

**MEDIA RELEASE**

**17 JUNE 2016**

## **CHA calls for transparency surrounding aged care cuts**

Catholic Health Australia (CHA) fears that financial modelling informing the Turnbull Government's Budget changes to the Aged Care Funding Instrument (ACFI) which target aged care residents with the most complex health care needs significantly underestimates the true impact on aged care services and the care of residents.

Assessments by service providers of the changes are all indicating that they will reduce annual care funding in aged care homes by up to 12%, depending on the care needs of the residents in each home.

"If implemented, cuts of this magnitude will compromise the care of residents that require the most complex nursing care," warned Catholic Health Australia's CEO, Suzanne Greenwood.

"These residents currently benefit from non-pharmaceutical pain management by allied health professionals."

"It would also mean that providers would no longer be able to accept people from hospitals with high complex care needs."

"Such significant cuts to aged care funding would also have a negative impact on the viability of aged care services and add to the volatility and unpredictability in care funding seen under ACFI in recent years. If not addressed, this threatens investment in the quality new services that will be required to care for Australia's ageing population."

"CHA recognises that the government needs to take some action over the much higher than anticipated growth in care funding that has been projected," said Mrs Greenwood.

"Any future ACFI reforms must first be informed by rigorously tested financial assessments otherwise the government risks poorer outcomes for residents in need of complex care as well as their service providers."

"Catholic Health Australia calls on Minister Ley for the timely release of the financial modelling undertaken by the Department of Health of the changes to ACFI, and welcomes Shadow Minister Neumann's support for the release of the modelling."

"Older people are entering residential care from home care with more complex health care needs, which is increasing the cost of providing quality residential care," said Mrs Greenwood.

"It is therefore critical to consumers and providers that these higher costs are recognised and that unpredictability and volatility in the funding of aged care services is avoided."

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“This issue is of particular concern to Catholic not-for-profit providers whose objective is to care for the most vulnerable in our communities,” said Mrs Greenwood.

“The ACFI should enable those with the most complex care needs – some of the most vulnerable of residents – to experience the best possible quality of life. Excessive cuts to care funding would fail our most vulnerable seniors.”

### SNAPSHOT

- Government estimates to reduce ACFI expenditure by approximately \$2 billion over four years to 2019-20.
- Assessments by service providers indicate a potential reduction of annual care funding in aged care homes by up to 12%.
- CHA calls for Minister Ley to release the modelling informing the cuts to the ACFI in order for the sector to review and discuss the financial modelling with government.
- 22% of the population aged over 85 are in residential aged care
- Approximately 23,000 residential aged care beds are operated by CHA’s membership.
- CHA’s members provide services for approximately 18,220 home care and support clients.

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*Catholic Health Australia represents Australia’s largest non-government grouping of hospitals, aged and community care services, providing approximately 10 per cent of hospital and aged care services in Australia, including around 30 per cent of private hospital care as well as approximately 5 per cent of public hospital care.*