Transcript

Group Based Supports Pricing Arrangements Transition

Provider Information Session Part 1 - Overview

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Hi everyone, and welcome to our first session regarding group based supports and the pricing arrangements transition. Now this is a session for providers, and is a general overview of these changes. My name is Julia, and I am a part of the Social and Community Participation team.

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I would like to acknowledge that this session is being hosted on the traditional lands of the Kaurna people. We pay our respect to Elders both past, present and future. I’d also like to extend that acknowledgement and respect to any Aboriginal and Torres Strait Islander people who might be viewing this session.

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Now just a disclaimer. This material is general in nature.

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Now this presentation series has been designed to help you as providers in your transition to the new pricing model for group and centre-based activities. This presentation will give a general overview of the new pricing. Now we’ve also recorded a series of 3 other presentations, which go into a little bit more detail about the various aspects of this pricing model. And we hope this will make it easier for you, as providers, to find that key information as you’re working through your transition. All of these presentations can be accessed via the website.

Now it’s important to mention that these presentations, they aim to complement the resources that are already available on our website. And this includes of course our key reference document, which is the Pricing Arrangements and Price Limits document, or the PAPL, as we sometimes call it! Now the 2023-24 document has been released and has been in effect from the 1st July. In addition, our team has created a provider guidance document. And both of these resources are available on the pricing page of the Agency’s website. So I would encourage you to spend some time reviewing these resources, in addition to this presentation, to further develop your understanding of the pricing changes.

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So in this presentation, I’ll cover a broad overview of the new pricing arrangements for group and centre based activities. I’ll start with a bit of an introduction about group based supports. And then I’ll discuss the transition timeline, including some key deadlines as we approach the end of the year.

I’ll then outline some of the key areas of the Pricing Arrangements and Price Limits document, or the PAPL, that you need to be aware of, and then move into that new pricing arrangement.

From here, I’ll go through direct supports and some of the other relevant support items that relate to group-based activities.

And then finally, I’ll run through some examples and scenarios, which just help to explain this new pricing arrangement in a little bit more detail.

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So I’d just like to briefly discuss the history of these pricing changes, just to give you a little bit of context. So back in 2020, the new pricing was introduced for group-based supports. And since this time, providers have been able to use either the new pricing model, or retain use of the former pricing, which is known as “transitional pricing”. Now implementation of the new pricing has not been strictly enforced so far, just given those challenges of the Covid 19 pandemic. Now we allowed numerous extensions to providers, as we could appreciate that there were challenges in the sector over the past few years. However, the final deadline to implement the new pricing is approaching. So all providers must transition to the new pricing model for group-based supports by the 31st December 2023. That transitional pricing cannot be used for supports that have been delivered from the 1st January 2024. And this deadline will not be extended again. Now later in the presentation, I will talk more about this timeframe, and how you as providers can deal with those supports that are bring provided as we head towards the end of 2023.

Now the Agency is aiming to support providers as you make this transition to the new pricing arrangement. Now in addition to the resources that I’ve already mentioned, some other steps we’ve taken to support providers include these things:

* So, the first is we’ve made some amendments. We heard some feedback during consultation in 2022, and this resulted in some changes to the pricing arrangement. So the Pricing Arrangements and Price Limit document online included these changes since the 5th May 2023.
* The Agency’s also established a dedicated team to support this change. And this includes responsibility for the specific inbox to help providers with queries about the transition. And you can see our email here, which is group.supports.transition@ndis.gov.au
* And finally, the team is developing some resources for intermediaries and participants. So we are working on these at present, and hope to make them available as soon as possible.

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Group-based social and community participation supports are a key part of the NDIS. They complement the informal and community supports and connections that are important to everyone, including those with disability. There are a range of benefits of community participation, as we can see here.

So the new pricing really frees providers and participants from pre-determined notions of what group and centre based supports look like. Participants have the option to access supports based on their interests and needs in a range of settings.

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Here we can see the transition timeline. As I’ve already mentioned, the deadline to implement the new pricing model is December 31, 2023. This is the end of the green section in the diagram here. From January 1st, 2024, the transitional pricing can no longer be used for supports provided after this date. All providers must transition by this time.

From the 1st January 2024, all transitional support items will be moved from the ‘current’ tab to the ‘legacy’ tab of the support catalogue.

Any supports provided up to December 31st may be claimed using the transitional pricing, but this must be done by 31st March 2024. This gives you 3 months to finalise any claims under the former pricing model. That is why this timeframe is depicted in amber in the diagram here, as it’s a time for claiming supports from 2023 only. From the 1st April 2024, the transitional pricing support items will be removed from the system. This is red, illustrating that the transitional pricing cannot be used after this date.

Now it’s important to note that you might decide to transition groups to the new pricing in stages. This is acceptable, so long as you don’t revert back to the transitional pricing for that particular group.

So it’s really important that you continue to progress your transition, so you are ready by these key dates.

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Now we recognise that finding information in the Pricing Arrangements and Price Limits document (or the PAPL) can be difficult. So we’ve included this slide, just to help you more easily navigate this resource and access the information that you’ll need.

So some key pages that are worth noting, are, so:

The claiming rules for group-based supports are outlined on page 28

Information about the direct (or face to face) supports are outlined on page 60. And this is also where you’ll find the new pricing codes (so these are pages 60 & 61).

Information about Non-Face-to-Face supports are explained on page 17

Centre capital costs are explained on page 30

And short notice cancellations are on page 22.

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Now I’d just like to outline some of the updates that were made to the pricing arrangement, which came into effect on the 5th May 2023. As I mentioned earlier, these arose following consultation with the sector in 2022.

Now these changes relate to 3 key areas:

The first is Non-Face-to-Face Supports. Now while Non-Face-to-Face should be specific to a participant, it was recognised that for group-based supports Non-Face-to-Face might be incurred across the group as a whole. So therefore, we clarified that these costs need to reflect the individual needs of the participant. And this allows you, as providers, that flexibility to decide how you’re going to identify Non-Face-to-Face costs in a way which works for participants, and for your business.

Moving now to Programs of Support, so the changes here made were in relation to the maximum length of the program. This was extended from 12 weeks to 6 months.

And there was also an introduction of a 4 week unplanned exit clause.

Now I would like to take this opportunity to remind you that Programs of Support are not compulsory. And furthermore, if you’re using a Program of Support, it doesn’t have to be 6 months in duration. The length can be tailored to support participants. So the change to 6 months is simply a maximum, but it certainly can be shorter if this approach works for the participant and for you as the provider.

And last of all, there was a change to the transition period. So as I’ve previously mentioned, transition to the new pricing must now occur for any supports that are provided on or after 1st January 2024.

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So now I’d like to turn our attention to calculating direct supports. So this is that face to face time that participants spend attending group-based supports. The first task is to select the correct rate (or line item) from the PAPL. So standard intensity supports are highlighted on page 60, and high intensity supports on page 61. Now the rate from the table is chosen based on day and time of the support, whether or not TTP applies, and the location.

Now this line item is then divided by the number of participants in the group. And this is a point which highlights why it’s very important for you as providers to think about how your groups are structured, and how many participants are in each group.

And then the hourly rate for each participant is determined.

So as an example, if we were to use the standard, weekday, daytime, national rate without TTP for group-based supports on page 60 of the PAPL. This line item is $65.47. Therefore, if we have 3 participants are in a group, supported by one support worker, the hourly rate for their direct time is $65.47 divided by three. So this equates to $21.82 per participant, per hour, for their face to face time attending the group.

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So now that we have the hourly rate for each participant, we need to determine any other costs that might relate to a participant attending a group-based support.

Now if this group-based support meets the criteria for claiming Centre Capital Costs, this is added to the hourly rate. Now details about whether Centre Capital Costs can be applied are explained on page 30 of the PAPL.

Now this amount is then multiplied by the hours that a participant attends the group-based support. And this will give us the session cost.

Then you have to consider any Non-Face-to-Face costs. So these are outlined in the PAPL on page 17. If these are relevant and they’re approved by the participant for a particular session, they’ll be added to the session cost, to determine the individual session cost for that participant.

So as you can see here, the individual participant session cost is made up of a number of factors, and it will be unique for each participant. It will vary, depending on the group size, the location, the time, and any appropriate Non-Face-to-Face tasks.

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Now I’d like to just spend some time further explaining the changes that were imposed by the new pricing, as this has been a common question by providers.

When we look at the former transitional pricing over here on the left, and then the new pricing over here on the right, it’s important to understand that both are based on the Disability Support Worker cost model, which you can see here in purple. So therefore the foundation of the modelling has not changed. Now in the transitional model, which we can see over here, the hourly rate was actually all encompassing. So it included that direct support hourly rate, as well as the Centre Capital Costs (where it was delivered in a centre) and the Non-Face-to-Face costs. They were all built into this one rate. Now the only exception here was the 1:1 ratio, that didn’t include any Non-Face-to-Face costs in the transitional pricing. Now if we compare this to the right, you’ll see that the new pricing has these parts separated out. The direct support hourly rate is exactly the same, but the other key components (so the Centre Capital Costs and the Non-Face-to-Face) have been separated out for improved transparency.

So what this means is, that under the new pricing, participants will be charged based on their actual, individual needs.

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So now we’ll apply a scenario.

In this scenario, we have 2 participants, and they’re supported by a disability support worker in the community for 2 hours. The support is standard intensity, delivered on a Saturday, by a provider who is eligible for the TTP rate. Now in this scenario, one of the participants has some additional needs around support and accessibility. Now the support worker needs to undertake some additional planning in advance.

So under the transitional pricing arrangement, the relevant line item here is 1:2, which is $52.36 per hour. Now the Non-Face-to-Face costs have been built into this pricing model, and therefore it’s going to be the same for both participants. Therefore the individual participant cost is $104.72 for each participant, given it’s a 2 hour activity.

Now by comparison, we can apply the new pricing to this same scenario. So we would use the line item that equates to $93.50 per hour. Now this must be divided by 2 to account for both participants in the group. Now given one participant required additional Non-Face-to-Face tasks completed on their behalf, a further 20 mins of Non-Face-to-Face time has been applied. So this results in an individual participant session cost for that participant, of $124.67. Now by comparison, for the second participant, who did not require the Non-Face-to-Face tasks, their individual participant session cost is $93.50.

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So here we’ll apply a second scenario where we are going to compare claims from the former transitional pricing, to the new pricing model, in a 1:1 support setting.

So in this scenario, we have a participant who is supported 1:1 by a disability support worker in a centre-based, group setting for 3 hours. Now the support is standard intensity, delivered on a Monday, in daytime hours, in a metropolitan area by a provider who is eligible for the TTP rate.

Now under the transitional pricing arrangement, the relevant line item here is $68.89 per hour. There is no provision for Non-Face-to-Face costs under this pricing model, for 1:1 supports. So given the participant attends for 3 hours, the total session cost here is $206.67.

Now by comparison, we can apply the new pricing to this same example. So we would use the line item here that equates to $66.45 per hour, and we could also add the Centre Capital Costs at $2.44 per hour. Now when we multiple this by 3 hours the session cost is $206.67, which is identical to that former pricing over here. However, if there was a need to claim for some Non-Face-to-Face tasks, the amount will change. So by applying say 15 mins of Non-Face-to-Face time, the participant session cost will be $223.89. Alternatively, if we say applied 30 mins of Non-Face-to-Face costs, the participant session cost will be $241.12. So you can see here how that participant session cost could vary between participants and can also vary between sessions.

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So in summary- the former transitional pricing cannot be used to claim for any supports delivered on or after the 1st January 2024.

For any supports that are being provided up to the 31st December 2023, claiming for these items can occur under the former pricing model until the 31st March 2024.

Now I do want to emphasize that there are no further extensionsplanned, so we really encourage you to continue or complete your transition as soon as possible, in preparation for that 31st December deadline.

Now as we’ve discussed in this session, the modelling underlying group-based supports has not changed, only the way that it’s claimed.

Now the new rate is per group, it’s not per participant.

And you might find that your services fit neatly into the new pricing, or you may need to reconsider some elements of how you offer your services to NDIS participants.

A reminder that Programs of Support now have a maximum length of 6 months, but these are not compulsory and may be shorter.

And finally, the NDIA will continue to support transition, including provision of resources for other stakeholder groups. So please keep an eye out on our website, for more information in the coming months.

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So thank you for your time today in viewing this presentation. Just a reminder that we do have 3 other presentations which give further insight into the components of the new pricing: We have direct support and Centre Capital Costs, Non Face-to-Face supports and then finally, Programs of Support.

Otherwise, you are very welcome to contact our team via email, which is group.supports.transition@ndis.gov.au