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Overview

The *Increasing Choice in Home Care* – Stage 1 – Discussion Paper was available for public consultation on [engage.dss.gov.au](http://engage.dss.gov.au) from 25 September 2015 to 27 October 2015. Feedback was sought from the aged care sector and other interested parties on the implementation arrangements of the February 2017 changes, as well as views on the impact of the proposed changes.

Overall, stakeholders supported the policy objectives of increased choice and control for consumers and reducing red tape and regulation for providers.

Key feedback received

- The changes need to be supported by effective information and communication activities. Messages need to be appropriately targeted at consumers, carers, providers, Aged Care Assessment Teams (ACATs), general practitioners and other health professionals.
- Supports and safeguards are required to assist consumers and their carers in exercising choice, particularly for those from special needs groups who may not have the capacity or skills to make decisions themselves.
- Appropriate sector support and transition activities need to be in place to assist businesses in adapting to, and planning for, the changes.
- With the transition to a more competitive market, some providers have expressed concerns about the loss of business certainty and the potential impact on financial viability, particularly for smaller providers in rural, regional and remote areas.
- A national system for assigning and prioritising home care packages will need to be transparent and closely monitored to ensure that access to care is not adversely affected, particularly for consumers from special needs groups, and that there are no ‘bottlenecks’ in the system.
- Stakeholders highlighted the importance of supporting ACATs through the changes, including early engagement, information and training.
- Stakeholders noted concerns that the reforms are dependent on further IT system changes to My Aged Care. They also noted the recent changes to My Aged Care have resulted in delays in referrals to providers and significant waiting times for consumers contacting the call centre and the system will have to be more stable to support the February 2017 changes.
- Most stakeholders agreed that unspent funds should move with the consumer to a new home care provider, but there was a mix of views, and no consensus, as to what should happen to unspent funds where the consumer permanently leaves subsidised home care.
Profile of submissions

The Department received 101 submissions from a wide range of stakeholders across jurisdictions. Around half of the submissions were received from individual providers (see Table 1). Submissions from organisations based in New South Wales and Victoria represented around half of the total number of submissions (see Table 2).

**Table 1. Number of submissions by stakeholder type**

<table>
<thead>
<tr>
<th>Stakeholder type</th>
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<tr>
<td>Peak body - Provider</td>
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<tr>
<td>Other</td>
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</tr>
<tr>
<td>Professional organisation</td>
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</tr>
<tr>
<td>Consumer/carer</td>
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<tr>
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<td>Aged care assessment service</td>
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<td>Federal Government</td>
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<td><strong>TOTAL NUMBER OF SUBMISSIONS</strong></td>
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**Table 2. Number of submissions by stakeholder location**

<table>
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<tr>
<td><strong>TOTAL NUMBER OF SUBMISSIONS</strong></td>
<td><strong>101</strong></td>
</tr>
</tbody>
</table>
Next steps

The Department appreciates the views and feedback provided by stakeholders in response to the discussion paper.

This feedback is being used to inform the policy framework for implementation and transition, the legislative amendments and the business requirements for IT/systems changes.


There will be a further opportunity for stakeholders to comment on the sub-ordinate legislation (Aged Care Principles) in 2016.
Summary of main issues

Impact of the changes

Consumers

Supporting informed choices

- Overall, the premise that allowing home care packages to follow the consumer and opening up the home care market will afford greater choice, flexibility and continuity of care for consumers was generally supported.
- However, some stakeholders raised concerns that there is a risk of confusing consumers with further changes following the introduction of consumer directed care and with the anticipated increase in, and variability of, provider marketing.
- Supports will be required to enable consumers to navigate a market-based system and make informed decisions. Some stakeholders have suggested adopting a standardised approach to provider marketing/pricing (e.g. use of consistent terminology) to enable consumers to easily compare providers.
- Safeguards will be required for consumers (particularly those from special needs groups) who may not have the capacity, skill, or support to make decisions regarding their choice of provider.
- The My Aged Care referral process must be transparent and ensure that consumers are made aware of all suitable providers in their locality.

Providers

Business viability and planning

- The transition to a more competitive environment will change the operating landscape for providers. It presents opportunities for marketable providers who have the capacity to understand their consumer base and promote their unique value propositions.
- Some stakeholders commented that small providers, particularly those in rural, regional and remote areas and/or catering to special needs groups, may find it challenging to remain viable as they may have less capacity to market their services and remain competitive relative to larger providers. Contributing factors include the higher costs and resource intensity associated with delivering care to consumers in rural, regional, and remote areas and special needs groups, lack...
of economies of scale, and limited access to marketing resources. Some stakeholders suggested that this may result in market consolidation.

- The removal of allocated home care places will reduce certainty of service volume and income stream. Some stakeholders raised concerns that this may impact financial sustainability. A number of stakeholders have also commented that it may also affect providers’ ability to manage and plan their workforce, which may encourage casualisation of the workforce. A casual or contract-based workforce may be more difficult for providers to monitor consistency of care quality, and to attract and retain staff.

- A number of providers highlighted the importance of having appropriate sector support and transition activities in place to assist businesses in adapting to the changes, although there were different views as to what the Government’s role should be in the move to a more market-based system. Some providers have suggested block funding in areas of market failure (e.g. to small providers in rural, regional, and remote areas) to assist with covering core operating costs and other providers have requested a phased introduction of the changes (e.g. phased approach to portability) to provide stability during the transition.

Access to home care packages

Planning and distribution

Equity of access to care

- A national approach was largely supported, but there were reservations about ensuring equitable distribution of home care packages based on need.

- Stakeholders expressed concerns about equitable access to home care by consumers in rural, regional, and remote areas as providers in these low density areas may face increased uncertainty, workforce pressures and operating costs.

- Safeguards are also needed to ensure equity of access for consumers from special needs groups. There were concerns expressed regarding the removal of conditions of allocation with respect to special needs groups without an alternative mechanism to support access. The issue of the ‘cherry picking’ practice of consumers by providers was also noted by some stakeholders.
Responsiveness to regional differences

- The capacity to monitor and adjust the distribution of home care packages, as required, to prevent distortion in certain areas will be important. Some stakeholders have asserted that distortions could arise from differential rates of assessment workforce efficiency and performance.
- Some stakeholders have suggested that the national system could retain a role for local/regional planning and population based resource allocation (involving state/territory/local governments) to ensure the system is responsive to local needs.

Monitoring and transparency

- Close monitoring and evaluation of access and market patterns will be critical to providing assurance of continued equity and sustainable competition.
- Some stakeholders have noted that transparency of the national pool and queues will be important to support providers in planning ahead (e.g. composition of the queue, geographic location of consumers in the queue).

Capped system

- It has been asserted that a national pool will not solve the underlying supply issue where home care packages are rationed and supply caps are retained.
- A number of stakeholders have suggested that there should be flexibility to convert available funds in the pool to different package level configurations based on demand.

Prioritisation of access

Basis for priority

- Three broad themes to determining priority of access to home care packages emerged: (1) availability and sustainability of other supports, (2) barriers to access, and (3) prevention of institutionalisation or deterioration.
- The most common factors suggested for determining priority were:
  o Absence of a carer or other informal supports
  o Unsustainable carer arrangements
Lack of available/accessible alternative formal supports (including due to geographic isolation)

- Risk of vulnerability or membership in special needs groups (particularly those with multiple vulnerabilities)
- Risk to safety
- Risk of admission to residential care
- Recent hospitalisation or risk of admission
- Risk of rapid deterioration of health
- Financial hardship or low means
- Social isolation

**Key requirements**

- Stakeholders emphasised the need for prioritisation to be transparent, equitable and open to review.
- Some stakeholders suggested that there also needs to be a mechanism in place for active management of those consumers waiting for a home care package and to adjust a consumer’s priority to reflect changed needs and circumstances.

**Assignment of home care packages**

**Specified timeframe to commence care**

- The concept of a specified timeframe for a consumer to commence care once notified that a home care package has been assigned to them was largely supported. The most common timeframe suggested was one month to provide sufficient time for consumers to research providers, meet providers, and negotiate care and support.
- The main types of circumstances suggested for extending the specified timeframe included:
  - Hospitalisation
  - Residential respite
  - Transitional care, including short term restorative care
  - Major life event or situational changes
  - Unable to find suitable provider
  - Awaiting advocacy support
A number of stakeholders have suggested that, once the timeframe has been exceeded, a follow-up process would be needed to consider the consumer’s circumstances (i.e. any barriers to access or difficulties finding a suitable provider).

Retracting an assigned home care package without contacting, or consent from, the consumer had minimal support.

**Interim care arrangements**

- The assignment of a lower level home care package as a short-term arrangement where the approved level is unavailable was largely supported.
- Many stakeholders emphasised that a consumer with an interim lower level home care package should remain eligible for their approved package level, and their priority should not be affected.
- Consumers should be fully informed of the types of supports that can be offered with the lower level funding, and the fees payable.
- There were some concerns about providers’ duty of care being compromised if the consumer is placed at risk by being on a lower level home care package than their assessed need.
- Some stakeholders commented that the provision of care to consumers with an interim lower level home care package may impose financial burden on providers (due to cost of care exceeding funding).
- It has also been suggested that assigning a lower level home care package as an interim measure may work against early intervention/reablement (as it would divert resources from low level need consumers to high level need consumers).
- There is a need to better understand demand at each home care package level and shape supply to reflect accordingly.

**Exercising portability**

**Safeguards for consumers**

- To enable consumers to change their minds regarding their choice of provider, the concept of a ‘cooling off’ period has been raised.
- It has been suggested that if a consumer decides to end their care arrangement with their provider during the ‘cooling off’ period, the consumer’s decision to contract should be able to be revoked without penalty.
- A ‘cooling off’ period ranging from three days through to 28 days has been suggested.
Safeguards for providers

- Some stakeholders have expressed concerns that consumers engaging in ‘provider hopping’ practices (i.e. moving to a new provider within a short time of commencing care) may have a negative financial impact on providers. This is due to the upfront costs associated with setting up a home care package (e.g. creation of care plan, selection and scheduling of services).
- To mitigate this risk, some providers have suggested charging a ‘set-up fee’ in cases where a consumer wishes to change providers within a certain period of commencing care.
- In order to allow sufficient time to finalise care provision, some providers have suggested requiring consumers to provide a minimum period of notice if they wish to change provider. Examples of notice periods have ranged from 14 days to 60 days.

Treatment of unspent funds

Consumer changes provider

- The proposal that unspent funds should move with the consumer to the new home care provider was largely supported.
- However, to provide a level of stability for providers during the transition, some stakeholders suggested that the transfer of unspent funds should only apply to funds accumulated after February 2017 or new consumers (including those who change package levels) from that date.

Consumer permanently leaves home care

Option 1 – All unspent funds are retained by the existing provider

- The retention of all unspent funds by the existing provider was strongly supported by providers. It was commonly reasoned that providers could use the funds on the care/services for other consumers (e.g. top up funds of financially disadvantaged or other special needs consumers or those on interim lower level packages), for infrastructure (e.g. purchase large, re-usable items that package funds cannot support) and investing in service improvement (e.g. trial new innovative care models).
- It was also argued that retention of the unspent funds would also offer a financial buffer against the additional costs of maintaining a flexible workforce (due to higher casual wage rates and turnover), particularly for smaller providers.
For transparency and accountability, it has been suggested that providers could be required to report on the amount of unspent funds retained and demonstrate how the funds were used.

**Option 2 – All unspent funds are returned to the Commonwealth**

- Returning all unspent funds to the Commonwealth received a moderate level of support (from a range of stakeholders). However, the support was largely conditional on the funds being reinvested into the Home Care Packages Programme (e.g. creation of more packages).

**Option 3 – Unspent funds are apportioned between the consumer and Commonwealth contributions**

- Returning unspent funds, based on actual contributions, to the source of those funds was contended to be the fairest approach (by a range of stakeholders).
- However, some providers noted this approach could be administratively burdensome as it would require providers to have systems in place to distinguish between Commonwealth and consumer contributions in the package budget.

**Other matters for unspent funds**

**Threshold for returning funds**

- There was support among providers for the concept of a threshold for returning unspent funds where a consumer has permanently left home care.
- It was suggested that if the total balance of unspent funds is less than a specified amount, the funds could be retained by the existing provider. This would reduce ‘red tape’, as providers would not be required to return small amounts of unspent funds.

**Administration fee**

- Many providers contended that the reconciliation of unspent funds and the finalisation of the home care package will incur administrative and financial costs. To cover these costs, providers proposed that they should be allowed to deduct an administration or exit fee from the unspent funds.

**Timeframe for transfer or return of funds**

- A minimum period of 28 days to complete the transfer or refund of unspent funds was suggested by providers.
Providers also emphasised the need for a reasonable period of time to ensure all invoices have been received and paid prior to transferring or returning funds. It was suggested a longer period may be required in the case of subcontracted or brokered services.

Deceased estate

- Providers have emphasised the complex and costly process associated with deceased estate management.
- It has been suggested that deceased estate situations could be managed in the same way as for residential care with regard to the return of refundable deposits.
- A number of stakeholders believed that only the consumer’s unspent contributions should be returned to the estate.

Information and support

Consumers and their representatives (including carers)

Types of information and support required

- There was a strong consensus on the need to educate consumers and their representatives on what to expect from a home care package (e.g. what care/services are included/excluded, associated costs) and what consumer directed care means for the consumer.
- Stakeholders have suggested that detailed information should be available on what is offered by local home care providers to facilitate comparisons and support informed decision-making. There were suggestions to update the My Aged Care Service Finder to include more information about providers, including services offered (including details of any specialisation for special needs groups), geographic reach, prices, and any other relevant service attributes.
- Stakeholders also suggested that step-by-step information on how to access home care and what is involved with setting up a home care package should be available.
- Consumers’ and carers’ rights and responsibilities need to be clearly communicated.
- Independent, ongoing advocacy services are required to provide education, support and advice to consumers and carers. Consumer and carer groups emphasised the importance of making consumers and their representatives aware of what advocacy supports and complaints mechanisms are available and how to access them.
- Stakeholders would like guidelines on how to exercise portability, including explaining the relevant timeframes, potential costs and implications for service continuity.
• Stakeholders have suggested that guidance should be provided on what needs to be considered when choosing a provider, including types of questions to ask a potential provider.

**Important considerations**

• Stakeholders have emphasised the need for a variety of supports to be available and accessible to different audiences.
• There was a strong emphasis on the need to cater for special needs groups, particularly consumers from culturally and linguistically diverse backgrounds as they face additional cultural and language barriers. The need for information and support to be available in different languages (e.g. translation services) was also underscored. Some stakeholders have said that consideration must also be given to ensuring accessibility for consumers with vision impairments.
• Messages need to be appropriately targeted at consumers and their representatives, providers, assessment workforce, general practitioners and other health professionals.
• It was suggested that information should be provided from various sources, including health professionals and seniors’ community groups. Providers emphasised that the Government needs to communicate directly with consumers and their representatives, not just through providers.
• Stakeholders advised that information should not be limited to web-based formats as some consumers and their representatives do not have access to the internet.

**Providers**

**Types of information and support required**

• Financial support has been suggested to assist providers with the costs associated (e.g. staffing, overhead) with transitioning to the new arrangements.
• The need for assistance with capacity building to operate within a commercial model has been highlighted by stakeholders, particularly for smaller providers.
• Providers have emphasised the need for assistance with planning and managing a flexible workforce.
• Information on changes to provider responsibilities, processes, and compliance requirements has also been requested.
Communication formats (for consumers and providers)

- Face-to-face information and education sessions were a strongly recommended format for communicating with consumers, their representatives and providers. The importance of having ongoing local face-to-face assistance available to consumers and their representatives was also highlighted.
- Visual media (e.g. video clips/instructional videos, webinars) was also suggested as a suitable medium to deliver education on the changes to consumers, their representatives and providers.
- The importance of utilising print-based channels (e.g. newspaper and magazine articles, pamphlets) to reach consumers and their representatives was also noted.

Assessment workforce

Types of information and support required

- Stakeholders have suggested that the provision of training and information to the assessment workforce to understand consumer directed care (e.g. how it operates, care/services the funding supports) and the impact of the proposed changes is required.
- It has also been suggested that further guidance is required on the scope of advice that the assessment workforce can offer to consumers and their representatives.
- Stakeholders commented on the need for the assessment workforce to be equipped with information on locally available providers (including emphasis on the provision of independent, unbiased recommendations), community networks, linkages and supports.
- Stakeholders have emphasised the need to provide clear guidance on the differentiating criteria for home care package levels and ensuring consistency of approach.
- Training has also been suggested to ensure assessments are performed in a manner that has regard for people’s special needs (e.g. cultural and linguistic diversity, specialist disability) and a restorative and reablement focus.
Approved provider arrangements and quality

Streamlined processes

- There was strong support for a streamlined approved provider application process as current practices are considered to be onerous.
- Stakeholders have suggested that assessment of an organisation’s suitability to provide home care should consider factors including:
  - Demonstration of commitment to quality care
  - Ability to deliver person-centred care with a wellness and reablement focus
  - Ability to clinically assess and support needs
  - Appropriateness of corporate and clinical governance arrangements, including sound financial management
  - Availability of qualified staff to deliver appropriate in-home care
  - Safeguards in place for vulnerable/frail consumers
  - Suitability of infrastructure
  - Understanding of community and cross-sector linkages

Opt-in for residential care and flexible care providers

- There were reservations about the ease with which approved providers of residential care and flexible care may ‘opt in’ to provide home care. A simple ‘opt in’ arrangement without an assessment of suitability to provide home care was generally not supported.
- There was a commonly held view that an organisation’s ability to provide residential care and flexible care does not indicate ability to provide home care – home care requires a different set of skills and management practices. It was emphasised that residential care and flexible care providers should be required to demonstrate their suitability to provide home care.
- Some stakeholders cautioned the possibility of inadvertently incentivising providers to offer home care as a ‘pipeline’ into residential care.
Quality controls

- The removal of lapsing approved provider status was generally supported on the condition that it is balanced with sufficient quality checks.
- It was noted by some stakeholders that new or inactive providers should be subject to a quality review prior to commencement/resumption of service provision and/or at regular intervals shortly thereafter.
- There was some concern that providers may attempt to economise on less visible elements of quality (from consumers' perspective) to improve price competitiveness.

System readiness

- Issues of provider change fatigue and reservations about the current capability of IT systems were noted by some stakeholders.
- There were concerns about the ability of the My Aged Care system to assume additional functionalities given that the challenges faced with existing functionalities have not been fully resolved.
- The resourcing constraints of the assessment workforce were also noted by some stakeholders. It has been suggested that the proposed removal of broadbanded assessments may increase the workload of the assessment workforce and therefore delay assessment timeframes.
- Some stakeholders have suggested pilot testing to be undertaken prior to national roll-out in order to minimise disruption and confusion in the sector. This was particularly regarded as important given recent implementation and transition difficulties experienced by My Aged Care and the Department of Human Services’ payment system.