Caring for Older Australians

Productivity Commission
Structure of presentation

- What we were asked to do
- Current weaknesses
- Future challenges
- The Commission’s proposals
- Staged implementation
- Next steps in the inquiry process
What have we been asked to do?

- Build on past reviews
- Develop regulatory and funding options
- Ensure access to care, support independence
- Meet needs of special needs groups
- Examine workforce demand and supply
- Assess the fiscal impact
- Recommend a transition plan
Current weaknesses

- System complex, difficult to navigate
- Quantity limits
- Discontinuous care, not tailored to need
- Constrained pricing - unsustainable
- Financial inequities
- Age pension and care tests
- Workforce shortages, low wages, regulatory burdens
- Complaints handling
- Poor interface with health system
Future challenges and issues

• Increased life expectancy
• Increased expectations
• Fiscal impact, insufficient co-contributions
• More affluent older Australians
• Declining relative availability of carers
• Workforce needs to expand
Reshaped aged care policy objectives

- To guide future policy, system should aim to:
  - Promote independence, wellness, relevance
  - Person-centred services, adjusting to needs
  - Consumer-directed, with control & choice
  - Older people treated with dignity and respect
  - System easy to navigate
  - Informal carers assisted
  - Be affordable: for older people and society
  - Provide incentives for efficiency and scope for innovation
What has the Commission proposed?

• A coherent set of draft recommendations:
  – Care services
  – Catering for diversity
  – Funding (including user co-contributions)
  – Age-friendly housing
  – Informal carers, workforce, volunteers
  – Regulatory reform
  – Policy research and evaluation
  – Costing the system
  – Reform implementation
The front end to aged care

- Australian Seniors Gateway Agency
  - Promotion of healthy ageing
  - Information platform
  - Needs assessment
  - Financial capacity test
  - Service entitlement based on need
  - Care coordination, if required
  - Carer support
  - Electronic care records
The gateway to aged care

Australian Seniors Gateway Agency (ASGA)
(with regional delivery)

Information to communities and individuals

Assessment & Referral

Care coordination and care records

Needs

Financial capacity

Entitlement to approved care and support
Care continuity

• Care continuity model
  – replaces HACC, CACP, EACH, EACH-D in community care

• Building block approach to continuous care
  – Basic support
  – Personal care
  – Specialised care
  – Carer support

• Care coordination and case management
Catering for diversity / Special needs

- Ageing People with a physical-mental disability
- NESB/ CALD
- Homeless
- GLBTI People
- Remote and Indigenous
- Veterans
- Care Leavers
Enhancing choice, promoting responsive competition

- Remove limits
- Remove residential care distinctions
- Supported resident quotas retained
Funding principles

- Care (personal and health)
- Accommodation, everyday living expenses
- Additional care and accommodation services
Care co-contributions

• A comprehensive means test

• Co-contribution indicative range 5% to 25% of cost of care
  – *Cost of care can be up to $65 000*

• Lifetime stop loss

• Government-backed equity release scheme
Funding: residential accommodation

- Price of accommodation to reflect cost
- Providers to offer, and publish, a periodic charge
- An accommodation bond, if offered, must be equivalent to periodic charge and published
- No retentions on accommodation bond
- Supported resident accommodation
New schemes to unlock home equity

- Australian Pensioners Bond Scheme
- Aged Care Equity Release Scheme
Age-friendly housing and communities

- Policy framework for affordable housing for an ageing population
- Home maintenance and modification
- Access design standards
- Retirement village legislation to stay under state and territory control
- Nationally consistent retirement village legislation to be developed under COAG
Informal carers and volunteers

• Informal carers

• Volunteers
  – Funding of services
The aged care workforce

- Growing demand for a well trained workforce
- Promotion of skills development
- Funding for more ‘teaching aged care services’
Independent regulation of aged care

- Australian Aged Care Regulation Commission
- Transparent price recommendations to Government
- AAT to hear appeals to regulatory decisions
Structure of independent regulator

Australian Aged Care Regulation Commission (AACRC)
FMA Act

- Compliance & Enforcement
- Pricing
- Information
- Complaint Handling & Review
DoHA responsibilities

- Responsibilities of DoHA in relation to ageing:
  - *Policy development and advice*
  - *Funding independent consumer advocacy and special programs*
Reform implementation plan

- 3 stages
- Over five years
- Wide consultation
- Grandfathering: current recipients and some providers
- Aged Care Implementation Taskforce
Stage 1 – within two years

- Remove distinctions between low & high care and ordinary and extra service categories
- Accommodation charges (and bonds) based on cost of provision, and published
- Introduce Australian Pensioners Bond Scheme
- Public benchmarking of care pricing
- Increase accommodation supplement for supported residents
- Reset regional quotas - tradeable
Stage 2 – two to five years

• Establish Australian Seniors Gateway Agency
• Establish Australian Aged Care Regulation Commission
• Pricing – transparent recs to Government
• Introduce equity release scheme
• Gradually increase residential and community places
• Most other recommendations
Stage 3 - five years and beyond

• Remove all supply restrictions

• Public review
What next?

- Submissions by Monday 21 March
- Hearings from 21 March
- Extensive consultations
  - *System design*
  - *Financial modelling*
- Final Report to Government by June 2011
- Report tabled within 25 sitting days