

Multi-Purpose Service Program (MPSP) Webinar 7

Aged care reforms: Impacts on the MPSP & providers

26 March 2025

Thin Markets Branch

What do we intend to cover today?

Agenda Item	Speaker
Introduction, acknowledgement of country	Cathy Milfull A/g Assistant Secretary Thin Markets Branch
Reform updates including: <ul style="list-style-type: none">○ Reform schedule○ MPSP agreements○ Recent Modified Monash Model (MMM) updates○ MMM Review○ ACCAP Round 3	
Release 4a of the Rules: <ul style="list-style-type: none">○ Place allocations○ Ceasing services○ Reporting○ Accommodation payments	
Update on transitionals	
Q&A	Panel discussion chaired by Cathy Milfull

Future webinar topics

Month	Items under consideration
April	Regulation of providers delivering services under the MPSP under the new Act (Commission guests TBC) Draft Rules out for consultation including MPSP reporting changes Supported Decision Making (SDM)
May	Update on transitionals Update on MPS funding model (IHACPA guests TBC) Place allocations under the new Act Aged care services in the home or community under the new Act New statutory duties under the new Act
June	Update on transitionals Final preparations for the new Act

Other ideas? Your suggestions are welcome!

Reform updates

Cathy Milfull, Thin Markets Branch



Australian Government
Department of Health and Aged Care

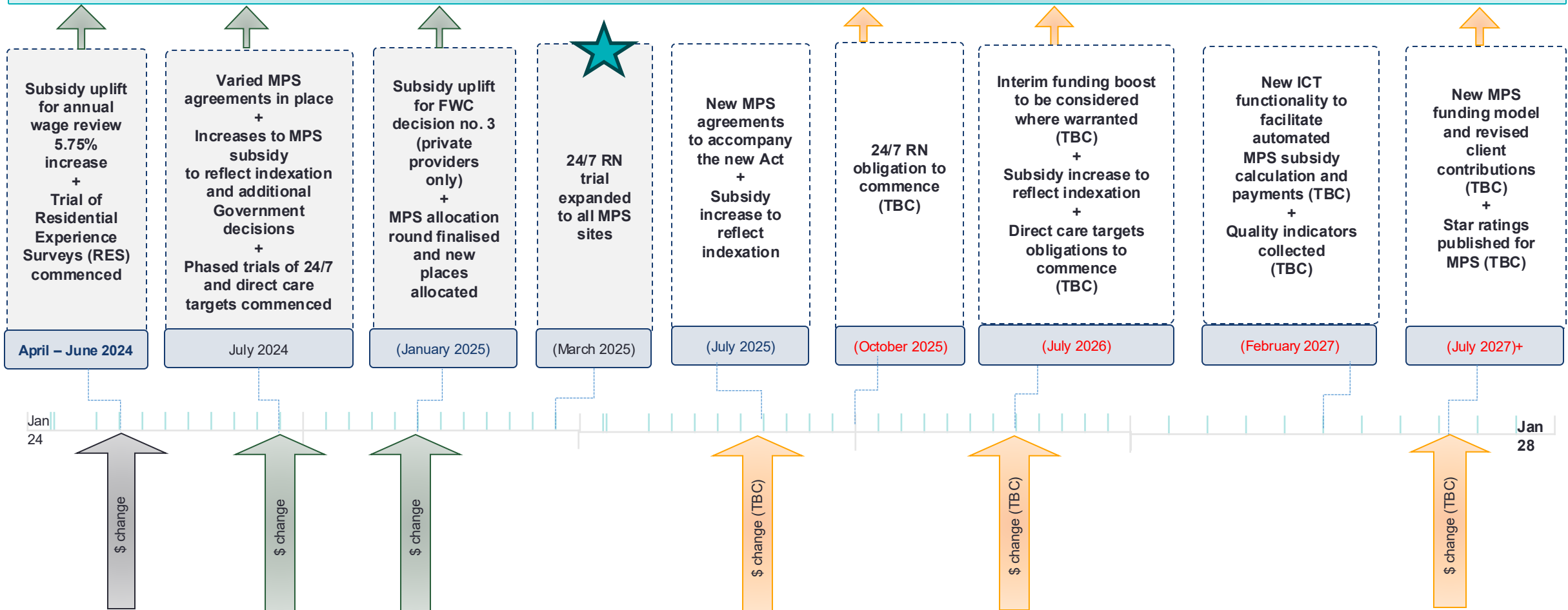
www.health.gov.au

Updated schedule of MPS reforms (as at March 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)

MPS related amendments made to subordinate legislation where required (TBC)



NEW MPSP AGREEMENTS 2025

Proposed timeline



5 FEBRUARY
2025

FEBRUARY
2025

MARCH
2025

APRIL
2025

MAY- JUNE
2025

16 JUNE
2025



discussion and
feedback on 1st
draft

bilateral/out of
session discussion
as required

discussion on 2nd
draft at MPS WG
meeting

finalisation and
agreements sent to
jurisdictions for
signature

agreements with
jurisdictions as
required

agreements
received by
department for
execution and
effect on 1 July

Recent changes to the Modified Monash Model (MMM)

- Government announced a 'no losers' update to the MMM and Distribution Priority Area classifications
 - [Strengthening Medicare: more doctors and larger Medicare payments for dozens of communities](#)
 - Interim change while Government responds to the Working Better for Medicare review.
 - The aged care review of the MMM will also continue as planned
 - This is a partial MMM update only based on recent census data; will not address issues raised with Department on how MMM is applied in aged care
- 17 locations will be reclassified as more remote based on Census data (e.g. Bourke NSW, Lamb Island QLD, and Streaky Bay SA will move from MM 6 to 7)
- Implementation for aged care programs will be phased in, with legislative and system changes required for some programs (e.g. AN-ACC, MPSP and AT-HM)
- Other programs can adopt the new MM categories sooner alongside relevant health programs

Goals of the MMM review

To review the appropriateness of the MMM for aged care

Objectives:

1. Explore how the MMM is being used in aged care
2. Understand the advantages and disadvantages of the MMM
3. Understand the key factors and conditions, in addition to remoteness, to determine when and how Government intervenes in thin markets
4. Scope and identify options for the ongoing use of the MMM in aged care

What's excluded from review:

- Updates or modifications to the MMM system
- Changing the MMM ratings of locations

MMM review – next phase

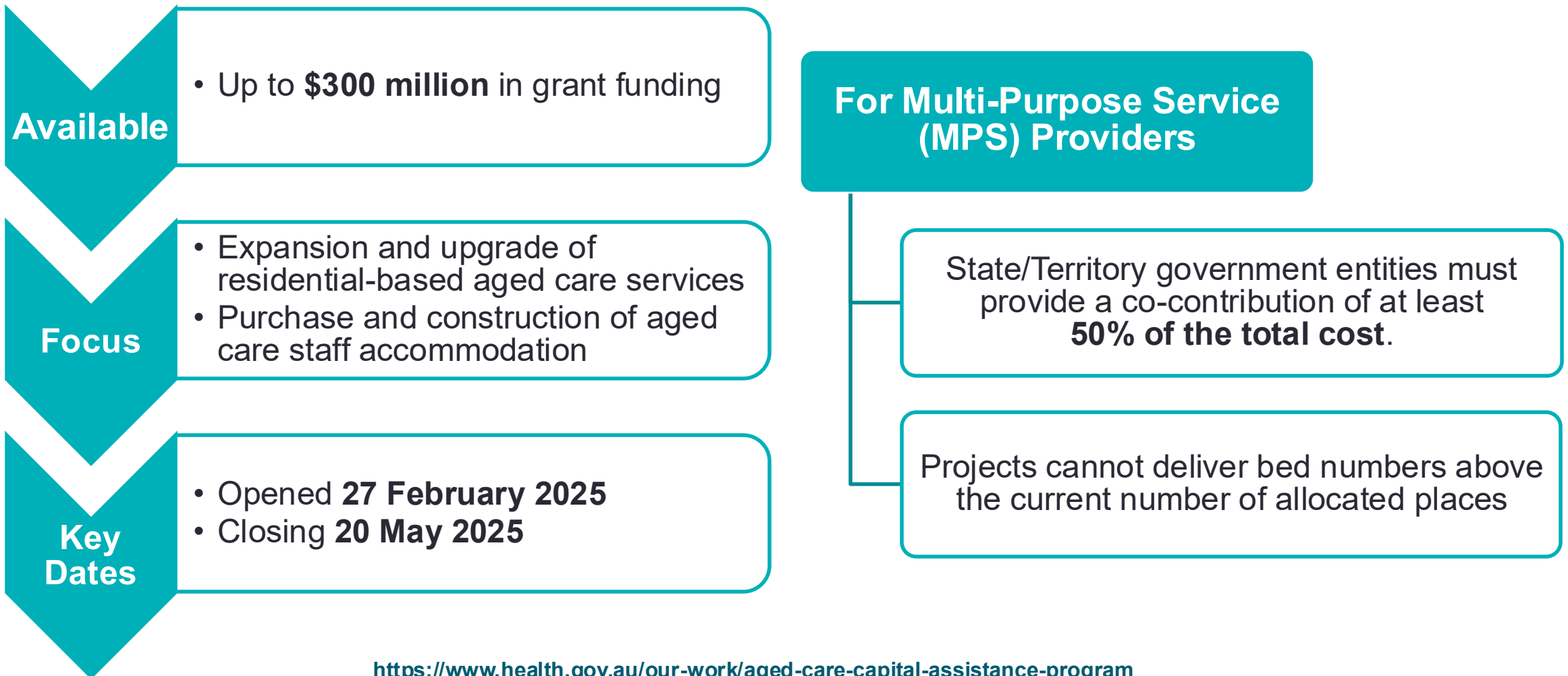


↑
We are
here

- **Starting April:**
 - **Site visits**
 - **Key informant interviews**
 - **Online survey**
- Review activities completed by **end 2025**
- **Webpage now live:**
 - [Review of the remoteness classification system for aged care](#)

Aged Care Capital Assistance Program - Round 3

Residential-based Aged Care Services and Staff Accommodation





Release 4a of the Rules

Cathy Milfull, Thin Markets Branch

Tranche 4a of the Rules for the *Aged Care Act 2024*

- Now published at [Draft Aged Care Rules - Release 4a](#)
- The consultation period is open for 4 weeks until **11 April 2025**.
- You can submit feedback via this [online form](#).

Topic	Relevant for MPSP?
Place allocation rules	Yes
Stopping and ceasing services rules	No - notification requirements Yes - service continuity requirements
Quality indicators	No
Record keeping obligations	Yes
Registered nursing obligations	No
Cooperation with IHACPA	Yes - amendments required
Accommodation charges	Yes - varied

Place allocations

- The Rules provide more details about the process of allocating places to registered providers who deliver services under the MPSP

Section	Topic
s97-5	when a place comes into effect
s97-10	when a place ceases to be in effect temporarily
s97-15	when a place ceases to be in effect permanently
s99-5	conditions that apply to an allocated place
s101-5	varying conditions



When does a place come into effect?

- When residential care places are allocated to a provider they will generally be out of effect ('provisional' in the current world)
- The Rules outline that for a place to come into effect:
 - the provider needs to be registered
 - a MPSP agreement needs to be in place
 - it must be less than 5 years since the place was allocated, and
 - for residential care places, the System Governor needs to be satisfied that there is a *bed ready to be used for the delivery of care*.
- There will be a revised 'bed ready' process in place from 1 July 2025 which you can use to make a request for a place to come into effect.
- Once a new place is in effect and your MPSP agreement has been varied to reflect this, this place will be included in your subsidy calculations.

When does a place go out of effect?

- The Rules outlines circumstances where an allocated place ceases to be in effect – either temporarily or permanently.
- On a temporary basis, this includes:
 - when the System Governor (Secretary) agrees with a provider that they will not have the capacity to deliver services using a place (e.g. shutting the aged care wing for renovations for a year)*
 - the provider is suspended **or** has a condition placed on their registration which means they can't use the place.

***Note:**

- This corresponds to the requirement for providers to advise if they are unable to deliver services using a place for 12 months or more under section 99(5).
- places will **not** be placed 'out of effect' **without** agreement with the provider.

When does a place allocation permanently cease?

- A place allocation will cease permanently where:
 - the entity ceases to be a provider
 - there is an agreement with the department to relinquish the place
 - the Secretary must be satisfied that obligations relating to continuity of service have been met
 - the Secretary revokes the place
 - only if the place has not been used for at least 12 months



What conditions will apply to allocated places?

- If the place is used to deliver:
 - *care under the residential care group*: the place must be used at the specified approved residential care home
 - *care that is in a home or community setting*: the place must be used at the location specified
- Providers must advise the Secretary when they are unable to use a place to deliver aged care services for a period of 12 months or more

***Note:** there will be a process in place so you can ask the Secretary to vary a condition on a place allocation, for example, if you want to use the place at a different residential care home.

Ceasing service delivery under the MPSP

- The Rules outline obligations on providers where they want to stop delivering funded aged care services to an individual, or move them within a residential care home

Section	Topic
ss149-30 to 149--40	ceasing delivery of services in the home or community
ss149-50 to 149-65	ceasing delivery of services at a residential care home
ss 149-70	moving individuals within a home
ss149-75 to 149-80	continuity of care plan and transfer records

When can you cease home or community services?

An MPS can stop providing funded aged care services to an older person when the individual:

- cannot be cared for in the home or community with the resources available, or has been assessed as requiring other types of services
- notifies in writing they no longer need or wish to access the providers' services, or wish to move to a location where services are not delivered by the provider
- has intentionally caused serious injury to, or created an unsafe work environment, for an aged care worker; or
- has not paid the provider, for a reason within their control, any fee or contribution specified in their service agreement and has not negotiated an alternative arrangement.

Note: the provider must give at least 14 days notice before ceasing services (see 149-40).

When can you ask an older person to leave your MPS?

- An MPS can ask a person receiving residential care to leave if *suitable* alternative accommodation with another registered provider is available, notice has been given and:
 - the residential care home is closing;
 - the provider can no longer provide the services the older person needs or the older person no longer need them
 - a specialist dementia care agreement is in place and a clinical advisory committee has determined the services are no longer suitable
 - the older person has control over payment of fees but they're unpaid within 42 days of due date, or
 - the older person has caused serious damage or harm or is on leave for 7 days or more that is not emergency leave, hospital leave or social leave.

Note: the provider must also prepare a Continuity of Care Plan (149-75) and provide the incoming provider with records relating to the person (149-80)

Movement of individuals within an MPS

You must not move an individual receiving residential care from a room or part of a room in an MPS unless:

- the older person has requested it, or agrees after being consulted and without pressure
- the move is on genuine medical grounds as assessed by an assessor or at least two medical or other health professionals
- a specialist dementia care agreement is in place and a clinical advisory committee has determined that the room is no longer suitable
- the move is necessary to carry out repairs or improvements and the older person can return when the work is completed



Record keeping under the MPSP

- The Rules outline records that providers must keep for 7 years

Section	Examples of Types of records
s154-3100	<ul style="list-style-type: none">• service agreements• care and services plans• medical records• amount of accommodation charges• accommodation agreements



Accommodation charges from 1 July 2025

- The Rules outline the accommodation charges that apply under MPSP

Section	Topic
s288-5 and 288-10	outlines which accommodation payment provisions apply to MPSP
s288-20	accommodation agreement must include information about financial hardship policy
s288-25	must : <ul style="list-style-type: none">• provide client experiencing financial hardship policy with a copy of the policy and comply with the policy• not charge an accommodation contribution

What does this mean in practice?



As currently a provider delivering services under the MPSP:

- can charge an accommodation payment where client is not eligible for government assistance
- can **not** charge an accommodation contribution
- must have an accommodation agreement

In addition, a provider must :

- have a financial hardship policy
- make this policy available to a client experiencing financial hardship
- comply with the policy, including waiving or reducing the accommodation payment.



Update on client and provider deeming

Cathy Milfull, Thin Markets Branch

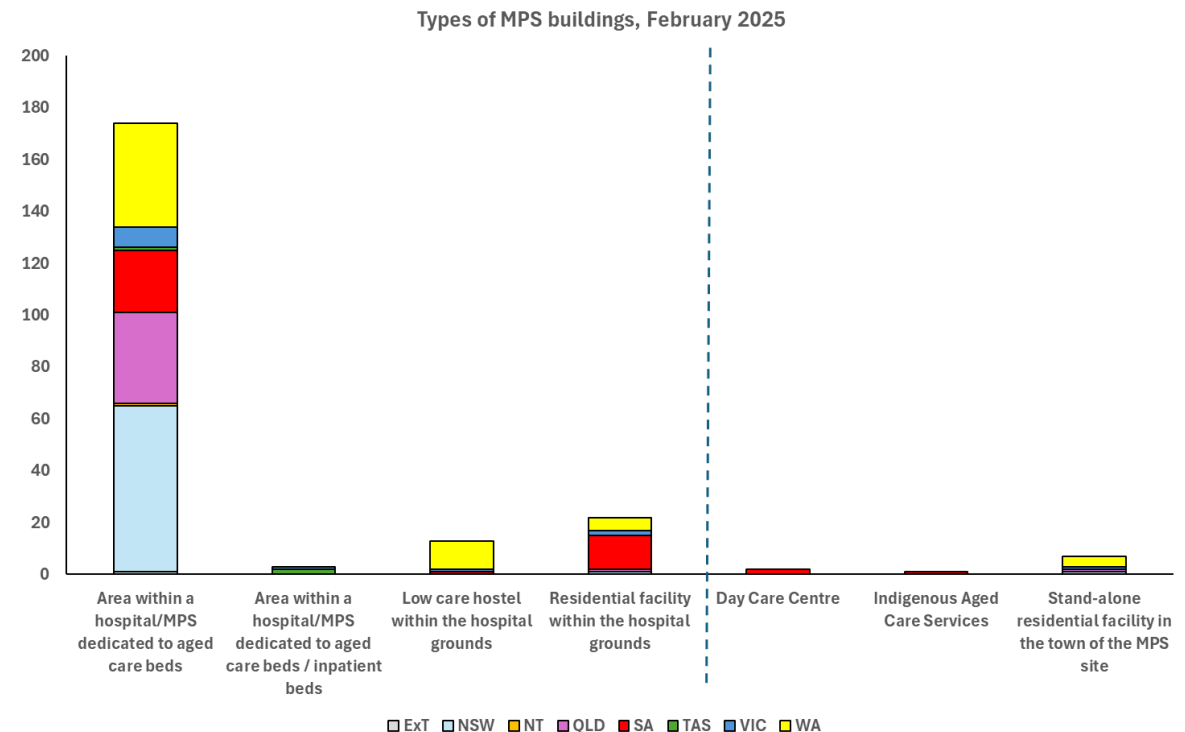
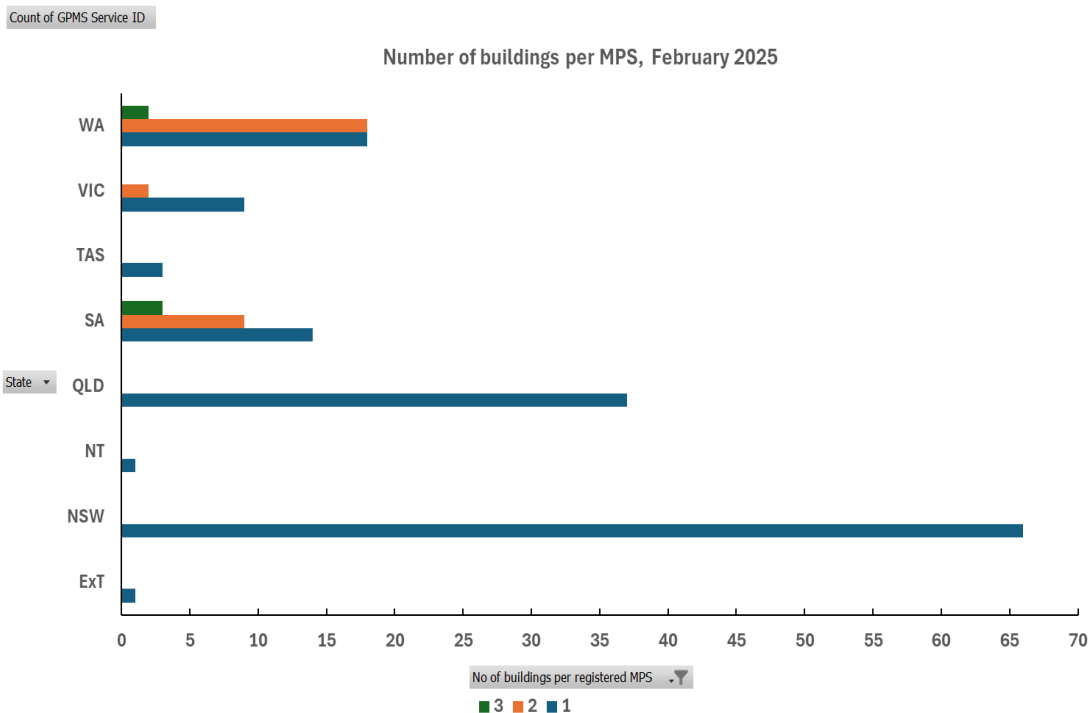
Provider transitional arrangements - update

- The Department has commenced the process to deem existing aged care providers into the new provider framework for the *Aged Care Act 2024*.
- Each provider should have already received a contact nomination request form.
- This will ask providers to confirm their contact details, then review their proposed registration categories via a *Deeming Validation Survey*.
- Alongside provider deeming, sites need to be deemed to be approved as residential care homes.



Residential care home transitional arrangements - update

- We still need to confirm the MPSP sites that will be deemed to be approved as residential care homes on 1 July 2025.
- To facilitate this, a census of existing MPSP buildings has been completed; and the Department will now be seeking additional information about MPSP sites with multiple addresses.



Client transitional arrangements - update

- The client data collection project has now commenced.
- Roughly 90% of providers asked for pre-populated files, which we have since sent to most of those providers.
- Hard copies of the Fact Sheet and Consent Notice are being printed and posted; those should arrive early April.
- Some staff have expressed uncertainty about being able to obtain consents.
- If a person cannot give informed consent, then they will need their authorised representative to provide consent.
 - If a person does not have an authorised representative, they will need to be supported to start that process.
 - Providers will need to send in the details that they have available at the end of each month and should **not** wait until all their cohort can provide consent.



Questions

