

Program funding

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

HACC funds are allocated to an organisation through a service agreement between the funded organisation and the department or via a statement of priorities (SOP) if the organisation is a health service. The service agreement or SOP specifies the terms and conditions of funding including the targets and funding by activity.

The service agreement includes provisions allowing organisations to subcontract services, in whole or in part, to a third party. This can only happen with the prior written consent of the department.

Funds may only be used for the purpose for which they have been provided. Performance is subject to review and monitoring. Performance outside the five per cent tolerance may be subject to risk management procedures including recoupment.

All HACC funded organisations have the capacity to adjust the mix of services they provide in response to service planning and/or changing community or local needs. Renegotiation is cost neutral and is not an opportunity to receive new funds. All renegotiations are effective as of 1 July the following financial year. They do not affect the current financial year.

Any formal variation to the use of funding must be agreed between the funded organisation and the department in writing or through the renegotiation process.

HACC funds cannot be used for non-HACC purposes.

HACC funds are allocated to an organisation not to a person. If a HACC client relocates or chooses to access services from another organisation, HACC funds cannot be transferred to them or to the other organisation. These funds are then released for use with other clients of the funded organisation.

Funded organisations are required to comply with the service agreement terms and conditions. The *Service agreement information kit for funded organisations* outlines requirements such as the financial reporting requirements, subcontracting and insurance.

In addition to direct funding from the department, all HACC funded agencies are required to operate in accordance with the fees policy. This means that organisations must charge a fee to all people assessed as having the capacity to pay. Income raised through fees is used to provide additional hours of service or to enhance service provision.

How funding is determined

HACC activity is funded through a Victorian HACC unit price or negotiated block funding.

Where an activity is targeted to client services and can be clearly described and defined, a common price can and has been developed. This is the Victorian unit price.

Where an activity is unique to each organisation and is negotiated separately with each organisation and the department, a common unit price cannot be developed and the activity is block funded. This includes pilots.

What is included in the HACC unit price or defined contribution?

Included in the unit price is all direct and indirect costs incurred by the funded organisation:

- staff and associated costs (such as salary and on-costs, supervision, inservice training and induction)
- staff travel
- some consumables, for example podiatry needs, pens and paper (however, please note that where consumables are deemed to be program costs such as entertainment at a planned activity group, the costs are borne by the person through the contribution from the person to the program — this is over and above the fee)
- operational support and management costs (overheads).

HACC funding does not cover the cost of education and training including qualifications for staff employed in HACC services. Funding for education and training is the responsibility of the vocational education and training system and the higher education system.

A price or defined contribution applies to the following HACC activities:

- assessment
- allied health
- nursing
- access and support
- domestic assistance
- personal care
- respite
- property maintenance
- planned activity groups
- volunteer coordination
- linkages
- delivered meals.

The service agreement shows the organisation's output targets and the corresponding funds for unit-priced activities based on the unit price.

What can be counted towards an agency target depends on the type of activity being delivered.

Assessment, allied health, nursing and access and support

An hour of service comprises:

- time spent in direct face-to-face contact with the person
- indirect time spent on behalf of the person such as:
 - phone calls with the carer and family or other organisations
 - time spent writing case notes, sending referrals and care coordination.

For more information refer to the counting rules documents for specific HACC activities such as 'assessment' and 'access and support'.

Domestic assistance, personal care, respite and property maintenance

An hour of service comprises:

- time spent by the community care worker in face-to-face contact with the person
- time spent in essential activities such as shopping as part of domestic assistance, and purchasing materials and construction for property maintenance
- telephone calls to the person, for example telephoning the person on a heatwave day.

Planned activity groups

A person hour comprises:

- the hours of face-to-face contact with each person attending the group. For example, five people attending a four-hour group will constitute 20 hours of planned activity group
- bus trips where the trip to and from the program comprises part of the program because there is a program coordinator on the vehicle to provide and guide the program on the bus. In this circumstance time travelling to and from the program can be counted.

Meals provided at a planned activity group do not attract a meal subsidy because most planned activity group (PAG) programs are provided around a mealtime and food is included in the planned activity group unit price.

However, where the organisation purchases a HACCC delivered meal into the PAG, the person can be required to pay the HACCC delivered meal client contribution in addition to the PAG fee.

Volunteer coordination

The service agreement has two targets under volunteer coordination. The first and key output-measure target is the number of hours the volunteer coordinator works. The second target (mandatory since 1 July 2013) is to identify the number of hours of service provided to people by volunteers.

An hour of coordinator time comprises:

- all activity undertaken by the paid worker.

An hour of service to people comprises:

- hours of face-to-face contact with people by volunteers
- for some programs it also includes hours of face-to-face contact with volunteers by the volunteer coordinator.

An organisation receiving volunteer coordination funding may also receive block funding through 'Volunteer coordination other'. This funding can be used to cover additional costs, such as:

- volunteer recruitment and training
- newsletters
- Police Record Checks and Working With Children Checks for volunteers
- volunteer reimbursements
- the cost of telelink connections.

Linkages

A linkages package is a package of services provided to a person.

Linkages package subcontracting is endorsed in the 'Linkages activity statement' in Part 3 and therefore does not require the written consent of the Department of Health.

Meals

The delivered meal subsidy provides a **small top-up contribution** towards the cost of home-delivered meals and meals provided at venues. The major component of the meal cost is met by the person through their contribution and may be further supplemented by a contribution from the agency.

A meal comprises of a meal or meals delivered to a home or provided in a community setting.

Meals provided to a PAG cannot be counted as the cost of the meal is paid by the PAG.

Block funding

Block funding applies to flexible service response, service system resourcing, 'Volunteer coordination other', and some types of nursing.

The amount of money to be paid to the organisation is negotiated between the provider and the department on a case-by-case basis.

Where the activity is provided to people and there is a close match to a unit-priced activity or a defined subsidy, the agency may report the outputs on the minimum data set (MDS) using standard counting rules.

Where the activity can be readily quantified the agency may negotiate a target with their PASA — for example the number of senior citizen centres that the funding supports or the number of continence sessions a continence nurse will provide.

In all other cases the region and agency negotiate an appropriate workplan which is then reported against through the annual service activity report.

Other funding

Other funding may be available from time to time. Examples include service development funding, or minor capital funding. These are one-off payments and where appropriate specific reporting requirements will be negotiated.

Performance monitoring

Normally an organisation is expected to be within five per cent of target for each activity. If organisations do not meet target they:

- will be performance managed by the regional PASA
- may not be considered for growth funds for that activity
- may risk withdrawal of funds as per the HACC recall policy described in section 2.12 of the *Victorian health policy and funding guidelines 2013–14* part 2 'Health operations'.

Unit prices and defined contributions

The schedule of HACC unit prices and defined contributions are indexed and updated annually to be effective from 1 July.

The schedule of fees and income levels are updated and indexed in January of each year following the Commonwealth update of Centrelink income band ranges.

Reporting requirements

Using the HACC minimum data set, HACC funded organisations report quarterly to the department on outputs achieved as per their service agreements and targets. The reports are collated and aggregate information is sent to the Victorian Department of Treasury and Finance.

Other reporting requirements are negotiated on a case-by-case basis for block-funded activities and reported annually in June.

Other requirements such as the financial reporting requirements are outlined in the *Service agreement information kit*.

Links

Service agreement information kit for funded organisations
<http://www.dhs.vic.gov.au/facs/bdb/fmu/service-agreement>

HACC Recall Policy described in *Victorian health policy and funding guidelines 2013–14*, part 2 'Health operations' <http://www.health.vic.gov.au/pfg/operations.htm>

The schedule of HACC unit prices and defined contributions
http://www.health.vic.gov.au/hacc/prog_manual/downloads/unit_prices2012.pdf
