



More Choices for a Longer Life – trial of alternative residential aged care funding tool

The Government will increase funding for aged care by \$7 billion over five years. The Government will trial a new residential aged care funding tool to replace the longstanding Aged Care Funding Instrument (ACFI). The tool is being developed by the University of Wollongong. The new tool will provide long term funding certainty and greater equity in how funding is distributed. It will also support a range of quality care and consumer choice improvements in residential care being rolled out by the Government. Two hundred facilities are involved in the trial, which will start in the second quarter of this year and end in the first quarter of 2020.

Why is this important?

The Government is committed to developing evidence-based, robust long term funding arrangements. Testing and validating the new tool will provide further assurance to the Government about the robustness of the potential replacement to ACFI.

The tool being developed promises a more stable approach to the allocation of care funding and a significantly reduced risk of unplanned growth. It will ensure that funding for aged care more accurately aligns to the cost of providing the particular needs of residents.

Who will benefit?

Senior Australians in residential aged care, and their families, will benefit from a funding platform that supports a range of quality care and consumer choice initiatives. Residential aged care providers will benefit from a contemporary and stable funding tool that has been thoroughly tested and evaluated.

How much will this cost?

This will cost \$4.6 million from 2018–19 to 2019–20.