

# Chronic Wound Funding Reference Resource

For residential aged care staff



wound innovations

**phn**  
BRISBANE NORTH  
An Australian Government Initiative

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## Background

Throughout Australia more than 400,000 people live with the burden of a chronic wound. A chronic wound can have a massive impact on an individual's quality of life, with many chronic wounds being painful, highly exudating and malodorous. This can result in social isolation, depression, an inability to work, an inability to maintain their home environment and the development of other health conditions (Kapp & Santamaria. 2015).

This has an impact on all areas of society, ranging from the individual, their family and their employer, through to the national health system. The financial impact on the national health system has been conservatively estimated at a cost of \$3 billion per year. This figure equates to around 2% of the national health expenditure and suggests that a single chronic wound would cost on average \$6,519 (Graves & Zheng. 2014).

The issue of chronic wounds was described within an Australian Centre for Health Service Innovation report as “a silent epidemic in Australia”. This “epidemic” is not confined to just one setting, with an ageing population in Australia and more of this population requiring nursing support, Graves & Zheng (2014) identified a prevalence of chronic wounds within the Australian public health, private and residential care settings of 1.9%.

It is recognised that the main contributing factor for the associated high cost of treating chronic wounds, and poor clinical outcomes, is the lack of specialist services within community settings, that have the financial resources to deliver gold standard care (Graves & Zheng. 2014).

With the goal of improving clinical outcomes for individuals who are living with chronic wounds within residential aged care, the Brisbane North Chronic Wound Governance Group highlighted the need to develop a funding reference resource. The aim of this funding reference resource is to outline the funding avenues available to residential aged care settings, in relation to chronic wound management.

## Definitions

### **Chronic wound:**

A wound that has failed to progress through the normal phases of wound healing in an orderly or timely manner. Impacts on chronic wound healing are often multifaceted and require a holistic approach to care.

### **Brisbane North PHN:**

There are 31 Primary Health Networks within Australia, which strive to improve medical services for patients within their region. Brisbane North PHN provides support to services across the Brisbane North, Moreton Bay, and some areas within the Somerset Regional Councils.

### **Brisbane North Chronic Wound Governance Group:**

The primary purpose of the Brisbane North Chronic Wound Governance Group (Governance Group) is to improve the care journey for people living with chronic wounds by implementing a local collaborative approach to problem solving and working together to address the conditions that are holding problems in place.

### **Wound Innovations:**

A private national service of wound specialists focused on providing specialist level clinical support to a wide range of settings.

# Chronic Wound Funding Reference Resource

## Scoping of Resources:

The issue of funding consumables and services relating to chronic wounds is complex and has been highlighted nationally as lacking. In recent years, efforts have been made by multiple groups to lobby for change. This resource has been developed using currently available information and is subject to change. Unfortunately, there is no simple module of funding that fits every situation. As this is the case, it is important to take the individuals' situation and the aetiology of the wound into consideration when investigating potential funding options.

## Development Governance:

The development of this resource was initiated by the Brisbane North Chronic Wound Governance Group and was included in the group's Strategic Plan 2019-2021. Throughout the development of this resource, progress has been reported back to this group and input from all stakeholders has been sought. Support has been provided by local and national stakeholders from industries such as residential aged care, private practice, and consumable providers.

## Aged Care Funding Instrument

Residential aged care facilities are funded through both resident contributions and the Australian Government:

- Residents contribute to both their care and accommodation through their age pension and some also pay a fee based on means-testing. More information around this can be found here [www.myagedcare.gov.au/agreeing-aged-care-home](http://www.myagedcare.gov.au/agreeing-aged-care-home)
- Government funding is based on the care needs of each resident. The level of care need is calculated using the Aged Care Funding Instrument (ACFI). To determine a resident's level of care need, the assessor answers questions relating to three domains: Activities of Daily Living, Behaviour and Complex Health Care. The daily care subsidy allocated to each resident depends on their individual level across these three domains.

Under the Aged Care Funding Instrument, chronic wounds such as “varicose and pressure ulcers, and diabetic foot ulcers” fall under the complex health care domain and government funding is allocated through this system.

This government funding is intended to cover all wound-related costs including allied health services such as, podiatry, occupational therapy, and physiotherapy services at no cost to the resident.

Please note that the Aged Care Funding Instrument tool is currently under review, with potential plans for its replacement with the Australian National Aged Care Classification.

An example of an Aged Care Funding Instrument claim that supports chronic wound management would be ACFI item number 12. 12b. This item allows a facility to claim for the provision of graduated compression garments. To support this claim, a directive for graduated compression garments must be given by a health professional acting in their scope of practice i.e. a General Practitioner or Nurse Practitioner. This directive should include a management or treatment plan that outlines the aim and rationale of graduated compression therapy, legs measurements and ankle brachial pressure index results, the level of compression prescribed, and the frequency of application.

#### For further information:

Australian Government Department of Health website: Aged Care Funding Instrument (ACFI) Resources

[www.health.gov.au/resources/collections/aged-care-funding-instrument-acfi-resources](http://www.health.gov.au/resources/collections/aged-care-funding-instrument-acfi-resources)

Australian Government Department of Health Aged Care Funding Instrument (ACFI) additional information

[www.health.gov.au/sites/default/files/documents/2020/12/aged-care-funding-instrument-acfi-additional-information\\_0.pdf](http://www.health.gov.au/sites/default/files/documents/2020/12/aged-care-funding-instrument-acfi-additional-information_0.pdf)

## Medicare

The Medicare Benefits Schedule Review Taskforce produced a draft report looking into funding for wound management that included funding within residential aged care. This review made recommendations for change, highlighting the impact and high cost of chronic wounds. At this time no clear outcome has been made.

Under the 'Aged Care Act, 1997' residential aged care facilities are required to provide allied health services such as, podiatry, occupational therapy, and physiotherapy services at no cost to the resident. It is expected that these services be funded through the government allocation as identified by the resident's Aged Care Funding Instrument score. As this is the case, for residents identified as 'high need' under the Aged Care Funding Instrument, Medicare-rebatable allied health services should not be accessed as this is seen as double dipping into government funds.

In some situations, a General Practitioner (GP) may be able to access a Medicare rebate under item 731. This item number allows for the resident's GP to contribute to the resident's care plan if set criteria are met: This care plan should be multidisciplinary, the resident must have a chronic medical condition and complex care needs. It is also important to note, there are limitations set as to the frequency that this item number can be used for the individual resident.

Under the Chronic Disease Management heading, a resident may be eligible to access five allied health service visits per calendar year, in addition to the services being funded by the residential aged care facility. To access these services, the resident must have a chronic condition and complex care needs, and a referral must be made to the allied health service by the resident's GP. It is also important that the need for allied health services be identified in the resident's care plan.

#### For further information:

Australian Government Department of Health website: Questions and Answers on the Chronic Disease Management (CDM) items

[www1.health.gov.au/internet/main/publishing.nsf/Content/mbsprimarycare-chronicdiseasemanagement-ganda#possible](http://www1.health.gov.au/internet/main/publishing.nsf/Content/mbsprimarycare-chronicdiseasemanagement-ganda#possible)

Australian Government Department of Health. Chronic Disease Management - Individual Allied Health Services Under Medicare - Residential Aged Care Facilities:

[www1.health.gov.au/internet/main/publishing.nsf/Content/E6A812DC61EBD3D2CA257BF0001CABF6/\\$File/Chronic%20Disease%20Management%20-%206%20June%202017.pdf](http://www1.health.gov.au/internet/main/publishing.nsf/Content/E6A812DC61EBD3D2CA257BF0001CABF6/$File/Chronic%20Disease%20Management%20-%206%20June%202017.pdf)

## Department of Veterans Affairs

Residential aged care facilities are funded through both resident contributions and the Australian Government. Residents contribute to both their care and accommodation through their age pension, and some also pay a fee based on means-testing. If the resident is a veteran or war widow/er entitlements may be available via the Department of Veterans Affairs.

Entitlements for veterans and war widows/ers under the Department of Veterans Affairs may also include a range of allied health services, aids, and appliances. The Department of Veterans Affairs will maintain responsibility for the repair, maintenance, and replacement of these items both pre and post admission to residential aged care.

An example of this is, the Department of Veterans Affairs may fund compression garments via the Rehabilitation Appliance Scheme/Program (see below). This would only apply to those residents that have not been identified as 'high need' under the Aged Care Funding Instrument tool and already receive government subsidies. This process involves the need for a letter justifying the clinical need for the appliance and a quote for the garment to be sent to the Department of Veterans Affairs for consideration and approval. The clinical justification and quote should be sent to the Department of Veterans Affairs for approval via the enquiries email: [rapgeneralenquiries@dva.gov.au](mailto:rapgeneralenquiries@dva.gov.au)

Additional enquiries can be made via the Rehabilitation Appliance Scheme team on 1800 550 457 option 1.

It is important to note that the Department of Veterans Affairs will not duplicate funding for those residents that have been identified as 'high need' under the Aged Care Funding Instrument tool and already access Government subsidies under this system.

### For further information:

Australian Government Department of Veterans' Affairs website: Residential aged care

[www.dva.gov.au/health-and-treatment/care-home-or-aged-care/aged-care/residential-aged-care](http://www.dva.gov.au/health-and-treatment/care-home-or-aged-care/aged-care/residential-aged-care)

DVA website

[www.dva.gov.au/providers/rehabilitation-appliances-program-rap/rap-overview](http://www.dva.gov.au/providers/rehabilitation-appliances-program-rap/rap-overview)

## Repatriation Pharmaceutical Benefits Scheme

The Repatriation Pharmaceutical Benefits Scheme is administered via the Department of Veterans Affairs to veterans and war widows/ers. This scheme may entitle eligible individuals to items listed on the Pharmaceutical Benefits Scheme at a reduced cost of \$6.60 and includes chronic wound management items such as wound dressings.

To be eligible to access the Repatriation Pharmaceutical Benefits Scheme, the individual must hold a Gold, White or Orange repatriation card.

It is important to note that the Department of Veterans Affairs will not duplicate funding for those residents that have been identified as 'high need' under the Aged Care Funding Instrument tool and already access Government subsidies under this system.

### For further information:

Australian Government Department of Veterans' Affairs website: Concessional medicines under the RPBS

[www.dva.gov.au/health-and-treatment/help-cover-healthcare-costs/manage-medicine-and-keep-costs-down/concessional](http://www.dva.gov.au/health-and-treatment/help-cover-healthcare-costs/manage-medicine-and-keep-costs-down/concessional)

The Pharmaceutical Benefits Scheme website

[www.pbs.gov.au](http://www.pbs.gov.au)

## Lymphoedema

Individuals with a diagnosis of lymphoedema may be eligible to access two free compression garments per body part each six-month period if they meet the minimum eligibility standards:

Minimum Eligibility Standards
• Permanently reside in Queensland
• Hold one of the following cards: – Centrelink Pensioner Card or Centrelink Health Care Card
• Are Medicare eligible
• Have been assessed as having lymphoedema
• Are aged over 16 years
• Are an outpatient

Compression garments may be ordered by a lymphoedema therapist registered with the Australasian Lymphology Association or an Occupational Therapist, Physiotherapist, Podiatrist, Nurse or Doctor that has been trained to measure garments for the management of lymphoedema and meets the stipulated criteria.

### For further information:

Queensland Health Website: Provision of compression garments

[www.health.qld.gov.au/ahwac/html/compression](http://www.health.qld.gov.au/ahwac/html/compression)

Queensland Health: Provision of lymphoedema compression garments Patient information sheet

[www.health.qld.gov.au/\\_data/assets/pdf\\_file/0032/149945/patient-info-sheet.pdf](http://www.health.qld.gov.au/_data/assets/pdf_file/0032/149945/patient-info-sheet.pdf)

Queensland Health: Provision of lymphoedema compression garments Prescription / Order Form

[www.health.qld.gov.au/\\_data/assets/word\\_doc/0013/142024/order-form.doc](http://www.health.qld.gov.au/_data/assets/word_doc/0013/142024/order-form.doc)

Australasian Lymphology Association website:

[www.lymphoedema.org.au/about-lymphoedema/compression-garment-schemes/](http://www.lymphoedema.org.au/about-lymphoedema/compression-garment-schemes/)

## Rehabilitation Appliances Program

The Rehabilitation Appliance Program supports individuals with a veteran Gold or White card to live safe and independent lives through the provision of aids, equipment, and modifications. This program is available to residents within residential aged care as long as they are not identified as having a high need level and receiving government subsidies under the Aged Care Funding Instrument.

A number of items are available through this program that may support both wound prevention and chronic wound management. For example, eligible residents may be able to access, footwear, orthoses, chairs, cushions and supports.

### For further information:

Australian Government Department of Veterans' Affairs website: RAP overview

[www.dva.gov.au/providers/rehabilitation-appliances-program-rap/rap-overview](http://www.dva.gov.au/providers/rehabilitation-appliances-program-rap/rap-overview)

# National Disability Insurance Scheme

The National Disability Insurance Scheme supports individuals aged between 7 and 65, who hold Australian citizenship or a permanent or special category visa and have a permanent and significant disability. This support takes many forms that relate to the management or care of chronic wounds such as funding allied health services, wound care consumables and equipment.

If an individual under the age of 65 resides within a residential aged care setting, meets the above criteria, and wishes to explore their eligibility, the first step would be to contact the Disability Plan Services on 1800 312 870.

## For further information:

NDIS website: Disability-related health supports

[www.ndis.gov.au/understanding/supports-funded-ndis/disability-related-health-supports](http://www.ndis.gov.au/understanding/supports-funded-ndis/disability-related-health-supports)

Disability Plan Service website: NDIS Support Coordination

[www.disabilityplanservices.com.au/ndis-support-coordination](http://www.disabilityplanservices.com.au/ndis-support-coordination)

# Private Health Insurance

In some instances, an individual may have private health insurance cover. If the individual wishes to utilise this cover to support the costs associated with wound management consumables and services, further investigation would need to be undertaken to explore the level of cover associated with their policy and the requirements in making a claim.

Private health insurance can vary between providers and policy levels. In some cases, the individual may be entitled to access private specialist assessment/treatment as well as private hospital services with either all or part of the costs covered. There may also be a reduction in the wait. Individuals covered by private health insurance may be able to skip the public health waiting list to receive treatment sooner.

An example of how this reduced wait may reduce the risk of wound development may include: An individual in need of a knee replacement may become less mobile and more dependent whilst waiting on the public health waiting list. This reduction in mobility could increase the risk of pressure injuries, peripheral oedema and lower leg ulcers. By accessing private health insurance, an individual may receive treatment sooner and suffer less associated skin damage.



# Reference list

- Australian Centre for Health Service Innovation. Solution to the Chronic Wounds Problem in Australia: A Call To Action. Available at: <http://www.aushsi.org.au/>
- Graves, N. & Zheng, H. (2014a). Modelling the direct health care costs of chronic wounds in Australia. *Wound Pract Res.* 22:20 -4, 6-33.
- Kapp, S. & Santamaria, N. (2015). Chronic wounds should be one of Australia's National Health priority areas. *Australian Health Review.* 39, 600/602

# Review

This document is due for review in August 2023.