

## 2.1 COUNCIL'S ROLE IN HOME AND COMMUNITY CARE – PROGRAM FOR YOUNGER PEOPLE (SR:AGED8)

Responsible Director: Julie Salomon

### **RECOMMENDATION**

*That Council:*

- 1. Authorise the CEO to negotiate an improved financial outcome for the delivery of HACC-PYP services to a level of 70% of current service delivery funding or greater for the duration of the funding and service agreement;*
- 2. Should financial negotiations be unsuccessful or unresolved by the end of the 2017 calendar year, authorise the CEO to notify the Secretary of the Department of Health and Human Services of Council's withdrawal from the delivery of the HACC-PYP effective as of June 30, 2018;*
- 3. Write to the Minister for Housing, Ageing and Disability requesting the State Government advise its long term plans on how people with disabilities who require low level services but are ineligible for the National Disability Insurance Scheme will be supported in Victoria and Monash in particular;*
- 4. Instruct the Director Community Development and Services to commence immediate communications with customers affected by these changes to inform them of any potential changes to their services and to offer support in any potential transition;*
- 5. Acknowledge the vitally important role that these State and Federal services play in assisting people with disabilities and their carers in the community and continue to take a strong advocacy role in ensuring that the residents of Monash are supported in an appropriate manner by both the HACC-PYP and NDIS programs. In advocating for this support, Council will continue to push for State Government acceptance of responsibility for its own program.*

### **INTRODUCTION**

The Victorian Department of Health and Human Services (DHHS) is managing the overall transition of Victorian recipients of disability services, including the Home and Community Care Program for Younger People (HACC-PYP), to the Commonwealth and reconfirming residual funding available to support people with disabilities who remain on the HACC-PYP, possibly due to ineligibility for the NDIS. As part of this transition the DHHS wrote to Council on 30 September 2017 and provided an estimate of the financial effects of this transition. The correspondence confirmed that DHHS estimated 72% of the 350 Council HACC-PYP service recipients would transition to the NDIS, resulting in a subsequent funding reduction of \$927,000 by the 2019-2020 financial year. This would be a total reduction from \$1,280,871 to \$353,871. Analysis of Council service recipient data demonstrates that the DHHS estimate of a 72% transition rate is grossly overstated, with the clear possibility of the transition rate being as low as 30%, up to a maximum of 50%. Based on the total reduction of grant funding indicated, Council is likely to see a shortfall of at least \$500,000 each year.

## **BACKGROUND**

Council has delivered the Home and Community Care (HACC) program for over 30 years which has included in-home and community based supports to older people and people with disabilities. These services have assisted people to remain living independently in their own homes. Whilst the majority of these services have been targeted at older people, approximately 15% of all clients have been younger people under the age of 65 who have a disability. Council currently supports approximately 350 individuals under the age of 65 along with their families and carers under this program.

The Commonwealth reforms to both aged care and disability saw the HACC program cease in Victoria in June 2016. At that time, Council HACC clients over the age of 65 moved on to the Commonwealth Home Support Program and younger people aged under 65 years with a disability were funded by the State Government as part of the HACC-PYP. The State agreed to continue funding Council to support these younger people through until June 2019, excluding those who chose to transfer over to the NDIS in November this year and receive an approved NDIS care plan, however funding arrangements were always intended to be reviewed, with the DHHS to provide Council with an estimated grant variation based on the calculated volume of service recipients transitioning to the NDIS. Confirmation of the proposed funding was received from the DHHS on the 30 September 2017 and the CEO, Director Community Development and Services and the Manager Aged and Community Care subsequently met with DHHS representatives on the 12 October to discuss concerns and shortfalls with the funding model proposed. Eastern Metropolitan CEOs also met with senior DHS representatives to discuss similar concerns on the 13 October 2017. Both the City of Monash and the Eastern Region Group of Councils subsequently wrote to the DHHS requesting a response to the following points:

- What is the specific funding formula utilised in determining the indicative level of funding to be reduced for Council?
- Is the indicative funding reduction based on the total volume of clients or the total volume of services of higher needs clients identified in 2016?
- What work has the department done on modelling the viability for the HACC-PYP that we deliver, with such a high of funding set to be transferred to the NDIS?
- What specific instruction is the Department making to Council in regards to the collection of fees? Will this instruction be binding in the funding and service agreement or will it take the form of 'advice' only?
- Can the Department guarantee that the only funding that will be reduced from Council's grant is that directly associated with our services and clients transitioning to the NDIS, and not an additional as yet unspecified amount required to make up the funding shortfall of \$82M that the State Government is required to transfer to the NDIA (or any other additional amount)?
- What, if any, are the future plans of the Department in supporting the current HACC-PYP cohort who are not eligible for the NDIS? What alternative service or additional funding does the State have available?
- DHHS correspondence also clearly stated that it would be each Councils responsibility to transition clients to the NDIS, including sourcing their NDIS provider. Verbal advice provided by departmental staff has varied on this matter and clarification on this matter for both ourselves and the Local Area Coordinator is required.

The NDIS rolls out in the Eastern Metropolitan Region as of November 2017, however it is anticipated that it may take at least 6-12 months to transition care recipients from their current programs to the NDIS.

### ***DISCUSSION***

The implications of this funding variation are profound. Council is effectively left with three choices which include:

1. Make up the shortfall in funding out of Council revenue, taking on the responsibility for a State and Federal service and subsequently reducing another area of Council operations.
2. Reduce service levels to the value of the residual funding received, which will require determining which of the remaining service recipients are at a low priority to access support or providing an extremely low and unhelpful level of service to all.
3. Notifying the DHHS that Council will be withdrawing as a provider of the HACC-PYP, thereby obliging the State Government to consider its obligations to people with disabilities who do not fit the eligibility criteria of the NDIS.

In considering these options, Council should be cognisant that the State Government has not made any public statement or determination regarding ongoing funding or programs that may service this group of people with disabilities. Inherent in any decision to stay involved in the delivery of services is the risk that Council may remain the primary funding source for this program over the long term. Likewise, should Council attempt to continue delivering services but only at the funded level, we are likely to see significant frustration and anger from recipients due to the limited and ineffective use of the services that are provided. Withdrawing from the delivery of services altogether is also likely to generate significant community angst, however should this be done within the next 12 months, there is no funding reduction identified during this period and it is likely the DHHS would engage an alternative service provider to continue the current level of services to the HACC-PYP recipients of Council.

As with all discussions relating to financial outcomes and service delivery of State programs, Council is cognisant of the effects of a rate capped environment and the limitations this places on Council to increase any financial contribution to these services. Whilst the overall intent or practical outcome of the HACC-PYP funding changes may be to cost shift these services on to Council, the ability to accept these costs must be factored into any consideration.

The HACC-PYP is a suite of basic level services designed to keep people independent in their own homes. Services provided by Council under this program include; domestic assistance, meals on wheels, personal care, respite care, home maintenance, allied health (Occupational Therapy) and social support services. The majority of service recipients who will not transition to the NDIS will only be accessing one of these services. Service recipients range from mature age adults up to the age of 64 down to young children and their families and carers. The range of disabilities affecting services recipients is diverse, although for those unlikely to transition to the NDIS it is very unlikely that their disability would be categorised as severe or profound.

The following hypothetical examples demonstrate the likely outcomes of these changes on some of our current service recipients:

- Maaike is a 55 year old with Multiple Sclerosis. Maaike has multiple and complex support needs, and in addition to accessing Council HACC-PYP domestic assistance and personal care she also accesses case management, allied health and aides and equipment. Maaike has a permanent and severe disability and is likely to be a higher priority for transition to the NDIS and should not be affected by any change to Council's role.
- Van is a 35 year old with severe vision impairment. Van has excellent family supports and the only services she accesses is a fortnightly domestic assistance service from Council. Despite a low service lever need, Van's disability is also permanent and severe and she is also likely to be a priority for the NDIS transition.
- Roger is a 60 year old living with severe depression. Roger struggles to manage some daily tasks and Council assists him with domestic assistance. Roger's mental illness is unlikely to be deemed as eligible for the NDIS and any change to Council services will have a direct effect on the service that he receives.
- Aiden is a 7 year old with Aspergers living with his parents. Aiden was supported by early intervention services when he was younger but now attends his local state primary school without the need for any aide and the only support the family receives is fortnightly respite for a few hours from Council to allow Aiden's parents a break from their caring role. Aiden and his family are also unlikely to be deemed as eligible for the NDIS and any change to Council services will have a direct effect the family's respite care.
- Abraham is a 52 year old recovering from major surgery with a long term recuperation period. Abraham lives alone and has no family support and relies on Council for assistance with his domestic assistance and shopping. As Abraham's service needs are based on an acute medical issue and are not deemed permanent he is also unlikely to be deemed eligible for the NDIS and will be effected by any change to Council services.

### ***SOCIAL IMPLICATIONS***

The social implications for any decision (or lack thereof) based on this report are significant. Council may determine that it chooses to fund the shortfall in delivery costs, thereby maintaining support for residents on the HACC-PYP, however this is likely to be at the expense of other programs within the human services or community development portfolio with the subsequent social implications this may have. Should Council opt to continue delivering services at the level provided for by the reduced funding, determinations would be required to heavily restrict access to services, resulting in some service recipients losing their service altogether, or alternatively, heavily reducing all recipients services. A broad ranging service reduction is possibly the worst possible outcome, likely to result in highly ineffective services for all recipients.

### ***HUMAN RIGHTS CONSIDERATIONS***

The effect on human rights have been considered in this report and whilst there are potential serious social implications, human rights will not be compromised on the outcome of these recommendations and within the timeframes included. The State Government will subsequently need to determine how it manages any human rights considerations in planning future service delivery models.

**CONSULTATION**

Appropriate internal consultation has taken place in addition to discussions with DHHS representatives to confirm the implications of this report. Given the sensitive nature of the report no public consultation has been undertaken at this stage.

**FINANCIAL IMPLICATIONS**

Should negotiations with the State be successful, there will be minimal financial effect on Council, with subsequent budgets seeing a corresponding drop in both income and expenditure. Similarly, should Council ultimately cease the delivery of HACC-PYP services, the budget will reduce immediately in across both income and expenditure. The significant financial risk Council could face due to this report is if Council determine to continue with the current level of services and fund the shortfall with Council revenues. This is estimated to cost Council at least \$500,000 per year for each year the service is maintained, with no indication of any future funding relief.

**CONCLUSION**

The roll out of the NDIS across the region was always intended to have an effect on Council's funding and see a number of service recipients transition. The indicative figures provided by the DHHS are however so significant in nature that it is the officers recommendation that continuation of the HACC-PYP service would be financially unviable for Council. A large specialist provider is likely to be able to fill this service gap with the residual funding available from the DHHS over any length of period, with the added benefit of also being available as an NDIS provider, ensuring transition from program to program is as smooth as possible. Should negotiations be successful in attaining a more realistic financial position for Council, service delivery could continue, however it should be noted that many Councils will be in a similar position to Monash and any outcome agreed to by the DHHS would likely require replication in other municipalities.