

**Senate Community Affairs Committee**

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH PORTFOLIO

**Supplementary Budget Estimates 2016 - 2017, 19 October 2016**

**Ref No:** SQ16-000530

**OUTCOME:** 6 - Ageing and Aged Care

**Topic:** Aged Care Funding Instrument

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

**Senator:** Siewert, Rachel

**Question:**

The Government has linked the proposed Aged Care Funding Instrument (ACFI) changes to alleged over-claiming by providers. If this is in fact occurring, why doesn't the Department target those who are over-claiming, rather than every provider with residents with complex health care needs?

a) Why not allow time to see if the increased penalties announced in the 2015-16 Mid-year Economic and Fiscal Outlook would achieve the stated objectives?

**Answer:**

Aged Care Funding Instrument (ACFI) funding has grown because of higher than anticipated claims in the Complex Health Care domain which are not attributable to a natural increase in frailty.

The Department of Health (the department) targets approved providers based on analysis of their claiming patterns and ACFI review history. Since April 2016, the department has adjusted its review schedule to increase its focus on providers most at risk of misclaiming and to reduce burden on lower risk providers.

a) The 2015-16 Mid-Year Economic Fiscal Outlook (MYEFO) measure, *Aged Care Provider Funding – improved compliance*, contains a range of elements to strengthen ACFI compliance. The compliance measure has increased recovery of subsidy payment resulting from inaccurate claims, consistent with levels in the measure.