

## **EXPLANATORY STATEMENT**

**Issued by the authority of the Minister for Ageing**

***Aged Care Act 1997***

***Quality of Care Amendment Principles 2009 (No. 1)***

The *Aged Care Act 1997* (the Act) provides for the funding of aged care services. Persons who are approved under the Act to provide residential aged care services (approved providers) can be eligible to receive residential care subsidy payments in respect of the care they provide to approved care recipients.

Subsection 96-1(1) of the Act allows the Minister to make Principles providing for various matters required or permitted by a Part or section of the Act.

The *Quality of Care Principles 1997* (the Quality of Care Principles) is one of the sets of Principles made under the Act.

The purpose of the *Quality of Care Amendment Principles 2009 (No. 1)* (the Amending Principles) is detailed below. The Amending Principles is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.

### ***Quality of Care Amendment Principles 2009 (No. 1)***

A design anomaly in the Aged Care Funding Instrument (ACFI) is causing a number of permanent residents to be classified as requiring high level care when they do not require high level care services. In addition, the level of disagreement between Aged Care Assessment Team (ACAT) assessments and ACFI appraisals has increased, adding to the number of requests for reassessment of residents by ACATs.

The purpose of these Amending Principles is to support changes to the ACFI definition of 'high level of residential care' that will occur from 1 January 2010. The definition of 'high level of residential care' is being changed to ensure aged care homes are not expected to provide nursing care to residents who do not need this level of care. The changes to the definition are being made through the *Classification Amendment Principles 2009 (No. 1)*.

In addition to the changes to the definition, changes are needed to ensure that existing residents whose classification would no longer entitle them to a high level of residential care (because of the changes to the definition) do not face any unexpected increases in costs for services that they are currently eligible to receive at no additional cost. While there may be no need for such residents to be provided with ongoing nursing care, it is possible that they may need some nursing services from time to time. These changes will ensure that, in such cases, residents will continue to be provided with these services at no additional charge, for as long they remain in the same home.

### **Consultation**

The changes to the ACFI arrangements have been the subject of extensive consultations with consumers, approved providers and health professionals through the ACFI Technical

Reference Group, the ACFI Industry Reference Group and the Ageing Consultative Committee.

Details of the amendments to the Quality of Care Principles are set out in the Attachment.

## ATTACHMENT

## NOTES ON CLAUSES

**Clause 1** states that the name of the Amending Principles is the *Quality of Care Amendment Principles 2009 (No. 1)*.

**Clause 2** states that these Amending Principles commence on 1 January 2010.

**Clause 3** states that Schedule 1 amends the *Quality of Care Principles 1997*.

**Schedule 1 Amendments****Item 1**

The Secretary for the Department of Health and Ageing (the Secretary) classifies each permanent aged care resident into one of 65 classifications, based on the resident's level of approval for care (determined by an Aged Care Assessment Team (ACAT)) and on the provider's appraisal of the resident using the ACFI. A resident's classification determines the level of basic subsidy payable in respect of the resident and whether the resident is deemed to require high or low level care.

In order to address a design anomaly in the ACFI (which is causing a number of permanent residents to be appraised as requiring high level care when they do not require high level care services and adding to the number of requests for reassessment of residents by ACATs) changes will be made, from 1 January 2010, to the definition of ***high level of residential care***.

Under the new definition, a classification would entitle a care recipient to a high level of residential care if the ACFI appraisal included:

- (a) a high Activities of Daily Living (ADL) domain category; or
- (b) a high Complex Health Care (CHC) domain category; or
- (c) a domain category of medium or high in at least two of the three domain categories; or
- (d) a high behaviour domain category and either: an ADL domain category other than nil; or a CHC domain category other than nil.

Under the proposed change of definition, some residents who currently receive high level residential care would no longer be eligible for such care and would instead be eligible for low level care.

To ensure that these residents do not lose their current eligibility to receive high care services if needed at no charge, the amendments described at Item 1 are being made to the Quality of Care Principles.

The effect of new paragraph 18.6(3)(d) in Item 1 is that, if a person was eligible for high level residential care on 31 December 2009 but, on or after 1 January 2010, would no longer be eligible (because of the changes to the definition of high level of residential care), then the person will continue to be eligible to receive high care services while the person remains at the same home (and assuming the person is not otherwise re-classified).

The new subsection 18.6(4) clarifies that if initial and on-going assessment, planning and management of care for residents (nursing services as described in Item 3.8 of Part 3 of Schedule 1) is required, it must be carried out by a registered nurse.

There will be no impact on the quality of care provided to residents. Under Quality of Care and Accreditation arrangements, aged care services will continue to be required to provide the full range of nursing services to residents who need this level of care.