

Submission to the Department of Health and Aged Care (DOHAC) on Release 1 Service List (SL) under the Aged Care Rules 2024



INTRODUCTION:

The **Australian Independent Retirees (A.I.R.) Limited** or AIR is a national not-for-profit, non-party political, volunteer organisation formed in 1990.

AIR represents current and future, fully and partly self-funded retirees (SFRs). AIR works to advance and protect the interests and independent lifestyle of Australians in, or approaching, retirement. AIR seeks to secure recognition and equity for Australians who, through their diligence and careful management, fully or partly self-fund their own retirement needs.

AIR achieves this through the provision of information and by advocating to Government on topics of concern to its members. The importance of independence and freedom of choice is strongly promoted.

Additional information can be found in AIR's website:
<https://www.independentretirees.com.au/>

In its submission to the Senate Standing Committees on Community Affairs on the Aged Care Bill 2024, it was noted that AIR members welcomed the opportunity to provide input into the Aged Care Bill 2024.

This additional opportunity to contribute to the consultation process by the Department of Health and Aged Care (DOHAC) on Release 1 Service List (SL) under the Aged Care Rules is valued.

COMMENT:

AIR members appreciate that the specific services included in the SL under the new Aged Care Act can vary depending on the individual's needs and circumstances; the specific aged care provider chosen and that the SL is part and parcel of the Government's plan to improve the quality of aged care in Australia.

However, there are concerns that self-funded retirees may face challenges in accessing certain services as set out in the Service List.

Below are some key areas of concern shared by members pertaining to the Service List and relevant provisions in the Bill:

- 1. Reduced choice:** The Bill introduces new eligibility criteria for Government-funded aged care services, which could limit the choice of providers available to self-funded retirees.

Moreover, there are concerns among AIR members of the limited range, access and flexibility of services. This may not be sufficient to meet specialized medical care, rehabilitation, or palliative care for home-based care.

The list of services might restrict access to specific providers, hence, limiting the choices available.

Also, the SL may not be flexible enough to accommodate individual needs and preferences, especially for those with complex health conditions or specific needs (an example is the need for humidifier by those with asthma and poor lung function).

This could lead to some retirees being unable to access the care they need, or being forced (or their families) to pay for additional services that are not included in the SL, thereby, making it difficult to maintain independence and quality of life.

- 2. Quality, Disparity, Equity and Accessibility:** With variations in service standards, the SL might not guarantee consistent quality standards across different providers, potentially leading to disparities in care exacerbating disparities for those in rural or remote areas.

AIR members have pointed out further disparity between services under the Support at Home Program with those under NDIS with the latter offering greater choice and control for participants, allowing them to tailor support to their individual needs.

Given that both systems aim to support people with high care needs, aligning funding would provide a more consistent approach and simplify the process.

It is recommended that Government's ultimate long-term aim for the Program is to at least equate those provided under the NDIS.

It is acknowledged by AIR members that that the stricter quality standards which may result in increased costs for aged care providers is a double-edged- sword issue.

With increased costs, some SFRs may be forced to choose less expensive and unregulated providers, which could result in a decline in the quality of care received and the risk of being subject to scams and abuse.

AIR's submission to Senate articulated other options being considered by AIR members to counter such challenges.

Also, Item #6 below addresses further cost implications on relevant issues.

3. Range, availability and flexibility of services: Some general areas in the SL that may be missing, lacking or underfunded are:

i. Home care services: While home care is generally included in the SL, the level of funding received may be insufficient to cover the full cost of the services required. This can be particularly challenging for those who need extensive support with daily living tasks.

Some of our members believe that caps on cleaning (52 hours a year) and gardening (18 hours) are far from adequate and some flexibility should be introduced as per individual needs.

In order for the "Support at Home" Program to be truly suitable and adequate, considerably more services would need to be provided. Older people would require gradually increasing amounts of flexibility of services in order to support them to "age in place" and prevent or prolong the need for residential aged care or hospital care.

It is recommended that Government's ultimate long-term aim for the Program is to at least equate those provided under the NDIS.

ii. Respite care: Respite care can be a valuable service for those who need a break from their caregiving responsibilities. However, the funding available for respite care can be limited, making it difficult for some people to access this service.

iii. Specialized care: For those who require specialized care, such as dementia care or palliative care, the funding available may not be adequate to cover the full cost of these services. This can lead to financial hardship for families who are trying to provide the best possible care for their loved ones and possible hospital admissions for those not receiving adequate services to maintain them at home alone.

iv. Dental care: The inclusion of dental care in the Aged Care Service List should be considered due to the interconnectedness of oral health with overall health. Poor oral health has been linked to various systemic diseases, including heart disease, diabetes, and pneumonia.

Moreover, dental problems can significantly impact an individual's ability to eat, speak, and socialize, affecting their overall quality of life.

It needs to be pointed out many other countries include dental care as a standard component of their aged care systems.

v. Non-medical support services: While these services may be included in the Service List, the funding available may not be sufficient to cover the full cost of these services.

vi. Clinical Care: This category should include showering and personal health and body care. This need arises as people become frailer, less mobile and have more difficulty caring for themselves. People who cannot

afford to pay for these services and neglect to manage personal hygiene will be at risk of more major health problems and require hospital or Residential aged care admission at a greater cost.

4. Other considerations:

- a. Technological advancements in robotic caregiving:** The use of robots in aged care has the potential to provide significant benefits having regard to the specific needs and preferences of everyone. It is in line with the new Aged Care Act's design to enhance choice and control for older people receiving aged care services.

Given DOHAC's pivotal role in shaping the future of aged care and ensuring that the new Aged Care Act is adaptable to the evolving needs and technologies of the sector, it is recommended that the Department facilitate a small-scale pilot program to evaluate the effectiveness and acceptance of robot caregivers in different settings with the view of including in the Service List in the future.

A pilot project on robotic caregivers can significantly contribute to the futureproofing of the new Aged Care Act by addressing workforce shortages, supplementing human caregivers and streamlining processes like medication management, meal delivery, and mobility assistance, thereby improving overall efficiency in care facilities.

By conducting pilot projects on robotic caregivers, the aged care sector can explore the potential benefits of this technology and identify challenges. It can then inform the development of policies and guidelines that support its safe and effective integration into the new Aged Care Act, and in addressing ethical concerns early on (such as privacy and autonomy to ensure that robotic caregivers are used responsibly, beneficially and ethically) and that the Act remains relevant and effective in meeting the needs of an aging population.

- b. Mandatory mental health screening:** It is a vital component of comprehensive aged care to identify and address mental health concerns early equally for caregivers and older persons cared for, allowing for timely intervention and treatment.

It is critical that mandatory mental screening be undertaken by service providers at recruitment stage for aged care workers and before admission of older persons at care homes using standardized reliable and validated screening tools to ensure consistent assessment of mental health.

Thereafter, ongoing regular mental health screening for caregivers and older persons, is essential for promoting the well-being of both workers and residents and improve the overall quality of care.

- c. **Education and training for specific needs:** Education and training are crucial in providing culturally competent care to older persons from Culturally and Linguistically Diverse (CALD) backgrounds to ensure that the unique needs and preferences of these individuals are met.

By understanding cultural norms, language proficiency, and cultural sensitivity, caregivers can ensure that these individuals receive the highest quality of care, tailored to their unique needs and preferences.

The ability to communicate effectively in the language of the older person (especially when they revert to their mother tongue observed in old age) is crucial for building trust, understanding their needs, and providing appropriate care.

5. Transparency and Accountability issues:

- **Uncertainty about future care:** The long-term implications of the Bill for self-funded retirees (in particular people using CHSP services) are unclear, as the Government has not provided detailed information about how the new system will work in practice. This is creating uncertainty and anxiety for retirees planning for their future care.
- **Clarity of eligibility criteria:** The eligibility criteria for services might not be clear enough, leading to confusion and potential disputes.

The Aged Care Bill 2024 does not explicitly define a "self-funded retiree." However, the legislation introduces changes (increased fees for residential aged care and higher contributions for in-home care) that will affect individuals who are not reliant on government pensions for their income and assets.

These individuals are often referred to as self-funded retirees.

It is important that Government recognises that the term "self-funded retirees" under the Act applies to retirees who are in receipt of a Commonwealth Health Care Card only, to distinguish them from self-funded retirees with no government support as a result of high assets and incomes.

- **Accountability of providers:** There might be concerns about the accountability of providers in delivering services that meet the standards set out in the SL.
- **Lack of clarity on the following:**
 - a. **On funding arrangements:** The SL does not provide any clarity on the funding arrangements for each service. This makes it difficult for self-funded retirees to understand what services they will be able to access and what they will need to pay for.

b. On definition of services: The specific definitions of services may vary depending on the context in which they are used. For example, the definition of "residential aged care" may be different in a government-policy document than in a contract between an aged care provider and a consumer.

c. Delineation of duties and responsibilities: A cornerstone of effective aged care, clear delineation of duties and responsibilities ensures that each staff member understands their specific role, preventing confusion, duplication of effort, and, most importantly, safeguarding the well-being of residents.

An example narrated by an AIR member looking after her 105-year-old mother needing her ears to be cleared of the wax build-up was being told by the nurses at the residential facility that it was "not part of their job description".

By prioritizing clear delineation of duties and responsibilities, aged care facilities can create a more efficient, effective, and compassionate environment for both residents and staff.

d. On proposed changes: Changes to the Act and new terminologies (such as wraparound) may be interpreted in different ways, leading to confusion and uncertainty. This could make it difficult to make informed decisions about care options.

6. Cost Implications:

- **Increased out-of-pocket expenses:** The Government has committed to funding 100% of clinical care services and allied health, but there may not be sufficient funding for other essential services, such as personal care, transport, and social activities. This could lead to SFRs being forced to pay more for out-of-pocket services, which could put a strain on their finances especially if they have limited savings or do not have a wide range of funding sources for their aged care.

Also, the Bill introduces a new system of co-payments for self-funded retirees, meaning they will be required to contribute more to the cost of their care. This could significantly impact their retirement savings.

It is considered prudent for Government to explore alternative funding sources for SFRs not only to supplement their funding source in accessing affordable and quality aged care services but also support the sustainability of the Government's financing of the aged care sector.

- **Potential for cost-shifting:** There's a concern that the Government might shift more costs onto SFRs, making it more difficult for them to

afford the care they need or to sustain the Government's financing of aged care.

- **Potential for cost increases:** The new Aged Care Act may lead to increased costs for SFRs, as aged care providers may need to raise prices to cover the costs of implementing new quality standards and providing additional services.

As stated in item #2 above, AIR members acknowledge that this is a double-edged sword.

Above issues could have a significant impact on self-funded retirees, who are expected to pay more for their care, or may be unable to access the care they need.

In conjunction with the Department's comprehensive review of the Service List under the Aged Care Rules it is submitted that the Department address the above concerns shared among AIR members as regards quality, disparity, equity and accessibility issues and consider the following in finalising the Service List to create a more sustainable and equitable aged care system:

- The range, availability and flexibility of services in the Service List be expanded to include dental care, mandatory mental health screening equally for caregivers and older persons, education and training in providing culturally competent care to older persons from Culturally and Linguistically Diverse (CALD) backgrounds, among others.
- Department facilitate a small-scale pilot program to evaluate the effectiveness and acceptance of robot caregivers in different settings with the view of including in the Service List in the future.
- Department provide clarifications: on funding arrangements (to ensure adequate resources are allocated to meet service needs), on definition of services allowing for greater flexibility in service delivery to accommodate individual preferences and circumstances and enhancing transparency and accountability (including clear delineation of duties and responsibilities) to ensure that providers adhere to quality standards and ethical practices.

Moreover, to enable self-funded retirees not only to supplement their funding source in accessing affordable and quality aged care services but also support the sustainability of the Government's financing of the aged care sector. it is recommended that Government explore alternative funding sources for SFRs.

RECOMMENDATION:

It is recommended that Department of Health and Aged Care consider the following in finalising the Service List under the Aged Care Rules:

- The range, availability and flexibility of services in the Service List be expanded to include dental care, mandatory mental health screening equally for caregivers and older persons, education and training in providing culturally competent care to older persons from Culturally and Linguistically Diverse (CALD) backgrounds, among others. The service should include showering and personal care under clinical care list.
- Department facilitate a small-scale pilot program to evaluate the effectiveness and acceptance of robot caregivers in different settings with the view of including in the Service List in the future.
- Department provide clarifications: on funding arrangements (to ensure adequate resources are allocated to meet service needs), on definition of services allowing for greater flexibility in service delivery to accommodate individual preferences and circumstances and enhancing transparency and accountability (**including clear** delineation of duties and responsibilities) to ensure that providers adhere to quality standards and ethical practices.
- Government considers alternative funding sources for self-funded retirees not only to supplement their funding source in accessing affordable and quality aged care services but also support the sustainability of the Government's financing of the aged care sector.
- Government recognises that the term "self-funded retirees" under the Act applies to retirees who are in receipt of a Commonwealth Health Care Card only, to distinguish them from self-funded retirees with no government support as a result of high assets and incomes.
- Government's ultimate long-term aim for the Support at Home Program is to at least equate those provided under the NDIS.

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