

Charging Arrangements for Pension Based Scale of Fees

Summary This Policy Directive advises the key charging arrangements and 'patient contribution' rates in relation to patients within the following categories: Nursing Home Type Patients (in General Hospitals); State Government Residential Aged Care Facilities; Flexible Aged Care Services provided in Multipurpose Services and flexible places provided under the Transitional Aged Care Program; Residential Services not subject to the Aged Care Act 1997; and patients of Public Psychiatric Hospitals and Residents of Homes and Home Sections of Hospitals.

Document type Policy Directive

Document number PD2021_009

Publication date 24 March 2021

Author branch Financial Accounting, Policy, Insurance and Revenue

Branch contact 02 9461 7674

Replaces PD2020_009

Review date 24 March 2026

Policy manual Not applicable

File number H21/44807

Status Active

Functional group Corporate Administration - Fees

Applies to Local Health Districts, Board Governed Statutory Health Corporations, Specialty Network Governed Statutory Health Corporations, Affiliated Health Organisations, NSW Health Pathology, Public Health System Support Division, Public Hospitals

Distributed to Ministry of Health, Public Health System

Audience Administration; Fee / Revenue Officers; Patient Liaison Officers

CHARGING ARRANGEMENTS FOR PENSION BASED SCALE OF FEES

POLICY STATEMENT

This Policy Directive will advise NSW Health of the key charging arrangement and ‘patient contribution’ rates in relation to patients within NSW Health Organisations.

NSW Health will develop an Information Bulletin which will be published bi-annually to align with the Commonwealth government reviews on pensions/benefit.

SUMMARY OF POLICY REQUIREMENTS

NSW Health organisations are to charge fees and patient contributions for:

- Nursing Home Type Patients (in General Hospitals)
- State Government Residential Aged Care Facilities (SGRACF) subject to the Aged Care Act 1997
- Flexible Aged Care Services subject to the Aged Care Act 1997, including places provided in Multipurpose Services (MPS) and under the Transitional Aged Care Services program
- Residential Services which are not subject to the Aged Care Act 1997 (e.g. Transitional Behavioural Assessment and Intervention Service (T-BASIS) Units)
- Patients of Public Psychiatric Hospitals and Residents of Homes and Home Sections of Hospitals (excluding approved Aged Care facilities under the Aged Care Act 1997).

NSW Health organisations to ensure that fees and contributions from pensioners for selected services are applied as described in the attached procedures.

REVISION HISTORY

Version	Approved by	Amendment notes
March-2021 (PD2021_009)	Secretary, NSW Health	Advised charging arrangements effective from the date of issue. Remove fees from PD, fees will be published in an IB going forward.
March-2020 (PD2020_009)	Secretary, NSW Health	Advised charging arrangements and updates patient contributions effective from 20 March 2020.
September 2019 (PD2019_047)	Secretary, NSW Health	Advised charging arrangements and updates patient contributions effective from 20 September 2019.
March 2019 (PD2019_017)	Secretary, NSW Health	Advised charging arrangements and updates patient contributions effective from 20 March 2019.
September 2018 (PD2018_037)	Secretary, NSW Health	Advised charging arrangements and updates patient contributions effective from 20 September 2018.
March 2018 (PD2018_012)	Secretary, NSW Health	Advised charging arrangements and updates patient contributions effective from 20 March 2018.
September 2017	Secretary, NSW	Advised charging arrangements and updates patient

(PD2017_031)	Health	contributions effective from 20 September 2017.
March 2017 (PD2017_006)	Secretary, NSW Health	Advised charging arrangements and updates patient contributions effective from 20 March 2017.
September 2016 (PD2016_041)	Secretary, NSW Health	Advises charging arrangements and updates patient contributions effective from 20 September 2016.
March 2016 (PD2016_008)	Secretary, NSW Health	Advises charging arrangements and updates patient contributions effective from 20 March 2016.
September 2015 (PD2015_039)	Secretary, NSW Health	Advises charging arrangements and updates patient contributions effective from 20 September 2015.
March 2015 (PD2015_013)	Secretary, NSW Health	Advised charging arrangements and updated patient contributions effective from 20 March 2015.
September 2014 (PD2014_033)	Deputy Secretary, Strategy and Resources	Rescinded PD2005_622 and IB2014_016. Advised charging arrangements and updated patient contributions from 20 September 2014.
March 2014 (IB2014_016)	Chief Financial Officer	Rescinded IB2013_038. Updated patient contributions from 20 March 2014.
September 2013 (IB2013_038)	Chief Financial Officer	Rescinded IB2013_015. Updated patient contributions from 20 September 2013.
September 2005 (PD2005_622)	Deputy Director General	Rescinded PD2005_564. Advised charging arrangements.

ATTACHMENTS

1. Charging Arrangements for Pension Based Scale of Fees: Procedures

CONTENTS

1	BACKGROUND	1
1.1	About this document.....	1
1.2	Legal and legislative framework.....	1
2	NURSING HOME TYPE PATIENTS (IN PUBLIC HOSPITALS)	1
3	STATE GOVERNMENT RESIDENTIAL AGED CARE FACILITIES (SGRACF) SUBJECT TO THE AGED CARE ACT 1997	1
3.1	Residents who entered an aged care facility before 1 July 2014.....	1
3.2	Residents entering an aged care facility on or after 1 July 2014 or opting for the post 1 July fee arrangements.....	2
4	FLEXIBLE AGED CARE SERVICES SUBJECT TO THE AGED CARE ACT 1997	2
4.1	Residential Aged Care Services provided in Multipurpose Services (MPS).....	2
4.2	Transitional Aged Care Services.....	2
5	RESIDENTIAL SERVICES WHICH ARE NOT SUBJECT TO THE AGED CARE ACT 1997	
6	PATIENTS OF PUBLIC PSYCHIATRIC HOSPITALS AND RESIDENTS OF HOMES AND HOME SECTIONS OF HOSPITALS (EXCLUDING APPROVED AGED CARE FACILITIES UNDER THE AGED CARE ACT 1997)	3

1 BACKGROUND

1.1 About this document

Pension Based Fees are reviewed twice a year following the Commonwealth government's review of Pensions and Benefits on the 20 March and 20 September.

Fees and contributions are advised separately via an Information Bulletin.

1.2 Legal and legislative framework

Health Services Act 1997

Nursing Home Type Patients (section 2) are subject to the Private Health Insurance Act 2007 and Private Health Insurance (Benefit Requirements) Rules 2011.

State Government Residential Aged Care Facilities and Flexible Aged Care Services are subject to the provisions of the Aged Care Act 1997, User Rights Principles 2014, made under section 96-1 of the Aged Care Act 1997 and Aged Care (Transitional Provisions) Act 1997.

2 NURSING HOME TYPE PATIENTS (IN PUBLIC HOSPITALS)

The Nursing Home Type Patient rates apply to patients, except for Ineligible or Compensable patients, who are accommodated for a period in excess of 35 days and Acute Care Certificates are not issued. Further information regarding Acute Care Certifications can be found in the NSW Health Policy Directive *Nursing Home Type Patients and the National Acute Care Certificate* ([PD2016_011](#))

A per diem public patient rate and private patient rate applies as appropriate in accordance with the patient's election.

Department of Veterans' Affairs (DVA) NHTPs are required to pay the per diem 'patient contribution (public patient)' rate. In the case of DVA ex-prisoners of war this per diem rate is to be charged to DVA, rather than the patient.

3 STATE GOVERNMENT RESIDENTIAL AGED CARE FACILITIES (SGRACF) SUBJECT TO THE AGED CARE ACT 1997

NSW Health aligns with Commonwealth Government rates in relation to SGRACF. Further information can also be found on the [Department of Health website](#).

3.1 Residents who entered an aged care facility before 1 July 2014

Residents who entered care before 1 July 2014 or are transferring into a SGRACF can remain on their pre-1 July 2014 fee arrangements or can choose to be assessed under the post-1 July 2014 arrangements before they enter a facility. Specific information must be provided to these residents: obligations are set out in the *User Rights Principles 2014*.

The standard fee amount is 85 per cent of the single basic age pension.

Providers may receive a basic daily fee supplement for residents who did not get any financial support to meet the basic daily fee increase that occurred on 1 July 2012.

3.2 Residents entering an aged care facility on or after 1 July 2014 or opting for the post 1 July fee arrangements

Under Commonwealth Aged Care reforms effective from 1 July 2014, new residents entering residential aged care may be asked to pay:

- A basic daily fee paid by all people who receive residential care. For some people, this is the only fee they may need to pay. The standard fee is 85% of the single basic age pension.
- A means tested care fee - an extra contribution towards the cost of care that residents may need to pay, on top of the basic fee, depending on income and assets as assessed by the Department of Human Services.
- An accommodation payment – depending on a resident’s income and assets (as assessed by the Department of Human Services) new residents may have their accommodation fees paid in full by the Australian Government or they may be asked to make an accommodation payment or an accommodation contribution. SGRACFs charging accommodation fees must give eligible residents the option of paying via a Refundable Accommodation Deposit (RAD) or a Daily Accommodation Payment (DAP) or a combination of these methods.
- Fees for extra or additional optional services – residents may be asked to pay an additional amount if a higher standard of accommodation is chosen or additional services such as hairdressing or pay TV in rooms is elected.

Local Health Districts must comply with the new regulations set out under the Aged Care Act 1997(Commonwealth) affecting residents entering SGRACFs from 1 July 2014.

4 FLEXIBLE AGED CARE SERVICES SUBJECT TO THE AGED CARE ACT 1997

4.1 Residential Aged Care Services provided in Multipurpose Services (MPS)

Multipurpose Services are integrated health and aged care services that provide flexible and sustainable service options for small rural and remote communities. MPSs receive recurrent funding from the Commonwealth for an approved number of flexible places in addition to the fees, detailed below that are commonly referred to as residents’ fees.

A per diem ‘standard resident contribution’ or ‘respite resident contribution’ applies to the flexible residential aged care places provided in an MPS, which are applicable regardless of pensioner status. NSW Health MPSs are not eligible to charge other fees such as RAD and / or DAP.

4.2 Transitional Aged Care Services

Recipients of Transitional Aged Care Services in flexible care places within the meaning of the Aged Care Act 1997 are to be charged a per diem fee in relation to the respective

category of place (residential or community) as a contribution to the cost of care. The recipient contributions relate to pensioners and non-pensioners.

The Transition Care Programme Guidelines set the maximum amount that can be charged:

- 85 per cent of the basic daily rate of the single pension for care delivered in the residential setting.
- 17.5 per cent of the basic daily rate of the single pension for care delivered in the community setting.

5 RESIDENTIAL SERVICES WHICH ARE NOT SUBJECT TO THE AGED CARE ACT 1997

There is a per diem rate for residential services which are not subject to the Aged Care Act 1997. The rate is the same for 'standard pension contribution' and 'standard non-pensioner contribution'. This rate must not be used for:

- Those services which are subject to the *Aged Care Act 1997*.
- Public hospitals or parts of those hospitals subject to the National Health Reform Agreement.
- Public psychiatric hospitals.

6 PATIENTS OF PUBLIC PSYCHIATRIC HOSPITALS AND RESIDENTS OF HOMES AND HOME SECTIONS OF HOSPITALS (EXCLUDING APPROVED AGED CARE FACILITIES UNDER THE AGED CARE ACT 1997)

Patients who are under 16 years of age are not to be charged.

Other patients are to receive free care and treatment for the first 60 days of their stay. On and from the sixty-first day, patients are to be charged at their appropriate per diem rate, unless they are classified as still needing acute care, in which case they must continue to receive free care and treatment.

The maintenance charges apply in relation to persons in receipt of a pension or benefit and non-pensioners. These charges do not apply to persons covered by special provisions, agreements or who are compensable patients.