

Understanding the NDIS

National Disability Insurance Scheme

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What is the National Disability Insurance Scheme?

The National Disability Insurance Scheme (the NDIS) is a radical new way of funding disability services and supports in Australia.

The NDIS reforms will see the disability sector:

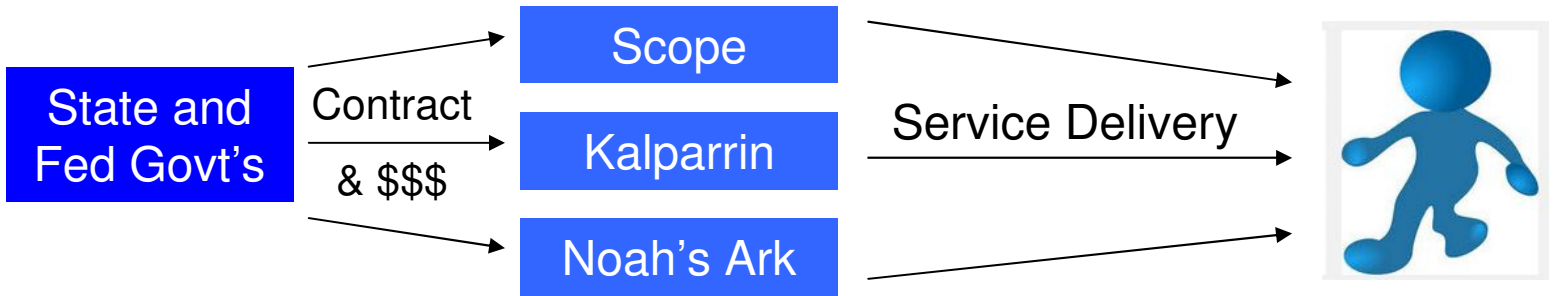
- Move away from eight separate State/Territory funding schemes to one national scheme
- Change from **block** funding of disability service provider organisations, to **individualised** funding for people with disabilities
- Ditch Australia's welfare and charity model of disability funding, replacing it with a legislatively guaranteed "insurance" model



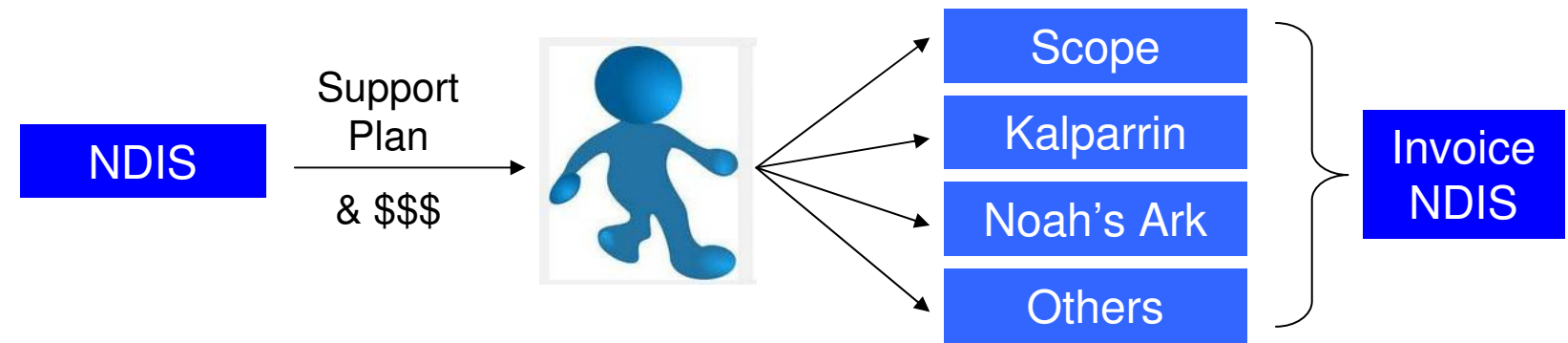
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Block Funding Model



Individualisation Funding Model



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How will the NDIS work?

The NDIS will work as a partnership agency for some 460,000 Australians Supporting them with \$\$\$, advice, services, equipment which respond to changing needs.

It will offer :-

- a comprehensive information and referral service
- specialist disability support services.
- provide ongoing financial support on an annual basis
- funding for intensive early intervention therapy services and/or equipment, where there is good evidence such therapy and/or equipment will substantially improve or arrest a decline in functioning.

You can choose either to self-manage your own funds, or ask the NDIA (the agency established to administer the NDIS) to manage your funding for you.

As individual circumstances, condition or needs change, NDIS participants will be able to apply to have their funding plan adjusted accordingly.



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Why an 'insurance' scheme?

Insurance focuses on building community capability and social capital and meeting ongoing need with an appropriate level of funding. It is not subject to the vagaries of government budgets or political motivations.

Government welfare schemes are short-term and focus on minimising costs. In contrast, the NDIS seeks long term value for money and the maximising of opportunities.

Insurance allows for tailored early intervention services and the nurturing and support of families and carers as part of that process.

Insurance also allows for a governance based model and a longer-term approach and investment in research and innovation.

Insurance also seeks to ensure full inclusion of people with disability, their families and carers in mainstream community life, through increased social and economic participation.

The Productivity Commission believes this may add close to 1.2% to Australia's GDP (\$15.6 billion!)



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What services and equipment will the NDIS provide?

The NDIS provides ongoing funding for all 'reasonable and necessary' equipment, care and support services.

Generally equipment, care and support services which assist the participant to :-

- achieve their goals (via a Family Support Plan)
- become as independent as possible
- develop skills for day-to-day living
- participate in the community
- work and earn money (for adults in the Scheme)

will be funded by the Scheme.

Individualised NDIS plans will therefore need to consider all the daily activities and the aids, equipment, training and/or support that would make life easier for the participant, whether currently provided or not.



When and where does the NDIS start?

The NDIS has already started and is currently located in a number of 'trial sites'.

The NDIS was launched July 2013 in four 'trial site' locations:

1. the Hunter region of NSW
2. the Barwon region of Victoria,
3. across SA for children with disabilities aged 0-5
4. across Tasmania for people aged 15-24.

In July 2014, the scheme launched in the ACT, NT and parts of WA.

It will commence in Qld in 2016 as a full roll out
and in Victoria in July 2016 on a geographical rollout basis.

Full national rollout of the scheme is scheduled to be completed by 2018-19.

Out of interest the NDIA is wholly based in Geelong following the Federal Government decision to stimulate that area's economy following the automotive industry closures.



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Why is the NDIS currently available in only a few locations?

Because the government accepted the Productivity Commission's advice that building the NDIS in selected trial site locations was crucial to making it work

NDIA was keen to ensure this radical new approach to disability support funding was fully informed by feedback from people with disability, their families and carers, service providers and community organisations.

Federal and state governments want to make sure they get the reform right so it is sustainable long term.



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Who will be eligible?

Eligibility for individual support packages depends on:

Age: have to be between 0 - 65 years old (already enrolled participants, once they turn 65, can choose either to continue with the NDIS or transfer to the aged care support system available to all Australians over that age).

Disability requirement: participants assessed based on the impact of their disability on their functional capacity to communicate, interact socially, learn, move safely around the home and the built environment and manage personal care and life matters (banking, bill paying etc).

Early intervention requirement: the supports required to help mitigate the effects of an impairment, alleviate or prevent deterioration of functional capacity, and/or strengthen informal supports (family care) for example.



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How does the NDIS assessment process work?

A planning assessment will be used to determine funding.

Once eligibility has been determined :-

a planning assessment to determine a person's goals and aspirations is arranged and an individualised funding package is then devised to help achieve those goals and aspirations.

NDIA staff (called Planners) carry out these assessments using formal systems and 'tools' designed to ensure consistency, fairness and objectivity. If necessary, there is also scope for NDIA staff to call on specialist advice.

Central precept of the NDIS is that agency planners and participants work together to identify what current and future supports will be required to make progress on the participant's goals

This results in a 'Statement of Participant Supports' (known as a Family Support Plan at Kalparrin) - which sets out supports to be provided/funded by the NDIS, based on what is considered 'reasonable and necessary' to enable a good life.

This could involve one-off and/or ongoing funding.



Who decides what is 'reasonable and necessary'?

The NDIS seeks to provide whatever is necessary to help participants achieve life goals and aspirations and participate in the community to the fullest extent possible.

According to the NDIS, 'reasonable and necessary' means costs that are :-

- **reasonable** and relative to both the benefits achieved and the cost of the support and
- **necessary** to achieve their life goals and aspirations and participate in the community
- and they must represent value for money – (this expectation is particularly strong on Providers)

Typical supports and services include aids and equipment, home and community care, personal care, domestic assistance, respite, home and vehicle modifications and community access.

NOTE: Supports already available from other mainstream services, including health, housing, education and aged care sectors, are unlikely to be covered by the NDIS.



Will there be choice and flexibility in what participants can purchase with NDIS funds?

A participant's funding will be divided into two parts – fixed supports and flexible supports.

'Fixed supports' will need to be spent on specified supports such as equipment, home modifications and early intervention services.

'Flexible supports' – such as funding for recreational, community access and home-based support activities. These will be funded in general terms, allowing participants to switch funding from one item to another, depending on need from week to week.



What types of supports and services will not be funded? Supports that will NOT be funded, under any circumstances :-

- likely to cause harm to the participant or pose a risk to others
- unrelated to the participant's disability
- duplicate other supports provided under alternative funding
- part of day-to-day living expenses incurred by the general public and not related to disability support
- needs (e.g. rent, groceries, household bills)
- related in any way to income replacement.



What are the likely funding levels?

The funding is currently being broken into three bands and three tiers :-

The NDIS has 3 tiers or targets for investment.

Tier 1 - Targets everyone in Australia to create awareness about disability and promote inclusion.

Tier 2 - Targets people with disability and their family and carers (about 800,000 people). Provides general information about the most effective care and support options within generic and community support groups and services.

Tier 3 - Targets people who need specialised supports (about 460,000). Provides specific supports, aids and equipment from specialised and/or generic services and facilities in the community, according to an agreed plan and resource allocation for each person. The direct funding supports for people with disabilities falls into this tier. Those funding supports are in three bands:-

- Low Band - around \$ 8,000/annum
- Medium Band - around \$12,000/annum
- High Band - around \$16,000/annum

- Families currently receiving Early Childhood Services will simply migrate into the NDIS.
- HCWA and Better Start and SWEP funded families will also simply migrate into the NDIS
- NDIS funding is for a lifetime if the child's disability/function remains within the criteria

NOTE: Current the Vic State Govt funding allocation for early childhood intervention services is around \$7,600/annum but this comes through the organisation offering the service and is almost always exceeded by additional dollar support being added by the organisation so the **real value** of the service currently provided by Kalparrin is considerably higher.



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What are the implications of the changed funding arrangements?

The implications are **SIGNIFICANT** for the service provider and the recipient :-

Service Provider Implications

- Highly competitive marketplace – now competing with private practices and for profit organisations
- Forced to operate with capped pricing determined by NDIS
- Not for profits become commercialised = complete strategic & operational change
- 7 day per week services likely – programs based on client need and demand
- Significant pressure on operating overheads, staff resources, no cashflow predictability
- Impossible to predict peaks and troughs for the number of clients requiring service
- ‘Medical practice like’ operation with ‘Medicare like’ billing to recoup fees for services
- Funding only possible for supports/programs if approved/needed by the recipient
- Funding for a continuum - not a constrained age range (eg: 0 – 6yrs)

Recipient Implications

- Deregulated marketplace
- Completely independent choice
- Ability to choose best price on offer
- Absolute control over dollars you spend and the services/supports you buy
- Absolute control over the service providers you use (‘not for profit’ or ‘for profit’)
- Funding \$\$\$ for any support/service deemed reasonable including Key Workers
- More \$\$\$\$\$\$ overall



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How will I be able to choose the things I want?

A key principle underpinning the design of the NDIS is to give Australians with disability far greater choice and control over the supports and services they receive.

- Participants have the right to choose service providers (private, not for profit, contract)
 - Participants can change service providers whenever they wish if they don't meet their needs.
 - Participants can choose either to directly employ their own support workers, or purchase supports from mainstream and/or specialist providers of support workers.
- You can get support from intermediaries in making your choices and handling administrative tasks, or you can manage your own package and purchase your own supports.



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What happens if I'm deemed to be ineligible for NDIS funding?

People ineligible for an individualised funding package can still get general advice and information from the NDIA.

- If your application is unsuccessful, there is a formal review and appeals process,
- with an internal review process as a first step followed, if unsatisfactory,
- with full rights of appeal to the Commonwealth government's Administrative Appeals Tribunal.



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When will I be contacted by the NDIA?

People can be proactive if they wish and contact the NDIS in advance to log their interest but this is not required until the NDIS actually begins rolling out in your area.

- Refer to the NDIS website for My Access Checker, if you'd like to get some initial idea of your child's eligibility.
- My Access Checker involves a series of questions to help determine eligibility
The process is anonymous and takes 10 and 20 minutes to complete.
- If you are already registered with an ECIS agency you are automatically eligible.



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Am I responsible for managing my own plan? Is there support available?

You have three choices as to how your plan gets managed :-

Self- Management

You can choose to self-manage your plan's financial and administrative processes and request a "plan nominee" to support you with these processes. Around 3% of those in the trial sites have elected this option.

Using a Plan Management Service (eg: Kalparrin)

You can use a Plan Management Provider, meaning you engage a business/ organisation/ provider (such as Kalparrin) to undertake the financial and administrative processes involved on your behalf.

This includes such tasks as paying supplier invoices, developing service agreements with providers, assisting you with the hiring and paying of staff and preparing reports and reconciliations on the use of NDIS funds. Currently some 97% of participants in the NDIS Trial Sites are electing to use and fund KeyWorkers or advocates as their Plan Management Providers.

Or nominating the NDIA to carry out this role.

If you choose to nominate the NDIA for this role, the agency will make all the payments necessary to any registered care and/or support providers chosen by the participant.



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Will NDIS plan management services incur GST?

Yes. Plan management is a service incurring GST.

However these costs will be worked into, and fully covered by, each participant's plan and funding allocation.

Can Disability Service Provider organisations (like Kalparrin for example) manage my plan? **Yes, registered providers of disability services and/or supports can also be registered Plan Management Providers.**

But they need to be able to demonstrate there is no conflict of interest in operating both types of services.



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Will I need to do or change anything when the NDIS comes into effect?

No - if you currently receive any form of federal or state government disability care and/or support funding, you are guaranteed to be eligible for NDIS funding.

However, if you have any concerns or questions, please do not hesitate to discuss your own particular circumstances and needs with Kalparrin and we help you to find an answer to your questions.



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NDIS Facts and Figures

How much will the NDIS cost?

- Estimated to cost just over \$22 billion a year when fully operational in 2019-20
- This is the same size as Medicare is now
- Forecast to grow to \$23.6 billion within several years of being fully operational

Does the Federal Government cover the full cost of the scheme?

- No. Federal Government contribution will be around 53%, or \$11.7 billion, when fully operational, with state and territory governments contributing the remainder.
- Federal Government's financial commitment will in part be funded by the 0.5% increase in the Medicare levy – from 1.5 to 2% – which took effect in July 2014 and is expected to raise \$20.4 billion by 2018-19.
- All money raised by the levy increase is being placed in an NDIS Fund for 10 years, only to be drawn upon to fund the additional costs of delivering the NDIS.



What is the likely cost of the NDIS Medicare Levy? The annual cost of the NDIS levy to taxpayers will be:

About \$150 extra for those earning \$30,000 +
About \$350 extra for those earning \$70,000 +
About \$550 extra for those earning \$110,000 +

People earning less than \$19,404 are exempt, as are blind pensioners, people receiving a sickness allowance and holders of a veteran's gold card.

Some seniors and other pensioners may pay a reduced levy depending upon their income.



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Will access to NDIS funding impact on access to the Disability Support Pension? There are no changes to arrangements in relation to the Disability Support Pension as a result of the NDIS.

This, along with other income supports and payments such as Carer Payment, Carer Supplement, Carer Allowance and the Child Disability Assistance Payment are outside and entirely separate from the NDIS.

Does employment income impact on eligibility for NDIS funding?

No, there is no income or asset testing for NDIS services.



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THANK YOU 😊
SHOULD YOU HAVE ANY QUESTIONS PLEASE
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