



**SENATOR THE HON RICHARD COLBECK**

Minister for Senior Australians and Aged Care Services

Minister for Sport

Ref No: MC21-029568

**01 OCT 2021**

Mr Alwyn Blayse  
Chief Executive Officer and Principal Physiotherapist  
Allied Aged Care

Dear Mr Blayse

Thank you for your correspondence of 1 September 2021 concerning funding for allied health services delivered in residential aged care facilities from 1 October 2022 under the new Australian National Aged Care Classification (AN-ACC) funding model.

I would like to acknowledge the contribution of allied health professionals, particularly physiotherapists, in providing services to older Australians, including in aged care settings.

The Australian Government is committed to supporting a sustainable, high quality aged care sector. The 2021–22 Budget includes a \$17.7 billion package of support for aged care in response to the Final Report of the Royal Commission into Aged Care Quality and Safety (Royal Commission), including \$7.8 billion for the residential aged care sector.

The first funding uplift commenced on 1 July 2021, with a \$3.2 billion investment over the next four years (and then ongoing), to support providers to deliver quality care and services through a new Government Basic Daily Fee (BDF) supplement of \$10 per resident per day. To receive the BDF supplement, providers must give an undertaking to report on the delivery and cost of daily services provided, with a particular focus on food and nutrition. From 1 October 2022, this funding will be paid through the AN-ACC funding model.

The AN-ACC will be implemented on 1 October 2022, replacing the current outdated Aged Care Funding Instrument (ACFI) funding model. Under AN-ACC, resident assessments for funding purposes are conducted by specially trained and qualified independent clinical assessors, including physiotherapists, which frees up facility staff to spend more time delivering care rather than completing administrative tasks.

Consistent with the Royal Commission's recommendation 121, under AN-ACC, if the capability of a resident improves, there is no requirement for reassessment and potential reassignment to a lower payment class. This provides an inbuilt financial incentive for aged care providers to invest in restorative care. The AN-ACC also removes the inbuilt incentives that exist within the ACFI to deliver specific allied health treatments that are not necessarily the most clinically appropriate or effective approaches.

With the implementation of AN-ACC, the Government will deliver a further \$3.9 billion funding boost to enable residential aged care providers to meet a new standard of an average of 200 care minutes per resident per day, including 40 minutes per day with a registered nurse. Consistent with Royal Commission recommendation 86, only registered nurses, enrolled nurses and personal care worker time will count towards this 200-minute time standard.

Care minutes will be adjusted according to the casemix assessment of resident need. From a practical perspective, this means that average care minutes may vary between individual facilities and change over time as the resident profile changes. From December 2022, the care minutes reported by providers will inform a star rating for each facility that will be published on the Government's MyAgedCare website. The care minutes standard will become mandatory from 1 October 2023.

Alongside this measure, the Government will collect more detailed information about where aged care providers spend their money, including staffing costs and direct care hours delivered across a range of staffing types, including registered nurses, personal care and allied health. The collection of this data will commence for the 2020–21 financial year and move to quarterly from 1 July 2022. This will give visibility over the use of allied health services during and following the transition to AN-ACC and inform future policy discussions.

It is the responsibility of approved providers to determine how best to meet the care needs of their residents in accordance with their obligations under the *Aged Care Act 1997* and the Quality Standards. This responsibility will continue to apply under AN-ACC. The Government has also provided an additional \$262.5 million to strengthen the regulatory powers and capability of the Aged Care Quality and Safety Commission, to ensure it is equipped to safeguard the quality, safety and integrity of aged care services, and effectively address any failures in care. For more information please visit the Department of Health website at: [www.health.gov.au](http://www.health.gov.au) using the search term 'residential aged care quality and safety'.

There are a range of care and services that aged care homes are required to provide to all residents who need them, detailed under Schedule 1 of the Quality of Care Principles 2014 (Schedule). For instance, under Part 2 (2.8) of the Schedule, providers are required to assist residents in obtaining access to specialised therapy services, including physiotherapy practitioners, whether the arrangements are made by care recipients, relatives or other persons representing the interests of care recipients.

In combination, the package of measures put in place by the Government will support a stronger sector to deliver better care to aged care residents. Further information on the broader reform program, including the schedule of webinar sessions, is also available on the Department's website at: [www.health.gov.au](http://www.health.gov.au).

Thank you for raising this matter.

Yours sincerely

Richard Colbeck



# LLEW O'BRIEN MP

Federal Member for Wide Bay

LO/RH

5 October 2021

Mr Alwyn Blayse

Dear Mr Blayse

I acknowledge receiving your recent email and your advice that Donna Griffin, Occupational Therapist, asked you to contact me about the changes to Aged Care Funding.

I note that you are concerned about the future care of your mother-in-law. I have the utmost respect for our senior Australians and I appreciate the contributions they have made to our great nation. I also acknowledge the difficulties and frustrations faced by families when trying to ensure their senior family members continue to receive the care needed after moving to residential care.

As you are aware, one of the outcomes of the Royal Commission into Aged Care Quality and Safety was the change in the outdated funding model for residential aged care which will come into being from 1 October 2022.

It is the responsibility of approved providers to determine how best to meet the care needs of their residents in accordance with their obligations under the *Aged Care Act 1997* and the Quality Standards. This responsibility will continue to apply under the Australian National Aged Care Classification (AN-ACC). See [Quality Standards | Aged Care Quality and Safety Commission](#)

*There is a range of care and services that aged care facilities are required to provide to all residents who need them, detailed under Schedule 1 of the Quality of Care Principles 2014 (Schedule). For instance, under Part 2 (2.8) of the Schedule, providers are required to assist residents in obtaining access to specialised therapy services, including physiotherapy practitioners, whether the arrangements are made by care recipients, relatives or other persons representing the interests of care recipients.*

The Australian Government is committed to supporting a sustainable high quality aged care sector. The 2021–22 Budget includes a \$17.7 billion package of support for aged care, in response to the final report of the Royal Commission into Aged Care Quality and Safety, including \$7.8 billion for the residential aged care sector. More information can be obtained at [Aged care reforms | Australian Government Department of Health](#).

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From 1 October 2022, the Government will implement a new residential aged care funding model, the Australian National Aged Care Classification (AN-ACC), as a replacement for the outdated Aged Care Funding Instrument (ACFI). Funding provided under AN-ACC will help ensure aged care residents receive the services they need, based on an independent assessment that determines the appropriate level of funding according to this need.

Resident assessments will be conducted by specially trained and qualified independent clinical assessors, including physiotherapists, which frees up facility staff to spend more time delivering care rather than completing administrative tasks. The AN-ACC is underpinned by an explicit incentive for high quality care with a focus on restorative care and reablement.

The AN-ACC also removes the inbuilt incentives within the ACFI to deliver specific allied health treatments that are not necessarily the most clinically appropriate or effective approaches.

With the implementation of the AN-ACC, the Government will deliver a \$3.9 billion funding boost to enable residential aged care providers to meet a new average minimum care standard of 200 minutes per resident per day, based on total personal care worker, enrolled nurse and registered nurse time. An average of 40 minutes of registered nurse time per resident per day will be included as part of the care minute count, and there will also be a requirement for residential aged care facilities to have a registered nurse onsite for 16 hours per day. Care minutes will be adjusted according to the case-mix assessment of resident need. From a practical perspective, this means that average care minutes may vary between individual facilities and change over time as the resident profile changes. This care minutes standard will become mandatory from 1 October 2023.

Alongside this measure, the Government will collect additional information about where aged care providers spend their money, including staffing and direct care costs across a range of staffing types including personal care workers, enrolled nurses, registered nurses and allied health workers. The collection of this data will commence for the 2020–21 financial year and move to quarterly from 1 July 2022. This will give visibility over the use of allied health services, such as physiotherapy, during the transition to AN-ACC and into the future and inform future policy discussions. From December 2022, this information will be used to inform a staffing star rating, allowing senior Australians to easily compare staffing levels between care homes, and improve choice.

From July 2022, providers will also be required to provide a monthly care statement to residents (and their family members), outlining the care they have received, and any significant changes or events during the month.

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The intention of the Government is clear. The Aged Care industry must provide a high standard of care with more emphasis on accountability and ensuring the needs of individual residents are met.

I trust this information is of assistance to you. Please do not hesitate to contact me again if you require me to provide further information or you would like my assistance with any matter under the jurisdiction of the Federal Government.

Yours sincerely,

**LLEW O'BRIEN, MP**

Federal Member for Wide Bay  
Deputy Speaker of the House of Representatives

DOH response to Journalist Bianca Roberts of Aged Care News forwarded to us on 19<sup>th</sup> of October 2021 after she had contacted them in regards to our death of allied health campaign. Her article is here

<https://agedcarenews.com.au/2021/10/18/stakeholders-at-loggerheads-regarding-an-acc-and-future-allied-health-provision-in-aged-care/>

Department of Health Statement:

The claim is incorrect. The Australian National Aged Care Classification (AN-ACC), which has a start date of 1 October 2022, is not removing funding for allied health care.

The AN-ACC determines funding based on the needs of residents through an independent AN-ACC assessment (completed by an independent assessment system contracted by the government consisting of physiotherapists, registered nurses and occupational therapists and other qualified specialists). Unlike the Aged Care Funding Instrument (ACFI), AN-ACC is not prescriptive about the type of treatments that need to be provided to access higher levels of funding. The new funding model enables appropriate treatment, including allied health, to deliver the care that is best aligned to residents needs and goals in accordance with the resident's care plan. This removes the risk of perverse incentives to deliver treatments that are not clinically appropriate in order to maximise funding, such as providing massages for residents with paper-thin skin.

The introduction of the AN-ACC is not changing providers' responsibility and obligation to provide a range of specified care and services to all residents, when they need them. The Schedule of specified care and services contained in the Quality of Care Principles 2014 specifies that If allied health services are required as part of a therapy program, the aged care home is responsible for covering the costs for eligible residents who meet the criteria under the Act. The Australian Government has provided an additional \$262.5 million to strengthen the regulatory powers and capability of the Aged Care Quality and Safety Commission, to ensure it is equipped to safeguard the quality, safety and integrity of aged care services, and effectively address any failures in care.

The introduction of the AN-ACC funding model will also be accompanied by a significant funding uplift of \$3.9 billion to enable residential aged care providers to meet a new average case-mix adjusted minimum care standard of 200 minutes per resident per day, based on total personal care worker, enrolled nurse and registered nurse time. This care minutes standard will become mandatory from 1 October 2023.

The Australian Government is committed to supporting a sustainable high quality aged care sector. The 2021-22 Budget includes a \$17.7 billion package of support for aged care, in response to the final report of the Royal Commission into Aged Care Quality and Safety, including \$7.8 billion for the residential aged care sector.

## RE: Questions about AN-ACC [SEC=OFFICIAL]

Good Afternoon Alwyn,

Thank you for your email dated 31 May 2021.

You will find most of the information you seek in the updated Providers fact sheet on our website. This document is updated periodically as new information comes to light and can be found at <https://www.health.gov.au/resources/publications/an-acc-shadow-assessments-frequently-asked-questions-providers>.

What resources are being made available to facilities and organisations like ours to become familiar with the AN-ACC model and its requirements before it rolls out?

The Department has a website that has current information about the AN-ACC – this website is updated regularly - <https://www.health.gov.au/health-topics/aged-care/aged-care-reforms-and-reviews/residential-aged-care-funding-reform>. In addition, you might also like to subscribe to the 'Information for the Aged Care Sector' newsletter – you can do this by emailing [agedcarecomms@health.gov.au](mailto:agedcarecomms@health.gov.au).

Moving forward the Department will be communicating updates with the sector via a range of mediums.

Can allied health providers such as ourselves tender to provide external AN-ACC assessments and if so when will this tender process start? (we are aware there was a previous tendering process for the shadow assessments)

The Department is currently developing an Implementation Plan for the Streamlined Assessment Workforce which was announced in the 2021-22 Budget. The AN-ACC workforce moving forward will be considered parallel to this process.

Is there any separate dedicated funding in the AN-ACC model put aside for allied health? Or if this the responsibility of homes to fund allied health when needed from existing AN-ACC funding will government have any way of ensuring allied health needed is actually provided?

Under the AN-ACC, assessments are for funding. The care planning, which includes allied health, is still undertaken by the facilities. The AN-ACC model is premised on reablement, which would include allied health services.

Following on from this point do the Aged Care quality standard requirements still exist in an AN-ACC model?

The Aged Care Quality Standards will continue to apply to all Australian Government-funded aged care facilities.

Warm Regards,

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Hi            and team,

You were very helpful answering our questions on the shadow assessment thank you. I wasn't sure who to direct some more questions (see below) about AN-ACC to (see below) if its yourselves?

**Alwyn Blayse BPthy M.A.P.A.**

CEO and Principal Physiotherapist at Allied Aged Care and Blue Ribbon Allied Health

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Hi my name is Alwyn I'm CEO of an allied health company in QLD.

Several of our residential aged care facilities have been coming to us asking about the proposed changes. I found your contact on the AN-ACC info page if there is a better place to direct these questions please let me know.

Can you please assist us with answers to these questions?

1/ Is the AN-ACC definitely starting in October 2022 replacing ACFI as announced in the May federal budget ie on the 1st of October 2022 will there no longer be ACFI and all assessments and funding needs to be through the new AN-ACC model?

2/ What resources are being made available to facilities and organisations like ours to become familiar with the AN-ACC model and its requirements before it rolls out?

3/ Can allied health providers such as ourselves tender to provide external AN-ACC assessments and if so when will this tender process start? (we are aware there was a previous tendering process for the shadow assessments)

4/ Is there any separate dedicated funding in the AN-ACC model put aside for allied health? Or if this the responsibility of homes to fund allied health when needed from existing AN-ACC funding will government have any way of ensuring allied health needed is actually provided?

5/ Following on from this point do the Aged Care quality standard requirements still exist in an AN-ACC model?

Thank you for your time.

Alwyn Blayse  
CEO Blue Ribbon Allied Health and Allied Aged Care