

# Consultation Aged Care Act Rules release 2a Funding for Support at Home program<sup>1</sup>

Submission [REDACTED]

## Introduction

To value your own life as you age, you first need to understand that care and dignity is more than wiping bums. You don't give up on who you are when you wipe someone else's bum, nor should you feel less when someone wipes yours.

Life is more than just your body. Life is about who you are in society and how you contribute to others and that doesn't stop when you age or become disabled.

I am extremely angry and disappointed that the Aged Care Act 2024 was signed off without full disclosures of the processes for Support at Home and Residential Care. The parliament that signed off on this bill knew little of the detail that will cost billions more as a result of greater outsourcing and privatization.

This program was instigated by a small number of very senior public servants. They abused their positions by engaging with contractors to present spin and argument to support their drive to privatise Aged Care. They are well down the track privatising other departments. They promote automated decision making and intend to digitise access to all government services. Sadly, I don't believe the real drivers will ever read this submission. To them, consultations and submissions are just a part of process. They hold the power of veto.

I am of the opinion that like those who drove this Aged Care program of RoboGov should be held to account just as those who abused their privilege to drive and deny the effects of and damage done by RoboDebt.

This Aged Care program treats people with higher needs as failed humans to be outsourced as commodities to enrich wealthy global investors.

Shame on you. These ideologs who up until recently hid behind assistant secretaries played a high stakes game where their drive to win argument far outweighed the drive to provide meaningful and equitable care.

These very senior bureaucrats abused their privilege to create greater division between the have and have nots. Their job was to look after those most in need, not to fleece pensioners and low-income earners.

The system of abuse and neglect that they call aged care will fail, locking future governments into support mechanisms that will need further reductions in quality to remain sustainable.

## Supporting a person managing complex need

In the current form the Support at Home is not a program that will support our most vulnerable elders to have input into the supports to be received or over how those supports will be delivered.

People managing complex need and/or disability will be unable to maintain their independence and dignity in their own home and will be forced into residential aged care facilities.

Aged Care fails to recognise the needs of people who due to one year difference are denied access to the NDIS. People aged 64 receive many supports and services under NDIS that assists them to maximise wellbeing; while those over the age of 65 who failed to gain access to the NDIS are left to finance the gaps in the systems and failures to recognise and support their individual need.

The majority of people managing complex conditions can be supported in the home environment, as long as the people providing care are supported to respond in a timely and appropriate manner.

Supporting people in their own homes has been evidenced time and time again to be the better environment to provide such specialist supports. The regime in residential care too often fails to accommodate specialist needs.

## NDIS vs Aged Care Support

Firstly, and most significantly NDIS is not means tested nor are services directed at aging. Aged Care funding is means tested and now regrettably due to the rules 2 Chapter 4 and the Aged Act, all people receiving assistance will be asked to make financial individual contributions.

Aged Care: Support at Home will be income assessed and their Individual Contributions<sup>2</sup> for each and every service will range from

Zero	for services classified as clinical services
5% to 50%	for services classified as independent living
17.5% to 80%	for support classified as everyday living.

For example, a pensioner is estimated by the department to contribute \$95 from the \$1144 per fortnight pension. That is \$2,500 a year. Might not seem much to someone on the average Australian wage<sup>3</sup> of \$1,923.40 per week or \$100,016.80 per annum. However, I can assure you that \$95 is a massive amount to people battling raging costs of living from their annual pension of \$30,000.

**So, what do the changes mean for someone receiving age care support?**



In a nutshell, an enormous reduction in disposable income to pay for things out of scope in the programs and for essential daily living. Restricted opportunity to join family and friends at community events where there is a high admission cost and/or travelling /carer expense. School concerts are already beyond the means of many low-income grandparents, now this tax on their frailty and disability places them at further disadvantage from their 2nd tier citizenship.

But for many the biggest consequence of Aged Care vs NDIS is the lack of recognition and understanding of the impact upon them and their partners as result of their disability. Older people with complex needs / disability are forced to continually fight for the services they need to remain in their own homes and their community.

Sadly, much needed support is unlikely to take place in residential care let alone in the home environment.

### **Support at home should be the subsidy.**

To suggest that ALL PEOPLE can afford to pay Individual Contributions is utter rubbish!

It is absolutely unbelievable to suggest that all people are able to pay for age care support. The Aged Care Task Force report<sup>4</sup> recognised that 12% currently do contribute, that is 82% of current homecare package recipients have been income assessed by Services Australia under current guidelines that they are exempt from paying income tested fees.

Services Australia sets a high bar for people to receive a full pension and an extremely high bar for partially self-funded retirees to receive a pension let alone a health care card.

There is even a higher bar for people to receive aged care support via a home care package. The reality is that people on pensions and low incomes are being doubly disadvantaged. They can no longer do such things as shower, clean, prepare meals safely, all things they could once do for themselves. People with significant disability have the added challenge of managing chronic and progressive disease and debilitating conditions.

## To shower or to not shower?

That is a question, that should not be reliant upon your bank balance.

Not ALL people can pay and nor should they be expected to. People on low incomes should not be subjugated to a system that will prevent them from living in community. This Act and the funding rules will create greater division in the community between those who can afford services and those who cannot.

The one-size fits all model of assessment and service provision cannot address the needs of people living with disability. The Support at Home program has an over emphasis of supporting services where it can be demonstrated that they are needed due to age-related decline, not disability, injury or chronic conditions.

In- home care and services are essential, and Support at Home must not become a glib statement

The majority of people on low incomes will not be able to fund the services that they need to remain in community and in their own homes. The alternative is fraught with risk and systemic failure. Far too many residential care providers have not been able to demonstrate that people with complex needs will receive their medication and allied health supports in a timely way so as to prevent sudden and permanent decline in their health.

## The Aged Care Bill 2024 is a Tax on frailty and disability

The Royal Commission into Aged Care Quality and Safety; both commissioners were quite clear in their summary and recommendations that a hypothecated tax or levy should be introduced to pay for Aged Care Services

*A philosophical shift is required that places the people receiving care at the centre of quality and safety regulation. This means a new system empowering them and respecting their rights. An independent Aged Care Commission with guaranteed funding through a hypothecated Aged Care Levy will, in my view, create the substrate upon which this change in philosophy can flourish.<sup>5</sup>*

**Recommendation 144:** Introduce a new earmarked aged care improvement levy

1. By 1 July 2022, the Australian Government should introduce legislation to Parliament to establish an aged care improvement levy of a flat rate of 1% of taxable personal income. The levy imposed should be levied, and paid, for the financial year commencing on 1 July 2023 and for all subsequent financial years until the Parliament otherwise provides.
2. The legislation introducing the levy should be based on the Medicare Levy Act 1986 (Cth).<sup>6</sup>

**Rules: Chapter 10 Means testing Part 2 Means testing in a home or community setting Division 1 Section 314AA**

It is very clear, by the intent that all people will be subject to individual contributions, and what's more this principle not only ignores the recommendations of the Royal Commission but also of The Aged Care Task Force which stated in their report <sup>7</sup>

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

**Recommendation 4 :** *Ensure a **strong safety net** for low-means participants to meet aged care costs.*

Sadly, I cannot find that assurance for safety nets in the aged care Funding Rules nor in the associated Social Security legislation that will provide meaningful income protection for pensioners and people on low incomes.

**Hardship Provision: 'The Rules'**

**How to Access department guidelines**

*Aged Care Claim for financial hardship assistance form (SA462)<sup>8</sup> To fill in this form digitally you will need a computer and Adobe Acrobat Reader, or a similar program. You can download Adobe Acrobat Reader for free. If you can't complete the form digitally, you can print it, complete it by hand and return it to us following the instructions on the form.*

*If you have a **disability** or impairment and use assistive technology, you may not be able to access our forms. If you can't, please use self service, request someone to deal with us on your behalf, or contact us. We can help you access, complete and submit them.*

There is no provision within the Aged Care Act, rules or the Social Security Act that includes the cost of managing disability in the **Meaning of essential expenses for a recipient of home care.**<sup>9</sup> This definition is used to access essential expenses when making decisions and fee reduction and/or exemption. Anyone living with a disability will inform you very quickly that yes disability supports are essential.



## **Section 197A 24 Care Rules 2024**

Part 5—Secondary person-centred supplements for home support, assistive technology and home modifications. This part of the rules only considers general expenses and does not consider the extra expense that a person with disability and/or complex health conditions need to pay.

The needs of people with disability vary enormously and are very dependent upon environment and the support available. Some costs are looked at as costs, for things people normally have been able to do for themselves or normally pay for and as such are excluded from the Support at Home Program. This includes but is not exclusive to essential home maintenance, fixing leaking taps, non-PBS medication and extra costs of maintaining contact with family and community.

### **Subdivision E—Primary person-centred supplements**

There are extra supplements and or consideration for Providers to support people requiring oxygen, feeding needs, management for dementia, veteran’s mental health and for people living in rural and remote community but not for people requiring specialist services to address individual need and individual disability.

### **Section 205B Care management supplement—applicability**

There are case management supplements for people who have experiences of homelessness, institutionalized care, abuse etc but not for specific disability needs.

However, personal care aside there are some specific disabilities that are recognised for assistive technology and home mods.

### **Division 2—Available assistive technology account balance**

#### **Section 211B Account period for classification type short-term**

(b) if subsection (2) applies to the individual:

(i) the period of 24 months beginning on the entry day for the individual; or

(ii) if the System Governor determines a longer period for the individual under subsection (6)—that longer period.

(2) This subsection applies to an individual if a medical practitioner has certified, in writing, that the individual has been diagnosed with any of the following conditions-



- (a) cerebral palsy;
- (b) epilepsy;
- (c) Huntington's disease;
- (d) motor neurone disease;
- (e) multiple sclerosis;
- (f) Parkinson's disease;
- (g) polio;
- (h) spinal cord injury;
- (i) spinal muscular atrophy;
- (j) stroke;
- (k) other acquired brain injury;
- (l) muscular dystrophy or muscular atrophy.

Given that a number of complex disability and health conditions are recognised with regard to supply of assistive technology.

Why has this recognition not also been extended to specialist care and service provision in the Support at Home program?

Though there are 8 classifications of Support at Home services, options and supplements are all defined by the same rules within the Act.

**Section 234 Part 8—Subsidy for certain specialist aged care programs [to be drafted]**

**Section 273B Division 3—Fees and contributions for specialist aged care programs [to be drafted]**

**Question:** what are the [to be drafted] certain specialist aged care programs?

Whatever they are, they must include provision in both residential and home care settings.

## Recommendation 1

The 'rules' need to define and include allowances and supplements to ensure that people managing a wide range of recognised disability and complex health conditions can receive the essential support that they require.

Within the 'rules' there needs to be acknowledgement that people with complex conditions often require extra support for a wide range of conditions on top of their core disability.

## Recommendation 2

The mistake to introduce individual contributions must be corrected, to recognise the financial hardship for people on low incomes.

I strongly recommend that the existing income tested fee criteria and assessment continues with the new support at home program.

The inability to pay for Individual contributions and gap fees for home support will result in people left with no option but to transfer to residential care. The cost to government to fully support someone in residential care is \$132,000 p.a. and this far exceeds the \$78,000 for the highest classification for Support at Home.

## Recommendation 3

The current basic daily fee needs to be removed from the home care packages and Support at Home programs to acknowledge that the majority of not for profit and community-based service providers do not collect the fee. Providers recognise that few participants can pay \$91.56 per week, let alone pay more as Individual contributions. (Basic daily fee up to \$13.08 from 20 September 2024)<sup>10</sup>

## Recommendation 4

If Individual contributions are not scrapped, the Aged Care Act and the 'rules' must support the recommendations of the Royal Commission and the Aged Care Task Force by: : Automatic exemption for pensioners and low-income earners from the individual contributions. and :Ensuring a strong safety net for low-means participants to meet aged care costs. and : Ensure that participants are left with disposable income needed to pay for essential services and out of scope supports that they need to sustain meaningful levels independence in their own homes.

**In plain language. People with low incomes and pensioners cannot afford to pay individual contributions, nor should they be asked.**



## References:

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<sup>1</sup> Aged Care Act Rules consultation – Release 2a – Funding for Support at Home program cited 13 Nov 2024  
<https://www.health.gov.au/resources/publications/new-aged-care-act-rules-consultation-release-2a-funding-for-support-at-home-program?language=en>

<sup>2</sup> *Aged Care Rules 2024* Section 314AA Part 2—Means testing Division 1—Means testing in a home or community setting; cited 13 Nov 2024  
<https://www.health.gov.au/resources/publications/new-aged-care-act-rules-consultation-release-2a-funding-for-support-at-home-program?language=en>

<sup>3</sup> ABS Average Weekly earnings; cited Nov 2024  
[Average Weekly Earnings, Australia, May 2024 | Australian Bureau of Statistics](https://www.abs.gov.au/australian-bureau-of-statistics/publications/most-recent/average-weekly-earnings-australia-may-2024)

<sup>4</sup> Aged Care task force report, pp 59 ‘Only 12% of care recipients incur an income tested care fee’ cited 13 Nov 2024  
<https://www.health.gov.au/resources/publications/final-report-of-the-aged-care-taskforce?language=en>

<sup>5</sup> Royal Commission into Aged Care Quality and Safety Final Report Volume 1, pp 21; cited 14 Nov 2024  
<https://www.royalcommission.gov.au/system/files/2024-03/aged-care-rc-final-report-volume-1.pdf>

<sup>6</sup> Royal Commission into Aged Care Quality and Safety Final Report Volume 1, pp 309 ; cited 14 Nov 2024  
<https://www.royalcommission.gov.au/system/files/2024-03/aged-care-rc-final-report-volume-1.pdf>

<sup>7</sup> Aged Care task force report, pp 21-22; cited 13 Nov 2024  
<https://www.health.gov.au/resources/publications/final-report-of-the-aged-care-taskforce?language=en>

<sup>8</sup> Aged Care Claim for financial hardship assistance form (SA462); cited 13 Nov 2024  
<https://www.servicesaustralia.gov.au/sa462>

<sup>9</sup> Subsidy Principles 2014 Division 4—Other supplements Subdivision A—Hardship supplement ‘Meaning of essential expenses for a recipient of home care’ cited 13 Nov 2024  
<https://www.legislation.gov.au/F2014L00862/latest/text>

<sup>10</sup> My Aged Care Website: Basic daily fee; cited 11 Nov 2024  
<https://www.myagedcare.gov.au/help-at-home/home-care-packages>