

Grey Power
NEW ZEALAND FEDERATION INCORPORATED



Date 15/02/2013

To the Health of Older People
Policy Business Unit
Ministry of Health
PO Box 5013
Wellington 6145

SUBMISSION

On the Premium-only Aged Residential Care Facilities and Stand-down Provisions for Mixed Facilities Discussion Document.

1. Introduction:

- 1.1 This submission is made on behalf of **Grey Power New Zealand Federation Incorporated**
- 1.2 The contact is Roy Reid – 14 Sunbelt Cres- Takaka 7110 – Phone – 03 525 9242
Email – r.mh.reid@xtra.co.nz
- 1.3 Grey Power New Zealand Federation (Inc.) is an apolitical advocacy organisation that aims to advance, promote and protect the welfare and well-being of people 50 years old+
- 1.4 Grey Power New Zealand Federation (Inc.) is made up of some 74 individual Associations with an overall membership of approximately 68,000.
- 1.5 Grey Power New Zealand Federation (Inc.) welcomes this opportunity to make a submission re the Premium-only Aged Residential Care Facilities and Stand-down Provisions for Mixed Facilities Discussion Document.

2. Summary – Grey Power’s response to the questions posed in the discussion document:

- 2.1 Grey Power opposes the proposal for premium-only facilities and a stand-down in mixed facilities.
- 2.2 Grey Power supports an alternative approach that ensures all older people who require rest-home care are entitled to sufficient space to enable them to live comfortably with individual en suite facilities.

3. Specific comments regarding the Ministry of Health's discussion document 'Premium-only Aged Residential Care Facilities and Stand-down Provision for Mixed Facilities.'

This submission will refer to specific items as enumerated in the discussion document¹

3.1 Re Item 18² - premium-only facilities. Grey Power does not agree with the proposal for the following reasons:

- it has the potential to establish a two-tier accommodation system-one for the rich and an inferior one for poor older people,
- a two-tier set of services is a logical next rung on the ladder where the notion of payment for 'premium' accommodation could be extended to 'premium' staffing (the possibility of more highly trained, more numerous staff numbers preferring to work in premium-only facilities), meals, outings, in fact to all the services now provided by care facilities which could permit one standard of care for the well-off and a lower standard for poor people.
- the likelihood exists that neglected or insufficient mixed facilities for low income older persons may eventuate as operators concentrate on the private segment of the market which permits them to blur transparency and accountability for public/private funds by withholding relevant information under the guise of commercial sensitivity!

This means high quality aged care for all poor people may not be achievable and even less so if DHBs misjudge the number of standard beds which may be required going forward. This may mean that access to standard beds is constrained. Therefore although item 14³, promotes residents' choice, the question is choice for which group of older people? It is probable that choice will only be available for those older people with extra capital; those with no assets to call on may find any choice they now enjoy will disappear as standard beds decline in favour of premium-only facilities. They might have to move to other communities to access a standard bed resulting in the loss of their existing social networks; social isolation with its associated propensity to health problems is the likely outcome. Positive social support is often linked to the well-being of older people⁴

3.2 Re Item 18 H (i)⁵ regarding stand-down provisions for mixed facilities. Grey Power opposes the four week stand-down period because there does not appear to be any alternative for older people with no access to assets in the case of an urgent admission.

Grey Power has heard stories of older people requiring same day admission. As an example, an 87 year old woman, with no assets, had been discharged home from hospital following diagnosis with early on-set dementia, and had been assessed as requiring care visits twice a day to enable her to live safely. Her family lived hundreds of miles away and after just one week of home care the care provider notified the

¹ Ministry of Health – Premium-only Aged Care Facilities and Stand-down Provisions for Mixed Facilities – Discussion document

² Ibid

³ Ibid

⁴ Cole, J 2012. Masters thesis (http://mro.massey.ac.nz/bitstream/handle/10179/1762/02_whole.pdf?sequence)

⁵ Ibid

hospital and family they could not guarantee her safety and withdrew their service. Immediate rest-home care was necessary and arranged. What would happen in this case if a stand-down period was mandatory? Although item 13⁶ states that older people are particularly vulnerable and may need to make quick decisions if they enter residential care subsequent to hospital discharge, Grey Power could find no answer if some-one requiring urgent rest-home admission had no means to pay for four weeks accommodation. This section of the proposal creates a user pays system that presently does not exist.

3.3 Re Item 18 H I⁷ regarding notice to cease premium facility payments.

Grey Power agrees with the requirement for a resident who is paying an additional charge to provide four weeks notice to cease payment for premium facilities as long as this provision and the requirement to move to a standard room is notified clearly to the resident on admission to the facility.

4. Conclusion:

4.1 This proposal negates the intention of the Social Security Act (1938) which "... embedded the care and welfare of [NZ aged] citizens as a national responsibility"⁸. This is underpinned by the notion of fairness interpreted here as 'while you are working you contribute to the care of older persons and when you become an older person there is enough left to enable the community to care for you.' Grey Power believes this is part of the commonly understood 'social contract' which, to our knowledge, has never been overtly broken by any government. However this proposal is a covert attempt to undermine the above and it is likely that a two-tier aged care system with its accompanying risk of greater inequality will result if the proposal becomes government policy.

This is of grave concern because in New Zealand in recent years the income difference between the rich and the poor has risen significantly and evidence suggests that this situation correlates closely to health and social problems⁹. Grey Power believes this could lead to greater costs for the New Zealand health system.

This may well be exacerbated by replacing public spending with private because it is reported that "... Rather than making the health system more sustainable as the population ages, increasing the share of private funding would open the lid to ever-increasing health expenditure because governments have little control or no control over private spending. In the United States, where private funding accounts for more than 50 per cent of health expenditure, total health expenditure now accounts for 15 per cent of GDP compared with the OECD average of 8.8 per cent."¹⁰

4.2 Grey Power does not believe that the premium-only aged care facilities proposal will ensure that all older people requiring care receive satisfactory levels of quality care, equal access to aged care facilities and that sector sustainability will be affected positively. The main effect will be to provide more profit for the owners of these facilities, many of which are owned by overseas corporations so much of the profit will benefit other countries instead of New Zealand. Also their allegiance is to their share-holders not facility residents.

⁶ Ibid

⁷ Ibid

⁸ NZNO & S & FWU, 2012 Submission to the Health Select Committee on Petition 2008/148:Quality Care for Older New Zealanders (Aged Care Charter)

⁹ K. Pickett & R. Wilkinson, 2009. 'The Spirit Level' Why Greater Equality Makes Societies Stronger. p. 20. Bloomsbury Press New York.

¹⁰ T. Ashton. "More debate needed on private provision." *NZ Herald*, 10 May 2006 in CTU Working Paper on Health: No 5, "A case against the increased use of the private health sector, September 2010.

4.3 Specifically we contend that all residents require adequate space and en suites. We have heard stories of unacceptable conditions for those who can only afford standard beds. Grey Power members have reported that during visits to some aged care facilities they have observed residents queuing for toilet facilities. This is unacceptable especially as many residents have continence problems.

4.4 As discussed in the Thornton Report¹¹ extra charge contracts are increasing and the participation of the not-for-profit sector is declining in aged care facilities, therefore if this proposal becomes government policy Grey Power insists on continual diligent monitoring of access and equity measures for the financially disadvantaged.

Prepared on behalf of the Grey Power NZ Federation by Jan Pentecost

¹¹ Aged Residential Care Service Review, September 2010. P.41. Grant Thornton New Zealand Ltd