

MEDIA RELEASE

29 JUNE 2016

Independent report confirms essential aged care funding to be cut by 11%

Catholic Health Australia (CHA) in partnership with UnitingCare and Aged and Community Services Australia (ACSA) has today released an [independent review](#) that supports fears that the Turnbull Government's changes to the Aged Care Funding Instrument (ACFI), which target older people with the most complex health care needs, will result in funding reductions that will significantly exceed Government estimates.

The review, conducted by Ansell Strategic, was undertaken to assess the impact of the proposed changes to the ACFI on funding and the care of residents. It involved 501 aged care homes and almost 39,000 residents across Australia.

"It has been our concern from the beginning that the ACFI changes designed to pull back on the rate of growth of funding per resident per annum on account of the increasing frailty of residents will cut deeper than intended, and will compromise the ability for the sector to provide for residents in need of the most complex care," said Catholic Health Australia's CEO, Suzanne Greenwood.

"The Report confirms that changes to the ACFI would decrease funding per resident by an average of \$6,655 and reduce funding for aged care homes by 11% on average," said Mrs Greenwood.

"Cuts of this magnitude will result in poorer outcomes for frail older Australians in need of the most complex nursing care and pain management needs."

The proportion of aged care residents living with chronic and complex health conditions has been increasing in recent years as the increased availability of home care has enabled more people to remain living at home longer.

"With the availability of home care set to double to 140,000 places over the next five years, the average frailty of aged care residents is expected to increase even further," said Mrs Greenwood.

"Yet over the next four years, the Government's estimates assume frailty will increase by only 1.5% per annum compared with trend frailty growth of 3% per annum."

PAGE 1/2

MEDIA RELEASE

PAGE 2/2

“Catholic Health Australia has called on Minister Ley to [release the financial modelling](#) that has informed the changes to ACFI and calls on the next Government not to proceed with the changes until their impact on care and funding have been fully and transparently assessed.”

“If residents requiring the most complex care are to be protected, any reforms to the ACFI must first be rigorously tested,” said Mrs Greenwood.

SNAPSHOT

- [New Report](#) indicates Government cuts to ACFI will reduce funding per resident on average by \$6,655 and reduce funding for aged care homes by 11% on average.
- The cuts target residents with the most complex health care needs.
- CHA [calls for Minister Ley to release the financial modelling](#) of the ACFI changes and not to proceed with the changes until their impact on care and funding have been fully and transparently assessed.
- 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.