

The National Report

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Aged & Community Services Australia**



Special Edition – 2010/11 Federal Budget

Tonight's Federal Budget affirmed the Government's previous announcement of \$739 million for aged care over 4 years and made some other provisions for our industry bringing the total aged care funding to \$907.5 million. Each year as an industry we hope and hold our collective breath in anticipation of funding to match the cost of the services and accommodation we provide. Yet again this year we have been disappointed.

No frills Budget leaves aged care in rags

“We are again deeply disappointed the Government has failed to address the very immediate funding issues confronting aged care services providers and therefore older Australians.” ACSA CEO Greg Mundy said.

“As a result older Australians unable to access a bed in a residential aged care facility will be no better off under tonight's Budget. Older Australians who depend on community care to stay healthy and active are also losers as hours of care continue to decline.

“Even, accepting the constraints on this year's Budget, it is hard to understand how the Government imagines aged care providers will meet their budgets and the needs of the older people dependent on their support.”

Mr Mundy said confirmation in the Budget of Government aged care initiatives including measures to improve transition care; assistance with staff training and new aged care beds/places was welcome.

“However, with the Productivity Commission inquiry into aged care 12 months away from completion and the implementation of any reforms even more distant, we have to ask what will happen to aged care services in the interim.

“The Government's commitment to once in a generation health care reform will have a hollow ring if action is not taken to sustain the aged care services now and to ensure viability of the sector to meet the needs of our ageing population.

”Aged care professionals need to be properly paid now. Providing enough care for people in their homes to help prevent unnecessary hospitalisation needs to happen now.

“No frills is one thing – no real change is something else altogether.”

This brief Special Edition of the National Report outlines the Budget headlines for aged care and related areas.

Aged Care Initiatives:

- **Workforce Development**

The budget contains new money for workforce development (which will be added to reprioritised funds from the now defunct Bringing Nurses Back program) to support these initiatives:

- \$21 million to support an additional 600 enrolled nursing places and 300 undergraduate nursing scholarships
- \$18.7 million to fund up to 25 projects to identify appropriate models of practice and to promote access to nurse practitioner services in aged care
- \$59.9 million for incentive payments of up to \$5,000 to support and encourage up to 50,000 aged care workers over the next four years to improve their qualifications, assisting with workforce recruitment and retention.

While the details are still not available ACSA believes that some of the money for models of practice will be used to fund the Teaching Nursing Home concept which we have actively supported. ACSA will be following up to get more detail about this in the coming days.

A focus on workforce development is welcome but the lack of action on recurrent funding and the indexation methodology means that our dedicated workforce – not just the nurses – will continue to be underpaid for the vital and valuable care they provide on a daily basis.

- **Workforce Studies**

An additional \$3.5 million has been allocated to explore regulation of personal care workers and assistants in nursing in aged care. This will be used to assist in considerations of personal care workers in the national Registration and Accreditation Scheme.

\$500,000 has been allocated for a research study in staffing levels, skills mix and resident care needs in residential care. This study was advocated by the National Aged Care Alliance in its budget submission.

The Budget papers point out that the Productivity Commission Inquiry will also look at future workforce requirements, including supply and demand, and develop options to ensure suitable qualified staff to provide the best possible care.

- **A National Aged Care System**

The Budget reconfirmed the Federal government taking responsibility for the Home and Community Care (HACC) Program. While WA & Victoria are opposing this reform it still presents the best opportunity to streamline community based services, funding, regulation and accountability requirements. \$38.3 million has been provided to support the transition arrangements.

In 2010-11 the HACC Program receives a 7.03% increase and total funding rises to \$1,283.4 million. In 2011-12 and following, the Budget papers list only Victoria's HACC funding (\$352.2m in that year), reflecting the financial transfer to the Commonwealth of the HACC Program. There is also \$18.3 million in DVA payments to the States for HACC services to veterans in 2010-11. These stop for all States except Victoria the following year.

At this stage there does not appear to be any adjustment factor to the States for the disability component of HACC.

The disaggregation of the HACC Program will be a major ACSA focus in the weeks to come.

- **Aged Care Assessment Teams**

The ACAT program rises by \$5.2 million, or 6.88%, to \$80.6 million in 2010-11. The funding for ACATs transfers to the Commonwealth in 2012-13, meaning that ACATs as well as HACC will be run by the Federal Government from that year.

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- **One Stop Shops**

\$36.8 million to establish one stop shops throughout Australia to help older people and families access information and assessment for aged care services.

The proposed one stop shop will provide links to assessment services (including through the Commonwealth purchasing more complex assessment directly from ACATs) and assist people access the services they need. It remains unclear how they will work with or replace the current access points trial in each state and the existing CareLink centres.

- **Zero Real Interest Loans (ZRILS)**

\$300 million to provide more ZRILs to support the development of 2,500 extra aged care places.

ZRILs are not the answer to the capital issues industry confronts but this initiative addresses the repayment problem by extending it from 12 to 22 years. In addition the loans can now be made available for places that have already been allocated but are not yet operational. The loans will be made available in two rounds of \$150 million in conjunction with the 2010-11 and 2011-12 ACAR.

- **More Land and Fast Development for Residential Aged Care Facilities**

There are very few details available on the practical outcomes sought with this initiative.

- **Multi-Purpose Services**

\$122 million will support 280 sub-acute beds or bed equivalents in MPSs. It is understood that this initiative will also make it easier to establish MPSs in larger communities. Industry is generally supportive of the MPS model for rural and remote communities.

- **Long Stay Older Patients**

\$280 million will be provided to state governments to meet the costs of caring for long stay older patients who can't be discharged because there is no bed or package available. The amount provided to the states will be equivalent to the average aged care subsidy.

- **Funding for GPs**

GPs have had a reasonably successful budget outcome with payments for those who provide at least 60 attendances per year in residential aged care facilities doubled from \$1,500 to \$3,000.

From 2012 – 13 the Government will also set up a flexible funding pool, to be administered by Medicare Locals, (previously referred to as Primary Health Care Organisations) to target gaps in primary health care services for aged care recipients.

This measure is expected to result in an additional 295,000 GP and primary health care services to older Australians over the next four years.

- **Community Care Viability Supplement**

\$10.1 million will be provided to continue and increase the supplement for rural, regional and remote community care services. The supplement was originally established as a \$19.4 million program in 2006. At the time ACSA argued that at least three times that amount was needed just to achieve equity with the viability supplement for residential aged care. The supplement has only been indexed annually since its inception. This increase will provide some welcome assistance to providers struggling with increasing costs, including food and transport, associated with location.

- **Strengthening Consumer Protection**

\$72.4 million has been provided to strengthen consumer protection. This includes improving complaints handling with funding to the CIS to improve the timeliness and thoroughness of its investigations. ACSA believes that this also includes broadening the range of options to include conciliation and mediation. Government will be consulting with the Minister's Ageing Consultative Committee on this measure. Greg Mundy represents ACSA on this Committee.

Funding will also be used to safeguard residents' finances which are held as bonds. Legislation to strengthen the current arrangements will state the permitted uses of bonds (currently they can be used for any purpose consistent with the purposes of the Aged Care Act), improve reporting requirements, introduce criminal penalties for the misuse of funds and put in a place a regime consistent with these changes. ACSA has already commenced discussions with the Office of Prudential Regulation to ensure that whatever these changes are they do not result in increased and unnecessary regulation.

- **Productivity Commission Inquiry**

The Budget refers to the Productivity Commission Inquiry and announced a \$7 million allocation for a benchmarking tool and business advisory service to support the Inquiry and enable aged care providers to compare and improve business practices.

- **Department of Health & Ageing Moves**

A Transition Office has been established in the Department of Health & Ageing to manage the implementation of the various health reforms as a result of the National Health & Hospitals Reform Commission and COAG agreement.

A strategic review of the Department has also been announced. The review will be undertaken by Terry Moran, Secretary of Prime Minister and Cabinet, Ken Henry (of Henry Taxation Review fame) and Jane Halton. ACSA will be seeking further details about this review and will keep National Report readers informed as this unfolds.

- **Indexation**

As is generally the case the Budget did not include information about what indexation aged care will receive. ACSA has been advised tonight that there will be an announcement on this within the next two weeks. It is imperative that indexation recognises the real costs of providing aged care and services. Watch this space.

Disability Funding

The National Disability Services Specific Purpose Payment increases \$148.3 million to \$1,052 million (a rise of 16.4%) in 2010-11.

Veterans Affairs

The Budget provides \$12.1 billion in income support, compensation and health services for veterans. \$152.7 million of this will go to expanding community based health services for veterans and war widows with chronic conditions, complex care needs and at risk of hospitalisation. This is in line with many of the aged care initiatives focussed on keeping people out of hospital.

Rural Health

Along with the MPS and the increase to the community care viability supplement, funding has been provided to expand the numbers of doctors (including specialists) nurses and allied health professionals in rural and remote Australia. Locum service funding has also been provided to give nurses and allied health professionals in rural areas time to take leave and attend continuing professional development.

In Conclusion

Most of tonight's announcements for aged care were already known or foreshadowed in the lead up to the Budget. National Report will bring you more details on these initiatives as they come to hand.

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