CLO/DSO/Plan Management Providers – summary points

(*Taken from submissions to the PC inquiry into Disability Care and Support by the Young People in Nursing Homes Alliance and the Neurological Alliance Australia*)

NB Naming of front line agencies
The naming of these front line agencies continues to change. In the Alliance's 2010 submission to the Productivity Commission's Inquiry into Disability Care and Support, they were named Lifetime Support Agencies. In its final Inquiry Report, the PC called used the term Disability Support Organisations to refer to these agencies as financial intermediaries. The NDIS legislation refers to plan management providers (PMP) that undertake this task. In order to clarify a specific role and purpose, the Alliance now refers to these front line agencies as Community Living Organisations (CLO) that have a mandate to work with scheme participants and others to access formal and informal supports and engage proactively with their local communities. This paper will use this latter term to refer to these front line agencies and their purpose.

Community Living Organisations Key points
PC says that LACs should not be located within providers (so CLO organisations should be located separately from the provider sector)

The major Imperative in designing the scheme is to define and locate organisations that are not service providers, but are mandated to foster and support "citizenship/community" endeavours and provide a range of advice, information and complementary supports to scheme participants, including service brokerage and provider management.

The organisation providing the advice, support and intermediary function, including ongoing 'case management' outside the scheme needs to be trusted and respected by all – so NFP specialist agencies have a role including member driven organisations that know the needs of their members; and have the respect of their membership.

The community engagement achieved by scheme participants is a key objective of the NDIS, however the delivery of disability service packages is only one ingredient in achieving genuine and sustainable engagement in the community.
There is clear risk in leaving community engagement as part of a paid service relationship scheme participants have with a provider of funded support services – it may be passed over or diminished by other service delivery imperatives.

The ability of the NDIS to interface and dovetail with mainstream programs such as health, education, justice, housing and aged care is critical. To the scheme's viability and success; and the long term well being of scheme participants.

Risks and scheme design
Structurally CLO's create an alignment between the scheme and the community that is

an important in supporting the long term sustainability of the scheme. The shared social objectives of the CLO sector will be fundamentally different to the commercial relationship between disability providers and the NDIS. The markets created by the NDIS cannot, on their own, deliver the social outcomes desired in the objects of the NDIS Bill.

These CLOs need to be contractually tied to the scheme, sharing scheme objectives and sharing the responsibility for managing overall scheme risk management operation. This is best achieved by not-for profit organisations taking on the key care management and coordination role and working in close collaboration with the individual and their family to achieve this.

Commodification of scheme participants is a very real risk if providers are allowed to continue managing community interaction and participation and use paid service relationships to do so. The mission driven nature of NFPs and community focus of CLOs would provide a useful safeguard in the proposed NDIS marketplace against commodification of individuals by providers.

While CLOs could provide the community interface required by the NDIS – an interface highly valued by people with disabilities - their role requires definition. Existing Australian and New Zealand LTC schemes have only indirect influence over this interface, but have recognised that community participation is a key variable in client outcomes and liability control. This role has received little attention in the scheme's design thus far and needs to be considerably strengthened.

Providers must be legally separate entities to CLOs. Leaving them with the ability to deliver both roles delivers clear conflicts of interest. Fund raising should not be part of the mandate of service providers, as the scheme is designed to deliver the paid supports participants require. Large for-profit providers already operating in a market environment and looking to move into the NDIS 'market' will insist that providers have a level playing field with current not for profit providers.

Scope of Community Living Organisations

Central to the success of the NDIS is that people with disability remain connected with their family and friendship networks and not become defined by their disability and characterised by being a funded service user or valued by the community by virtue of the size of a funding package.

While the CLOs role has been expressed largely as a financial intermediary in the PC report, there are strong and compelling reasons to expand and strengthen the role of the CLO to enable them to influence companion service programs and take a lead role with community engagement as well as undertaking a level of provider management with the specialist disability provider market.

A CLO that has responsibility for the following functions will be able to promote the achievement of citizenship outcomes with the assistance of support services rather than services becoming an end in themselves:

- Community connections and engagement
- Ensuring coordination and cohesion of NDIS package with other service and program areas including health, housing, education transport, aged care
- Mediating long term support delivery via a role with provider management

This structure can also work to create greater rigour around community services as well as improve service expectation and delivery from other program areas; and proactively manage the risk that the NDIS will wear through the cost of failure by other service areas.

Even with one funder for disability services, the service system for people with a disability will still be relatively complex, with people needing to access a range of health and community services, information and family support. Detailed work will need to be done at the individual level to design and coordinate services across program areas, as well as systemic work to define and negotiate the service pathways.

While the NDIS will have an important role in to link people with mainstream services, it will not have the capacity for the appropriate follow up of referrals and the massaging of service offerings to enhance the value of the NDIS package. The NDIS must assume a reform imperative and where services and supports are not presently delivered, work with the relevant program areas to develop and deliver these offerings.

As the care coordination/lifetime support management sits with the CLO, the NDIA's key function becomes claims management. We would not envisage the CLO being a fund holder (perhaps other than some restricted brokerage for immediate non-recurrent assistance similar to the Job Capacity Account system), but would package up plans for approval by the claims manager.

Working together, the two functions could jointly manage the tensions around client need and scheme viability, while having a role in assisting in supporting essential informal care arrangements (peer and carer support, volunteers, community networks). The YPINH Alliance believes these informal connections are priceless for this group and should not be lightly given up or usurped by paid services.

In an enhanced role for the CLOs, individual roles should include:

- Case planning, coordination and lifetime care management
- Jointly managing assessments with the 'claims' manager in the NDIA
- Carer support and advising on community networks
- Provider management vis-à-vis care plans

• Secondary consultancy for providers

• Information and advocacy

• Financial intermediary services

• Service procurement

Wider community roles should include:

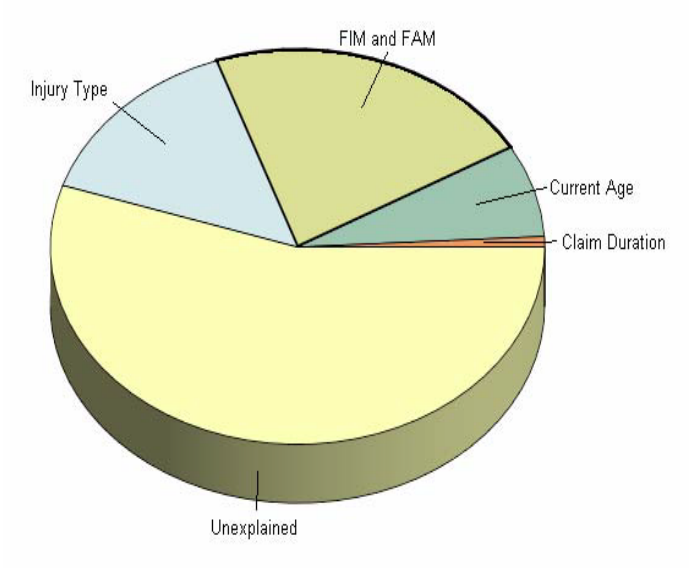
- Training and awareness
- Tertiary consultancy
- Information
- Service development and innovation in service design
- Collaboration with other program areas to deliver integrated supports and services many scheme participants will need
- Community Development
- Peer support
- Provider management
- Research and evaluation

CLOs long term coordination and integration role will be critical to safeguarding a system that is structured primarily as a market. A key design step in developing the NDIS market is to define the character and requirements of the CLO and to facilitate the separation of organisations that fit these, from service providing organisations. This could be done on an opt-in basis, with the key organizational requirements being established by the NDIS Transition Agency. This new class of organisations needs to be established within the launch sites so they can be evaluated and refined for full scheme rollout.

Cost drivers in Long term Care

Significant work has been done in examining cost data in compensation schemes in Australia and NZ that has informed those schemes as well as providing some useful data for the work on and NDIS. Given the scale of the NDIS and it's community wide scope, it is imperative that these cost drivers are clearly understood in the context of disability services, community involvement and consumer and family involvement.

Prevatt and Gifford developed predictive models for identifying cost drivers in long term care, and the key factors that drive cost are a) injury type, b) rehabilitation outcomes and functional skills of clients. Despite clinical and historical claims cost data, more than half the costs are unexplained through scheme data.



They suggest that anecdotal evidence from scheme managers is that factors such as family circumstances and the levels of claimant community participation are important drivers of claim costs. Current design of these schemes provides few, if any levers to influence the interfaces with the wider community, despite the cost and quality of life risks associated with the failure of community engagement and informal supports over the life course.

What is defined here as an 'insurance risk' can also be characterised as a community engagement issue that is something that is a key objective of the NDIS, and is also articulated in the National Disability Strategy.

As an insurance scheme, the NDIS faces similar risks, but has the capacity to engage more fully with the community via the (non service provider) not-for-profit sector. For this to be strategically useful, the NDIS needs a fully developed partnership strategy to jointly address these issues over the long term that invokes the National Disability Strategy.

The provision of disability services alone has not delivered routine community engagement for people with disability, and a different approach is required through investigating new and different relationships and intersections with the community and not putting all the scheme eggs in the disability services basket.

Specialisation of DLOs

The provision of effective lifetime care management for some groups of participants (such as people with progressive neurological diseases) requires a degree organizational specialisation and a mandate to effect change across the community and with service providers.

This is required to reconcile the complex and dynamic nature of these conditions, but is an issue for other groups with proposed eligibility for the NDIS and NIIS. It is essential

that these specialist skills reside in a sector that is accessible from above (the scheme), below (providers) and across (the community). The placement of people with PND in the early intervention group means that a lifetime support approach needs to be applied that is fundamentally distinct from the traditional claims management/ package management approach; and is one that can bring in additional expertise with different levels of intensity at different times to assist individuals; and to maximise service delivery efficiency.

Particular skills required by specialist CLOs include:

- Knowledge of lifecycle disease/disability (clinical and social)
- The ability to assess client needs and create, implement and evaluate practical service plans
- Ability to assist individuals to integrate professional advice into their lives
- Ability to advocate effectively
- Skills in consumer and family participation
- Being conversant with the operation of the wider service system and companion programs
- Service development, community development and development of cross sector networks
- Definition and development of integrated care pathways

Funding of Community Living Organisations

With the dual roles of individual lifetime care and support management as well as community/policy development, State/Territory Governments and the NDIS could jointly fund the CLOs. CLO funding would need to be a mix of block funding and fee for service funding, to reflect the different roles that these organisations will need to perform.

CLOs are essential to the operation of all proposed tiers in the NDIS, as they will be in a position to work with the NDIS and governments on disability awareness, create and manage the cross sector pathways needed for tier 2, and to negotiate sometimes complex arrangements for people in tier 3. The movement of individuals across all 3 tiers will be a feature of a well functioning NDIS.

Governments and the NDIS/NIIS should have an interest in strong and influential CLOs to achieve good citizenship outcomes for people with a disability and to get policy advice in the companion portfolios to the NDIS/NIIS. The tier 1 and 2 roles of CLOs could be block funded by DSS or State /Territory governments, and the CLOs would be supported as a new class of organisation (a-la Medicare Locals or the Independent Living Centres in North America). Fee for service arrangements could apply for their work with individual packages (planning, assessment, financial intermediary role or broker services).

Individual choice

The expanded CLO role would enable individuals to opt in to the level and types of supports they require (and indeed to choose their preferred CLO), from seeking simple information, through to full blown financial intermediary services or comprehensive lifetime support management. Many of the services provided through the CLO should not be 'for sale' to individuals but be voluntary (e.g. peer support). The CLO would also be available to people not eligible for the scheme (tier 2) for information, referral and other services such as peer support.

Advocacy

The practice of advocacy would substantially alter under the proposed arrangements. In a fully funded environment the imperatives of the independent advocacy we have in Australia would be less about service access and more about system compliance, provider behaviour, policy gaps and systemic change. It would be important to retain an independent advocacy sector for human rights compliance across the community.

The CLOs would assist individuals to negotiate with providers, broker agreements and plans with the NDIA, assist in reviews of decisions and advocate for service access outside the NDIA provider market. CLOs also have a potential role in ensuring assessment briefs are appropriate and well targeted.

Other considerations

The scope of activities for CLOs could include:

- How people can re-engage with their lives, communities, families, workplace (if relevant and desired)
- Broker and manage service provision and providers
- Inform client, family and provider expectation
- Liaise with and coordinate other service areas input and contribution including employment, education, health, aged care as needed
- Maintain a 'watching brief' over programs or disease transitions or risk triggers
- Provide an alternative to the LAC role by way of specialist staff that could activate a proactive, risk management model of case coordination.
- Provide a more fluid and dynamic way of managing long term support on an opt-in than having a bureaucratically derived plan that is cumbersome to vary.

Many of the proposed functions of the NDIS could well be decentralised to CLOs to bring plan design, management and implementation closer to the person and their community. The CLO would also be in a better position than the NDIS to work with the dynamic of formal/informal supports needed to deliver quality of life and outcome. This is most likely to reduce the levels of disputation evident in comparable schemes where case management and funding decisions sit in the funding body.

A key principle for CLOs is that although the NDIS is not responsible for funding supports that are the role of mainstream community programs, there is significant

value in reaching out into places where NDIS participants go in the community to strengthen their connections. The NDIS may not be liable for these other supports that participants may need (i.e. health, education, aged care) but there is value in paying for coordination and capacity building to ensure that the objectives of NDIS plans are able to be met and are not undermined by the poor interfaces we have now. In purely insurance terms this can be seen as a defensive strategy as well as a way of better meeting participant needs.

CLOs must therefore:

- Be Not-For-Profit, block funded by government and contracted to the NDIA to perform all the listed functions
- Continue to offer their current mission driven offerings
- Form an effective coterie around the scheme, and be stakeholders in the achievement of scheme viability and meeting client need.
- Create a values based buffer in the marketplace between the commercial imperatives of providers and the operation of the scheme for individuals and the community

The UK Government's recently launched Vision for adult social care: **Capable Communities and Active Citizens**, sets out how the that Government wants to see services delivered for people; delivers a new direction for adult social care; and puts personalised services and outcomes 'centre stage'.

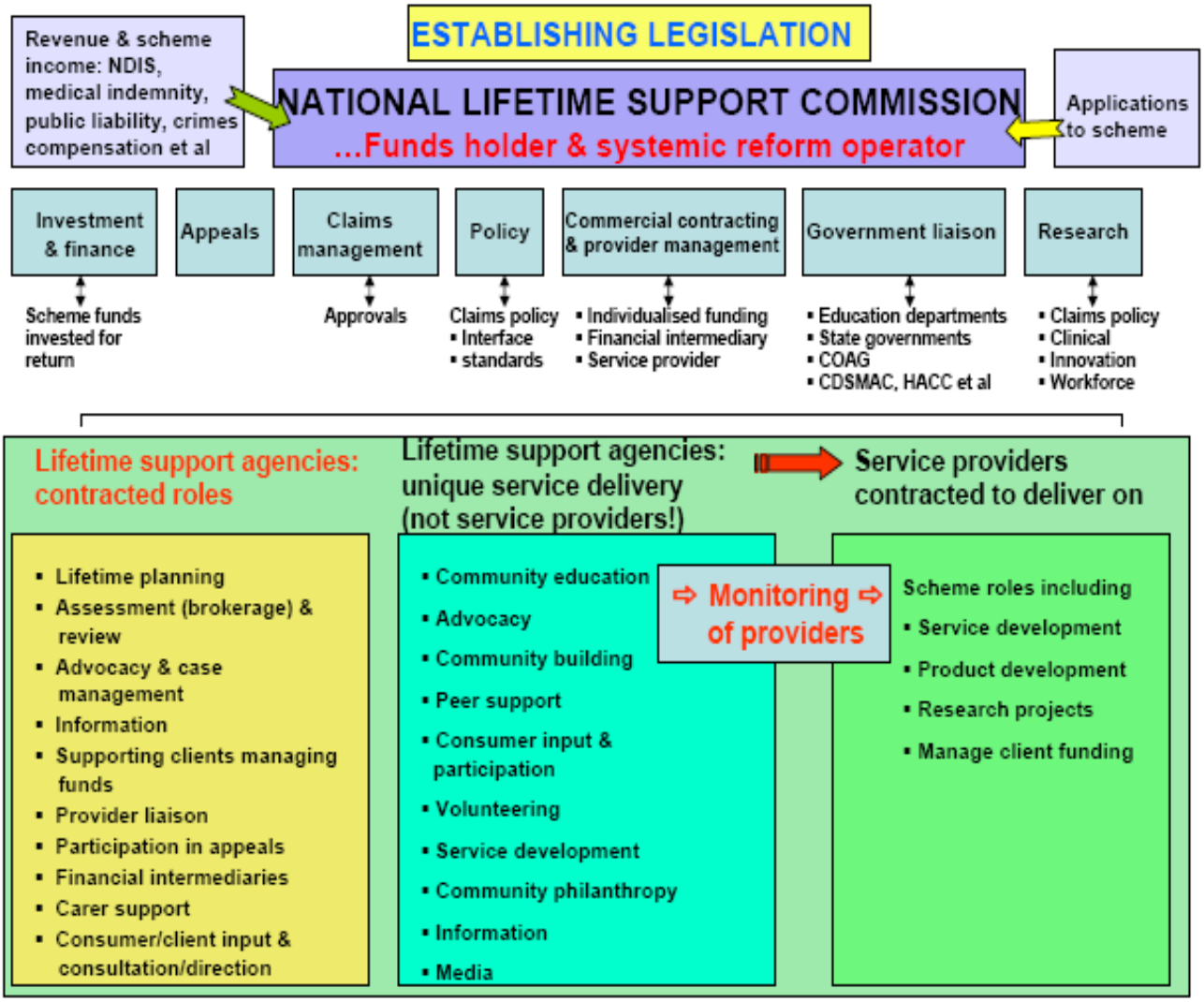
The UK Government's vision for a modern system of social care is built on principles that the NIIS and NDIS could easily adopt via empowering CLOs to support individuals across the scheme and beyond. These are:

Personalisation: individuals not institutions take control of their care. Personal budgets, preferably as direct payments, are provided to all eligible people. Information about care and support is available for all local people, regardless of whether or not they fund their own care.

Partnership: care and support delivered in a partnership between individuals, communities, the voluntary and private sectors, the NHS and councils including wider support services, such as housing.

Plurality: the variety of people's needs is matched by diverse service provision, with a broad market of high quality service providers.

Protection: there are sensible safeguards against the risk of abuse or neglect.
Risk is no longer an excuse to limit people's freedom



This diagram represents the YPINH National Alliance's conception of the scheme that was included in the Alliance's submission to the Productivity Commission's 2010 *Inquiry into Disability Care and Support.*