Integrated Assessment:
The Future for Local Government in Victoria

Municipal Association of Victoria

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INCITE
information

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1. Background

On 24 July 2019, the Municipal Association of Victoria (MAV) hosted a workshop for local government representatives to consider the future role of local government in the delivery of a new model of Commonwealth funded aged care assessment services. The workshop objectives were to:

- determine key considerations for local government in Victoria when developing and assessing options for future involvement in aged care assessment services
- explore potential models for the delivery of integrated aged care assessment services, including arrangements for governance, workforce and operations
- consider the strengths and limitations of each model
- consider next steps for local governments and MAV

The workshop was designed and facilitated by *INCITE information*. More than 50 participants from both metropolitan and regional local governments attended the workshop. Participants also included Aged Care Assessment Service (ACAS) representatives.

This report applies *INCITE's* experience, understanding and expertise in relation to local government and about community based aged care to summarise issues and findings considered during the workshop. The report provides:

i. a brief outline of the Commonwealth's proposed new integrated assessment model
ii. an outline of key issues for local government as a result of potential changes
iii. a summary of considerations to guide future decision-making by Councils
iv. a summary and assessment of potential models for service delivery
v. possible next steps
vi. an indication of potential other roles for local government which could be in addition to or an alternative to delivering Commonwealth funded aged care assessment

2. Changing Operating Environment

Integrated Assessment Model

In its 2018-19 Budget, the Commonwealth Government announced that a new framework for streamlined consumer assessments for all aged care services was to be implemented in 2020. The new framework was to be designed and implemented by the Commonwealth and delivered by a new national assessment workforce.

The new framework was in response to duplication and inefficiency within the current assessment process identified by the Tune Review[1]. The Tune Review recommended, among other things, the integration of the existing two assessment workforces: Regional Assessment Services (RAS) and Aged Care Assessment Teams (ACATs) - the Aged Care Assessment Service (ACAS) in Victoria. The Tune Review also recommended that the government consider integrating residential care funding assessments after the outcomes of the review of the Aged Care Funding Instrument.

The current model for assessment comprises three stages:

1. Entry Stage: the My Aged Care Contact Centre is the single gateway for older people to obtain information and seek access to aged care services. My Aged Care registers people seeking aged care and conducts screening questions to identify their level of need and whether they require an assessment. Based on this screening, My Aged Care refers the individual to home support assessment by a Regional Assessment Services (RAS) or comprehensive assessment by the Aged Care Assessment Service (ACAS).

2. Assessment Stage: the RAS or the ACAS conducts an in-home assessment using the National Screening and Assessment Form and develops a support plan that will best meet the individual's needs and goals. The RAS assesses for eligibility to the Commonwealth Home Support Programme (CHSP) and ACAS assesses for eligibility for services under the *Aged Care Act* 1997 (*C'wth*) (ie Home Care Packages, Short Term Restorative Care and Residential Services) as well as CHSP.

3. Review Stage: clients currently receiving services have their support plan reviewed because services are time-limited or their care needs or circumstances have changed. Reviews may be conducted by a RAS or ACAS.

Under the Commonwealth's proposed model for a single streamlined integrated assessment service:

1. My Age Care: would continue to register clients and conduct screening to establish the need and eligibility for an aged care assessment. Following registration and screening My Aged Care would refer the individual to an aged care assessment provider.

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[1] Legislated Review of Aged Care 2017

2. Assessment: the assessment service provider would conduct triage to determine the most suitable aged care assessor based on the person's needs and the assessor's qualifications and skills. The assessment service provider would arrange for an appropriate person to conduct a functional assessment and recommend appropriate services and care. The assessment provider may also expedite access to a single time-limited CHSP service depending on client need.

3. Review: the assessment service provider would manage reviews of the individual's support plans, based on an individual's needs and in consideration of changes in circumstances.

The current and proposed models are shown in the figure below.
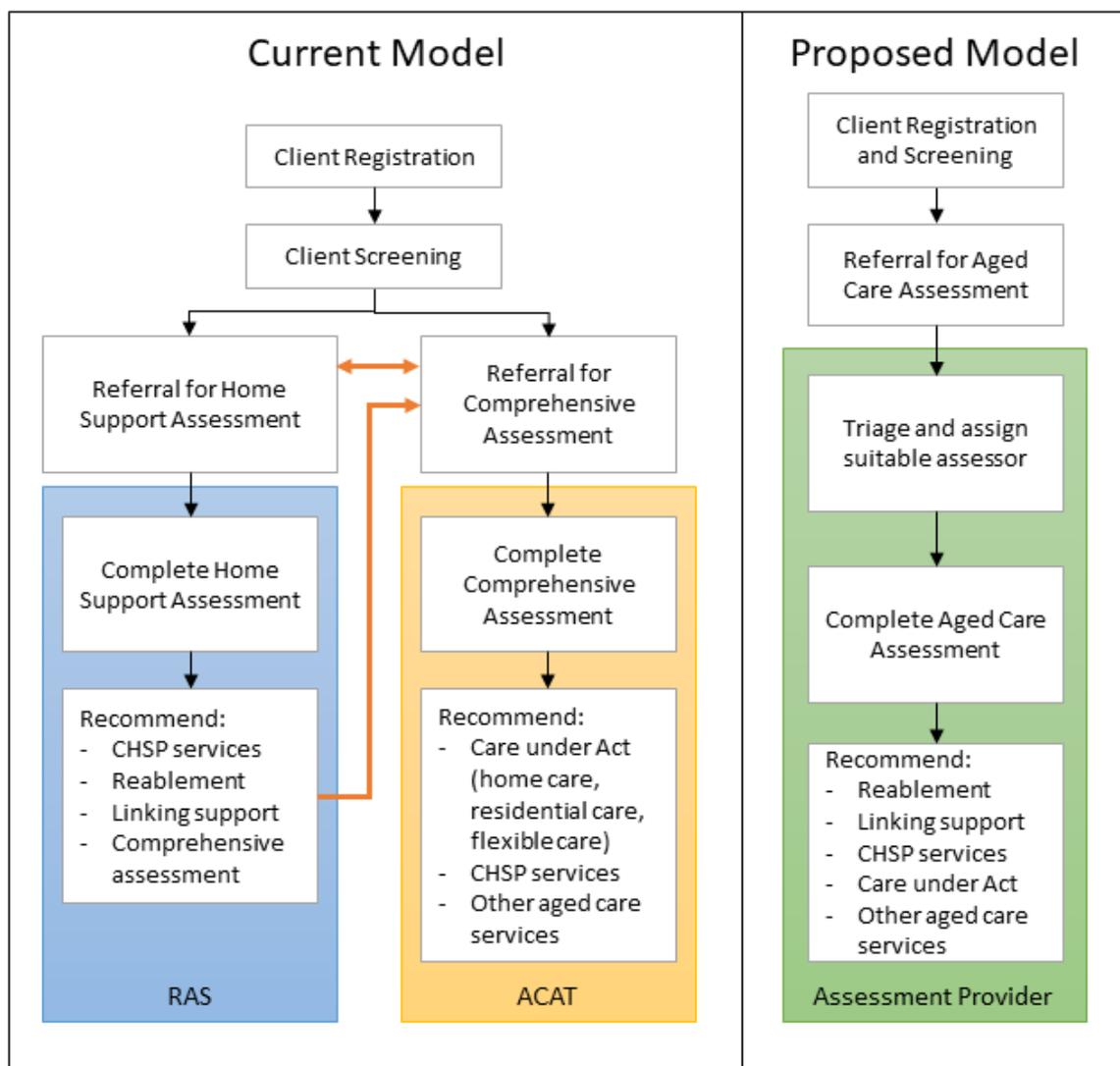
Source: Commonwealth Government (2018) Streamlined Consumer Assessment For Aged Care - Discussion Paper - December 2018.
Note that in Victoria, ACAT functions are conducted by the ACAS rather than ACATs.

3. Key issues for local government

Contracting Arrangements

Currently the Victorian Department of Health and Human Services (DHHS) holds the contract for CHSP assessment services in Victoria. DHHS administers the contract to a 'nominal' Regional Assessment Services (RAS) based in the nine Aged Care Planning Regions (ACPR) in Victoria. The current Victorian RAS's are designated as nominal because they are not single entities and individual local governments manage and conduct services autonomously.

RAS and ACAS in Victoria are currently block funded. Service agreements are currently used to distribute funding at the local level to local government and to health services that auspice ACAS. Councils have service agreements for assessment service until 30 June 2020.

At the time of preparing this report, the Commonwealth had not confirmed future contracting arrangements. Potential arrangements include:
- a single whole of State contract OR regional contracts (for example on the basis of the 9 ACPR or alternatively 2 to 4 regions: eg metro/regional or North, South, East, West; or other configurations)
- a single contract per region OR multiple contracts per region
- block funding OR output funding

If the Commonwealth decides to undertake a competitive tender process, responses would be expected from other organisations including:
- Primary Health Network led consortia
- Health care network led consortia
- NGO providers (either for profit or not-for-profit)

In addition to uncertainty about future contracting arrangements, it is also important to recognise that the Commonwealth is the decision-maker for any competitive process and is therefore likely to apply a range of national, rather than Victoria specific, considerations in its deliberations, for example promoting:
- national consistency
- equitable access and outcomes for consumers nationally
- the capacity for comprehensive and holistic assessments
- efficiency for both contracting arrangements and service delivery
- ongoing service improvement (eg innovation, cost reduction, quality improvement) through competition

Issues in relation to a competitive process to award service contracts for local governments in Victoria include:
- local governments may commit resources to participate in a tender process but may not be awarded a service contract. Local governments may therefore need to develop a contingency plan to manage their transition from delivering assessment, including consideration of both workforce and potential community impacts

- if the new arrangements do not continue block funding, local government is likely to face a number risks to financial sustainability, for example:
    - if successful in winning a service agreement, local government may need to compete with other successful contracted providers which may impact funding certainty and therefore service sustainability or the level of financial contribution from Council's own source revenue

    - local governments may have to contribute to the cost of service delivery if the funding model does recognise the full additional costs associated with:
        - travel in regional and remote locations; and
        - additional time required to respond appropriately to individuals with more needs (eg individuals from vulnerable backgrounds or diverse communities)

- program guidelines and contract conditions may limit the ability of local government to fully apply its unique strengths; eg a requirement for impartiality or to only refer to funded / approved service providers may limit the ability to use local knowledge and networks to directly link clients to appropriate formal and informal services and support[2]

Due to the likely requirements in relation to geographic coverage and comprehensive assessments, it is likely that individual local governments will have to partner with other organisations in order to submit a competitive proposal. Under these circumstances local governments would have to develop and manage new relationships with (i) the contract holding organisation and (ii) with service partners.

Section 5 provides a summary of potential models for local government's involvement in integrated assessment and Section 6 provides a preliminary assessment of options.

Workforce Arrangements

The Commonwealth's model proposes the creation of a new integrated assessment workforce. The new assessment workforce would comprise assessors from both non-clinical and clinical backgrounds to undertake aged care assessment for access to all aged care services.

The Commonwealth's position has been informed by different qualification requirements between RAS and ACATs in other States. In other States:
- RAS assessors typically have vocational education and training (VET) qualifications in aged care and community services ranging from range from certificate II to certificate IV, diploma and advanced diploma
- ACATs are multi-disciplinary and include tertiary-qualified staff from health-related disciplines such as medical practitice, registered nursing, social work, physiotherapy, occupational therapy and psychology

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[2] For example, 'formal' includes registered providers, funded through Commonwealth Government programs; while 'informal' includes community sector and volunteer organisations, particularly at a local level

In Victoria many RAS and ACAS assessment officers hold similar qualifications, including tertiary qualified staff from health-related disciplines (primarily nursing, social work and occupational therapy).

MAV has proposed the creation of two assessment teams:
1. community assessment team: to assess clients identified through triage as likely to require CHSP, Home Care Packages (HCPs), Short-Term Restorative Care (STRC), and community programs (not Commonwealth funded)
2. residential assessment team: to assess clients identified through triage as likely to require residential care (permanent or respite) and /or transitional care program

In the new operating environment, it would be possible for these assessment teams to be employed by a single organisation or two or more separate organisations (in a consortium or sub-contracting arrangement).

Issues relation to future workforce arrangements include:
- reconciling differences in pay and conditions between local government and other organisations currently providing assessment services

- a likely reduction in the total number of staff (ie rationalising current RAS and ACAS staff numbers). It is important to note that potential redundancy costs may be relatively low for local governments due to the relatively small number of assessment officers in each Council. Clearly, individual local governments would need to determine their particular costs.

- establishing appropriate management and staff support arrangements for an integrated workforce, in particular clarifying reporting lines within local government management hierarchies

- establishing operating arrangements for a more flexible workforce including consideration of:
  – variation in the number of hours worked
  – providing assessment services out of hours and on weekends
  – arrangements for potentially working off-site / in a virtual office (including policies, systems, management and support and equipment)

4. Key considerations to guide decision making by Councils

Councils are likely to find it useful to consider the following focus areas when developing and assessing potential models for the delivery of integrated assessment services:
- community outcomes
- value of local government involvement
- operational feasibility

Community outcomes

Councils are required to (among other things) promote the social, economic and environmental viability and sustainability of the municipal district; and improve the overall quality of life of people in the local community (*Local Government Act* 1989 s3c).

Specific to aged care assessment, Councils are likely to be sensitive to the needs of older residents and ensuring equitable access and outcomes for vulnerable older people. Council decision-making should be informed by the needs of older people (and their carers) from assessment services, in particular:
- receiving a timely response
- having a holistic assessment that considers their individual circumstances, needs and preferences
- being responsive to diverse individual backgrounds, capabilities, needs and preferences
- being provided with appropriate information to access and manage their care, including information on both formal and informal services and support[3]
- receiving appropriate referral to formal services and informal services
- follow-up to ensure that appropriate services have been accessed and provided (including the possibility of individual advocacy)

Local government value

Council decision-making should be informed by the particular benefits and value of local government involvement in assessment services. This includes:
- the ability to provide a holistic response due to local intelligence and networks to provide information and make referrals to additional supports (both formal and informal)
- being known and trusted by older residents and the community
- having an existing skilled and experienced workforce
- having a commitment and responsibility to promote equitable access and outcomes, and therefore ensuring appropriate support to vulnerable residents
- providing a known entry point to local residents (despite not being recognised as such by the Commonwealth and My Aged Care); ie having a no 'wrong door' approach for residents/client
- having the capacity and inclination to facilitate solutions (ie 'work around') which may not be within program guidelines or may exceed unit prices
- clear local accountability readily accessible to local residents

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[3] For example, 'formal' includes registered providers, funded through Commonwealth Government programs; while 'informal' includes community sector and volunteer organisations, particularly at a local level

- having the capacity and authority to influence program owners and other stakeholders for system improvement
- gather information and intelligence about older residents needs and service gaps and system issues

Transitioning out of assessment services may result in:

i. local governments not fully utilising the potential of its role or capabilities; and/or
ii. adversely impacting Council's reputation/authority and its ability to provide its full potential value (eg from loss of intelligence about local needs or loss of contact with local networks)

In addition, decisions in relation to providing aged care assessments may also impact the viability of conducting HACC-PYP assessments.

Operational feasibility

Finally, Councils need to consider issues related to the development, implementation and ongoing management and viability of potential options. This includes:

1. recognising the short-time frame to develop and implement any option under the Commonwealth's current timeline (ie operation of the new model by July 2020). This may require consideration of time required for:
   - internal Council briefing and decision-making processes
   - other organisations (including other Councils) to conduct their decision-making processes
   - iterations to respond to decision-makers requests or changes to proposed models
   - seeking legal, financial or other expert advice
   - establishing corporate governance arrangements
   - establishing management and operational requirements, including conducting possible recruitment processes, establishing new systems, policies and processes, purchase of facilities & equipment etc
   - change management, including staff management, culture change, and identifying & rectifying implementation issues
   - community consultation and engagement

2. ensuring the future viability of the new arrangement, which is likely to include consideration of:
   - any potential financial or reputational risks related to Council's future involvement
   - financial viability of new arrangements
   - meeting quality and equity requirements
   - contingency in the event of local system failures

5. Potential models for local government involvement in integrated assessment

Potential Model	Governance	Workforce	Operations
1. **Contract between Commonwealth and Victorian DHHS**	DHHS (Vic) holds a single contract or a number of regional contracts with the Commonwealth Government Local government and other locally based organisations (eg health services and/or community health services) have service agreements with DHHS (Vic) to provide assessment services in their municipality, region or part-region	Workforce employed by local government and other locally based organisations	Operating model to be determined at the local level Centralised triage by a designated local organisation or assessments allocated to local government or other organisations by geographic location Operational changes would be required to improve financial sustainability and performance against KPIs
2. **New entity** MAV sponsored or local govt led	New entity enters into a contract (or regional contracts) with the Commonwealth Board established with members from participating local government	Workforce employed by new entity New entity delivers assessment with its own integrated workforce Entity may sub-contract to local organisations if required	Centralised triage managed and operated by new entity Centralised management and administration Virtual office for assessment workforce
3. **Member of consortia** PHN or health service as lead agency	Lead agency holds contract with Commonwealth MoU or service agreement between local government and consortia members to deliver assessment services and determine payment basis	Workforce employed and managed by participating organisations (eg local govt employs Council staff) Opportunity for shared training and development	Triage and other operational arrangement to be determined by lead agency in consultation with consortia members Lead agency may require payment to manage contract and conduct centralised activities (eg triage, reporting, tender submission etc)
4. **Sub-contractor** NGO contract holder (for profit or not-for-profit)	NGO contract holder Local govt enters into an agreement to deliver assessment services as a sub-contractor Other organisations may also enter into sub-contracting arrangements	Workforce employed by sub-contractors (including local government and other local organisations)	NGO contract holder would determine triage model and other operational arrangements

6. Model assessment against key considerations

Potential Model	Community outcomes	Local government value	Operational feasibility
1. **Contract between Commonwealth and Victorian DHHS**	Stability and continuity for clients, community and workforce	Alignment of values and strategic objectives between State and local governments High level of flexibility and control for local govt: operating model at local level not prescribed by Victorian government	Dependant on interest /agreement by both Commonwealth and State governments Feasible to establish within limited lead time Lower resource commitment for establishment: can build upon existing arrangements
2. **New entity** MAV sponsored or local govt led	Opportunity to control the design of a model with a primary focus on community outcomes	Flexibility and control to design an operating model to maximise local government value	Significant lead time and resources required to establish new entity and prepare response to Commonwealth New role for MAV – may require consideration of strategic alignment and risk, and internal capacity and capability May be difficult to secure the approval of individual Councils to be a member if the lead is another Council
3. **Member of consortia** PHN or health service as lead agency	Opportunity to influence the consortia's operating model, if designed in partnership with consortia members (potentially could seek input from community and other stakeholders)	Likely to be some alignment of values and strategic priorities between local govt and other partners Need to negotiate with lead agency and other consortia members to ensure model allows fulfilment of local government value Potential reputational risk if other consortia member(s) does not meet quality or access requirements	Lead time and resources required to establish consortia and prepare response to Commonwealth Appetite of Councillors will vary (ie. based on perceptions of lead agency and previous experience with collaborative service delivery) Movement of key staff can disrupt relationship patterns and level of trust

Potential Model	Community outcomes	Local government value	Operational feasibility
5. Sub-contractor NGO contract holder (for profit or not-for-profit)	Limited control or influence on operational model of contract holder For-profit contract holder less likely to meet desired community outcomes, particularly in relation to equity of access (ie. risk of 'cherry-picking')	Potential misalignment of values and strategic priorities Contract conditions may limit ability to deliver local government value - focus likely to be on the delivery of KPIs determined by contracting organisation	Lower resource commitment for establishment: contract holder likely to prepare tender response and lead implementation of new operational arrangements

Workshop participants were asked to indicate their preferred option.

The majority of participants preferred the option of DHHS (Vic) holding the contract(s) with the Commonwealth. This option was preferred on the basis that it supports:

- a level of continuity with the current model
- implementation in the limited timeframe
- flexibility and control at the local level

The creation of a new entity was the second most preferred option due to the opportunity to develop an operating model to deliver local government value. The following issues were identified in relation to this model:

- a significant lead time and resource commitment would be required to develop a new entity and to secure the approval of participating Councils
- there is a significant opportunity cost if the new entity was unsuccessful in a competitive tender or not viable in a competitive environment (eg cost of establishment, lost time, good will from participants, stakeholders and community)
- successful establishment may be highly dependent on the leadership and commitment of an individual or small group of people: there is a risk that staff movement (or Council elections) may result in key individuals not being available or changing patterns of relationship and trust

Sub-contracting to a non-government organisation was the least preferred option, on the basis that:

- it would be unusual and potentially concerning for a level of government to be a sub-contractor to a NGO (either for-profit or not for profit)
- Council would continue to be accountable their communities and open to risk for activities that are outside of its control

It is of note that workshop participants recognised that upcoming Council elections may impact the timing of decision-making and the appetite of decision-makers in relation to potential risks and opportunities.

7. Next Steps

Workshop participants recognised that the short timeframes and considerable level of uncertainty on the details of new arrangements make it imperative to conduct a number of important activities as a matter of urgency. This includes:

- conducting briefing processes for Councillors and executives
- mapping local resources / identifying potential partners or new market entrants
- considering possible responses to different scenarios depending on confirmation of the detail of new arrangements
- planning for community and stakeholder communication activities

Participants identified a number of activities / outputs from MAV that would assist in progressing an informed response by Councils and the development of options for local governments' future role in an integrated assessment service. These included:

1. providing an options paper to inform Councillors and local government executives, including
   - background on new operating environment
   - clarification / updates on Commonwealth and Victorian Government positions
   - outline and assessment of options
   - advice on MAV's position and planned activities

2. conducting key stakeholder consultation to clarify the intention(s), capacity and parameters for decision-making, including consultation with:
   - Commonwealth and State Governments
   - potential partners: ACAS, PHNs, health services
   - Victorian local governments: CEOs and executives
   - sector bodies: eg COTA, LASA etc

3. conducting background research and analysis in relation to:
   - market assessment, particularly the capacity and performance record of existing providers in other States and their potential/likely expansion into Victoria
   - models and learning from other States

4. conducting advocacy on behalf of local government:
   - with the Victorian government: to clarify their interest in a role as contract holder, and to seek resources to prepare tender responses and provide support to local governments to consider options and transition arrangements
   - with the Commonwealth government: to influence program guidelines and contract & funding arrangements to maintain the value of local government involvement; and to seek an extension to the 2020 start of new arrangements

5. leading development of preferred model, including:
   - establishment of project control group
   - clarify likely intentions of individual Councils
   - co-ordinate a response to Commonwealth
   - prepare draft tender response (if required)

6. assisting in the development of regional models (ie collaboration between multiple local governments consistent with tender requirements rather than country Victoria specific). Note however, that regional local governments may require additional assistance due to scale capacity issues

7. providing information on alternative / additional activities for local government. This may involve additional workshops and may also be useful to conduct on a regional basis. Note that Appendix 1 provides some indicative information on potential alternative roles and activities for local government

Appendix 1: Potential other roles for local government

It was not within the defined scope of the workshop to discuss other activities that could be undertaken (or are currently conducted) by local government to support desired community outcomes, however, some information on possible activities was requested by a number of workshop participants.

This appendix provides a brief indication of potential alternative or additional activities to assessment services for local governments to promote community outcomes and maximise local government value. The list of possible activities is not intended to be detailed or exhaustive: it is indicative to stimulate further discussion and consideration.

It is recognised that these activities could be conducted in addition or as an alternative to providing Commonwealth funded assessment services. In addition, it is recognised that there are a number of factors individual Councils will need to consider including:
- available resources(including funding and staff capacity and capability)
- alignment with Council's strategic goals and priorities
- local need and potential local service gaps
- other available services and reducing duplication or promoting linkages and synergies

Decision-making is also likely to be influenced by individual Council's consideration and decision making in relation to:
- future delivery of Commonwealth funded integrated assessment services
- delivery of other Commonwealth funded community based aged care (ie CHSP and HCPs)
- delivery of other community services (eg HAC-PYP, NDIS etc)

The appendix draws on information from a series of workshops *INCITE* conducted for MAV to assist regional local governments in considering their role in the delivery of community based aged care. It is also informed by numerous projects conducted by *INCITE* to support individual local governments to develop and assess options, based on their local circumstances, for Council decision-making. For further information please refer to *INCITE information*, 2018, Community Care Workshops: Summary Report.

http://www.mav.asn.au/__data/assets/pdf_file/0020/22754/Community-Care-Workshops-Summary-Report-Sept-2018.pdf

Other potential roles for local governments include:
- providing community information and support services
- conducting market development activities
- capacity building and network development
- conducting planning and advocacy

Some possible activities in relation these roles are briefly outlined below.

Community information and support services

Community Information and support services could include:

- <u>information and navigation support</u>: this could involve (i) communication activities to inform residents, clients and carers regarding changes to the aged care system, including appropriate processes to follow, their rights & obligations, complaint mechanisms etc; or (ii) health promotion initiatives (eg diabetes prevention & management, improved diet etc). Specific opportunities include:
  - community information hubs: located at Council offices or community health services
  - outreach services: targeting vulnerable individuals and/or remote locations
  - pamphlets / brochures: profile of local services and pathways to access services
  - information sessions: for example, presentations at Probus or Rotary clubs
  - aged care ambassadors: trained and recognised community members / volunteers
- <u>individual client support</u>: this could involve guidance to, or advocacy on behalf of, individual clients (and carers), including supporting navigation trough My Aged Care, querying service eligibility decisions by the Regional Assessment Service, or contacting referral agencies / service providers

- <u>service provider 'endorsement'</u>: through (i) setting standards for preferred providers including employment conditions, equitable client access, local presence & accountability; (ii) entering into 'partnership' arrangements with preferred providers; and (iii) informing clients about preferred providers

Market development

Local market development activities may include:

- providing top-up funding (block or output-based) above the program price to create a financial incentive for potential providers
- providing information to attract potential service providers (ie local prospectus)
- offering subsidised rental for business premises or staff accommodation

It is important to recognise the potential of community care as an opportunity for local economic development. Local government economic development units would be an important resource with relevant skills and expertise to lead activities to attract appropriate providers.

Capacity building and network development

In addition to market development through attracting appropriate providers, local government could have an ongoing role in supporting service providers, particularly capacity building and network development, activities could include:

- promoting communication, engagement and information sharing between providers
- facilitating dialogue as a 'fair broker'

- providing project management & administration support to conduct development activities

- facilitating strategic & operational planning for network activities

The benefits of this role include:

- supporting longer-term sustainability

- improved client services and integration

- promoting innovation, efficiency and service improvements through greater collaboration

Planning and advocacy

Local governments' planning and advocacy roles are likely to require some re-orientation to adjust to the changed operating environment. In addition to organisational strategic planning and individual advocacy, local government may consider an important role in <u>local service system</u> planning and advocacy. Cooperation & collaboration between the Commonwealth as program owner and the local system planners and advocates will be critical to the effective operation of the new aged care system. In fact, it is critical to nearly all public sector markets to effectively address the conflict between equity, consistency and efficiency with local variations in consumer & local service sector capacity.

Planning in a competitive environment would aim to understand the local market and determine collective action to respond to identified opportunities and issues and may include:

- <u>population health planning</u>: identifying current and projected municipal needs

- <u>market assessment</u>: identifying actual and potential future service over-supply and/or gaps (including the diversity & number of providers)

- <u>system issue identification</u>: identifying potential market / program failures (eg unmet demand, insufficient unit pricing etc) to support consultation & negotiation with Commonwealth and State government funding agencies

Advocacy should include engagement with external stakeholders critical to the effective functioning of the local service system. Advocacy activities may include:

- <u>local monitoring & evaluation</u> to direct & support feedback to the program owner for program improvement (eg changes to guidelines, funding structures, identifying operational IT problems etc)

- <u>seeking additional funding</u> from external sources for identified local needs. For example, funding may be sought from the program owner, other government departments or other sources to conduct program pilots, conduct special projects or meet special local needs.