

Supporting a high-quality, sustainable aged care system

Ageing Australia

VIC State Conference 2025

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Independent Health and Aged Care Pricing Authority



Acknowledgement of Country

We respect and acknowledge the Traditional Custodians of the lands on which we meet today, the Bunurong peoples of the Kulin Nation, and recognise their continuing connection to land, sky, waters and culture.

We pay our respect to Elders today and those who walk in spirit.

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



Delivery of transparent, independent, evidence-based pricing and costing advice, underpinned by broad stakeholder consultation, to the Australian Government

Roles and responsibilities

Aged care pricing roles and responsibilities



IHACPA

Develops aged care pricing and costing advice



Australian Government

Sets aged care prices

Undertakes cost collections and public consultations. Analyses data and stakeholder feedback.

Develops the pricing framework and pricing advice that we provide to government.

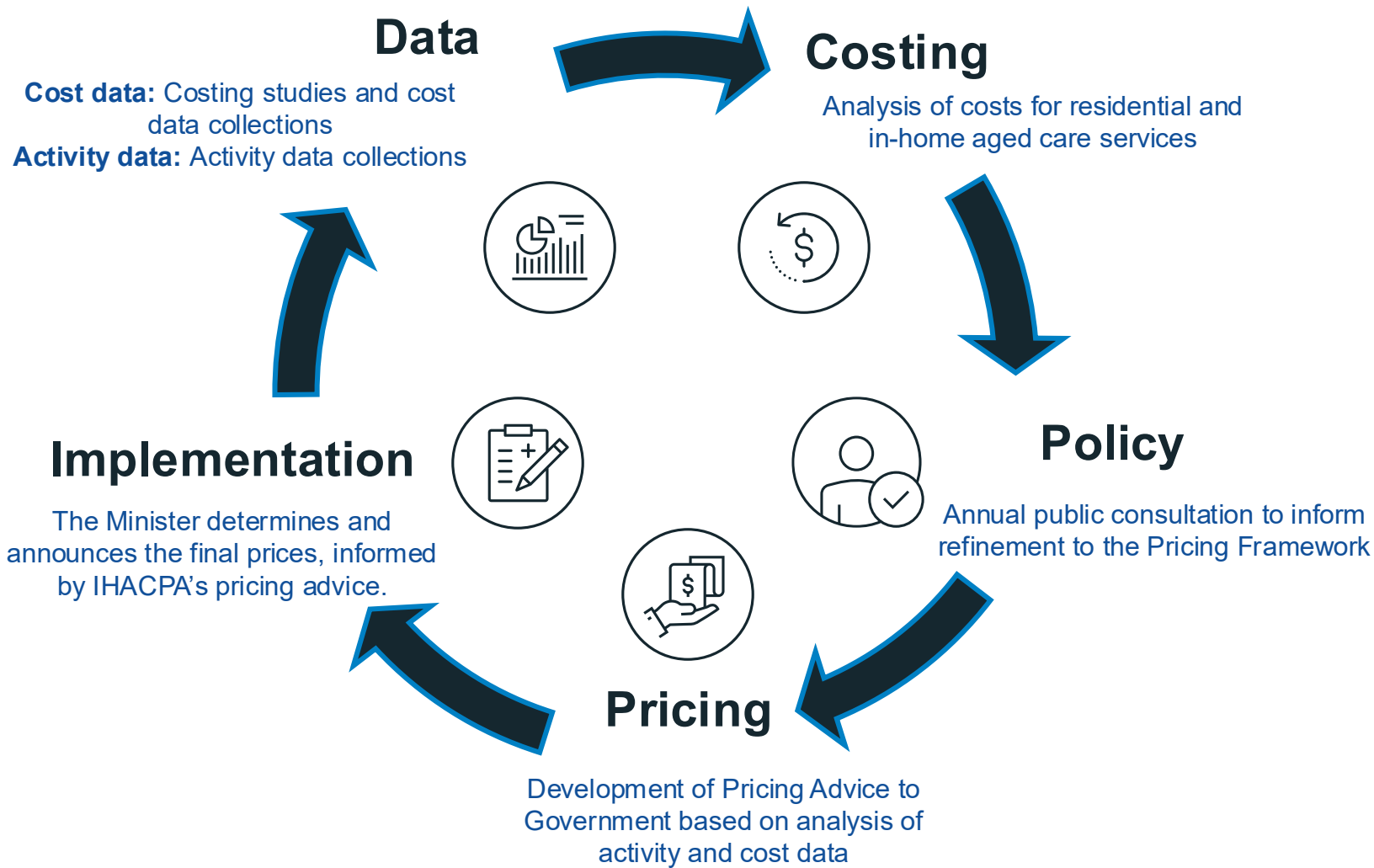
Determines and announces the prices.

Minister for Health and Ageing

Supports program implementation and policy settings.

Department of Health, Disability and Ageing





Why is costing important?

- IHACPA's pricing advice reflects the cost of providing care
- Costing is the process of understanding what and how much resource are utilised by residents / clients when receiving specific services
- Costing enables us to understand variations in the costs of delivering care across different services and demographics
- This enables IHACPA to create a broad data set which forms the basis of its pricing advice

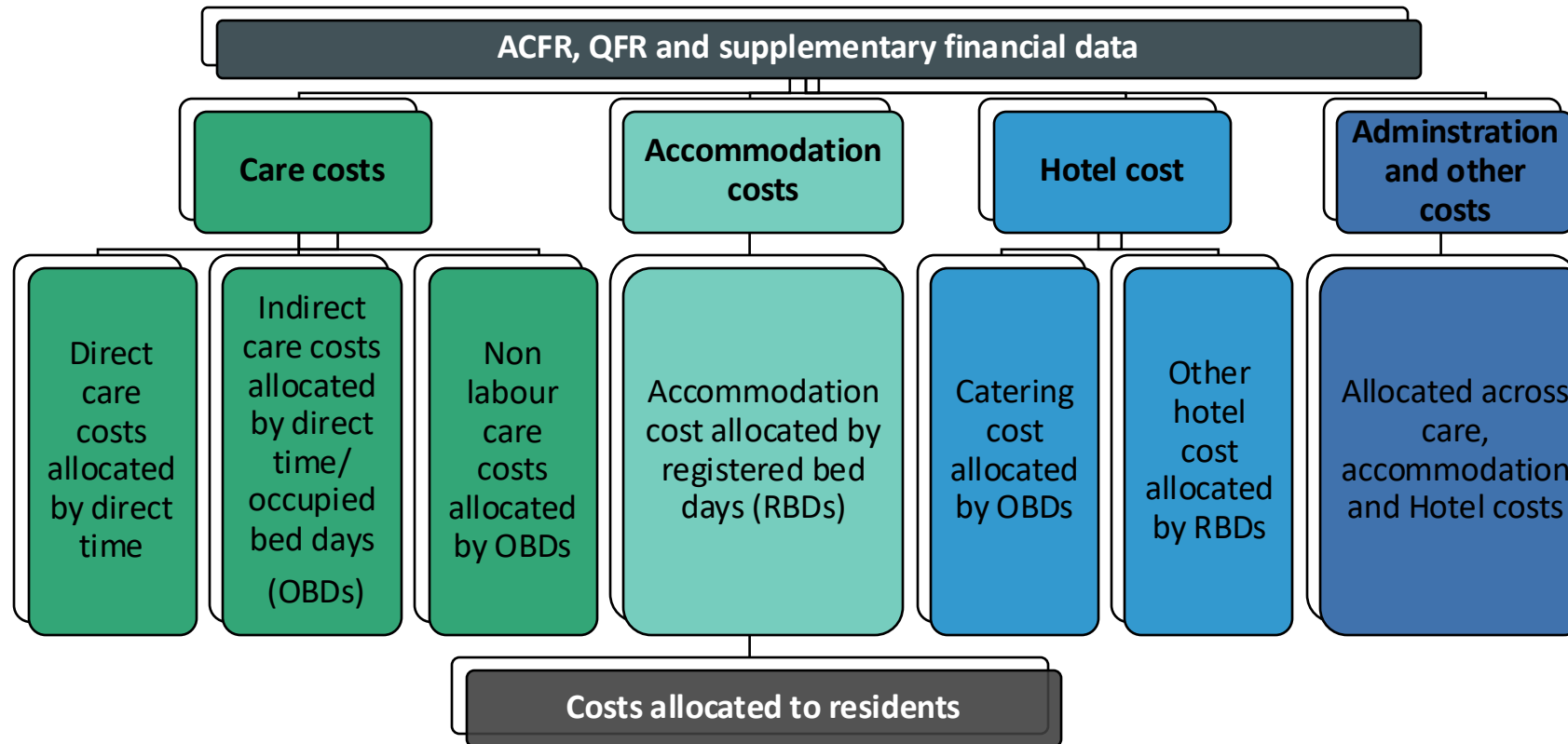
Aged Care Cost Collections

- IHACPA's costing studies and cost collections allow its pricing advice to reflect contemporary cost structures, changes in costs over time and care delivery models

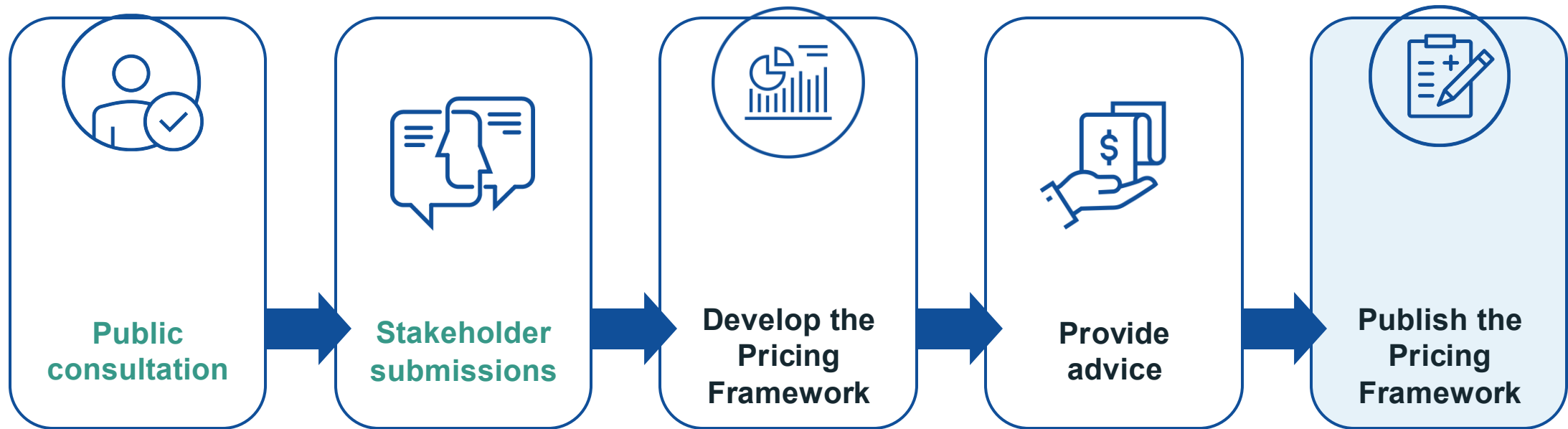


**IHACPA's Aged Care
Cost Collections**

Example costing methodology



Annual consultation processes



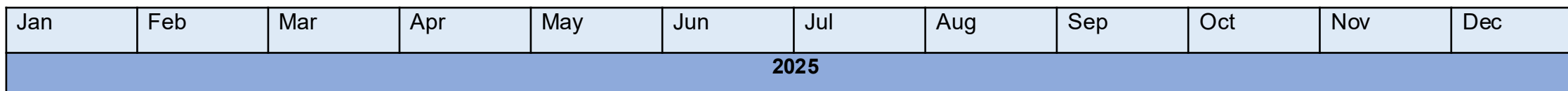
Timelines for cost collections and public consultations

June 2025 – July 2025

Public consultation on the Support at Home Pricing Framework

June 2025 – September 2025

Support at Home Cost Collection



April 2025 – July 2025

Stage 2 of the Residential Aged Care Cost Collection

July 2025 – August 2025

Public Consultation on the Residential Aged Care Pricing Framework

Residential Aged Care Pricing Advice

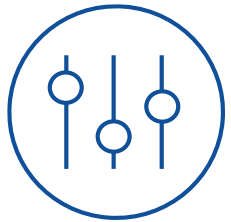
IHACPA provides annual advice to government on:



recommended AN-ACC
price



recommended changes to
the BCT categories

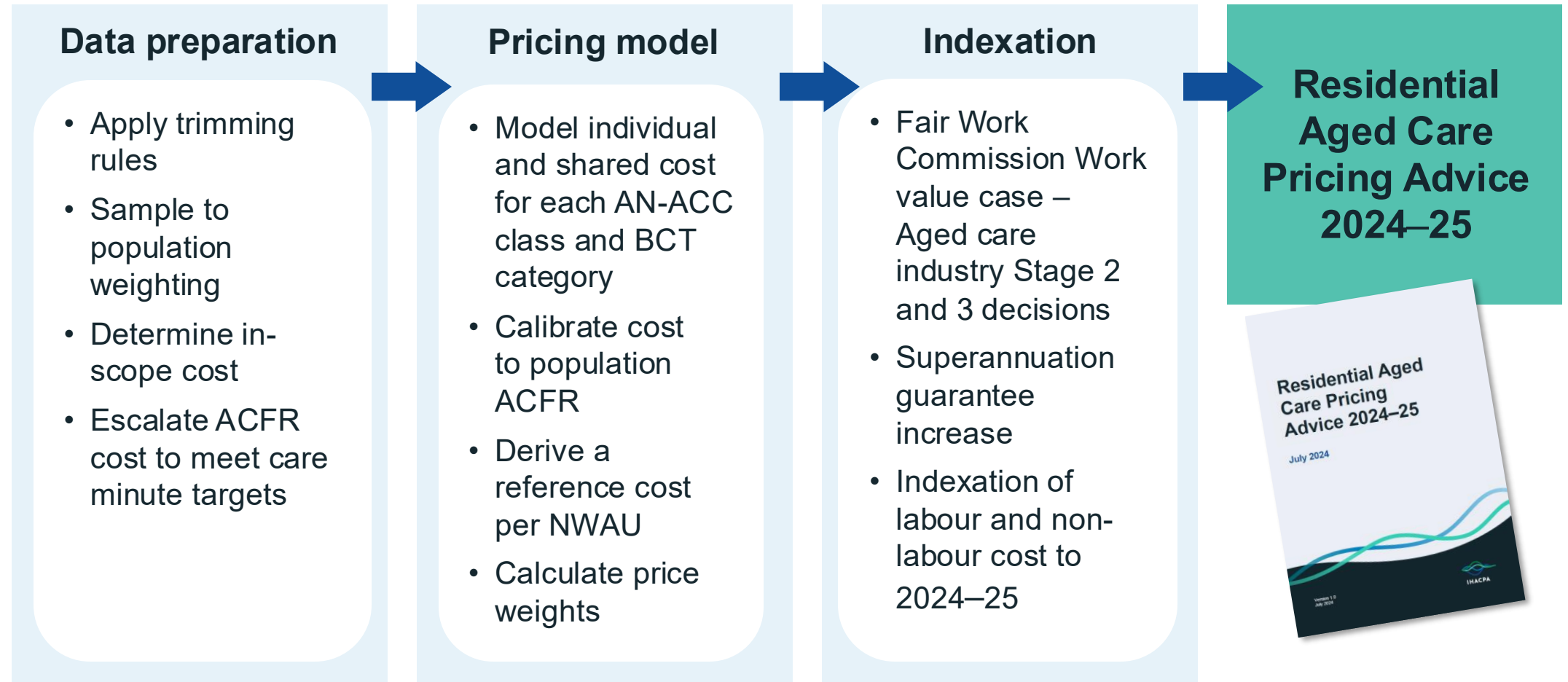


recommended AN-ACC
price weights



estimated average gap between the
costs of delivering required hotel
services and specific types of revenue
received

Example of methodology for Residential Aged Care Pricing Advice



Support at Home Pricing Advice

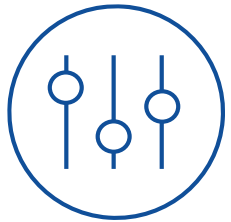
IHACPA provides annual advice to government on:



recommended prices of
service list items



prices differentiated by time
of delivery



recommended pricing
adjustments, if any



all in-scope costs such as labour,
transport, consumables and
administration

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Aged care mailing list topics

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

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