Re: Joint Standing Committee on the National Disability Insurance Scheme

Date: 06/09/19

About Cara

Cara is one of South Australia's largest disability-services providers.
We work with more than 750 children and adults with disability, we employ over 1000 staff with annual revenue exceeding $80m.

Cara provides supported independent living, short term accommodation, in home/community support and holiday options.

Cara operate all over South Australia including Adelaide, Mount Barker, Murray Bridge, Mount Gambier, Kadina, Port Augusta, Port Pirie and Port Lincoln.

1. NDIS Planning

Summary

The issues below largely derive from errors in the plan created and a lack of flexibility with regards to use of the plan. If plans were more flexible it would negate the need for the plan to be created with a high level of accuracy.

1.1 Transport

Priority Level of Resolution: Very High

The Issue: Supported Independent Living (SIL) participants do not receive funding at a level which supports a dedicated household vehicle. Previously under state funding this was possible. Further the extent to which funding can be use flexibly for transport purposes is not well understood or widely communicated; and it is not consistently included in participants' plans.

Many participants with complex behaviours are not able to use public transport, even with staff support, due to the risk to their own and others' safety. Where participants are able to use public transport with the assistance of a support worker, the associated salary costs are unlikely to be included in the NDIS and may make the overall cost higher.

The Impact: Participants cannot engage with services and utilise their plan as they are unable to access services (i.e day options, community and health services) without an appropriate vehicle/transport funding. Further access to the community is limited. Participants do not understand where flexible use of funding for transport is allowed and participant errors are likely. Relations with service providers are strained as often providers are held responsible by the participant for vehicle changes. This is often exacerbated by mistaken communications from planners and support coordinators.

Recommendation: Allow all core funding, including transport, to be used flexibly and increase funding for transport, particularly for SIL participants.

1.2 Restrictive Practices

Priority Level of Resolution: High

The Issue: In order to regulate a restrictive practice, the practice must be prescribed and included in a Positive Behaviour Support Plan. To do this, the participant must have sufficient funding allocated to the correct capacity building section of the plan as there is no flexible use of capacity building funding. The participant then needs to form an agreement with an appropriate provider to have a plan developed.

Providers of other services such as SIL cannot request a plan to be developed even where it clearly needs to be. Further the participant will need to go through a time-consuming change of circumstances process with the NDIA if there is no appropriate funding for plan development. The time taken for consent, funding approval and behaviour support plan development exacerbates risk to the participant and staff's safety.

At this stage there is no avenue for a provider to charge the participant a fee (to cover Quality and Safeguarding Commission reporting costs) if a plan is not developed. This fee could incentivise prompt plan development.

If unregistered restrictive practices have to be used by the provider, the provider has to submit a lengthy manually populated report to the Quality and Safeguards Commission for every single instance. The cost of this over a period of time is likely to outweigh the cost of developing a plan in the first instance.

The Impact: The provider has to make a choice between developing the plan at their cost or incur the administration costs of reporting to the Quality and Safeguards Commission. They also have to consider the risk of continuing services and the urgency of plan development.

Cara's Commentary and Associated Action: Cara undertakes a risk assessment for all restrictive practices regardless of whether a plan is in place. If a Positive Behaviour Support Plan is urgently needed, Cara will contact the NDIA Emergency line and our provider engagement contact for a resolution. Cara will, where possible, seek to form an agreement with the participant for a plan to be developed. Cara may as a last resort and at its discretion choose to create a plan at its cost (with the participant's consent).

Recommendation: Ensure funding for Positive Behaviour Support Plan development is included in the NDIS plan for participants with challenging behaviours. Where this has been missed, establish a far speedier process for adding this into the plan; this should not involve a whole change of circumstances and plan review.

1.3 Plan Gaps

Priority Level of Resolution: High

The Issue: When a participant's plan expires, service providers are requested by the NDIA to continue providing services in line with the previous plan (according to a pro-rated amount) and claim for the full amount when the new plan is developed. This plan gap can go on for months.

The Impact: In respect to the pro-rated process- Participants do not have to use their funds evenly across the plan period when not in a plan gap. For example, they may have short term accommodation funding and use it in one block. Service Providers also do not setup systems to ensure services are provided perfectly in line with a pro-rated amount, they are setup to track the participant's services versus the total amount they committed to receive (where the participant has provided this).

Therefore providers have a much greater risk of over servicing and incurring bad debts. Further the provider will suffer a cash deficit until the new plan is developed.

Relations with participants are placed under considerable strain where this occurs. When dealing with plan managers & self-managed participants it is unclear if the participant is in a plan gap situation and whether services therefore should continue.

Scenarios: A participant booked 1 week of short-term accommodation 6 months ago but is now in a plan gap without the required amount yet accrued. If the provider delivers the service they risk not getting paid if the Plan gap ends before the pro-rata amount is reached. If they don't provide service the participant will make a complaint as they have specifically been told by the NDIA the provider should continue to provide services during the plan gap. The provider is at risk of losing the participant either way due to damaged relationships through unpaid debts or not providing the service.

Recommendation: New plan funds can be used to cover services during the plan gap where the services provided were in keeping with the previous plan (not pro-rated). Further, providers should not have to suffer a cash deficit. Payment for services should be paid during a plan gap. If the risk of non-payment is deemed high or the cash impact is significant Cara will not provide services when a participant indicates they are in a Plan gap.

1.4 Inconsistency of planning with respect to the participant's needs

Priority Level of Resolution: High

The Issue: There is a lack of consistency between plans for participants with similar type and level of need. This could be due to inconsistencies between planners, the amount of information available or the level of advocacy by the participant's decision maker.

The Impact: Some participants receive an excess of supports while others needs are not met. Unmet needs can place undue suffering on the participant and their personal network. Further it can put pressure on other government departments and service providers as emergencies arise.

Recommendation: More needs to be done to understand how variations arise and a tool developed to ensure consistent assessment of reasonable and necessary funding. This is regarded as a core role of the NDIA.

1.5 Lack of Support Coordination

Priority Level of Resolution: Medium

The Issue: Participants and their decision makers can find it particularly hard to navigate the complexities of the NDIA including understanding what funding they have, how flexible the funds are and which services they can and should access. It is very hard for them to get the answers they need from the NDIA. A support coordinator would assist; however they rarely have this included in their plan.

The Impact: Service providers are having to use their resources to not just promote their products/services but to assist the participant to understand the plan and navigate the NDIS. With capped prices service providers are not able to factor these additional costs into their prices.

1.6 Plan Detail

Priority Level of Resolution: Low

The Issue: Plans are sometimes written in a way that seems to further limit the participant's flexible use of the plan. For example a descriptor is added to core funding that effectively specifies what it must be used for and the level of service that must be provided.

Recommendation: Training and guidance to ensure a consistent approach by planners that maximises participant flexibility.

1.7 Reduction if funds not used

Priority Level of Resolution: Low

The Issue: Participants have reported to us that their funds were reduced purely because they had unspent funds. Even where they articulated the specific reason it was unspent and why it wasn't indicative of future use. This further disadvantages participants who already experience significant disadvantage.

Recommendation: That NDIS planning and approvals take into account personal circumstances and the reason for unspent funds.

Supported Independent Living (SIL)

Summary

Now quotes have been approved, SIL is generally running well however there are two significant issues to resolve, the immediate loss of funds following a participant passing away and relinquishment (emergency respite) .

1.8 Participant Passes Away in SIL setting

Priority Level of Resolution: High

The Issue: When a participant passes away in a SIL Service the provider cannot make a claim with immediate effect.

The Impact: This results in insufficient funding to maintain any services that are shared among participants which included the participant that has passed away. There is no acknowledgement of the work with the participant's family members to deal with personal assets and no time given to a provider to fill the vacancy. This differs from the situation where a participant chooses to terminate the service agreement and provides the required notice period thus enabling the provider to begin their vacancy management process.

Recommendation: Increase all SIL funding by a % that reflects the average vacancy rate in the sector. I have provide our organisation's % to Dave Cullen, Chief Economist at the NDIA, for this purpose.

1.9 Relinquishment of a Participant (Emergency Respite/Short Term Accommodation)

Priority Level of Resolution: High

The Issue: A participant is relinquished by their primary care giver. This usually occurs with no notice, the participant is just not picked up from a short term accommodation stay.

The Impact: Often, with immediate effect, there are no funds available for the provider to claim for services provided, post relinquishment. The provider is faced with providing service (almost always with a level of trauma related support) and being unable to claim or leaving the participant in an emergency department such as a hospital (this is not something Cara has ever done). Some providers may not have the cash to be able to provide services unfunded for a large duration of time and/or take the risk regarding the level of funding they will receive once the plan is amended. Further, the participant may now be using a room in a short term accommodation that had been booked in advance by another participant.

While the NDIA provider engagement representative and the NDIA emergency contact is notified immediately, it can still take months to resolve and a longer term funding and housing solution established.

Scenario: Participant is relinquished at a short term accommodation service. NDIA is notified and a change of circumstances is initiated. The provider has to decide on the level of support required to provide to meet the participant's needs and manage risk. Other bookings have to be amended. Funding runs out and the NDIA notifies the provider that support is unlikely to be funded at a short term accommodation rate.

The NDIA provides no funding while the change of circumstances is being reviewed. There is debate between the NDIA and state departments over who should pay what and this delays funding further. Seven months pass with no funding to the provider. The NDIA decides that the support will be funded as a SIL and the participant should receive shared supports (one support worker to multiple participants) and calculates back funding on that basis. The participant had been provided one to one support due to the provider's assessment of need and the fact there are times when there are no other participants in the short term accommodation service. This resulted in a cash issue and a loss made on service due to supports provided not matching the funding.

Recommendation: The NDIA needs to develop an efficient emergency response process and consider a dedicated team to provide a timely response in these circumstances.

1.10 No NDIA Guidance on Change of Circumstances under SIL

Priority Level of Resolution: Medium

The Issue: No NDIA guidance or document on what constitutes a change in circumstances under SIL.

The Impact: Each time there is a need to make a long term change to the roster the provider/participant are notifying the NDIA and it's resulting in a change of circumstances process. This is even occurring when the level of service will be reduced.

Scenario: Following capacity building, participants in a SIL setting can have their active overnight changed to a passive. Even though this would reduce the fee charged, following advice from the NDIA, a change of circumstance process had to be followed. This resulted in providing active overnights at additional expense to the participants and the Scheme up until the point the change of circumstances is fully processed. Since the fee was to be reduced this could have been actioned by a variation to the Service Agreement agreed between the provider and participant without requiring a change of circumstances. The next plan could then be updated to reflect the changed need.

2. Other NDIS Issues

3.1 Plan Managers/Self-Managed Participant Unpaid Invoices

Priority Level of Resolution: High

The Issue: Plan managers/Self-managed participants either do not pay invoices or pay them late. Sometimes more recent invoices will be paid while older ones remain unpaid for the same participant.

The plan manager's role is unclear, they will not engage in conversation to resolve the unpaid debt often citing participant confidentiality reasons. When the participant is contacted they refer the provider back to the plan manager. If the provider does not have access to the portal details, it does not know if the unpaid invoices are a participant issue or a temporary NDIA issue such as a "plan gap".

Impact: Considerable resource is spent chasing plan managers and participants directly for unpaid debts. Cara could possibly lose a significant participant after ceasing services to find out at a later date it was a "plan gap" issue.

Even where service agreements are in place the probability of getting paid in a timely manner is very low. We have taken legal action against a participant resulting in a payment plan that effectively spreads the debt over a timeframe so long it was not worth taking legal action and the debt should have been written off. Providers face significant cash flow difficulties from late and non-payment of claims.

Bad debts will prevent providers from providing lower cost services due to write offs and increased associated costs such as debt collection and legal fees having to be factored in to the price.

Recommendation: Plan Managers should be required to keep customer funds separate from operating funds. This should be audited. There should be some quality checks prior to a plan manager having permission to operate. Participants who choose to self-manage should have a basic assessment on their ability to manage the funds and this should also be monitored over time to enable changes to arrangements where necessary.