Consultation Paper on the Pricing Framework for Australian Residential Aged Care Services 2024-25

Questionnaire

Please read the following information before making your submission to this public consultation.

About your submission

Your feedback will contribute to the development of the *Pricing Framework for Australian Residential Aged Care Services 2024-25* (the Pricing Framework), which will guide the Independent Health and Aged Care Pricing Authority's (IHACPA's) approach to developing its aged care pricing advice for residential aged care and residential respite care.

Before completing the questionnaire, you should read the *Consultation Paper on the Pricing Framework for Australian Residential Aged Care Services 2024-25* (the Consultation Paper).

This survey includes all 11 questions from the Consultation Paper. You are encouraged to respond only to questions of interest or relevance to you. You do not need to respond to all questions.

IHACPA has also included some questions that seek information about you, your role and your perspective. Answers to these questions will help us understand and contextualise your response. We would also like you to provide your name and email contact details so that we may contact you if we have any questions about your feedback. **All questions are optional**, however responses that do not include answers to these questions may be given reduced weight in our analysis and the development of the Pricing Framework.

Publication of submissions

All submissions, including the respondent's name and/or organisation name, will be published on IHACPA's website unless respondents specifically identify sections that they believe should be kept confidential due to commercial or other reasons. You should not include any sensitive or private information about yourself or your organisation that you do not wish to be publicly available.

We may use your details to contact you regarding your submission but we will never share any of your contact details or make your email or phone number public, abiding by our Privacy Policy. Email addresses and phone numbers will be redacted or removed when submissions are uploaded to the IHACPA website.

IHACPA

Certain information in submissions may need to be withheld from publication in some circumstances, if it:

- may contain information that is commercially sensitive.
- is factually contentious - contains data, methodologies or processes that are likely to be contestable by another party on the basis of a fact.
- raises individual confidentiality concerns - contains information that, if released, may be in breach of confidentiality regulations.
- contains assumptions about likely legal or industrial determinations (for example wage increases) - information that, if released, may be used to prejudiced or influence determinations of other statutory agencies as representing an IHACPA position.

This questionnaire may take around fifteen minutes to one hour to complete, depending on the length of your responses and how many questions you choose to answer. We recommend copying your responses into a separate document in case you have any problems submitting your responses.

You are also welcome to make a submission by email to submissions.ihacpa@ihacpa.gov.au. If responding by email or mail, please attach a copy of the questionnaire to your submission.

Start your submission

1.Full name

Stanika Rjazancew-Djurdjevic

2.Email address

3.Phone number

4.State or territory (please choose one option)

☐ NSW
☒ Victoria
☐ Queensland
☐ South Australia
☐ Western Australia
☐ Tasmania
☐ Northern Territory
☐ Australian Capital Territory

5.Organisation name (enter N/A if this does not apply to you)

Australian Unity Care Services

IHACPA

6.Your role (enter N/A if this question does not apply to you)

National Funding Manager

7.Which statement best describes your involvement with aged care? (please choose one option)

☐ I am an aged care resident or person receiving care
☐ I am a carer and/or family member of a person receiving care
☐ I am from a peak body or similar organisation
☐ I am from a professional college or association
☒ I work for a medium or small residential aged care provider
☐ I am an approved provider for residential aged care
☐ I work for a home care provider
☒ I am a health professional/clinician
☐ I work for a Commonwealth, state or territory government department or agency
☐ I work for a Primary Health Network (PHN)
☐ I work for a Local Health Network (LHN) or public hospital
☐ I work for a private hospital or private hospital association
☐ I work with a research institute, organisation, university, policy institute or consulting group
☐ I work for an information technology provider
☐ I am from the general public
☐ Other (please specify)

If other please provide details:

Click or tap here to enter details.

8.What perspective do you represent? (please choose one option)

☐ People receiving care/aged care residents
☐ Carers and family members
☒ Aged care providers
☒ Clinical workforce
☐ Non-clinical workforce
☐ Australian Government
☐ State or territory government
☐ General public
☐ Other aged care stakeholder (please specify)
☐ Other (please specify)

If other please provide details:

Click or tap here to enter details.

9.If you work for a residential aged care provider, what type of organisation do you represent? (please choose one option)

☐ Government-owned
☒ Private
☐ Not-for-profit
☐ N/A
☐ Prefer not to say

10.Are you located in a rural or remote area? (please choose one option)

☐ Yes (please specify)
☒ No (please specify)

Please provide details:

Metro area for 11 homes MMM1, one is in close proximity of rural area MMM3

11.Are you a member of, or do you represent or provide specialist care to any of the following groups? (tick multiple)

☒ Aboriginal and Torres Strait Islander peoples
☒ Culturally and linguistically diverse communities
☒ People with dementia
☐ People experiencing or at risk of homelessness
☐ LGBTQI+ people
☒ Veterans
☐ N/A
☐ Other (please specify)

If other please provide details:

Click or tap here to enter details.

12.Have you heard of the Independent Health and Aged Care Pricing Authority (IHACPA) or the Independent Hospital Pricing Authority (IHPA) prior to this public consultation?

☒ Yes
☐ No

13.How did you hear about this consultation?

☐ Social media (please specify)
☒ Department of Health and Aged Care Newsletter Alert
☒ Independent Health and Aged Care Pricing Authority email or letter
☒ Peak body or similar organisation
☐ Commonwealth, state or territory government department or agency
☐ Another aged care provider
☐ Other (please specify)

If you selected social media or other or please provide details:

Click or tap here to enter details.

Consultation questions

Principles for activity based funding in aged care

14.What, if any, changes do you suggest IHACPA consider for the residential aged care pricing principles? (maximum: 5,000 characters)

The funding model is centred on care minutes being delivered in terms of clinical and personal care but does not suffieciently take into account a range of other supporting functions necessary to deliver holistic quality care including administration, lifestyle, catering, mental health/ wellbeing, social and pastoral/end of life care for residents (non-imminent palliative care).

The administrative effort and burden on associated Providers, with new reporting and legislated requirements i.e (including but not limited to QFR, NQIP, Monthly Care Statements and 24/7 RN reporting via GPMS) continues to add complexity to the experience of Approved Providers and is not acknowledged in the funding model.

For long term aged care sustainability the AN-ACC model needs to: include capacity for innovation; address and account for the new complexity of administration and reporting, focus on quality of care outcomes for residents; and align with all associated regulatory requirements in the aged care industry.

The Australian National Aged Care Classification funding model

15.Do the current Australian National Aged Care Classification (AN-ACC) classes group residents in a manner that is relevant to both care and resource utilisation? (that is, require the same degree of resources to support their care delivery). What evidence is there to support your answer? (maximum: 5,000 characters)

AN-ACC does not allocate adequate funding for residents that suffer mental illness and experience a psychotic episode. This is further compounded by industry shift away from the use of chemical restraint in line with best practice. Resourcing commensurate with resident care requirements has increased and is heavily regulated.

AN-ACC funding currently does not recognize the resourcing and administrative impact and requirements for administration, Registered Nurses, Enrolled Nurses, allied health professionals and lifestyle in preparing handover, preparing resident for a transfer to new home, hospital or for non-imminent demise. Consultation with families, medical practitioners and community referrals relies upon various resources to be delivered timely and efficiently. We strongly recommend that is included in AN-ACC resource subsidy. Currently, we (like many other providers) have experienced monetary loss when referral is made for resident re-assessment, due to assessors not attending for 28-60 days. In some instances, up to 90 days at which point the resident has often passed away due to clinical deterioration which was the original instigator for the review. For example, Australian Unity has had residents

passing or "assessed as" Classification 5. However, had they received a timely assessment, these residents would have been reclassified more appropriate at a class 10, 11, 12 or 13.

It is recommended that the Approved Provider are remunerated in this instance as per suggested method of AN-ACC waiting scale. For example, if application is made for reclassification and 28 days has passed the approved provider should be awarded $500, if 60 days $1000 and the ability to remunerate retrospectively must be considered from 1 October 2022

16.What, if any, factors should IHACPA consider in future reviews of the AN-ACC classes? (maximum: 5,000 characters)

Subdivision of classes - independently mobile with complex healh care

Residents with mental health illness in addition to Dementia and Cognitive impairment.

17.Are there any other legitimate or unavoidable costs associated with a permanent resident's stage of care? For example, entry into or departure from a service.
(maximum: 5,000 characters)

AN-ACC does not consider the complex care requirements of residents with multiple comorbidities, where immobility is not a component of their condition.

Delay in reclassification of non imminent palliative care residents financially impacts the approved provider as resourcing must always commence at the point of resident deterioration, not at the point of reclassification.

18.Are there any other legitimate or unavoidable costs associated with a respite resident's stage of care? What evidence is there to support your answer? (maximum: 5,000 characters)

The ANACC one -off payment should be applied for respite residents as they undergo the same admission assessment process, and hence associated resourcing costs as permanent residents.

Developing aged care pricing advice

19.What, if any, considerations should IHACPA seek to review in its indexation methodology for its residential aged care pricing advice? (maximum: 5,000 characters)

Rigorous infection prevention and control measures to mitigate the risk and combat the spread of COVID-19 in aged care facilities has become standard practice and public expectation to meet a minimum quality standard of care. We recommend that the cost of all preventative infection prevention and control measures should be captured in the pricing recommendation.

Capital cost should be considered as part of future pricing advice. As a capital-intensive sector, aged care requires significant expenditure to enhance design standards to establish a baseline for accommodation quality, including consideration of accessibility, enablement, dementia-friendly design while enabling innovative design solutions to enhance resident and family experience.

Returns from aged care operations must exceed a provider's cost of capital in order to attract further investment. The funding model for aged care must incorporate some form of monitoring and assessment of the sector's return on investment. Funding rates should ultimately be set with reference to return on investment based on capital expenditure. Without sufficient funding, the sector will experience underinvestment and a smaller pool of providers, which will ultimately lead to a shortage of supply of high-quality aged care beds in Australia.

The residential aged care sector has experienced several years of unpredictable funding which has grown at a rate materially lower than the increase experienced in operating costs. The process of setting funding must be transparent so that investors and providers will have confidence in the sustainability of the sector, to invest in the sector. Funding must be indexed at a rate that meets increasing operating expenditure. The increase in operating costs must consider inflation as well as new costs required in order to meet regulatory compliance requirements. An appropriate indexation methodology could include reference to a monthly inflation-linked indexation mechanism for care inputs and supplies.

Without transparency around the setting of funding and adequate indexation to keep pace with operating costs, the sector will not attract investment required to serve Australia's ageing population demographics which is set to exponentially grow in the future.

Adjustments to the recommended price

20.What, if any, additional cost variations are associated with the provision of care to residents who require specialised services? What evidence is there to support this? (maximum: 5,000 characters)

Currently AN-ACC classes 2 and 3 do not consider resourcing costs associated with complex care requirements eg. Mobile residents with complex wounds associated with diabetic condition.   We recommend to divide classification into 2A and 2B.

21.What, if any, care-related costs are impacted by service location that are not currently addressed in the Base Care Tariff (BCT) weighting? (maximum: 5,000 characters)

n/a

22.What, if any, evidence or considerations will support IHACPA's longer-term development path for safety and quality of AN-ACC and its associated adjustments?
(maximum: 5,000 characters)

Long term improvements in terms of quality of care may well be compromised by the focus on rostering and meeting care minute targets, rather than setting in place a framework with a focus on delivering quality care outcomes for residents.

The Pricing Framework should be underpinned by the principle of holistic person-centred care grounded in the understanding that residential aged care facilities are not sub-acute care settings but rather a resident's home.

Priorities for future development

23.How could, or should the AN-ACC model be modified to be used for Multi-Purpose Services (MPS) and are there any factors that aren't accounted for under the AN-ACC model? (maximum: 5,000 characters)

n/a

24.How could, or should the AN-ACC model be modified to be used for the National Aboriginal and Torres Strait Islander Flexible Aged Care Program (NATSIFACP) and are there any factors that aren't accounted for under the AN-ACC model?
(maximum: 5,000 characters)

n/a

Final questions

25.Other comments (maximum: 5,000 characters)

Other cost includes administration costs, technology, medical supplies, and nutritional supplements. These costs do not appear to be fully captured in AN-ACC. IHACPA should determine whether AN-ACC funding should consider these care-related costs, or make a clear recommendation to government that providers be allowed to set fees and charges at a rate that allows them to recoup costs and receive a reasonable rate of return on investment.

26.Please indicate if there are specific sections of your submission that you wish to remain confidential and the reasons for this. (maximum: 5,000 characters)

n/a

27.I consent to IHACPA contacting me for further information or clarification about my submission.

☒ Yes, I consent

Thank you for your submission

Your feedback will contribute to the development of the *Pricing Framework for Australian Residential Aged Care Services 2024-25* and a Consultation Report, which will both be published in early 2024.

If you have any questions or need to contact us about your submission, please email submissions.ihacpa@ihacpa.gov.au or phone +61 2 8215 1100.

If you would like to receive updates about IHACPA's work in aged care costing and pricing, please subscribe to our mailing list.

To participate in future aged care costing studies with IHACPA, please contact agedcarecosting@ihacpa.gov.au.

Ways to submit your response

- email this questionnaire to submissions.ihacpa@ihacpa.gov.au
- print this questionnaire and mail it to:
  PO Box 483
  Darlinghurst NSW 1300