

Design changes for Star Ratings

Consultation Paper

agedcareengagement.health.gov.au

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1. Overview

1.1. Executive summary

Star Ratings for residential aged care was introduced by the Australian Government in 2022 in response to recommendations from the Royal Commission into Aged Care Quality and Safety.

Star Ratings help older people and their representatives to understand the quality of care at aged care homes. This information helps people compare homes and make informed choices about their care.

The Australian Government Department of Health and Aged Care (the Department) will undertake a public consultation to investigate and inform Star Ratings design changes.

The purpose of this consultation is to seek community and stakeholder feedback on the consultation paper. The diverse perspectives, preferences, experiences and knowledge of all stakeholders and interested members of the community are valued and respected and will contribute to the Star Ratings design changes.

The consultation process will run from 18 November – 13 December 2024.

The Department welcomes the engagement of older people, their families and carers, aged care providers and workers, experts and other interested stakeholders.

Survey and written submissions are invited in response to the Star Ratings consultation by 13 December 2024. The consultation questions set out in this paper can be used to help guide you when drafting your submission.

The Department is particularly interested to hear your views about:

- changes to the Compliance rating related to implementation of the new regulatory model from commencement of the new Aged Care Act (new Act)
- changes to the Staffing rating to incorporate legislated care minutes from 1 October 2025 and to potentially incorporate 24/7 registered nurse requirements
- changes based on findings from a recent Star Ratings evaluation.

Your feedback is critical in shaping the policy and future design of Star Ratings and will help ensure that Star Ratings continues to support:

- older people and their representatives to compare aged care homes and make more informed choices about their care
- providers to understand their performance and drive improvement using nationally consistent measures to monitor, compare and improve their care.

The consultation process is being delivered in collaboration with KPMG.

Following the conclusion of these consultation activities, the Department will publish an overview of key issues and emerging themes on the "We Asked, You Said, We Did" page on the <u>Consultation Hub</u> and the "have your say" page on the Department's Star Ratings website.

1.2. How can I get involved?

There are several ways to get involved and provide feedback to the Star Ratings consultation. By visiting the Consultation Hub, https://consultations.health.gov.au, you can:

- access information about the consultation process
- register your interest to attend a face to face or virtual consultation session between 25 November and 6 December 2024, to have your say on topics most important to you
- complete the survey to have your say on elements included in this consultation paper
- lodge a written submission/response to elements included in the consultation paper
- submit a question to: <u>au-fm-star-ratings@kpmg.com.au</u>.



The information gathered through this consultation will be used to inform any changes to the design and display of Star Ratings. This will ensure that Star Ratings continues to provide transparent information to help people compare homes and drive improvement in aged care quality.

1.3. About this consultation paper

The purpose of this consultation paper is to seek feedback on proposed changes to Star Ratings. In particular, changes to the Compliance rating, Staffing rating and changes in response to findings of a recent evaluation.

1.3.1.Compliance rating changes

When the new Act comes into force, the design of the Compliance rating must change due to the new regulatory model.

The design of the Compliance rating will also start to include graded assessments against the strengthened Aged Care Quality Standards (strengthened Standards) (see section **2.2.3.** for further information about graded assessments).

The strengthened Standards will set a higher expectation of care quality.

1.3.2.Staffing rating changes

From 1 October 2023, it became mandatory for homes to meet their care minute targets for nurses and personal care time. There are two targets that homes need to meet:

- the total amount of nurse and personal care time, from a registered nurse, enrolled nurse, personal care worker and assistant in nursing, and
- the care time from a registered nurse, this can include up to 10% of care time contributed by an enrolled nurse.

The Staffing rating currently has some tolerance, meaning that a home can receive a Staffing rating of 3 stars (acceptable) or 4 stars (good) without meeting both of their mandatory care minute targets. This recognises aged care workforce constraints that can impact recruitment and retention of suitably qualified and skilled staff.

From 1 October 2025, the Staffing rating will change so that homes will need to meet both of the mandatory care minute targets to receive a Staffing rating of 3 or more stars.

From 1 July 2023, it became mandatory for aged care homes to have a registered nurse on site and on duty 24/7. Consideration is being given to changing the design of the Staffing rating to include the 24/7 registered nurse requirement.

1.3.3.Star Ratings preliminary evaluation finding changes

The Department recently undertook an independent evaluation of Star Ratings. The evaluation investigated the impact Star Ratings has had on improving care quality and transparency for older people.

Preliminary findings from the evaluation have provided some recommended changes to the display of Star Ratings. Consideration is being given to changing the display and design of Star Ratings in response to these findings.

1.4. What happens with your feedback

The feedback and results received through this consultation will be collated and analysed to inform Star Ratings design changes.

1.5. If you have questions about this consultation

Please contact KPMG at: au-fm-star-ratings@kpmg.com.au.

1.6. Background

Star Ratings for residential aged care was introduced by the Australian Government in 2022 in response to recommendations from the Royal Commission into Aged Care Quality and Safety.

Star Ratings help older people and their representatives to understand the quality of care at aged care homes. This information helps people compare homes and make informed choices about their care.

Star Ratings also helps providers to understand their performance and drive improvement using nationally consistent measures to monitor, compare and improve their care.

Star Ratings are measured on a scale of 1 to 5 stars.



Each aged care home has an Overall Star Rating, and a rating in each of 4 sub-categories:

- **Residents' Experience** how people feel about the care they get. An independent survey team surveys around 20% of all residents every year about their overall experience at their home.
- **Compliance** based on regulatory decisions made by the Aged Care Quality and Safety Commission.
- Staffing the average amount of care time residents get from nurses and care workers. This is compared with the minimum average care targets the Australian Government sets.
- Quality Measures about 5 important areas of care. This includes pressure injury, unplanned weight loss, falls and major injury, medication management and the use of restrictive practices.

These sub-categories make up the Overall Star Rating:

- 33% is the Residents' Experience rating
- 30% is the Compliance rating

- 22% is the Staffing rating
- 15% is the Quality Measures rating.

How much each sub-category contributes to the Overall Star Ratings has been based on the data maturity, and the perceived importance as determined by older people.

Star Ratings are available through the 'Find a provider' tool on the My Aged Care website.

2. Compliance rating

2.1. Compliance rating current design

The Compliance rating shows an aged care home's current level of compliance. The Department may update it daily if that level changes.

Compliance ratings are based on whether the aged care home has formal regulatory notices. These are regulatory notices the Aged Care Quality and Safety Commission (Commission) gives if the aged care home isn't providing safe and high-quality care.

The Compliance rating is based on:

- what type of regulatory notice an aged care home has been given
- how long an aged care home has no regulatory notices for
- how long an aged care home is granted accreditation for by the Commission.

Table 1 shows the design of the current Compliance rating.

Accreditation checks the quality of care and services aged care homes deliver against government standards and rules, such as the Aged Care Quality Standards (Quality Standards). Aged care homes must be accredited to receive Australian Government funding.

Formal regulatory notices issued by the Commission to providers who are non-compliant with their obligations affect Star Ratings for aged care homes.

When the Commission is satisfied that the provider has complied with the requirements in the regulatory notice, the aged care home will receive a 3-star Compliance rating.

2.1.1. What do the current Compliance ratings mean?

5 stars – the aged care home has had no formal regulatory notices for 3 or more years and has been granted accreditation for 3 or more years.

4 stars – the aged care home has had no formal regulatory notices for 1 to 3 years.

3 stars – the aged care home has had no formal regulatory notices for at least 1 year or has a formal regulatory notice that has a 3 star impact and the Commission requires them to fix their compliance issues.

2 stars – the aged care home has a formal regulatory notice that has a 2 star impact and the Commission requires them to fix their compliance issues.

1 star – the aged care home has a formal regulatory notice that has a 1 star impact, and the Commission has put restrictions on the provider until the issues are fixed at the aged care home.

An aged care home receiving a 1 or 2 star Compliance rating, will also have a cap on their Overall Star Rating of 1 or 2 stars respectively.

Table 1: Current Compliance rating design

Type of notice issued	Number of stars
 Notice of Decision to Impose Sanction (NDIS) Notice of Requirement to Agree (NTA) Issuance of Infringement Notice – Victimisation Issuance of Infringement Notice – Compliance Notice 	1 star
 Notice to Remedy (NTR) Compliance Notice – Code of Conduct (CCCN) Compliance Notice – Incident Management (IMCN) Compliance Notice – Restrictive Practices (RPCN) 	2 stars
 When the Commission is satisfied that all non-compliance has been resolved (i.e., no formal regulatory notices in place for up to 1 year) OR Notice of direction to revise plan for continuous improvement that is currently active (PCI)) 3 stars
 No formal regulatory notices in place for a 1–3 year period 	4 stars
 No formal regulatory notices in place for 3 years AND has been granted accreditation for a 3 year period 	5 stars
 Change in home ownership, commencing homes and merged homes 	No stars

Case study 1: current Compliance rating design

On 10 July 2024, the Commission attends Home A for their re-accreditation site audit. The Commission finds the provider is not meeting a significant number of the Quality Standards and makes a finding of non-compliance against the Quality Standards and issues the provider with a Notice to Agree.

Home A receives a 1 star Compliance rating and their Overall Star Rating is also capped at 1 star. The regulatory notice is displayed alongside the Compliance rating.

On 10 October 2024, the Commission is satisfied that Home A has complied with the Notice to Agree. Home A will receive a 3 star Compliance rating and their Overall Star Rating will no longer be capped. The regulatory notice is displayed as a historical decision alongside the Compliance rating.

Home A cannot move up to a 4 star Compliance rating for at least 1 year.

2.1.2. How does non-compliance with the Aged Care Quality Standards impact Star Ratings?

Star Ratings show if an aged care home has had any formal regulatory notices. The Commission issues these regulatory notices when providers don't meet their responsibilities, including the Aged Care Quality Standards. If providers show they can fix their compliance issues, the Commission may not give them a formal notice. The Commission will check on the provider's progress even if they don't get a formal notice.

2.2. Compliance rating proposed design

When the new Aged Care Act comes into force, the design of the Compliance rating must change due to the new regulatory model. The design of the Compliance rating will also start to include graded assessments against the strengthened Aged Care Quality Standards (strengthened Standards). The strengthened Standards will set a higher expectation of care quality.

The new Act will require providers to be registered by the Commission to deliver residential aged care services. This will be a change from the current accreditation of aged care homes. Providers will be registered by the Commission in one or more provider registration categories. The categories are based on the types of services they plan to deliver. Providers delivering residential aged care services must register in category 6.

Provider registration will occur approximately every 3 years, subject to the Commission determining the appropriate period of registration for each provider.

All aged care homes will continue to be assessed against the strengthened Standards via an audit using a graded assessment.

The new Compliance rating will consider:

- compliance whether the provider has had any regulatory notices
 and
- conformance of each aged care home with the strengthened Standards.

Table 2 outlines how this is proposed to work.

Table 2: Proposed Compliance rating design

Step	Star Ratings	Compliance Conformance	
Test 1	1 star (significant improvement needed)	 ✓ Compliance notice/decision: Compliance Notice where significant failure and/or systemic patterns of conduct found Civil Penalties Injunction Criminal Prosecution (against Provider) Major non-conformance: 1 or more Quality Standards with major non-conformance (non-resolved) 	
Test 2	2 stars (improvement needed)	 ✓ Compliance notice/decision: Compliance notice (without significant failure and/or systemic patterns of conduct found) Commission initiated conditions on registration ✓ Minor non-conformance: 1 or more Quality Standards graded as minor non-conformance (non-resolved) 	
Test 3	3 stars (acceptable)	 ✓ Compliance notice/decision: Plan for Continuous Improvement (TBC) Enforceable undertakings ✓ Compliance notice/decision: Any of the above Compliance notices/decisions becoming non-current or decided in the last 1 year ✓ Resolved major or minor non-conformance: Resolved major or minor non-conformance: Resolved major or minor non-conformance: Resolved major or minor non-conformance:	or
Test 4	4 stars	 ✓ Compliance notice/decision: Any of the above Compliance notices/decisions becoming non-current or decided in the last 1-3 years ✓ Conformance: Zero Quality Standards graded with major or minor non-conformance 	
Test 5	5 stars (excellent)	 ✓ Compliance notice/decision: None of the above Compliance notices/decisions becoming non-current or decided in the past 3 years ✓ Exceeding conformance: The Exceeding grade against Quality Standards is awarded 	

Notes: The Compliance rating is calculated by identifying the lowest rating the aged care home qualifies for across both the Compliance and Conformance columns.

2.2.1. What do the proposed Compliance ratings mean?

5 stars — whether the provider of the aged care home has:

- no formal regulatory notices for 3 or more years
- received an exceeding grade when assessed against the strengthened Standards.

4 stars — whether the provider of the aged care home has:

- no formal regulatory notices for 1 to 3 years
 and
- conformance when assessed against the strengthened Standards.

3 stars — whether the provider of the aged care home has:

- no formal regulatory notices for at least a year
 or
- a formal regulatory notice that has a 3 star impact and the Commission requires them to fix their compliance issues
- resolved minor or major non-conformance when assessed against the strengthened Standards.

2 stars — whether the provider of the aged care home has:

 a formal regulatory notice that has a 2 star impact and the Commission requires them to fix their compliance issues

or

- minor non-conformance when assessed against the strengthened Standards.
- **1 star** whether the provider of the aged care home has:
 - a formal regulatory notice that has a 1 star impact and the Commission has put conditions on the provider requiring them to fix issues, including at the aged care home

or

major non-conformance when assessed against the strengthened Standards.

An aged care home receiving a 1 or 2 star Compliance rating, will also have a cap on their Overall Star Rating of 1 or 2 stars respectively

Case Study 2: Compliance rating future design

On 10 July 2025, the Commission considers an application from Provider A to renew their registration, which includes an audit of each of their aged care homes, including Home B. The Commission finds evidence Home B is non-conformant with the strengthened Standards which informs a further finding that the care home is non-compliant, although without significant failures or systemic patterns. The Commission issues Home B with a Compliance Notice, without significant failures and/or systemic patterns.

Home B receives a 2 star Compliance rating and their Overall Star Rating is also capped at 2 stars. The regulatory notice is displayed alongside the Compliance rating.

On 10 October 2025, the Commission is satisfied that the provider has complied with the requirements in the regulatory notice. Home B will receive a 3 star Compliance rating and their Overall Star Rating will no longer be capped. The regulatory notice is displayed as a historical decision alongside the Compliance rating.

Home B cannot move up to a 4 star Compliance rating for at least one year.

2.2.2.Regulatory notices

The new Act will provide the Commission with a range of new powers to address a Provider's non-compliance. The Commission may issue a compliance notice in response to suspected or established non-compliance with a provider's obligations under the new Act. For example, where a provider does not use an incident management system appropriately to manage or review risks to their residents in connection to the delivery of care.

Where the Commission identifies that the non-compliance involves a significant failure or a systematic pattern of conduct, this will be identified in the regulatory notice, enabling more severe regulatory responses including higher penalties and a more significant Compliance rating impact.

For the purposes of Star Ratings the impact of a formal regulatory notice will depend on where evidence of non-compliance has been identified by the Commission. This can be either:

- from one or more aged care homes, or
- about the operations of the whole provider.

See section 2.2.6. for more information.

2.2.3. Enforceable undertakings

Where the Commission is aware of risks or issues (including non-compliance), a provider may assure the Commission that they are appropriately managing these risks or issues through offering an enforceable undertaking that they will take, or refrain from taking, certain actions

An enforceable undertaking is not a regulatory notice, but an agreement with a provider on how they will resolve or prevent non-compliance. Whether or not the Commission accepts such an enforceable undertaking is at the Commissioner's discretion. As an assurance mechanism, the enforceable undertaking would only be accepted where the Commission is satisfied that the actions specified in the enforceable undertaking will mitigate the risks or issues that have been identified.

Enforceable undertakings do not impact the Compliance rating. If the provider fails to comply with the undertaking, the Commission may impose regulatory responses including significant penalties or regulatory notices that would impact the Compliance rating.

2.2.4. Graded assessment against the strengthened Standards

The strengthened Standards are being introduced to better clarify expectations of safe, quality care and help guide providers in lifting their performance to deliver high quality care.

These strengthened Standards cover a wider array of subjects relevant to individuals' experience with aged care services and provide more detail about the types of outcomes that can be expected from a Provider.

Each aged care home will be assessed via an audit against the strengthened Standards at the time of provider's registration renewal. Conformance with the strengthened Standards will be based on the performance of the aged care home when it is audited.

The performance of aged care homes will be measured using new graded assessments. These grades will be major non-conformance, minor non-conformance, conformance and exceeding conformance.

The performance of each aged care home against the strengthened Standards will continue to be displayed alongside the Compliance rating.

The strengthened Standards will set a higher expectation of care quality, and as a result it will be harder for aged care homes to achieve a 5 star Compliance rating.

Where a provider is found to have non-conformance with the strengthened Standards at one of their aged care homes, the Commission will consider the non-conformance to be resolved once the provider submits new evidence demonstrating they have addressed the non-conformance.

Where minor non-conformance is found, this may be resolved quickly with the provider following an audit. Where major non-conformance is found and is not resolved in this way, the Commission may proceed to issue a regulatory notice or place conditions on the provider's registration.

Once the Commission has decided the provider has resolved the non-conformance, the aged care home will receive a 3 star Compliance rating, and the Overall Star Rating will no longer be capped.

2.2.5. Transition period

Provider registration decisions will occur approximately every 3 years. This will mean it will take about 3 years to transition to the new Compliance rating. During this time, some aged care homes will have Compliance ratings based on the current design, and others will have Compliance ratings based on the new design.

It is intended that there will be clear information on the My Aged Care website to help older people understand which aged care homes have been assessed using each method, and what this means.

2.2.6.Rating changes to either the whole provider or the aged care home due to formal regulatory notices

The proposed Compliance rating includes changes that will mean a formal regulatory notice will impact the rating of either:

- one or more aged care homes, or
- where the formal regulatory notice is about the operations of the whole provider, all the aged care homes of a provider.

The evidence for the regulatory notice will determine whether the impact occurs for one or more aged care homes (local), or all of the aged care homes that a provider owns (systemic).

Where the formal regulatory notice includes evidence specific to an aged care home, the Compliance rating of that aged care home will be impacted.

Where the evidence for a formal regulatory notice is with regard to the operations of the whole provider, the Compliance rating of all of the provider's aged care homes will be impacted.

Once the provider has returned to compliance, and the Commission is satisfied the formal regulatory notice has been addressed, the aged care home/s will receive a 3 star Compliance rating, and the Overall Star Rating will no longer be capped.

Case study 3: provider-level attribution

In July 2025, the Commission considers Provider B's application for renewal of registration a as part of their registration. This includes an audit of each of their aged care homes. The Commission finds evidence Provider B has major non-conformance with the strengthened Standards and subsequently finds there are significant failures and systemic patterns of non-compliance. The Commission issues the Provider B with a Compliance notice where significant failures and/or systemic patterns are found.

All of the 12 aged care homes owned by Provider B will receive 1 star Compliance ratings and their Overall Star Ratings will be capped at 1 star. The regulatory notices are displayed alongside the Compliance ratings.

On 10 October 2025, the Commission is satisfied that Provider B has complied with the requirements in the Compliance notice. All of the 12 aged care homes owned by Provider B will receive a 3 star Compliance rating and their Overall Star Ratings will no longer be capped. The regulatory notices will be displayed as a historical decisions alongside the Compliance ratings.

The aged care homes cannot move up to a 4 star Compliance rating for at least one year.

For home-level attribution see Case study 2: Compliance rating future design.

Consultation question 1: Does the inclusion of provider-level impacts to the Compliance rating appropriately signal the quality of care being delivered at an individual aged care home?

Consultation question 2: How will provider-level impacts to the Compliance rating affect the ability for older people and their representatives to compare aged care homes?

Consultation question 3: Would provider-level impacts to the Compliance rating have impacts on providers' behaviour or operational business decisions?

2.2.7. Exceeding grade display where a regulatory notice has been issued

The proposed Compliance rating includes a new requirement to have an exceeding grade against the strengthened Standards, for a 5 star Compliance rating.

This 5 star Compliance rating would last until the next assessment against the strengthened Standards, at the time of provider registration renewal. This will commonly be every 3 years, unless there are quality and safety concerns warranting a shorter period. A change to the

Compliance rating before this time, would only occur if a formal regulatory notice is received.

If a formal regulatory notice is received, the Compliance rating will reduce based on the severity of the regulatory notice (outlined in **Table 2**).

The display on the My Aged Care website for the aged care home will show the:

- reduced Compliance rating
- formal regulatory notice
- exceeding grade from the last audit against the strengthened Standards.

Case Study 4: display of exceeding grade where a regulatory notice has been issued

Home C has a 5 Star Compliance rating, due to receiving an exceeding grade on their last audit and having no non-compliance notices or decisions in the last 3 years.

The exceeding grade will commonly last for 3 years until Home C has its next audit associated with provider registration renewal.

On 10 July 2025, the Commission issues Home C with a Compliance notice, without significant failures and/or systemic patterns due to evidence of non-compliance.

Home C receives a 2 star Compliance rating and their Overall Star Rating is also capped at 2 stars. The regulatory notice is displayed alongside the Compliance rating.

Home C continues to display the exceeding grade from their last audit alongside the 2 star Compliance rating.

On 10 October 2025, the Commission is satisfied that the provider has complied with the requirements in the Compliance notice. Home C will receive a 3 star Compliance rating and their Overall Star Rating will no longer be capped. The exceeding grade from their last audit will continue to display. The regulatory notice is displayed as a historical decision alongside the Compliance rating.

Consultation question 4: Is it appropriate for the exceeding grade (based on the latest assessment against the strengthened Standards) to still be displayed on My Aged Care for the aged care home if it has received a formal regulatory notice?

Consultation question 5: Would display of the exceeding grade at the same time as a formal regulatory notice affect the ability for older people and their representatives to compare aged care homes?

Consultation question 6: Would there be any situations where the display of the exceeding grade should continue at the same time as a formal regulatory notice applies to that provider or aged care home?

2.2.8. Time before a rating can increase following a regulatory notice

The proposed Compliance rating includes a delay to return to previous rating after a formal regulatory notice has been resolved (see **Table 2**).

When the Commission is satisfied that the provider has complied with the requirements in the regulatory notice, the aged care home will receive a 3 star Compliance rating. The aged care home cannot receive:

- a 4 star Compliance rating for at least 1 year
- a 5 star Compliance rating for at least 3 years.

The proposed design aligns with the current Compliance rating design.

Currently, there are:

- 124 aged care homes that have a 3 star Compliance rating due to a previous regulatory notice. This is 5% of all aged care homes with a rating.
- 622 aged care homes that have a 4 star Compliance rating due to a previous regulatory notice. This is 25% of all aged care homes with a rating.

Case Study 5: delay to increase rating

Home D has a 5 star Compliance rating, due to receiving an Exceeding grade on their last audit and having no non-compliance notices or decisions in the last 3 years

On 10 July 2025, the Commission finds evidence of Home D having non-compliance, without significant failures or systemic patterns. The Commission issues Home D with a Compliance notice, without significant failures and/or systemic patterns.

Home D receives a 2 star Compliance rating and their Overall Star Rating is also capped at 2 stars. The regulatory notice is displayed alongside the Compliance rating.

On 10 October 2025, the Commission is satisfied that Home D has complied with the requirements in the Compliance notice. Home D will receive a 3 star Compliance rating and their Overall Star Rating will no longer be capped. The regulatory notice is displayed as a historical decision alongside the Compliance rating.

Home D cannot move up to a 4 star Compliance rating for at least 1 year.

Home D cannot move up to a 5 star Compliance rating for at least 3 years.

Consultation question 7: Should there continue to be a delay of 1–3 years to return to a previous Compliance rating, when an aged care home has resolved non-compliance? Or, should the aged care home return immediately to their previous rating once non-compliance is resolved?

Consultation question 8: Should delays to increases in the Compliance rating after non-compliance continue to be:

- 3 stars for any regulatory notice becoming non-current in the last 1 year
- 4 stars for any regulatory notice becoming non-current in the last 1–3 years.

Or, should these timeframes be reduced, reflecting resolution of the non-compliance.

2.2.9. System Governor functions

Under the new Act the Secretary of the Department will become the System Governor. The department will be responsible for the operations and oversight of the aged care system. The System Governor will have authority to issue regulatory notices where a provider has not met their requirements.

Regulatory notices issued by the System Governor to providers may occur in instances where there is evidence of non-compliance with:

- mandatory reporting or record keeping requirements
- prudential requirements, including the permitted use of refundable deposits.

Consultation question 9: If a regulatory notice is issued by the System Governor, should it be published alongside the Compliance rating?

Consultation question 10: If a regulatory notice is issued by the System Governor, should it impact the Compliance rating the same way regulatory notices issued by the Commission do?

Consultation question 11: If a regulatory notice is issued to a provider by either the Commission or the System Governor, due to non-compliance with financial and prudential requirements, should it impact the Compliance rating?

3. Staffing rating

3.1. Staffing rating current design

The Staffing rating shows whether an aged care home has met or exceeded their two care minute targets:

- the total amount of nurse and personal care time, from a registered nurse, enrolled nurse, personal care worker and assistant in nursing, and
- the care time from a registered nurse, this can include up to 10% of care time contributed by an enrolled nurse.

Table 3 shows the current matrix used to determine Staffing ratings.

The Staffing rating currently has some tolerance, meaning that a home can receive a Staffing rating of 3 stars (acceptable) or 4 stars (good) without meeting both of their mandatory care minute targets. This recognises aged care workforce constraints that can impact recruitment and retention of suitably qualified and skilled staff. This tolerance is highlighted in **Table 3** using darker shading.

From 1 October 2024, the sector-wide average care minutes target increased from 200 minutes per day to 215 minutes. This included an increase from 40 minutes to 44 minutes of registered nurse time.

Also from 1 October 2024, providers have the flexibility to meet up to 10% of their registered nurse care minute target with care time provided by enrolled nurses.

Table 3: Current Staffing rating design

		To	otal care minu	ites	
Registered nurse care minutes	Well below target (<90%)	Below target (90 – <100%)	Meets target (100 – <105%)	Above target (105 – <115%)	Well above target (≥115%)
Well below target (<75%)	1 star	1 star	2 stars	2 stars	3 stars
Below target (75 – <100%)	2 stars	2 stars	2 stars	3 stars	3 stars
Meets target (100 – <115%)	2 stars	3 stars	3 stars	3 stars	4 stars
Above target (115 – <125%)	3 stars	3 stars	4 stars	4 stars	4 stars
Well above target (≥125%)	3 stars	4 stars	4 stars	5 stars	5 stars

Based on the April to June 2024 data, the sector average total care minutes was 207.71 minutes per resident per day. This was above the 204.98 minute target. The sector average registered nurse minutes was 41.44 per resident per day. This was above the 40.51 minute target.

Despite this, 58% of aged care homes met their total care minutes target, and 59% of aged care homes met their registered nurse minutes target. Only 41% of aged care homes met both targets.

Case study 6: current Staffing rating design

In July to September 2024, residents at Home E received 228 total care minutes and 40 registered nurse care minutes per resident per day.

Home E exceeded their total care minutes target of 215 minutes per resident per day. This was 106% of their target.

Home E did not meet their registered nurse care minutes target of 40 minutes per resident per day. This was 91% of their target.

Home E will receive a 3 star Staffing rating, this is labelled as 'acceptable'.

3.2. Staffing rating proposed design

From 1 October 2025, the Staffing rating will change so that aged care homes will need to meet both of their mandatory care minute targets to receive a Staffing rating of 3 or more stars.

Table 4 shows the proposed matrix to determine Staffing ratings.

Case study 7: proposed Staffing rating design

In July to September 2024, residents at Home E received 228 total care minutes and 40 registered nurse care minutes per resident per day.

Home F exceeded their total care minutes target of 215 minutes per resident per day. This was 106% of their target.

Home F did not meet their registered nurse care minutes target of 44 minutes per resident per day. This was 91% of their target.

Home F will receive a 2 star Staffing rating, this is labelled as 'improvement needed.

Table 4: Proposed Staffing rating design, with the cells that have been reduced to 2 stars marked in darker shading

	Total care minutes				
Registered nurse care minutes	Well below target (<90%)	Below target (90 – <100%)	Meets target (100 – <105%)	Above target (105 – <115%)	Well above target (≥115%)
Well below target (<75%)	1 star	1 star	2 stars	2 stars	2 stars
Below target (75 – <100%)	2 stars	2 stars	2 stars	2 stars	2 stars
Meets target (100 – <115%)	2 stars	2 stars	3 stars	3 stars	4 stars
Above target (115 – <125%)	2 stars	2 stars	4 stars	4 stars	4 stars
Well above target (≥125%)	2 stars	2 stars	4 stars	5 stars	5 stars

3.2.1.Impact of Staffing rating changes—meeting both care minute targets

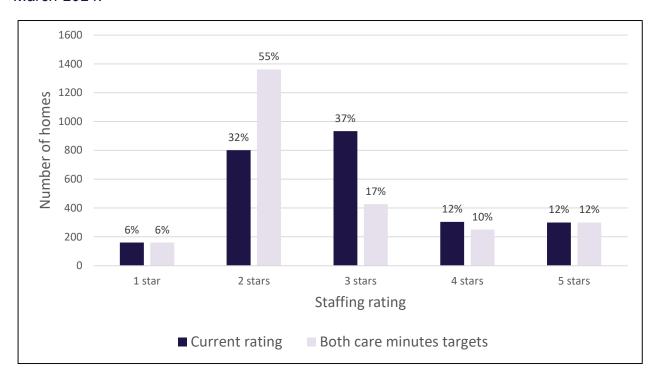
Changes to the Staffing rating design, to cap ratings to 2 stars where both care minute targets have not been met, would see the number of homes with 2 stars increase.

Based on January to March 2024 data, the proportion of aged care homes with:

- 1 star does not change
- 2 stars increases by 22% (560 homes)
- 3 stars decreases by 20% (506 homes)
- 4 stars decreases by 2% (54 homes)
- 5 stars does not change.

Figure 1 shows the impact to the Staffing rating by capping ratings to 2 stars when both care minute targets have not been met, based on January to March 2024 data.

Figure 1: Impact of proposed change to Staffing ratings—both targets met, January to March 2024.



Consultation question 12: Where an aged care home does not meet both of its care minute targets, would capping their Staffing rating to 2 stars appropriately signal the level of care being delivered at the aged care home?

3.3. 24/7 registered nurse responsibility

From 1 July 2023, it became mandatory for aged care homes to have a registered nurse on site and on duty 24/7.

The 24/7 registered nurse responsibility aims to:

- improve the quality of care that residents living in aged care homes receive
- restore confidence to older people, their families, and carers that residents will have access to the highest level of clinical nursing care to meet their individual needs at all times.

Since December 2023, information on registered nurse coverage for each aged care home has been published on My Aged Care, alongside the Staffing rating. This includes whether each aged care home has met its 24/7 registered nurse requirement.

The 24/7 registered nurse requirement does not currently impact the Staffing rating.

Consideration is being given to changing the design of the Staffing rating to include the 24/7 registered nurse requirement. This would mean aged care homes will need to meet their 24/7 requirement to receive a Staffing rating of 3 stars or more.

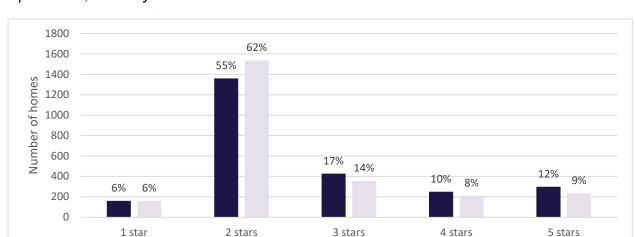
3.3.1.Impact of Staffing rating changes—including 24/7 registered nurse requirement

Changes to the Staffing rating matrix, to cap the rating to 2 stars where the 24/7 registered nurse has not been met, would see the number of homes with 2 stars increase.

Based on January to March 2024 data, the proportion of aged care homes with:

- 1 star does not change
- 2 stars increases by 7% (175 homes)
- 3 stars decreases by 3% (71 homes)
- 4 stars decreases by 2% (39 homes)
- 5 stars decreases by 3% (65 homes).

Figure 2 shows the impact to the Staffing rating by capping ratings to 2 stars when the 24/7 requirement has not been met, based on January to March 2024 data.



Staffing rating

■ Both care minutes targets and 24/7 RN requirement

Figure 2: Impact of proposed change to Staffing ratings—both targets met and 24/7 requirement, January to March 2024.

Consultation question 13: Should the 24/7 registered nurse requirement be incorporated into the Staffing rating design?

■ Both care minutes targets

Consultation question 14: Where an aged care home does not meet its 24/7 registered nurse requirement, would capping their Staffing rating to 2 stars appropriately signal the quality of care being delivered at the aged care home?

4. Changes following recent Star Ratings evaluation

4.1. Preliminary findings from Star Ratings evaluation

The Department recently undertook an independent evaluation of Star Ratings. The evaluation investigated the impact Star Ratings has had on improving care quality and transparency for older people.

Preliminary findings from the evaluation have provided some recommended changes to the display of Star Ratings.

4.1.1.Half stars

Currently Star Ratings are measured on a scale of 1 to 5 stars, using whole stars.



Preliminary findings from the Star Ratings evaluation indicated a preference of some older people to introduce half stars to increase the granularity of ratings. It was proposed that half star ratings would provide more differentiation, particularly where there is clustering around the 3 and 4 star level.

The Department is seeking stakeholder feedback on this proposed design change to include half stars.

4.1.2.Impact of half star changes to the Overall Star Ratings

Changes to introduce half stars to the Overall Star Ratings, would see the number of homes with 3 or more stars decrease.

Figure 3 and 4 shows the impact to the Overall Star Rating by introducing half stars, based on January to March 2024 data.

Figure 3: Distribution of Overall Star Ratings using current whole star design, July 2024 update.

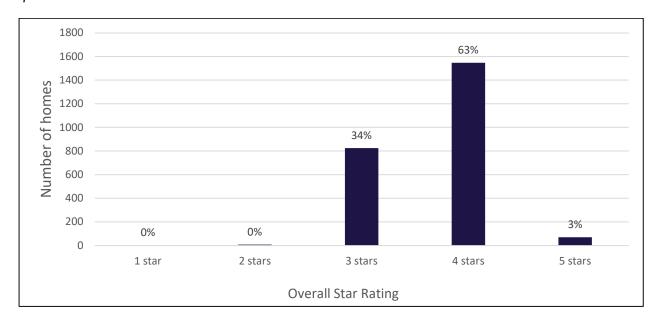
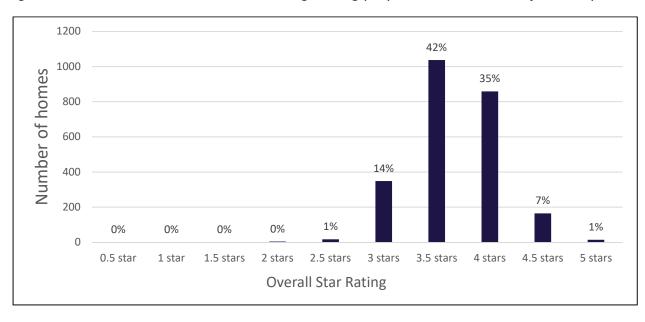


Figure 4: Distribution of Overall Star Ratings using proposed half stars, July 2024 update.



Consultation question 15: Should the Star Ratings design change to include half stars?

4.1.3. Displaying environmental restraint alongside Quality Measures rating

The Quality Measures rating is calculated using data reported via the National Aged Care Mandatory Quality Indicator Program. The design currently uses information about 5 important areas of care—pressure injury, unplanned weight loss, falls and major injury, medication management and the use of restrictive practices.

Restrictive practices include physical restraint, mechanical restraint, environmental restraint and seclusion, regardless of whether it occurs through the use of a secure area. This aligns with the definition of restrictive practices provided in the Quality of Care Principles 2014 (Quality of Care Principles), with the exception of chemical restraint which is not included in the restrictive practices quality indicator.

The proportion of residents who are subject to restrictive practices impacts the Quality Measures rating. This information is also published alongside the Quality Measures rating.

Preliminary findings from the Star Ratings evaluation indicated some older people and aged care providers wanted to have more information available about the use of restrictive practices. It was proposed that *the proportion of residents subject to environmental restraint only* be displayed alongside restrictive practices. This would allow older people and their representatives to understand how different aged care homes use environmental restraint, compared with other restrictive practices.

The Department is considering changing the design of Star Ratings to provide further detail of what is included in the restrictive practices quality indicator. This will mean that environmental restraint is displayed alongside restrictive practices and the Quality Measure rating. This would allow users to understand what proportion of residents experienced environmental restraint versus other forms of restrictive practices. Environmental restraint would continue to be included in the restrictive practices quality indicator and would be incorporated into the Quality Measures rating accordingly.

4.1.4. Use of environmental restraint compared with other restrictive practices

Any use of a restrictive practice in relation to an older person receiving aged care services should only ever be a last resort, used for the shortest time, and in the least restrictive form to prevent harm to the person or others. Inappropriate use is considered an indicator of poor quality care.

Aged care providers have strict requirements around any use of restrictive practices.

Environmental restraint is a practice or intervention that restricts, or involves restricting, a resident's free access to all parts of their environment (including items and activities) for the primary purpose of influencing their behaviour.

The resident's environment is taken to include the resident's:

- room
- any common areas within the aged care home
- the common grounds outside of the aged care home.

Environmental restraint can occur regardless of whether it occurs through the use of a secure area, such as locked behavioural support units or dementia care units.

While environmental restraints are commonly used for the safety of resident, they can have unanticipated effects on other residents' rights. Therefore, any environmental restraint should not only consider the impact for an individual resident but for all residents that have access to that environment and/or item or activity.

Based on January to March 2024 data, the national average proportion of resident's who experienced restrictive practices was 17.7%. The national average proportion of resident's who experienced environmental restraint was 13.7%¹.

Consultation question 16: Should the Star Ratings design change to include publication of environmental restraint alongside restrictive practices and the Quality Measures rating?

Consultation question 17: Would having details around environmental restraint as well as all restrictive practices appropriately signal the quality of care being delivered at the aged care home?

¹ Australian Institute of Health and Welfare 2024, Residential Aged Care Quality Indicators—Quarterly Report January to March 2024, available at: https://www.gen-agedcaredata.gov.au/topics/quality-in-aged-care/residential-aged-care-quality-indicators-previous-releases.

5. Consultation questions

Consultation question 1: Does the inclusion of provider-level impacts to the Compliance rating appropriately signal the quality of care being delivered at an individual aged care home?

Consultation question 2: How will provider-level impacts to the Compliance rating affect the ability for older people and their representatives to compare aged care homes?

Consultation question 3: Would provider-level impacts to the Compliance rating have impacts on providers' behaviour or operational business decisions.

Consultation question 4: Is it appropriate for the exceeding grade (based on the latest assessment against the strengthened Standards) to still be displayed on My Aged Care for the aged care home if it has received a formal regulatory notice?

Consultation question 5: Would display of the exceeding grade at the same time as a formal regulatory notice affect the ability for older people and their representatives to compare aged care homes?

Consultation question 6: Would there be any situations where the display of the exceeding grade should continue at the same time as a formal regulatory notice applies to that provider or aged care home?

Consultation question 7: Should there continue to be a delay to return to a previous Compliance rating, when an aged care home has resolved non-compliance? Or, should the aged care home return immediately to their previous rating once non-compliance is resolved?

Consultation question 8: Should delays to increases in the Compliance rating after non-compliance continue to be:

- 3 stars for any regulatory notice becoming non-current in the last 1 year
- 4 stars for any regulatory notice becoming non-current in the last 1–3 years.

Or, should these timeframes be reduced, reflecting resolution of the non-compliance.

Consultation question 9: If a regulatory notice is issued by the System Governor, should it be published alongside the Compliance rating?

Consultation question 10: If a regulatory notice is issued by the System Governor, should it impact the Compliance rating the same way regulatory notices issued by the Commission do?

Consultation question 11: If a regulatory notice is issued to a provider due to non-compliance with prudential requirements, should it impact the Compliance rating?

Consultation question 12: Where an aged care home does not meet both of its care minute targets, would capping their Staffing rating to 2 stars appropriately signal the level of care being delivered at the aged care home?

Consultation question 13: Should the 24/7 registered nurse requirement be incorporated into the Staffing rating design?

Consultation question 14: Where an aged care home does not meet its 24/7 registered nurse requirement, would capping their Staffing rating to 2 stars appropriately signal the quality of care being delivered at the aged care home?

Consultation question 15: Should the Star Ratings design change to include half stars?

Consultation question 16: Should the Star Ratings design change to include environmental restraint alongside restrictive practices and the Quality Measures rating?

Consultation question 17: Would having details around environmental restraint as well as all restrictive practices appropriately signal the quality of care being delivered at the aged care home?

6. Glossary of terms

Term	Definition
24/7 registered nurse responsibility	Since 1 July 2023, all aged care homes are required to have at least one registered nurse available in the aged care home to care for residents at all times—24 hours a day, every day of the week.
	This is called the 24/7 registered nurse responsibility.
Aged Care Quality and Safety Commission (Commission)	The Aged Care Quality and Safety Commission is the national regulator of funded aged care services.
	The Aged Care Quality Standards are a governing framework defining the level of care that aged care homes are required to comply with. The Aged Care Quality Standards define what good care looks like.
	The Aged Care Quality Standards ensure that the care and services a provider delivers are:
Aged Care Quality	• safe
Standards	• quality, and
	 meet the needs and preferences of the people under their care.
	Australian Government-funded aged care providers must show that they meet the Aged Care Quality Standards.
	From commencement of the new Act, the strengthened Standards will come into effect.
	Aged care homes are required to be accredited to receive Australian Government subsidies.
	Accreditation and re-accreditation requires providers to be assessed on how they meet the Aged Care Quality Standards.
Accreditation and re-accreditation	The Commission is responsible for deciding if a provider's residential service can be accredited or re-accredited. To do this, the Commission performs audits, checking the quality of care that providers deliver in their aged care homes.
	From commencement of the new Act, there will be a shift to provider registration instead of aged care home accreditation.
Care minutes	Care minutes is the amount of direct care that older people living in an aged care home receive from registered nurses, enrolled nurses, personal care workers and assistants in nursing.
Care minutes responsibility	Since 1 October 2023, all aged care homes are required to have a minimum amount of direct care time for residents, delivered by

	registered nurses, enrolled nurses and personal care workers and assistants in nursing.
	This is called the care minutes responsibility.
	Care minutes are set at a sector-wide average of 215 minutes of care per resident per day, including 44 minutes of direct registered nurse care.
Cap/Capping	Capping is used to limit the maximum rating that can be achieved by an aged care home based on certain rules.
Compliance	Compliance is the process of making sure providers, responsible persons and aged care workers meet their responsibilities under the legislation when delivering funded aged care and services.
	The Compliance rating is based on an aged care home's compliance performance and history. The Compliance rating is based on:
Compliance rating	 what type of regulatory notice an aged care home has been given
	 how long an aged care home has no regulatory notices for
	 how long an aged care home is granted accreditation for by the Commission.
Conformance	Conformance is the degree to which the care provided by an aged care provider aligns with the outcomes in the strengthened Quality Standards as set out in the Rules under the new Act.
Department of Health and Aged Care (Department)	The Department has responsibility for the operations and oversight of Commonwealth funded aged care. On commencement of the new Act, the Department will administer parts of the legislation as the System Governor.
	An enforceable undertaking is an agreement with a provider on how they will resolve or prevent non-compliance, and may require providers to:
	 take specific action to ensure they comply with their aged care responsibilities
Enforceable undertaking	 stop specific actions so they comply with their aged care responsibilities
	 take specific actions to ensure they will comply with their aged care responsibilities in the future.
	An undertaking is enforceable in court if the provider fails to take the actions agreed to.
Enrolled nurse	Enrolled nurses support residents with clinical care and daily living

	blood pressure and temperature, and provide treatments including medicines and looking after wounds.		
Environmental restraint	Environmental restraint is a practice or intervention that restricts, or that involves restricting, a person's free access to all parts of the environment. Examples of environmental restraint are restricting a person's access to an outside space, removing or restricting access to an activity or to the outside environment, or limiting or removing access to a wanted or needed item, such as a walking frame, by putting it out of reach.		
	An exceeding grade is an audit finding made by the Commission when assessing aged care homes against the strengthened Standards at the time of provider's registration renewal.		
Exceeding grade	An exceeding grade will only be:		
(exceeding conformance)	 available to an aged care home and based on assessment criteria (to be developed by the Commission) 		
	 considered if conformance is found for each of the strengthened Standards. 		
Graded assessment	Following the commencement of the new Act, the Commission will audit aged care homes against the strengthened Standards at renewal of the provider's registration. Providers will be audited using graded assessment to determine if they are able to conform with the strengthened Standards. These grades will be major non-conformance, minor non-conformance and conformance. Aged care homes who receive conformance against all strengthened Standards will be eligible to be considered for an exceeding conformance grade.		
	Half stars provide more differentiation between the performance of aged care homes compared to using only whole stars. These ratings are:		
	• 0.5 star = a score of <0.5		
	 1 star = a score of 0.5 - <1.25 		
	• 1.5 stars = a score of 1.25 – <1.75		
Half stars	• 2 stars = a score of 1.75 – <2.25		
	• 2.5 stars = a score of 2.25 – <2.75		
	• 3 stars = a score of 2.75 – <3.25		
	• 3.5 stars = a score of 3.25 – <3.75		
	• 4 stars = a score of 3.75 – <4.25		
	• 4.5 stars = a score of 4.25 – <4.75		
	 5 stars = a score of 4.75 – 5. 		

My Aged Care	My Aged Care is the starting point to access Australian Government funded aged care services and information. Older people, their families and carers can access My Aged Care information through the website, by phone or in person.			
	The website includes the find a provider tool. This helps people to view and compare information about aged care services, including Star Ratings for aged care homes.			
National Aged Care Mandatory Quality	The National Aged Care Mandatory Quality Indicator Program collects information from aged care homes on 11 quality indicators across critical areas of care that can affect the health and wellbeing of residents. This helps to monitor and improve the quality of services for older people living in residential care.			
Indicator Program	For the purposes of Star ratings, the Quality Measures sub-category uses information about 5 important areas of care. This includes pressure injury, unplanned weight loss, falls and major injury, medication management and the use of restrictive practices.			
New Aged Care Act (new	The Australian Government is building a new Act. The new Act aims to ensure that people who access aged care services funded by the Australian Government are treated with respect and have the quality of life they deserve.			
Act)	The Australian Government introduced the Aged Care Bill 2024 to Parliament on 12 September 2024. Once passed by the Parliament, the Bill will become the new Act and is expected to start from 1 July 2025.			
Non-compliance	Non-compliance is the failure of an aged care provider to meet one or more of their responsibilities as set out in the Aged Care Act 1997 or their obligations under the new Act once it takes effect.			
Non-conformance	Non-conformance is the failure of an aged care provider to meet one or more of the strengthened Standards once the new Act once it takes effect.			
Obligations	Obligations refer to what a provider must do to comply with the aged care legislative framework, including the actions or behaviours that are required of them. This will include conditions on provider registration once the new Act takes effect.			
	Failure of a provider to comply with one or more obligations could result in compliance or enforcement action being taken against the provider. For example, penalties, fines or other legal action.			
Overall Star Rating	The Overall Star Rating provides information to help older people and their representatives to understand and compare the quality of care at aged care homes. The Overall Star Rating is based on each aged care home's performance in relation to Residents' Experience, Compliance, Staffing and Quality Measures.			

Registration/renewal	Under the new Act, Australian Government funded aged care services need to be delivered by a registered provider. All providers of Australian Government funded aged care services will need to be registered by the Commission, including organisations and individuals. Registered providers will have obligations and conditions of registration they must comply with, based on the type of care they deliver.
Registered nurse	Registered nurses support residents with clinical and specialised care. Registered nurses develop care plans, collaborate with care teams and supervise care provided by enrolled nurses, personal care workers and assistants in nursing.
Regulatory notice/formal	If a provider is not meeting their obligations, the Commission (or System Governor from commencement of the new Act) may issue a regulatory notice.
regulatory notice	Depending on the type of regulatory notice, the provider may be required to take certain actions, refrain from certain actions or have a penalty issued to them.
Restrictive practices	A restrictive practice is any action that restricts a person's rights or freedom of movement. A restrictive practice should only be used as a last resort to help prevent harm to older people in aged care and their carers.
	The Staffing rating is based on reporting on the following care minute targets at an aged care home:
Staffing rating	 the total amount of nursing and personal care time from a registered nurse, enrolled nurse, personal care worker and assistant in nursing, and
	the care time from a registered nurse only.
Star Ratings	Star Ratings helps people understand and compare the quality of care at aged care homes. Each aged care home has an Overall Star Rating and ratings in 4 sub-categories—Residents' Experience, Compliance, Staffing and Quality Measures.
	Star Ratings are available on the My Aged Care 'find a provider' tool.
Strengthened Aged Care Quality Standards	The strengthened Standards are designed to improve outcomes for older people and set clear expectations for providers in delivering quality aged care.
(strengthened Standards)	The strengthened Standards will come into effect from commencement of the new Act.
System Governor	From commencement of the new Act, the aged care System Governor will be the Secretary of the Department.
	Under the new Act the System Governor will be responsible for:

- facilitating equitable access to funded aged care services for older people
- supporting the continuity of funded aged care services
- providing stewardship of the aged care system
- protecting and upholding the integrity of the aged care system
- monitoring and encouraging the training and development of aged care workers
- reviewing the Australian Government's administration of the aged care system.