

Ex-Lyndoch staff go public on “outrageous” home care fees



Elderly and infirm people on home care packages around Warrnambool are losing up to 44 per cent in management fees, with providers allowed to charge what they like.
Image: Shutterstock.

Carol Altmann – The Terrier

Two ex-Lyndoch Living senior staff have gone public on astronomical fees being charged for some home care packages used by elderly and infirm people across Warrnambool and the south-west.

The pair recently set up their own small, home care business in response to what they describe as “outrageous” management charges, saying clients can lose up to 44% of their package in admin costs.

Tricia O’Keefe and Meridith McKinnon don’t name an employer on their website ([La Bella Life home care](#)), but they indicate that they resigned from their workplace after becoming “increasingly uncomfortable” with the management fees.

“We were recently employed by a local, South West Victorian

Home Care Package Service Provider.

□"We became increasingly uncomfortable with our clients losing up to 44% of their funds in management fees. Quite frankly, we felt this was outrageous," the website says.

In launching their own business last week, these two women have shone a light on the potential for elderly and infirm people to be ripped off by a system that allows providers to set their own fees.

A bit of background: home care packages are funded by the Federal Govt to help keep elderly and infirm people in their own homes.

If they are lucky, clients are allocated between \$9000 a year for a Level One package, through to \$52,000 a year for a Level Four.

This money is then available for a range of services, from meals-on-wheels, to shopping, gardening, nursing care and the like, with the Federal Govt paying the provider, such as Moyne Health, Bapcare or Lyndoch Living, directly.

But there's a nasty catch.

On top of the hourly cost set by the provider for nursing, gardening or shopping etc, there is also a management fee made up of two parts – "package" and "care" – and this combined fee can be as high as a kite.

There is no cap.

The onus, instead, is on the client to "shop around" for the best deal, as you do when you are elderly, isolated, or infirm, or don't own a computer, or a smartphone.

Yesterday I "shopped around" on the complicated [My Aged Care website](#), trying to work out the average total management fees charged by Lyndoch Living, Moyne Health, Cobden Health and

Bapcare Health.

It took two hours, but it was worth it.

This bit of research confirms that Lyndoch Living and Bapcare Health charge like wounded bulls for managing home care packages – Bapcare sits around 35% and Lyndoch between 36% and 42% in fees.

Moyne Health and Cobden Health are much cheaper and charge, on average, between 22% and 27%. (As an aside, La Bella Life will charge a flat 26%).

[I have included more detail of this fee comparison at the end of this piece].

So, for example, a client with a Level 2 package worth \$15,750 a year will lose 42% in fees to Lyndoch Living – or around \$6669.

Ouch.

And a Level 4 package of \$52,000 will see around \$19,000 disappear in fees charged by both Bapcare and Lyndoch.

For what, exactly?

Of course individual packages need to be tailored and adjusted (this is the “care” fee), plus there are broader, compulsory admin tasks (this is the “package” fee), but for every ten clients on a Level 4, some providers are raking in around \$190,000 a year.

Again, for what, exactly?

As it stands, some local providers charge up to \$100 and \$150 an hour as the “care” fee.

I doubt very much the staff involved are earning \$100 to \$150 per hour.

Worse, all this back-office gouging means less money in the kitty for a client to use for help at home.

National reporters [like the ABC's Anne Connolly are on to this rort](#) and the Federal Govt has admitted it needs to change the system, which is now part of the Royal Commission into Aged Care, but proposed new laws remain on hold.

I asked Lyndoch Living on Tuesday for a comment on how it sets its management fees. There was no response.

I also contacted Meridith and Tricia for a comment on what will be different with their business. This was their response:

“From July 2015, all new home care packages were required to be delivered on a ‘consumer directed care’ basis. Unfortunately, not all providers have been successful in moving to a model where their fees, and the value of their services, is communicated to their clients in a format they understand.

It’s difficult for a client to ‘direct their own care,’ if they aren’t fully aware of the services they can fund with their package, or how much they are paying to have their packaged managed.

We intend to change that.

Our website...explains in detail the range of supports and services a client may be able fund from their Home Care Package. We also publish our management fees in a format that is easy to understand...our clients can access their Package Funds Statement online, at any time of the day.

This ensures our clients know exactly how much they have available to spend. We do this because we firmly believe the funds belong to the client, not us.”

[If you have a home care package story to share, send me a

message via FB or the website.]

Average management fees deducted:*

Package Level 1: \$9000

Lyndoch Living 40%; Moyne Health 25%; Cobden Health 22%;
Baptcare 35%.

Package Level 2: \$15,750

Lyndoch Living 42%; Moyne Health 26%; Cobden Health 27%;
Baptcare 35%.

Package Level 3: \$34,250

Lyndoch Living 37%; Moyne Health 26%; Cobden Health 27%;
Baptcare 35%.

Package Level 4: \$52,000

Lyndoch Living 36%; Moyne Health 26%; Cobden Health 27%;
Baptcare 35%.

* For general use only. This is a selection of four home care package providers that service Warrnambool and the south-west. There are others. Please refer to the [My Aged Care website for full details](#).