

**From:** Lisa Langley  
**Sent:** Thursday, 17 September 2015 12:54 PM

Dear Ivana,

With regard to the first question on notice – the Hon. Fred Nile’s question in the transcript (p. 58) regarding subsidies paid to residential care facilities for high care and low care. I refer the Committee to the attached Commonwealth Government documents on pricing for residential aged care. Referring directly to the documents, the ‘high’ and ‘low’ care distinction that the Hon. Fred Nile refers to in his question no longer exist, except in the care of respite care funding. Please refer to the attached documents for specific information on Commonwealth funding for residential aged care. Below in an excerpt from the attached document. Any other detail with regard to residential aged care pricing is beyond my expertise.

## Classification of residents

From 1 July 2014, new and continuing permanent residents ceased to be classified as low care or high care recipients. Permanent residents continue to receive an Aged Care Funding Instrument (ACFI) classification, except that the ‘interim low’ ACFI classification has ceased. Until you submit a new permanent resident’s initial ACFI classification, an interim daily subsidy is paid. Once you submit the initial ACFI classification it will apply, backdated to the date of entry. Any difference between the interim subsidy and the ACFI subsidy over the period before you submitted the ACFI classification is balanced through the payment system.

With regard to the second question asked by the Hon. Natasha Maclaren-Jones, (p. 59) - whether 24 hour nursing staff would prevent unnecessary trips to emergency room departments, there is no data that directly links 24 hour nursing care and less trips to the emergency department, however the statement was made based on an earlier acknowledgement that there is a trend for people to enter residential care much later in life and when they enter, they enter with complex care needs and chronic conditions. Given that residential care patients are entering care with more complex needs, if an incident was to happen at night for example, when an RN was not on staff to make an educated judgement of the patient’s condition, more junior staff may be more likely to transfer that patient directly to hospital. This statement is anecdotal, not based on evidence or recorded data or studies.

I refer the Committee to the 2009 Access Economics report, *Nurses in Aged Care* (see attached). The Report acknowledges the trend for nursing home residents to enter care at an older age with more complex needs.

Access Economics predicts that the ratios of nurses to residents will increase (p. 32) with a trend towards more personal carers and AINs and says it underscores the need for measures that, “measures to slow the rate of decline in nursing staff if historical trends are to be reversed at some point. If the decline continues till 2015, the ratio of residents per nurse will roughly double by 2020 (and residents will be older) and nurses will need to supervise 3 rather than 2 personal carers each, on average.”

There are very few studies that have linked nursing care in residential care to patient outcomes, including minimizing trip to the emergency room, however findings within the acute care setting can provide a guide to the RAC setting due to the increasing number of 'high-care' type patients in RAC facilities. For example, around 70% of RAC residents require some form of high level care as assessed by the Aged Care Funding Instrument (ACFI) number of 'high-care' type patients in RAC facilities. For example, around 70% of RAC residents require some form of high level care as assessed by the Aged Care Funding Instrument (ACFI) (PC, 2008).

According to Access Economics, nursing research has demonstrated links between nurse staffing and the quality of RAC. Horn et al (2005) found that care delivered by RNs in RAC settings was strongly related to better resident outcomes. "A recent study in Australia found skill mix to be a significant predictor of patient outcomes within an acute care setting (Duffield, 2008). A skill mix with a higher proportion of RNs was found to significantly decrease rates of negative patient outcomes such as gastrointestinal bleeding, sepsis, shock, ulcers, physiological/metabolic derangement, pulmonary failure and failure to rescue. Needleman et al (2002) found that a higher proportion of RNs was associated with lower rates of failure to prevent clinical deterioration from an underlying illness, leading to permanent disability or death. A reduced incidence of death was found from life threatening complications such as pneumonia, shock, cardiac arrest, sepsis, upper gastrointestinal bleeding and deep vein thrombosis."

"The US Agency for Health Research and Quality (AHRQ) has also called for an increase in RN staffing as a way to improve acute care patient outcomes. Kane et al (2007) noted that every additional RN FTE per patient per day was associated with a relative risk reduction in hospital related mortality of 10% in intensive care units, and 16% in surgical patients. Additionally, AHRQ estimates also indicate that an increase by one RN FTE per patient day would lead to five lives saved per 1,000 medical patients, and six per 1,000 surgical patients."

Even Access Economics makes a conclusion based on this evidence. Although not directly related to 24 hour nursing care, it clearly demonstrates that the Report supports increased ratios and numbers of nurses, not decreased numbers. "Given the strong link between the number of RNs within an acute care facility and outcomes, it is expected that a similar relationship would exist between the number of RNs within RAC facilities and resident health outcomes, and greater satisfaction with care. An implication is that future residents should be made aware of a facility's resident-nurse ratio when considering a place." Their conclusion is based on the evidence provided in the Report.

The information provided answers the question to the best of my ability. References can be found at the back of the Access Economics document.

Regards,