

## NATIONAL AGED CARE ALLIANCE

# Home Care Packages – Issues Paper

### About the National Aged Care Alliance

The National Aged Care Alliance (the Alliance) comprises 54 peak national organisations in aged care, representing consumer groups, providers, unions and health professionals, working together to determine a more positive future for aged care in Australia. As a leading voice for improvements to aged care for the past decade, the Alliance strives to implement its vision for ageing in Australia, that:

*Every older Australian is able to live well, with dignity and independence, as part of their community and in a place of their choosing, with a choice of appropriate and affordable support and care services when they need them.*

Further information about the Alliance is available at <http://www.naca.asn.au/>.

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## Introduction

Home care packages are a critical element in supporting older Australians to do what they want – age well in their homes.

The context of home care service delivery in aged care continues to change. While there have been positive reforms which give older people more control over their packages, the National Aged Care Alliance (the Alliance) believes that a range of issues and unintended consequences must be addressed to support successful ageing at home.<sup>1</sup>

The purpose of this paper is to outline the issues our members have identified and make recommendations to government to address their concerns. The Alliance believes that we cannot wait for the final report from the Royal Commission, or for recent changes, including the new Quality Standards, the Charter of Aged Care Rights and the Open Disclosure requirements, to make their impact. We seek action on current issues. We also commit to work with government on these issues and the future reform agenda for aged care.

The Alliance draws its views from members who are peak bodies representing consumers, providers, professionals and workers – all of whom have provided input to this paper from the perspective of their members' voices.

## Recommendations

### Supply Issues

1. ***That government increases the overall number of home care packages available so that consumers have the certainty and confidence that they will be offered a package at their assessed level within three months from assessment.***
2. ***That government reviews the value and the levels of home care packages to better reflect assessed consumer need and the preference to access support at home.***

### Access Issues

3. ***That government takes responsibility for verification of the information provided in the Help at home Service Finder to ensure that the information facilitates confident, well informed life and care decisions by and for older Australians, and their families and carers***
4. ***That government continues to invest in and develop the Service Finders on the My Aged Care platform to significantly improve functionality and to provide more streamlined, accurate and usable information for consumers.***
5. ***That government commits to fund an ongoing aged care System Navigators program across the nation in the 2020-21 Federal Budget to increase the***

<sup>1</sup> Royal Commission into Aged Care Quality and Safety. In the Matter of the Royal Commission into Aged Care Quality and Safety. Transcript of Proceedings. Adelaide. 22 March 2019. P. 1056.

*assistance available to older Australians to enable them to access the most appropriate aged care supports from 1 July 2020.*

6. *That government continues to invest in My Aged Care to improve usability, accuracy and accessibility for consumers, especially those who have special needs, and providers of aged care services.*
7. *That all consumers assessed as suitable and eligible be offered the option to undertake a reablement program of up to 12 weeks prior to being re-assessed and assigned an ongoing package.*

## Service Delivery Issues

8. *That government funds complex case management and language services as separate services in addition to the subsidy value of a home care package, and that these services are available to all consumers who are assessed as requiring them.*

## Funding Issues

9. *That government actively works with the sector to codesign guidelines or other mechanisms for unspent funds which take into account consumers' commitments for expenditure that align with identified care needs and support independence.*
10. *That government invests in the collaborative development of a comprehensive consumer awareness and education initiative that aligns with the proposed guidelines and supports well informed consumer decision making regarding the expenditure of packaged funds, as well as demonstrates an appreciation and acknowledgement of the diversity that exist amongst older Australians.*
11. *That government develops a mechanism to report to the sector on a regular basis the value of the package funds returned to government when consumers exit the program.*
12. *That government engages with the sector in the development of overarching principles and guidelines for allowable expenditure in home care packages that are focused on supporting consumer independence, identifying applicable co-contributions and preventing inappropriate use of funds. The guidelines should not be a prescriptive list. Rather they should include parameters for investment in assistive technology and home modifications, including health professional prescription and purchase, and training for consumers in the use of suitable assistive technology and home modifications to facilitate independence and best care and support outcomes.*
13. *That government works with the sector to develop a consistent user pays policy and implements an equitable consumer contributions framework across all aged care that is based on the level of service being received and on an individual's capacity to pay. The framework must include a clearly articulated and consistent process for ensuring access to services and appropriate safeguards for older Australians who do*

*not have the capacity to pay, especially those who experience barriers and/or challenges in accessing and utilising aged care services.*

## Home Care Packages Program interface with the CHSP

14. *That government publishes available data on usage of CHSP services linked to Home Care Packages Program referrals to support the generation of solutions in the operational interface between the programs.*
15. *That government commits to a coherent, national care at home program that:*
  - *is easier to navigate for consumers*
  - *increases choice and control for consumers in relation to their care*
  - *meets all quality requirements and is safe for consumers*
  - *ensures a broad range of entry level supports and services*
  - *ensures sustainability of the system into the future*
  - *simplifies funding arrangements and reduces red tape for providers*
  - *block funds services that cannot or should not be individualised (for example those provided in a culturally safe and appropriate setting) and/or where there is insufficient market response*
  - *delivers a system that results in equitable access to an appropriate level and range of services that maintain and promote the health, independence and wellbeing of older people, with consumer contributions based on individuals' capacity to pay and the level of care and support being received.*

## Current identified issues with the Home Care Packages Program

### Supply Issues

Supply of aged care places is planned on population-based target provision ratios for residential care places and home care packages (125 places per 1,000 people aged 70 and over — 78 residential places, 45 home care packages and two places reserved for short-term restorative care), to be achieved by 2021-22. These targets, the first two set in the *Living Longer Living Better* package and the third introduced after the 2015-16 Budget, provide for growth in the total number and the proportion of home care packages relative to residential places. However, as noted in the Tune Review report (2017),<sup>2</sup> there is no effective measure of overall demand for aged care places.

Consumer preferences for ageing well and accessing services at home when they need them are reflected in the growing waiting list for home care packages. The most recent publicly available data show that as of 31 December 2018, **93,331 people** were in receipt of a home care package<sup>3</sup> while at 31 March 2019 **129,038 people**<sup>4</sup> were listed on the national queue awaiting a home care package at their approved level — clear evidence that the planning ratio is not generating enough supply to meet known demand. This was evident in testimony given at the Royal Commission whether the Home Care Program in meeting the complex in-home care needs of older Australians and the response from the Department of Health's representative was, 'It is not at this present time'.<sup>5</sup>

The inability of the program to match consumer demand has led to long waiting times. The current government estimates for wait times are shown in the following table<sup>6</sup> and demonstrate the wait time challenges older Australians encounter after being assessed as eligible for a home care package. The use of '12 months +' by government is not helpful when actual times are regularly much longer. Evidence presented at the Royal Commission<sup>7</sup> identifies that many older people wait longer than 18 months before receiving their first package which, according to widespread sector experience, is very likely to be at a lower level than their approved package level. The wait time for consumers to receive care at their approved package level is likely to be much longer, particularly if they are assessed as needing level 4 support, often leading to a deterioration in health and wellbeing, which can result in unnecessary and premature entry into residential aged care, acute care or - death.<sup>8</sup>

<sup>2</sup> Tune, D. *Legislative review of aged care 2017*. Department of Health, Commonwealth of Australia. Canberra. P.34.

<sup>3</sup> Australian Government Department of Health 'Home Care Packages Program Data Report 3<sup>rd</sup> Quarter 2018-19, 1 January – 31 March 2019'- June 2019. Canberra

<sup>4</sup> Ibid, p.3.

<sup>5</sup> Royal Commission into Aged Care Quality and Safety. In the Matter of the Royal Commission into Aged Care Quality and Safety. Transcript of Proceedings. Adelaide. 22 March 2019. P. 1056.

<sup>6</sup> Australian Government Department of Health 'Home Care Packages Program Data Report 3<sup>rd</sup> Quarter 2018-19, 1 January – 31 March 2019'- June 2019. Canberra. P. 14.

<sup>7</sup> Royal Commission into Aged Care Quality and Safety. In the Matter of the Royal Commission into Aged Care Quality and Safety. Transcript of Proceedings. Adelaide 22 March 2019 Commonwealth of Australia. P. 1098.

<sup>8</sup> Ibid, p. 1098.

**Table 1: Estimated wait time for people entering on — 31 March 2019, by package level**

Package level	First package assignment	Time to first package	Time to approved package
Level 1	Level 1	3-6 months	3-6 months
Level 2	Level 1	3-6 months	12+ months
Level 3	Level 1	3-6 months	12+ months
Level 4	Level 2	12+ months	12+ months

The distribution of packages across the different levels, and the number of levels, are not based on assessed need and demand, nor are the value of packages and the value differential between them. In many instances, most of the shortfall between the assessed level of need and the services delivered by the value of a package is provided by family and friend carers.

The demand issue is further complicated by the current practice of offering lower level packages to those assessed as requiring higher level care and support. The impact of this is more evident for those older people without support from family or friend carers, an engaged social network and/or the means to purchase services privately.

The Home Care Packages Program Quarterly Data reports highlight the shortfall in supply and the consequences were emphasised during the Royal Commission hearing on 22 March 2019, ‘there are more people waiting for care and support from a home care package at their assessed level than there are people receiving a home care package’.<sup>9</sup>

The impact and tragedy of waiting for a home care package were summed up well at the Royal Commission by Senior Counsel:

‘the waiting times to which older Australians have been subjected, in between being assessed as needing home care packages and actually receiving funding for care, are severe and unacceptable. This has caused great suffering and continues to do so. The long waiting lists are cruel, unfair, disrespectful and discriminatory against older Australians’.<sup>10</sup>

The Commissioners were also advised that during the 12-month period ending 30 June 2018, 16,000 people (or 8 percent of those in the national prioritisation system for at least some part of the year) ‘died waiting for a package they never received’.<sup>11</sup> That means on average, 43 people died each day waiting for a home care package.

The Alliance members have also highlighted further effects of the delay in access to packages. They report that many adult children carers decrease or cease paid employment to provide care, and that often these people’s health deteriorates due to increasing levels of care responsibility and limited respite options.

In evidence to the Royal Commission, Department of Health First Assistant Secretary, In Home Aged Care Division, Ms Fiona Buffinton said that if all people on the wait list were provided with home care packages at their assessed level of need, the additional annual cost would be between \$2 and \$2.5 billion.<sup>12</sup> Compared to expenditure commitments and variations in areas

<sup>9</sup> Ibid, p. 1099

<sup>10</sup> Ibid, p. 1097

<sup>11</sup> Ibid, p. 1098

<sup>12</sup> Ibid, p. 1098

like Infrastructure and Defence, and with the replacement cost of care provided by family and friends estimated at over \$60.3 billion per annum,<sup>13</sup> the Alliance considers that meeting this additional cost would not create an undue financial burden for the Australian community.

The Alliance argues for an overall increase in the number of packages available. The evidence of demand and preference is clear. More older Australians expect to access support at home, and they are waiting far too long for a home care package. The Alliance believes older people with an assessed need and eligibility to access a home care package should not wait any longer than three months to access that care at their assessed level.

### Recommendations — Supply Issues

1. ***That government increases the overall number of home care packages available so that consumers have the certainty and confidence that they will be offered a package at their assessed level within three months from assessment.***
2. ***That government reviews the value and the levels of home care packages to better reflect assessed consumer need and the preference to access support at home.***

## Access Issues

### My Aged Care

Both consumers and providers of aged care report that My Aged Care as the gateway into the aged care system is challenging. Issues are wide ranging for consumers and include not having access to the required technology, difficulty in navigating the website and not having confidence in the accuracy of the information provided. For consumers these challenges are greatly compounded at times of stress and crisis.

While government approaches the My Aged Care website as a ‘work in progress’, consumers still report a variety of difficulties in accessing the contact centre and in using the website.<sup>14</sup> This is highly likely to be the experience for many vulnerable consumers such as those listed in the special needs categories under the *Aged Care Act 1997* — including Aboriginal and Torres Strait Islander people, those from Culturally and Linguistically Diverse (CALD) backgrounds, people living with dementia, people impacted by removal of children and people institutionalised as children.

In addition to general difficulties in navigation of the aged care gateway, consumers and providers report general dissatisfaction with the My Aged Care Home Care Package Service Finder. The Service Finder was established as an online tool to assist people to find out more about approved service providers, and directly compare up to three different providers at a time.

We acknowledge that substantial progress has been made by the Department of Health to address multiple service listings for some providers.

<sup>13</sup> Deloitte Access Economics, ‘The economic value of informal care in Australia 2015’. Carers Australia. June 2015. Available from: <https://www2.deloitte.com/content/dam/Deloitte/au/Documents/Economics/deloitte-au-economic-value-informal-care-Australia-2015-140815.pdf>

<sup>14</sup> Alliance member feedback expressed at Gateway Advisory Group meetings.



However, Alliance members that represent people with dementia, as well as Lesbian, Gay, Bisexual, Transgender or Intersex (LGBTI), Aboriginal and Torres Strait Islander and CALD consumers, report a plethora of service providers identifying as specialists in services for specific communities or for people with specific conditions, although no evidence is required to substantiate whether the needs of these consumer groups are being met by those providers. The legislation requires only that providers indicate their willingness to accommodate the needs of specific population cohorts.

The Alliance believes that the Service Finder should be enhanced through the development of a verification process that requires accurate information on provider specialisation prior to listing on My Aged Care. In the absence of any form of external rating system, this objective could be achieved in the short term by government working with stakeholders to define meaningful specialisation requirements, and for these to be expanded beyond the legislated special needs groups. Validation of provider adherence to these requirements could then be appraised as part of service quality reviews.

For many special needs groups, assessment presents as another challenging access issue. Alliance members agree that if assessment is not experienced in a culturally appropriate or safe way this can adversely affect the level and quality of care and support people receive. For instance, Aboriginal and Torres Strait Islander people, LGBTI elders and other vulnerable people's level of need is often not accurately assessed due to a lack of cultural safety and appropriateness in the assessment process. Similarly, assessment outcomes for many consumers from CALD and Aboriginal and Torres Strait Islander backgrounds frequently do not identify their genuine need for service/s because access to the relevant language support service/s is not adequate to enable meaningful and effective two-way communication.

A growing group of individuals who are homeless or at risk of homelessness experience these and other barriers to accessing the system and receiving services.

The Alliance believes informed consumer decision-making for older Australians and their families and carers relies on their confidence in the accuracy of the information about providers in the Service Finder. Validation and verification of information for special need consumers would significantly improve their access to appropriate services.

## System Navigation

The Alliance's July 2017 *Integrated Consumer Supports Discussion Paper*,<sup>15</sup> highlighted challenges consumers experience in navigating a market driven aged care system and advocated for a range of integrated supports for consumers.

As part of the More Choices for a Longer Life package, in the 2018-19 Federal Budget the government committed to the **Aged Care System Navigators Trial Measure**<sup>16</sup> which was launched in February 2019. The trial is progressively testing the effectiveness of varied

<sup>15</sup> National Aged Care Alliance. *Integrated Consumer Supports Discussion Paper July 2017*. The 2016 My Aged Care Accelerated Design 'discovery' workshops demonstrated the diversity of aged care consumers goes beyond the special needs groups recognised in the *Aged Care Act 1997*. The paper also makes it clear that individuals can identify with more than one of the special needs group. This variability, diversity and intersectionality means that the total number of older Australians who may face barriers and require additional, different or tailored approaches to service access and delivery is difficult to quantify.

<sup>16</sup> Commonwealth of Australia. *Budget Measures Budget Paper No.2 2019-20*. April 2019. [cited 2019 June 6] Available from: <https://www.budget.gov.au/2019-20/content/bp2/download/bp2.pdf>

supports in 65 locations across disparate geographic areas, targeting a range of consumers who are vulnerable or face barriers accessing aged care.

During the 2019 election the government announced an additional \$10 million for CALD Navigators. This will assist Navigators to reach more older persons from CALD communities who are facing cultural, language and technology barriers, significant financial disadvantage and/or social isolation.

The progressive findings from all trials will inform and guide any development of the Aged Care System Navigators Trial Measure into a full, well targeted and effective program.

The Alliance seeks government commitment to build on the lessons learnt during these trials, especially in relation to responding meaningfully and appropriately to the needs of vulnerable consumers, by funding an ongoing, national aged care System Navigators program from 1 July 2020.

### Assessment for home care packages

The Alliance's submission<sup>17</sup> to the Department of Health's December 2018 consultation on a new framework for streamlined consumer assessments for all aged care services states its support for a new assessment service that streamlines the experience for consumers and resolves the current anomalies that arise from the operation of two different assessment services. A single assessment process servicing the whole continuum of care from entry level through to residential aged care is a step in the right direction to achieve the vision set out in the Aged Care Sector Committee's *Aged Care Roadmap*<sup>18</sup> and recommendations of the *Legislated Review of the Aged Care Act* (Tune Review).<sup>19</sup>

As stated in the Alliance's July 2017 publication, ***Submission in response to the Department of Health discussion paper – July 2017, Future reform – an integrated care at home program to support older Australians***,<sup>20</sup> the assessment process is not static nor an end in itself.

'Assessment must be a cyclical process and support a re-calibration of individual outcome measures through re-assessment'. The process should provide valuable data as evidence for people to move up or down between different package levels and contribute to measures of service effectiveness based on individual consumer outcomes.

The Alliance is waiting for confirmation of arrangements for the implementation of a single streamlined assessment program. This will bring together the current functions of the ACAT and RAS workforces and operate under a single assessment process, with a strengthened focus on wellness and reablement approaches that aligns with the growing evidence of the

<sup>17</sup> National Aged Care Alliance. ***Submission in response to the Streamlined Consumer Assessment for Aged Care Discussion Paper – Department of Health, December 2018***. February 2019. This submission builds on an earlier Alliance publication, ***Increasing Choice Stage 2: Integrating Home Care Packages and the Commonwealth Home Care Support Program discussion paper*** published in May 2017. Available from: [naca.asn.au/publications](http://naca.asn.au/publications)

<sup>18</sup> Aged Care Sector Committee March 2016 *Aged Care Roadmap*. Department of Health Australian Government, Commonwealth Government of Australia. Canberra.

<sup>19</sup> Tune, D. *Legislative review of aged care 2017*. Department of Health, Commonwealth of Australia. Canberra. P. 14-17.

<sup>20</sup> National Aged Care Alliance. ***Submission in response to the Department of Health discussion paper – July 2017, Future reform – an integrated care at home program to support older Australians***. Available from: [naca.asn.au/publications](http://naca.asn.au/publications)

effectiveness of reablement in assisting older people to improve their functional ability and reduce their need for ongoing services.<sup>21</sup>

The Alliance believes that all components of the streamlined assessment model should be developed with a reablement and wellness focus that, as a minimum, supports independence, optimal function and quality of life. The Alliance considers that reablement and wellness services should be offered up front as initial interventions that are available to all consumers assessed as suitable and eligible. If the consumer chooses, these could be available as a service option throughout their engagement with aged care services. Also, we believe that all consumers should be offered the option to undertake a reablement program of up to 12 weeks prior to being reassessed and assigned an ongoing package.<sup>22</sup>

Significant consumer access barriers and conflicts exist at the hospital/aged care interface and need resolution, including timely and responsive access to assessment. Evidence of waiting times for assessment is anecdotal, as Government has advised that the waiting time for assessment information is being captured but is not yet published due to data accuracy challenges. The Alliance's Streamlined Consumer Assessment submission (February 2019)<sup>23</sup> addresses the main issues related to the aged care system's interface with the health sector.

The Alliance has also called for clear, transparent and published measures to identify the impact of delayed assessment on whether consumers' goals are being met, along with identifying and measuring unmet need to monitor progress and guide industry.<sup>24</sup> We continue to support the approach outlined in our July 2017 discussion paper.

#### Recommendations — Access Issues

3. ***That government takes responsibility for verification of the information provided in the Help at home Service Finder to ensure that the information facilitates confident, well informed life and care decisions by and for older Australians, and their families and carers.***
4. ***That government continues to invest in and develop the Service Finders on the My Aged Care platform to significantly improve functionality and to provide more streamlined, accurate and usable information for consumers.***
5. ***That government commits to fund an ongoing aged care System Navigators program across the nation in the 2020-21 Federal budget to fund an to increase the assistance available to older Australians to enable them to access the most appropriate aged care supports from 1 July 2020.***

<sup>21</sup> Lewin, GF, Alfonso HS & Alan, J. (2013). Evidence for the effectiveness of home care reablement programs. *Clinical Interventions in Aging* 8:1273-1281

<sup>22</sup> National Aged Care Alliance. *Submission in response to the Streamlined Consumer Assessment for Aged Care Discussion Paper – Department of Health, December 2018*. February 2019.

<sup>23</sup> Ibid.

<sup>24</sup> National Aged Care Alliance. *Submission in response to the Department of Health discussion paper – July 2017, Future reform – an integrated care at home program to support older Australians*. Available from: [naca.asn.au/publications](http://naca.asn.au/publications)

6. *That government continues to invest in My Aged Care to improve usability, accuracy and accessibility for consumers, especially those who have special needs, and providers of aged care services.*
7. *That all consumers assessed as suitable and eligible be offered the option to undertake a reablement program of up to 12 weeks prior to being re-assessed and assigned an ongoing package.*

## Service Delivery Issues

### Case management and language services

Case management is a multi-faceted role and assists consumers to understand and access types of services provided within the aged care service system relevant to their individual needs. It is particularly effective for those who need extra, often complex, support to understand and/or navigate the system. While some consumers benefit from intermittent or episodic case management, other consumers require consistent and ongoing support. The Alliance notes that the recent Pricing Transparency legislation articulates that all consumers, including those who choose to self-manage, must receive some care management, as distinct from case management, under their home care package.

The current Home Care Package Program does not consider the difference between consumers who need substantial case management and those who do not. Consumers requiring high levels of case management are often faced with the dilemma of whether to use their package funds to pay for this critical service type often at the expense of other essential service types such as personal care, home care or social support. This situation particularly disadvantages socially and geographically isolated consumers compared to well-connected consumers with family and others to support them. Apart from the core care management services that are expected as part of every home care package, the Alliance believes ACATs need to be able to refer some consumers for stand-alone case management as a separate service that is in addition to the core subsidy value of a home care package. This could be achieved using a supplement for case management with eligibility assessed by ACATs.

The Alliance continues to support the role and value of case management for those consumers requiring it and believes that case management has an important role to play in older Australians' engagement with aged care services, especially in relation to advocacy and capacity building.

Similarly, the Alliance believes language services provide ongoing support and ensure effective communication that enable meaningful choice and control for CALD and Aboriginal and Torres Strait Islander consumers and should be funded in addition to the core subsidy value of a home care package.

Consumers should not be disadvantaged because some require higher levels of case management services than their counterparts. In the same way consumers should not be disadvantaged because they require language services support to get the best out of their home care package. Case management and language services need to be treated as enabling service types that are funded in addition to the value of a home care package, and at a level and for a duration that is appropriate to the individual consumer.

## Recommendation – Service Delivery Issues

8. *That government funds complex case management and language services as separate services in addition to the subsidy value of a home care package, and that these services are available to all consumers who are assessed as requiring them.*

## Funding Issues

### Unspent funds

The Alliance acknowledges that a range of definitions of unspent funds exist within the aged care system. There are three components of funds, held by providers, that have not yet been expended by consumers. The first two should not be considered in the same manner as the third as they are legitimate uses of funds by consumers who have a clear rationale for saving package funds and should not be disadvantaged. The broad components of unspent funds are:

- A) **‘Contingency’ funds.** These ‘funds for a rainy day’ are often held to accommodate the need for one-off services or unforeseen circumstances. They are a legitimate form of unspent funds that the Alliance agrees should be maintained by providers until such time that they can be held directly by consumers. In previous iterations of the Home Care Packages Program, guidance was provided by the Department of Health that such funds should be around 10 percent of the package.
- B) **‘Planned adhoc funds.** Some consumers may elect to have a variable or adhoc service pattern (for example, increased services during a carer’s annual holiday), or a consumer might choose to save a proportion of their package funds to purchase equipment that would enhance their independence and/or safety. These are often mentioned in the consumer’s care plan but may be unquantified, and therefore included in the unspent funds’ categories of financial reporting. Accumulating such funds for a planned purpose, referenced within a care plan, is an appropriate use of funds under the consumer directed care model.
- C) **‘Genuine uncommitted’ unspent funds.** Where a consumer planned to expend funds during their care plan development, but for one reason or another did not (for example, extended hospitalisation), or where the consumer’s assessed needs are between package levels so are assigned a higher-level package without plans to spend the full value. These funds are genuine unspent funds. This may also be caused when people are assessed for aged care services at a time of crisis, as they may receive an assessment outcome that reflects needs at a particular point in time. However, this outcome does not necessarily predict their ongoing need for service and support. Consumers may also experience an improvement in their overall physical and/or clinical functioning and capacity for independence as a result of accessing reablement services. It is only these ‘genuine uncommitted’ unspent funds that the Alliance is referring to when discussing unspent funds in this paper.

The aged care industry is concerned by the increased value of unspent funds held by providers within the Home Care Packages Program. Beyond the concern that the system is not allocating the appropriate amount of care to individuals, there is also a concern that a large amount of

funds held on the balance sheet as a potential liability can affect the appearance of a provider's financial and/or prudential performance.

The Aged Care Financing Authority reports that at 30 June 2018 home care providers were holding \$539 million<sup>25</sup> in total unspent funds (categories A to C above). The Department of Health's advice to the Royal Commission identified that the program was developed with the understanding that, at times, a modest level (10 to 20 percent)<sup>26</sup> of underspending of packaged funds per consumer package was likely to occur. However, the Department also noted that it is currently without a mechanism for fully understanding the level of rainy-day type contingency funds being held by providers. Despite changes in the 2018 budget that mean all funds from the Home Care Packages Program that are returned to government should remain within the aged care system, a lack of transparency remains regarding how the recouped funds will be used.

The Alliance believes government needs to work with all stakeholders to address this ongoing issue. We believe that any solution must not limit the choices a consumer may make about how to spend their funds, while also not disadvantaging the financial performance of providers, nor the tens of thousands of home care recipients waiting for funds to become available to provide them with their assessed level of home care package to address their needs.

In the 2019 Federal Budget, as part of More Choices for a Longer life — improving the quality, safety and accessibility of aged care services measure, government committed funds to improve payment administration arrangements for home care packages in an effort to address stakeholder concerns regarding unspent funds. As part of this initiative, government is investigating alternative payment options such as 'payment at point of service delivery' as ways of addressing unspent package funds. The Alliance suggests government considers these factors as part of any solution.

- Make a distinction in accounting practices between 'contingency', 'planned adhoc' and 'genuine uncommitted' unspent funds. These distinct amounts should be reportable to the department as part of prudential reporting by home care providers.
- Introduce a policy change whereby a provider, on behalf of the consumer, is required to return uncommitted unspent package funds to the department after being held by the provider on behalf of the consumer for a defined period that is consistently indicative of care needs being less than funds allocated. The Alliance recommends that the department could include the option of redrawing on the entitlement, if it is needed, within a specified timeframe, so as to not disadvantage any consumer.
- Acknowledge any additional administrative and cash-flow costs that would be associated with revised payment arrangements.
- Develop clearly articulated guidelines that ensure that when a consumer decides to shift from one Home Care Packages Program provider to another, any unspent package funds (less the previously agreed/published exit amount) move seamlessly. The Alliance recommends that this could occur within a revised timeframe agreed with the consumer and the new provider. The current delay of up to 70 days in the transfer

<sup>25</sup> Aged Care Funding Authority. 'Annual Report on Funding and Funding of the Aged Care Sector — 2019'. P. 78.

<sup>26</sup> Royal Commission into Aged Care Quality and Safety. In the Matter of the Royal Commission into Aged Care Quality and Safety. Transcript of Proceedings. Adelaide 22 March 2019 Commonwealth of Australia. P. 1087



of unspent funds can create a challenge for both providers and consumers, especially where two or more providers are receiving invoices for the same consumer during that period.

- Codesign an educational program that targets enhanced consumer understanding of the concept of unspent funds and their effective use as per the proposed policy amendment and guidelines to support informed decision-making.

### Allowable expenditure

A home care package is approved at a certain level by ACATs to reflect the assessed care needs of the older person. The consumer should be able to use their funds to select from the full range of services articulated in the Quality of Care Principles, as well as have access to a broad range of other services and supports that promote health, wellbeing and independence. However, this is not the experience of many Home Care Package program recipients.

Consumers and providers often comment that there is a lack of consistency and objectivity in relation to allowable expenditure. This lack of clarity could lead to disputes between consumers and providers. For instance, a consumer or a family member may subjectively cite 'choice' as the rationale for a particular request while the provider's interpretation of the guidelines identifies the item as a non-allowable package purchase. Consumers, families and providers require a consistently applicable set of criteria against which requests can be assessed. Such criteria would assist all parties to manage expectations and reflect community standards as to what government subsidies can and cannot be used for. In instances where local agreement cannot be reached there needs to be a clearly articulated pathway to escalate outstanding concerns.

Consumers experience confusion and inflexibility in relation to accessing home modifications and equipment. Home modifications and assistive technology (including equipment) can be critical in enabling an individual's independence and are often key determinants of their capacity to stay at home. The Alliance position paper ***Assistive Technology for Older Australians*** (June 2018)<sup>27</sup> includes research that demonstrates how the value of a modest investment in assistive technology supports greater independence and overall health and wellbeing. The research also shows that assistive technology has the potential to make a robust socioeconomic contribution to addressing Australia's changing demographics and to deliver positive health and wellbeing outcomes to older Australians and assist them to stay at home. We note that many service providers do not encourage the take up of assistive technologies because they are simply not aware of and/or do not have processes in place to assist consumers to access the required items within their package. In addition, older people are frequently not referred for specialised assessments to help determine the correct level of home care package as the National Screening and Assessment Form does not appropriately identify disability-related needs.

Alliance members report variability in the use of package funding for assistive technology and particularly home modifications. This correlates with member reports of inconsistent and limited referrals to allied health professionals whose assessment would identify where these supports are needed. The development of principles and guidelines that include parameters for investment in assistive technology and home modifications, including health professional

<sup>27</sup> National Aged Care Alliance. Position paper ***Assistive Technology for Older Australians June 2018***

prescription and purchase, and relevant and timely training for consumers in the use of purchased items/additions, will maximise opportunities for best consumer outcomes.

Concerns have been raised about using package funds to undertake home modifications that become capital improvements to property. The Alliance seeks clarification of guidelines and the development of complementary consumer information materials that support effective use of package funds. These must enable consumer independence, provide adequate safeguards for vulnerable and financially disadvantaged consumers and ensure appropriate co-contributions to costs for those assessed as able to pay.

### Home Care Packages Program costs and charges

The Alliance notes the move towards greater price transparency in relation to Home Care Packages Program costs and charges. The First Assistant Secretary, In Home Aged Care Division in the Department of Health, Ms Fiona Buffinton, informed the Aged Care Royal Commissioners that a lack of transparency has been a major weakness of the Home Care Packages Program from the start, adding that ‘David Tune pointed out that that was something, if you are going to have a market, you absolutely need comparable prices and oversight, particularly when it’s taxpayers’ money involved’.<sup>28</sup>

From 1 July 2019, government mandated pricing transparency took effect. All aged care providers need to use a standardised format to publish information on common services and costs under a home care package on the My Aged Care Service Finder and give a copy of their published prices to consumers and potential consumers. The Alliance welcomes this as a positive and constructive step forward. Government needs to monitor the implementation of this initiative and gauge whether current common services are appropriate, and if publication achieves genuine transparency. The Alliance is already aware that there is evidence of extensive price-based competition between providers. Therefore, the effect of this regulatory intervention needs to be monitored to ensure that price-based competition does not lead to reductions in service quality for consumers, or to misleading or deceptive<sup>29</sup> conduct by providers.

### Home Care Packages Program consumer contributions

Government plans to make basic daily fees more equitable from 1 July 2019 have not gone far enough to make consumer contributions proportionate to the value of the service being received and the individual consumer’s capacity to pay. Consideration could also be given to establishing consistency and comparability with similar services under the CHSP.

As noted in the Alliance’s June 2017 paper, we support the development of an equitable consumer contribution framework.<sup>30</sup> Such a framework should be based on consistent principles across all forms of aged care and ensure that a safety net is well established so that vulnerable and/or financially disadvantaged consumers have the same access to quality

<sup>28</sup> Royal Commission into Aged Care Quality and Safety. In the Matter of the Royal Commission into Aged Care Quality and Safety. Transcript of Proceedings. Adelaide 22 March 2019 Commonwealth of Australia. P.1091.

<sup>29</sup> Australian Competition Law. Australian Consumer Law (Sch 2, Competition and Consumer Act (Cth). Section 18 Misleading or deceptive conduct. [Cited 2019 Sept 5]. Available from: <https://www.australiancompetitionlaw.org/legislation/provisions/acl18.html>

<sup>30</sup> National Aged Care Alliance. *Submission in response to the Department of Health discussion paper – July 2017, Future reform – an integrated care at home program to support older Australians*. P.11



services as other consumers. The Alliance believes that the framework needs to be supported by the development of a codesigned suite of resources that are aimed at enhancing consumers' financial and health care system literacy.

#### Recommendations — Funding Issues

9. *That government actively works with the sector to codesign guidelines or other mechanisms for unspent funds which take into account consumers' commitments for expenditure that align with identified care needs and support independence.*
10. *That government invests in the collaborative development of a comprehensive consumer awareness and education initiative that aligns with the proposed guidelines and supports well informed consumer decision making regarding the expenditure of packaged funds, as well as demonstrates an appreciation and acknowledgement of the diversity that exist amongst older Australians.*
11. *That government develops a mechanism to report to the sector on a regular basis the value of the package funds returned to government when consumers exit the program.*
12. *That government engages with the sector in the development of overarching principles and guidelines for allowable expenditure in home care packages that are focused on supporting consumer independence, identifying applicable co-contributions and preventing inappropriate use of funds. The guidelines should not be a prescriptive list. Rather, they should include parameters for investment in assistive technology and home modifications, including health professional prescription and purchase, and training for consumers regarding suitable assistive technology and home modifications to facilitate best care and support outcomes.*
13. *That government works with the sector to develop a consistent user pays policy and implements an equitable consumer contributions framework across all aged care that is based on the level of service being received and on an individual's capacity to pay. The framework must include a clearly articulated and consistent process for ensuring access to services and appropriate safeguards for older Australians who do not have the capacity to pay, especially those who experience barriers and/or challenges in accessing and utilising aged care services.*

### Home Care Packages Program interface with the CHSP

The Commonwealth Home Support Programme (CHSP) is designed as an entry level program which aims to support independence through low intensity or single service supports. This may be the situation for many consumers. However, CHSP providers are reporting that consumers with increasingly complex care and support needs are accessing the CHSP where the levels of service required are beyond the level 1 home care package outlined in the program manual. This is particularly so in the case of supports such as allied health whereby some consumers on low level packages (and even some on higher packages) do not have sufficient funds to purchase both home care and the allied health services they need. CHSP

allied health services are therefore often being used to meet the increasingly complex needs of some older people.

A similar situation is encountered by many consumers assessed for CHSP respite care, although an assessed need for respite care is often linked to consumers with a higher level of care need. The affected CHSP consumers' respite needs are usually being met by their carer. In addition, current consumers who were grandfathered on the introduction of CHSP in 2015 may have care and support needs that cannot be delivered safely and appropriately within a program that is funded as an entry level program.

The CHSP is also serving as a backup option for those who have been assessed as requiring a home care package and are on the growing waiting list or are waiting for a package at their approved level of need.

The June 2019 Home Care Packages Program report<sup>31</sup> states that at 31 March 2019, of the 75,739 people who were awaiting a home care package at their approved level, 94.9 percent or 71,885 people had been provided with an approval to access CHSP funded supports and/or services. This data gives the impression that even though a person may have to wait for a home care package to become available, they can still access interim home care supports. However, there is no publicly available government data to show whether these people are able to access CHSP funded services or, more to the point given the number of people, whether there are sufficient and the right mix of required CHSP services available within the community to ensure that these people's needs for support and service can be accommodated. The Alliance is aware of data that indicate in many areas certain types of CHSP services are not available. This accords with reports from consumers. Even in situations where appropriate CHSP services are available, there may still be risks for consumers and their families and carers. There are health and safety questions about the suitability of entry level services to meet the needs of a person who has been assessed as requiring more than basic support.

#### Case study: Bob

##### *Where approval and referral mean nothing...*

***Bob lives alone in outback Queensland and needs help with gardening to stay safely at home. His assessment last year approved gardening services as well as transport to help him catch the bus to Mackay for his medical appointments. The single home care provider in Bob's town does not offer gardening, and transport is only available in business hours – but the bus to Mackay leaves at 6.00am.***

<sup>31</sup> Australian Government Department of Health 'Home Care Packages Program Data Report 3<sup>rd</sup> Quarter 2018-19, 1 January – 31 March 2019' - June 2019. Canberra p. 3

The unmet demand for home care packages results in increasing numbers of CHSP providers who are reporting that their program outputs outstrip their funding agreements.<sup>32</sup> As a consequence, the intended entry level services are not available for newly referred consumers. This has a particular impact for older people from CALD backgrounds who are denied access to free language assistance and the support of trusted bilingual/bicultural workers which can be provided through CHSP.

In other instances, CHSP services are being used to bridge the gap where a home care package is clearly not purchasing the level of care required by a consumer. For example, an ongoing demand for respite when a home care package is fully expended leaves the carer with unmet needs. According to LASA,<sup>33</sup> a survey of their member providers shows that use of CHSP services is occurring for approximately 14.5 percent of Home Care Packages Program recipients.

The interface between the CHSP and the Home Care Package program is also impacted by the apparent resistance of government to implement a consistent national fees policy. There are many examples of people who require a home care package to meet their increased care and care coordination needs preferring to continue to access CHSP as they would be financially disadvantaged by accepting a home care package.

Consequently, stakeholders experience a significant blurring at the interface of the CHSP and the Home Care Packages Program. The existence of two separate programs with two fundamentally different funding models must be addressed to provide a consistent consumer experience, reduce the complexity of the system and address the frustration currently felt by consumers, carers and providers.

#### Case study: Maria<sup>34</sup>

*On being assigned a level 2 home care package, 82-year-old Maria was told by her CHSP provider that she could no longer attend or participate in the Italian Club program run at the community's day centre. This was devastating news for Maria, especially as she had been a regular program attendee twice a week for close to 5 years. Over that time, and in the absence of an alternative local social support network, Maria had formed a strong connection with the day centre and looked forward to her twice a week link-up with friends. On many occasions she had referred to these get-togethers as her weekly reconnection to her cultural traditions. Unfortunately, the level 2 package fell way short of enabling Maria to afford regular, alternative social support. Maria is now homebound 7 days a week.*

It will be imperative that a coherent, national program makes provision for older people who are financially disadvantaged and/or engaged in complex care relationships. One example provided by an Alliance member is that of a grandparent who is looking after grandchildren

<sup>32</sup> Department of Health. 2016-17 Report on the Operation of the Aged Care Act 1997. [cited 2019 May 1]. Available from: <https://www.gen-agedcaredata.gov.au/www.aihwgen/media/ROACA/2016-17>.

<sup>33</sup> Leading Age Services Australia. Third Home Care Provider Survey Report— March 2019. Canberra.

<sup>34</sup> The Royal Commission into Aged Care and Quality and Safety's Hearing in Mildura on the 31 July 2019 was provided a number of accounts which highlighted some of the challenges that consumers are likely to encounter on transitioning from one home care program to another. P. 4103

whose parents have mental health and substance abuse issues. He was required to choose between contributing to the purchase of packaged care services for himself or buying food and school needs for the grandchildren. The failure of other parts of the human services network places him in an unenviable situation.

The current home care interface issues place pressure on older Australians, families, carers, providers and workers, and create huge inequities and inconsistencies in terms of service access and appropriate levels of utilisation. These issues need to be addressed to provide a nationally consistent approach that supports equity of access that is transparent, accountable and effective in responding to older people's assessed needs for services and supports.

#### **Recommendations — Home Care Packages Program interface with the CHSP**

- 14. *That government publishes available data on usage of CHSP services linked to Home Care Packages Program referrals to support the generation of solutions in the operational interface between the programs.***
- 15. *That government commits to a coherent, national care at home program that:***
  - *is easier to navigate for consumers*
  - *increases choice and control for consumers in relation to their care*
  - *meets all quality requirements and is safe for consumers*
  - *ensures a broad range of entry level supports and services*
  - *ensures sustainability of the system into the future*
  - *simplifies funding arrangements and reduces red tape for providers*
  - *block funds services that cannot or should not be individualised (for example those provided in a culturally safe and appropriate setting) and/or where there is insufficient market response*
  - *delivers a system that results in equitable access to an appropriate level and range of services that maintain and promote the health, independence and wellbeing of older people, with consumer contributions based on individuals' capacity to pay and the level of care and support being received.*

## **Conclusion**

The National Aged Care Alliance works to a consensus model in which all members agree on positions, proposals and recommendations for the good of the aged care industry and for older Australians who utilise its services and supports.

In appreciating the high value older Australians, their families and carers place on home care, and in acknowledging the many and varied aged care and related policy reforms within the pipeline, the Alliance believes it is opportune for government to increase its investment in the provision of home care services. The Productivity Commission's 2011 report and subsequent aged care reports provide a wealth of information and recommendations that set the foundations for the aged care industry Australians want and deserve; one that supports maximising individual choice, independence, health and wellness. It is critical that government works in close partnership with stakeholders to address the range of issues that limit the

current home care programs' availability and capacity to cost effectively deliver appropriate and balanced outcomes for older Australians, providers and the wider community.

There are several big issues raised by members that are outside the scope of the specific Home Care Packages Program issues brief for this paper. These include recognition of the inconsistent progress towards the Aged Care Sector Committee's Roadmap destinations, the lack of commitment to implement the strategic actions of the Aged Care Workforce Taskforce and the implications of the RUCS Study recommendations for a new residential funding model.

Members have affirmed that workforce remains a major issue for the aged care industry. Addressing the issues identified in this paper related to the supply of home care packages will have workforce implications. Recent workforce data identifies a current workforce shortage in community aged care, with a reduction in the number of case managers, registered nurses and enrolled nurses working in home care relative to the overall workforce.<sup>35</sup> The Alliance believes that achieving adequate supply of packages at the levels that people need them is the core of this paper. However, to achieve that outcome without ensuring adequate numbers of appropriately skilled and trained workers — the right number of staff with the right skills — will not meet the needs of consumers waiting for services, now or in the immediate future. It is critical that the Aged Care Workforce Industry Council works collaboratively with the sector to ensure workforce issues are considered and addressed to achieve the optimum benefits of the Home Care Packages Program.

As we look ahead to the period beyond 2022, the National Aged Care Alliance advocates that the sector and government focus on the development of a new approach to the planning for and provision of home care to older Australians. As a first significant stride in that direction, we await the government's announcement of the final position on and timeframe for the streamlining of assessment and the creation of a single assessment workforce.

The Alliance seeks to continue to work with government as we promote our vision that 'every older Australian is able to live well, with dignity and independence, as part of their community and in a place of their choosing, with a choice of appropriate and affordable support and care services when they need them.'

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<sup>35</sup> National Institute of Labour Studies, 2016 National Aged Care Workforce Census and Survey — the Aged Care Workforce, 2016



# NACA

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

