



Australian Government

Department of Health and Aged Care

Residential aged care: 2023-24 budget update

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Department of Health and Aged Care

16 May 2023



Key funding facts – residential aged care



\$26.8 billion

Additional funding for residential aged care since 2021-22

Interim funding uplift (2021-22 Budget): \$10 BDF supplement and 30% increase for viability and homeless supplements

Implementation of AN-ACC (2021-22 Budget): AN-ACC starting price, ACFI basic subsidy, \$10 BDF and viability and homeless supplements), 200 care minutes

215 care minutes funding (2022-23 Budget): increase to 215 care minutes from 1 October 2024

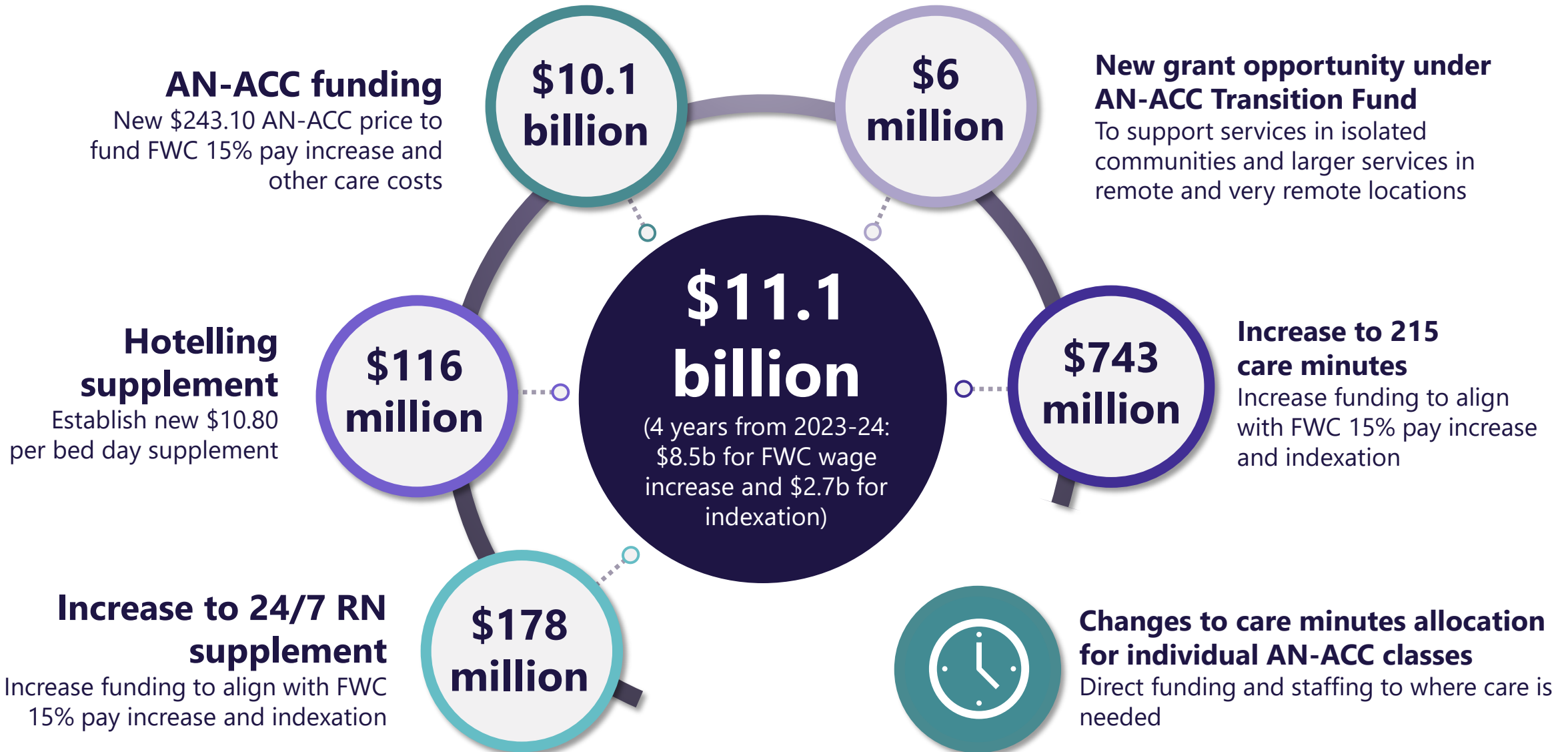
24/7 RN supplement funding (2022-23 Budget): Supplement to support providers meet cost of providing 24/7 RN care

FWC and indexation funding (2023-24 Budget): AN-ACC price uplift, hotelling supplement, grant opportunity, 24/7 RN supplement, 215 care minutes

Average funding per resident per day



2023-24 Budget overview – residential aged care



Fair Work Commission pay increase



Largest ever increase of 15% to minimum wages for aged care workers from 30 June 2023

Nurses Award 2010

- registered nurses, enrolled nurses, and assistants in nursing

Aged Care Award 2020

- personal care workers, recreational or lifestyle activities officers
- level 4 – 7 food services employees: head chef or cook

Future considerations

- other aged care workers, such as administrative and maintenance staff
- further wage increase for direct care staff



AN-ACC price: 2023-24

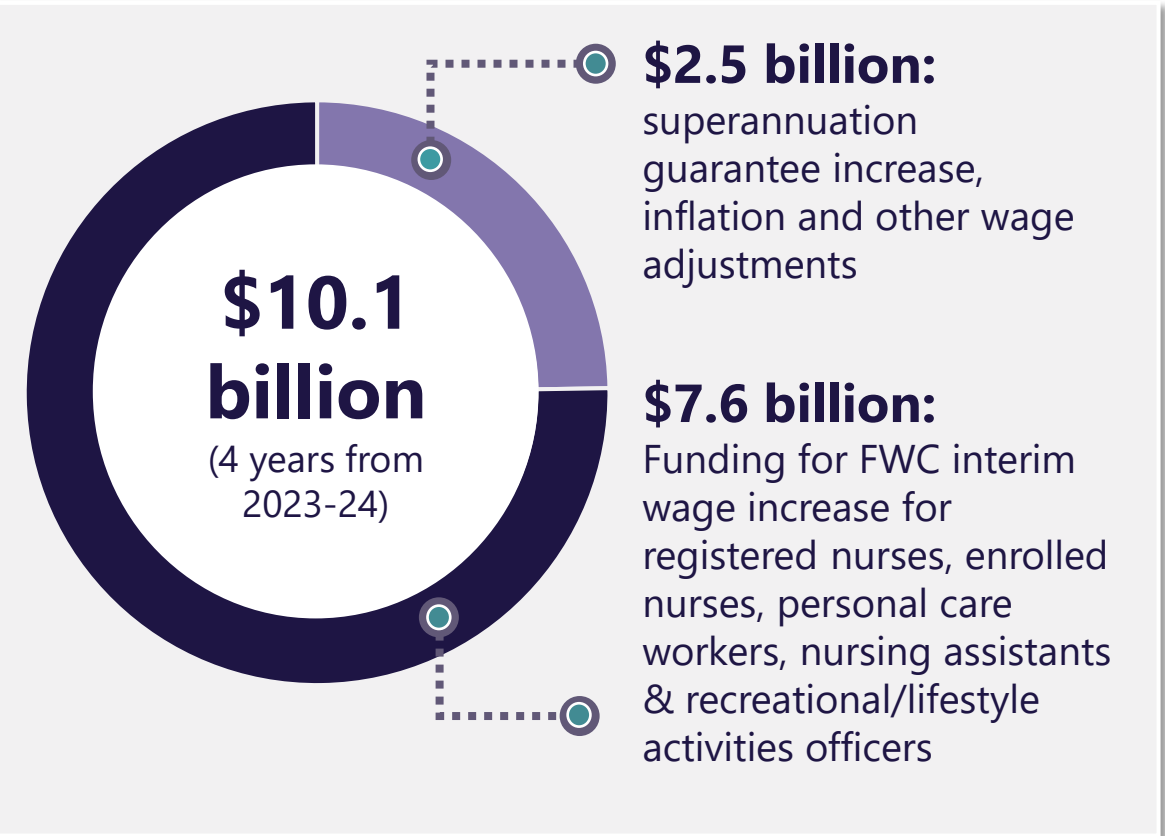
New AN-ACC price = \$243.10

(as recommended by IHACPA and excludes former \$10 Basic Daily Fee supplement)

\$36.30 increase
(17.6%)

AN-ACC price increase calculation

AN-ACC price (to 30 June 2023)	\$216.80	
Removal of former Basic Daily Fee supplement	-\$10.00	
AN-ACC price (less Basic Daily Fee supplement)	\$206.80	
FWC interim wage increase		+ \$22.76
Indexation (superannuation guarantee increase, inflation and other wage adjustments)		+ \$13.54
Price increase		\$36.30
New AN-ACC price (from 1 July 2023)		\$243.10



AN-ACC funding: fixed component (Base Care Tariff)

Fixed (BCT) funding for services where funding is calculated based on occupied places

BCT Category	Services Australia Payment Statement code	NWAU	Funding Basis	Funding per bed day (current rates)	Funding per bed day (from 1 July 2023)	Annual funding* (from 1 July 2023)
Standard MMM 1 – 4	Fixed subsidy – class 6	0.49	Occupied places	\$106.23	\$119.12	\$43,478.80
Standard MMM 5	Fixed subsidy – class 7	0.55	Occupied places	\$119.24	\$133.71	\$48,804.15
Specialised homeless	Fixed subsidy – class 5	0.92	Occupied places	\$199.46	\$223.65	\$81,632.25

Fixed (BCT) funding for services where funding is calculated based on operational places

BCT Category	Services Australia Payment Statement code	NWAU	Funding Basis	Funding per bed day (current rates)	Funding per bed day (1 July 2023)	Annual funding* (from 1 July 2023)
Standard MMM 6 – 7 (for first 29 places)	Fixed subsidy – class 3H	0.68	Operational places	\$147.424	\$165.308	\$60,337.42
Standard MMM 6 – 7 (for places 30 and above)	Fixed subsidy – class 3L	0.52	Operational places	\$112.736	\$126.412	\$46,140.38
Specialised Aboriginal and Torres Strait Islander MMM 6	Fixed subsidy – class 2	0.78	Operational places	\$169.104	\$189.618	\$69,210.57
Specialised Aboriginal and Torres Strait Islander MMM 7	Fixed subsidy – class 1	1.80	Operational places	\$390.240	\$437.580	\$159,716.70

* Based on 365 days

AN-ACC funding: AN-ACC and respite classes

Variable funding based on AN-ACC class (permanent residents)

AN-ACC class	Resident description	NWAU	Funding per bed day (current rates)	Funding per bed day (from 1 July 2023)	Annual Funding* (from 1 July 2023)
Class 1	Admit for palliative care	1.00	\$216.80	\$243.10	\$88,731.50
Class 2	Independent without compounding factors	0.19	\$41.19	\$46.19	\$16,859.35
Class 3	Independent with compounding factors	0.31	\$67.21	\$75.36	\$27,506.40
Class 4	Assisted mobility, high cognition, without compounding factors	0.21	\$45.53	\$51.05	\$18,633.25
Class 5	Assisted mobility, high cognition, with compounding factors	0.37	\$80.22	\$89.95	\$32,831.75
Class 6	Assisted mobility, medium cognition, without compounding factors	0.35	\$75.88	\$85.09	\$31,057.85
Class 7	Assisted mobility, medium cognition, with compounding factors	0.49	\$106.23	\$119.12	\$43,478.80
Class 8	Assisted mobility, low cognition	0.54	\$117.07	\$131.27	\$47,913.55
Class 9	Not mobile, higher function, without compounding factors	0.54	\$117.07	\$131.27	\$47,913.55
Class 10	Not mobile, higher function, with compounding factors	0.87	\$188.62	\$211.50	\$77,197.50
Class 11	Not mobile, lower function, lower pressure sore risk	0.83	\$179.94	\$201.77	\$73,646.05
Class 12	Not mobile, lower function, higher pressure sore risk, without compounding factors	0.81	\$175.61	\$196.91	\$71,872.15
Class 13	Not mobile, lower function, higher pressure sore risk, with compounding factors	1.00	\$216.80	\$243.10	\$88,731.50

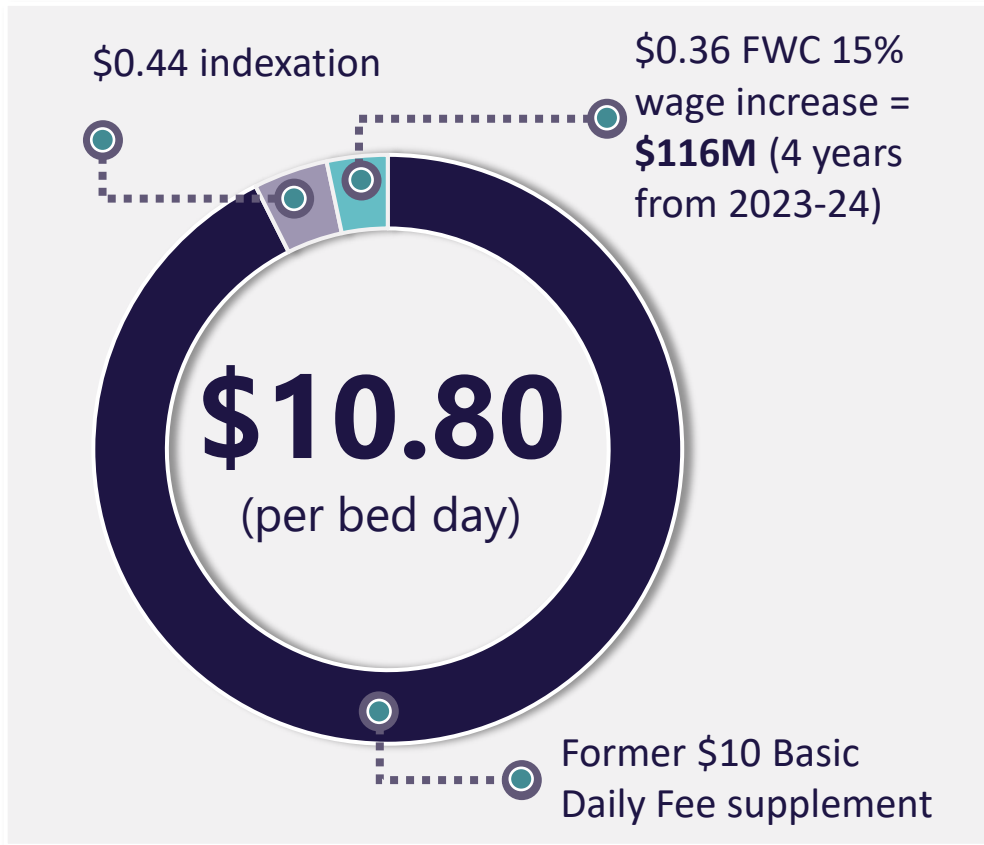
Variable funding based on respite class

Respite Class	Services Australia Payment Statement code	Resident description	NWAU	Funding per bed day (current rates)	Funding per bed day (from 1 July 2023)	Annual Funding* (from 1 July 2023)
Respite Class 1	Variable subsidy – class 101	Independent mobility	0.304	\$65.91	\$73.90	\$26,973.50
Respite Class 2	Variable subsidy – class 102	Assisted mobility	0.404	\$87.59	\$98.21	\$35,846.65
Respite Class 3	Variable subsidy – class 103	Not mobile	0.864	\$187.32	\$210.04	\$76,664.60

* Based on 365 days

Hotelling supplement

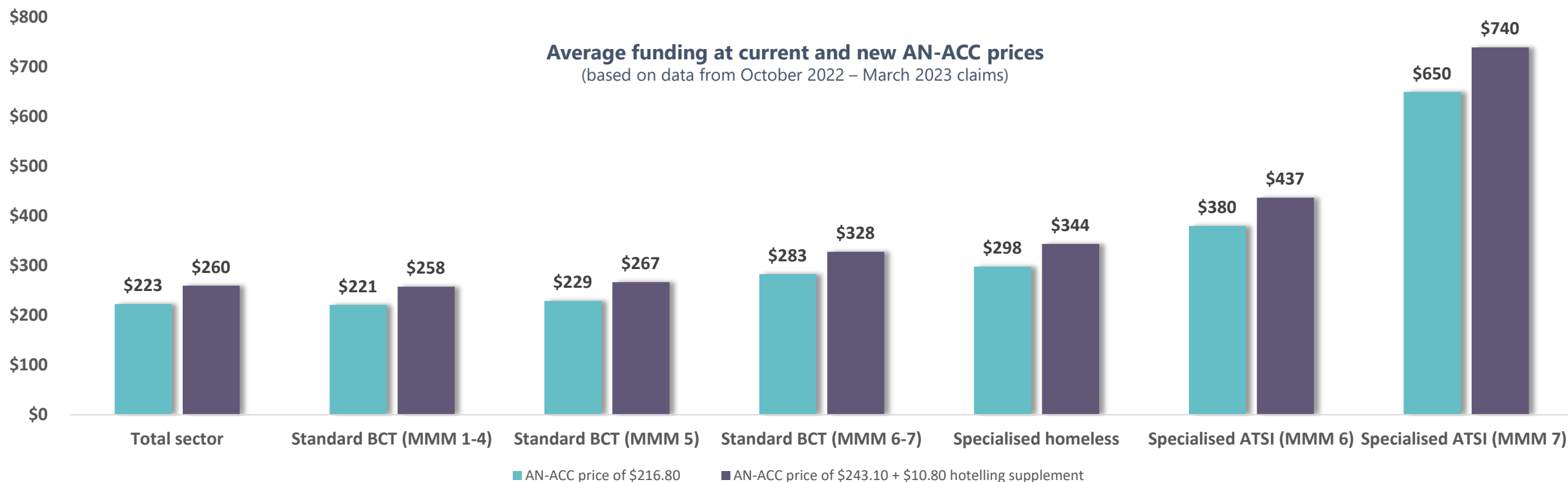
New \$10.80 per bed day hotelling supplement from 1 July 2023 to fund hotelling costs, including the 15% Fair Work Commission pay increase for the head chef or cook



- Help providers meet the cost of hotelling services not covered by Basic Daily Fee
- Equal distribution without effect of weightings under the AN-ACC funding model
- Mechanism to fund higher wages for the head chef or cook from FWC decision
- Mechanism to fund future FWC decisions for non-care workers such as cleaners, gardeners, administration, and maintenance staff
- Provide clear delineation between AN-ACC funding and hotelling funding

Average funding analysis

At \$243.10, average funding per bed day (across the sector) is expected to be approximately \$260 compared to \$223 (at current AN-ACC price)



AN-ACC and care minutes calculator



Australian Government

Department of Health and Aged Care

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AN-ACC funding and care minutes estimator

You can use the AN-ACC funding and care minutes estimator to help estimate the funding levels and care minutes targets for your residential aged care facility.

<https://www.health.gov.au/resources/apps-and-tools/an-acc-funding-and-care-minutes-estimator>



health.gov.au/aged-care-reforms



Expectations and accountability



All wages funding must be passed on to care workers




Providers to attest in Quarterly Financial Report (QFR)



Additional reporting through QFR and Aged Care Financial Report (ACFR)



Service level analysis published from January 2024



Providers who pay above award through Enterprise Agreements or individual contracts – use funding to continue to pay above the award



Guidance to be issued



Leave liabilities provisions

\$98.7 million over four years from 1 July 2023 to provide one-off funding for residential aged care providers to meet historical leave liabilities

**One-off
grant
opportunity**

Released second half of 2023 – funding for increased leave liabilities for in-scope workers due to Fair Work Commission decision

Eligible leave – annual leave, personal leave and long service leave (only for workers eligible as at 30 June 2023)

A proportion of their leave liability balance as at 30 June 2023 – remainder reimbursed through future AN-ACC funding

Verification of grant applications – information collected in ACFR and QFR

Subscribe to www.grants.gov.au to receive notifications when the grant round is open



New grant opportunity under AN-ACC Transition Fund



\$6 million in 2023-24 for new grant opportunity under existing AN-ACC Transition Fund

- Temporary support from 1 July 2023 – 30 June 2024

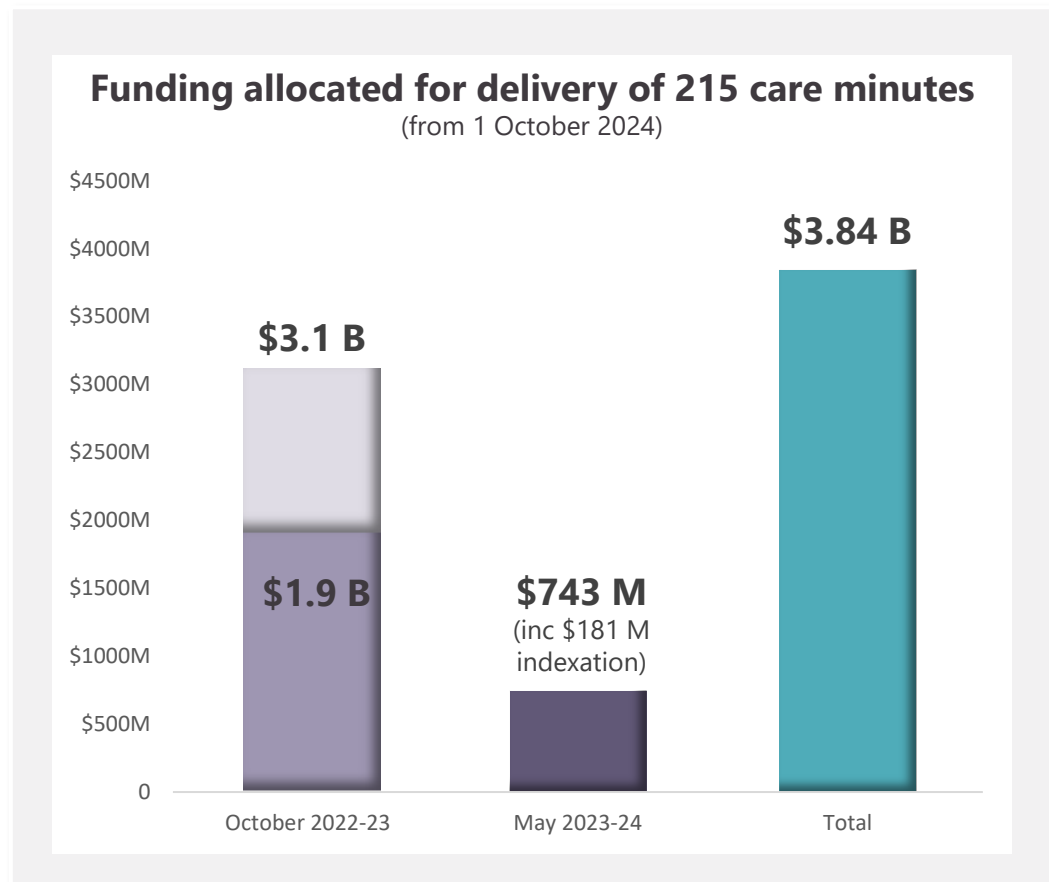
- Targeted support to residential aged care services with specific characteristics that do not fit into the profile of the current BCT categories.

- Expected to open in July 2023 under new grant guideline – the department will invite eligible providers to apply through the Community Grants Hub



Funding increase for 215 care minutes

Additional \$743 million (including indexation of \$181 million) for increase to mandatory 215 care minutes from 1 October 2024 to align with 15% FWC wage increase



Average 215 care minutes targets at sector level

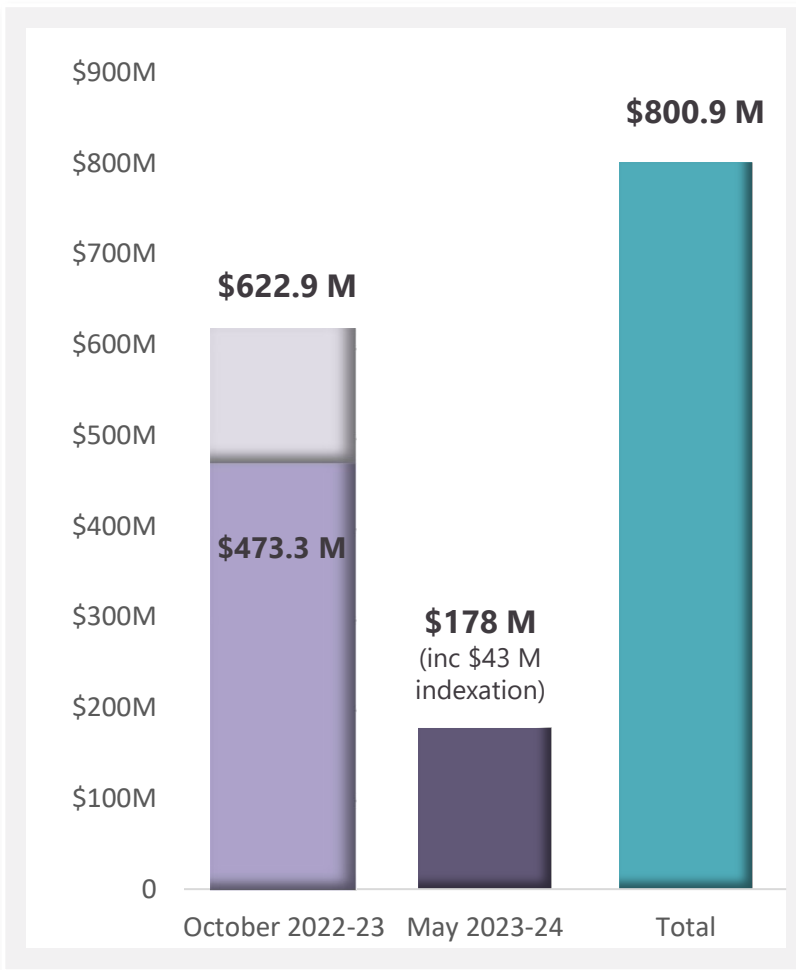
215 minutes for all care workers
(registered nurses, enrolled nurses, personal care workers/assistants in nursing)

44 minutes for registered nurses



Funding increase for 24/7 RN supplement

**Additional \$178 million (including indexation of \$43 million)
for the 24/7 RN supplement to align with 15% FWC wage increase**



Number of residents per day on average	MMM 1 – 4 (\$ month – previously published rates)	MMM 5 - 7 (\$ month – previously published rates)
1–5	\$21,416.67	\$61,083.33
6–10	\$21,416.67	\$55,083.33
11–15	\$21,416.67	\$48,166.67
16–20	\$21,416.67	\$41,666.67
21–25	\$21,416.67	\$32,916.67
26–30	\$21,416.67	\$25,333.33
31–35	\$15,000.00	\$19,000.00
36–40	\$11,500.00	\$14,000.00
41–45	\$10,166.67	\$12,250.00
46–50	\$9,333.33	\$10,250.00
51–55	\$7,666.67	\$8,750.00
56–60	\$7,083.33	\$8,000.00
61+ residents	\$0	\$0

MMM 1 – 4 (\$ month – new rates)	MMM 5 – 7 (\$ month – new rates)
\$27,667	\$77,082
\$27,667	\$69,000
\$27,667	\$63,500
\$27,667	\$53,250
\$27,667	\$42,250
\$27,667	\$32,083
\$19,167	\$23,833
\$14,750	\$17,750
\$13,167	\$15,750
\$11,750	\$13,583
\$9,833	\$11,250
\$7,917	\$8,917
\$0	\$0

Changes to care minutes allocations

AN-ACC classes

Care minute	AN-ACC Class	1	2	3	4	5	6	7	8	9	10	11	12	13
Total minutes	Current	284	135	157	139	169	166	189	200	200	261	254	250	284
	New (from 1/10/23)	317	110	143	115	157	152	186	200	202	282	274	269	317
RN minutes	Current	53	32	34	30	39	35	37	38	44	52	41	42	53
	New (from 1/10/23)	57	30	32	28	39	34	36	38	46	56	41	42	57

Respite classes

Care minute	Respite Class	101	102	103
Total minutes	Current	137	173	257
	New (from 1/10/23)	120	165	273
RN minutes	Current	33	37	46
	New (from 1/10/23)	31	36	48

Changes to individual care minutes allocation for each AN-ACC and respite class will take effect from 1 October 2023



Changes to care minutes allocations – rationale

Changes to individual care minutes allocation will:

- align average care time responsibility with overall care funding and resident's care needs
- Remove perverse incentives to 'cherry pick' residents

Consistent with flexible design of AN-ACC funding model – continuous refinements to ensure care funding is aligned with care minutes so that residents receive the right level of care

- **No changes to sector-level care minutes responsibility** (initial 200 care minutes and increase to 215 care minutes)
- **Very small changes (if any) to service level care minutes responsibility for majority of services**



Care minutes targets calculation

Target calculation Period:

Care minutes targets for
October – December 2023

(based on June – August AN-ACC classification data)

For example: 190 care minutes, including 37
RN minutes

June

July

August

Mid September

Access care
minutes targets
in MAC Service
and Support
Portal

Target delivery Period:

Deliver care minutes targets at service level for
residents in care from October – December 2023

For example: total minutes that must be
delivered at service level = 190 care minutes X
occupied bed days

October

November

December



Changes to resident case mix
during this period **will not**
impact on care minutes targets



Questions and Answers



Enquiries

General enquiries: ANACCOperations@health.gov.au

Useful resources

AN-ACC webpage



24/7 RN and care minutes webpage



AN-ACC funding and care minutes estimator

