



Australian Government

Department of Health and Aged Care

Mr Jason Lange
Executive Director
Office of Impact Analysis
Department of the Prime Minister and Cabinet
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BARTON ACT 2600

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Dear Mr Lange

Certification of independent review: Response to the Royal Commission into Aged Care Quality and Safety

I am writing to certify that the attached independent review (Attachment A) has undertaken a process and analysis equivalent to an Impact Analysis (IA) for the Single Comprehensive Assessment proposal.

I certify these documents adequately address all relevant Impact Analysis questions, and are submitted to the Office of Best Practice Regulation for the purposes of satisfying the regulatory impact analysis requirements of a major decision point.

The scope of the certified review covers the scope of the policy proposal with the exception of implementation and evaluation measures. To address these gaps in the analysis, a supplementary analysis addressing the implementation and evaluation of this measure is attached.

I further certify that fewer than three policy options have been examined, the Department's assessment is that this is feasible in light of the well-established policy problem and the extensive review processes which have informed this policy proposal.

The regulatory burden to business, community organisations or individuals is quantified using the Australian Government's *Regulatory Burden Measurement* framework and is provided below. The Department will remain alert to opportunities to further reduce the regulatory burden for affected stakeholders.

Regulatory burden estimate table

Average annual regulatory costs (from business as usual)

Change in costs (\$ million)	Business	Community organisations	Individuals	Total change in costs
Total, by sector	\$6.55m	N/A	-\$2.21m	\$4.34m

Accordingly, I am satisfied that the attached report is consistent with the *Australian Government Guide to Impact Analysis*.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M Lye', written in a cursive style.

Michael Lye
Deputy Secretary
Department of Health and Aged Care
31 March 2023

Attachment A: Independent Reviews for certification of response to the Royal Commission into Aged Care Quality and Safety

Attachment B: Supplementary Impact Analysis, Single Comprehensive Assessment

Attachment A

Independent reviews for certification of response to the Royal Commission into Aged Care Quality and Safety

1. Royal Commission into Aged Care Quality and Safety, *Final Report*, 26 February 2021
Available at: <https://agedcare.royalcommission.gov.au/publications/final-report>
2. Royal Commission into Aged Care Quality and Safety, *Counsel Assisting's Proposed Recommendations at Final Hearing*, 22 October 2020
Available at: <https://agedcare.royalcommission.gov.au/media/29098>
3. Royal Commission Aged Care Quality and Safety Hearing, *Interim Report*, 31 October 2019
Available at: <https://agedcare.royalcommission.gov.au/publications/interim-report>
4. Human Rights Watch, "*Fading Away*" *How Aged Care Facilities in Australia Chemically Restrain Older People with Dementia*, October 15, 2019
Available at: <https://www.hrw.org/report/2019/10/15/fading-away/how-aged-carefacilities-australia-chemically-restrain-older-people>
5. Senate Community Affairs References Committee, *Effectiveness of the Aged Care Quality Assessment and accreditation framework for protecting residents from abuse and poor practices, and ensuring proper clinical and medical care standards are maintained and practised-Final Report (April 2019)*
Available at:
https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/AgedCareQuality
6. *Review of National Aged Care Quality Regulatory Processes Report*, Carnell, K and Paterson, R, October 2017
Available at: <https://www.health.gov.au/resources/publications/review-of-national-aged-care-quality-regulatory-processes-report>
7. Australian Law Reform Commission, *Elder Abuse-A National Legal Response (ALRC Report 131)* June 2017
Available at: <https://www.alrc.gov.au/publication/elder-abuse-a-national-legalresponse-a-131-report-131/>
8. Legislated Review of Aged Care, *Final Report 2017*
Available at: <https://www.health.gov.au/resources/publications/legislated-review-ofaged-care-2017-report>

Single Comprehensive Assessment system

Supplementary Impact Analysis

March 2023



Purpose of this document

This Supplementary Regulatory Impact Analysis has been prepared by the Department of Health and Aged Care (the Department) to inform Australian Government decision-making on reforms to improve the quality of in-home aged care by:

- Establishing a single assessment workforce including an Indigenous assessment workforce.

This supplementary analysis complements the certification by the Department that an independent review (The Royal Commission into Aged Care Quality and Safety) undertook a process and analysis equivalent to a Regulatory Impact Statement (RIS) for these regulatory changes.

This supplementary RIS analysis compliments the analysis undertaken by the Royal Commission by addressing *RIS Question 6 - What is the best option from those you have considered and how will it be implemented?* and *Question 7 - How Will You Implement and Evaluate Your Chosen Option?*

Background

Royal Commission into Aged Care Quality and Safety recommendations

On 1 March 2021 the Royal Commission into Aged Care Quality and Safety released their final report and recommendations. It was recommended the Australian Government establish a single assessment process (**Recommendation 28**).

A single comprehensive assessment process will give older people an entitlement to the supports and services they require to meet their assessed aged care needs. The reform should ensure older persons have choice, control and flexibility as to how their care needs are met, including a choice between providers as well as access to multiple service categories based on their needs (**Recommendation 28**).

Under the new assessment system, approved assessors must be independent from approved providers and must also be trained on cultural safety trauma-informed service delivery and have the capacity to provide specialised services for diverse backgrounds and life experiences (**Recommendation 28**).

To ensure cultural safety, wherever possible, aged care assessments of First Nations people are to be conducted by assessors who are First Nations people, or others who have undertaken training in cultural safety and trauma-informed approaches (**Recommendation 48.2(b)**)



Overview of policy proposal

- It is proposed that the single assessment system will be established from 1 July 2024, this will bring together the Regional Assessment Service (RAS), Aged Care Assessment Team/Services (ACAT/ACAS) and the Australian National Aged Care Classification (AN-ACC)
- An Indigenous Assessment workforce would be implemented in stages from 1 July 2024, established via a tender process to allow the organisations time to build and develop capacity and capability.
- A new assessment tool would better align the support offered to older people against aged care needs.
- The proposed model would implement in full or in part Royal Commission recommendations 28, 48(2)

Implementation

The Single Assessment Workforce will start assessing older people from 1 July 2024.

This proposal seeks to retain the knowledge and skills of the current assessment workforce by contracting in-community assessments to current organisations, while jurisdictions retain in hospital assessments. A pertinent feature of the model is to implement a minimum of two assessment organisations in each region (potentially excluding remote areas), strengthening the Commonwealth's ability to deliver quality services to older Australians through performance management.

To achieve this,

- Agreements can be reached through negotiation with states and territories, to ensure continuation of the Aged Care Assessment Team/Services (ACAT/S) in the new assessment program
- A Limited Tender will be conducted with the Regional Assessment Service (RAS) and AN-ACC Assessment Management Organisations (AMOs) to evaluate their capability and capacity under the new assessment program so that business allocation is divided nationally based on merit.

Non-government organisations will have the option of transitioning out of assessment services, instead of tendering for the future arrangements. This will enable the Department to ensure a controlled close down of operations and mitigate adverse impacts on older Australians.

A key challenge will be ensuring the Regional Assessment Services (RAS) who are a non-clinical workforce are capable of adjusting workforce composition to be approximately 40% clinical and 60% non-clinical assessors. Therefore, engagement of the workforce needs to be a collaborative approach between the Commonwealth and current assessment organisations to ensure workforce availability and readiness.

The Department proposes to consult with each workforce for operational feedback on the new policy and Integrated Assessment Tool between February and July 2023, prior to releasing a Limited Tender.



Evaluation

During the initial year of the contract, the Department will be monitoring the workforce composition through data collected in the new aged care learning environment. It will be possible to adjust business allocation if there are particular workforce constraints to avoid excessive wait times for assessment.

Performance will be monitored through quality and timeliness KPIs on a quarterly basis. Additionally, the Department may conduct an external quality audit, annually, to provide qualitative and quantitative data to feedback into program improvement.

Evaluation will be undertaken as part of the Department’s overall approach to measuring key outcomes of aged care reforms that address the Royal Commission recommendations and improve aged care service delivery to consumers.

Estimate of Regulatory Burden

The regulatory burden to business, community or individuals is quantified using the Australian Government’s Regulatory Burden Measurement Framework and is provided below.

Implementing the Royal Commission into Aged Care Quality and Safety recommendations to improve aged care assessment will address the issue of services being assigned to people who may not need them, improving the economical efficiency of the provision of aged care support services in Australia. The new assessment system will:

- simplify and improve the consumer experience as people will not need to move between different assessment providers as their needs change.
- ensure better information is collected during assessments to inform service recommendations and referrals with an increased focus on supporting clients with dementia.
- improve assurance and accountability, so that the community can be confident Commonwealth funding for aged care is targeted to care need.

Average annual regulatory costs (from business as usual)				
Change in costs (\$ million)	Business	Community organisations	Individuals	Total change in costs
Total, by sector	\$6.55m	\$0	-\$2.21m	\$4.34m