



ABN 48 609 882 288

The Senate
Community Affairs Legislation Committee
PO Box 6100
Parliament House
Canberra ACT 2600
19 November 2020

Dear Sir/Madam

Inquiry into the Aged Care Legislation Amendment (Improved Home Care Payment Administration No. 1) Bill 2020 and Aged Care Legislation Amendment (Improved Home Care Payment Administration No. 2) Bill 2020

Thank you for the opportunity to provide comments on the Aged Care Legislation Amendment (Improved Home Care Payment Administration No. 1) Bill 2020 and Aged Care Legislation Amendment (Improved Home Care Payment Administration No. 2) Bill 2020.

Aged & Community Services Australia (ACSA) is the leading national peak body supporting not for profit church, charitable and for-purpose providers of retirement living, community, in-home and residential care for more than 450,000 older Australians.

The intention of the Bills is to improve financial accountability and allow for better transparency over the actual use of funds for home care service delivery and bring the payment arrangements into alignment with other Government programs. Home care subsidy payments will change from payment in advance to payment in arrears for services actually provided and the Commonwealth will retain, on behalf of care recipients, any Commonwealth subsidy that is in excess of services provided, to be drawn down in the future.

ACSA supports measures to reduce the level of unspent funds held by home care providers and enabling funds to be used to provide home care packages to those Australians on the home care prioritisation queue.

While there is broad agreement with the changes, the challenge lies with the operationalisation of the changes. Implementation details remain unclear and ACSA has concerns about unintended consequences for providers and potential negative impacts on consumers. This is particularly the case as supporting legislation, including changes to the *User Rights Principles 2014* and the *Subsidy Principles 2014*, are required and neither details of these changes nor draft legislation have been made available.



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Further information and consultation with the sector are required to address:

- Transition support to be made available to providers to implement the changes.
- Technical operational issues to ensure a smooth transition and ongoing operations. Government IT systems will need to integrate with providers' IT systems.
- Management of unspent funds.
- Need for Government to be accountable in relation to timeliness and accuracy of payments. Providers also need timely and accurate advice on changes to home care package levels and consumer fees. There are concerns regarding reconciliation as the current process has proven problematic with some providers 'out of pocket' for extended periods. Real time up-to-date information is needed on home care package balances and fees with any issues resolved promptly, ensuring providers and Services Australia have the same information on balances to reduce and effectively manage any differences.
- A mechanism to provide home care providers with funds ahead of commencement of home care packages, to provide working capital for providers to cater for large value purchases, to support clients with urgent needs and where up front deposits are required by sub-contractors.
- The implications for leave (hospital, transition care, social leave etc.) need to be clarified.

ACSA recommends the Government undertake comprehensive consultation with the aged care sector to step through scenarios to be clear on how the changes will work in 'real life', including any potential impacts on services received by consumers.

If you require further information, please contact [REDACTED] 02 6282 7827.

Yours sincerely

Derek Dittrich

SENIOR MANAGER – STRATEGIC POLICY

Aged & Community Services Australia