Proposal for a new residential aged care funding model

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The Dietitians Association of Australia (DAA) is the national association of the dietetic profession with over 7000 members, and branches in each state and territory. DAA is a leader in nutrition and advocates for food and nutrition for healthier people and healthier nations. The DAA appreciates the opportunity to provide feedback on the proposal for a new residential aged care funding model by the Australian Government Department of Health.

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DAA interest in this consultation

As the leading organisation of nutrition and dietetic professionals in Australia, the Dietitians Association of Australia (DAA) is interested in ensuring the residential aged care funding model is appropriate to support homes in providing safe, quality and effective care for residents.

The Accredited Practising Dietitian program provides an assurance of safety and quality and is the foundation of self-regulation of the dietetic profession in Australia. Accredited Practising Dietitians have an important role to play in aged care, such as in the dietary management of clients with chronic diseases and malnutrition, in the planning and coordination of food service within aged care homes and in the training of aged care sector staff.

Recommendations

DAA welcome the review of the funding model for aged care and urge the Australian Government to continue to invest in funding for the aged care sector.

DAA recommend the inclusion of a validated malnutrition screening tool within the AN-ACC tool.

The skills and expertise of dietitians need to be utilised in the process of assessment and care planning to ensure residents in aged care homes can achieve optimal nutrition status.

DAA support the development of a comprehensive tool to be used by aged care homes for needs identification and care planning. It is imperative this tool includes identification of nutrition risk and triggers appropriate management for nutrition related needs. Care planning must be undertaken in consultation with the multidisciplinary team.

In order to meet the nutritional needs of residents in aged care homes, the fixed amount must include adequate funding to provide residents with meals that are nutritious, varied and of suitable quality and quantity. Funding should also be adequate to cover appropriate use of oral nutrition supplements.

DAA has included feedback on some of the recommendations below in the discussion.

Discussion

Recommendation 1: That the Australian National Aged Care Classification (AN-ACC) Version 1.0 be adopted as the national standard classification for residential aged care.
DAA are supportive of a new funding model for residential aged care. DAA are overall in agreement with the AN-ACC because the model allocates resources according to consumer need, is evidence informed and is iterative for ongoing refinement. Some

changes to the draft model are suggested later in this document. The Australian Government must continue to invest in aged care funding to ensure ongoing quality care for those in aged care homes. The price set for the funding must accurately reflect the costs of delivering high-quality care in the aged care sector.

DAA are concerned that the studies to develop and cost this tool have been based on current practice in aged care homes and not necessarily best practice. DAA considers that improvements are needed in the food and nutrition systems in residential care to reduce nutrition risks to care recipients and that funding should support such improvements.

The requirement for the assessment to be undertaken by an external independent assessor is welcomed by the DAA to ensure a consistent approach to assessment nationally. DAA remain concerned that despite an independent assessment to determine funding, the onus will then be on the individual residential aged care home to then use the funding appropriately. Guidance on use of the funding to ensure best practice care is implemented nationally is recommended.

Recommendation 2: That the Australian National Aged Care Classification (AN-ACC) Version 1.0 Assessment Tool be adopted as the national standard funding assessment for residential aged care.

The proposed AN-ACC Assessment tool currently does not include a validated malnutrition screening tool. The prevalence of malnutrition is of significant concern for residential aged care homes with Australian based studies identifying a prevalence of malnutrition in residential care from 22% up to 50% of residents.[1-4] Malnutrition is costly for aged care homes highlighted in a recent systematic review that found that malnutrition was associated with higher health care costs.[5]

Given the high rates of malnutrition and impact on residents in aged care homes the AN-ACC should consider inclusion of a validated nutrition screening tool such as the Malnutrition Screening Tool. The proposed AN-ACC composite assessment tool includes several considerations related to nutritional status within other tools , such as a question about percentage weight loss, provision of enteral nutrition, nutrition questions in the Braden scale and a question on eating in the RUG-ADL section but these have not been validated with respect to nutrition risk. Inclusion of a validated malnutrition screening tool will strengthen the AN-ACC assessment tool by identifying at-risk and malnourished residents. This will enable identification of when the compounding factor of poor nutrition exists to allow correct classification of an individual. This correct classification will support the provision of appropriate funding for those who are malnourished enabling the facility to effectively support and manage the resident's poor nutritional status, improving their health and quality of life.

Recommendation 5: That aggregate de-identified data captured in the AN-ACC assessment be released in the form of an annual public report on the needs of residents in the residential aged care sector.

DAA are supportive of appropriate use of data collected by the AN-ACC assessment to report on the needs of residents in the residential aged care sector and to drive further improvements to the funding models and care delivery for this sector.

Recommendation 8: There be no requirement for reassessment in the AN-ACC funding model.

DAA welcome the recommendation for no reassessment requirements to prevent individuals from moving down a classification under the AN-ACC funding model. This will help ensure there are no disincentives to providing quality care and improving health amongst residents. At present, there is often inadequate access to reablement and restorative services in aged care homes. There is concern that removing the existing ACFI disincentive to improving health through eliminating the requirement for reassessment may not be enough in isolation to support models for reablement and restorative care. It is not clear as to whether the funding provided to aged care homes under this model will be adequate to cover the cost of preventative or reablement and restorative services. It is imperative that the model and funding facilitate increased access to these services for residents in aged care homes.

Recommendation 9: That a best practice needs identification and care planning assessment tool be developed for use by residential aged care facilities.

DAA agree that a best practice needs identification and care planning assessment tool be developed for use by residential aged care homes. The structure of the assessment and process for its use are important and should be considered within the development. Given the diversity in needs of residents and application of consumer directed care, flexibility is essential. The tool should be developed in collaboration with allied health and medical professionals to ensure a multidisciplinary approach.

This tool should include a validated nutrition screening tool. It is important that the multi-disciplinary team is involved in the care planning assessment and that the outcomes trigger referrals to specific health professionals where required. For example, identification of residents who are malnourished should trigger referral to a dietitian for comprehensive nutrition assessment as part of care planning. DAA are willing to assist in the development of the nutrition component for the needs identification and planning assessment tool.

Recommendation 10: That, as a condition of subsidy, each resident undergo a care planning assessment at least annually and that the outcomes of this assessment be discussed with residents and carers and be used as the basis of an annual care plan.
DAA are supportive of regular, collaborative care planning to ensure the needs and goals of residents are met. This care planning should be undertaken using appropriate tools, including a validated nutrition screen and be conducted by the multi-disciplinary team. Where appropriate health professionals are not on staff, external support may be required to ensure the care planning addresses all needs of the resident.

Recommendation 11: That the subsidies payable to homes for the care of residents consist of three components (base care tariff, AN-ACC payment and adjustment payment), each of which is expressed for funding purposes as a National Weighted Activity Unit (NWAU).
DAA are supportive of the three components of the subsidies payable under the proposed new funding model. DAA highlight that there may be issues with a one-off adjustment payment as it potentially disadvantages an aged care home who receives a resident who has transferred from another. This creates a disadvantage in instances where consumers have exercised their right to choose a new aged care home.

Due to the important role of allied health in the aged care sector there needs to be assurance that this fixed rate provides adequate funding to enable homes to employ these professionals or access their services via a contractual arrangement. Service providers frequently cite cost as a reason for not employing more dietitians and other allied health professionals. Greater investment in dietitians would help to systematically strengthen measures for prevention and management of nutrition risk for care recipients, reduce the need for individual consultations by a dietitian and increase the efficacy of individual interventions when they were required.

The base-care tariff also needs to ensure there is adequate funding to cover the cost of adequate food to meet the nutrition requirements of residents. An Australian survey conducted over the 2015 and 2016 financial years, compiled from 817 residential aged care homes, representing 64,256 residential beds and 23 million bed-days Australia-wide, found that the average total spend on the raw food and ingredients budget was $6.08 per aged care resident per day.[6] This amount was lower than previous years.[6] This amount is also lower than the average cost of food reported to meet healthy food recommendations for Australians.[7-11] DAA recommend that the fixed cost must be adequate to meet the nutritional needs of residents in aged care homes. This includes the provision of oral nutrition supplements, as these are not currently addressed in the existing funding arrangements and have potential to treat malnutrition with positive outcomes.

Recommendation 19: That the Commonwealth, working through the Department of Health and the Aged Care Quality and Safety Commission, build strong accountability into the

system to ensure that the adjustment payment be used for the intended purpose, not added to the bottom line and not contracted out to third party providers
DAA support that accountability is built into the system and that perverse incentives are avoided.

DAA highlights that the adjustment payment, used to support the increased costs during the admission time period, may need to be used for covering costs of third-party contractors as many allied health professionals such as Speech Pathologists and Dietitians provide services to residential aged care homes via contractual arrangements. It is critical that the model still enables aged care homes to utilise the expertise of allied health professionals during the time of admission, assessment and care planning.

Recommendation 20: That existing Commonwealth subsidies be addressed in three different ways:

1. *The homeless supplement and the adjusted subsidy reduction be discontinued once the AN-ACC model is introduced.*
2. *RCS payments for grandparented residents be progressively phased out with all current RCS recipients to transition to the AN-ACC within two years.*
3. *The daily residential respite subsidy, the oxygen supplement, the enteral feeding supplement and the veterans supplement be the subject of supplementary RUCS studies with current recipients being grandfathered until the results of the supplementary study are available.*

DAA recognise that enteral feeding supplements are an additional expense for residential aged care homes and support the undertaking of supplementary studies to ensure that homes receive appropriate funding for these. DAA highlight the importance of ensuring residents who need access to these, continue to be provided with adequate access during transition and into the future. At present oral nutrition supplements, despite the benefit they offer when used appropriately for managing malnutrition, are not covered by additional subsidies. Consideration of the cost of these should be included in supplementary studies to find a solution where these can be provided to residents in need within the funding arrangement.

Recommendation 24: That the Commonwealth undertake an annual residential aged care costing study and, informed by that, determine the dollar value of an NWAU each financial year.
DAA are supportive of annual costing studies, to determine the price under this new model. Costing studies must be representative of the sector, be transparent and undertaken by independent researchers, with appropriate experience and qualifications. Annual studies are imperative to ensure the dollar value of an NWAU accurately reflects the costs to provide high quality care.

Recommendation 26: Irrespective of the broader organisational aspects, external assessment be undertaken by credentialed registered nurses, occupational therapists and physiotherapists who have experience in aged care, complete approved AN-ACC assessment training and comply with continuing professional development requirements.

DAA appreciate that given the classification system proposed the reasons as to why the above professionals have been selected to be accredited as external assessors. DAA highlight that other allied health professionals, including Accredited Practising Dietitians, could undergo training to undertake the assessments, just as they have done to participate in Aged Care Assessment Teams from time to time. Training and enabling other professions to undertake assessments will support skill development, flexibility and enhanced workforce capacity amongst those trained and working in the aged care sector which may have particular advantages in geographical areas of skill shortages.

Recommendation 28: That the Commonwealth work with peak bodies to develop and implement a change management strategy.

The Commonwealth will need to work with all relevant stakeholders to ensure the change is implemented effectively. Prior to the change being implemented all stakeholders will need to be involved in the development of the care planning process, as identified in recommendation 9. Adequate testing of the new model and transition will need to be undertaken before transition is implemented widely.

The biggest consideration for transition as highlighted under Recommendation 1, is the provision of adequate Government funds to the aged care sector.

Recommendation 29: That Government commit to an ongoing aged care research and development agenda that builds on the work of the RUCS and that includes assessment, classification, costing and outcome studies.

DAA are supportive of ongoing research and highlight the need to ensure this drives changes to the model as required and ongoing uptake of evidence-based, high quality services in the aged care sector.

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