10 December 2018

The National Disability Insurance Agency (NDIA) will implement a range of new pricing arrangements that will assist providers deliver high quality, innovative supports to National Disability Insurance Scheme (NDIS) participants.

These changes demonstrate the NDIA's commitment to developing a sustainable and vibrant disability services market, where participants have choice and control over their supports, and providers flourish in a competitive market.

The NDIS, with the support of providers, is creating new and exciting opportunities to provide personalised supports to people with disability, as part of a world-leading Scheme.

The NDIA has been assisted by the newly-established Pricing Reference Group which has provided advice on the appropriateness of prices as the market undergoes significant change.

The changes announced today are as follows:

Improved arrangements for more complex support provision

Participants with more complex support needs require higher skilled staff to deliver some supports which incur higher costs for providers.

Recognising this, the current system - with two levels of price controls for assistance with self-care, social and recreational activities - will be replaced with three price levels linked to the skill level of the worker delivering the support. These new arrangements for complex support provision take effect on 1 February 2019.

The three levels of price controls incorporate:

- Level 1 – standard needs (as per 2018/19 price guide)
- Level 2 – complex needs (a 5.6% loading in alignment with current approach)
- Level 3 – very complex needs (new loading of 10.3%)

In addition, a loading of Temporary Support for Overheads of 2.5 per cent will be applied to Levels 2 and 3.This is consistent with the application of a Temporary Support Overhead for Level 1 for attendant care which occurred on 1 July 2018. The Temporary Support Overhead will remain in place at 1.25 per cent in 2019/20 and be removed in the following year.

The new three-level system reflects the findings of the NDIA led pilot program on pricing for complexity that engaged providers from states and territories to identify the best approach to implementing change.

Review of Pricing of Therapy services

The Independent Pricing Review (IPR) recommended a two-tiered therapy pricing structure. However, following feedback from the therapists and the sector more broadly, the NDIA undertook further analysis and consultation.

As a consequence, the NDIA recommends that — for both therapists and therapy assistants — it tests with providers a pricing structure that reflects the type of therapy service provided; geographic considerations; and whether it is an initial or ongoing consultation. This approach will also have regard to benchmark prices for other comparable Schemes. The potential for deregulation in some markets will also be explored.

The response, that will be tested, reflects the varying state of competitiveness in different markets for specific therapy types.

After these meetings occur with the sector, the NDIA proposes to publish a draft price list for therapy services in March 2019, with implementation to follow as soon as practical afterwards.

Read more about the pricing review of therapy services.

Western Australia Market review

The NDIA has commenced a WA Market Review that will consider whether current price controls in WA take adequate account of local circumstances and the transition in WA. This acknowledges that WA had not initially agreed to join the Scheme when the IPR was conducted in 2017.

With the assistance of the newly-established NDIA Pricing Reference Group, the NDIA is actively working to support Western Australian providers transition to the NDIS.

Recognition of Equal Remuneration Order (ERO) increases

On 1 December 2018, ERO increases were introduced which impact some providers of supports under the NDIS. As in previous years, the NDIA will consider the approach to address these changes, where required, as part of its Annual Price Review.

Related articles

Participant budget display enhancements

Date
2 September 2019

Pricing update and more support for participant choice and control

Date
1 April 2019

New enhancements available in the provider portal

Date
2 April 2020
Read more news