



Home Care Packages: Costs and charges

To keep fees reasonable and affordable, Government subsidises a range of home support services for people who need **help with daily tasks to live well and independently at home.**

Home Care package funds are used to pay for services and are made up of:

- Basic daily fee
- The Home Care package value
 - Government subsidy
 - Income-tested fee (if applicable)
- Government supplements (if applicable)



What is the financial value of a Home Care Package? (20 March 2020)

Level 1	Low level care needs	\$8,900 pa	OR	\$24.39 per day
Level 2	Basic level care needs	\$15,700 pa	OR	\$43.00 per day
Level 3	Intermediate care needs	\$34,000 pa	OR	\$93.15 per day
Level 4	High level care needs	\$51,600 pa	OR	\$141.36 per day

What do I pay?

- Everyone is expected to contribute to the cost of the services they receive.
- The amount you pay will vary depending on your income (and choice of service provider)
- Home Care Packages are income tested. To be eligible for a package, you may need to complete a Centrelink Income Assessment.

The two fees that may apply are:

- **A basic daily fee** may apply, and can be up to 17.5% of the single basic Age Pension.
- **An income-tested care fee** will apply if your income is over a certain amount.

Basic Daily Fee (as at March 2020)

This is a fee that may be charged by a provider. The Government sets the maximum amount you can be charged depending on the level of your Home Care Package. The maximum amount for a Level 4 package is 17.5% of the single person basic Age Pension. That percentage is reduced a little further for each of the lower package levels. Providers may charge the maximum basic daily fee relevant for your package level or a lower amount, or nothing.

The value of home care packages, fees and caps increase each year in March and September in line with changes to the Age Pension.



Support to stay at home

Home Care Package

Unlike the income tested fees, **any amount you pay as a basic daily fee is added to your budget** and boosts what you can spend on care and support for yourself.

Can I negotiate the “basic daily fee”?

YES. The Government sets the maximum fee only, so you can negotiate. Any fees and the level of subsidy must be discussed and agreed before you begin receiving services.

Income Tested Care Fee

(as at March 2020)

You cannot be asked to pay an income-tested care fee if you are a full pensioner or if your yearly income is below:

- single person – \$27,736.80
- member of a couple but now separated due to illness (individual income) – \$27,216.80
- member of a couple living together (combined income) – \$43,004

If you already receive a means tested support payment such as an age pension (full or part), disability support or services pension, there are no forms for you to complete. You can phone the Department of Human Services on 1800 227 475 and request a fee advice letter for home care to be sent to you. Provided your circumstances are up to date the Department of Human Services will already have the information needed to calculate what income tested fee (if any) you will need to pay.

If you do not receive any means tested income support you will need to complete an Aged Care Fees Income Assessment Form (SA456).

You can get a printed form sent to you or download one from www.servicesaustralia.gov.au/individuals/forms/sa456 and return it.

It can take a number of weeks for your assessment to be processed. Once it is processed you will receive a fee advice letter. This notification is valid for 120 days

What is the maximum income-tested fee I could pay?

The maximum income-tested fee you will pay depends on your income and if you are single or in a couple.

You can estimate your contribution by using the **Fee Estimator and checklist** on the My Aged Care website. The checklist outlines the types of income that are included in the assessment.

Annual and lifetime caps apply to the income tested fee

(as at March 2020)

Caps are indexed in March and September along with changes to basic daily fees and pension increases. Once caps are reached your service provider cannot ask you to pay more.

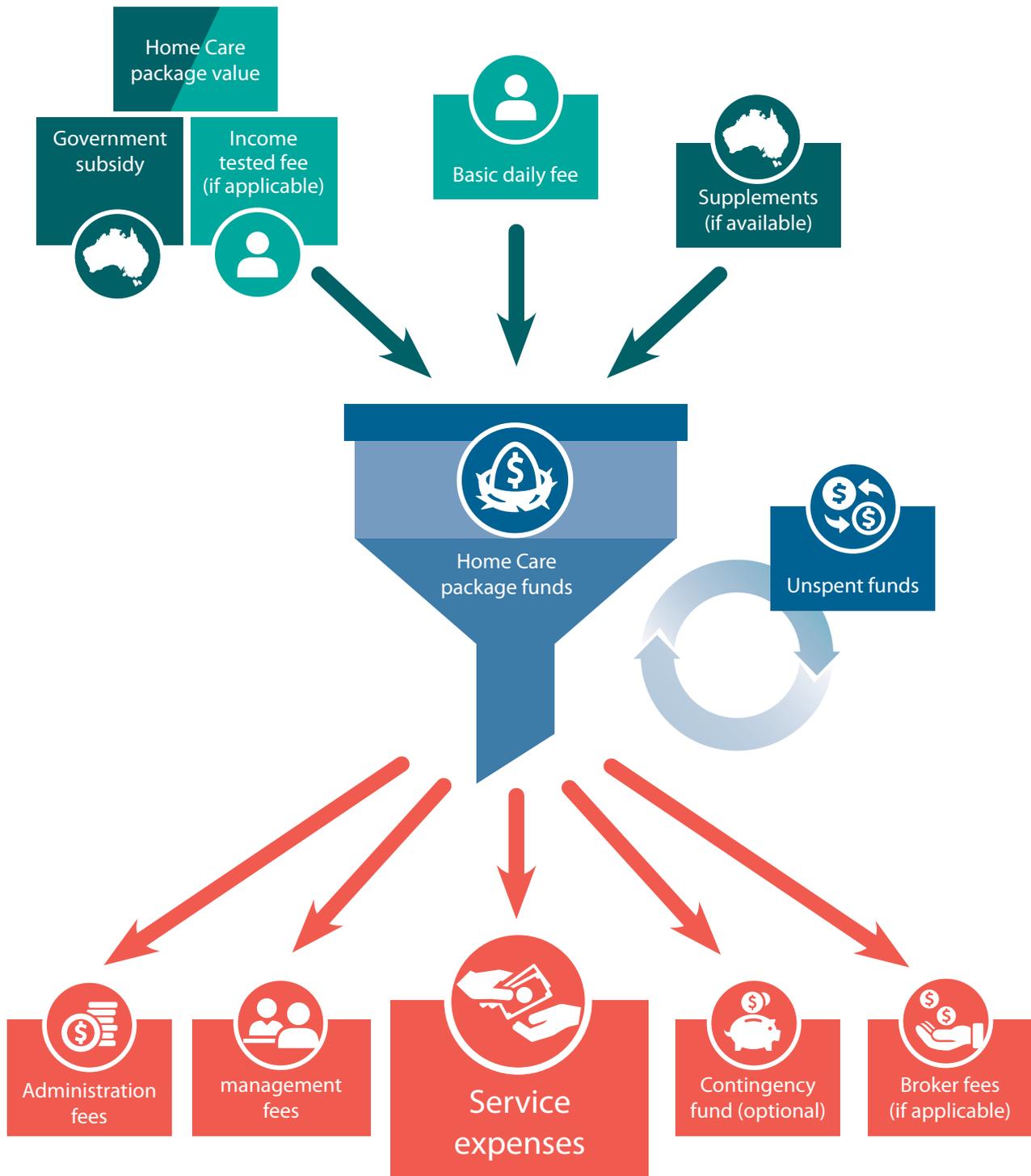
Annual Cap – the maximum you can be asked to pay each year is:

- \$5,617.47 for part pensioners up to income threshold
- \$11,234.96 income over threshold

Lifetime Cap – the maximum you can pay in your lifetime is \$67,409.86.



Figure 1: Diagram of contribution by consumers and Government to Home Care package funds and how the funds are spent





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Home Care Package

What do my Home Care package funds pay for?

Home Care package funds are paid to your provider and used by them to cover your services and related fees. All fees and charges should be discussed with your service provider before you accept services from them. All charges can be **negotiated**. Fees and charges include:

- Administration fees/package management
- Care management or care co-ordination fees
- Service expenses
- Contingency funds (optional savings for use later)
- Brokerage fees (if applicable)
- Travel costs (where applicable)

Some providers charge an **exit fee** if you decide to leave them. The **maximum** exit fee a provider charges must be displayed on My Aged Care under the Service Finder. This amount should be negotiated and detailed in your *Home Care Agreement* before you sign and start to receive services. The exit fee covers the administration costs of cancelling your services and transferring your funds to the new provider.

Service provider fees:

Ask any potential service providers for their fee schedule and policies in writing and compare them.

Administration and care management fees vary between service providers. Although the government caps the *Income-Tested Care Fee*, it doesn't control other provider fees.

Many service providers will "broker" services or products for you if they do not provide them. They may charge a brokerage fee. These fees can vary significantly.

How can I check that my package funds are being spent appropriately?

Your service provider must send you a monthly statement containing all income and expenditure.

Ask questions freely about your statement. Don't forget you are the customer/client.

How many hours of home services can I get from my package?

It depends – you are not locked in to purchasing hours of care. Your package gives you a specific amount of funding. Some money will go toward your provider's administration and care management charges.

You may choose to buy hours of care or you might choose to buy items or services that help you live independently.



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Is it worth taking a package if I'm a part pensioner or self-funded retiree?

Whether a package is good value for money depends on your circumstances.

Higher income earners are expected to contribute more but a home care package might still be worthwhile. Some things to consider are:

- What your care and support needs are
- Whether you have others that help you manage at home
- Whether you would be better off financially paying for services privately
- How much you have to contribute vs how much the Government will subsidise
- Annual and Lifetime caps on fees

Don't be too quick to say no to a package – it is worth getting all the facts and figures before making a decision, particularly if you are eligible for a level 3 or 4 package.

Hints and Tips

While waiting for your package to be allocated, draw on your current supports family, friends and community to help you stay independent at home.

When you need support now, you can use services offered under the Commonwealth Home Support Programme. Contact My Aged Care on 1800 200 422.

To get help understanding costs and charges you can contact:

My Aged Care

1800 200 422 www.myagedcare.gov.au

Advocacy Tasmania

1800 700 600

COTA Tasmania

03 6231 3265

For Carers:

If you are a carer for an older person seeking extra help at home, Carers Tas can provide you with information to support you in your caring role. There are offices you can visit in Hobart, Launceston and Burnie.

Carers Tasmania

1800 242 636 www.carerstas.org

Resources and Links

Age Pension

www.servicesaustralia.gov.au/individuals/forms/sa456

or call Centrelink on 132 300.

Source: COTA Australia – Home Care Today
<https://www.homecaretoday.org.au>



Australian Government



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