CONSUMER HOME CARE PACKAGE BUDGET MANAGEMENT POLICY AND PROCEDURE

Version 2.0

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Purpose and Scope

The purpose of this policy and procedure is to provide guidelines for Bilingual Care's Care Partner in relation to the management of aged care consumers' home care package funds.

This policy and procedure applies to the Care Partner and their delegates, and meets all legislation, regulations and Standards.

Refer to Bilingual Care's *Financial Management Policy and Procedure* for detailed information in relation to charging consumer fees, processing, and claiming.

Applicable Aged Care Quality Standards

- *Standard 1. Consumer Dignity and Choice*
- *Standard 2. Ongoing Assessment and Planning with Consumers*
- *Standard 7. Human Resources*
- *Standard 8. Organisational Governance*

Definitions

Care Management - ongoing assessment and planning to ensure consumers receive the care and services they need. It is a mandatory service that must be provided to all home care package consumers, including consumers who self-manage their home care package. Care management must be undertaken on at least a monthly basis and include:

- regularly assessing consumers' needs, goals and preferences
- reviewing consumers' *Home Care Agreements* and *Care Plans*
- ensuring consumers' care and services are aligned with other supports
- partnering with consumers and their representatives about consumers' care and services
- ensuring consumers' care and services are culturally safe and
- identifying and addressing risks to consumers' safety, health, and wellbeing.

Care Plan - a plan that is developed with consumers that explores their needs, preferences, goals and care requirements and the ways they want to be supported to achieve these. Planning will have a different focus for each person.

Fees - Bilingual Care can ask consumers to pay up to three types of fees as part of their Home Care Package individualised budget. These must be recorded in *Home Care Agreements* and listed in monthly statements:

> ***Basic Daily Fee*** – all consumers can be asked to pay this fee, but some providers do not collect it. The amount consumers pay varies depending on their package level. The

basic daily fee increases twice a year in line with the age pension.

Income Tested Care Fee - if a consumer's income is above a certain amount, they need to pay an income tested care fee to contribute to the cost of their care. This fee is different for everyone. Full pensioners do not pay an income tested care fee. Annual and lifetime caps apply. If a consumer moves into an aged care home, any income tested care fee they have paid while in home care will count towards the annual and lifetime caps for the means tested care fee in residential care.

Additional Service Fees - Consumers can choose to buy additional care and services if they do not have enough money in their Home Care Package budget to support their care plan. These must be agreed in the *Home Care Agreement*.

The Basic Daily Fee and Income Tested Care Fee are set out in the Australian Government Department of Health and Aged Care's *Schedule of Fees and Charges for Residential and Home Care*.

For fees and charges that apply to consumers who entered aged care before 1 July 2014, see the Australian Government Department of Health and Aged Care's *Schedule of Fees and Charges for Pre-1 July 2014 Residential and Home Care Recipients*.

Home Care Agreement - an agreement between Bilingual Care and a consumer that sets out how services will be provided, who will provide them, and how much they will cost. It includes a Care Plan and an Individualised Budget.

Individualised Budget - outlines the available funds in a consumer's home care package and how they will be spent.

Monthly Statement – a detailed financial statement provided each month to consumers to allow them to track their package spending, available package funds, and any fees charged.

Package Management - a service that supports the delivery of home care packages. It includes:

- establishing and managing home care budgets
- coordinating services (such as scheduling services and staff, or arranging respite care)
- preparing invoices and monthly statements
- responding to enquiries about invoices
- organising third-party services
- buying equipment (such as mobility aids)
- arranging allowable home modifications (such as bath rails)
- submitting claims to Services Australia
- maintaining and updating income tested care fee and basic daily fee payments
- completing paperwork for ceasing care
- storing and maintaining records
- ensuring staff are suitable (e.g., police and immunisation checks)
- training and educating staff
- conducting quality improvement, compliance, and assurance activities
- completing financial reporting and
- maintaining COVID-19 vaccination compliance documents.

Package management does not include:

- business overheads or costs
- administration and communication or marketing costs (these can be included in direct service prices)
- care management tasks or
- direct service charges.

Subsidy – a payment made by the Australian Government to approved providers for each person receiving government-subsidised home care. Bilingual Care can claim the subsidy for a consumer if they have been assigned a Home Care Package through the national priority system. The subsidy is comprised of:

> ***Basic Subsidy*** – this rate depends on the consumer's package level and it increases for higher levels.
>
> ***Reductions*** - an amount that reduces the basic subsidy and primary supplements for consumers. The two types of reductions that apply to home care are the:
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> - ***care subsidy reduction*** – this is an income-tested care fee, which may be payable if a person enters home care from 1 July 2014 and has income over a certain amount. Services Australia calculates the maximum income-tested care fee based on an assessment of the person's income and
> - ***compensation payment reduction*** - a person can get compensation through a settlement, judgement, or reimbursement arrangement. This may be for things like an injury in the workplace or from a car accident. If the compensation covers some or all the cost of their home care, a reduction applies.
>
> ***Supplements*** - primary and other supplements provide extra funding for specific care needs. For some supplements, the Australian Government automatically checks the consumer's eligibility. For others, approved providers need to apply.

Subsidy and supplement rates are set out in the Department of Health and Aged Care's *Schedule of Subsidies and Supplements for Aged Care*.

Third-party Service - care or services, including the purchase of goods, equipment, and assistive technology, that another organisation or person provides. This includes where Bilingual Care:

- sources and coordinates care and services through a third-party (including subcontractors, labour hire, or brokered services) and
- purchases goods, equipment, or assistive technology from a third party.

Third-part services can be provided on an ad hoc or ongoing basis to meet consumers' needs, or upon a consumer's requests for specific workers or service providers.

Policy

Bilingual Care can charge consumers fees for the reasonable management of their home care packages, but it must adhere to legislative requirements related to what and how much it can charge. This must be captured in the consumer's *Home Care Agreement* and Bilingual Care's *Fee Schedule*.

A consumer's funds cannot be legally managed by another person (including the signing of an *Individualised Budget* by a person other than the consumer) unless:

- the consumer has competently assigned management to that person
- an order has been made by the Courts or other relevant regulatory body or
- the person has been appointed as a Centrelink nominee under the *Social Security (Administration) Act 1999 (Cth)*, which allows the person to receive social security payments on behalf of another.

Bilingual Care's Care Partner and other staff must not undertake the management of a consumer's personal funds.

Procedures

General

Following the initial intake process (see Bilingual Care's *Service Access and Intake Policy and Procedure*), where a consumer requests Bilingual Care be their Home Care Package provider (and Bilingual Care accepts), staff will work with them and their supporters to assess their needs across all areas of their health and wellbeing (see the *Initial Assessment and Care Planning Policy and Procedure*). This includes developing a *Home Care Agreement*, which will include an *Individualised Budget* (based on Bilingual Care's *Fee Schedule*).

Bilingual Care must ensure any information given to consumers about their home care package, including information about pricing or care and services, is current, accurate, timely, and communicated clearly, in an easy-to-understand way that enables them to exercise choice.

If Bilingual Care increases a price, regardless of whether the net charge to consumers stays the same (e.g., increasing care management charges but eliminating third-party charges), staff must:

- explain what the charges are for and why prices are changing
- explain what the new prices include and when they will start
- ensure each consumer understands all charges, price increases, or changes, and the impact these will have on their package funds and the provision of care and services and
- give reasonable notice in writing to vary relevant *Home Care Agreements*.

Bilingual Care can notify consumers, rather than seek mutual consent, to:

- decrease prices for care and package management and
- remove separate third-party service and exit charges.

Legislative Fee Requirements

Bilingual Care must adhere to legislative requirements in how it charges for the delivery of home care packages, including:

- not charging above the cap for care management and package management services
- not charging for package management in a calendar month where no services (other than care management) are delivered, except for the first month of care
- not charging exit amounts
- not charging separately for third-party charges and
- ensuring charges are reasonable.

The *User Rights Principles 2014 (Cth)* require that costs relating to the provision of home care package care and services are reasonable. Where concerns are raised regarding the reasonableness of charges, the Aged Care Quality and Safety Commission may require

Bilingual Care to explain the pricing methodology and evidentiary basis used to inform the prices that are charged.

Care Management Fees

Bilingual Care's care management charges must be reasonable and justifiable. The organisation must publish a distinct care management price, in a dollar figure, so consumers can better understand and compare prices. Different amounts can be published for self-managed care recipients, but no prices can exceed the cap set by the Department of Health and Aged Care.

Care management prices are capped at 10% of the level of home care package the consumer receives. For the maximum amount that can be charged by level see Care Management and Care Plans for Home Care Packages.

These caps are the maximum that can be charged per package level and will increase with the basic subsidy each year. They are not a target price, or an indicator of what is considered 'reasonable'.

Bilingual Care cannot charge care management as an:

- hourly charge or
- hourly charge on top of the base care management charge.

In addition, Bilingual Care should consider lowering care management charges to reflect a reduction in service delivery and support value for money, where a consumer's:

- capacity increases
- needs reduce or
- circumstances change, such as when they have increased support from their representatives or family or choose to self-manage.

Bilingual Care can charge for care management at a fortnightly or monthly rate and does not have to pro rata the price should a consumer cease their home care part way through a charge period. For instance, if a consumer has agreed under their *Home Care Agreement* to pay the maximum amount for care management, per month, but leaves Bilingual Care's care midway through the period, Bilingual Care can still charge the maximum amount for the entire month. However, Bilingual Care cannot charge for care management in a period where the consumer has ceased care for the entire period.

Package Management Fees

Bilingual Care can charge for package management separately, however, again, fees must be reasonable and justifiable. The organisation must publish a distinct package management price, in a dollar figure, so consumers can better understand and compare prices.

The Department of Health and Aged Care has capped package management prices at 15% of the level of home care package the consumer receives. For the maximum amount that can be charged by level see Package Management Services for Home Care Packages.

These caps are the maximum that can be charged per package level and will increase with the basic subsidy each year. They are not a target price, or an indicator of what is considered 'reasonable'.

Bilingual Care cannot charge package management as an:

- hourly charge or

- hourly charge on top of the base package management charge.

If Bilingual Care does not charge for package management, the following must be explained to consumers:

- how Bilingual Care delivers this service and
- where Bilingual Care covers these costs.

In addition, Bilingual Care should consider lowering package management charges to reflect a reduction in administration and support value for money, where a consumer's:

- needs reduce or
- circumstances change, such as when they choose to self-manage or require fewer services.

Bilingual Care can charge for package management at a fortnightly or monthly rate and does not have to pro rata the price should a consumer cease their home care part way through a charge period. For instance, if a consumer has agreed under their *Home Care Agreement* to pay the maximum amount for care management, per month, but leaves Bilingual Care's care midway through the period, Bilingual Care can still charge the maximum amount for the entire month. However, Bilingual Care cannot charge for care management in a period where the consumer has ceased care for the entire period.

In addition, Bilingual Care must not charge for package management where direct care and services (other than care management) have not been provided in the charge period. This excludes the first month the consumer is with Bilingual Care. Note that this is different from when a consumer takes leave from their package: in this instance, Bilingual Care cannot charge for any services.

Exit Fees

Bilingual Care must not charge an exit fee when a consumer exits a service, or transfers to a new provider, regardless of whether the consumer had previously agreed to exit charges.

Third Party Charges

Third-party service charges must be all-inclusive. This means that Bilingual Care must not charge a separate amount for the costs of providing care or services through a subcontracting or brokerage arrangement. This is regardless of whether the choice to engage a third-party was at the request of Bilingual Care or the consumer.

Third party costs should be included in the permissible pricing categories:

- care management
- package management or
- direct service charges.

If engaging third-party services is:

- Bilingual Care's decision, Bilingual Care must include the extra cost in the service price (it cannot be charged for separately)
- the consumer's choice, Bilingual Care must explain how it will charge the extra cost.

It is expected that most, if not all, additional costs related to third-party services will be recouped through care and package management charges. Reasonable business overheads

and costs that cannot be charged in care and package management can be included in the all-inclusive price for the third-party care or services.

Setting separate prices for extra care management or package management is not permissible.

Care management generally covers the following activities when engaging third-party services:

- reviewing the consumer's *Home Care Agreement* and *Care Plan* to ensure the third-party services align with other supports
- partnering with the consumer and their representatives about their care provision
- ensuring that services are culturally safe and
- identifying and addressing risks to the consumer's safety, health, and wellbeing.

Package management generally covers the following administration tasks when engaging third-party services:

- coordinating and organising third-party services (outside of clinical decisions)
- preparing invoices, monthly statements, and claims
- managing records
- responding to invoice queries
- arranging home modifications and buying goods, equipment, and assistive technology
- ensuring third-party staff are suitable (e.g., undertaking police and immunisation checks)
- quality improvement, compliance, and assurance activities
- preparing and submitting reports on quality and
- maintaining COVID vaccination compliance documents.

Direct service charges generally cover the following activities when engaging third-party services:

- the cost of third-party care or services and
- business overheads and costs.

As with all fees, third-party prices must be reasonable and justifiable. This means they must be value for money and consider the effort and resources it takes to coordinate them.

Budget Preparation

The Care Partner is responsible for ensuring consumers' *Individualised Budgets* contain, and consumers understand:

- the portion of Government subsidy (and supplements if eligible) that contributes towards their care and services (see 'Definitions')
- any fees they can be asked to pay (see 'Definitions')
- any unspent funds that have been transferred as part of a package transfer from a previous provider (where applicable)
- how Bilingual Care will use the funds to pay for each service listed in the person's *Care Plan*, and how that contributes to the total amount of funds spent on their care each week, fortnight, month, and year and
- a copy Bilingual Care's *Fee Schedule*, including the hourly rate charged for each care and service.

The Care Partner is also responsible for working with consumers and their representatives to ensure all care and services required are achievable within their specific package budget.

Individualised Budgets must be easy to understand and explained to consumers and their representatives in a way that meets their needs and preferences.

Changes and Reviews

Where changes are made to consumers' *Care Plan*s, Bilingual Care's costs change, or consumers or their representatives request a review of their package budget, the Care Partner is responsible for developing an updated budget with the consumer and their representatives. Where the budget is to be updated, the same processes for initial budget establishment apply.

Individualised Budgets must be reviewed if:

- the consumer requests it
- Bilingual Care wants to change a consumer's care or services and
- the costs of providing a consumer's care or services change.

Changes must always be discussed before they are made.

After agreed changes have been made, Bilingual Care must give the consumer a copy of the revised budget.

If the consumer requested the changes, Bilingual Care must give them a revised copy of their *Individualised Budget* within 14 days of the request.

Consumer Cancellations

Cancellation Fees are not set or outlined in current Aged Care legislation or Standards. Bilingual Care can charge cancellation fees provided they are reasonable and the consumer has agreed to them in their *Home Care Agreement*.

Bilingual Care understands that sometimes circumstances change, and services need to be cancelled or rescheduled. Where a consumer provides 7 days' notice of a service change, no cancellation fee is payable.

Bilingual Care requires that consumers provide at least 24 hours' notice if they are not available for their scheduled visit. If the consumer does not provide sufficient notice, the scheduled service will still be charged in full.

If for any reason the consumer has no control or capacity to notify Bilingual Care within 24 hours, such as an emergency or disaster that prevents them from being home to receive their service, the scheduled service will not be charged for.

The consumer may request a suspension of services for any reason and whenever required. If a consumer requests not to receive services for 5 or more consecutive days, it will constitute a suspension of services. During a suspension of services (other than when it is in connection with Transition Care or Respite Care) the consumer must continue to pay the nominated Fees in accordance with their *Home Care Agreement*.

Monthly Statements

The Care Partner will provide consumers with a *Monthly Statement* that clearly outlines:

- charges to any home care package funds for care and service
- charges made to the home care package by Bilingual Care to cover case management and other management costs and

- the unspent balance.

Bilingual Care must establish the preference for each consumer in relation to how they wish to receive their monthly statement and provide several options such as paper or post, email, or web based. The *Monthly Statement* must be easy to understand and explained to consumers and their representatives in a way that meets their needs and preferences.

Roles and Responsibilities

In managing consumers' packages, the Care Partner will:

- assist consumers with budgeting and the purchase of goods and services from Bilingual Care and other service providers, ensuring that as far as possible consumers get value for money and that they are not taken advantage of
- undertake monthly audits of consumers' funds, and report to the consumer in accordance with relevant legislation
- provide families and representatives with reports about consumers' funds on an as required basis
- report to the relevant stakeholders and government bodies where any discrepancies or deficiencies in a consumer's budget are observed
- check the appropriateness of charges levied by the organisation against consumers
- check transactions that occur related to management of consumers' packages against funds received and payments made
- check the appropriateness of signatories of consumers' *Individualised Budgets*
- prepare monthly reports of all audits performed
- prepare financial statements on an as required basis and
- collate and store all current and previous checked and audited accounts and budget information.

Supporting Documents

Documents relevant to this policy and procedure include:

- *Financial Management Policy and Procedure*
- *Service Access and Intake Policy and Procedure*
- *Initial Assessment and Care Planning Policy and Procedure*
- *Home Care Agreements*
- *Individualised Budgets*
- *Bilingual Care Fee Schedule*
- *Care Plans*
- *Monthly Statements*

Monitoring and Review

This policy and procedure will be reviewed at least annually by the Leadership Team and incorporate staff, consumer, and other stakeholder feedback as well as consumer file audits, to assess alignment between documented processes and actual practice.

Bilingual Care's *Continuous Improvement Plan* will be used to record and monitor progress of any improvements identified and where relevant will be incorporated into service planning and delivery processes.

DOCUMENT CONTROL

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2.0	02/07/2026	MD
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