



SUBMISSION
DEC 2024

New Aged Care Act Rules

**RELEASE 2A – FUNDING FOR
SUPPORT AT HOME PROGRAM**

Western Sydney Community Forum



ACKNOWLEDGEMENT

Western Sydney Community Forum acknowledges First Nations peoples as the sovereign Traditional Owners and Custodians of the unceded lands and waters on which we work and live.

We pay respect to Elders past and present.

We respectfully recognise all Aboriginal and Torres Strait Islander peoples, their cultures and their heritage.

We acknowledge past and present injustices and commit to walking alongside First Nations peoples.



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6 December 2024

Aged Care Legislative Reform
Department of Health and Aged Care - New Aged Care Act Consultation
GPO Box 9848
CANBERRA ACT 2601

Dear Colleagues,

Please find attached Western Sydney Community Forum's submission for the New Aged Care Act Rules Release 2a – Funding for Support at Home program.

Thank you for providing the opportunity to make a submission and we look forward to further information on progressing this important work.

For further information, please do not hesitate to contact Camille Sahid-Flick, Policy & Programs Officer, on 02 9687 9669 or camille.sahid-flick@wscf.org.au.

Yours sincerely,



ABOUT US

Western Sydney is home to around 2.6 million people. One in ten Australians live in Western Sydney. Nationally, it is one of the fastest growing regions, with an estimated population of 3.2 million by 2036.

The region encompasses the 13 local government areas of Blacktown, Blue Mountains, Camden, Campbelltown, Canterbury Bankstown, Cumberland, Fairfield, Hawkesbury, Liverpool, Parramatta, Penrith, The Hills and Wollondilly.

It has the highest proportion of First Nations people who live in an urban environment. Almost half the population speaks a language other than English at home. There are pockets where people experience disproportionate levels of systemic socio-economic barriers to access, when compared to the metropolitan.

Western Sydney Community Forum is the regional peak social development council. It has led and shaped social policy and service delivery in the region for almost 50 years. We represent a population of about 2.6 million people and a community services industry that annually invests billions in the Western Sydney community and economy. We have over 4,000 members, subscribers and service users and a reach of about 400,000 each year.

Western Sydney incorporates Nepean, Western Sydney and South Western Sydney Aged Care Planning Regions

13 local government areas

2.6+ million people

1 in 2 residents of Sydney | 1 in 3 residents of NSW | 1 in 10 residents of Australia

Ageing populations across all LGAs

40% projected increase in people aged over 65 years

46,000+ increase in aged population 70+ years

Over 200% estimated increase in older people living with dementia in the Western Sydney ACPR by 2050



BACKGROUND



The Australian Government is engaging with the aged care sector to ensure they are ready for the new Aged Care Act, which is set to take effect on 1 July 2025. Consultation on this particular section of the Aged Care Rules is a culmination of a series of consultations on the foundations of the new Aged Care Act, exposure draft of the Bill, and other separate policy consultations that have occurred over the past two years.

The consultation timeline was broken into several stages. The Stage 1 release, which opened on 26 September 2024 and closed on 31 October 2024, focused on gathering feedback about the list of services available to older people under the new laws.

The Stage 2 release of draft Rules for Chapter 4 of the Aged Care Bill 2024 deals with the funding of aged care services, including subsidies, individual contributions, means testing, accommodation, and grants. The consultation for this stage is divided into two sub-stages.

The Stage 2a release, which opened on 6 November 2024, covers funding for aged care services under the new Support at Home program, specifically the funding mechanisms for aged care services under this program. This includes subsidies, individual contributions and means testing for older people. Stage 2b will cover the remaining funding-related Rules.

Stage 2a is currently open for feedback until 6 December 2024. Western Sydney Community Forum (WSCF) welcomes the opportunity to contribute to this review.

Our submission is informed by the feedback of various stakeholders and WSCF member organisations working in the aged care sector across Western Sydney. WSCF is appreciative of the feedback and support given by these individuals and organisations.



COMMUNITY FEEDBACK

Older people may go without or seek unregulated services if they can't afford co-contributions, or providers face debt. There are significant health and wellbeing implications.

SUMMARY OF RECOMMENDATIONS

Implement mechanisms to reduce the impact of administrative burden to enable provider focus on quality services and supports.

Raise caps, lowering contribution rates and introduce mixed funding models to ensure financial safety and sustainability of both provider and consumer.

Develop additional resources to explain rules, processes and models under the new Act in formats that are easily interpreted and accessible to providers.



RECOMMENDATION

ONE

IMPLEMENT MECHANISMS TO REDUCE THE IMPACT OF ADMINISTRATIVE BURDEN TO ENABLE PROVIDER FOCUS ON QUALITY SERVICES AND SUPPORTS TO OLDER PEOPLE.

Administrative burden to providers should be reduced so that investment in services and supports to older people is maximised ensuring safe and quality in-home aged care for older people.

WSCF has consistently received feedback regarding the administrative burden felt by service providers due to the ongoing reforms. The new Support at Home program will be introducing a new layer of administration, with data collection, and financial processes and invoicing for the collection of Care Management and other services. The additional processes required to prepare organisations for this program have hindered organisations in continuing to provide high quality services to older people.

Some of the specific issues identified included confusion around the grouping of certain services, such as Accompanied Shopping Assistance, which has not typically been associated with Domestic Assistance referrals prior to the reforms.

This could create confusion for providers to determine which services they are registered to provide, and fielding referrals may become a lengthier and more tedious process as a result.

Other concerns included the additional work that would arise from pursuing debts for consumers who have been placed in categories based on assessment which at times does not reflect the real-life implications of an older person's circumstances. This can lead to services being unaffordable and consumers either not using services, or debts arising.

The burden of debts and debt recovery should not be placed on providers. These costs threaten the survival of providers who are the backbone of the in-home aged care system and are relied upon to ensure a robust and sustainable services system that supports our nation's older people.



COMMUNITY FEEDBACK

There are no safeguards in place for providers to receive compensation for the shortfall if consumers are unable to pay their co-contribution.



RECOMMENDATION

TWO

RAISE CAPS, LOWER CONTRIBUTION RATES AND INTRODUCE MIXED FUNDING MODELS TO ENSURE FINANCIAL SAFETY AND SUSTAINABILITY OF BOTH PROVIDER AND CONSUMER.

Financial safety of aged care consumers and providers is critical in ensuring a sustainable services system that provides safe and quality services to older people.

A number of stakeholders in Western Sydney have expressed concern about the contributions allocated to care management, and the financial risks and implications faced by providers in delivering high quality care with the current proposed caps and rates.

The 10 per cent allocated to care management, down from 20 per cent, has been noted as insufficient in keeping up with the number and complexity of needs of consumers and their loved ones, which has risen over the years. Other caps have also been highlighted as insufficient to support older people to continue living and receiving services at home.

For example, an older person in the Blue Mountains may need more home modifications than the \$15,000 cap will allow. Older people living in this region often still live in their large family home that needs repairs, but are not able to move away due to having limited options for downsizing in the area, where they have also established social connections.

It has been commented that many clients are asset-rich but income-poor, and are therefore not able to meet contribution costs based on current aged care pension levels and rising cost of living pressures.

The 10 per cent cap to care management falls short of the actual costs incurred by a number of organisations in Western Sydney currently supporting older people at home, and there are concerns that it will not allow service providers to meet market needs to be able to deliver care at the standard that is required.

WSCF supports the recommendation made by our stakeholders to retain the current variable approach to care management fees with a maximum of 20 per cent allocated to this function.



One of the other financial implications that has been identified by providers in Western Sydney is the proposed changes to client contribution rates.

It has been estimated by stakeholders that 80% of older people with a Home Care Package currently pay no contribution for independence and everyday living services. However, under the Support at Home program, full pensioners will need to pay between 5% and 17.5% of the cost of each service.

There are also concerns that older people will no longer be able to access the services they need due to the costs of co-contributions. In particular, personal care costs may not be affordable and have serious health implications if older people are unable to access the personal care they require. The cap for this area should be increased, and the co-contribution required should be decreased to minimise the risks and potential health and economic costs that will arise when older people can no longer access personal care.

In addition, the proposed model of means testing inhibits a nuanced approach to the individual circumstances of older people and can result in significant inequities.

For an individualised service model to work effectively, individualised processes are likely required to inform decisions on means testing. While a mixed funding model is preferred to ensure sustainability of services to older people and sustainability of the providers that support them, an individualised approach to means testing should be considered to ensure inequities are not created or perpetuated.

This is critical in regions such as Western Sydney where there is significant socio-economic disadvantage, where hardship supplements do not consider the costs of widespread and concentrated geographic disadvantage. For instance, hardship supplements may work when one or two consumers experience disadvantage, but where almost all consumers have hardship, this results in significant additional costs that need to be covered by providers. In this instance, raising caps, lowering co-contribution rates and using mixed funding models becomes more acutely important.



The cost of administration burden in relation to service delivery also needs to be taken into account. The current funding models do not adequately cover the actual costs incurred to provide services to older people as well as the added admin requirements. WSCF supports the recommendation made by stakeholders to consider a mixed funding model with block funding to providers for social groups, to encourage social connectedness. Block funding for thin markets needs to be considered, and the definition of thin markets should be widened to respond to the circumstances and needs of all regions, including Western Sydney.

WSCF does not support the current requirement for part pensioners to contribute up to 50% for the cost of each hour of services under the 'Independence' category, and up to 80% of each service under 'Everyday living'. Enforcing this contribution level may result in clients ceasing access to regulated, registered and quality-monitored services in favour of more affordable yet unregulated services, or having the service withdrawn due to non-payment and accumulating bad debt. Stakeholders have indicated that a contribution of between 30% and 50% (rather than 50% and 80% top levels of contribution) would be more suitable and financially viable.



COMMUNITY FEEDBACK

There is a risk that participants do not receive their required care management due to limited provider resources.



RECOMMENDATION

THREE

DEVELOP ADDITIONAL RESOURCES TO BETTER EXPLAIN RULES, PROCESSES AND MODELS UNDER THE NEW ACT IN FORMATS THAT ARE EASILY INTERPRETED AND ACCESSIBLE TO PROVIDERS.

Additional resources for providers should be developed to enable greater access to clear, simple information that can be more effectively translated into implementation by providers.

Many of our stakeholders have expressed concern around the lack of clarity regarding the price list for services. Setting the contribution rates when the independent body who is setting the service price – the Independent Health and Aged Care Pricing Authority (IHACPA) – has not yet released draft pricing is problematic. This approach impacts service providers' ability to strategically plan ahead for the commencement of the new Support at Home program. It also limits their ability to articulate to consumers how the changes will affect them, which may lead to diminished rapport and trust between provider and client in an already contentious environment.

The definition of “final efficient price” and the method of determining this has also been highlighted as needing greater clarification, as this would form the foundation for the subsidies of all services delivered under the new Support at Home program.

As such, the Government must ensure that the methodology for determining this price is based on current need and actual costs incurred, and provide this information in a timely and accessible manner to allow providers to plan ahead.

There are other elements of the new program that have caused confusion among providers. The hardship supplement and its determination is not well defined, and stakeholders have indicated that it may not be enough for older people experiencing hardship. Further, the guidance about individual home assets is not clear.

More broadly, the significant changes from four to eight categories as well as other program changes need to be accompanied with clearer information and guidance. This should explain how providers can prepare for and onboard clients, pursue bad debt, and implement systems to support this.



Stakeholders have also expressed concern around the proposed grouping of Support at Home services under the three categories of clinical care, independence, and everyday living. Ongoing preventative programs such as strength, balance and falls prevention and community exercise groups currently have no place in the new program, and will therefore impact on its continuation as providers will have difficulty allocating the service to a category.





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