

Existing Arrangements

Overview of current Home Care Packages Programme

- The Home Care Packages Programme aims to assist people to remain living at home and enable people to have choice and flexibility in the way that support is provided.
- To access subsidised home care, people must first be assessed and approved as eligible by an Aged Care Assessment Team (ACAT). People can be approved for two broadbanded levels of home care (level 1-2 or level 3-4).
- Once approved, people must find a provider with an available home care place. Places are currently allocated to approved providers through the Aged Care Approvals Round (ACAR). Places are limited to a specific location and are not portable for the consumer.
- Providers are paid subsidy by the Commonwealth for each consumer that is being provided with services in respect of a home care place. Providers claim for subsidy through a process managed by the Department of Human Services.
- Where personal circumstances allow, consumers are required to contribute towards the cost of care by paying home care fees. These fees are collected directly by approved providers.
- Providers are required to deliver care on a Consumer Directed Care (CDC) basis, which gives people greater flexibility in determining what level of involvement they would like to have in managing their home care package. Providers work in partnership with consumers to identify goals and needs, which form the basis of a care plan.
- CDC requires providers to set out an individualised budget and issue monthly income and expenditure statements, which provide transparency over what budget is available and how funds are spent.
- When a consumer ceases home care with a provider, any unspent funds are retained by the provider. This creates a financial disincentive for the consumer to change providers.
- Organisations wishing to become an approved provider are assessed against 53 mandatory criteria, with approved provider status lapsing after two years if the provider does not hold an allocation of places.

Increasing Choice Reforms – From 27 February 2017

Arrangements outlined in the *Aged Care Legislation Amendment (Increasing Consumer Choice Act)*

Operational detail outlined in amendments to the *Aged Care Principles and Determinations*

Received royal assent 18 March 2016

Funding to follow the consumer

Planning and allocation

- The Amendment Act removes the concept of home care places from the Aged Care Act and Transitional Provisions Act. As a result there will be no longer be an ACAR for home care.
- The Amendment Act instead attaches funding for a home care package to the consumer through the national prioritisation process.

- As home care places will no longer exist, amendments remove home care from regulation relating to the management of places.

Portability of home care packages

- The Amendment Act attaches funding to the consumer, meaning that consumers will be able to change their provider if they wish, including if they move to another area to live.
- All consumers (new and existing) will have this right to portability.

- The amendments to the Principles set out the operational detail for the portability of packages.
- Approved providers will be required to notify the Commonwealth within 31 days of a consumer ceasing care.
- A new consumer right is included for the consumer 'to choose the approved provider that is to provide home care to him or her, and to have flexibility to change that approved provider if he or she wishes'.
- A new responsibility is also included for a consumer to tell the approved provider and their staff of the day the consumer intends to cease to receive services.
- The amendments to the Principles and Determinations provide clarity in instances where there are overlapping claims from two or more providers for the same care recipient on the same day. The amendments will ensure that payment is made to the approved provider that first entered into a home care agreement with the consumer.

Unspent home care amounts

- The Amendment Act also sets out the framework for the management of unspent home care amounts. Unspent home care amounts are the total amount of home care subsidy (including supplements) and home care fees paid to the approved provider for the consumer that have not been committed on care.
- The Amendment Act provides that the arrangements will apply to funds accumulated since 1 July 2015.

- The Principles outline the operational detail for the calculation and treatment of unspent home care amounts.
- When a consumer moves home care providers, the unspent home care amount will move with the consumer to their new provider.
- When the consumer leaves home care, the provider will be required to return the respective portion of unspent home care amount to the consumer (or the consumer's estate) and the Commonwealth.

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| | <ul style="list-style-type: none"> Providers will be required to agree to deal with the funds in the manner specified in the Principles in order to continue to be eligible for home care subsidy. The Amendment Act also provides for the Commonwealth to recover the Commonwealth portion of the unspent home care amount when the provider permanently leaves home care. | <ul style="list-style-type: none"> The amendments set out the timeframes for the management and payment of unspent home care amounts. Providers will have 56 days to reconcile and 70 days to transfer a consumer's unspent home care amount. A pre-agreed exit amount may be deducted by the provider from the unspent home care amount, subject to full disclosure to the consumer in the home care agreement and through publication on My Aged Care. Transitional provisions will allow providers to include pre-agreed exit amounts in home care agreements entered into (or varied) before 27 February 2017 and will ensure any exit amounts are subject to disclosure and transparency conditions. A new sanction will be introduced to address circumstances where a provider is non-compliant with its responsibilities in managing unspent home care amounts. |
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National system for prioritising access to care

Prioritisation of consumers

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| <ul style="list-style-type: none"> The Amendment Act establishes the framework for the new national prioritisation process which will assign home care packages to consumers. This process will take into account the relative needs and circumstances of consumers and the amount of time that has passed since they were approved by an ACAT. The Amendment Act specifies certain circumstances in which a consumer's package will be withdrawn and allows the Principles to specify a timeframe in which the package must be used before it is withdrawn. The Amendment Act also creates a new set of Principles (the Prioritised Home Care Recipient Principles) to specify further operational detail on the prioritisation process. | <ul style="list-style-type: none"> To support the effective release of packages, eligibility for home care will be determined at a specific package level (i.e. level 1, 2, 3 or 4). Consumers with existing approvals will be deemed to be approved at the higher level of care within their broadband. The Principles specify that, where an individual has multiple ACAT approvals, the date to be considered when assigning a package is the date they were first approved for care at the relevant level. The Principles also specify that a consumer will have 56 days to start receiving home care once they are assigned a package. This period will be extended to 84 days on request. A package will also be withdrawn if a consumer has a break in care (other than leave) of more than 56 days (this can be extended to 84 days on request). A consumer's package will also cease when they permanently enter residential care. |
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Reduced red tape for approved providers

Approved provider requirements

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| <ul style="list-style-type: none"> The Amendment Act simplifies the criteria used to determine a provider's suitability to become an approved provider for all types of care. Approved provider status will also no longer lapse after two years if the provider does not hold an allocation of places - this will apply across home care, residential care and flexible care. | <ul style="list-style-type: none"> The Principles give effect to the simplification of the approved provider suitability criteria by removing the additional matters currently specified in the Principles. Further detail on how providers will be required to demonstrate the revised suitability criteria will be outlined in the approved provider application forms. To support the Quality Agency in effectively assessing home care services, amendments allow the Quality Agency to require a home care to undertake a self-assessment as part of an assessment contact. |
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Areas of no change to program arrangements

- Existing home care consumers will continue to receive care and services.
- No changes to the current fee arrangements in home care.
- All home care packages will continue to be delivered on a CDC basis, but with greater choice for the consumer as to who provides their care.
- The total number of home care packages will continue to be capped in line with the aged care planning ratio and the forward estimates.
- Funding will continue to be paid to an approved provider.
- No changes to the claiming process for providers through the Department of Human Services.