



THE HON JUSTINE ELLIOT MP

Minister for Ageing

MEDIA RELEASE

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Australian Government to Increase Scrutiny of Aged Care Funding Claims

This week Commonwealth staff will begin a number of reviews of funding claims made by aged care providers to ensure Australian government financial payments are matching the level of care for the nation's 170,000 people living in nursing homes.

This review was officially announced by the Treasurer in the May 13 budget.

From July 1, Commonwealth Nursing Officers will conduct a 5,000 reviews under the Resident Classification Scale (RCS) in all States and Territories.

This follows data for the July 1, 2007 to March 31, 2008 period, which covers part of the previous Government and the Rudd Labor Government.

The data from the Office of Aged Care Quality and Compliance within the Department of Health and Ageing shows 37 per cent of claims upon examination had to be downgraded by Department of Health and Ageing assessors.

In addition, in some cases the reviews did occasionally result in the Commonwealth paying aged care providers additional funds, if it was found that they were under-claiming. This upgrading occurred in 3.9 per cent of cases.

Minister for Ageing, Mrs Justine Elliot said: "Make no mistake, this is about making sure, frail and older Australians in nursing homes are getting the care taxpayers are paying for; good aged care providers have nothing to worry about from this process."

"Staff working in our nation's nursing homes are dedicated, hard working and the backbone of the sector.

"They are on the front-line providing quality care and the record 7,000 visits by the Aged Care Standards and Accreditation Agency announced earlier this week for 2008-2009 and review of funding claims support their valuable work.

"We must always remember the aged care sector is about the 170,000 residents who live there."

The reviews of funding claims are responsible financial measures and are about accountability. Over the next four years, funding for aged and community care will reach record levels of more than \$40 billion - with \$28.6 billion of that on residential aged care alone.

"No government in Australian history has spent more on aged care and community care than this one. We are proud of our plans for aged and community care.

"I have visited nursing homes in every State and Territory and I have seen world class staff providing first rate quality care to residents. I always commend their great work," Mrs Elliot said.

Review procedures and background

In the coming months, Commonwealth Nursing Officers will visit facilities and examine all relevant information about a resident's care needs and consider the comprehensive care plans that detail how those needs are being met.

If documentation does not support the claim, review officers are required, under the *Aged Care Act 1997* (the Act), to substitute the appropriate classification for that resident. This may be to increase, confirm or downgrade the funding level claimed.

Over claimed amounts are recovered through an adjustment to the monthly advance for up to six months if required, rather than a lump sum payment from the provider.

There is no financial penalty for incorrect claiming of a subsidy, merely a correction of the incorrect classification and claim, with backdating to the time of the facility's appraisal and classification, or six months, whichever is the lesser.

Even if a provider has received funding for more than six months for a resident who is subsequently reclassified at a lower level, funding is only recovered for six months. This is in line with the requirements of the Aged Care Act.

However, the Act allows the Secretary of the Department of Health and Ageing to suspend an approved provider from classifying residents for funding where it repeatedly fails to conduct classification appraisals in a proper manner.

For more information, contact Mrs Elliot's office on (02) 6277 7280.