Australian Government
Department of Health and Aged Care

10 September 2024

Webinar Questions and Answers

Aged Care Financial Reporting

Thank you to everyone who attended our webinar on 10 September 2024.

A recording of the webinar is available on our website.

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General

Can the department consider modifying the complexity of the data it requests so the data provided is accurate and of high quality?

We are looking at ways to streamline financial reporting and reduce the administrative burden for providers. We will update our website and communicate with the sector ahead of any future changes and work with the sector to ensure providers understand reporting requirements and can submit high quality data.

Can the department consider extending the lodgement deadline for each Quarterly Financial Report (QFR) by a month, to improve data quality?

QFR lodgement dates are set out in legislation and the Department is not currently planning to extend the submissions deadlines. We recognise that some providers experience difficulties in reporting data within existing QFR deadlines, and where there are extenuating circumstances that prevent timely submissions the Commission is able to take these circumstances into account in determining compliance. The current QFR due dates enable timely analysis of the sector's financial performance and viability. The current dates also ensures information feeds into STAR ratings for residential aged care services each quarter.

Most of the information has been reported through the quarterly report. Why do we need to submit an annual one?

The Aged Care Financial Report (ACFR) is more comprehensive than the QFR in terms of reporting coverage. For example, the ACFR collects financial statement data at the Parent Entity level. The ACFR also allows providers to report end-of-year financial transactions that were not reported within the legislated five-week QFR submission period.

When there is no change to data since the last Quarterly Financial Report/Aged Care Financial Report, do I have to submit it again?

Each QFR and Aged Care Financial Report ACFR is a stand-alone reporting period and requires information to be submitted. In the event there is no change to an individual data item from the previous quarter or financial year, the information still needs to be submitted for the current quarter or financial year.

If all data items are the same as the previous quarter or financial year as the provider did not provide any care and services during the quarter or financial year, they are to inform Forms Administration via email (health@formsadministration.com.au) or phone (02) 4403 0640, that they are not required to submit a QFR or ACFR as they did not deliver care and services in the reporting period.

How can the department expect us to complete this additional reporting when administration is increasingly time consuming and costly?

Administration costs are covered under existing funding streams. For residential aged care, the Independent Health and Aged Care Pricing Authority (IHACPA) considers all costs reported in the ACFR when reaching its recommended AN-ACC price for the financial year.

Further details of the costing process are available on the IHACPA website. For the Home Care Packages Program, providers can charge against package management to cover the costs of complying with reporting requirements.

When will we be provided with an update on these intelligence/processes?

The department continuously looks at ways to improve data quality assurance processes, including how previous intelligence can be leveraged to reduce the instances of providers being followed up. We will continue to provide updates on quality assurance processes in future webinars.

What is the difference in values compared to the prior quarter? What are the acceptable percentage limits?

We do not publish the acceptable limits for validation parameters as these change per reporting period.

For Residential Care Labour Costs and Hours, data validation types are outlined in the Residential Care Labour Costs and Hours Data Validation Guide. There are two data validations which compare Registered Nurse (RN) and Direct Care Minutes with the prior quarter (page 12). The remaining validations queries are due to data entries being higher or lower than expected, with your prior quarter value provided for context.

What is the best way to report Workforce Surge Team hours?

Surge workforce provided by the department should be included in the ‘reported hours of care delivery’. As costs are covered by the department there is no corresponding expenditure. This may result in a data validation query. If you receive an email query regarding this expenditure, please respond to the query in the given time, to confirm the use of surge workforce/financial assistance.

I understand the Aged Care Financial Report has final audited financials. Can’t the hours for the 4 Quarterly Financial Reports just be added together?

The data submitted in the QFR should be consistent with the ACFR submission, but the reports are different. There are certain circumstances where the data submitted will not match perfectly. This can be due to:

- adjustments made in quarterly or annual reports,
- accruals which may affect when expenses are recognised.

Not all sections of the QFR replicate the ACFR. Some information is only collected in the ACFR. Providers should not adjust their ACFR submissions to reconcile them with their four previous QFRs.

Outbreak Management Expenses

Is there more information on outbreak management expense reporting?

Frequently asked questions on outbreak management expense reporting are available online.

Should the purchase of rapid antigen tests for visitors to aged care homes only be reported if visitors are tested during an outbreak?

Rapid antigen tests (RATs) should be included in the ‘preventative measures costs’ reporting line. This is under ‘outbreak management costs’ in the QFR. You should report these costs even if there was no outbreak during the reporting period.

Outbreak management is done at a different level with our state government health organisation. How can we allocate some of that expenditure against the residential aged care facilities.

Some state government health organisations cover all costs related to outbreak management as part of overall spending on aged care services. If this applies to you, apportion the costs to the aged care segment based on the underlying cost drivers.

For example, you could distribute cleaning costs based on the average staff time spent cleaning the aged care service compared to other parts of the health organisation. We collect this to understand if the health organisation has additional costs to manage outbreaks in the aged care service.

Your accounting systems may not have been set up to track this expenditure for the aged care segment in Quarter 4 2023-24. You will need to make sure you can capture this information accurately from Quarte 1 2024-25. Accurate reporting ensures we have reliable data to determine ongoing funding levels.

Do we need to provide invoices for outbreak expenses in the future?

You do not need to provide invoices for outbreak expenses as part your QFR reporting requirements. You must make sure you report outbreak expenses accurately within the QFR.

Do the outbreak management reporting requirements only cover costs related to COVID-19?

No – reporting in the QFR should include the costs for preparing for and managing all outbreaks. This includes the costs for preparing for and managing outbreaks of:

- Gastro
- influenza
- respiratory syncytial virus
- COVID-19
- other infectious diseases.

What do we do if the outbreak cost is unknown at the end of the quarter?

You should use best judgement to determine all outbreak management costs for the quarter in which they were incurred. Providers should not enter information from a previous quarter into a more recent one, even if they receive a late invoice for the earlier quarter.

Question: We are keeping residents safe and healthy during an outbreak - why do we need to focus on reporting how much the outbreak costs?

We recognise the importance of keeping residents safe and healthy during outbreaks. However, reporting outbreak management expenditure ensures we understand the financial impact of managing outbreaks and can accurately inform policy responses.

Providers have been required to report their administration expenses across care, hotel, accommodation and COVID-19 categories in the ACFR since 2021-22. The new outbreak management reporting requirements are similar to these other categories so providers should have systems in place to record them.

Quarterly Financial Report

Where an explanation has been provided in multiple QFRs and accepted by the department, is there a function to input comments for future explanations?

For the residential care labour costs and hours data, there is a process which reviews explanations for a given validation query from the prior two quarters for relevance to your data submission in the current quarter. Where the explanation may remain valid, providers should not be contacted for further explanation. The comments provided within your submission are also taken into consideration prior to providers being contacted.

Couldn't you ask for that additional data in the QFRs rather than asking for it separately annually?

The ACFR is more comprehensive than the QFR in terms of reporting coverage. Increasing the coverage of reporting items for four quarters (albeit not having to do the ACFR) would impose significant reporting burden on providers. The data would also take greater time to prepare which limits the ability to obtain timely analysis of the sector’s financial performance, care minutes delivery and viability.

Residential aged care minutes and lifestyle and allied health

I recently emailed ANACC reporting Assessments - what is the normal responding time?

We aim to reply within two business days. If you have not received a response, please check your spam folder. If you have not received a response, please resend your query to ANACCReportingAssessments@health.gov.au.

If a care stream employee has a hybrid role with partial lifestyle work and direct care work and the enterprise agreement maps to the aged care award under a Schedule B.2, are they determined as a personal care worker?

If the employee in a personal care role under an EA equivalent to an Aged Care employee – direct care Level 2 (Grade 1 PCW) to direct care Level 7 (Grade 5 PCW), *excluding direct care Level 6* under Schedule B.2 in the Aged Care Award 2010, they can be counted as a Personal Care Worker (PCW).

Their hours worked performing direct care activities should be reported as PCW hours, while their hours worked undertaking lifestyle activities should be reported as lifestyle hours in the QFR.

Further information on definitions of personal care worker/ assistants in nursing can be found on

- QFR definitions
- Section 3.1 Activities included in care minutes for definition of direct care activities in the Care minutes and 24/7 registered nurse responsibility guide.

Other

Why do we need to keep reporting regularly if we always have an RN 24/7?

24/7 registered nurse (RN) is a daily requirement. Providers need to confirm an RN is on-site for each day.

Is the commonwealth grant for GO6557 Aged Care Residential Nurse's Payment (applied separately on grant connect) categorised as Care Income - Subsidies and Supplements (Commonwealth) in the ACFR?

Providers should report the Register Nurse Retainer Bonus as income in the ACFR under the ‘subsidies and Supplements (Commonwealth) income’. Report the expenses component under ‘other administration costs.’

How are the Quality Indicators ratings calculated?

Residential aged care homes receive an Overall Star Rating and a rating against four sub-categories:

- Residents’ Experience
- Compliance
- Staffing
- Quality Measures.

Quarterly data reported by residential aged care homes is used to calculate the Quality Measures rating, relating to five of the quality indicators reported under the National Aged Care Mandatory Quality Indicator Program (QI Program). These are pressure injuries, restrictive practices (referred to as physical restraint under the QI Program), unplanned weight loss, falls and major injury and medication management.

The clinical and care needs of individual residential aged care residents vary greatly between services. Consequently, the risk profile for adverse events reported through the QI Program also vary greatly between services. As such, pressure injuries, falls and major injury and unplanned weight loss quality indicators are risk adjusted prior to calculating the Quality Measures ratings, to account for this variation and enable fair comparison between services. Restrictive practice and medication management are not risk adjusted.

After risk adjustment is performed for the three quality indicators, a statistical distribution of QI Program data is determined. This is undertaken by dividing the data for quality indicators, or categories where there more than one data element (for example, falls and falls with major injury, or the various grades of pressure injury), into five groups referred to as ‘quintiles’. Each quintile represents approximately 20% of all homes, therefore:

- Quintile 1 consists of homes with the lowest reported percentage of care recipients for the respective quality indicator and therefore the best performing,
- Conversely, quintile 5 consists of homes with the highest reported percentage of residents for the respective quality indicator and therefore the worst performing.

If a home did not report any data for a quality indicator (i.e., missing rather than 0%) the home will receive a 1 star Quality Measures rating for failure to submit. The performance of a home will be relative to the national performance.

The five quality indicators are equally weighted. For each quality indicator or category, a score is allocated, 1 for homes in quintile 1, up to 5 for homes in quintile 5. Where relevant for categories, scores are multiplied by their weighting, for example x 1 for stage 1 pressure injuries and x3 for stage 4 pressure injuries. The sum of weighted scores for each quality indicator is totalled and the total is then converted into a quality indicator score between 1 and 5. This is achieved by dividing the sum of weighted scores by the sum of weightings for each quality indicator. Scores for each are summed to generate an overall score (range 5-25 — 5 being best performing and 25 being worst performing). Cut off points outlined in the below table are used to assign a Quality Measures rating.

Table 7: Quality Measures cut off points and algorithm

Lower bound (points)	Upper bound (points)	Number of stars
5 (possible min)	<10	5 stars
10	<12	4 stars
12	<16	3 stars
16	<18	2 stars
18	≤ 25 (possible max)	1 star

A home's reported/raw QI Program data is available via the Quality Indicators tile in GPMS. The data available to providers via GPMS during provider preview and the Quality Measures tab on My Aged Care also includes comparative information on whether a service is above or below the National Average for the QI Program data reflected in the Quality Measures rating. To understand a home's relative performance, it is best to look at the percentage changes in performance against the national averages across the five quality indicators, and associated categories.

For further information on the calculation of Star Ratings and available resources to support residential aged care providers, including the Star Ratings Improvement Manual, please visit the Department of Health and Aged Care website.