THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

AGED CARE AMENDMENT (RESIDENTIAL CARE) BILL 2007

SUPPLEMENTARY EXPLANATORY MEMORANDUM

Amendments to be Moved on Behalf of the Government

(Circulated by authority of the Minister for Ageing, the Honourable Christopher Pyne MP)
OUTLINE

The proposed government amendment amends the *Aged Care Amendment (Residential Care) Bill 2007.*

The amendment

The *Aged Care Amendment (Residential Care) Bill 2007* amends the *Aged Care Act 1997* to introduce a new arrangement for allocating subsidy in residential aged care.

Schedule 1 to the Bill amends the Aged Care Act to support proposed amendments to the *Classification Principles 1997* to replace the Resident Classification Scale (RCS) with the Aged Care Funding Instrument (ACFI) as the means of allocating subsidy to providers of residential aged care.

This amendment omits provisions which repealed subsection 42-1(4) of the Aged Care Act, related to High Dependency Care Leave and ensures that Ministerial determinations made under subsection 44-3(3) of the Aged Care Act related to Extended Hospital Leave are reasonable and determine a minimum lower basic subsidy level.

Financial Impact

This amendment will have a negligible impact upon the finances of the Commonwealth.
NOTES ON CLAUSES

Item 1

This item omits items 26 and 27 from Schedule 1 of the Bill and substitutes a new Item 26. Item 27 repealed subsection 42-1(4) related to High Dependency Care Leave. New Item 26 is introduced to be consistent with new subsection 22-2(3). New subsection 22-2(3) allows the Secretary to limit an approval of a person as a residential care recipient under section 22-1 to a low level of residential care as calculated under the ACFI.

Item 2

This item inserts a new subsection 44-3(4) which limits Ministerial determinations made under subsection 44-3(3) of the Aged Care Act related to Extended Hospital Leave to not less than half of the amount that would have been the basic subsidy amount if the care recipient had not been on Extended Hospital Leave on that day.