

MEDIA RELEASE

17 November 2022

Home care pricing caps a win for older Australians: COTA Australia

The Federal Government's announcement today that it will set a cap on administrative and management fees in the Home Care Packages Program is a win for older Australians, says Council on the Ageing (COTA) Australia - the peak body for older Australians.

COTA Australia Chief Executive, Ian Yates, said the cap will give older Australians and their families confidence their money is going directly where it should - to the care requirements of older Australians - by setting a cap on the maximum amount a provider can charge for overheads and care management, as essential as these are.

"Quality home care is vital for older Australians and this announcement is an important step in improving care and boosting accountability and transparency in the sector," Mr Yates said.

"Older Australians deserve to have their home care package funds going directly to the care they need and deserve - not being used up on things like higher than average profits or inefficient management and administration.

"Older Australian have long advocated for this improvement and it's fantastic that the Labor Government is delivering early on its election commitment to implement this practical reform.

Mr Yates said while the change is a big step forward, it is critical the government continues to monitor the system to ensure this reform is delivering on its aims.

"The issue isn't just about price gouging or excess profits, it's also about inefficiencies in how some providers operate. The government needs to be awake to this and make sure we're weeding out inefficient operators who refuse to move with the times.

"The government must also be alert to some providers trying to get around the caps by transferring fees to a loading on hourly service fees. We need full pricing transparency, and it must be compulsory for every provider, with penalties for non-compliance. Too many providers are still ignoring this obligation.

"The government must also ensure its pricing for services is adequate, with the assistance of the new Independent Health and Aged Care Pricing Authority, so providers are receiving the level of subsidy that's needed to deliver services that meet independently assessed needs.

"This reform won't solve all the problems overnight, but it will go a significant way to ensuring older Australian get more hours of the quality care they deserve."

The changes mean that from 1 January 2023:

- care management prices will be capped at 20% of the package level
- package management prices will be capped at 15% of the package level
- providers cannot charge for package management in a calendar month where no services (other than care management) are delivered, except for the first month of care
- providers cannot charge separately for third party services (including brokerage, handling and subcontracting charges)
- providers cannot charge exit amounts.

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