

Home Care reforms information series

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Welcome to the 16th edition of Leading Age Services Australia's Home Care Reforms Information Series, which is also available on our [website](#) along with previous editions. Please email homecare@lasa.asn.au if you have specific topics or questions you would like addressed in future editions. This newsletter is aimed at informing and supporting members in response to issues that have emerged with the [Increasing Choice Home Care](#) (ICHC) reforms implemented from 27 February 2017.

NACA INTEGRATED CONSUMER SUPPORTS DISCUSSION PAPER

This National Aged Care Alliance (NACA) [discussion paper](#) draws attention to the dynamics that exist for consumers accessing aged care services in Australia as we enter into a maturing open market where greater emphasis is on the responsibilities of consumers to engage with both My Aged Care and service providers.

The discussion paper draws out a key point - that the viability of open markets is dependent on consumer engagement within that market and, thus, there is a need for adequate infrastructure to support consumer engagement with aged care services while the market matures.

Consumers will benefit from support to understand how to navigate the new aged care 'marketplace'. For many consumers the level of support provided through My Aged Care will be sufficient once the aged care market is operating as intended. Until such time, additional infrastructure is required.

The My Aged Care model for consumer empowerment relies on interactions between individual consumers, acting in isolation, and components of the service system as presented on the My Aged Care service finder. In NACA's view, My Aged Care needs to operate in tandem with a model of consumer support that emphasises face-to-face interactions and provides a forum for consumers to generate and promulgate ideas on service types, combinations and innovations that best meet their needs.

In this context, home care providers have been afforded a timely opportunity to innovate at varied levels in responding to consumer support needs. Examples of innovation from the sector include IT platforms and advisory services that support consumer identification and navigation of care preferences, as well as face-to-face consumer concierge services that precede service provision.

The discussion paper also alludes to the development of a framework for integrated consumer supports that can map existing and emerging consumer supports, as well as inform gaps that may exist, to which the market can respond through innovation. LASA supports the development of such a framework, it providing a comprehensive approach to support consumer engagement.

ACFA REPORT ON FUNDING AND FINANCING OF THE AGED CARE SECTOR

The Aged Care Financing Authority (ACFA) recently released its fifth [annual report](#) informing and advising government, the sector and other key stakeholders on funding and financing developments and issues in the aged care sector. A short form version of the 2017 Annual Report has also been prepared, providing a condensed executive summary with a snapshot of key data.

Key points to note include that in 2015-16:

- Government funding for the Commonwealth Home Support Programme (CHSP) was \$1.45 billion, for Victorian and Western Australian Home and Community Care (HACC) programs was \$609 million, for My Aged Care and Regional Assessment Services was \$147.5 million, and for the Home Care Packages Programme was \$1.5 billion.
- Consumers of home care contributed \$160 million towards the cost of their care through basic daily fees and income tested fees.
- Over 640,000 older Australians received care through the CHSP while 285,432 received care through HACC in Victoria and Western Australia and 88,785 older Australians received services through a home care package.
- Home care package occupancy increased over the preceding 12 months for package levels 1, 3 and 4 while decreasing for level 2, which accounted for 66 per cent of all packages, raising questions about the appropriateness of the current allocation of packages across the four package levels.
- Home care package occupancy was lower in remote areas compared to major cities, with significant variation in occupancy rates across the states and territories.
- The length of stay in home care packages differs markedly between package levels. For people that enter into a level 2 package, around half stay at least 1.5 years and around a quarter over 3 years. For people that enter into a level 4 package, around half leave care within a year and a quarter remain in care over two years. Level 1 and 3 package lengths of stay are not reported.
- 75 per cent of home care package providers generated a net profit with earnings before interest, tax, depreciation and amortization (EBITDA) per package per annum being \$2,086.
- While government funding for home care packages has increased 16 per cent in the last 12 months, it is expected that over the next four years, by 2019-20, it will increase another 74 per cent to 2.6 billion.
- Another 62,000 home care packages will be required by 2021-22 in order to meet the target of 140,000 operational home care places by 2021-2022.

In accounting for the demand for aged carer services, the structural ageing of the Australian population over the next 20 years will see the number of the 70 years and over cohort increase by around 1 million people each decade, from 2.6 million people now.