



## Improvements to how your home care package funds are paid to your provider

### Self-managed Care Recipient Fact Sheet – February 2022

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#### What is changing?

From 1 September 2021 Australian Government (Government) changed the way the provider of your Home Care Package (your provider) is paid.

The Government only pay your provider for the services they actually delivered to you, after they were delivered. These changes introduced through the Improved Payment Arrangements (IPA) for the Home Care Packages Program allow for greater transparency of unspent funds and moves the responsibility for holding the Commonwealth portion of care recipient unspent funds from the provider to the Australian Government (Services Australia). This will enhance the financial security of the home care program over time and improve protections for your home care funds.

There are currently \$1.4 billion of Commonwealth unspent funds held by Home Care Package Program providers and this is growing. Over time, providers will no longer be responsible for the financial impacts to their organisation of managing substantial sums of unspent funds.

These changes implement a key recommendation of the Royal Commission into Aged Care Quality and Safety.

#### Key Questions

##### What does IPA mean for me as a self-managed care recipient?

You can continue to self-manage your package if you have reached an agreement with your provider to do so.

The IPA measure did not make any direct changes to self-management, however there are areas you should discuss with your provider such as:

- Ensuring claims can be submitted in a timely manner to align with the updated Services Australia payment system. Discuss with your provider how you can best handle your home care invoicing arrangements.
  - For example, your provider may need to adjust their payment terms with suppliers (such as moving from paying within 14 days of the invoice being received, to paying within 14 days of the end of the month).
- Planning ahead for large purchases. On your behalf, providers can access your unspent funds to pay for large purchases. Where the cost exceeds your available funds, discuss with your provider an effective option. This could include:
  - postponing the purchase until there are sufficient funds to cover the costs, or
  - entering leasing arrangements where appropriate.

##### How will my provider be paid?

Under IPA the **price** (also referred to as the invoice amount) is the amount that your provider will report to Services Australia in their claim. Your provider will report a **price** for each care recipient, each month. The definition of **price** is the cost of care and services provided to the care recipient in



the claim period, minus any Basic Daily Fee or other care fees charged (not including the income tested care fee).

If you have been assessed as needing to pay the income tested care fee, this will be automatically deducted from the Government subsidy paid to the provider by Services Australia. If your assessed income tested care fee is equal to or more than the **price** reported to Services Australia, no Government subsidy entitlement will be paid to your provider. Any unspent Government subsidy will accrue in your individual **home care account** for future care and services.

Your provider will be unable to adjust the **price** submitted to Services Australia once claimed for that month. If your provider needs to make an adjustment to a claimed amount (a positive or negative adjustment) or to claim a late payment, they will need to add this to a claim in a subsequent month. You should advise your provider as soon as possible if you receive any late invoices or need to adjust your claim.

### **How have my invoicing and payment arrangements as a self-managed care recipient changed?**

As self-managed packages are an agreement between you and your provider, the Government does not have oversight of your specific arrangements. We recommend you speak to your provider to confirm if your current invoicing and payment arrangements with them are in line with their new claiming process.

You should consider the following in your discussion:

- Agree with your provider how you will notify them of the total amount of care and services your provider will claim from Services Australia for that month.
- Claiming must be for the care and services you received in the month they were delivered. If you have not received a final invoice, but have accepted a quote for these services, you can include these in your claim for the month they were delivered.
  - If at a later point, you receive an invoice for a higher or lower amount, you should notify your provider who will be able to correct this by adjusting the **price** in a future month's claim.
- Talk to your provider and agree to have this information to them by a certain date each month so that they can submit your claim in a timely manner.
- Discuss what you will do if there is a delay or you are unable to provide this information to your provider.

### **Are my unspent funds still be available for me to use?**

If your monthly Government home care package funds are more than what was actually spent on delivering your services in a month, these unspent funds will be held in a Government **home care account** for you until you need them. The Government **home care account** was set up for you by Services Australia and cannot go into negative. You will need to discuss options with your provider if you need care or services that exceed your available funds.

### **Will I be consulted if my provider opts-in to return my unspent funds?**

Your provider may start using the unspent funds they already hold for you, before making a claim for additional Government home care package funds from Services Australia, this is called opting-in. If your provider decides to opt-in, your monthly Government home care package funds will be credited to your Government **home care account** to be held in that account until you need them.



Regardless of the opt-in status, care recipients will retain their full Government subsidy. Irrespective of who is holding your unspent funds, the funds continue to be available for you to use and to pay for your care and services as outlined in your care plan.

### **Do I still have the same support from my provider in managing my package?**

IPA should not have changed how your provider supports you to manage your package. Different care recipients, and their support networks, will want different levels of involvement in planning and managing their package. At every level, providers need to work with their care recipients to balance their duty of care with an individual's right to make choices.

Your provider will always need to take on some care management and package management activities. For example, providing your monthly statement and doing an annual review of your Home Care Agreement and care plan. You will need to pay for these management activities from your package budget. Your provider will continue to charge care and package management fees, and this will be included in the **price** they submit to Services Australia. Fees for these services must be reasonable and agreed to by you and your provider in your Home Care Agreement.

Your approved provider is still responsible for the compliance and quality of all care and services provided under your package including what your package budget can be spent on. For details on inclusions and exclusions in your package, please refer to Section 5 of the Operational Manual for Home Care Package Consumers, available on the My Aged Care [website](#).

#### **Home Care Fees:**

Your home care fees, as agreed and documented in your home care agreement, remain unchanged.

#### **Income Tested Care Fees:**

Your assessed income tested care fee is automatically deducted from the payment your provider receives from Services Australia.

If your provider has not been collecting all or part of your income tested care fees, because you are not using all of your package, this can continue as long as they hold unspent funds on your behalf. Once the unspent funds that your provider holds for you have been used, or if you do not have unspent funds, you will need to start paying your assessed income tested care fee. Your provider cannot seek to collect fees that they have not collected in the past.

Providers can **only** use package funds to cover the income tested care fee if they were already not collecting the care recipient's income tested care fee prior to 1 September 2021 **and** they hold unspent funds on the care recipient's behalf.

Paying your assessed income tested care fee means you are contributing to your care so that you can access the full value of your package.

#### **Exit Fees:**

If you have agreed to pay an exit fee and your provider is holding unspent funds on your behalf, you must do so. If your provider does not hold unspent funds on your behalf, the provider will not be able to charge you an exit fee.

#### **Non-payment of Fees:**

Your provider can cease to provide home care to you if you are not paying home care fees as agreed in your home care agreement for a reason within your control, and you have not negotiated an alternative arrangement with them. All providers must ensure security of tenure to all care recipients, however refusal to pay agreed fees without a valid reason is grounds for a provider to cease care. If



**Australian Government**

**Department of Health**

you are experiencing financial hardship you can apply for hardship assistance via Services Australia and you should speak to your service provider.

### **Further information**

Further information about these changes can be found on the Department of Health's [website](#). A series of Fact Sheets for home care providers are included on this website.

If you have further questions about how these reforms impact you, please speak with your home care provider in the first instance.

You have the right to speak to an aged care advocate. You can access free, confidential and independent aged care advocacy through the **Older Persons advocacy Network (OPAN)** on 1800 700 600 or visit [www.opan.org.au](http://www.opan.org.au)