



Transitioning from ACFI to AN-ACC

Frequently Asked Questions

March 2022

Overview

The Australian National Aged Care Classification (AN-ACC) care funding model will replace the Aged Care Funding Instrument (ACFI) from 1 October 2022.

The Australian Government is investing \$7.9 billion into the residential aged care sector to make services better and easier to access. This includes introducing a new care funding model, AN-ACC, to replace ACFI. AN-ACC will provide more equitable care funding to providers that better matches resident funding with the costs of delivering care.

Care planning is not conducted as part of AN-ACC and will remain the provider's responsibility.

See [AN-ACC key facts](#) for more information.

Background

In 2016–17, the Australian Government announced it would look into strengthening residential aged care funding, including possibly replacing the current funding assessment tool, ACFI. The key milestones associated with this work can be found on the [Department of Health website](#).

Q: Why is a new funding model for aged care needed?

A: Currently, funding levels for residential aged care services are determined using the outdated ACFI, which:

- does not adequately differentiate between residents about the costs of delivering care
- has resulted in volatile revenue streams for providers and costs to Government
- requires clinical workers in residential aged care to assess residents for funding, reducing their availability to deliver care.

Reflecting on these issues, the Royal Commission into Aged Care Quality and Safety recommended introducing a new case-mix funding model for residential aged care.

The introduction of AN-ACC and an independent assessment workforce will create consistency across assessments, reduce funding volatility and free up aged care workers to spend more time delivering care. It will also remove the current incentives to provide outdated and ineffective care to maximise funding.

Consistent with Royal Commission recommendation 121, where the capability of a resident improves, there is no requirement under the new AN-ACC care model for reassessment and potential reassignment to a lower payment class. This provides inbuilt financial incentives for aged care providers to invest in restorative care.

Q: What is changing under the new aged care funding arrangements?

A: AN-ACC will introduce 3 fundamental changes on 1 October 2022 through the new AN-ACC care funding model, including:

1. **Assessment:** resident assessments will be completed by an independent AN-ACC assessor (working for Assessment Management Organisations contracted by the Department of Health). Assessments will be completed following receipt of entry information.
2. **Tool:** under AN-ACC, the subsidy paid to the provider consists of three components, a fixed component (Base Care Tariff or BCT) to account for shared costs across all residents, a variable component (classification funding) based on each resident's individual care needs, and an adjustment payment, a one-off adjustment payment for when a new resident enters a facility.
3. **Costing review:** an annual independent analysis will collect cost data from all providers. An independent authority, the Independent Health and Aged Care Pricing Authority will be tasked with undertaking the annual analysis and using this information for recommending annual price changes to Government.

In addition, residential respite funding will be aligned with permanent residential aged care funding to ensure that both are indexed/priced using the same model, preventing the current funding divergence.

See [What is AN-ACC and how will it work](#) for more information.

Assessment

Q: I am concerned that I haven't seen any data. It makes decision-making difficult. When will I receive my shadow assessment results?

A: Facilities whose shadow assessments have been completed can now access their assessment outcomes through the [My Aged Care Service Provider Portal](#). Some assessments have been delayed due to the ongoing response to the COVID-19 pandemic. However, the majority of providers should have at least one facility assessed by the end of March 2022 and all facilities are expected to be assessed by the end of June 2022. Assessments will be available to view in the My Aged Care Service Provider Portal seven days after they have been completed to accommodate quality assurance processes.

See [What are AN-ACC shadow assessments](#) for more information.

Q: Will our ACFI assessments and care plans be used to inform AN-ACC?

A: No. Under AN-ACC, assessments will be undertaken by an independent workforce consisting of qualified registered nurses, physiotherapists and occupational therapists with at least 5-years' experience in caring for older people who have completed approved AN-ACC assessment training and comply with continuing professional development requirements. These are more stringent qualification requirements than are currently placed on those able to undertake ACFI assessments. Having an independent workforce that is suitably experienced and qualified to undertake AN-ACC assessments skilfully is essential for ensuring the accuracy of assessments and, therefore, the distribution of funding under the AN-ACC.

As the Australian Government will fund the AN-ACC assessor workforce, providers will be free from bearing the costs of undertaking funding assessments, allowing providers and staff to focus on care. Residential aged care facilities will continue to undertake care planning activities based on resident care needs.

Q: How do the AN-ACC classifications work?

A: An AN-ACC assessment considers the attributes or characteristics that drive the cost of care for a residential aged care resident. A different cost weighting is attributed to each of the 13 AN-ACC classes of care, with classes requiring more intensive care given higher weightings to account for higher costs associated with delivering care.

See [What is AN-ACC and how will it work](#) for more information.

Q: What if I disagree with the assessment results?

A: If an assessment occurred when the resident was at their best, and it did not capture their true care-needs, the model allows for reclassification requests to be made via the [My Aged Care Service Provider Portal](#). A reclassification can be requested by the provider where: (1) the resident has had a significant hospitalisation, (2) the resident has a significant change in mobility; or (3) a standard period has passed since the resident's previous assessment (twelve months for Classes 2 to 8 (those classes with lower mortality rate) and six months for Classes 9 to 12 (classes for people who are not mobile and are expected to deteriorate at a higher rate). Following receipt of the request, a re-assessment will be completed by an independent assessor.

See [Can I ask for an AN-ACC reclassification](#) for more information.

Q: Do AN-ACC assessors also conduct assessments for quality and compliance?

A: The role of the AN-ACC assessor is to complete AN-ACC assessments. They fulfil a different role to Quality Assessors who are employed by the Aged Care Quality and Safety Commission. However, if they identify any quality or compliance concerns, they have a professional obligation to speak to the service manager and then, if necessary, report on practices that are considered unsafe or non-compliant.

Funding

Q: How will my funding compare under AN-ACC? Is this just a reallocation of the existing funding bucket or something more?

A: The AN-ACC starting price from 1 October 2022 for the 2022–23 financial year is \$216.80. At this price, average funding per bed day is expected to be approximately \$225* compared to an expected 2021–22 average funding per bed day under ACFI (including viability and homeless supplements) of approximately \$192. The AN-ACC starting price incorporates:

- the current ACFI basic subsidy funding, including indexation on 1 July 2022
- homeless and viability supplements, including indexation on 1 July 2022
- \$3.2 billion \$10 per resident per day Basic Daily Fee supplement
- \$3.9 billion care minutes funding uplift commencing from 1 October 2022 to support providers in increasing direct care for residents and meeting the new mandatory care time standard.

See [What is the AN-ACC starting price](#) for more information.

Q: What is the role of the Independent Health and Aged Care Pricing Authority?

A: Commencing in July 2023, the Independent Hospital Pricing Authority (IHPA), to be renamed the Independent Health and Aged Care Pricing Authority (IHACPA), will provide an annual AN-ACC price recommendation to the Australian Government. The pricing advice will be based on independent analysis that takes into consideration movements in the costs of delivering care in the sector.

This advice will include recommendations on adjustments to the AN-ACC care funding model, including adjusting weightings over time as necessary. Any decisions to adjust price will be made annually thereafter from 1 July 2023.

Q: Will AN-ACC result in a fair allocation of funding for providers?

A: Yes. AN-ACC will provide more equitable care funding to providers that better matches resident needs with the costs of delivering care. This is achieved by applying National Weighted Activity Units (NWAUs) or weightings that reflect the variation in the costs of providing care based on the characteristics of a facility (BCT funding) and the individual care needs of a resident (classification funding).

See [How do I calculate my AN-ACC care funding](#) for more information.

* This figure is based on analysis of facilities that have had their shadow assessments completed. It is also representative of shadow assessment data up to 18 March 2022 and may change as further assessments are completed.

Q: Are respite residents included in the 50% minimum resident count used to determine a facility's eligibility for specialised homeless or specialised remote Indigenous base care tariffs?

A: Under the AN-ACC, respite residents of a specialised homeless or specialised remote Indigenous residential aged care facility will not be included in the minimum eligible resident count.

Q: Will a resident's homeless status be known to the provider prior to a decision to admit?

A: Depending on the circumstances of entry, a residential aged care facility may not know prior to admitting a resident for care that they have obtained or may be eligible to obtain homeless status as per the criteria outlined in Appraisal Tool A, which includes the requirement for the resident to have a relevant clinical behavioural diagnosis. Residential aged care facilities that are approved to receive the specialised homeless base care tariff are required to maintain an eligible homeless resident count of 50% or more.

Q: I am concerned that our current funding levels will not be maintained. Will there be grandparenting arrangements or a guarantee that we will not get less money?

A: The Australian Government is investing \$73.4 million in an AN-ACC Transition Fund over two years from 1 October 2022 to ensure that residential aged care providers can adjust to their new funding levels in the move from ACFI to AN-ACC without impacting on their ability to provide care to their residents.

See [What is the AN-ACC Transition Fund](#) for more information.

Q: How are residents living with dementia assessed under AN-ACC?

A: Cognitive ability, and its impact on service costs, is central to the AN-ACC classification. AN-ACC determines the amount of funding a residential aged care provider will receive from the Australian Government to deliver care that meets the resident's needs. The [AN-ACC Assessment Tool](#) has been designed to capture the core attributes that drive care costs in residential aged care: end of life, frailty, functional decline, cognition, behaviour, and technical nursing requirements. This is a fundamentally different type of assessment to one undertaken for care planning. It is designed to be robust and concise and undertaken by an independent expert clinician.

See [How is Cognition assessed under the AN-ACC](#) for more information.

Care

Q: How does funding under the AN-ACC provide incentives for restorative care and reablement?

A: Unlike ACFI, there is no requirement under AN-ACC for a resident to be reassessed and potentially reassigned to a lower payment class if the capability of a resident improves. This provides an inbuilt financial incentive for providers to invest in restorative care, including through the use of allied health professionals, who are well-placed to demonstrate that their services effectively reduce the care needs of residents.

Under AN-ACC, Allied Health professionals have a greater ability to provide care aligned with clinical best practice and residents' aspirations.

The Aged Care Quality Standards require the delivery of clinical care in accordance with the consumer's needs, goals and preferences to optimise health and well-being.

See [How allied health care is supported under AN-ACC](#) for more information.

Q: How will the care minutes data be validated to ensure requirements are met?

A: Data to track the mandated care minute requirements will be collected through the Quarterly Financial Report (QFR) starting from July 2022. The data will be validated through a robust review and analysis process and facilities will be notified of any data quality issues.

This review process will include an exception reporting process to identify facilities and providers that have provided data that sits outside expected ranges such as pay rates below the award. These ranges are determined based on the available data such as the industry's average care time and the ACFR 2020-21 results.

The facilities with data flagged from the exception process will be investigated further, noting an exception does not mean that the data is not correct, just that it is outside the expected ranges.

See [What are care minutes](#) and [How do I calculate my care minutes targets](#) for more information.

Q: Will there be enough funding for care minutes?

A: Yes. The Government is providing an additional \$3.9 billion funding boost over three years from 1 October 2022 (and then ongoing) to enable residential aged care providers to increase staffing levels to meet the new care minute standards.

See [What are care minutes](#) for more information.

Transition

Q: How can we start preparing for the new funding arrangements?

A: Preparations are underway, with all residents currently being assessed and allocated into an AN-ACC class (via Shadow Assessments). Services Australia will calculate and pay subsidies to providers based on the new AN-ACC classifications for residents from 1 October 2022.

In the meantime, providers can use their AN-ACC classifications, along with the AN-ACC starting price, to estimate the funding levels they will receive from 1 October 2022 to assist with their transition planning.

An [AN-ACC Transition Support Plan](#) has also been developed to assist aged care providers prepare for the new arrangements. It sets out details on how to access support and information, including, [fact sheets](#) and the AN-ACC Funding Helpdesk (email: ANACCFundinghelp@health.gov.au or phone: 02 4406 6002).

Providers will need to keep ACFI paperwork up to date and finalise claims as soon as possible after 1 October 2022 for the period up to the end of September 2022. It is important that providers continue to submit client entry and exit information to Services Australia in a timely manner as this will support the timely assessment of residents when they enter care.

See [How do I calculate my AN-ACC care funding](#) for more information.

Q: The current ACFR aligns to annual reporting including external auditing needs. This won't be possible with a quarterly reporting cycle. Has this been considered?

A: Yes, the quarterly reporting is in response to the Royal Commission's recommendations for more timely analyses on the sector's viability. The quarterly reporting will also inform the Star Rating system and monitor the mandated care minutes.

It is expected all the reported information for each quarter of the financial year will have a total equal to the amounts reported in the annual ACFR.

Q: I am concerned about what this will mean for our organisation. What skills and training will my staff need to manage the new arrangements?

A: Staff will need to familiarise themselves with the new arrangements, including changes to the [My Aged Care Service Provider Portal](#) where resident classification information will be displayed and can be viewed by provider portal users with either staff or Team Lead role access. Details on the system changes will be included in [My Aged Care – Service Provider Portal resources](#) in the [Team Leader and Staff Member Functions system user guide](#). Guidance materials will continue to be developed and will be made available on the [Department of Health website](#) to support the transition.

Q: How is the introduction of the AN-ACC funding model being supported?

A: From July 2021, the Department of Health (the department) has been explaining the detailed operation of the AN-ACC funding model to providers via direct briefings and webinars.

The department has also established a specialised AN-ACC Funding Helpdesk (email: ANACCfundinghelp@health.gov.au or phone: 02 4406 6002) and targeted outbound support to vulnerable providers, such as regional, remote, Indigenous and homeless services.

An [AN-ACC Transition Support Plan](#) has been developed outlining the resources, financial support and other services available to residential aged care providers to help providers with transition planning to the new AN-ACC funding model.

See the [AN-ACC Transition Support Plan](#) for more information about the supports that are available.

Related AN-ACC information

Refer to the following resources for related information.

[AN-ACC Transition Support Plan](#)

[AN-ACC key facts](#)

[What is AN-ACC and how will it work?](#)

[What is the AN-ACC starting price?](#)

[What are AN-ACC Base Care Tariffs?](#)

[What are AN-ACC shadow assessments?](#)

[Are AN-ACC shadow assessments high quality?](#)

[How will shadow assessments impact residents?](#)

[How is cognition assessed under AN-ACC?](#)

[Can I ask for an AN-ACC reclassification?](#)

[How do I calculate my AN-ACC care funding?](#)

[How do I calculate my residential respite funding under AN-ACC?](#)

[What is the AN-ACC Transition Fund?](#)

[What are care minutes?](#)

[How do I calculate my care minutes targets?](#)

[How allied health care is supported under AN-ACC?](#)

More information and resources

Further information about the AN-ACC care funding model, including general information, is available on the [residential aged care funding reform](#) webpage. The following resources are also available to help providers stay informed about the AN-ACC care funding model and to assist providers with the transition to the new arrangements.

Information source	Description
Resources and factsheets	Resources and factsheets can be located here .
Social media	Follow us on Facebook , Twitter , LinkedIn and Instagram
Subscriptions	Subscribe to the department's newsletters here for aged care updates.
Ageing and Aged Care Engagement Hub	Find current engagement activities and register your interest to be involved in workshops, focus groups, webinars and surveys Website: https://www.agedcareengagement.health.gov.au/
AN-ACC Funding Helpdesk	For assistance with your AN-ACC funding and care minutes targets, contact the AN-ACC Funding Helpdesk: <ul style="list-style-type: none">• Phone: (02) 4406 6002 (available from 9:30am to 4:30pm AEST Monday to Friday)• Email: ANACCFundinghelp@health.gov.au
My Aged Care service provider and assessor helpline	For help with the My Aged Care system or technical support for providers and assessors. Phone: 1800 836 799 The helpline is available from 8:00am to 8:00pm Monday to Friday and 10:00am to 2:00pm Saturday, local time across Australia.

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