# Making Sense of “My Aged Care”

## Introduction

Blind Citizens Australia has developed this document to provide information about the background and development of the My Aged Care system. Its purpose is to explain the rationale behind the reforms made to the aged care sector, and how it will affect people who are over the age of sixty-five and who are blind or vision impaired. The My Aged Care system was rolled out in July 2015, and continues to undergo development as improvements to its operation are identified and implemented. Therefore, this is a living document which will be updated as new information becomes available. If you have any questions or feedback regarding the information in this document, you can call the office of Blind Citizens Australia on 1800 033660, or email [bca@bca.org.au](mailto:bca@bca.org.au).

## History of Aged Care Reform

In 2010, the Federal government asked the Productivity Commission, an independent body, to conduct two important reviews. The first of these was a review of the way in which people with disabilities are supported in Australia. This resulted in the establishment of the National Disability Insurance Scheme (NDIS) to support people under the age of sixty-five. Alongside the review (which resulted in the creation of the NDIS) the Federal government called for a review by the Productivity Commission of the aged care system on how people over the age of sixty-five were supported. This document will focus on the results of the review of aged care, and the establishment of the My Aged Care system.

Reviews of both the disability and aged care systems identified that there were significant inequities in the way in which service was delivered to people requiring support from the existing systems.

The review of the aged care system, on which this document is focused, found major flaws in the existing system as demonstrated in the following quote from the Productivity Commission’s report. The report states “The levels of personal co-contributions are different for different services, people may pay different co-contributions for the same service despite having the same capacity to pay. For providers, the pricing of some services does not cover the cost of those services”. There was often very long waiting periods for services that offered low levels of support, but which were critical for people to receive in a timely manner. Chapter Five of the Productivity Commission report gives a comprehensive outline of all of the areas that the Productivity Commission regarded as needing reform.

Hence, the Productivity Commission produced a report that recommended measures to create a fairer system in which these inequities would be evened out. In addition to making the system fairer, the report also recommended measures which would introduce a concept known as “restorative care”, and packages which would allow people to live in their homes for longer. Restorative care is aimed at providing intensive support for fixed periods of time to allow a person to develop the skills and abilities to live as independently as they once did. Examples of the restorative care approach might include circumstances in which a person needs help to learn new coping skills after having a fall or a stroke which has resulted in loss of physical function. Other forms of support can be agreed to, that last for a period of twelve months and are then reviewed in case of changing circumstances.

## Changes to funding means changes to how you access support

Traditionally, service providers in the blindness sector have been allocated block funding which allows them some flexibility in how they delivered specialist services such as occupational therapy visits, and orientation and mobility services. Block funding allows a service provider to deliver services to a broad range of people under one program. The service provider receives all of the funding allocated under this model, as opposed to an individualised funding model, where money is distributed to individuals to spend on services of their choice.

When service providers receive block funding, services to people over the age of sixty-five are, at least in part, able to be funded by using some of this block funding even if this was not the primary goal of the funding. For example, an orientation and mobility instructor might be hired under a program which was funded to serve the needs of a specific group of people, such as people under 65 years of age. However, people over 65 could still be assisted where capacity existed for that instructor in times when demand was lower from people under 65. A service provider may also decide to partly or fully fund a service from donations, which usually means there are no requirements about who they support. For example, dog guide services have often been funded by donations.

Due to the introduction of the National Disability Insurance Scheme (NDIS) and My Aged Care, this block funding may no longer be available. It is becoming more common to give funding to individuals to utilise how they choose. This change in the way funding is allocated, along with the fact that people over the age of sixty-five were never specifically funded under block funding for people with disabilities, means that services have less flexibility in determining who should receive services from them. It also means that consumers – such as people who are blind or vision impaired – have more choice. We no longer have to rely on which service provider has government block funding or which service provider gets the most donations, because the money is in our hands.

The reforms also aim to create competition between services, by giving the choice to consumers about which service provider they wish to access. Similarly to the arrangements under the NDIS, each person will be allocated an amount of money depending on their support needs if they are deemed to be eligible for a care package. Details of the process for determining eligibility will be provided by BCA at a later date.

The rationale from the Productivity Commission for creating competition between services was the belief that an incentive would be provided for service providers to deliver higher quality services at reasonable prices, allowing the opportunity for innovation and flexibility. Without a guarantee of funding, it was argued that service providers would be forced to ensure that their practices and service options were of the highest quality standard if they hoped to remain viable and attract consumers.

## Co-contribution: what is it and where did it come from?

In the broader context of disability support, there has always been a divide between disability support and aged care provision. Indeed, a longstanding debate has existed regarding which sector should deliver particular types of support, and whether some conditions are health related or disability related issues. Due to the guaranteed provision of block funding and donations until recently (as described earlier), people who are blind or vision impaired were not exposed to this broader context. It is a context which people who are over the age of sixty-five and acquire a disability, have had to navigate for a long time.

For these people, the concept of co-contribution is not a new one. It is the way that co-contribution impacts on people, depending on their circumstances, that has been reformed in an attempt to ensure that capped amounts are put in place for the cost of care and/or support. Prior to the reform of the aged care sector, it was possible for people to be charged exorbitant amounts of money which would often leave them without any form of assets or financial protection. This was particularly the case for those people who required residential care and could not continue to live in their own home. In such an instance, the spouse of somebody who needed to reside in an aged care facility may have been forced out of their home because the property needed to be sold to cover the costs of care. It is this kind of scenario that the current reforms are aiming to prevent.

The Productivity Commission’s report states “the Commission estimates that two-thirds of community care recipients and three-quarters of residential care recipients would pay a care co‑contribution of 15 per cent or less in 2013”. According to the Productivity Commission’s recommendations, the most anybody would pay would be a 25 per cent co-contribution. This highest percentage would apply only to the wealthiest. It is important to remember that these were just the projections from the Productivity Commission. Since then, the Australian government has had to make decisions about how the system will actually work. There has been a co-contribution framework developed by the Federal Government which was released in October 2015. This framework outlines the key principles which must underpin any co-contribution policy which a service provider develops.

BCA is aware of some anecdotal evidence to suggest that in practice, these measures are not working as they were intended. Blind Citizens Australia will continue to gather evidence based on the experiences of people accessing the My Aged Care system, and will advocate vigorously to ensure that people who are blind or vision impaired have equity in the access of both the aged care and NDIS schemes.

It is important to note that the Productivity Commission did not comment on the situation faced by people who were born with a disability, or who acquired their disability before the age of sixty-five, and who are not eligible for the National Disability Insurance Scheme due to being over the age of sixty-five. As a result, the long term unemployment and consequent inability to accumulate assets and savings for the majority of people in this situation has not been acknowledged. As the Federal government has acted strictly according to the Productivity Report’s recommendations, this issue has not been highlighted for the government, leading to the needs of many people with lifelong or long term disabilities and who are over the age of sixty-five not being adequately addressed. Blind Citizens Australia continues to advocate, to bring this issue to the attention of government so that a solution can be developed which will rectify this situation.

More information will be provided as this document is updated.