



## Aged Care Update

28 October 2014

### Assessment services of the future take shape

Another milestone in the creation of a national aged care system based on consumer choice was reached last Friday (24 October 2014) when Minister Fifield announced the calling for tenders for the operation of Regional Assessment Services (RASs).

RASs will initially undertake face-to-face assessment of people seeking aged care support through the Commonwealth Home Support Program (CHSP) which commences on 1 July 2015.

The use of contracted regional assessment organisations to conduct assessments for the CHSP was foreshadowed in the CHSP Discussion Paper released in May 2014. Improved aged care assessment and 'gate keeping' services was also a feature of both the Living Longer Living Better Package and the Productivity Commission's *Caring for Older Australians*.

The CHSP will replace the formerly joint-funded Commonwealth/State Home and Community Care (HACC) program in all states and territories except Victoria and Western Australia, and will incorporate the National Respite for Carers program and the Day Therapy Centres program<sup>(1)</sup>. Negotiations for Victoria to join the CHSP are well advanced, but only at a preliminary stage with Western Australia.

#### Regional Assessment Services

The RASs will become the single point of entry for aged care services, and successful tenderers will form part of a network spanning 52 aged care planning regions in all states and territories except Victoria and Western Australia.

The tender allows for establishment costs such as staff training and for the procurement at a fixed unit price of assessment activity which includes:

- assessment of clients with a focus on reablement
- matching and referral of assessed clients to appropriate services, including referral for comprehensive assessment by Aged Care Assessment Teams (ACATs)
- reassessment of existing clients where significant change arises, and
- linking service support to assist clients with higher levels of vulnerability and multiple care needs to access aged care and a range of other services eg health, housing and disability services,

including non-Commonwealth funded services.

Case management and care coordination activities currently provided by HACC providers will also be delivered through the RASs. HACC providers currently funded for these activities will be notified about the consequential changes to their funding from 1 July 2015. It is open for these providers to apply under this tender to continue these services.

#### *Separation of assessment and service delivery*

RASs will operate independently from service delivery, a model which has been successfully trialled under the HACC program in Western Australia. 'Chinese walls', such as separate legal entities to undertake the RAS functions, will need to apply for tenders from HACC and other service providers.

#### *National Screening and Assessment Form*

Assessments undertaken by the RASs will be based on a consistent assessment framework using the mandated National Screening and Assessment Form (NSAF). The NSAF is designed to support the collection of consistent assessment information and the application of a wellness and independence philosophy to service delivery and support.

#### *Competition policy*

Consumer choice and competition will be an important facet of the operation of the RASs.

As well as tenders competing on unit price and value for money, procurement will be undertaken in a way that promotes competition. This is to be achieved by having more than one successful tenderer in each region. To this end, each tender must cover the provision of the full suite of services in at least two regions (not part regions), and the tender evaluation criteria includes a preference for tenders covering more regions and regional and remote regions. DSS envisages between eight to 20 successful tenderers.

Each successful tenderer will be given an initial assessment allocation, but the contract will allow for the allocation to be adjusted based on performance and circumstances in each region.

#### *Demand management*

DSS modelling estimates the assessment case load across the 52 regions initially to be 227,000 per annum, or about 10% of the eligible population (ie. the population aged 65 and over plus the indigenous population aged between 50 and 64).

Under contracted business rules, RAS assessors will identify for each consumer providers to deliver services according to each consumer's assessed needs and preferences. Under current funding arrangements where funding does not follow the consumer, each consumer's capacity to exercise choice of provider will depend on whether providers have spare budget capacity.

The caseload estimate should not necessarily be interpreted as an estimate of demand for home support services. However, for the first time, the sector will potentially have an estimate of unmet need if funded services are insufficient to cover referrals. On the other hand, the Commonwealth could manage demand by placing a cap on the volume of assessments it will fund.

Monitoring the level of unfunded services and the Commonwealth's management of this aspect of the RASs, including by the ACFA, will be important as one measure of the demand for, and access to, aged care services.

The next reform objective in home support should be to adapt and manage the system so that consumers can be supported by their preferred service provider.

## *The Aged Care Gateway*

The RASs are an integral component of the Aged Care Gateway, along with My Aged Care, which consists of a national phone line for inquiries, a website which provides general information on aged care (including financial and quality information), finders to locate aged care services and a fees estimator.

Successful tenderers will be required to operate within the Gateway's IT system. This includes accessing the Gateway System to maintain a central client record for each person assessed; accessing the NSAF to record information obtained during assessment; sending and receiving referrals; and accessing the service finder to identify appropriate home support services.

It has to be said that the successful operation of the RASs will be heavily reliant on a quite complex IT platform that has been purpose built for the Aged Care Gateway. This will present the usual implementation risks inherent with the commissioning of new complex information management systems.

## *Performance monitoring*

The Gateway system will support the provision of performance, management, and business intelligence information relating to the performance of the assessment function by the contractor. Each contractor will be required, using this information, to provide a performance analysis report against KPIs such as timeliness of referrals, the quality of completed NSAFs and the proportion of referrals accepted by the contractor.

The electronic client record will provide a real time record of each individual's assessed care needs and service history. DSS should use this data to monitor performance against the reablement and wellness philosophies that will underpin the CHSP, including the use and results of time limited restorative care episodes which emphasize prevention, optimising physical function, active participation and self-care.

Coinciding with the RAS announcement by Minister Fifield, the Government on 23 October 2014 introduced a Bill into Parliament to amend the *Healthcare Identifiers Act 2011* to allow the collection of personal data to create and maintain an electronic individual client record for people accessing aged care services.

## *Tenders from consortia*

Tenders are invited from organisations and consortia, including organisations that currently receive funding under the HACC program. The use of a consortia approach is seen as a means of involving organisations with a focus on special interest groups. To facilitate the creation of consortia, DSS is inviting organisations to register their interest on a list to be published by DSS in order to assist organisations to contact each other.

## *Additional information*

Organisations interested in tendering for the conduct of regional assessment services can access the tender documents at [www.tenders.gov.au](http://www.tenders.gov.au). The tender identifier is ATM ID DSS70004342. A briefing for industry will be held on 6 November 2014, including a webinar. Details are in the tender documents.

The initial contract will be for three years (to 30 June 2018), with options for DSS to extend the contract for two further periods each of one year. Each contract includes transition provisions with which the contractor must adhere in the event of a change of supplier due to non-renewal of the contract or contract termination due to non-performance.

Tenders close on 19 December 2014, with the target date of 17 April 2015 for the execution of contracts. This allows a little over two months for successful contractors to be ready to commence services by 1 July 2015.

## **Wider reform implications**

The creation of the RAS has wider downstream implications for aged care reform, including for the removal of service rationing and for maximising consumer choice and control over services.

The primary barrier to maximising consumer choice and control and removing service rationing is the financial risk for the government because there is no certainty about the level of unmet need and demand. The acceptance of services in the home has few natural barriers, whereas a decision to move into residential care presents a significant hurdle for most people and their families which is not taken easily.

A robust user pays system has a part to play in managing demand, but only up to a point as it does not impact age pensioners, who make up the majority of aged care consumers.

The other measures for managing demand and financial risk are a robust system for assessing need and a support system that emphasises reablement and preventative approaches in order to reduce costs as well as provide better outcomes for individuals. The creation and successful implementation of the RASs is fundamental to addressing both of these.

In addition, the tender documents allow for existing Commonwealth-funded assessment programs, ie comprehensive assessments by Aged Care Assessment Teams, to come under the ambit of the RAS in future, thereby creating an integrated national assessment and eligibility system managed by the Commonwealth. As part of this tender, tenderers are invited to indicate their willingness to perform additional functions such as comprehensive assessments, following either an open tender or a select tender limited to successful tenderers under this tender.

The tender documents also contemplate the possible inclusion of a carer support function within the RAS.

## **Footnotes**

1. A decision on whether to include the Assistance with Care and Housing for the Aged program (ACHA) within the CHSP is still pending.

*Disclosure Statement: The author of Aged Care Update, Nick Mersiades, is a member of the Aged Care Financing Authority. The opinions in this Update should not be read as being an expression of the views of the Aged Care Financing Authority.*