



VCOSS submission to the NDIS 2017 Price Controls Review

April 2017

Introduction

The Victorian Council of Social Service (VCOSS) welcomes the opportunity to provide a response to the NDIS 2017 Price Controls Review.

VCOSS is the peak body of the social and community sector in Victoria. VCOSS members reflect the diversity of the sector and include large charities, peak organisations, small community services, advocacy groups, and individuals interested in social policy. In addition to supporting the sector, VCOSS represents the interests of vulnerable and disadvantaged Victorians in policy debates and advocates for the development of a sustainable, fair and equitable society.

This review is primarily focused on the NDIS price limits for delivering attendant care and group based community activities for NDIS participants. The discussion paper also proposes a number of other changes to the pricing guide related to short-term accommodation, provider travel and cancellation policies.

Price limits and pricing policies directly affect service quality and diversity available to NDIS participants. Having an accurate and flexible NDIS pricing structure helps sustain a qualified and experienced disability workforce. If pricing structures do not reflect the true costs of service delivery, such as supervision, administration, travel and professional development, service quality may be compromised. Underpriced supports risk creating service gaps for participants with complex needs or psychosocial disability, as they require workers with specialist skills and are more likely to require additional support such as outreach or two workers attending support sessions.

Below we highlight some of our key concerns in relation to NDIS pricing.

Qualified workforce

VCOSS members report it will be challenging to retain and recruit adequately qualified workers who can deliver effective support and therapeutic services within current NDIS pricing constraints. They suggest the standard hourly rate of \$42.79 and the high intensity rate of \$45.17¹ are too low to employ specialised or appropriately qualified workers and may result in employing less qualified staff. This in turn may affect the quality and effectiveness of service delivery. For example, a community service organisation providing psychosocial services under the NDIS had to make the difficult decision to make highly qualified staff redundant so they could hire lower level staff and remain financially viable.

¹ NDIS, *NDIS Price Guide VIC/NSW/QLD/TAS*, Valid from: 1 July 2016, 11 July 2016.

This issue has been raised across the disability sector, but particularly for the skills and qualifications required to deliver mental health support and rehabilitation services and to assist people with complex needs. For instance, Community Mental Health Australia's workforce research noted pricing was too low to employ skilled staff to undertake cognitive behavioural interventions.² The NDIS pricing model is based on paying staff at level 2 in the Social, Community Home Care and Disability Services Industry Award 2010,³ however, VCOSS members report the majority of existing staff assisting people with psychosocial disability are employed at level 4 or 5.

Services operating in NDIS trial sites identified mental health services, one-to-one community participation and services for people with complex needs as under-priced.⁴ VCOSS recommend review the pricing structure to ensure it is funded at a rate commensurate with the skills and expertise required to deliver effective support.

Overheads and indirect work

The costs assumptions for providing attendant care (pp.10-11) do not take into account funding for training and professional development or the indirect work sometimes required to deliver supports such as outreach, follow-up, collaboration and secondary consultations with other service providers. VCOSS members also report costs do not adequately cover supervision, the costs of maintaining a fleet of cars, rent, and administration required to deliver services under the NDIS. The NDIS portal has been plagued with issues.^{5,6} While some of these have been rectified, VCOSS members report they are still performing large quantities of unfunded work to manage the administrative and financial components of the NDIS, and to assist participants to use the NDIS portal.⁷

Similar issues are reported with the early childhood intervention approach. VCOSS members advise the unit price of \$175.57 to deliver transdisciplinary early childhood early interventions does not incorporate the large quantity of indirect work required to effectively deliver this model, particularly for children with more complex needs.⁸

VCOSS members report the current pricing model is threatening service providers' financial viability, potentially compromising NDIS participants' service quality and diversity. We recommend amending the pricing structure so it reflects quality service delivery, including adequate supervision, outreach, administration and professional development.

Complex clients

This issues raised above are more acute for participants with complex needs and psychosocial disability. Workers supporting these participants are likely to require much higher levels of supervision and support from management than the 'standard needs' ratio of 1:15. In some cases two workers are required for staff safety or to adequately manage a

² Community Mental Health Australia (CMHA), *Developing the Workforce: Community Managed Mental Health Sector National Disability Insurance Scheme Workforce Development Scoping Paper*, Sydney Mental Health Coordinating Council, 2015.

³ NDIS, *2017 Price Controls Review: Consultation on NDIS pricing arrangements, discussion paper*, March 2017.

⁴ K Mavromaras, M Moskos, S Mahuteau, *Evaluation of the NDIS, Intermediate Report*, National Institute of Labour Studies, Flinders University, Adelaide, September 2016.

⁵ PWC, *National Disability Insurance Scheme, MyPlace Portal Implementation Review – Final Report*, 31 August 2016

⁶ ANC News, *National Disability Insurance Scheme computer glitch hits services and payments*, <http://www.abc.net.au/news/2016-07-28/ndis-teething-problems-hit-system-and-online-payments/7667292>, accessed 28 March 2017.

⁷ K Mavromaras, M Moskos, S Mahuteau, *Evaluation of the NDIS, Intermediate Report*, National Institute of Labour Studies, Flinders University, Adelaide, September 2016, p. 44 and 47.

⁸ Early Childhood Intervention Australia Victoria/Tasmania, *Submission to the Productivity Commission Review of NDIS Costs*, 2017.

participant's behaviour. These participants are also more likely to require assertive outreach, follow-up outside of scheduled appointments and workers with more specialised skills.

Without adequate resourcing, the NDIS risks creating disincentives for providers to assist participants with complex needs. This could result in services 'cherry picking' participants or services withdrawing from providing more intensive support, leaving some people with disability without services. VCOSS recommends amending the NDIS funding to fully cover the costs of providing support to participants with complex needs.

Cancellation policies

The discussion paper proposes aligning cancellation policies for attendant care and therapy services. Currently, cancellation fees can only be charged eight times each year for personal care and community access support, and cannot be changed for therapeutic support.⁹ This means organisations must absorb the costs. This is particularly problematic when working with people with psychosocial disability and complex needs who are less likely to attend scheduled appointments. VCOSS members assisting NDIS participants with psychosocial disability report up to one in six appointments are cancelled over the year.

VCOSS recommends amending cancellation policies to ensure service providers receive adequate provisions for cancelled appointments regardless of the type of service they are delivering. Based on current policies, cancellations are paid for out of participants plans.¹⁰ Participants, particularly those with complex needs and psychosocial disability, should not be disadvantaged and risk having insufficient funds for services and supports due to the nature of their condition. Instead, the NDIA could reimburse providers for cancellations through a separate funding stream, based on evidence of missed or cancelled appointments.

Travel costs

The discussion paper (p.16) proposes clarifying and adjusting travel rules for delivering therapy services and community participation. VCOSS welcomes a review of travel policies, and believe reasonable and necessary travel costs should be funded in participant's plans to enable high quality, equitable service delivery. VCOSS members report travel is inadequately funded, leaving service providers to absorb these costs or being unable to deliver services to some participants because it is financially unviable. The NDIS independent evaluation identified inadequate travel costs may restrict participants' access to services.¹¹

To deliver services related to self-care activities, community participations and other supports, service providers can claim up to 20 minutes of travel time.¹² However, VCOSS members report travel in both rural and metropolitan areas, can be up to an hour in between participants.

Different travel rules apply to therapeutic support, in recognition services may need to be engaged from outside the participant's geographical area. This travel is paid at the hourly rate, up to a maximum of \$1000 per year, and remote travel will be paid in accordance with the NDIS pricing information.¹³ Travel for therapeutic support cannot be claimed for travel

⁹ NDIS, *NDIS Price Guide VIC/NSW/QLD/TAS*, Valid from: 1 July 2016, 11 July 2016.

¹⁰ NDIS, Finding and engaging providers, <https://www.ndis.gov.au/finding-and-engaging-providers>, accessed 10 April 2017.

¹¹ K Mavromaras, M Moskos, S Mahuteau, *Evaluation of the NDIS, Intermediate Report*, National Institute of Labour Studies, Flinders University, Adelaide, September 2016, p.53

¹² NDIS, *Provider travel information*, <https://www.ndis.gov.au/provider-travel-information>, accessed 10 April 2017.

¹³ NDIS, *Provider travel information*, <https://www.ndis.gov.au/provider-travel-information>, accessed 28 March 2017.

under distances of 10km, as this cost is considered to be included in the hourly rate.¹⁴ The NDIS independent evaluation identified funding limits for therapist travel may lead to reduced appointment frequency particularly for participants living in outer metropolitan areas.¹⁵

Travel costs associated with programs of supports, including the transdisciplinary early childhood intervention are not payable as additional items as they are considered to be included in the fixed cost.¹⁶ Early childhood early intervention best practice involves delivering services in children's everyday environments, such as in their home, early learning setting and community. However, VCOSS members report the pricing limits are often insufficient to cover travel, making it difficult to deliver the model as intended.¹⁷

Price banding

Section 4 of the discussion paper proposes introducing price banding with a benchmark price (an estimate of efficient service delivery) and a price cap (which sets the upper limit). The intention is to enable NDIS participant to either purchase the full quantity of supports included in their plan at the benchmark price or purchase a lower quantity of higher quality supports at a higher price.

VCOSS supports greater flexibility in pricing, however, we hold serious reservations about the intention of this proposal. For participants to meet their needs and aspirational goals they require access to high quality services at the frequency and quality deemed reasonable and necessary.

This proposal risks the market pricing at the price cap, and reducing the availability of services at the benchmark price. This may mean participants are unable to purchase their full entitlement of disability services. Having a trade-off between quality and quantity risks compromising participants' care and support.

NDIS pricing issues are interrelated with other elements of the NDIS, such as adequately funding services in rural areas to provide equitable coverage and effective planning to so participants get the right mix and level of supports. The recent VCOSS submission to the Productivity Commission's review of NDIS costs¹⁸ makes recommendations to ensure the NDIS is designed and resourced to deliver better outcomes for people with disability.

¹⁴ NDIS, *NDIS Price Guide VIC/NSW/QLD/TAS, Valid from: 1 July 2016, 11 July 2016.*

¹⁵ K Mavromaras, M Moskos, S Mahuteau, *Evaluation of the NDIS, Intermediate Report*, National Institute of Labour Studies, Flinders University, Adelaide, September 2016, p.39-40.

¹⁶ NDIS, *Provider travel information*, <https://www.ndis.gov.au/provider-travel-information>, accessed 28 March 2017.

¹⁷ Early Childhood Intervention Australia Victoria/Tasmania, *Submission to the Productivity Commission Review of NDIS Costs, 2017.*

¹⁸ VCOSS, *Funding the NDIS in full: VCOSS submission to the Productivity Commission's review of the NDIS costs*, VCOSS, April 2017.