



LASA

**LEADING AGE SERVICES
AUSTRALIA**

The voice of aged care

LASA Queensland State Conference – Consultation for home care fee transparency project

Overview

PURPOSE

- LASA is consulting Members as the Government wants sector-designed improvements to reporting of home care fees to announce in the May Budget.
- Government objectives for consumer fee transparency and comparability are:
 - Practical and simple
 - Low cost
 - Agreed and supported by consumer groups
 - Operational within the current legislative framework and IT – some minor regulation and IT changes would be considered as needed though.

Links to Tune recommendation 11

- Tune rec 11 is behind this project
- But correspondence from MPs and dissatisfied consumers (including about 'high' admin fees) is driving Government action

R11 That government and providers work together to determine how to ensure comparability of home care pricing for consumers and how best to publish on My Aged Care.

LASA supports Recommendation 11 in principle.

However, LASA recommends that the Federal Government consider developing a simple set of parameters for price comparison for consumers, taking care that the choice of parameters does not stifle innovation.

Project team and deadline



- The Project Team comprises LASA, ACSA, Catholic Health Australia, National Seniors and COTA
- This group is to put an agreed Option to the Department of Health by 13 April, after consultation
- LASA is consulting Home Care Members and has a detailed consultation paper available
- Input can be provided today or to Kate Lawrence-Haynes:

katel@lasa.asn.au by COB Tuesday 20th March

This is what is shown currently

Home Care Package service finder

Overview	Services	Costs
Average percentage of package available for services i		
Maximum exit amount i		
Provider pricing i		
Provider website		
Average surcharge for evenings		
Average surcharge for weekends		
Average surcharge for public holidays		
Average surcharge for 24/7 care (incl. overnight stays)		

The project group developed principles and options for reform...



- Consumers are complaining about 'high' administrative fees and a lack of clarity on actual costs
- Principles for reform:
 - Pricing transparency and comparability
 - Pricing Fairness
 - Pricing Consistency
 - Ease of Implementation
- More details on this are in the consultation paper

Option 1 – not favoured by LASA

- *Option 1: A single unit price per service – menu driven*
 - Each service offered as part of a package is priced individually – e.g. 1 hour of house cleaning, 1 hour of personal care. Consumers then make up their package from these options and are charged accordingly based on their choices.
 - Under this option it is likely that administration and case management costs could be subsumed into the quoted rates.
- proposed by COTA

Option 2

- *Option 2: A single unit price – bundled*
 - Consumers are charged for an hour of home care with bundles of like services. For example you could purchase one hour of home care that includes domestic, personal and social supports at one rate and another hour of home care which includes nursing and allied health at a higher rate.
 - Another COTA option and may be better than Option 1

Option 3: a LASA suggestion

- *Option 3: High level parameters for price comparison*
 - This might, for instance, entail, reporting on an *indicative* or *average* prices per hour for care (potentially at each HCP level) on Service Finder
 - This is intended to allow a simple comparison of the price competitiveness of different providers
 - Consumer would be given a tailored quote on contacting the provider depending on their specific care needs
 - It is similar to the above option but Option 2 allows differentiation based on basic and high level services - the question here is whether differentiation should be more aligned with Home Care package levels?
 - This option could allow simple reporting on Service Finder, with a limited number of fields, but providers could still report more details on their website

Option 4: Opposed by LASA

- *Option 4: Percentage Guides*

- Under this Option the Government would set percentages for package elements (core advisory/administration/case management/direct service delivery) with providers bound to offer their services within the guide set.
- COTA says “This largely maintains the current pricing structure but provides greater guidance for providers and gives consumers a way of reviewing what their provider is charging”.
- Another COTA option but at odds with a competitive market and unlikely to be supported by the Government.

Option 5:

- *Option 5: A common fee structure*
 - Compared to other options, this Option adds an underlying pricing structure that providers would use, which would in turn underpin price reporting
 - This is a more prescriptive approach that may risk innovation and may not be flexible enough given the diverse home care service offerings
 - This might include a decision on a single way to treat administration and case management costs for instance
 - But there are over 800 providers and this approach may be too restrictive and complicated to pursue, especially in the given project timeframe

Publishing

- There is also an issue as what is specifically published on Service Finder
- The Government has signaled it should involve limited IT changes being required for the site
- Service Finder can be supplemented by a provider a web site link and data as is the case now
- There is a question as to any high level metrics for service provider, and whether this could or must be supported be extra data on a providers' web site
- COTA is looking for fairly complex data with comparability tools – may be overly prescriptive and costly to implement

Wrap up

- LASA seeks Member thoughts on:
 - the options presented in these slides and the consultation paper
 - Thoughts on how best to publish the information
 - Complexities / issues that any solution must address
 - Comments on a suitable timeframe from announcement to implementation
 - What, if any, support your organisation would need

Input can be provided today or to Kate Lawrence-Haynes:

katel@lasa.asn.au by COB Tuesday 20th March