

**Submission
No 199**

**INQUIRY INTO IMPLEMENTATION OF THE NATIONAL
DISABILITY INSURANCE SCHEME AND THE PROVISION
OF DISABILITY SERVICES IN NEW SOUTH WALES**

Organisation: Greenacres

Date Received: 8 August 2018

7 August 2018

Greg Donnelly
Chairperson
Legislative Council Portfolio Committee No. 2 – Health and Community Services

Email: PortfolioCommittee2@parliament.nsw.gov.au

Dear Greg,

Re: Implementation of the National Disability Insurance Scheme and the Provision of Disability Services in New South Wales

General

Greenacres Disability Services has provided support for people with disabilities for 65 years in the Illawarra Region. We currently provide support for over 500 people in the Illawarra and Shoalhaven, and do so via three programs, Employment at Greenacres Enterprises, Community Participation and Vocational and Life Skills.

Greenacres currently employs approximately 140 support staff and 240 people with disabilities in our Enterprises. In July 2017 we began our transition to the NDIS. This has been an extremely challenging process and has seen the organisation go from being very profitable in the two years prior to having a loss of over \$500K in the 2017/18 financial year.

Greenacres Disability Services fully supported the NDIS and its goal of providing all people with a disability with reasonable and necessary support and providing them with real choice and control. Unfortunately, the implementation of the Scheme has, for many people with disabilities and their carers, caused much uncertainty and in some cases disadvantage. Many people with disabilities have seen an increase in their individual funding to seek out support, conversely there are many people with disabilities who are unable to access the same levels of support as they received under the previous block funding arrangements.

The process of having plans approved has proven to be inconsistent with respect to people with disabilities and the support they require. There are many examples of people with high support needs who have had funding reduced compared others who have received higher levels of funding yet have lower support needs.

Service Providers, including Greenacres, have found the interaction with the NDIA portal for making claims, to be complex, cumbersome, and a significant administrative burden that is time intensive and difficult to manage. The overhead recovery allowed for the NDIS pricing has not taken into consideration the amount of extra money that organisations have had to spend on IT systems and their implementation, and the costs of ongoing systems administration to manage the bookings and claims processes.

At a workforce level, there is inadequate funding to cover the cost of delivering training in the pricing model, yet on the other hand, much greater obligations on both service providers and employees with respect to new safeguarding and quality standards. For Greenacres, the transition to the NDIS has increased our costs by 10% but our revenue stream has decreased by 5%. This is unsustainable long term, and it is only our current healthy balance sheet, which will enable us at least a year or so to continue to provide the high quality services that our participants expect of us and that we deliver across Greenacres.

There are a number of absolute and necessary changes that the NDIS must deliver with respect to the implementation of the scheme, otherwise organisations such as ours will see a dramatic contraction in the services we can provide. In our view the market is heading for a crisis in terms of service delivery, unless sensible decisions can be made about improvements.

The following is a response to some of the questions outlined in the Terms of Reference.

Pricing

Pricing still remains an issue for primarily two reasons. Firstly, it does not adequately reimburse organisations for the administrative burden associated with moving from block funding to an individualised billing system through a Portal that is completely inadequate. Pricing doesn't compensate service providers who are spending their own resources educating, assisting and dealing with issues faced by participants and carers.

Secondly, the pricing which is based on Level 2.3 of the award does not recognise the higher level duties required by many staff to fulfil their obligations and duties. Recent sector surveys have shown that in centre based support alone, over 50% of organisations are ceasing or withdrawing services due to inadequate pricing.

Plan Challenges and Provider Service Agreements

The need to update Participant Service Agreements has cost our organisation an additional \$300,000 per year. Whilst we understand the need to enter into service agreements with our participants, we believe the creation of NDIS plans needs to be streamlined. In our view after the first two initial plans, a review should only occur at the request of the participant, or if their needs change, otherwise plans could be reviewed every four years for example.

Creating longer term plans and extending plan review dates would not stop participants changing providers if they choose to, or changing the types of supports they are receiving within the support categories to meet any emerging goals. Having ongoing plans however, would save the scheme (and providers) significant amounts of expenditure on administration, which could be better used investing in better quality plan outcomes.

Flexibility Across Core Funding

While plans should have flexibility across core funding (ability use support categories Core supports 01 to Core Supports 04 flexibly/interchangeably) in practice, the NDIA determines the available amounts in each support category, and therefore there is not the flexibility available to the participant as intended.

Planning Process Failing Many Participants

Despite providing Planners or Local Area Coordinators (LAC's) with considerable information to justify reasonable and necessary supports (which mostly reflect the supports currently being delivered), many second plans are being returned with significantly reduced amounts of funding. The funding amounts in the second plan are often insufficient to deliver the reasonable and necessary supports the person requires over the term of their Plan.

We have had two year plans returned with funding reflective of a one year plan. We have had at least one amended as an NDIA error, but in most instances the reduced funding was considered by the Agency as sufficient to meet the participant's reasonable and necessary needs.

We are delivering the services that the participants require to meet their needs, however by doing this we all know the funds will be exhausted before the plan end date. This means that participants will need to go through a plan review process to try and secure the additional funding needed for their current plan, causing unnecessary stress, uncertainty and bureaucracy for all parties, including the Agency.

Turnover of LAC staff is still an issue. There is a lack of knowledge and expertise with some LAC's, and a level of inconsistency with planning meeting experiences and outcomes. With inconsistency comes uncertainty, with participants and their families feeling anxious about the outcome of their planning meetings where their LAC. There are many instances where people who have similar needs and goals who were previously funded with similar amounts, are having second Plans returned with major differences in their funding outcomes.

The whole bureaucracy around establishing plans with a third party LAC may have been regarded as appropriate at the time, but in our view it has not always worked well. We would like the process to be reviewed to see how all of the parties (including providers) can work collectively to achieve the best outcome for each participant.

Evidence of Disability

The need to provide evidence of disability is causing major issues, particularly for older participants who were diagnosed in their youth, have been on the Disability pension for decades and do not have access to recent documentation. In many cases parents are no longer alive, or are too frail to be expected to start making appointments with medical professionals to gather the evidence necessary. It seems unreasonable to request evidence of disability when a person has been supported in specialist disability services for decades. We accept that when a person has increasing needs that would require an increase to their budget, the participant should have supporting evidence for this.

In Disability Enterprises, the evidence of disability again is causing significant issues particularly with some supported employees who are very concerned that they may lose their job if for some reason funding is denied due to insufficient evidence. In the case of ADE's we believe the Disability Maintenance Instrument (DMI) evidence that has been provided over many years should be sufficient for eligibility.

Short term Plans to fill the gap while Participants gather evidence is also causing problems. Plans are being generated that have a short duration, (eg three months) to allow time for the participant to gather evidence of their disability. We agree that the participant should have the ability to continue to access services, and the service provider needs the ability to claim for services during this period, and short term plans allow for this. Administratively however, this is causing a nightmare as we are having to go through the same processes that we would do for a 12 or 24 month Plan, including planning meetings, new quotes, new NDIS Service Agreements, new scheduling in our systems etc, knowing that we are going to go back and have to do this all over again for these participants in three months' time. The better option would have been to generate a 12 month Plan with a three month review date (the date at which the family should have returned all of their evidence). It would then be up to the NDIA to follow up with the participant or their family to have the evidence in place before the review date.

Whilst Greenacres accepts providing evidence of disability is particularly important to new entrants into the system it seems a complete waste of public monies to require reassessments of persons who have had years and years of disability specific funding under state and federal systems prior to the rollout of the NDIS.

Early End to Current Plans

There is an ongoing issue where the NDIA ends a participant NDIS Plan earlier than the original plan end date. There is no notification to the provider and the only way we know is that we start to receive rejected claims from the Portal.

In many instances, even the Participant is unaware that the Plan is going to be ended early, particularly where there is a scheduled review, and the new Plan is activated before the end date of the previous Plan.

This means all service bookings are ended in the portal, and the funding in those service bookings is lost. In some cases there is no funding in the new plan for the activities booked in the portal against the previous plan, therefore the goal from the original plan cannot be met because the Agency has ended the plan earlier than originally agreed (and without notice). This process makes no sense, and we had been assured that no plan would be ended early where there is a scheduled review unless a participant specifically requests it.

Portal Issues

The NDIS Portal remains a major issue for providers and participants, and without significant improvements including speed it will continue to be a major administrative burden on organisations.

Currently there is no ability to report out of the portal including: participant expiring service bookings, balance of funds in service bookings, expiring plan end dates, plans ended before the due date, and the activation of new plans for example. There is also no ability to integrate our systems with the NDIS Portal to automatically retrieve basic data such as: participant details, NDIS number, Plan ID, NDIS Plan start and end date.

The only way to reconcile against our records, is to go into the portal and search each individual participant, go into each individual service booking, manually capture the information, then enter it onto a spreadsheet to be checked against our records. When you have hundreds of participants, this is time consuming and not feasible ongoing.

Because of the portal issues we end up reacting to claim rejections which are time consuming and very costly. This has meant Greenacres has had to engage two additional Systems Administrators just to deal with these issues.

Registered and Non-registered Providers – Quality & Safeguarding Framework

There is disparity between the levels of compliance required from registered providers compared to non-registered providers. We agree that the NDIA should set high standards to maintain quality services for people with disability, and registered providers have operated in this way for decades.

Non-registered providers are not subject to the same level of scrutiny and do not have the same constraints regarding the Price Guide. This means that the NDIA's new competitive marketplace approach has effectively created two marketplaces: one which is subject to all of the legislative and compliance obligations of being a registered provider without being funded to meet these obligations, and one where there is a free market open to all non-

registered providers who only have to comply with minimal requirements (eg only being required to adhere to the Code of Conduct), and can also charge participants prices above that of the Price Guide.

In relation to the new Practice Standards which are being implemented across NSW from 1 July 2018, we are concerned that providers are expected to start going through the process of updating their policies, conducting staff training and embedding new processes across their organisations, however the Practice Standards training we have been invited to attend which is being run by the government, is not scheduled until 19 September 2018.

The better option may be to rollout the training and resources over 2018/19, then commence the full implementation of the new rules from 1 July 2019.

NDIA Lack of Expertise to Respond to Enquiries

Lack of knowledge within the NDIA to support providers with the recent changes is of concern. An example is a series of questions provided to an NDIA team locally on 9th of July 2018, which were escalated for review and comment. We were fortunate that the NDIA team locally continued to follow up on our behalf, which eventually resulted in a response from the NDIA on 3 August. See examples of our questions below. It is unfortunate that the NDIA did not provide sufficient information and training to their own regional teams so basic questions such as these did not need to be escalated and chased over a period of weeks.

Sent: Monday, 9 July 2018. Great to chat with you, and promised here are the questions that we would like to have answered so we can meet the new requirements:

- How long will the previous line items which are no longer in the pricing table be available to bill in the Portal? We have service bookings and scheduled services in our current systems using these discontinued line items. It would take us days (maybe weeks) of work to re-quote every participant and schedule them into our systems with new line items if the NDIS Portal rejects our claims.

Items that no longer appear in the table are intended for end dating and should not be used (including for claiming), unless budget is in plans specifically against the old item number. Where possible providers should be using the currently listed item that most accurately reflects the support they've provided.

Where the budget is against the specific line item (ie the old, no longer listed number) these have been end dated for the end of the year (31 December 2018).

- How long will the Portal accept the 2017/18 csv bulk upload format before providers see any rejected claims? It will take our IT provider some weeks to develop the new bulk file format to include the new flags for travel and service cancellations

There is currently no end date for the old bulk upload file. Providers are encouraged to move onto the new bulk upload template as soon as they are able as this compatibility may be removed at some point in the future.

- Do you know how Providers will be expected to provide evidence of cancellations where we are using the old bulk upload file format for a period? There will be some lag between the new process being implemented by the NDIA, and providers being able to put the new format into place with the new columns to accommodate the cancellations flags.

Providers are required to maintain a record of the supports provided, including evidence of cancellation. Reasonable record of this may include logged record of the cancellation (in a journaling or appointment record system), client invoicing, or other like records.

- Our IT provider is grappling with the 90% rule and finding a way to incorporate this into our scheduling and billing systems. Can you please confirm that providers are responsible for applying the discount for late notice cancellations, and the NDIA will not apply a discount when they receive the flagged service?

Providers should take responsibility for reducing their claims to reflect the 90% maximum for cancellations. The provider portal will automatically reduce the maximum price a provider can claim from the value entered into the service booking by 90%.

By way of example, if the service booking is for \$100 an hour (1 session), and the provider submits a claim for \$100, the claim will automatically be rounded down to \$90. However, if the provider submitted a claim for \$89, the system will accept \$89.

- Do we have confirmation on the SLES and DMI amounts for 2018/19? We have some general correspondence with content about rates, but would like confirmation on the weekly claimable amounts please.

These items are not price controlled, meaning that providers can charge any price agreed with the participant. However, participants will receive limited funding for these supports, based existing DSS and state scheme funding as appropriate.

The NDIA is aware that many providers and participants are seeking further information on typical funding levels for these supports. Further information on these will be published shortly.

Workforce Challenges

Providers are shouldering the costs of induction and staff training and providing ongoing training to ensure that we are providing high quality services. This is not sustainable long term, as we need to have funding to cover these costs.

Implementing the Quality and Safeguarding Commission changes will be at a significant cost to providers as we train staff in the new NDIS Code of Conduct, complaints process and NDIS Practice Standards for example. Providers are expected to cover the costs of this training, plus ongoing training costs for new staff. We understand the importance of the training and want to have well-trained, well-informed staff, but the costs of training a whole workforce in the new standards (now and ongoing) will be significant.

In addition, where workforce changes are made (changes to worker screening and the new NDIS Code of Conduct for example), it would be helpful to have the information well before the implementation date to assist providers to prepare their business and their workforce. Current draft documentation which is subject to change only acts as a guide in the short term.



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Other costs that providers are required to cover includes wage costs associated with staff meetings. An example is staff participation in WHS committee meetings, which are critical to the continued health and safety of participants and workers.

It is a challenge to remove staff from NDIS funded direct service delivery, to engage them in unfunded committee meetings and training sessions. The current pricing structure is completely inadequate to cover these costs.

We would like to maintain a happy, engaged and permanent workforce, however this is challenging when trying to meet the flexibility needs of participants and train and educate workers, whilst still operating at the required minimum of 95% time in direct support.

Finally when the State Government transferred its disability services to operate within the NDIS Scheme (like all of us) it wanted to improve the lives of people with disabilities. Despite the best of intentions, service providers are not coping under the weight of the bureaucracy associated with its implementation and inadequate pricing. If the difficulties outlined above remain unattended the system in our view will be in crisis in a relatively short space of time.

Kind regards,

Chris Christodoulou
Chief Executive Officer

2014 Employer of Choice Award, Momentum Energy Illawarra Business Awards

2014 Excellence in Workplace Health and Safety Award, Momentum Energy Illawarra Business Awards

2012 Innovative Partnerships Award, NSW Disability Innovation Award (Organisation) | 2010 Best National Mental Health Program Award, Eli Lilly

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