



Australian Government
Department of Health and Aged Care



Aged care reforms

A guide for providers



agedcareengagement.health.gov.au/get-involved



Changes to aged care

The Australian Government is making changes to the aged care system in response to the recommendations of the Royal Commission into Aged Care Quality and Safety (Royal Commission).

These changes – known as the **aged care reforms** – will improve aged care in Australia.

To find out more and have your say about the aged care reforms,

 agedcareengagement.health.gov.au/get-involved



Aged care reforms for providers

This booklet gives you an idea of what reforms will impact you as providers, as well as how you can access support and have your say about the reforms.

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A message from the Hon Anika Wells MP

Minister for Aged Care

Minister for Sport



Uplifting Australia's aged care sector

With the announcement of our 2023–24 Budget, which delivers an overall spend in aged care of \$36 billion in 2023–24, I feel a sense of hope and optimism in the sector as our joint efforts continue to increase care standards for older people in Australia.

Providers play a critical role in ensuring every older person in Australia has access to aged care that is high quality, safe and meets their needs as they age.

That is why in this Budget, Australia's aged care providers like you will benefit from funding to meet the increased cost of care, be supported to deliver care in rural and remote communities, and to build and train your workforce.

This Government recognises the skills and effort workers provide for older people in Australia. That's why we have committed \$11.3 billion to fund the Fair Work Commission's decision for a 15% wage increase for more than 250,000 aged care workers. The increase will in turn help you attract and retain staff, building the aged care workforce.

On the recommendation of the Independent Health and Aged Care Pricing Authority (IHACPA), we have increased the AN-ACC price to fund the aged care workers award pay rise and account for inflation and other cost increases since the first AN-ACC price was set on 1 October 2022.

We are also:

- ensuring supports are in place for providers facing financial risk and requiring targeted viability support
- getting changes to in-home aged care right, which is why we have extended the commencement of the new Support at Home program to 1 July 2025
- establishing an Aged Care Taskforce to ensure the aged care system is equitable into the future.

I am ambitious for aged care and committed to having genuine engagement with you to navigate the reforms and regulatory journey together.

With your commitment and contribution, we can and will build a system that is equitable, sustainable and trusted to deliver quality services for older people.

Overarching reforms

Find out about reforms taking place that apply to all aged care providers.

Reforms available now



Aged Care Industry Labour Agreement

The Agreement will benefit aged care providers and the workforce by streamlining the employment and visa process for overseas workers.



immi.homeaffairs.gov.au/what-we-do/skilled-migration-program/recent-changes/new-aged-care-industry-labour-agreement

Ensuring a diverse and culturally safe aged care

Aged care providers can choose to offer specialised services for people with diverse experiences, backgrounds and characteristics; and who may identify with one or more of the groups defined as having special needs in the *Aged Care Act 1997*. Providers can apply to have their specialised services independently verified against the My Aged Care Provider Specialisation Verification Framework.



health.gov.au/specialisation-verification-framework



First Nations support

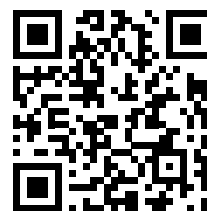
The National Aboriginal and Torres Strait Islander Flexible Aged Care Program will continue to ensure First Nations elders have access to high quality, culturally safe care. We are also building the capacity of Aboriginal Controlled Organisations including funding to ensure on Country services.

Free translation service for aged care providers

We offer free translation services to help aged care providers communicate with older people in their preferred language.



diversityagedcare.health.gov.au



Palliative care

We are providing more funding for palliative care education and training for the aged care workforce.



health.gov.au/topics/palliative-care

Offices across Australia

We have established a greater presence in addition to our offices in the main metro centres, with one new regional site now open in Tasmania and another 7 sites around Australia to come. Staff engage with local providers, stakeholders and communities to ensure local issues and needs are heard, understood and contributing to national plans and reforms.

Aged Care Capital Assistance Program

The program provides grants to build, extend or upgrade aged care services or to build staff accommodation where older people have limited or no access. The program aims to increase access to quality aged care services in thin market settings for people from First Nations communities, living in regional, rural, and remote areas, who are homeless, or at risk of becoming homeless, or with other complex and diverse needs, including dementia.



health.gov.au/our-work/aged-care-capital-assistance-program



Digital reform – Government Provider Management System (GPMS)

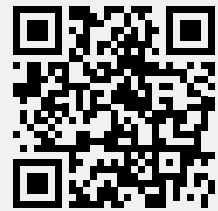
The Government Provider Management System (GPMS) is a modern database to give aged care providers, government and older people access to up-to-date information on the quality and safety of aged care services. Over time it will allow aged care providers to self-manage, view, and maintain their records with the government and streamline their reporting requirements.



health.gov.au/our-work/government-provider-management-system-gpms

Serious Incident Response Scheme (SIRS)

The Serious Incident Response Scheme (SIRS), administered by the Aged Care Quality and Safety Commission (Commission), sets requirements for providers of aged care services to manage and take reasonable action to prevent incidents with a focus on safety, health, wellbeing and quality of life. Providers also have obligations to notify the Commission when reportable incidents occur. For information on incident management and reportable incident obligations, visit the Commission's website:



 agedcarequality.gov.au/sirs

National Dementia Support Program



The National Dementia Support Program helps people living with dementia and their carers and families understand more about dementia. It connects people living with dementia, their families and carers with services that support them to self-manage and live well with dementia for as long as possible.

 health.gov.au/our-work/national-dementia-support-program-ndsp

Early support and local services for people living with dementia

Primary Health Networks (PHNs) have developed local dementia care pathways to support GPs to connect people living with dementia to the local support they need. Dementia-specific pathways are helping health professionals to better support patients at all stages of dementia diagnosis and care.

Provider transparency

Changes are being made to promote greater accountability and transparency in the aged care sector. Providing greater transparency helps to rebuild trust in the sector and supports older people to make informed decisions about their care and find a provider that is right for them.



 health.gov.au/topics/aged-care/aged-care-reforms-and-reviews/strengthening-provider-governance-in-aged-care

Viability support for aged care providers

We are funding continued support for aged care providers to improve capability and better manage financial risk to ensure the long term sustainability for the future of aged care. A new Aged Care Taskforce will be established to review aged care funding arrangements and develop options to make the system fair and equitable for all Australians. The Taskforce will also inform the final design of the Support at Home program.



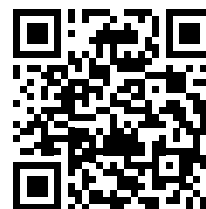
health.gov.au/our-work/aged-care-reforms/what-were-doing/sustainable-care

Role of Primary Health Networks (PHNs) in aged care

Primary Health Networks (PHNs) are independent organisations that we fund to coordinate primary health care in their region. PHNs assess the needs of their community and commission health services so that people in their region can get coordinated health care where and when they need it. Aged care is a priority area set by the Australian Government.



health.gov.au/our-work/phn



Reforms available from mid–2023

Wage increase for aged care workers

We are funding the Fair Work Commission’s decision on the Aged Care Work Value case of a 15% increase to award wages for registered nurses, enrolled nurses, assistants in nursing, personal care workers and home care workers, head chefs and cooks, and recreational activities officers (lifestyle workers). The wage increase takes effect from 30 June 2023.



health.gov.au/topics/aged-care-workforce/what-were-doing/better-and-fairer-wages

Trusted Indigenous Facilitators

We are developing a workforce of Trusted Indigenous Facilitators to help First Nations elders, their families and carers to access aged care services that meet their physical and cultural needs. This will happen as a phased approach, beginning in the middle of 2023, with full establishment by 2025.

Aboriginal and Torres Strait Islander aged care assessment workforce

We are establishing a dedicated assessment pathway for First Nations elders to access aged care.

Continued support for older people with disability

The Government is extending funding for the Disability Support for Older Australians (DSOA) program until 30 June 2026.



Reforms upcoming

Integrated care and place-based initiatives

Integrated care and commissioning projects are being undertaken in regional, rural and remote areas where there are care and support supply gap shortages and other areas where access to culturally appropriate services can be improved for First Nations communities.

A new approach to regulating aged care and a new legislative framework for 1 July 2024

A new model for regulating aged care and a new Aged Care Act are being developed to support broader reforms to aged care. The model will place older people front and centre of the regulatory design. It will enhance the protections of older people and uphold their rights, with a Statement of Rights to be included in the new Act.

 health.gov.au/our-work/new-model-for-regulating-aged-care



Strengthening the Aged Care Quality Standards

A key feature of the new regulatory model will be a strengthened set of Aged Care Quality Standards. This provides clearer expectations and improves focus on diversity, dementia, governance, clinical care and food and nutrition, with clinical care and food and nutrition both having dedicated standards.

Digital reform – Business to Government (B2G)

We are establishing a Business to Government (B2G) channel to allow aged care providers to share information directly with us. B2G will create a better-connected aged care sector by simplifying, digitising and automating points of connection between providers, the software industry and government.

 health.gov.au/resources/publications/business-to-government-b2g-fact-sheet-march-2023



Single assessment system

A new single assessment system, commencing 1 July 2024, will simplify and improve access to in-home and residential aged care services.

Home care reforms

Find out about reforms that you need to be aware of as a provider of home care.

Support at Home

The new Support at Home program will be implemented from 1 July 2025 to allow an extra 12 months for the Government to refine the program with input from experts across a range of design elements and further consultation with older people and in-home aged care providers.

The revised timeframe will also allow the Aged Care Taskforce to provide advice on funding arrangements, including the service list for the new program.

Under the reforms, older people will benefit from a single assessment pathway, high quality and affordable care, and a flexible system that can quickly adapt to their changing aged care needs.

Developing fair and efficient prices for service providers, establishing an appropriate service list, trialling an assistive technology loan scheme and exploring options to provide higher levels of care at home – these priorities will shape the future of in-home aged care for generations to come.

 health.gov.au/in-home-aged-care-reform



Commonwealth Home Support Programme (CHSP)

CHSP grants for 2023–24 have been increased by, on average, 6.35%. In addition, CHSP providers will have access to a grant to cover increased wages of in-scope workers as a result of the Fair Work Commission's decision as well as impacts on accumulated leave liabilities.

CHSP providers will also have continued access to ad hoc grant funding to support increased demand and service delivery issues.

Grant funding for CHSP will be extended for a further 12 months from 1 July 2024 to 30 June 2025 to allow for the commencement of the Support at Home program on 1 July 2025.

Home Care Packages (HCP)

We are increasing the funding for Home Care Packages (HCP) from 1 July 2023 for home care recipients to support payment of better wages for their aged care workers. A transition grant has also been created to assist care recipients who have a potential shortfall.

Additional Home Care Packages

An additional 9,500 Home Care Packages will be released throughout 2023–24 to meet the growing preference for older people to remain in their own home.

Residential respite


We implemented a new residential respite funding model that came into effect on 1 October 2022, improving access to respite care for older people. Residential respite will continue operating as normal until 30 June 2025.

 health.gov.au/our-work/AN-ACC/providers/respite-care-subsidies



Short-Term Restorative Care (STRC)

Short-Term Restorative Care will continue operating as normal until 30 June 2025.

 health.gov.au/our-work/short-term-restorative-care-strc-programme/about-the-short-term-restorative-care-strc-programme

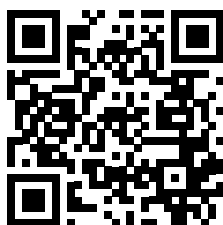
Home Care Workforce Support Program

The Home Care Workforce Support Program supports providers to attract, train and retain new and existing workers in home care. Contact the organisation representing your state or territory for support:

 health.gov.au/our-work/home-care-workforce-support-program



Watch this video for an example of the support available:



Residential aged care reforms

Find out about reforms that you need to be aware of as a provider of residential aged care.

Funding

Australian National Aged Care Classification funding model

The Australian National Aged Care Classification (AN-ACC) funding model was introduced on 1 October 2022 to provide equitable government funding to residential aged care providers.

The AN-ACC funding model includes 3 funding components:

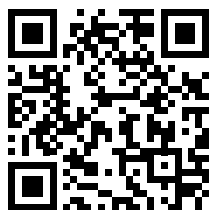
- a fixed component, for care costs that are shared equally by all residents
- a variable component, based on the individual care needs of each resident
- a one-off component, for additional, but time-limited, resources when someone initially enters residential aged care.

The AN-ACC price represents the cost of a standard day of care and will be set annually based on advice from the Independent Health and Aged Care Pricing Authority (IHACPA), to ensure that future care funding moves in line with the actual costs of delivering care. From 1 July 2023, the AN-ACC price will increase from \$216.80 to \$243.10, reflecting IHACPA's 2023–24 pricing advice to Government. This will fund the Fair Work Commission's decision for a 15% pay increase for aged care workers, and ensure providers have the funding they need to meet the mandatory care minutes responsibility from 1 October 2023.

In addition, a new \$10.80 per resident per day hotelling supplement will commence from 1 July 2023 to help providers meet the costs of hotelling services such as catering, cleaning and gardening.

Together, the 2023–24 AN-ACC price and the new hotelling supplement will increase funding per resident by around 17%.

 health.gov.au/our-work/AN-ACC



 health.gov.au/our-work/AN-ACC/funding-higher-wages-in-residential-aged-care



Quality and safety

Care minutes and 24/7 registered nurses in residential aged care

Care minutes and 24/7 registered nurses in residential aged care will help support the aged care sector's skilled staff to have more time and capacity to care for residents, which will ensure residents have more access to high quality clinical care.

Care minutes are the direct care time delivered to residents by registered nurses, enrolled nurses, personal care workers and nursing assistants. From 1 October 2023, residential aged care services will be required to deliver a sector-wide average of 200 care minutes per resident per day, including an average of 40 minutes with a registered nurse. And, from 1 October 2024, the minimum care minutes required will increase to an average of 215 minutes per resident per day, including an average of 44 minutes with a registered nurse.

From 1 July 2023, government-funded residential aged care providers across Australia must have a registered nurse on-site and on duty 24 hours a day, 7 days a week, at each facility the provider operates. Some providers may be eligible for a supplement to help them employ extra registered nurses to be on-site and on duty at all times.

 health.gov.au/our-work/care-minutes-registered-nurses-aged-care



Accommodation design

From 1 July 2024, the new Residential Aged Care Accommodation Framework will guide the design of the most appropriate aged care accommodation to help improve quality of life for older people. It will include National Aged Care Design Principles and Guidelines, which will consider accessible and dementia-friendly design principles and the role of small home models, while allowing for flexibility and innovation when designing accommodation solutions.



health.gov.au/our-work/residential-aged-care/managing-residential-aged-care-services/improving-accommodation-in-residential-aged-care



GPs in residential aged care homes

GPs are delivering an extra 120,000 in-person services for older people living in residential aged care through the Aged Care Access Incentive. Residential aged care services will adopt electronic medication charts and My Health Record for residents by June 2023, which will help to coordinate health, medical and aged care services for older people.



servicesaustralia.gov.au/general-practitioner-aged-care-access-incentive-for-practice-incentives-program

Choice and transparency

Star Ratings

Residential aged care homes receive an Overall Star Rating as well as ratings against 4 sub-categories: Residents' Experience, Compliance, Staffing and Quality Measures. Star Ratings allows providers to use nationally consistent quality measures to see where they are performing well and identify areas for improvement. We encourage providers to download the Star Ratings Improvement Manual to access practical examples to help plan, implement and assess quality improvement, to achieve better care outcomes and improved Star Ratings.



health.gov.au/our-work/star-ratings-for-residential-aged-care

Access provider guidelines and fact sheets about Star Ratings:



health.gov.au/resources/collections/star-ratings-resources



Residents' Experience Surveys

The experiences of older people residing in aged care provides vital insights into the quality of services they receive. The Residents' Experience Surveys (formerly known as the Consumer Experience Interviews) are continuing in 2023, offering your residents an opportunity to share feedback on the care they receive. Resident Experience Survey results are the most heavily scored feature in Star Ratings.

 health.gov.au/our-work/residents-experience-surveys



Food and nutrition

We are committed to improving food and nutrition in aged care by increasing accountability, workforce capability and provider transparency through a range of new and existing measures:

- Introduction of a dedicated food 'hotline' for complaints and advice, up to 720 provider spot checks annually coordinated by the Aged Care Quality and Safety Commission, and referrals for up to 500 menu and mealtime assessments by independent dietitians.
- A dedicated food standard in the revised draft Aged Care Quality Standards.
- Strengthened food and nutrition reporting through the Quarterly Financial Report being made mandatory, with elements being published for all residential aged care providers.
- Residential aged care providers will receive a hotelling supplement to support providers to meet the costs of hotel services such as catering and to fund a wage uplift for aged care cooks and chefs.
- Training and education to be provided through the Maggie Beer Foundation to upskill chefs and cooks working in aged care.
- Asking residents 'do you like the food here' in Residents' Experience Surveys and publishing results on Star Ratings.



 health.gov.au/topics/aged-care/providing-aged-care-services/funding-for-aged-care-service-providers/basic-daily-fee-supplements-for-aged-care

National Aged Care Mandatory Quality Indicator Program

The National Aged Care Mandatory Quality Indicator Program (QI Program) collects quality indicator data from residential aged care services quarterly. This data provides an evidence base that can be used to improve the quality of services provided to care recipients. In April 2023, we introduced 6 additional quality indicators in residential aged care: activities of daily living, incontinence care, hospitalisation, workforce, consumer experience and quality of life.

 health.gov.au/our-work/qi-program



Monthly Care Statements

Residential aged care providers will be required to provide a Monthly Care Statement to all residents or their representatives. This will outline the care the resident received, as well as any significant changes or events that occurred during the previous month. These statements are not financial in nature and are intended to supplement, not replace, existing communication practices. A pilot program is underway in 2023.



health.gov.au/our-work/monthly-care-statements-for-residential-aged-care



Provider operations data collection

To promote greater accountability and transparency in aged care, residential care, home care and transition care, providers will report additional information about their operations to the Department of Health and Aged Care on an annual basis. Reporting is due by 31 October 2023.



health.gov.au/topics/aged-care/aged-care-reforms-and-reviews/strengthening-provider-governance-in-aged-care

Quarterly Financial Report (QFR)

As a part of broader initiatives to improve financial reporting and strengthen prudential compliance for approved aged care providers, the QFR:

- enables the department to track, monitor and benchmark the sector
- provides information for the Star Rating system to help older people make informed choices
- helps with policy planning and development
- enables direct care minutes to be monitored and informs the Australian National Aged Care Classification (AN-ACC) funding model.

All approved providers must submit a QFR and the annual Aged Care Financial Report (ACFR).



health.gov.au/topics/aged-care/providing-aged-care-services/responsibilities/quarterly-financial-report



Who to contact for support with reforms

For help with specific aged care reforms, contact the relevant team below:



My Aged Care service provider and assessor helpline:
1800 836 799



Support at Home Implementation:
sah.implementation@health.gov.au



Australian National Aged Care Classification (AN-ACC):
ANACCOperations@health.gov.au



Aged care subsidies and supplements:
subsidiesandsupplements@health.gov.au



Monthly Care Statements:
monthlycarestatements@health.gov.au



QI Program:
qpsec@health.gov.au







Have your say

Thousands of people have been involved in shaping the reforms so far through surveys, webinars, online workshops, consultation papers and face-to-face events.

There are plenty of opportunities for you to have your say about the changes to aged care.

- Register to be kept up to date on consultation opportunities and outcomes through the Aged Care Engagement Hub.
- Sign up to receive our weekly newsletter for the aged care sector – *Your Aged Care Update*.
- Meet with us in-person at one of the many upcoming events that we're attending around Australia.



Visit **agedcareengagement.health.gov.au/get-involved**



