



**Development of a new funding model for
Community Transport Organisations based on
the Australian National Aged Care
Classification (AN-ACC)**

CTO Expert Panel Workshop

April 2022

Purpose of the day

- The Australian Health Services Research Institute (AHSRI) has been commissioned to develop a new funding model for community transport
 - An alternative to the ‘Support at Home’ model being proposed by the Department of Health
- We want to co-design certain aspects of the model
- Today is the beginning of that process



Background

New Support at Home Program from 1 July 2023:

Commonwealth Home Support Program (CHSP),
Home Care Packages (HCP), transition care and
residential respite

Proposed 'Support at Home' program

- ❑ Not consistent with Royal Commission recommendations
- ❑ Not Labor policy (so election-dependent)
- ❑ Capped fee for service
- ❑ Payment in arrears
- ❑ Driven by ideological view about 'the market'
 - CHSP providers are 'monopolies'
 - Competition is good
 - Goal is to encourage more for-profit providers into the sector and break up monopolies

Support at Home Alliance

- Providers working together to argue against proposed 'Support at Home' program design and to argue for an extension of the AN-ACC funding model being introduced for residential aged care
- AHSRI developed the AN-ACC and we are now helping the alliance at their request
- This community transport project has the same goals

Does the Australian National Aged Care Classification (AN-ACC) model work for community aged care?

- ❑ Two elements – **capacity** and **activity**
- ❑ Base care tariff to cover the costs of an organisation having the **capacity** to deliver aged care services
- ❑ Individualised care (**activity**) payment based on the services actually delivered



Core elements of AN-ACC

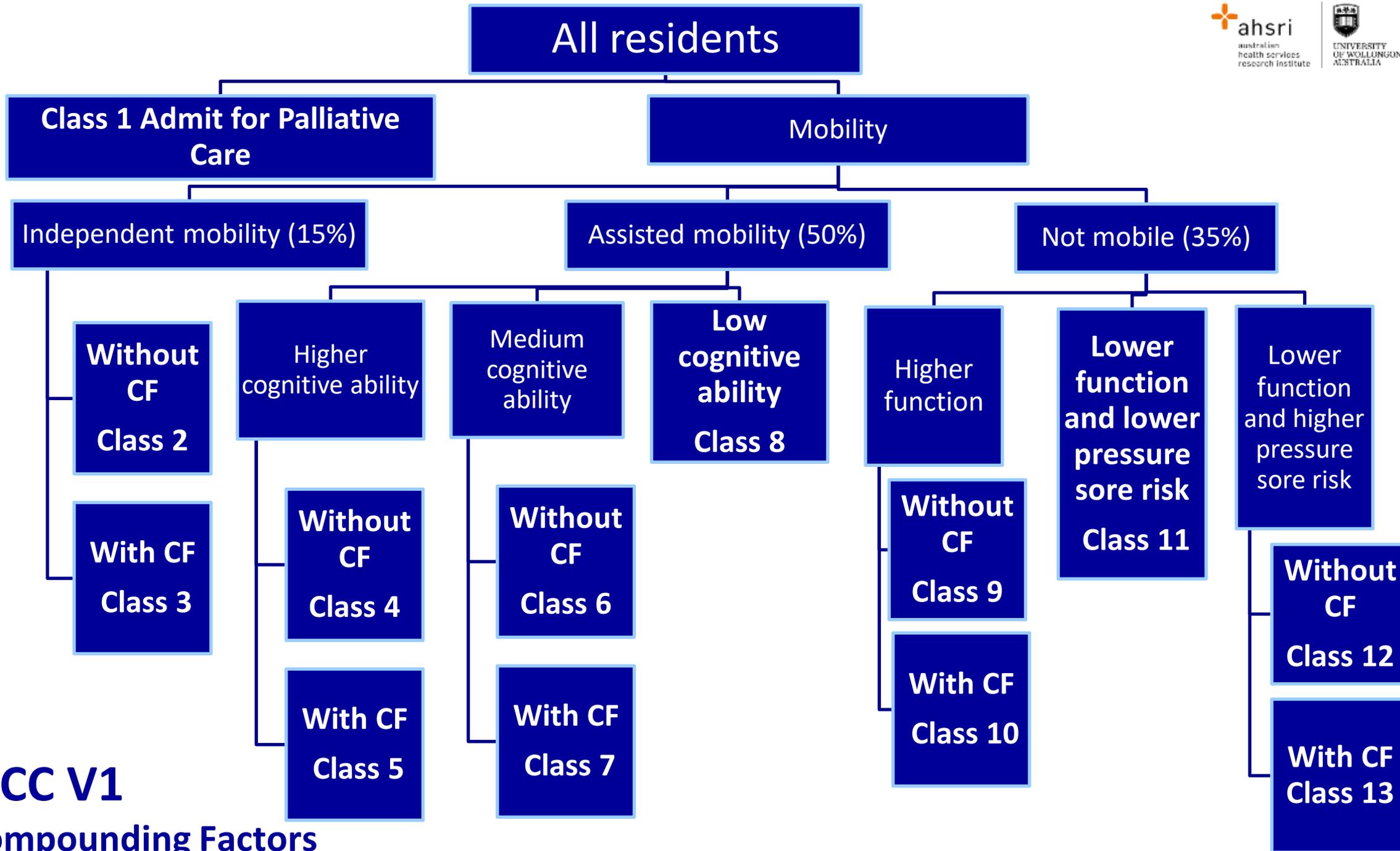
Developed for residential aged care in 2018-2019 but with intention that it could progressively be expanded to include community and home aged care

Core residential aged care elements

- ***Base Care Tariff (BCT)***: covers fixed costs of care that are shared equally by all residents (50%)
- ***AN-ACC Care Payment***: variable price per day for the costs of individualised care for each resident (50%)
 - based on each resident's AN-ACC class
 - price per class is standardised across Australia
- One-off ***Adjustment payment*** for each new resident
 - Recognising additional, but time-limited, resource requirements when someone initially enters residential care
 - We are assuming that adjustment payment does not apply to community and home care

Base care tariff

Base Care Tariff	Facility description	RVU	NWAU
1	Indigenous, MMM=7	463%	\$390.24
2	Indigenous, MMM=6	162%	\$169.10
3	Non-indigenous, MMM=6-7, < 30 beds *	187%	\$147.42
4	Non-indigenous, MMM=6-7, 30+ beds *	106%	\$112.74
	MMM = 5	TBC	
5	Specialised homeless	179%	\$199.46
6	All other RACFs	95%	\$106.23
All		100%	\$108.40



AN-ACC V1

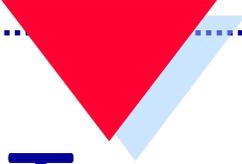
CF = Compounding Factors

Each AN-ACC class

- Represents residents with similar needs for care
 - hence an evidence-based predictor of staff time
- Represents residents who cost about the same to care for each day
 - hence an evidence-based unit of payment
- Represents residents whose clinical risks and outcomes are similar
 - hence an evidence-based way of risk adjusting quality and safety indicators

AN-ACC NWAU

AN-ACC class	Resident description	AN-ACC NWAU	NWAU
Class 1	Admit for palliative care	1.00	\$208.13
Class 2	Independent without CF	0.19	\$39.02
Class 3	Independent with CF	0.31	\$65.04
Class 4	Assisted mobility, high cognition, without CF	0.21	\$43.36
Class 5	Assisted mobility, high cognition, with CF	0.37	\$78.05
Class 6	Assisted mobility, medium cognition, without CF	0.35	\$73.71
Class 7	Assisted mobility, medium cognition, with CF	0.49	\$101.90
Class 8	Assisted mobility, low cognition	0.54	\$110.57
Class 9	Not mobile, higher function, without CF	0.54	\$112.74
Class 10	Not mobile, higher function, with CF	0.87	\$179.94
Class 11	Not mobile, lower function, lower pressure sore risk	0.83	\$173.44
Class 12	Not mobile, lower function, higher pressure sore risk, without CF	0.81	\$169.10
Class 13	Not mobile, lower function, higher pressure sore risk, with CF	1.00	\$208.13
Adjustment payment		5.28	\$1,144.70



Two elements in an AN-ACC funding model for Community Transport

- 1 Base Care Tariff
- 2 AN-ACC classes for community transport

Plus community transport activity classification as an intermediate product

Goal

- To extend the AN-ACC funding model into community and home care by developing a funding model with two components:
- **Capacity** component is funded via a Base Care Tariff
- **Activity** component is funded via an annual price and volume contract based on total activity units classified by AN-ACC

The end result: an annual price and volume contract. An example

Funding agreement	Total RVU per annum	Minimum activity	Maximum activity	\$ per RVU	Total
Base Care Tariff Level 1					\$300,000
Total AN-ACC RVUs (+/- 10%)	200	180	220	\$200	\$40,000
Total					\$340,000

Base Care Tariff (BCT)

- The core costs of a community transport service so that it has the **capacity** to provide transport services to individuals
 - Salaries for management & administration
 - Office space, IT, equipment
 - Fleet purchase, maintenance and depreciation
 - Other?

 - We need to make a decision about employed drivers

What drives BCT Capacity Costs?

- Size – the bigger the service, the more core capacity it needs
 - What is the easiest (but robust) way to measure size?
 - Consumers per year, trips per year, vehicle numbers, driver numbers
- Location – is there a difference between metro, regional and remote?
 - cost differences for staff, cost of depot, differences in fleet mix?
- Anything else?

What an AN-ACC branch for community aged care might look like

Base Care Tariff	Description
1	CTO, major metropolitan or regional area, >more than 1,000 care recipients per year
2	CTO, major metropolitan or regional area, 500-999 care recipients per year
3	CTO, major metropolitan or regional area, < 500 care recipients per year
4	CTO, outer regional or remote area, >more than 1,000 care recipients per year
5	CTO, outer regional or remote area, 500-999 care recipients per year
6	CTO, outer regional or remote area, < 500 care recipients per year
7	Meals on Wheels service in major metropolitan or regional area providing meals only in a large service, > 500 care recipients per year
8	Etc
9	

Drivers

- ❑ Services have a mix of volunteer and employed drivers
- ❑ Volunteers are all in the activity classification (AN-ACC)
- ❑ How to classify employed drivers:
 - All in the BCT cost
 - All in the AN-ACC cost
 - A split between both. Example:
 - ❑ Small service – one FTE paid driver
 - ❑ Medium service – three FTE paid drivers
 - ❑ Large service – five FTE paid drivers
 - ❑ With all additional drivers in the AN-ACC cost

Activity Classification

- An intermediate step in developing the funding model
- A classification of the services that CTOs deliver
- With associated cost relativities or Relative Value Units (RVUs)
 - The cost of an average activity is given a weighting of 1.00
 - An activity that costs twice as much on average has an RVU of 2.00
 - An activity that costs half the average has an RVU of 0.50

An example

Activity list	RVU	\$ per RVU	Total
Short return trip to local appointment	0.10	\$200	\$20
~3 hour ~400 km round trip city - rural town	3.00	\$200	\$600
Half day group outing per person	0.20	\$200	\$40
Full day group outing per person	0.40	\$200	\$80
~2 hour escorted shopping one on one	0.30	\$200	\$60

Individual service planning

Notional service plan for a consumer with medium needs 2023/24	RVU	Activity units	Total RVU per annum	\$ per RVU	Total
Short return trip to local appointment	0.10	10	1	\$200	\$250
3 hour round trip to city appointment from rural town	3.00	1	3	\$200	\$600
Half day group outing per person	0.20	26	5.2	\$200	\$1,040
Full day group outing per person	0.40	12	4.8	\$200	\$900
2 hour escorted shopping one on one	0.30	48	14.4	\$200	\$2,880
Total		97	28.4		\$5,670

Activity list	RVU	\$ per RVU	Total
Short individual: <30min	15%		
Medium individual: 30-90min & <30km	20%		
Medium individual: 30-90min & >30km	30%		
Long individual (return): >180min & half day	100%		
Long individual (return): >180min & full day	180%		
90min group outing per person	10%		
Half day group outing per person	20%		
Full day group outing per person	30%		

What drives individual need for community transport?

- Imagine 4 classes:
- Class 1. High community transport needs
- Class 2. Medium community transport needs
- Class 3. Low community transport needs
- Class 4. Casual community transport needs

What drives individual need for community transport?

- How should we measure 'need'
 - Number of trips per year by transport activity class
- What items captured at assessment can be used to classify someone as high, medium, low or casual needs?

Individual service planning

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AN-ACC classes for Community Transport

AN-ACC classes for Community Transport	Definition	RVU for price and volume contract
Class 1. High community transport needs	Person needs >50 RVU per annum	60 RVU
Class 2. Medium community transport needs	Person needs 20-49 RVU per annum	30 RVU
Class 3. Low community transport needs	Person needs 5-19 RVUs per annum	10 RVU
Class 4. Casual community transport needs	Person needs <5 RVU per annum	5 RVU

A price and volume contract

Funding agreement	Total RVU per annum	Minimum activity	Maximum activity	\$ per RVU	Total
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Summary of outcomes of the day

Three classifications with associated definitions that CHSD can refine based on the data analysis

Location will be defined based on the Modified Monash Model (MMM) categories (same as residential care)

MM 1	Metropolitan
MM 2	Regional centres
MM 3	Large rural towns
MM 4	Medium rural towns
MM 5	Small rural towns
MM 6	Remote communities
MM 7	Very remote communities

Some examples of MMM boundaries in NSW



Draft Base Care Tariffs for Community Transport Organisations

Base Care Tariff	Description
1	Large (more than X Relative Value Units (RVUs) of community transport activity per year) CTO, MMM=1, 2, 3 or 4
2	Large (more than X Relative Value Units (RVUs) of community transport activity per year) CTO, MMM=5, 6 or 7
3	Medium (between X and Y Relative Value Units (RVUs) of community transport activity per year) CTO, MMM=1, 2, 3 or 4
4	Medium (between X and Y Relative Value Units (RVUs) of community transport activity per year) CTO, MMM=5, 6 or 7
5	Small (less than Y Relative Value Units (RVUs) of community transport activity per year) CTO, MMM=1, 2, 3 or 4
6	Small (less than Y Relative Value Units (RVUs) of community transport activity per year) CTO, MMM=5, 6, or 7

Draft Activity Classification for Community Transport Organisations

Community transport activity classes	Relative Cost	Relative Value Unit (RVU)
1. Short individual (one way): <30min	15%	0.15
2. Medium individual (one way): 30-90min & <30km	20%	0.20
3. Medium individual (one way): 30-90min & >30km	30%	0.30
4. Long individual (return): >180min & half day	100%	1.00
5. Long individual (return): >180min & full day	180%	1.80
6. ~90 min group outing (minimum 3 people) per person	10%	0.10
7. Half day group outing (minimum 3 people) per person	20%	0.20
8. Full day group outing (minimum 3 people) per person	30%	0.30

Draft AN-ACC classes for Community Transport

AN-ACC classes for Community Transport	Definition	Illustrative RVU for price and volume contract
Class 1. High community transport needs	Person needs >X RVU per annum	60 RVU
Class 2. Medium community transport needs	Person needs between Y and X RVU per annum	30 RVU
Class 3. Low community transport needs	Person needs between Z and Y RVUs per annum	10 RVU
Class 4. Casual community transport needs	Person needs < Z RVU per annum	5 RVU

Next steps

- We take away the outcomes of today
 - These are now hypothetical classes we can test
 - We undertake a costing study using the data that CTOs have been sending us
 - We revise our Base Care Tariffs, activity classes and AN-ACC classes and their RVUs based on the costing data
- We meet with the Expert Panel toward the end to review the results and agree on (1) any necessary refinements (2) work to be done before development of Version 2.