

PARLIAMENTARY INQUIRY QUESTION ON NOTICE

Department of Health and Aged Care

Senate Standing Committee on Community Affairs Legislation Committee

Inquiry into the Aged Care Bill 2024 (Provisions)

03 October 2024

PDR Number: IQ24-000143

Higher everyday living fees

Written

Senator: Marielle Smith

Question:

What are higher everyday living fees

Answer:

- The Government is simplifying resident fees and provider administration by replacing Additional Service Fees and Extra Service Fees with a new Higher Everyday Living Fee.
- A Higher Everyday Living Fee will allow residents to purchase goods and services that are of a higher quality than the standard goods and services provided by age care homes, and also goods and services that are not required to be provided by aged care homes such as pay TV and alcohol.
- The ability to charge a Higher Everyday Living Fee will also enable providers to generate additional revenue to provide higher quality and more diversified services. This will allow them to differentiate their service offerings from other providers.
- Higher Everyday Living Fees will also have significant new consumer protections. Providers will no longer be able to make agreements to pay these fees a condition of entry into their service and residents can only agree to a Higher Everyday Living Fee after they have entered care.
- Also, as is currently the case for accommodation agreements, a 28-day cooling off period for Higher Everyday Living agreements will be implemented. These changes will allow residents to make a reasoned decision as to whether they want and can afford the additional services offered.

- Additionally, Higher Everyday Living agreements will include a requirement for a formal review every 12-months, which would require the active involvement of the resident and/or their representative. They will also include a requirement allowing the resident or their representative to request a review at any time. As is currently the case, residents must be able to benefit from the services they pay for under a Higher Everyday Living agreement.
- In order to charge Higher Everyday Living Fees, providers will need to disclose on My Aged Care whether they offer Higher Everyday Living and where to find information on these fees. They will also have to provide a clear description on their website and printed materials which includes the price, if the services are packaged and the total value of the package as well as the price for each service within the package. They will also include information on the arrangements that will apply when a resident is unable to use the services (e.g. a reduction in price, substitution of services and so on).
- Both older people and aged care providers will benefit from a simpler fee mechanism. Older people will benefit from being able to receive tailored additional services to suit their individual needs and aged care providers will have opportunities to increase revenue and differentiate their service offering.
- The Higher Everyday Living program is scheduled to commence with the introduction of the new Aged Care Act.
- The Higher Everyday Living Fee will commence when the New Aged Care Act come into effect. Residents currently paying an Additional Services Fee or Extra Services Fee agreement on 1 July 2025 will have 12-months to transition to the Higher Everyday Living Fee, with protections to ensure they will not be paying more than previously and are able to review the ongoing suitability of the additional and higher quality everyday living services for them.