

Wednesday, 27 October 2021

## **First2Care's Response to the Inquiry into Current Scheme Implementation and Forecasting**

**As due on 29<sup>th</sup> October 2021 for consideration in the interim report**

### ***Executive Summary***

Support Management Solutions t/as First2Care welcomes the opportunity to explore the implementation and forecasting of the NDIS through the Joint Standing Committee's inquiry into the implementation, performance and governance of the NDIS. First2Care is a medium sized independent Plan Manager based in Brisbane, who stand for ethical practices by the Agency to ensure participants have choice and control over their entire lives, including their plan. We address two terms of reference within our submission, and make recommendations that align with our values and the outcomes we wish to see for our clients.

- c. The reasons for variations in plan funding between NDIS participants with similar needs, including:
  - i. the drivers of inequity between NDIS participants living in different parts of Australia,
  - ii. whether inconsistent decision-making by the NDIA is leading to inequitable variations in plan funding, and
  - iii. measures that could address any inequitable variation in plan funding;

In First2Care's view, variations in plan funding between NDIS participants with similar needs predominantly comes down to the planning process, and the review process. This issue can most clearly be exemplified by examining AAT decisions relating to plan funding and management style. By the AAT publishing cases of decisions made, they have allotted a far greater level of transparency from themselves and the NDIA.

The NDIA have a high rate of error compared to AAT reviewable decisions from other governmental agencies like Centrelink, which has been raised throughout several submissions to previous inquiries by ourselves and like-minded providers and advocacy groups. We do not wish to relay this information to the agency once again, but find it necessary to remind relevant parties of the magnitude of this issue. There is a need for streamlined review processes in order to decrease the number of participants that need to go through the AAT, who currently consume valuable funding and time of themselves and the AAT and NDIA.

Increasingly, in AAT submissions, NDIA processes that generally aren't made public are revealed, such as the 'opt-out' approach to management style, whereby participants must make a request to be plan managed or self managed, otherwise they will be defaulted to agency-managed. This drives inequity between participants as this process relies on decision-makers such as LACs and Planners fully taking into account the individual's autonomy and capacity to partake in whichever management style they choose. As it stands, the decision-makers do not necessarily need to allow for this choice and control as the default agency-managed option exists.

One means of eradicating this inequity is to adopt tick-box approach to style of management of funds; that is a change from a default of agency-management to electing one of the three options (except for in

extenuating circumstances such as a client who has committed fraudulent activities through unregistered providers). This will eliminate the need for AAT decisions surrounding this particular issue.

First2Care endorses an inquiry into internal and external review processes, in order to determine how this process can be reorganised to benefit participants by removing laborious efforts and costs associated with reaching the review process, particularly that of the AAT.

As plan managers, we see the raw cost of obtaining AAT decisions on participants' plans; the process consumes funding for supports like support workers and psychologists due to the time it takes to prepare documents and the undue stress this causes.

As well as these issues, First2Care recommends that a list of reviewable decisions is made clear to the participant at every planning and reassessment meeting to ensure implementation of plans and the Scheme remains transparent at every decision.

- e. Financial and actuarial modelling and forecasting of the scheme, including:
  - a. the role of insurance-based principles in scheme modelling, and
  - b. assumptions, measures, and methodologies used to forecast and make projections about the scheme, participants, and long-term financial modelling;

First2Care recommends that the output of the scheme and participants are measured in far more detail, such as employment and tax figures that indicate NDIS participants are economically and socially participating in society, as per the guiding principles of the Scheme. Similarly, we would like to recommend measuring and examining outcomes around the economic benefits that have come into fruition from the thriving NDIS industry. Adequate methodologies, alongside total transparency, will allow for greater forecasting and modelling. Such transparency has long been called for by the NDIS community and will be received with much appreciation.

Plan management is a new sub-industry emerging due to the increase in demand for outsourced funding management and advisory as the Scheme continues to mature. Along with an increase in demand, there exists an increasingly crucial need for educating participants, so they will feel empowered to make decisions that best benefit themselves. Plan managers have voiced their content with acting as the educating role in this scenario, and First2Care believes the scope of plan management is more than qualified to expanding into such a role.

This capacity building opportunity is currently offered in a less than favourable way within the Scheme through line items 15\_035\_0106\_1\_3 (Assistance with Decision Making, Daily Planning and Budgeting) and 01\_134\_0117\_8\_1 (Provision of Self-Management Capacity Building Support). While these provisions are already in place through the pricing arrangements, the compensation for providing these supports discourages plan managers and other providers from delivering this, as the amount is so low comparative to other types of support. First2Care sees the opportunity through this inquiry (which has a focus on modelling and implementation) to recommend that plan manager's remit be remodelled to allow for smoother experiences for providers and participants alike; this includes educational and capacity building roles and pricing arrangements that accurately reflect the effort and care expended in discussing participants' funding and budgets.

First2Care recommends that pricing arrangements must rise with CPI changes and wage increases as a minimum. The NDIA's idea of plan management versus the actual work done by plan managers vary drastically. Support coordinators and other types of support have been reimbursed accordingly for the work that they do since the introduction of the Scheme. It is long overdue that plan managers are treated justly, as the intricacies and procedures of plan management duties are overlooked constantly by the Agency and Actuary in pricing arrangements. The reasoning behind plan management's pricing structure and minimal compensation remains unclear. First2Care recommends the Agency deeply examines the amount of labour and care plan managers provide when redesigning plan managers' fees, including educational and capacity building costs.

While the role of insurance-based principles in scheme modelling is an increasingly common set of buzzwords for Agency officials to use, there appears to be no corresponding requirement in the legislation to ensure this role endures throughout the multiple governments and social changes that the NDIS will see in its lifetime. First2Care recommends legislating this throughout the Scheme's Rules in order to uphold best practice implementation, and to allow for streamlined forecasting. The return to insurance-based principles resonates with the rhetoric coming from the Agency and the Minister in recent public hearings, conferences and media statements.

As the saying goes, *'there should be nothing about us without us.'* This notion of co-design was reiterated by Disability Royal Commission Member Dr Rhonda Galbally recently at a public hearing. It is imperative to the core values of the scheme that the disability community, including providers, are continued to join in on consultation as initiated by the Agency. First2Care warmly welcomes the opportunities the Agency is presenting at current in allowing this consultation to occur. We keep high hopes that the Agency will use this opportunity to implement co-design in reconsidering pricing arrangements for plan managers.