

Home Care reforms information series

25 September 2017 | ISSUE 17

Welcome to the 17th edition of LASA's newsletter on home care reforms. The newsletter is published monthly and is also available on our [website](#) along with previous editions. If you have specific topics or questions you would like addressed in future editions, please email homecare@lasa.asn.au. The purpose of this newsletter is to inform and support members in response to current issues that have emerged with implementation of the [Increasing Choice Home Care](#) reforms (ICHC) on 27 February 2017.

INCOME TESTED FEES

In the Aged Care Financing Authority's (ACFA) [Fifth report on the Funding and Financing of the Aged Care Sector](#) released in July 2017 it was noted that 17 per cent of providers were not collecting the income-tested care fees (ITFs) from home care package consumers who have negotiated with providers to commence a package and include the waiver of their ITF.

A number of Member inquiries have since been received regarding the feasibility of this arrangement as consumers exercise their choice for selecting a preferred home care package provider based on the willingness of the provider to waive client co-contributions to their home care package budget.

Noting the recommendation from the [Independent Aged Care Legislative Review 2017](#) "requires that providers charge the income-tested care fee in home care" (Recommendation 12c), advice to Members is that future legislative changes consistent with the review recommendation will make the collection of ITFs from home care package consumers compulsory for providers. The implications for providers not collecting ITFs from home care package consumers as a result of this recommendation are considered below:

- ACFA has indicated that charging an ITF is not *currently* compulsory. Providers also do not need to charge a basic fee, and if they do it can only be up to the maximum daily basic fee amount (currently [\\$10.17 per day as of 20 September 2017](#)). It may be less.
- Schedule 2 of the [User Rights Principles 2014](#) indicates that in respect to care and services, each consumer has the right to receive reliable, coordinated, safe, quality care and services which are appropriate *to his or her assessed needs*. If the consumer forgoes a higher level of care and service because they choose not (or can't afford) to pay an ITF, the responsibility of the provider is to account for the risk of providing reduced services in relation to assessed need. If a provider can provide a reduced level of service at reduced expense to the consumer without risk then the waiver of non-compulsory fees is feasible. When risk emerges, the provider will need to look at a care plan review to account for any requirements for additional services.
- Providers may consider including in their home care agreement (if not already) a clause that will allow the provider to review a consumer's fee contributions in the context of care plan reviews. Charging of care fees may need to be considered where the need for additional care and services is identified commensurate with risk and cannot be accommodated with available package funds.

PROVIDERS NOT CURRENTLY COLLECTING ITF'S FROM HOME CARE CONSUMERS

When Recommendation 12c of the Independent Aged Care Legislative Review 2017 is introduced, providers may be required to inform consumers of their requirement to collect ITFs not previously collected consistent with ITF determinations. Therefore:

- Providers are encouraged to plan for communication with existing consumers for whom ITFs have been waived once this legislative change is introduced. This may include reviewing your existing Home Care Package Agreement with the consumer.
- Providers considering commencing a new home care package with a consumer should also carefully consider their intent to waiver an ITF in light of pending legislative changes and be transparent with consumers about the implications of these changes to ongoing fee arrangements when they occur.

HOME CARE PACKAGES DATA REPORT

The Department of Health released the first Home Care Packages Data Report for the period 27 February 2017 through to 30 June 2017. Overall, the report provides useful information to help providers manage their business in the new market-based environment. The report is available from the new AIHW GEN aged care data [website](#).

NEW FACT SHEET ON SUPPORT FOR HOME CARE PROVIDER APPLICATIONS

The first Home Care Packages Data Report indicates that during the 12 month period to 30 June 2017, there was a jump from 499 to 735 approved providers. This represents a 47 per cent increase. The Department of Health has released a fact sheet to help organisations seeking to become approved home care providers under the *Aged Care Act 1997*. The fact sheet covers: starting to deliver services, provider responsibilities, quality requirements and other resources. Further information is available on the [department's website](#). New approved providers can contact 1300 111 636. Additional support can be provided to LASA Members. If you need assistance, you can contact LASA at: homecare@lasa.asn.au.