

# Pricing Framework for Australian Residential Aged Care Services

Dementia Australia Feedback August 2023

## Dementia Australia

Dementia Australia is the peak dementia advocacy organisation in Australia.

Our organisation engages with people with dementia, their families and carers in our activities, planning, policy and decision-making, ensuring we capture the diversity of the living experience of dementia across Australia.

Our advocacy amplifies the voices of people living with dementia by sharing their stories and helping inform and inspire others. As the trusted source of information, education and support services, we advocate for positive change for people living with dementia, their families and carers, and support vital research across a range of dementia-related fields.

## Dementia in Australia

Dementia is the term used to describe the symptoms of a large group of complex neurocognitive conditions which cause progressive decline in a person's functioning.

Dementia is not just memory loss - symptoms can also include changes in speech, reasoning, visuospatial abilities, emotional responses, social skills and physical functioning. There are many types of dementia, including Alzheimer's disease, vascular dementia, frontotemporal dementia and Lewy body disease.

Dementia is one of the largest health and social challenges facing Australia and the world. In 2023, it is estimated there are more than 400,000 people living with all forms of dementia in Australia. This number will continue to grow to more than 800,000 by 2058.<sup>1</sup>

In February, the Australian Institute of Health and Welfare released data showing dementia is now the leading cause of disease burden among Australians aged 65 and over. Dementia is the second leading cause of death for Australians and the leading cause of death of women.<sup>2</sup>

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<sup>1</sup> AIHW (2023) *Dementia in Australia*. <https://www.aihw.gov.au/reports/dementia/dementia-in-aus/contents/summary>

<sup>2</sup> AIHW (2023) *Dementia in Australia, Summary, Impact* <https://www.aihw.gov.au/reports/dementia/dementia-in-aus/contents/summary>

## Quality dementia care

Dementia Australia appreciates the opportunity to provide feedback on the draft Pricing Framework for Australian Residential Aged Care Services. We support a pricing framework that delivers quality dementia care in residential environments.

People living with dementia account for at least two thirds of aged care residents.<sup>3</sup> The number of people living with dementia in Australia is growing,<sup>4</sup> and according to people impacted by the condition, the quality of care provided to those living with dementia can vary significantly in existing aged care services.

The Royal Commission into Aged Care Quality and Safety found that:

“Substandard dementia care was a persistent theme in our inquiry. We are deeply concerned that so many aged care providers do not seem to have the skills and capacity required to care adequately for people living with dementia”.<sup>5</sup>

At a systemic level, embedding the principles of quality dementia care more consistently into legislation, regulation, policy and standards can drive improvements in practice and culture.

From that perspective, we offer the following comments on the draft Pricing Framework:

### Principles

- Dementia Australia agrees that care should meet the Aged Care Quality Standards, but we note that it is difficult to develop a baseline for quality dementia care against which to measure progress (or the impact of funding levels), because some of the mechanisms depend on the skills mix and dementia education of the workforce.

### Classification system

- There is not enough evidence available to us to determine whether the AN-ACC supports people living with dementia adequately. Dementia Australia believes it is possible that the focus on mandatory minimum care minutes may have had the unintended consequence of limiting access to allied health and lifestyle services, which are also critical to quality of care for someone with dementia.

These concerns are based on two factors. Firstly, family members of people living with dementia in residential aged care reporting limited engagement with allied health services and secondly, no noticeable change in the quality of care once the AN-ACC was introduced. We encourage an in-depth analysis of resident data and experience to ensure that pricing ceilings are not negatively impacting the delivery of quality dementia care.

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<sup>3</sup> National Institute of Labour Studies (2017) The Aged Care Workforce, March 2016.

<sup>4</sup> AIHW (2023) *Dementia in Australia*. <https://www.aihw.gov.au/reports/dementia/dementia-in-aus/contents/summary>.

<sup>5</sup> Royal Commission into Aged Care Quality and Safety (2021). A Summary of the Final Report, Retrieved from Final Report - Executive Summary, Royal Commission into Aged Care Quality and Safety.

- Review of the AN-ACC should also consider the impact of future reforms, such as the residential aged care design standards, how these may impact costs, and how upgrade costs should be structured.
- We also recommend ongoing and in-depth analysis of specific issues, for example whether the classification system is adequately supporting delivery of palliative care as intended.

## Pricing

- Dementia Australia recommends that the adjustment component be reviewed to determine whether the timeframe and amount is sufficient for transitioning permanent residents with dementia into a service.
- The BCT weighting should include consideration of care-related costs that arise from distance to/access to health care services, hospitals and specialists.

## Residential respite

- Pricing needs to be cognisant of any additional changed behaviours that may be triggered in a person living with dementia who moves into residential respite, noting the need for additional supports and therapies to support psychosocial wellbeing.

## Indexation

- Dementia Australia recommends that consumers, including people living with dementia and carers are involved in reviewing and testing of the indexation methodology for residential aged care pricing advice.

We have developed a guide to meaningful consultation with people living with dementia and recommend that you refer to this guide, available at [Half the Story](#). Not only will this ensure that calculations are grounded in the living experience of those impacted by dementia, but the conversations may also assist in the development of communication strategies for service users and their families.

## Safety and quality

- Longer term development for safety and quality of the AN-ACC should track and monitor dementia across different service models, such as dementia 'villages', memory support units, integrated care homes.

We would be happy to provide any further information you may need. The Dementia Australia Policy team can be contacted on [REDACTED]