

## Foresight Future of an Ageing Population - International Case Studies

### Case Study 3: Long-term care in Australia – the Home and Community Care (HACC) / Commonwealth Home Support (CHSP) programme

Foresight Theme: Adapting financial systems

In Australia the majority of care for people with long-term health conditions is provided by family and friends. The Home and Community Care (HACC) programme provides financial support for basic services supporting older people in their own homes. Home Care packages are available when a higher level of support is required. The government also provides ‘carer payments’ where carers are unable to work because of their caring commitments, and a ‘carer allowance’ – a supplementary tax-free payment, as well as means-tested support for residential care.

#### Context

Australia has one of the fastest growing populations, in a developed nation, in the world and it is roughly doubling in size every fifty years. [Figure 1]

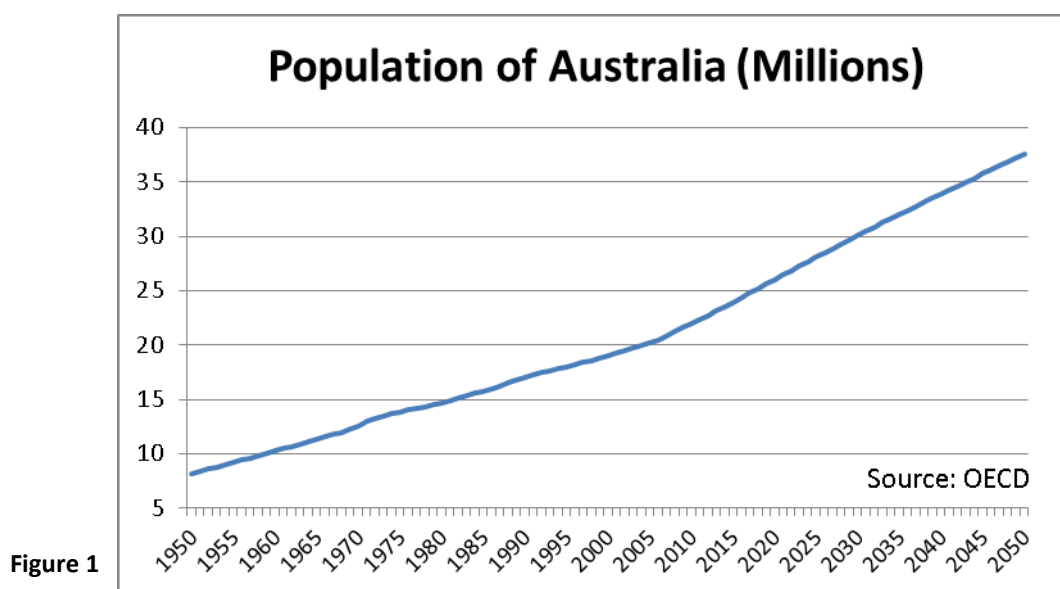


Figure 1

In 2015, 15% of the population of Australia was aged 65 or over but there is wide regional and local variation with concentrations of older people in coastal retirement areas, for example, Great Lakes Council on the New South Wales coast had, in the 2011 census, 30.6% of its population aged 65 years and older. Australia’s population is progressively ageing and the proportion of the population aged 80+ is expected to increase by 40% (1.6 percentage points) between 2015 and 2030 and to nearly double by 2050. [Figure 2]

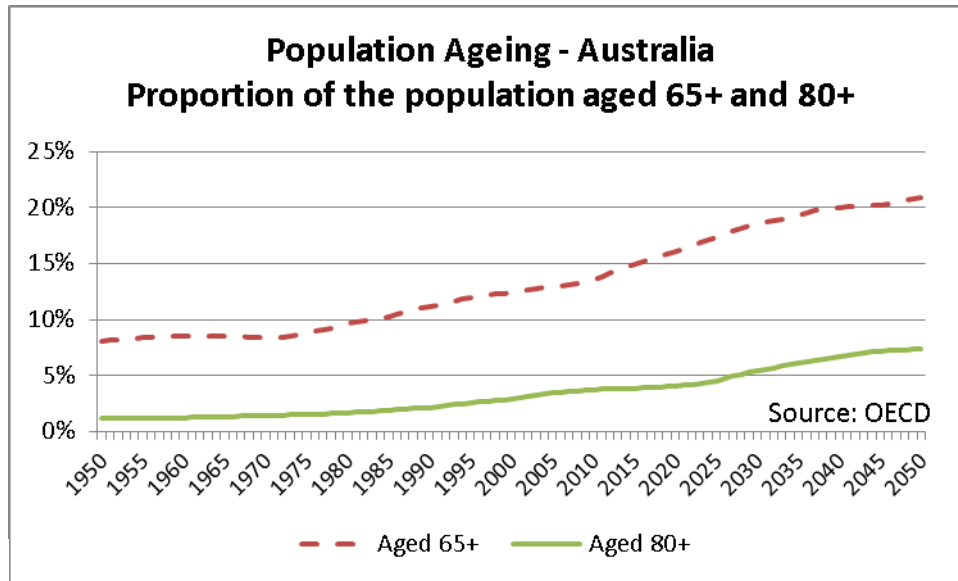


Figure 2

## History and Implementation

The Home and Community Care (HACC) Program was established under the *Home and Community Care Act 1985*. It was a joint Australian Commonwealth (Federal) and State/Territory Government programme, that provided support to all frail older people, younger people with disabilities and their carers. The program was designed to help clients remain at home and prevent inappropriate or premature admission into residential care.

The Australian Government, the State and the Territory Governments jointly funded the HACC Program. The State and Territory governments were responsible for managing the programme while the Australian government maintained a broad strategic role.

The Home and Community Care (HACC) Program, which provided low-level services to enable an older or disabled person to stay at home, was one part of the ‘aged care’ programme.

In 2014-15, 13% of Australian federal government aged care expenditure was on the Home and Community Care (HACC) programme with 9% on Home Care Packages and the great majority (75%) on residential care.<sup>1</sup>

In 2014–15, over 812,000 people aged 65 years and over (50 years and over for Indigenous Australians) used Home and Community Care (HACC) services, 24,900 people used transition care upon discharge from hospital, 83,800 people used home care packages, which provide home-based care through coordinated packages of services tailored to individual care needs, and 231,000 people were in permanent residential aged care.<sup>1</sup>

The Home and Community Care (HACC) Program provided domestic assistance (house cleaning etc.), social support (shopping, banking, social contacts etc.), nursing care, gardening and home

<sup>1</sup> Commonwealth of Australia (Department of Health) (2015), *2014–15 Report on the Operation of the Aged Care Act 1997*

maintenance, personal care, allied health services (podiatry etc.), centre based day care, meals services, respite care, transport, client care coordination, case management and advocacy services.

In 2011, Australian government-subsidised services were provided to over one million older Australians (and their carers) each year, with more than half receiving low intensity support through the Home and Community Care (HACC) program.<sup>2</sup>

**HACC services received by Older<sup>(4)</sup> HACC clients, assistance type by State/Territory, 2012-13**

Assistance Type <sup>(3)</sup>	Measure	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Australia
		Services received								
Allied Health Care (Centre)	Hours	62,085	421,703	112,967	4,393	19,657	10,206	7,247	78	638,336
Allied Health Care (Home)	Hours	63,572	119,958	205,681	28,212	24,042	3,045	4,248	358	449,116
Assessment	Hours	191,439	339,717	66,291	103,633	93,131	27,091	206	2,546	824,054
Case Management	Hours	165,967	56,975	46,930	49	59,692	10,549	20,298	2,272	362,732
Centre-Based Day Care	Hours	3,683,706	3,049,364	2,381,732	1,341,845	942,457	263,008	108,767	17,255	11,788,134
Client Care Coordination	Hours	166,887	88,164	66,582	18,200	140,154	31,765	7,304	2,841	521,897
Care Counselling Support	Hours	87,300	1,014	60,228	38,216	46,941	11,070	4,622	1,491	250,882
Carer Counselling Support	Hours	50,657	3,271	24,347	11,177	61,152	1,309	1,673	463	154,049
Domestic Assistance	Hours	1,609,040	2,269,456	1,687,785	792,831	607,203	219,208	100,458	31,076	7,317,057
Formal Linen Service	Quantity	19,929	-	116	214	1,201	271	1,454	792	23,977
Aids for Reading	Quantity	12	-	< 5	-	52	-	-	-	65
Car Modifications	Quantity	< 5	-	< 5	< 5	-	-	-	-	9
Communication Aids	Quantity	491	-	5,531	133	34	-	-	-	6,189
Medical Care Aids	Quantity	686	-	126	< 5	134	-	-	-	947
Other Goods and Equipment	Quantity	3,253	-	4,882	20	14,864	-	-	84	23,103
Self Care Aids	Quantity	326	-	383	1,325	9,663	-	-	24	11,721
Support and Mobility Aids	Quantity	394	-	257	1,619	11,378	-	18	9	13,675
Home Maintenance	Hours	461,740	248,712	283,133	213,594	89,698	26,018	20,018	730	1,343,643
Home Modification	Dollars	13,809,487	-	5,650,676	696,621	1,284,280	73,914	736,892	403	22,252,273
Meals (Centre)	Quantity	304,148	157,727	248,619	24,735	204,686	42,193	6,411	4,390	992,909
Meals (Home)	Quantity	2,613,797	2,137,712	1,779,401	585,204	986,692	212,768	97,893	114,247	8,527,714
Nursing Care (Centre)	Hours	131,266	56,932	10,788	1,339	3,074	7,626	3,966	< 5	214,993
Nursing Care (Home)	Hours	400,974	939,571	517,872	116,312	209,640	68,081	16,308	52	2,268,810
Other Food Services	Hours	80,839	-	4,575	11,620	4,434	439	5	3,177	105,089
Personal Care	Hours	818,988	1,058,400	465,001	233,404	175,413	119,881	32,489	6,972	2,910,548
Respite Care	Hours	264,059	158,920	315,544	57,030	109,875	23,636	1,516	668	931,248
Social Support	Hours	1,493,936	579,606	897,962	468,972	480,790	113,797	46,647	22,463	4,104,173
Transport	Quantity	2,193,084	-	1,368,837	714,867	423,620	182,171	72,243	31,916	4,986,738

Notes

1. The proportion of HACC funded agencies that submitted HACC MDS data for 2012-13 differed across jurisdictions, and ranged from 51 per cent to 100 per cent. Actual assistance amounts will be higher than those reported here. Refer to Table A1 for details.
2. State/Territory refers to the location of service providers.
3. Refer to Glossary for definitions of HACC assistance types.
4. Older HACC clients include all HACC clients aged 65 years or more, plus Indigenous HACC clients aged 50-64 years.

- Nil or rounded to zero

< 5 Result is less than 5 and has been suppressed

nr Not reported

Source: Home and Community Care Program Minimum Data Set 2012-13 Annual Bulletin, Australian Government Department of Social Services

Between 2009-10 and 2012-13, overall expenditure on aged care services increased by over 30%. [Figure 3]

The services provided by the Home and Community Care (HACC) program were means tested, with the level of personal contribution to service charges dependent on income, an individual personal assessment of need for that service, and a level determined by the nature of the service. Meal services were full cost, transport services depended on distance travelled, home improvements

<sup>2</sup> Commonwealth of Australia (2011), *Caring for Older Australians - Productivity Commission Inquiry Report*

negotiated individually, podiatry at a subsidised cost, and all other services, taken together, subject to an overall cap on the fees paid.

In 2011, a Productivity Commission Inquiry found the HACC system complex and difficult to navigate with considerable discontinuity between the levels of private co-contributions paid for HACC services. They made a recommendation to consolidate the many assessment processes currently undertaken by HACC providers and Aged Care Assessment Teams (ACATs).<sup>2</sup>

Australian Government outlays for aged care, 2009–10 to 2012–13

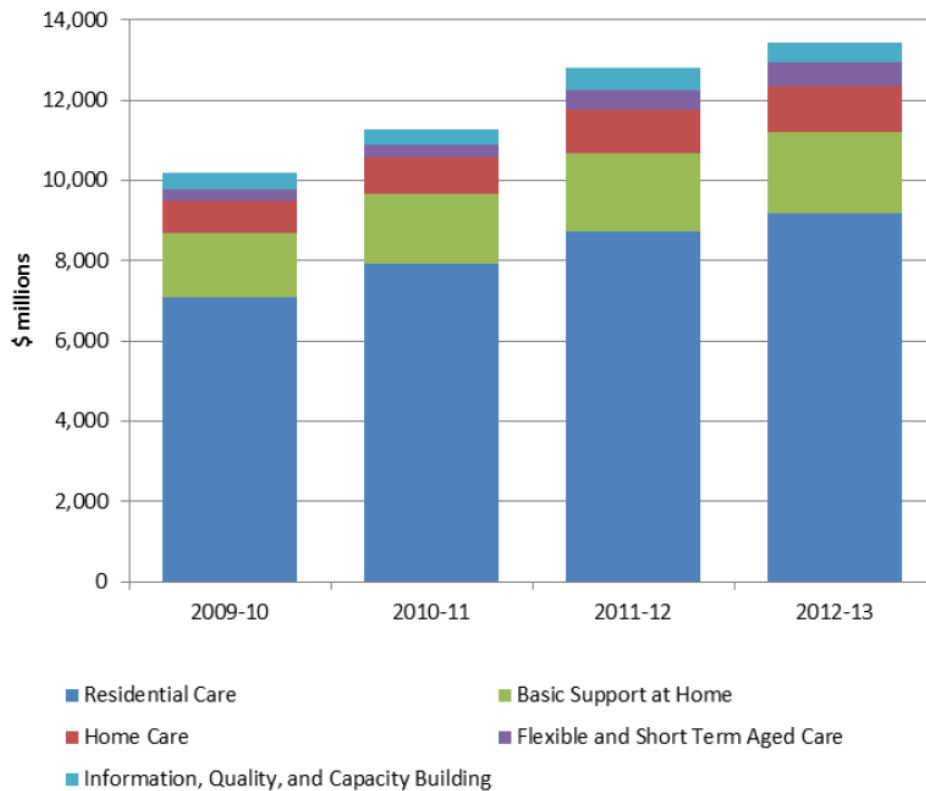


Figure 3

In April 2012, the Australian government, in response to intensive campaigning and the Productivity Commission report, published a package of reforms “*Living Longer, Living Better*”.<sup>3</sup>

The Living Longer Living Better reforms passed into legislation in June 2013. Over five years, from July 2012 to June 2017, the reforms were intended to deliver more support and care at home, additional home and residential care places, a focus on greater consumer choice and control, greater recognition of diversity and support to carers. The intention was to move towards “a less regulated, more consumer-driven and market-based aged care system”.<sup>4</sup>

Based on the Productivity Commission recommendations, the reforms established a single gateway<sup>5</sup> “My Aged Care” to provide information and act as a conduit to the carrying out of assessments for

<sup>3</sup> <http://electionwatch.edu.au/sites/default/files/docs/LaborLivingLongerLivingBetter.pdf>

<sup>4</sup> Commonwealth of Australia (Department of Social Services) (2015), Commonwealth Home Support Programme - Programme Manual 2015

<sup>5</sup> <http://www.myagedcare.gov.au>

individuals in relation to all aspects of old age care. A central client record made information about the user, available to all assessors and service providers.

From July 2012 the Australian federal government through the Commonwealth HACC programme, took on full funding and programme responsibility for support services for people aged 65 years and over (Aboriginal and Torres Strait Islander people aged 50 years and over) that were previously delivered through the Home and Community Care (HACC) Program in individual states and territories, except in Western Australia and Victoria, where transitional arrangements were put in place.

From July 2015, the *Home and Community Care (HACC) Program* was consolidated into the *Commonwealth Home Support Programme (CHSP)* with funding of around AU\$1.64 billion (£800 million) in 2015/16. CHSP will eventually be administered using the principles of *Consumer Directed Care (CDC)*.

Consumer Directed Care (CDC) is intended to give service users greater choice by allowing them to decide what types of care and services they access and how the services are delivered. CDC has already been in use for Home Care packages since 2013 and its intention is to allow greater transparency about what funding is available under a Home Care package of care and how that money is spent, through an individualised budget and a monthly statement. From February 2017 the funding for a Home Care package will be allocated directly to the end user. The package will be portable so that users can change service provider at any time and take the package with them if they move house. The end-user contributes a basic fee up to 17.5% of the single basic Age Pension or an income related care fee for someone above an income threshold (approximately AU\$25,500 = £12,500 for an individual in 2015/16).

From July 2018, the Australian Commonwealth (federal) Government intends to integrate the Home Care Packages Programme and the Commonwealth Home Support Programme into a single care at home programme.<sup>4</sup>

The reform package as a whole increases the means-tested contributions made by individuals. It is estimated that, in residential care, average contributions will rise by 32 to 37 percent while for self-funded retirees the increase will be between 48 and 59 percent. For home care packages the average contribution increase will be 14 to 21 percent while for self-funded retirees it will be 16 to 51 percent. For the Home and Community Care (HACC) / Commonwealth Home Support (CHSP) programme, average contributions rise from 5 to 15 percent.<sup>6</sup>

## Impact

There is widespread international evidence of the effectiveness and cost effectiveness of low level intervention programmes such as the Home and Community Care (HACC) / Commonwealth Home Support (CHSP) programme, which enable older people to stay in their homes for longer.<sup>7,8,9</sup>

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<sup>6</sup> Australian Government, National Commission of Audit (2014), *Towards Responsible Government - The Report of the National Commission of Audit*

<sup>7</sup> Clark A; Centre for Policy on Ageing (2011) *How can local authorities with less money support better outcomes for older people*, York: Joseph Rowntree Foundation

Studies of the HACC Program have shown that older clients, those who live alone and those living in remoter locations are disproportionately represented as service users, as are those in poorer health and with poor lifestyle choices.<sup>10</sup> Providing restorative or reablement help for HACC clients, ie helping them to help themselves rather than doing things for them, has been shown to be more cost effective than conventional home care.<sup>11</sup>

Consumer Directed Care (CDC) is a recent innovation and is still bedding in. A study of recipients, published in 2015, found that, in common with individual budget schemes elsewhere in the world, there was a wide variation in the views of those receiving services. Participants repeatedly raised concerns about the lack of timely accessible information on home-based support services, the challenges of making decisions without such information and the difficulty of acquiring and maintaining relevant knowledge. Participants wanted to influence what services were provided, by whom, and when, but felt that the coverage was not broad enough and wanted to be able to use family members, friends and previously used privately funded specialist suppliers. Participants repeatedly stressed the pivotal role of a good co-ordinator in providing quality home-based support services.<sup>12</sup>

An evaluation by KPMG of the CDC pilot programme, applied to Home Care Packages, found that while most participants were able to manage their package to some degree, few took on a substantial self-management role. Participants and their carers became more involved and interested in planning and decision making, but mainly when in receipt of a higher level of care. KPMG reported that CDC had a positive effect on participants' levels of satisfaction with various aspects of life but were unable to say whether the initiative was cost-effective.<sup>13</sup>

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<sup>8</sup> Windle K, Wagland R, Forder J, D'Amico F, Janssen D and Wistow G (2009) *National evaluation of partnership for older people projects: Final report.*, Canterbury, London and Manchester: PSSRU

<sup>9</sup> Orellana K; Age Concern and Help the Aged (2009) *Prevention in practice - service models, methods and impact*, London: Age Concern and Help the Aged

<sup>10</sup> Jorm L, Walter S, Lujic S, Bayles J and Kendig H (2010), *Home and community care services: a major opportunity for preventive health care*, BMC Geriatrics 10(26)

<sup>11</sup> Lewin G, Allan J, Patterson C, Knuiman M, Boldy D and Hendrie D, (2014), A comparison of the home-care and healthcare service use and costs of older Australians randomised to receive a restorative or a conventional home-care service, *Health and Social Care in the Community* 22(3), 328-336

<sup>12</sup> McCaffrey N, Gill L, Kaambwa B, Cameron I D, Patterson J, Croity M and Ratcliffe J (2015), *Important features of home-based support services for older Australians and their informal carers*, *Health and Social Care in the Community*, 23(6), 654-664

<sup>13</sup> KPMG (2012), *Evaluation of the consumer directed care initiative – Final Report*