Submission to the Australian Government Department of Health and Aged Care

A New Program for In-Home Aged Care: Discussion Paper

Prepared by

COTA Australia

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COTA Australia

COTA Australia is the national consumer peak body representing older people. The COTA Federation has over 45,000 individual members and supporters and works with a network of seniors' organisations, which jointly engage the diversity of over 500,000 older Australians.

Speaking for the nearly nine million Australians over 50 years old COTA Australia prioritises economic, social, and political participation of older Australians and challenging ageism. The diversity of older Australians gives COTA Australia a broad policy agenda, currently we are prioritising policies about retirement incomes, aged care, housing, elder abuse, older workers, digital inclusion, health, and social isolation. It advocates within government, business, and society maintaining effective relationships, and is respected as a legitimate, influential voice.

COTA Australia promotes integrity, diversity and equality, and prioritises collaborative engagement. With a membership including State and Territory Councils on the Ageing, COTA Australia has been identifying the needs, issues affecting, and welfare of older Australians since it was first formed in 1951.

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Introduction

COTA Australia welcomes the opportunity to respond to the discussion paper on a new program for in-home aged care.

Most older people want to live in their own homes for as long as they can, not in aged care facilities. This can be achieved for many by finding the right combination of formal and informal support for their individual circumstances.

In-Home Aged Care should become the dominant approach to aged care enabling older people to make valid, sound, autonomous decisions about their care needs.

As the discussion paper outlines, there is a strong rationale for reform. The current service approach is overly complex resulting in variable outcomes that lead to distress and confusion for older people. Consumers wait too long to access many home-based services and assessments are often not aligned with consumer need. The experience of many older people is that services do not provide value for money with much of their package being tied up in administrative and other charges and fees, and opaque costing of services. The current system does not have a strong enough focus on enabling older people to remain independent.

Consumers regularly tell COTA Australia[1] that the most important elements for them in Home and Community Care are:

- Being clear about fees and charges and receiving value for money
- Being clear about the services the program offers
- Participating in the development of the care plan
- Having the capacity to maintain their independence
- Knowing that their support plan can and will change as their needs change

The aged care service culture must change from one of paternalism and institutionalisation, where providers know best, to one that is genuinely focused on empowering and supporting older people and their carers to make care planning decisions. i.e., a customer service and rights-based approach. The design of the new, integrated In-Home program must implement this approach.

Through a single independent assessment process, older people should be supported to be the 'authors' and 'owners' of their own individualised care plan and determine or co-determine services provided to them. The care plan should be in a format that is readily implementable by service providers and co-developed with the older person by a qualified and skilled assessment workforce.

[1] Source: Feedback and issues highlighted COTA Australia survey and discussion groups (March 2022). Ongoing feedback and discussions with COTA Australia constituency.

The assessment process and new assessment tool should understand, respect, and respond to the older Australian's continuing abilities and strengths as well as disabilities or frailty, relationships, cultural context, diversity, lived experience, life circumstances and support and carer networks.

Care partners will have a leading coordinating role, representing and advocating for consumers in a multi-provider, In-Home Aged Care service environment. Care partners should work alongside and fully support consumer choices and preferences related to their care plan goals, ensuring that providers follow the assessor created care plan agreed to by consumers. Consumers should have the right to change the activities in their care plan week to week in accordance with their immediate needs and longer term in consultation with their Care Partner and where needed, after reassessment by their independent Assessor. Consumers may choose one or multiple providers to deliver the services in their care plan.

A key outcome of the funding model for the In-Home program should be to enable tailored, individualised services based on the choices and preferences of consumers. The proposed mixed funding approach should enhance not dilute this goal.

Good stewardship of the program should support the development of local and regional service 'eco-systems' to improve outcomes for older people. Regional planning mechanisms with accompanying data and evidence gathering processes should be established to address service delivery gaps.

Targeted block funding decisions should be based on evidence and a robust definition of what constitutes a 'thin market'. The discussion paper indicates that the Department of Health and Aged Care (the Department) is aware of this but provides limited detail.

It is critical that consumers have clear, consistent, and transparent information about care, fees, and costs across all service categories in the Support at Home program to inform consumer decisions regarding the development and implementation of their care plan. This will include the amount older people financially contribute to services and the amount of money provided by Government to pay for the services they are assessed as needing. The approach to fees must be equitable for older people in diverse circumstances and provide simple access to financial hardship provisions, but overall the fee system should be robust and compulsory.

Investment in the In-Home program should aim to ensure that there will be no service waiting list. All consumers should receive services (including assessment) within 30 days of registering as needing services.

For COTA Australia, there are key objectives that should be enshrined in the In-Home program. These are:

- The right of older people to self-management is a key principle of service delivery and practice

- Care partners are independent from service delivery providers and separate from the services delivered by the In-Home program to enable older people to maximise their access to a range of services within and outside aged care.
- Consumers are active participants in service decision making, design and delivery
- Client contributions and unit pricing are fully transparent and up to date
- In-Home services are an entitlement and received within 30 days of registration, consistent with a human rights approach.

These objectives will be explored in this submission through responses to discussion questions and themes.

The design of the new In-Home program must be linked to and supported by other significant aged care reform including the implementation of a new Act based on human rights, a star rating system informing consumer choices, and building the capacity of the Aged Care Quality and Safety Commission to ensure both compliance and continuous quality improvement in home care services.

The success of the In-Home Aged Care Program should be determined by achievement of the outcomes desired by older people and their carers receiving support by the program. The measurement of this will be gauged by regularly consulting with consumers as well as formal departmental and regulatory processes focused on outcomes.

General feedback

Whilst it is understandable that the Department wants to focus on specific design issues, the scope of the paper appears to be too narrow for such a critical reform. Some sections could have contained more text and discussion. We want to see more detail on self-management, care partners, support planning and assessment.

The single assessment service, including the assessment tool and workforce, is a major area of interest and concern for consumers and many professionals and others in the sector, and a key component in delivering consistent and high-quality outcomes for consumers. The discussion paper does provide a partial explanation about why assessment was not included, referring to the current development of the assessment tool. Further text on the benefits and challenges of assessment and support planning would have been useful.

It is unclear whether the Department, after this consultation phase, will produce a more detailed paper on the new In-Home Aged Care Program. It is likely that feedback on this paper will require the need for a future, more detailed paper.

Objectives of In-Home Aged Care

It is important that the new program has clear, well understood, and substantive objectives.

The proposed objectives cover most of the important themes in In-Home Aged Care but are underdeveloped, requiring more detail. It is appreciated that these objectives will be further refined after the consultation period.

COTA Australia makes the following comments about the currently proposed objectives:

- Reform to in-home aged care should not only simplify and consolidate service arrangements but also deliver improved service access and better consumer outcomes.
- Value for money for older people and for government requires a definition. Transparent, up to date information for consumers on fees and charges is critical.
- A robust evidence base is important. More detail could be provided on how this evidence is defined.
- Timely access should be more sharply defined. What is considered timely should be based on the consumer perspective and acknowledge differing individual circumstances.
- All consumers, regardless of their location, life circumstances, personal characteristics and living arrangements should be able to receive the same levels of quality service.
- Consumer contributions should be fair, equitable, transparent, simple to understand and administer, and compulsory. The objective should reference financial hardship provisions.
- The objective on choice and control should be expanded to include references to a rights-based approach and emphasise the importance of older people being supported to be the 'authors' and 'owners' of their own individualised care plan and being able to determine services provided to them.
- There should be separate objectives for funding and quality assurance arrangements.
- The funding model should enable tailored, individualised services based on the choices and preferences of consumers.

Additional objectives could be developed regarding transparency of information about services and fees/charges and about consumers being actively involved in the co-design of services.

Aboriginal and Torres Strait Islander people require a bespoke aged care service approach and pathways that are culturally appropriate and include specific and targeted grant funding for services, infrastructure, and training preferably to Aboriginal community-controlled organisations.

Assessment and Support Planning

Assessment and support planning is a critical element of the In-Home Aged Care Program design. Without an effective assessment process, older people are not able to make informed care decisions and develop a support plan, access the services they need and achieve health and wellbeing outcomes. Discussion on the design of the In-Home Aged Care program is

incomplete without significant detail on assessment and support planning.

COTA Australia supports prioritising the development of a single assessment service from 1 July 2023. There should be a single, nationally consistent, and appropriately skilled assessment workforce, that is independent from service delivery, and comprises of an integrated multidisciplinary team of health professionals, working within a competency framework.

It is critical that this commence from 1 July 2023 to remove the current fragmented assessment response and enable regional teams to be recruited, resourced, and well trained in a consistent assessment approach.

Assessors should facilitate support plan development and advise older people and their carers on the full range of service options. They should not direct and prescribe the outcome of their support plan.

Support plans should draw on the broad range of health and human services available including those outside of aged care, family and friends providing informal care, and other social and community services to meet the most appropriate need of the consumer. Any support plan must have the flexibility of including relevant supports beyond those included within any service classification approach.

The assessment process should have a strong evidence base and draw on an informed scope of practice that aims to help older people as far as possible to re-establish daily living skills and community connections through a goal-oriented program, that may or may not be time-limited, based on individual assessed need.

How will assessment and support planning work with the service list and pricing model

More detail is required on how assessment and support planning will interact with some other elements of the service design. The single assessment tool, service list approach and pricing model need to be able to complement each other for the program to work effectively. COTA Australia appreciates that some detailed design features that shape service practice may only be determined through detailed planning over the coming year, and indeed service experience in the early implementation of the program. However, the next iteration of the In-Home Aged Care Program paper should discuss some of the key issues and challenges in how assessment and support planning works with the service list and pricing to inform further consultation.

Potential complexities in practice may arise. Some services for an individual's need may need to be delivered at a different cost point to another individual's need for the same type of service. A single item in a service list may require different levels of skills, qualifications and scope of practice of workers. For example, assisting with monitoring an older person's skin integrity may be able to be delivered by a suitably trained personal care worker, under the direction of a Registered Nurse. Alternatively, it may require the services of an experienced Registered Nurse.

It is unlikely that the assessor will have the necessary skills to determine which level of qualification is needed, as a clinical assessment will be needed to determine this.

COTA Australia supports the trial of the single assessment tool and training for and capability of the new assessment workforce through a shadow assessment process, for a defined period. We support shadow assessment of integrated tool alongside current tools for a period of at least three months.

In addressing these potential service complexities, flexibility to meet consumer choice and need, value for money for the consumer, transparency of service information and service outcomes for the consumer should be paramount.

Capacity and capability of the assessment workforce

The assessment workforce should have the capacity and capability to identify and scope the care needs of the consumer and match these to appropriate services and levels of care. This includes:

- enabling the participation of specialists in geriatric medicine and geriatricians and nurse practitioners experienced in aged care.
- training in cultural competency to meet the needs of consumers with diverse characteristics and backgrounds
- the ability to assess consumers' disability and health needs from an individuated perspective
- supporting meaningful consumer participation in the assessment process
- access to resources and effective links with interpreters, including Aslan, and options to support people not able to rely on over the phone communication

A key goal of the in-home assessment and support planning process should be reablement and the prevention of functional decline. This is critical to older people developing their most effective support plan, maximising both clinical and quality of life outcomes and enabling them to continue to live at home. The culture or orientation of assessment and support planning services should not be to wait for adverse events or functional decline before responding.

To achieve this there must be a strong partnership between assessors and allied health professionals to support older people to understand, manage, and address a diverse range of conditions and illnesses including improving nutrition, falls prevention, addressing pain, hearing loss, vision loss and mobility, communication, psychological and behavioural symptoms.

Assessment tool and service approach

The assessment tool and service approach will be vital in identifying consumer needs supporting the consumer to determine their support plan. This should include identification of episodic or

ongoing health and wellbeing needs in partnership with the consumer. Assessment should recognise varied consumer preferences related to accessing care partnership services, from self-managed, to shared management, to fully managed support planning. Transparency of consumer experiences and outcomes in support plan implementation will be an important metric in determining the impacts of these varied approaches to care management.

It should be recognised that currently there are delays between assessment determinations and accessing support. Inaccuracies in assessment determinations often require further refinement of assessor generated support plans during the commencement of care partnership services. The timing between assessment and support plan development, and resources being allocated, and services commenced, will provide one indication of how reliable and valid an assessor generated support plan is. The longer the period, the less useful it is.

Clear guidance is needed on circumstances where reassessment is necessary and assessment workforce planning should account for reassessment demand to ensure timely access to these services.

Assessment and local service availability

The development of service types and the capacity of services to be provided to meet needs will be a key aspect to support planning. Unfortunately, current workforce constraints are likely to limit access to some services for consumers and carers. Consumers and carers, along with care management and direct service providers will need sufficient flexibility to adjust support plans to match service solutions accessible in their local care ecosystems.

The primary aim of assessment is to accurately identify consumer needs to inform and partner with consumers to develop support plans. Assessors must also have up to date information about the service availability within the local care ecosystem to ensure they do not set unrealistic expectations with consumers as part of the support plan development. Consumers must be informed at the point of assessment about potential issues related to the implementation of support plans co-designed with consumers.

Service List

COTA Australia supports an enhanced service list approach in the new In-Home Aged Care Program that is responsive to consumer needs and preferences, incorporates support for carers and volunteers and facilitates consumer flexibility to appropriately meet their variable needs.

Service classification can enable clarity for both consumers and providers. A consistent list of services will allow the needs of consumers to be assessed and matched with a quantum of service hours or occasions of service against service types. It should remove the need for consumers to ‘price shop’ from aged care providers and shift the price negotiation to between providers and Government.

There are a range of considerations regarding the service list requiring further consultation including:

- The grouping of services considering factors such as location (e.g., consumer's home or a community venue), worker scope of practice, WHS obligations, and skills, training of individual workers and consumer directed choices for services to be delivered.

- Enabling consumers to reallocate their services including changes on any given day for any service delivered by the same organisation allocated to provide the services, by a comparably qualified and skilled person, and at a comparable price point. For example, a funded hour of domestic assistance delivered by the same provider by a comparable client may on a particular day become a social support funded hour.

- Flexibility and innovation that could include a miscellaneous category that assessors can allocate funds for specific purposes agreed to by the independent assessor and the consumer. For example, paying for a commercial passenger vehicle service rather than a community transport trip. Data analysis of the miscellaneous supports category should inform future evolution of service classification. Clear guidance on how the items in the miscellaneous category are linked to client need should be documented in the support plan.

- The appropriateness of the Service List must be under regular review during the initial few years of the new program, so that

Allocation of the quantum of services by the assessment for individual clients, must include providing for flexible and innovative solutions. This includes allocating to their service provider additional hours of service to allow for the variable and episodic needs of consumers. The calculation of additional hours will be dependent on the final funding design and may start with a flat percentage that overtime is made variable based on consumer profile data.

Goods, Equipment and Assistive Technology (GEAT) and Home Modifications

Goods Equipment and Assistive Technology (GEAT) and Home Modifications is another important element of the In-Home Aged Care Program that is mentioned but not developed in any detail in the discussion paper.

Goods, equipment, and assistive technologies help older people maintain independence and minimise safety risk (to the older person, their family, friends, carers, and care workers) without the need for expensive ongoing services and contribute to reducing the risk of unnecessary hospitalisations.

The need for a national GEAT scheme in home and community care with increased resources, consistent eligibility, and widespread availability is long overdue.

A GEAT and home modifications program should include a strong educative, information and awareness function, developing an independent source of trusted information that enables consumers to understand and locate relevant GEAT products and services.

Funding for GEAT must be bundled with funding for allied health professionals to allow for specialist assessment and recommendations, customisation (where needed), implementation support, training, and reviews. A bundled approach is required to ensure appropriate implementation and utilisation of aids, equipment, and home modifications. Funding amounts for GEAT / Home Modifications will need to be finalised only following specialist assessment to determine the most appropriate recommendations.

The continued expansion and further development of the GEAT/Home modifications program will need to take into account the program's interaction with relevant state and territory laws, along with similar programs regulated in disability, health, and veteran affairs.

The GEAT and Home Modifications program should be regularly evaluated to assess its capacity to provide good consumer outcomes including improving consumer quality of life and potential cost benefits for the delivery of community and home support/care services. Evaluation of innovative solutions to supplement the workforce with GEAT will be important to inform future policy solutions.

Managing Services Across Multiple Providers

COTA Australia strongly supports an In-Home Aged Care Program that enables consumers to choose services between a range of providers across service types.

Services across multiple providers also has the potential to generate incentives for providers to be more responsive to consumer needs and to drive innovation and efficiencies in service delivery

Packaged funds under the In-Home Aged Care Program should be provided to the consumer by the government to access services based on an independent assessment of needs. These funds belong to the consumer. They should not be viewed as provider funding

COTA Australia argues that government, through Services Australia, should be the holder or 'bank' for these funds. We strongly believe that providers should not be fund holders.

In the multiple service provider environment, there should be a shared duty of care and responsibility for older people across services with the Care Partner having a leadership and coordination role.

Quality service provision should include good communication mechanisms between service providers regardless of service type. Improvements in IT capacity will greatly enhance the timeliness of service responses and communication with consumers and between services

resulting in better outcomes.

The system should empower the consumer to be the key actor in care planning and decision making. Their key ally and support in this are Care Partner services. The Care Partner may need to coordinate/facilitate meetings and other communication mechanisms between services involving or on behalf of the consumer.

Older people should have the option to be the chief manager of their own budget. They may delegate some or all this responsibility to the Care Partner service. The Care Partner will have a primary responsibility to communicate funding entitlements to the consumer. The funding holder could also design automated mechanisms to ensure that funding entitlements are adhered to.

A multi-service provider operational and regulatory environment does contain risks for consumers, carers, and their families, particularly for those who have multiple or complex health and personal issues.

The In-Home Aged Care Program is being delivered in a context where the fragmentation and differing roles of services, with criteria and objectives that are not aligned or complementary across the health, aged care, and human services sectors, nor aligned between Commonwealth and State and Territory jurisdictions, makes developing a continuum of care for older people challenging.

System governance and Government leadership will be required to ensure that infrastructure and resource investment supports multi-provider environments. This will include guidance on information provision regarding privacy requirements of sharing client information between providers and setting expectations of responsibility on multi providers.

Other systemic requirements that will strengthen the multi-provider approach are:

- strong legislative protections in the Aged Care Act including provisions enabling the sharing of information between Commonwealth agencies
- clear provider duty of care obligations on registered home and community care providers including any minimum service level requirements
- a robust registration, reporting and data collection system
- a developed and funded Commonwealth cross-portfolio approach to identify and respond to consumers at risk
- a clear IT roadmap and standard to improve the interoperability of information between aged care providers and aged care workers including those from different organisations.
- joined up protocols and data sharing arrangements between Commonwealth agencies and between the Commonwealth and state and territory jurisdictions particularly for at risk consumers.

It is also important to support and provide system wide guidance and information on dignity of risk. Dignity of risk provides an informed and documented forum to consider the goals and needs of the consumer. Consumers may assume personal risks and responsibilities in the informed support plan choices they make. Dignity of risk facilitates a consumer led discussion between key stakeholders to moderate an agreed and risk managed approach to care and service delivery.

The development of new payment arrangements automatically collecting payment data enabling older people to track their budget and manage funds is positive but requires more detail.

Care Partners

Care Partners should be the primary service agent accountable for monitoring outcomes and changes in care needs. In their role, they will work alongside and fully support consumer choices and preferences related to care plan goals. The Care Partner is the service agent that should have the greatest understanding of consumer intentions and service choices with the chief responsibility for service coordination. Communication between Care Partners and consumers is critical. There should also be strong communication between Care Partners and services regarding changing needs.

COTA Australia has long argued that Care Partner services should be independent from service delivery providers and be separate from the services delivered by the In-Home Aged Care Program to maximise service outcomes based on the choices and preferences of older people.

Care Partners should work alongside aged care consumers supporting them to develop a support plan and make decisions about services responding to their assessed needs.

Care Partners should be a suitably qualified professional with the expertise and knowledge to provide quality, evidenced based assessment and care planning, as a part of a multidisciplinary team.

The consumer should determine the level of involvement of a Care Partner. This could range from fully managed care, to shared management arrangements, to full self-management where the consumer only requires minimal contact with the Care Partner. Arrangements between consumers and Care Partners could vary over time.

Care partnership is a valued service and not an administration charge. Administrative rostering under the Quality-of-Care principles should be incorporated into the cost of delivering services and pricing should reflect this. Consumers will need an allocation of care partnership support and funding as part of their support plan. It may be necessary to price care partnership in ways that allow variation in care partnership expertise, aligned to consumer needs.

Care Partners should be responsible for:

- Supporting older people to access services within and outside the aged care system
- identifying and reporting risks for consumers
- acting as an independent advocate, developing a relationship of trust enabling older people to raise concerns about the implementation of their support plan
- supporting older people to conduct reviews of consumer agreements and support plans ensuring that services align with needs
- regular liaison and follow up of consumers.

In a new Support at Home program, a Care Partner should be a key advocate for older people linking them to a range of services within and outside the aged care system. It is important that in supporting the needs and preferences that a full range of service options is explored and accessed. This could include government funded health, housing and human services as well as private, fee-paying services.

The primary measure of success for Care Partners is their capacity to effectively engage with consumers and to support them to make care planning decisions and to achieve their goals and needs as detailed in the consumer's care/support plan. Related to this is the Care Partner's ability to provide timely and appropriate service information and advice to the consumer, relevant to the consumers current circumstances, to inform the consumer's care decisions. For this purpose, the Care Partner should have effective communication mechanisms with providers delivering services to consumers. Accountability and performance measures should reflect the level and quality of engagement has with consumers.

Care Partners can play a leading and coordinating role, on behalf of the consumer, in upholding and maintaining a dignity of risk approach to care. In this framework, consumers make decisions and take on varying levels of personal risk and responsibility in meeting their needs but regularly assess this with support of the Care Partner. Service providers are informed of this and deliver services as detailed in the care/support plan which incorporates the dignity of risk approach. Care Partners would play an active support role when crises occur and transitions in care are required.

It is not the role of Care Partners to ensure service providers are meeting quality standards. However, Care Partners may support and assist consumers to make complaints about service providers, or connect them to advocacy services for this purpose.

Self-Management

The right of older people to self-management should be a **key principle of service delivery and practice in aged care**. It is an integral part of delivering services that put the older person at the centre.

Self-management should be viewed as part of **spectrum of decisions** enabling autonomy, self-

determination, and dignity through levels of choice and control for consumers within an assessment and care plan. COTA Australia's view is the self-management spectrum includes the concept of shared management. All older people and their carers should have the choice to self-manage part or all their care services, or to have them managed for them.

Self-management is currently not actively promoted, supported, and encouraged by most providers, or by the system. Providers have too often demonstrated an inability to change their culture from a 'command and control' approach to a 'customer services and human rights'-based approach.

A genuine partnership between consumers and providers where consumers are informed and active participants in, and drivers of, decision making is an important approach to self-management.

Self-management options will contribute to a greater 'customer service' focus and the process of collaborating with consumers about their care will improve quality of life outcomes for consumers.

Information and advice about the benefits and responsibilities of self-management need to be provided to and understood by the consumer. Self-management involves some work by the consumer and/or their carer and is about the most preferable arrangement for them. Not only value for money but what works best for my life.

To support self-management, providers need to offer:

- Consistent, relevant, and timely information to prepare consumers for self-management
- Clear agreement regarding mutual responsibilities and obligations
- Ongoing support and involvement, in line with Aged Care Quality Standards

There are few risks in the promotion and implementation of self-management, and these can be mitigated through clear processes and by clarifying expectations. It is false and erroneous to refer to self-management as a 'green light' for consumers to purchase whatever they like. This misses the point (and the Service List will deal with the small minority f cases in which this has been an issue).

There is a distinct need for the government to support upskilling and implementation of quality self-management processes with guidelines, resource material, training, capacity building funding and professional development, in partnership with consumers, to ensure that self-management is a key and effective component of the In-Home Aged Care program. Nationally consistent training and practice improvement programs targeting self-management should also be considered, supporting increased awareness and knowledge transfer in how to address the risk and capacity of some older people and their carers to self-manage.

With self-management being an integral part of the In-Home Aged Care program, performance measures should be developed to enable the government to evaluate progress of the implementation of self-managed support plan goals and to inform consumers and providers in their service choices.

Funding Model

The primary goal of the In-Home Aged Care Program should be to deliver high quality service outcomes for older people supporting them to maintain and improve their quality of life. Provider viability and value for money are both important to achieving this goal.

COTA Australia supports in principle the proposed mixed funding model if its central feature is to provide tailored, individualised services based on the choices and preferences of consumers, and that funding decisions and choices are in the hands of consumers and not providers.

We are supportive of the development of the 25% additional pool of funds as a mechanism to meet the diverse needs of consumers. However, within a guidance framework, consumers, with assistance as required for their Care Partner, should have the dominant control over determining the use of these funds. Providers should not drive such decisions, or we will see services being ordered to expend the fund available before expiry. There should also be strong accountability measures to ensure that use of the funding pool meets consumer need and is not de facto incorporated into provider budgets as supplementary funding.

It is also unclear what is envisaged about how allocations from the 25% pool would be utilised across a provider's full range of consumers if the pool is based on the total funds allocated to the consumers utilising that provider at that time. (How that will be calculated when a consumer is using multiple providers is an interesting question.) Will there be individual caps or no limit on how much could be used for a single consumer? We strongly support the additional pool concept but think it needs a lot more work to decide how it is to be used in practice.

Informed user choice empowers older people using aged care services to be actively involved in decisions about the services they use, improves outcomes, empowering older people to have greater control over their lives, enable decision making to meet needs and preferences. It can also generate incentives for providers to be more responsive to users' needs and drives innovation and efficiencies in service delivery.

In an In-Home Aged Care program based on human rights, where older people are at the centre of service delivery, funding for ongoing services should be viewed as 'belonging' to the consumer to enable the implementation of their support/care plan.

The discussion paper states that ongoing services will primarily be delivered on an activity-based funding basis. The paper does not explore the benefits and limitations of this approach in developing the rationale for this decision.

Potential benefits of an activity-based funding model for the In-Home Aged Care Program include:

- Allowing funding integration with residential care
- Enabling funding to be better targeted to consumer needs by facilitating cross-subsidisation via service capacity payment.
- Supporting flexibility for providers to implement adjustments to services in response to changing care-recipient needs while awaiting reassessment
- Ensuring capacity to provide services and individual care activity payments that support choice of provider via transparency measures.

However, there are also potential limitations and risks including:

- Risks flexibility and choice for consumers being limited to only the services included in classification types if limited flexible/innovative service funding is available.
- Classification of services based on a narrow assessment design risks funding being provided on limited measurable criteria e.g., on medical or clinical criteria without sufficient reference to broader health and wellbeing indicators and consumer preferences
- May not be an efficient or effective way to fund single service type or small service providers. Case-mix has generally been designed for large organisations like hospitals.
- May not work with smaller organisations with specific price structures and could have negative impact on national price averages
- Lack of clarity on how consumer entitlement and base care tariffs would work
- Relies on significantly enhanced B2G capability and modernised payment systems, so government must ensure these are in place well in time.
- Requires a clear approach to administrative system costs – data coding and monitoring demands and need for data accuracy.

These limitations and potential issues of concern vary in scale but are not discussed at all in this discussion paper as part of the rationale for an activity-based funding approach.

Other potential funding models such as an enrolment model or voucher system are not explored. Under such a model, older people choose a provider from a selection of a number of pre-approved providers funded in an area through a grants program that allocates 50% of the projected need in an area and leaves the remaining 50% to consumer choice. COTA Australia is not advocating for such a funding model but does seek to understand the decision-making process for the implementation of activity-based funding.

COTA Australia generally supports the fee-for-service payment approach for services and limitations on the use of block funding. The challenge with bock funding is how to make it

consumer responsive and accountable for service delivery that meets the expressed needs of consumers.

Another funding feature that COTA both understands and has some concerns about is the proposal that package funds be allocated on a three-monthly cycle. COTA Australia agrees that the current system has flaws that results in very significant levels of unspent funds. However the reasons for this are far from uniform. The proposed GEAT fund, while still needing more explanation, will remove one of the incentives for "saving" funds. Other reasons for the unspent funds are complex and may not be dealt with by a three monthly cycle, which wil also create its own unintended consequences. In direct discussion with the Department COTA has suggested a rolling three month cycle and is not satisfied that this is not possible.

COTA Australia appreciates and supports the further consultation to occur on thin markets and grants for specialised service types for which alternatives to an activity-based funding system may be needed.

Grant funding for thin markets or specific service types should be developed on a strong evidence base. The discussion paper provides some indication of the type of evidence that might be used but does need further details. An evidence framework or outline could have been provided as part of the paper.

Central to the evidence base should be a definition of a thin market. COTA Australia and the National Aged Care Alliance understand thin markets to include:

- **regionality** where competition may be low due to the cost-of-service delivery across wide geographical areas and/or the additional cost of delivering business in certain locations,
- servicing small **diverse/disadvantaged populations** in particular areas where competition may be low due to target population size, or
- maintaining a **particular service and workforce** where service choice and resources (aka competition) may be low (such as cottage respite care or Geriatricians).

We support the proposal that thin market grants be allocated through a competitive grant process. However, more detail is required on the rationale for five-year funding agreements and minimal reporting requirements. Prima facie COTA believes there should be a core set of reporting requirements and three-year agreements.

Further detail is also required on the proposal for an ad hoc grant process for unforeseen pressures such as workforce constraints or emergencies.

The future of block grant funding, which many existing Commonwealth Home Support Program (CSHP) services have benefited from, is currently unclear. Given the successive roll-over of many service providers from State HACC to Commonwealth HACC and Commonwealth NRCP, DTC and ACHA to CHSP, the temptation for governments to continue current arrangements

without retendering or a competitive selection process should be avoided. It is time to give consumer preference testing much greater influence.

Targeted, evidence-based funding to improve service access and availability to special needs groups including CALD, First Nations, people experiencing homelessness, LGBTIQ should be included.

The need for supplementary grant funding for thin markets and funding for specific service types should be supported by a strong government regional stewardship approach with rigorous data collection processes. There should be recognition and review of important local / regional infrastructure (or 'care ecosystem') that has been established to support older people and can link them to other health and community services. The evidence for supplementary funding should consider a range of factors including:

- all elements of the thin market definition – regionality, diverse populations, specific service supply constraints
- broader health and community service constraints beyond the aged care system
- population and demographic data including projections of frail and more vulnerable groups of older people

COTA Australia recommends that grant funding be reviewed annually. This will strengthen accountability and support the evidence base for funding decision making.

Funding should have a clear evidence-based rationale and reporting requirements should include specific data requirements demonstrating levels of demand and unmet need. Renewal of funding should be regularly opened for retendering and competitive selection processes.

There is not necessarily a clear trend or basis to determine which diverse groups may be at-risk from the shift to activity-based payments. There is some evidence that indicates that smaller standalone services (not part of larger provider network) with a limited number of service activities that are in both metropolitan and regional areas with poor levels of social and community infrastructure could be more at risk. It is likely that there a varying or patchy levels of at-risk services across the country. The development of an improved evidence base supported by regional stewardship should help to paint a clearer picture.

COTA Australia recognises that Aboriginal and Torres Strait Islander people require a bespoke aged care service approach and pathway that is culturally appropriate and includes specific and targeted grant funding for services, infrastructure, and training preferably to Aboriginal community-controlled organisations. COTA Australia supports the recommendation made by the Royal Commission that funding should provide for unique, flexible, and culturally appropriate assessment, care planning and service delivery models, that has been locally co-designed by First Nations people.

User contributions

The paper mentions User Contributions based on capacity to pay but there is no actual discussion of this in the discussion paper.

COTA Australia has long argued, including to the Royal Commission, that the development of a comprehensive user contributions policy is both necessary – because the current arrangements in home care are inconsistent, ineffective and inequitable, but also because an equitable and sustainable policy is needed on sound social policy grounds, including:

- A robust user contributions policy is needed in aged care on intergenerational equity grounds. It is not justifiable that a median income earning family bringing up young children, paying off a mortgage, paying PAYG taxes, should almost completely subsidize through the taxation system the aged care costs of a person with a house worth perhaps $2 million and an income that in real terms may equal theirs.
- Current aged care user contributions policy is inconsistent across different parts of aged care, which is poor Federal Government policy and brings the system into disrepute. Consumers are also aware that the current arrangements are inequitable between aged care consumers. This is not sustainable because it is not defensible. And user contributions should not be individually negotiable between providers and older people, only between consumer sna d government on hardship grounds.

We note that in its Communiqué from its 11 October meeting the Council of Elders has s advised the Minister of "the need for work to be done on clarity, equity, consistency and sustainability of consumer fees and contributions in aged care – the Council offered to work with the Minister and the Department on this."

We also note that in its consideration of its otherwise quite comprehensive response to the Royal Commission recommendations, the previous government developed a User Contributions policy that would have added about $1 Billion per year to the reform agenda, but did not proceed because the Royal Commission had (regrettably - one of its major failings) not offered policy cover, and there was no interest in a bi-partisan approach. COTA would have supported such an initiative.

COTA Australia is also ready to work with government on a User Contribution policy that meets our oft-stated criteria of being:

- Robust in its contribution to the real costs of aged care
- Intergenerationally equitable
- Fair and equitable across all aged care consumers
- Sustainable for both consumers and government
- Encourages planning for aged care as part of retirement income planning
- Does not preclude anyone from access to care on financial grounds, with straightforward access to hardship provisions
- Is not optional for providers to charge but is implemented by government as a condition of its

subsidy

- Is simple to understand for consumers and to administer.

Support Meeting Assessed Need

As noted earlier in this response, COTA Australia is disappointed that the paper did not provide more details on assessment and the interaction of assessment with other elements of the program. Some issues of broader concern regarding assessment include:

- commitment to and focus on reablement and prevention of functional decline
- the partnership between assessors and allied health professionals
- the provision for care partner/linkages services within the assessment model
- enabling the participation of specialists in geriatric medicine and geriatricians and nurse practitioners
- genuine and practical inclusion of carers in the assessment pathway and support plan development
- how the single assessment tool, a service list approach and a pricing model will work in practice.

COTA Australia strongly supports measures to provide additional and flexible funding for consumers.

Flexible or pooled funding should be part of the consumer's individualised funding package. The purpose of the funding is to meet additional or atypical consumer need, and this should be determined by the consumer.

The flexible/pooled funds referenced in the discussion paper refer to funds being held by the provider and the consumer applies or makes a claim to the provider for the funds to be used to meet their needs. The paper states that "service providers would prioritise the use of their flexible funds across all of their clients based on clear guidance and client need."

As stated previously, funds provided directly for consumers should 'belong' to or be 'owned' by consumers. The use of flexible funds is the meet the needs of the consumer as determined by the consumer within the broad parameters and guidelines of the fund. The bank or the holder of the flexible funds should be government through Services Australia and not providers.

COTA Australia is concerned that allocating flexible pooled funds directly to providers will not result in maximising the needs of consumers. It is possible that flexible pooled funds might be used by providers to meet administrative costs or other provider focused requirements. The purpose of flexible funds should not be to address workforce constraints unless it is funding a direct service a consumer needs.

Flexible pooled funds should maximise consumer choice and enable consumers to access

services, goods, and equipment they determine as needing. COTA Australia accepts that there should be reasonable parameters to this and guidance on how funding can be utilised. Data should be collected on all funding requests made by consumers, regardless of whether they are addressed by the flexible pooled funds. This would act as an important information source to understand consumer needs over time.

Innovation and Investment

The introduction of a discussion about innovation and investment is welcomed. This is certainly an area that requires more consultation and the generation of further ideas. The discussion paper provides limited input to this.

It is important to remember that the purpose of encouraging innovation and investment should primarily be to improve health and wellbeing outcomes for older people.

Consideration should be given to developing a definition of innovation or more detail on what the term refers to in relation to In-Home Aged Care.

The provision of adequate funding to aged care providers and greater public transparency of service performance and costs should encourage good providers to take innovative approaches to improve the effectiveness and efficiency of their organisation maintaining a focus on consumer outcomes.

An element of innovation should include the use of Information Technology (IT) by providers to improve administrative systems to enable more face-to-face care time between consumer and care workers.

The proposals to provide reward payments for quality outcomes and implement an annual innovation grants program require more detail and consultation.

Innovative projects and project ideas that involve genuine engagement and co-design with consumers should be strongly encouraged.

Regional and local funding and service innovations involving partnerships across health, community service and care sectors should also be supported.

Ends