24 April 2018

The NDIA wishes to provide an update on the implementation approach and timetable for the Independent Pricing Review.

In June 2017, the NDIA Board commissioned McKinsey & Company to undertake an Independent Pricing Review, whose purpose was to assist with providing a vibrant provider market to deliver quality and timely supports to participants. The McKinsey Report, which was delivered to the Board in late December 2017, was publicly released on 2 March 2018, at which time the NDIA Board gave in principle support for all 25 of the Report's recommendations.

Subsequently, the NDIA has been engaging with providers and peak bodies to understand the best way of implementing the recommendations, with a view to ensuring robust implementation.

The NDIA is prioritizing those recommendations that provide the most immediate support to providers during transition, with every endeavor being made to implement those recommendations on 1 July 2018 as part of the FY2018-19 Annual Price Review. Those Recommendations include:

- 4 – Regional Travel
- 10 – Short Term Accommodation
- 14 – Temporary Support for Overheads
- 15 – Cancellation policy for core supports
- 16 – Group supports
- 18 – Therapy assistants (phase one)
- 19 – Therapy travel
- 20 – Cancellation policy for therapy
- 21 – Reports requested by NDIA

Implementation of recommendations relating to market monitoring and engagement (Recommendations 1, 11, 12, 13, 22, 23 and 24) has already or will commence by 1 July 2018 as stated in the NDIA's Response to the IPR. Recommendations 2, 3, 5, 8 and 25 will continue to be implemented in line with the timeframe outlined in the NDIA response (generally short or medium term).

In consultation with the sector, it has become apparent that the implementation of other recommendations requires further detailed work or greater consultation. That work is being undertaken as a matter of priority. Implementation of those recommendations will progressively be phased in. These Recommendations include:

- 6 – Defining complexity
- 7 – Price tier that accounts for complexity of supports

- 9 – High intensity loading for centre based activities
- 17 – Therapy price limits
- 18 – Therapy assistants (phase two)

The NDIA is committed to ensuring that implementation of the recommendations occurs in a way that promotes a vibrant, competitive and innovative market for supports where providers are supported to meet individual participants' needs, while recognising the importance of Scheme sustainability.

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24 April 2018

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