

**The Hon Ryan Park MP**  
Minister for Health  
Minister for Regional Health  
Minister for the Illawarra and the South Coast



Ref: M23/3605

Mr David Tune AO PSM  
Chair  
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**Consultation Paper – Pricing Framework for Australian Residential Aged Care Services 2024-25**  
(your ref: D23-12137)

Dear Mr  Tune

Thank you for the opportunity to comment on the Independent Health and Aged Care Pricing Authority's *Consultation Paper on the Pricing Framework for Australian Residential Aged Care Services 2024-25*.

I have attached NSW Health's submission. Key issues raised in the NSW submission relate to the Australian National Aged Care Classification (AN-ACC), residential aged care pricing advice, and adjustments to the recommended residential aged care price.

NSW notes AN-ACC is still an immature classification. The attached submission details concerns that the AN-ACC does not adequately cover all residents that the classification is designed for. This may result in funding gaps and impact care. There is an urgent need to take a holistic approach to aged care funding in its entirety to prevent unintended real-world consequences on equity of access and care quality.

Thank you again for writing. For more information, please contact Jacqueline Worsley, Executive Director, Government Relations Branch, Ministry of Health, at  or on .

Yours sincerely  


**Ryan Park MP**  
Minister for Health  
Minister for Regional Health  
Minister for the Illawarra and the South Coast

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# Independent Health and Aged Care Pricing Authority

## Consultation Paper on the Pricing Framework for Australian Residential Aged Care Services 2024–25

### NSW Health Response

NSW Health's responses below are made with reference to the relevant sections of the Independent Health and Aged Care Pricing Authority's (IHACPA) *Consultation Paper on the Pricing Framework for Australian Residential Aged Care Services 2024–25* (Consultation Paper). A summary of requests and recommendations from NSW Health is also outlined at Appendix A.

#### General comments

NSW Health notes that the scope of the Consultation Paper is limited to the aged care cost component. While this is the remit of IHACPA, there is a severe risk of siloing aged care funding components without a holistic policy and funding appraisal, with no thorough oversight of the overall aged care funding formula. This siloing has real world consequences as pricing methodologies impact fees and charges to individual residents, interaction with means and asset testing, approaches to concessional patients and how a residential aged care facility (RACF) accepts potential residents. For example, as detailed below, higher funding for permanency versus respite under the Australian National Aged Care Classification (AN-ACC) can lead to favoured intake of permanent residents over respite applications, noting that RACFs as businesses are under no obligation to accept residents on a first come first served basis and can therefore prioritise on the basis of funding.

Impacts on access to allied health services, access to RACFs for patients with complex needs, and the absence of consideration of non-care components that are integral to high care quality, are also of considerable concern. Work on, and limitations of, the care cost component only will impact service availability, service models and equity of access. RACFs must be remembered as a person's home.

NSW Health requests that for areas out-of-scope for IHACPA's costing and pricing advice for residential aged and residential respite care, IHACPA specify which entity is responsible for each area for transparency purposes. The consequences of component siloing and impacts of IHACPA's work on the care cost component must be discussed at the Interim Aged Care Working Group. The context provided is essential to understand the implication of the pricing policy and impacts on residents.

#### 1. Introduction

##### 1.4 Pricing hospital and other aged care services

The Consultation Paper outlines the passage from the *Aged Care and Other Legislation Amendment (Royal Commission Response) Act 2022* which saw the transfer of functions from the Aged Care Pricing Commissioner to IHACPA (pg. 7). The paragraph also states that IHACPA are responsible for approval of prices for residential aged care accommodations and extra services, however this is out of scope for this paper. NSW Health is concerned the complex breakdown of residential aged care funding into fragmented segments is at risk of inappropriate and disjointed funding, resulting in inadequate care. Clarification is required on mitigation strategies to prevent this from occurring.

NSW Health seeks clarification why the approval of prices for residential aged care accommodation and extra services functions are not in scope for this Consultation Paper. These areas are integral to providing safe and high-quality care.

##### 1.5 Out-of-scope areas

NSW Health reiterates IHACPA include details for which entity is responsible for each out-of-scope area for transparency purposes.

#### 2. Principles for activity based funding in aged care

Consultation Question:

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Question 1: What, if any, changes do you suggest IHACPA consider for the residential aged care pricing principles?

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There are concerns the residential aged care pricing principles are only applied to a limited scope, leading to disjointed costing and pricing advice. NSW Health recommends the following principles undergo further development to ensure transparency and accountability is practiced when making policy decisions and providing pricing advice, for the reasons outlined below.

Principle: Access to Care

- Noting the AN-ACC is an immature classification, there is an increased risk that residential aged care providers are disincentivised to accept older residents with complex needs, for example dementia and those requiring restrictive practices that limit a resident's rights or freedom of movement.
- NSW Health recommends this principle is made more explicit, and how equity of access should occur regardless of complexity and location. Special considerations may be required to ensure equitable access for residents in regional, rural or remote areas.

Principle: Fairness

- Pricing differences for respite and permanent care can lead to inequities in RACF acceptance. There have been reports that RACFs accept permanent applications over respite, as the financial payment for permanency is higher. This can impact hospital discharge for people seeking a respite bed.
- NSW Health recommends all principles associated with pricing are reviewed and linked to ensure a holistic approach is undertaken to encourage RACFs to receive respite patients.

Principle: Promoting harmonisation and Person-centred design

- The AN-ACC is largely focused on individual care minutes provided by nursing staff and does not take into consideration multi-disciplinary care and care delivered by allied health practitioners, both of which are frequently required.
- The AN-ACC does not have mandatory activity reporting requirements for the delivery of allied health services to residents. NSW Health is concerned allied health funding may be insufficient, resulting in limited or no access to allied health services for residents.
- NSW Health strongly recommends IHACPA implement an incentive for RACFs to provide all levels of allied health services.

### **3. The Australian National Aged Care Classification funding model**

With regard to the AN-ACC structure and classes:

- There is limited appreciation in the classification system for people with behavioural issues and or cognitive decline who may be actively mobile.
- With the mandated minimum care time requirement per resident, high care quality should not decrease. Providers should incentivise meeting the minimum requirements to ensure residents receive safe and high-quality care.

There are multiple classifications within the aged care system, including for respite care and default classes, which may create confusion. NSW Health recommends IHACPA amalgamate aged care classifications to one single classification to cover all residents across RACFs.

Clarification is required on the timeframe for when the AN-ACC will move to a more mature classification.

#### **3.1 Residential aged care**

**Consultation Question:**

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Question 2: Do the current AN-ACC classes group residents in a manner that is relevant to both care and resource utilisation? (that is, require the same degree of resources to support their care delivery). What evidence is there to support your answer?

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The AN-ACC classification subsidy is derived through independent assessment, however weightings for 'behaviours' is unclear. Residents with dementia and/or psychosocial disabilities often have complex needs that require additional resources that are not adequately reflected or funded under the AN-ACC model. For instance, a resident who has limited mobility or is "bed bound", with full nursing care is often assessed as Class 12 or 13. A high needs dementia resident who is fully mobile but may require one to two staff at all times to reduce the risk of significant harm to themselves or others due to ongoing behaviours is often assessed as a Class 7 or 8. Therefore, behaviours of concern require a higher level of staffing with specialised skills.

Feedback from across NSW Local Health Districts consistently note that care required to support older people with disabilities, such as symptoms associated with Behavioural and Psychological Symptoms of Dementia (BPSD), mental illness and other forms of psychosocial disability that affect mood and functioning, is not adequately understood or funded under the AN-ACC model.

NSW Health notes the Commonwealth advice for funding of allied health services to residents was rolled over from the Aged Care Funding Instrument to the new funding model<sup>1</sup>. It is unclear if the previous funding adequately met the allied health needs of residents, and there is no requirement in the current model to provide particular allied health services or a specified quantum. NSW Health recommends the classification and funding model better reflect allied health needs and targets.

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**Consultation Question:**

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Question 3: What, if any, factors should IHACPA consider in future reviews of the AN-ACC classes?

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The AN-ACC is currently not fit-for-purpose, it does not cover all residents that it is designed for. NSW Health recommends consideration of the following factors in future reviews of the AN-ACC classes:

- Incentivising aged care providers to accept residents with higher care needs. This includes older people with complex behaviours associated with dementia, BPSD or mental illness, those who are at greater falls risks, and bariatric people. This cohort of older people often remain in hospital longer than clinically necessary, due to reduced placement options in residential aged care.
- Reflection of additional equipment and personal and/or technological support required by complex residents, or residents who are physically well but present risks to themselves or others due to cognitive impairment or other psycho-social behaviours.
- A quality, serious and adverse events adjustment with a positive indicator for reporting of serious and adverse events to encourage good governance.
- Cultural and linguistically diverse (CALD).

### 3.1.3 Costing data

There are concerns the Residential Aged Care Costing Study (RACCS) results will not be an adequate representation for all provider groups due to the exceedingly small sample size and that the majority of RACFs involved in the RACCS are from major cities (Modified Monash Model [MMM] rating of 1).

Clarification is required on IHACPA's risk mitigation strategies for reliably priced services given there is not a representative sample of RACFs. This includes how will IHACPA ensure the cost to funding ratio is understood and made transparent for facilities that do not participate.

### 3.1.4 Pricing

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<sup>1</sup> [How allied health care is supported under AN-ACC](#)

NSW Health seeks clarification of the adjustment component of the national weighted activity unit (NWAU). This is defined as an adjustment for transitioning a permanent resident into a service, however 1.5 *Out-of-scope areas* of the Consultation Paper lists transition costs as out-of-scope.

NSW Health recommends IHACPA refer to the NWAU as the AN-ACC price weights to avoid confusion with the public hospital NWAU and price.

### 3.1.5 Care requirements

There are concerns the minimum minute requirement may encourage minimum care effort, substantial gaming practices and inaccurate reporting. These risks will prevent self-limitation by the classification. NSW Health requests further details on this requirement, and mitigation strategies to overcome these concerns.

#### Consultation Question:

Question 4: Are there any other legitimate or unavoidable costs associated with a permanent resident's stage of care? For example, entry into or departure from a service.

NSW Health recommends periods of isolation due to outbreaks, such as gastroenteritis, is considered as a legitimate or unavoidable cost. During an outbreak, RACFs roster on additional staff to assist with containing an outbreak and to adhere to strict infection control practices.

### 3.2 Residential respite care

NSW Health notes residential respite residents will be assessed through an Assessment Management Organisation who uses a modified de Morton Mobility Index (DEMMI) assessment tool. NSW Health is concerned DEMMI is heavily functionally based, does not consider behavioural aspects when classifying residential respite residents, and will not capture additional supports and resources required to assist the resident.

#### Consultation Question:

Question 5: Are there any other legitimate or unavoidable costs associated with a respite resident's stage of care? What evidence is there to support your answer?

NSW Health recommends periods of isolation due to outbreaks are also considered as a legitimate or unavoidable cost for respite care.

## 4. Developing aged care pricing advice

### 4.1 Residential aged care price definition and scope

NSW Health reiterates concern for the isolation and fragmentation of residential aged care pricing. The complex breakdown of different funding elements put residents largely at risk of receiving inadequate care. A holistic approach should be undertaken when pricing residential aged care to avoid any consequences to the resident.

Clarification is required on whether payments to RACFs for residents admitted to hospital will continue or suspend for the duration of the admission. NSW Health recommends the model balance incentives to assist with minimising the transfer of patients to hospitals if not clinically appropriate and would welcome further discussions with jurisdictional health systems on this.

NSW Health recommends IHACPA consider addressing challenges of pricing both profit and not-for-profit RACFs and whether the price should include aspects to maximise quality of life, for example a dementia patient who is too combative to be taken outside of the RACF for services such as hairdressing, should have these services funded under the price.

### 4.2 What the residential aged care price covers

NSW Health seeks clarification on whether:

- the aged care price is intended to cover actual cost or efficient cost
- consideration has been given to including teaching and training costs and the process for collecting this data

- there are alternative sources of information to understand the costs incurred by providers, changes in these costs over time, and the drivers of these costs other than the RACCS. NSW Health is concerned the RACCS may not provide a sufficient representation due to the voluntary nature of the costing study.

## 4.4 Indexation

### Consultation Question:

Question 6: What, if any, considerations should IHACPA seek to review in its indexation methodology for its residential aged care pricing advice?

NSW Health recommends IHACPA apply learnings from the challenges of escalation in the national efficient price and national efficient cost models.

IHACPA has acknowledged that cost data lag creates gaps between cost and price with respect to wage adjustments. This cost data lag also creates a gap when historic data do not reflect more recent cost increases. It is recommended IHACPA minimise the cost to price data lag where possible, for instance two years instead of three.

The indexation methodology should be reflective of aged care costs faced by providers and the complexity of the operating environment. Indexation needs to adequately cover the Consumer Price Index (CPI) for goods and services, staff salary and wages, overtime, inflation and price shocks around energy. The inflation for the basic services in RACFs increases at a rate greater than the average CPI. To attract RACF staff, wages are paid at a higher rate than what they are accommodated for in the basic service amounts. Casual staffing rates are even higher.

NSW Health seeks clarification on why IHACPA accept different forms of evidence for consideration in the indexation methodology between public hospital and residential aged care funding.

## 5. Adjustments to the recommended price

### 5.1 Approach to adjustments

There are significant costs associated with remote and very remote residential aged care service provisions. The MMM rating to measure remoteness and population size can be inadequate, leading to funding gaps for the provision of equitable, safe and high-quality care. For instance, Southern Cross Care RACFs in Broken Hill, NSW, has an MMM rating of 3, however these RACFs have experienced ongoing chronic workforce shortages, impacting bed availability and the uptake of new residents. All surrounding regions of Broken Hill are listed as MMM 5-7, NSW Health advises the MMM rating for Broken Hill is not a reflection of its actual remoteness and recommends an adjustment for Broken Hill is applied or implementing a tiered pricing arrangement as used by the NDIS to accommodate for these costs as an adjustment. The NDIS pricing arrangement implements a tiered pricing approach for enrolled nurses, registered nurses and clinical nurses with varying price limits for national, remote and very remote areas.

### 5.2 Adjusting for factors related to people receiving care

In response to the 2022/23 *Towards an Aged Care Pricing Framework Consultation Paper*, stakeholders recommended adjustments for residents with dementia and cognitive impairments, complex care requirements, specialised equipment, and residents with specific needs. NSW Health requests IHACPA clarify how these suggested adjustments have been assessed. In the interim while suggested adjustments for residents who require specialised services are applied, it is recommended that IHACPA implement the frailty indexation.

### Consultation Question:

Question 7: What, if any, additional cost variations are associated with the provision of care to residents who require specialised services? What evidence is there to support this?

The AN-ACC appears to reward providers whose resident cohort has limited or no mobility. There is insufficient recognition for residents with cognitive impairment, challenging behaviours and dementia. Weightings will need adjustments or additional payments for such residents.

Residents who are mobile with cognitive issues/dementia with behavioural aggressive issues are not appropriately reflected. This cohort may require more specialised residential aged care services, with additional costs to providers

for higher staff-to-resident ratios, more specialised staff, additional education and training for staff, and purpose-built or fit-for-purpose environments. These services are effective strategies implemented by staff to support the reduction in use of psychotropic medications.

NSW Health recommends the following adjustments with evidence found in resident and service plans:

- Costs associated with assistive technology for some residents – for example, bariatric equipment or specialised wheelchairs that enhance independent mobility.
- Needs to support activities of daily living, continence needs, complex wound and pain management, pre-existing disabilities, and requirements to address these.
- Consideration for residents with limited family support to assist with transport and social outings.
- Frailty and chronic conditions.
- CALD supports and care.

NSW Health requests IHACPA undertake analysis to identify facilities that present higher costs compared to modelled data. IHACPA should investigate the differences to identify if there are resident or provider characteristics that are likely driving the cost variance. This data will provide a basis for other potential adjustments.

### 5.3 Adjusting for unavoidable service factors

NSW Health agrees that the activity based funding model should be impartial of provider business and financial structures. Clarification is required on how IHACPA will ensure this occurs if it has not received a representative costing sample and cost transparency from providers.

#### Consultation Question:

Question 8: What, if any, care-related costs are impacted by service location that are not currently addressed in the BCT weighting?

Rurality and remoteness do not appear to have been adequately addressed through the AN-ACC. RACFs located in rural and remote parts of Australia have had longstanding financial viability issues. This issue has been amplified over the past 12 months, with many instances of aged care facilities closing, announcing closure, or reducing their operating bed base.

These RACFs also experience funding gaps, under resourcing and workforce shortages and/or fatigue, leading to the insufficient provision of services. There are financial challenges to access diagnosis and resident transport requirements for regional, rural and remote residents. This situation is exemplifying the role played by state and territory health systems as unfunded aged care providers of last resort.

NSW Health recommends the AN-ACC is modified to account for the increased supports required for rural and remote RACFs.

#### Consultation Question:

Question 9: What, if any, evidence or considerations will support IHACPA's longer-term development path for safety and quality of AN-ACC and its associated adjustments?

NSW Health supports funding safety and quality improvement initiatives that improve resident care. Clarification is required on the timeframe for incorporating safety and quality adjustments.

NSW Health recommends implementing strong reporting for quality and safety issues identified with a price adjustment to incentivise both ways.

Considerations for safety and quality adjustments include:

- prevalence of pressure ulcers
- falls
- care plans in place
- food and malnutrition

- care in place / reduction in avoidable hospitalisations
- transfer to emergency departments for care that does not result in an admission to a hospital
- patient experience through patient, family or carer reported measures.

## 6. Priorities for future developments

### 6.1 Multi-Purpose Services

#### Consultation Question:

Question 10: How could, or should the AN-ACC model be modified to be used for MPS and are there any factors that aren't accounted for under the AN-ACC model?

NSW Health supports in-principle the *exploration* of extending the AN-ACC or a modified version of the AN-ACC to fund Multi-Purpose Sites (MPSs). However, the funding model implemented must ensure states and territories recover the full cost of aged care services delivered on behalf of the Commonwealth.

Any output analysis undertaken will need to be consulted with states and territories through the Interim Aged Care Working Group.

### 6.2 National Aboriginal and Torres Strait Islander Flexible Aged Care Program

#### Consultation Question:

Question 11: How could, or should the AN-ACC model be modified to be used for NATSIFACP and are there any factors that aren't accounted for under the AN-ACC model?

NSW Health welcomes the funding of the National Aboriginal and Torres Strait Islander Flexible Aged Care Program (NATSIFACP) through the AN-ACC and recommends IHACPA implement evidence based Indigenous specific tools when modifying the AN-ACC for NATSIFACP.



## Appendix A: NSW requests and recommendations – see submission for full comments

Section / Question	Request / Recommendation
General comments	NSW Health requests that for areas out-of-scope for IHACPA's costing and pricing advice for residential aged and residential respite care, IHACPA specify which entity is responsible for each area for transparency purposes.
1.4 Pricing hospital and other aged care services	Clarification is required on mitigation strategies to prevent inadequate care being delivered from disjointed and fragment pricing.
1.4 Pricing hospital and other aged care services	Clarification is required for why the approval of prices for residential aged care accommodation and extra services functions are not in scope for this Consultation Paper noting these areas are integral to providing safe and high-quality care.
1.5 Out-of-scope areas	NSW Health recommends IHACPA include details for which entity is responsible for each area for transparency purposes.
Question 1	NSW Health recommends the following principles undergo further development to ensure transparency and accountability is practiced when making policy decisions and providing pricing advice, for the reasons outlined in the main submission.  <u>Principle: Access to Care</u>  <u>Principle: Fairness</u>  <u>Principle: Promoting harmonisation and Person-centred design</u>
3. The Australian National Aged Care Classification funding model	NSW Health recommends IHACPA amalgamate all classifications to one single classification to cover all residents across RACFs.
3. The Australian National Aged Care Classification funding model	NSW Health seeks clarification on the timeframe for when AN-ACC will move to a more mature classification.
Question 2	NSW Health recommends the classification and funding model better reflect allied health needs and targets.

Question 3	<p>NSW Health recommends consideration of the following factors in future reviews of the AN-ACC classes:</p> <ul style="list-style-type: none"> <li>• Incentivising aged care providers to accept residents with higher care needs. This includes older people with complex behaviours associated with dementia, BPSD or mental illness, those who are at greater falls risks, and bariatric people. This cohort of older people often remain in hospital longer than clinically necessary, due to reduced placement options in residential aged care.</li> <li>• Reflection of additional equipment and personal and/or technological support required by complex residents or residents who are physically well but present risks to themselves or others due to cognitive impairment or other psycho-social behaviours.</li> <li>• A quality, serious and adverse events adjustment with a positive indicator for reporting of serious and adverse events to encourage good governance.</li> <li>• CALD.</li> </ul>
3.1.3 Costing data	<p>Clarification is required on IHACPA's risk mitigation strategies for reliably priced services given there is not a representative sample of RACFs. This includes how will IHACPA ensure the cost to funding ratio is understood and made transparent for facilities that do not participate.</p>
3.1.4 Pricing	<p>NSW Health seeks clarification of the adjustment component of the NWAU. This is defined as an adjustment for transitioning a permanent resident into a service, however <i>1.5 Out-of-scope areas</i> of the Consultation Paper lists transition costs as out-of-scope.</p> <p>NSW Health recommends IHACPA refer to the NWAU as the AN-ACC price weights to avoid confusion with the public hospital NWAU and price.</p>
3.1.5 Care requirements	<p>NSW Health requests further details on this requirement, and mitigation strategies to overcome risks associated with unsafe care due to a minimum minute requirement.</p>
Question 4	<p>NSW Health recommends periods of isolation due to outbreaks, such as gastroenteritis, is considered as a legitimate or unavoidable cost. During an outbreak, RACFs roster on additional staff to assist with containing an outbreak and to adhere to strict infection control practices.</p>
Question 5	<p>NSW Health recommends periods of isolation due to outbreaks are also considered as a legitimate or unavoidable cost for respite care.</p>
4.1 Residential aged care price definition and scope	<p>Clarification is required on whether payments to RACFs for residents admitted to hospital will continue or suspend for the duration of the admission.</p> <p>NSW Health recommends the model balance incentives to assist with minimising the transfer of patients to hospitals if not clinically appropriate and would welcome further discussions with jurisdictional health systems on this.</p> <p>NSW Health recommends IHACPA consider addressing challenges of pricing both profit and not-for-profit RACFs and whether the price should include aspects to maximise quality of life, for example a dementia patient who is too combative to be taken outside of the RACF for services such as hairdressing, should have these services funded under the price.</p>

4.2 What the residential aged care price covers	<p>NSW Health seeks clarification on whether:</p> <ul style="list-style-type: none"> <li>the aged care price is intended to cover actual cost or efficient cost</li> <li>there are alternative sources of information to understand the costs incurred by providers, changes in these costs over time, and the drivers of these costs other than the RACCS. NSW Health is concerned the RACCS may not provide a sufficient representation due to the voluntary nature of the costing study.</li> </ul>
Question 6	<p>NSW Health recommends IHACPA apply learnings from the challenges of escalation in the national efficient price and national efficient cost models.</p> <p>NSW Health seeks clarification on why IHACPA accept different forms of evidence for consideration in the indexation methodology between public hospital and residential aged care funding.</p>
5.1 Approach to adjustments	<p>NSW Health recommends an adjustment for Southern Cross Care RACFs in Broken Hill, NSW, is applied or implementing a tiered pricing arrangement as used by the NDIS to accommodate for these costs as an adjustment.</p>
5.2 Adjusting for factors related to people receiving care	<p>NSW Health requests IHACPA clarify how the suggested adjustments have been assessed. In the interim while suggested adjustments for residents who require specialised services are applied, NSW Health recommends IHACPA implement the frailty indexation.</p>
Question 7	<p>NSW Health recommends the following adjustments with evidence found in resident and service plans:</p> <ul style="list-style-type: none"> <li>Costs associated with assistive technology for some residents – for example, bariatric equipment or specialised wheelchairs that enhance independent mobility.</li> <li>Needs to support activities of daily living, continence needs, complex wound and pain management, pre-existing disabilities, and requirements to address these.</li> <li>Consideration for residents with limited family support to assist with transport and social outings.</li> <li>Frailty and chronic conditions.</li> <li>CALD supports and care.</li> </ul> <p>NSW Health requests IHACPA undertake analysis to identify facilities that present higher costs compared to modelled data. IHACPA should investigate the differences to identify if there are resident or provider characteristics that are likely driving the cost variance. This data will provide a basis for other potential adjustments.</p>
5.3 Adjusting for unavoidable service factors	<p>NSW Health seeks clarification on how IHACPA will ensure [the ABF model is impartial of provider business and financial structures] if it has not received a representative costing sample and cost transparency from providers.</p>
Question 8	<p>NSW Health recommends the AN-ACC is modified to account for the increased supports required for rural and remote RACFs.</p>
Question 9	<p>NSW Health supports funding safety and quality improvement initiatives that improve resident care. Clarification is required on the timeframe for incorporating safety and quality adjustments.</p>

	<p>NSW Health recommends implementing strong reporting for quality and safety issues identified with a price adjustment to incentivise both ways.</p> <p>Considerations for safety and quality adjustments include:</p> <ul style="list-style-type: none"> <li>• prevalence of pressure ulcers</li> <li>• falls</li> <li>• care plans in place</li> <li>• food and malnutrition</li> <li>• care in place / reduction in avoidable hospitalisations</li> <li>• transfer to emergency departments for care that does not result in an admission to a hospital</li> <li>• patient experience through patient, family or carer reported measures.</li> </ul>
Question 10	<p>NSW Health supports in-principle the exploration of extending the AN-ACC or a modified version of the AN-ACC to fund MPSs. However, the funding model implemented must ensure states and territories recover the full cost of aged care services delivered on behalf of the Commonwealth.</p> <p>Any output analysis undertaken will need to be consulted with states and territories through the Interim Aged Care Working Group.</p>
Question 11	<p>NSW Health welcomes the funding of the NATSIFACP through the AN-ACC and recommends IHACPA implement evidence based Indigenous specific tools when modifying the AN-ACC for NATSIFACP.</p>