



Transitioning from ACFI to AN-ACC

The Aged Care Funding Instrument (ACFI) is transitioning to the new Australian National Aged Care Classification (AN-ACC) funding model on 1 October 2022.

How will shadow assessments impact AN-ACC funding?

To prepare for the AN-ACC transition, independent assessors are conducting ‘[shadow assessments](#)’ with all aged care residents. These assessments will determine the variable component of AN-ACC funding paid to residential aged care facilities from 1 October 2022.

Providers will be able to request reassessments for residents whose needs have changed between their original assessment and the commencement of AN-ACC.

When will providers be told their individual resident classifications?

Providers will receive the AN-ACC classifications for each of their residents and the proposed AN-ACC price ahead of the AN-ACC commencement date. Pricing is dependent on finalising the shadow assessments, which commenced 6 April 2021 and have been affected by COVID-19 restrictions.

What happens if a resident’s care needs change?

Following the release of individual resident classification data, providers can request a resident reassessment. This can be done if a resident’s condition has changed significantly.

All Australian Government-funded residential aged care facilities will transfer to the AN-ACC funding model on 1 October 2022.

The ACFI will cease at this time.

When will financial information relating to AN-ACC classifications be available?

The Department of Health notes that the National Weighted Activity Unit (NWAU) starting price on 1 October 2022, will be higher than the ACFI average of \$185 per day. This reflects the [Australian Government aged care reforms](#) funding uplifts, including:

- \$10 per resident per day [basic daily fee supplement](#) which commenced on 1 July 2021 and will be rolled into AN-ACC funding from 1 October 2022, and
- a funding increase from 1 October 2022 to support additional care minutes (mandatory from 1 October 2023) to be paid through the AN-ACC funding model.

How will the AN-ACC starting price on 1 October 2022 be determined?

An estimate of the AN-ACC starting price will be released before commencement on 1 October 2022.

Under the AN-ACC funding model, the Australian Government, with expert advice, sets the value of one NWAU, which can be broadly considered an 'average' price for one day of care. The funding model then pays facilities based on the needs of their individual residents.

From 1 July 2023, changes in the value of one NWAU will be informed by independent advice from the expanded Independent Hospital Pricing Authority (to be renamed the Independent Hospital and Aged Care Pricing Authority). The Pricing Authority will provide regular advice to the Australian Government on aged care pricing.

What are the estimated impacts of AN-ACC?

The Department of Health recognises that providers are keen to understand the outcomes and business impacts that the AN-ACC funding model will produce. Some providers may be doing their own analysis or taking advice from other organisations. Any such analysis should factor in the [Australian Government aged care reforms](#) funding uplifts, as mentioned. If the analysis does not factor in these uplifts, it will be materially misleading.

Providers should also be cautious of any analysis that attempts to map historical ACFI outcomes to AN-ACC outcomes. The funding models have significant differences and are not directly comparable, particularly in the method and process of assessment. Independent assessment by assessors trained in the use of the AN-ACC Assessment Tool is a significant change from ACFI.

More information and resources

Further information about the AN-ACC funding model, including general information and resources on how the model works, is available on the Department of Health [Residential aged care funding reform](#) webpage.

The AN-ACC funding model is underpinned by the principles of high-quality care delivery, focussing on restorative care and reablement.

There is no formal requirement to reassess a resident for funding purposes. If a resident improves after entry, there is no requirement for reassessment or payment class reassignment.