

MEDIA RELEASE

14 March 2019

New aged care pricing rules introduce more transparency for consumers and help people to choose home care providers

Leading seniors' advocacy body, COTA Australia, has welcomed today's release by government of new legislative principles requiring aged care providers to publish information on the breakdown of costs in home care packages and also abolish separately charged administrative charges by 1 July 2019 - both measures COTA has advocated for a long time.

The measures require providers to publish the prices of a number of common services found in home care packages, including personal care, nursing, cleaning, light gardening and care management. However, COTA has expressed concern the new requirements have not yet been extended to monthly statements.

Chief Executive of COTA Australia, Ian Yates, commended the Government for introducing these measures "which have been designed to increase transparency around the cost of home care package services and give older Australians the information they need to make an informed choice about the costs of choosing a particular provider."

"COTA Australia strongly welcomes the new requirement for providers to have to clearly outline costs of five common services publicly available on My Aged Care and as part of their home care agreement. This move will ensure older Australians are much better aware when they are signing their agreement of both the charges to their package, and the out of pocket expenses they will pay.

"We are particularly pleased to see administration fees abolished from 1 July 2019. COTA Australia has long argued for the new requirement that providers should provide a single all-inclusive price for their services, inclusive of administrative expenses. No longer will consumers have to do complex maths in order to work out the true cost of the service they are receiving.

"Providing a single price for services will allow older Australians and their families to more easily compare providers, and therefore make an informed decision, alongside information about the quality of services.

The *Aged Care Legislation Amendment (Comparability of Home Care Pricing Information) Principles 2019* also require providers to list the amount of the 'basic daily fee' that consumers have to pay as a co-contribution for their home care package, for each level of package.

"By mandating providers having to publish the basic daily fee for each home care package, which is currently set at a maximum of 17.5% of the pension, consumers will be able to more easily identify the out of pocket costs set by each provider," said Mr Yates.

"While these measures announced today will play a vital role in improving the transparency of the home aged care sector, COTA Australia is disappointed that the legislative changes do not yet require providers to ensure their monthly statements use the same terminology as their soon to be advertised prices.

"In their current form, many monthly statements are extremely difficult to navigate for older Australians and their families. Simply put, older Australians are unable to read many monthly statements and check their home care package has been charged only for the services they receive. COTA Australia strongly urges the Government to continue reform in this area by engaging with the consumers and the industry on further measures to ensure monthly statements are clearly linked back to the prices identified by providers in these new price lists."

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COTA Australia is the peak policy development, advocacy and representation organisation for older Australians, representing COTAs in every State and Territory and through them over 500,000 older Australians.