

# Supporting Accommodation for Vulnerable Victorians Initiative

Creating a stronger foundation for pension-level SRS



## Facility Cost Relief guidelines 2007



## Facility Cost Relief guidelines

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# 1. Introduction

## 1.1 Purpose of the Facility Cost Relief guidelines

The *Facility Cost Relief guidelines* provide direction to those involved in the delivery of the Facility Cost Relief (FCR) program, including Supported Residential Services (SRS) proprietors, community service organisations and Department of Human Services staff.

The guidelines outline the aims of the FCR program and the activities and outcomes expected to flow from the use of FCR funds. They also include purchasing rules that explain how FCR funds should be used and describe the roles, responsibilities, accountability and reporting requirements of those involved.

The FCR program is new and the first two years of its implementation will be a time of learning and development. During this time, these guidelines will be formally reviewed to ensure that they continue to support the program's implementation and reflect learning about how the program works in practice.

## 1.2 Background

### Pension-level SRS

SRS are privately operated facilities that provide accommodation and personal or special care for people with disabilities and frailty who require support in daily living. The *Health Services Act 1988* and associated regulations outline the minimum requirements for SRS accommodation and support.

The FCR program focuses on 'pension-level SRS', which are defined as SRS that charge fees at no more than full pension plus Commonwealth rent assistance for at least 80 per cent of their registered beds<sup>1</sup>.

The pension-level SRS sector is a large and important part of the continuum of supported accommodation in Victoria, providing accommodation and care for some of the most vulnerable and disadvantaged in the community. In February 2007, the pension-level sector provided just over 2,000 places for low income Victorians with varying levels of disability or frailty.

Over recent years there has been a steady decline in the number of pension-level facilities, primarily due to low viability. Factors underpinning low viability of the pension-level sector include the increasing complexity of residents' care needs and limited capacity to increase fees.

### SRS and the role of government

Government has a major regulatory role in regard to all SRS. The Department of Human Services SRS program is responsible for the registration, regulation and monitoring of SRS pursuant to the *Health Services Act 1988*. The regulatory role is implemented through the SRS program based centrally in the Aged Care Branch and SRS authorised officers employed in each region.

In addition to its regulatory role, the government is implementing policy and program initiatives to achieve its five key objectives for SRS. These are:

- improving services for residents
- supporting SRS proprietors
- building sustainability in the pension-level segment of the SRS industry
- improving Department of Human Services business/regulatory processes for the SRS industry
- building relationships with key stakeholders.

<sup>1</sup> The definition is fully detailed in Section 2 of these guidelines

## SRS Supporting Accommodation for Vulnerable Victorians Initiative

Recognising the importance of the pension-level SRS sector for many disadvantaged Victorians, in 2006 the Victorian Government introduced the SRS Supporting Accommodation for Vulnerable Victorians Initiative (SAVVI).

SAVVI aims to create a stronger foundation for pension-level SRS, to improve their viability and sustainability and meet the support needs of residents. SAVVI is being implemented initially over three financial years (2006–09) and has a number of separate components including Facility Cost Relief. Other components include enhanced support for residents through new service coordination and support services, and a survey of residents' health and social needs. Options to improve the fabric and safety of living environments in pension-level SRS will also be considered.

FCR is the major component of SAVVI.

### 1.3 FCR and SRS regulation and monitoring

#### SRS regulatory program

Authorised officers in each region have a specific regulatory role, monitoring SRS compliance with the *Health Services Act 1988* and associated regulations, and the wellbeing of residents<sup>2</sup>. The regional role in regulating SRS does not change with the introduction of FCR. The regulatory role operates separately but alongside the region's responsibilities for FCR.

If there are concerns about activities and care in an SRS receiving FCR funding, standard SRS complaints procedures apply and any complaints should be made to the SRS regulatory team in the region.

#### Community Visitor program

Under the Health Services Act, Community Visitors are able to report on the accommodation and care provided by SRS. Community Visitors are volunteers who are appointed as detailed in the Act. Their role is to inquire into the standard of facilities and care provided by SRS to residents, and to receive and follow up complaints from residents.

Implementation of FCR will not impact on this role. The Community Visitors program will continue to operate in SRS facilities participating in FCR.

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<sup>2</sup> Further information about SRS and the SRS program is available on the SRS website at [www.health.vic.gov.au/srs](http://www.health.vic.gov.au/srs)

## 2. Facility Cost Relief – program description

This section provides a broad overview of the FCR program – what it is, who is involved, how it works.

### 2.1 What is Facility Cost Relief?

FCR is a program funded through the Department of Human Services to improve the viability of pension-level SRS and their ability to meet the support needs of residents.

FCR funds are provided for each FCR approved pension-level SRS to buy goods and services to achieve these aims. The department has contracted with community service organisations to be the FCR Partnership Managers, to manage FCR funds and work collaboratively with SRS proprietors to develop agreed expenditure plans for the use of these funds.

#### The FCR client group

FCR is provided for FCR approved pension-level SRS. SRS residents should benefit from FCR through improved service viability and function.

#### FCR objectives

The objectives of FCR are to:

- improve the viability of pension-level SRS
- reduce the risk of pension-level SRS closures and disruption to residents
- improve the capacity of pension-level SRS proprietors to meet residents' support needs
- increase opportunity for pension-level SRS proprietors to share skills, knowledge and resources
- better connect pension-level SRS to local service networks
- improve capacity of existing services to respond to the needs of residents of pension-level SRS.

### 2.2 Who is involved?

#### Approved pension-level SRS

SRS participating in FCR are pension-level SRS facilities that have been approved for FCR funding by the department following a formal application process confirming eligibility for the program.

To be **eligible** for FCR funding:

- the SRS must be a pension-level facility
- the proprietor of the SRS must not be receiving other government funding that contributes to the operating costs of the facility

and

- the proprietor of the SRS must not be subject to actions by the department that are likely to result in loss or non-renewal of their SRS registration.

A pension-level facility is defined as an SRS in which no less than 80 per cent of registered beds are offered at pension-level.

For the purposes of FCR, a pension-level bed is a registered bed where:

- the total amount charged by the SRS proprietor for accommodation and special or personal care, and paid for by or on behalf of the resident, is no more than the current pension<sup>1</sup> plus Commonwealth rent assistance and pharmaceutical allowance

and

- the SRS proprietor does not charge a bond or ingoing fee of any type.

<sup>1</sup> Single adult Disability Pension or single Aged Care Pension

## FCR Partnership Manager

The FCR Partnership Manager is the role of the community service organisation contracted by the department for the delivery of FCR. The main function of the Partnership Manager is to complete the activities involved in managing the FCR funds for a cluster or clusters of SRS. A secondary role is to facilitate capacity building for the SRS in the cluster.

## Department regions

Department of Human Services regions manage the regional implementation of FCR through the service agreement between the department and the community service organisation contracted as the Partnership Manager. The service agreement includes a separate service plan that specifies expectations about FCR.

Regions are responsible for the FCR funds in the region, including funding transfers to the Partnership Manager, managing any variation in funding from the department to the Partnership Manager, and financial reporting on FCR funds. Regional offices are also required to monitor and report on regional program implementation and performance. The regional office works with the SRS program centrally in the rollout of FCR.

The region provides advice and support to the Partnership Manager in relation to the service agreement and FCR, and provides links between the SRS central program and the Partnership Manager.

## Central SRS program

The central SRS program has broad policy, program and statutory responsibilities including SRS registration, and provides a range of support and educational activities to assist regions and SRS proprietors to fulfil statutory obligations.

Centrally, SRS program responsibilities include policy and program activities of FCR, including management of the approval of pension-level SRS for FCR and selection of Partnership Managers, overall program budget management, broad program development, and monitoring and review, including managing a formal evaluation of FCR.

## 2.3 How does FCR work?

The key features of the FCR program establishment, its core activities and accountability measures are outlined below. Those involved have a range of responsibilities in regard to each of these different activities and requirements. Information about responsibilities is provided in each of the sections following, with key responsibilities summarised at Appendix 1.

### FCR program establishment

#### Selection and funding allocation

Following an application process, the Department of Human Services approved pension-level SRS for FCR. FCR approved pension-level SRS have been grouped into clusters or sub-clusters, organised geographically within regional boundaries and range in size from two to 13 SRS. Each cluster or sub-cluster has an assigned Partnership Manager.

The department has allocated funds for each SRS in each cluster. Funding maximums have been identified for each SRS and will be provided in increments over two years, subject to the SRS meeting specified performance criteria. The department may, however, vary or cease the funding available for an SRS in circumstances where the SRS no longer meets program requirements, including eligibility and occupancy requirements.

Dedicated and separate funding has been allocated to the community service organisation to carry out the role of the Partnership Manager.

### FCR core activities

FCR involves four main activities. These activities represent the focus of the work carried out by the SRS proprietor and Partnership Manager.

#### The FCR Agreement

A formal FCR Agreement is completed between each SRS proprietor and their Partnership Manager, using the template provided at Appendix 2. The FCR Agreement identifies roles and responsibilities, financial accountability and reporting requirements, and commitment to the activities of FCR as outlined in these guidelines. The FCR Agreement will also have as an attachment a separate annual Expenditure Plan for use of FCR funds.

#### Annual Expenditure Plan

Each SRS proprietor and their Partnership Manager jointly develop an annual Expenditure Plan, specifying items to be purchased with FCR funds and identifying how these purchases will improve viability of the SRS operations and assist the proprietor to meet residents' support needs. Section 4 of these guidelines provides the **purchasing rules**, which specify items that can be purchased with FCR funds. The Expenditure Plan is to be completed using the template provided at Appendix 3. The Plan includes an analysis of issues impacting on viability of the SRS, such as complexity of resident need and availability of local health and welfare services.

#### Purchasing

Purchasing and payment arrangements are worked out between SRS proprietors and the Partnership Managers, provided they are in accordance with the purchasing rules and arrangements outlined in Section 4.

#### Cluster development activities

Cluster development activities are an important but secondary focus of FCR. The Partnership Manager works with the SRS proprietors in the cluster or sub-cluster to identify common issues affecting viability and to develop cluster-based activities and strategies to address these issues. Cluster activities may be a lower priority in the first 12 months of implementation as planning and expenditure activities are likely to be the focus of early work.

### Accountability, monitoring and reporting

Reporting on FCR funding, activities and program outcomes is integral to the program. Program reporting ensures that the FCR program meets accountability measures for the use of government funds and informs how the FCR program changes and develops over time.

#### Program reporting

Accountability measures include quarterly reporting to the department on the use of FCR funds and cluster-based activities. A separate program evaluation will also be completed over the first three years of the program.

### **Minimum requirements for FCR approved pension-level SRS**

The FCR program also has a set of minimum requirements for each FCR approved pension-level SRS, including that the SRS continuously meets the program eligibility criteria and minimum occupancy level for pension-level beds. Failure to meet minimum requirements could result in withdrawal of funding or a reduction in the level of funding allocated for an SRS. The FCR program has established the Regional SAVVI Review Panel, which has a role in reviewing cases involving SRS that are no longer meeting the minimum requirements for program funding.

The service agreement process includes additional financial accountability and reporting requirements for the Partnership Manager.

Further details are provided in Sections 5 to 8.

## **2.4 Insurance and taxation**

### **Insurance**

SRS proprietors should have cost-effective insurance protection for business risks. SRS participating in FCR are required to have appropriate public liability insurance cover.

Community service organisations, which are eligible for cover under Department of Human Services insurance arrangements and contracted to provide FCR Partnership Manager services, are protected by those insurance policies as specified in the service agreement.

### **Taxation**

It is expected that SRS proprietors and community service organisations contracted as Partnership Managers will meet all taxation requirements, including GST, that may result from the management and use of FCR funds.

SRS proprietors are advised to obtain separate independent advice to ensure they are aware of any taxation implications in the use of FCR funds.

## 3. Facility Cost Relief – core activities

The core activities involved in the provision of FCR are:

- the FCR Agreement
- the annual Expenditure Plan
- purchasing and payment for FCR funded goods and services
- cluster development activities.

This section describes these core activities in detail and outlines the roles and responsibilities of those involved.

### *Delivering the core activities – who does what and how it is done*

#### 3.1 FCR Agreement

##### Developing the FCR Agreement

An FCR Agreement must be developed between the FCR Partnership Manager and each SRS proprietor in the cluster or sub-cluster, following negotiation and discussion, and must be signed by both when finalised.

The FCR Agreement will govern the relationship between the Partnership Manager and the SRS proprietor and at a minimum should:

- provide details of those involved in the agreement – the Partnership Manager, the SRS proprietor(s), name of the SRS, and the name of the SRS cluster
- outline respective roles and responsibilities in regard to FCR
- outline respective accountability and reporting requirements for FCR funds and activities
- include a statement that says responsibility for determining the maximum level of funding available for the SRS in any year, and for varying or ceasing that funding, rests with the department, not the Partnership Manager
- address collection and communication of information about FCR and the SRS
- outline conflict resolution procedures
- include the annual Expenditure Plan for the SRS, including revised plans, as an attachment
- include provisions for updating information and enabling changes to the Expenditure Plan.

A template for the FCR Agreement is provided at Appendix 2. SRS proprietors and Partnership Managers must follow the template when developing their FCR Agreement.

It is not a requirement for the department to endorse the full FCR Agreement, however, the department must sight a signed copy of the FCR Agreement and must endorse the associated Expenditure Plan (see Section 3.2) before FCR funds can be used for purchasing.

##### Reviewing the FCR Agreement

FCR Agreements form the basis of the relationship between the SRS proprietor and the Partnership Manager and, with the exception of the Expenditure Plan, should not require frequent or fundamental change. Where arrangements do change, however, these must be reflected in the FCR Agreement and be consistent with these guidelines.

The Partnership Manager should complete an FCR Agreement for each SRS in their cluster by the end of June 2007.

The Partnership Manager should meet with each SRS proprietor at least annually to check on the working arrangements outlined in the FCR Agreement. This should also include review of the Expenditure Plan attached to the FCR Agreement, although Expenditure Plans may be reviewed more frequently (see below).

The annual review of the FCR Agreement should be completed by 30 June each year.

## 3.2 Expenditure Plans

### Developing Expenditure Plans

The Expenditure Plan identifies viability issues for the SRS and the services and items to be purchased with FCR funds over the coming year that are intended to address these viability issues. A template for the Expenditure Plan is provided at Appendix 3.

An Expenditure Plan must be developed for each financial year by the FCR Partnership Manager and each SRS proprietor in the cluster or sub-cluster following negotiation and discussion, and should be signed by both when finalised.

The contents of the Expenditure Plan should at a minimum include:

- baseline information including pension-level bed numbers, occupancy, and the current staff roster
- an outline of the viability issues for the SRS
- services/goods to be purchased with FCR and expected impact on viability issues
- procedures for the purchase of the goods and services and associated financial transactions, that is, how purchasing will be completed and how payments will be made (discussed in Section 3.3)
- an annual review date and process for earlier review if required
- updated sections as required.

The **FCR purchasing guide** (outlined in Section 4) must be followed when selecting services and items for inclusion in the Expenditure Plan. Items selected will reflect the needs and circumstances of the individual SRS.

A template for the Expenditure Plan is provided at Appendix 3. The template must be used when developing Expenditure Plans and reviewing or updating established Expenditure Plans.

The Expenditure Plan should propose expenditure up to the maximum funding possible for the SRS for the year. In some situations the SRS proprietor and Partnership Manager may require more time to decide on how best to commit all the FCR funds for the year. In these cases, it is possible to submit an Expenditure Plan for endorsement, which includes an amount of uncommitted funds and a proposed date for completion of planning. When planning for these funds is completed, a revised Expenditure Plan must be provided to the department for further endorsement.

Partnership Managers and SRS proprietors should note that any funds that remain unspent or uncommitted at the end of the financial year will be recovered by the department, unless otherwise agreed by the department.

Preparation and monitoring of the Expenditure Plan is the main focus of the Partnership Manager's work.

The Partnership Manager is responsible for initiating the process for developing and documenting the Expenditure Plan, with the expectation that both the Partnership Manager and the SRS proprietor will be actively involved in preparation of the initial Expenditure Plan and all subsequent reviews.

## Endorsing the Expenditure Plan

Before being implemented, each Expenditure Plan must be submitted to the Department of Human Services for endorsement. FCR funds cannot be spent without department endorsement of the Expenditure Plan.

## When to complete a new Expenditure Plan

A new annual Expenditure Plan is required for each SRS by the beginning of each financial year. Partnership Managers should ensure that a process is in place for completing an annual review of the previous year's plan and that a new Expenditure Plan is developed, signed and endorsed by 30 June. The department must endorse all new Expenditure Plans before purchasing can commence.

## Changes to the Expenditure Plan during the year

Circumstances in the SRS can change during the period of the Expenditure Plan, necessitating changes to the Plan. Some of these changes may be minor fluctuations in purchase price. Other changes may be more substantial, involving different purchases. Changes should be documented and attached to the current Plan.

Expenditure Plans that are changed during the year do not need to be re-endorsed by the department. However, a copy of the revised Expenditure Plan should be provided to the department for information when changes involve:

- a re-allocation of funds between categories of eligible expenditure
- or
- more than 10 per cent change in the amount allocated for an item within a category.

All changes to the endorsed Expenditure Plan during the year must comply with the guidelines.

## If the SRS Proprietor and Partnership Manager can't reach agreement on the FCR Expenditure Plan

Any disagreements between the Partnership Manager and the SRS proprietor regarding items for the Expenditure Plan can be referred to the department for resolution.

Issues that are complex may be referred to the SAVVI Regional Review Panel for a decision. The SAVVI Panel is made up of department staff from the region and the central SRS program. Further details about the SAVVI Panel are provided at Section 8 and Appendix 6.

## 3.3 Purchasing items with FCR funds

### Purchasing arrangements

Purchasing arrangements may vary across and within clusters. The FCR Partnership Manager, in negotiation with each SRS proprietor, will decide how items will be purchased. This should be done after considering the FCR Purchasing Guide, the items required, SRS needs and context, efficient use of FCR funds, and FCR reporting and monitoring requirements.

Two of the more likely arrangements are:

- the Partnership Manager transfers funds to the proprietor for purchasing of the agreed items in the Expenditure Plan
- or
- the Partnership Manager organises purchasing of the agreed items on behalf of the SRS. The Partnership Manager may also purchase items for a group of SRS, if all the SRS proprietors affected agree on the arrangement.

When funds are transferred to the SRS proprietor, the SRS proprietor will normally make the purchasing arrangements, including either directly employing agreed staffing or organising the purchase of agreed goods from appropriate providers.

In some instances, the Partnership Manager's organisation may be the preferred provider of an item to be purchased. Before agreeing to this arrangement, consideration should first be given to any conflict of interest.

Procedures regarding conflict of interest are included at Section 4.8. In addition, the Partnership Manager may also be required to follow any conflict of interest procedures as outlined in the Service Agreement with the department.

### **Payment for items**

FCR funds can be used to pay for items only after there is sufficient evidence that the purchase has been arranged or had already been completed ('proof of purchase').

The proof of purchase required should be decided locally between the Partnership Manager and the SRS proprietor and documented as part of the FCR Agreement. At a minimum, proof of purchase must include an invoice or receipt of sale for any goods purchased, and staff rosters and evidence of salary payment for any payment of staff hours.

In some instances the Partnership Manager will be organising purchasing of items or staffing on behalf of one or more proprietors in the cluster. In these instances, the Partnership Manager is expected to meet the same proof of purchase and record keeping requirements as the SRS proprietor.

### **Accountability for FCR funds**

The FCR program requires that accurate and up-to-date records be kept of the actual use of FCR funds.

The Partnership Manager has responsibility for management and administration of the FCR funds including payments for the items purchased for each SRS. These responsibilities include:

- managing FCR financial allocations from the department
- processing purchasing orders from individual SRS proprietors and other suppliers
- transferring FCR funds to SRS proprietors or service providers and suppliers to pay for the agreed purchases.

It is expected that the Partnership Manager will provide timely payments and should process invoices and action payments within 10 working days after receiving proof of purchase.

Partnership Managers are required to maintain separate and accurate records of FCR funds and expenditure and provide regular quarterly reporting to the department on FCR expenditure as part of the FCR minimum reporting requirements.

The Partnership Manager will also be required to provide the department with a separate annual report to acquit for FCR funds at the end of each financial year.

SRS proprietors must provide appropriate proof of purchase, are required to keep separate and accurate records of FCR funds expenditure and at the end of each financial year, provide an annual certified report to the Partnership Manager, on FCR funds income and expenditure.

Section 5 provides further details about FCR financial accountability.

### 3.4 Cluster development activities

An important part of the FCR Partnership Manager's role, particularly in the second and third year of implementation of the FCR program, is to identify and implement cluster-wide business focused activities to support the SRS proprietors.

#### Type of activities

Cluster development activities may focus on SRS proprietors' skills and knowledge, opportunities for joint purchasing, and strategies for greater integration with the broader service system. For example:

- development and implementation of support, mentoring and training activities to enhance SRS proprietor business and marketing skills
- increasing SRS proprietor knowledge of and connection to local service networks
- supporting more effective working relationships between SRS proprietors as a means of promoting information and skill sharing, identifying common issues and problem solving solutions, and identifying common objectives and opportunities for sharing resources.

The Partnership Manager should commence planning for cluster development activities by the end of December 2007. Planning activities may include working with SRS proprietors in the cluster to identify common issues affecting the viability of their SRS businesses and considering strategies to address these issues.

Proprietors of SRS in the cluster are expected to actively participate in these processes.

### 3.5 Quality services

The Department of Human Services is committed to the development of quality frameworks and standards supporting the delivery of its funded programs.

SRS proprietors must ensure that they continuously meet requirements specified in the *Health Services Act 1988* and Health Services (Supported Residential Services) Regulations 2001.

Community service organisations providing FCR Partnership Manager services are required to have in place quality assurance processes to ensure that industry standards are met in all aspects of the delivery of FCR. Partnership Managers should also ensure that risk assessment processes and risk management activities form an integral part of FCR service delivery.



## 4. Facility Cost Relief purchasing guide

The purchasing guide includes lists of eligible and ineligible items for FCR funds and sets funding limits for eligible items, that is, maximum and minimum amounts for categories of eligible items.

The SRS proprietor and the FCR Partnership Manager must refer to this FCR purchasing guide when making decisions about the goods and services to be purchased with FCR funding.

Examples of purchases that can be made with FCR funds are provided at Appendix 4.

### 4.1 Purchasing principles

All goods and services purchased must be in accordance with the purchasing principles as outlined below.

#### FCR purchasing principles

1. All goods and services to be purchased must support the objectives of FCR, and should be able to demonstrate how the purchases will:
  - contribute to improved viability of the SRS
  - and
  - assist capacity of the SRS proprietor to meet the needs of residents.
2. Provision of goods and services must comply with relevant legislation, for example, the Health Services Act, Occupational Health and Safety, and other relevant standards and guidelines.
3. Goods and services purchased must reflect value for money, while meeting accepted minimum standards and relevant industrial arrangements.
4. FCR funding should not duplicate or substitute goods or services that would normally be accessed through other programs.
5. All goods and services purchased must be identified in the annual FCR Expenditure Plan, developed between the Partnership Manager and the SRS.
6. Staffing funded through FCR must be over and above the minimum direct care staffing requirements for SRS receiving FCR funds as specified in Section 4.2 of these guidelines.

### 4.2 Eligible items

The following categories of items **can be purchased** with the FCR funds and FCR funds can only be spent on items that fit within these categories.

There are limits to the amount of FCR funding available for the SRS in any one year that can be spent on each category of items. These include maximum and minimum amounts of funding per category of items. These limits should be met and not exceeded.

### Expenditure limits on eligible items per year, per SRS\*

#### A. SRS staffing – direct care hours

A minimum of 50% up to a maximum of 90% of total annual FCR funds per SRS can be used to pay for staffing costs, including:

- **Current direct care costs** – to a maximum of 80% of total annual FCR funds for the SRS
- **Additional direct care costs** – to a maximum of 80% of total annual FCR funds for the SRS

#### B. Non-staffing items

A minimum of 10% up to a maximum of 50% of total annual FCR funds can be used to purchase non-staffing items, as under:

- |  |                                     |
|--|-------------------------------------|
| • <b>Extraordinary operational costs</b> | Up to 20% of total annual FCR funds |
| • <b>Aids and equipment</b>              | Up to 10% of total annual FCR funds |
| • <b>Property repairs</b>                | Up to 10% of total annual FCR funds |
| • <b>Single room supplement</b>          | A maximum of \$10,000 per annum     |
| • <b>SRS proprietor training</b>         | A maximum of \$2,500 per annum      |

\*NOTE:

- Limits set apply to maximum possible expenditure within a category.
- Categories cannot be rolled together to provide greater expenditure on any one item or categories of items.
- The department may, in extraordinary circumstances, approve funding for other items not listed above, if there is sufficient evidence of need and the purchases support FCR objectives.

### *Description of eligible items or what can be purchased with FCR*

#### 4.3 Eligible items: staffing

FCR funds can be used to purchase **direct care staffing hours** provided in the SRS that are **above the minimum direct care staffing hours expected to be paid for by the SRS proprietor** (defined below).

#### Purchasing direct care staffing hours

FCR funds can purchase one or more of the following direct care staffing items that are above the required minimums that the SRS proprietor is expected to meet:

- **rostered direct care staffing hours**
- **‘substitution’ for rostered direct care hours currently worked by each SRS proprietor in the SRS**
- **additional rostered direct care hours** – direct care staffing hours that are new and additional to the current rostered direct care hours.

A minimum of 50% of the total FCR funds available **must** be spent on the cost of **direct care staffing hours in the SRS**.

**This figure can increase up to a maximum of 90%** of total annual FCR funds.

## Definitions

### Direct care staffing hours

Direct care staffing hours are defined as **rostered staff hours in the SRS for the provision of direct care/resident related work.**

Direct care staffing hours include the hours of work provided by the personal care coordinator (PCC), the personal care assistant (PCA), the SRS proprietor and any other staff involved in the provision of direct resident care.

The range of duties included as direct care staffing include personal and attendant care, social support, provision of activities, provision of meals and cleaning, transportation of residents, preparation and review of residents' care plans and associated meetings. SRS proprietors may perform some or all of these duties.

Current rostered direct care staffing hours will be a proportion of the overall staff hours provided in each SRS. For example, they do not include staff hours for administration, maintenance, or gardening duties.

The number and cost of current rostered direct care staffing hours must be calculated as part of the expenditure planning process for the SRS. FCR funds can only be allocated for those direct care staffing hours that are over the minimum required to be paid for by the SRS proprietor and where the cost of the direct care hours poses viability issues for the SRS.

### Direct care staffing minimum to be paid for by the SRS

Prior to using FCR funds to meet the cost of direct care staffing, the FCR program expects that SRS proprietors will meet the cost of a minimum level of direct care staffing hours.

FCR funds can only be used to pay for staffing hours that are over and above the following:

- the first 38 hours of the PCC hours
- the first 38 hours of PCA or equivalent for every 30 residents in the SRS, or fraction thereof
- sleep-over or on call/recall hours provided overnight.

In some SRS with 30 residents or less, the PCC may be providing PCA activities. For the purposes of determining direct care staffing hours that can be paid for through FCR, in these circumstances 38 hours of direct care is counted only once.

### Substitution for SRS proprietor hours

Substitution involves using FCR funds to pay another staff member to work a proprietor's rostered direct care hours, excluding the first 38 hours of direct care worked per week.

FCR funds cannot be used to pay a proprietor directly for hours worked.

Where more than one proprietor provides direct care hours, FCR can be used for substitution of each proprietor's direct care hours, excluding their first 38 hours of direct care.

### Additional direct care hours

Additional direct care hours are defined as new and additional hours to the current roster and may be daytime or active overnight staff hours.

If the cost of **active overnight** staff exceeds 80% of annual FCR funds available to the SRS, the department may consider waiving the 80% maximum limit for additional direct care hours. This would be determined on a case-by-case basis.

## 4.4 Eligible items: non-staffing

A minimum of 10% and a maximum of 50% of total annual FCR funding per SRS can be spent on eligible non-staffing items.

The following describes each non-staffing item.

### Extraordinary operational costs

FCR funding can be used to fund 'extraordinary' operational costs up to a maximum of 20% of annual FCR funds provided for the SRS.

Extraordinary operational costs often arise as a result of behavioural problems experienced by SRS residents. When FCR funds are used to pay for operational costs associated with a resident's behavioural issues, the FCR Partnership Manager and SRS proprietor are required to also identify strategies to better address the resident's behaviour and provide an improved support response.

Examples of extraordinary costs include:

- clothing purchases for a resident who regularly damages their clothes
- extraordinary utility costs such as water where a resident has run up the water bill by leaving taps on
- extraordinary cleaning requirements, such as one-off industrial cleans necessary as a result of a resident's behaviour
- furniture replacement necessary as a result of damage by residents.

### Aids and equipment

Funding can be used to purchase aids and equipment up to a maximum of 10% of funding after the following criteria have been met.

- appropriate assessment has been completed (FCR funds can be used to fund the assessment as long as a link to viability is identified)

and

- the item is not available when required through existing programs and services, such as the Aids & Equipment Program Aids Available List

Where existing services have extensive waiting lists, items can be purchased after residents have been wait listed. In these cases, FCR funds can be allocated for three months and then reviewed. For example, continence products can be purchased while waiting on access to the Aids & Equipment Program.

When consumable items become available through other programs, funding through FCR should cease. If an item (valued at more than \$1,000) has been purchased with FCR funds and the item is no longer required by the SRS, the Partnership Manager should follow the procedures for disposal of these items as stated in Section 4.9 of these guidelines.

### Property repairs

Up to a maximum of 10% of the annual FCR funds can be spent on this item. FCR funding can be used for repairs to building fabric that:

- are required to ensure resident and staff safety
  - are not the responsibility of the landlord
- and
- which contribute to improved SRS viability.

FCR funding for this item will be reviewed before July 2008 with the further roll out of SAVVI and proposed targeted funds for some SRS building repairs.

### **Single room supplement**

An SRS can allocate up to a maximum of \$10,000 of annual FCR funding for the purchase of single rooms for residents, where the purchase of a single room is part of a resident's behaviour management plan. Before allocating this funding, the Partnership Manager should verify the resident's need for a single room through an external source such as the resident's case manager or relevant service provider.

### **SRS proprietor attendance at FCR program development activities or approved training**

Up to \$2,500 per annum can be allocated from FCR funding to meet the costs of SRS proprietor attendance at:

- FCR training and evaluation activities
- appropriate training for emergency management or business planning and development.

Attendance at these activities will be reimbursed at a rate of \$150.00 per day or part thereof, for attendance by one proprietor per SRS (or their representative), or as otherwise approved by the department.

## ***Description of ineligible items or what cannot be purchased with FCR***

### **4.5 Ineligible: staffing**

FCR funds cannot be used to pay for:

- the **minimum direct care staffing** expected to be met by the SRS (see Section 4.3)
- the SRS proprietor for any hours worked in the SRS (although FCR funds can be used to pay for substitution of eligible proprietor direct care hours above the required minimum 38 hours for each SRS proprietor)
- any business related staffing hours worked by the SRS proprietor or paid for by the proprietor (for example accountant, bookkeeper), other than a maximum of \$2,500 towards attendance at FCR program development activities or approved training.

### **4.6 Ineligible: non-staffing items**

#### **SRS operating expenses**

FCR funds will not pay for the expenses incurred in operating the business of the SRS, including the cost of food; utilities such as gas, electricity, and water; rates; rent and associated costs; insurances; any accounting costs; regular and scheduled maintenance; essential service reports such as fire safety; financial expenses including interest on loans or other debt associated with the business.

#### **Goods**

FCR will not fund essential and basic furniture, fixtures and whitegoods where the provision of such is expected within the Health Services Act 1988 and Health Services (Supported Residential Services) Regulations 2001.

#### **Assets**

FCR funds will not be used to purchase personal or business assets such as vehicles and mobile phones.

### **Bad debts**

FCR funds will not be used to pay for bad debts incurred by a SRS proprietor or resident.

### **Capital improvements**

FCR funds will not be used to pay for major building works in the SRS, including renovations, remodeling and additions.

### **Residents' personal items**

FCR funds will not be used to purchase residents' personal items such as alcohol, tobacco, pharmaceuticals, toiletries or clothing (other than those described as extraordinary operational costs in Section 4.4).

### **Rental subsidies**

FCR funds will not be used to subsidise the cost of a single room unless provision of a single room is part of a resident's behaviour management plan. It is expected that a resident's need for a single room will be verified by an external source such as the resident's case manager or other relevant service provider.

### **Existing programs**

FCR funds should not be used to duplicate or substitute for existing services and programs and should not be used to pay for:

- on- or off-site programs or services already being provided to the SRS
- government-funded services that are readily available to residents.

The exception will be cases where immediate failure to provide the required service or good may detrimentally affect viability or cause hardship to one or more residents. These situations will be identified through expenditure planning processes. In these cases, funds should be allocated for a three-month period, and then reviewed. Referrals to funded programs should be followed up to pursue access.

## **4.7 Misuse of funds**

FCR funds for the SRS can only be spent on items agreed to in the Expenditure Plan and which are allowed within the purchasing guidelines.

Misuse of FCR funds can result in funding being stopped and the SRS proprietor or FCR Partnership Manager being required to refund monies involved.

In the case of deliberate misuse of funding or any attempt to defraud the department, funding will be stopped and the matter may be referred to the relevant authorities for consideration and appropriate legal action.

Such behaviour may also directly affect the proprietor's standing as a fit and proper person to be the proprietor of an SRS.

## **4.8 Conflict of interest in purchasing decisions**

There may be circumstances where the purchasing arrangements of the SRS proprietor or the FCR Partnership Manager may suggest conflict of interest.

In some instances, consideration might be given to purchasing required goods or services from individuals or organisations in which the SRS proprietor or the Partnership Manager has an interest. For example, the SRS proprietor might have a financial interest or family connection. Similarly, the organisation contracted as the FCR Partnership Manager may provide a range of community or other services that may be required as part of the Expenditure Plan. FCR funds may be used for purchases from these providers, provided that all FCR purchasing rules are met.

In situations where there is a possible conflict of interest, both the SRS proprietor and the FCR Partnership Manager should raise these issues as part of the expenditure planning process. The issues should be documented on the Expenditure Plan to ensure probity requirements are met and resolution of the issue has been transparent and fair.

The Partnership Manager should inform the region about any issues raised and the region should consult with the central SRS program regarding any policy issues.

#### **4.9 Management and disposal of items purchased with FCR**

Items purchased through FCR should be managed appropriately by the proprietors of the SRS where the item is used and located. SRS proprietors should take **all reasonable** steps to ensure safe use of the item, security of the item against theft or damage, and that the item is maintained in good working order.

FCR Partnership Managers are required to maintain an asset register for all items valued at \$1,000 or more, and should include this information in their annual financial reporting about FCR to the department.

If an item is no longer required by the SRS, the item should be returned to the Partnership Manager in good working order or otherwise disposed of as agreed with the department. If returned to the Partnership Manager, the Partnership Manager will determine appropriate disposal of the item and should consider whether the item is required elsewhere in the cluster or across other clusters.

The region should be informed of the disposal or sale of items on this asset register. Income received from the sale of these items should be recorded in the end of year FCR financial reporting. The department will determine the appropriate use of the funds.



## 5. Accountability, monitoring and reporting

The Department of Human Services expects honest, accurate and timely reporting on FCR funds and activities. All those involved with FCR have a responsibility to contribute to and support this reporting. FCR Partnership Managers and each SRS proprietor are accountable for their actions in relation to use of FCR funds, reporting and contribution to FCR program development.

### 5.1 FCR program reporting

The department will collect information about FCR program core activities, FCR expenditure, and progress towards achieving the FCR objectives.

Information will also be collected about the pension-level bed numbers in each SRS and occupancy levels of pension-level beds. This information will demonstrate if each SRS is continuing to meet minimum requirements for ongoing FCR funding.

This information will be collected through the FCR Service Activity Report, which comprises two parts: the FCR Minimum Data Set and the FCR Narrative Report.

#### FCR Minimum Data Set

The FCR Minimum Data Set (MDS) is a key source of information about FCR service activities and expenditure. The Partnership Manager is required to submit FCR MDS data to the department on a quarterly basis.

The FCR MDS lists a set of questions about FCR activities, funds expenditure and outcomes. A proposed list of questions is provided at Appendix 5, with the questions to be finalised by mid-2007.

In summary, the FCR MDS will collect information about each SRS in each cluster, including:

- pension-bed numbers and occupancy
- characteristics of residents in pension-beds
- new and exited residents
- SRS proprietor responses about viability improvements in the SRS
- actual FCR funds expenditure for each SRS.

This information will be collected quarterly (July to September, October to December, January to March, and April to June) with reports due on the 15th day of the month following each reporting period.

#### FCR narrative report

This half-yearly report will collect information about activities undertaken, using a narrative format, and including case studies, identification of issues at the individual SRS and cluster level, and details of any cluster activities.

The narrative report will be due on the 15th day following each six month period (July to December, January to June), and will inform broad program development as well as providing a tool for reflection on activities at the individual SRS and cluster level.

#### Reporting arrangements

FCR Partnership Managers must:

- establish accountability and reporting requirements and protocols with each SRS proprietor to enable reporting on FCR activities
- collect information from SRS proprietors to enable reporting through the FCR MDS and FCR narrative report
- compile the data and provide it to the central SRS program in a timely manner.

SRS proprietors are responsible for providing accurate and timely information to the Partnership Manager to ensure that the Partnership Manager can complete FCR MDS and narrative reports to the department. The SRS proprietor is responsible for record keeping in the SRS, although the Partnership Manager may provide assistance in identifying reporting issues and improving reporting systems.

The central SRS program will provide regular summary reports to the region and Partnership Managers on FCR MDS data. SRS proprietors will be able to obtain reports relevant to their SRS from their Partnership Manager.

## 5.2 Financial accountability

Financial accountability for the use and management of FCR funds is a major area of reporting.

As well as the information on FCR funds collected through the quarterly FCR MDS reporting, additional financial accountability is required of each SRS proprietor and each FCR Partnership Manager.

SRS proprietors are expected to maintain separate and accurate records for the goods and services purchased with FCR funds. Each SRS proprietor is also required to provide their Partnership Manager with an annual certified income and expenditure statement for FCR funds received. A qualified accountant must certify that the statement is true and correct and the funds were used in accordance with the FCR guidelines and the department-endorsed Expenditure Plan for the SRS.

There may be times when there is some question about use of FCR funds and Partnership Managers or the department may seek further details from an SRS proprietor on the use of these funds. SRS proprietors may be required to provide additional evidence of FCR funds. As a condition of participation in FCR, SRS proprietors have consented to the department or their agent inspecting their books and accounts on request.

Partnership Managers are required to meet financial management and reporting requirements as specified in the service agreement with the department and the associated FCR Service Plan.

Partnership Managers are additionally required to provide a separate annual financial report to acquit for FCR funds allocated for SRS in their cluster. This report is to be provided to the region at the end of each September.

## 5.3 Other program reporting

### Central SRS program

The central SRS program will be seeking additional information on program operation across the state and issues affecting those involved.

Meetings and forums will be held with all those involved to provide an opportunity for issues to be identified and discussed. All SRS proprietors and Partnership Managers are required to participate in these activities, so feedback can be obtained on the implementation of FCR.

This information will be used to support ongoing program development and assist with program reporting requirements. The data will also form the basis of regular reports and feedback from the central SRS program to Partnership Managers, SRS proprietors, and regions.

## FCR program evaluation

An independent evaluation of the FCR initiative will commence in 2007 to evaluate the first two years of the FCR program.

The evaluation will consider how well the program has operated and whether program goals have been achieved, and provide recommendations about changes in the future. The evaluation will gather information from a number of sources, including FCR Service Activity Reports and information directly provided by those involved with the program. SRS proprietors, Partnership Managers and department staff involved with FCR will be expected to participate and contribute to the evaluation.

## 5.4 True and accurate reporting

Information provided as part of FCR reporting must be true and correct. The Government of Victoria is committed to protecting its revenue, expenditure and property from any attempt to gain financial or other benefits by deceit.

The department may obtain evidence indicating intentional omissions or inclusion of misleading information by either the SRS proprietor or the FCR Partnership Manager.

In cases where the information is about an SRS proprietor, the department may withdraw FCR funding and, if warranted, refer the matter to the relevant authorities for further investigation and consideration of the appropriate legal action.

In cases where the information is about the Partnership Manager, standard procedures as outlined in the service agreement will apply and the matter referred for appropriate legal action if required.

## 5.5 Unsatisfactory reporting

In some instances, information provided to the department about FCR may be accurate and correct but may be unsatisfactory because it is not provided on time or may be incomplete.

In these situations, action should be taken immediately to identify reporting issues and develop strategies to address these.

The central SRS program will contact FCR Partnership Managers directly when data reporting is unsatisfactory and may require changes to reporting arrangements. Regions will also be informed.

Where an SRS proprietor is having difficulty providing timely and complete reports, the Partnership Manager will, in the first instance, seek to work with the SRS to identify the reporting issues and strategies. If a SRS proprietor continues to provide unsatisfactory information, the Partnership Manager may refer the matter to the region, so it can be progressed through the usual FCR dispute resolution procedures (Section 9).



## 6. FCR funding for SRS

### 6.1 Base allocation and payments

The Department of Human Services will provide an annual allocation of funds, up to a maximum amount, for each approved SRS in each cluster or sub-cluster. These funds will be paid to the FCR Partnership Manager who will organise expenditure in accordance with the Expenditure Plan.

The amount of funds allocated will be based on the number of FCR approved pension-level beds at the SRS as identified through the application process. Payments will commence at a proportion of the base rate, with each SRS expected to reach their maximum funding level in the 2008–09 financial year. This will be achieved through an increment payable from July 2008, subject to the SRS meeting the specified criteria. Section 6.2 provides more information on payment of the increment.

Additionally, the total annual amount allocated for each SRS will be subject to a cap.

The following table summarises the formula for calculating the annual allocation of FCR funds for each SRS in each cluster or sub-cluster:

Year	Base rate per FCR approved pension bed per year	Proportion of base rate payable in year	Maximum payment per SRS per year (the cap)
2006–07	\$3,000	65% of base pro-rata for 1 / 12 only	Not applicable
2007–08	\$3,000*	65% of base for 12 / 12	\$70,000
2008–09	\$3,000*	100% of base for up to 12 / 12	\$100,000*

\*Subject to annual indexation

The department may consider reducing or withdrawing FCR funds allocated for an SRS where warranted and in the public interest. Section 8 provides details about when and how funding may be varied for the SRS.

### 6.2 July 2008 increment

As detailed in the table above, there will be opportunity for an incremental increase in the payment of the base rate from July 2008.

Payment of this increment will not be automatic but will be tied to the SRS meeting the specified performance criteria.

Each SRS proprietor will be required to submit a formal application for the increment to be paid, attaching evidence of how they meet these criteria. The timeline, process and criteria for applying for the increment are as follows:

## Process and timeline

Mid Nov 2007 – department training on how to apply for the increment

Mid Mar 2008 – department to invite applications from SRS proprietors

Mid Apr 2008 – SRS proprietors to submit applications to department

End May 2008 – SRS proprietors informed of outcome of their application

Start Jul 2008 – if application is successful, commencement of increment

## Performance criteria

1. All eligibility criteria for FCR are met by the SRS.
2. All FCR requirements (for example, compliance with the FCR Agreement and Expenditure Plan, compliance with reporting and accountability requirements) have been satisfactorily met.
3. The SRS is operating at 90% occupancy or more, unless otherwise agreed by the department.
4. There are no outstanding actions on the department's regulatory program action plan for the SRS, unless the regulatory program agrees extenuating circumstances apply.
5. The SRS can demonstrate effort in terms of emergency management planning or training, and business planning.
6. The SRS is able to demonstrate an improvement initiative or innovation in one or more of the following areas:
  - care planning
  - providing a safe and homelike environment
  - managing residents' money
  - promoting residents' health
  - involving residents and family in decision-making about the services they receive from the SRS.
7. The SRS can substantiate the completion of 30 or more hours of training by management or staff in training provided by the department for SRS, or other relevant training.

All seven criteria must be met, unless otherwise agreed by the department.

**Note:** The above criteria may change prior to implementation of the increment. Any such change will be notified at training in November 2007.

The invitation to apply for the increment will include details of who to submit the application to and who will be involved in the evaluation of applications. FCR Partnership Managers will not normally receive or evaluate these applications.

### 6.3 Recovery of unspent FCR funds for SRS

At the end of the financial year, there may be unspent and uncommitted FCR funds being held by the FCR Partnership Manager.

There are a number of situations that can result in this situation in any year. For example:

- closure of an SRS in the cluster
- voluntary withdrawal of an SRS from FCR
- transfer of an SRS and the new proprietor elects not to participate in FCR
- department variation to FCR funding for an SRS as a result of requirements not being met (see Section 8).

In the event of unspent FCR funds, these funds will be recovered by the department through a 'prior year adjustment' in the following year, unless otherwise agreed by the department.

### 6.4 SRS withdraws from the program

An SRS proprietor may choose to withdraw from the FCR program at any time.

In these situations, SRS proprietors should advise the FCR Partnership Manager in writing. Prior to withdrawal, they should meet with the Partnership Manager to formally end their FCR Agreement and determine any outstanding issues regarding funding and program activities.

The Partnership Manager must notify the region of the SRS proprietor's decision to leave the program. The region will progress any funding changes that may be required for the allocation of FCR funds for the cluster and any changes to funding for the Partnership Manager.

The region will inform the central SRS program of the SRS proprietor's intention to leave the FCR program, and any proposed actions regarding unallocated FCR funds or funding for the Partnership Manager.

### 6.5 Period of funding

All FCR funding is initially being provided for a fixed term period to 30 June 2009. Funding and funding levels beyond that date will be subject to the findings of the evaluation and the government's decision about continuation of the program. It is expected this decision will be notified to all parties at least three months prior to 30 June 2009.

### 6.6 New pension level SRS

Following the initial application process the department will not invite new applications for new pension level SRS, until after the evaluation has reported and the government has determined the future of the FCR program.



## 7. Transfer of SRS

An SRS proprietor participating in the FCR program may decide to sell the business and apply to transfer the registration to another proprietor.

In the event of a transfer of registration, approval for FCR funding will not automatically transfer to the new proprietor. The SRS proprietor should inform the prospective proprietor during the period of contract negotiation, that **continuation of FCR funding is not guaranteed with the transfer of the proprietorship.**

A prospective proprietor is required to make a new application to participate in FCR. The application will be assessed and must be approved before ongoing FCR funds can be allocated for the SRS. The prospective proprietor must meet all eligibility requirements and agree to the conditions for FCR before being approved for FCR funding.

### 7.1 Transfers of SRS – procedure to apply for FCR

Where a prospective SRS proprietor is purchasing an SRS that currently receives funding through FCR, and wishes to apply for FCR, the prospective proprietor should:

- complete a formal application for FCR. This should be completed at the same time as the application for registration of the SRS. Information about applying for FCR will be provided through the SRS program
- the FCR approval process will be progressed at the same time as the application for registration
- in some cases, the two approval processes may not be completed at the same time – it will be possible to provide provisional approval for FCR subject to the successful transfer of registration and subsequent settlement of the contract of sale
- at the point of settlement, FCR funding to the SRS could continue for up to three months as per the previously agreed Expenditure Plan, to enable continuity of funding, if this is appropriate
- a new FCR Agreement and Expenditure Plan will be required after three months. The new SRS proprietor is required to work with their FCR Partnership Manager to establish an FCR Agreement and develop a new Expenditure Plan
- if the SRS is ineligible, FCR funding will cease
- the central SRS program will inform the Partnership Manager and the region of the application results and required actions.

### 7.2 Prospective proprietor does not apply for FCR

In some circumstances, the prospective SRS proprietor may decide against applying for FCR.

If the prospective SRS proprietor decides not to apply for FCR, the department will coordinate with the Partnership Manager to ensure FCR funding ceases on settlement of the contract.



## 8. Varying funding for SRS

Funding allocated for an SRS may vary over time if the SRS fails to continuously meet **minimum requirements**, for receipt of FCR funding.

Failure to meet minimum requirements could result in temporary or even permanent loss of some or all of the FCR funds for the SRS. Data demonstrating whether an SRS is meeting minimum requirements will be gathered through the FCR program reporting, particularly quarterly reporting through the FCR Minimum Data Set.

FCR Partnership Managers and department staff involved will be expected to check that minimum requirements are met and act if they are not. The department reserves the right to verify information provided, including witnessing original documents.

When minimum requirements are not met, review procedures are in place that can allow for action to be taken on funding. This section describes those procedures, also explained in the flowchart on page 7, Section 8.

### 8.1 Minimum requirements

To continue to receive funding, SRS proprietors are required to ensure that the SRS continuously meets the following minimum requirements for FCR.

#### Minimum requirements for continued funding through FCR

The SRS proprietor must ensure:

- **The SRS continuously meets the three eligibility criteria for FCR, as described in the SRS Application 2006:** in summary:
  - **Eligibility criteria 1 – at least 80% of registered beds are pension-level**
  - **Eligibility criteria 2 – registration is not at risk**
  - **Eligibility criteria 3 – the SRS is not in receipt of other government funding towards SRS operating costs**
- **The SRS maintains pension-level bed numbers as at entry to FCR, that is, FCR approved pension-level beds included in calculating funding for the SRS at entry to the program.**
- **The SRS meets minimum occupancy levels for pension-level beds in the facility – 90% occupancy of the number of FCR approved pension-level beds in the SRS when the SRS entered the program.**
- **FCR program accountability and reporting requirements are met** – providing program accountability and reporting to expected standards as specified in the FCR program guidelines.

A range of circumstances could result in an SRS proprietor being unable to meet the FCR program's minimum requirements. The guidelines include two sets of procedures that reflect differences in the urgency and nature of the circumstances, including procedures for:

- **immediate action on possible variation to funding for the SRS**
- and
- **incremental steps towards possible variation to funding for the SRS.**

These procedures involve the SRS proprietor, their Partnership Manager, the regional SRS program and the central SRS program.

In addition, these procedures introduce the **SAVVI Regional Review Panel**. The SAVVI Panel will be made up of department regional and central program staff and will make decisions about any proposal to vary funding to an SRS (see Appendix 6).

Decisions to vary funding for an SRS will be made jointly by the Department of Human Services Regional Director and the Director, Aged Care.

Any decision to vary or cease FCR funding will identify strategies to minimise impact and any undue hardship on residents.

## 8.2 When to take immediate action to review funding

Immediate action regarding a possible FCR funding variation for an SRS should be taken in the following circumstances.

### Indicators for immediate action to review FCR funding for the SRS

#### 1. The SRS no longer meets Eligibility criteria 1 – pension-bed numbers in the SRS are below 80%.

To continue to be eligible for FCR funding, the SRS must continuously maintain pension-level bed numbers in the facility at 80% or above. When pension-level bed numbers in the SRS drop below 80%, an immediate review of the SRS situation is required, with potential for a variation to funding.

#### 2. The SRS no longer meets Eligibility criteria 2 – SRS registration is at risk or has been revoked.

The SRS becomes ineligible for FCR if the SRS is subject to actions that may place its ongoing registration at risk. Criteria are as per the SRS application for FCR, including but not limited to:

- an administrator has been or is about to be appointed
- the SRS proprietor has been convicted of a serious offence that is likely to lead to revocation or non-renewal of registration
- the Secretary's delegate has issued notice to the SRS proprietor that he or she has not renewed or will not renew the registration
- the Minister's delegate has issued notice to the SRS proprietor that he or she has revoked or intends to revoke the registration.

#### 3. The SRS no longer meets Eligibility criteria 3 – other government funding

The SRS is ineligible for FCR if it is a recipient of other government funding towards operating the facility, unless approved by the SRS program. This includes State or Commonwealth funding, including individualised care packages attached to specific residents where the funding contributes to operating costs of the SRS.

In regard to individualised packages:

- the SRS becomes ineligible when the packages are paid directly to the proprietor for the operating costs of the facility or resident costs as a group; the packages are not directly tagged to a resident and are not portable (the packages don't move with the individual if the person moves out of the SRS)
- the SRS remains eligible if:
  - resident's individualised packages are tagged to individual residents for use by/for the individual resident
  - and
  - use of the package does not duplicate expenditure through FCR (an item is not paid for twice).

#### 4. The SRS is no longer meeting FCR accountability requirements

- The SRS proprietor is not meeting the program reporting requirements and is not providing complete, accurate or timely reporting to the Partnership Manager as required by the program.
- The SRS proprietor is not actively implementing the program activities nor engaged with the Partnership Manager and efforts to change the situation have been unsuccessful.

## 8.3 Procedure for immediate action and review of funding

### Who takes action?

- The FCR Partnership Manager or department staff may initiate immediate action to review the circumstances of an SRS for continued FCR funding. This review follows evidence that indicates the SRS is not meeting the eligibility or conduct requirements that enable the SRS to receive continued funding.
- Action can be initiated at any time once information is known.
- The Partnership Manager should notify the SRS proprietor as soon as possible that action is being taken.

### Referral to the SAVVI Regional Review Panel

- A referral should be made to the Chairperson of the SAVVI Panel. A report must be prepared by the person making the referral, outlining evidence demonstrating how the SRS is failing to meet minimum requirements, indicating that a funding review is needed.
- The SAVVI Panel must meet within two weeks of receiving the referral and report or earlier as warranted by the urgency of the matter. The SAVVI Panel will meet immediately if the referral is associated with actions resulting in unplanned closure of the SRS, loss of proprietor registration or appointment of an administrator.
- The SAVVI Panel will follow standard procedures for dealing with a referral and will:
  - consider the referral and give those involved an opportunity to provide further information if necessary
  - consider whether there is a need to vary or cease funding
  - provide a recommendation to the Regional Director and the Director Aged Care about any funding variation and further action.

### Decisions

- The decision to vary or cease funding will rest with the Regional Director and the Director Aged Care. The SRS proprietor will be informed of the decision.
- The region will advise the Partnership Manager of the decision on funding variation and any further actions required, including an action plan. The Partnership Manager will work with the SRS proprietor to implement any changes required.
- Actions and decisions of the SAVVI Panel will operate alongside, and be informed by, any associated regulatory requirements and actions taking place.

### Appointment of an administrator

- In the event that an administrator is being appointed to an SRS in the FCR program:
  - the Manager, regional SRS program, will inform the SAVVI Panel of the appointment.
  - the SAVVI Panel will ensure that FCR funds flowing to the SRS proprietor cease immediately and that the Partnership Manager is informed of any changes required to FCR funds management. This may include redirection of funds to the Administrator.

## 8.4 When to take incremental action to review funding

Incremental action regarding possible FCR funding variation for an SRS should be taken in the following circumstances.

### Indicators for incremental steps to review FCR funding for the SRS

#### 1. The SRS has been unable to meet the minimum occupancy requirements for the program.

The program requires that a minimum of 90% of the number of FCR approved pension-level beds on entry to the program must be occupied at all times, as measured by the quarterly FCR Minimum Data Set.

#### 2. The SRS has failed to maintain the number of FCR approved pension-level beds that the facility had on entry to the FCR program.

On entry to the program, each SRS identified the number of pension-level beds in the facility. This figure has been used to calculate the amount of FCR funding available for the SRS. To continue to receive the same level of funding, the program requires that the SRS maintain the same number of pension-level beds for the period that FCR funds are received, unless otherwise agreed with the Partnership Manager through the expenditure planning process, as a temporary measure.

## 8.5 Procedure for incremental action and review of funding

Once the FCR Partnership Manager has identified the need for incremental action, there are a number of steps that can be taken to assist an SRS address the identified issues.

The procedures require SRS proprietors to work with their Partnership Managers to develop six-month **Action Plans** to assist them to meet these requirements.

The procedures also involve the SAVVI Panel as the group that must review funding for any SRS that fails to meet minimum requirements after a six-month Action Plan.

Procedures for incremental action will **start from January 2008**, after the program has been in place for 6 months.

The following describes the steps in detail and the flow chart at the end of Section 8 demonstrates the possible options involved at each step. Partnership Managers and SRS proprietors will receive further advice about Action Plans prior to January 2008.

### Step 1: First six-month Action Plan and no change to funding

- The process begins when the FCR Partnership Manager obtains information indicating that an SRS has not met the minimum requirements. This is most likely identified through quarterly data reporting and monitoring. The Partnership Manager will investigate further and is required to report outcomes of all investigations to the department through quarterly reporting.
- If the investigation indicates that immediate action is required, those procedures are followed.
- If immediate action is not indicated but minimum requirements are not being met, the Partnership Manager and SRS proprietor will develop an Action Plan, which should identify the issues and strategies to address them.
- The Action Plan should continue for up to six months. During this time there should be no variation in FCR funding for the SRS. The Partnership Manager must provide the region with a copy of the Action Plan.

- If the SRS Expenditure Plan changes as a result of the Action Plan, the usual procedures for changing Expenditure Plans will apply (see Section 3).
- The Partnership Manager and the SRS proprietor should formally review the Action Plan at the end of the six-month period. If issues have been addressed and minimum requirements are being met, there is no need for further action.
- An Action Plan can be reviewed and formally ended at any time during the six-month period if minimum requirements are met.

### Step 2. Second six-month Action Plan and possible change to funding

- If there are continuing issues, a second six-month Action Plan can be developed by the Partnership Manager and the SRS proprietor and put in place.
- If a second six-month Action Plan is necessary, funding for the SRS will also be reviewed and possibly varied to reflect current pension-level beds and occupancy.
- FCR Partnership Managers will be required to inform the region about the SRS's situation and provide a referral and a report to the SAVVI Panel. The report should identify the continuing issues.
- The SAVVI Panel will follow its standard procedures and will:
  - consider the referral and give those involved an opportunity to provide further information if necessary
  - consider whether there is a need to vary funding and, if a variation is required, determine the amount of funding to be varied based on actual occupancy and pension-bed numbers
  - provide a recommendation to the Regional Director and the Director Aged Care about funding variation and any further action.
- The decision to vary or cease funding will rest with the Regional Director and the Director Aged Care. The SRS proprietor will be informed of the decision.
- The region will advise the Partnership Manager of the decision on funding variation and any further actions required. The Partnership Manager will work with the SRS proprietor to implement any changes required.

### Step 3. Funding review after 12 months of Action Plan

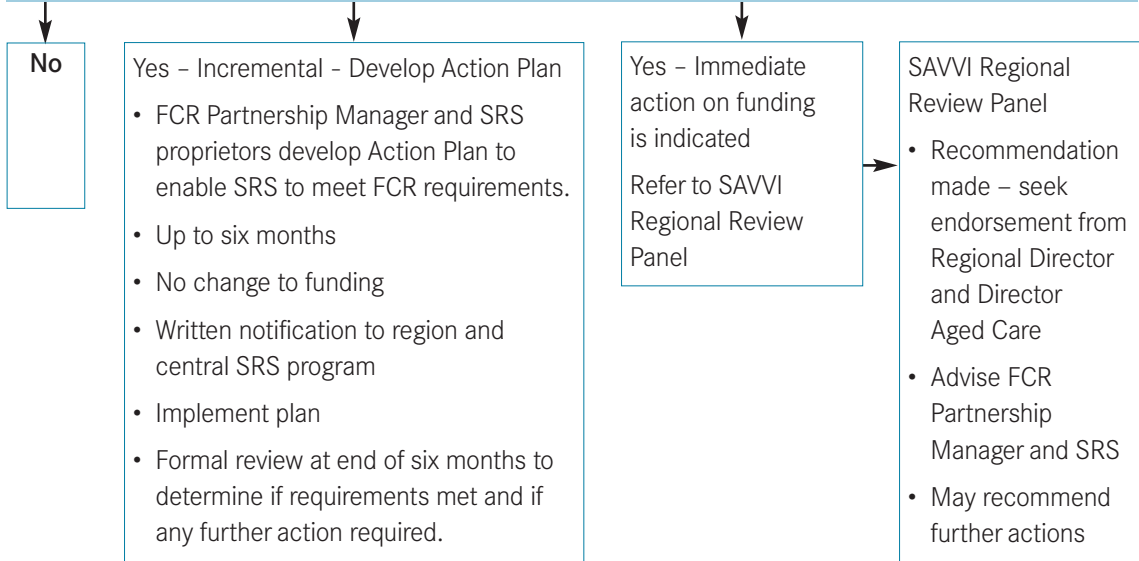
- At the end of the second six-month period, the FCR Partnership Manager and the SRS proprietor should formally review the Action Plan, identify if minimum requirements are being met and what further action is required.
- The Partnership Manager must inform the region of the outcome and provide a referral and a report to the SAVVI Panel.
- If the minimum requirements have been met the SAVVI Panel will consider adjusting funding upwards to reflect actual pension beds and occupancy.
- If minimum requirements have not been met, the SAVVI Panel will consider further changes to funding, including:
  - in the event the SRS is unable to meet the occupancy requirements, reduced funding may continue to reflect actual occupancy for the previous six months
  - in the event the number of pension-level beds continues to be below the FCR approved number, whether the approved number should be permanently reduced
  - other actions may also be considered.

- The SAVVI Panel will provide a recommendation to the Regional Director and the Director Aged Care.
- The decision to vary or cease funding will rest with the Regional Director and the Director Aged Care. The SRS proprietor will be informed of the decision.
- The region will advise the FCR Partnership Manager and the SRS proprietor of funding decisions and any further actions.

step 1



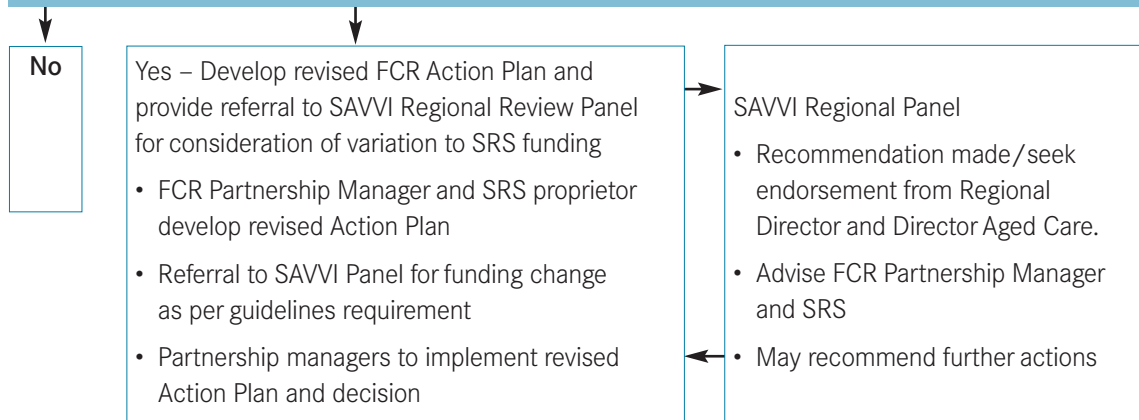
**Triggers for action: information indicates SRS no longer meets requirements – Partnership Manager investigates.**  
**Question: Is action required?**



step 2

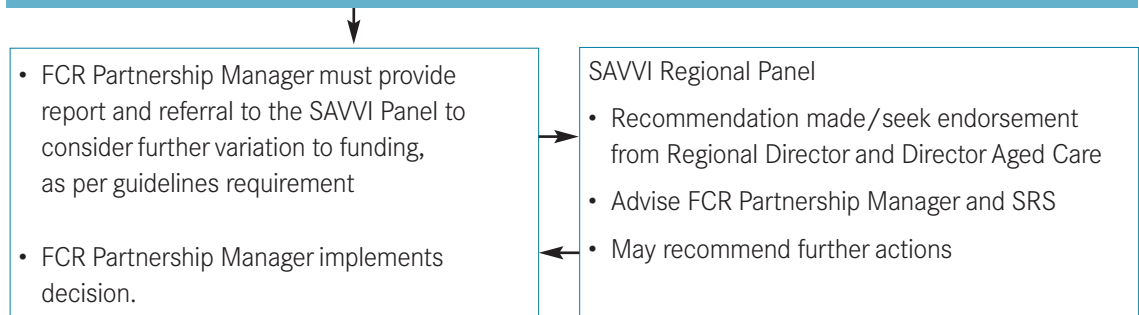


**Formal review of Action Plan with SRS at end of six months or before if necessary**  
**Question: Is a revised action plan or funding change required?**



step 3

**Formal review of revised Action Plan at end of six months or before if necessary**  
**Question: What further action is required?**





## 9. Disagreements and disputes

### 9.1 Dispute resolution procedures

Procedures have been developed to follow in the event of disagreements and disputes:

- In the event of a disagreement or dispute between the SRS proprietor and their FCR Partnership Manager, attempts should first be made to resolve the issue locally through direct discussion and negotiation and the internal procedures of the community service organisation providing the services of the Partnership Manager.
- In the event that direct negotiation cannot resolve the issue, formal dispute resolution procedures should begin.
- In the first instance, the SRS proprietor or the FCR Partnership Manager may contact the region to seek advice on the possible next steps for review through internal departmental processes.
- Regional staff may seek advice or assistance from the central SRS program to facilitate resolution and may involve the central SRS program in meetings if required.
- Depending on the nature of the issues, the next steps may involve:
  - referral to either or both the region and the central SRS program for discussion and attempted mediation
  - referral to the SAVVI Regional Review Panel, particularly in matters of dispute about the program activities and responsibilities locally in the region
  - referral to the central SRS program when issues require consideration of broader program policy and direction.
- Final dispute resolution will be through the office of the Regional Director, in the relevant region.
- In the event of a dispute between the regional office and the community service organisation contracted as an FCR Partnership Manager, the dispute resolution procedures outlined in the formal Department of Human Services service agreement will be followed.



# Appendix 1: Facility Cost Relief – summary of key roles and responsibilities

## SRS proprietor

### Activities, planning and expenditure

#### Agreements

- Work with the FCR Partnership Manager to develop the FCR Agreement and annual Expenditure Plan.
- Develop a collaborative working relationship with the Partnership Manager.
- Have a good working knowledge of FCR requirements and any changes.
- Provide timely and accurate communication of any issues that may impact on FCR funding.
- Meet regularly with the Partnership Manager to facilitate FCR expenditure activities and actively contribute to the Expenditure Plan development and review.

#### Purchasing

- Undertake purchasing activities as agreed in the Expenditure Plan.
- Provide the Partnership Manager with proof of purchase prior to FCR funds being used for payments (for example, invoices proof of purchases, staff rosters, evidence of salary payment, and other as agreed).

#### Cluster development

- Actively participate in and contribute to planned cluster development activities.

### Accountability monitoring and reporting requirements

- Ensure all information provided is true and correct.
- Keep separate and accurate records of FCR funds income and expenditure.
- At the end of each financial year, provide an annual certified report to the Partnership Manager, on FCR funds income and expenditure.
- Provide service activity and financial information and data to the Partnership Manager as required in the FCR guidelines and FCR Agreement, including but not limited to quarterly service activity reporting.
- Participate in FCR training and information sessions.
- Participate in the FCR program evaluation.
- Provide additional or supporting documents on FCR activities and expenditure in the SRS as reasonably required by the Partnership Manager.
- Allow access to and review of SRS accounts, as they relate to FCR activities, by the Department of Human Services or its agent, as required.

## **FCR Partnership Manager**

### **Activities, planning and expenditure**

#### **Agreements**

- Establish a signed FCR Agreement with each SRS proprietor in the cluster as per the FCR guidelines and template by the end of June each year.
- Develop an annual Expenditure Plan with each SRS in the cluster as per FCR guidelines and template by the end of June each year.
- Monitor Expenditure Plan implementation and take responsibility for progressing review activities and procedures as per the guidelines.

#### **Purchasing**

- Put in place FCR expenditure procedures and processes including requirements for proof of purchase for FCR expenditure as per the FCR guidelines and FCR Agreement
- Establish timely funds authorisation procedures, enabling payment of individual FCR purchases within 10 working days of receipt of proof of purchase.
- Purchase goods and services identified in the Expenditure Plan, on behalf of SRS proprietors in the cluster, where appropriate and as per purchasing procedures.

#### **Capacity building for SRS cluster**

- Commence development of the cluster plan by end December 2007, including identification of common viability issues across the cluster and strategies to address these issues.
- Commence implementation of the cluster plan by 30 June 2008.
- Review the cluster plan annually by 30 June each year.

### **Accountability monitoring and reporting requirements**

- Manage FCR funds allocation, as specified by the Department of Human Services, and meet department financial reporting requirements as per the FCR guidelines and the service agreement.
- Establish accountability and reporting requirements with each SRS proprietor, and support and facilitate accountability of SRS proprietor.
- Provide quarterly and six-monthly reports on FCR as per reporting requirements for FCR Service Activity Reporting to the central SRS program.
- Provide a separate annual financial report to acquit for FCR funds allocated for SRS in the cluster by the end of September each year.
- Attend required training and information sessions and participate in evaluation of the program.
- Follow procedures outlined in the FCR guidelines to review performance of SRS against FCR minimum requirements including:
  - working with SRS proprietors to develop and implement Action Plans when required
  - referral and reporting to the SAVVI Regional Review Panel if necessary
  - implementing required changes to SRS funding as directed by the SAVVI Regional Review Panel.

### **Provide high quality services**

- Put in place quality assurance measures to ensure industry standards are met.
- Establish appropriate and integrated risk management processes for FCR.

## Department of Human Services regions

### Operational management of FCR implementation

- Manage the service agreement and related FCR Service Plan between Department of Human Services and the FCR Partnership Manager in the region.
- Provide program support and advice to the Partnership Manager.

### Funds

- Transfer FCR funds to Partnership Manager and monitor the service agreement and FCR Service Plan.
- Convene and chair the SAVVI Regional Review Panel and progress review activities of the panel.
- Regional Director and Director Aged Care to jointly approve funding variations to SRS resulting from recommendations of the SAVVI Regional Review Panel.

### Activities, planning and expenditure

#### FCR agreements and Expenditure Plans

- In conjunction with the central SRS program, endorse annual Expenditure Plans.
- Receive and hold copies of FCR agreement.

#### Monitoring and reporting

- Monitor the service agreement to ensure requirements are met.
- Undertake risk management (financial, program, policy).
- Participate in FCR program development and evaluation.
- Undertake roles in dispute resolution as per the procedures outlined in the FCR guidelines.

**Note:** The region's SRS regulatory role does not change with the introduction of FCR and operates separately but alongside the region's responsibilities for FCR.

## Central SRS program

### Policy and program development

- Undertake ongoing FCR policy and program development, including policy and program advice to the department and to government.
- Support and monitor program implementation and development through individual and group meetings with all program participants, through providing training, information, and policy development and advice.
- Manage an independent evaluation of FCR.
- Implement risk management strategies as appropriate.

### Funds

- Develop the FCR funding model and criteria for determining FCR allocations.
- Participate as a member of the SAVVI Regional Review Panel responsible for providing recommendations on funding variations to SRS.

### Activities, planning and expenditure

- In conjunction with the region, endorse new and revised Expenditure Plans.

### Accountability, monitoring and reporting

- Develop and implement the FCR Service Activity Reporting requirements.
- Provide regular analysis, and financial and service activity reports to the department, government, FCR Partnership Managers and other stakeholders as appropriate.
- Undertake roles in dispute resolution as per the procedures outlined in the FCR guidelines.

## Appendix 2: FCR Agreement



## Appendix 3: Annual Expenditure Plan



## Appendix 4: Examples of using FCR funds based on expenditure limits

### Scenario 1: FCR funds used to off-set current direct care hours

*Green SRS is approved for \$50,000 FCR funding per year.*

At Green SRS, the cost of the current direct care hours had begun to affect the financial viability of the SRS.

The SRS proprietor and FCR Partnership Manager decide to direct FCR funds towards paying for some of the **current rostered direct care hours** (over and above the required staffing minimums).

Between 50% and 80% of the SRS's entire annual FCR funds allocation could be spent on these eligible **current direct care staffing hours**.

The proprietor and Partnership Manager agree the best use of the funds is to spend the full 80% on paying for current direct care staff costs. These costs **do not** include any of the proprietor's own hours.

<b>Total for funding</b>	<b>\$50,000</b>
80% maximum spend allowable on current direct care staff	<b>\$40,000</b>
10% left for additional direct care staff (if required)	<b>\$5,000</b>
FCR approved training	<b>\$2,500</b>
Uncommitted funds (available for non-staffing items)	<b>\$2,500</b>

### Scenario 2: FCR funds used to off-set the proprietor's own hours

*Red SRS is approved for \$75,000 FCR funding per year.*

At Red SRS, a key issue for the continuing viability of the SRS is the unsustainable hours worked by the SRS proprietor. The proprietor currently works 100 direct care hours per week.

The proprietor cannot be directly paid with FCR funds for his direct care hours worked, but he is able to use FCR funds to **substitute** other staff to work some of his hours – but only hours above 38 hours per week.

Therefore, in this case, the FCR funds could be used to substitute other staff to work up to 62 of the 100 direct care hours currently worked by the proprietor.

The agreed Expenditure Plan proposes spending up to 80% of total FCR funds, which is \$60,000, on these costs.

<b>Total for funding</b>	<b>\$75,000</b>
80% max spend allowable on current direct care staff	<b>\$60,000</b>
FCR approved training	<b>\$2,500</b>
Uncommitted funds (available for a mix of additional staff and non staffing items)	<b>\$12,500</b>

### Scenario 3: FCR funds used to purchase a single room

*Grey SRS is approved for \$90,000 FCR funding per year.*

In addition to the cost of direct care staffing, the SRS proprietor and the FCR Partnership Manager have identified that the behavioural issues of one of the residents is a serious concern. This resident is currently in a shared room, which worsens the behavioural issues, and also detracts from the quality of life of the room mate. The resident's behaviour requires a disproportionate amount of staff time to manage and has resulted in damage to the residents' room and communal furniture, which requires repairing.

After consultation with the resident's case manager, it is agreed that moving this resident to a single room will be positive for the resident as well as his roommate. It is expected that behavioural issues will lessen, decreasing the likelihood of expensive repairs.

FCR funding allows a **maximum Single Room Supplement** of \$10,000 for such situations. The additional cost of providing this resident with a single room is less than this maximum, and leaves FCR funds available to spend on staffing and other items.

<b>Total for funding</b>	<b>\$90,000</b>
80% max spend allowable on current direct care staff	<b>\$72,000</b>
10% on additional direct care staffing	<b>\$9,000</b>
Single room purchase, for 1 resident	<b>\$3,000</b>
FCR approved training	<b>\$2,500</b>
Extraordinary operational costs (repairs to furniture and residents room)	<b>\$3,500</b>

# Appendix 5: FCR Service Activity Report

## Description

The FCR Service Activity Report (including the FCR Minimum Data Set) is to be completed by the FCR Partnership Manager and reported directly to the central SRS program.

The FCR Service Activity Report has two parts:

- **Part 1. FCR Minimum Data Set** – involves quarterly reporting by the FCR Partnership Manager about the activities undertaken with respect to each SRS:
  - The unit of collection is the SRS.
  - Quantitative data is collected about the FCR activities and expenditure for each SRS.
  - Qualitative data is collected about attainment of FCR goals by each SRS proprietor.
  - Reporting periods are quarterly (Jan to Mar, Apr to May, etc) with reports due on the 15th day of the month following each reporting period.
- **Part 2. FCR Narrative Report** – involves half-yearly narrative reports by the FCR Partnership Manager about activities undertaken during the period, including case studies, identification of issues at the individual SRS and cluster level, and a report on cluster activities:
  - Informs broad program development as well as providing a tool for reflection on activities at the SRS and cluster level.
  - Reporting periods are six-monthly (Jan-Jun, Jul-Dec) with reports due on the 15th day of the month following each reporting period.

Further details and training on the reporting tools and processes will be provided to FCR Partnership Managers by end of August 2007.

## Draft FCR Service Activity Report

What follows is draft of the FCR Service Activity Report. This will be finalised in August 2007 or earlier.

### Part 1: FCR MDS

#### 1) Identifying data

- Period of report
- Name of agency
- Agency ID
- Postcode of agency
- Name of SRS
- Postcode of SRS
- Region of SRS
- Cluster/sub-cluster of SRS
- Number registered beds at SRS

#### 2) Eligibility, viability, sustainability

##### Pension-beds

- Number of occupied pension-level beds on the last day of the quarter.
- Number of vacant pension-level beds on the last day of the quarter.
- Number of pension-level beds that were vacant for 30 or more consecutive days in the quarter.

### New and exited pension-level residents

- Number of new pension-level residents during the quarter (include those who may have already left as well as those who were still at the SRS at the end of the quarter).
- Source of referral for new pension-level residents:
  - self
  - family member/friend
  - SRS
  - other accommodation/housing provider
  - psychiatric/mental health service or facility
  - medical practitioner
  - Aged Care Assessment Team
  - hospital
  - ABI service
  - other disability support service
  - community nursing or health service
  - other community-based service
  - law enforcement agency
  - other
  - not stated/inadequately described.
- Number of pension-level residents who left during the quarter.
- Of pension-level residents who left, what was the main reason for leaving:
  - resident needed a higher-level of care - moved to residential aged care
  - resident moved to other institutional setting
  - resident decided to leave
  - resident was a short-stay resident - completed period of residency
  - resident was evicted/encouraged by the SRS to leave
  - resident died
  - other reason
  - not stated/inadequately described.
- Of pension-level residents who left, where did residents go after leaving?
  - private residence owned/purchasing
  - private residence private rental
  - private residence public rental
  - independent living unit within a retirement village
  - Supported Residential Service
  - boarding house

- community funded boarding/rooming house
- residential aged care service
- hospital
- short-term crisis, emergency or transitional accommodation facility
- public place/temporary shelter/homeless
- residential rehabilitation (mental health)
- other
- not stated/inadequately described.

### Resident disabilities/disorders

- Main disabilities/disorders of pension-level residents living at the SRS at the end of the quarter:
  - no disability
  - intellectual disability
  - acquired brain injury
  - psychiatric
  - physical
  - sensory
  - neurological including dementia
  - age related frailty
  - drug or alcohol dependence
  - chronic health disorder
  - other
  - not stated/inadequately described
- Number of pension-level residents at the end of the quarter who had two or more of the conditions listed above.

### Resident behavioural problems

- Number of pension-level residents living at the SRS at the end of the quarter with behavioural problems (for example, aggression, wandering or agitation)
- or
- Number of pension-level residents living at the SRS at the end of the quarter requiring:
    - no support or intervention for behavioural problems
    - support or intervention on a weekly basis in response to one or more behaviours but no intervention daily for any behaviour
    - support or intervention daily or several times per day in response to one or more behaviours
    - support or intervention overnight in response to manage behaviour.

### SRS viability indicators

- Does the SRS have a regularly maintained waiting list?
- If the SRS has a waiting list, number of people at the end of the quarter recorded as waiting for a pension-level bed.
- Number of **direct care hours** worked by the proprietor/s during the last week of quarter (include all hours whether in the day or night and whether paid or unpaid).
- Does the SRS have a business plan?
- Has the business plan been sighted by the FCR Partnership Manager?
- Did the proprietor or staff of the SRS participate in any SRS related training activities during the reporting period?
- If yes, did the training include any of the following (select as many items as appropriate):
  - Certificate 3 in Community Services (Aged Care Work) or Community and Health Services (Personal Carer)
  - Certificate 4 in Community Services (Aged Care Work) or Community and Health Services (Personal Carer)
  - Department of Human Services provided training (drop down menu – select as many categories as appropriate)
    - SRS care planning and practice issues
    - Managing medications
    - Other (specify).

### SRS sustainability

FCR Partnership Managers should report the SRS proprietors’ level of agreement (as per the scale provided) to the following statements.

**Scale:** 1 strongly agree / 2 agree / 3 no change / 4 disagree

Statements	Ranking
My commitment to the business has increased and I intend to remain in the sector for at least the next two years.	
The SRS is now more attractive to prospective buyers.	
There have been improvements in my own (and my fellow proprietors if applicable) workload.	
There have been improvements in the financial management of the SRS.	
I (and my fellow proprietors if applicable) have been able to free up more time to better manage the financial affairs of SRS.	
Residents have benefited from FCR.	

### 3) Actual expenditure of FCR funds

Complete the table below for FCR actual expenditure for the SRS in the reporting period. Items should reflect proposed items listed in the Expenditure Plan for this SRS.

Category of items	Description of items	Total \$s expended in period by category	Provider/supplier – Proprietor – Partnership Manager – Health/welfare/training provider – public – Contractor/supplier – private – Other (describe)
Staffing			
Extraordinary operational costs			
Aids and equipment			
Property repairs			
Single Room Supplement			
SRS proprietor attendance at FCR training			

### 4) Review of funding for the SRS

- Have you undertaken any investigations regarding the SRS meeting minimum requirements for funding
- If yes, what was the outcome
  - Issue resolved – no action
  - Referred for immediate action
  - Six-month action plan implemented

## Part 2: Six-monthly narrative report

FCR Partnership Managers are required to submit written reports every six months in response to the following questions.

Are the outcomes set out in Expenditure Plans for individual SRS in this cluster being achieved overall? Briefly describe how they are being achieved or explain why they are not being achieved.

Provide one or two brief case studies to illustrate how outcomes are being achieved.

Briefly describe any benefits for residents flowing from FCR. For example, has access to public or private health and community services improved either as a result of using FCR funds or through improved referral and access? Are proprietors/staff now able to give more one-to-one attention to residents?

Were there any factors that particularly impacted on successful delivery of FCR (positively or negatively) in the reporting period, including any issues in developing/implementing the Expenditure Plan?

Describe briefly any unexpected/unintended (positive or negative) outcomes of FCR experienced during the reporting period.

Briefly describe cluster activities planned/undertaken in the reporting period.



## Appendix 6: SAVVI Regional Review Panel

### Description

The SAVVI Regional Review Panel is made up of the Manager SRS program in the region (or delegate) and the Manager central SRS program (or delegate).

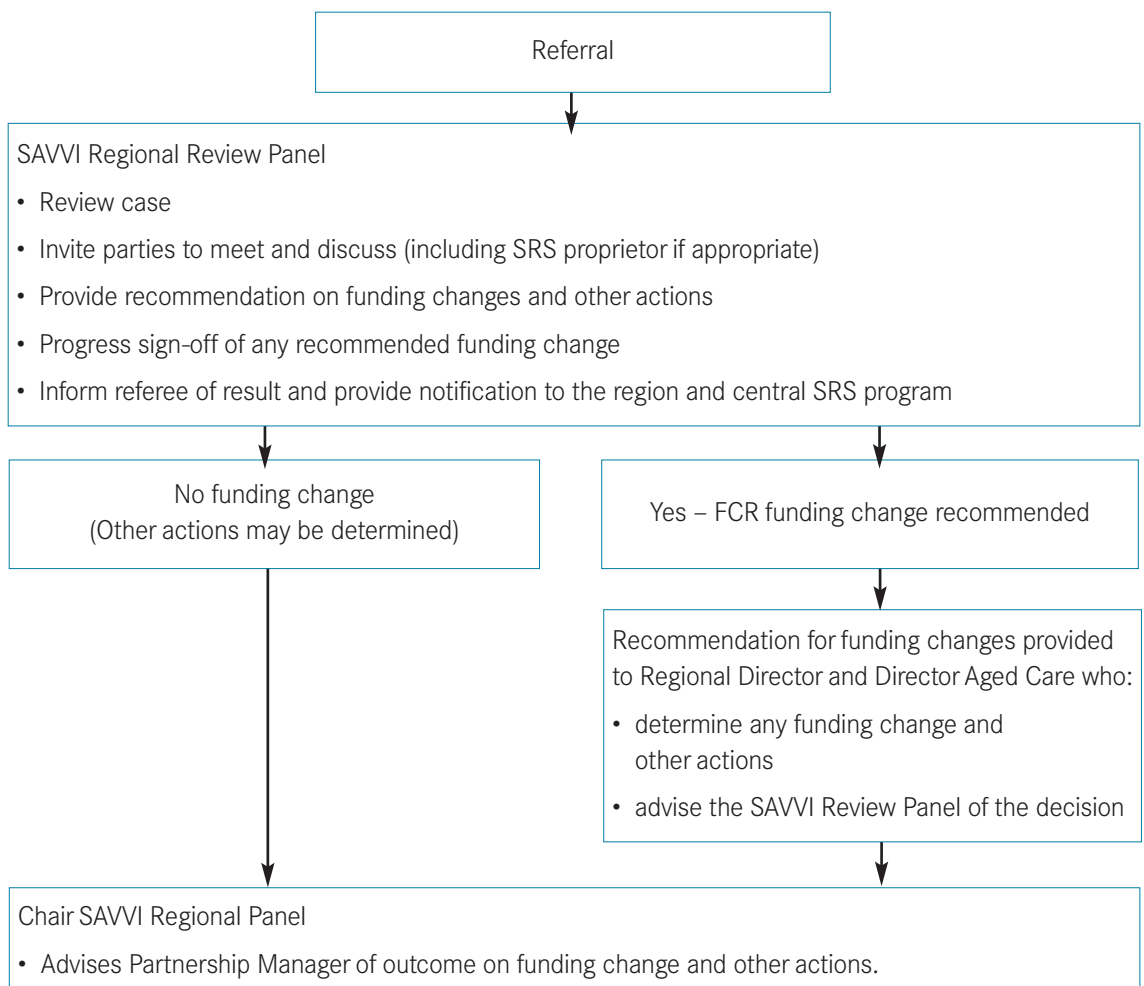
The SAVVI Panel has a role in reviewing and providing recommendations to senior management in Department of Human Services on variation to FCR funding for an SRS.

Responsibilities of the SAVVI Panel include:

- Reviewing the cases referred and gathering further information if required, which may involve seeking additional information directly from the SRS proprietor.
- Inviting the SRS proprietor and the Partnership Manager to meet if appropriate.
- Providing recommendations on funding changes and other actions.
- Progressing recommendations for funding change through to the Regional Director and Director Aged Care.
- Informing the Partnership Manager of the decisions regarding funding variation and other actions required. The SRS proprietor will be informed in writing by the department about any funding change.

### SAVVI Regional Review Panel – procedures

procedures





## Further information

- SRS website  
<http://www.health.vic.gov.au/srs>
- Department of Human Services service agreement  
[http://www.dhs.vic.gov.au/srvc\\_agmnt/index.htm](http://www.dhs.vic.gov.au/srvc_agmnt/index.htm)