



Response to Productivity Commission Report: **NDIS**

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The issues on which we would like to comment are as follows:

- 1. The Scalability of the Scheme Related to Unit Price for Individualised Support**
- 2. The Scalability of the Scheme Related to Expansion of Workforce**
- 3. The Scalability of the Scheme Using the Current Operational Model of Planning**
- 4. The ECEI Gateway Approach**

1. THE SCALABILITY OF THE SCHEME RELATED TO UNIT PRICE FOR INDIVIDUALISED SUPPORT

Any review of NDIS costs and the factors impacting the Scheme's design need to recognise that current prices for individual support (involving the greatest proportion of participants supported by the Scheme) are inadequate and will, in time, render the Scheme un-scalable. Urgent independent review is required to develop a more realistic evidence based approach to pricing. This will focus on the true cost of service delivery in today's marketplace; and take into account the cost of attracting and retaining a reasonably remunerated skilled workforce.

While we have seen prices indexed upwards for 2017-2018 to address CPI, minimum wage and ERO, these increases occur on the very low base prescribed by the NDIA Reasonable Cost Model (RCM).

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As such, this indexation does nothing to fix the unsustainability of the current pricing structure for individual support. In addition, the unit price paid by NDIA does not allow sufficient provision for staff training; supervision/mentoring; debriefing; or the writing up of critical incidents. Neither does it allow sufficient provision for the writing up by the support worker of general audit-trail administration; notes to demonstrate evidence of compliance with the person's support plan; progress toward outcome attainment; or maintaining records to evidence duty of care and any issues that might arise therefrom.

We have no problem with the components identified that make up the Reasonable Cost Model (RCM). However, there are major problems with the assumptions on which the value of the financial variables that populate the RCM have been calculated.

“Given the lack of transparency and evidence surrounding the populating of the RCM, it is more accurate to describe it as a funding tool rather than a pricing tool with all that this would imply in relation to market based evidence.”

As a consequence of the deficiency of the RCM, funding for individual support is seriously inadequate and will undermine the quality and sustainability of services in the NDIS. In addition, it will generate the loss of co-ordinated team approaches, especially in relation to the support of people with complex needs; and make it very difficult to grow the workforce to support the Scheme at full implementation.

Adding, to these difficulties, administration and operational costs for service providers have increased greatly under NDIS. Constant portal problems, underdeveloped NDIA systems and processes; manual reconciliations of invoices and receipts; system “aberrations”, inexperienced planners; and turnover of decision makers at a senior level, make this a hugely labour intensive enterprise to manage operationally and financially from a service provider perspective.

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Even in relation to one aspect of operations, the NDIA portal, the increased administrative burden is significant. This includes the following:

- Bulk uploading of claims to the NDIA Portal requires constant manual intervention to match the format required by the portal; and this remains unresolved despite much work by systems people on both ends i.e. service providers and NDIA.
- Remittance advices for bulk uploads still omit vital information required for reconciliation, thus necessitating major manual tracking.
- Navigation of the portal is slow.
- Multiple claim rejections occur due to delays and errors in setting up the service booking undertaken by NDIA planners.
- Re-submission of rejected claims has to be undertaken individually and manually.
- Delays in communication about “fixes” for portal issues means constant manual work-arounds.
- All individual claims with a decimal point are rounded up or down on payment. Without a reference number, which is frequently omitted, much time is spent to identify the payment or the rejected claim.
- Multiple issues around plan reviews; extensions; errors in dates and coding by the NDIA requires constant monitoring and “fixes” negotiated one-by-one prior to receiving payment.

To address this constant substantial administrative burden, additional dedicated staff are employed to follow up claim rejections, errors and delays. Access to information remains a problem, requiring backwards and forwards with NDIA. All of this comes at a cost not recognised by NDIA in the unit price paid to service providers.

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The populating of the Reasonable Cost Model (RCM) has many serious flawed assumptions, only made possible by a lack of operational understanding of what is involved in the delivery of services; and a scalable service delivery model.

In addition to the lack of adequate provision in the RCM for necessary and accountable administration, it also seriously underestimates the cost of supervision. The RCM assumes a staff 'supervision span of 1 supervisor for 15 staff FTEs. However, given that a billable hour does not recognise non client-facing time in excess of 3 minutes per hour, greater multiples of staff are hired for individual clients in order to minimise payment of time that is not recognised as billable. Only in this way can any redundancy of time be managed (e.g. time between clients or in excess of the travel time allowed etc.). Consequently, the 15 FTEs on which the RCM is based, could easily account for 30 – 45 staff making up the 15 FTEs i.e. a range of 1:30 to 1:45 supervisor/staff ratio to meet the assumptions of the RCM.

The NDIA pricing model essentially under-estimates the time needed by disability support workers and their supervisors to deliver quality services to NDIS participants, especially those with more complex needs. Assumptions about supervision we believe are a significant contributor to the under-pricing determined by the RCM. Good supervision is a key element of quality service provision and the success of the NDIS. However, it is poorly understood, recognised and priced in the RCM.

Under-pricing of services is inherent in the key assumptions underpinning the NDIA pricing model. Prices have been set with little transparency. This has significant implications given the impact prices have on service provider viability; the ability to scale the workforce to meet the demands of full Scheme; and the quality of life of participants.

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***WE AGREE WITH THE PRODUCTIVITY COMMISSION
RECOMMENDATION:***

Consequent to the above, we very much support the Productivity Commission's recommendation to separate price setting from the role of the NDIA.

For the sake of the sustainability of the Scheme, and the quality of services delivered to participants, pricing needs to be undertaken by an independent umpire who is not conflicted in their approach; and who has no other interest but to set objective prices based on true market conditions for the work under consideration. Only in this way will the Scheme be scalable and sustainable.

Principles of transparent, evidence-based pricing should guide the operations of an independent price regulator.

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2. THE SCALABILITY OF THE SCHEME IN RELATION TO WORKFORCE EXPANSION

The Productivity Commission Report makes a number of recommendations in relation to growing the workforce to accommodate the needs of NDIS. However, the ability to grow the workforce is inextricably linked to NDIS pricing, especially for individual support. In short:

“A service provider’s capacity to pay a wage sufficient to attract and retain a stable workforce over time is key to growing the workforce”.

Unfortunately, a number of the recommendations in the Productivity Commission Report, while providing temporary relief, are not sufficient to grow the workforce in the longer term to support the population of NDIS participants at full Scheme. For example, a consideration is explored by the PC Report to capitalise on more experienced staff who may wish to increase their historical part-time hours, thus increasing the quantum of hours required by the Scheme. Unfortunately, the capacity to do this is limited given that the RCM assumes a low hourly base and limited reimbursable time for non-client facing requirements. These conditions will not attract more experienced workers currently working on better conditions.

People with disability are not a homogenous group. However, not enough consideration has been given to this in the NDIA operating model i.e. there are people with disability who can “manage their own estate” and simply need assistance with manual tasks and personal assistance that they can direct. In contrast to this, there is a significant population of individuals who are vulnerable in relation to decision making and/or have complex needs. The first group may require much less in relation to supervision of staff and non-client facing time. However, the second group (a much larger population) require a great deal more; as well as conditions that support the continuity of employment for the staff that support them.

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Within the current pricing framework (of a low hourly base; an overly restrictive definition of a billable hour; inadequate supervision; and the uncertainty of support hours approved by NDIA from Plan to Plan), the only way forward for hiring staff is on a casual or zero hour contract. This is not conducive to providing the continuity of care that vulnerable or complex populations require. It may also place at risk a service provider being able to fulfil its duty of care to the individuals it is supporting and/or its staff i.e. inadequate staff training; staff-support; debriefing and robust supervision.

While the workforce for individual support has always included a component of casual staff for flexibility, the pricing framework of NDIA is making **anything other** than casual or zero hour contracts non-viable. These contracts will increasingly become the norm rather than the exception making a stable, skilled and dedicated workforce for vulnerable people with disability almost impossible to maintain. Indeed, there is a danger that disability support work will become the occupation of last resort rather than the employment of choice.

Even with casualization, the NDIA Pricing Framework for individual support will see a number of providers cease providing services to those who are more complex and vulnerable. Many who provide services in the area of complex needs will be unable to operate within the assumptions of the RCM i.e. unable to fulfil their duty of care to clients and staff; and unable to maintain a stable skilled workforce. Should this occur, it will create thin markets where none were envisaged; or for reasons that were not considered.

What is potentially different going forward is that for a service provider to remain viable under the NDIA pricing framework, the only option will be to offer casual and zero hour contracts. This creates a workforce unable to get a loan for a house; to enter into a lease for renting; or a loan for an essential “tool of trade” i.e. a vehicle.

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“In essence, support workers are being asked to go out every day to make other people’s lives better while their own are getting worse.”

We cannot build and scale the workforce to fulfil the promise of NDIS, to empower people with disability, based on this scenario. The promise of NDIS cannot be built on what looks like becoming a casual and itinerant workforce working in the disability field until a better job comes along.

The NDIA pricing framework leaves organisations very little room, if any, to attract and maintain a stable workforce. In fact it is creating the conditions for casualization as well as skills atrophy through lack of sufficient provision for supervision and training. Under current conditions, it will be difficult to expand the disability workforce.

Prices need to properly recognise and value retaining a workforce capable of providing high quality services and supports; and the administrative requirements necessary for service providers to scale to meet NDIS demand.

“It is frequently reported that support workers in the disability field will tell you that they “don’t do it for the money”. However, they don’t come to work in the disability sector to become part of the working poor either.”

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IN SUMMARY: EXPANDING THE WORKFORCE FOR INDIVIDUAL SUPPORT:

Under NDIA pricing disability support workers have very fragmented working hours, multiple short shifts with unpaid time in between. This results in long working hours with unpredictable working times. In short, pay for disability support work is low, conditions are not good and combined this is likely to undermine efforts to expand the workforce.

The impact of NDIA pricing will contribute to insecurity for staff, worker turnover, higher training costs (staff replacement), greater risks for participants; and an inability to attract and retain a workforce sufficient to scale the NDIS.

While we appreciate that the scaling up of the workforce in such a rapid timeframe is ambitious under the best of circumstances, it may well be impossible if based on the current NDIA pricing framework for individual support.

ALLIED HEALTH WORKFORCE:

In relation to Allied Health Professionals, we agree that allowing for skilled migration is a viable way forward to addressing growing unmet need. There were shortages prior to NDIS and this has now been exacerbated.

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3. THE SCALABILITY OF THE SCHEME USING THE CURRENT OPERATIONAL MODEL OF PLANNING

The concept of a planning meeting that delivers control and choice to people with disability is a good one. However, it is one that is becoming more difficult to realize for reasons of rapid scale and operating framework i.e. inexperienced planners; telephone “plans”; rushed planning meetings; a requirement to plan for 12 months ahead with a stranger; no iterative process; limited or no opportunity to modify the plan following a meeting. In fact:

“Many people would describe the implementation of the NDIA planning process as the antithesis of the empowerment and capacity building envisaged”.

There are a number of additional problems with planning to those cited above and include:

- There is lack of clarity: Is this a support plan or a funding plan? In many respects, given the current operational framework, it is becoming more of a funding plan. If this is recognised, then it opens up the possibility of questioning if the process can be undertaken in different ways. It will also make clear the question of what is the best and most efficient process for funding; and also what is the best way to undertake planning that builds individual capacity and empowerment.
- There is a separation of expertise in planning from the planning process; as well as a lack of disability experience and specialist experience in the planners.
- It is very stressful and unnecessary for families of individuals with complex needs who require 24 hour care to go through the planning process each year; unless they elect to do so. Many families are terrified that the funding to provide core support to maintain their son or daughter’s full time care will be cut or withdrawn at a planning meeting. This is particularly stressful for aging parents who want assurance that their son or daughter will be cared for when they are no longer alive.

- Scaling to 480,000 plans (involving new plans and plan renewals each year) under the current operating model is not likely to deliver on the original intent of building capacity and the empowerment of people with disabilities. We are already seeing this view expressed by many individuals and carers.

The operating model for planning should be reviewed in order to establish a model that can be scaled while delivering on the promise of control and choice. To do so, planning should be separated from funding and, in doing so, allow people with disability the choice to plan with those with whom they feel most comfortable. The operating model could include the following:

- i) Eligibility would remain the jurisdiction of NDIA.
- ii) Funding and planning would be separated. Funding determination would be made by NDIA on a plan undertaken on an NDIA template.
- iii) A broader range of options with whom a person could undertake planning. This will include, but not be limited to, disability support organisations.
- iv) Specialist disability planners from organisations that support specialist populations could undertake planning using approved tools. Any potential for conflict of interest can be overcome with a rigorous independent QA/Audit process much like those used by some Commonwealth Departments (Using specialist organisations will overcome the myriad of problems being experienced in planning by particular populations of participants, including Autism).
- v) A “light touch” approach should be established for those whose needs are not complex and can direct their own care.
- vi) Segmentation of the population of participants by those who require an annual plan or three year plan (provided individuals plan can opt to have a planning meeting earlier should their needs change, or they wish to do so).
- vii) A fixed per capita fee would be paid to organisations for each completed plan.

4. THE ECEI GATEWAY APPROACH

The ECEI approach is not simply about ensuring appropriate early intervention. It is a gateway to allow some children through to receive plans for intervention; and others, not. As such there needs to be far greater transparency regarding the operational detail of this model; the KPIs for the Gateway Provider; and a breakdown of the children by age and disability-type who are being diverted or who are referred through the gateway.

“My concern with this approach is that it could very easily devolve into a system whose success is gauged in the short run on the number of children that are not referred for an NDIA plan. This would be a concern as the central rationale for early intervention is to minimise the trajectory of functional disability for the child and, in doing so, minimise lifetime cost to the Scheme.”

Where there is good evidence that a diagnostic condition has a lifetime severe disabling impact, these children should be on List D of the NDIA Operational Guidelines; with the level of their support determined through the planning process. In this regard, it is a major concern that Autism is not on List D given the empirical evidence of its lifetime disabling impact; and the importance of timely early intervention to minimise the trajectory of disability and maladaptive behaviour.

Individuals with Autism are the second largest group of NDIS participants using this Scheme, with significant lifetime costs. The only reason I can surmise that they are not included on List D is due to a poorly informed notion that some children with Autism are “high functioning” and therefore not in need of early intervention.

High functioning children with Autism are not high functioning relative to their non-disabled peers (except in some areas of splinter skill). They are high functioning relative only to other children with Autism.

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These children benefit enormously from early intervention but, without intervention can become increasingly isolated and disabled as they grow older. In adult life they can require far greater support than they would have otherwise required.

IN SUMMARY:

- i) It is an absolute false economy not to have children with Autism on List D to maximise their skill development and social adaptation. Not to provide immediate access to early intervention for this population runs counter to the promise of NDIS for the individual with disability; and also runs counter to the rationale of early intervention in NDIS i.e. to minimise the trajectory of disability for the person and lifetime cost to Scheme.**

- ii) There needs to be greater transparency in the way the ECEI Gateway operates for all populations of children being managed through it.**