

Failing to care

More rest homes have been found providing substandard care.

REPORT: JESSICA WILSON

In August (Consumer 494), we reported that the Ministry of Health had carried out 44 unannounced inspections of rest homes over the last two years. We were able to name two homes where problems were discovered. More information has now emerged about other homes where failings have been found.

Homes investigated

The aged-care facilities we have information about are part of large rest-home chains. On the face of it, you might expect these chains to be well resourced and consistently meet high standards. But the ministry's investigations show this is not always the case.

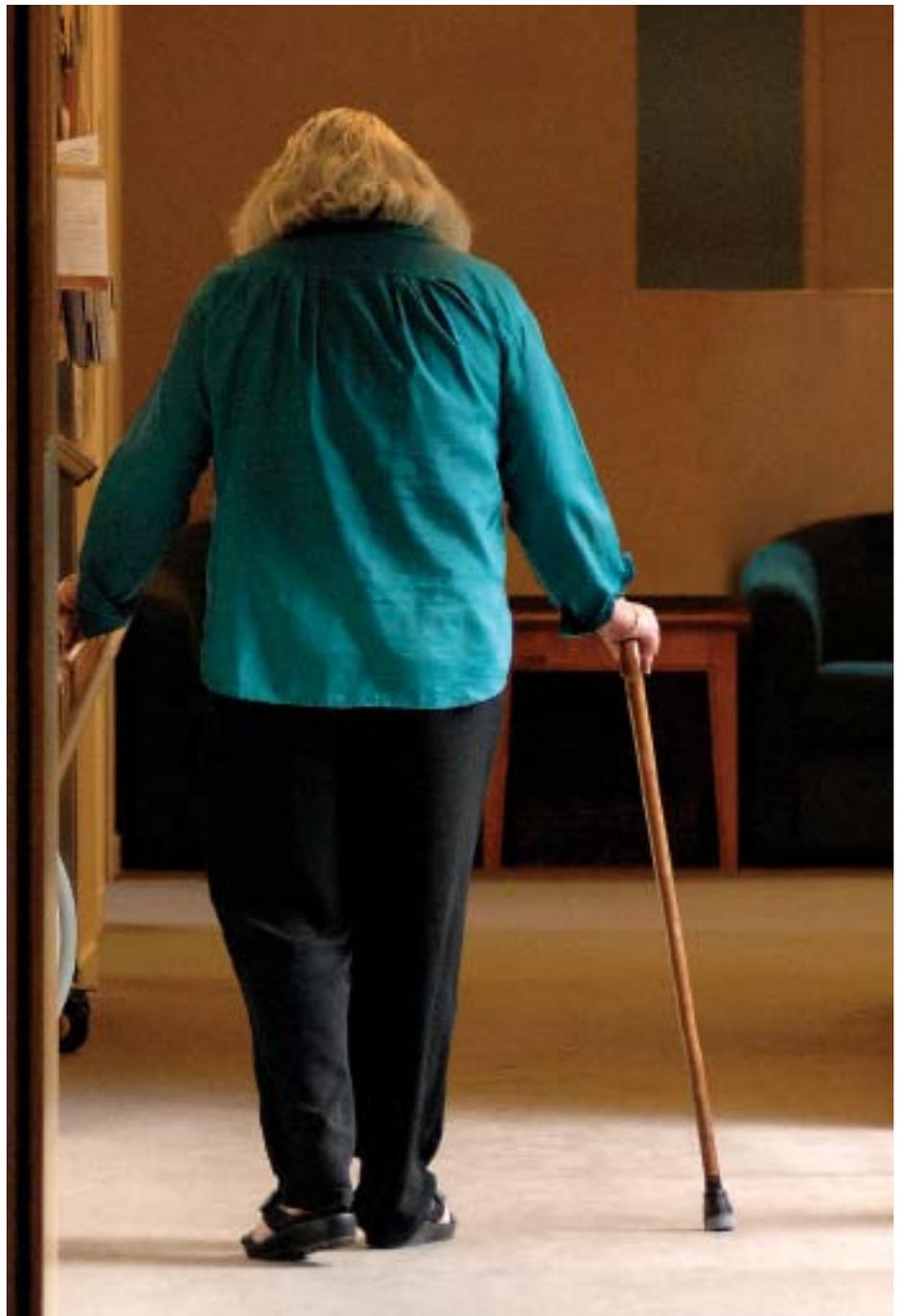
Radius Residential Care: Radius Residential Care operates 22 aged-care homes. The company is part of the Radius Health Group, which also owns the Radius pharmacy chain and is majority-owned by Bahrain's Kuwait Finance House (see our Table).

Information obtained by *Consumer* shows Radius has been the subject of numerous complaints. The Ministry of Health told us it has received 17 complaints since 1 January 2007. Between January 2007 and December 2008, the ministry visited five Radius-owned homes. Problems were found at four of them.

Three of these four are in Whangarei – Oakhaven Hospital, Lester Heights Hospital, and Potter Home. An unannounced inspection of Oakhaven Hospital took place in May 2007. At the same time, the ministry visited the other two facilities.

“Serious deficits in service delivery” were found at Oakhaven: the ministry's inspection report stated it could not rule out the possibility that “incidents of institutional neglect” had occurred. It also wasn't satisfied that Radius had taken all reasonable steps to prevent neglect. The inspection report states “even with a less than adequate coverage of registered nurse supervision, the service has continued admitting new clients”.

Problems were also evident at Lester Heights Hospital and Potter Home, »



Chris Coad

although the ministry considered these to be “low risk”. Shortcomings included outdated care plans at Lester Heights and restraint practices at Potter Home that did not comply with required standards.

Ultimate Care Group: In August 2008, the ministry investigated a complaint about restraint practices at a facility owned by the Ultimate Care Group (UCG). Ultimate Care operates 16 rest homes and hospitals. The subject of the complaint, Manurewa Private Rest Home and Hospital, was bought by UCG in April 2008. The anonymous complaint alleged a resident at the home had been restrained in her bed with sheets (a practice associated with development of pressure sores and also the risk of asphyxiation.)

The inspection found sheets had been used to “restrain” a 94-year-old female resident. The ministry’s report states the home stopped the practice in the week preceding the inspection and the resident’s need for restraint was reviewed on 27 August 2008, a day before the complaint was made to the ministry. The facility had also begun a review of restraint processes. According to the report, there was very limited staff education on restraint practice and no established process to approve all forms of its use. UCG’s Ron Spraggon told us the home was now “fully compliant with restraint standards”.

Slow to improve

The problems identified at some of these facilities weren’t fixed immediately.

Six months after its initial visit, the ministry went back to the three Radius homes in Whangarei to assess whether the required “corrective actions” had been implemented. It found the company had failed to make all the improvements requested. Of the original 24 corrective actions required at Oakhaven, 15 remained outstanding. Two remained outstanding at Potter Home and three at Lester Heights Hospital.

Radius Residential Care Chief Executive Brien Cree told us it acted on “serious issues” immediately. But he says the ministry failed to send Radius the inspection report until 12 September and this led to a delay in responding to other issues. When the ministry returned in December, it found: “a number of issues required of the provider remained a work in progress. Of prominent significance [at Oakhaven Hospital] was the reported lack of sufficient care giving staff due



The Ministry of Health has carried out two unannounced inspections of Oakhaven Hospital.

to illness and the provider’s failure to provide replacement staff at these times. The provider needs to urgently consider a means of addressing these deficits along with all other issues outstanding.”

Another unnamed Radius facility was also slow to implement changes. This time the required changes stemmed from a Deputy Health and Disability Commissioner investigation, which had been sparked by a complaint about the medical care provided to a resident at the facility. Deputy Commissioner Rae Lamb found the facility “did not have a functioning system for ensuring that a doctor was called and visited when the daughter of a vulnerable resident had approached staff with a significant concern, and requested medical assessment.”

Several months later, the Health Ministry visited the facility to check on

implementation of the required changes. It found “significant improvements” in general practitioner services for residents but other gaps were evident. Notably, caregivers were not always reporting changes in residents’ conditions to the registered nurse and clinical documentation was deficient.

Widespread problems?

The aged-care market has been changing rapidly over the last decade. Small not-for-profit providers have been pulling out while large for-profit providers have been expanding. Amongst the 10 largest providers of aged-care facilities, for-profit operators dominate (see our Table). And many of the big players are now owned off-shore. In the last year alone, the Overseas Investment Office approved sales of aged-care facilities valued at over \$1.5 billion.

PROVIDER	NUMBER OF FACILITIES	MAJOR SHAREHOLDERS
FOR-PROFIT		
Oceania Care Group	58	Macquarie Bank (Australia)
Bupa Care Services	45	Bupa UK ^B
Radius Residential Care	22	Kuwait Finance House (Bahrain)
Ryman Healthcare	21	Garlow Management Inc (Canada), Ngai Tahu Capital
Metlifecare	17	J P Morgan Nominees, FKP, Macquarie Investment Holdings
Ultimate Care Group	16	ANZ Capital NZ, ANZ Business Equity Trust, UCG Nominees Ltd
Summerset Care	12	AMP Capital Investors, Quadrant Private Equity
NOT-FOR-PROFIT		
Presbyterian Support	33	-
Christian Healthcare Trust	8	-
The Selwyn Foundation A	8	-

GUIDE TO THE TABLE PROVIDERS are measured by the number of facilities owned (facilities include rest homes, hospitals and retirement villages). **For-profit** are registered companies. **Not-for-profit** are charitable trusts. ^Aalso manages three retirement villages on behalf of Anglican Aged Care. **MAJOR SHAREHOLDERS** lists the main shareholders of each company (identified from the Companies Office and Overseas Investment Office websites); charitable trusts do not have shareholders. ^BBupa UK is a provident association which reinvests profits in its services. It does not have shareholders.

A sizeable chunk of this cash has come from private equity funds with an eye on potential returns from our greying population. It's a trend evident in other Western countries such as the US, where private investors have made significant inroads into the aged-care market. But it's a trend that's also raising questions about quality of care in homes run for profit.

Research published in the *British Medical Journal* in August 2009 concluded that, on average, for-profit rest homes scored less well on key indicators of care than those run by not-for-profits. The authors suggested economic pressures to maximise returns to shareholders may encourage for-profit providers to minimise expenditure, resulting in fewer staff and higher rates of "adverse events".

Research in Australia by Flinders University has found for-profit facilities

have fewer staff, younger caregivers, more use of agency staff and higher staff turnover compared with not-for-profit and publicly owned facilities. Some – but not all – of these differences are because for-profit facilities have a heavy predominance of high-care beds.

Lessons for us?

Martin Taylor, Chief Executive of industry group Healthcare Providers New Zealand (HCPNZ), argues the majority of people in rest homes here receive good care. "There are always going to be cases where a caregiver or nurse makes a mistake but these events are isolated," he says. Taylor believes rest homes have simply become an "easy target" for the media. While he doesn't see any evidence of widespread problems, HCPNZ does acknowledge wages in the sector are low and has previously called for more funding to "ensure the sustainability of the sector".

Staffing is a key issue for the New Zealand Nurses Organisation (NZNO). Industrial Adviser Rob Haultain says not-for-profits have tended to be better providers in terms of staffing, training and pay. The organisation is calling for the safe staffing levels recommended in *Indicators for Safe Aged-care and Dementia-care for Consumers* to be mandatory. This publication, produced by the Ministry of Health and Standards New Zealand, also sets indicators for other important aspects of care such as infections, weight loss and depression. However, the indicators remain voluntary.

Minimum staffing levels are currently set in funding contracts between district health boards and rest-home providers. But these appear dismally low. A facility with 30 residents requires only one caregiver on duty and one on-call. Per resident, this allocation allows less than one hour in every 24 for direct care. Homes with between 30 and 60 residents require just two caregivers on duty.

Age Concern says there are three key factors which increase the risk of neglect and abuse in rest homes: inadequate staffing, inadequate staff training and inadequate supervision of caregivers. Data it has collected indicate that incidents of elder abuse and neglect are increasing. Most (70 to 80 percent) of the cases reported to Age Concern involve abuse by family members but it also

hears about cases of institutional abuse or neglect. Age Concern's Jayne McKendry says it's likely the reports it receives represent the "tip of the iceberg". She says international research estimates just 16 percent of abuse incidents come to the notice of service agencies.

Transparency needed

In the next 30 years, the number of people aged 65 or over will double to 1.1 million. More of us than ever before will require care.

To reassure consumers about the quality of this care, we think rest homes should be required to report on key indicators – not only staffing ratios but negative health indicators such as the presence of pressure sores, infections, weight loss, depression, and decreased mobility in residents. Facilities providing a high standard of care have nothing to fear from the release of this information.

We say

- The shape of the aged-care industry has been changing rapidly over the last decade. But current regulations are failing to provide consumers with good information about quality of care.
- Much greater transparency is needed. The lack of adequate information makes it much harder for consumers facing the task of finding a rest home either for themselves or a family member who needs long-term care.
- Mandatory staff-to-resident ratios would go some way to improving quality of care across the sector. **C**

Rest home complaints

Health and Disability Commissioner Ron Paterson's 2008 briefing to the incoming government stated that concerns about rest-home care had been prominent during that year.

Complaints about rest homes have also kept the Health and Disability Advocacy Service busy. The service, set up under the Health and Disability Commissioner Act, is available to anyone with a concern about a rest home (or any other health or disability provider). It doesn't have powers to investigate complaints: its role is to support consumers, as well as those acting on their behalf, in resolving problems.

In the year to June 2009, the Health and Disability Advocacy Service received 342 complaints about rest homes. Just over half (53 percent) of these complaints were about residents not receiving services of an appropriate standard. They included complaints about nutrition and meal quality, residents' weight loss, lack of adequate fluids, dehydration, medication issues (residents not being given their medication, or receiving the wrong medication) and falls. While most complaints were resolved or partly resolved, 23 were referred to the Commissioner.

OTHER STUFF Age Concern: www.ageconcern.org.nz » Health and Disability Advocacy Service: www.hdc.org.nz or freephone 0800 555 050

MORE INFO »

Worth looking at:

- +REST HOMES *Consumer 494*
- +SUPPORT SERVICES FOR OLDER PEOPLE *Consumer 477*
- +RETIREMENT VILLAGES *Consumer 467*
- +INDEPENDENT LIVING *Consumer 452*

On our website:

- Free access (checklists & general info)*
- +REST HOMES
- +RETIREMENT VILLAGES
- +AIDS FOR INDEPENDENT LIVING
- +AGE-PROOFING YOUR HOME
- Online and premium members (in-depth advice)*
- +REST HOMES
- +HOME SUPPORT
- +RETIREMENT VILLAGES

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