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AMA IDENTIFIES SAVINGS OF \$21.2 BILLION IN AGED CARE HOSPITAL ADMISSIONS

AMA Putting Health Care Back Into Aged Care Report

The AMA has estimated that over the year up until 30 June 2021, there will have been 27,569 admissions of residents from nursing homes to hospitals that were potentially avoidable, costing \$312 million and accounting for 159,693 hospital patient days.

The staggering figure is the first national estimate of potentially preventable admissions to hospitals from nursing homes alone. In total, new AMA modelling has identified \$21.2 billion of savings that could be made over four years if immediate reforms were implemented to our aged care system.

The \$21.2 billion comprises four-year savings from potentially avoidable admissions to private and public hospitals from nursing homes (\$1.4 billion), from older people in the community (\$18.2 billion), those transferred to emergency departments but not admitted (\$497 million), re-presentations to emergency departments within 30 days (\$138 million) and people waiting in hospital for a place in a nursing home (\$887 million).

Details of the modelling are contained in a new report from the AMA, *‘Putting Health Care Back Into Aged Care’* released today, the centrepiece of the AMA’s continuing campaign ‘Care Can’t Wait’.

“The potentially preventable hospital admissions - just one aspect of the current nursing home experience - show there are substantial savings to be made with immediate reform,” AMA President, Dr Omar Khorshid said.

“We believe these hospital admissions, presentations and stays could be prevented through better provision of primary care in aged care settings and that means investing in GPs and Registered Nurses.

“We’ve gone to great lengths dissecting publicly available data and applying conservative estimates to cost this.

“Our new report clearly states the action required to future-proof aged care so we have a system we, ourselves, would be happy to live in and send our parents and other loved ones to,” Dr Khorshid said.

The report contains an illustration of the pitfalls currently experienced by patients journeying through our fragmented aged care system with the story of John, representing a typical patient who gets a dementia diagnosis. His unhappy fate is compared with the ideal experience John and his wife should have, achievable through the AMA’s vision for aged care.

That vision – where the health care and aged care systems work together and complement each other - is laid out in *‘Putting Health Care Back Into Aged Care’*.

It calls for proposals to improve patient care and attract more GPs into aged care, and makes 11 recommendations for Government, backed with detailed costings of select proposals.

The AMA made these recommendations to the Royal Commission into Aged Care Quality and Safety.

“Proper medical care based on the needs of our older people is a basic human right and our broken system is failing them,” Dr Khorshid said.

“We understand properly funding aged care will require significant investment, but this is an opportunity to also significantly improve the quality of life for older Australians while also realising substantial savings in other parts of the health system.

“Not enough nurses and limited access to GPs are behind the frequent transfer of older people in nursing homes to hospitals, often resulting in unnecessary prolonged stays.

“An alarming number of them - more than 27,000 a year - were potentially preventable and, with continuity of care through the patient’s regular GP, they may have been avoided entirely.

“That’s why we are calling for the GP to be placed at the heart of aged care, backed by adequate numbers of nursing staff so health care is put back into aged care.

“The extra expenditure we have costed for GPs and other medical specialists to operate in aged care is relatively modest - \$145 million per year – compared with the savings we have identified,” Dr Khorshid said.

The AMA’s Care Can’t Wait campaign will address nursing staff ratios and the GP’s experience in nursing homes in the weeks leading up to the Federal budget and in anticipation of the Government’s full response to the Royal Commission’s recommendations.

MAIN POINTS:

- New AMA modelling estimates that over four years (2021-22 to 2024–25), \$21.2 billion could be saved from avoidable public and private hospital admissions, presentations and stays from older people in the community and in nursing homes:
 - \$1.4 billion for potentially preventable hospitalisations from nursing homes
 - \$18.2 billion for potentially preventable hospitalisations from people aged 65+ in the community (excluding those in nursing homes)
 - \$497 million for people who are taken from nursing homes to emergency departments but never admitted
 - \$138 million for the transport costs of people who re-present at emergency departments within 30 days
 - \$887 million for people waiting in a hospital for a place in a nursing home
- The AMA believes that these hospital admissions, presentations and stays could be prevented through better provision of primary care in aged care settings.
- This means investing in GPs and Registered Nurses who can provide proper person-centred care and continuity of care including medication management.
- The AMA estimates that Government investment of \$643 million over four years to 2024-25 (\$145 million in 2021-22) is needed to increase MBS rebates for GPs providing primary care in an aged care setting.
- This would compensate for the additional time and complexity involved in comparison to a GP consultation in their own rooms.
- The AMA has also estimated the cost to the Government of reducing the Home Care Package waiting list to 5 per cent, with everyone getting a package at the right level of need. This would be \$1.4 billion over four years to 2024-25 (\$316 million in 2020-21).