5 April 2018

Progress on implementing IPR recommendations

In response to feedback from participant and provider groups, and the Productivity Commission Report on NDIS Costs, the Board of the National Disability Insurance Agency (NDIA) commissioned McKinsey & Company to undertake an Independent Pricing Review (IPR) in June 2017.

In March 2018, the Board of the NDIA released the IPR Report giving in principle support to the Report's 25 recommendations, along with a commitment to ensure a timely, transparent and consultative implementation process.

Work is currently underway to implement a number of the recommendations in the Report, with the aim of incorporating these recommendations into the FY2018-19 pricing review, which will take effect from 1 July 2018.

In light of the market knowledge gained through both the IPR, and their recent work reviewing the Specialist Disability Accommodation market, the NDIA has engaged McKinsey & Co to lead the market engagement process to implement these recommendations. McKinsey will contact key provider and participant stakeholders directly to discuss the implementation process and to help understand any impacts this may have on the sector.

The NDIA will keep all stakeholders informed as we progress these important changes for the NDIS. The Agency will provide further information about each change before it is implemented to help ensure stakeholders are aware of how the changes apply to their situation.

Therapy price controls

The IPR made a number of recommendations in the area of therapy supports, including:

- Developing differentiated price controls for physical and psychological therapy, tiered according to participant complexity needs and aligned to price levels paid in comparable schemes.
- Aligning the travel policy for therapy support to the attendant care policy by removing the $1000 travel cap.
- Amending the cancellation policy to allow therapy providers to charge up to 90 per cent of the scheduled service if the participant makes a short notice cancellation.
- Allowing therapy providers to charge participants for the time spent writing reports that are requested by the NDIA.

The NDIA has asked McKinsey & Co to lead a further consultation process with a range of provider and participant stakeholders specifically about Therapy Price Controls, seeking views on the proposed tiering definitions and price levels, and the best ways of implementing the changes.

Provider and participant groups who are happy to respond to questions about the proposed therapy changes can email MarketandSector@ndis.gov.au by Saturday 14 April 2018 to participate in the consultation.

To learn more about the IPR and access the final report and NDIA response visit Independent Pricing Review.

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