The legislative framework for Increasing Choice in Home Care is now in place following the registration of the amendments to the Aged Care Principles and Determinations on 23 September 2016.

This document will be updated in the coming weeks with information regarding the final legislative arrangements.

Questions and Answers

Increasing Choice in Home Care – Stage 1

20 May 2016

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OVERVIEW OF THE INCREASING CHOICE REFORMS

Q1. What are the home care reforms?

Significant reforms to home care were announced in the 2015-16 Budget. The reforms will improve the way that home care services are delivered to older Australians.

Commencing on 27 February 2017, funding for a home care package will follow the consumer. This will enable a consumer to choose a provider that is suited to them and to direct the funding to that provider. The consumer will also be able to change their provider if they wish, including if they move to another area to live.

Q2. What is the Home Care Packages Programme?

The objectives of the Programme are:

- to assist people to remain living at home; and
- to enable consumers to have choice and flexibility in the way that the consumer’s aged care and support is provided at home.

Home care packages are available at four levels, with the majority of the packages funded at level 2 and level 4. There are around 73,000 operational home care packages across Australia.

<table>
<thead>
<tr>
<th>Package level</th>
<th>Number and proportion of operational packages (at 30 June 2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 4</td>
<td>14,680 (20.2%)</td>
</tr>
<tr>
<td>Level 3</td>
<td>3,815 (5.2%)</td>
</tr>
<tr>
<td>Level 2</td>
<td>51,956 (71.5%)</td>
</tr>
<tr>
<td>Level 1</td>
<td>2,251 (3.1%)</td>
</tr>
<tr>
<td>Total</td>
<td>72,702 (100%)</td>
</tr>
</tbody>
</table>


At present, packages (home care places) are allocated to providers through the Aged Care Approvals Round (ACAR). 6,445 new home care places were allocated through the 2015 ACAR. In response to stakeholder feedback, a large percentage of the packages allocated in the 2015 ACAR were at higher levels (i.e. level 3 and 4 packages). This will be the last ACAR in which home care packages are allocated directly to providers (i.e. before the February 2017 changes commence).

There will continue to be four levels of home care packages from February 2017.

In addition to having an allocated place, to receive home care subsidy a provider must also be approved by the Department of Health under the Aged Care Act 1997, i.e. be an ‘approved provider’. The subsidy is paid to the approved provider for a home care place occupied by a care recipient (consumer). Providers are required to comply with a range of responsibilities under the Act relating to factors such as quality of care, user rights and accountability requirements.

Currently, to access a home care package, a consumer has to be assessed and approved as eligible for home care by an Aged Care Assessment Team (ACAT) and offered a package by an approved provider. A package may include a range of co-ordinated personal care, support
services, clinical care and other services tailored to meet the assessed needs of the consumer, including people with dementia and other special needs.

**Q3. What is Consumer Directed Care?**

Consumer Directed Care (CDC) gives consumers greater flexibility in determining what level of involvement they would like to have in managing their own home care package. Consumers and providers work in partnership to identify the consumer’s goals and needs, which form the basis of a care plan.

CDC also provides consumers with clear information about what funding is available for their care and services and how those funds are spent through an individualised budget and monthly income and expenditure statements. These tools ensure that providers and consumers have a shared understanding of available resources and how those resources are being expended to meet the consumer’s needs.

While the total amount of care and services will be limited by the level of the package and the funding available, approved providers are encouraged to sub-contract or broker services from other service providers in order to deliver the range of care and services agreed between the approved provider and the consumer.

All home care packages are now required to be delivered on a CDC basis.

Through the introduction of CDC, many consumers now have more choice as to how their care is delivered, with increased transparency over what budget is available and how funds are spent. However, under the current arrangements, it is difficult for consumers to change to another provider or move to another location. There is also variable use of sub-contracting arrangements by providers.
OVERVIEW OF FEBRUARY 2017 CHANGES

Q4. When do the changes commence?

27 February 2017.

It is proposed that some approved provider obligations relating to the inclusion of exit fees in home care agreements prior to 27 February 2017 will commence earlier (see Question 28).

Q5. What is the financial impact?

Over four years, from 2015-16, $73.7 million has been committed to implement the home care reforms. This includes funding for significant systems changes and new functions for My Aged Care.

Q6. Will the number of home care packages continue to be capped?

Yes. The total number of packages will continue to be capped nationally to ensure that expenditure is controlled in line with the forward estimates. Packages will be released throughout the year within the total number of packages and funding available for distribution.

In determining the number of packages to release, the Department will continue to work within the policy parameters of the aged care planning ratio and the forward estimates. The current planning target is 45 home care places per 1,000 people aged 70 years and over by 2021-22.

Q7. Will there be amendments to the Aged Care legislative framework?

Implementation of the reforms requires amendments to both primary and delegated aged care legislation. Amendments to the Aged Care Act are now in place and will come into effect on 27 February 2017, with the commencement of the Aged Care Legislation Amendment (Increasing Consumer Choice) Act 2016 (see Question 8).

Amendments are also required to delegated legislation (Aged Care Principles and Determinations) made under the Aged Care Act. On 11 May 2016, the Department released a consultation paper and an exposure draft of the proposed amendments to the delegated legislation. The consultation paper provides further detail and explanation of the proposed amendments to the delegated legislation and seeks feedback from aged care providers, consumers, carers and other interested parties.

The consultation documents are available on the Consultation Hub. Written submissions to the consultation paper will close at 5pm, 9 June 2016.

As the Government has entered a caretaker period, policy decisions that bind a future Government will not be made during this period. However, the Department is proceeding to consult during this period so that we will be ready to brief the incoming Government on stakeholders’ views regarding the proposed changes to the Principles and Determinations.
Q8. What is the Aged Care Legislation Amendment (Increasing Consumer Choice) Act 2016?

The Aged Care Legislation Amendment (Increasing Consumer Choice) Act 2016 (the Amendment Act) gives effect to reforms to the home care program (see Question 1). The Amendment Act will commence on 27 February 2017.

The Amendment Act was introduced into Parliament on 11 February 2016 and was passed by the House of Representatives on 2 March and the Senate on 3 March. It received Royal Assent on 18 March 2016.

On commencement, the Amendment Act will amend the Aged Care Act 1997 and the Aged Care (Transitional Provisions) Act 1997 in three main areas.

• Funding for a home care package will follow the consumer, replacing the current system where home care places are allocated to individual approved providers to deliver service in a particular location or region. This will provide more choice for the consumer in selecting their provider and flexibility to change their provider if they wish, including if they move to another area to live. Providers will no longer have to apply for new home care places through the Aged Care Approvals Round, significantly reducing red tape and regulation for businesses.

• There will be a consistent national approach to prioritising access to home care packages through My Aged Care (the entry point to the aged care system).

• There will be a streamlined process for organisations seeking to become approved providers under the Aged Care Act 1997. This will encourage new providers to enter the home care market, supporting greater choice for consumers, but all providers will still need to demonstrate their suitability to become an approved provider and meet quality standards.


Q9. How will the reforms benefit consumers?

These changes will provide consumers with more choice and control over their home care package.

Funding for a home care package will follow the consumer, replacing the current system where home care places are allocated to individual approved providers. This will provide more choice for the consumer to select a provider that is suited to them. For example, a consumer may seek a home care service that specialises in providing care to people from culturally and linguistically diverse backgrounds.

Once the changes take effect, all consumers (new and existing) will benefit from these changes. A home care package will be portable for the consumer, if they wish to move location or change to another provider. The package, including any unspent funds, will move with the consumer to their new provider.
Q10. Will there be any changes to income testing or fee arrangements?
No. There are no changes to the current incoming testing or fee arrangements in February 2017.

Q11. Will funding (home care subsidy) be paid directly to the consumer?
No. From February 2017, funding (home care subsidy and supplements) will continue to be paid to a single approved provider, but consumers will be able to direct Government funding to the provider of their choice.

Where an approved provider is unable to provide all of the care and services included in the consumer’s care plan, the approved provider will still be able to subcontract or broker services from another service provider.

Q12. How will the reforms affect providers?
These changes will enable the sector to transition to a more competitive market-driven environment. This will provide opportunities for consumer focused and innovative providers to expand their businesses to meet local demand and consumer expectations, including the needs of consumers with dementia and other special needs. Providers will no longer be limited by the number of home care places they have been allocated by the Government.

Providers will no longer need to apply for new home care places through the Aged Care Approvals Round (ACAR). The removal of the ACAR for home care places has been widely supported by the sector, as the ACAR application process is resource intensive for providers and has been criticised for the regulatory burden it places on business and community organisations.

While welcoming the reduction in red tape, some existing providers have expressed concerns about the impact of increased competition and the loss of certainty of business income once home care places are no longer allocated to providers. The financial impact of the changes on providers will be closely monitored by the Aged Care Financing Authority. The monitoring will particularly examine the impact on service delivery in regional and rural areas.

The total number of home care packages is continuing to increase each year, so there is an opportunity for all providers to continue to operate in the market. The challenge is for all providers to understand their consumer’s needs and deliver services which meet those needs.

Changes are also proposed to streamline and simplify the process for becoming an approved provider of subsidised home care (see Question 31).

Q13. How will the changes reduce red tape for providers?
Overall, the February 2017 changes present a net reduction in red tape for providers. The reduction in red tape is comprised of the following elements:

• providers no longer being required to apply for home care places through the Aged Care Approvals Round;
• removal of the existing arrangements that govern the management of allocated home care places, e.g. transfer of places, variation to conditions of allocation; and
• streamlining of the approved provider application process.

These savings offset the estimated regulatory impact of new responsibilities for home care providers regarding the treatment of unspent funds. These responsibilities include reconciling the amount of unspent funds and transferring amounts when a consumer changes home care provider or leaves home care.

Q14. Is there a Regulation Impact Statement for these changes?
Yes. There is a Regulation Impact Statement (RIS) for the February 2017 changes to home care. The RIS is part of the Explanatory Memorandum. A copy of the RIS is published on the Office of Best Practice Regulation (OBPR) website.

Q15. Will there be any impact on the Department of Veterans Affairs’ aged care programmes?
There will be no impact on the Department of Veterans Affairs (DVA) programmes in February 2017. DVA clients can continue to access mainstream programmes and DVA programmes, so long as services are not duplicated.
**Key themes of Stage 1**

**Assessment and Eligibility**

**Q16. What do the reforms mean for assessment and eligibility for home care?**

Aged Care Assessment Teams (ACAT) undertake comprehensive, holistic, multi-disciplinary assessments to determine a person’s eligibility to access Commonwealth-subsidised aged care. From February 2017, the role of assessing eligibility for home care will continue to be undertaken by ACATs.

Currently, the assessment approval relates to a broadbanded level (i.e. level 1/2 or level 3/4). From 27 February 2017, the assessment approval will indicate a specific package level (i.e. level 1, 2, 3 or 4).

All consumers who have been assessed by an ACAT and approved as eligible for a package will be placed on the national prioritisation system in order to access subsidised home care (see Question 20).

ACATs have expressed a need to develop guidance material to support and inform their decision making in the selection of a specific home care package level.

The Department of Health has worked with a stakeholder group to develop a Draft ACAT Guidance Framework to support assessors to better distinguish between the four home care package levels.

The Guidance Framework does not seek to replace clinical judgement, nor is it an additional assessment tool. It is a reference or resource that an assessor can use when populating the support plan and providing a recommendation to the Delegate.

The Guidance Framework will be available by February 2017.

Prior to this, the Department will test the Draft ACAT Guidance Framework with a sample of both assessors and service providers. It is anticipated that this will occur in June/July 2016.

Additional communications and training will also be developed in the lead up to February 2017 to support ACATs to achieve national consistency in assessment for each of the four package levels and to ensure ACAT’s understanding of the prioritisation process.

From February 2016, all ACATs commenced using the full functionality of the My Aged Care assessor portal to conduct comprehensive assessments, create support plans, make delegate decisions, transmit approvals to the Department of Human Services and make referrals to service(s) or waitlists. The changes in 2017 will build on this platform.

**Q17. What do the changes mean for people with an ACAT approval for home care who have not started receiving care at commencement?**

In order for the new arrangements to function effectively, amendments are proposed to the Approval of Care Recipient Principles to allow for an ACAT to assess and approve eligible home care consumers at a specific package level (i.e. home care level 1, 2, 3 or 4) (see Question 16).

Transitional provisions are being proposed to support individuals who have been approved as eligible for home care but have not commenced care by 27 February 2017. It is proposed that individuals with existing approval for broadbanded level 1/2 will be automatically approved
for level 2 under the new arrangements. It is similarly proposed that individuals with an existing approval for broadbanded level 3/4 will be automatically approved for level 4. These individuals will be added to the national prioritisation queue, and the time waited will be calculated from the date that the person was first approved for care at the relevant level. The Department will communicate with consumers prior to February 2017.

**Prioritisation and assignment of packages**

**Q18. Why is a national system being introduced to access subsidised home care?**

At present, new home care places (packages) are allocated to providers at a regional level through the Aged Care Approvals Round. While this system aims to achieve an equitable distribution of the total number of packages, there are significant variances in distribution of packages between states, regions and local areas.

Currently, waiting lists for packages are managed by individual providers. There can be significant variation in the waiting periods for packages across Australia with no systematic way of measuring or addressing the variation.

The move to a consistent national system for prioritising access to subsidised home care will allow a more equitable and flexible distribution of packages to consumers based on individual needs and circumstances, regardless of where they live. There was general support from stakeholders for a national approach in the consultations.

**Q19. How will the national prioritisation system work?**

From 27 February 2017, there will be a national system to manage eligible consumers’ access to packages within My Aged Care (the entry point to the aged care system). An effective national system is important to ensure there is equitable access to care, regardless of where someone lives. This system will replace the current system where places are allocated directly to providers, and providers manage individual waiting lists and decide which consumers will be offered a place.

In the new system, consumers will be placed on a national prioritisation queue when they have been approved for home care. A consumer’s position on the queue will be dependent on:

- their relative needs and circumstances as determined through the comprehensive assessment undertaken by an Aged Care Assessment Team (ACAT); and
- the time that a person has been waiting for care.

Once a consumer reaches the front of the national prioritisation queue they will be assigned a home care package which they can use to receive care from a provider of their choice.

Information and support will be provided via My Aged Care to help consumers choose a suitable provider.

The Department of Health will closely monitor the new arrangements to ensure that all consumers, including people with special needs and those living in rural and regional areas, are able to access care in an equitable manner.
More detail is outlined in the consultation paper and the draft Prioritised Home Care Recipients Principles, available from the Department’s Consultation Hub.

Q20. Will there be a limit on how long a consumer can take to start receiving services once they have been assigned a package?

It is proposed that a consumer will have 56 days from the date they were prioritised to commence care. If they are having difficulties finding a provider they may request a 28 day extension, giving them a total of 84 days.

If a consumer has not commenced care in this time, their prioritisation determination will cease meaning that the home care package will no longer be assigned to them. Once a prioritisation determination ceases, an approved provider will not be eligible to claim subsidy for providing care to that consumer and the consumer will need to be reprioritised if they want to be assigned another package.

In most instances the consumer’s ACAT approval for care would still be valid. However, if the consumer wishes to be assigned a new package and receive subsidised home care they would need to advise My Aged Care that they wish to re-enter the national prioritisation queue, where the factors to be considered will be the same as indicated earlier (i.e. relative need and time waited). Their time waited would still be from the date they were approved for care at the relevant level – the time waited will not be reset.

The intention of this policy is to achieve a balance between the time required for a consumer to choose a provider and the need for the efficient use of packages.

Q21. What support will be available to consumers to access information and choose a provider?

Consumers will be able to access information about home care service providers through the My Aged Care website (www.myagedcare.gov.au), by contacting the My Aged Care contact centre (1800 200 422) and from the My Aged Care Regional Assessment Services and Aged Care Assessment Teams.

Providers will be able to display relevant information on the My Aged Care service finder to enable consumers to choose their preferred provider. Improvements are being made to the service finders for home care. This will help ensure that special needs groups, including people with dementia, have access to providers who cater to their specific needs. Providers will also be able to market themselves to consumers and local communities independently of My Aged Care.

My Aged Care will be able to support consumers to choose a provider through a ‘match and refer’ service, noting that the consumer will make the final decision about their preferred provider. Some consumers may require additional assistance to make an informed decision about their choice of provider. A range of supports will be available to consumers depending on their circumstances, including the Translating and Interpreting Service and advocacy services through the National Aged Care Advocacy Programme.

In cases where a package is not available for a prioritised consumer, My Aged Care will assist the consumer to explore interim care options, for example, interim services under the Commonwealth Home Support Programme.
Q22. How will the changes affect people from special needs groups?

From February 2017, consumers with special needs will continue to access subsidised home care services, but there will be greater choice for consumers when selecting a provider. Once a consumer has been notified by My Aged Care that they have been assigned a home care package, the consumer will be able to seek home care services from any approved provider with capacity to meet the consumer’s needs.

The changes will promote a diversified market to better support people with special needs. For example, specialised providers who may have previously found it difficult to compete for home care places in the Aged Care Approvals Round (ACAR) will be able to enter the market more easily in the future.

Providers will also be better able to market their services, including to people from special needs groups and for specialised care (e.g. for people with dementia). The delivery of care will be tailored to the consumer’s individual needs, including factors relevant to the care of a person with special needs.

The proposed changes will provide greater choice for consumers when selecting a provider. Feedback from the sector indicates the current system which aims to give priority of access to special needs groups (called conditions of allocation) is not effective. Conditions of allocation currently apply to some home care places, but they are not transparent and cannot be monitored effectively.

The new arrangements will be closely monitored to ensure that all consumers, including people with special needs and those living in rural and regional areas, are able to access care in an equitable manner.

Q23. What do the changes mean for consumers who are receiving subsidised care in a home care place at commencement?

The amendments to the primary legislation will remove the current system of home care places being allocated to providers and will replace it with the national prioritisation process (see Question 19).

Consumers receiving subsidised home care at the commencement of the reforms will be automatically assigned a home care package that is the same as the level of the place they are in. This will ensure continuity of care for consumers and continued eligibility for subsidy for providers, provided that the other requirements for subsidy are also met.

Where a consumer is receiving a package at a lower level than their approved level they will be:

1) automatically assigned a home care package that is the same level as the package they are receiving; and

2) placed on the national prioritisation queue for a package to be assigned to them at the higher level. My Aged Care will notify the consumer when the higher level package becomes available to them.

In the lead up to February 2017, the Department of Health will contact existing consumers to explain the reforms and what it means for them.
Q24. What is being done to ensure My Aged Care has consolidated the July 2015 changes and will be ready to deliver the Stage 1 changes from February 2017?

My Aged Care underwent a major expansion of functionality in July 2015, bringing in registration to establish a client record, a new process to refer a client for an assessment of needs and then a subsequent referral to service. This was a significant change which required the aged care sector to adjust to a new system.

There were some transition difficulties associated with the July 2015 changes and the Department of Health responded quickly to resolve critical issues and ensure My Aged Care could operate at a high standard. The response included providing additional staff in the contact centres, process improvements, refresher training for the contact centre staff, system fixes and enhancements and regular communication.

In recent months, the Department of Health’s focus has been on the quality of a client’s interaction from effective registration and appropriate referral for assessment, to quality assessments and effective and appropriate referrals to services. The Department is continuing to meet with a range of stakeholders on a regular basis to prioritise areas for improvement.

In the lead up to February 2017, My Aged Care will require further system changes to administer the national system for prioritising access to home care. The Department will manage this work through stages of design, consultation, development and testing.

The Department of Health is consulting with stakeholders on the proposed new functionality and changes to the My Aged Care system. This allows validation and refinement of concepts before changes are made to the system. The Department of Health will explain the future changes to My Aged Care through sector briefings, written materials and webinars in 2016.

Portability of home care packages and unspent funds

Q25. What are ‘unspent funds’ in a home care package?

‘Unspent funds’ refer to an amount that is ‘left over’ after accounting for the income (government subsidy/supplements and consumer fees) and expenditure relating to a consumer’s package. Unspent funds may be accumulated as a result of a decision by the consumer to make provision for emergencies, unplanned events or increased care needs in the future.

Since the introduction of consumer directed care (CDC) in all home care packages, unspent funds are required to be clearly identified in the individualised budget and recorded in the monthly statements given to the consumer.

Under current arrangements, unspent funds can be retained by the approved provider when a consumer ceases home care from that provider.

Q26. How will ‘unspent funds’ be dealt with in the future?

Providers will continue to be required to identify unspent funds in the individualised budget and record unspent funds in the monthly statements given to the consumer.

Amendments to the User Rights Principles 2014 propose that, from 27 February 2017, when a consumer moves to another home care provider, the unspent funds (less any exit fee) will move with the consumer to the new home care provider. This is consistent with the concept
that the home care package ‘belongs to the consumer’ and will minimise financial disincentives to changing providers. An exit fee may be deducted from the unspent funds by the provider, subject to full disclosure to the consumer.

Where a consumer permanently leaves home care (for example, enters residential care or dies), it is proposed that the unspent funds (less any exit fee) must be returned to the consumer (or their estate) and the Commonwealth according to respective contributions made by each party. These arrangements will only apply to consumers who leave home care on or after 27 February 2017.

Before a consumer commences in a home care package or varies their home care agreement, it is proposed that the provider must disclose any exit fee that may be deducted from the total of any future unspent funds. The maximum exit fee must be clearly set out in the Home Care Agreement offered to the consumer and be published on My Aged Care. The exit fee cannot be more than the unspent funds remaining, to ensure the exit fee does not result in a debt for the consumer.

The new arrangements will apply to unspent amounts for each consumer accumulated since 1 July 2015 – the date that consumer directed care was introduced in all home care packages. In order to claim home care subsidy, an approved provider will be required to treat unspent home care funds in the manner specified in the User Rights Principles. These are legal requirements under the Amendment Act.

More detail on the proposed treatment of unspent funds is outlined in the consultation paper and the proposed amendments to the User Rights Principles, available from the Department’s Consultation Hub.

**Q27. How can a provider charge an exit fee if an exit fee is not currently included in a consumer’s home care agreement?**

The earliest day an exit fee could be deducted is 27 February 2017. In order to charge an exit fee, it is proposed that the exit fee must be clearly set out in the Home Care Agreement and be provided to the Department for publication on My Aged Care.

Under current arrangements, home care agreements can be varied, by mutual consent, following adequate consultation between a provider and a consumer. There are no changes proposed to the process for varying home care agreements. In offering a new home care agreement or proposing a variation, providers are responsible for ensuring that the consumer is informed of, and helped to understand the terms of the home care agreement, including the consumer’s rights and responsibilities, the services to be provided to the consumer and the fees and other charges to be paid under the agreement. Home care agreements must be expressed in plain language and be readily understandable by the consumer.

It is proposed that in order for a provider to include an exit fee in a new or varied home care agreement before 27 February 2017, the provider must:
• disclose the exit fee in the home care agreement. This requirement will commence upon registration of the amendments to the User Rights Principles, to ensure that consumers are informed about any exit fee in the lead-up to 27 February 2017; and

• provide the Department with written notice of the maximum exit fee. Once the User Rights Principles are finalised and registered, the Department will let providers know how this written notice is to be provided and will publish the exit fee on My Aged Care.

Q28. Why does the legislation talk about unspent funds going back to 1 July 2015? How will this provision apply?

New arrangements are proposed for the treatment of unspent funds from 27 February 2017 when a consumer ceases home care with a provider.

It is proposed that if a consumer ceases home care with a provider on or after 27 February 2017, the unspent funds, less an exit fee (where disclosed in a home care agreement), will need to be transferred to a new provider or returned to the Commonwealth and the consumer.

These new arrangements will apply to unspent amounts accumulated since 1 July 2015. All home care packages have been required to be delivered on a ‘consumer directed care’ basis since that date, including the requirement for providers to supply home care consumers with monthly statements accounting for any unspent amounts associated with their package.

Approved providers will not be required to transfer or return unspent home care subsidy and home care fees that were paid before 1 July 2015. If a consumer ceases home care with a provider before 27 February 2017, funds that have not been spent can be retained by the provider.

Changes for Approved Providers

Q29. What are the changes to the approved provider application process?

Providers will still need to be approved by the Department of Health under the Aged Care Act 1997 in order to provide subsidised home care, but the process for becoming an approved provider will be simplified. The change includes updating the suitability criteria for approving providers, streamlining the process for becoming an approved provider, and providing a simple model for existing residential and flexible care providers to also provide home care.

Simplifying the process for residential and flexible care providers to become home care providers recognises that these providers have already been tested against the standards required to become an approved provider of aged care. Once an organisation has been approved as a provider under the Aged Care Act, approved provider status will no longer lapse after two years if the provider does not hold an allocation of places – this change will apply across all care types including home care, residential care and flexible care. This means that once an organisation has been approved to provide a type of care, the approval is ongoing unless it is revoked.
For providers whose approval status is in force at the commencement of the changes on 27 February 2017, approved provider status will not lapse. Where an approval does lapse prior to 27 February 2017, providers will need to reapply.

Making these changes will remove some of the barriers to entry for new providers, whilst still ensuring that standards of care remain high. Increasing the number of approved providers able to provide home care will support greater choice for consumers, but importantly, new providers will still be required to demonstrate their suitability to become an approved provider. All approved providers of home care will need to meet the Home Care Standards and will be subject to independent quality reviews.

The Department of Health must consider the criteria which are in effect at the date that the application is lodged. As the current criteria will apply up until 27 February 2017, applications made prior to this date will be assessed under the current criteria in the Aged Care Act.


Once the changes to the application form and guidelines have been finalised, this page will be updated accordingly and communicated through the Information for Aged Care Providers Newsletter. To ensure that providers are kept up to date, they should subscribe using the following link - www.dss.gov.au/agedcareupdates.

Q30. What will happen to packages which are currently allocated to an approved provider?

Home care places that were previously allocated to providers but are unoccupied at the commencement of the changes (27 February 2017) will lapse at that time, and become part of a national ‘pool’ of available packages.

If a consumer leaves a home care package, the package will also be returned to the national pool. These packages will then be reallocated to consumers through the national prioritisation system managed by My Aged Care.

Q31. What new quality arrangements will there be for home care?

All home care providers will continue to be required to meet the Home Care Standards and the Australian Aged Care Quality Agency (the Quality Agency) will continue to assess the performance of the home care service against these standards. The Quality Agency will also continue to be required to undertake a quality review of each home care service at least once every three years.

An amendment is proposed to allow the Quality Agency to request home care providers to undertake a self-assessment. Following consideration of the self-assessment, the Quality Agency would determine whether further scrutiny is required. For example, an assessment contact or site visit.
The use of a proportionate, risk-based approach will enable the Quality Agency to target its resources on providers where there is highest risk, for example:

- where a service provider has not previously delivered aged care services;
- where the provider has not delivered home care services for some time; and/or
- where the service provider has experienced significant organisational change.
Consultation, communication and transition activities

Q32. What consultation has there been?

The Department of Health has consulted widely since the 2015-16 Budget announcement and has worked closely with stakeholders in developing the proposed implementation arrangements for February 2017.

A discussion paper was made available (through www.engage.dss.gov.au) for public consultation from late September until late October 2015. A total of 101 submissions were received from a range of stakeholders. Feedback from stakeholders has been used to inform the policy framework, the legislative amendments and the business requirements for IT system changes.

In addition, several webinars have been held by the Department to explain the changes to the primary legislation and provide an opportunity for interested parties to provide comments and ask questions about the amendments. The webinars, including slides and transcripts, are available for viewing at www.dss.gov.au/increasingchoice#events.

A Home Care Reforms Advisory Group has been established under the National Aged Care Alliance (NACA) to provide ongoing advice on policy, implementation, communication and monitoring issues. The Advisory Group comprises representatives from providers, consumers and carers, unions, health professionals, and state and territory governments. Advisory group meetings and workshops have focussed on a range of policy and implementation issues, including the transition approach, implications for business design/IT changes, and the approach to the treatment of unspent funds.

The Department has actively engaged with stakeholders by participating in a range of meetings, forums and conferences. These include meetings of the Aged Care Sector Committee, NACA and various forums conducted by peak provider and consumer groups.

The Department of Health has also held targeted workshops with key stakeholder groups to inform the changes to My Aged Care. Focus groups have also been held with key stakeholders to inform future communication material and engagement activities.

Other Government agencies have also been consulted on the programme design and implementation, including the Attorney-General’s Department, the Department of Human Services, the Department of Veterans’ Affairs, the Department of Social Services, the Aged Care Complaints Commissioner and the Australian Aged Care Quality Agency.

Q33. What further consultation and communication activities are planned?

The Department of Health will continue to consult with stakeholders throughout 2016 and 2017, with an increasing focus on communication and transition activities to support consumers, carers, providers, the assessment workforce, health professionals and other stakeholders. The Department of Health recognises the importance of consulting and communicating with the aged care sector to help implement the programme.

Prior to February 2017, the Department of Health will deliver a webinar series on transition to help stakeholders be ready for the changes. Additionally, a roadshow and targeted regional provider workshops will be held to increase the reach of consultations. The Department of Health will also continue to participate in a range of stakeholder meetings, forums and conferences by providing presentations on transition and programme implementation progress.
The Department of Health held a webinar on 20 May 2016 to discuss the issues outlined in the consultation paper accompanying the proposed amendments to the delegated legislation. A recording of the webinar will be available to view in early June 2016 at: https://www.dss.gov.au/ageing-and-aged-care-news-and-updates/webinars.

The Department of Health will continue to provide updates on the Increasing Choice reforms on its website (www.dss.gov.au/increasingchoice). The Department of Health has also launched new webpages providing resources for the aged care sector to share with service providers and consumers (through www.dss.gov.au/ageing-and-aged-care/news-and-updates). The resources include brochures, fact sheets, videos and presentations.

Regular updates will also be sent through messages for the aged care sector. To receive these messages, please subscribe to the mailing list at www.dss.gov.au/ageing-and-aged-care-news-and-updates/advice-to-the-aged-care-industry.

The website, messages for the aged care sector and the newsletters developed by the Department of Health will also continue to provide regular programme updates for stakeholders to support their transition, as well as providing notice about upcoming engagement sessions.
FURTHER REFORM

Q34. The Government announced its intention to undertake a second stage of reforms. What will Stage 2 of the home care reforms look like?

The Government has announced that it intends to integrate the Home Care Packages Programme and the Commonwealth Home Support Programme (CHSP) into a single care at home program from July 2018.

Existing CHSP funding agreements will remain in place until the end of the relevant agreement period.

No decisions have been made about a particular funding model or implementation approach for Stage 2, but the integrated program is expected to include a mix of individualised funding for the consumer and some block funding to service providers.

Further consultations are planned before decisions are made about program design, implementation or transition arrangements. Further information about the timing of the consultations will be available over the coming months.