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**National Disability Insurance Scheme**

Annual Price Review 2020-21

Issues Paper

**November 2019**

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| Issues Paper |
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| The National Disability Insurance Agency (NDIA) has released this Issues Paper to assist individuals and organisations to prepare submissions to the Annual Price Review 2020-21.  Individuals and organisations should not feel that they are restricted to comment only on matters raised in the Issues Paper. The NDIA wishes to receive information and comment on issues which individuals and organisations consider relevant to the Review’s terms of reference. Key date  | Due date for submissions | **Sunday, 2 February 2020, midnight AWST** | | --- | --- |  Submissions can be lodged  | Email: | [APR@ndis.gov.au](mailto:ARPC@ndis.gov.au) | | --- | --- | | By post: | Annual Price Review National Disability Insurance Agency GPO Box 700 Canberra ACT 2601 |  Contacts  | Administrative and other matters: | NDIS Contact Centre  Monday to Friday 8am – 8pm (local time) | 1800 800 110 | | --- | --- | --- | |  | [enquiries@ndis.gov.au](mailto:enquiries@ndis.gov.au) | | | Website: | [Annual price review - consultation](https://www.ndis.gov.au/providers/price-guides-and-information/annual-price-review/annual-price-review-consultation) | | |

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Terms that we use:

|  |  |
| --- | --- |
| **Acronym** | **Full name** |
| DSW | Disability Support Worker |
| MMM | Modified Monash Model |
| NDIA | National Disability Insurance Agency |
| NDIS | National Disability Insurance Scheme |
| SCHADS | Social, Community, Home Care And Disability Services Industry Award 2010 |

# Introduction

The National Disability Insurance Agency (NDIA) has responsibility for administering the National Disability Insurance Scheme (NDIS), including managing the markets for disability goods and services.

As part of its market stewardship role, the NDIA limits the prices that registered providers can charge for some supports and applies other price controls, including billing rules. During transition, price controls are in place to ensure that participants receive value for money in the supports that they receive. In the short to medium term, price controls are required for some disability supports because the markets for disability goods and services are not yet fully developed. The longer-term goal of the NDIA is to remove the need for price controls for disability supports.

The NDIA has recently published the *NDIS Pricing Strategy* and the *Review of* *Therapy Pricing Arrangements.* Together they detail the important role that pricing plays in the NDIS by empowering people supported by the NDIS to exercise choice and control; maintaining and expanding the supply of high quality disability supports; driving efficiency and innovation in the market for those supports; and supporting the transition of the NDIS over the longer term to a more deregulated outcomes-based approach. Refer to the [NDIS Pricing Strategy from August 2019](https://www.ndis.gov.au/media/1820/download), and the [NDIS Review of Therapy Pricing Arrangements from March 2019](https://www.ndis.gov.au/media/1662/download).

Currently, the NDIA varies its approach to the regulation of prices, depending on market conditions, between:

* **No regulation** (deregulated markets): this is typically used in cases where markets are highly competitive – for example, transport.
* **The imposition of price limits**: this represents a maximum allowable price payable by participants for types of supports. This approach is used in a significant number of markets, which are still developing and growing, such as those for attendant care.
* **Quotable supports**: in which participants are expected to obtain quotations from suppliers to provide to the NDIA as part of verifying that prices are fair and reasonable.

The NDIA continually monitors and reviews its price control framework and other market settings to determine whether they are still appropriate. The NDIA is also committed to improvement of the methodologies underpinning the NDIS price control framework. Each year the NDIA undertakes an Annual Price Review as an important part of that monitoring and review.

## Terms of Reference

The Annual Price Review 2020-21 (the Review) will examine, through research and consultation with industry, community and government stakeholders, whether the existing price control framework and other market settings under the NDIS continue to be appropriate or should be modified.

In particular, the Review will:

* 1. Review the price control framework to increase flexibility for participants and reduce administrative burdens for providers (see Chapter 2);
  2. Review the price control framework for core supports, by examining:
     1. the assumptions and parameters outlined in the *NDIS Cost Model for Disability Support Workers*, includingthrough analysis of the financial benchmarking data collected through the Temporary Transformation Payment arrangements (see Chapter 3); and
     2. the methodology for deriving the price controls for group-based supports from the price controls for 1:1 supports (see Chapter 4);
  3. Review the price control framework for capacity building supports, including therapy supports, by examining (see Chapter 5):
     1. how price limits for capacity building supports, other than therapy supports, should be indexed or otherwise determined annually;
     2. how price limits for therapy supports should be adjusted annually, given the outcomes of the *Review of Therapy Pricing Arrangements*;
     3. whether different price limits might be appropriate for different times of the day, or days of the week, for some capacity building supports, including for therapists, therapy assistants and for capacity building supports delivered by disability support workers; and
     4. whether therapists and other capacity building providers should be able to recover the costs of consumables provided to participants as part of a support;
  4. Review the price control framework for plan management supports (see Chapter 1);
  5. Review the geographic classification component of the NDIS price control framework to examine whether:
     1. modifications are required to the NDIA’s implementation of the Modified Monash Model (MMM) to account for specific disability service-related costs, including the treatment of “isolated locations” and islands under the MMM (see Chapter 7); and
     2. a loading should be applied to price limits and plan funding amounts in outer regional areas to account for the higher cost of service delivery, if any, in those areas (see Chapter 8);
  6. Re-examine current billing arrangements, including:
     1. Cancellation rules (see Chapter 9);
     2. Provider travel time limits, including examining whether it is possible to develop an approach that is more sensitive to local conditions (see Chapter 10);
     3. Non-labour costs associated with provider travel (see Chapter 10); and
     4. Establishment fee arrangements (see Chapter 11).

In framing its recommendations, the Review will be cognisant of the objects and principles of the NDIS, including that the NDIS should:

* 1. Support the independence and social and economic participation of people with disability;
  2. Enable people with disability to exercise choice and control in the pursuit of their goals and the planning and delivery of their supports;
  3. Facilitate the development of a nationally consistent approach to the access to, and the planning and funding of, supports for people with disability;
  4. Promote the provision of high quality and innovative supports that enable people with disability to maximise independent lifestyles and full inclusion in the community;
  5. Adopt an insurance-based approach, informed by actuarial analysis, to the provision and funding of supports for people with disability; and
  6. Be financially sustainable.

## Timeline of the Review

The Review will commence in November 2019 and deliver updates and recommendations to the NDIA’s Pricing Reference Group and Board, for implementation from 1 July 2020. The Review will consult widely, undertaking stakeholder visits, workshops, and invitation of submissions and comments from all stakeholders.

| **Date** | **Activity** |
| --- | --- |
| November 2019 | Release of Issues Paper and call for submissions |
| November 2019 to February 2020 | Public Submissions  Consultation with stakeholders  Working Groups on Review Themes |
| February 2020 | Release of draft findings and call for submissions  Release of preliminary findings of the Annual Temporary Transformation Payment Financial Benchmarking Study |
| March 2020 | Public submissions  Consultation with industry representatives  Working Groups on Review Themes |
| By 31 May 2020 | Release of NDIS Price Guide and Support Catalogue  (all support items and policy finalised) |
| June 2020 | Release of final prices, immediately after the Fair Work Commission’s Minimum Wage Decision |
| 1 July 2020 | Implementation of new arrangements |

## How you can contribute to this stage of the Review

This issues paper intends to assist you to prepare a submission to the Review. It sets out some of the issues and questions the Review has identified at this stage of the NDIS transition. You do not need to comment on every issue raised in this paper and you are free to raise any other issues or ideas that are relevant to the terms of reference.

The NDIA has listed several questions on the sections and topics under review. However, all stakeholders (providers, peak bodies, participants, advocates and others) may respond to points not covered by these questions or any other points they would like the NDIA to consider as part of the Review. The NDIA is especially interested in hearing from participants about any improvements that they might like to suggest to the *NDIS Price Guide and Support Catalogue* and the NDIS pricing arrangements.

Submissions may range from a short note outlining your views on a particular topic to a much more substantial document covering a range of issues. Where possible, you should provide evidence, such as relevant data and documentation, to support your views. A brief overview of the nature of your organisation, the number of employees and participants, and the types of services you offer, and the locations in which you operate would be helpful.

There will be two rounds of submissions. During the first round, the Agency will collect submissions relating to issues and concerns that parties wish to raise. These will be combined with outputs from the working groups, the Temporary Transformation Payment (TTP) benchmarking results and other research to form a summary of the major issues raised for the findings paper in February. The second round of submissions will afford an opportunity for feedback on the Agency’s understanding of the issues, and for suggesting responses. These will be used to guide the Agency’s decisions on pricing for 2020-21.The Agency will also establish working groups on the following topics:

* The NDIS Cost Model for Disability Support Workers;
* Geographical issues;
* Price controls for group supports;
* Billing rules;
* Capacity-building (including therapy) supports; and
* Plan management supports.

As with submissions, there will also be two rounds for each working group. An initial round to establish the main issues, and following the preliminary findings paper, a second round to discuss suggested solutions.

These working groups will primarily be composed of experts in the relevant areas, as they will have a role in developing potential solutions that may have to satisfy complex requirements. The Agency will consult with provider and participant representative groups for nominations. However, if you feel that you are appropriately qualified and would like to be involved in a working group, put forth your name for consideration.

Any information that you consider to be of a confidential nature should be clearly marked or identified as confidential. The NDIA will not disclose such confidential information to third parties without first providing you with notice of its intention to do so, such as where it is compelled to do so by law.

Submissions may be lodged via email or post. Details can be found on page 2 of this Paper.

**Submissions close at midnight AWST, Sunday,** **2 February 2020.**

# Increasing flexibility and reducing administration

Two of the fundamental principles underlying the National Disability Insurance Agency’s (NDIA’s/Agency’s) approach to price controls are minimising complexity and bureaucracy for providers and minimising restrictions on participant choice and control.

The NDIA is concerned with striking the right balance between these two principles.

The Agency is aware that price control frameworks can impose administrative burdens on providers, and wishes to explore ways to reduce transactional costs through ease and simplicity in design of price control arrangements.

Equally, the Agency must ensure that participants are fully informed and empowered to achieve maximum flexibility to use their budgets to meet their goals as they see fit.

The *Annual Price Review 2020-21* is seeking the views of stakeholders on this topic and on any other issues that stakeholders wish to raise.

**2. GUIDE QUESTIONS**

**Provider administrative burden**

1. Are there changes that could be made to the *National Disability Insurance Scheme (NDIS) Price Guide and Support Catalogue* that could reduce transactional costs for providers – without reducing participants’ choice and control?

**Participant flexibility**

1. Is there scope for changes in the price controls framework that would give participants greater discretion over use of their budgets – without substantially increasing costs to providers?

**Other issues**

1. Are there any other issues where price control frameworks create unnecessary bureaucracy for providers or restrict participant flexibility? (Please note that administration costs of the Agency’s billing system are not within scope of the question and are being addressed through a separate process).

# 

# Price limits for 1:1 core supports

## Current arrangements

The National Disability Insurance Scheme (NDIS) price limits for 1:1 supports delivered by Disability Support Workers (DSWs) and their equivalents in the Assistance with Daily Life (Daily Activities) Support Category and the Assistance with Social and Community Participation (Community Participation) Support Category vary according to several factors.

* Price limits vary according to the **intensity of the support**. There are different price limits for Standard Intensity supports and High Intensity supports. Providers in Registration Group 0104 deliver high Intensity supports (High Intensity Daily Personal Activities).
* For High Intensity supports, price limits also vary depending on the **level of skills and experience of the worker** delivering the support. There are three different High Intensity price limits – Level 1 (Standard), Level 2 (High intensity) and Level 3 (Very High Intensity). Note Level 1 (Standard) price limit is the same as the price limit for Standard Intensity supports.
* Price limits also vary according to **whether the worker is permitted to sleep** when they are not delivering the support. There is a separate set of price limits for Night-time Sleepover Supports.
* For supports where the worker is not permitted to sleep when they are not delivering the support, price limits also vary depending on the **time of day and day of week** that the support is delivered. There are different price limits for Public Holiday Supports, Saturday Supports, Sunday Supports, Weekday Daytime Supports, Weekday Afternoon Supports and Weekday Active Overnight Supports.
* Price limits also vary depending on whether or not the provider claims **Temporary Transformation Payment** (TTP), subject to meeting the eligibility criteria.

The following Tables set out the current (2019-20 price limits) for DSW supports.

**Non-TTP price limits for DSW supports**

| Base Price Limits (per hour) | Standard Intensity Supports | High Intensity Supports - Level 1 (Standard) | High Intensity Supports – Level 2 (High Intensity) | High Intensity Supports – Level 3 (Very High Intensity) |
| --- | --- | --- | --- | --- |
| Weekday Daytime | $52.85 | $52.85 | $57.15 | $60.04 |
| Weekday Afternoon | $58.31 | $58.31 | $63.06 | $66.23 |
| Weekday Night | $59.40 | $59.40 | $64.24 | $67.47 |
| Saturday | $72.69 | $72.69 | $78.63 | $82.58 |
| Sunday | $94.52 | $94.52 | $102.23 | $107.37 |
| Public Holiday | $118.34 | $118.34 | $127.97 | $134.42 |

**TTP price limits for DSW supports**

| TTP Price Limits (per hour) | Standard Intensity Supports | High Intensity Supports - Level 1 (Standard) | High Intensity Supports – Level 2 (High Intensity) | High Intensity Supports – Level 3 (Very High Intensity) |
| --- | --- | --- | --- | --- |
| Weekday Daytime | $56.81 | $56.81 | $61.11 | $64.00 |
| Weekday Afternoon | $62.69 | $62.69 | $67.44 | $70.61 |
| Weekday Night | $63.85 | $63.85 | $68.69 | $71.92 |
| Saturday | $78.14 | $78.14 | $84.08 | $88.03 |
| Sunday | $101.61 | $101.61 | $109.32 | $114.46 |
| Public Holiday | $127.21 | $127.21 | $136.84 | $143.29 |

### Standard v High Intensity Supports Price Limits

Daily Activities and Community Participation 1:1 supports delivered by DSWs are either Standard Intensity Supports or High Intensity Supports.

A support is considered a High Intensity Support if the participant requires assistance from a DSW with additional qualifications and experience relevant to the participant’s complex needs. The high intensity price limits may be considered when:

* frequent assistance (at least one instance per shift) is required to manage challenging behaviours that require intensive positive behaviour support; and/or
* continual active support is required due to high medical support needs (such as unstable seizure activity or respiratory support).

If a support is not a High Intensity Support then it is a Standard Intensity Support.

In determining which price limit should apply to a given High Intensity support, the provider should consider the skills and experience of the DSW delivering the support. In general, the Level 2 price limit applies to most high intensity supports. However, if the particular instance of support is delivered by a DSW who does not have the skills and experience to deliver a high intensity support then the Level 1 price limit should be applied. If the particular instance of the support is delivered by a more highly skilled or experienced DSW then the provider can consider applying the Level 3 price limit.

**Definition of Time of Day and Day of Week**

Every 1:1 DSW support is either:

* A **Night-time Sleepover Support** – any support to an individual participant delivered on a weekday, a Saturday, a Sunday or a Public Holiday that:
  + commences before midnight on a given day and finishes after midnight on that same day or commences before 6:00 am on a given day;
  + is for a continuous period of eight (8) hours or more; and
  + the worker is allowed to sleep when they are not providing support.

(Note – The price limits for the Night-Time Sleepover supports are calculated as the sum of the Night-Time Sleepover allowance specified in section 25.7(d) of the SCHADS Award plus 3.5 times the relevant hourly price limit for Weekday Active Overnight Supports. The support includes the first two hours of work by the DSW if they have to work during the sleepover.)

* A **Public Holiday Support** – any support to an individual participant that starts and ends between midnight on the night prior to a Public Holiday and midnight of that Public Holiday (unless that support is a Night-time Sleepover Support).
* A **Saturday Support** – any support to an individual participant that starts and ends between midnight on the night prior to a Saturday and midnight of that Saturday (unless that support is a Public Holiday Support or a Night-time Sleepover Support).
* A **Sunday Support** – any support to an individual participant that starts and ends between midnight on the night prior to a Sunday and midnight of that Sunday (unless that support is a Public Holiday Support or a Night-time Sleepover Support).
* A **Weekday Daytime Support** – any support to an individual participant that starts and ends between 6:00 am and 8:00 pm on a single weekday (unless that support is a Public Holiday Support or a Night-time Sleepover Support).
* A **Weekday Afternoon Support** – any support to an individual participant that finishes after 8:00 pm and at or before midnight on a single weekday (unless that support is a Public Holiday Support or a Night-time Sleepover Support).
* A **Weekday Active Overnight Support** – any support to an individual participant that commences at or before midnight on a weekday and finishes after midnight on that weekday, or commences before 6:00 am on a weekday and finishes on that weekday (unless that support is a Public Holiday Support or a Night-time Sleepover Support).

### DSW Cost Model Assumptions

The NDIA has recently released a paper that sets out the methodology and assumptions that underpin its price limits for daily activities and community participation supports - see [*NDIS Cost Model for Disability Support Workers*](https://www.ndis.gov.au/media/1821/download) (NDIS DSW Cost Model).

The NDIS DSW Cost Model calculates the cost of deploying a DSW based on:

* The costs of employing the DSW, including
  + Salary-related costs, including base salary, shift loadings and the costs of annual leave, personal leave and long service leave;
  + Salary-related on-costs, including superannuation and workers compensation; and
  + Utilisation costs, as not all the DSW’s work hours are billable hours.
* The costs of employing the DSW’s supervisor, including
  + Supervision ratio;
  + Salary-related costs, including base salary, shift loadings, and the costs of annual leave, personal leave and long service leave;
  + Salary-related on-costs, including superannuation and workers compensation; and
  + Utilisation costs, as not all of the supervisor’s work hours will be spent directly supervising staff engaged in billable hours;
* Overheads; and
* Pre-tax margin.

The following Table set out the key assumptions of the current NDIS DSW Cost Model. Refer to the [NDIS Cost Model for Disability Support Workers June 2019](https://www.ndis.gov.au/media/1821/download).

|  | Standard Support (Level 1) | High Intensity Support (Level 2) | Very High Intensity Support (Level 3) |
| --- | --- | --- | --- |
| Disability Support Worker | - | - | - |
| Salary costs | - | - | - |
| Award Rate from SCHADS Award | 3.2 | 4.2 | 4.2 |
| Working Days in Year | 220 | 220 | 220 |
| Shift Loadings | As per Award | As per Award | As per Award |
| Ratio of permanent to casual (percentage) | 80/20 | 80/20 | 80/20 |
| Salary on costs | - | - | - |
| Superannuation | 9.5% | 9.5% | 9.5% |
| Workers compensation | 3.0% | 3.0% | 3.0% |
| Utilisation rate for DSW | 92.0% | 89.0% | 87.7% |
| Supervisor | - | - | - |
| Salary costs | - | - | - |
| Classification (SCHADS Award) | 3.2 | 4.2 | 4.2 |
| Working Days in Year | 220 | 220 | 220 |
| Shift Loadings | As per Award | As per Award | As per Award |
| Salary on costs | - | - | - |
| Superannuation | 9.5% | 9.5% | 9.5% |
| Workers compensation | 3.0% | 3.0% | 3.0% |
| Utilisation rate | 92.0% | 89.0% | 87.7% |
| Management ratio (FTE basis) | 1:11 | 1:11 | 1:11 |
| Overheads (ratio to costs) | 10.5% | 10.5% | 10.5% |
| Pre-tax margin (ratio to costs + overheads) | 2.0% | 2.0% | 2.0% |

## Issues

Stakeholders have raised a number of issues with the current arrangements, including:

* Whether the assumed mix of permanent to casual workers is reasonable?
* Whether the assumed utilisation rates are reasonable?
* Whether the provision for overheads are adequate?

The *Annual Price Review 2020-21* is seeking the views of stakeholders on these issues and on any other issues that stakeholders wish to raise.

**3. GUIDE QUESTIONS**

**High Intensity and Standard Intensity Supports**

1. For High Intensity Supports, is it easy to determine whether the Level 1, Level 2 or Level 3 price limits apply to a given support? If not, how can this be made clearer?
2. Are there any other issues with High Intensity Supports that you would like to raise?

**Time of Day and Day of Week**

1. Is it easy to determine whether the Public Holiday, Saturday, Sunday, Weekday Daytime, Weekday Afternoon or Weekday Night price limit applies to a given support? If not, how can this be made clearer?
2. Are there any other issues with the definitions of Public Holiday Supports, Saturday Supports, Sunday Supports, Weekday Daytime Supports, Weekday Afternoon Supports or Weekday Night Supports that you would like to raise?

**Disability Support Worker Cost Model**

1. Is the DSW Cost Model assumption about the mix of casual and permanent staff appropriate? If not, how should it be modified and why?
2. In the DSW Cost Model, utilisation refers to the share of working hours (other than when on leave) that are spent in delivering services (billable hours). Are the DSW Cost Model assumptions about utilisation appropriate? If not, how should they be modified and why?
3. In the DSW Cost Model, the supervision ratio refers to the ratio of disability care workers to direct supervisors, measured on a Full Time Equivalent (FTE) basis. Are the supervision ratio assumptions in the DSW Cost Model appropriate? If not, what not and what evidence?
4. Currently the DSW Cost Model makes the same assumptions about the mix of casual and permanent staff, utilisation and supervision ratios for every day of the week, and for all level of workers. Is this reasonable? If not, how should they be modified and why?
5. Does your organisation pay allowances to disability support workers on top of their salaries? If yes, then what allowances do you pay and how much are these allowances worth relative to the salary of the DSW?
6. Does your organisation pay payroll tax? If yes, how much payroll tax did you pay in 2018-19? How was this calculated?
7. What was your organisation’s expenditure on workers compensation premiums in 2018-19? How was this calculated?
8. In the DSW Cost Model, corporate overheads refer to all costs unrelated to the salaries and salary on-costs of direct care staff and their direct supervisors. What was the level of your corporate overheads in 2018-19 expressed as a percentage of all expenditure on the delivery of NDIS supports? Please provide details of the makeup of these overheads.
9. In the DSW Cost Model, margin refers to the excess of revenue (from the NDIS) over expenditure on the delivery of NDIS supports. What was the level of your margin in 2018-19 expressed as a percentage of all expenditure on the delivery of NDIS supports?
10. Are there any other issues with the price limits for 1:1 core supports or with the assumptions in the DSW Cost Model?

# Price limits for group-based core supports

## Current arrangements

The National Disability Insurance Scheme (NDIS) price limits for group supports delivered by Disability Support Workers (DSWs) and their equivalents in the Assistance with Daily Life (Daily Activities) Support Category and the Assistance with Social and Community Participation (Community Participation) Support Category vary according to the same factors as 1:1 supports and two additional factors:

* Price limits vary according to the **ratio of support workers to participants** – there are different price limits for 1:2; 1:3; 1:4 and 1:5 supports; and
* Price limits also vary depending on whether the support is delivered in a centre or in the community.

### Community-Based Group Supports

The price limit for community-based group supports apply to each hour of support and are based on the price limit of the relevant 1:1 community participation support (for each level of support and time of day and day of week). The price limit for the relevant 1:1 support is P then the price limit Pn for the 1:n community based support is:

Group-based supports formula for price limit calculation 
This image displays the methodology for calculating the group-based supports price limits.

P_n=(P+(n-1)∙0.12∙P)/n

where P is the price limit, and n is the number of participants in the group

For each additional person in the group (after the first) an additional 12 per cent of the 1:1 price limit (essentially seven minutes) is added to the price limit. This reflects the time that the provider may need to spend writing a report on each participant in the group after the group has finished. Because of this built-in loading, providers of group based supports are not permitted to bill for non-face-to-face time. For 1:1 supports, non-face-to-face activities are part of delivering a specific disability support to that participant (rather than a general activity such as enrolment, administration or staff rostering).

The NDIS Price Guide and Support Catalogue also provides that:

*For support ratios that are not stated in this Guide (e.g. two workers for three participants), participants and providers should discuss and agree the most appropriate line item to be used for payments, and the appropriate price to be paid (which might be lower than the price limit for that line item).*

### Centre-Based Group Supports

The price limit for centre-based group supports are calculated by adding a fixed capital allowance amount to the relevant community based group support. In 2019-20, the amount of the fixed capital allowance was $2.10 per participant per hour. The amount of the fixed capital allowance is indexed on 1 July each year in line with movements in the Consumer Price Index (CPI).

## Issues

Some stakeholders have expressed a concern that the current price control arrangements for group-based supports provide an unintended incentive for larger groups. Other stakeholders have suggested that the “built-in” allowance for non-face to face time, while possibly appropriate for supports that are only one hour long, may not be appropriate for longer support. A provider delivering a 1:5 support to five participants for four hours, for example, is effectively paid for 5.9 hours of work, as the current arrangements assume that they will spend 28.8 minutes of non-face-to-face time for every participant in the group (after the first participant).

An alternative approach would be for the base price for 1:n supports to be calculated as a simple proportion (1/n) of the base price of 1:1 supports but allow providers to bill for any non-face-to-face supports that they actually provided.

Some stakeholders have also expressed concerns that the capital allowance is too small and should vary according to the quality of the infrastructure being used to deliver the services. Conversely, other stakeholders have expressed concerns that the capital allowance is too large and provides an unintended incentive for centre-based supports.

The *Annual Price Review 2020-21* is seeking the views of stakeholders on these issues and on any other issues that stakeholders wish to raise.

**4. GUIDE QUESTIONS**

**Group-based supports**

1. What additional administrative tasks, if any, are involved with delivering support to participants who engage in your group-based activities? How long do these tasks take, expressed as a proportion of the time spent delivering the support?
2. Are these additional costs best dealt with:

a) Developing a separate DSW Cost Model for Group-Based Supports with different utilisation, supervision and overhead assumptions. If this is the preferred approach then what different assumptions should be made with respect to these key variables and why?

b) Moving to a simpler ratio-based approach to setting group-based price limits, and allowing providers to claim for non-face-to-face time.

c) Maintaining the current approach, of an in-built administration time in each group support. If this is the preferred approach then should the amount of administration time be fixed for each group support or be longer for longer supports?

**Capital Allowance**

1. Are the current capital allowance arrangements for group-based supports adequate? If not, how would you change them, and why?

**Other issues**

1. Are there any other issues with the price limits for group based core supports?

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# Capacity Building Supports

## Current arrangements

National Disability Insurance Scheme (NDIS) Capacity Building supports are supports that enable a participant to build their independence and skills. The capacity building categories are:

* Support Coordination
* Improved Living Arrangements – ­support to help a participant find and maintain an appropriate place to live;
* Increased Social and Community Participation – development and training to increase a participant’s skills so they can participate in community, social and recreational activities;
* Finding and Keeping a Job – employment-related support, training and assessments that help a participant find and keep a job;
* Improved Relationships – support to help a participant develop positive behaviours and interact with others;
* Improved Health and Wellbeing – including exercise or diet advice to manage the impact of the participant’s disability;
* Improved Learning –­ including training, advice and help for the participant to move from school to further education;
* Improved Life Choices – plan management to help the participant manage their plan, funding and paying for services;
* Improved Daily Living Skills – assessment, training or therapy to help increase the participant’s skills, independence and community participation.

Capacity building supports fall into two broad categories:

* Therapy supports, including Early Intervention Supports for Early Childhood (ECEI) supports – these supports are delivered by the following registration groups: Therapeutic Supports (0128); Early Intervention Supports for Early Childhood (0118); Community Nursing Care (0114); Customised Prosthetics (0135); Exercise Physiology & Personal Well-being Activities (0126); and Specialist Positive Behaviour Support (0110); and
* All other capacity-building supports.

The price limits for the therapy supports were recently comprehensively reviewed through the *Review of Therapy Pricing Arrangements*.

## Issues

Some stakeholders have raised a number of issues with the current price control arrangements for capacity building supports, including:

* Whether the price limits for capacity building supports represent value for money for participants and allow providers to recover the costs of delivering these supports?
* Whether different price limits might be appropriate for different times of the day, or days of the week, for some capacity building supports, including for therapy assistants and capacity building supports delivered by disability support workers?
* Whether therapists and other capacity-building providers should be able to recover the costs of consumables provided to participants as part of a support? Currently, if providers of capacity building supports also want to claim for the cost of any consumables used in the delivery of the support then they are also required to register for the relevant assistive technology and equipment registration group. Some stakeholders have argued that providers of therapy and other capacity building supports should be able to recover the costs of consumables provided to the participant as part of the primary support.
* Whether the current indexation arrangements for the price limits for capacity building supports appropriately maintain their value? Currently, the price limits for capacity building supports are increased on 1 July each year in line the weighted increase over the previous twelve months in the Australian Bureau of Statistics (ABS) Wage Price Index (WPI) (ABS 6354.0) and the Consumer Price Index (CPI) (with an 80/20 weighting).

The *Annual Price Review 2020-21* is seeking the views of stakeholders on these issues and on any other issues that stakeholders wish to raise.

**5. GUIDE QUESTIONS**

**Capacity Building Price Limits**

1. Are the current price limits for capacity building supports adequate? If not, why not? Please provide evidence. How should the National Disability Insurance Agency (NDIA) determine price limits for non-therapy capacity building supports?
2. Should different price limits be introduced for capacity building supports delivered at different times of the day and days of the week, in line with the arrangements for core supports? If so, for which capacity- building supports should these differential price limits be introduced? How should they be calculated? Please provide evidence – for example, if award provisions drive salary costs for specific types of capacity building workers.

**Consumables**

1. Should the NDIA allow capacity-building providers to recover the cost of consumables as part of the service delivery costs in cases where this is a necessary part of the support offering? How should these costs be factored into the NDIS price control arrangements? How would any Safety and Quality issues be managed under this arrangement?

**Indexation**

1. Do the current indexation arrangements for the price limits for capacity building supports appropriately maintain their value? If not, what is the appropriate way to reset the price limits on these fees each year in order to maintain their value?

**Other issues**

1. Are there any other issues with the price limits for capacity building supports?

# Plan Management Supports

## Current arrangements

Participants can choose to have a registered Plan Management provider to manage their funding and budget for the supports in their National Disability Insurance Scheme (NDIS) plan. Plan Managers are bound to the NDIS Price Guide and are able to connect participants with both NDIS registered providers and providers that are not registered with the NDIS.

The NDIS Price Guide and Support Catalogue currently says that:

***Plan Management – Financial Administration***

*Plan Management – Financial Administration funding applies to registered providers who undertake financial administration of a plan on behalf of a participant.*

*Plan Management – Financial Administration funding includes a setup fee to establish the payment arrangements with providers and a monthly processing fee. This support assists a participant by:*

* *Giving increased control over plan implementation and utilisation with plan financial assistance*
* *Managing and monitoring budgets over the course of the plan*
* *Managing NDIS claims and paying providers for delivered service*
* *Maintaining records and producing regular (at least monthly) statements showing the financial position of the plan*
* *Providing access to a wider range of service providers, including non-registered providers whilst remaining in line with the price limits contained within this Guide.*

*A Plan Management – Financial Administration provider will possess bookkeeping / accounting skills and qualifications. They will have systems in place for efficiently processing payments on behalf of a participant.*

***Capacity Building and Training in Plan and Financial Management by a Plan Manager***

*This reasonable and necessary support focusses on strengthening the participant’s ability to undertake tasks associated with the management of their supports. This includes:*

* *Building financial skills*
* *Organisational skills*
* *Enhancing the participant’s ability to direct their supports*
* *Develop self-management capabilities*

*Plan and Financial Capacity Building providers are expected to assist the participant to develop their skills for self-management in future plans, where this is possible. As a part of this capacity building support, providers are to assist the participant to build capacity in the overall management of the plan including engaging providers, developing service agreements, paying providers and claiming payment from the NDIA and maintain records.*

Plan managers are currently able to claim for three types of services. These are:

* A one-off (per plan) establishment fee for setting up of the financial management arrangements for managing of funding of supports – support item 14\_033\_0127\_8\_3, with a current price limit of $227.53;
* A monthly fee for the ongoing maintenance of the financial management arrangements for managing of funding of supports – support item 14\_034\_0127\_8\_3 with a current price limit of $102.28; and
* Capacity building and training in plan administration and management with a participant to strengthen their ability to undertake tasks associated with the management of their supports – support item 14\_031\_0127\_8\_3 with a current price limit of $60.16 per hour.

Currently, plan mangers are not permitted to claim for provider travel and non-face-to-face activities with respect to support item 14\_031\_0127\_8\_3. They are permitted to claim for short notice cancellations.

## Issues

Stakeholders have raised a number of issues with the current arrangements, including:

* Whether the price limit for the establishment fee is reasonable, and whether more than one plan manager should be able to claim for an establishment fee if a participant changes plan managers?
* Whether the price limit for the monthly fee for the ongoing maintenance of the financial management arrangements is reasonable?
* Whether the hourly price limit for capacity building and training in plan administration and management is reasonable?
* Whether the current indexation arrangements for the price limits for plan management supports appropriately maintain their value? Currently, the price limits for capacity building supports are increased on 1 July each year in line the weighted increase over the previous twelve months in the Australian Bureau of Statistics (ABS) Wage Price Index (WPI) (ABS 6354.0) and the Consumer Price Index (CPI) (with an 80/20 weighting).
* Whether plan managers should be able to claim for provider travel and non-face-to-face activities with respect to support item 14\_031\_0127\_8\_3, with the agreement of the participant?

The *Annual Price Review 2020-21* is seeking the views of stakeholders on these issues and on any other issues that stakeholders wish to raise.

**6. GUIDE QUESTIONS**

**Establishment fee**

1. Is the current price limit for establishment fees for plan management appropriate? If not, why not? Please provide evidence of the labour and non-labour costs plan management providers face in establishing plan management arrangements for new clients.

**Monthly maintenance fee**

1. Is the current price limit for the monthly fee for the ongoing maintenance of the financial management arrangements appropriate? If no, why not? Please provide evidence of the labour and non-labour costs plan management providers face in providing this service.
2. Is a fixed monthly service fee the best pricing structure? Would it be better for the monthly service fee to be related to the number of transactions made on behalf of a participant or the value of those transactions?

**Capacity building and training in plan administration and management**

1. Currently, the price limit (per hour) for capacity building and training in plan administration and management is higher than the price limit (per hour) for core supports. Is this reasonable? If yes, why? If no, why not?
2. Is the current price limit (per hour) for capacity building and training in plan administration and management reasonable? Please provide evidence of the costs of delivering this support.

**Indexation**

1. Do the current indexation arrangements for the price limits for plan management supports appropriately maintain their value? If not, what is the appropriate way to reset the price limits on these fees each year in order to maintain their value?

**Provider travel and non-face-to-face activities**

1. Should plan management providers be permitted to bill for provider travel when providing capacity building and training in plan administration and management supports? If yes, why?
2. Should plan management providers be permitted to bill for non-face-to-face time when providing capacity building and training in plan administration and management supports? If yes, why? Please provide examples of non-face-to-face activities that should be billable.

**Other issues**

1. Are there any other issues with the price limits for plan management supports?

# Classifying Regional, Remote and Very Remote

## Current arrangements

The National Disability Insurance Agency (NDIA) uses the 2015 version of the Modified Monash Model (MMM2015) to determine regional, remote and very remote areas. MMM2015 classified areas are based on a scale that is principally concerned with the distance from the area to the nearest population centre and the size of that population centre (see Table below).

| Description | Zones | MMM | Inclusion |
| --- | --- | --- | --- |
| Metropolitan | MMM1-3 | 1 | All areas categorised as Major Cities of Australia. |
| Regional Centres | MMM1-3 | 2 | Areas categorised as Inner Regional Australia or Outer Regional Australia that are in, or within 20km road distance, of a town with population >50,000. |
| Regional Centres | MMM1-3 | 3 | Areas categorised as Inner Regional Australia or Outer Regional Australia that are not in MMM 2 and are in, or within 15km road distance, of a town with population between 15,000 and 50,000. |
| Regional Areas | MMM4-5 | 4 | Areas categorised as Inner Regional Australia or Outer Regional Australia that are not in MMM 2 or MMM 3, and are in, or within 10km road distance, of a town with population between 5,000 and 15,000. |
| Regional Areas | MMM4-5 | 5 | All other areas in Inner Regional Australia or Outer Regional Australia. |
| Remote | MMM6 | 6 | All areas categorised Remote Australia that are not on a populated island that is separated from the mainland and is more than 5km offshore. |
| Very Remote | MMM7 | 7 | All other areas – that being Very Remote Australia and areas on a populated island that is separated from the mainland in the ABS geography and is more than 5km offshore. |

Providers and participants can determine the MMM rating of a location using the [Health Workforce Locator tool on the Department of Health’s website](https://www.health.gov.au/resources/apps-and-tools/health-workforce-locator/health-workforce-locator#hwc-map).

In general, price limits are 40 per cent higher in remote areas and 50 per cent higher in very remote areas. There is no additional loading applied for supports in metropolitan areas, regional centres or regional areas.

Price limits are based on where the support is delivered, which is not necessarily where the participant lives. For example, if a participant living in a remote location visits a therapist in their capital city, the therapist should not attempt to claim a price that is higher than the price limit for the support in that city. On the other hand, if the therapist was to visit the participant in their local area to deliver the support, then the therapist could claim a price that is within the ‘remote’ price limit.

### Isolated Towns

From 1 August 2019, the NDIA has amended its geographic classification so that areas (or groups of areas) that are classified as ‘regional’ under the MMM and that are completely surrounded by ‘remote’ or ‘very remote’ areas are classified as ‘remote’ for National Disability Insurance Scheme (NDIS) planning and price control purposes. The following Table sets out all of the areas that are currently reclassified under this arrangement.

| NDIA Area | Postcode | Location | State | MMM Rating | Reclassified MMM Rating |
| --- | --- | --- | --- | --- | --- |
| Hay | 2711 | Hay | NSW | 5 | 6 |
| Hay | 2711 | Hay South | NSW | 5 | 6 |
| Balranald | 2715 | Balranald | NSW | 5 | 6 |
| Broken Hill | 2880 | Broken Hill | NSW | 3 | 6 |
| Roma | 4455 | Roma | QLD | 4 | 6 |
| Roma | 4455 | Blythdale | QLD | 5 | 6 |
| Roma | 4455 | Euthulla | QLD | 5 | 6 |
| Roma | 4455 | Orange Hill | QLD | 5 | 6 |
| Emerald | 4702 | Comet | QLD | 5 | 6 |
| Emerald | 4717 | Blackwater | QLD | 5 | 6 |
| Emerald | 4720 | Emerald | QLD | 4 | 6 |
| Moranbah | 4741 | Coppabella | QLD | 5 | 6 |
| Moranbah | 4744 | Moranbah | QLD | 4 | 6 |
| Dysart | 4745 | Dysart | QLD | 5 | 6 |
| Charters Towers | 4820 | Queenton | QLD | 4 | 6 |
| Charters Towers | 4820 | Charters Towers | QLD | 4 | 6 |
| Charters Towers | 4820 | Alabama Hill | QLD | 4 | 6 |
| Charters Towers | 4820 | Breddan | QLD | 4 | 6 |
| Charters Towers | 4820 | Broughton | QLD | 4 | 6 |
| Charters Towers | 4820 | Grand Secret | QLD | 4 | 6 |
| Charters Towers | 4820 | Millchester | QLD | 4 | 6 |
| Charters Towers | 4820 | Mosman Park | QLD | 4 | 6 |
| Charters Towers | 4820 | Richmond Hill | QLD | 4 | 6 |
| Charters Towers | 4820 | Southern Cross | QLD | 4 | 6 |
| Charters Towers | 4820 | Toll | QLD | 4 | 6 |
| Charters Towers | 4820 | Towers Hill | QLD | 4 | 6 |
| Merredin | 6415 | Merredin | WA | 5 | 6 |
| Kalgoorlie | 6430 | Kalgoorlie | WA | 3 | 6 |
| Kalgoorlie | 6430 | Broadwood | WA | 3 | 6 |
| Kalgoorlie | 6430 | Hannans | WA | 3 | 6 |
| Kalgoorlie | 6430 | Karlkurla | WA | 3 | 6 |
| Kalgoorlie | 6430 | Lamington | WA | 3 | 6 |
| Kalgoorlie | 6430 | Mullingar | WA | 3 | 6 |
| Kalgoorlie | 6430 | Piccadilly | WA | 3 | 6 |
| Kalgoorlie | 6430 | Somerville | WA | 3 | 6 |
| Kalgoorlie | 6430 | South Kalgoorlie | WA | 3 | 6 |
| Kalgoorlie | 6430 | West Kalgoorlie | WA | 3 | 6 |
| Kalgoorlie | 6430 | West Lamington | WA | 3 | 6 |
| Kalgoorlie | 6430 | Williamstown | WA | 3 | 6 |
| Kalgoorlie | 6432 | Boulder | WA | 3 | 6 |
| Kalgoorlie | 6432 | South Boulder | WA | 3 | 6 |
| Kalgoorlie | 6432 | Victory Heights | WA | 3 | 6 |
| Kambalda | 6442 | Kambalda West | WA | 5 | 6 |
| Kambalda | 6442 | Kambalda East | WA | 5 | 6 |

## Issues

A new version of the Modified Monash Model (MMM2019) based on the results of the most recent census is now available. From 1 January 2020, programs in the Australian Department of Health will transition to the MMM2019 classification system.

A number of locations have different MMM classifications under the MMM2015 and the MMM2019 systems. This is because some labour supply centres have changed size, and so areas are now closer to or further from the nearest labour supply centre of a given size. It is also because, islands (not connected to the mainland by a bridge) that have an MMM5 classification and that have a population of less than 1,000 are classified as MMM6 under the new MMM2019.

The following Table provides details of the Urban Centres and Localities that will change classification between MMM2015 and MMM2019 to such an extent that the loading that the NDIS applies for planning and price control purposes will be affected. Note, however, that some of these locations would be eligible to be classified as remote under the isolated town policy.

| State | Urban Centres and Localities | MMM2015 | MMM2019 | MMM2015 Loading | MMM2019 Loading | MMM2019 Loading (Isolated Towns) |
| --- | --- | --- | --- | --- | --- | --- |
| NSW | Bourke | 7 | 6 | 50% | 40% | 40% |
| NSW | Cobar | 7 | 6 | 50% | 40% | 40% |
| NSW | Dangar Island | 5 | 6 | 0% | 40% | 40% |
| Vic | Hopetoun | 6 | 5 | 40% | 0% | 0% |
| Qld | Arcadia Bay, Magnetic Island | 7 | 5 | 50% | 0% | 0% |
| Qld | Cardwell | 6 | 5 | 40% | 0% | 40% |
| Qld | Coochiemudlo Island | 5 | 6 | 0% | 40% | 40% |
| Qld | Duaringa | 6 | 5 | 40% | 0% | 40% |
| Qld | Dunwich | 5 | 6 | 0% | 40% | 40% |
| Qld | Glenden | 5 | 6 | 0% | 40% | 40% |
| Qld | Hideaway Bay - Dingo Beach | 6 | 5 | 40% | 0% | 0% |
| Qld | Horseshoe Bay, Magnetic Island | 7 | 5 | 50% | 0% | 0% |
| Qld | Injune | 7 | 6 | 50% | 40% | 40% |
| Qld | Karragarra Island | 5 | 6 | 0% | 40% | 40% |
| Qld | Lamb Island | 5 | 6 | 0% | 40% | 40% |
| Qld | Nebo | 6 | 5 | 40% | 0% | 0% |
| Qld | Nelly Bay, Magnetic Island | 7 | 5 | 50% | 0% | 0% |
| Qld | Picnic Bay, Magnetic Island | 7 | 5 | 50% | 0% | 0% |
| SA | Penneshaw | 6 | 7 | 40% | 50% | 50% |
| WA | Broome | 7 | 6 | 50% | 40% | 40% |
| WA | Carnarvon | 6 | 7 | 40% | 50% | 50% |
| WA | Green Head | 6 | 5 | 40% | 0% | 0% |
| WA | Kununurra | 6 | 7 | 40% | 50% | 50% |
| WA | Leeman | 6 | 5 | 40% | 0% | 40% |
| NT | Gunbalanya (Oenpelli) | 7 | 6 | 50% | 40% | 40% |

This raises the issue of whether transitional measures are required for those locations that are currently classified as remote under MMM2015 and would no longer be classified as remote under MMM2019.

One particular group of areas that are affected by the change from MMM2015 to MMM2019 are locations on Magnetic Island in Queensland. This is because Magnetic Island is only 4.9 km from the mainland. It is arguable that islands that are not connected to the mainland by a bridge do not offer an appropriate level of access for the delivery of daily disability supports and should therefore be classified at a more remote level for NDIA purposes than they are for health purposes.

The *Annual Price Review 2020-21* is seeking the views of stakeholders on these issues and on any other issues that stakeholders wish to raise.

**7. GUIDE QUESTIONS**

1. What transitional arrangements, if any, should be put in place for locations that are currently classified as remote under MMM2015 and would no longer be classified as remote under MMM2019?
2. Are there any other issues with the geographic classification system used by the NDIS for pricing and planning purposes?

# Costs in outer regional areas

## Current arrangements

The National Disability Insurance Scheme (NDIS) Western Australian (WA) Market Review found that costs in remote and very remote areas were substantially higher than those in other areas. Refer to the [NDIS WA Market Review Final Report June 2019](https://www.ndis.gov.au/media/1661/download). As a result, the NDIS increased the price limit and plan funding loadings for remote and very remote areas from 20 per cent and 25 per cent to 40 per cent and 50 per cent, respectively.

## Issues

The WA Market Review also found that costs did not suddenly rise when a provider crossed the boundary from an outer regional area, Modified Monash Model (MMM) regions 4 and 5, to a remote area. Rather, costs rose in line with the distance from capital cities – although not necessarily in a linear manner.

The *Annual Price Review 2020-21* is seeking the views of stakeholders on the relative costs of delivering supports into outer regional areas.

**8. GUIDE QUESTIONS**

1. Are the costs of delivering supports in outer regional areas higher than in metropolitan areas? If Yes, why and by how much? Please provide evidence.
2. If you consider that price limits and plan funding amounts need to be raised in outer regional areas what would be an appropriate loading to cover the additional costs? (A broad range estimate is sufficient). What is the basis of your estimate?

# Cancellation rules

## Current arrangements

National Disability Insurance Scheme (NDIS) providers are not permitted to collect deposits or bonds from participants, or to retain these funds in the event of the participant cancelling a service booking for a support or failing to turn up for a support. However, they are permitted to charge cancellation fees against a participant’s plans in certain circumstances.

The NDIS Price Guide and Support Catalogue currently says:

*Where a provider has a short notice cancellation (or no show) they are able to recover 90% of the fee associated with the activity, subject to the terms of the service agreement with the participant. Providers are only permitted to charge for a short notice cancellation (or no show) if they have not found alternative billable work for the relevant worker and are required to pay the worker for the time that would have been spent providing the support.*

*A cancellation is a short notice cancellation if the participant:*

* *does not show up for a scheduled support within a reasonable time, or is not present at the agreed place and within a reasonable time when the provider is travelling to deliver the support; or*
* *has given less than two (2) clear business days’ notice for a support that meets both of the following conditions:*
  + *the support is less than 8 hours continuous duration; AND*
  + *the agreed total price for the support is less than $1000; or*
* *has given less than five (5) clear business days’ notice for any other support.*

*Claims for a short notice cancellation should made using the same support item as would have been used if the support had been delivered, using the “Cancellation” option in the myplace portal. When making a claim for a cancelled support the provider should claim for the full-agreed price of the support and indicate in the payment system that the claim is for a cancellation. The payment system will reduce the claim to 90% of the full-agreed price.*

*There is no limit on the number of short notice cancellations (or no shows) that a provider can claim in respect of a participant. However, providers have a duty of care to their participants and if a participant has an unusual number of cancellations then the provider should seek to understand why they are occurring.*

*The NDIA will monitor claims for cancellations and may contact providers who have a participant with an unusual number of cancellations.*

## Issues

Providers and participants have raised a number of issues with the current arrangements.

* Some providers have argued that the current arrangements whereby they are required to bill for 100 per cent of the agreed fee for a cancelled service but the NDIS only pays them 90 per cent of the agreed fee results in accounting anomalies in their accounts showing the NDIS as bad debtor. Plan managers have also reported that they face difficulties in balancing their accounts when the invoices presented by providers, which they pass onto the NDIS, do not match the payments made by the NDIS. Some providers have also argued that they should be able to recover the full cost of the service that was cancelled, where they have not been able to replace the participant, as they face all of the costs associated with the appointment.
* Some stakeholders have questioned whether the NDIS cancellation rules should not be better aligned to those that apply in the general economy.

The *Annual Price Review 2020-21* is seeking the views of stakeholders on these issues and on any other issues with cancellations that stakeholders may wish to raise.

**9. GUIDE QUESTIONS**

1. Is the 90 per cent threshold appropriate to recover the costs of a cancelled appointment? Should this threshold be raised or lowered?
2. Does the two business days’ notice provide adequate time to providers to make alternative arrangements (for example, rearranging staff or finding a replacement participant)?
3. When a short notice cancellation occurs, how often are alternative arrangements able to be made?
4. What are the costs incurred by a provider when alternative arrangements cannot be made?
5. What level of administration is involved in replacing a short notice cancellation? What is considered to be appropriate steps in following up and contacting a participant?
6. What are some of the challenges for participants and their representatives in providing two business days’ notice for a cancellation? For example, falling ill on the day of an appointment?
7. Currently the same cancellation rules apply to all supports. Is this appropriate?

# Provider travel rules

## Current arrangements

The National Disability Insurance Agency (NDIA) recognises that supports are often best delivered in the community or the participant’s own home. The price control arrangements therefore allow providers to charge for the time spent travelling to participants to deliver supports in some case.

The National Disability Insurance Scheme (NDIS) Price Guide and Support Catalogue currently says:

*Providers can only claim travel costs from a participant in respect of the delivery of a support item if:*

* *the Support Catalogue indicates that providers can claim for Provider Travel in respect of that support item;*
* *the provider has the agreement of the participant in advance (i.e. the service agreement between the participant and provider should specify the travel costs that can be claimed); and*
* *the provider is required to pay the worker delivering the support for the time they spent travelling as a result of the agreement under which the worker is employed; or the provider is a sole trader and is travelling from their usual place of work to or from the participant, or between participants.*

*Where a provider claims for travel time in respect of a support then the maximum amount of travel time that they can claim for the time spent travelling to each participant (for each eligible worker) is 30 minutes in MMM1-3 areas and 60 minutes in MMM4-5 areas. (Note the relevant MMM classification is the classification of the area where the support is delivered.)*

*In addition to the above travel, capacity building providers who are permitted to claim for provider travel can also claim for the time spent travelling from the last participant to their usual place of work. The maximum amount of travel time that they can claim for the time spent on return travel (for each eligible worker) is 30 minutes in MMM1-3 areas and 60 minutes in MMM4-5 areas. (Note the relevant MMM classification is the classification of the area where the support is delivered.)*

*Where a worker is travelling to provide services to more than one participant in a ‘region’ then the provider can apportion that travel time (including the return journey where applicable) between the participants, with the agreement of each participant in advance.*

*Claims for travel in respect of a support must be made separately to the claim for the primary support (the support for which the travel is necessary) using the same line item as the primary support and the “Provider Travel” option in the myplace portal. When claiming for travel in respect of a support, a provider should use the same hourly rate as they have agreed with the participant for the primary support (or a lower hourly rate for the travel if that is what they have agreed with the participant) in calculating the claimable travel cost.*

## Issues

Stakeholders have raised a number of issues with the current arrangements, including:

* The current limits on the billable travel time may restrict services to participants because providers will be unwilling to deliver services if they are unable to recover their travel costs.
* Providers are not currently permitted to claim for unavoidable non-labour travel costs, which include the overall general cost for running and maintaining the cost of the vehicle, including allowances payable to workers for the use of their own cars, or the cost of maintaining fleet vehicles and road tolls.

The *Annual Price Review 2020-21* is seeking the views of stakeholders on these issues and on any other issues with the price control arrangements for provider travel that stakeholders wish to raise.

**10. GUIDE QUESTIONS**

**Provider travel time limits**

1. What proportion of travel episodes related to the delivery of NDIS supports by your organisation exceed the claimable time limits specified in the NDIS Price Guide and Support Catalogue? Please provide evidence.
2. On average, what proportion of the travel costs assisted with the delivery of an NDIS support (labour and non-labour costs) do you currently recover from the NDIS? Please provide evidence.
3. What areas, if any, are unviable to service due to costs involved in travel? Please explain.

**Non-labour costs**

1. On average, what proportion of the total travel costs assisted with the delivery of an NDIS (labour and non-labour costs) are represented by non-labour costs? Please provide evidence.
2. On average, what additional non-labour costs per kilometre travelled do you incur because of provider travel? Please provide evidence.
3. Does the additional cost per kilometre depend on the type of vehicle or other factors? If so, please provide more details? Please provide evidence.
4. If providers were able to claim for non-labour costs associated with travel, would this be best done on a per kilometre basis or some other basis? Please provide details.

**Other issues**

1. Are there any other issues that you would like to raise with the price control arrangements for provider travel?

# Establishment fees

## Current arrangements

National Disability Insurance Scheme (NDIS) providers who are providing a significant amount (at least 20 hours per month) of daily activity and community participation supports to a participant are permitted to charge that participant’s plan an establishment fee when they commence providing services to the participant. This recognises the non-ongoing and not otherwise billable costs that providers incur in establishing arrangements and assisting participants in implementing their plan.

The NDIS Price Guide and Support Catalogue currently says:

*[The Establishment Fee arrangements apply] to all new NDIS participants in their first plan where they receive at least 20 hours of personal care/community access support per month. This payment is to cover non-ongoing costs for providers establishing arrangements and assisting participants in implementing their plan.*

*An establishment fee is claimable by the provider who assists the participant with the implementation of their NDIS Plan, delivers a minimum of 20 hours per month of personal care/community access support and has made an agreement with the participant to supply these services.*

*A budget of $750 is included in the first plan for NDIS participants, in case they need this type of assistance from providers to design and implement support arrangements. Providers can draw against this budget as follows:*

* *If the participant is new to the NDIS and new to the provider, then the provider can charge a maximum of $500 against the participant’s plan;*
* *If the participant is new to the NDIS but is an existing client of the provider, then the provider can charge a maximum of $250 against the participant’s plan; and*
* *If the participant is choosing to change providers, then the new provider can charge a maximum of $250 against the participant’s plan to assist the participant in changing providers.*

## Issues

Stakeholders have raised a number of issues with the current price control arrangements for establishment fees, including:

* Whether providers can charge an establishment fee to a participant if they commence to provide services to the participant in their second or subsequent plan?
* Whether more than one provider can charge an establishment fee at the same time – if, for example, a participant has more than one provider who is supplying at least 20 hours per month of daily activity and community participation supports?
* Whether a third or subsequent provider in a given year can charge an establishment fee if a participant chooses to change provider more than once?
* Whether the current price limits for establishment fees represent value for money for participants and allow providers to recover the costs of cancellations?
* Whether other types of providers should be able to charge an establishment fee?

The *Annual Price Review 2020-21* is seeking the views of stakeholders on these issues and on any other issues with the price control arrangements for establishment fees that stakeholders wish to raise.

**11. GUIDE QUESTIONS**

**Establishment Fees**

1. Are the current rules about who can charge establishment fees appropriate? If no, why not?
2. Are there any other supports where it might be appropriate for providers to charge establishment fees? Please explain why establishment fees would be appropriate in these cases?
3. Are the current price limits for establishment fees appropriate? If no, why not? Please provide evidence of the costs providers face in establishing supports for new clients.

**Indexation**

1. Currently the price limits for establishment fees are not indexed each year. Is this reasonable? If not, what is the appropriate way to reset the price limits on these fees each year in order to maintain their value? Why?

**Other issues**

1. Are there any other issues that you would like to raise with the price control arrangements for establishment fees?