Aboriginal Community Elders Services Inc. (ACES) Responses to IHACPA Pricing Framework Consultation Questions

ACES was founded in the late eighties as a hostel for Aboriginal older people and residential facility commencing operation in the early nineties. The original service was not called an "aged care" service but a home for older Aboriginal people in the community, a number of who were living rough and some dying on the streets without family or home.

ACES was founded by community members who were part of the wider Aboriginal rights movement which formed self-help services based on the community's expressed right of self-determination in a surge that began to address years of discrimination and neglect by governments and mainstream services.

ACES has always been a welcoming place for community who wish to connect with their Elders. Unfortunately, this was severely curtailed during COVID, with some restrictions still in place. Our location, along the Merri Creek is tranquil and undoubtedly helps with the therapeutic aspects of our service. We have always been strongly connected to our community and wish to preserve our wholistic approach to the care of our Elders. This approach means we respond to the needs of our Elders by knowing their physical needs as well as their social, spiritual and cultural needs. We know their families and have regular interaction with them whether or not their Elders eventually use our service.

Thirty years after our Elders set up ACES, we are facing new challenges. These are the challenges we face as a service and as a sector.

1. Aged care service system is not delivering for A & TSI people
2. Current demand is not being met
3. Population growth and longer life expectancy mean future demand will be even further behind without urgent intervention
4. More in-home and residential services and support are needed
5. Healthy ageing in the community needs to be supported
6. Advice services, brokerage and advocacy is needed if A &TSI people are to take up their entitlement

Older A&TSI people are largely invisible in the aged care policy space and even in the Aboriginal affairs discussion. It is only recently through the establishment of NAGATSIAC and then NATSIAAC that this is beginning to change. Of course, the Royal Commission has also brought to light the inadequacies of the existing aged care system for older A&TSI Peoples.

The life-expectancy gap between Indigenous and non-Indigenous Australians was estimated to be 8.6 years for males and 7.8 years for females. This is still a significant gap and one that needs to be taken seriously. It also means that the ageing process for older A&TSI people is likely to happen earlier and demand for aged care services occurs earlier. These and other issues have meant that the aged care system is being retrofitted to meet the needs of the Indigenous older people.

In this regard, we should also be mindful of the Productivity Commission's comments:

Governments have not been delivering on their commitments to improve how the public sector designs and delivers policies and services that reflect the priorities and needs of Aboriginal and Torres Strait Islander people. They now need to establish stronger mechanisms so that they are held accountable for making changes from within. It is not acceptable for government employees to treat adhering to the principles of the Agreement as optional – these principles reflect essential capabilities and behaviours without which governments cannot hope to deliver on their Closing the Gap commitments.

Consultation question

- What, if any, changes do you suggest IHACPA consider for the residential aged care pricing principles?

ACES Response:

Equity in terms of inputs is not the same as equality in outcomes. Resource demands including the human input required for the same activities in one setting do not necessarily equate with each other. The ability of a service to access appropriate staffing in a remote setting is compromised by their remoteness and the additional costs that this brings to deliver a service. Delivering a cultural service means employing A&TSI staff. Having non-A&TSI staff compromises the cultural nature of service. Organisations like ACES need additional resourcing to ensure a cultural service is delivered with a staff complement of A&TSI and Non-A&TSI staff. Enabling access to services and supports needs additional staffing to assist A&TSI people. A &TSI people have experienced dispossession and displacement from their lands and their resource base which is now the capital asset of other people leaving them in penury for generations. Discrimination and marginalisation over generations has the left the community with under-developed human capital. Significant disadvantage and social and economic inequality complemented with comparative poor health and early mortality means the pool of human capital the A&TSI community has to rely is on is also depleted. The approach to funding should also be based on the four priority reforms of the Closing the Gap Framework and Partnership Agreement.

Overarching principles

- **Access to care:** Funding should support timely and equitable access to appropriate aged care services, for all those who require them.
  - ***ACES Response:***
    In addition, special efforts need to be made to close the gap in the numbers of A&TSI People accessing aged care services and support.
- **Quality care:** Care should meet the Aged Care Quality Standards, reflect continuous improvement, support resident wellbeing and deliver outcomes that align with community expectations.
  - ***ACES Response:***
    Quality care should include culturally safe care and acknowledgement and recognition of the Indigenous status and rights of A&TSI people.
- **Fairness:** Activity based funding (ABF) payments should be fair and equitable, based on resident needs, promote the provision of appropriate care to residents with differing

needs, and recognise legitimate and unavoidable cost variations associated with this care. Equivalent services should otherwise attract the same price across different provider types.

- ***ACES Response:***
  We do not have a definition of fair and equitable and this should be drafted by A&TSI people. Equivalent services is a largely a quantitative measure and as such does not "see" the qualitative differences which maybe hidden.

  "Fairness" would look like continuing this funding stream for Aboriginal services and older Aboriginal people. As an Aboriginal aged care service providing NATSIFACP-funded services, the flexibility of NATISFACP is why older Aboriginal people choose to have ACES as their Home Care provider.

  Fairness would also mean that access to the services and support actually occurs rather than being a theoretical possibility. A&TSI people do not access support for a variety of reasons yet they are the ones who need support most based on their health and ageing and socio-economic profile. Barriers to access to support still exist and show that institutional barriers are still present.

  Fairness in the aged care context means also adhering to the Priority Reforms outlined in the current Closing the Gap Partnership Agreement. These are:
  - ***Priority Reform 1 – Formal partnerships and shared decision-making***
  - ***Priority Reform 2 – Building the community-controlled sector***
  - ***Priority Reform 3 – Transforming government organisations***
  - ***Priority Reform 4 – Shared access to data and information at a regional level.***

  It is important to conform to this because A&TSI Peoples have expressed a desire to have their own services run by their own people.

- **Efficiency:** ABF should ensure the sustainability of the aged care system over time and optimise the value of the public investment in aged care.

ACES Response:

- ***We would want a discussion about what exactly this means in the context of services to A&TSI people who are most often in the lowest socio-economic cohort and where many live in the most disadvantaged areas or in rural and remote areas.***
- **Maintaining agreed roles and responsibilities:** ABF design should recognise the complementary responsibilities of each government agency and department in the funding and management of aged care services, as well as providers in delivering aged care services.

  ACES Response:
  ABF needs to be discussed with A&TSI Service providers to arrive at a resolution that is fair and equitable from the A&TSI perspective.

Process principles that guide the implementation of activity-based funding and any fixed funding arrangements:

- **Administrative efficiency:** Funding arrangements should promote effective and efficient processes and should not unduly increase the administrative burden on aged care providers.

ACES Response:

Agreed however, we need to define what constitutes "effective and efficient".

- **Stability:** The payment relativities for ABF should be consistent over time.
  - ***ACES Response:***

  Agreed. Increases in funding should be programmed with the service based on a Plan developed by the service.
- **Evidence based:** Funding should be based on best available information.
  - ***ACES Response:***

  Evidence should be relevant to A&TSI Peoples. Existing evidence should be tested against the needs and context of A&TSI Peoples.
- **Transparency:** All steps in the development of advice for ABF and fixed funding should be clear and transparent.
  - ***ACES Response:***

  All agencies should adhere to the Closing the Gap principles around Data Sovereignty.

System Design principles that articulate the detailed elements of activity based funding design:

- **Fostering care innovation:** Pricing of aged care services should respond in a timely way to the introduction of evidence-based, effective new technology and innovations in the models of care that improve resident outcomes and service efficiency.
  - ***ACES Response:***

  A&TSI communities should be allowed to develop their own models of aged care based on their views, values and culture. Evidence-based models are not necessarily inclusive of this approach.
- **Promoting value:** Pricing should support innovative practices and systems that deliver efficient, person-centred care.
  - ***ACES Response:***

  While we agree with this, pricing should also be based on ensuring outcomes meet the demands and challenges of the demographic profile of A&TSI communities and Elders.
- **Promoting harmonisation:** Pricing should facilitate best practice, person-centred provision of care in the appropriate setting.
- **Minimising undesirable and inadvertent consequences:** Pricing should minimise susceptibility to gaming, inappropriate rewards and perverse incentives.
  - ***ACES Response:***

  Agree
- **Using ABF where practicable and appropriate:** ABF should be used for funding aged care services wherever practicable and compatible with delivering value in both outcomes and cost.

  What are alternatives to ABF if ABF is not practicable or appropriate? Who decides?
- **Person-centred:** Pricing adjustments should be, as far as is practicable, based on characteristics related to people receiving care, rather than those of providers.
  - ***ACES Response:***
- ***A&TSI aged care services should be provided on the basis of characteristics of both the person being cared for and the service provider. The person-centred care focus alone is based on the erroneous assumption that service provider characteristics are the same.***

Additional ACES Comments about the prospective move from NATSIFACP funding to AN-ACC

Transitioning from any block funding model (i.e. NATSIFAC) to an activity-based funding model (i.e. AN-ACC) requires careful attention to detail to make it practicable in the first place and then sustainable going forward.

Ideally, we should be able compare each component of the current funding model against the respective component of the new AN-ACC model to see where some of the challenges would be. Clearly there is no sufficient data or benchmarking that is currently available from IHACPA

Any future funding model needs to ensure that it,

- Is culturally safe
- Meets the needs of Aboriginal and Torres Strait Islander peoples, including cultural needs, social and emotional, health;
- Allow A&TSI older people to remain close to home and community and facilitates connection to community and country
- Encourages and enables the entry of A&TSI community-controlled services into the aged care space.

We believe this was the intent of the NATSIFAC funding model.

A small provider like ACES provides services that are,

- flexible
- culturally appropriate
- acceptable to and accessible by the community

Whilst we understand the reasons behind moving to an ABF model, we would also like to point out the challenges that this model presents to a facility that provides limited number of beds to a particularly disadvantaged community (through intergenerational trauma resulting from events of neglect) living closer to community (in an urban environment)

AN-ACC Price

1. Lack of transparency behind the basis of the AN-ACC price vs. the unit price under the NATSIFAC model i.e. per bed per resident basis. Benchmarking and the publication of KPIs can help if released by the IHACPA so NATSIFAC aged care providers can review their activity costs line by line under the new model.

2. Whilst detail effort has gone into developing the new model, the comparison with the NATSIFAC model would be required to determine where the funding cuts have been applied or "efficiency dividends" are expected

3. A smaller 25 bed operator would have significantly higher "per bed cost" than the large operator who can easily scale up or down to adjust to the reduced funding

4. We would suggest that at least minimum base funding calculation includes a "scale up factor" for operators who have less than 50 beds facility in an urban setting who currently receive NATSIFAC funding for residents who are not self-funded retirees.

Base Care Tariff

1. There is a clear disconnect between the objective to provide culturally appropriate care accessible to the community, and the new funding model, where living closer to community (urban) is discouraged by the application of the Modified Monash Model (i.e. Standard MMM 1-4). This virtually takes away 51% of the AN-ACC price (1 NWAU in 2023)

   The urban setting that ACES operates attracts with it the higher cost of wages & services that it procures to operate an aged care facility

   Is then there is an expectation that the community should move away into remote areas so that they continue to receive the same level of care? Is that fair? Appears the model does not adequately recognize the resources required to operate a culturally appropriate facility operating in an urban environment.

2. The services offered by ACES are wholistic in a sense where "elders cared" are supported with mental and physical wellbeing services/ activities operated under a community model. A community model provides support via the location (a greener tranquil environment in Brunswick) with more than minimum staff to resident ratios, catering, nursing and medical services which are much more complex when it comes to resources required to operate than a basic "occupied bed based" hotel/ hospital model.

Consultation questions

Do the current AN-ACC classes group residents in a manner that is relevant to both care and resource utilisation? (that is, require the same degree of resources to support their care delivery). What evidence is there to support your answer?

What, if any, factors should IHACPA consider in future reviews of the AN-ACC classes?

Aboriginality should be considered as a factor. Aboriginality is not just an identity. It is also a way of life and a condition. That is, being Aboriginal (or Torres Strait Islander, means you are more likely to have experienced poverty, early life chronic diseases, mental health issues, likely dislocation and separation of family, incarceration, multiple deaths in the family, early mortality, trauma, racism, unemployment, homelessness. Moreover, this “condition” is multi-generational and will require a comprehensive and wholistic approach response that will also likely span generations.

ACES' aged care service and support functions within the Aboriginal Community and as such works in way that the community has always interacted. This includes being part of the community networks and community-knowledge circles and orientation. We are fully aware of kinship links and traditional land connections and family histories. We are aware of our Elders' personal backgrounds and their histories.

We know the contributions our Elders have made to the advancement of A&TSI rights and treat them with the respect they are due. We know about the hardships they have had to endure during their lifetimes and know about the lifetime of poverty many have endured because they have prioritised their community's needs. That is why we are acutely sensitive about the need to make them pay for any services.

Consultation question

Are there any other legitimate or unavoidable costs associated with a permanent resident's stage of care? For example, entry into or departure from a service.

Consultation question

Are there any other legitimate or unavoidable costs associated with a respite resident's stage of care? What evidence is there to support your answer?

Consultation question

What, if any, considerations should IHACPA seek to review in its indexation methodology for its residential aged care pricing advice?

ACES response:

These are complex matters which need to be explained to providers and answers formulated on the basis of their full comprehension.

Consultation question

What, if any, additional cost variations are associated with the provision of care to residents who require specialised services? What evidence is there to support this?

ACES response:

A&TSI people have a significant background of trauma based on their communities' dispossession and dislocation and personal traumas. The services and supports required to help individuals with this are still being developed. How do we account for this?

Consultation question

What, if any, care-related costs are impacted by service location that are not currently addressed in the BCT weighting?

ACES response:

Location is not the only factor that should be considered. Block funding is necessary to permit small services like NATSIFAC providers to remain viable. A&TSI services should have a category to themselves to take into account Indigenous status, difference and need.

Consultation question

What, if any, evidence or considerations will support IHACPA's longer-term development path for safety and quality of AN-ACC and its associated adjustments?

ACES response:
A&TSI services should have a category to themselves to take into account Indigenous status, difference and need.

Consultation question

How could, or should the AN-ACC model be modified to be used for MPS and are there any factors that aren't accounted for under the ANACC model?

Consultation question

How could, or should the AN-ACC model be modified to be used for NATSIFACP and are there any factors that aren't accounted for under the AN-ACC model?

ACES response:

The Productivity Commission in it's current draft report on the review of Closing the Gap said. "There appears to be an assumption that 'governments know best', which is contrary to the principle of shared decision-making in the Agreement. Too many government agencies are implementing versions of shared decision-making that involve consulting with Aboriginal and Torres Strait Islander people on a predetermined solution, rather than collaborating on the problem and codesigning a solution".

Aboriginality is not just an identity. It is also a way of life and a condition. That is, being Aboriginal (or Torres Strait Islander, means you are more likely to have experienced poverty, early life chronic diseases, mental health issues, likely dislocation and separation of family, incarceration, multiple deaths in the family, early mortality, trauma, racism, unemployment, homelessness.

How can a funding model built upon mainstream, western concepts of ageing, aged care, family structures and wealth and privilege be rejigged to cater for the needs of a colonised and disadvantaged Peoples. This question is far too important to be left to IHACPA alone to determine the answers to.

What does improvement of NATSIFACP look like?

NATSIFACP has some features which are worth salvaging however there are significant issues with it which have to be addressed:

- Flexibility because of block funding is positive but this is outweighed by the prescriptive nature of the Program Manual guidelines and the management by the Department of Health;
- NATSIFACP does not adequately take into account the vulnerability of the older A&TSI population

- NATSIFACP funding needs to be based on a clearer definition of culturally safe aged care and how this type of care converts into a cost base
- The elements which need to be considered should include:
    - What type of care including nursing care is required for Elders with the morbidity profile of A&TSI and how does this convert into a monetary figure?
    - What exactly is trauma informed care in the A&TSI aged care setting and how does this convert into a monetary figure?
    - Connection to country and cultural and community connection is important in the social and emotional wellbeing of Elders. What does this mean in terms of programs and what will be the approximate cost of this?
    - How do we quantify "Closing the Gap Priority Reform 2 - Building the community-controlled sector" translate into a service response?
- Shared services cost support at 14% is unrealistically low and doesn't cover actual costs and certainly doesn't allow for development or capacity building and expansion;
- NATSIFACP funds staff salaries at exceedingly poor rates. ACES Staff and the sector's staff desperately need increases in salary levels. Recruiting is an issue and coupled with COVID has meant a greater reliance on expensive agency staffing.

A new Funding Model

The model of care which informs the funding model needs to include:

- Vulnerability indicators
- Cultural needs including continued connection to country and community
- Ageing issues affecting younger people below the age of 50 (which is the defined age at which A&TSI people qualify for aged care benefits)
- Cultural safety
- Funding should be based on need including health indicators and historic experience

NATSIFACP or a new funding program needs to acknowledge that a much larger proportion of older A&TSI people live in urbanised areas while continuing to acknowledge the additional challenges and demands of running aged care services in remote areas.

What would we like to better integrate with?

As stand-alone aged care we need to better integrate with:

- Community and cultural programs and services
- Health and related services
- Other aged care and healthy ageing services, supports and programs

NATSIFACP as a funding model restricts us to basic direct service delivery. Working in partnership with existing services in the community requires resourcing, mainly staffing to do so. Other organisations that wish to partner with ACES always have the resourcing to do so but we do not. Working with other organisations will require the ability to negotiate, design and coordinate and manage.

ACES' view is that we need to formulate a view of what it means to age in a healthy way so that our Elders can play their rightful cultural role in Aboriginal society as well as all

of Australian society because Elders have a role in caring for land and culture whether they “own” it in a western sense as property.

Secondly, we need to build a model of aged care that is not just about residential aged care and is based on cultural safety and self-determination.

Third, we need to link these to the Four Priority Reform principles which are part ofn the Closing the Gap Partnership Agreement.

When we have these frameworks we can set about pricing the models and service delivery.

Any queries or comments should be directed to Nigel D’Souza at [redacted] or call [redacted]