

6 December 2016

Aged care funding announcement recognises sector's concerns

Aged & Community Services Australia (ACSA), the peak body for not-for-profit aged care providers, acknowledges the Federal Government's consultation on the 2016/17 Budget changes to aged care funding and appreciates that members' concerns have been heard with amendments to the changes.

ACSA made significant representations to Parliament after independent financial modelling found the Aged Budget Aged Care Funding Instrument (ACFI) changes could deliver a funding reduction of about 11 percent once all residents were on the new measures, far overreaching the proposed \$1.2 billion save.

"ACSA has consistently said it does not support any changes to outlays on aged care because of the impact on quality of care for those with complex care needs," ACSA President Paul Sadler said.

"However, as the Opposition were supporting the Government's changes ACSA made the decision to advocate for the 'least worst' outcome for aged care providers and consumers, which was an indexation pause and amended changes to the ACFI tool – as were announced by the Hon Ken Wyatt, Assistant Minister for Health and Aged Care, today in Sydney.

"ACSA has met with as many remote, rural and regional Federal MPs as possible in the past few weeks due to concerns they had raised with us in relation to the effects of Budget changes on aged care providers and consumers in their electorates.

"ACSA has long been a vocal advocate for rural and remote service providers and we're pleased that the Government has increased the rural and remote viability supplement."

The measures announced today include:

- 12 month full indexation pause, half indexation pause of CHC second year;
- Increase to viability supplement and grandfathering maintained;
- 12.4a programs would not be reduced from 3 points to 2;
- 12.4b programs would not be reduced from 6 points to 4; and
- The planned 120 minutes of delivery criterion for 12.4b programs would be reduced to 80 minutes.

"It will be prudent for the impacts to be closely monitored and reviewed at the 12 month mark, to allow for any adjustments to ensure a high quality of care continues to be provided," Mr Sadler said.

"ACSA is now also focussed on the examination of a new aged care funding and assessment model that will ensure quality of services and provider viability."

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