

## REDUCTION TO PLAN FUNDING

### Question

Submitters report gradual and unjustified reductions to participants' plan funding were a recurrent theme during the committee's hearings. Some participants' plan funding automatically reduced each year without reason; some were unjustly expected to have improved since their last plan; some had plans reduced as a result of not using all their funds within the year even though they had no access due to IT or other issues.

- a. Is there a general direction to reduce plan costs?
- b. If not, why are some participants seeing automatic decreases to their plan funding each year?
- c. Is the Agency aware of cases where allocated funds have not been used by participants due to IT issues?

### Answers:

- a) The National Disability Insurance Agency (NDIA) has no direction in place to reduce plan costs. Each individual plan is developed and reviewed based on participant goals, outcomes, current and future support needs and reasonable and necessary decision making principles. The evidence to date derived from Scheme data indicates that opportunities for community inclusion are growing, thereby enabling participants to fulfil goals through connection to everyday activities rather than specialised supports.
- b) There is no mechanism for automatic decreases in their plan funding each year. Planners and participants are becoming more confident working together to understand and discuss plan usage, how to target funded support to be more effective and how to use other supports.

Over time participants build a stronger focus on outcomes, this means that participants lean to capacity building and engagement outside of traditional disability support models. Effective early intervention is reducing the need for support over time as are capacity building supports, for example, participants who have obtained employment may reduce the need for day/community supports. In addition home modifications and assistive technology are most often one off funding and can have large cost impacts on early plans.

- c) The introduction of the National Disability Insurance Scheme Business System in July 2016 initially affected claiming processes which have since been largely resolved. The NDIA considers utilisation of plans and the factors contributing to this as part of the plan review. NDIA planners work with participants to identify any IT specific barriers to plan utilisation and claiming to develop solutions to address these.