



2016 Federal Budget - Major Changes to ACFI Funding.

Analysis & Recommendations re Item 12.4b

The 2016 federal budget last week brought major changes for ACFI as cost-saving measures. We have fully analysed the impact of the changes that are to start from 1 Jan 2017 for specific clients using their current Medicare claims. The analysis shows that our clients could suffer up to a 12% drop in their ACFI funding if the changes were fully implemented for their current resident mix and no ameliorating changes were made by the provider.

The items with the biggest impact are the changes from 1 Jan 2017 to **Item 12.4b Complex pain management by an allied health professional at least four times per week.**

The reduction in the point score for Item 12.4b from six to four will mean many residents would achieve a score for ACFI 12 well below 10 points (a D) and thus fall from High to Medium in CHC funding, a fall of \$20.55/day or \$7,500 p.a. on today's subsidy levels.

The other change is a requirement of at least 120 minutes of delivery of treatment over a week. Currently, there is no minimum and we may see delivery of treatment times of 40 minutes a week (10 minutes/day x 4 days) or less.

Providers often pay up to \$25/occasion of service (\$100/pw) or may pay up to \$100/hour for contracted physios.

If the cost was \$100/hr for 120 minutes a week, then the cost per resident would be \$200 x 52 weeks = \$10,400 p.a., plus the major administration, logistics and care staff time incurred by providers in running these pain management treatments for so many residents.

If the 4b program only moves a resident from a Medium to a High in CHC then a service would be paying \$10,400 p.a. to receive \$7,500 p.a. in additional funding – a net loss of \$2,900 p.a. per resident.

Similarly, a move from a Low to a Medium in CHC is an increase of \$30.02/day or \$10,960 p.a., almost the same as the cost of two hrs physio assistance per week at \$100/hr. (Those services paying an “occasion of service” fee of \$25 would – in many cases – be paying well above \$100/hr for their allied health professionals.)

If any 4b programs are ceased, then claims for **4a** complex pain management programs may be able to be made instead (providers cannot claim both). However, the federal budget changes also reduce the points for 4a claims from three points to two.

What to do?

1. Run your entire current resident profile through our data analysis and see what the changes of 1 Jul 2016 and – particularly – 1 Jan 2017 would do to your ACFI subsidy if fully implemented on your existing residents. It is very simple and our people or our associates do all the work. Do a further data comparison analysis of 4a v 4b programs for some/all residents.
2. Analyse what your 4b program would cost if you were paying for 120 minutes/res/wk at your current hourly rates or at your current “occasion of service” fee and compare this to the additional income you may receive.
3. Consider the impact on current/future residents of major changes to your 4b programs if they could not be afforded readily. Could you reduce other care staff services to subsidise your 4b work? Should you expand or should you try to discontinue your 4b programs between now and 1 Jan 2017?
4. Have full consultant review of your claiming procedures to ensure all areas are being correctly claimed. The ACFI is a very complex tool and 4b is just one part of it.