

4.8 Update on Community Sector Reforms

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Attachment(s)	<ol style="list-style-type: none">1. Aged care 5 pillars over 5 years2. Phases of aged care reform3. Positive ageing and wellbeing programs and initiatives for seniors

EXECUTIVE SUMMARY

The purpose of this report is to provide a contextual update to Council on sector reforms in aged care, National Disability Insurance Scheme (NDIS) and community care services for younger residents.

RECOMMENDATION

That Council note the context of current and emerging sector reforms in aged care, National Disability Insurance Scheme (NDIS) and community care services for younger people.

COUNCIL & WELLBEING PLAN

This aligns with the Council and Wellbeing Plan, in particular:

Theme 3: A flourishing, healthy and connected community.

- Strategic Objective 3.3: A community in which people from all generations, backgrounds and abilities can access local services.

Theme 3: A flourishing, healthy and connected community.

- Strategic Objective 3.2: A resilient and confident community where everyone connects and is supported.

GOVERNANCE PRINCIPLES

Section 9 of the *Local Government Act 2020* states that a Council must in the performance of its role give effect to the overarching governance principles. This report aligns with principles B, D, G and H which are:

B. Priority is to be given to achieving the best outcomes for the municipal community, including future generations;

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D. The municipal community is to be engaged in strategic planning and strategic decision making;

G. The ongoing financial viability of the Council is to be ensured;

H. Regional, state and national plans and policies are to be taken into account in strategic planning and decision making;

RELEVANT COUNCIL DECISIONS AND POLICIES

- Positive Ageing Strategy 2020-2025
- Disability Inclusion Plan 2018-22 (under review)

At the Council meeting held on 14 December 2021 Council resolved to:

Cease delivery of in-home aged care services at 30 June 2022; and

Through its budget processes, commit a significant contribution to positive ageing and wellbeing programs and initiatives on a yearly basis.

DISCUSSION**Purpose**

The current and emerging sector reforms across the aged care, National Disability Insurance Scheme (NDIS) and community care for younger residents' sector is complex and evolving. This report provides a contextual update and key considerations for Council as the reforms progress.

Background

In response to the Final Report of the Royal Commission into Aged Care Quality & Safety, the Commonwealth Government released its response to the Commissioners recommendations and a blueprint to guide its national reform of the aged care service system. The "Five Pillars over Five Years" plan (Attachment 1) provided the scope of ambitious change to be implemented over a five-year period 2021-2025.

The Commonwealth's roadmap to implement change has remained true to this plan and the reform of the national aged care service system continues at pace, with further significant changes to be introduced in 2024 and active reform of the community based aged care sector to continue through to at least 2027 (Attachment 2 – Phases of aged care reform).

In late 2023, two key reports were released to guide further reform of the national disability service system. The Final Report of the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability was released in September 2023 and the Final Report of the Independent Review into the NDIS was released in December 2023.

Both reports provide a range of recommendations to inform the further reform of the disability service system and to guide the strengthening of the community-based disability service model. The Commonwealth Government is expected to provide a response to these recommendations this year and it is anticipated this will provide guidance regarding the further reform of the national disability service system.

Historically, Victorian Local Government has played a significant role as funder, planner and provider of home and community focussed aged care and disability services in partnership with the Victorian and Commonwealth Governments. The introduction of the National Disability Insurance Scheme (NDIS) in 2015 and the transition of Home and Community

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Care (HACC) services to the Commonwealth Home Support Program (CHSP) in 2016 activated a significant change in the role and function of Victorian Local Government in the provision of home and community-based services to older people, people with disabilities and carers.

The progressive reform of the aged care service system over the last eight years has fundamentally changed the role of Victorian Local Government in the Aged and Disability Service systems, with further change requiring Councils to consider their best future role and focus in response to these reforms regarding to the needs and priorities of their communities.

The introduction of significant change in 2024 will further influence and impact Local Governments role as a provider of funded aged care and disability services to eligible people living independently in their homes and community.

New Aged Care Act and Quality Standards

As part of the 2021 Royal Commission into Aged Care Quality and Safety, one of the many recommendations was for a completely new Aged Care Act to be developed. The Commonwealth released the new Draft Aged Care Act (Act) which is due to be passed into legislation on or after July 2024.

The new Act will enable the Commonwealth to introduce significant change to the funding and design of the aged care service system. Importantly, for the first time the CHSP will fall under the Act and providers of these funded services will be required to meet the responsibilities and obligations required of approved providers under the Act. The introduction of new Aged Care Quality and Safety Standards will be embedded into the new Act and will require approved and new aged care providers to meet the requirements of these standards to achieve and maintain provider registration.

The new legislation has received mostly positive sentiments providing the foundation to support delivery of a high-quality care across a varied range of aged care services, providing a single assessment entry point with clarity of criteria, adopting a rights-based approach for older residents and a risk based regulatory model.

The passing of the new Act will facilitate the expansion of the aged care provider market under current program arrangements, with the Commonwealth confirming their intention to expand the CSHP provider market progressively from July 2024 to address unmet service need and to offer enhanced choice to eligible older people.

Aged Care Assessment

The Commonwealth government is establishing a new **Single Assessment Service** from 1 July 2024 with the aim of simplifying and improving access to aged care services. The Single Aged Care Assessment Service will incorporate the Victorian current Regional Assessment Service (RAS), Aged Care Assessment Teams (ACATs) and Australian National Aged Care Classification (AN-ACC) assessment organisations to undertake all aged care assessments, simplifying and improving the consumer experience.

The introduction of the long-awaited Single Assessment Service, commencing in two stages from 1 January 2024 will signal the conclusion of the current Regional Assessment Service (RAS) and the alignment of the Victorian assessment services to a nationally consistent model. The current Victorian aged care assessment model includes the Regional Assessment Service (RAS) and the Aged Care Assessment Service (ACAS).

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The Department is currently seeking Tenders for one or both of the following assessment services:

1. *Aged Care Assessment comprising of Home Support Assessments, currently provided through Regional Assessment Services (RAS) and Comprehensive Assessments, currently provided by Aged Care Assessment Teams (ACATs); and*
2. *Residential Aged Care Funding Assessment Services (RAC Funding Assessments), which involves assessments to inform Australian National Aged Care Classification (ANACC funding).*

Upon completion of the tendering and assessment process, successful tenderers are to commence services from 1 October 2024 and must be fully resourced by 1 January 2025.

Mornington Peninsula Shire, along with many other Councils are currently outlet providers of the RAS and will continue to provide these assessment services until the conclusion of the program. As a current service provider of RAS services only, Council is not equipped to complete additional complex assessments, nor deliver the volume of assessments that would be required across an entire region. As such, there is no ability to tender for the ongoing delivery of assessment services under the new model.

Support at Home program

In June 2023, the Commonwealth Department of Health announced its intention to introduce the new **Support at Home** program in two stages;

- The first stage provides for the transition of Home Care Packages and Short-Term Restorative Care program to the new Support at Home program model commencing 1 July 2025.
- The transition of the Commonwealth Home Support Program (CHSP) will commence **no earlier than 1 July 2027**, requiring a further extension of the CHSP until this time.

Different to other extensions provided to the CHSP since 2018, this extension will require progressive reform transition and implementation toward the new Support at Home model. The extension is intended to ensure that new providers are ready to activate the new Support at Home model from July 2027 and a process of progressive reform and change will be required, commencing July 2024, to enable this stage of readiness.

The conclusion of CHSP from 1 July 2027 will also signal the conclusion of grant funding to Councils for the delivery of any remaining CHSP funded services, with the new Support at Home program providing approved residents the opportunity to exercise “choice and control” by controlling their funding and selecting their providers from an expanded market of aged care providers who will compete to attract and retain clients to purchase their services into the future.

Program and service design and pricing models are in final draft and will be confirmed ahead of 1 July 2025 as the first stage of the new Support at Home program is introduced.

NDIS / Home and Community Care Program for Younger People

The introduction of the NDIS into Victoria in 2015 provided the opportunity for many of Council’s previous Home and Community Care clients with a disability to transition to this new program and access a package of services to better meet their complex and broader needs. Residents living with disability had previously accessed limited available resources to support them to remain in their home and community through the Victorian Home and Community Care program.

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The transition of clients under 65 years of age living with disability to the NDIS required the transition of HACC funding to the new program to support their current and emerging service needs. For most Victorian Local Governments, between 70 and 90% of clients transitioned to the NDIS and this required the transfer of equivalent funding and services.

The establishment of the HACC Program for Younger People (HACC-PYP) provided the framework for the delivery of some services to those clients ineligible to transfer to the NDIS at that time. Universally, the new HACC-PYP provided a very limited amount of funding to Victorian Local Governments to support residents ineligible to access NDIS services and supports, to live independently in their home and community.

The NDIS Review Final Report was released on the 7 December 2023 and provides 26 recommendations and 139 actions for holistic implementation over a 5-year period.

The Report describes the original intention of the NDIS to provide one part of a disability ecosystem but recognises that “important programs and services that supported all people with disability were also rolled into the scheme, leaving those who were not eligible for the NDIS without many former supports”.

The complexity of NDIS implementation also impacted the continuing reform of available mainstream disability services to secure improved access and inclusion.¹

The Report confirms that “the ramifications are felt throughout the NDIS and in the wider disability community today” and that the failure of maintaining community disability services outside of the NDIS has “left significant support gaps and seen the closure of many community services”.

In responding to media inquiries following the release of the Final Report, the Victorian Premier noted the HACC-PYP as a key mechanism to support Victoria’s response to further reform the community-based disability service system.

While Councils have necessarily focussed their attention on the transition and evolution of the Commonwealth reform of the aged care service system, the Victorian Government funded HACC-PYP program has continued to offer some limited entry level services and supports for people living in the community, under 65 years of age and ineligible to enter NDIS.

Significantly smaller than the program offered to people under 65 years through the original HACC program, HACC-PYP continues to deliver small amounts of entry level services with the funding that remained available following the transfer of clients and funds to the NDIS. To continue this low level of service delivery, Councils have historically relied on the larger aged care infrastructure to support the cost of service delivery. Providing these services without this aged care infrastructure has proven a significant challenge to continued HACC-PYP service delivery, resulting in a significant number of Councils withdrawing from HACC-PYP as they resolved to conclude all or part of their funded aged care service delivery.

Now often operating on the periphery of the disability service system, the mode of service delivered under current funding and program arrangements is becoming less attractive to younger people with disability, or unsuitable given the complexity of their needs, and so the demand for Councils HACC-PYP services has been steadily declining over time.

A review of the HACC-PYP commenced in July 2023 and this review is expected to recommend minor changes and a more in-depth review to inform a future program approach.

¹ <https://www.ndisreview.gov.au/resources/reports/working-together-deliver-ndis/overview>

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The parameters of this review have not been socialised and it is unclear if the final report from this review process will be released to the sector. The recommendations emerging from the recent Royal Commission and NDIS Review, combined with the HACC-PYP service review, may facilitate further review and consideration of the role HACC-PYP may play in supporting a Victorian Government response to the Commonwealths anticipated reform of the community disability sector.

Mornington Peninsula Shire Council roles

The proposed changes across the aged care sector are welcomed to ensure high quality and regulated care for older people and Mornington Peninsula residents. The new Aged Care Act is considering a rights-based approach with a focus on the wellbeing of older people, rehabilitation after injury and quality of life.

The introduction of a single assessment model to access aged care services is also welcomed, with clarity of guidelines and supported by a single assessment tool. Council will remain delivering the Regional Assessment Services until no longer contracted to do so, upon which time another suitably qualified service provider will have been appointed by the Commonwealth Government through its open tender process to deliver the Single Assessment Service.

To continue to deliver on Council's long-standing commitment to support its older residents, Council currently invests more than \$1M annually in a Positive Ageing program to deliver complimentary supports and programs that assist older residents to stay at home and connected to their community. A range of Council funded services and supports are provided as a commitment to meeting the needs of older residents such as Community Transport, Health Access Transport, Living Safely Supports, seniors' arts and recreation programs, technology support programs, Peninsula Advisory Committee for Elders (PACE), Positive Ageing Steering Committee (PASC), Respected Seniors Network and Peninsula Dementia Action Group (refer to Attachment 3 – Positive ageing and wellbeing programs and initiatives for seniors).

Council has a unique capacity to ensure that the needs of people living across the Mornington Peninsula Shire continue to be met as they age alongside the services and supports that are driven by State and Federal governments. The Shire has a long history and strong track record in providing leadership to promote and deliver a range of initiatives, programs, services, advocacy and accessible infrastructure to improve access and inclusion of older people and people with a disability.

Some examples include coordination of a Positive Ageing Committee, Disability Access Committee, Health and Wellbeing Committee and Universal Design Reference Group, 3 annual Positive Ageing Community Summits, facilitation of intergenerational programs and Elder Abuse and Dementia Awareness events and advocacy; and infrastructure development and improvements such as seniors exercise parks, age friendly equipment in community facilities, accessible recreation areas across the peninsula, providing accessible transport and parking, changing places toilets and participating in the Master Locksmiths Access Key and Hidden Disabilities Sunflower program.

The promotion of older community members' valued skills and abilities is also a key role played by the Shire, through the Seniors Festival Events, Delys Sargeant Age Friendly Awards, as is linking those that are more vulnerable into appropriate services. Council's expertise and experience in working alongside and engaging with the older community means it is well suited to ensuring that we are moving towards collaborative outcomes and impact-based program models when supporting our older community.

ENGAGEMENT

Officers will continue to engage with the sector as the reforms are rolled out whilst consulting with the community to ensure that Council continue to provide complimentary services and programs that best meet the needs of the community. This includes consultation with older people and residents with a disability to inform the development of the Shires first Inclusion Strategy, "We All Belong" and the proposed introduction of a new Community Connector service from July 2025 that would support the older community and people with a disability to navigate the complex aged and disability sectors as they continue to evolve throughout the reforms.

Officers intend to share these latest sector reform updates and any further progress and information as it becomes available with relevant advisory committees such as PACE and DAC over the coming months.

COMMUNICATIONS PLAN

This report will be published to the Mornington Peninsula Shire Website and made available for the public to access.

LEGAL AND REGULATORY FRAMEWORK

The new Aged Care Act was released in late November 2023, seeking engagement and feedback on the Exposure Act from older people, families and carers, aged care service providers, professional and advocacy bodies and state and territory governments.

The new act will replace all existing legislation including the Aged Care Act 1997, and the Aged Care Quality and Safety Commission Act 2018, and once introduced will respond to 33 of the recommendations from the Royal Commission.

It remains the intention of the Commonwealth Government to introduce this new legislation effective from 1 July 2024.

CLIMATE AND SUSTAINABILITY CONSIDERATIONS

Not applicable.

FINANCIAL CONSIDERATIONS

To continue to deliver on Council's long-standing commitment to support its older residents, Council currently invests more than \$1M annually in a Positive Ageing program to deliver complimentary supports and programs that assist older residents to stay at home and connected to their community.

In its 2023/24 budget Council contributed \$1,059,545 to support the delivery of the Regional Assessment Service and remaining CHSP services, in addition to grant funding received from the State and Commonwealth governments.

OFFICER DIRECT OR INDIRECT INTEREST

No person involved in the preparation of this report has a direct or indirect interest requiring disclosure.