



# SA HEALTH REGIONAL AGED CARE STRATEGY

2021 – 2025



Government  
of South Australia

SA Health



# MINISTER'S MESSAGE



## **I WELCOME THE OPPORTUNITY TO RELEASE SA HEALTH'S REGIONAL AGED CARE STRATEGY.**

The South Australian Government is committed to delivering high quality and sustainable contemporary aged care services that support older South Australians to age well in the place of their choosing.

The Regional Aged Care Strategy (the Strategy) will inform the work, priorities and strategic direction for our regional aged care services for the next five years. Aligned with South Australia's Plan for Ageing Well 2020 – 2025, the Strategy takes a proactive approach to the significant reforms expected across the sector following release of the final report into the Commonwealth Government's Royal Commission into Aged Care Quality and Safety.

South Australia's Regional Aged Care Strategy 2021 – 2025:

- > provides a roadmap for action, based on themes and areas to support sector reform
- > seeks to position SA Health for ongoing changes in the aged care environment
- > points to immediate actions as well as providing a solid foundation for longer term system planning and innovation requirements
- > outlines system level priorities and provides a mandate for local level innovation and activity.

I look forward to the implementation of the roadmap.

**Hon. Stephen Wade MLC**  
**Minister for Health and Wellbeing**



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# INTRODUCTION

**The development of the SA Health Regional Aged Care Strategy is a key priority for SA Health and an important step in setting the future vision and mission for the best provision of high quality, sustainable aged care services to effectively meet the needs of regional South Australians and support them to age well in the place of their choosing.**

## STRATEGY DEVELOPMENT

The SA Health Regional Aged Care Strategy (the Strategy) outlines the strategic direction for the provision of aged care service delivery to support and inform future decision making and system-level planning to ensure high quality, contemporary aged care services are provided by SA Health to regional South Australian communities into the future.

The Strategy has been developed at a time of change across the sector. In particular, the Commonwealth Government's Royal Commission into Aged Care Quality and Safety and the significant structural reforms this will introduce across the sector. The Strategy has intentionally been written to support an adaptive approach to a changing environment which will include changes to policy, funding, legislation and regulation as well as the broader changes to the marketplace.

The Strategy provides a roadmap for action, based on themes and areas to support the wide-ranging reforms to the sector and to position regional Local Health Networks (rLHNs) and SA Health for ongoing changes in the aged care environment, with a view to system sustainability. The Strategy outlines system level priorities and provides a mandate for local level innovation and activity. It points to immediate actions as well as providing a solid foundation for longer term system planning and innovation.

## OVERVIEW AND SCOPE

The SA Health Regional Aged Care Strategy considers the role for SA Health service delivery into the Commonwealth funded aged care market for community and residential Aged Care services in regional South Australia. Development of the Strategy also considers aged care governance in SA Health as an enabler for effective management of aged care services and in supporting innovation and continuous improvement in service provision.

This Strategy covers the continuum of Commonwealth funded aged care services, from entry level care in the home and community through to residential aged care.

While this work acknowledges and supports the context of broader aged care systems and programs across SA Health, including the Aged Care Assessment Program, it does not seek to direct future strategy in these out of scope areas.

# APPROACH

The Strategy has been developed in partnership with the six rLHNs, senior leaders from the Rural Support Service (RSS) and key aged care and policy leads within the Department for Health and Wellbeing (DHW). A co-design approach, including consultation and engagement with rLHN Governing Boards, ensured all were closely involved in the Strategy design and delivery process.

Informed by evidence and considered from a whole of system perspective, development of the Strategy has taken a broad view of the SA Health regional aged care environment, understanding the complexities of both internal and external environmental factors influencing the sector. The Strategy seeks to provide strong system level support while allowing flexibility for each of the rLHNs to consider their unique context spanning a range of diverse communities across regional South Australia.

Key elements informing the Strategy include:

- > Market research into the demand drivers and aged care service supply in regional South Australia;
- > An assessment of emerging evidence on the future policy and regulatory environment for the aged care sector including the Commonwealth Government's response to the Royal Commission into Aged Care Quality and Safety (Royal Commission) and Commonwealth policy directions; and
- > A review of current and future state aged care functions across rLHNs and the DHW to support the identification of optimal governance arrangements for SA Health delivered aged care services.



# BACKGROUND

## THE AGED CARE LANDSCAPE

The Australian aged care system provides subsidised care and support for older people. It is a large and complex system that includes a range of programs and policies. The Royal Commission, through its wide-ranging recommendations for reform, provides a platform for the sector wide structural change required to ensure high quality care into the future.

### Demographics

Australians are living longer than ever before. Australia's changing demographics will directly influence the demand for, and provision of, aged care. This includes an ageing population with increasing frailty and the likelihood of older people having more than one health condition as their life expectancy increases.

South Australia has some specific challenges with the highest proportion of older people on mainland Australia. Population projections indicate that the proportion of older people in South Australia will continue to increase over time. Current trends indicate a higher proportion of people living alone and choosing to receive care in their home will continue to place greater demand for health and aged care services into the future.

### Aged Care Reform

The Royal Commission into Aged Care Quality and Safety and the Commonwealth Government's response to this, has signaled actions to support fundamental changes to the way traditional aged care services are provided. While it is recognised these changes will take some time to occur, they are significant, and the sector will need to prepare for the journey ahead.

Fundamental changes to Aged Care are expected to include:

- > Moving to a human-rights based approach that supports more choice to receive care closer to home.
- > Paradigm shift, focused on the ageing individual who is receiving care, not the organisation that is delivering care.
- > Changes from a responsibility framework to a customer-centric, human rights based framework that will see consumers making purchasing decisions.
- > Consumers will be funded based on an individual assessment. A funding package will be developed, with the consumer having choice and control over the services and supports they purchase with the package.
- > Changes to the market landscape including increases in competition in some areas, and reduced market supply to other areas, such as those with more complex needs or small demand.
- > A new Commonwealth Aged Care Act, new Aged Care Standards for accreditation of providers and a new aged care funding model.
- > Aged care will become an integrated part of the Australian Healthcare System.
- > Service providers will move toward a business mindset where decisions are evidence based and data driven.
- > Realignment of Aged Care sector culture to one that places consumer need at the centre and drives for system sustainability.

# GUIDING PRINCIPLES

Developed during the early design of the Strategy, the six rLHN Chief Executive Officers (CEOs) helped facilitate conversations with rLHN Governing Boards to develop a set of guiding principles to underpin and inform the future aged care strategic direction, to ensure the provision of high quality, contemporary aged care service delivery.

The following set of principles has been used throughout the development of the Strategy to guide and support decision making.

## Consumer - The Strategy will:



**PROMOTE CONSUMER SAFETY, QUALITY OF CARE AND EQUITABLE ACCESS TO CLINICALLY APPROPRIATE SERVICES.**



**PROMOTE SHARED VALUES AND BEHAVIOUR THAT TREAT CONSUMERS WITH DIGNITY AND RESPECT AND PROMOTE CHOICE AND CONTROL.**



**REFLECT CONTEMPORARY PREFERENCES AND NEEDS OF THE AGEING SOUTH AUSTRALIAN POPULATION AS THEY CHANGE.**



**ENABLE AND PROMOTE PARTNERSHIP AND CO-DESIGN WITH COMMUNITY, CONSUMERS AND OTHER AGED CARE PROVIDERS TO SUPPORT IDENTIFICATION AND DEVELOPMENT OF BEST PRACTICE MODELS OF CARE.**



**PROMOTE TRANSPARENCY, ACCOUNTABILITY AND PARTNERSHIPS WITH CONSUMERS AND COMMUNITIES FOR PROVISION OF QUALITY SERVICES, INCLUDING OVERSIGHT AND ASSURANCE OF COMPLIANCE WITH STANDARDS.**



## Organisational - The Strategy will:



**RECOGNISE AGED CARE AS A SPECIALIST SERVICE.**



**SUPPORT INNOVATION, CONTEMPORARY SERVICE DESIGN AND DELIVERY FOR AGED CARE, INCREASED USED OF TECHNOLOGY AND APPLICATIONS TO ENHANCE SERVICE DELIVERY.**



**SUPPORT A HOLISTIC VIEW OF CARE THAT PROMOTES GREATER CONNECTION AND COORDINATION OF AGED CARE SERVICES ACROSS THE CONTINUUM OF CARE.**



**PROMOTE WORKFORCE VALUES, CULTURE, CAPABILITY AND DEVELOPMENT (TEACHING, TRAINING AND RESEARCH) IN CONTEMPORARY AGED CARE SERVICE DELIVERY THAT ENSURE SAFE AND RESPECTFUL QUALITY CARE.**



**ENABLE AGILITY AND FLEXIBILITY FOR LOCAL LEVEL BUSINESS PLANNING AND OPERATIONAL DECISION-MAKING THAT MEET THE NEEDS OF THE LOCAL COMMUNITY THEY SERVE.**



**CONSIDER OTHER SECTORS THAT CLOSELY INTERFACE WITH AGED CARE SERVICES E.G. DISABILITY SERVICES.**

## System - The Strategy will



**SUPPORT CONSISTENCY WITH THE SOUTH AUSTRALIAN GOVERNMENT'S DIRECTIONS AND PRIORITIES.**



**PROMOTE MAXIMUM AUTONOMY WITHIN THE LIMITS OF SOUTH AUSTRALIAN GOVERNMENT POLICY, AND CLEAR REPORTING LINES AND RELATIONSHIPS WITH OTHER PARTS OF THE HEALTH CARE SYSTEM.**



**WORK WITHIN THE DUAL LEGISLATIVE AND REGULATORY FRAMEWORKS (STATE AND COMMONWEALTH) THAT GOVERN AGED CARE SERVICE DELIVERY.**



**ENSURE DECISION-MAKING AND ACCOUNTABILITY ARE CONSISTENT WITH THE RESPECTIVE ROLES OF, AND PARTNERSHIP BETWEEN, THE DEPARTMENT FOR HEALTH AND WELLBEING, REGIONAL LOCAL HEALTH NETWORKS, THE RURAL SUPPORT SERVICE AND THE COMMONWEALTH.**



**SUPPORT REGIONAL LOCAL HEALTH NETWORKS TO OPERATE IN THE INCREASINGLY COMPETITIVE AGED CARE SERVICES MARKET.**

# FOUNDATIONAL ELEMENTS SUPPORTING DESIGN

With the aged care guiding principles in mind, several workshops were held involving key staff and board members rLHNs, the RSS and DHW. These aimed to build a picture of the aged care service environment and consider how SA Health can best support regional aged care service delivery into the future. These workshops were informed by key project research elements; Market Analysis, Future Environment and Governance.

A summary of the key learnings is provided below.

## MARKET ANALYSIS

Insights into the regional South Australian aged care market were gained following a comprehensive assessment of the demand drivers, population demographics, supply considerations, current provider mix, service delivery trends and workforce challenges.

The market analysis also included an individual assessment of the aged care landscape across each of the rLHNs. While collectively our rLHNs are a large provider of government delivered aged care services, there is variation and difference across the aged care provider landscape and in each rLHN. On a LHN-by-LHN basis, rLHNs are not always the largest provider in their region; and may have services spread across many sites which adds to complexities in governance and inflates service system costs.

The following key points were noted:

### Aged Care Demand

- > Consumer preferences are shifting towards home-based care so individuals can remain in their communities and age in place.
- > The recent COVID-19 pandemic has accelerated the trend of people wanting to receive their care home based over residential aged care where possible.
- > The growth in people living alone, combined with greater age-related comorbidities, means heightened demand in volume and complexity for home care services.
- > Support needs are expected to increase and become more intensive and complex in residential aged care.

### Aged Care Supply

- > The supply of aged care services in regional South Australia is weighted towards residential care and government providers.
- > Comparatively, South Australia has more residential services and less home care per head of population than other States and Territories.
- > Supply is constrained by workforce pressures.
- > Our ageing population will continue to create pressures on the sector's aged care workforce, and this is expected to increase.
- > As the population ages so too will age related morbidities like dementia and cognitive decline. This will translate to an increase in demand for dementia services or an upskill of providers in regional South Australia to provide safe quality care to manage challenging behaviours associated with dementia.
- > Financial viability of service provision is a serious and ongoing issue that impacts on the current and potential market in regional South Australia.
- > Supply is constrained by the availability of Commonwealth aged care places and appropriate levels of home support packages for people in regional South Australia.
- > The inability to access Commonwealth funding grants has constrained development of contemporary facilities for SA Health's residential aged care sites.

*Key trends in aged care and their likely impact on the regional SA aged care market*

<b>Elderly population with more complex needs</b>	Ageing population 
	Increased age related morbidity 
	Increased diversity or support needs 
<b>Empowered consumers</b>	Toward consumer directed care 
	Preference for ageing in place 
<b>Sector pressures</b>	Workforce gaps 
	Financial sustainability 
	Complex regulatory environment 
	Quality and safety 
	COVID-19 impact 

# FUTURE AGED CARE SERVICE ENVIRONMENT

Throughout the Strategy development, work was undertaken to assess and incorporate the broad direction of national reforms to the aged care sector. Key to this was synthesising outcomes and recommendations from the Royal Commission into Aged Care Quality and Safety, considering the impacts for SA Health service providers.

In response to the Royal Commission, the Commonwealth Government has set a forward-looking national reform agenda for aged care with funding and policy commitments over the next five years.

This will significantly impact the way SA Health and other service providers deliver services into the aged care sector. The national reform agenda is also consistent with the key themes and directions used to inform the development of the Strategy.

The Commonwealth reforms are built around five pillars:

## Home Care

Supporting greater access to in home supports and services, based on needs assessment.

- > Enhanced supports for system navigation through My Aged Care and face to face supports delivered through Services Australia.
- > Increased advocacy supports through non-government organisations.
- > Introduction of community care finders to support specialist and complex supports.

## Residential Aged Care services and sustainability

To support access to increase care, the Commonwealth will increase funding for greater care provision in residential aged care and introduce transparency of care provided to enable informed consumer choice.

This will be supported by the new Australian National Aged Care Classification (AN-ACC), casemix style funding model from 1 October 2022 for Residential Aged Care. Oversight of the model and ongoing pricing work will be led by the Independent Hospital Pricing Authority (IHPA), which will expand their scope into aged care.

Further reforms being introduced include:

- > Introduction of minimum care minutes per resident per day of 200 minutes (40 of which must be a Registered Nurse) from October 2023.
- > Mandatory reporting of care staffing minutes from July 2021, expanding to reports of care provision to residents and families from July 2022.
- > Introduction of star rating systems, based on staffing levels, from December 2022.
- > Reform planning and design of Residential Aged Care Facilities to support complex care.
- > Improve access and navigation supports to connect people to services they need.
- > The discontinuation of the Aged Care Approval Round process for residential aged care places from July 2024.

## Residential Aged Care quality and safety

Enhance the role of the Aged Care Quality and Safety Commission as an independent regulator, ensuring it can review and respond to system failures. Provisions will include:

- > Powers to enforce civil penalties, enforceable undertaking, injunctions and compliance notices.
- > Greater capacity to undertake audits and respond to non-compliance notices and complete risk profiling on service providers.
- > Strengthened clinical care standards and quality indicators introduced from 1 July 2021 including dementia care and the use of behaviour response teams to reduce the use of physical and chemical restraints.
- > Improve access to primary care services and medication management.
- > Enhance provider capability and regulation for restraints and dementia care.

## Workforce

A single independent assessment workforce will be introduced to complete aged care assessments for funding packages. Non-government Organisations (NGOs), State and Territory governments and for-profit providers will be invited to be part of this service delivery, which will include:

- > Independent funding assessments for Residential Aged Care Facilities from October 2022, during the transition to the AN-ACC.
- > Funding assessments for home support programs from July 2023, with Indigenous specific organisations to conduct assessments for Aboriginal and Torres Strait Islander peoples.

Further work will also focus on supporting a skilled and professional workforce, including support for Vocation Education and Training places, and nursing scholarships and training places in the Aged Care Transition to Practice program.

### **Governance**

A new Commonwealth Aged Care Act will underpin system changes, with further enhanced governance through:

- > A National Aged Care Advisory Council and a Council of Elders.

Ensuring the system is accessible for vulnerable people including those who are homeless, Aboriginal and Torres Strait Islander peoples and those in rural and remote areas, through:

- > Providing infrastructure investment for improvements or new developments in areas where people do not currently have access to services.
- > Additional funding for aged care providers in remote areas facing high and variable costs, including supports for Multi-Purpose Services through a partnership capital grant funding program.
- > Additional support for Aboriginal and Torres Strait Islander peoples, embedded within the Primary Health Networks.

## **AGED CARE GOVERNANCE**

As part of the Regional Aged Care Strategy's development a current state mapping exercise of aged care governance arrangements was completed to better understand the roles, responsibilities, and relationships between rLHNs, the RSS and the DHW in relation to aged care governance and service delivery. This exercise provided a baseline assessment to consider how future governance arrangements may act as an enabler to support the sustainability of aged care services within the contemporary policy, regulatory and market-based environment.

## **FUTURE STATE GOVERNANCE AS AN ENABLER**

Key observations highlighted the following opportunities and priorities for strengthening aged care governance:

- > Improve communication links between the DHW and the rLHNs around system level priorities and how these may be advanced with the Commonwealth.
- > Develop a system-wide strategy on aged care policy.
- > Ensure that system governance and enabling supports have a balanced focus across both acute and aged care services recognising the significance of aged care services within the regional service delivery context.
- > Improve the understanding of aged care across the system business functions and identify aged care across policies and procedures to support operational management and future planning.
- > Ensure appropriate supports and governance at the local level to respond to the specific requirements of aged care service delivery within the broader service level continuum.
- > Consider coordination of functions that can best be done collectively that leverage shared expertise and economies of scale.

Important discussions have occurred as part of the Strategy development on aged care governance within SA Health. This recognised SA Health's aged care arrangements operate within the context of a broader health service environment. The interaction of these arrangements is described as follows.



# AGED CARE GOVERNANCE WITHIN SA HEALTH

Aged care services are part of a broad and complex system, that includes responsibilities across tiers of Government, with multiple service providers and funding sources collectively delivering services and care to all South Australians.

SA Health has a role in aged care through:

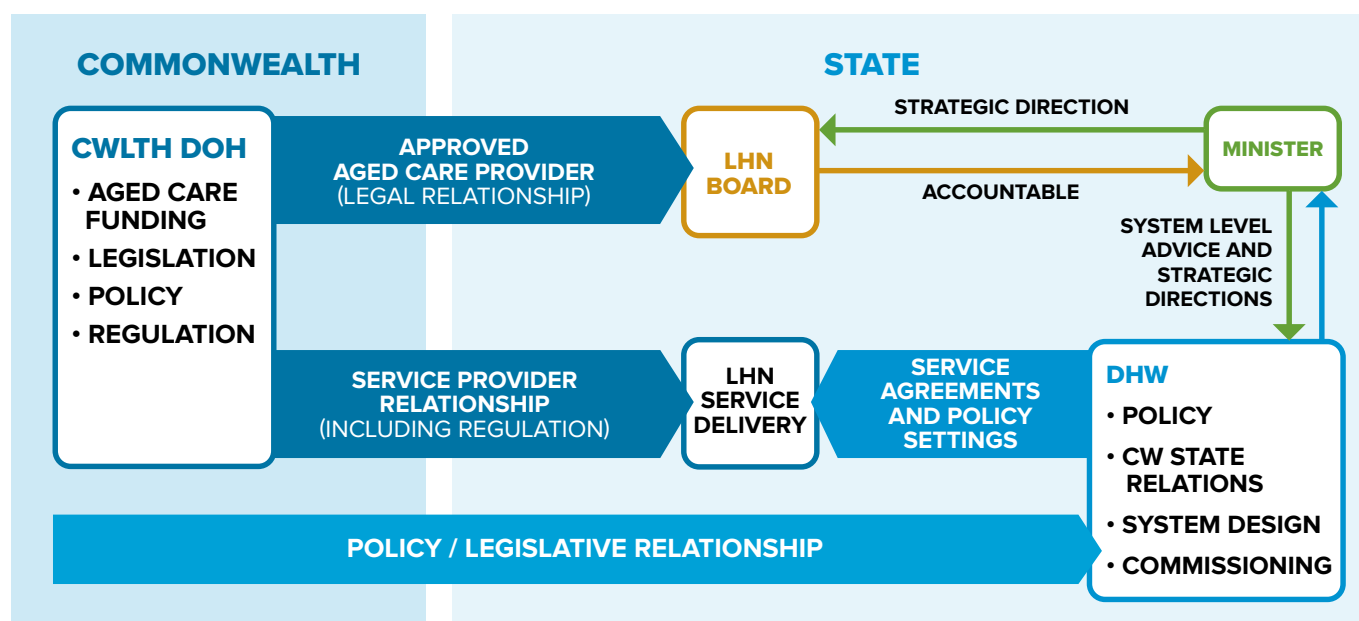
- > Provision of aged care services, through the rLHNs as Approved Providers; and
- > Engagement with the Commonwealth and aged care providers in managing the interface between health and aged care services across the continuum of care.

In July 2019, changes in governance arrangements came into effect across SA Health. This included dissolution of the previous single entity Country Health SA LHN, and the establishment of six rLHNs each with their own Governing Board. Governing Boards are responsible and accountable to the Minister for Health and Wellbeing who has overall responsibility and accountability for the South Australian public health system and sets system level priorities and strategy. At the same time each rLHN became an Approved Provider (AP) of Commonwealth Aged Care services, under the Aged Care Act, 1997. Through the AP status, each rLHN has a contractual obligation to the Commonwealth in relation to its aged care service delivery including for quality standards.

The rLHNs interact directly with Commonwealth funding and regulatory agencies in relation to these contractual obligations which cannot be delegated. Whilst legally AP responsibilities cannot be delegated, Governing Boards remain accountable to the Minister for the services delivered by their rLHN. As such, rLHNs, via their Governing Boards, are expected to promptly advise the Minister of any regulatory issues related to AP status.

The DHW, as system leader through its functions under the Health Care Act 2008, as well as the nationally agreed National Health Reform Agreement, supports the Minister for Health and Wellbeing in the development and delivery of system level strategy, leadership and direction. This is communicated and reflected through Service Agreements between the DHW and each LHN and the SA Health Policy Framework. The DHW also leads SA Health's interaction with the Commonwealth on policy, funding and system reform matters. This includes advocating for SA Health's role as an aged care service provider, as the manager of aged care programs such as the Aged Care Assessment Program as well as engaging in discussions around key health and aged care interface issues. For example, key reform areas from the Royal Commission are expected to be discussed with States and Territories through various Ministerial forums and the Health Chief Executives Forum.

The diagram below outlines these governance arrangements including the relationship of the Minister, the DHW and rLHNs as well as the relationships with the Commonwealth.



# SA HEALTH AGED CARE OUR STRATEGIC DIRECTION

**The SA Health Regional Aged Care Strategy is an ongoing commitment to and the first step in setting the foundations for the generational change that will take place across the aged care sector.**

This necessitates a dynamic and adaptive approach to policy and planning for aged care services in SA Health.

The DHW will provide a framework to support each of the rLHNs to progress aged care reform at a local level and work with the LHNs to establish governance that supports an adaptive approach while the Commonwealth commences with structural and governance changes across the aged care system. rLHNs will be supported to continue to investigate and understand how changes in the market, policy and regulatory environment will potentially change the delivery of aged care across the continuum of care.

SA Health, in progressing further work in aged care, recognises:

- > That the aged care services we provide should always be of a high quality and support a positive consumer experience.
- > The importance of its current regional aged care service delivery footprint that provides access to services in many locations where there are limited other service providers.
- > Where rural aged care services are provided, care is provided in a sustainable way that considers care delivery from a whole of system perspective.
- > The importance of service sustainability at the local level noting the close links between aged care and health service delivery in many regional locations.

## CONNECTING WITH OUR LOCAL COMMUNITIES

As part of the progression of this Strategy a key commitment throughout all actions relates to connecting, engaging and co-designing with our local communities.

As part of the development of this Strategy all rLHNs have engaged with their Health Advisory Councils (HACs) to seek advice about community needs for aged care services into the future.

This has confirmed the importance for local communities in having access to high quality aged care services close to home as well as the diversity and changing profile of aged care consumers and their different care needs.

# SA HEALTH AGED CARE STRATEGIC ACTIONS

The SA Health Regional Aged Care Strategy provides a roadmap for action and includes both immediate and longer-term actions aimed at positioning SA Health to effectively respond to the expected changes in the market, policy and regulatory environment over the next five years. This roadmap includes system level, rLHN collective, and individual local level actions.

These actions consider how SA Health may deliver high quality and sustainable contemporary aged care services and provide a positive consumer experience. Outcomes of phase one will support the development of detailed plans for subsequent phases.

## SA HEALTH AGED CARE ROADMAP

- > Phase 1 (2021 – 2022) - System intelligence; setting the foundations for generational change
  - > *Building an enabling foundation for future decision making, while the Commonwealth commences with the structural and governance change across the aged care system.*
- > Phase 2 (2022 – 2023) - System re-alignment; supporting a balanced focus on acute and aged care
  - > *Determining the future implementation approach in preparation for new legislation and regulation.*
- > Phase 3 (2023 – 2025) – System transformation; program implementation
  - > *Rolling program, statewide deployment and implementation support.*

### SA Health Roadmap high level actions:

#### 1. System intelligence – business strategy framework and enablers

- > rLHN Business Strategies.
- > Review of Aged Care service models and ICT requirements.
- > Aged Care costing and funding assessment.
- > Regional Aged Care workforce strategies reflecting the emerging regulation for worker screening and minimum hours.
- > Infrastructure risk prioritisation assessment.
- > Centrally developed Aged Care workforce plan.
- > Commonwealth / State Engagement Strategy.
- > Integration of aged care within broader health service governance.
- > Local market analysis to understand and connect with aged care service delivery partners.

#### 2. System re-alignment - building upon phase one:

- > Infrastructure investment plan.
- > Increased access to and support for ICT systems related to aged care.
- > Aligned service agreements between the DHW and the rLHNs.
- > Increase visibility and transparency of data, information and evidence to drive business decisions.
- > SA Health Policy Framework review.

### **3. System transformation – rolling program of supports identified through phase one and two:**

- > Implementation of actions to support the required aged care service delivery transition.
- > Transition to business as usual functions.
- > System wide aged care service transformation review.









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