
Caring for Older Australians

Recommendations

Assessing the current system

RECOMMENDATION 4.1

To guide future policy change, the aged care system should aim to:

- *promote the independence and wellness of older Australians and their continuing contribution to society*
- *ensure that all older Australians needing care and support have access to person-centred services that can change as their needs change*
- *be consumer-directed, allowing older Australians to have choice and control over their lives and to die well*
- *treat older Australians receiving care and support with dignity and respect*
- *be easy to navigate, with older Australians knowing what care and support is available and how to access those services*
- *assist informal carers to perform their caring role*
- *be affordable for those requiring care and for society more generally*
- *provide incentives to ensure the efficient use of resources devoted to caring for older Australians and broadly equitable contributions between generations.*

Principles of funding

RECOMMENDATION 6.1

The Australian Government should adopt separate policy settings (including for subsidies and co-contributions) for the major cost components of aged care, namely care (including personal and nursing care), everyday living expenses and accommodation.

Paying for aged care

RECOMMENDATION 7.1

The Australian Government should remove regulatory restrictions on the number of community care packages and residential bed licences. It should also remove the distinction between residential high care and low care places.

RECOMMENDATION 7.2

The Australian Government should remove regulatory restrictions on accommodation payments, including the cap on accommodation charges in high care. It should also abolish the charging of regulated retention amounts on accommodation bonds. The Government should mandate that residential aged care providers:

- *offer and publish periodic accommodation charges*
- *where offered, publish accommodation bonds and any combinations of periodic charges and bonds.*

The Australian Government should require that, when a provider offers an accommodation bond, the bond does not exceed the equivalent of the relevant periodic accommodation charge. The paying of interest on accommodation bonds should be prohibited.

RECOMMENDATION 7.3

The Australian Government should establish an Australian Age Pensioners Savings Account scheme to allow recipients of the age and service-related pensions to establish an account with the Government (or its agent) with some or all of the proceeds of the sale of their principal residence.

- *The account would be exempt from both the Age Pension assets and income tests and would pay interest equal to the prevailing consumer price index to maintain its real value. All accounts would be free of entry, exit and management fees.*
- *Apart from the proceeds from the sale of a principal residence (including the sale of any subsequent principal residences), no other amounts should be able to be deposited into the account.*
- *Account holders would be able to flexibly draw upon the balance in the account.*

RECOMMENDATION 7.4

The Australian Government should charge residential providers a fee to reflect the costs of providing the Government guarantee on accommodation bonds.

RECOMMENDATION 7.5

To ensure sufficient provision of the approved basic standard of residential aged care accommodation for those with limited financial means, providers should continue to be obliged to make available a proportion of their accommodation to supported residents. The Australian Government should set the level of the obligation on a regional basis.

Where providers do not meet the supported resident ratio obligation in their region, a sliding scale of penalties should be levied, where the size of the penalty would depend on the severity of the non-compliance. The current pricing arrangements (which apply a 25 per cent discount to the full rate of the accommodation supplement when facilities do not have more than 40 per cent supported residents) should be abolished.

RECOMMENDATION 7.6

For supported residents, the Australian Government should set a subsidy level for the approved basic accommodation standard of residential care which reflects the average cost of providing such accommodation. The subsidy should be set regionally and on the basis of the July 1999 building standard (an average of 1.5 beds per room). A lower subsidy level should be paid to those facilities which do not meet the July 1999 building standard. The Australian Aged Care Commission should be empowered to consider exceptional circumstances for those facilities which do not meet the July 1999 building standard and make an appropriate recommendation to the Australian Government to increase the level of the supported resident accommodation subsidy for these facilities.

RECOMMENDATION 7.7

To better target the supported resident accommodation subsidy, the relevant share of a person’s former principal residence should be included in the total assets test and the exemption of the principal residence when there is a ‘protected person’ remaining in the former principal residence should be abolished. To allow an existing ‘protected person’ to continue to remain in the former principal residence, there should be guaranteed access of the resident to the Government-backed Australian Aged Care Home Credit scheme and the existing option of deferred payments. Further research and modelling should be undertaken to consider the scope for assessing the total assets test thresholds for supported resident accommodation payments.

RECOMMENDATION 7.8

The Australian Government should remove the regulatory restrictions on supplying additional services in all residential aged care facilities, discontinue the issuing of extra service bed licences and remove the distinction between ordinary and extra service bed licences.

RECOMMENDATION 7.9

The Australian Government should:

- *prescribe the scale of care recipients’ co-contributions for approved aged care services which would be applied through the Australian Seniors Gateway Agency*
- *set a comprehensive means test for care recipients’ co-contributions for approved aged care services. This test should apply the Age Pension income test. The test should also apply an assets test to the relevant share of a person’s assets which are excluded from the age pension means test (such as the principal residence, accommodation bonds and the proposed Australian Age Pensioners Savings Account).*

To facilitate greater consistency in co-contributions across community and residential care, comprehensive aged care means testing to determine care recipient co-contributions to care costs in both settings should be undertaken through the Australian Seniors Gateway Agency by Centrelink.

The care recipients’ co-contributions scale should be regularly reviewed by the Australian Government based on transparent recommendations from the Australian Aged Care Commission.

The Australian Government should set a lifetime stop-loss limit comprising the care recipients' co-contributions towards the cost of approved aged care services (excluding accommodation and everyday living expenses). Once the limit has been reached, no further care recipients' co-contributions would be required for those services.

With a stop-loss limit in place, the Australian Government should exclude aged care costs from the net medical expenses tax offset.

Broadening the funding base

The Australian Government should establish a Government-backed Australian Aged Care Home Credit scheme to assist older Australians to make a co-contribution to the costs of their aged care and support.

- *Under the scheme, eligible individuals would receive a Government-backed line of credit secured against their principal residence, or their share of that residence.*
- *In establishing the line of credit, the Australian Seniors Gateway Agency would arrange a valuation of the principal residence and specify a minimum level of equity for the person's share of the home. The individual could draw progressively down to that minimum to fund their aged care costs. The drawdown on the line of credit would be subject to interest charged at the consumer price index. If the outstanding balance and accumulated interest reached the minimum limit set by the Australian Seniors Gateway Agency, the interest rate would fall to zero, and no further draw down would be permitted under the scheme.*
- *The outstanding balance of the line of credit would become repayable upon the disposition of the former principal residence including upon the death of the individual, except where there is a protected person permanently residing in the former principal residence.*
- *In the latter circumstances, the outstanding balance of the line of credit would be repayable when the protected person ceases to permanently reside in that former principal residence, or ceases to be a protected person. (Protected person is defined in the Aged Care Act 1997 and includes, for example, a partner, dependent child or a carer.)*

Access to aged care

RECOMMENDATION 9.1

The Australian Government should establish an Australian Seniors Gateway Agency to provide information, needs assessment, care coordination and carer referral services. The Gateway would deliver services via a regional structure.

- *A platform within the Gateway would provide information on healthy ageing, social inclusion and participation, age-friendly accommodation, and information on the availability, quality and costs of care services from approved providers, and how to access those services.*
- *Assessments of the needs of older people would be undertaken for their potential entitlement to approved care services. The level of assessment resourcing would vary according to anticipated need.*
- *Assessments of financial capacity to make care co-contributions toward the cost of services would be undertaken by Centrelink on behalf of the Gateway.*
- *The assessment of the individual could lead to an entitlement to a set of aged care services which the older person and their carer may access from approved aged care providers of their choice.*
- *The assessment could lead to a referral or an entitlement to community support services and carer support services where such services form an essential part of a set of services to meet complex needs.*
- *Initial care coordination services would be provided, where appropriate and requested, as part of the Gateway. Further care coordination and case management, which may form part of the entitlement, would be provided in the community or in residential aged care facilities by an individual's approved provider of choice.*

The Gateway would:

- *have a separate Australian Government Budget appropriation for the entitlement-based services that it approves*
- *be a Prescribed Agency under the Financial Management and Accountability Act 1997.*

The Gateway would operate via a network of regional centres to enhance local responsiveness, with operational regions defined with reference to those for Medicare Locals and/or Local Hospital Networks. These regional centres would offer the full range of information, needs assessment and care coordination services and their operation may be subcontracted to third party operators including other government agencies or non government or private entities.

RECOMMENDATION 9.2

An intensive reablement service should be introduced to give greater focus on independence, rehabilitation and restorative care. Eligibility and entitlement for this service should be assessed by the Australian Seniors Gateway Agency.

RECOMMENDATION 9.3

A trial of more flexible arrangements for respite care, such as cashing out for respite services and extending the range of registered individuals who can be approved to provide respite, should be conducted as part of a broader introduction of an entitlement based approach to care services.

RECOMMENDATION 9.4

The Australian Government should replace the current system of discrete care packages across community and residential care with a single integrated, and flexible, system of care entitlements (the Aged Care System). The System would have the following features:

- *it would cover services including residential care, community care (domestic, personal, nursing), reablement, planned respite, home modification, palliative care, high level aids and equipment, and care coordination*
- *the Australian Government should approve a schedule of aged care services to be provided to individuals on an entitlement basis, according to the Gateway's assessment of their need. Individuals should be given an option to choose an approved provider or providers*
- *the entitlement provided to consumers as part of the Gateway assessment process should include a detailed statement of the care assessment, the care objectives, the type and intensity of services to meet those objectives, the total value of the entitlement, and the period of the entitlement. In addition the consumer would receive a statement of their co-contribution obligation*
- *the Australian Government would set the scheduled price of approved services based on a transparent recommendation by the Australian Aged Care Commission*
- *the Australian Government should fund an expanded system of aged care individual advocacy by initially expanding funding and access to advocacy under the National Aged Care Advocacy Program.*

The Australian Government should also support a range of community support services which would be directly accessible by older Australians and their carers and through the Gateway. Such community support services would include funding from the Australian Government (including, for example, block funding for infrastructure and overheads) as well as user charges and financial and in-kind support from state, territory and local governments and the community. For some community services, where a person requires long term support, an assessment from the Gateway may be required.

RECOMMENDATION 9.5

The Australian, state and territory governments should promote the expanded use of in-reach services to residential aged care facilities and the development of regionally or locally-based visiting multi-disciplinary health care teams (including from oral and mental health disciplines and dementia care specialists as appropriate).

RECOMMENDATION 9.6

The Australian Government should set scheduled fees for the delivery of certain sub-acute services that are delivered in a residential aged care facility. These fees should be cost reflective and, in general, lower than the scheduled fee for the equivalent service provided in a hospital.

RECOMMENDATION 9.7

The Commission notes that the Australian Government has agreed to assume funding responsibilities for specialist disability services delivered under the National Disability Agreement for people over the age threshold.

In that context, the Australian Government should ensure that:

- a person with a disability eligible for and being supported within the disability care system prior to reaching the aged threshold should be able to be continue to be supported by services best able to meet their needs including through the disability care system*
- such a person may at any time after reaching the age threshold elect to be supported through the aged care system and be subject to that system's arrangements and shall be deemed to have done so upon permanent entry into a residential aged care facility.*

Quality of aged care

RECOMMENDATION 10.1

The quality assurance framework for aged care should be expanded to include published quality indicators at the service provider level to help care recipients and their families make informed choices about care and to enhance transparency and accountability about funds spent on care. The Australian Aged Care Commission should develop a Quality and Outcomes Data Set for use by care recipients and bring together evidence on best practice care, with the information openly accessible via the Gateway.

RECOMMENDATION 10.2

The Medicare rebate for medical services provided by general practitioners visiting residential aged care facilities and people in their homes should be independently reviewed to ensure that it covers the cost of providing the service.

RECOMMENDATION 10.3

The Australian Government should ensure that residential and community care providers receive appropriate payments for delivering palliative and end-of-life care. These payments should form part of the assessed entitlement determined by the Gateway assessment process. The appropriate payment for palliative and end-of-life care should be determined by the Government on the transparent advice of the Australian Aged Care Commission and in consultation with the National Hospital Pricing Authority.

RECOMMENDATION 10.4

Providers of aged care services should have staff trained to be able to discuss and put in place advance care directives.

Funding should be made available for community awareness education about advance care planning.

Advance care directives should be included in the proposed electronic records.

Catering for diversity

RECOMMENDATION 11.1

The Australian Government should ensure the accreditation standards for residential and community care are sufficient and robust enough to deliver services which cater to the needs and rights of people from diverse backgrounds including culturally and linguistically diverse, Indigenous and sexually diverse communities.

RECOMMENDATION 11.2

The Australian Seniors Gateway Agency should cater for diversity by:

- *ensuring all older people have access to appropriate information and assessment services*
- *facilitating access for people with language and cultural needs through the development of specific hubs for older people from diverse backgrounds that have limited English skills and require access to bi-lingual staff*
- *ensuring that diagnostic tools are culturally appropriate for the assessment of care needs.*

RECOMMENDATION 11.3

The Australian Aged Care Commission, in transparently recommending the scheduled set of prices for care services, should take into account costs associated with catering for diversity, including:

- *providing ongoing and comprehensive language services for clients from non-English speaking backgrounds*
- *ensuring staff undertake appropriate professional development activities to increase their capacity to deliver care with dignity and respect to all older people.*

RECOMMENDATION 11.4

The Australian Government should ensure that rural and remote, and Indigenous aged care services be actively supported before remedial intervention is required. This support would include but not be limited to:

- *the construction, replacement and maintenance of appropriate building stock*
- *meeting quality standards for service delivery*
- *clinical and managerial staff development, including locally delivered programs and enhanced use of technology assisted training*

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- *applying funding models that ensure service sustainability and support the development of service capabilities at a local level.*

RECOMMENDATION 11.5

The Australian Government should partially or fully block fund services where there is a demonstrated need to do so based on detailed consideration of specific service needs and concerns about timely and appropriate access. Such services might include:

- *dedicated aged care services for homeless older Australians*
- *Indigenous specific, flexible aged care services.*

Direct access to these services would be available immediately but care recipients would be required to undergo an Australian Seniors Gateway Agency assessment within three months of entering such care services and, where appropriate, pay relevant co-contributions.

Accommodation

RECOMMENDATION 12.1

The Australian, state and territory governments should develop a coordinated and integrated national policy approach to the provision of home maintenance and modification services, with a nominated lead agency in each jurisdiction.

To support this national approach, all governments should develop benchmarks for the levels of services to be provided, terms of eligibility and co-contributions, and the development of professional and technical expertise.

RECOMMENDATION 12.2

The Australian Government should develop building design standards for residential housing that meet the access and mobility needs of older people.

RECOMMENDATION 12.3

The Council of Australian Governments, within the context of its agreed housing supply and affordability reform agenda, should develop a strategic policy framework for ensuring that an adequate level of affordable housing is available to cost effectively meet the demands of an ageing population.

RECOMMENDATION 12.4

The regulation of retirement villages and other retirement specific living options should remain the responsibility of state and territory governments, and should not be aligned with the regulation of aged care services.

RECOMMENDATION 12.5

State and territory governments should pursue nationally consistent retirement village legislation under the aegis of the Council of Australian Governments.

Carers

RECOMMENDATION 13.1

The Australian Seniors Gateway Agency, when assessing the care needs of older people, should also assess the capacity of informal carers to provide ongoing support. Where appropriate, this may lead to approving entitlements to services for planned respite and other essential services.

Carers Support Centres should be developed from the existing specialist carer support service programs to undertake a comprehensive and consistent assessment of carer needs. Such centres should be directly accessible to carers as well as through the Gateway and would also deliver carer support services, including:

- *carer education and training*
- *emergency respite*
- *carer counselling and peer group support*
- *carer advocacy services.*

RECOMMENDATION 13.2

Funding for services which engage volunteers in service delivery should take into account the costs associated with:

- *volunteer administration and regulation*
- *appropriate training and support for volunteers.*

Workforce

RECOMMENDATION 14.1

The Australian Aged Care Commission, when assessing and recommending scheduled care prices, should take into account the need to pay fair and competitive wages to nursing and other care staff delivering approved aged care services and the appropriate mix of skills and staffing levels for the delivery of those services.

RECOMMENDATION 14.2

The Australian Government should promote skill development through an expansion of accredited courses to provide aged care workers at all levels with the skills they need, including:

- *vocational training for care workers entering the sector and looking to upgrade their skills*
- *adequate tertiary nursing places to meet the anticipated demand from the health and aged care sectors*
- *advanced clinical courses for nurses*
- *management courses for health and care workers entering these roles.*

RECOMMENDATION 14.3

The Australian Government, in conjunction with universities and providers, should fund the expansion of ‘teaching aged care services’ to promote the sector and provide appropriate training for medical, nursing and allied health students and professionals.

RECOMMENDATION 14.4

Given industry concerns about the variability in training outcomes for students, the Australian Government should undertake an independent and comprehensive review of aged care-related vocational education and training (VET) courses and their delivery by registered training organisations (RTOs). Among other things, the review should consider:

- *examining current practices that may be leading to variability in student outcomes, including periods of training and practicum*
- *reviewing procedures to ensure that VET trainers and assessors possess required current practice knowledge*

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- *identifying whether regulators are adequately resourced to monitor and audit RTOs using a risk-based regulatory approach and have appropriate enforcement regimes that allow for appropriate and proportional responses to non-compliance by RTOs*
 - *identifying reforms to ensure students demonstrate pertinent competencies on a more consistent basis.*

Regulation

RECOMMENDATION 15.1

The Australian Government should establish a new independent regulatory agency — the Australian Aged Care Commission (AACC). This would involve:

- *the Department of Health and Ageing ceasing all its regulatory activities, except the provision of policy advice to the Australian Government on regulatory matters, including advice on the setting of quality standards*
- *establishing the Aged Care Standards and Accreditation Agency as a statutory office within the AACC*
- *establishing a statutory office for complaints handling and reviews within the AACC*
- *establishing a stakeholder advisory committee to provide advice to the AACC in relation to consumer and industry interests*
- *establishing it as a Prescribed Agency under the Financial Management and Accountability Act 1997.*

The AACC would have three full time, statutory Commissioners:

- *a Chairperson*
- *a Commissioner for Care Quality*
- *a Commissioner for Complaints and Reviews.*

Key functions of AACC would include:

- *administering the regulation of the quality of community and residential aged care, including compliance and enforcement*
- *promoting quality care through educating providers and assisting them with compliance and continuous improvement*
- *approving community and residential aged care providers for the provision of government subsidised approved aged care services*
- *administering prudential regulation and all other aged care regulation, such as supported resident ratio obligations*

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- *monitoring, reporting and assessing costs and transparently recommending a scheduled set of prices, subsidies and a rate of indexation for approved aged care services*
 - *handling consumer and provider complaints and reviews*
 - *providing information to stakeholders, including disseminating and collecting data and information.*

RECOMMENDATION 15.2

The Australian Aged Care Commission's (AACC) Commissioner for Complaints and Reviews should determine complaints by consumers and providers in the first instance. Complaints handling should be structured into the three areas: assessment, early resolution and conciliation; investigations and referral; and communication, stakeholder management and outreach (including rural and remote and Indigenous outreach). A separate review office should be developed to hear and determine initial appeals of individual cases as well as to conduct 'own motion' systemic reviews within the AACC.

The Australian Government should abolish the Office of the Aged Care Commissioner.

The Australian Seniors Gateway Agency should establish a separate complaints handling and review office to deal with complaints about its decisions, including assessments and entitlements. These matters would not be subject to complaint handling or review by the Australian Aged Care Commission.

All appeals in respect of decisions of the AACC and the Australian Seniors Gateway Agency should be heard by the Administrative Appeals Tribunal. The allowable time in which to appeal should be increased to 13 weeks from the current 28 days.

RECOMMENDATION 15.3

The Australian Government should implement an independent statutory Community Visitors Program for residential aged care facilities akin to the operation of other types of statutory visitor programs operating in other residential settings (for example, disability and children's residential services) and in other jurisdictions, to promote and protect the rights and wellbeing of residents.

RECOMMENDATION 15.4

The Council of Australian Governments should agree to publish the results of community care quality assessments using the Community Care Common Standards, consistent with the publication of quality of care assessments of residential aged care.

RECOMMENDATION 15.5

The Australian Government should provide a broad range of enforcement tools to the Australian Aged Care Commission to ensure that penalties are proportional to the severity of non-compliance.

RECOMMENDATION 15.6

In the period prior to the implementation of the Commission's new integrated model of aged care, all governments should agree to reforms to aged care services delivered under the Home and Community Care (HACC) program to allow the Australian Government to be the principal funder and regulator. However, in the event that they do not agree, the Victorian and Western Australian Governments should agree to harmonise (from 1 July 2012) the range of enforcement tools in HACC delivered aged care services.

RECOMMENDATION 15.7

The Australian Government should introduce a streamlined reporting mechanism for all aged care service providers (across both community and residential aged care) based on the model used to develop Standard Business Reporting.

RECOMMENDATION 15.8

The Australian Government should amend the residential aged care prudential standards to require residential aged care providers to disclose (to care recipients or prospective care recipients) whether they have met all prudential regulations in the current and previous financial years. At the same time, providers should be required to indicate that the following would be made available on request, rather than automatically:

- *an audit opinion on whether the provider has complied with the prudential standards in the relevant financial year*
- *the provider's most recent audited accounts.*

The Australian Government should amend the missing resident reporting requirements in the Accountability Principles 1998 to allow a longer period for providers to report missing residents to the Australian Aged Care Commission, while continuing to promptly report missing residents to police services.

The Council of Australian Governments should identify and remove, as far as possible, onerous duplicate and inconsistent regulations, including in relation to infectious disease outbreaks, occupational health and safety, food safety, nursing scopes of practice, advance care plans, power of attorney, guardianship and elder abuse.

Policy research and evaluation

To encourage transparency and independence in aged care policy research and evaluation, the Australian Aged Care Commission should be responsible for ensuring the provision of a national ‘clearinghouse’ for aged care data. This would involve:

- *establishing a central repository for aged care data and coordinating data collection from various agencies and departments*
- *making these data sets publicly available in a timely manner for research, evaluation and analysis, subject to conditions that manage confidentiality risks and other concerns about potential data misuse.*

To maximise the usefulness of aged care data sets, reform in the collection and reporting of data should be implemented through:

- *adopting common definitions, measures and collection protocols*
- *linking databases and investing in de-identification of new data sets*
- *developing, where practicable, outcomes based data standards as a better measure of service effectiveness.*

Research findings on aged care and on trial and pilot program evaluations, including those undertaken by the Department of Health and Ageing, should be made public and released in a timely manner.

Transition

RECOMMENDATION 17.1

The Australian Government should establish an Aged Care Implementation Taskforce to coordinate and manage the transition to the new aged care system, chaired by the Department of the Prime Minister and Cabinet.

To assist the Implementation Taskforce, a non-statutory Aged Care Advisory Group should be established comprising representatives from consumers (including carers), providers and the workforce.

RECOMMENDATION 17.2

The Australian Government should negotiate with providers of care services to existing care recipients to harmonise care subsidies and other arrangements. It should reach an agreement within five years that would have the effect of removing grandfathering arrangements for existing and new places while protecting existing recipients of care from changes that would impose a new cost upon them.

The exemption from the supported resident ratio obligation provided to some extra service facilities should be removed at the end of the transition period as part of a negotiated settlement.

RECOMMENDATION 17.3

The Australian Government should provide, during the transition period, capped grants to existing smaller approved residential care providers, on a dollar-for-dollar basis, for financial advice on business planning to assist in assessing their future options.

Subject to an audit to demonstrate solvency, the Australian Government should offer — during the transition period — existing smaller approved residential care providers a loan facility for the repayment of accommodation bonds. The Government should charge an interest rate premium on the facility to discourage its use when private sector options are available.

RECOMMENDATION 17.4

The Australian Aged Care Commission should, during the transition period, formally monitor accommodation prices in residential care. If the price monitoring shows that residential providers are systematically charging excessive accommodation fees, the Australian Aged Care Commission should recommend that the Australian Government consider regulatory measures that might be implemented to reduce this practice.

RECOMMENDATION 17.5

The Australian Government should introduce at the earliest opportunity a temporary intermediate community care package level to reduce the gap between Community Aged Care Packages and Extended Aged Care at Home during the first stage of the transition period.

RECOMMENDATION 17.6

The Australian Government should conduct a pilot whereby providers could transfer (subject to approval by the Australian Aged Care Commission) up to 50 per cent of their supported resident ratio obligation per facility with other providers within the same region (or subregion).

This arrangement should be reviewed within five years with a view to assessing its widespread applicability and to consider the option of introducing a competitive tendering arrangement, or entitlement funding, for the ongoing provision of accommodation to supported residents as an alternative.

RECOMMENDATION 17.7

In implementing reform, the Australian Government should announce a detailed timetable for changes and how the changes are expected to affect consumers (including carers), providers, workers, and the sector in general. In particular, the Australian Government should:

- carefully and fully communicate the design, objectives and implications of the reform measures*
- be guided by the three-stage implementation plan listed in schedule A.*

