

# Appendix 4: Aged care services for Aboriginal and Torres Strait Islander people

Nursing homes and hostels have been integrated into a single residential aged care system. In order to maintain valid comparison with the 1995–96 nursing home data, the ‘nursing home’ portion of residential aged care services expenditure was estimated. Residential aged care services delivered to residents with high levels of dependency are approximately equivalent to the services delivered by nursing homes in the past.

Payments made to residential aged care homes in respect of a particular resident are based on an assessment of the level of dependency of that resident. Under the current arrangements, a combination of ‘health’ and ‘personal care’ factors is used to determine a person’s dependency. Using those factors, each resident is allocated to a specific dependency category under an eight-level Residential Classification Scale (RCS). However, it is not possible to determine whether individual residents have been allocated to specific dependency levels because of ‘health’ or ‘personal care’ factors. For the purpose of determining which expenditures are health and, as such, fall within the scope of this report, it has been assumed that the majority of those residents with higher levels of dependency (that is, in RCS levels 1 to 4) are receiving health care services of a type that would previously have been mostly provided in a nursing home. Residents with dependency levels that place them in RCS levels 5 to 8, on the other hand, are assumed to be receiving predominantly ‘personal care’ services and other non-health services such as food and accommodation and, as such, would fall outside the scope of this report. Expenditure on residents in RCS levels 1 to 4 is labelled ‘high-care residential aged care’ expenditure.

Information from the Commonwealth Department of Health and Aged Care has been used to estimate total Commonwealth recurrent funding for residential aged care homes. The number of occupied place-days over the financial year for each resident is calculated and daily costs are applied to occupied place-days. The calculation takes into account the type and level of care. Commonwealth recurrent expenditure is comprised of the basic subsidy plus primary and other supplements, less reductions and income tested fees. Where a resident’s status as an Aboriginal and Torres Strait Islander or non-Indigenous person was not recorded (15.4%), their aggregated funding has been distributed according to the proportions for identified Aboriginal and Torres Strait Islander and non-Indigenous residents in the particular State or Territory.

The total Commonwealth recurrent expenditure for the high-care component of residential aged care homes in the 1998–99 financial year is estimated to be \$2,642 million with the Aboriginal and Torres Strait Islander share of this money comprising \$23.8 million (Table A4.1). This total includes Aboriginal and Torres Strait Islander Flexible Care. The Flexible Care Services operate mainly in regional

and remote areas and are targeted to Aboriginal and Torres Strait Islander people. A small percentage of service recipients may include non-Indigenous persons, for instance non-Indigenous persons that marry into Indigenous communities and/or have poor access to other non-Indigenous services where they reside. Flexible Care Services currently service approximately 20% of all Indigenous aged care clients providing a range of high, low and aged care packages.

Of the total combined Flexible Care Services aged care packages expenditure (\$5,872,000) it is estimated that 63% (\$3,720,899) was allocated to high-care places. This figure was calculated using an average daily rate of \$79.95. The rate was multiplied by the number of high-care places and a proportion (66%) of central office expenditure was included. The Australian Capital Territory and Western Australia did not receive Flexible Care Service funds. Tasmania received funds but no expenditure was allocated to high-care places.

**Table A4.1: Commonwealth recurrent health funding for high care in residential aged care homes<sup>(a)</sup>, 1998–99**

State	Indigenous		Non-Indigenous	
	\$ '000	Per cent total	\$ '000	Per cent total
New South Wales	5,530	0.54	1,014,218	99.46
Victoria	1,628	0.25	642,049	99.75
Queensland	5,849	1.38	418,816	98.62
Western Australia	4,178	2.11	193,890	97.89
South Australia	2,156	0.89	240,074	99.11
Tasmania	285	0.36	79,205	99.64
Aust. Capital Territory	181	0.72	24,760	99.28
Northern Territory	4,020	45.57	4,802	54.43
<b>Australia</b>	<b><sup>(b)</sup>23,827</b>	<b>0.90</b>	<b>2,617,814</b>	<b>99.10</b>

(a) Relates to the 'health' component of residential aged care homes, residential classification scales 1 to 4.

(b) Includes \$3,720,899 estimated expenditure by Flexible Care Services on high-care places.

Source: AIHW analysis of DHAC unpublished residential care data.

It is important to note the impact of both the population structure and the poor health status of the Aboriginal and Torres Strait Islander community on aged care service utilisation.

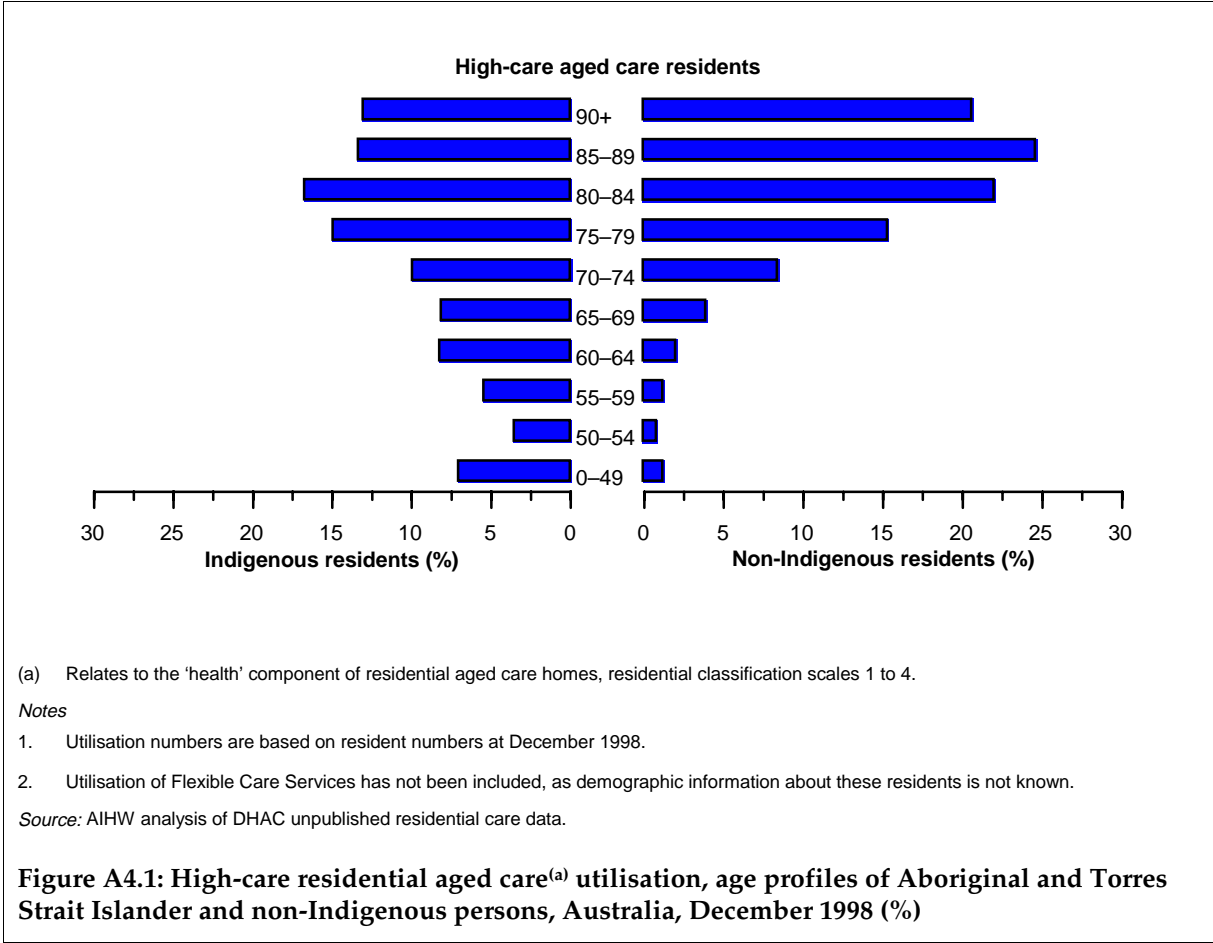
The Aboriginal and Torres Strait Islander community have a much younger age structure than the rest of the population due to higher fertility and high mortality rates. If Aboriginal and Torres Strait Islander people used aged care services at the same ages, and at the same rate as non-Indigenous people then the young age structure means that there would be a lower overall per person usage of aged care. The number of Indigenous high-care recipients per 1,000 Indigenous persons would be 0.8 compared with the rate per 1,000 non-Indigenous persons of 4.2—that is, one-fifth of the non-Indigenous rate. However, Aboriginal health status is generally poorer than that of the non-Indigenous population at corresponding ages, causing a greater demand for aged care services at younger ages.

This trend is illustrated in Figure A4.1, where the age structure of Aboriginal and Torres Strait Islander residents compared with non-Indigenous aged care residents is

shown. Use of high-care residential aged care services at younger ages in the Aboriginal and Torres Strait Islander community contrasts with the non-Indigenous population, where the majority of high-care residential aged care services are provided to persons over the age of 75 (Figure A4.1).

Table A4.3 shows that in each of the specific age groups there is a greater rate of aged care usage per 1,000 population by Aboriginal and Torres Strait Islander people than by the non-Indigenous population. For example, among people aged 65–74 years there are 14.4 Aboriginal and Torres Strait Islander people per 1,000 receiving high-care residential aged care, compared with 7.4 non-Indigenous people per 1,000 population.

However, overall, because of age structure differences, utilisation of high-care residential aged care per 1,000 people for Aboriginal and Torres Strait Islander people is lower at 1.4 than the 4.2 per 1,000 non-Indigenous persons.



The total number of residents in aged care homes at December 1998 was 79,867, with Aboriginal and Torres Strait Islander people comprising 0.7%—597 people (Table A4.2). The proportion of Aboriginal and Torres Strait Islander persons varies greatly by jurisdiction. In the Northern Territory around 37% of residents in aged care are Aboriginal and Torres Strait Islander persons.

**Table A4.2: Residents in high care in residential aged care homes<sup>(a)</sup>, by State, December 1998**

State	Aboriginal and Torres Strait Islander people		Non-Indigenous people	
	Number of residents	Per cent total	Number of residents	Per cent total
New South Wales	149	0.5	30,104	99.5
Victoria	41	0.2	18,490	99.8
Queensland	155	1.1	14,442	98.9
Western Australia	128	2.1	6,096	97.9
South Australia	30	0.4	7,592	99.6
Tasmania	9	0.4	2,250	99.6
Aust. Capital Territory	3	0.4	754	99.6
Northern Territory	83	37.3	139	62.7
<b>Australia</b>	<b>597</b>	<b>0.7</b>	<b>79,867</b>	<b>99.3</b>

(a) Relates to the 'health component' of residential aged care homes, residential classification scales 1 to 4.

Note: Utilisation of Flexible Care Services has not been included.

Source: AIHW analysis of DHAC unpublished residential care data.

**Table A4.3: Rates of usage of high-care residential aged care<sup>(a)</sup> by Aboriginal and Torres Strait Islander people and non-Indigenous Australians, by age group, as at 30 June 1999**

Age group	Number of Indigenous high-care recipients per 1,000 Indigenous persons	Number of non-Indigenous high-care recipients per 1,000 non-Indigenous persons	Ratio
1–49	0.11	0.07	1.60
50–64	3.65	1.11	3.30
65–74	14.44	7.41	1.95
75+	103.13	63.91	1.61
<b>All ages</b>	<b>1.42</b>	<b>4.20</b>	<b>0.34</b>

(a) Relates to the 'health component' of residential aged care homes, residential classification scales 1 to 4.

Notes

1. Utilisation of Flexible Care Services has not been included.
2. Number of records omitted due to missing data: 7,718.

Source: AIHW analysis of Department of Health and Aged Care unpublished residential care data.

The lower utilisation by Aboriginal and Torres Strait Islander people, as outlined above, is reflected in the lower average expenditure per person on residential aged facilities for Aboriginal and Torres Strait Islander people compared with non-Indigenous people (Table A4.4).

The per person health component of Commonwealth recurrent expenditure on residential aged care homes for Aboriginal and Torres Strait Islander and non-Indigenous people is illustrated below in Table A4.4. Total populations have been used to determine the rates per person and the ratio. The per person expenditure for

Indigenous persons is represented both with the inclusion of Flexible Care Services (\$3,720,899), and without. The difference due to Flexible Care Services in some States is marked; for example, in South Australia the per person expenditure increased from \$37 to \$115 per person. Overall the per person expenditure for Aboriginal and Torres Strait Islander people rose from \$49 to an average of \$64 per person.

The ratio of 2.25 for Northern Territory is indicative of the different population structure in this Territory—that is, a higher concentration of Aboriginal and Torres Strait Islander people in the Northern Territory and the younger age structure of the non-Indigenous population. All other States show a lower ratio of expenditure on high-care residential aged care for Aboriginal and Torres Strait Islander people relative to non-Indigenous people.

An Australia-wide ratio of 0.45 for recurrent health expenditure on residential aged care homes is greater than the Australia-wide ratio of 0.34 for use of high-care services in residential aged care homes for Aboriginal and Torres Strait Islander people relative to non-Indigenous people.

**Table A4.4: Commonwealth recurrent health funding for high care in residential aged care homes<sup>(a)</sup> per person, 1998–99**

<b>State</b>	<b>Indigenous \$</b>	<b>Indigenous (including Flexible Care Services) \$</b>	<b>Non-Indigenous \$</b>	<b>Ratio Aboriginal and Torres Strait Islander/Other</b>
New South Wales	47	53	162	0.33
Victoria	44	73	138	0.53
Queensland	42	57	124	0.46
Western Australia	71	71	108	0.65
South Australia	37	115	164	0.70
Tasmania	18	29	174	0.17
Aust. Capital Territory	54	54	81	0.67
Northern Territory	63	79	35	2.25
<b>Australia</b>	<b>49</b>	<b>64</b>	<b>142</b>	<b>0.45</b>

(a) Relates to the 'health' component of residential aged care homes, residential classification scales 1 to 4.

Source: AIHW analysis of Department of Health and Aged Care unpublished residential care data.