

## EXPLANATORY STATEMENT

Issued by the authority of the Minister for Mental Health and Ageing

*Aged Care Act 1997*

*Aged Care (Residential Care Subsidy – Amount of Oxygen Supplement)  
Determination 2011 (No. 1)*

The *Aged Care Act 1997* (the Act) provides for the regulation and funding of aged care services. Persons who are approved under the Act to provide residential aged care services (approved providers) can be eligible to receive residential care subsidy payments in respect of the care they provide to approved care recipients.

Paragraph 44-13(6)(a) of the Act provides that the Minister may determine by legislative instrument the amount of the oxygen supplement for a particular day. Paragraph 44-13(6)(b) of the Act provides that the Minister may determine by legislative instrument 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.

The purpose of the *Aged Care (Residential Care Subsidy – Amount of Oxygen Supplement) Determination 2011 (No. 1)* 'the Determination' is to set the oxygen supplement rate with effect from 1 July 2011. 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.

This Determination also revokes *Aged Care (Residential Care Subsidy – Amount of Oxygen Supplement) Determination 2010 (No. 1)*. The difference between the Determinations is that the daily amount of oxygen supplement has been indexed in accordance with standard indexation arrangements.

### **Consultation**

Indexation of the supplement uses a well established formula based on the Consumer Price Index as a measure of movements in the non-labour costs of providers. As this is in accordance with policy upon which extensive consultation was undertaken, no specific consultation was undertaken with respect to this instrument.

Information about the increase in the amount of the supplement will be disseminated via electronic media to approved providers.

This Determination commences on 1 July 2011.

The Determination is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.