



Home Modification Fees Policy

NSW Home and Community Care Program

Version 1.1

Community Care
Ageing, Disability and Home Care
Department of Family and Community Services NSW
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Family &
Community Services
Ageing, Disability & Home Care

Document approval

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1 Introduction

1.1 Objective

The NSW Home and Community Care (HACC) program provides basic maintenance and support to those with a moderate, severe or profound disability and their carers, in order to prevent inappropriate or premature admission to residential care, and promote independent community living.

HACC home modification services assist clients with the cost of minor home modifications (such as grab rails and access ramps) and major home modifications (such as improving access into and within the home).

This policy aims to improve the fairness and sustainability of HACC home modification services. It introduces a standard approach to determining client fees, providing a basis for consistent, transparent decision-making across service providers.

This policy should be read in conjunction with the *NSW Service Type Guidelines for Home and Community Care – Home Modification 2012* ('the Home Modification Guidelines').

1.2 Scope

This policy applies to service providers determining fees for clients of HACC home modification services in NSW. The policy covers clients who:

- are referred to the HACC program's Community Care Access Point on or after 1 July 2012; and
- are assessed as eligible to receive home modification services under the HACC program; and
- have a level of need that has been assessed as a priority relative to the needs of other clients applying for a HACC home modification service.

The policy applies equally to clients who own their property and tenants in rental accommodation who are eligible for HACC home modifications (refer the Home Modification Guidelines).

2 Policy

HACC home modification services are not a free service. All clients assessed as having the capacity to pay are to be charged fees.

Fees for a home modification service are based on the total cost of the works completed (including materials, labour and sub-contractor costs).

For most clients fees are charged on a sliding scale with clients on low incomes (pensioners for example) charged a lower fee than clients on higher incomes. HACC subsidies are available to offset the cost of home modifications with higher subsidies provided for higher cost modifications. There are limits on the amount and frequency of these subsidies. These limits are explained in section 2.2.1.1 Cap on HACC subsidies.

Most clients in financial hardship can apply to have their fees reviewed. Service providers will discuss options to assist clients who are having difficulty paying their fees. Where a client is assessed as having no capacity to pay, home modifications can still be provided subject to funding availability.

Service providers allocate priority to clients based on the *HACC Access and Prioritisation Policy*. In some cases, where demand is high, providers will not be able to provide a home modification to all HACC-eligible clients.

Clients and their advocates have the right of appeal against a fee determination. The appeals process is outlined in section 3.1 Appeals.

Some HACC-eligible clients will be charged a higher rate ('full cost') for home modifications. People who are not eligible for HACC services will be charged the market (commercial) rate.

The client contribution rates and the cap on the government subsidy will be indexed annually from 1 July 2013.

2.1 Client capacity to pay

Home modifications are not a free service. All clients are asked to make a contribution based on their capacity to pay.

For clients on the standard rate (refer section 2.2.1) service providers will determine a client's capacity to pay by assessing their income and number of dependents:

- where a client is living alone, that person's income will be assessed
- where the client is living in a couple relationship, the couple's income will be assessed
- where a client is aged under 16 years the parents' income will be assessed.
- where a client is aged 16 years and over and is receiving income support (such as a Disability Support Pension), this income will be assessed.

Clients should provide details of their income and dependents by completing the Income Assessment (refer Appendix A) and attaching evidence of their income. Acceptable evidence of income typically includes a photocopy or photograph of a pension card or the most recent assessment notice from the Australian Taxation Office.

Service providers should not use proof of income requirements to delay the provision of very minor modifications to clients with high needs, especially those awaiting hospital discharge.

Allowances that are not treated as income for tax purposes (for example, carer allowance or mobility allowance) will not be taken into consideration as income.

Clients can choose not to complete the Income Assessment form but they will be charged the full cost rate for their home modifications (refer section 2.2.2 Full cost rate).

Once the client's income and number of dependents is known the service provider will allocate the client to the appropriate income band to calculate the client fee (refer Appendix B).

2.2 Client fees

For HACC-eligible clients fees will be based on either the standard rate or the full cost rate. Regardless of whether they pay the standard rate or full cost rate clients will receive some level of government subsidy, as not all costs are included in their fee (for example travel, GST and information).

For clients who are not eligible for HACC services, fees will be based on the market (commercial) rate. The market rate is determined by individual service providers and is not included in this policy. Only some providers offer services at the market rate.

2.2.1 Standard rate

Most HACC eligible clients will have their fees based on the standard rate. These clients can apply for a review of their fees if they are in financial hardship (refer section 2.2.1.2 Financial hardship).

Fees for clients paying the standard rate are based on a sliding scale according to the client's household income, dependents and the total cost of the work required. The total cost includes all materials, direct labour, contractors and sub-contractors plus associated costs such as drafting, structural engineers, local council fees and waste disposal fees.

The total cost is the sum of:

- cost of materials to the home modification service;
- cost of sub-contractors to the home modification service;
- cost of labour (local market rates) employed by the home modification service
- cost of quality assurance; and
- any other costs associated with the job that are directly payable by the Home Modification service (local council fees, tip fees, engineer reports etc).

The total cost excludes:

- the cost of travel to and from the job;
- administration or overheads;
- costs of the occupational therapy assessment; and
- costs of providing advice or information.

The provision of home modifications as a HACC service is GST free¹ to the client.

2.2.1.1 Cap on HACC subsidies

HACC subsidies (the government's contribution) for home modifications for clients on the standard rate are limited to \$40,000 per client in any one period of five financial years. This ensures that home modifications can be provided to as many clients as possible.

In exceptional circumstances service providers may seek approval from Ageing, Disability and Home Care to exceed this limit, subject to funding availability. Applications should be directed to the Executive Director, Community Care, ADHC Central Office.

2.2.1.2 Financial hardship

A client on the standard rate who is in financial hardship can make an application to have their fees reviewed (refer Appendix C). The service provider will discuss options with the client which may include:

- negotiating term payments;
- reducing the overall fee.

In cases of severe financial hardship the service provider may agree to waive the balance of the fees, subject to budgetary implications. For example, waiving of fees may be appropriate where the client has very high medical or pharmaceutical costs which take up a large proportion of their income.

Service providers should identify the delegations of different staff and managers regarding the approval of fee reductions and waivers in the provider's Financial Policy and Procedures Manual.

¹ Reference: Goods and Services Tax Act 1999 Division 38 GST Free Supplies Subdivision B Health Section 38.30 Community Care

2.2.1.3 Low interest loans

Some clients may be interested in a low interest loan from not for profit loan providers like Fairloans (www.fairloans.org.au). Fairloans can provide loans of between \$1,000 to \$3,000.

2.2.2 Full cost rate

Some HACC-eligible clients will have their fees based on the full cost rate. These clients do not need to complete the Income Assessment Form and are not eligible for financial hardship provisions.

There are multiple government programs and departments which fund home modifications. These programs have different eligibility requirements to the HACC program and consideration must be given to these by the referrer. Examples of these include:

- Packaged care provided to eligible people through the Department of Health and Ageing. These include Community Aged Care Packages (CACP) and Extended Aged Care at Home Packages (EACH and EACH-Dementia)
- HACC-like services provided to eligible veterans through the Department of Veterans Affairs
- Participants in the Young People in Residential Aged Care Program

If a client is receiving a home modification through one of the above programs, a HACC service should not duplicate the service already being received.

Occupational therapists should refer clients in the above programs directly to a Level 1 home modification provider and not to the Community Care Access Point. They will be charged at the 'full cost' rate.

Fees for clients paying the full cost rate are based on the total cost of the work required. The total cost is the sum of:

- the agreed contract sum (including all materials, direct labour, contractors and sub-contractors plus any associated costs such as drafting, structural engineers and local council or waste disposal fees);
- quality assurance costs
- occupational therapy or other assessments; and
- administration and coordination costs.

The provision of home modifications as a HACC service is GST free² for the client.

2.3 Payment of fees

Service providers will advise clients of the fee payable for the proposed home modification using one of the following documents:

- modifications under \$1,000 – a client agreement for fees;
- modifications from \$1,000 to \$5,000 – a minor works contract and client payment agreement;
- modifications over \$5,000 – a major works contract and client payment agreement.

Clients are required to agree to the fee in writing before the work commences.

² Reference: Goods and Services Tax Act 1999 Division 38 GST Free Supplies Subdivision B Health Section 38.30 Community Care

Under NSW law³ where the contract price is \$20,000 or less, the deposit is limited to 10% of the contract price. Where the contract price is more than \$20,000, the deposit is limited to a maximum of 5% of the contract price.

Once the client's agreement to the fee is received the service provider will develop an agreed payment schedule before the work commences. The payment schedule will be based on the cost of the work and the client's capacity to pay. It will normally involve payment of a deposit followed by full payment on completion.

Where the client is unable to pay on completion the service provider can discuss repayment options. These include short term payment plans for minor modifications or longer term payment plans for higher cost modifications. The plan may include interest free payments over an agreed period - up to a maximum of two years subject to available funding.

Service providers will send invoices on completion of the work, monthly statements where applicable and issue receipts for payments received.

Service providers will contact clients with fees outstanding for over one month. Clients who cannot make a payment by the due date must contact the service provider to negotiate their payments.

HACC home modifications are only available to people in private rental accommodation in specified circumstances (refer the Guidelines). If a service provider agrees to modify private rental accommodation the client should first seek written approval from the landlord or property owner to install and pay for the modification. Where the tenant is paying for the home modification then this fees policy applies.

2.3.1 Changes in client circumstances

All clients are required to advise their service provider within two weeks (14 days) of any change in their personal or financial circumstances which significantly alters their capacity to pay.

2.3.2 Debt management

Service providers should take reasonable steps to prevent clients from accumulating debts.

Service providers may take the necessary steps to recover the debt where a client has not made scheduled payments and has:

- not responded to service provider communications; or
- not contacted the provider to discuss a revised payment schedule or make other arrangements.

Steps to recover the debt include seeking legal advice and/or referring the matter to a debt collection agency for recovery. However service providers should not pursue a debt where recovery action would be uneconomic due to the relatively small value of the debt.

Before undertaking additional work for clients with significant outstanding debt, service providers should take reasonable steps to recover the debt. Home modifications are not a free service - a client's refusal to pay or to negotiate repayment of a significant outstanding debt may preclude access to additional modifications.

A client owing money is entitled to be treated with respect and courtesy and must not be subject to misleading, humiliating or intimidating conduct. Such conduct may breach consumer protection and other laws.

³ Refer NSW Fair Trading www.fairtrading.nsw.gov.au

2.3.3 Client privacy

Service providers will treat all client information used to assess capacity to pay as confidential. Service providers will seek client consent before discussing or releasing personal information with other agencies. Client records verifying income and expenses must be stored securely and protected from unauthorised access.

2.4 Variation of works

All variations from the scope of works and/or occupational therapist's specifications must be agreed to and signed off on by the client, the occupational therapist, the builder and the service provider (refer Variation Form at Appendix D).

There are three types of variations that may arise – clinical, building and client preference.

- Clinical variations may result from a request by the occupational therapist in consultation with the builder. Note that:
 - if the variation is minor it may not result in any additional cost.
 - if the cost exceeds \$200 then a payment variation may be required and noted on the form at Appendix D.
 - if the cost exceeds \$1,000 the provider may seek a contribution from the client (being a percentage of the cost of the variation based on the client's income band).
- Building variations generally arise from unforeseen circumstances during the construction stage. Providers generally require clients to take responsibility for issues such as eradicating active termites and complying with building and council regulations.
- Client preferences for additions and variations – at times the client, family member or property owner may request additional building works or higher cost materials or finishes. Such works are outside the scope of HACCC home modifications and should be entered into a separate contract.

The client will be required to sign a separate contract and pay all costs. This additional work should not compromise the clinical impact of any modifications which have been prescribed by the occupational therapist.

Additions and variations are available to clients who are paying the designated fee for their income band, with no interest-free period. They are not an option for clients in financial hardship who have been granted a reduced fee.

Providers should identify the delegations of different staff and managers regarding the approval of variations or additions.

3 Further information

3.1 Appeals

If clients are not satisfied with the decision regarding their fees they can lodge an appeal. Appeals should be made first to the service provider and then to the local Office of Ageing, Disability and Home Care (ADHC).

- Service provider
 - Coordinator review: clients should first ask their coordinator for an internal review of the problem. The home modification provider will respond within seven days.

- Management review: if their complaint is not resolved clients can ask for a review by the service manager. Clients must do this in writing. The home modification service manager will respond within 10 days.
- ADHC
 - ADHC regional office: if their concern is not resolved by the service provider clients can appeal to the local ADHC office. ADHC's regional office will respond in 30 days.

The regional offices can escalate complex appeals to the Community Care Directorate in ADHC's Central Office for response within 30 days.

3.2 Contacts

For more information about the home modification fees policy:

- Clients should contact their home modification service provider;
- Service providers may contact:
 - ADHC contract manager (in the local ADHC office)
 - NSW Home Modification and Maintenance Services State Council (info@nswhmms.org or 02 6622 8386)
 - ADHC Central Office, Community Care Directorate (HACCinbox@facns.nsw.gov.au or 02 8270 2397 – Home Modifications Project Team).

4 Appendices

4.1 Appendix A: Income assessment



CONFIDENTIAL

This form is for HACC-eligible clients whose fees are based on the standard rate only. It allows a client to provide evidence of income and details of dependents. The service provider will use this information to determine the client's Income Band and the level of HACC subsidy they will receive on their fees.

Client details

Surname:

Given Name:

Date of Birth:

Gender:

Male

Female

Age Group (at referral):

age 16 years or over - please complete this form based on client's income (if single) or client and partner's income (if a couple)

age under 16 years - please complete this form based on parental income.

Income source

Question 1: Does the client hold an Australian Pension Card or a Health Care Card? If yes they are in Income Band 1 (refer Client Income Table at Appendix B).

Question 2: Does the client hold a Commonwealth Seniors Card? If so they are in Income Band 2 (refer Client Income Table at Appendix B).

Question 3: Does the client (or their partner) receive other income? The client's tax assessment notice for the last financial year will show the taxable income.

Question 4: Does the client have dependents? If so, how many:

Question 5: Clients (and their partner) must provide proof of income:

Australian Centrelink Pension Card

Australian Health Card

Commonwealth Seniors Card

Tax Assessment Notice

Other (please specify):

Client declaration

- I declare that all the information I have supplied is true and correct to the best of my knowledge
- I agree to notify my service provider of changes in my personal or financial circumstances that may affect my personal or financial circumstances within 14 days.

Signature: Date:

4.2 Appendix B: Client fees



For clients whose fees are based on the standard rate, service providers will use the information from the client's Income Assessment Form to allocate the client to the appropriate Income Band (Bands 1 to 4). This allows the provider to calculate the client's fee depending on the cost of the modification.

CLIENT INCOME		CLIENT FEES		
Income band	Annual household income	Cost of modifications is under \$1000	Cost of modifications is from \$1000 to \$5000	Cost of modifications is over \$5000
Band 1: Full pension or benefit or very low income Single Couple	Less than \$ 46105 Less than \$ 74997	<u>Client fee:</u> 65% of total cost	<u>Client fee:</u> minimum of \$ 650 up to a maximum of 50% of total cost	<u>Client fee:</u> minimum of \$ 2500 up to a maximum of 30% of total cost
Band 2: Part pension or benefit or low income Single Couple	\$ 46106 to \$ 50 000 \$ 74998 to \$ 80 000	<u>Client fee:</u> 75% of total cost	<u>Client fee:</u> minimum of \$ 750 up to a maximum of 60% of total cost	<u>Client fee:</u> minimum of \$ 3000 up to a maximum of 40% of total cost
Band 3: No pension or benefit and moderate income Single Single plus 1 dependent Single plus 2 dependents Single plus 3 dependents Single plus 4 dependents Couple Couple plus 1 dependent Couple plus 2 dependents Couple plus 3 dependents Couple plus 4 dependents	More than \$ 50 000 More than \$ 65 000 More than \$ 80 000 More than \$ 95 000 More than \$ 110 000 More than \$ 80 000 More than \$ 95 000 More than \$ 110 000 More than \$ 125 000 More than \$ 135 000	<u>Client fee:</u> 85% of total cost	<u>Client fee:</u> minimum of \$ 850 up to a maximum of 70% of total cost	<u>Client fee:</u> minimum of \$ 3500 up to a maximum of 50% of total cost

<u>Band 4: No pension or benefit and high income</u>				
Single	More than \$ 70 000	<u>Client fee:</u> 95% of total cost	<u>Client fee:</u> minimum of \$950 up to a maximum of 80% of total cost	<u>Client fee:</u> minimum of \$ 4000 up to a maximum of 60 % of total cost
Single plus 1 dependent	More than \$ 85 000			
Single plus 2 dependents	More than \$ 100 000			
Single plus 3 dependents	More than \$ 115 000			
Single plus 4 dependents	More than \$ 130 000			
Couple	More than \$ 140 000			
Couple plus 1 dependent	More than \$ 155 000			
Couple plus 2 dependents	More than \$ 170 000			
Couple plus 3 dependents	More than \$ 185 000			
Couple plus 4 dependents	More than \$ 200 000			

Notes

1. Bands 1 and 2 are adapted from the WA HACC Fees Policy with income Band 1 calculated using the maximum for the full age pension and Band 2 using the income limit for the Commonwealth Seniors card.
2. Band 3 is for income that progresses from Band 2 and is aligned to the moderate household income as identified by the Centre for Affordable Housing.
3. Band 4 aligns with Commonwealth Government's income levels for the payment of the Medicare Levy Surcharge (with no private hospital cover).
4. Income bands take number of dependents into account.

4.3 Appendix C: Application for a review of fees



CONFIDENTIAL

This form is for clients whose fees are based on the standard rate who are in financial hardship and want to have their home modification fees reviewed. If the application is successful the service provider will discuss payment options with the client.

Part A: Client income

1	Client name	
2	Date of birth	
3	Pension type Pension card number Expiry date Do you receive other income?	Not applicable <input type="checkbox"/> Photocopy attached <input type="checkbox"/> <input type="text"/> <input type="text"/> Yes <input type="checkbox"/> No <input type="checkbox"/>
4	If you receive other income please specify your gross weekly income. This should be based on the documentary evidence you provided with your Income Assessment.	\$.....
5	Do you have any dependents? If yes, how many?	Yes <input type="checkbox"/> No <input type="checkbox"/>
6	Does your spouse/partner receive a pension? If yes, please provide photocopy of pension type Pension card number Expiry date Does your spouse/partner receive other income?	Yes <input type="checkbox"/> No <input type="checkbox"/> Photocopy attached <input type="checkbox"/> <input type="text"/> <input type="text"/> Yes <input type="checkbox"/> No <input type="checkbox"/>
7	If your spouse/partner receives other income please specify their gross weekly income. This should be based on the documentary evidence that was provided with your Income Assessment.	\$.....

Part B: Client’s additional weekly expenses

If the client has additional weekly expenses relating directly to their disability or frailty please provide information on the table below.

Table 1: Client’s Weekly Expenses Relating to their Disability or Frailty

	Expenses paid by client	Details of the expense	Weekly payment
1	Pharmaceutical expenses paid by the client (above the Medicare subsidy)		\$
2	Medical or therapy expenses paid by client (above the amount covered by Medicare or private health insurance)		\$
3	Individual transport costs related to the client’s disability or frailty including taxi expenses not covered by a subsidy		\$
4	Specialist equipment or supplies not covered by any subsidy, such as: <ul style="list-style-type: none"> • oxygen bottles • continence pads • disposable needles 		\$
5	HACC services:		\$
	• Domestic assistance		\$
	• Personal care		\$
	• Respite care		\$
	• Social support (one on one)		\$
	• Other food services		\$
	• Social support (group)		\$
	• Centre based day care		\$
	• Home maintenance		\$
	• Nursing care		\$
	• Allied health		\$
	• Transport		\$
	• Meals		\$
6	Other support services (not HACC)		\$
			\$
		Total	\$

Part C: Do you want to provide any more information relating to financial hardship?

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Part D: Client declaration

- I declare that all the information I have supplied is true and correct to the best of my knowledge
- I agree to notify my service provider of changes in my personal or financial circumstances within 14 days
- I agree to the disclosure and verification of my personal information (such as confirming pension status with Centrelink) provided it is necessary to assess my application for a review of my home modification fees.

Signature: Date:

Part E: OFFICE USE ONLY

Procedures for reviewing fees

	Procedures	Outcome
1	Identify client's total additional weekly expenses (from table above)	\$.....
2	Identify the gross weekly income of the client and their spouse/partner (refer questions 4 and 7 in part A above)	\$.....
3	Calculate the client's weekly additional expenses as a proportion of the weekly income of the client and their spouse/partner (divide additional weekly expenses by the weekly income of the client and their partner and multiply by 100).%
4	Where the client's additional expenses are 10% or more of the gross weekly income of the client and their spouse/partner, the service provider will discuss options to assist the client with fees payment.	<p>Tick the option that best suits the client:</p> <p><input type="checkbox"/> Negotiating less frequent payments</p> <p><input type="checkbox"/> Negotiating an amount client can afford to contribute \$.....</p> <p><input type="checkbox"/> Reducing the outstanding balance</p> <p><input type="checkbox"/> Negotiating smaller payments: For every 10% of the client's additional weekly expenses the provider could reduce the percentage of fees the client pays in the Client Fees table (Appendix B) by 10%.</p> <p><i>For example if a client has additional expenses that represent 20% of their income the provider would reduce the percentage of fees payable in the Client Fees table by 20%, so that a client in Income Band 1 with a modification under \$1000.00 would have their fee reduced from 65% of total job cost to 45% of total job cost.</i></p> <p><input type="checkbox"/> Other</p>
5	5. Document and sign the option that has been agreed with client.	

