

# Health Sector Assurance Forum

## *Aged Care Royal Commission - Lessons From Complexity & Provider Corporate Governance*

*Presented by*

- *Prof Joachim P Sturmberg, MBBS, MFM, DORACOG, FRACGP, PhD*
- *School of Medicine and Public Health, Faculty of Health and Medicine, University of Newcastle*
- *Foundation President, International Society for Systems and Complexity Sciences for Health (ISSCSH)*

# My Background



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## 'False accountability'

*The harmful consequences of bureaucratic rigour for aged care residents*

Joachim P Sturmberg, Len Gainsford

**Background**  
Public outrage about the treatment of aged care residents in some nursing homes has its origins in a failure in each facility's accountability framework. There is an overwhelming focus on documentation of organisational structures and care processes, detracting from what really matters – whether the wellbeing of residents has been achieved.

*So we have inspectors of inspectors and people making instruments for inspectors to inspect inspectors. The true business of people should be to go back to school and think about whatever it was they were thinking about before somebody came along and told them they had to earn a living.*

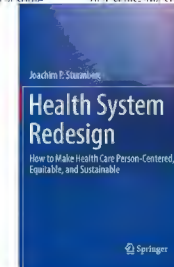
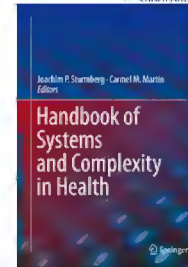
– Richard Buckminster Fuller (1895–1983)

The scrutiny of nursing home care has highlighted significant systemic shortcomings in the management of systems

how to implement, monitor or improve residents' care and wellbeing.<sup>6,7</sup>

The crisis in the aged care sector is a systemic problem that emerged over time as a result of interactions of at least three difficult-to-reconcile goals:

- adherence to process-focused 'governance and accountability requirements'
- optimal management of the complex 'morbidity burden' of aged care residents'
- the economically sustainable provision of a 'highly...and...'



# This Session



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- 1. Royal Commission into Aged Care & Safety – Lessons from Complexity Science**
- 2. Caring about Aged Care – Complex Adaptive Systems, COVID-19 impacts, Interconnectedness, Primary Care & Policy**
- 3. RC Interim Report – ‘the system lacks transparency’**
- 4. Getting Provider Performance Information – IA’s Role**
- 5. Corporate Governance & Accountability**

# The Enlightenment Insights



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Johann Wolfgang von Goethe  
(1749-1832)

In a mechanical system the parts shape the whole while in an **organic system the whole shapes the parts.**



Alexander von Humboldt  
(1769-1859)

If **everything is connected**, then it was important to examine the differences and similarities **without losing sight of the whole.**

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# All you ever NEED TO KNOW about SYSTEMS ...



Russell Ackoff  
(1919-2009)

**A System is  
a WHOLE  
that cannot be divided into  
independent parts.**

and

**A system's PROPERTIES  
are not present in its parts.**

# The current landscape



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# The current landscape



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**Opaque,  
Conflicted,  
Reactive to adverse  
developments**

Property  
Interests

Operator Interests  
Residents' Interests

Group  
Interests

ULTIMATELY  
RESPONSIBLE  
FOR AGED CARE

Outsources  
Responsibility

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# High Performing Organisations ...



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**... know their**

- **Purpose**
- **Goals**
- **Values**

**... which in turn determine**

- **The way they consistently interact (based on “simple rules” or operating principles)**



# High Performing AGED CARE Systems



Meet the needs and  
aspiration of the aged



Maintain quality of life  
Prevent accidents  
Detect and treat reversible  
diseases  
Support residents and  
families at the end of life



Kindness  
Responsiveness  
Adaptiveness

## “Simple rules” or operating principles

- We learn from each other (not blame each other)
- We readily adapt to the changing needs of our residents
- We assess and respond to deterioration in our residents' Quality of Life



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*Translating Theory into Practice*

## **A PERSON-FOCUSED APPROACH TO AGED CARE**

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# Morbidity Burden of Aged Care Residents



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## 83% are classified as requiring high care

- 60% have dementia
- 40-80% have chronic pain
- 50% have urinary incontinence
- 45% have sleep disorders
- 30-40% have depression

RACGP. Medical care of older persons in residential aged care facilities (4th edition). South Melbourne, Vic: Royal Australian College of General Practitioners, 2006.

People's care needs in aged care. <https://www.aihw.gov.au/reports/aged-care/gen-peoples-care-needs-in-aged-care/contents/summary>.

# The Need for Residential Aged Care Arises from Increasing Physical Frailty, Cognitive Decline, Emotional Lability or Social Vulnerability



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## These declines make aged care residents prone to

- Acute delirium – most commonly caused by urinary and upper respiratory tract infections
- Gait and balance problems – resulting in skin tears, falls and fractures
- Polypharmacy – resulting in series drug-drug interactions, and loss of physical and mental function
- Behaviour issues – resulting from mental decline and emotional lability, physical disability and polypharmacy, and ultimately
- End of life care – requiring coordinated medical and nursing support for the resident and his/her family

# The Needs of Residential Aged Care Residents



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## Care involves three separate but interrelated domains

- **PERSONAL CARE** – provided by personal care assistants and assistants in nursing
- **MEDICAL CARE** – provided by enrolled and registered nurses, mental health nurses, physiotherapists, podiatrists, dieticians and physicians
- **SOCIAL CARE** – provided by lifestyle therapists, diversional therapists and volunteer activities like musicians, artists or animal handlers

# The Aged Person's Needs/Aspirations Driving Aged Care

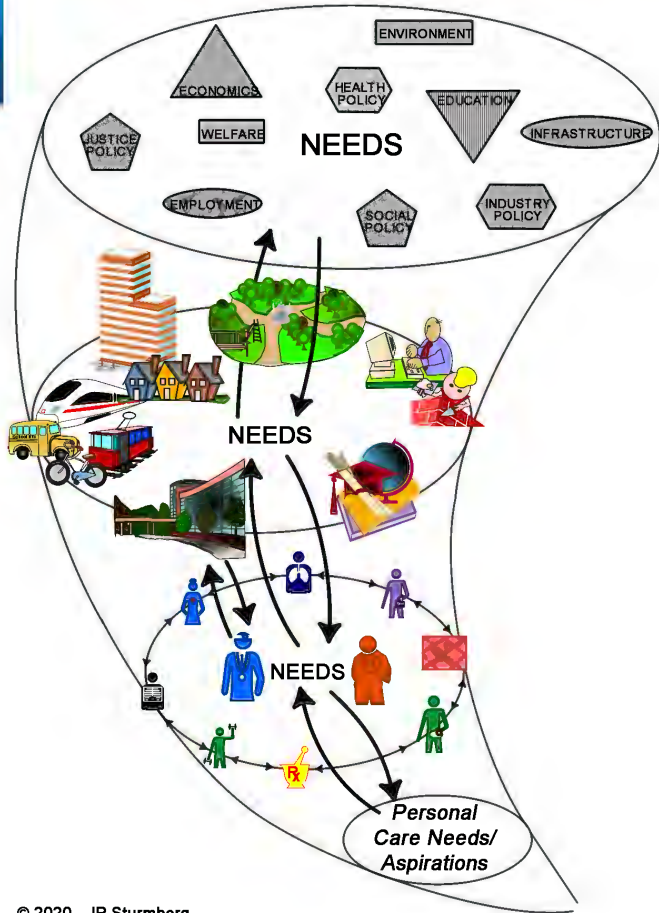
## Key Characteristics of Each Health Service Level

Overarching Policy Framework **focused** on Resident's Needs/Aspirations  
 Responsibility for Funding and Governance

Seamless transition between residential care, hospital based care, rehabilitation and end-of-life care

Continuing Therapeutic Relationship with a Personal Care Staff - GP, nurse(s), personal carers, required allied/diversional/recreational health professionals

**CORE Focus/Driver of the Aged Care System**



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# COVID-19 – Highlighted Significant Systemic Failures in Aged-Care



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## The Numbers

- **Positive COVID-19 Swabs**
  - 2027 residents
  - 2229 staff members
- **95 aged care facilities had 1 case only**
- **51 aged care facilities had 21+ cases**
- **676/905 deaths in aged care (74.7% of all deaths)**

Data as of 23-Oct-2020

## Problems Identified

- **Poor infection control**
- **Poor staff training in proper use of PPE**
- **Lack of PPE in a number of aged care facilities**
- **Management was underprepared to manage a crisis**

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# Consequences (for the Top Level)



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- **The top-levels must provide the purpose, goals and values for the aged-care system-as-a-whole**
- **In line with the purpose, goals and values of the system-as-a-whole the top-levels must provide the required resources**
- **The top-level must allow the EMERGENCE of the BEST ADAPTED LOCAL SOLUTIONS that reflect the purpose, goals and values of the system-as-a-whole**



# Consequences (for the Bottom Level)



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- **STAFF RATIOS** – nurses, personal care staff, physios, diversional therapists
- **SKILLS MIX** – reflective of residents needs
- **FLEXIBILITY** – permission to respond to suddenly changing needs, demands and circumstances
- **CAREER PATH** – on par with other skills domains
- **ONE GLANCE OVERVIEW** – record systems that allow visualisation of residents' current health status



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*Royal Commission into Aged Care Quality and Safety*

**HOW MUCH HOPE IS JUSTIFIED IN LIGHT OF  
FACTS vs POLITICS?**

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# Causes of Systemic Failures



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Systemic failures happen because of ***underlying causes in the way the aged care system is designed and governed***, and to some extent because of the attitudes within Australian society and government which inform those decisions.

The **causes of systemic failure** identified through the work of the Royal Commission include the following:

- a. attitudes to aged care and the delivery of services
- b. funding and financing
- c. inadequate governance and regulatory frameworks
- d. failure to take opportunities for improvement

ROYAL COMMISSION INTO AGED CARE QUALITY AND SAFETY  
COUNSEL ASSISTING'S FINAL SUBMISSIONS, paragraph 90,  
RCD.9999.0541.0001 23-Oct-2020

# Competition Model Doesn't Work



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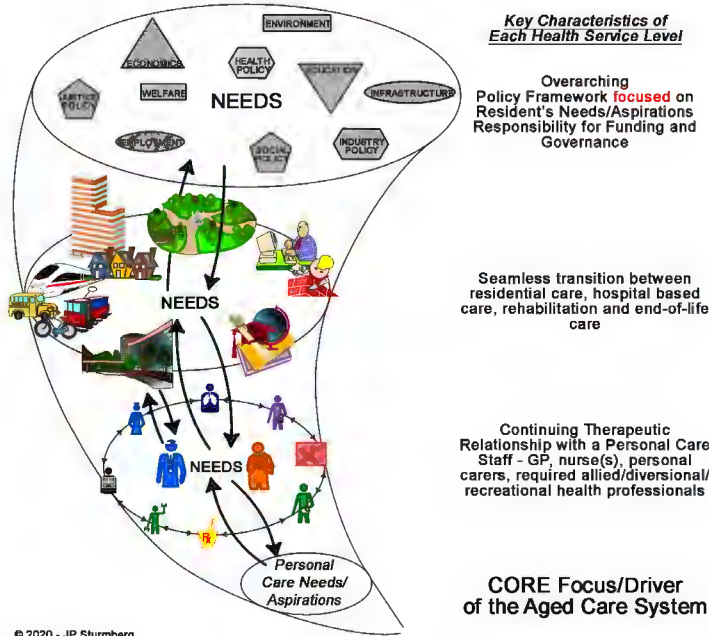
**The legislative and regulatory framework of and under the Aged Care Act 1997 (Cth) has encouraged this approach, and has used language reflective of it, such as by describing people who need aged care as ‘consumers’ and emphasising the protection of consumer rights.**

*User Rights Principles 2014 (Cth), section 5(1)(a), (b), (ca), (d) and (e).*

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# Half-hearted Vision of the Resident's Needs being the Focus

## The Aged Person's Needs/Aspirations Driving Aged Care



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## Not stated are key organisational principles

- Purpose
- Goals
- Values
- Operating principles

# Bickering Amongst Commissioners



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Lynelle Briggs

**"The independent commission that you describe in your submissions is quite an extraordinary proposal and, indeed, some might even call it courageous."**

**"I am yet to hear you present arguments, counsel, as to how the commission model will improve the quality and safety of care for older Australians, or how any such benefits would outweigh the very substantial costs and disruption involved in such a radical transformation of the Government's administrative machinery."**

# Doing More of the Same and Expecting a Different Result ...

- Making the regulator more robust so it was really the "tough cop on the beat" and a "one-stop shop" for complaints
- Health Minister Greg Hunt used the same terms in 2018 when he established the very regulator that has been found to be **so woefully inadequate** at this Royal Commission

# Bickering Amongst Commissioners



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Tony Pagone

- Emphasised the Government's overwhelming concern with the bottom line — a Howard government cabinet-in-confidence document from 1997 showed that aged care was effectively privatised
- The Government lauded its reform because it "has saved billions since its introduction and continues to do so"
- The document "did show what some might regard a rather cynical approach — when you have the combination of the people spending money with those guiding the money"
- Supports **PUTTING THE ELDERLY FIRST** – requires an authority that is not worried about the cost and that is independent of the Government of the day



# Current Government Response



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**Throw more  
money at  
the “sinking  
Titanic”**

- **Aged care royal commission interim findings prompt \$500 million in additional funds**
  - ✓ \$25 million will be spent on medication management programs to reduce chemical restraint use
  - ✓ The Government wants no-one under 45 living in aged care by 2022

**Impose  
more  
reporting**

- **Increased reporting to Aged Care Quality and Safety Commission**
  - ✓ Use of drugs
  - ✓ Incidents between residents with dementia

## Governance

An oversight framework  
The process by which to organise an entity through laws, norms and/or actions

## Accountability

An answerability framework  
The process by which to demonstrate the discharge of one's responsibilities



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## Accountability

### UNDERLYING ASSUMPTIONS

#### To WHOM?

*Hierarchical Accountability*

**Command and Control**  
in a hierarchical organisation

**Responsiveness**  
in a complex adaptive organisation

#### For WHAT?

*Functional Accountability*

**PROCESS orientation**

**ISSUES and GOALS orientation**

Doing things right versus Doing the right thing  
(Peter Drucker)  
Counting what can be counted versus Counting what counts  
(Albert Einstein)

Donald A. Schön  
Reflection in action  
Reflection on action

Peter Senge  
Shared Vision  
Mutual Relationships  
Trust  
Information Sharing  
Empowerment

Trust in protocols/  
procedures

Works well  
in production  
**PREVENT VARIABILITY**

Trust in people

Works well  
in changing  
environments  
**PREVENT DISASTERS**

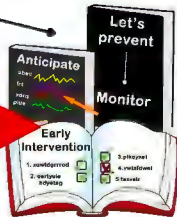


**Reactive**



**Not ALL FALLS are PREVENTABLE**

**Proactive**



## Defensibility

Adherence to procedure  
Legal protection of the organisation

Honouring the resident's autonomy and dignity

Quality of Care  
Quality of Life



# Contrasting Mind Models and Their Consequences

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# Accountability

## UNDERLYING ASSUMPTIONS

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### For WHAT?

*Functional Accountability*

**PROCESS orientation**

**ISSUES and GOALS orientation**

*Avedis Donabedian*  
Structure  
Process  
Outcome

Doing things right versus Doing the right thing (Peter Drucker)  
Counting what can be counted versus Counting what counts (Albert Einstein)

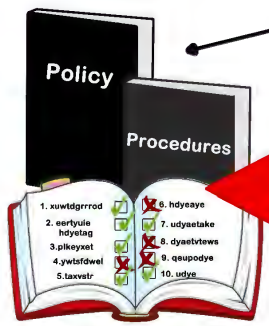
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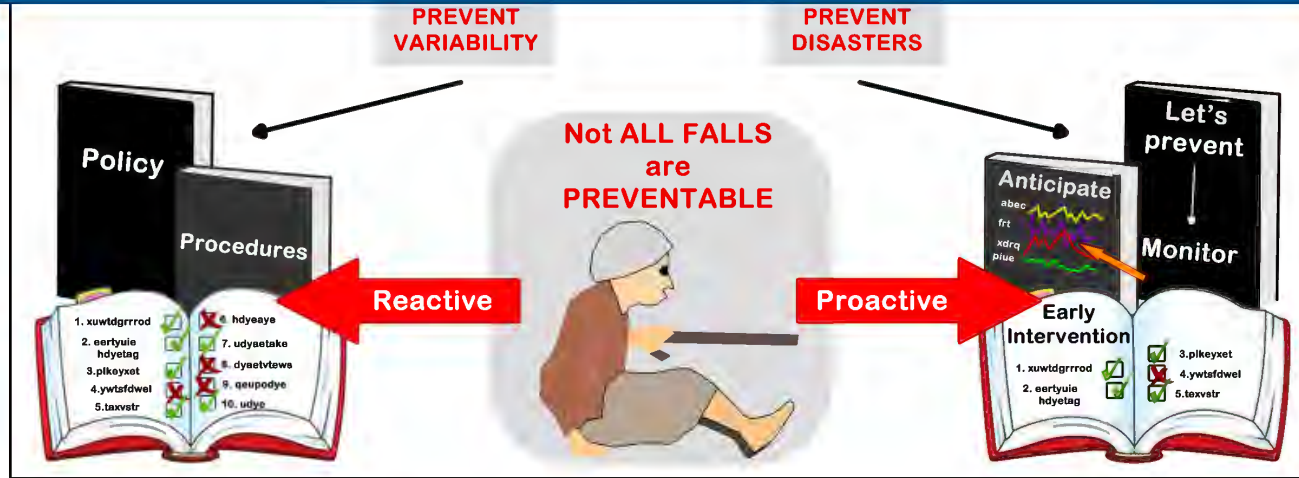
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**Not ALL FALLS are PREVENTABLE**





### Defensibility

Adherence to procedure

Legal protection of the organisation

### Honouring the resident's autonomy and dignity

Quality of Care

Quality of Life

# More on Governance and Accountability to Follow



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## **Governance**

*An oversight framework*

The process by which to organise an entity  
through laws, norms and/or actions

## **Accountability**

*An answerability framework*

The process by which to demonstrate  
the discharge of one's responsibilities