

Market Readiness for the National Disability Insurance Scheme

Submission by:

Associate Professor Chris Brebner and project team (Dr. Angela Lawless, Ms. Kristen Foley, Mrs. Lilienne Coles, Dr. Stacie Attrill, Prof. Sue McAllister)
College of Nursing and Health Sciences
Flinders University

Introduction

The move from block grant funding to NDIS funding has significantly changed access to allied health services for people with disabilities. This has impacted on how services are designed and offered.

The workforce in South Australia was not prepared for a marketised environment of allied health service provision, nor the need to change service delivery models to meet participant numbers and need. The changes brought by NDIS simultaneously decreased the opportunities to build the allied health workforce through student placements while stimulating growth in the need for graduates who are interested in and equipped to work with people with disabilities.

The transition to NDIS funded services led to an initial decline in student placements due to uncertainty regarding ways in which students could be incorporated into services now funded by NDIS participants. Through our project work, funded by the Department of State Development in South Australia, we have explored the services provided in South Australia and how students might be integrated within them. We have developed strategies and resources to sustain ongoing development of an allied health workforce capable of providing quality services to people with a disability in a market-style environment.

Through this project we have interviewed and worked with a wide range of service providers offering allied health services to NDIS participants, allied health students and key stakeholders in government and non-government organisations. Our data has enabled us to develop a deep understanding of the current issues for service providers who have transitioned to a market based provision of allied health services. In this submission, from our data we provide comment on the following key reference points:

- a. the transition to a market based system for service providers;
 - b. participant readiness to navigate new markets;
 - c. the development of the disability workforce to support the emerging market;
 - d. the impact of pricing on the development of the market;
- and
- f. market intervention options to address thin markets, including in remote Indigenous communities.

We outline our submission for each point in the following sections.

1. The transition to a market based system for service providers

With the roll out of the NDIS, service providers have had to re-orient from a provider centred approach to partnering, negotiating and being accountable to participants regarding the services provided. Our research has shown that there are a number of challenges for service providers with the transition to a market based system. Key challenges relate to pricing, service delivery/best practice, and business models.

Pricing – services providers have reported a lack of clarity with regard to pricing of services and an uncertainty as to whether what they are doing is compliant. The NDIA pricing guide covers a wide range of chargeable activities, but definitions of eligible services are not always clear. For example, there is a lack of clarity around student led services and what can be charged to a participant when intervention is delivered by a student under supervision of a qualified clinician. ‘Supervision’ is not well defined and is variable across the student life cycle as they develop their independence and skill, and many service providers are electing not to involve students in service delivery due to uncertainty with charging and the inability to charge for all time invested in hosting a student. This has a ‘knock on effect’ of then not providing educational opportunities for students in the disability sector, resulting in an under-prepared workforce.

Service delivery and ‘best practice’ –There have been and continue to be major issues across the workforce as sectors struggle to adapt to the new market and seek to define their core business. Service providers acknowledge the challenges in administering the NDIS, but the NDIA are perceived to be struggling to provide the mechanisms for delivery of quality services for people with disabilities. This has been evidenced in a number of areas such as the long delays experienced in preparing and reviewing plans, extremely long queues for telephone assistance, reported inconsistency in plans.

Our research has found that the market based system is perceived to have impacted on ‘best practice’ models of service delivery. The capacity to charge for activities that support good practice have been impacted, and service providers have had to undertake major work to move to a model of hourly rates to cover services offered. Services are being lost as they cannot easily be billed to individual participants, or providers are picking up work for which they are inadequately qualified. For example, preventative and disability/health promotion work is in decline as funding for these services is unclear. Interagency work, as another example, is not funded and for clients with complex disabilities this has resulted in a fragmentation of service as participants attend services in different organisations such as private therapy services not integrated within special schools. Clinicians report that the system, whilst offering participant choice and control, has resulted in services sometimes being provided by clinicians without adequate expertise/training in specialist services. An example is where a participant requires augmentative and alternative communication and mealtime/feeding services but specialised services are often delivered by different clinicians/organisations so participants choose to attend only one service to deliver all therapies.

“NDIS funding took us away from good practice – just rolled out and now we’re scampering to demand.”
Service provider

Business models – The disability sector has undergone rapid change to a market based system with little support available for service providers and resulting changes to the range and availability of services which will ultimately impact on participant choice and control.

Access to support with developing sustainable business models has been highlighted as an issue for service providers. They have reported struggling with the business skills required to structure services ensuring that they are feasible and compliant within the permitted pricing. Skill development is required to develop

businesses that enable consumer driven services to be financially viable. Challenges include staffing for participants bringing plans and funds. For example, as NDIS plans are relatively short term and difficult to negotiate, it is challenging to identify and source appropriate, skilled staffing to match participant needs. Furthermore, the removal of block funding has reduced reliable, prospective income, where the resulting fluctuations in income and staffing has particular impact for smaller organisations.

Service providers have described how the profit margin influences what, how and the quality of services offered. Previously, funding was provided to organisations, who then had the responsibility to decide how that funding was transformed into disability services. In the current scheme, service providers feel they are critically affected by financial drivers and need to tailor their services more carefully. Such issues impact on participant access to services, choice and control.

“One of the barriers is when plans run out and families can't get hold of the NDIA to find out whether they've got a new plan. So, you have to stop services for a while because what we found then is we just don't get paid and we've got all this unclaimed income that people are offering services and not getting any money for it. Which is a big concern for us at the moment.”

Service provider

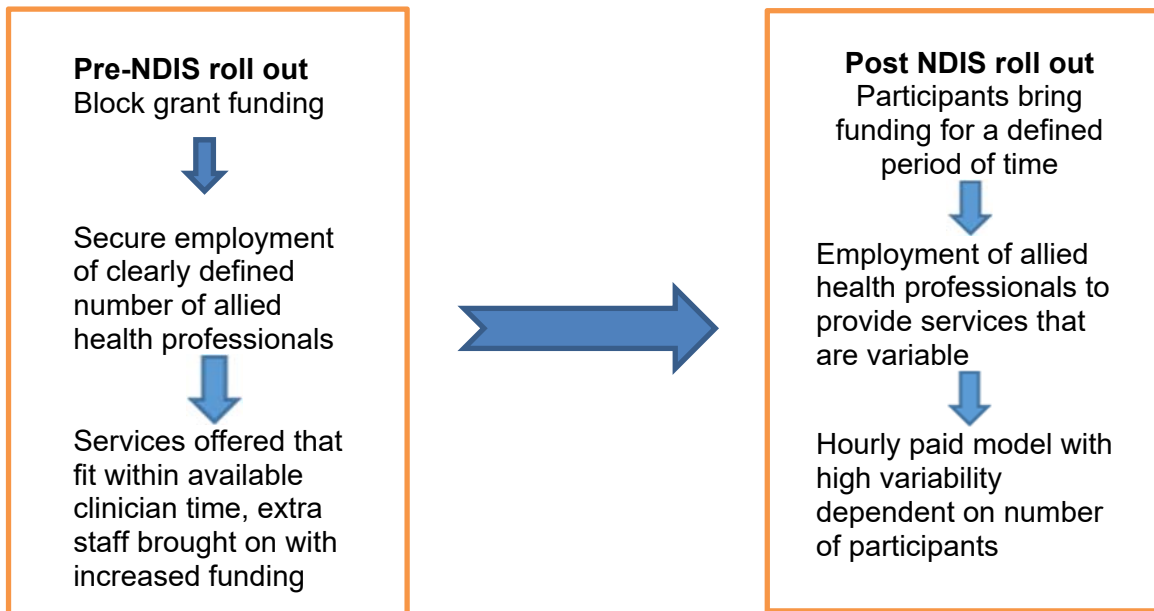
The market system relies heavily on the work of planners to assist participants to access funding to achieve their goals, and this role is recognised by service providers as being complex. However, there is reported inconsistency in the work of planners in setting goals for participants and equitable allocation of funding, and communication about their work. This is placing an enormous burden on service providers who have to spend hours of unbillable time trying to support participants to access the funds and services they need.

“Thing about planners – [it's] one thing to get an answer from the NDIA, but it may clash with what the planner has told the family – all that time spent on the phone is unbilled. Eventually [this] will get better, but is draining for clinicians on the ground.”

Service provider

Working with often imperfect plans creates challenges in managing the achievement of goals with fixed sums. An additional challenge is the instability of the pricing system, and a perceived lack of understanding of the true costs involved in delivering services before changes to pricing are made. An example is the recent change to group services for children over the age of 6 years, where two professionals are now required for groups of three children but the recoverable charges for these groups do not cover the cost of one allied health professional. This is not only contradictory to the evidence that group work for school age children is evidence based and appropriate, but it also results in financial loss if aiming to provide services that enable achievement of school-age participant goals.

Services therefore need to be developed with contingency plans for variation in participant numbers, timing/amount of plan funding and careful consideration of business structures which enable necessary but unbillable work to be embedded. This requires specialist skill in business development and a significant shift in business planning from those used with traditional block funding (see figure below).



These issues with business development impact on workforce development and sustainability for service providers. Uncertainty and lack of skill in business development has resulted in insecure and unstable employment for many allied health professionals, particularly new graduates who may not be able to access the mentoring, resources and support they require as this does not generate income and is an additional business cost. Furthermore, difficulties with predicting income and increasing focus on billed time have also impacted service providers' willingness to engage in quality improvement or workforce development as there is a perception that insufficient funds exist to cover these activities.

"The realities are that if you don't get the income to cover your expenses, then you don't survive – working out what does that mean and what can we do; the library costs a hell of a lot – somebody has to pay for it in reality – what do we get out of it versus the cost?"

Service manager

Furthermore, an additional perceived challenge is the perceived contrast with traditional values held by many allied health professionals that they are working within a 'helping' profession which has shifted to a 'fee for service' model. Allied health practitioners have had to re-orient from a provider centred approach where their status as expert is unchallenged to partnering, negotiating and being accountable to participants regarding the services provided. Delivery of services within this new context has created ethical and moral challenges for many allied health professionals, especially in business transitioning from models of block grant funding.

Recommendations:

- Develop clarity and consistency around billing to minimise uncertainty about compliance
- Provide affordable and accessible supports for service providers for business development
- Reinstate some block grant funding to support disappearing services such as disability/health promotion and prevention and enable providers to engage in service and quality improvement activities and workforce development.

2. Participant readiness to navigate new markets

Choice and control is an admirable intention of NDIS but it relies on a mature market and the market in South Australia is far from being mature. There is a major mismatch in participants thinking they have choice and control where the reality is there is often only one provider.

Participant health/disability literacy is an essential component of a mature market, and participants or their families need to have an understanding of the range of interventions and services in order to best advocate for their needs. Currently, the least advantaged people are less able to advocate for themselves and there is a real risk of cumulative disadvantage and inequity despite the principles of the NDIS.

Service providers have reported that their extensive experience in advocacy with and for clients puts them in a key position to recommend what kind of services participants may need. Without their expertise, serious concerns have been raised for clients making decisions about the funding they would receive and the help they would pursue.

“Developing better protocols or tools within the planning process to ensure that areas of need that participants may not identify are identified. At the moment it’s all about achieving functional outcomes. But there’s also stuff that’s just about maintaining life. Or maintaining function. Maintaining function rather than, ‘it’s my new goal that I want to do this’. Some things that people need to keep on doing just because that’s part of being able to continue to participate. So just greater engagement in their development of the scheme with providers to help inform the design so it achieves better outcomes.”

Service provider

With the absence of a strong evidence base for many allied health therapies, it can be difficult to justify approaches to intervention. In the new environment of participant choice and control, services that were hallmarks of good practice, for example multidisciplinary practice, are disappearing as it is difficult to justify cost to participants when using the current pricing guide. Thus, services perceived as ‘best practice’ by clinicians do not necessarily align with what participants are seeking or perceive as ‘value for money’, or with what is financially viable for a business to offer. This presents with challenges to quality of service as well as instability in staffing, especially in small businesses, as participants exercise their choice and control and either reject services or move elsewhere.

Investment is needed to assist people to navigate systems and gain skills in order to genuinely achieve choice and control. This would include support in how to use the system, as well as developing evidence for interventions and guidelines for service selection.

Recommendations:

- Provide supports for assisting participants and their families to navigate systems and equitably access funding
- Fund research into evidence based interventions, development of participant information, resources and guidelines, and dissemination of information to support choice and control in services

3. The development of the disability workforce to support the emerging market

There are two key strategies to developing the disability workforce to support the emerging market: educating students to work in these contexts; and supporting professionals to work in these contexts.

Allied health student placements – allied health students participate in work based learning for around one third of their university programs. Placements provide a critical context for students to learn how to apply theory to practice in service delivery as well as develop a wide range of professional skills. Pre-graduation work experiences have been demonstrated to strongly influence students' future career aspirations and choices. Placements with services accessed by NDIS participants are essential to ensure that graduates aspire to and are equipped to work collaboratively and innovatively with people with disabilities to address their goals. Positive placement experiences in quality NDIS funded services are a key strategy to enable students to develop requisite skills in providing NDIS funded services on graduation.

Managers of services who employ allied health professionals and offer services eligible for NDIS funding have highlighted that challenges related to offering placements are due to uncertainty as to how develop a viable business model that incorporates students. Concerns have included:

- how to ensure quality services whilst providing quality placement experiences for students
- what is acceptable to charge participants for if students are involved in service delivery
- how meeting the educational support needs of students will impact on income, and
- how to develop student led services that NDIS funded participants feel will meet their goals.

The literature shows that there are links between practitioner job satisfaction and engaging in positive student education activities, and that it may also enhance staff retention. Services have expressed strong interest in offering student placements and the potential benefits they identify included:

- enriching and extending services available for clients through NDIS funding
- professional development as a result of supervising students and linking with universities
- the energy and enthusiasm students contribute to a workplace culture, and
- increase in the future "NDIS ready" workforce.

Our project has enabled us to work with service providers to develop service models that incorporate workforce development via student placements. Services involved in the project have embraced offering student placements but have required significant support to develop activities that sit within a viable business model that incorporates allied health students on placement but does not risk profitability. There are challenges in integrating students into services that need to calculate costs based on an hourly service rate, in a model that does not transparently allow charging for student led services. There is confusion among service providers as to what is permissible and concern as to whether their practices are compliant.

"I mean given that you need to be a registered provider, to be able offer services, no student would be able to be a registered provider, because they're not employed. So that could be a big barrier."

Service manager

However, placements within NDIS service contexts benefit students by developing their understanding of the service context and the needs of participants accessing NDIS funds. Placement experience in NDIS service contexts provides students with the skill and exposure to be ready to work. The context is considered to be particularly complex, and there is a link between positive placement experience and likelihood that students will choose to work in an aligned area in the future, especially for disability.

Service providers wish for the involvement of students to be explicitly permitted in the pricing guide to enable them to integrate students into their service model. This is perceived to be essential to developing a quality future workforce.

"They (NDIA) just need to engage with the how important facilitating a student is. But they always talk all about workforce and how important it is, but there's no concrete support."

Service manager

Supporting allied health professionals to work in NDIS funded contexts - the funding model is impacting on the capacity of service providers to support new allied health professionals to work in NDIS funded contexts. Financial risk and the need to determine services by hourly rates is impacting on the capacity to support new professionals in this context. Furthermore, services are reporting that new graduates join services for a short period of time then leave, which has a big impact on the service providers' business.

"The fact that it was part of the responsibility as part of service provision within the sector to provide support for those clinical - those education placements, both to potentially ensure that there are people who are willing and well able to come into those organisations as clinicians. But also as a contribution to the ability across other sectors for people to be able to either provide services or just consider the needs appropriately of people with disabilities."

Service manager

The opportunity and instability in the market system is resulting in a transient workforce as allied health professionals regularly change employment. This regular changeover in staff impacts significantly on service providers, both for continuity of services for participants and in business costs. There is a significant financial investment in upskilling and mentoring new staff to work in the disability context. In the current model, businesses need to build in such supports to the business plan, often at a financial loss. The impact of a transient staff, particularly on small businesses, is potentially enormous and longer term a risk to participant choice and control as businesses fail to succeed.

Recommendations:

- Explicitly permit billing for student led services to enable service providers to incorporate students into their service model in meaningful ways
- Provide affordable supports for clinicians new to disability contexts so that they can develop skills and expertise for working with these populations as well as knowledge and understanding of NDIS funded service contexts.

4. The impact of pricing on the development of the market

Our perception of the impact of pricing on the development of the market has been stated throughout the section above. To summarise, pricing is impacting business development and service providers are uncertain about what they can and can't charge participants. Uncertainty and payment restrictions have forced service providers to provide services in a clinical model which is in contrast to the principles of the NDIS.

"...perversely, their funding model with the lack of payment for travel, and the focus on key worker, has driven people straight back to a clinic based on non-community based service provision."

Service provider

All service providers in our study have reported that they are having trouble making a living and they are struggling to design and develop a cost effective business that meets participant needs. There needs to be flexibility in the provision of services, but the constant change to what is billable makes business planning extremely difficult.

The limitations in current pricing means workforce development is compromised as many businesses feel that they can't take students or employ new graduates. There is more and more insecure employment for new graduates (e.g. limited by the number, size and continuous flow of plans) and for employers (e.g. investment and constant re-investment in training and support as staff move on).

Service providers have reported on the number of additional mechanisms that they now have to put in place. They report concerns with participants who self-manage their plans, many of whom get into financial difficulty. Service providers now have to allocate time to chasing up finance (e.g. managing debt collectors). They also need to constantly adjust their services as plans are frequently placed on hold. There have been known, major disruptions to the payment system, which has impacted on businesses and resulted in long delays for payment. There are also known delays in plans being provided or reviewed, requiring services to be mapped out well in advance, often to the detriment of the participant.

"If you want to apply for a piece of equipment or you want to offer maybe more a more intense intervention – you have to put in a request and then you wait to hear back and wait to hear back and wait to hear back. The latest we're hearing is that families are being told that they'll only update their plans once a year now. So, they've got to think of everything they might need in that following year."

Service provider

The shift in service funding has made financial viability, business administration and profit margins a more explicit focus for service organisations. This has been a major concern in regards to the ability of these service providers to also retain high practice and ethical governance. Ultimately, the uncertainty and additional challenges placed on service providers will impact on participant choice and control and access to quality disability services.

Recommendations:

- Allow flexibility of pricing which enables innovative models of service delivery that reflect the range of services needed for diverse participant groups and incorporates opportunities for workforce development and student training
- Consistency in planning and faster resolution of issues regarding plans.

5. Market intervention options to address thin markets, including in remote Indigenous communities

Through our research, these markets have been mentioned but the scope of our project means we have not been able to engage in detail. However, the needs of Aboriginal communities in metropolitan Adelaide and rural South Australia have been raised as service providers indicated concerns that this population have largely not engaged with the NDIS. We recognise this is a significant issue and needs investment for ethical provision and management of services for Indigenous people especially in thin markets.

"One of the barriers to doing longitudinal work is the travel time in the country – for those sites where the relationship is so important with clients, that's going to be very challenging to achieve in Aboriginal populations – where relationship and rapport building is really important – these are not populations who are close to Adelaide."

Service provider

Disability services in rural South Australia are under-developed and few participants are signing up to the NDIS. Participants have minimal choice and control in selecting their services. Some metropolitan based service providers are engaging in 'fly in fly out' service provision, but there has been inadequate exploration of this as a model of service provision from the perspective of participant satisfaction, quality of service, and capacity for service providers to make this financially viable. Further investment into exploring the provision of services to rural and remote communities is urgently required.

Finally, people from culturally and linguistically diverse backgrounds have also been identified as being at particular risk of not engaging with the NDIS. The diversity of different languages spoken in Australia makes it particularly challenging for people from minority populations to access culturally and linguistically appropriate services.

Recommendations:

- Invest in research into service design, development and provision for thin markets including remote Indigenous communities, rural and remote areas and culturally and linguistically diverse groups.

Summary

As intended, the move from block grant funding to NDIS funding has been a major ‘game changer’ to the access people with disabilities now have to allied health and the way in which services are designed and offered. NDIS has required a change in the way service providers engage with NDIS funded participants, and there have been major changes and challenges to the provision of quality services for clients with disabilities. From our work with allied health service providers and allied health students in South Australia, we offer the following recommendations:

- Investment in developing affordable and accessible supports for businesses to develop sustainable business plans and models of service delivery as they transition to the market system
- Develop clarity, consistency and flexibility around billing/pricing which enables innovative models of service delivery and minimises uncertainty about compliance
- Provide clarity around, and explicitly permit billing for student led services to enable service providers to incorporate students into their service model in meaningful ways;
- Develop systems that enable consistency in planning and faster resolution of issues regarding plans
- Provide supports for assisting participants and their families to navigate systems and equitably access funding
- Reinstate some block grant funding to fund areas that are not covered by NDIS funds (e.g. prevention, addressing fragmentation across sectors, advocacy)
- Invest in research and promotion of good practice linked to the NDIS model including evidence based interventions; dissemination of information to support choice and control in services: exploration of thin markets; and quality service provision in rural and remote areas.
- Provide affordable supports for clinicians new to disability contexts so that they can develop skills and expertise for working with these populations as well as knowledge and understanding of NDIS funded service contexts.

We thank you for the opportunity to comment on the market readiness for the NDIS.

Yours sincerely,

Chris Brebner, PhD, BAppSc(SpPath)
Project lead,
A/Professor, Dean of Education, College of Nursing and Health Sciences