

EXPLANATORY STATEMENT

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

Aged Care Act 1997

Classification Amendment Principles 2013 (No. 1)

The *Aged Care Act 1997* (the Act) provides for the 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.

Section 96-1 of the Act allows the Minister to make Principles providing for various matters required or permitted by a Part or section of the Act. The *Classification Principles 1997* (the Classification Principles) is one of the sets of Principles made under the Act.

The purpose of the *Classification Amendment Principles 2013 (No. 1)* (the Amending Principles) is to update references to the Aged Care Funding Instrument (ACFI) User Guide and ACFI Answer Appraisal Pack approved by the Minister for Mental Health and Ageing.

The ACFI is an instrument which facilitates the allocation of funding for residents in residential aged care. The ACFI User Guide and ACFI Answer Appraisal Pack, approved by the Minister for Mental Health and Ageing, assist users to answer the twelve care need questions that form part of the ACFI, and to collect diagnostic information about mental and behavioural disorders and other medical conditions. This information is used to categorise residents as having low, medium or high care needs in each of the following care domains: activities of daily living (ADL); behaviour (BEH); and complex health care (CHC).

The revised versions of the ACFI User Guide and Answer Appraisal Pack include five changes which will improve the evidence requirements and enhance the guidance provided to users for questions in the ADL domain and the CHC domain. The Amending Principles ensure the updated documents are used as the guidance authority.

The Amending Principles commence on 1 February 2013.

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

Regulation impact statement

The Office of Best Practice Regulation has advised that no Regulation Impact Statement is required (OBPR ID 14515).

Consultation

The changes to the ACFI arrangements have been the subject of extensive consultations with consumers, approved providers and health professionals through the ACFI Monitoring Group and the ACFI Technical Reference Group.

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Classification Amendment Principles 2013 (No.1)

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

The purpose of the *Classification Amendment Principles 2013 (No. 1)* (the Amending Principles) is to update references to the Aged Care Funding Instrument (ACFI) User Guide and ACFI Answer Appraisal Pack approved by the Minister for Mental Health and Ageing.

The revised versions of the ACFI User Guide and Answer Appraisal Pack include five changes which will strengthen the evidence requirements and enhance the guidance provided to users for questions in the ADL domain and the CHC domain. The Amending Principles ensure the updated documents are used as the guidance authority.

These additions to the ACFI User Guide and Answer Appraisal Pack support the original intention of the ACFI and reinforce current good practice within the sector of using evidence based assessment tools to assess each resident's care needs. These changes have been developed in consultation with the aged care sector and will not impose a disproportionate administrative burden on the sector.

Human rights implications

This Legislative Instrument does not engage any of the applicable rights or freedoms as it does not create nor limit any applicable rights or freedoms. Implementation of this Legislative Instrument ensures that the *Classification Principles 1997* correctly refer to the most up to date version of the ACFI User Guide and Answer Appraisal Pack.

By updating references to documents, this Legislative Instrument ensures that subsidies paid by the Commonwealth under the *Aged Care Act 1997* will be better aligned with the level of care required by care recipients and the costs of providing that care.

Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.

Mark Butler

Minister for Mental Health and Ageing