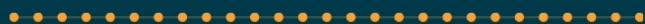




APA AGED CARE REFORM SERIES

Support at Home pricing framework



A statement by the
Australian Physiotherapy Association
Reform Brief

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AUSTRALIAN
PHYSIOTHERAPY
ASSOCIATION

Support at Home in practice: What physiotherapy needs to deliver safe, sustainable care.

A reform agenda to align funding, restore viability and uphold aged care standards.

Preamble

The Australian Physiotherapy Association (APA) is committed to aged care reform that delivers high quality, person-centred services and ensure the long-term sustainability of the physiotherapy workforce. We advocate for a funding and pricing framework that reflects the true cost of care, enables physiotherapists to operate at full scope, and ensures older Australians can access the services they need to live independently and with dignity.

Support at Home commenced on 1 November 2025, replacing the Home Care Packages and Short-Term Restorative Care programs. The Commonwealth Home Support Programme (CHSP) was expected to transition no sooner than 2027, completing the shift to a single, streamlined model, and is under review. Support at Home is intended to deliver more flexible, personalised aged care aligned with the principles of safety, dignity and consumer choice. However, the current pricing framework undermines this ambition. Physiotherapists and allied health professionals are being asked to deliver services at fee levels that do not reflect real-world costs. This disconnect threatens the very rights the system is designed to uphold – particularly the right to access high quality, sustainable care.

Indicative pricing released by the Australian Government for allied health services under the Support at Home program has been set well below sustainable market rates. Service delivery units fail to reflect the full scope and complexity of physiotherapy care, placing untenable financial pressure on brokered providers. Independent analysis commissioned by the Australian Physiotherapy Association, supported by sector data from StewartBrown and internal investigations, confirms that the actual cost of physiotherapy service provision significantly exceeds the government's indicative rates. These underpriced signals are already distorting the market and threatening provider viability.

Critically, there has been no transparent methodology or meaningful engagement with the sector to inform these pricing decisions. Key advice from the Independent Health and Aged Care Pricing Authority (IHACPA) remains unreleased, and the absence of consultation raises serious questions about the validity of the pricing framework. When combined with reductions in package and care management fees, these settings risk restricting patient access to essential allied health services, compromising clinical outcomes, and undermining workforce sustainability at a time when demand for aged care is rising.

Support at Home is a domiciliary model, yet travel remains unfunded as a standalone item. Current guidelines require travel costs to be embedded within unit pricing for direct supports, obscuring the true cost of service delivery and placing pressure on providers to absorb or minimise costs. Travel isn't optional in home-based physiotherapy; it's a core component of care. It must be explicitly recognised and appropriately funded to ensure equitable access and sustainable service delivery.

Background

Support at Home is the result of a multi-year reform process, shaped in part by the findings of the Royal Commission into Aged Care Quality and Safety. It brings together the Home Care Packages, Short-Term Restorative Care, and potentially Commonwealth Home Support Program, into a single model designed to help older Australians stay at home longer with access to flexible, person-centred care.

Just weeks from implementation, the Department of Health released updated pricing guidance. The changes included a critical breakthrough for physiotherapy: indirect care costs such as documentation, coordination and service planning to be billable. This recognises the full scope of clinical work required to deliver safe and effective care in the home.

However, key pricing settings remain misaligned. Indicative rates fall below sustainable levels. Travel costs must still be absorbed within unit pricing. Home visits are being reduced. Experienced physiotherapists are leaving the sector. Providers are being forced to ration care to remain viable.

The Senate Community Affairs References Committee has reinforced these concerns. Its October 2025 report warned that delays in access to home care are having serious and often irreversible impacts on older Australians. It called for urgent action to release all promised Home Care Packages, expand Support at Home places and end the rationing of care.

Reform priorities

Delivering meaningful aged care reform requires more than policy ambition. It demands structural changes that reflect the realities of service delivery and the economic pressures facing physiotherapy providers. Without targeted action, the Support at Home program risks falling short of its promise to deliver flexible, person-centred care.

The current pricing framework is distorting provider behaviour, incentivising cost over quality and threatening the viability of physiotherapy services. This includes a shift from existing contracted associate providers to in-house employees impacting the sustainability of long-established allied health service providers, continuity of care and the choice and control of Support at Home recipients being forced to change physiotherapists. In some cases, service agreements contain unfair, one-sided contract terms impacting the rights of associate providers such as unilateral termination rights, immediate termination on broad, subjective grounds and invoice forfeiture – loss of payment for services already rendered.

As a result, referral and partnership decisions are increasingly driven by price rather than clinical value, undermining service integrity, regulatory compliance and consumer outcomes. Reform is urgently needed to restore integrity and sustainability. The following five reforms offer a practical roadmap to restore sustainability, improve service quality, and align funding mechanisms with the principles of safety, dignity and consumer choice.

Reform 1: Align pricing with full cost of care delivery

What needs to happen: Ensure the pricing framework reflects real delivery costs so physiotherapy remains safe, viable and high quality.

Recent updates to the pricing guidance have confirmed that indirect care costs, including documentation, coordination and service planning, are now billable.¹ This is a critical step forward. However, the broader unit pricing model remains misaligned with service delivery realities.

At the same time, administrative arrangements have shifted significantly. Care management fees are now capped at 10 per cent, reduced from 15 per cent under the previous arrangements.² Package management fees, which previously funded essential administrative, regulatory and overhead functions, have been removed altogether. With these revenue streams no longer available, registered aged care providers must recover their administrative and non-contact labour costs through other mechanisms. This is resulting in higher direct, indirect and brokered service fees being passed on to clients.

In brokered service arrangements, which dominate physiotherapy delivery, providers are increasingly adding margins to recover lost administration revenue. This places pressure on allied health professionals to lower their fees to remain viable referral partners, further threatening the sustainability of service delivery.

Further reform is needed to ensure pricing reflects the true cost of care. This includes clarifying how time-based billing applies to therapeutic services and addressing the structural gap left by reduced administration funding. Without action, providers will continue to absorb unfunded labour, and care quality, workforce retention and long-term viability will remain at risk.

Reform 2: Introduce explicit funding for travel and ancillary costs

What needs to happen: Fund the essentials of home-based physiotherapy so access is equitable and sustainable.

Physiotherapy services under Support at Home are delivered both in-home and in community settings, often requiring travel time and out-of-pocket expenses such as parking and hydrotherapy pool access. These costs are essential to safe and effective care yet remain unfunded under the current pricing model.

Combined with downward pressure from unsustainable indicative fees and capped administration charges, this omission places significant financial strain on providers and limits access for older Australians, particularly in regional, remote or high-needs settings.

- For example, physiotherapy often involves access to hydrotherapy pools, clinical equipment and parking at community venues – none of which are covered under current funding mechanisms. This gap forces providers to absorb costs or pass them on to consumers, creating inequity and reducing access to evidence-based care.

Introducing explicit funding mechanisms for travel and ancillary costs is critical to support provider viability and ensure equitable access. Without this reform, physiotherapy services will continue to be rationed or withdrawn, compromising clinical outcomes and undermining the goals of Support at Home.

Reform 3: Release the IHACPA pricing report to support transparency and market readiness

What needs to happen: Publish the pricing evidence so providers can plan, price and staff with confidence.

The delayed release of the Independent Health and Aged Care Pricing Authority (IHACPA) 2025 pricing report has created significant uncertainty across the sector. Providers are being asked to prepare for a capped price model rollout on 1 July 2026 without access to the underlying evidence base. This lack of transparency undermines confidence, restricts planning and places physiotherapy services at risk of further destabilisation.

Timely publication of the IHACPA 2025 report is essential to support market readiness. Providers need clarity to assess viability, adjust service models and engage in meaningful dialogue with government. Without this information, the sector is operating without the evidence needed to make informed decisions about workforce investment, pricing structures or consumer engagement.

As the IHACPA commences its 2026 Support at Home costing study, it is critical that its previous report is released to enable transparent comparison and clear understanding of market movement.

Reform 4: Protect the brokerage model to preserve access and flexibility

What needs to happen: Keep the brokerage channel strong to maintain reach, responsiveness and choice.

Physiotherapy services within aged care are predominantly delivered through brokered arrangements, which allow for flexible, scalable access across diverse settings. However, changes under Support at Home, particularly the reduction in package and care management fees, are placing this model under threat. As package volumes increase, providers are struggling to absorb the administrative burden and financial risk associated with managing multiple service agreements.

Preserving the brokerage model is critical to maintaining access, especially for physiotherapy services that are not embedded within large provider networks. Older people benefit from the flexibility and choice that brokerage enables. Without targeted support and structural safeguards, this model risks contraction, leading to reduced service availability, longer wait times and diminished clinical outcomes.

Reform 5: Transition to a multi-provider market to expand choice and reduce burden

What needs to happen: Give older Australians direct access to physiotherapists and reduce unnecessary administrative layers.

The current Support at Home structure ties recipients to a single provider responsible for managing multiple service agreements. This model creates significant administrative burden and limits consumer choice, particularly for allied health services like physiotherapy, which are often brokered or delivered externally.

Transitioning to a multi-provider market would allow care recipients to engage directly with physiotherapy providers, improving flexibility, efficiency and transparency. It would also reduce the strain on primary providers, support better coordination of care, and foster a more competitive and sustainable service ecosystem.

Reform 6: Defer set prices; publish the evidence; stabilise the market; then implement

What needs to happen: Defer set prices to 1 July 2027. Publish the full evidence base, run a genuine bottom-up costing process, consult meaningfully with providers, and then implement. This avoids disruption and aligns caps with real delivery costs under Support at Home.

Set prices are scheduled for 1 July 2026, but the pricing framework has been modelled on the legacy Home Care Package settings rather than Support at Home. Indicative prices did not fully account for changes to care management fees or the addition of provider margin on brokered services under Support at Home. Providers still lack the complete pricing evidence base, and guidance to date has been indicative rather than definitive. Proceeding on this timetable risks structural pricing errors that could destabilise the market at launch.

A bottom-up costing process is required to understand the real inputs that determine service viability, including clinical and indirect time, governance and compliance, equipment needs, and the substantial travel burden in home-based care. Without this, caps will not reflect the true cost of delivering safe, highquality services to older Australians.

Travel remains the most material gap. Treating travel as absorbed inside the direct fee obscures true cost, compresses visit length and drives under-recovery. It also hides geographic impacts, increasing the risk of withdrawal from regional, outer suburban and rural work where travel is intrinsic to service delivery.

A deferral to **1 July 2027** is therefore essential. This defined period would allow government to:

- publish the full pricing evidence base
- undertake meaningful consultation with providers on a bottom-up cost model
- properly test pricing assumptions with real world data
- redesign pricing elements to reflect realistic service delivery patterns
- develop a transparent and sustainable mechanism for travel recognition
- align price caps with the operational realities and policy intent of Support at Home.

Without this transition, a 2026 start would likely mean shorter visits, reduced home attendance, withdrawal from brokered and regional work, and tighter access at the very moment when Support at Home aims to expand restorative and reablement-focused services.

Reform 7: Streamline compliance – single recognition for associated providers

What needs to happen: Remove duplicate onboarding and make compliance portable so clinicians spend more time on care and less on paperwork.

The strengthened quality and safety requirements under Support at Home are designed to protect older Australians, but they have also created an unrealistic and increasingly unworkable compliance load for associated providers. Physiotherapists and other allied health clinicians are repeatedly completing the same onboarding, verification and document checks across multiple brokers and contracting bodies, even when the requirements are identical and add no extra safety value. This duplication creates heavy administrative overheads, increases operating costs and diverts clinical time away from patient care.

A practical solution is a single-recognition model where an associated provider is verified once and accepted across all Support at Home arrangements. This should include a standardised compliance pack, a central register of verified providers and proportionate audit mechanisms that maintain safeguards without requiring clinicians to repeat identical processes for every contract or referral pathway.

Streamlining compliance in this way would reduce unnecessary administrative load, improve consistency, speed up onboarding and allow clinicians to focus on delivering high quality restorative and reablement services.

Recommendations

To translate this reform agenda into action, the following targeted recommendations offer clear, achievable steps to strengthen physiotherapy delivery under Support at Home and safeguard care quality, access and workforce sustainability.

The APA calls on the Government to:

1. Ensure pricing reflects the full cost of physiotherapy service delivery, including indirect labour and administrative overheads.

This includes:

- 1.1 Clarify how time-based billing applied to allied health, nursing care and other therapeutic services in practice, including indirect activities across different delivery models.
- 1.2 Review pricing benchmarks and guidance to account for brokered service arrangements, where providers must recover administrative costs within the service price due to capped care management fees and the removal of package management fees.
2. Introduce dedicated funding for travel, parking, hydrotherapy access, and other essential costs tied to in-home and community-based physiotherapy care.
3. Publish the IHACPA pricing report immediately to ensure transparency and enable providers to prepare for the 2026 set price model.
4. Ensure pricing structures and package design support brokered physiotherapy services to maintain access, flexibility and market stability.

This includes:

- 4.1 Reinstate adequate package and care management margins to ensure providers can sustainably manage multiple service agreements without absorbing unfunded administrative burden.
 - 4.2 Establish a brokerage viability supplement or pricing adjustment to reflect the additional coordination and compliance costs associated with brokered service delivery.
 - 4.3 Ensure pricing and operational guidance explicitly recognises brokerage as a legitimate and essential delivery model for allied health services, particularly physiotherapy.
5. Enable older Australians to engage directly with multiple providers to reduce administrative burden and expand choice, efficiency and service sustainability.
 6. Announce a 12-month deferral of caps to 1 July 2027, with a January 2027 readiness checkpoint.

This includes:

- 6.1 Publish IHACPA pricing advice and consult on 2026 parameters before finalising cap levels.
 - 6.2 Maintain indicative (non-binding) prices during the deferral and add targeted supplements for travel, ancillary costs and brokerage viability.
 - 6.3 Apply a no-disadvantage rule so participants do not lose physiotherapy hours due to interim settings.
7. Establish a Department-endorsed Allied Health Compliance Register to grant single-recognition status.
 - 7.1 Define a standard compliance pack covering AHPRA registration, PI/PL insurance, safeguarding and mandatory training, clinical governance and incident reporting.
 - 7.2 Mandate mutual acceptance of the pack across Support at Home providers and remove duplicate onboarding.
 - 7.3 Retain proportionate safeguards through risk-based exceptions, randomised audits and automated currency alerts.
 - 7.4 Align model contract clauses to reference the register with clear breach and escalation pathways.

Conclusion

Support at Home presents a generational opportunity to modernise aged care and deliver on the promise of flexible, person-centred support. The transition has now commenced, with Home Care Packages and Short-Term Restorative Care moving into the new arrangements from 1 November 2025. The Commonwealth Home Support Program is scheduled to transition no earlier than 1 July 2027. As implementation progresses, without targeted reform the system risks embedding structural weaknesses that will affect care quality, workforce viability and consumer access. Physiotherapy providers are central to maintaining mobility, independence and clinical wellbeing, yet current pricing, funding and compliance settings still do not reflect the realities of service delivery. Together, these seven reforms stabilise pricing, make compliance portable, and protect access during transition, ensuring Support at Home delivers timely, high-value physiotherapy for older Australians.

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Citation

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