



Home Care Packages Program pricing caps factsheet and FAQs

On 1 January 2023, the Australian Government implemented pricing changes to address concerns about high administration charges set by some Home Care Package (HCP) providers.

This factsheet provides an overview of these changes and answers to the Frequently Asked Questions (FAQs) from our [webinar](#) on this topic.

Overview of changes

1. What changed 1 January 2023?

- The Australian Government implemented pricing caps to administration and management charges in the HCP Program.
- The caps target excessive charging to ensure more funds are available to meet the direct needs of care recipients.
- As of 1 January 2023, the amount a provider can charge for care and package management is capped at 20% and 15% of the package level respectively.
- Additionally, HCP providers can no longer charge exit amounts or charge separately for costs associated with third party services.

2. Why were changes made?

- Capping administration and management charges in the HCP Program was a key election commitment of the government.
- The measures responded to the findings of the Royal Commission into Aged Care Quality and Safety and addressed one of the biggest concerns about the HCP Program for care recipients and their families.
- Excessive administration and management charges meant less funding was available to meet the needs of care recipients. These charges included care and package management charges, exit charges and third-party charges.
- The lack of transparency of third-party charges made it difficult for care recipients and their families to compare pricing and exercise true choice over their care.

3. What are the price caps in dollar figures?

- Providers must publish prices in dollar figures not percentages – this approach has been adopted to ensure an equitable, ‘like’ for ‘like’ comparison of pricing information and pricing transparency for care recipients and their families.
- The percentage of the package refers to the calculation of the figures you may charge. Section 21KA of the [User Rights Principles 2014](#) sets out the maximum amount you can charge for care and package management.
- Depending on the package level, providers can charge up to the following per day:

Level	Care management	Package management
Level 1	\$5.80	\$4.35
Level 2	\$10.20	\$7.65
Level 3	\$22.20	\$16.65
Level 4	\$33.66	\$25.24

- These are the maximum prices for these services based on the [Schedule of Subsidies and Supplements](#) amounts as at 1 July 2024, and they will go up with the subsidy increases each year.
- Prices for care and package management must be published as a fortnightly charge.
- Providers can continue their current business practices when charging for care and package management, as long as they are below the caps. This means that if you normally charge per month or per fortnight for care and package management, you can continue to do so, even if a care recipient leaves part way through that period.
- For example, the maximum you can charge per fortnight for an individual on a level 3 package is:
 - care management: $\$22.20 \times 14 \text{ days} = \310.80
 - package management: $\$16.65 \times 14 \text{ days} = \233.10 .

4. How do care and package management charges work if you provide services for part of a month (e.g., 15 days) – can you charge the full price for the month?

- You do not have to pro rata the price if the care recipient ceases or takes leave from their package part way through the claim period.
- If a care recipient has agreed to pay a monthly amount for care or package management, but leaves your care midway through the month, you can still charge the agreed amount for the entire month.

- You may wish to consider reducing or waiving these services if the care recipient leaves very early in the claim period.
- You cannot charge for care and package management in a claim period where the care recipient has ceased care or taken leave for the entire claim period.

5. Do the percentage caps for care and package management include any supplement amounts?

- Care and package management caps do not include any supplement amounts.
- The department calculated the caps for care and package management using the package level, however, the caps are published as dollar figures at section 21KA of the [User Rights Principles 2014](#).

6. Can I combine care management and package management into one price?

- Care and package management are distinct services that should be charged separately and itemised as such on the monthly statement.

Care management

7. What is care management?

- Care management is a mandatory service for all care recipients, which includes:
 - the provider's own and ongoing assessment of a care recipient's needs, goals and preferences
 - reviewing the care recipient's Home Care Agreement and care plan
 - ensuring care and services are aligned with other supports
 - partnering with the care recipient and their representatives about their care provision
 - ensuring that care and services are culturally safe
 - identifying and addressing risks to the care recipient's safety, health and well-being.
- More information about [care management for Home Care Packages](#).

8. Can I charge for “Coordinating and scheduling care and services” under care management?

- We removed “Coordinating and scheduling care and services” from the definition of care management in the [Quality of Care Principles 2014](#). However, this does not mean that you cannot fund through your care management charge.
- You can charge for coordinating and scheduling care and services under care or package management, as long as you:

- do not charge for it under both services
- are clear how and where you have charged for this activity.

9. Under my current business model, I do not charge for care management. Do I have to charge for care management?

- All providers must comply with the [Aged Care Quality Standards](#) and therefore must provide care management to all care recipients to satisfy regulatory requirements.
- Providers cannot publish \$0 or N/A for care management as it is a required service which must not be included in other care and service prices.

10. Can I charge an additional hourly rate for care management if care recipients require more care than usual?

- Providers cannot charge care management as an hourly charge or an hourly price on top of a base care management charge.
- We expect providers to consider how to accommodate fluctuating needs of care recipients when developing their cost model.
- For example, a care recipient has an unexpected change in care and service needs. The care recipient only recently agreed on a care plan and signed a Home Care Agreement with their provider. However, they now need these documents updated to reflect their change in circumstances. The provider cannot charge the care recipient at an hourly rate to complete this work and must use the funding collected through their monthly care management charge to cover these costs or absorb them.

Package management

11. What is package management and do I have to charge for it?

- Package management includes activities that providers are legally required to undertake, such as invoicing and claiming.
- If the provider does not charge for package management, the provider must explain to their care recipient how they are delivering this service and where these costs are being covered.
- Find more information about [package management for Home Care Packages](#).

12. Can I charge for package management when a care recipient doesn't receive any services?

- In a calendar month where you do not deliver any services or purchase any goods and equipment (other than care management as this is a required service) you cannot charge for package management.
 - Services, goods and equipment include those delivered by a third-party organisation.

- This does not include the first month that a care recipient has entered a Home Care Agreement with you.
- This is different than when a care recipient takes leave from their package, such as when they go into hospital, receive transition care or residential respite, or for social reasons such as going on a holiday.
- In these instances, providers cannot deliver or charge for any services, including care and package management.
- This is not a new requirement.
- Find more information about [temporary leave from Home Care Packages](#).

13. Can I charge an additional hourly rate for package management if a care recipient requires more support than usual?

- Providers cannot charge package management as an hourly charge or an hourly price on top of a base package management charge.
- This applies even if the care recipient requires more support than usual.
- For example, if care recipient requests backdated copies of monthly statements or an updated copy of their individualised budget.

14. How do I meet my other legislative requirements if I cannot charge package management in a month that a care recipient has not received services?

- The department expects providers to cost their package management so that it covers the peaks and troughs of the provider's work.
- This includes months where there is more administrative work for the provider or periods where a care recipient is on leave.

Third-party services (brokerage/subcontracting)

15. What are third-party services?

- Third-party services are care or services that another organisation or person provides.
- This includes where you:
 - source and coordinate care and services through a third-party (including subcontractors, labour hire, brokered services and allied health or other health professionals)
 - purchase goods, equipment, and assistive technology from a third party.
- You may engage them on an ad-hoc or ongoing basis to meet your care recipients' needs or their requests for specific workers or service providers.
- Find more information about [third-party services](#).

16. How can I cover my costs for third-party services from 1 January 2023?

- Some providers previously published their prices for third-party services and equipment and then charged a separate administrative charge.
- As of 1 January 2023, providers must publish, document and agree all-inclusive prices for services and cannot set or charge a separate amount to cover administrative costs arising from using the third-party service. This includes costs of processing invoices that you incur for self-managing care recipients.
- This is to make costs more transparent and easier for care recipients and their families to understand and compare.
- The department's website sets out how you can incorporate your costs into care and package management and direct charges when you're subcontracting.
- Most costs are covered by your ongoing care and package management costs, with the cost of the third-party care or service and the business overheads and costs to be incorporated in your direct service charge.
- Find more information on costs for [third-party services](#) and [setting prices for Home Care Packages](#).

17. Can I publish two different prices for subcontracted and non-subcontracted services?

- Where the care recipient chooses the organisation who delivers the service, you can offer a minimum and maximum price for common services.
- However, you must:
 - publish your most common price for the service, which should be the price you charge in most cases, and
 - agree to one price with the care recipient.
- Find more information on [setting prices – If the price differs from your published price](#).

18. How do the all-inclusive prices work for the purchase of goods that have variable costs?

- The all-inclusive price for any services, goods or equipment must be documented and agreed prior to purchase or delivery.
- It is expected most, if not all, additional costs to an approved provider related to using a third-party organisation can be recouped through care and package management charges.
- You should incorporate business costs to your direct service charges or the price of goods and assistive equipment, even if the care recipient has requested a third-party organisation to deliver the service or item.

- For example, if your care recipient chooses a third party organisation to deliver services, you can agree a price that is higher than the amount the third-party organisation quotes to cover your business costs. This must be agreed and documented in the Home Care Agreement.
- Costs for things such as processing invoices, vetting the service provider, and scheduling or coordinating services, should be incorporated into your care and package management charges.
- Alternatively, if you choose to use a third-party organisation to deliver your services, your published price must reflect the full cost to the package, not just the price quoted by the third-party organisation.
- It is your business decision as to how you do this, but all prices must be reasonable and justifiable. This means they must be value for money and consider the effort and resources it takes to coordinate them.

19. Does combining third-party charges reduce transparency?

- Previously, some providers charged a separate administrative charge on top of the cost of third-party services.
- Our research found:
 - a lack of price transparency and confusion about this separate third-party charge, especially regarding high charges for little to no service
 - a need to more easily compare providers, noting additional third-party charges often made it very difficult to compare.
- As of 1 January 2023, providers must charge an all-inclusive price for third-party services. Most, if not all, additional costs related to third party services are recouped through care and package management charges.
- Reasonable business overheads and costs that cannot be charged in care and package management can be included in the all-inclusive price for the third-party care or services.
- When starting or reviewing a Home Care Agreement, providers must include enough information for care recipients to make informed decisions, including details of who will provide the care, policies for setting prices and how any charges will affect them.
- As part of this process, you must discuss with care recipients and agree on any third-party arrangements, including pricing.
- You must be able to justify your costs to your care recipients.
- You can choose to provide detail of the actual cost of service plus any additional charge, as long as an all-inclusive price for the service is documented and agreed.
- This is to support transparency and comparison between providers.

Exit amounts

20. What are exit amounts?

- Previously, some providers charged an exit amount, often referred to as an “exit fee”, to cover the cost of administration when a care recipient left their service.
- Care recipients may leave the service because they are transferring providers or leaving the program.

21. Can I charge an exit amount for care recipients transferring or exiting the HCP Program if it’s documented in their Home Care Agreement?

- As of 1 January 2023, you cannot charge for exiting their care, even if the care recipient previously agreed.

22. Can I charge a sign on fee?

- You cannot charge someone for starting home care services.
- This is not a new requirement.

Pricing and published prices

23. Can I publish prices as a percentage?

- Providers must publish prices in dollar figures not percentages.
- This approach has been adopted to ensure an equitable, ‘like’ for ‘like’ comparison of pricing information and pricing transparency for care recipients.
- Find more information about [publishing prices for Home Care Packages](#).

24. How do I decide what is a ‘reasonable’ price for care and services is?

- Prices must be:
 - value for money, and consider the effort and resources it takes to coordinate the care and service delivered
 - clear, understandable and transparent in line with the principles of consumer-directed care
 - in the best interests of care recipients and in line with program requirements and legislation
 - directly related to coordinating allowable care and/or services, or purchasing goods to meet care recipients’ assessed needs
 - not duplicative (for example, administration is not charged in both direct service unit price and package management)

- negotiated and agreed with care recipient where a price varies from the published price (not exceeding care and package management caps).
- This difference in price and accompanying reason needs to be clearly outlined within the Home Care Agreement and package budget.
- Find more information about [setting prices for Home Care Packages](#).

25. Can I publish multiple schedules with different prices?

- Providers can complete a different price schedule where required.
- For example, to account for regional variability in pricing.
- Find more information on pricing schedules and [publishing prices for Home Care Packages](#).

26. Did you make any changes to the My Aged Care service provider portal?

- Providers are required to keep pricing information up to date to maintain pricing transparency.
- In February 2023, we made changes to the My Aged Care Service and Support Portal:
 - You cannot enter prices above the legislated caps.
 - You cannot enter exit amounts and separate costs when engaging third party providers.
- Find more information in the [Summary of My Aged Care System Changes](#).
- Find more information at [Find a Provider profile tips for Home Care Package providers](#).

27. Who can I contact for technical support with the My Aged Care Service and Support Portal?

- You can call the My Aged Care Service Provider and Assessor Helpline on 1800 836 799 for support with the My Aged Care system and technical support.
- The helpline is available from 8am to 8pm Monday to Friday and 10am to 2pm Saturday (AEST), across Australia.
- Find more information on available support for providers on [My Aged Care](#).