

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Supplementary Budget Estimates 2016 - 2017, 19 October 2016

Ref No: SQ16-000696

OUTCOME: 6 - Ageing and Aged Care

Topic: Residential aged care additional fees

Type of Question: Written Question on Notice

Senator: Polley, Helen

Question:

Regarding the update (<https://agedcare.health.gov.au/programs/residential-care/charging-fees-for-additional-care-and-services-in-residential-aged-care-including-capital-refurbishment-type-fees>) published on the Ageing and Aged Care section of the Department of Health's website on 2 September 2016: When was the government first advised that providers were charging these fees? Can you how many complaints you received regarding these fees and over what period of time? What was the reason for the delay in responding to these fees? Can you provide the legal advice on which that information published is based? What process are you going through following this advice with regards to consumers who have been paying these fees or providers that have been charging these fees? Why weren't these fees investigated on a case-by-case basis, instead of through a broad, non-legally binding statement?

Answer:

Fees for additional services have been allowed under legislation for some time and the legislation does not require providers to notify the Department of Health of these fees. The Department put out general information on additional service fees in July 2014, following the 1 July 2014 changes. The Department first became aware of 'capital refurbishment fees' in May 2015. The exact nature and extent of the fees being charged was unclear at that time.

Shortly after the commencement of the Aged Care Complaints Commissioner's (the Commissioner) role in January 2016, the Commissioner began to receive anecdotal information from staff about an increasing number of complaints and enquiries about additional fees being charged by residential aged care providers. This prompted a review of the available complaints data about additional service fees. The review identified that between May 2015 and June 2016, either the former Aged Care Complaints Scheme or the Commissioner had received 19 contacts from people about additional fees in residential aged care. Some of these were about people enquiring or seeking advice about the legality of the fees being charged, and some were formal complaints about the way the fees were being charged and what was being charged for.

On 26 July 2016, the Commissioner notified the Department of Health, and the Australian Consumer and Competition Commission, of concerns about the additional service fees being charged by some providers.

It is a provider's responsibility to ensure that any fees for additional care and services that they charge or propose to charge are consistent with their responsibilities under the *Aged Care Act 1997* (the Act) and with those specified in the information released. It is expected that those providers currently charging or proposing to charge fees for other care and services, including 'capital refurbishment' and similar fees, will review those arrangements and address as appropriate.

If a resident feels they are being charged a fee inconsistent with the Act or the information released, they should first ask their provider to review the matter. Residents and/or their representatives are also able to raise any concerns with the Aged Care Complaints Commissioner.