



Six Catches to Government Funded Home Care Packages

In-home Care is a great option for your loved ones for many reasons. Understanding how government subsidised 'Home Care Packages' work and what the catches are is a challenge.

Let's try and help

Accessing government funding for in home care can reduce your costs. If you have a Home Care package this is your money and you have control how it is spent. Whichever service provider you choose must be transparent about how they are charging you. They must also account back to you monthly how your money is being spent.

This money can fund personal care, housekeeping, transport, shopping, respite, nursing and allied health services. To attain access to these packages you need to be assessed via My Aged Care by an Aged Care Assessment Team ('ACAT') for eligibility. 'ACAT' teams are generally located in public hospitals. You can refer to the 'My Aged Care' website for more information. My Aged Care via 'ACAT' will decide on your eligibility and also your level of Home Care Package. Home Care packages can be upgraded due to changed circumstances giving more benefit after initially perhaps not giving much.

Private companies such as Care Your Way can work within government funding packages and also provide private services to top up care services if and when required.

The gross value of government 'home care packages' is as follows:

Home Care Package	Care Needs	Gross Annual Package	Dementia Supplement if applicable
Level 1	Basic	\$ 7,924	\$ 792
Level 2	Low Level	\$ 14,417	\$ 1,442
Level 3	Intermediate	\$ 31,697	\$ 3,168
Level 4	High	\$ 48,183	\$ 4,818

Catch One

You have to pay a 'Basic Fee'

To access the package, at a minimum you have to pay a 'basic fee' of \$3,595 annually to the package provider in order to start receiving the package (unless you formally apply under financial hardship).

The Basic Fee has to be paid to the package provider in order to start receiving the package.

The Basic Fee can't be netted off your package.

Yes, you are right, it effectively reduces the benefit of each package by \$3,595 pa.

Note Home Care packages can be upgraded due to changed circumstances giving more benefit after initially perhaps not giving much.



Catch Two

You may have to pay an “Income Tested Fee” as well.

If you have total income over \$26,200 per annum (which equates to the full pension) you also have to pay an “Income Tested Fee” worked out on a sliding scale based on your income over this amount.

This Income Tested Fee is capped at \$10,000 annually and \$60,000 over your lifetime.

This is in addition to the ‘Basic Fee’ discussed above.

Like the ‘Basic Fee’ you have to pay the ‘Income Tested Fee’ to the package provider in order to start receiving the package.

Like the ‘Basic Fee’, the ‘Income Tested Fee’ can’t be netted off your package.

Single Annual Income	Basic Fee	Income Tested Fee	Total Fees Payable by Recipient
\$26,200 and less	\$3,595	\$ 000	\$3,595
\$35,800	\$3,595	\$ 5,000	\$8,595
\$49,200	\$3,595	\$ 5,000	\$8,595
\$59,600 and more	\$3,595	\$ 10,000 max pa	\$13,595

Joint Annual Income With Partner	Basic Fee	Income Tested Fee	Total Fees Payable by Recipient
\$41,000 or less	\$3,595	\$ 000	\$3,595
\$60,050	\$3,595	\$ 5,000	\$8,595
\$96,050 and more	\$3,595	\$ 10,000 max pa	\$13,595

The combination of ‘Basic Fee’ and ‘Income Tested Fee’ can reduce the benefit of the package you have quite dramatically particularly for Level 1 and Level 2 Home Care Packages.

For example you may be eligible for a Level 2 package with a gross value of \$14,417. If you are single and have income over \$59,600 you have to pay \$13,595 (\$3,595 basic fee + \$10,000 income tested fee) to get itthere is only \$822 pa in supposed benefit left .I say supposed for a reason. Don’t stop here read the third catch.

Note Home Care packages can be upgraded due to changed circumstances giving more benefit after initially perhaps not giving much.



Catch Three

You currently don't have much choice as far as service providers but that is going to change February 2017

Currently Home Care packages are allocated to a short list of government nominated service providers in your area. If you have been given eligibility for a Home Care package following your ACAT assessment you then have to get one allocated from the government nominated service providers in your area. They may or may not have packages to give you. You could go on a waiting list. This does not give you much choice.

But standby..... major deregulation occurs on February 27, 2017. From that date all of the existing packages and any new ones are allocated to the community not the government nominated service providers. Your eligibility is still based on your individual circumstances following your assessment. The important change is the package will be allocated out of the community pool via My Aged Care. Note the community pool of packages will still be controlled by the Federal Government.

From 27 February, 2017 the package is truly yours and you are in control with a lot more choice of service providers. There will be an extensive list of approved service providers you can use, not a short list as in the past. All of these service providers will have been through a formal approval process. The list will open up to include a lot of private agencies giving you a lot more choice. Care Your Way has already been approved and advised that it will be on that list. You will have full portability of your package if you are not happy with the service provider you initially chose.

Catch Four

Be aware government nominated Home Care Package service providers can charge extremely high administration and other fees before you get any direct services. These extra fees can be significant. This can mean the benefit of the package can be diluted further.

All current Home Care packages are awarded to individuals on a 'consumer directed care' basis meaning you have say and control over your care plan, when the services are provided and from whom subject to a service agreement being in place. Don't forget your package is your money.

Whichever service provider you choose has the responsibility to be transparent about how they charge you and also provide you with a monthly statement detailing how your money was spent.

Before you choose a Home Care package provider ask them four important questions.

Ask them for a full breakdown of the costs they will charge your package?

This will include an hourly rate for direct care services but in addition they may also charge "package set up fees", "administration fees", "core advisory fees", "client coordination fees and "case management fees". Be very careful when you are assessing the providers to fully understand what you are going to be charged for. They have a responsibility to be fully transparent in this. The reality is that these additional charges can reduce the hours of direct care received very dramatically.

Ask them what proportion of the package will be spent on direct care service versus other fees?

Care Your Way doesn't charge these extra fees. Our direct care fees include co-ordination services and care planning. We do not charge administration fees. This can make a big difference in what you get for your money.



Ask them for a list of private agencies they have service provider agreements with.

You have the right to appoint the Government nominated Home Care package service provider just to financially oversee the package and use private agencies to provide the services giving you a lot more choice and value. The important thing is you have full rights under “Consumer Directed Care” to ask for full flexibility in this. Care Your Way has service agreements with most of the Home Care Package providers.

Ask them what they will charge to financially oversee the package allowing you to use one of the private agencies?

You have the right to ask ,as you may want them just to manage the financial aspect of the package ie send you monthly statements and just pay other private agency service providers as directed and approved by you. This could give better value and choice, as Care Your Way for example do not charge administration fees.

Catch 5

Current Government nominated service providers are required to give you choice. The spirit of this is discussing the option of them financially overseeing your package and using private agencies for care services. This potentially can save you money as a lot of private agencies do not charge administration fees.

Care Your Way is a private agency and has service agreements with most of the government nominated Home Care package providers.

Why work with a Private Agency?

You can get better value and choice potentially by using a private agency of your choice underneath a government nominated service provider.

Care Your Way can meet with you, prepare the care plan, coordinate services and deliver quality services to you.

Care Your Way only charges an hourly rate for direct care services, nothing more.

Care Your Way does not charge “administration fees” or “client coordination fees” or “package set up fees” or “core advisory fees”. We would only charge “case management fees” when and for as long as agreed.

Care Your Way has service provider agreements with most of the government nominated Home Care package service providers. The important thing is you have full rights to ask to use us.

Care Your Way can work within government funding packages and also provide additional private services to top up care services if and when required.

Care Your Way has been successfully providing quality services to clients for 12 years with a dedicated and professional team.

Care Your Way is very responsive and flexible .You are not required to sign any long term contracts. Scheduled services can be amended or cancelled at any time 24 x 7. Cancellation fees are only paid if services are cancelled on the day or late the day before.

Services can be for a minimum of one hour, or more depending on what you require, with full flexibility as needs change.

Catch 6

Life expectancy is a very difficult thing to consider from a lot of different perspectives. If you have a high 'Income Tested Fee' and only a Level 1 or 2 package you may have to consider it.

The income tested fee you pay is capped at \$60,000 over your lifetime whether you have a Home Care Package or a Residential Care Package. If you have an annual Income Tested Fee of \$10,000 it will take six years before they don't charge it. Financially it can make sense to start paying your capped "income tested fee" earlier rather than later as this will bring forward when you will get better benefit out of your government package. This needs to be considered particularly if you have been offered a Level 2 package because on the surface the benefit can look marginal but it may still make sense to accept it if your life expectancy is good.

What's the summary of all of this?

- Consider the impact of the Basic Fee and the Income Tested Fee on the overall benefit of your Home Care Package.
- Home Care packages can be upgraded due to changed circumstances giving more benefit after initially perhaps not giving much.
- From February 27, 2017 major deregulation occurs giving you a lot more value and choice. Care your Way is an approved provider from that date.
- Be aware government nominated Home Care Package service providers can charge extremely high administration and other fees before you get any direct services. These extra fees can be significant. This can mean the benefit of the package can be diluted further.
- Before you appoint a service provider ask them four key questions.
- Investigate the use of private agencies through your government nominated service provider. Care Your Way is a private agency. We have service agreements with most of the Home Care Package providers. We are experienced, professional. We don't charge a whole lot of other fees and can be a lot more cost efficient and very responsive.
- If you have Level 1 Package and a high Income Tested Fee (max \$10,000 pa) there is no net benefit of the package. You would have to pay \$13,595 to get a package of \$7,924. It makes more sense to turn down the package and just pay a private agency direct for services. A lot less bureaucracy, paperwork and cheaper.
- If you have a Level 2 Package and a high Income Tested Fee the benefit of the package may be marginal on the surface but may be worth taking up when you consider your life expectancy.
- Note the residential care decision has even further complexities both emotionally and financially. Contact or email us if you would like some more information on this.