



# Home Care Packages Program Assurance Reviews

**Review 2- Unspent Funds (Commonwealth portion)**

**Review 3- Pricing Transparency on My Aged Care**

**Introduction:**

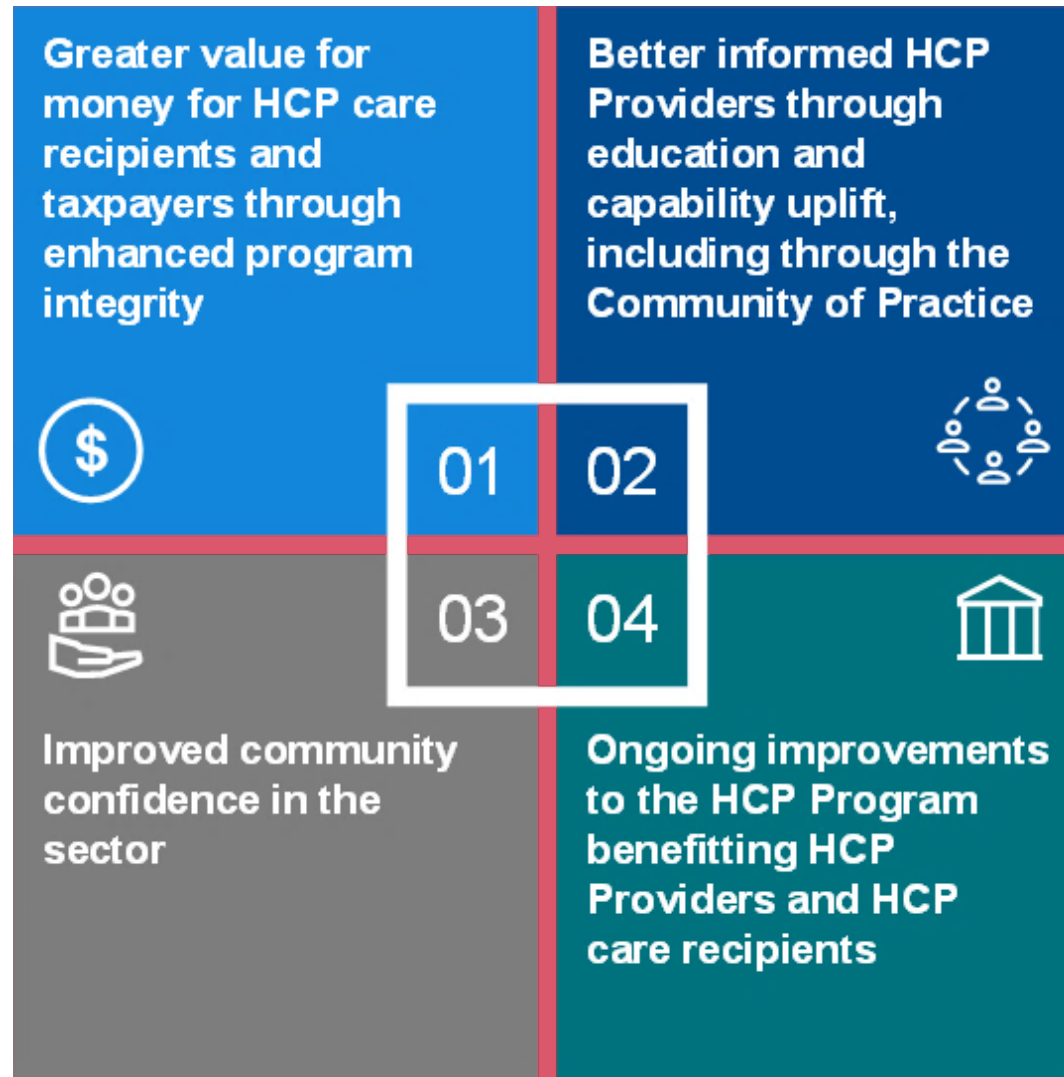
**Chamandeep Chehl**

Assistant Secretary

Program Assurance Branch



# The Benefits of Program Assurance Reviews



# The Principles of Program Assurance Reviews

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- Risk based
- Evidence based
- Collaboration, engagement and trust
- Natural justice - no surprises
- Accountability
- Continuous improvement



# Review 2 - Unspent Funds Review

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Presented by

- Lanfeng Davis – Director, Program Assurance Reviews Section
- Jen Young – Assistant Director, Program Assurance Reviews Section



## Review 2 – Why we did the Review

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- September 2021- introduction of Improved Payment Arrangements (IPA)
- Providers required to **self-report** to Services Australia

In May 2023, there was a total of \$2.8 billion in unspent funds of HCP (majority being Commonwealth portion):

- \$700 million held by providers
- \$2.1 billion held in Home Care Accounts by Services Australia

# Review 2 – Why we did the Review

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The Review sought to answer two critical questions:

## Question 1

Did providers **accurately report unspent funds** to Services Australia?

## Question 2

Did providers have the **financial capacity** to return the unspent funds and **pay for care and services** for their care recipients?



# Review 2 – How was the Review done?

## Provider selection

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- Risk based sample of 44 providers
- Providers selected on the basis of:
  - average care recipient unspent funds of \$15,000 or higher
  - a high proportion of care recipients reporting a \$0 balance of unspent funds on exit
- Provider Notices issued under the *Aged Care Act 1997*

## **Review 2 – How was the Review done?**

### **Analysis of documentation**

#### **Question 1 - Did providers accurately report unspent funds to Services Australia?**

- 4890 monthly statements for 815 care recipients
- checked monthly statements against amounts reported to Services Australia

#### **Question 2 - Did providers have the financial capacity to return the unspent funds (Commonwealth portion)?**

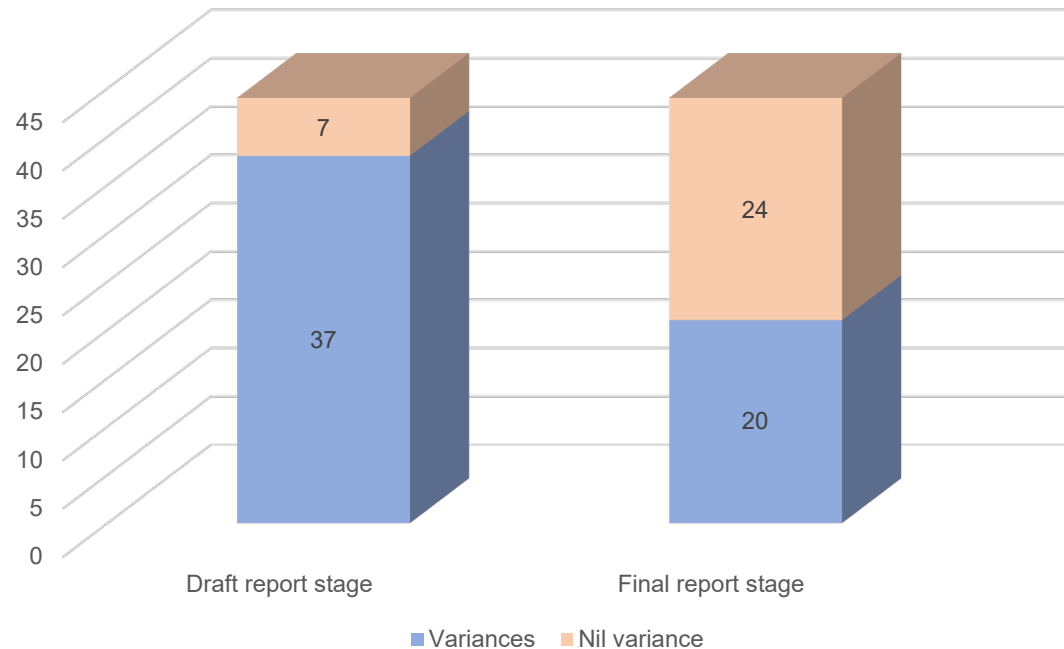
- financial ratios to confirm providers' ability to cover unspent funds
- written assurance from providers



# Review 2 – What did the Review find?

## Question 1 - Did providers accurately report unspent funds?

Number of providers with variances in unspent funds

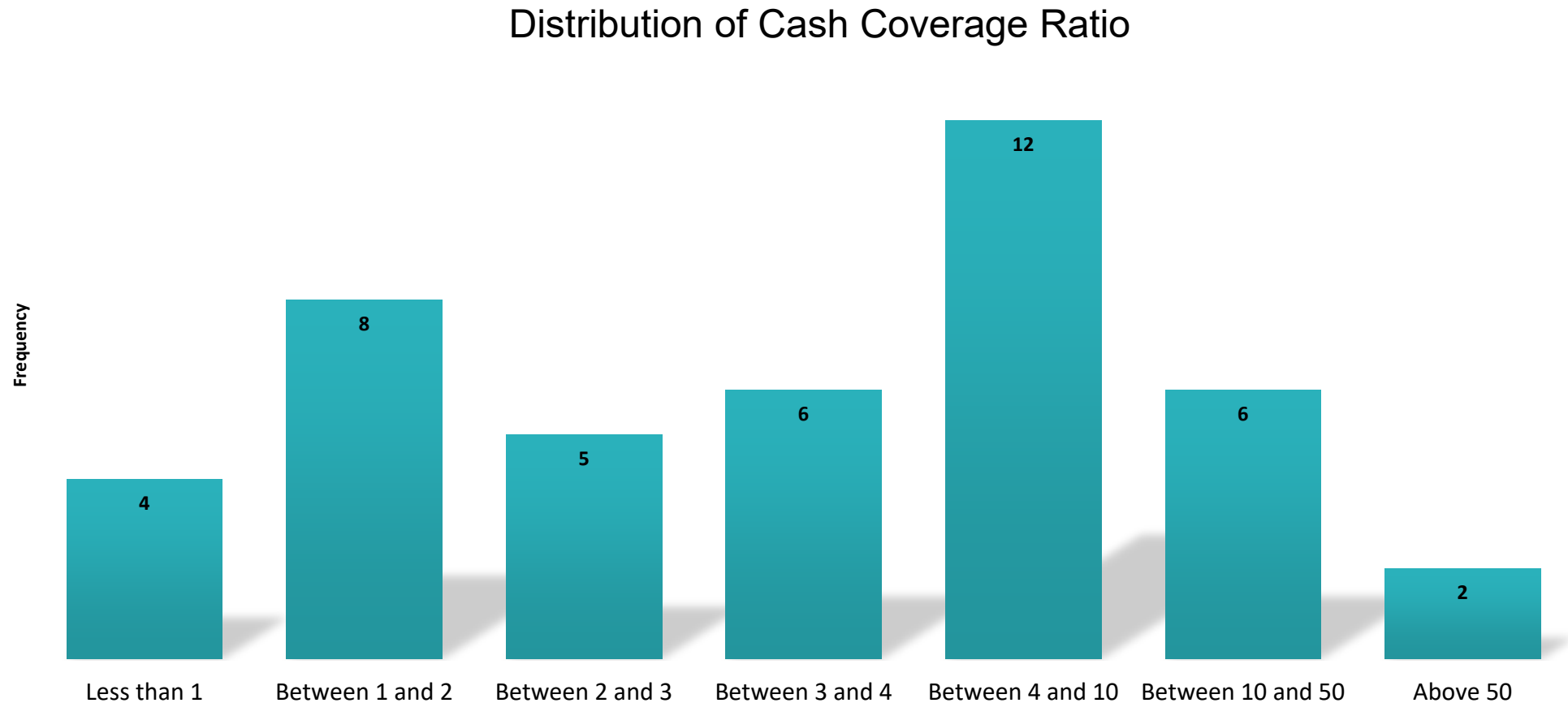


- The range of variances reduced:
  - Review start: -\$211,987 to \$409,350
  - Review end: -\$17,885 to \$150,927
- Variances at care recipient level:
  - Review start: 197 of 815
  - Review end: 113 of 815

## Review 2 – What did we find?

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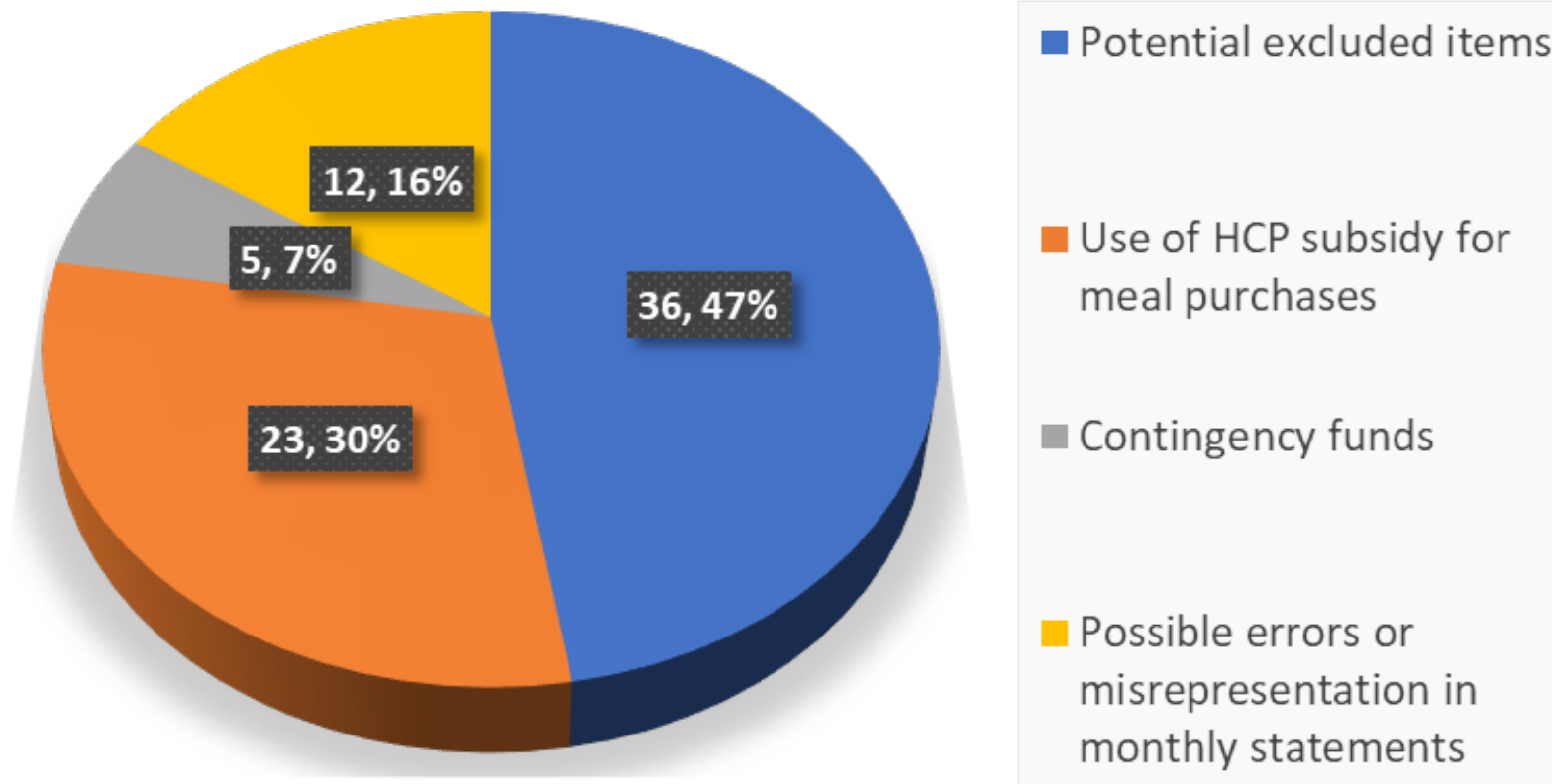
**Did providers have the financial capacity to return unspent funds?**



## Review 2 – Incidental findings (out of scope)

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### Incidental Findings



## Review 2 – What did our review achieve?

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### **Protected integrity of HCP Program funds and the interests of care recipients**

- Assisted the voluntary return of over \$240,000 of unspent funds
- Improved accuracy of reporting, record keeping and reduced variances
- Confirmed that providers could return unspent funds if needed
- Assisted providers to improve their financial capacity

The Public Summary report for the Unspent Funds Review can be found here:

<https://www.health.gov.au/our-work/home-care-packages-program/about/program-assurance?language=en>



# Review 3 - Pricing Transparency on My Aged Care

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Presented by

- Mark Rummins – Director, Program Assurance Reviews Section
- Nicola Champion – Assistant Director, Program Assurance Reviews Section





## Review 3 – Why was the Review needed?

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- Pricing transparency is integral to care recipient decision making
- Purpose: to assure HCP approved providers' pricing information on My Aged Care is:
  - **complete, accurate and up to date**
  - **in line with legislation**



# Review 3 – Provider selection

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## Phase 1 - desktop review of all **839 Home Care Package Providers**

My Aged Care pricing schedule field	Information entered on My Aged Care
1. Care management (fully managed) price field	<ul style="list-style-type: none"><li>• N/A</li><li>• \$0.01</li><li>• \$1</li><li>• “-“</li></ul>
2. Care management (fully managed) hours	<ul style="list-style-type: none"><li>• N/A</li><li>• “-“</li></ul>
3. Package management price field	<ul style="list-style-type: none"><li>• N/A</li><li>• \$0.01</li><li>• \$1</li><li>• “-“</li></ul>
4. Standard hours price field for the defined care services	<ul style="list-style-type: none"><li>• no dollar figure, or</li><li>• no standard hour price, with no price range provided</li></ul>

 Phase 2 -**120 providers** selected for deeper analysis

## Review 3 – Phase 2 process

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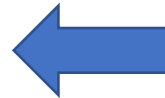
Initial closer analysis of  
providers selected for phase 2



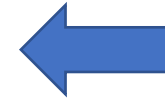
Notice/ letter, questionnaire  
and preliminary analysis sent



Re-examined  
My Aged Care  
pricing  
information again



Questionnaire  
returned



Entry meetings with  
providers (voluntary)



## Review 3 – Phase 2 process continued

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Draft report issued to provider



Exit meetings with providers  
(voluntary)



Review follow up



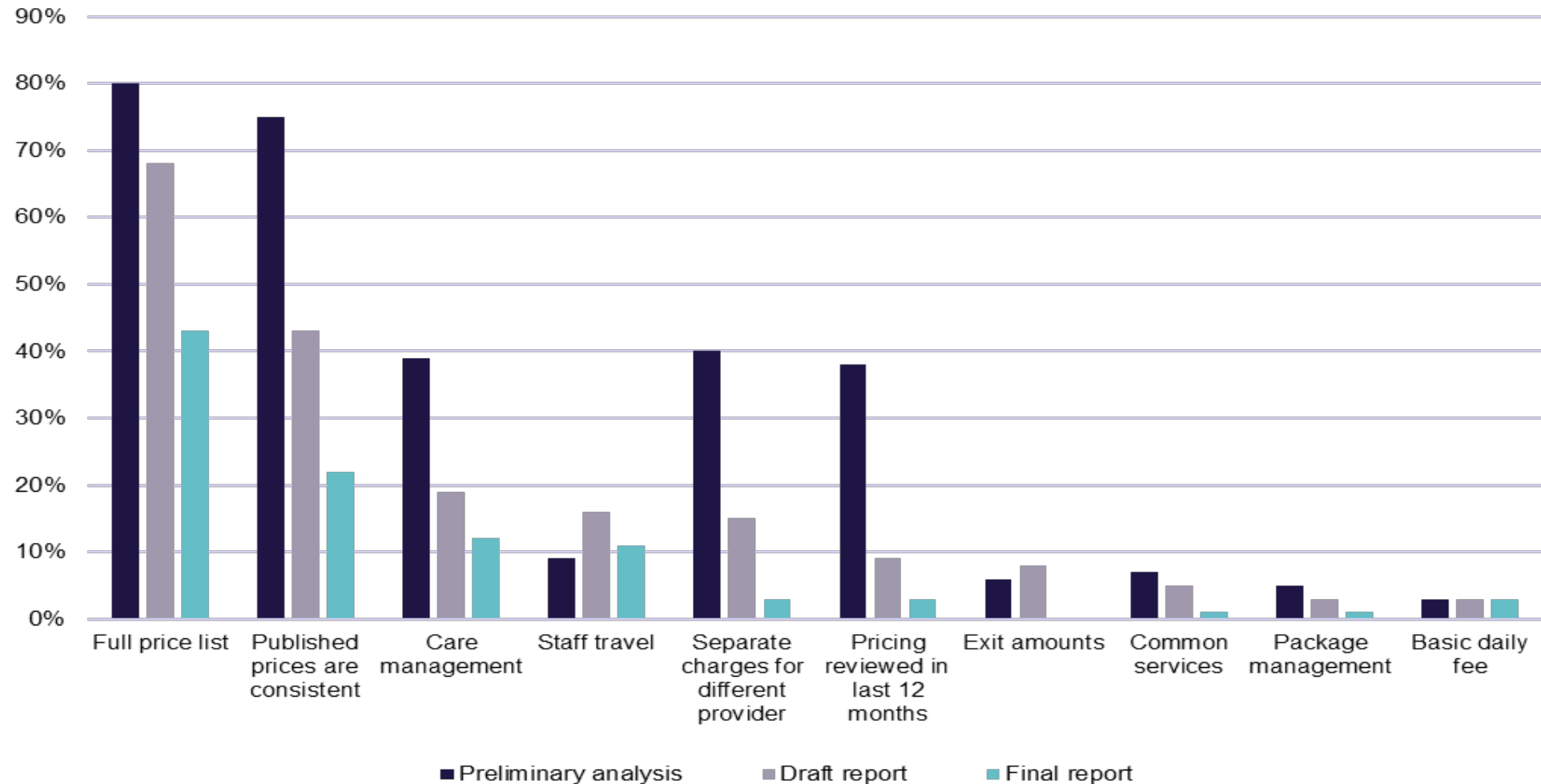
Final report



Provider response  
to draft report

## Review 3 – What improvements have been made?

Percentage of providers with an issue by My Aged Care category

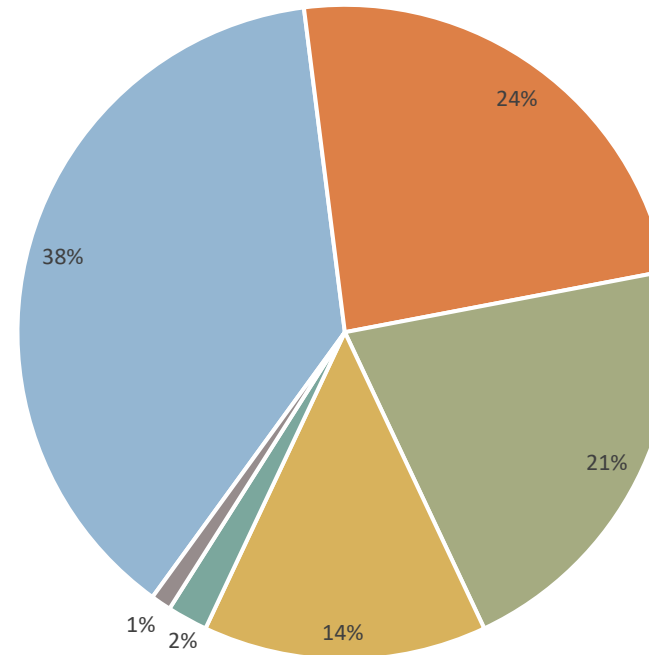


# Review 3 - Findings - Full Price List

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Percentage of full price list issues identified in final reports

- Common services
- Care/Package management
- Hyperlink not working
- Basic daily fee
- Staff travel
- Exit amount



# Review 3 - Key finding - Pricing inconsistencies

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- Second most common issue identified during the review
- Providers often only updated their pricing schedule or full price list, not both



# Review 3 – Key finding – Care management

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- Care management is a mandatory service, including for self-managed care recipients
- Common for providers to have issues in multiple care management fields:
  1. care management charges
  2. care management approximate hours
  3. approach to care management



## Review 3 – Incidental findings and observations

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- Potential exclusions
- Caps on care and/or package management
- Provider practice relating to minimum service hours and cancellation periods
- Changing prices without consultation/consent
- Continuous improvement and best practice



# What has Review 3 achieved?

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- Improved choice, control and transparency for older people in Australia
- Improved accuracy, currency, clarity and completeness of pricing information
- Positive feedback from the sector suggesting the public summary report is:
  - ☐ Informative
  - ☐ Instructional
  - ☐ Practical
- Potential improvements for My Aged Care and the HCP program

The Public Summary report for Pricing Transparency on My Aged Care can be found here:  
<https://www.health.gov.au/our-work/home-care-packages-program/about/program-assurance?language=en>





# Post Review follow up

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- Number of providers with actions that flowed through to the follow up team:
  - Review 2 - 20
  - Review 3 - 63
- Where appropriate, review information may be shared with the Aged Care Quality and Safety Commission





# HCP Program Assurance Community of Practice

1

99% of top 100 providers

[www.hcpcommunity.com.au](http://www.hcpcommunity.com.au)

2

3180 registrations

3

676 approved HCP providers (72%)

4

5 peak bodies





# Contact us

Program Assurance Review teams: [hcpassurancereviews@health.gov.au](mailto:hcpassurancereviews@health.gov.au)

PA Review follow up team: [HCPProgramAssuranceCompliance@health.gov.au](mailto:HCPProgramAssuranceCompliance@health.gov.au)

Community of Practice team: [PAEngagement@health.gov.au](mailto:PAEngagement@health.gov.au)

Report aged care fraud: [agedcarefraud@health.gov.au](mailto:agedcarefraud@health.gov.au)

# Q & A







[agedcareengagement.health.gov.au](https://agedcareengagement.health.gov.au)



Phone **1800 200 422**  
(My Aged Care's free call phone line)