



Funding cuts mean RNs to go, expansion plans on hold: CEO

By **Natasha Egan** on June 8, 2016 in **Industry**

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As the sector's calls to see the modelling behind the government's budget changes to aged care continue to go unanswered, providers are determining the impacts that a reduction of \$1.7 billion over four years will have on their operations.

Maintaining the same number of registered nurses and level of resident care or expanding operations will be impossible if the government's changes to aged care funding go ahead, the CEO of a NSW provider has told *Australian Ageing Agenda*.

Scalabrini Village CEO Chris Rigby is putting his hopes on industry pressure and a post-election government review to undo the announced changes to the Aged Care Funding Instrument (ACFI) and the impact they will have on care provision.

Last December [the government announced it was cutting subsidies on certain claims in the complex health care domain](#) to save \$472 million over the forward estimates, and then surprised the sector in the May budget [when it announced further changes to the ACFI](#) in the same domain to save an additional \$1.2 billion over four years.



Chris Rigby

Mr Rigby has calculated that if the changes go ahead, his organisation would see an 11.3 per cent reduction in annual funding for the same residents compared to the current arrangements.

"We are able to cope with next year's impact but by the third year – once the grandfathered residents are no

longer with us – it really starts biting badly,” Mr Rigby told AAA.

“The only choice facing us is to have the government agree to a review of the proposed ACFI changes.”

As the changes target complex health care, Mr Rigby said the key staffing impact would be in the employment of registered nursing staff, and fewer registered nurses would mean they could not maintain the current level of care.

“We would have to change our models of care. We would have to change our staffing. As a matter of policy we have registered nursing staff on 24/7. We support those registered nurses with clinical nurse specialists and with a clinical nurse educator.

“Consequently we are able to care safely and well for people with very high complex care needs. In the future, I don’t know what we are going to do. We wouldn’t be able to accept such residents and we wouldn’t be able to afford to employ the registered nursing staff at the levels that we currently employ them,” Mr Rigby said.

“In terms of expansion, we simply would not consider any expansion at all under the ACFI changes.”

Scalabrini Village has six facilities in NSW with its seventh, currently under construction, planned to open in 2017.

Although not welcome, Mr Rigby said Scalabrini could cope with its share of the government’s savings target of \$1.7 billion over four years, but that the changes would in effect lead to a greater reduction.

“Our problem is the way the department has recommended to achieve those savings will end up reducing expenditure by a much greater amount than \$1.7 billion,” Mr Rigby said.

Shortly after the government announced the latest changes to ACFI in the May budget, peak body Leading Age Services Australia commissioned [analysis](#) from Ansell Strategic that found the measures equated to more than \$2 billion and negatively impacted viability and resident care. Meanwhile, the Aged Care Guild has commissioned a [report](#) from Deloitte to highlight the financial impact on providers and subsequent impacts to residents.

While some in the sector are calling for ACFI reform, Mr Rigby said he had no issue with the funding instrument as the current rules allowed him to receive sufficient funding to provide excellent care.

“The issue is the government’s not the industry’s. As there has been no cost of care undertaken then the ACFI is really a resource allocation tool and the funding being allocated is limited.”

Meanwhile, the Greens’ spokesperson on ageing [Senator Rachel Siewert has told AAA that the ACFI changes have highlighted the need for a cost of care study](#) and an independent review of the funding instrument.

Follow AAA online for further reports on the impact of the ACFI changes to aged care service provision.

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7 Responses to *Funding cuts mean RNs to go, expansion plans on hold: CEO*

Wendy Rocks June 8, 2016 at 2:12 pm #

I fully support Chris Rigby's comments, as I told the Border Mail newspaper:

"It's a hard gig, aged care, and over the years we have fought to maintain adequate levels of care and we're finally seeing light at the end of the tunnel and with the stroke of a budget it's taken away..."

The system allowed for the hiring of more registered nurses and occupational therapists to help some of the 212 residents across Lutheran Aged Care sites in Albury and The Rock.

The ACFI has done what it was put in place to do and for the first time in a long time, and I've been in this industry for 25 years, we've been able to deliver the kind of resident care that these very old, frail people require.

I have raised concerns with federal Health Minister Susan Ley and the Labor Opposition.

I'm disappointed the government, including minister Ley have not consulted at all.

I've written letters and I got a polispeak letter back and was told nothing can be done because they're in caretaker mode and the Opposition has said there is nothing they can do to reverse the decision."

I am urging families of residents and staff to protest to Ms Ley.

Dave June 8, 2016 at 3:36 pm #

Disappointing that aged care's 'leaders' continue to exhibit poor insight into the nuts and bolts of the sector.

How else does one explain the eagerness to cut skilled care staff in an industry whose core purpose is providing care? Ok, don't accept any new residents with complex care needs (that alone should obviate the

need for any further expansion) but what will you do with them as their condition deteriorates and their care needs increase...ship them out to somewhere that can afford to employ RNs? it doesn't seem like you've thought this through.

Mr Rigby states he has no issue with the current ACFI model because it delivers sufficient funding, Never mind that it's prescriptive, rewards resident deterioration and promotes essentially useless treatments. The current ACFI structure is antithetical to excellent contemporary care; it's disingenuous to suggest that ACFI dollars equate to quality resident care.

Perhaps its time for some providers to reconsider their expansion ambitions and focus on consolidating their existing portfolio. What a novel idea...a company that manages to get everything right.

John June 8, 2016 at 5:46 pm #

One can only form the view that 'Dave' has no constructive contribution to make whatsoever to ensuring the viability of providing the high capital, high staffing inputs required to deliver contemporary residential aged care.

His promoted solution "for some providers to reconsider their expansion ambitions and focus on consolidating their existing portfolio" is a bit like looking under mushrooms at the bottom of the garden.

With changing goal posts, reductions in actual funding available for the provision of care for the frail and vulnerable along with a cut in indexation based on an already discredited cost formula, Dave might like to give some serious consideration as to how this essential community service can actually survive let alone expand to meet the increasing demands of an ageing population.

When the value of the corporate providers has been decimated as has happened this week you can be reasonably assured that there is a looming crisis that will simply result in an acute affordability issue for those needing care and are looking for affordable options.

The only sector in the acute, primary and aged care supply chain that will be employing nurses will be our hospitals so lets see what the impact will be when aged care stops taking those with complex needs and emergency departments get overrun with presentations that would normally be managed by nurses in an aged care sector properly funded and resourced.

I for one am pleased that NFP providers are finally mobilising on behalf of their communities and prepared to lobby politicians and call the funding situation for what it is, a spineless mean spirited attack on our elders for being frail and invisible.

Dr Drew June 9, 2016 at 9:28 am #

Great to see an excellent leader such as Chris Rigby have his say in the public domain. His experience and history is worth listening to.

Sure the funding instrument needs review badly and the mechanism should reflect the care support we are actually giving our elderly. I am afraid that many in the drivers seats in aged care have got it WRONG. Living

Longer, Living Better really does not map well to the current cohort of octogenarians as they transition into the last stages of their lives and for many the end stage.

The care that is needed now and over the next 10 – 15 years is for the older and great generations who are currently aged 72 to 92 (silent generation) and 92 upwards (the Great generation) these elderly have quite different needs to those of the expected BOOMER generation that's heading to the market in the next 10-15 years.

Look closely at the demographics of this older cohort, there are still many left in our society and many of them are not wealthy or healthy and have planned to leave the legacy they have kept for their next generation. many of this cohort have complex and co-morbidity issues that have way past the point of restorative care, wellness and reablement as the buzz words go. Geriatric atrophy, frailty, disability and cognitive impacts are high on the care needs list as we strive for achieving independence and choices in care services.

RACF (formally a nursing home) are fast becoming the hospice of society and the reality is there is a large number of spirits transitioning out of this world. Our communities need to be balanced in teaching our society that death is a part of life and that many of us will need to plan well for a long and happy life that takes us into the end stages with as much health and wellness we can sustain in order to give ourselves the quality that we are all referring to. It is unfortunate that the current older cohort grew up experiencing a different lifestyle and socio- economic environment that hasn't supported the current philosophies of healthy active ageing.

It is time for aged care to grow up and smell the coffee in Brazil. Its great to see the changes happening in aged care, in preparation to support the growing ageing population and the ever approaching Baby Boomer cohort. The sad fact is we are neglecting the needs of the older generation, more than likely because the priorities are WRONG and the compass needs alignment.

Its simple to see we need to support the current cohort with high care, complex care, palliative care and 24-hour nursing clinical governance. The medical model although not appreciated has its evidence based validity and should not be squeezed out so quickly to suit the fluffy bunny feet social model advocates. It may be the solution in the next cohort, but a balance is what the evidence is saying.

Aged care is the toughest gig to undertake and for those that deliver bedside care it really horrible and offensive to see the funding cuts and industry leadership fall to the dark side.

STOP TH FUNDING CUTS TO AGED CARE or change the slogan to LIVE LONGER DIE SICK AND POOR.

There are better ways to manage what it is we are experiencing. INNOVATION seems to be bantered around allot... let's see some of that work in a positive way.

Dave June 9, 2016 at 12:10 pm #

... Just hoping the next government will reverse these changes (they won't) doesn't sound like much of a plan. Nor does removing the RNs that care for your clients. Many large NFP providers already run their shifts lean: you cant get too much thinner than one RN for 180 residents.

... The latest cuts only highlight the need for a new funding model that accurately reflects the cost of care and limits 'creative' interpretation. And of course we'll see EDs flooded with inappropriate admissions...but

you'll recall that during last year's parliamentary inquiry the NFPs were some of the loudest advocates for removing RNs.

You cant lobby for their removal and then complain they're necessary but you just cant afford them.

karen June 9, 2016 at 3:55 pm #

So support what Dr Drew has written...he's got it in a nutshell... we don't need pontificating 'fluffy bunny feet social model advocates' dreaming away with not an ounce of practicality.

Its simple to see we need to support the current cohort with high care, complex care, palliative care and 24-hour nursing clinical governance. The medical model although not appreciated has its evidence based validity and should not be squeezed out so quickly to suit the fluffy bunny feet social model advocates

well said Dr Drew

Fiona June 9, 2016 at 4:38 pm #

Dave, as someone who works in the industry there is no need to be 'creative' to attract high level funding to resource quality care. The elderly people we care for have very high care needs in fact not fiction. These are care needs that need expert clinical leadership, well staffed facilities and significant investment in the built environment.

I'm assuming that some of the 'useless treatments' you refer to are Pain Management and Palliative Care? Because these are the areas the cuts will impact. I'm very sure all the elderly in residential aged care would disagree with your analysis of what's important.

This is more than a political debate, its very, very personal. For any of us who have loved ones in residential care, for any of us working in the industry but most importantly for the elders needing care, because they deserve so much better than this.

A just society does not target the vulnerable.

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Mr. Hearn states the case accurately and well. Further to his comments I would pose...

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Polls

Should ACFI be expanded to include additional allied health therapies?

- No
 Yes

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Thu

(http://www.australianageingagenda.com.au/diary/action~oneday/exact_date~16-6-2016/)

World Elder Abuse Awareness Day ... @ Adelaide Convention Centre
 (http://www.australianageingagenda.com.au/event/world-elder-abuse-awareness-day-conference-working-together-todayand-every-day/?instance_id=2023)

9:00 am Aged Care and Retirement Village... @ Hilton Brisbane
 (http://www.australianageingagenda.com.au/event/aged-care-retirement-village-law-conference-brisbane/?instance_id=2011)

9:30 am Meaningful Engagement/ iPads for... @ Alzheimer's Australia Vic
 (http://www.australianageingagenda.com.au/event/meaningful-engagement-ipads-engagement/?instance_id=1887)

9:00 am Aged Care Law: Key Resident and ... @ Duxton Hotel
 (http://www.australianageingagenda.com.au/event/aged-care-law-key-resident-provider-issues/?instance_id=2009)

JUN

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Fri

(http://www.australianageingagenda.com.au/diary/action~oneday/exact_date~17-6-2016/)

10:00 am Memory Loss Mini Conference for ... @ Dee Why RSL
 (http://www.australianageingagenda.com.au/event/memory-loss-mini-conference-familyfriend-carers/?instance_id=2018)

6:30 pm Flipped @ Government House Ballroom
 (http://www.australianageingagenda.com.au/event/flipped/?instance_id=2008)

JUN

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Sat

(http://www.australianageingagenda.com.au/diary/action~oneday/exact_date~18-6-2016/)

SAGE Industry Study Tour – New Z... @ SAGE New Zealand
 (http://www.australianageingagenda.com.au/event/sage-industry-study-tour-new-zealand/?instance_id=2014)

a.com.au/diary/action~oneday/exact_date~18-6-2016/)

JUN

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Mon

(http://www.australianageingagenda.com.au/diary/action~oneday/exact_date~20-6-2016/)

Ageing Asia Innovation Forum in ... @ Osaka & Tokyo
(http://www.australianageingagenda.com.au/event/ageing-asia-innovation-forum-japan-ageing-market-business-mission/?instance_id=1975)

World Continence Week @ Continence Foundation of Australia
(http://www.australianageingagenda.com.au/event/world-continence-week/?instance_id=2025)

JUN

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Tue

(http://www.australianageingagenda.com.au/diary/action~oneday/exact_date~21-6-2016/)

ACS Awards for Excellence @ Doltone House - Hyde Park
(http://www.australianageingagenda.com.au/event/acs-awards-excellence/?instance_id=1849)



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