

NATIONAL AGED CARE ALLIANCE

DISCUSSION PAPER

Increasing Choice Stage 2: Integrating Home Care Packages and the Commonwealth Home Support Program (CHSP)

This paper responds to the Government's intention to integrate Home Care Packages (HCP) with the Commonwealth Home Support Program (CHSP) to create a single home care system into the future.

The National Aged Care Alliance (the Alliance) believes that the creation of a single integrated home care program is a key step in achieving the recommendation of the Productivity Commission's *Caring for Older Australians Report* that supports 'a single integrated, and flexible, system of care entitlements'.

This paper takes into consideration 2017 Federal Budget announcements relating to aged care, and outlines the views of the Alliance on what is required to ensure an appropriate transition for consumers and providers to a single home care program and key milestones to be achieved between now and 2020.

For the purposes of this paper the new program formed by the integration of CHSP and HCP will be referred to as Support@Home. This is for simplicity when reading the document and not a suggested name for the program.

RECOMMENDATIONS

Recommendation 1: That Government develops appropriate mechanisms to ensure consumers, providers, health professionals and the broader aged care sector are engaged and consulted in the development and rollout of Increasing Choice Stage 2.

Recommendation 2: That Government provide a firm timeline on reform activities that will take place prior to and post 1 July 2020.

Recommendation 3: That Government adopt the Support@Home program design principles outlined.

Recommendation 4: That Government adopt the assessment design principles outlined.

Recommendation 5: That the integration of RAS and ACAT teams into a single assessment workforce commences from July 2018.

Recommendation 6: That the efficacy of a single assessment workforce and referral processes be monitored and evaluated to ensure equity of access and outcomes for consumers, especially those with special needs.

Recommendation 7: That the NSAF is further developed for use as the single assessment tool across the Support@Home program.

Recommendation 8: That Government undertake modelling and piloting to determine criteria of frequency and nature of reassessment in the Support@Home program.

Recommendation 9: That subject to the outcomes of the Government's wider integrated carer support services initiative, Government develop a plan for Carer Support Services.

Recommendation 10: That Government immediately develop an urgent referral pathway from My Aged Care screening to RAS assessment.

Recommendation 11: That Case Management be provided to the individual and funded over and above the individualised budget provided to the consumer.

Recommendation 12: That Case Management funding be based on the outcome of the assessment. Funding should be provided through a tiered system that increases with the individual's level of assessed need, and allows for additional funding if required for consumers with special needs.

Recommendation 13: That consistent means testing and fee arrangements are implemented across the single Support@Home program. Fees should be charged at a level that is proportionate to the total value of the package of services.

Recommendation 14: That Government introduce a simple applied fee structure, that is easily understood by consumers, and undertakes a review of consumers' lifetime and annual caps in relation to income tested fees.

Recommendation 15: That Government align funding levels, means testing arrangements and fees for higher level packages with residential care.

Recommendation 16: That a cost of care study be conducted and acted on so that subsidies for consumers are known to meet the full cost of accommodation and services provided.

Recommendation 17: That providers be required to publish their prices for services provided through the Support@Home program.

Recommendation 18: That Government clearly define the new roles of each stakeholder group and how the system will provide for the needs of providers and health professionals (e.g. transition support), carers (e.g. support and information), and consumers (e.g. be empowered to make decisions) under the new Support@Home program.

Recommendation 19: That Government address problems with the current issue resolution process, and respond to existing and arising issues in a transparent and timely manner while the new payment system is being developed.

Recommendation 20: That Government develop appropriate mechanisms to ensure providers are engaged and consulted in the development of the new payments system. This should include transparent and timely processes for feedback, queries and issue resolution during the design and implementation period.

Recommendation 21: That Government allocate sufficient resources to allow for the full development of a fit for purpose payments systems for Support@Home.

Recommendation 22: That Government invest even more resources in My Aged Care to ensure a much more effective, efficient and transparent system is in place prior to the integration of CHSP and HCP.

Recommendation 23: That Government develop a package of tailored transition measures (in collaboration with consumers, providers, unions, health professionals and local government agencies) on the changes to CHSP and HCP arrangements.

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1. POLICY CONTEXT

This paper builds on the National Aged Care Alliance's Position Statement for the *2016 Federal Election* (April 2016), the Aged Care Sector Committee's *Aged Care Roadmap* (March 2016), and the National Aged Care Alliance's *Blueprint II 'Enhancing the quality of life of older people through better support and care'* (June 2015), and takes into consideration the 2017 Budget announcements and the current aged care reform process.

1.1 2017 Federal Budget

The 2017 Federal Budget delivered several measures across aged care which have informed this paper. In response to the budget announcements, the Alliance:

- Strongly supports the increased focus on wellness and reablement.
- Welcomes the extension to CHSP contracts in providing continuity and security for providers and consumers.
- Is deeply concerned about the delay in the development of an integrated assessment workforce.
- Seeks assurances of firm timelines on reform activities that will take place prior to and post 1 July 2020.
- Seeks clarification on Sector Support funding into the future, with current contract extensions due to finish on 30 June 2018.

1.2 Reforms and reviews in progress

This discussion paper recognises the progress made since the Productivity Commission's report, *Caring for Older Australians*. It also recognises that there are reforms and reviews committed to by the Australian Government that are in progress and that the final outcome(s) of these will be relevant to the integration of the CHSP and HCP, these include:

- Increasing Choice Stage 1
- The National Aged Care Advocacy Program and the development of a National Aged Care Advocacy Framework
- Single Quality Framework
- Single Standards
- Accreditation Marketplace
- The development of an Aged Care Diversity Framework.
- Current reviews into the Aged Care Funding Instrument (ACFI), the National Screening and Assessment Form (NSAF), the Regional Assessment Service (RAS) and the Aged Care Legislated Review.
- The ongoing disability reforms related to the development of the National Disability Insurance Scheme (NDIS), which established that supporting the disability needs for people aged 65 or over was the responsibility of the Commonwealth Government.

Where possible this discussion paper recognises these interdependencies, but notes that the Alliance will provide further advice on these reforms through the relevant channels as they progress.

1.3 Key future dates

The following key dates have been taken into consideration in the development of this paper and associated milestones for rollout of the new Support@Home program (*see Part 5. Indicative Milestones*):

- WA My Aged Care Assessment commences 1 July 2018
- New Quality Standards from 1 July 2018
- Transfer of program responsibility from VIC and WA to the Commonwealth from one July 2018 for WA HACC, with program funding stability ceasing from 1 July 2019 for both WA and VIC.
- Full commencement of the Continuity of Support Programme and the National Disability Insurance Scheme on 1 July 2019

1.4 Ongoing reform complexity and uncertainty

Increasing Choice Stage 2 is the next step in a series of ongoing reforms being rolled out through a staged approach over 10 years as part of the changes to aged care announced in 2012.

The Alliance wants to acknowledge the impact of the whole of reform process on the sector to date. Consumers and providers have been impacted through earlier areas of the reforms where there were limited consultations, short timeframes for implementation, or the insufficient mitigation of known issues (e.g. equity of access in rural and remote areas). Currently service providers are still adjusting to the new Home Care Packages marketplace and the ACFI reforms, and are seeking clarification on the sequencing of changes between now and 1 July 2020 ahead of full integration of CHSP and HCP.

Recommendation 1: That Government develops appropriate mechanisms to ensure consumers, providers, health professionals and the broader aged care sector are engaged and consulted in the development and rollout of Increasing Choice Stage 2.

Recommendation 2: That Government provide a firm timeline on reform activities that will take place prior to and post 1 July 2020.

2 PROGRAM ARCHITECTURE

The Alliance reaffirms its support that the Government continue with its vision to create a single integrated care at home program from July 2018, based on the following four broad policy objectives:

- *To make the system easier to navigate for consumers*
- *To increase choice and control for consumers in relation to their care*
- *To ensure that the system is sustainable into the future*
- *To simplify funding arrangements and reduce red tape for providers*

Furthermore, the Alliance supports the integration of HCP and the CHSP as the first step in achieving the vision outlined in the Aged Care Roadmap of a single aged care system in which unnecessary distinctions between home care and residential care are removed.

The Alliance recognises that these changes represent an important philosophical shift in the way aged care services are delivered in the community, and the relationships between Government, service providers and consumers. The impact of this should be recognised as an opportunity to not only create a new program that will serve the longer term needs of Australia's ageing population, but also as an opportunity to promote positive societal attitudes about aged care and encourage individuals and families to proactively plan and prepare for their future care needs.

2.1 Support@Home Program Design Principles

The Alliance supports the application of the following program design principles in designing the new Support@Home program:

Service Viability – Ensuring future service viability through trialling and piloting different funding models that consider the impacts and benefits to consumers and providers, and evaluating the effectiveness of each model (including benefits to consumers and the cost to Government) to allow for an open market whilst being fiscally responsible.

Co-design – The Support@Home program is developed through a co-design process with consumers and providers.

Consistent service delivery – The delivery of nationally consistent high quality services to ensure equity of access to agreed outcomes for all service recipients.

Aligning funding – That a single system of subsidies for individuals which is agnostic as to where the care is received be created. Such a system would provide subsidies for care that would follow the consumer, regardless of where that care is provided and would foster flexibility and innovation in service models. This would include the alignment of funding levels and income tested fees for consistency across higher levels of care under Support@Home (currently level 3 and 4 under the home care packages program) and residential care.

Consistent means testing and fees – The alignment of means testing arrangements and the application of fees across the single Support@Home program and residential care.

Aligning program standards and quality frameworks – Government will continue to regulate for consumer protection, safety and quality of aged care through the Single Aged Care Quality

Framework. The Alliance supports further discussion on options for mutual recognition of standards between relevant sectors.

Wellness and Reablement – That a wellness and reablement focus (including restorative care) is embedded and applied across all services provided in the new Support@Home program to ensure that consumers have access to care and services that will improve or maintain their independence and place in their community to the greatest degree possible. To be effective this should be a focus from the point of screening, through to assessment and care provision.

Home environments which support wellness and reablement – a program of aids, equipment, assistive technology and home modifications which addresses safety requirements in the home, maintains functional ability, independence and quality of life, and establishes suitable referral and specialist assessment pathways to ensure these are delivered when they are required and are fit for purpose.

Transparency and accountability – Robust and relevant data collection and transparent public reporting processes to provide clarity for consumers and the broader sector on access, assessment, service provision, and consumer outcomes. This must include improved data collection processes to capture diversity and special needs groups.

Recognition of thin markets – An understanding and recognition of the differing business models that operate in thin and niche markets currently and the impact on those businesses in moving to a single Support@Home program. This could include allowing for trialling of different funding models and/or variations to funding models to meet the needs of consumers in these markets.

Social Capital – Existing social capital, including the important and vital role of carers, volunteers and local communities in the delivery of community based aged care services needs to be recognised and strategies put in place for ensuring these are maintained and supported into the future.

Subsidy reduction – Applicability of subsidy reduction across the Support@Home program.

Support for diversity and consumers with special needs¹ – The delivery of services to groups and/or individuals who may require additional support needs to be embedded in the design of Support@Home from the outset and not retrofitted to a new model. That individualised funding be tailored to include the different circumstances of people with diverse, specialised and special needs.

¹ The Alliance recognises that older people who may face additional barriers to accessing aged care, such as the special needs groups recognised in the Aged Care Act 1997, must receive additional support in accessing services. Groups and individuals who may require additional support include, but are not limited to:

- People living with cognitive impairment and dementia;
- People experiencing disability;
- People of Aboriginal and Torres Strait Islander communities;
- People from culturally and linguistically diverse backgrounds;
- People in rural or remote areas;
- People experiencing financial or social disadvantage;
- Veterans;
- People who are homeless or at risk of becoming homeless;
- Care Leavers;
- Parents separated from their children by forced adoption or removal; and
- People of diverse sexual orientation, gender identity or intersex characteristics (LGBTI).

Improved workforce strategies – The Alliance supports the workforce announcements in the 2017 Federal Budget announcement, and reaffirms its position that to be effective the workforce strategy must be co-designed with the aged care sector. The strategy should also take into consideration:

- The needs of the sector in moving to a single assessment workforce
- Mechanisms to encourage better coordination across the social services sectors (including health, aged care, disability and community services)
- Strategies for recruitment, retention, education, development and remuneration to ensure that the workforce needs of each of the sectors are met across all geographical areas
- Support for family and friend carers

Innovation – A program design that encourages, supports and allows for innovative practices to drive better service delivery outcomes.

Social Impact Measurements – A commitment to working towards a measurement of social impact and well-being outcomes for service delivery is a preferred future state for the Support@Home program. Done well and widely adopted, this will provide accelerated and more meaningful outcomes to consumers and better focused funding instruments.

Recommendation 3: That Government adopt the Support@Home program design principles outlined.

3 TRANSITION CONSIDERATIONS

The level of change in moving to a consumer-led and demand-driven single home care program raises transitional risks for all stakeholders. An important means for mitigating these risks is transparency of program directions and co-designing the Support@Home program with consumers and the sector so that all stakeholders can be prepared, rather than respond to ad hoc changes.

The key transition considerations for the development of the Support@Home program are:

3.1 Assessment

The Alliance supports a Government operated assessment process that is agnostic, free for consumers, and where practicable operates independent of service providers.

An assessment should include the assessment of eligibility, care and support needs, a maximum funding level, whether the service required is to be time limited or ongoing, and consider the consumer's relative need and circumstances and their physical, emotional and care needs. The assessment should have a wellness and reablement focus (with at a minimum a focus on maintaining independence and quality of life) regardless of the care type or duration. Criteria should be developed regarding the process for reassessment or review as care and support needs change.

Consumers who are fully self-funded will still be able to use the assessment service, and information provided by the assessor and through My Aged Care to make informed choices regarding their care needs.

3.1.1 Assessment design principles

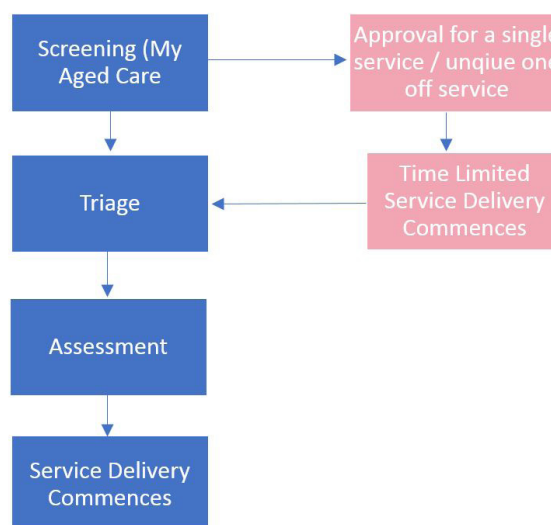
The Alliance supports the application of the following design principles in developing the assessment framework for the Support@Home program:

A single assessment workforce – The integration of the existing RAS and ACAT teams into a single, independent assessment workforce. The transition to a single assessment workforce, including the tender, is informed by the RAS review and current ACAT referral, waitlist and assessment data.

Timely access – Timely access to appropriate assessment and commencement of services. To enable this the Alliance supports a tiered (or similar) assessment process that will allow timely access to services for individuals with low needs and/or a unique once off service.

The Alliance supports an assessment process that gives My Aged Care staff the ability to screen and then approve an individual for a single service (for a time limited period) whilst they wait for their assessment to be completed.

This model will require the upskilling and ongoing training of My Aged Care staff to undertake screening and risk assessments to determine and approve eligibility for a single / unique one off service.



An appropriately funded and qualified assessment workforce – A workforce strategy that will lead to a well-led, well-trained workforce that delivers appropriately qualified and trained staff to provide effective and timely assessment services, and meet the demands of an ageing population.

Assessor competencies – A minimum set of competencies and ongoing professional development required for all assessment staff.

Multidisciplinary team structure – An integrated multidisciplinary team based assessment, that includes the involvement of health professionals, nursing, allied health and medical professionals as required. This must be supported by a robust triage process within the assessment teams.

Single assessment – Consumers are only assessed once, except when a future clinical assessment is required.

Single assessment tool – Feedback from the sector to inform further development, monitoring and evaluation of the NSAF to ensure its effectiveness and appropriate use by all assessors under a single assessment workforce, including screening at My Aged Care.

Intake and triage protocols – Protocols to be developed to assist assessment teams in managing intake, ensuring timely access to services, and assigning consumers to the most appropriate assessor based on skills and expertise.

Reablement and wellness – All components of the assessment should be developed with a reablement and wellness focus that as a minimum supports independence and quality of life, and should be an initial intervention that is available to all consumers up front.

Cultural safety – Assessment processes are provided in an environment that is spiritually, socially, emotionally, and physically safe for the consumer (and their support person(s)), and aligns with the cultural values and norms of the person receiving an assessment.

Time limited and restorative – The assessment process should consider the benefits (if any) of providing time limited services where appropriate.

Inclusive of carers – Early identification of carer needs and support planning should be a priority of the assessment service.

Special needs – The assessment process is developed to ensure that people with special or specialist needs are supported to access and participate in an assessment.

Urgent referral pathways – The assessment process includes consistent urgent referral pathways from My Aged Care screening to referral under Support@Home.

Recommendation 4: That Government adopt the assessment design principles outlined.

3.1.2 Assessment Framework Implementation

The Alliance supports the rollout of a single assessment workforce and single assessment tool, based on the design principles outlined above, and makes the following recommendations.

Recommendation 5: That the integration of RAS and ACAT teams into a single assessment workforce commences from July 2018.

Recommendation 6: That the efficacy of a single assessment workforce and referral processes be monitored and evaluated to ensure equity of access and outcomes for consumers, especially those with special needs.

Recommendation 7: That the NSAF is further developed for use as the single assessment tool across the Support@Home program.

Recommendation 8: That Government undertake modelling and piloting to determine criteria of frequency and nature of reassessment in the Support@Home program.

Recommendation 9: That subject to the outcomes of the Government's wider integrated carer support services initiative, Government develop a plan for Carer Support Services.

Recommendation 10: That Government immediately develop an urgent referral pathway from My Aged Care screening to RAS assessment.

3.2 Case Management

Currently Case Management for consumers is only included in the HCP program. Case management was previously available under the HACC program and was removed as a service type under CHSP on the basis that only more complex care clients in the HCP program required case management. It was proposed that a 'linking service' would be available via My Aged Care to support the most vulnerable CHSP clients with short-term case management as necessary.

The Alliance believes that access to Case Management services should be available to eligible older Australians based on assessed need under the Support@Home program, and not just to a pre-determined group of clients.

The Alliance supports the identification of case management as a service type that can be accessed by anyone within the Support@Home program. Furthermore, the Alliance believes that the costs of case management services should be funded in addition to the service budget assigned to the individual.

The Alliance believes that consumers are experts in their own life and can best judge what they need when well informed. Case Management in aged care should be a consumer led process based on a direct relationship between a care worker and the older person that allows them to select the services and provider(s) best suited to them and design the package of services they receive. This recognises that some individuals may require support and that the level of support will differ from person to person.

Recommendation 11: That Case Management be provided to the individual and funded over and above the individualised budget provided to the consumer.

Recommendation 12: That Case Management funding be based on the outcome of the assessment. Funding should be provided through a tiered system that increases with the individual's level of assessed need, and allows for additional funding if required for consumers with special needs.

3.3 Fees and Charges

The Alliance supports the development and implementation of an equitable fees, charges and means testing framework across aged care that is based on the level of service being received. Fees and charges should be calculated based on the individual consumer's capacity to pay, with a streamlined and clearly articulated process for insuring access for those who do not have the capacity to pay.

The development of any new fees, charges, or means testing frameworks should be undertaken through a co-design process with the aged care sector.

Recommendation 13: That consistent means testing and fee arrangements are implemented across the single Support@Home program. Fees should be charged at a level that is proportionate to the total value of the package of services.

Recommendation 14: That Government introduce a simple applied fee structure, that is easily understood by consumers, and undertakes a review of consumers' lifetime and annual caps in relation to income tested fees.

Recommendation 15: That Government align funding levels, means testing arrangements and fees for higher level packages with residential care.

3.4 Funding Models

The Alliance supports a single aged care and support service system that is market based with an uncapped supply of services. This includes subsidies for individuals which are agnostic as to where the care is received, that follow the consumer, and foster flexibility and innovation in service models.

Funding under the new Support@Home program should allow:

- Consumers to choose: a) the setting (e.g. in their home or in a variety of other residential settings); and b) type of care and support they will access.
- Providers to have greater flexibility and incentive to develop innovative and responsive services that respond to consumer needs and expectations including episodic, early intervention and restorative care programs.

A combination of Government funding and user pay options with the Support@Home program will facilitate the provision of ageing care and support services, which older people will be able to select according to their needs at home, and ensure that sufficient service infrastructure and choice is in place.

Future funding arrangements will require effective safety nets for marginalised individuals and communities, and those who cannot meet the costs of care, and include a review of the adequacy of supported resident subsidies and other supports. The safety nets will need to address both recurrent and capital costs. Funding methodologies must also recognise that the cost of care continues to rise and that subsidisation of care costs must not be reduced, and are sufficient to ensure access to services without creating unreasonable financial burden on consumers, their families or service providers.

Furthermore, determining the level and distribution of funding must not create perverse incentives which result in a two-tiered system of support where once again the most vulnerable in the community do not receive services essential to their continued independence because they do not have the financial means to contribute to their care. In addition, consumers with low financial means should have equal access to innovative practices where those practices support better responses to assessed needs and goals.

3.4.1 Cost of Care Study

Future funding arrangements should be built on evidence drawn from a cost of care study. A cost of care study will provide transparency for both government and consumers on both service and system costs.

Any cost of care study undertaken into home care should include all aspects of care including workforce, and should be done simultaneously with a residential cost of care study.

Recommendation 16: That a cost of care study should be conducted and acted on so that subsidies for consumers are known to meet the full cost of accommodation and services provided.

3.4.2 Individualised funding

The Alliance continues to support individualised funding for services that are individual in nature and based on assessed needs and goals of the consumer (and carer). These could include (but not be restricted to) nursing, personal care, domestic assistance, home maintenance, respite care, meals and allied health services.

Consumers will choose how these care needs are met (including in what setting) and how to utilise their budget. Consumers requiring multiple service types could receive a ‘packaging’ of services from one or multiple providers of their choosing.

It is important to recognise that the success of individualised funding in a market based system is dependent on consumers having a reasonable level of system literacy that allows them to understand, access and navigate the aged care system.

To this end, it will be essential to fund services that assist consumers to better access the aged system separate to individualised funding (see section 3.4.3). NACA’s Integrated Consumer Support paper explores these issues and support options in more detail.

Attachment 1 outlines some possible, but not exhaustive, options for moving to a single integrated Support@Home program with individualised funding. The Alliance is presenting these options as a starting point in discussion of the design of Support@Home.

Recommendation 17: That providers be required to publish their prices for services provided through the Support@Home program.

3.4.3 Alternative program funding arrangements

The Alliance recognises that while the majority of funding will follow the consumer, alternative funding options may be required to address disadvantage, as necessary. The Alliance recommends that services should be measured against a set of criteria (to be developed) to determine the

appropriateness of how to fund services into the future.

Any alternative funding arrangements must have specific reporting requirements that can monitor and evaluate the effectiveness of that funding on improving service access, provision and outcomes for consumers as an alternative to individualised funding.

Examples of the types of considerations are included below:

| Area of identified need | Considerations and reasons for Program Funding | Considerations and reasons for individualised funding |
|---|---|--|
| Aboriginal and Torres Strait Islander services | Cultural imperatives to deliver and design services for the community and not the individual. | Maintain capacity of specialised services, particularly in remote regions and where populations are small and dispersed. |
| Barriers to access and entry for individuals who experience difficulties in finding, accessing, and interacting with the aged care system. For example, due to cultural background, language, disability, mental health, dementia) | Funding provides support/ information/navigation services to assist and enable individuals to find and access the aged care system. Incentivises the design of services that meet the needs of specific cultural groups, communities or special needs groups. | Can be tailored to the needs of the individual e.g. translation of a care plan (something that currently can only be funded from within a package) |
| Vulnerable consumers (includes but is not limited to special needs groups and geographically thin markets) | Would provide funding certainty to vulnerable consumers, but considerations need to be given as to how funding would provide for some level of consumer choice and incentivise improved quality into the future. | Funding (such as subsidies), that recognises the additional needs of vulnerable consumers and would incentivise the market to provide services to specific populations. Consideration would need to be given to how individualised funding in thin markets would allow for flexible care provisions from providers operating across multiple systems/sectors with limited resources. |
| Maintaining social capital (e.g. Volunteer based services) | Program funding should distinguish between management and service delivery to maintain and enrich volunteers' contribution to society. | Individualised funding would need to consider how to ensure volunteer / free services aren't seen as competition to fee-for-service services (e.g. CVS vs Social Support activities) |
| Infrastructure | How to support capital elements and viability of infrastructure heavy services (e.g. Day Therapy Centres, Transportation) distinct from service delivery. | How to fund individualised services between capital and service delivery. |
| Transport | How to provide for some level of consumer choice and incentivise improved quality and options into the future | How to minimise extra cost of transport being passed onto consumers |
| Sector Support | Ensuring ongoing support of the development of the sector | Ensuring ongoing support of the development of the sector |
| Consumer Support | Ensuring empowered and educated consumers | Ensuring empowered and educated consumers |

3.4.4 Market variations for thin and niche markets

Under a free market based system the market will determine the nature, location and quantity of services. Government will no longer regulate the number or distribution of services; however, it will take other action if necessary to ensure provision in circumstances where services might otherwise not be provided. This includes situations where there are market variations in areas of thin or niche markets.

- Where there is insufficient market response, Government will need to take other steps to ensure the system delivers services to all people assessed as in need of support and care. This could include:
- Non-market based funding, which could include increased prices, in areas where services might not have otherwise been provided.
- Dedicated funding for services targeted to special needs groups, where market based approaches do not achieve quality service delivery consistent with consumer preferences.
- Ensuring that prices and supplements are adequate to meet the increased cost of specialist service delivery for consumers with special needs.
- Addressing historic funding anomalies that have created inequitable service distribution patterns across the country.

3.4.5 Fiscal impacts

The Alliance recognises that in an entitlement based uncapped supply model, Government and the industry need to be fiscally responsible and carefully consider the opportunities for controlling expenditure. Responses could include:

- Restrictions to eligibility.
- Time limited program funded services.
- Capping of upper limits to individual packages.
- Tiered co-payment system.
- A Government set pricing structure for all services.
- A Government set subsidy structure based on individual assessment.
- Bringing forward HCP allocations.
- Changes to ratio ages.

The Alliance also supports further discussion on the ongoing relevancy of ratios and the consideration of alternative options for the allocation of funding.

4 CO-DESIGN PROCESS AND CHANGE MANAGEMENT

4.1 Roles and responsibilities

The roles and responsibilities of Government, consumers, carers, service providers and health professionals will change under a market based aged care system and will need to be carefully identified and clearly articulated.

Recommendation 18: That Government clearly define the new roles of each stakeholder group and how the system will provide for the needs of providers and health professionals (e.g. transition support), carers (e.g. support and information), and consumers (e.g. be empowered to make decisions) under the new Support@Home program.

4.2 Lessons from other reforms

Lessons from other deregulated industries (e.g. NDIS) and other aged care reform processes (e.g. consumer directed care) should inform the future co-design process for the new Support@Home program. This should include the impact of deregulated industries on vulnerable individuals or communities (e.g. energy market operators, retirement village contracts).

4.3 IT infrastructure considerations

4.3.1 Payments System

The development of a new payments system for aged care and Medicare has commenced. While it is encouraging that the Government has committed to build a new payment system, service providers continue to express frustration around the ongoing delays and problems they are experiencing with the existing DHS Online Medicare Payment system and the income and asset testing.

Aged care providers have been experiencing issues with Department of Human Services (DHS) aged care systems since 2013. The issues range from difficulties accessing the online system; delays in receipt of payments and payment statements; delays in claims processing; incorrect payment statements; incorrect income/means testing assessments; to administration issues. Providers are affected by late receipt of revenue for services they have provided sometimes many months earlier and by increased administration costs reconciling payments, contacting the Department to resolve issues and consequential discussions with clients and family members.

An additional issue facing some aged care providers since the increasing choice transition on 27 February 2017, is missing daily care fee payments or payments at a lower level of care than that provided.

Recommendation 19: That Government address problems with the current issue resolution process, and respond to existing and arising issues in a transparent and timely manner while the new payment system is being developed.

Recommendation 20: That Government develop appropriate mechanisms to ensure providers are engaged and consulted in the development of the new payments system. This should include transparent and timely processes for feedback, queries and issue resolution during the design and implementation period.

Recommendation 21: That Government allocate sufficient resources to allow for the full development of a fit for purpose payments systems for Support@Home.

4.3.2 My Aged Care

My Aged Care has experienced ongoing system and process issues since implementation. This continues to have significant impact on resources for providers and confusion, delay in assessment and service for consumers.

The effectiveness of the My Aged Care model has created additional issues and barriers to access in rural and remote Australia, for Aboriginal and Torres Strait Islander peoples, LGBTI elders, clients with cultural and diverse backgrounds, and people living with a cognitive impairment.

There are ongoing privacy and consent issues for family members or nominated carers in communication with My Aged Care. These privacy issues also impact health professionals and their ability to share and receive relevant client information during the screening and assessment process.

Recommendation 22: That Government invest even more resources in My Aged Care to ensure a much more effective, efficient and transparent system is in place prior to the integration of CHSP and HCP.

4.3.3 Business to Government

With the expected increase in engagement with My Aged Care considerations will need to be given to the required Business to Government developments that will be needed to assist in information provision to and from providers.

4.4 Sector readiness, Government readiness, Consumer Readiness

The Government, sector and consumers are all at differing levels of readiness to move to an integrated CHSP and HCP program. The impacts of legislative, regulatory, system design and service changes will affect each group in a separate way.

For example, the impact of regulatory burden will continue to hinder small providers with the move to the new Support@Home program. This could reduce the number of small and niche providers in the market and impact availability of specialised services for some consumer groups.

A comprehensive change management process will be required to ensure providers and consumers are prepared for any new regulatory, legislative or policy and procedural requirements ahead of 2020. Sufficient time must be provided for stakeholder engagement, consultation and feedback processes as part of co-design and change management. This should include a process for monitoring and evaluating the impacts of these changes.

Recommendation 23: That Government develop a package of tailored transition measures (in collaboration with consumers, providers, unions, health professionals and local government agencies) on the changes to CHSP and HCP arrangements.

5 INDICATIVE MILESTONES

The Alliance welcomes the extension to CHSP contracts until 2020 in so far as it provides continuity and security for providers and consumers.

The Alliance supports the additional time ahead of an integrated program rollout in 2020 if it allows:

- Adequate systems, structures and frameworks to be imbedded, including ICT and consumer information.
- Improvements in the interface between home care and residential care.
- Appropriate transition arrangements for consumers and providers to be developed.

However, the Alliance does not support the delay in the development of an integrated assessment workforce.

In addition, the contract extensions will not address the current inequities in service provision across the two programs, nor lead to the much-needed improvements to the assessment processes.

The Alliance is also concerned about the extensions leading to a timeline creep for implementation of an integrated Support@Home program if development and consultation does not commence well in a timely manner. The Alliance supports the creation of a NACA Expert Advisory Group on the integration of CHSP and HCP as soon as possible.

To ensure the Support@Home program can be rolled out from July 2020, the following milestones are recommended.

5.1 Pre-July 2018

- The Department communicates their proposed design for the Support@Home program ahead of undertaking comprehensive sector engagement to further refine the proposed model.
- Commence Support@Home program design and consultation with service providers, health professionals and consumers.
- Identify and consolidate current issues in the RAS and ACAT assessment teams to ensure they are resolved in the creation of a single workforce.
- Design methodology to review the impacts of existing consumer choice and individualised funding models.
- Commence ICT scoping.
- Establish the aged care industry-led taskforce² as a matter of priority and ensure representation from across relevant government departments, service providers, consumers, health professionals and unions, with a goal to make recommendations for implementation from July 2019 to increase sector readiness for the rollout of Support@Home from July 2020.
- Contractual changes relating to wellness and reablement are communicated with the sector to ensure providers and consumers are prepared ahead of 1 July 2018.
- Improved service finder functions on My Aged Care.

² Health Budget 2017–18 Fact Sheet: *Strengthening Aged Care – developing an aged care workforce strategy*. Accessed from: [http://www.health.gov.au/internet/budget/publishing.nsf/Content/E5C9968EB83E311ACA25811000058DC3/\\$File/55.%20Strengthening%20Aged%20Care%20-%20developing%20an%20aged%20care%20workforce%20strategy.pdf](http://www.health.gov.au/internet/budget/publishing.nsf/Content/E5C9968EB83E311ACA25811000058DC3/$File/55.%20Strengthening%20Aged%20Care%20-%20developing%20an%20aged%20care%20workforce%20strategy.pdf)

5.2 July 2018 until June 2019

- Single assessment workforce to be implemented from 1 July 2018.
 - This would include the development and issuing of a competitive tender to select organisations that would provide assessments under the new single assessment framework.
 - Noting; that the development of a single assessment tool does not need to be a pre-requisite and that a single assessment workforce can still be delivered using the current assessment tools until such time as a single assessment tool has been developed and piloted effectively.
- Consider areas of the program that would be suitable for early transition, piloting and/or phasing and develop models for testing implementation ahead of July 2020, such as:
 - Simplified fees, charges and means testing framework
 - Sector and consumer support models
 - New mixed funding models that explore the options and benefits of individualised and alternative funding arrangements as part of a single Support@Home program.
- A revised fee structure that provides an equitable fees and charges framework be developed.
- Developing a modified NSAF to ensure there is a suitable single assessment tool by the integration date in 2020.
- Commence ICT development.

5.3 July 2019 until June 2020

- The revised fee structure released and implemented to improve sector readiness for implementation of Support@Home in July 2020.
- Piloting a modified NSAF to ensure there is a suitable single assessment tool by the integration date in 2020.
- Comprehensive sector support mechanisms be developed to assist CHSP providers transition and compete in a new market based environment from 2020.
- Trialling new ICT developments to ensure system readiness ahead of July 2020.
- Commence implementation of recommendations from aged care workforce taskforce.

5.4 Beyond 2020

- The removal of Aged Care Allocation Rounds and uncapping supply for residential care.
- Commence consultation and design processes to include residential care funding into a single continuum of care model
- Commence consultation and design of a social impact and well-being outcomes measurement framework.

The above milestones are provided as a guide for how the integration of CHSP and HCP could proceed. Further work and consideration is needed between Government and the sector once the Support@Home program design is finalised.

Support@Home Funding Models: These options are presented as possible options for funding, and are not intended to be an exhaustive list of all funding models that could be available under the integrated CHSP and HCP program.

| Option | Government regulated pricing model | Semi-regulated free market (Tender + Voucher) | Free Market ('packaged' services) | Free Market (individualised budget) |
|---------------------|---|--|--|---|
| Description | Government sets price per hour of service through one of the following means: a. A fixed pricing list (e.g. NDIS) b. A "Reasonable Cost Guide" that will provide transparency for providers and consumers but allow final prices to be set by providers c. A "Upper Limit Price Guide" that will provide transparency for providers and consumers on the maximum amount that can be charged, but allow final prices to be set by providers | Government to issue a competitive tender to market for the provision of service types by region. Consumers can use a voucher to access services from providers successful in the tender process. Option: A set number (e.g. 85%) of demand is tendered to allow for a limited amount of competition with remaining (e.g. 15%) of demand. | An open market on service provision where providers are responsible for setting prices. Consumers are assessed and services provided on a tiered/'package' structure that sets budget caps in CHSP through to the existing HCP levels. All costs must be made publicly available and transparent to consumers. | An open market on service provision where providers are responsible for setting prices. Consumers are assessed and allocated a budget based on assessed level of need. Consumer access services within the limit of their budget through one or more service providers. All costs must be made publicly available and transparent to consumers. |
| Dependencies | <ul style="list-style-type: none"> Cost of care study Single assessment workforce | <ul style="list-style-type: none"> Single assessment workforce An independent assessment that can allocate an individual budget based on assessed need Needs analysis by service type by region | <ul style="list-style-type: none"> Single assessment workforce An independent assessment that can allocate an individual budget based on assessed need | <ul style="list-style-type: none"> Cost of care study Single assessment workforce An independent assessment that can allocate an individual budget based on assessed need B2G sharing aggregated cost data |
| Pros | <ul style="list-style-type: none"> Competition driven by quality not price Can be provided under current assessment structure where by a care plan is completed by the assessment team and the service plan is completed with the provider | <ul style="list-style-type: none"> A competitive tender with bulk purchasing power will ensure downward pressure on prices and service costs to protect consumers and the government, and ensure future service viability through funding | <ul style="list-style-type: none"> Complete transparency Consumer holds budget | <ul style="list-style-type: none"> Complete transparency Consumer holds budget |
| Cons | <ul style="list-style-type: none"> Without a cost of care study the prices may not represent the actual costs of providing care | <ul style="list-style-type: none"> Without a comprehensive needs analysis being undertaken the tender process could create gaps in service delivery | <ul style="list-style-type: none"> Will likely lead to an increase in cost per unit/hour of service | <ul style="list-style-type: none"> Will likely lead to an increase in cost per unit/hour of service |

* The success of individualised funding in a market based system is dependent on consumers having a reasonable level of system literacy that allows them to understand, access and navigate the aged care system, as well as current issues being addressed (e.g. the limited business to government interface and payment systems).

NACA

The National Aged Care Alliance is the representative body of peak national organisations in aged care including consumer groups, providers, unions and professionals.

