[redacted]

Submission following the publication of the

CONSULTATION DRAFT

# Aged Care Rules 2024

## *Funding for the Support at Home (SAH) program*

New Aged Care Act Rules consultation – Release 2a – Funding for Support at Home program | Australian Government Department of Health and Aged Care

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## Quick summary (IA generated)

Martine., a carer for a recipient of a level 3 Home Care Package, submitted feedback on the Aged Care Rules 2024 consultation draft.

The submission addresses concerns about the funding model for the Support at Home (SAH) program, questioning its simplicity, fairness, equity, and sustainability.

Key points include:

1. **Quarterly Rollover Credit**: The proposed $1,000 rollover is insufficient for unexpected care needs or respite.

2. **Assistive Technology and Home Modifications**: Current funding levels are inadequate for necessary equipment and modifications.

3. **Individual Fees and Contributions**: The fee-for-service model, based on theoretical income, may cause financial hardship for many, especially those with low to medium savings.

4. **General Concerns**: The model may lead to inequities, with some unable to afford necessary care, and lacks flexibility for recipients to manage their budgets effectively.

The submission calls for increased rollover amounts, better funding for assistive technology and home modifications, and a more transparent and fair fee structure.

## 1. Submission made on behalf of

Myself; a carer for the recipient of a level 3 Home care package and a future older person.

## 2. Equitable and sustainable?

These Rules derive from the recommendations made by the Aged Task Force whose members believe that:

- Older Australians must "***contribute towards services they have paid for their all life: food, cleaning, gardening [ ] things that whether you are 40 or 75 you pay for yourself***".

Most Australians in their 40s do their own cooking, cleaning, gardening and light maintenance.
Then, in their 70s, when they can no longer do those tasks themselves due to age decline, they need help: this used to be called aged CARE.

The Aged Task Force made several recommendations in their final report regarding the funding of Aged Care, including:

> **Recommendation 3:**
> It is appropriate older people make a fair co-contribution to the cost of their aged care based on their means.

> **Recommendation 5:**
> Make aged care fees fairer, simpler and more transparent so people can understand the costs they will incur if they access aged care.

Is the funding model described in these rules simple, fair, equitable and sustainable?
And more importantly will it deliver better care to the recipients?

## 3. Questions:

### a) The quarterly rollover credit (193 A).

1. Is this rollover allowed only once, or does it accrue after each quarter ($4,000 accrued at the end of the financial year)?
2. Which other Commonwealth support programs “reset” their budget after 3 months rather than at end of the year?

### b) The requirement for prices charged (173B).

“*if the individual directly sourced the delivery of the service at a particular price from an associated provider of the registered provider—the price charged by the registered provider must not exceed **110%** of that particular price*”:

Does this mean that if a recipient has managed to find a better price for the same service to save money (to themselves and the funding), the main Provider is able to put a 10% mark-up?

What are the reasons behind this?

### c) Continence products (212A)

What is the difference between the continence products listed here under the assistive technology and those mentioned in the service list Rules?

**Where do incontinence supplies fit in the funding of SAH?** AT-HM, clinical or personal care?

Incontinence is a medical condition; why list continence products as part of the AT-HM scheme and charge recipient a co-contribution for what are medical supplies?

### d) Assistive Technology and Home Modification (AT-HM) (212B & 221)

There are 3 classifications: Low, Medium and High.

What is the process for changing classification as needs increase?

Is there a review process? If so when, by whom? etc…

### e) Assistive Technology (AT-HM) (211 A&B)

Why the needs for 2 classification types: on-going and short term?

## 4. Comments on the proposed funding model of the Support at Home Program (SAH)

### a) Quarterly rollover credit (193A)

Under the SAH the quarterly roll-over credit is set at $1,000 or 10% of the quarterly budget whichever is the highest. (ex for SAH Level 6: $1,080)
To demonstrate the impact of such a small roll-over amount, I'll use the fees of the Provider we currently use:
Base hourly rate: $84.50; Sunday: $143/hr; P.Hol.:$164/hr ; Saturday: $112/hr
Sleep over: 4 hours of service + $250 ($325 on P.Hol.)

The current value of a Home Care Package Level 3 is around $40,000 per annum, equivalent to a SAH classification somewhere between 5 and 6 (?).

Based on a minimum service fee of $84.50 /hr (from 12am to 8pm, outside WE and public holidays), the package provides in theory roughly a max of one hour of service per day.

As the budget must also cater for other types of expenses such as: incontinence supplies, allied health, nutrient supplements, etc…let's work of 5 hours per week or 2 visits of 2 hours each (minimum required by provider).

The rest of the time the care is provided by a family member, friends, neighbours.
Yes, someone is on stand-by for: unforeseen circumstances requiring cleaning at 3am; phone calls to plan medical appointments; chauffeuring to medical appointments; meals preparation; grooming; light podiatry; help with personal care (showering); washing clothes and soiled bed linen; asking the provider to order supplies; managing the Provider's care "manager" ; dispensing medicines; changing batteries in the TV control, and much more.

When the regular family carer needs a break, what options are available?

1. Find another family member / friend / neighbour available.
2. Find respite in Residential care: this is extremely difficult; places are limited to "emergency situations".
3. Seek help from [redacted]: they are happy to help search for Respite in case of emergency. They could also help secure some respite (a minimum of 2 weeks); this would need to be booked no earlier than 4 weeks before the start date of the period of respite and it would not be guaranteed.
4. The funding from [redacted] to assist with Respite costs is not available to recipients of HCP (or SAH in the future).

The only practical solution to ensure the continuity of care when the regular family carer is not available, is to increase the numbers of hours of service supplied by the provider.

The proposed roll-over amount of $1,000 would only allow for approx.12 hours of service during normal working hours.

Imagine a Carer who would like to have a weekend off.
If they ask the Provider for extra help, the cost for the WE would be $3,034.
{**Live in Care:** Base rate $949; Sunday: $1,699; PHol :$1,999 ; Saturday: $1,335
*"A single CAREGiver will be on call for a 24-hour period but will work no more than 8 hours during each 24-hour period. Should the CAREGiver be required to provide more than 8 hours of care we will revert to our standard hourly & overnight rates"}*

Without some saved funds, how could the Carer take a break? By cutting back on the hours of services from the provider on other days perhaps.

No Gvt subsidised scheme is ever going to deliver the full amount of care required by recipients in higher needs classifications nor is it expected to do so.
This said, any scheme should better consider the other stakeholders involved in the caring process.
Family Carers are already poorly remunerated (care payment: $3.53 /hr / carer allowance: $0.52 / hr – no overtime), overworked and now they have been relegated to oblivion.

The amount of rollover funding must be increased to allow for a budget buffer sufficient for:

1. at least a 2-week period of respite at home, as well as
2. a sudden increase in service needs due to health decline, while waiting to be reassessed to a higher classification, which by all accounts, can take months.

It is also interesting to note that the Provider-based subsidies appear to roll-over fully on the 1st of July. (Rule 203C).

### b) Assistive Technology (212B)

The amounts in column 2 in the table for classifications Low and Medium are not sufficient to cover the costs of basic material. A walker is a minimum $250. Therefore a $500 budget is not going to go very far.
It is necessary to review these figures to better reflect real costs of new equipment.
(Independent Living - Disability Aids & Mobility Equipment )

### c) Home Modifications (221)

The amounts in column 2 in the table for classifications Low and Medium are not sufficient to cover the costs of basic modifications.
$2,000.is not going to cover the costs of installation of basic safety rails nor the purchase of a basic access ramp.
It is necessary to review these figures to be reflect real costs.
For the High classification, a lifetime maximum of $15,000 could be insufficient for larger projects such as bathroom modifications.

### d) Individual fees and contributions (314 DA)

After reading section subdivision D, it would be fair to say that the recommendation no 5 of the Aged Care Tak force report "*make aged care fees fairer, simpler and more transparent so people can understand the costs they will incur if they access aged care*" has been totally ignored.

The 4 means tested categories of recipients of aged care (full pensioner, part pensioner, Senior's health card holder and self-funded retiree) are based on the Centrelink calculations which use a **DEEMING** rate.
So, the "supposed" recipient's income is theorical rather than real (like the taxable income for example).
The SAH fee for service funding model assumes that this income is real and that the recipient can pay.
This is why so many aged care recipients are confused and stressed: the published figures of the co-contributions are staggering in comparison with their actual income, and their capacity to pay yet another bill.

In the absence of an official calculator, it is currently difficult for Individuals to accurately work out their own level of co-contributions.
Despite my best efforts, I could not work out a valid result by following the steps in these Rules so I have used this calculator for now : Support at Home cost calculator - estimate your aged care fees instantly — Care Managers Australia
It seems to provide results on par with the figures published here: Case Studies Support at Home

The other big unknown is of course the actual costs of the services.
To estimate the financial impact of the model, one can only extrapolate by using the fees currently charged by Providers.

Let's take the scenario of an elderly man, with mobility issues (unable to stand up without a Zimmer frame), incontinent, living alone and no longer driving.
Let's assume he is at least on SAH level 5.
He has no garden (to keep the calculation simpler).
This person should have a daily service; as his Provider requires a minimum 2hrs visit, he has opted for one visit every second day: 1 hr of personal assistance and 1 hr of domestic assistance.
On average, every fortnight for 2 hours, he goes to a medical appointment or some social outing.
If we run this scenario for 2025, including weekends and public holidays, this man would have received 416 hours of care.
If his co-payment rates are 31% for independence expenses and 54% for everyday living expenses, he would pay, from his own pocket an estimated $16,628.

This man is a "self-funded" retiree and has an income stream pension of currently $23,400 pa.
His required co-contributions would represent a minimum of 70% of his current actual income.

This level of expenses won't be sustainable for this recipient in the long term.
He might be able to temporarily increase the amount he withdraws from his income stream; as the balance of his "savings" decreases over time, he will no doubt successfully apply for an aged pension.
Therefore, is this aged care funding model going to be sustainable for the Government?

Another concern is that anyone paying this level of co-contributions, will expect a quality of service which is currently not very high on the list of priorities of the Providers of services in the home.
It is all very good to ask recipients to pay but what protection and procedures will be put in place to protect the consumer?
If Aged Care becomes a fee-for service then, where are the rights of the consumer?

## 5. In summary

After reading these Rules which set the methodology to calculate participants' contributions, it is difficult to see how the recommendations no 3 & 5 mentioned in paragraph 2 above, have been met.

Is the funding model described in these rules simple, fair, equitable and sustainable?

"**simple**": definitely not; calculations seem even more obscure and complicated than before.

"**fair** and **equitable**"? at first glance, the model of fee-for service would seem a good idea; unfortunately, the double and variable co-contributions rate, based on a theoretical income, is only a mean to rebalance the Government's books, causing financial hardship to many Australians with a low to medium level of savings.
Overtime, this kind of system will result in two categories of aged-care recipients: those who can pay and whose who can't.

"**sustainable**": unlikely. Recipients who can't or won't contribute will become isolated and will require more medical support which will increase the burden on the Commonwealth budget.

There is a great lack of flexibility in the proposal; recipients are asked to co-contribute towards a cost set by the government on advice from the IHACPA which collect their information from…Providers.
Despite propaganda messages such as : Aged Care Consumer Confidence Protections - Ageing and Aged Care Engagement Hub , there appears to be no provisions to give the recipients more freedom to manage their own budget.
For example, there is a vast amount of perfectly suitable second-hand equipment which could be re-cycled for a fraction of the price of new devices.
Only recipients cannot direct the providers to acquire those items. A shame as this would provide great savings to everyone (recipients and taxpayers) and be good for the environment

## 6. References


new-aged-care-act-rules-consultation-release-2a-funding-for-support-at-home-program.pdf

Final report of the Aged Care Taskforce | Australian Government Department of Health and Aged Care

SOCIAL SECURITY ACT 1991 - SECT 1064 Rate of age and disability support pensions and carer payment (people who are not blind)

SOCIAL SECURITY ACT 1991 - SECT 1071 Seniors Health Card Income Test Calculator

Support at Home cost calculator - estimate your aged care fees instantly — Care Managers Australia

https://www.health.gov.au/sites/default/files/2024-09/case-studies-support-at-home_0.pdf

Support at Home

Support at Home program handbook | Australian Government Department of Health and Aged Care