

GRATTAN

Institute

WEBINAR

The next steps for aged care: forging a clear path after the Royal Commission

Moderator: Kat Clay

Speakers: Stephen Duckett
& Anika Stobart

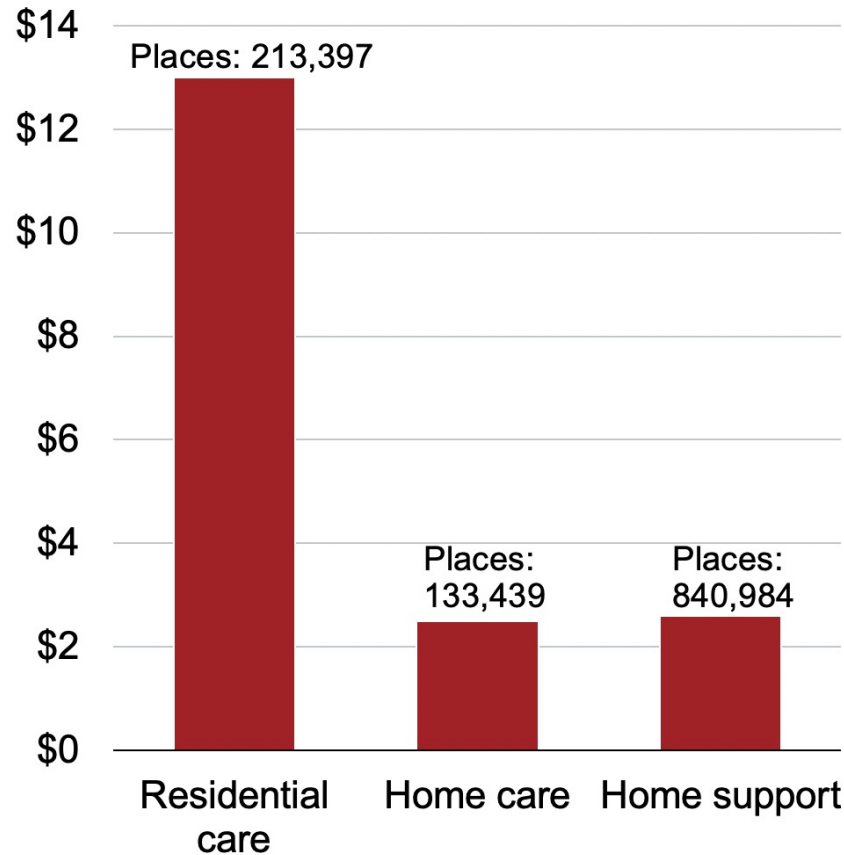
Friday 23rd April 2021
12.00pm – 1.00pm (AEST)

The current state of play

- In 2018/19, the Commonwealth spent \$20 billion on aged care services (about 1 per cent of GDP) for 1.3 million older Australians receiving care

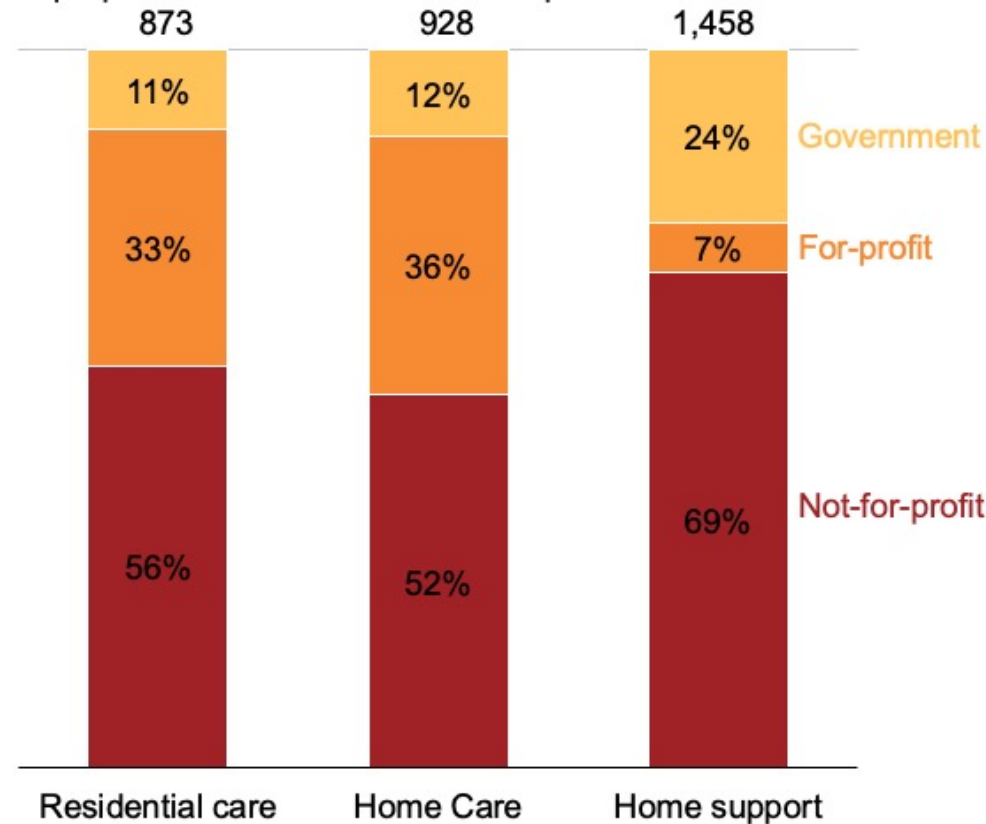
There are three main aged care programs

Billions of Commonwealth expenditure in 2018/19



Providers include for-profits & not-for-profits

The proportion of and total number of providers



Australia's aged care system is not fit for purpose

- The Royal Commission into Aged Care Quality and Safety has heard story after story of substandard care, abuse and neglect.
- It found the Federal Government has pursued a policy of rationing care, meaning that it does not guarantee quality care to those who need it.



*For several decades, one of the priorities for governments [...] has been to restrain the growth in aged care expenditure [...]. This priority has been pursued **irrespective of the level of need for care, and without sufficient regard to whether the funding is adequate to deliver high quality and safe care** (p.74).*

- The Royal Commission found many systemic problems across the system, incl.:
 - An absence of government leadership
 - Insufficient funding
 - Reliance on ineffective markets
 - An undervalued workforce
 - Ineffective regulation
 - An absence of transparency

Systemic, not incremental, reform needed

- Major problems call for an overhaul of the current system, phased in overtime
- The system needs to be reset putting the rights of older Australians first
- The Royal Commissioners said that all reforms should be aimed at achieving their defined purpose of the aged care system:



Purpose of the aged care system:

*To deliver an entitlement to high quality care and support for older people, and to ensure that they receive it. The care and support must be safe and timely and must assist **older people to live an active, self-determined and meaningful life in a safe and caring environment that allows for dignified living in old age** (p.32).*

- We will now take you through four areas of reform that are fundamental to getting an aged care system that all Australians can take pride.

Reforming the delivery model

Royal Commission recommendations	Briggs	Pagone	Grattan model
A new rights-based Aged Care Act, including a universal right to needs-based care	✓	✓	✓ But rights should also be embedded through entire system
A new single aged care program, including both care at home and residential care, with a single integrated assessment process	✓	✓	✓ But care planning should be linked to funding
Care finders employed by government	✓	x	✓ But need to be capable, & employed at regional-level
Care managers employed by providers	✓	✓	✓ But need independent oversight

Reforming governance and accountability

Royal Commission recommendations	Briggs	Pagone	Grattan model
New governance arrangements for policy, administration, quality, and prudential regulation	Department of Health, Cabinet Min, and Safety & Quality Authority	Independent Aged Care Commission	Independent Transition body, & Dep of Health w/ accountable Min
Regional offices	✓	✓	Independent regional governance
Enhanced quality standards set by a reformed ACSQH	✓	✓	✓ With specialised aged care committee
Inspector-General of Aged Care	✓	✓	✓ But need independent oversight
Independent pricing body	Independent Hospital and Aged Care Pricing Authority	Independent Aged Care Pricing Authority	Independent Hospital and Aged Care Pricing Authority, + regional
Community representative body	Council of Elders	Aged Care Advisory Council	National community advisory body, and regional committees
Expanded quality indicators and star ratings	✓	✓	✓
Probity and governance requirements on providers, including general duty to provide high-quality care	✓	✓	✓

Reforming the workforce

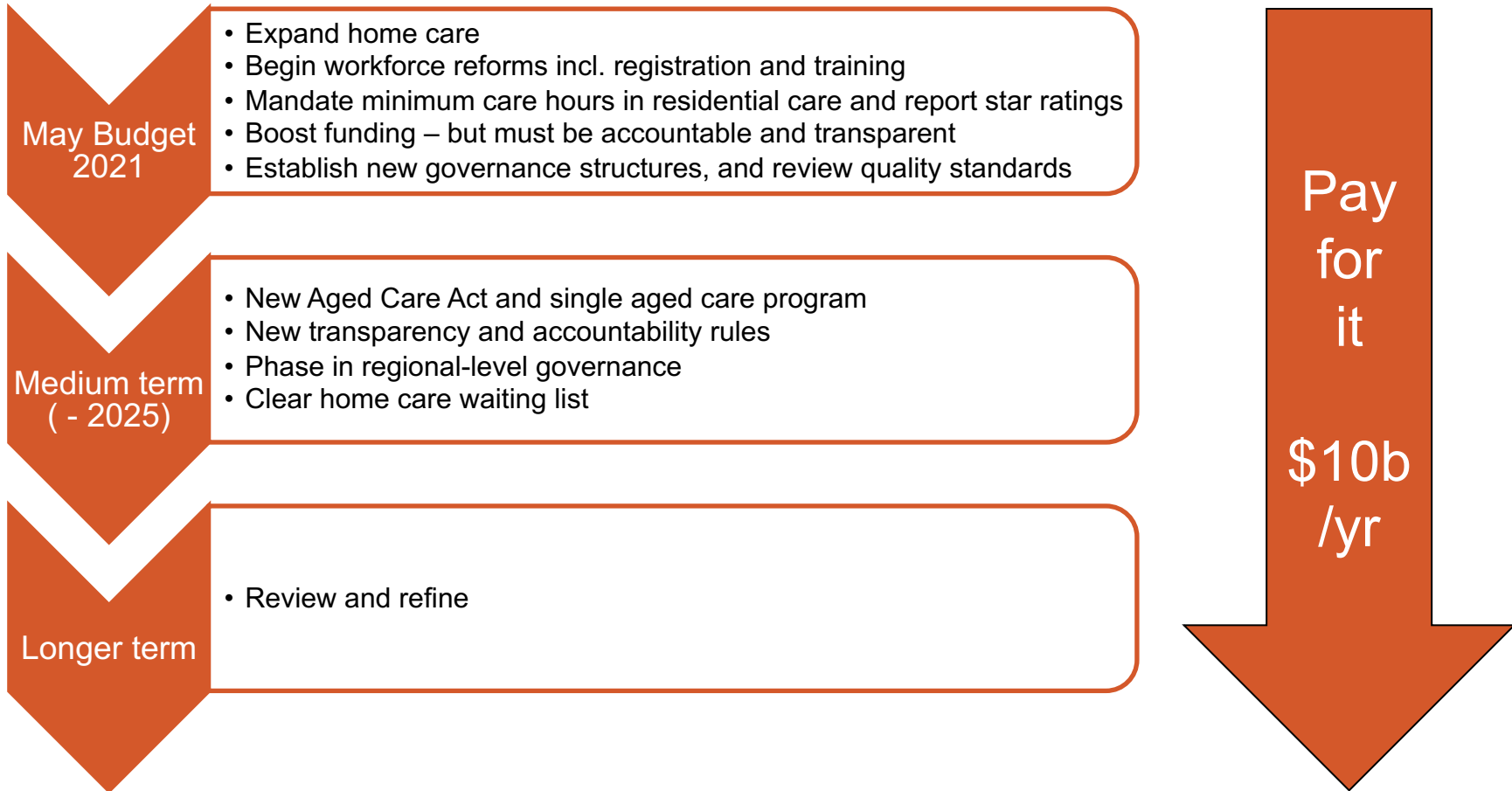
Royal Commission recommendations	Briggs	Pagone	Grattan model
National registration of all personal care workers	✓	✓	✓
Minimum Certificate III training of personal carers, including mandatory dementia training	✓	✓	✓
Review of standards of training programs through the Aged Care Services Industry Reference Committee	✓ + Add two competencies to Cert III	✓	✓ + Human rights competency to Cert III, and placement
Registered nurse on site 24/7, minimum reportable care hours, case-mix adjusted	✓ + Report hours & staff mix for home care	✓	✓ + Report hours and staff mix for home care
Increase award wages for care workers and reflect higher wages in fee determinations	✓	✓	✓
Encourage providers to employ carers directly rather than using independent contractors	✓	x	✓
A new Aged Care Workforce Planning Division in the Department of Health, working with a reformed Aged Care Workforce Industry Council	✓ + \$100 mil workforce fund	✓	✓ Including fund

Reforming the funding and financing model

Royal Commission recommendations	Briggs	Pagone	Grattan model
A new funding model that splits care costs, such as nursing, from ordinary costs of living, such as meals and accommodation	✓	✓	✓
Universal funding for care covered by govt, just as patients in public hospitals are covered by Medicare	✓	✓ Even more government-funded	✓
Means-tested rental payments in residential care (capped), with RADs phased out	✓ + Capital financing facility	✓ But phase-out of RADs needs further investigation	✓ No capping of contributions, plus capital financing facility
A new aged care levy	Medicare-style levy of 1% of personal income	Hypothecated aged care improvement levy to be investigated by Productivity Commission	A combination of Medicare-style levy, changes to pension assets test, changes to tax on super, and/or other mechanisms

What should happen next?

- Widespread agreement change is needed
- Multi-year implementation will be required



- Federal government will give formal response to the Royal Commission on 31 May 2021

Thank you

Contacts:

Stephen Duckett

Email: stephen.duckett@grattan.edu.au

 @stephenjduckett

Anika Stobart

Email: anika.stobart@grattan.edu.au

 @anikastobart