



**Australian Government**

**Department of Health**

**SINGLE AGED CARE QUALITY FRAMEWORK**  
**Options for Assessing Performance against Aged**  
**Care Quality Standards**  
**Options Paper 2017**



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## MAKING A SUBMISSION

This paper has been prepared by the Department of Health (the department) as a basis for consultation on options for assessing the performance of organisations providing aged care against new aged care standards.

The department is keen to consult widely and engage with as many individuals and organisations with an interest in aged care as possible. These include:

- consumers, their families and carers
- key sector groups
- aged care organisations
- staff of aged care organisations, and health and disability services providers
- advocacy groups.

The department invites your comments on this options paper.

The department will consider all comments carefully and use them to inform the further development of the assessment process (discussed in more detail in this paper). With your consent, your comments will be made publicly available.

You can submit your comments via the department's [consultation hub](https://consultations.health.gov.au/) at <https://consultations.health.gov.au/>

If you are having difficulty completing an online submission, please contact [qualityagedcare@health.gov.au](mailto:qualityagedcare@health.gov.au) for assistance.

You must ensure that the department receives your comments by **Friday 21 April 2017**. **Late submissions will not be accepted.**

Thank you for your interest and we look forward to receiving your comments.

# CONTEXT AND PURPOSE OF THIS OPTIONS PAPER

## Context

The Australian population is ageing and the expectations of older people are changing. In recognition of this, the Australia Government is making fundamental reforms to the aged care system to ensure that it provides high-quality services that meet consumer needs and preferences.

The reforms place consumers at the centre of their care, and have a significant focus on giving people greater choice and flexibility. Changes are being progressively implemented to create a competitive, market-based system where consumers drive quality and where red tape is reduced for organisations.

As part of these reforms, the government is partnering with consumers, the aged care sector, experts and the community to reform the current approach to quality standards and assessment and develop a Single Aged Care Quality Framework (single quality framework) that will support an aged care system in which consumers drive quality.

The single quality framework will include:

- a new set of quality standards that will apply to all aged care organisations<sup>1</sup>
- a new process to assess performance against the new quality standards
- improvements to the information available to consumers to support them to make choices about their aged care.

## Quality standards for aged care

Most organisations that provide Australian Government funded aged care are required to meet certain standards and undergo a process of quality assessment against standards for each service. These core requirements are designed to minimise risk and promote quality across all aged care organisations. Organisations may also choose to exceed these standards or to implement additional quality systems.

Currently, four sets of standards and two quality assessment processes are used to assess an organisation's performance (in respect of each service) against the relevant standards. The two assessment processes are known as **accreditation** (which applies to residential care services and short-term restorative care provided in a residential setting) and **quality review** (which applies to organisations delivering care in a home/community setting<sup>2</sup>).

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<sup>1</sup> The new aged care standards will apply to organisations providing: residential care, home care, flexible care (including innovative care services, multi-purpose services (in a manner consistent with the spirit and intent of the standards), short-term restorative care and transition care), CHSP and NATSIFACP services.

<sup>2</sup> The term 'home/community setting' has been used in this paper to collectively refer to the provision of Home Care Packages, Commonwealth Home Support Programme services, short-term restorative care in community settings, and National Aboriginal and Torres Strait Islander Flexible Aged Care Program services.

The Australian Aged Care Quality Agency (the Quality Agency) manages the accreditation and quality review processes and also advises the Department of Health (the department) about areas of non-compliance.

### Quality assessments

Quality assessment is the process of independently auditing, verifying and monitoring an organisation's performance against standards or other requirements. Quality assessment also encourages continuous improvement and promotes service excellence.

In the context of aged care, each service of the organisation is independently assessed. The quality assessment is designed to:

- minimise risks to the health, safety and wellbeing of consumers
- promote high-quality care and services
- provide information to consumers to assist them to make decisions about the care that they receive.

### Purpose of this options paper

This options paper focuses on options for reforming the process for assessing organisations' performance against the proposed new quality standards. A separate consultation paper (entitled *Single Aged Care Quality Framework—Draft aged care quality standards—Consultation paper 2017*) describes the proposed new quality standards.

The purpose of this options paper is to seek your views about options for improving and streamlining the quality assessment arrangements as part of the Single Quality Framework, as well as options for additional reforms that may be pursued in the future.

In summary, these options are:

- Option 1: Assessment process based on care setting, with different approaches for residential settings and home/community-based settings.
- Option 2: Single risk-based assessment process applicable to all aged care settings.
- Option 3: Safety and quality declaration by organisations providing low-risk services readily available to the broader population (this can be combined with Option 1 or Option 2).

This paper describes:

- the current aged care quality assessment processes
- some of the challenges with the existing processes
- the objectives of any new approach and the principles underpinning the development of reformed quality assessment processes
- the three options for improving the quality assessment processes, set out above.

It also asks questions to seek your feedback on the options. Once we have analysed your feedback on the options, a preferred option will be presented to government for consideration. Stakeholders will be kept informed of key developments throughout this process.

## Important notes

- It is proposed that the options discussed in this options paper will apply to all aged care organisations that are funded by the Australian Government. This will include residential care services, home care services, flexible care services<sup>3</sup>, Commonwealth Home Support Programme (CHSP) services and services provided through the National Aboriginal and Torres Strait Islander Flexible Aged Care Program (NATSIFACP).
- As noted above, this options paper does not discuss in detail the proposed new standards against which an organisation's performance will be assessed. We are seeking your feedback on the draft standards through a separate consultation paper, entitled *Single Aged Care Quality Framework—Draft aged care quality standards—Consultation paper 2017*.
- As part of the 2015–16 Budget, the government announced that it would work with the sector to develop options for accreditation services to be provided by private organisations, rather than government. This work is not part of the work to streamline quality assessment processes.

## Terminology

**Organisation** refers to the care and services provider. Currently, the aged care legislation uses the term 'approved provider', but this term does not cover providers that deliver CHSP and certain grant-funded NATSIFACP services. As the new quality assessment process is intended to apply to organisations that receive an Australian Government subsidy or funding to provide aged care (regardless of whether they are currently an approved provider), we have used the term 'organisation'. An aged care organisation may provide one or more services. At present, the performance of each service of the organisation is independently assessed.

Additional definitions are included in the Glossary at the end of this document.

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<sup>3</sup> State and territory government providers of multi-purpose services and transition care would likely rely on state/territory quality assessment processes.

## DEVELOPMENT OF THE OPTIONS AND NEXT STEPS

### Development of the options

As noted above, the government is committed to developing the single quality framework in partnership with interested stakeholders. As part of the development of this options paper, the department has:

- worked with the National Aged Care Alliance Quality Advisory Group and a working group of aged care stakeholders that included consumer representatives, aged care organisations, peak bodies and regulators from other jurisdictions, including the National Disability Insurance Agency (NDIA) and the Department of Social Services
- sought advice from the Quality Agency on the current accreditation and quality review processes and opportunities to improve these arrangements. This included consideration of input provided to the Quality Agency in 2015 in response to the Let's talk about quality discussion paper and stakeholder forums that explored the best ways to describe, encourage, measure and monitor quality in aged care organisations
- reviewed quality assessment arrangements in a range of national and international jurisdictions
- considered the work of the Aged Care Sector Committee on the Aged Care Roadmap, including its call for a single sector-wide quality assurance process, lighter touch regulation to support innovation and opportunities for recognition of similar accreditation systems
- taken into account feedback received through the department's consultation on related reforms, including:
  - changes made to approved provider arrangements as part of increasing consumer choice in home care reforms
  - arrangements to recognise other accreditation processes for short-term restorative care services
- consulted with the Department of Social Services to explore opportunities to align the processes with those being developed for the National Disability Insurance Scheme (NDIS) where practicable.

All of these approaches and inputs have informed the options described in this options paper. The department is now seeking broader stakeholder feedback on the options.

### Next steps

We will consider the outcomes of the consultation and identify the preferred quality assessment option. The preferred option will then be further developed. At the same time, there will be further revisions to, and piloting of, the proposed new standards (discussed in the separate consultation paper entitled *Single Aged Care Quality Framework—Draft aged care quality standards—Consultation paper 2017*). Changes to the assessment process will also mean that changes would be needed to the aged care legislation.

Subject to the agreement of the Australian Government, and amendments to the legislation, the new assessment process will take effect from 1 July 2018. Further work will also be undertaken to develop any necessary education and guidance material to support the implementation of the new assessment process.

### Your thoughts

The department seeks your comments on all of the matters discussed in this options paper. However, we are particularly interested in your thoughts on:

- your preferred option(s), including your reasoning
- the impacts of the various options
- critical elements of any assessment process
- how consumers can best be engaged in the quality assessment process
- how information gained from a quality assessment can drive competition in the market and assist consumers to make choices
- how the transition to any new arrangements for assessment against the standards might be managed



# CURRENT QUALITY ASSESSMENT ARRANGEMENTS

## What are the current arrangements for quality assessment?

Under the current arrangements, different standards and quality assessment processes apply to aged care organisations based on the type of aged care services they deliver. The reason for this difference is largely historical and also reflects the risks associated with the types of care and services being delivered.

The current accreditation arrangements, introduced in 1997, focus on:

- ensuring that residential care services are achieving the current Accreditation Standards
- continuous improvement in the quality of care and services.

The quality review process was developed in cooperation with state and territory governments. It was implemented in 2012 as a national quality assessment process for community care services. The focus of the quality review process is on continuous improvement in the delivery of care and services.

Table 1 summarises the current standards and quality assessment arrangements for specific aged care programs.

The Quality Agency, an independent body, is responsible for the government's quality assessment of each service of aged care organisations. This includes:

- assessments of the quality of aged care through accreditation and quality review processes
- ongoing monitoring of performance through plans for continuous improvement, assessment contacts and, for residential care services only, review audits.

Organisations also use the quality assessment processes to identify areas for improvement and to continuously improve the way that care and services are delivered.

## Accreditation

Accreditation is an internationally recognised evaluation process used as part of safety and quality frameworks worldwide. It involves a formal decision that a service meets the required quality standards.

The aged care accreditation process includes:

- self-assessment
- site audit by the Quality Agency to assess performance against the Accreditation Standards
- interviews with consumers or their representatives about the quality of their care and services
- consideration of relevant information that consumers, the public, the Aged Care Complaints Commissioner and the department give to the Quality Agency
- publication of the accreditation decision that the Quality Agency has made, including the report on the site audit

- monitoring of ongoing performance against the Accreditation Standards by the Quality Agency.

These are typical features of an accreditation program.

Currently, in order to receive Australian Government subsidies, residential care services and short-term restorative care services that are provided in a residential setting must be accredited. Accreditation is usually for a three-year period. The Quality Agency may vary or revoke accreditation if an organisation does not comply with the Accreditation Standards.

### Quality review

The quality review process is designed to promote the ongoing improvement of home/community care services. Home/community care services have generally involved lower risks for consumers than residential services. The quality review process has played an important role in supporting and developing aged care services in the community without subjecting them to the rigours of accreditation.

Home/community care services are required to meet the Home Care Standards (or National Aboriginal and Torres Strait Islander Flexible Aged Care Quality Standards). The quality review process does not involve a formal decision about whether the service should be accredited. The focus is on encouraging the organisation to continuously improve the quality of care and services it delivers.

Even though the quality review process does not result in an accreditation decision, it is quite similar to the accreditation process. It involves:

- self-assessment
- a review of performance against the standards by the Quality Agency
- interviews with consumers or their representatives about the quality of their care and services
- consideration of relevant information that consumers, the public, the Aged Care Complaints Commissioner and the department give to the Quality Agency
- monitoring of ongoing performance against the standards by the Quality Agency.

Currently, there are differences in the quality review processes used for:

- home care services, CHSP services and short-term restorative care services provided in the home/community
- the NATSIFACP services. The NATSIFACP Quality Framework, introduced in 2011, is aimed at supporting the capacity of NATSIFACP services to deliver quality care and services.

There are key differences between the two aged care quality review processes:

- each two quality review processes currently use different quality standards
- the NATSIFACP Quality Framework uses a two-year quality review cycle, whereas a three-year cycle is used for other home/community services
- the NATSIFACP Quality Framework includes the additional step of an external desktop review of the service's self-assessment.

## Monitoring

In both the accreditation and quality review processes, the Quality Agency monitors ongoing performance against the standards. It undertakes monitoring in a proportionate way based on a range of risk factors, including performance against the standards, compliance history and other intelligence. The Quality Agency's monitoring activities include:

- **case management**, which is based on ongoing assessment of information that is known about an aged care organisation. This approach allows the organisation to address risks of poor care and support improvements in a timely way. In 2017 the Quality Agency is strengthening regulatory intelligence for case management and performance differentiation by introducing a computer-assisted audit tool that will allow indicators of performance and risk to be collected and analysed
- **plans for continuous improvement**, which each service of an organisation must complete as part of accreditation and quality review processes. The plans are written and must explain how the service will comply with its obligations of continuous improvement in relation to the standards and address any areas that the Quality Agency has identified as needing improvement
- **assessment contacts**, which include any form of contact between the Quality Agency and a service other than a site audit, review audit or quality review. Assessment contacts can be used for a number of purposes, including:
  - assessing the service's performance against the standards
  - assisting the service's continuous improvement
  - providing information and education
  - determining if there is a need for further review.

For residential care services, assessment contact site visits may be announced or unannounced. For home/community care services, 14 days' notice must be given of an assessment contact where it involves a site visit

- **review audits**, which are announced or unannounced onsite assessments that involve a complete review of a service's systems against all expected outcomes of the Accreditation Standards. They are undertaken where a risk has been identified within an accredited residential care service (refer to the Glossary for further detail). Following a review audit, the Quality Agency makes a decision whether the service's accreditation status or period of accreditation should be varied or revoked. There are no review audits of home/community care services under existing arrangements for quality review.

## Action when expected outcomes are not met

If the Quality Agency identifies that a service has not met one or more of the expected outcomes under the relevant aged care standards, it will require the organisation to rectify the non-compliance within a certain timeframe. The matter is also referred to the department to decide whether to take compliance action.

Where the Quality Agency has made a finding of non-compliance, the Quality Agency will also consider whether this failure has placed, or may place, a care recipient at serious risk. If this is the case, it notifies the department of the serious risk.

For residential care services, the Quality Agency may also decide to vary or revoke accreditation. A service that is not accredited is unable to receive Australian Government subsidy for the care that they deliver.

When an organisation fails to comply with its responsibilities, including where it fails to implement improvements required by the Quality Agency or the department, the department may take regulatory action. Regulatory action is aimed at protecting current and future care recipients' health, welfare and interests as well as returning the organisation to compliance with its responsibilities.

The Quality Agency also provides industry education and support to promote compliance with the standards. This is targeted at services that have failed or are at risk of failing to meet the relevant standards.

### **What are the issues with the existing quality assessment arrangements?**

The current quality assessment arrangements have a number of limitations:

- There are effectively three different quality assessment processes in aged care. While these processes are, in some part, proportionate to the risk, the consistency and coherence of the approach to quality assessments across aged care can be improved.
- They do not reflect the risk to consumers of increasingly complex care being provided in home settings.
- For organisations that deliver care under more than one program, there are unnecessary costs associated with complying with different quality assessment processes.
- The different assessment processes (that is, accreditation and quality review) are based on the type of care provided (for example, residential care, home care/support or flexible care) rather than on a broader risk profile of the organisation and its services.
- All organisations of a particular care type are subject to the same assessment process even though the actual services they provide may vary considerably. (For example, a home care organisation that delivers home cleaning services is subject to the same quality assessment processes as a home care organisation that delivers complex personal and clinical care in the home on a daily basis).
- The current process provides limited information to enable consumers to compare the quality of service that each organisation provides.

In addition, the regulatory environment in which care is provided is changing, with significant reforms to home care taking effect from February 2017. These changes are likely to lead to an expansion of the market and the number of organisations delivering aged care. It is important that any changes to the assessment process support these broader changes.

**Table 1: Overview of current aged care quality assessment arrangements**

	Accreditation	Quality review	
<b>Program</b>	<ul style="list-style-type: none"> <li>Residential care</li> <li>Short-term restorative care in residential settings</li> </ul>	<ul style="list-style-type: none"> <li>Home care</li> <li>CHSP</li> <li>Short-term restorative care in home settings</li> </ul>	NATSIFACP
<b>Standards</b>	Accreditation Standards	Home Care Standards	National Aboriginal and Torres Strait Islander Flexible Aged Care Program Quality Standards
<b>Assessment</b>	Service self-assessment	Service self-assessment	Service self-assessment
	Desktop review of self-assessment for commencing services	Desktop review of self-assessment for new or recommencing home care services, based on risk assessment	Desktop review of self-assessment (Year 1)
	Site Audit	Quality review	Quality review (Year 1)
<b>Monitoring</b>	Plans for continuous improvement	Plans for continuous improvement	Plans for continuous improvement
	Assessment contacts including: <ul style="list-style-type: none"> <li>desk assessment contacts</li> <li>announced site visits</li> <li>unannounced site visit (at least one per service each year)</li> </ul>	Assessment contacts including: <ul style="list-style-type: none"> <li>desk assessment contacts</li> <li>announced site visits</li> <li>self-assessment (new home care services)</li> </ul>	Assessment contacts (Year 2) including: <ul style="list-style-type: none"> <li>desk assessment contacts</li> <li>announced site visits</li> </ul>
	Review audits (in response to identified risk)	Not applicable	Not applicable
<b>Decision</b>	Accreditation (with power to vary the period of, and to revoke, accreditation)	Not applicable	Not applicable

Accreditation		Quality review	
Cycle	Typically every three years New homes—one-year accreditation	Typically every three years—at least one quality review per service every three years	Every two years: <ul style="list-style-type: none"> <li>Year 1: Quality review</li> <li>Year 2: Monitoring and assessment contacts</li> </ul>

### What are the objectives of any reform or change to the existing system?

In examining options for improving the current quality assessment arrangements, the Australian Government aims to establish a system that:

- continues to provide **safeguards** for consumers by minimising risks to their health, safety and wellbeing while recognising that not all risks can be mitigated through an assessment process
- relies on **risk-based and proportionate** quality assessments and monitoring (so that finite resources can be focused on higher-risk organisations and services)
- is **inclusive of the consumer** so that the consumer voice is more strongly heard as part of the quality assessment and monitoring process
- is **transparent and readily understood** by both consumers and organisations
- reduces unnecessary red tape and duplication to allow **greater efficiencies** in quality assessment and monitoring processes (for organisations and government)
- supports **innovative service delivery** models that are emerging in response to consumer demand
- produces **useful information for consumers**, helps to inform decisions about their care and drives competition in the market.

### How do the quality assessment processes and the aged care standards interact?

The quality assessment process is designed to measure an organisation's performance (in respect of a service) against the aged care standards. It is proposed that a single set of quality standards will apply across all aged care organisations and services. The draft quality standards comprise eight individual standards relating to:

1. Consumer dignity, autonomy and choice
2. Ongoing assessment and planning with consumers
3. Delivering personal care and clinical care
4. Delivering lifestyle services and supports
5. Service environment
6. Feedback and complaints

7. Human resources
8. Organisational governance.

The draft standards are structured so that different standards can be applied to different organisations based on the nature of the care and services that they provide. Please refer to the separate consultation paper entitled *Single Aged Care Quality Framework—Draft aged care quality standards—Consultation paper 2017*.

#### Your thoughts

- What are the strengths of the current aged care quality assessment arrangements?
- What aspects of the current quality assessment arrangements need to be improved?
- What other issues need to be considered in the design of any new quality assessment arrangements?

## SUMMARY OF OPTIONS

### Features common to all options

- A single set of aged care standards applicable across all care types (except for those set out in Option 3).
- A wider range of methods for assessing performance against the aged care standards.
- Continued use of data and intelligence to inform the risk-based assessment.
- Greater consumer involvement in the assessment process.
- Capacity for the Quality Agency to recognise compliance with other similar quality standards.
- Better information available to the consumer about the outcomes of the assessment.
- Government retains the capacity to examine complaints and take compliance action where the organisation does not comply with any of its legislative/contractual responsibilities.

The table below outlines the key features of three options.

**Table 2: Summary of options for aged care quality assessments**

Options	Key features of each option
<p>Option 1: Quality assessment process based on care setting, with different approaches for residential care and home/community care (based on status quo)</p>	<ul style="list-style-type: none"> <li>• All organisations would be required to meet the new aged care standards.</li> <li>• There would continue to be one quality assessment process for residential care (accreditation) and another for home/community care (quality reviews).</li> <li>• Services would continue to receive a report of major findings of the assessment and, for residential care services, a decision in relation to accreditation of the service.</li> <li>• Improvements to existing arrangements would be achieved by the features common to all options.</li> </ul>



Options	Key features of each option
<p>Option 2: Single risk-based assessment process applicable to all aged care settings</p>	<ul style="list-style-type: none"> <li>• All organisations<sup>4</sup> would be required to meet the new aged care standards and would be subject to: <ul style="list-style-type: none"> <li>– a regular assessment process to enable the service to demonstrate performance against the standards. A service assessed as meeting the aged care standards would be recognised through accreditation</li> <li>– ongoing monitoring. If a service is not complying with the standards, the organisation would be expected to address the non-compliance within a timeframe agreed with the Quality Agency. The non-compliance would also be referred to the department for consideration as to the need for any other action.</li> </ul> </li> <li>• Performance against the standards (i.e. the nature and depth of the assessment), as well as the extent of monitoring necessary would be proportionate to the risks to the health, safety and wellbeing of consumers</li> </ul>
<p>Option 3: Safety and quality declaration by organisations providing low-risk services readily available to the broader population (can be combined with Option 1 or 2)</p>	<ul style="list-style-type: none"> <li>• Organisations that provide low-risk services would be approved to provide aged care under the <i>Aged Care Act 1997</i> or through a funding agreement.</li> <li>• These organisations would be required to declare that they are compliant with basic safety and quality requirements, rather than being required to meet the aged care standards or undertake the quality assessment process.</li> <li>• These organisations would be required to satisfy all other responsibilities, including having a complaints resolution mechanism and working with the Aged Care Complaints Commissioner to resolve any complaints.</li> </ul>

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<sup>4</sup> The new aged care standards will apply to organisations providing: residential care, home care, flexible care (including innovative care services, multi-purpose services (in a manner consistent with the spirit and intent of the standards), short-term restorative care and transition care), CHSP and NATSIFACP services.

## FEATURES PROPOSED TO BE COMMON TO ALL OPTIONS

Regardless of which quality assessment option is adopted, there are a number of features that could be common to all options. Each of these features is consistent with the broad objectives of government.

### A single set of aged care standards

- As part of the single quality framework reform, a single set of aged care standards is being developed. Please refer to the separate consultation paper entitled *Single Aged Care Quality Framework—Draft aged care quality standards—Consultation paper 2017*.
- The standards will apply to all care types (noting the exception proposed in Option 3).
- Organisations will only be assessed against those standards that are relevant to the service. For example, if a service does not provide clinical and/or personal care, they will not be required to meet the standards relating to clinical and/or personal care.

### A wider range of methods for assessing performance against the aged care standards and for monitoring ongoing performance

- The current system of accreditation and quality review largely relies on:
  - self-assessments
  - site visits (including interviews with consumers and their families, interviews with staff and management, review of documents and observation)
  - plans for continuous improvement and monitoring
  - review through assessment contacts or review audits (review audits apply only to residential care).
- In addition to expanding review audits and unannounced/short-notice site visits to all aged care services, other methods could be used to assess and monitor ongoing performance. They include:
  - Organisations could ‘opt in’ to proactively disclose issues related to their performance on an ongoing basis to the Quality Agency and/or the public. For example, they could report adverse events in real time, report complaints and the organisation’s responses to complaints or carry out regular/continuous self-assessment against the aged care standards. In return for such a high level of self-disclosure, less intensive external assessment processes may be appropriate.
  - In some situations, external desk audits of the self-assessments against the aged care standards could be used as an alternative to site visits—for example, where a service provides low-risk services.
  - In other situations, services of a high-performing organisation could submit self-assessment to the Quality Agency (with or without public disclosure of the assessment) as an alternative to some site visits.

- Focused audits could be conducted when a specific problem has been identified across the aged care sector or to allow in-depth assessments against a specific aged care standard or part of a standard.
- The introduction of a single set of aged care standards will also enable streamlining of the assessment processes, particularly for larger organisations. For example, organisations that deliver a variety of residential and home/community care services at a single location could undertake a combined assessment process.

### **Continued use of data and intelligence to inform proportionate, risk-based assessment and monitoring**

- Each of the options presented in this paper relies to a greater or lesser extent on a risk assessment of the organisation and its services to inform the way in which the Quality Agency will measure performance and the level of intensity of ongoing monitoring.
- Currently, the Quality Agency uses information about the organisation and its services (including the service's compliance history) to schedule both announced and unannounced site visits (for residential care). Intelligence about the organisation and its services is also used to inform the scope and nature of other contacts with the service.
- The Quality Agency will continue to use information collected through a range of avenues (including the Aged Care Funding Instrument, departmental teams responsible for prudential regulation and the Aged Care Complaints Commissioner) to ensure that:
  - quality assessments and ongoing monitoring are proportionate to the risk
  - the finite resources for conducting quality assessments and monitoring are used to best effect.
- In addition, in 2017 the Quality Agency is strengthening its regulatory intelligence for case management and performance differentiation by introducing a computer-assisted audit tool that will allow indicators of performance and risk to be collected and analysed.
- By reducing the regulatory effort that is expended on lower-risk services (where risk is determined based on a range of matters including the type of care provided, the performance history of the organisation and its services and participation in other accreditation schemes), the Quality Agency can focus on those services that need more frequent monitoring and/or support.

### **Greater consumer involvement in the assessment process**

- Currently, consumer interviews are a key part of the quality assessment process. During an accreditation audit, assessors are required to interview at least 10 per cent of consumers and/or their representatives. For quality reviews, care recipients and their representatives are notified of site visits and are given the opportunity to talk to quality reviewers.
- Regardless of which quality assessment option is adopted, it is proposed that any new arrangement would be more inclusive of consumers and that there would be a greater focus on seeking the views of consumers about whether they experience safe, quality care and services that are consistent with their needs and preferences.

### **Capacity for the Quality Agency to recognise compliance with other similar standards or quality frameworks**

- A number of aged care organisations are accredited or certified against other quality standards, such as the National Safety and Quality Health Service Standards, National Disability Standards, Australian Council on Health Care EQulP6 National and Corporate Health Standards, ISO 9000 and the Australian Business Excellence Award.
- Under each of the options, it is proposed that there would be greater capacity for organisations to use evidence from other accreditation schemes to demonstrate their performance against the aged care standards. This could reduce duplication and streamline the aged care assessment process.
- Future consideration will also be given to opportunities for greater mutual recognition where organisations have demonstrated performance against similar standards in other accreditation schemes. When new standards are in place for health, disability services and aged care (all expected over the coming years), further work can be done on identifying the viability of mutual recognition.

### **Better information about the outcomes of the assessment**

- Currently, the Quality Agency is required to publish every site audit report, including review audits and each decision about a residential aged care service's performance against the Accreditation Standards.
- While these reports contain some de-identified information based on feedback from consumers, the reports are not focused on the consumer experience. The outcomes of quality reviews of home/community care services are not published.
- The Quality Agency is working with consumers, organisations and aged care specialists to develop and test a set of structured consumer interview questions for use as part of the site audit. The interview questions will reflect the Accreditation Standards and support the development of a consumer-focused report on consumers' experience of the quality of care and services in their particular residential aged care service. The aim of the site audit report is to ensure that information about the consumer's experience of quality of care and services is available to consumers and prospective consumers to enable them to make informed decisions about their care. This information also drives competition in the market.

### **Complementary processes for dealing with complaints or non-compliance**

- Under each of the above options there would continue to be an independent complaints body—the Aged Care Complaints Commissioner. If at any time the Aged Care Complaints Commissioner is concerned that an organisation may not be meeting the relevant aged care standards and the charters of care recipient rights and responsibilities or its responsibilities more broadly, the Aged Care Complaints Commissioner may refer the matter to the Quality Agency and/or the department for further consideration. This is current practice.

- The department would continue to maintain the capacity to take compliance action against organisations that are non-compliant with either the standards or any other approved provider responsibilities relating to quality of care, user rights or accountability.

### Your thoughts

- Do you agree that these features should be part of aged care quality assessments?
- What are some of the different ways in which an organisation (and its services) could demonstrate its performance against the standards?
- How could consumers be more effectively involved in the assessment process?
- What information is most valuable to consumers?

## OPTION 1: QUALITY ASSESSMENT PROCESS BASED ON CARE SETTING (BASED ON STATUS QUO)

### Key features

- Separate quality assessment processes would be maintained—that is, residential care services and short-term restorative care in a residential setting would continue to be accredited, and home/community care services would continue to participate in quality reviews.
- The key differences between the current assessment framework and this option is that (as noted above) there would be:
  - a single set of aged care standards that apply to all care types
  - a wider range of methods for assessing performance against the aged care standards
  - continued use of data and intelligence to inform proportionate assessment methods
  - greater consumer involvement in the assessment process
  - capacity for the Quality Agency to recognise an organisation’s compliance with other similar standards or quality frameworks
  - better information available to the consumer about the outcomes of the assessment.
- As is currently the case, there would continue to be complementary processes for dealing with any complaints or non-compliance. For example, if an organisation is found to be non-compliant with the aged care standards, they would be expected to address the non-compliance within a timeframe agreed with the Quality Agency. The non-compliance would also be referred to the department, which would consider whether there was a need for any other action.
- This option could be implemented in conjunction with Option 3.

### Advantages and disadvantages

- It recognises that residential care is, in most cases, higher risk than home-based care (because these services generally have greater responsibility for the health, safety and wellbeing of an individual in 24-hour care than services for most individuals who are receiving a more limited range of services in their home) and therefore requires accreditation.
- It maintains a distinction between home/community care and residential care quality assessment that is familiar to existing organisations and consumers.
- Some home/community care services may be higher risk (and more akin to residential aged care services) but would be assessed using a different framework.
- Organisations that provide different care types would continue to be subject to different assessment frameworks (with related duplication of effort and cost).
- It does not achieve the Aged Care Sector Committee’s vision, as detailed in the Aged Care Roadmap, of a single sector-wide quality assurance process.

## Your thoughts

- What are the advantages and disadvantages of this option?
- Should any new assessment approaches be included in this option?
- How can this option best accommodate future changes in service delivery (for example, new models of service delivery)?

## OPTION 2: SINGLE RISK-BASED QUALITY ASSESSMENT PROCESS APPLICABLE TO ALL AGED CARE SETTINGS

### Key features

- All organisations would be required to meet the aged care standards and would be subject to:
  - a regular assessment process to enable an organisation's services to demonstrate their performance against the standards in respect of each service. A service that has been assessed as meeting the aged care standards would be recognised through accreditation
  - ongoing monitoring. As is currently the case, if a service is found to be non-compliant with the aged care standards, the organisation would be expected to address the non-compliance within a timeframe agreed with the Quality Agency. The non-compliance would also be referred to the department, which would consider whether there was a need for any other action.
- The way that performance could demonstrate against the standards (that is, the nature and depth of the assessment), as well as the extent of compliance monitoring necessary, would be proportionate to the risks to the health, safety and wellbeing of consumers. Regard would be had to:
  - the impacts of any failure on the consumer, taking into account:
    - the scope and nature of the services being delivered (for example, clinical care, personal care or non-personal care)
    - the level of responsibility that the service has for the consumer. For example, services delivering 24-hour care (whether it is in the consumer's home or in a residential care service) represent a greater risk than those delivering low-frequency and low-intensity home/community based services.
  - the performance of the organisation and its services. For example, an organisation with a poor history of compliance against the aged care standards (or other legislative and contractual responsibilities) is higher risk than an organisation with a strong performance record. Information that the public, the Aged Care Complaints Commissioner or the department provides to the Quality Agency may also highlight risks and mean that increased monitoring is necessary
  - whether the organisation has accreditation through other relevant schemes. For example, if an organisation is already accredited under health standards or disability standards, this may decrease the risk or influence the nature of the assessment needed in relation to aged care.
- Some examples of a risk-based approach to performance assessment are:
  - the Quality Agency could increase their use of desk-based audits for lower-risk services, using site audits to gain greater consumer input
  - there may be longer intervals between assessments for services of higher-performing organisations



- if an organisation has demonstrated effective organisational governance, this could reduce the need for the Quality Agency to replicate this assessment at each service
- future consideration could be given to having the Quality Agency focus on sampling of individual services within an organisation rather than assessment of each individual service.
- Likewise, the extent of any additional monitoring would be influenced by the organisation and its services' risk profile (which may change over time). For example, higher-risk organisations and services may be subject to more assessment contacts or unannounced visits.
- This option could be implemented in conjunction with Option 3. The impact of this would be that some organisations would not be subject to the processes detailed above (based on the low risk of the services they provide).

### Advantages and disadvantages

- There would be consistent expectations of quality across the sector, but the assessment process would be proportionate to risk, noting that risk can change over time and that the assessment methods can be adjusted accordingly.
- It provides consumers with an assurance that, even if their care is delivered in a residential or home/community setting, they will be able to expect the same level of quality services. This is increasingly important, as consumers want to remain at home longer and new innovative service delivery options are being developed to support consumers to achieve this goal.
- It provides organisational efficiencies for those delivering multiple aged care programs. For example, organisations would be able to use one administrative system and staff training program for aged care quality assessment rather than having separate processes for residential and home/community care services.
- It represents a change for home/community care organisations. For higher-risk home/community care organisations (or those providing higher-risk services) there is likely to be an increase in the depth of the assessment process that is undertaken. Conversely, for organisations (including those providing residential care services) with a strong compliance record, the assessment processes may be more streamlined.
- It better enables the Quality Agency to target its finite resources to higher-risk organisations (including those delivering higher-risk services).
- It supports consumers to become familiar with the assessment process (and the reporting of assessment outcomes) that will be common across all of the types of care that they may receive.
- It achieves the Aged Care Sector Committee's vision, as detailed in the Aged Care Roadmap, of a single sector-wide quality assurance process against a single set of quality standards and could introduce a capacity for recognition of similar quality accreditation systems.

## Your thoughts

- What are the advantages and disadvantages of this option?
- To differentiate between organisations (and their services) to enable more targeted quality assessments, would it be sufficient to consider the following risks or should other matters also be taken into account:
  - The nature of the services being delivered
  - The level of responsibility the service has for the consumer's health, safety and wellbeing
  - The performance history of the organisation and its services
  - The organisation's compliance with any other relevant standards or quality frameworks?
- How can we best create a more risk-based approach to performance assessment?
- What support would organisations (particularly community/home care organisations) need to transition to this approach?
- Should organisations that provide transition care also be subject to this single quality assessment framework (noting that the quality of most of these organisations is regulated by state and territory governments)?

## OPTION 3: SAFETY AND QUALITY DECLARATION BY ORGANISATIONS DELIVERING LOW-RISK SERVICES READILY AVAILABLE TO THE BROADER POPULATION (CAN BE COMBINED WITH OPTION 1 OR OPTION 2)

### Key features

Some of the services provided as part of Australian Government funded aged care programs include low-risk services that are readily available to the broader population—for example, gardening services, house cleaning services, community transport and food delivery services.

Currently, organisations providing low-risk services are subject to the same quality assessment processes as those providing more intimate personal care (such as bathing and dressing) and more complex care (such as clinical care). They are also subject to other laws designed to protect consumers from the general risks associated with those services. For example, organisations that provide community transport services are subject to a range of other laws intended to minimise risks to passengers, regardless of who the passenger is or how their journey is funded.

Under this option, organisations providing low-risk services that are readily available to the broader community would:

- continue to be approved to provide aged care services either under the *Aged Care Act 1997* or through a funding agreement
- continue to meet all legislative/contractual responsibilities but would not be required to meet the aged care standards. All organisations that provide Australian Government funded aged care would continue to:
  - have responsibilities under the charters for care recipients' rights and responsibilities
  - be accountable for funding
  - provide certain information to consumers
- have a complaints mechanism with the Aged Care Complaints Commissioner retaining the ability to examine complaints
- provide an annual safety and quality declaration to the Quality Agency as evidence that they are compliant with some basic requirements. For example, they would declare that they hold adequate insurances, have had any necessary police checks and meet their legislative/contractual responsibilities
- be subject to announced, or short-notice, visits based on their risk profile
- may be subject to compliance action by the department if they do not comply with their responsibilities (including their responsibilities under the charters for care recipients' rights and responsibilities).

### Advantages and disadvantages

- There would be a significant reduction in regulatory burden for organisations providing these low-risk services that are widely available to the broader population.
- Consumer protections would still be available under the Australian Consumer Law, and organisations would continue to be subject to any relevant state and territory laws (for example, laws relating to food safety).
- The organisation would still be required to satisfy all other legislative/contractual responsibilities, including having a complaints resolution mechanism and working with the Aged Care Complaints Commissioner to resolve any complaints made about its service. In addition, where there is any concern about the organisation meeting its responsibilities, regulatory action could still be taken.
- As this option minimises the quality assessment required of organisations providing these lower-risk services, it has the potential to attract new entrants to the market. This would expand the choice of services available to consumers.
- Organisations that fall within this category and are also subcontracting to organisations that deliver a broader range of services would still be required to meet the aged care standards (as a result of their relationship with the organisation that is subject to accreditation), but they would not be subject to quality assessment.

### Your thoughts

- What are the advantages and disadvantages of this option?
- If this arrangement was adopted, what criteria should be used to determine whether an organisation should be subject to safety and quality declaration rather than assessment?
- What types of organisations should be eligible to use this arrangement?
- Is there an alternative approach that provides appropriate safeguards for consumers while minimising red tape for organisations that only deliver low-risk services?

## GLOSSARY

Terminology	Definition
Accreditation	<p>An internationally recognised process for assessing quality. In Australia, residential care services are required to be accredited to receive Australian Government subsidies. The aged care accreditation process includes:</p> <ul style="list-style-type: none"> <li>• self-assessment against standards</li> <li>• submission of an application for re-accreditation (with or without the self-assessment)</li> <li>• assessment by a team of quality assessors against the Accreditation Standards</li> <li>• interviews with consumers or their representatives about the quality of their care and services</li> <li>• consideration of relevant information that consumers, the public, the Aged Care Complaints Commissioner and the department give to the Quality Agency</li> <li>• a decision about accreditation and the issuing of an accreditation certificate</li> <li>• publication of the accreditation decision that the Quality Agency has made, including the report on the site audit</li> <li>• announced and unannounced visits and other contacts to monitor ongoing performance.</li> </ul>
Aged care service	<p>The service through which an organisation delivers:</p> <ul style="list-style-type: none"> <li>• residential care</li> <li>• home care</li> <li>• flexible care (including multi-purpose services, innovative care services, short-term restorative care and transition care)</li> <li>• Commonwealth Home Support Programme (CHSP)</li> <li>• National Aboriginal and Torres Strait Islander Flexible Aged Care Program (NATSIFACP).</li> </ul> <p>An aged care organisation may provide one or more services. At present, the quality of each service is individually assessed.</p>
Assessment contact	<p>A visit to an aged care service for one or more of the following purposes:</p> <ul style="list-style-type: none"> <li>• to assess the service's performance against the Accreditation Standards</li> <li>• to assist in the process of continuous improvement</li> <li>• to monitor progress against a timetable for improvement</li> <li>• to identify whether there is a need for a review audit</li> <li>• to provide additional information or training about the accreditation process and requirements.</li> </ul>

Terminology	Definition
	The form and frequency of assessment contacts is decided on a case-by-case basis. The Quality Agency considers the particular circumstances of the service and the level and frequency of monitoring required. Assessment contact visits may be announced or unannounced. Occasionally an assessment contact may be carried out by telephone. Each residential service receives at least one unannounced assessment contact every year.
Home/community care services	A term used in this paper to collectively refer to home care, CHSP, short-term restorative care in community settings and NATSIFACP.
Self-disclosure of quality performance	<p>The open discussion of performance against the quality standards, including adverse events and concerns. Self-disclosure may include:</p> <ul style="list-style-type: none"> <li>• publication of the service’s self-assessment against the standards</li> <li>• publication of, and regular public reporting against, plans for continuous improvement</li> <li>• open disclosure in relation to adverse events and concerns</li> <li>• a factual explanation of what happened in relation to adverse events</li> <li>• an opportunity for the consumer, their family, carers and representatives to relate their experience</li> <li>• a discussion of the potential consequences of the adverse event or concern</li> <li>• an explanation of the steps being taken to manage the adverse event or concern and prevent reoccurrence.</li> </ul>
Self-assessment information	Written information from an organisation that demonstrates its performance, in relation to the service, against the relevant standards.
Organisation	The care and services provider. Currently, the aged care legislation uses the term ‘approved provider’, but this term does not cover providers that deliver CHSP and certain grant-funded NATSIFACP services. As the new quality assessment process is intended to apply to organisations that receive an Australian Government subsidy or funding to provide aged care (regardless of whether they are currently an approved provider), we have used the term ‘organisation’.
Plan for continuous improvement	A written plan that explains how the organisation will meet its obligations to comply with the relevant standards in relation to the service.

Terminology	Definition
Quality Agency	The agency responsible for quality assessments of aged care residential services, home care services, CHSP and NATSIACP providers.
Quality review	<p>Reviews that are conducted to assess whether a service meets the Home Care Standards or the NATSIFACP Quality Framework. The focus of the quality review is on supporting the organisation and its services to achieve continuous improvement. The components of the quality review process include:</p> <ul style="list-style-type: none"> <li>• notification of the quality review</li> <li>• self-assessment</li> <li>• site visit assessment by quality assessors</li> <li>• interviews with consumers or their representatives</li> <li>• consideration of relevant information that consumers, the public, the Aged Care Complaints Commissioner and the department give to the Quality Agency</li> <li>• quality review report</li> <li>• plan for continuous improvement</li> <li>• announced visits and other contacts to monitor ongoing performance.</li> </ul>
Review audit	<p>An announced or unannounced site assessment of a residential care service to determine if the organisation is continuing to meet the Accreditation Standards. It involves a complete review of the service against all standards. Review audits are undertaken in response to an identified risk. They can occur:</p> <ul style="list-style-type: none"> <li>• if, as a result of an assessment contact, the Quality Agency considers that the organisation may not be meeting the Accreditation Standards</li> <li>• if the service was placed on a timetable for improvement after failing to meet the Accreditation Standards and has not succeeded in meeting the standards during the expected timeframe</li> <li>• if there is a change to the service—for example, change in key personnel, number of ‘allocated resident places’ or building</li> <li>• when the department directs the Quality Agency to undertake a review audit.</li> </ul>

# APPENDIX A: AGED CARE REGULATION AND AGED CARE ORGANISATIONS

## Regulation of organisations

The Australian Government regulates the quality of aged care organisations not only by setting standards and measuring performance against standards but also by controlling which organisations can provide aged care services and describing legislative/contractual responsibilities.

Aged care organisations that receive Australian Government funding must be either:

- approved under the *Aged Care Act 1997* (the Act) (this applies to organisations providing residential care, home care and flexible care)
- contracted to provide care (for example, organisations providing CHSP and NATSIFACP).

When the department is considering whether an organisation can provide Australian Government funded aged care, it takes into account matters such as the organisation's experience in providing aged care, its record of financial management and its commitment to the rights of consumers.

Once an organisation has been approved to provide care, it must meet a range of responsibilities described in the Act or the relevant contract. Some responsibilities are common to all organisations and others are specific to organisations that provide certain types of care. For example, all organisations are required to have complaints resolution mechanisms, whereas responsibilities relating to accommodation payments are relevant only to organisations that provide residential care and multi-purpose services.

One of the responsibilities common to all aged care organisations is that they must meet relevant standards. Currently, there are four sets of aged care standards that apply depending on the type of aged care.

The department also:

- monitors compliance with other legislative/contractual responsibilities, such as prudential standards and requirements relating to appraisals under the Aged Care Funding Instrument
- has responsibility for taking regulatory action when organisations fail to comply with their responsibilities, including where they fail to implement improvements required by the Quality Agency or the department. Regulatory action is aimed at protecting the health, safety and wellbeing of current and future consumers as well as returning the organisations to compliance with its responsibilities.

The Aged Care Complaints Commissioner responds to complaints about Australian Government funded aged care organisations so that complaints can be resolved as early and directly as possible. In exercising its functions, if the Aged Care Complaints Commissioner is not satisfied that an organisation is meeting its responsibilities, it can issue directions. Before



issuing directions, the Aged Care Complaints Commissioner gives an organisation a Notice of Intention to Issue Directions (NIID). The NIID gives the organisation the opportunity to demonstrate how it has or will solve the issues. Depending on the organisation's response to the NIID, a direction may or may not be issued.

In addition to meeting aged care specific requirements, organisations must comply with other relevant laws—for example, laws that relate to fire safety, food safety and work health and safety.

## Types of aged care services

### Residential care

Residential care provides care and accommodation to older people who are unable to continue living independently at home.

### Home care

Home care provides a coordinated package of care for older people who want to stay at home. Four different packages are available:

- Level 1—to support consumers with basic care needs
- Level 2—to support consumers with low-level care needs
- Level 3—to support consumers with intermediate care needs
- Level 4—to support consumers with high care needs.

Services may include, but are not limited to:

- support services, including washing, ironing, cleaning, gardening, home maintenance, home modifications and transport
- personal care, including help with showering, bathing, dressing and mobility
- nursing, allied health and other clinical services, including hearing services and vision services
- care coordination and case management.

### Flexible care

Flexible care acknowledges that the needs of care recipients may require a different care approach than that provided through mainstream residential and home care. There are four types of flexible care:

- **Transition care** provides time-limited, goal-oriented and therapy-focused packages of services to eligible older people after a hospital stay. Transition care is provided in metropolitan and rural areas. Transition care may be provided either in a person's own home or in a live-in setting (either as part of an existing aged care home or health facility). The transition care program is jointly funded by the Australian Government and state and territory governments. It is managed by the state and territory governments, many of which have subcontracted the provision of transition care services.
- **Short-term restorative care** provides short-term care to support older people to stay in their own home living independently after a setback, like an illness or a fall.

- **Multi-purpose services** provide integrated health and aged care services for small rural and remote communities, allowing services to exist in regions that cannot viably support standalone hospitals or aged care homes.
- **Innovative care** arrangements support the development and testing of flexible models of service delivery in areas where mainstream aged care services may not appropriately meet the needs of a location or a particular group. At 30 June 2016, there were nine operational disability / aged care interface projects.

#### Grant-funded programs

- The **Commonwealth Home Support Programme (CHSP)** provides entry-level services focused on supporting people to undertake tasks of daily living. The services aim to reduce early admission to residential care by supporting people to be more independent at home and in the community. Services under the program are provided on an ongoing or episodic basis, depending on need. Services include, but are not limited to: goods, equipment and assistive technology, home maintenance, transport, meals, home modifications, centre-based respite and day care, social support groups, allied health and therapy services, individual social support, home care, personal care, nursing, flexible respite and cottage respite.
- The **National Aboriginal and Torres Strait Islander Flexible Aged Care Program (NATISFACP)** funds organisations to provide culturally appropriate aged care for Aboriginal and Torres Strait Islander people close to their communities.

### Number of aged care organisations

Table 3 gives the estimated number of organisations that are funded to provide multiple types of aged care (residential, home care, CHSP and NATSIFACP).

**Table 3: Indicative number of aged care organisations by service type (July 2016)**

Service type	Number of organisations
Residential only	624
Residential and home care	77
Residential, home care and CHSP	145
Residential, home care, CHSP and NATSIFACP	3
Residential and CHSP	94
Home care only	67
Home care and CHSP	185
Home care, CHSP and NATSIFACP	9
Home care and NATSIFACP	1
CHSP only	941
CHSP and NATSIFACP	9
NATSIFACP only	11
<b>Total</b>	<b>2166</b>

Source: Aged Care Data Warehouse unpublished data as at October 2016.