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## QUICK GUIDE

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## Aged care: a quick guide

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### Introduction

The aged care system caters for older Australians who can no longer live without support in their own home. Care is provided in people's homes, in the community and in residential aged care facilities (nursing homes) by a wide variety of providers. The Australian Government is the primary funder and regulator of the aged care system. [Government expenditure on aged care services](#), largely by the Australian Government, was \$18.4 billion in 2017–18.

The [Aged Care Act 1997](#) (the Act) and the associated [Aged Care Principles](#) set out the legislative framework for the funding and regulation of aged care, although services are also provided through contractual arrangements outside of the Act. The Australian Government [Department of Health](#) (DoH) is responsible for the operation of the Act.

This quick guide provides a brief overview of aged care in Australia. It describes the types of care provided, the people who use aged care, the process for accessing care, the organisations that provide care, and the regulatory arrangements for ensuring quality care. It does not describe care that is provided outside of the formal aged care system, such as [care provided by family members](#) or accommodation in [retirement villages](#).

### Types of care

The Australian Government subsidises aged care services for older people. Care provided under the Act consists of home care, residential care and flexible care. Care provided through funding agreements with providers (rather than under the framework specified in the Act) includes home support and Indigenous flexible care.

### Home support

The [Commonwealth Home Support Programme](#) (CHSP) provides entry-level home help for older people, as well as respite services to relieve carers. CHSP services may be provided at home or in the community. Services include social support, transport, help with domestic chores, personal care, home maintenance, home modification, nursing care, meals and allied health services.

Clients pay a [contribution](#) (which varies between providers) towards the cost of services and CHSP providers receive Australian Government [funding through grant agreements](#). The CHSP provides small amounts of support to a large number of people. On average each client received around [\\$2,600 worth of services](#) in 2016–17.

### **Home care packages**

For older people requiring a greater level of help to remain at home, the [Home Care Packages \(HCP\) Program](#) offers coordinated packages of care from an approved home care provider. HCPs assist older people to stay living at home and provide ongoing personal and support services and clinical care. Each package of services is customised to meet the individual's care needs.

There are four levels of HCP, ranging from Level 1 (supporting people with basic care needs) to Level 4 (supporting people with high care needs). Annual [Australian Government subsidies](#) range from around \$8,250 for a Level 1 package to around \$50,250 for a Level 4 package. Additional [supplements](#) may also be paid depending on the client's circumstances.

Clients are expected to contribute to the cost of their care. Anyone receiving an HCP can be asked by their provider to pay the [basic daily fee](#) of 17.5 per cent of the single basic age pension. Part pensioners and self-funded retirees can also be asked to pay an [income-tested care fee](#) (subject to [annual and lifetime caps](#)).

### **Residential care**

[Residential aged care](#) is provided in aged care homes on a permanent or respite (short-term) basis. It is for people who need more care than can be provided in their own homes. Services include personal care, accommodation, laundry and meals, nursing and some allied health services.

Residential aged care is funded by both the Australian Government and contributions from residents. The Australian Government pays [subsidies and supplements](#) to approved providers for each resident. The [average government payment for each permanent resident](#) was \$65,600 in 2017–18. The majority of this payment is the basic care subsidy, which is calculated using the [Aged Care Funding Instrument \(ACFI\)](#). The ACFI is a tool the provider uses to assess the care needs of each resident. The greater the assessed need, the higher the care subsidy for that resident. The Government is [trials a new residential aged care funding tool](#) to replace the ACFI.

Residents also pay [fees](#) which contribute to the cost of their care and accommodation. All residents can be asked to pay a [basic daily fee](#) set at 85 per cent of the single basic age pension. Some residents also pay a [means-tested care fee](#) based on an assessment of their income and assets. Some residents will have their accommodation costs met in full or in part by the Australian Government, but those with greater means are required to pay the [accommodation price](#) (formerly known as a bond) agreed with the aged care home.

### **Flexible care**

[Flexible care](#) caters for older people who need a different type of care than is offered by mainstream home and residential services. Four types of flexible care are provided under the Act:

- [Transition care](#) is jointly funded by the Australian and state and territory governments, and provides up to 12 weeks of care and rehabilitation on discharge from hospital.
- [Short-Term Restorative Care \(STRC\)](#) is available to older people who have had a setback or decline in function (but not a hospital stay). It provides up to eight weeks of services to improve wellbeing and function and is subsidised by the Australian Government.

- The [Multi-Purpose Services \(MPS\) Program](#) provides integrated health and aged care services in small rural and remote communities. MPSs pool Australian and state and territory government funding to serve regions that cannot support stand-alone hospitals or aged care homes.
- The [Innovative Care Programme](#) consists of a small number of grandfathered places from [pilot projects](#) of top-up aged care services for people with disability living in state-funded supported accommodation. No new places are being allocated. This program is subsidised by the Australian Government.

Flexible care is also provided for Indigenous Australians outside of the framework of the Act. The [National Aboriginal and Torres Strait Islander Flexible Aged Care Program](#) makes grants to services that provide culturally appropriate residential and home care for Indigenous Australians, mainly in rural and remote areas.

## Aged care consumers

As at 30 June 2018, there were around [783,000 people receiving home support](#) through the CHSP, [91,800 people receiving home care](#) through an HCP and 180,900 people in permanent residential aged care.

There is no minimum age requirement to access aged care services under the Act, although [aged care services are targeted at people aged 65 or older](#) (50 or older for Indigenous Australians) (p. 6). The [average age on entry](#) to an HCP is 80 for men and 81 for women. For permanent residential aged care, the average age on entry is 82 for men and 85 for women. [Indigenous Australians access aged care](#) at younger ages than non-Indigenous Australians.

[More women than men use aged care services](#), reflecting their longer life expectancy. People living in major cities and inner regional areas use residential care and HCPs at higher rates than people living in more remote areas of Australia.

## Dementia

Around [half the people in permanent residential care have been diagnosed with dementia](#). ACFI funding for residential care takes into account each client's needs, including needs associated with dementia. Around one in 11 people receiving an HCP have moderate to severe cognitive impairment, making them eligible for the [dementia and cognition supplement](#). The Australian Government also funds a number of dementia-specific programs and services, including:

- the [National Dementia Support Program](#) providing education and support to people with dementia and their families
- [Dementia Training Australia](#) providing dementia training for aged and health care staff and
- three levels of support for providers managing [behavioural symptoms of dementia](#):
  - the [Dementia Behaviour Management Advisory Service](#) providing information, advice, assessment and short-term case management for staff and carers in all settings
  - [Severe Behaviour Response Teams](#) to visit nursing homes to assist with severe behaviours and
  - the [Specialist Dementia Care Program](#) offering special units within residential aged care services for people with very severe behaviours who cannot be cared for in mainstream care.

## ***Special needs***

The Act ([section 11-3](#)) lists groups of people who may have ‘special needs’ that can be taken into account in the aged care planning process. The [Aged Care Diversity Framework](#) encourages providers to meet the diverse needs of all older Australians. Specific programs and initiatives are also available for ‘special needs’ groups, including [Indigenous Australians](#), [people from culturally and linguistically diverse backgrounds](#), [people who live in rural or remote areas](#), [people who are financially disadvantaged](#), [veterans](#), [people facing homelessness](#), [care leavers](#) (people who were in institutional or foster care as a child) and [lesbian, gay, bisexual, transgender and intersex people](#).

## ***Consumer support***

The [National Aged Care Advocacy Program](#) provides independent advocacy and information to older people accessing aged care. It is run by the [Older Persons Advocacy Network](#) and funded by the Australian Government.

The [Community Visitors Scheme](#) provides volunteers to visit lonely people in residential and home care. It is funded by the Australian Government and delivered by community organisations.

## ***Access to aged care***

The [My Aged Care](#) call centre and website is the single entry point for Australian Government-funded aged care. My Aged Care centre staff [screen and assess](#) clients over the phone, and can refer them for a face-to-face assessment to determine their eligibility for services. Clients needing entry-level home support will be referred by My Aged Care to a [Regional Assessment Service](#). Clients seeking subsidised home care, residential care or flexible care under the Act require comprehensive assessment and approval for care by an [Aged Care Assessment Team](#) (ACAT).

The Government is trialling a range of [Aged Care System Navigator](#) programs to help people understand and access the system. A market has also arisen for private [placement consultants](#) who, for a fee, help people navigate the system.

## ***Allocation of places***

The Australian Government controls the number of subsidised aged care places that are available. The [planning framework](#) aims to increase the number of places in line with the ageing population, and to balance the supply of places across city and country areas.

Residential and flexible places are allocated to [approved providers](#). Eligible clients must find a provider with an available place to access care. Residential and STRC providers who want to increase their allocation compete for new places through the annual [Aged Care Approvals Round](#).

HCPs are allocated to eligible clients once they reach the top of the [national package queue](#) (also known as the home care waiting list). The client can then select an approved home care provider to deliver their package. As at 31 December 2018, there were [127,748 people on the home care waiting list](#), although most of these could access either a lower level package or CHSP services while they waited for a package at their approved level.

## ***Aged care providers***

Aged care services are delivered by a range of not-for-profit, for-profit and government [providers](#). Not-for-profit providers make up the [majority of residential, home care and home support providers](#). As at [30 June 2018](#), there were:

- 886 organisations operating 2,695 residential aged care services
- 873 organisations operating 2,599 home care services and
- 1,456 organisations operating 3,542 home support outlets.

Individual services and facilities can be located through the [‘Find a service’](#) directory on the My Aged Care website.

The [Aged Care Financing Authority](#) and [StewartBrown chartered accountants](#) both produce regular reports on the financial performance of aged care providers.

## **Workforce**

According to the [National Aged Care Workforce Census and Survey](#), there were around 366,000 aged care workers, with two-thirds in direct care roles, in 2016. Most direct care workers were female and worked as personal care attendants or community care workers. There is no minimum qualification requirement for these roles, although in practice the majority had certificate-level qualifications in aged care. Nurses made up a quarter of the direct care workers in residential care and around 10 per cent in home care and support.

The [Aged Care Workforce Strategy](#) notes that almost one million direct care workers may be required by 2050. The Australian Government funds a range of [programs to support workforce recruitment, retention and training](#), although many are not specific to the aged care sector.

## **Regulation and quality**

The DoH and the [Aged Care Quality and Safety Commission](#) (ACQSC) both have responsibilities regarding the regulation and quality of aged care services. They can share information with each other in order to carry out these duties.

The DoH [approves providers](#) to provide care under the Act. Approved providers are accountable for the care they provide, and have responsibilities relating to the quality of care, the rights of care recipients and governance under [Chapter 4 of the Act](#). If providers fail to comply with their responsibilities, DoH can [issue a notice of non-compliance](#) or [impose sanctions](#) on the provider. These approval and compliance functions are [scheduled to transfer to the ACQSC](#) on 1 January 2020, subject to the passage of legislation.

The ACQSC is an independent statutory agency established under the [Aged Care Quality and Safety Commission Act 2018](#). It is responsible for [quality assessment](#) and [monitoring](#) of aged care providers. From 1 July 2019, all Australian Government-funded providers will be assessed against the new [Aged Care Quality Standards](#). The ACQSC also handles [complaints about aged care services](#), [engages with consumers](#) and [provides education](#) for providers.

## **Royal Commission**

The [Royal Commission into Aged Care Quality and Safety](#) was [announced](#) in September 2018. Its [terms of reference](#) include inquiring into the quality of aged care services, how best to deliver aged care (including for people with disability or dementia), and the future challenges and opportunities for delivering care. The Commission is due to hand down an interim report by October 2019 and a final report by April 2020.

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