



Appendix D – Home Care Packages (HCP) Program compensation payments

Background

If a care recipient receives a compensation entitlement under a judgment, a settlement, or a reimbursement arrangement, their HCP budget is amended slightly accordingly.

A compensation entitlement includes things like:

- permanent impairment or incapacity payment to a veteran
- workplace insurance claim settlement
- motor vehicle accident claim settlement, or
- some types of common law settlements (e.g., an award for personal injury caused by negligence).

Notify Services Australia

Providers are responsible for asking their care recipients if they have a compensation entitlement. If so, the provider must notify Services Australia of the compensation entitlement.

- If a care recipient is entering a Home Care Agreement and is entitled to compensation payments, providers must document the details at question 12 of the [Aged Care Entry Record Form](#).
- If a care recipient is already in a Home Care Agreement and becomes entitled to compensation payments, the provider must provide the details to Services Australia at HIC.Compensation.Recovery@servicesaustralia.gov.au.

If a claim has not been settled, subsidies will continue to be paid on the care recipient's behalf up until the date liability has been accepted. Once the compensation insurer has agreed to pay or to contribute to the care costs, payment of subsidies will cease with the date of effect from the date of liability or settlement. Providers should notify Services Australia as soon as they become aware of a care recipient's compensations claims.

If a provider does not notify Services Australia that a care recipient is entitled to compensation and later becomes aware of this, the funds will need to be recovered in arrears.

Package budget with compensation entitlement

If a provider has entered into a Home Care Agreement with a care recipient who has a compensation entitlement, and they have notified Services Australia, the Department of

Health and Aged Care or Services Australia will advise both parties of the amount of the compensation reduction amount.

The provider will then be able to invoice the care recipient for the total amount of the compensation payment reduction and home care fees (if applicable). The amount is deducted from the government’s contribution and added to the care recipient’s contribution.

Example

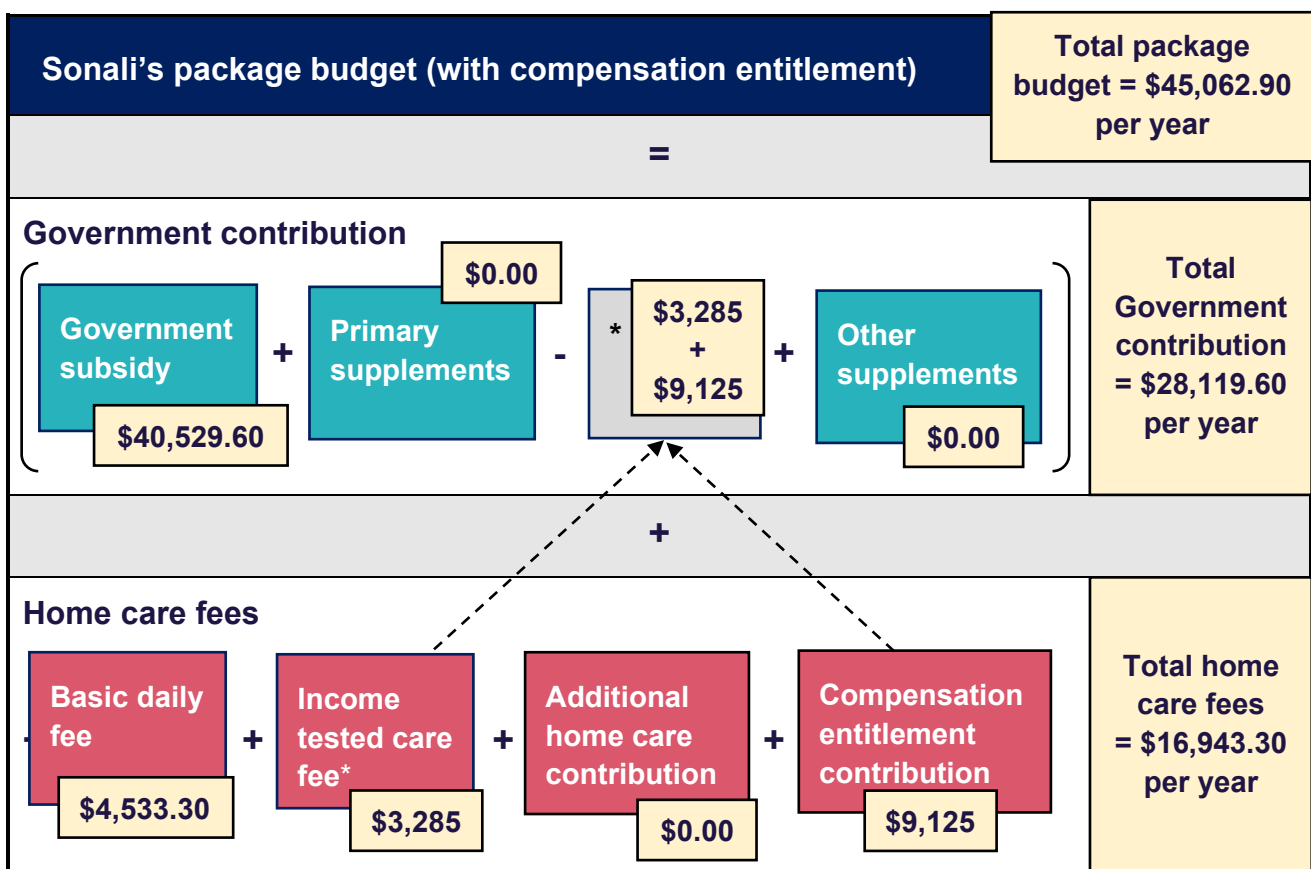
Sonali has been assigned a level 3 package. The value of her package is \$40,529.60 per year (as at 1 July 2024). Sonali is not eligible for any primary or other supplements.

The basic daily fee for Sonali’s package level is \$4,533.30 per year.

Sonali has completed her income assessment and has been assessed by Services Australia as being able to pay \$9.00 per day (\$3,285.00 per year) in income tested care fees.

Sonali was injured in a transport accident 2 years ago. She made a claim to the Traffic Accident Commission (TAC), which has accepted liability to pay for \$25.00 per day (\$9,125.00 per year) of Sonali’s care costs, which Sonali was told she would need to contribute in compensable entitlement contributions. As TAC has accepted liability for part of Sonali’s care costs, the provider will invoice TAC for the amount of \$9,125.00 per year as agreed. Sonali did not agree to pay any additional fees in her Home Care Agreement.

The diagram below outlines how Sonali’s home care budget is calculated.



This example of a package budget including a compensation entitlement is based on [subsidy](#) and [fees](#) information as at 1 July 2024.