

31 July 2023

nib Thrive response to: The role of pricing and payment approaches in improving participant outcomes and scheme sustainability – NDIS Review

About nib Thrive

nib Thrive is the National Disability Insurance Scheme (NDIS) business for the nib Group. nib Thrive has acquired four plan management businesses since November 2022, Maple Plan, Peak Plan Management, Connect Plan Management and All Disability Plan Management. Both Peak Plan and Connect Plan Management are ranked in the top ten plan managers in Australia. Most recently, nib acquired digital marketplace, Kynd, which allows NDIS participants, their carers and support coordinators to search, compare and book a range of support services.

nib Thrive currently supports around 30,000 NDIS participants and is on track to reach its goal of supporting at least 50,000 participants by FY25.

nib Thrive's vision is better health and wellbeing for all Australians. We know there are few greater opportunities for us to have a meaningful social impact than in keeping people healthy, and now, in supporting people with disabilities. We plan to do this through innovative, human and digital solutions to make a difference to people who seek convenience, accessibility and inclusion.

In May, nib Thrive submitted a response to the NDIS Quality and Safeguarding Framework Issues Paper as part of the NDIS Review. We appreciate the opportunity to contribute to the pricing and payment paper and welcome further consultation by the NDIS in relation to our submissions.

Introduction

nib Thrive agrees that the current pricing and payment models in the NDIS require reform to better support both the sustainability of the scheme and improved participant choice and outcomes. The implementation and delivery of these reforms should become a shared responsibility between public and private, not just the sole responsibility of the NDIA and government. With the backing of 70 years' experience in connecting buyers and sellers to health services, nib Thrive has the capability and expertise to bring better experiences, tools, technology and services to its participants, while maintaining participant choice and control; and improving pricing sustainability. To best support the recommendations outlined as part of this consultation, nib Thrive recommends that the NDIS Review also reconsider the current design of the NDIS scheme, including, roles and responsibilities.

An alternative NDIS model

As a business with more than 70 years of experience in facilitating the provision of health services to Australians, we see the integration of disability, health and social factors as crucial to improving the quality of services provided to, and safety of, all people with disability. We envision ourselves playing a role in connecting people with a disability to a wide range of services, tools and technology that will support their better health, wellbeing and quality of life whether they are an NDIS participant or not.

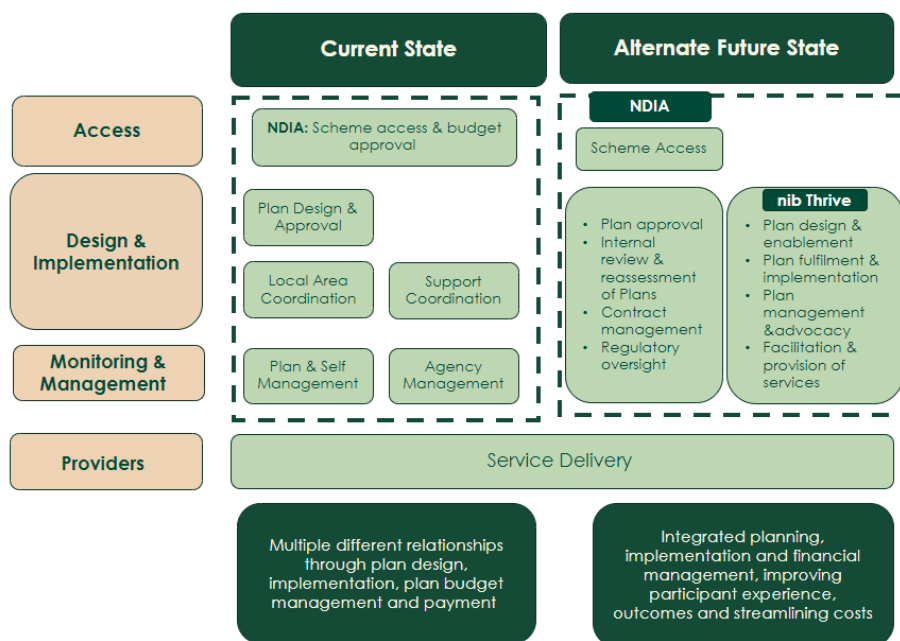
At the NDIS level, the current review of the Scheme provides an opportunity to reconsider roles and responsibilities of those within the scheme. Plan design, plan implementation, and plan financial management functions are often at the centre of the challenges experienced by both participants and service providers within the NDIS. The integration of these Scheme functions could support an improved participant and provider experience while retaining the key decision-making roles of the NDIA. These changes would also support improved pricing and payment models within the Scheme across preferred provider arrangements, outcomes-based payments for services, budget management, technology and pricing transparency; outlined in this paper. For participants, with so many players in the Scheme, this would help to reduce the complexities that come with navigating the Scheme, empower choice and control, and ensure a better overall experience. This alternative view is set out in our proposed 'NDIS Future State' model below.

nib Thrive 'NDIS Future State' model

A new, integrated model would support:

- Improved participant experience by integrating the plan implementation process with the plan design process; Quicker initial access to services, improving plan activation rates;

- Reduction of unscheduled plan reviews, AAT and other review body cases, and adverse participant outcomes through building better knowledge of NDIS participants and their needs;
- Improved integration with mainstream services provided by State governments;
- Clearer and simpler responsibility for participant safeguarding;
- Improved pricing and payment models;
- Increased choice and control for participants as to who assists with plan design, procurement, and administration; and
- Better value for money.



Response and recommendations

Finding one: There are opportunities to improve NDIS pricing arrangements over the short- to medium-term

Further differentiating price caps to reflect the additional costs involved in delivering services to participants with more complex needs and in regional areas.

nib Thrive is supportive of changes to the allocation of costs for services that involve more complex cases or service delivery in regional areas and that any risk of excessive administrative burden should be minimised. Changes to price caps however would do little to 'improve supply and access to quality supports for participants' on their own. For example, the NDIS has already introduced pricing arrangements for regional and remote areas, with price limits 40% higher in remote areas, and 50% in very remote areas. For regional areas, while there is no additional loading, some different pricing arrangements do apply based on the Modified Monash Model.¹

The reality is, NDIS participants living in remote and regional areas are often missing out on access to disability support services because of a lack of available provider services. Recent data from the Australian Federation of Disability Organisation revealed that 'larger budgets have not translated into higher service delivery,' for participants in remote or regional areas.² The impact is even greater for Aboriginal and Torres Strait Islander participants who also experience additional cultural barriers to accessing services.

An increase in the supply and access to quality services for participants in remote and regional areas requires greater investment from both government and private organisations in technology and community-based programs that aim to improve health and life outcomes of participants and reduce inequities.

nib, alongside other funds in Australia, is already doing this in health. The same could be done for both NDIS participants and Australians with disability.

¹ NDIS Pricing Arrangements and price Limits 2022-2023, <[ndis.gov.au/providers/pricing-arrangements/pricing-arrangements-archive](https://www.ndis.gov.au/providers/pricing-arrangements/pricing-arrangements-archive)>

² Nicole Hegarty, ABC News, 'NDIS participants unable to receive support they require due to lack of access' (May 2023), <[abc.net.au/news/2023-05-17/ndis-participants-miss-out-on-services-due-to-provider-shortage/102354258](https://www.abc.net.au/news/2023-05-17/ndis-participants-miss-out-on-services-due-to-provider-shortage/102354258)>

Investment in technology is one option. There is opportunity to better leverage digital services to support participants living in regional and remote communities. An example is how nib is supporting Australians living in regional or remote areas to better access healthcare. nib holds a majority interest in Australian digital health start-up, Midnight Health. Delivering online GP consultations from anywhere in Australia, electronic scripts and pharmacy delivery-to-door, Midnight Health has serviced over 80,000 customers including 70% of regional postcodes and some of Australia’s most remote towns. Targeted investment in programs for disadvantaged communities is another option. One example is the work nib is doing in New Zealand to improve Māori access to healthcare, knowing there are significant health disparities between Māori and non-Māori. **[See: Ngāti Whātua Ōrākei]**

Ngāti Whātua Ōrākei

Over five years, nib has partnered with Ngāti Whātua Ōrākei (NWO) to deliver a universal health insurance scheme to the Auckland hapū (Māori sub-tribe) that covers surgical and non-surgical hospitalisation, specialist consultations, diagnostic procedures, mental health cover as well as assistance with every day health costs like visiting a GP, dentist or physio.

We’ve also worked with the tribe to develop new health management programs and additional benefits for traditional Māori treatment such as Rongoā Māori, to support better health outcomes for their whanau (family).

- Of the 6,700 registered NWO members, around 5,300 are enrolled in the scheme
- \$12 million in claims has been paid since 2018.

There’s opportunity to bring what we’ve learnt to the NDIS to better support pricing and participant outcomes, particularly for those living in regional and remote locations.

Preferred provider arrangements

nib Thrive supports the Review’s recommendation to implement a ‘preferred provider’ arrangement as an alternative to price cap arrangements for certain NDIS supports. A preferred provider arrangement would ensure greater certainty for both participants and providers on service costs; help contain excess plan spending; and provide participants with greater control to manage their plan without limiting their choice of provider.

In relation to the implementation of preferred provider arrangements, the NDIS Review panel should consider the benefits of leveraging the extensive experience of private sector organisations, like nib Thrive, to deliver and manage preferred provider arrangements. It would be difficult for the NDIA to manage on its own. Appropriate governance arrangements can be put in place to ensure transparency and accountability for those who deliver such services.

nib Thrive is backed by an organisation that has more than 70 years’ of experience in connecting buyers and sellers to health services, and this could benefit participants and providers within the NDIS. For example, nib has an established preferred provider arrangement in place for the delivery of health services, which could act as a blueprint for similar arrangements within the NDIS. In 2019, nib, with Cigna Corporation, established Honeysuckle Health – a specialist data science and health service company that acts as nib’s agent to manage all its existing and future hospital, medical and ancillary contract agreements. Covering most private hospitals in Australia (80%), the agreements are designed to ensure members are covered for the services they need, and have the flexibility and access to high-quality, good value care no matter where they live.

nib’s other arrangements also include options for members to receive treatment for reduced or no-out-of-pocket costs, such as nib’s MediGap program, Clinical Partners and GapSure Anaesthetic networks. For example, in FY22, nib members had a Known Gap (an agreed out of pocket cost) or No Gap (no out of pocket cost) experience when they were treated by a medical specialist who opted-in to one of our medical network schemes for around 71% of hospital admissions.

Another provider network is nib’s First Choice Network, one that has obvious parallels between a successful provider arrangement approach for healthcare and a future provider arrangement for the NDIS. The First Choice Network is a community of trusted healthcare professionals who provide health services at a set reduced cost or agreed discount to nib members to help lower out of pocket costs. The agreed reduced cost can vary between First Choice providers; however, they agree not to exceed the set reduced cost.

While we understand participants in the NDIS do not experience out of pocket costs, there are other benefits that could be realised from offering this kind of service within the NDIS to help support participants, pricing, and providers.

nib First Choice Network

In 2022, an nib member saved on average \$207 in out-of-pocket costs for dental and \$155 in out of pocket costs for optical.

Almost 500 members use nib’s Find a Provider tool every day, and 25% of members who make a claim for dental, optical or physiotherapy services is with a provider that is part of our First Choice Network.

Just like in health, providers who join the network would benefit from having their services promoted to participants looking for treatment. Participants are provided with the option to choose from thousands of providers, with some certainty that they'll receive the service at a reduced rate, allowing better budget management. nib's First Choice Network currently consists of 15,800 health providers.

nib's Find a Provider tool then offers a simple, digital solution for members to search for its network of healthcare professionals to get the best value from their cover. Another tool that could be adapted to the NDIS.

These initiatives, while predominately designed to reduce costs for members, also aim to put choice and control back into the hands of the consumer, so they can choose a provider and service that best suits their health and lifestyle needs.

There are obvious similarities between the services that already exist in healthcare and the capability that the NDIA would like to bring to participants and providers within the NDIS. Organisations, like nib Thrive, can help bring this expertise and capability to the sector helping to lower costs, speed rollout of services and provide better outcomes for participants.

Recommendation

nib Thrive supports changes to the allocation of costs for more complex cases and regional areas. However, we recommend further investment from both public and private sectors in digital and targeted community-based programs that aggregate demand. This is required to improve supply and access to quality supports for participants in these communities.

nib Thrive is supportive of the establishment of preferred provider networks and recommends shared responsibility for preferred provider arrangements between public and private organisations.

Finding two: The fee-for-service payment approach rewards NDIS providers for the volume of supports they deliver, rather than for supporting participants to achieve outcomes

The promotion of value-based supports in the NDIS is a welcomed reform. There is currently little incentive for providers to focus on this when they are paid regardless of participant outcomes.

While health funds, like nib, are seeking to provide better value for their members in the health system through initiatives like personalised health management programs and out of hospital care, there are regulatory barriers preventing greater uptake of such care among providers. Like in the NDIS, there is little financial incentive for some providers, such as specialists in hospitals, to be offering alternative methods of care while volume is rewarded. Although a welcomed potential reform, outcomes-based payment approaches can be challenging to implement successfully in practice and would require a careful design via pilot programs and trials.

An alternative approach, in addition to the initiatives proposed by the NDIS Review, is placing greater responsibility on businesses, like nib Thrive, to help participants achieve better outcomes. nib Thrive, in line with '**nib Thrive 'NDIS Future State' model**', could play the role of a 'system navigator', to help plan, design, manage and procure services for participants with a focus on value-based care. Just like we do for our members in health, we'd partner with participants to connect them with the right tools, technology and services that will help them to achieve better outcomes.

As part of this service, nib Thrive could offer early intervention programs to participants, including for children with developmental delay or autism. As the system navigator, nib Thrive would provide or connect Australians and young people with disability to early intervention programs regardless of whether they are eligible for an NDIS plan or not. nib already does this in health, we partner with Honeysuckle Health to offer our members who either have or are at risk of specific chronic health conditions access to targeted health programs or at-home treatment. The aim is to support our members to better manage their health condition every day and avoid hospital treatment or readmission.

It's a purpose that could be adapted to the NDIS and for all Australians living with disability. Professor Bruce Bonyhady³ said recently that if you're an Australian living with a disability in Australia but can't access the NDIS, that "you'll get insufficient support or no supports, your disability will worsen and at some point, you'll need to have the NDIS." Early intervention would enable more participants to access the support they need earlier on in life so that they're best set up to navigate life independently. It would help alleviate pressure on the NDIS, as fewer people would need to depend on the scheme and would help bring the scheme back to its core purpose; "maximise lifetime outcomes and minimise lifetime costs".

Another is the introduction of nib's GreenPass. nib Thrive intends to offer a range of supports as part of its services that will enable both NDIS and non-NDIS participants with a disability to access the tools, information, and services they need to better manage their health and life every day. Our nib GreenPass provides

³ Natassia Chrysanthos, SMH, 'Lack of help for people outside of NDIS 'simply unconscionable': Scheme architect' (July 2023), <www.smh.com.au/politics/federal/lack-of-help-for-people-outside-ndis-simply-unconscionable-scheme-architect-20230717-p5douu.html>

Australians, regardless of whether they're an nib member or not, access to online health checks and skin assessments, exclusive pricing on GP telehealth, discounts and rewards on healthy living, as well as expert health tips and advice, at no additional cost. In a little over a year, almost 30,000 people have joined and hold a GreenPass membership. Tailored to the needs of Australians living with a disability, this program could help play a role in empowering participants and people with a disability to be proactive about their everyday health, wellbeing, and life outcomes.

Lastly, nib Thrive could also be responsible for assisting a participant to use their NDIA-determined budget, implementing a 'top down' rather than 'bottom up' approach. Currently, NDIS plans are constructed incrementally depending on the needs of the participants. For example, if a participant requires or requests additional supports or services throughout the year, the plan is re-assessed, and additional budget is provided based on those needs. This approach is unsustainable.

There's opportunity to approach budgets from the top-down. For example, a participant could be provided a set budget for the year/s by the NDIA. Businesses, like nib Thrive, could then support a participant, with their permission, to manage this budget to ensure they get the best value and support from their plan, and don't overspend. This would help to control spending within the sector, and empower participants via intermediaries like nib Thrive, to get the most out of their plan; focusing on value and participant outcomes. Other initiatives mentioned, such as preferred provider arrangements, would also support this.

Recommendation

nib Thrive recommends that a 'top down' approach to participant plans is introduced to help control budget spending and empower participants to choose services that best suit their budget and life needs.

nib Thrive recommends the integration of the plan, design, manage and procurement services of the scheme (**see: nib Thrive NDIS Future State Model**), to support the introduction of a 'system navigator' within the scheme, with the aim to improve participant plan management and outcomes. nib Thrive could work with the NDIA to trial this new model approach in an underserved region.

Finding three: A lack of transparency around prices, volume, quality and outcomes is restricting the effectiveness of NDIS service delivery

nib Thrive is supportive of the improvements suggested in finding three and, in particular, the proposal to introduce a near real-time payment system for NDIS provider services.

Real-time payment system technology

nib Thrive's plan management businesses are responsible for supporting participants and providers to process invoices and claims for services provided within a participants' plan. These are often manual processes which include receipt of invoices via email with manual processing and claiming for a substantial proportion of invoices. Turnaround times of five or more business days are not uncommon among plan managers.

Investment in real-time payment technology would enable faster, simpler and more efficient payment experiences for both participants and providers.

Similar to health insurance, where members can use either HICAPS, an app, email, member portal or phone to make a claim, this technology would both complement and improve existing payment practices within the scheme. We see the introduction of such technology as an opportunity to also improve payment integrity within the NDIS. nib Thrive could play a role in maturing payment services so that when a provider or participant submits an invoice, our systems can easily assess this against the participants plan, budget and agreed service price before it is processed. The participant could also view their claim and budget allocation within their own portal, such as an nib Thrive app (just like our nib members do in health).

The introduction of faster payment systems could also enable intermediaries, like plan managers, to broaden the scope of their services to better support participants with holistic budget management, rather than simply processing claims. This is in line with our '**nib Thrive 'NDIS Future State' model**' outlined above.

The collection of transaction data would also help the NDIS, intermediaries and providers to better understand the needs and behaviours of participants, and in particular those with self-managed plans who have minimal oversight by the NDIS. This would help to inform future improvements to services and practices within the NDIS.

Measuring and reporting on provider performances and disclosure of provider prices

The NDIS Review's additional recommendations, including measuring and reporting on provider performances and the disclosure of provider prices, is a welcomed reform. These changes would ensure greater transparency of pricing and services. It would allow participants, as well as intermediaries who support participants, to manage their plan and make more informed choices on their plan and budget.

The introduction of price disclosures, however, should include flexibility for providers to adjust pricing based on any modifications or customised supports required for each participant. It cannot be assumed that all products

or services will come at a standard price, as each service is individualised to the participant subject to their needs. The disclosure of provider prices, if mandated, should account for this. For example, providers could include a starting price and disclaimer when disclosing their prices on the relevant platform.

In addition, this responsibility does not need to sit solely with the NDIA. Private platforms can support the display of provider pricing and performances if mandated. There are great platforms readily available that can support this.

In July, nib Thrive acquired digital NDIS marketplace platform, Kynd, which matches buyers and sellers to disability services, and allows participants to easily view provider pricing and profiles to find the support that suits them. Kynd also brings a 24-hour a day booking ability, pricing transparency and hassle-free payments. With nib's scale and reach, we expect to be able to build on the great network the Kynd team have built so far. We want to improve and innovate the NDIS experience and have built a platform with detailed profiles, smart matching, ranking systems and more.

There's opportunity for the NDIA and private organisations, like nib Thrive, to work together to bring these experiences to more participants and providers and better support participants to achieve their goals.

Recommendation

nib Thrive is supportive of all recommendations provided by the NDIS Review in Finding Three, however, we recommend greater consideration of the broader role that intermediaries can play in supporting participants to manage their budget.

In addition, nib Thrive recommends the NDIA utilise existing technology platforms and services to support transparency of pricing and provider information within the scheme.

Finding four: Removing price caps could place pressure on scheme costs. Instead, the focus should be on foundational market reforms that help align incentives for participants, providers and governments.

nib Thrive agrees that there is risk that the removal of price caps could contribute to an increase in pricing among providers within the scheme. There is opportunity to look at alternative methods to control costs and ensure participants remain as proactive consumers within the scheme.

Preferred provider arrangements, disclosure of provider pricing and investment in digital tools to reach participants in more remote areas, top-down budget plans, and the integration of intermediary services to support the establishment of a 'system navigator'. outlined throughout this paper, would all help to control costs. More importantly, it would aid in supporting participants to have the 'information and capability to make informed choices on the value and quality of supports, including the help they need to do this'.⁴

Recommendation

Recommendations are outlined in the above responses.

Kind regards,



Martin Adlington

Chief Executive Officer – nib Thrive

⁴ www.ndisreview.gov.au/sites/default/files/resource/download/pricing-payments_0.pdf