

Department of Health and Aged Care

Quarterly Financial Report (QFR) Webinar Quarter 2

Thursday, 8 December 2022

PRESENTED BY:

MODERATOR:

Susan Trainor
Acting Assistant Secretary
Structural Adjustment Strategy Branch
Department of Health and Aged Care

PANELLISTS:

Elly Osborne
Director, Prudential Compliance
Aged Care Quality and Safety Commission

Claudia Dukats
Director, ANACC Policy and Care Minutes
Residential Care Funding Reform Branch
Department of Health and Aged Care

Grant Corderoy
Senior Partner
StewartBrown

[Opening visual of slide with text 'Australian Government, Department of Health and Aged Care (with logo)', 'Quarterly Financial Report (QFR) Webinar, Quarter 2', 'Department of Health and Aged Care', 'Please note this webinar will be recorded', '8 December 2022', with moderator connecting via videocall and visible on the right-hand side of the screen]

[The visuals during this webinar are of speakers connecting via videocall and visible on the right-hand side of the screen, speaking with reference to the content of PowerPoint presentations being played on the main part of the screen]

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By Susan Trainor, Elly Osborne, Claudia Dukats, Grant Corderoy

Susan Trainor:

Hello everyone and welcome to today's webinar on the Quarterly Financial Report. Apologies once again for all of the technical issues we've had getting started this afternoon. We'll do our best to get through as much of the content as we can within the original allotted time but for those of you who are unable to stay for the full session we will record the session. We'll just get that recording started now and then you'll be able to catch up what you've missed on the recording at a later date and time.

So I'd first like to acknowledge the Traditional Owners of the lands on which we meet and pay my respects to Elders past, present and emerging. I'd also like to extend this acknowledgement and respect to any Aboriginal and Torres Strait Islander people attending this webinar today.

We do have a couple of people who I think are off mute and we're getting just a little bit of background noise.

So if you are able to, if you're not on mute already please do so.

My name is Susan Trainor and I'm the Acting Assistant Secretary of the Structural Adjustment Strategy Branch at the Department of Health and Aged Care. I'm joined today by colleagues from both the department and from the Aged Care Quality and Safety Commission.

Following my presentation Elly Osborne from the Commission will talk through some compliance insights from the Quarter 1 experience. Claudia Dukats from the Care Minutes Policy Section here at the department will also talk through care minutes policy. And then Grant Corderoy who is a Senior Partner at StewartBrown who many of you know will present on key costs and labour hour data and learnings from the Quarter 1 report.

I will note very quickly that agenda does say there'll be two slots for Q and A. We will push through straight past the first Q and A slot in the interests of trying to catch up on a little bit of the time that we have missed getting started to try and catch up on a bit of time.

I'll now begin with an overview of Quarter 1 and provide details on the upcoming Quarter 2 submission period including some minor form changes.

So thank you to all of you who submitted your Quarter 1 QFR Report during the reporting period. Changes to the sector financial reporting including the introduction of the QFR are key to increasing transparency, accountability, monitoring and evaluation as recommended by the Royal Commission into Aged Care Quality and Safety.

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Quarterly financial reporting serves a variety of functions including providing information for star ratings which are calculated at the service and facility level, assisting the department with monitoring and benchmarking the sector, helping with policy planning and development, and monitoring direct care minutes and informing pricing for the Australian National Aged Care Classification or ANACC pricing model.

Quarter 1 submissions were collected through the Forms Administration portal. Most reports were received in the final week before submissions closed. The Forms Administration helpdesk received a number of enquiries on QFR sign-off requirements. As with the ACFR it is a legislative requirement that a director or member of a provider's governing body signs off on the QFR. More details on QFR sign-off requirements are available in the QFR guide and FAQ documents which are available on both the Department of Health and Aged Care's QFR webpage and on the Forms Administration website.

Claudia will speak shortly on some of the insights gained on care minutes from the Quarter 1 reporting but I'll just quickly talk through a couple of matters relating to Quarter 2 before we move on to our presenters.

There are some minor form changes in the QFR between what you did for Quarter 1 and what is required for Quarter 2. In response to provider feedback we've added our Centrally Held column in the Home Care Labour Cost and Hours section of the report. This will align the reporting approach for QFR with the ACFR. The Average Daily Spend Per Resident field will be auto-calculated in the food and nutrition forms for residential care providers. And for NATSIFACP and MPS providers we will need to input a new data item called Available Bed Days in the Food and Nutrition section. This will then auto-calculate the Average Daily Spend fields.

So as you're all aware providers will soon need to submit QFR for Quarter 2 of the 2022-23 financial year. Quarter 2 covers the reporting period from October 1 2022 until 31 December 2022. As with the Quarter 1 reports providers will submit the Quarter 2 report through the Forms Administration portal.

To accommodate for the fact that we're hoping a number of you are able to have a bit of a break over summer, providers have 45 days to submit Quarter 2 reporting instead of the usual 35 days to submit your report. This means that the portal will open for submissions on the 1st of January 2023 and close on the 14th of February 2023.

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We'd like to remind providers completing the Quarter 2 reports that the Quarterly Financial Statements part of the QFR is completed on a financial-year-to-date basis while the residential and home care labour costs and hours and food and nutrition sections are completed for this quarter only. The Forms Administration helpdesk will be available to assist with the completion and lodgement of the Quarter 2 QFR.

So I'm just checking that we've been able to get Elly Osborne from the Commission on the line.

Great. It looks like Elly's on the line. So I'll now pass to Elly Osborne who's the Director of Prudential Compliance at the Aged Care Quality and Safety Commission to discuss some compliance insights from Quarter 1.

Elly Osborne:

Hi. Sorry. I think I've just been let in. So Susan can you hear me okay?

Susan Trainor:

We can hear you Elly. Thank you.

Elly Osborne:

Okay. No worries. Sorry. I think I was coming in as an attendee there. So anyway we've made it.

I'll try and keep it quick because I know we're sort of a bit - time's a little bit all over the place. But for those who don't know me my name is Elly Osborne, I'm the Director of the Prudential Compliance Section at the Aged Care Quality and Safety Commission. So my team here at the Commission is responsible for monitoring and ensuring provider compliance with the prudential standards and we take regulatory action where that's appropriate where there's non-compliance identified.

So my team I guess from the perspective of the Quarterly Financial Reporting is responsible for engaging with providers who fail to comply with the requirement to submit a Quarterly Financial Report by the due date.

So if I could just move to the next slide please.

Thank you. So as you all know the QFR for this first quarter was due on the 4th of November this year and I thought I'll just share a few insights today about how we went with compliance for this

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first quarter. Obviously we recognise that this is a new obligation for providers so it's a bit of a finding our feet I think for all of us in this first quarter.

So for the first quarter we had more than 1,400 approved providers who were required to submit and we had 1,255 that actually submitted by the deadline date.

So just as a point of interest for you all the portal for submissions opened on the 1st of October, so a bit over a month before the due date, and we did receive our very first QFR submission on the 4th of October. So very early on which was kind of nice to see. But probably unsurprisingly of the 1,255 approved providers that submitted on time over half of those submissions were actually received on the final date, being the 4th of November.

In the lead up to the due date we did receive 54 requests for an extension. And if you were one of those people that requested an extension from us or from the department you would have received a response to be advised that because the due date is stipulated by the legislation we actually can't grant an extension to anybody. So the due date is sort of a hard due date but the Commission does consider a provider's individual circumstances when we're considering any regulatory action for a provider that fails to meet that obligation.

I'll move on to the next slide. Thank you.

So a few insights about compliance in this quarter. For any provider that didn't submit their QFR by the deadline date those providers were referred from the department to the Commission for consideration of compliance action. And just as a point of interest you can see on the slide there a breakdown of providers that did not submit by the due date broken down into provider type. So interesting to note I think that late submission or non-submission from providers delivering only home care services was significantly higher than other provider types which you might be interested to know.

So for providers that did not submit by the due date the Commission sent overdue letters to 195 providers that didn't submit on time. And as of a week ago on the 1st of December there were still 77 providers that had not submitted a Quarterly Financial Report for this first quarter.

And just if I can move on to my final slide.

Just to share a little bit I guess about what the Commission does with providers that don't submit on time or for example at this point still haven't submitted a QFR. Our preference generally is to avoid taking regulatory action and we recognise that there are challenges for providers. It's been

a tough year I think for a lot of providers and we certainly recognise, as I mentioned in the extension requests that we've received, that some providers do have in some cases pretty extenuating circumstances. But we are keen to make sure that providers do comply with this obligation. There's certainly an importance I think with the data. There's obviously impacts on other things like star ratings and so on. And it's important for us to see this financial data so that we can actually identify potential financial viabilities for providers as well.

So all providers that did submit late have been reminded of their obligation to report by the deadline. And we'll certainly be keeping a close eye on those providers in the next quarter and for any providers that repeatedly submit late or don't submit at all.

And further to that the Commission will consider regulatory action. So formal action most likely in the form of non-compliance notices for any providers who fail to submit their QFR or consistently fail to meet that deadline date. So certainly if you submitted late this year you would have received correspondence from us. And we will continue to keep an eye on providers to make sure that compliance - you know that QFRs are submitted on time in future.

I think our compliance rates were maybe - you know we had sort of a high level of non-compliance I suppose in some providers types as you would have seen on the previous slide. But as we've all become a bit more familiar with this new obligation I expect that we'll see some of those compliance rates change a little bit in future.

So that's all from me today. We might - I don't know if we've still got time Susan for Q and A for me or not but if there's questions coming through in the Q and A chat I'm sure we'll try to get back to people or take on any FAQs as well.

Susan Trainor:

Yeah. Thanks Elly. I think in the interests of time we will move on to our next presenter at this stage. If there's time between here and 3:30 at the end we will come back for questions for all of our presenters. In the meantime if you do have any questions for Elly please submit them in the Q and A in the bottom corner. We'll get to those that can be answered with a fairly straightforward response in writing in that Q and A chat. More complicated ones if there's time we'll come back or we will do a response through our FAQs on the website after the webinar.

So I'd now like to welcome Claudia Dukats who is our next presenter to talk about care minutes policy.

Claudia Dukats:

Thanks Susan. Good afternoon everyone and thank you for joining me today. My name is Claudia Dukats and I'm a Director of the ANACC Policy and Care Minutes in the Residential Care Funding Reform Branch.

My presentation today is about the residential aged care funding reform policy of care minutes. I understand everyone is interested in learning more about this and we'll have some time at the end hopefully where we can answer some questions.

This slide you may have seen previously in other webinars but we feel it's an important one to get the message out on.

The aim of care minutes requirements is not just to increase the average amount of care time for each resident but to raise the quality of care that is being delivered. This is why there is a focus on care being delivered by registered nurses, enrolled nurses and personal care workers.

In light of the Royal Commission's recommendation only the worked hours of these roles will count towards the care minutes targets when they are providing personal care to residents. Care delivered by other staff such as Allied Health and lifestyle services cannot be counted towards your care minutes targets.

As you can see this slide sets out the duties for direct care but due to time I'll only discuss the definitions.

For the purpose of reporting care minutes a registered nurse is someone that is registered as a Division 1 Registered Nurse through the Nurses and Midwives Board of Australia with the Australian Health Practitioner Regulation Agency. I should add that we recognise not all registered nurses have a Bachelor degree as many were trained through the hospital system. As long as a registered nurse is registered with AHPRA they are considered a registered nurse for the purpose of care minutes.

Susan Trainor:

Claudia. Sorry Claudia. I'm sorry to interrupt. We've had a number of comments in the Q and A reporting that they can't hear you very well. Would it be possible for you to just move your microphone a little bit closer to your mouth?

Claudia Dukats:

Yeah. So is that any better?

Susan Trainor:

That's better for us. Thank you.

Claudia Dukats:

Okay. An enrolled nurse or EN is someone that is registered as a Division 2 Enrolled Nurse through the Nurses and Midwives Board of Australia with the Australian Health Practitioner Regulation Agency. In Victoria enrolled nurses are registered as RN Division 2 which is not the same as registered nurses who are RN Division 1 nurses. Where a nurse does not have a Diploma but has been registered by AHPRA as an enrolled nurse they are considered an enrolled nurse for the purposes of providing care minutes. Enrolled nurses work under the direct supervision of a registered nurse and cannot act alone.

Enrolled nurses are an important part of the aged care workforce to ensure the provision of quality care and that the skills mix within services, including having an appropriately qualified nursing workforce, will be monitored by the Commission.

Enrolled nurses cannot provide registered nurse specific care minutes but can perform appropriate nursing tasks that allow registered nurses more time to provide registered nurse specific care minutes. Enrolled nurses' time providing direct care to residents is included in the total care minutes.

Next slide.

You may have also seen this slide previously but again I wish to reiterate the definition of a personal care worker for the purposes of reporting.

We have had extensive consultation and research on this definition and it will be used to measure the direct care of personal care workers that counts towards care minutes targets. What we have agreed on is that a personal care worker or PCW is an employee classified under the Aged Care Award 2010 or an equivalent enterprise agreement as an Aged Care Employee Level 2 or Grade 1 Personal Care Worker up to Aged Care Employee Level 7 or Grade 5 Personal Care Worker excluding Aged Care Employee Level 6 and works under the guidance of a nurse, either an RN or an EN.

Activities of a personal care worker that can be reported as care minutes include assisting residents with daily living routines and direct care activities such as self-care or personal care. For example assisting with eating, drinking, monitoring fluid intake, skin care, ambulation, bathing, washing, dressing, hair care, mouth care, positioning, shaving, bladder and bowel care, mobility and transfers, social and emotional support for residents and their families, for example supporting residents to be and feel connected, heard, valued and fulfilled, and regular monitoring and support of residents' health and wellbeing.

Activities not consistent with the personal care worker role include but are not limited to organising recreational social activities, Allied Health including exercise, and hotel services such as catering, cleaning and laundry.

Also social and emotional support is a vital part of the residential aged care. Personal care workers can and do support residents' social and emotional needs as part of their duties and this component of their duties can be included in care minutes.

Social and emotional support includes activities that support residents to be and feel connected, heard, valued and fulfilled. Examples of the activities that would be counted include when a personal care worker spends social time with a resident to have a conversation or when a personal care worker assists a resident personally to undertake personal interests, for example reading or playing a game. Or another example is where a personal care worker assists a resident personally to participate in a group activity.

However running group lifestyle activities that would usually be run by a lifestyle coordinator, for example painting, singing, bingo, does not count towards care minutes. But a personal care worker personally assisting a resident to take part in these activities does.

For further details on care minutes and the definitions for care workers please see our Care Minutes and 24/7 Nursing Requirements Guide.

To make it clearer for what counts as care minutes for personal care workers I have an example on this slide. Ingrid is employed as a Grade 1 Personal Care Worker, Level 2 Award at Leafy Gums Aged Care. She spends most of her time, about 80%, attending to the basic daily needs of residents including bathing and washing residents, dressing, sitting with residents and helping them eat, assisting them with toileting and accompanying them on daily outings to assist with their basic daily needs. This is considered direct personal care and is counted towards care minutes.

Ingrid also helps out in the kitchen about 20% of her time as a kitchen assistant with food prepping for residents. For example Ingrid might help the chef to plate up food and serve food to residents in the dining room. This is not considered direct personal care and cannot be counted towards care minutes.

The last part I'm going to finish on today is the importance of the data and accuracy of the Quarterly Financial Reports or QFRs and what we are doing with the data. The data collected in the QFR is important as first and foremost it is a legislative requirement. Secondly this data will feed into the star rating system which starts in December 2022 to help support older Australians make informed choices about services.

Thirdly it will assist financial monitoring of providers which is key to minimising the risk of business failures and protecting consumers from potential disruptions to the care services they receive.

Lastly this data will be used to help inform recommendations on prices and funding for ANACC and will be used by the Independent Health and Aged Care Pricing Authority.

Therefore it is very important that this reporting data is accurate and of high quality. This could be particular difficult for providers who have employees in hybrid or dual roles. However I hope the explanation today has aided your understanding for the reporting requirements.

In regards to recent reporting the department has been analysing and monitoring the information submitted by providers to validate the accuracy of the information. I can confirm that approximately 20% of providers have been asked to re-verify their QFR data and that related to the care expenses and/or care hours.

I can also let you know that from the 2023-24 financial year the department will be conducting audits of provider reports to verify that the reported information is accurate. This means the data reported accurately reflects the staff employed and the activities they perform.

The audit function aims to protect the integrity of government spending by confirming that funding provided is being used as the policy intends, to improve the quality of aged care and discourage mis-reporting by providers.

The audits will be conducted to monitor provider compliance with legislative requirements by cross-checking the information submitted in the Quarterly Financial Reports and the Aged Care Financial Reports against other information sources.

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While it is expected that most providers will meet the care minutes reporting requirements, if non-compliance is identified the department may take action to protect the integrity of the Commonwealth's expenditure and the accuracy of information published through the residential aged care star rating system.

Finally I want to add that the department is here to answer your questions and support you to provide accurate reports and there is plenty of assistance available. The Forms Administration helpdesk is available to assist with the completion and submission of the QFR. You can call the helpdesk on 02 4403 0640 or email.

Please do reach out if you need assistance because the greater the accuracy and high-quality data we receive the benefits will include helping you meet the requirement of the reform, monitoring viability of the sector and protecting consumers from care disruption, as well as aiding in the recommendations of appropriate pricing for funding, the important work you do in the Australian aged care services.

Thank you. And I will now hand over to Grant Corderoy, a Senior Partner at StewartBrown, to talk about the QFR helpdesk queries being received and the Quarterly Financial Data Quality Reviews for residential and home care providers.

Grant Corderoy:

Good afternoon everyone. And again apologies for the technical delay. It's been a long, hard year I think for everyone including technology. And I believe that a copy of this presentation will be shown to everybody, available to everybody, as well as a recording.

So on the next slide we'll just talk about the Quarterly Financial Report. And Claudia has quite rightly mentioned the absolute requirement for accuracy. Well the department to assist this process has engaged StewartBrown to do a data cleansing and checking process. And we'll be doing this for each of the next three Quarterly Financial Reports, as well as the Aged Care Financial Report.

And this is a process which will help the providers. Where there is data that's outside of the normal range we'll be able to go back to providers and assist them to understand why there are differences and also to help them get accurate data and resubmit if required. And this will be of a great advantage to all providers going forward.

And so once you go to the Forms Administration helpdesk, if it's a query in relation to the data or how to extract the data or what it represents they then forward it to us and then we will review the data and engage with the provider to see where the assistance is required and how we can help. Also always look at the department website because there's lots of useful information that they put on including frequently-asked questions and previous webinars. And we've provided the link for the department website there.

So on the next slide we start talking about the helpdesk and the quantum.

In the queries the 4th of November was the closing date for the first Quarterly Financial Report. And we all recognise that the first one is going to be the most difficult one going forward. It'll be a lot easier from here on in. And 123 separate queries were submitted to the helpdesk in that period from August until the 4th of November.

Now some of the frequently-asked questions, we're just giving some of the major ones. Now home care we looked at - Elly provided a graph before of the number of non-submissions or changes and we saw home care was a major component. Because they're a lot less familiar with this style of reporting whereas in the residential aged care it's more familiar. So therefore we expected to see home care having more difficulties in the first one.

So on the home care frequently-asked questions in relation to the feedback and definitions, and basically they wanted to find out how do you classify the definitions and what are the categories. So briefly the category is domestic assistance which is like shopping, etcetera, maintenance including gardening, and transport. And they're the main categories that we're looking at, as well as obviously the clinical categories.

Another frequently-asked question was does a QFR require information on income and expenditure on services brokered to other providers as well as self-funded or private clients? And the answer to that question is yes. The income and expenditure should cover packaged home care clients, private clients that meet the age requirements which is persons over 65 years of age or over 50 years of age for persons identified as Aboriginal or Torres Strait Islander persons, and brokered services for package home care clients and age-eligible private clients with other providers. Now this is required because we want to understand what services are provided and how many hours of services and cost of service is provided with a private nature or through the funded home care packages.

So on the next slide one of the other questions for home care providers. As with residential aged care, home care relies on agency or other contracted staff. If these persons do not provide hours of service how should we record these services? And this is really a transition area that we're going to be covering with agency staff and brokered staff. And so we need to let the contractors know under your terms of trading of the requirement and explain to them the reason that we need to get this data from them, because it goes to the Quarterly Financial Reports which also go to representing how and what the funding required is necessary.

So it's important that we explain to the contractor and say "Look we do want to get this information. We need to get it from your systems. It should be readily available or not that hard to get." But in this transitioning period it is reasonable to make estimates but estimates that are based on a reasonable assumption. And I really always suggest that you document your assumptions going forward so if there's any query later you know how you got to that assumption.

So on the next slide we're looking at some of the residential aged care systems.

Many payroll systems have labour hours based on pay periods which do not fully align to calendar quarters and this is always an issue. This comes down to accruals. So we want to know how do we extrapolate for the difference.

Now it's important that we quite rightly marry up a calendar quarter with the pay period. So if you've got a pay period that overlaps a quarter you need to accrue it and not take - if a pay period for example finishes on the 26th day of the previous month you need to accrue for the four or five days to the end of that quarter. If a pay period goes to the fourth day of the following quarter you need to make certain that your accrual eliminates those four days. Because we're looking at the occupied bed days which is an important metric for each quarter and that's based on the number of days in that quarter. So the pay periods have to align with that same period or the data, otherwise we're going to get a mismatch.

So it's really important to have those things looked at. Because when we're doing our data cleansing we can see when they're out of range a lot of the time it was purely down to this accrual, that the accrual for the hours or the minutes didn't align with the actual occupied bed days and the costs.

What constitutes non-worked hours and worked hours? Non-worked hours are usually those hours associated with leave or training that do not represent direct care to residents and that's what they represent.

What is the definition of a bed? Now apart from the obvious physical definition of a bed, in this context a bed includes both respite and permanent beds. And so you need to include both of those when you're looking at your bed days and your bed-day statistics.

On the next slide what are the average pay rates? Now this is always a difficult one because we use the pay rates as a metric to understand that the costs align with the minutes. So the average pay rate is the base pay rate for each classification. So for an RN classification you might have several pay rates. So you get the average base pay rate for an RN but it does not include overtime or any of the on-costs, the on-costs being leave entitlements and areas like that. So for RNs, for ENs and PCWs we want to get the average base rate for that particular classification.

Are we allowed to consolidate co-located facilities for the QFR reporting? And the answer is no. All facilities receive separate funding, they've got a separate maps ID and they're required to submit expenditure individually. So if your general ledger system doesn't allow easily to split a consolidated or co-located facility you need to make an allocation based on a reasonable apportionment.

Now you should be able to get some of the base areas. Like you should really know what your bed days are and you should probably know what your staffing costs are. But make a reasonable apportionment and again document it. But you need to submit for each of the facilities, not as a consolidated, co-located facility.

When reporting RN shift hours do they need to be in line with the shift hours given as a reference? Now this relates to we looked at what constitutes a morning shift or a day shift, an afternoon or evening shift and a night shift. But you don't have to reconcile those hours that you gave in those shift areas with your RN or EN and PCW hours. The hours that you provide are accurate and we need them to be accurate.

As far as the information and the shifts we need them to - how many hours best align to that shift so we can understand exactly the impact of the 24/7 nursing and the facilities and how many average RNs for example are in each of those shifts and are needed in each of those shifts and we can then look at that compared to the number of residents and the size of the facilities.

So on the next slide some key figures that came in. These sort of tie up and we can relate it to what Elly did earlier. But 2,676 facilities or aged care homes were submitted in the Quarter 1 QFR returns. Approximately 70% of the returns did not require further review or checking. In other words they were within range and they were also in range when we compared them to a previous ACFR and looked at similar-sized homes.

Now as of Friday the 25th of November almost 93% of the QFR returns had now been assessed as being within the expected range. So we've gone from 70% when we received the information on 4th of November or shortly after, by 25th of November some three weeks later 93% were classified as being within range. And at that time 7% still required further review. And a statistic we heard earlier, there's still some that have to be submitted.

And we received some 400 queries going up to 14th and 15th of November regarding the providers' QFR submissions. So again the department has made available this process to help providers so we do get accurate information going forward which is for everyone's benefit.

On the next slide - and we won't go through it - but this is a cleansing flowchart that you'll be able to see from the presentation when you look at it, which shows you the process it goes through for the cleansing and the checking and then what happens going forward. So again there are a couple of key components. But this is a graphical presentation that when the data's received it does go through a very rigorous cleansing and checking process which involves us going back to providers if we feel like there's data that doesn't quite tie up. And sometimes there's a very acceptable reason for it. We're not making judgements on it. We're trying to help providers get the right, accurate data.

So on the next slide is when we're looking at the reviews what are the key areas we focus on? And we want these for key areas that you need to focus yourselves on when you're preparing the Quarterly Financial returns.

Now occupancy, the occupied bed days and available bed days is a key component. Now occupied bed days is how many days are filled by residents. We all know what that means. But available bed days again is how many bed days are available for a resident to be filled in your facility based on the current metrics of that facility. So it's not your approved places on a facility. It's actually how many beds are available in that particular home that could be filled and that's your available bed days.

And then obviously the metric between occupied bed days and available bed days is an important metric that we use. Because if for example your occupancy was low a question to ask would be is that going to affect the data. Of course if your occupancy percentage seemed to be over 100% you know we'd obviously realise there's an issue there that we need to look at the data because it does affect the calculations and the metrics.

We also looked at the direct care minutes and the direct care funding. Because obviously the different levels of funding will require different minutes will need to be required and that's a metric that we look at. So where again in our cleansing and checking process if that relationship is out of range that's when we flag it for further investigation.

And the direct care expenditure to direct care funding. So minutes and expenditure, we're getting both. But we do check the relationship between the two to make certain that the dollars ties up. So very quickly when we get the average rates of pay, when we get the direct care dollars and then divide it by the average rate of pay, taking an allowance for on-costs, and if it for example said a registered nurse was \$15 an hour based on the minutes we then know there's a problem. So it's an important metric that we think providers should be aware of and looking at also before they complete their returns.

And trend data on direct care minutes and expenditure covers the aged care - already the tools that we've got available and the department have available. They've got the Aged Care Financial Report for year-end '21 which included the minutes and the dollars for direct care. We've got the Aged Care Financial Report for financial year '22 which we're now cleansing and doing the data process now. We've got the first quarter of the QFR submission.

So if you think when we come to the second QFR submission there's a significant amount of trend data that can be looked at. And again we'll work with and the department will work with providers if they think something is outside of the trends. Because Claudia's mentioned there will be an audit process from the department or the Quality Commission but we want to make certain and the department wants to make certain that providers understand and we get things right so we don't have you know negative results from the audit process.

On the next slide we talked about occupancy. Again really important because it's a key metric. So you need to make certain that you get that occupancy absolutely right. Know your bed days, how many bed days have been filled. And also you can check that back to your returns. But also what's your available bed days. And use that as a metric going forward because it's certainly a

metric that we use in the cleansing process but one that the department will also be looking at when they're doing the overall reviews.

On the next slide we've talked about the direct care minutes compared to direct care funding. So this is just expanding more on what I've said. But as an example we talk about the mandated 200 minutes. Now the mandated 200 minutes is an average for the sector. So using ACFI - and remember unfortunately the first quarter returns are ACFI, the second quarter is going to be based on ANACC. But on the ACFI using the example, if you've got an ACFI of \$150 average per resident per day you're not expected to have 200 minutes on that basis necessarily. But if you've got an average ACFI of well over \$200 per day the expectation is you will have well over 200 minutes. So look at that relationship. And that's a relationship that the department and the star ratings and also the Quality Commission are going to be using very extensively going forward. Remembering that from here on in it's going to be ANACC funding.

On the next slide we talk about the direct care expenditure. And again the Pricing Authority. Now they're going to be a really important component because we know that with ANACC there's going to be - and it's going to take a little while to get all the settings right. You know there's been good modelling done by the department, they've got the ANACC based price. But the Pricing Authority is charged with the responsibility of understanding what are the components of providing direct care costs and therefore what's the appropriate subsidy, being ANACC, to cover the costs and obviously to cover the costs and make certain they're well and truly covered and being used properly. So it's really critical that the Pricing Authority gets this accurate data. And of course the department will be working with the Pricing Authority and we'll be working with them to make certain that they identify that where some data's out of range what are the reasons for it. But even when it's in range as we said in the previous slide that we need to make the comparison between your funding, your dollars or direct care dollars and your direct care minutes is all relational and it's not just a blunt instrument, which it certainly isn't for meeting the mandated minutes.

So on the next slide trend data on direct care minutes covering the previous quarters. And I think it's really important for providers when they're looking at and submitting their returns to make certain they compare their results to previous submissions that they've given for each of the homes. Because when you get an outlier and a trend that looks completely different that will lead to a question. Now sometimes and often there might be a legitimate reason for it but let's avoid it where it's just been a mistake.

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Some of the areas that we saw mistakes this year were having the incorrect bed days or were having the accrual of the dollars or the accrual of the minutes didn't quite align. But look at the trends that are going back from your previous returns, your Aged Care Financial Reports and then your previous Quarterly Financial Reports. Again part of our cleansing and checking process we'll be looking at that and we'll assist you with that in that regard.

So I think that my time is probably up at this stage. So I think I'll let it go through and we might have questions and answers.

Susan Trainor:

Thanks Grant. Look in the interests of time we had intended to have a Q and A session now but given we started quite late and I'm sure that some of you on the line have other places that you needed to be at 3:30 today we are proposing that we will continue to work through the questions in the question and answer chat on the right side of the screen. Some of the team have offered to stay after the webinar has closed to continue to work through those for those who are able to stay on the line and wait for a response.

We will also provide an email address in one of the later slides that you can send questions to. And then the questions that are in the chat, as well as those that are provided on that email address, we will update the FAQs on both the Department of Health and Aged Care's website and the Forms Administration website to provide answers to those questions and make sure that you all have that information before the time comes to complete the Quarter 2 report.

But in the interests of time we will now move on to the final item on our agenda which is other issues and next steps.

So we'd like to give you some advance notice now that the department is developing a new IT platform for the QFR which will be introduced in 2023. We will of course have another webinar before the next quarter reporting. And at whichever stage we introduce that new IT platform we will make sure we provide plenty of information about that at that point in time. But to give you some information about that now.

To ensure the new system best meets the needs of aged care providers we've conducted some co-design activities with the sector. These co-design activities include user experience sessions and a QFR workshop with aged care providers which I'll present a little bit more on in the next slide. Future opportunities for collaboration with providers as we develop the new system are being investigated and we hope to engage with members of the department's Digital

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Transformation Sector Partners Group in the new year. This group works to facilitate digital transformation through bringing together government and the sector. The Sector Partners Group meets fortnightly to discuss and progress thinking around aged care digital transformation priorities. You can find more information about the group on our website.

Last month the department conducted a workshop with provider representatives. Building on previous user experience research, the department showcased progress on the development of the future QFR system. Participants in the workshop provided some really useful feedback for us throughout the session. And a key callout through that was a desire from providers for increased opportunities for data upload. A poll to survey opinions on the developing system and to inform our next steps was also conducted. And providers who were surveyed indicated that they thought this future system would be either easy or moderate for them to use.

And so just before we wrap up another reminder about Quarter 2 QFR and then just one more little reminder for you on a slightly different topic.

Providers will be able to submit their second Quarter Reports through the Forms Administration portal from the 1st of January with submissions due on the 14th of February 2023. I did see in the Q and A before a keen eye spotted that for a brief period of time that showed up as 15th of February on our website. But it is a legislative requirement for us that we close that 45 days after the end of the relevant reporting period which of course ends on the 31st of December. So it is the 14th of February and the website has been or will be updated to reflect that.

Guidance materials including definitions, FAQs and guides are available on both the department's and Forms Administration's websites. Slides from today, a recording of the presentation and a transcript of this webinar will also be available on both of those websites soon.

The Forms Administration helpdesk will be available from the 3rd of January to assist with the completion and lodgement of the second quarter QFR. So that is two days after the submission window opens but that should - so there's just a couple of days there where you'll have to wait if you have questions for assistance with that. So please call or email if you need any assistance. A phone number and email address are on the screen.

And in the meantime if you do have any additional questions for us, including ones that we weren't able to get to in this webinar because of the time constraints, please do email them to the

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ffbconsultation@health.gov.au website. We'll be happy to answer them through that and to then put those additional questions up on the Q and A.

And just finally before we wrap up we would like to take this opportunity to remind providers that applications for the Aged Care Registered Nurses' Payment to reward clinical skills and leadership are due to close next Wednesday the 14th of December. The payment rewards registered nurses who worked for the same aged care provider for the duration of either a six-month or 12-month eligibility period with payments worth up to \$6,000. Employers are responsible for applying for the payment on behalf of their eligible registered nurses and we're very keen to make sure that every eligible nurse is able to receive that. For further information, FAQs and the application form please visit the GrantConnect website at www.grants.com.au.

Thank you so much for your attendance today. We apologise again for the real technical issues we had getting this underway. And I appreciate that for some of you that's meant you've had to leave a little bit early or for some of you you may have to watch this on a playback on our website later. But we really appreciate it and we look forward to seeing all of your Quarter 2 QFR reports coming through early in the new year.

[Closing visual of slide with text 'agedcareengagement.health.gov.au', 'Phone 1800 200 422 (My Aged Care's free call phone line)', with moderator connecting via videocall and visible on the right-hand side of the screen]

[End of Transcript]