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Submission for the NDIA Annual Price Guide Review for 2019-2020

Patron: His Excellency General the Honourable Sir Peter Cosgrove AK MC (Retd)
President: Mick Reid

We would like to thank the National Disability Insurance Agency (NDIA) for the opportunity to provide input into the National Disability Insurance Scheme (NDIS) Annual Price Review for 2019-2020. MIFA is a federation of not-for-profit mental health organisations who each year deliver specialist services to over 20,000 people with mental illness and their friends and families. We work closely with people to assist their journeys to recover mental health, physical health, social connectedness and equal opportunities in all aspects of life. Our members build community, value peer support and lived experience, and support recovery. With over 55% of our workforce having a lived experience as a consumer or carer, we know from experience that a better quality of life is possible for everyone affected by mental illness.

MIFA acknowledges that the sector wants to work with the NDIA to better understand how a recovery approach can contribute to greater impact and cost efficiencies for people with psychosocial disability who are eligible for the NDIS. More grounded research of the impact of psychosocial support for this target group will inform the co-design of service types and cost drivers that can be applied to the NDIS. This will assist the sector and the NDIA to develop price structures for psychosocial disability that achieve the objectives of the NDIS.

A central issue for including psychosocial disability in the NDIS has been that psychosocial disability support does not fit easily into the current pricing structures of the NDIS. The sector has developed responsive recovery-oriented models of support over many years and has developed a workforce that is appropriately qualified and skilled to deliver this support. However, there is a mismatch between the supports people with psychosocial disability need and the types of supports provided in NDIS packages, and between the pricing of the supports and the true cost of service delivery.

A recovery approach is aligned to the objectives of the NDIS. Supporting a person with psychosocial disability to build their resilience, strengthen their natural supports from family and friends, and develop their connections with the community, will lead to an increase in community participation and contribution, and a reduction in life-time support needs.

Developing a system of viable psychosocial support for people with severe and enduring mental illness within the NDIS requires an understanding of the key needs of people with psychosocial disability. These include:

- the need to take time to develop a comprehensive recovery plan;
- for capacity building, wrap-around support across many life domains and systems that can be flexible and responsive;
- to have access to infrastructure and transport that meets their needs; and
- to be supported by well-trained and supervised staff.

Best practice in this space goes beyond the specific hourly price allocations, to a broader understanding of how supports to people with psychosocial disability are provided to ensure the best outcomes for people, and the ongoing viability of service providers.

Implications of current pricing

The current price structure of the NDIS raises several central issues and implications for psychosocial disability support provision. The Reasonable Cost Model¹ fails to acknowledge the true cost of providing disability support to individuals with serious mental illness. The potential implications of the current pricing for psychosocial services are:

- The exclusion of participants with higher needs that require higher levels of staff support from these services.
- The loss of existing skilled and qualified staff and a de-skilling of the workforce.
- Service providers may choose to only provide low-priced supports if the NDIS participant also purchases higher-priced supports from them, essentially offsetting losses on one support with profits from another. This limits choice and control and undermines the objectives of the NDIS.
- Without changes to either funding style or the pricing model to adequately fund centre-based service provision, some members report the closure of centre-based services for psychosocial disability.
- Withdrawal of service providers altogether from the market. Some service providers, particularly in rural and remote areas, are at the point of imminent withdrawal from the market due to unacceptable losses.

The pricing

To create an NDIS that can respond appropriately to people's psychosocial needs, we need a better understanding of the relationship between the approved support package and the cost drivers, resulting in an appropriate hourly pricing rate. Issues related to qualifications and experience of staff, supervision of staff, training and retention of staff, and staff travel must also be included. There are many hidden costs not accounted for in the Reasonable Cost Model and there are cost pressures unique to the psychosocial disability sector. Based on the cost drivers, the unit cost for psychosocial support estimated by MIFA members is closer to \$55 to \$60 for viable and appropriate core psychosocial supports. The sector would be prepared to test our

¹ NDIA and NDS (2014), *Final Report of Pricing Joint Working Group*. Available at: https://www.ndis.gov.au/html/sites/default/files/documents/final_report_of_pricing_joint_working_group.pdf

assumptions about unit cost through targeted research and work with the NDIA to reach a mutually agreed and appropriate hourly pricing rate.

Certain assumptions must be applied when estimating the true cost of the provision for attendant care for psychosocial support. These assumptions relate to the areas of base hourly rate, non-client facing time, supporting Aboriginal and Torres Strait Island people and people in rural and remote areas, and the need for increased flexibility.

Base hourly rate

The knowledge, skills and experience of employees working with people with psychosocial disability is central to participants receiving services that are relevant to their needs. The Reasonable Cost Model assumes that workers with no or low (certificate-level) tertiary education will be employed², whereas workers are currently hired at much higher levels. The delivery of recovery oriented and capacity building support to a person with psychosocial disability requires a skill set that enables the worker to target the underlying barriers to functional engagement. The workforce that delivers psychosocial supports is highly skilled and these skills must be reflected in the pricing. The NDIA has stated that it sees capacity building-style work as integral to all kinds of support, including those described as “core”. However, the pricing model, based on SCHADS SACS Level 2.3³ for core supports, does not enable service providers to employ staff with the skills to manage complexity, respond to challenging behaviours, maintain engagement and build recovery.

Non-client facing time

The requirement for there to be 85% to 95% client-facing time under the Reasonable Cost Model requires an increasingly mobile staff, with very little in-office time. This reduces opportunities for incidental supervision. The current non-client-facing time assumptions fail to account for the following:

- Assertive outreach activities, which may be classified as time not spent directly with a client. Many clients with psychosocial disability require an assertive outreach approach to ensure engagement.

² p28-29, Cortis, N., Macdonald, F., Davidson, B. and Bentham, E. (2017). *Reasonable, necessary and valued: Pricing disability services for quality support and decent jobs*. Available at: <http://apo.org.au/system/files/98111/apo-nid98111-354151.pdf>

³ p12, NDIA and NDS (2014), *Final Report of Pricing Joint Working Group*. Available at: https://www.ndis.gov.au/html/sites/default/files/documents/final_report_of_pricing_joint_working_group.pdf

- Liaison between support co-ordinators and other support workers working with the person. To ensure the best outcomes for participants with psychosocial disability, it is important to ensure that supports are delivered in a coordinated way that supports providers to effectively respond to the changing needs of participants and their families. It is imperative that core support workers can meet with a Support Coordinator to ensure they are aware of the current issues that are impacting on the client's life, emerging risks and any warning signs for the individual. For example, a meeting of one hour per month would assist in facilitating this coordination of support for individuals.
- Training and development. This is a significant part of furthering the skills of the workforce but it is not accounted for. The cost model must factor in an additional 2% non-client facing time for training and development, as well as an additional 1% training costs into overheads.
- Staff travel time and transport costs, particularly for outreach and services in regional, rural and remote areas, is not adequately considered in the hourly cost model.

Rural and remote areas, and supporting Aboriginal and Torres Strait Islander people

The pricing does not adequately reflect the true cost of services for rural and remote areas, or for supporting Aboriginal and Torres Strait Islander communities, particularly in remote areas. The additional cost pressures faced in rural and remote areas can include significantly increased transport costs, additional overheads associated with remote premises, additional staff benefits to attract staff, the need for more specialised and trained staff where language and cultural differences exist, and staff housing requirements.

Investment in recruitment, training, development and ongoing support of local Aboriginal workforce, for example, can involve additional short-term costs, but produces significant long-term savings. MIFA recommends undertaking a review of the business model for providers operating in these areas to develop pricing that adequately reflects the significant cost pressures.

Increased flexibility

Flexibility is a core tenet of recovery-oriented service provision. Flexibility is required due to the fluctuating needs of people as their mental health state and function varies. Plans that are inflexible and made at a point in time may be under- or over-resourced.

Flexibility could be increased via the following:

- Packages should contain adequate hours of support to allow for flexible service delivery, such that support can be front-ended at the beginning of support and taper off. Packages should allow for a rapid increase in support during a crisis.

- Plans must be able to be reviewed rapidly where circumstances change. The plan review process needs to be more flexible and responsive with a reduction/removal of existing lengthy plan review lag times.
- Participants must have the ability to frequently cancel or change appointments at last minute on “bad days” without service providers incurring significant losses. Flexibility could be provided through alternative funding arrangements for certain activities, such as group programs. These could include subscriptions, memberships, full course fees, bulk buying of support incidences in advance and/or much more lenient cancellation policies. Without this flexibility, service providers may choose to cease providing these services altogether.
- Some participants strongly benefit from centre-based, drop-in style supports. Individualised funding in hourly supports does not provide adequate corporate overheads for maintaining accessible and welcoming locations, or adequate flexibility for people dropping in at short notice and for short amounts of time. Flexibility in funding would allow for use of facilities, brief interactions with support workers or general administration staff, and informal interactions with other participants. Without increased flexibility, many centre-based services are facing closure. MIFA’s member organisations currently offer ten group centre-based models of support across Australia. Some of these services are facing closure from 1 July 2019 without an injection of further funding, as these services are not financially viable within the current NDIS environment of individualised funding. We know from experience that participants of group centre-based models commonly cite increased confidence, acceptance, empowerment and hope through the opportunity to engage in supportive relationships with others who share their experience⁴.
- Continuity of care when clients are in hospital/acute setting is essential in ensuring workers can maintain contact and be involved in the discharge process. This service must be allowed to be provided under all support line items, including core and capacity building supports.
- Plans must include adequate transport for people to work on their goals and access appointments over the course of the year and/or to pay support workers to assist with transport.

⁴ pp.376-378, Raeburn, T., Halcomb, E., Walter, G. and Cleary, M., 2013. An overview of the clubhouse model of psychiatric rehabilitation. *Australasian Psychiatry*, 21(4).

We thank the NDIA for this opportunity to provide feedback. Best practice in this space goes beyond the specific hourly price allocations, to a broader understanding of how supports to people with psychosocial disability are provided to ensure the best outcomes for people and the ongoing viability of service providers. The sector welcomes the opportunity to work with the NDIA to deliver sustainable and quality supports for people with psychosocial disability. We look forward to working further with the NDIA, participants and other stakeholders to develop an approach that meets the needs of people with psychosocial disability.

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Disclaimer

This submission represents the position of MIFA. The views of MIFA members may vary.