Australian Government

Department of Health

DEPUTY SECRETARY

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The Commissioners
National Disability Insurance Scheme (NDIS) Costs study
Productivity Commission
GPO Box 1428
CANBERRA CITY ACT 2600

Dear Commissioners

Department of Health Submission to the Review of National Disability Insurance Scheme (NDIS) Costs Study position paper

The Department of Health appreciates the opportunity to provide a public submission to the Productivity Commission's (PC) Review of NDIS Costs Study position paper.

The department has four programs transitioning to the NDIS: Partners in Recovery (PIR), Day to Day Living (D2DL), the Hearing Services Program (HSP), and the Continence Aids Payment Scheme (CAPS).

The department's submission will focus on two key areas: Psychosocial Supports and Hearing Services.

Psychosocial Supports

As mentioned in the department's previous submission to the PC NDIS Study (Submission 175), there are three Commonwealth community mental health programs, which provide services and supports to people with psychosocial disability, which are transitioning funding to the NDIS. The PIR and D2DL programs are managed by the Department of Health. Personal Helpers and Mentors is managed by the Department of Social Services (DSS).

Further to this, the department's previous submission outlined that the PIR and D2DL programs have been extended for two years to ensure service continuity and to support the transition of eligible clients to the NDIS. PIR and D2DL organisations are required to manage their client levels within the agreed capacity of their organisation. This may involve seeking new clients in order to maintain service levels (ie when existing clients exit the programs).

The department is broadly supportive of the findings and draft recommendations in relation to psychosocial disability as outlined in the PC position paper. However, there are a few points that require further consideration. In particular, gaps in supports for people not eligible for the NDIS, access requirements for the NDIS, and Continuity of Support.

In its position paper the PC noted that there were concerns around gaps in support for people with psychosocial disability not eligible for the NDIS. This reflects both the existing service gap, and the emerging gap from the Commonwealth community mental health funding (and state/territory funding) transitioning to the NDIS and that some people may be eligible for transitioning programs, but will not be eligible for the NDIS. In the 2017-18 Federal Budget the Australian Government committed $80 million over four years for a National Psychosocial Supports measure that will provide psychosocial support services to assist people with severe mental illness who are not eligible for assistance through the NDIS. The additional Commonwealth investment will be delivered once agreements have been reached with appropriate commitments from each State and Territory. The measure will reduce the psychosocial services gap, improve mental health outcomes and reduce the growing inequity in service availability. If a jurisdiction chooses not to participate (commit to appropriate funding), that jurisdiction's funds would be redistributed among the participating jurisdictions. Primary Health Networks (PHNs) are the Commonwealth's preferred recipients of the combined funding, although States and Territories may prefer an alternative approach, particularly if they are maintaining existing programs. Funding will be distributed in a fair and equitable manner taking into account regional variability. Further details in relation to the implementation of this measure will be outlined in the near future.

Appropriate access criteria for the NDIS and clear processes for those criteria will ensure that the people who are most in need of the NDIS are able to utilise it. The PC position paper noted that they were not supportive of changing the eligibility criteria to relax the definition of permanency and how it relates to psychosocial disability. However, the paper did note that the *NDIS Rules and operational guidelines* accept that a permanent condition may be episodic in nature, requiring different amounts of support at different times. Further to this, the PC position paper provided a draft recommendation that the NDIA 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. The department supports the approach to this recommendation. Specialist training for both NDIA planners and access/eligibility assessment staff should be implemented to ensure that the episodic nature of psychosocial disability is fully considered and allowed for in the decision making process. Stakeholders have advised that significant resources are often required to support a client through the NDIS access and planning processes. It would be beneficial for the NDIA to introduce some flexibility in the access process to allow for a support person to accompany the Participant through these stages.

Draft recommendation 5.2 suggests that the Commonwealth, State and Territory Governments should make public their approach to providing continuity of support and the services they intend to provide to people (including the value of supports and number of people covered), beyond supports provided through the NDIS. As mentioned in the department's previous submission, all governments have committed to providing continuity of support for existing clients who are not eligible for the NDIS. For the Commonwealth, where existing Commonwealth program funding is rolling into the NDIS, program clients who are not deemed eligible for the NDIS will continue to receive supports. During the NDIS transition period this will be provided through existing program structures and services. Longer term arrangements beyond transition will be finalised in the light of experience in the trial and transition phases. As the majority of Commonwealth clients are yet to test their eligibility for the NDIS, it would be challenging for the Commonwealth to provide information on the value of supports and the numbers of people covered as this is still being determined.

Hearing Services

The Australian Government Hearing Services Program (HSP) provides access to subsidised hearing services and devices for eligible people, and supports research that assists with reducing the incidence and consequences of hearing loss in the community.

Administered by the Department of Health, HSP components include:

- Voucher program - enables eligible clients to obtain hearing services and devices from a national network of services providers including Australian Hearing (AH).
- Community Service Obligations (CSO) - provides specialist services to children and other eligible groups such as complex adult clients and some Aboriginal and Torres Strait Islanders. CSO services include cochlear implant speech processor upgrades for children and young adults up until their 26th birthday and are delivered by AH.
- Funding Program-relevant research through the National Acoustic Laboratories (NAL) and the National Health and Medical Research Council (NHMRC).

The HSP was created in 1997 to introduce contestability for the provision of hearing services to adult clients through the Voucher program. The Voucher program is delivered through approximately 270 contracted service providers. The CSO was created to provide services to target populations who were seen as potentially the most disadvantaged members of the community. These cohorts are children aged less than 26 years, Aboriginal and Torres Strait Islanders (ATSI), Adults with complex hearing needs and clients living in remote regions of Australia. Services to these CSO cohorts could be identified as 'thin markets' based on the commentary in your report.

At the time of the creation of the Voucher and the CSO programs, the legislation and program design was prescriptive as Government held the view that the hearing industry were not of a sufficient maturity to provide hearing services to a high standard without the direction of Government. Services provided in the Voucher program utilised a prescriptive contract between the department and private hearing service providers. Services in the CSO were block funded under agreement with AH.

The department has contracted PriceWaterhouseCoopers to undertake a review of service items and fees and the supply of assistive hearing technology. This review will consider new service delivery models for the Voucher program and the supply of assistive hearing technology as part of the transition for some clients from the HSP into the NDIS in July 2019. Options that might better support client outcomes, streamline business processes, and simplify administration while ensuring the sustainability of the program by achieving value for money for the Government, will be identified and evaluated.

In relation to the PC position paper *Information Request 6.1* on measures to use for thin markets, the department originally provided block funding to AH to deliver CSO services in an environment where the private market did not have the skill set or resources to provide high quality services to thin markets such as the Outreach program providing hearing services to ATSI communities. In this context AH could be relied upon to deliver services where the geographic location and population density was not commercially viable or attractive in the open market.

AH have established service level agreements within ATSI communities to provide services and encourage community members to come forth and receive services during community visits. AH have had to develop a rapport with the Outreach communities, train staff in how to liaise with ATSI people and even develop tele-health service delivery models to improve access to hearing services.

The block-funding model is appropriate in this instance as the up-front costs of accessing the thin market in terms of travel, training and community engagement are difficult to predict.

It is also noted that interim arrangements have also been put in place for the NDIS participants requiring hearing supports to access the HSP as it is considered a mainstream disability support program.

Information Request 7.1 refers to the best way for governments and the NDIA to work together to develop a holistic workforce strategy for the NDIS. One of the key issues facing the Audiology sector is the lack of evidence and empirical data that would inform a workforce strategy. Currently the Australian Health Practitioner Regulation Agency (AHPRA) provides a national registration and accreditation scheme for many of the allied health occupations. They undertake workforce surveys to determine the level of participation and workforce availability. Qualified Audiologists and Audio-metrists are not considered in scope of AHPRA's work.

The last workforce study of Audiologists was undertaken by the University of Western Australia in 2006. The ABS Census also measures occupation which can be used to identify Audiologists but there is no contextual information on the workforce fields of specialisation to determine if they are capable of providing services to NDIS participants.

A study into the Audiology workforce and their capacity to deliver services to NDIS participants with a hearing impairment would inform workforce needs for the NDIS.

In *Information Request 9.1*, the Commission is seeking feedback on the most effective way to operationalise slowing down the rollout of the NDIS in the event it is required. The HSP currently provides NDIS participants in-kind services. The take-up rate of new people entering the NDIS has been very low compared to Budget estimates. Slowing down the rollout of the NDIS is not likely to have a major impact on the HSP.

The department has been working with the NDIA during the transition period with an expected full implementation date of 1 July 2019. The HSP legislation will be changed to reflect post 1 July 2019 transition arrangements. Further delays to this date will impact HSP delivery including financial implications should in-kind arrangements continue.

While the department is broadly supportive of the approaches outlined in the PC position paper, there are elements that may require further consideration. From a psychosocial disability perspective, it is important that NDIA staff, both planners and access staff, be appropriately trained to understand the nature of psychosocial disability. Further to this, the addition of supported access and planning processes for people with a psychosocial disability would help to ensure that their needs are being adequately met through the NDIS. A number of examples have been provided by the Hearing Services program in relation to thin markets and workforce strategies that may be of benefit to the NDIS. The introduction of the National Psychosocial Supports measure, although early days, will also provide some comfort that people with a psychosocial disability who are not eligible for the NDIS will have supports.

Yours sincerely

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