

OCTOBER 2016

ADVOCACY BRIEF

Proposed Funding Cuts to Aged Care

Key Messages

The Federal Government has announced budget cuts to the aged care sector with an estimated impact of more than \$2 billion over four years.

These cuts will significantly impact the funding for services available to address the needs of residents of aged care facilities, amounting to an average of \$6,655 per person per year and up to \$18,000 per year for those people with complex health needs.

These cuts will make it even harder for older people with complex health needs to receive the services they need, and will also place further pressure on hospitals.

These cuts will particularly affect rural and regional areas which already have limited funding.

The Aged Care Sector and Government should work together on funding solutions that don't undermine or disrupt the care of older people, particularly those with complex health needs.

FACTS & FIGURES Nº 1

One in twelve older Australians experience significant financial or social disadvantage

Background

In 2014, 3.4 million Australians were aged 65 and over and 456,600 people were aged 85 and over.¹ The health needs of older Australians are increasing, and many older Australians are missing out on appropriate and affordable support and care services. Older people with high care needs face particular difficulties accessing appropriate services and supports. The number of people with dementia is expected to rise to over 400,000 within five years.²

Residential care is provided to older people who are unable to receive the care they need at home. The complex health care needs of people in residential aged care facilities are funded through a Government funding mechanism called the Aged Care Funding Instrument (ACFI). The ACFI was first introduced in 2008.³ For those who have particularly complex health care needs, residential aged care facilities are funded through the Complex Health Care (CHC) element of the ACFI.⁴

The proposed cuts

In the 2016-17 Federal Budget, the Government announced \$1.2 billion cuts from aged care funding for the residential care of those with complex health needs. This was on top of more than \$750 million worth of cuts in December 2015. Independent modelling suggests the real impact of the cuts will be more than \$2.5 billion.⁵

These cuts are likely to mean a \$6,655 reduction per person per year on average, which is a reduction of \$128 per week. For those with complex health needs the cuts will mean a reduction of up to \$18,000 per person per year. While these changes will only affect new or reclassified residents, most residents in the CHC category have short lengths of stay, and so therefore it is not expected to be long before the changes will affect most providers and most residents.⁶

Reductions in quality of aged care

Under the proposed cuts, critical health needs such as wound and skin care, mobility needs, arthritis treatment and end of life care will be harder to access.

Aged care services will be less able to engage the allied health professionals and staff required to meet the needs of residents and will be forced to shift

FACTS & FIGURES N^o 2

The number of people suffering from dementia is expected to rise more than 400,000 within five years

FACTS & FIGURES N^o 3

Almost 15,000 older Australians experience homelessness or are at risk of homelessness

the burden of responsibility from specialised aged care facilities to hospitals and other state and territory services.

Services are facing increasing demands for specialised care for people with dementia and carers often struggling to meet the needs of their partner or relative at home. These cuts will place further strains on the care of people with dementia.

Older people needing care can still face lengthy delays. In 2013-14, only 69 per cent entered residential high care within three months of assessment and only 62 per cent entered residential low care within that time. Only 59 per cent of people commencing Home Care received services within three months of approval. Such delays are only likely to increase if funding is cut.

Rural and regional

More than one in ten older Australians lives in a regional, rural or remote community. The funding cuts to aged care will be particularly devastating for regional and remote aged care facilities, as they already receive less funding, face significantly higher costs and have poorer financial returns. It's likely some facilities could be forced to close.

Sustainable models

Government and the aged care sector must work together to develop sustainable funding models that don't disrupt the health care of residents at aged care facilities.

A review of the aged care system is currently underway. Funding cuts should be halted until the findings of the review are revealed. Older Australians will need assistance in making the transition to the new models of care so that the most vulnerable and those with high care needs have adequate support to ensure they are able to make informed choices about their health care.

Why is the Uniting Church concerned?

The Uniting Church in Australia has been concerned for the human rights of all people since its inception in 1977. The Statement to the Nation declared in part:

We affirm our eagerness to uphold basic Christian values and principles, such as the importance of every human being.⁷

In its 2006 statement *Dignity in Humanity: Recognising Christ in Every Person*, the Uniting Church in Australia noted that:

Every person is precious and entitled to live with dignity because they are God's children, and that each person's life and rights need to be protected or the human community (and its reflection of God) and all people are diminished.⁸

The same statement of the Uniting Church in Australia also supports the commitment of the Eighth Assembly of the World Council of Churches to promote and defend human rights in a way which takes into account "the equal rights of young and old, of women and men, and of all persons irrespective of their origin or condition".⁹

The community service arm of the Uniting Church, UnitingCare Australia, outlines the following statements in relation to ageing:

- The number of people suffering from dementia is expected to rise more than 400,000 within five years.
- Every older Australian should be able to live well, as part of their community, with dignity and independence, and in a place of their choosing.
- In the new environment of consumer-led and demand-driven aged care, older Australians should have access to the appropriate and affordable support and care services that they need, when they need them.
- The aged care system needs to be adequately funded to be sustainable into the future. Funding cuts threaten the viability of providers and the quality of care provided to older Australians.¹⁰

FACTS & FIGURES NO 4

Older people needing care can still face lengthy delays. In 2013-14 only 69% of those needing care entered residential high care within three months of assessment and only 62% entered residential low care within that time.

What can I do about this?

A campaign to stop the funding cuts is underway. The aim is to have as many people as possible contact their local Member of Parliament. We urge you to write to your MP. You can use the information above, and make the following points:

- Cuts to aged care will particularly impact those who have complex health care needs, and place greater pressures on hospitals
- The cuts will also place those in rural, regional and remote communities at particular risk
- These cuts should be put on hold immediately.
- The Federal Government needs to work with the aged care sector to develop sustainable funding models that don't jeopardise the care of vulnerable older Australians.

Email your MP using this guide:

<https://stopcutstoagedcare.good.do/take-action/email-your-mp/>

References

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8. Uniting Church in Australia statement, Dignity in Humanity 2006,
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