Aged Care Program Redesign: Services for the Future

UnitingCare Australia response to submissions of Senior Counsel Assisting, Mr Peter Gray QC (4 March 2020)

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About UnitingCare Australia

UnitingCare Australia is the national body for the Uniting Church's community services network and is an agency of the Assembly of the Uniting Church in Australia.

We give voice to the Uniting Church's commitment to social justice through advocacy and by strengthening community service provision.

We are the largest network of social service providers in Australia, supporting 1.4 million people every year across urban, rural and remote communities.

We focus on articulating and meeting the needs of people at all stages of life and those that are most vulnerable.

Contents

Introduction

UnitingCare Australia welcomes this latest opportunity to submit to the Royal Commission our perspectives on future aged care services programs. We believe that Mr Gray's proposals of 4 March 2020 are bringing us closer to achieving a framework for delivery of person-directed services.

In this submission we will focus first on context and intersecting issues in order to highlight what we see as some of the challenges of model design that must be considered as the Royal Commission continues its work. We will then respond to the topics raised by Mr Grey in his submissions, as well as other challenges raised by these and Mr Peter Rozen QC's submissions on workforce.

UnitingCare Australia responded at a general level to Mr Rozen's submissions on workforce as part of the aged care peak body response submitted on 12 March 2020. We did not consider we were in a position to offer constructive comment beyond the general, as we believe that recommendations relating to workforce should be considered in the context of responding to challenges arising from program design. In particular, this submission considers in some detail the challenge of achieving flexibility in the future system, and the role of the future aged care workforce in supporting this flexibility.

Context and intersecting issues

In her evidence to the Royal Commissioner last February, Ms Claerwen Little, National Director of UnitingCare Australia, identified that the aged care system fails to meet the following eight key needs and expectations of the community.

a. That as they age, people are treated with care and compassion and that their rights and dignity are respected.
b. That consumers have a meaningful choice about the aged care they will receive.
c. That the aged care system is easy for older people and their families to navigate.
d. That a person who has been assessed as requiring an aged care package is able to access that care in a reasonable time.
e. That aged care is provided by a skilled and adequate workforce, paid at levels comparable with similar positions in other sectors.
f. That visits to hospital be made only when necessary and not compromise a person's health.
g. That outcomes that improve quality of life be measured.
h. That Government and providers develop a broader range of models and systems of health delivery to prepare for a changing future.

UnitingCare Australia believes that for these needs and expectations to be met in a way that respects the diversity of older people, the Royal Commission needs to ensure that the program design they recommend is robust when applied to the needs of more vulnerable or disadvantaged

individuals. We believe that the program design must promote flexibility, and be supported by flexible regulatory, funding and workforce design principles. A simple, 'input-output' model will not achieve this, and there will need to be a degree of tolerance of 'trial and error' built into the design. Hence the importance of evidence-based outcomes measures and collection of data of the types outlined in Mr Gray's submissions.

We acknowledge that the Royal Commission will deal at a later point with the challenges that apply to providers of specialist services, for example services for people who are at risk of homelessness and care leavers, as well as providers operating in regional and remote locations and Aboriginal and Torres Strait Islander communities. We believe it is incumbent upon us, however, to highlight that **specialist providers face acute and unique workforce and service delivery challenges compared to other providers**. In addition to the need for an understanding of service delivery and employment approaches which are culturally safe for Aboriginal and Torres Strait Islander populations and/or trauma-informed for relevant cohorts, specific arrangements and training are necessary to address safety issues associated with working in some of these services.

At the same time, these services represent opportunities to develop models of care that are embedded in communities and which build on the strengths of those communities. UnitingCare Australia supports the creation of arrangements that enable flexible approaches to delivery of specialised services that respond to community needs.

Meeting this challenge – to create a flexible design while assuring special needs communities equity in safety and quality – is, we believe, fundamental to enabling the sector to create a system that gives everyone who engages with aged care services choice, accountability and continuous improvement in delivery.

Regulation

Managing regulatory burden is essential to moving the sector forward. As attention has been focused over the last few years on negative outcomes for individuals in residential aged care, the sector has increasingly experienced reactive regulation. Through a series of responses to various inquiries we have affirmed our support for a national approach to dealing with the serious and repugnant crime of elder abuse and neglect, through consistent laws and coordinated responses. This should not amount to more regulation and red tape, which in our view is counterproductive to an effective and efficient service system focussed on consumer choice. It should mean more effective regulation that targets known areas of risk, while enabling innovation within sound governance and risk-mitigation frameworks.

The regulatory regime that applies to services should ensure consistency and transparency in matters of quality, to

1. support individuals in asserting their reasonable expectations for quality-assured aged care that enhances their wellbeing and
2. enable facilities to build community confidence in the standard of care that is delivered.

UnitingCare Australia believes that the newly introduced regulatory and quality assurance system has some way to go to operate as a tool to enhance consumer experience and promote continuous improvement. Members of our network have reported a range of experiences of the new arrangements that reflect inconsistency in application of the standards, confusion and a lack of transparency in how decisions are made. The system is increasingly (and in our view overly) burdensome for providers who have demonstrated high quality outcomes over many years, and there is no link between consumer outcomes (as reported through the consumer satisfaction process) and the assessed level of regulatory non-compliance that is being reported by the new Aged Care Quality and Safety Commission (ACQSC).

Of greatest concern is that there appears to be an emerging trend of assessors substituting their own judgments for those of facility managers. Members of our network are sharing a growing list of anecdotes that suggest ACQSC staff are applying an inflexible approach to the ways in which a standard should be met.[1] This is concerning as it conflicts with the principle that 'assessment and monitoring [is] to focus on consumer outcomes and consider evidence of the consumer's experience and the systems and processes that the organisation has in place to support the provision of safe and quality care and services' [Guidance and Resources for Providers to support the Aged Care Quality Standards]. The design must recognise that providers are responsible for judging how best to meet individual consumer needs, whilst maintaining best practice care and complying with quality standards, in order to progress the shift towards consumer directed care.

We have interpreted the reference to quality and safety in the context of home care (paragraph 237 of Counsel Assisting's 4 March submissions) as fully consistent with the approach that has been supported by UnitingCare Australia and other sector stakeholders. In particular, it is critical that accredited service providers are trusted. The system should not permit entry of service providers without them establishing their credentials as competent, safe and high-quality providers. Having established fitness to operate, however, regulatory focus should be on quality improvement and maintenance of best practice.

Funding

UnitingCare Australia is very pleased to see that Mr Gray's submissions propose that government funding should fully cover the cost of service delivery to meet an individual's needs. There will doubtless be much discussion of the definition of 'needs based' in this context. Certainty of funding arrangements is essential to future investment in service infrastructure. It is therefore important to have bipartisan support for clear policies in this area, and for any reforms that increase the cost of service provision to be fully funded (based on advice from an independent pricing body).

Referring again to Ms Little's evidence, the network believes a 'viable aged care system must be fully funded—through a mix of public and private contributions—so that it can operate to provide access to quality services for all who are in need of support. That funding must be structured to

[1] One example is an apparent ACQSC policy position on use of agency staff to provide services. Our organisations cannot operate without some level of casual staffing. A pool of staff is needed to manage for staff absences, fluctuations in service demand etc. The ACQSC appears to be seeking a 'zero agency staff' outcome rather than assessing whether the full suite of standards are being met.

support the needs of older people into the future in which demographics, client and community expectations and client health are all changing dramatically. The sources of funding must be stable over the long term.'

There is a fundamental issue with regards to the aged care system: the objectives of the *Aged Care Act 1997* are sound however they are qualified by subsection 2-1(2):

> (2) In construing the objects, due regard must be had to:
>
> (a) the limited resources available to support services and programs under this Act; and
>
> (b) the need to consider equity and merit in accessing those resources.

Funding for aged care has eroded due to inflation over time, is subject to annual budgetary movements and reallocations (most recently amounting to significant reductions), and in the case of funding for home care packages, is calculated on a basis that bears no relation to demand or need. A 'needs based' program would allocate funding to ensure that differences in outcomes 'are not the result of differences in wealth, income, power or possessions', to paraphrase the recommendations of the Gonski report in the context of education. UnitingCare Australia supports a single aged care system that is

- based on a national, needs-based and sector-blind funding model,
- provides a level of base funding to all services/in respect of every individual, and
- additional targeted funding in respect of 'disadvantaged individuals' in order to remove inequities and minimise identified outcome gaps.

There is currently no comprehensive or evidence-based approach to ensuring 'equity and merit' in accessing public resources available to aged care programs:

- supply of all forms of subsidised service is constrained by the Commonwealth Budget;
- the current system of allocating residential aged care places to providers - the Aged Care Allocation Round (ACA) process—enables some prioritisation based on need but distribution of residential services is not closely correlated with population need (an extract from our response to a proposed alternative is at Annex 1);
- the national allocation list for home care packages is designed to assign packages according to *service* need but the budget constraint means that a significant number of 'consumers' must wait a considerable length of time to receive support – regardless of whether they have the resources to seek help privately;
- there are significant disparities in access to services due to the additional cost of providing services to residents of regional and remote areas and to other special needs groups.

In a purely market-based model there would be a group of individuals who would not receive services due to an inability or unwillingness to pay the market price. In an unconstrained demand driven model, all 'need' would be met but there would be no way for the government to control expenditure. We would therefore support a move towards demand-driven funding, but recognise that some type of arrangement is necessary to ensure that those who do have capacity to pay contribute fairly to the cost of their care. Establishing what is 'fair' and the type of arrangement (life-time or per service contributions) will require a better understanding of factors such as the

risks of perverse incentives (for example inadvertently removing the incentive to use preventive or re-enabling services) and differences in access to health services created through aged care arrangements.

We also believe that it is the Government's responsibility to ensure that markets for essential services are served by an appropriate range of providers. Throughout the lifecycle, all individuals should have access to care services and supports for daily living if they have relevant needs – there should be equity across health, disability and aged care programs. We suggest that the key challenge in this area is to deliver social equity, by ensuring that one age cohort is not privileged over another.

We note that in exploring funding and sector sustainability, close attention will need to be paid to incentives for investment in accommodation for supported or financially disadvantaged individuals. Cost of accommodation can also be a particular issue for individuals moving to less remote centres as they retire as housing costs tend to be higher and can deplete personal resources.

Workforce

Government contributions should be sufficient to ensure that every individual receives care that meets community expectations of quality, safety and compassion. This means establishment of a sustainable funding model that ensures that services have budget capacity to maintain, if not exceed, levels of staffing to provide appropriate care for consumers without compromising their long term capacity to invest in infrastructure, attract and retain high quality staff and fund best practice training and development activities.

UnitingCare Australia supports the development of a universally understood and utilised staffing indicator as part of a quality rating system, and acknowledges the potential value of adapting an existing model to reflect the Australian context, as proposed by Mr Rozen in his submissions to the Royal Commission on 21 February 2020. The development of a model specifically for Australia provides an opportunity to reflect community expectations of staffing requirements and support transparency. Development and implementation of a quality rating system will however need to be considered and planned in parallel with consideration of systems design and funding arrangements, and, just as is the case for funding arrangements, will need to be a 'real time' system that adapts to changing work practices and care models. In particular, Mr Gray's submissions suggest substantial reform in the area of accommodation provision, and increasing the options for community-based care. As discussed below there are implications for changes in this area that will flow through to quality and safety considerations, including the potential application of 'staffing' measures outside 'residential' aged care services.

It is equally important however that residential staffing indicators sit within a broader system of quality indicators. It should be possible to measure and compare outcomes on a common basis across modes of delivery, particularly as the sector develops new models of care and services are increasingly delivered in the community.

UnitingCare Australia continues to question whether regulating a minimum staffing level – in addition to the existing standards and only for residential care (which in the 4 March submissions appears to exclude 'innovative accommodation' models) – will contribute significantly to improving

individual outcomes. Regulation of a 'floor' staffing level is meaningless in terms of ensuring that providers are maintaining high standards of governance, culture and leadership, and an appropriate physical environment, combined with effective matching of staff skill sets and resident needs. The appropriate number of nursing and care staff will vary according to the resident cohort, which, particularly in specialist services, will have needs better met outside the nursing/personal carer streams and by supporting access to the person's circle of informal supports.

Having called for an industry workforce strategy over many years, the industry has been proactive in supporting the aged care workforce strategy: *A matter of care – a strategy for Australia's aged care workforce*. The Aged Care Workforce Strategy is based on a comprehensive examination of the key industry issues facing us as we prepare for an ageing population. We continue to advocate for government support to ensure the success of the Aged Care Industry Workforce Council in implementing the recommendations of the Aged Care Workforce Strategy.

UnitingCare Australia believes that a critical element that will be achieved through a strategic approach to workforce development will be a lift in skills, increased opportunities to match regional training programs to skills needs, and removal of any financial incentive to substitute between classes of staff – through a comprehensive set of outcome indicators, needs-based funding, appropriate identification of the task-skill relationship and commensurate reward for skilled direct care workers.

As noted in the Introduction, UnitingCare Australia responded to Mr Rozen's submissions on workforce as a contributor to a shared 'peak' submission. In this context, we would like to acknowledge that Mr Rozen's exploration of the education and training needs of the medical professions are very welcome. They highlight, however, the current divide between 'health' and 'aged care'. Improving both general and specialist education in geriatric medicine is vital to enabling a system in which practitioners are actively involved in assisting individuals to find solutions to their service needs.

It is also vital to bear in mind that the vast majority of older individuals are living in the community. As Australia's population ages it will be increasingly important for professional associations across all disciplines – from architecture to transport economics – to consider adaptation to social and economic change.

Response to program redesign proposals, by topic

The following contributions have been prompted by the [name of document?]. We believe that it is important to maintain a high level perspective at this stage in the process, however our Network's experience in delivery has led us to identify some practical suggestions and challenges that we believe are likely to arise in seeking to deliver against the proposals outlined.

Proposals (BY TOPIC)	**Comments**
Life planning The Australian Government in cooperation with other levels of government should fund and support education and information strategies to improve public awareness of resources to assist people to plan for ageing and potential aged care needs. These strategies should support a continuum of planning for ageing, including consideration of the limits of health care preferences for care, finances, housing and social engagement. These strategies should support greater use of the Medicare Benefits Schedule-supported annual health assessment and bring people's general practitioners to the centre of their planning for ageing and aged care.	UnitingCare Australia supports these proposals however we question whether they will impact sufficiently broadly. There is a need for complementary strategies to address the reality that many older individuals experiencing economic disadvantage do not have the privilege of 'planning ahead'. Without strong measures to address economic inequality and to recognise the unique place of first peoples in Australian culture, we will never have a society in which individuals are able to feel secure about their future wellbeing and prosperity. Equally, as long as we have a society in which gross economic inequality is considered acceptable, an approach which assumes equal resources, capacity and capability will perpetuate inequality of outcomes for young and old alike. We would therefore include, in the recommendations relating to life planning, recommendations that address the roles that a range of stakeholders – not just individuals – have in creating a society in which the need for security throughout life is met. A systematic approach to normalising planning would also include: • governments, financial institutions and community organisations planning for enhanced longevity and demographic change, and developing the tools, policies and practices necessary for individuals to be resilient throughout the lifespan; • consistency across social programs to ensure that basic needs are met at all stages in life and that those who belong to special needs groups that experience premature ageing have access to appropriate specialist services in preference to 'early entry' to aged care services.

Proposals (BY TOPIC)	Comments
Information and contact points People in need of aged care should no longer have to depend on using the My Aged Care website and/or call centre to obtain access to aged care. In addition to people using the website and call centre, the system should accommodate referral by health practitioners, social workers, local government employees and other responsible professionals. The Australian Government should fund and support design and implementation at the national level, and at the local level, of education and information strategies to improve knowledge about aged care amongst those responsible professionals with whom older Australians have frequent contact and to encourage discussion about and consideration of aged care needs.	UnitingCare Australia supports these proposals but reiterates the importance of breaking down the partitioning of services into 'aged care' and other services. The concept of a 'gateway' is important and making My Aged Care work for users who are comfortable with this concept should be a priority. The gateway design should, however, mirror the way in which individuals problem solve – it should be an open gate to solutions rather than a hurdle. People should have their needs met, regardless of their age. The focus at this point in the system should go beyond 'aged care services' to be on raising awareness of, and recognising, opportunities to promote early intervention and preventive approaches. As noted in our January submission, we believe that the most important early supports are those that provide a strategy to meet a need identified by the individual that cannot be met without expertise, assistance or advice. Framing an information strategy around 'aged care' services raises a significant risk in relation to creating a perspective that focuses on 'age specialist' strategies rather than promoting a broad but informed focus on promoting strengths, optimising health and wellbeing, and planning in the context of increasing longevity. In regional and remote communities in particular, it is important that services are integrated and designed with local population characteristics in mind. As program design evolves, consideration should be given to where in the process means testing and consumer contributions fit. The current means testing approach is complex and lack of understanding of the system means that cost potentially exerts an undue influence on an individual's decisions about service use.

Care finding and case management People seeking and receiving aged care should be offered personalised help at all stages, including face-to-face assistance as required, as well as ongoing case management. A new workforce of 'care finders' should provide this help (where the person wants or needs it) on a local basis throughout Australia. They should be trained in understanding the expression of wishes of older people (including via techniques of supported decision making). Care finders should also take into account the views and needs of informal carers. Care finders should be able to share local knowledge with people they are assisting and give advice about different care options. Care finders should be able to arrange basic supports on an immediate interim basis and arrange comprehensive assessments. Their role should be facilitative and ought not to involve responsibility for making decisions about care planning (with the exception of immediate interim basic supports). They should have an ongoing case management role, the intensity of which should be largely driven by the preferences and needs of the people to whom they are allocated.	UnitingCare Australia strongly supports the implementation of supports that assist individuals with accessing services as needed. It is important that this element is also sufficiently well funded to ensure • that services can meet demand for support • in time frames that are appropriate to meeting urgency of need. Training for care finders and case managers should ensure that all workers understand their role in identifying special needs and having the skills and tools to practice trauma-informed service provision. Peer support workers and specialist services may be important additions to this element of the program. In this context we believe it is also important to note that the point at which individuals or families come into contact with the services system, or need to step up the intensity of supports, is often a time of stress and the individual's preferences cannot always be met. There will be cases, for example, where it ceases to be safe for an individual to remain in the family home with his/her/their spouse. Specific supports and case worker services as well as access to advocacy should be available to ensure that best outcomes are achieved in complex situations and that individuals, and their circle of support, receive any necessary ongoing assistance from a trusted worker. UnitingCare Australia has no comment at this stage on the proposed institutional arrangements, beyond noting that we support models of 'joined up' service delivery in regional and remote communities, and any future arrangements for care finding should complement community-driven models of service delivery.

Informal carer support services and respite The Australian Government should fund and support information and local outreach to apprise informal carers of services available to support them in caring for older Australians, including infirm spouses and people living with dementia. The care finder network could be utilised for aspects of this work. In addition, flexible pathways for providing carers with support should be adopted including via community-based groups or 'hubs'. Comprehensive assessment for eligibility for aged care should give attention to the needs of informal carers of older Australians in their own right, leading to quarantined entitlements for informal carers to receive support services, such as counselling and training, and respite. Respite should be overhauled by a substantial increase in the scope and scale, as well as ready availability, of different kinds of respite, and an appropriate framework of incentives for providers of respite should be implemented. The Department of Social Service's Carer's Gateway should be linked to the systems by which respite is made available so that informal carers are not confronted by separate system and the task of attempting to coordinate disparate services in order to obtain help.	UnitingCare Australia supports wraparound services to ensure that individuals can, to the greatest extent, remain in the community for as long as they wish to. This would include services – such as outreach, peer support and information services – necessary to maintain the individual's circle of supports in the community. It will be a challenge in the new system to articulate the nature of services to meet the needs of carers (in particular family and friends who do not identify as 'carers') in ways that do not create arbitrary exclusions. The definition of respite should be sufficiently 'fuzzy' to ensure that there is no gap in service availability or funding due to the basis of the need. If for example there is a short term need for additional care for an individual, it should make no practical difference if that need is attributable to the individual's health or the informal carer's need. There should also be equitable access to carer supports regardless of whether the individual for whom they are caring is being supported through the health, disability or through the 'aged care' system

Assessment Assessments of eligibility for all aged care should be conducted by assessment teams organised as a network with coverage throughout Australia, and supported and funded by a single organisation. That organisation should be the same one which employs or commissioners care finders. Open channels of communication should be established and maintained between the care finders and assessment teams of each area. The assessment teams should consist of, or be able to draw upon, the full range of competencies and specialisations in aged care, and should be able to scale the team's resources flexibly to respond to the needs of the person requiring assessment. Assessment teams should be able to rely on current assessments by treating clinicians. The guidance and tools for conduct of assessments should be revised in order to: • require assessment of the needs of informal carers in their own right, and for generation from the assessment of a quarantined entitlement to carer supports and respite • emphasise the preferences of the person receiving care about their quality of life • emphasise preventative and reabling care objectives.	UnitingCare Australia reiterates our position that the definition of 'eligibility' that is adopted for the purposes of access to care will be a critical aspect of program design. As indicated previously, UnitingCare Australia considers the concept of 'entry' to the system counterproductive to achieving a consumer-directed system that promotes reablement and maximum independence of older people in the community. The program design must a. clearly articulate the principles upon which services are to be made available in a 'demand driven' environment, including through an emphasis on strengths-based planning over a deficit focused model of service b. recognise the full range of needs that impact on outcomes particularly social, psychological and spiritual needs and the importance of services for special needs groups. and c. establish a clear distinction between eligibility for services, and eligibility for funding/government subsidies. Transitioning to a system of funding such as the proposed AN-ACC could assist in developing a more nuanced approach to allocation of funding, particularly if it is possible to distinguish permanent from temporary incapacity. It will also be important to articulate the relationship between the state-funded health system and the 'aged care' and disability systems in a way that addresses the current lack of integration across systems. Individuals must have a choice of services that is equivalent regardless of whether they are considered eligible for 'health', 'disability' or 'aged care' services. Every individual has an equal right to health services. This right must be embedded in program design, with particular attention paid to areas in which older people in the current aged care system experience particular disadvantage, for example in the areas of mental health, rehabilitation and palliative care. The specific organisational arrangements to apply in relation to assessment and care finder services should be designed once full consideration has been given to arrangements that might apply in regional and remote areas, or to provision of specialist services, to ensure that local services can be nurtured while the conflicts of interest that may arise in thin markets are dealt with transparently.

Wellness, reablement and rehabilitation in aged care The Australian Government should fund and support the delivery of wellness, reablement and rehabilitation services to older Australians. The types of service may include, but not be limited to: 1. occupational therapy 2. physiotherapy 3. nursing support 4. personal care 5. nutritional interventions 6. medication reviews 7. provision of technologies to help with day-to-day activities 8. minor home modifications 9. measures for addressing loneliness The provision of such services tailored to individual needs should be explored for all older Australians, irrespective of whether they are in their home or in a residential aged care facility, and irrespective of their cognitive status or prognosis.	As already noted, UnitingCare Australia believes that a key challenge of program design is to minimise the differences in outcomes that potentially arise from different pathways to receiving services. Thus, we recommend that vulnerable individuals, particularly those without the resources to access specialist or allied health services, should be assisted via improved access to therapeutic services at the point at which intervention in wellness, reablement or rehabilitation would have maximum benefit i.e. regardless of their age. We believe that careful consideration should be given to when the cost of allied health and similar services should be incorporated into 'aged care' service funding and where there should be an individualised entitlement. For example, greater flexibility and individual choice may be supported by funding some services through medicare items (or a similar process of rebating costs for services such as psychological consultations) while others should be part of clinical care requirements and funded as part of the basic entitlement to services (such as appropriate nutritional advice and care). Although addressing the universality of health services is beyond the terms of reference of the Royal Commission, we believe that it is essential to acknowledge that the types of services that the Royal Commission recommends should be available to older Australians are not universally available. As such, a challenge is for all governments to engage to maximise the equity of access to services in a way that addresses the social determinants of health throughout life and into older age. The opportunity to be gained from this engagement is an improvement in the efficiency of the acute system through addressing avoidable admissions to hospital, and extending initiatives promoting rehabilitation-in-the-home to residential facilities as a way of creating an alternative income stream and of diversifying the range of consumers accessing residential facilities – a critical aspect of a more diverse 'accommodation' element.

Diverse needs in aged care The Australian Government should fund and support the delivery of aged care services that recognises, understands, respects and responds to the diverse needs older Australians may have. This should be irrespective of whether aged care services are received in a person's home, community or residential aged care setting. This requires a whole of system approach and diverse needs must be considered at every step	UnitingCare Australia supports an approach that recognises the increased diversity of experience reflected in an individual's identity as part of the ageing process. We support the Government's efforts to engage with Diversity through the various diversity action plans, and through the development of resources to educate and inform the workforce of best-practice approaches to embracing the needs of members of special needs groups, such as those whose lives have been shaped by experience of institutional care. UnitingCare Australia supports systemic approaches to meeting the full suite of needs of individuals for whom 'mainstream' services may be inappropriate or inaccessible. Such approaches must include services with the capacity to cater for the needs of individuals with specific psycho-social needs, housing needs, cultural safety or other personal needs. Care finder and assessment workforces must be trained to deliver services in ways that are sensitive to trauma and to understand the potential for assessment processes to trigger resistant or uncooperative behaviours.

Home support and care – additional points The current Commonwealth Home Support Programme, Home Care Packages Programme and Residential Care Programme should transition as soon as possible to a single program based on a single eligibility assessment process, where funding is demand-driven based on assessed need and does not involve rationing. Eligibility for support and care in the home should be assessed holistically through the assessment process. Basic supports that are in defined categories should be provided at the discretion of the care finder on an interim basis pending that assessment. Flexible funding arrangements having regard to local conditions should be used to ensure that the spectrum of required home support and care services are available in all areas. Care recipients should be offered assistance by their care finders to choose an appropriate provider to co-ordinate their services. Alternatively, people may choose to self-manage the home support and care they receive where there is a sufficient market in home support and care services.	UnitingCare Australia supports the idea of a simpler system in which there is continuity of services and the significance of 'home' vs 'residential care' services is broken down. A key challenge in relation to home support is maximising the extent to which individuals can personalise a package of supports, while ensuring that services are consistent with best practice around wellness and reablement. Ensuring that financial support is linked to services that are genuinely beneficial to the individual, in a holistic sense, is an existing challenge that will potentially increase in scale along with the accelerating rollout of individualised funding. UnitingCare Australia suggests that ensuring the effectiveness of consumer-directed planning services, increasing our understanding of the link between individual services and outcomes, and ensuring that outcomes are measurable and comparable are critical elements in an effective, equitable program in which innovative service offerings can evolve. It is also important that service providers are encouraged (or required if necessary) to comply with high standards of accountability for meaningful outcomes and do not have the option of providing subsidised services that are not evidence-based.

Innovative accommodation models The Australian Government should make available incentives to providers to encourage a range of innovative accommodation models driven by choice. Incentives should be particularly directed at measures enabling older people to live in home-style accommodation where possible.	UnitingCare Australia strongly supports further investigation of incentives to encourage more innovative accommodation models, as the Royal Commission investigates regulatory, funding and sustainability issues. This proposal highlights the challenge of balancing clinical capacity and 'homeliness' of the environment. The work of Professor Kathy Eagar highlights the difficulty of considering 'residential care' as a homogenous service type. While it is true that residential care is not a 'lifestyle choice', it is not true that residential care is, or should be, analogous to hospital care. We believe a critical issue is that the current system perpetuates a 'binary' care system rather than a spectrum of services, and there is no capacity within the current funding arrangements to provide hospital-standard clinical services. Residential providers therefore have limited options other than having a resident transferred, where higher levels of clinical care are required. We note here that residential facilities are often criticised for both 'avoidable' admissions and failure to transfer. There are degrees of specialisation within the residential system, however the funding model promotes larger, 'efficient' accommodation models that can become institutional. On the other hand, there may be a single residential option in smaller regional and remote communities, with limited capacity to safely cater to individuals with specific or higher-level clinical needs. UnitingCare Australia absolutely supports regulatory and funding arrangements that enable a broader spectrum of in-community and residential accommodation options, including options that are adequately funded to provide the highest levels of clinical care. Consideration will need to be given to the implications of this proposal for the regulatory framework, which must mirror a more flexible model of residential options to support different levels of acuity and/or specialisation, whilst not creating an uneven playing field, for example by failing to factor in the higher compliance and staffing costs associated with delivery of more complex or a broader range of clinical services.

Residential care – additional points As also mentioned in Part 10: the current Commonwealth Home Support Programme, Home Care Packages Programme and Residential Care Programme should transition as soon as possible to a single program based on a single eligibility assessment process, where funding is demand-driven based on assessed need and does not involve rationing. The transition should involve implementation of appropriate casemix based funding classification model for residential care: • based on independent assessment by a comprehensive assessment team, not by the service provider, and • where the levels of funding corresponding to those classifications must be linked to actual cost data ascertained by an independent pricing authority and determinations of the estimated cost of providing high quality care. Funding should include entitlements in kind or a budget to cover basic support services on the basis of assessed need, including transport and social activities. Responsibility for care co-ordination and planning should be clearly placed on the	UnitingCare Australia supports arrangements that enable individuals to remain in their community for as long as possible. We believe however care needs to be taken if the assumption that the cost of delivering care in the home is equal to (or less than) the cost of the same 'package' of services in a residential facility. As noted above, there are economies of scale associated with large facilities. The current system of funding encourages 'efficiency' rather than enabling providers to identify potential means of enabling holistic outcomes at an acceptable cost. Resolving the tension between 'efficiency' of delivery and individual choice will be complex. UnitingCare Australia's network services provide residential care to a larger than average proportion of 'supported' residents. We are acutely aware of the risks of creating a 'two-tier' system if there are cost differences between choices. Individuals who are financially disadvantaged are more likely to enter residential care prematurely if funding for care in the community is not genuinely 'equivalised', in the sense that it is adequate to ensure individuals in the community have the same 'spending power'. It is critical that every individual has the same degree of choice and access to safe and high quality of care, regardless of their personal resources. UnitingCare Australia believes, based on our reading of Mr Rozen's submissions on workforce, that there may be some misapprehension that the sector's calls for adequate funding relate primarily to staffing needs. We strongly support, in order to drive a thorough analysis of the business sustainability question, a. a clear articulation and interrogation of expectations in relation to the 'services' to be provided in residential care b. a much deeper analysis of the costs that contribute to service expenditure, and c. consideration of arrangements that will enable not for profit businesses to generate sufficient cash flow for future investment in residential aged care and accommodation services. We also request that the Royal Commission investigate further the potential role for an independent pricing authority. The Australian Government currently assumes a range of roles including auditor, standard setter, and funder. The Government has an unfettered power to increase obligations on service providers, with no requirement to ensure that funding is commensurate. This places providers in the invidious position of having to manage expanded obligations and expectations without any way of seeking funding increases to meet the cost of compliance.

residential care provider, subject to ongoing consultation with the older person (including family and any authorised representative, and if the recipient chooses, the care finder) about their care and, where safe and practicable, adherence to the person's choices about their care. Interventions that are independently assessed as necessary to sustain functioning, and to restore functioning and reable residents should receive separate funding, not deducted from residents' ongoing care budgets. Providers should have an obligation to seek reassessment upon changes in circumstances, and should have an incentive to support reablement because of the extra funding that it would attract. There should be performance based loadings in light of reablement outcomes over time. The requirement for provision of culturally and psychologically safe assessment, care planning and care delivery in light of diverse needs should be mandated in all services. Some diverse needs that could attract loadings or supplementary funding, where the needs in question reasonably require the incurring of greater costs, may still need to be identified. There may be scope in the way these loadings and	It will be critical to examine the merits of 'deregulating' aged care charges in this context, and thus consumer protection models such as that applied to private health funds may be relevant. As the Royal Commission considers these issues, and the options for 'co-contributions' or caps, we urge a thorough examination of the full range of health and support costs being borne by those accessing 'aged care' services, not just the co-contributions made to regulated services. There is no data to our knowledge that incorporates out of pocket expenditure on private services or essential care and equipment outside those currently funded under the Act (for example specialist services and individualised equipment).

supplements are granted to provide incentives specialist accreditation. Loadings for higher cost in rural, regional and remote areas should also apply, to the extent that materially higher costs are demonstrated. In cases of very thin markets, providers may receive guaranteed base funding in return for provider of last resort obligations.	
Standardised data collection and analysis The Australian Government should implement a standardised data collection program designed on the 'collect once, use many times' principle. The program must be designed to inform longitudinal evaluation at the user, provider, and system levels. The data to be included in the program should include: • service usage data in the full range of service categories relevant to aged care • a comprehensive range of health, safety and quality outcomes data, including medication data • diverse needs • quality of life metrics	Subject to the need to develop these proposals in detail, UnitingCare Australia strongly supports a nationally consistent approach to data collection and use that enables an appropriate system of outcomes measurement and quality improvement in the services designed to meet the needs of older people. We note the principle of 'collect once, use many times', which would suggest appropriate alignment between information collected for the purposes of audit/accreditation and overall program review. There should also be linkages between data sets and collection protocols, and research and development into best practice and service improvement. The primary aim of data collection in a service environment should be to improve services for individuals, and to consumers as a whole. UnitingCare Australia notes that data collection and reporting are one element of the 'costs of compliance' that need to be considered when addressing the cost of care. Recommendations regarding funding to enhance or replace data collection systems should be included in the final report alongside details of a transition and/or structural adjustment funding. In addition to data collection, the Australian Government must develop the capacity to model the impacts of reforms including • impact on access and equity i.e. if there are differential impacts according to location, service client base or if there is additional cost/compliance in respect of individual clients/provider type • impact on workforce to meet the requirements of the new arrangements

• transitions and interfaces with the health system in each jurisdiction The Australian Government should fund and support the development of the Information Communication and Technology (ICT) systems, linkages with the Pharmaceutical Benefits Scheme and Medicare Benefits Schedule information systems, and linkages with other datasets available to the Australian Institute of Health and Welfare and other government bodies, needed to achieve the above goals. The Australian Government should fund and implement a program of data collection and analytics to forecast demand for aged care services, in all the service categories relevant to aged care. The Australian Government should fund and implement a program to ensure ICT connectivity between different government bodies providing services relevant to aged care, including the Department of Veterans Affairs and the Department of Social Services.	• impact on care outcomes, including on uptake of preventive/wellness/reablement services, changes in levels of behavioural and psychological symptoms of dementia amongst this cohort, and avoided hospital admissions/reduced bed days in acute services.

Annex 1: extract from UnitingCare Australia's response to the consultation paper

'Residential aged care: Proposed alternative models for allocating places'

September 2019

The current residential aged care allocation and places management model

The key strength of current arrangements that UnitingCare Australia identifies is that it reduces some of the risk for provision to special needs groups, particularly in regional and remote areas. It is deeply concerning that, even with this degree of risk mitigation, many consumers outside urban areas have limited or no access to appropriate services.

UnitingCare Australia considers that the current arrangements do provide a degree of security against 'stranding' of assets, and that in some circumstances (where anticompetitive behaviour is not an issue) this is an appropriate measure to support investment.

The experience of services following introduction of the national queue as the allocation arrangement for Home Care Packages was of a rapid expansion in the number of providers, which considerably disrupted the operating environment for organisations. The current arrangement enables not for profit organisations to invest in areas that are commercially too risky because it reduces the risk of oversupply in markets that could not sustain multiple residential facilities. We agree with comments from the authors that ACAR does not in itself lead to provision of services catering to special needs or in regional and remote areas. The inherent flaw in the system in relation to these areas is the insufficiency of funding to enable services to cover costs of delivery. UnitingCare Australia supports deep reforms to ensure access of all individuals to appropriate care, but in terms of looking at the impacts of moving away from ACAR in isolation believes that the benefits in thin markets must be acknowledged.

While not an issue with the model per sé, we believe that there are elements of the current aged care system that impact on outcomes and which need to be considered in some way in assessing the impacts of reforms to the ACAR process. The discussion paper also makes several assumptions that we consider need to be tested, which are highlighted in the following discussion.

That there is an increasing demand for subsidised aged care services

For the impact assessment to represent a realistic picture of the future sector and the impact of alternative approaches to allocation of places, it must make realistic estimates of the demand for residential services, and the capacity of the sector to meet demand if current funding constraints are retained.

UnitingCare Australia last year commissioned Ansell Strategic to undertake a study of supply and demand for aged care services.[2] Amongst other things, this study examined patterns of availability of services to different special needs groups. The paucity of data about service usage represented a challenge to the study, however it did identify that allocations of residential places relative to the target ratio are very 'lumpy', that regions with allocations significantly lower than the target ratio were predominantly regional areas outside the mainland eastern seaboard, and that in lower socio economic areas in particular, current constraints on funding for both residential and home care packages are leading to perverse outcomes in terms of residential and hospital service usage. These findings are consistent with OECD research indicating that aged care policies need to be specifically designed to address inequalities in the experience of ageing as the impact of underinvestment in services is inequitably borne by low wealth individuals.[3]

UnitingCare Australia believes that it is important to test the extent to which the current subsidy arrangements perpetuate inefficiency in the allocation of resources to improve outcomes for older people. There is significant potential for reform to shift the balance between public and private contribution and/or increase efficiency in use of subsidised aged care services. It is therefore important in this context to consider: the effect of current subsidies; (in general terms) how subsidies might be delivered under any future model; and the sensitivity of the market to these types of reform.

The ACAR process has implicitly set an upper boundary for government expenditure on residential aged care (when combined with fixed subsidies for care and accommodation) that is inconsistent with the flexibility necessary to both meet genuine need and manage demand for services in a way that is affordable for government and consumers. While 'removing fiscal constraints on government expenditure for subsidised residential aged care' is out of scope for the impact analysis, we suggest that the impact assessment needs to explore the question of demand for services and how this demand will be met in an equitable fashion. The Tune review noted that the current planning ratios will not reflect demand for residential care and there is considerable undersupply of home care packages currently. A fundamental part of delivering an equitable aged care system is ensuring people are not disadvantaged in their living environments and their care, due to their lack of capacity to pay.

[2] Ansell Strategic, UnitingCare Australia Aged Care Data Project - Module One, December 2018 can be accessed at **https://agedcare.royalcommission.gov.au/hearings/Pages/hearings/2019/Public-hearings-11-21-February-2019.aspx** along with Ms Claerwen Little Witness Statement to the Aged Care Royal Commission and a report on market research about Attitudes to Aged Care by Newgate Australia.

[3] **https://www.oecd.org/social/C-MIN-2017-6-EN.pdf**

UnitingCare Australia recently undertook an internal survey of providers' views on prudential risk and future investment. Responses covered our largest providers therefore reflect the circumstances of providers of almost 15,000 beds, of which around 50 per cent are allocated to supported residents.

Responses to this survey indicate that

- future capacity to expand supply of places is seriously constrained by factors other than availability of places through the ACAR process—in addition to financial sustainability key risks identified by members include the cost of increased regulatory obligations and availability of workforce including both access to satisfy necessary skill sets and staffing levels
- in some areas, the ACAR process is limiting the capacity to expand services to meet demand in 'deeper' markets and therefore reducing the benefits to consumers—including low means consumers—which could be available through greater competition in those markets
- there are a significant number of facility refurbishments and/or replacements that need to be undertaken in the next five years to maintain supply/quality
- the risk environment is resulting in indefinite deferral of capital works in relation to places that have been allocated through ACAR rounds.

We appreciate that questions of the funding model or funding adequacy in respect of individual services are excluded from the scope of the impact assessment being undertaken. We strongly urge however that the assessment take into account to some extent the current fiscal position of providers, as reported by ACFA. It should do this in a way that enables the government to consider the risks and issues in an operating environment in which capital investment is being deferred and in which the willingness of existing operators to take on additional places in weaker markets (for example if another provider fails) is severely diminished due to the current increased investment and regulatory risks affecting confidence of the sector.

This proposal has its genesis in the Productivity Commission report of 2011, which is still highly relevant in terms of the overall direction of Australia's aged care policy. That report noted (chapter 17) that '[a]d hoc implementation of the reforms could stymie their efficacy and limit the overall benefits. This could increase the risk to future budgets or lead to an overall decline in the quality of care as the population ages and more Australians need care.' Presently, settings are such that the failure to fully implement foreshadowed systemic reforms will continue to undermine the quality of care for those who are dependent on government subsidised services.

That the current system reflects a needs-based allocation of resources

The current system is not needs based, it is based on a population methodology looking at the ageing population and the percentage of people who will most likely need care. The methodology does not effectively account for individual characteristics, disease trajectories and other factors impacting people's need for services. Without increased rigour in methodology, resource allocation in the system may not necessarily reflect the needs of the ageing community into the future.

The ACAR targets special needs groups to a degree—though we note that we are not able to identify any data or estimates of level of need, location of need, best practice in terms of meeting that need or active seeking of providers to meet a need where the market has failed. It is also concerning that there continues to be so little understanding of behavioural elements relevant to services for older people in general, including the elasticities of demand and supply of services. Basing the future model for allocating places on assumptions based on the current funding arrangements and constrained consumer choices represents a serious methodological flaw.

Anecdotally, we know that differences in the level of co-contribution (either between programs, or levels of program) and therefore perceived value for money influence uptake of services. This extends to underuse of services that would prevent or ameliorate chronic conditions associated with ageing.

There are also various points of 'misallocation' of resources in the system including

- a degree of inappropriate family influence in use of services (for example use of HCP funds to make improvements to the home, which benefit the children as well as the recipient), as well as health and financial 'illiteracy' that creates tension between practitioner advice about best practice, and consumer 'choice';
- Australia's relatively high (internationally) rate of use of residential care, which arguably represents an underuse of more appropriate services in the community—whether these be services within the system (home care options) or outside, for example housing services; this form of misallocation can be due to lack of diversity in services offered by the sector (for example for higher levels of care in the home) or substitution due to inadequate funding of services such as palliative care or social housing.

In addition, the current structure of the aged care system is based on assessment at a point in time, which then gives rise to an 'entitlement' to care via the aged care system. UA believes that this structure in itself potentially undermines the system objective to promote reablement and maximum independence of older people in the community. There is evidence that older adults' negative beliefs about ageing are related to their health and functioning, and increasingly research is emerging that suggests exposure to stereotypes and therefore perceptions of ageing (negative or positive) relate directly to aspects of wellbeing such as frailty status and memory. A shift to a strengths-based system, that enables access to service as it is needed rather than based on an individual being allocated to a 'class' of needs, could well lead to better maintenance of health and wellbeing, longer. Likewise investment in early intervention or promotion of lifestyle changes that would reduce risk of chronic conditions such as dementia could be highly effective in terms of 'return' on investment.

Thus we consider predictions of future demand based on current systems and use are flawed at best. They are based on suboptimal 'signals' and restrictions on access to many types of service (including at younger ages) that might defer or reduce the need for residential aged care at the individual and population level.

UA believes that governments should investigate alternative system designs that promote consumer behaviours such as maintaining financial self reliance for longer, whilst providing effective 'safety nets' for individuals with limited resources. This is particularly true in terms of the patterns of behaviour that lead to substitution of government subsidised services for commercial services that an individual would normally engage e.g. domestic cleaning and home maintenance.

UA also supports a system of services that would support further embedding of reablement approaches and preventive attitudes in the model of services for older people. This might include systemic incentives for uptake of preventive or rehabilitation services by individuals, support for integration of short term and rehabilitation services with longer term care services, as well as interventions in health and wellbeing—particularly for groups in the community at risk of premature ageing—well before individuals are eligible for 'aged care'. We believe that it is critical that the approach to allocating funds is designed with the benefits of early and adequate use of services such as physiotherapy, occupational therapy, hearing and sight services balanced against the potential to 'ration' subsidised services through use of greater consumer contributions or 'stricter' prioritisation of consumer need.