Aged care regulatory model associated providers: Frequently asked questions

The Department of Health, Disability and Ageing is monitoring the outcomes of all the recent changes to the Australian aged care system, including for associated providers, to ensure the reform's policy intent is achieved.

The Aged Care Quality and Safety Commission's <u>regulatory bulletin</u> notes that individuals are aged care workers and are not considered associated providers. Can an aged care worker also be an associated provider by operation of section 11(6) of the Act?

The <u>Aged Care Act 2024</u> (the Act) under <u>s 11(4)</u> defines an aged care worker as any of the following:

- an individual employed or otherwise engaged by the registered provider to deliver funded aged care services
- an individual who is employed or otherwise engaged by an associated provider and who
 is engaging in conduct under the associated provider's arrangement with the registered
 provider relating to the registered provider's delivery of funded aged care services
- an individual who is a registered provider.

This definition is specifically for the purposes of regulating aged care services under the Act.

<u>Section 11(6)</u> defines an associated provider as an entity engaged in conduct under an arrangement with a registered provider relating to their delivery of funded aged care services.

<u>Section 11A(1)</u> further sets out that delivery of funded aged care services is not affected by involvement of associated providers. In other words, responsibility for delivery of funded aged care services remains with the registered provider regardless of arrangements in place for their delivery.

Whether an individual is considered an aged care worker or an associated provider will depend on the context in which services are being delivered and the arrangements involved. One of the key considerations is whether the individual is operating in a similar way to an aged care worker. This is best understood via some examples. Where an individual, for example, a sole trader, meets the definition of both an aged care worker and an associated provider, the Aged Care Quality and Safety Commission (the Commission) has indicated that it will consider that person to be a worker of the registered provider, and **not** an associated provider. This means the Commission, from a regulatory perspective, will engage with the registered provider as if that individual delivering aged care on their behalf is an aged care worker. This supports regulatory clarity and risk management.

Example: A registered provider engages a nurse who is an independent contractor to deliver nursing to an older person under the Support at Home program. This individual would be an aged care worker.

Example: A registered provider directly employs an occupational therapist to deliver services to Support at Home participants. The occupational therapist would be considered an aged care worker and would need to meet all the requirements of a worker in aged care. The registered provider remains responsible for all regulatory requirements for the delivery of care. The occupational therapist remains responsible for ensuring they work within their scope of practice and maintain required professional association membership and their continuing professional development.

Example: A dietitian operating as a sole trader independent contractor is subcontracted by a registered provider to deliver services funded under the Support at Home Program. As the dietitian is employed or otherwise engaged by the registered provider to deliver aged care services, the Commission does not consider this arrangement to be that of an associated provider. If, on the other hand, a company was subcontracted by the registered provider to deliver funded aged care services including dietetics, and employed multiple allied health practitioners, this arrangement would be considered an associated provider arrangement, and the allied health practitioners would be considered aged care workers.

Example: An organisation delivering allied health services is registered with the Aged Care Quality and Safety Commission to deliver services funded under the Support at Home program. The organisation is also subcontracted to deliver speech pathology services in residential aged care on behalf of another registered provider. The organisation is considered both a registered provider, and an associated provider delivering services on behalf of the residential aged care provider.

Which services are considered aged care services, particularly for the purpose of determining which subcontracting relationships create an associated provider relationship?

Associated providers are organisations that are subcontracted by a registered provider to deliver *government-funded aged care services* on the registered provider's behalf. Section 8-5 of the Aged Care Rules 2025 (the Rules) outlines the services that are considered aged care services under the new Act. Where a registered provider subcontracts the delivery of an aged care service on the service list to another organisation, that organisation will be considered an associated provider. If an organisation is subcontracted by a registered provider for services not listed on the aged care service list, the organisation will not be considered an associated provider.

The important distinction is whether the subcontracted organisation delivers government-funded aged care services according to the service list. This can be best understood with some examples.

Example - gardening under home maintenance and repairs

<u>Section 8-45 of the Rules</u> defines gardening under the service type *Home maintenance and repairs*, in registration category 1. Gardening is the provision of, or assistance with, maintenance of a residential garden, including essential light gardening such as mowing lawns, pruning shrubs and clearing yards that contribute to maintaining the individual's home in a safe and habitable condition.

This excludes:

- professional gardening services that would usually be paid for by an individual (such as tree removal, landscaping, or farm or water feature maintenance)
- gardening services that relate to visual appeal rather than safety or accessibility (such as installing and maintaining plants, garden beds and compost)
- services that are the responsibility of other parties (such as landlords or government housing authorities).

Example - supply of nursing care consumables

<u>Section 8-60 of the Rules</u> defines the supply of nursing care consumables in relation to the service type *Nursing care* within registration category 5. The supply of consumables used in delivering clinical care provided by a registered nurse, enrolled nurse or nursing assistant, including oxygen and specialised products for wound care, continence management and skin integrity is considered an aged care service.

This means a subcontractor supplying nursing consumables in this manner would be considered an associated provider, noting the guidance on page 1 about when the Commission might consider that entity to be an aged care worker.

The notification requirement for registered providers relating to their associated providers only applies to services in categories 4, 5 or 6. In addition, where there are goods, services or elements of service delivery are supplied by another entity to support the delivery of funded aged care services, the intent is not to capture this information in this requirement for associated provider notification. This is because they are typically low risk services or goods that are available in the mainstream market and are funded through age care to support an older person's independence in the home or community or the functioning of a residential care home (e.g. gardening or maintenance).

This has been reflected in the guidance from the Commission.

Are labour hire companies providing staff to registered providers considered associated providers?

People who are sourced from a labour hire agency (agency workers) engaged by a registered provider to deliver the funded aged care services on their behalf are considered aged care workers under the Act. This is because:

 while the nature of this engagement is not an employment relationship, the registered provider has primary control over the conduct of the agency workers. For example, the agency workers need to follow the directions of the registered provider, are required to comply with their policies, use their systems and so on.

The Explanatory Statement for the Rules recognises there is a distinction between:

- a provider who enters into an arrangement with an associated provider to deliver a service type (and all relevant activities associated with it, including procurement of workers), and
- a provider who engages a third party to assist the provider with <u>only</u> the procurement of workers to enable that provider to deliver the service type.

As such, the Commission considers these agency workers to have been 'engaged' by the registered provider, which means they meet the definition of an aged care worker in section 11(4)(a) of the Act.

However, a labour-hire company is not themselves likely to meet the definition of an associated provider, unless they are also delivering funded aged care services on behalf of the registered provider. The provision of staff is not a funded aged care service (see previous answer above for what services are considered aged care services).

A registered provider is required to ensure staff provided through labour hire meet the requirements of aged care workers. Can the labour hire company keep relevant records on behalf of the registered provider and provide assurances to the registered provider? If so, what form should this assurance be in?

The registered provider must ensure that all workers are screened and must keep a record of information about all aged care workers as specified in the <u>Aged Care Rules 2025</u> (the Rules). There is no prescribed format for how that information is stored or shared, but ultimately the registered provider must hold the record.

Registered providers are also responsible for ensuring compliance with relevant workforce requirements. This includes screening and record keeping requirements for any aged care workers who deliver funded aged care services on their behalf. This applies to any workers that come from associated providers or labour hire companies.

The record keeping requirements for worker screening are set out in Chapter 4, Part 7, Division 1, <u>Subdivision P</u> of the Aged Care Rules 2025. Section 154-905 makes it a requirement for registered providers to keep an up-to-date record of the following for each aged care worker:

- A record of the worker's full name, date of birth and address.
- A record of the worker's police certificate or NDIS worker screening clearance or (if applicable) statutory declaration.
- A record of how the registered provider has *ensured the worker has appropriate* qualifications, skills or experience to provide funded aged care services that the registered provider delivers to individuals.

The name of the person who ensured that the worker has a police certificate or NDIS worker screening clearance or (if applicable) statutory declaration, and the date the person did so.

The mechanisms or arrangements that a registered provider has in place for aged care workers engaged through a third party arrangement is an operational matter for each registered provider. However, registered providers must have arrangements and record keeping mechanisms in place to demonstrate that aged care workers engaged through third party arrangements meet relevant workforce requirements.

Providers should have regard to the Act and Rules for a full understanding of the requirements that apply. The <u>Aged Care Provider Requirements Search tool</u> helps providers navigate their requirements under the new Act and Rules, compiling a list of requirements specific to the user's search inputs.

Can digital solutions be considered to meet record keeping requirements for aged care workers?

As noted above, section 154-905 of the Rules sets out the recordkeeping obligations of registered providers in relation to aged care workers. These requirements are designed to ensure that providers keep and maintain accurate, up-to-date documentation that supports workforce capability, regulatory compliance, and screening. The department understands there are some concerns in the sector around the privacy implications for record keeping requirements for aged care workers. The collection, use and potential disclosure of personal information as required under this subdivision within the Rules is reasonable, necessary and proportionate to achieving these aims, and is consistent with the Privacy Act 1988 and the Australian Privacy Principles.

Section 154-910 sets out the minimum retention requirements for records relating to responsible persons and aged care workers. It confirms that a registered provider must keep records for 7 years but does not specify in what format. This is an operational decision for providers.

Providers should also refer to the Rules to understand their specific requirements. Some sections within the Rules speak to the format in which records can be kept, noting that this can be either written or electronic. For example, section 154-20 refers to records about influenza vaccinations for individuals receiving residential care. These records can be kept in written or electronic form.

The Act and Rules do not replace other record keeping requirements that providers are required to comply with in relation to other Commonwealth, State or Territory laws.

Are registered providers required to keep records of the aged care workers of all of their associated providers or can registered providers seek assurance from each associated provider that the associated provider holds this information? If they can seek such assurance, what form should this take?

The registered provider remains responsible for ensuring their associated providers comply with all relevant requirements under the Act and Rules.

Aged care workers of an associated provider are considered to be aged care workers of the registered provider. As above, providers should have regard to section 154-905, which makes it a requirement for registered providers to keep up to date records for each aged care worker. This includes how they have *ensured the worker has appropriate qualifications, skills or experience* to provide funded aged care services that the registered provider delivers to individuals. While the Act makes it a requirement of the registered provider to ensure compliance, it does not specify the way in which registered providers should do so. The mechanisms, including record keeping arrangements, that a registered provider has in place for aged care workers engaged through an associated provider (or labour hire arrangement) is an operational matter for each registered provider.

As noted above, in some instances, the Rules stipulate it is the requirement of the *registered provider* to hold relevant records in relation to aged care workers. Another example is the requirement around vaccinations in <u>Chapter 4</u>, <u>Part 7</u>, <u>Division 1</u>, <u>Subdivision C</u>, which makes it a requirement for registered providers to keep vaccination records in relation to service staff in residential care homes.