

IHACPA and the Development of Aged Care Pricing Advice

Australian Community Transport Association
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Independent Health and Aged Care Pricing Authority

Overview of the Independent Health and Aged Care Pricing Authority (IHACPA)



Independent government agency established under the *National Health Reform Act 2011* as part of the National Health Reform Agreement



IHACPA was established to develop, refine and maintain systems as necessary to determine the national efficient price and national efficient cost for Australian public hospital services, for the implementation of national activity based funding



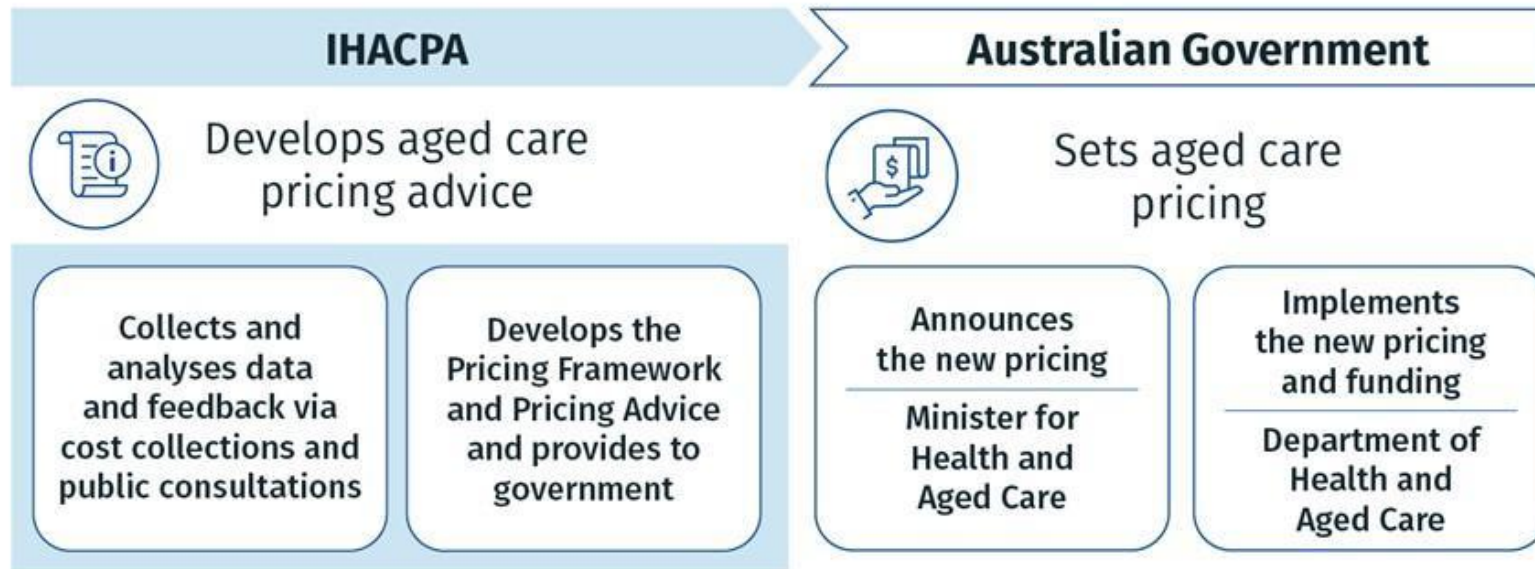
IHACPA delivers transparent, independent, evidence-based advice, underpinned by broad stakeholder consultation, to Australian governments

IHACPA's role in aged care

- Recommendations from the Royal Commission into Aged Care Quality and Safety included the establishment of an independent pricing authority for aged care services
- The *Aged Care and Other Legislation Amendment (Royal Commission Response) Act 2022* (Cth) amended:
 - The *National Health Reform Act 2011* (Cth)
 - The *Aged Care Act 1997* (Cth)
- IHACPA provides annual aged care pricing advice for residential aged care, residential respite care and in-home care (Support at Home program)
- IHACPA reviews data, conduct studies and undertake consultation for the purpose of providing aged care pricing and costing advice
- IHACPA also takes on the role of the former Aged Care Pricing Commissioner

Roles and responsibilities

Aged care pricing roles and responsibilities



Approach to the development of pricing advice

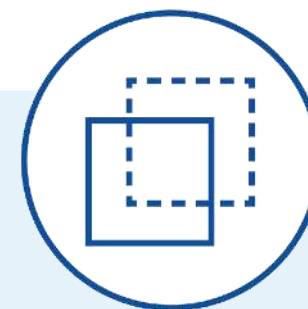
IHACPA's approach



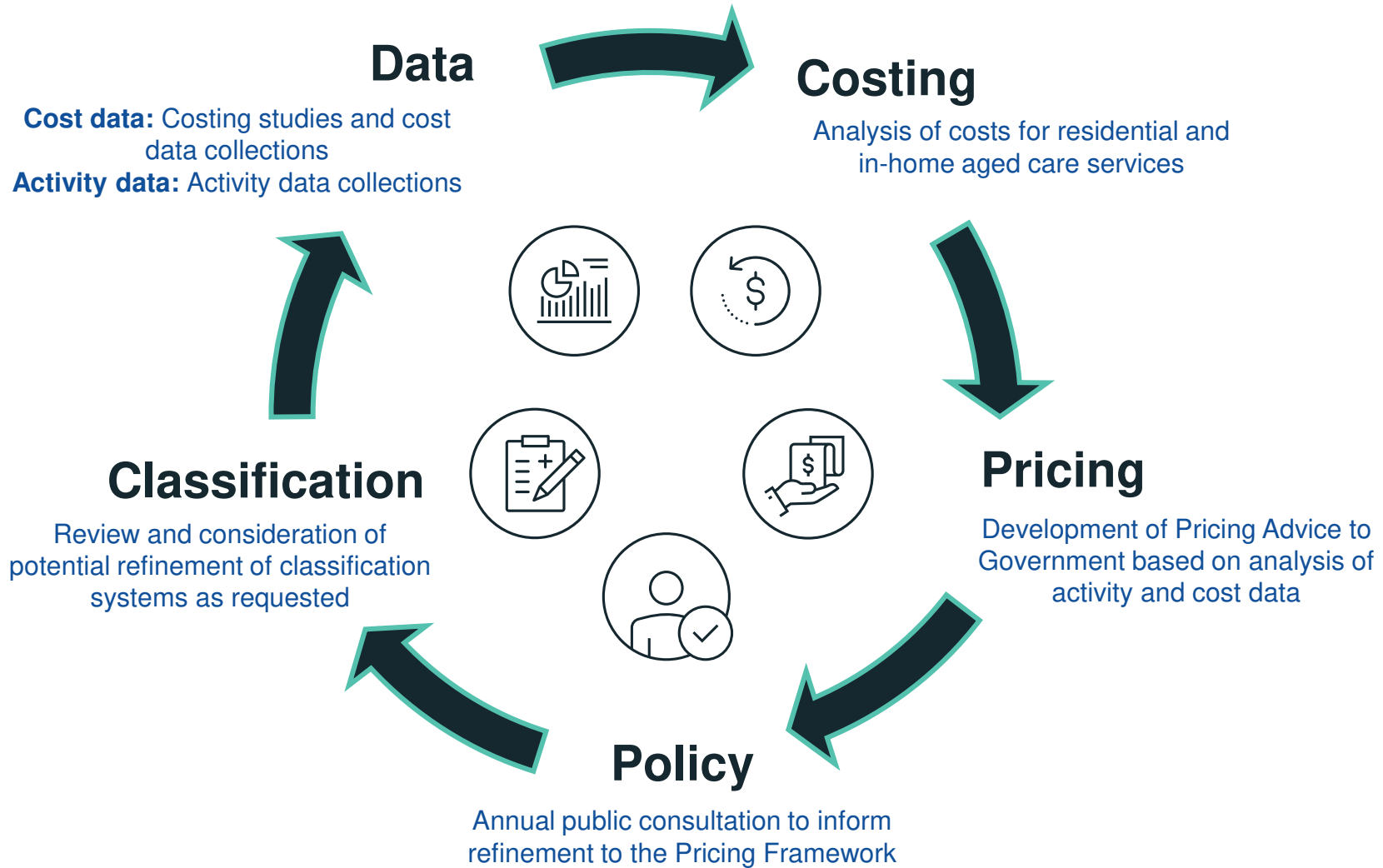
Consultative



Evidence-
based



Transparent



Why is costing important?

- At its core, it's important to understand the costs required to provide care to older Australians on an ongoing basis
- Costing is a complex process used to understand what resources are utilised
- Costing enables us to understand variations in the delivery of care across different services and demographics
- Collection of costs enables IHACPA to create a broad data set showing differences across the sector, which informs the basis of pricing advice

Pricing for the Support at Home Service List

- The Support at Home program will have a defined service list that details the ongoing services available to people who have been assessed as requiring in-home aged care services
- IHACPA has been asked to provide annual pricing advice for services on the Support at Home Service List, encompassing:
 - recommended prices for services on the Support at Home Service List
 - prices differentiated by time of delivery and day of delivery
 - recommended loadings (if any) for services delivered in rural and remote areas
 - recommended loadings (if any) for services delivered to Aboriginal and/or Torres Strait Islander people and other groups as defined in the *Aged Care Act 1997*

Transport Costs

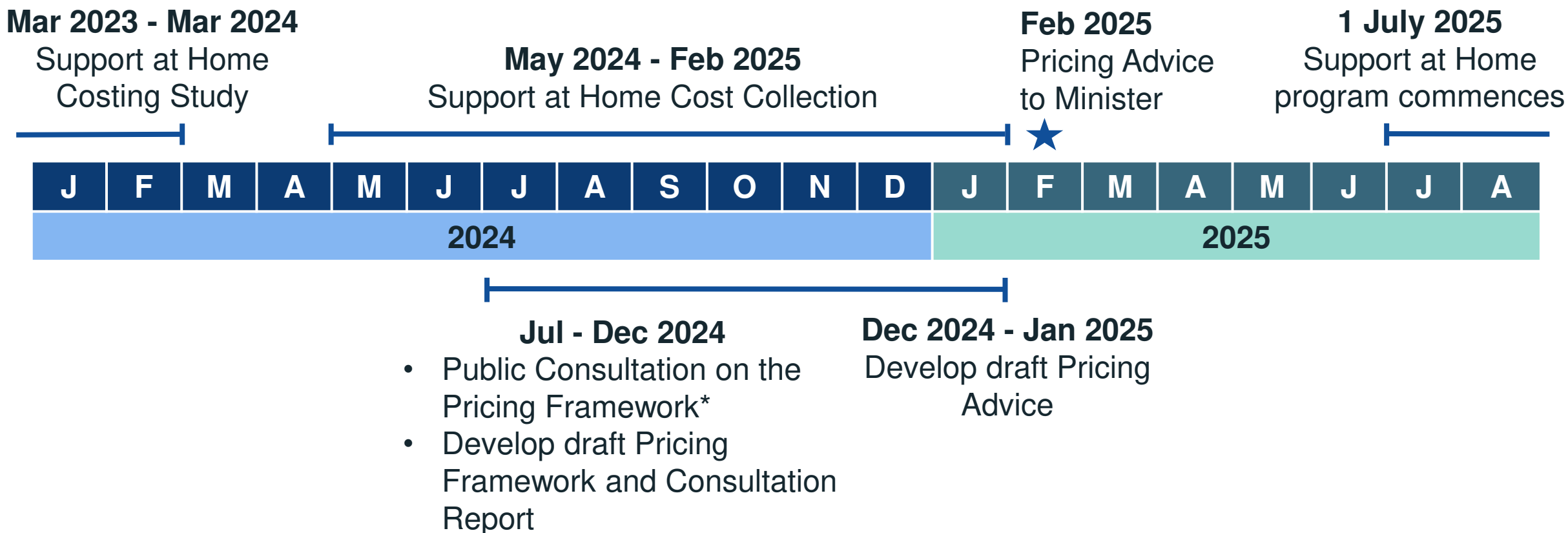
Client transport

- This is defined as group and individual transport assistance to connect an older person with their usual activities
- All costs related to providing external client transport services will be captured in the costing study
 - Out of scope expenses include:
 - Purchase of car
 - Licence costs
 - Professional transit services (e.g. public transport, flight, ferry)
 - Claiming transport costs where state-based or local government travel assistance programs are available
 - Travel for holidays
 - The unit of measure will be calculated on a per trip basis

Travel costs for staff providing service

- This includes any transport costs involved in providing other service types, travelling to, between and from clients
- These costs will be attributed to the cost of delivering each service type

IHACPA's work plan for the development of Support at Home pricing advice



*Please note: Formal public consultation period to be confirmed. The Support at Home pricing framework, consultation report and pricing advice will be finalised late 2024/early 2025.

Support at Home Costing Study and Cost Collection

- The 2023 Costing Study provided IHACPA with an understanding of providers' existing data, costing structures and data collection infrastructure across the following programs:
 - Home Care Packages
 - Short-Term Restorative Care
 - Commonwealth Home Support Programme
- The Costing Study supported IHACPA in preparing a costed data set to inform pricing for Support at Home services, building on existing data.
- The 2024 Cost Collection will expand the results of the Costing Study by refining the cost collection requirements to the subcategory level, enabling more robust pricing advice to be provided to the Australian Government



**How to participate in
IHACPA's cost
collections**

Consultation Paper

The Consultation Paper on the Pricing Framework for Australian Support at Home Aged Care Services will outline IHACPA's proposed principles and approach for developing costing and pricing advice and seeks feedback on a range of matters:



Proposed pricing principles for developing aged care pricing and costing advice



Appropriate adjustments to account for variations in the costs of delivering in-home aged care services



Methodology for pricing advice for Support at Home aged care



Priorities for future developments and areas of work



Get notified about our upcoming consultations

Pricing Framework

Purpose

- Establish the policy, principles and process that will guide the development of pricing advice
- Set out priorities and areas of focus for future years

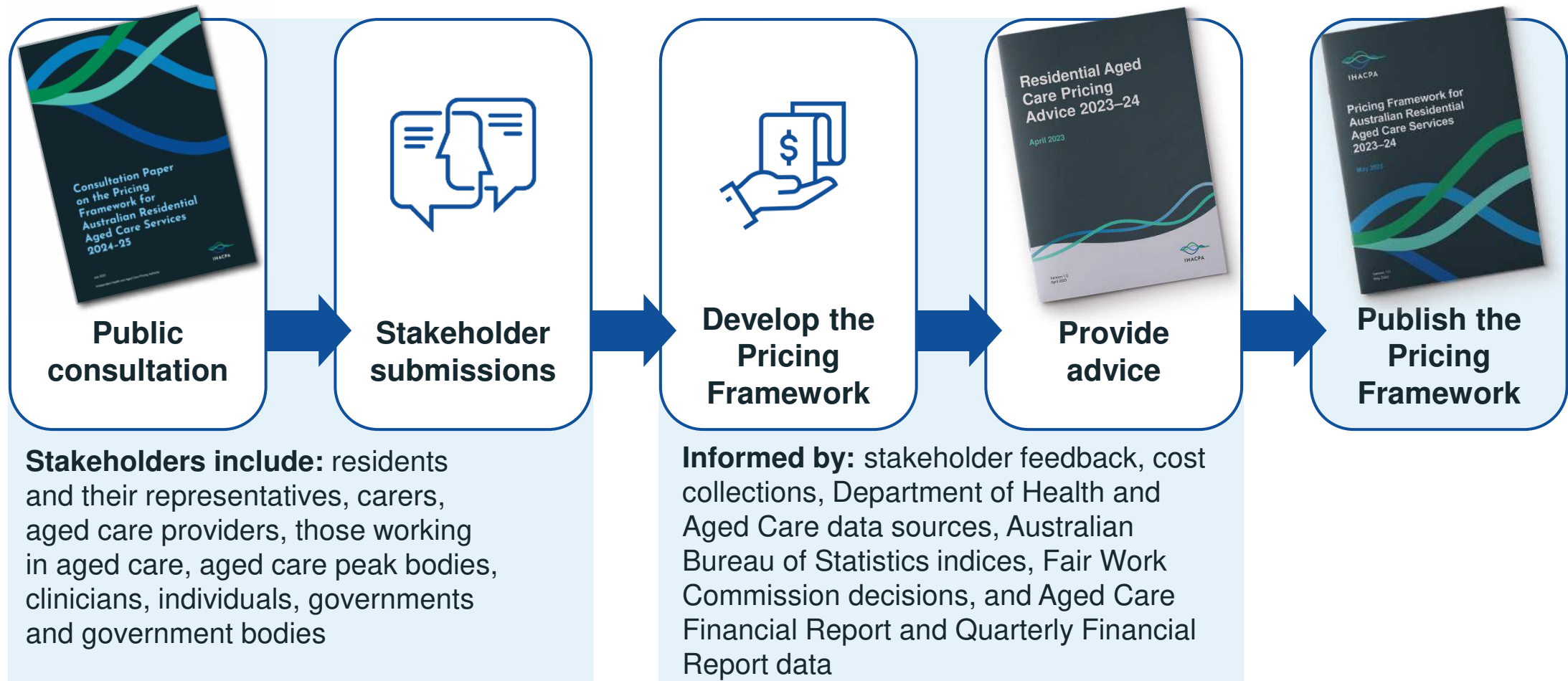
Impact on advice

- Guide development of the methodology for pricing advice
- Focus areas of development
- Establish goals and priorities

Process of review

- Annual consultation and review

Annual consultation processes to develop aged care pricing advice





Any questions?

Connect with us

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Aged care mailing list topics

- ✉ Residential aged care and residential respite care
- ✉ Refundable Accommodation Deposit (RAD) and Extra Service Fee applications
- ✉ In-home aged care/Support at Home

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