



27 January 2017

Submission to the Finance and Expenditure Select Committee on the Budget Policy Statement 2017

Each person will have someone within their care team allocated the role of navigator. The person undertaking the navigator role will be responsible for providing advice, encouraging self-management, explaining the pathway, coordinating referrals and providing a point of continuity. In most cases the role will be undertaken by a member of the person's primary health care team.

Ministry of Health: *New Zealand Framework for Dementia Care, 2013*

It is unlikely that the usual specialist-led approach to dementia care can expand fast enough to keep up with increases in need, and even more unlikely that healthcare coverage can be improved without rebalancing to give primary care a more prominent role...Increasing the role of primary care services can unlock capacity within the system for diagnosis and continuing care and may be up to 40% cheaper than specialist care in high income countries.
Alzheimer's Disease International: *World Alzheimer Report 2016*

Summary of main points

- **To achieve the Government's aims to improve public sector productivity and to deliver better public services within tight financial constraints, the Government needs to fully implement the 2013 *New Zealand Framework for Dementia Care*.**
- **Dementia is a rapidly growing area of health expenditure, and this will continue to increase in coming decades. Simply expanding or scaling up the existing specialist model of dementia care to meet this growing demand is unaffordable.**
- **There is a widespread local and international consensus that what is required for this purpose is a restructuring of health systems addressing dementia to ensure greater coordination and consistency of care of people with dementia.**

- Initiatives to achieve this would be a valuable investment in obtaining better results from health spending by reorganising and redirecting health spending towards options which are more cost-effective than the present arrangements.
- Alzheimers New Zealand's recommended top priorities for Vote Health in Budget 2017 would fully implement the NZ Framework for Dementia Care in:
 - Creating the Navigator positions initially pledged in the *NZ Framework for Dementia care*
 - Providing 12 months' post-diagnostic support;
 - Funding high quality information for people with dementia and their carers.
- Post diagnostic support, case management and other forms of support such as carer education can reduce the need for supplementary care and delay the transition into residential care. This improves quality of life for people with dementia, and reduces costs of care. The Alzheimers NZ *Economic Impacts of Dementia 2008* report calculated that delaying entry to residential care by only three months would have reduced costs that year of \$32 million.
- The proposed initiatives also allow more people with dementia and their carers to contribute to a productive and competitive economy, and to managing independently the impacts of dementia on their lives, rather than having time and energy diverted in navigating a complex and fragmented dementia health system.

Background

1. Alzheimers New Zealand represents people affected by dementia at a national level by raising awareness of dementia, providing information and resources for people affected by dementia, advocating for high quality services for people affected by dementia, and promoting research about prevention, treatment, cure and care of people affected by dementia.
2. We support a federation of local Alzheimers organisations throughout New Zealand, each of which is a member of Alzheimers NZ. Local Alzheimers organisations provide support, education, information and related services directly to members of their communities who are affected by dementia.

Demographics of Dementia

3. The Treasury reports through its long-term fiscal planning that New Zealand's ageing population has long term implications for the economy and for the government's finances. Increasing numbers of older people will place pressure on government spending programmes, particularly public health care and superannuation.¹
4. There is a lack of formal data on the prevalence and incidence of dementia in New Zealand. Alzheimers NZ has been filling that gap by commissioning reports from Deloitte Access Economics on the economic impacts of dementia in 2008 and 2012. We are currently working with Deloitte Access Economics to update that series. The report is due in March 2017.
5. Based on the updated 2012 Economic Impact of Dementia figures and Alzheimer's Disease International forecasts, we estimate that there are approximately 60,000 people with dementia in New Zealand, which will triple to over 150,000 by 2050.

Alzheimers New Zealand Budget recommendations

6. Alzheimers NZ has made a detailed submission to the Ministry of Health on our recommendations for Vote Health in Budget 2017. Alzheimers NZ's top priorities for Vote Health in Budget 2017 are:
 - Create the Navigator positions initially undertaken in the *NZ Framework for Dementia Care*;
 - Provide 12 months post-diagnostic support for each person diagnosed with dementia and for their family carers;
 - Fund high quality information for people with dementia and their carers.
7. These recommendations link strongly to two of the Government's Budget priorities:
 - Build a productive and competitive economy
 - Deliver better public services within tight financial constraints
8. We would like to take this opportunity to brief the Finance and Expenditure Select Committee of the importance of early investment in these initiatives, in order to meet the Government's Budget goals.

¹ Buckle R. and Cruickshank, A. *The Requirements for Long-Run Fiscal Sustainability: Draft Paper for the Long-term Fiscal External Panel*, The Treasury 2012

Better public services

9. The Budget Policy Statement notes the importance of “spending to achieve better outcomes for New Zealanders, and to meet demand and other pressures on social spending”. Health is one of the most significant areas of social spending.
10. With dementia numbers increasing and expected to continue to increase, unless there is a major scientific breakthrough, governments around the world are preparing for an increase in dementia care. They are searching for ways to increase diagnostic and treatment coverage, while improving quality of care.
11. The government’s strategy, as set out in the NZ Framework for Dementia Care², reflects the increasing international consensus that simply upscaling the current specialist model of dementia care is unaffordable. Dementia case managers based in primary health care organisations are among core proposals internationally for increasing coverage in an affordable way, while also increasing coordination of care.
12. This goal, and the other Alzheimers NZ budget recommendations, are recognised in the New Zealand Framework on Dementia Care, where the position of “Navigator” was a key role envisaged for health services in New Zealand. This approach has many positive outcomes. When fully implemented, it will provide a better quality of life for people with dementia and their carers; assist people to remain in their homes for long and thereby reduce the increase in costs, for example, for residential care. However, the Framework has not been funded or implemented, and few of these positions have been established to date.
13. Post diagnostic support, case management and other forms of support such as carer education can reduce the need for supplementary care and delay the transition into residential care. This can improve the quality of life for people with dementia, and also considerably reduce costs of care.
14. The 2008 Alzheimers NZ report on the *Economic Impacts of Dementia* estimated that delaying entry to residential care by three months would have resulted in savings in that year of \$32 million, taking into account the cost of home based services.
15. The government’s investment approach in care for vulnerable children and other areas of social spending recognises that investing at an earlier stage can reduce long-term costs. It is also important to invest early in the course of dementia, as failing to invest

² Ministry of Health (2013) *New Zealand Framework for Dementia Care* Wellington

early can result in significant health costs if it is poorly treated and managed, as well as productivity losses for carers who may have to reduce or give up paid employment to look after their care partner.

16. It is of benefit to people with dementia, to their families and carers, and also to the government accounts to have people who are well supported in primary and community based care, while ensuring that residential and secondary/tertiary specialist care is available to those who require it.

A productive and competitive economy

17. Many New Zealanders think of dementia as a disease that only occurs at the end of a person's life, because in the past people may not have been diagnosed with dementia until late in their lives, once the disease has progressed. However, while dementia is more common in older people, it also affects people as young as 40, and care partners are often young and working age. It is also increasingly understood as a chronic condition that people may live with for many years.
18. Alzheimers NZ and our members know that with the appropriate support, people can continue as productive and contributing members of the community. Enabling people with dementia to access early the support they need to continue to function well has many personal and community benefits. It increases the wellbeing and quality of life of both people with dementia, and their families and carers, while reducing the lifetime costs of dementia care for individuals and for the state.
19. Family members and carers of people with dementia report through the Alzheimers NZ Consumer Advisory Group that well-coordinated care makes a positive impact on their ability to continue to participate in the workforce and in other areas of their lives. Similarly, poorly coordinated care can result in disruptions and difficulties for family carers and have a negative impact on their ability to function as productive members of the workforce.
20. For example, a daughter of a person with dementia told us how constant interruptions during working hours caused by navigating the complex medical and social care system meant she had to reduce her hours of employment. This had an impact not only on her own income, but also on the productivity and effectiveness of the businesses she was working with as a business consultant.

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21. Alzheimers NZ 2012 estimates were that productivity losses due to dementia include the lower employment participation of people with dementia (\$157.7 million), higher rates of being absent from work (\$2.9 million), premature mortality (\$6.9 million), and the opportunity costs for carers (\$37.2 million).
22. Navigator positions and post-diagnostic support would enable both people with their dementia and their carers to be able to fulfil more of their potential as productive contributors to New Zealand's economy.

Conclusion

23. The search for better public services is about ensuring better outcomes for people while working within tight financial constraints for government social spending. Health and social care costs for people with dementia is projected to be a rapidly expanding area of demand and need.
24. It is important that specialist dementia services, primary and secondary health services, and social care including both home based and residential care options are available for people with dementia. However, given the rapid increase predicted in numbers affected by dementia, it is unaffordable simply to upscale the present model of dementia care.
25. There are good reasons for implementing task-shifting and task-sharing models with a greater focus on case management and support within primary health care. Fully implementing the Ministry of Health's 2013 Framework for Dementia Care, particularly in relation to the creation of the Navigator positions and in providing post-diagnostic support, is a cost-effective solution which will deliver better outcomes.
26. If the government fully funded and implemented its own strategies and plans in relation to dementia, it would achieve both health and social wellbeing goals, and its Budget priorities of **Better public services** and a **Productive and competitive economy**. The blueprint exists already – what is needed is the funding and practical commitment to implementing it.