



Commonwealth Home Support Programme (CHSP) – Payment in Arrears and Unit Pricing – October update

OVERVIEW

On 11 May 2021, the Australian Government announced changes to the CHSP to help providers prepare for the 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 CHSP providers transitioning to payment in arrears and more consistent unit prices.

This will be a significant change for many CHSP providers. The Department of Health (Health) has been working closely with a working group of CHSP providers, along with ACIL Allen Consulting in order to inform the implementation approach.

This factsheet outlines the detail of these reforms and the administrative processes that will occur over the next 8 months to put in place contracts from 1 July 2022.

The Approach to Reforms

To help assess how CHSP reforms should be implemented, Health held a number of discussions with the working group and also undertook a provider survey to gauge provider feedback on the impact of introducing payment in arrears and more consistent unit pricing in CHSP.

Health acknowledges the diversity of the CHSP sector, and that reform needs to be managed carefully. For this reason, we have agreed, with representatives of the sector, that there are significant complexities to immediately moving to a single nationally consistent unit price for each service type.

We have also received feedback about the importance of the CHSP flexibility provisions that have been an important step in managing demand for services through the COVID-19 pandemic and agreed these should remain part of the system for the 2022-23 financial year.

While the reforms are measured, they do prepare CHSP providers for the new Support at Home Program that will have a greater focus on individual clients.

The Reforms

Under the CHSP extension for 2022-23, all providers will retain grant agreements with a fixed funding amount based on price and outputs, similar to current arrangements. This will provide certainty of cashflow for providers, while they better assess the impact of the new Support at Home program.

Reforms to CHSP will focus on three core changes for service types with direct service delivery:

1. All CHSP providers will transition from upfront quarterly payments to fixed monthly payments in arrears based on 1/12 of the total value of the grant agreement. To help manage the transition and associated cashflow impacts, providers will be paid the July 2022 monthly payment in advance. The August 2022 payment will then be made at the start of September 2022.
2. All providers will transition from biannual performance reporting to monthly performance reporting through Data Exchange (DEX) to provide better reporting and

tracking of service delivery. Reporting will be due 10 business days after the end of the month.

- Grant agreements will also be reviewed and updated to reflect nationally consistent unit price ranges for all service types in CHSP, with the exception of Goods Equipment and Assistive Technology (GEAT) and Home Modifications.

This applies to all service types except for Sector Support and Development (SSD). SSD will stay on their existing payment and reporting arrangements, noting the current process underway to review activity work plans (further detail outlined below).

Transition support for smaller providers

Health acknowledges that some providers may require some assistance to manage the cashflow impact of transitioning to payment in arrears. Health will provide targeted assistance by allowing some providers to:

- rollover unspent funds from 2021-22 to 2022-23 (up to a maximum of one month's worth of funding); or
- receive targeted transition funding to provide a cashflow bridge.

In the coming months, Health will provide details for the application process and specific criteria to access these additional transition supports. However, this is expected to exclude large CHSP funded providers and those who already receive funding in arrears through other programs (e.g. National Disability Insurance Scheme or Home Care packages).

It is expected that these supports will focus on smaller providers with low cash reserves and will be considered on a case by case basis (for example, a smaller provider may be defined as those with revenue of less than \$500,000 per annum).

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.

Table 1 Implementation timeframes for the CHSP extension

Financial Year	2021-22				2022-23				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
Contract negotiation with CHSP providers									
Transition support applications									
Contract finalised									
CHSP Extension									
Transition to Support at Home Program									

Webinar for CHSP providers

On 17 November 2021 Health will host a CHSP Provider Webinar to update the sector on the CHSP 2022-23 extension, including payment in arrears and unit pricing. The Webinar will be recorded and published online following the live session. More details on the Webinar will be provided in early November.

NATIONAL UNIT PRICES

In the [CHSP – Payment in arrears and unit pricing fact sheet](#) published in July, Health explained unit prices needed to be addressed as a part of transitioning CHSP to payment in arrears and in advance of the new Support at Home Program.

Health has finalised the 2022-23 national unit price ranges to be used in grant agreements which are presented in Table 2 below. These price ranges exclude the client contribution.

Table 2: 2022-23 CHSP National Unit Prices Ranges

CHSP Service Type	Output measure	2022-23 CHSP National Unit Price Ranges
Allied Health and Therapy Services	Hour	\$95-\$125
Assistance with Care and Housing	Hour	\$61-\$97
Centre-based Respite	Hour	\$27-\$51
Cottage Respite	Hour	\$28-\$53
Domestic Assistance	Hour	\$48-\$61
Flexible Respite	Hour	\$51-\$67
GEAT	Cost in dollars	*
Home Maintenance	Hour	\$53-\$75
Home Modifications	Cost in dollars	**
Meals	Meal	\$7.50-\$13
Nursing	Hour	\$104-\$129
Other Food Services	Hour	\$25-\$41
Personal Care	Hour	\$51-\$68
Social Support Group	Hour	\$17-\$27
Social Support Individual	Hour	\$39-\$60
Specialised Support Services	Hour	\$76-\$118
Transport	One-way trip	\$18-\$36

Source ACIL Allen Consulting

* GEAT will have a similar reporting structure to Home Modifications, with the output measure to remain cost in dollars.

** Home Modifications will continue to deliver services based on the cost in dollars and will remain capped at \$10,000 (per client per financial year).

About the 2022-23 CHSP National Unit Price Ranges

The unit price ranges in Table 2 are broadly in line with historical funding and in many cases consistent with unit costs of other government funded programs (for standard weekday delivery during business hours).

These ranges were developed by ACIL Allen after thorough assessment of unit price information, examining comparable pricing approaches for other programs, and considering market implications of funding design.

It is important to note these ranges do not include a reasonable client contribution over and above funding from the Australian Government. In CHSP, service providers should implement their own client contribution policy, with a view that clients who can afford to contribute to the cost of their care should do so.



GEAT and Home Modifications will not have national unit price ranges:

- Home Modifications will continue to deliver services based on the cost in dollars and will remain capped at \$10,000 (per client per financial year).
- GEAT will have a similar reporting structure to Home Modifications, with the output measure to remain cost in dollars. GEAT providers will need to report the hours of Allied Health and Therapy services associated with complex GEAT in DEX.

THE GRANT AGREEMENT

In most circumstances, funding amounts for providers will be rolled over based on 2021-22 funding levels, plus indexation. **No provider will have their funding level reduced as part of this process** (noting reductions may occur for other reasons, such as compliance action).

The way services are funded across Aged Care Planning Regions (ACPR) in the grant agreement will change. Currently, providers have a unit price per activity per ACPR. The grant agreement for 2022-23 for each specific CHSP provider will have one-unit price per activity, which reflects an average across all the ACPRs which they deliver services in.

Outputs will also be adjusted in the following way in order to ensure funding levels remain unchanged:

- Where providers are currently funded above the new price range, the funded price will be reduced to the top of the unit price range. Outputs will be adjusted up to ensure there is no reduction in the overall value of the contract.
- Where providers are funded below the price range, but are not delivering services close to agreed outputs, the funded price will be increased to the bottom of the unit price range, and outputs will be reduced.

Some providers will receive additional funding where they are delivering services close to agreed outputs but are currently funded below the bottom of the unit price range.

Examples on how outputs will be adjusted are not included in this factsheet as the changes are not uniform across providers. However, your organisation will receive a letter in November 2021 which will outline the specific impact on your organisation, if any.


There is only modest scope for CHSP providers to negotiate unit prices. Where a CHSP provider is already funded within the 2022-23 National Unit Price Ranges, there will be no option to negotiate a unit price above the range.

However, providers can seek to adjust their contracts through the Community Grants Hub to correct historical anomalies in order to better reflect actual service delivery arrangements. These will be considered on a case by case basis, but examples include funding allocated to incorrect service types (such “other food services” rather than “meals”).

Health recognises the cost of service delivery in remote and very remote areas ([MMM 6 and 7](#)) is higher compared to metropolitan, regional and rural areas. For providers where the vast majority of services are delivered in these areas, they will be able to seek a change to their contract to provide a loading to the unit price range. Outputs would then be reduced by an equivalent amount so that funding levels don't change. The purpose of this would be to ensure outputs in the contract are not materially too high. Further information about this loading will be provided in future updates.

Compliance framework

Health already has a CHSP compliance framework in place, however from July 2022 this will have a renewed focus on ensuring a CHSP provider is meeting performance against their grant agreement.



CHSP providers will be monitored initially for the reporting of services delivered on a monthly basis through the DEX system. Health is aware of fluctuations in service delivery over the course of a year and will take into account exceptional events, such as bushfires, floods, drought, COVID-19 or managed shutdowns, where the delivery of services is unachievable. Health will also take into account the impact on providers where outputs have been increased as a result of a reduction in the funded price.

Providers will have ten business days after the end of the month to submit their DEX report. The submission of a monthly DEX report will be mandatory and may be linked to the release of the next monthly payment. A provider can voluntarily submit a report more frequently, such as each fortnight, however at a minimum a report must be submitted monthly.

To assist with the transition to monthly DEX reporting, Health will provide more information about targeted training and other support materials for CHSP providers over the next few months.

After the initial transition period, compliance checks will be undertaken every 4 to 6 months, with the first scheduled in November 2022. The process will be in line with current compliance arrangements.

These fluctuations may affect some services, organisations, and geographical regions more than others and will be factored into compliance measures. Health's compliance framework will enable periodic reviews of a provider's performance and realignment where there is an unexplained significant under delivery of services against their grant agreement.

CHSP SERVICE TYPE REFORMS

Transition of Assistance with Care and Housing (ACH) navigation supports to new Care Finder Program

On 19 October 2021, ACH providers were notified about the new Care Finder Program due to commence 1 January 2023. The Care Finder Program will provide specialist assistance to senior Australians who need intensive support to understand and access aged care services and could otherwise fall through the cracks.

To streamline navigation supports for aged care, ACH navigation services (Advocacy and Assessments) are expected to transition out of the CHSP and into the new Care Finder program from 1 January 2023. Hoarding and Squalor will remain as part of the CHSP and is expected to be funded under the new Support at Home Program from 1 July 2023.


This means ACH providers will be fully funded for services until Care Finder starts on 1 January 2023. However, from 1 January 2023, only the Hoarding and Squalor component of ACH services will be included in the CHSP.

Given the changes to ACH services under CHSP, unit prices for ACH services may not be adjusted as part of the CHSP extension.

ACH providers are reminded to complete the mandatory 2021 Survey for CHSP ACH Providers which closes **3 November 2021**.

Specialised Support Services (SSS)

Health is also conducting a review through a short survey for providers delivering SSS. This review will ensure SSS is achieving the best outcomes for clients and carers and will provide information on how these services will align to the new Support at Home Program, due to begin 1 July 2023.



Depending on the types of services being delivered by SSS providers, Health may consider whether services should be funded under the new Support at Home Program, or if they are better funded under other Aged Care programs.

SSS providers are reminded to complete the mandatory 2021 Survey for CHSP SSS Providers which closes **9 November 2021**.

Sector Support Development (SSD)

Health is currently reviewing all 2021-22 Activity Work Plans for providers delivering SSD. SSD providers who are delivering direct service delivery are currently being re-categorised into appropriate direct service delivery activities e.g. Social Support Group. Health will have further discussions with providers who are delivering activities which are out of scope of SSD and CHSP. SSD providers who deliver navigation services may be funded until 31 December 2022 for that activity, where these services are expected to be delivered through the new Care Finders program from 1 January 2023.

NEXT STEPS

- **In early November 2021**, Health will be providing CHSP service providers with a letter outlining the indicative service offer and funding being proposed. This will exclude the ACH, SSS and SSD service types. If a CHSP service provider is planning to exit the program at 30 June 2022 they will need to notify their Funding Arrangement Manager, in writing, as soon as possible.
- **November 17 2021**, a webinar will be held to allow providers to raise questions about the proposed reforms and impacts on them based on the indicative service offer and funding.
- **In late December 2021, early January 2022**, ACH, SSS and SSD providers will receive an indicative service offer and funding being proposed for these service types.
- **In early 2022**, CHSP service providers will receive a draft grant agreement for consideration that would implement these reforms.
- **In March 2022**, eligible providers can apply for transition support to manage cashflow impacts from payment in arrears.
- **In July 2022**, the CHSP manual will be updated.

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.

(Updated 29 October 2021)