



## Aged Care – preparatory funding to support better care and funding outcomes (AN-ACC)

This measure provides preparatory funding of \$91.6 million to support the potential implementation of the proposed new Australian National Aged Care Classification (AN-ACC) funding model.

This funding builds on previous investments of \$166.9 million announced in the *July Economic and Fiscal Update* to continue to improve the aged care funding model, bringing the total investment to date to \$258.5 million.

This preparatory work will ensure the Government is poised to respond to the recommendations from the Royal Commission into Aged Care Quality and Safety next year.

It includes the development of a new residential aged care payment system and modifications to the My Aged Care IT system, as well as funding to undertake one year of ‘shadow assessment’ starting in the first half of 2021.

During this year of shadow assessment, all residents will be assessed by an independent assessor using the AN-ACC assessment tools though funding will continue to be provided through the existing Aged Care Funding Instrument during this period.

The Government will continue to consult with the sector on implementation matters before final decisions on the commencement of AN-ACC and an ongoing assessment workforce are finalised.

### Why is this important?

This work on a new residential aged care funding model addresses the acknowledged limitations of the current system, the Aged Care Funding Instrument, as well as preparing for the recommendations of the Aged Care Royal Commission.

The investment in the new residential aged care payment system will ensure it is stable and adaptable to reforms to improve the system into the future.

### Who will benefit?

Older Australians in residential care will benefit from a funding model that better supports the care they need. Rural and remote, Indigenous and homeless residential aged care services will benefit from a more equitable distribution of funds. Aged care providers will benefit from reduced red tape, freeing up resources to focus on quality care.

### How much will this cost?

This will cost \$91.6 million from 2020–21 to 2021–22.

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