

To Whom It May Concern:

Re: Activity based funding for Australian public hospitals: Towards a pricing framework

Alzheimer's Australia is grateful for the opportunity to comment on the discussion paper which describes the Draft Pricing Framework for use by the Independent Hospital Pricing Authority.

Dementia has an impact on every part of the Australian health care system including hospitals. There are almost 280,000 Australians currently living with dementia and this number is expected to increase to nearly a million by 2050. In 2009-2010 the majority of people in hospitals were over the age of 55¹. Many of these individuals are experiencing some form of cognitive impairment ranging from mild cognitive impairment, delirium and dementia. In fact, a recent report indicated that amongst older people in hospitals, the rate of cognitive impairment was approximately 45%.²

Current Situation

Despite the increasing number of people in hospital with cognitive impairment, there is evidence from both Australia and internationally that people with dementia are receiving poor quality care in hospitals and that poor quality care is leading to worse outcomes and longer stays.³

Alzheimer's Australia has recently completed a series of consultations on the proposed aged care reforms with people with dementia and their families. One of the themes that emerged from these consultations was concern about the quality of care in hospitals. Consumers shared stories of staff being unaware that the person had dementia and as a result providing inappropriate care. Others reported that staff did not know how to manage behavioural symptoms of dementia and requested that the family member stay at the hospital to assist in providing care.³

In the UK, a consumer survey found that 77% of carers of people with dementia were dissatisfied with the overall quality of dementia care provided. The five areas of greatest concern amongst carers was the understanding of dementia, assistance with eating and drinking, person-centred care, recognition of dementia and opportunities for social interaction.⁴

International studies and some Australian research has shown that people with dementia stay longer in hospitals than people without dementia, even after accounting for their principal reason for admission and procedure received.⁵ Due to their additional time in hospital, people with dementia are put at greater risk of hazards and poor outcomes.

¹ AIHW (2011) Australian Hospital Statistics 2009-2010.

² Boustani et al. (2010). Impact and recognition of cognitive impairment among hospitalised elders.

³ Alzheimer's Australia (2011). Confidential Report to Department of Health and Ageing

⁴ Alzheimer's Society UK (2009). Counting the Cost.

⁵ AIHW (2007) Dementia in Australia

The costs associated with poor quality dementia care is going to become an increasing problem for the hospital system, with a projection of hospitalisations of individuals with dementia quadrupling over the next 25 years due to population ageing.⁵

Hospital Pricing and Dementia

Concerns about quality of dementia care and outcomes for people with dementia raises two key questions with regards to the pricing of acute care services.

Are hospitals the best place for individuals with dementia to receive care?

As outlined above, there is evidence to suggest that hospitals can be unfriendly and even dangerous places for people with dementia. Because of difficulty with communication and confusion people with dementia are extremely vulnerable to inappropriate care in the acute setting. Studies from the UK suggest that up to 70% of patients with dementia in hospital may be more appropriately treated in alternative settings and that lengths of stay for patients with dementia may be reduced through the provision of more appropriate services in the community.⁵

Alzheimer's Australia supports the implementation, where appropriate of alternatives to hospital care which enable the person with dementia to receive care without being transferred to a hospital setting. For this reason, we support the acknowledgement in the discussion paper of the changing nature of health care delivery. In particular, the decision to have "funding 'follow the patient' if health services move outside public hospitals in response to changes in clinical pathways" will mean more flexible options for the delivery of complex care. Providing acute care services in other settings will lead to better outcomes for people with dementia and reduced cost to the health care system.

How can we ensure people with dementia in hospital receive appropriate care?

As discussed previously, individuals with dementia are currently staying longer in hospitals and having worse outcomes partially due to receiving inappropriate care. There are three main concerns outlined by individuals with dementia and their families:

- The individual with dementia not being identified as having a cognitive impairment and therefore not receiving appropriate care
- Staff having limited knowledge of how to provide care for individuals with dementia
- Inadequate levels of staffing to assist people with dementia, particularly those with high care needs or who have behavioural and psychological symptoms of dementia.

The Hospital Pricing Authority should consider:

- 1) If the Authority is to adopt the approach of penalising hospitals for poor quality by excluding Hospital Acquired Conditions from consideration in the Diagnosis Related Group assignment, the approach should also be taken to reward hospitals which proactively address issues which can lead to poor outcomes. In cases of dementia, avoidable outcomes are less easily identified

⁵ Balance of Care Group in association with the National Audit Office 2006. Identifying alternatives to hospitals for people with dementia: Report of findings.

compared to the ones listed in Appendix 2 of the paper such as 'Blood Incompatibility or Air Embolism'. The Authority should provide additional funding to hospitals which implement strategies to increase recognition of dementia, provide training to staff on communication with people with dementia and which have dedicated staff with dementia expertise. This would create incentives for hospitals to put in place strategies to reduce costly avoidable complications and extended stays which are common for people with dementia.

- 2) Providing activity based funding for dementia training for hospital staff which includes information on best practice care for people with dementia and how to recognise and document cognitive impairment. Funding this type of training would lead to better outcomes for people with dementia and reduce the associated costs to the health system.
- 3) Ensuring that the funding provided to hospitals to care for individuals with dementia is sufficient to ensure adequate staffing to provide the high level of personal care and response to behavioural and psychological symptoms of dementia required.

Alzheimer's Australia has recently commissioned AIHW to conduct an analysis of the costs of dementia care in hospitals. The project, "***Estimating the Costs of Dementia Care in Hospitals***", will provide detailed information on the additional days spent in hospitals and the associated cost for people with dementia compared to people who do not have dementia but have the same principle diagnosis. AIHW will also provide an estimate of under-identification of dementia in hospitals and describe strategies being used in NSW hospitals to improve dementia care. This project is based on NSW Hospital data which has been collected through the AIHW Hospital Dementia Services Project, but is likely to have national implications on the quality and costs of dementia care in hospitals across Australia.

If you would like more information about any of the issues above or the project we are working on with AIHW I would be happy to meet with you or to provide further information.

Kind Regards,



Glenn Rees

CEO

Alzheimer's Australia

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