

**Submission: Funding for Support at Home**

**Aged Care Act – Release Rules**

**Stage 2a**

**Date:** 5<sup>th</sup> December 2024

**Aged Care Reform Support at Home:**

We support the need for reform in aged care, but reforms that are designed to simplify access to home care services, reduce wait times for older people, regulate and fund aged care appropriately, and balance older people's contributions fairly, with home care services that deliver quality, choice, independence, respect, and dignity.

**Funding for Support at Home 2a Release concerns include:**

***Case management 10% capped fees:***

- Case management time is difficult to quantify and value (non-tangible)
- Significant difference between Clinical and non-Clinical Case Management is not considered in Support at Home funding with a 10% capping.
- 10% cut in Care Management is not sustainable for the industry and is likely to result in lower staffing levels, higher client ratios, and a decline in the quality of home care provision
- 10% cut in Care Management will not meet the case management needs of people living with complex and chronic health needs, requiring higher levels of care management and clinical care management, that do not meet a care management supplement criteria.
- Case Management supplements listed in Stage 2 a. Funding related to Support at Home, does not include the existing Cognition and Dementia Supplement for older people with dementia, who often need additional support to live safely at home.
- Capping Case Management at 10% denies Older People their choice and right to access additional case management services with their Care Partner.
- Capping Case Management places home care providers at financial viability risk

***Concern/Options:*** *Support at Home 10% capped Case Management places home care providers at financial risk and denies older people the choice and right to access case management at higher levels. Uncapping Case Management is recommended or keeping the 20% Case Management capping is a second option.*

### **Package Management Fees (15%) incorporated into the National Fee Schedule:**

- Administration fees currently capped at 15% per older person on a Home Care Package will be incorporated within a national fee schedule currently being developed by the Independent Health and Aged Care Pricing Authority (IHACPA) to be released November 2024 (delayed).
- Delays in receiving the National fee schedule from IHACPA, means providers can't calculate the impact of incorporating the administration fees into the National fee schedule on their income to meet ongoing fixed costs.
- 15% administration fees to be incorporated into the National Fee Schedule is likely to increase unit prices significantly and hike up the older person's fee contribution. This is likely to deter the older person from accessing Support at Home services, as the unit prices will be too high.
- 15% administration fees to be incorporated into the National Fee Schedule is likely to vary a provider's income source, making it difficult to cover ongoing fixed costs. Aged Care providers require a stable and reliable income to cover rising overhead costs.

**Concern/Options:** *Support at Home providers to apply an administration fee (capped at 15%) based on the quarterly budget for the client to provide a stable and reliable income to cover the administration costs associated with charging and collecting client fees, preparing monthly invoices, statements, claiming of cost of services, paying third party contractors (e.g. AT & HM), software systems, training and development of staff, meeting regulation and legislative requirements (SIRS, Standards, Reporting, ACER, My Aged Care, Governance).*

### **Client Contributions:**

- Client contributions ranging from 5-80% for Independence service types (personal care, respite care, social and emotional care, transport, shopping assistance) are likely to deter people from accessing these services, in particular, self-funded retirees who can engage private carers for less.
- Client contributions ranging from 17.5-50% for maintenance service types (domestic cleaning and gardening) are likely to deter people from accessing these services, in particular, self-funded retirees who can engage private carers for less.
- People on an aged pension did not contribute to their Home Care Package services and client contribution fees are likely to deter people in receipt of a pension from accessing Support at Home services.

**Concern/Option:** *Older people's contributions towards Support at Home services continue to be assessed by Centrelink based on their income, not assets. The older person's assessed contribution determines a percentage (capped at 50%) applied across all service types equally, placing the same value on all service types received by older people. People in receipt of an age pension contributions be capped at 5% or less, to prevent the refusal of Support at Home services, due to financial hardship.*