Psychiatric Disability Services
of Victoria (VICSERV)

Submission on

NDIS Costs

Productivity Commission Position paper

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Introduction

VICSERV is the peak body representing community managed mental health services in Victoria. Our Vision is a society where everyone has access to high quality mental health treatment, rehabilitation and disability support when they need it. VICSERV works closely with consumer and carer peak bodies within Victoria.

The services provided by VICSERV members include programs funded through the Victorian Government's Mental Health Community Support Services (MHCSS), and Commonwealth mental health programs such as Partners in Recovery.

VICSERV commends the Productivity Commission for their Position Paper on the costs of the National Disability Insurance Scheme (NDIS). The paper makes a number of recommendations which address the issues raised by the community managed mental health sector, including through our submission to the Commission's Issues Paper.

The Commission's acknowledgement that people with psychosocial disability are being disproportionately impacted through implementation of the NDIS is a significant step toward ensuring much needed support is provided for a population group whose needs continue to be inadequately met.

Whilst we support the NDIS and acknowledge the positive benefits that it will bring for many people living with serious mental illness, there are still a number of concerns with the design and functionality of the scheme that continue to distress individuals and families and create issues for service providers providing supports through the scheme. These include:

- That the targets set by the NDIA to engage participants in the scheme are misguided and are compromising the quality of participants plans
- The lack of knowledge and expertise of planners in mental health is adversely impacting on their ability to provide an appropriate plan for someone with psychosocial disability
- The current 'deskilling' of the workforce is placing significant risks not only on the consumer, but also on lesser-qualified workers.

Our submission provides further detail on these and other concerns and addresses the key sections, recommendations and requests for further information as detailed in the Commission's Position Paper.

Summary of key recommendations

VICSERV recommends that:

- NDIS Act 2013 (Cth) be reviewed and support 'reasonable and necessary' with benchmark examples to support similar frames of reference;
- as a matter of urgency, the NDIA improve current planning processes and protocols and initiate training for NDIA planners and LACs to improve their knowledge of psychosocial disability and principles of recovery;
- as per the Commission's recommendations, Australian, State and Territory Governments 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 NDIA 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;
- a workforce strategy be developed which includes specific assistance to the peer workforce; focuses on key areas of need such as the Aboriginal and Torres Strait Islander and rural and remote; considers constraints for service providers in providing pre-vocational training and identifies solutions to ensure the ongoing upskilling of the NDIS workforce; and
- Support coordination be available to participants when they need it and not just in the first year of the plan; and that the benefits of support coordination continue to be monitored moving forward.

We would also like to note our endorsement of the submission of our national peak body, Community Mental Health Australia (CMHA), which is a coalition of the eight state and territory peak community mental health organisations. CMHA, through its state and territory bodies, has a direct link and contact to mental health organisations delivering services at the coalface across Australia.

4 Scheme supports

What supports are funded under the NDIS?

INFORMATION REQUEST 4.1

Is the National Disability Insurance Scheme Act 2013 (Clth) sufficiently clear about how or whether the 'reasonable and necessary' criterion should be applied? Is there sufficient clarity around how the section 34(1) criteria relate to the consideration of what is reasonable and necessary?

Is better legislative direction about what is reasonable and necessary required? If so, what improvements should be made? What would be the implications of these changes for the financial sustainability of the scheme?

It is important that consumers and their carers understand what 'reasonable and necessary' really means for the purposes of developing individual plans. The lack of a clear understanding leads to different interpretations, which inevitably impacts on the types and consistency of plans being approved.

There have been few opportunities for people with long-term psychosocial disability to exercise choice and control. The disabling aspects of an individual's impairment can also result in some individuals not being familiar with exercising choice and may have difficulty conceptualising what is possible.

With this in mind, we support the recommendations of our national peak body, CMHA, that the use or interpretation of the *NDIS Act 2013* (Cth) requires examination and should be undertaken as per the December 2015 independent review of the NDIS legislation by Ernst & Young.

The Ernst & Young review stated as a key finding that while, at the time, the legislative framework was broadly enabling government to progress the NDIS Act, an important caveat was that the NDIS was at an early stage and evolving. As the scheme moved into more locations and took on more people, a key recommendation was that the government conduct another review in two to three years to ensure the legislation was 'fit for purpose' for full scheme. In line with this report, it is timely to undertake the review now that the legislation is being implemented.

We also agree with recommendations put forward by other organisations to the Inquiry, that 'reasonable and necessary' needs to be supported by many benchmark examples so that planners and participants can approach planning conversations with similar frames of reference.

About plans and the planning process

INFORMATION REQUEST 4.2

Should the National Disability Insurance Agency have the ability to delegate plan approval functions to Local Area Coordinators? What are the costs, benefits and risks of doing so? How can these be managed?

We can see the benefits with the NDIA allowing approval functions to be delegated to LACs.

As well as the efficiencies it would bring to plan administration, there would be advantages with the LACs being more directly aligned with local areas and settings, and would allow LACs to understand participants more closely and have a greater understanding of psychosocial disability.

This should in turn result in more appropriate plans being developed for people living with psychosocial disability which is a positive outcome that we would like achieved.

Should this proposal be accepted, there will clearly be funding considerations to increase the number of staff within the LACs.

How is the planning process tracking?

We are pleased that the Commission recognises the importance of measuring the effectiveness of outcomes under the NDIS, rather than simply measuring the Scheme's success against participant numbers alone.

The concerns about rushed planning highlighted in the report are well-founded and the speed of transition, as set out in Bilateral Agreements, has placed a lot of pressure on the NDIA to finalise plans quickly, compromising the quality of plans and ultimately undermining the effectiveness of the scheme.

A proper pre-planning process would improve processes, but in the absence of this the focus should be about the participant's needs and their resulting plan.

Many consumers with psychosocial disability require workers with the skills, experience and persistence to motivate and empower them to engage with supports and activities.

In light of this, we support the recommendations of the Commission that the NDIA 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; and**
- **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.**

Skills, training and knowledge of specific conditions

The Commission's Report highlights concerns shared by participants who were critical of the skills, experience and training of planners as a whole. Some participants have also noted that there was considerable variability in the skills, knowledge and competency across planners (including LACs undertaking planning functions).

VICSERV raised the lack of knowledge and expertise of planners in mental health in our submission to the Issues Paper noting that developing an appropriate plan for someone with psychosocial disability requires an understanding of mental illness, the functional impact this can have on a consumer and the broader impact on their carer or family network. The need to ensure that the planning be conducted by people with experience in and an understanding of psychosocial disability is paramount.

An understanding of what a mental health support worker does is also important in order for a planner to gain a clear insight into a person's current supports.

Many service providers have raised concerns that consumers were not able to articulate the 'behind the scenes' work that their support worker engaged in or the nature of the supports they were receiving under an MHCSS service (the Victorian Government-funded program prior to the NDIS) - and that this may be overlooked in their NDIS plan.

During the trial in Victoria's Barwon region, it was noted that the NDIA actively discouraged support workers participating in the planning process, suggesting their presence was a potential conflict of interest. Over time the NDIA has acknowledged the value of having a support worker in this planning meeting to help articulate a participant's needs. This has been welcomed by consumers and carers, who note the importance of having 'someone who understands' in the room.

"I wouldn't have been able to go through it (the planning process) if it wasn't for my support worker. They helped me feel less anxious and walked me through it all so I could understand" (Barwon NDIS participant).

To overcome inconsistency and lack of knowledge, VICSERV recommends that:

- **there be an integral component of the initial training for NDIA planners and LACs that ensures developing knowledge of psychosocial disability and an understanding of mental health and recovery; and**
- **industry knowledge and expertise of support workers be utilised to improve quality of plans for participants.**

We also note that the Commission raised the concept of a specialised 'gateway' as a unique entry pathway for people with psychosocial disability. Such a pathway would help forge a connection with organisations that already have considerable expertise in psychosocial disability, and would provide linkages to supports and services for individuals with severe and persistent mental illness, but who are ineligible for an NDIS package.

Although more investigation is needed on whether such an approach would improve outcomes for participants with psychosocial disability, VICSERV would encourage further investigation of the specialised gateway to improve the planning process.

5 Boundaries and interfaces with the NDIS

For those people with a psychosocial disability not eligible for an individualised package under the NDIS, it is intended that mainstream or other disability supports will assist them.

However, as highlighted in the Commission's report, the issues associated with available supports outside of the NDIS are pronounced, particularly for mental health, and Victoria is a case in point.

From July 1 2016, the Victorian Government began its progressive transferral of state funding for community mental health into the NDIS to fund disability supports. With the exception of Youth Residential Rehabilitation and Mutual Support and Self Help, there will be almost no state-funded community based services available for people with serious mental illness.

The Federally funded programs of Personal Helpers and Mentors (PHaMS) and Partners in Recovery (PIR) are also flagged to progressively lose funding over the next few years, significantly reducing the options and placing greater demand on clinical services and hospital emergency departments.

Loss of Psychosocial Rehabilitation

The NDIA clearly stipulates that the Scheme is not a replacement for psychosocial rehabilitation, and that 'rehabilitation, recovery and early intervention supports' are considered the responsibility of the mental health system, according to the COAG Agreed Principles and Tables of Support.

However, the transfer of Victoria's MHCSS funding to the NDIS and the resulting gap in community support raises the fundamental question of: *how will people (NDIS recipients or not) with serious mental illness in Victoria have their psychosocial rehabilitation needs met in the future?*

The loss of psychosocial rehabilitation from the mental health system will eventually impact on the wider system, including the NDIS.

Recent State Government commitments have provided some hope that people ineligible for disability supports will get some form of community mental health care. In the 2017 / 2018 State budget, the Victorian Government announced "75,000 hours of community care" to reduce the demand on clinical mental health services, following with a further investment of $20 million for community mental health in June 2017.

We are awaiting the Victorian Government's response to the Federal Government's Budget pledge of $80 million over four years for people with mental illness who are not eligible for NDIS, and exactly what these hours and dollars will offer, and who can access them and where.

As more information comes to light about State and Federal priorities in the mental health space, it is apparent that the disability system, clinical system, forensic and broader health system will need to evolve and work together to best support people with mental illness.

The gaps emerging as a result of the loss of the rehabilitation component will place significant strain on the health system and the burden of these gaps ultimately falls on people living with a mental illness and their families.

With this in mind, VICSERV fully supports the recommendations outlined in the Commission's report. That is, that:

- **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 (including the value of supports and number of people covered), beyond supports provided through the National Disability Insurance Scheme. These arrangements for services should be reflected in the upcoming bilateral agreements for the full 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.**

6 Provider readiness

The Commission's report highlights the key challenges raised by providers to developing the market for disability supports, highlighting that NDIS transition data suggests an underutilisation of supports for those with complex needs, and that this is, in part, due to those with complex needs experiencing significant difficulties with finding providers willing to provide services to them.

The report also noted that the NDIA has submitted that some providers may be finding it difficult to become more efficient under the new fee-for-service model.

Different service-delivery model

A number of service providers described the changes to organisational structure and service delivery models to ensure viability under the NDIS as needing to be "fundamentally different" to the models of the past. Service providers across Victoria have spoken of how they have undergone significant change in how they work with clients (and each other) under an NDIS funding structure.

As a result of the NDIS funding model, providers spoke of various ways they have had to "cut back" on non-billable activities and enhance opportunities for billable activities to take place, including reassessing capacity to provide training and professional development for staff.

Such significant change has meant that many providers have seen a high turnover of staff and / or a high level of resistance to the different way of working.

The loss of qualified mental health staff, coupled with the removal of block-funding from community mental health providers will ultimately impact on the capacity of organisations to provide services leading to organisations being unable to offer services to people with NDIS Plans as well as those without. The impact this will have on rural and remote services is amplified.

The lack of government support both through policy levers and funding has been noticeable.

To enable greater flexibility and responsiveness, a closer partnership between the mental health sector and government is required to support community mental health to adjust to the significant change being brought about by the NDIS. Such a partnership could include block funding targeted at activities like training to support service providers through the transition process.

INFORMATION REQUEST 6.1

In what circumstances are measures such as:

- cross-government collaboration
- leveraging established community organisations
- using hub and spoke (scaffolding) models
- relying on other mainstream providers

appropriate to meet the needs of participants in thin markets? What effects do each have on scheme costs and participant outcomes? Are there barriers to adopting these approaches?

Under what conditions should block-funding or direct commissioning of disability supports (including under 'provider of last resort' arrangements) occur in thin markets, and how should these conditions be measured?

We support a more flexible approach to funding and service delivery and other measures for specific circumstances – as outlined in the Position Paper; and that block funding may continue to be necessary.

Block funding would address issues around highly complex clients being able to be supported within a particular pricing structure.

Ultimately, the organisations that are/were block funded are likely to either rationalise their services to those they can deliver sustainably, or if they are solely in that service market, they may cease operations all together if block funding does not continue. Either outcome increases the risk of clients falling through the gaps.

Further discussion regarding the Provider of Last Resort (POLR) is required. If providers are unwilling or unable to supply disability supports under NDIS policy settings, it's unclear how the NDIA could take a direct role to ensure that services are provided and the impacts of this approach.

We understand that the POLR arrangements for the NDIS are still being developed by the NDIA, and we expect that a formal and transparent consultation process is undertaken with participants and providers prior to the formalisation of any arrangements.

INFORMATION REQUEST 6.2

What changes would be necessary to encourage a greater supply of disability supports over the transition period? Are there any approaches from other consumer-directed care sectors — such as aged care — that could be adopted to make supplying services more attractive?

Are there any other measures to address thin markets?

Particular approaches to promote greater market innovation and responsiveness to demand could include:

- Provide funding to service providers to enable them to explore innovative options to adapt and transition to the new service model.
- Empowering local community driven, social enterprise based customised solutions.
- Embracing a broad diversity of supply solutions.
- Encouraging types of alternative business models to generate viable employment and business solutions for people with disability and to retain the concept of participants owning and driving their own solutions.

7 Workforce readiness

The NDIS offers disability supports with the aim of building skills and capabilities around community participation and employment - and is funded accordingly. This is a completely different service offering to the psychosocial rehabilitation supports that many people with serious mental illness in Victoria have been accessing under the state-funded system.

Some providers are relying on other funding streams to cross-subsidise and retain their qualified mental health workforce, others have had to re-classify job roles and offer roles at a lower rate of pay. Providers noted that these measures are not sustainable and losing qualified workers seems inevitable in the long-term.

Further, the risk that this 'deskilling' of the workforce places not only on the consumer, but also on the lesser-qualified worker, is significant, and the resulting implications for organisations and participants could be serious. The following case study and supporting information articulates these concerns.

The complexity and risk of this client was only identified as the plan was viewed through a "clinical lens" from experienced staff – the plan itself did not highlight this information or make it obvious for the service provider or worker.

The service provider allocated an experienced support worker at their own cost. The service provider could have allocated a disability support worker with no experience or skill in working with people with complex needs and the outcome could have been much worse – severe injury to the worker, a more severe sentence for the client, huge work-cover costs to the provider, potential media coverage of the incident.

Complex Client Case Study

NDIS Client with a history of violence, assault and drug use and known to forensic services.

The client had moved to another region of Victoria – NDIS plan contained core supports around social skills, accessing a psychologist and some background information on diagnosis.

Limited direction was initially included in the plan to the service provider to highlight the risk or history of the client – this would become available later after the service provider put in time to chase up reports (time not funded by NDIS).

Experienced worker from a service provider (a qualified clinical nurse) reviewed history of client and could recognise diagnosis and convened an internal meeting to discuss next steps. At the organisations own cost ("only able to do it because we still have MHCSS funds") they allocated a degree-qualified worker with "decades of experience in mental health" to the client.

The worker was driving the client from an appointment and the client became aggressive and attacked the worker. The client later reported she had taken ICE prior to the appointment.

The worker was able to remove herself from the situation, escaping with minor injuries. She was then able to call the police and managed the situation as appropriately as possible based on her skill and experience in working with clients with complex mental health presentations.

The provider recommended that this client receive supported accommodation due to her high needs and dual disability, but this did not end up in her NDIS plan. This client had been transient for many months, her history revealed that in her past she had been given a substantial Multiple and Complex Needs Initiative package, at one time resided in a CCU, and at another time had been incarcerated. The client's history showed she had been receiving services as a child from three years of age.

This example also highlights implications for complex clients and their access to the service provider market – providers in the future may choose not to accept clients with high needs due to the risks. Increasing the risk of these clients falling through the gaps.

Prior to the NDIS, case management has been an important aspect of many consumers with complex issues and this has allowed full knowledge of their support needs (noting that Support Coordination under the NDIS does not fill this role) clients will inevitably fall through holes in the system.

The case study noted above is not an isolated incident - there are more examples emerging of providers getting no background on clients. Disability support workers are visiting the homes of clients that even clinical service workers deem too unsafe to visit.

The move to employing staff on short-term or casual contracts was also noted by service providers across Victoria who said that the future was too uncertain to provide ongoing positions.

INFORMATION REQUEST 7.1

What is the best way for governments and the National Disability Insurance Agency to work together to develop a holistic workforce strategy to meet the workforce needs of the National Disability Insurance Scheme?

The current lack of a comprehensive national mental health workforce strategy has been a significant policy gap. The lack of government support through the transition has also been noticeable.

The workforce strategies that have been developed have not addressed the community managed psychosocial rehabilitation sector and has meant that reforms which have a significant impact have no guiding policy.

A workforce strategy should be developed to support both the mental health workforce and primary health workers, especially GPs, to prepare for mental health reforms, including the NDIS, in relation to mental health and their roles.

The inclusion of the community mental health workforce is crucial. The range of reforms occurring in mental health is having an impact on the workforce in community-managed mental health sector including the pricing structures of the NDIS and the impacts on qualified staff.

The following should be considered in the development of any workforce strategy:

- Inclusion of specific assistance to the peer workforce, including to consumers and carers (both paid and volunteer), including to prepare for the NDIS
- A focus on key areas of need such as the Aboriginal and Torres Strait Islander, rural and remote and early childhood workforce
- Identify constraints for service providers in providing pre-vocational training and ongoing upskilling of the NDIS workforce and identify how these constraints can be overcome
- Similarly identity costs associated with providing ongoing professional development and training for the NDIS workforce to ensure quality of supports is maintained moving forward
- Inclusion of monitoring and reporting processes to ensure continuous reassessment of the workforces capacity to support the NDIS and mainstream services.

8 Participant readiness

INFORMATION REQUEST 8.1

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

VICSERV welcomed the inclusion of support coordination for people with psychosocial disability, but we are concerned that is has only been included for participants in the first year of their plan.

Support Coordination has been identified as an essential component with participants indicating that once a plan is in place, they gained more from their plan if they had a Support Coordinator involved.

It will be important to ensure participants have the opportunity to receive support coordination when they need it and not just in the first year of the plan.

We would also recommend that the benefits of support coordination be monitored moving forward.

INFORMATION REQUEST 8.2

Is there scope for Disability Support Organisations and private intermediaries to play a greater role in supporting participants? If so, how? How would their role compare to Local Area Coordinators and other support coordinators?

Are there any barriers to entry for intermediaries? Should intermediaries be able to provide supports when they also manage a participant's plan? Are there sufficient safeguards for the operation of intermediaries to protect participants?

Mental health workers have expressed concerns that there is insufficient safeguarding in place to support participants who use intermediaries to fund non-registered services.

Anecdotal evidence suggests that some providers push the boundaries in order to engage clients, for example SRS providers influencing participants to use them to provide supports; agreements not being put into place.

9 Governance

INFORMATION REQUEST 9.1

The Commission is seeking feedback on the most effective way to operationalise slowing down the rollout of the National Disability Insurance Scheme in the event it is required.

Possible options include:

- prioritising potential participants with more urgent and complex needs
- delaying the transition in some areas
- an across-the-board slowdown in the rate that participants are added to the scheme.

The Commission is also seeking feedback on the implications of slowing down the rollout.

With respect to slowing down the rollout of the NDIS, we support the views of our national peak body, CMHA.

Key processes must be well established and systemic problems addressed so that people with psychosocial disability receive the benefits of the NDIS in a timely manner, because this has not occurred so far, adversely impacting on this cohort of people. This must be taken into account when determining the timeframe for the ongoing implementation of the NDIS.

A proposal could be continuing to expand the NDIS as per the timeframe for the national roll-out, but considering a slowing down of the targets in terms of how many people to sign up in each area. It would involve resolving certain processes, for example reference packages, functional assessment tools, and expertise of planners. The sector wants to ensure we have the processes right and therefore the outcomes, even if that means taking more time.