## Independent Price Review Implementation 2018/19

This table outlines the approach taken by the NDIA to address the first 10 of the 25 recommendations outlined in the IPR.

The changes listed below will take effect from 1 July 2018.

| **Recommendation** | **Recommendation detail** | **NDIA Approach** |
| --- | --- | --- |
| **Recommendation #4** **Regional travel** | Clearly define rural areas and lift travel allowance from 20 minutes to 45 minutes for providers serving participants located in MMM5 (or ARIA equivalent) and MMM4 in the short term. Adjust participant plans to account for travel and track travel as a separate line item. | The Independent Pricing Review (IPR) highlighted the difficulty that participants (who do not live in a metropolitan area, but are not considered remote) may have with accessing supports.  Providers will now be able to charge up to 45 minutes of travel time in rural areas.  More specific travel claiming arrangements for remote areas that were flagged in the IPR (allowing travel costs on a quote basis) will be implemented as soon as possible.  In the meantime, travel cost arrangements for remote areas can still be claimed, subject to explicit agreement by the participant in advance. |
| **Recommendation #9**  **Group supports** | Update the pricing structure for the core support item ‘group based activities in a centre’ to allow providers to charge a high intensity loading where a more skilled worker is required to serve a participant, and set prices consistent with the care ratio required to serve a participant. | The IPR highlighted the inconsistency between charges for high intensity or complex requirements for group based supports in a centre compared to other core supports.  Group community participation supports will be converted to a new, consistent structure in the NDIS support catalogue, to give providers and participants more clarity and flexibility.  Providers will also benefit from new price limits that recognise per-person costs when delivering group supports, and include an allowance for capital costs when these supports are delivered in a specialist centre.  New price limits will be introduced for both standard and high intensity community-based group supports, to allow for support ratios of 1:4 and 1:5 (i.e. worker:participant ratio).  A capital allowance will be included in the price limits for centre-based group care. |
| **Recommendation #10**  **Short term accommodation (STA)** | Continue to refine the assumptions for high intensity rates, active overnight, and capital allowances used to develop the new STA price schedule to ensure they reflect the cost of service delivery. | The IPR report recommended the NDIA address the update made to price limits for STA to ensure they reflect the costs of delivering the service.  Based on provider feedback, a new price limit will be added for STA to allow for a 1:3 support worker to participant ratio.  The new limit will be consistent with existing STA price limits, and will provide more flexibility to providers and participants in making support arrangements |
| **Recommendation #14**  **Temporary support overhead (TSO)** | Implement temporary support for overheads in the form of a temporary increase in the price cap for standard intensity attendant care. Government should offer business planning support for large providers that would otherwise exit and create risk of supply shortages. | The IPR recognised the time and effort it takes for providers to establish efficient systems and process to support the roll out of the NDIS.  The NDIA will now provide temporary financial relief for providers as they transition their business operations to accommodate the participant-led NDIS funding approach.  In 2018/19 a new 2.5 per cent loading will support standard intensity attendant care supports. ‘Attendant care’ refers both to assistance with daily personal activities and assistance with community participation.  The Temporary Support Overhead will remain partially in place, at 1.25 per cent, in 2019/20 rather than be removed after 12 months as originally recommended.  While this TSO loading is in place, the NDIA will continue to work to deliver initiatives that will reduce provider administrative costs and deliver a better NDIS provider experience.  Significant progress has been made, with the NDIA delivering provider portal enhancements, payments process improvements, and continuous development of helpful tools such as the provider finder. |
| **Recommendation #15**  **Cancellation policy for core supports** | Amend the cancellation policy for attendant care so that up to a certain threshold, providers can charge against the participants plan for up to 90 per cent of the entire duration of the scheduled service if the participant makes a short notice cancellation.  Above this threshold, providers will need to demonstrate they are actively working with participants to minimise the risk if cancellations in order to continue charging for cancellations. | The IPR highlighted the inefficiencies that last minute cancellations cause for providers.  Providers will now be able to charge 90 per cent of the service booking price for short notice cancellations, up to a maximum of 12 cancellations per year for core supports and 6 hours per year for therapy.  When 12 short notice cancellations within a year are reached, the NDIA will engage with providers to work on strategies to ensure cancellations are being actively managed. |
| **Recommendation #16**  **Group supports (community based)**  **Group supports (centre based)** | Implement a new pricing schedule for group care  (both community based and centre based) that allows providers to recover additional costs incurred for groups, while still retaining the incentives and efficiencies of group based care.  Also assess whether a capital allowance should be provided for centre based care on whether there is demand to increase the number of centres. | The IPR report suggested the current price limits for group supports did not allow for sufficient flexibility in group care arrangements.  From 1 July 2018, a pricing adjustment will occur to give more flexibility to providers of group care arrangements in a centre or the community to charge for a high intensity or complexity loading.  New price options to support 1:4 and 1:5 support worker to participant ratios for both standard and high intensity rates will be added to the 2018/19 NDIA Price Guide.  The NDIA will continue to explore the execution options for complex support requriements, however high intensity group care prices will remain the same for 2018-2019 to help minimise disruption to providers. |
| **Recommendation #18**  **Therapy assistant (level 1)** | Amend the description for therapy assistants and introduce two tiers of process for therapy assistants. One that is comparable to the attendant care price, and a second that is for the delivery of therapy supports by a professional with a lower level of skill than a qualified therapist. | The IPR suggested an increase to the price limit and the inclusion of a second tier of the therapy assistant rate would result in improved participant outcomes.  From 1 July, the hourly rate for therapy assistants (Level 1) will be increased to align with the rate for a standard level support worker. This increase in the hourly rate acknowledges that therapy assistance, at a minimum, requires the same level of skill as a standard level support worker.  The inclusion of therapy assistant level 2 will be considered as part of further work being conducted on therapy. |
| **Recommendation #19**  **Therapy travel** | Align the travel policy for therapy supports to the travel policy for attendant care by removing the $1,000 travel cap, allowing providers to charge up to 20 minutes at the hourly rate when travelling between participants. | The IPR report found that participants living in regional areas may find it difficult to access therapy supports.  The NDIA will now remove the $1,000 cap for therapist travel.  Therapists can now claim for travel up to 45 minutes when visiting participants regional areas, and up to 20 minutes for all other areas. |
| **Recommendation #20**  **Cancellation policy for therapy** | Amend the cancellation policy for Therapy so that up to a certain threshold, providers can charge against a participants plan for up to 90 per cent of the scheduled service if the participant makes a short notice cancellation. A cancellation line item should be created as a governance mechanism for NDIA. | The IPR highlighted the inefficiencies that last minute cancellations cause for therapists.  Therapists will now have the option to charge 90 per cent of the service fee for a participants who cancels an appointment at short notice.  When 6 hours of therapy provision have been cancelled within a year, the NDIA will engage with the Therapist to work on strategies to ensure cancellations are being actively managed. |
| **Recommendation #21**  **Reports requested by NDIA** | The NDIA should allow providers to charge participants for the time spent writing reports that are requested by the NDIA. A new line item should be introduced for tracking purposes. | The IPR report acknowledged the out of pocket time and resources for providers when supplying reports that are requested by NDIA.  To acknowledge this providers will now be able to claim for:  - Reports requested at the commencement of a plan which identify goals and objectives  - Reports requested at plan review to measure progress against those goals  - Any other report as stipulated within participant plans. |