The Royal Australian & New Zealand College of Psychiatrists

Your Health in Mind

7 October 2022

Ms Joanne Fitzgerald
Acting Chief Executive Officer
Independent Health and Aged Care Pricing Authority

By email to: submissions.ihpa@ihpa.gov.au

Dear Ms Fitzgerald

Re: Consultation on IHACPA Towards an Aged Care Pricing Framework Consultation Paper

The Royal Australian and New Zealand College of Psychiatrists (RANZCP) welcomes the opportunity to provide input on the Independent Health and Aged Care Pricing Authority (IHACPA) Towards an Aged Care Pricing Framework Consultation Paper (the Consultation Paper).

The RANZCP is the principal organisation representing the medical specialty of psychiatry in Australia and New Zealand and is responsible for training, educating, and representing psychiatrists on policy issues. The RANZCP represents more than 7700 qualified and trainee psychiatrists in Australia and New Zealand and is guided on policy matters by a range of expert committees including the Faculty of Psychiatry of Old Age Committee.

It is the RANZCP's view that aged care services do not currently meet the mental health needs of older Australians. In the RANZCP's submission to the Royal Commission into Aged Care Quality and Safety, the RANZCP articulated that the Aged Care Funding Instrument (ACFI) model is fragmented, duplicative, and contains significant gaps regarding older people with mental illness. The RANZCP acknowledges that while the Commonwealth Government is the major funder of aged care, contributions from state and territory governments, as well as older people using services, all form key parts of the funding system. While the RANZCP supports regionalisation of aged care services, it is imperative that care coordination is prioritised to ensure equitable, affordable, and accessible mental health services for older Australians.

The pricing of aged care services must reflect the complexity of mental health service provision within aged care settings. The RANZCP is concerned that a generic 'one price' model will not be sufficiently specific and will not capture the level of care provision of complex mental health presentations. Complexities should also be considered in other sub-specialities such as neuropsychiatry and dual diagnosis. The RANZCP emphasises that there must be adequate funding for older people to access comprehensive specialist care for mild, moderate, and severe mental illness in aged care settings.

Any inherent flaws introduced in the deployment of the Australian National Aged Care Classification (AN-ACC) for mental health care will lead to structural deficits in the funding model, which present financial risk to specialist mental health care providers. It is imperative that a robust classification system for aged care services is developed to facilitate the

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appropriate grouping of services for aged care residents. The RANZCP also urges that AN-ACC assessors must be suitably trained and qualified to conduct independent assessments.

The RANZCP also raises the following points for consideration regarding more flexible and contemporary costing models for transitioning older Australians from inpatient to aged care settings, to cover episodes where:

- The inpatient unit is under the governance of psychiatric services or nonpsychiatric services.
- The episode is an acute, subacute or non-acute stay where the primary diagnosis for the acute and subacute stays is dementia or another Acquired Brain Injury (ABI) code (e.g., behavioural symptoms within Huntington Disease).
- For non-acute stays where the person is awaiting transfer to a residential aged care facility.

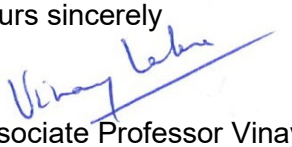
For example, in subacute and non-acute care (SNAP), dementia stays on medical units are covered by the Psychogeriatric Care Type. This costing relied on studies where length of stay for the dementia group was greater than 500 days. The pivotal 1990s MH-CASC studies used in the SNAP model included large numbers of people with dementia in long stay psychiatric hospital settings, who would now be in a residential aged care facility. In mental health units, access to SNAP type models is no longer accessible as Psychogeriatric Care Types are now unavailable.

With differences across service models in Australia, mental health units regularly provide acute and subacute services for assessment and treatment of behavioural presentations for patients with dementia/ABI. These units may also include numbers of non-acute patients awaiting aged care. With the ageing population, the numbers and care requirements of patients are rising, and this group needs to be costed properly both for medical and mental health settings.

The RANZCP welcomes the IHACPA setting multipurpose services (MPS) as a priority for future development. This is particularly relevant for health and aged care services in rural and remote locations. The RANZCP urges the IHACPA to consider mental health service provision in rural and remote aged care facilities when considering whether an AN-ACC model can be applied to MPS residential aged care services.

As leaders in old age mental health, the RANZCP welcomes further consultation on IHACPA's Aged Care Pricing Framework to address the mental health challenges of older Australians. To discuss any of the issues raised in this letter, please contact Nicola Wright, Executive Manager, Policy, Practice, and Research via nicola.wright@ranzcp.org or on (03) 9236 9103.

Yours sincerely



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