

COTA NATIONAL Policy Alert

No. 1. April 2010

**COMMONWEALTH AGED
CARE PROPOSALS**

**COTA NATIONAL'S
ASSESSMENT**



Aged Care Reform Package

The Commonwealth Government's aged care package announced on Monday 12 April has the following components.

In addition to these reforms the reference to the Productivity Commission will be finalised in negotiation with states and released at COAG on 19 April.

The Commonwealth Proposals

The Commonwealth government will take full funding and policy responsibility for all aged care services.

HACC

- Transfer of resourcing of aged care services component of the Home and Community Care program from States/territories to Commonwealth. The Commonwealth will provide an additional \$34 million for this transition.

Assessment

Improve access to information and assessment for aged care services by investing \$32 million over 4 years to:

- Establish one-stop shops across the country for information and assessment for aged care services.
- Link people to assessment services, including through the Commonwealth purchasing some more complex aged care assessment services directly from aged care assessment teams.
- Assist people to gain access to services in the place that best suits them.

Consumer focus

The Commonwealth will provide \$25 million to improve consumer focus and strengthen protections for residents of aged care:

- Development of an enhanced Aged Care Complaints Investigation Scheme, implementing some of the recommendations from the independent review of the scheme. The details will be worked through with the Ageing Consultative Committee.
- \$22 million to safeguard residents' money held in aged care accommodation bonds through strengthened prudential arrangements.

Residential Aged Care

The Commonwealth will:

- Provide a further \$300 million in Zero Real Interest Loans to provide low cost finance to support investment in aged care services in areas of need;
- Provide \$120 million in capital funding for 286 sub-acute beds or bed-equivalents in Multi-Purpose Services to better support people in rural and remote areas; and
- Work with the states and territories to commit to release more land

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for aged care and accelerate the planning approvals process so that aged care places can become operational more quickly

Health interface

The Commonwealth will:

- Provide an estimated \$280 million to the States and Territories to fund up to 2,000 places for older Australians who are stuck in hospital waiting for an aged care place.
- Invest \$96 million to increase incentives to GPs to provide more services in aged care homes.

Community Care

The Commonwealth will:

- Provide \$10 million in additional funding to improve the viability of community care providers in rural and remote areas
- Make 1200 Consumer Directed Care packages available

COTA National's Assessment

1. COMMENT ON WHAT IS IN THE PACKAGE

This package is a first instalment with the longer term reform and more comprehensive restructuring waiting on the outcomes of the forthcoming Productivity Commission Inquiry. It is dependent on the States and Territories agreeing to the Commonwealth's proposals for the National Health and Hospital Network including the proposed funding reforms.

We support **the Commonwealth assuming full responsibility for aged care** through taking over the aged care component of HACC and taking on full responsibility for assessment.

The proposed one stop shops combining information and assessment may assist many people to access the most appropriate services. However there is no detail in this package and we will be seeking discussions about their thinking. We understand relevant current programs and services will be rolled into this new program but how and with what funding implications is not clear.

It is not clear from the package what is intended for the Aged Care Assessment Program which currently has both Commonwealth and State funding, with no agreed national model or approach to the way they undertake their role. COTA has argued that there needs to be greater consistency in funding, performance standards and consumer approach of ACATS to ensure more consistent and equitable outcomes. There also needs to be a significant injection of funds into assessment to improve access.

We support the introduction of **consumer directed care packages**.

We understand the 1200 places are additional places but their level of funding and method of operation is not clear.

We support all the **measures for residential aged care**, particularly the commitment to improve the Complaints Investigation Scheme and the protection of accommodation bonds.

The extension of the Long Stay Older Patients initiative through the provision of an additional 2,000 short-term places is welcomed. It needs to be closely linked to increased supply of residential care and better funding of community care to ensure there are long term care options available for people to go to after the time limited place expires.

The provision of incentives for GPs to provide care in residential care is important as this has been identified as critical to better care. COTA wants to ensure that the principle of choice of GP is preserved in any such arrangements.

2. WHAT IS NOT IN THE PACKAGE

Aged care funding reform

There is no change to existing recurrent funding levels or their indexation; to the differential between low and high care (and extra service) in regard to capital funding); or to move toward separation of care and accommodation funding. These matters are presumably all to be addressed in the Productivity Commission report.

COTA is concerned that the industry will face major financial challenges over the next 18 months and some interim supplementation should have been put in place (e.g. a CPI indexation or another Conditional Assistance Payment)

Workforce issues

There has been no additional funding for wage parity between aged care and other health sectors for nurses and other care staff, or any other workforce initiatives. However the government says it "recognises that one of the challenges facing the aged care system is building an adequate workforce ... including boosting the number of nurses – and will have more to say on this in the near future."

COTA hopes that there will be real action in the near future, not later than the Budget.

Major improvement to community care

While the issue of patients waiting for aged care in hospital beds has been addressed, more needs to be done for older people in the community unable to get the care they need. This often results in them going prematurely into residential care (where they might never have needed to go) or in heavy burdens on families. We need to see:

- A greater range of levels of care packages that provide more support over time as required (not just two basic levels)
- Properly funded care packages – the Community Aged Care Package funding has not been increased for many years
- Packages made available to people as required – not rationed out and subject to ratios; and allocated to providers and regions creating much inequity and inefficiency

These matters should all be addressed by the Productivity Commission but there is no need to wait to take the initial steps as we already know the Commission supports these kinds of measures.