



## Consultation on Aged Care Act Rules

### Release 2a: Funding for the Support at Home program.

#### Brotherhood of St. Laurence

6 December 2024

BSL welcomes the opportunity to submit feedback on the Aged Care Act Rules – Release 2a: Funding for the Support at Home program – as part of the Legislative Reform of Aged Care.

## The Brotherhood of St. Laurence and Aged Care

The Brotherhood of St. Laurence (BSL) is a social justice organisation working alongside people experiencing disadvantage to address the fundamental causes of poverty in Australia. We believe no one should live in poverty. Our purpose is to advance a fair Australia through our leadership on policy reform, our partnerships with communities and the quality of our services.

BSL welcomes the passage of the Aged Care Act into law, and the redressing of some of the critical issues raised by the Aged Care Royal Commission into Quality and Safety in Aged Care. We remain concerned, however, for the most vulnerable older people who may still have their aged care needs unmet. This is because older people experiencing disadvantage have specific and complex needs requiring assistance with navigation of services, support in connecting with service providers, and hands-on support to resolve crises and presenting issues. The foundation to working with these cohorts is the building of trusted relationships and prioritising access to much-needed services and supports.

As a service provider working primarily with cohorts of older people experiencing multiple forms of disadvantage, we have the following feedback to provide on the proposed funding arrangements for the Support at Home program:

### Care management

#### *Level and nature of care*

Older people experiencing disadvantage often require case/care management to be able to access aged care services. We note the care management supplement eligibility criteria (Subdivision D, p12) includes First Nations people, care leavers, people experiencing homelessness, recipients of Veterans payments and recipients of a referral from the Care Finder program. However, BSL works with older people who are ineligible for, and not supported by, Care Finder providers through our [Critical Interim Support](#) program. We are concerned that these eligibility criteria will exclude the people who most need support. Without the care management supplement, providers may be unable to support the complex needs of some older people.

In addition, care management as defined in the Service List does not adequately describe the breadth of outreach case management work that the BSL undertakes in its work with clients from disadvantaged backgrounds and experiencing complex living situations.

**Recommendation 1: The care management supplement eligibility criteria should be extended to include all older people living with disadvantage.**

#### *Fees*

BSL notes that case (or care) management fees in the Support at Home program are to be capped at 10% of total package funds that can be used by a provider. This reflects a considerable decrease from current arrangements (under home care packages) and will not cover the – more intensive - scope of work we undertake with our client cohort. This poses a disincentive for providers to undertake more intensive case support, especially by non-profit and for-purpose providers. The work of providers who usually support older people facing disadvantage must be financially sustainable otherwise there is a risk that the level of care provided will be inadequate, and providers will be forced out of the home care market, leaving a significant gap that will not readily be filled by the for-profit sector.

Care management fees should not be subject to an arbitrary cap. However, if a cap is to be applied it should be benchmarked – by the Independent Health and Aged Care Pricing Authority (IHACPA) - against a range of providers and client groups, noting that older people eligible for aged care services are not a homogenous group and a one-size-fits-all approach will suit only those older people who are able to self-manage their package of funds. Any cap should also be subject to regular review to ensure it remains reflective with changes in costs and care needs.

**Recommendation 2: Care management fees should not be subject to an arbitrary cap. However, if a cap is applied it should be benchmarked by IHACPA, and regularly reviewed, against a range of providers and client groups.**

## **Means testing, Calculating Client Payments and Collection of fees**

The draft Rules indicate that home support providers will undertake means testing to determine individual contribution rates, the calculation of payments for non-clinical care and also collection of fees.

BSL's position is that that income and assets testing across home-based and residential care should sit with Services Australia to keep it separate from the relationship- based model of care that the providers have with their clients. BSL notes Services Australia currently undertakes means testing for residential care services. Requiring providers to conduct means testing for home care would unnecessarily introduce two separate means testing regimes and add complexity for older people. A single system would also be helpful for those moving between home and residential care. -

Placing providers in the role of fee calculators also introduces the risk that fees may be calculated differently and inconsistently across different providers.

In addition, the workload of undertaking means testing, payment calculation and fee collection will impose additional workload and create challenges to the financial sustainability of some providers. Further, if providers are required to estimate payments and accept the risk associated with calculation error, this would act as a further challenge to financial viability.

BSL considers that Services Australia should conduct means testing, and the Department of Health and Aged Care should conduct payment calculations and fee collections.

BSL also submits that there should also be hardship provisions for clients included in the Rules, noting that circumstances can change dramatically, including for self-funded retirees as well as those in receipt of income support payments.

**Recommendation 3: Means testing should be undertaken by Services Australia for home care services, consistent with residential aged care.**

**Recommendation 4: The Department of Health and Aged Care should be responsible for payment calculations and fee collection**

**Recommendation 5: Hardship provisions should be developed to avoid unnecessary penalties for older people experiencing difficulties paying for their consumer contributions.**

For further information or to discuss this submission, please contact:

