



## Home Care Package Pricing Caps

Dear Provider

A key election commitment by the ALP Federal Government was to implement price caps on administrative and management charges in the home care package program to improve pricing transparency and reduce excessive charges. Legislation has now been passed to enable this to occur.

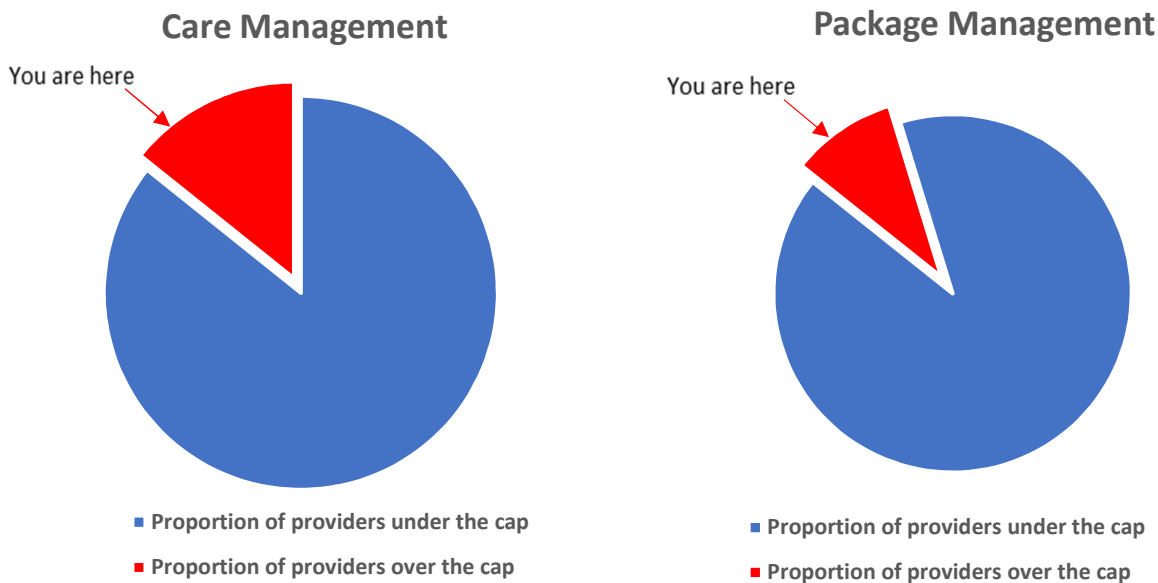
From the beginning of January 2023, the price for care management will be capped at 20% of the package level and the price for package management will be capped at 15% of the package level.

The table below sets out the maximum prices for care management and package management services that can be charged per fortnight from 1 January 2023.

Home Care Package Level	Care management	Package management
Level 1	\$70.42	\$52.78
Level 2	\$123.90	\$92.96
Level 3	\$269.50	\$202.16
Level 4	\$408.66	\$306.46

**Maximum amount that can be charged for each home care package level per fortnight in dollars (\$)**

In preparing for these changes, the Aged Care Quality and Safety Commission (the Commission) has undertaken a review of published pricing information for the 2022 period for all providers. Your current published pricing information indicates your charges for care management and package management exceed the cap limits commencing 1 January 2023.



### What you need to do

You should undertake a review of your care management and package management charges and make any necessary changes to ensure that you will be compliant with the new pricing cap requirements when they take effect at the beginning of January 2023. Relevant guidance can be found in the Regulatory Bulletin [RB 2022-16 Changes to Administration and Management Charges in the Home Care Packages Program](#).

This is also a timely reminder that the new caps are in addition to your existing provider responsibilities to ensure that charges for care and services are reasonable. In particular, if you increase a price, regardless of whether the net charge to consumers stays the same (i.e., increasing care management charges but eliminating third party charges), you must continue to meet your responsibilities under the *User Rights Principles 2014* and *Quality of Care Principles 2014* by:

- explaining what the charges are for and why prices are changing
- explaining what the new prices include, and when they will start
- ensuring that each consumer understands all charges, price increases/changes and the impact that the changes will have on the consumer's package funds and the provision of care and services
- undertaking adequate consultation with consumers about any changes to the home care agreement and seeking mutual consent to make those changes.

You can notify the consumer, rather than seeking mutual consent, where you are just seeking to inform them of:

- decreases to prices for care and package management
- removal of separate third-party services and exit charges.

The Commission continues to undertake a range of activities to resolve complaints about aged care services and monitor compliance. Where providers are found not to have met the requirements under the legislation, the Commission can take compliance and enforcement actions including issuing a Non-Compliance Notice (NCN). If the provider does not satisfactorily respond to the NCN, a sanction may be imposed which can include restricting the payment of subsidies, revoking or suspending the provider's approval.

The Commission publishes all non-compliance of home service providers in the non-compliance register located on the Commission's website and on My Aged Care. In all circumstances, the response to non-compliance will consider whether the non-compliance poses a risk to the health, welfare or interests of consumers in the provider's care.

Yours sincerely

*J. M. Anderson*

Janet Anderson PSM  
**Commissioner**

22 December 2022