

National Seniors Australia Submission on COVID-19 impacts in Aged Care

“Rewriting the scripts”

4 September 2020

National Seniors
AUSTRALIA

1. Introduction

This submission provides an overview of emerging issues from the COVID-19 experiences expressed in the *verbatim* comments of older Australians spanning March 13th until June 23rd, 2020 during the COVID-19 pandemic.

The background texts and data have been published in two reports with a third forthcoming:

1. COVID-19: *Older Australians' life and care during the pandemic*
2. COVID-19: *Self-funded retirees' distress*, and
3. COVID-19: *Insights into the 'new normal'* (forthcoming).

This submission draws on these findings to identify COVID impacts that need to be addressed for the future.

2. COVID-19 Impacts on systems of care

Currently, residential care provides a safety net for those who have high care needs, particularly due to frailty and/or dementia. The level of care necessary to support these people is often above and beyond the capacity of family members or spouses who themselves may have health concerns. The difficulty in accessing timely home care support packages at an appropriate level means residential care is currently the most viable only option for many, although certainly not preferred by most.

Previous findings from the Royal Commission have already exposed the risk to vulnerable older people's health and wellbeing posed by some residential care facilities and the system generally. The COVID-19 pandemic has increased residents' risk such as risk of infection and untimely death by neglect. Also threat to mental health of residents and family members due to lockdowns and enforced separation. This issue was described graphically in our surveys when respondents were asked about their caring concerns during the Pandemic; especially not being able to participate in providing essential emotional and physical support for family members in care due to multiple lockdowns to prevent the COVID-19.

Due to the issues briefly touched on above, the Pandemic has seriously disrupted the likely uptake of residential care by family members for their care-recipients. There is evidence of a decline in applications for residential care and current residents departing to be cared for at home. The likely outcome of this is that there will be an even greater burden of care taken on informal carers; not only spouses and friends but also adult children who are themselves likely to have impacted by the Pandemic with potential loss of livelihoods and income. This potential care work force is therefore also vulnerable. Adult children carers are also embattled with potential job loss, needy children and COVID stresses of their own.

International reviews in this domain indicated that there was much to be done to support informal carers' work even before the pandemic. The concerns of older Australian carers, aligned with many of the international demands for informal carer support during the pandemic, including needs for:

1. Clearer guidance on how to manage care during COVID-19
2. Help with contingency care planning
3. Increased support financially and practically
4. Recognition by health professionals of main carers' essential role in providing care, and
5. Carers having visitor access to residential care facilities particularly where there wasn't an outbreak in that facility and they were locked out.

Until a vaccine against COVID-19 is found or there are effective treatments available, it is strategically important to maintain and grow the capacity for age care to be provided at home. This will entail a redesign of the system to focus on providing:

1. many more higher level safe, effective and appropriate home care packages that provide high level support, including nursing care for the most frail and vulnerable.
2. designing a system that acknowledges the work done by carers and guarantees they receive the support they need to provide care; support that includes financial recognition, respite options, mental health support and importantly, access to care planning support.

Currently there is a disconnect between formal and informal aged care where informal carers struggle to access the formal aged care system, receive the respite they need and resort to residential care because no other option is available. COVID-19 has removed the option of residential care for many so a viable, alternative needs to be found. With appropriate government acknowledgement and supporting policies, the momentum can be created into high quality attractive options for carers and their care recipients. Significant policy and implementation are needed to support this change and take pressures of home carers and the 'public purse'.

During the period covered by the survey, a significant number of providers locked down residential care to minimise their risk of infection. Doing so created enormous distress and grief amongst residents and families who were denied access to loved ones, some of who were in the last stages of life or who were physically and mentally suffering due to the separation. In response, thirteen age care peak bodies and consumer advocacy organisations, including National Seniors, developed a nationally consistent Code for visiting residential care homes during COVID-19. The Code takes a human rights approach to care that both respects and protects aged care residents and their visitors while acknowledging the work of providers and staff in keeping people safe during the pandemic. The code has been under threat in Victorian outbreaks and non-compliance of providers. This constraint on human rights should not be allowed to continue.

3. COVID indirect impacts on consumer contributions to care

The financial losses incurred by many retirees during the COVID crisis will impact on the affordability of age care in a post-pandemic world. The popular script for the Superannuation Guarantee retirement income goals must be publicly discussed, rewritten and propagated through people of all ages. In particular, it neglects care needs in later life, and this will be accentuated by the impacts of COVID on the economy and retirement income. Retirees need to expect to be open to spending down capital in order to maintain a decent lifestyle by paying for care in older age. Further, the focus on planning and saving for quality aged care later in life should occur earlier in the pre-retirement phase. Superannuation funds and financial advisors need to play a central role in the promoting these changes. Additionally, informed conversations about care needs and risks in later life must be normalised. Unless these important topics are discussed regularly and openly, they will not be recognised as very probable risks. Particularly when early signs of risk are present in later life, financial planning discussions must begin in a timely fashion with planners who are able to discuss later life needs. This will help retirees avoid unforeseen crisis which they are not prepared for, and in which all options have to be discovered anew. The issues of ageing need to be lightened up and dealt with realistically. Serious cultural change can only come through open, thoughtful discussions.

The focus on growing a 'nest egg' was not the primary purpose of the SG. Rather, it was intended to provide adequate retirement income for a longer lifespan over 25 retirement years after retirement including paying for aged care. A new script may be unpalatable for those who came through the

early years of the SG or irrelevant as they may not be able to change their retirement plans and investments. For these reasons, it may be most effective to focus the new script on those under 60. These necessary shifts to retirement planning are a collective responsibility of the Government, superannuation Trustees, finance and wealth industries, and private individuals. It is reasonable to expect that, post COVID, older Australians will be less able to make contributions to the costs of their home and residential care. As already indicated, this will create further pressures on providing quality care at home.

4. Mental health and isolating effects of ‘being forgotten’

There is currently a strong sense of inequity and injustice amongst older Australians and self-funded retirees in particular, including perceptions that they were worse off than welfare recipients, and that governmental responses to COVID resulted in unjust and inequitable financial outcomes. The distress resulting from these sudden financial losses came through very strongly in free responses during the March-April shutdown. Negative emotional themes included:

1. Anger and injustice
2. Feeling invisible and forgotten
3. Vulnerability and insecurity
4. Worry and fear, and
5. Lost hopes and dreams.

The articulation of “loss of hopes and dreams” not only represents sadness and grief, but that many feel resigned to their situation. The suddenness and magnitude of the financial downturn combined with perceptions of a lack of time or ability to make changes to their retirement plans and income strategies are likely strong contributors to this distress.

In our survey at the end of June, months after the initial peak of COVID, before the Victorian outbreak, worry was still at an all-time high. The top three issues at the forefront of older Australians minds were the national economy, followed by the value of investments, and the ability to manage long-term finances. These issues clearly underpin the concerns surrounding stability of retirement incomes based on accumulated funds and assets. The distress felt by Australians who aspire to be independent of government support must be acknowledged and attended to. Financial and psychological initiatives aimed at relieving the distress and stabilising incomes are urgently needed to avoid future morbidity burdens. This needs to be accounted for in future plans and funding for aged care.

5. Helping self-funded retirees to be able to pay for their own care

Retirees need help to maintain their self-funded status for longer and avoid becoming financially dependent on the government and unable to contribute to their care costs. The dilemmas of choice for those with low incomes but high asset wealth need to be explored and discussed conscientiously. It may be difficult to overcome the mental inertia of older generations who are reluctant to drawdown assets and consumes savings. This group will face diminished living standards including in care options. Importantly, paradigm shifts in must occur within groups approaching older adulthood who have these types of assets.

For those coming into retirement and others already retired, superannuation funds will be subject to the Government’s legislative timetable to develop a Comprehensive Income Product for Retirement (CIPR) by 1 July 2022. These are typically deferred annuities or approved annuities of some kind. This investment option can protect savings into later life to be available to pay for care. The

Government's timing is hardly optimal for fund members approaching retirement or already retired, who need this product now. The CIPR timeline should thus be accelerated, promoted and integrated in the COVID response strategy. This will propel superannuation funds to 'get over' the powerful anchoring bias of an accumulation mindset and to design good solutions for retirees and members in the retirement-planning phase. This paradigm shift must also occur amongst those leading the financial advice and wealth industries. If there is one lesson to be learned from the COVID 'stress test', it is that retirement plans cannot be static.

6. Dealing with distress and its care consequences

Financial stress is a well-known, major risk factor for poor mental health. Regardless of the speed of adaptation to new circumstances, the distress caused by COVID will cause cascading mental health effects into future. Community support and open discussion of changes and risks is a starting point and then resilience needs to be developed. Resilience, defined as the process of coping and adapting in the face of adversity, trauma, threats and stress, is now a required skill. Undoubtedly, COVID-19 has been, and continues to be a source of stress, fear, disruption and uncertainty for older adults Australia wide. More than other groups, older adults are experiencing heightened anxieties and fears of infection and death from the virus, prolonged isolation and disconnection, and suffering financial insecurity and strain. Seeking to build resilience in this population will improve their ability to recover and adapt to the real and perceived challenges associated with the pandemic. Strategic measures aimed to target building resilience will empower individual coping and has the potential to reduce progression from mild or moderate levels of psychological distress to clinical disorders, thereby reducing resource burdens on public mental health care system.

The Australian Government has funded seniors' groups through the Wellness Checks call service to build connections and resilience through 6 months from April 2020. Key targeted outcomes are to:

1. Reduce immediate psychological distress
2. Empower individual and adaptive coping
3. Support connections to social support and resources, and
4. Improve access to accurate information

These targets need to be actioned at all points of official or other contact so that support and consistent messaging on the realities of ageing and the potential of planning and maintaining resilience is conveyed to the public.

7. Conclusion

The expectations for reform of Australian aged care have to be reframed to deal with the impacts of COVID in three ways:

1. Assess the quality of care and management of aged care services which has been revealed under the 'stress test' of the COVID pandemic.
2. Address an increased demand of services, support and care in the home in particular unpaid care at home, and
3. Address the new issues raised by COVID such as increased mental health risks, lesser ability to make consumer contributions

This can only be addressed by open discussion supported by facts and better policies to drive changes.

GPO Box 1450, Brisbane Qld 4001
P: (02) 6133 7910 **F:** 07 3229 0356
E: info@nationalseniors.com.au
W: nationalseniors.com.au

National Seniors
AUSTRALIA