

Friday 22 March 2024

The Hon Bill Shorten MP
Minister for the National Disability Insurance Scheme and Government Services
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

RE: Submission to the NDIS 2023-24 Annual Pricing Review

Dear Minister

Thank you for the opportunity to provide a submission regarding the National Disability Insurance Scheme (NDIS or the Scheme) 2023-24 Annual Price Review (APR).

Physical Disability Australia (PDA) hopes you and the NDIA staff reviewing and considering submissions find the recommendations and supporting arguments we make below compelling and worthy of serious consideration both within the scope of the APR Terms of Reference¹, and the Independent Review into the NDIS Final Report's (NDIS Review's)² recommendations for a better pricing strategy for NDIS funded disability supports.

This submission provides our considered thoughts on our members' common participant experiences as might be arrived at if those members had answered the questions posed in the *Participant Consultation Paper*³.

PDA was delighted to see that the National Disability Insurance Agency (NDIA or the Agency) took up our suggestion to make future APR consultation materials less provider centric. We are disappointed, though, that the questions only ask participants about their personal circumstances. This denies the Agency an early opportunity to enrol those self-selected participants who make submissions in the NDIS Review's recommended work of: "Reform[ing] pricing and payments frameworks to improve incentives for providers to deliver quality supports to participants"⁴ (pp 166-172, Recommendation 11.1).

Questions 1 to 5: What do participants know about NDIS regulated price settings?

PDA members are people with disability who regard their impairments as having primary effects on their bodies. Some may have impairments that effect their minds and senses, but they are in the minority. From our experience, almost all of our members who are NDIS participants are aware of *NDIS Pricing Arrangements and Price Limits* documents⁵ (the Price Limits), and they know what they 'pay' for each of the supports they receive.

¹ <https://www.ndis.gov.au/media/6620/download?attachment>

² <https://www.ndisreview.gov.au/sites/default/files/resource/download/working-together-ndis-review-final-report.pdf>

³ <https://www.ndis.gov.au/media/6624/download?attachment>

⁴ PDA was disappointed to see this (and a lot of the other NDIS Review's recommendations) allocated to the Department of Social Services. We feel this work should belong to the Agency which has developed broader and deeper working relationships with NDIS participants, carers and their representative organisations.

⁵ <https://www.ndis.gov.au/providers/pricing-arrangements/pricing-updates>

They also understand that the Price Limits, and the items that are subject to them, are reviewed on an annual basis.

Core Supports⁶

All of our participant members who engage commercial service providers to meet their Core support needs have reported that they are charged the maximum price per hour for this. Those who have Support Coordinators and Plan Managers are largely unaware of any opportunities they may have to find providers charging less than Price Limits amounts. They also report not being particularly concerned about the per hour costs of their core supports so long as their plans are able to purchase them in accordance with their needs.

Most of PDA's other member participants are self-managers of their NDIS plans. They do this so that they can either directly employ their own Core support workers or engage self-employed contractors with whom they have negotiated per hour rates lower than those detailed in the Price Limits. As these members' plans allow them to claim Price Limits rates for each one of core support they use, they gain access to more support hours than their commercial support provider using counterparts. PDA actively encourages its members to consider self-managing their NDIS plans so that they are able to take advantage of this feature.

Some of our members were over 65 years old when the NDIS was rolled out in their jurisdictions, and others were denied access to the Scheme on other grounds. These members are largely unable to access commercially provided Core supports. Some are able to get Core-like supports through Australia's aged-care systems and others mostly rely on family members and friends to assist them as available. As far as we can ascertain, **there is no non-NDIS Core disability support market** that would allow a meaningful comparison of per hour costs to be made. The situation is quite different, though, in the capacity building support category.

Capacity-Building Supports⁷

PDA member participants who get capacity building supports from allied health professionals such as physiotherapists, occupational therapists and exercise physiologists, are also routinely charged the maximum rates set by the Price Limits, and that these amounts are often significantly higher than what non-NDIS participants pay for the same services.

For example,

- The 2023-24 Price Limits⁸ allow an Exercise Physiologist to charge NDIS participants between \$166.99 and \$250.00 per hour for 'advice regarding the exercise required' [to build and maintain functional capacity] depending on their location.
- The NDIS registered allied health clinic, *Bodysmart Health+*⁹, charges non-NDIS participants between \$124.00 and \$156.00 per hour depending on who referred them.

⁶ <https://www.ndis.gov.au/participants/using-your-plan/managing-your-plan/support-budgets-your-plan#core-supports-budget>

⁷ <https://www.ndis.gov.au/participants/using-your-plan/managing-your-plan/support-budgets-your-plan#capacity-building-supports-budget>

⁸ <https://www.ndis.gov.au/media/6636/download?attachment> item 12_027_0128_3_3 (p. 78)

⁹ <https://bodysmarthealth.com.au/>

Question 6: Do participants think the prices they pay for services and supports are reasonable?

PDA's experience is that our member participants assessments of service and support prices vary in accordance with their plan administration arrangements and whether or not they have seen what the same things might cost non-NDIS participants. As noted above, participants with no day-to-day oversight of the sums drawn from their support budgets are not particularly concerned about how much their services and supports cost so long as they continue to receive them.

Self-managing participants, on the other hand do consider the prices they pay as they do see the bills and how their support budgets are able to cover them.

With regard to Core supports, we understand that those who engage and continue to use commercial support providers find the prices to be reasonable while those who choose to employ their own core support workers, either directly or on a contractor basis, do so, in part, because they feel the rates charged by commercial providers are unreasonable. All these assessments are, of course subjective, because, as noted above, there is no non-NDIS core support market for comparison.

It is a different matter in the capacity building support market as those who provide these services to NDIS participants typically have non-NDIS clients who pay with their own money, or have their bills paid by workers' compensation and private health insurance schemes. Here, both plan managed and self-managing PDA member participants feel they are being subjected to 'price gouging' on the grounds of their participant status¹⁰.

Question 11: What do participants think of their Support Coordinators?

PDA member participants give mixed reviews of their Support Coordination services. Some are very happy with their work and others are frustrated with the results of utilising these supports. As most of our member participants clearly understand their support needs and have the ability to communicate these, Support Coordinator performance comes down to these providers': capacity to develop a productive rapport with participants and providers; knowledge of the support options available to participants as determined by their circumstances; and understanding of how each support booking impacts participants' plan budgets.

We have heard 'horror stories' of how Support Coordinator ineptitude has exhausted member participants' Core support budgets such that they need to apply to the Agency for top-up funding. These situations often result in fears that the NDIA will assume management of their plans and that they will lose a lot of choice and control over which providers will deliver their supports and the quantity of them.

To address Support Coordinator performance inconsistencies, PDA argued in our submission to last year's APR¹¹ "that the market for Support Coordination be done away with." At the time we understood that Local Area Coordinators (LACs) who work for NDIS Partners in the Community (PITCs) were going to have a substantially reduced role in developing participants' plans due to the roll-out of the PACE participant relationship management system¹². We also understood that the NDIS Review was likely to recommend PITCs focus more on connecting participants with NDIS funded, mainstream,

¹⁰ <https://www.afr.com/policy/economy/ndis-price-caps-acting-as-an-anchor-rather-than-ceiling-report-20230601-p5dd12>

¹¹ <https://www.pda.org.au/wp-content/uploads/2023/11/PDA-Submission-to-the-NDIS-Annual-Pricing-Review-12Apr23.pdf>

¹² Details of changes PACE will make to the participant pathway are not readily available on the NDIS website. This third party summary provides a good overview (<https://mycarespace.com.au/resources/pace-top-5-things-you-need-to-know>)

and soon-to-be-developed foundational supports. We felt this switch of role would equip PITCs well for providing Support Coordination services to participants in their jurisdictions on an as-requested basis at no cost to participants' plans.

The NDIS Review has recommended that "proactive navigation support" be made available to all people with disability, and that "Navigators" be employed to gradually replace Support Coordinators. It makes a compelling case that this measure is desperately needed to improve the quality and quantity of the support procurement services that many participants (and people with disability who are denied access to the NDIS) need (pp 102-106). To the extent that it can, PDA recommends the Agency lobby the Department of Social Services (DSS) to remove Support Coordination from NDIS Pricing and Payments Framework.

General commentary on the NDIS Review's pricing and payments approach evidence, findings and recommendations

PDA is a little perplexed that the NDIS Review does not recommend a move towards deregulating the NDIS supports and services market considering some of the evidence it presents:

- *We know that providers often charge participants at the maximum price. In the NDIA's 2021-22 Financial Benchmarking Survey, over four in five providers reported **always** setting prices at the price cap.*
- *NDIA staff have a misinformed perception that participants (especially those who self-manage) hold significant power to negotiate with providers in relation to fees charged. Providers simply refuse to provide service and move on to the next participant.*
- *... when participants purchase 'low-cost'¹³ assistive technology ... we see a spike in transactions at [or just under the maximum allowable amount of] \$1,500 ...*
- *Where providers are incentivised to prioritise more services over and above quality assurance, [participants] bear the consequences. This includes funding consequences (through over-servicing) and safety and quality consequences (as providers are incentivised to limit resources).*

(pp. 166-168)

The conclusion that PDA draws from this is that the price capping of many NDIS supports and services on a per hour basis has not served the best interests of participants. We are therefore disappointed that transitioning the NDIS's pricing and payment's approach towards unregulated free-market settings was not recommended, all the more so given some of the NDIS Review's Terms of Reference directions¹⁴.

That being said, PDA also understands that this approach is beyond the APR's Terms of Reference and that the Minister is unlikely to adopt this long-standing recommendation of ours.

Conclusion

¹³ The NDIS rules allows participants to purchase Assistive Technology that costs less than \$1,500 without the need for official approval (<https://www.ndis.gov.au/participants/assistive-technology-explained/flexible-low-cost-support-continuity#how-can-participants-use-their-low-cost-at-funding-for-support-continuity>).

¹⁴ In particular, to recommend means by which the Australian Government could "foster and steward an innovative, effective and sustainable market where providers (commercial or otherwise) invest, grow and improve outcomes for participants..." (p. 297).

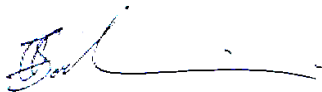
The growing cost of the NDIS to the Australian community has, and is likely to continue to, undermine our world's best practice disability support system. This has led to, and will likely continue to lead to, political consideration of making the NDIS harder to access (to drive down participation) and cutting the support budgets it provides (to drive down the dollars per participant burden to the Federal Budget).

Since the NDIS commencement over 10 years ago, generous Price Limits settings have not led to an increase in the number of high-quality providers nor a situation where the disability support industry needs to compete for the NDIS dollar.

PDA hopes that NDIS Review pricing and payments recommendations result in both better participant outcomes and the achievement of the NDIA's reduction to 8% per annum growth target, but we don't see this happening while the Price Limits continue to encourage providers to prioritise selling more units of support over offering better quality support.

In any case, we hope the information provided in this submission assists you in optimising the current and emerging pricing and payment arrangements so that participants can continue to receive the valuable supports and services the NDIS provides in a more sustainable fashion.

Your sincerely,



Andrew Fairbairn
President and Director (WA)
Physical Disability Australia



Simon Burchill
Executive Officer
Physical Disability Australia

C.c. The Hon Amanda Rishworth MP, Minister for Families and Social Services
The Hon Michael Sukkar MP, Shadow Minister for Social Services, the NDIS, and
Housing and Homelessness.

About Us:

Physical Disability Australia (PDA) is a national peak membership-based representative organisation run by people with physical disability for people with physical disability. PDA was founded in 1995 and have over 1,200 members from all Australian States and Territories. Our purpose is to:

- Remove barriers through systematic advocacy to all levels of government to enable every Australian living with a physical disability opportunities to realise their full potential;
- Proactively embrace and promote difference and diversity for an inclusive society; and
- Actively promote of the rights, responsibilities, issues and participation of Australians with physical disability.