

## IHACPA Consultation Paper on the Pricing Approach for the Support at Home Service List 2025-2026

Dementia Australia response to Survey Questions

### **1. What concerns, if any, do you have about the transition to set unit prices for services on the indicative Support at Home service list?**

Dementia Australia is concerned about the pricing structure of the proposed SAH service model and how the differentiation of clinical and non-clinical supports may adversely impact on people living with dementia.

Best practice care for people living with dementia includes both clinical services and ‘non-clinical’ supportive care, including activities of everyday living and independence. Services for self-care, transport, activities of daily living, social support, domestic assistance, yard work, and therapeutic support are vital to maintaining independence and preventing premature entry to residential aged care.

The proposed Service List consider these services as non-clinical and therefore subject to means tested consumer contribution, which may disadvantage people living with dementia who require these supports as a result of disabling functional decline related to their condition.

We suggest that a pricing mechanism should be developed to ensure the care needs of people living with dementia can be met without financial disadvantage. This could potentially include a dementia loading type, eligibility for a fee-reduction supplement, or other mechanisms. We are also unclear why the current Dementia and Cognition supplement has not been included in the SAH pricing model and request clarification as to its status in the future program.

### **2. In developing its advice, what factors should IHACPA take into account when setting prices for different services?**

The population of people living with dementia is expected to increase significantly over the next 30 years, increasing from 421,000 in 2024 to more than 812,500 in 2054. Close to 70% of people living with dementia live in the community and this will likely increase as more Australians choose to live at home in their older age.

The SAH program is a vital measure to keep people living with dementia out of the residential aged care sector. As such, careful consideration of whether the pricing structure will achieve this aim is required. At the present time, we are concerned that the structure may have unintended consequences that mean people living with dementia are unable to afford early access to the supports they require to continue to maintain independent living. We are concerned that people living with dementia are not required to pay more as a result of higher need for independence and everyday living supports and assistive technology.

We are also concerned that the time bound access to palliative care supports is insufficient to meet the needs of a person with dementia at the end of their life. Dementia Australia provides palliative care services, and our experience suggests that palliative care support for people with dementia frequently extends beyond 12 weeks and must provide respite support to carers.

The pricing model for the SAH program needs to ensure that the service model is appropriately structured and priced for people living with dementia into the future. The model must ensure that people living with dementia are not disadvantaged, have access to affordable high-quality services that meet their needs, and do not prematurely enter residential aged care.

### **3. What, if any, changes do you suggest to the proposed pricing principles to guide the development and operation of the Pricing Framework for Australian Support at Home Aged Care Services 2025-2026?**

It is appropriate to include a principle that people living with dementia have access to a fully subsidised supportive care model for services at home. Non-clinical services which are essential for dementia care should be fully subsidised including access to social and cognitive support, transport, activities of daily living, self-care and therapeutic services as well as assistive technology.

We reiterate that the need for these services arises from the impact of dementia on an individual's functional capacity, not because of older age. As people aged over 65 are not eligible to enter the NDIS, access to these supportive care services through the aged care system is imperative.

### **4. Are there any additional pricing principles for in-home aged care services that should be added? If so, please advise what they are.**

There should be a principle of non-disadvantage for people living with dementia, ensuring equitable access to essential services for support at home.

### **5. How could IHACPA improve the representativeness of the cost collection participation across a range of domains, for example, service types, geography, specific population groups?**

Dementia Australia recommends that IHACPA consult with carers and people living with dementia to determine the best data collection methods for service user costs. We are available to assist IHACPA to facilitate me requested.

**6. Do you support IHACPA's proposal to establish unit pricing using a cost-based approach that reflects the available data? Please provide a rationale.**

Dementia Australia is concerned that the cost-based approach has the potential for increasingly inflated costs by providers.

**7. Are there any alternative approaches to pricing that IHACPA should consider? Please provide a rationale**

We recommend that pricing methodology take a user-centric approach and consider reasonableness of costs in reference to cost-of-living, pension rates and other factors which may affect the ability of people living with dementia to access the services they need to live at home.

The pricing approach and principles should originate from the rights of older people to an adequate standard of living, health, self-determination, equality and non-discrimination, as operationalised in the new Aged Care Act Statement of Rights.

**8. What else should be considered in the development of an indexation methodology for Support at Home unit prices?**

Reference to cost-of-living increases.

A reasonable base level of pension must be retained by the individual after co-contributions to their care.

**9. To what extent should IHACPA consider price benchmarking for similar services provided under comparable schemes in adjacent sectors (for example, National Disability Insurance Scheme, Department of Veteran's Affairs) and why?**

Price benchmarking should be considered as one component of the pricing model, noting that consistency may be important for younger people living with dementia transitioning between the disability and aged care systems.

**10. What factors, if any, should be considered as cost differences that should be accounted for in the pricing of in-home aged care services?**

People living with dementia may have increased needs for support due to functional decline or changes in behaviour. Pricing of services should recognise the potential for increased costs to deliver services to people living with dementia. This is particularly important to ensure that pricing mechanisms do not disincentivise dementia care.

**11. What factors should be considered in the pricing adjustments to allow for differences in costs within a given service type, and why? Please provide a rationale and evidence to support your answer.**

Pricing adjustments should be made to ensure that there are no deterrents for SAH providers to offer services to people living with dementia with increased needs due to behavioural change,

cognitive change, functional decline or more complex care needs. There may also be additional costs associated with care planning for a person living with dementia including the time taken to implement supported decision-making.

**12. Should particular service types be considered for additional pricing adjustments to recognise social support aspects of the service? Which services? Please provide a rationale and evidence to support your answer**

As described in our response to Question 1, services for social support and community engagement are an essential part of the care model for people living with dementia. People living with dementia may require additional support to meet their increased needs when accessing the community due to cognitive or behavioural change and the pricing model should reflect this.

**13. Is the pricing method fit-for-purpose across all geographic areas, including areas where there are thin markets?**

There are likely to be higher costs for services for people living with dementia in regional and rural areas, especially due to transport and availability of local services. The pricing model should allow for equitable access to services that does not financially disadvantage people in regional and rural areas. Transport, social engagement and independence are important services for people living with dementia in regional and rural areas and the pricing model should ensure that they are not disadvantaged.

**14. For future years, what do you see as the priority areas for IHACPA to consider when developing advice on adjustments to the service list unit prices? Please provide supporting evidence, where available.**

Dementia Australia recommends IHACPA examine the impact of the pricing model and service list unit prices access to fully funded services and impact on care outcomes for people living with dementia. For more information please review our submission to the Aged Care Bill available at <https://www.dementia.org.au/about-us/publications/submissions>

**a. What provider or participant-based factors are important for these or other pricing adjustments? Please provide supporting evidence, where available.**

Dementia status of the participant, and the impact on care requirements. For example, people living with dementia and experiencing changed behaviour are likely to require more intensive and qualified support, impacting on cost of services.

**15. Providers are required to provide safe and high-quality care. What safety and quality of care issues should be considered as part of IHACPA's pricing advice?**

Dementia education of the workforce should be considered in the pricing advice. Dementia education is critical to ensuring that safe and high-quality care is delivered to people living with dementia. This includes a strong recommendation of mandatory education of Support at Home program assessors.