

ACS Finance Symposium

Budget consequences on the evolution of
aged care in Australia

Sydney, 22 June 2016



The battle continues

Year	Revenue	Profit
2010	\$1.2B	\$0.1B
2011	\$1.3B	\$0.2B
2012	\$1.4B	\$0.3B
2013	\$1.5B	\$0.4B
2014	\$1.6B	\$0.5B
2015	\$1.7B	\$0.6B
2016	\$1.8B	\$0.7B
2017	\$1.9B	\$0.8B
2018	\$2.0B	\$0.9B
2019	\$2.1B	\$1.0B
2020	\$2.2B	\$1.1B






Budget Cuts

What has changed ?




What are the implications?





\$1.8 billion clawed back over the next 4 years, focusing on complex care domain



Proposed changes to ACFI funding instrument projected in cuts in excess of \$350 million

Critical impacts that will follow if the proposed changes to Complex Care funding:



- Sector Investment and Viability



- Displacement of Residents with Chronic Disease and High Care Needs



- Treatment of Suffering

RESPONSE

1

M & A

2

Political Impacts

Development Planning

3

The big picture reality

4



Budget Cuts

What has changed ?

\$1.8 billion clawed back over the next 4 years, focusing on complex care domain

Proposed changes to ACFI funding instrument projected in cuts in excess of \$350 million

What are the implications?

Critical impacts that will follow if the proposed changes to Complex Care funding:



• Sector Investment and Viability

• Displacement of Residents with Chronic Disease and High Care Needs



• Treatment of Suffering

RESPONSE

M & A

1

2

3

4

Political Impact

Development Planning

The big picture reality

Roles & Responsibilities

Government

Allocate limited budget based on client need

Create an instrument that apportions, and limits, available funds

Adjust model when it proves to costly

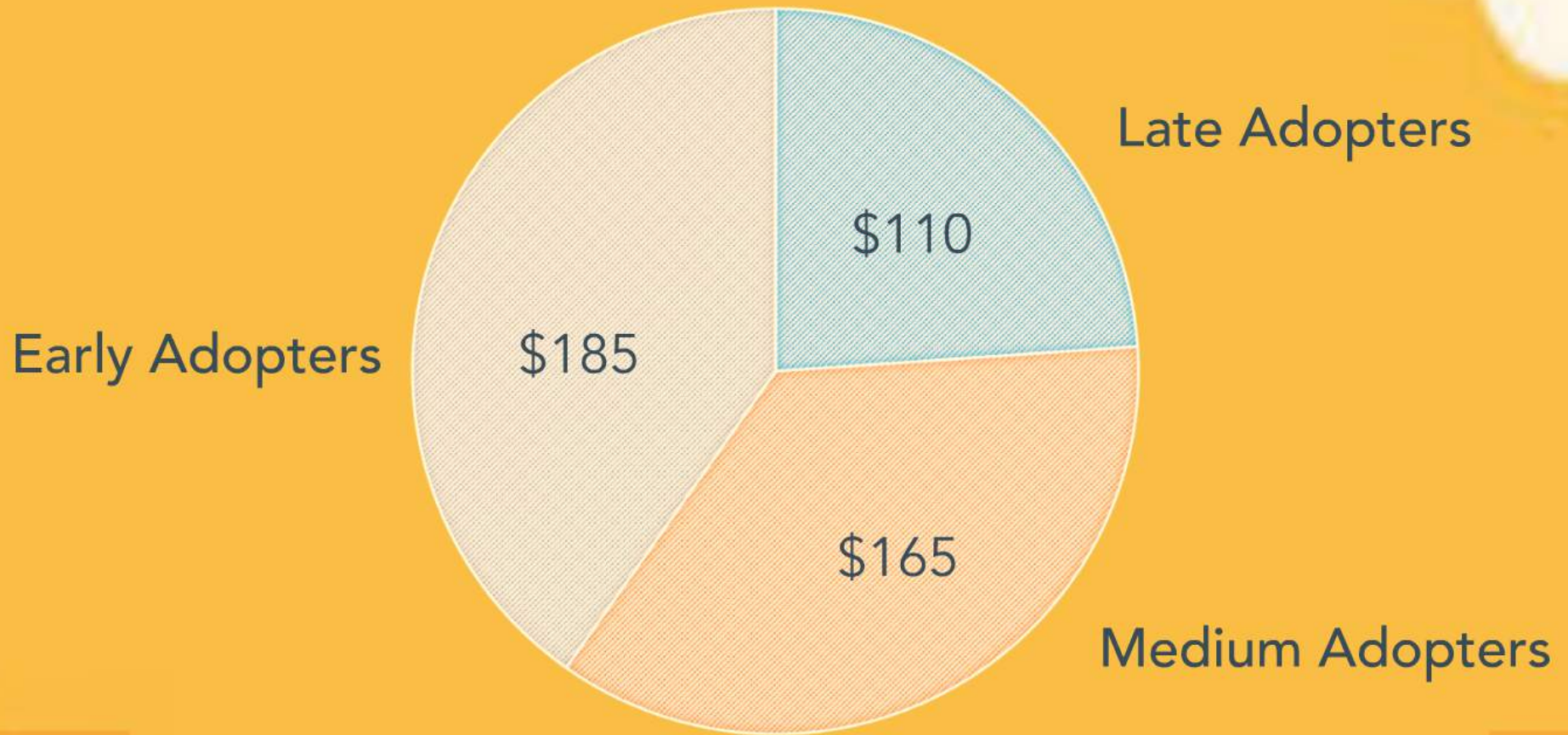
Providers

Maximise funding to meet client need

Learn the instrument to fund operations

Mitigate losses - Instrument and consumers

ACFI Claim Groups





So what happens when the Budget breaks ?



The Government has increased estimates for residential aged care funding by \$3.5 billion over 5 years

ACFI Claiming



Budget Expectations

Government

Contain Costs

Adjust Instrument

Argue "Over claiming"

Eventually concede new instrument

Bank savings and delay

Providers

Maximise funding

Protest / Present damage

Demonstrate otherwise

Adjust to survive under old one

Unite and fight for change

If the instrument is to change.
What sort of instrument do we want ?

Simple



Complex



What other
concession/
changes are
needed?



The battle continues

Maximise current funding to meet resident needs

Early Adopters

- Review ALL resident claims at least annual
- Review existing admission/resident selection criteria
- Undertake cost-benefit analysis of allied health services
- Consider expansion of Carer led pain treatments if they result in increased claims
- Implement additional needs services that result in increased services to residents that pay

Moderate Adopters

- Review ALL resident claims at least annually
- Undertake cost-benefit analysis of allied health services
- Review complex care treatments and review effectiveness of treatment. Consider ceasing treatment if not benefiting resident
- Consider allied health efficiency processes to maximise client contact time of PT/OT
- Consider expansion of Carer led pain treatments if they result in increased claims
- Consider expansion of 4B program in lieu of 4A treatments after cost analysis

Late Adopters

- Review ALL resident claims at least annually
- Focus on education of staff towards assessment of assessed needs for ACL claims
- Increase education and completion of behaviour charts to maximise behaviour claims
- Consider implementation of Carer led pain treatment program
- Consider expansion of 4B program in lieu of 4A treatments after cost analysis

THE AUSTRALIAN 

17 June 2016

More than \$1.5 billion of aged-care savings banked by both the Coalition and Labor are likely to be stalled in the Senate because the Greens and Nick Xenophon's party oppose the measures while they remain independent of "serious reform".



Budget 2016 ACFI Survey

UnitingCare have engaged Ansell Strategic to provide an estimate of the impact on frail people in their care.

The report produced from the review will be used to encourage the Government to review its approach. Ansell Strategic will present practical solutions to establish a more sustainable funding system.

Early Adopters

- Review ALL resident claims at least annual
- Review existing admission/resident selection criteria
- Undertake cost-benefit analysis of allied health services
- Consider expansion of Carer led pain treatments if they result increased claims
- Implement additional needs services that result in increased services to residents that pay

Moderate Adopters

- Review ALL resident claims at least annually
- Undertake cost-benefit analysis of allied health services
- Review complex care treatments and review effectiveness of treatment. Consider ceasing treatment if not benefiting resident
- Consider allied health efficiency processes to maximise client contact time of PT/OT
- Consider expansion of Carer led pain treatments if they result in increased claims
- Consider expansion of 4B program in lieu of 4A treatments after cost analysis

Late Adopters

- Review ALL resident claims at least annually
- Focus on education of staff towards assessment of assessed needs for ADL claims
- Increase education and completion of behaviour charts to maximise behaviour claims
- Consider implementation of Carer led pain treatment program
- Consider expansion of 4B program in lieu of 4A treatments after cost analysis.

The battle continues

Maximise current funding to meet resident needs

Early Adopters

- Review ALL resident claims at least annual
- Review existing admission/resident selection criteria
- Undertake cost-benefit analysis of allied health services
- Consider expansion of Carer led pain treatments if they result in increased claims
- Implement additional needs services that result in increased services to residents that pay

Moderate Adopters

- Review ALL resident claims at least annually
- Undertake cost-benefit analysis of allied health services
- Review complex care treatments and review effectiveness of treatment. Consider ceasing treatment if not benefiting resident
- Consider allied health efficiency processes to maximise client contact time of PT/OT
- Consider expansion of Carer led pain treatments if they result in increased claims
- Consider expansion of 4B program in lieu of 4A treatments after cost analysis

Late Adopters

- Review ALL resident claims at least annually
- Focus on education of staff towards assessment of assessed needs for ADL claims
- Increase education and completion of behaviour charts to maximise behaviour claims
- Consider implementation of Carer led pain treatment program
- Consider expansion of 4B program in lieu of 4A treatments after cost analysis



THE AUSTRALIAN

17 June 2016

More than \$1.5 billion of aged-care savings banked by both the Coalition and Labor are likely to be stalled in the Senate because the Greens and Nick Xenophon's party oppose the measures while they remain independent of "serious reform".



Budget 2016 ACFI Survey

UnitingCare have engaged Ansof Strategic to provide an estimate of the impact on frail people in their care.

The report produced from the review will be used to encourage the Government to review its approach. Ansof Strategic will present practical solutions to establish a more sustainable funding system.

17 June 2016

More than \$1.5 billion of aged-care savings banked by both the Coalition and Labor are likely to be stalled in the Senate because the Greens and Nick Xenophon's party oppose the measures while they remain independent of "serious reform".



Budget 2016 ACFI Survey

UnitingCare have engaged Ansell Strategic to provide an estimate of the impact on frail people in their care.

The report produced from the review will be used to encourage the Government to review its approach. Ansell Strategic will present practical solutions to establish a more sustainable funding system.



The battle continues

Category	Value
Category 1	Value 1
Category 2	Value 2
Category 3	Value 3



ACS Finance Symposium

Budget consequences on the evolution of
aged care in Australia

Sydney, 22 June 2016