

Multi-Purpose Service Program (MPSP)

Webinar 9

Aged care reforms: Impacts on the MPSP & providers

27 May 2025

Thin Markets Branch



Australian Government
Department of Health, Disability and Ageing

www.health.gov.au

What do we intend to cover today?

Agenda Item	Speaker
Introduction and acknowledgement of country	Cathy Milfull A/g Assistant Secretary Thin Markets Branch
Quick MPSP reform updates	
Place allocations under the new Act	
Aged care services in the home or community under the new Act	
Update on the development of a new MPSP funding model – IHACPA’s role	James Chen Independent Health and Aged Care Pricing Authority
Q&A session	Panel discussion chaired by Cathy Milfull

Future webinar topics

Month		Items under consideration
June	Update on transitionals Final preparations for the new Act	
July	New Act implementation issues New Act systems: hints and tips MPSP – priorities and plans for 2025-26 Outcomes of 24/7 RN trial to date	

Other ideas? Your suggestions are welcome!

MPSP reform updates

Cathy Milfull, Thin Markets Branch



Australian Government
Department of Health, Disability and Ageing

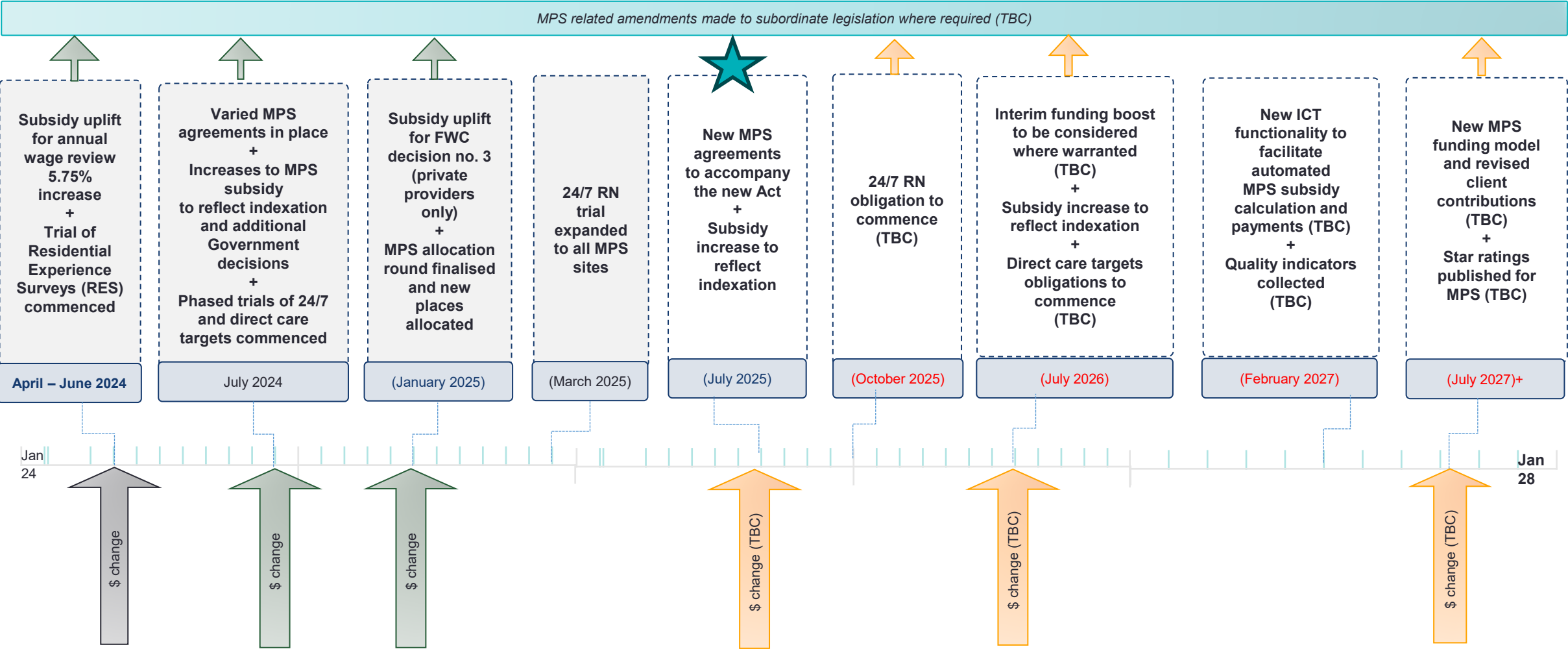
www.health.gov.au

Updated schedule of MPS reforms (as at May 2025)

Aged Care Act 2024 commences on 1 July 2025 including:

- new eligibility and assessment requirements, and requirements for delivery of home care under the MPSP
- new regulatory model and new quality standards (with MPS module)
- new subsidy framework based on current funding model
- transitional arrangements in place for existing providers, individuals and places

Further amendments made to the new Act (TBC)



Where are we up to with our MPSP trials?

- **24/7 RN:** May reporting is due to MPsreforms@health.gov.au by 7 June 2025
- **Direct Care Target trial:** AN-ACC assessments are expected to proceed from June 2025.

State	MPS
VIC	Ouyen
	Sea Lake
	Bright
QLD	Weipa
	Julia Creek
	Munduberra
SA	Quorn
	Crystal Brook
	Waikerie
WA	York
	Boyup Brook
	Gnowangerup
TAS	Campbell Town
NSW	Balranald
	Hillston
	Kyogle



New Aged Care Act preparations continue...

- **Transitionals** being progressed:
 - Client deeming data workbooks to be submitted by 30 May (Round 2)
 - Providers must request or make any updates to their proposed registration details by 1 June (questions to AgedCareRegModel@Health.gov.au)
- **MPSP Policy Manual** – revised draft discussed with WG and on target to publish for 1 July 2025
- **Client and provider fact sheets** – drafts discussed with WG, but work ongoing on a suite of fact sheets

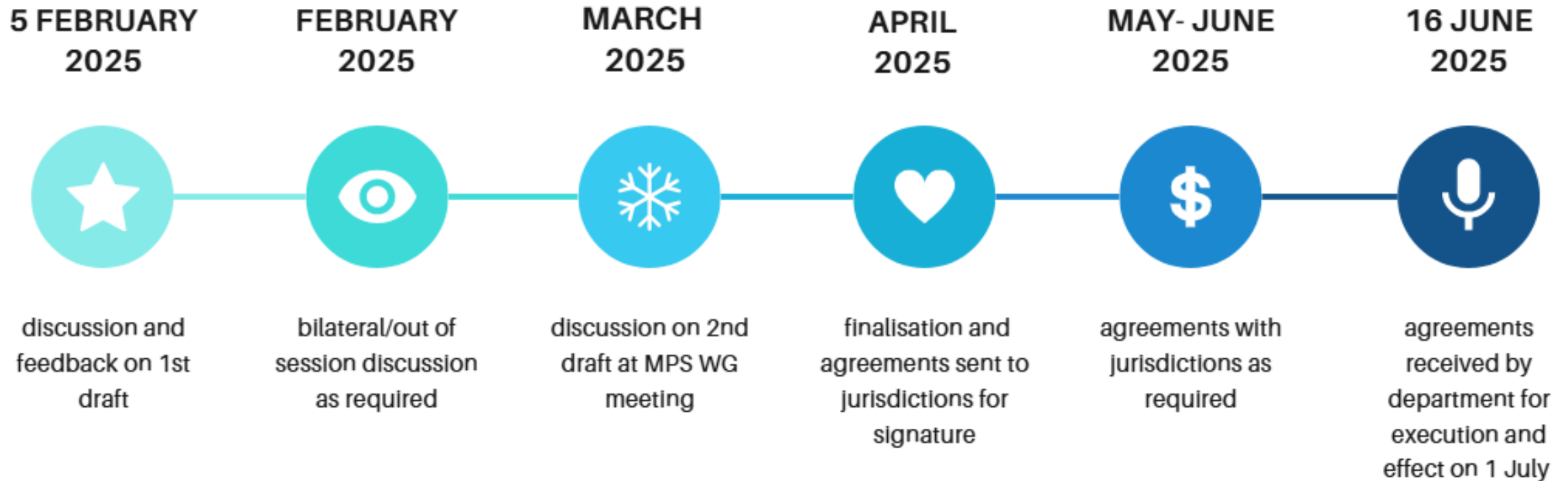
Client fact sheets	Provider facts sheets
Accessing services under the MPSP Fees and charges in the MPSP What are my rights in the MPS What is the complaints process in an MPS Leaving the MPSP	Accessing the MPSP Fees and charges under the MPSP Reporting by MPSP providers Regulation of MPSP providers

Rules and systems amendments...

- Main Rules are being finalised ready for 1 July 2025 – thank you for your input!
 - Final changes will include:
 - renaming the MPSP module as the *Integrated Health and Aged Care Services Module*
 - minor editorial amendments and technical adjustments, including around classification levels and places to ensure no impacts on MPSP
 - updates to actual subsidy amounts to reflect indexation
 - fixes regarding subsidy payment timing for MPSP, and
 - any final adjustments to obligations Rules.
- Transitional Rules are also being finalised and this will be important for MPSP, particularly in terms of:
 - preserving existing place allocations to providers; and
 - service agreements/care services plans
- System changes continue to be tested and finalised. Further changes expected and will be made from mid 2026 to improve MPSP processes (TBC).

NEW MPSP AGREEMENT 2025

Proposed timeline



New MPSP Agreements out for signature and due back by 16 June 2025

MMM review – formal consultation phase underway!



- Web page coming
- Online public survey
- Key informant interviews
- Site visits

MMM review is live until 30 May - [MMM review survey](#)

Place allocations under the new act

Cathy Milfull, Thin Markets Branch



Australian Government
Department of Health, Disability and Ageing

www.health.gov.au

Reminder: what is changing and why?

- Currently, MPSP places can only be allocated via a formal allocation around
- This generally occurs at most annually, which limits the Department's ability to respond quickly with additional places to meet the needs of jurisdictions, even where we have sufficient funding available
- Additional flexibility has been included in the *Aged Care Act 2024*
- We still need to seek approval from the Minister each year of how many places are available for allocation.
- However, from 1 July 2025, new arrangements can be put in place under policy to streamline place allocation requests and reduce the administrative burden.



Reminder: individual places v's MPSP places

- From 1 July 2025, an older person may be given an individual place to, for example access residential care or Support at Home services.
- If they want to access services through their MPS, an individual place is not required. Their MPSP **must**, however, have a *place in effect* that can be used to deliver them services.
- Under the Act, MPSP places can be allocated at the request of the entity or on the System Governor's own initiative.

Transitional arrangements apply for 1 July 2025 under the Act to facilitate existing places remaining allocated to providers for use at specific MPS sites.

How will we allocate places from 2025-26 onwards?

- We are discussing revised arrangements with the MPSP Working Group members, but are keen to get your ideas as well.
- We propose to ask states and territories to provide annual advice about the number of places they expect to need over the next 24 months.
- This will then inform the allocation processes for:
 - new places for an existing MPS and
 - new places to create a new MPS.
- These processes will be outlined in the new MPSP policy manual.



How to expand an existing MPS

- We propose a provider can request additional places for an existing MPS at any time using the relevant form, which will be designed and made available on the department's website.
- On a quarterly basis, the delegate will then make a decision as to whether to allocate some or all of the requested places taking into account:
 - the needs of the community in the relevant areas
 - how available places for the financial year can best be used to improve access to funded aged care services in rural & remote Australia.

Requests for a new allocation of places should be discussed with your State or Territory Health organisation before being lodged.



What if we want to create a new MPS in our area?

- We propose that a government provider will be able to request additional places to facilitate a new MPS being set up using the relevant form, which will be designed and made available on the department's website.
- Bi-annually the delegate will then make a decision as to whether to allocate the requested places taking into account:
 - the needs of the community in the relevant areas
 - how available places for the financial year can best be used to improve access to funded aged care services in rural & remote Australia.
- Before a decision is made, requests will be referred to an assessment committee for consideration against specific criteria outlined in an assessment plan.
- This is to ensure fairness and equity and that we expand the MPSP in a way that will provide the best value for money in terms of improved access to aged care services in rural and remote Australia.



Who will the assessment committee be?

- The assessment committee is expected to comprise of
 - members from the Ageing and Aged Care Group
 - Department Local Network representatives
 - Thin Market Branch colleagues
- Strict probity guidance will be followed to ensure fairness and equity.
- The assessment may consider issues such as:
 - demographics
 - availability of other local services in the area
 - Provider performance information held by the department
- Recommendations will be submitted to the delegate for a decision.



Place allocation decisions and conditions

- You will be given written notice within **14 days** of a place allocation decision
- This will specify any conditions on the place allocation.
- All places will be allocated on the condition (s99 of the Act and s99-5 of the Rules) that:
 - the provider notify the Secretary if they will not use the place to deliver aged care services for 12mths or more
 - if being used for delivery of services through the residential care service group, it will be used at the residential care home specified (in allocation notice or MPSP Agreement)
 - if being used for delivery of services through another service group (i.e. home/community), it will be used at the location specified (in allocation notice or MPSP Agreement)
- MPSP Agreements will also specify ‘in effect’ places allocated to a provider as funding will be paid for only these places, and the locations you need to use the places (e.g. whether at the residential care home or in the town where the home is).
- You can make a request to the department if you want to vary the conditions on an allocated place (s101 of the Act) – e.g. move to a different residential care home in your district.

Reminder: status of allocated places

OUT OF EFFECT	IN EFFECT
Newly allocated places (generally)	Provider is registered & MPSP Agreement in place
Agreed with department as unable to deliver services for 12 months or more	Less than 5yrs since being allocated
Provider is suspended or has a condition placed on their registration	If residential, a place must be 'bed ready' to come into effect for the first time post 1 July



Places that were 'provisional' on 30 June 2025 will be transitioned as 'out of effect' on 1 July 2025



Bringing a new MPS online

To ensure your new MPS is ready to deliver care, a new provider should:

- utilise information within the MPSP Policy Manual and on the department's website from 1 July 2025
- work closely with the department's local network in their jurisdiction to ensure all necessary processes have been undertaken and to seek help where needed (i.e. with manuals/training materials for staff in the new MPS).
- ensure that the responsibilities of the MPSP (as set out in legislation, MPSP Agreement and MPSP Manual) are understood onsite.



Aged care services in the home or community under the new act

Cathy Milfull, Thin Markets Branch

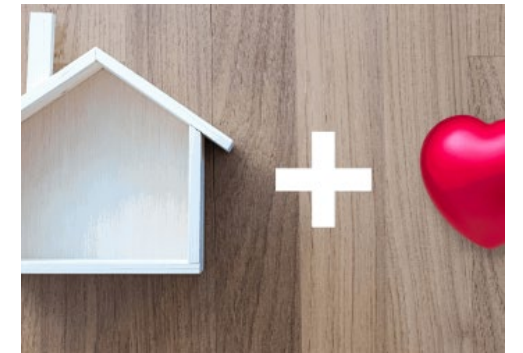


Australian Government
Department of Health, Disability and Ageing

www.health.gov.au

Delivery of MPSP services in a home or community

- Home or community aged care services can be delivered at or through the MPS.
 - ❖ This must be done through one of three service groups: **home support, assistive technology or home modifications.**
- They must be delivered consistent with a person's access approval.
- They cannot be delivered in an MM1 area
- They must be used in the location specified in the relevant MPSP Agreement and should be delivered through the MPS (noting service delivery can be subcontracted to an associated provider).
- A home or community setting does not include any of the following places:
 - ❖ group home funded under the NDIS
 - ❖ hospital or psychiatric facility
 - ❖ prison or detention centre
 - ❖ hospice or facility that primarily provides palliative care
 - ❖ any other place prescribed by the rules.



Home support service types

Allied Health & therapy	Meals
Assistance with transition care (applies only to TCP)	Nursing care
Care management	Nutrition
Community cottage respite	Personal care
Domestic assistance	Restorative care management
Hoarding & squalor assistance	Social support & community engagement
Home maintenance & repairs	Therapeutic services for independent living
Home or community general respite	Transport



Important information

- There will be standard time limits in place where a person is approved for short-term home support as follows:
 - *Restorative Care Pathway – support for up to 12 weeks plus a 4-week extension where needed to ensure the person has support to increase their independence to remain at home and restore function*
 - *End of Life Pathway – support for 16 weeks to help people stay at home for as long as possible*
- This may not be specified in the legislation for MPSP from 1 July 2025 but will apply under policy and MPSP providers are encouraged to deliver services in a manner consistent with the individual's needs, as well as standard time limits where appropriate.



MPSP funding model review and IHACPA

James Chen, Independent Health and Aged Care Pricing Authority



Australian Government
Department of Health, Disability and Ageing

www.health.gov.au

IHACPA – Aged Care Costing

Multi-Purpose Service Program (MPSP)

May 2025

Background

Background

- The Independent Health and Aged Care Pricing Authority (IHACPA) is an independent government agency responsible for developing health and aged care pricing advice as described in the *National Health Reform Act 2011*.
- The aged care sector is undergoing major funding reform and transitioned from using the Aged Care Funding Instrument (ACFI) to the Australian National Aged Care Classification (AN-ACC) model in October 2022.
- IHACPA's costing studies and cost collections allow its pricing advice to reflect contemporary cost structures, changes in costs over time and care delivery models.
- IHACPA has conducted the Residential Aged Care Costing Study 2023 and the Residential Aged Care Cost Collection 2024-25 (RACCC 24-25) is currently in progress. These will contribute to the development of data collection specifications and data acquisition methodologies for the aged care sector.

Background

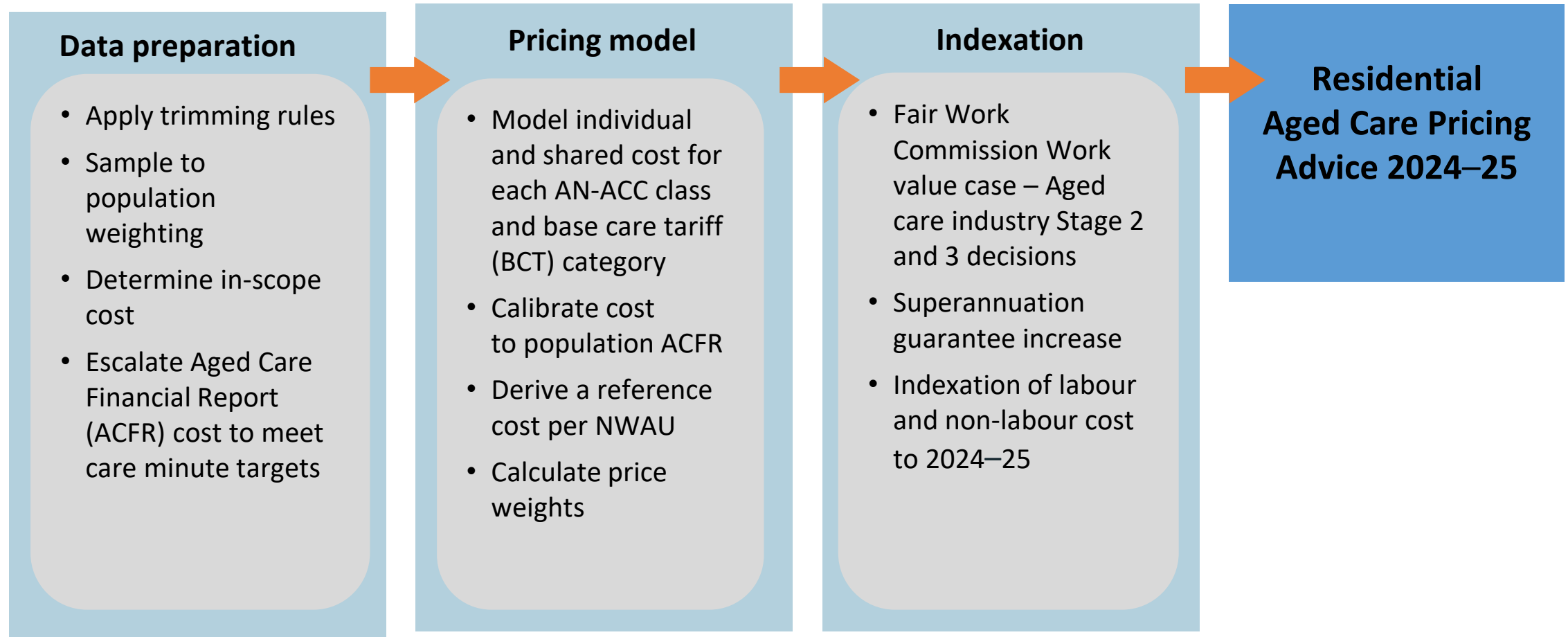
- RACCC 24-25 will build on existing data holdings to improve IHACPA's understanding of administration costs, allied health costs, indirect care time and respite services.
- RACCC 24-25 aims to provide IHACPA with a greater understanding of the resources used to deliver residential aged care services and how much they cost.
- Collection of quality and representative data including cost, time and activity data is paramount to allowing IHACPA to provide advice to the Australian Government in relation to aged care pricing and costing matters.
- The data collection exercise will form the basis of future pricing and classification development work to be carried out by IHACPA.

Costing

Why is costing important?

- To understand the costs required to provide care to older Australians on an ongoing basis.
- To understand what resources are utilised.
- Collection of costs enables IHACPA to create a broad data set showing differences across the sector, which informs the basis of its pricing advice.
- IHACPA's pricing advice reflects the cost of providing care.

Costing into pricing



Costing and MPS

Costing and MPSP

- Understanding existing data
- Undertaking additional collections to understand how the resources that are used to provide care within aged care
- Understanding what the costs are in providing care to aged care within Multi-Purpose Services (MPS) Program
- Ensuring that the cost of care is captured
- Ultimately developing a price and model that supports the needs of MPS in the provision of aged care services.

Questions

