

The Pricing Framework for Australian Residential Aged Care Services

**Response to consultation
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Recipient

Independent Health and Aged Care Pricing Authority (IHACPA)

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About Dietitians Australia

Dietitians Australia is the national association of the dietetic profession with over 8,500 members, and branches in each state and territory. Dietitians Australia is the leading voice in nutrition and dietetics and advocates for the profession, people and communities it serves.

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

This submission was prepared in consultation with members of Dietitians Australia following the [Conflict of Interest Management Policy](#) and processes approved by the Board of Dietitians Australia. Contributors include members of Dietitians Australia's Aged Care Reforms Reference Group with wide ranging expertise in aged care, including residential aged care and in-home aged care.

Recommendations

- Initiate a review on the impact of AN-ACC and the focus on delivering the required care minutes, on the provision of allied health services in residential care settings.
- Introduce a nationally consistent allied health needs assessment and care planning process as part of the AN-ACC model.
- Adjust the AN-ACC pricing framework to reflect the costs needed for allied health services, including dietetic services, based on individually assessed allied health needs.
- Allowances to be made in the move from 200 to 215 care minutes from 1 October 2024, to allow the additional 15 minutes to be satisfied by the provision of allied health services.

Discussion

Pricing – care requirements and other related costs

As the peak body for dietitians in Australia, Dietitians Australia considers that funding models for dietetic care must be improved to achieve and maintain quality of life for older people living in residential aged care. The Aged Care Quality Standards describe provider responsibilities to deliver safe and quality clinical care to older people, but without adequate funding supports, dietetic care according to individual needs is unable to be realised.

Accredited Practising Dietitians are qualified professionals who are skilled to provide medical nutrition therapy to older Australians experiencing malnutrition, unplanned weight loss, dehydration, dysphagia (swallowing problems), chronic disease (e.g. diabetes, cardiovascular disease, renal failure), food allergy, food intolerance, among other health conditions. Accredited Practising Dietitians also contribute unique skills and knowledge to lead collaborative efforts which strengthen food and nutrition systems in residential aged care homes and in home-delivered meal programs for older Australians.

Dietitians Australia considers that there is insufficient support for the involvement of Accredited Practising Dietitians in residential aged care. Timely assessment and treatment of those identified with malnutrition and other nutrition related issues is essential for physical and cognitive health, yet the pricing for care funded through the AN-ACC funding model does not incentivise aged care providers to engage Accredited Practising Dietitians or other allied health professionals as part of their care requirements.

The IHACPA consultation paper on the Pricing Framework for Australian Residential Aged Care Services 2025–26 (pg: 20) states *‘The AN-ACC funding model is underpinned by an explicit incentive for high quality care, with a focus on restorative care and reablement’*, yet AN-ACC does not link specific allied health treatments, including dietetic care, to funding. This is a fundamental problem, with evidence of unintended negative consequences for allied health services since the introduction of AN-ACC and the mandatory care minute requirements for residential aged care, which took effect 1 October, 2023. Evidence of this can be seen in:

- the **2023 Aged Care Provider Workforce Survey Report**¹ - revealed the estimated number of allied health staff employed in residential aged care decreased by 42% from 11,200 in 2020 to 6,400 in 2023.
- the **Quarterly Financial Snapshot (QFS) on the Australian aged care sector (covering the period of Oct-Dec 2023)**² - revealed older people in residential aged care received just 4.11 minutes of allied health services per resident per day. Twelve months prior, residents received 4.60 minutes of allied health services per day.
- a **2023 survey conducted by Allied Health Professions Australia (AHPA)**³ - found that among allied health professionals working in residential aged care, almost one in five respondents had lost their role, and 48 per cent had their hours decreased.
- A **2024 published study**⁴ estimated the prevalence of evidence-based care, as measured by adherence to clinical practice guideline (CPG) recommendations in the care received by a population-based sample of Australian residents aged ≥ 65 years in long term aged care. The results provide valuable insights on where improvement efforts should be targeted to improve quality of care, including access to care from allied health professionals. Some **key insights relevant to dietitians** include:

- 87.2% of residents on admission had a nutrition/dietary history and assessment – whereas a nutrition assessment is vital for all residents on admission.
- Among 273 residents assessed, only 51.4% received evidence-based care for nutrition and hydration.
- 45% of residents who received nutrition support were reviewed regularly. This is a common issue where providers do not allow for ongoing nutrition support from an Accredited Practising Dietitian.
- 12% of residents received monthly screening for malnutrition using a validated tool. This is a major issue given that in residential aged care, Australian studies have identified a prevalence of malnutrition from 22% up to 50%.
- 22.9% of residents received a quarterly review of their nutrition care plan.
- 19.1% of residents with dysphagia had a dietitian assess nutrition and hydration requirements within a week.
- 1.9% of residents with unplanned weight loss received written information on nutrition and maintaining nutritional status.
- 6.6% of residents who were underweight or obese with a specialised nutritional care plan had it reviewed by a dietitian monthly.
- 28.5% of residents who were underweight or obese with a weight management program received quarterly monitoring by a dietitian.
- 61.9% of residents who had unplanned weight loss or at risk of weight loss, received referral to a dietitian.
- 54.8% of residents who were underweight or obese were offered a specialised nutritional care plan.

Further to this, the Quarterly Financial Snapshot (QFS) on the Australian aged care sector for the period of Oct-Dec 2023² revealed that **for dietetic care, the median cost was \$0.23 per resident per day**, which equates to a median spend on dietetic care of just \$20.99 per resident per quarter. The median allied health minutes of **care delivered by dietitians was 0.14 allied health minutes of care per resident per day**, which equates to just 12.78 minutes per resident per quarter. These findings further demonstrate the substantial under provision of dietetic services in Australian residential aged care.

While IHACPA is not responsible for recommending the care minutes associated with each AN-ACC class, it is important for IHACPA to ensure that the **pricing advice** reflects the costs needed for restorative care and reablement (i.e. services delivered Accredited Practising Dietitians and other allied health professionals), in addition to the costs needed for direct care minutes (i.e. provided by registered nurses, enrolled nurses and personal care workers) specified by government and funded through the AN-ACC model.

In the absence of ring-fenced allied health funding, providers are expected to pay for allied health services from AN-ACC funding, but there is evidence that many are using those direct care funds for other, non-care purposes.⁵ In the Inspector-General's assessment of the progress the Australian Government has made in implementing reforms in response to recommendations made by the Aged Care Royal Commission⁶, page 42 notes:

The Inspector-General supports the Department initiating a review of the impact of the Australian National Aged Care Classification (AN-ACC) and the focus on delivering the required care minutes, on the provision of allied health in residential care settings. In doing so, the Inspector-General suggests the Department consider whether other policies, such as legislating a requirement for providers to spend all their care subsidy on the provision of enablement-focused care, could offer an effective means of realising the Royal Commission's intent.⁶

Dietitians Australia supports the recommendation of the Inspector-General, as well as the suggestion made in the same report that with the move from 200 to 215 care minutes from 1 October 2024, allowances should be made to allow the additional 15 minutes to be satisfied by the provision of allied health services.

Allied health service provision should be underpinned by a nationally consistent allied health needs assessment, so that older people actually receive the care they are clinically assessed to need, with those needs translated into an effective care plan, fully funded through the AN-ACC model. It is now very apparent that in the absence of a nationally consistent allied health needs assessment, allied health benchmark and targeted funding, AN-ACC has the potential to further escalate the gross under-provision of allied health care. Dietitians Australia urges IHACPA to consider the substantial evidence for the under provision of allied health care, including dietetic care, when reviewing and updating the residential aged care pricing principles.

References:

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3. Summary of Results from Survey of Allied Health Workforce in Residential Aged Care – 2023. Allied Health Professions Australia. <https://ahpa.com.au/advocacy/summary-of-results-from-survey-of-allied-health-workforce-in-residential-aged-care-2023/>
4. Hibbert, P.D., Molloy, C.J., Cameron, I.D. *et al.* The quality of care delivered to residents in long-term care in Australia: an indicator-based review of resident records (CareTrack Aged study). *BMC Med* 22, 22 (2024). <https://doi.org/10.1186/s12916-023-03224-8>
5. Gibson D, Isbel S. Reform and reverberation: Australian aged care policy changes and the unintended consequences for allied health. *Aust Occup Ther J.* 2024 Jun;71(3):392-407. <https://pubmed.ncbi.nlm.nih.gov/38714528/>
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