

# Fact sheet 9: Disability Service Providers

## A thriving, balanced system of supports and services for people with disability

### The panel’s vision

We want to see thriving NDIS markets with a range of providers and services so people with disability have genuine choice and can find supports that meet their needs. Price setting should be independent, transparent and reflect realistic costs.

We want providers to be viable and to be incentivised to provide great quality services and improve outcomes for participants. To do that we need new approaches to pricing not just “fee-for-service”. There also needs to be the right balance between appropriate regulation to prevent harm and imposing excessive burdens on providers.

#### What is the problem?

We have heard that NDIS markets aren’t working. People with disability told us they find it hard to find supports. Providers don’t always have the information, guidance or resources to understand what good services look like or how to improve their delivery. There is also not enough information about the availability and quality of supports.

The NDIS lacks integrity. We have heard there is a lot of over-charging, over-servicing and outright fraud. Processes to set prices are not working effectively. Price caps were intended to ensure “value for money” and prevent providers from driving up prices. However the process is blunt and not transparent. Providers have little incentive to compete on price or quality, with caps acting as a “price anchor” instead of a “price ceiling”. Price caps are higher for participants with complex needs, but we have heard they don’t match the cost of delivering good quality support. Participants also find it difficult to negotiate based on price.

Market settings have encouraged a focus on the number of supports provided and have not given not enough attention to quality or outcomes. We heard this is partly due to providers not knowing how they compare with other providers, and a lack of incentive to invest in quality improvement. Inappropriate price caps are also contributing to the problem.

Regulation of providers is inconsistent and is not proportionate to the risk of the activity delivered (such as the intensity of the support delivery) or provider operations (such as the size of the provider). There are big gaps in regulatory oversight of NDIS markets, particularly with unregistered providers, who are able to fly under the radar. This leaves some participants potentially exposed to risk of harm - particularly participants who have complex needs or circumstances. Some providers are not aware of their requirements and obligations, for example in relation to restrictive practices.

We have also been told that when a provider chooses to register, the administrative burden is high, particularly for providers delivering lower risk supports. At the same time being registered is not necessarily a sign of quality and many providers told us they are thinking of de registering all or parts of their businesses.

#### What is the solution?

NDIS markets are not like markets for other goods and services. Governments need to use a range of market tools to design and coordinate all NDIS markets. Coordination needs to take into account the specific needs of participants, providers, and the nature of supports being delivered. We recommend:

* A centralised online platform that provides real time claims management and information about providers so participants and their navigators can search and help select providers. This is essential for scheme integrity and an effective market.
* Providers should be able to benchmark their services against others in the NDIS market, learn what is working well and what participants value. This would inform service improvement and innovation.
* Better incentives for continuous quality improvement, including:
* Targeted capacity-building initiatives to support providers to improve the quality of their services. This could include translating evidence about what works into practical guidance and resources.
* Improved auditing that assesses the quality of support. Audits should ensure the voice of the participant is central to any assessment of quality.
* Measuring and publishing provider performance against quality and safety metrics to encourage quality, as well as reward good performance.

## Proposed risk-proportionate regulation of all providers delivering NDIS and foundational supports

### Provider obligations

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| --- | --- | --- | --- | --- |
|  | **A. Advanced registration**In-depth registration for high-risk supports | **B. General registration**Graduated registration for medium-risk supports | **C. Basic registration**Light-touch registration for lower-risk supports | **D. Enrolment**Basic visibility and requirements for lowest-risk supports |
| **Code of Conduct** | Yes | Yes | Yes | Yes |
| **Worker screening (Action 17.4)** | Yes* Workers in risk-assessed roles.
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 | Yes* Workers directly delivering specified supports or services, or who have more than incidental contact with people with disability.
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| **Subject to complaints process** | Yes | Yes | Yes | Yes |
| **Report incidents** | Yes | Yes | Yes | No |
| **Practice Standards** | Yes* General standards and support-specific standards for all support types.
 | Yes* General standards for all support types and support- specific standards where needed.
 | Yes* Simplified general standards for all support types.
 | No |
| **Performance measurement (Action 12.3)** | Yes | Yes | Yes | No |

### Processes

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| --- | --- | --- | --- | --- |
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| **Application, identity verification and code of conduct and worker screening attestation** | Yes* Provider completes online application form, integrated with centralised online platform and NDIS payments system (Actions 10.1 and 10.3) to provide the NDIA and new National Disability Supports Quality and Safeguards Commission with visibility of all providers and data on payments.
* Application form collects basic information (e.g. business name, ABN or Digital ID, bank account details, location, contact details, support types delivered).
* Business identity is verified leveraging existing government systems and processes (such as myGovID).
* Provider attests to understanding obligations under code of conduct and worker screening requirements.
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| **Audit of compliance with practice standards** | Yes* In-depth observational audit of compliance with relevant practice standard.
* Self-assessment and attestation and/or mutual recognition of compliance in other systems used where appropriate.
 | Yes* Graduated and proportionate audit of compliance with relevant practice standards, including observational and/or desktop auditing.
* Self-assessment and attestation and/or mutual recognition of compliance in other systems used where appropriate.
 | NoBut includes a self-assessment and attestation of compliance with practice standards, in place of an audit. | No |
| **Suitability assessment of provider and key personnel** | Yes | Yes | Yes | No |
| **Ongoing monitoring and compliance** | YesThe National Disability Supports Commission undertakes:* Risk-based monitoring, investigation and regulatory intelligence gathering (including through provider outreach and information sharing with other regulators).
* Corrective action in response to breaches of the code of conduct (registered and enrolled providers) and practice standards (registered providers only).
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**Want more information?** Read the final NDIS Review report and recommendations, NDIS Review Guide, NDIS Review fact sheets and FAQ at [www.ndisreview.gov.au](http://www.ndisreview.gov.au)