

ROYAL COMMISSION INTO AGED CARE QUALITY AND SAFETY

The Final Report

March 2021

The Royal Commission and the Report

- 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
- **R145** – by 31 May 2021 the Australian Government should report to Parliament with its response to the recommendations
- Government has indicated that it will provide its full response in the May Federal budget

The Report: 'a once in a generation opportunity'

Standout findings:

1. Much of what the report requires and comments on is the underfunding of the sector, addressing this is fundamental to many of the proposed reforms – we spend only 1.2% of GDP on aged care (OECD ave 2.5%)
2. Care failures must be addressed and not repeated

Key proposals within the 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
- **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

Foundations of the new aged care system

- **R1:** A new Act – proposes a new Act – based on a universal right to high quality care
- **R2:** Rights of older people receiving aged care – the rights of older people to be included in the legislation
- **R3:** Key principles – making paramount the concept of putting the older person first – with their needs driving service delivery

Foundations of the new aged care system

- **R4:** Integrated long-term support and care for older people – Government to coordinate development of a vision for integrated long-term support and care for older people across:
 - * welfare;
 - * Housing;
 - * Health care; and
 - * Aged care

Structural reform – differing views

Commissioner Pagone

Recommended a structure **independent** of Government:

- An Aged Care Commission
- An Aged Care Pricing Authority
- An Aged Care Advisory Council; and
- An implementation Unit

Structural reform – differing views

Commissioner Briggs

Recommended a structure **within** Government:

- A senior Cabinet Minister
- A renamed Department of Health – **with ‘day-to-day responsibility’** for aged care
- Replace the ACQSC with a new Authority to manage compliance
- An expanded Health Pricing Authority – **to include aged care**
- An Implementation Taskforce

Funding

- We know the sector is struggling with viability
- Both Commissioners noted:
 - * there has never been an assessment of how much money is required to deliver high quality care;
 - * indexation arrangements have systematically reduced the real value of funding

Funding – interim measures

The Report has recommended some interim measures:

- **R110** – amendment to indexation arrangements from July 2021*
- **R112** – Immediate change to the basic daily fee by \$10/day
- **R113** – amendment to viability supplement – with immediate effect

*(we have been advocating addressing of indexation (to the Wage Price Index)

Funding – longer term measures

The Report has recommended structural reforms:

- Introduction of an aged care levy / tax – split on how this would be attended
- Introduction of a Pricing Authority
- Introduction of casemix funding – by 1 July 2022
- Phasing out RADs by July 2025 – est. an aged care capital facility – creating incentives for a ‘small-house’ model
- Means testing and contributions

The Royal Commission and the Report

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

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

Government's initial response

Initial response tabled with an additional \$452 million, including:

- **\$189.9M** - residential care financial support payment
 - * \$760 per resident in metropolitan
 - * \$1,145 in Regional, rural and remote
- **\$90M** – residential care viability support
 - * continuation of homeless and viability supplements
 - * until end June 2021

Government's initial response

Initial response tabled with an additional \$452 million, including:

- **\$91.8M** – ‘growing a skilled workforce’
 - * to build on existing workforce – ensuring opportunities to gain necessary skills and training to work in aged care
 - * seeking to attract over 18,000 jobseekers
- **\$30M** – ‘improving provider governance’ – \$15.9M training for Boards

“Government continuing support to ensure viability, while work continues on the full response to the Royal Commission”

(Australian Government)

Government's initial response

Initial response tabled with an additional \$452 million, including:

- **\$32M** – enhanced capacity of the Aged Care Quality and Safety Commission – including greater regulation around the use of restraints
- **\$18.4M** – enhanced oversight of HCP Program – to deliver 'better value for senior Australians and the taxpayer'