27 September 2024

The Australian Government is trialling a new approach to paying for disability supports to ensure National Disability Insurance Scheme (NDIS) participants receive high quality supports that produce meaningful outcomes.

As part of the 2023-24 Budget, the Australian Government committed $24.6 million over four years to work with participants and providers to trial blended payments which will test if there is a better payment option than the current fee-for-service model. Since then, the Australian Government has been working closely with participants, providers and representative groups to design the best way forward on the trial.

The National Disability Insurance Agency (NDIA) today announced 31 providers would share in $330,000 and take part in the co-design of blended payment options to explore how they might work.

Minister for the NDIS the Hon. Bill Shorten MP said the Blended Payments trial is an opportunity to test different ways providers can be paid which encourage them to deliver better quality supports and achieve outcomes for participants.

“Under the current fee-for-service model, a participant pays a provider for their services and often that’s the end of it. The idea of a blended payment method will test if there might be a better option – where both participants and providers are clearer from the start on the desired outcome and thereby work more effectively towards that,” Minister Shorten said.

From next year, following the co-design process, the NDIA and Department of Social Services (DSS) will begin trialling blended payment methods (among small groups of voluntary participants) to test their effectiveness.

The trial will involve combining two types of payment. The first is an enrolment payment, where providers are paid for providing supports over a period of time (for example 1 or 2 years). The second is an outcome-based payment where a provider is paid when a participant’s goal is achieved.

By trialling the blended payment method, we are testing if changing the payment approach can achieve better outcomes for participants. The fee-for-service payments currently used can narrow the focus to be on the amount of support delivered, rather than whether the supports are achieving results for participants.

“This is a necessary innovation in shaping how payments could work differently in the NDIS in the long-term. We need to give participants more options in the future on how they engage providers and how they may pay them.”

“To ensure we get this right, we’re co-designing the payment model with participants, Disability Representative and Carer Organisations (DRCOs), providers and peak bodies.”

Grants were offered to registered NDIS providers with the following focus areas:

- Providers of employment support for school leavers; and
- Providers of supported independent living (SIL) and those supporting younger people in residential aged care (YPIRAC).

“This is another step in the work being done to improve the experience for every NDIS participant and ensure they’re achieving the goals they set,” Minister Shorten said.

“The majority of NDIS providers do a fantastic job and are passionate about seeing the people they support hit key milestones. The involvement of providers in this co-design work is crucial, as the disability community works alongside each other to ensure every NDIS participant achieves the outcomes they want.”

The list of successful providers to receive grants can be seen on the NDIS website.

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