

## Senate Community Affairs Legislation Committee

### BUDGET ESTIMATES – 5-6 JUNE 2014 ANSWER TO QUESTION ON NOTICE

#### Department of Human Services

**Topic:** Aged Care Payments System

**Question reference number:** HS 9

**Senator:** Siewert

**Type of question:** Hansard pages 122-123, 5 June 2014

**Date set by the committee for the return of answer:** 25 July 2014

**Number of pages:** 2

#### **Question:**

Senator SIEWERT: Can you please take on notice the maximum amount an organisation was owed and for what period?

Ms Golightly: Certainly. The amount will not be a problem, but the period of time can be a little difficult because, again, in the normal course of events services are allowed to submit claims for a month several years later. Our system will track the month that claim belongs to. It might have related to March last year, but we may have received it last week. It is a bit hard for us to distinguish between that sort of event, which is a normal event, and ones where we might have been holding the adjustment to make sure it is correct. We will see what we can do.

#### **Answer:**

As at 4 July 2014, there were no eligible home care providers that had not received payments from the department between 1 July 2013 and 30 June 2014.

The department makes monthly advance payments at the beginning of each month to aged care Home Care providers. The monthly advance is based on the claim submitted in a previous month. The advance is then reconciled when the provider submits their monthly claim adjustment for a particular month.

A new payment system for Home Care providers was released in October 2013. Payments have been made; however, there were some system issues during transition to the new system which resulted in delays to the processing of claim adjustments.

To minimise the impact on providers, the department has continued to issue monthly advance payments and make manual priority payments where appropriate.

As specified in section 47-4 (2) of the *Aged Care Act 1997*, the payment of advance payments to Home Care providers is contingent on the receipt by the department of a claim adjustment for the month preceding the previous month. For example, a May advance is only payable if a March claim adjustment has been received by the department. The department has worked with providers to help them submit claim adjustments.

Services may receive additional funding as part of the claim adjustment process. The duration of outstanding funding would depend on when claims are received by the department. To determine the maximum amount of additional funding outstanding and the duration would result in an unreasonable diversion of resources.

While many claim adjustments have been resolved a small number of claim adjustments remain to be finalised. These relate to services for which the department is missing a claim for a particular month, or for which the department needs to clarify information with the service.

The department is working closely with impacted services to clarify issues as soon as possible.