



Dear approved provider

We are moving through a period of substantial change as the Australian Government's aged care reform program is implemented to meet the needs and expectations of older Australians now and into the future.

The new Aged Care and Other Legislation Amendment (Royal Commission Response) Act that received royal assent on 5 August 2022 implements nine measures to improve accountability and transparency and responds to 17 recommendations of the Royal Commission into Aged Care Quality and Safety.

The Explanatory Memorandum to the Act provides a summary of the new requirements for approved providers, and the following table (see page 2) lists the nine measures and presents an outline of what each involves and the dates the new requirements apply from.

Four of the nine measures are directly relevant to the regulation of aged care:

- expanding the Serious Incident Response Scheme (SIRS) into home care
- introducing a Code of Conduct for providers, workers and governing persons
- strengthening provider governance, and
- use of restrictive practices and consent.

It is important to be aware of, and prepare for, the changes and new requirements introduced through this Act.

The Commission is committed to supporting you to understand and implement the new obligations. Our support will include consultation through a range of interactive webinars and other forums to ensure that our guidance documents across the reform measures are fit for purpose. We will also be producing resources that support aged care consumers and their families to understand how the reforms will deliver better outcomes.

It is noted that further detail on the new requirements for approved providers will be available through subordinate legislation exposure drafts. The release of the exposure drafts will be determined by government.

In parallel with the release of the exposure drafts, the Commission will be engaging with you. In particular, we will seek feedback on draft guidance and education resources, and work through practical examples of how the new requirements apply and how they will be assessed and monitored from a regulatory and compliance perspective.

Reforms introduced under the Aged Care and Other Legislation Amendment (Royal Commission Response) Act 2022

Schedule in the Act	Reform measure	What is being introduced	Date changes come into effect	What it means for approved providers and services
1	Australian National Aged Care Classification (AN-ACC)	The AN-ACC care funding model provides more equitable care funding to providers that better matches consumer needs with the costs of delivering care. AN-ACC replaces the Aged Care Funding Instrument (ACFI).	1 October 2022	The AN-ACC care funding model works by applying weightings to the price that reflect variations in the cost of care. This is based on characteristics of the service and the needs of individual consumers. For more information: <u>AN-ACC care funding model</u>
2	Star ratings for residential aged care	A Star Rating system for residential aged care services is being developed to help consumers and their carers compare services and make informed choices on their care options.	By end December 2022	Residential aged care services will have an overall star rating listed on My Aged Care, based on information gathered through measurable indicators of quality and available data. For more information: <u>Star ratings for residential aged care</u>
3	Code of conduct and banning orders	The new Aged Care Sector Code of Conduct will set out expectations of how providers and workers delivering care are expected to behave. This provision strengthens protections for consumers because banned workers will not be able to deliver aged care services. The Code reflects what is already in place under the National Disability Insurance Scheme (NDIS).	1 December 2022	The Code will enable workers to move more easily between the aged, disability and veterans' care sectors. Providers will be required to take reasonable steps to ensure their workforce and governing body comply with provisions of the Code. The Commission's functions will be expanded to include compliance actions relating to compliance with the Code, which may include a civil penalty or banning order. Further information on the Code will be available on the Commission's website shortly.

Schedule in the Act	Reform measure	What is being introduced	Date changes come into effect	What it means for approved providers and services
4	Serious Incident Reporting Scheme (SIRS) – home and flexible care	<p>The SIRS will be extended from residential aged care to include home care and flexible care delivered in a home or community setting.</p> <p>Expanding SIRS to include home and flexible care services will give greater protections to aged care consumers who receive care and services in their home.</p>	1 December 2022	<p>Providers of home and flexible care services will have new responsibilities regarding managing and preventing incidents, including notifying the Commission of reportable incidents.</p> <p>Information on SIRS is available on the Commission’s website - <u>Serious Incident Response Scheme</u></p> <p>Home care and flexible care providers are strongly advised to take action now to ensure that their incident management systems are effective. Read the <u>fact sheet</u>.</p> <p>Further practical information is available in the Commission’s resource, <u>Effective incident management systems: Best practice guidance</u>. Introductory online learning modules including ‘Elements of Effective Incident Management Systems’ are also available within the <u>Aged Care Learning Information Solution – Alis</u></p> <p>Communications for SIRS home care are under development and will be available on the Commission’s website shortly.</p>

Schedule in the Act	Reform measure	What is being introduced	Date changes come into effect	What it means for approved providers and services
5	Strengthened governance of approved providers	Legislative changes will require providers to improve their governance arrangements which will in turn lift sector capability. These changes relate to governing body membership, leadership and culture.	1 December 2022	<p>New reporting responsibilities will include the need to report material changes and suitability of key personnel, as well as requirements regarding membership of provider governing bodies, staff qualifications, skills and experience, and submission of an annual statement on operations.</p> <p>Providers are strongly advised to participate in the Governing for Reform in Aged Care program. Further information, including how to enrol in the program, is available at <u>Governing for Reform in Aged Care</u></p> <p>Further information on governance is under development and will be available shortly.</p>
6	Information sharing	Legislative changes enable sharing of information between Commonwealth agencies across the aged care, veterans' and disability sectors under specific circumstances. This will increase aged care consumer safety.	Now in place	Sharing of information which may relate to Worker Screening and non-compliance with provisions in the Code of Conduct. Providers will be required to maintain up to date records regarding care provision and worker screening as examples to support these information sharing requirements.
7	Use of refundable deposits and accommodation bonds	Legislative changes enable the Commissioner to request information or documents from a provider or borrower of a loan made using a refundable accommodation deposit or bond.	Now in place	<p>It will be an offence for a provider to not comply with any request to share information or documents regarding refundable deposits or accommodation bonds. The liability period for the misuse of refundable accommodation bonds is now 5 years (previously this was 2 years).</p> <p>More information is available at <u>Managing accommodation payments and contributions for residential aged care</u></p>

Schedule in the Act	Reform measure	What is being introduced	Date changes come into effect	What it means for approved providers and services
8	Independent Health and Aged Care Pricing Authority	Legislative changes have enabled expansion of the functions of a renamed Independent Health and Aged Care Pricing Authority. These changes establish new governance arrangements of the Pricing Authority.	Now in place	The Pricing Authority's functions have expanded to include provision of advice on health care pricing and costing, including those which are covered under the Aged Care Act, such as those which related to approval of fees. For more information visit the <u>Independent Health and Aged Care Pricing Authority</u> website.
9	Restrictive Practices	Legislative changes have enabled the strengthening of consent arrangements for use of restrictive practices for aged care consumers. This amendment to the <i>Quality of Care Principles 2014</i> further clarifies and strengthens those which came into effect on both 1 July and 1 September 2021.	1 October 2022	Some consumers may not have the ability to provide consent for restrictive practices use for themselves, or there may not be an alternate means for provision of consent on their behalf through State or Territory functions. The amendment provides for those consumers where there is no state or territory function which supports provision of consent on their behalf. More information on restrictive practices in aged care is available on the <u>Department of Health and Aged Care</u> website and on the Commission website - <u>Minimising restrictive practices</u> . Further information regarding provision for use of restrictive practices under the amendments is in development and will be available shortly. Providers are encouraged to keep up to date on this issue.



Further reforms

Another aged care reform bill - Implementing Care Reform Bill 2022 (ICR Bill) - was introduced in Parliament on 27 July 2022. The legislation includes measures:

- requiring residential aged care providers to ensure that a Registered Nurse is on site at residential aged care services 24 hours per day, 7 days per week
- ensuring increased transparency of providers' financial information, and
- enabling capping of home care administration and management fees.

The Senate Community Affairs Legislation Committee inquiring into this Bill is due to make recommendations by the end of this week (ie. before 2 September).

Alongside this, work is underway (being led by the Department of Health and Aged Care) to review the Aged Care Quality Standards (Quality Standards) in response to the Royal Commission's recommendations. The review, which is focusing on areas of concern identified by the Royal Commission including clinical care, governance, diversity, dementia, and food and nutrition, is due to be completed by December 2022.

I encourage you to regularly visit the Department's Aged Care Engagement Hub to find out how you can participate in the review of the Quality Standards. Further information on the review is available here.

Support from the Commission

Throughout this change journey, the Commission will continue to support you through:

- online resources such as guidance materials, fact sheets, videos and posters
- online learning programs through the Aged Care Learning Information Solution (Alis), and
- webinars on key reform measures to have your questions answered.

I encourage you to register now to attend the first webinar, Introduction to aged care sector reforms – a regulatory perspective, being held on Thursday 8 and repeated on Tuesday 13 September 2022. This live webinar is being held on two separate dates to give all providers and services the opportunity to participate.

You can also stay in touch with the Commission's updates on the reforms, including new resources and activities, by regularly visiting our website and subscribing to the monthly Aged Care Quality Bulletin.

Noting the vital importance of ensuring that aged care consumers understand the reforms and how they will deliver better outcomes, I request your assistance in distributing the attached letter from me to your service's care recipients, their families and carers. The letter outlines the changes being made across aged care as part of the reform program.

We all have a vital role to play in ensuring the successful implementation of these reforms and I thank you for your ongoing commitment to ensuring that older Australians receive the safe, quality care they deserve.

Yours sincerely

Janet Anderson PSM
Commissioner

31 August 2022

encl. Letter to aged care recipients from the Commissioner