

I would like to raise significant concerns regarding the proposed 10% cap on care management fees and other aspects of the SAH model, which may impact the delivery of equitable, high-quality care services to our existing and future clients.

1. Increased Workload for Half the Fees

- o The 10% cap would result in a substantial reduction in funding for care management while simultaneously requiring us to meet enhanced care management standards and compliance obligations as outlined in the strengthened quality standards.

- o This disconnect between funding and workload would make it difficult to retain and adequately compensate skilled Care Managers, jeopardizing service quality and compromising client outcomes.

2. Alignment with Strengthened Standards

- o The strengthened standards demand higher levels of care coordination, documentation, and oversight, but the proposed fees do not reflect the resources required to meet these obligations.

- o A misalignment between funding and requirements will compromise and undermine the very intent of the SAH model which is to provide high quality care to more participants.

3. Impact on Broader Health Systems

- o Without sufficient care management funding, many older adults may not receive the proactive and appropriate support they need, leading to increased reliance on other health systems such as hospitals and respite care facilities.

- o This would place enormous pressures on already overstretched systems, contradicting the goals of preventative and community-based care.

4. Financial Analysis of Proposed Fee Structure

- o We conducted financial analysis to assess the implications of the fee changes. To maintain financial solvency and continue providing the same level of services, the hourly rate of our in-home care services would need to be \$14 per hour higher than our current hourly fees.

- o This calculation assumes the 10% cap on care management fees remains unchanged and highlights the unsustainable nature of the proposed structure.

5. Sustainability of Care Management

- o Care management is a critical function that ensures clients receive tailored, coordinated, and holistic care. The 10% cap and increased participant contributions raise concerns about the long-term sustainability of this essential service.

- o Without adequate funding, the viability of care management services is at serious risk, potentially leaving vulnerable clients without the support they need.

6. Participant Co-Contributions

- o We are extremely concerned about the requirement for full pensioner participants to contribute 5% towards their personal care and 17.5% towards everyday living costs, such as domestic support.

- o These contributions amount to approximately 15% of the fortnightly single pension. While they reduce the Government's financial burden, they do not add extra revenue to the system, disproportionately impacting older Australians with lower means.

- o The proposed program risks creating a two-tiered system. Older people who can self-fund will remain at home, while those with lower financial means, particularly older women with limited superannuation and other disadvantaged groups, may be forced into residential care.

- o We propose reviewing and reducing these co-contributions to ensure that services remain accessible to the most vulnerable members of our community.

7. Administrative Burden of Participant Contributions

- o The administrative burden created when contributions are not made, similar to the issues we are currently experiencing with the ITF (Income-Tested Fee) system, is unsustainable.

- o The lack of clear guidance from the Government on how such contributions will be supported adds further uncertainty, creating conflict between managing participant payments and meeting security of tenure obligations.

- o A clear and simplified framework for managing contributions must be implemented to avoid these challenges and ensure providers can focus on delivering care.

8. Investment in IT Systems

- o To remain compliant with SAH and support the efficient delivery of services, significant investment in IT systems will be required.

- o However, the substantial reduction in care management fees that providers can claim fails to account for the financial burden associated with these essential upgrades, placing providers at a significant disadvantage.

Additionally, I would like to draw your attention to the attached letter written by [REDACTED] titled Older Australians Deserve Better Support at Home. I fully agree with the points outlined in this letter, which further substantiate the challenges providers are facing under the proposed changes.

We respectfully request your consideration of adjustments to the proposed SAH funding structure, including revisiting the 10% cap on care management fees and evaluating the participant co-contribution requirements to ensure equitable and sustainable support for all older Australians. These measures are essential to ensuring equitable access to care, protecting the most vulnerable, and supporting the long-term sustainability of in-home care services.

Thank you for your time and attention to this important matter. I would welcome the opportunity to discuss this further.