

Design changes for Star Ratings Participant Workbook

Department of Health and Aged Care

2024



Australian Government
Department of Health and Aged Care

www.health.gov.au

Acknowledgement of Country

We acknowledge the Aboriginal and Torres Strait Islander people as the Traditional Custodians of the lands and waters on which we all work, live and learn. We recognise the incredible richness, strength and resilience of the world's oldest living cultures, including cultural practices, languages and connection to country.



Australian Government

Department of Health and Aged Care

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Purpose of the consultation

The Australian Government Department of Health and Aged Care (the Department) is undertaking a public consultation to inform design changes to Star Ratings for residential aged care.

Purpose

The purpose of this consultation is to gather feedback on proposed changes to Star Ratings. Changes relate to the following key areas:

01

Compliance rating: When the new Act comes into force, the design of the Compliance rating must change due to the new regulatory model. The design of the Compliance rating will also include graded assessments against the strengthened Aged Care Quality Standards.

02

Staffing rating: From 1 October 2025, the Staffing rating will change. Homes will need to meet both of the mandatory care minute targets to receive a Staffing rating of 3 or more stars.

03

Changes in response to findings of a recent evaluation: The Department undertook an independent evaluation of Star Ratings. The evaluation looked at the impact Star Ratings has had on improving care quality and transparency for older people. Preliminary findings from the evaluation provided some recommended changes to the display of Star Ratings.

The feedback received through the consultation process will help shape the future design of Star Ratings and ensure it supports older people and providers in comparing aged care homes, making informed choices and driving improvement.

The consultation process will run from 18 November to 13 December 2024. After the consultation, an overview of key issues and themes will be published on the Aged Care Consultation Hub and the Department's Star Ratings website.



How to use this workbook

How to use this workbook

This workbook is designed to be used as a reference and guide to facilitate discussions. It includes a brief overview of the key topics that will be addressed in the discussion, such as Compliance rating, Staffing rating and suggestions made through the Star Ratings evaluation.

This workbook is intended to be read alongside the Design changes for Star Rating Consultation Paper, which provides additional information on the proposed changes.



Participants are urged to review the workbook and prepare their thoughts before participating in consultation activities. These consultation activities, including the survey and written submission, will also be used to gather feedback on the identified key topics.



Background information



About Star Ratings

Star Ratings for residential aged care was introduced by the Australian Government in 2022, in response to recommendations from the Royal Commission into Aged Care Quality and Safety.

Star Ratings help older people and their representatives to understand the quality of care at aged care homes. This information assists people to compare homes and make informed choices about their care. They also help aged care providers monitor and implement strategies for improvement.

There are 4 sub-categories that contribute to the Overall Star Rating:

Residents' Experience: how people feel about the care they get

Quality Measures: around 5 key care areas



Compliance: based on regulatory decisions made by the Aged Care Quality and Safety Commission

Staffing: the average amount of care time residents receive from nurses and care workers

Aged care homes receive an Overall Star Rating of between 1 and 5 stars, and a rating across each of the 4 sub-categories.

The more stars an aged care home receives, the better the care.



Compliance rating



Compliance rating changes

When the new Aged Care Act is implemented, the Compliance rating design will be updated to align with the new regulatory model, which will include graded assessments against the strengthened Aged Care Quality Standards (strengthened Standards). All aged care homes will be audited against these strengthened Standards and the new Compliance rating will evaluate compliance and conformance.

To achieve a 5-star Compliance rating, a new requirement will be introduced, necessitating an exceeding grade against the strengthened Standards.

Regulatory notices

The Aged Care Quality and Safety Commission (Commission) can respond to suspected or established non-compliance with a provider's obligations under the new Act by issuing a compliance notice.

If a formal regulatory notice is received, the Compliance rating for an aged care home will be reduced based on the severity of the notice.

The proposed Compliance rating includes changes that will mean a formal regulatory notice will impact the rating of either one or more aged care homes, or where the formal regulatory notice is about the operations of the whole provider, all the aged care homes of a provider.

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Compliance rating changes

Graded assessment against the strengthened Standards

When a provider applies to renew their registration with the Commission, the Commission will assess the performance of their aged care homes using the new graded assessments. These grades that the Commission can issue homes include:

- major non-conformance
- minor non-conformance
- conformance
- exceeding conformance.

The performance of each aged care home against the strengthened Standards will continue to be displayed alongside the Compliance rating.

Transition period

Due to the timing required around decision making, it will take approximately 3 years for all aged care homes to transition to the new Compliance rating, during which some aged care homes will have Compliance ratings based on the current system, and some will have ratings based on the new design.



Compliance rating

Exceeding grade display where a regulatory notice has been issued

The proposed Compliance rating includes a new requirement to have an exceeding grade against the strengthened Standards, for a 5-star Compliance rating. This would last until the next assessment against the strengthened Standards, at the time of provider registration renewal. This will commonly be every 3 years, unless there are quality and safety concerns warranting a shorter period.

A change to the Compliance rating before registration renewal, would only occur if a formal regulatory notice is received, and will reduce the Compliance rating based on the severity of the regulatory notice.

The display on the My Aged Care website for the aged care home will show the:

- reduced Compliance rating.
- formal regulatory notice.
- exceeding grade from the last audit against the strengthened Standards.



Compliance rating

Time before a rating can increase following a regulatory notice

The proposed Compliance rating would maintain the delay to return to the previous rating after a formal regulatory notice has been resolved.

When the Commission is satisfied that the provider has complied with the requirements in the regulatory notice, the aged care home will receive a 3-star Compliance rating. The aged care home will not be able to receive:

a 4-star (good) Compliance rating for at least 1 year.

a 5-star (excellent) Compliance rating for at least 3 years.



System Governor functions

Under the new Act, the Secretary of the Department will become the System Governor. The System Governor would oversee government funding, uphold integrity, oversee-training and review administration systems.

The Secretary will have authority to issue regulatory notices. This may occur in instances where there is evidence of non-compliance with:

- mandatory reporting or record keeping requirements
- prudential requirements, including the permitted use of refundable deposits.



Staffing rating



Staffing rating

The Staffing rating shows whether an aged care home has met or exceeded their two care minute targets:

- the total amount of nurse and personal care time, from a registered nurse, enrolled nurse and personal care worker, and
- the care time from a registered nurse, this can include up to 10% of care time contributed by an enrolled nurse.

Currently, there is some tolerance in the rating, allowing homes to receive a rating of 3-stars (acceptable) or 4-stars (good) without meeting both targets.

From October 2025, homes will need to meet both mandatory care minute targets to receive a rating of 3 or more stars.

Since July 2023, it has been mandatory for aged care homes to have a registered nurse on site and on duty 24/7. Information about whether an aged care home is meeting its 24/7 registered nurse requirement is available alongside the Staffing rating.

Consideration is being given to whether meeting this requirement should be included when calculating Staffing ratings. This would mean aged care homes will need to meet their 24/7 requirement to receive a Staffing rating of 3 stars or more.



Star Ratings evaluation



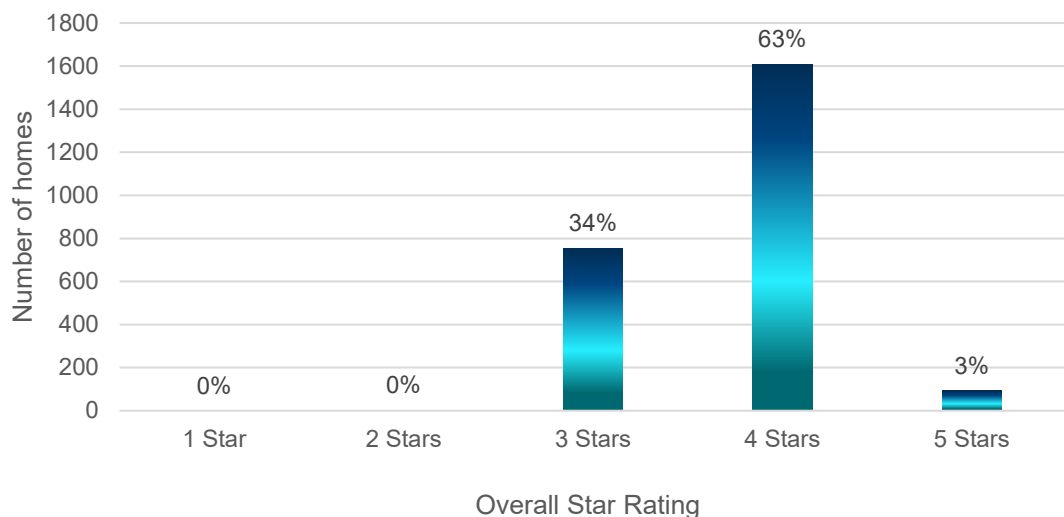
Star Ratings evaluation

Star Ratings preliminary evaluation finding changes

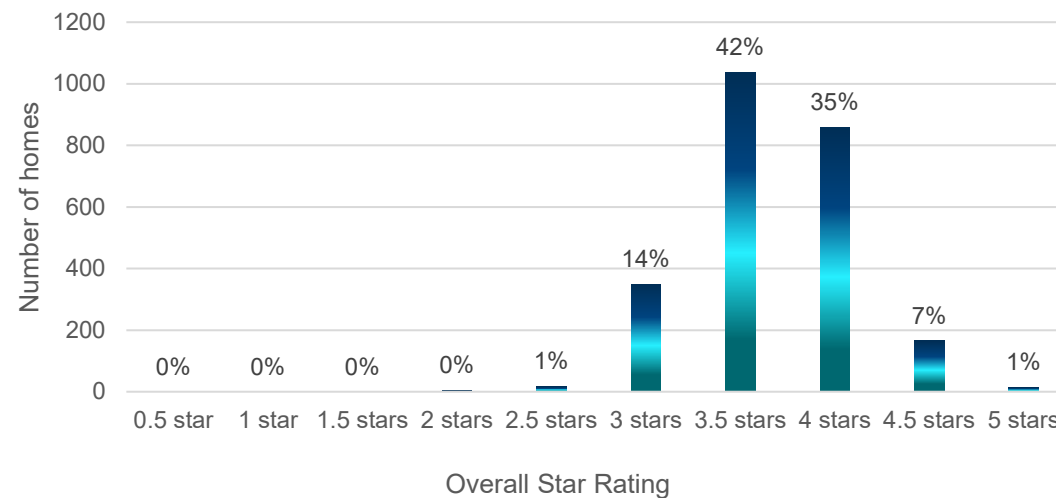
The Department is undertaking an independent evaluation of Star Ratings. The evaluation investigated the impact Star Ratings has had on improving care quality and transparency for older people.

Early results have suggested that a modification to the current system could be beneficial, specifically, the introduction of half-star ratings to provide more nuanced ratings, particularly when ratings are clustered around the 3 and 4 stars. The inclusion of half stars would likely result in a decrease in the number of homes achieving 3 or more stars.

Current Overall Star Ratings Distribution



Half stars Overall Star Ratings Distribution



Star Ratings evaluation

Quality Measures

The Quality Measures rating is calculated using data from the National Aged Care Mandatory Quality Indicator Program. The rating currently includes information on pressure injuries, unplanned weight loss, falls and major injury, medication management, and the use of restrictive practices.

The proportion of residents subject to restrictive practices affects the Quality Measures rating. This information is also published alongside the Quality Measures rating.

Restrictive practices* included:

- physical restraint
- mechanical restraint
- environmental restraint
- seclusion.

Environmental restraint restricts a resident's free access to all parts of their environment.

Early findings from the evaluation of Star Ratings suggested that some older people would like to see more information about the use of environmental restraint.

Consideration is being given to whether additional information is displayed next to the Quality Measures rating on the use of environmental restraint. It is proposed to display the proportion of residents subject to environmental restraint *only* alongside restrictive practices. This would allow older people and their representatives to understand how different aged care homes use environmental restraint, compared with other restrictive practices.

*Chemical restraint is not included in the restrictive practices quality indicator but is collected in part via the medication management quality indicator.



Frequently asked questions

01 Are there other ways to provide feedback?

In addition to this consultation session, you can provide feedback through an online survey or by a written submission. See the [Consultation Hub](#) for further information.

02 Who can provide feedback?

Anyone that is interested, including older people, community and stakeholders.

03 When does the consultation period end?

The consultation process will close on 13 December 2024.

04 How does non-compliance with the Aged Care Quality Standards impact Star Ratings?

Star Ratings show if an aged care home has had any formal regulatory notices. The Commission issues regulatory notices when providers don't meet their responsibilities, including the Aged Care Quality Standards. If providers show they can fix their compliance issues, the Commission may not give them a formal notice. The Commission will check on the provider's progress even if they don't get a formal notice.

05 What are the mandatory care minutes targets and when did they change?

From 1 October 2024, the sector-wide average care minutes target increased from 200 minutes per day to 215 minutes. This included an increase from 40 minutes to 44 minutes of registered nurse time. Under this change, providers now have the flexibility to meet up to 10% of their registered nurse care minute target with care time provided by enrolled nurses.



How else can I get involved?

There are several ways to get involved and provide feedback to the Star Ratings consultation.

By visiting the Consultation Hub, consultations.health.gov.au, you can:

- read the consultation paper
- register to attend a face to face or virtual consultation session.
- complete the survey to have your say on elements included in this consultation paper
- lodge a written submission
- submit a question to: au-fm-star-ratings@kpmg.com.au





The information gathered through this consultation will be used to inform any changes to the design and display of Star Ratings. This will ensure that Star Ratings continues to provide transparent information to help people compare homes and drive improvement in aged care quality.



Glossary



The table below provides a glossary of terms relevant to design changes for Star Ratings.

 Term	 Definition
24/7 registered nurse responsibility	Since 1 July 2023, all aged care homes are required to have at least one registered nurse available in the aged care home to care for residents at all times—24 hours a day, every day of the week. This is called the 24/7 registered nurse responsibility.
Aged Care Quality and Safety Commission	The Aged Care Quality and Safety Commission is the national regulator of funded aged care services.
Aged Care Quality Standards	The Aged Care Quality Standards are a governing framework defining the level of care that aged care homes are required to comply with. The Aged Care Quality Standards define what good care looks like. The Aged Care Quality Standards ensure that the care and services a provider delivers are: <ul style="list-style-type: none">• safe• quality, and• meet the needs and preferences of the people under their care. Australian Government-funded aged care providers must show that they meet the Aged Care Quality Standards. From commencement of the new Act, the strengthened Standards will come into effect.
Accreditation and re-accreditation	Aged care homes are required to be accredited to receive Australian Government subsidies. Accreditation and re-accreditation requires providers to be assessed on how they meet the Aged Care Quality Standards . The Commission is responsible for deciding if a provider's residential service can be accredited or re-accredited. To do this, the Commission performs audits, checking the quality of care that providers deliver in their aged care homes. From commencement of the new Act, there will be a shift to provider registration instead of aged care home accreditation.
Care minutes	Care minutes is the amount of direct care that older people living in an aged care home receive from registered nurses, enrolled nurses, personal care workers and assistants in nursing.



Glossary



The table below provides a glossary of terms relevant to design changes for Star Ratings.

 Term	 Definition
Care minutes responsibility	<p>Since 1 October 2023, all aged care homes are required to have a minimum amount of direct care time for residents, delivered by registered nurses, enrolled nurses and personal care workers and assistants in nursing. This is called the care minutes responsibility. Care minutes are set at a sector-wide average of 215 minutes of care per resident per day, including 44 minutes of direct registered nurse care.</p>
Cap/Capping	<p>Capping is used to limit the maximum rating that can be achieved by an aged care home based on certain rules.</p>
Compliance	<p>Compliance is the process of making sure providers, responsible persons and aged care workers meet their responsibilities under the legislation when delivering funded aged care and services.</p>
Compliance rating	<p>The Compliance rating is based on an aged care home's compliance performance and history. The Compliance rating is based on:</p> <ul style="list-style-type: none">• what type of regulatory notice an aged care home has been given• how long an aged care home has no regulatory notices for• how long an aged care home is granted accreditation for by the Commission.
Conformance	<p>Conformance is the degree to which the care provided by an aged care provider aligns with the outcomes in the strengthened Quality Standards as set out in the Rules under the new Act.</p>
Department of Health and Aged Care	<p>The Department has responsibility for the operations and oversight of Commonwealth funded aged care. On commencement of the new Act, the Department will administer parts of the legislation as the System Governor.</p>
Enforceable undertaking	<p>An enforceable undertaking is an agreement with a provider on how they will resolve or prevent non-compliance, and may require providers to:</p> <ul style="list-style-type: none">• take specific action to ensure they comply with their aged care responsibilities• stop specific actions so they comply with their aged care responsibilities• take specific actions to ensure they will comply with their aged care responsibilities in the future. <p>An undertaking is enforceable in court if the provider fails to take the actions agreed to.</p>



Glossary



The table below provides a glossary of terms relevant to design changes for Star Ratings.

 Term	 Definition
Enrolled nurse	Enrolled nurses support residents with clinical care and daily living activities. They collaborate with care teams, take measurements like blood pressure and temperature, and provide treatments including medicines and looking after wounds.
Environmental restraint	Environmental restraint is a practice or intervention that restricts, or that involves restricting, a person's free access to all parts of the environment. Examples of environmental restraint are restricting a person's access to an outside space, removing or restricting access to an activity or to the outside environment, or limiting or removing access to a wanted or needed item, such as a walking frame, by putting it out of reach.
Exceeding grade (exceeding conformance)	An exceeding grade is an audit finding made by the Commission when assessing aged care homes against the strengthened Standards at the time of provider's registration renewal. An exceeding grade will only be available to an aged care home and based on assessment criteria (to be developed by the Commission) considered if conformance is found for each of the strengthened Standards.
Graded assessment	Following the commencement of the new Act, the Commission will audit aged care homes against the strengthened Standards at renewal of the provider's registration. Providers will be audited using graded assessment to determine if they are able to conform with the strengthened Standards. These grades will be major non-conformance, minor non-conformance and conformance. Aged care homes who receive conformance against all strengthened Standards will be eligible to be considered for an exceeding conformance grade.
Half stars	Half stars provide more differentiation between the performance of aged care homes compared to using only whole stars. These ratings are: <ul style="list-style-type: none">• 0.5 star = a score of <0.5• 1 star = a score of 0.5 – <1.25• 1.5 stars = a score of 1.25 – <1.75• 2 stars = a score of 1.75 – <2.25• 2.5 stars = a score of 2.25 – <2.75• 3 stars = a score of 2.75 – <3.25• 3.5 stars = a score of 3.25 – <3.75• 4 stars = a score of 3.75 – <4.25• 4.5 stars = a score of 4.25 – <4.75• 5 stars = a score of 4.75 – 5.



Glossary

The table below provides a glossary of terms relevant to design changes for Star Ratings.

 Term	 Definition
My Aged Care	<p>My Aged Care is the starting point to access Australian Government funded aged care services and information. Older people, their families and carers can access My Aged Care information through the website, by phone or in person. The website includes the find a provider tool. This helps people to view and compare information about aged care services, including Star Ratings for aged care homes.</p>
National Aged Care Mandatory Quality Indicator Program	<p>The National Aged Care Mandatory Quality Indicator Program collects information from aged care homes on 11 quality indicators across critical areas of care that can affect the health and wellbeing of residents. This helps to monitor and improve the quality of services for older people living in residential care.</p> <p>For the purposes of Star ratings, the Quality Measures sub-category uses information about 5 important areas of care. This includes pressure injury, unplanned weight loss, falls and major injury, medication management and the use of restrictive practices.</p>
New Aged Care Act (new Act)	<p>The Australian Government is building a new Act. The new Act aims to ensure that people who access aged care services funded by the Australian Government are treated with respect and have the quality of life they deserve.</p> <p>The Australian Government introduced the Aged Care Bill 2024 to Parliament on 12 September 2024. Once passed by the Parliament, the Bill will become the new Act and is expected to start from 1 July 2025.</p>
Non-compliance	<p>Non-compliance is the failure of an aged care provider to meet one or more of their responsibilities as set out in the Aged Care Act 1997 or their obligations under the new Act once it takes effect.</p>
Non-conformance	<p>Non-conformance is the failure of an aged care provider to meet one or more of the strengthened Standards once the new Act once it takes effect.</p>
Obligations	<p>Obligations refer to what a provider must do to comply with the aged care legislative framework, including the actions or behaviours that are required of them. This will include conditions on provider registration once the new Act takes effect.</p> <p>Failure of a provider to comply with one or more obligations could result in compliance or enforcement action being taken against the provider. For example, penalties, fines or other legal action.</p>



Glossary



The table below provides a glossary of terms relevant to design changes for Star Ratings.

 Term	 Definition
Overall Star Rating	The Overall Star Rating provides information to help older people and their representatives to understand and compare the quality of care at aged care homes. The Overall Star Rating is based on each aged care home's performance in relation to Residents' Experience, Compliance, Staffing and Quality Measures.
Registration/renewal	Under the new Act, Australian Government funded aged care services need to be delivered by a registered provider. All providers of Australian Government funded aged care services will need to be registered by the Commission, including organisations and individuals. Registered providers will have obligations and conditions of registration they must comply with, based on the type of care they deliver.
Registered nurse	Registered nurses support residents with clinical and specialised care. Registered nurses develop care plans, collaborate with care teams and supervise care provided by enrolled nurses, personal care workers and assistants in nursing.
Regulatory notice/formal regulatory notice	If a provider is not meeting their obligations, the Commission (or System Governor from commencement of the new Act) may issue a regulatory notice. Depending on the type of regulatory notice, the provider may be required to take certain actions, refrain from certain actions or have a penalty issued to them.
Restrictive practices	A restrictive practice is any action that restricts a person's rights or freedom of movement. A restrictive practice should only be used as a last resort to help prevent harm to older people in aged care and their carers.
Staffing rating	The Staffing rating is based on reporting on the following care minute targets at an aged care home: <ul style="list-style-type: none">• the total amount of nursing and personal care time from a registered nurse, enrolled nurse, personal care worker and assistant in nursing, and• the care time from a registered nurse only.
Star Ratings	Star Ratings helps people understand and compare the quality of care at aged care homes. Each aged care home has an Overall Star Rating and ratings in 4 sub-categories—Residents' Experience, Compliance, Staffing and Quality Measures. Star Ratings are available on the My Aged Care 'find a provider' tool.



Glossary

The table below provides a glossary of terms relevant to design changes for Star Ratings.

 Term	 Definition
Strengthened Aged Care Quality Standards (strengthened Standards)	The strengthened Standards are designed to improve outcomes for older people and set clear expectations for providers in delivering quality aged care. The strengthened Standards will come into effect from commencement of the new Act.
System Governor	From commencement of the new Act, the aged care System Governor will be the Secretary of the Department. Under the new Act the System Governor will be responsible for: <ul style="list-style-type: none">• facilitating equitable access to funded aged care services for older people• supporting the continuity of funded aged care services• providing stewardship of the aged care system• protecting and upholding the integrity of the aged care system• monitoring and encouraging the training and development of aged care workers• reviewing the Australian Government's administration of the aged care system.



Resources

Department of Health and Aged Care 2024, Design changes for Star Ratings Consultation Paper, Australian Government.

Department of Health and Aged Care 2024, Star Ratings Provider Manual, <https://www.health.gov.au/resources/publications/star-ratings-provider-manual>

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References

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- Department of Health and Aged Care, Evaluation of Star Ratings, <https://www.health.gov.au/our-work/star-ratings-for-residential-aged-care/evaluation>
- Department of Health and Aged Care, Let's change aged care together, <https://agedcareengagement.health.gov.au/>
- Department of Health and Aged Care, Star ratings, <https://www.agedcarequality.gov.au/providers/assessment-monitoring/star-ratings>
- Department of Health and Aged Care, Star Ratings for residential aged care, <https://www.health.gov.au/our-work/star-ratings-for-residential-aged-care>





www.consultations.health.gov.au/choice-and-transparency-branch/star-ratings-consultation/

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