

4/09/2019

Joint Standing Committee on the National Disability Insurance Scheme
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Secretariat,

The Cram Foundation would like to thank the Joint Standing Committee for the opportunity to provide comment on the report examining the implementation, performance and governance of the National Disability Insurance Scheme's Supported Independent Living. The Cram Foundation is a respected non-for-profit provider of person-centred services to people living with complex disabilities for over 87 years across the Illawarra and Shoalhaven. We currently provide support for a total of 45 participants within our 9 Homes and within the community. Whilst Cram is a small provider, our major source of service delivery is in the provision of Supported Independent Living for some of the most vulnerable participants living with complex disabilities. Cram also provides Support Co-ordination, In Home Care, Community Participation, Specialist Disability Housing, Transport Services and limited Nursing consultancy.

Cram is proud of our quality of niche service provision of complex care and health support to our participants. Cram supports the NDIS and the opportunity this social reform has the potential to bring to the quality of life and inclusion of its participants. Cram derives over 90% of our funding through NDIS with a small portion through i-Care and has witnessed some positive outcomes from this important social reform. Cram is however experiencing a number of significant challenges in some areas of administration of this NDIS funding which is having an impact on our ongoing sustainability.

Cram would like to specifically comment on the key reference items including:

- The SIL approval process and access to SIL;
- The vacancy management process including management and costs;
- SIL funding; and
- General Concerns surrounding unfunded support for clients living with SIL as participants.

a. **The approval process for access to SIL:**

New quoting tool and issues with plans underfunded

The Cram Foundation notes the positive application of the new SIL quoting tool as a relatively efficient way to conduct SIL quotations. There are however some significant issues being experienced with the use of the tool with the crossover of the NDIS Plan Review process.

SIL providers have been advised to be specific in the tool template when participants receive supports that are not SIL related (such as when they are utilising core supports such as Community Participation (CP)). Cram recently underwent extensive pre-planning with

participants and families in consultation with NDIS planner's and correctly allocated CP in the SIL quotations across days and times the Participant requested.

In receiving participant plan reviews back, identified short falls in Core funding (where CP allocation sits) has repeatedly resulted in SIL quotes not adequately covering the times for CP that the client has not been approved for. This resulted in Cram having to trigger a review of the SIL quote all over again to rectify gaps in the SIL quotes. This in turn delayed quote approvals and SIL payments and has required double the administrative resource to manage. Alternatively, on other occasions, Cram as the SIL provider wore the shortfall of the support of the client in their SIL to cover the support missed by the gap in the plan. The dollar value of these gaps for Cram's level of participant are significant and is an unacceptable cost for the SIL provider to fund.

Delays in quote approvals and service bookings

Cram is a very small provider supporting some of the most complex participants in the region in SIL based housing. In the past 3 months, Cram has had over half of its participants undergo plan reviews. All plan reviews commenced before the end date of the current plan. SIL quotes were completed ahead of the plan review meeting for consideration and then formally submitted to the NDIS as required after the meeting. Client's plans were then stopped at the time of the plan review meeting, leaving Cram as the SIL provider with no funding stream while awaiting the approval and service bookings of the SIL quotes for the new plan which at times takes months to approve. At times Cram has been owed around half a million dollars in unpaid SIL funding due to this issue, causing serious risks to cash flow and increased administration to claim for delayed funds.

The dependency when one participant requires a plan review that impacts their SIL then triggering plan reviews for all other participants in the same SIL quote and home is also an issue that is an unnecessary burden for participants, families and the provider. Layers of administration such as these diminish the service provider's capacity to fully focus on the delivery of service provision from their participant.

b. The vacancy management process, including its management and costs:

Vacancy Management and delays in SIL approval

Cram participants are largely housed in FACS owned homes, with an external SDA provider. Recently, Cram experienced the unfortunate occurrence of a participant unexpectedly passing away due to ill health. Once the participant had passed, SIL payments ceased. This cessation of SIL funding immediately from the day a participant is deceased poses detriment to the SIL provider. Providers incur significant costs following such an event which are completely unfunded yet impossible to avoid. The provider is still responsible for ethically managing the requirements of the participant's family, paperwork and relocation of belongings, reallocating rostering as per the SCHADS award which requires at a minimum of 1 week consultation and then time to roll out. Enabling a short period of funding to cover a period of a few weeks in the instance a participant passes away would assist SIL providers greatly in managing their requirements without incurring financial penalty.

c. The funding of SIL; and

Whilst SIL providers aim for strong efficiencies and streamlined processes across service delivery, the cost of the real resource requirement to administer SIL with these challenges exceeds the revenues. Extra costs are incurred to effectively administer the funding process of SIL and relate to the administrative burden of increased resource for claiming, frequency of managing constant plan reviews and re quoting, chasing “back claims” due to NDIS errors, having to escalate the correction of mistakes in plans that do not match up with SIL quoting and more. This cost has potential to negatively impact on innovation and on ensuring the achievement of individual outcomes.

d. Related issues

Co-dependency of SDA approval impacting SIL vacancy management

Co-dependency of Specialist Disability Accommodation (SDA) approval, specifically within FACS homes presents a range of issues. Due to contractual requirements between FACS, SDA providers and SIL providers, the SIL provider wears financial penalties when vacancies are not promptly filled. A mandatory requirement has also been placed for participants to have SDA in plans to enter a vacancy in these FACS homes. Delays in SDA approvals for participants seeking to take a SIL vacancy is a major issue. The following example best demonstrates the situation.

Cram proactively manages a wait list of participants living in Aged care services seeking to transition to a SIL vacancy. When a recent vacancy came available following the death of a participant, the transition for the participant was significantly held up by delays in SIL quoting and approval and importantly in the dependency of approval of SDA. Whilst Cram expedited arrangements to fill the vacancy immediately, and the participant had been deemed eligible for SIL, Cram experienced months of delay for the SIL quote to be approved and SDA approval which is a mandatory requirement for the participant to take the vacancy.

In all aspects, the participant in aged care was prevented from taking up the vacant room, the SIL provider financially penalised by the SDA provider for not filling the vacancy within required timeframes (even though they have technically filled the vacancy but have no ability to influence the speed of the SDA & SIL approval). Staff working in the home are also impacted by reduced hours and roster changes with the SIL whilst they await approval for the participant. This impacts on the organisation’s brand as an employer and its workforce sustainability in what is already a competitive employment environment.

Plan review cycle impacts and errors

The National Disability Insurance Agency (NDIA) requires participants to renew their NDIS plan each 12 to 24 months. This condition puts strain on participants, their families, LACs, NDIA planners, and service providers as they all gather, generate and input information into the process. Shorter plan terms and gaps in plans can also result in significant delays in acceptance of Supported Independent Living (SIL) quotes by NDIA planners.

Occasionally SIL quotes need to be resubmitted as they are 'lost in the system', a fact which only comes to light when the provider enquires about progress. Additionally, the promised integration of core supports with the SIL plan has not been implemented at the time of the review. At the time of plan reviews, SIL quotes are accepted in relation to a given number of days per week that the resident is away from the home, but it is often found the core supports that have been added are insufficient, and Cram as the SIL provider is forced to seek a review or make up a shortfall.

The impact of the 'churn' in planning and plan reviews also results in claiming errors. Gaps in plans and overlapping plan dates contribute to a high rate of errors and loss of revenue for providers. The cycle of manually claiming for "back claim" amounts for SIL services that have already been delivered is extremely burdensome and unsustainable for many providers like Cram.

In summary, Cram recommends the following:

- A solution to ensure the SIL quote team and planners of NDIS plan reviews collaborate to avoid gaps in SIL and Core funding quoting to avoid providers having to submit multiple quotes and reviews.
- Reviewing the FACS, SDA and SIL policy and contractual obligations for vacancy management so SIL providers are not financially penalised for delays with NDIS in getting SDA and SIL quotes approved.
- Greater efficiency and priority of SDA approvals when they are dependent on a SIL quote for participants entering a current housing vacancy
- Ceasing the need for all participants in a home to undertake full plan reviews in the event a change to one participant's SIL is required
- Leaving existing NDIS plans open for claiming upon when doing plan reviews to ensure SIL providers can still access funding for service provision when the new plan review process is underway.
- A centralised SIL team in the regions where homes are located to assist in greater efficiency of SIL approval and service bookings and a central escalation point.

The Cram Foundation thanks the committee for the opportunity to comment and will be happy to provide further consultation on the above comments in future as required.

Kind Regards,

Karen Burdett
Chief Executive Officer