

# BRIEFING FOR INCOMING MINISTER

## NOVEMBER 2023

Minister of Health - Hon Dr Shane Reti

Minister of Finance - Hon Nicola Willis

Minister for Social Development - Hon Louise Upston

Minister for Disability Issues - Hon Penny Simmonds

Minister for ACC, Mental Health - Hon Matt Doocey

Minister for Seniors - Hon Casey Costello



Home and community health service providers deliver essential support for the elderly, and other vulnerable clients of all ages, every day across Aotearoa

This workforce provides care that enables over 100,000 people to live as independently as possible, for as long as possible, in their own homes and communities

The sustainability and quality of this essential home and community service is under threat and action is needed to ensure continued services for generations to come

Lack of Government influence and action to address long standing issues for this sector, could result in withdrawal or collapse for some providers and its workforce, adding pressure to an already over-burdened acute care system

## What urgent Government actions are needed?

1

Recognise and value the essential in-home care and support we provide across Aotearoa

2

Act to ensure long term sustainability of the sector with core enablers in place

3

Enable services to meet the complex and varied needs of the clients we support

4

Invest to recruit, retain and develop our workforce with a priority to address pay equity and pay parity

# WHO ARE WE?

## Home and Community Health Association

The Home and Community Health Association (HCHA) was established in 1993. We are the Peak Body that represents providers of in-home and community health services and the national voice that promotes and advances excellence, partnership and sustainability for the sector.

We work with other Peak Bodies across aged residential care, mental health and addictions, and disability services, especially when there are strategic initiatives impacting our combined sectors, such as pay equity and pay parity for our workforces. We support appropriate and equitable service access, experience of care, and outcomes for the clients being supported.

We represent a national sector voice on behalf of 34 providers, who support clients in the community, with 11 of these providers identified as Kaupapa Māori services. Our role is to represent a collective voice for providers, the workers they employ and the clients they support.

*The sector is suffering from review-fatigue, with many past reviews undertaken, yet little or no action has resulted, including an agreed funding model that has not been implemented*

### Our objectives are to:

- provide leadership and advocacy for the home and community health services 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, funders, other stakeholders, and the public
- maintain links and provide opportunities for the development of providers and the sector
- develop home and community health services that reflect our responsibilities under the Treaty of Waitangi



*Our providers, and our essential workers, represent our first line of care and support in what can often be very confronting and challenging circumstances*

## How is this sector funded?

There are multiple funders of home and community service providers, including Te Whatu Ora / Health NZ, ACC, Oranga Tamariki, Whaikaha, Te Aka Whai Ora, and/or MSD, depending on the health need. Home and community health services may also be purchased privately from any of our member providers.

Te Whatu Ora funding received in 2021/22 has been estimated at \$612 million. The commissioning of home support services was devolved to the then District Health Boards in 2003 and practices are varied. One of the significant challenges is the variability in contract rates across Aotearoa under the 'fee for service' traditional funding model. These funding rates are mostly below the cost for providing the service.

Currently 9 of 20 Te Whatu Ora districts bulk-fund providers (a restorative care model) under various arrangements where providers have significant freedom to adjust services week to week as an older person's needs change. The other 11 districts fund (on a fee-for-service basis) at different hourly rates for the same service.

There is overlap across service providers with multiple funding streams. This causes duplicate reporting burdens, variable funding mechanisms and processes, and would benefit significantly from better integrated commissioning.

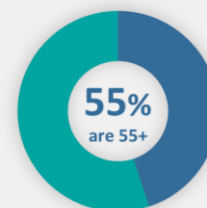
## Our providers and workers

Home and community support services provide household support and increasingly complex personal care, palliative care, carer support and nursing care. While our significant focus is care for the frail elderly, we also support vulnerable infants and young adults through funding received from Whaikaha, ACC and Oranga Tamariki.

**18,500**

home and community health workers provide essential support to highly vulnerable people in their homes every day

The average care and support worker is a 55 year old female.



1 in 4 clients have moderate or severe cognitive impairment



The work requires special skills, values and commitment

The entry-level wage for a care and support worker of

**\$23.38<sup>p/h</sup>**

cannot secure or build a sustainable workforce

We face shortages and high turnover in all roles within our workforce

**1,300 vacancies**

Care and support workers assist people who need care and support to live in their own homes and communities while maintaining their independence and dignity. Care in the home is becoming increasingly more complex as we support individuals in the management of their chronic conditions, mobility and movement (including the use of hoists and other mobility aids), medicines management regimes and also assistance with home care.

With an increasing presence of advancing dementia in our clients, the role of a care and support worker is demanding and can be confronting. They mostly work in isolation, and need to present an adaptive and continually personalised approach for each client. This is not a role that suits everyone; it takes a special set of values, skills and beliefs.



# WHAT ARE OUR ONGOING CHALLENGES?

## Ageing population and workforce

In 2028, 1 in 5 New Zealanders will be over 65 years. That's

**1 million**  
people

By 2050's, 1 in 4 New Zealanders will be over 65 years



Currently there are about 93,000 New Zealanders aged 85+ years, and by 2025 there will be more than 100,000. By 2040, this could increase to 200,000 people aged 85+ years.

Our care and support workers are an ageing workforce, significantly represented by female, with an average age of 55 years.

**12%** are  
over 65

*This essential in-home care and support, that clients rely on, is at risk. As our population ages, more supports and services are needed to enable people to remain safely in their homes and communities.*

## Technology & Data

Little is known at a national level about the composition, capability and diversity of our workforce, and how it is being deployed.

Lack of comprehensive workforce data, and analytical commentary on a regular basis, is an obstacle to effective workforce planning. This will continue to hinder the sector to meet the changing demands on our workforce and the physical and cultural needs of our clients.

It is essential our home and community care providers have better systems and technology, with a shared investment model with funder to ensure 'fit for purpose' services.

There is an absence of a coherent national workforce dataset, which has been highlighted in many past reviews and reports, with little tangible action to date.

We need stronger integration across the care pathway from assessment services, to shared care plans, for seamless transitions of care across sectors for our vulnerable clients.

## Staff Retention

Providers cannot afford to pay staff their true value. We cannot build a sustainable workforce given the variable contract rates, and funding mechanisms that do not fully fund the cost of service delivery.

The increasing cost of living pressures and significant financial instability that provider organisations are facing are driving workers out of the sector, causing high staff turnover. Ultimately this will compromise accessibility, safety, quality and choice for clients.

Our workforce is facing increasing pressures due to pay inequities, particularly for our care and support workers. There are around 18,500 workers in the home and community services sector alone. They are a mobile and essential workforce, who remain the lowest paid across the health and disability system. A starting wage of \$23.38 is not sufficient to attract and build a competent, capable, and sustainable workforce to care for an increasing and more complex client base.

These workers are leaving the sector for jobs in the retail / commercial sector, e.g., supermarkets, that have less pressure, are not isolated, have better pay and conditions, with reduced travel and avoiding hiking fuel costs to be met.

Pay relativity gaps are also causing increasing challenges across other roles, especially nurses and allied health staff. Providers of publicly funded home and community support services are struggling to recruit and retain these professionals, who are lured away by better pay rates in the public and private sector.

*We face shortages and high turnover across New Zealand in all roles within our workforce (care and support workers, nurses and other professional staff, facilitators, administrators and managers) because we cannot compete with the public or the private sector wage rates.*

*Providers are managing increasingly complex clinical and safety risks on a daily basis as this sector receives more complex clients. This means costs for caring for these vulnerable people in their homes are rising. Despite this, contracts and funding have remained the same*

## Commissioning & Service Design

The funding model is inconsistent across Aotearoa New Zealand, with many providers still receiving funding on a 'fee for service' basis (variable contract rates) below cost, while others are more flexibly funded through a 'case-mix / restorative care' model. Providers are not receiving an appropriate income stream that fully recognises the true cost of service delivery (and a realistic margin) for associated costs. This would allow providers to work flexibly, in a high trust environment, and to respond to changing client needs. Lack of this hinders the ability for providers to invest in innovation so critically needed for our sector.

There is no national service model framework and costing model, and there are significant variations across providers for the provision of the same service. The lead funder for this sector is now 'one entity' but funding still remains at different levels across the country.

The home and community service sector are not seen as an integral part of the health system. More can be done to alleviate downstream pressure on hospital admissions / readmissions, ED presentations and premature entry into aged residential care.

A review of 36,000 interRAI home-care assessments completed in 2022-2023 showed 56% of older people are at high risk for future ED use in the next 6 months. By creating an environment where we have a strong and sustainable home and community services sector, caring for our older people as close to home as possible will see positive impacts across the system. This will reduce avoidable mortality, admission to hospital, admission to institutional care, and improve functional status, health status, independence and quality of life. We need core enablers in place nationwide for the home and community services sector to deliver care and support consistently and effectively, while also being flexible to the needs of individuals and their whānau.

# OPPORTUNITIES AND SOLUTIONS

Actions the new Government must take to strengthen the home and community health services sector so we can deliver the care clients need, when they need it, removing variations in equity of access, experience of care, and the quality of service delivery.

## Key Message

1

### Recognise and value the essential in-home care and support we provide across Aotearoa

We are the workforce in people's homes every day. Our people are our greatest asset, and an integral and important part of the health and disability system.



## Key Message

2

### Act to ensure long term sustainability of the home and community care sector

Establishing a long-term approach to Commissioning, nationally consistent service specification(s), pricing, and a quality and improvement framework will support high standards of care, and increased sustainability of the sector.



## Key Message

3

### Enable services to meet the complex and varied needs of the clients we serve

Sustained investment is needed to implement better systems to enable data collation to inform workforce planning, service design and delivery, client experience of care and outcomes, through a te ao Māori lens, framework and cycle of continuous improvement.



## Key Message

4

### Invest to recruit, retain and develop our workforce with a priority to address pay equity and pay parity

We need support to help attract and retain new and also younger people into the sector, to increase the diversity of our workforce, profile career pathways, and continue to strengthen the national qualification structure.



A lack of comprehensive workforce data, regular analysis and commentary is an impediment to effective workforce planning and will continue to inhibit the sector to meet the changing demands on our workforce and the physical and cultural needs of our clients. We need to:

- Promote a shared investment in better systems and technology enablers, essential for optimal community care providers, their workforce and clients
- Activate the development of a coherent national workforce dataset, needed to ensure improved data and information for the sector and for funders, and to ensure te ao Māori concepts is a central focus to informing delivery of high quality care for the clients and the whānau we serve.

Ongoing, open and transparent dialogue and partnership with funders is needed to agree a way forward and co-design a long-term commissioning approach for a more integrated service and costing model. We need to:

- Establish consistent and standardised service specifications, pricing, shared goals, outcomes, measures and data, aligned to a te ao Māori lens and framework, to maximise governance, benchmarking and inform cultural safety and ongoing quality improvement
- Ensure the sustainability of the sector and improved equitable access, experience of care and outcomes for our clients by establishing a quality and improvement framework, to complement Ngā Paerewa Health and Disability Services Standard. This will ensure high quality care that is achievable and balanced with managing costs.

With appropriate training and development our workforce can help to identify changes in health needs of the client and whānau from a Te Whare Tapa Whā perspective. We need to:

- Initiate urgent Government intervention in valuing this sector and concluding pay equity and pay parity initiatives. This will have flow on effects in strengthening career pathways and the importance of the national qualification structure
- Attract and retain a more diverse, culturally aware and qualified workforce to meet the changing needs of clients and whānau.

**HCHA will provide independent and balanced insights. We want to build a close partnership with Government and strengthen the sustainability of these vital in-home and community services for the vulnerable clients we support.**