

# AN-ACC FAQ: CHECK YOUR AN-ACC FACTS HERE!

7 JUNE, 2022 | ARTICLE

## DON'T WASTE TIME ON INCORRECT AN-ACC INFORMATION – USE OUR FREE AN-ACC FACT-CHECKING SERVICE!

Navigating change is what we do! In every change we've been through together as an industry we see 1 thing getting in the way of a successful transition every time and that is – incorrect information & rumours. Aaargh what a confusing time-waster!

That's why we invest so heavily and make it our business to be completely up to date with all the AN-ACC facts. We have resources dedicated to it. So don't waste your time trying to find the facts or even making plans based on something that's not correct – ask us anything! If we don't know – we'll find out for you! Email your question [team@providerassist.com.au](mailto:team@providerassist.com.au)

We are taking a very pragmatic approach to this transition and working closely with the department to validate anything we share. We believe it's far too important and impactful to rely on rumours, assumptions and guesses. So any information we supply is directly from the Department:

- Information publicly available through their reforms page
- Information confirmed in our conversations with the Department
- Information we've received direct written confirmation on

So – here we're compiling the answers to most frequent questions we're getting about AN-ACC.

### FAST FACT-CHECKER

Got a specific question you are dying to know more on? Click on any of the FAQs below to be taken directly to your answer!

- [What is AN-ACC?](#)
- [What's the latest update on AN-ACC?](#)
- [What information do we know that we can rely upon or reasonably reply upon?](#)
- [What about Stop-Loss and Grandparenting measures?](#)
- [When will Providers be told their Classifications?](#)
- [How are all the areas of clinical care funded under AN-ACC? i.e. 4bs](#)
- [What don't we know yet?](#)
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- [Does PA have an AN-ACC calculator?](#)
- [Isn't the Government currently rolling out AN-ACC and replacing ACFI?](#)

- [So we don't need to do ACFI anymore because it's being replaced with AN-ACC?](#)
- [You say AN-ACC isn't here yet, but someone is coming to my facility to do my funding assessments!](#)
- [What will it take to be successful when AN-ACC comes in?](#)
- [How do I prepare for AN-ACC?](#)



### WHAT IS AN-ACC?

AN-ACC is the proposed new funding tool for Residential Aged Care. [You can read about it here.](#)

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### WHAT'S THE LATEST UPDATE ON AN-ACC?

Currently the Government is undergoing the [Shadow Assessment Period](#) where, excluding Palliative Residents, all Residents will receive an AN-ACC classification by the 30th June 2022 (dependent on access to facilities).

[The Bill](#) that allows AN-ACC to be the new funding tool is still making its way through Parliament to be passed. However, despite this, the Department seems to be going full steam ahead, releasing new Fact Sheets, more information about the transition and Shadow Assessment results for those who have completed their Shadow Assessment visit.

What we do know:

1. The Classification received in the Shadow Assessment Period will determine the variable component of your Residents' AN-ACC funding.
2. All Australian Government funded Residential Aged Care Facilities will transfer to the AN-ACC funding model on 1 October 2022. ACFI will cease at this time.

3. In the [2022-23 Budget Announcement](#), it stated Data from AN-ACC Shadow Assessments completed by independent assessors is now available through the My Aged Care Provider Portal as well as making some refinements to the Base Care Tariffs to increase funding and support to regional, rural and remote services.
4. There will be an opportunity to request reassessments where a classification no longer represents a Resident's care needs. Our thoughts on this area – this is great and we will help you do this. Don't rely on this – there will be HUGE demand and you will be much better off getting it right from the beginning. Indications are that this will occur once Phase 1 of Shadow Assessments is completed and all Residents (excluding Palliative Residents), have received an AN-ACC classification – expected by 30th June 2022.
5. Finally, the AN-ACC funding model starting price was released in the 2022-2023 Budget as \$216.80 and includes:
  - Current ACFI basic subsidy funding, including indexation on 1 July 2022.
  - Homeless supplement and viability supplement, including indexation on 1 July 2022.
  - The \$3.2 billion \$10 per resident per day 2021 Basic Daily Fee supplement.
  - The \$3.9 billion care minutes funding uplift, from 1 October 2022.

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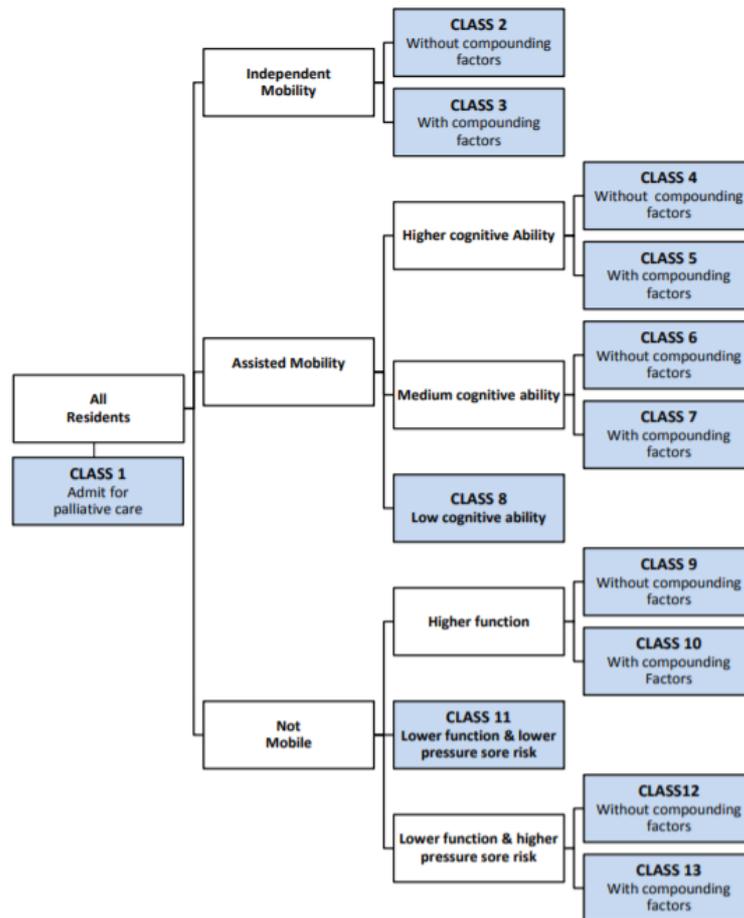


## **WHAT INFORMATION DO WE KNOW THAT WE CAN RELY UPON OR REASONABLY RELY UPON?**

1. AN-ACC has an intended implementation date of October 2022
2. The Royal Commission Final Report recommended that Aged Care funding should be delivered through a Casemix classification system – such as AN-ACC, or similar. AN-ACC is a Casemix Classification tool – all Residents will be allocated a classification of 1 to 13 which will determine the funding.

### The AN-ACC Version 1.0 classification

Figure 1 AN-ACC Version 1.0



Eagar K et al. (2019) AN-ACC: A national classification and funding model for residential aged care: Synthesis and consolidated recommendations. The Resource Utilisation and Classification Study: Report 6. Australian Health Services Research Institute, University of Wollongong, Appendix 1, page 25.

### 3. AN-ACC is a 2 tier payment system, comprising of;

1. A fixed payment per day for costs of care shared by Residents.
2. A variable payment per day, for the cost of individual care needs for each Resident based on their AN-ACC Casemix class (will be determined by the Shadow Assessment Period; **and**

1. An initial 'one-off adjustment' payment for each new Resident, to cover any costs with settling in a new Resident entering Residential Aged Care.

### 4. The AN-ACC Assessment is based on:

- Resident interviews
- Observation (including of care activities)
- Clinical documentation

So it is very similar to the way ACFI validation currently occurs – see the Reference Manual & Assessment tool here:

<https://www.health.gov.au/resources/publications/AN-ACC-reference-manual-and-AN-ACC-assessment-tool>

This means it will be critical to focus on the areas of:

- Assessment and documentation
  - Team training and education
  - Resident care understanding and acceptance
5. A Transition Fund will be established and can be found referenced in the [Residential aged care services and sustainability \(Pillar 2 of the Royal Commission response\) – Reforming residential care funding to drive better care and a viable system 2021-22 Budget Fact Sheet](#), which states that “A 2 year \$53.3 million transition fund will also be established to assist providers who may need support during the transition.” Additionally, the 2022-23 Budget announcement saw a further \$20.1 million investment into the Transition Fund, bringing the total to \$73.4 million (as per the fact sheet here: <https://www.health.gov.au/sites/default/files/documents/2022/03/budget-2022-23-residential-aged-care-services-and-sustainability-improved-funding-for-residential-aged-care.pdf>).

The Government has [released some information](#) and a [Fact Sheet](#) on the Transition Fund. The Department of Health will determine the list of Providers that will be eligible to apply for the AN-ACC Transition Fund once all AN-ACC Shadow Assessments have been completed. Eligibility is expected to be finalised mid-July to August and eligible Providers will be invited to apply for the grant. Applications for the grant are expected to open around the same time.

6. Funding is based on the National Weighted Activity Unit (NWAU)\* and the price. The NWAU is essentially an expression of resource allocation. When we calculate AN-ACC Funding (excluding the new resident adjustment), we take the NWAU related to the characteristics of the facility (based on specialisation and MMM score) and combine it with the NWAU related to the care needs of a Resident and multiply this value by the starting price.

In the 2022-2023 Budget Announcement, the Australian Government released the AN-ACC Funding model starting price as \$216.80 and includes:

- Current ACFI basic subsidy funding, including indexation on 1 July 2022.

- Homeless supplement and viability supplement, including indexation on 1 July 2022.
- The \$3.2 billion \$10 per resident per day 2021 Basic Daily Fee supplement.
- The \$3.9 billion care minutes funding uplift, from 1 October 2022.

The Budget Announcement also released an estimate that the average Resident funding is expected to be approximately \$225 per day.

**\*The NWAU is essentially an expression of resource allocation. Funding is based on the National Weighted Activity Unit (NWAU) and the price. When we calculate AN-ACC Funding (excluding the new resident adjustment), we take the NWAU related to the characteristics of the facility (based on specialisation and MMM score) and combine it with the NWAU related to the care needs of a Resident and multiply this value by the starting price. In the 2022-23 Budget, the Government released the 'starting price' of the AN-ACC funding model as \$216.80. See the Budget Fact Sheet here: <https://www.health.gov.au/sites/default/files/documents/2022/03/budget-2022-23-residential-aged-care-services-and-sustainability-improved-funding-for-residential-aged-care.pdf>.**

Table 1 - BCT Categories and NWAU payment calculations

<b>BCT Category</b>	<b>Funding Basis</b>	<b>NWAU</b>
<b>Standard MMM 1 – 4</b>	Occupied beds	0.49
<b>Standard MMM 5</b>	Occupied beds	0.55
<b>Standard MMM 6 or MMM 7</b>	Approved beds	Two-stage payment scale: 0.68 (rate for the first 29 beds) 0.52 (rate for beds 30+)
<b>Specialised Homeless</b>	Occupied beds	0.92
<b>Specialised Indigenous, located in MMM 6</b>	Approved beds	0.78
<b>Specialised Indigenous, located in MMM 7</b>	Approved beds	1.80

*Source: What are AN-ACC Base Care Tariffs*

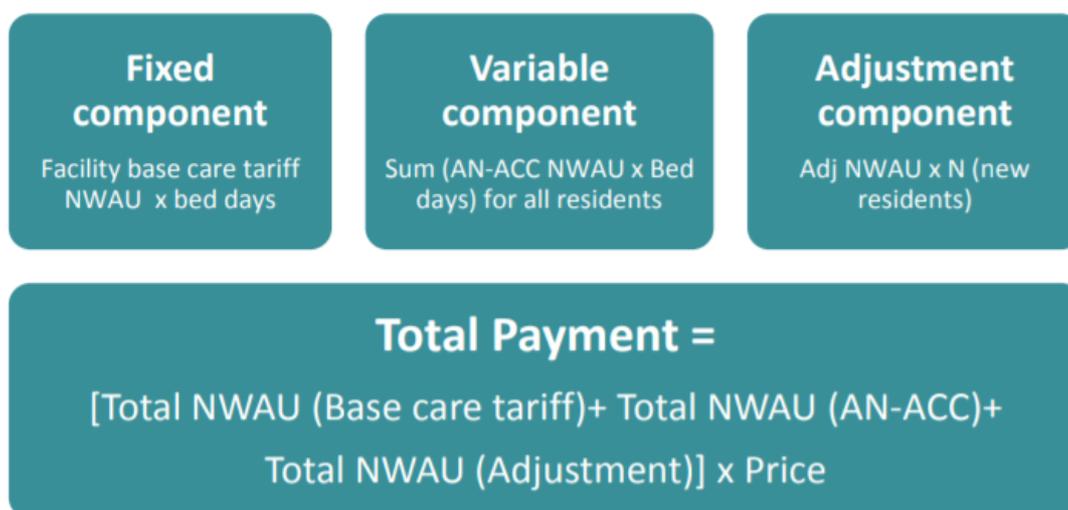
<https://www.health.gov.au/sites/default/files/documents/2022/04/what-are-an-acc-base-care-tariffs.pdf>

**Table 3**

<b>AN-ACC Class</b>	<b>Resident description</b>	<b>NWAU</b>	<b>AN-ACC Class funding (NWAU x Price)</b>
<b>Class 1</b>	Admit for palliative care	1.00	\$216.800
<b>Class 2</b>	Independent without compounding factors	0.19	\$41.192
<b>Class 3</b>	Independent with compounding factors	0.31	\$67.208
<b>Class 4</b>	Assisted mobility, high cognition, without compounding factors	0.21	\$45.528
<b>Class 5</b>	Assisted mobility, high cognition, with compounding factors	0.37	\$80.216
<b>Class 6</b>	Assisted mobility, medium cognition, without compounding factors	0.35	\$75.880
<b>Class 7</b>	Assisted mobility, medium cognition, with compounding factors	0.49	\$106.232
<b>Class 8</b>	Assisted mobility, low cognition	0.54	\$117.072
<b>Class 9</b>	Not mobile, higher function, without compounding factors	0.54	\$117.072
<b>Class 10</b>	Not mobile, higher function, with compounding factors	0.87	\$188.616
<b>Class 11</b>	Not mobile, lower function, lower pressure sore risk	0.83	\$179.944
<b>Class 12</b>	Not mobile, lower function, higher pressure sore risk, without compounding factors	0.81	\$175.608
<b>Class 13</b>	Not mobile, lower function, higher pressure sore risk, with compounding factors	1.00	\$216.800

Source: How do I calculate my AN-ACC care funding?

<https://www.health.gov.au/sites/default/files/documents/2022/04/how-do-i-calculate-my-an-acc-care-funding.pdf>

**Figure 2 Calculation of AN-ACC total funding based on NWAU and price**


McNamee J, Snoek M, Kobel C, Loggie C, Rankin R and Eagar K (2019) A funding model for the residential aged care sector. The Resource Utilisation and Classification Study: Report 5. Australian Health Services Research Institute, University of Wollongong, pg 14

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## WHAT ABOUT STOP-LOSS & GRANDPARENTING MEASURES?

The Resource Utilisation and Classification Study (RUCS) proposal for the AN-ACC funding model recommended as a part of the implementation strategy a proposed grandparenting measure, including Stop-Loss measures (see [Report 6](#), Recommendations 21 & 22). The proposed grandparenting period would enable a gradual transition over 2-years with Stop-Loss measures that would ensure that funding would not drop more than 5% over the 2 years.

It has now been confirmed in a [Department of Health Webinar on the Aged Care reforms](#) that the proposed Stop-Loss Measures that were recommended in this proposal have not been approved. This decision was explained by Dr Nick Hartland (First Assistant Secretary for the In Home Aged Care Division) that as AN-ACC would be introduced at the same time at the \$3.9B increase in care minutes, along with a Transition Fund, that a [Stop-Loss mechanism would no longer be necessary](#).

However, as confirmed by LASA and the email communication sent to the sector on Budget night, but not included as a Budget measure, the Government has stated that it will ensure no Facility will receive less funding in the first 2 years of AN-ACC compared to their current funding. It appears that this will be as part of the Transition Fund with the Department to determine eligible Providers.

The Government has [released some information](#) and a [Fact Sheet](#) on the Transition Fund. The Department of Health will determine the list of Providers that will be eligible to apply for the AN-ACC Transition Fund once all AN-ACC Shadow Assessments have been completed. Eligibility is expected to be finalised mid-July to August and eligible Providers will be invited to apply for the grant. Applications for the grant are expected to open around the same time.

In addition, the Government has confirmed that the AN-ACC classification given to each resident as part of the AN-ACC shadow assessment process will determine the variable funding component of AN-ACC funding from 1 October 2022. There will be an opportunity to request reassessments for Residents whose needs have changed between their assessment and the commencement of funding on 1 October 2022. All Australian Government funded residential aged care facilities will transfer to the AN-ACC funding model on 1 October 2022, with ACFI ceasing at this time.

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### **WHEN WILL PROVIDERS BE TOLD THEIR CLASSIFICATIONS?**

All Residents are currently being assessed and allocated into an AN-ACC classification via the Shadow Assessment. Data from AN-ACC Shadow Assessments completed by independent assessors is now available through the [My Aged Care Provider Portal](#), where completed.

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### **HOW ARE ALL THE AREAS OF CLINICAL CARE FUNDED UNDER AN-ACC? I.E. 4BS**

While ACFI dictates how you should spend the funding (i.e. 4bs), AN-ACC more says: This is how much it should cost to care for your Resident with these care needs and how you spend it is up to you, because you are governed by the Accreditation Standards as to what care to deliver.

Almost as if ACFI micro-manages how you spend your funding, while under AN-ACC how you should spend it is in line with clinical care and the standards.

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### WHAT DON'T WE KNOW YET?

- Although the Assessments the AN-ACC assessors are using are available, The Department are not planning to release, at this stage, how the AN-ACC Assessments link to the AN-ACC Classifications. Simply, the final AN-ACC will be available and no other information. See the Reference Manual & Assessment tool here: <https://www.health.gov.au/resources/publications/AN-ACC-reference-manual-and-AN-ACC-assessment-tool>
- The Department will not be releasing the publication of AN-ACC guidance information until September 2022, the month prior to implementation. We anticipate that this guidance will pull together the AN-ACC business rules. We will be keeping a close eye on the release of this information, hopefully prior to the release of this guidance.

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### WHAT EXACTLY ARE THE 'COMPOUNDING FACTORS'?

At this stage, we can be confident that Compounding Factors will likely be based on a consideration of outcomes from technical nursing requirements, findings from the Behaviour Resource Utilisation Assessment (BRUA) and parts of the Australian Functional Measure (AFM). However, components of other AN-ACC tools may also be considered. We don't know just yet how these findings will be used to determine whether a Resident is considered to have Compounding Factors or not.

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### **DOES PA HAVE AN AN-ACC CALCULATOR?**

Yes & no – we don't have a generic AN-ACC calculator. The reason why? AN-ACC is a clinical tool and any meaningful analysis needs to be accompanied by a clinical analysis. Our currently available calculator is based on actual data provided by your Shadow Assessment that we can analyse for you. [Reach out if this is something you are interested in.](#)

At PA, we pride ourselves on helping Providers seamlessly navigate change and this step is too important to be generic.

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### **ISN'T THE GOVERNMENT CURRENTLY ROLLING OUT AN-ACC AND REPLACING ACFI?**

Not quite yet! The Government have announced an intended implementation of AN-ACC in October 2022. [The Bill](#) that allows AN-ACC to be the new funding tool is still making its way through Parliament to be passed. However, despite this, the Department seems to be going full steam ahead, releasing new Fact Sheets, more information about the transition and Shadow Assessment results for those who have completed their Shadow Assessment visit.

What they are currently doing is continuing the research and evaluation of the tool by undergoing an AN-ACC Shadow Assessment period. There will be no change to the current ACFI funding system during the shadow assessment period. ACFI assessments, funding, and reviews will continue as normal for new and existing Residents. It's the perfect time to get your ACFI house in order and ensure you're receiving all of your entitlements now before you enter such an unknown phase.

You can [read more about the shadow assessment period here](#) and the Government's own FAQs on the shadow assessment period here:

<https://www.health.gov.au/resources/publications/an-acc-shadow-assessment-period>

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### **SO WE DON'T NEED TO DO ACFI ANYMORE BECAUSE IT'S BEING REPLACED WITH AN-ACC?**

No! In fact now is the time to make sure you get your ACFI house in order! Any new funding tool to be implemented takes a huge period of adjustment for Providers to get right, so it's critical you are not missing out on the funding that is obtainable today. If there is funding you're missing now - you won't get back no matter how good at the transition you are. There will be no change to the current ACFI funding system during the shadow assessment period. ACFI assessments, funding, and reviews will continue as normal for new and existing Residents. See more information here: <https://www.health.gov.au/health-topics/aged-care/aged-care-reforms-and-reviews/Residential-aged-care-funding-reform>

- Stop Loss measures. It was previously confirmed in a Department of Health Webinar on the Aged Care Reforms that the proposed Stop-Loss Measures that were recommended in the Resource Utilisation Classification study have not been approved. This decision was explained by Dr Nick Hartland (First Assistant Secretary for the In Home Aged Care Division) that as AN-ACC would be introduced at the same time at the \$3.9B increase in care minutes, along with a Transition Fund, that a Stop-Loss mechanism would no longer be necessary.

However, as confirmed by LASA and the email communication sent to the sector on Budget night, but not included as a Budget measure, stated that it will ensure no facility will receive less funding in the first 2 years of AN-ACC compared to their current funding. It appears that this will be as part of the Transition Fund with the Department to determine eligible Providers.

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## YOU SAY AN-ACC ISN'T HERE YET, BUT SOMEONE IS COMING TO MY FACILITY TO DO MY FUNDING ASSESSMENTS?

You may be contacted by one of the following organisations to visit your facility to conduct your AN-ACC Shadow Assessments. Their visit has no impact on your funding and you still need to complete your ACFI appraisals outside of this process.

- Access Care Network Australia Pty Ltd
- Australian Healthcare Associates Pty Ltd
- Care Tasmania Pty Ltd t/as Care Assess
- Health Administration Corporation, as represented by NSW Ministry of Health
- Healthcare Australia
- Serendipity (WA) Pty Ltd t/as Advanced Personnel Management.

Just be VERY CAREFUL when taking advice about the transition from the Assessors. We've already busted many myths our Clients have been told by Assessors. At this stage, we don't believe they know more than the rest of us about the transition. And although well-intentioned, they may not be aware of how much damage they might do if facilities are to reply upon their opinions.

See more information here:

<https://www.health.gov.au/sites/default/files/documents/2021/02/AN-ACC-shadow-assessment-period.pdf>

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## WHAT WILL IT TAKE TO BE SUCCESSFUL WHEN AN-ACC COMES IN?

- **Transparency** – see exactly how you compare now and through the transition– you don't want to wait months to notice your funding is less than it should be. MyVitals – Australia's largest Residential Aged Care Benchmark, comparing nearly 140,000 beds is the perfect way to do this easily, quickly and at no cost. MyVitals helps you to work out where to start

your Remarkable Preparation and we can help you devise a transition strategy.

- **Claim ACFI entitlements you're missing now** to be in the best position: Funding you're missing now you won't get back no matter how good at the transition you are. Seems counter-intuitive to spend our days obsessing about the funding we'll be missing in the future that you can do little about right now, while we're currently missing out on funding that is obtainable today. Our ACFI services both achieve your missing ACFI funding and prepare you for AN-ACC – either the shadow assessment or reassessment at transition at no additional investment.
- **Use the shadow assessment period to get you AN-ACC ready.** The great news is: because our ACFI approach uniquely begins with deep comprehensive assessment, we are already preparing you for AN-ACC with no additional effort or expense from you...and very soon even more so – we've adapted our ACFI services to highlight & emphasise key clinical areas your AN-ACC Assessor is focusing on.
- **Clinical assessment, documentation, Resident care acceptance, Carer Education** – get it right, now. AN-ACC is not passive – it 100% relies on you getting your proactive systems for clinical assessment and care plans, including Holistic assessed needs-based clinical assessments completed by a clinician who is expert in this area and is able to clearly and succinctly paint the correct and complete picture. In addition to the clinical documentation which we can assist with – the Assessors will rely on interviews with and observation of Carers and Residents. Ensure the care being delivered is understood and accepted by both. To learn more about why this is important and how. [Check out Marjory's Story!](#)

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## HOW DO I PREPARE FOR AN-ACC?

**Focus on what you can know and control now**

- ACFI – claim what you're missing now to be in the best position

- Clinical assessment, documentation, Resident Care Acceptance, Carer Education – get it right now.
- Stay on top of your data & performance, particularly relative to peers.

### Don't get distracted by what you can't know and control

There's stuff we don't know yet, but there's plenty we do. Ambiguity is uncomfortable – This leads to a HUGE desire to do what ever you can, believe whatever is available in order to reduce that ambiguity. But work with us – when it comes to change we're cool as a cucumber.

### Be Prepared – but not distracted

You won't see us making huge assumptions and spending ours and your time coming up with calculators and ACFI to AN-ACC Conversions because the details to make those helpful are not available yet – as soon as they are, we're on it! So our advice is – use what we do know to leverage your transition.

### Treat the Shadow Assessment as the real deal

Although the exact roll out plan of AN-ACC has not been released, the Government has confirmed that the AN-ACC classification given to each resident as part of the AN-ACC shadow assessment process will determine the variable funding component of AN-ACC funding from 1 October 2022. There will be an opportunity to request reassessments for residents whose needs have changed between their assessment and the commencement of funding on 1 October 2022. All Australian Government funded residential aged care facilities will transfer to the AN-ACC funding model on 1 October 2022, with ACFI ceasing at this time. So our recommendation is – treat the Shadow Assessment visit as the real deal – **ask how to prepare.**

### What we do know is as follows:

- Funding you're missing now – you won't get back no matter how good at the transition you are. Seems counter-intuitive to spend our days obsessing about the funding we'll be missing in the future that you can do little about today, while we're currently missing out on funding that is obtainable today. No matter how well you manage the transition to AN-ACC – the ACFI funding entitlements your missing now will be lost forever. Give yourself the best launching pad to enter the new AN-ACC world by claiming all your entitlements.
- AN-ACC is not passive – it 100% relies on you getting your proactive systems for clinical assessment and care plans, including Holistic assessed needs-based clinical assessments completed by a clinician who is expert in this area and is able to clearly and succinctly paint the correct and complete picture.

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