



**Ansell
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Transforming Aged Care
and Retirement Living

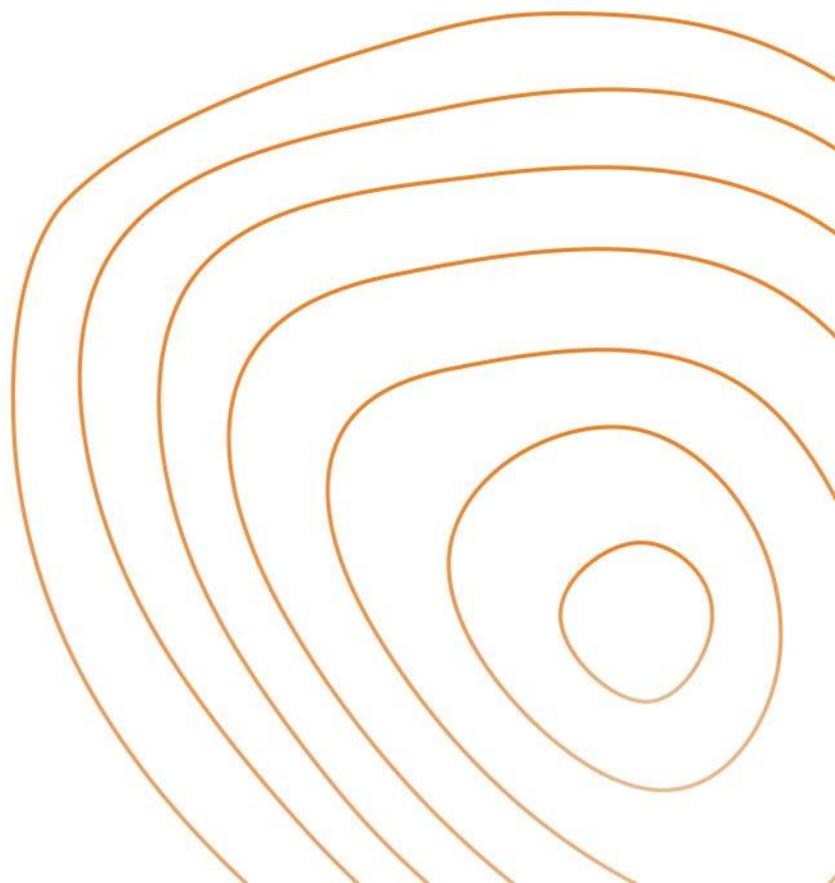
PRELIMINARY RESPONSE TO THE FINAL REPORT

**ROYAL COMMISSION INTO AGED
CARE QUALITY AND SAFETY**

MARCH 2021

Australia • New Zealand

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CONTENTS

1. OVERVIEW	4
2. RECOMMENDATIONS OVERVIEW	5
3. KEY CONSIDERATIONS FOR THE MORRISON GOVERNMENT	6
3.1 GOVERNING AGED CARE (RECOMMENDATIONS 5 TO 11).....	6
3.2 CLEARING THE HOME CARE PACKAGE WAITING LIST (RECOMMENDATION 39)	6
3.3 MINIMUM STAFF TIME (RECOMMENDATION 86)	7
3.4 LONG TERM FUNDING ARRANGEMENTS (RECOMMENDATIONS 138 & 144).....	8
3.5 PHASE OUT RADS (RECOMMENDATION 142)	9
3.6 CASE MIX FUNDING (RECOMMENDATION 88)	9
4. ROYAL COMMISSION RECOMMENDATIONS SUMMARISED	10
5. REFERENCES	19

1. OVERVIEW

After 30 months of inquiry, the Royal Commission into Aged Care Quality and Safety has presented its final report to Government. The report recommends a complete overhaul to the aged care system, placing quality, flexibility and consumer control at the centre of its function. The recommendations are carefully considered and deliver on a vision for positive ageing and dismantling the current system that is built for fiscal management rather than people.

We have summarised the 148 recommendations in Section 4 and the following are the headline recommendations:

- A **single integrated assessment and funding system** that combines home care, residential aged care, respite, social and assistive technology and home modification services.
- Immediate clearing of the **Home Care waitlist**.
- **Minimum staffing qualifications and levels** across residential aged care services (not fixed staffing ratios).
- An **Independent Pricing Authority** to ensure subsidies and user contributions remain in line with service costs.
- **Revision of Aged Care Quality Standards** aligned to Health Quality Standards (hospitals).
- Introduce **new Governance and Prudential Regulations** to protect consumers and funders.
- **Transition away from refundable accommodation deposits (RADs), a \$30.2 billion liability** across the sector.

Much attention will be directed to the disagreements between the two Commissioners on the vehicle through which the changes would be delivered. Commissioner Pagone favours an independent NDIA style Aged Care Commission, while Commissioner Briggs prefers to have the Government retain direct responsibility.

Both arguments have merit. An autonomous purpose-built agency would have the functionality and independence appropriate for reforms of this magnitude. Unfortunately, we do not have sufficient time to establish and mobilise Commissioner Pagone's preferred new Authority.

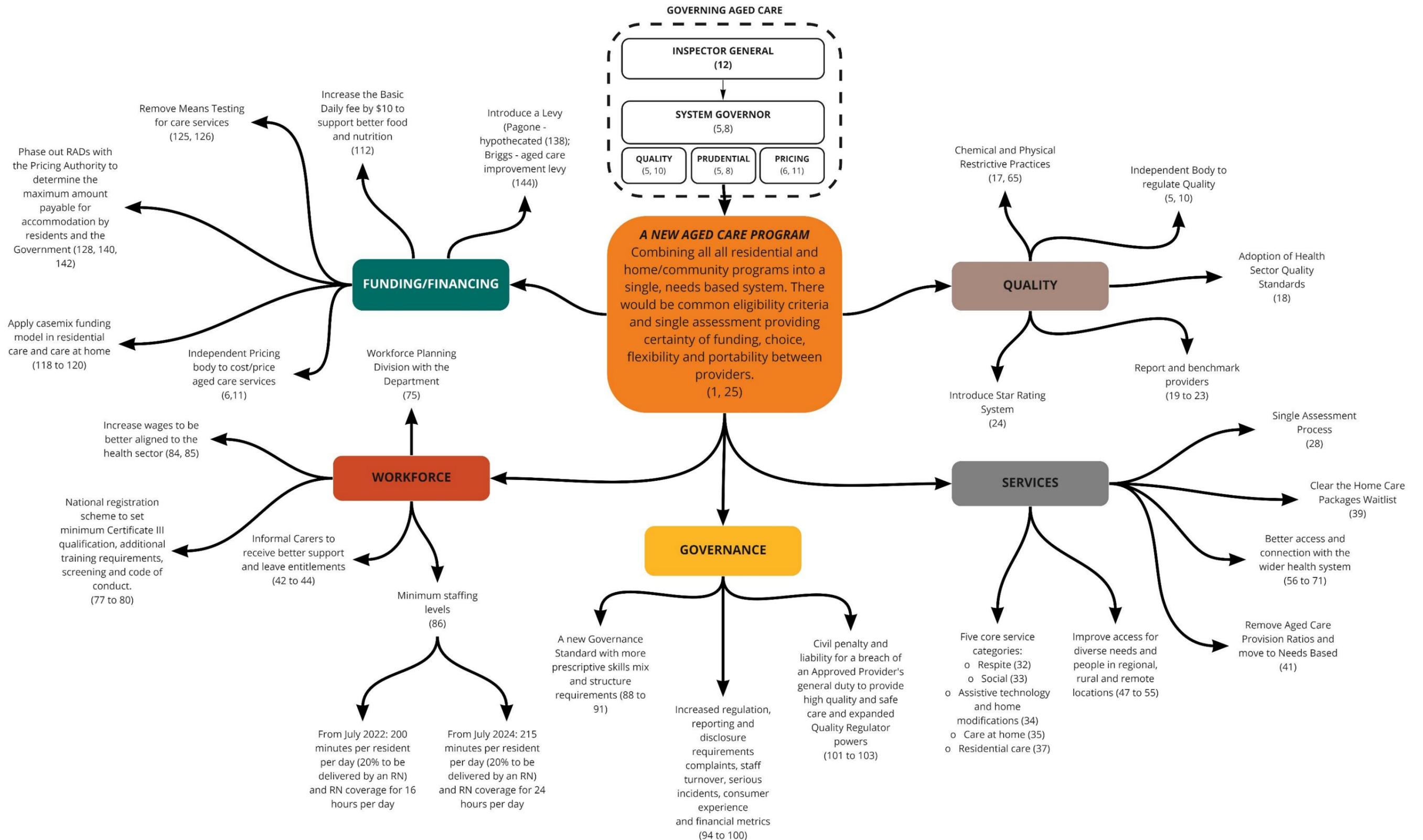
The second disputed recommendation is around funding. In line with the Aged Care Commission argument, Pagone prefers a hypothecated aged care levy covering all service costs while Briggs prefers non-hypothecated model. Consistent with the positions presented by the Former Prime Minister Paul Keating and former Treasurer Peter Costello in September 2020, we believe that the opportunity for an aged care levy has passed and that it is even less plausible after the effects of COVID-19 and rising Government debt (more than \$800 billion).ⁱ

While disputed recommendations might take away some of the headlines, the Commissioners are united on the need for major structural reform. The "how" is now a subject for the Morrison Government and hardly one they'll be considering for the first time today. Whether it's to be a Commission or Government Authority, a universal or a safety-net funding, the Morrison Government would have already decided its approach. The main prize is Recommendation 25 – an integrated, needs based system to deliver person-centred care. We will not receive the Australian Government's formal response until the May Budget but the Prime Minister has emphasised support for the report's theme of "**generational change, person centred care and a needs-based system**".

The work being done by industry peaks leading up to this release has been outstanding – but the biggest challenge is yet to come. The Morrison Government can either take on the recommendations and introduce the structural reforms so desperately needed, or throw some money at the current dysfunctional system and kick the can down the road. Now, more than ever, the industry must be prepared to take a firm position for change. This is the last real chance for change before the demands of the Baby Boomers are upon us.

2. RECOMMENDATIONS OVERVIEW

The following depicts key elements of the 148 recommendations.



3. KEY CONSIDERATIONS FOR THE MORRISON GOVERNMENT

3.1 GOVERNING AGED CARE (RECOMMENDATIONS 5 TO 11)

Commissioner Briggs and Pagone have outlined alternate approaches to govern the new aged care system.

Commissioner Pagone's argument for an **Independent Commission** model (similar to the National Disability Insurance Agency (NDIA)) is very compelling. It has the functionality and symbolism commensurate with the significant reforms proposed. It is also attractive given the NDIS's precedent and it has the potential to pioneer the Commissioner's revolutionary integrated service model, as opposed to trying to re-engineer the Department of Health's siloed, program funding DNA.

The proposal is well supported by a professionally led Governance Structure, which reserves political appointments and special interest groups to a consultative reference group – the Aged Care Advisory Council (ACAC).

However, Commissioner Briggs has raised concerns about the practical challenges of establishing a new independent Commission and proposes a **Government Leadership** model. On balance, we support Commissioner Briggs' approach because the substantial lead time and cost for implementation of the new entity, in parallel with the introduction of sweeping changes by the incumbent Department of Health, are likely to bottleneck a process that really can't wait – and it will quickly lose political momentum if it does.

However, Commissioner Briggs also introduces recommendation 139 which makes provision for the Parliament to disallow pricing determined by the independent **Pricing Authority** and allows the Minister to make a new determination. We are concerned that such powers undermine the integrity of an independent authority and leaves the system susceptible to the same budget interventions that ultimately lead to the Royal Commission.

3.2 CLEARING THE HOME CARE PACKAGE WAITING LIST (RECOMMENDATION 39)

The work undertaken by the Royal Commission has shone light on the frustrations of consumers and aged care providers with the management of the Home Care Package (HCP) waitlist. There are over 100,000 people unable to get the care they need at home and those with the highest level of need will wait over 12 months for a care package. In the last two years, almost 30,000 people died during that wait, as successive Governments have prioritised budget savings over the lives of older Australians.

Recommendation 39 proposes clearing the waitlist by 31 December 2021 with all new entrants after 2021 waiting no longer than one month for a package.

The clearing of the queue requires addressing the needs of people who have been unable to obtain a package as well as those who are receiving care at a lower level than their requirement. Given the Government is currently releasing packages at a rate of 1,200 per week, the elimination of the remaining queue by 31 December 2021 would require an almost doubling of the level of services that have taken decades to establish. From a workforce perspective, the abolition of the waitlist would equate to more than 15,000,000 incremental hours of care to service the waitlist at 'Approved' levels across Australia. This translates to a need for approximately 15,200 additional Care Workers.

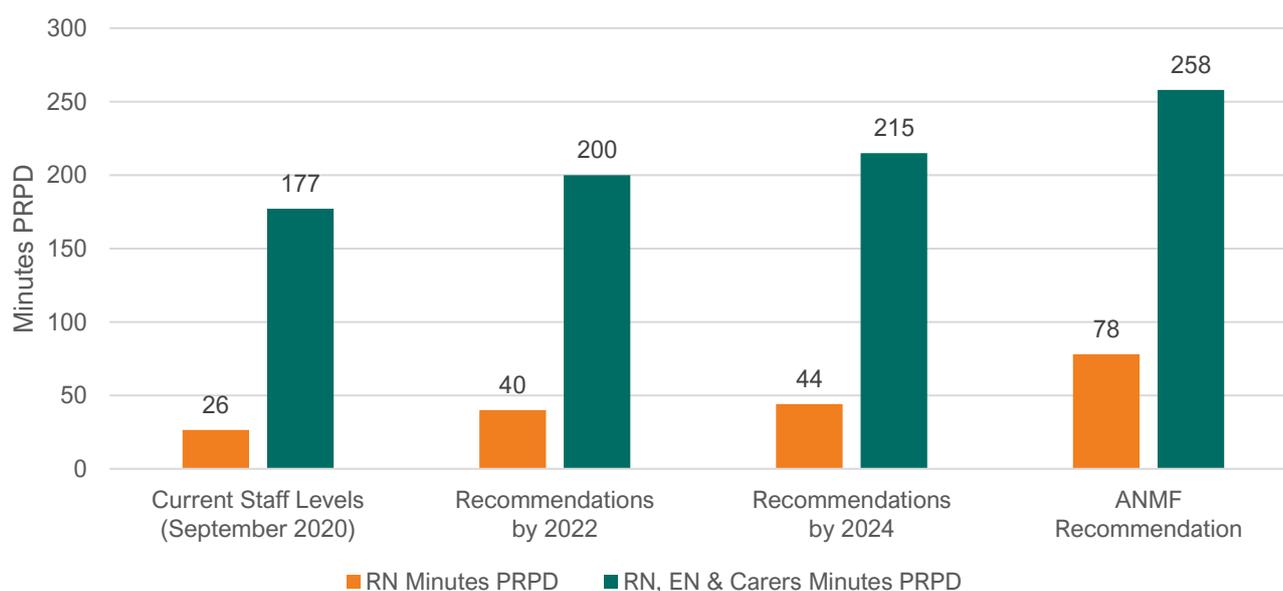
While we would strongly argue that the elimination of the HCP queue is an absolute priority, the near doubling of supply by the end of 2021 is not practicable. Rather than committing to abolish the waitlist by December 2021, we recommend the Morrison Government focus on developing an ambitious but achievable plan to remove the waitlist. This should have appropriate consideration to building capacity for existing and new providers, training and education of carers and the necessary resourcing to accommodate growth.

3.3 MINIMUM STAFF TIME (RECOMMENDATION 86)

There is no question that adequacy of staff resourcing is a key determinate in service quality, nor that the availability of nurses is critical in safely addressing clinical needs. The argument is whether rigid fixed staffing ratios are suitable for the needs of a highly variable, and constantly changing, client base. We have argued strongly that they are not.ⁱⁱ

But what has been recommended by the Commissioners is *not* fixed ratios but minimum staffing hours that are intended to address the first proposition - the sufficiency of staffing resources.

Figure 2: Commissioner’s Recommended Staffing Minutes Per Resident Per Day (PRPD) in Comparison to ANMF Recommendations and Current Levels



Sources: StewartBrown Residential Care Financial Performance, September 2020 & ANMF National Aged Care Staffing and Skills Mix Project Report 2016.

While we appreciate sector concerns with these staffing proposals, we believe that the Commissioners have reached a reasonable compromise here. Fixed staffing ratios are promoted by Unions around the world and this has certainly been the case during the Royal Commission. An aggressive advertising campaign has hit the mark in some media, quick to accept a simple solution to a complex problem. This is a populist position that was difficult for the Commissioner’s to ignore, but they recognise the limitation of resources and the risk of instituting rigid compliance structures over their proposed innovative and flexible service models.

The recommended minimum staff times are linked to future funding and this helps address part of the resourcing issue, but the recommended levels (rolled out in two stages in 2022 and 2024) still represent extremely challenging targets within the timelines proposed.

The following should be considered by the Morrison Government in the development of their response to the Royal Commission report:

Clinical Resources - The availability of nurses is extremely limited and a more gradual proportional build up will better align to other parts of the recommendations which encourage better remuneration, sector promotion, training and professional development (Recommendations 77 to 85). It will also align to the timing of integrated models (Recommendation 25) which would lead to a reduced length of stay in (and proportional utilisation of) residential aged care and increased clinical dependency;

Staff Classification - Categorised staff levels should reflect the clinical and leadership roles and available resourcing by grouping RNs and ENs together, rather than grouping ENs with personal care workers. There is likely to be the need for minimum RN component within that allocation, supplemented with EN resourcing in reference to 1 above; and

Financial Resourcing – Provider funding can be graduated in alignment with 1 above to encourage adoption of the model while building capacity into the new models. This has proven successful with the funding stratum adopted for supported resident supplements and the transition to the National Aged Care Quality Standards. In the interim, we also suggest an overall increase to ACFI to address the cuts made in 2016 to 2018 and to acknowledge the transitional costs associated with the implementation of the Royal Commission’s recommendations.

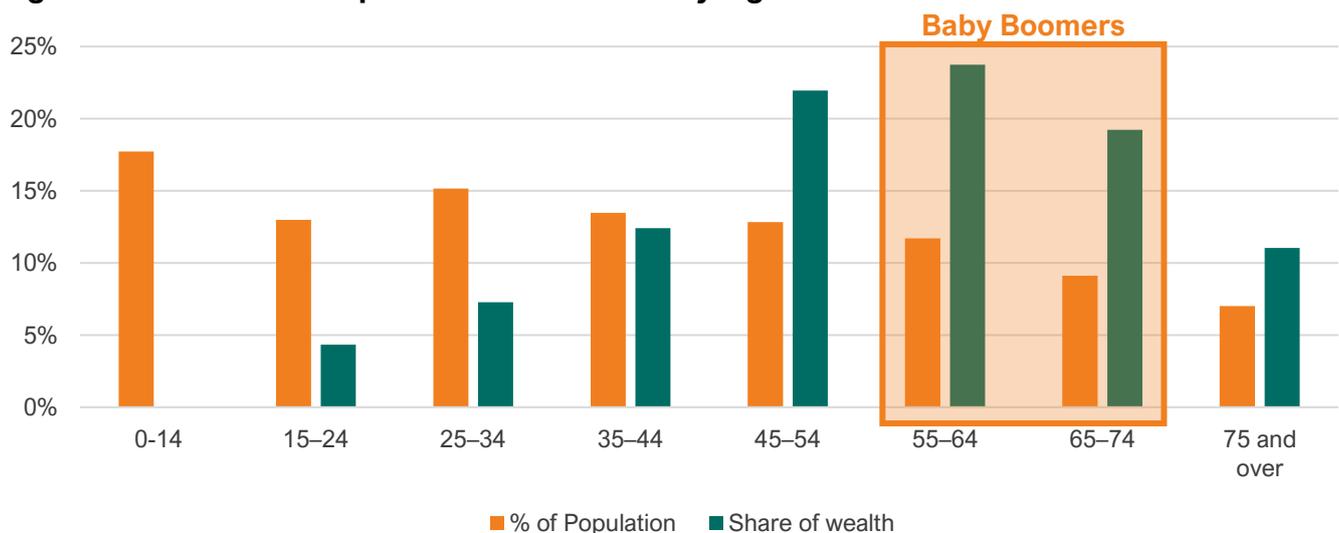
3.4 LONG TERM FUNDING ARRANGEMENTS (RECOMMENDATIONS 138 and 144)

The report recommends the introduction of a universal entitlement system that removes means testing for care services (Recommendations 125 and 126). To fund this, both Commissioners propose the introduction of a levy to fund the New Aged Care System. Pagone proposes a hypothecated levy (Recommendation 138) and Briggs proposes a non-hypothecated levy (Recommendation 144).

While much of the ensuing responses and testimonies (Sydney Hearing 5) argued against this approach, the Commissioners are holding tight to their market research which indicates that Australians are willing to pay more for a higher standard of aged care.

We agree with the sentiment in the current environment, however, Australians have not historically held that view when aged care is not front of mind. It is the reason that successive Governments have been able to divert resources away from aged care and the reason we are having a Royal Commission. Most importantly, in a post-COVID environment and rising Commonwealth debt, it will be politically and practically challenging as the already depleted generations X, Y and Z would be asked to fund the care services of Australia’s wealthiest cohort, the Baby Boomers.ⁱⁱⁱ

Figure 3: Wealth and Population Distribution by Age



Source: Australian Bureau of Statistics, *Household Income and Wealth, Australia 2017-18*.

Even more important is the need for innovation and flexibility that is fundamental to a user-pay system. The current system already relies too heavily on Commonwealth/taxpayer funding and this has resulted in a homogenous product that serves to reduce consumer choice and institutionalise services. This is unacceptable now and certainly will not be acceptable to future consumers.

In our opinion, the solution lies in the integration of care services (Recommendation 25), underpinned by a means testing regime that affords consumers choice through direct investment in their services. Research undertaken by UnitingCare Australia for the Royal Commission demonstrates that this can facilitate the required change and is economically sustainable.^{iv}

3.5 PHASE OUT RADS (RECOMMENDATION 142)

The Commissioners propose to phase out RADs. Over the past number of years, the sector has witnessed the gradual trend where residents have moved away from paying a RAD in favour of a DAP. The Commissioner's provided commentary on the unreliable nature of RADs as a capital financing mechanism and the risk it presents for provider liquidity, exacerbated during peak COVID infection.

Whilst both Commissioners recommend a transition away from RADs, there is a difference in opinion on when this should occur. Briggs recommends this process commence from 1 July 2025, whilst Pagone recommends further consideration to the sequencing of other recommendations made when considering the timing.

We support the Commissioner's recommendation to move gradually towards a rental style model in line with the rest of the developed world and that pricing should be based on the cost of delivering high quality accommodation and a reasonable return on investment (Recommendation 128). With a total of \$30.2 billion of accommodation deposits held by providers at 30 June 2019, careful consideration is needed to support provider liquidity and viability for this material change.

3.6 CASE MIX FUNDING (RECOMMENDATION 88)

Case mix has been applied in hospitals in Australia since the 1980s and the Royal Commission has recommended its adoption in aged care in line with the current strategy being pursued by the Australian Government. Case mix adjusted activity-based funding can be useful in environments where a health intervention is relatively predictable and therefore has some application to short term, episodic procedures in hospitals (although opinions vary as to its success in Australian hospitals).

One benefit of case mix funding and the model proposed by Commissioner's is that it is backed by a cost of care model. While onerous, a case mix model could generate more transparency in how aged care is paid for equitably by consumers and the Commonwealth Government.

However, because residential aged care consumers usually require support with multiple co-morbidities, and because their needs are changing constantly over time, in our opinion case mix isn't ideal for residential aged care.^v

The remainder of the Commissioner's recommendations are focussed on highly personalised care and avoiding the situation where a person is defined by their disability.

Importantly, the funding model will not assimilate easily with the most important recommendation for a single assessment, funding and support system tailored for the individual needs of older people (Recommendation 25), particularly when applied in a home care setting (Recommendation 120).

However, the Australian Government is well progressed with the AN-ACC trials and planning for implementation, so the introduction of case mix into aged care seems inevitable. The focus forward must be:

- Developing a workable interface between case mix funding in residential aged care and a separate, tailored approach for home care within the integrated service strategy outlined in Recommendation 25; and

Accelerating the expansion of home care services to create choice outside of residential aged care.

4. ROYAL COMMISSION RECOMMENDATIONS SUMMARISED

Recommendation	Commentary	Due Date
FOUNDATIONS OF A NEW AGED CARE SYSTEM		
1	New Aged Care Act – providing universal right to high quality, safe and timely support. Incorporating reforms recommended throughout the Royal Commission (RC) report.	1 July 2023
2	Rights of Older People receiving Aged Care.	
3	Key Principles of the new Act – certainty, community engagement, transparency, innovation and sustainability.	
4	Integrated health and aged care system across Federal and State Governments.	2031
GOVERNANCE OF NEW AGED CARE SYSTEM		
5 (Pagone)	Australian Aged Care Commission (AACC) – newly incorporated entity to manage all critical elements of the aged care sector (governance, funding, complaints and quality).	1 July 2023
6 (Pagone)	Aged Care Pricing Authority (ACPA) – determining efficient cost of specified services and recommending changes in funding to AACC.	1 July 2023
7 (Pagone)	Aged Care Advisory Council (ACAC) – expert advisors to AACC on workforce, service delivery and training.	
8 (Briggs)	Senior Cabinet Minister for responsible for aged care (preferably Minister for Health and Aged Care). Department of health renamed as Department of Health & Aged Care . Heavily bolstered capacity to drive change extend access networks and redesign from program to person driven system.	
9 (Briggs)	Council of Elders to advise Minister and Department on elder’s perspective on quality, safety, rights and dignity.	
10 (Briggs)	Aged Care Safety and Quality Authority to replace the Aged Care Quality and Safety Commission as an independent authority.	1 July 2022
11 (Briggs)	Independent Hospital and Aged Care Pricing Authority – As per Pagone Recommendation 6 but reporting to Government, not AACC.	1 July 2021
12	Inspector-General of Aged Care – independent office to investigate, monitor and report on administration and governance of the aged care system.	
QUALITY & SAFETY		
13	Changes to the Aged Care Act embedding high quality aged care in the legislation.	

Recommendation	Commentary	Due Date
14	New Act requiring Approved Provider statutory duty to quality of services and staff qualifications.	
15	Establishment of dementia support pathway .	1 January 2023
16	Providing specialist dementia support services .	1 January 2023
17	Prohibition of restraints unless recommended by independent expert of in emergency.	1 January 2022
18	National Health Reform Act 2011 (governing Hospital Standards) should be amended to establish Australian Commission on Safety and Quality in Health and Aged Care (ACSQHAC) to take on the functions of formulating standards, guidelines and indicators relating to aged care safety and quality.	
19, 20,21, 22	ACSQHAC urgent review and amendment of the Aged Care Quality Standards , quality indicators and periodic review of implementation progress and trends.	31 December 2022 (review completed)
23	ACSQHAC develop methodology for provider participation in quality indicator benchmarking and continuous improvement.	1 July 2022
24	Government (Briggs)/AACC (Pagone) to establish Star Rating System to make meaningful comparisons of the quality and safety performance of services and providers.	1 July 2022
PROGRAM DESIGN		
25	<u>New Aged Care Program</u> combining all residential and home/community programs into a <u>single, needs based system</u>. Would have common eligibility criteria and single assessment providing <u>certainty of funding, choice, flexibility and portability between providers</u>.	1 July 2024
26	Improved Public Awareness .	1 July 2022
27 (Briggs)	Enhancement of My Aged Care information for users.	
28	ACAT and RAS replaced with a single assessment process , independent of providers and using multi-disciplinary teams (refer 25).	1 July 2023
29 (Briggs)	Personal care finders to support people to orientate through the system that are employees of the System Governor, a State or Territory or local government body.	1 July 2023
30	Designing services to recognise and address diversity among consumers	1 July 2022
31	Approved Providers responsible for care management and recruit workforce suitable to need.	1 July 2022
32	Making available respite supports for the carers of older people (63 days, in home, cottages and speciality facilities)	1 July 2022

Recommendation	Commentary	Due Date
33	Provision of Social Supports for older people.	1 July 2022
34	Provision of Assistive technology and home modifications.	1 July 2022
35	Expansion of Home Care services to avoid premature admission to residential aged care. Lead provider to act as case manager.	1 July 2024
36	Home care services to include Allied Health support.	1 July 2024
37	Expansion of Residential Aged Care definition and scope of services.	1 July 2024
38	Residential aged care to include appropriate level of Allied Health support. Differences between Pagone and Briggs approach (latter requires specified professionals appointed).	1 July 2024
39	Immediately clearing the Home Care waitlist . Maintaining one month clearance of waitlist and regular accountability on waitlist status.	31 December 2021
40	Transition of current HCP consumers to the new system (refer 25 and 35).	1 July 2022
41	The current Aged Care Provision Ratio replaced by a Needs Based model.	1 July 2024
INFORMAL CARERS AND VOLUNTEERS		
42	Changes to My Aged Care to support informal carers.	1 July 2022
43 (Briggs)	Potential to provide additional leave entitlements for people providing unpaid care.	31 December 2022
44	Promotion of volunteering in aged care.	1 July 2021
AGED CARE ACCOMMODATION		
45	Government to guide best practice in aged care design – National Aged Care Design Principles .	1 July 2022
46	Provision of capital grant for small scale congregate living (small household model).	1 January 2022
AGED CARE FOR ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLE		
47, 48	Provision for in service delivery, workforce education.	1 July 2023
49	Appointing an ATSI Aged Care Commissioner .	1 July 2023
50	Strengthening capacity of ATSI providers of aged care services.	
51	Employment and training of ATSI workforce .	1 December 2022

Recommendation	Commentary	Due Date
51, 52	Funding of ATSI service initiatives (Recommendation 49).	1 December 2022
AGED CARE IN REGIONAL, RURAL AND REMOTE		
54	Identification of inadequate supply in regional, rural and remote areas.	
55	Strengthening MPS and integrating into new aged care system.	1 December 2021
BETTER ACCESS TO HEALTH		
56, 57	Strengthening access to support through new primary care models and engagement of Royal Australian College of General Practitioners.	1 January 2024
58	Australian and State and Territory Governments to introduce Local Hospital Network-led multidisciplinary outreach services funded through National Health Reform Agreement.	1 January 2022
59	Australian and State and Territory Governments to provide outreach services delivered by State and Territory Government Older Persons Mental Health Services to people receiving residential aged care or personal care at home.	1 January 2022
60	Government to establish a Senior Dental Benefit Scheme .	1 January 2023
61	Medicare funding of a comprehensive health assessment at admission to residential aged care or care at home and periodically thereafter	1 November 2021
62	Rural Health Outreach Fund to include delivery of geriatrician and medical specialist services to people receiving aged care support in regional, rural and remote Australia.	1 July 2021
63	Medicare funded specialist telehealth services to people in aged care at home.	1 November 2021
64	Pharmacist medication reviews on entry into residential aged care or on material change in condition or medication regime.	1 January 2022
65	Only a psychiatrist or a geriatrician to initially prescribe antipsychotics as a pharmaceutical benefit for people receiving residential aged care.	1 November 2021
66	Federal and State Governments to implement and report on compliance with hospital discharge protocols .	1 July 2022
67	Improved collection, collation and reporting of data between health and aged care systems.	1 July 2023
68	Universal adoption by the aged care sector of digital technology and My Health Record	1 July 2022
69, 70, 71	Amendment of the National Health Reform Agreement to define respective roles and responsibilities of approved aged care providers and State/Territory health care providers.	31 December 2021

Recommendation	Commentary	Due Date
AGED CARE FOR PEOPLE WITH DISABILITY		
72, 73	Alignment of the new aged care system and NDIS .	1 July 2024
YOUNGER PEOPLE IN RESIDENTIAL AGED CARE		
74	Removal of young people with disabilities from residential aged care.	1 January 2025 (under 65)
WORKFORCE		
75	Establish a Workforce Planning Division within the Department of Health to develop workforce strategies (3 year strategy by 1 July 2022 and 10 year strategy by 1 July 2025).	1 January 2022
76	The Aged Care Workforce Industry Council should diversify membership and work with the Workforce planning divisions to define, promote and develop workforce roles in aged care to promote sector capacity.	1 July 2022
77, 78	Government to establish national registration scheme to set minimum Cert III qualification, training requirements, screening, and code of conduct.	1 July 2022
79	Review and improvement of certificate based aged care courses.	22 January 2022
80	Strengthening Dementia and Palliative care training.	1 July 2022
81, 82, 83	Improving aged care workforce professional development .	1 July 2021-23
84, 85	Increase in wages to recognise contributions in parity to other elements of the health sector sufficient to attract a qualified aged care workforce.	
86	Establishment of minimum staff time standards across residential aged care. The recommendation is not for staff ratios.	
87	Government requires approved providers to preference direct permanent employees over contractors.	1 January 2022
PROVIDER GOVERNANCE		
88	Addresses composition of approved provider's Board and transparency requirements .	1 January 2022
89 (Briggs)	Governing body requirements in relation to qualifications, experience and training of leadership and workforce.	1 July 2021
90	Development of aged care Governance Standards by ACSQHAC addressing requirement of Board, performance monitoring, complaints management, risk management and reporting.	
91	Developing program of continuous improvement in governance arrangements.	2021/22 FY

Recommendation	Commentary	Due Date
QUALITY REGULATION		
92, 93	Provider approval and accreditation requirements.	1 July 2024
94	Reporting feedback from people receiving aged care services	1 July 2021
95	Quality Regulator to adopt graded assessment of service performance against Aged Care Quality Standards.	1 July 2022
96	Transparency in relation to Coroner's reports .	
97	Strengthening access rights of Quality Commission and successor body.	31 December 2021
98	The Quality Regulator would manage complaints management and is answerable to the Inspector-General.	
99	Protection for whistle blowers .	
100	New and expanded reporting of serious incidents .	
101, 102	New Act to allow the Quality regulator to refer approved provider to a court for civil penalty in the event of a breach of duty of care.	
103	Expanded Quality Regulator power of enforcement, infringement and sanctions.	
104	Australian Government to undertake an independent review of the capabilities of the Aged Care Quality and Safety Commission.	1 May 2021
105	The Quality Commission (and successor body) to provide additional information in its public reporting on the effectiveness of the regulatory system and its performance.	1 July 2021
106	Determination of unmet advocacy services and ongoing funding.	1 July 2022
RESEARCH AND DEVELOPMENT		
107	New Act should provide for the establishment of an Aged Care Research and Innovation Fund with Government funding 1.8% of aged care expenditure.	1 July 2022
108	Research and Innovation Fund to collect, collate, analyse and report on national aged care data set .	
109	Government should invest in technology and communications systems to support the new aged care system.	1 July 2022

Recommendation	Commentary	Due Date
FUNDING THE AGED CARE SYSTEM		
110 and 111 (Pagone)	Replacing current COPE subsidy indexation arrangements with wage-based measures until the Pricing Authority has commenced independent pricing determination.	1 July 2021
112	Increase of daily care fee of \$10 per day.	1 July 2021
113	Continue increase in viability supplement until Pricing Authority reports on service costs in regional, rural and remote settings (adopted by Government until June 2021).	
114	Government to establish training and education scheme to improve the quality of the current aged care workforce until independent pricing of aged care services by Pricing Authority.	1 July 2021
115	Function and objects of the Pricing Authority in determining base line efficient service costs and indexation.	1 July 2023
116	Providers requires to participate in cost data reviews .	1 July 2022
117	Pricing Authority to advise on appropriate balance of block and activity-based funding for social, respite and assisted technology recommendations (Rec 33 and 34)	1 July 2022
118	Application of Case mix Funding to the new care at home model.	1 July 2024
119	Care at home funding to be set at a maximum of residential aged care alternative.	1 July 2024
120	Application of Case mix Funding in residential aged care	1 July 2022
121	Retrospective incentive funding for providers adopting enablement approach to residential care	1 July 2022
122	Residential aged care providers to report total direct care staffing hours provided each day at each facility, specifying the different employment categories.	1 July 2022
123	Payment on accruals for care at home.	
124	Government should develop and implement a standardised statement format for home care providers to record services delivered and costs incurred on behalf of Home Care Package holders	1 July 2022
125	Individuals who are assessed as needing social supports, assistive technologies and home modifications, or care at home should not be required to contribute to the costs of that support. Individuals requiring residential aged care services should not contribute to the care component of that support.	
126	Individuals receiving respite care under the new Act should only be required to contribute to the costs of the services that they receive associated with ordinary costs of living.	

Recommendation	Commentary	Due Date
127	Individuals receiving residential aged care under the new Act should be required to contribute to the costs to meet their ordinary living needs.	
128 (Pagone)	Pricing Authority to determine maximum amount payable by the resident or Government for accommodation based on the cost of delivering high quality accommodation and a reasonable return on investment.	
129	Recommended change to means testing .	
PRUDENTIAL REGULATION		
130 - 134	The System Governor (ACAA (Pagone) or Department ((Briggs) would be responsible for prudential regulation including prudential standards, capital adequacy, financial reporting requirements and powers to examine and remedy .	1 July 2023
135	Requirement for providers to adhere to continuous reporting requirements .	1 July 2023
136	Enforcement powers of Prudential Regulator, including the power to apply to a court for civil penalties.	1 July 2023
137	Building capacity within the Prudential Regulator.	
FINANCING THE NEW AGED CARE SECTOR		
138 (Pagone)	Financing scheme based upon the imposition of a hypothecated levy on Australian taxpayers.	1 July 2021
139 (Briggs)	Pricing Authority Recommendations should be subject to Parliamentary disallowance and the Minister would make a new determination. This matter is to be addressed separately.	
140 (Briggs)	Consumers pay accommodation payments based on means and support provided by those without adequate means.	
140 (Briggs)	Recommended change to means testing	
CAPITAL FINANCING		
142 (Briggs)	Refundable Accommodation Deposits to be phased out to new residents. Aged care capital facility established to support transition away from RAD's.	From 1 July 2025
143 (Briggs)	Implementation of new arrangements for financial oversight and prudential regulation	From 1 July 2022
144 (Briggs)	Government should introduce legislation to Parliament to establish an aged care improvement levy of a flat rate of 1% of taxable personal income.	From 1 July 2023
145	Government should report to Parliament about its response to the recommendations in the final report.	31 May 2021

Recommendation	Commentary	Due Date
146 (Pagone)	The System Governor should be suitably resourced with an implementation unit to address Royal Commission recommendations	
147 (Briggs)	Australian Department of Health and Aged Care should promptly establish a taskforce to implement and direct implementation of the Royal Commission's recommendations	
148	Inspector-General to monitor implementation of recommendations, reporting every 6 months to Parliament and then comprehensively 5 and 10 years after tabling of the report.	

5. REFERENCES

ⁱ Ansell Strategic, [Response to the Counsel Assisting Recommendations](#), November 2020.

ⁱⁱ Ansell Strategic, [Fixed Staffing Ratios in Residential Aged Care](#), May 2019

ⁱⁱⁱ Ansell Strategic, [Response to the Royal Commission's Consultation Paper Two: Financing Aged Care](#), August 2020

^{iv} UnitingCare Australia, [Aged Care Data Project – Module One](#), December 2020

^v Ansell Strategic, [Proposal for a New Residential Aged Care Funding Model](#), June 2019