

Aged Care Financial Report Residential Facility Income Statement Helpful Tips

Background

In response to the Royal Commission, the Government is significantly increasing its investment in residential aged care and introducing a new funding model, the Australian National Aged Care Classification (AN ACC), to deliver funding.

In addition to the AN-ACC, the government has also announced that it will be implementing the Royal Commission's recommendations to introduce enhanced reporting requirements and strengthen prudential requirements of providers.

The new enhanced financial reporting requirements, includes the introduction to expand the information collected in the 2020-21 ACFR, requiring residential aged care providers to report income and expense information at the facility level.

The department acknowledges that for the 2020-21 ACFR, this will be the first time that providers will be required to report financial data at this level.

The collection of more detailed information will allow the department to understand where aged care providers spend their money, including staffing costs across care types (e.g. registered nurses, personal care, allied health); direct care hours across care types; resident expenses including medical and incontinence supplies and catering expenses including food. Care minutes reporting will move to quarterly reporting from 1 July 2022.

To ensure accountability and transparency, the Independent Hospital Pricing Authority will be expanded to take on the role of advising Government on aged care pricing. The expanded Pricing Authority will undertake detailed and independent analysis of information provided in the ACFR to understand how aged care funding is spent to support their advice to Government.

The detailed information provided in the ACFR will also support the information published for consumers through a star rating system. The star rating system will deliver improved consumer transparency to assist senior Australians and their families make informed decisions on choosing a residential aged care facility.

Common Errors that may Occur in Completing the Residential Income and Expenditure Information

1. Ensure the Care labour cost allocation strictly agrees to the labour staff hours allocation - for example entering staff costs into the Personal care staff/Other unlicensed nurses line but then entering the staff hours into the Enrolled and licensed nurses (registered with the NMBA) line item
2. Do not include additional/sundry income in the Basic Daily Fee line item - the amount disclosed for BDF should equate to approximately the current rate of \$52.71 per day
3. Incorrect allocation of the Commonwealth Subsidies and Supplements between the Care and Accommodation income line items - please see tip above and the definitions for assistance
4. Incorrect allocation to the "Interest Received - Accommodation Bonds" line. This line item should include any amounts for outstanding pre-2014 bond payments only. All interest

received on Refundable Accommodation Deposits (RAD's) invested should be included in the "Investment income – interest" line item

5. Ensure the approved places, available and occupied bed days supplied are listed under the correct aged care home
6. Ensure all data supplied is for the full 12-month period 1/7/2020 to 30/6/2021 unless the home was not open for part of the year (newly built or refurbished)

Q What should be included in the COVID-19 Income?

A Please include the following items as Covid-19 income category:

- COVID-19 Aged Care Support Program (ACSO) GO3844 and Support of Aged Care Workers in COVID-19 (SACWIC) GO4215 – this is funding received for homes that have experienced a COVID-19 outbreak
- Workforce Retention Bonus Grants - This grant supports the continuity of workforce with three bonus payments, one paid in July 2020, second in September 2020 and third in January 2021, application form needs to be completed
- One-off lump sum COVID-19 support payments - aged care specific COVID-19 measures such as the one-off Residential Care Subsidy Increase (approx. \$900/\$1350 per resident in metro and regional areas respectively) which was paid in October 2020. Also the Residential Care Support Supplement (RSS) payment to provide stability and maintain services while the Government considers the recommendations of the Royal Commission's Final Report, (calculated as at the number of residents for the month of February 2021 paid at MMM1 is \$27.25 per day, MMM2 to MMM7 is \$40.88 per day) was paid in March/April 2021
- Temporary 1.2% increase to ACFI care subsidy – a temporary 1.2% ACFI increase was paid from 1/7/2020 to 31/8/2020 to support Providers during the COVID-19 pandemic
- Other COVID-19 revenue - non-aged care measures such as JobKeeper

Q How do I calculate the Direct Care paid hours?

A It is required that you gather the hours data from your roster system (preference), payroll, or other time recording system.

These hours must be split by the staff classification as set out in the ACFR.

Direct Care Paid Hours:
◦ Registered nurses
◦ Enrolled and licensed nurses (registered with the NMBA)
◦ Personal care staff/Other unlicensed nurses
◦ Care Management Staff
◦ Allied health
◦ Diversional Therapy/Lifestyle/Recreation/Activities Officer
Total Care Labour Hours

Note: Providers will be expected to keep a record of how the hours have been calculated and how the information can be tied back to source records.

It is expected that where care has been provided by external individuals/organisations (agency, allied health, management contracts), these hours will also need to be recorded in the appropriate line.

Q All of my Direct Care labour costs are in one general ledger account, how can I break this up?

A The preferred approach is to allocate the staff costs by category directly from the payroll system. The majority of payroll software provides an annual staff cost for each staff member employed (including overtime, paid leave, superannuation) and this often reconciles to the Single Touch Payroll data. The payroll software should also include the respective staff category for each employee and this should be used to provide the allocation of staff costs by category.

If you have hotel service staff work across the catering, cleaning and laundry areas you will need to split and/or allocate their wage costs as appropriate. Providers will be expected to keep a record of how the hours have been calculated and how the information can be tied back to source records.

Providers that require additional support to extract the required information should request support by emailing ACFR.FacilityReporting.Help@Health.gov.au.

Q All of my cleaning and laundry consumables are in the same ledger account, how can I break this up?

A Providers are advised to:

- Review some of the invoices that list the consumable items purchased and categorise them into either cleaning or laundry use
- calculate the percentage of consumables used by each of the sections
- use this percentage to split the ledger account figure over the cleaning and laundry consumable line items.

When doing this providers should consider variables that may impact either of these categories. For example, changing circumstances related to COVID-19 may adjust the nature of any split.

Q How can I split up my Workcover Premiums and Payroll Tax over the Care, Hotel, Administration and Accommodation sections?

A Where these costs have not already been allocated at source posting, Providers are advised to allocate based on the actual residential aged care allocation of their payroll and allocate the workcover premiums and payroll tax on the same basis.

Q Where do I find the occupied bed days for the aged care home?

A The occupied bed days are listed on the monthly Medicare Payment statement on the Daily subsidy from ACFI page as per below:

Daily subsidy from ACFI

Total full bed days = 1298

Effective date	Assessment type	Assessment level	Amount per day certified	Amount per day non-certified	Current bed days			
					Full	Late	Adjusted subsidy reduction	Extended hospital reduction
20/03/2021	Respite	Low	\$48.15	\$0.00	0	0	0	0
		High	\$135.01	\$0.00	12	0	0	0
		Supplement Low	\$40.21	\$31.32	0	0	0	0
		Supplement High	\$56.36	\$47.48	12	0	0	0
		High	\$115.49	\$0.00	692	0	0	0

Q Where do I locate the Care and Accommodation Commonwealth subsidies and supplement amounts?

A These amounts appear on the Monthly Medicare Payment Statement listed under the Service payment summary as per the following example:

Service payment summary	
Description	Amount
Subsidies and supplements	
Subsidy as calculated - permanent	\$352,284.74
Subsidy as calculated - respite	\$5,537.25
Accommodation supplement	\$7,068.44
Accommodation charge top up supplement	\$0.00
Basic daily fee hardship supplement	\$0.00
Charge exempt supplement	\$0.00
Clean energy supplement	\$0.00
Concessional / assisted resident supplement	\$0.00
Conditional adjustment payment	\$0.00
Dementia supplement	\$0.00
Enteral feeding supplement	\$0.00
Ex-hostel supplement	\$0.00
Hardship supplement - class C areas	\$0.00
Hardship supplement - classes	\$0.00
Hardship supplement - individual	\$0.00
Hardship supplement - RA	\$0.00
Homeless supplement	\$0.00
Means tested accommodation supplement	\$35,000.58
Oxygen supplement	\$1,093.17
Payroll tax supplement	\$0.00
Pensioner supplement	\$269.61
Resident contribution top up supplement	\$0.00
Residential respite incentive	\$0.00
Transitional accommodation supplement	\$0.00
Transitional supplement	\$0.00
Veterans supplement	\$0.00
Viability supplement	\$0.00

An easy way to keep track of the totals throughout the year is to make up a table and enter the amounts from the payment statement monthly (as per the following example), this way you can tally the care income and accommodation each month and have a total for the year end ACFR report.

		Jul-20	Aug-20	Sep-20	
Subsidy as calculated	Care Income	194,189.34	195,033.74	196,808.23	196,000.00
	Care Income	27,128.72	24,542.72	10,230.57	14,000.00
Adjustments for previous claim periods	Care Income	4,243.40		1,829.75	8,000.00
	Care Income	-	-	3,809.80	1,000.00
Accommodation Supplement	Accommodation Income	4,626.44	4,626.44	4,477.20	4,000.00
Accommodation charge top up supplement	Accommodation Income	56.73	56.73	54.90	
Clean Energy Supplement	Care Income	18.91	18.91	18.30	
Concessional/Assisted Resident Supplement	Accommodation Income	1,803.89	1,803.89	1,745.70	1,000.00
Ex-Hostel Supplement	Accommodation Income	24.80	24.80	24.00	
Hardship Supplement	Care Income				
Transitional Supplement	Care Income	718.89	718.89	695.70	
Transitional Accommodation Supplement	Accommodation Income	89.59	89.59	86.70	
Pensioner Supplement	Accommodation Income	537.54	537.54	520.20	
Residential Respite Incentive	Care Income	4,351.20	3,175.20	1,215.20	3,000.00
Enteral Feeding Supplement	Care Income	660.92	660.92	639.60	
Income Tested Subsidy Review REFUND	Care Income	1,165.10		1.86	

Please ensure that the ACFR [data definitions](#) file is used to assist in the completion of the report.

Providers that require additional assistance to complete the required facility level can email the department at ACFR.FacilityReporting.Help@Health.gov.au.