Allied Health Professions Australia

Submission to National Disability Insurance Agency 2023-24 Annual Pricing Review Consultation

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This submission has been developed in consultation with AHPA's allied health association members.

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AHPA and the Disability Working Group

Allied Health Professions Australia (AHPA) is the recognised national peak association for Australia's allied health professions. AHPA's membership consists of 27 national allied health associations and a further 14 affiliate members, each representing a particular allied health profession. AHPA collectively represents some 200,000 allied health professionals and AHPA works on behalf of all Australian allied health practitioners, including the largest rural and remote allied health workforce numbering some 14,000 professionals.

Allied health professionals are a critical part of the National Disability Insurance Scheme ('NDIS'), providing a wide range of supports and services to help participants maintain and improve function, build their capacity to participate in community life, education and employment, and to access vital assistive technology.

AHPA's Disability Working Group (the Working Group) comprises policy and clinician representatives drawn from the range of AHPA's members that provide services in the NDIS. The Working Group is therefore informed by the views and experiences of both individual allied health professions and the allied health sector as a whole.

A note on therapy supports and orthotic/prosthetic supports

The Australian Orthotic Prosthetic Association (AOPA) is a member of the Working Group. Orthotic and prosthetic supports are not therapy supports under the NDIS, with orthoses and prostheses instead being defined as assistive technology, and orthotic and prosthetic services assigned to the Custom Prostheses and Orthoses registration group.

However, orthotic and prosthetic services do include the clinical services (assessment, review and education) associated with the provision of orthoses and prostheses. These clinical services provided by orthotist/prosthetists parallel those provided by those allied health professions defined as providing NDIS therapy supports. Those orthotist/prosthetists are also regulated like other allied health professionals.

Accordingly, unless otherwise indicated, where this document refers to 'therapy' supports, services or providers, it should be read as also including orthotic and prosthetic supports, services or providers.

Overview

AHPA welcomes the opportunity to respond to the 2023-24 Annual Pricing Review Provider Consultation Paper ('Consultation Paper'). In addition to below, we refer to our two previous Annual Pricing Review submissions, as most of that content still applies.[1]

To fully realise participant choice and control it is essential that participants have full access to the evidenced-based, quality-assured, allied health services that they require, and that these services are able to be provided in a manner and at a frequency that achieve optimal capacity building outcomes for participants.

This is not currently the case; and has not been so for several years. In this submission AHPA primarily refers to and endorses the submissions of three of our largest member organisations: Speech Pathology Australia (SPA), Australian Physiotherapy Association (APA) and Occupational Therapy Australia (OTA). While noting that the therapy support providers represented by AHPA's

[1] https://ahpa.com.au/advocacy/submission-ndis-annual-pricing-review-2022-2023-consultation/ ; https://ahpa.com.au/advocacy/national-disability-insurance-agency-2021-22-annual-pricing-review/ .

members tend to be part-time, small and even sole providers, we also refer to and generally endorse the 2021 economic modelling commissioned by Ability First Australia.[2] In AHPA's view this bottom-up costing model is considerably more realistic than the Agency's approach, but is yet to be applied to the smaller end of the therapy support provider spectrum.

As we outline below, far from being the 'shonky' or greedy providers depicted in media commentary over the last few months, our professionals go to considerable lengths to provide the quality and quantity of supports needed by NDIS participants, often sacrificing themselves in the process.

Our providers are forced to find ways to make participants' NDIS funding go further in a context of ongoing inadequate NDIS pricing for therapy supports – not even pricing indexation in the past four Pricing Reviews – and rising costs to providers. That results in our professionals often subsidising participants' plans by not charging for all of the time for which they are permitted to bill (those parameters already being inadequate) and drawing on increased fees that they are permitted to charge for those private clients who can afford it.

In effect then, the current NDIS pricing approach to therapy supports is only being prevented from immediate collapse due to its being subsidised by providers and, via some higher pricing, their private clients. The only alternative in order to make up the shortfall is billing participants for the real costs of therapy supports, resulting in premature exhaustion of that part of the participant's plan.

Two additional themes are key to ensuring sustainable provision of the quality therapy supports that participants need to help them live a good life. First, the Agency must address the stark fact of considerable underutilisation of therapy supports – the proportion of supports actually paid for compared to the amount approved. Therapy utilisation is significantly worse than utilisation in the Scheme as a whole.

The second and related theme concerns an urgent need for therapy support workforce mapping and gap analysis, and ensuing workforce planning. SPA, APA and OTA all provide evidence in their submissions that is the product of considerable work surveying their member professionals about their workforce practices and issues. However, neither AHPA nor its members are funded to conduct this research, and it is our strong view that the Agency and the NDIS Commission should take the lead in collecting data and publishing analyses of the themes solicited by questions in the Consultation Paper, such as Questions 7-10 and 12-14.

Further and more fundamentally, the Agency should as a priority work with the NDIS Commission to establish an NDIS allied health workforce minimum dataset that can be used as a basis for addressing underutilisation and identifying and planning for future workforce needs. This must include drawing on insights from other care and support sectors, such as aged care, which compete for allied health professionals. Dynamics in these other sectors are therefore relevant to NDIS pricing (although not because their prices are less than those charged in the NDIS, as suggested by the Agency in past pricing reviews).

Finally, AHPA and other entities representing therapy support providers have for some years now conveyed to the NDIA the themes presented in this submission. AHPA stresses that if therapy

[2] Deloitte Access Economics for Ability First Australia, Development of an allied health Cost Model for NDIS-funded services (2021). This modelling mainly focuses on larger providers and so using the same modelling approach for smaller providers may produce different results.

support provider views are not heeded in this pricing round, it is only a matter of time before this essential aspect of the NDIS collapses.

Recommendations

Recommendation 1

Price limits for therapy supports should be raised to incorporate cumulative indexation in line with the Wage Price Index and Consumer Price Index since 1 July 2019.

Recommendation 2

Failing implementation of Recommendation 1, as a bare minimum, there should be a one-off increase of 10% to take into account at least part of the increases in the cost of providing supports since 1 July 2019.

Recommendation 3

From 2025, price limits for therapy supports should be automatically indexed to the Wage Price Index and Consumer Price Index.

Recommendation 4

AHPA endorses SPA's recommendations concerning workforce and skill shortages, group service pricing and travel budgets.

Recommendation 5

AHPA endorses OTA's recommendation for consultation with the allied health sector and the development of a specific bottom-up Cost Model to estimate the true cost of allied health service provision under the NDIS.

Key themes

NDIS therapy support prices

As is evident from our three members' submissions, the actual therapy support prices charged to NDIS plans are generally lower than or sometimes equal to the price charged for private clients. We note here that it is important not to 'compare apples with oranges', but to accurately factor in the length of time for an appointment or session.

It should also be borne in mind that many of our professionals are highly concerned about equity of access to their services, and thus may also charge some of their private clients less than the market rate. If this were not the case, findings about NDIS charging being lower would be even stronger.

Rising costs

Where a minority of allied health professionals charge a higher rate than in other sectors, or charge at the current pricing limit, they do so because that is the only way they can try to address rising business costs in areas such as: wage market rates, rent and utilities, supplies, fuel, consumables and equipment, travel, insurance and other operational expenses.

NDIS-specific costs

There are also significant additional costs to providing NDIS services, as outlined below:

Administration costs

Many allied health professionals experience the administrative workload related to NDIS participants to be considerably higher than that for private patients. For example, AHPA has regularly raised with the Agency our concern about the costs associated with registration, most of which are unnecessary because allied health professionals are already well-regulated through other mechanisms such as the Australian Health Practitioner Regulation Agency, and peak bodies in the case of self-regulating health professions. As noted below, our providers are increasingly choosing to deregister for these reasons. While we are aware that the NDIS Review has recommended universal registration, it is to be hoped that mutual recognition or comparable approaches will reduce this aspect of the administrative load.

Nevertheless, significant costs remain that are associated with both general compliance and operating as a business within the Scheme, such as setting up appointments and agreements, adhering to specific requirements for the provision of early childhood supports, and other administration necessary to providing quality NDIS supports.

Costs necessary to providing quality supports

Our professionals observe that NDIS participants often require more time, resources, and coordination due to the complexity of their cases, leading to higher costs associated with their treatment. Therapy support providers are more likely to spend additional time and resources on tasks such as communicating with carers and other team members, providing resources in suitable formats, researching rare or complex conditions, and giving support to families navigating the NDIS and participant diagnoses.

Respondents to our member surveys also indicated that providing early childhood supports can be particularly intensive.

Unbillables

It is not simply that NDIS pricing has not even kept pace with inflation. The costs of providing quality therapy supports are also not met because key elements of service provision are either not treated as fully billable items or not factored into the overall price limit.

In addition to the NDIS-specific costs indicated above, we refer the Agency to our members' submissions concerning group supports, travel (especially in rural and remote areas), supervision and training, and student placements.

Allied health professionals' ethics and standards of care for their clients also mean that in many instances they provide unpaid or underpaid labour rather than compromising services or drawing more on funding from an insufficient plan – effectively then contributing to a further 'unbillable' category of costs.

Impacts on our providers

Our members' therapy support businesses tend to operate at a small scale, and they therefore have limited infrastructure and resources and operate on thin margins. There is little possibility of further 'efficiencies' within small and solo practices, without compromising on the amount or quality of service.

Our professionals have been trying to alleviate their losses through a variety of methods, including as indicated above, by charging higher fees to private patients. Nevertheless, the failure of the NDIS price guide to keep pace with inflation, let alone address the other NDIS-specific costs, is

producing considerable financial strain: decreased profit margins, reduced cash reserves, and a significant threat to the long-term sustainability of some allied health practices and hence the availability of therapy supports.

Allied health professionals are therefore adopting or considering several other strategies that have negative implications for future availability of therapy supports to participants. Significant numbers of providers are: choosing to deregister because of the impact of the NDIS pricing caps on the viability of their practice; diversifying revenues and shifting away from heavy reliance on NDIS funding; or ceasing to provide supports to NDIS participants altogether.

Therapy support utilisation

SPA's submission discusses the significant underutilisation of committed supports, with more than 40% of capacity building budgets being not spent nationally. In other words, participants in most states and territories are only able to spend less than 60% of their capacity building budgets, which is considerably less than their overall plan utilisation in each jurisdiction.

The difference between the therapy support utilisation rate and the utilisation rate for the Scheme as a whole ranges from 14 to 32%, depending on the state or territory. Of particular concern are the rates of utilisation in Tasmania and the Northern Territory where participants are spending less than half of the funding that has been allocated for therapy services.

Australia cannot lawfully permit denying reasonable and necessary supports to participants, but in effect this is what is happening.

Cancellation policy

It appears on available information that the seven-day cancellation policy is rarely applied in practice. AHPA refers to our member submissions for discussion of the practical impacts.