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Independent Health and Aged Care Pricing Authority
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Carers NSW would like to thank the Independent Health and Aged Care Pricing Authority (IHACPA) for the opportunity to respond to the *Towards an Aged Care Pricing Framework Consultation Paper (the Consultation Paper)*. Carers NSW welcomes the introduction of mechanisms that aim to improve aged care funding models and subsequently, the quality and safety of aged care. However, Carers NSW has concerns that the proposed approach may not adequately address long-standing financial disincentives for providing residential respite, and may instead increase barriers to residential respite for people who are ageing and their carers. Carers NSW also endorses Carers Australia submission in response to the Consultation Paper, which also raises concerns about this issue.

Carers NSW is the peak non-government organisation for carers in New South Wales (NSW). A carer is any individual who provides care and support to a family member or friend who has a disability, mental illness, drug and/or alcohol dependency, chronic condition, terminal illness or who is frail. Carers NSW is part of the National Carer Network and a member of Carers Australia. Our vision is an Australia that values and supports all carers, and our goals are to:

- Be a leading carer organisation in which carers have confidence
- Actively promote carer recognition and support
- Actively support carers to navigate a changing service landscape that will be characterised by ongoing policy reform
- Promote connected community experiences and opportunities for carers that are inclusive of diverse carer groups
- Lead and advocate for carer-specific and carer-inclusive policy making, research and service delivery
- Continue to be a quality-driven, responsive and carer-focused organisation.

This submission will address the questions outlined in the discussion paper, where these are relevant to family and friend carers, as well as addressing some additional issues not raised in the paper.

Thank you for accepting our submission. For further information, please contact Melissa Docker, Senior Policy Officer and Development Officer at melissad@carersnsw.org.au or on (02) 9280 4744.

Yours sincerely,



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Introduction

Carers NSW thanks the IHACPA for the opportunity to provide feedback on the new Aged Care Pricing Framework (the Framework). A new Framework holds the potential to overcome a number of issues within the aged care sector, enabling improved quality and safety of care and increased access to services and supports.

The 2018 Survey of Disability, Ageing and Carers (SDAC) found that approximately 1.7 million people who are ageing or frail require assistance with at least one everyday activity, with 70% (approximately 1.2 million) reporting assistance with everyday activities from informal supports. Informal care was most commonly provided by spouses or partners, who are often ageing themselves, representing over one third of informal carers for people who are ageing or frail.¹

The Royal Commission into Aged Care Quality and Safety (the Royal Commission) highlighted that existing residential aged care funding models are not fit-for-purpose, promoting a deficit approach to care that does not adequately resource providers to meet essential care needs or promote optimal outcomes for residents and their carers. Furthermore, the Royal Commission, building on a number of previous reviews of the aged care system, also highlighted the unavailability and inappropriateness of residential respite services that enable people who are ageing to remain living in the community and support carers to continue providing care.

The implementation of a new aged care funding model provides an important opportunity to improve funding and resourcing within residential aged care facilities. However, Carers NSW has significant concerns that given the long-standing, well known issues with residential respite funding,² especially in relation to financial disincentives, that the new approach for aged care funding to be shortly implemented has not included an analysis of residential respite care in its development. Additionally, while Carers NSW supports the proposed residential respite costing study to refine the classification and funding of respite care, we have significant concerns about the implications of implementing the proposed model on residential respite availability in the interim.

“Unable to access residential respite (high care) in the area when I was unable to cope. Very high shortage of high care facilities. Eventually had to access care 3 hours away from home.”

- Carers NSW 2022 National Carer Survey, full results not published

Ensuring access to residential respite for carers

While many carers report positive aspects of their caring role, caring can be a 24 hour, 7 day per week, year round commitment with few or no breaks.³ When carers have no alternative but to continue providing high intensity care, this can have a significant impact on relationships, wellbeing and social and economic participation.⁴ If a carer is not supported with providing ongoing unpaid care, including through access to respite or breaks from the caring role, there is the risk that they will become ‘burnt

¹ Australian Bureau of Statistics (2019) *Survey of Ageing, Disability and Carers 2018*, TableBuilder Dataset. Australian Government, Canberra. Available online at: www.abs.gov.au

² Carer NSW on behalf of the Carer Respite Alliance (2021) available online at: <https://www.carersnsw.org.au/uploads/main/Files/5.About-us/News/Repositioning-respite-within-consumer-directed-service-systems.pdf>, viewed 13 October 2022.

³ Bellamy, J., Paleologos, Z., Kemp, B., Carter, S. & King, S. (2014) *Caring into Old Age: The wellbeing and support needs of parent carers of people with disabilities*, Anglicare Diocese of Sydney: NSW. Available online at: https://www.anglicare.org.au/media/2842/anglicaresydney_caringintooldage_2014.pdf, last viewed 01/10/2019.

⁴ Mental Health Carers NSW (2019) Submission to the Productivity Commission Inquiry into Mental Health, available online at: https://www.pc.gov.au/__data/assets/pdf_file/0005/240692/sub245-mental-health.pdf, viewed 23 January 2019.

out'. This can lead to a breakdown in care arrangements or disengagement from the caring role, resulting in premature permanent residential placements, avoidable hospitalisations and substantial community care costs.⁵

Residential respite is of particular concern in terms of availability. A 2017 survey conducted by Carers Australia of respite brokerage services reported that 80% of respondents agreed low availability made it difficult to access residential aged care.⁶ In the present system, residential respite tends only to be available when a facility has a vacancy for a long-term resident bed. These vacancies are unpredictable, as they become available as the result of the death of an existing resident. Additionally, service providers are often unwilling to provide residential respite for less than two weeks due to the administrative costs associated with short-term respite placements.⁷ The removal of the ACAR process, which included respite bed day targets, may place even less onus on providers to offer residential respite.

“Residential respite to enable me to have a holiday was not able to be pre-booked earlier than three weeks prior therefore making vacation plans impossible.”

- Carers NSW 2022 National Carer Survey, full results not published

The 2020-21 Report on the Operation of the Aged Care Act 1997 indicated that despite the impacts of COVID-19, in 2020-21 almost 2.4 million residential respite bed days were used, an increase of 102,000 days from the previous financial year. However, Carers NSW believes, based on reports from carers and our experience delivering Carer Gateway services in NSW 4 (North Coast and Central Coast Hunter New England PHNs) that there remains a significant and growing unmet need for residential respite in the community, especially in rural and regional areas.

“Past 2 months has been very difficult as there are no beds for needed respite close to where we live”

- Carers NSW 2022 National Carer Survey, full results not published

While it is important to note that other forms of respite may be preferred by carers and the people they care for, such as cottage or home-based respite, residential respite still plays an important role in the sustainability of aged care. This is especially so given that preferred respite options are often not available due to workforce or resource shortages.

Acknowledging the essential role of respite for carers, the Royal Commission made a number of recommendations aimed at increasing access to respite and ensuring there are adequate and appropriate respite services available to support carers in their role. However, Carers NSW has concerns that the proposed new residential aged care funding model may have the opposite effect, creating additional barriers to residential respite for carers.

Residential respite is often costly for providers, despite this, subsidies are often paid at a lower rate for respite care, or do not acknowledge the significant administrative costs of these short-term placements. The Aged Care Funding Authority (ACFA) review of residential respite⁸ found that providers reported a number of financial disincentives to providing residential respite, including the cost of respite care not

⁵ Bellamy, J, et al. (2017).

⁶ Carers Australia (2018), *Improving access to aged residential respite care*. Available online at: <http://www.carersaustralia.com.au/storage/residential-respite-care-report.pdf>, last accessed 10 September 2019

⁷ Carers Australia (2018), *Improving access to aged residential respite care*. Available online at: <http://www.carersaustralia.com.au/storage/residential-respite-care-report.pdf>, last accessed 10 September 2019.

⁸ Aged Care Funding Authority (ACFA). (2018). ACFA's Report on respite for aged care recipients. Available at: https://agedcare.health.gov.au/sites/default/files/documents/11_2018/acfa_report_on_respite_care_for_aged_care_recipients.pdf, last accessed 12 September 2019.

being adequately funded, the high administrative costs associated with respite, inadequate coverage of accommodation costs, and the risk of not being able to access respite subsidies if a range of administrative requirements are not met. The result is that there is an incentive for providers to favour permanent residents over respite care.

Carers NSW has concerns that the new model, especially the lack of adjustment fee for residential respite placement, will continue to act as a financial disincentive for providers. Additionally, given that residential respite was not considered in the development and piloting of the model, it is not clear if the proposed weightings for respite residents will adequately cover care costs. The proposed residential respite costing study may provide an opportunity to consider and address these disparities to some extent, it is not clear the timeline on this, and whether it will be conducted prior to the roll out of the new model, or following the roll out. As such, Carers NSW believes that these elements must be considered and addressed, including through temporary mechanisms outside of the AN-ACC such as additional adjustment subsidies, to ensure that access to residential respite is not further reduced due to these changes. Additionally, Carers NSW believes there must be mechanisms in place to record demand and use of residential respite throughout this period, this will support the monitoring of trends in residential respite use and demand, enabling timely policy responses and reducing potential impacts on carers.

Furthermore, Carers NSW believes that the IHACPA must consult thoroughly with carers, consumers, peak bodies and the sector in the development and implementation of a residential respite costing study to ensure that the complexities and nuances associated with respite are thoroughly understood and considered in the study.

Conclusion

Carers NSW again thanks the IHACPA for the opportunity to respond on this matter and commends them for continued consultation with regards to the design and implementation of changes in a way that best supports senior Australians, their families and carers, as well as aged care providers. However, Carers NSW urges caution with the implementation of changes to residential aged care funding arrangements that may reduce access to residential respite and in-turn, jeopardise the sustainability of caring arrangements.