

Media Release

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Increases in Demand for Residential Aged Care Services Loom

A major review of aged care residential services commissioned by leaders of the residential aged care sector and the 20 district health boards (DHBs) has identified an urgent need to take steps to plan for the residential care of New Zealand's aging population.

The Aged Residential Care Service Review released today jointly by the DHBs, New Zealand Aged Care Association (NZACA) and Ministry of Health is the largest and most comprehensive review of aged care services ever undertaken.

The review is the first major outcome of a new collaborative approach between the NZACA and DHBs to address the issues about residential care of the aged.

"DHBs and residential care providers are the most directly involved in aged care and are the obvious parties to the commissioning of such a significant report."

"We are the ones who are going to have to find the solutions", says Chris Fleming, the Lead CEO for Health of Older People for the DHBs.

"We all see the release of this report as the start of an ongoing collaborative process to seek solutions. We recognise that a comprehensive and coordinated response to the challenges presented is required rather than a reactionary response which fails to take into account the overall policy direction required", he says"

The report warns that by 2026 the over 65 population is expected to increase by 84 per cent, from 512,000 to 944,000 people. During this period the overall population is projected to grow by 20 per cent, from 4.2 million to 5 million.

This will mean that by 2026 an additional 12,000 to 20,000 people will require aged residential care. There are currently just 34,000 aged care beds.

In other key findings the report says that by 2026:

- The supply of facilities needs to increase by 78% to 110% per cent to meet the projected increase in residents and to replace older facilities. Demand for rest home care will begin to increase between 2012 and 2015.
- The current operating profits from stand alone residential care facilities are insufficient to stimulate the required private sector investment.
- The workforce needed to service the aged care sector must increase by 50 to 75 per cent.

“The key question arising from this review was not if these pressures were going to arise, but when, over what period and to what degree,” the review says.

“This will pose challenges to the providers, DHBs, the Ministry of Health and the Government to respond in a manner that will proactively ensure a sustainable sector that meets the needs of New Zealanders into the future.”

Future investment in the residential aged care sector will require a significant lead-in time, the review notes. “As such, clearly articulating the priorities pertaining to costing, demand, supply, workforce and models of care will enable us to move forward off a robust base ensuring the appropriate environment is developed to meet the challenges ahead.”

The review has identified four scenarios for the delivery of residential aged care services in the future:

- **Improving the current approach:** Addressing key issues in the current model.
- **Enhancing professional services in the community.** Developing community-based models to allow for funding for acute hospital and other services to shift to services focused on prevention and quality of life.
- **Individualised funding:** Empowering individuals to make their own choices to reduce the need for centralised co-ordination.
- **Special purpose low income housing for the elderly:** Providing joint housing options for older people between their own home and residential care.

As part of the review process, a comprehensive survey of residential aged care providers was conducted. Many survey participants supported “a continuum of care” model.

“This is a foundation document. The information used to compile it is solid and we can have confidence in the findings,” says Martin Taylor, Chief Executive of the New Zealand Association of Aged Care Providers.

“As a result we know what the challenges are. They are major and urgent and it will take a robust collaborative approach between the key stakeholders, particularly the providers, the DHBs and Government to identify and implement the solutions.

“This is a unique opportunity to take the steps that are required and the aged care providers are certainly prepared to throw their weight behind the search for effective and equitable solutions”, he says.

The review was undertaken by Grant Thornton New Zealand Ltd and managed by a steering group comprising sector and government representatives. The steering group was assisted by an expert advisory panel of clinicians, academics and representatives of providers and DHBs. This steering group is likely to continue working on policy and funding matters following the review’s launch.

The full report and executive summary can be downloaded from 10.00am, Wednesday, September 8, 2010 from either::

www.nzaca.org.nz

www.dhbnz.org.nz

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