

# NATIONAL DISABILITY INSURANCE SCHEME COSTS

Submission to the Productivity Commission's response

Date 12-07-2017



## Executive Summary

One Door appreciates the opportunity to respond to the recommendations and requests for information following the extensive consultation by the Productivity Commission (PC) on the costs and sustainability of the NDIS.

One Door supports the NDIS and the freedom it affords people with a psychosocial disability to exercise choice and control. However, as identified in the PC paper, the speed of transition has come at the cost of poor outcomes for providers, participants and governments. As such, One Door is pleased to see the dialogue turning to the possibility of a reduction in the speed of roll-out of the NDIS.

The NDIS has great potential to deliver improved outcomes given adequate time to implement necessary changes and respond to emerging gaps. For those who are not eligible, a reduction in the speed of roll-out affords them the time to access alternative supports and for governments to ensure that those supports exist.

One Door would welcome the opportunity to provide further input towards improvements to the implementation of the NDIS.

Sincerely,



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## About One Door Mental Health

One Door is a specialist mental health recovery organisation, with a 32 year history, committed to improving access to services and the circumstances of people living with severe and complex mental illness.

One Door delivers trauma-informed recovery-oriented psychosocial support programs for carers and consumers. We provide psychosocial community mental health programs, specialist mental health Disability Employment Services (DES), care coordination, housing, clinical and peer supported services. Each year, 10 000 people, across 33 sites in NSW and ACT, access our services.

Many of the programs that are fundamental to our ability support people in their recovery are among those whose funding is currently transitioning into the NDIS. This includes crucial services provided through the Personal Helpers and Mentors program (PHaMs), Partners in Recovery (PIR), Day to Day Living (D2DL) and Mental Health Respite Carer Services (MHR:CS).

One Door delivers services and coordinates community psychosocial care for people across silos of sectors, funding and policy through building relationships and trust with other providers, funding bodies and most importantly, individuals and the communities they live in.

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### Who are we?

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**31**

31 years of serving people with a mental illness and their carers

**320**

320 staff members



92% job satisfaction

**400**

More than 400 active volunteer workers



74% of staff have lived experience as a consumer or carer



More than 10,000 people accessed our services in the last 12 months



More than 6,000 outreach calls made

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## SCHEME ELIGIBILITY

Scheme eligibility is a vital element contributing to the success or failure of the NDIS.

One Door Mental Health holds strong concerns for the approach recommended by the PC regarding the recommendation to maintain current eligibility criteria<sup>1</sup>, particularly given the acknowledgment there are widespread concerns regarding the eligibility criteria.

The fact that 81% of participants with a psychosocial disability who lodge an application were eligible for the scheme provides a false sense of the level of access to the scheme for those living with a psychosocial disability. One Door stresses the importance of a reconsideration of the use this data (Box 1) and the recommendation given.

One Door is particularly concerned that such a recommendation may lead to no further clarification of criteria of the likely hood of permanence of the disability. While a full change of eligibility criteria may not be desired, there is a need for clarification on this and other points.

Many of our clients in PIR (up to 32%) and PHaMs are being rejected. For many, the decision to reject an application has been made on the basis that their condition is not considered likely to be permanent, with no explanation about who has made this determination or on what basis. One Door is deeply concerned with the transparency of decisions and the process of NDIS assessments.

Judgement of permanence is concerning particularly given that even scientific research evidence is unable to necessarily predict long-term outcomes for people living with a severe mental illness. One Door seeks clarification on:

- Is permanence decided based on the supporting medical evidence with the absence of presence of a clinical opinion of permanence?

If so, further consideration of the Access Request Form (ARF) format and awareness raising strategies need to be employed. The current ARF contains guidance for medical practitioners as to what the NDIA is interested in receiving information on, yet there is no section dedicated to a practitioner making a judgement on the permanence of the disability.

- Is it the NDIA planner making the judgement?

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<sup>1</sup> Pg 23-24

If so, this is of great concern particularly given the recognition by both the PC and others that the decisions made by, and expertise of, NDIA planners appears inconsistent and inadequate (pg 17, recommendation 4.2, pg 144, pg 147 etc.).

Furthermore, there appears to be no opportunity for applicants to provide additional supporting material, nor is contact made with clinicians providing evidence even if formally offered. Rather if the NDIA finds them ineligible this requires a full Internal Review of Decision process.

**BOX 1: Who is in and who is out**

81% is a misrepresentation of the reality of scheme entry for those with a psychosocial disability, neglecting to take into account those who decline to apply and those who are unable/unwilling to use their packages.

In our experience, more than 28% of people in the Partners in Recovery (PIR) program decline to apply for the scheme. Figures obtained from other providers range between 17-37% of PIR clients who decline to apply.

Recalculation of the 81% figure of eligibility to include a conservative estimate of 27% declining to apply, leaves 46% of PIR clients with no service once transition is complete.

## SCHEME SUPPORTS

*Information Request 4.1: Is the National Disability Insurance Scheme Act 2013 (Cwlth) sufficiently clear about how or whether the 'reasonable and necessary' criterion should be applied? Is there sufficient clarity around how the section 34(1) criteria relate to the consideration of what is reasonable and necessary?*

*Is better legislative direction about what is reasonable and necessary required? If so, what improvements should be made? What would be the implications of these changes for the financial sustainability of the scheme?*

There is considerable misunderstanding amongst the industry of what constitutes reasonable and necessary supports. This is largely due to inconsistencies in interpretation of that Act and therefore the contents of participant's plans. Therefore there is likely to be the need for further direction for interpretation of the Act.

One example of where a lack of clarity in the *National Disability Insurance Act 2013* (s34 (1f)) has created a service gap is the provision of services for forensic consumers. Further principles of "reasonable and necessary supports" are guided by National Disability Insurance Scheme (Supports for Participants) Rules 2013, which articulates that the NDIS will be responsible

*"for supports that are not clinical in nature and that focus on a person's functional ability, including supports that enable a person with a mental illness or psychiatric condition to undertake activities of daily living and participate in the community and social and economic life."* (Schedule 1, cl 7.6).

In respect to forensic consumers, uncertainty in interpretation of the law has resulted in a vacuum of funding for integration back into the community. In Australia, people who have been found unfit to be tried for an offence, or people who have gone through a criminal trial or special hearing and are "not guilty on the grounds of mental illness" are known as forensic consumers.

Forensic consumers are kept in a prison or a hospital for recovery and rehabilitation with the goal of integration back into the community. The process of integration back into the community begins with day leave (funded by NSW health) and gradually overnight leave (previously funded by the NDIS for eligible participants).

When the Treating Team is satisfied with the progress made during overnight leave, they will submit an NOI for conditional discharge.

The NDIA is no longer funding overnight leave for forensic consumers without a conditional release date. However, no forensic consumer will be granted conditional release without having completed overnight leave. Without NDIS funding for overnight leave, forensic consumers will not be able to be integrated back into the community.

It is One Door's belief that these supports meet the criteria in section 34 of the Act and therefore should be included in an NDIS package. Such supports represent fundamental community supports for an individual, delivered in a community setting rather than an in-patient setting. Such an issue needs immediate clarification.

There are further examples where the current articulation of the Act encourages difficulties in identifying appropriate funded supports, for example those provided by family, carer and what is considered amongst "informal" supports.

*Information Request 4.2: Should the National Disability Insurance Agency have the ability to delegate plan approval functions to Local Area Coordinators? What are the costs, benefits and risks of doing so? How can these be managed?*

Currently, One Door strongly objects to delegation of plan approvals to LACs resulting in a lack of confidence that the capacity of LACs is an improvement on that demonstrated by NDIA planners.

There is potential for delegation of plan approval functions to specialised third parties, provided that issues surrounding oversight of expertise and capacity are addressed. However, the NDIS is already experienced as extremely complex and there is the risk that an additional layer of complexity will only achieve the necessary approval targets at the cost of people accessing adequate support through the NDIS. One Door considers it the responsibility of the Government and the NDIA to make this process as simple as possible for people, rather than the onus to understand how funding streams and approval processes are arrived at being placed on people accessing the scheme.

Such a delegation should occur only to specialised third parties able to demonstrate a high level of disability knowledge and no conflict of interest through the provision of COS or other supports. As such, One Door does not support LACs for plan delegation in their current capacity, and suggests that this suggestion be approached with extreme caution.

The benefits of dispersed delegation in significantly speeding up the process of approvals should not be a priority over improving plan quality. To manage this risk, proper oversight structures should be put in place by the NDIA.

*Draft Recommendation 4.1: implement a process for allowing minor amendments or adjustments to plans without triggering a full plan review*

A process allowing minor amendments to a plan that does not require full review will assist in improving the quality of plans. This is particularly important for psychosocial disability where the level of functional impairment can fluctuate significantly over time.

In our experience, many clients receive an initial package based on their “best days” and, therefore, the plan is inadequate when their needs are higher. The ability to make rapid and minor adjustments is a welcomed recommendation.

*Draft Recommendation 4.1: review protocols relating to how phone planning is used*

*Draft Recommendation 4.1: provide clear, comprehensive and up-to-date information about how the planning process operates, what to expect during the planning process, and participants’ rights and options*

Of critical importance when engaging consumers and carers is that engagement must occur on the participant’s terms in a manner appropriate to their individual circumstances. There should be no underlying assumption of readiness for any phase of access to the NDIS. Cold-calling potential participants asking if they need support, with no insight into the support the person needs, is both distressing and ineffective.

Increasing public awareness of their rights to request different means of contact and the option to have a carer or advocate present during such meetings is unlikely to remedy the issues at the foundation of why phone planning does not work in many cases where the individual is living with a psychosocial disability.

Education and training for NDIA Planners as well as formal processes to flag those who may have reduced decision-making capacity should be implemented. This is one area where leveraging industry expertise and established relationships with potential participants has been greatly underutilised. For example, for potential participants who are part of a PIR program, the NDIA should seek to discuss the situation with PIR workers who know and understand the individual.

The PC also recommends that measures to report on plan quality should be implemented, which we believe should be a priority. Reporting, or auditing, plan quality should include measures beyond consumer satisfaction alone.



Assessment tools should also be made publically available information as soon as possible. This will help people access the scheme and greatly reduce the number of rejected applications that require appeal.

*Draft Recommendation 4.2: The National Disability Insurance Agency should ensure that planners have a general understanding about different types of disability. For types of disability that require specialist knowledge (such as psychosocial disability), there should be specialised planning teams and/or more use of industry knowledge and expertise.*

One Door strongly supports this recommendation and considers that the lack of understanding of psychosocial disability has greatly contributed to a number of significant issues with the NDIS implementation. For areas requiring specialist knowledge, such as psychosocial disability, all planning conversations and assessments should be conducted by specialist planning teams and there should be strict oversight of this to ensure that this is occurring in practice. Consultation with the industry should be conducted in order to understand what level of specialist knowledge is required.

It is crucial that there is oversight and transparency in this process and that providers and participants are able to easily access information regarding who specialised planners are.

## **BOUNDARIES AND INTERFACES**

*Draft Recommendation 5.1: Funding for Information, Linkages and Capacity Building (ILC) should be increased to the full scheme amount (of \$131 million) for each year during the transition and should be reviewed as part of the next COAG agreed five-yearly review of scheme costs. The ILC budget should be maintained at a minimum of \$131 million per annum until results from this review are available.*

The importance of the Information, Linkages and Capacity Building (ILC) as a complementary policy to frontline service provision under the NDIS also cannot be underestimated.

Issues in the area boundaries and interfaces will have a great impact on the success of the NDIS. In particular, One Door welcomes the recommendation to increase of funding for ILC to the full amount for each year during the transition to NDIS, although the adequacy of the full amount to achieve ILC aims is questionable. ILC funding will provide valuable services around the central purpose of the NDIS to provide support to people living with a disability. Regular review of the ILC program as part of the COAG agreed five-yearly review of scheme costs will be necessary.

*Draft Recommendation 5.2: The Australian, State and Territory Governments should make public their approach to providing continuity of support and the services they intend to provide to people (including the value of supports and number of people covered), beyond supports provided through the National Disability Insurance Scheme. These arrangements for services should be reflected in the upcoming bilateral agreements for the full scheme.*

Along with a reduction in the speed of the roll-out of the NDIS, One Door considers this recommendation to be a priority.

This recommendation will help to address the uncertainty for both those who are risk of being without service following full roll-out and also provide additional stability for service providers.

## PROVIDER READINESS

*Draft Recommendation 6.1: The Australian Government should:*

*... immediately introduce an independent price monitor to review the transitional and efficient maximum prices for scheme supports set by the National Disability Insurance Agency (NDIA)*

*assess and recommend when to deregulate prices for supports, with particular regard to the type of support and region, on the basis that prices should only be regulated as narrowly, and for as short a time, as possible...*

One Door strongly supports the introduction of an independent price monitor to review levels of scheme supports. Currently, providers find themselves in a situation of “do or die” to provide supports with little to no margins in order to retain market share.

One Door further recommends that this price monitor be able to vary price recommendations in response to market gaps. In particular, higher prices may be made for so-called “thin markets” in rural and regional areas, for people needing highly complex, specialised or intensive support, for Aboriginal and Torres Strait Islanders and for people from culturally and linguistically diverse backgrounds.

One Door cautiously supports that the regulation of prices should occur for as short as time as possible. While there are inherent risks which could result in market exit of smaller providers, particularly not-for-profit (NFP) providers, and the potential creation of an even more adversarial environment, there are also clear benefits.

The current approach of price setting does not allow for organisations to differentiate themselves from other providers based on quality of service. One of the key contributions NFP have above for-profit providers in this system is a values base centred on outcomes for individuals and tailored services.

When considering price deregulation in the mental health sector, it is necessary to acknowledge that participation in the NDIS alone does not translate into value, outcomes, trust or reciprocity. Price deregulation has the potential for providers to tailor individual supports based on need and outcomes rather than being constrained by fee-for-service output driven service delivery. Such deregulation will be necessary for the effectiveness of a the PC recommendation for the establishment of an eMarketPlace (recommendation 8.1)

*Information Request 6.1: Under what conditions should block funding or direct commissioning of disability supports (including under ‘provider of last resort’*

*arrangements) occur in thin markets, and how should these conditions be measured? Are there any other measures to address thin markets?*

*Information Request 6.2: What changes would be necessary to encourage a greater supply of disability supports over the transition period? Are there any approaches from other consumer directed care sectors — such as aged care — that could be adopted to make supplying services more attractive?*

Block funding, thin market loading and volume-based loading should be considered to address the issue of thin markets.

There are many established organisations in the disability, health and mental health sector with deep institutional skills and knowledge about the needs of people with permanent and severe disability. One Door recommends that established community organisations like these be supported in areas where the market system of resource allocation is ineffective. In order to achieve optimal outcomes, it may be suitable, in some situations, for block funding for such organisations to be continued.

Whilst variable price recommendations and use of established organisations are important responses to the issue of thin markets, they are not without risk. In particular, leveraging of established organisations through block funding may put the overall market-directed nature of the NDIS at risk; costs of service delivery may not be set efficiently. In order to manage this risk, the NDIA should in its regular reviews seek information about whether such organisations are effectively and efficiently meeting needs in thin markets.

One Door further recommends that an independent price monitor be able to vary price recommendations in response to market gaps. In particular, higher price recommendations, at a level that incentivises service provision, should be made for “thin markets”. These should be extended beyond remote loading already offered to include rural and regional areas, for people needing highly complex, specialised or intensive support, for Aboriginal and Torres Strait Islanders and for people from culturally and linguistically diverse backgrounds.

As outlined in draft recommendation 7.3, relaxation of the NDIA guidelines on paying informal carers for core supports could also increase the level of supply of disability supports over the transition period (and beyond).

## **WORKFORCE READINESS**

*Information Request 7.2: How has the introduction of the National Disability Insurance Scheme affected the supply and demand for respite services? Are there policy changes that should be made to allow for more effective provision of respite services, and how would these affect the net costs of the scheme and net costs to the community?*

The issue of carer respite is an important one. Carers provide vital services to the people they care for and the community more broadly. Without carers, many people with mental illness or disability may fall through the cracks, with resulting social isolation, symptom recurrence, possible re-hospitalisation and even increased risk of suicide.

Currently, the Federal Government has indicated that funding for carer respite services (such as the Mental Health Respite: Carer Support) will transition to the NDIS. For those people caring for someone who is not eligible, their access to respite services will be greatly diminished.

In our experience, those caring for a participant have little better respite outcomes than those unable to access the NDIS. This is due to both a lack of understanding of the value of respite by Planners and consideration of carer needs by participants, Planners and LACs. As such, One Door strongly recommends that respite services be quarantined from transition to NDIS.

## **PARTICIPANT READINESS**

*Information Request 8.1: Is support coordination being appropriately targeted to meet the aims for which it was designed?*

One Door believes that coordination of support (COS) is not being appropriately targeted to meet the aims for which it was designed. In our experience, a high proportion of participants living with a psychosocial disability do not have plans with COS included, making it extremely difficult for them to utilise their plans.

Currently, our clients are experiencing a “chocolate wheel” approach to COS, where the logic of supports approved appear similar to a game of chance:

- In our experience, participants are being encouraged to self-manage plans when they are incapable of doing so.
- COS has not been included in a number of participants packages who need help to coordinate support. Where no COS is included, LACs are funded for 10hrs per year to coordinate support, however this is rarely expended.
- Participants are not being given choice of provider of COS.
- Guidance from the NDIA on what COS should look like has been inadequate.
- The intention that COS is a capacity building support, raises concerns that COS will only be funded for the first year of an NDIS plan, or reduced in subsequent funded years. If so, engagement and empowerment of participants and carers will need to be significantly improved.

*Information Request 8.2: Is there scope for Disability Support Organisations and private intermediaries to play a greater role in supporting participants? If so, how? How would their role compare to Local Area Coordinators and other support coordinators?*

*Are there any barriers to entry for intermediaries? Should intermediaries be able to provide supports when they also manage a participant's plan? Are there sufficient safeguards for the operation of intermediaries to protect participants?*

A strategy to create solutions to gaps that have emerged during the implementation of the NDIS should be a priority. However, in the current environment the proposal in 8.2 should be approached with caution.

There is scope for Disability Support Organisations and private intermediaries to play a greater role in supporting participants. There are particular indications for which the

role of intermediaries should be less restricted, such as where a thin market exists and options for plan management and service provision are limited.

Beyond this, while there are clear advantages for allowing this, such as the benefit of expertise in the nature of disability and service needs of participants, it is difficult to envisage how the NDIA would practically manage conflicts of interest were service providers able to act as fund managers for a participant's plan.

A planning partnership approach is more desirable, whereby intermediaries can advise and provide support for management of a participant's plan, while maintaining an aspect of independent plan support.

## GOVERNANCE

*Information Request 9.1: The Commission is seeking feedback on the most effective way to operationalise slowing down the rollout of the National Disability Insurance Scheme in the event it is required. Possible options include:*

- *prioritising potential participants with more urgent and complex needs*
- *delaying the transition in some areas*
- *an across the board slowdown in the rate that participants are added to the scheme. The Commission is also seeking feedback on the implications of slowing down the rollout.*

One Door strongly supports reduction in the speed of the roll-out of the NDIS. Rather than prioritising by urgent and complex need, it is worthwhile considering consultation with the industry to identify those areas where the roll-out and implementation is causing disruption as a priority for a reduction in speed of transition.

The implications of this are positive. From a planning perspective, NDIA planners and LACs struggling with capacity of LACs have time to catch up, the NDIA has time to implement positive changes to emerging issues, governments have the opportunity to ensure that alternative supports are in place for those who do not qualify and service providers are given extra time to implement changes and encourage clients to apply. From a participant point of view, a slow-down will result in better quality plans and services. For those who do not qualify for a plan, there will be an extension of time in which they can access alternative supports to replace those that will no longer exist following transition.

In the event of a slow-down, current programs such as Partners in Recovery and Day-to-Day Living should also be extended to cover the transition period. In light of the reported effectiveness of such programs, an extension of the programs may even be merited in the case of a decision not to slow down transition.



# THANK-YOU

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