

Silverchain submission

Aged Care Rules 2024: 2B: Consolidated Draft Rules
Relating to Funding

28 February 2025

Acknowledgement of Country

Silverchain respectfully acknowledges the Traditional Custodians of the lands on which we work and live. We acknowledge Elders both past and present, whose ongoing effort to protect and promote Aboriginal and Torres Strait Islander cultures will leave a lasting legacy for future leaders and reconciliation within Australia.

Our Innovate Reconciliation Action Plan artwork was created by artist, Charmaine Mumbulla from Mumbulla Creative. The artwork is crafted from many individual pieces and is layered to tell the Silverchain story, including our increased commitment and efforts towards healing, reconciliation, and social justice.



Contacts

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Executive Summary

As pioneers and innovators of community and home-based care for more than a century, Silverchain Group welcomes the opportunity to provide comment on the Draft Rules: Consolidated Draft Rules Relating to Funding for the *Aged Care Act 2024* (the Act). We provide a range of health and aged care services to 140,000 people each year. Many of our 5,900 employees provide care to 33,000 older people through Home Care Packages (HCPs) and the Commonwealth Home Support Program (CHSP).

We have provided comment on the Draft Rules in respect to how the Department expects these to be implemented in practice.

The structure of the funding sets the foundations for a more financially sustainable aged care system in Australia

We welcome the detail released in the subordinate legislation for the *Aged Care Act 2024*. Efforts to prepare to transform services have been delayed by a lack of information to date, and providers have been waiting for sufficient detail to begin reforming services in earnest. As such, the publication of the Rules: Service List, Chapter 4 and now the Consolidated Draft Rules Relating to Funding is welcomed and we encourage the Department to finalise and release other subordinate legislation as soon as possible, to ensure providers can be ready for a 1 July 2025 implementation.

We have reviewed the Consolidated Draft Rules Relating to Funding in conjunction with the Support at Home Handbook to form a view about whether the Rules are sufficient to enable a successful transition of services to Support at Home (SaH) for older people to remain independent in their own homes and communities.

We note with disappointment that the Draft still does not release the information in full, with significant content not drafted as yet (namely content relating to Grants which are an important mechanism to support the financial viability of providers offering support to traditionally underserved populations including those in rural and remote areas).

The Draft needs to be reframed to reference the decision recently made for Support at Home providers to 'set their own prices' from 1 July 2025 before moving to a capped efficient price model.

There remain equity issues to be considered

We note that in section 19630 (p.20) that there are a range of supplements. It is disappointing to see that there is no longer a Dementia supplement applied for people entering Support at Home for the first time.

Providing care to a person living at home with dementia is more costly. There are often increased costs in terms of training of staff and additional care management activities needed to ensure care is provided in an appropriate way for them. There is often significantly more engagement with family members to ensure the person remains safe at home as well as emergency planning activities.

A reliance on referral through the Care Finders program as the basis for supplements without additional consideration of needs is likely to mean that some of the most vulnerable people are unable to access a supplement for their care. Care Finders programs operated through Primary Health Networks are of variable effectiveness and our experience is that many people with complex needs who we believe 'should' have been referred through these programs enter the aged care system through usual referral processes (via GPs or self-referral). A system needs to be in place for older people and providers to seek reassessment of their eligibility for a supplement based on complexity of their needs if they have not been referred through the Care Finder program but may have been eligible.

Funding mechanisms need to reflect the evidence base around intersectional disadvantage

The Rules require clarification about the subsidy and loading that will be provided to an individual regardless of the number of subsidy classifications they may be eligible for. Providing services to an older person who has experienced multiple forms of disadvantage or discrimination is far more complex than for an older person without these experiences. As such, the Rules need to ensure that all relevant loading is applied to the efficient unit price for all of the classifications a person is eligible for.

Interim Budgets

Further clarification is needed in the Rules as to what the Interim Budget referred to is, and how it will be operationalised.

Home Support surplus and quarterly roll overs

Clarification is needed on the Unspent Home Care amount. If a person has an Unspent Home Care amount, it is not clear if the roll over for each quarter is that unspent amount plus the 10% or up to \$1,000.

The potential for accumulation of debt for co-contributions due to timeframes for changes to contribution rates

We note that the Rules provide an older person with up to 14 days to notify Services Australia of a change in their circumstances that may impact their assessed co-contribution rate for aged care services (31510 p.124). In addition, the Rules indicate that the period for deciding if individual contribution rate determination is no longer correct following certain social security decisions is up to 28 days (3175 p.125). This places older people and their aged care provider in a challenging position regarding the accumulation of debt associated with co-contributions which may be for up to 42 days of service. For some clients receiving daily care, the co-contribution debt could be substantial if their rate is changed.

We recommend:

- That the draft reference the decision made for home care providers to set their own prices for the first year only of Support at Home, prior to moving to a capped price system.
- That the Department release a full draft of these Rules including content relating to:
 - Part 11: Grants
 - Outstanding material that is listed as 'to be drafted'.
- That a subsidy be provided to Support at Home services delivered to any person living with dementia.
- That multiple subsidies be applied for individuals where they meet more than one of the eligible subsidy categories.
- That a process be developed and referred to in the Rules (P19630) for an assessment if an older person was not referred through the Care Finders program but whose needs are of sufficient complexity that they would have been eligible for this program. This would enable the person to be provided with the relevant subsidy to help meet their needs.
- Clarification is needed in the Rules about the definition and requirements around Interim Budgets.
- Clarification is needed on the Unspent Home Care amount. If a person has an Unspent Home Care amount, it is not clear if the roll over for each quarter is that unspent amount plus the 10% or up to \$1,000.
- That the Rules period for deciding if individual contribution rate determination is no longer correct following certain social security decisions be reduced to 14 days.

1. About Silverchain and this submission

For 130 years Silverchain has provided high-quality, in-home health and aged care services to multiple generations of Australians. As a not for profit, we employ more than 5,900 people, including nurses, doctors, allied health, care experts, and a dedicated research and innovation division, operating as Silverchain, RDNS Silverchain and KinCare.

Our ambition is to create a better home-care system for all Australians.

Our team provides a range of health and aged care services to more than 140,000 people each year. We specialise in home and community-based care because we believe that people should have, and prefer to have, their care in or close to their homes. Our services comprise complex and acute nursing; hospital in the home; specialist community palliative care; independence services and support at home, allied health services; digitally enabled care and remote monitoring; and chronic and complex disease management.

We are accredited against both health and aged care standards nationally. We are recognised as a rural and remote aged care provider through the Department of Health and Aged Care specialist verification for aged care framework.

We currently provide home aged care services to 33,000 people across Australia through Home Care Packages and the Commonwealth Home Support Program.

We have a productive and positive relationship with the Commonwealth departments and agencies. We currently serve on the Department of Health and Aged Care's Support at Home Sector Reference Group and Data and Digital Reference Group to advise on the implementation of the Support at Home program reforms and on the Australian Commission for Quality and Safety in Health Care's Aged Care Advisory Group.

2. The funding structure

The structure of the funding sets the foundations for a more financially sustainable aged care system in Australia

We welcome the detail released in the subordinate legislation for the *Aged Care Act 2024*. Efforts to prepare to transform services have been delayed by a lack of information to date, and providers have been waiting for sufficient detail to begin reforming services in earnest. As such, the publication of the Rules: Service List, Chapter 4 and now the Consolidated Draft Rules Relating to Funding is welcomed and we encourage the Department to finalise and release other subordinate legislation as soon as possible, to ensure providers can be ready for a 1 July 2025 implementation.

We have reviewed the Consolidated Draft Rules Relating to Funding in conjunction with the Support at Home Handbook to form a view about whether the Rules are sufficient to enable a successful transition of services to Support at Home (SaH) for older people to remain independent in their own homes and communities.

We note with disappointment that the Draft still does not release the information in full, with significant content not drafted as yet.

The Grants information is particularly important information to support the financial planning and subsequent financial viability of providers offering services to older people living in rural and remote areas of Australia. Without knowing the detail of the 'to be drafted' amounts, it is difficult to assess if there will be adverse impacts of older people in the proposed funding structure and the equity issues that are raised.

Updating pricing context for the first year of Support at Home

The Draft needs to be reframed to reference the decision recently made for Support at Home providers to 'set their own prices' from 1 July 2025 through to 30 June 2026 before moving to a capped price model. This needs to be referenced in multiple parts of the draft Rules in order to reflect that a move to efficient capped pricing will not occur until after 30 June 2026.

There remain equity issues to be considered

We acknowledge the attempts made to address equity issues in the *Aged Care Act 2024* and the subordinate Rules: Consolidated Draft Rules Relating to Funding, including rural/remote and First Nations subsidies for example, but there are other aspects of individuals' lives that make it challenging to access and/or provide high quality care to them.

We note that in section 19630 (p.20) that there are a range of supplements. It is disappointing to see that there is no longer a Dementia supplement applied for people entering Support at Home for the first time.

Providing care to a person living at home with dementia is more costly. There are often increased costs in terms of training of staff and additional care management activities needed to ensure care is provided in an appropriate way for them (e.g. multiple calls to remind them who is visiting and on what day, behavioural support planning with informal carers). There is also often significantly more engagement with family members to ensure the person remains safe at home, as well as emergency planning activities.

A reliance on referral through the Care Finders program as the basis for supplements without additional consideration of needs is likely to mean that some of the most vulnerable people are unable to access a supplement for their care. Care Finders programs operated through Primary Health Networks are of variable effectiveness and our experience is that many people with complex needs who we believe 'should' have been referred through these programs enter the aged care system through usual referral processes (via GPs or self-referral). A system needs to be in place for older people and providers to seek reassessment of their eligibility for a supplement based on complexity of their needs if they have not been referred through the Care Finder program but may have been eligible.

Funding mechanisms need to reflect the evidence base around intersectional disadvantage

The Rules require clarification about the subsidy and loading that will be provided to an individual regardless of the number of subsidy classifications they may be eligible for. It is important that the funding structures recognise the importance of intersectional disadvantage for an older person where their challenges or discrimination are not just about their age but are compounded by other factors, like their location, trauma experiences, ethnicity etc. Providing services to an older person who has experienced multiple forms of disadvantage or discrimination is far more complex than for an older person without these experiences. As such, the Rules need to ensure that any relevant loading is applied to the efficient unit price for all of the classifications a person is eligible for.

Interim budgets

Further clarification is needed in the Rules as to what the Interim Budget referred to is, and it will be operationalised.

Home Support surplus and quarterly roll overs

Clarification is needed on the Unspent Home Care amount. If a person has an Unspent Home Care amount, it is not clear if the roll over for each quarter is that unspent amount plus the 10% or up to \$1,000.

Clarification for the sector is also required on how long a client has to 'spend' the surplus they started Support at Home with (if rolled over from an existing Home Care Package).

[The potential for accumulation of debt for co-contributions due to time frames for changes to contributions rates](#)

We note that the Rules provide an older person with up to 14 days to notify Services Australia of a change in their circumstances that may impact their assessed co-contribution rate for aged care services (31510 p.124). In addition, the Rules indicate that the period for deciding if individual contribution rate determination is no longer correct following certain social security decisions is up to 28 days (3175 p.125).

This places older people and their aged care provider in a challenging position regarding the accumulation of debt associated with co-contributions which may be for up to 42 days of service. For some clients receiving daily personal care (for example), the co-contribution debt could be substantial if their rate is changed and it takes six weeks to be confirmed. We recommend that the time period for a determination be reduced to 14 days after notification to reduce the likelihood of older people accumulating a home care debt.

3. Conclusion

We hope that the Department finds our feedback of assistance in refining the Draft Rules. We would be pleased to provide further detail if you would find elaboration on our commentary or recommendations of value.

Health. Human. Home.

