



**Australian Government**  
**Department of Health**

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**Commonwealth Government Response**

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**to the**

**Multi-Purpose Services Program Review**

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**PART A – The Commonwealth should approach the States to jointly undertake the following:**

<b>Recommendation 1</b>	Develop a standing working group of Commonwealth and state officials, with a view to establishing collaborative governance of the MPS Program.	The Commonwealth <b>accepts</b> this recommendation.
<b>Recommendation 2</b>	Review the overarching vision for the MPS Program, taking note of stakeholder feedback contained in this report.	The Commonwealth <b>accepts</b> this recommendation.
<b>Recommendation 3</b>	Identify constraints on the greater deployment of MPS by the states and seek opportunities for mutual resolution of those constraints (noting recommendation 9 below).	The Commonwealth <b>accepts</b> this recommendation.
<b>Recommendation 4</b>	In the context of evolving models of delivery of health and aged care in rural and remote areas, review the definition of an MPS under Section 104 of the Subsidy Principles.	The Commonwealth <b>accepts</b> this recommendation.
<b>Recommendation 5</b>	Examine the impact that state-based minimum nurse staffing standards have on limiting the budget capacity of MPS to employ appropriately trained care and diversional activities staff who are more skilled at meeting the daily living and social care needs of aged care residents.	The Commonwealth <b>agrees in-principle</b> , noting that state and territory governments are responsible for relevant state based industrial agreements, legislation and regulations.
<b>Recommendation 6</b>	Review the funding of MPS for home based care for older persons, including the care delivered through community nursing, home care recognised in the funding of Home Care places by the Commonwealth and funding sourced from the Commonwealth Home Support Program, with a view to ensuring the delivery of flexible, high quality home care and home-based palliative care and to reducing avoidable residential aged care.	The Commonwealth <b>accepts</b> this recommendation.

## Recommendation 7

Consider amending the MPS Agreement along the following lines:

- a) Introducing means testing of MPS residents and home care clients by the Department of Human Services, with the states aligning consumer care contributions and accommodation payments/contributions with mainstream care recipients, subject to the preservation of current arrangements for existing residents and clients and implementation after a period of advanced notice and community education.
- b) The states aligning their charging of basic daily fees for residential and home care with payments made by mainstream care recipients, noting that in most cases this would require minimal adjustment.
- c) The states formally undertaking ACAT assessments for all incoming MPS recipients of aged care services (home care clients and residents), noting that this would differ little from current practice in most circumstances.

The Commonwealth **agrees in-principle** with recommendation

7 a) noting that legislative changes would be required.

The Commonwealth agrees in-principle with recommendation

7 b) noting that legislative changes would be required.

The Government **agrees in-principle** with Recommendation 7 (c).

**PART B – The Commonwealth should initiate action to:**

<p><b>Recommendation 8</b></p>	<p>Require Service Providers to comply with the underlying intention of the MPS Agreement reporting arrangements, including, in a format agreed with the Commonwealth:</p> <ul style="list-style-type: none"><li>a) reporting on all service provider activity and all revenue and expenditure from the pooled funding</li><li>b) reporting on progress of the activities specified in the Service Delivery Plan</li></ul> <p>reporting on matters referred to elsewhere in this report such as more complete reporting on complaints and the achievement of a homelike environment.</p>	<p>The Commonwealth <b>accepts</b> this recommendation. A number of improvements in MPS Program reporting have already been made. All MPS Providers comply with MPS Agreement reporting requirements in the format agreed with the Commonwealth.</p>
<p><b>Recommendation 9</b></p>	<p>Review the Commonwealth’s approach to the funding of accommodation and other aged care infrastructure in MPS with the aim of increasing the number of co-located health and aged care services and the provision of facilities which meet contemporary standards and expectations (noting recommendations 3 and 10).</p>	<p>The Commonwealth <b>agrees in-principle</b> with this recommendation, noting that changes would require agreement from the Commonwealth and state and territory governments.</p>
<p><b>Recommendation 10</b></p>	<p>Review all Commonwealth rural and remote health, aged care and related programs (operational and capital) that currently exclude MPS, assessing the rationale for that exclusion and assuming future inclusion of the MPS unless there is a public net benefit in retaining the current policy. This review would include the recent Commonwealth initiative to enhance Medicare payments to cover travel costs for GPs visiting a residential aged care facility, the National Residential Medication Chart program and Commonwealth capital programs.</p>	<p>The Commonwealth <b>accepts</b> this recommendation.</p>

<p><b>Recommendation 11</b></p>	<p>Explore a model for the delivery of private provider Home Care Packages which retains consumer choice but might allow community-supported selection of a ‘preferred provider’ through a periodic open process. That provider (which may be the MPS) may be able to develop sufficient economies of scale to ensure more efficient and effective service delivery to local residents.</p>	<p>The Commonwealth <b>accepts</b> this recommendation.</p> <p>On 25 November 2019, the Government announced its intention to establish a single unified system for care of the elderly in the home. This approach would unify the Home Care Program and Commonwealth Home Support Program, in line with the directions outlined in the Royal Commission’s interim report that there should be a seamless system of care, tailoring services to the needs of the individual.</p> <p>Development work has commenced that will look at the underpinning mechanisms and structures, including how consumer choice and funding arrangements would best operate. As part of this, consideration will be given to how the system best operates in remote and very remote locations, including looking at how to achieve economies of scale of services within these communities.</p> <p>A ‘preferred provider’ model will be explored as part of this work. However, a new single unified system for care of the elderly in the home will mean that the current program settings are likely to change. This will also be guided by further findings from the Royal Commission.</p>
<p><b>Recommendation 12</b></p>	<p>Undertake (or commission) research into developing a Commonwealth funding contribution model for aged care services in MPS which reflects prevailing acuity and numbers of aged care residents while maintaining medium term certainty, administrative simplicity and the effectiveness of the pooled funding arrangements. Suggested lines of enquiry include:</p> <ul style="list-style-type: none"> <li>a) Retaining, for the purposes of its funded contribution for residential care to the MPS</li> </ul>	<p>The Commonwealth <b>agrees in-principle</b> with this recommendation.</p>

pooled fund, the determination of a number of places funded at 100% occupancy (irrespective of the MPS MMM classification).

- b) Reviewing the number of funded residential aged care places on a regular basis (including where there is a reducing demand and/or an alternative residential aged care provider) and ensuring the MPS Allocations Rounds and periodic reviews of existing MPS have clear and transparent criteria, assessment processes and reporting of outcomes.
- c) Replacing the current residential high and low care funded contributions to the MPS pooled funding with funding to reflect the care needs and cost of caring for current MPS residents. The residential care funding level could be assessed at a census date annually, averaged across all aged care residents and applied to the number of funded flexible residential care places for the following 12 months.
- d) Assessing whether the replacement to the ACFI funding model, or some variation of that model, would be fit for purpose.

Noting the joint review of funding of home care at recommendation 6.