Improving Home Care Pricing Information

Overview

New standardised home care pricing Schedule

To improve transparency for senior Australians, all home care providers will need to publish their pricing information in a new standardised pricing comparability Schedule (the Schedule) on the My Aged Care Service Finder.

Providers are encouraged to do so as soon as possible once the format is available in the My Aged Care Provider Portal from April 2019. Compliance will be required from 1 July 2019.

The Schedule will provide information on the common services and costs under a home care package. This will better support senior Australians to understand and compare home care pricing information, and make a more informed decision about which provider is best placed to deliver their care.

Why these changes are needed

Currently, home care pricing is not transparent, or able to be easily understood and compared. Some providers are also charging high administration payments.

These issues have been raised by senior Australians and their families through a variety of channels, including directly to the Minister for Senior Australians and Aged Care, the Hon. Ken Wyatt AM, MP (the Minister) and through the Legislated Review of Aged Care 2017, which recommended:

“That government and providers work together to determine how to ensure comparability of home care pricing for consumers and how to best publish on My Aged Care (recommendation 11).”

Approach to the Home Care Pricing Schedule

Mandatory participation

These pricing changes apply to all home care providers. This is to ensure consistency across the sector and allow all senior Australians to benefit.

The Department will be actively monitoring provider’s compliance with these requirements. Compliance action may be taken, consistent with the Department’s compliance policy and procedures.
Schedule design

The Schedule has been designed to:

- encourage senior Australians to consider other factors in addition to the price of the service when choosing an approved provider
- provide clear and unambiguous pricing information on the common home care package services
- achieve price comparability across common home care package services
- limit any impact on the ability of providers to innovate by catering for different business models
- ensure equity in the requirements across providers and allowing dedicated areas to promote their value statement and point of difference.

Within the Schedule, providers will need to nominate a single price (the most common) for each common home care service within the Schedule. Where providers offer genuine client choice of different prices for a service, they will also be able to enter the minimum and maximum price points. This may be where an approved home care provider arranges services via sub-contracting arrangements and therefore can offer their clients different prices for a service.

Providers will be able to complete a different pricing Schedule where required, to account for regional variability in pricing.

Relationship between published and contracted price

The price published in the Schedule will be the default price charged.

A copy of the Schedule must be included within a client’s Home Care Agreement and Individualised Budget. This ensures the published price is a meaningful and accurate indication of the costs charged under a home care package.

There are situations where the contracted price will need to differ from the published price. For example, where the client has a particular request. In these instances, the home care provider will need to negotiate and agree a price with their client. This difference in price and accompanying reason will need to be clearly outlined within the Home Care Agreement and Individualised Budget. It is expected this would be an exception. In most instances, the price published will be the price charged.

Common services

The Schedule will include five common home care services:

- Personal care
- Nursing
- Cleaning and household tasks
- Light gardening
- In-home respite.

To ensure a like-for-like comparison, definitions will be developed for each service.

The Schedule will not be an exhaustive list of all services, given the variability in service delivery across all home care providers. This also ensures senior Australians are provided with a meaningful and manageable amount of information.
Other costs

The Schedule will display information on Maximum Exit Amounts. The current approach to Maximum Exit Amounts is not changing.

Providers will also be able to indicate if they charge a per kilometre cost for a care worker to travel to the client’s location; or if they charge an extra amount if a client wishes to subcontract, and receive services through a different provider. Providers will need to explain their approach to any separate cost, for example, if it is charged separately or included in the service price.

Approach to care management

Care management, often called case management or care coordination, is a key component of every home care package. The introduction of the Schedule provides an opportunity to better define care management, and educate senior Australians.

Providers will need to indicate the cost for care management services, and will outline their approach to care management in the Schedule. Care management may include:

- reviewing the Home Care Agreement and care plan
- coordination and scheduling of services
- ensuring the care is aligned with other supports
- providing a point-of-contact for the home care recipient or their support network
- ensuring care is culturally appropriate
- identifying and addressing risks to the home care recipient’s safety.

Care management should ensure there is no overlap, over-servicing or mismanagement of services. These services may be provided in different ways including face-to-face or via phone or email.

Approach to administration costs

There are different components to administration costs; package management costs, and other administration costs. Providers will be able to include their fortnightly package management costs across each home care package level in the Schedule.

Package management is the ongoing organisational activities associated with ensuring the smooth delivery and management of a home care package. It may include the costs for preparing monthly statements; managing package funds; and compliance and quality assurance activities required for home care.

It does not include costs that are unrelated to supporting a person’s care or costs associated with running any business, such as marketing, office rent, insurance, or activities completed before a person enters into a Home Care Agreement.

Any other administrative costs that need to be recouped from a home care package, apart from package management, will need to be included in the unit price for specific care services. This will ensure people can see the all-inclusive cost of delivering the service.

The Minister for Senior Australians and Aged Care has outlined his expectation that these costs are kept to a minimum, in order to maximise service delivery for clients.
**Transition approach**

Providers are encouraged to start publishing information in the new Schedule as soon as it is available from April 2019, with compliance required from 1 July 2019. This allows enough time for providers to undertake the necessary change management activities, and will align compliance requirements with a new financial year.

Providers will be required to review, and if required, update their pricing Schedule on My Aged Care annually. This will ensure accurate pricing information is published, and included within clients’ Home Care Agreements and Individualised Budgets.

Providers will also have a 12 month period to incorporate the Schedule (and a rationale for any variations in price) within all existing client’s Home Care Agreements and Individualised Budgets.

**Next steps**

This factsheet outlines the final policy positions for the Schedule and its implementation. Further detail on the form of the Schedule will be provided shortly.

Further testing of the language and presentation of the Schedule will occur with senior Australians. The Department is also working through the necessary legislative and system changes and materials to support the transition and change management process.

Further advice will be provided shortly through existing channels, including via email and newsletters.