National Seniors
AUSTRALIA

1 November 2024

Department of Health and Aged Care
GPO Box 9848
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Department of Health and Aged Care – Aged Care Rules 2014 Stage 1 release – Service List

National Seniors Australia (NSA) welcomes the opportunity to provide feedback on the Aged Care Rules Stage 1 - Service List (Rules), outlining the care and services that will be available to older people under the new Aged Care Act.

NSA is the leading advocacy organisation for older Australians, and through our research and advocacy activities, we work to improve the wellbeing of all older Australians.

The Federal Government's new Support at Home Program responds to the recommendations from the Royal Commission into Aged Care Quality and Safety. It also addresses Principle 1 of the Aged Care Taskforce, to support older Australians to live at home for as long as they wish and can do so safely.

The proposed pricing model for the Support at Home service list will transition funding away from a market-based approach to set price caps for approved services, similar to the National Disability Insurance Scheme (NDIS) pricing model. This is significantly different from the current model, which does not control price but uses mechanisms, such as pricing transparency, to curtail providers from setting abnormally high prices.

As highlighted in the NSA submission to the Independent Health and Aged Care Pricing Authority (IHACPA) Support at Home service list 2025—26 consultation paper, NSA supports the move to greater control over the pricing of home care services on the basis that home care is not a perfect market, among other reasons.

However, we acknowledge the shift to capped unit prices could cause disruption for providers and affect the availability and quality of home care services if the caps are set too low and could lead to price gouging if set too high. Price caps could lead to unintended consequences like those seen in the NDIS. To avoid challenges like those in the NDIS, it is essential to ensure a transparent and adaptable pricing mechanism for the support-at-home model.

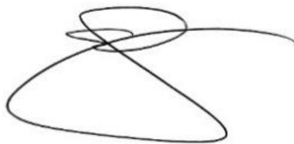
Our submission raises the following issues for consideration by the Department in defining the service list for the Support at Home program:

- Caps on domestic services should be variable to reflect differences in need
- Personal care services associated with functional decline should be classified as clinical and fully subsidised
- Loading should be applied to all services to account for travel time and cost; and to attract workers and providers in regional rural and remote areas and other thin markets.

Further details of these recommendations are provided below for your consideration.

Thank you for the opportunity to provide a submission and we welcome any further consultation opportunities.

Yours Sincerely



Chris Grice

Chief Executive Officer

Caps on domestic services should be variable to reflect differences in need

Currently, the draft service list applies caps to sections 36 and 38 to restrict the number of hours that a recipient can receive subsidised domestic services (e.g., gardening and cleaning), which are related to everyday living. There is a cap of 52 hours for general household cleaning and 18 hours for gardening. This applies equally to all older Australians, which neglects the needs of older Australians with high needs. We recommend that caps be applied in a more nuanced fashion, taking into account the needs of the client as assessed by an independent assessor, to incorporate a degree of variability in these restrictions.

The proposed limits on light cleaning and gardening are specifically designed to restrict subsidy only to the most necessary, however we are not aware of any evidence used to set these limits. Domestic support should be set in way that it meets the needs of older Australians, however these needs will vary from person to person. Some people will require less than the cap and others may require more than the cap, depending on their circumstance.

We are not suggesting that someone with a large property should be provided with additional support to manage this property, as that would be unfair, but we are suggesting that a person with higher levels of impairment or frailty may require additional support relative to a person with limited impairment or frailty and this should be reflected in the caps on subsidised domestic assistance, such as gardening and cleaning.

Acknowledging the diverse needs of individuals who require more or less support is crucial to ensuring the system is fair. Therefore, the level of assistance provided must be tailored to differentiate based on each person's unique circumstances. By doing so, we can ensure the established limits effectively address individual requirements.

Personal care services associated with functional decline should be classified as clinical and fully subsidised

In the new Aged Care Bill 2024, services are classified as different types to facilitate means testing. This is a significant change from the current service model.

Services will be classified as either Clinical, Independence or Everyday Living. Under the new classification model government will cover the full cost of clinical care services and individuals will share the cost of services focused on independence and everyday living.

While National Seniors supports this approach, in principle, in practice we are concerned that some services, such as personal care services (e.g., assistance with activities like bathing, dressing, and grooming) have been misclassified as Independence and not as clinical care.

Personal care services are designed to integrate seamlessly with clinical care, ensuring significant improvements in both quality of life and service efficiency for older Australians. Personal care services are fundamental for many older Australians and are a response to changes in physical and mental capacity (e.g. age-related disability, frailty or dementia).

We believe certain personal care services (e.g., assistance with activities like bathing, dressing, and grooming) should not be classified as "independence" as they emanate from changes to a person's functional capacity and should therefore be treated the same as they are in the NDIS (and in hospital settings) and be funded by government.

We are concerned the categorisation and cost-sharing approach may discourage some older Australians from accessing necessary care. The segmentation could inadvertently limit support for those needing daily personal assistance due to the added cost implications, potentially leading to unmet care needs. While this might be a good fiscal outcome for government, it will be a negative outcome for the wellbeing of older people.

In practice, there can be overlap between personal and clinical care, significantly when personal assistance impacts health, such as managing hygiene for individuals prone to infections or assisting individuals with chronic conditions. Including personal care services within the clinical care category would provide a holistic approach to individual well-being, but the current framework treats them as distinct cost areas, which could limit the flexibility for providers to blend services effectively.

Loading should be applied to all services to account travel time and cost and to attract workers and providers in regional rural and remote areas and other thin markets

We have several concerns about "loading" in the service list. These are preliminary, as the consultation draft lists the details of the loadings as "to be confirmed" and will be dependant on the recommendations of IHACPA.

While only transport and meals appear to attract loading, we are hopeful that an appropriate loading for regional and remote areas will be incorporated into the base price for other services as part of the work by IHACPA. We do not want a situation where a care recipient in a remote area receives a reduced service because increased travel costs have not been reflected in the price (for instance, an allied health professional needing to travel to provide care).

Loadings should account for both the time a worker takes to travel to and from a client, but it should also include the additional cost required to encourage workers and providers to supply services in regional and remote areas. These are two distinct aspects of loading that should be carefully considered.

The NDIS Pricing Arrangements and Price Limits 2024-25 provide is a useful reference with regards to loading. It recognises the need for differentiated price caps as a mechanism to bolster the supply of services in thin markets, setting a higher price in the short and medium term than the long-term efficient price to encourage market entrants and expansion.

For example, the NDIS pricing arrangements have the following price caps for a psychologist:

- NSW, VIC, QLD, ACT $ 222.99
- WA, SA, TAS, NT $ 244.22
- Remote $ 341.91
- Very Remote $ 366.33

We welcome the announced thin market grants but believe these would work best alongside appropriate pricing levels as the supply of Support at Home services grows.

In addition to a regional loading, we also believe that loadings should be applied to account for time-of-day. Under the NDIS pricing there are 21 different rates for each level of nursing for each of the regional loadings: a weekday daytime/evening/night rate, Saturday, Sunday, and public holiday rate.

While subject to separate consultation with IHACPA, we wish to reiterate our concerns here about the limited details available about how IHACPA will calculate the price caps and account for the above issues.

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