

## Economic Policy Centre

### Pensions and Intergenerational Equity

## Essentials for Flourishing in Aged Care – a Provider Consensus

### **PIE Presentation 2023-1**

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#### **1. Background:**

In March 2022, a small multi-disciplinary team began a research project to investigate aged care providers' perceived requirements to ensure their clients flourished. The definition of 'flourishing' draws on Lee and Mayor:<sup>2</sup>

*Human flourishing is a complete state of well-being, comprised of essential elements that are universally valued across cultures as ends in themselves rather than as means to ends. Understanding the ontological interconnectedness of individual and communal flourishing has important implications for health. A narrow view of health has been framed in biomedical—and frequently physical—terms as the absence of disease or impairment. But broader and more holistic understandings derived from long-standing wisdom in the humanities are increasingly being used in tandem with the allopathic<sup>3</sup> approach, thereby offering a relational understanding of health that transcends a focus on physical infirmity and locates the individual in social, ecological, and spiritual contexts.*

Between October 2022 and March 2023, team members conducted, mostly over zoom, a total of 25 semi-structured qualitative interviews with providers. Ethics Approval from the University of Auckland included protection of participants' identities, ensuring their ability to speak freely during the interviews.

Provider participants included sector thought leaders, clinical and operational managers, CEOs and owners of residential care homes, private providers of in-home care, health funding portfolio managers, entity governors, and kaiawhina and community health leaders.

#### **The interviews:**

The provider interviews were recorded, transcribed and uploaded into NVivo, a software programme that is a qualitative data analysis tool. It provides easy access to large amounts of data, and also enables clerical tasks to be extensively automated.

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<sup>2</sup> See: Lee, M.T., Mayor, I. (2023). *Health and Flourishing: An Interdisciplinary Synthesis*. In: Las Heras, M., Grau Grau, M., Rofcanin, Y. (eds) *Human Flourishing*. Springer, Cham. [https://doi.org/10.1007/978-3-031-09786-7\\_4](https://doi.org/10.1007/978-3-031-09786-7_4).

<sup>3</sup> Allopathy is a system of medical practice that emphasizes diagnosing and treating disease and the use of conventional, evidence-based therapeutic measures such as drugs or surgery.

Thematic analysis draws on Thomas's *General Inductive Approach for Analyzing Qualitative Evaluation Data*:<sup>4</sup>

*Inductive reasoning is a bottom-up approach, while deductive reasoning is top-down. Inductive reasoning takes you from the specific to the general, while in deductive reasoning, you make inferences by going from general premises to specific conclusions.*

The interviews with both for-profit and not-for-profit providers revealed an unexpected consensus on essentials for flourishing in aged care. Assuming that adequate food, shelter and safety are a given, this paper focuses on the question:

*If you were to list 3 essentials for the best aged care in which older people can flourish, what would they be?"*

Thematic analysis revealed a consensus on the following essentials:

- adequate funding to ensure quality care is affordable;
- high quality health care;
- caring 'with' more than caring 'for';
- listening to the older person's story; and
- ensuring the environment reflects the residents esthetically and culturally.

## **2. Aged Care Providers' Voices**

**"Three essentials? Number one is funding. You can't do it unless you've got some money to do it."**

The aged care sector is the weakest link in the healthcare system. Since 2013, no new, affordable 'standard beds' (without an additional 'premium' charge of up to \$100 per day) have come into the pool. And since January 2021, 21 aged residential care (ARC) facilities have closed throughout the country, with a consequent loss of 969 beds. Other providers have indicated they will close soon, and there have been temporary closures because of staffing shortages, or because of flood damage.

Around 59% of aged care facilities are run by small operators or charities who can't cross-subsidise with property developments. Such providers have been struggling to survive financially. The cost of food and consumables has risen a cumulative 30% to 40% since 2019, but funding received from the Government has increased only 5%. The sector needs sustainable funding rates to be able to retain staff, and cover maintenance and repairs on ageing infrastructure. To ensure quality care is affordable and available, adequate state funding is urgently needed.

Te Whatu Ora's 'aged residential care demand planner', available on its website, shows New Zealand would need 80,000 beds by 2040 but is on track to have only 33,000, less than half of those likely to be needed.

Typically, older people move into ARC after an incident or illness requiring hospitalisation. If no ARC beds are available in the community, it means longer waits till discharge from hospital; and that means blocked up emergency departments<sup>5</sup> and surgery delays.<sup>6</sup>

An independent report released by Aged Care Matters in 2022<sup>7</sup> showed that Government spending on aged care here appears low compared to other OECD countries. For example, as a comparison, the cost for a day in aged residential hospital-level care in

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<sup>4</sup> D.R.Thomas, *A General Inductive Approach for Analyzing Qualitative Evaluation Data*, UoA , [https://www.researchgate.net/profile/David-Thomas-57/publication/228620846\\_A\\_General\\_Inductive\\_Approach\\_for\\_Qualitative\\_Data\\_Analysis/links/0f31753b32a98e30f9000000/A-General-Inductive-Approach-for-Qualitative-Data-Analysis.pdf](https://www.researchgate.net/profile/David-Thomas-57/publication/228620846_A_General_Inductive_Approach_for_Qualitative_Data_Analysis/links/0f31753b32a98e30f9000000/A-General-Inductive-Approach-for-Qualitative-Data-Analysis.pdf)

<sup>5</sup> See <https://www.stuff.co.nz/national/canterbury/132525828/christchurch-hospital-ed-under-significant-pressure-with-record-number-of-patients-through>.

<sup>6</sup> See <https://www.stuff.co.nz/national/health/131916733/tales-from-the-front-line-ninetynine-percent-of-the-time-we-have-no-beds>.

<sup>7</sup> See <https://www.stuff.co.nz/business/129441867/report-calls-for-review-of-underfunded-aged-care-sector>. For Updated numbers, see: <https://www.dominoeffect.co.nz/>.

New Zealand was \$258 (2023: \$372), while the cost for a day in a public hospital was \$1,592 (2023: \$1,700).

Given the real possibility that adequate numbers of aged residential care beds could save the country \$7.2 billion annually, it is incomprehensible that the shortfall in aged residential hospital-level care beds continues.

**"We do need clinical care, but people don't want to be clinically treated."**

*People want to be treated as a person and sometimes they don't feel any form of ownership of what's happening with them. We've all had doctors that tell you all this stuff, and you have no idea and you just go, 'Okay, well, I'll take these pills.' We want people to be really involved in the care they want. And that is very different to clinical care."*

Quality-of-life-based health care is client-driven, respectful of and responsive to individual preferences, needs, and values. It ensures patient values guide all clinical decisions. It minimizes wait times and harmful delays for those who receive care and those who provide it. It ensures client safety. It is consistent, effective, client-centred, timely, efficient, and equitable.

In order to deliver quality-of-life-based health care, staff must be well-trained and staffing levels must be adequate.

**Caring 'with' not caring 'for'.**

As described in an NZAG conference session around care for kaumatua "We need to work with, alongside our people."

*"That's the 'use it or lose it' of aged care, if we take too much care people start losing their mobility. The important thing for a person's health is staying active, physically and cognitively staying active. Residents in aged care need to be able to embrace the journey they're on, so that they connect, and they are connected."*

So staff need enough time to provide care 'with'. For example, staff need enough time to support the residents' choosing the clothes they want to wear and dressing themselves well and with dignity. That takes time.

**Listen to the older person's story.**

*"The only way you can give people independence for as long as possible, and dignity and respect, is by listening to them, and getting their feedback so you can build collectively, together. So that, given their environment, they're able to do the things they want to do."*

*"Kindness and compassion kind of go together. And listening. Because older people want to be heard. And sometimes people don't listen that well."*

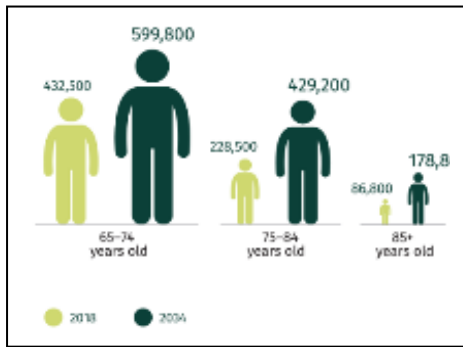
Listening is actively giving attention, recognising the older person, validating them. Personal interactions, and the vibrancy that comes through connections with others, are critical for mental well-being.

**Ensure the environment reflects the residents esthetically and culturally.**

*"If I'm going to spend the rest of my life there, which is probably measured in months rather than years, I want somewhere that is comfortable and convenient to live in. I want to be able to move around it really easily. I want to be able to make it look like my place."*

Agency is vital. For older people to flourish in care, they must be able to make the environment how they want it to be, so they can create experiences that they want. The environment must reflect the residents, it needs to be resident- and whanau-driven; it has to be more homelike than institutional, a safe, recognisable environment.

**3. The relevance of this research.**



In 2023, just over 48%<sup>8</sup> of the 65-69 age group are in employment and making a vital contribution to the economy. That contribution is important because the number of people aged 65+ in New Zealand is now 842,000. That number is increasing by about 80 people a day, so is likely to reach 1 million people within six years. More than one in 5 people will be aged over 65 by 2031.<sup>9</sup>

Currently, there are around 100 people aged 15-64 for every 25 people aged 65+. Demographic change

means that in 5 years, by 2028, that could change to 100 people aged 15-64 for every 30 people aged 65+.

Yet there is little if any official or formal recognition of our ageing population. For example, the first of the Treasury's 2022 well-being reports, *Te Tai Waiora*,<sup>10</sup> notes that in this country, there are many causes for concern when it comes to the wellbeing of children and young people, while they emphasise that we have achieved high levels of wellbeing for most of our older people compared to many OECD countries.

The reality is increasing numbers of older people who are not home-owners<sup>11</sup> and are entirely dependent on their New Zealand Superannuation income. Housing and infrastructure will need to adapt and embrace age-friendliness and universal design.

Dismissing such issues is ignoring a primary factor influencing wellbeing and health.

A consequence of demographic change is that more older people means more doctor and hospital visits and more requirement for in-home and residential care-workers. Retirement villages and residential aged-care facilities will need to expand to accommodate the added numbers. Importantly, they will also need to address affordability. These requirements will add pressure to an already struggling health system.

Recruitment of medical and in-home and residential aged care staff, training them well, respecting the work they do, and paying them appropriately, is a matter of urgency.

In another example of inattention to our ageing population, the Health and Disability System Review Panel and Māori Equity Advisory group in the Health System Review 2018-2020,<sup>12</sup> recommended that the next elected government should be focusing on these six critical areas:

1. *Hold new health leadership to account for delivering on culture and behaviour change in the health system.*
2. *Strengthen primary health care.*
3. *Integrate health and social care more effectively.*
4. *Implement the health workforce strategy.*
5. *Monitor and report on population health outcomes through the lens of fairness.*
6. *Strengthen and sustain Māori leadership.*

<sup>8</sup> See <https://www.infometrics.co.nz/article/2023-07-more-people-working-later-in-life>.

<sup>9</sup> Graphic from Better Later Life Strategy, Office for Seniors. See <https://officeforseniors.govt.nz/better-later-life-strategy/>.

<sup>10</sup> See <https://www.treasury.govt.nz/sites/default/files/2022-04/bp-trends-wellbeing-aotearoa-new-zealand-2000-2020.pdf>.

<sup>11</sup> "The fall in the New Zealand home ownership rate has been very widespread and not confined to any specific age range." See <https://thehub.swa.govt.nz/assets/documents/falling-rate-home-ownership-in-nz.pdf>.

<sup>12</sup> See [https://www.newsroom.co.nz/beyond-the-soap-box-six-health-priorities-for-the-next-government?utm\\_source=Newsroom&utm\\_campaign=cf20fddcba-Daily\\_Briefing+29.08.2023&utm\\_medium=email&utm\\_term=0\\_71de5c4b35-cf20fddcba-97840303&mc\\_cid=cf20fddcba&mc\\_eid=03e39527ef](https://www.newsroom.co.nz/beyond-the-soap-box-six-health-priorities-for-the-next-government?utm_source=Newsroom&utm_campaign=cf20fddcba-Daily_Briefing+29.08.2023&utm_medium=email&utm_term=0_71de5c4b35-cf20fddcba-97840303&mc_cid=cf20fddcba&mc_eid=03e39527ef).

Why is the ageing population not recognised as a “critical area” by the “experts”?

One hopeful note comes from the Te Whatu Ora’s *Interim New Zealand Health Plan*,<sup>13</sup> where reviewing the aged care, home and community support services models is one of the actions.

**Questions and/or comments are welcome to:**

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<sup>13</sup> See <https://www.stuff.co.nz/national/health/130306301/new-health-plan-revealed-but-benefits-of-radical-shakeup-will-take-time>.