



BRIEFING FOR INCOMING MINISTERS

February 2023

Minister of Health

Hon Dr Ayesha Verrall

Minister for Disability Issues

Hon Priyanca Radhakrishnan

Minister for ACC and Associate Minister of Health

Hon Peeni Henare





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OVERVIEW OF HCHA AND THE SECTOR

The Home and Community Health Association (HCHA) was established in 1993 and represents providers of home and community health services in New Zealand.

More than 101,000 elderly and vulnerable New Zealanders live independently in their own homes due to the expert care and support they receive from our members' 18,500 support workers and 750 nurses.

Approximately 70% of these clients are aged 65 years and older. Without this care and support, these people would be forced to go into residential care.

The support the sector provides, via around 50 organisations, includes personal care, palliative care, household support, carer support and nursing care. These services are funded by Te Whatu Ora, Te Aka Whai Ora, Whaikaha and the Accident Compensation Corporation.

However, this essential home care and support patients rely on is at risk due to:

- Insufficient funding to meet all the costs of providing care.
- Different funding models ranging from Fee for Service to bulk funding.
- No national plan or standardisation of service specifications following the transition of funding from 20 DHBs and the Ministry of Health.
- Regional variations in service and funding levels.

These issues are significantly impacting the sector's ability to deliver the care patients need and creates significant variation in equity of access, equity of service, and quality of service delivery. A lot of it comes down to where patients live.

This is leading to increased admissions to aged care facilities and hospitals which is at odds with the aims of our health sector and the purpose of home support services.

PRIORITIES FOR INCOMING MINISTERS

In our briefing to incoming Ministers dated December 2020 we outlined how HCSS providers can have a greater impact on personal and population health outcomes of older New Zealanders, as well the financial sustainability of the health system. This will require the development of strategic partnerships with health and disability system leaders, and increased resourcing through a more effective nationwide funding model.

HCHA would continue to advocate to Ministers that the next steps and recommendations should be considered as part of a comprehensive HCSS review:

- Recognise the full extent of the role that HCSS could play in home support for people with complex clinical needs and multiple long-term conditions, and the benefit this has on moderating hospital and residential care demand and improving financial sustainability.
- Better understand how equity of access and unwarranted variation can be addressed, aligned with the findings of the ARC Funding Model Review.
- Align national reimbursement, risk-sharing, and cost-sharing arrangements to leverage the full extent of benefits that HCSS can offer.
- Invest in building partnerships between key system stakeholders and building horizontal leadership to improve the influence of HCSS across the health and social care sectors.
- Establish and invest in a clear approach to leverage opportunities offered by emerging technology.



Vision: High quality, sustainable, home and community health services

IMMEDIATE ISSUES

HCHA is committed to working with Government and to improve outcomes for the people we care for, their family, friends, and their community, and deliver better value for money for the government.

We have valued the ongoing engagement with the HCSS Funder/Provider/Union Joint Working Group (HCSS JWG), that sought national service specifications, standard approaches to contracting and commissioning, sustainable funding, and a coherent workforce development strategy.

We are disappointed and frustrated that the work undertaken by the HCSS JWG, which made detailed recommendations on the above issues, have not gained traction in regard to implementation. In addition, the Settlement Parties Action Group (SPAG) (established following the review of the sector by the Director Generals Reference Group 2015), in

December 2021, made 24 specific recommendations as agreed to by funders/providers/unions as to required actions to address the multiple issues facing the HCSS sector.

With the restructuring of the health sector, these recommendations, following many years of consultation and work, appear to be in danger of being ignored and/or lost. All of the issues referenced in these recommendations remain and are inhibiting the development of an effective HCSS sector despite clear evidence of the economic benefits.

We note our frustration in regard to the Te Whatu Ora funding process for the HCSS sector. It is appreciated that this resulted from the previous DHB's preoccupation with making independent and unsupported financial decisions regarding HCSS. This resulted in multiple variable pricing, despite the fact that costs are largely consistent across the country, due to approximately 75% of all HCSS costs being legislated minimum wage and travel entitlements. However, these continuing pricing variations under Te Whatu Ora requires addressing on an urgent basis if the current lack of sustainability of the HCSS sector is to be addressed.



The Health and Disability Review noted *“Focus groups with kaumātua, for example, have highlighted a preference to live at home with whānau caring for them. However, barriers exist within the current system – from a lack of training and information for whānau carers, to assessment processes, to a lack of options for home-based support for the very frail or for people needing end-of-life care”*.

HCHA remains concerned at this ongoing situation. A number of these issues were addressed in the recommendations of the HCSS JWG and SPAG working groups and we would welcome the opportunity to work further with Government to assist to develop more appropriate home-based options for Māori with urgency.

We welcome the ongoing negotiations regarding pay equity claims for care and support workers, and frontline managers and coordinators- this has been subject to a separate combined briefing document by the combined peak bodies (NZ Aged Care Assn, Home and Community Health Assn, NZ Disability Network and Platform Trust).

From an HCSS perspective, we note that:

- a. While specific funding has been made available to implement previous pay equity legislation for support workers, this funding has only enabled employers to partially meet their obligations to pay the new minimum pay rates required under the legislation and amounted to net funding reductions year on year. It is imperative that any future pay equity settlement is fully funded.
- b. In order to mitigate the risk of loss of key staff, we are seeking Government support for the two claims (support workers pay equity and frontline managers and coordinators pay equity) to be progressed side by side.

BACKGROUND AND SUPPORTING INFORMATION

Home and Community Support (HCSS) providers currently deliver essential home-based health and disability services to over 101,000 vulnerable New Zealanders utilising a workforce of 18,500 support workers and 750 nurses.

However, the current system, as starkly outlined by the Health and Disability Review Panel, is too complicated and in need of a more integrated approach to services within the community.

The benefits that can accrue from a more flexible and integrated approach to service delivery was demonstrated by the Home and Community response to COVID-19. This whole of Government response not only delivered for those in need at a critical time but also illustrated that change need not take years to accomplish and that a more partnership-based and integrated approach could bring significant benefits.

The need for change in the sector is becoming more urgent. The number of people aged 65 and over is expected to double between 2011 and 2036. By the late 2030s, people aged 65 and over will comprise almost one-quarter of New Zealand's population, meaning that many more people will be living with multiple long-term conditions. And wanting to remain in their own homes and close to family.

Most people are still interacting with the health system through a traditional episodic model of care. This approach will not provide the care needed for the ageing population and the ensuing increased demand on community-based services.

Home and Community Support Sector (HCSS) providers are critical to meeting this demand. The sector is already delivering care that is increasingly clinically complex and supports the management of chronic diseases.

The opportunity to grow HCSS' role in delivering clinical care will require a sustained focus on digital technology (e.g., point of care testing; remote monitoring), training and clinical supervision to equip the non-regulated workforce to contribute to delivery of care in the community.

As District Health Board (DHB) spending on home-based support services increased, Aged Residential Care bed days per capita of the 75+ population have decreased. This does not necessarily mean that the greater DHB investment in HCSS directly contributed to fewer bed days (as it is on a 75+ per capita basis), but it could well be a significant causative factor.

The shift from hospital care to home or community care has been happening for the last decade. This change is gathering momentum as the population ages, and complex long-term conditions become more prevalent. Advancements in skills and technology facilitate the transition. Unfortunately, in reality, little has been done to understand what is actually required to sustain effective home and community based clinical care and support services. The role of HCSS is increasingly supported by international and New Zealand evidence which recognises the importance of person-centred care coordination in supporting ageing in place and avoiding unplanned presentations to acute hospitals. There is unwarranted variation in New Zealand's approach to commissioning of home and community services, that raises concern for equity of access to care, and the quality and sustainability of services. The variability may be driven by a mix of different approaches by the various funders (ACC, DHBs, and the Ministry of Health), fiscal pressure and cost saving being prioritised over investment, commissioning maturity and risk-sharing practices together with health sector fragmentation.



HCSS PROVIDER ORGANISATIONS

Around 48 NGOs and private providers, including 16 iwi providers provide HCSS services throughout New Zealand. Twenty organisations have left the service since 2015 through purchase, service review, or financial pressure.

HCSS Aged Care Contracts have shifted from NFP to privately owned companies, which now manage around 70% volume.

The Home and Community Health Association's objectives are to:

- provide leadership and advocacy for the home and community health sector
- establish, promote and recognise high standards for the conduct of home and community health services
- address members' educational and information needs
- provide a united voice for the Association's membership, to government and the public
- maintain links and provide opportunities for the development of the sector
- develop home and community health services that reflect the Association's obligations under the Treaty of Waitangi

OPPORTUNITIES

Delivery of person-centred and coordinated care enabling older people to stay in their own homes longer is an increasingly important part of health system strategy. However, there are some core enablers of the system that need to be in place for HCSS to provide greater person-centred care and support:

A model that wraps services around older people and their needs

A model that improves individual choice, and provides a care coordinator to form a relationship with the older person with complex needs

A consistent, flexible, and fit-for-purpose needs assessment model

- Nationwide adoption of a funding model that would individualise care, reduce risk, improve system effectiveness, and increase cost-efficiency
- A technology enabled workforce, with access to shared electronic health records and care plans



Investment in building collaborative relationships between key system stakeholders will be essential

A partnership approach between HCSS providers and funders will be needed to meet future demand challenges

- In particular, strengthening trust between the leaders of Te Whatu Ora, Te Aka Whai Ora, and HCSS providers is critical and will take deliberate and committed action

Supporting older people to stay in their homes and their communities for longer not only improves person-centred and coordinated care, but also has a positive financial return

The impact of an improved model of care offers the opportunity for savings across people journeys. This impact can be extended by leveraging the use of technology in an environment where people expect greater participation in their own health care and support:

- An improved model of care with HCSS interventions would reduce secondary care usage (improving both client satisfaction and cost to the system) by supporting older people to live in home and community settings with multiple long-term conditions
- Increased spending across primary and community services can be offset by savings through reducing ED attendance, hospital readmissions and bed-days in acute and residential facilities
- Local initiatives are already demonstrating the impact of people-centred and coordinated care. The success of such examples should be recognised and celebrated. Most importantly, the success of these programmes should be leveraged through the deliberate spread of innovation across New Zealand.

THE WORKFORCE

HCHA and Careerforce undertook a comprehensive review of the training and development needs of the health and disability workforce in 2018. The report, *Spreading our Wings*, outlines the changes required in the workforce to meet the rapidly changing needs of the client population.

The current HCSS support worker workforce consists of 17,000 Kaiāwhina: 93% women, 82% Pakeha. This Kaiāwhina workforce has an ageing profile, with 12% over 65, 55% over 55 and very low numbers under 34.

In addition, the HCSS sector also employs over 750 nurses in addition to physiotherapists, coordinators, trainers & educators, quality staff and managers.

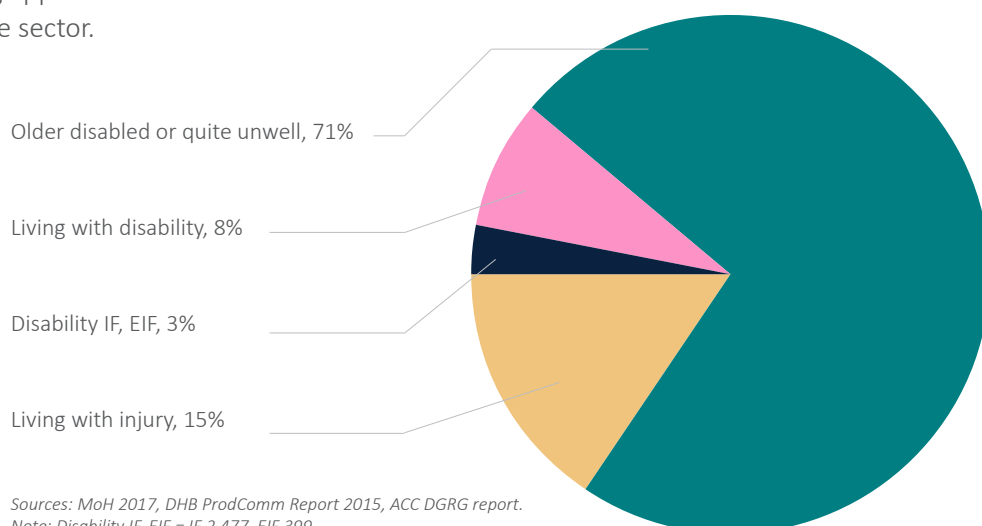
To effect the changes in the workforce, required to meet the identified changing client needs, will require substantial additional investment in training. HCHA note the recent Health and Disability Report comments that despite recent adjustments for pay equity, travel and guaranteed hours that “workers are still faced with irregular hours and a lack of job security”. This is acknowledged but addressing this issue is challenging without fundamental changes to model of service, funding approach and the current sustainability issues of the sector.

THE PEOPLE WE SUPPORT

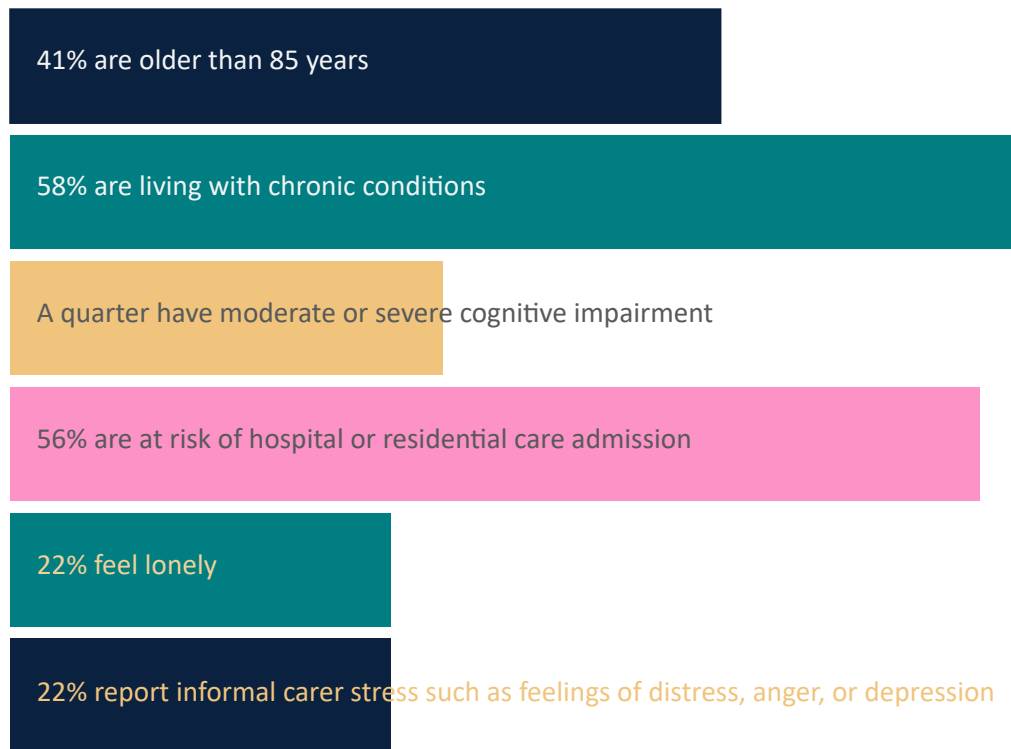
Every client has different needs. All live with disability injury or illness, some need short term assistance, others lifelong support.

Some have family to help, others are isolated. Services range from laundry to life-sustaining care. A large proportion of clients are older New Zealanders, but we also support younger people. Clients receive services after a needs assessment and are allocated care. Older people received about 9.5 million hours of support in 2015-16 through Home & Community Support Services (HCSS).

Those that identify as Māori constitute 16.5% of the New Zealand population, and Pacific Peoples 7.4%. However, those receiving home-based services are markedly less than these proportions at Māori 7% and Pacific Peoples 4%. This is markedly higher than those receiving Aged Residential Care, Māori 4.7% and Pacific Peoples 2.3%. However, as identified in the Health and Disability Review, “focus groups with kaumātua, for example, have highlighted a preference to live at home”, and the discrepancy in percentages receiving services indicate issues of equity of service that needs to be addressed.



HOW WELL ARE THE PEOPLE WE SUPPORT?



Source: National interRAI Data Analysis Annual Report 2015/1

REFERENCES

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