

# QUESTIONS AND ANSWERS

## AGED CARE LEGISLATION AMENDMENT (INCREASING CONSUMER CHOICE) BILL 2016

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## **OVERVIEW**

### **Q1. What is the purpose of the Bill?**

This Bill creates the legislative framework for a more flexible, consumer driven aged care system that will support older people to remain living at home.

The Bill gives effect to the first stage of the home care reforms announced by the Government in the 2015-16 Budget (see Question 2). These changes will provide consumers with more choice and control over their aged care and will reduce red tape and regulation for aged care providers.

The changes also lay the platform for future aged care reforms, which will be guided by the Aged Care Sector Committee Roadmap for Reform and jointly developed with the sector.

### **Q2. What are the Government's home care reforms?**

The Australian Government announced significant reforms to home care in the 2015-16 Budget. The reforms will improve the way that home care services are delivered to older Australians. The reforms will be implemented in two stages.

In the first stage (commencing 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.

The second stage will build on these changes by integrating the Home Care Packages Programme and the Commonwealth Home Support Programme into a single care at home programme. This will further simplify the way that services are delivered and funded. The Government intends to introduce the new integrated programme from July 2018. Separate legislation will be required for this stage.

These changes are an important step in moving towards a future aged system that is more consumer-driven, market-based and less regulated.

### **Q3. Why is this reform necessary?**

Australians are living longer and healthier lives and it is important that as people age, they have choice about their care.

The home care reforms announced by the Government in the 2015-16 Budget will support consumers to receive the services they need. At the same time, the reforms will strengthen the aged care system to provide high quality and more innovative services through increased competition.

The reforms are consistent with the long term policy directions proposed by the Productivity Commission. In its 2011 inquiry, the Commission found that the aged care

system suffers key weaknesses, including a high regulatory burden, lack of timely access to care, and limited consumer choice.<sup>1</sup>

In relation to consumer choice and flexibility, the Productivity Commission made the following key points:

- Consumer choice improves wellbeing, including higher life satisfaction, greater life expectancy, independence and better continuity of care.
- Competition amongst providers in a system where consumers can exercise choice leads to a more dynamic system, with enhanced incentives for greater efficiency, innovation and quality.
- A more flexible system would also enable providers to increase the range and scope of their services, freeing them from the current highly regulated, risk-averse regime.

In response to the Commission's inquiry, in 2012, the previous government introduced a number of changes to the aged care system to address some of these issues. While delivering some immediate improvements, these changes do not deliver the less regulated, more consumer-driven, market-based system envisaged by the Commission.

#### **Q4. What does this Bill do?**

This Bill gives effect to Stage 1 of the home care reforms. The Bill 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 Government entry point/gateway 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.

Separate legislation will be required for Stage 2 of the home care reforms.

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<sup>1</sup> Productivity Commission Inquiry Report, *Caring for Older Australians*, 2011.

**Q5. What is the financial impact?**

The Government has committed \$73.7 million over four years from 2015-16 to implement Stage 1 of the home care reforms. This includes funding for significant systems changes and new functions for My Aged Care.

**Q6. When do the changes commence?**

Subject to passage of the legislation, the changes in Stage 1 will commence on 27 February 2017.

**Q7. What primary legislation is the Bill amending?**

The Aged Care Legislation Amendment (Increasing Consumer Choice) Bill 2016 will amend the *Aged Care Act 1997* and the *Aged Care (Transitional Provisions) Act 1997*.

**Q8. What subordinate legislation will be amended and when will this occur?**

Following the passage of the amendments to the primary legislation, changes will also be made to the subordinate legislation, including a number of the Aged Care Principles. Further details about the amendments to the subordinate legislation will be available in the coming months.

**Q9. Will funding (home care subsidy) be paid directly to the consumer?**

No. In Stage 1, funding (home care subsidy and supplements) will continue to be paid to an approved provider, but consumers will be able to direct Government funding to the provider of their choice.

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.

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.

**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 home care in Stage 1.

## BACKGROUND

### Q11. What is the Home Care Packages Programme?

The Home Care Packages Programme forms part of the Government's continuum of care for older Australians. 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.

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

(Source: 2014-15 Report on the Operation of the Aged Care Act 1997)

At present, packages (home care places) are allocated to providers through the Aged Care Approvals Round (ACAR). Around 6,000 new packages will be allocated to providers through the 2015 ACAR, with results expected to be announced around March 2016. This will be the last ACAR in which home care packages are allocated directly to providers (i.e. before the proposed February 2017 changes commence).

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.

## **Q12. What is Consumer Directed Care (CDC)?**

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.<sup>2</sup>

The expansion of CDC across all home care packages in July 2015 was an important step in moving to a consumer-driven system, but further reform is required to fully empower consumers to be in control of their care. 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.

The home care reforms announced by the Government in the 2015-16 Budget will provide greater choice, flexibility and increase control for consumers.

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<sup>2</sup> Prior to 1 July 2015, only a limited number of packages operated on a CDC basis, as part of a progressive rollout of CDC in the Home Care Packages Programme. Since 1 July 2015, all packages must be delivered on a CDC basis.

## IMPACT

### **Q13. Is there a Regulation Impact Statement (RIS) for these changes?**

Yes. There is a Regulation Impact Statement for Stage 1 of home care reforms. The RIS is part of the Explanatory Memorandum. A copy of the RIS will also be published on the Office of Best Practice Regulation (OBPR) website.<sup>3</sup>

A separate RIS will be prepared for Stage 2 following consultation with stakeholders on options for programme design, funding models and implementation.

### **Q14. 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.

For the first time, there will be a consistent national system for prioritising access to subsidised home care. This will allow a more equitable and flexible distribution of packages to consumers based on individual needs and circumstances, regardless of where they live.

### **Q15. 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 funding for a package is available, 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 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

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<sup>3</sup> <https://www.dpmc.gov.au/office-best-practice-regulation>



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.

### **Q16. 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.

Service providers that do not currently have an allocation of home care places, and in some cases may be providing sub-contracted services to an approved provider, will be able to provide services directly to consumers (if they become an approved provider).

Under the proposed changes, 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 18).

### **Q17. How will the changes reduce red tape for providers?**

Stage 1 of the home care reforms has an overall estimated regulatory saving of \$4.51 million per annum. This figure comprises the following elements:

- providers no longer being required to apply for home care places through the Aged Care Approvals Round (saving of \$4.38 million per annum);
- removal of the existing arrangements that govern the management of allocated home care places, e.g. transfer of places, variation to conditions of allocation (saving of \$0.04 million per annum); and
- streamlining of the approved provider arrangements (saving of \$2.63 million per annum).

These savings offset the estimated regulatory impact of new responsibilities for home care providers regarding the treatment of unspent funds (\$2.55 million per annum). These responsibilities include reconciling the amount of unspent funds and transferring amounts when a consumer changes home care provider or leaves home care.

### **Q18. What are the changes to the approved provider arrangements?**

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. This will include 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 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.

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.

**Q19. How will the reforms affect Aged Care Assessment Teams (ACATs)?**

ACATs undertake comprehensive, holistic, multi-disciplinary assessments to determine a person's eligibility to access Commonwealth-subsidised aged care. In Stage 1 of the reforms, 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) and the provider determines the package level to be offered to the consumer. The provider makes this decision taking into account the consumer's care needs, the mix of allocated places held by the provider, and its available (unoccupied) packages.

Once home care places are no longer allocated to providers, the assessment approval will indicate a specific package level (i.e. level 1, 2, 3 or 4). A guidance framework is being developed to inform and assist ACATs in determining a specific home care package level for a consumer.

All consumers who have been assessed by an ACAT and approved as eligible for a package will be prioritised in order to access subsidised home care.

Detailed guidance material, communications and training will be developed 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 to mid-March 2016, all ACATs will commence 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 Stage 1 will build on this platform.

**Q20. Will there be any impact on DVA's aged care programmes?**

There will be no impact on DVA programmes in Stage 1. DVA clients can continue to access mainstream programmes and DVA programmes, so long as services are not duplicated.

The Department will work closely with DVA and stakeholders in the development of the integrated care at home programme (Stage 2) to look at opportunities for better linkages and simplified administration. At this stage, no decisions have been made about whether DVA's aged care programmes will be part of the new integrated programme.

## **AVAILABILITY OF PACKAGES AND PRIORITISATION**

### **Q21. 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 Government 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 consumers who can be prioritised for packages, the Department will continue to work within the Government's 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.

### **Q22. 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.

### **Q23. How will the national system to access subsidised home care work?**

Once these changes take effect, there will be a national system to manage eligible consumers' access to packages within My Aged Care (the Government entry point/gateway to the aged care system). An effective national system is important to ensure there is equitable access to care.

The national prioritisation process will take into account the relative needs and circumstances of consumers, determined through the comprehensive assessment undertaken by an Aged Care Assessment Team, and the time that a person has been waiting for care. A consumer who has been 'prioritised' for a package will be supported by My Aged Care with referrals to approved providers, but the consumer will be able to choose which provider delivers their care.

The Department 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.

**Q24. Will there be any changes to the level of home care packages?**

No. In Stage 1, there will continue to be four levels of home care packages. Most of the packages are at levels 2 and 4, reflecting the historical allocation of packages.<sup>4</sup> See table at question 11. In response to stakeholder feedback, a large percentage of the packages to be allocated in the 2015 ACAR will be higher levels (i.e. level 3 and 4 packages).

Potential future changes to package levels will be considered in the context of Stage 2 of the home care reforms. The development of Stage 2 will consider how best to match funding to a consumer's needs, including what this means for the current package levels.

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<sup>4</sup> Level 2 was previously known as a Community Aged Care Package (CACP). Level 4 covers the former Extended Aged Care at Home (EACH) and Extended Aged Care at Home Dementia (EACHD) packages. Level 1 and 3 packages were introduced in August 2013.

## MY AGED CARE

### **Q25. 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 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'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 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 will consult with stakeholders on the proposed new functionality and changes to the My Aged Care system. This will allow validation and refinement of concepts before changes are made to the system. The Department will explain the future changes to My Aged Care through sector briefings, written materials and webinars in 2016.

### **Q26. 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](http://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 ACATs.

Providers will be able to display relevant information on the My Aged Care service finder to enable consumers to choose their preferred provider. 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.

## UNSPENT FUNDS

### **Q27. What are ‘unspent funds’ in a home care package?**

‘Unspent funds’ or ‘contingency funds’ refer to an amount that is the balance between the income (government subsidy/supplements and consumer fees) and planned expenditure relating to a consumer’s package.<sup>5</sup> 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 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.

At present, unspent funds can be retained by the approved provider when a consumer no longer receives home care from that provider, although some providers choose to transfer the funds with the consumer to another provider.

### **Q28. How will ‘unspent funds’ be dealt with in the future?**

From February 2017, unspent funds will move with the consumer to another 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 administrative charge may be deducted from the amount of the unspent funds by the provider, subject to full disclosure to the consumer (see below).

Where a consumer permanently leaves home care, any unspent funds must be returned to the consumer (or their estate) and the Commonwealth, based on the respective contributions made by each party. The provider will also be able to retain some of the unspent funds, as an administrative charge, subject to full disclosure to the consumer.

To support transparency and choice for the consumer, before a consumer commences in a home care package, the provider must disclose all relevant charges that may be deducted from the total of any future unspent funds. All applicable charges must be clearly set out in the Home Care Agreement offered to the consumer and be published on My Aged Care. The provider will also be required to disclose to the consumer other matters which could restrict portability, such as minimum contractual periods and required notice to leave a package.

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. This will be a legal requirement under the legislation.

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<sup>5</sup> Unspent funds do not include the amount related to costs that have been incurred but not yet paid, i.e. accrued expenses.



**Q29. Is the Government planning to further regulate to ensure that consumers can move freely between providers?**

Consistent with the Government's approach to reducing regulation and encouraging businesses to compete in a market-based system, it is not proposed to initially regulate (prohibit or restrict) minimum contract periods, minimum notice requirements, or administrative charges on entry, exit or transfer.

However, the Department will closely monitor practice in this area, including feedback and complaints from consumers, both in lead up to February 2017 and after implementation. The Department will also work closely with peak groups representing consumers and carers and the NACA Home Care Reforms Advisory Group to monitor any changes in behaviour. If there is evidence that restrictive conditions are being included in Home Care Agreements, it would be open to the Government to more actively regulate in this area in the future.

## CONSULTATION AND SECTOR ENGAGEMENT

### **Q30. What consultation has there been?**

The Government is strongly committed to a consultative approach with the aged care sector to inform programme design and implementation. The Department of Health<sup>6</sup> has consulted widely since the Budget and has worked closely with stakeholders in developing the proposed implementation arrangements for Stage 1.

A discussion paper on Stage 1 of the measure was made available (through [www.engage.dss.gov.au](http://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.

A Home Care Reforms Advisory Group has been established under the National Aged Care Alliance (NACA) to provide ongoing advice to the Minister and the Department 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 implications for business design/IT changes, and the approach to the treatment of unspent funds.

The Department has actively engaged with stakeholders since the 2015-16 Budget announcement through participation in a range of meetings, forums and conferences. These include meetings of the Aged Care Sector Committee, the National Aged Care Alliance and various forums conducted by peak provider and consumer groups.

The Department has also sought advice from stakeholders on specific policy and implementation issues. This has included workshops with representatives from Aged Care Assessment Teams (ACATs) and providers to discuss the implications of the proposed changes to assessment and prioritisation.

Other agencies, including the Attorney-General's Department, the Australian Government Solicitor, the Department of Human Services, the Department of Veterans' Affairs, the Department of Social Services, the Department of Prime Minister and Cabinet, the Aged Care Complaints Commissioner and the Australian Aged Care Quality Agency have been consulted during the development of the Bill and the reforms.

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<sup>6</sup> Consultations commenced through the Department of Social Services. Responsibility for aged care moved to the Department of Health in September 2015.

**Q31. What further consultation and communication activities are planned?**

The Department will continue to consult with stakeholders throughout 2016, with an increasing focus on communication and transition activities to support consumers, carers, providers, ACATs, health professionals and other stakeholders.

A comprehensive stakeholder engagement and communication strategy is currently being developed in consultation with the NACA Home Care Reforms Advisory Group. More intensive communication activities will commence once the legal framework is in place.

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

Consultation on the development of Stage 2 of the home care reforms is expected to commence in the next few months (see Question 32).

## **STAGE 2 OF THE HOME CARE REFORMS**

### **Q32. What will Stage 2 of the home care reforms look like?**

In the second stage of the home care reforms, the Government intends to integrate the Home Care Packages Programme and the Commonwealth Home Support Programme into a single care at home programme. This will further simplify the way that services are delivered and funded.

The Government has not made decisions about a particular funding model or implementation approach for Stage 2. Programme design, implementation and transition arrangements will be informed by consultations and feedback from the sector. The development of Stage 2 will also be informed by the future reform directions set out in the Aged Care Sector Committee Roadmap for Reform and linkages with other programmes, including health services and the National Disability Insurance Scheme (NDIS).

Consultations on Stage 2, including options for programme and funding models and potential implementation and transition arrangements, are expected to commence in the next few months.

## OTHER ISSUES

### **Q33. What are the ‘Part 2 - Contingent Amendments’ in this Bill?**

The Bill refers to proposed amendments in the Aged Care Amendment (Red Tape Reduction in Places Management) Bill 2015 which, at the time of drafting, had been passed by the House of Representatives, but was awaiting debate in the Senate.

This Part clarifies how the *Aged Care Act 1997* will be amended now that the Red Tape Reduction amendments have been passed. This occurred on 3 February 2016.

### **Q34. What are the ‘Part 3 - Application and Transitional Provisions’ in this Bill?**

There are a number of application and transitional provisions in the Bill. These spell out the special arrangements that apply at the time that the new legal arrangements take effect. For example, there are transitional provisions to ensure that existing consumers continue to receive care and services at their existing package level. There are also transitional provisions to ensure that people who have been assessed as eligible for care (but have not been offered a home package at the commencement date) are prioritised within the new national system.