Placing budgeting for a lifetime and access to clinically required care at the heart of Support at Home: preventing increases in premature entry to residential aged care and increased costs to whole of government

Summary

Support at Home

Support at Home will replace Home Care Packages as the Commonwealth program that assists older persons assessed as needing support to live independently at home. It is described as enabling the aged to live and die at home in accordance with their preferences and to create more sustainable government aged care funding. Support at Home policy and fee design and implementation seeks to achieve this aim in part through restricting access to clinically required supports and through service fees to offset costs.

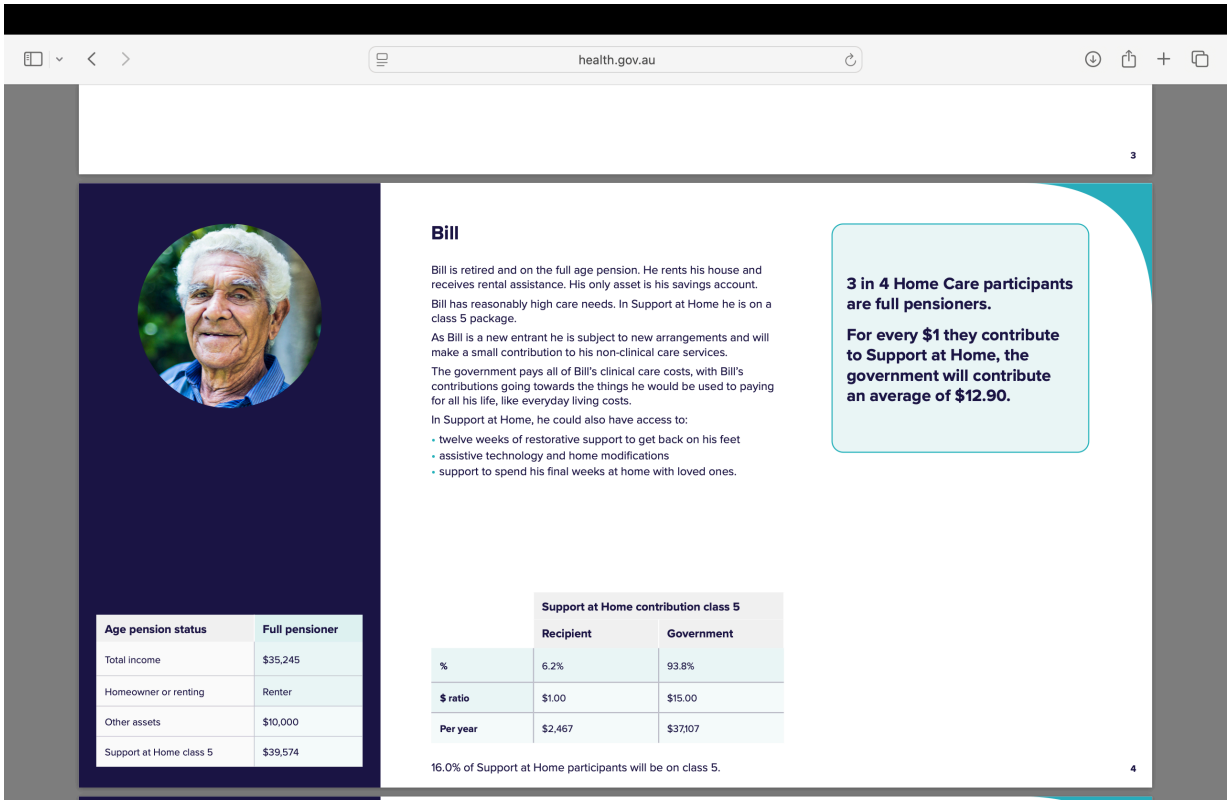
Unintended consequences will unnecessarily increase costs to whole of government. Those without significant means will not be enabled to live at home for the long term. They will be given no option but to move into more expensive to government residential aged care. Repeat and sustained hospitalisations will increase Commonwealth and State health costs.

Bill, a Department of Health, Disability and Ageing Case study is used to demonstrate perverse unintended consequences.

The first questions to be asked from a cost to whole of government perspective of each policy design intended to create sustainable aged care are

- Will this enable or impair the capacity of an aged person to live independently for their lifespan at home and not enter residential aged care
- Will this provide or deny the financial means an aged person needs to live independently for their lifespan at home and not enter residential aged care.

Home care is less expensive than residential care to government and does not require capital investment.



Department of Health, Disability and Ageing, Case studies - Support at Home, https://www.health.gov.au/resources/publications/case-studies-support-at-home?language=en

Bill's financial position and aged care needs

Bill is a full pensioner, rents and receives rent assistance.[1] His only asset is $10,000 in savings. Bill has high care needs and is on classification 5 in Support at Home. Bill's annual contribution fee is $2,467 per year. Bill's contribution fee is calculated on set percentages of the costs of services he receives. Three categories of services attract 0%, 5% and 17.5% fees. If Bill's capacity declines and he is re-assessed and receives more services, his fees will increase whether he can afford to pay or not – a user pays system.

Sustainable aged care and life expectancy: the need for lifetime budgeting to remain at home until end of life

If Bill is 85 and aware of his Australian Institute of Health and Welfare predicted average life expectancy of 91 (expected lifespan of 6 years), he may budget to spend $1,587 annually from his $10,000 savings - to try to afford to stay at home for the remainder of his life.[2]

If Bill is 65, and on Support at Home – if he had an accident the day after his birthday that resulted in disability and ineligibility for NDIS - his AIHW life expectancy is 85 (expected lifespan of 20years). His annual lifetime budget from his savings is $498.

His contribution fees are $2,467 a year whether his expected lifespan is 6 or 20 years.

As fee and fee reduction assessment design do not consider life expectancy and lifetime budgeting, they overestimate participants' financial capacity to pay fees and stay at home for the long term, hence designing fees that will not support sustainable aged care.

No automated safety net for contribution fees – only an obligation to apply for fee reduction

Unlike Home Care Package design which has both automated fee reduction related to income decline, a floor below which fees are waived, and an emergency Hardship Assessment application process, Support at Home has no safety net floor or automated fee reduction. As Bill declines and needs more services resulting in higher fees, no matter how high Bill's fees become the obligation is on him, a high care needs older person, to apply for time limited fee reduction. Fee reduction assessments do not appear to consider Bill's long term expenses to enable him to retain financial capacity to remain at home.

If Bill does not have capacity to identify the need for an application before he runs out of needed savings, complete the onerous process, manage trauma resulting from fear of debt collectors and bankruptcy (he has to pay back fees put on hold if his application is rejected) he may instead cut back on services. Applications for Hardship within Home Care Packages are currently taking up to 9 months.

Bill may not realise the full implications of ceasing services. He may not have the knowledge to identify the importance of services that are clinical requirements for his wellbeing but not described as such in the Support at Home Service list e.g., vacuuming carpets if he has asthma, dishwashing if poor eyesight leads to food contamination and diarrhoea, showers if urinary tract infection is a risk. He may cancel these services because Support at Home describes them as non-clinical.

An automated safety ceiling for the wealthy

An automated safety ceiling is included for the wealthy. The lifetime cap of $82,347 in fees in Home Care packages has been increased to $130,000. No application is required.

[1] Grandfathering: 'Everyone who, as of 12 September 2024, is receiving a Home Care Package (a package), on the National Priority System, or assessed as eligible for a package, will [be grandfathered into Support at Home and] make the same contributions, or lower, as they would have under Home Care arrangements.' https://alp.org.au/news/once-in-a-generation-aged-care-reforms. Individual circumstances, dates and cut-off dates should be checked with relevant authorities.

[2] Australian Institute of Health and Welfare (AIHW) Life expectancy based on age during 2021 to 2023. (Appendices 2 and 3)

Restricted access to clinically required supports and the need for personal wealth to stay at home

Bill's Care partner (Care Manager in HCP) cannot create a Care Plan for Bill using his Support at Home budget to give priority to his most important medically recommended clinical care needs. In the design of Support at Home uniform rules for all override prescriptions for supports and services from GPs and Specialists.

Access to clinically required care is restricted by exclusions, gap fees, lifetime caps, waiting times for reassessments, and contribution fee loadings on services required for clinical reasons but not defined as clinical care.

People with the wealth to pay for restricted clinical supports may be the only ones able to avoid entering residential aged care prematurely.

Fee calculations and fee reduction assessments do not consider the savings needed to cover the lifespan costs of all supports to which access is restricted.

Whole of government costs from avoidable premature entries to residential aged care resulting from this aspect of Support at Home design have not been publicly released.

Focus on supporting the aged to live at home sustainability

Support at Home design and implementation and the processes of design and implementation have yet to integrate the clinical expertise and lived experience perspectives required to achieve sustainable aged care funding and to support older Australians to live and die at home.

Bill's Case study describes his fees as a 'small contribution to his non-clinical care services'.

Bill is unlikely to experience the compulsory contribution as small.

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Introduction

This paper addresses the unintended consequences of the cumulative effect of the design of contribution fees and of policies that restrict access to clinically required care.

The aged without the personal wealth to pay for restricted clinically required care will experience avoidable suffering, decline, and health related incidents leading to early entry into residential aged care. As residential aged care is more expensive to government per person per year than Support at Home these designs will increase whole of Commonwealth government costs, and the need for more residential aged care beds. [3]

State and Commonwealth health care costs will be increased through the tragedy experienced by older persons stranded in hospital.

The design of the contribution fee system: unintended consequences

Not including average life expectancy and lifetime budgeting in fee design reduces the chances the not wealthy have of living and dying at home

The aged worry they will not have enough money left to see them out. Many wish to live and die at home. They try to budget their savings across the remaining years they think they have left to have sufficient funds to remain at home and to not be a burden to their loved ones.

Support at Home fee design does not budget for remaining years. It overlooks life expectancy. Fees are calculated on Bill's savings at one point in time as if future costs did not exist. In doing so Support at Home front loads fees exhausting savings needed for later years to live independently at home rather than entering residential aged care.

Average life expectancies based on Australian Bureau of Statistics data are provided by the Australian Institute and Health and Welfare.

If Bill knew these, and were 65, he would know the average male life expectancy of those aged 65 is 85.1. Bill might try to budget his life savings of $10,000 into an equal amount each year – a lifetime budget. Bill would plan to spend only $498 a year from his $10,000 in savings across 20.1 anticipated years of lifespan.[4]

Bill's annual fee of $2,467, calculated without reference to lifetime budgeting, is $1,968 greater than his annual lifetime budget at 65. (Appendices 2 and 3 on life expectancy and fees.)

Billie at 65, with the same profile as Bill, would have an average female life expectancy of 88.7. From her $10,000 in savings, she would have a $441 annual lifetime budget for 27.7 years of anticipated lifespan. Her annual fee of $2,467 calculated without reference to lifetime budgeting would be $2,026 more than her annual lifetime budget at 65.

If Bill and Billie were 85 their fee of $2,467 would still exceed their lifetime budgets of $1,587 for 6 years and $1,310 a year for 7 years of average lifespan respectively.

The Support at Home fee design in omitting average life expectancy budget unintentionally inflates fees and undermines Bill and Billie's chances of remaining and dying at home.

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[3] See Appendix 1 The cost to government of avoidable entry to residential aged care

[4] For ease of reading whole numbers are sometimes used in the text but reflect calculations to one decimal point. In calculations and Appendices 2 & 3 numbers are rounded to 1 decimal point. Average age of life expectancy and lifespan are drawn from The Australian Institute of Health and Welfare tables based on the work of the Australian Bureau of Statistics.
https://www.aihw.gov.au/reports/life-expectancy-deaths/deaths-in-australia/contents/life-expectancy

Services Australia, which carries out fee calculations, records the date of birth of pensioners, part-pensioners and Commonwealth Seniors Health Card holders. Date of birth is included in Support at Home records. Services Australia could integrate the calculation of expected average life expectancy and lifespan. Fees would more accurately reflect lifetime budgeting requirements to assist older persons without wealth to stay at home.

Home Care Package Income Tested Fees: annual caps, a lifetime cap and a safety net floor

Income Tested Fees are paid in the current system, Home Care Packages. There are annual caps, a lifetime cap and a safety net floor below which fees are not paid.

Annual caps

> 'There are two different annual cap amounts for the income tested care fee. These are applied daily in home care. The cap amount that applies to you depends on what you earn in a year. For example, for a single person:
>
> - If you are a part pensioner or if you earn between $33,849.40 and $65,260.00 a year, your income tested care fee is capped at $18.85 per day or $6,862.18 per year.
> - If you earn more than $65,260.00 a year, your income tested care fee is capped at $37.70 per day or $13,724.45 per year.'

Safety net floor

> 'Remember, if you're a full pensioner or have an income up to $33,849.40, you won't pay an income tested care fee.' [5]

Payment of the Income Tested Fee for persons who meet the requirements is compulsory.[6][7]

Support at Home: service based contribution fees for full pensioners with no safety net floor

Contribution fees are service based for full pensioners, income and assets are not considered

Support at Home contribution fees for full pensioners are not based on income and assets. They are based on the number and % of the cost of different types of services a participant receives.

> Full pensioners pay 0% for services defined as Clinical care, 5% for Services defined as Independence and 17.5% for Services defined as Everyday living.

Bill's income in the Case Study as a full pensioner, with rental assistance and $10,000 in savings is assessed as $35,245. This is not relevant to his fees of $2.467. These fees are based on his services.

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[5] https://www.myagedcare.gov.au/changes-aged-care-fees-annual-and-lifetime-caps. Only single person fees are discussed.

[6] 'If a care recipient is liable to pay an income tested care fee, you must collect this fee. You can do this at whatever interval suits your business – this could be weekly, fortnightly or monthly. You cannot collect fees more than one month in advance. You cannot waive or reduce the income tested care fee. If you do, you [the Provider] will have to fund it yourself.' https://www.myagedcare.gov.au/home-care-package-costs-and-fees#what-do-i-pay

[7] Providers may charge a Basic Daily Fee that is added to a participant's budget. As participants may seek to choose a provider who does not charge the Basic Daily Fee it is not discussed. The fee is set by the government at a percentage of the single basic age pension (from 15.68% to 17.50%) depending on Home Care Package level.

Package level	Daily fee	Fortnightly fee
Level 1	$11.77	$164.78
Level 2	$12.45	$174.30
Level 3	$12.80	$179.20
Level 4	$13.14	$183.96

Recipients who have applied for and been granted hardship assistance may not have to pay the fee.
If Providers choose to charge the fee all participants must be charged and the fact they charge the fee must be included in their My Aged Care information.
https://www.myagedcare.gov.au/home-care-package-costs-and-fees#basic-daily-fee

If Bill's services other than Clinical care increase in response to need and reassessment, so will his fees.

Clinical care services, attracting no fee, refers to services by certain health professionals e.g. nurses. It does not refer to services clinically required by Bill to live at home. If Bill requires more 'Everyday living' services for clinical reasons on his doctor's recommendation his fees will increase.

Example: if Bill has asthma that becomes severe requiring regular ED visits by ambulance his doctor may recommend more frequent cleaning and bed linen changes. Bill's fees will increase as bed linen changes, laundry and cleaning are Everyday living services with a fee of 17.5%. The fact the service is medically prescribed and clinically required does not make it eligible to be 'clinical care' with 0% fee.

No safety net floor in Support at home

Unlike Home Care Package design there appears to be no safety net or income floor in Support at Home below which full pensioners do not pay contribution fees based on services.

Similarly, there are no annual caps with daily fee reduction. And no sliding scale dependent on a full pensioners' income and realisable assets.

Fee reduction applications

Instead of an automated safety net an obligation is placed on Bill to apply for time limited Fee Reduction/Hardship assistance (for a reduction in or cessation of fees). If Bill does not have the capacity to identify the need for an application before he runs out of needed savings, and to complete the onerous process, he may have to cut back on services to pay the rent, fees or food.

Bill may not realise the implications of ceasing some services unless he has the knowledge to identify the services that he clinically requires but are not described as clinical care in Support at Home e.g., floor cleaning if he is subject to slips and falls, fridge cleaning if poor eyesight leads to food contamination or mould, bed linen changes and laundry if there are skin integrity or wound care issues. Bill may cancel these services because Support at Home categorizes them as non-clinical. [8]

Fees are stopped during the fee reduction process, currently taking up to 9 months for Home Care Packages. If the application is not approved fees withheld must be repaid. The stress on Bill will be debilitating. Some will not apply, fearing bankruptcy and debt collectors. Debt collection is delegated by government to providers.

Fee reduction design does not consider lifespan and appears not to consider future known costs. $5,000 of dental care treatment identified by Bill's dentist as needed in 2 years' time would not be considered.

Support at Home: service based contribution fees for part-pensioners and self-funded retirees

Part pensioner and Commonwealth Seniors health card holders pay

- 0% for Clinical care,
- between 5% and 50% for Independence depending on income and assets, and
- between 17.5% and 80% for Everyday living depending on income and assets.

Self-funded retirees pay

- 0% for Clinical care,
- 50% for Independence, and
- 80% for Everyday living.

This paper addresses only full pensioners.

[8] Clinical care refers to care provided by practitioners defined as clinical e.g., nurses. It is not clinically required care recommended as necessary to remain at home by medical practitioners. Clinically required care may fall into the categories of Clinical Care, Independence or Everyday living.

Automated lifetime cap for the wealthy

There is one automated safety net in Support at Home - for the wealthy. Fees automatically cease when a lifetime cap of $130,000 is reached.

Grandfathering and 'no worse off' principle

'Everyone who, as of 12 September 2024, is receiving a Home Care Package (a package), on the National Priority System, or assessed as eligible for a package, will [be grandfathered into Support at Home and] make the same contributions, or lower, as they would have under Home Care arrangements.'[9]

Participants will have to enter residential aged care if they are unable to pay for the clinically required supports to live at home to which Support at Home restricts access

Exclusions that require personal funds

Some individuals discover that their thermoregulation system has ceased functioning as they age. They require HVAC systems on hot days to prevent heat-related issues, such as strokes or cardiovascular complications, and on cold days to avoid problems related to reduced blood flow, such as toe amputations.[10] Others develop faecal incontinence, necessitating regular professional carpet cleaning. Those with some bowel function disorders may incur significant weekly non-PBS medication costs or may end up in the Emergency Department or undergoing surgery for bowel tears.

If Bill develops the needs for temperature control (age-related decline, diabetes, Parkinson's disease, ME/CFS, multiple sclerosis, cardio-vascular disease), regular professional carpet cleaning (asthma, severe faecal incontinence, colostomy bags that break) or non-PBS medications and vitamins (osteoporosis, arthritis, pain management, bowel function, severe chest infections), he might quickly exhaust his financial ability to live independently. Even if HVAC systems, regular carpet cleaning, or non-PBS medications are medically prescribed Support at Home participants cannot use their Support at Home budgets for these clinically required items – they are excluded.

Gap fees that require personal funds

If a service is part funded by another program or authority such as a State, the aged find that Support at Home funds cannot be used to pay for gap fees they cannot afford. The gap fee for orthoses (post-polio) may exceed $10,000.[11]

Limits on carry over funds that mean personal funds are required for anticipated events

A limit has been placed on savings within individualised budgets for anticipated events.[12] For example, it is no longer possible to save a little each month to provide for a few hours temporary extra support at home each week to do more of tasks like the laundry following events such as a fall and a sprained ankle or fatigue after the flu or Covid.[13]

Services needed while waiting for reassessment that require personal funds

As capacity declines over time, participants may need to apply for reassessment to a higher Support at Home classification.

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[9] https://alp.org.au/news/once-in-a-generation-aged-care-reforms. Individual circumstances, dates and cut-off dates should be checked with relevant authorities.

[10] HVAC stands for Heating, Ventilation, and Air Conditioning. It encompasses the systems used to control the temperature, humidity, and air quality within a building or enclosed space.

[11] Bilateral KAFO orthoses cost upwards of $12,000 -$15,000, with quarterly review and maintenance costs of $1000 plus per annum.

[12] SaH allows for savings of up to $1,000 or 10% of classification level (whichever is higher) to be carried over each quarter to save for anticipated needs. Home Care Packages allow for unlimited savings to be accumulated for, for example, anticipated post-operative care.

[13] The Restorative Care Pathway appears to target other needs.

Waiting times for reassessment and for a higher level package can each exceed 12 months. Personal savings must bridge the gap. (It is planned to pay persons assessed 60% of their approved assessed level while waiting for package availability. This does not apply to the waiting time for assessment.)

The savings needed to wait for a year or more for reassessment may be considerable.

Clinical supports not recognised by contribution fee categories that require personal funds for fees

Design of contribution fees defines services into different categories unrelated to whether a service is a result of a clinical need.

> For ongoing and short-term classifications, funded aged care services are grouped into three categories:
> • **clinical supports** – such as nursing care, occupational therapy and physiotherapy
> • **independence** – such as personal care, social support, respite care, community engagement and transport
> • **everyday living** – such as domestic assistance, home maintenance and repairs, and meals. [14]
>
> Contributions will be different for each participant and will be based on:
> 1. The type of service the participant received:
> • **clinical supports -** no contribution for services. Clinical care is fully funded by the government for all participants
> • **independence -** moderate contributions for services. This recognises that many of these supports play an important role in keeping participants out of hospital and residential care
> • **everyday living -** highest contributions for services. This recognises that the government does not typically fund these services for any individual at other stages of life.[15]

If Bill develops Parkinson's Disease his balance and motor control may decline.[16] He may be unable to safely shop alone. He may involuntarily walk quickly leaning forward without realising (festination) and be at risk of falls even when using a walker. Bill will require accompaniment by a support worker, a clinically required service to prevent injury. As shopping is defined as everyday living, Bill will pay a fee of 17.5% .

If Bill develops age related wet macular degeneration, he will need eye injections each month to avoid blindness. An extra 4-12 hours of support to attend appointments each month may be required depending on his proximity to a specialist. Bill will need to pay a fee of 17.5% for each hour of support worker time to get there and back, as although the need is medical, the support to get there is not defined as Clinical care that attracts no fees in Support at Home contribution fee design.[17]

Restrictions on a Care partner's capacity to assist participants within budget require personal funds

Until January 2023, Home Care Package Care managers approved clinically required supports recommended by participants' GPs and Specialists within an individual's Support at Home budget, based on interpretation of the Quality of Care Principles 2014, a Legislative Instrument of the Aged Care Act

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[14] https://www.health.gov.au/sites/default/files/2025-03/support-at-home-program-manual-a-guide-for-registered-providers.pdf v.3, p,32

[15] https://www.health.gov.au/resources/publications/support-at-home-program-manual-a-guide-for-registered-providers?language=en, V3, p.102

[16] The average age of onset of Parkinson's Disease is 70.

[17] It has been suggested by those with lived experience, that all costs associated with medical and clinical supports should not attract SaH fees and should be defined as part of the medical and clinical service for fee purposes and attract no fee. The same point has been made about showers. Showers attract a fee of 5% (Independence category) whereas mopping up the bathroom and other floors after the shower to prevent falls is cleaning which attracts a fee of 17.5% (Everyday living category) as does laundering the towel and assistance getting up and undressing and dressing. It appears support workers are going to have to understand these differences and calculate how much time they spend on each category in 15 minute blocks each unless all these activities are defined as part of a shower.

1997.[18] Detailed restrictions on supports based on extraneous criteria were introduced in January 2023. Home Care Package participants report financial stress following the exclusion of supports such as non-PBS medications for pain management and gap fees to access now unaffordable medical and allied health appointments.

It appears more restrictions will be added to Support at Home, further reducing Care partners capacity to create effective individualised care plans.

In addition, Care managers for Home Care Packages can currently approve new services such as urgent nursing wound care. In Support at Home it appears adding urgent nursing wound care services to a care plan may require partial reassessment involving unknown wait times.

Assistive technology, Home Care Modifications and End-of-Life Pathway

These policies are not addressed in this paper.

Assistive Technology and Home Modifications Scheme services attract clinical contribution fees of 0% for prescribed AT-HM.[19] Home modifications have a lifetime cap of $15,000.[20] End-of-Life Pathway care attracts the fees of the relevant service category for each service provided and has a cap of $25,000.

Identification of unhelpful outcomes: the need for appeals with public findings

Recipients of Support at Home with frailty, high care needs, low incomes and the need for restricted services bump into unanticipated perverse outcomes as part of trying to live.

There is no independent body with members with clinical expertise and with lived experience to whom they can appeal about policy induced unintended perverse outcomes, with decisions made public, and participant privacy protected.[21] [22]

Institutionalisation of long term perspectives for sustainability

The long term financial, clinical and experiential knowledge required to design sustainable aged care funding and policies that will enable older Australians to live and die at home is not yet integrated within the Support at Home design processes.

Bill's Case study describes his fees as a 'small contribution to his non-clinical care services'.

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[18] https://www.legislation.gov.au/F2014L00830/latest/text.

[19] '**Note:** Participant contributions for AT-HM prescription services will have a clinical supports contribution rate of 0%.' Provider Manual v3 p159

[20] 'Funding for high-tier home modifications will be capped at $15,000 per lifetime (this does not include any additional supplement a participant may be eligible for). Lifetime caps will be monitored by Services Australia.' Provider Manual v 3 p. 158

[21] Appeals in relation to assessments may be made to the System Governor.

[22] The Final Report of the Aged Care TaskForce noted the need to respond to perverse outcomes and for periodic reviews of exclusion principles,
'The aim of the exclusions principles is to clearly describe what services are outside the scope of the Support at Home Program and therefore do not receive funding from the government (such as utility bills). However, the Taskforce supports flexibility in exceptional circumstances. This would enable a participant to receive an excluded service or item if the alternative is a perverse outcome for the participant and government. For example, where a participant is at risk of entering residential aged care or hospital but for delivery of a comparatively affordable service or item at home. This flexibility would need to be developed in a way that ensures efficient and effective expenditure.

The Taskforce supports the use of these principles to develop inclusion and exclusion lists to ensure program integrity and improve consistency. This would clearly identify which services are provided or not provided through the program. The lists would need to be reviewed periodically to ensure they are responsive to innovation and older people's needs, including for those who rent.' https://www.health.gov.au/resources/publications/final-report-of-the-aged-care-taskforce?language=en p.18

For Bill the fees may be the difference between staying at home and avoidable suffering, decline, hospitalisations and premature entry to residential aged care.

It is unlikely Bill will experience the fees as small.

Lived experience is a gateway to the understanding of unintended consequences.

Proposals

1. That design of contribution fees and fee reduction be reviewed to enable participants to live at home for their expected lifespan. The review to consider fees taking account of

   1.1 life expectancy, lifespan, lifetime budgeting and anticipated lifetime costs, and

   1.2 the cost to participants of clinically required supports to which access is restricted through exclusions, gap fees, lifetime caps and waiting times for reclassification.

2. That pending the results of reviews, the Home Care Package IT system that automatically reduces Income Tested Fees with a floor below which fees are not charged be applied to all Support at Home participants.

3. That an automatic safety net floor for Support at Home below which no participant pays fees be created. That the safety net floor allow sufficient funds to enable participants to remain at home for their lifespan and pay for restricted services and supports.

4. That pending results of reviews the safety net floor be set so no contribution fees be charged to persons receiving a full aged pension irrespective of rental supplements, income and realisable assets.

5. That given varying individual life expectancies and the need for trauma informed policy, consideration be given to using a life expectancy such as the AIHW life expectancy for participants, with a minimum life expectancy of 10 years. To be used in the design of fees, safety net floors, automated fee reduction and hardship/emergency fee reduction calculations.

6. That the compatibility of restrictions on medically prescribed services (such as exclusions, gap fees, lifetime caps and reassessment for specific supports) with the goal of sustainable aged care at home for life be reviewed.

7. That pending results of reviews, Care partners be enabled to approve within an individual's Support at Home budget medical recommendations for clinically required care, supports and services and designate a medically recommended service as clinically required irrespective of Support at Home exclusions, restrictions on access and service lists.

8. That consideration be given to Care partners having ongoing delegation to approve within an individual's Support at Home budget medical recommendations for clinically required care, supports and services and designate a medically recommended service as clinically required irrespective of Support at Home exclusions, restrictions on access and service lists.

9. That pending the results of reviews medically recommended clinically required services approved by a Care partner within an individual's Support at Home budget attract a 0% fee.

10. That pending the results of reviews all services directly related to clinical care, such as transport and support to attend nursing or allied health appointments attract a 0% fee.

11. That pending the results of reviews all services directly related to medical care, such as transport and support to attend medical and hospital appointments attract a fee of 0%.

12. That pending results of reviews all services associated with Independence services, such as mopping a floor after a shower and laundering and putting away towels, attract a fee of 5%, unless showers are medically prescribed as clinically required, when a fee of 0% should apply.

13. That the question of whether showers are ever not clinically relevant for the elderly needing help to live independently at home be addressed.

14. That temporary appeals bodies to hear and rule on requests for review of decisions to restrict access to medically prescribed supports and services be established pending review results. That temporary review panels involve geriatricians, GPs, allied health practitioners and frail aged Support at Home participants on full pensions.

15. That a permanent independent appeals body be established to hear and rule on requests for review of decisions to restrict access to medically prescribed supports and services be established. That review panels involve geriatricians, GPs, allied health practitioners and frail aged Support at Home participants on full pensions.

16. That ways to integrate the lived experience of the frail aged on full pensions with high needs to identify and resolve unintended consequences in system design and implementation on a continuing basis be explored and trialled, given these Support at Home participants are perhaps most likely to encounter perverse unintended consequences.

17. That membership of working groups reviewing design and restrictions be diverse and include full aged pensioners with current lived experience of Support at Home high care needs, frailty, disabilities and clinical needs excluded from Support at Home, and persons with relevant clinical expertise.

18. That the Interim First Nations Aged Care Commissioner be invited to advise on the participation of Aboriginal and Torres Strait Islander peoples in working groups and reviews recommended above for Support at Home.

19. That the Interim First Nations Aged Care Commissioner be invited to establish reviews to address the unintended consequences of the design of fees, fee reduction assessments and restrictions on access to clinically required services and supports for Aboriginal and Torres Strait Islander peoples receiving aged care at home and be provided with appropriate funding.

Appendix 1. The recurrent cost to government of avoidable entry to residential aged care

Recurrent costs to government of residential aged care are complex to assess and differ between individuals.

Reduction in government costs due to the offset of fees or funds from pensions (minus 15% which is retained by the older person) is not included in the table below. There do not appear to be published estimates of the proportion of those who will not be paying non-clinical residential aged care fees due to having reached the $130,000 cap or of those paying no fees because they have no savings left and are in supported beds.

It is assumed for this paper that the cost to government for a residential aged care bed is between $80,000 to $120,000 a year, not including capital costs, offsets from pensions paid (except for 15% of the pension retained by the older person) and fees. $100,000 is used in calculations.

The extra cost to government of Bill in residential care rather than in Support at Home may be approximately $60,000 more a year. A class 5 Support at Home package costs approximately $40,000 per annum not including fee offsets which in Bill's case would be $2,467 per annum.

Support at Home saves capital costs to government as the older person pays for their accommodation.

Additional recurrent cost to government of residential aged care per annum compared to Support at Home*			
SaH Classification	Annual SaH cost	Annual residential aged care cost *	Annual cost to government of avoidable entry from SaH to residential aged care*
1	$11,000	$100,000	$89,000
2	$16,000	$100,000	$84,000
3	$22,000	$100,000	$78,000
4	$30,000	$100,000	$70,000
5	$40,000	$100,000	$60,000
6	$48,000	$100,000	$52,000
7	$58,000	$100,000	$42,000
8	$78,000	$100,000	$22,000

*Residential aged care cost estimated at $100,000 per year, SaH costs rounded.

Appendix 2. Life expectancy

'Life expectancy changes over the course of a person's life because as they survive the periods of birth, childhood and adolescence, their chance of reaching older age increases. The life expectancy at different ages can be presented as the number of years a person can expect to live from that age.

Men aged 65 in 2021–2023 could expect to live another 20.1 years and women aged 65 in 2021–2023 another 22.7 years.[23] '[24]

The number of years of expected life from different ages*		
Age	Male life expectancy	Female life expectancy
65	85.1	87.7
85	91.3	92.4
95	97.7	98.1

* Age during 2021-2023 AIHW

Individual lifespans vary greatly and may change with advances in medicine.

A minimum lifespan such as 10 years might be adopted as a safety net for the purpose of SaH fee calculations, to ensure those who may experience unusually long lifespans, such as the growing population of centenarians, are not disadvantaged, and to accommodate statistical variations.

[23] https://www.aihw.gov.au/reports/life-expectancy-deaths/deaths-in-australia/contents/life-expectancy

[24] https://www.aihw.gov.au/reports/life-expectancy-deaths/how-long-can-australians-live/summary

Appendix 3. Life expectancy and Bill and Billlie's fees

(Bill renamed as Billie is included to illustrate female life expectancy.)

Fee calculation with and without lifetime budgeting					
Bill - at 65					
	Male life expectancy	Years remaining at age 65	Realisable assets - savings	Lifetime annual budget for savings	Annual SaH contribution fee
Support at Home fee calculation method	Omitted from consideration	Omitted from consideration	$10,000	Omitted from consideration	$2,467
Life expectancy informed fee calculation method	85.1	20.1	$10,000	$498	Not known
Billie - at 65					
	Female life expectancy	Years remaining at 65	Realisable assets - savings	Lifetime annual budget for savings	Annual SaH contribution fee
Support at Home fee calculation	Omitted from consideration	22.7	$10,000	Omitted from consideration	$2,467
Life expectancy informed fee calculation	87.7	22.7	$10,000	$441	Not known

If Bill and Billie were 85 years old their annual lifetime informed budget would still be less than their SaH contribution fee of $2,467.

Fee calculation with and without lifetime budgeting					
Bill - at 85					
	Life expectancy	Years remaining at age 85	Realisable assets - savings	Lifetime annual budget for savings	Annual SaH contribution Fee
Support at Home fee calculation	Omitted from consideration	Omitted from consideration	$10,000	Omitted from consideration	$2,467
Life expectancy informed fee calculation*	91.3	6.3	$10,000	$1,587	Not known
Billie - at 85					
Methodology	Life expectancy	Years remaining at aged 85	Realisable assets - savings	Lifetime annual budget for savings	Annual SaH contribution fee
Support at Home fee calculation	Omitted from consideration	Omitted from consideration	$10,000	Omitted from consideration	$2,467
Life expectancy informed fee calculation	92.4	7.4	$10,000	$1,351	Not known

AIHW Life expectancy based on age during 2021 to 2023

References

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Note:

The scope of this paper addresses only some aspects of Support at Home. Significant issues not addressed include human rights, the needs of the aged with disabilities, accessibility for those with diverse needs, and aged care for Aboriginal and Torres Strait Islander peoples.

Recently released Rules and their implications have not been reviewed and incorporated. Some Rules in consultation documents appeared to impose additional limits on clinically necessary, medically recommended care beyond those already in Home Care Packages.

Due to changing information, the latest version of government resources should be viewed.