Meeting the Aged Care Needs of Rural and Remote Areas

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Thank you for the opportunity to speak today.

I would like to talk to you about quality aged care for older Australians, living in rural and remote areas. I would also like to cover a review now underway to improve the Aged Care Program’s rural performance.

But let me first give an overview of how our aged care system now works.

The aged care system
The Aged Care Program is a national, planned network of care for older Australians.

A major component is long-term care in residential settings, or nursing homes and hostels. High level residential care, previously called nursing home care, is for very frail older people, often with complex, chronic health conditions. Low level residential care, previously called hostel care, combines residential accommodation with assistance with daily living (like bathing, food preparation and the like).

Some providers specialise in either high or low care, but increasingly many are providing both. This allows older people to age in place, even as their care needs change — offering opportunity to live in or closer to their community.

The Federal Government funds residential care. And most residents make contributions, to assist with accommodation and care costs and these contributions are regulated by Government. For those residents who are unable to pay the full contribution, the services receive supplementary funding — so access to care is available according to need.

The Federal Government’s total expenditure on aged and community care in 2000–01 is estimated to be some $5.0 billion, of which $3.9 billion relates to residential care subsidies. This includes expenditure by both the Department of Health and Aged Care and the Department of Veterans’ Affairs.

Community care supports older Australians in their homes, so that they can remain in the community for as long as possible.

Community care packages started in 1992 and use a case management approach to develop and monitor community care, tailor made for each individual and delivered on a short, or a long-term basis.

The Home and Community Care Program is funded jointly by the Federal and State governments with the Commonwealth contributing about 60%. It is for frail older
people, people with disabilities and their carers. Services include community nursing, allied health services, personal care, meals on wheels, home help, home modification and maintenance, transport and community-based respite care.

These services, both residential and community, are planned at the national level in order to fairly distribute services across a range of geographical locations and financial situations.

The planning of this service delivery is especially important for those older people and their carers, living in rural and remote Australia.

**Rural and remote challenge**

Rural Australia is diverse and ever changing — just as urban Australia is. In fact, we can not speak of a singular rural or remote Australia.

Rural Australia is most of Australia’s landmass. It covers the expanding coastal strip areas along Australia’s eastern seaboard, inland rural towns and their hinterlands, to the most remote cattle stations.

And this means a diversity of experience in providing care, and challenges encountered in different communities.

For rural service providers, challenges can relate to:

- cost of goods and services;
- access to specialised care professionals — physiotherapists, doctors, nurses and social workers;
- recruiting, training, and supporting professional care staff; and
- isolation and lack of networking.

These types of issues were also certainly reflected in the submissions to the Productivity Commission’s *Inquiry into Nursing Home Subsidies*. The Commission received a range of submissions from aged care providers, including rural providers. A public report is available.

Higher costs in some areas, especially where these areas are distanced from supplies of goods and services, can contribute to some of these concerns.

Many rural services also serve smaller catchment populations. Therefore, they often have a lower number of places, lessening their purchasing power and offering less economies of scale. For example, about 82% of facilities in very remote areas have 20 or fewer places.

Clearly distance is a major factor. Distance not only affects clients’ access to care and increases the risk of isolation, but also affects the operation of care delivery.

Arguments put to the Productivity Commission about a special case for more support for rural, and especially remote, services were accepted by both the Commission and Government.
This is why the last Federal Budget increased viability funding by $20.1 million in program funding over four years. Roughly, this doubles viability funding from around $6 million to over $12 million a year.

Over the past few months, this has received priority attention from the Rural Review. We have reviewed the current viability arrangements. We hope to implement new arrangements — after further consultation with aged care representative bodies — within the next couple of months.

PART ONE — STRENGTHS

Well planned

Australia’s population is expected to grow by 13% to around 21.5 million people in the next 15 years. And with the ageing of the baby boomer generation, the number of over 65s, is expected to grow by a massive 55.6%, reaching 3.6 million during the same time period. The number of people over 85 years of age will increase by 75% up to 2017 (although they are a small proportion of the total population).

The population of over 65 years old will be increasing by 50% in rural and remote locations over the next 15 years. This obviously presents a challenge to existing aged care services, rural communities, and Governments.

Over the past two decades, the Federal Government has used a national planning framework for aged care, using the service provision benchmarks based on the number of older people aged 70 years or more. The aim was to meet the increasing need for residential care for Australians to be provided as close as possible to where they reside, whilst also effectively managing Government outlays in a sustainable way.

These benchmarks are now set at 100 places per 1000 Australians aged over 70 years. These places are broken down into 40 high care places, 50 low care places and 10 community care places per 1000 of our elderly.

These aged care places or packages are allocated in a three layered process of Approval Rounds. Firstly places are allocated to States and Territories, then to priority localities and regions within each State or Territory. And finally, the third layer of the process is the allocation of places to individual service providers.

This process aims the delivery of aged care places to the localities where they are required, including of course, rural and remote areas.

If we examine the number of aged care places, 28% of aged care places are covered by rural and remote areas (compared to 30% of older people who live there). 28% of places is a substantial commitment. This includes over 44 000 residential and community places.

And 36% of places in rural, remote, and regional areas (compared to 38% of older people).
This is a strong performance, and I think that the aged care sector and the communities that support it, may be rightly proud of this achievement.

However, this does not mean that we can’t improve. This is why rural and remote has been such a focus in our recent release of new places. The latest Approval Round released 44% of new places to rural and regional Australia, compared to just under 40% in the 1999 Round.

The rural review is also looking at ways that we can improve our performance. I’ll talk more on that later.

**Lifting quality — accreditation and certification**

There has also been an increasing focus, not only on the type of care provided, but also on delivering better quality of aged care services care to consumers. This was initiated through structural reforms, introduced in 1997. This reform was profound in that for the first time, it linked funding with certification and accreditation.

Many may be aware of the pressing problem of outdated and run down buildings being used to house our elderly. The process of certification commenced in October 1997 and has started the process of addressing this problem.

Certification involves the assessment of buildings against minimum standards relating to fire, security, access, hazards, lighting, heating, cooling and ventilation. To date, over 3000 facilities, being 98% of all residential care services have been assessed as meeting these standards.

The next challenge for the Certification process will be for facilities to meet the standards for privacy and space, to be addressed by 2008. For a number of services, this will mean significant upgrades and structural improvements to their physical environment, to the benefit of elderly consumers.

The Government understands this, and aged care services that cannot meet this financial burden single-handedly, can apply for Residential Care Grants and Restructuring Assistance. In the 2000 Round, 65 Residential Care Grants totalling $29.5 million were given. Furthermore, to date, 91 services were given Restructuring Assistance totalling 9.3 million dollars. Such grants have enabled many facilities to improve their environment and services.

More capital money for small rural services was provided in the last Federal Budget. Services can apply for this capital through the Approvals Round.

The second element of structural reform is the process of accreditation. This process gives service providers the incentive, and indeed the compulsion to meet quality of care standards, including a high standard of personal care, safe buildings and commitment to protect residents’ rights. This process commenced in 1998.

At 1 January 2001, out of nearly 3000 homes, 2938 were accredited, with only a very few services not able to meet these standards. Of course the issues within this small number of facilities have been taken in hand with the Department actively case managing them, or applying sanctions as necessary.
Overall, both certification and accreditation have been positively received, with many providers experiencing these challenges positively.

Management

The key to effective provision of aged care services in rural and remote areas, lies not only in financial assistance, but also in the careful planning and management of these services into the future.

Although most providers have adapted well to the new aged care environment, there is a clear need for some to better understand and apply sound business management practices to the provision of high quality care.

The Minister for Aged Care, the Hon. Bronwyn Bishop, MP, has established a Reference Group on Management Development in Residential Aged Care, to advise her on management development needs in the industry, and ways that these might be addressed.

We are now developing an educational strategy to bring about improved business management practices within the industry.

This will focus in the first instance on the best ways of using draft information packages that have been developed for Boards and Managers. It is intended that these will be suitable for self-education as well as for use in training or seminar settings.

This initiative is focused primarily on the needs of smaller providers in rural and regional areas. Especially those who may not have the kind of corporate support or specialisation available to larger organisations, and who may also have less access to business advice and professional education opportunities.

This initiative is part of our effort to help services effectively manage their services and offer good care to older people.

Workforce

As I have mentioned, and as covered by the previous speaker, the recruitment and retention of staff is a specific challenge for rural and remote aged care facilities. Aged Care is currently undertaking a number of projects which examine the staffing problems in all aged care services.

The Government announced in December 1999 the commitment of one million dollars to help address aged care workforce issues by, for example, promoting the aged care nursing workforce, assisting the retention of the existing workforce and assisting to attract new entrants to that workforce. The Government is consulting with the industry, consumers, staff and the professional colleges to support the development of this initiative that will be of benefit to the sector nationally.

The Government has a number of initiatives in place to examine the reasons for the nursing shortage, and develop appropriate responses as well as strategies to raise the profile of nurses in aged care. These initiatives are:
♦ the Nurse Returners project which would identify nurses who are registered but not currently working in nursing, explore the factors that would encourage their return to the residential aged care sector and design strategies to encourage this. The perspectives of regional and rural areas would be included in the research; and

♦ the Awards for Excellence (care and staff development), in which the inaugural awards were presented in December 2000, recognises excellence in care and staff development by residential aged care facilities.

The Rural Review is also looking at employment configurations within rural residential aged care services and the direct and indirect effects of this employment on rural communities. This research will also examine parameters which may influence the types of employment and will be used to help with future planning and assistance for rural aged care services.

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A more integrated and flexible approach
Integration and flexibility of approach are areas that are being addressed at a service, and at a planning level.

Sometimes people say aged care is not sufficiently flexible, or even too rigid. But I think that this is not at all the case.

Really, aged care’s history is a history of increasing flexibility — and, indeed, specialisation. For example, over the last couple of decades the Commonwealth has been growing the aged care sector in rural areas and gradually relieving pressure on rural hospitals by offering nursing home care.

That said, for too long, aged care was over-reliant on one single form of care — nursing home care. Further flexibility was introduced in the mid-eighties with the expansion of the hostel sector — enthusiastically taken up in a lot of rural areas — and the Home and Community Care Program.

The early nineties saw more flexibility introduced with:

♦ community aged care packages — later significantly expanded with the Staying at Home Package — equivalent to low level residential care;

♦ Multi-Purpose Services — later expanded, and added to with Regional Health Services. This gave significant autonomy for providers to meet the needs of small rural communities through a “cashed out” funding model, including aged care and health; and

♦ Flexible Indigenous Services — run on a similar basis to MPS services, especially (but not exclusively) for remote Indigenous communities.
In the late nineties, the residential structural reform package allowed funding for high care in hostels, which was beforehand a major pressure in the Program.

Rural communities have often enthusiastically taken up these flexible opportunities within aged care. We presently have 51 MPS services approved nationally, with 30 Regional Health Service sites planned. We also fund 18 flexible care services under the Aboriginal Aged Care Strategy.

Yes, we can improve our flexibility, in the way we plan and release places. And this is one major focus for the Review.

PART TWO — IMPROVEMENT AND FUTURE DIRECTIONS

The review

We have worked hard to make real improvements in access, funding and management of rural aged care services and have gone quite a way towards addressing the needs of communities through the reforms of 1997. I believe that some solid gains have been made.

However, there is still much to do in rural and remote Australia, and the reality of the situation is not as good as we can do. There are a few key areas that we are working to address.

For this reason, in the 1999–00 Budget, the Government made money available to fund the “Rural Review”. The “Rural Review” is shorthand for the Review of Aged Care Planning for Rural and Remote Areas.

Clearly, as you can tell from the title, planning is a major focus! But we wanted to broaden it out to include some other priority concerns to rural aged care.

The review is structured around three objectives:

♦ better planning;
♦ better funding; and
♦ better information.

Better planning

A major focus is to explore more flexibility in the planning and allocation of aged care in rural areas.

This stems in part from the recognition of the diversity in rural Australia, and the need to develop flexible approaches.

Residential and community places are now released through the Approval Rounds, in a process similar to competitive tendering (except price is set by Government).

The rural review team is exploring processes for more negotiated outcomes, where competition for places is lacking, especially in remote areas.
The Approvals Round has been the major method for releasing places over the past few years. It represents a significant advance in our process — offering a range of approvals in the one round in a more streamlined process.

We now offer a significant level of information for applicants, backed up with information sessions, conducted both in the cities and in regions.

The Approvals Round will continue to be the major way to offer and release places. It allows for a fair process, so any interested party can compete for places and their proposal can be considered on its merits.

But we do recognise that in some limited circumstances, especially remote areas, it may be better to work towards a more negotiated outcome with stakeholders in that community.

This is a longer, more labour intensive process. In effect, it is similar to the process with multi-purpose services — where the Department works with local stakeholders in small rural communities to work through the Multi-Purpose Service Model.

This has already started in the current Approvals Round. We are now working with existing and other potential applicants in seven rural regions to allocate places by June 2001. These seven regions were selected because not all places were allocated in those regions in the current Round.

We are also working on a number of planning projects especially designed to improve the way we plan for rural areas.

Victorian Office of the Department is working with Monash University to develop the capacity of small rural communities in the Loddon–Mallee region to develop proposals and operate aged care. A workshop is expected later this year, plus the development of a toolkit for these communities.

The aim is to better connect small communities with the aged care program, and better enable them to submit quality proposals.

Our New South Wales Office is working on projects to develop our capacity to better plan for cross-border areas. The central focus for the project is to consider how we can plan for communities that cross different state jurisdictions. Again, a workshop on cross-border issues is expected in the next month or so, focused on cross-border planning issues.

We are also seeking to improve our planning and profiling of communities at a sub-regional level, and thinking through we can better get stakeholder’s input to the planning process.

The Rural Review is also part funding, together with a Health area of the Department, a project to identify a range of options for future service development for Toowoomba. This includes considering regional issues and appropriate resource sharing with hospitals, health and care services in the region.
This project may well form an interesting approach for examining other regional solutions to better resource sharing and linkages between health and aged care delivery.

**Better funding**

The 2000–01 Budget provided $20.1 million in program funding over four years to increase viability funding, as part of the initiative Aged Care — Adjustment Grants for Small Rural Facilities.

Viability funding is now funded at around $6 million a year. With the new funding, funding for viability each year will be more than doubled.

The aim is to offer more financial support for small rural and especially remote facilities, recognising the higher costs due to distance and other factors.

**Better information**

Two major activities have been underway to produce better information on aged care’s rural performance, with a third project to start shortly.

Firstly, a literature review has been commissioned to analyse Australian and international research on aged care. Research has started, and a number of research articles have been identified.

The second project focuses on my earlier theme of recognising the many good things that rural services have to offer, not only to other rural services but also to urban services.

This project has been commissioned to identify and case study 24 examples of good care delivery by rural services.

Potential case studies have been selected, with good care records and which provide care in different circumstances (rural, remote, and regional) using a range of different models (including residential, community, and flexible care).

These case studies were selected on the basis of recommendations from:

* consumer peak bodies;
* provider peak bodies;
* the standards and accreditation agency;
* State governments; and
* departmental staff.

The aim was to get some good examples of care, to provide information to communities, providers, and other stakeholders.

All site visits have been completed and the project team is now writing up the results.

We are hoping through the course of this calendar year to release a range of documents on what the review is doing plus other products, and providing the opportunity for people to respond and offer feedback.
An important upcoming event is a seminar on rural health and aged care planned for the 8 March 2001, the day after this Conference finishes. The Rural Review and the Office of Rural Health are jointly sponsoring the seminar, providing a good opportunity to discuss what we are doing under the Review, plus provide opportunity for feedback.

I have brought some flyers with me, if anyone here is interested in attending.

CONCLUSION

In conclusion, I now want to return to a theme that started my presentation today.

Rural aged care has both challenges and opportunities. Aged care has achieved well in rural areas, but this doesn’t mean we can’t improve.

I hope the rural review will provide a good opportunity to set some directions in rural care, for consumers, providers, and the Department, by simultaneously:

♦ focusing on the good rural care can offer;

♦ advising Government on the distribution of the extra viability money — to assist services meet the challenges of rural delivery; and

♦ helping the Department improve its capacity to plan for rural care’s future.

Thank you.

AUTHOR

Marcus James has been head of Residential Program Management Branch of the Commonwealth Department of Health and Aged Care since July 1999. His public sector career has spanned 16 years in policy advice and management of government programs, including rural health, family services, pharmaceutical benefits, childcare and telecommunications.