



Appendix A – Home Care Packages (HCP) Program pre-1 July 2014 fee arrangements

This document outlines how the package budget and leave work for pre-1 July 2014 care recipients and provides a checklist of components that must be included in a Home Care Agreement with a pre-1 July 2014 care recipient. Unless indicated in this appendix, the HCP Program operates in the same manner for all care recipients, regardless of when they entered the program.

On 1 July 2014, we changed the way we calculate home care fees. For care recipients who received a package before 1 July 2014, these changes do not apply and they may continue to be asked to pay their current home care fees.

The [HCP Program Operational Manual](#) has outlined the way the program currently operates, under the post-1 July 2014 arrangements. However, care recipients who were in the program before 1 July 2014 are entitled to continue to receive home care based on the pre-1 July 2014 arrangements.

Learn more about [Fees for people who entered Home Care Packages before 1 July 2014](#).

Opting into post-1 July 2014 fee arrangements

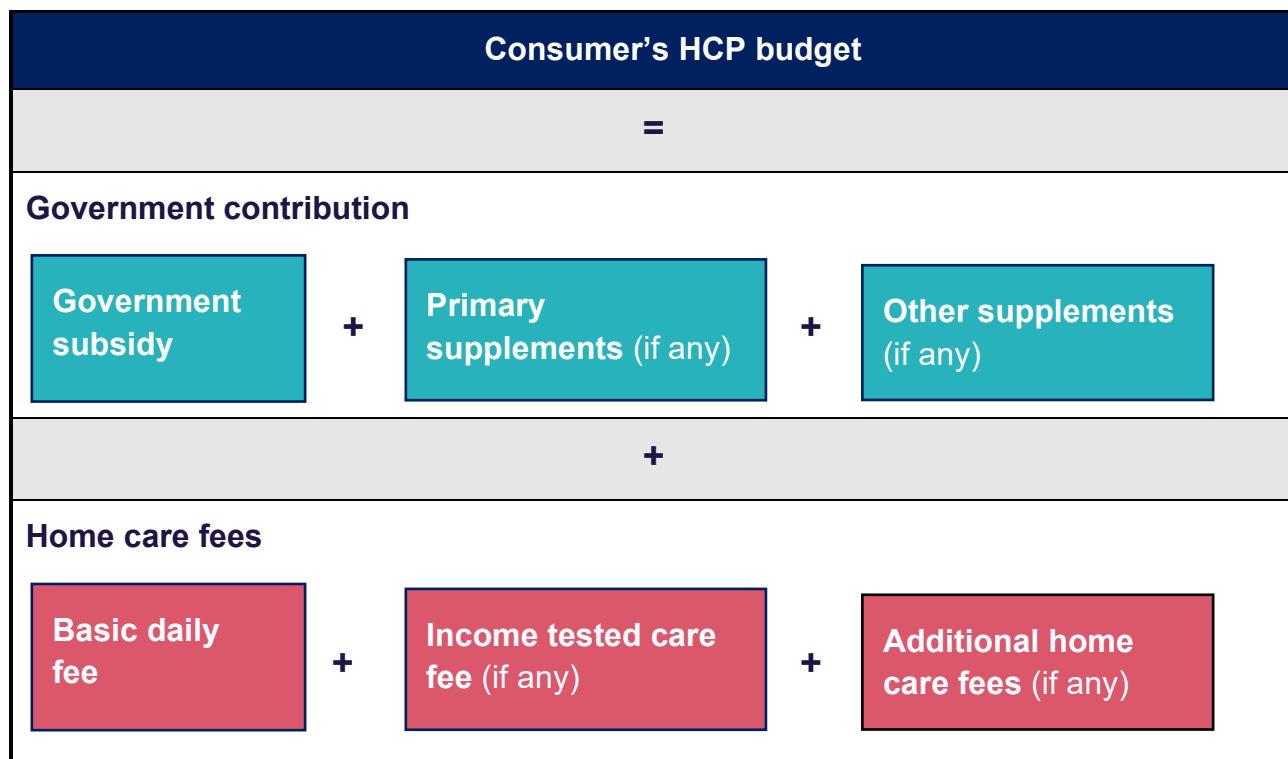
If a person was receiving a package on or before 30 June 2014 and they move to a new home care service (and do not spend more than 28 days outside of care, other than on approved leave), they can **opt into** the fee arrangements that started on 1 July 2014.

To make this choice, they will need to complete and sign the [Continuing Care Recipient opting into the New Aged Care Arrangements from 1 July 2014 \(AC022\)](#) form and submit this form to the new provider before they transfer to the new service.

The new provider must submit this form with the Aged Care Entry Record to Services Australia through the [Services Australia Aged Care Provider Portal](#). As per legislation, the new provider must also give the care recipient the [New Arrangements for Aged Care from 1 July 2014 – Home Care](#).

If the care recipient does not complete this process before they transfer providers, they will automatically be classed as a 'continuing care recipient' and will remain on their pre-1 July 2014 fee arrangements. This is not a reviewable decision and must be done correctly to opt into the post-1 July 2014 fee arrangements.

What makes up the package budget for care recipients in the pre-1 July 2014 arrangements?



How do I work out the Government contribution for pre-1 July 2014 care recipients?

The Government contribution can be determined by adding together the Government subsidy, plus any primary and other supplements for which the care recipient is eligible. This is outlined in the diagram above.

Prior to 1 July 2014, there was no reduction in subsidy and primary supplements paid by Government if the provider did not charge the income tested care fee to care recipients of the HCP Program. If collected, any fee would be additional to the value of the package. In setting these fees, providers need to consider if they would cause the care recipient financial hardship and reduce the level of fees as necessary.

The same subsidy and supplement rates will apply for people receiving a home care package, regardless of when they entered the HCP Program.

Pre-1 August 2013, care recipients who were receiving an Extended Aged Care at Home – Dementia (EACH-D) package are eligible for the dementia and cognition supplement plus the top up supplement. This supplement is automatically applied by Services Australia and will automatically transfer to the new provider if the individual changes providers.

How do I work out the home care fees for pre-1 July 2014 care recipients?

Providers are responsible for working out the home care fees that they will charge to care recipients in the pre-1 July 2014 arrangements.

The Services Australia income assessment that people who entered the HCP Program after 1 July 2014 complete does not consider the pre-1 July 2014 fee structure.

Basic daily fee

- Level 1 - the maximum fee 15.68% of the basic rate of the single age pension.
- Level 2 - the maximum fee 16.58% of the basic rate of the single age pension.
- Level 3 - the maximum fee 17.05% of the basic rate of the single age pension.
- Level 4 - the maximum fee 17.50% of the basic rate of the single age pension.

Income tested care fee

For care recipients with income above the basic rate of pension, providers can charge an additional amount of up to 50% of income above the single age pension.

Calculating income

Income is defined as income after income tax and the Medicare levy. When calculating income for the purpose of determining ongoing fees, the following are excluded:

- any [Pharmaceutical Allowance](#), [Rent Assistance](#) or [Telephone Allowance](#)
- the [Pension Supplement](#)
- the [Energy Supplement](#)
- in the case of a [Disability Support Pension](#) payable under the *Veterans' Entitlements Act 1986* an amount equal to 4% of the amount of the pension.

For more information, please see Division 60 of the *Aged Care (Transitional Provisions) Act 1997* or section 130 of the *Aged Care (Transitional Provisions) Principles 2014*.

Financial hardship

Care recipients who entered the program before 1 July 2014 are not eligible for the [hardship supplement](#). Rather, these care recipients can negotiate lower fees with their provider.

The *Aged Care (Transitional Provisions) Act 1997* allow providers to consider care recipients' other expenses such as high pharmaceutical bills, utilities and other living expenses when setting fees.

Review of fees

A review of fees should be conducted periodically (or whenever the care recipient requests a review). The care recipient should be encouraged to seek a review if their financial circumstances change.

The maximum fees may need to be varied when new [rates for the Age Pension](#) are announced each March and September. Providers may need to discuss the impact of these changes on fees with the care recipient and update their budget accordingly.

For reference, see [Schedule of Fees and Charges for Pre-1 July 2014 Residential and Home Care Recipients](#).

How does leave work for a care recipient in the pre-1 July 2014 arrangements?

Care recipients in the pre-1 July 2014 arrangements are entitled to take leave in the same circumstances as care recipients in the post-1 July 2014 arrangements, although the home care fees that will be payable differ.

The table below outlines when home care fees will be payable:

Leave type	Home care fees
Hospital	Yes
Transition care	No
Residential respite care	No
Other leave	Yes

What do I need to include in a Home Care Agreement for a care recipient in the pre-1 July 2014 arrangements?

In addition to the components of a Home Care Agreement outlined at Section 6.6 of this manual, a pre-1 July 2014 care recipient's Home Care Agreement will need to include the following:

- a statement that the provider may charge the care recipient home care fees in accordance with Division 6 of the *Aged Care (Transitional Provisions) Act 1997*
- a statement setting out which fee (if any), as determined in accordance with section 130 of the *Aged Care (Transitional Provisions) Principles 2014*, the provider will charge

- if the provider is charging the care recipient a daily amount of home care fees in accordance with Division 60 of the *Aged Care (Transitional Provisions) Act 1997* that is different from the daily amount of home care fees mentioned in their schedule, the different amount and the reason for the different amount.