



UCQ Submission New Aged Care Act Rules Stage 2a: Funding for the Support at Home Program

Introduction

Aged care in Australia is undergoing significant transformation, driven by shifting demographics, increasing healthcare needs, and challenges related to financial sustainability. UnitingCare Queensland (UCQ) supports the changes with the new Aged Care Act (Act) commencing 1 July 2025, however they must be the right changes. It is vital the Act supports high-quality care for all Australians while ensuring that aged care providers remain financially viable.

The implementation of the Support at Home Program (SAHP) reforms brings these considerations to the forefront. Demand for in-home care continues to rise, and Australians, along with their families, place immense value on this form of support. As Providers adapt to these reforms, it is critical to establish rules that are transparent, clear, equitable, and reflective of the actual cost of care delivery.

UCQ is a leading provider of residential, specialised, and in-home aged care services. We deliver residential aged care and community services throughout Queensland as BlueCare. In the Northern Territory, care and services are delivered by the Australian Regional and Remote Community Services (ARRCS).

Our customers include Aboriginal and Torres Strait Islander Peoples, rural and remote communities, and individuals experiencing homelessness and vulnerability. With experience in these communities including in areas with thin markets, UCQ provides unique insights into the real-world impacts of the SAHP service pricing, particularly the challenges and additional time required to deliver quality care in vulnerable communities.

UCQ welcomes the opportunity to provide feedback on stage 2a of the draft Aged Care Rules: Funding for the Support at Home Program (the Rules) prior to their implementation to support a well-designed legislative framework. UCQ supports a more flexible rights-based SAHP that meets the needs of all Australians, particularly the most vulnerable, while enabling aged care providers to continue delivering high-quality care now and in the future.

Our feedback is provided in the context of the information available at present and we are yet to see all tranches of Rules. This submission highlights UCQ's key concerns with the Rules which must support a SAHP that is simpler and more equitable for older Australians to stay at home longer. It is essential the Rules are drafted clearly and concisely and do not create unnecessary burdens for providers or older Australians.

Clarity and Completeness of the Rules

UCQ is concerned about the lack of clarity and completeness of the Aged Care Act Rules and the delayed release of information. There is insufficient information provided by the Government and this poses a significant challenge in providing meaningful feedback and consultation.

The integration of SAHP Rules with other sections of the Aged Care Act remains unclear. Critical components, such as unpublished sections of the Rules and a lack of information about the funding model and policy design, make it difficult for Providers to understand their practical implications and plan effectively for commencement of the Act on 1 July 2025.

Clear financial modelling to demonstrate funding allocation mechanisms, including grant values, is urgently needed. As a Provider who operates in thin markets and delivers care and services to First Nations and other vulnerable groups, UCQ welcomes the planned supplementary grants.

However, as the SAHP thin market grants will be a competitive program, the Department will need to ensure a sufficient funding envelope to reasonably meet demand, and an application process that is not unnecessarily burdensome for aged care providers. This detail has not yet been provided. Consistency in subsidy levels, especially across MMM6 plus and specialised services, needs further work to prevent service inequities.

UCQ is concerned about the lack of transparent guidance on the management of consumer budgets. There is lack of clarity about the base individual amounts in Clause 194A, and the relationship with the base provider amounts in Clause 204.

Further clarity is required on the following areas:

- 10% of participants' budgets will be drawn down for care management across all levels of care. However, there are no details on what will be included in the service price (in terms of the administration or budget management fee).
- Care management needs fluctuate. Further information is required about how flexibility provisions will manage this.
- There is insufficient information about how financial reconciliation will work for quarterly rollover credits under Clause 193A.

The increase in consumer contributions from those with means receiving SAHP services will see a significant shift in the share of funding from consumers. There is ambiguity about the consumer contribution framework and the interaction with means-testing creating uncertainty for both Providers and consumers.

It would assist Providers and consumers if the Department provided examples to support better understanding of consumer budgets and contributions, including the impact of means testing.

Complexity and Administrative Burden

UCQ is concerned that the Rules and proposed requirements will be resource intensive, with broader impacts on Provider capacity, the aged care workforce and ultimately the delivery of care and services.

The Rules involve complexities in funding and introduce significant administrative burdens to Providers, especially in calculating fees, managing consumer subsidies, and reconciling service costs.

UCQ is concerned the SAHP pricing model will not cover the costs associated with the increased administrative burden.

Transitioning to an 8-level subsidy model without clear parameters exacerbates complexity for Providers accustomed to 4 levels. Further complexity is impacted by variable billing requirements associated with grandfathering arrangements and transition arrangements. Administrative processes tied to quarterly budgets with rollover credits in Clause 193A need streamlining to reduce unnecessary burdens.

Some of the means-testing and individual contribution calculations contained in the Rules, and accompanying examples in the overview document, are unnecessarily complicated. The burden will sit with Providers as they transition across to new fee calculations and collect new data from consumers.

UCQ has concerns about the adequacy of digital tools for automating processes such as fee calculation and reconciliation with a risk of errors.

A significant variation in what services consumers will be charged for may require an advanced Information and Communications Technology (ICT) system to manage this. There is a significant cost associated to implementing new or upgraded ICT.

Due to overall increase in consumer contribution, the impact of bad debt expenses would increase under SAHP. In addition, the administrative burden of generating invoices and statements for consumer contributions, and implementing debt collection processes, will be significant.

Additional requirements for consumer data collection and reporting significantly increase Providers' resource demands. Providers will need to report to the Department through the claiming process, the care manager time that they provide to each consumer.

UCQ is concerned about the administrative burden of this reporting and that there is no information about the technical specifications for the exchange of information so that Providers can begin preparing for this requirement.

UCQ welcomes the Department's commitment to review financial reporting considering the significant time and resource burden this imposes on Providers. However, UCQ is concerned the Department has not yet released a timeframe for this review.

UCQ is concerned about the administrative burden of regulatory reporting requirements to both the Department and the Aged Care Quality and Safety Commission that require streamlining. Changes in regulatory requirements can significantly impact provider costs and should be reflected in the SAHP funding model.

The burden is further compounded with other new requirements under a new Aged Care Act from 1 July 2025, including resourcing to meet regulatory requirements. The resources required to meet other changes for Providers are significant, such as the new aged care wages to be delivered in tranches over 1 January 2025 and 1 October 2025.

UCQ urges the Department to reconsider the impact this will have on consumers and Providers.

Equity and Sustainability

Financial policies in the Rules need to cohesively ensure a sustainable sector that supports Providers to deliver services when and where they are needed. Equity of access to services is fundamental to the new aged care rights-based Act.

UCQ has concerns about equity of access to care and services for First Nations, culturally diverse, and remote communities, considering the additional challenges of distance and accessibility. Current subsidy levels fail to adequately address the needs of high-cost service areas, including rural and remote regions, creating inequities in service access.

Thin market grants for underserved areas lack transparency in their allocation criteria and value, posing risks to sustainability in remote, regional, and rural services. Staff travel costs are a significant component that if not adequately addressed through service pricing, supplements or grants could lead to inequity.

Meeting the needs of consumers from vulnerable backgrounds, remote communities, or First Nations groups requires more time, effort, and resources to ensure their care needs are understood and met. Addressing the specific needs of First Nations, culturally diverse, and remote communities is inherently more costly and must be reflected in grant structures.

UCQ is concerned that a uniform approach to subsidies will disadvantage vulnerable cohorts, particularly those requiring specialised or high-cost care.

While the Rules note provisions for MMM6 and MMM7, the sector is awaiting pricing advice relating to unit price weightings and further information on grants for Rural and Remote providers. Currently MMM4 and MMM5 receive additional funding and UCQ are concerned that this support will be removed from 1 July 2025.

UCQ notes the existing Dementia and Cognition Supplement available for consumers receiving home care packages (HCP) has not been listed as a primary person-centred supplement in Clause 196A. The Dementia and Cognition Supplement in home care recognises the extra costs associated with caring for people with cognitive impairment in their own home.

Australians living with dementia come from diverse backgrounds and have unique and variable needs for services and support to help them remain at home, particularly if they live alone. As the prevalence of dementia continues to increase, priority groups such as people from culturally and linguistically diverse backgrounds and First Nations Peoples are particularly vulnerable. The Dementia and Cognition Supplement provides additional support to these vulnerable groups who often need extra assistance with core activities of daily living.

UCQ acknowledges that the Department is funding specialist dementia services and is continuing support for the Australian Dementia Network. However, UCQ is concerned that the removal of the Dementia and Cognition Supplement will impact consumers from a budget perspective, impacting on how much care they can receive to help them remain at home.

It is unclear how the Department will ensure consumers currently receiving the Dementia and Cognition Supplement are not disadvantaged under the 'no worse off' principle.

UCQ recommends the Department continue providing the Dementia and Cognition Supplement under the SAHP program.

Further to this, under Clause 205B, UCQ is concerned there is no provision of a care management supplement for Providers delivering care management to consumers living with dementia. Case management for consumers living with dementia can be challenging and time consuming due to the complexity of the interventions and support required.

There is evidence that:

- Effective care management can improve outcomes for consumers living with dementia, particularly where the person lives alone.
- Care management for consumers living with dementia who live alone often requires more time and resources due to increased risks such as safety, malnutrition, self-neglect, financial management, medication management and appointments where they may forget medical appointments or visits by staff and have no one to contact in an emergency or when they do not respond to a scheduled visit.

The provision of adequately funded care and services at home from suitably trained staff is critical in supporting consumers living with dementia to stay at home longer.

UCQ recommends a dementia and cognition care management supplement be applied to a service delivery branch of a Provider to ensure effective care management for consumers living with dementia.

Assessment

UCQ is concerned about how the SAHP funding will cover the costs when a consumer is first admitted to a service, particularly in relation to service level assessment to inform care planning.

Although a consumer will have an assessment through the single assessment system, wait times to access care and services can often be lengthy where a person's care needs may change significantly. A service level assessment is essential for ensuring quality care and services, and Providers should be funded to undertake this component.

The SAHP program handbook provides information about what is required through care planning as part of care management, "identifying and **assessing** participant needs, goals, preferences and existing supports" (p41). The SAHP program handbook also states, "Providers must continue to deliver care management, and provide oversight for quality and safety, compliance with legislation and program guidance" (p44).

UCQ is concerned that Providers will not be appropriately funded to meet regulatory requirements, including the requirements of the strengthened Aged Care Quality Standards - Outcome 3.1 Assessment and Planning. Assessment and care planning are critical components of quality care management which costs time, money and resources, particularly for consumers with more complex needs.

To ensure financial sustainability, UCQ recommends care management fees under SAHP should not be reduced to 10% of the cost of services delivered.

UCQ recommends a subsidy be paid to Providers to cover the costs of initial assessment and planning and the time it takes to commence care and services for a consumer receiving any service type. For example, an 'initial entry supplement' paid to Providers like in residential care.

It should be noted that the more complex the needs of a consumer, the more time it takes to undertake appropriate assessment of the consumers' needs, risks and preferences. This time comes at a financial cost to the Provider.

Lack of Outcome-Based Funding Models

Existing funding models are activity-based, prioritising volume over the quality and outcomes of care provided to consumers. Incentives tied to activities discourage innovation and cost-effective care, limiting opportunities to deliver impactful and holistic support. There is a critical need to align funding Rules with metrics that measure consumer outcomes, such as improved health, independence, and quality of life.

With ongoing care, a primary goal is extending the time at the current level of capability. This should also be factored into an outcome-based model. Culturally tailored outcome measures for vulnerable and remote populations are required to ensure equity in performance evaluations.

UCQ recommends an outcome-based model that would foster more equitable resource allocation, addressing systemic disparities in care provision.

Workforce Consideration and Consumer Behaviour

Workforce shortages in clinical and management roles are exacerbated by inadequate wage funding and undervaluation of specialised skills. Weekend and after-hours staffing are undervalued, leading to challenges in service delivery during high-demand periods.

Flexibility in SAHP funding Rules is essential to allow Providers to adapt staffing and service models in response to changing consumer behaviour. Effective engagement with consumers from vulnerable or diverse backgrounds is resource-intensive, requiring specialized training and communication skills to build trust and support outcomes.

UCQ recommends investment in staff training and retention is needed to align workforce capacity with evolving service delivery models and consumer expectations.

UCQ is concerned about the impact of the SAHP funding model on consumer behaviour. Consumers may opt for lower cost services and not receive needed higher cost services.

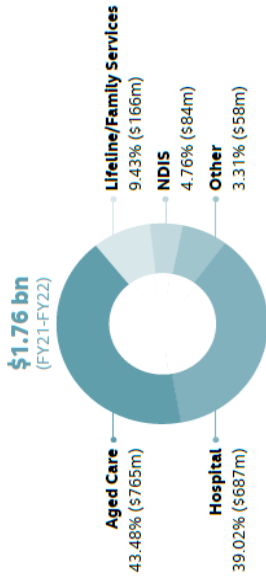
There is no way to adequately predict the flow on effects of this reform to consumer behaviour. It is essential the Rules allow flexibility in how services respond to these changing demands. Rising consumer contributions for domestic and non-clinical services may shift consumer behaviour, reducing demand and straining workforce planning efforts.

UCQ recommends the Department monitor and assess on a regular basis, consumer behaviour and the relationship between consumer contributions and SAHP funding and price setting.



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