

16 Confidential Items

16.1 Aged Care Reform CHSP

The information contained in the following extract from the Agenda of the Council Meeting on 27 April 2020 was determined to be no longer confidential by the Director Community Services, on 6 May 2020 pursuant to a resolution of Council dated 27 April 2020.

SUMMARY: Manager Active Ageing and Disability Services – Judy Chalkley

This report presents an overview of the details presented to Councillors over the last six months and at the Strategic Planning Committee (SPC) Meeting held on 10 March 2020 in relation to the Commonwealth Home Support Programme (CHSP) and the associated funding arrangements with the Commonwealth and the relevant implications for Council.

The Aged Care Reforms will fundamentally change the way that services are funded and delivered nationally, and these changes will impact on clients, families and carers, the aged care workforce and service providers, including Council.

On the basis of a detailed analysis of the options available to Council, this report recommends that Council cease a selection of Commonwealth Home Support Programme services, including Domestic Assistance, Personal Care, Respite Care, Social Support Individual and Social Support Group. This report also recommends a commitment that all current clients are supported to transition to a new service provider and a reinvestment of funds to deliver additional complementary supports and programs that assist older residents to stay at home and connected to their community.

RECOMMENDATION

That Council:

- 1. Cease to be a provider of the Federal Government’s Commonwealth Home Support Programme (CHSP) on and from 30 June 2021, with the exception of Food Services, Home Maintenance, Home Modifications, Occupational Therapy and Service Sector Development (SSD).**
- 2. Commit to transitioning all eligible CHSP clients to alternate CHSP service provider/s in partnership with the Commonwealth**
- 3. Take a strong advocacy role to ensure the service standards applied by the Commonwealth will continue to support residents of Knox who are over 65 years of age to remain independent and living in their own homes.**
- 4. Authorise the Chief Executive Officer and Director Community Services to commence discussions with the Commonwealth regarding the exit of select CHSP services.**
- 5. Authorise the Chief Executive Officer and the Director Community Services to disclose information in these resolutions and report (at their discretion) to:**
 - a. Undertake notification of the affected employees, in relation to the exit of select CHSP services and the impact of the change on employees, in accordance with Council’s Enterprise Agreement No. 10.**
 - b. Undertake notification of all active Knox CHSP clients, in relation to the exit of select CHSP services and the impact of the changes.**

6. **Authorise the Chief Executive Officer and the Director Community Services to determine, at their discretion that the information in these resolutions and this report is no longer confidential information.**
7. **Endorse the communication and engagement plan for CHSP service users (as set out in Attachment 3 to the report) in relation to the exit of select CHSP services.**
8. **Endorse Model 1 of the Active Healthy & Ageing Reinvestment and Resource Plan (as set out in Attachment 2 to the report).**
9. **Note that officers will provide Councillors with fortnightly updates regarding the implementation of the above resolutions.**

1. INTRODUCTION

The Federal Government is changing the way it funds the Commonwealth Home Support Programme (CHSP) prompting Councils in Victoria to consider their future role in service delivery. The Commonwealth Home Support Program (CHSP) supports Councils with upfront funding to deliver in-home services such as domestic assistance, personal care, respite care, home maintenance, transport, social groups and meal programs.

From 1 July 2022, recipients of the Commonwealth Home Support Programme (CHSP) will be able to choose which provider they receive services from, and service providers will only be paid funding after services have been delivered. Under this new model, Council will be required to substantially increase client fees to fully reflect the cost of the service and achieve competitive neutrality, which requires that the public sector does not have a competitive advantage over the private sector. Council will struggle to compete with other service providers, primarily because staff wages are higher than award rates generally paid by other providers.

In order to manage the transition to the new CHSP model as smoothly as possible for clients and staff and to maximise continuity of service for our older community, it is proposed that Council remain in some services (food services, allied health – occupational therapy, home maintenance, home modifications and Service Sector Development), and exit from those direct care services (Domestic Assistance, Personal Care, Respite Care, SSI and SSG) that are not sustainable (due to Competitive Neutrality) and where there are other known suitable providers in the market. It is suggested that Council exit from 30 June 2021 to ensure there is adequate time for transition and suitable providers have capacity to respond.

After notifying the Commonwealth of Council's intention to exit selected CHSP services, Council officers would provide advice and guidance on the key qualities, values and criteria that it is suggested should inform the Commonwealth's expression of interest process to select a not-for-profit and/or private service provider to take on these services. A new CHSP provider would be required to commence from 1 July 2021.

This process would enable Council to support the Commonwealth to identify the most suitable provider for Knox based on critical criteria such as quality of care and staff conditions and to more effectively manage the transition process for clients with a new provider. Council would continue to operate all Council funded complementary services and supports as usual on an ongoing basis. It is suggested where an alternate service provider could not be found through a tender process, Council could continue to provide the service until at least 30 June 2022.

In order to continue to deliver on Council's long standing commitment to support its older residents it is also proposed that Council could reinvest a proportion of the current financial contribution to operating the CHSP services to deliver additional complementary supports and programs that assist older residents to stay at home and connected to their community. This reinvestment would strengthen the current range of Council funded services and supports that are provided as a commitment to meeting the needs of older residents such as Community Transport, Zest4Life, Seniors Housing Support/Specialised Access Team and the Bright Ideas Network.

Council has a unique opportunity and capacity to ensure that the needs of people living in Knox are met as they age. Active Ageing and Disability Services has a long history and strong track record in providing leadership to promote and deliver a range of initiatives, programs, services and accessible infrastructure to improve access and inclusion of older people.

Some examples include coordination of the Knox Active Ageing Advisory Committee; development of the Bright Ideas Network, the Zest for Life program, intergenerational programs and World Elder Abuse Awareness (WEAAD) events; and infrastructure development such as the Carrington Park Multi-Purpose facility. As well as creating opportunities for the promotion of older community members' skills and abilities, through the Seniors Expo and the Voices of Over 55's Photo Launch and the creation of the Specialised Access Team to support linking those that are more vulnerable into appropriate services.

Council's strengths, expertise and experience in working with the older community means it is well suited to ensuring that we are moving towards collaborative outcomes, impact-based program models and a greater emphasis on value for money when supporting the older community.

2. DISCUSSION

Research and current experience show that there is an established market of quality providers ready to deliver the core CHSP services of Domestic Assistance, Personal Care, Respite Care, Social Support Individual and Social Support Group to clients within Knox. Recent market mapping has identified 14 providers who are positioning to provide CHSP services in a future funding and market environment.

Based on the above information, Council needs to consider its future role in supporting and providing for the older community. Officers have identified six options for consideration (refer Attachment 1).

Council has a current agreement in place with the Commonwealth Government for CHSP services until 30 June 2020. The Commonwealth have indicated that a further two-year extension will be granted until 2022.

To be placed in the best position post-2022 and to ensure a positive outcome for the residents and staff of Knox City Council, officers recommend a combination of Options 5 and 6. To selectively exit Domestic Assistance, Personal Care, Respite Care, SSG and SSI and reinvestment into a framework that continues to support the needs of our ageing community.

Selecting this option would provide Council with the capacity to survive and thrive in the new environment. It will provide for greater reach and impact on higher numbers of older people living in Knox if Council redirects its investment into current Council programs and adds new bespoke range of services that will better meet the needs of the local community.

If Council was to take this course of action, reasonable notice of fourteen (14) months would be given to the Commonwealth of Council's intention to exit the selected services, providing stability and time to adequately plan the transition needs of client for 30 June 2021.

Council's experience with the transition of clients to the National Disability Insurance Scheme (NDIS) and then HACC PYP clients to Mecware Care demonstrated that good planning, resourcing and the right transition time was essential for supporting clients in their move to new providers.

This course of action would provide an opportunity for Knox City Council to reorient services and supports for older people. This would be achieved by strengthening Council's approach to becoming an age friendly city, providing greater opportunities with a broader reach to older residents to support increased social participation and physical activity, while also ensuring vulnerable residents are identified for targeted services and supports. This will significantly contribute to improving the health and wellbeing of people in Knox, as they grow older.

Officers also identified and considered four options to fund complementary supports and programs to meeting the needs of older residents into the future, taking into consideration the direction of the Commonwealth's Aged Care Reforms. Officers are recommending Model 1 as the best means to implement the actions previously established in the Council and Community Plan.

Council Officers have prepared a Communication Plan (refer to Attachment 3) in conjunction with Council's Communication and Marketing Manager. Should Council formally make the decision to cease all or part delivery of CHSP services into the future, the Plan informs the steps that will be taken to communicate the decision and support Council is offering to affected staff, and provides reassurance of support and continuity of care for clients.

3. CONSULTATION

Active Ageing and Disability Services undertook a survey with clients/community in relation to Council's future role in supporting older people in 2019. The key themes from this survey and workshops undertaken provided insights from the community on transport, social isolation, loneliness, service navigation and provision of information as key issues and concerns for older people.

This information has informed the potential framework that Active Ageing and Disability Services will operate from moving forward, ensuring that the services and information delivered are addressing the gaps highlighted by our older residents.

Consultation with impacted Active Ageing and Disability staff commenced on 11 March 2020, which included 80 employees within the Active Living Team (includes support workers) and 25 Office Based staff. Employees were invited to provide feedback on the proposed changes by 25 March 2020. Two meetings were held on 12 March 2020 with the Active Living office-based staff and the remainder of the office-based staff. Meetings were also organised on 17 and 19 March 2020 for Support Workers.

The consultation period closed on 25 March 2020 and all responses considered as part of the consultation process. Responses received as part of the process were reviewed by the CEO and Director Community Services (refer to Attachment 4).

Change management was conducted in accordance with the Knox City Council Enterprise Agreement and the principles of natural justice and fairness.

Given the sensitive nature of this report, there has not been any communication on the proposed changes to Council's role in CHSP at this stage. It is proposed any information for clients will be provided when Council's preferred direction is clear.

4. ENVIRONMENTAL / AMENITY ISSUES

There are no environmental or amenity issues associated with this issue.

5. FINANCIAL & ECONOMIC IMPLICATIONS

In 2019/2020, Council will receive \$4,292,544 in CHSP funding and predict an estimated income of \$812,724 through client fees for CHSP services. Council's contribution to the current range of CHSP services in total in 2019/2020 is \$1,000,566.

In line with the key directions of the National Reforms, existing block funding arrangements are being replaced with a competitive market model involving fee for service, competitive tendering and full cost reflective pricing.

As a result, there is uncertainty of future funding levels for Council (for Home Support Services) due to increased competition for CHSP funding.

These changes will reduce Council's market share of CHSP services and also the level of financial resources required to co-fund any services. This will provide Council with an opportunity to redirect Council resources to where they are most needed.

Should Council make the decision to use a combination of Option 5 – Selectively Exit and remain in some Services (exit direct care services and retain Food Services, Home Modifications/ Maintenance, Occupational Therapy and SSD) and Option 6 – Develop Complementary Interests and Services, as the future direction of Council, there would be an opportunity to reinvest \$431,470 in 2021/2022, into services and programs that would complement and further support our existing services currently funded by Council (Refer to Model 1 in Attachment 2 – Proposed Active Healthy & Ageing Reinvestment Plan).

Personnel matters that remain confidential pursuant to Section 89 of the Local Government Act 1989



6. SOCIAL IMPLICATIONS

The primary objective of the current aged care reforms is to have a more consistent national program that will ensure that all older Australians receive the level of care and support that they require, no matter where they live. The changes to CHSP will include the increase to the number of providers, so it is anticipated that aged cohort of the Knox community, would benefit from assistance in navigating the complex My Aged Care system, and by Local Government monitoring the implementation of the SAM and advocating for unmet or emerging needs

7. RELEVANCE TO KNOX COMMUNITY AND COUNCIL PLAN 2017-2021

Goal 6 - We are healthy, happy and well

Strategy 6.2 - Support the community to enable positive physical and mental health

Goal 7 - We are inclusive, feel a sense of belonging and value our identity

Strategy 7.3 - Strengthen community connections

8. CONFLICT OF INTEREST

Under Section 80c of the Local Government Act 1989 officers providing advice to Council must disclose any interests, including the type of interest.

Author – Manager Active Ageing and Disability Service, Judy Chalkley – In providing this advice as the Author, I have no disclosable interests in this report.

Officer Responsible – Director Community Services, Tanya Scicluna – In providing this advice as the Officer Responsible, I have no disclosable interests in this report.

9. CONCLUSION

The delivery of support services to older residents in their homes is incredibly important and regardless of any decision by Council, the process for accessing services via the CHSP will remain exactly the same for every older Australian.

Extensive work has been undertaken to inform Council's future role. It has been found that it is neither viable nor feasible to deliver some Commonwealth services due to the planned cessation of guaranteed block funding from the Commonwealth Government, the ongoing requirement for substantial subsidisation from Council, growing availability of alternative providers in the market and the requirements of National Competition Policy (NCP).

The findings indicate that:

- The reforms provide Council with an opportunity to build on Council's Age-friendly cities work and to address existing needs and gaps such as loneliness, information and transport is a priority; and
- Staying in some Commonwealth Home Support services and exiting from others provides the best overall outcome for the community.

This report recommends Council ceases to be a provider of the Government's Commonwealth Home Support Programme (CHSP) on and from 30 June 2021, with the exception of Food Services, Home Maintenance, Home Modifications, Occupational Therapy and Service Sector Development (SSD) and that Council endorse Model 1 in the Active Healthy & Ageing Reinvestment and Resource Plan as the preferred model for future operations.

10. CONFIDENTIALITY

This report is included in the confidential agenda, in accordance with Section 89(2) of the Local Government Act 1989, as it relates to personnel matters; industrial matters; and contractual matters; and premature disclosure of the information could be prejudicial to the interests of Council or other persons.

The recommendations provide appropriate authority to the Chief Executive Officer and the Director Community Services to inform affected staff and clients of Council's decisions. The recommendations also enable Chief Executive Officer and the Director Community Services to determine at their discretion, that information in the resolutions and report is no longer confidential at their discretion, to facilitate broader community engagement following notification of staff and clients.

Report Prepared By: Judy Chalkley, Manager Active Ageing and Disability Services

Report Authorised By: Tanya Scicluna, Director Community Services

Attachments

1. Attachment 1 - Options for Future [16.1.1 - 4 pages]
2. Attachment 2 - Active Healthy & Ageing Proposed Reinvestment Plan [16.1.2 - 18 pages]
3. Attachment 3 - Draft Communication Plan [16.1.3 - 6 pages]
4. Attachment 4 - Aged Care Reform - Staff Consultation feedback [16.1.4 - 9 pages]

RESOLUTION

MOVED: Councillor Pearce

SECONDED: Councillor Mortimore

The information contained in the following extract from the Minutes of the Council Meeting on 27 April 2020 was determined to be no longer confidential by the Director Community Services, on 6 May 2020 pursuant to a resolution of Council dated 27 April 2020.

That Council:

1. Cease to be a provider of the Federal Government's Commonwealth Home Support Programme (CHSP) on and from 30 June 2021, with the exception of Food Services, Home Maintenance, Home Modifications, Occupational Therapy and Service Sector Development (SSD).
2. Commit to transitioning all eligible CHSP clients to alternate CHSP service provider/s in partnership with the Commonwealth
3. Take a strong advocacy role to ensure the service standards applied by the Commonwealth will continue to support residents of Knox who are over 65 years of age to remain independent and living in their own homes.
4. Authorise the Chief Executive Officer and Director Community Services to commence discussions with the Commonwealth regarding the exit of select CHSP services.
5. Authorise the Chief Executive Officer and the Director Community Services to disclose information in these resolutions and report (at their discretion) to:
 - a. Undertake notification of the affected employees, in relation to the exit of select CHSP services and the impact of the change on employees, in accordance with Council's Enterprise Agreement No. 10.
 - b. Undertake notification of all active Knox CHSP clients, in relation to the exit of select CHSP services and the impact of the changes.
6. Authorise the Chief Executive Officer and the Director Community Services to determine, at their discretion that the information in these resolutions and this report is no longer confidential information.
7. Endorse the communication and engagement plan for CHSP service users (as set out in Attachment 3 to the report) in relation to the exit of select CHSP services.
8. Endorse Model 1 of the Active Healthy & Ageing Reinvestment and Resource Plan (as set out in Attachment 2 to the report).
9. Note that officers will provide Councillors with fortnightly updates regarding the implementation of the above resolutions.

CARRIED