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Department of Health and Aged Care  
GPO Box 9848  
Canberra ACT 2601

25 November 2022

To whom it may concern,

**RE: A new program for in-home aged care- Discussion paper**

Merri-bek City Council welcomes the opportunity to provide input into *A new program for in-home aged care - discussion paper*.

Merri-bek, in Melbourne's north, has consistently been home to higher proportions of residents aged over 75 years, compared with the Melbourne and Australian average. Merri-bek City Council provides services to our older population including domestic support, meals, transport, personal care, social support including planned activity groups and home maintenance using Commonwealth Home Support Program (CHSP) block funding.

Merri-bek City Council believes the Commonwealth Home Support Program should be continued permanently and further expanded with recurrent block funding to recognise the program's important role in caring for our ageing population. The continuation of CHSP and block funding will allow councils to continue to provide critical services to older people, and provide continuity of care and service availability for frail older Australians.

Please find following our submission in relation to *A new program for in-home aged care - Discussion paper*.

For further information please contact Ros Pruden, Manager of Aged and Community Support, on 03 9240 1237.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'E Fennessy'.

Eamonn Fennessy  
Director Community

# Submission: A new program for in-home aged care – Discussion paper

November 2022



Merri-bek  
City Council

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**The Commonwealth Home Support Program should be continued permanently and further expanded with recurrent block funding to recognise the program's important role in caring for our ageing population.**

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Councils in Victoria deliver high quality home support services to the community and have been doing so since the 1980s, in some cases even earlier. The unique benefits of local governments delivering services in the sector should be strengthened and built upon. These benefits include:

- **Trust**  
Local government is trusted by the community, has excellent local knowledge and networks and is often the first point of call for impartial advice for older people, particularly with information increasingly moving online.
- **Qualified and stable workforce**  
A more stable and highly skilled workforce, thanks to councils providing better wages and working conditions for in-home support workers, is linked to better services.
- **Commitment to community**  
Councils are committed to delivering services to ALL members of the community, including more complex cases, harder to reach cohorts and diverse communities.

The current consultation, *A new program for in-home aged care – Discussion paper*, and the design of reforms to in-home aged care is based around assumptions that:

- activity-based costing paid in arrears is automatically better
- because price competition is ruled out, it will become a healthy competition amongst providers to give the best quality services.

We don't believe that these assumptions are correct or justified.

***The current consultation should be asking "How do we best build on the strengths of aged care home support services in Victoria and Australia?" Many of these strengths exist in the provision of in-home aged care services by local government and should be preserved and further strengthened.***

## Trust

- Local councils in Victoria have been providing in-home aged care services to their communities for 40 years, in some areas even longer.
- Local residents engage with their local council for many different reasons over their lifetime, developing a level of knowledge about, and comfort and trust in, the organisation.
- Local councils have excellent local knowledge, networks and links to their community including local health providers, volunteers and infrastructure.
- Local councils are often the first point of call for impartial advice for older people.
- Local councils often have strong existing connections with older people in their community, via living and ageing well plans and activities which can provide intelligence, knowledge and insight into the needs of older people in the community.

- There is opportunity use the intelligence from council's experience and connections to pivot and offer relevant new services or make improvements to existing services.

## Qualified and stable workforce

- Government-funded research from 2019 found that 'the most common complaint about home care providers was the high turnover of unqualified, inexperienced and untrained support workers.'
- Merri-bek City Council has a highly qualified permanent home support workforce of 158 equivalent full time (EFT) Aged and Community Support staff (including home support workers and assessment workers) – within this are 85 EFT home support workers. Merri-bek City Council do not employ home support workers on a casual basis.
- Merri-bek City Council's home support workers:
  - have minimum staffing qualifications
  - receive fair remuneration, receiving around \$8 per hour more than private and not-for-profit (NFP) sector workers, and are paid for travel time between different clients – private and NFP workers are not
  - receive extensive training and development programs.
- Via our highly qualified permanent Aged and Community Support staff, council in-home support services are afforded the following:
  - active case management and care coordination
  - higher levels of supervision and client engagement.
- Merri-bek City Council operates from a person-centred approach, working with clients to adjust services to meet their need. This relies on a skilled workforce, which becomes much harder in a program design based on payment of outputs. A model that encourages a person-centred approach and the development of a skilled and consistent workforce would result in a better quality of in-home care service.

## Commitment to community

- Without local government's commitment and responsibility to deliver services to ALL members of the community – including more complex cases, harder to reach cohorts and diverse communities – there is a risk of people falling through the cracks.
- Many councils have a lengthy history and much experience in communication and engagement with diverse, complex and hard to reach communities.
- Councils are often the port of call for more complex cases – cases that don't fit the mould often find it difficult to find a provider in the private and NFP sector, or have difficulty navigating the system.
- Workforce shortages mean clients either cannot access services or have to wait for services. A review of service providers shows that under most service types a majority of providers are not accepting referrals. Clients waiting for a service often contact Council and assessment service for guidance and support.
- Local government feel a great responsibility to our aging community and will more often than not open the door for these people and take on the complex cases, which increases the cost of service, leading to higher subsidies.
- Most or all councils in the in-home support service space are subsidising their care. Local governments subsidise many things - community sport, local parks, local roads – the amount that councils subsidise aged care service delivery is relatively small in this context and in most communities, is wanted, expected and highly valued by the community.
- In 2021/22 Merri-bek City Council:
  - Received Commonwealth CHSP funding = \$6. 38 million
  - Received client user fees (approx.) = \$836,000

- Contributed funding = \$2.59 million – a 26% subsidy.<sup>1</sup>
- Based on performance against targets for CHSP in 21/22, if Council were paid activity-based funding in arrears model based on outputs rather than by service agreement Council would have received approx. \$1.3 million less in CHSP funding (based on where actual delivery against targets was less than 80% in a service type) – requiring a 40% subsidy of services.

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## Proposed model of in-home aged care

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If the Federal Government proceeds with the proposed model of in-home aged care outlined in the discussion paper, the positive aspects and our concerns about the model are outlined following.

### Positives

- Ongoing level of block funding for Social Support Group, Delivered Meals and Transport.
- Based on client capacity to pay – so ideally providers will not be out of pocket for clients who are unable to pay.
- Confirmation of assurance that the National Competition Policy won't be an obstacle to councils being in aged care services.
- Includes greater flexibility to reallocate funds – the current 100% flexibility has been invaluable in enabling councils to be responsive and address emerging needs.
- Proposed system is being designed to meet the full cost of care provision.
- Supplementary grants funding for providers who operate in thin markets. There may be an opportunity to expand this to niche providers such as local government.
- Potentially more equitable funding for Commonwealth Home Support Program (CHSP) providers to acquit client management time, e.g., via Care Partner arrangements.
- Better funding for Delivered Meals that recognises the benefits of face-to-face support and daily deliveries.

### Concerns

- The proposed system is not client friendly.
- There is a risk the proposed system will create more complexity for clients and will strongly disadvantage those who are not technology savvy, creating a bigger digital divide.
- The objective of the changes is to support older Australians in navigating the system – it should be noted that there is already significant frustration with My Aged Care.
- Managing the quarterly budget and service level add complexity for clients.
- Guidelines would be required to manage the equitable access to extra support (via the 25%)
- Services such as personal care and food should be prioritised for use in the 25%

### *No priority for access to services for vulnerable people*

- With current workforce shortages the proposed system does not support any priority of access to ensure that those most vulnerable get the services they need. Rather, similar to the GEAT system, it is designed around a first in best dressed scenario, allowing people to fall through the cracks.
- *Would the Care Partner service be a service type and allocated within the monthly service allocation?*

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– <sup>1</sup> Figures include home care, personal care, respite care, home maintenance, social support individual and group, meals services. Figures do not include assessment services, sector support and development, access and support and home modifications There is also no allowance for corporate overheads in these figures.

### ***No recognition of local government being a valued and trusted provider of services***

- The proposed system does not recognise the importance and value of local government as a provider of in-home care services that is committed to:
  - delivering services to identified complex and vulnerable cohorts, including need for extended care coordination and case management for at risk and hard to reach cohorts, thereby increasing costs.
  - delivering services to older people unable to contribute to cost of service, therefore widening the funding gap between the unit price and the cost of delivering the service.
- Without local government provision to these cohorts, there is potential that these people will 'fall through the cracks' of private providers.
- The cost of service delivery to these cohorts is not acknowledged in unit prices.
- There is no recognition of the additional requirements and processes required by local government that impact the costs of service provision, e.g., council governance, engagement, reporting, procurement.

### ***Payment on delivered service hours does not encourage a consistent high-quality workforce***

- The activity-based funding basis paid in arrears does not encourage a consistent, high quality, engaged workforce – instead it promotes casualisation of the workforce, adding further pressure on an already stretched and depleted workforce, and discourages workers from entering or remaining in the sector.
- A casualised workforce is more likely to experience a higher turnover of staff, which in turn is likely to reduce client choice and satisfaction - we know that clients greatly value continuity of staff, particularly for personal care services.
- The program design is based on payment on delivery; if a service isn't used, even if a worker has attended the clients home to provide services but the service has been declined or not delivered, the service provider does not get paid. This requires the provider to use a more casualised on-demand workforce and makes it difficult for small organisations to have certainty regarding cashflow.
- In contrast, residential aged care continues to be paid even if a person is absent from a bed for a short period of time, recognising the cost in setting up the service regardless of the delivery outcome.

### ***Payment on delivered service hours does not recognise extra costs involved in complex cases***

- Payment based on delivered service hours does not recognise the extra costs involved in the complexity of service delivery to identified complex and vulnerable cohorts, including need for extended care coordination and case management for at risk and hard to reach cohorts:
  - the cost of this service delivery is not acknowledged in unit prices
  - without local government, who are committed to the overall wellbeing of all older residents, there is potential that these cohorts will 'fall through the cracks' of private providers.
- Local Government's commitment to delivering services to older people unable to contribute to cost of service further widens the funding gap between the unit price and the cost of delivering the service.

### ***No clarity around transition to proposed model***

- More information is needed on the proposed timeframes and milestones for preparation and implementation to enable existing providers to schedule in required work.
- The paper does not provide any indicative details on how existing clients would be transitioned, or when key steps for their transition would occur, including any appeals processes on transition outcomes.
- Transition timeframes would need to allow time to facilitate continuing consumer care arrangements where providers choose to exit the delivery of existing services under the proposed Support at Home Program. Workforce supply constraints may delay the timely transition of continuous care in such circumstances.

### ***Limited information on the assessment tool and workforce***

- Further details are required on the qualifications for assessment staff.

- No information has been released on the assessment tool which would be used to determine how much support people receive.
- There is no information on the governance arrangements for the assessment workforce approving support plan allocations. Governance arrangements would need to ensure people can appeal decisions if they think they have been under assessed or are concerned about re-assessment delays.

#### ***Diffusion of responsibility with multiple providers is unclear***

- It is unclear how an individual and provider can manage the individual's service funding allocation and ensure the right services are prioritised and payment for services are still available upon delivery of services.
- It is unclear how program design will diffuse the responsibility for care outcomes across the assessor and service provider in generating and implementing a support plan, as well as the potential fragmentation/loss of continuity of care between different providers where multiple providers contribute to support plans.
- It is unclear how proposed quality indicators can provide meaningful reflections of service quality attributed to a single provider. It is also not clear how the star ratings concept will work in a multi-provider environment relative to star ratings undertaken in residential care.

#### ***Unclear which providers will qualify for grant funding***

- It is not clear what criteria will be used to determine those providers who would qualify for grant funding, noting a competitive grant process is proposed.
- It is not clear whether the grant process targets competition within a market or between markets. There is concern about the impacts on local government in a competitive system and care disruption if unsuccessful providers exit.

#### ***Operation of the flexible funding contingency pool is unclear***

- The operation of the provider held contingency funding pool is unclear.
- Can this only be used to pay for additional units of service or other unplanned client-related costs, such as additional unplanned COVID-19 infection control costs?
- Support plans cover monthly ongoing services levels. Providers and assessors may experience more burden with the need to regularly review the plans (however the 25% may address this).

#### ***New payment platform ICT and interface with My Aged Care/B2G provider software***

- There is a need to build the capacity of IT platform providers to enable them to deliver on the changes.
- The proposed ICT changes seem expensive to build, costly to implement for providers, and unreliable in a way that will cause service disruption when systems are down.
- Provider and software vendor lead times to establish new B2G ICT systems is also an issue.

#### ***Assessment Trial***

- Trial of the assessment tool should include a trial of support plan implementation to pre-emptively identify issues of concern for resolution/risk mitigation prior to proposed program commencement on 1 July 2024.

#### ***Care Partners***

- A level of independence is required for Care Partners and a measure of their performance could be their responsiveness and connected with clients.
- The role of Care Partners would need to be different for short and longer term clients.
- Standard feedback survey questions should be used for Care Partners.

### *Communication and consultation between DHAC and local government*

- Local government holds a vital current role in the delivery of in-home services and communities have an expectation that the provision of these services by local government will continue.
- There is a need for improved and considered communications from Department of Health and Aged Care with local government providers, and ongoing targeted consultation and engagement with local government providers, to ensure their unique position and ongoing viability is considered throughout the reform process.

### *Incentivising innovation and investment*

- Local government is well placed to support local networking and the sharing of information which would help drive projects and foster innovation within the sector.
- Local Government should be provided with funding, such as Sector Support and Development, to help drive innovation and collaboration within the sector.