

EXPLANATORY STATEMENT

AGED CARE ACT 1997

SECTION 44-13

DETERMINATION UNDER SECTION 44-13 (ACA Ch. 3 No. 13/2008)

OXYGEN SUPPLEMENT

Paragraph 44-13(6)(a) of the *Aged Care Act 1997* (the Act) provides that the Minister may determine in writing the amount of the oxygen supplement. Paragraph 44-13(6)(b) of the Act provides that the Minister may determine a method for working out the amount of oxygen supplement for a particular day.

An oxygen supplement will be provided where a care recipient needs to use oxygen on a regular and continuing basis. It does not include the provision of oxygen on a short-term, episodic or emergency basis. It is a daily supplement for eligible recipients.

This determination sets the oxygen supplement rate at \$9.37 with effect from 1 July 2008 and revokes Determination ACA Ch. 3 No. 10/2007.

The determination also outlines a method for calculating the amount of oxygen supplement to be paid where the actual cost to the approved provider of administering oxygen to the care recipient is equal to, or more than, 125 per cent of the daily rate.

Consultation

Many aged care supplement rates are indexed on 1 July each year. The index for the oxygen supplement is based on the Consumer Price Index.

As the indexation of this supplement uses a well-established formula for indexation, no specific consultation with industry was undertaken with respect to this instrument.