



Commonwealth Home Support Programme (CHSP) – Payment in Arrears and Unit Pricing Fact sheet

Overview

On 11 May 2021, the Australian Government announced changes to the CHSP to help position the aged care sector as it moves towards a new Support at Home Program commencing in July 2023. The new program will replace the CHSP, Home Care Packages, Short-Term Restorative Care, and residential respite programs.

To prepare for these future reforms, CHSP grant agreements will be extended for one year from 1 July 2022 to 30 June 2023, with most CHSP providers transitioning to payment in arrears. During this transition, the Department of Health (Health) will also review unit pricing for all service types.

Payment in Arrears

Currently, as part of each grant agreement, providers agree to deliver a set number of activities, per Aged Care Planning Region in Australia, at individually agreed prices. CHSP providers receive upfront quarterly payments. It is anticipated that from 1 July 2022, most providers will be able to invoice at the end of each month based on actual services delivered.

Benefits of Payment in Arrears

Alignment with future reforms

The future Support at Home Program will seek to improve the availability of services, with funding following the individual client in most cases. Payment in arrears facilitates this approach and ensures a consistent consumer experience across lower and higher-levels of in-home aged care.

Better consumer choice

Payment for services delivered encourages a more direct relationship between the services available and what consumers want. It also ensures clients can access services in a timely manner.

Accountability

Paying for services that have been delivered is a more accurate and accountable use of government funds.

Reducing unspent funds

Paying for services delivered will reduce unspent grant funds which must be recouped through an acquittal process and returned to Government after the fact rather than spent on services to clients. Payment in arrears will mean Government can anticipate these underspends early and reallocate the funding to where it is needed most, as quickly as possible. This will help CHSP providers to deliver services effectively and efficiently.



Transitioning to Payment in Arrears

CHSP 2022-23 Extensions Working Group

Health is still working through the specific details on how providers will transition to payment in arrears. To help with this work, a CHSP 2022-23 Extension Working Group was been established in June 2021. The working group has members from all states and territories, CHSP service types, profit/not for profit, government, Aboriginal and Torres Strait Islander, multicultural, rural/remote, large and small CHSP providers and sector peaks. A list of the organisations involved in the working group can be found under [CHSP news](#).

The objective of this working group is to ensure CHSP providers can influence the design of the 2022-23 Extension of CHSP and to ensure providers maintain business viability and service delivery under payment in arrears.

Issues/challenges identified so far

Health recognises the important services CHSP providers deliver to older Australians. The following points identify how Health will support providers during the transition to payment in arrears.

- Health will work with smaller providers with limited cash reserves, or limited capacity to access capital markets to transition to payment in arrears.
- Health will work with providers who may not have business systems in place to report on services delivered on an individualised basis.
- Financial support may be available in particular circumstances to support providers with increased administrative activities.
- Not all CHSP service types may be suitable for a full transition to payment in arrears. Health is working through this with the CHSP Extensions 2022-23 Working Group and will analyse the data from the CHSP provider survey to inform these discussions. Where it is deemed unsuitable, payment in arrears may instead be a payment of 1/12 of the value of a grant agreement at the end of each month.


Unit pricing

Unit prices across the different CHSP service types are nationally inconsistent and do not reflect the actual cost of delivering services (net of fees contributed by consumers). In addition, CHSP service types have different outputs (e.g. time in hours) and some service types like Social Support Group and Transport have varying group/client sizes which also affect unit prices. These inconsistencies need to be addressed as a part of transitioning CHSP to payment in arrears and in advance of the new support at home program.

In June 2021, Health contracted ACIL Allen Consulting to support the development of a National Unit Pricing Policy for CHSP. As a part of this work ACIL Allen Consulting may contact individual CHSP organisations to help inform the development of this policy. They will also be connecting with HealthConsult who are contracted to support the development of the funding model under the new support at home program.

Work is already underway and below are areas already being considered:

- Some service types may require tiered unit prices;
- Some service delivery factors, such delivery in remote indigenous communities may need greater flexibility;
- Each service type may have a unit price range rather than a defined unit cost, from which providers are able to select; and
- Outputs of service types renegotiated to be consistent with delivery expectations.



The main intent of these changes is to ensure that grant agreements are a more accurate representation of price x quantity. This process is not specifically intended to result in any increases to the value of current grant agreements, though there may be some limited cases where this occurs.

CHSP Provider Survey

Health has published a survey which will provide Health with an overview of how ready providers are for the transition to payment in arrears. It will also assist Health with getting a better understanding of any issues or challenges. All CHSP providers are strongly encouraged to complete this survey.

We are aware that CHSP providers have also been asked to complete a Home Care Reform Provider Survey, this focuses on the larger reforms commencing in July 2023. This CHSP survey is specifically for CHSP providers and will help inform Health's approach to the CHSP extension for 2022-23.

The CHSP survey is really important, as it will provide the department with information regarding the sector which will greatly assist program design going forward.

The CHSP Survey will close Monday 2 August 2021, 11.59 pm (AEST), and will take up to 45 minutes to complete.

Modified Monash Model question

In the survey you will need to specify where you deliver the majority of your CHSP services. The options for the question relate to the [Modified Monash Model](#). If you are unsure, you can search for an address using the [Health Workforce Locator](#). To use this locator, the Modified Monash Model 2019 needs to be checked, then click Find Address, type in the address, and click Search Location. The Health Workforce Locator map can check the geographical classification of any location in Australia.

COVID-19 Vaccination question

As part of the survey, we have taken the opportunity to ask CHSP providers about their ability to report staff COVID-19 vaccinations. On 4 June 2021, the Australian Government launched a new reporting tool on My Aged Care for all Residential, Home Care Package and CHSP providers to report on the COVID-19 vaccination status of their aged care workforce with Weekly reporting becoming mandatory from 15 June 2021 for residential aged care providers.

At this stage, it is not mandatory for CHSP and Home Care Package providers to Report workforce Covid 19 status. In the interim, Health is encouraging CHSP providers to start voluntarily reporting. Your response to this survey question will help inform Health about the barriers, complexity, and capability in CHSP providers reporting staff COVID-19 vaccination rates.

Please note, it is voluntary for workers and volunteers to be vaccinated and to disclose if they have received a COVID-19 or influenza vaccination.

Implementation timeframes

Table 1 shows the key items of work. The shaded months correspond to when the work is expected to commence and the finalisation of that work. For example, the unit pricing review began in July 2021 and is expected to be finalised by the end of September.

A start date for payment in arrears must be finalised by September/October 2021 to allow time to negotiate new contracts with providers. New contracts will come into effect on 1 July 2022.

From 1 July 2023, the new Support at Home Program will commence.

Financial Year	2021-22				2020-23				2023-24
Calendar Year	2021		2022				2023		
Key work items	Jul – Sep	Oct – Dec	Jan – Mar	Apr – Jun	Jul – Sep	Oct – Dec	Jan – Mar	Apr – Jun	Jul – Sep
Sector consultation									
Unit Pricing									
Decision on next steps for 2022-23									
Contract negotiation with CHSP providers									
CHSP Extension									
Transition to Support at Home Program									

Table 1 Timeline of when key work items are expected to commence.

Further Information

Health aims to regularly update providers on the changes to CHSP. All CHSP providers will be able to access these updates under [CHSP news](#). Alternatively, please direct any enquiries to homesupportpolicy@health.gov.au.

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