

# National Seniors

Australia

**Submission in Response to the overview paper  
on the proposed legislative amendments to the  
*Aged Care Act 1997***

December 2012

## **About National Seniors Australia (National Seniors)**

With a quarter of a million members Australia-wide, National Seniors is the consumer lobby for the over-50s. It is the fourth largest organisation of its type in the world.

***We give our members a voice*** – we listen and represent our members' views to governments, business and the community on the issues of concern to the over 50s.

***We keep our members informed*** – by providing news and information to our members through our Australia-wide branch network, comprehensive website, forums and meetings, bi-monthly lifestyle magazine and weekly e-newsletter.

***We provide a world of opportunity*** – we offer members the chance to use their expertise, skills and life experience to make a difference by volunteering and making a difference to the lives of others.

***We support those in need*** – as a not-for-profit organisation, we raise funds and redirect monies received to older Australians who are most in need.

***We help our members save*** – we offer member rewards with discounts from over 7,000 business across Australia, we offer discount travel and tours designed for the over 50s, and we provide older Australians with affordable, quality insurance to suit their needs.

### **Contact:**

National Seniors Public Affairs, Level 18, 215 Adelaide Street

Brisbane QLD 4001

P: 1300 765 050

F: (07) 3211 9339

E: [policy@nationalseniors.com.au](mailto:policy@nationalseniors.com.au)

W: [www.nationalseniors.com.au](http://www.nationalseniors.com.au)

## Table of Contents

<b>Recommendations .....</b>	<b>1</b>
<b>Introduction .....</b>	<b>3</b>
<b>Residential Care .....</b>	<b>4</b>
Improving choice in relation to types of care and services .....	4
Fairer means testing for care fees .....	5
Flexibility and choice in paying for accommodation costs .....	8
<b>Home Care .....</b>	<b>10</b>
Greater choice and control in home care .....	10
Fairer means testing arrangements for home care packages .....	10
<b>Improved governance and administration .....</b>	<b>12</b>
<b>Other proposed consequential or administrative changes .....</b>	<b>13</b>
<b>Attachments .....</b>	<b>14</b>
<b>Conclusion .....</b>	<b>14</b>
<b>References .....</b>	<b>16</b>

## **Recommendations**

1. National Seniors recommends that providers be obligated to provide clear plain English explanations to recipients of aged care services prior to 1 July 2014 and who are contemplating leaving care for longer than 28 days, of the new arrangements that would apply to them in the event of their re-entry to residential or home care after 1 July 2014.
2. National Seniors recommends that the Government produces fact sheets in consultation with consumer groups in order to explain and clearly list the thresholds for income and asset tests and the hierarchy of payments that may be required of recipients for Home Care and Residential aged care services (details as outlined in the submission).

The information should be presented in a variety of formats eg. text, graph, line charts to cater for the variety of ways in which people comprehend information.

3. National Seniors recommends that the Government closely monitor the effectiveness and level of the dementia and veterans' behaviour (mental health) supplement in residential and home care and that eligibility for the behaviour supplement be widened to include all recipients with an assessed need for mental health support.

## **Residential care**

4. National Seniors recommends that the Australian Government Department of Health and Ageing Fact Sheet *Living Longer Living Better – Fairer means testing arrangement for residential care* be amended to contain a note in plain English that the value of the family home is set at \$144,500 (2012 prices) when determining the reduction in the daily Government accommodation supplement ONLY.

The fact sheet should then note that the provider and the prospective resident may have a separate discussion regarding any higher level of the accommodation payment (in addition to the calculation to reduce the Government's accommodation supplement).

5. National Seniors recommends that the Australian Government develop a plain English fact sheet in consultation with consumer groups outlining the approved arrangements for accommodation payments in residential care from July 2014 across Levels 1 – 3 and clearly indicating the equivalence of the Level 1 higher threshold with the maximum Government accommodation supplement (indexed).

The mechanism of calculating the Daily Accommodation Payment (based on maximum permissible interest levels) and the setting of Refundable

Accommodation Deposits thresholds based on percentiles of current accommodation bonds should also be explained in plain English.

### **Home Care**

6. National Seniors recommends that the impact of the requirement for part-pensioners and self-funded retirees in receipt of Home Care services to pay 50% of their income in care costs up to the full cost of care or a cap amount be evaluated and adjustments made if necessary to ensure that their quality of life is not significantly affected.
7. National Seniors recommends that the list of key fields from which membership of the Aged Care Quality Advisory Council may be drawn should include members with expertise in the financial management of community and residential aged care services
8. National Seniors also recommends that the review after four years of the *Living Longer Living Better* changes should include specific measures of satisfaction levels of consumers and quality of life indicators.

## **Introduction**

National Seniors welcomes the opportunity to comment on the proposed amendments to the *Aged Care Act 1997*, required to implement the *Living Longer Living Better* reform package.

National Seniors members and older Australians continue to voice their preferences and concerns regarding the current and proposed arrangements for aged care services. Thus our comments are provided from the perspective of recipients of services, in their home and in residential aged care facilities.

National Seniors notes the wide scope of reforms to aged care services and the commitment to support people to remain in their own home as long as possible. This is supported by responses of participants in research and reflects community expectations of age-friendly design and community support.<sup>1 2</sup>

National Seniors 2012 report on a survey of 1,800 members revealed that their biggest concern about getting older was the value of their savings and investments not keeping up with inflation. This was followed by being unable to receive proper care when they are no longer able to look after themselves and thirdly by not being able to maintain a reasonable standard of living for their rest of their lives.

National Seniors believes that it is essential that *those who cannot afford aged care are properly looked after because we don't believe money should be the criterion for receiving quality care.*<sup>3</sup>

National Seniors also welcomes the proposed increases in Home Care packages of 40,000 in the next five years and 80,000 by 2021-22. However it is clear that the need for aged care services in the community and in residential care will continue to rise as the population ages and baby boomers move into the older age groups and require care.<sup>4</sup>

National Seniors appaulds the commitment that the current funding arrangements for home care recipients or residents in care on 1 June 2014 will be retained and that no resident will be required to change their payment methods, unless they leave their care for longer than 28 days, apart from hospitalisations. We also support the capacity for any recipient who moves to another provider to opt to change to the new arrangements.

---

<sup>1</sup> National Seniors Australia. 2012. *Aged Care Reform: What Our Members Think. 2011 Survey Report*. Productive Ageing Centre: Canberra.

<sup>2</sup> Presentation to Urban Design Challenge for 2030. 2012. *Urban Spaces and Assisted Living for Older Australians*. Michael O'Neill: Melbourne.

<sup>3</sup> National Seniors Australia. 2012. *Media release. Money Worries Top List of Concerns for Older Australians*. Michael O'Neill, CEO: Brisbane.

<sup>4</sup> Australian Bureau of Statistics. 2012 *Media Release Happy 65th Birthday Baby Boomers*. Australian Government. Canberra.

Many of the changes proposed under the *Living Longer Living Better* reforms are welcomed by consumers. However there is insufficient information at this stage to understand the implications of some of the changes for providers and recipients of aged care services. This is particularly important when recent research indicates that only 54% of residents in residential aged care were happy with the standard of service.<sup>5</sup>

National Seniors agrees with the inclusion of rules and calculators for subsidies and fees in the Act, eligibility for supplements in the Principles and income and asset thresholds and supplement values listed in Ministerial Determinations to allow for bi-annual indexation, consistent with Centrelink arrangements.

## **Residential Care**

### **Improving choice in relation to types of care and services**

The removal of the distinction between low and high care and the decision that most approvals for aged care, regardless of level will become non-lapsing and non-limiting is welcomed.

Changes to the *Quality of Care Principles 1997* specified care and services are supported and National Seniors will continue to provide input to the consultation with stakeholders. The arrangements for extra services status are supported, including the removal of the Government's 25% charge on extra services.

National Seniors agrees that the prices for additional amenities will be negotiated between the resident and the provider. The increased flexibility in the provision and purchase of additional amenities and services will allow providers and consumers to benefit and tailor services to individual choice thereby supporting consumer directed care.

It is noted that providers may have to limit the time periods for which consumers can opt-in or opt-out of services to ensure economies of scale and ongoing supply. There is also a possibility that the optional additional amenities and services will increase in price as providers seek to meet their ongoing operating costs with the withdrawal of their ability to retain monthly retention amounts from accommodation bonds.

- 
1. National Seniors recommends that providers be obligated to provide clear plain English explanations to residents who are in care prior to 1 July 2014, and who are contemplating leaving care for longer than 28 days of the new arrangements that would apply to them in the event of their re-entry to residential aged care after 1 July 2014.
- 

---

<sup>5</sup> December 2012. *Media Report Dissatisfaction with aged care*. Menzies-Nous Australian Health Survey report.

---

This is consistent with the requirement to provide such disclosure to residents who opt to adopt the new arrangements when their move is within the 28 day period.

---

National Seniors is very supportive of the choice offered to residents to shift to the new arrangements if they move to another residential aged care facility within the 28 day period. The Act will require the new facility to fully inform residents of the implications of such a choice, as recommended above for people leaving care for longer than 28 days.

### **Fairer means testing for care fees**

National Seniors is supportive of the combined income and assets means testing to deliver a more equitable method of calculating the *relevant means tested amount* which represents the capacity of residents to contribute to the cost of their care.

We also support the exclusion of acceptable assessable income (low income threshold similar to the age pension amount) and asset free areas (at 2.25 times the basic age pension amount) from this calculation, and consider that this provides a safety net to allow people to continue to live with dignity and a measure of financial independence.

### Accommodation payments

The following comments include the announcement on 21 December 2012 by the Honourable Mark Butler MP, Minister for Mental Health and Ageing of the new arrangements for providers to charge residents for their accommodation costs through a lump sum or periodic payment.

The continued exclusion of the family home from the combined means test if supported residents are in place is supported. This will mean that many residents whose main asset is the family home and who are assessed as low income will have an accommodation supplement paid by the Government.

The decision to remove the accommodation supplement from the list of primary supplements to other supplements is supported as this allows for the first payment by a resident (with capacity to pay) to be a reduction to the Government's accommodation supplement (up to the maximum payable by Government to the particular facility). Where the supported residents ratio is <40% the 25% discount to the accommodation supplement is supported as these providers would have other opportunities to generate income to maintain their infrastructure.

However it is very confusing to consumers for the Government's Fact Sheet *Living Longer Living Better – Fairer means testing arrangement for residential care* to state that the value of the family home will be capped at \$144,500, in



order to determine a resident's ability to pay for their accommodation.<sup>6</sup> In reality this cap is specifically referring to the reduction of the accommodation supplement paid by the Australian Government and does not apply to the accommodation payment to be negotiated with the provider.

In practice it is very likely that some prospective residents will sell their family home in order to pay the Refundable Accommodation Deposit or equivalent Daily Accommodation Payment agreed with the provider.

- 
2. National Seniors recommends that the Australian Government Department of Health and Ageing Fact Sheet Living Longer Living Better – Fairer means testing arrangement for residential care be amended in plain English to contain a note that the value of the family home is set at \$144,500 (2012 prices) when determining the reduction in the daily Government accommodation supplement ONLY.

The fact sheet should then note that the provider and the prospective resident may have a separate discussion regarding any higher level of the accommodation payment, in addition to the calculation to reduce the Government's accommodation supplement.

---

The current plethora of service status criteria which dictate the levels of accommodation supplement paid by the Government will continue in the new arrangements. It is hoped that over time all facilities will move towards the higher standards of service status and there will be a gradual reduction of differences in payment of accommodation supplements. The ability of consumers to compare residential care facilities is affected by this need to compare, not only cost but also standard of facilities.

### Care payments

Older Australians have consistently reported that they are willing to pay for some or all of the cost of their care, dependent on their capacity to pay.<sup>7</sup> National Seniors also fully supports the requirement that no resident will pay more than the cost of their assessed care: *the maximum a person can pay in a means tested care fee is the total cost of their care*<sup>8 9</sup>.

The new dementia and veterans' behaviour (mental health) supplements providing a 10% increase in supplements on 1 July 2013 are welcomed.

---

<sup>6</sup> Australian Government Department of Health and Ageing Fact Sheet *Living Longer Living Better – Fairer means testing arrangement for residential care*: Canberra

<sup>7</sup> National Seniors Australia. 2012. *Aged Care Reform: What Our Members Think. 2011 Survey Report*. Productive Ageing Centre: Canberra.

<sup>8</sup> Australian Government. 2012. *Living Longer Living Better*. Department of Health and Ageing: Canberra.

<sup>9</sup> Australian Government. 2012. *Overview of proposed changes to the Aged Care Act 1997 and related legislation*. Department of Health and Ageing: Canberra.

However the dementia and veterans' behaviour supplements need to be closely monitored to determine the effectiveness of care and the appropriate level of supplement and the level of unmet need for mental health support among all residents.

- 
3. National Seniors recommends that the effectiveness and level of the new dementia and veterans' behaviour (mental health) supplements be closely monitored and that eligibility for the behaviour supplement be widened to include all residents with an assessed need for mental health support.
- 

We support the annual cap of \$25,000 and lifetime cap of \$60,000 (indexed) in care fees paid for residential care and the inclusion of earlier home care fees in calculation of the lifetime cap. This will protect residents who receive care for a longer than average period of time from escalating ongoing costs, where their relevant means tested amount and/or assessed care requirements are high.

#### *Comments on presentation*

Presentation of information relating to payments for residential aged care in the overview is extremely difficult to comprehend. The following comments suggest ways in which the changes to the Act could be presented in a more consumer oriented manner.

The overview proposes to create a new chapter in the Act for the resident fees and payments, following the chapter on Government subsidies and with significant cross-referencing between the two chapters.

National Seniors supports the creation of a separate chapter for resident fees and payments but is not supportive of the current order and presentation of information.

The order of the explanations in the Overview of amendments to the Act is very Government-centric and the Government subsidy section presents reductionist principles by discussing rules and calculators for reducing Government subsidies and supplements through residents' contributions.

Essentially the same rules and calculators are then re-presented to determine a residents' ability to contribute to their care. However the language switches from the negative reductions in the Government subsidy section to the positive input of resident fees and charges in the latter section.

The chapter on Government subsidies needs to focus on the rules for establishing care subsidy levels separately and then indicate that care subsidies may be reduced if residents means tests indicate they are able to contribute to their care.

The current style of presentation may be necessary for legislative clarity in the Act but is highly inaccessible to, and low in comprehension for the normal

consumer. A very high level of economic and health literacy is required to interpret and understand this information.

- 
4. National Seniors recommends that the Government produce a Fact Sheet in consultation with consumer groups in order to explain and clearly list the thresholds for income and asset tests and a hierarchy of payments that may be required of recipients of residential aged care services.

The information should be presented in a variety of formats eg. text, graph, continuum charts to cater for the variety of ways in which people comprehend information. The residential care case study provided in the proposed legislative amendment site is an example of one format for presentation.

The proposed residential care fact sheet should reference the Basic Daily Fee, reduction in Government subsidies because of the recipients' payments eg the priority reduction in the Government's accommodation supplement up to the maximum of the Level 1 accommodation payment, followed by reduction of daily care subsidies because of resident payments of fees to the maximum level of care provided, including extra services and optional additional amenities and services, and additional accommodation payments within levels 2 and 3 that may be negotiated with the provider.

---

### **Flexibility and choice in paying for accommodation costs**

National Seniors supports the Minister's announcement of 21 December 2012 that accommodation payments will be structured across three broad price levels, with the thresholds of Level 1 similar to the maximum level of the Government's accommodation supplement from 1 July 2014 and Level 2 set at approximately the 88<sup>th</sup> percentile of current accommodation bonds, rather than at the 95<sup>th</sup> percentile as recommended by the Aged Care Funding Authority. The requirement for Level 2 thresholds to be reviewed after three years with annual examination by the Aged Care Funding Authority will assess appropriateness of these levels as implementation proceeds.

The terminology chosen to describe the new accommodation payments, namely Refundable Accommodation Deposits or the equivalent Daily Accommodation Payments is a welcome step in clarifying the conditions under which consumers will make these payments.

National Seniors is supportive of the requirement on providers to obtain pre-approval of Level 3 accommodation payment values, on Ministerial determination. The rights of providers to ask residents to pay higher payments for higher status services is recognised.

However we are particularly pleased that the rights of consumers are supported by the requirement on providers to publish prices for all room types in advance and a self-assessment of their Level 2 accommodation payments against the

same guidelines to be developed for pre-approval of Level 3 Accommodation payment values.

National Seniors also welcomes the 28 day Choice of Payment Method Period which means that providers will not be able to choose residents based on their ability to pay a large lump sum Refundable Accommodation Deposit. This will need to be closely monitored over the first three years.

- 
5. National Seniors recommends that the Australian Government develop a plain English fact sheet outlining the approved arrangements for accommodation payments from July 2014 across Levels 1 – 3 and clearly indicating the equivalence of the Level 1 higher threshold with the maximum Government accommodation supplement (indexed).

The mechanism of calculating the Daily Accommodation Payment (based on maximum permissible interest levels) and the setting of thresholds based on percentiles of current accommodation bonds should also be explained in plain English.

---

#### Overall comments on resident payments

Consumers still face considerable confusion with regard to the mechanisms for calculating their liability for charges as provided for under the Act, Principles and Ministerial determinations. Currently presentation of this information is located in different sections of the *Aged Care Act 1997* and the overview document and in different fact sheets relating to the *Living Longer Living Better* reforms.

For example, the order of changes to the Act focuses first on the reduction of Government care subsidies, then on residents fees and charges and finally on flexibility and choice in accommodation payments. The order appears to reflect the historical development of the sector and internal departmental arrangements rather than a consumer directed care focus.

Such presentations do not reflect the consumer focus proposed for *Living Longer Living Better* reforms and the related shift to Consumer Directed Care. It is essential that consumers are given plain English summaries including a comprehensive overview and a number of scenarios in Government fact sheets.

National Seniors believes it is essential that the order of payments asked of the care recipient are explained in a fact sheet and clearly listed as a hierarchy.

The order needs to include basic daily fees followed by recipients' payments which effectively reduce the Government's subsidies (accommodation and other supplements and assessed care fees) and all types of charges/payments should be presented visually eg graphically and in text to ensure that comprehension is improved for consumers and their families and carers.

## **Home Care**

### **Greater choice and control in home care**

The proposed changes to Home Care to offer 4 levels of care from 1 July 2013 are welcomed. The introduction of Level 1 Basic Care and Level 3 Intermediate care to complement the existing Community Aged Care Packages (CACP) at Level 2 and the Extended Aged Care At Home (EACH) Level 4 will allow a continuum of care to be responsive to the changing needs of older Australians while they are supported to remain at home.

The assessment of needs at two categories of care (Level 1 -2 OR all levels) and the non-lapsing approvals will make best use of limited assessment resources.

National Seniors is pleased with the addition of a dementia supplement across all levels based on assessed need and the removal of the EACH Dementia package. We believe that this arrangement reflects the changing care needs of older Australians living in the community.

However the restriction of the behaviour supplement to veterans with diagnosed mental health conditions is not reflective of the levels of mental health conditions among older Australians in the community. Many current providers of community care report that they are providing more frequent visits and higher support to clients with dementia and mental health conditions without an appropriate funding allocation for that service.

- 
6. National Australia recommends that the Government closely monitor the effectiveness and level of the dementia and veterans' behaviour (mental health) supplement in Home Care and that eligibility for the behaviour supplement be widened to include all recipients with an assessed need for mental health support.
- 

National Seniors supports the proposals to include details of home care in the principles (including types and care of services and the behaviour supplement) and determinations (values of packages and supplements indexed bi-annually), as proposed for residential care.

### **Fairer means testing arrangements for home care packages**

The new arrangements will commence 1 July 2014, 12 months after the introduction of the new Home Care packages. Care costs for the four levels of care or components of care in each level require careful consideration to ensure that packages remain viable and affordable. Evaluation over the first two years of the program should allow for early corrections as required.

The costs of home care include a basic daily fee (17.5% of the basic age pension) to be paid by the majority of care recipients plus care costs which are dependent on the assessed care needs and the means tested income of the

recipient, with additional care and services as agreed between the recipient and the provider.

The option for recipients to opt in and out of additional services supports consumer directed care and allows providers to offer a wider range of services where demand is present.

National Seniors supports the Government's commitment to pay care costs for those residents whose total assessable income does not exceed the total assessable income free area (based on the age care pension as for residential care) or who are eligible for the new hardship supplement. However if the care recipient's total assessable income exceeds the total assessable income free area, then the care recipient is required to contribute to their care costs.

National Seniors notes that the resident contribution to their care is never higher than the assessed cost of that care and that there are protections in place to cap the annual contributions to care for part-pensioners or older Australians whose incomes are higher than the assessable free income area (age pension equivalents).

The requirement on care recipients to pay 50% of their income above the assessable income free area in care costs until the full cost of care or an indexed cap is reached is supported on the condition that the impact of this arrangement is evaluated on an annual basis. Trials of the new packages and consumer directed care will inform this evaluation.

The caps on care contributions of \$5,000 (for part-pensioners) and \$10,000 (for self-funded retirees) whose assessable incomes fall respectively below the maximum threshold equivalent of \$43,186 for single part-pensioners or above that maximum threshold for self-funded retirees, should allow part-pensioners and fully funded retirees to maintain a level of independence while also contributing to their care costs.

- 
7. National Seniors recommends that the impact of the requirement for part-pensioners and self-funded retirees in receipt of Home Care services to pay 50% of their income in care costs up to the full cost of care or a cap amount be evaluated and adjustments made if necessary to ensure quality of life is not significantly affected.
- 

The changes to the Act follow a similar process to that utilised in the changes to residential aged care, with a focus first on reductions to the Government care subsidy through resident contributions to their care in the form of an income tested care fee.

- 
8. National Seniors recommends that the Government produces fact sheets in consultation with consumer groups in order to explain and clearly list the thresholds for income tests and the hierarchy of payments that may be required of recipients for Home Care services.

The information should be presented in a variety of formats eg. text, graph, continuum charts to cater for the variety of ways in which people comprehend information. The Home Care case study provided in the proposed legislative amendment site is an example of one format for presentation.

The Home Care fact sheet should reference the Basic Daily Fee, the Government's Basic Daily (care) Subsidy, primary and other supplements which may be reduced by recipients' contributions and any extra services and optional amenities and services.

---

The portability of care costs to count towards the lifetime care cap of \$60,000 if a Home Care recipient moves in or out of residential care is welcomed and provides a measure of security for residents and their families.

### **Improved governance and administration**

National Seniors supports the establishment of a new Aged Care Pricing Commissioner as a statutory position on 1 July 2014 and a new Australian Aged Care Quality Agency as a statutory body under a new Act on 1 January 2014 to replace the existing Aged Care Standards and Accreditation Agency Ltd.

The Aged Care Pricing Commissioner is a welcome reform to enable independent decisions on pricing of accommodation payments to providers of residential care including those above Level 2 approved by the Minister, approval of extra service fees and other functions. However the lack of Commissioner oversight of pricing levels for optional additional amenities and services requires monitoring.

The establishment of an Aged Care Quality Advisory Council with seven to 11 members with relevant experience across key fields should include members with financial management of aged care community and residential services. The inclusion from 1 July 2014 of quality assurance for Home Care in the scope of work for the Quality Agency in addition to residential care will provide consistent and independent oversight of all aged care services.

Amendment of the Act to provide for a review after four years of the reform changes and a report in the fifth year is welcomed. However the suggested list of considerations for the review needs to explicitly include satisfaction levels of consumers and quality of life indicators.

- 
9. National Seniors recommends that the list of key fields from which membership of the Aged Care Quality Advisory Council may be drawn should include members with expertise in the financial management of community and residential aged care services

National Seniors also recommends that the review after four years of the *Living Longer Better* changes should include specific measures of satisfaction levels of consumers and quality of life indicators.

---

### **Other proposed consequential or administrative changes**

National Seniors supports the proposal to consolidate several of the current 22 Principles for simplicity of use and to remove duplication of information. In particular the proposal to include all fees and subsidy information into one set of Principles and all eight Grants Principles into one set of Grant Principles is supported. The inclusion of technical data relating to significant refurbishment in the Principles is also supported.

The arrangements under consideration for ensuring that Refundable Accommodation Deposits are appropriately insured is strongly supported as this protection is of considerable importance to the security of assets of older Australians.

National Seniors supports the consequential amendments including the changes to deal with providers who are considered to have given false or misleading information related to Aged Care Funding Instrument (ACFI) appraisals and subsequent suspensions, and changes related to the treatment of sanctions related to accommodation payments made by residential care recipients to providers.

The requirement to appoint people with more specific skill sets and experience to administrator and adviser panels is supported to ensure the most effective assistance to providers in providing quality care to consumers.

The amendment to ensure that flexible care subsidy is paid on the basis of places allocated to a provider rather than places actually occupied at any one time is supported as it is in keeping with the intent of provision and availability of flexible aged care in a Multi-Purpose Service.

The expansion of grants to support community visitors to make contact with care recipients of home care services in addition to recipients of residential care is supported as it is in line with the *Living Longer Living Better* focus on enhanced home care and consumer directed care.



## **Attachments**

A Summary of means testing arrangements for residential care subsidy and fees

B Examples of application of rules relating to accommodation payments

C Summary of income testing arrangements for Home Care

Comments previously provided in relation to the need for information to be presented in a format that significantly improves comprehension also hold for these appendices.

## **Conclusion**

National Seniors appreciates the opportunity to provide comments on the proposed amendments to the *Aged Care Act 1997* and looks forward to continue working with the Government to ensure provision of aged care services that are timely and appropriate to the care needs of older Australians.

Our recommendations focus on:

- improving the communication regarding means testing to determine capacity of recipients to pay for their aged care services, the variety and hierarchy of charges residents may be asked to pay and conditions on recipients of aged care services who were in care prior to 1 July 2014;
- monitoring the effectiveness of arrangements under the *Living Longer Living Better* reforms;
- measures for inclusion in the four year review of the *Living Longer Living Better* reforms; and
- suggestions for selection of Aged Care Quality Advisory Council members

National Seniors strongly recommends the development of fact and information sheets in consultation with consumer groups that provide clear and accurate explanations of the application of the income and assets test in determining recipient contributions to the cost of residential and home care services. The treatment of the family home requires much greater clarity, in determining the reduction to the Government accommodation supplement and the final accommodation payments set by the providers of residential aged care services.

National Seniors notes that several related initiatives will complement the reforms covered under amendments to the Act. Establishing a centralised aged care data clearing house at the AIHW from 1 July 2013 and the commitment to expand the ABS Survey of Disability, Ageing and Carers and conduct it every three rather than six years from 2014-2015 will contribute to the review and ongoing enhancement of aged care services.

The development of national aged care quality indicators and a rating system for posting on the *My Aged Care* Website from 1 July 2014 for residential care and from 1 July 2016 for home care are especially welcomed by National Seniors as a means of providing consumers with readily available comparisons of services.

Although not the focus of these amendments, the new Home Support program to commence 1 July 2015 should further enhance support to keep people in their home and reduce current inequities of access and inefficiencies in delivery.

National Seniors research indicates that two in three people aged over 50 intend to remain in their current home as they age, however 36% live in a home that does not have design features suitable for elderly people. Around 29% of mature age people say they will not be able to afford the changes required to make their home more age-friendly. The most common changes include hand rails (65%), toilet/bath/laundry modifications (57%) and ramps (51%).<sup>10</sup>

Although ageing in the community is strongly preferred by mature age Australians, previous research indicates that about 28% of males and 46% of females will be admitted to residential care at some point after the age of 65<sup>11</sup>.

The current reforms are applauded as a first step in ensuring that older Australians are supported to age in place and stay at home for as long as possible and that their entry into residential aged care is as stress free as possible for them and their families and carers.

---

<sup>10</sup>

<sup>11</sup> National Seniors Australia and Group Homes Australia. 2012. *Where Will I Live as I Age? Senior Australians' Needs and Concerns about Future Housing and Living Arrangements*. Productive Ageing Centre: Canberra.

## References

Australian Bureau of Statistics. 2012 *Media Release Happy 65th Birthday Baby Boomers*. Australian Government. Canberra.

Australian Government. 2012. Fact Sheet *Living Longer Living Better – Fairer means testing arrangement for residential care*. Department of Health and Ageing: Canberra

Australian Government. 2012. *Living Longer Living Better*. Department of Health and Ageing: Canberra.

Australian Government. 2012. *Overview of proposed changes to the Aged Care Act 1997 and related legislation*. Department of Health and Ageing: Canberra.

National Seniors Australia. 2012. *Aged Care Reform: What Our Members Think. 2011 Survey Report*. Productive Ageing Centre: Canberra.

National Seniors Australia. 2012. *Media release. Money Worries Top List of Concerns for Older Australians*. Michael O'Neill, CEO: Brisbane.

National Seniors Australia. 2012. *Presentation - Urban Design Challenge for 2030. Urban Spaces and Assisted Living for Older Australians*. Michael O'Neill: Melbourne.

National Seniors Australia and Group Homes Australia. 2012. *Where Will I Live as I Age? Senior Australians' Needs and Concerns about Future Housing and Living Arrangements*. Productive Ageing Centre: Canberra.

December 2012. *Media Report Dissatisfaction with aged care*. Menzies-Nous Australian Health Survey report.