Pricing Framework for Support at Home Services 2027-28

Dementia Australia submission 10 April 2026

Dementia Australia is grateful for the opportunity to provide input to the IHACPA review of the pricing framework for Support at Home (SAH) services.

Dementia Australia is the peak body representing the estimated 446,500 people living with dementia and their carers across Australia. Dementia prevalence in Australia is set to increase to more than a million people by 2065 (1, 2). Around two thirds of people with dementia live in the community (1), and almost all will need some form of care and support at home as dementia progresses.

SAH has a critical role in the aged care system for people living with dementia. It provides essential services to maintain wellbeing at home as functional capacity declines with dementia progression.

Preventing avoidable hospitalisations and premature entry to residential aged care are high priorities in the Australian health and aged care systems. Hospital and residential care bed capacity are both overwhelmed nationally and delayed discharge of older people, including many living with dementia, is a significant factor.

Care provided under the SAH program must meet the needs of people living with dementia and support them well at home, especially given that their needs can rapidly escalate without appropriate care. When needs escalate, the system must be able to respond.

Providing quality care to people living with dementia requires staff who are dementia capable, culturally competent, and skilled in supporting people with dementia as well as their family carers. IHACPA's pricing must accurately reflect the direct and indirect cost components required to deliver safe, quality dementia care, including workforce education in dementia.

While outside of IHACPA's remit, pricing increases should not reduce access to care. Any pricing increases are likely to exceed the capacity to pay for many people living with dementia and their families. We are already seeing evidence of this under current SAH pricing arrangements.

Therefore, Government must ensure that that hardship provisions are sufficient to safeguard against people opting out of services and that the process is not onerous or lengthy for people waiting to be able to access care.

In addition, Government should reconsider co-contribution arrangements for independence supports, specifically for people with dementia. In dementia care, there is still (and likely to be for some years) a lack of effective and widely utilised clinical treatment. This means that 'non-clinical' supportive care is the only care paradigm currently available for people living with dementia. In essence, supportive care is a person-centred approach responding to the individual needs of each person living with dementia. Early access to supportive care can help to delay the progression of dementia symptoms, while lack of access to these supports could increase symptom severity and the likelihood of premature entry to residential aged care. For people living with dementia, this means support for showering, eating, meal preparation, access to transport and support workers, and social engagement are vital to maintaining or strengthening cognitive function. For people living with dementia, supportive care is essential to maintaining independence and quality of life for as long as possible. Dementia Australia is concerned that only clinical care is fully funded by government and that independence supports, which are crucial to effective supportive care for people living with dementia, require a consumer contribution that many are unable to afford.

While we understand this issue is outside the scope of IHACPA's role to deliver pricing advice and are decisions for Government, Dementia Australia advocates for a system in which Government investment reflects the true costs of delivering quality dementia care without impacting affordable access to critical services and supports.

Recommendations

1. Ensure that future IHACPA cost collections consider differences in care costs for people living with dementia including delivery of care by a dementia-qualified, culturally competent workforce.
2. Provide advice on the financial impact of the removal of the Dementia and Cognitive Supplement from SAH including whether this reduction has been offset by increased funding through the Integrated Assessment Tool and classification system for people living with dementia.
3. Recognise that, for people living with dementia, all independence supports are supportive care and essential to delaying physical and cognitive deterioration. Dementia Australia has consistently called for supportive care services to be regarded in the same way as clinical services and to be fully funded by Government, rather than requiring significant co-contributions.
4. Consider a pricing strategy for regional, rural and remote areas such as a remoteness loading, thin market grant or other supplement, to ensure that additional costs of service delivery do not lead to provider exit from the market or to additional costs for participants.
5. Be guided by the expertise of the National Aboriginal and Torres Strait Islander Ageing and Aged Care Council and the Interim First Nations Aged Care Commissioner in developing the pricing approach for SAH services to First Nations elders and older people.

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6. Ensure that SAH pricing factors in additional costs related to translating, interpreting, service navigation and cultural brokerage as part of the operating model and that additional costs are not passed on to older people and their families.

General comments on pricing approaches for dementia care at home

Dementia Australia is concerned that the current pricing arrangements are preventing people living with dementia from accessing essential care classified as 'independence supports' including showering, toileting assistance and other personal care due to affordability. Dementia Australia, like many other stakeholders, recommends these should be regarded as supportive care and not subject to co-contribution for people living with dementia.

Participant co-contributions for non-clinical services are calculated as a percentage of the cost of each service delivered, with contribution rates determined through an income and asset assessment. SAH providers currently set their own prices, meaning that a participant receiving the same service from a higher priced provider will pay a higher dollar co-contribution than someone receiving a service from a lower priced provider, even where their assessed contribution rate is the same (3).

Price caps will lead to greater equity but must ensure affordability for participants. It is also likely that all providers will charge at or close to the price cap, so caps must be sufficient to support delivery of safe quality care but also be affordable for older people. While hardship provisions exist, these are not being fully utilised, are hard to understand for people living with dementia, and are reportedly difficult to access.

People living with dementia are disproportionately from socioeconomically disadvantaged households and communities. Socioeconomically disadvantaged people have higher prevalence of dementia, earlier onset and greater disability and mortality burden from dementia (4, 5). Affordability of care is also an especially significant issue for many First Nations people impacted by past, present and cumulative effects of structural inequalities that have led to financial disadvantage and earlier onset of chronic illness and disability (6). In addition, many people living with dementia experience financial disadvantage after diagnosis, for example due to early retirement, job loss or reliance on income support payments (4).

High costs for SAH services are increasing the financial burden for people living with dementia. In preliminary results from a current Dementia Australia survey on the SAH program[1], 55% of respondents said that prices charged by their home care provider had increased since the new SAH was introduced, and 25% said client contributions had changed. The following data from our survey illustrates the impact of costs and contributions on use of SAH services, including the significant amount of people who have reduced services.

[1] This survey will be open until 31 May 2026 and results may change.

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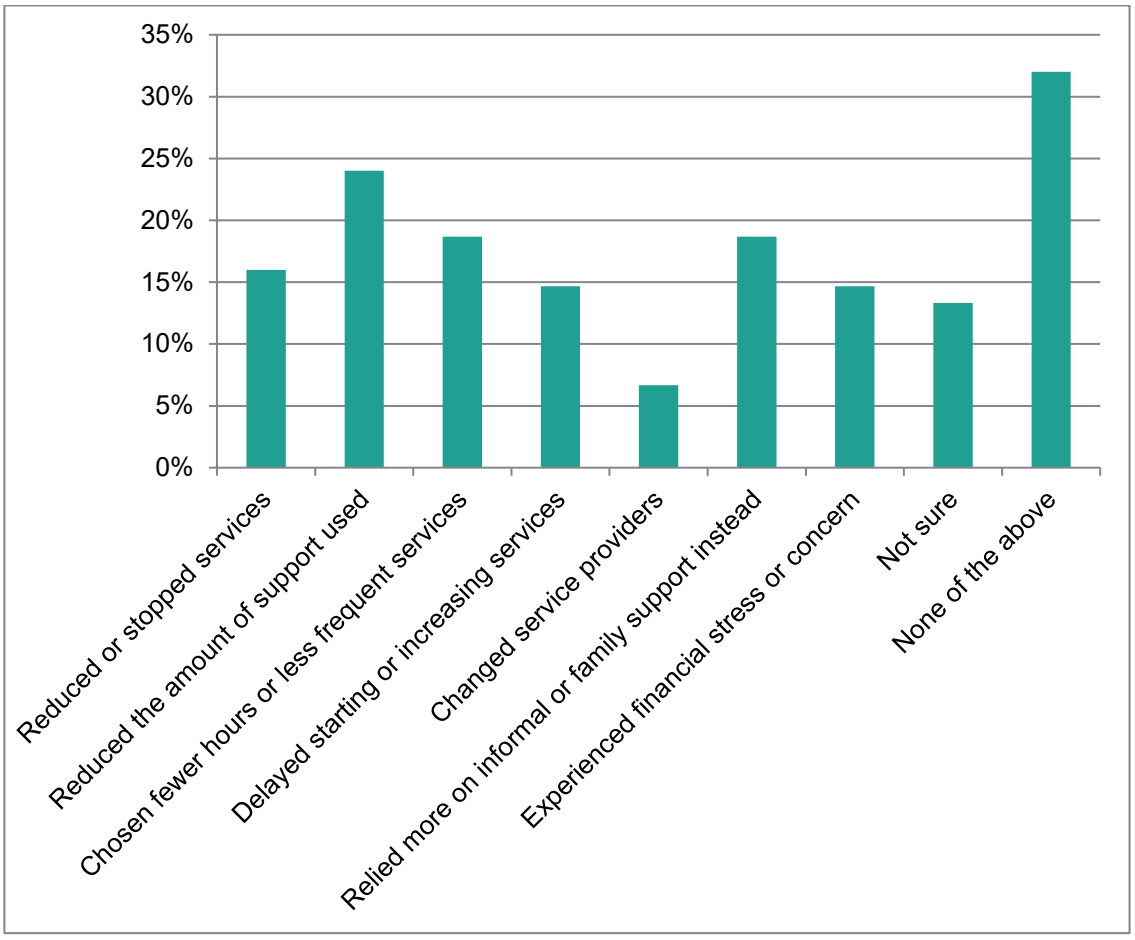
Question: Have costs or co-contributions influenced how you, or the person you care for, use your Support at Home services?

Response: n = 75, multiple options could be selected.



Costs for showering and other personal care services that result in people opting out of receiving these services will lead to significant downstream impacts in terms of admission to the already overburdened acute health and residential aged care sectors.

Dementia Australia has also heard reports of providers withdrawing from delivering these service types in response to reduced client demand. Essentially, people living with dementia are being asked to make difficult choices as the buying power of their package has decreased, provider fees increased, co-contributions increased and package funding reduced by 11% for those people who have lost access to the Dementia and Cognition Supplement.

Pricing regulation in SAH must ensure affordability for participants living with dementia so that essential care can be accessed. This requires capping of prices while recognising the complexities and costs of access to care for people living with dementia in regional, rural and remote communities, for culturally specific care and in other thin markets, to ensure ongoing service viability.

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Strategies to support participation in cost collection

We support IHACPA's efforts to improve participation in cost collections, especially from underrepresented regional and rural providers, smaller providers and First Nations providers. We recommend that future cost collections consider differences in services for people living with dementia including the cost of delivering care with a dementia-qualified workforce. This should include assessing the impact of the removal of the Dementia and Cognition Supplement from the new SAH program.

Pricing approach for transition of the CHSP to Support at Home

Dementia Australia has significant concerns about the transition of the Commonwealth Home Support Program (CHSP) to SAH given the current level of unresolved policy concerns and unintended consequences that are still being worked through post-SAH commencement. It is therefore premature to be considering a pricing approach for CHSP. Please refer to our submission to the Inquiry into the transition of CHSP to the Support at Home program for further details[2].

Cost pressures in rural and remote areas

There are a range of specific additional cost pressures for the delivery of SAH to people living with dementia in regional, rural and remote areas. These relate to delivery of nursing care in geographically isolated settings, the price of home modifications, travel and fuel costs, workforce shortages, less competitive markets and the need for protection against market failure.

People living with dementia in regional, rural and remote areas are also more likely to have increased complexity of need due to later diagnosis, greater comorbidity and delayed access to care (8). They are also likely to face additional costs as a result of needing to travel out of area to access care.

In regional, rural and remote areas, it is difficult to account for the increased costs of service delivery while not disadvantaging people living with dementia who are required to pay co-contributions for required care in addition to their out-of-pocket expenses to access limited services.

The pricing approach should consider a remoteness loading, thin market grant or other supplement type (excluded from co-contribution calculations), to ensure that additional costs of service delivery do not lead either to provider exit from the market or to inequitable costs for participants.

First Nations communities and CALD communities

The Aged Care Act Statement of Rights supports older people's right to have access to aged care services that value and support identity, culture and background. For First Nations and Culturally and Linguistically Diverse (CALD) people living with dementia, this can mean having

[2] **https://www.dementia.org.au/sites/default/files/2026-02/Dementia-Australia-submission-Inquiry-into-Transition-of-Commonwealth-Home-Support-Program-to-Support-at-Home.pdf**

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a choice of receiving services from culturally controlled or specific services. It also includes having access to interpretating, translation and cultural brokerage services.

There are also system-wide issues which impact on pricing, such as the cost of establishing and maintaining a First Nations aged care workforce, especially in regional, rural or remote communities. Costs relate to investment in First Nations recruitment, retention, training and supervision. Similarly, maintaining continuity of the CALD workforce and availability of bilingual workers in dementia care is a non-negotiable cost which should be funded by Government investment into the system.

It is also important to consider the impact of ongoing financial and income disadvantages experienced by many First Nations people, for example by establishing culturally safe navigation and assessment pathways within First Nations organisations. Results from the current First Nations Assessment Pilot should be considered in developing pricing models. Navigation is a core service which enables equitable access to care for First Nations people (7).

Dementia Australia recommends that IHACPA be guided by the expertise of the National Aboriginal and Torres Strait Islander Ageing and Aged Care Council and the Interim First Nations Aged Care Commissioner in developing the pricing approach for the SAH program. Similarly, expertise from multicultural peak, community and research organisations such Federation of Ethnic Communities' Councils Australia (FECCA) and the Partners in Cultural Appropriate Care (PICAC) Alliance should be sought in relation to CALD communities.

Conclusion

Pricing for SAH will be a critical determinant of whether people living with dementia can live safely at home and have equitable access to essential care. For people living with dementia, timely and affordable access to supportive care is not discretionary, it is fundamental to preventing avoidable physical and cognitive deterioration, hospitalisation and premature entry to residential aged care. Dementia Australia recommends that IHACPA adopt a pricing framework that caps prices at a level that reflects the true cost of delivering quality dementia care. This includes recognising workforce capability, service complexity, navigation and cultural brokerage as core cost components, and closely assessing the impact of the removal of the Dementia and Cognition Supplement. Government must ensure that that hardship provisions are sufficient to safeguard against people opting out of services and that the process is not onerous. In addition, Government should reconsider co-contribution arrangements for independence supports for people with dementia.

For further information, please contact the Dementia Australia Policy and Advocacy Team on **policyteam@dementia.org.au**

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