities and insufficient community based places to support higher levels of care in the home means families and individuals are left with little choice but to relocate.

The Alliance supports investment in the aged care sector to support the cultural shift needed to operationalise a robust healthy ageing strategy that underpins the reforms in this area. This includes elements such as, being consumer-centred, greater service access in rural and remote communities, embedding wellness and restorative care principles within services and investing in interventions that will prevent age-associated decline and disability. The Alliance also supports a multi-sectoral approach to creating environments that support healthy ageing.

References

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6. Gargett S. The introduction of a targeted user-pays approach to funding high-level residential aged care in Australia: an empirical investigation of the impact on price. Health Econ Policy Law. 2010 Oct;5(4):481–508.
7. Henderson J, Willis E, Xiao L, Blackman I. Missed care in residential aged care in Australia: An exploratory study. Collegian [Internet]. [cited 2016 Dec 1]; Available from: http://www.sciencedirect.com/science/article/pii/S1322769616300786

Attachment B

National Rural Health Alliance - Member Body Organisations
Australasian College for Emergency Medicine (Rural, Regional and Remote Committee)
Australasian College of Health Service Management (rural members)
Australian College of Midwives (Rural and Remote Advisory Committee)
Australian College of Nursing - Rural Nursing and Midwifery Community of Interest
Australian College of Rural and Remote Medicine
Australian General Practice Network
Australian Healthcare and Hospitals Association
Allied Health Professions Australia Rural and Remote
Australian Indigenous Doctors' Association
Australian Nursing and Midwifery Federation (rural nursing and midwifery members)
Australian Physiotherapy Association (Rural Members Network)
Australian Paediatric Society
Australian Psychological Society (Rural and Remote Psychology Interest Group)
Australian Rural Health Education Network
Council of Ambulance Authorities (Rural and Remote Group)
Congress of Aboriginal and Torres Strait Islander Nurses and Midwives
CRANAplus
Country Women's Association of Australia
Exercise and Sports Science Australia (Rural and Remote Interest Group)
Federation of Rural Australian Medical Educators
Health Consumers of Rural and Remote Australia
Indigenous Allied Health Australia
Isolated Children's Parents' Association
National Aboriginal Community Controlled Health Organisation
National Aboriginal and Torres Strait Islander Health Worker Association
National Rural Health Student Network
Paramedics Australasia (Rural and Remote Special Interest Group)
Rural Special Interest Group of Pharmaceutical Society of Australia
RACGP Rural: The Royal Australian College of General Practitioners
Rural Doctors Association of Australia
Rural Dentists' Network of the Australian Dental Association
Royal Far West
Royal Flying Doctor Service
Rural Health Workforce Australia
Rural and Indigenous Health-interest Group of the Chiropractors' Association of Australia
Rural Optometry Group of Optometry Australia
Rural Pharmacists Australia
Services for Australian Rural and Remote Allied Health
Speech Pathology Australia (Rural and Remote Member Community)