



SUBMISSION

September 2013

- **Accommodation Pricing Guidelines Discussion Paper**
- **Significant Refurbishment of residential Aged Care Services**
- **Fees and Payments Principles 2013**
- **Subsidy Principles 2013**
- **Aged Care (Maximum Accommodation Payment Amount) Determination 2013**

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UnitingCare Australia

UnitingCare Australia is the national body for the UnitingCare Network, and is an agency of the National Assembly of the Uniting Church in Australia.

The UnitingCare network is one of the largest providers of community services in Australia. Over 1,300 sites provide services and support to more than 2 million Australians each year. The network employs 35,000 staff and 24,000 volunteers. We provide services to older Australians, children, young people and families, Indigenous Australians, people with disabilities, the poor and disadvantaged, people from culturally diverse backgrounds and older Australians in urban, rural and remote communities.

UnitingCare Australia works with and on behalf of the UnitingCare network to advocate for policies and programs that will improve people's quality of life.

UnitingCare Australia is committed to speaking with and on behalf of those who are the most vulnerable and disadvantaged for the common good.

Introduction

UnitingCare Australia welcomes the opportunity to comment on the Second Draft Discussion Paper regarding the Accommodation Pricing Guidelines, Significant Refurbishment of residential Aged Care Services, Fees and Payments Principles 2013, Subsidy Principles 2013, Aged Care (Maximum Accommodation Payment Amount) Determination 2013

The broader comment is that these proposed legislative arrangements reflect a significant review of the previous draft and related consultation process. The direction of changes/clarifications in this version is welcomed.

The following comments are offered to improve the clarity of the guidelines and to achieve a reduction in additional administrative burden on providers whilst still facilitating informed choice for consumers.

Accommodation Pricing Guidelines (second draft)

3. (ix) Prescribed factors

(iv) The relative wealth of the individual person requires further clarification in the context of charitable/faith based organisations and the relationship to their mission.

4. Keeping written records; the use of the word “written” in the context of APs needing to maintain “written documentation” of how they decide to cost the rooms and accommodation should imply electronic records are an adequate form of documentation.

6. Key Features; the use of the words “prescribed factor and accommodation features requires clarification and consistency across the topic

Significant Refurbishment of Residential Aged Care Services

Supported Resident ratio

The “prescribed ratio” should be more specifically defined and only refer to the regional ratio.

The introduction of an automatic 25% penalty reduction is harsh and a new unexpected change in regulation. The current system has worked well at a local level.

The policy outcomes need to be consistently applied and that if cross subsidisation is acceptable then it needs to be stated in the prescribed factors.

Accommodation supplements applies at the aged care service level

A clearer definition on significant refurbishment status needs to be included and not left to assumptions

Applying for the maximum level of the Accommodation Supplement

The lack of ‘pre-approval’ for proposed refurbishment works presents a key risk to the approved provider in relation to seeking funds from Banks. Such a risk will be even more keenly experienced from smaller, rural and remote services and their ability to arrange short term finances for the completion of such works.

Part 6

This section needs to reflect resident choice in relation to their Agreement and moving to new accommodation. A clear statement as to how an existing resident can

choose to move to different accommodation which involves a higher cost within the same facility is developed and included.

Part 7

The document needs to clarify

- a) The prescribed regional ratio
- b) The ratio contained in a condition of approval
- c) The prescribed regional ratio related to these new criteria.

Fees and Payments Principles 2013

Part 2 Rules about charging accommodation payments

14A.7 -

14 A .7 (2) Must consider all aspects of the **prescribed factors**,

14. A8 (1) (c) **Include a Statement** describing the key “accommodation features” of the room or the part of the room

14 A.8 (2) For paragraph (1)(c) , suggest the link between “accommodation features and accommodation prescribed factors be stated” “ the statement describing the key accommodation features (which are the prescribed factors as defined in section 14A .7 (2)) of a room, or a part of a room, in a relevant service must:”

14A.10 (2) **Provider must ensure equivalence between RAD and DAP MPIR calculator**

The equivalence process as defined using the MPIR has changed its start point being based on the RAD (not the DAP) and hence reduced the risks related to liquidity of RAD cash flows for the next two or three years when it will be reviewed further. However the DAP will continue to be a volatile in the way it is proposed. A changing price for the same accommodation will be very evident, residents; carers (and providers) will be very confused about such a changing accommodation price

RAD and DAP should be fixed as at a certain start period. Those rates are fixed with a CPI index as per index period to be defined in line with pension indexation periods.

14A.14 Notification of ACPC decision (Aged Care Pricing Commissioner)

The approved amount applies only in relation to a person who at the date of approval has not entered into an accommodation agreement or entry to the services occurs on or after the date of approval
This has the potential issue for existing residents who have an existing agreement that want to move into new accommodation with an increased rate that should be able to be maintained on the existing agreement.

Aged Care (maximum Accommodation Payment amount) Determination 2013

No comments

Subsidy principles 2013

No comments

Please feel free to contact Wendy Middleton if you require further clarification on any of these points.

Yours sincerely,

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