

Senate Community Affairs Committee

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

Supplementary Budget Estimates 2016 - 2017, 19 October 2016

Ref No: SQ16-000730

OUTCOME: 6 - Ageing and Aged Care

Topic: Home Care Packages Fees

Type of Question: Written Question on Notice

Senator: Polley, Helen

Question:

The Increasing Choice in Home Care reform are designed to allow consumers to choose to change providers and take any unspent funds (less exit amount) within their package with them to the new home care provider. Can you explain what are legitimate expenses that can be included in an exit fee? What is the maximum amount that a provider can charge for exit fees? What oversight is there over the provision of exit fees?

Is the Government concerned by reports of people being charged fees equivalent to up to 70 per cent of a consumer's entire package? What is the Government doing to support consumers and providers on the charging of administration fees? Has the Government considered introducing a cap on the administration fees providers can charge as part of the delivery of home care packages? Has the government considered obligating providers to publish all admin charges on My Aged Care?

Answer:

Exit amounts

An exit amount is a deduction that a provider can make from a consumer's unspent home care package funds if the consumer leaves their care (either because the consumer decides to change to another home care provider, or the consumer leaves home care).

The legislative arrangements do not regulate what expenses are covered by an exit amount. The policy intent of exit amounts is to allow providers to recover administrative costs associated with determining and making payment of unspent home care amounts. It is not mandatory to charge an exit amount. An exit amount can only be deducted from 27 February 2017 onwards.

In order for a provider to charge an exit amount, they must meet the following requirements:

- The maximum exit amount must be provided to the department for publication on My Aged Care. From 27 February 2017, this 'published exit amount' will be the maximum exit amount a provider can include in a home care agreement offered to consumer. This will ensure consumers are aware of the maximum amount they may be asked to agree to when they are choosing a home care provider.

- Any exit amount must be disclosed in the home care agreement and be agreed to by the consumer.

There is no maximum cap or threshold on the exit amount set by the Department of Health. However, the exit amount deducted from a consumer's unspent home care amount cannot be more than any of the following:

- the published exit amount for the provider (at the time the home care agreement was entered into); and
- the exit amount included in the consumer's home care agreement; and
- the unspent home care amount remaining in the consumer's package. This ensures that the exit amount cannot result in a debt for the consumer.

The Department will closely monitor the arrangements for exit amounts, both in the lead-up to 27 February 2017 and after implementation.

Home care fees

Under consumer directed care, arrangements for home care packages and administration charges are set by the approved provider.

The Department does not set a limit on administrative charges for home care, however expects them to be kept to a minimum so that consumers can receive the care and support they need.

Consumers who have concerns about their monthly statement from their provider, including what is covered by the administration charge, should first speak to their service provider. Advocates funded through the National Aged Care Advocacy Program can support these discussions, and if necessary consumers can also contact the Aged Care Complaints Commissioner who is an independent statutory office holder responsible for providing a free complaints resolution service across Australia.

As part of the Increasing Choice reforms to take effect from 27 February 2017, the My Aged Care service finder is being improved to allow consumers and their carers to compare home care providers. Providers will be able to make a range of new information available, including information about their and fees and charges.