

Lynda O'Grady  
Chair  
Aged Care Financing Authority

Dear Ms. O'Grady,

Thank you for providing me with the opportunity to comment on the Interim Operating Framework of the new Aged Care Financing Authority.

I am disappointed that the Framework does not put more emphasis on the quality of services provided. I know that this will fall under the remit of the Aged Care Quality Agency (ACQA) which will be established in 2014 but in my view issues of cost and quality need to be considered together. A key initial role of the Financing Authority will be to provide independent advice on the cost of providing *quality* aged care services.

There is increasing concern about the quality of aged care services provided to individuals who have dementia. Providers often indicate that they are not adequately resourced to provide the additional care required by individuals with dementia. This issue has been recognised in the **Living Longer Living Better Reforms** through the introduction of Dementia Supplements in community care and a new Very High Level of funding to the Behaviour Domain of the Aged Care Funding Instrument (ACFI) to better recognise the additional cost of caring for residents with severe BPSD.

Alzheimer's Australia welcomes these initiatives which have been introduced with the aim of improving quality of dementia care in both the community and residential aged care. There is a need, however, to ensure that this additional funding is appropriately targeted and leads to better quality of care for people with dementia. The Aged Care Financing Authority in collaboration with the ACQA should be tasked with a review to evaluate whether the dementia supplements are providing sufficient additional funding to account for the additional costs of dementia care. In addition, the review should examine how this funding is being utilised by providers and whether it is resulting in an improvement in the quality of dementia care.

This review is particularly important as over the last six months, there has been increasing evidence of the poor quality of aged care services provided to people with dementia.

In April 2012, Alzheimer's Australia report '*Consumer Engagement in the Aged Care Reform Process*' was released. This report documented the stories of over 1000 consumers who attended consultations conducted by Alzheimer's Australia on the aged care reforms. Consumers had serious concerns about the quality of services provided within residential aged care facilities including concerns about staffing, use of restraints, inappropriate environments, and reduced mobility due to lack of opportunity for physical activity.

More recently, there has been increasing concern about the inappropriate use of antipsychotic medication to respond to behavioural and psychological symptoms of dementia in residential aged care facilities. Studies have found that the risks of antipsychotic medications are likely to outweigh potential clinical benefits for as many as 80% of the 50,000 or more people with dementia in Australia on antipsychotic medications. As a result, it is likely that there are a significant number of antipsychotic medication-related deaths, strokes and serious side effects each year within this group that could potentially be avoided.

As one respected clinician said at the Minister's recent roundtable on anti-psychotics the issue is the "canary in the cage". If you have not seen the Late Line program you might find it of interest to get a sense of the frustration that consumers feel with the quality of residential care <http://www.abc.net.au/lateline/content/2012/s3569736.htm>.

The use of antipsychotics is just an example of the poor quality of care individuals with dementia are receiving as a result of services in which staff are not adequately trained, supported or resourced to provide quality dementia care including responding appropriately to behavioural and psychological symptoms of dementia.

I understand that the remit of the Aged Care Financing Authority is to provide transparent, independent advice to the Government on pricing and financing issues in aged care and that the Aged Care Quality Agency which will be established in 2014 will deal with monitoring and regulating quality. But at the same time it is not sensible to look at pricing and costs without also addressing issues of how funding relates to quality of care. It will be important that these two agencies work together closely to ensure that funding and quality are not addressed in isolation.

Understanding the costs of quality care will also be important in reviewing the impacts of changes to the Aged Care Funding Instrument (ACFI) which were announced as part of the aged care reform package.

A few specific suggestions on the document are outlined below.

Objectives:

- The first dot point should be revised to read "support access to quality care..." in Objective 1
- 'provide quality care' should replace 'appropriately care' in Objective 1.

- Add the following to the last dot in Objective 1 “including for those with dementia and complex care needs”.
- Add new last dash to Objective 2 “the supplements provided in respect of dementia:

#### Roles and responsibilities

- Point 5, p 2 Revise to read “...access to quality care...” in the first three dot points
- Point 5, p 2 Add a new last dot point “the true cost of providing quality care and a review of the adequacy of dementia supplements in collaboration with the Aged Care Quality Agency:
- Point 11 Add a fourth dot point to read “developing and implementing quality indicators that will assist the Aged Care Financing Authority in assessing changes in the quality of care in relation to costs”.

#### Operations of the Authority

- Point 16 Timeframe should be given for publication of commissioned research (within 28 days).

Thank you again for the opportunity to comment on the Framework. I would be happy to meet to discuss any of these concerns in further detail.

Kind Regards,

A handwritten signature in black ink that reads "Glenn Rees". The signature is written in a cursive, slightly slanted style.

Glenn Rees  
CEO, Alzheimer's Australia

7<sup>th</sup> September 2012