

SIX KEY REQUIREMENTS TO BECOME AN APPROVED AGED CARE PROVIDER

This factsheet outlines the six key requirements you need to meet to become an Australian approved aged care provider. These requirements are set by the Aged Care Quality and Safety Commission.

1. INCORPORATED BODY

Your organisation must be incorporated under Commonwealth, state or territory law as either an incorporated company or association.

2. THE GOVERNING BODY HAS SKILL AND EXPERIENCE

Your organisation's board or governing body is legally accountable for complying with the Aged Care Quality Standards. Every member must have relevant skills and experience to lead an aged care or care-based service. Members must also meet the mandatory key personnel requirements.

For applications approved since 1 December 2022, you must fulfil new responsibilities to support consumers' best interests.

3. THE EXECUTIVE TEAM HAS RELEVANT EXPERIENCE

Describe each member's specific responsibilities in delivering aged care services and how these align with their skills and experience. Executive members are considered key personnel and must meet the mandatory key personnel requirements.

For residential or in-home care, your executive team must include someone responsible for delivering clinical care. They must have appropriate clinical experience and be a registered nurse.

4. SERVICES MEET AGED CARE LAWS AND STANDARDS

Your care services must meet the requirements of the *Aged Care Act* and the Aged Care Quality Standards. This includes describing your organisation's guidelines that manage the delivery of care services. Examples of relevant guidelines are:

- business systems;
- policies;
- procedures;
- service monitoring; and
- improvement mechanisms.

5. FINANCIAL VIABILITY

Show how you will fund your care services. You can prove financial viability through evidence of capital investments or loans and by assuring you have the necessary funds. If you offer in-home or community care, controls for monitoring and managing cash flow must be outlined.

You may own a residential aged care service that currently uses or will use a refundable accommodation deposit for funding. If so, you need to outline your approach to managing:

- liquidity;
- governance;
- record-keeping; and
- disclosure obligations according to the standards.

Importantly, demonstrate your ability to maintain an accurate financial management system, as you need to report to the Department of Health and Aged Care and consumers.

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6. SUBCONTRACTING AGREEMENTS MEET STANDARDS

When you engage subcontractors, you remain legally accountable for their delivery of care services. As a result, ensure your contracts guarantee compliance with aged care regulations. Show this by providing a copy of your service agreement or terms and conditions with subcontractors.

DIFFERENT WAYS OF CONTRACTING WITH AGED CARE PROVIDERS

CONTRACTING METHOD	DESCRIPTION
Subcontracting	A subcontractor agreement is between two providers where one provider (the subcontractor) provides staff and services to the other provider's (the head contractor) clients. The head contractor remains liable for all obligations under Aged Care legislation.
Brokerage	A brokerage arrangement is where an approved provider facilitates the delivery of services on behalf of a service user through another provider. They use funds that are available to support that person. In effect, it is an agency arrangement whereby the approved provider requests services on behalf of its client.
Labour Hire	Aged care providers may also engage workers under a labour-hire arrangement. This is where the provider contracts with a labour-hire provider who provides workers to the aged care provider, depending on their needs.
Managed Services	A managed services agreement is used where one provider provides management services to the other provider but does not actually service their clients. The types of services that a managed services agreement may include are: <ul style="list-style-type: none">• staff rostering;• onboarding clients; or• invoicing clients as an agent.
Platform Type	Platform-type services have been increasing, whereby aged care recipients use platforms to link with a sole trader aged care worker. Via this method, they obtain services for in-home aged care and residential care recipients and NDIS participants. This includes general aged care workers as well as nursing staff and allied health providers.
Franchising	Franchising arrangements are also available in the aged care industry, mainly by registered providers with a large client base or looking to expand their business across Australia. However, the aged care provider approval obtained by the provider cannot be franchised, and each franchisee is required to apply for approval to become an aged care provider.