



Review of NDIS Costs
Productivity Commission
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Dear Inquiry Secretary,

Re: Productivity Commission Position Paper - National Disability Insurance Scheme (NDIS) Costs

Thank you for the opportunity to provide a submission to the Productivity Committee regarding the National Disability Insurance Scheme (NDIS) Costs Position Paper.

The Australian Orthotic Prosthetic Association (AOPA) is the peak professional body for orthotist/prosthetists in Australia. Orthotist/prosthetists are tertiary qualified allied health professionals who assess the physical and functional limitations of people arising from illness, limb-loss and disability. Orthotic/prosthetic services typically include, but are not limited to, the assessment, prescription, design and fitting of a wide range of orthoses and prostheses which support an individual to achieve their functional and participation goals.

This submission addresses the recommendations of the Commission and identifies those recommendations that are pertinent to orthotic/prosthetic services. We suggest the following processes to support the recommendations of the Commission:

- That industry and peak-bodies provide an advisory role to improve the planning process as per draft recommendation 4.2.
- A process allowing amendments and adjustments to plans without requiring a full plan review is implemented pursuant to draft recommendation 4.1.
- That price regulations are reviewed to reduce inequitable regulations between providers and that an independent price regulator is established in accordance with draft recommendation 6.1.

AOPA is able to provide further evidence and information to support this submission and is available to discuss the recommendations made within.

Yours sincerely,

Luke Rycken

AOPA Policy Officer



Draft Recommendation 4.2 – Planning Process

- AOPA recommends that industry and peak-bodies provide an advisory role to improve the planning process.

A successful planning process is vital to ensuring that a plan is appropriate to support participant needs and goals. However, a successful planning process is currently predicated on the ability, knowledge and ability of planners. As identified in the Position Paper, there is widespread concern that planners and local area coordinators (LACs) have insufficient knowledge and resources to develop plans.¹ This is reflected in the orthotic and prosthetic industry, where it has been identified by a large number of providers that planners often have insufficient knowledge of disability and limb-loss to adequately develop a plan comprising the necessary supports. Consequently, planning inadequacy is leading to the development of insufficient plans that require expensive and time-consuming reviews.

As identified by the Commission ‘an alternative...approach would involve leveraging expertise from within the industry, and getting...service providers more involved in the planning process’.² AOPA supports a process whereby service providers and peak-bodies (such as AOPA) are able to provide resources and support the planning process. As provided in AOPA’s initial submission to the NDIS Costs Inquiry, AOPA recommends the development of planning ‘templates’ or ‘exemplars’.³ It is suggested that a planning template may contain the typical supports required by a particular participant presentation. For example, some plans for persons with limb-loss have not included the necessary supports that are required to enable a prosthetist to assess and review a participant – integral components of service delivery. A template may illustrate that a participant with a lower-limb amputation requires support items for the development of a prosthesis as well as the necessary assessment and review support items in a plan. This would ensure that plans ‘are of a high quality’,⁴ and are correct in the first instance, reducing administrative costs and the need for reviews. AOPA is eager to contribute to the planning process through the development of resources for planners.

¹ *Productivity Commission NDIS Costs Position Paper*, p 28 – 29.

² *Productivity Commission NDIS Costs Position Paper*, p 29.

³ *Productivity Commission NDIS Costs Issues Paper - Submission 123*.

⁴ *Productivity Commission NDIS Costs Position Paper*, p 51.



Whilst it may be argued that this represents a potential conflict of interest,⁵ service providers are already commonly engaging with LACs and Planners to address knowledge-gaps and correct insufficient plans. Accordingly, a more streamlined process facilitated by the NDIA, peak-bodies and consumer groups will mitigate potential risks and address current challenges inherent in the planning process.

As identified in AOPA's initial submission, AOPA recommends the development of benchmarks for the orthotic/prosthetic industry.⁶ This will support the planning process through the identification of appropriate costs and supports that should be allocated in a particular participants plan. Accordingly, AOPA as a peak-professional body and with a membership accounting for more than 75% of the profession, is ideally placed to facilitate this benchmarking work in collaboration with the NDIA Assistive Technology Sector Team.

Consequently, AOPA supports draft recommendation 4.2, that the NDIA 'should ensure that planners have a general understanding about different types of disability'.⁷ However, AOPA strongly recommends that this understanding should be developed with the support of providers and peak-bodies. This will reduce the administrative burden for the NDIA, especially given the significant pressures of the continuing roll-out.

Draft Recommendation 4.1 – Plan Reviews

- **AOPA recommends that a process allowing amendments and adjustments to plans without requiring a full plan review is implemented.**

It is essential that a process allowing for 'minor amendments or adjustments to plans without triggering a full plan review' is implemented.⁸ Given the issues inherent with the current planning process, plans for orthotic/prosthetic consumers are commonly inadequate and require amendment. Currently, if a plan does not include the necessary components to enable a participant to receive supports a plan review is required. For example, if a plan does not include the necessary supports that would enable a participant with limb-loss to receive a prosthetic limb, an entire review is implemented. This often requires a significant time delay,

⁵ *Productivity Commission NDIS Costs Position Paper*, p 29.

⁶ *Productivity Commission NDIS Costs Issues Paper - Submission 123*.

⁷ *Productivity Commission NDIS Costs Position Paper*, p 56.

⁸ *Productivity Commission NDIS Costs Position Paper*, p 45, 56.



during which a participant is unable to access the necessary supports and services. For consumers of orthotic and prosthetic services, this may mean a significant period of time without the ability to access the community, mobilise and remain independent. AOPA has been notified that the current plan review process may take up to three months. This is an excessive amount of time in circumstances where a participant may be substantially deprived as a result of delayed access to services. Accordingly, AOPA supports draft recommendation 4.1 that the NDIA should 'implement a process for allowing minor amendments or adjustments to plans without triggering a full plan review'.⁹

Draft Recommendation 6.1 – Price Regulator

- AOPA recommends that price regulations are reviewed to reduce inequitable regulations between providers.
- AOPA supports the establishment of an independent price regulator.

AOPA acknowledges the use of interim price regulations prior to allowing the market to determine the price of supports. However, AOPA contends that current pricing arrangements are excessive and benefit 'some providers and participants over others'.¹⁰ Under current price regulations, orthotist/prosthetists are subject to a lower price-cap when compared to other allied health providers. This is due to a change in the relevant provider registration group that has not been corrected by the NDIA.¹¹ As a result, orthotist/prosthetists are relegated to a lower price-cap that represents a departure from the stated benefit of price regulations.¹²

This difference in price-caps may result in several outcomes. Orthotist/prosthetists may be less readily able to compete with other allied health professions when providing similar services. For example, if an orthotist provides a foot orthoses, they may only charge for the relevant assessment cost under a lowered-price cap. However, a podiatrist may provide the same foot orthoses, whilst benefitting from the higher price-cap applicable for assessment. This provides a significant financial and market detriment to

⁹ *Productivity Commission NDIS Costs Position Paper*, p 56.

¹⁰ *Productivity Commission NDIS Costs Position Paper*, p 36.

¹¹ See, AOPA NDIS Price Review Submission 2017.

¹² *Productivity Commission NDIS Costs Position Paper*, p 36.



orthotist/prosthetists. Additionally, consumers may experience detrimental consequences, as the market for applicable services is skewed towards those able to operate under the higher price-cap, despite no correlation in service quality between those able to operate under the higher price, and those operating under the lower price. Accordingly, in the first instance, AOPA recommends that price regulations are more equitably assessed, to identify instances of poor price regulation as soon as possible.

Consequently, AOPA supports draft recommendation 6.1, that the Australian Government should 'introduce an independent price monitor to review the transitional and efficient maximum prices for scheme supports'.¹³ AOPA suggests that an independent price monitor will be able to more accurately identify inadequacies and inequities in price regulations. Where appropriate, an independent price monitor should consult broadly with industry to identify faults in pricing regulations and assess any likely consequences.

¹³ *Productivity Commission NDIS Costs Position Paper*, p 58.