



## **THE HON JUSTINE ELLIOT MP**

### **Minister for Ageing**

#### **MEDIA RELEASE**

6 November 2009

#### **Review of the Aged Care Funding Instrument – Release of Terms of Reference**

Minister for Ageing, Justine Elliot, today released the terms of reference for the Government's review of the Aged Care Funding Instrument (ACFI).

Minister Elliot said: "The Aged Care Funding Instrument was the biggest change in the method of funding aged care in more than a decade. It introduced a more sustainable funding instrument for residential aged care providers, increasing funding for those residents with the greatest care needs".

The ACFI was introduced on 20 March 2008 to replace the Resident Classification Scale as the means of allocating Australian Government care subsidies to residential aged care facilities.

ACFI was designed to have funding more accurately matched to the care needs of residents and to allow aged care workers to spend less time filling out paperwork and more time providing care.

Independent analysis by Access Economics in September last year indicated that the ACFI, when fully implemented, would lead to an increase in funding for the sector of approximately 2.9 per cent in real terms.

When ACFI was introduced the Government committed to a review once aged care providers had experience with its operation to make sure that it is delivering as it was designed to do.

This year, around 210,000 people will receive subsidised permanent residential aged care, with an average of around 160,000 people receiving care in one of Australia's 2,800 aged care homes each night.

Minister Elliot said: "The Australian Government spends almost \$10 billion a year to support the care for older Australians and more than \$5 billion of this is allocated through the ACFI.

"The introduction of the ACFI was a substantial change to the way care subsidies are allocated and we want to hear from aged care providers about their experience with this funding tool and any concerns that they may have with its operation," Minister Elliot said.

Drawing on existing information, data, and on public submissions, the review will examine the extent to which the new Aged Care Funding Instrument has achieved its objectives of:

- Better matching funding to the complex care needs of residents;
- Reducing the documentation created by aged care providers;
- Reducing the level of disagreement between providers and the findings of departmental validators.

The review will also examine:

- The funding levels of approved providers in particular of low care providers and providers in rural and remote areas;
- Access to appropriate care, especially for residents with special needs;
- If there are any gaps or anomalies in the ACFI in relation to care needs;
- If the ACFI appropriately recognises the roles of care providers in relation to the delivery of care needs; and
- The appropriateness of Schedule 1 of the Quality of Care Principles 1997 in determining the services to be provided to residents of aged care facilities with differing levels of care needs.

The review is expected to be completed by mid 2010. A discussion paper to inform submissions will be released in conjunction with a call for public submissions later this year.

The terms of reference have been developed in close consultation with the ACFI Industry Reference Group and are available at [www.health.gov.au/acfi](http://www.health.gov.au/acfi)

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