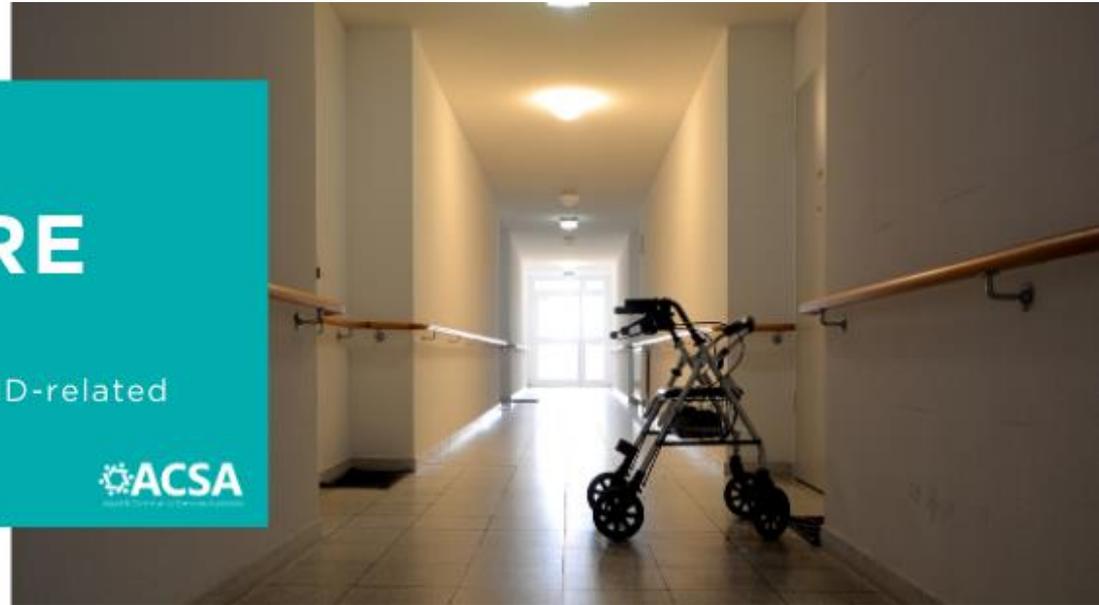


## COVID-19 AGED CARE FUNDING

A brief summary of COVID-related  
funding measures



### **\$1.5 billion in COVID-related aged care funding measures**

This week's funding announcement on 31 August 2020 brings Government COVID-19 related aged care funding measures to approximately \$1.5 billion in total. Caution is needed in tallying these figures as there may be some duplication of funding measures amounts.

This summary is focussed on funding measures and does not seek to identify grant opportunities.

Whilst ACSA welcomes the latest announcement of the continuation of a number of COVID-19 related supports, the funding measures do not fully offset the costs providers continue to experience in responding to the pandemic.

The temporary payment uplift for Home Care and Residential Care providers that was in place from March to the 31 August has ceased and the [instrument](#) that allowed this payment to occur ceased on the 1 September 2020, and therefore new rates for subsidies and supplements took effect from the 1 September.

With a 'freeze' to the aged care pension in [September](#) (said to be due to a drop in CPI) there is a logical question to be asked regarding the basic daily fee (which is set by government at a percentage of the single basic age pension) as the two are linked. A communication from the DoH on 1 September indicates that an update to the Schedule of Fees and Charges for 20 September is to be 'advised separately'. It seems reasonable to assume that if the basic age pension is 'frozen' then, so might the basic daily fee.

In relation to the latest funding announcement of \$563 million:

- The third round of the workforce retention bonus payments have the same eligibility criteria as previously communicated. ACSA has again expressed our disappointment at the narrow criteria being used for this bonus payment.
- The 1.2 per cent temporary payment uplift for Home Care and Residential Care providers has not been extended beyond the 31 August.
- Regarding the COVID Support payment, reporting details are currently being finalised by the Department. We understand providers will need to identify and report on COVID related income and COVID related expenses, with the just announced COVID Support payment to be reported in next year's financial reporting.
- Details about the \$71 million for families who take a resident out of residential aged care can be [found here](#)

A summary of Government measures is provided below, from the most recent, to earlier announcements.

## Announcement of 31 August 2020

An **additional \$563.3 million** was announced, consisting of:

- **\$245 million** for COVID-19 Support Payments. Building on the initial allocation of \$205 million Government is providing an additional \$245 million for all facilities. This funding is provided to *'fund and support enhanced infection control capability, including through an on-site clinical lead'*. Funding may also be used to address other COVID-19 related costs. Providers will receive around \$975 per resident in major metropolitan areas and around \$1,435 per resident in all other areas. Government is also continuing the 30 per cent increase in the viability supplement and the residential care homeless supplement for a further six months.
- **\$92.4 million** to extend one worker/one site policy from eight to twelve weeks, with it being able to be offered to other areas by Government if needed, in further funding activated as new hotspots are declared.
- **\$71.4 million** to support families who decide to take a resident out of an aged care facility and care for them at home. This funding will be supplied for the Commonwealth Home Support Programme.
- **\$154.5 million** for a third round of workforce retention bonus payment using the same guidelines and process as the first two payments. Payment will be based on employment as at 30 November 2020, with the same eligibility criteria as the first two rounds.

## Announcement of 21 August 2020

National Cabinet announced an **additional \$171.5 million** for a new COVID-19 response plan for aged care. This was in addition to earlier funding and brought the total of Commonwealth support to the sector through the pandemic to around \$1 billion.

Funding will be used to continue current programs for infection control training and surge workforce staff, alongside greater compliance by the Aged Care Commissioner and coordinated response centres. The package includes:

- **\$81 million** for additional surge workforce and increased training for aged care workers.
- **\$8.4 million** for supplementary payments to include quarantine costs and interstate staff
- **\$50 million** to account for additional demand for retention bonus measures, (noting eligibility has not changed)
- **\$9.1 million** for the Victorian Aged Care Response Centre, established with the Victorian Government, to boost their additional workforce while undergoing more training, providing a workforce that could quickly respond to outbreaks in other states.
- **\$12.5 million** to support residents and their families with increased availability of grief and trauma support services to assist aged care residents and their families who have experienced a COVID-19 outbreak
- **\$9.1 million** to support more compliance and quality checks on aged care providers by the Aged Care Quality and Safety Commission, checking on preparations and responses to COVID-19 outbreaks.
- **\$1.5 million** to ensure appropriate and regular communication from Health Direct to families and loved ones of aged care residents impacted by COVID-19

States and territories each agreed a plan to set up aged care emergency response operations centres in their own jurisdiction, as needed. The operations centres will be formed by mutual agreement between the Commonwealth, states, and territories, which will be fully integrated with public health and aged care emergency response arrangements.

In addition, a time limited AHPPC Aged Care Advisory Group will be established, bringing together a broad range of critical expertise about the aged care sector, infection control and emergency preparedness.

*At the time of this announcement, ACSA stated that while any additional support is welcome, these initiatives continued to fall short of what is needed by providers to continue the level of prevention and preparation required while the COVID-19 threat is a real and present danger for older Australians. We also indicated that ACSA will continue to advocate and work with Government to try and address the myriad issues being experienced by members around the country.*

## Earlier announcements 2020

Earlier announcements were touted as being around **\$850 million**. Some caution is needed with the tally as there may be cross over or duplication in some of the measures listed.

## \$444.6 million package of measures

In March 2020 Government announced a \$444.6 million package of measures:

- **\$234.9 million** for the COVID-19 'retention bonus' to ensure continuity of workforce in both home care and residential care:
  - Full time direct care workers in residential care to receive up to \$800 per quarter paid for two quarters, with pro rata payments for part time/ casual workers
  - Full time home care workers will receive payments of up to \$600 per quarter for two quarters, with pro rata payments for part time/ casual workers
  
- **\$78.3 million** for residential care to support continuity of workforce supply
  - Temporary additional funding to support additional costs and workforce supply pressures resulting from COVID-19 (hiring staff, covering workers self-isolating)
  - Effect from 1 March 2020 to 31 August 2020, begun in April
  
- **\$22 million** in additional support to home care providers<sup>1</sup>
  - Temporary additional funding to support additional costs and workforce supply pressures resulting from COVID-19 (hiring staff, covering workers self-isolating)
  - Effect from 1 March 2020 to 31 August 2020, begun in April
  
- **\$26.9 million** for a temporary increase to the residential and home care viability supplements and the homeless supplement (includes viability supplement increases for ASTI Flexible Aged Care Program providers and Multi-Purpose Services)
  - 30% increase to providers in the supplements
  - Effect from 1 March 2020 to 31 August 2020, begun in April
  
- **\$70.2 million** to organisations that deliver CHSP programs including Meals on Wheels
  - To support providers impacted by COVID-19, can be used to expand high demand CHSP services, implement new / innovative service models and in the retention of staff and volunteers during COVID-19
  
- **\$12.3 million** to support My Aged Care services

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<sup>1</sup> ACSA raised with Government concerns that the additional 1.2 per cent funding to HC providers was rolled into Home Care Package subsidy payments to clients with the impact that the additional funds would simply increase 'unspent funds' balances rather than assist providers.

## **\$101.2 million for Aged Care Preparedness**

In announcing the \$101 million (provided over 2019-20 and 2020-2021 to fund measures to support older Australians in aged care) Government said by providing support through outbreaks of COVID-19 the outcomes will be better for residents, and for the health system as a whole<sup>2</sup>.

The measures in this package included:

- A temporary workforce made available in cases of a staff shortage in a facility due to the impacts of coronavirus. A support team, skilled in managing urgent health issues, to be deployed as needed to assist those experiencing a COVID-19 outbreak.
  - Where a significant outbreak occurs in a residential aged care service and providers can no longer continue to deliver operations safely, the Department of Health provides: Emergency response teams on standby if there is an outbreak; and
  - Remote locums to support providers in remote Australia if they are unable to source staff.
- Upskilling aged care workers in coronavirus infection control.
- A Telehealth consultation service for anyone over the age of 70.
- Specialist onsite pathology services for aged care.
- Additional funds to allow the Aged Care Quality and Safety Commission to work with providers on improving infection control.

## **\$205 million in funding to deal with COVID-19 related costs**

In May, Government announced a new one-off payment of \$900 per occupied bed for providers in metropolitan areas, with those in regional areas set to receive \$1,350 (a 50% loading) to offset their coronavirus related costs. The measure was intended to recognise additional costs that operators are incurring during the pandemic and assist in implementing the Visitor Code.

## **\$48.1 million for National Mental Health and Wellbeing Plan**

Government announced \$48 million in funding to assist Australians whose mental health and wellbeing is being affected by the coronavirus pandemic building on the \$500 million for mental health and suicide announced in January 2020.

\$19 million of this package is being allocated to Primary Health Networks (PHNs) to deliver mental health services provided by mental health nurses, in recognition that older Australians living in the community are experiencing high levels of social isolation and anxiety about illness and death from COVID-19<sup>3</sup>.

## **\$48 Million – Business Improvement Fund (BIF) extended by 12 months**

This program was extended by 12 months.

<sup>2</sup> Fact Sheet Coronavirus (COVID-19) National Health Plan, Aged Care – Aged Care Preparedness, Australian Government, Department of Health

<sup>3</sup> COVID-19: \$48.1 million for National Mental Health and Wellbeing Pandemic Response Plan, Joint Media Release, The Hon Greg Hunt; Professor Brendon Murphy and Christine Morgan, 15 May 2020

The BIF<sup>4</sup> gives targeted short-term grants to eligible aged care providers who are at risk of severe financial difficulty.

The program is designed to assist providers to either:

- Improve their business, for example through more efficient business processes, upgrading systems etc.; or
- Transition their business to a new provider; or
- Close down the business in an orderly fashion, transferring residents to other facilities if required.

It prioritises those providers at greatest risk of failure, particularly where residents are impacted.

Providers can access up to \$7,500 per operational bed (or double that in the case of a sale), and there is no requirement for matched funding.

Providers seeking this funding are required to have already had a **business review** either through the free Government [Business Advisory Service Program](#) or privately through an independent business advisor. The review would examine **the provider's business operations, financial performance results and ongoing sustainability**.

## **\$52.9 million COVID-19 Aged Care Support Program**

This program, to run over two years from 2019-20 to 2020-21 is designed to assist aged care providers that are directly impacted by COVID-19 to deliver continuity of safe quality care for consumers, [see here](#).

Eligible applicants can apply for funding for each impacted service for the periods between the date on which a resident, staff member or client is tested for COVID-19 and the date on which direct COVID-19 impacts are resolved. The grant provides for a claim of a base amount of \$20,000 per facility, plus 2,000 per bed. For a 100-bed facility this equates to a base claim of \$220,000.

This program is currently listed as open up to 31 May 2021.

## **Other Government Measures**

Please note, this is not a definitive list of all Government measures, rather it captures some of the key measures.

### **Emergency Leave**

Residents who are absent from a facility, unless they are in hospital, are required to take 'social leave'. Funding continues to the provider for a maximum of 52 days. After that time funding ceases with the provider either wearing the loss of charging the resident for each additional day of absence.

At the time of the measure being introduced it was said that about 500 residents from across Australia had chosen to move out of the facility they live in and (mostly) return to live with their families during the pandemic.

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<sup>4</sup> <https://www.health.gov.au/initiatives-and-programs/business-improvement-fund-for-residential-care>

To support this decision and provider viability, Government introduced emergency leave , [see here](#) . Government can now determine that an emergency situation exists for a specified time period, allowing aged care residents to then take emergency leave, rather than using and potentially exhausting their existing social leave entitlements.

For the current pandemic emergency, the Determination was backdated to 1 April 2020 enabling anyone who left a facility from that date to maintain all of their social leave and the provider to be paid beyond the 52 days.

## Response of the Aged Care Quality and Safety Commission

The Aged Care Quality and Safety Commission (the Commission) modified its regulatory response to only visit facilities where there was a necessity. This included:

- Undertaking assessment contacts by telephone to monitor and support quality of care;
- If the provider has an upcoming accreditation, the Commission will ensure continuity of accreditation during this period;
- Developing an online self-assessment tool for providers to evaluate their infection control program; and
- Working with the Department of Health to develop practical tools to assist providers.

The aim of the change was to minimise the risk of COVID exposure to aged care consumers, provider staff and its own staff.

## JobKeeper and charities

Government's JobKeeper measure, as originally proposed, included a provision that those employers with a turnover less than \$1 billion and with a 30% revenue reduction would be eligible for a payment of a minimum of \$1,500 per fortnight before tax for eligible employees. This 30 per cent threshold reduced to 15 per cent for charities registered with the national regulator after advocacy by the sector.

## Telehealth, electronic prescriptions/home medicines deliveries and medicine review programs

Government's move to allow general practitioners to send electronic prescriptions to their patients to send on to their pharmacy or at the patients request directly to the pharmacist was also a practical and positive initiative. A related measure, the subsidising of home deliveries of medicines from community pharmacies is another positive outcome for older Australians living at home.

Medicines review programs in residential aged care and home care are vital to the health of older Australians with approximately 250,000 Australians hospitalised each year with medication related problems<sup>5</sup>, with 50 per cent of this harm thought to be preventable. Under the current Pharmacy Agreement, pharmacists are required wherever possible to attend these medicine reviews in person. This was clearly not possible in the current pandemic environment. Changes to the program now allow for medicine reviews to occur remotely, including through telehealth.

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<sup>5</sup>Medicine Safety: Take Care, Pharmaceutical Society of Australia Ltd, January 2019, p4

Government expanded Medicare-subsidised telehealth services by \$669 million to provide for ongoing access to essential primary health services for all Australians. This measure commenced in early March 2020<sup>6</sup> and is scheduled to be in place till 30 September 2020. The measure doubles the bulk-billing incentive for GPs to use telehealth.

## Pathology testing in aged care

Government funded 'in-reach' pathology testing for COVID-19 and influenza in residential aged care facilities, without residents having to leave the facility<sup>7</sup>. This measure will provide a dedicated service to collect and test samples of residents without additional administrative burden on providers.

## Commonwealth Home Support Program (CHSP) measures

### *Funding and Personal monitoring technology for Senior Australians<sup>8</sup>*

- CHSP service providers are now able to use unspent 2019-20 funding to purchase up to \$1,000 worth of personal monitoring technology for vulnerable clients where social isolation due to COVID-19 is creating health and safety risks. Providers are then able to report this funding expenditure through DEX<sup>9</sup>.
- CHSP service providers funded to provide social support individual or group, can use grant funds to purchase IT such as tablets, smart devices and internet subscriptions to help connect older people to their family, carers and social groups under existing CHSP rules.
- Home Care Package (HCP) service recipients are also able to use their packages to access personal monitoring services to keep them safe at home and connected with loved ones and their community.

### *Expansion of flexibility provisions for CHSP funds<sup>10</sup>*

Currently CHSP service providers are required to expend grant funds in accordance with their Grant Agreement<sup>11</sup>. In recognition of the challenges posed by the current environment where some services, such as social group programs were impacted by social distancing requirements and were generally 'put on hold', providers were given flexibility to use any and all unspent funds in 2019-20 and 2020-21 between the different service types they deliver to meet emerging client needs. So, for example they may spend more on domestic assistance or individual social support rather than group social programs.

Providers have also been able to re-allocate funding across the Aged Care Planning Regions (ACPRs) in which they operate on a time-limited basis. The Department of Health has said that any reallocation of funds between ACPRs should be done cautiously and only on the following basis:

- a. Providers must retain the ability to return to their current regional footprint once the pandemic has resolved;

<sup>6</sup> <https://www.health.gov.au/ministers/the-hon-greg-hunt-mp/media/covid-19-whole-of-population-telehealth-for-patients-general-practice-primary-care-and-other-medical-services>

<sup>7</sup> Fact Sheet Coronavirus (COVID-19) National Health Plan, Aged Care – Pathology Testing in Aged Care, Australian Government, Department of Health

<sup>8</sup> Personal Monitoring technology for Senior Australians, Coronavirus (COVID-19), Australian Government, Department of Health

<sup>9</sup> This is the process through which CHSP providers report on activity levels to Government, [see here](#)

<sup>10</sup> Expansion of CHSP flexibility of funds, [see here](#)

<sup>11</sup> Commonwealth Home Support Programme, Program Manual 2018-2020, Australian Government, Department of Health, p88

- b. Providers must not leave a service gap in an area they are operating in, i.e. resources may only be reallocated out of a region where there is a clear drop in the need for the service (e.g. group social supports which may be suspended due to social distancing);
- c. Providers seeking to reallocate funds to a different region should make all efforts to ensure existing service providers in the area are not already ramping up to meet the perceived need; and
- d. Providers may still only allocate resources to services they are funded to deliver.

CHSP providers are only expected to use these relaxed flexibility provisions to support time limited care needs during the COVID-19 pandemic, and funding agreements will not be amended to reflect the changed service mix.

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## More information

For ACSA's member guide to COVID-19 information and resources [see here](#).

For a comprehensive repository of COVID-19 related information, visit the [ACSA website](#).