



Australian Government
Department of Health

National Guide to the CHSP Client Contribution Framework



The purpose of this Guide

The Guide has been developed for providers to help with the establishment of client contribution arrangements that align to the CHSP Client Contribution Framework (the Framework). Clients can also use the Guide to understand the CHSP Client Contribution arrangements.

There is no 'one size fits all' approach to client contribution arrangements across the CHSP and providers can flexibly implement the Framework to best meet their clients and their organisational needs. The Guide outlines key areas of consideration that providers can address when establishing their client contribution arrangements. The Guide should be used in conjunction with the CHSP Manual (in particular Chapter 4 which details the Framework) to assist providers setting their contribution arrangements and for consumers to better understand contribution arrangements when choosing a service provider.

Exclusions from the National CHSP Framework

Some CHSP activities and services are specifically excluded from the Framework as contributions will not apply.

These are:

- Assistance with Care and Housing sub-programme;
- Sector support and development activities; and
- HACC services administered by the Western Australian and Victorian State Governments which operate under separate, state-based arrangements.



CHSP Organisations

An organisational approach to service provision and how contributions fit in:

Whether your organisation is a multi-national provider of a range of services in a metro area or a remote single service operation, the Framework has been designed to be flexible enough to accommodate a range of structures, operations and systems in providing care to older Australians.

Most of you are already familiar with the concept of clients making a contribution towards the cost of their care and services. In the context of meeting the intent of the Framework, business operations and systems may not require significant change for those that already receive client contributions. For some, however, this may represent a different approach to the way you have done business in the past.

Regardless of your current arrangements some things that you might consider for your client contribution arrangements include:

- *What is your organisation type?* The mission and structure can have an impact on how your organisation chooses to operationalise the Framework. Understanding these considerations before implementing the Framework will assist with aligning any approach to the mission, principles and ethos of your organisation. For example the type of organisation you are - charitable, private, for-profit or government - will influence your approach to business and hence your approach to setting fees or contributions.
- *Are contributions going to be introduced for the first time?* Some organisations, particularly those that are predominantly government funded, may not have existing contribution arrangements in place. If so, the Framework will prompt consideration of the changes you need to make and the way in which these changes will be managed/communicated.
- *Who will collect and report client contributions?* Importantly, the Framework is designed to be very flexible so that the principles can be aligned to existing business practices. Whether administration is centralised, or dispersed through staff and volunteers, consider your organisational approach to things like collecting and recording client contributions. For example, an organisation that has volunteers in direct engagement with clients may choose not to ask volunteers to collect contributions. If so, determining early what mechanisms are currently in place, or what mechanisms are appropriate, will help with implementing the Framework successfully.
- *Do organisations need to develop new contribution arrangements, or does the framework align to what is already in place?* It is very likely, given the flexibility in the framework and the fact that almost 75 per cent of providers already charge some form of contribution, that existing systems will align to the Framework. Before considering change, explore whether existing arrangements are workable.



Example:

“Purple Cross” is a charitable organisation which operates in a low socio-economic area of NSW providing transport services to the aged. They don’t charge clients for the services because most clients have little disposable income to contribute and they are a fully funded for the services that they provide. They don’t think that introducing client contribution arrangements will work and worry that the approach will limit some clients’ willingness to seek out their services, effectively diminishing the good work they do for the most vulnerable. So the board of Purple Cross decide to implement the framework by asking their clients to make a donation towards the cost of the services they provide. The Board are not sure whether the approach will yield much revenue but have plans to expand their support to a neighbouring town and see the small offset by clients as a way to achieve this.

Purple Cross write to all their clients introducing the arrangement and print a few flyers that are available in their office and on their website. To the organisations surprise, most clients are happy to make a donation – some donations are a gold coin, others are more substantial one week and significantly less the next week depending on the client circumstances and capacity to pay.

Utilising the extra revenue from the donations, “Purple Cross” has now expanded their services to the neighbouring community. In this new branch of the organisation they have established a small set fee that all clients are asked to pay for their travel regardless of distance to ensure the ongoing sustainability of the new service.

CHSP Business Practices

Making client contributions work for your business:

Once you’ve considered your organisation type you may also then like to think about how client contributions and the Framework will align to your day to day business practices. With the transition to CHSP, most of you will still retain core services and activities that were delivered under Commonwealth HACC, NRCP and DTC programmes. Introducing client contributions, particularly where you don’t already have these in place already, or aligning what you do now to the Framework, will be supported by considering some of the core elements of your business such as:

- *What services do I deliver and how are these delivered?* – the nature of the services you deliver and how they are delivered will impact your contribution arrangements. You may provide services directly or through a third party. Depending on this arrangement your approach to contribution arrangements could vary from a direct contribution to a voucher system that offsets the cost of the service being delivered (e.g. home maintenance).
- *What are my businesses cost drivers?* – if you need to consider client contributions to support the sustainability of the important services you provide then understanding your cost drivers will be important to you. As a business you are no doubt already aware of these but you may like to consider the cost to you to deliver certain services and how much of this is supported through your grant funding and other revenue.



- *How are my services delivered? Is the service face-to-face or remote (e.g. phone based) or on an “event” / “time” basis?* – these things may impact on your approach to contributions. Some services will be easier to apply a contribution level to than others. For example a service that is time based may attract an hourly based contribution while other services that are more episodic may warrant a simple annual subscription. The Framework provides adequate flexibility for you to decide which approach is best suited to your business.
- *What will you do with the client contributions?* – while the contributions will go towards expanding your service delivery, you may like to start to consider where the greatest demand for additional service delivery is and plan for this. You may also like to engage your client base in some of this decision making.

Examples:

“Activities for the Aged” is a service that has operated for many years in Queensland. The business currently only collects about 8% of their grant funding in client contributions but would like to consider ways in which they can improve this contribution rate so they can deliver more services in their local area. Options they are considering include:

- Charging a contribution amount for their weekly indoor bowls sessions that are so popular;
- Making a slight increase to the membership fees currently paid by clients who access activities in the day centre; and
- Offering a discount to clients who are able to pay in advance or pay on time for the care and services they receive.

“Keeping in Touch” is an organisation that provides monitoring services for elderly people living alone. Most clients that live alone find it difficult to balance their often small disposable income across all the cost of living expenses but value the security and comfort of having regular contact via the monitoring service.

“Keeping in Touch” understands the need to require clients to contribute towards the cost of providing the monitoring service however they think that introducing formal client contribution arrangements will be administratively burdensome.

“Keeping in Touch” introduces an annual subscription to eliminate the need for individual client contribution arrangements. There is the flexibility to offer a range of payment options and a lower subscription amount for pensioners.



CHSP Clients

Understanding your client profile:

The Framework is aimed at supporting clients who can afford to contribute towards the cost of their care to do so, while protecting those most vulnerable. To achieve this it is important you understand your client base and how contributions should be applied to them.

You should also think about how you will apply the principles of consistency, transparency and fairness in your contribution arrangements. To support this you may like to consider:

- *Who are my clients?* – do you deliver services to mostly pensioners and clients on a low income or do you have a cross section which includes self-funded retirees? The answers to these questions will help you determine how you might apply the Framework in a way that is fair and encourages clients with the capacity to contribute towards the cost of their care to do so. For example if you have predominantly pensioners as your client base you may establish a simple single contribution rate for all clients. However if you know that you have a broader cross section of clients, perhaps a tiered contribution model which is more reflective of your clients, would be more appropriate.
- *What are the socio-economic circumstances of my clients?* – consideration of your local community and the impact that client contributions may have on your clients is important and you might like to consider this in your contribution arrangements. This is where the Framework allows you to establish arrangements flexibly. In some instances a set contribution rate simply won't work, however another contribution approach, such as a voluntary contribution, may be more appropriate. You could also consider bundling or one off weekly, monthly contributions that don't impact on the level of service delivery.
- *Have the clients been asked to contribute to the cost of their services in the past?* – If the answer to this question is 'no' then you may like to consider how you will engage with your clients as you establish the Framework. You may like to seek their views on the arrangements and will certainly want to allow sufficient time for them to adjust to any changes in circumstance. Where the contribution arrangements differ from the past approaches to fees, you may like to consider how you will transition existing clients to the new contribution arrangements over time, perhaps taking as much as 12 months to ensure that clients are well prepared for any changes to their arrangements.
- *How will I communicate the contribution arrangements to my clients?* – consider the best way to talk to your clients about contributions and what it means for them. Some of your clients may understand this immediately, others may take longer. This could also be influenced by what services you provide. If the services are mostly telephone based and you rarely see the client face to face, it might be better to provide them with written material. Consider also what arrangement you might need to put in place to allow clients to make enquiries about the arrangements or to get involved. You might like to consider what will be the most appropriate way to interact with your clients and how you will make information appropriate, clear and simple to understand.



Example:

Victor has been receiving some Commonwealth HACC services for five years now. In August 2015 he spent time living at his daughter's place so his care services were no longer required. In November 2015 Victor returned home and contacted his service provider. The provider advised that there is a new client contribution arrangement. Because Victor will be grandfathered, he will have his services resumed under the old contribution arrangements. The service provider however explains that Victor will transition to the new client contribution arrangements over the next 12 months.

Client Contribution Arrangements

Additional things to consider for your client contribution arrangements:

Couples

Client contribution arrangements only apply to CHSP clients. This is particularly relevant where a client does not reside alone or where services are provided to partnered clients. Where both individuals are CHSP clients they should not be separately asked to contribute - for example if a one hour cleaning service is provided to a couple in their home, the contribution amount should reflect only one hour (not one hour per client).

Example:

Maria is a CHSP client and lives in the family home with husband Cosimo. Maria's meals are delivered weekly at a cost of \$3 per day. In June 2015, Maria & Cosimo decided to travel back to their native Greece for an extended holiday before their health deteriorates & have cancelled the meal service. Maria & Cosimo return in July 2016 and make contact with the meals provider to re-establish the service they had previously. The provider directs them to MyAgedCare where they are both assessed as needing meals and domestic assistance. Maria & Cosimo are referred to their old service provider at their request. The provider tells Maria & Cosimo that there is a new client contribution policy in place which means they now have to contribute to the cost of the services they receive at a level that is commensurate with their joint income. Together with the provider, Maria & Cosimo negotiate a contribution amount which includes both the meals and the domestic assistance.

Compensation Clients

Consistent with arrangements under Home Care Packages and in residential aged care, if a client has received (or is receiving) a compensation payment that is intended to cover some or all of the costs of home based care and services, the full cost of the service/s should be requested. There will not be a reduction in the grant amount paid to a CHSP provider to adjust for any compensation payment. Instead it is expected that the CHSP providers use this grant funding to deliver services to other clients. Service providers are encouraged to



liaise closely with the client or their representative regarding the cost of services in compensation cases.

Multiple Service Access (Bundling)

You should make it clear in your client contribution arrangements how the arrangements for multiple services will be applied. For example, clients might be expected to contribute for each instance of a service they receive subject to their capacity to pay. In some cases however, where multiple services are provided concurrently, it might be appropriate to 'bundle' the contribution amounts to ensure cost of the combined activities are not prohibitive. For example, where a client receives an hour of social support, a meal at this activity as well as transport to and from, they may be unable to pay the relevant amount for each individual service type delivered through that one instance of social support. In such cases you should make it clear in your documented arrangements where bundling will be allowed. If you are aware of a client receiving services from you and another service provider concurrently, then you should also liaise with each other in respect to client contribution amounts to appropriately accommodate clients who are receiving multiple services so that they aren't disadvantaged.

Current Client Contribution Arrangements

Currently, fee charging arrangements vary across the country. This means that, depending on where they live, two clients of a similar age with similar support needs may have to pay a different fee for the exact same service. For some services in some areas, clients are not currently asked to contribute anything to the cost of their service, which places increased pressure on the service provider's ability to sustainably meet the needs of their local community.

In 2012-13, an average of more than 75% of providers across the Home and Community Care (HACC), National Respite for Carers Programme (NRCP) and Day Therapy Centre (DTC) programmes reported that they collected fees for service:

- 69.9% under the Commonwealth HACC programme;
- 81.3% under the NRCP; and
- 78% under the DTC programme

Work is under way to develop additional guidance material which will support providers and consumers to better understand the diverse current national fee charging practices.