The new aged care system
New system but same old problems?

Charmaine Crowe
CPSA Senior Policy Advisor
Living Longer Living Better (LLLB)

- LLLB announced back in April 2012 by the former Labor Gov’t.
- Focus on home care.
- Ten-year plan to boost home care packages from 60,000 to 100,000 Australia-wide.
- All home care packages to be provided on a consumer-directed care basis by 2015.
Cont.

• Reform (increase) co-contributions to care costs for home and residential care.

• Give residential care recipients greater choice as to how they pay for their accommodation costs (or does it?)

• Aged Care Quality Agency now under the Department of Social Services.
How do I access the system?

- Aged Care Gateway
- Envisaged to be the ‘one-stop shop’ for accessing aged care.
- Early days just yet.

Cartoon by Simon Kneebone, 2012
## Home care packages

<table>
<thead>
<tr>
<th>Level of Home Care Package</th>
<th>Basic home care subsidy in 2013-14 (per day)</th>
<th>Basic home care subsidy in 2013-14 (per annum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>$20.55</td>
<td>$7,501</td>
</tr>
<tr>
<td>Level 2</td>
<td>$37.38</td>
<td>$13,644</td>
</tr>
<tr>
<td>Level 3</td>
<td>$82.20</td>
<td>$30,003</td>
</tr>
<tr>
<td>Level 4</td>
<td>$124.95</td>
<td>$45,607</td>
</tr>
</tbody>
</table>
Consumer-directed care

- Gives the ‘consumer’ (care recipient) greater control over their care.
- Care recipient can choose which services they receive and may engage another provider to provide services.
- Supplements for people with dementia and cognitive impairment (10% of package).
How home care fees will work

<table>
<thead>
<tr>
<th>If your income is ...</th>
<th>Then ...</th>
</tr>
</thead>
<tbody>
<tr>
<td>the basic rate of the single pension</td>
<td>the maximum fee is 17.5 per cent of the basic rate of the single pension; this applies to both single and married care recipients</td>
</tr>
<tr>
<td>more than the basic rate of the single pension</td>
<td>the maximum fee is 17.5 per cent of the person’s income to the level of the basic pension plus up to 50 per cent of income above the basic pension</td>
</tr>
</tbody>
</table>

Home Care Package Program Guidelines, p.65
Residential care

• Biggest change - fees
• Basic fee of 85% of the single rate of the Age Pension
• A means-tested accommodation fee
• A means-tested care cost fee

Cartoon by The Global Mail, February 2012
How resi care fees will work

Fees above the Basic Fee apply for anyone not on a full-rate pension or anyone with assets valued at more than $46,000.

If the person has income or assets above these levels, they will pay:

- 50% of the income above the relevant full-pension threshold, plus
- 17.5% of the value of the assets between $46,000 and $157,051 plus
- 1% of the value of assets between $157,051 and $379,153 plus
- 2 per cent of the value of assets above $379,153.
Some rules

• No one to pay more than what their care costs
• Annual and lifetime caps of fees
  – $61,268 lifetime care fee cap
  – $5,105 to $10,211 annual care fee cap
• Accommodation prices to be published
Family home

• First $157,051 included in means test for residential care if no ‘protected person’ still lives there.
• Not included to determine home care fees.
• Residents may pay a bond, a daily accommodation fee or a combination of the two.
• Bonds over $550,000 must be approved by Aged Care Pricing Commissioner (leaving 95% unregulated!)

“İ’m from Meeks Aged Care Services, and I’m here to enquire about our company’s inheritance of the earth, starting with Australian residential real estate.”
What about care quality?

Sometimes, even if I stand in the middle of the room, no one acknowledges me.

Cartoon by Social Justice Solutions, 2014
Really no change to quality under LLLB

- Accreditation Agency now a statutory agency under the Department of Social Services (Australian Aged Care Quality Agency).
- No change to quality checks or care standards.
- Mooted introduction of quality indicators, but this appears to be left off the reform agenda.
Why quality remains a concern

- Quality checks don’t measure resident health outcomes.
- Most checks are announced.
- Repeated cases of fully-accredited facilities being found to provide very poor care.

WHAT YOU DON’T KNOW ABOUT NURSING HOMES

7700 complaints are made about nursing homes annually (on average)

THAT’S 148 CALLS EACH WEEK

Estimates suggest that only one in five complaints actually get made
Complaints

WHAT ARE PEOPLE COMPLAINING ABOUT?

38% Abuse
17% Communication
14% Personnel
14% Environment

(Percentages of all complaints between 2007 & 2012)

Source: Department of Health & Ageing
4 reforms to improve quality

• Reform accreditation standards to measure care outcomes rather than care processes.
• Introduce quality indicators based on clinical care outcomes and publicly report the results.
• Mandate staff-to-resident ratios.
• Make the Aged Care Complaints Scheme independent of government.
Questions?

My contact details:
Charmaine Crowe
agedcare@cpsa.org.au
9281 3588 or 1800 451 488
cpsa.org.au