

Issues arising for providers from the 2022-2023 Pricing Arrangements and Price Limits

1.0 Introduction

The National Disability Insurance Agency (NDIA) released the 2022-2023 Pricing Arrangements and Price Limits (PAPL)¹ in late June 2022.

This paper identifies issues that have been raised by National Disability Services (NDS) members arising from the 2022-2023 PAPL.

NDS and our members welcomed the increase for Core supports arising from the 2021/2022 Annual Price Review (APR).² This uplift was much needed.

We are disappointed however that yet again price limits for Plan Management, Level 2 and 3 Support Coordination and therapy supports were not indexed.

While a review of Support Coordination and Plan Management has been promised and is welcome, providers of these supports have been and continue to be impacted by CPI, wage pressures including an increase in superannuation costs, and COVID-19.

For the third year in a row there was no change in the price limits for therapy supports. Comparisons to the private billing market fail to recognise the specialisations required for NDIS therapists and that best practice calls for these supports, particularly when provided to children and young people, to be delivered in natural as opposed to clinic-based settings.

Like Plan Managers and Support Coordinators, therapy providers are challenged by costs increases in wages (the competition from other sectors is intense); the superannuation guarantee; professional development (in specialised areas such as mealtime management and the prescription of assistive technology); supervision; general CPI and compliance costs for registered providers.

NDS and our members are concerned these decisions along with the removal of level three High Intensity Supports will leave some participants with less than optimum supports, jeopardise participant choice and control and compromise service quality and participant outcomes.

NDS calls the NDIA to:

1. Index prices for Support Coordination and Plan Management while any review is undertaken.
2. Index prices for therapy supports for registered providers.
3. Reinstate Level 3 High Intensity Supports and appropriate pricing as a matter of urgency.

In addition to the above, continued review of pricing arrangements across all supports will be required to ensure that the supports and services required by NDIS participants

¹ [Pricing arrangements | NDIS](#)

² [Annual Pricing Review](#)

remain available. An analysis of the true impact of changes to the Social, Community, Home Care and Disability Services Award on the cost of delivering supports along with continued monitoring of the cost of quality and safeguarding generally and in the context of COVID-19 will be required.

2.0 Support Coordination and Plan Management

2.1 Support Coordination

Support Coordination has been one of the most reviewed and examined supports provided under the NDIS. As a new support arising out of the implementation of the NDIS, Support Coordination has quite rightly come under scrutiny. A review undertaken by the NDIA in late 2020 received over 421 submissions and engaged over 500 individuals in consultation sessions³. A subsequent report was produced in November 2021. As a result of this review new information for participants⁴ and providers⁵ was developed and uploaded to the NDIS website.

The APR notes that 39.2% of participants are funded for Support Coordination.⁶ As such it is a pivotal support that plays a key role in connecting NDIS participants to the supports that they need to achieve positive outcomes.

While the APR notes that “most providers appear to be able to make a modest return under the current price limits”, a survey⁷ conducted by Disability Intermediaries Australia of 623 support coordinator providers identified that approximately 40% of these providers would be exiting the market in the next 2-12 months. Of those surveyed, the services of just under 80%, (and over 80,000 participants) would be impacted by the decision not to make any changes to pricing.

Polling at an NDS consultation session attended by over 70 providers indicated that 17% of those attending were considering withdrawing from providing Support Coordination and a further 20% were unsure whether they could continue to deliver these supports sustainably.

2.2 Plan Management

The APR notes that 51.8% of active participants used a Plan Manager in 2021. Levels of Plan Management have been increasing over time. According to the APR more than a third (35.8%) of all funds in plans were plan-managed as of 30 June 2021.⁸

The APR contends that the role and expectations of Plan Managers and the nature of Plan Management supports is “evolving”. Developments such as claiming at point of sale (CPOS) are likely to have an impact on the types of supports that plan managers provide.

The APR cites the high cost of each Plan Management transaction and compares these to the transaction costs related to credit card, superannuation funds and healthcare markets. The APR does note however, that the transaction costs vary significantly across Plan Management providers and that the comparisons are “not perfect”.⁹ Plan management as it is delivered to NDIS participants is not comparable to that provided by credit card companies. In the NDIS context, plan management includes¹⁰:

³ [Improving Support Coordination for Participants | NDIS](#)

⁴ [Support coordination | NDIS](#)

⁵ [Support coordinators | NDIS](#)

⁶ APR page 159

⁷ [DIA RESPONDS TO NDIA SUPPORT COORDINATOR PRICE FREEZE | Disability Intermediaries Australia](#)

⁸ APR page 147

⁹ APR pages 151-152

¹⁰ A fuller description of the role and responsibilities of Plan Managers is available on the NDIS website [Plan management | NDIS](#)

- Support for participants to actively manage their budgets and reduce potential overspend.
- Support for participants to use their funds effectively and efficiently.
- Support for registered and unregistered providers to understand their obligations under the NDIS.

The APR agrees that some Plan Managers, notably the largest with the benefit of economies of scale are sustainable delivering reasonable surpluses, while at the same time provision of Plan Management supports are not financially viable for smaller providers. This inevitably has an impact on choice and control for participants and becomes an issue for participants who may require more support to implement their budget.

2.3 Further review of Plan Management and Support Coordination supports

Plan management and support coordination providers welcome the opportunity to be involved as a partner in “an in depth review of plan management and support coordination, in consultation with participants, providers and other stakeholders, to more clearly establish the roles, functions, responsibilities and accountabilities of Plan Managers and Support Coordination; and develop recommendations for the NDIA Board on the appropriate pricing arrangements for plan management and support coordination”.¹¹

It is important to note that comprehensive guidelines for Plan Managers (August 2021) and Support Coordinators (November 2021) were developed by the NDIA.

These guidelines set out the roles and responsibilities of both roles in some detail.

However, NDS and our members stand ready to partner in the design and implementation of any subsequent review. It will be critical to ensure that these reviews focus on the considerations that impact on pricing of these supports and avoid simply duplicating information gathered in previous reviews.

The absence of indexation for this financial year ignores the fact that Plan Managers and Support Coordinators will be impacted by the increase in the superannuation guarantee, CPI along with general wage pressures and workforce shortages. The risk is that this will drive the quality of Support Coordination and Plan Management down and will do so quickly.

Restoring indexation will assist organisations to retain their workforces and minimise risk of participants losing access to Support Coordination and Plan Management in coming months.

2.4.1 NDS Recommendations

- 2.4.1. That Support Coordination and Plan Management pricing limits be indexed while further review is occurring.
- 2.4.2 That the NDIA partner with NDS and our members to develop the terms of reference of the review of these supports.

3.0 Therapy supports

In summary the APR argues that “the current NDIS price limits are broadly consistent with the effective hourly rates paid by other government insurance schemes and funding programs for therapy, once proper account is taken of duration of service, co-payments

¹¹ APR page 24

and provisions for travel and consumables” and that current NDIS pricing limits are “above the rates charged in the private billing market”.

In addition to an assumption that the hourly rates in other schemes and programs are adequate, NDS members note that not all therapy in the NDIS context is the same. The sector is concerned that the 2022-2023 PAPL leans to a much more medical model of improving activities of daily living and as such prioritises the delivery of an individual therapy provided by small providers with diversified incomes¹².

The benefit of providing therapy supports in natural (as opposed to clinic based) settings and that recognises the role of families and informal supports as partner is a key difference. Similarly, a ‘wrap around’ approach that sees allied health professionals from multi disciplines work together to develop a comprehensive plan is not reflected in the pricing assumptions. These approaches are considered best practice in delivering therapeutic supports and driving positive outcomes.

This is particularly the case for providers of Early Childhood Intervention supports who are concerned that the current pricing approach favours a medical model of support as opposed to a key worker approach where supports are coordinated and transdisciplinary, focussed on developing the capacities of families and delivered in natural settings such as family homes, school and other environments. These providers are generally registered and as such required to undergo certification as opposed to verification with the NDIS Commission and are weathering the costs of attracting and retaining allied health professionals and allied health assistants in the face of stiff competition from other sectors. ‘

NDS’s recent workforce census shows significant deterioration in the Allied Health workforce availability across the NDIS over the last year.

Other issues that have been raised include the nature and complexity of therapeutic supports provided to NDIS participants with complex support needs. The current pricing model uses a flat structure that assumes that participants require the same level of therapist skill and qualifications. This does not reflect the additional training and upskilling needs of some therapists. NDS is aware that some other funding models such as icare (NSW) and Transport Accident Commission (VIC) are considering this in their pricing.

Providers have also raised issues with the pricing applied to therapy assistants. In a market where allied health professionals are in short supply; the use of allied health assistants has been identified as a strategy to support NDIS participants. This is particularly the case in rural, remote and very remote settings where there may be no access to therapists.

Overall NDS members who provide therapy-based support contend that they have experienced increased costs due to CPI, adapting to and responding to COVID-19, quality and safeguarding compliance and wage pressures. This is also in the context of no increase in prices since 2019.

¹² APR pg. 121

The APR notes “the NDIA should continue to work with the Department of Social Services and other government agencies to understand the differences in pricing arrangements and prices across relevant Australian Government, and state and territory government insurance and funding programs for therapy supports, to inform future price setting and ensure the ongoing adequate supply of therapists”. NDS recommends that this work must involve providers of these supports.

3.2 NDS Recommendations:

3.2.1 That therapy prices for registered therapy providers be indexed.

3.2.2 That attempts to align therapy pricing in the NDIS to that of other schemes be transparent, involve providers, consider the NDIS context and prioritise participant outcomes.

4.0 High Intensity Supports

The 2022-2023 PAPL streamlines the way in which high intensity supports should be billed by reducing the previous three levels and price limits for high intensity support to one. This price limit is based on the price of delivering Level 2 high intensity supports and corresponded to supports delivered by a Social and Community Services (SCHADS) Employee level 2 (at the maximum pay point) or at SCHADS level 3 (at the minimum pay point) employee or the equivalent. The capacity to claim at Level 3 has been removed.

Feedback from members who provide supports to participants with very complex support needs is that they have actively recruited a workforce who are qualified and experienced to deliver these supports. In line with these skills and experience these workers are appropriately employed under the SCHADS Award level 3 pay points 2 to 4 (or equivalent).

Providers note that workers supporting participants with the most complex support needs require additional skills, training and experience to:

- Support participants to manage and deescalate behaviours of concern.
- Support participants with multiple disabilities which exacerbate the impact of each, e.g. intellectual disability and psychosocial disabilities.
- Engage with mainstream systems and services such as community mental health crisis teams.
- Support participants manage multiple health related concerns and deliver some of the high intensity health supports.

While the APR notes that most high intensity supports were claimed at Level 2, it also reports 19.4% of high intensity supports were claimed as Level 3 supports. This percentage represents participants who are some of the most complex and vulnerable in the NDIS. Members have provided us with detailed deidentified case studies demonstrating the impact that this change will have on the individual participants with complex support needs that they are currently supporting.

These examples clearly illustrate the risks to the individual, to the community and the high likelihood that some of these participants will end up in our health and mental health and justice systems. This is not an outcome that anyone wants.

Where providers deliver significant amounts of high intensity support and/or specialise in supporting participants with complex support needs this percentage is likely to be significantly higher.¹³

Similarly, the APR indicates that there is 'only' a 5.3% difference between Level 2 and 3 supports, however this can be the difference between a support being sustainable. For example, one provider who supports significant numbers of participants with complex support needs and as such employs workers at the higher pay point estimates that this change results in a net 0.2% increase across relevant supports as opposed to the 9% increase in pricing.

The PAPL also aligns the definitions of high intensity supports more closely with the descriptors used by the NDIS Commission. Generally, NDS members have welcomed this clarity, however questions remain for participants with complex support needs who do not necessarily meet the definitions of behaviours of concern or high intensity health supports, for example participants with complex psychosocial support needs.

There are also concerns that providers that do not implement Restrictive Practices or deliver High Intensity Health based supports will no longer be able to register with the NDIS Commission against the 0104 registration group as there is no additional standards that they can be audited against. This will mean that they will not be able to deliver supports to any Agency managed participants.

4.1 NDS Recommendations

4.1.1 That level 3 High Intensity Support Pricing Arrangements and Limits be reinstated and available for those participants requiring more highly skilled and experienced workers as a matter of urgency.

4.1.2 That the impact on participants requiring high intensity supports, but who do not have behaviours of concern or require high intensity health-based supports, be monitored.

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National Disability Services is the peak industry body for non-government disability services. It represents service providers across Australia in their work to deliver high-quality supports and life opportunities for people with disability. Its Australia-wide membership includes more than 1200 non-government organisations which support people with all forms of disability. Its members collectively provide the full range of disability services—from accommodation support, respite and therapy to community access and employment. NDS provides information and networking opportunities to its members and policy advice to State, Territory and Federal governments.

¹³ One provider delivering complex psychosocial supports reports claims against the high intensity support line item represents 30% of their total claims.