

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Supplementary Budget Estimates 2016 - 2017, 19 October 2016

Ref No: SQ16-000717

OUTCOME: 6 - Ageing and Aged Care

Topic: Increasing Choice in Home Care Reform Implementation

Type of Question: Written Question on Notice

Senator: Polley, Helen

Question:

"Stage one of the Increasing Choice in Home Care reform will commence on 27 February 2017 - Can you detail the implementation process for these reforms? Will there be any transitional funding to assist aged care providers to prepare for the 2017 changes? How are you communicating these changes to consumers and to providers, or potential providers and consumers? What is the cost of communicating these changes? Is there expenditure budgeted for broadcast advertising or any other advertising to communicate these changes? If yes, how much?

Can you provide the government's response to the Increasing Choice in Home Care - Stage 1: Discussion Paper Feedback Summary Report (January 2016)? Specifically, what has the government done in terms of implementation in response to 1. stakeholders concerns that the reforms are dependent on further IT system changes to My Aged Care and that recent changes had resulted in delays in referrals to providers and significant waiting times for consumers contacting the call centre and that the system will have to be more stable to support the February 2017 changes 2. the loss of business certainty and the potential impact on financial viability, particularly for smaller providers in rural, regional and remote areas and those catering to special needs groups 3. the need to support ACTAs through the changes 4. the proposal to provide block funding in areas of market failure to assist with covering core operating costs 5. Equity of access for consumers from special needs groups 6. the treatment of unspent funds."

Answer:

- 1 a) In relation to the implementation process for Increasing Choice in Home Care reforms there are several workstreams:
- Policy & Legislation: responsible for developing the primary and subordinate legislation required to implement the measure by law, and to refine the measure through internal policies and delegations to support management of the home care packages programme from February 2017;
 - Business Design: ensures that the Budget announcement is captured through comprehensive detailed business requirements that inform the development of IT changes and delivery of transition and communication activities. The detailed business requirements translate policy to business processes to support the

management of the home care packages programme once the new arrangements start;

- **Information Technology:** ensures that changes are made to relevant IT systems including My Aged Care, Department of Human Services, Department of Health managed IT systems and myagedcare.gov.au to deliver the functionality required to support the new arrangements for the home care packages program;
- **Transition Support:** ensures that affected stakeholders, including service providers, assessors, consumers and their carers/families, staff within the Department of Health and other Aged Care agencies are supported through the changes and are aware of their obligations under the legislation. This stream will deliver outcomes through communication and engagement activities, training and change management.

- a) In 2015, the Government provided \$19.6 million to providers for the reskilling and retraining of their workforce for the transition to consumer directed care. In addition the Government funded Council on the Ageing and its partners Leading Age Services Australia (LASA) and Aged and Community Services Australia (ACSA) to develop Home Care Today which continues to support both consumers and providers with targeted information about the transition to consumer directed care. In 2016, as well as a comprehensive information and support strategy for Increasing Choice, the Government has provided \$250,000 to peak organisations: ACSA, LASA, Federation of Ethnic Communities Councils of Australia (FECCA) and the National Aboriginal Community Controlled Health Organisation (NACCHO) with funding to support their networks with the introduction of Increasing Choice for the February 2017 changes.
- b) The communication of information about the home care reforms is leveraging a range of channels (each channel is linked to the stakeholder to support the information best reaching them). Channels include: written letters delivered to individuals and organisations, webinars (webcasts), email updates, electronic newsletters, printed brochures and specific training sessions for specific stakeholders. The Department of Health has invested in a rolling research program to ascertain awareness levels of multiple stakeholders and uses the results to inform future activity. Sector support will continue for the new home care arrangements and engagement activities will extend past 27 February 2017 where appropriate.
- c) The cost of communications depends on the channel, for example (costs below are GST inclusive):

Communication Channel/Activity	Approximate Cost (GST inc)
Webinar	\$13,000 for each webinar
Distribution of letters to all approved home care providers	\$1,200
Distribution of letters to clients with current home care approval (at 1 November 2016)	\$19,000
Printing of brochure for distribution to newly approved home care clients (assessor distribution between November 2016 and February 2017)	\$2,400

- d) The Australian Government plans to raise awareness of the Australian Government subsidised aged care services, My Aged Care and changes to the aged care system in the 2016-17 financial year. Any campaign would be subject to government approval processes.
- 2 a) Feedback to the discussion paper on the Stage 1 of the Increasing Choice in Home Care measure informed the policy framework, the legislative amendments and the business requirements for IT system changes.

- b) The Department recognises that there have been some transitional difficulties with the expansion of My Aged Care last year, and has worked with the sector to resolve critical issues. The delivery of the home care reforms will draw on these learnings.

The stability of the My Aged Care platform, including resolving delays in referrals to service and eliminating excessive call wait times has been achieved. This provides a solid base from which to launch Increasing Choice in Home Care (stage 1) in February 2017.

As part of a commitment to working with the sector to continually improve My Aged Care, the department ran five co-design workshops in September/October 2016 to identify opportunities for improvement for the My Aged Care system. A list of prioritised ideas was captured from these workshops to improve the way My Aged Care operates from a policy, process and system perspective. These ideas have been arranged into comprehensive improvement phases that will lead to design policy, process and system improvements to be implemented from November 2016 onwards.

The Department is focussed on the My Aged Care contact centre and system readiness for the Increasing Choice in Home Care changes. The system has been designed in a number of waves to ensure that key functionality is built and tested early, allowing sufficient time to address emerging issues. The approach has also included early and ongoing engagement with stakeholders and end-users to ensure that the system changes are fit for purpose.

Healthdirect, in consultation with the department, has also developed an implementation plan targeting the contact centre workforce, including training, increasing the number of the contact centre staff to keep Average Handling Times at acceptable levels, and building the Service Desk capability to address and/or escalate issues raised by assessors and providers (that is the My Aged Care Assessor and Provider Helpline 1800 836 799).

- c) The reforms will enable the sector to transition to a more competitive market-driven environment. This is expected to have benefits for both providers and consumers in rural and remote areas. These benefits are expected to extend to all providers (i.e. new and existing home care providers).

The process to become an approved provider of home care in the aged care legislation will be streamlined, which will make it easier for new providers to enter the home care market. This may include existing residential and flexible care providers, providers under the Commonwealth Home Support Programme and disability providers. There will be more opportunity for providers to utilise their local workforce across different programmes and types of care.

The total number of home care packages is continuing to increase each year, and there is an opportunity for all providers to continue to operate in the market.

The reforms will reduce red tape for businesses. Providers will no longer be required to apply for home care places through the Aged Care Approvals Round (ACAR) and will no longer be limited by the number of home care places they have been allocated by the Government. This efficiency applies to all approved providers of home care.

The financial impact of the changes on providers will be closely monitored, particularly the impact on service delivery in regional and rural areas.

- d) To support Aged Care Assessment Teams (ACATs) with the reforms to home care, the

Department has developed a comprehensive training module that provides information on the changes to policy and process. This includes guidance material to support and inform ACATs when creating support plans and providing recommendation to delegates with regards to an appropriate home care package level and priority.

The policy and process training for ACATs commenced early November. During February 2017, ACATs will receive further training on the system changes to My Aged Care to support them ahead of the commencement of the reforms.

The department has also developed a supplementary support brochure to assist ACATs with explaining the upcoming changes to home care to clients they assess between November 2016 and February 2017. A range of additional support activities and material has also been delivered to ACATs including webinars and consultation on the system changes being designed. Additional material will be co-designed with assessors between now and commencement of the new arrangements.

For direct support ACAT members have access to the My Aged Care Assessor and Provider Helpline on 1800 836 799.

In addition to the ACAT short course developed specifically to support the introduction of Increasing Choice in Home Care, the Department conducts regular teleconferences with state and territory Aged Care Assessment Programme (ACAP) managers where transitional issues and readiness can be discussed. As with other ACAP business, the department has mechanisms in place to issue communications to ACAP managers and ACATs and respond to ACAP managers' questions and concerns. The department and ACAP managers are in regular phone communication should any operational issues arise that need immediate attention.

- e) The Government provides a viability supplement to rural and remote residential and home care services to cater for the higher operating costs faced by services. In the 2016-17 Budget the Government announced an increase in the viability supplement of \$102.3 million in total, for both residential and home care services. These changes will mean home care services will receive higher funding in respect of around 7,000 older people in rural and remote areas on a home care package, commencing from 1 January 2017.
- f) From February 2017, consumers with special needs will have greater choice when selecting a provider.

The changes will promote a diversified market to better support people with special needs, with specialised providers no longer needing to compete for places in the Aged Care Approvals Round (ACAR).

The department has made improvements to the My Aged Care service finder, which will allow consumers or their carers to compare home care providers in their region via a range of categories including:

- levels of packages offered;
- cultural and language specialisation;
- service offerings for special needs groups;
- out of hours availability; and
- fee and cost information

These changes will also benefit providers by providing them with a mechanism to market their services, including to people from special needs groups.

A range of additional supports will also be available for those requiring further assistance, including through the Translating and Interpreting Service and independent advocacy services.

The new arrangements will be closely monitored to ensure that people with special needs are able to access care in an equitable manner.

- g) Feedback to the discussion paper on Stage 1 of the Increasing Choice in Home Care measure informed the policy framework, the legislative amendments and the business requirements for IT system changes.

In relation to unspent funds, stakeholder feedback to the discussion paper was used to develop draft amendments to the Aged Care Principles and Determinations. The Department implemented the following in response to stakeholder feedback:

- A consistent policy approach was used whereby unspent funds from a consumer's home care package 'follow the consumer' when they transfer providers, or alternatively they are returned to the Commonwealth and to the consumer when the consumer leaves home care.
- Legislative provisions were developed to allow providers to deduct an exit amount from a consumer's unspent funds, in response to provider concerns that the reconciliation and transfer of unspent funds will incur administrative costs. The legislative provisions were developed to ensure exit amounts were disclosed and transparent to the consumer.
- The timeframe proposed for a provider to reconcile a consumer's package was extended from 28 days to 56 days, in response to feedback that providers may need a longer period of time to ensure all expenses have been identified and processed.