

# NSW Review of HACCC Funded Home Modification Services

## Issues Paper

For consultation until 27 May 2011

Prepared by Age Communications and Elton Consulting

Contact: Glen Sorensen (9369 5542 until May 9) or Clare Crawford (9387 2600 after May 9)

## Introduction

### *About the NSW Review of HACC Funded Home Modification Services*

Ageing, Disability and Home Care (ADHC), NSW Department of Human Services has contracted Elton Consulting in collaboration with Age Communications to conduct a review of the current model, nature and funding of home modification services provided under the Home and Community Care (HACC) Program in NSW. HACC funded Home Modification Services (HMSs) aim to assist older people and people with a disability to remain at home by providing affordable home modifications designed to make the home environment safer and to make it easier to carry out daily tasks and maintain independence. These services may also deliver home maintenance services, a separate HACC service type. The home maintenance functions of HMSs are outside the scope of the review.

HACC funding is used to support 73 local Level 1 HMSs able to undertake work up to the value of \$7,500; 12 regional Level 2 HMSs able to undertake work valued between \$5,000 and \$25,000; and one statewide Level 3 HMS to fund and oversee work valued at more than \$20,000.

The first stage of the project focussed on gathering information about and providing analysis on the current situation. This included:

- an extensive review of relevant NSW, Australian and international literature
- a comprehensive survey of HACC funded HMSs
- a detailed analysis of HACC Minimum Data Set quantitative data submitted by funded HMSs in the past three financial years
- meetings with key stakeholders.

The first stage culminated in the production of a *Current Situation Analysis* document that provided a snapshot of the current structure and state of the HACC Home Modification Sector and a summary of key issues for further consideration.

The second stage of the review is the consultation phase. Key pieces of work will include:

- a survey of HMS clients
- the production and distribution of this *Issues Paper*
- a submission process in response to the *Issues Paper*
- targeted further stakeholder meetings and focus groups based on the *Issues Paper*
- collation and analysis of all consultation input
- production of a *Consultation Outcomes Paper*.

The third and final stage of the review will consider all literature, data and stakeholder input in the development of an *Options Paper*. This paper will describe the possible designs for a home modification system in NSW to achieve desired client outcomes and will be for consideration by the NSW and Australian Government funding bodies.

The Review Team is currently seeking feedback on specific questions as outlined in this *Issues Paper*.

## *About the Issues Paper*

The Review Team has identified 12 issues that are central to the design of an efficient and effective system responsive to the needs of older people and people with disabilities seeking solutions to inappropriate home living environments. Each issue has a central question at its core. The central questions explored in this paper are:

1. *What outcomes for clients are Home Modification Services aiming to achieve?*
2. *What services should a HMS provide to achieve the desired client outcomes?*
3. *Who should be eligible for what services provided by a HMS?*
4. *At which assessment point in their journey should clients find out about their available options?*
5. *How should client contributions be determined and collected?*
6. *What is the best option for subsidising home modifications for eligible clients?*
7. *How do we ensure timely and quality service delivery by experienced practitioners?*
8. *What is the best way to manage jobs of different types and sizes?*
9. *How do we ensure quality of service delivery?*
10. *Is the NSW funding investment in HACC home modifications appropriate and sustainable?*
11. *How should HACC Home Modifications interface with other similar home modification programs?*
12. *How do we best monitor and support funded HMSs?*

Each of the 12 sections in this paper explores one issue. Each section contains further information about the issue and poses a number of key consultation questions on which the Review Team is seeking advice.

The Review Team is eager to identify and explore all viable future options and would like to stress that all aspects of the current HACC funded home modification strategy in NSW are under consideration.

## *How to Provide Feedback on the Issues Paper*

Written feedback is welcome from all stakeholders and can represent the view of an individual, a group of individuals or an organisation. All feedback will be considered strictly confidential.

When providing feedback, the Review Team requests that you frame it as a response to the key consultation questions posed in the box at the foot of each page. It is not expected that you provide feedback on all questions or on all 12 issues. Simply provide answers to the questions you want to address. Please be as concise as possible.

All feedback should include:

- the name of the person, people or organisation providing the feedback and a contact telephone number
- an indication of which stakeholder group and organisation is represented if not covered in the above point (e.g. occupational therapist, referral agency, government officer, etc)
- the number assigned to the key consultation question you are responding to
- your response to the question.

Feedback on the *Issues Paper* must be received by 5pm, Friday May 27, 2011. All written feedback should be addressed to Clare Crawford, Elton Consulting, PO Box 1488, Bondi Junction, 1355 or, if by email, to [clare@elton.com.au](mailto:clare@elton.com.au).

## Consultation Issue 1 – Outcomes for Clients

### *What outcomes for clients are Home Modification Services aiming to achieve?*

The desired outcomes from a collaboration between a client and a Home Modification Service (HMS) depend on the client's situation and the services the client is seeking from the HMS. The *Current Situation Analysis* identified three key groups of client outcomes that specifically apply to home modifications: housing, health and community care. In addition, there are some broader consumer outcomes that are also relevant for inclusion.

Housing outcomes for HMS clients can include:

- A more appropriate living environment for the client
- Improved access to and/or within the home
- Enhanced ability to pursue interests and participate in social networks and meaningful activities both inside and outside the home.

Health outcomes for HMS clients can include:

- Less fear of a fall or avoidable accident
- Increased feelings of safety, confidence, wellbeing and life satisfaction
- Increased control of decision making through making informed home modification choices
- Less hospital admissions and reduced lengths of hospital stays.

Community care outcomes for HMS clients can include:

- Improved capacity to perform a range of activities of daily living (ADLs) without help
- Improved capacity for independent living
- Less or delayed need for formal community care services
- A home environment that ensures that the occupational health and safety requirements for community care service provision are met.

Reaching agreement with the client on the best strategy to meet their home modification need is based on achieving the following consumer outcomes:

- Informed choice of strategy from the full range of available options
- Affordability and cost effectiveness of the preferred strategy
- Protection of client dignity and privacy
- Meeting the home modification requirements prescribed by the occupational therapist.

### ***Advice is sought on the following key consultation questions***

- 1a. What changes, if any, should be made to the above list of housing, health and community care outcomes for HMS clients?
- 1b. What changes, if any, should be made to the above list of broader consumer outcomes for HMS clients?

## Consultation Issue 2 – Service Range

### *What services should a HMS provide to achieve the desired client outcomes?*

The Commonwealth/State age split of responsibility for the over 65s and under 65s (for Aboriginal people, the over 50s and under 50s) is not part of the current model of HACC funded home modification provision in NSW. At present, frail older people, people with disabilities and their carers whose home environment may need adjusting could contact a Home Modification Service (HMS) for a number of reasons. They may want guidance on whether a home modification is the best option within the full range of available alternatives which may include relocation. Many want the HMS to organise and project manage the modifications to their home. Some, who are able to pay, may want information about private contractors with a track record of providing quality, reliable, cost effective services. Many will be concerned about cost and will want to know about their eligibility for financial assistance.

NSW HACC funded HMSs currently focus on providing structural and non-structural home modifications for HACC eligible clients. This function has several components: determination of eligibility; clinical assessment by an occupational therapist (OT); technical assessment of modification requirements by a licensed builder or tradesperson; and arranging for the work to be done. At present, some NSW HMSs provide all of these components directly. Others outsource one or more of these components to the government and private sectors.

The review of NSW HMSs provides an opportunity to explore whether the current range of services provided directly by HMSs is too restrictive or is appropriate to maximise the chances of achieving desired client outcomes.

### ***Advice is sought on the following key consultation questions.***

Should individual NSW HMSs:

- 2a. Provide an advisory service to clients about the full range of options to address problems with their home environment? If so, how? If not, where else is this provided?
- 2b. Provide information about private contractors who have demonstrated suitability to provide home modifications to older people and people with disabilities? If so, how would HMSs gather this information? If not, where else is this client need met?
- 2c. Provide advice on available funding options and subsidies for home modifications? If not, where else can clients go for this information?
- 2d. Determine eligibility to receive government subsidised home modifications? If not, where is the most appropriate place in the system for determining eligibility?
- 2e. Directly provide assessments of capacity to determine whether the client may need additional support through the process? If not where else should this occur?
- 2f. Directly provide clinical assessments of need by an experienced occupational therapist? If not, where else is this readily available?
- 2g. Directly provide technical assessments of and develop plans for modification work by a licensed builder or tradesperson? If not, where else is this readily available?
- 2h. Directly undertake structural and non-structural modifications? If so, under what conditions?
- 2i. Engage sub-contractors and provide project management services? If not, where else is this readily available?
- 2j. Be able to undertake private-for-profit work in direct competition with private contractors? If not, why not?

## Consultation Issue 3 – Eligibility for Service

### *Who should be eligible for what services provided by a HMS?*

The current *NSW Service Type Guidelines for HACC Home Modification* define eligibility as people who 'meet the broad criteria for access to HACC services and who require a home modification or installation of assistive technology'. This includes frail older people, younger people with disabilities and their carers living in the community. The guidelines exclude repairs and modifications caused by long term neglect; compensation for work carried out by non-HACC funded home modification providers; provision of services or appliances available to the client through other programs; modifications for people living in supported accommodation, congregate living situations, residential care facilities, private rental, public housing, community housing except on rare occasions; modifications to secondary residences like holiday homes; and removal or replacement of existing dwellings.

Analysis of the HACC Minimum Data Set (MDS) submitted by HMSs in the past three years has revealed that approximately:

- 86% of HMS clients were people aged over 65 and 14% were aged under 65. The more expensive the job, the more likely the client is aged under 65
- 15% of HMS clients were from culturally and linguistically diverse backgrounds
- 1% of HMS clients were of Aboriginal or Torres Strait Islander origin
- 85–87% of HMS clients were in receipt of a government pension or benefit
- 90% lived in housing they owned or were purchasing; 4.5% in private rental; 1% in public rental and 0.1% in housing rented from an Aboriginal community.

Further analysis by HACC Local Planning Area (LPA) shows considerable variation across LPAs in all the above cohorts. Proportions of under 65s varied across LPAs between 8.5–19%; CALD clients 3–38%, Aboriginal clients 0.1–6%; home owners 86–96%; private renters 0–20%; public renters 0–7%. It is clear that while some variations across LPAs are due to demographic differences, others are due to differences in interpreting the HMS eligibility criteria. Of particular concern were private tenants and tenants of properties managed by Aboriginal communities and corporations whose landlords were unable or unwilling to modify their properties.

It is very important to ensure that future eligibility criteria for the full range of HMS services are consistent, promote equity of access and are responsive to special needs groups.

### ***Advice is sought on the following key consultation questions.***

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| <p>3a. What factors should be considered when determining eligibility for HMS services?</p> <p>3b. What future HMS services (e.g. information on available options, referral to private providers, clinical assessments, technical assessments, structural and non-structural home modifications, project management) should be available to the following client groups <u>and</u> under what conditions?</p> <ul style="list-style-type: none"><li>– people aged under 65 and Aboriginal people aged under 50</li><li>– people aged over 65 and Aboriginal people aged over 50</li><li>– people dependent on government benefits</li><li>– people who could afford to pay market rates</li><li>– people who own or are purchasing their own homes</li><li>– people who are renters in the private market</li><li>– people who are renters in public housing, community housing or properties managed by Aboriginal communities.</li></ul> <p>3c. Who should be considered ineligible for government subsidised home modifications?</p> <p>3d. Under what circumstances, if any, is it reasonable to deny a client a home modification service?</p> |
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## Consultation Issue 4 – Information and Assessment

### *At which point in their journey should clients find out about their available options and be assessed for their needs?*

There are a range of options to resolve a client's problem with their home environment. This could include referral to a private provider, the provision of assistive technology, a home modification by a HMS or relocation to more suitable housing. The assessment process for home modifications is more complex than for most community care assessments: it involves assessment of both the individual and their environment. Where are the natural places in the client journey and who are the right people to provide information on available options and assessment of needs?

There are four key assessment points at which a client could be provided with information and can make important decisions about their home modification options: at client entry points; on first contact with the HMS; during the clinical assessment; or during the technical assessment. These assessment points provide an opportunity to stream clients into the most appropriate channel to meet their need. The information provided at these assessment points should also ensure that the client does not develop unrealistic expectations.

In the future, the entry pathways of the over 65s and the under 65s may be different. The Australian Government is proposing a new front end, or entry point, to the aged care system at which a client's basic need is identified; the financial capacity to pay for care and support is explored; eligibility for approved care and support is determined; and a referral to an appropriate part of the system is made. Once in place, it is likely that clients aged over 65 will be streamed through this entry pathway.

Future entry pathways for people with disabilities aged under 65 are less clear at present though could be influenced by the final report from the Productivity Commission on *Disability Care and Support*. The recently released draft report proposes the establishment of a National Disability Insurance Scheme (NDIS) which would include an assessment process that would determine a person's entitlement to various types of support including home modifications.

In summary, it is likely that, once the two new systems are in place, a client's eligibility for support services or available individualised packages and level of available subsidy will be confirmed at a designated entry point before the client is referred to a HMS. It is expected that these entry points will be a primary source of information for clients.

### ***Advice is sought on the following key consultation questions.***

- 4a. How do we ensure that non-modification options are identified, considered and discussed with the client as early in the process as possible?
- 4b. If eligibility is determined at an external entry point, what information about the client and their home environment should be collected at this point and what information about options should the client know before referral to a HMS?
- 4c. What information about the client and their home environment and what information about available options should be provided by the HMS during its intake process?
- 4d. What information about available options is best discussed with the client by an occupational therapist during the clinical assessment process?
- 4e. What information about available options is best discussed with the client by a licensed builder or tradesperson during the technical assessment process?

## Consultation Issue 5 – Client Contributions

### *How should client contributions be determined and collected?*

In the absence of a National or State HACC fees policy, NSW HACC funded HMSs have developed and implemented their own fees policies. The survey of HMS fees policy and practice conducted as part of the *Current Situation Analysis* found considerable variation in:

- how the client’s financial status and ability to pay is determined. Strategies included reliance on self-reporting, honesty systems, Centrelink income assessments and asset/liability questionnaires
- the proportion of clients from whom a client contribution is sought (range 70–100%)
- for what parts (e.g. labour, materials, administration) and proportions (e.g. fully, part or not recoverable) of a home modification job, a client contribution is sought
- how the proportion of labour costs is calculated (e.g. by percentage of overall labour costs or an hourly rate) and the proportion itself (e.g. 30–50% costs range, \$10–20 per hour range)
- how sliding fees scales are applied.

Differences in the fees policies and practices of individual HMSs means that there is inequity in current client contribution policy and practice across NSW.

NSW HMSs can seek full cost recovery for some clients. Generally this includes compensable clients, DVA Gold Care holders, packaged care recipients (Community Aged Care Package, Extended Age Care At Home clients), community housing tenants, tenants of Aboriginal community organisations, people in supported accommodation and ventilator dependent quadriplegics. The proportion of and the amount of income from full cost recovery clients varies considerably between HMSs. This suggests inequity of access to HMS services by these client groups across NSW.

The draft Productivity Commission Report, *Caring for Older Australians (2011)* has proposed the introduction of a standard means test to determine the level of client contributions for all home modification services. This test would be applied at the entry point to the aged care system.

Many HMSs report that recovery of client contributions is a constant administrative challenge. The amount of outstanding funds and the resources needed to recover them can significantly affect HMS operations. A more effective system, sensitive to the client’s situation, is needed for recovering agreed client contributions.

### **Advice is sought on the following key consultation questions.**

- 5a. Should all NSW HMSs have the same client contribution policy? If not, why not?
- 5b. Should a client contribution be sought from all clients who own or are purchasing their homes? If not, under what circumstances should it be waived or reduced?
- 5c. What should be the fees policy for people who are renting when the landlord agrees or refuses to pay for the home modification?
- 5d. Should there be a standard way for determining the client’s capacity to pay? Should it be the same for the under 65s and over 65s (and 50 for Aboriginal people)?
- 5e. Should the costs of materials, labour and administration each be fully, partially or not recoverable?
- 5f. For which future HM clients should full cost recovery be sought?
- 5g. What body should be responsible for collecting client contributions?
- 5h. What better ways are there for collecting overdue and outstanding client contributions and minimising service blockages affected by outstanding debts?



## Consultation Issue 6 – Funding Options

### *What is the best option for subsidising home modifications for eligible clients?*

At present in NSW, the cost of a home modification job is met through a combination of a client contribution and HACC funds allocated by the HMS. The proportion of HACC funds available for use on the job is determined by the fees practice of the individual HMS. The capacity of the HMS to undertake the work then depends on the current state of the HMS's budget. If there are insufficient HACC funds to meet demand, the client must wait until funds become available. In order for HACC funds to be used, the client must agree that the HMS, or a sub-contractor selected by the HMS, will do the work.

This system has several flaws. First, NSW HMSs have individual and different fees policies. This means that the amount of HACC funding made available will be different between HMSs even if the overall cost is the same. Secondly, the capacity of the HMS to provide HACC funds for a job will vary according to the level of demand in their area and their available HACC budget. Thirdly, the client has little or no choice in provider, a practice contrary to the current program emphasis on delivering community care services using a person centred or enablement approach.

The trend in other states and territories is clearly towards providing clients with subsidised assistance to finance their home modifications, particularly for jobs over \$5,000. Low interest loans of up to \$30,000 are available to eligible clients in Queensland, South Australia, Western Australia and Victoria. In Victoria, for example, there are different caps for unsecured loans, loans secured against a mortgage, people in rental properties and for special circumstances. In these states, HACC funded service providers are contracted to manage minor modifications.

#### ***Advice is sought on the following consultation questions.***

- 6a. What impact would the introduction of a low interest loan have on the overall home modification system in NSW, clients and HMSs? Do the advantages outweigh the disadvantages?
- 6b. How could competition between home modification service providers drive greater efficiencies and enhance quality?
- 6c. What impact would the introduction of a voucher system which gives eligible clients a specific subsidy and the power to choose a provider have on clients, HMSs and other providers? Do the advantages outweigh the disadvantages?
- 6d. What other home modification subsidisation options are worth further consideration?
- 6e. Should people in private rental be eligible for loans, vouchers or other subsidy options when the landlord is unable or unwilling to fund a necessary modification?
- 6f. Should people renting housing managed by Aboriginal communities be eligible for loans, vouchers or other subsidy options when the landlord is unable or unwilling to fund a necessary modification?
- 6g. How could new subsidisation arrangements take into account the added costs of providing home modifications in rural and remote areas?

## Consultation Issue 7 – Service Delivery

### *How do we ensure timely and quality service delivery by experienced practitioners?*

The provision of timely, quality home modification services depends on a variety of key factors. In the current system, the HMSs need to have the knowledge, skills and resources to provide accurate information about the client's options to address their home modification need; arrange for clinical and technical assessments; manage the client contribution; prioritise the work; arrange for the work to be completed; and liaise between the players. These tasks can be onerous for HM providers reliant on co-ordinators who are part-time and/or managing a number of service types. This has been a particular challenge for multi-service outlets (MSOs) in rural and remote areas.

Timely, quality clinical assessment is dependent on the availability and expertise of occupational therapists (OTs). The *Current Situation Analysis* found this to be a central challenge for HMSs and a major contributing factor to delays in achieving client outcomes. Clearly, there are not enough experienced OTs available in the health system or in private practice to meet the demand for HM assessments. Home modification training does not seem to have a prominent enough place as an OT specialty area though OT Australia NSW and the Independent Living Centre have developed competencies for environmental modifications in the home. In addition, ADHC has funded an OT Program auspiced by the NSW HMMS State Council to build sector capacity through training and resource development. Some HM services have successfully addressed this challenge through employing in-house OTs, offering cadetships, regular contracting of private practitioners and substituting assistive technology to remove the need for the physical presence of an OT on site. Enable NSW has addressed this issue by developing professional criteria for prescribers of assistive technology whereby only the more experienced prescribers can prescribe complex equipment and less experienced are supervised when prescribing.

Home modification works have to be undertaken by reliable and skilled tradespeople with the required licences and sensitivity to the client target groups. Modifications can be structural or non-structural. The licensing requirements can vary with the nature of the job. Access to licensed builders and tradespeople able to conduct technical assessments, draw plans, negotiate with suppliers and regulators and manage home modification jobs varies between services. Many HMSs directly employ licensed builders and tradespeople. Some auspices use licensees who are employed elsewhere in the organisation. Most rely on external contractors for some or all jobs. Access to a licensed builder or tradesperson is essential for timely technical assessments and commencement of work.

The *Current Situation Analysis* found that problems with timely service delivery are primarily due to widespread workforce shortages of occupational therapists and licensed builders interested in home modifications and partially due to a reliance on the availability of external providers.

#### **Advice is sought on the following key questions.**

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| 7a. | Should all NSW HMSs have dedicated, full-time administrative/coordinator positions? If not, where is this not necessary?   |
| 7b. | Should home modification funding be phased out to MSOs with inadequate resources to effectively manage HM service provision?   |
| 7c. | What are the best, most cost effective ways to build sector capacity and improve access to the clinical assessment expertise of experienced OTs, particularly in rural and remote areas? |
| 7d. | Should all HMSs be required to hold a builder's licence and directly employ a licensed builder? If not, how do we achieve timely access to technical expertise and equity?               |
| 7e. | How do we best ensure that external contractors used by the HM sector provide quality home modification services?  |
| 7f. | How is equitable home modification provision to rural and remote areas achieved?   |

## Consultation Issue 8 – Classification and Assessment of Works

### *What is the best way to manage jobs of different types and sizes?*

In NSW, structural and non-structural home modification jobs are divided into three types according to cost with each type being managed differently.

- Level 1 jobs generally cost up to \$5,000 and can go up to \$7,500
- Level 2 jobs generally cost between \$5,000 and \$20,000 and can go up to \$25,000
- Level 3 jobs generally cost more than \$20,000. There is currently no cap on the upper limit.

Individual NSW HMSs are funded to deliver home modification services at specific levels. The *Current Situation Analysis* found that the three tiered model has some inherent problems.

Level 1 HMSs are the access point for all home modification requests and establish the scope and cost of the work. Not all Level 1 providers have the resources or expertise to do this, resulting in poor scoping and costing and unnecessary referrals to Level 2 services. Similarly, in some cases, Level 1 jobs have been split to avoid a referral to Level 2 services; the unintentional consequence of this being that these jobs fall outside the financial scope of the Quality Assurance program.

Level 2 providers convene HM Assessment Panels to assess, approve and prioritise higher level applications. Ideally they hold regular meetings and have a balanced mix of clinical and technical expertise as well as consumer representation. There are three key problems with the current panel model: imbalances in clinical and technical expertise and ineffective consumer input; too many applications for the available funding; and prohibitive costs and problems in convening the meetings. This contributes to application bottlenecks, delays and perceived bias in decision making and inappropriate referrals to the next level.

The Level 3 provider prioritises referrals from the panels and allocates funds for completion of works either by a sub-contractor or a Level 2 service. Too many applications for the available funding, inappropriate referrals from panels and the lack of a cap means that there is an extensive waiting list, concerns about the cost effectiveness of more expensive modifications and long delays for Level 3 jobs.

Other States and Territories have different approaches. Tasmania and Western Australia, for example, only provide low level, minor home modifications using HACC funds. Queensland and Victoria distinguish between minor modifications provided by the HACC system and major modifications which are primarily funded by low interest loans rather than HACC funding. Their systems are two tiered at most and place limits on the amount of HACC funds that can be used.

### ***Advice is sought on the following key questions.***

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| <p>8a. Is the existing three tiered classification system in NSW the most useful way of managing different types of home modification jobs? Could a two tiered system be as or more effective?</p> <p>8b. What other and, perhaps, better ways are there to classify jobs apart from cost? Is classification necessary at all?</p> <p>8c. Would it be more effective and efficient if all HMSs had the internal expertise and resources to assess, cost and prioritise jobs as long as the process was informed, transparent and timely? If not, how could inherent problems with the current panel system be resolved?</p> <p>8d. What prioritisation criteria should be applied to home modification jobs?</p> |
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## Consultation Issue 9 – Quality Assurance

### *How do we ensure quality of service delivery?*

There are three aspects of quality assurance as it applies to home modifications: the process, the product and the functional outcome. Some aspects of quality assurance, particularly those associated with process are built into the Disability Standards and the Common Standards (previously the HACC and the Packaged Care standards) and their monitoring strategies. Some process elements, such as OT assessment are covered elsewhere in this *Issues Paper*. Other aspects, notably the product, are checked as part of the OT sign-off and final inspection of building works. Functional outcomes can be identified through client feedback and follow-up by the HMS or the OT. There is currently no overall quality assurance process that draws together these three strands. HMSs have long been concerned that funding body monitoring strategies designed for the broader community care sector have not adequately taken into account the core business of HMSs, the building works.

ADHC does provide funding for a technically focussed Quality Assurance Program, auspiced by the NSW HMMS State Council. Under this program, a Specialist Technical Officer, a Technical and Training Officer and seven Contracted Building Inspectors complete final inspections of all major modifications. Training and resource development are also part of this program.

NSW HMSs are exempt from NSW Department of Fair Trading requirements to provide a Home Owner's Warranty for works valued \$12,000 or more. An exemption was needed due to the prohibitive costs to HMSs and the ineligibility of clients to claim for refunds as HMSs are government funded and clients are not the direct contractors of builders/tradespeople. The exemption was granted on the understanding that there was an internal quality assurance mechanism and a system for rectifying sub-standard works in place.

ADHC has provided a recurrent stream of funding to HMSs to rectify sub-standard or inappropriate work completed by HMSs or when HMSs are unable to get contracted builders to rectify their work. The exposure to rectification of works lasts for seven years. HMSs are unable to set aside funds for this eventuality as they could be considered surpluses to be returned to ADHC. Some HMSs access this central fund. Others rectify work using their own resources, including recurrent funds. When recurrent funding is diverted to rectification work, less is available for other jobs. While the allocation of recurrent funding for rectification works was a necessary response to NSW HMS's exemption from the Home Owners Warranty, it is unlikely that this is desirable or sustainable in the longer term.

There is no standard or universal system for monitoring the functional outcome for the client. This depends on whether all options have been considered during the assessment and approval process and on client follow-up after completion of the job.

### ***Advice is sought on the following key consultation questions.***

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| <p>9a. Is the current QA Program for building and supporting the technical capacity of the HM sector (i.e. Specialist Technical Officer, Technical and Training Officer) the most effective use of available resources? If not, what other options may be more valuable?</p> <p>9b. Is the current State Council system of using Contracted Building Inspectors an effective, efficient, consistent and transparent system for final inspections? If not, what other system would be better?</p> <p>9c. How do we best hold builders accountable for their work? Should the HMSs pay to rectify their own work? As the Home Owner's Warranty is not appropriate, should other insurances be sought? If so, what would be the impact on HMSs?</p> <p>9d. Should all HMSs be required to participate in a sector-wide quality assurance program to ensure consistency of process and standard in signed-off works? If not, how else is consistency achieved?</p> |
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## Consultation Issue 10 – Funding Investment and Scope

### *Is the funding investment in NSW HACC home modifications appropriate and sustainable?*

In 2009/10, home modification service type funding in NSW was approximately \$23.5 million of which 74% was for recurrent funding, 21% for non-recurrent funding, 3% for direct allocations to service providers and 2% non-recurrent funding to the State Council, the sector peak body. Additional funding was also provided to the HM Clearing House to support its information sharing, research and sector support initiatives and to NSW Home Modification and Maintenance State Council for special projects and specific purposes.

The *Current Situation Analysis* found that Level 1 and Level 2 recurrent and fixed term non-recurrent funding is distributed relatively evenly across the regions (Range: \$2.6m – \$3.7m). Fixed term non-recurrent funding is more prominent than with other service types. A substantial proportion of this has been channelled through the peak body, the State Council, and has been used for brokering OT assessments, reducing waiting lists, addressing rural and remote service provision problems and quality assurance strategies. While this has eased some pressure on the system, it has not addressed the underlying systemic issues nor solved the key problems.

HACC MDS data submitted by NSW HMSs in 2009/10 shows that Level 1 jobs accounted for 70% of all jobs and 36% of all job costs; Level 2 jobs were 29.5% of all jobs and 50% of all job costs; and Level 3 jobs were 0.3% of all jobs and 14% of all job costs. The trend in reported outputs from Level 1 and 2 HMSs in the last three financial years clearly shows that home modification costs are growing faster than inflation and HACC growth funding. In summary, the proportion of home modification funding in the overall HACC pie is growing. Furthermore, there are ongoing questions about cost effectiveness of some jobs, particularly when there may be another solution and around some of the more expensive renovations, particularly for clients of very advanced age.

There are two obvious options here but there may be more. Either there must be a sustained injection of funding or a change in the model. The latter option could involve a change in the scope of home modification work able to access HACC funding.

HACC funding for HMSs accounts for 6.1% of total HACC funding in NSW. This is a higher proportion than any other state or territory except for the ACT. The national average is 3.9%. Given this figure, it is debatable whether funding bodies would consider a sustained injection of funding to NSW HMSs as a justifiable funding investment. The preference may be for raising the proportion of home modification funding in other States and Territories to NSW levels.

#### ***Advice is sought on the following key consultation questions.***

- 10a. What cost efficiencies could be made in the current systems to address the growth in costs in providing home modifications to the HACC target group?
- 10b. How could the scope of funded home modification work be changed to address the growth in the costs in providing home modifications to the HACC target group?
- 10c. In what ways can a home modification reduce the need for or cost of other formal support services? How can this client outcome be effectively measured?
- 10d. What other strategies, other than continued use of non-recurrent funding, could be used to address systemic waiting list problems?

## Consultation Issue 11 – Relationship with the Broader Service Landscape in NSW

### *How should HACC Home Modifications interface with other similar home modification programs?*

There are different ways for an eligible person in NSW to get funding to modify their home environment. The HACC Home Modification system in NSW operates alongside other home modification programs provided or funded by government. Housing NSW has an extensive maintenance and modification program for its public housing properties. A substantial number of its tenants receive HACC funded services. NSW Health's Program of Appliances for Disabled People (PADP) provides assistive technology. The Lifetime Care and Support Authority provides funding for home modifications and assistive technology for people with a high degree of disability caused through motor accidents. Department of Veterans Affairs programs for veterans include annual free home assessments, financial assistance for minor modifications, low interest Home Support loans and a Rehabilitation Appliance Program.

As per the current service type guidelines, Commonwealth funded packaged care (e.g. CACP) will be asked to cover the cost of a home modification that is part of a care plan. The inability of the packaged care program to adequately contribute towards the costs of a home modification was identified as a major service block by 15% and as a minor block by 48% of respondents to the sector survey conducted as part of the *Current Situation Analysis*. Packaged care clients' eligibility to access HMS services may change after the Commonwealth assumes responsibility for aged care.

Other avenues for funding minor home modifications include respite care packages, Community Options brokerage funding and ComPacks.

Changes are also likely in the way people under 65 (or 50 for Aboriginal people) with disabilities access HMSs in the future. In *Stronger Together: A new direction for disability services in NSW 2011-2016*, the NSW Government has increased its focus on package provision as a key service model strategy for people with a disability. In future, clients with packages will have more control and choice in how and where they purchase services, including home modifications.

Many HMSs do receive income from programs outside HACC though the demand, their willingness to accept this funding and the income received varies widely. Theoretically HMSs are ideally placed to deliver services to clients from a range of funding programs and need not be fully reliant on HACC as a funding source.

### ***Advice is sought on the following key consultation questions.***

- 11a. Are the boundaries between HACC funded HMSs and other government home modification initiatives provided, e.g. through NSW Housing, Health, Lifetime Care and Support and the Department of Veterans Affairs too limiting? Could a single entry point and an intake process able to identify the most appropriate client pathway lead to better, more cost effective outcomes? Could one agency be the gateway to all funding options?
- 11b. Should all HMSs have the same policy and practice in providing home modification services funded through other programs? If not, why not?
- 11c. How else could the HMS sector best position itself to take maximum advantage of the opportunities afforded by the full range of funding sources?

## Consultation Issue 12 – Sector Administration, Monitoring and Support

### *How do we best monitor and support funded HMSs?*

Policy decisions made by a range of planning, regulatory and local government bodies often do not consider the impact on the home modification sector and its clients. Home modification solutions are often affected and limited by development application, strata management, building and construction and licensing policy positions. It is important that the HMS view is presented and considered in relevant policy development processes.

The recent policy decision to separate responsibility for aged care and disability services between the Australian and NSW Governments does affect the future administration and monitoring of the home modification service type. With Commonwealth and the States dividing responsibility for the over and under 65s (50 for Aboriginal people), neither government body has a clear mandate to administer a cohesive home modification system targeting both people with disabilities and older people.

There are three initial options. Administration and monitoring responsibilities could be divided according to government areas of responsibility. This could pose a dilemma for HMSs, either forcing a choice in whether to limit service provision to one target group or dealing with two funding bodies. Alternatively, one government could devolve program administration and monitoring to the other as happens in the current system. Finally, both funding bodies could allocate program administration to a third body with the expertise and resources to monitor and, perhaps, regulate the HM sector.

Monitoring of HMSs does need to reflect the nature of their business, most notably the meeting of legislative and licensing requirements associated with the design and construction of buildings in Australia. This is not the core business of ADHC or DoHA nor do they have the required technical expertise to monitor compliance in these areas. This may be a better fit for the NSW Department of Fair Trading which may seek technical advice from other agencies such as Standards Australia and local authorities. It may be appropriate to introduce a registration system, similar to that used in the Community Housing sector, whereby providers must demonstrate their ability to meet specific standards in order to be eligible for funding.

A viable, robust and 'cutting edge' home modification sector must have a strong evidence and support base. The HM Clearing House has contributed to the evidence base by undertaking research, producing publications and resources and sharing information and experience across the broader home modification industry. So has the Minimum Data Set (MDS), though HMSs have expressed serious concerns about the ability of the MDS to truly reflect their work. State Council, the peak body, has provided significant support to the sector through training, networking, advising and informing, developing resources and promoting good practice. It is also been a voice and advocate for the HACC HM sector. However, it is conceivable that these roles could be compromised by also acting as a funder and conduit for non-recurrent funding.

### ***Advice is sought on the following key consultation questions.***

- 12a. Should administration and monitoring of funded HMSs be shared between the NSW and Commonwealth Governments or the responsibility of one government body? If the former, how should this work in practice? If the latter, which government body should be responsible and why?
- 12b. Would a new approach to oversight of HMSs (e.g. regular performance based reporting) help to improve overall service delivery outcomes for clients?
- 12c. What would be the advantages and disadvantages of introducing a registration system as a way of regulating and monitoring funded home modification providers? What transition period to a registration system would be appropriate?

- 12d. Are current sector support strategies provided through the State Council and the Clearing House the only or the best way to build sector capacity and strengthen the evidence base? Are both needed? Are either needed? Is there another way to achieve this?
- 12e. What further data collection is necessary to tell the funding bodies and the sector what we need to know about home modification provision?
- 12f. Is it advisable and appropriate for a peak body to also be a budget holder and a funding conduit to its members? Is there a more appropriate option?

### *Providing Feedback on Other Issues*

As outlined on Page 2 of this *Issues Paper*, feedback is sought on the specific consultation questions contained in the box on each Issue page.

Should you wish to provide feedback on an issue relevant to the review that is not covered by any of the consultation questions, you can do so by attaching an appendix to your submission. Please ensure that the headings in your appendix clearly describe the content that follows.