

A RURAL PERSPECTIVE ON LIVING LONGER, LIVING BETTER



...good health and wellbeing in rural and remote Australia

The complexities of the aged care system make it hard for older people everywhere to get the support and services they need. This is particularly the case for people in rural and remote communities where the need is high and service providers are more sparse.



The *Living Longer, Living Better* 10 year plan, introduced with bipartisan support in 2013, extends the support and care options for older people wanting to stay in their own home, and makes residential care more accessible and affordable. The Aged Care Financing Authority has been asked to specifically monitor the impact of the reforms on aged care providers in rural and remote areas.

Need for aged care in rural and remote communities

The ageing of Australia's population is more marked in rural areas. Australian Bureau of Statistics (ABS) data for 2011 show that 40 per cent of all Australians in the 70 to 74 year age group live outside Australia's capital cities compared with only 25 per cent of people aged 25-29.

Reports from the Australian Institute of Health and Welfare (AIHW) show that on average, older people in rural areas have lower incomes, experience greater levels of disability, reside in poorer quality housing, and have lower levels of completed education, all of which are associated with worse health outcomes and higher per capita need for aged care support.

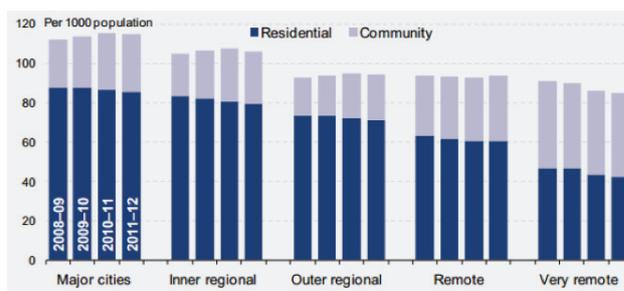
Adding to the complexity of aged care in rural and remote areas is the higher proportion of Aboriginal and Torres Strait Islander people. These people generally require aged care services at a younger age, consistent with their poorer health status and lower average life expectancy.

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Provision of aged care services outside the major cities

People in rural and remote areas are more likely to use community-based care than residential aged care. This may relate to the challenges of providing residential aged care outside cities or to higher levels of social capital, volunteering and informal support from neighbours, friends and the community in rural areas.

Rates of aged care services outside the major cities



Source:ABS

Despite the higher need for aged care, overall use of aged care places (community-based and residential places combined) is much lower outside Major cities.

Help at home (previously 'community services')

Most older people prefer to stay at home as long as possible. Under *Living Longer, Living Better* the Australian Government offers a range of services to provide help at home including domestic assistance, personal care, meals, transport, social support activities and nursing care. These services are delivered in two ways: through the Home and Community Care (HACC) program and through Home Care Packages. Over the next five years, the total number of Home

Care Packages will increase from around 60,000 (in 2012) to around 100,000 (by 2016-17).

The Government pays for the bulk of aged care in Australia, but people on higher incomes may be asked to pay additional fees (limited to 50 per cent of any income above the basic rate of single pension). Nobody will be denied care because they cannot afford it. The home care provider must inform all consumers of its fees policy.

Residential care

People living outside Major cities often wait considerably longer to enter residential high care after being approved by an Aged Care Assessment Team (ACAT). In 2011-12, in Major cities, 52 per cent of people entered high residential care within one month of being ACAT approved, compared to 26 per cent in Very remote areas. The rate of hospital patient days used by those waiting for residential aged care increases with remoteness, with the rate in Remote areas (72.2 per 1000) being almost ten times the rate in Major cities (7.4 per 1000) in 2010-11.

The *Living Longer, Living Better* reforms seek to increase the capital available to aged care providers to meet the higher cost of establishing, extending and refurbishing residential aged care facilities. From 1 July 2014, all residents with the means to pay will have the choice of contributing to their accommodation costs through a fully refundable lump sum bond, a rental style periodic payment, or a combination of both. The low and high-care distinctions that previously exempted people entering at high care level from paying a bond will no longer apply.

Residents will not need to decide how they will pay until they have entered care, and a maximum lifetime cap will be set. The family home remains exempt if occupied by a spouse or other protected person. Providers will not be allowed to choose between people on the basis of how they intend to pay for their accommodation, and will need approval for the level of accommodation payments they charge.

Bonds act as interest free loans to aged care providers, providing an income stream which must be used for capital infrastructure and improving the quality and range of services. However, given that property values are generally lower in regional areas the accommodation deposit that rural residents will pay will likely be lower and there will be more part-bond payers and full pensioners not required to pay a bond.

Rural aged care providers also face higher costs of goods and services. The Viability Supplement continues for eligible providers of residential and home care packages to offset the higher operating costs (including wages, fuel and training) associated with providing care in rural and remote locations. The Viability Supplement also covers providers that care for specific groups of highly vulnerable older Australians, including Aboriginal and Torres

Strait Islander people, and older people who are homeless or at risk of homelessness. Details of the new rates of payment can be found at www.health.gov.au/internet/main/publishing.nsf/Content/ageing-rural-viability-supplement.htm

Staffing is more difficult and expensive in rural areas due to recruitment challenges and the need for higher staff remuneration, travel and accommodation costs and other costs associated with temporary workers. In some areas aged care has to compete for staff with the mining sector. An Aged Care Workforce Supplement is available to providers who commit to providing wage increases over the next four years; enhance training and education opportunities; and improve career structures, career development and workforce planning. Aged care providers who operate establishments of 50 beds or more must have a new or amended enterprise agreement to be eligible. In regional Australia there are 1225 Residential Aged Care providers, 1124 of which have 60 beds or less.

My Aged Care – help with navigating the aged care system

The Aged Care Gateway has information for older people and their carers about finding aged care services including what help you can get at home; aged care homes; eligibility and how assessments work; and an explanation of costs. Visit www.myagedcare.gov.au or call the My Aged Care phone line (1800 200 422) – it operates from 8am to 8pm Monday to Friday and from 10am to 2pm on Saturdays.



Multi-Purpose Services

While the specific aged care services currently available might change depending on local community needs, there is a growing range of services that link different providers (for example, hospitals, community services, family support and aged care) in rural and regional areas. The *Living Longer, Living Better* legislation puts beyond doubt that flexible care subsidy may be paid to the approved provider of a Multi-Purpose Service (MPS) based on the number of allocated places, rather than the actual number of care recipients on a particular day. This clarification is critical to ensuring a consistent level of funding.

More information about the reforms legislated in 2013 is available at www.livinglongerlivingbetter.gov.au

For information about how it is all rolling out and what is available right now, go to www.myagedcare.gov.au