

# National Disability Insurance Agency Submission

## Joint Standing Committee on the NDIS *Inquiry into Supported Independent Living*

### **Terms of Reference (ToR)**

As part of the committee's role to inquire into the implementation, performance and governance of the National Disability Insurance Scheme (NDIS), the committee will inquire into and report on Supported Independent Living (SIL), with particular reference to:

- a) the approval process for access to SIL;
- b) the vacancy management process, including its management and costs;
- c) the funding of SIL; and
- d) any related issues.

## Introduction

### Context

The National Disability Insurance Scheme (NDIS) is a visionary social reform that for the first time puts choice and control squarely in the hands of people with disability. Based on insurance, not welfare principles, its purpose is to improve economic and social outcomes for all Australians with a significant and permanent disability, and to provide them with funding to access reasonable and necessary disability supports.

As at 30 June 2019, 298,816 people with disability, including 5,312 children in the Early Childhood Early Intervention (ECEI) approach, had joined the NDIS. Post 30 June 2019, the NDIA has passed 300,000 participants. An additional 27,853 participants received an approved plan, representing an 8 per cent increase over the prior quarter. Almost 110,000 people have received supports for the first time. Participant satisfaction was 90 per cent for the quarter ending 30 June 2019.

While much has been achieved, we know more needs to be done to make dealing with the NDIS easier for participants and families, and to ensure we are getting it right for participants, each and every time.

Central to this is delivering improvements that support better participant outcomes across various domains, including appropriate supports for people to live independent lives. This needs to be driven by participant choice and control, and supported by a competitive market of innovative supports. The NDIA recognises the importance of Supported Independent Living (SIL) as part of the broader ecosystem of supports available to NDIS participants.

The NDIA has been, and continues to be focused on supporting the smooth transition of participants into the NDIS, without creating support or funding gaps. The NDIA's approach has been to put participants first by focusing on safe and effective transition into the NDIS from existing SIL arrangements.

Once participants with SIL support requirements have transitioned into the NDIS, the NDIA will focus on improving the effectiveness and sustainability of SIL supports across the NDIS, including by exploring alternative and more contemporary ways of achieving the intended independent living goals for each participant. This will include employing strategies to promote and encourage innovation in the market to facilitate alternative models of providing these types of supports.

### SIL supports in the NDIS

SIL is the assistance with and/or supervision of daily tasks to develop the skills of an individual to live as independently and autonomously as possible. These are the supports provided to a participant to be able to live in various types of accommodation, and can be in a shared or individual arrangement. It does not, however, cover the cost of accommodation.

Currently, SIL has significant legacy arrangements in place. States and territories historically funded supported accommodation in block funding arrangements, or directly operated these facilities.

Providers were paid three months in advance, regardless of occupancy. In some instances, the level of support was not tailored to the participant's needs, and based around a nursing model of care. People with disability had limited say in where they lived or who they lived with.

The NDIA has been working to manage these legacy arrangements during the transition period, however in-kind arrangements, transfers from state facilities and different working arrangements across different states and territories have resulted in considerable complexity – alongside significant increases in participant intake. As a result, the current SIL environment is complex, and continues to evolve.

Under the current approach, the SIL budget in a participant's plan is determined via a quotation process. SIL quotes are assessed to determine whether the proposed model of care is appropriate for the participant and their goals, and represents value for money. This approach reflects the legacy arrangements in transitioning SIL from state government service models.

The SIL budget is then informed by the level of reasonable and necessary support the participant requires to live independently as possible and SIL assistance is included in their plan as an NDIS funded support category. The appropriate SIL supports are determined by considering the functional impact of the participant's disability and associated support requirements, participant goals, capacity building to achieve their goals, informal supports, the support needs of others within the home, and all other supporting information.

SIL does not include rent, board and lodging or other day to day living expenses such as food and activities. The intent of SIL is to support participants to improve their capacity for independent living, rather than provide day-to-day activities for the participant. It also does not include the capital costs associated with a participant's accommodation. Separately, capital funded supports may be provided through Specialist Disability Accommodation (SDA), which provides eligible participants with funding for a suitably modified dwelling in which SIL supports may be delivered. While not all NDIS participants who receive SIL supports currently access SDA (63% of SIL participants have SDA), the vast majority of participants who access SDA will also receive SIL supports (99% of SDA participants have SIL). The relationship between SIL and SDA is an area of focus for the NDIA.

### **NDIA initiatives to improve SIL**

Since the NDIS commenced there have been a series of improvements put in place to improve the timeliness and consistency of SIL for participants and providers, with a focus on addressing backlogs and ensuring payments occur in a timely fashion.

The NDIA acknowledges there have been issues with timeliness in processing SIL. Given SIL payments are of a significant value, the NDIA recognises there may be major impact on cash flow impact for providers, and participant experience impact if quotes are not processed in a timely manner.

In response to these issues, the NDIA has implemented more streamlined SIL quotation processes and practices to address issues such as:

- inconsistent and delayed completion and submission of provider quotes; and

- inconsistent and delayed NDIA assessment of SIL quotes with flow on impacts to the timely creation of service bookings which enable the provider to claim.

Key improvements delivered to date include:

- Establishment of a centralised process for submitting and assessing SIL quotes which consists of:
  - A national SIL team who contacts providers to request SIL quotes 12 weeks before a participant's plan review date; conducts quality assurance checks of all received SIL quotes for correctness and completeness; and confirms the receipt of written evidence providers consulted with the participant to prepare the SIL quote.
  - State-based SIL assessment teams assess SIL quotes and recommend SIL budgets for inclusion in participant plans. This occurs 6-8 weeks before plan review meetings so planners have all necessary information to discuss proposed SIL supports with participants and parents, carers or plan nominees at their planning meeting.
  - Resolving SIL backlogs that had built up. To date, the state-based SIL assessment teams have made significant inroads into the SIL quote backlogs. A backlog is considered to be in place if a quote is complete, has met quality assurance standards and has been awaiting assessment by the assessment team for longer than 5 working days. Circumstances in which a SIL quote has not been submitted by the provider or the quote requires amendment and resubmission by the provider are not considered to be part of a backlog. The majority of states and territories currently have no SIL backlog.
- Checks to ensure the SIL budget is included in the plan and service bookings are created for providers following plan approval. This ensures providers are able to claim from the time supports commence.
- Delivery of intensive engagement and education to providers in completing and submitting SIL quotes; and
- Supporting state government disability accommodation services transferring to non-government NDIS providers.

Improvements to SIL can be expected as the NDIA evaluates and refines its processes, practices and engagement with all stakeholders participating in the SIL process.

### **Future state**

While the SIL approach to date has been largely shaped by service models established under state government arrangements, the NDIA is committed to service innovation and improvement as the NDIS matures. All such improvements will be driven by the principle of maximising choice and control for NDIS participants. Possible service models include concierge, salt and pepper, and villa-style cluster models when SIL is limited to but separate from the SDA delivery model.

In the future, SIL-like funding in a participant's plan will be informed by participant's goals and support needs, contemporary models of support, evidence and actuarial data, and move away from legacy models of support, which may not necessarily deliver the optimal support solution for participants and give them choice and control. This will need to be underpinned by improved market data to assist with development of future support models.

**Current data**

As at 30 June 2019, there were 21,052 participants who had received SIL funded supports in their plans. SIL represents approximately 32 per cent of annual committed supports in current NDIS plans as at 30 June 2019, that is \$6.1 billion committed in current SIL plans compared to \$18.9 billion total funds committed in current plans<sup>1</sup>.

Nationally, 7 per cent of participants had SIL arrangements in place. These participants have higher utilisation rates than participants not in SIL – 85 per cent compared with 60 per cent for non-SIL participants on their second or later plan<sup>2</sup>.

The table below outlines the increase in the number of participants with SIL arrangements in place from 6,796 as at 30 June 2017 to 21,052 as at 30 June 2019. This increase is directly attributed to the transition of participants in to the NDIS under the State and Territory Bilateral Agreements.

Number of Participants	30-Jun-17	30-Sep-17	31-Dec-17	31-Mar-18	30-Jun-18	30-Sep-18	31-Dec-18	31-Mar-19	30-Jun-19
NSW	4,357	6,270	6,626	6,821	6,992	7,158	7,373	7,504	7,708
VIC	938	1,140	1,452	1,857	2,635	3,278	3,863	4,327	4,711
QLD	567	579	914	1,027	1,254	1,438	2,217	3,220	3,959
WA	230	303	332	334	349	475	752	915	1,062
SA	1	1	64	158	255	424	1,374	1,944	2,131
TAS	235	331	402	499	577	627	642	749	777
ACT	354	376	382	386	386	392	403	403	412
NT	114	192	200	201	215	233	256	267	292
<b>Total</b>	<b>6,796</b>	<b>9,192</b>	<b>10,372</b>	<b>11,283</b>	<b>12,663</b>	<b>14,025</b>	<b>16,880</b>	<b>19,329</b>	<b>21,052</b>

## a) The approval process for access to SIL

The NDIA must be satisfied that the funded supports in a participant's NDIS plan meet each of the reasonable and necessary criteria outlined in section 34(1) of the *National Disability Insurance Agency Act 2013* and the Supports for Participants Rules (see Including Specific Types of Supports in Plans Operational Guideline).

Suitability for SIL is determined prior to making a reasonable and necessary decision:

- Following the inclusion of an independent living goal in a participant's plan, and
- Upon receipt of information, assessments and documentation related to the participant's housing goal.

The range of considerations for determining a participant's suitability for SIL are as follows:

- Individual circumstances, including participant's goals and aspirations;
- Current living situation, as well as future goals in this regard;
- Independent living skills and capacity-building requirements;
- Supports received or required to assist in achieving their independent living goal;

<sup>1</sup> Table O.2 Annualised committed supports in current NDIS plans as at 30 June 2019, Appendix O: Specialist Disability Accommodation, Report to the COAG Disability Reform Council for Q4 of Y6 Appendices

<sup>2</sup> Figure 25: Utilisation of committed supports by SIL/non-SIL participants for 2018, Report to the COAG Disability Reform Council for Q4 of Y6 Summary Part A

- Supporting information, reports and assessments;
- Alternative housing arrangements and the associated SIL requirements;
- That SIL represents value for money and is reasonable and necessary.

A participant's plan is approved with the inclusion of a SIL line item, requiring the participant, supported by a support coordinator, to identify a suitable SIL arrangement and obtain a quote from a SIL provider.

Suitability must be determined before a participant obtains a SIL quote from the provider and the participant commences a SIL arrangement. SIL suitability is not a requirement for participants already receiving SIL arrangements.

## **b) The vacancy management process, including its management and costs**

The responsibility for vacancy management is with SIL providers. The NDIA is not responsible for filling vacancies on behalf of providers.

Market aggregator solutions have been developed by the SDA market, which is usually connected to SIL arrangements. There are a number of websites which now advertise vacancies in SDA, and also allow those seeking SDA options to upload information. This type of response could be explored for SIL vacancies also.

Service agreements between participants and providers should cover notice periods to end the SIL support or placement. These agreements should also include the process to fill planned vacancies if and when they arise. The NDIA recognises that this is not possible in the event of a participant's death. As part of the program of work underway on SIL policy, the NDIA is developing a position to ensure providers are not negatively financially impacted under these circumstances. It is acknowledged there is a period of time needed before a new resident can be introduced into the home and the issues of compatibility must be addressed.

## **c) The funding of SIL**

SIL is a quotable support, which means participants are expected to obtain quotes from suppliers to provide to the NDIA to verify that the prices are reasonable. This approach is typically used in the case of highly specialised, differentiated supports that may not have a high level of competition.

Critical to the SIL quote preparation process is that participants be included in developing the level of supports and model of care to be included in their SIL quote. This remains a work in progress, however.

The Provider SIL Quoting Tool is designed to provide insight into a typical week for each participant with SIL in their plans and provides a mechanism for providers to communicate a participant's quote to the NDIA, detailing staffing mix, level of shared supports and individual support needs.

The primary focus of the SIL quote assessment is to confirm:

- the quote has been developed with the participant and/or their family or representatives; and
- the quoted SIL supports meet the individual needs and the level of care required to support them to live as independently as possible.

The NDIA assesses the provider's quote using a tool which calculates a market price for SIL based on the price guide and the proposed hours of support.

The outcome of this process is a recommended SIL budget based on the level of support the participant requires in their home.

## **d) Any related issues**

### **SIL/SDA Providers**

The NDIA is aware of the risks that can be associated with the provision of SIL and SDA by the same provider, including that persons could feel pressured to accept poor quality services due to a concern that a complaint about one aspect of their supports might affect their ongoing accommodation.

The SDA rules require separable service agreements to be in place with regard to SIL and SDA provision. There is also a general requirement for providers to have procedures in place to manage any real or potential conflicts of interest. SDA providers must also open up SIL arrangements to competition.

Equally it is recognised that this does not yet universally occur, but going forward it is expected this should be a key design parameter.