

WHAT ROLE REGULATION ISSUES PAPER

Key areas of regulation under the *Aged Care Act 1997*:

- Service planning through the allocation of aged care places
- Assessing client eligibility
- Funding of services
- Setting of prices
- Specifying quality of care

Plus:

- Aged Care Standards and Accreditation;
- Building certification requirements;
- Complaints Investigation Scheme;
- The Aged care Commissioner;
- Prudential regulations;
- State & LGA Building regulations;
- OH&S;
- Fire Safety;
- Food Safety;
- Drugs and Poisons;
- Consumer protection.

In order to receive Australian government subsidised care, four key elements must be met:

- Assessed as eligible by ACAT
- Care provided by an Approved Provider
- Care provided in an allocated place
- Care of a specified quality determined by the accreditation process

Significant shortcomings in current system: (Identified in previous reviews)

- Dual gate-keeping mechanisms, restricting both eligibility and supply of funded places.
- Limited scope for effective competition and innovation by service providers as a result of quantity and price restrictions.
- Limited opportunities for choice and flexibility for consumers
- Restrictions on the use of bonds
- Excessive compliance costs associated with some regulations
- High compliance costs in relation to financial reporting requirements
- Duplication of regulations within and across governments
- Excessive regulation of aspects of building certification

Proposed reforms will need to balance increased flexibility with effective protections for care recipients and fiscal sustainability.

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Questions:

- Is the current level and scope of regulation and its enforcement appropriate?
- What impact does the regulation and its enforcement have on older people, their carers and providers?
- Are the rights of aged care consumers adequately protected and understood?
- Are complaint and redress mechanisms accessible, sufficient and appropriate for all parties?
- Do current regulatory arrangements act as a disincentive to older Australians wishing to move to more suitable accommodation? (pension eligibility and sale of property?)
- What specific regulatory reforms could address some of the concerns listed above?
- How would the reforms improve outcomes for users and providers, while maintaining appropriate control of quality and safety?
- Where multiple regulatory instruments are seen as requiring joint reform, which reforms should take priority?
- What scope is there to reduce duplicative regulations e.g. dual gate keeping mechanisms imposed by ACAT and the allocation/planning system?

Comments are sought on the lessons that can be learnt from aged care reforms and systems internationally and the extent to which that experience is relevant to Australia.