

VHA Bulletin

Aged Care Financing Authority: Interim Operating Framework

10 August 2012 | www.vha.org.au

Dear Member,

Minister for Ageing, Mark Butler, has unveiled the interim Operating Framework for the newly established Aged Care Financing Authority (ACFA). The ACFA is one part of the Commonwealth Government's \$3.7 billion *Living Longer Living Better* aged care reform package, which was announced by the Prime Minister and Minister Butler in April. ACFA will have a role in determining how much residential aged care facilities will be able to charge in the future.

The ACFA has been established to:

- provide independent advice to the Government on pricing and financing issues across the aged care sector;
- ensure that care recipients of services funded through the Aged Care Act 1997 receive value for:
 - the Accommodation Payments they pay to their Approved Provider;
 - any fees they pay to their Approved Provider for additional amenities or services not covered by the relevant Schedule of Specified Care and Services.

By 31 May each year, the ACFA will provide advice to the Minister on the impact of the aged care financing arrangements on access to care, sustainability, industry viability and the aged care workforce, including an analysis of revenue, cost and productivity movements in the aged care sector. This will inform the Minister's annual review of pricing policy, including subsidy rates and regulation of fees, across the sector.

As announced last week, the ACFA will be chaired by Ms Lynda O'Grady and Professor Graeme Hugo will be the Deputy Chair. Other ACFA members are Mr Ian Yates, Mr Nicolas Mersiades, Ms Sue Lines, Mr Paul Gregersen and Ms Sally Evans.

The VHA acknowledges the establishment of ACFA as a positive step towards a more sustainable and viable sector. However we are concerned about the administrative burden that the reporting requirements may place on health services. Please send feedback to Eloisa Evangelista at eloisa.evangelista@vha.org.au.

The interim Operating Framework is available on the Department of Health and Ageing [website](#).

Kind regards,



Trevor Carr
Chief Executive