

Aged Care Workforce Remote Accord response to IHACPA Consultation Paper on the Pricing Framework for Australian Residential Aged Care Services 2024–25

This submission to the Independent Health and Aged Care Pricing Commission (IHACPA) is made by the Aged Care Workforce Remote Accord (the Remote Accord) in response to the July 2023 consultation paper on the pricing framework for Australian residential aged care services 2024-25. In giving this response, the Remote Accord wishes to ensure that the particular difficulties facing service providers and their clients in remote and very remote Australian communities are given consideration in future pricing decisions. In particular, this paper discusses the important role that the National Aboriginal and Torres Strait Islander Flexible Aged Care Program (NATSIFACP) continues to play for remote providers and their clients.

The Aged Care Workforce Remote Accord

The Aged Care Workforce Remote Accord (the Remote Accord) is a group of service providers and industry experts delivering aged care services in regional and remote areas of Australia.

The Remote Accord was formed based on the belief that every community—including those in remote and very remote areas of Australia—has an equal right to accessible, high quality aged care services. The Remote Accord saw its genesis in the ‘*A Matter of Care: Australia’s Aged Care Workforce Strategy*’ report; Strategic Action 11 recommended that the Government and industry support the establishment of a Remote Accord.

Key Recommendations:

- The NATSIFACP model remains vital to aged care services providing care to Aboriginal and Torres Strait Islander people in remote and very remote Australia
- NATSIFACP funding needs to be further increased to be on par with the funding provided to remote services currently operating under the AN-ACC model
- AN-ACC would require significant adjustments in order to be appropriate to services currently operating through NATSIFACP, as it would be vital to maintain the flexibility and security of block funding that NATSIFACP currently provides

The critical role of NATSIFACP in remote Australia

The NATSIFACP model plays a vital role in ensuring service provision to Aboriginal and Torres Strait Islander people in remote areas of Australia. There has been uncertainty of the future of NATSIFACP since before the AN-ACC model was introduced, and services currently operating through NATSIFACP remain concerned about their future security.

The Remote Accord is concerned that the cessation of NATSIFACP would remove the flexibility and stability that this program provides for remote and very remote service providers. Although a relatively small program when compared to the aged care sector as a whole, NATSIFACP is vital for the viability of many providers in remote and very remote areas of Australia. The majority of NATSIFACP places, both for home care and residential care, are located in remote and very remote locations¹. It must therefore be understood that although a small number nationally, the impact to remote and very remote services of ceasing this program would be significant.

Through Recommendations 52 and 53, the Royal Commission into Aged Care Quality and Safety recognises the importance of block funding and flexibility to the security and sustainability of the Aboriginal and Torres Strait Islander aged care pathway². NATSIFACP currently fulfills this requirement, and the Pricing Authority should, as Recommendation 52 suggests, *“annually assess and adjust the block funding on the basis of the actual costs incurred while providing culturally safe and high quality aged care services to Aboriginal and Torres Strait Islander people in the preceding year.”*

Though the AN-ACC funding model does aim to take into account the additional costs of providing services in remote and very remote areas, the long-term impacts and applicability of an assessment-based funding model in remote and very remote areas is still being realised. Additionally, the AN-ACC model is structured with the assumption that infrastructure already exists; the flexibility of NATSIFACP allows for service providers to transition into appropriate infrastructure as and when it is developed. This flexibility is essential to the survival of many small service providers in remote and very remote areas.

¹ Australian Institute of Health and Welfare, Aged Care Data Snapshot 2022-third release, https://www.gen-agedcaredata.gov.au/www_aihwen/media/Data-Snapshot/Aged-Care-Data-Snapshot-2022-Release-3.xlsx, accessed 14/08/2023

² Aged Care Royal Commission Final Report: Part 3, Recommendations, p. 244

We recommend maintaining and expanding the NATSIFAC program to ensure that remote and very remote service providers are able to maintain services for Aboriginal and Torres Strait Islander people living in remote areas as they age.

Additionally, we suggest that the increased funding levels provided to remote services under the AN-ACC model demonstrate that the funding currently provided through NATSIFAC is inadequate, and should be increased. We recommend IHACPA undertake a review of the real costs NATSIFAC services face in remote Australia.

The adaptation of AN-ACC to meet the needs of current NATSIFAC funded services

The Remote Accord has been involved in the development of AN-ACC since 2020 and has given significant consideration to the potential adaptation of the AN-ACC model to try to meet the needs of NATSIFAC funded services. This is not an easy task, given they are fundamentally different models; AN-ACC is an assessment-based model where funding is tied to bed numbers, and NATSIFAC is, as noted in the IHACPA discussion paper, a 'cashed-out' model managed through agreements between the Commonwealth and an individual service. The Remote Accord maintains that the NATSIFAC model is a necessary and appropriate option for services providing care to Aboriginal and Torres Strait Islander people, particularly in remote areas of Australia.

With that in mind, we have a number of recommendations that can be made in order to make *any* funding model more appropriate for remote and very remote service providers.

Firstly, it is essential for the government to establish a dedicated **capital grants program** aimed at regions categorised as MMM6 and 7. This program should provide financial support to remote services, enabling them to construct and upgrade infrastructure. Recognising the elevated costs associated with such projects in remote areas, this initiative would facilitate the development of crucial facilities.

Secondly, the government should allocate resources to a distinct program focused solely on **housing-related needs**. This aspect is currently unaccounted for in the care funding framework of the AN-ACC model. This housing-specific program should encompass two main aspects:

1. Assisting service providers in aiding their staff to access housing where available. In this context, funding could be tied to care minutes, ensuring a direct link between service quality and housing support.

2. Assisting service providers in the construction or acquisition of new staff housing in cases where no suitable options exist. This effort would contribute to improving the overall living conditions for staff working in remote areas.

Further, recognising the ongoing impact that the COVID-19 pandemic had on services and staffing, it is imperative that **emergency funding mechanisms** be established. These mechanisms would offer support to struggling services, ensuring their continued operation and the provision of necessary care, particularly in remote locations that may face unique challenges.

Finally, in acknowledging the fundamental principle that residents in remote and very remote service settings deserve the same level of care and attention as their metropolitan counterparts, we deeply appreciate the significance of regulatory requirements that strive to uphold this essential standard; the Remote Accord recommends the following regulatory and compliance measures be considered in any funding model operating in remote Australia, in order to ensure the suitability and sustainability of the model:

- **Context-Specific Assessments:** In order to ensure that the Standards are effectively interpreted within the specific context of remote settings, we advocate for the implementation of assessments that align with the constraints of resources commonly encountered by these services, the prioritisation of local workforces, and the unique cultural environments they operate in.
- **Development of Guidance:** We propose the development of a comprehensive guide dedicated to remote service providers and regulatory bodies. This guide would delineate essential tasks and strategic approaches that service providers can adopt to adhere to regulatory standards. Moreover, it would furnish illustrative examples of the types of evidence that services can employ to demonstrate their compliance.
- **Shift towards Organisational Development:** In non-competitive markets, especially those characterising remote and very remote areas, our stance emphasises a transition from a focus on competition to prioritising organisational development within the regulatory framework. This perspective underscores the significance of providing support to services that require assistance in meeting the established standards, rather than primarily emphasising competitive dynamics.

The proposed adjustments seek to foster a comprehensive understanding of the intricacies involved in remote service provision. Through collaborative efforts and a nuanced approach to compliance, we endeavour to ensure that care standards are upheld in remote settings, while considering the unique challenges and opportunities that service providers face in such environments.