

Home and Community Care (HACC) Program

2003-04 HACC Funding Guidelines

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Contents

| | |
|---|-----------|
| 1. Introduction | 5 |
| 1.1 Aims and Objectives of the HACC Program | 5 |
| 1.2 What is the HACC Program? | 5 |
| 2. Department of Human Services (DHS) - Roles and Responsibilities | 6 |
| 2.1 DHS Central Offices..... | 6 |
| 3. Funded Agency - Role and Responsibilities | 7 |
| 4. Eligibility | 8 |
| 4.1 Eligible Organisations | 8 |
| 4.2 Eligible Target Population | 8 |
| 4.3 Services Ineligible for HACC Program Funding | 9 |
| 4.3.1 Access to HACC Program Funded Services..... | 10 |
| 4.3.2 No Maintenance of Effort | 10 |
| 4.3.3 Commonwealth Government Funded Residential Care..... | 10 |
| 4.3.4 Commonwealth Community Aged Care Packages | 11 |
| 4.3.5 Disability Services | 11 |
| 4.3.6 Other Housing Arrangements and HACC Program Services | 11 |
| 4.3.7 Access to HACC for Residents of Supported Residential Services (SRS) . | 11 |
| 4.4 No Growth Services..... | 12 |
| 5. HACC Quality Framework | 12 |
| 6. Operational Requirements | 12 |
| 6.1 HACC Fees Policy | 12 |
| 6.2 Disposal of Property | 14 |
| 6.3 Insurance | 14 |
| 6.3.1 Funded Non-Government Organisations..... | 14 |
| 6.3.2 Healthcare Agencies | 15 |
| 6.3.3 Agencies Not Covered | 15 |
| 6.4 WorkCover..... | 15 |
| 6.5 Occupational Health & Safety..... | 15 |
| 6.6 Superannuation | 15 |
| 7. HACC Program | 16 |
| 7.1 HACC Funding System..... | 16 |
| 7.2 Activities Funded Under the HACC Program | 16 |
| 7.3 HACC and GST | 17 |
| 7.3.1 GST treatment of HACC services..... | 17 |
| 7.3.2 Australian Business Number..... | 17 |
| 7.3.3 Registration for the GST | 17 |
| 7.3.4 Minor Capital Allocation | 17 |
| 8. Budget Information for Recurrent and Fixed Term Recurrent Submissions | 18 |
| 8.1 HACC Program Funding | 18 |
| 8.1.1 Condition of Funding..... | 18 |
| 8.2 Consumer Fees..... | 18 |

| | |
|---|-----------|
| 9. Budget Information for One-Off Funding | 18 |
| 9.1 HACC Program Funding | 18 |
| 9.1.1 Condition of Funding | 19 |
| 9.2 Fixed Term Service Development Projects | 19 |
| 9.2.1 Funding Conditions for Fixed Term Service Development Projects | 19 |
| 9.2.2 Eligible Cost Items for Fixed Term Service Development Projects | 20 |
| 10. DHS Service Agreement | 20 |
| 11. Reporting Requirements | 20 |
| 11.1 Monitoring Service Quality | 20 |
| 11.2 Funded Agency Financial and Data Requirements..... | 20 |
| 11.3 HACC Data Help Desk | 20 |
| 12. Payment of Approved Funding | 21 |
| 12.1 Use of HACC Program Funding | 21 |
| 12.2 Advice to Successful Applicants | 21 |
| 12.3 New Recurrent and Fixed Term Recurrent Funding | 21 |
| 12.4 Fixed Term Service Development Funding (Less Than Six Months) | 21 |
| 12.5 Minor Capital Funding | 21 |

1. Introduction

The purpose of this document is to provide a **summary** of the key features relating to funding, administration and eligibility requirements for services funded through the Home and Community Care (HACC) Program. Detailed information on the requirements for HACC funded agencies on all aspects of the HACC Program is outlined in the *Victorian Home & Community Care (HACC) Program Manual, February 2003*.

1.1 Aims and Objectives of the HACC Program

The HACC Program provides community care services to frail aged people and people with disabilities, and their carers. The overall objective of the HACC Program is to enhance the independence of people in these groups and to avoid their premature or inappropriate admission to long-term residential care.

The HACC Program aims to:

- Provide a comprehensive, coordinated and integrated range of basic maintenance and support services for frail aged people, people with a disability and their carers
- Support these people to be more independent at home and in the community, thereby enhancing their quality of life and/or preventing inappropriate admission to long-term residential care
- Provide flexible, timely services that respond to the needs of consumers.

The HACC Program operates within a regional framework with the purpose of responding to the needs of consumers and achieving equitable access to HACC Program services. Critical to achieving these goals are regional planning, consistent targeting of services to those with similar needs and the quality of services.

Service providers funded by the HACC Program are part of a wider care network in which an organisation's service may be one of several services a person receives. Therefore, co-operative and co-ordinated working arrangements between service providers are essential for the people they serve.

The HACC Program encourages flexible service delivery and a suitable mix of services to meet the needs of individuals and regions.

1.2 What is the HACC Program?

The HACC Program is funded jointly by Commonwealth and State governments under the *Home and Community Care Act* (Commonwealth) 1985.

In Victoria local governments, and other funded agencies, contribute resources to HACC services, as do consumers who contribute by paying fees.

Commonwealth/State arrangements for the HACC Program are set out in a bilateral agreement between the Commonwealth Government and Victorian Government. The current agreement is the *Amending Agreement in relation to the provision of financial assistance by Commonwealth of Australia to State of Victoria for Home and Community Care HACC Program 1998* (hereafter referred to as the Amending HACC Agreement) which was implemented in Victoria on 1 July 1998.

2. Department of Human Services (DHS) - Roles and Responsibilities

DHS has nine regional offices and a Central Office in Melbourne. Each regional office has service planning and funding responsibility for all Departmental services and programs for that particular region. There is a primary contact for information and advice regarding the HACC Program in every regional office. DHS conducts its business with service providers and consumers through its regional offices.

2.1 DHS Central Offices

DHS Central Office is responsible for:-

- Policy and program development
- Working with the key program stakeholders, including Commonwealth and State Ministers, the Commonwealth Department, Local Government, peak provider bodies, peak consumer bodies and other parts of the Department
- Collecting and analysing data and ensuring agencies and regions have access to data to improve planning and their understanding of the service system
- Ensuring the HACC Program communicates with other parts of the broader health and aged care system to improve quality and continuity of care for older people, people with disabilities and their carers
- Promoting evidence based approaches to policy and practice
- Managing relationships with peak agencies.

DHS Regional Offices are responsible for:-

- Working with Central Office on policy and program development and communicating the potential impact of policies and priorities on the regional service system
- Working in partnership with providers and consumers to identify regional priorities for the HACC Funds Allocation Process
- (Re)negotiating Service Agreements to ensure the regional service system is accessible, equitable and configured to meet consumers needs
- Working with agencies on a range of quality assurance and improvement initiatives
- Developing one-off innovative projects to improve regional service system performance and respond better to distinctive local needs
- Ensuring equitable access for special needs groups to regional HACC services and regional planning processes.

Regional officers who administer the HACC Program also contribute to the development of statewide policy, program guidelines and service initiatives.

Service providers should contact their DHS regional office for information regarding the HACC Program, including matters relating to the HACC Program Funds Allocation process. Please contact your DHS Regional Office (as listed below) for further information including Funding Submission.

| DHS Regional Office | Contact Name | Telephone Number |
|-----------------------------|--------------------------------------|----------------------------------|
| Barwon South Western Region | Mr. Chris Walpole Ms Marcia Webb | (03) 5226 4533 (03) 5226 4790 |
| Grampians Region | Ms Janis Brooks Ms Jeannie Howard | (03) 5333 6084 (03) 5333 6049 |
| Loddon Mallee Region | Ms Faye Ennor-Severs: | (03) 5434 5597 |
| Hume Region | Ms Joan Slater | (03) 5722 0903 |
| Gippsland Region | Mr Will Hanrahan | (03) 5177 2575 |
| Western Metro Region | Mr Dale Siebuhr | (03) 9275 7398 |
| Eastern Metro Region | Ms Lorrie Read | (03) 9843 6228 |
| Northern Metro Region | Ms Annalisa Cannuli | (03) 9412 2608 |
| Southern Metro Region | Ms Gail Higgins | (03) 9213 2042 |

(Correct as at 29 August 2003)

3. Funded Agency - Role and Responsibilities

Agencies funded by the HACC Program are responsible for managing and operating HACC Program funded services including decision-making structures and lines of accountability to ensure compliance with HACC Program funding policy, guidelines and requirements.

Funded agencies are responsible and accountable for:

- Providing services in accordance with the HACC National Service Standards
- Delivering the agreed outputs and meeting performance requirements as negotiated and specified in their Service Agreement with DHS
- Meeting all Service Agreement conditions
- Acquitting expenditure of funds as required by the HACC Program and DHS
- Delivering funded services according to the relevant HACC Program service guidelines, policies and standards documented in the *Victorian Home and Community Care (HACC) Program Manual, February 2003*
- Coordinating service delivery around consumer needs and with other services in the local area.

Functions involved with the day to day management of the service which support quality service delivery and which are necessary for HACC funded agencies to operate as an entry point to their local service system are:

- Development of policies such as priorities for service access, service co-ordination, assessment and inter-agency referral practices
- Service planning and regular service evaluation
- Recruitment, support and supervision of staff
- Identifying and meeting the training needs of staff and volunteers.

Where the Commonwealth or State requests, the funded agencies must allow free and reasonable access to and provide assistance with the inspection of HACC Program related administrative records, books of accounts, land, equipment, transport items and buildings. This access may be to ensure that agencies are complying with the conditions specified in the *Victorian Home & Community Care (HACC) Program Manual February 2003* and the agency's *Service Agreement*.

The funded agency is also required to provide information on HACC Program funded services. Details of the HACC Program data requirements are outlined in Section 11 of this document.

4. Eligibility

4.1 Eligible Organisations

An organisation is eligible for funding to provide a HACC Program service if it meets the requirements specified in clause 2(1)(d) of the Agreement:

'eligible organisation' means a legal entity which can comply with the principles and objectives of the Program and which has the capability to provide the services under the terms and conditions of service contracts.

Organisations eligible to provide HACC Program services include local governments, community organisations, religious and charitable bodies, State Government agencies, health agencies and private (for profit) organisations.

Eligible organisations are required to be incorporated under the appropriate Act, except where services are provided as a component of a larger agency that already has its own legal status. Funded organisations are often referred to as 'agencies'.

4.2 Eligible Target Population

People eligible to receive a HACC Program funded service are people with a moderate, severe or profound disability living in the community who, in the absence of basic maintenance and support services provided, or to be provided, within the scope of the Program, are at risk of premature or inappropriate long term residential care and include frail older people, people with a disability, and the carers of these groups. These people are the HACC Program's target group. HACC Program funded services are always provided on the basis of eligibility and assessed prioritised need. Eligibility does not confer entitlement to service provision.

Within this target population there are some eligible people who may find it more difficult than most to access services and consideration should be given to improving their access. They are:

- people from culturally and linguistically diverse backgrounds
- people from Aboriginal and Torres Strait Islander backgrounds
- people with dementia
- people who are financially disadvantaged
- people living in remote and isolated areas
- people who are homeless, or living in unsuitable and/or insecure housing.

While the term frail older people is used in the definition of the target population for HACC Program funded services, it should be noted that eligibility for services is not on the basis of their age, but because they have been assessed as experiencing difficulties and needing assistance with the activities of daily living due to a moderate, severe or profound disability. 'Tasks of daily living' include dressing, preparing meals, house cleaning and maintenance, and using public transport. Some people need only one service (for example nursing services or personal care), while others may need a combination of services.

People with disabilities of all ages are in the HACC target group. The term "younger people with a disability" is used to distinguish this group from older people who are frail. It should be noted that for younger people with a disability there may be specific purpose programs (for example, disability rehabilitation and employment support), which may be more appropriate than generic services funded by the HACC Program.

Both older people and younger people with disabilities should be assessed on the basis of need for basic maintenance and support services.

Family and other carers often provide a major part of care for frail older people and younger people with a disability. Carers have played, and will always play, an important role in community care, and it is recognised that carers contribute enormously to the quality of life of the person receiving care. By including carers as a specific target group of the HACC Program, it is acknowledged that carers need support, recognition and assistance in their role. A number of services specifically designed for carers, such as respite and counselling and support services receive HACC funding.

Sometimes unpaid volunteers and/or paid workers are referred to as 'carers', as in 'home carers'. But in the context of the HACC Program, only people who have a personal relationship with the older person or person with a disability, as opposed to a professional relationship, are considered to be carers and therefore may also be eligible clients for services.

4.3 Services Ineligible for HACC Program Funding

The *Amending Agreement* specifically states that a service of the following kind shall be outside the scope of the HACC Program:

- The provision of accommodation (including rehousing, supported accommodation, residential aged care services such as nursing homes and hostels) or a related service
- The provision of aids or appliances (wheelchairs, crutches, etc) to individuals is not eligible for funding. Items required for the operation of an eligible HACC Program funded service that would remain the property of the service (that is, not become the personal property of an individual user), are eligible for funding
- Direct treatment for acute illness (including convalescent or post acute care) except for basic maintenance and support to people within the target population following an acute care episode. That is, HACC is responsible for basic maintenance and support services to those who need post-acute care, while health services are responsible for providing the 'specialist' component of post-acute care

- Services for residents of aged care hostels or recipients of disability program accommodation support services, when the hostel/service provider is receiving other Government funding for that purpose. Nor does it serve residents of a retirement village or special residential service/group home where a resident's contract includes these services.

4.3.1 Access to HACC Program Funded Services

Some people in the HACC target group may receive a service through:

- Another government funded program
- Services required to be provided because of government legislation
- Services provided under a commercial contractual arrangement, either written, verbal or implied.

In all of these situations provision of some or all HACC funded activity types is prohibited or restricted. Most of these situations involve some form of residential care service. In the sections below the most common situations are described. Where a provider receives a referral and is unsure whether there is a contractual, funding or legislative requirement to provide services, it is the agency's responsibility to request evidence (written contract etc) that there is no requirement for a similar service to that being requested to be provided by the other party.

It is important to note that while people are eligible to receive a HACC funded service, provision of the service is always on the basis of assessed prioritised need. It may also not be possible for a person who has been assessed as eligible to receive a service as another person may be assessed as a higher priority, or that particular service may not be available in the local area.

4.3.2 No Maintenance of Effort

HACC funded agencies have no maintenance of effort obligation to any other Commonwealth or State government funded program. "Maintenance of Effort" is a concept that operates within the HACC Program only in relation to Linkages Packages.

4.3.3 Commonwealth Government Funded Residential Care

The Commonwealth position is that HACC funded services should not generally be made available to people living in subsidised residential care. In circumstances where HACC funded services are provided to residents in aged care facilities, this should only occur on a full cost recovery basis and only where the HACC Program funded service has the capacity to take on additional people without adversely affecting people in the HACC target group. For example, if it is assessed that a community based nursing service is a necessary part of the resident's care, the aged care residential service should pay the fees. If however, the resident requests the nursing service and it is not considered a necessary part of care, then the resident would be liable for the fees.

4.3.4 Commonwealth Community Aged Care Packages

Commonwealth funded Community Aged Care Packages (CACPs) provide case management and brokerage to older people living at home in the community. They are responsible for providing or purchasing all services for their consumers, with the exception of HACC program funded nursing and allied health services. Consumers of CACPs are able to obtain HACC program funded nursing and allied health services, subject to relative need considerations. If a CACP provider chooses to use a nursing service to provide personal care, then they are required to pay for the service. This should be negotiated at the time of purchasing personal care from the nursing service. As noted above the HACC Program has no maintenance of effort obligation to CACPs agencies. For more information about CACPs refer to the Commonwealth Department Website www.health.gov.au

4.3.5 Disability Services

The HACC Program, including Linkages Packages, does not provide services to the residents of DHS' Disability funded shared supported accommodation.

Disability Services also funds allied health and day programs that specialise in meeting the needs of people with a disability. Consideration should be given to whether these services are more appropriate for meeting the consumers' needs than HACC.

Consistent with the principles of the Disability Services Act, services to a younger person with a disability cannot be used to substitute for appropriate education/vacation care or employment/training programs. Group activities should only be provided out of hours or on the weekend.

4.3.6 Other Housing Arrangements and HACC Program Services

The majority of people receiving a HACC Program funded service live in their own homes. Some live in a residential service (as above) and some people live in accommodation where they pay rent or a fee, such as private rental accommodation, rooming houses, Supported Residential Services (SRS), retirement villages, caravan parks.

These people may be eligible to be assessed and prioritised for a HACC service, but a HACC service cannot be provided if there is a legislative or contractual requirement for the accommodation proprietor to provide that service. What this means is that the HACC service, which is able to be provided, will vary considerably depending on the type of accommodation.

4.3.7 Access to HACC for Residents of Supported Residential Services (SRS)

SRS residents are potentially eligible for HACC activities provided that the activity is not included in the individual resident's Residential Statement (the service agreement between the resident and the SRS proprietor). Before conducting an assessment of an SRS resident, agencies should obtain a copy of the Residential Statement.

4.4 No Growth Services

Some services previously funded under the four Acts incorporated into the Home and Community Care Act, 1985, have been designated as 'no growth' services under the HACC Program, so that organisations offering these services may not expand them using resources from the HACC Program. Any expansion of these services must be funded from other sources.

- Rehabilitative services
- Specific disability services—such as a service specifically for people with a particular disability. This does not include services for people with dementia or a related disorder
- Services primarily for families in crisis—such as assistance to ease or provide additional support during a crisis in the family, for example multiple births
- Palliative care services that is, care for a person in terminal stages of illness.

It should be noted, however, that people in the HACC target group receiving the above services, and who have been assessed and prioritised as in need of a HACC Program funded service can still receive a HACC service.

5. HACC Quality Framework

All agencies that provide HACC Program services are required to deliver high quality services to consumers as outlined in the *Victorian Home & Community Care (HACC) Program Manual, February 2003* and in accordance with the National Quality Assurance Framework as outlined in the Manual.

6. Operational Requirements

The HACC Program financial year is from 1 July to 30 June.

The funded agency shall regularly review the efficiency and effectiveness of the operation of HACC Program services and/or the capital facility and their compliance with HACC program policies, standards and guidelines as detailed in the *Victorian Home & Community Care (HACC) Program Manual February 2003* and with agency policies for the management of HACC services and community facilities.

The funded agency shall ensure that proper records and books of accounts are maintained in respect of its HACC Program funding. Accounts and administrative records including those necessary for claiming HACC Program grant payment should be maintained in accordance with Australian Accounting Standards.

HACC funded agencies are further required to ensure that payments made with HACC funds are accurately paid and authorised appropriately. Adequate control must be maintained over liabilities incurred.

6.1 HACC Fees Policy

HACC Program funded agencies are required to implement the HACC Fees Policy. Consumers should not be refused a service because of incapacity to pay. Further information is available in the *Victorian Home and Community Care (HACC) Program Manual, February 2003*

Fees for HACC Program funded services are exempted from the GST.

Fee Schedule 2003-04 FOR HACC SERVICES

| Activity | Low | | Medium | | High | |
|---------------------------------------|----------------------------|----------------------------|-------------------|-------------------|-----------------------|-----------------------|
| | Old | New | Old | New | Old | New |
| Personal Care (per hour) | \$1.10 - \$3.30 | \$1.15 - \$3.40 | \$4.40 - \$6.60 | \$4.50 - \$6.75 | \$27.26 | \$27.94 |
| Respite: | | | | | | |
| Home & Community (per hour) | \$1.10 - \$2.20 | \$1.15 - \$2.30 | \$2.20 - \$3.30 | \$2.25 - \$3.40 | \$24.64 | \$25.26 |
| in-home overnight (per 10 hour block) | \$5.50 - \$11.00 | \$5.65 - \$11.30 | \$13.15 - \$16.45 | \$13.50 - \$16.85 | \$115.03 | \$117.91 |
| Home Care (per hour) | \$3.30 - \$4.40 | \$3.40 - \$4.50 | \$5.50 - \$11.00 | \$5.65 - \$11.30 | \$23.84 | \$24.44 |
| Property Maintenance * (per hour) | \$4.40 - \$8.80 | \$4.50 - \$9.00 | \$9.90 - \$13.15 | \$10.15 - \$13.55 | \$34.68 | \$35.55 |
| Nursing (per visit) | \$2.50 - \$2.75 | \$2.50 - \$2.80 | \$22.00 - \$24.15 | \$22.00 - \$24.75 | \$61.33 (per hour) | \$62.86 (per hour) |
| Allied Health (per consult) | \$6.50 - \$7.15 | \$6.50 - \$7.35 | \$10.00 - \$11.00 | \$10.00 - \$11.30 | \$70.02 (per hour) | \$71.77 (per hour) |
| Delivered Meals (per meal) | \$3.30-\$6.60 | \$3.40-\$6.75 | As for low range | As for low range | Full cost recovery | Full cost recovery |
| Planned Activity Group (Core) ** | \$3.30-\$5.50 (per day) | \$3.30-\$5.65 (per day) | As for low range | As for low range | \$9.69 (per hour) | \$9.93 (per hour) |
| Planned Activity Group (High) ** | \$3.30-\$5.50 (per day) | \$3.30-\$5.65 (per day) | As for low range | As for low range | \$13.66 (per hour) | \$14.00 (per hour) |
| Linkages *** | | | | | | |

* The cost of materials must be added to the fee

** Where part day services are provided, the fee should be pro rata to the period of service provision. Fees for low and medium range for PAGS are per day, while the rate for high levels is a maximum rate per hour.

** Plus the cost of a meal, where purchased from another source

*** Fees are determined according to the services being purchased -- refer to the policy for further details

PROPOSED INCOME RANGES FOR HACC FEES

| | LOW | MEDIUM | HIGH |
|--|-------------|-----------------------------|---------------|
| Individual | \$24,009.50 | > \$24,009.50 < \$53,585.00 | > \$53,585.00 |
| Couple | \$40,092.00 | > \$40,092.00 < \$71,663.50 | > \$71,663.50 |
| Family (1 child) | \$43,839.00 | > \$43,839.00 < \$75,436.50 | > \$75,436.50 |
| <i>(Plus \$3,747 per additional child)</i> | | | |

6.2 Disposal of Property

No property subsidised under the HACC program may be sold, mortgaged or disposed of without prior approval in writing from DHS.

If an agency sells, destroys or disposes of a building, property or any other asset that was funded with the aid of a HACC Program grant, the HACC program's equity in the asset is refundable to the Commonwealth Government and Victorian Government.

The equity will be negotiated on the basis of:

- A current valuation of the property
- The HACC Program financial interest in the property expressed as a percentage as outlined in the Property Deed Agreement
- The number of years HACC Program services has operated from the facility.

If HACC services are no longer provided at a facility that has received a HACC capital grant, the above process will still apply.

6.3 Insurance

DHS arranges and funds separate insurance programs for the funded sector. One program covers most non-government and 'for-profit' agencies funded by DHS to provide community care and support services. The other program insures healthcare agencies such as community health services.

6.3.1 Funded Non-Government Organisations

The insurance coverages are summarised below:

- Public/products liability
- Professional indemnity
- Directors' and officers' liability
- Medical malpractice
- Personal Accident for Volunteers.

The *Insurance Guide for Non-Government Organisations* outlines details of the cover provided and is available from the Insurance Manager or DHS' regional offices. Insurance queries are to be directed to the Program Manager, Marsh Pty Ltd, telephone (03) 9603 2299 or facsimile (03) 9603 2864.

6.3.2 Healthcare Agencies

The insurance coverages are summarised below:

- Public/products liability
- Professional indemnity
- Directors' and officers' liability
- Medical malpractice
- Property
- Contract works.

The *Manual on Insurances* outlines details of the cover provided and is available from the Program Manager, Aon Risk Services. Insurance queries are to be directed to Aon Risk Services, telephone (03) 9211 3000 or facsimile (03) 9211 3500.

The above insurance programs do not include the following insurances and agencies are responsible to effect cover as required:

- Motor Vehicles
- Industrial special risks
- Fire
- Burglary
- Glass
- Money.

6.3.3 Agencies Not Covered

Local government authorities have their own insurance program.

Contact your regional office to confirm whether your agency is covered by a Departmental insurance policy.

6.4 WorkCover

All employers must ensure that they meet their responsibilities under the *Accident Compensation Act (1985)* and the *Accident Compensation (Workcover Insurance) Act 1993*. For further information refer to the *DHS Service Agreement Information Kit for Agencies 2003-06*.

6.5 Occupational Health & Safety

All employers must ensure that they meet their responsibilities under the *Occupational Health and Safety Act 1985*.

6.6 Superannuation

Employers should ensure that they meet their responsibilities under the Commonwealth's *Superannuation Guarantee (Administration) Act 1992*, which requires employers to provide a minimum level of superannuation contribution for employees. It is the responsibility of the employer to ensure that the employees' superannuation arrangements comply with this legislation.

7. HACC Program

7.1 HACC Funding System

From 1 July 1998, the HACC Program commenced funding HACC services on the basis of units of service delivered.

7.2 Activities Funded Under the HACC Program

The unit prices for the HACC Program activities are listed in Figure 1. Each unit price funds an hour of direct service except where specified. For detailed information on each HACC Program activity, refer to the *Victorian Home & Community Care (HACC) Program Manual, February 2003*.

Figure 1: HACC Program Activities and Unit Prices for 2003-04

| HACC Program Activity | Unit Price (where relevant) | HACC Program Funding Type |
|---|-----------------------------------|------------------------------------|
| Allied Health | \$71.77 | Recurrent and Fixed Term Recurrent |
| Assessment & Care Management | Negotiated block funded | " " |
| Minor Capital | One Off Minor Capital allocations | Minor Capital |
| Delivered Meals | \$1.23 (per meal subsidy) | Recurrent and Fixed Term Recurrent |
| Flexible Service Response | Negotiated block funded | " " |
| Home Care | \$24.44 | " " |
| Linkages (Package) | \$11,318.46 | " " |
| Nursing - Public Sector | 62.86 | |
| Nursing - Non Public Sector | \$60.78 | " " |
| Nursing - RDNS | \$86.86 | |
| Planned Activity Group - Core (person hour) | \$9.93 | " " |
| Planned Activity Group - High (person hour) | \$14.00 | " " |
| Personal Care | \$27.94 | " " |
| Personal Care - RDNS | \$64.36 | |
| Property Maintenance | 35.55 | |
| Respite (Home and Community) | \$25.26 | " " |
| Respite (Overnight) (10 hour block) | \$117.91 | " " |
| Service Development (Fixed Term) | One Off Fixed Term Allocation | Fixed Term Service Development |
| Service System Resourcing | Negotiated block grant | Recurrent and Fixed Term Recurrent |
| Volunteer Coordination (EFT hour) | \$28.98 | " " |
| Volunteer Coordination - Other Associated Costs | Negotiated block grant | " " |

7.3 HACC and GST

7.3.1 GST treatment of HACC services

Services that receive funding under the HACC Act (1985) are GST free. This means that no GST should be added to any fees charged to or co-payments made by HACC consumers.

Section 38-30 (2) of *A New Tax System (Goods and Services Tax) Act 1999* states that: "A supply of care is GST-free if the supplier receives funding under the Home and Community Care Act 1985 in connection with the supply".

A copy of this Act and other relevant material is available on the Australian Tax Office's web site at: <http://ato.gov.au> (Look for "Legislation" on menu to find the Act).

The Australian Taxation Office may also be contacted by telephone on 13 24 78 for further queries.

The following information is provided to assist service providers with the basic requirements necessary to be eligible for HACC funding.

7.3.2 Australian Business Number

All entities carrying on an enterprise are required under *A New Tax System (Pay As You Go) Act 1999* (PAYG Act) to have an Australian Business Number and to quote this in relation to the supplies they make.

A very small number of HACC grants may be made to applicants who are not regarded by the Australian Taxation Office (ATO) as "carrying on an enterprise" and they will need to complete a written declaration to this effect.

Failure to do one or the other of the above will mean that DHS will be obliged to withhold 48.5% of all payments, as required by the PAYG Act.

7.3.3 Registration for the GST

Agencies with an annual turnover of greater than \$100,000 (not for profit) and \$50,000 (for profit) must register for the GST.

Agencies whose turnover does not reach this threshold may choose to register. If an agency is registered for the GST, DHS will add 10% to all HACC payments and agencies will be able to claim back any GST they have paid on supplies.

7.3.4 Minor Capital Allocation

When DHS makes the allocation it will add GST to the payment, because funding to GST registered agencies are taxable under the GST system. This means that the minor capital allocation of \$2,000 will generate a payment of \$2,200 to the agency of which \$200 is GST.

8. Budget Information for Recurrent and Fixed Term Recurrent Submissions

HACC funding for individual agencies comprises two components:

- The government unit price and/or block funding, and
- Consumer fees.

Both components are combined and expended on the provision of HACC services.

8.1 HACC Program Funding

The budget for the HACC Program funding component is approved by the Victorian Minister for Aged Care and is negotiated by DHS regional officers. It is based on the amount of service(s) required to be delivered by an agency and the relevant HACC unit price or negotiated block funding (for services which are not funded at a unit price as listed in figure 1 of Section 7.2).

8.1.1 Condition of Funding

HACC funds are to be used only for the purpose for which they have been provided as detailed in the Service Agreement. Any variations to approved projects must receive approval in writing through mutual agreement between the funded agency and the relevant DHS regional office.

8.2 Consumer Fees

Funded agencies providing HACC activities are required to implement the Victorian HACC Program Fees Policy that incorporates the National guidelines (see *Victorian Home and Community Care (HACC) Program Manual, February 2003* and Section 6.1 above for details). Funded agencies are required to provide additional hours of service or to enhance HACC programs with consumer fees collected.

HACC funded agencies must work within the broad principles of the Fees Policy, including the requirement that consumers will receive services as determined by the assessment process regardless of their capacity to pay fees.

Consumer fees are reported in the HACC Annual Service Data Acquittal Report.

9. Budget Information for One-Off Funding

9.1 HACC Program Funding

The HACC Program provides one-off (non-recurrent) funds for the following:

- Fixed term service development (maximum six months duration); and
- Minor Capital will be allocated to funded agencies based on a mathematical formula that links recurrent funding (base and growth) to the minor capital funding
- There will also be a discretionary minor capital funds allocation process to support the transition process. Regions will be advising the sector of the criteria and process for allocating these funds in January 2004.

There will be no call for major capital development submissions in the 2003-04 Funds Allocation Process.

9.1.1 Condition of Funding

Any variations to approved projects must receive approval in writing through mutual agreement between the funded agency and the relevant DHS regional office.

9.2 Fixed Term Service Development Projects

There are two non recurrent streams for projects:

- Regions have specific allocations to support service evaluation and service development consistent with the three year strategic priorities.
- DHS Central Office supports practice-relevant research and service development in key areas.

To be eligible for funds in either stream agencies/consultants must be able to demonstrate their capacity to undertake the project to a high standard and within stated timelines, specifically addressing the Specified Project Brief.

9.2.1 Funding Conditions for Fixed Term Service Development Projects

The following funding conditions apply to HACC Program fixed term service development projects:

- Any variations to the approved project must receive approval in writing through mutual agreement between the agency and the relevant DHS regional office
- A report outlining achievements must be provided upon completion of the project where relevant. Project outcomes will be reviewed through the Service Agreement process
- Three copies of the report must be forwarded to the Aged Care/HACC unit of the relevant DHS regional office
- Agencies are required to acknowledge the source of funding and use the HACC logo
- Copyright and ownership of all material relating to the project is vested with DHS
- Where funding is provided to conduct training workshops/projects, a copy of the agenda and all relevant material must be forwarded to the relevant DHS regional office
- A master copy of pamphlets, service directories or brochures produced for the project must be provided to the relevant DHS regional office.

Where resource documents are produced they must not be titled, or in other ways give the impression, that they are HACC Program Policy documents. The development of HACC Program Policy may include a funded project but in these cases a specific policy development process will be undertaken and spelt out in the project report.

Report document titles produced by Service Development Projects should not use the words HACC Program policy, procedure manual or guidelines manuals.

9.2.2 Eligible Cost Items for Fixed Term Service Development Projects

Project costings for HACC Program fixed term service development projects may include the following:

- Salary where project officer/s are to be employed, plus up to 20 per cent salary oncost (20 per cent includes Workcover, superannuation, leave loading, payroll tax, and so on)
- Travel costs associated with the operation of the project
- Essential operating costs (for example, stationery, telephone, printing).

10. DHS Service Agreement

Every funded agency is required to negotiate and sign a Service Agreement with DHS.

Further details are contained in the *DHS Service Agreement Information Kit for Agencies 2003-06*.

Service providers receiving departmental funding are advised to also refer to the 2003-04 to 2005-06 *Rural & Regional Health & Aged Care Services Division Policy and Funding Plan*.

11. Reporting Requirements

11.1 Monitoring Service Quality

All agencies funded by the HACC Program are required to deliver services in accordance with all guidelines and policy requirements outlined in the *Victorian Home & Community Care (HACC) Program Manual, February 2003* that includes the *HACC National Service Standards*.

11.2 Funded Agency Financial and Data Requirements

For agencies funded by the HACC Program, the financial data and other monitoring data requirements include:

- Participation in the HACC Quarterly Output Data Collection
- Participation in the HACC Minimum Data Set—also quarterly
- Compliance with the Annual Financial Accountability Requirements (FAR), as outlined in the DHS Service Agreement
- Completion of the Annual Service Data Acquittal Report.

11.3 HACC Data Help Desk

For further information, contact the HACC data help desk: Phone 9616 7255, fax 9616 8680, email haccmds@dhs.vic.gov.au. Email address to send HACC MDS data haccmds.data@dhs.vic.gov.au. Email address to send HACC Quarterly Output data acdata.collection@dhs.vic.gov.au.

12. Payment of Approved Funding

12.1 Use of HACC Program Funding

HACC Program funds are to be used only for the purpose for which they have been provided as detailed in the Service Agreement.

Any changes to the use of funding must receive either Ministerial approval or via mutual agreement in writing between the agency and the DHS regional office.

12.2 Advice to Successful Applicants

Following approval of HACC Program funds by the Minister for Aged Care, successful applicants receive the following:

- A letter of advice informing the agency of approved HACC funding
- A variation to the agency's Service Agreement.

12.3 New Recurrent and Fixed Term Recurrent Funding

Payment of new HACC Program recurrent and fixed term recurrent funding is conditional upon the completion of a Service Agreement with DHS. Payment for the approved HACC service is based on the date of commencement of the service.

HACC funded agencies generally receive payment for recurrent services (and fixed term recurrent projects in excess of six months duration) in monthly instalments.

12.4 Fixed Term Service Development Funding (Less Than Six Months)

Payment of new HACC Program fixed term service development funding is conditional upon the completion of a Service Agreement with DHS. Payment of the approved HACC funding is based on the date of commencement of the service.

Payment of funds for short term projects (less than six months duration) is made in one instalment.

12.5 Minor Capital Funding

Payment of approved HACC Program minor capital funding is conditional upon the completion of a Service Agreement with the DHS regional office.

Payment of approved HACC Program minor capital funding is made in one instalment.