



Commonwealth Home Support Programme - National Fees Policy Consultation Paper

1. Introduction

Support at home is key to helping frail older people remain at home and in their community for longer.

From 1 July 2015, the Australian Government will launch the Commonwealth Home Support Programme (CHSP), transitioning four Commonwealth-funded home support programmes into one streamlined and simplified programme. The CHSP will form the entry tier of Australia's aged care system, delivering support designed to keep frail older people living independently in their own homes in the form of either low intensity home support services delivered on a short term or ongoing basis, or higher intensity services delivered on a short term or episodic basis.

Providers will benefit from significantly streamlined funding arrangements, with less red tape and simplified grant agreements. Older people and their carers will benefit from a standardised national assessment process and single entry point for services through the My Aged Care Gateway.

CHSP funding will be around \$1.7 billion in 2015-16, which will continue to grow over the coming years, resulting in more services for more people.

A national fees policy for the CHSP

In August 2013, the former Government announced that a nationally consistent fees policy would be established for the CHSP, improving the sustainability of this form of support through increasing the contribution that users make to the cost of the services they receive.

This consultation paper has been developed by the Department of Social Services with the assistance of the fees sub-group established by the National Aged Care Alliance (NACA) working group. It is designed to elicit feedback that will be used to inform the final design of the policy.

Fees play an important role in the delivery of essential care and support to older Australians. While the Australian Government contributes a significant proportion of funding towards the cost of care for older Australians, fees collected through client contributions allow service providers to expand their service delivery and meet the growing needs of their clients. The use of fees to supplement other programme funding supports access to essential CHSP services to those that need it the most.

The proposed national fees policy is designed to be applied consistently to all clients of the CHSP. As with arrangements in the Home Care Packages programme, the fees policy recognises that while protections should be in place for those people who can't afford necessary services, others who can afford to pay for their care should do so. It is intended that the operation of the fees policy would be monitored closely over the life of the CHSP, and adjusted as necessary to accommodate emerging need or future reform directions.

This consultation paper describes the key elements of the proposed national fees policy and fees schedule.

The Department thanks the CHSP Fees Sub-Group established by the National Aged Care Alliance's Commonwealth Home Support Programme Expert Advisory Group for its advice and assistance in developing this consultation paper. It is also acknowledged that some elements of this policy are drawn from existing fee policies in operation for the Home and Community Care programmes in Victoria and Western Australia.

2. Making a submission

The Department invites submissions on this consultation paper from all interested parties (through their peak body or separately). The final policy will be informed by stakeholder feedback, and finalised in collaboration with the National Aged Care Alliance's Commonwealth Home Support Programme Expert Advisory Group and peak bodies.

All submissions should be sent to the CHSP inbox at CHSP@dss.gov.au by 15 April 2015.

3. Context

From 1 July 2015, the following programmes will be transitioned to the new CHSP aimed at supporting frail older people to live independently at home:

- Commonwealth Home and Community Care (HACC) Program;
- National Respite for Carers Program (NRCP);
- Day Therapy Centres (DTC) Program; and
- Assistance with Care and Housing for the Aged (ACHA) Program.

Providers of these existing programmes (except ACHA) are currently able to and do charge client fees. Charging of fees is, however, inconsistent and varies significantly between jurisdictions (and providers).

The proposed national CHSP fees policy therefore aims to:

- provide a nationally consistent framework for the collection of client fees in the CHSP;
- ensure that the CHSP is financially sustainable, with clients making a contribution to the cost of their care based on their capacity to pay, with appropriate safeguards for those least able to contribute to the cost of their care; and
- address the financial disincentives for clients to move between different programmes better suited to meet their changing care needs, e.g. from the CHSP to Home Care Packages.

4. Which CHSP services will attract a fee?

It is proposed that from 1 July 2015, service providers transitioning to the CHSP will be expected to charge fees in accordance with the proposed national CHSP fees policy for both new and existing clients. A transition period of 4 months (to 1 November 2015) will apply (as discussed in more detail below).

The proposed national CHSP fees policy would apply to all activities funded through the CHSP other than:

- sector support and development activities; and

- activities that are currently funded through the Assistance with Care and Housing for the Aged (ACHA) Programme.

It is not proposed that client fees will be charged in respect of these activities or services.

The proposed national CHSP fees policy does not apply to HACC services administered by the Western Australian and Victorian State Governments, which operate under separate, state-based arrangements.

5. How much will the fees be?

For all CHSP services, including respite care, it is the direct client's income (rather than the carer's income) that is proposed to be used for the purpose of determining fees. For example, where a daughter is caring for her elderly grandfather, and the grandfather books into an overnight respite cottage while she takes a break, it is the grandfather's income that is assessed for the purposes of determining his eligibility for a discounted fee, rather than that of the daughter.

Depending on the client's income, the client will be expected to pay either:

- the standard fee;
- the part pensioner discount fee; or
- the full pensioner discount fee.

The following table proposes the three rates applicable, based on the income¹ of the client:

	Annual Income	Proposed Fee Type
Single	Income equal to or greater than \$51,500	Standard Fee
	Income less than \$51,500 but greater than \$25,118.60	Part pensioner discounted fee
	Income less than or equal to \$25,118.60	Full pensioner discounted fee
Couple combined income	Income equal to or greater than \$82,400	Standard fee
	Income less than \$82,400 but greater than \$38,984.40	Part-pensioner discounted fee
	Income less than or equal to \$38,984.40	Full pensioner discounted fee
Illness separated couple combined	Income equal to or greater than \$103,000	Standard fee

¹ The cut-off thresholds (for the Age Pension and Commonwealth Seniors Health Card) are current as at 20 September 2014.

	Annual Income	Proposed Fee Type
income	Income less than \$103,000 but greater than \$49,301.20	Part-pensioner discounted fee
	Income less than or equal to \$49,301.20	Full pensioner discounted fee

Some service types involve the use of consumable items. Given these items wear out or are used up, the service provider may ask the client to meet these additional costs. There may also be other additional expenses that clients could be asked to pay such as building materials (where the service provided includes home maintenance for the client).

Consistent with residential care and Home Care Packages, all clients will be expected to pay fees to contribute to the cost of the services they receive. However, if a client is experiencing financial hardship such that they are unable to pay the full standard or discounted fee, the client may be eligible for reduced fees in accordance with the financial hardship arrangements set out at Section 10.

5.1 Will an overall limit be applied to the fees?

Caps or limits are typically applied to fee arrangements in order to limit the overall amount that a client can be charged for the cost of their care across a year or lifetime. Other than the discounted fee payable by pensioners (or those on equivalent incomes), there are no proposed limits on the fees payable for receiving care and services.

The proposed CHSP Fees policy provides for hardship provisions where a client's capacity to pay a fee may otherwise impact on their ability to get essential services. In view of this, the proposed CHSP fees policy does not apply an overall limit to the fees payable for CHSP services, as the hardship arrangements are designed to protect financially vulnerable clients.

Fees paid towards CHSP services would not count towards the annual and lifetime caps which apply to the means tested and income tested care fees payable in residential care and for Home Care Packages.

A cap is therefore not applicable, taking into account the following considerations:

- The policy objectives of a cap (protecting people with high usage of CHSP services from paying excessive fees) will be delivered through the proposed hardship arrangements, and through facilitating access to Home Care Packages for clients who need ongoing, intensive support. Hardship protections provide the same policy outcome while avoiding the additional cost and complexity associated with a cap; and
- As CHSP clients can use multiple services, new infrastructure and reporting processes would need to be established to collect, monitor and then act upon individual fee transactions, should a fee cap be imposed. This would generate a significant compliance burden for providers and lead to complexity around refunds when caps are exceeded.

6. What are the responsibilities of service providers with respect to fees?

It is expected that:

- Service providers must inform each client of the fees applicable to them prior to the commencement of, or a change in, services.
- For existing clients that continue receiving care after 1 July 2015 (through the CHSP), providers should explain the proposed national CHSP fees policy and provide all relevant information before making changes to existing fee arrangements. The CHSP will be introduced over a transition period of 4 months (from 1 July 2015 to 31 October 2015). This time may be used by providers to discuss and agree any new fees with existing clients. After this time, providers would be expected to apply the proposed national fees policy to all clients.
- All CHSP service providers must have a written policy that is consistent with the proposed national CHSP fees policy and is publicly available (for example, published on the provider's website).
- The service provider's fees policy should be given to, and explained to, all new and existing clients. The policy should include the following information:
 - the fees that will be charged for different types of services in accordance with the proposed CHSP Standard Fees Schedule
 - additional costs not included in the client fee that may incur a charge and how these will be calculated
 - how fees will be collected, including frequency and methods for payment
 - arrangements for fee reduction in the event that a client is experiencing financial hardship
 - protocols if a client refuses to pay
 - the fee arrangements for clients who have received a compensation payment
 - client responsibilities in contributing to the cost of their care
 - review and complaints mechanisms (including the process for addressing these at the provider level, as well as the right to make a complaint to the Aged Care Complaints Scheme)
 - right to advocacy
- Billing should take into account services provided to partnered clients. That is, where a couple receives the same CHSP service, they should not be charged separately. For example if a one hour cleaning service is provided to a couple, only one hour should be charged (not one hour per client).

7. What are the responsibilities of clients with respect to fees?

As with residential care and Home Care Packages, all CHSP clients would be expected to contribute to the cost of their services. This is to ensure that home support services are available to everyone who needs them. It is proposed that the amount each client contributes will be based on their pension status (or equivalent income). CHSP clients will have a responsibility to:

- pay any fees agreed with the service provider; and
- provide reasonable notice to the service provider (as specified in the service provider's fee policy) if a service is not required.

If a client is seeking a discounted fee (because they are a pensioner or on low income) or is seeking special consideration due to financial hardship, clients have a responsibility to provide adequate information to the provider to enable the provider to determine the appropriate fee.

8. Proposed methodology for determining the appropriate fee for a client

8.1 The role of My Aged Care

When a person approaches My Aged Care and is initially screened for eligibility for CHSP services, they will be asked to identify their pensioner status. Since it is proposed that pensioners will attract a reduced fee rate for CHSP services, My Aged Care assessors will ask the person to provide evidence of their income status including through presenting a pensioner concession card or Commonwealth Health Care Card as part of the process at assessment.

Please note that clients are not obliged to provide this information, however if service providers cannot verify the client's status for the purpose of determining fees, clients may be subject to higher fees than they might otherwise be expected to pay.

My Aged Care will provide initial information about fees to potential clients so that they are equipped to discuss fee arrangements with their preferred service provider.

8.2 The role of providers

If a client has not provided their pension status through My Aged Care before they present to the service provider, yet are seeking a discounted fee, the service provider should ask to see evidence of their pension status (or equivalent income). This can be done by:

- viewing a Pensioner Concession Card issued by Centrelink or the Department of Veterans' Affairs; or



- viewing the client's Commonwealth Seniors Health Card. Some self-funded retirees have a low income that is recognised through the issue of a Commonwealth Seniors Health Card. Clients may receive this card from the Australian Government if they have reached Age Pension age; but do not qualify for a Centrelink or DVA payment; and meet residence requirements and an income test; or



- checking a person's income and pension status online (with the client's permission) through the Centrelink Confirmation eServices (CCeS). This is an online service that enables providers to confirm a person's income and pension status if the person is in receipt of an Australian Government pension. The CCeS is free to community organisations that provide rebates, concessions, or services to Centrelink and DVA customers. The CCeS has strict privacy and security standards including the requirement to obtain the client's consent prior to any checking of their pension. Organisations can apply to access the online service using the following link: <http://www.humanservices.gov.au/business/services/centrelink/confirmation-eservices/>

People who hold neither a pension card nor a Commonwealth Seniors Health Card may also be eligible for a discounted fee if their income is nonetheless equivalent to that of a pensioner or a Commonwealth Seniors Health Card holder. The annual income amounts are listed in the table in Section 5. The amounts would change with indexation of the pension (which occurs on 20 March and 20 September) and the income eligibility for the Commonwealth Seniors Health Care (which occurs on 20 September).

For all CHSP services, including respite care, it will be the direct client's income (rather than the carer's income) that will be used for the purpose of determining fees.

All information in relation to a client's income should be treated confidentially. Service providers must collect and store all personal information in accordance with their obligations under the *Privacy Act 1988*, the CHSP Programme Manual and the Home Care Common Standards. There is no requirement for service providers to provide any identifying client income information to the Department.

8.3 Determining whether a part-pensioner or full pensioner discount is appropriate

Access to the part-pensioner and full pensioner discounts requires evidence of pensioner status as set out above.

In most cases, the Pensioner Concession Card or Commonwealth Seniors Health Card alone will not be sufficient to distinguish between part-pensioners and full pensioners. To determine which tier is appropriate, providers should ask clients to disclose whether they are a part-pensioner or full pensioner. This may be provided verbally. Providers may, at their discretion, seek further information and documentary evidence where they believe it is warranted but this is not required by this policy.

That is, client disclosures of full versus part-pensioner status can be relied upon where the client has already provided evidence of their pensioner status.

8.4 Clients who do not provide either pension status or income information

Some clients may choose not to inform the service provider about their income level or pension status, or not give permission for the service provider to check these details online. As with other Commonwealth-funded aged care programmes the standard (non-discounted) fee may be charged for the service in such cases.

8.5 Clients who have received a compensation payment

Consistent with arrangements under the Home Care Packages Programme and in residential aged care, if a client has received (or is receiving) a compensation payment that is intended to cover some or all of the costs of home support care and services, the client would not be eligible for a discounted fee. In these cases, the full cost of the service/s should be charged.

Unlike compensation arrangements under the Home Care Packages Programme or in residential aged care (where Home Care and residential service providers have a compensation payment reduction amount applied to their funding in cases where a client has or is receiving a compensation payment to cover the cost of their care) this policy does not propose to apply a reduction in the grant amount paid to a CHSP provider to adjust for any compensation payment (see Section 9 below). Instead it is expected that the CHSP provider would use their grant funding to deliver services to other clients.

Service providers are encouraged to liaise closely with the client or their representative regarding the cost of services in compensation cases.

8.6 Clients who receive multiple services

Clients should be charged for each instance of a service they receive. For example, where a client receives an hour of social support and two meals per week under the CHSP, they would be expected to pay the relevant fee for a meal twice in that week, and the social support fee once. This includes clients who previously received Community Options Packages under the Commonwealth Home and Community Care Program, and are continuing to receive the same level of support under the CHSP as part of the grandfathering arrangements in place for pre-existing clients.

9. Will the Department lower or otherwise adjust grant funding levels for CHSP providers to account for increases in revenue obtained through fees?

Unlike arrangements in the Home Care Packages Programme or in residential aged care, where subsidies are paid to providers in respect of an identified individual, and then adjusted to account for any income-tested or means tested fee the client can be charged – this policy does not propose to adjust a provider's ongoing grant funding (through increasing or reducing their ongoing grant) to account for any increase in fees income generated through the application of the policy. This reflects the fact that the programme will be block-funded.

Additional fee income obtained from clients is expected to be reinvested in delivering services to the CHSP client group.

10. Clients experiencing financial hardship

Client fees may be reduced by a provider if a client is experiencing, or is likely to experience, financial hardship by paying the standard or discounted fees.

The aim of the hardship arrangements is to help clients who are unable to pay their fees:

- because of circumstances beyond their control; or
- because they have used their available financial resources to pay essential expenses, affecting their capacity to pay the relevant fee.

There are a number of factors that could impact on a client's ability to pay fees. These could include, for example, circumstances where high pharmaceutical expenses mean that a client on a pension has little disposable income left over with which to contribute to the costs of their support. When deciding whether to reduce fees based on financial hardship, service providers should consider how much the client could reasonably afford to pay for the services.

The hardship arrangements are not intended to apply automatically or permanently. Each case should be reviewed periodically. Where fees are reduced on the basis of financial hardship, the service provider should advise the client in writing about the amount of the new (reduced) fees, and the proposed review date (or where applicable, end date) for the fee reduction.

Some client's service usage may increase to a level where they seek to have their CHSP fees reduced indefinitely. In such cases, the service provider should consider whether the client needs referral to an assessment for Home Care Packages for higher level support. It should be noted that the CHSP establishment arrangements provide for existing, higher-need clients to be grandfathered until such time as they transition to alternative care arrangements (such as a Home Care Package).

11. Clients otherwise failing to pay fees

As noted above, if a client has a genuine incapacity to pay fees for the services they are receiving, a lower fee may be negotiated through the financial hardship arrangements.

However, in different circumstances where a client is unwilling or refuses to pay the agreed level of fees, the service provider may choose not to continue to provide services to the client.

Service providers should develop their own protocols to explain how outstanding fees will be recovered – this could include options such as deferred payments or a time limited fee reduction, and how continued non-payment of fees will be managed.

Before services are ceased due to non-payment of fees, the service provider should take reasonable steps to ensure that the client is aware that CHSP services would no longer be provided from a specified date to enable any alternative care and service arrangements to be put in place by the client.

12. Review of fees

CHSP clients may request the service provider review their fees. This may occur because the client is experiencing financial hardship (and may wish to rely on the financial hardship arrangements) or because the client's income has changed. Service providers are expected to respond to a request for a review of fees within a reasonable period of time.

13. Complaints about fees

Service providers must have effective, appropriate processes in place to receive, record and resolve complaints. The service provider's complaints mechanism should be publicly available and deal with a range of matters – not just complaints about fees. Complaints must be dealt with fairly, promptly, confidentially and without retribution.

Clients (or their representative) are expected to raise any concerns with the service provider directly. However, if a client (or their representative) considers that they have been inappropriately charged by a provider (or the provider is otherwise acting inconsistently with the proposed national fees policy) and the provider has not resolved the issue satisfactorily, the client or their representative may contact the Aged Care Complaints Scheme by:

- **Phone** 1800 550 552 (a free call from fixed lines; calls from mobiles may be charged)
- **Internet** via the DSS website at: Aged Care Complaints Scheme

14. Additional information

For more information about the CHSP, please refer to the My Aged Care Website.

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Proposed Fee schedule

For each type of assistance (service) there is a standard fee (maximum), a part pensioner discounted fee and a full pensioner discounted fee (minimum).

The Standard Fee: The standard fee would apply to all non-pensioners and is targeted at ensuring that those who can afford to pay for the cost of their care do so. The standard fee represents an amount up to the full cost of the service delivered to the client as determined by the service provider. It is important to note however, that the provider would not be able to set a fee for service that is in excess of the actual cost of providing that service. This fee should be set by each provider and disclosed to the client prior to services being delivered.

The Part Pensioner Discounted Fee: The part pensioner discounted fee would apply to those clients who are in receipt of a part pension and those with equivalent incomes. This fee reflects the principle that part pensioners (or equivalent non-pensioners) are able to contribute more to the cost of their care than full pensioners in view of their income level. This fee should be disclosed to the client prior to services being delivered.

The Full Pensioner Discounted Fee: Those in receipt of a full pension would be eligible for the fully discounted fee. The pensioner discounted fee is a minimum fee that clients would be expected to pay as a contribution towards the cost of their care. This should be agreed between the provider and the client.

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Proposed Fee schedule

Proposed CHSP Standard Fees Schedule – General

Assistance type	Unit	PROPOSED Standard Fee** (Maximum fee)	PROPOSED Part pensioner Discounted Fee	PROPOSED Full Pensioner Discounted Fee** (Minimum fee)
Community and Home Support				
Allied Health & therapy services*	per hour or part thereof	Provider-set Fee	\$15	\$10
Nursing*	per hour or part thereof	Provider-set Fee	\$32	\$10
Domestic assistance*	per hour or part thereof	Provider-set Fee	\$15	\$10
Personal care*	per hour or part thereof	Provider-set Fee	\$12	\$10
Other food services*	per hour or part thereof	Provider-set Fee	\$12	\$9
Social support*	per hour or part thereof	Provider-set Fee	\$12	\$9
Home maintenance*	per hour or part thereof	Provider-set Fee	\$17.50	\$12
Meals*	per meal	Provider-set Fee	\$10 (plus the cost of the ingredients used in the meal)	\$9 (plus the cost of the ingredients used in the meal)
Aids, equipment & assistive technology*	per item	Cost of item	Cost of item	Cost of item
Home modification* (minor) – Less than \$2,000	per job	Cost of job	75%	50%
Home modification* (major) – \$2,000 or more	per job	Cost of job	\$1,500 up to a max. 75%	\$1000 up to max. 50%

*Consumables specific to the client's needs, or requested by the client as non-standard, are not included in the specified fee. This includes the cost of the food and ingredients used in meals, as these costs are considered to be a personal responsibility of the client.

Assistance type	Unit	PROPOSED Standard Fee**	PROPOSED Part pensioner Discounted Fee	PROPOSED Full Pensioner Discounted Fee**
Care Relationships and Carer Support Activities				
Flexible respite	per hour or part thereof	Provider-set Fee	\$12	\$11
Cottage respite	per session (day) (overnight)	Provider-set Fee	\$12 \$40	\$11 \$20
Centre-based day care	per session	Provider-set Fee	\$12	\$8

Proposed Fee schedule

**** The Proposed Standard Fee (or provider-set fee)** represents an amount up to (and not exceeding) the full cost of the service delivered to the client as determined by the service provider. This fee should be set by each provider and disclosed to the client prior to services being delivered (see section 5).

****The Proposed Full Pensioner Discounted Fee** is a minimum fee that clients are expected to pay as a contribution towards the cost of their care. Pensioners in particular would be eligible for this discounted fee. Providers may ask any clients to pay higher than this discounted rate where they have the capacity to do so. This should be agreed between the provider and the client (see section 5).

Notes on the Proposed CHSP Standard Fees Schedule:

- The proposed fee schedules have been based on an analysis of current fee rates nationally.
- The provider-set fee is set by the provider, up to the cost to the service provider to deliver the service.
- All costs associated with home maintenance and home modifications must be discussed with, and agreed to, by the client prior to commencement of work.
- Transport to and from centre-based day care may be charged separately consistent with fees specified for transport.

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Proposed Fee schedule

Transport

Proposed CHSP Standard Fees Schedule

The Proposed Standard Fee would be a provider-set fee which represents an amount up to (and not exceeding) the full cost of the service delivered to the client as determined by the service provider. This fee should be set by each provider and disclosed to the client prior to services being delivered (see section 5).

Proposed CHSP Part-Pensioner Discounted Fees Schedule

Transport type	Type of area	Distance per one-way trip				
		Up to 20km	20-50km	50-80km	Over 80km	
Group transport	Inner metropolitan	\$7.00	\$8.00	-	-	
	Outer metropolitan	\$7.00	\$8.00	\$9.00	-	
	Rural in-town	\$7.00	\$9.00	-	-	
	Rural out of town	\$8.00	\$10.00	\$12.00	\$14.00	
		Up to 20km	20-40km	40-60km	60-100km	Over 100km
Individual transport	Inner metropolitan	\$12.00	\$18.00	-	-	-
	Outer metropolitan	\$12.00	\$17.00	\$22.00	\$27.00	\$32.00
	Rural in-town	\$12.00	\$17.00	-	-	-
	Rural out of town	\$10.00	\$12.00	\$17.00	\$22.00	\$30.00

Proposed Fee schedule

Proposed CHSP Full Pensioner Discounted Fees Schedule

Transport type	Type of area	Distance per one-way trip				
		Up to 20km	20-50km	50-80km	Over 80km	
Group transport	Inner metropolitan	\$5.00	\$6.00	-	-	
	Outer metropolitan	\$5.00	\$6.00	\$7.00	-	
	Rural in-town	\$5.00	\$7.00	-	-	
	Rural out of town	\$6.00	\$8.00	\$10.00	\$12.00	
		Up to 20km	20-40km	40-60km	60-100km	Over 100km
Individual transport	Inner metropolitan	\$10.00	\$16.00	-	-	-
	Outer metropolitan	\$10.00	\$15.00	\$20.00	\$25.00	\$30.00
	Rural in-town	\$10.00	\$15.00	-	-	-
	Rural out of town	\$8.00	\$10.00	\$15.00	\$20.00	\$28.00