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12th July 2017

National Disability Insurance Scheme (NDIS) Costs study
Productivity Commission
GPO Box 1428
Barton ACT 2600

Dear Commissioner,

Re: NDIS Costs Position Paper

cohealth welcomes the opportunity to respond to the Position Paper on *National Disability Insurance Scheme (NDIS) costs*. cohealth also made a submission in response to the Issues Paper on the same matter, which is available at: http://www.pc.gov.au/inquiries/current/ndis-costs/submissions .

cohealth is Australia's largest not-for-profit community health service, operating across 14 local government areas in Victoria. Our mission is to improve health and wellbeing for all, and to tackle inequality and inequity in partnership with people and their communities. cohealth provides integrated medical, dental, allied health, mental health and community support services, and delivers programs to promote community health and wellbeing. Our service delivery model prioritises people who experience social disadvantage and are consequently marginalised from many mainstream health and other services.

cohealth provides a range of services for people experiencing mental illness, from residential accommodation to community outreach and mentoring to interagency planning coordination. Our mental health consumers in the North East Melbourne area have recently transitioned to the NDIS, and our comments in this submission reflect their experiences, along with those of workers and the service system involved.

cohealth fully supports the NDIS as an important system to provide much needed supports to people with disabilities. The fundamental NDIS philosophy of client choice and control aligns with cohealth values and approaches, and we acknowledge the potential opportunities for NDIS participants to identify and structure their supports in the ways that best suit them.

Nonetheless, we hold serious concerns about the ability of the NDIS to effectively respond to the needs of people with psychosocial disability, and for the provision of supports to those not eligible for the NDIS. In this context we are pleased that the Commission recognises the limitations of the NDIS for people with complex needs, particularly those with psychosocial disability, and welcome the recommendations on how the NDIS can be improved to meet their needs.

While the recommended changes go some way to improving the effectiveness of the NDIS for people with psychosocial disability, a key cohealth concern remains: the current price structure is not sufficient to provide the qualified and skilled recovery supports to date provided by community managed mental health services to people experiencing mental illness. Most NDIS activities will be funded at a rate too low to maintain an appropriately credentialed workforce, or to be financially viable. As a result therapeutic case management built on a trusting, ongoing relationship – a role very different to disability support or care coordination - will be harder to provide. The ability for consumers to exercise choice and control, which is fundamental to the NDIS, will be put at risk. We reiterate our recommendations in response to the Issues Paper, that the price structure for providing psychosocial support be reviewed, and a new line item for this work be created.

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cohealth supports the following findings and recommendations:

Draft finding 2.4: "Participants with psychosocial disability, and those who struggle to navigate the scheme, are most at risk of experiencing poor outcomes".

Draft recommendation 4.1: "The National Disability Insurance Agency should:

- implement a process for allowing minor amendments or adjustments to plans without triggering a full plan review
- review its protocols relating to how phone planning is used
- 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
- ensure that Local Area Coordinators are on the ground six months before the scheme is rolled out in an area and are engaging in pre-planning with participants"

cohealth supports this recommendation. As described in the Position Paper, the planning process is of critical importance in ensuring that a participant receives the most effective and appropriate supports. The many limitations to the use of phone planning, particularly to people living with a mental illness, have also been well outlined. cohealth suggests that the use of phone planning only be used if it is specifically requested, particularly for people with psychosocial disabilities. We are aware of people who decline involvement with the NDIS, or receive inadequate plans, thereby missing out on much needed supports, because plans have been completed over the phone.

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."

cohealth strongly supports this recommendation. Psychosocial disabilities have particular features, not least their episodic nature, which separate them from other disabilities, and require planners to have specialised knowledge. Other options for enhancing the planning process include: conducting planning over more than one meeting, allowing the relationship between the participant and planner to develop, resulting in a more appropriate plan; and encouraging greater input by current support providers.

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] maintained at a minimum of $131 million per annum until results from [the next COAG agreed five-yearly review of scheme costs] are available."

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 … beyond supports provided through the National Disability Insurance Scheme… The National Disability Insurance Agency should report, in its quarterly COAG Disability Reform Council report, on boundary issues as they are playing out on the ground, including identifying service gaps and actions to address barriers to accessing disability and mainstream services for people with disability."

In Victoria, existing community managed psychosocial rehabilitation funding (Mental Health Community Support Service, or MHCSS) has been rolled into the NDIS. cohealth holds serious concerns about how people with a serious mental illness will have their psychosocial rehabilitation needs met, due to:

i) a lack of services for people not eligible for the NDIS, and
ii) NDIS disability support services providing services that are quite different to the psychosocial rehabilitation provided by MHCSS.

Greater clarity about the supports provided by the NDIS, and those provided by states and territories, is needed to ensure that service gaps can be identified and addressed prior to the implementation of the NDIS. The ongoing provision of appropriate supports is essential for the wellbeing of all people with psychosocial disabilities, regardless of NDIS eligibility.

Draft recommendation 6.1 "The Australian Government should immediately introduce an independent price monitor."

cohealth supports the recommendation of an independent price monitor. Transparency and independence in price setting and review removes the potential conflict of interest arising from the NDIA setting prices while also being responsible for scheme sustainability.

cohealth feedback on selected other findings and information requests:

Draft finding 6.1 That thin markets will persist for some participants, including those "with complex, specialised or high intensity needs, or very challenging behaviours", and that "in the absence of effective government intervention, such market failure is likely to result in greater shortages, less competition and poorer participant outcomes".

cohealth agrees with these concerns, and anticipates that a number of participants with psychosocial disabilities will fall into this category, due to their complex needs. Some of the most disadvantaged consumers – people with complex mental health issues who also experience homelessness, Aboriginal and Torres Strait Islanders, people from CALD backgrounds or those involved with the criminal justice system – require a more intensive level of support.

We fear that services may find it unsustainable to provide supports to these consumers, due to the additional costs associated with providing the appropriate level of support, combined with the current price structure, resulting in a lack of services. It is critically important that these people continue to receive appropriate supports, and receive the vital rehabilitation supports to which they are entitled.

The risks from people with psychosocial disabilities not receiving appropriate support services are real and significant - to the individuals, their families and the community, and run counter to the aims of the NDIS. Potential consequences include: a decline in individual wellbeing, greater responsibility placed on families and informal supports, and increased pressure on the acute mental health, health, alcohol and other drugs and justice systems.

In this context cohealth argues that block funding should be provided to existing providers, to ensure the continuity of support for particularly disadvantaged groups, such as refugees, people experiencing homelessness, CALD communities, Aboriginal and Torres Strait Islander groups, people involved in the criminal justice system and those with complex support needs.

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Section 7 - Workforce Readiness "The challenges confronting the readiness of the workforce, if left unaddressed, could create short-term and long-term risks to the sustainability of the scheme and the wellbeing of participants."

Section 7 - Workforce Readiness focusses on the very real concern that the workforce may not be able to grow fast enough to meet the demand for disability support.

cohealth is concerned that little attention is given in this discussion to the appropriate skills and qualifications of the workforce. While the size of the workforce is important, the ability of the workforce to meet participant needs is also critical.

Providing effective support for people with psychosocial disabilities requires a workforce that has specialised knowledge and skills about the complexities of working with people with a mental illness. This is quite different work to the generic disability support work on which the pricing structure is based. This difference is not reflected in the NDIS pricing structure. As such, services will not be able to employ appropriately qualified and experienced staff to provide the necessary level of support. Clearly, if providers are not remunerated for the cost of providing appropriate support the risk is that these services will not be provided.

If providers are unable to provide appropriate and effective supports, there is a risk that participant choice will be constrained, over time jeopardising the scheme aims.

cohealth recommends that the pricing structure be reviewed to ensure it allows sufficient resources to effectively meet the needs of people with psychosocial disability. Specifically, a separate cost line for mental health support services should be included, with a higher hourly rate. Provision for payment for features essential to the work, such as active outreach work, two worker visits, 'no-shows', case conferences and extended travel provisions should be included.

cohealth remains seriously concerned that the rehabilitation approach currently undertaken by community mental health services is likely to be lost as existing state funding moves the NDIS. We urge the State and Territory governments to meet their obligations to ensure that psychosocial rehabilitation is adequately funded.

Information request 8.1 "Is support coordination being appropriately targeted to meet the aims for which it was designed?"

People with complex needs, including those with psychosocial disability, can require greater assistance in navigating the NDIS – a need recognised by the NDIA in implementing the 'participant pathway'[1]. However, the identification of people who fall into this category, and who are eligible to receive additional assistance, could be improved. It would be valuable for the NDIA to develop, in consultation with consumers and service providers, a methodology for measuring the capacity of consumers to ensure that appropriate assistance is provided.

Information request 8.2 "Is there scope for Disability Support Organisations and private intermediaries to play a greater role in supporting participants?"

Knowledgeable intermediaries can play an important role in supporting participants to be ready for the NDIS. They can provide education to participants about their rights and

[1] Productivity Commission 2017, *National Disability Insurance Scheme (NDIS) Costs,* Position Paper p283

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entitlements under the scheme, and independent advocacy for appropriate plan preparation.

cohealth has observed the importance of consumers having a support person, or advocate, who knows them and their needs well, involved in the planning process. For example, two consumers of cohealth support services, with very similar conditions and circumstances received very different plans. The main difference appeared to be that one had an advocate/support accompany them to the planning meeting. This consumer had a more comprehensive plan developed that provided for more effective and appropriate supports.

However, it is critical that intermediaries have the appropriate qualifications and experience. Disability support organisations, which understand the service systems, terminology and supports available, are best placed to provide this assistance. Peer workers are ideally placed to provide the support, advice and advocacy to participants.

Yours sincerely

Lyn Morgain
Chief Executive

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