
Mapping the Territory: Impact of NDIS and My Way

Purpose

This document scopes the key policy developments that are relevant to the National Disability Insurance Scheme (NDIS) and My Way. The paper then identifies some of the key policy and sector development challenges.

This paper reflects the views the Western Australian Association for Mental Health (WAAMH) based on information currently available, and was developed to provide information and context for the NDIS / My Way Information Session. Acting as a starting point for consultation with the sector, consumers and carers, feedback on this paper is sought. Following the NDIS / My Way Sector event WAAMH will analyse the input from the day and determine a course of action.

Background

The Productivity Commission was requested to undertake an inquiry into a National Disability Long-term Care and Support Scheme in 2011. The inquiry report recommended a National Disability Insurance Scheme (NDIS). This has been enshrined in an Act and is overseen by the National Disability Insurance Agency (NDIA).

The NDIA Model

The NDIS is an insurance scheme intended to provide insurance cover for all Australians in the event of significant disability. Central to the scheme is the principle of equity based on need, rather than the current system which the Productivity Commission found to be unfair, underfunded, fragmented and inefficient¹. The scheme is intended to provide guaranteed access to lifelong supports for eligible people.

The scheme is intended to support the independence and social and economic participation of people with disability. Objects and principles of the scheme include providing eligible people with reasonable and necessary funded supports, choice and control and access to lifelong supports and services; and facilitating a nationally consistent approach to disability supports.

The NDIS model is based on three levels of support:

- Tier 1 targets all Australians, aiming to create awareness and promote inclusion
- Tier 2 targets about 800,000 people with disability and their family and carers. It provides information about support options; referrals to disability, mainstream and community services and supports; and links people with local support groups, clubs or programs.
- Tier 3 targets approximately 400,000 people who need specialised supports. It will

¹'Productivity Commission Inquiry Report Overview and Recommendations', No 54, 31 July 2011
http://www.pc.gov.au/_data/assets/pdf_file/0014/111272/disability-support-overview-booklet.pdf
accessed 24 February 2014



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provide assistance to develop individual support plans that can include mainstream, community, informal and reasonable and necessary funded supports.

Implementation in Western Australia

The implementation of the NDIS in Western Australia will see two different models trialled. The NDIS trial site will cover the Local Government Areas of Swan, Kalamunda and Mundaring, commencing 1 July 2014. It will be implemented by NDIA under the National Disability Insurance Scheme Act 2013 (the Act) and national operational guidelines.

The NDIS My Way trial is operated by Disability Services Commission (DSC). It commenced in the lower south west² on 1 July 2014 and will extend to Kwinana and Cockburn in July 2015. WA's own My Way model has been in development for some time; modifications align it to the NDIS. Consistency across the two sites will occur in eligibility requirements, inclusion of psychosocial disability and the determination of reasonable and necessary supports. A state based quality assurance system applies to both models. However there are some important differences:

- My Way will operate under State legislation (the Disability Services Act), using state-specific operational guidelines, planning and assessment tools.
- My Way Coordinators will have some access to discretionary funding to assist people to achieve their planned goals.
- Under My Way service providers will retain existing contractual relationships with DSC.
- The NDIS will operate under a national pricing scheme which reflects the conditions in local markets including loadings.

The WA/Commonwealth agreement is for a two year period at which time the two sites will be evaluated to enable comparison. Evaluations of other launch sites will also occur. State and Commonwealth governments have committed to the provision of ongoing support to trial site participants.

Extensive materials regarding the NDIS are being compiled and will be available on WAAMH's website – www.waamh.org.au

Key themes

After analysing key documents, there are a number of themes which emerge about the NDIS and My Way that provide the basis for further dialogue and consultation with the Community Managed Mental Health sector, consumers, carers and families. These key themes are outlined below, and provide the basis for an understanding of the context NDIS and My Way operate within and highlight some of the policy and sector development challenges which may ensue.

Eligibility and assessment

The numbers

- The Productivity Commission estimated that of the 489,000 people with serious mental illness in Australia, 57,000 would qualify for individual funding (Tier 3) under

² For local government area details see <http://www.disability.wa.gov.au/ndis-in-wa/ndis-in-wa/what-is-my-way/my-way-locations/>



an NDIS. To qualify for Tier 3 the individual would need to have a serious and persistent mental illness with complex interagency needs.

- Of this group, 10% would qualify for the most intensive package of support. The Mental Health Council of Australia (MHCA) believes this figure vastly underestimates the level of need in the community³. Other sources also predict much higher numbers of people likely to be eligible.
- In its report the Productivity Commission acknowledged major limitations in the data available and the need for further analysis of this group.
- 57,000 people equates to roughly 15% of total scheme participants with the Productivity Commission estimating the cost of their inclusion as \$1.85 billion per annum.
- While these figures do appear limited, it is important to note that a small proportion of people with significant and enduring psychiatric disability will receive a lifetime commitment to an individual support package.
- In a meeting with the NDIS Subcommittee of the WAAMH Board in February, Chair of the NDIA Board Bruce Bonyhady, said he expected much of the support available to people with psychiatric disability under the scheme would be available through Tier 2.

Eligibility

- Eligibility criteria are set out in the Act and Rules.
- They allow for people with impairments attributable to a psychiatric condition to access the scheme where their impairments are, or are likely to be, permanent, and result in a substantially reduced function in undertaking daily activities and capacity for social and economic participation.
- Assessment is based on functional capacity and need, rather than diagnosis. The terms used in the Act are 'psychosocial functioning' and 'impairments attributable to a psychiatric condition'. The Productivity Commission report used the term 'enduring and significant psychiatric disability'. Psychosocial disability is a term also used in this paper.
- Impairments that vary in intensity may still be considered permanent.
- The WA and Commonwealth Governments have stated they will work together to clarify how support will be rolled-out to this group of people⁴.
- A key issue of concern for mental health consumers is the requirement for permanent and enduring psychiatric disability. What this means in practice and how it fits with recovery principles and the reality of often episodic disability and fluctuating needs is yet to be determined. ConNetica Consulting director John Mendoza states that reports from pilot sites indicate confusion and concern⁵.
- It is not well established how people with mental health needs will meet the early intervention criteria. The requirement for a permanent impairment to qualify for early intervention is inappropriate in the context of mental illness and disregards the positive impact early supports can have on accelerating recovery.

³ National Disability Insurance Scheme Position Paper November 2013, Mental Health Council of Australia <http://mhca.org.au/publication/mhca-position-paper-mental-health-and-national-disability-insurance-scheme-2013>

⁴ <http://www.disability.wa.gov.au/Global/Publications/Reform/NDIS/Fact%20sheet%201%20-%20Disability%20Reform%20in%20Western%20Australia.pdf>

⁵ <http://connetica.com.au/blog/blog/post/the-ndis-and-mental-health---is-this-really-such-a-great-idea/>



- Restricting access to early intervention for people with mental illness is counter to the concept of an insurance scheme intended to reduce costs in the long term.

Engagement and Assessment

- NDIA Operational Guidelines on access, planning and assessment are available on their website⁶
- My Way uses a state specific assessment tool and operational guidelines. The current state of play is that there is limited visibility in relation to the assessment tool and operational guidelines. This raises questions about the ability of the assessment tool to accommodate psychiatric disability.
- My Way intends to employ one My Way Coordinator with a background in mental health, and DSC and the MHC are developing a joint project to assist in engaging participants with psychiatric disability; to include training on mental health and recovery. Details of these arrangements are not known to WAAMH.
- My Way will use My Way Coordinators as the first point of contact in the planning process. Under the NDIS planning will occur with specialist planners, and Local Area Coordinator (LAC) can be involved in planning if they have an existing relationship with the participant.
- Concerns have been raised by mental health advocates about whether assessment tools and processes are appropriate and whether staff is sufficiently skilled and experienced to enable effective assessment of people with psychosocial disability. This will need to be monitored across trial sites.
- WAAMH seeks information about how NDIA and My Way will work to actively engage people with psychosocial disability who may be eligible. Carers have expressed concerns regarding people who may not wish to engage as a result of their mental health condition.
- There is a need to ensure that peoples' support networks, including carers, family members and existing service providers, are consulted during assessment and planning.
- WAAMH seeks access to information and data about people with psychosocial disability accessing both schemes including who is found ineligible and why and how determinations of permanency are made in practice.
- The assessment process for carers is different to that for a participant – who may choose not to involve their carer in assessment. Where family carers are included in the assessments, it is in consideration of the level of support the family is able to provide and sustain.
- Where carer supports are identified and funded, this hinges on the consumer becoming and remaining a participant in the scheme. It is assumed that these same rules apply under My Way.

Recovery principles, person centred planning and services

Reasonable and Necessary Supports

- Under the COAG agreement the NDIS will be responsible for non-clinical supports that focus on a person's functional ability, including those that enable people with

⁶ http://www.ndis.gov.au/about-us-1#on_2



mental illness or a psychiatric condition to undertake activities of daily living and participate in the community and in social and economic life⁷.

- My Way will ensure consistency with the NDIS in the determination of reasonable and necessary supports.
- It is unknown what, in practice, are considered reasonable and necessary supports for this target group and whether there is recognition of fluctuating needs.
- Many carers also have support needs and it is essential to consider how the NDIS and My Way will respond to, coordinate and/or fund these. The particular needs of children and young people who are carers must be considered.
- Most of the focus has been on Tier 3 (individual support packages) and it remains unclear what services Tier 2 participants, carers and families can access, and how these will link with existing services and care coordination models. Many stakeholders are concerned that the existing high levels of unmet need will remain.

Recovery principles and appropriate supports

- As John Mendoza states “How does permanent impairment align with the core concept and evidence surrounding recovery? Is there a danger of creating dependence through this system of discouraging recovery?”⁸
- In practice, how will recovery principles be integrated into the NDIS and My Way?
- Although planning is to focus on individual strengths and goals, in which it may be argued will enable a recovery approach, the COAG agreement specifically excludes “supports related to mental health that are clinical in nature ... including rehabilitation/recovery”⁹. Whether the intent is to exclude non clinical recovery oriented supports is unclear.

Person-centred

- The NDIS and My Way models are based on person centred, family inclusive practice.
- How effective NDIA and My Way staff are at engaging people with psychosocial disability and their support people in person centred planning will require monitoring.
- The issue of recovery focused supports is again of critical importance.
- Community managed mental health services need support to understand and integrate person centred, self directed models within the whole of an organisation - not just the relationship between people with disability and support workers.
- Although the model is purported to be person centred, participants whose funding is managed by the NDIA will only be able to access supports from registered NDIS providers¹⁰. What contracting requirements exist for My Way is unknown to WAAMH. Will this enable genuine choice?
- Seamless delivery and/or collaboration with mainstream, clinical and other community supports and how this will work in practice requires consideration.

⁷ Principles to Determine the Responsibilities of the NDIS and other Service Systems <http://www.coag.gov.au/sites/default/files/NDIS-Principles-to-Determine-Responsibilities-NDIS-Other-Service-Systems.pdf> Accessed 16 January 2014

⁸ John Mendoza “The NDIS and Mental Health – Is this really such a great idea?” Melbourne 2-3 December 2013

⁹ NDIS Supports for Participants Rules <http://www.ndis.gov.au/about-us/legislation-rules-and-government-agreements> accessed 16 January 2014

¹⁰ Registering as a Provider with the NDIA <http://www.ndis.gov.au/document/297> accessed 25 February 2014

Change management for organisations, consumers and carers

Individual funding methodologies, choice and control

- Consumer choice and control is embedded in the principles of the NDIS Act.
- The NDIS will determine an individualised funding package for eligible people based on their assessment of reasonable and necessary support.
- In principle the consumer can then choose their preferred supports and providers to meet their needs. In reality consumers may find that the breadth or type of services they require may not be available, which may particularly be the case in regional and remote areas or for some support types.
- The NDIS supports self management of plans and funding, nominating another person to manage these, agency management, or shared management.
- The sector, consumers and carers need to consider what it will mean for people with a lived experience of mental illness to have choice and control over their support.
- Supports for consumers, carers and family members to participate in planning and assessment processes may be required for many, including assistance to build capacity to make decisions.
- Safeguarding issues require consideration including supporting the consumer to make self directed choices, whilst supporting and acknowledging carers who may have concerns about the best interests of the consumer.

Sector readiness

- The intent of the NDIS is to ensure that services are available to people based on need. One aspect of scheme design is based on consumer demand for services through individualised funding and choice of services, including choice of provider.
- The Productivity Commission expected that the extra resources provided through the NDIS for community based supports to people with psychosocial disability would strengthen the community mental health sector.
- Individuals whose funding is managed by the NDIA will only be able to access supports by registered providers. WAAMH is not clear what the requirements will be for mental health service providers providing supports to My Way participants.
- Under the NDIS agencies will be funded in arrears, through the submission of invoices for services rendered. Under My Way, agencies retain their existing contractual relationship with Disability Services Commission including funding in advance.
- The NDIS appears to lack understanding of the complexity of psychosocial support and undervalues and under-prices the skillset required to deliver such support¹¹. Pricing for supports has been one of the advocacy issues raised by the disability sector.
- Bottom up demand means that organisations will need to focus on business models and marketing. Agencies need to consider what services people really want.
- Unit prices, pricing of service models and CMMH organisations understanding their

¹¹ John Mendoza <http://connetica.com.au/blog/blog/post/the-ndis-and-mental-health---is-this-really-such-a-great-idea/>



value proposition will be important to ensure organisational sustainability.

- Measurement of outcomes requires consideration.
- The NDIS Provider Readiness Toolkit is a resource which has been developed to help providers understand the challenges associated with the NDIS in greater detail, and to put in place actions to address them. A link will soon be available to this resource from WAAMH's website.

Workforce issues, quality services

- Price pressures, changing revenue streams and increased competition are the key workforce pressures arising out of the NDIS¹².
- Casualisation of the workforce and competition for skilled workers will be key challenges.
- New competencies are required in person centred services, choice and control, supported decision making and integration of recovery principles.
- Providers from other sectors, including the disability sector may seek to expand their target group to participants with psychosocial disability.
- Carers WA have identified that providers will require more support in working with consumers, carers and family members in a manner that is recovery focused and supports self-direction and which is also family inclusive.
- WAAMH seeks feedback on workforce impacts and what support organisations need to ensure they are working with consumers, carers and family members and to address workforce challenges.
- The challenge of access for regional, rural and remote areas will need to be addressed. How will a market place be created for services in these areas and do the pricing of support packages and identified NDIS rural/remote loadings account for the costs and challenges involved in remote areas?
- Engaging Aboriginal people in the scheme and meeting their needs in metropolitan, and particularly regional and remote contexts, is of some concern.

Funding, existing programs and continuity of care

- The Productivity Commission report recommended funding of the scheme should be a core function of government (just like Medicare).
- Senator Fifield stated in 2013 that the NDIS will, in full rollout, have a gross cost of \$22 billion per annum and require, in complete form, an additional contribution from the Federal Government of more than \$8 billion each year from 2019-20¹³.
- The Productivity Commission estimated that approximately 15% of participants would be people with psychiatric disability, with an estimated cost of \$1.85 billion per annum. However, \$1.85 billion equates to 8.4% of \$22 billion.
- Of the total participants with psychiatric disability eligible for Tier 3 the Productivity Commission estimated that:

¹² John Mendoza

¹³ Mitch Fifield Address to the National Press Club Canberra, 20 November
<http://www.mitchfifield.com/Media/Speeches/tabid/71/articleType/ArticleView/articleId/721/Speech--Address-to-the-National-Press-Club--20-November-2013.aspx> accessed 25 February 2014



- 10% would have intensive support needs
 - 25% would have high support needs
 - 10% would have medium support needs and
 - 55% would have low support needs¹⁴.
- 2013-2014 budget papers have announced a cost of \$14.3 billion over seven years for the transition towards full implementation of the NDIS¹⁵.
 - An increase in the Medicare levy from 1.5 to 2 per cent of taxable income beginning in 2014--15 is expected to raise \$20.4 billion between 2014--15 and 2018--19 for the scheme. Other funds will come from new Australian Government funding from savings in other areas, existing Australian Government funding for disability care and support, and new and existing state and territory funding for disability care and support¹⁶.
 - The WA/Commonwealth agreement is yet to be finalised so details about the WA contribution of both mental health and disability services dollars is not yet available.
 - The 2011-2012 budget announced \$2.2 billion investment over five years for mental health services¹⁷. Some of this funding is earmarked for services which are not in scope for NDIS such as EPICC and headspace.
 - NDIA has indicated that 100% of the Personal Helpers and Mentors program (PHaMS), 70% of Partners in Recovery (PIR), 50% of Mental Health Respite for Carers, and 35% of Support for Day to Day Living in the Community are in scope for the NDIS¹⁸. This is all Commonwealth funding.
 - Many mental health stakeholders believe that a significantly lower proportion of these clients than these percentages will be eligible for Tier 3.
 - Guarantees of continuity of care exist for current clients of these programs, however no such guarantee exists for future clients and for people who move in and out of the service system¹⁹.
 - Many mental health stakeholders are concerned that rolling in funding for existing programs may lead to a reduction in services available for people who are not eligible for the NDIS.
 - The needs of carers require consideration where the consumer is not eligible for NDIS. Considerable amounts of Commonwealth carer support funding is being re-directed to NDIS, the implications of this for carers is considerable where the person they support is not eligible for, or chooses not to engage with NDIS as the carer cannot become an NDIS participant in their own right.
 - There are challenges in relation to continuity of care and the potential for incentives

¹⁴ Details available in Appendix M The intersection with Mental Health, Disability Care and Support, Productivity Commission 2011 http://www.pc.gov.au/_data/assets/pdf_file/0009/111312/37-disability-support-appendixm.pdf

¹⁵ W:\1 Policy and Sector Development\NDIS Capacity Building\Research\NDIS Budget Announcement.htm

¹⁶

http://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/BudgetReview201314/DisabilityCare accessed 25 February 2014

¹⁷ W:\1 Policy and Sector Development\NDIS Capacity Building\Research\Mental health Budget Announcement 1112.htm

¹⁸ Mental Health and the National Disability Insurance Scheme Position Paper, Nov 2103, Mental Health Council of Australia

¹⁹ Mental Health and the National Disability Insurance Scheme Position Paper, Nov 2103, Mental Health Council of Australia



not conducive to recovery that the NDIS could create in the rolling in of funding.

- WAAMH seeks feedback on the likely impacts of NDIS and My Way on the landscape of services for people with a psychosocial disability.

Issues raised across the themes

Given the complexity of issues, open and transparent sharing of information about the trial sites is important. WAAMH seeks opportunities to engage with NDIA and DSC to monitor the policy challenges and implementation of both trials. Input into and monitoring of the following issues will remain critical going forward:

- Equity of access for people with psychosocial disability, and that the scheme is of benefit.
- Engagement, assessment, planning, funding, and provision of supports to consumers.
- The specific issues facing carers including recognition of their role, provision of supports, information sharing, safeguarding and engagement in planning and assessment.
- The impact on and issues facing the Community Managed Mental Health Sector.
- The specific evaluation and monitoring plan for the WA trial sites.
- The implications for consumers, carers and family members where people are ineligible or choose not to access the scheme.