



Improved Payment Arrangements for Home Care

Care Recipient Fact Sheet – April 2021

Background

The Australian Government (the Government) is changing the way Home Care Package Program providers are paid.

Instead of receiving Government funding in advance, providers will receive funding in arrears (after services are delivered), based on actual services delivered to you. These changes align home care with other Government-funded programs as well as modern business practices.

When there is more money in your home care package budget than is spent on delivering your care, you will have unspent funds. Currently, your provider holds your unspent home care funds. These changes mean the Government will hold unspent funds on your behalf and make sure they are always available for your care.

When will the changes happen?

The changes to how the Government pays your home care subsidy to your provider will happen in two phases.

Phase 1 – 1 February 2021

From 1 February 2021, we will pay your home care provider in arrears each month.

We will continue to pay the full subsidy for your home care package, regardless of the services provided to you in the past month.

Providers will continue to hold unspent home care funds on your behalf. There will be no change to how they manage your funds.

Phase 2 – 1 September 2021

From 1 September 2021, we will pay your provider only for the actual care and services delivered to you.

Services Australia will create a home care account for you. Any unspent Government subsidy accrued from 1 September 2021 onward will be held in this account. These funds will continue to be available to pay for your care and services when needed.

Your provider will have access to information about your home care account. They will report to you in your monthly care recipient statement your home care account balance and any unspent funds they are holding for you.

How will the changes affect me as a home care recipient?

These changes should not affect you.

You will continue to:

- receive the same care and services from your provider, in line with your [care plan](#)
- have the full Government entitlements available to you
- pay the same home care fees
- be able to change service providers if you choose to.



As a home care recipient what do I need to do?

Nothing, there will be no change to how you access your care and services. Your provider will simply invoice Services Australia as part of their monthly claim. Your home care package will continue to be delivered as it is today.

As a home care recipient what happens to the unspent funds I have now?

You will not lose access to any unspent home care funds held by your provider now or after 1 September 2021. This includes both unspent subsidy from the Government and unspent fees you have paid into your total package budget.

Services Australia will create a home care account for you. From 1 September onward Services Australia will start holding any unspent Government subsidy on your behalf in your home care account.

From 1 September, your provider can opt-in for the Government to hold your current unspent Government subsidy.

If your provider chooses *not* to opt-in they will continue to hold onto your unspent funds on your behalf. They can continue to use these funds to pay for your care and services.

How will I know whether I have unspent funds and who is holding them?

From 1 September 2021, your service provider will update their monthly statement to tell you how much you have in unspent funds and where these unspent funds are held.

The statement will tell you:

- How much in unspent funds your provider is holding. This will be broken down into the fees that you have paid (care recipient portion) and the subsidies the Government has paid for your home care package (Commonwealth portion).
- Whether your provider has opted to draw down on the Commonwealth portion of the unspent funds they are holding for you and return them to the Government, where they will be credited to your home care account.
- How much the Government is holding for you in your home care account.

What happens when I move to a different service provider?

If you decide to transfer to a new service provider, your unspent Government subsidy will be returned to the Government, to be held in your home care account until you need it.

Any unspent fees you have paid into your total package budget will be transferred to the new provider.

What happens when I leave the Home Care Package Program?

When you exit home care your unspent Government subsidy will be returned to the Government, to be re-invested in the Home Care Packages Program so more people can receive home care.

Any unspent fees you have paid into your total package budget will be returned to you.



How will the changes affect my provider?

Your provider will continue to claim for Government subsidy through Services Australia like they do now.

In Phase 1 (from 1 February 2021) they will claim the full Government subsidy in arrears once the month is complete rather than in advance.

In Phase 2 (from 1 September 2021) they will claim in arrears and only for the cost of care and services delivered to you for the claiming period.

Your provider must continue to:

- Provide you with care and services, in line with your care plan
- Publish their [pricing schedule](#) and [full price list](#) on My Aged Care
- Include a copy of your pricing schedule in your [home care agreement](#)
- Charge you the prices in that schedule, unless otherwise agreed and documented in your home care agreement
- Not charge separate amounts for any business-related [administration costs](#)
- Make sure any administration costs are reasonable.

Further information

Further information on Improved Payment Arrangements can be found on the Department of Health's [website](#).