

# VHA Bulletin

## Changes to the Aged Care Funding Instrument

22 June 2012 | [www.vha.org.au](http://www.vha.org.au)

Dear Member,

The Department of Health and Ageing today released details regarding changes to the Aged Care Funding Instrument (ACFI).

Effective from 1 July 2012, these changes will give effect to decisions within the *Living Longer Living Better* aged care reform package. These changes are designed to return future growth in care subsidies back to historic growth rates of between 2% and 3% above indexation and allow funds to be redirected to other elements of the package. These changes have been developed following extensive consultation with the sector since December 2011.

There are three components to the changes:

1. A change to the scores in question 3 of the Activities of Daily Living (ADL) domain
2. A change to the Complex Health Care (CHC) matrix
  - Changes to ADL and CHC components will take effect for all new appraisals and reappraisals from 1 July 2012 onwards
3. A one-off reduction in the amount paid under the ACFI at all care levels from 1 July 2012; this means that ACFI subsidy rates will remain at their 30 June 2012 level

### ADL Domain

Question 3 (personal hygiene) is currently the most highly weighted question within the ADL domain and has contributed to growth more than any other question. The following changes will be made to question 3:

	Current Score	Proposed Score
A	0.00	0.00
B	7.89	6.88
C	15.75	13.76
D	23.63	20.65

### CHC Domain

The CHC domain has been the highest growing domain in percentage terms. Changes will be made to the matrix so that residents who have high medication needs but no other complex health care needs will now be paid at the low level for this domain. The changes to the CHC domain are as follows:

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	Question 12 – Complex Health Care			
Question 11 - Medication	A	B	C	D
A	0	0	2	2
B	0	1	2	3
C	1	1	2	3
D	2 → 1	2	3	3

### Reduction in Subsidy Amounts

As part of these changes, there will be a one-off reduction in the price for all ACFI care levels. After indexation is applied on 1 July 2012, this means that ACFI payment rates will remain at their current level.

### Ongoing Monitoring of Impacts

The Department has been asked to work with the sector to monitor the impact of these changes to ensure that they work as intended. This means ensuring that expenditure does not exceed or fall below forward estimates.


A monitoring group will be established, comprising representatives of providers, consumers and clinicians, with an initial scoping meeting in July/August. This group will meet monthly thereafter to determine if expenditure is tracking at the expected growth rate. Advice will be provided to the Minister for Health and Ageing following these meetings to determine whether any adjustments to the approach are required.

### Changes to Evidence Requirements

Changes will also be made to evidence requirements for certain ACFI questions where there has been high growth in claiming and there are currently low evidence requirements, to take effect from 1 January 2013. The Department will consult with sector representatives through the monitoring group on these changes.

The VHA will be monitoring the implications of these changes and invites feedback and input. Questions and comments can be directed to Eloisa Evangelista at [eloisa.evangelista@vha.org.au](mailto:eloisa.evangelista@vha.org.au), or by phone to 9094 7777.

Kind regards,



Trevor Carr  
Chief Executive