

# Carers Australia Response to IHACPA Aged Care Pricing Framework Consultation

October 2022

## Introduction

Carers Australia welcomes the opportunity to respond to this consultation paper. Carers of the aged have a very direct interest in a residential aged care system which is properly funded to provide accessible, high quality care to their family members or friends when they can no longer care for them at home. Indeed, many carers fill in the gaps in care and support for their loved ones and act as advocates where the care provided in residential care is considered inadequate.

While we are interested in most aspects of the funding framework, we have a particular interest in the provision of residential respite care which can give carers the opportunity to take a much needed break from the caring role, to take time out to attend to other matters in their lives which are important to them and require their attention, or when they are facing an emergency which prevents them from providing care for a period of time.

Consequently, we have focused our response on Question 21: “What should be considered in future refinements to the residential respite classification and funding model?”

We note the term ‘carer’ should not be used broadly and without context to describe a paid care worker, or a family member or friend who is not, in fact, a carer as defined by the *Carer Recognition Act 2010* (Commonwealth).

## Background

### **Access to residential aged care respite has been problematic for a great many years.**

In 2018 Carers Australia conducted a national survey of organisations that helped carers to access respite services in residential aged care. Across Australia, 74% of respondents reported high or very high demand for emergency respite, while the level of high demand for pre-planned respite accommodation was 88%. Nearly seventy per cent reported that both emergency and pre-planned respite were difficult or very difficult to access. Despite undertaking often exhaustive efforts to identify respite opportunities, 35% of respondents said they were only able to find respite beds some of the time.<sup>1</sup>

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<sup>1</sup> Improving Access to Residential Care, Carers Australia, 2018 [final-residential-respite-care-report-2-1.pdf](https://carersaustralia.com.au/final-residential-respite-care-report-2-1.pdf) ([carersaustralia.com.au](https://carersaustralia.com.au))

More recently, the 2022 Carer Wellbeing Survey<sup>3</sup> revealed respite care was more commonly accessed by those caring for a person with dementia, with high assistance needs or old-age frailty, and by the oldest group of carers aged 75 and over. The wellbeing of carers was significantly higher amongst those who use respite care. In addition, respite care had the highest percentages of carers reporting poor access to a particular service or support:

- 80.6% reporting poor access to in-home overnight respite care
- 73.9% reporting poor access to overnight out-of-home respite care (which would include residential aged care).
- 65.7% reporting poor access to out-of-home day respite care and
- 61.6% reporting poor access to in-home day respite care.

Carers Australia has been calling for the government to appropriately support equitable access to respite, regardless of location, type of caring role, circumstance, service system accessed or relationship to funding or portfolio. A robust investigation into respite care needs to occur, which will also assist in future policy and reform decisions for a sustainable outcome. In the 2022 Pre-Election Platform and our current pre-budget submission, we highlight that this should involve:

1. A demand, needs and supply analysis for respite care, including across different categories of caring, such as aged care, disability, mental health, alcohol and drug services and palliative care programs, with attention to cultural appropriateness, availability, accessibility and affordability; responsiveness to the needs of both the carer and the person receiving respite care; and responsiveness to the needs of carers and people receiving care living in regional, rural and remote areas, and
2. Journey mapping to better understand the characteristics of carers, the people receiving care and their broader social network that combine to contribute to situations with higher demand for emergency and planned respite.

**There are a number of reasons why offering residential respite care is not always an attractive option for aged care providers.**

Bringing a new person into a facility can create an additional, cumbersome administrative burden and can be disruptive to staff, to other residents and to the person receiving respite care for whom moving into an institutional environment can be a very alien and disconcerting experience unless it is carefully and sensitively managed. Such management requires additional staff time. This is especially the case if:

- it is the person's first experience of residential care
- that person has dementia (and may have challenging behaviours)
- the person's medical condition/s is new to staff

- the person may have lost proficiency in English or may not have good English proficiency in the first place
- the facility and provision of services does not reflect the person's cultural needs and they do not feel they are in a welcoming or safe environment.

Indeed, recognition of the additional requirements and costs associated with bringing a new, permanent resident into a facility is the reason why a one-off adjustment payment is incorporated into the new AN-ACC model, however it does not apply to respite.

The disincentive arising from the additional workload associated with provision of respite is further compounded by the historically low levels of subsidy for residential respite compared to that for permanent residents.

As noted in a 2020 impact analysis of models for allocating residential aged care places:

*“Providers’ decisions to offer residential respite can be a business decision to manage occupancy in their aged care home. For example, the department’s state and territory offices have advised that newly built aged care homes will generally offer residential respite until their permanent resident occupancy increases, and services with lower occupancy also tend to deliver respite more often. This is corroborated by consultation submissions to the Aged Care Financing Authority’s (ACFA) review of existing respite care arrangements where providers stated that residential respite care is usually only offered to fill an empty bed between discharge and admission, while other providers stated they only offer planned residential respite care to guarantee income and enable the planning of occupancy.”<sup>2</sup>*

The Aged Care Financing Authority (ACFA) report on Respite for Aged Care Recipients acknowledged the need to address the disincentives for respite provision and recommended, among other things, that subsidies and supplements for respite care in residential facilities at least be brought into line with those available for permanent care. They concluded:

*“In practice, until there is funding neutrality between permanent and respite care, respite is likely to remain a secondary consideration in providers’ business planning.”<sup>3</sup>*

However, the report recommended that a review of respite subsidies should probably be considered in the context of decisions around the proposed new Australian National Aged

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<sup>2</sup> Professor Michael Woods and Grant Corderoy, Impact analysis for allocating residential aged care place, 2021, <https://www.health.gov.au/health-topics/aged-care/aged-care-reforms-and-reviews/impact-analysis-of-alternative-arrangements-for-allocating-residential-aged-care-places>

<sup>3</sup> ACFA report on Respite for Aged Carer Recipients, 2018, [ACFA Report on Respite for Aged Care Recipients | Australian Government Department of Health and Aged Care](#)

Care Classification (AN-ACC) model for determination of needs assessment and funding for residential aged care.

We now are now at the point where the AN-ACC Assessment Tool to assess the residents' care needs and assign them a care classification has been piloted and is being introduced, and the care needs for respite recipients are based on an attenuated form of the full AN-ACC through the modified de Morton Mobility Index (DEMMI) which is expected to bring subsidies for respite more into line with permanent residents.

Nevertheless, we have some concerns that that the proposed changes to assessment and funding may still incorporate deterrents to the provision of residential respite. These concerns are explored below.

## Assessment

Carers Australia had significant initial reservations about the adequacy of the modified de Morton Mobility Index (DEMMI) for assessing respite residents' care needs, given that it is a simplified form of the full AN-ACCC and only goes to the top level classification derived on the basis of mobility indicators. We were particularly unclear how the focus on mobility would capture the care needs of people with dementia or mental health conditions that required a high level of management. However, we have been assured by experts in the field that using the DEMMI model captures, for example, cognitive capacity.

As noted in the Consultation Paper, residential respite care was not included in the Resource Utilisation and Classification Studies (RUCs) which informed the AN-ACC model development. Indeed, in numerous presentations over the years from Professor Kathy Eagar, who led the RUCs project, we were told that respite needed its own study.

**Consequently, we are very pleased that the IHACPA has identified that a new residential respite costing study will be undertaken as a future priority to refine the classification and funding of respite care. We also call for more engagement with carers during this study.**

## Addressing administrative costs associated with residential respite

As identified above, the administrative and other disruption costs of bringing in a short-term resident are frequently considered by providers to be high, however there is no one-off adjustment payment as there is for new residents and the Base Care Tariff is the same as for existing permanent residents.

The abolition of the Aged Care Approvals Round (ACAR) as the mechanism for allocating respite places is expected to simplify the administrative requirements for respite subsidisation, providing that other administrative complexities are addressed and that new ones are not introduced in relation to respite.

## Recommendation

Against this background we recommend that the IHACPA review of the classification and funding framework as it applies to residential respite should include examination of:

- The supply and demand for both emergency and planned residential respite in order to identify unmet demand and establish a base-line against which the impact of the new funding model on access to respite over time can be evaluated.
- The extent to which the administrative caseload for the provision of respite has improved under the new system.

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### About Carers Australia

Carers Australia is the national peak body representing the diversity of the 2.65 million Australians who provide unpaid care and support to family members and friends with a disability, chronic condition, mental illness or disorder, drug or alcohol problem, terminal illness, or who are frail aged.

In collaboration with our members, the peak carer organisations in each state and territory, we collectively form the National Carer Network and are an established infrastructure that represent the views of carers at the national level.

Our vision is an Australia that values and supports all carers, where all carers should have the same rights, choices, and opportunities as other Australians to enjoy optimum health, social and economic wellbeing and participate in family, social and community life, employment, and education.

This includes carers:

- Who have their own care needs
- Who are in multiple care relationships
- Who have employment and/or education commitments
- Aged under 25 years (young carers)
- Aged over 65 years, including 'grandparent carers'

- From culturally and linguistically diverse backgrounds
- Who identify as Aboriginal and Torres Strait Islander
- Who identify as lesbian, gay, bisexual, transgender, intersex (LGBTI+)
- Who are living in rural and remote Australia, and
- Who are no longer in a caring role (former carers).

Carers Australia acknowledges Aboriginal and/or Torres Strait Islander peoples and communities as the traditional custodians of the land we work on and pay our respects to Elders past, present and emerging. As an inclusive organisation we celebrate people of all backgrounds, genders, sexualities, cultures, bodies, and abilities.