

## **Senate Community Affairs Legislation Committee**

### **BUDGET ESTIMATES – 3 JUNE 2015 ANSWER TO QUESTION ON NOTICE**

#### **Department of Human Services**

**Topic:** Aged Care- payments to providers

**Question reference number:** HS 26

**Senator:** Siewert

**Type of question:** Hansard page 74

**Date set by the committee for the return of answer:** 24 July 2015

**Number of pages:** 1

#### **Question:**

Senator SIEWERT: I will pass that information on. What is the largest amount of money that a provider might be owed at one time?

Ms Golightly: That is very hard to answer. I could take on notice what we could give you. The reason that it is a little difficult to answer right now is because, as Mr Storen mentioned, this whole system is one of an advance payment at the beginning of the month and then a reconciliation at the end. The beginning of the month advance is based on what their end result was for the two months prior to that. It goes up and down. It depends on the size of the provider, the number of recipients they have in their care, and that sort of thing. I am more than happy to take on notice what we could get you to help answer that question.

ACTING CHAIR (Senator Siewert): That would be appreciated, thank you.

#### **Answer:**

The normal process for provider claims is that providers receive an advance at the beginning of each month and this is reconciled when the provider submits their monthly claim adjustment during the following month. The monthly advance amount is calculated based on the claim submitted in the month preceding the previous month. The advance cannot be reconciled until the provider submits their monthly claim adjustment for a particular month. It is normal that as a result of the monthly claim a provider may be in credit or may require an additional payment. These amounts differ for each provider for each month.

It is important to note the payment of advances is contingent on the receipt by the department of a claim adjustment for the month preceding the previous month. The department makes on average approximately 4,800 monthly advance payments each month to aged care providers.