

31/07/10

Inquiry into Caring for Older Australians
The Productivity Commission
GPO Box 1428
Canberra City ACT 2601

Dear Sir/Madam

On behalf of the NSW Home Modification and Maintenance Services State Council, I would like to thank the Productivity Commission for the opportunity to present this submission regarding the Inquiry into Caring for Older Australians.

The NSW Home Modification and Maintenance Services (HMMS) State Council is the peak organisation for the HMMS sector in NSW. HMMS provide Modification and Maintenance work for the frail aged and people with disabilities to ensure their continued safety and independence at home. Representing 106 HMMS across NSW, the NSW HMMS State Council's key focus is capturing key issues for the sector and providing capacity-building initiatives to strengthen service delivery. As such, State Council has extensive dialogue with Service Providers, Allied Health Professionals and ADHC.

Contained within this submission is the following:

- The Executive Officer's Annual Report for 2008-2009 -providing a thorough overview of the NSW HMMS Industry
- A proposal of how Home Modification and Maintenance Services can intersect with Care Packages in the future

If you require any further information or narrative on the information contained within the submission, please do not hesitate to contact me on (02) 66228386.

Yours faithfully

Stacey Sheppard-Smith
Executive Officer
The NSW HMMS State Council

L016-10

New South Wales Home Modification and Maintenance Services State Council Inc.

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A Snapshot of the HMMS Industry in NSW

Occupational Therapists (OTs) within NSW Health refer HACC eligible Clients to Home Modification and Maintenance Services (HMMS) who provide both Minor and Major Modifications and Maintenance work - ensuring Clients continued safety and independence within their homes and community.

Examples of the type of work completed are as follows:

- Minor Modifications such as the installation of grabrails, handrails, handheld showers and step modifications
- Major Modifications such as bathroom, kitchen and access modifications
- Maintenance in relation to safety and access such as lighting and the repair of uneven paths

Maintenance is currently capped at \$3000.00 per client every 5 years, however there is no current financial cap on modifications in NSW. Modification work is classified into 3 financial bands dependent on the cost and complexity of the work required:

Level 1	Provides Minor Modifications and Maintenance from \$0 to \$7500
Level 2	Regionalised Budget Holders fund Major Modifications only, from \$7500 to \$25 000
Level 3	A Statewide Budget Holder funds Major Modifications \$20 000 and over

Statewide Averages for 2008-2009 FYE

Refer to the NSW HMMS State Council Executive Officer's Reports 2008-2009 FYE Page 30

- Level 2 Work – average cost of a major modification is \$15 078
 - mainly Bathroom Modifications
- Level 3 Work – average cost of a major modification is \$ 31 478
 - often a combination of Modifications e.g. bathroom and access Modifications such as the installation of lifts

Major Issues

- Extensive NSW Health metropolitan and regional waiting lists for Clients to be assessed by an OTs (Refer to page 24 of Executive Officers 2008-2009 Annual Report)
- Limited numbers of Occupational Therapists in rural and remote areas of NSW
- HMMS have extensive waiting lists and inadequate levels of recurrent funding to meet demand for service (Refer to page 27 to 33 of Executive Officers 2008-2009 FYE Annual Report)
- Implementing the Quality Assurance Program in order to monitor all Major works (Refer to 6-19 of the Executive Officers 2008-2009 FYE Annual Report)

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Care Packages and Home Modification Services – Why They Aren't the 'Right Fit'

Home Modifications are an integral component of assisting HACC eligible Clients to remain living at home in the community. Modifications completed ensure a safe and accessible care base for both Clients, Carers and Care workers.

When looking to the future of HACC services within the context of Care Packages, it would be difficult for Home Modification Services to fit into this concept due to the high cost of major modifications. (Please refer to the Executive Officer's Annual Report page 30 to 33). This conclusion is drawn from HMMS experience with Commonwealth funded Community Aged Care Packages (CACP) over the last few years. CAC Packages have limited funds per year and the large percentage of funding is allocated to personal care costs. When any major modification is required such as a bathroom modification or the installation of a lift (ranging between approximately \$10 000 to \$100 000), a Package could not accommodate the cost. Therefore, if Packaged Care is the way of the future for HACC services, the NSW HMMS State Council strongly recommends Home Modifications Services sits outside, and alongside, Packages of Care and is separately funded due to the high costs associated with major modifications. Personal Care and Home Modification Services are interdependent on and this scenario would allow both services to be provided without greatly impacting on set budgets of the Care Package.

Self Directed Care Packages - HMMS vs External Commercial Contractors

Completing Modifications for the frail aged and people with disabilities is a highly specialised field. In NSW, work completed must meet the clients functional requirements as specified by an Occupational Therapist and technically must comply with the Building Code of Australia and relevant Standards. The Australian Standard AS1428, Design for Access and Mobility, Suite of Standards for People with Disabilities is the agreed practice Standard in NSW and a thorough knowledge and understanding of this Standard is required by both Occupational Therapists and Builders.

Since the inception of the HACC Program, HMMS have built an area of specialist knowledge/expertise in regards to disability requirements. HMMS either complete construction work in-house with their employed Tradespeople or supervise a wide variety of Commercial Contractors to assist with the completion of the work. The advantages of an in-house model are as follows:

- All work is completed in accordance with Occupational Therapist specifications
- As the HMMS is not making a profit, work is completed at cost therefore allowing funding to be spread across more Clients
- The HMMS holds a Building Licence
- Work is completed by appropriately licensed and insured tradespeople
- Work is supervised by Qualified Works Supervisors

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- Quality Assurance measures reduce rectification work which, in turn, reduces the strain on government funding
- Signed Contracts are in place with the Funding Holder, the Client and the Contractor in accordance with Government statutory and regulatory requirements. Contracts protect the consumer, minimise risk, reduce litigation and ensure a clear Scope of Works is provided for the allocation of HACC funding.
- Service Providers must adhere to all statutory and regulatory requirements as set out in Funding Agreements
- Technical skill is being built and retained within the industry thus increasing and strengthening service capacity

In the event Self Directed Packages of Care are introduced and the Client has complete control of building works eg. engaging their own Commercial Contractor, a plethora of serious issues may occur. For example:

- The Client's ability to appropriately manage and use funds allocated to them
- If work is not completed in accordance with Occupational Therapist specifications, the Client/Carer may be put at risk
- The Client may have limited or no knowledge of building and licensing regimes
- The Contractor may have no knowledge of AS1428
- Inadequately licensed, insured and skilled tradespeople may be engaged - adversely affecting the quality of work
- No independent Qualified Works Supervisor is present to manage the Contractor on behalf of the Client
- No Signed Contracts
- No advocate with building knowledge available to negotiate with the Contractor
- Higher priced modifications as the Commercial Contractor is seeking to make a profit.
- Higher commercial costs resulting in less Self Directed Care Package funding available to clients to be spent on other services, for example :
 - Currently client contributions are collected to expand service provision to other HACC clients in need. Therefore the greater pool of funding collected the greater the capacity the service has to provide service to the end user and a not for profit rate. Comparatively if a self directed care package engaged a commercial contractor it would be a dollar for dollar value, however under a subsidized system the cost comparison would be \$1.00 versus approximately \$1.86 for the client which is a better use of funding.

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Therefore, the NSW HMMS State Council recommends HMMS are kept in place to complete home modification work rather than the work being completed by external commercial contractors under Self Directed Care Packages. This would ensure Occupational Therapists work closely with suitably qualified Builders and quality control measures are in place to achieve the best possible outcome for the client. Finally, Government funding is monitored and allocated in an accountable and efficient manner enabling services to be provided to the greatest number of HACC clients as possible.

A Sustainable Home Modification Program for the Future

Currently, each HMMS sets their own Fees Policy in accordance with the National HACC Program Guidelines and Client contributions are collected from Clients on their ability to pay. Assessing a Client's ability to make a contribution is based on information provided by the Client. In essence it is an honesty system which is fraught with difficulty for the Service Provider and creates an inequitable subsidised payment system from one local planning area to another for the consumers.

To ensure a sustainable system and one which is based on equity of access by all Australians a clearly defined assessment system of income and assets needs to be implemented by the Government for all HACC Services.

For example the financial assessment may take place in the following format:

- A Client is assessed at the Access Point
- The Clients financial information is sourced from either Centrelink or the Australian Taxation Office via their last Tax Return lodged
- The Client is categorised into one of a three level band i.e low income, medium income or high income
- The client is referred to a HMMS with the relevant income/asset information and the applicable subsidy level is applied.

This would be a fair system for HACC eligible clients and would ensure contributions are collected on a true and accurate reflection of the client's ability to contribute. Finally a cap for major modifications should also be considered, with the difference being met by a Nil or Low Interest Loan from the Government.

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Nil or Low Interest Loans for Major Modifications

Increasingly, one of the largest problems faced by HMMS is the debt carried by Service Providers from major modifications and the Client's inability to make the agreed contributions. To ensure the ongoing sustainability of the major modification program for Clients with complex care needs, a 'user pays' subsidised system is paramount. In a future model of Community Care a Nil or Low Interest Loan Scheme should be considered by the Government to ensure the sustainability of the program. To continue supporting, in particular, clients with complex care needs, and to minimise financial strain currently experienced by Service Providers, ideally the scheme would sit separately from Service Providers.

Electronic Records

One aspect of the Community Care sector in NSW which defies efficiency is the number of individual electronic data bases held by 600 non-government organisations. There is a high level of duplication of data entry and information and a holistic episode of Care is not captured. In the future of Community Care, the NSW HMMS State Council recommends common data bases are kept on episodes of HACC service received. Potentially, Community Care Service could be incorporated into E-Health Records to allow Health Professionals in NSW Health the opportunity to view services received by the Client. Community Care Service Providers would only have limited access to information to ensure Client confidentiality however this would build a complete picture for Health Professionals and the Government for planning purposes.