

4 April 2023

Professor Michael Pervan  
Chief Executive Officer  
Independent Health and Aged Care Pricing Authority

Via email: [submissions.ihacpa@ihacpa.gov.au](mailto:submissions.ihacpa@ihacpa.gov.au)

Dear Professor Pervan,

**RE: SUBMISSION ON IHACPA'S DRAFT WORK PROGRAM AND CORPORATE PLAN 2023-24**

UnitingCare Queensland welcomes the opportunity to provide a submission on IHACPA's Draft Work Program and Corporate Plan 2023-24 (the draft plan).

UnitingCare Queensland provides health, aged care, disability and community services to over 430,000 Australians a year as the largest Queensland based not-for-profit employer with 16,500 staff and 6,500 volunteers. UnitingCare Queensland has over 69 years' experience providing in-home care to older Australians in addition to operating 57 aged care facilities as one of the largest aged care providers in Queensland and the Northern Territory.

UnitingCare Queensland would like to bring to your attention the timeframe set out for the Aged Care Pricing Advice 2023-24 in the draft plan (listed at part i of Strategic Objective One). The timeframe in the draft plan indicates that Pricing Advice will be provided to inform government decisions on the new In-Home Care Program in June 2024, less than a month before the program is due to commence. This provides an exceptionally short timeframe for providers to adjust to this reform. UnitingCare Queensland proposes that:

- Two draft deliverables be added to the timeframe, specifically:
  - A public consultation period between April and June 2023 on draft Pricing Advice; and
  - For draft Pricing Advice to be provided to the Minister in July 2023 for consideration and further consultation (if required).
- The final Pricing Advice be provided to the Minister by October 2023 for consideration.

The Government released information in January 2022 that consultation on Pricing Advice would occur for the new In-Home Care Program by March 2022, 15 months

prior to the program's commencement.<sup>1</sup> While the timeframe proposed in our submission is shorter, it should be sufficient for aged care providers to manage changes to their internal operations for the program's commencement on 1 July 2024, provided that the final Pricing Advice is also brought forward and the additional deliverables are included in the final plan.

The Government previously released information on Pricing Advice, including an indicative list of unit costs (prices) under the Commonwealth Home Support Program (CHSP), Home Care Program (HCP) and NDIS in its 'Support at Home Funding Model' paper distributed in April 2022, enclosed in the attachment.

UnitingCare Queensland appreciate your consideration of these issues and looks forward to working with you to implement positive, sustainable change for the aged care sector. Please feel free to contact Daniel Wong, our Senior Manager for Advocacy and Government Relations at [daniel.wong@ucareqld.com.au](mailto:daniel.wong@ucareqld.com.au) or on 0460 298 395 about our submission.

Yours sincerely,



Cathy Thomas  
Group Executive – Aged Care and Community Services  
UnitingCare Queensland

Enc: Support at Home Funding Model Consultations (CHSP, HCP and NDIS unit costs)

---

<sup>1</sup> Department of Health and Aged Care. (2022). *Support at Home Program Overview*. <https://www.health.gov.au/resources/publications/support-at-home-program-overview>



# Support at Home Funding Model

## Support at Home Funding Model Consultations

April 2022

### Current in-home aged care funding arrangements

The Support at Home Program will be replacing the Commonwealth Home Support Programme (CHSP), Home Care Packages (HCP) Program, and Short-Term Restorative Care (STRC). Each of these programs uses a different funding model to pay providers and receive client contributions.

CHSP providers are paid through Commonwealth Government grant agreements. Providers deliver subsidised services to senior Australians using the grant funding. Grant agreements set subsidy rates for providers by specifying the units of service to be delivered with the grant. The services delivered under the CHSP are listed in the CHSP Program Manual.

CHSP clients pay a contribution towards the cost of their services, at an amount which is set by the provider. CHSP clients are expected to contribute towards the cost of their services if they can afford to do so.

Improved Payment Arrangements have recently been introduced for HCP providers. Providers are now paid at the end of each month, for the services and goods that they have delivered to each of the clients in their care. Unspent funds may now be held by Services Australia in a home care account for each client, until the funds are needed. HCP providers set the prices charged against client's packages for the services they offer.

HCP clients contribute to the total cost of their home care package. HCP recipients can pay a basic daily fee and some clients also pay an income-tested care fee, based on means testing.

STRC providers are paid after they have delivered the restorative services to their client, at the end of the eight-week period. STRC providers set their own prices and can charge up to \$12 000 for each restorative episode.

STRC providers can charge clients a contribution towards the cost of each service and good that they provide. Providers and clients come to an individualised agreement, within some caps dependent on pension rates.

## Funding Model proposal for Support at Home

The Support at Home Program is an opportunity to introduce a consistent funding model across all in-home aged care programs to **simplify the system** for senior Australians and providers. One funding model would give all clients the same experience in the new system.

A new program would also be an opportunity to **increase transparency**, by introducing a clear service list and ensuring clients know what they are entitled to receive and what their provider has delivered.

**Value for money** should also be a key objective of a new program. The Support at Home Program Overview proposed a funding model that would only pay for services that senior Australians need and use. One model would reduce back-office costs for providers and ensure they have the resources they need to deliver high quality services, while not leaving surplus funds in the market.

Under a new program, senior Australians and providers will need to have the appropriate **flexibility** to adjust client services to meet changes in their needs, within established parameters. The model proposed includes proposals for this that would also seek to avoid unnecessary reassessment for clients.

A new program is also an opportunity to give senior Australians the option to have multiple providers deliver their care **increases consumer choice** for clients over where they receive their aged care services from.

The Support at Home program should also seek to incentivise providers to deliver quality aged care services to their clientele, with a particular focus on services that meet their unique aged care needs, such as nursing, personal care, and allied health.

[The Support at Home Program Overview](#) (released in January 2022) also proposed that providers who deliver services to senior Australians in thin markets may receive additional funding through a supplementary grants program. Grants would be paid in addition to fee-for-service payments.

### Delivery against a support plan with flexibility to adjust

In the funding model proposed in [The Support at Home Program Overview](#) providers would be able to claim government subsidies on a fee-for-service basis when they deliver services to a client that are included in their support plan. Each client would receive a support plan that specifies the services they need following their aged care assessment.

The model proposed also includes flexibility to adjust services over time as customer circumstances change. Given that minor adjustments may be required as often as weekly in some cases, the proposed model would enable clients to swap their services with others in the same service category.

The funding model also proposed that providers would receive access to additional funding that may be drawn on to meet the changing needs of their clients. It is proposed that these funds be calculated as 15-20% of the total cost of all their clients' support plans. This pool could be used to meet the changing service needs of any client in their care in addition to what is specified on the client's support plan. There would be some constraints around the quantity of additional services that could be provided to any individual client, with the capacity to deliver more intensive additional services where the need is short term, such as when a carer is unavailable.

Funding in respect of this pool would still be paid to providers on a fee-for-service basis as services are delivered using the payment platform.

It is envisaged that the funding pool could operate on a rolling annual basis with adjustments as clients enter service, are re-assessed, or exit service. For example, it could be that there is an annual increase of 15-20% of the value of each clients support plan.

## **Payments based on a service list**

The Support at Home Program Overview Paper proposed that individual support plans would outline the types of services a consumer can access. To improve the transparency for both clients and providers, the services available in the Support at Home Program would be clearly set out in a *service list*.

The service list would include subsidy rates for each service type. The subsidy would reflect all costs of delivering the particular service type, such as

- wages for front-line and back-office staff
- staff on-costs, such as for annual leave, sick leave and superannuation
- costs for supervisors and managerial staff
- overheads for administrative expenses and staff training
- staff time spent on “non-billable” activities, such as travel or administrative tasks
- additional costs for providing service outside of ordinary working hours.

These subsidies plus any client contributions would combine to form the price per unit of service for each service type (noting that arrangements for client contributions have not yet been proposed for the Support at Home program).

This is a change from the way some aged care services are currently funded. For example, under current arrangements for the HCP, providers charge administrative expenses to client packages separately. If a service list with set subsidies is used in the Support at Home program, the administrative costs of delivering each service type would be reflected in the price for that service.

It was proposed that care management – which under current arrangements is charged to a client’s HCP package – would be a separately funded service type for the provision of coordination and clinical oversight.

Prices for each service type may vary for factors such as ordinary hours vs after hours (to cover penalty rates), and potentially by location where there are significant regional cost differences.

## **Invoicing and Payments**

The Support at Home Program Overview proposed the use of a Point of Delivery Payment Platform. The Platform would be able to make immediate payments to providers from the government. Client contributions could potentially also be paid on this basis. It is proposed that the client’s support plan would be available on the Platform, for providers to charge against.

The Platform would facilitate improved data capture, giving providers and government greater insight into services delivered to senior Australians.

The Platform could also give providers the capability to invoice for services immediately after delivery, or batch invoices at a time which best suits them.

## **Clients may choose to have multiple providers**

The Support at Home Program Overview proposed that clients in Support at Home may choose to have multiple providers delivering the services in their support plan. Access to the additional funding pool would be dispersed among each of the client’s providers.

If clients were to have multiple providers, they could choose to have providers who specialise in different fields and best meet their unique needs and circumstances. It would also offer senior Australians increased choice from the single approved provider they must use in HCP.

## **Up-front funding for goods, equipment, assistive technologies, and home modifications**

The Support at Home Program Overview proposed a new scheme for GEAT and home modifications under the new Program, with a separate funding stream and national schemes to be designed.

Under this model, senior Australians would have access to up-front funding to meet their needs for goods, equipment, assistive technologies (GEAT) and home modifications. The proposed model would address the issue that many clients face in forgoing services to 'save up' their HCP funds to purchase GEAT and home modifications.

The approach would identify the need for GEAT or home modifications at assessment, with follow up by an occupational therapist or other professional to determine the level of support where required. A broad range of support would be made available to clients up-front following assessment.

The details of the schemes will be developed through stakeholder consultation in May.

### **Service entitlements do not accrue if not used**

Funding would be made available to senior Australians when needed. Up-front funding to GEAT and flexibility arrangements for providers would assist in ensuring consumers have the resources available to meet their changing needs. Therefore, a client's entitlement to services would not accrue over time. If a client goes on holiday with their family for two weeks and does not require their fortnightly cleaning allocation, this would not accrue as additional domestic assistance for the client (or provider) in future.

### **Supplementary grants program**

The Support at Home Program Overview also proposed that the Program would operate a grants program to provide additional financial support to Support at Home providers who deliver services in thin markets. The grants program would support providers to maintain a standing capacity to ensure continuity of service for clients where there are legitimate reasons for demand being low or inconsistent. For example, grants would be paid in circumstances where the loss of a provider would leave a gap in the market which could not be filled. Examples of grant recipients could include providers who are

- Operating in regional, rural, or remote areas
- Offering services to a specialised market, including cohorts in urban settings with diverse or unique needs

Providers who are recipients of the supplementary grants would receive the grant in addition to fee-for service payments.

See Attachment B for more information.

## **What we've heard from stakeholders so far**

### **Importance of flexibility**

- Providers, peak bodies, and senior Australians have continued to reiterate the need for a funding model which ensures appropriate flexibility to meet changes in consumer needs, without frequent reassessments.
- Consumers have raised concerns about the flexible funding being controlled by providers.
- Providers have sought more specifics to understand how flexible funding would work in practice.
- Consumer peak bodies have noted that specifying prices for each service type may limit the ability for a single staff member to deliver multiple services to a client.



### **Price setting compared with market prices**

- The funding model proposes to set subsidy rates to pay providers for each service on the Support at Home service list, and does not specify how client contributions would operate (given this is yet to be considered by government). Providers have expressed concern about:
  - fixed prices preventing competition and/or innovation.
  - the incentives for workers to move between aged care and disability if there is disparity in prices.
  - knowing what prices are well in advance of implementation.
- Both providers and consumers have sought to understand how client contributions would be determined and whether they would be set by government or service providers.

### **Fee for service/supplementary grants vs block funding**

- Services with high fixed costs or providers who offer group services, which continue to be available regardless of the number of clients who receive the service have raised concern about a fee-for-service model
- Providers have sought more information on the size and eligibility for supplementary grants, concerned that there may not be sufficient grant funding for the volume of services supporting thin markets.
- Providers have raised concerns about perverse incentives from fee-for-service funding, such as cherry-picking easy to service clients to maximise income
- The Support at Home Alliance has proposed an alternative fixed and variable funding model to maintain a guaranteed income stream for all existing service providers

### **Episodic services like care management and specialised support services**

- Providers and consumers have highlighted that some services are episodic in nature and not well suited to being funded on a fee-for-service basis or specified as a monthly entitlement in a support plan.
- Care management and specialist support services, such as dementia advisory services, have been highlighted as needing a more flexible approach to allow for episodic care needs that may be intensive for a short period, dropping to very little or no support required between times.

### **Client contributions**

- Providers, peak bodies, and senior Australians have asked how client contributions would work in the new Program.

### **Consumer Directed Care**

- Some senior Australians and their representatives have expressed concerns about the inability to save funds or swap between all service types under the proposed model.

## Unit Costs in CHSP and HCP

Under the proposed Support at Home Program, subsidies would be paid per unit of service. While the Department does not have prices to consult on, a data study of providers delivering in-home aged care services has developed indicative unit costs that can be compared to grants under CHSP and NDIS prices. The table below shows:

- **unit costs derived by Health Consult in a study of 71 in-home aged care providers** (attributes actual costs including salary, admin, travel regardless of revenue source);
- **the grant unit ranges that are being used for 2022-23 CHSP grants** (excludes consumer contributions); and
- **The published 2021-22 NDIS price guide** for similar services.

Service type	Unit	In-home aged care derived unit costs (ordinary hours) <i>Health Consult 2021-22</i>	CHSP grant unit ranges: excludes client contributions (ordinary hours) <i>ACIL Allen 2022-23</i>	NDIS Price Guide <i>2021-22</i>
<i>Allied Health (Clinical)</i>	Hour	\$139	\$95-\$125	\$156-194
<i>Assistance with Care &amp; Housing</i>	Hour	\$83	\$61-\$97	\$57 <sup>1</sup>
<i>Care Management</i>	Hour	\$90		\$65 <sup>2</sup>
<i>Digital monitoring, Education &amp; Support</i>	Month	\$125	New service	
<i>Digital Technology</i>	Service	\$125	New service	
<i>Domestic Assistance</i>	Hour	\$78	\$48-\$61	\$51
<i>Home Maintenance</i>	Hour	\$90	\$53-\$75	\$49 <sup>3</sup>
<i>Meal Delivery</i>	Service	\$18	\$7.50-\$13	
<i>Meal Preparation</i>	Hour	\$76	\$25-\$41	
<i>Nursing</i>	Hour	\$108	\$104-\$129	\$153 <sup>4</sup>
<i>Personal Care</i>	Hour	\$81	\$51-\$68	\$57
<i>Respite Care</i>	Hour	\$64	\$27-\$67 <sup>5</sup>	
<i>Social Support Group – per client</i>	Hour	\$16	\$17-\$27	\$20 <sup>6</sup>
<i>Social Support - Individual</i>	Hour	\$75	\$39-\$60	\$57 <sup>7</sup>
<i>Specialised Support</i>	Hour	\$196	\$76-\$118	
<i>Transport</i>	One-way Trip	\$43	\$18-\$36	

<sup>1</sup> Assistance with Self-Care Activities – Standard – Weekday Daytime

<sup>2</sup> Capacity Building and Training in Plan and Financial Management by a Plan Manager

<sup>3</sup> House or Yard Maintenance

<sup>4</sup> Delivery of Health Supports by a Nurse Practitioner - Weekday Daytime

<sup>5</sup> Range represents prices for Centre-based respite, Cottage respite and Flexible respite.

<sup>6</sup> Group Activities In The Community - 1:4 - Standard -Weekday Daytime



## Support at Home Program Grant

The Support at Home Overview paper proposes to have a grant program available to provide additional financial assistance to Support at Home providers.

The purpose of this grant would be to support providers to deliver ongoing client care in situations where:

- there are legitimate reasons to expect client numbers to be too low, inconsistent, or dispersed to enable the recovery of costs through fee-for-service arrangements
- there are emerging supply shortages in local and regional areas for support at home aged care services

The intended outcome of the grant opportunity would be to ensure the availability of appropriate support at home aged care services for senior Australians where there is a genuine risk that such services would not be available under the fee-for-service subsidy payment model.

## Funding available

The maximum amount available per provider would depend on a business case demonstrating the need for funds beyond fee-for-service payments.

It is proposed that grants be paid quarterly in advance. It is proposed that to receive the grant, applicants would be required to provide justification that includes:

- Why the funding is required eg high fixed or up front outlay, low, inconsistent, or dispersed client numbers
- Who the client base is and what the impact on them would be if the funding is/isn't provided, including for example the availability of alternative service providers
- Where the services are being delivered
- How the funding will be used, does it represent value for money

## Options for the grant opportunity

The grant opportunity could have options for longer term recurrent grants as well as ad hoc grants, paid in quarterly in advance.

It would be expected that all providers registered as approved Support at Home service providers would be eligible to apply.

## Eligible expenditure

The grant funding can be used to support business expenses to ensure the ongoing delivery of services.