

PARLIAMENTARY INQUIRY QUESTION ON NOTICE

Minister for Aged Care and Senior Australians

Senate Select Committee on COVID-19

Australian Government's Response to the COVID-19 Pandemic

7 August 2020

PDR Number: IQ20-000433

Question Subject: Financial sustainability and long-term sustainability of residential aged care facilities in rural and regional areas

Type of Question: Written

Senator: Stirling Griff

Question:

2. Has the Government undertaken any analysis or modelling with respect to the financial sustainability of residential aged care facilities in rural and regional areas in light of the impacts of the COVID-19 response?
3. What steps is the Government taking to ensure the long-term sustainability of residential aged care facilities in rural and regional areas?

Answer:

2. The Government has been monitoring individual providers that have been identified as at risk of financial sustainability issues and has undertaken specific analysis of the additional costs of COVID-19, including in rural and remote areas. This has informed specific measures targeted to regional, rural and remote areas as described below.

As part of the financial reporting that is required to be submitted to the Department by 31 October 2020, providers will be required to report the income and expenditure related to COVID-19. This will enable greater analysis of the impacts of different providers throughout Australia, including those in regional and remote communities.

3. The Government provides additional assistance to rural and regional providers through the payment of a viability supplement. The supplement helps aged care providers with the cost of providing services in rural and remote areas.

The Government increased the viability supplement by 30 per cent from 20 March 2019 providing an extra \$101.9 million in support over four years for eligible rural and remote providers. From 1 July 2020, these payment rates were further boosted as part of the Government's response to COVID-19.

Rural and regional residential aged care providers also benefited from an additional COVID-19 Support Payment announced in May 2020, which aimed to cover the additional costs of caring for the health and wellbeing of residents during the pandemic.

- Facilities outside major metropolitan areas receive a 50 per cent loading to cover the additional costs of providing care in these areas.
- Providers received around \$900 per resident in major metropolitan areas and around \$1,350 per resident in all other areas.

On 31 August 2020, the Government announced \$563.3 million to extend support for the aged care sector during COVID-19. This includes an additional \$245 million for residential aged care providers through a one-off payment and a continuation of the 30 per cent increase the viability and homeless supplements to support providers with the additional costs associated with responding to COVID-19 and costs associated with workforce pressure.

- As with the first COVID-19 support payment, providers outside major metropolitan areas will receive a 50 per cent loading.
- Providers will receive around \$975 per resident in major metropolitan areas and around \$1,435 per resident in all other areas.

A range of further measures and initiatives are available to support the viability of the aged care sector, including in regional and remote communities. These include:

- Business Advisory Service (BAS): the BAS provides business and advisory services at no cost to providers. These services include analysis of their current business operational environment with the aim of identifying strategies to improve their management and operations.
- Business Improvement Fund (BIF): BIF program funding available to assist eligible residential aged care providers in financial difficulty under the conditions listed on the Department of Health website at: www.health.gov.au/initiatives-and-programs/business-improvement-fund-for-residential-care.

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Senate Select Committee on COVID-19

Australian Government's Response to the COVID-19 Pandemic

7 August 2020

PDR Number: IQ20-000434

Question Subject: Aged Care workforce retention bonus scheme

Type of Question: Written

Senator: Stirling Griff

Question:

On what basis did the Government determine that allied health professionals, cleaners and catering staff would not be included in the aged care workforce retention bonus scheme?

What percentage of individuals employed in the aged care sector are:

- a) eligible for the bonus payment; and
- b) currently receiving payments?

Does the Government intend to review the aged care workforce retention bonus scheme and if so, when?

Answer:

The COVID-19 aged care retention bonus is a measure specifically targeted to the retention of direct care workers, recognising the particular role they play in the care of individuals.

Allied health professionals are eligible to receive the retention bonus for the hours that they work in direct care of the client. This includes agency staff who provide direct care. Workers who do not provide direct care were not eligible because they were outside the intended target group.

Cleaners and food preparation workers in the Home Care Packages setting are eligible for the bonus due to the amount of time spent in direct contact with the client in home.

\$78.3 million was also paid to residential aged care providers to support other workers and workforce pressures.

The Department estimates that two-thirds of the PAYG employees within the residential care and home care sectors are direct care workers and therefore eligible for the retention bonus payment.

All first round payments have been issued to providers, with second payments currently being processed. Applications have been received in respect of more than 235,000 eligible workers.

The scheme is being continuously monitored.

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Australian Government's Response to the COVID-19 Pandemic

7 August 2020

PDR Number: IQ20-000437

Additional funding announced on 19 July 2020 for residential and home care providers:

Written

Senator: Stirling Griff

Question:

On 19 July 2020 the Federal Government announced 'funding' to residential and home care providers to:

- Ensure aged care employers can cover any additional entitlements to enable employees to work at a single site;
- Engage and train additional staff where existing employees are unable to work due to self-isolation requirements and/or where a more intensive workforce mix is required;
- Support aged care workers who are unable to work due to symptoms, self-isolation or travel restrictions, regardless of whether they would usually receive paid leave.
- Provide alternative accommodation so workers who live or work in hotspots can continue to work.

(a) How much funding has been provided to deliver these measures?

(b) Has the Government allowed for reporting requirements on how the funding announced 19 July 2020 will be spent, if not, why not?

(c) Does the Government have modelling on the rate of infection of Covid-19 in residential aged care due to staff movements across multiple residential aged care centres and, if so, when was this modelling commissioned?

(d) When did the Government first consider the issue of 'cohorting' of aged care employees as part of the strategy to reduce the spread of the COVID-19?

(e) Why has the Government not mandated 'cohorting' of aged care employees in federally funded residential aged care and directed a cessation of staff working across multiple sites?

Answer:

(a) How much funding has been provided to deliver these measures?

A total of \$193.6 million has been provided. The Support for Aged Care Workers in COVID-19 (SACWIC) Grant Opportunity, GO4215, was originally funded through the \$101.2 million under the Aged Care Preparedness Measure. On 31 August 2020, the

Australian Government announced that an additional \$92.4 million in new funding would be available for the grant opportunity.

(b) Has the Government allowed for reporting requirements on how the funding announced 19 July 2020 will be spent, if not, why not?

All grants under GO4215 will be listed on the GrantConnect website within 21 days of the date of effect, as required by section 5.3 of the Commonwealth Grants Rules and Guidelines (CGRGs).

Under the terms of the Agreement, Grantees will provide financial acquittal reports and declarations to account for funds.

The Department of Health may also undertake audits throughout the grant process.

(c) Does the Government have modelling on the rate of infection of Covid-19 in residential aged care due to staff movements across multiple residential aged care centres and, if so, when was this modelling commissioned?

The Government does not currently have modelling on the rate of infection in aged care due to staff movements. Action was taken to mitigate the risk of transmission occurring, following feedback from the sector which indicated that it is not uncommon for aged care workers to work at multiple facilities.

(d) When did the Government first consider the issue of 'cohorting' of aged care employees as part of the strategy to reduce the spread of the COVID-19?

Cohorting and isolation of residents is a long-standing infection prevention and control option for residential aged care providers to initiate in the event of an outbreak of an infectious illness. Cohorting was first applied by facilities in relation to COVID-19 during the first wave in 2020. In May 2020, the Department of Health and the Aged Care Quality and Safety Commission shared lessons with residential aged care providers about the importance of having arrangements in place and undertaking cohorting scenario-planning at individual sites in place in May 2020.

At a state wide level, the Department of Health began working with peak bodies and unions to develop and implement the 'Guiding Principles for residential aged care – keeping Victorian residents and workers safe' in July 2020. On 19 July 2020, the Australian Government announced funding to enable residential aged care workers to work at a single site.

(e) Why has the Government not mandated 'cohorting' of aged care employees in federally funded residential aged care and directed a cessation of staff working across multiple sites?

Restrictions on mobility of the workforce are informed by state and territory government directions in the context of local conditions and circumstances. The Commonwealth is continuing to work closely with state and territory government and the aged care sector where public health directions have an impact on residential aged care facilities.