



Government's response to the Royal Commission into Aged Care

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The Royal Commission and the Report

- 2 years, 661 witness, Interim report 'Neglect'
- The Final Report is long and complex, over five volumes, with many findings and **148 recommendations**
- While the Report makes recommendations to Government and the sector, **it is up to Government and industry to respond**

Key proposals within the Commission's Final Report

- The older person must be at the **centre of reform** – with reform viewed through a 'human rights' lens
- **System governance** – structural reform is required
- Access based on **assessed need**, not rationed
- Significant **additional funding** is required. Taxpayer 1% Levy
- **Workforce** challenges must be addressed, including training and remuneration

Key proposals within the report

- The National Prioritisation wait list for **home care packages** must be cleared
- **Residential care** viability and sustainability must be addressed with services funded to deliver quality and safe care
- **Transparency, comparability** and **disclosure** matters need to be addressed
- The **interface** between **aged care** and **health care** systems requires attention

GOVERNMENT'S RESPONSE

2021 Commonwealth Budget

The 'Five Pillars'

Government indicating its response will be 'driven by the principle of respect and care and through the lens of five pillars'

- Home care
- Residential aged care and sustainability
- Residential aged care quality and safety
- Workforce, and
- Governance

Pillar 1: Home Care

\$7.8 Billion to support older Australians living at home, including:

- \$6.5 billion to provide an additional 80,000 packages over 2 years
 - * workforce will be a key driver of the rate of rollout of packages
- \$10.8 million to design a new unified care at home program
 - * will combine CHSP and Home Care Packages - how will low level services look?
- Addressing respite provision
 - * to include funding incentives to provide residential respite

Pillar 2: Residential Aged Care - sustainability

\$7.8 billion to improve quality, safety and sustainability, including:

- \$3.9 billion to increase care minutes delivered (200 minutes)
 - * includes 40 minutes RN time & RNs for 16 hrs / day for 'care' time
 - * to be delivered through AN-ACC base funding
 - * care times mandatory from October 2023
- \$3.2 billion to fund a Basic Daily fee supplement of \$10 per resident per day from July 2021 – will \$10prpd address sustainability?
 - * providers to provide an undertaking to report annually of adequacy of daily services

Pillar 2: Residential Aged Care - sustainability cont:

- Normal indexation is to continue for July '21 and July '22
 - * despite being recognised by the RC as being inadequate
- Residential places to be assigned to the directly to the individual NOT the provider
 - * move away from ACARs - impact for providers, cost of financing capital builds?
- Introduction of independent pricing in aged care
 - * an independent body to assess costs and recommend pricing, ultimately including in home care

Pillar 2: Residential Aged Care - sustainability cont:

- A new funding tool from October 2022 – AN-ACC
 - * a 5% stop-loss approach (as recommended) when transitioning will NOT be incorporated, a ‘transition fund’ is not an adequate substitute
- Reporting obligations
 - * from July 2021 – undertaking to be given to report on the adequacy of daily services
 - * From July 2022 – monthly care statements to residents/families on care delivered
 - * From July 2022 – moving to quarterly reporting on care staffing minutes
 - * From end of 2022 – a staffing star rating system will commence

Pillar 3: Residential Aged Care quality and safety

\$942 million for improvements to residential aged care quality and safety, including:

- \$365 million to improve access to primary care
 - * ACSA has long advocated for equity of access to health care
- \$200 million for a new star rating system to highlight quality of services
- \$265 million to ensure the regulator can perform its intended role
 - * including ultimately introducing a new quality commission

Pillar 4: Workforce

\$652 million for a skilled, professional and compassionate workforce, including:

- \$228 million to create a single assessment workforce
 - * RAS and ACAT assessment services to be combined
 - * Assessors to independently determine funding of residents and clients
- Financial incentives to recruit and retain workforce
- 33,800 subsidised vocational education and training places

BUT wages NOT addressed

Pillar 5: Governance

\$698 million to improve governance across aged care, including:

- A new Aged Care Act – based on a human rights approach
- \$630 million to improve access to quality aged care service for consumers in regional, rural and remote areas
- \$21 million to establish new governance and advisory structures
- Funding to address Board skills for providers
- New prudential standards
- Potential introduction of civil penalties for breaches of standards

Governance related

- **R88** – Legislated amendments to improve provider governance
 - * by Jan 2022 governing body of an AP must have a majority of independent non-Executive members
- **R89** – Leadership responsibilities and accountabilities
 - * responsibilities and accountabilities for leaders and managers in new Act
- **R90** – New governance standard – introduction of a new standard

Governance related

- **R91** – Program of assistance to improve governance arrangements – proposes funding to assist providers to improve governance
 - * measures to address transparency and accountability
- **R101 & R102** – Civil Penalties and compensation for breaches – prescribes the new Act address civil penalties in prescribed circumstances (i.e. breaching the general duty to provide high quality care) – where there is a breach in Standards or the breach gives rise to harm
 - * subject to further consideration!

QUALITY AND SAFETY

Related recommendations

Quality and Safety

- **R14** – A general duty to provide high quality and safe care – refers to a non-delegable statutory duty on approved providers to provide high quality and safe care:
 - * Includes reference to any worker engaged in personal care has the skills and experience and training to perform their work
- **R94** – greater weight attached to the experience of people receiving care
 - * From July 2021 the ACQSC should publish a report on the experience of people receiving an aged care service

Quality and Safety – Quality indicators and star ratings

- **R22** – Quality indicators – responsibility allocated for the ongoing research into use and evidence basis for quality indicators and publication of guidance on use of indicator data
- **R23** – Using quality indicators for continuous improvement
 - * reporting and benchmarking of provider performance against quality indicators
- **R24** – Star ratings performance information for people seeking care
 - *star ratings on measurable indicators to enable ‘meaningful comparisons’ of services and providers

Main Initiatives

- **HomeCare**- \$6.5bn to clear the waiting list of an estimated 80,000 people over the next two years;
- **Residential Sustainability**- \$3.2b for a Basic Daily fee of \$10 per resident per day from July this year \$3.9b for mandated 'average' 200 care minutes per day including 40 minutes RN and 16 hours a day; independent pricing; AN-ACC October 2022.
- **Governance** - New Act by 2023; new governance obligations on boards; Council of Elders, National Aged Care Advisory Council, Inspector General of Aged care
- **Residential Quality & Safety**- Improved access to primary health care; New star rating system; Additional funding to the Commission
- **Workforce** - Additional funding for recruitment (18,000 PCWs); single assessment workforce; 34,000 additional subsidised training places; financial incentives to retain RNs

Summing up

- \$17.7 billion additional funding over 4 years- Will it be enough?
- How to keep the momentum beyond the Royal Commission?
- How do we keep services sustainable?
- How do we build the workforce?
- How do we combat ageism?

THANK YOU

Questions