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To Whom It May Concern,

Re: Proposal for a new residential aged care funding model

I write on behalf of members of the Australian Psychological Society (APS), the peak professional body for psychology in Australia, regarding the proposal for a new residential aged care funding model.

The APS would like to congratulate the Department and the research team, led by Professor Kathy Eagar at the University of Wollongong, for an extremely comprehensive and rigorous investigation into the important issue of a robust funding system for residential aged care (RAC).

In general, the APS supports the proposed funding model and notes that it is a significant improvement on the Aged Care Funding Instrument (ACFI). Separating resident assessment for funding from resident assessment for care planning addresses a lot of the flaws in the ACFI model. However, the APS does have some concerns regarding the model's development and future implementation, which are outlined below.

The classification system is based on the finding that functional and physical capabilities are identified as the key drivers of cost. While psychosocial needs may not be a significant cost driver, the APS is concerned about the absence of detail provided about the role of psychosocial needs in the Resource Utilisation and Classification Study (RUCS) reports.

A significant concern is that the model is based on current practice (which includes resident assessments, service utilisation and financial data). Current practice is inadequate and is not meeting resident needs, particularly with regard to mental health and wellbeing. Of those living in residential aged care facilities (RACFs) on 30 June 2018, 52% had dementia, 86% had at least one diagnosed mental health or behavioural condition, and 49% had a diagnosis of depression (AIHW, 2019). Despite high levels of mental health and behavioural issues, **residents have extremely limited access to mental health interventions** (Davison et al. 2016). Therefore, if mental health support was not accounted for in the development of the model then the APS is concerned that **mental health needs will continue to be unaddressed and overlooked going forward**.

The APS understands that this is a proposal for a funding system, and does not speak to the amount of funding required to meet the needs of aged care

residents under this new model. The APS is therefore also concerned that without a commitment of more funding, a whole range of issues will fail to be addressed. This includes mental health issues continuing to be under or misdiagnosed and untreated. **The APS urges the Government to invest adequate funding into RAC in order to enable the model to work to its full potential**, assuming that trials and early implementation show that the model is better meeting resident needs.

The model proposes that resident assessments for funding classification are conducted externally and independently of the facility, and that external assessors should be credentialed registered nurses, occupational therapists or physiotherapists who have experience in aged care and have completed approved assessment training. The APS understands that these are the health professionals who have expert clinical skills in aged care assessment. However, the APS are concerned about the potential for certain psychological and behavioural issues to be overlooked in the assessment process and consequently result in inaccurate funding classifications. **The APS propose for a mechanism to be incorporated into the external assessment process to enable the independent assessors to include a psychologist to ensure that psychological and behavioural needs are appropriately assessed.**

In relation to the care assessment planning process, which is proposed to be done internally by facility staff, the **APS are concerned about the lack of mental health expertise available within the internal assessment team.** Accurate assessment of resident needs and care planning is fundamental to ensuring the health and wellbeing of residents, and therefore the APS urges the Government to **ensure that psychologists have a key role at this critical point in a co-designed care planning process.**

Psychologists can and should have a central role in the assessment, training, development, and supervision of mental health service delivery in RAC (Davison et al, 2016). By involving psychologists in the assessment and coordination of mental health service delivery this process would ensure that appropriate assessment tools are used to screen the emotional needs of this population and that appropriate intervention is delivered based on the identified needs. There is a role for psychologists in RAC in the assessment, treatment planning, and delivery of evidence-based psychological interventions to residents.

In relation to the specific measures used to assess mental health as part of the care assessment process, the APS supports the use of evidence-based tools. Such tools include, and should be administered by psychologists:

- The Cornell Scale for Depression in Dementia (CSDD)
- The Quality of Life – Alzheimer’s disease (nursing home version)
- The Geriatric Anxiety Inventory (Creighton et al. 2018).

The one-off adjustment payment made to facilities on entry of a new resident into a facility is an important feature. However, the APS does not agree with recommendation 19 which excludes facilities from using this funding to contract out to third party providers. Psychologists, and many other allied health

practitioners are a critical part of the initial assessment and care planning process, and are often categorised as third party providers. Therefore ***the APS believes that allowing facilities to contract out services to third party providers would be a very appropriate use of the adjustment payment.***

It is fundamental to ensure that this new funding model is able to drive high quality, safe care for residents of aged care facilities. It is vital that during the implementation process there is annual reassessment of care planning to address any shortfalls in mental health support over time. ***The APS strongly believes that residents should be able to access mental health treatment at a level similar to individuals living in the community - they should not be excluded from mental health treatment just because they live in a RACF.***

By removing the requirement to undergo reassessment for funding, the proposed model has removed the problematic disincentives for facilities to provide access to reablement and restorative services to improve resident outcomes. However, the APS is concerned that there is still a lack of acknowledgment of the value and need for reablement and restorative support services. The new funding model should not exclude access to services that are available to the general population.

The APS believes that the model should be implemented in its entirety (i.e., all of the study's 30 recommendations) otherwise its value is in danger of being compromised. It is hoped and expected that the current trials underway will reveal more detail, and highlight areas of the system which may need refining – particularly the issues that are raised in this submission.

In summary, the APS has some concerns about this proposed model and makes the following recommendations to the Department:

- Use trial and early implementation findings to support appropriate refining of the model so that it leads to delivery of care that meets resident needs, and is not merely based on what is currently provided
- Invest adequate funding into RAC in order to enable the model to work to its full potential
- Implement mechanisms to address the mental health needs of residents such as ensuring psychologists have a role in the internal care planning assessment process
- Remove the exclusion of contracting out the one-off adjustment payment to third party providers
- Implement the 30 recommendations in their entirety.

Yours sincerely



Frances Mirabelli

Chief Executive Officer

References

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