



Rachel Stephen-Smith MLA

Minister for Health

Minister for Families and Community Services

Minister for Aboriginal and Torres Strait Islander Affairs

Member for Kurrajong

Mr David Tune AO PSM

Chair

Independent Health and Aged Care Pricing Authority

PO Box 483

DARLINGHURST NSW 1300

Dear ~~Mr Tune~~ *David*

Thank you for your letter of 15 August 2022 and for the opportunity to comment on the *Towards an Aged Care Pricing Framework Consultation Paper*.

The ACT Health Directorate (ACTHD) has reviewed the Consultation Paper and provided comments as outlined in Attachment A.

Should you have any questions regarding the comments provided, please contact Minh Bui, Senior Director, Funding Policy via email at Minh.Bui@act.gov.au.

Thank you for writing to me about this matter.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'RSS'.

Rachel Stephen-Smith MLA

17 October 2022

Encl



ACTHD – Response to the Towards an Aged Care Pricing Framework Consultation Paper

A new funding approach for residential aged care

The ACT supports in-principle the introduction of the Australian National Aged Care Classification (AN-ACC) assessment and funding model for Australians accessing residential aged care, on the understanding that the new model would ensure appropriate funding allocation that is reflective of actual cost of delivering residential aged care services to each individual.

The ACT continues to be concerned that aged care funding must be sufficiently flexible to ensure that residential aged care facilities (RACF) will accept older people with very high needs but who do not require hospitalisation. The ACT has older Canberrans stuck in hospital, who have been medically ready for discharge and approved for aged care for periods well in excess of a year. No RACF will accept these people because Commonwealth funding is inadequate to cover the costs of specialised equipment and staffing required. The ACT's priority is to ensure all individuals entitled to aged care supports can be discharged from hospital when clinically ready and are able to access appropriate aged care placements that meet their ongoing care needs.

An inadequately resourced funding model that is inflexible at the upper end of acuity will result in some people not being accepted by a RACF and becoming stuck in the hospital system.

Principles for activity based funding in aged care

The ACT suggests that the principles should also promote continuous and personalised care that is reflective of individual care needs as they age in place. Activity-based funding in aged care should also take into account ongoing workforce development and training so that the sector can be better placed to respond to current and emerging care needs, such as dementia and palliative care within the RACF setting.

Developing aged care pricing advice

The recommended residential aged care price should adequately cover the administrative costs associated with a resident's care journey and as this journey progresses through the AN-ACC categories.

In the current system, Refundable Accommodation Deposits and Daily Accommodation Payments are means-tested. Individuals below a certain income threshold are not required to make an accommodation contribution and the Government contributes the full accommodation cost for these individuals. This aspect should be included in the new pricing system.

Wages within the aged care system remain a significant issue and, as a result, many RACFs in the ACT struggle to retain their workforce. As the proposed pricing framework specifies uplifting the care minutes, it is important that wages for aged care workers are considered in the indexation.

Priorities for future development

In the ACT, workforce challenges manifest in the shortage of aged care workers together with the lack of appropriately trained workers to support older Canberrans with complex care needs. There is also a competition for the aged care workforce with other sectors such as nursing and disability care, which may provide better pay and conditions.

The ACT suggests the inclusion of an ongoing evaluation process to allow for adjustments and improvements over the five-year vision's implementation for the new funding model and to fully assess the efficacy of the funding reforms.

In the ACT context, success markers would include a clear delineation between individuals entitled to aged care who go to hospital to access medical treatment, as opposed to older Canberrans who remain in hospital because they cannot access appropriate care due to the inability of the residential aged care sector to meet the care needs of high-care individuals or to meet the aggregate demand for aged care.