

Radio NZ Insight programme two weeks ago

Rest home operators and home support providers are crying out for more money. They say their sector is in crisis and unless the government comes to the party urgently, the industry that looks after our elderly will disintegrate. Jane O'Loughlin looks at the pressures facing the eldercare sector, and what's being done about it.

Judith Johnson:

Hello I'm Judith Johnson from Heretaunga Home and Village at Silverstream. We have here an 18 bed stage two rest home, a specialist dementia unit of 20 beds and 20 studios and apartments which are essentially our village part of the home. This is our lounge for the stage 2 side or rest home care. We also use it for some of the communal activities... and this is our recreational room, and this afternoon you happen to have the good old bingo going on.

Presenter:

Many people dread the idea of going into a rest home, but for others it's a relief.

Judith Johnson:

The first thing people usually say when they come in here is that they've had the best sleep they've had for years, because many of them being on their own a long time, and they lie awake at night listening to all sorts of sounds. Their health often improves because they're eating well. Even if you have meals on wheels delivered to you at home, you're sitting, picking at it by yourself. When you are then sitting at a table with others having good socialisation, then people are more inclined to eat and look forward to it, and that in itself seems to give them a better state of health.

Presenter:

But around the country, rest homes are closing or being sold. The providers say they can't continue to operate on the small amount of money the government gives them to take care of those elderly who can't afford to pay for themselves.

Judith Johnson:

(Knock knock) Anyone in? This is an example of an apartment with a separate bedroom and a full kitchen, not just a kitchenette, and a laundry as well, the other ones have a small communal laundry and walk in wardrobe and bathroom....

Presenter:

It's apartments like this that residents pay for privately that are the money makers for residential care providers. And for those that are in the business to make money, there are fewer and fewer reasons to continue to provide rest home beds when they can concentrate on the more profitable retirement village sector.

Here's Peter White, the managing director of the Birchleigh Residential Care Centre in Mosgiel.

Peter White:

Knowing what I know now - our rest home came first and the village came later - but if it had been the other way around I certainly wouldn't be keen to add in a rest home or a hospital if I was a village operator now. There's no financial incentive and I could probably live with the fact that we would just change our format a little so that people didn't have that expectation of having on-care on site or just contract it out..

Presenter:

The sector isn't all about making money though and many rest homes are operated by religious and welfare organisations. But despite not being run for profit, they are still feeling the pinch. Val Sugrue, the CEO of the Baptist Home and Hospital in Howick, Auckland says her hospital is 12 percent underfunded and her rest home is 24 percent underfunded, and she says that's threatening their longterm viability.

Val Sugrue

We're a christian organisation, and obviously we always want to put our care where we feel the care is needed. We look after a lot of subsidised clients, and if we didn't look after them who else would? And yes we would stay in if we possibly can, though all my colleagues aren't. Presbyterian Support are out of their business now, Methodist Mission are for sale. The Masonic are now up for sale. We will hang on in there, in the hope that someone will see some sense and we can get some increased funding.

Presenter:

The industry is describing the situation as a crisis, and has created a new representative body, Healthcare Providers New Zealand, to try to raise the profile of the issue. It's chief executive is Martin Taylor:

Martin Taylor:

Ten years ago there was a return on capital so that when the providers got into the sector, that they knew that the risk they were taking on balanced with the benefits they received from the government. Since that day the government has never kept up with the funding, so that we now have a situation where providers cannot pay a decent level of wages, they have to pay low wages, because that's the only way they can survive, and there is no return on their investment. So they were encouraged to get into the sector because the government didn't want to do it and now the government's not willing to fund them to the appropriate level. Which means there will not be new beds built in the sector to meet coming demand.

Presenter:

Healthcare Providers NZ says that not only has government funding scarcely kept pace with inflation, the sector's under pressure from extra costs imposed by things like the Holidays Act, and the battle to recruit and retain staff on low wages. One big issue is the recent pay settlement between the District Health Boards and nurses, which will see

nurses in public hospitals being paid an estimated 30 percent more than their colleagues in rest homes and geriatric hospitals. Healthcare Providers New Zealand wants the government to come up with more money for the sector in this year's budget.

Martin Taylor:

All we're after is 5 percent per year, each year for three years, plus inflation, plus some compensation for nurses' settlement. That'll work out, we should imagine, as around 50 million dollars each year, compounded, and how much they model the nurses at. Each day we're losing nurses from the sector. Now we need nurses to run our rest homes. If we can't get nurses the rest homes will just have to close or operate illegally, and that's not something anyone wants to see happen.

Presenter:

The industry says those most at risk are the smaller rest homes, often located in rural areas. I went to visit Hiott Cox, the chairman of the board of Wharekaka - a small 17-bed rest home in the rural community of Martinborough.

Hiott Cox:

With about half of our residents being subsidised by the government, and the subsidy being less than the cost of operating the home, this creates financial stress which is not getting any better. It costs us about \$92 a day to run the home if we've got 15 people in it. And our subsidy is \$77.53 so we're short \$14 dollars a day per person. And that's quite significant when it adds up times 365 days a year.

Presenter:

So what impact has that had, is that on deferred maintenance, that sort of thing?

Hiott Cox:

Yes it really has had a big impact on our maintenance, and in particular recently when we had heavy rain we found the roof was inadequate.

Presenter:

The people who run Wharekaka are sceptical about the government's policy on Ageing in Place - which encourages elderly to stay in their own homes as long as possible. They say that in a rural area it's more difficult and expensive to provide the transport for either home support workers to provide care, or for the elderly to get out and meet other people. Another board member, Anne Savage, says there's also a risk of elder abuse, theft and ne obviously we always want to put oglect, because the low wages offered to home care workers don't attract quality staff.

Ann Savage:

They have no training. If they do have training, it's very fundamental training. Who's going to do the staff appraisals, who's going to do the certification of these agencies, who is actually going to weekly follow up these elderly and their caregivers? What happens if a

caregiver doesn't turn up, and the elderly person is unable to access assistance? We've seen records of deaths in the paper this year, of people being found two and three weeks later when they've been dead or had a serious injury. So I feel Ageing in Place is theoretically a good option but unless it's actually followed up really thoroughly I don't believe it will work.

Presenter:

Wharekaka's registered nurse, Linda Osbourne, believes the ageing in place policy is about cutting costs, and is not necessarily in the best interests of the elderly person concerned.

Linda Osbourne:

We had a woman who was coming to Wharekaka for respite care from her family and she wanted to come to full time care at Wharekaka, and her family wanted that as well. She was told at the DHB by who I don't know that she did not fit our criteria which was not true, and that we had no beds anyway. Now, at the time we had 3 beds and she does meet our criteria and she did come here but that was only after the family ringing us and saying how come? How come she doesn't fit the criteria now but she did in January when she came for respite care? So that's been a really interesting situation.

Presenter:

Do you ever get the impression that the ppl doing the assessment have an eye on the budget.

Oh of course they do. They must do. Things are tight for them too.

And if someone says, oh I'm fine I'll stay at home, that must make things easier for them.

Presenter:

So in other words, there are people who should be in rest homes who aren't?

Linda Osbourne:

Absolutely. Absolutely. There are so many out there that really should be in care.

Presenter:

The question of who should be in care is a thorny one. Everybody agrees that those entering rest homes are generally much older and more frail than in the past. Are the DHBs making it harder to qualify for subsidised care because it's cheaper to keep the elderly at home with a few hours of home help, than pay for them to go to a rest home? Or are people staying in their homes because they want to? The manager of the Ministry of Health's sector involved in developing the Health of Older People Strategy is Judy Glackin. She says that data shows people are going into rest homes in smaller numbers, and at an older age, and she believes that's due to the government's policy. But that doesn't mean a reduced demand for residential care. Ms Glackin says because of the burgeoning numbers of those over 85, the overall requirement for residential beds will go up, but it's likely those beds will be for hospital level or dementia care.

Judy Glackin

What we're actually seeing is a trend of a decline in people entering the lowest level of care, which is rest home care and we believe that is related to the fact that they are staying in the community longer because they're receiving more services.

However we haven't seen the same kind of decline in specialist care like dementia care or hospital level care and that reflects the fact people are entering res care later.

Presenter:

So essentially it's more of a last resort than it used to be?

Judy Glackin:

Yes I think so... basically it means people have more options to remain in community when their level of need is lower.

Presenter:

Is part of it driven by the fact that we do have an ageing population, it's going to be really expensive, and we need to find a cheaper option for looking after these elderly?

Judy Glackin:

While obviously we always want to put o it would appear that living in the community is cheaper, that actually isn't a primary driver, though clearly that's an important thing for all of us actually.

Presenter:

There's some suspicion among rest home providers that the people in charge of the assessment are under pressure from the DHB not to put too many people into rest homes, and to keep them in the community. What do you think about that?

Judy Glackin:

Well it's govt policy direction to favour somebody remaining in the community...

Presenter:

Even if they maybe should be in a home?

Judy Glackin:

No, they shouldn't... if they are not able to remain safely in the community, then residential care is the best option.

Presenter:

One person who fully supports the idea of home based care is Dr Matthew Parsons, a senior lecturer in gerontology at Auckland University. He helped develop the government's Health of Older People Strategy, and has even predicted that rest homes will no longer be needed in ten years time.

Matthew Parsons

It's exceedingly likely that rest homes will actually disappear before that. but rest homes are one part of the package. There are rest homes, there are private hospitals, there's dementia care units, retirement villages and so on. Rest homes cater for people who normally could be looked after and worked with in their own homes. and that's the sector of the residential care facilities that needs to disappear.

Presenter:

Dr Parsons, like the Ministry of Health and others, is hoping that trials currently underway will find some of the solutions to the problems in the eldercare industry. One is Community First, a restorative-based home support programme, being run by Presbyterian Support Services, that's looking at innovative ways of delivering services to older people.

Matthew Parsons:

Everything about Community First is around rehabilitation. So if an older person has been referred to the service, and they've had a series of falls, it's identified that they've got reduced muscle strength in their legs, then the service will identify that and put in place initiatives that build up the muscle strength, build up the strength, reduce the chance of them falling over, and it looks at the local community and tries to reintegrate the older person back into that community no matter what's wrong with them.

Presenter:

So the theory there is, that just because they've had a fall, just because they're ill, they're not on the way out, they can be brought back and made well again?

Matthew Parsons:

At turn of the last century it was very clear that health professionals believed that once you got to 65 it was a very rapid descent until you died. Gerontology and study and working with older people is relatively recent. It's only in the last 60 years that we realise that's rubbish.

Just because you have a fall, just because you have repeated chest infections, just because you feel weak and tired all the time, doesn't mean that's actually the end, it means we need to do something concerted to actually get that person back on their feet again.

Presenter:

Some religious and welfare organisations endorse this new approach and say THAT's the reason they're getting out of the business of rest homes. The Salvation Army has seen the way the wind is blowing, and after 70 years of running residential care in New Zealand, is now selling their 12 rest homes. The national manager for services for older people, Alistair Herring, says it's been a painful decision to make, and he's concerned that those on low incomes could be shut out of some services.

Alistair Herring

As the sector becomes more and more dominated by a caring profession which is more profit motivated, we could expect that services will be loaded with costs that some people cannot afford.

That I think is simply understood to be a natural - obviously we always want to put some would say predictable - trend.

Presenter:

Major Alistair Herring agrees that most New Zealanders prefer to stay in their own homes where possible.

But he says many are lonely and depressed because of their social isolation - something that home care doesn't deal with, and something that those assessing the elderly for access into a rest home don't take into account.

Alistair Herring

I believe there are signs the pendulum is heading towards one extreme, that extreme being that the assessment level for entry to residential care is too high and is shutting out people who need that form of care.

By the same count people are being left in community-based care too long, beyond their holistic needs.

(sfx of homecare worker going into house )

Jo McGeachin

My name is Joanne McGeachin, and I work for Healthcare New Zealand.

I've been doing it for about 15 years, enjoy it, it's very flexible job. I'm a very sociable person, I like talking to people, interact well with other people, especially elderly ... it gives me some kind of job

satisfaction that I'm actually helping somebody while I'm here.

Mrs Forster

Well she helps me shower, helps me dress, makes me feel like the Queen with my own dresser! Then she makes me a cup of tea. And if I've dropped things on the floor that I can't reach. She sees what's necessary to do.

Presenter:

So if you didn't have a carer come in, would you have to go into a home or a retirement village or something like that?

Mrs Forster:

Well I would because I haven't got the competence to shower myself because my legs are very bad now... they're not getting better, I am 86. I don't look down on homes, I just don't

think i'm ready for one yet, and I feel like I shall know when I have to go into a home, and I shall be prepared to do so, but don't think i'm ready yet.

Presenter:

Another of Jo's clients is Mrs Turnbull.

Mrs Turnbull:

I think she's been caring for me at least 4 years.

Presenter:

And tell me the things she does for you?

Mrs Turnbull:

Showers of course, three times a week, vacuuming dusting, shopping, oh any other bits that I find....collects my mail ... does do the odd phone call for me before she goes because I can't see for dialling.

Does it make a big difference to you to have her come around? It does. I look forward to her visit. Monday to Friday I think ooh Jo's coming today... some times the only person I see or speak too, apart from the phone. Have a call. But the weekends are quiet, usually.

Presenter:

Despite her isolation, Mrs Turnbull isn't interested in moving to a rest home.

Mrs Turnbull:

You hear different people speak of being in homes. They've got to stick to rules, they've got rules. They can't seem to do what they want. They like to potter round like me. They can't lie down or stay in their gowns like me. And i can spend my whole weekend in dressing gown! But they couldn't. (laugh) and they can't make a cup of tea when they want to!

Presenter:

Mrs Forster and Mrs Turnbull are lucky enough to have a regular home care worker who is experienced and dedicated, and actively looking out for their needs. It's not the case everywhere, with reports of home care workers failing to turn up, of elderly being left on toilets or in bed for days without assistance, or without a shower for several weeks.

Terry Moore:

The major concern across the sector is that things have reached such a crisis that it's not just about where do we go with this sector it's about the fact that if we don't do something about this over the next year, then it's quite likely that the sector itself will disintegrate and the responsibility for providing home support services will revert back to the funders.

Presenter:

That's Terry Moore, the general manager obviously we always want to put omanager of programme development and quality at Healthcare Care NZ, the country's largest employer of home care workers. He says its main problem is trying to find staff, when the going rate of take-home pay is around 7 or 8 dollars an hour for support workers.

Terry Moore:

If you look at the levels of turnover that we're getting at the moment, which in some areas is more than 40% per year, if you're looking at the number of referrals that are having to be declined because of the lack of carers' availability, then it really means the sector will be unable to provide the service that's being required. The challenge will then be for the District Health Boards and the Ministry of Health to find a better way of doing that within the funding they've got available.

Presenter:

That seems peculiar in a way because the government is talking so much about this Ageing in Place which relies on having good home care to support it, to make it work, so you'd think that if anyone was going to be getting the money it would be the home care workers...

Terry Moore:

Then that's the contradiction that we struggle with... is that we believe that the home support sector really is the key to making key government strategies work, and yet here we are facing a point where it's potentially going to disintegrate.

Presenter:

Age Concern is a supporter of the ageing in place policy, believing that the elderly should have a choice of what happens to them. But chief executive Kerry Dalton says that for it to work, something has to be done about the chronic underfunding, and older people need to be supported by services that are tailored to them and responsive to their needs.

Kerry Dalton

It's not just home support or residential care, there's a whole lot of services that come into that. For instance, Age Concern provides a service called the Accredited Visiting Service which addresses social isolation. It's for people who essentially don't have family or maybe friends. That's been found to be one of the key reasons why people go into residential care.

There's also other community based initiatives as well.

And where this is situated is in the Health of Older People Strategy which is the government's policy and vision, that it signed off in 2002 ... supporting what's called an integrated continuum of care, which is where older people get the right service at right time and in the right way for them... And we're a long way from that at the moment.

Presenter:

The government acknowledges that more work needs to be done. Pete Hodgson recently took over the Associate Minister of Health portfolio with responsibility for this sector. He's familiar with the trials being run, and also familiar with the arguments from the rest home sector and the home care sector about the urgent need for more funding. I put it to him that a report by Price Waterhouse Coopers in 2000 found the rest home industry underfunded by at least 20 percent.

Pete Hodgson

I think one needs to be a little bit careful about this that or the other report. The country is littered with them, and there is a sense in the health portfolio that if you assert something strongly and often enough it becomes true. We don't accept that there is an underfunding not of 20 but 25 pc out of that report, 26% for dementia care. We do not accept that figure. We do not. We do not accept their assertion that we need 700 million dollars to fix it. Or six hundred million dollars. Actually the figures do change a fair bit depending on which report you're reading. But we do accept that there is a funding gap and we do accept that the government has an obligation to address it.

Presenter:

There is a hint that the budget might yield more money.

Pete Hodgson

Certainly the direction has to be more money both into home support and into residential care in order that, amongst other things, we can i obviously we always want to put omprove wages, reduce turnover, get training done, or recognition of prior learning, start to implement these pilots so that they become a little more mainstream for home based care, break the cycle of high turnover rates, and ensure we get greater continuity of care for the older person so that they see familiar faces more.

Presenter:

Rest home operators want an increase of 5% per year for three years plus inflation, and plus compensation for the nurses settlement. Are they dreaming?

Pete Hodgson:

That figure is different from the Price Waterhouse figure we were talking about a few minutes ago so their assertions have come down. Their assertions of what they need. They are saying now we are being reasonable as if before they weren't. And 50 million dollars per year over 3 years is 150 million dollars. And that compares to 600 or 700 million dollars.

Presenter:

In their demands are they.... have they not really woken up and smelt the coffee as far as what the future of residential care is and what the government wants from them?

Pete Hodgson:

Ah, I think the answer to that is all of the above. I think that some residential care providers are probably pretty threatened by the fact that more people will want to stay at home and less want to use their services. Others are warmly welcoming it. Are saying, we want to get into the home-based care ourselves as well as provide residential care, we are really keen to see if we can turn part of our rest home into an area where we can have patients as opposed to residents, where we can get people back and into their own home... The philosophies that exist amongst different providers of rest home care varies, and it varies from those who are looking down a bit of a culdesac to those who are going to lead us into the future.

Presenter:

Back at Heretaunga Home and Village, Judith Johnson is already thinking about the future.

Judith Johnson

It's a hard call, because i think we've got about as efficient as we can get... on everything over the years. We will have to look at probably charging a premium for some services, for example for some rooms. Yes...it's really difficult, it's one of those things that you just... I know we can't have blind faith that the government is going to come to the party and recognise that we are an essential service and we must be here. But... that's a hard question! Essentially businesses.. you can't stay there until you can no longer pay your staff or anything else, you are going to look at what can be done.

Presenter:

Rest homes are expecting a spike in applications in July, when the asset testing threshold for residential care is raised. That change is going to cost the government more than a hundred million dollars a year extra, as more people qualify for residential care subsidies. And of course it will only add to the government's misery over how to spend it's already stretched health budget. With so many demands on the public purse, it's hard to see how the problems in the elderly care sector can be fixed quickly or easily.