



Australian Government

Aged Care Pricing Commissioner

ASSESSOR MANUAL

**APPLICATIONS TO THE AGED CARE PRICING
COMMISSIONER FOR INCREASES TO EXTRA
SERVICE FEES**

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Introduction and guiding considerations

Purpose of the manual

The Assessor Manual is to guide an assessor in making a recommendation to the Aged Care Pricing Commissioner to approve or refuse to approve (refuse) an application for an increase in Extra Service fees.

The Assessor Manual provides guiding considerations, a step-by-step decision framework, and instructions for submitting a recommendation to the Commissioner.

Considerations for assessment of a proposed Extra Service fee:

In making an assessment of a proposed price, an assessor should be guided by the following:

Relevant legislation and regulations

Under section 35-1 of the *Aged Care Act 1997* (the Act), an approved provider who has applied for extra service to be granted in respect of a residential care service, or a distinct part of residential care service, or who has been granted such extra service status may apply to the Aged Care Pricing Commissioner for Extra Service fees to be approved in that residential care service, or a distinct part of the service.

Approval of this application will only be granted where the Aged Care Pricing Commissioner is satisfied that the requirements of Division 35 of the Act and the *Extra Service Principles 2014* are satisfied.

The *Extra Service Principles 2014* provide that in relation to a proposed Extra Service fee (including Extra Service fee increases), the Aged Care Pricing Commissioner must have regard to the following:

- the amount of the proposed fee;
- the food and services that will be provided for the proposed fee (for example, food options, entertainment options, enhanced personal services, specific products and organised outings); and
- any benefits relating to accommodation that will be provided for the proposed fee.

The Aged Care Pricing Commissioner may also consider any other relevant matter.

Relevant timeframes

An application can be made by an approved provider at any time following their last fee approval. There is no restriction on the ability of a provider to make such an application at any time.

However, the Commissioner is unable to make a decision until at least 12 months have elapsed since the date on which the last fee approval took effect. This is the date on which the applicant previously advised that fees would take effect at the relevant facility.

There is no statutory timeframe applying to the Commissioner's decisionmaking. However, the Commissioner will ordinarily notify the applicant in writing of the decision in respect of Extra Service fee increases within 28 days of receiving the application, except where the Commissioner is not able to make a decision because of statutory constraints (such as where the Commissioner is unable to make a decision yet because an application has been made within 12 months of a previous fee approval taking effect).

Where an application under section 35-1 of the Act is not made as part of an application under Division 32 of the Act for grant or renewal of Extra Service status, it must be made at least 60 days before the day when the applicant proposes that the fees will take effect. This applies to all proposed increases to Extra Service fees.

Amount of increase

Any fee increase is no more than 20% of the previously approved fee plus an indexation of the fee in accordance with the All Groups Consumer Price Index.

Care and services

Assessors must establish that any care and services provided as part of a justification for a proposed price are not care and services described in the *Quality of Care Principles 1997*, and that the applicant is not, or does not intend to, seek to otherwise charge the resident for the particular care and services including through an extra service fee, or has not made an application for an accommodation payment above the maximum amount determined by the Minister which was approved, and which justified the proposed accommodation price on the basis of care and services which are identical to the care and services provided under the Extra Services agreement. See 3.6 below for the relevant methodology.

Protected information and confidentiality

Assessors must familiarise themselves with Division 86 of the Act, which relates to protection of information, including use and disclosure of protected information. Protected information is defined under section 86-1 of the Act as information that:

was acquired under or for the purposes of this Act; and either:

- *is personal information;*
- *relates to the affairs of an approved provider;*
- *relates to the affairs of an applicant for approval under Part 2.1; or*
- *relates to the affairs of an applicant for a grant under Chapter 5.*

All information provided by approved providers in their applications to the Commissioner must therefore be treated as protected information.

Breaches of confidential information such as unauthorised release of protected information will compromise the fairness and integrity of any decision-making activities associated with the Pricing Commissioner. In addition, any unauthorised release or misuse of protected information can result in a breach of the *Aged Care Act 1997*, (the Act) with personal penalties of up to two years imprisonment and a breach of the APS Code of Conduct.

The exception to the sharing of information is outlined in the *Extra Service Principles 2014*, which provide at Section 22 that It is a function of the Aged Care Pricing Commissioner to disclose to the Secretary of the Department of Social Services:

- (a) the amount of any extra service fee approved by the Aged Care Pricing Commissioner under Division 35 of the Act; and
- (b) the residential care service in respect of which the extra service fee was approved; and
- (c) the accommodation, food and services that are to be provided to a care recipient for the approved fee; and
- (d) the date on which the approval was given; and
- (e) any other information relating to approved extra service fees required by the Secretary to assist the Secretary to perform a function or duty, or exercise a power.

The effect of this in respect of approved increases to Extra Service fees is that the Department of Social Services is to be advised of the approval of an Extra Service fee increase, including the amount, the residential care service, the date of approval, and the date on which fees are to take effect.

Relevant internal documents and reference material

- National Extra Service Status fees dataset
- Extra Service Fee applications spreadsheet
- Evidence of accreditation
more information about **Evidence of accreditation** can be found at www.aacqa.gov.au
- All Groups Consumer Price Index and updates
more information about **All Groups Consumer Price Index** and updates can be found at www.abs.gov.au/ausstats/abs@.nsf/mf/6401.0

Application and assessment processes

Step 1: Applications received

Record complete application

- The application, including the covering email, application form and attachments, must be saved in a designated folder in a secure drive. The email must clearly show the date of receipt. The application must not be altered by an assessor, except to include any additional information received from the applicant modifying the application, with the applicant's consent.

Log application in application spreadsheet

- Application received via email to the Office inbox.
- Each application will be allocated a reference number.

Step 2: Determine validity of application

A check will be conducted to identify whether applications are valid applications, including whether applicants are approved providers and information has been provided in the approved form.

Table 1.1

Step 2: Determine validity of application

Requirement	Reference information	Passes (Y/N)
1.2.1 Is the application in the approved form?	Sight application.	
1.2.2 Is the applicant an 'approved provider'?	National ESS fees dataset	
1.2.3 Are current fees reflective of approved fees?	National ESS fees dataset	
1.2.4 Are all relevant attachments - 'Schedule 2' to the Notice of Grant of Extra Service Status or a copy of the Extra Service Status Resident Service Agreement included?	Sight application	

Where all requirements to make a valid application in Step 2 have been satisfied, assessors will proceed to Step 3.

Step 3: Assess application

This step is to be undertaken using the relevant Assessor Report.

3.1 Date of receipt, provider and facility identification

Record the date on which the application was received, the approved provider and the facility, including the facility name and address and the RACS/NAPS ID.

3.2 Number of places

Record the number of operational places in the facility and the approved ESS places.

3.3 Current approved fees

With reference to the National ESS fees dataset and the application form, identify the current approved Extra Service places including room type and number of places, and the date on which the fees took effect. Verify that at least 12 months have passed since the date on which the fees took effect.

If 12 months have not passed, the applicant should be advised of the restriction on the Commissioner's ability to make a decision, and the relevant timeframe, including the date on which the Commissioner can make a decision.

3.4 Proposed fees

Identify the proposed fee per place per day for each room type (if there is more than one).

3.5 Amount of proposed fee increase.

Check that the percentage increase in the fee is equivalent to or less than the sum of:

- (a) 20% of the current fee; and
- (b) the amount by which the current fee would change if it were indexed in accordance with the percentage change in the All Groups Consumer Price Index number (that is, the weighted average of the 8 capital cities) published by the Australian Statistician for the 12 months ending immediately before the application to increase the current fee was made.

Note that the relevant reference is to the CPI index for the 12 months ending immediately before the application to increase the current fee was made (as distinct from the date on which the Commissioner may make a decision). Where these dates are significantly different, the assessor should contact the Australian Bureau of Statistics to identify the relevant CPI index.

The CPI number can be accessed at www.abs.gov.au/ausstats/abs@.nsf/mf/6401.0

Note that updates occur quarterly, and forthcoming updates as at September 2014 are as follows:

Issue (Quarter)

September 2014

December 2014

March 2015

June 2015

Release Date

22 October 2014

28 January 2015

22 April 2015

22 July 2015

3.6 Other fees and payments

Check whether an approval to charge an accommodation payment above the maximum amount determined by the Minister has been given by the Commissioner. Where such an approval has been given, review the relevant application and assessor report in order to verify that the information submitted by the applicant in respect of care and services offered under Extra Service arrangements was correctly identified and accounted for in the assessment.

Where there are any other relevant fees or amounts identified by the applicant that are payable by the resident for care and services, identify these fees and amounts. Where relevant, seek advice from the applicant as to the care and services provided, and check these against the care and services and any accommodation benefits provided under the Extra Services arrangement.

This is undertaken by (a) checking that, where an applicant has included at Part 9 of the application form that there are other fees and amounts payable by the resident, these are not care and services provided under the terms of the Extra Service agreement (refer to Schedule 2 of the Notice of Grant of Extra Service Status, or the relevant section of the Extra Service agreement provided by the applicant) and (b) where an applicant has also been approved for an accommodation payment above the maximum amount determined by the Minister, that the care and services were not included as justification for a proposed accommodation price.

3.7 Recommendation

Complete the approval requirements checklist and the recommendation to the Commissioner.

Complete the Notice of Decision. Submit both to the Aged Care Pricing Commissioner.

3.8 Advise the applicant

Once approved, scan the Notice of Decision and email to the applicant. Copy the Notice of decision for inclusion in the file. Mail the original by registered post.

3.9 Advise the Department of Social Services

The Department of Social Services is to be notified of the approved Extra Service fee and amount, the relevant designation and number of places, the date of approval and the date on which the fees are to take effect.