

**Senate Community Affairs Committee**

**ANSWERS TO ESTIMATES QUESTIONS ON NOTICE**

**HEALTH PORTFOLIO**

**Additional Estimates 2015 - 2016, 10 February 2016**

**Ref No:** SQ16-000107

**OUTCOME:** 11 – Ageing and Aged Care

**Topic:** Aged Care Funding Instrument (ACFI)

**Type of Question:** Written Question on Notice

**Senator:** Polley, Helen

**Question:**

- a) Outline the investigations undertaken that have determined providers were not complying with ACFI?
- b) How many providers were found to be non-compliant?
- c) What reasons were found for non-compliance?
- d) How many providers have been found to be deliberately misleading the Department and claiming subsidies inappropriately?
- e) What action has been taken to date?
- f) Please outline how the figure of \$1.2 million was calculated (for revenue from fines)? How many providers does the Department expect to fine?

**Answer:**

- a) In 2014-15, the Department of Health conducted 20,587 reviews of Aged Care Funding Instrument (ACFI) claims made by 643 approved providers, across more than 1,500 Residential Aged Care Facilities (RACFs). These reviews require a provider to provide evidence to support their claims.
- b) Of the 20,587 ACFI reviews conducted in 2014-15, the Department downgraded 2,372 inaccurate claims, resulting in the recovery of overpayments. The Department also upgraded 190 claims. This means 1 in 8 claims reviewed in 2014-15 were not accurate. Since early 2013, formal regulatory action has been taken against nine approved providers.
- c) The reasons for the formal action taken to address non-compliance in relation to the nine providers referred to in question b) have been:
  - i) failure to keep and retain appropriate records;

- ii) failure to conduct appraisals or reappraisals in a proper manner; and
  - iii) failure to submit reappraisals before the appraisal expiry date.
- d) The Department's assesses the accuracy of claims against the ACFI and makes adjustments to subsidy payments if appropriate, as per the response to b).
- e) Five out of the nine approved providers have been required to re-appraise all residents. Four providers were required to demonstrate that they had put in place appropriate systems of record keeping, conducting ACFI appraisals and staff training to rectify the non-compliance.
- f) The Department has not published a figure of \$1.2 million. The Department will only fine providers who have made multiple false claims.