

From: s47E(c), s47F
To: s47E(c), s47F
Subject: FW: Meeting in October [SEC=OFFICIAL]
Date: Monday, 25 September 2023 8:25:27 PM
Attachments: [image001.png](#)
[mowsalogs2_d34ff6b3-2f8a-4431-ab47-454f93b8ff36.jpg](#)
[bluewwwlogo_dfe835cf-27f0-4b3a-821a-a8251fe891d8.png](#)
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[download_510a6cff-eeeb-4ce4-a7a3-ddcaf504d9f9.png](#)
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Some interesting questions from MoWA. s47E(c), s47F can see some good material for the policy paper too!

From: HERALD, Russell s47E(c), s47F @health.gov.au>
Sent: Monday, 25 September 2023 8:22 PM
To: Paul Sadler s47F @mealsonwheels.org.au>; Sharyn Broer s47F @mealsonwheelssa.org.au>
Cc: Tristan O'Shannassy s47F @interesting.com.au>; s47E(c), s47F @health.gov.au>; Cathryn Hewitt s47F @live.com.au>; CONNOLLY, Thea s47E(c), s47F @health.gov.au>
Subject: RE: Meeting in October [SEC=OFFICIAL] [SEC=OFFICIAL]

No worries.

Also, on client count, we are talking in the order of 13,000 CHSP clients.

Rusty

Sent from Workspace ONE Boxer

[SEC=OFFICIAL]

On 25 Sept 2023 6:59 pm, Sharyn Broer s47F @mealsonwheelssa.org.au> wrote:

REMINDER: Think before you click! This email originated from outside our organisation. Only click links or open attachments if you recognise the sender and know the content is safe.

Thanks very much for your thoughtful and prompt response, Rusty. The study design and methodology sounds promising.

Regards,
Sharyn

Sharyn Broer
Chief Executive Officer



Meals on Wheels (SA) Incorporated

84 Sir Donald Bradman Dr. Hilton 5033
PO Box 406, Unley SA 5061

T ^{s47F}

F

M



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From: HERALD, Russell ^{s47E(c), s47F} [\[redacted\]@health.gov.au](mailto:[redacted]@health.gov.au)>

Sent: Monday, September 25, 2023 6:23 PM

To: Paul Sadler ^{s47F} [\[redacted\]@mealsonwheels.org.au](mailto:[redacted]@mealsonwheels.org.au)>

Cc: CONNOLLY, Thea ^{s47E(c), s47F} [\[redacted\]@health.gov.au](mailto:[redacted]@health.gov.au)>; ^{s47E(c), s47F} [\[redacted\]@health.gov.au](mailto:[redacted]@health.gov.au)>; Sharyn Broer ^{s47F} [\[redacted\]@mealsonwheelssa.org.au](mailto:[redacted]@mealsonwheelssa.org.au)>;

Cathryn Hewitt ^{s47F} [\[redacted\]@live.com.au](mailto:[redacted]@live.com.au)>; Tristan O'Shannassy ^{s47F} [\[redacted\]@interesting.com.au](mailto:[redacted]@interesting.com.au)>

Subject: RE: Meeting in October [SEC=OFFICIAL]

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Hi Paul,

I would be surprised if Sharyn didn't have some tough questions

See comments below

Rusty

From: Paul Sadler ^{s47F} [\[redacted\]@mealsonwheels.org.au](mailto:[redacted]@mealsonwheels.org.au)>

Sent: Monday, 25 September 2023 5:20 PM

To: HERALD, Russell ^{s47E(c), s47F} [\[redacted\]@health.gov.au](mailto:[redacted]@health.gov.au)>

Cc: CONNOLLY, Thea ^{s47E(c), s47F} [\[redacted\]@health.gov.au](mailto:[redacted]@health.gov.au)>; ^{s47E(c), s47F} [\[redacted\]@health.gov.au](mailto:[redacted]@health.gov.au)>; Sharyn Broer ^{s47F} [\[redacted\]@mealsonwheelssa.org.au](mailto:[redacted]@mealsonwheelssa.org.au)>;

Cathryn Hewitt ^{s47F} [\[redacted\]@live.com.au](mailto:[redacted]@live.com.au)>; Tristan O'Shannassy ^{s47F} [\[redacted\]@interesting.com.au](mailto:[redacted]@interesting.com.au)>

Subject: Re: Meeting in October [SEC=OFFICIAL]

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Thanks Rusty

We would welcome the engagement on 10 October.

Sharyn raised the following questions with me, to discuss with you:

The main reflection I had is that the consumer perspective is missing from the brief from Rusty and I'm wondering how this can be brought forward to avoid policy conflict with the wide-ranging other aged care reforms either during or after the trial:

- How many consumers are covered by the trial participants?
 - Will have to dig out the latest data on unique clients – will come back on that.
- How will the trial change the consumer experience? Has any consideration been given to the need for an ethics approval if any consumer conditions or protections are being altered?
 - There isn't any change to consumer condition/protections. The current client facing administrative architecture remains the same. Amendments to program design for the study is focussed on the funding design, which is likely to be a shadow operational construct for the purpose of reporting, and CHSP contract compliance (as the contract base is not altering). Consumer contributions are a thorn though. The only major impact that may come is not specific to this process, but relates to any changes coming through from the proposed new Aged Care Act.
- To what extent is the consumer dimension of service cost factored into the pricing mechanisms to be trialed or the data to be evaluated?
 - Social capital construct and meals method does not appear to consider the individual attributes of consumers that may impact unit price setting (in the way that the AN-ACC methodology would).
 - Dysphagia and specific dietary needs (including cultural or faith-related) may influence the product costs and it would be worth testing this, while dementia, squalor, mobility (possibly) and being sensitive to cultural/language dimensions are likely to influence service costs
 - For other service types this might play out as requiring more hours of service or more skilled staff, but cohorting clients by complexity re their service mix is more likely to result in more meal services per week than in a higher payment per meal service so I'm curious about what will be captured and analysed.

Consumer dimensions are factored into the equation, though specifics are to be sorted. Basic concept is to consider definition of a meal across the various course types, in attracting a "meal output", with costs attributed based on a number of factors like client complexity, geographical location, meal preparation method and volunteer construct. The challenge in this architecture is balancing the number of price points to ensure law of averages work but there is enough specificity to ensure appropriate variations. Either way re the final design of the funding mechanism, the data will be captured on this basis and analysed to inform the matrix going forward. In that way, there is an element of AN-ACC in the proposed method, but the intent is to be less complex in application – this is the same approach as being taken for Community Transport.
- Are they contemplating either suspending or equalising consumer contributions? How will they make sure that anything set aside for the purpose of the study does not create a sudden negative impact on consumers in July 2025?

This is a big ?? at the moment. Current premise is focussed on capturing total cost and then we need to consider appropriate discount factors for fees policy. There is an interaction with the Taskforce work at the moment, so this is an issue that is being held back for a little bit until we know a more on that. Certainly there are ideas, but we need some more input on that front first as we plan for that work to lead us, and not the other way around.

- Will the trial be limited to the CHSP activity of the trial participants or will it include services provided under sub-contract to HCP? Are there any foreseeable challenges re transition between funding programs?

The process is CHSP focussed, but by nature of enhancements to the capture of information through new technology, there is capacity to consider the role of HCP and NDIS service delivery and consider cost variations between the cohorts. General architecture of client interactions with services is not impacted per se so at this point we haven't identified any barriers between programs.

- How will supply and demand fluctuations be managed? Presumably one of the parameters being switched off is the funded outputs cap, so hopefully this will result in more older Australians getting access to services rather than fewer.
- This isn't in scope of the work per se. Yes outputs are likely to be switched off as a function of compliance work due to a no-worse off principle of engagement in the study, but it is not fee for service or some hybrid block funding/fee for service arrangement. Funding remains fixed based on current contract levels, and to the extent that there is a mismatch, standard ad-hoc or other funding mechanisms will apply. The benefit of the study under CHSP is that it is no risk on revenue for providers, the challenge is that the current grant architecture remains limited so there isn't much scope for upwards revenue.

You've probably got answers to some, if not all, of these.

See you in Canberra.

Paul Sadler

Chair

Meals on Wheels™ Australia

m: [REDACTED]

e: [REDACTED] @mealsonwheels.org.au

w: mealsonwheels.org.au

signature_91510223



From: HERALD, Russell [REDACTED] @health.gov.au>

Date: Monday, 25 September 2023 at 4:45 pm

To: Paul Sadler [REDACTED] @mealsonwheels.org.au>

Cc: CONNOLLY, Thea [REDACTED] @health.gov.au>, [REDACTED]

[REDACTED] @health.gov.au>, Sharyn Broer

[REDACTED] @mealsonwheelssa.org.au>, Cathryn Hewitt [REDACTED] @live.com.au>,

Tristan O'Shannassy [REDACTED] @interesting.com.au>

Subject: RE: Meeting in October [SEC=OFFICIAL]

Hi Paul,

By way of follow up:

The meeting is currently planned across two days, on 9 and 10 October in Canberra. The first day

is targeted towards the 33 study participants so they can workshop between themselves:

- A standardised definition of a meal within their service for the purpose of the study's data
- The technological changes to be deployed, and the administrative process thereof to ensure that the data is collected in a standardised way; and
- How the study will operate under the existing CHSP contract, including relevant changes to the program manual.

The current plan for the 10th of October is where MOWA and co would come in:

- While NSW services are on their state association code of conduct webinar, a session between the Department, MMA and MOWA to discuss the current relationship between parties and to identify ways to address the current blockages in the distribution of information. This would be a precursor to the roundtable concept as discussed with Thea.
- A session between the study participants, MOWA, MOWSA and MOWWA on the details of study, including the parameters being agreed to/workshopped by the 33 participants on the 9th in a focussed forum:
 - The purpose of this is to ensure full visibility/transparency of what the 33 frontline services are seeking to get out of the study and the role that MOWA can play;
- I'm also aware that there may be interest in alternative propositions being tested in 24-25 outside of future fit if feasible. The department is more than happy to hear these, so if this is the case I'm more than happy to have a separate session on that as well, after you get across what the study looks like in detail.

Does this sound workable to you? We continue to navigate challenging relationships and so its not 100% clean. There is a prevailing view that people are looking to undermine each other so there is an element of caution (i.e. watching Whitehorse, and the internal NSW arguments).

Rusty

From: Paul Sadler ^{s47F} [@mealsonwheels.org.au](mailto:Paul.Sadler@mealsonwheels.org.au)>
Sent: Tuesday, 19 September 2023 4:38 PM
To: HERALD, Russell ^{s47E(c), s47F} [@health.gov.au](mailto:Russell.Herald@health.gov.au)>
Cc: CONNOLLY, Thea ^{s47E(c), s47F} [@health.gov.au](mailto:Thea.Connolly@health.gov.au)>; ^{s47E(c), s47F} [@mealsonwheelssa.org.au](mailto:Sharyn.Broer@mealsonwheelssa.org.au)>;
^{s47F} [@live.com.au](mailto:Cathryn.Hewitt@live.com.au)>; Tristan O'Shannassy
^{s47F} [@interesting.com.au](mailto:Tristan.O'Shannassy@interesting.com.au)>
Subject: Re: Meeting in October [SEC=OFFICIAL]

Rusty

I've secured the following nominations:

MoW Australia

Paul Sadler – email ^{s47F} [@mealsonwheels.org.au](mailto:Paul.Sadler@mealsonwheels.org.au)

Tristan O'Shannassy – email ^{s47F} [@interesting.com.au](mailto:Tristan.O'Shannassy@interesting.com.au)

MoW SA

Sharyn Broer – email §47F [@mealsonwheelssa.org.au](mailto:§47F@mealsonwheelssa.org.au)

MoW WA

Cathryn Hewitt – email §47F [@live.com.au](mailto:§47F@live.com.au)

We look forward to the opportunity to participate, be it on 10 October or another date.

Paul Sadler**Chair**

Meals on Wheels™ Australia

m: §47F

e: §47F [@mealsonwheels.org.au](mailto:§47F@mealsonwheels.org.au)

w: mealsonwheels.org.au

signature_99287167



From: HERALD, Russell §47E(c), §47F [@health.gov.au](mailto:§47F@health.gov.au)>

Date: Tuesday, 19 September 2023 at 10:13 am

To: Paul Sadler §47F [@mealsonwheels.org.au](mailto:§47F@mealsonwheels.org.au)>

Cc: CONNOLLY, Thea §47E(c), §47F [@health.gov.au](mailto:§47F@health.gov.au)>, §47E(c), §47F [@health.gov.au](mailto:§47F@health.gov.au)>

Subject: RE: Meeting in October [SEC=OFFICIAL]

Sorry, got the date wrong. Tuesday the 10th is the current plan. Otherwise happy for this to go to MOWA board.

From: Paul Sadler §47F [@mealsonwheels.org.au](mailto:§47F@mealsonwheels.org.au)>

Sent: Tuesday, 19 September 2023 10:07 AM

To: HERALD, Russell §47E(c), §47F [@health.gov.au](mailto:§47F@health.gov.au)>

Cc: CONNOLLY, Thea §47E(c), §47F [@health.gov.au](mailto:§47F@health.gov.au)>, §47E(c), §47F [@health.gov.au](mailto:§47F@health.gov.au)>

Subject: Re: Meeting in October [SEC=OFFICIAL]

Thanks Rusty

Can I share this email with the MoWA Board, which in turn will alert SA and WA to the opportunity to attend?

The 8th October is a Sunday. Does that complicate it as a preferred date?

Paul Sadler**Chair**

Meals on Wheels™ Australia

m: §47F

e: s47F@mealsonwheels.org.au
 w: mealsonwheels.org.au
 signature_1147674817



From: HERALD, Russell [s47E\(c\), s47F@health.gov.au](mailto:s47E(c), s47F@health.gov.au)

Date: Tuesday, 19 September 2023 at 9:46 am

To: Paul Sadler s47F@mealsonwheels.org.au

Cc: CONNOLLY, Thea [s47E\(c\), s47F@health.gov.au](mailto:s47E(c), s47F@health.gov.au), [s47E\(c\), s47F@health.gov.au](mailto:s47E(c), s47F@health.gov.au)

Subject: RE: Meeting in October [SEC=OFFICIAL]

Hi Paul,

Yes, the meeting is with the 33 feasibility study participants across Tasmania (1), NSW (17) , QLD (13) and the pilot sites in Vic (2).

We are still locking down approvals and logistics, but expect early October (I have 8th in mind at the moment but not settled). Basically, the concept is:

- that for 24-25 we want to fund these meals providers through differential price points based on social capital construct, meals method and underlying costs.
- we need to get on the same page about how best to do that, which will require a standardisation of how people report meals outputs (which is highly varied right now)
- we also need to design the pilot parameters under the guise of CHSP, which includes setting aside things like compliance structures, reporting arrangements, consumer contributions and other interactions with the CHSP manual
 - the study will operate under parallel administrative reporting (standard through DEX and separately amalgamated by MMA through new technological solutions) – which is a bit of an admin burden.

So this is an opening discussion to work through all of this architecture, while the services then work in the background with MMA to start all of the technological and operational uplift to support the study and future evaluative activities.

In terms of representation, I would support the attendance of MOWA, SAMOW and WAMOW representatives, at their discretion. Assuming all of this is locked down, the Department is intending to cover travel costs so can extend that to these reps. In terms of other services, the challenge is that the study is defined based on the standardisation of data and real time aggregation. However, there is nothing intrinsically preventing other services from operating under the differential price points in 2024-25 outside of the formal study, to the extent there is benefit in doing so.


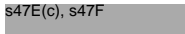
By way of statistics, the study will cover an estimated:

- 1.6 million meals (annual)
- 4,200 volunteers
- 17 sites with kitchens, 16 sites without

- 4 sites with distributions hubs
- 21 sites in MMM1-2, 5 sites in MMM3, 3 sites in MMM5 and 4 sites in MMM6

Happy to chat further on the details

Rusty

From: Paul Sadler  [@mealsonwheels.org.au](mailto:Paul.Sadler@mealsonwheels.org.au)>
Sent: Monday, 18 September 2023 4:38 PM
To: HERALD, Russell  [@health.gov.au](mailto:Russell.Herald@health.gov.au)>
Subject: Meeting in October

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Russell

You mentioned when we met with Thea last week there is a meeting planned with MoW providers to discuss future funding arrangements. Could you let me know some details and I'll see who can attend on behalf of Meals on Wheels Australia.

Also, did you want any other states and/or services represented at the meeting? It sounded like you had the eastern states covered.

Paul Sadler

Chair

Meals on Wheels™ Australia

m: 

e:  [@mealsonwheels.org.au](mailto:Paul.Sadler@mealsonwheels.org.au)

w: mealsonwheels.org.au

signature_906698166



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Meals Feasibility Study

August 2023

1. Introduction

- Background on the Commonwealth Home Support Programme (CHSP)
- Importance of meal delivery services for seniors and vulnerable populations
- Purpose of the policy paper: Introducing a pricing pilot for meal delivery

2. Rationale for Pricing Pilot

Business Problem

- Current challenges in funding and sustainability of meal delivery services
- Need for a more equitable and efficient pricing model

Aim

- Benefits of a pilot approach: Testing feasibility and impact

3. Objectives of the Pricing Pilot

Goals

- Defining clear goals and measurable outcomes:
 - Define a meal.
 - Develop a pricing matrix that takes into account direct and indirect costs, and client contributions.
 - During 2024-25, the providers will test the pricing matrix to determine:
 - a more accurate way of recording outputs/service delivery; and
 - if unit prices are a true reflection of actual costs
- Ensuring affordability for clients while maintaining service quality, including social capital
- Collecting data to assess the pilot's success and impact

	Standard Meal (made in kitchen)	Standard Meal (from meal supplier)	Texture Modified/Complex (made in kitchen)	Texture Modified/Complex (from meal supplier)
Single Meal, no social engagement	\$A	\$B	\$C	\$D
Single Meal, social engagement	\$E	\$F	\$G	\$H

Then a price Multiplier

<u>Distance</u> (to cover costs, such as petrol subsidies for regional trips)*	1.XX
---	------

Can maybe link somehow to community transport pilot which has short, medium and long distance

Then a reduction for client contribution

<u>Reasonable Client contribution</u> (based on Single Aged Pension rate)	Eg. \$8 = 0.75% of single aged pension (per fortnight), assume all are full rate pensioners given more than 80% are...*
--	---

*can be lowered with the super saver options to \$4 etc but flexibility with provider, including increasing above where people can afford to do so i.e. premium

A meal is, by weighting:

- Main course = X outputs [=Dinner, Lunch and Breakfast primary dish]
- Entrée = Y outputs
- Desert = Z outputs
- Snack = A outputs

5. Data Collection and Analysis

- Establishing data collection methods for cost analysis, client feedback, and service usage
- Regular monitoring of pilot progress and adjustments as needed
- Analysing collected data to evaluate cost-effectiveness and client satisfaction

6. Stakeholder Engagement and Communication

- Outreach strategies to inform clients(?) and providers about the pilot
- Survey on pricing matrix
- Addressing concerns and feedback from stakeholders
- Providing regular updates on pilot results and adjustments

7. Risks/challenges and Mitigation Strategies

- Anticipating potential challenges: Budget constraints, resistance from providers, etc.
- Developing strategies to overcome challenges and ensure pilot success
- Building flexibility into the pilot design to adapt to unforeseen issues

8. Evaluation and Recommendations

- Summarising the pilot's outcomes and impacts
- Assessing the feasibility of scaling the new pricing model
- Providing recommendations for potential nationwide implementation

9. Conclusion

- Restating the importance of equitable pricing for meal delivery services
- Emphasising the value of pilot programs in policy development
- Call to action for further research, collaboration, and policy implementation

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Australian Government

Department of Health and Aged Care

Ministerial Submission – Dual Signature

MS23-001357

Version (1)

Date sent to MO: 4 October 2023

To: Minister Butler and Minister Wells

CC: Assistant Minister Kearney

Subject: Commonwealth Home Support Programme (CHSP) Meals and Transport Pilots

Critical date: 18 October 2023 to allow sufficient time for pilot design ahead of the pilots commencing 1 July 2024.

Recommendations:

That you:

s47C

2. Note two co-design Working Groups would be established for each pilot with:
 - a. 33 Meals on Wheels providers and representatives from Meals on Wheels (MoW) Australia, MoW South Australia and MoW Western Australia to meet in October 2023 in preparation for the projects.
 - b. Around 30 community transport providers and representatives from the Australian Community Transport Association (ACTA) will also meet in Canberra in late October 2023.

s47C

2. Noted

s47F

Signature: ...

Minister Butler

02/11/2023

Comments:

with mini with

2. Noted

s47F

Signature:

Minister Wells

26/10/2023

Comments:

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Contact Officer:	Russell Herald	Assistant Secretary, Home Support Operations Branch, Home and Residential Division	Ph: (02) 6289 s47E(c), s47F Mobile: s47E(c), s47F
Clearance Officer:	Amy Laffan	A/g Deputy Secretary, Ageing and Aged Care Group	Ph: (02) 6289 s47E(c), s47F Mobile: s47E(c), s47F

Submission summary:

Current policies for aged care community transport and meals delivery are not fit for purpose. There is an opportunity now to develop, test and evaluate alternative evidence-based funding policies for meals delivery and community transport through the CHSP ahead of in-home aged care reforms from 2025.

The department proposes to engage around 60-65 CHSP service providers, 33 for a Meals Feasibility Study and around 30 for a Transport Pricing Pilot, s47D, s47E(d)

These providers will work with the Department of Health and Aged Care on policy options and to test their application in delivering services under the current low-risk block funded CHSP model.

Through two separate projects, each supported by a Working Group established from October 2023, the remainder of 2023-24 would focus on co-design of policy parameters with these providers and to implement requisite changes to corporate infrastructure. Real world testing and real-time analysis would occur during 2024-25, under an addendum to the participants' CHSP contract.

The core objective of the two projects is to develop and test a more accurate way of accounting for service delivery components, and their relationship to costs, including explicit consideration of the social capital elements. Key to community transport is the distance of the trip, and for meals is the cost of meal preparation, distribution and volunteer costs.

ACTA and Miles Morgan Australia (MMA) would be contracted by the department to coordinate and undertake the projects in partnership with CHSP providers and the department.

Issues:

1. The current pricing architecture for meals delivery and community transport under CHSP is simplistic and not fit for purpose, with single price points for trips or meals, regardless of service location or the kind of service model. This submission seeks your agreement to undertake a policy design and evaluative program to underpin reforms.
2. The department has an existing work program with stakeholders to consider how these issues can be addressed, with activities to date including working with ACTA to design a new tiered pricing model that factors in trip distance and client complexity. In addition, the department is working with MMA and MoW organisations to develop new technology that can accurately, and consistently reflect the costs of meals production and volunteer costs.
3. To build on this work, the department proposes to undertake two pilot projects to co-design and test new funding options in CHSP against real world operations of meals delivery and community transport.

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4. The two projects would involve 60-65 CHSP providers and is expected to provide near real-time data to participants and the department. Importantly, these projects will provide the most robust evidence base ever constructed in this area.
 - a. The meals and community transport projects will operate separately but are linked through the Department's implementation arrangements. That is, the two projects will operate under revised CHSP program guidelines that a consistent across the service types.
5. In preparation for the projects, co-design meetings with providers will commence in October 2023, through newly established Working Groups under each project and conclude by 30 June 2025.

s47C

7. Evaluative activities will be undertaken during the projects and will be used to inform future policy settings under the in-home aged care system, be it Support at Home or a continued CHSP.
 - a. For the funding model, quantitative analysis will be undertaken in partnership with universities to assess the alignment of new funding models against actual service provision in order to determine whether the funding models are achieving their objective.
 - b. For meals, assessment will also be undertaken around consumer choice of meals, including type of meal and choice of price points under adjusted menu options.

Meals Feasibility Study


8. The Meals Feasibility Study has been developed as part of the broader business transformation activities, known as Future Fit.
9. The project has evolved from 12-months of direct engagement with frontline MoW services across Australia to develop new technological systems and operational models, while retaining the core social capital elements.
10. There are 33 MoW providers who have agreed to form part of the project, with these providers delivering around 1.6 million meals to more than 13,000 CHSP clients annually. This represents around 40% of MoW delivery in Queensland and New South Wales, over 50% in Tasmania, and will also include the new Whitehorse and Ballarat MoW services in Victoria (formerly run by local councils) (**Attachment B refers**).
11. The 33 MoW providers would work with the department over the remainder of 2023-24 to address long-term fundamental policy issues, such as the consistent definition of a nutritious meal and the framework for reflecting the total cost of service provision under the MoW model (a draft paper for discussion with study participants is at **Attachment C**).

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12. MMA will support the department by providing a bespoke, and resource intensive operational service to meals providers. This is essential to enable provider capability uplift, ensure new technology is used to its full potential, and ensure data collection and reporting methods are uniform.

s47D, s47E(d)



Meals on Wheels Governance

14. There remains tension in the MoW network around the engagement between the department, certain MoW services and the Future Fit program.
15. Under the proposed Feasibility Study project, MoW Australia, MoW South Australia and MoW Western Australia will engage with the department and feasibility study participants, with a preparatory in-person meeting to be held in Canberra on October 9 and 10, 2023.
 - a. MoW Australia has indicated support with the objectives of undertaking pilots under CHSP and are keen to engage with the Feasibility Study.
16. Potential alternative propositions may be put forward to that being developed by the 33 Feasibility Study participants, and to test options in parallel with the study. This would be welcomed by the department as a means to provide improved comparative assessments of alternative models.
 - a. This reflects the significant differences of opinion within the MoW network around future policy settings under the in-home aged care system.
 - b. There remain some elements of the MoW network that are prosecuting an AN-ACC style funding arrangement, mainly from MoW NSW. At this point this is not being considered by the department, noting the feasibility study is expected to develop something conceptually similar, but simpler, than the AN-ACC model.

Transport Pricing Pilot

17. Unlike MoW, the community transport sector generally has well established IT systems to ensure data collection and reporting methods are uniform, though some areas remain patchy.

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18. In addition, ACTA has already analysed existing data from 114,200 trips to inform an initial pricing model which can be utilised for the Transport pilot. The funding matrix considers direct costs such as the distance and running costs, and indirect costs such as refuelling, no shows and cleaning, as well as client need and thin market viability (Attachment D refers).

s47D, s47E(d)

20. This funding will allow the department to work in collaboration with ACTA and transport providers to build on the pricing matrix work and undertake testing and evaluative activities.
21. Unlike MoW, the Transport Pilot participants have not yet been identified, though demand to be included in the pilot is expected to be high. ACTA will utilise their stakeholder networks to onboard approximately 30-35 transport providers to get the right mix of representation of small and large providers with differing business models, service locations and localised factors. This work is already underway as a preparatory step and s47C

s47D, s47E(d)

Background:

Meals

- In 2022-23, the CHSP funded 550 meals providers a total of \$103.1 million (GST exclusive) to deliver over 11 million meals. Providers can also receive revenue from Home Care Packages, the NDIS and donations.
 - The Feasibility Study, while broadly representative across large and small providers, is financially skewed towards higher-than-average MoW providers, as the largest 2 providers in NSW and Queensland are included.
- MoW is a well-loved brand and delivers vital community services to older people.
- Over the past 12 months Future Fit has gathered evidence directly from frontline providers that has shown they do not have the capital base to implement technological and process enhancements to address an increasingly contestable service market, nor to leverage the inherent value of their network.
- Future Fit has provided detailed reports on the infrastructure risks facing the network and the value of being able to distribute costs for common capabilities. A lack of consistency and transparency was also evident across the network, which often resulted in a misapplication of resources and a disconnect between frontline services.
- The work of Future Fit is now services-led, and frontline providers are committed to remaining a trusted delivery partner of government.

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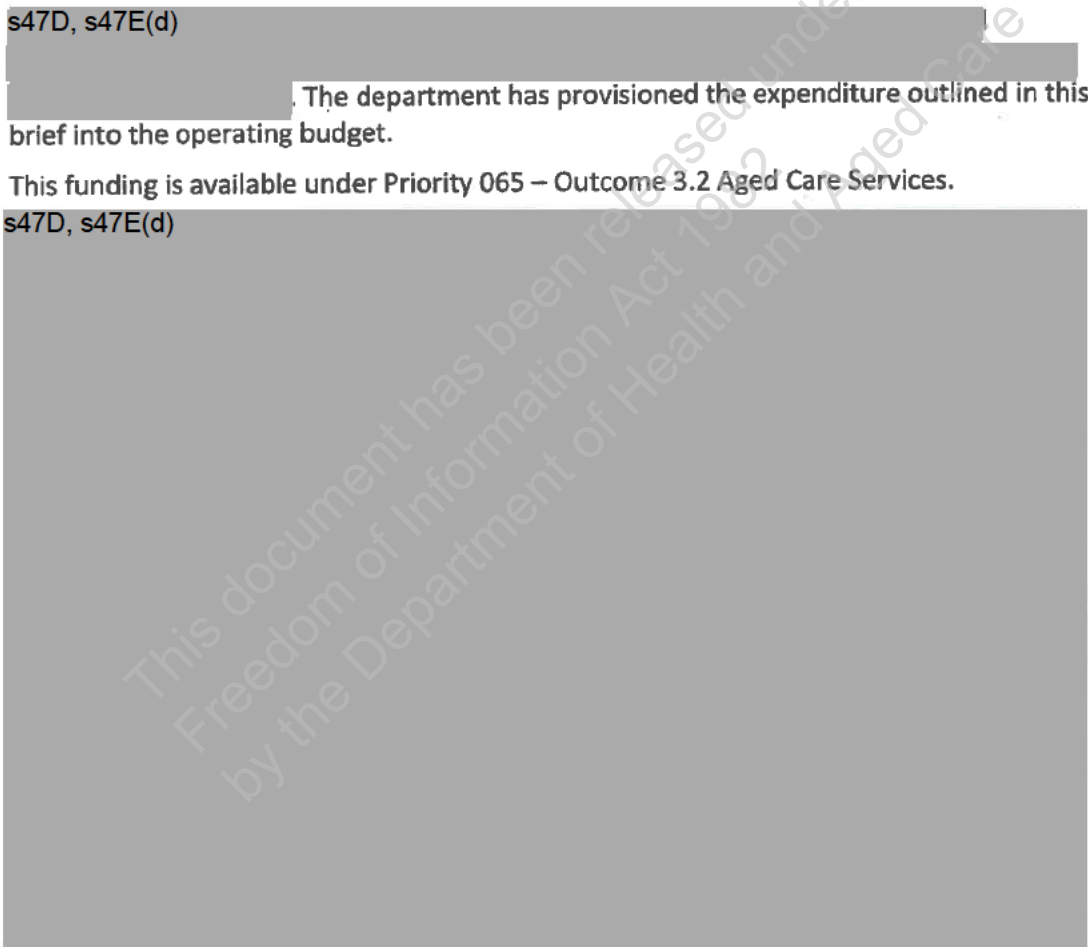
- The Feasibility Study is a critical next step and represents a once in a generation opportunity for MoW services to stabilise their backbone infrastructure, and to strengthen and grow as a network.

Transport

- In 2022-23, the CHSP funded 567 Transport providers a total of \$217.9 million (GST exclusive) to deliver 6.9 million one-way trips.
- ACTA is the national peak body for the community transport sector and has been heavily involved in consultations for the new in-home aged care program and has developed a pricing matrix based on their expert knowledge and strong relationships with key stakeholders.
- The current unit prices and reporting correlates with the number of one-way trips and does not factor in distance travelled, fuel costs, remoteness and/or thin markets.

Budget/Financial Implications:

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The department has provisioned the expenditure outlined in this brief into the operating budget.

This funding is available under Priority 065 – Outcome 3.2 Aged Care Services.

s47D, s47E(d)

Attachments:

- A:** CHSP Meals and Transport pilots project schedule
- B:** Meals on Wheels Feasibility Study Participants
- C:** Draft Definition of a Meal paper
- D:** ACTA pricing matrix fact sheet

Sensitivities:**OFFICIAL**

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- Some elements of the MoW network have mixed, or negative views about the Future Fit work program, consistent with traditionally diverse positions of MoW providers. Some members of MoW representative bodies may not support this work however, the process has been designed directly with front line MoW services. The department will continue to engage members to address concerns, including with MoW Australia.
- Depending on the outcome of the pilot design and pricing matrix, some providers may require their outputs or funding adjusted through an ad hoc CHSP grant agreement. However, there will be no reduction to provider funding as a result of the pilots.

Consultations:

- Through the projects the department will engage around 60-65 CHSP service providers to co-design how the pilots will work in practice.

Communications:

- The department will prepare a communication plan which will outline opportunities to announce and communicate the outcomes of the pilot, this is expected to include a CHSP webinar in November and factsheets to be published on the department's website.

This document has been released under the
Freedom of Information Act 1982
by the Department of Health and Aged Care

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From: [Minister Wells DLO](#)
To: s47E(c), s47F; [Minister Wells DLO](#); [Minister Butler DLO](#)
Cc: [HERALD, Russell](#); s47E(c), s47F; [MPS](#); [HRD Executive](#)
Subject: RE: MS23-001357 - Commonwealth Home Support Programme (CHSP) Meals and Transport Pilots [SEC=OFFICIAL]
Date: Friday, 20 October 2023 2:24:22 PM
Attachments: [image001.png](#)

Hi s47E(c), s47F

This one is likely to progress next week.

Kindly,

s47E(c), s47F

From: s47E(c), s47F @health.gov.au>

Sent: Friday, 20 October 2023 1:41 PM

To: Minister Wells DLO s47E(d) @Health.gov.au>; Minister Butler DLO s47E(d) @Health.gov.au>

Cc: HERALD, Russell s47E(c), s47F @health.gov.au>; s47E(c), s47F @Health.gov.au>; s47E(c), s47F @health.gov.au>; MPS s47E(d) @health.gov.au>; HRD Executive s47E(d) @Health.gov.au>

Subject: MS23-001357 - Commonwealth Home Support Programme (CHSP) Meals and Transport Pilots [SEC=OFFICIAL]

Hi team

Are you able to provide an update on the status of MS23-001357 - Commonwealth Home Support Programme (CHSP) Meals and Transport Pilots? This min sub required dual signatures from Minister Butler and Minister Wells.

Many thanks,

s47E(c), s47F

Director - CHSP and Continence Policy
Home Support Operations Branch

Home and Residential Division | Ageing and Aged Care Group

Australian Government, Department of Health and Aged Care

T: 6289 s47E(c), s47F | E: s47E(c), s47F @health.gov.au

Location: Level 7, Sirius Building

GPO Box 9848, Canberra ACT 2601, Australia

The Department of Health and Aged Care acknowledges First Nations peoples as the Traditional Owners of Country throughout Australia, and their continuing connection to land, sea and community. We pay our respects to them and their cultures, and to all Elders both past and present.

Attachment A

Meals and Transport Pricing Pilots – Project Schedule – As at September 2023

Stages and milestones	FY 23-24				FY 24-25				FY 25-26
	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep
Stage 1	Planning								
Pilot options									
Brief Minister									
Engage MMA and ACTA									
Engage CHSP providers									
Stage 2		Design							
Meals service provider consultations									
Transport service provider consultations									
CHSP 24/25 Grant extensions									
Stage 3					Implementation				
CHSP ad hoc grants									
Pilot reporting and monitoring									
Stage 4								Close	
Pilot evaluation									
Inform future in-home aged care policy									

Key:

◆ Initial Working Group meeting

◆ Evaluation report and key data



Attachment D: ACTA pricing matrix fact sheet

September 2023

The purpose of this attachment is to provide additional background information on the community transport funding model and pricing matrix.

Key Points

1. Australian Community Transport Association (ACTA) has been heavily involved in consultations with the Department of Health and Aged Care (the department) around a new in-home aged care program and has developed a pricing matrix (**Figure 1**) based on their expert knowledge of the transport sector and strong relationships with key stakeholders.

Figure 1: ACTA Variable Pricing Matrix V2 and Service usage percentages (Indicative figures only)

Variable Pricing Matrix V2						
	0-15	16-30	31-40	41-50	>51	R&R (2>)*
Low	\$35.64	\$57.46	\$72.00	\$86.54	Thin	Thin
Medium	\$43.88	\$68.99	\$85.73	\$102.48	Thin	Thin
High	\$51.36	\$79.02	\$97.47	\$115.91	Thin	Thin

*Australian Statistical Geography Standard- next slide

Percent of service usage						Q
	0-15	16-30	31-40	41-50	>51	R&R (2>)*
Low	59.8%	12.6%	1.3%	0.1%	1.5%	Thin
Medium	19.02%	4.00%	0.40%	0.037%	0.49%	Thin
High	0.58%	0.12%	0.01%	0.00%	0.02%	Thin

2. ACTA's pricing matrix was developed using real trip data from 114,200 trips undertaken in multiple states and territories and across metro, regional, remote and very remote areas. The pricing matrix takes into consideration:
 - a) Fixed and variable costs (staffing, overheads, no-shows, vehicle maintenance, client welfare follow-up and actions).
 - b) Vehicle type, client requirements/supports and distance of a one-way trip (vehicle running costs per km, time required to load/unload clients and distances – 0-15km, 16-30km, 31-40km, 41-50km, 50+km)

3. The pricing matrix allows for differences in trip distance in kilometres and complexity of client needs, addressing the issues identified in the current unit price funding model – a single dollar value per trip regardless of trip distance, remoteness, or complexity.
4. Thin markets impose significant impacts on community transport service providers, insufficient demand and resources to sustain the range of services required by clients, particularly effecting regional and remote clients and providers alike.

Background

CHSP community transport services deliver accessible transport to eligible clients as either direct transport services (a client is transported by the service provider to their destination), or indirect (a client is provided with vouchers to be used with a third party to transport them to their destination).

Community transport operates door-to-door for older Australians and younger people with disabilities, to enable them to attend medical and other appointments, visit shops, attend social engagements, and remain connected in their community.

This document has been released under the
Freedom of Information Act 1982
by the Department of Health and Aged Care