AGED CARE PROGRAM REDESIGN: SERVICES FOR THE FUTURE

Submission to the Royal Commission into Aged Care Quality and Safety

21 January 2020

australian healthcare & hospitals association

the voice of public healthcare

OUR VISION

A healthy Australia, supported by the best possible healthcare system.

OUR MISSION

To conduct research, educate and influence the healthcare system to achieve better health outcomes, improved patient and provider experience, greater equity and sustainability.

OUR GUIDING PRINCIPLES

Healthcare in Australia should be:

Effective

Accessible

Equitable

Sustainable

Outcomes-focused.

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INTRODUCTION

The Australian Healthcare and Hospitals Association (AHHA) is pleased to provide this submission to the Royal Commission into Aged Care Quality and Safety *Aged Care Program Redesign: Services for the Future*.

WHO WE ARE

AHHA is Australia's national peak body for public hospitals and healthcare providers. Our membership includes state and territory health departments, Local Hospital Networks and public hospitals, community health services, Primary Health Networks and primary healthcare providers, aged care providers, universities, individual health professionals and academics. As such, we are uniquely placed to be an independent, national voice for universal high-quality healthcare to benefit the whole community.

SCOPE OF REVIEW

This submission is provided in response to the Royal Commission into Aged Care Quality and Safety Consultation paper 1: *Aged Care Program Redesign: Services for the Future.*[1]

It builds on previous submissions from AHHA to the Royal Commission into Aged Care Quality and Safety, which can be accessed at www.ahha.asn.au/publication/submissions.

[1] Royal Commission into Aged Care Quality and Safety 2019, Consultation paper 1 – Aged Care Program Redesign: Services for the Future, viewed 18/12/2020, https://agedcare.royalcommission.gov.au/publications/Documents/consultation-paper-1.pdf

DESIGN QUESTIONS

1. PRINCIPLES FOR A NEW SYSTEM

AHHA supports the principles identified in the paper for the design of the aged care system. However, there are some notable omissions:

- **Outcomes-focused accountability**. As explored by Sturmberg and Gainsford[2], a change in thinking about governance of aged care facilities is required, demanding a different organisational structure of facilities and leadership culture.
  'The government's governance and accountability statements and guidelines are vague in terms of resident outcomes, while strongly indicating expected processes to be designed and followed.'
  'False accountability arises when one applies rule-based processes to situations that are complex and in constant flux – those situations require adaptive responses and measures that corroborate their achievement.'
  Process-focused accountability is driven by defensibility, while outcomes-focused accountability is driven by avoiding adverse events and achieving desired outcomes. AHHA supports the conclusion of the authors that a greater emphasis on outcome transparency and less on process measurement is needed, reinforcing a resident-focused outcome shift. This should be a core principle of the aged care system.
- **Active respect for and an inclusive view of diversity.** While the principles include delivering care according to individual need, an explicit reference to diversity is considered important. The design of the aged care system should be respectful, culturally safe and inclusive to meet the diverse needs of older Australians.

[2] Sturmburg, J and Gainsford, L 2019, 'False accountability' – the harmful consequences of bureaucratic rigour for aged care residents, AJGP, vol. 48, no. 11, pp. 803-808, viewed 10/1/2020, https://www1.racgp.org.au/ajgp/2019/november/harmful-consequences-of-bureaucratic-rigour-for-ag.

2. REDESIGN OF THE AGED CARE SYSTEM

- In what ways could the aged care system be made easier to access and navigate?
- What information, services or structures are needed to support older people to make informed choices about aged care, and to have appropriate control over the services they receive?

To make the aged care system easier to access and navigate, and to support older people, their carers and family to make informed choices about aged care, AHHA recommends in its redesign that the structure:

- embeds a person-centred pathway. It must reflect that the needs of people who use or intend to use aged care services will change over time, and that programs and services will need to be responsive to those needs. With a seamless, coordinated pathway, users will be better able to identify where services can be upscaled or downscaled based on need.
- promotes the consumer's right to exercise choice and greater control, ensuring assisted and supported decision-making throughout the system, including for those experiencing severe or profound impairment. There must be pathways to support consumers to access and receive care regardless of any determination of capacity to exercise choice.
- must be a combined Commonwealth and state/territory approach. Services and programs provided through community aged care, residential aged care, hospital care and primary care must reflect a seamless, coordinated offering around the person, their carers and family.
- should be communicated to older people, their carers and family in a manner that enables them to see their place within the broader system, and to understand the programs and services that may be available to them as their needs change. It should support a more holistic and continuous understanding of the aged care system that can develop over time as their involvement with the system increases.
- requires consistent language across both the system and different jurisdictions. This must be developed in collaboration with people who use aged care services, as well as aged care services and providers. Language should be easy to understand, including for those where English is a second language, so that consumers, their families and carers can easily recognise and navigate programs and services. As an example, in the model proposed in the consultation paper (page 7, Figure 1), while 'Entry-level support stream' is likely to be easily understood by those intending to use the system, how it is different from the 'Care and health stream' may not be clear, and the term 'Investment stream' is likely to be misunderstood by many. Similarly, the terms 'Help at home' and 'Personal care' may not clearly distinguish the different services included in the groupings for those using, or intending to use, the system.
- must have meaningful measures and feedback mechanisms embedded in the system to enable timely and continuous quality improvement by all involved.

3. INFORMATION, ASSESSMENT AND SYSTEM NAVIGATION

- What is the best model for delivery of the services at the entry point to the aged care system—considering the importance of the first contact that older people have with the system? This includes looking at services provided by phone and website as well as face-to-face services.
- How could face-to-face services most benefit those older people at the entry point to aged care (or when changing programs)? What should those services include? Who should they be directed to? Where should they be located and who should provide them?
- What model of system navigation is most appropriate for aged care? How would that model change as older people's care needs increase or if they move into permanent residential aged care?
- How could the role of a system navigator relate to that of a care coordinator or case manager? What are the benefits of these functions being performed by the same person independent of the service provider? Would there be any drawbacks to that model?

ENTRY POINT

AHHA agrees with the proposal in the consultation paper that there should be primarily face-to-face support for those entering the aged care system, supported by a website and contact centre, for older people and their families to access meaningful information about quality and cost.

An entry point to the aged care system where contact is only by phone or internet, as introduced in 2013-14, is not fit-for-purpose:

- for a population cohort that may not have computer access or be sufficiently computer-literate;
- for a population cohort that has increased likelihood of hearing, vision and cognitive impairment, and there is no or variable family support for supporting access via phone or internet; nor
- for a system design as complex as the current aged care system.

Over time, as the more computer-literate generations become the population cohort requiring aged care services, reliance on face-to-face support may lessen. The entry point should be re-evaluated to ensure the support continues to be the most appropriate and cost-effective approach to meet the needs of a changing population that requires aged care services.

INFORMATION

AHHA agrees with the proposal in the consultation paper that there should be a search function to help people compare and select providers available. A model similar to the Australian Government Department of Education and Training *Child Care Finder* should be explored, which provides information on progress against quality standards and additional information on what each of the quality standards mean.

All website content should conform to Web Content Accessibility Guidelines (WCAG) 2.1[3] to support accessibility.

ASSESSMENT

In relation to the program design of the assessment process, AHHA agrees with most of the key issues and feedback provided to the Australian Government Department of Health consultation in early 2019 on a *Streamlined Consumer Assessment for Aged Care* (as summarised).[4] AHHA agrees with the proposal in the current consultation paper for a tiered assessment process – basic screening to quickly enable entry-level support in a person's own home, with a comprehensive multidisciplinary assessment for those with greater needs – but it needs to be a streamlined and integrated process.

However, in terms of contestability for assessment services, AHHA does not believe a competitive model is suitable for aged care assessment functions that need to focus on quality, consistency and equity of access, as raised in feedback by some stakeholders to the 2019 consultation. AHHA holds great concerns about the Australian Government's recent announcement of a competitive tender process for Aged Care Assessment Teams, which is in direct conflict with the findings and recommendations expressed in the *Interim Report of the Royal Commission into Aged Care Quality and Safety.*[5] Clear concerns have been reported in past reviews about the adequacy of the market in ensuring the safety and wellbeing of highly vulnerable Australians. The design of the aged care system, including the business models under which aged care is provided, was recognised in the Royal Commission as complex, with these issues to be specifically explored in the final report. The Royal Commission must be able to finish its investigations and recommendations before such significant changes are made by the Australian Government.

Further, conflict of interest occurs when organisations determine need, assess eligibility for services and provide services. Such arrangements should not be in place either for community or residential aged care services.

SUPPORTING RESOURCES

AHHA acknowledges the Aged Care Navigator trial[6] currently underway to test a broad range of services, activities and measures that support people to learn more about Government supported aged care programs and how to access them. Due to be completed by 30 June 2020, an independent evaluation of the trial should be conducted, with findings used to inform future investment. As with assessment services, conflict of interest occurs when organisations provide both navigation support and funded services, and such arrangements should not be in place.

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3 Web Content Accessibility Guidelines (WCAG), viewed 21/1/2020, https://www.w3.org/WAI/standards-guidelines/wcag/

4 Streamlined Consumer Assessment for Aged Care. Summary report – Key insights from consultation. At: https://agedcare.health.gov.au/sites/default/files/documents/06_2019/final_external_summary_report_-_streamlined_assessment_consultation_-_april_2019.pdf.

5 Royal Commission into Aged Care Quality and Safety. Interim report: Neglect. At: https://agedcare.royalcommission.gov.au/publications/Documents/interim-report/interim-report-volume-1.pdf.

6 Aged Care Navigators, viewed 21/1/2020, https://www.cota.org.au/information/aged-care-navigators/

My Health Record has potential to support information sharing, assessment and care provision in the aged care setting. Uptake and utilisation must continue to be promoted and monitored for all aged care and health service providers.

4. ENTRY-LEVEL SUPPORT STREAM

PEOPLE MAINTAIN THEIR HOMES AND GARDENS, DO LAUNDRY, COOK MEALS, GET THEMSELVES TO APPOINTMENTS AND ATTEND SOCIAL ENGAGEMENTS ACROSS THEIR WHOLE ADULT LIVES—SOME PEOPLE MAY CHOOSE TO PAY OTHERS TO DO THESE THINGS—BUT MOSTLY THEY HANDLE THEM WITH LITTLE ASSISTANCE. AS PEOPLE AGE AND NEED SUPPORT WITH EVERYDAY LIVING ACTIVITIES, HOW SHOULD GOVERNMENT SUPPORT PEOPLE TO MEET THESE DOMESTIC AND SOCIAL NEEDS?

- Should these supports be made available to everyone (or just those that cannot purchase assistance)?
- What are the most important early supports for people in their homes and communities? What evidence is available on how these supports prevent or delay a move to permanent residential aged care (or support older people's wellbeing, health and functioning)?
- Are there some supports that need increased funding? Are there new or innovative approaches that should be recommended for inclusion in this stream?
- What are the advantages and disadvantages of block funding, providing cash or a 'debit' card with a fixed annual budget to eligible people or a mixed funding model (combining block funding with other approaches) for this stream?

As identified by the *Royal Commission into Aged Care Quality and Safety,*[7] the promotion of good health earlier in life will be essential in preventing or reducing dependency in later years.

AHHA agrees with the proposal in the consultation paper for an 'Entry level support stream', based on a simple screening process, to support older people with everyday living activities that they can no longer do for themselves. While some level of means testing could be supported, this needs to holistically consider the costs and benefits of supporting someone to stay at home versus supporting someone living in residential care. More generous entry level support may reduce the need for, or extend the time before a person requires residential care, easing pressure on the more costly residential aged care system.

However, the early supports for people in their homes and communities must consider enablers and barriers in sectors beyond the aged care sector.

As the Royal Commission has identified, carers are critical to the sustainability of the aged care system, providing support and services, including to meet domestic and social needs, that may otherwise be funded by the taxpayer.[8] While the Royal Commission background paper explores the needs of carers and formal support services to provide care at home, social determinants for enabling such care, such as appropriate housing and local infrastructure, is a notable omission.

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7 Background paper 2 - Medium- and long-term pressures on the system: the changing demographics and dynamics of aged care, May 2019, https://agedcare.royalcommission.gov.au/publications/Documents/background-paper-2.pdf

8 Background paper 6 - Carers of older Australians, July 2019, https://agedcare.royalcommission.gov.au/publications/Documents/background-paper-6.pdf

Evidence has been reported that older people have better well-being when given opportunities for self-determination and independence.[9] Access to home modification services is included in the proposed model for the aged care system and is supported by AHHA. The work under the Accessible Housing project[10] to consider options for a minimum accessibility standard is also acknowledged. However, much broader cross-sector consideration is needed to explicitly support the development of home environments that enable and support the preferences of older people to stay at home.

State and Territory government housing regulation and policy, including zoning and development controls, can have a significant impact on the ability of families and carers to adapt and share their home environment while maintaining an older person's self-determination and independence. For example, families may be limited in converting or building areas within a house in a manner that supports an older parent's self-determination and independence, due to restrictions to having areas that may be defined as a self-contained residence. Restrictions on the development of ancillary dwellings (e.g. 'granny flats') can also limit the acceptability of these as housing solutions for those families wishing to respectfully support the needs of older parents.

AHHA recommends that governments extend consideration of providing entry-level support to include other sectors, such as housing and planning authorities, requiring them to proactively enable older people and carers to be supported in their home when shaping communities.

[9] Hampson, R 2018, Australia's residential aged care facilities are getting bigger and less home-like, viewed 21/1/2020, https://theconversation.com/australias-residential-aged-care-facilities-are-getting-bigger-and-less-home-like-103521

[10] Accessible Housing, viewed 21/1/2020, https://www.abcb.gov.au/Initiatives/All/Accessible-Housing

5. INVESTMENT STREAM

THE BENEFITS FROM REGULAR AND PLANNED RESPITE, REABLEMENT AND RESTORATIVE CARE ARE WELL DOCUMENTED, BUT THE SERVICES ARE IN SHORT SUPPLY. WHAT INCENTIVES, INCLUDING ADDITIONAL FUNDING, COULD BE INTRODUCED TO ENCOURAGE PROVIDERS TO OFFER GREATER AND MORE FLEXIBLE OPTIONS, INCLUDING MAJOR HOME MODIFICATIONS AND ASSISTIVE TECHNOLOGIES, WHICH MEET THE NEEDS OF THE OLDER PERSON, CARER AND CARING RELATIONSHIP?

- How could existing restorative and respite care, as well as home modifications and assistive technologies, be reoriented so that they are proactive and preventative?
- What are the most important aged care interventions for people experiencing a crisis or sudden change in their circumstances? What evidence is available on how these interventions prevent or delay a move to higher level packaged care or permanent residential aged care (or support older peoples' wellbeing, health and functioning)?
- Are there specific interventions that need increased funding? Are there new or innovative approaches that should be recommended for inclusion in this stream?

As noted earlier in this submission, language used in the program redesign needs to be easy to understand, so that consumers, their families and carers, and those interfacing with the system can easily recognise and navigate programs and services. The term 'Investment stream' is an example of language that is likely to be misunderstood. Language for promoting and explaining the system should be developed with users of the system.

AHHA agrees with the proposal for more flexible respite options, including in-home and with more regular opportunities for access. While different options are funded by Commonwealth, state and territory governments, older people, their families and carers should perceive a seamless range of respite services that can be accessed to meet individual needs, as identified through the streamlined and integrated assessment process.

The needs of populations at a local level for respite, reablement and restorative services should be monitored jointly to inform Commonwealth, state and territory governments' funding decisions. Consistent with the Heads of Agreement between Commonwealth and the States and Territories[11] to develop system-wide reforms for joint planning and funding at a local level, local collaborative decision-making structures involving Primary Health Networks and Local Hospital Networks (or equivalent) could be developed to leverage existing infrastructure, relationships and processes. These collaborative structures could also oversee implementation and evaluation of new or innovative approaches, according to a common framework, with the sharing of findings facilitated by the Commonwealth.

[11] Council of Australian Governments, Heads of Agreement between Commonwealth and the States and Territories on public hospital and health reform, viewed 15/1/2020, https://www.coag.gov.au/sites/default/files/agreements/heads-of-agreement-hospital-funding.pdf

6. CARE STREAM

AS PEOPLE'S NEEDS INCREASE AND GO BEYOND WHAT CAN BE MANAGED WITH ENTRY-LEVEL SUPPORT OR WITH THEIR CARER, THEY MAY NEED CARE SERVICES— PERSONAL CARE, AS WELL AS NURSING AND ALLIED HEALTH. WHAT ARE THE ADVANTAGES AND DISADVANTAGES OF DEVELOPING A CARE STREAM, INDEPENDENT OF SETTING?

- How could existing provision of personal care, as well as nursing and allied health, be reoriented so that they are focused on individual needs, and not on whether the older person is at home or in a residential facility?
- Is the concept of 'reasonable and necessary' as used in the National Disability Insurance Scheme applicable to the level of support that could be funded under this stream?
- What should be the eligibility or threshold for accessing this stream?
- What are the advantages and disadvantages of block funding, providing cash or a 'debit' card with a fixed annual budget to older people or a mixed model (combining block funding with other approaches) for this stream?

AHHA agrees with the proposal that care services be available across the entire support and care continuum to those who need them.

As noted earlier in the submission under 'Information, assessment and system navigation', an individual's need must be determined by independent multi-disciplinary assessment teams. Both eligibility and classification of care should be defined through the development of a care plan, not by the service provider who has a potential conflict of interest. The concept of 'reasonable and necessary', similar to that used in the National Disability Insurance Scheme (NDIS), could be applied in determining what should be funded. Principles to determine the responsibilities of aged care and other service streams must be defined by the Council of Australian Governments (COAG), as it has been for the NDIS[12].

As noted for the 'Investment stream', the needs of populations at a local level for care services should be monitored jointly to inform Commonwealth, state and territory governments' funding decisions. Consistent with the Heads of Agreement between Commonwealth and the States and Territories[13] to develop system-wide reforms for joint planning and funding at a local level, local collaborative decision-making structures involving Primary Health Networks and Local Hospital Networks (or equivalent) could be developed to leverage existing infrastructure, relationships and processes.

[12] COAG 2015, Principles to determine the responsibilities of the NDIS and other service streams, viewed 15/1/2020, https://www.coag.gov.au/sites/default/files/communique/NDIS-Principles-to-Determine-Responsibilities-NDIS-and-Other-Service.pdf

[13] COAG 2018, Heads of Agreement between Commonwealth and the States and Territories on public hospital and health reform, viewed 15/1/2020, https://www.coag.gov.au/sites/default/files/agreements/heads-of-agreement-hospital-funding.pdf

7. SPECIALIST AND IN REACH SERVICES.

HOW COULD THE AGED CARE AND HEALTH SYSTEMS WORK TOGETHER TO DELIVER CARE WHICH BETTER MEETS THE COMPLEX HEALTH NEEDS OF OLDER PEOPLE, INCLUDING DEMENTIA CARE AS WELL AS PALLIATIVE AND END OF LIFE CARE? WHAT ARE THE BEST MODELS FOR THESE FORMS OF CARE?

- What would be required to support in reach of multidisciplinary health teams from the health system in the care of older people with high needs? What other services could be used (24/7 on-call services, embedded escalation to specialists, access to relevant ageing specialists, telehealth or other technological advances)?

- What is needed to ensure greater uptake of in reach health services (such as specialist palliative care) and aged care specific services (such as Severe Behaviour Response Teams and Dementia Behaviour Management Advisory Services)?

Note: 'Specialist and in-reach services' are not captured in the figure on page 7 of the consultation paper and should be.

AHHA recognises that reforming payment models in relation to the care and support needed in aged care should form part of a modern and responsive health system that is affordable, universally equitable and best practice. AHHA acknowledges the concurrent review of the MBS, which will impact on the extent to which the MBS delivers specialist and in service care, to those in aged care, Better access to responsive, appropriate, high-quality and safe primary care and general practice services is needed for many people receiving aged care services. Those needing care in the aged care setting should be able to access and receive the quality of care available to other Australians, including primary, allied and specialist health services. Existing frameworks, for example, state and national mental health and suicide prevention plans, should be expanded to include strategies for older adults and those living in residential care settings.

As submitted by AHHA in response to the various consultations on behalf of the MBS Review Taskforce[14]:

- Current fee-for-service models limit innovative modalities of care provision, restricting the use of flexible and potentially more efficient methods of providing primary care services, e.g. follow up telephone conversations or video consultations, services from nurse practitioners and other workforce groups. While it is recognised that the MBS Review Taskforce has provided recommendations for reforms in this area—to date these recommendations have been limited to care provided by GPs and nurse practitioners. Outcomes-focused,

[14] Medicare Benefits Schedule Review Taskforce 2018, General Practice and Primary Care Clinical Committee Phase 2 Report, https://www1.health.gov.au/internet/main/publishing.nsf/Content/mbs-review-2018-taskforce-reports-cp/$File/General-Practice-and-Primary-Care-Clinical-Committee-Phase-2-Report.pdf

value-based approaches should be pursued, with consideration of bundled payments as explored in the AHHA paper[15] on bundled payments in Australian primary health care.

- Changes to MBS items provided by primary healthcare providers to allow flexible access, including through non-face-to-face consultations (e.g. telephone, email, video consultations, etc.), are needed to improve access and responsiveness.

Further, while there is little detail publicly available, AHHA supports in principle the new scheme[16] to support people over 70 with chronic disease through flexible care models that include non face-to-face consultations with the patient's general practice. AHHA recommends that such flexible care models be extended to those in aged care.

As noted earlier in this submission, local collaborative decision-making structures involving PHNs and LHNs (or equivalent) could be developed to leverage existing infrastructure, relationships and processes to support joint place-based planning and funding at a local level. These collaborative structures could also oversee implementation and evaluation of new or innovative approaches, according to a common framework and with the sharing of findings facilitated by the Commonwealth.

Examples of joint innovative place-based models currently being implemented and evaluated include:

- The Care coordination through Emergency Department, Residential aged care and primary health Collaboration (CEDRiC) project[17] to strengthen the capacity of the aged care sector to deliver high quality aged care, improving care for older adults in the ED and improve interaction between the residential aged care facility (RACF) staff and both primary and secondary healthcare sectors.

- The PHN Geriatric Rapid Acute Care Evaluation (GRACE) program in the ACT,[18] where a resident's assessment and treatment are undertaken in the residential setting by experienced nurses, avoiding an unsettling and unnecessary trip to the Emergency Department, with a care plan developed with the resident's GP, RACF staff and emergency health services.

- The integration of non-dispensing pharmacists into general practices or residential aged care facilities to address inappropriate use of medication in aged care, as being piloted in regions

[15] Dawda P 2015, *Bundled payments: Their role in Australian primary health* care, Australian Healthcare and Hospitals Association, Canberra, https://ahha.asn.au/sites/default/files/docs/policy-issue/bundled_payments_role_in_australian_primary_health_care_0.pdf

[16] Transcript – National Press Club, Canberra, 15 August 2019, https://www.greghunt.com.au/transcript-national-press-club-canberra/

[17] CEDRiC, http://www.cedric.org.au/

[18] GRACE Program awarded National ACHS Quality Improvement Award, 29 November 2019, https://www.calvarycare.org.au/blog/2019/11/29/grace-program-awarded-national-achs-quality-improvement-award/

including North Western Melbourne[19], South Eastern NSW[20], the ACT[21], and Country South Australia.[22]

- Palliative Care Needs Rounds[23], where nurse practitioners deliver palliative care needs rounds and case conferences within RACFs.

- The Telehealth in Residential Aged Care (TRAC) program[24] being implemented in Western NSW, delivering video consultations to residents in RACFs to improve access to health professionals including GPs, allied health and specialist care providers.

Principles to determine the responsibilities of aged care and other service streams must be defined by the Council of Australian Governments (COAG), as it has been for the NDIS.[25]

[19] Pharmacists in general practice, https://nwmphn.org.au/commisioned-activity/pharmacists-general-practice/

[20] Pharmacy in the practice, https://www.coordinare.org.au/for-health-professionals/team-based-care/pharmacy-in-the-practice/

[21] ACT PHN Pharmacist in General Practice Pilot, https://www.chnact.org.au/sites/default/files/CHN_PiPG.pdf

[22] Integrating non-dispensing pharmacists into residential aged care facilities, https://www.countrysaphn.com.au/news/notice-board/88-notice-board/352-expressions-of-interest-integrating-non-dispensing-pharmacists-into-residential-aged-care-facilities

[23] Specialist palliative care in nursing homes, https://www.pcna.org.au/PCNA/media/docs/Specialist-palliative-care-in-nursing-homes.pdf

[24] Telehealth in residential aged care improving access and keeping residents out of hospital, viewed 21/1/2020, https://ruralhealth.org.au/partyline/article/telehealth-residential-aged-care-improving-access-and-keeping-residents-out-hospital

[25] COAG 2015, Principles to determine the responsibilities of the NDIS and other service streams, viewed 15/1/2020, https://www.coag.gov.au/sites/default/files/communique/NDIS-Principles-to-Determine-Responsibilities-NDIS-and-Other-Service.pdf

8. DESIGNING FOR DIVERSITY

CARING FOR PEOPLE WITH DIVERSE NEEDS AND IN ALL PARTS OF AUSTRALIA HAS TO BE CORE BUSINESS—NOT AN AFTERTHOUGHT. HOW SHOULD THE DESIGN OF THE FUTURE AGED CARE SYSTEM TAKE INTO ACCOUNT THE NEEDS OF DIVERSE GROUPS AND IN REGIONAL AND REMOTE LOCATIONS?

- What role can the following interventions play: appropriate pricing to meet the differential costs of service provision where they exist; removing communication and other barriers; enhancing the understanding of the role of intersectionality, culturally safe care and of trauma informed care; flexible service models; and increasing accountability of the system?

- What interventions are required to meet the challenges of ensuring access to aged care in regional and remote areas? Are different funding models required? What role is there for technology in improving access? What other supports or interventions would be useful?

AHHA supports the recognition given in the consultation paper that caring for people with diverse needs having to be core business, not an afterthought, and agrees with the proposed approaches for achieving this.

MONITORING AND ACCOUNTABILITY

Outcomes for diverse groups will require ongoing monitoring and accountability mechanisms to ensure that equity is established and maintained.

Regulation and monitoring should reflect the risk associated with service provision.

FUNDING

Aged care services must be appropriately funded to reflect the costs of providing care to service users; this includes being responsive to the geographical location of service users. This will require funding to adequately reflect any additional costs of travel or costs to deliver services, particularly where people live in rural and remote locations and service providers need to travel to provide care. Currently, for example, home care packages do not reflect the additional costs associated with travelling long distances to provide care.

This will generally require some block payment, similar to the methodology used for funding smaller regional hospitals, which is based on the National Efficient Cost (NEC) framework.[26]

Another methodology to draw from is the Indigenous Australians' Health Program[27], which provides 'grant funding' for Aboriginal Community Controlled Health Organisations (ACCHOs) and Aboriginal Medical Services (AMSs) on a capitation and activity basis, with adjustments to distribute available funding.

[26] National Efficient Cost Determination, viewed 21/1/2020, https://www.ihpa.gov.au/publications/national-efficient-cost-determination-2019-20

[27] Indigenous Australians' Health Programme Primary Health Care Funding Model, viewed 21/1/2020, https://www1.health.gov.au/internet/main/publishing.nsf/Content/indigenous-australians-health-programme-funding-model

For rural and regional aged care, similar funding arrangements could be developed using an approach informed by these two funding mechanisms.

DEVELOPING A LOCAL WORKFORCE

AHHA recognises aged care workforce shortages are already severe, affecting service delivery across all parts of rural and remote Australia.[28] While funding travel of care providers to support access to services is supported, investment is needed to train and recruit staff locally in rural and remote areas, recognising this will also bring economic and employment benefits to these communities. It may also support delivery of culturally safe care.

[28] Australian Association of Gerontology 2019, Addressing aged care workforce issues in rural and remote Australia, viewed 21/1/2021, https://www.aag.asn.au/documents/item/2872

ADDITIONAL QUESTIONS

9. FINANCING AGED CARE

WHAT ARE THE STRENGTHS AND WEAKNESSES OF THE CURRENT FINANCING ARRANGEMENTS AND ANY ALTERNATIVE OPTIONS THAT EXIST TO BETTER PREPARE AUSTRALIA AND OLDER AUSTRALIANS FOR THE INCREASING COST OF AGED CARE?

To enable more precise and appropriate funding, instruments used for allocating funding, such as the Aged Care Funding Instrument (ACFI) must be evidence-based, responsive and flexible, to support the provision of appropriate and timely care. Instruments must be sensitive to changes in care needs and should incorporate monitoring of health outcomes and care quality.

To support the movement towards a value-based approach[29] to funding aged care, aged care providers must be supported financially to cooperate in introducing standardised tracking of evidence-based health outcomes and cost of care.

As noted earlier in the submission under 'Information, assessment and system navigation', a conflict of interest may occur when entities assess eligibility for services or classify care needs for funding purposes, while also being the entity providing these services. Arms-length assessment processes must be in place to ensure independence when determining eligibility and classification.

[29] A values-based approach is one that achieves high-quality, person-centred outcomes that are appropriate and achieved at a cost that is affordable and efficient.

10. QUALITY REGULATION

HOW WOULD THE COMMUNITY BE ASSURED THAT THE SERVICES PROVIDED UNDER THIS MODEL ARE DELIVERED TO A HIGH STANDARD OF QUALITY AND SAFETY?

- Is there a case for different regulatory approaches based on the nature of the service provided rather than the location in which the service is delivered?
- Should some services only be provided in particular locations with appropriate support? Do some people have a complexity of need that would influence the location in which care is delivered to ensure quality and safety?
- How could a regulator assess the quality and safety of personal and nursing care and allied health services provided in people's own homes?
- Would the allocation of funds to older people rather than providers change the need for regulation? What kinds of consumer protection would be required, and would this apply to all services, or just some?

AHHA supports a risk-based proportionate approach to regulation, the approach also noted by the Aged Care Quality and Safety Commission in its Regulation Strategy.[30] This approach calls for regulation that is not solely focused on technical compliance and enforcement, but is more purpose-driven and agile. Moving away from the inertia of tick-box compliance, it is also therefore harder work and requires sufficient resourcing.

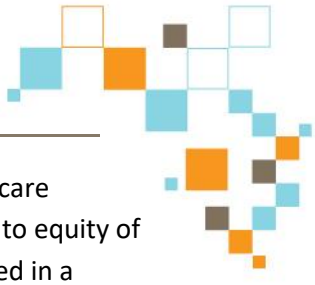
As noted earlier in this submission, outcomes-focused rather than process-focused accountability is critical in redesigning the aged care system. To do so within this regulatory approach:

- clarity is needed about the historical, current and emerging risks to quality and safety in aged care;
- timely, relevant and objective measures need to be identified that reflect the risk (in terms of likelihood and consequence of an outcome occurring). Both qualitative and quantitative data sources should be aggregated in a consistent, transparent and timely way to inform regulatory assessments;
- monitoring and reporting should be established in a way that provides a strong basis for change and improvement; and
- enforcement responses should be developed that can be consistently and transparently applied to ensure quality and safe care for users of the system.

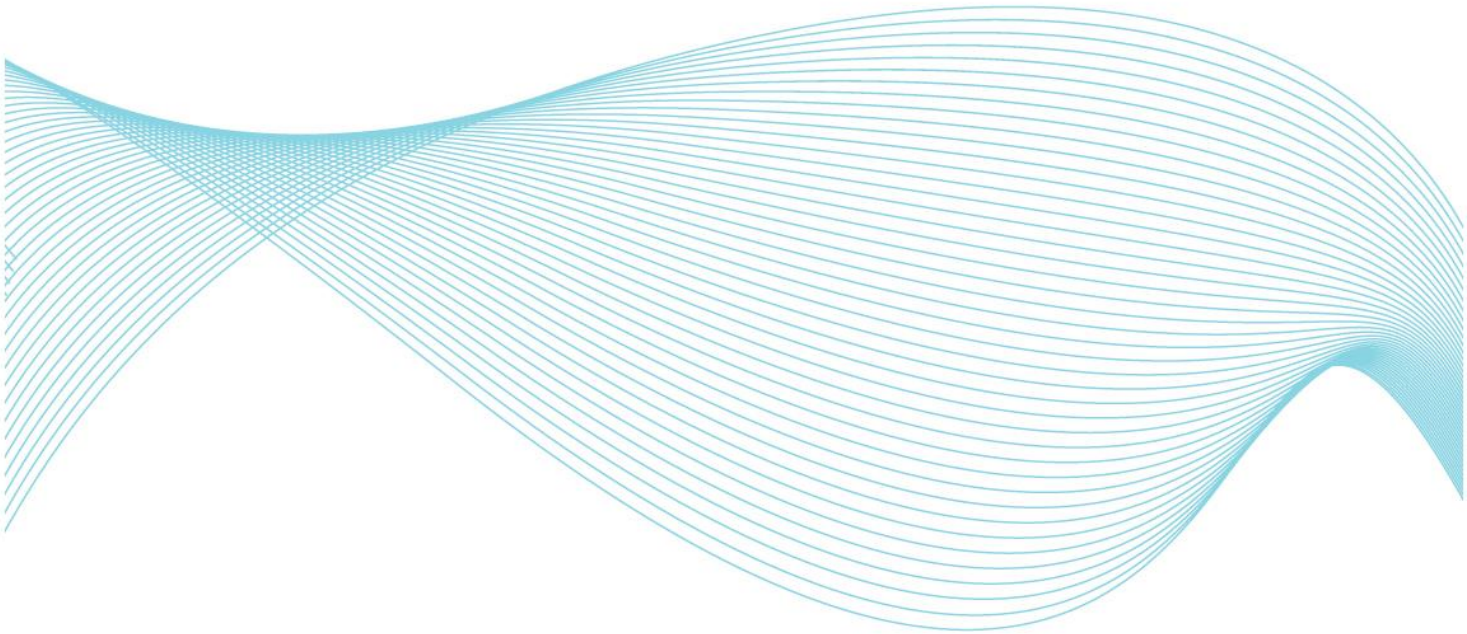
The *Royal Commission into Aged Care Quality and Safety* has identified risks from a range of perspectives, and both qualitative and quantitative data sources should be aggregated in a consistent and transparent way to inform regulatory assessments.

The allocation of funds to older people rather than providers will have little impact on the responsibility of the regulator. One reason for this is the limited capacity and/or willingness of the

[30] Aged Care Quality and Safety Commission 2020, Regulatory Strategy, viewed 15/1/2020, https://www.agedcarequality.gov.au/sites/default/files/media/regulatory_strategy_jan_1_2020_final.pdf.



sector to fully respond to consumer needs and wants, across the full spectrum of aged care requirements, across all geographic locations, and at pricing which meets goals related to equity of access and affordability. The coordination of care and services is not likely to be achieved in a competitive environment.



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