High quality aged care

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Summary

This is a submission to the Royal Commission into Aged Care Quality and Safety, made on behalf of consumers. It responds to some of the remarks made by Commissioner Briggs at the hearing on 20 October 2020, and addresses a few of the 124 recommendations made by counsel assisting the Commission.

We accept the aged care policy principles proposed by Commissioner Briggs, and note that the present system fails to meet any of the principles.

Rather than removing the core aged care instrumentality out of the public service, we would prefer a radically reformed new Department of Health and Ageing. We suggest that the development of quality indicators be transferred to the Aged Care Quality and Safety Commission, and prudential regulation be transferred to the Australian Prudential Regulatory Authority.

We have proposed a data-based aged care system, using automated quality measurements to rapidly detect individual health problems. Much of the exploratory research required could be initiated by the quality agency, rather than the proposed Aged Care Research Council.

We suggest that provider staff numbers be automatically measured by staff clocking in when starting work and off when ending work.

1. Aged care policy principles

Commissioner Briggs [1, p9691] suggested the following principles

- The aged care system needs to put people first
- Older people should have fair and equal access to high-quality aged care
- The system should deliver the best possible outcomes for older people
- The system must be open, honest and answerable to older people and the community
- The system must be sustainable.

We accept these principles, and make suggestions in this submission about how they might be achieved.

2. Why the present system fails to meet any of the principles

The government has deliberately restricted funding for home care and home support services. The introduction of the waiting list for home care in February 2017 showed surprisingly high numbers waiting, and the government has yet to commit sufficient funds to

clear the queue. No information is available on those waiting for home support services. There may be unmet demand for residential care, as no system exists to identify those approved for residential care but unable to obtain admission.

Even for those able to obtain home or residential care, no quantitative system exists to measure the quality of the care provided. The few recently introduced quality of care measures are labour-intensive, vulnerable to fraud, and not designed to allow timely intervention [3]. The quality of life measures introduced in May 1997 suffer from inadequate sample sizes, and are done only once each three years [4]. Without quantitative measures, the quality regulation system has been spasmodic, lapsing into inertia for protracted periods, then flaring into aggressive action [5].

The system is only partially open. Notices of non-compliance and sanctions have been published each year, and are now available on MyAgedCare for each provider. Although financial statements for all insurers regulated by the Australian Prudential Regulatory Authority (APRA) are published quarterly, financial statements for aged care providers have never been publicly available. While providers are required to give their aged care financial statements to prospective residents, this is not effectively enforced.

Discussions about proposed changes tend to take place between providers and the Department of Health, with submissions not being publicly available. Some consultant reports, particularly on prudential control of providers, have been released several years after their receipt, or never released. Some health professional and consumer organisations receive funding from the Department of Health, restricting their willingness to comment publicly on deficiencies in the aged care system.

The ACFI assessment system for residential care was in introduced in March 2008, and has suffered from cost escalation. Since 2017 the Department of Health has been evaluating a case-mix based system using independent assessors, which may offer greater cost stability, but has not yet been independently peer-reviewed.

The COVID-19 pandemic caused the near-failure of a number of residential care homes in NSW and Victoria. A number of measures seem needed to provide better responses to future pandemics.

The present aged care system seems remarkably like that introduced by the Aged Care Act 1997. The reliance on qualitative quality standards may have been reasonable in 1997, but huge improvements in sensors, computers and analysis procedures have occurred since. These developments, which have transformed many commercial operations, could be of great value in measuring quality of care, and responding immediately to quality failures.

3. A radically reformed new Department of Health and Ageing

Commissioner Briggs [1, p9699-9701] questioned the desirability of taking the core government aged care instrumentality out of the public service and making it independent of the executive government and the minister. Evidence to the Commission had shown that the Department of Health had for too long defended the status quo when systemic problems with aged care were blatantly obvious. The Commissioner noted over the last year a growing determination among officials and in the government to fix the problems of the aged care system.

The Commissioner suggested a radically reformed new Department of Health and Ageing, working to the Cabinet Minister for Health and Ageing. This might help avoid the past

problems with junior ministers being responsible for aged care. One of these ministers defined their job as “keeping aged care out of the news”.

Some of the aged care sections within the Department of Health have shown considerable ability. For example, a computer system was quickly developed to offer interim care to persons waiting for higher-level home care packages. This was highly successful in ensuring that all persons approved for a particular level waited the same time, with those approved for the highest levels waiting the longest. Departmental staff have sometimes been very helpful to external researchers such as ourselves.

The Department’s prudential control of residential care providers has been ineffective, with the proportion of providers having assets less than their liabilities remaining at about 8% since 2006 [6]. Claims on the guarantee scheme have been low, but claims of $58m in 19-20 were about equal to all the previous claims since 2006 [7]. The absence of any capital adequacy requirement has resulted in very high debt to net asset ratios, particularly amongst for-profit providers. Greater availability of home care, and the likely ending of the aged care allocation process, are likely to see higher claims on the guarantee scheme.

Uncontrolled relationships between aged care providers and related parties may mean that aged care profits are being understated, or that assets to repay accommodation bonds are not available when a provider fails. Rather than recruiting specialists with prudential regulatory expertise (recommendation 107), it may be better to transfer prudential regulation of aged care providers to APRA.

Following the 2010 recommendation by the Productivity Commission, the Department has failed to implement any useful, fraud-proof quality indicators. The development and monitoring of these should be transferred to the Aged Care Quality and Safety Commission.

If the prudential monitoring and quality control roles are transferred out, then a new Department of Health and Ageing might be feasible. Its continuing success would depend on strong government commitment to the agreed aged care policy principles.

4. Automated quality measurements

Cumpston, Sarjeant & Service [8] have proposed a data-based aged care system, allowing rapid detection of individual health problems. Automatically monitored care data would be transmitted to a central agency and the provider, together with automatically-generated messages to the provider where help to a person seemed needed. The data generated in a year might fit into about 10 mobile phones. Such a system would help ensure that all providers provided high-quality care nearly all the time, and thus reduce the need for published quality indicators.

5. A dedicated Aged Care Research Council

Recommendation 55 was for an Aged Care Research Council to set the strategy and agenda for research and development into aged care and ageing related health conditions. While this has merit, the time scales often associated with university research may be too slow. The introduction of automated quality measurements will require large scale tests of different sensors and analysis procedures. Much of the exploratory research could be initiated by the quality agency, as was done for consumer experience reports.

6. Measurements of provider staff numbers

Recommendation 91 was for residential care providers to provide reports, on a quarterly basis in standard form reports, setting out total direct care staffing hours provided each day at each facility they conduct, broken into different employment categories. This information would helpfully allow analyses of care quality in terms of the staff resources provided. But the same information could be obtained, more cheaply and with less risk of fraud, if each staff member clocked on when starting work and off when ending work.

Glossary

ACFI	Aged Care Funding Instrument
APRA	Australian Prudential Regulatory Authority

References

[1] Royal Commission into Age Care Quality and Safety. *Transcript of hearing 22 October 2020*. Downloaded 25 October 2020 from https://agedcare.royalcommission.gov.au/media/29107

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[3] Cumpston R, Sarjeant H & Service D, 10September 2019. *Improving the qualiy of residential aged care*. Available from https://www.australianprojections.com.au/publications/improving-quality-residential-aged-care

[4] Cumpston R, 25 December 2019. Residential aged care consumer experience reports. Available from https://www.australianprojections.com.au/publications/residential-aged-care-consumer-experience-reports

[5] Cumpston R & Bail K. *Data on residential aged care quality*. Available from https://www.australianprojections.com.au/publications/data-on-residential-aged-care-quality

[6] Cumpston R, 15 March 2019. *Transparency and financial control of aged care providers.* Available from https://www.australianprojections.com.au/publications/transparency-and-financial-control-of-aged-care-providers

[7] Email to Richard Cumpston from ACFA Secretariat, 5 November 2020

[8] Cumpston R, Sarjeant H & Service D, 9 April 2020. *A data-based aged care system.* Available from https://www.australianprojections.com.au/publications/a-data-based-aged-care-system