

2023-2024 NDIS Annual Pricing Review

Making a submission:
Suggestions for Members

February 2024

Today's Session



2023-2024 NDIS Annual Pricing Review: Context and Focus



How is NDS responding?



The basics of making your own submission



Data available for you to use



NDS guidance and suggested key points for submissions



NDS Next steps



Q&A

NDIS 2023-24 Annual Price Review: let us know your thoughts

Go to

www.menti.com

Enter the code

2839 2243



Or use QR code

Context

- Government responding to recommendations from the Royal Commission and the NDIS Review
- Tight fiscal environment
- Significant pressure on the financial sustainability of the Scheme
- 8 per cent national growth target
- CPI and wage pressures impacting entire community
- Worst financial year ever for providers
- Compliance burden for registered providers
- Flawed cost modelling

Terms of Reference

- Non-structural adjustments to current price settings
- Implement immediate, impactful improvements with the existing framework



2023-24 Annual Pricing Review

Terms of Reference

Overview

1. The supply of disability goods and services in Australia has undergone significant reform since the creation of the National Disability Insurance Scheme (NDIS), commencing from 1 July 2013. The National Disability Insurance Agency (NDIA) has responsibility for administering the NDIS and facilitating the markets for disability goods and services. Further information on the markets for disability goods and services can be found on the [NDIS website](#).
 2. Where possible, the NDIA utilises market mechanisms to deliver the level of supply required to meet participant demand and deliver the required mix of goods and services. These are produced at market clearing prices, also known as efficient prices, to meet the needs of participants. However, market mechanisms might not work in non-existent or underdeveloped markets to deliver the required mix of disability supports or produce efficient prices.
 3. To address these issues, the NDIA has a role, as market steward, to create an efficient and sustainable marketplace through a diverse and competitive range of suppliers who are able to meet the structural changes created by a consumer-driven market. As market steward the NDIA has responsibility for:
 - (a) empowering people supported by the NDIS to exercise choice and control.
 - (b) maintaining and expanding the supply of high-quality disability supports.
 - (c) driving efficiency and innovation in the market for those supports.
 - (d) Supporting the transition of NDIS over the longer term to a more deregulated outcomes-based approach.
 4. As part of its market stewardship role, the NDIA caps the prices that registered providers can charge for some supports and applies other price controls, including billing rules. These are set out in the *NDIS Pricing Arrangements and Price Limits* and associated documents, which are available on the [NDIS website](#).
 5. The NDIA continually monitors and reviews its price control framework and other market settings to determine whether they are still appropriate. The Annual Pricing Reviews (APR) are an important part of that monitoring and review process.
- The National Disability Insurance Scheme Review**
6. The Minister for the NDIS and Government Services, the Hon Bill Shorten MP, announced the NDIS Review in October 2022. The final report was delivered to Disability Reform Ministers in November 2023, and released publicly on 7 December 2023. The final report makes [26 recommendations with 139 actions](#) to change the system that supports people with disability. The full report can be found [here](#). In response to the

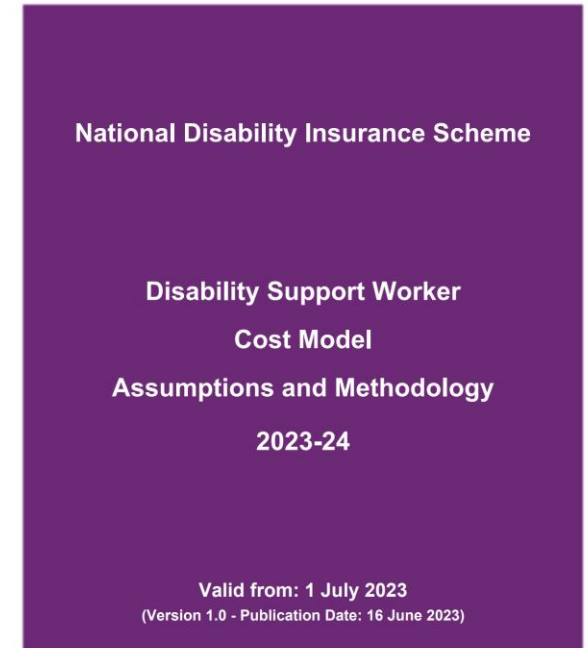
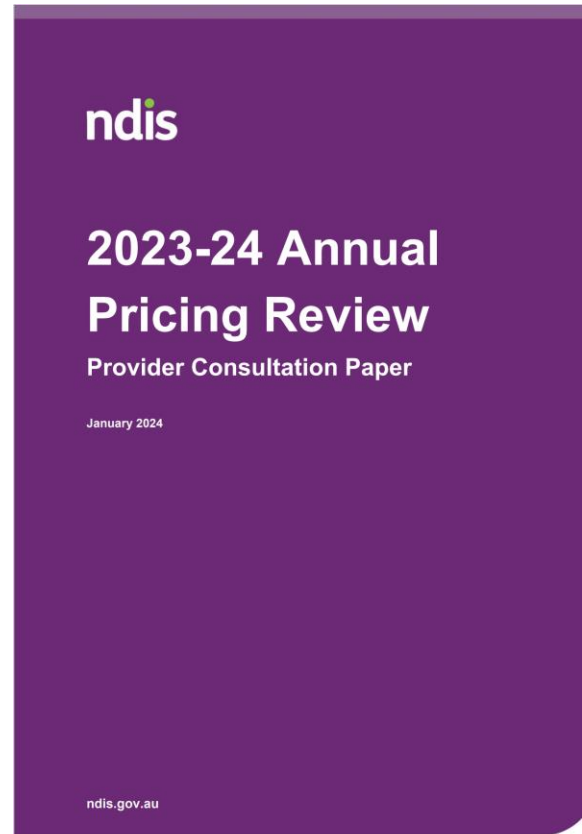
National Disability Insurance Scheme

Pricing Strategy

August 2019

The Provider Consultation Paper

- Focus on reviewing Pricing Arrangements and Price Limits for:
 - Supports delivered by DSW's by updating the NDIS Cost Model for Disability Support Workers
 - Therapy supports
 - Support coordination
 - NDIS cancellation policy



How is NDS responding?

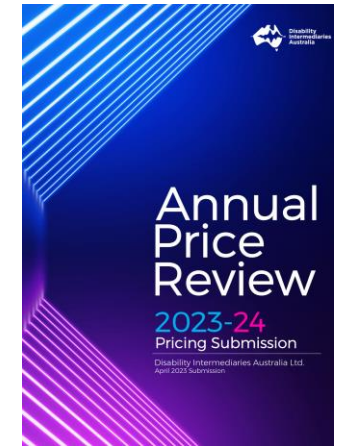
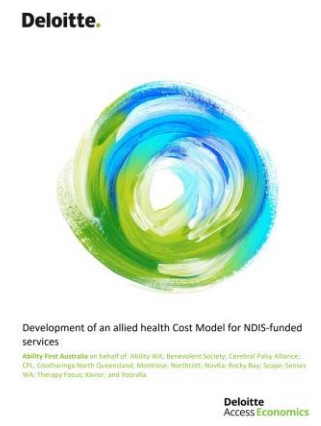
- Making a submission informed by data and member feedback
- Promoting our core asks for independent pricing and support for sector transformation
- Using existing data to evidence the significant financial pressure that the sector is under and recognising the level of survey fatigue
- Making the case for an immediate uplift across all pricing to support the sector through the next five-year period of transformation.
- We are asking members to add weight to our sector wide messages by telling your own UNIQUE stories.

Making a submission: The basics

- Purpose is to **tell the story of how the current pricing approach impact your participants, your staff, your community, your organisation and its future**
- Keep it short and simple - could be a letter or one-two pages
- Use dot points
- Focus on just the areas that are most important to your organisation and the people that you support
- Provide a summary of what you have previously said, link to these documents and highlight what may have changed over the past 12 months (eg: rising insurance premiums)
- Draw on existing sector wide data and provide one or two examples relevant to your organisation to illustrate how this applies
- Use what you have available to support your submission eg: audited financial statements, YTD financials, budgets and forecasts

Available sector wide data

- **NDS State of the Disability Sector Report**
 - Data on capacity to provide supports at current pricing
 - Financial viability - actual and predicted
 - Measure of unmet demand
 - Workforce attraction and retention (**Workforce Census**)
- General benchmarking - **Stewart Brown** [PDF], **Ability Roundtable** [PDF]
 - Data on actual operating costs
 - Drills down into specific areas of overheads
 - Data on workforce costs
 - Cover core supports (SIL and non SIL), allied health, support coordination, employment services (SB)
- **Specialist benchmarking** – **Disability Intermediaries Australia** [PDF] and **Ability Roundtable Costing model for Allied Health Cost Model for NDIS funded services** [PDF]



Market and economic conditions

Consultation Paper Questions

- What services you provide across the care and support economy
- Your organisation's response to the current economic conditions
- Your primary business risk and how you are preparing
- Number of workforce vacancies and their proportion of your workforce

Points to consider in your response

- The impact of CPI/inflation and rising interest rates eg: rent, loans, costs of operating.
- Taking a broad view across your organisational challenges - short and medium term.
- How you are preparing for to face these challenges.
- The impact of unique factors (for example, regional factors, the client cohorts/participants that you support) on your workforce.
- The impact of workforce shortages on your costs eg: overtime, use of agency staff.

Disability Support Worker (DSW) Cost Model Consultation Paper Questions

- Alignment with your organisation's overheads and operating costs with supporting evidence
- SCHADS Award classifications used for DSW's and pay rates
- DSW distribution across the following employment conditions; permanent full-time, permanent part-time and casual
- Impact of aged care wage increases
- Focus on the last 12 months

DSWCM Staffing Cost Assumptions: Points to consider

- Leave assumptions versus your costs – public holidays, annual leave allowances, domestic and family leave assumptions.
- What impacts your workforce distribution including the types of supports/registration groups (eg: providing high intensity supports) DSWCM covers, and how this impacts your organisation.
- Evidence of the impact of competition with aged care on your organisation (if any) – eg: exit interviews, local knowledge

DSWCM Operating and Corporate Overhead Cost Assumptions: Points to Consider

- Staff related operating overheads:
 - Utilisation eg: team meetings, non-billable administration, time to attend training
 - Staff to supervisor ratios in your organisation
 - Worker's compensation premiums
 - Use of overtime
- Quality and Safeguarding: Cost of audits, additional staff roles, non-billable staffing compliance costs in addition to investments that you have made in quality.
- Insurance costs or other specific overhead costs
- Impact of changes in the NDIS operating environment in the last 12 months eg: introduction of PACE; changes to group pricing

Therapy Supports/Early Childhood Intervention

Consultation Paper Questions

- Significant changes to the costs of delivering services over the past 12 months?
- Proportion therapy supports/early childhood supports to non-NDIS participants (if any); cost differences and why
- Factors impacting the hourly rate charged to NDIS participants and any differences compared to non NDIS clients
- Unique factors influencing the cost of providing early childhood supports for NDIS participants?

Points to consider in your response

- Changes to staffing costs, operational overheads, corporate overheads and margin over the past 12 months.
- Detail on the differences between providing supports to NDIS participants and other clients eg: appointment length, staff experience, non billable follow up.
- Additional costs associated with operating in the NDIS compared to other systems including compliance costs.
- Implementing good practice ECI supports eg: delivering supports in natural settings, supporting families, siblings etc

Support Coordination

Consultation Paper Questions

- Significant changes in costs of service delivery over the past 12 months and what these changes have been.
- Supporting evidence.

Points to consider in your response

- Staffing costs including experience and pay levels across your organisation and how these are distributed, employment conditions (full time, part time, casual) and turnover.
- Changes to operational overheads and corporate including those identified in the DSWCM
- Detail on non-billable activity

Cancellations

Consultation Paper Questions

- Cancellation policies for (notification period and charges) for NDIS participants and non-NDIS and any differences
- Number of short-notice and claims
- Approaches to manage when a participant may have a high number of short notice of cancellations including alternatives such as telehealth

Points to consider in your response

- How you developed your cancellation policy including how you consulted with participants.
- The cost of billable and non-billable to your organisation.
- How you attempt to minimise the impact of short notice cancellations on participants.

Developing your submission

- Include information about your organisation eg: size, length of time operating, brief history etc
- Consider what information you have and how you can use this
 - HR information - payroll data, position descriptions, exit interviews, staff surveys, training plans/needs assessments
 - Financial statements
 - Year to date financials, budgets and forecasts
 - Risk registers
 - Strategic planning activities
 - Participant/stakeholder surveys
- You may like to include short case studies to support your submission

Submitting your response

- Due 11.59pm (AEDT) Sunday 3rd March 2024
- Email: apr@ndis.gov.au
- Clearly indicate whether you want any information contained in your submission to be kept confidential

What you can expect – NDS next steps

Next three weeks

- Developing our submission to the Annual Pricing Review
- Developing key messages around pricing (short and long term) to support our advocacy to government
- Collaborating with other peaks to identify shared concerns and recommendations
- Sharing the messages with the sector to inform their submissions (Week 20th Feb)

Post the Annual Price Review consultation period

- Distributing our submission and key asks to the sector and government
- Developing a template letter and other resources that members can use to advocate to local and state politicians on pricing and reform concerns and recommendations
- Continue to advocate for resources for sector transformation



Questions?

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