



9 July 2020

Dr Nicholas Hartland
Department of Health
Canberra ACT 2601

Nick.Hartland@health.gov.au

Pricing Comparability and Transparency

Dear Dr Hartland,

Catholic Health Australia and its members are supportive of the pricing transparency changes introduced in July 2019 and see value in allowing people to more easily compare and understand home care prices.

Now that the changes have been in place for more than 12 months, there are some emerging issues that we would like clarification on, specifically in relation to the application of annual pricing increases.

Common practice for home care providers is to review pricing annually, taking into consideration market conditions, business costs, budget imperatives, wage increases and indexation. Consideration is also taken to ensure that prices remain reasonable, in line with the requirements within the User Rights Principles. Any fee increases are communicated in writing, 30 days in advance of them taking effect. Express agreement from the care recipient is not sought. This process is clearly explained and agreed with care recipients prior to entry, and is outlined in their Home Care Agreement.

Some of our members have recently received advice from the Aged Care Quality and Safety Commission that this practice is no longer acceptable and that explicit agreement from the care recipient is required before any annual fee increases can be applied.

We would appreciate advice on this matter.

We suggest that the existing process (described above) which has been in place for some time is still suitable, and should be allowed to continue. It ensures that care recipients are agreeable to the process as part of the initial Home Care Agreement, and provides them with adequate time to seek additional information on the annual pricing change, or negotiate the increase. It also allows providers to manage reasonable fee increases in an efficient way within limited administrative burden.

Introducing additional administrative steps that require Home Care Agreements to be varied each time an annual price increase is applied would increase provider costs, which would ultimately be borne by care recipients through increased package management charges. This would obviously be a perverse outcome, especially for people who have already agreed to manage annual fee increases in the current way within their Home Care Agreement.



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If there has been a change to the requirements around annual fee increases, or if the existing process is not acceptable, we would recommend that clear advice is provided to the sector so that all providers can respond in a consistent way.

We would also expect that adequate time be allowed for providers to respond, and that an amnesty period would be given in respect of any Aged Care Quality and Safety Commission action in relation to this specific issue.

If you would like to discuss this further, please contact me via phone (0417 689 626) or email (nickm@cha.org.au).

We look forward to your response.

Yours sincerely,

Nick Mersiades
Director, Aged Care
Catholic Health Australia