

Frequently asked questions

Changes to the higher maximum accommodation payment amount

These FAQs are for aged care accommodation providers with existing approvals or applications under assessment by the Independent Health and Aged Care Pricing Authority (IHACPA)

1. If you have an approval to charge a higher accommodation payment amount as a Refundable Accommodation Deposit (RAD) or equivalent Daily Accommodation Payment (DAP) that expires before 1 January 2025:

You must have a valid approval to advertise and charge a RAD (or equivalent DAP) above the current maximum accommodation payment amount of \$550,000 until the new threshold of \$750,000 takes effect on 1 January 2025.

If your approval has expired and you want to continue to charge an amount above \$550,000 before 1 January 2025, you must re-apply to IHACPA for approval using the current application form on our [website](#). Please submit your application at least 60 days before your current approval expires or the date you wish to start charging higher RADs.

Alternatively you may choose:

- not to charge a RAD (or equivalent DAP) above \$550,000 to new residents from the expiry date of your approval until after 1 January 2025, thereby avoiding the need to reapply to IHACPA for approval
- to reprice rooms to an amount equal to or less than \$550,000 which does not require approval from IHACPA. This will allow you to agree a room price and admit a resident to the room before 1 January 2025.

If you charge an amount above \$550,000 for which you do not have a valid approval before 1 January 2025 you may have overcharged. You must report any overcharges to the Aged Care Quality and Safety Commission at prudential@agedcarequality.gov.au who will work with you to correct the error.

2. If you have an approval to charge a higher accommodation payment amount as a RAD or equivalent DAP that expires on or after 1 January 2025:

From 1 January 2025 you will no longer require approval from IHACPA to advertise or charge a RAD (or equivalent DAP) up to \$750,000.

If you want to charge a RAD (or equivalent DAP) above \$750,000 after 1 January 2025 you will need to apply or re-apply for approval from IHACPA using the current application form available on our [website](#). Please submit your application at least 60 days before the date you wish to start charging higher RADs.

If your existing approval is for rooms priced above \$550,000 and up to \$750,000 and you do not wish to charge above the new threshold amount of \$750,000 after 1 January 2025, you do not need to do anything. From 1 January 2025, your approval will no longer be required and you will not need to reapply for approval to continue to charge an amount up to \$750,000.

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3. If you have a conditional approval for an amount that is below the new maximum accommodation amount of \$750,000:

If your conditional approval is for rooms priced above \$550,000 and up to \$750,000 and you wish to contract those rooms **before** 1 January 2025 you must write to IHACPA to have the conditions of your approval verified before you charge a higher RAD amount.

You must have a Satisfaction of Conditions letter from IHACPA before you can advertise or charge a price above the current threshold amount of \$550,000, until the new maximum accommodation payment amount of \$750,000 takes effect on 1 January 2025.

If you charge a RAD (or equivalent DAP) above the current maximum amount of \$550,000 for which you do not have approval before the new maximum amount of \$750,000 takes effect on 1 January 2025 you may have overcharged. You must report any overcharges to the Aged Care Quality and Safety Commission at prudential@agedcarequality.gov.au who will work with you to correct the error.

If your conditional approval is for rooms priced at \$750,000 or below and you wish to contract those rooms after 1 January 2025 you do not need to apply to have the conditions of your approval verified.

You will not need a Satisfaction of Conditions letter from IHACPA to advertised or charge a RAD below \$750,000 from 1 January 2025.

4. If you have an application under assessment with IHACPA that you wish to modify or if you no longer want your application to be finalised following the Government's announcement about the increase to the maximum accommodation payment amount:

Please email us at applications.accommodations@ihacpa.gov.au if you:

- want to check the status of your application
- would like to modify or update the information in your application
- no longer require your application for a RAD approval under assessment with us to be finalised

If you are considering changing your proposed RAD prices you will need to show how your revised proposed price provides value in line with the change.

You may wish to consider building a RAD history to demonstrate that you are able to achieve the proposed RAD price for your rooms before lodging a new application for approval to charge RADs above the new maximum accommodation payment amount.

If we do not approve your application, you will need to wait 4 months before you can apply again.

You must have a valid approval to advertise or charge above the current maximum accommodation payment amount of \$550,000 until the new threshold of \$750,000 takes effect on 1 January 2025.

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5. Status of existing approvals for RAD prices below \$750,000 after 1 January 2025

From 1 January 2025, existing approvals for RAD amounts below \$750,000 will no longer be required.

If your approval letter includes only rooms priced below \$750,000, you do not need re-apply to IHACPA to continue to charge those amounts.

If your approval letter includes multiple accommodation groups priced both below and above the new maximum amount of \$750,000 your approval letter will remain current.

When your approval expires, you will need to apply to IHACPA to continue to charge RADs above the maximum accommodation payment amount current at that time.

6. If you charge a RAD above your approved amount before 1 January 2025:

The new maximum accommodation amount that can be charged without approval will not be applied retrospectively to past approvals.

If you charge or advertise an amount without a valid approval in place, you will need to notify the Aged Care Quality and Safety Commission that you may have overcharged and remediate any overcharged amounts. You can do this by emailing prudential@agedcarequality.gov.au.

7. Annual indexation of the maximum accommodation payment amount

On 1 January 2025 the maximum accommodation payment amount that can be charged as a RAD (or equivalent DAP) without approval from IHACPA will increase to \$750,000.

From 1 July 2025, this amount will be indexed annually to the consumer price index on 1 July each year.

More information about any amendments to the application process as a result of this change will be provided over the coming months through the IHACPA website.

8. RAD retention from 1 July 2025

IHACPA is responsible for reviewing and approving applications from approved providers to charge a refundable accommodation deposit above the maximum accommodation payment amount.

If you need more information about the retention of RADs from 1 July 2025 please contact the Department of Health and Aged Care.