

# 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*

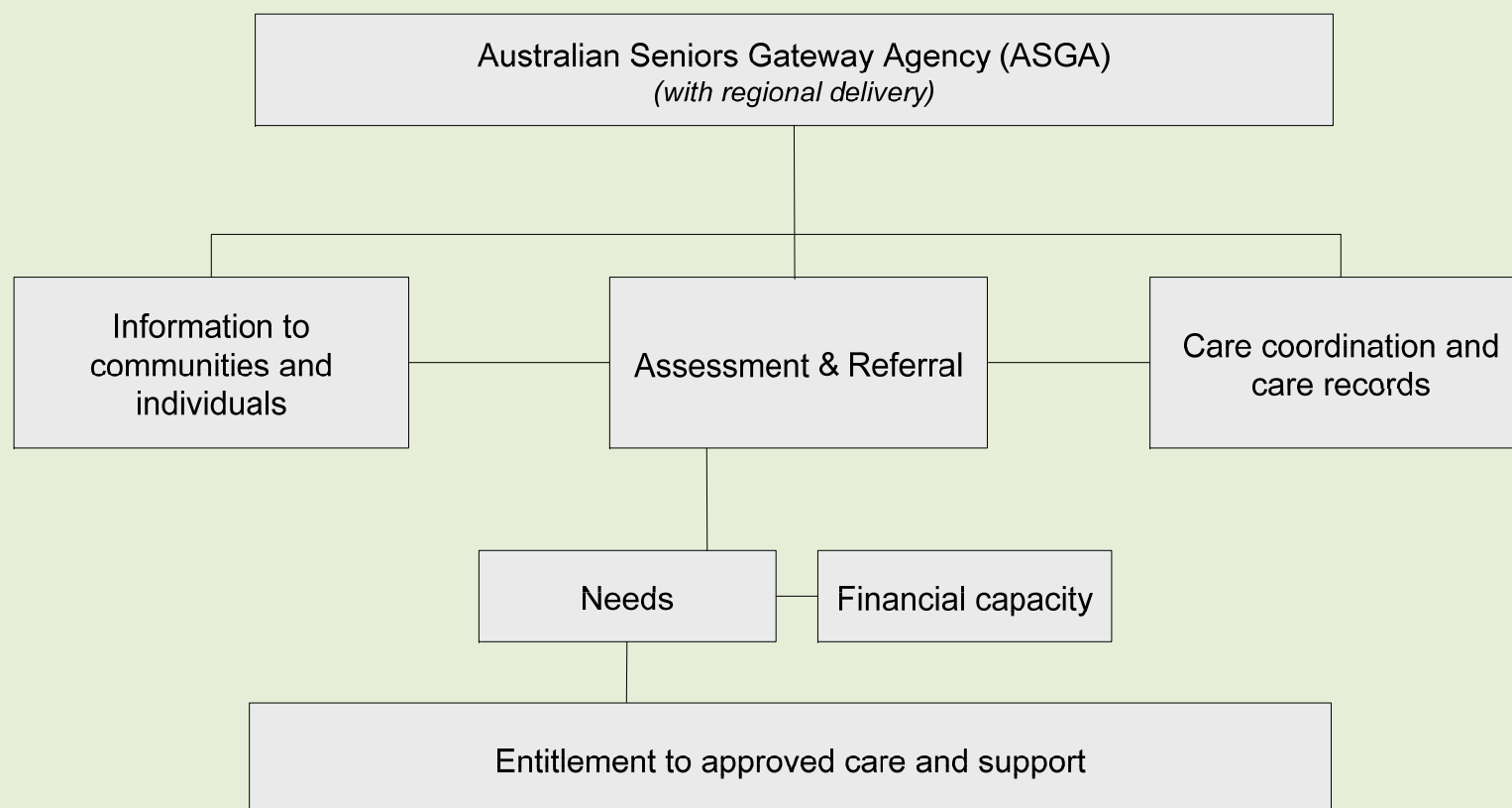
# What has the Commission proposed?

- 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



# Care continuity

- Care continuity model
  - *replaces HACCP, 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*

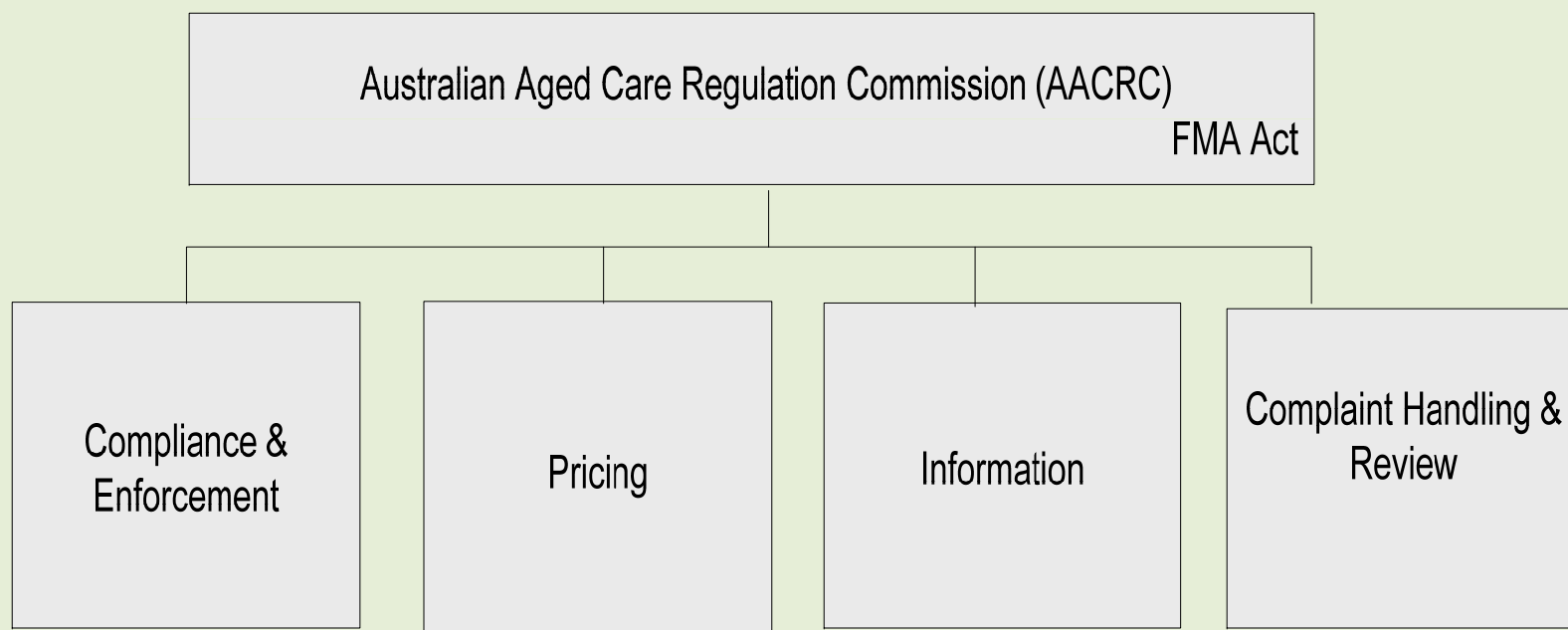
# The aged care workforce

- 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



# 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

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