



Australian Government

Department of Health and Aged Care

Ensuring the future of quality aged care

September 2024



agedcareengagement.health.gov.au

Acknowledgement of Country

I would like to acknowledge the Traditional Owners and Custodians of the vast lands on which we meet today and pay my respects to Elders past and present. I am presenting to you from Ngunnawal country.

I would like to extend that acknowledgement and respect to any Aboriginal and Torres Strait Islander peoples joining us today.

Agenda

Timing	Item	Speaker
2:00 – 2:05	Introduction and acknowledgment of country	Michael Lye
2:05 – 2:20	Support at Home system design	Nick Morgan
2:20 – 2:30	Support at Home contributions	Nick Hartland
2:30 – 2:45	Residential care means testing and accommodation contributions	Nick Hartland and Susan Trainor
2:45 – 3:00	New Aged Care Act	Mel Metz

Case for change

- An ageing population is driving demand for aged care services.
- Improvements to the quality of care are needed to meet community expectations.
- Greater funding is needed to enable growth and improvement. Current structural funding issues have led to poor financial viability.
- Additional funding sources must recognise that older people today are wealthier than previous generations and the taxpayer base is declining.
- The rights of older people should be at the centre of the legislative framework, and a new system oversight and accountability is needed to ensure that quality care is delivered.

What action is the government taking?

In-home aged care

- Investment in a new Support at Home program
- Contributions for Support at Home

Residential care

- Changes to daily living and non-clinical care contributions
- Accommodation contribution reform

New Aged Care Act

- Rights-based approach that places older people and their needs at the centre of the legislative framework
- Enable Royal Commission into Aged Care Quality and Safety recommendations that rely on primary legislation

What is the same?

- Government will remain the major funder of aged care.
- No new taxes or levies.
- No changes to means testing of the family home.
- A *no worse off* principle will apply to people who, on 12 September 2024, were receiving a Home Care Package, in the National Priority System, or assessed as eligible for a package. It will also apply to everyone in residential care before 1 July 2025.



Support at Home

This section will cover:

- Support at Home system design
- Support at Home contributions.

What is Support at Home?

- New program from July 2025 to better support the community's preference to age at home.
 - Replaces Home Care Packages & Short-Term Restorative Care.
 - Commonwealth Home Support Programme will join Support at Home no earlier than July 2027.
- Provides older people with a budget to access services and supports with:
 - improved access to early interventions to stay independent
 - higher level support to stay home when needs become more complex
 - equitable, fair and transparent pricing informed by IHACPA.
- Program funding will grow with program demand.
 - The program will target an average wait time of three months from 1 July 2027.



Support at Home features

1. Classification & budgets for ongoing services
2. Short term classifications
3. Assistive Technology & Home Modifications Scheme
4. Funding model

Ongoing service classifications

- More tailored support determined at assessment.
- 8 ongoing classifications replacing the 4 Home Care Package levels.
- A top classification of almost \$78,000 a year.



Short-term classifications

Restorative Care Pathway

- 12 weeks
- Multi-disciplinary allied health
- Access for older people with lower-level and/or more complex needs
- Assistive technology is additional

End of Life Pathway – around \$25,000

- 12 weeks
- For people diagnosed with 3 months or less to live
- Enables a boost in service levels to stay home

Assistive Technology and Home Modifications (AT-HM) Scheme

- Funding tier approved for AT and/or HM at assessment
- Prescription, item, delivery, fitting included
- Equipment loans will be available as loan scheme expanded
- Funding available for 12 months (or longer if needed to finalise a home modification)

Funding model

Source of funds	Payment arrangements
1. Participant budgets <ul style="list-style-type: none"> For ongoing services For short term services For AT-HM 	<ul style="list-style-type: none"> Service provider invoices government for hours or units of each service delivered to each client (or at cost for items such as AT-HM) Prices must be below caps set by government, based on IHACPA advice Government pays at prices less relevant participant contribution
2. Care management fund <ul style="list-style-type: none"> Sits with providers 	
3. Unspent Home Care Package funds (Grandfathered HCP clients with unspent funds)	
4. Participant contributions	<ul style="list-style-type: none"> Service provider invoices participant Rates set by government as % of service prices
5. Thin market grants	<ul style="list-style-type: none"> Competitive grant process Initial 2-year grant agreements



HCP care recipients transitioning to Support at Home

BUDGET

- Everyone that is in receipt of a HCP on 30 June 2025 will transition to Support at Home with their same package level.

UNSPENT FUNDS

- HCP care recipients retain their unspent funds.
- Can be used when quarterly budget exhausted, and/or
- To purchase equipment or home modifications

PEOPLE WAITING ON THE NPS

- People waiting on the National Priority System or who are assessed as eligible for a HCP will transition to Support at Home at their approved package level.

CHSP CLIENTS

The CHSP will continue to operate for existing clients and new clients with low level needs.



Next steps

Information and support

- Website information (**September onward**)
- Webinar with more details (**19 September**)
- Q&A sessions (**24 and 26 September**)
- Program documentation (**late September onward**)
- Sessions with software industry and service providers (**early October**)
- Grant process (**late 2024/early 2025**)
- Roadshow (**commencing November**)

Support at Home participant contributions

This section will cover:

- participant contribution arrangements under Support at Home.

Support at Home contributions – for services delivered

Current fees in HCP

- Basic daily fee which everyone may be asked to pay
- Income tested care fee which reduces the government subsidy
- Participants pay a daily fee irrespective of the services they use

Support at Home

- Fees are on the basis of services received
- Participants will make a percentage contribution to the cost of the services they use
- The percentage contribution will be based on the Age Pension means test which includes assets and income

Support at Home contributions – by type of service

- Three service list categories are the basis for participant contributions
 - Clinical supports (e.g. nursing and physiotherapy)
 - Independence (e.g. personal care). The independence rate will also be used for AT-HM
 - Everyday living (e.g. domestic assistance)
- Clinical supports provided in Support at Home will be fully funded by the government
- Contributions for independence supports are moderate
- Contributions are highest for everyday living services which people have generally funded at other stages of their life

Support at Home contribution – income and assets

	Clinical care	Independence	Everyday living
Full pensioner	0%	5%	17.5%
Part pensioner and Commonwealth seniors health card eligible	0%	5% to 50% depending on income and assets	17.5% to 80% depending on income and assets
Self-funded retiree	0%	50%	80%

- Participant contributions will be scaled according to a person’s means, based on their Age Pension means test.
 - Full pensioners will make a low contribution
 - Part pensioners and Commonwealth Seniors Health Card holders contributions will increase as their income and assets increase
 - Self-funded retirees will make higher contributions
- A new \$130,000 lifetime cap will apply to contributions in Support at Home and to contributions to non-clinical care in residential care.

Support at Home contributions – no worse off principle

- A no worse off principle will apply to people who, on 12 September 2024, were either:
 - receiving a Home Care Package (HCP),
 - in the National Priority System, or
 - assessed as eligible for a HCP.

- The no worse off principle will ensure these participants are no worse off because of the reforms: they make the same contributions, or lower, than they would have had under Home Care Package arrangements.
- When these participants move to residential care, they will stay on the existing contribution arrangements unless they opt to move to the new program.

Residential care

This section will cover:

- changes to everyday living and care contributions
- accommodation contribution reform.

Hotelling Supplement contribution

- A new means tested contribution to the Hotelling Supplement will be introduced for new residents from 1 July 2025.
- The contribution will only apply to residents who can afford to pay their full accommodation costs.
 - The means test will require a contribution of 7.8% of assets over \$238,000 and 50% of income over \$95,400, up to a limit of the daily Hotelling Supplement (\$12.55 per day on 20 September).
- The government will pay the provider the difference between a resident contribution and the full Hotelling Supplement. It will also continue to pay the full Hotelling Supplement to providers for residents who are not required to make a contribution.

Non-Clinical Care Contribution

Non-clinical care costs
(personal care, lifestyle)

- A new means-tested Non-Clinical Care Contribution will be introduced from 1 July 2025 and the current means tested care fee will be abolished for new residents.
- This contribution will be for non-clinical care costs such as bathing, mobility assistance and lifestyle activities.
- The contribution will only apply to residents who can afford to pay the full Hotelling Supplement contribution and will be capped at 4 years.
 - The means test will require a contribution of 7.8% of assets over \$502,981 and 50% of income over \$131,279 up to a daily limit of \$101.16.
- The government will fully fund all clinical care costs. It will also pay the difference between a resident's non-clinical care contribution and their non-clinical care costs.



No worse off principle

- The *no worse off* principle for all those in residential aged care before 1 July 2025, will mean all existing residents retain their existing contribution arrangements for the entirety of their stay in residential care.
- This group will not see their accommodation payments change as they have already signed a contract with their provider.

Higher Everyday Living Fee

Premium and extras
(premium goods & services or extras
like pay TV & alcohol)

- A new optional Higher Everyday Living Fee will be introduced from 1 July 2025, replacing Additional Service Fees and Extra Service Fees for new residents.
- The Higher Everyday Living Fee will allow residents to purchase goods and services that are of a higher quality than the standard provided and also goods and services that are not required to be provided such as pay TV, hairdressing and alcohol.
- Consumer protections will apply to the Higher Everyday Living Fees including a cooling off period and regular reviews of whether services can still be used.
- Existing residents who pay an Additional Service Fee or Extra Service Fee would be gradually transitioned to the Higher Everyday Living Fee.

Accommodation contribution changes

Refundable Accommodation Deposit (RAD) and Contribution (RAC) Retention

- Providers will retain a portion of all new lump sum accommodation payments (RADs or RACs) for residents entering from 1 July 2025. The retention rate will be 2% per annum and deducted monthly.

Daily Accommodation Payment (DAP) Indexation

- Providers will index DAPs for new residents entering from 1 July 2025. Indexation will occur twice per year in line with the Age Pension.

Maximum Room Price

- The maximum room price that can be agreed without Independent Health and Aged Care Pricing Authority (IHACPA) approval will increase from \$550,000 to \$750,000 from 1 January 2025.
- This price will be indexed on 1 July each year to the Consumer Price Index.

Accommodation pricing review

- More work is needed on accommodation pricing - a review will consider other matters as recommended by the Taskforce:
 - the Accommodation Supplement rate and indexation arrangements
 - incentives to encourage support of low means residents
 - incentives to improve accommodation quality.

Long-term RAD phase out – subject to review

- The government has agreed to consider phasing out RADs from 2035, subject to a review of sector readiness.
- Sector Readiness Review (2029-30) will be independent and legislated.
- The review will consider:
 - financial performance of the aged care sector, including reliance on RADs for capital raising
 - the impact of steps taken since the conclusion of the Taskforce
 - capital financing arrangements, including for rural and remote providers
 - the impact of RAD phase out on affordability for residents
 - if RAD phase out is recommended, a path to an orderly transition.

New Aged Care Act

This section will cover:

- recap: new Aged Care Act
- key points of difference in the Aged Care Bill 2024.

Recap: A new Aged Care Act

The new Act is going to:

- replace existing legislation, including the *Aged Care Act 1997* and the *Aged Care Quality and Safety Commission Act 2018*, and existing subordinate legislation
- adopt a rights-based approach, outlining the rights of older people in a Statement of Rights, and place older people and their needs at the centre of the legislative framework
- enable Royal Commission into Aged Care Quality and Safety recommendations that rely on primary legislation
- provide a single system entry point, with clear eligibility requirements
- incorporate a fair, culturally safe single assessment framework
- support delivery of a range of aged care services
- establish new system oversight and accountability arrangements
- introduce a new risk-based regulatory model designed to increase provider accountability, and encourage delivery of high quality and safe aged care services, and strengthen enforcement powers for the regulator
- provide new protections for whistle blowers, increased penalties for the provision of substandard care, and enhanced investigatory powers for the regulator.

Key points of difference since December 2023 exposure draft

<p style="text-align: center;">Chapter 1</p> <p style="text-align: center;">Definitions and key concepts, aged care rights and principles, supporters and representatives</p> <ul style="list-style-type: none"> • KEY CHANGE – New positive requirement to uphold rights • KEY CHANGE – Refined supported decision-making arrangements • Clarifying provisions relating to advocacy and volunteers • Refinement of definitions 	<p style="text-align: center;">Chapter 2</p> <p style="text-align: center;">Entry to Commonwealth aged care system</p> <ul style="list-style-type: none"> • New parts not included in exposure draft – Prioritisation and allocation of places 	<p style="text-align: center;">Chapter 3</p> <p style="text-align: center;">Registered providers, aged care workers and aged care digital platform operators</p> <ul style="list-style-type: none"> • KEY CHANGE – Change of criminal penalties to civil penalties for statutory duties • Responsible persons duty limited to certain responsible persons • Reversal of burden of proof for statutory duties (prosecution bears burden to prove conduct engaged in without reasonable excuse), to closer align with WHS Act • New condition for registered providers of approved residential care homes to provide access to free vaccinations for workers and individuals • New condition of registration related to the provision of information to individuals • New obligation related to direct care 	<p style="text-align: center;">Chapter 4</p> <p style="text-align: center;">Funding of aged care services</p> <ul style="list-style-type: none"> • KEY CHANGE – New chapter not included in exposure draft • Commonwealth contributions • Individual contributions • Means testing
<p style="text-align: center;">Chapter 5</p> <p style="text-align: center;">Governance of the aged care system</p> <ul style="list-style-type: none"> • KEY CHANGE – Independence of the Complaints Commissioner • Adjusted governing body membership requirements to enable exemptions • Recognition of NDIS worker screening ‘clearance decisions’ and ‘exclusion decisions’ • Aged Care Quality and Safety Advisory Council – providing advice to Complaints Commissioner 	<p style="text-align: center;">Chapter 6</p> <p style="text-align: center;">Regulatory mechanisms</p> <ul style="list-style-type: none"> • Entry / access to premises where risk to safety 	<p style="text-align: center;">Chapter 7</p> <p style="text-align: center;">Information management</p> <ul style="list-style-type: none"> • Narrowing definition of protected information • Whistleblower protections – ensure protection of persons making disclosures 	<p style="text-align: center;">Chapter 8</p> <p style="text-align: center;">Miscellaneous</p> <ul style="list-style-type: none"> • Moved appointment / registration of supporters to Chapter 1 • Additional provisions, and clarity, regarding the oversight and safeguards for automation of administrative action. • Pathways for reconsideration of reviewable decisions by Commissioner, System Governor, Pricing Authority and Administrative Review Tribunal

Key changes

1. New positive requirement to uphold rights
2. Refined supported decision-making arrangements
3. Removal of criminal penalties from statutory duties, instead to operate as civil penalties
4. New chapter – funding of aged care services
5. Independence of the Complaints Commissioner

More information

Visit the department's website:

www.health.gov.au/aged-care-act

www.health.gov.au/committees-and-groups/aged-care-taskforce

www.health.gov.au/our-work/support-at-home