

Funding aged care: government vs personal responsibility

FOR TOO LONG aged care, and residential care in particular, has been designed and financed as a separate part of Australians' lives instead of the next phase of their post retirement years.

Another phase where you will make decisions about where you will live; the healthcare you need; the services you want and how you will support yourself to provide these.

As the ageing population grows, the taxpayer base shrinks and we grapple with fiscally sustainable aged care service delivery we have to redress this separation.

Residential care requires the largest component of the available government funding. It is a combination of accommodation (property) and hotel and specific care services you may need. There must always be government support for the accommodation and care needs of those who can't afford to pay for themselves,



Pat Sparrow, CEO ACSA

just as there is in housing with rent assistance.

The financing of our aged care and the government's retirement incomes policies are inextricably linked. While we know they are linked, they are so far from being integrated.

As a community, we need to come to grips with what the government is able to pay to support individuals as they age, and what inevitably needs to be a personal responsibility and choice.

The next generation will have accumulated capital over their lifetime in two tax assisted assets – superannuation (lower tax rates) and the family home (no capital gain). These assets need to allow Australians to provide as much as they can for themselves.

It's time we started the discussion about how we will finance our care in our latter years.

It's time we started the discussion about using the generational wealth that has been accumulated through good policy, but perhaps now could assist older Australians to live a better quality of life.

By the time you are reading this we will know how and if government has

taken steps to address housing affordability in the federal budget. It will be important to see that initiatives have been taken in this space to support older Australians to downsize their housing.

Equally important will be that government consider how they can support consumers and remove inequitable hurdles, both real and perceived, to unlock the equity in their home to pay for their ageing.

There are opportunities for governments to support creative usage of superannuation, and the interplay with home equity, to support planning and paying for the supports needed as an individual ages. ■

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Need for integrated health, aged care

ACCORDING TO THE World Health Organization's *World Report on Ageing and Health* 2015 we now have a lot of evidence on the global phenomenon of increasing longevity.

We often assume that increased longevity is accompanied by an extended period of good health, however the WHO report highlights that there is little evidence that older people today are experiencing better health than their parents did at the same age.

Ageing is associated with an increased risk of a person having more than one disorder at the same time, which is called multimorbidity. This can

lead to complex interactions between disorders, between treatment recommendations and other disorders, and between drugs prescribed for different disorders, also known as polypharmacy.

Another risk in later life is the prevalence of complex, multifaceted dynamics between physiological change, chronic disease and multimorbidity – for example, frailty. Naturally, multimorbidity, polypharmacy and geriatric syndromes are also associated with increased rates of healthcare use.

It is this intersection between health and aged care systems that must have a greater focus in future policy, service provision and research.



Dr Helen Barrie (Feist), president of the AAG

Older people often engage with health providers and services that manage health issues in disconnected and fragmented ways, with a lack of coordination across providers, setting and time.

Yet healthcare systems that address the multifaceted and often complex needs of older age in a holistic way are more effective than services that merely react to specific diseases independently.

The WHO report emphasises the need to redevelop systems to ensure integrated services that are centred on the needs and rights of all older people. Health systems need to be aligned to the older populations they now serve, and will increasingly serve in the future.

This will require healthcare systems and their practitioners to include adequate knowledge building and training on ageing-related issues and opportunities for the aged care sector to inform, engage and integrate with health systems.

With Australia's ageing population an extant reality and within the context of significant aged care reform now is the time to ask how this relates to our healthcare system. ■

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