

NDIS Success Round 2 webinar 1 script

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Welcome to NDIS Success

Thank you for signing up for CBB's NDIS success program. My name is Jane Arnott and on behalf of the business consulting team I would like to welcome you to our first NDIS success webinar.

Community Business Bureau acknowledges the traditional owners of country throughout Australia. We recognise their continuing connection to land, waters and community. We pay our respects to them and their cultures, and to elders past, present and emerging.

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It has been six years since the National Disability Insurance Scheme was introduced in Australia.

There are now almost 365,000 Australians benefiting from the NDIS. This includes about 154,000 people receiving disability supports for the very first time.

The NDIS will provide \$22 billion in funding per year to an estimated 460,000 people with disability. This will contribute to the creation of around 90,000 jobs in the disability sector across Australia.

Maybe you are new to the NDIS and you are thinking of starting NDIS services. Potentially you are already an NDIS provider and you would like to grow or expand your services. The NDIS success program aims to support sole traders and organisations to plan for successful NDIS provision. We will offer you tools and strategies for starting NDIS services or growing your current NDIS service offerings.

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Today's webinar is the first in a series of six webinars that will provide a roadmap for NDIS success.

In the first webinar today we will give you insights into the fundamentals of the NDIS and help you understand what it means to provide services under the NDIS.

In our second webinar we'll speak about the importance of understanding the market you want to operate in. Who are your potential customers? What do they need and want from their NDIS provider and who else is already providing NDIS services in your area?

In webinar three we help you understand how to develop an NDIS service model.

The NDIS is highly regulated and providers need to understand the NDIS Code of Practice and the Quality and Safeguarding rules and regulations. In webinar four we will give you an insight into compliance requirements for registered NDIS provider, and for those of you planning to provide services without registration.

In webinar five we give you tips in how to set a strategic plan and how marketing can help to achieve your goals.

In the last webinar of our series we will explain the importance of understanding and analysing your potential revenue and associated costs. Financial viability is critical for long term sustainability in the NDIS.

If you haven't registered for this program, please visit cbb.com.au/ndissuccess and complete the registration form. You'll then receive calendar invites and a reminder email for each of the webinars so you don't miss any of them.

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Each of our webinars will be followed by a Q&A session to give you the opportunity to ask questions that come up while watching the webinar or when working through the tools and templates provided. We encourage you to submit questions at any time prior to the Q&A session via the Facebook Group or email.

Please join our NDIS success Facebook Group if you haven't had a chance yet. The group offers a forum to network, share ideas or problems and offer answers outside of the Q&A sessions. Just search for CBB NDIS Success in Facebook.

Operating in the NDIS is complex and requires preparation and a lot of learning. We have compiled a template which will help you to develop a Business plan.

We also provide Activity worksheets for each webinar to guide you through exercises and questions you need to ask. Additional information and links will be available on our website.

To maximise your understanding we strongly recommend that you watch all webinars and work through the Activity worksheets after each session.

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Today's session looks at successful NDIS service provision

What will we cover today?

- We will take a look back and give a brief history of the NDIS. Why was the NDIS introduced and what is the NDIS trying to achieve?
 - We will explain who gets access to the NDIS and what does it take for someone living with a permanent and significant disability to get accepted into the NDIS.
 - We then discuss what is funded in an individual's NDIS' plan.
 - We will look at the NDIS business model and why there are more opportunities for service providers. We will also discuss some of the current challenges.
 - Should you take up NDIS registration? We will explain differences between registered and unregistered NDIS providers.

At the end of the session we will give a brief outlook into the upcoming changes in the NDIS.

Today's webinar is designed for people who are new to NDIS. If you are already familiar with the NDIS or already running an NDIS service, much of the content today won't be new to you. You are welcome to watch the webinar if you would like a refresher or an overview, but you might prefer to join the Q&A on 11 August, or jump straight to webinar 2, which will be available on 18 August.

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The National Disability Insurance Scheme or NDIS provides supports to people with disability in Australia. It is the biggest social policy reform since the introduction of Medicare. The NDIS was introduced after years of discussion about the need of major reforms of disability supports in Australia.

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In 2008 Australia ratified the United Nations Convention on the Rights of Persons with Disabilities. It is the first human rights treaty of the 21st century and moves away from seeing people with disability as objects of charity, medical treatment and social protection. It regards persons with disability as people with equal human rights. People with disabilities are able to make decisions for their own lives and can be active members of society.

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As a response Australia introduced the National Disability Strategy in 2010 to develop a strategy guide for the development of policies across all states and territories.

The strategy aims at creating an inclusive society that removes barriers and enables people with disability to fulfil their potential as equal citizens in Australia.

Inclusion means that people with disability can participate in every day activities and have the same opportunities as every one else. In an inclusive society we respect differences and we accept people for who they are.

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A public inquiry into long-term disability care and supports in 2011 however found that

Australia's disability support system is underfunded, unfair, fragmented, and inefficient, and gives people with a disability little choice and no certainty of access to appropriate supports. Most Australians with a disability are living below the poverty line.

The Commission suggested the implementation of an insurance scheme

- To support the entire Australian population to minimise the impacts of disability
- To provide information and referral services to anyone with a disability
- To provide long term care and support to people with significant and ongoing disability

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The NDIS Act 2013 was introduced in March 2013 to replace the previous system of disability care and support. The legislation established the National Disability Insurance Agency, the NDIA.

The NDIA can offer coordination, strategic and referral services to anyone with a disability. This is now funded through the Information, Linkage and Capacity Building Program, or ILC.

The NDIA also administers the National Disability Insurance Scheme, the NDIS, which offers individual support for people with permanent and significant disability.

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It is estimated that 4.3 million Australians live with a disability, that is 1 in 5.

People with disability get support from family, friends, the community and mainstream systems such as health, child protection and education.

The NDIS does not replace any mainstream services. Only 460 000 Australians are expected to get an NDIS plan.

Partners in the community are agencies engaged by the NDIA. They are Local Area Coordinators LACs or Early Childhood Early Intervention Partners that help people with disability access any services and conduct most of the planning meetings for individual NDIS plans.

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The NDIS has moved away from the old welfare system. Community inclusion is now an integral element in supporting people with disability.

People with permanent and significant disability can access reasonable and necessary support over their lifetime. Disability service providers or community organisations no longer receive block funding for disability supports.

Individuals get funding in their NDIS plan and they have choice and control on spending these funds. People with an NDIS plan can decide over their services, what should be delivered, how much, when and by whom.

Charging for services on an individual basis presents a major challenge for service providers who now need to ensure that the income through individual services covers the cost of service delivery.

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Who can get access to the NDIS?

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Any Australian citizen or permanent resident can access the NDIS if you can prove that you have a permanent and significant disability. It is an insurance scheme for all Australians under the age of 65.

Children under the age of 7 years can get supports under the Early Childhood Early Intervention program

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To get access into the insurance scheme the NDIS will need to be satisfied that a person's impairment is serious and permanent.

The person needs to demonstrate that the disability substantially reduces the functional capacity to undertake communication, social interaction, learning, mobility, self care or self management.

The NDIS requires a functional assessment of what the person can and cannot do. This is also used to identify the individual's support requirements and plan funding.

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More information about the required evidence is available in one of the NDIS Operational Guidelines. The evidence needs to be documented by a treating health professional who is relevant to the primary disability and needs to confirm the primary disability. Most importantly the evidence needs to be recent.

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After gathering the evidence a person with disability can apply for NDIS access. Once the access is approved the person is called a **participant** by the NDIA.

If approved they attend an annual planning meeting with a Local Area Coordinator or LAC. The NDIA conducts the planning meetings for people with more complex needs or in remote

areas. At the planning meeting the participant is asked about their goals, existing supports and the support they need to achieve those goals in the year ahead.

The NDIA assesses whether the supports requested are reasonable and necessary, and whether they should be funded by the NDIS or if they are the responsibility of another service. It is extremely important for people to be well prepared for the planning meeting.

The NDIS access path is a difficult process for most people. People without supports are falling through the cracks or are getting insufficient funding. This is evident by looking at the percentage of people with an NDIS plan from Aboriginal and Torres Strait Islander communities, or people from culturally and linguistically diverse backgrounds. Only 6.2% of NDIS participants are Aboriginal and Torres Strait Islanders, and 9.1% of participants are from culturally and linguistically diverse communities. There are cultural differences in how we view and respond to disabilities, which can result in significant barriers to accessing supports and services. Remoteness is also a problem in terms of accessing the scheme and supports – only 1.4% of NDIS participants live in remote or very remote communities.

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So what should be funded in an NDIS plan?

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According to the NDIS Act section 34 the supports need to be related to the participant's disability and not include day-to-day living costs. Food for example is not funded by the NDIS, however the cost of food preparation and delivery might be funded if the person is unable to cook for themselves.

The funding needs to represent value for money and assist to pursue the person's goals. So if your goal is to spend more time with the family on the beach you may get funding for a special beach wheelchair. If you are living 800kms away from the beach a special beach wheelchair might not be considered reasonable and necessary.

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The NDIS plan funding should assist to increase participation in social and economic activities.

The supports need to be effective and beneficial and take informal support into consideration.

Therefore, parents often do not receive sufficient funding to care for children with complex needs as the care for children is considered the responsibility of parents.

Also, the NDIS needs to be the most appropriate funding body and not the education or health care sector.

The interface with health care can still be challenging at times, however since last year the NDIS is also funding health related disability supports.

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So what determines the funding in the NDIS plan?

The age and stage of a person's life, the primary disability, the functional impairment, the living situation and the person's goals.

The NDIS may fund goals such as the development of independent living skills, to participate in art, drive a car, lose weight, learn new skills, get work or move out from home.

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This all together creates a complex formula that results in funding of supports.

People with the same disability and support needs can receive very different funding packages depending on their informal support networks, living circumstances and goals. Planners can interpret information differently and funding packages can vary from one year to the next.

This has been challenging for people with disability and providers. Better training for planners might lead to more consistency. Giving people the opportunity to review a draft plan before it is finalised could also help to avoid insufficient plan funding. The NDIA has indicated that this might be possible in the future however this has not been put into practice yet.

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What does doing business in the NDIS look like?

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The introduction of the NDIS has shifted the way supports are delivered.

Supports are now individualised, customer focused and the person with disability is at the centre of service delivery.

Anyone delivering NDIS supports needs to genuinely care about the person they support. Providers need to truly listen to the person, find solutions that work for the person and builds on the person's strength, abilities and skills.

People with disabilities are subjects with rights and capable of making their own decisions.

NDIS supports are not service or systems centred where resources and services are pre-determined without considering the individual's needs and goals.

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The person with the NDIS plan is the purchaser of services. The plan provides funding for supports for the length of the plan period. Plans are usually valid for one year but can also be up to two years.

The person can choose their provider and depending on the total funding amount can purchase as many services as needed.

However, the person cannot spend more than the amount provided for in the plan.

Terms and conditions of the service should be agreed in advance with the purchaser. The person pays for the service after the service is delivered.

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How much does the Service cost?

The NDIS Price Guide sets the terms and conditions for NDIS service provision – such as cancellation rules and which activities the provider can charge for or not.

For example for some services providers can charge for their travel time or for non face to face activities.

The NDIS Support Catalogue is the NDIS Price list. It sets the price limits for support categories such as personal care, community access, domestic assistance and professional services and helps to clarify what can be claimed.

Most prices are listed based on an hourly service provision. As a provider you need to understand and apply these rules. You are also obliged to comply with Australian consumer law and the Competition & Consumer Act.

In 2019 the price guide was updated about six times and since January of this year NDIS providers have worked under three different versions of the price guide. For example there was a temporary 10% increase of prices for some services from the end of March to July, to support providers to continue services during the Covid-19 crisis.

A completely new format of the NDIS Price Guide and the NDIS Support Catalogue were introduced on 1 July. Some of the interim COVID provisions still continue, however the 10% price loading was removed. You can find a summary of all recent price guide changes on the CBB website in our monthly free Foreword blog. The latest Annual Price Guide Review has suggested that the process for the price review for next year – 2021- should start now, so that providers will learn sooner about upcoming changes in 2021.

Since the NDIS started the prices have seen an adjustment of 70% increase.

Last year prices increased in between 20 and 27% for standard supports. Prices for services provided in rural areas in Australia were increased by 40% and prices for remote service provision by 50%.

Some services are more profitable than others. Remote service providers still struggle to generate enough income.

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The State of the Disability Sector Report published by National Disability Services provides a good insight into how the disability sector is doing.

Last year, only 11% of surveyed providers said that they were considering leaving the disability sector – this indicates a good level of confidence in the sector.

25% of respondents stated that they will stay as providers, but not grow.

When asked if the provider was intending to change their service volume in the next 12 months, between 50-70% of providers said they were planning to grow services (depending on the service type.)

Most providers said that they have more requests for services than they can deliver, which shows that there are not enough services available currently.

The biggest challenge for providers are the constant NDIS changes. Operating in the NDIS requires on-going learning and changes to systems. About 53% of providers said that they were worried about their ability to adjust to ongoing changes.

In some ways it can be easier for new providers who aren't dependent on legacy systems and processes – but all providers need to be prepared to be flexible and adaptable to a changing operating environment.

Obviously, this survey was conducted before the COVID 19 restrictions were introduced and we would expect to see some different results for 2020. COVID 19 has presented a significant challenge to providers. Providers of group activities and community engagement have had to adapt their business models, while providers of core services such as personal care have had to operate under increased operational challenges around infection control and access to PPE.

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Over the life of the scheme, 14,534 registered providers provided supports to participants. However only 63% are currently active; with a further 4% who have provided supports for the first time in the quarter up to March 2020. This leaves 33% of providers who were inactive in the last quarter.

Therapeutic supports and household tasks are the registration groups with the largest number of active registered providers.

43% of active providers are individuals and sole traders.

There are also countless unregistered providers delivering NDIS supports, again these tend to be smaller organisations and sole traders. If a provider is not registered with the NDIS Commission the provider cannot provide services to all people with an NDIS plan. Unregistered providers can provide services to people with plan managed and self managed NDIS plans. We will explain the difference shortly.

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Where do the opportunities for growth come from?

We know from the latest NDIS reports how much of the plan budget is actually spent.

Looking at national figures on average only 68% of plan funding is spent.

The plan utilisation is higher for core supports at 72% and around average for capital at 65% but lower for capacity building at 56%.

The plan utilisation is higher for people who live in group homes and receive supported independent living support and SIL funding. For this group, utilisation is at 83%.

People who do not have SIL funding on average use only 61% of their plan.

So, with the exception of SIL funding, depending on your supports, anywhere between 30-40% of the plan funding is not spent. There are variations across regions and states.

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This graph shows the plan utilisation by remoteness. The national average on plan utilisation in remote areas in Australia is at 58% – 10% below the national average across all areas.

In very remote areas only 39% of funds are used.

Why is the money not spend?

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A persistent problem in the NDIS is that services are not available. People in rural and remote areas often have little option where to access services.

The NDIS is difficult to navigate and often people do not understand how and where to spend their plan funding. Support coordination is a funded support that helps people with an NDIS

plan to find and connect with services. But only 3% of total committed plan funding across the NDIS is for support coordination. Most people don't have it in their plan.

On average plan utilisation increases the longer people are in the scheme, from 56% in the first plan to 78% in the fifth plan. Also, interestingly plan budgets are increasing the longer someone is receiving NDIS supports.

The NDIS is difficult to navigate for providers and we have noticed that often providers do not fully charge what they are entitled to. This leads to funding gaps for providers and low plan utilisation.

Also, we do not believe that 100% plan utilisation will be the norm. Often life gets in the way, circumstances and goals and needs can change along the way.

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Let's talk about registered and unregistered NDIS providers.

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But first we need to understand how a provider gets paid. This depends on how the person manages their NDIS budget in their NDIS plan.

There are three different ways to manage the budget and pay a provider for their services. NDIA-managed, plan managed and self-managed.

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If the money is NDIA or agency managed the provider claims the payment directly from the NDIA after the service has been provided. The provider can only charge up to the maximum price set in the NDIS Price Guide and Support Catalogue. The NDIA will pay the provider from the person's NDIS plan. Payment generally takes about three business days but there can be delays.

This is different if the money is plan managed. The provider invoices for the services and the Plan manager will pay the provider after claiming the money from the NDIA.

Again, the price for the service must be in line with the NDIS Price Guide and Support Catalogue.

The Plan Manager must be registered with the NDIS Commission as a Plan Manager. The NDIS will provide separate funding in the plan to pay for the service of the Plan manager.

If the money in the NDIS plan is self managed, the person will pay the provider directly and will claim the money back from the NDIA. In this case the price for the service is not bound by the NDIS price guide. The provider can set their own price and the person receiving the support can negotiate the price of service.

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So how is it decided if money will be agency, plan or self-managed and who can provide the service?

People should be asked at their planning meeting how they want their money managed and they are free to choose.

Anyone can request plan management and with some exceptions this will be approved. The advantage of plan management is that the person can spend the funds with registered and unregistered providers.

If the money is NDIA managed the person can only use registered providers.

Self-management is only approved for people who can confidently navigate the system and are not at personal and financial risk.

Many people chose a combination of how the money is managed in their plan. Transport funding for example is often self-managed to allow for more flexibility.

If you are a registered provider you can offer services to anyone with an NDIS plan if you are registered for that service.

If a person with an NDIS plan chooses to self-manage their NDIS funds, they are free to engage any provider – registered or not and they can negotiate their own prices.

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So how many plans are agency, plan or self managed?

As of March 2020, 38% of plans were plan managed, more than agency managed plans at 32%. 19% of plans are currently fully self-managed and 12% are partly self managed.

Let's look at some trends: Over the last three years the percentage of plans that are partly or fully self managed has increased from 20% in 2017 to 31% in 2020. It is younger people who have self-managed plans, indicating that many parents manage the NDIS funding of their children themselves. Adults are more likely to have a plan manager.

In 2017 only 9% of new plans opted for plan management. In March 2020 is was up to 38% of new plans.

Please note that there are a some NDIS supports that can only be delivered by registered providers. We will list them shortly.

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This figure illustrates that growth in plan management of NDIS plans between March 2017 and March 2020.

Follow the light green bar and you clearly notice the drop in agency managed plans. The dark green bar shows the growth in plan management from 9% of plans in 2017 to 38% in March this year. The number of plans that are fully self managed has also more than tripled since 2017.

So, if more and more plans get plan managed and self managed, and if people with NDIS plans can purchase services from unregistered providers – do we have to register as an NDIS provider?

If you are a small provider with an established customer base and without any ambition for growth there may be no need to become a registered NDIS provider, provided your customers' plans are plan or self managed.

But it's worth considering that, whilst only 38% of the total number of plans are agency managed, 61% of plan value is managed by the NDIA so must be spent with registered providers. This is because people with agency managed funds are those who are most vulnerable and likely people with little formal support and/or more complex support needs.

There is a great risk that we are creating a system that supports the more privileged while ignoring the support needs of some. So if you are an established provider of disability services or related services please consider how it will impact on your brand and reputation if you are providing NDIS services only to people with self and plan managed plan. Should you exclude people from your services?

If you are a sole trader and you are concerned about the costs of registration you may consider working as a subcontractor to a registered provider or you could find like-minded people in your area and take up registration as a group and share the costs.

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So should we register or not?

The following table compares the requirements of registered and unregistered providers.

A registered provider can provide services to all people with an NDIS plan if registered for that service.

As mentioned for some services the provider must be registered.

This includes Plan Management, Specialist Disability Accommodation, Behaviour Support and if implementing Behaviour Support Plans.

Both registered and unregistered providers are obliged to provide services that are safe and protect people from harm.

All providers need to comply with the NDIS Code of Conduct, conduct Worker Screening and have complaints management systems in place.

To register a provider needs to undergo a registration process and regular audits, which we will discuss in webinar 4.

This requires the provider to establish quality systems and procedures and to implement these throughout the organisation. Undergoing registration communicates to your customers that you are putting the effort in to keep them safe.

Many providers who have undergone the registration and audit process have fed back to us that the registration requires commitment and hard work, however most acknowledged that it has improved many aspects within their operations and improved outcomes for their customers.

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So what's the future for providers and people with NDIS plans?

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We are optimistic that the key issues of the NDIS will be addressed over time and that the scheme will operate more effectively for people with disabilities and service providers in the long term.

The NDIS Act is currently under review. In January 2020 the Tune report made 29 recommendations aimed at improving the NDIS for people with disability, families, carers and providers. The recommendations included more clarity around what is reasonable and necessary and what remains the responsibility of other systems. The report also recommends reducing the administrative red tape and more support for people with disability to navigate the scheme.

The NDIS announced that in 2020 people would be able to view their draft NDIS plan. This would allow people to review and amend their personal details, goals, living arrangements and supports prior to plan finalisation. Unfortunately, this has not been introduced yet. Often people with disabilities receive plans with insufficient funding and then enter a bureaucratic battle with the NDIS to argue for adequate funding. The NDIS Minister Stuart Robert has said that in future planning may be joint, between a Local Area Coordinator and the NDIA planner. We don't yet know how this will work in practice, but we believe that this could lead to better plans that more accurately reflect people's support needs.

In July the NDIA announced improvements for people living in remote areas. The Community Connectors Program (NCCP) will support people with disability from hard to reach communities and disadvantaged population groups to access and navigate the NDIS.

The NCCP will be rolled out over two years and will build on the existing Agency Community Connector Programs. The NCCP will focus on supporting targeted communities such as Aboriginal and Torres Strait Islanders and people from linguistically diverse communities, participants with aging parents, carers of children with disability, and people experiencing psychosocial disabilities, to navigate the NDIS and get the services they need.

The NDIS has acknowledged that a one-size fits all approach does not work. The NDIA has started pilot projects in all jurisdictions to address market gaps relating to geographic locations, particular cohorts of participants and disability types. We understand that due to COVID 19 some of these trials are currently on hold.

As mentioned the NDIS has been responding to the COVID 19 crisis. It is offering some extra support to providers and is reviewing the situation on a regular basis. For example, registered providers could access a one month prepayment for services to ensure cash flow within the business. This has only been available to registered NDIS provider and highlights that there are advantages to registration.

The National Disability Insurance Scheme is projected to continue to grow and reach half a million people with disability within the next three to four years. It is forecast to cost 1.2% of GDP. Further growth provides opportunities for NDIS providers.

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So, that's your introduction to the NDIS. Where do you go from here?

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In today's webinar we gave an overview of why the NDIS was introduced, who is supported and what supports are funded. We discussed the NDIS service model and gave an insight into potential opportunities for new and existing providers due to low plan utilisation rates.

We encourage you to reflect on what you have learned today, and where you need to do some additional reading or training to improve your understanding of the NDIS. Please record this in your activity worksheet. Please spend some time visiting our website for additional links and information.

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So if you are new to the NDIS here are some questions you should ask:

- Can any of our existing services be provided to people with NDIS plans?
 - Should we provide NDIS services?
 - Would this align with our mission, vision and the people we support

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If you are already an NDIS provider you need to ask

- Should we grow our NDIS services?
- What other services would fit into our mission and vision?
- Do we charge according to the NDIS price guide?
- Are the people we support getting the NDIS funded services they are entitled to? Do they have access to services they need?

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So what should you do after watching this first webinar?

Please review the questions in this weeks' Activity worksheet and the workbook.

To find the resources and more please also visit the NDIS success tab on our website.

Please join the Facebook in group and post a question or like a question so we know which questions to address first.

Our first Q&A session will be live on 11 August.

The data we've used today is from the NDIA's quarterly report for March 2020. We're expecting the latest quarterly report – to June 2020 – to be published at any moment. If the report comes out before our Q&A on 11 August, we will also be discussing some of the new data as part of the Q&A session.

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In our next webinar we will talk about the importance of understanding the NDIS market before you start a new NDIS service, or decide to grow your NDIS services. We will give you tools to investigate the market need for services which will help you to decide if you should grow services in your current area or in new regions.

The webinar 'Understanding the market' will be available on the 18 August.

Thanks for watching our first webinar 'Success in the NDIS'

Bye for now.