



**SUBMISSION TO PRODUCTIVITY COMMISSION  
ON  
NATIONAL DISABILITY INSURANCE SCHEME (NDIS) COSTS**

Margie O'Tarpey  
CEO  
ECIA NSW/ACT

Prepared by Enis Jusufsphahic  
Manager Sector Development,  
NDIS implementation NSW/ACT

March 2017

## 1. EARLY CHILDHOOD INTERVENTION AUSTRALIA (ECIA)

### Who we are

Early Childhood Intervention Australia NSW/ACT is a professional association that promotes and supports the interests of young children with developmental delay or disability and their families. Its members are Early Childhood Intervention (ECI) professionals and service providers, including private practitioners, as well as mainstream and early childhood sector organisations. ECI Services are based in metropolitan, rural and remote centres throughout Australia and include small community organisations, large disability and children's services agencies and various government departments, reflecting the diverse ways in which services to young children with developmental delays or disabilities and their families are provided nationally.

### What we support

ECIA endorses a framework of evidence-based practices that promote, encourage and support principles that drive positive outcomes for children and families. These practices include:

- **Family centred and culturally responsive practice**, which creates culturally inclusive environments for families from all backgrounds, and recognises the central role of families in children's lives.
- **Inclusive and participatory practice**, which recognises that, children regardless of their needs have the right to participate fully in their family and community life.
- **Engaging the child in natural environments**, to promote inclusion through participation in daily routines, at home, in the community, and in early childhood settings.
- **Collaborative teamwork and capacity building practice**, where the family and professionals work together as a collaborative and integrated team around the child, to build the capacity of the child, family, professionals and community.
- **Evidence base, standards, accountability**, to ensure ECI services comprise practitioners with appropriate expertise and qualifications who use intervention strategies that are grounded in research and sound clinical reasoning.
- **Outcome based approach**, which focuses on outcomes that parents want for their child and family, and on identifying the skills needed to achieve these outcomes.

These practices lay the foundation for each individual's successful participation as a valued member within our diverse community. This has been articulated in our *National Guidelines on Best Practice in Early Childhood Intervention*.

### What we do

ECIA leads and strengthens the sector by influencing policy, promoting quality services and building shared understanding of best practice to ensure that ECI practitioners and service providers are able to best support young children with developmental delay and/or disability and their families. We support practitioners and service providers, in their work with families to ensure that families are engaged and gain the skills and confidence in caring for their child and all members of the family.

We promote providing support to children and their families while they are waiting for services to ensure children and their families get support right from the start. We promote best practice principles and provide resources and materials to our ECIA members that assist them to provide quality services when working with children and families.

## 2. EARLY CHILDHOOD INTERVENTION AND THE NDIS

### Trends and Figures

Since the Scheme became operational 2,311 children age 0 to 4 have been approved for a plan; 25,031 plans have been approved for children age 5 to 14 transitioning to the Scheme from the State Disability systems.

We note the large number of children in Q1 and Q2 and increasing package costs and suggest that this is likely reflective of the expansion of the Scheme into Year 1 roll-out districts in NSW that have a significant population of children with disability and developmental delay.

ECIA members operating in Year 1 districts have advised that they are seeing more children and families with *increasing and complex needs*. This may account for the significant increase in complexity ratings for children 0 to school age for Q2; see table 1 on page 28 of the *NDIS Quarterly Report, Version 1, January 2017* which describes functional needs children 0 to school age in Q1 as being 36% and Q2 as 52%.<sup>i</sup>

There is a transformation of the ECI Sector, with some 1091 registered service providers registered for Early Childhood Supports - the fourth largest group of service providers, even though individual funding packages for children 0 to 7 amount to 3.7 per cent of the total NDIS. This means that there may be competition between ECI providers and private therapists especially in the larger towns and cities across NSW; it may also indicate a shift towards centre based individualised therapeutic supports; these may not be based on ECI best practise of collaborative, family centred supports, in the child's natural environment. This will need to be tested and evaluated by independent research over time.

### ECEI and other early intervention

The Early Childhood Early Intervention (ECEI) approach was first piloted Nepean Blue Mountains as a response to the initial trial in the Hunter Region of NSW where families were required to put in an access request to the NDIA. Often families had limited experience of NDIS and the NDIA Planners had limited knowledge of early childhood development and early intervention to make informed decisions about eligibility and or other referral pathways.

ECEI Approach was designed as a broad referral pathway for children with developmental delay and disability, allowing ECI Practitioners (ECEI Partners) to make a decision about the nature and impact of the delay and trial community and mainstream services with interim therapeutic supports as required (the community component), before commencing the process of demonstrating eligibility and developing an individual plan in order to enter the formal funded NDIS system.

ECIA supports the ECEI Approach and commits to supporting the ECI sector through numerous initiatives including an *ongoing evaluation of the ECEI approach in order to inform best practice*.

ECIA support NDS's position of piloting whether some school-aged children aged 7–16 years would benefit from short-term disability support to assist with either developmental issues or matters such as social inclusion (without necessarily becoming an NDIS participant).

### 3. ANALYSIS OF COST PRESSURES FOR ECI SERVICE PROVIDERS IN NSW

When surveyed about cost drivers under the NDIS model, ECIA members who have been operating under the NDIS model were largely concerned with operational issues ranked in order of importance:

1. Travel
2. Cancellations
3. Coordinating within service and with other service providers
4. Professional Development
5. Myplace Portal issues
6. Planning and documentation

We will focus primarily on travel, cancellations, collaborative practise/community pathways and planning.

#### (1) Travel Time

Travel cost is a significant issue for services throughout NSW. In rural and remote regions the issue of travel is further magnified as the ECI service is often the only one of its kind in a large region. This means families have few choices and ECI practitioners need to travel to provide in-home therapies and other interventions according to good practise. In order to reach the client and return to the office ECI practitioners often travel up to 6 hours which may be charged from the participant's ECI budget. It is often worthwhile for the families to spend some of their NDIS individualised package funding in this way as there are no other viable alternatives. Service providers have advised that new plans have a cap of 18 hours for travel per plan, which further constrains service provision for children with developmental delay or disabilities living in rural and remote NSW.

Service providers are trialling new approaches using technology to support families in remote and rural NSW. For example, Lifestart, one of ECIA NSW/ACT members, have won an excellence award in regional innovation (2017 NSW Disability Industry Innovation Awards) for their Online Therapy Program, which connects families and children with developmental delay and disability with an experienced therapist using an appropriate online platform.<sup>ii</sup>

ECI service providers in regional areas have establishing arrangements with Medical Centres and community services throughout the region to have access to a meeting room which is closer for the families. This approach also builds referral pathways with these community partners.

ECI providers are also clustering clients who live in the same general area and require the same therapeutic supports. As well as arranging for a team of staff to go up to the same area together to provide services to clients in the same region. These lower the associated travel cost for children and families.

NDS has recommended and ECIA concurs that:

*Inadequate pricing threatens to erode service quality, cause market failure and reduce consumer choice. While Government needs to retain control over the total budget, centrally determining prices that adequately reflect the diversity and complexity of circumstances in which services are provided is inherently difficult.*

*In NDS's view, the solution requires: setting individualised NDIS budgets based on realistic (evidence-based) prices and allowing providers and participants to negotiate and agree on the actual prices charged.*

## **(2) Cancellations**

ECI service providers experience more cancellations than adult disability services as children age 0 to 6 are more likely to become sick and more likely to be late or not ready for appointments. Service providers have informed us that they are building their financial model on a plan completion rate of 75 – 80 per cent, which is significantly divergent from the benchmark rate of 85 per cent.

In a survey on costs of service delivery under the NDIS, our members reported that on average they have *2-3 cancellations per working day*. NDIS ECI service providers spoke about dips in income around major holidays as families tend not to engage with the services during these admittedly busy periods.

## **(3) Complexity of Family Life**

ECI providers work with the family as well as the child participant, in order to support family capacity and engagement with their child in their own home and community environments. It is an essential part of Best Practice National Guidelines in Early Childhood Intervention; especially *Quality Area 1 – Family Centred Practice*<sup>iii</sup>.

In some situations ECI services support parents who have significant mental health, drug & alcohol problems which may necessitate a child protection response. The child protection reporting and referrals to mental health and drug & alcohol services cannot be claimed from an individual funding support plan. This was historically supported as part of the state jurisdiction and under block funding, but will in the future come under the national quality and safeguards framework. For children this is a significant reporting requirement and requires additional itemised pricing for these families.

## **(4) Complexity of Planning for Future Needs of Children**

Children in the age **aged 0 to 6** range grow rapidly and even the most experienced ECI Practitioners may find it difficult to anticipate the impact of growth on developmental delays and/or disability when planning for future needs. When it comes to very young children ECI practitioners often have limited examples of previous interventions to draw upon. By way of contrast, most adults with disability have a well-documented history to draw on when developing plans for the future.

This means that assessments and monitoring is more time consuming, and ergo more costly than the equivalent in the adult space. And as ECI Practitioners are trialing different interventions with the child with developmental delay or disability this may result in higher upfront costs to the Scheme in the short term until the most appropriate approach is identified.

ECIA supports the NDS proposal that:

*Providers are not informed when a person they have been supporting has a completed plan. If the participant does not tell a provider that they have a plan, existing services continue to be provided (potentially resulting in a provider not being funded for delivering services for a period of time). While existing services continue, NDIS-funded supports are not being utilised. NDS has urged the NDIA to obtain permission from participants to enable them to inform providers that a participant has a plan but to-date it has not implemented this practice.*

## **(5) Costs Associated with Transitioning to and Working with the Scheme**

There are numerous costs for ECI providers transitioning to the Scheme:

- Training staff to work in the billable hours framework
- Updating business processes and IT systems
- Business planning to align with the NDIS support categories
- Renegotiating with staff around employment benefits

Business cost implications include:

- Cost of intake and setting up a client as there is a no establishment fee for ECI services
- Staff supervision and Professional Development not adequately allowed for in the billable rate
- Time spent seeking support from the NDIA around system and process issues is pushing up administrative costs

## **(6) Cost of knowledge and Skills Transfer to Family and Referral Pathways**

ECI providers work as a team around the child; see *Quality Area 3: Teamwork* of the *National Guidelines for Early Childhood Intervention*<sup>iv</sup>. This requires the service providers to communicate and share practical examples with the family and other professionals so they can continue to support the child in other settings.

Knowledge and skill transfer is essentially capacity building work which is necessary for the welfare of the child, as the early childhood interventions and therapies are most effective when the family learns from and reinforces practise interventions in a routine based home environment.

On the other hand, knowledge and skills transfer from one professional to another ultimately benefits the child and the family as well as the broader sector by building the capacity of the workforce to provide effective and timely early intervention services for children with developmental delay and disability.

This aspect of the ECI model does not fit with the billable hours' approach of the Scheme, but it does represent a true cost of service delivery to the providers. The cost of collaboration needs to be reflected in the hourly rate as the trends for collaboration in the trials sites hint at increasing competition which drives service providers to work in silos. Collaborative practices bring significant improvements in outcomes for the child and family where ECI practitioners work together to build on one another's work and coordinate service provision. This would also have a downwards effect on cost of services as the child would have reached the outcomes sooner and may not need as intensive supports into the future.

## **(7) Delivering Services in the Natural Environment**

Early Childhood Intervention good practice focuses on delivering services in the child's natural environment where children learn and develop everyday abilities and skills, including the home, community, and early childhood centres. See Quality Area 2 of the National Best Practice Guidelines focuses on *Engaging the Child in Natural Environments*.

ECEI service providers mentioned that the current model limits their ability to build capacity with the services in the child's natural environment under the ECEI approach i.e. before the referral to the NDIS for an Individual Funding Support Package.

In the long term this may result in cost pressures to the Scheme as supports in the community setting are less likely to succeed if the ECEI provider does not have sufficient time to educate the community service about disability and explain how to best support that child. If the placement breaks down then funded supports may need to be put in place resulting in additional cost pressures.

### **(8) Costing out community referrals made by ECEI Transition Providers**

A very significant part of an ECEI Transition Provider's role is to link the child and the family in with community services in the local community effectively defraying long term costs to the Scheme.

However, these children who have only been referred to community services are not counted as participants in the Scheme because they have not gone through the planning process as they do not meet the access requirements; and the Scheme only records those who have become participants. In the interest of demonstrating the impact of referral to community for children with developmental delay and disability, ECIA NSW/ACT would like to a transparent and reportable outcome measurement tool for this cohort.

In surveying our members about referral to community and other services under the ECEI approach, our members reported that:

- Mainstream services in some regions have limited capacity or feel that they have do not have the skills to support children with disability and developmental delay
- Investment and time is required to upskill mainstream service providers to support children with disability and developmental delay
- There are in some regions long waiting lists for referrals to community health
- There are limited community referral options in small communities

## **4. CONCLUSION**

The addition of developmental delay as a criterion for eligibility for NDIS supports has made a positive impact on the lives of children with developmental delay, as it means that they can get support at the earliest possible time in the child's development. We cannot overstate the significance of early childhood interventions at a time of rapid brain development.

ECIA NSW/ACT is committed to an ongoing evaluation of the ECEI Approach. In NSW we are in the process of commissioning an independent review into ECEI model and monitoring its impact on ECI service provision and best practise, outcomes for children and families around their goals, improved functional capacity and social networks.

We are confident that the as business practices are established and referral pathways bedded down, there is significant capacity in the sector for innovation and ultimately growth in productivity which would lead to improved outcomes and downwards pressure on costs.

ECIA NSW/ACT is continuing to work with and behalf of the sector including partnership with NDS, FACS and NDIA; Regional Inclusion Forums focused on building capacity and resources for collaboration and mainstream referrals to enhance the community component of ECEI; Strengthening partnerships between ECI services, NSW Health and Allied Health providers through a regular meeting and Working Together meetings for inclusive practice for children with developmental delay and disability in the Early Childhood Education and Care setting.

## 5. RECOMMENDATIONS

We recommend:

- ❖ **A review of current funding and pricing models, taking into consideration the issues outlined for ECI services and ECI practitioners, particularly in relation to travel and cancellations.**
- ❖ **Implementing a data collection tool to demonstrate outcomes for children who are referred to community and other services under the ECEI approach.**
- ❖ **Investing in fostering local referral pathways through the *Information, Linkages and Capacity Building Framework*, to assist referral options for children with developmental delay and disability.**
- ❖ **Developing a policy for Thin Markets in small and geographically dispersed communities, as ECI providers report on difficulties around recruitment of skilled staff, small numbers of other like providers (preschools, out of school hours) and minimal referral pathways into community and mainstream services.**
- ❖ **A formal policy be developed between the interface of NDIS and Child Protection with respect to resourcing the assessment, support and ongoing monitoring required for vulnerable children with disabilities, not factored into current pricing models.**

---

<sup>i</sup> *National Disability Insurance Scheme, COAG Disability Reform Council, Quarterly Report, Version 1, January 2017* <https://www.ndis.gov.au/medias/documents/hda/h8d/8800076922910/CDRC-Report-2016-17-Q2.pdf>

<sup>ii</sup> *Winners and Finalists of the 2017 Disability Industry Innovation Awards* <http://www.disabilityawards.com.au/winners-finalists-2017.html>

<sup>iii</sup> *National Guidelines: Best Practice in Early Childhood Intervention*, Early Childhood Intervention Australia, <https://www.ecia.org.au/documents/item/186>

<sup>iv</sup> *National Guidelines: Best Practice in Early Childhood Intervention*, Early Childhood Intervention Australia, <https://www.ecia.org.au/documents/item/186>