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# POLICY OPTIONS

## MAKING COMPLEX INTERFACES WORK FOR THE NDIS

**Finding a niche in the NDIS: An organisational perspective**

October 2020. Hummell E, Foster M, Connolly J, Borg S, Venning A, Fisher K.

## Policy context

The National Disability Insurance Scheme (NDIS) is a national approach to lifetime support for people with significant and complex needs and involves a shift from the previous system of targeted disability support to a universal insurance-based approach[1]. The NDIS governance principle is that funding provides 'reasonable and necessary' supports coordinated with mainstream disability, health and community services within a quasi-market. This is an immense operational challenge, especially given the wide scale organisational upheaval, multiple organisational types, new market entrants, and boundary confusion between the NDIS and other services and sectors. It requires significant effort from organisations, frontline workers and participants to adapt to a broader, more complex system where interface challenges must be negotiated or risk ineffective and fragmented responses to people with complex health and multiple needs across services and sectors[2].

This project will evidence how the organisational landscape is changing, and the collaborative organisational structures, practices, and challenges for NDIS providers and mainstream services, and identify improvements to achieve an efficient and fair system for NDIS participants. Through in-depth interviews with 28 organisational representatives the period of transition to the NDIS has revealed some of the challenges of delivering services and supports to people with disabilities within a newly created service system. Indeed, the challenges of working in a hybrid system—a quasi-market with fixed prices—that activates competition between providers to enable choice for people in receipt of funding packages to purchase services, are apparent for providers. The ongoing importance of the government's role in stewarding the market to ensure the availability and quality of service provision, addressing market failures and deficiencies is likewise evident.

## Key findings

Overall organisations are proving highly adaptive. Cautious optimism about the prospect for growth, sits alongside ongoing frustration with aspects of scheme complexity—legal and regulatory issues—and the limitations of the pricing guide. To date, the research suggests a nuanced analysis of the efficiency and effectiveness of the ways in which market mechanisms have been entrenched in NDIS operations. While there are reports of creativity and innovation, market pressures and gaps pose real limits on the quality, timeliness, and adequacy of a coordinated and collaborative service response, most notably for people with complex needs.

[1] Foster et al. 2016
[2] Hodges et al. 2013

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- ***Disruption to governance***: Organisations who transitioned to the NDIS experienced significant, if anticipated, disruption that required investment in developing the administrative, technological and commercial skills and infrastructure necessary to operate in the NDIS environment. This has ongoing effects with increased staff required to manage the load of administering the scheme.

- ***Financial vulnerability***: Organisations reported increased concerns about financial viability. Reasons for this sense of financial exposure included: that the costs of provision were inconsistent, mostly greater than, the price guide; participants could withdraw from service at short notice; and the costs associated with administration had increased. In some instances, this has led to greater risk aversion and thereby less willingness to innovate, in other examples increased financial vulnerability has led providers to expand corporate partnerships and leverage philanthropic investment.

- ***Capacity to collaborate:*** This has diminished, reflecting both the absence of margins that would otherwise enable staff to allocate time to the development of collaborative relationships. Market competition and the influx of new providers makes organisations less willing to share information and work together to improve outcomes for participants.

- ***Staffing arrangements***: As well as increases in administrative workload, some providers reported that employment contracts are now less secure because participants can change providers at short notice. Financial pressures have meant that some organisations are deploying staff with fewer qualifications, whose wages are thereby lower, to perform services. The decreased margins have also meant that there is less investment in staff training and development.

- ***Service models*****:** Organisations have had to make decisions about their competitive advantage and whether to occupy specialised niches within the service sector. This is having several effects with some providers narrowing the scope of their provision, and others prioritising participants willing to invest their entire funded package with a single agency. In most instances, providers are aligning service provision with business strategy and are thus becoming more selective about who they work with and in what ways.

- ***Planning and implementing funded supports***: Providers were consistently concerned about a lack of specialised and systemic knowledge, skills, and capacities of Local Area Coordinators (LACs), NDIA Planners and Support Coordinators. The quality of plan development (including the comprehensiveness and appropriateness of funded services) and implementation (especially of complex NDIS plans involving coordination amongst multiple agencies) has a direct effect on the market, what services are funded and how providers are selected.

- ***Market gaps***: Organisations commented on perceived gaps for people with intellectual disability, brain injury and complex behaviours, as well as individuals with complex and multi-faceted needs. In such circumstances it can be difficult to identify providers with the right mix of services and specialist staff, resulting in delays to service (and plan underutilisation), or having to choose between service quality and timeliness.

## Policy options

These findings indicate several policy improvements. Specifically, the findings suggest that addressing the following factors would assist with improving the efficiency and effectiveness of the emergent organisational environment and disability provider markets. However, the

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recommendations also address aspects of the broader scheme which have implications for emergent markets in disability services and the quality and responsiveness of provider organisations.

- **More effective monitoring of service quality**, with relevant information about organisational performance to be made accessible to NDIS participants and providers.

- **Adaptations to the pricing guide** that will support the increased employment of qualified staff in service delivery and reflect the true costs of service provision, which includes more than client contact and direct delivery.

- **Investment to build the skill levels and capability** of key NDIS workforces, particularly planners and support co-ordinators. One of the key issues here is to support people with multi-faceted needs and co-morbidities, who are likely to experience continued social marginalisation, all of which have behavioural and psychosocial implications, requiring thoughtful and person-centred responses.

- **Investment to promote greater collaboration** between service providers, within regions, and when multiple agencies are involved in the implementation of complex plans. The potentiality of support coordination to achieve this outcome is yet to be realised.

- **Direct commissioning of highly specialised supports** and public provision of services in thin and regional markets. There are clearly multiple markets operating in the provision of NDIS supports and strategies to address gaps in the markets for the provision of housing support, transport access and assistive technology are required.

# Methods

In-depth interviews were conducted with 28 executives and senior manager of organisations either providing funded supports under the NDIS in Queensland (many also provided NDIS services nation-wide) or providing information services for NDIS participants and providers, including advocacy organisations. Interviews were conducted to explore how organisations are: adapting to the NDIS; collaborating with other organisations in the coordination of funded supports; and perceiving challenges and opportunities for the management of funded supports.

**Table 1: Organisation Representatives Recruited (n = 28)**

| Organisational Focus | *Not-for-profit* | *Government* | *Private for Profit* | *Social Enterprise* | |
|---|---|---|---|---|---|
| ***Disability Provider Coordination and Support Services*** | 6 | 1 | 4 | 2 | **13** |
| ***Community and Mainstream Services*** | 5 | 3 | 2 | | **10** |
| ***Information and Linkage Services*** | 4 | | | 1 | **5** |
| | | | | | **28** |

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**Acknowledgements:**

*Making Complex Interfaces work for the NDIS* is funded by an Australian Research Council (ARC) Discovery Project (ARCDP190102711) grant.

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