Returned & Services League of Australia

Caring for Older Australians
Response to Draft Report
March 2011

THE RETURNED & SERVICES LEAGUE
OF AUSTRALIA LIMITED
NATIONAL HEADQUARTERS ABN 63 008 488 097

FOUNDED
IN 1916

21 March 2011

Productivity Commission
PO Box 1428
Canberra City ACT 2601

The Returned & Services League of Australia
Response to Productivity Commission Draft Report – Caring for Older Australians

The Returned & Services League of Australia (RSL) thanks the Productivity Commission for the opportunity of providing a response to the Draft Report – Caring for Older Australians. Being the oldest, largest and most representative ex-service organisation in Australia, the RSL has a particular focus on the welfare of the currently serving and ex-service community and their dependants. Caring for older Australians within this cohort is an ongoing task for the RSL. We are committed to ensuring that these older folk and those of subsequent generations are assisted to the extent of maintaining their dignity in their senior years. This includes providing services, meeting their needs and preferences and helping them to remain in locations of their choice.

RSL comments on the Draft Report are attached.

Yours sincerely,

Rear Admiral Ken Doolan AO RAN (Ret'd)
National President

LEST WE FORGET

G.P.O. BOX 303
CANBERRA
A.C.T. 2601
PH: (02) 6248 7199
FAX: (02) 6247 7637

Attachment

1. Overall Assessment

The RSL commends the Productivity Commission on the draft report 'Caring for Older Australians'. Like previous aged care reviews, the draft report clearly identifies the flaws in the current system and the dire consequences for the aged care industry, and the older population, if changes are not forthcoming. If accepted by Government, the proposed recommendations for total system reform should give confidence older persons will receive services of their choice in an environment of their preference and ensure the aged care industry is sustainable and equipped for the predicted increase in the number of Australians needing such help.

While it is appreciated that further work needs to be completed, including scoping of the recommendations, the RSL concurs with the principles set out in the draft report and proposed recommendations as it provides a comprehensive path forward. It is pleasing to note that Recommendation 4.1 shows what the Australian aged care system should be like in the future.

Specific comment is confined to three areas of the draft report. These relate to supported residents, special needs groups, in particular 'veterans', and to specialty areas.

2. Supported Residents – response to recommendations

2.1: Recommendation 6.7. The RSL commends the Productivity Commission for supporting the ideal that the financially disadvantaged not be overlooked in the development of a new aged care system. That said, the RSL suggests the Productivity Commission reconsider the proposal that it be based on 'a two bed room with shared bathroom'.

There are arguments for and against basic accommodation being categorised as 'a two bed room'. Placing every resident, regardless of their ability to pay, in single rooms would place financial pressures on government, and thus tax payers, and has the potential to impact on the sustainability or viability of the aged care system into the future. It can also be argued that in today's society those with limited finances are generally accommodated in less lavish surroundings, thus having tiered levels in aged care facilities reflecting circumstances in the general community. However the social implications need to be considered, and as a welfare organisation the RSL is well aware of the stigmas attached to these 'social norms'.

The creation of a multi-tiered system has the potential to further degrade and divide our community. While there is much talk of social inclusion for all in the Australian community, especially for the aged, this concept could be considered socially exclusive. Supported residents could easily be seen as second rate citizens by carers, support staff, and other residents, therefore less worthy of the same services. The rationale behind the Aged Care Act is to remove divides and provide access and equity to all older members of the population regardless of their background or economic situation.

Building certification for new facilities dictates 1.5 persons per room (on average across the facility), and no more than two persons per room. For existing facilities this is an aspiration and not yet mandatory. While it could be argued that the majority of aged care facilities now have single rooms, there are still those with two or four beds per room. By setting the Government contributions at the level of a two bed room, accommodation options could potentially be limited for those who are financially disadvantaged.

The RSL does not have empirical data demonstrating the difference between care provided in single rooms as opposed to multi-bed rooms but contends that accommodation style should be based on individual assessment. For some the sharing of rooms may be the preference as there are older

persons who feel isolated in single rooms. Similarly, married couples may enjoy the opportunity to continue to share.
But there will be some older Australians who would react adversely to the prospect of sharing a bedroom with a stranger.

For these reasons the RSL contends that the style of accommodation must be based on the needs and preferences of individuals rather than financial contributions of status.

2.2: Recommendation 6.5

The RSL agrees that there must be mechanisms in place to ensure that there is sufficient provision of residential aged care service places for those financially disadvantaged. While the setting of regional quotas is appropriate, the ability to trade these obligations between providers may impact on choice for those classified as supported residents, including concessional and assisted residents. It is likely that if government contributions were more appropriately aligned with the cost of providing accommodation that some facilities may wish to specialise in providing care to the financially disadvantaged. In fact there are already providers who specialise in this area. However, it is important that there is appropriate monitoring of the location/availability to ensure that it does not significantly decrease the number of facilities offering places to this cohort of the population. If trading or competitive tendering for supported resident places were to be adopted, there would need to be appropriate mechanisms in place to ensure the accommodation is not all old stock. There is a danger that residential facilities with double rooms or 4 bed rooms that are unable to attract residents who are able to financially contribute to their accommodation, would become specialist in caring for those who are financially disadvantaged. This would further the social divide.

3. Catering for Special Needs Groups - Veterans

The RSL is very aware that changes that strengthen the sustainability of the aged care industry, and subsequently increase choice and availability of services for all consumers, will benefit the whole population and similarly the ex-service community. As the Commission is seeking views in relation to assessment processes and care of veterans, the RSL offers the following.

3.1: Veteran Health Care

It is vital that the Department of Veterans' Affairs (DVA) maintains funded health care coverage and support services, including allied health support, for all veterans with entitlements.
For many the physical and/or psychological traumas they encountered during their service in the Australian Defence Force continue with them throughout their lives. As such, those with accepted disabilities need to be compensated for their ongoing medical treatment needs and/or psychological treatment needs, including medication, aids and equipment, and support services. Many veterans suffer multiple co-morbidities requiring specialist treatment regimes and co-ordinated monitoring to prevent premature incapacity or death.

Likewise war widows accepted by DVA should also continue to receive similar benefits. According to DVA statistics, there were 97,075 dependants holding a DVA gold card as at 31 December 2010, the great majority of whom are war widows.

While DVA statistics show that the veteran population is shrinking with the demise of the World War II cohort, the RSL contends that despite the numbers being lower, the next and subsequent veteran cohorts will continue to require ongoing specialist medical and psychological services tailored to their needs, and as such all current health and support related entitlements must continue to be funded by DVA.

3.2: Veteran Home Care & Rehabilitation Appliances Program

The Department of Veterans' Affairs funds approved community providers to deliver home care services under the Veteran Home Care program (VHC). These services can only be accessed by veterans and war widows who have entitlements through DVA. The services provided through VHC are equivalent to Home and Community Care (HACC) services, although are more limited in variety.

As stated in our original submission, and described by the Productivity Commission in the draft report, transitioning from VHC to Commonwealth community care packages or residential aged care is problematic for many older members of the ex-service community. The RSL can detail many cases where older veterans and war widows are under the impression that DVA will provide care and services for them for as long as needed, and that these services are veteran specific, including residential aged care. Their confusion of how to gain further assistance when the limited home assistance provided under VHC is no longer appropriate to meet their needs, has on many occasions resulted in veterans and war widows being prematurely admitted to residential aged care.

A seamless process that enables increases in services based on each individual's assessed needs is essential to counteract these adverse outcomes. It is appropriate that the DVA assessment processes be merged into the new Gateway regime, although not subsumed by it. We recommended a similar concept in our original submission to this enquiry:

The RSL is in favour of a one-stop access point to aged care services, including the delivery of information on all available options, costs, and care settings. This access point would appropriately be at HACC level. Potentially this one-stop access point could also deal with DVA entitled members of the ex-service community, for example usage of a different phone number, publicised among the DVA entitled ex-service community, automatically indicates that the call needs to be forwarded to DVA services. For this to successfully address the angst of DVA "not providing aged care services", the DVA services need to link seamlessly back into higher level packages or residential aged care.

The RSL firmly believes that DVA funding for services such as VHC must continue for all entitled veterans and war widows, however the benefit of the assessment process being initiated at the Gateway also ensures that the ex-service community is made fully aware of additional services that can be accessed outside of the DVA system, including care coordination where needed. Thus while the RSL is in favour of the assessment processes being initiated at the Gateway, assessment personnel must have specific knowledge of veteran services and entitlements.

The reform of community care into a single integrated and flexible system raises the possibility of extending the use of DVA funded services. Currently where a veteran or war widow requires increased services to be provided through a Commonwealth funded community care package, any services previously supplied through VHC cease. If consumers are to have choice of provider, the RSL is aware that the majority of veterans and war widows eligible to receive services through DVA would continue with their DVA approved provider. As the individual's need for care and support increases, these providers could increase the services supplied without the veteran/war widow having to find alternate providers or change 'streams of care'. As such the services currently funded by DVA under the VHC program can continue for as long as a veteran or war widow continues to live in the community; i.e. these basic services continue to be subsidised by DVA while any additionally required care/support services are a component of the program available to all older persons, with co-contributions for these additional services charged at the designated rate in accordance with means testing.

Similarly the Rehabilitation Appliances Program (RAP) could also be extended. The RSL is of the firm belief that it is essential that DVA continue to fund this program for eligible veterans and war

widows for the maintenance, or improvement, of their independence and quality of life. If government accept and adopt the Productivity Commission's recommendation of removing the distinction between high care and low care, Schedule 1 – Care and Specified Services for Residential Care will also be altered. The RSL believes that all aids and equipment not provided by the approved provider under legislation should be provided by RAP to eligible veterans and war widows.

3.3: Aged care means testing – response to Recommendation 6.9

The RSL is not averse to the recommendation that aged care means testing is utilised to facilitate greater consistency in co-contributions across community and residential care. However, the RSL contends that current special provisions implemented in recognition of the special contributions and sacrifices made by veterans (and their widows/ers) be maintained.

The DVA disability pension continues to be exempted from income testing when calculating the daily fee rate for service pensioners and self-funded retirees with qualifying service; and former Australian prisoners of war and Victoria Cross recipients receiving government funded community care packages or government funded residential aged care, are not required to pay the daily care fee or income tested fees. Daily care fees for these personnel are fully covered by DVA. The RSL views these points as non-negotiable.

Disability Pensions

While there are numerous levels of disability pension, according to DVA statistics, as at 31 December 2010 there were 91,987 persons deemed permanently incapacitated as a result of serving this country. While the majority of these persons are now in the 85+ age group, there are two further distinct groups coming through; 11,620 are in the 70 to 79 age bracket and 15,801 are in the 60 to 69 age bracket, these persons will be in need of aged care support services over the next 20 years. While these numbers appear less significant per percentage of the population than the previous World War I or World War II veteran cohorts, they are equally as deserving to be guaranteed DVA entitlements and veteran specific services. As their need for health, care and support services can be directly linked to serving this country, the government must uphold these current entitlements.

Prisoners of War

In relation to the prisoners of war, DVA statistics show that as at 31 December 2010 there were 1,050 surviving prisoners of war. The vast majority were prisoners of war from World War II (651 were from Japanese prisoner of war camps and 388 were from European prisoner of war camps), however 11 of the survivors were prisoners from the Korean War. As a result of their time in captivity, these men all have multiple and complex health issues; as such their health, care and support services must continue to be fully subsidised by the government for the remainder of their lives.

Victoria Cross Recipients

Likewise there must remain an assurance that this entitlement will continue to be bestowed on our Australian Victoria Cross recipients. While there are currently only three surviving Australian recipients, two of whom are young men, these men received the highest military recognition for valour in the face of the enemy, putting their mates' lives ahead their own, and thus should be paid the ongoing respect that this honour carries.

4. Specialty Areas

If the draft report recommendations are accepted and adopted by government, future systems should be better equipped to focus on wellness and ability as opposed to focusing on disability, frailty and age. While quality of life is possibly the best argument as to why it is essential to take this approach, financial implications on government as well as the community dictate that this is the only

way forward for the future. However, for the current ageing population there are existing issues that still must be addressed.

4.1 Alzheimer's Disease

As per our original submission to this inquiry, veterans are at higher risk of succumbing to Alzheimer's disease. While the draft report acknowledges the need for services for people suffering this disease, further consideration of the extent of the care needs of these persons is warranted. It is appreciated that the ideal way forward would be to find a cure and/or treatment options for this disease, however for many hundreds of thousands of older persons and their carers these options will not be a reality. The draft report identifies that areas such as palliative care require additional funding. The RSL concurs. Likewise providers caring for persons with dementia require additional funding so that higher levels of support can be provided, especially for those with complex behavioural problems. As mental health disorders, including post traumatic stress disorder (PTSD), are high in the veteran cohort, together with their spouses and dependants, the advent of a dementia process on top of these psychological health disorders adds complexity that is not easily managed by aged care providers, especially under current funding. There is a need to increase available specialty supports, both within the community and the residential sector (including psycho-geriatric specific facilities), to improve the care and support of those affected by Alzheimer's disease, their carers and family members.

Conclusion

The Productivity Commission's draft report 'Caring for Older Australians' provides the basis for the transformation of the Australian aged care industry. It places the older person, their needs and their preferences in the centre, rather than the current necessity for the older person to fit into service availability.

While it is fundamental that all aged care support services are equally available to all who need them in locations of their choice, the RSL is aware of government fiscal pressures in relation to subsidising the costs of care and accommodation for the aged, and that the numbers of persons requiring these supports is growing while the tax payer base is lessening. However, as the recommendations in the draft report are for every older person to be entitled to care and support based on their individual needs, the RSL advocates that every older person also deserves the same entitlement in relation to their accommodation needs, i.e. that accommodation in a single room in residential care is based on each individual's needs not on their ability to pay.

The RSL acknowledges that all positive changes to the aged care industry in the future will benefit the ex-service community. In relation to veterans and war widows with DVA entitlements, there is no reason that assessment processes for DVA funded services cannot be initiated at the gateway program. This may facilitate improved knowledge of what services are available to them and encourage them to utilise more community support. While the RSL is supportive of this concept, it is very important that the ex-service community's entitlements and provision of services through DVA be maintained.