

Victorian Home and
Community Care (HACC)
Fees policy

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9.1 Introduction

This policy forms part of the Victorian Home and Community Care (HACC) Program Manual and should be read in conjunction with the wider document. Service providers are required to adhere to this policy.

This policy document format has been revised to make it more concise. There has been no change in policy.

This document is included with the current Community Health Program fees document.

Refer to Section 8.5.5 of the HACC Program Manual describing the use of fees collected from HACC consumers.

HACC fees and income thresholds are indexed annually.

9.2 National HACC Fees Policy

The National Draft HACC Fees Policy (included in the HACC Program National Guidelines) provides a consistent framework for the collection of fees in the HACC Program.

The Victorian HACC Fees Policy provides more detailed guidance on the application of the principles and broad guidelines set out in the national policy. All Victorian HACC service providers are expected to operate on the basis of the principles contained within the National HACC Fees Policy and the more detailed guidelines contained within this policy.

Approval for alternative systems of fee collection may be sought from the Department of Human Services. Such approval will only be granted where these systems are consistent with the principles and guidelines contained in this policy.

The fees policy is an integrated approach to setting fees for consumers and service providers. It is to be implemented and viewed as whole and not as individual components. For example, income is only one factor to be used in determining the fee.

Services that use income to the exclusion of other factors to determine whether fees should be charged are in breach of the policy and must remedy the situation.

9.3 Victorian HACC Fees Policy Principles

The following principles provide a consistent framework within which service providers are to operate. This framework will ensure a consistent approach to charging customers using a range of services funded from different funding sources.

The principles are:

- Inability to pay cannot be used as a basis for refusing a service to people who are assessed as requiring a service.

- Where fees are to be charged, it should be done in accordance with a scale of fees appropriate to the consumer's level of income, amount of service used, and any changes in circumstances and ability to pay.
- It is not appropriate to charge a fee for some services due to the nature of service provision or particular program targeting policies (see below).
- All agencies should charge the full cost of the service where consumers are receiving, or have received, compensation payments intended to cover the cost of care.
- Consumers with similar levels of income (after considering levels of expenditure) and service usage patterns should be charged equivalent fees for equivalent services.
- Consumers with high and/or multiple HACC service needs are not to be charged more than a specified maximum amount of fees in a given period, irrespective of actual amounts of services used.
- Fees charged should not exceed the actual cost of service provision. Generally, the fee charged for a service should be all-inclusive and cover all materials used in delivery of the service. Where there is a significant additional cost for material utilised in the provision of a service, a separate fee can be charged.
- Fee collection should be administered efficiently and attempts should be made to minimise the cost of administration.
- The revenue from fees is to be used to enhance and/or expand services.
- Procedures for the determination of fees, including assessment criteria, should be clearly documented and publicly available. The onus is on the service provider to ensure all consumers are aware that this information is available.
- Procedures for determination and collection of fees should take into account the situation of special needs groups.
- Assessment of a person's capacity to pay fees should be as simple and unobtrusive as possible, with due regard for individual's privacy when information is collected and with any information obtained treated as confidential.
- Consumers and their advocates have the right of appeal against a given fee determination.
- For the purposes of this policy, solicited donations for services are equivalent to fees and are subject to all provisions of this policy. The implementation of this policy cannot be avoided by using the terms *payments or donations* instead of fees'.

9.4 Agency Fees Policy

HACC funded agencies should establish and provide a written statement regarding the fee to be charged for any service by that agency and payment procedures. All consumers should be informed of the fees applicable to them at the time of assessment or commencement of the service. It may also be necessary to re-assess consumers due to a change in circumstances, particularly in relation to their financial situation.

9.5 The charging system

9.5.1 Key Considerations

The charging system operates on the basis of two key considerations:

- Income level of the consumer receiving a service.
- Ability to pay (this may be affected by additional costs associated with disability or other factors).

A fee can only be determined after considering both the consumer's income and factors that affect the consumer's ability to pay the fee.

Fees are always charged per hour (or part thereof) or session of service. Where a couple, or family, receive an hour of service they should not be separately charged (that is, charged for two hours of service, when the couple received only one hour between them).

9.5.2 Income Levels

The income level is the starting point for determining the fee a consumer will pay.

The charging system consists of three income tiers:

- Low rate
- Medium rate, and
- High rate

The income levels relevant to each of these tiers are described in Part 4: Income Tiers

As part of the initial assessment process, consumers' should be invited to declare the income level into which they fall. The declaration form should provide information for consumers to pursue a reduction or waiver of fees, particularly where their income is close to the next lowest income level.

For a sample income self-declaration form, refer to Part 2: Income Self Declaration Form (Template)

Service providers will need to ensure that the self-declaration form can be easily understood. The form may need to be made available in languages other than English and in other formats, such as braille or audiotape.

Where consumers refuse to declare their income level, service providers are entitled to charge fees at the high rate.

Even if a consumer has declared that they are in a particular income level, mitigating circumstances may affect the consumer's ability to pay a fee. In these cases, consumers have the right to have the fee reduced or waived to ensure they can obtain the services they need.

It is important to note that no person can be denied a service because they are not able to pay fees.

Consumers may require or elect to have or use an advocate during this process and any subsequent discussions on capacity to pay, fee reduction or waiver. Written information should clearly state this right.

While financially disadvantaged persons are a special needs group in the HACC program, it is not the intention to restrict access for people on higher incomes. If a person is eligible on the basis of assessed need, services should be provided (subject to availability and demand) and fees charged appropriate to the income level of the individual.

9.5.3 Whose and what income is assessed?

In order to determine which income level applies it is important to be clear about whose income is assessed:

- Where a person is living alone, that person's income is assessed.
- Where a couple are both consumers, their combined income is assessed.
- Where one member of a couple is the consumer the decision regarding whose income should be assessed may depend upon the nature of that income. For example, joint pensioners should be assessed at the level of their joint pension income.

Different family groupings should be assessed as follows:

- Where an older person is living with a family member or carer (who are not HACC consumers), the older person's income will be used for the purpose of setting fees.
- Where there is a family with a child, or children, with a disability under age 16, the family's income is assessed.
- Where there is a family, with an adolescent or adult with a disability aged 16 years of age or over, then that individual's income is assessed.
- Where there is a household of three or more unrelated people living together the income of the person requiring HACC services is assessed and services should be provided only to support that person (for example, housework is restricted to personal space and property not communal living areas).

Australian Taxation Office rules on supplementary income payments such as the Child Disability Allowance and Family Payments should be applied. These two supplementary payments are not taxable income and therefore should not be included in income assessment calculations. There is a range of other payments, which are deemed not taxable and these also should be dealt with in the same way

However, where the income provided is the primary income source, such as the Aged Pension, the Disability Support Pension and the Veterans' Affairs Pension, it should be included in the income assessment process.

9.5.4 Lump Sum Compensation Payments

Where a consumer has received a substantial lump compensation payment, the fee for HACC services should be set at the full cost recovery rate. If the lump sum is not considered substantial, or if a periodic payment has been granted, then subsidies and fee reductions can be applied in accordance with the outcome of an assessment of the consumer's ability to pay and in accordance with the Fees Policy.

9.5.5 Fee Reduction/Waiver

It is every service provider's responsibility to offer consumers the option to have fees reduced or waived. In determining whether a reduction or waiver of fees applies, service providers need to check that the consumer is receiving all financial assistance available to them (for example, Rent Assistance, Health Care Card concession on utilities, carer's allowance)

Fees may still be reduced or waived where a consumer who receives all relevant assistance experiences hardship in paying fees.

The service provider may need to consider the following factors when making decisions regarding reducing or waiving fees:

- Does the consumer incur any significant additional costs, which affects their capacity to pay the set fee for the service(s) they receive?
- What fee if any, is the consumer able to pay?

Refer to Part 1: Information about Fees Policy, for a list of factors that could impact on the consumer's ability to pay. Particular local factors or individual circumstances may also need to be considered and the list should be tailored as appropriate for the area in which services are being provided.

The first step in reducing/waiving fees is to offer the next lowest fee range to the consumer:

- A high fee rate consumer may be charged the medium fee rate.
- A medium fee rate consumer may be charged the low fee rate.
- A low fee rate consumer may have fees waived. If the person still wants to contribute to the cost of the service, the funded agency can at its discretion accept a payment of any amount the consumer wishes to make).

Fees may also be waived for high rate or medium rate consumers. Similarly, a high rate consumer may be charged the low fee rate. The appropriate rate needs to be negotiated with the individual consumer.

Monitoring the consumer's ability to pay the fee is part of the formal and informal review. Renegotiation of fees should occur where a person's financial circumstances have changed.

Both consumers and service providers are able to initiate a review of fees. Consumers may need to initiate a fee review (outside of timelines set for a service review by the service provider) and these requests should be responded to promptly.

If the fee has to be reduced/waived, consumers must not be treated any differently and must be afforded the rights that all consumers have.

9.5.6 Fees Cap

Consumers who have high use of one service or who use a range of services may have difficulty paying for all of the services. While each individual charge may be reasonable, the total charge may create financial difficulty.

If one agency delivers all the HACC services to a consumer, then a fees cap needs to be implemented. Some agencies already have a fee cap mechanism in place and these should be retained and be consistent with this policy.

Where a range of different organisations delivers the services to one consumer, it is still possible for a fees cap to be introduced. Local agencies should develop protocols to support a fees cap for common clients. The amount of any fees cap needs to be negotiated with the consumer to ensure it is affordable.

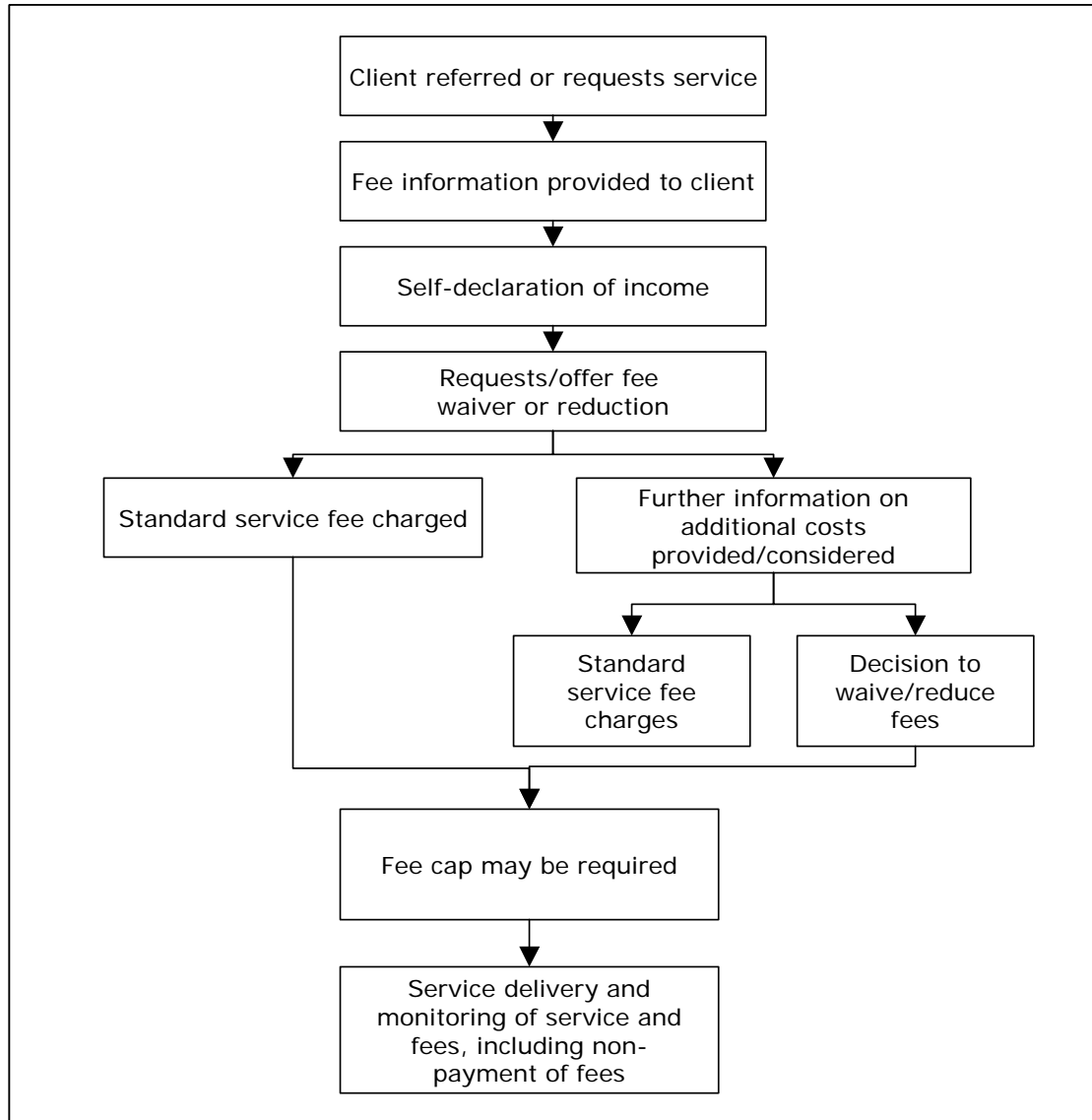
Fees caps are not service caps. Consumers should receive the level of service they are assessed as requiring regardless of whether or not their fees are capped.

It should be noted that Linkages packages already operate fees caps and this practice should continue.

9.5.7 Fees policy in action

Figure 1 illustrates the steps to be taken in determining and reviewing fees.

Figure 1: Fee policy in action



9.5.8 Fee collection and Non Payment of Fees

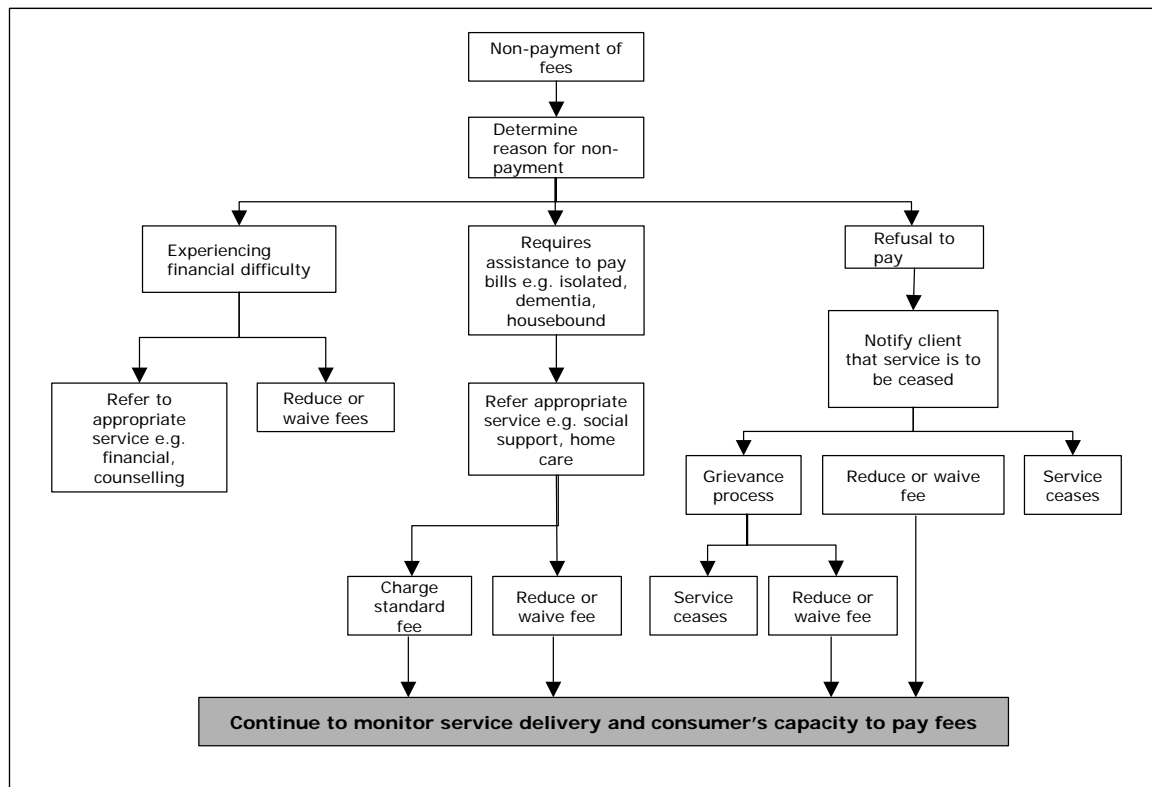
Attempts should be made to minimise the cost of administering and collecting fees.

Fee collection should reflect local arrangements among agencies. Where a fees cap is in place, it may be appropriate that only one service provider collects fees on behalf of all service providers.

Systems which are easy for the consumer to use, and which provide a measure of confidentiality, should be encouraged, such as paying bills at bank outlets.

If an individual is not paying the required fee, the organisation should review the person's ability to pay and make any adjustments. If ability to pay is not an issue, the organisation may notify the person of withdrawal of service. If payment is still not made, services can be ceased at the discretion of the service provider. Figure 2 illustrates this process.

Figure 2: Non-payment of fees



9.6 Recommended Fees for HACC Activities

9.6.1 Fee range

Fees ranges have been recommended for the low and medium income level ranges. High-level income fee rates are determined by the individual service providers but will not exceed the HACC unit price, with the exception of meals. For some HACC services, consumers are not charged a fee.

HACC program fees and income thresholds are indexed annually.

The recommended fee range for each HACC activity is provided in Part 3: Recommended Fees for Income Levels.

9.6.2 Volunteer Coordination

Where an agency is funded for volunteer coordination, no fee should be charged for services provided by volunteers.

9.6.3 Assessment and Care Management

No fees are charged for Assessment and Care Management.

9.6.4 Service System Resourcing

Individual consumers cannot be charged a fee. Service System Resourcing can however be provided to organisations on a full fee basis where there is no subsidized service provided.

9.6.5 Flexible Service Response

Where a service provider has developed a model of service provision that does not fit into any of the HACC activities, the service may be funded under the category called Flexible Service Response. There are no recommended fees for these services. Fees are to be negotiated with clients and service providers and are to operate within the principles articulated within this policy. Fees would most appropriately be set to cover activity costs associated with the service as described below.

9.6.6 Incidental Costs Associated with providing Services

Where a consumer participates in an event such as an outing, it could reasonably be expected that the individual would meet the associated cost. This will most likely be applicable to Respite and Planned Activity Groups.

However, where a consumer is unable to participate in the outing due to inability to pay the cost of the outing, the agency should take this into account and plan only activities that are of no cost to participants.

9.7 Grievance Procedure on Fees

All consumers have the right to complain about the fee they are being charged if they feel it is unfair or not affordable, either once the initial assessment has been made and/or at any time while they are receiving services.

Consumers may require or elect to have or use an advocate in the grievance process. Clear written information on this matter should be made available to the consumer during the initial assessment or re-assessment, to ensure consumers are aware of this right.

Complaints must be dealt with fairly, promptly, confidentially and without retribution.

To enable consumers to make complaints and gain resolution, service providers should have a grievance process and policy that is publicly available for consumers.

As part of resolving fee complaints it will be important for organisations to check whether:

- The assessment process has established the consumer's correct income level.
- The consumer has significant additional costs affecting their ability to pay for services, and whether the assessor has taken this into account and applied a reduction or waiver of fees.
- The consumer has understood the fee process and their entitlements.
- The consumer's circumstances have changed and the fee needs to be reassessed.
- There is a carer or guardian who should be involved in the fee process.

Note: The HACC National Service Standards require all consumers to be informed about complaints and grievance procedures.

9.8 Determining Fees for Supported Residential Service (SRS) Residents

SRS residents are eligible to receive all health and community support services that are not the responsibility of the SRS to provide. Services for which SRS residents are eligible include Nursing, Allied Health and Planned Activity Group.

In determining an SRS resident's income, and thus the level of fee to be charged, service providers must take into account certain costs that reduce the person's income level. It should be noted that SRS residents whose only income is the pension are paying virtually all of this income for the full board and personal care services provided by the SRS. There is no flexibility in this fee, and when other costs are taken into consideration (for example, pharmaceutical or medication costs, continence products and transport) the resident's disposable income is often reduced to zero. It is quite clear that these residents should not be charged a fee.

SRS residents whose only income is the pension should have their fees automatically waived for the services listed above.

Even when the resident has some additional income above the pension, after taking into account their SRS fee as well as all additional costs relating to their disability, many of these residents will also be eligible to have their fees waived.

Although a pension-only SRS proprietor may negotiate fees on behalf of a resident, or even pay them out of their own pocket, in fact this is not the proprietor's responsibility. The HACC service provider should negotiate directly with the resident. If this proves difficult, it may be appropriate to involve the resident's caseworker (if they have one). If an administrator has been appointed to handle the resident's financial affairs, the service provider should contact the administrator (in many cases this will be the State Trustees) in order to verify the resident's financial status. The SRS proprietor should be able to provide contacts to any caseworker or administrator.

It is the HACC agency's responsibility to ensure that the fee charged does not deny eligible SRS residents access to their service. Inability to pay cannot be used as a basis for refusing a service to people who are assessed as requiring a service.

9.9 Information Package for Consumers

Organisations are required to provide information to all consumers about the fees policy, the process they use to determine fees, and the review and appeals process.

The following sections can be photocopied and used as resource by HACC funded agencies and their consumers.

Part 1: Information about fees policy

Part 2: Income Self-Declaration Form (Template)

Part 3: Recommended Fees for Income Levels

Part 4: Income tiers

Part 1: Information about fees policy

When determining what fee to charge you for the service/s that you receive, you will be required to follow the following steps:

- Step 1: Calculate your income.
- Step 2: Subtract additional costs of disability/other factors affecting your ability to pay.

Because your financial situation and/or service requirements may change, your service provider will review the fees you are charged as part of our review of services you receive. However, at any time you can ask us to reconsider the fees you are paying.

Step 1: Calculating your income level.

The income levels are based on the definitions and income level determinations made by Centrelink. Your income level is only one indicator of how much you can afford to pay for services.

Low Level

If your income is in the following group you will be assessed as having a low level income.

- If you receive a full or part pension.
- If you have a health care card.
- If you are single and your before tax income is less than \$25,292 per year.
- If you are a couple and your before tax income is less than \$42,286 per year.
- If you are a family with one child and your before tax income is less than \$46,348 (plus an additional \$4,562 for each extra dependent child).
- If you are single, a couple or a family who face additional costs (due to disability and/or other factors) which reduces your income to this level.

Medium Level

If your income is in the following group you will be assessed as having a medium level income.

- If you are single and your before tax income more than \$25,292 but less than \$56,532.
- If you are a couple and your before tax income more than \$42,286 but less than \$75,574.
- If you are a family (with one child) and your before tax income more than \$46,348 but less than \$79,586 (plus an additional \$4,562 for each extra dependent child).
- If you are single, a couple or a family who face additional costs (due to disability and/or other factors) which reduces your income to this level.

High Level

If your income is in the following group you will be assessed as having a high level income.

- If you are single and your before tax income more than \$56,532.
- If you are a couple and your before tax income more than \$75,574.
- If you are a family with one child and your before tax income more than \$79,586 (add an additional \$4,562 for each extra dependent child).

Determining your income level is the first step in setting the fee you will be charged for services. Once this has occurred Step 2 occurs.

Step 2: Subtracting additional costs of disability/other factors affecting your ability to pay

Once you have identified your income level, any additional costs of disability or other factors affecting your ability to pay will be subtracted.

The range of disability related costs or other factors affecting ability to pay, which should be considered in fee waiver or reduction, are listed below. This list is a guide only - individuals and families may have other costs and related factors that should also be considered.

Any of the following costs may be factors affecting your ability to pay fees:

Additional costs due to disability

- Pharmaceutical or medication costs
- Aids and equipment, including continence products
- Specialist care, for example therapy
- Additional school costs
- Special foods
- Temporary care/respite
- Special clothing
- Utilities (including telephone, water, power, gas) where there is higher usage due to a disability for example, people using pumps overnight do not get a concession on utilities bill
- Medical supplies

Location Related Costs

- Increased property costs where this is related to the additional cost of disability (for example, if you have had to modify your house or move to access services, replacing carpets and bedding)
- Transport, for example, where due to a disability you are not able to use your own car or public transport
- Specialist care, and/or related costs such as accommodation when travelling to another location to see a specialist

Other Similar Factors

- Health or medical insurance, where you experience increased costs due to disability
- The cost of services, other than this service providers being provided when there is no flexibility in the fee being charged
- High accommodation costs for people on low income in private, boarding houses or supported residential services. This may also be a factor for low-income households paying rent

Please talk to your service provider because fees can be reduced or provided free of charge if you experience difficulty in paying. The income self-declaration form enables you to indicate that you wish to be considered for waiver or reduction of fees due to the additional costs you face.

There is a range of payments and supports from Centrelink and other services that may help meet some of your costs. Your HACC service provider can provide you with information on these services.

Part 2: Income Self-Declaration Form (Template)

Your Name:

Your Address:

Your Telephone Number:

You Service Provider:

Income Level

Please indicate your income level before tax by ticking the correct box.

	Income level	Income Range	Tick below
Pension	Low		
Health Care Card	Low		
Single	Low	less than \$25,292	
	Medium	\$25,292- \$56,532	
	High	greater than \$56,532	
Couple	Low	less than \$42,286	
	Medium	\$42,286 - \$75,574	
	High	greater than \$75,574	
Family (with one child)	Low	less than \$46,348 (plus \$4,562 for each additional child)	
	Medium	\$43,839.00 - \$79,586 (plus \$4,562 for each additional child)	
	High	greater than \$79,586 (plus \$4,562 for each child)	

Identifying factors affecting your ability to pay fees for HACC services

Do you have high expenditure in any of these areas?	Tick if yes	Is this short-term or on-going cost?
Pharmaceutical or medication costs		
Aids and equipment, including continence products		
Specialist care		
Additional school costs		
Special foods		
Temporary care/respite		
Special clothing		
Utilities (including telephone, water, power, gas) where there is higher usage due to a disability for example, people using pumps overnight do not get a concession on utilities bill		
Medical supplies		
Increased property costs where this is related to the additional cost of disability (for example if you have had to modify your house or move to access services, replacing carpets and bedding)		
Transport, for example where due to a disability you are not able to use your own car or public transport		
Specialist care, and/or related costs (e.g. accommodation and travel costs to see a specialist at another location)		
Health or medical insurance costs due to disability		
The cost of services, other than HACC services		
Other (please specify)		

I agree that this information can be used to set fees for the service/s I receive and acknowledge that the fee I am charged will be reviewed from time to time at either my or the service providers request.

Your Signature: _____

Date: _____

Part 3: Recommended Fees for Income Levels

The following table details the recommended fee range for each HACC activity for 2004-05.

Service Type	Low Fee Range	Medium Fee Range	High Fee ¹
Planned Activity Groups	\$3.30-\$5.80 per day ² (plus cost of meal if bought from another source)	As for low fee range.	\$10.15 (Core) \$14.30 (High) (per hour plus cost of meal if bought from another source)
Allied health services	\$6.50-\$7.50 per consultation	\$10.00 - \$11.50 per consultation	\$73.30 per hour
Delivered Meals	\$3.50-\$6.90 per meal	As for low fee range	Full cost recovery
Home care	\$3.45-\$4.60 per hour	\$5.80 - \$11.50 per hour	\$24.95 per hour
Property maintenance	\$4.60-\$9.20 per hour (plus the cost of materials)	\$10.40-\$13.80 per hour (plus the cost of materials)	\$36.30 per hour (plus the cost of materials)
Personal care	\$1.15-\$3.45 per hour	\$4.60-\$6.90 per hour	\$28.55 per hour
Respite Home and Community	\$1.15-2.30 per hour	\$2.30-\$3.45 per hour	\$25.80 per hour
Respite-In Home overnight	\$5.80-11.50 per 10 hour block	\$13.80-\$17.20 per 10 hour block	\$120.40 per 10 hour block
Nursing (this includes district & visiting nursing)	\$2.50 - \$2.90 per visit	\$22.00-\$25.30 per visit	\$64.20 per hour
Bush nursing	Subscription	Subscription	Subscription
Linkages	As per services being purchased. Refer HACC program manual	As per services being purchased. Refer HACC program manual	As per services being purchased. Refer HACC program manual

Note: HACC program fees and income thresholds are indexed annually

¹ The "High Fee Range" is set at the current HACC unit price

² Fees should be applied pro rata where sessional or part day services are provided.

Part 4: Income Tiers

The table below describes the income levels relevant to each of the low, medium and high income tiers for 2004-05.

Low income range	<ul style="list-style-type: none"> ▪ People receiving a full or part pension. ▪ People with a health care card. ▪ Single people with a before tax income of under \$25,292. ▪ Couples with a before tax income of under \$42,286. ▪ Families with one child with a before tax income of under \$46,348 (plus an additional \$4,562 for each extra dependent child). ▪ Any of the above who face additional costs (due to disability and/or other factors) which reduces their income to this level.
Medium income range	<ul style="list-style-type: none"> ▪ Single people with a before tax income <i>greater than</i> \$25,292 but <i>less than</i> \$56,532. ▪ Couples with a before tax income <i>greater than</i> \$42,286 but <i>less than</i> \$75,574. ▪ Families with one child with a before tax income greater than \$46,348 but less than \$79,586 (plus an additional \$4562 for each extra dependent child.) ▪ Any of the above who face additional costs (due to disability and/or other factors) which reduces their income to this level.
High income range	<ul style="list-style-type: none"> ▪ Single people with a before tax income of more than \$56,532. ▪ Couples with a before tax income of more than \$75,574. ▪ Families with one child with a before tax income of more than \$79,586 (plus an additional \$4,562 for each extra dependent child).