MEDIA RELEASE

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Aged Care Budget is a ‘mixed bag’

Catholic Health Australia’s CEO, Suzanne Greenwood has tonight described the 2016 Budget as a ‘mixed bag’ for aged care.

The Budget includes new measures to curb growth in funding for nursing and personal care in residential care, while increasing the viability supplement for rural and remote aged care services and providing additional funding to further strengthen MyAgedCare.

Nursing and personal care funding in residential care will be reduced by a further $1.2 billion over the next four years mainly by halving the indexation rate for the Complex Health Care Domain of the Aged Care Funding Instrument (ACFI).

“This Budget marks the third time in almost as many years that growth in care payments under ACFI has exceeded Budget estimates,” said Mrs Greenwood.

“This is further evidence that ACFI is failing as a funding tool.”

The volatility in funding which results in unpredictable cuts in funding negatively impacts on budgeting for the delivery of nursing and personal care. It also impacts negatively on financiers, investors and the financial markets upon which significant expansion in aged care services depends.

CHA welcomes the government’s intention to consult with the sector on strengthening the way care funding is determined.

“We welcome the increase of $102 million over four years in the viability supplement to address the higher cost pressures incurred by rural and remote aged care services,” said Mrs Greenwood.

CHA also welcomes the additional $136 million over four years to strengthen the operation of MyAgedCare.

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CHA represents the largest single grouping of non-government health, aged and community care services in Australia.
“Easy and timely access to reliable aged care information and effective assessment and referral arrangements are critical to the effectiveness of aged care services,” Mrs Greenwood said.

CHA is disappointed that a clear signal was not given in the Budget to embark on the research and development work identified in the Aged Care Roadmap.

“Prepared by the Government’s Aged Care Sector Committee, the Aged Care Roadmap identifies the steps required to enable a phased transition to a consumer-driven, market-based and sustainable aged care system,” said Mrs Greenwood.

There remains a level of uncertainty among service providers, consumers, investors and financiers about the degree of commitment there is to work towards the Roadmap’s ultimate destination of a consumer-driven aged care system.

Catholic Health Australia represents Australia’s largest non-government grouping of hospitals, aged and community care services, providing approximately 10 per cent of hospital and aged care services in Australia, including around 30 per cent of private hospital care as well as around 5 per cent of public hospital care.