

Community Residential Services

Procurement Process for New Agreements and Request for Application (RFA)

Q&A

7 July 2025

How can I submit a question?

Questions should be emailed to DSS_Commissioning@msd.govt.nz. We will respond in ten working days.

Is the new Residential Services Open Panel compulsory for Community Group Home providers?

The Panel model contract is the method by which DSS will contract these services from 1 December 2025.

From 1 December 2025, the [Community Group Home Pricing Model](#) will apply to all Community Residential Services.

If providers want to continue delivering residential services in community group homes funded by DSS, they must apply for the open panel contract.

If current DSS residential services providers do not apply, their contract will end on 30 November 2025.

How long will it take providers to work through the application?

[The Request for Application \(RFA\) is available on the DSS website.](#)

We cannot really say how long it will take providers to complete the application. That is why we encourage you to submit your application as soon as possible.

Are there any pre-requisites needed before drafting a formal submission for Request for Application (RFA)?

All pre-conditions outlined on the response form must be met before a formal RFA submission is considered.

What is the reason for different models for Intellectual Disability and Physical Disability?

All people in residential care have varying support needs, regardless of their impairment. The level of need is reflected in the band allocation.

Some providers specialise in delivering support for people with Intellectual Disabilities (ID) or Physical Disabilities (PD). This is reflected in their service delivery models.

We are not proposing any changes to the differences between ID and PD contracts as part of the transition to the new pricing model or contract structure.

The CGH pricing model does not differentiate between people with an Intellectual Disability or Physical Disability. For the upcoming RFA process, providers can apply for an ID or PD contract, or both – this is not limited to the contracts providers currently hold.

Will we have to submit a Request for Applications (RFA) for both ID and PD contracts?

Providers are only required to submit one application. Providers can indicate in the application which contract they are applying for, ID only, PD only or ID and PD.

Will there be one contract for providing services to people with PD and ID?

We intend that a single contract will be offered.

How do we know which contracts are covered?

The Panel will include the following services initially:

- Community Residential Support Services for People with Intellectual Disabilities, and
- Community Residential Support Services for People with Physical Disabilities.

Some providers may have other services within their existing Community Residential contracts. We will work with you directly around how these will be contracted after 1 December, when the new banded model comes into effect.

What are the principles you will use for how change will be managed?

The [draft contract](#), attached to the RFA, has an outline of how we intend to manage changes in the future.

Will the service specifications be updated by the time the process commences?

The new Residential Services Panel Terms and Conditions related to the RFA are available [on the DSS website](#). The service specifications are also available on the DSS website and will not be changed.

Will the Pricing Model be included in the service specifications?

The Pricing Model is included in the draft contract, alongside the draft service specifications for this RFA, [on our website](#).

How will we know what the price bands are?

The indicative banded rates are included in the RFA documents [on the DSS website](#). Our website is being updated with additional [Information for providers, NASCs and EGL sites](#) on this work. This link also includes information on the bands and the Global Pricing Tool.

We will be asking providers to validate and update some key information (such as house size, house capacity and occupancy) across their residential homes.

This information will help us ensure the new residential Pricing Model bands accurately reflect current services and can support a fair and consistent approach.

Providers will be advised of finalised rates following this validation. We anticipate advice to be shared with providers by September 2025.

If a provider operates across the country, do they apply as a single entity?

Applications can be made as a single entity, or separate regional applications depending on your business structure.

The current RFA relates to Community Residential Support Services only. Where providers have other service lines (for example Supported Living or Choice in Community Living) in their current Community Residential contracts, we will work with you on how those will be contracted from 1 December, when the changes come into effect.

Will other residential services be added to the panel in future?

Initially, the Panel contracting approach will be used for Community Residential Support Services. Over time DSS will consider what other residential services may be included in the Panel.

What happens with the Supported Living agreement that is currently part of DSS?

Where providers have other service lines (such as Supported Living) in their Community Residential contracts, we will work with you on how those will be contracted from 1 December 2025, when the changes come into effect.

Can you assure us that any contract unpicking is done well ahead of 1 December?

We do not anticipate any gaps in contracting for other services (such as Supported Living) that are currently in Community Residential contracts.

Are you anticipating any incumbents being assessed as in the red zone of the assessment criteria?

Continuity of care and maintaining service capacity are some of the guiding principles of this change process.

Where incumbent providers do not currently meet the required standards, or there are identified areas for improvement, we anticipate they would be assessed as Amber. This is where a contract could be awarded with conditions around improvement.

It is possible that an incumbent provider could be assessed as Red if there are serious concerns which arise through the application process. This will be assessed as applications are received and assessed.

Will providers still have Portfolio Managers?

Yes, there will be a lead point of contact managing provider relationships.

What options are there for banded and exceptional pricing?

We have started contacting providers to validate data we need to finalise the transition of people you currently support onto new banded or exceptional rates.

This information will help us ensure the new residential Pricing Model bands accurately reflect current service levels and can support a fair and consistent approach.

Providers will be advised of finalised rates following this validation. The indicative banded rates are included in the RFA documents [on our website](#).

Do the people we support have any say if providers will continue to have a contract?

We are not seeking feedback from disabled people and their whānau at this stage. However, this can be a part of the additional due diligence process, where required. In the Request for Application form, there is a specific question about disabled people participant and voice. We encourage you to capture how your organisation enables choice and

control in the care you provide, as well as feedback from disabled people and their whānau about your organisation and the level and type of service you provide.

How will you assess quality of new entrants?

Quality will be assessed as per the criteria outlined in the RFA documents. We may undertake further due diligence of any provider applying to join the panel, including new providers.

Can audits be delayed until new contracts are awarded?

We are not anticipating any change to the audit schedule during this period.

Will providers need to be health-certified?

We are not proposing changes to the required certification. Providers will continue to be required to meet all relevant legislative and regulatory requirements, including the requirement for Certification for homes of five or more people as required under the Health and Disability Services (Safety) Act 2001.

Will the pricing be indexed to inflation given the length of the contracts?

The model will be reviewed annually so pricing decisions are informed by the changing costs of services. This annual review process will reduce the need for ad hoc individual rates, enable us to better forecast expenditure, and support the Government to make better informed Budget decisions. This will provide greater certainty and confidence for providers and the disabled people we serve, now and in the future.

We will regularly review the Global Pricing Tool (GPT) to inform decisions about price uplifts. Note that DSS funding for cost pressures is subject to the Budget process.

Will you be running a similar process for location-based respite?

The initial service under the residential services panel contract will be community residential services. We will assess the suitability of using the panel agreement for other services following implementation.

Will residential rehabilitation be included in the new contract process?

Initially, the Residential Panel will be for Community Residential Support Services only. We will consider over time what other services may be brought into the Residential Panel.

Would providers holding other MSD contracts still need to go through this assurance process?

This depends on the type of MSD contract. The application to the panel specifically assesses providers' ability to deliver Community Residential Support Services only.

How will we get a sense of improved financial viability before we commit to the RFA?

Providers can expect to receive a letter with the estimated financial impact for their organisations when the new pricing model is implemented. Note that this figure is subject to change following data validation.

How do we know if our residents fall into the pay bands or will be individualised funding?

Most people supported in Community Group Homes are expected to be funded from the new Banded Rates.

We recognise that some disabled people require a higher level of specialised support. So, an individualised approach will apply to people with the top 5% of need.

We will be in contact with providers soon to validate data we need to finalise the transition of people you currently support onto new banded or exceptional rates.

This information will help us ensure the new residential Pricing Model bands accurately reflect current services and can support a fair and consistent approach.

Providers will be advised of finalised rates for the people you support following this validation.

Are estimated rates in Appendix 4 inclusive of client's contribution such as RSS?

Yes, the estimated rates in Appendix 4 are inclusive of any Client Contribution that is payable by a disabled person under the Residential Support Subsidy (RSS) arrangements.

By making day rates Client Contribution inclusive, Disability Support Services (DSS) gives providers more certainty on the revenue providers will receive for supporting a person.

Do the estimated rates in Appendix 4 include GST?

Estimated prices in [Appendix 4](#) of the RFA exclude GST. Providers are still required to apply for RSS. Note: This requirement has not changed from the previous service specification and contract.

Can providers still apply for RSS?

Providers are still required to apply for RSS. This has not changed from the previous service specification and contract.

Are providers required to only supply support staff within already established housing facilities?

Providers of residential care are expected to provide both support staff and housing.

The houses can be owned or leased by providers, and do not need to be already used to provide residential care.

DSS does not own any houses that it can lease to providers.

Support staff is a requirement of the current contract.

Can new providers apply to join the Residential Support Open Panel to DSS after the RFA process has finished on 30 July 2025?

Yes. The process will remain the same.

The purpose of having a finite time to apply prior to the panel going-live is to ensure that DSS can resource the peak of applications appropriately.

Note: new providers can also apply during the current procurement process.

Does [Question 3.6](#) of the RFA specifically refer to any adverse comments from audits or evaluations?

Question 3.6 refers to any reportable or discoverable complaints/ misconduct/ adverse events, including audits, reviews, and evaluations.