11th May 2017

PODIATRISTS DETAILS REMOVED

Re: Compliance to Aged Care act 1997 and impact on Medicare.

To:

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| The Hon Greg Hunt MP  Minister for Health and Minister for Sport  Parliament House, Canberra  ACT 2600  [Minister.Hunt@health.gov.au](mailto:Minister.Hunt@health.gov.au) | The Hon Ken Wyatt AM MP  Minister for Aged Care and Minister for Indigenous Health  Parliament House, Suite M1 40, Canberra  ACT 2600  [Minister.Wyatt@health.gov.au](mailto:Minister.Wyatt@health.gov.au) |

Dear Ministers

I would like to bring to your attention a situation with aged care and health care funding that I consider to be both:

1. An untenable double standard in the industry
2. A dubiously ethical financial burden borne by the taxpayer to advantage certain providers in the aged care industry.

In essence, this situation is contrived by nursing homes and certain allied health providers (podiatry, physiotherapy to name but two) to twice shift the full burden of payment for those allied health services to the tax payer, allowing nursing homes to cut their own costs, and some providers to effectively charge no cost / $0 to the nursing homes. This is creating an unfair playing field that those providers who chose not to take advantage of the system, lose work as we are unable to charge $0.

In essence, nursing homes are funded by the Federal Government to deliver “High Care” services to those aged patients in need. That high care status and associated government funding is intended to cover the nursing home requirements of basic care, accommodation as well as medical needs including podiatry and physio amongst others.

Some allied health providers are also lodging enhanced primary care (EPC) payment requests via the Medicare system for services that should be provided under the aged care funding. This means that Medicare pays for the care direct to the allied health provider, and the nursing home keeps the proportion of the funding intended to cover this Allied Health. The allied health provider does not charge the nursing home for the allied health services. Effectively, the federal budget is double dipped to provide the care.

My understanding is that this practice is not legal under the Aged Care Act of 1997 yet it currently exists or, is allowed and permitted to exist.

To quote the health dept website:

<http://www.health.gov.au/internet/main/publishing.nsf/Content/E6A812DC61EBD3D2CA257BF0001CABF6/$File/Chronic%20Disease%20Management%20-%206%20June%202017.pdf>

*Under this legislation, approved providers of residential aged care services are required to provide therapy services, such as recreational, speech therapy, podiatry, occupational therapy, and physiotherapy services, to certain residents (as defined by the resident's funding classification) at no additional cost.*

*The services to be provided are:*

* *Maintenance therapy delivered by health professionals, or care staff as directed by health professionals, designed to maintain residents' levels of independence in activities of daily living; and*
* *More intensive therapy delivered by health professionals, or care staff as directed by health professionals, on a temporary basis that is designed to allow residents to reach a level of independence at which maintenance therapy will meet their needs.*

The consequence of this to those smaller businesses (mostly self-employed sole traders / working directors) providing services in this market is that they are being squeezed out by this practice, as we refuse to charge this way. The market being gradually taken over by corporatized providers, reducing competition in this segment.

My request to you both, as the responsible ministers who are striving to bring the Federal Budget back into a responsible state, is to clarify that either this practice is legal and permitted, and all providers can do it, or it is against the legislation and will be stopped with compliance enforced.

I am happy to speak to your respective offices or departments on this matter, and await your reply with great interest.

Yours Sincerely

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