Australian Government
Department of Health

Aged Care Funding Reforms

7 June 2022

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Australian Government
Department of Health

Quarterly Financial Report

Tim Tian – Director, Financial Reporting and Analysis

Purpose of the QFR

1: Enable tracking, monitoring and benchmarking the sector

2: Gather information for the star rating system to help senior Australians make informed choices

3: Help with policy planning and development

4: Enable direct care minutes to be monitored and inform the Australian National Aged Care Classification (AN-ACC) funding model.

5: Inform the regulator of providers compliance with the Prudential Standards

6: Inform the risk based regulation of services and providers performance against the Quality Standards and other provider responsibilities

Quarterly Financial Report Requirements

The report is made up of 5 parts:

1 Viability Questions

Ageing and Aged Care

Australian Government Department of Health

Example questions – residential care

Issue		Question
Solvency	1	Are you currently concerned about your organisations' solvency?
	2	Do you envisage any solvency issues arising in the next six months?
Financial performance	3	Do you forecast an operational loss for the current year?
Minimum liquidity	4	Over the previous quarter, has the total of your cash, financial assets and undrawn credit facilities fallen below the Minimum Liquidity amount stated in your most recent Annual Prudential Compliance Statement?
Sale or purchase	5	Are you considering closing or selling any facilities/services within the next six months?
	6	Have you purchased or do you plan to purchase an additional residential care facility/property this financial year?
Occupancy	7	Is your current occupancy below the desired levels? If yes, what is the anticipated timeframe for reaching that level?
Refundable Accomodation Deposit	8	Over the last quarter, have you been unable to refund any Refundable Accommodation Deposits within the statutory timeframe?
Business improvement advice or strategies	9	Are you currently implementing or do you plan to implement in the current financial year a business improvement strategy - if yes, is that strategy aligned with advice you received through the Australian Government's Business Advisory Service or the Business Improvement Fund?
Governance and Management	10	Have there been any recent changes to Board (including Directors) or Senior Management personnel?
Recruitment and retention	11	Are you currently experiencing difficulty finding new staff or retaining existing staff?
Capital works	12	Do you have any capital works underway in any of your facilities? If yes, what is the total expected value of the work and when is the work due to be completed?
	13	Is the current building work delayed due to financing or cost related issues?

2 Financial Statements

Ageing and Aged Care

Example – quarterly financial statements

Australian Government Department of Health

	Total	Centrally Held	Residential	Home Care	Community	Retirement	Other
Balance Sheet	-	-	-	-	-	-	-
Assets	-	-	-	-	-	-	-
• Cash and Cash Equivalents	$0.00	$0.00					
• Financial Assets	$0.00	$0.00					
• Trade Receivables (less Provision for Doubtful Debts)	$0.00		$0.00	$0.00	$0.00	$0.00	$0.00
• Refundable Resident Loans Receivable	$0.00		$0.00	$0.00	$0.00	$0.00	$0.00
• Loans Receivable	$0.00		$0.00	$0.00	$0.00	$0.00	$0.00
• Non-related parties	$0.00		$0.00	$0.00	$0.00	$0.00	$0.00
• Related parties	$0.00		$0.00	$0.00	$0.00	$0.00	$0.00
• Capital Work in Progress	$0.00		$0.00	$0.00	$0.00	$0.00	$0.00
• Property, Plant and Equipment	$0.00		$0.00	$0.00	$0.00	$0.00	$0.00
• Right of use assets	$0.00		$0.00	$0.00	$0.00	$0.00	$0.00
• Investment Properties	$0.00		$0.00	$0.00	$0.00	$0.00	$0.00
• Intangible Assets	$0.00		$0.00	$0.00	$0.00	$0.00	$0.00
• Other Assets	$0.00		$0.00	$0.00	$0.00	$0.00	$0.00
Total Assets	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Liabilities	-	-	-	-	-	-	-
• Refundable Resident Loans Payable	$0.00		$0.00	$0.00	$0.00	$0.00	$0.00
• External Borrowings	$0.00		$0.00	$0.00	$0.00	$0.00	$0.00
• Non-related parties	$0.00		$0.00	$0.00	$0.00	$0.00	$0.00
• Related parties	$0.00		$0.00	$0.00	$0.00	$0.00	$0.00
• Employee benefits / provisions	$0.00		$0.00	$0.00	$0.00	$0.00	$0.00
• Unspent Home Care Package Funds	$0.00			$0.00			
• Unspent CHSP Grants	$0.00		$0.00	$0.00	$0.00	$0.00	$0.00
• Lease Liabilities	$0.00		$0.00	$0.00	$0.00	$0.00	$0.00
• Other Liabilities	$0.00		$0.00	$0.00	$0.00	$0.00	$0.00
Total Liabilities	**$0.00**		**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Net Assets	**$0.00**						

3 Residential Care Labour Costs and Hours

Ageing and Aged Care

Australian Government Department of Health

Example – residential care costs

	Total Residential	ACH *(name)*	ACH *(name)*	ACH *(name)*
Care Expenses				
Labour Costs - Direct Care:				
• Registered nurses	$0.00	$0.00	$0.00	$0.00
• Enrolled and licensed nurses (registered with the NMBA)	$0.00	$0.00	$0.00	$0.00
• Personal care staff / other unlicensed nurses	$0.00	$0.00	$0.00	$0.00
• Care Management Staff	$0.00	$0.00	$0.00	$0.00
• Allied health	$0.00	$0.00	$0.00	$0.00
• Diversional/Lifestyle/ Recreation/ Activities Officer	$0.00	$0.00	$0.00	$0.00
• Other employee staff	$0.00	$0.00	$0.00	$0.00
Total Employee Labour Costs - Direct Care	$0.00	$0.00	$0.00	$0.00
Agency Staff Costs - Direct Care Detail				
• Registered nurses	$0.00	$0.00	$0.00	$0.00
• Enrolled and licensed nurses (registered with the NMBA)	$0.00	$0.00	$0.00	$0.00
• Personal care staff / other unlicensed nurses	$0.00	$0.00	$0.00	$0.00
• Allied health	$0.00	$0.00	$0.00	$0.00
• Diversional/Lifestyle/ Recreation/ Activities Officer	$0.00	$0.00	$0.00	$0.00
• Other agency staff costs	$0.00	$0.00	$0.00	$0.00
Total Agency Staff Cost - Direct Care	$0.00	$0.00	$0.00	$0.00
• Contract Labour - management entity staff costs	$0.00	$0.00	$0.00	$0.00
Total Direct Care Labour Costs	$0.00	$0.00	$0.00	$0.00

4 Homecare Labour Costs and Hours

Ageing and Aged Care

Australian Government Department of Health

Example – home care costs

	Total Home Care
Care Expenses	
Labour Cost - Internal Direct Care - Employee	
• Registered nurses	$0.00
• Enrolled and licensed nurses (registered with the NMBA)	$0.00
• Personal care staff / other unlicensed nurses	$0.00
• Allied health	$0.00
• Other employee staff	$0.00
Total Labour Costs - Internal Direct Care - Employee	$0.00
Labour Cost - Internal Direct Care - Agency Care Staff	
• Registered nurses	$0.00
• Enrolled and licensed nurses (registered with the NMBA)	$0.00
• Personal care staff / other unlicensed nurses	$0.00
• Allied health	$0.00
• Other Agency staff	$0.00
Total Labour Costs - Internal Direct Care - Agency Care Staff	$0.00
Sub-contracted or Brokered Client Services - External Direct Care Service Cost	
• Registered nurses	$0.00
• Enrolled and licensed nurses (registered with the NMBA)	$0.00
• Personal care staff / other unlicensed nurses	$0.00
• Allied health	$0.00
• Other sub-contracted/brokered staff	$0.00
External Direct Care Service Cost - Sub-contracted or Brokered Client Services	$0.00

5 Food and Nutrition

Ageing and Aged Care

Australian Government Department of Health

Example – food and nutrition report

		Total	ACH *(name)*	ACH *(name)*	ACH *(name)*
Resident expenses					
Oral nutrition supplements		$0.00	$0.00	$0.00	$0.00
Oral health living expenses		$0.00	$0.00	$0.00	$0.00
Allied Health expenses					
Dietetic Care expense - Employee Labour		$0.00	$0.00	$0.00	$0.00
Dietetic Care expense - Consultant or Agency staff		$0.00	$0.00	$0.00	$0.00
Speech pathologist - Employee Labour		$0.00	$0.00	$0.00	$0.00
Speech pathologist - Consultant or Agency staff		$0.00	$0.00	$0.00	$0.00
Internal Catering					
	Food and cooking ingredients - fresh	$0.00	$0.00	$0.00	$0.00
	Food and cooking ingredients - other	$0.00	$0.00	$0.00	$0.00
	Cooks and chefs (hours)	0	0	0	0
	Food service and food management (hours)	0	0	0	0
Contract catering (internal)					
Central kitchen for multiple facilities (head office staff)					
	Food and cooking ingredients - fresh	$0.00	$0.00	$0.00	$0.00
	Food and cooking ingredients - other	$0.00	$0.00	$0.00	$0.00
	Cooks and chefs (hours)	0	0	0	0
	Food service and food management (hours)	0	0	0	0
Contract catering (external)					
On-site kitchen – contract kitchen staff and management					
	Food and cooking ingredients - fresh	$0.00	$0.00	$0.00	$0.00
	Food and cooking ingredients - other	$0.00	$0.00	$0.00	$0.00
	Cooks and chefs (hours)	0	0	0	0
	Food service and food management (hours)	0	0	0	0
3rd party external kitchen		$ -	$0.00	$0.00	$0.00
Other (please specify)		**$0.00**	**$0.00**	**$0.00**	**$0.00**

Quarterly Financial Report Submission Timeframes

Quarters (Financial year 2022-23)	Dates of submission	Number of days
Quarter One (July to September)	**4 November 2022**	35 days
Quarter Two (October to December)	**15 February 2023**	45 days
Quarter Three (January to March)	**5 May 2023**	35 days
Quarter Four (April to June)	**4 August 2023**	35 days

Online Resources

Quarterly Financial Report Webpage

Australian Government
Department of Health

Home | Health topics | Initiatives and programs | Resources

Home > Health topics > Aged care > Providing aged care services > Responsibilities of approved aged care providers

Quarterly Financial Report

From 1 July 2022, approved aged care service providers are required to submit a Quarterly Financial Report (QFR). The new report will enable more timely analyses of the sector's viability, provide information to the star rating system and monitor direct care minutes delivered by aged care services.

On this page

About the QFR
Scope of the QFR
Reporting requirements
Due dates
Resources and training

Source: https://www.health.gov.au/aged-care-QFR

Forms Administration Website

Quarterly Financial Report (QFR)

The Quarterly Financial Report (QFR) for the July - September 2022 reporting period is not yet available for online completion. When the Department of Health (DoH) opens the QFR portal for online submission, you will be notified via the email address registered with Forms Administration and the main contact email listed with the Department of Health.

Quarterly Financial Report Templates

XLS Quarterly Financial Report (QFR)
XLS Quarterly Financial Report (QFR) Definitions

Quarterly Financial Report (QFR) Guides & FAQs

Guide to Quarterly Financial Report and Transparency Measure (.pdf)
Quarterly Financial Report - FAQs (.pdf)

Source: https://health.formsadministration.com.au/DSS.nsf/DSSForms.xsp#QFR2022

Upcoming Webinar

Title: Quarterly Financial Report (QFR) Webinar

Audience: Aged care sector

Webinar date: Thursday, 16 June 2022 11:00 AM - 12:30 PM AEST

Webinar link: https://www.health.gov.au/resources/webinars/quarterly-financial-report

Presenters

- Jessica Evans – Assistant Secretary, Structural Adjustment Strategy
- Nicki Phelan – Director, Financial Monitoring and Analysis
- Grant Corderoy – Senior Partner, StewartBrown
- Kate Apps-Muir – Director, Choice and Transparency

Webinar content

This webinar will dive into each section of the QFR to help you understand reporting requirements and expectations.

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Questions

Australian Government
Department of Health

QFR
Food and Nutrition Reporting

Josh Maldon

Assistant Secretary

Choice and Transparency Branch| Aged Care Group

Aged Care Reform

Report from the **Royal Commission into Aged Care Quality and Safety** highlighted the **importance of food and nutrition**

- Criticism of reported $6 pp/day spend in residential aged care
- Multi-faceted approach to improving food and nutrition
- Public reporting encouraging transparency

What is Current Government Policy?

Labor's election commitments:

1. Better food for residents
2. Greater transparency

Basic Daily Fee (BDF)

- Implementation staged to include:
  - BDF from 1 July 2021 to eligible residential care, MPS, and NATSIFAC
  - From1 October 2022, the $10 BDF supplement will be rolled into baseline AN-ACC funding
    - MPS and NATSIFAC services will continue to receive $10pp/day

Quarterly Financial Report (QFR) Food and Nutrition Section

July to September 2022 quarter report **due November 4**

- **Reporting will be mandatory** for all residential, MPS and NATSIFAC services
- The Australian Government has committed to greater transparency of provider expenditure

Quarterly Financial Report (QFR)
Food and Nutrition Section

Changes to the Food and Nutrition reporting requirements:

1. **Catering** - The types of catering which can be reported against are:
   a. Internal catering
   b. Contract catering internal
   c. Contract catering external
2. **Food Preparation Model selection**
   a. Cook fresh
   b. Cook chill
   c. Cook freeze

Quarterly Financial Report (QFR)
Food and Nutrition Section

Changes to the Food and Nutrition reporting requirements (continued) …

3. Food and cooking **ingredient costs** need to be **separated** by:

- Fresh vs other
- Definition simple - GST classification
- Older Australian identified they want to know this information

Food and Nutrition Report (BDF)

Food and Nutrition Report was **released in March 2021**

- Recap on BDF reporting:
  - Mix of mandatory and voluntary
  - Consulted the aged care sector and stakeholders in design
  - 878 providers involving over 2,600 services receiving BDF
  - $350 million distributed to the end of 2021

Food and Nutrition Report (BDF)

What the data showed:

- The average daily spend pp/day on food increased from:
  - **$13.94** in Q1 to **$14.27** in Q2

  – NB. some of this data reported includes labour costs

Food and Nutrition Report (BDF)

	Food and ingredient expenditure (Question 1)	
Reporting Period	Quarter 1 (Jul - Sep 2021)	Quarter 2 (Oct - Dec 2021)
Number of services responding	2,035	1,987
Share of total residential services responding	76.2%	74.2%
Average daily spend per resident	**$12.25**	**$12.44**

- **75%** of residential services reported expenditure on food and ingredients used to **prepare meals and snacks *on-site only***
- The average expenditure was **$12.25** in Q1 increasing to **$12.44** in Q2.

Food and Nutrition Report (BDF)

- A number of services spent less than $10 per day
- **Less than 2% of residential services** reported an average daily spend of less than $6 per day for food and ingredients.

Services spending less than $10 per day have been referred to the **Aged Care Quality and Safety Commission** to consider as part of its broader regulatory intelligence.

Food and Nutrition Report (BDF)

- **Other insights** from the report

Table 2. Average expenditure on other items to support improved food and nutrition

Other expenditure to support improved food and nutrition	Average spend per resident per day	
	Quarter 1 (Jul - Sep 2021)	Quarter 2 (Oct - Dec 2021)
Expenditure on oral nutritional supplements	$0.76	$0.71
Expenditure on oral health living expenses	$0.07	$0.09
Expenditure on allied health support (such as dietitians, speech pathologists and oral health practitioners) for residents to improve their nutritional wellbeing	$1.12	$1.22

Food and Nutrition Report (BDF)

- **Other insights** from the report

Table 3. Average per person per day spend by organisation type from 1 July to 31 Dec 2021

Organisation Type	Total Food Expenditure ($)
Not-for-profit	14.49
For profit	12.19
Government	19.42
Average	**14.10**

Food and Nutrition Report (BDF)

- Innovative and creative practices in food and nutrition models
  - Indicates that services are:
    - **enhancing** the resident **meal** time and **dining experience**

      E.g. use of kitchen garden and cooking groups, emphasising seasonal and locally grown produce
    - **uplifting** staff knowledge

      E.g. through implementation of training and education focusing specifically on food textures, swallowing and the overall food experience

Food and Nutrition Report (BDF)

- Services are:
  - **improving** food **quality**

    E.g. through the development and use of molecular gastronomy techniques to enable people living with dementia to be able to eat food that is relatable and that they can enjoy safely

  - taking **preventative measures** to ensure their residents are, and remain, nutritionally healthy

    E.g. by implementing three-monthly malnutrition screenings for residents, with referrals to appropriate allied health if rated ''At risk of malnutrition"

What next?

The Department will continue to analyse this data against other data sources as these become available, and feed into:

- Quality Indicator Program
- Consumer Experience Interviews
- Aged Care Quality Standards
- Improvement and progression of nutrition in aged care policy

Next QFR Webinar to be held on Thursday 16th June, 11am

Questions

Australian Government
Department of Health

Electronic National Residential Medication Chart (eNRMC) Updates

Simon Cleverley – Assistant Secretary, Digital Health Branch
Jenene Baker – Director, Aged Care Medication Management Section

Supporting Medication Management in Residential Aged Care Initiative

In response to the significant medication management issues identified through the Royal Commission into Aged Care Quality and Safety, the Government announced the "Supporting Medication Management in Residential Aged Care" Initiative through the 2021-22 Budget.

The initiative will provide $45.4 million to:

- support Residential Aged Care Services to adopt and use electronic National Residential Medication Chart systems
- drive the adoption and use of the My Health Record by the residential aged care industry
- develop a digital Transfer of Care Summary to support residents transferring from residential aged care to acute care settings

Under the initiative, approximately $30 million will be available to the residential aged care sector through a grant opportunity to defray the costs of adopting and implementing an electronic National Residential Medication Chart.

Electronic National Residential Medication Charts (eNRMC)

An eNRMC is an electronic medication management system which meets Pharmaceutical Benefits Scheme legislative, information and technical requirements.

eNRMC products enable real time electronic medication ordering, administration and supply of medicines to residents within residential aged care settings, and removes the need for paper based prescriptions and medication charts.

A trial of eNRMC products over the past four years has demonstrated that the use of eNRMC products contribute to

- quality use of medicines
- improved medication management and safety practices
- improved health outcomes for Australians in these settings

eNRMC systems that meet necessary legislative and technical requirements are expected to become available from 1 July 2022.

However, eNRMC systems available for adoption from 1 July 2022 will not be connected to broader electronic prescribing infrastructure and will not transmit electronic prescriptions to pharmacies until later in 2022.

The use of eNRMC products before connection to broader infrastructure may also be subject to state and territory approval, depending on your location.

eNRMC Adoption Grant opportunity

From early July 2022, RACSs will be able to apply for the eNRMC Adoption Grant Opportunity to help cover the costs associated with implementing a eNRMC.

Grant applicants must be one of the following:

- a Residential Aged Care Service
- a National Aboriginal and Torres Strait Islander Flexible Aged Care Program Provider that delivers residential services, or
- a Multi-Purpose Service providing residential aged care services (including those operated by State and Territory governments).

The grant opportunity will have 3 rounds, over 2.5 years

The grant will be tiered to provide a greater level of funding to services which require a higher level of support to implement an eNRMC.

To encourage early uptake, amounts available will decrease with each round of the opportunity.

Tier	Eligibility	Grant amounts – Round 1
Tier 1	Not-for-profit or profit based RACSs in the following locations: • Very remote • Remote or • Outer regional	$22,000
Tier 2	Not-for-profit RACSs in the following locations: • Inner regional • Major cities Profit based RACSs in the following locations: • Inner regional	$18,000
Tier 3	All eNRMC Trial participant RACSs regardless of location. Profit based RACSs in the following locations: • Major cities	$7,000

Questions

Australian Government
Services Australia

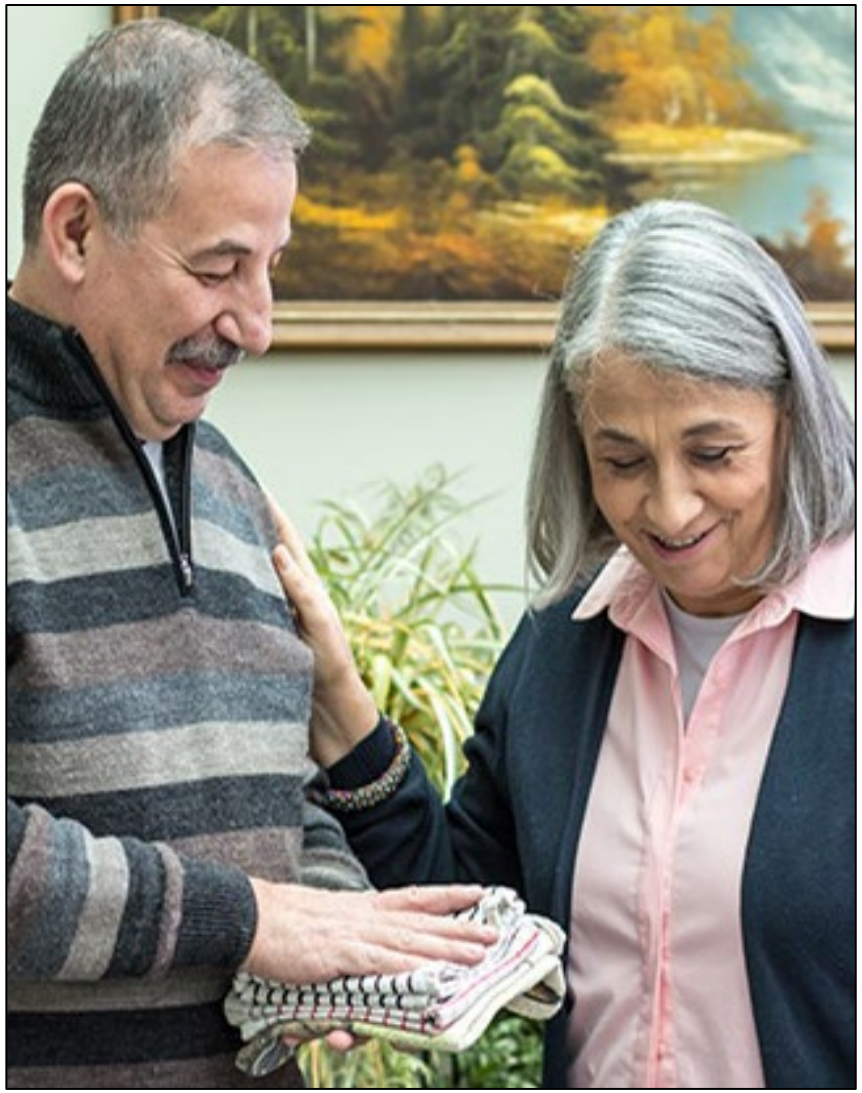
Getting ready for the new AN-ACC funding model changes

7 June 2022

Three Key Transformations for Services Australia

1. Client Adaptor move to Web services

- Public Key Infrastructure (PKI) finishes on 30 June 2022
- PRODA is the new, more secure authentication for web services.
- If you are using Client Adaptor, speak to your developer about transitioning to web services



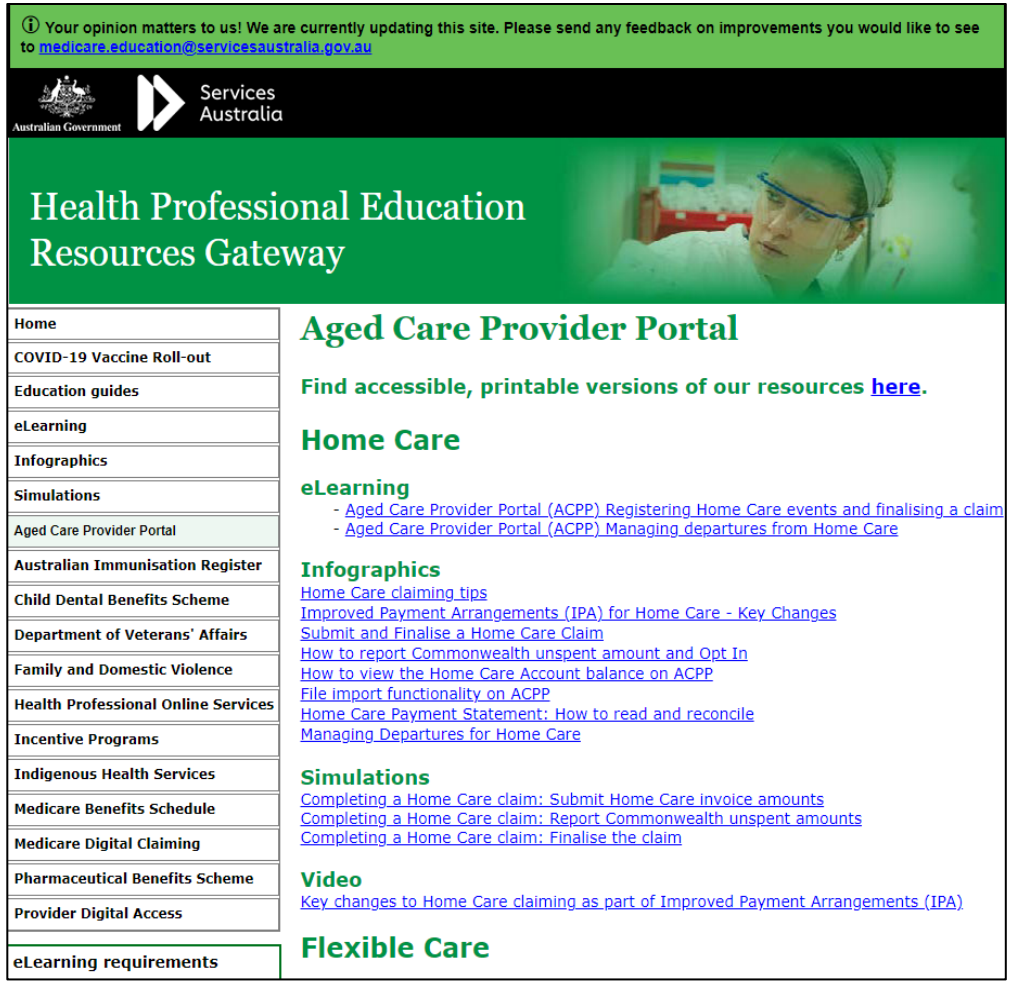
2. System Replacement

- The new Aged Care Payment System will replace the ageing legacy System for the Payment of Aged Residential Care (SPARC) on 23 July 2022
- All claiming channels including Aged Care Provider Portal (ACPP) and Aged Care Web Services (ACWS) for Residential Care will not be available at their full capacity from 14 July to 22 July, 2022 (view only)
- To avoid delays to payments, Providers need to submit events and finalise claims by 13 July 2022
- July Advance as per normal, August Advance paid mid-July to ensure Providers are not impacted financially.

Three Key Transformations for Services Australia

- Changes to payment statements and forms for providers and developers:
  - Developers need to download the eKit available on our website to make updates to your software.
  - Providers will see a new payment statement view in the Aged Care Provider Portal including additional expanded self-service functionalities in the menu.

- Providers will have access to e-learning modules available on the Health Professional Education Resources Gateway for additional transition support.



3. AN-ACC Funding Model

- To support the move to AN-ACC there will be a technical webinar for software developers on 16 June 2022.
- We are still finalising APIs and NOI applications will open for testing as soon as they are released. We will email developers to notify you when APIs are available.
- You can book your NOI in the Health Systems Developer Portal once we have released the API's.
- To meet the 1 October implementation date you will need to book your NOI no later than 30 August 2022.
- Palliative Care will be live from 23 July 2022:
  - Providers will be able to flag if new care recipients require palliative care from system replacement on 23 July 2022
  - Developers will need to download the eKit to make changes for palliative care

Important links & contacts

Support for Software Developers:

www.servicesaustralia.gov.au/software-developers-for-digital-health-and-aged-care

- Health Systems Developer Portal

  https://healthsoftware.humanservices.gov.au/claiming/ext-vnd/

- Online Technical Support:

  1300 550 115 or AgedCareOnline@servicesaustralia.gov.au

Support for Services & Providers:

- Aged Care Payments Team:

  1800 195 206 or Aged.Care.Liaison@servicesaustralia.gov.au

- Educational resources will be available on Health Professional Education Resources Gateway:

  http://medicareaust.com/MISC/MISCP02/aged-care-provider-portal.html

Q&A Discussion Panel:
Australian National Aged Care Classifications (AN-ACC) and Care Minutes

Webpage:

https://www.health.gov.au/health-topics/aged-care/aged-care-reforms-and-reviews/residential-aged-care-funding-reform

Email:

ACFR@health.gov.au

AN-ACC funding helpdesk:

Phone: (02) 4406 6002 (available from 9:30am to 4:30pm AEST Monday to Friday)
Email: ANACCfundinghelp@health.gov.au

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Thank you

If you have any questions after the session please send them to communication.agedcare@health.gov.au