

23 April 2007

Committee Secretary  
Australian Senate Community Affairs Committee  
Parliament House  
CANBERRA ACT 2600

Dear Committee Secretariat

**Re: Aged Care Amendment (Residential Care) Bill 2007**

The Bill amends the Aged Care Act 1997 in order to implement the new funding model for residential aged care known as the Aged Care Funding Instrument (ACFI).

Catholic Health Australia (CHA) makes this submission to the Senate Inquiry on behalf of the Catholic aged care sector.

CHA is the largest non-government provider grouping of health, community and aged care services in Australia, nationally representing Catholic health and Aged care sponsors, systems, facilities, and related organizations and services.

Services are provided in a number of settings, for example, residential, community care, in the home, the workplace, hospitals, medical clinics, hospices, correctional facilities, as well as for people who are homeless. In addition, services are provided in rural, provincial and metropolitan settings, in private facilities as well as on behalf of the public sector.

With over 19,000 Commonwealth approved residential aged care beds the Catholic sector plays a significant role in Australia's overall health care industry representing around 13 percent of the market and employing around 30,000 people.

**Clause 2 Commencement**

When the \$1.5 billion package of reforms, *Securing the Future of Aged Care for Australians*, was announced by the Prime Minister on 11 February it was also announced that the introduction of the ACFI would be delayed and will now become operational on 20 March 2008, rather than on July 1 this year as previously indicated.

The Bill provides for Schedule 1 of the Act to commence on a single day to be fixed by proclamation. This allows for a date other than 20 March 2008 to be set. The date of 20 March was probably chosen more of



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convenience to fit in with the announcement of the other changes included in the package many of which are linked to a pension payment. There is no real sense in the ACFI starting on a date other than the first day of a month. CHA favours a 1 July 2008 commencement as this is the start of a new financial year and will allow for a more reasonable timeframe for staff training and the setting of budgets.

Rather than amend the Bill, CHA would prefer that the Government make a commitment that the commencement date be deferred until 1 July 2008.

**Items 1 and 2 Subsection 22-2(3) and Paragraph 22-6(2)(c)**

CHA considers that subsection 22-2(3) and paragraph 22-6(2)(c) providing for the Secretary to limit the level of care of a care recipient to any particular level should not be necessary as the ACFI should be the determinant of the care need classification.

The related amendments to the Quality of Care Principles will replace the existing definition of "low level of residential care" with a new definition that reflects a level of residential care that is not a high level of care.

The Department of Health and Ageing has previously advised that the settings for determining the distinction between high and low care would be based on an estimation that sixty per cent of residents are currently categorised as high care when having their first assessment according to the Resident Classification Scale (RCS).

The setting point is not a clinically based one but it does have implications as to whether a resident can be asked to pay an accommodation bond or an accommodation charge. It also can impact on the approved provider's responsibilities with respect to the provision of specified care and services under Schedule 1 of the Quality of Care Principles 1997.

CHA questions the need to continue with such artificial distinctions as high and low levels of care. The Quality of Care Principles should be amended to set the specified care and services requirements to the clinical care needs of residents in accordance with related care classification levels.

**Item 27 Subsection 42-1(4)**

The Bill repeals this subsection as no longer being necessary. CHA considers that there are still circumstances where a resident in a low care facility needing temporary high care may not be able to stay in the low care facility, particularly in regional and rural areas. Whilst many approved services allow residents to 'age in place' not all can implement this policy due to building design and staffing skill levels.

**Item 30 new paragraph 44-3(3)(aa)**

In view of CHA's earlier comments on subsection 22-2(3) this new paragraph is unnecessary.

**Item 31 new paragraph 44-3(3)(ca)**

This new paragraph has been inserted to allow the Minister to determine a different basic subsidy amount to be paid in respect of a care recipient who is on extended hospital leave.

CHA considers that this leaves open the possibility for a care recipient on the highest level of care funding having their basic subsidy amount reduced to a nil funded level. The approved provider still has to keep the bed for the care recipient and has the same staffing levels to maintain.


A realistic default level should be determined rather than the rate being left to the discretion of the Minister with the Notes in Items 28 and 29 also being amended accordingly.

**Item 38 Section 86-1 (table item 21)**

In view of CHA's earlier comments on subsection 22-2(3) this substitution is unnecessary.

CHA supports the introduction of the ACFI and welcomes this opportunity to comment on the Bill.

Yours sincerely

A handwritten signature in black ink, appearing to read "Francis Sullivan". The signature is fluid and cursive, with a large initial "F" and a long, sweeping underline.

**FRANCIS SULLIVAN**  
Chief Executive Officer