

Aged Care Reforms – Glenelg Shire Council

Frequently Asked Questions

Updated: 20 February 2023

What is happening?

Glenelg Shire Council (the Council) has determined on an in-principle basis that it will not extend its agreement to provide funded home and community-based services for older people beyond 1 July 2023.

This decision applies to services funded under the Commonwealth Home Support Programme (CHSP), the Victorian government funded Home and Community Care for Young People Program (HACC PYP) and Regional Assessment Services.

Council has not made a final decision and there is no change to current services.

A final direction will be confirmed at an open Council on 28 February 2023.

The in-principle decision has been taken to initiate a period of consultation and engagement with clients and families, affected staff, community, and other stakeholders. This feedback period will close at 5pm on Friday 10 February 2023.

If Council confirms its decision to withdraw, a new provider or providers will be appointed by the Commonwealth and Victorian governments towards the middle of 2023.

Council is committed to ensuring the interests of clients, families, carers, staff, and the community are understood and protected.

Will the service change?

Services to the Glenelg community will continue to be funded to the same level and will be delivered under the same quality standards that apply to Council and all other providers.

The only change will be that Council will no longer be the provider of services and a new provider or providers will be appointed.

Specialised service providers may have different ways of supporting delivery, but these must be equal to or above current standards.

Continuity of service is an important principle in ensuring quality of care.

Why is this change happening?

Council is a funded provider of services on behalf of the Commonwealth and Victorian governments, this has been an important and long-term role for Council.

Over the past decade there have been significant reforms in the aged and disability services sector, this includes:

- Government needing to find the most efficient and effective model of service to meet very dramatic increased demand for aged care and disability services
- A commitment by government to introduce a standard national approach to the delivery of aged care and disability services
- A shift to a model of care where the consumer controls their own care, including who will deliver it and when and where it is delivered
- Government response to the recommendations from the Aged Care Royal Commission

Council has assessed its current aged and disability service model and believes that it will be unable to adapt to meet the requirements of the future model. The key drivers of Council's in-principle decision are:

- Council currently operates under a block-funded program, it is paid in advance and there is predictability and certainty regarding the program
- Council has been a provider of 'entry level' services and the future program is designed so that the service adapts to the changing needs of the client rather than the client being handed over to a new provider
- The future model will rely on a regulated market approach and activity based; payment will be made in arrears once services are delivered
- Council is a high-cost provider and sustaining services requires a significant ratepayer subsidy, under the future funding model it is undesirable for Council to subsidise services when there are other non-government providers who do not require an operating subsidy
- Government introducing greater choice and control for clients means the availability of multiple providers who will be competing on quality and cost for new clients
- Council has previously operated in a virtual monopoly arrangement and does not have the organisational capacity to transition into a client-centred, flexible, and more commercial model of operating
- Council is operating in an increasingly constrained financial environment and subsidising a program of another level of government is not in the public interest and does not make sense, services will be delivered to the same standards without the need for a ratepayer contribution

The CHSP program will transition to the *Support at Home* program in mid-2024 and Council believes that a planned and well-managed transition to an alternative provider during the 2023 calendar year is in the best interests of clients and community.

When will the change occur?

If Council confirms its decision, there will be no change in the way services are delivered until at least 30 June 2023.

An important principle is that a future transition to a new provider is resourced and carefully managed to avoid service disruption to clients and families.

If Council decides to withdraw from home and community care services, there will be a carefully managed transition of clients to a new provider appointed by the Commonwealth from 1 July 2023.

The exact date is not known and will ultimately be determined by the Commonwealth and Victorian governments.

Council has advised the Commonwealth and Victorian governments of its in-principle decision and that it will confirm its direction in February 2023.

Who will provide services?

Services to the same standard will continue to be funded by the Commonwealth and Victorian governments and delivered by a newly appointed provider operating under the same quality and compliance arrangements that have applied to Council.

If a potential successor provider is nominated, there will be a series of discussions to agree a comprehensive transition plan to minimise disruption for clients and ensure that risks are identified and effectively managed.

Council will keep community updated on progress, but all announcements regarding the identity of the new provider will be made by the relevant funding agencies.

Council's commitment is to work constructively with the appointed provider(s) and proactively identify and manage risks throughout the transition process.

What happens to Council staff?

Council recognises and values the long-term commitment of its staff who have worked in the home and community care program for many years or even decades.

If Council confirms its decision to withdraw from service provision most positions currently required to support coordination and delivery of services will not be required and will be declared redundant.

Council is committed to meeting all industrial obligations and staff occupying impacted positions have protections and entitlements under its Enterprise Agreement.

Counselling, vocational advice, and transition support will be available to all affected staff. Internal redeployment opportunities will be explored where appropriate.

Affected employees that cannot be redeployed will be entitled to a retrenchment benefit.

It is anticipated that up to one-third of staff will likely choose to retire at the time of their departure from Council.

There is a national shortage of qualified workers across disability and aged care and there is therefore there will be high demand for workers. Council will provide coaching and support for career transition.

Which other Councils have made this decision?

Most Victorian councils have decided to transition out of some or all funded home and community support services.

Councils in recent times that have made decisions include Southern Grampians Shire Council, Loddon Shire Council, Macedon Ranges Shire Council, City of Ballarat, City of Greater Bendigo, Campaspe Shire Council, Hepburn Shire Council, Golden Plains Shire Council, Moorabool Shire Council, Mildura Rural Council and Greater Shepparton.

What is Council's ongoing role for older people?

Council will continue to play an important role in strategic planning and advocacy on behalf of its community. This includes ensuring the community has equitable access to services and that clients living in rural parts of the shire will not be disadvantaged.

Council will seek to play an ongoing monitoring role following the transition.

Council will also explore its broader policy role for older people through Positive Ageing, Age Friendly Communities.

How is Council going to support families and clients to transition to a new provider?

If Council determines to transition out of its role delivering home and community-based services for older people it will advise the Commonwealth and a successor provider will be nominated.

A comprehensive transition plan will be negotiated between Council and the successor provider and this will include a comprehensive assessment of risks as well as the roles for each organisation in supporting a successful transition.

The types of issues that will be included in the transition plan include:

- Ensuring clients with vulnerabilities are identified and special arrangements are in place to meet their specific needs
- Processes for direct individual communication with clients and families and processes for swiftly handling questions or issues as they arise
- Ensuring appropriate coordination, and communication processes between Council, successor provider, and the Commonwealth
- Meeting health information and client privacy compliance requirements
- Timing or staging of the transition to mitigate risk to clients and assure business continuity

Once a transition plan is agreed, the Commonwealth will approve the arrangement and timing will be confirmed.

The Commonwealth is responsible for all public announcements regarding the appointment of a successor provider.

Clients will be encouraged to report or raise issues:

- Directly with the Home Support program through normal communications channels
- With their direct care worker who will ensure the matter is recorded with the Home Support Office, or
- Through the Glenelg Shire Customer Service team

The Home Support Program and Direct Care staff are very aware of the needs of clients and will work hard to avoid disruption to services.

If Council confirms a decision to exit, what will happen in the first 12 months?

If Council confirms its decision to exit from its role as a provider of home and community-based aged care services at the end of February 2023, it will advise the Commonwealth and a successor provider (or providers) will be nominated.

There will be no immediate change to services and Council will continue in its current role as provider of Commonwealth Home Support (CHSP) and Home & Community Care for Young People (HACCPYP) services.

There will be a short period where the nominated successor provider and Council will meet and negotiate agreement on a comprehensive transition plan.

Once this planning is completed, the Commonwealth will advise a formal date of transition for services. This might be 1 July 2023, but it might be a later date depending on factors beyond Council's control.

In the 8-to-10-week period leading up to the transition date there will be a lot of work completed to ensure service information is appropriately packaged and able to be handed over. Council and the successor provider will work hard to transfer all clients successfully with special attention paid to more vulnerable clients.

As from the agreed transition date all clients are formally registered with the successor provider and will continue to receive the same services as they did from Council.

In the next 12-months, prior to the commencement of the Support at Home program on 1 July 2024, all services will continue to be provided by the appointed successor provider under the Commonwealth Home Support Program (CHSP).

Arrangements for moving clients onto the Support at Home program are yet to be finalised but to avoid disruption it is likely to be staged over a transition period. Given there are nearly one million older Australians receiving services under the CHSP program the last thing that the Commonwealth wants is wholesale disruption.

When the Support at Home program is fully implemented:

- Clients will have a full reassessment of needs to identify a package of funding to purchase activities from a range of local providers
- Clients will be able to choose to continue with their current provider with greater control over how and when services are provided
- Several providers will have rights to provide services to the Glenelg community therefore providing additional options for clients

Why does Council believe they cannot be competitive operating under the proposed Commonwealth system?

Council currently operates as a block-funded provider of home and community-based services on behalf of the Commonwealth and Victorian governments.

The aged and disability reforms implemented over the past decade are moving to service systems based on three key design and operating principles:

- Consumer choice and control – allowing consumers choice between several providers and control over how and when the service is provided
- Regulated competition – having several providers operating across broader geography drives quality and efficiency and avoids risks associated with having a single provider of all services
- Integration between service types and the health system – ensuring quality providers adapt to the changing needs of clients rather than having to be handed over

The drivers of Council's in-principle decision are:

- Council currently operates under a block-funded program, it is paid in advance and there is predictability and certainty regarding the program
- Council has been a provider of 'entry level' services and the future program is designed so that the service adapts to the changing needs of the client rather than the client being handed over to a new provider
- The future model will rely on a regulated market approach and activity based; payment will be made in arrears once services are delivered
- Council is a relatively high-cost provider and sustaining services requires a significant ratepayer subsidy, under the future funding model it will be unlawful for Council to subsidise services when there are other non-government providers who do not require an operating subsidy
- Government introducing greater choice and control for clients means the availability of multiple providers who will be competing on quality and cost for new clients
- Council has previously operated in a virtual monopoly arrangement and does not have the organisational capacity to transition into a client-centred, flexible, and more commercial model of operating
- Council is operating in an increasingly constrained financial environment and subsidising a program of another level of government is not in the public interest and does not make sense, services will be delivered to the same standards without the need for a ratepayer contribution.



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There is an essential public interest question associated with this decision in that Council's continuing subsidy is not required to support service delivery to the community. Glenelg Shire Council requires a \$20 per hour ratepayer subsidy for every hour of in-home service provided. This subsidy is not required if the service is delivered by another non-government provider.

- The Commonwealth have accepted full responsibility for policy, funding, and delivery of an integrated aged care system
- They have determined that a completely new system design is required to meet the aged care needs of older Australians
- Council is responding to the decision of the Commonwealth and the design principles outlined for the new system
- Council does not believe it has the capacity or the qualifications to operate effectively under the future aged care system
- The Commonwealth spends over \$20 billion per year and has developed several hundred efficient and effective non-government organisations to deliver on its behalf.

Why are we going through this process now and not in 12 months, if the new system only commences July 2024?

The Commonwealth have advised of a preference that participation in the 2023/24 financial year extension of the CHSP should be based on the organisation wanting to operate in the future Support at Home program.

The 2023/24 year will be used for service and system preparation and transition activities, and these would be wasted if the provider is ultimately not going to participate in the new system

A further influencing factor is that Council can have greater control over the transition process this year rather than being caught in a wholesale transition of services at the end of June 2024.

Local government role in delivery

In the early to mid-1980s most Victorian Councils were engaged in the design and establishment of the Victorian Home & Community Care system. This was a highly integrated program involving the Commonwealth, Victorian and local governments cooperating to deliver an innovative entry-level home and community-based service system.

The rule of thumb in the first few decades was that local government would contribute up to 20% of the cost, clients would make a small contribution, and the Commonwealth and Victorian governments would fund the rest.

Over the next 40 years most councils continued in the role and plays an important part in local coordination with other funded partners (usually community health or small non-government organisations).

From the mid-1990s there were several councils that determined to contract out the delivery role but maintain the funded agreement responsibility, assessment, and some of the community-based service roles.

It is estimated that 90% of Victorian councils retained prime responsibility for coordination and delivery of HACC services in their municipality as of 2010.

The aged care reforms were agreed in 2011 and have been progressively implemented since 2015:

- The NDIS roll out was initiated in 2016 and completed in 2020 – this resulted in many clients transitioning from HACC
- The CHSP (Commonwealth) and HACC-PYP (Victorian) programs were established
- Assessment in Victoria was delivered through a model very different to the rest of Australia
- CHSP was to be fully transitioned to a new system by mid-2018 but has been the subject of five extension periods.

Over the past seven years most Victorian councils have decided to transition out of service delivery and focus on broader policy objectives for its older citizens. There is no central database of local government participation in the service despite survey efforts over time by the Municipal Association of Victoria.

Two or three Victorian councils have communicated that they will seek to transition into Support at Home, these have generally been services operating at scale that have previously moved into Home Care Packages, nursing, and allied health.