

OPAN submission to the Home Care Pricing Transparency and Comparability Consultation Paper

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About OPAN

The Older Persons Advocacy Network (OPAN) is a national network comprising nine state and territory organisations that have been successfully delivering advocacy, information and education services to older people in metropolitan, regional, rural and remote Australia for over 25 years.

OPAN's free services support older people and their representatives to address issues related to Commonwealth funded aged care services. OPAN is funded by the Australian Government to deliver the National Aged Care Advocacy Program (NACAP). OPAN aims to provide a national voice for aged care advocacy and promote excellence and national consistency in the delivery of advocacy services under the Program.

Home Care Pricing Transparency and Comparability

OPAN welcomes the introduction of the Home Care Pricing Transparency and Comparability Consultation Paper.

A lack of transparency in Home Care Package budgets, statements and fees continues to be one of the most significant concerns raised by aged care consumers through advocacy. The provision of publicly available pricing information will offer consumers a level of transparency that they are yet to experience and will assist them in comparing value for money across service providers.

OPAN hopes that this level of transparency will also encourage the market driven environment envisioned in the Increasing Choices Reforms and will influence service providers to reconsider the exorbitant fees currently issued for administration, case management, brokering services and exiting a service.

OPAN has prepared the following responses to the consultation questions.

1. Provider Pricing Schedule

a) Are the most common service types reflected? What should be added? What should be removed?

In general, the services presented in the Proposed Provider Standard Pricing Schedule (the Schedule) are reflective of the most common types of service provided in Home Care Packages.

OPAN suggests that the Schedule should also include

- A clear statement clarifying that the Schedule only provides pricing for the most common home care service types and does not represent the full range of services, aids and equipment available via a Home Care Package. Consumer directed care is now an established principle within the Home Care Package Program and consumer should be reminded that they are not confined to the service types presented in the Schedule. It would then be beneficial to provide a link to the full range of eligible services as well as the list of Home Care Package restrictions.
- Pricing for occupational therapy assessments which are typically required before aids and equipment can be supplied to a consumer. The costs associated with these assessments are sometimes hidden and unexpected.
- An hourly rate for In-Home Respite during standard hours on a weekday. This type of respite is often provided in Home Care Packages in 2-3-hour blocks.
- Additional fees the consumer may be charged if they exceed their weekly hours for client advisory and case management services. OPAN is concerned that there may still be a number of hidden costs *Under Client Advisory and Case Management Services*. For example, OPAN Service Delivery Organisations (SDOs) regularly see consumers charged additional fees, generally in 15-minute blocks, if they are considered to be contacting their service provider too frequently.
- Provisions for the listing of "Other Surcharges" under the *Surcharges* section of the Schedule. This would allow for other hidden costs to be documented. OPAN is aware that some service providers add a 5% surcharge if a client wants to receive a service at a particular time during normal business hours. For example, if a consumer has requested a personal care service at 10.00am, the worker will arrive anytime between 9.30am and 10.30am. If the surcharge is paid however, the worker will arrive on time.

OPAN recommends that the *Guidance: Hours of Service Provision* section be removed from the Schedule. This information will only lead to confusion. The number of hours provided in a Home Care Package can vary greatly depending on the mix of services and equipment required by a consumer.

a) Are the variables correct (eg per week, per hour, per km etc)? What changes are suggested?

In general, the variables presented in the Schedule reflect the pricing structures most commonly used by providers of Home Care Packages.

b) Should providers set a price or a price range per service type.

OPAN suggests that providers should list a set price, representing the maximum price charged for the service.

c) Is there are difference in the service price listed per home care package level?

OPAN suggests that in most cases there should not be a difference in the service price listed per home care package level. The only difference that should occur as package levels increase is an increase in the time required for a service. Increases in cost may also occur when Occupational Health and Safety assessments stipulate that the consumer requires the assistance of two carers (i.e. for lifting). Two assists are more likely to be required in a high-level package and are additional cost that should be explored and negotiated on an as need basis.

2. Do the definitions within the Schedule Commentary accurately describe the services that would fall within in the service? What changes are suggested?

The Schedule Commentary provides necessary information and definitions for both consumers and service providers. OPAN suggests that access to the Schedule Commentary via the Information Icon may be overlooked by some consumers and suggests the Schedule Commentary also be made available as a complete document that can be used like a glossary.

It is also recommended that key words used in the Schedule Commentary be hyperlinked for those seeking further information. For example, under the commentary for *Indicative Package Amount* it would be beneficial to have the words Dementia and Cognition, Veteran's Supplement and Viability Supplement hyperlinked to relevant My Aged Care (MAC) webpages offering further information on these supplements.

OPAN recommends that information on service types/groups on other areas of the MAC website and in MAC resources be adapted to ensure consistency of definitions and language.

Other suggested changes to the Schedule Commentary include:

- A more detailed explanation of the statement "Clients may be required to make a contribution to the cost of their care" would be helpful as many consumers (or potential consumers) do not have a clear understanding of Basic Daily Fee, Income Tested Fee and Government Subsidy.
- The use of examples to assist the consumer to better understand definitions. For instance, in the Schedule Commentary on *Package Funding (from the Government)* consumers may develop a clearer understanding of what is meant by an Income Tested Fees offsetting the Government subsidy if they were provided with an example i.e. if you are required to pay an Income tested fee of \$10 a week, the Government subsidy you would receive for a Level 4 Home Care package would be reduced from \$960 per week to \$950 per week.
- The inclusion of unaccompanied shopping in the definitions.

- Extended scope of Social Support to include more general supports such paying bills etc.
- Removing references in both the Schedule and Schedule Commentary about transport being provided via car. Many services offer transport via bus. The stipulation of bus versus car can be provided in the providers commentary.
- The removal of accompanied transport to and from appointments from personal care. Accompanied transport has different costings associated with it.

3. Are there any further considerations in relation to administration costs being rolled into unit prices?

OPAN SDOs have seen examples of exorbitant administration charges since the introduction of Consumer Directed Care. OPAN considers it a positive move to roll administration charges into service unit prices. This change will make it easier for consumers to understand and compare prices across services and will remove the confusion often associated with administration charges that are calculated as a percentage of the total package budget.

4. What should be considered in a definition of case management.

The scope of Case Management frequently causes confusion amongst consumers. The definition of Case Management in the Schedule Commentary should list the range of supports that are included as a minimum under Case Management. Any Case Management restrictions and/or additional charges should be clearly identified.

The current definition of Case Management could be enhanced through the provision of examples. Some consumers may not understand the extent of statements such as “ensuring the smooth coordination of support services” but may relate to examples such as responding to e-mails and calls, initial package set up and chasing up contractors etc.

OPAN suggests that the definition should also make provisions for clients with special needs (providing access to interpreter etc.).

OPAN considers it essential for it to be clearly noted that complaints management and time spent engaging with advocacy services must be covered within Case Management and cannot incur additional costs.

5. Do bundled or sub-contracted services need to be identified in the schedule? Can they be adequately catered for and reflected in the Schedule? Are any changes suggested?

OPAN recommends that sub-contracting establishment fees be clearly reflected in the Schedule.

OPAN SDO’s report that some service providers are charging a significant establishment fee for every sub-contract arranged for a client. For example, one service provider in Queensland charged a client a \$500 subcontracting establishment fee for each of the six subcontracted services the client requested.

OPAN also suggests that service providers should be required to provide transparency around the margin they charge in addition to sub-contractor fees. OPAN is aware of some service providers that

increase the margin for sub contracted services by as much as 69%. If the consumer was aware of this markup they may make the informed decision to receive their services directly from the sub-contractor.

6. How frequently should the schedule be updated?

If government is aiming to develop a true free market, then OPAN understands price changes may need to occur at a variety of timeframes. However, service providers should have to commit to at least a minimum period a price will remain constant for in the interest of consumers being able to plan and drive their care. Consumers must have a price change notification period. The alternate model would be in line with the Aged Care Pension Increases in March and September.

OPAN suggests that at any given time, the prices displayed on a consumers Home Care Package statement should align with the prices publicised on the Schedule, unless otherwise agreed to and documented in the client agreement.

7. Are there any further considerations in relation to the Schedule and regional and remote areas?

OPAN suggests considerations for regional and remote areas may include

- The provision of additional information on the viability supplement including a tool to assist consumers identify eligibility and calculate the amount of subsidy they may receive on a weekly basis.
- Mechanisms for service providers to provide transparency around additional costs incurred when delivering to rural and remote areas – i.e. staff travel time, increased millage costs where larger vehicles are required etc.
- Mechanisms for service providers to describe innovative models for delivering services to rural and remote locations.

Although the Schedule is intended to provide comparability and transparency around pricing, it would also be valuable if providers were able to indicate their capacity to provide services in certain rural and remote locations so that consumers do not waste time engaging with providers that don't have service availability.

8. Are there any important considerations for the implementation of the Schedule, including education and communication requirements?

OPAN is pleased to see information on Home Care Package pricing being made publicly available. This information will provide consumers with a certain level of transparency and will assist in comparing value for money across service providers.

In line with this reform, OPAN seeks enforcement of same level of transparency in service provider statements/invoices. A lack of transparency in Home Care Package statements/invoices is one of the most common home care issues raised through advocacy. Without the provision of timely,

transparent, easy to read statements/invoices, consumers will not be able to cross reference what they are being charged against the prices advertised and agreed to with the provider. This is a significant underlying and ongoing issue in the Home Care Package space, which needs to be addressed.

OPAN notes that there are many consumers without internet access that will not be able to seek pricing information via the MAC website. These consumers will require additional support to access pricing information. OPAN considers advocacy to have a role in this area. OPAN SDOs already provide support to consumers to access, identify and enter into agreements with providers of Home Care Packages. OPAN SDOs are also well placed to inform consumers about the introduction of the Schedule. OPAN advocates currently deliver education to over 40,000 people across Australia.

The Consultation paper explains that providers will be required to provide a copy of the Schedule in the client's Home Care Agreement. OPAN requests that service providers be reminded that key elements of the Schedule, such as exit fees, must be discussed before the client signs the agreement. OPAN SDOs have recently been involved in several cases where Service Providers have not followed this practice.

OPAN suggests that an online tool that assists consumers to plan their own Home Care Package based on the Government subsidies, supplements and the price Schedule of their preferred provider may also be useful for consumers when comparing and negotiating a package of care.

OPAN would welcome the opportunity to meet with Departmental Officers to further explore how OPAN could play a greater role in the education of Home Care services users.

Contact OPAN

Thank you for the opportunity to provide feedback on the *Home Care Pricing Transparency and Comparability Consultation Paper*. Should you have any further queries regarding the content of this submission, please do not hesitate to contact Craig Gear, OPAN CEO, on M: 0410 695 659 or email: craig.gear@opan.com.au.