



**Australian Government**

**Department of Health**

## **Residential Aged Care Funding Reform Working Group**

### **Communique**

**27 November 2019**

**9:30am – 4.15pm**

Department of Health, Scarborough House, Conference Rooms 3&4, Level 1

Woden, ACT

<b>AN-ACC Trial Update</b>	<p>The department provided an update on the trial which had commenced on Monday 25 November, and reported that:</p> <ul style="list-style-type: none"><li>- The purpose of the trial is not to retest the tool but to field-test the logistics of external assessment and the assessment tool.</li><li>- 21 assessments had been uploaded by five assessors as at 27 November.</li><li>- The trial is being supported by four assessment management organisations:<ul style="list-style-type: none"><li>o Access Care Network Australia,</li><li>o Aspire 4 Life,</li><li>o Care Tasmania and</li><li>o Healthcare Australia.</li></ul></li><li>- These four organisations were chosen from 20 compliant tender applications.</li><li>- Training commenced on 14-15 November in Sydney where 18 assessors were trained. Training was supported by Australian Health Services Research Institute (AHSRI) at the University of Wollongong (UoW).</li><li>- The trial will take in place in residential aged care facilities across every state and territory.</li><li>- Assessors will conduct the assessment using a paper form, and upload the content via an electronic tablet.</li></ul> <p>Members wanted to know how rural and remote assessments were being facilitated. The department informed members that one assessment organisation was flying its staff to undertake assessments in rural and remote Australia (i.e. Kimberley).</p>
<b>AN-ACC Overview and Consultation Paper feedback</b>	<p>It was discussed that the Aged Care Funding Instrument (ACFI) has led to perverse incentives; is resource intensive on residential aged care facilities, and has created instability in funding for both providers and government.</p> <p>The benefits of AN-ACC were noted, which include:</p> <ul style="list-style-type: none"><li>• external assessment</li><li>• fixed funding in recognition of the challenges of service provision in rural and remote Australia</li><li>• annual costing studies to replace indexation</li></ul> <p>Members noted the broader benefits of AN-ACC, but raised concerns that this would need to be understood in the context of the impact of AN-ACC on provider viability.</p>
<b>The role of AN-ACC annual costing studies to inform price</b>	<p>The department presented on the role of the annual costing study, and noted that ACFA had called for a more robust system of distributing subsidy. It is proposed that the annual costing study would inform future consideration of price increases rather than indexation being set using a fixed Wage Cost Index as currently.</p>

<b>AN-ACC Trial Update</b>	<p>The department provided an update on the trial which had commenced on Monday 25 November, and reported that:</p> <ul style="list-style-type: none"> <li>- The purpose of the trial is not to retest the tool but to field-test the logistics of external assessment and the assessment tool.</li> <li>- 21 assessments had been uploaded by five assessors as at 27 November.</li> <li>- The trial is being supported by four assessment management organisations: <ul style="list-style-type: none"> <li>o Access Care Network Australia,</li> <li>o Aspire 4 Life,</li> <li>o Care Tasmania and</li> <li>o Healthcare Australia.</li> </ul> </li> <li>- These four organisations were chosen from 20 compliant tender applications.</li> <li>- Training commenced on 14-15 November in Sydney where 18 assessors were trained. Training was supported by Australian Health Services Research Institute (AHSRI) at the University of Wollongong (UoW).</li> <li>- The trial will take in place in residential aged care facilities across every state and territory.</li> <li>- Assessors will conduct the assessment using a paper form, and upload the content via an electronic tablet.</li> </ul> <p>Members wanted to know how rural and remote assessments were being facilitated. The department informed members that one assessment organisation was flying its staff to undertake assessments in rural and remote Australia (i.e. Kimberley).</p>
	<p>Members raised issues on whether the parameters/results of the costing study would be disclosed publicly, and what data the department/independent pricing authority requires to inform the annual costing studies.</p> <p>Members discussed their appetite for involvement in the development of data standards and definitions to inform the annual costing studies, which would facilitate further discussion on these issues.</p>
<b>Base care tariff (fixed funding)</b>	<p>The department presented on the base care tariffs and the UoW's MMM 3-5 Costing Study. This study confirmed earlier findings that average fixed costs are similar across MMM regions 1-5.</p> <p>Concerns were noted that these areas still may face higher costs in other areas, such as delivery of hotel type services, and also face challenges on staffing and access to allied health professionals.</p>
<b>Interface of AN-ACC on broader aged care system</b>	<p>ACFI rather than driving care planning, can drive what services were delivered. Members noted the Aged Care Quality Standards are driving the shift towards comprehensive care planning. Members noted that AN-ACC was seeking to remove the perverse incentives characterised by ACFI.</p> <p>Members noted that the ACFI tool currently collects a lot of data on dementia and other diagnoses codes, and discussed how to continue collecting this data once AN-ACC is implemented.</p> <p>Members noted that the prescriptiveness of ACFI had stymied innovation (task-based focus) and that AN-ACC would not mandate tasks for funding eligibility.</p>
<b>Next steps</b>	<p>The department discussed that the Working Group would meet on a quarterly basis with aim to schedule the next meeting for February 2020.</p>
<b>Meeting close</b>	