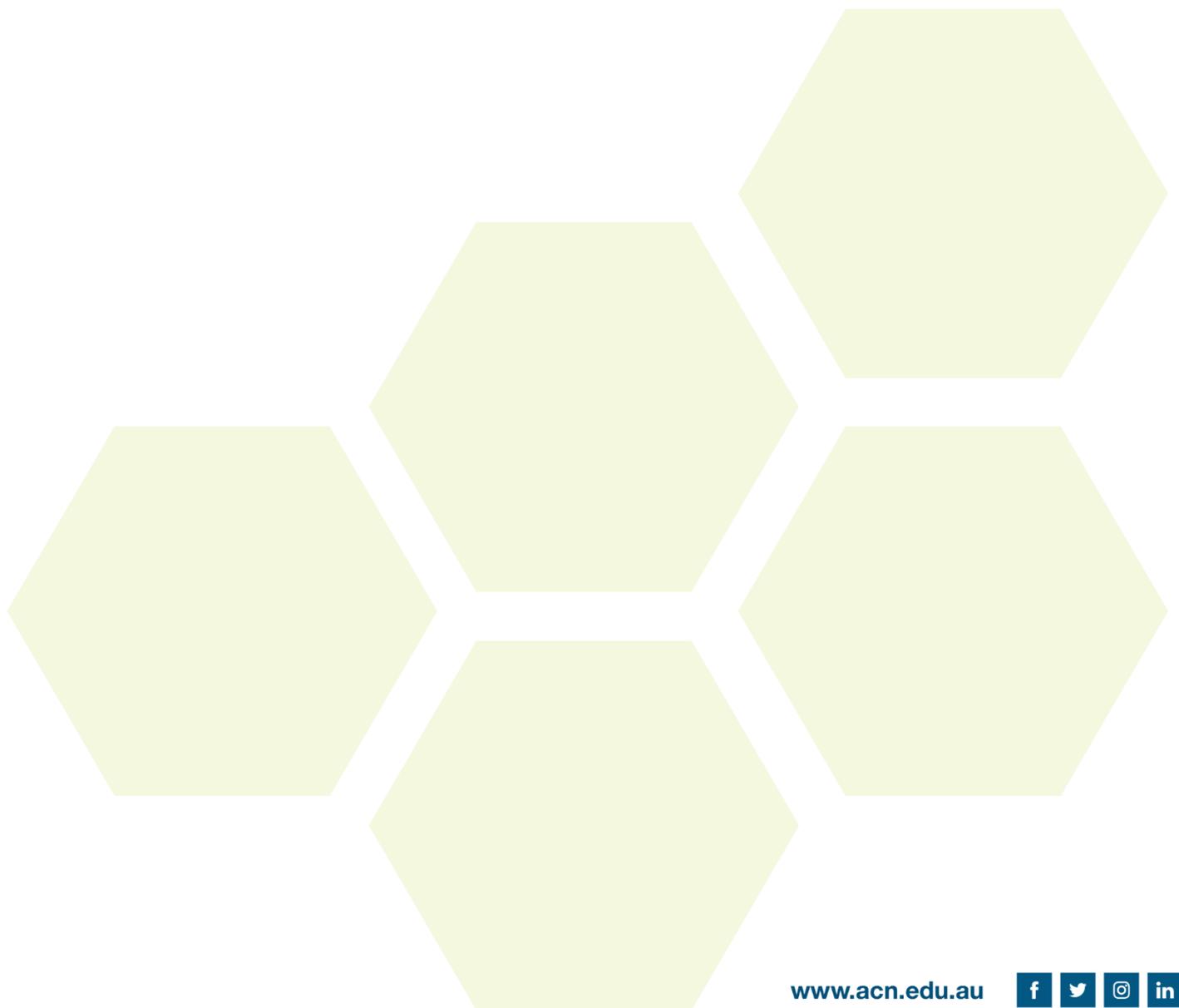




Australian College of Nursing

*ACN SUBMISSION TO ROYAL COMMISSION INTO AGED
CARE QUALITY AND SAFETY: AGED CARE SYSTEM
GOVERNANCE, MARKET MANAGEMENT, AND ROLES AND
RESPONSIBILITIES*



General comments

The Australian College of Nursing (ACN) welcomes the opportunity to provide feedback on the *Royal Commission into Aged Care Quality and Safety* consultation titled, **'Aged Care System Governance, Market Management, and Roles and Responsibilities'**.

The recent findings from the Royal Commission has highlighted several challenges in the aged care sector relating to our vulnerable Senior Australians, including those in the community and those in residential aged care facilities (RACFs), who are at risk of abuse and neglect. ACN has consistently highlighted the increased risk in providing sub-optimal care due to an increased reliance on unregulated health care workers (UHCWs) and poor staffing of Registered Nurses (RNs) within RACFs.¹ The existing legislation does not provide minimum RN staffing requirements on aged care providers, hence there is no obligation to employ RNs who come at a greater cost to the provider compared to the less skilled UHCW. ACN members believe this is of concern, as clinical leadership and supervision which is necessary to resident safety, can only be provided by highly skilled and trained RNs.²

ACN has been a strong advocate for clinical governance across Australia's health and aged care systems. ACN believes clinical governance is required to ensure standards are maintained and there is a culture of continuous improvement that ensures high-quality health and aged care systems are in place to deliver safe and effective services to all older Australians.

ACN has made previous submissions to the Royal Commission^{3 4 5} and is strongly supportive of the work being conducted to identify improvements in the aged care sector to deliver improved health outcomes in the aged care sector.

¹ Australian College of Nursing (ACN). 2019, 'Regulation of the Unregulated Health Care Workforce across the Health Care System – A White Paper by ACN 2019', ACN, Canberra. <https://www.acn.edu.au/wp-content/uploads/white-paper-regulation-unregulated-health-care-workforce-across-health-care-system.pdf>

² ACN 2016. The Role of Registered Nurses in Residential Aged Care Facilities - Position Statement. <https://www.acn.edu.au/wp-content/uploads/position-statement-role-rn-residential-aged-care-facilities.pdf>

³ ACN – February 2019. Submission to Royal Commission into Aged Care Quality and Safety, <https://www.acn.edu.au/wp-content/uploads/submission-to-royal-commission-into-aged-care-quality-safety.pdf>

⁴ ACN – June 2020. Submission to Royal Commission into Aged Care Quality and Safety: INVESTIGATION INTO THE IMPACT OF COVID-19 ON AGED CARE, <https://www.acn.edu.au/wp-content/uploads/20200702-impact-of-COVID19-on-aged-care-final.pdf>

⁵ ACN – December 2019. Submission to Royal Commission into Aged Care Quality and Safety: Aged Care Workforce, <https://www.acn.edu.au/wp-content/uploads/20191212-aged-care-workforce-consultation-final.pdf>

ACN response to the following topics:

1. The essential characteristics of system governance in the Australian aged care system

The establishment of the National Institute for Clinical Excellence (NICE) in the United Kingdom in 1999 was vital in establishing the concept of clinical governance frameworks. This laid the foundations around “**clinical leadership**” being an essential component in changing internal systems and processes; and in improving health and social care through “**evidence-based guidance**”.^{6 7 8}

The development of the National Safety and Quality Health Service (NSQHS) Standards under the Australian Commission on Safety and Quality in Health Care (ACSQHC) demonstrates a concerted effort by the Australian Government to encourage clinical governance throughout the healthcare system. ACN endorses the aim of the NSQHS Standards which is specifically to:

*“protect the public from harm and to improve the quality of health service provision. They provide a quality assurance mechanism that tests whether relevant systems are in place to ensure minimum standards of safety and quality are met, and a quality improvement mechanism that allows health services to realise aspirational or developmental goals”.*⁹
(page 3)

In addition, it is noted that the Australian Government assesses the performance of aged care service providers' with respect to their responsibilities under the *Aged Care Quality and Safety Commission Act 2018* and the *Aged Care Act 1997*, or the Commonwealth funding agreement that relates to a service.¹⁰ Audit reports, decisions about serious risk and Consumer Experience Reports (CER) about individual aged care services can also be accessed online.¹¹

With respect to effective clinical governance, ACN members believe the Australian aged care system requires clear “**accountability**” and highly espoused “**clinical leadership**” through expert and highly trained clinicians that can transform systems.¹² Clinicians need to demonstrate competency in teamwork, communication and marketing, research and clinical outcomes, education, and leadership and mentoring.¹³

The structure of good clinical governance is consistently described in terms of key foundations or pillars; which are also necessary in establishing the effectiveness of any system and process; and for ensuring accountability of outcomes.¹⁴ ACN endorses the **ACSQHC’s “National Model Clinical Governance Framework” based on the NSQHS Standards**. In this framework the patient and health care consumer are central, and there are five key components which include:

*“• **Governance, leadership and culture:** integrated corporate and clinical governance systems are established, and used to improve the safety and quality of health care for patients*

⁶ Braithwaite J, Travaglia JF. An overview of clinical governance policies, practices and initiatives. *Australian Health Review*. 2008;32(1):10-22.

⁷ Travaglia JF, Debono D, Spigelman AD, Braithwaite J. Clinical governance: a review of key concepts in the literature. *Clinical Governance: An International Journal*. 2011;16(1):62-77.

⁸ NICE 2020. NICE. Viewed 15th July 2020. <https://www.nice.org.uk/>

⁹ ACSQHC 2012. National Safety and Quality Health Service Standards

<https://www.safetyandquality.gov.au/sites/default/files/migrated/NSQHS-Standards-Sept-2012.pdf>

¹⁰ Aged Care Quality and Safety Commission (2020). Aged Care Services Performance <https://www.agedcarequality.gov.au/aged-care-performance>

¹¹ Aged Care Quality and Safety Commission (2020). Find a Report. <https://www.agedcarequality.gov.au/reports>

¹² Kapur N. On the pursuit of clinical excellence. *Clinical Governance: An International Journal*. 2009;14(1):24-37.

¹³ Webber, AM, Weber, E, & Koontz, R, 'Pharmacy leadership structure in a multicampus health system', *American Journal of Health-System Pharmacy*, Volume 64, Issue 2, 15 January 2007, Pages 142–144, <https://doi.org/10.2146/ajhp060349>

¹⁴ Peak M, Burke R, Ryan S. Clinical governance: the turn of continuous improvement? *Clinical Governance*. 2005;10(2).

- *Patient safety and quality improvement systems: safety and quality systems are integrated with governance processes to actively manage and improve the safety and quality of health care for patients*
- *Clinical performance and effectiveness: the workforce have the right qualifications, skills and supervision to provide safe, high-quality health care to patients*
- *Safe environment for the delivery of care: the environment promotes safe and high-quality health care for patients*
- *Partnering with consumers: systems are designed and used to support patients, carers, families and consumers to be partners in healthcare planning, design, measurement and evaluation; elements of this component include: clinical governance and quality improvement systems to support partnering with consumers; partnering with patients in their own care; health literacy; and partnering with consumers in organisational design and governance.” (Page 6)*

As the pre-eminent and national leader of the nursing profession, ACN is committed to advancing nurse leadership to enhance health care and strongly believe that all nurses, regardless of their job title or level of seniority, are leaders. For this reason, ACN’s membership was engaged with feedback for the Commissioners presented below:

- A staged approach to introducing clinical governance is required as outlined below:
 1. utilising the evidence-based practice (EBP) of integrated governance for healthcare settings
 2. taking a tiered approach within an organisation
 3. establishing a clinical governance committee focusing on roles and responsibilities
 4. establishing the pillars of governance
 5. developing a Clinical governance framework
 6. integrating the established Clinical governance framework
 7. Monitor and review
- Regular auditing for quality and safety is essential. The cost of this auditing work should be taken into consideration when determining aged care funding. There should be strong, clinically driven leadership.
- System governance in the Australian aged care system appears to have “lost its way”. Traditionally, the aged care system was run and operated by non-profit facilities in a way which considered the needs of older people in the community. Currently, most aged care facilities are operated by private companies who may or may not have any direct knowledge of the care needs of older people, or how best to deliver the care. The emphasis is on a business model which includes making a profit. The Government needs to ensure that any organisation/business entity who expresses interest in the operation of an aged care facility can demonstrate the expertise required, particularly around clinical leadership and accountability.

2. How system governance can support the delivery of quality and safe aged care services with regard Australia's geographic and demographic characteristics

The intent to provide safe delivery of care to all Australians regardless of geographic or demographic characteristics is highlighted in the definition for clinical governance. Specifically, the Aged Care Quality and Safety Commission defines clinical governance as *“an integrated set of leadership behaviours, policies, procedures, responsibilities, relationships, planning, monitoring and improvement mechanisms that are implemented to support safe, quality clinical care and good clinical outcomes for **each health care consumer**”*.¹⁵

ACN members believe a single system of governance can be established for all aged care services in Australia to use across all settings. People entering the aged care sector are generally frail, vulnerable, and near the end of their lives. For this reason, clinical governance should reflect the already established accreditation standards from aged care, disability, mental health and community care. Hospitals already use systems developed by the ACSQHC for essential care activities to ensure there is a set standard in the care provided e.g. regular checking of medication safety, falls prevention, skin care. In Australia, residential aged care services are required to be accredited to receive Australian Government subsidies. The Aged Care Quality and Safety Commission has been appointed as the independent accreditation body, and assesses services' performance against the legislated Aged Care Quality Standards (Quality Standards).¹⁶ These Standards were established in collaboration with experts in aged care. The Quality Standards are made up of eight standards with the first seven standards relating to governance. *(For reference the standards include: 1. Consumer dignity and choice; 2. Ongoing assessment and planning with consumers; 3. Personal care and clinical care; 4. Services and supports for daily living; 5. Organisation's service environment; 6. Feedback and complaints; 7. Human resources)*. Accreditation involves periodic full audits to assess compliance with the Quality Standards. In addition, the Commission monitors the Aged Care Quality Standards required to be met by aged care services that provide clinical care to demonstrate the use of a clinical governance framework (Standard 8, 3(e)).¹⁷

Having appropriately equipped individuals for health service delivery is also essential to support a high quality and safe service. ACN believes that the individuals' roles and responsibilities within the health service organisation can effectively support system governance. An established governance committee with formal roles and responsibilities to performance management should be responsible for formal policy and procedures. This involves the contributions of various individuals and teams at all levels of an organisation (e.g. patients and consumers, clinicians, managers, governing bodies); and at all levels of the system. Specifically, ACSQHC's "National Model Clinical Governance Framework", explains that: *“within a well-governed healthcare organisation, everyone, including frontline clinicians, managers and the governing body, is accountable for their contribution to the safety and quality of care delivered to patients.”* (page 9).¹⁸

More-over this includes the role that state and territory departments of health play to provide a *“centralised and coordinated oversight of the performance of health service organisations and create a common set of safety metrics that report meaningful safety and quality outcomes”*.¹⁹ (pg. 9) Aged

¹⁵Aged Care Quality and Safety Commission (2019). Resources: Clinical Governance in Aged Care <https://www.agedcarequality.gov.au/resources/clinical-governance>

¹⁶ Aged Care Quality and Safety Commission (2020). Aged Care Services Performance <https://www.agedcarequality.gov.au/aged-care-performance>

¹⁷ Aged Care Quality and Safety Commission (2019). Clinical Governance in Aged Care. <https://www.agedcarequality.gov.au/providers/quality-care-resources/clinical-governance>

¹⁸ ACSQHC 2017. National Model Clinical Governance Framework <https://www.safetyandquality.gov.au/sites/default/files/migrated/National-Model-Clinical-Governance-Framework.pdf>

¹⁹ *ibid.*

care, like other healthcare organisations are very complex by design and operation. Their management structures, systems and processes are significant to the mechanisms for improvement toward best outcomes for residents and health care consumers. A solid clinical governance framework recognises these complexities and works towards the continuous improvement of service by overcoming the problems associated with integrating governance systems. Clinical governance frameworks can facilitate the resident/healthcare consumer and professional partnerships needed in multidisciplinary teamwork and enhance the collaboration between clinical and non-clinical stakeholders in a healthcare service. Clinical leadership and quality improvement go hand in hand to reach expected outcomes that are standardised or regulated. In today's heavily regulated aged care environment it is also important for the relationships between provider and government to remain strong and balanced as the new quality system forces change into the aged care and community care sectors.

3. A description of the role of a system governor in the Australian aged care system, including consideration of what structure a system governor should take

Due to the current complexity of care needs of individuals in aged care, any system governor must be well-equipped and knowledgeable around the care needs of older people. It must be recognised that many older individuals are remaining in their homes for longer; and by the time they enter aged care (specifically a RACF), they require high-level care. In fact, those entering RACFs more commonly have co-morbidities, multiple chronic diseases and are using multiple medications; and with 75% of residents aged 85 years older there is a high rate of physical and cognitive decline.

The role of a separate system governor has been raised previously. In 2011 the Productivity Commission (the PC) in its report [Caring for Older Australians](#), recommended the establishment of an independent regulatory agency, the Australian Aged Care Commission (AACC) as a prescribed Agency under the Financial Management and Accountability Act 1997.²⁰ The AACC would have a stakeholder advisory committee to provide advice to the AACC in relation to consumer and industry interests. An Aged Care Standards and Accreditation Agency (ACAA) would be established as a statutory office within the AACC with three Commissioners: a Chairperson, a Commissioner for Care Quality and a Commissioner for Complaints and reviews.

Key functions proposed for the AACC were:

- *“administering the regulation of the quality of community and residential aged care;*
- *promoting quality care through educating providers and assisting them with compliance and continuous improvement;*
- *approving community and residential aged care providers;*
- *administering prudential regulation and all other aged care regulation;*
- *monitoring, reporting and assessing costs and transparently recommending a scheduled set of prices, subsidies and a rate of indexation;*
- *handling consumer and provider complaints and reviews; and*
- *providing information to stakeholders, including disseminating and collecting data and information”.* (page LXXII)²¹

In this discussion the Department of Health was to retain the provision of policy advice to the Australian Government on regulatory matters, including advice on the setting of quality standards.

²⁰ Productivity Commission 2011, *Caring for Older Australians*, <https://www.pc.gov.au/inquiries/completed/aged-care/report/aged-care-overview-booklet.pdf>, p. LXXII.

²¹ Ibid.

ACN members believe that the details and institutional arrangements of a separate system governor, and its interaction with other areas of the aged care system and the broader health system as a whole, requires a great deal of thought and further discussion.

4. Potential legislative and administrative reform to be considered in the design of system governance in the Australian aged care system

There is a requirement for the implementation of Evidence Based Practice (EBP) for integrated governance as well as a framework for aged care which is based on and adapted from ACSQHC's "National Model Clinical Governance Framework".²²

As noted above and as per ACSQHC's "National Model Clinical Governance Framework", clinicians including nurses play a significant role in clinical governance. Hence, current RN workforce issues in aged care need to consider the design of system governance. ACN has expressed serious concern around the reliance of less skilled UHCWs in the aged care sector and has consistently advocated for at least one RN to be on-site at RACFs at all times to ensure patient safety is a priority. ACN's 2019 white paper, 'Regulation of the Unregulated Health Care Workforce across the Health Care System',²³ and 2016 position statement, 'The Role of Registered Nurses in Residential Aged Care Facilities'²⁴ details several policy recommendations made by ACN which are aimed at ensuring RNs are available to care for our Senior Australians at all times. Specifically, ACN has made several requests for the Australian Government to amend the Aged Care Act 1997 (Cth) to mandate minimum RN safe staffing and skill-mix (the proportion of RNs to UHCWs) levels in RACFs.

ACN's membership were also consulted and provided the following feedback:

- There needs to be a legislated requirement that senior leaders/managers have clinical knowledge around the care of older people, as well as leadership. Given the highly complex structure of aged care, the senior leader requires multiple skill sets. While financial and business management expertise are important, this is not sufficient to understand the complex nature of aged care and the specific care needs of residents.
- Staff shortages in aged care are not because of a shortage of nurses in Australia, but due to an increased reliance on profitable business models rather than models of care embedded in clinical governance frameworks.

5. The role, if any, of market management in the Australian aged care system

The role of market management and commissioning in system governance, as well as when the system governor intervene in market management are questions which should include discussing to broader issues of systems redesign.

While this is not ACN's area of expertise, ACN members have provided some considerations:

- **Number of places:** this is a mechanism for containing fiscal costs and at times appears to put fiscal considerations before the care needs of older Australians. The Legislated Review of Aged Care (Tune Review) in 2017²⁵ recommended that this approach for regulating the care of older Australians be reviewed and to consider removing capping number of places.

²² Ibid.

²³ Australian College of Nursing (ACN). 2019, 'Regulation of the Unregulated Health Care Workforce across the Health Care System – A White Paper by ACN 2019', ACN, Canberra. <https://www.acn.edu.au/wp-content/uploads/white-paper-regulation-unregulated-health-care-workforce-across-health-care-system.pdf>

²⁴ ACN 2016. The Role of Registered Nurses in Residential Aged Care Facilities - Position Statement. <https://www.acn.edu.au/wp-content/uploads/position-statement-role-rn-residential-aged-care-facilities.pdf>

²⁵ Department of Health (2017). Legislated Review of Aged Care 2017 Report. <https://www.health.gov.au/resources/publications/legislated-review-of-aged-care-2017-report>

- **Allocation of places:** allocated places must be accessible and equitable to all so no one is disadvantaged and there are no unintended consequences, particularly for vulnerable population groups (e.g. homeless people).
- **Quality regulation:** Regulation of aged care quality is imperative, which is understandable for a sector dealing with vulnerable people. There should be a public and transparent process for reporting outcomes in the Aged Care including staffing numbers and skill mix.
- **System navigation and health care consumer support:** There is a need for additional support for older people in understanding and making decisions about their ongoing care needs.

6. The role, if any, of commissioning/tendering in the Australian aged care system

Commissioning means the government or their agents, (e.g. Primary Health Networks), and private providers, contracting the provider(s) of a service directly. Currently, the main use for commissioning is for the Government to procure services (e.g. Commonwealth Home Support Programme). Commissioning arrangements also allow local health authorities to procure transition care arrangements from chosen partners. Primary Health Networks (PHNs) procurement process should be informed by the Population Health Plans conducted by PHNs at regional scales.

Commissioning should include as procuring services to meet the needs of health care consumers in vulnerable groups that are not being adequately addressed through mainstream funding mechanisms, or to deliver minimum geographic access to services in what is described as *thin markets*.

ACN's members provided the following feedback:

- There could be economies of scale for the purchasing of expensive clinical equipment that rarely is used in a single facility but could be in a central location for use in multiple facilities. Appropriate planning could mean this is performed more cost-effectively.

7. When and how a system governor ought to monitor and intervene with the performance of market-like mechanisms in the Australian aged care system?

ACN members believe there is a potential role for local authorities in coordinating services, potentially commissioning services to plug gaps where services are not available and monitoring the availability of services (e.g. PHN). Members suggest that governance of the aged care system should not be coordinated at a local community level.

8. Whether there are functions that should be exercised by the system governor in the location or region where the services are provided? Whether there are functions that should be exercised by the system governor centrally?

As noted in our response to Q2 in Australia, residential aged care services are required to be accredited to receive Australian Government subsidies. The Aged Care Quality and Safety Commission has been appointed as the independent accreditation body and assesses services' performance against the legislated Aged Care Quality Standards (Quality Standards).

9. Please describe other matters that you consider relevant to the overall governance of the aged care system

ACN members believe the development of leadership models and training/education are essential to clinical governance in the aged care system. ACN highly recommends succession planning for effective future leadership to ensure a positive workplace culture (e.g. staff feel appreciated, professional development is valued, greater stability, reduced staff turnover, higher rates of recruitment and quality patient care). There should be a collaborative effort around clinical governance in aged care as nurses are the best equipped to lead in aged care.

ACN has taken the lead in providing clinical leadership training for its nursing membership. RNs and ENs can access all of ACNs education and professional development; participate as members in the Healthy Ageing Community of Interest and apply to join the Ageing Policy Chapter. During 2019, ACN provided four graduate certificates, two single units of study, customised educational courses to three aged care industry providers, three customised leadership days to aged care industry providers and provided continuing professional development (CPD) courses across 34 topics relevant to the aged care industry. ACN provides leadership opportunities to RNs specifically working in aged care through the Emerging Nurse Leader Program (ENLP)²⁶ and Mid-Career Leadership Program (MCLP).²⁷ In 2019, 4 participants in ACN's ENLP (9%) and 3 (13%) in the MCLP worked in aged care.

ACN will also launch the Nurse Executive Leadership Program²⁸ in 2020 which is based on the Nurse Executive Capability Framework (NECF) to guide those in, or aspiring to, nurse executive roles and thereby setting the standard nationally on the capabilities required. The NECF is validated through the Delphi technique and relevant to Nurse Executives working in Aged Care.

During 2019, ACN also worked with aged care affiliates to establish a transition to practice program for newly registered nurses working in aged care. This program is provided over a 12-month period and includes face to face as well as online educational modules. Transition to practice programs are important to support nurses transitioning from a student to a newly registered nurse and to establish expertise in aged care. This program has been successful, and we have had requests from other aged care providers to provide the program.

In terms of leadership opportunities provided internationally, the NHS Clinical Governance Support Team and the NHS Leadership Academy²⁹ developed through NICE have established an evidence-based set of competencies that can be provided to clinicians and managers seeking to embrace clinical governance; and to becoming effective clinical leaders delivering better care.

ACN's members provided the following feedback:

- Any organisation receiving significant levels of funding in order to deliver care and services, is required to be further accountable to Government. There have been issues around non-compliance and inappropriate use of funding by service providers; which fail to prioritise skilled staffing as a necessary resource in aged care.
- It has recently been reported that Australia has the lowest average nurse staffing ratio in the Western world.³⁰ Membership have indicated that RNs and ENs in aged care find it distressing not being able to provide quality care to residents due to shortages in skilled

²⁶ ACN 2020. Emerging Nurse Leadership Program <https://www.acn.edu.au/leadership/emerging-nurse-leader-program>

²⁷ ACN 2020. Mid-Career Nurse Leadership Program <https://www.acn.edu.au/leadership/mid-career-nurse-leadership-program>

²⁸ ACN 2020. Nurse Executive Leadership Program <https://www.acn.edu.au/leadership/executive-program>

²⁹ NHS 2020. Developing better leaders, delivering better care. Viewed 15 July 2020. <https://www.leadershipacademy.nhs.uk/>

³⁰ Eager K et. al., Australian residential aged care is understaffed. *Med J Aust* 2020; 212 (11). doi: 10.5694/mja2.50615 Published online: 1 June 2020

staff. Only with improvements in clinical leadership and care, will there be retention of nurses or an interest by RNs to work in the aged care sector. Staffing levels therefore need to be addressed.

- System redesign should include funding policy for aged care based on evidence of the actual cost of care delivered by the appropriate level of health professional. At present the Aged Care (Subsidy, Fees and Payments) Determination 2014 sets out the subsidy for residential care, respite care, various supplements etc. The Government sets the prices paid to providers. However, evidence shows that these prices are not based on the actual cost of care incurred by providers. For example, the care subsidy paid by government (also known as the Aged Care Finance Instrument) has risen by 12 per cent since 2016, while direct care costs have gone up by 21 per cent.³¹ To have funding based on data about the actual cost of care, annual costing studies could be carried out by another independent from government body for example the Independent Hospital Pricing Authority (IHPA).
- Our elderly population deserve high quality health care delivered by qualified health professionals as aged care is not just an accommodation option for older Australians.

³¹ Stewart Brown March 2020, Aged Care Financial Performance Survey, https://www.stewartbrown.com.au/images/documents/StewartBrown_-_Aged_Care_Financial_Performance_Survey_Sector_March_2020.pdf