

Injury Schemes Seminar

Balancing Outcomes

10-12 November 2013
Sheraton Mirage Gold Coast



Welcome to the NDIS

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Sarah Johnson, Peter Martin



Overview

- John Walsh – setting the scene
- David Bowen – principles and pillars
- Liz Cairns – how it works - some early case studies
- Sarah Johnson – the insurance principle and role of scheme actuary
- Peter Martin – financial sustainability



Lessons from the NDIS

- Person centred
- Outcome based
- Rigorous analysis and evaluation
- Dynamic management



Three key pillars underpin NDIS design

Insurance Approach

Supports economic and social participation.

Mobilises funding for early intervention .

Estimates and manages resource allocation based on managing long term costs across the life-course of individuals

Shares the cost of disability across the community

Choice and Control

Participants determine how much control they want over management of their funding, supports and providers

Scheme gives effect to certain obligations under the Convention on the Rights of Persons with Disabilities - including respect for their worth, dignity and to live free from abuse, neglect and exploitation

Community and Mainstream

People are supported to access and coordinate community and funded supports

The scheme will not duplicate or replace mainstream services

Effective interface with mainstream and community supports is central to the sustainability of the Scheme



What outcomes are important?

- Changes in peoples lives - in community and/or employment participation
- Changes in the lives of families and carers esp. employment participation and wellbeing
- Launch site performance - all sites are different by design
- Scheme performance
- Quality
- Service efficacy – what works, for whom, and why?
- Implement Return on Investment approaches (outcomes and financial sustainability)
- Workforce is fit for purpose
- Opportunities for and outcomes from innovation
- Social inclusion and community connectedness



A conceptual approach

INPUTS

Clients:
Demographic & complexity indicators

Finance:
Infrastructure

OUTPUTS

What is provided:
E.g. episodes of service, hours of service, experiences accessed, exceptional responses, plans completed

Processes

OUTCOMES

Impact on client's lives:

- To person-centred objectives
- Evidenced by evidence-based measures

IMPACTS

Individual, family, community and societal:

- Employment and community participation
- Quality of Life

AND

Scheme Sustainability:

- Liability

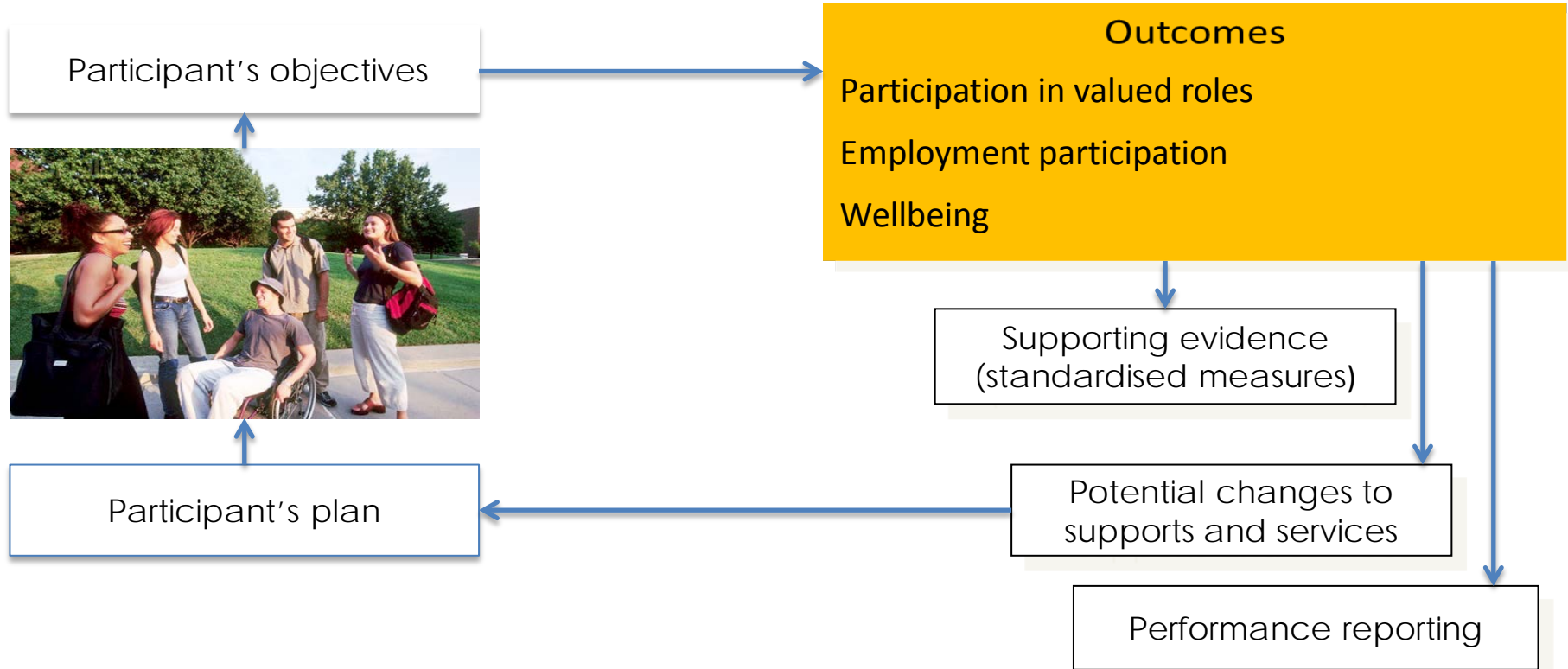
Compliance audits, opportunity measures, satisfaction surveys

Efficiency and effectiveness reporting





Individual outcomes at a planning level





Case Study 1

- 45 year old male
- Has cerebral palsy and intellectual disability
- Has lived in a 'low needs' group home for the past 18 years, and attends a day program
- Recent and significant deterioration in health status has resulted in the loss of a kidney and associated incontinence
- Provider advised they could not care for him within the funding and staffing model
 - Incontinence nappies
 - 2:1 care and active nights
 - House not staffed 9am – 3pm Monday to Friday
- Family were asked to locate a suitable placement in a nursing home



Case Study 1

- Family and advocacy group approached NDIA
- Desired outcome: the participant be supported to remain in his home
- Considerations:
 - Evidence is clear about the poorer health outcomes for young people in nursing homes
 - Participant not due to phase until April 2014
 - Impact of siloed funding: Nursing home cost previously funded by Commonwealth



Case Study 1

- Established that supports could be safely delivered in the community
- Worked with Health to establish clinical best practice for continence management
 - Safer procedures re manually handling and reduced risk of skin breakdown
 - Reduced care from 2:1 to 1:1
 - Sleep system eliminated need for active nights
- Worked with provider to identify 'gap' in funding
- Provider agreed to increased flexibility in staffing rosters
- NDIA funded the consumables, equipment and additional staffing costs
- Health provided carer training and clinical oversight
- Nursing home admission and associated costs avoided



Case Study 2

- Man in his 30s
- Lives in an Office of Housing home
- Enjoys going out to eat, going to the pictures and visiting friends
- Lives with Multiple Sclerosis and Chronic Mental Health Condition
- Receives carer assistance twice a day for self-care activities
- Needs two-person transfer due to waiting for a pneumatic hoist to arrive from equipment provider



Consideration: Does the Participant need two people to assist with functional transfers?

- Main issues:
 - Inconsistent documentation that didn't specify why two people were required to assist with self-care activities
 - Manual pneumatic hoist was on order through equipment provider and not currently available. Carers and participant at risk
 - What other equipment/supports could be considered to enable participation?



Clinical Decision Making Process

- Sought clarification from service organisation, occupational therapist who has worked with participant, and explored WHS legislation and WorkSafe reports on manual handling best practice
- Best practice suggested that a ceiling track hoist would only require one carer
- Lifetime Cost Estimator was used to consider two funding options
 - 1. Continue to fund two carers
 - 2. Consider reducing care hours from 10 hours per day (2carers x5hrs) by 5 hours per day (1 carer)



Lifetime Cost Estimator Tool Cameo.xlsm - Microsoft Excel



[Reset model](#) [Save this model](#)

1. Participant Information

DisabilityCare Number	123456789
Plan start date	28/10/2013
Date of Birth	1/01/1978
Age	35
Gender	Male
Indigenous status	Not stated
Primary health condition	Multiple sclerosis

2. Participant's current support plan

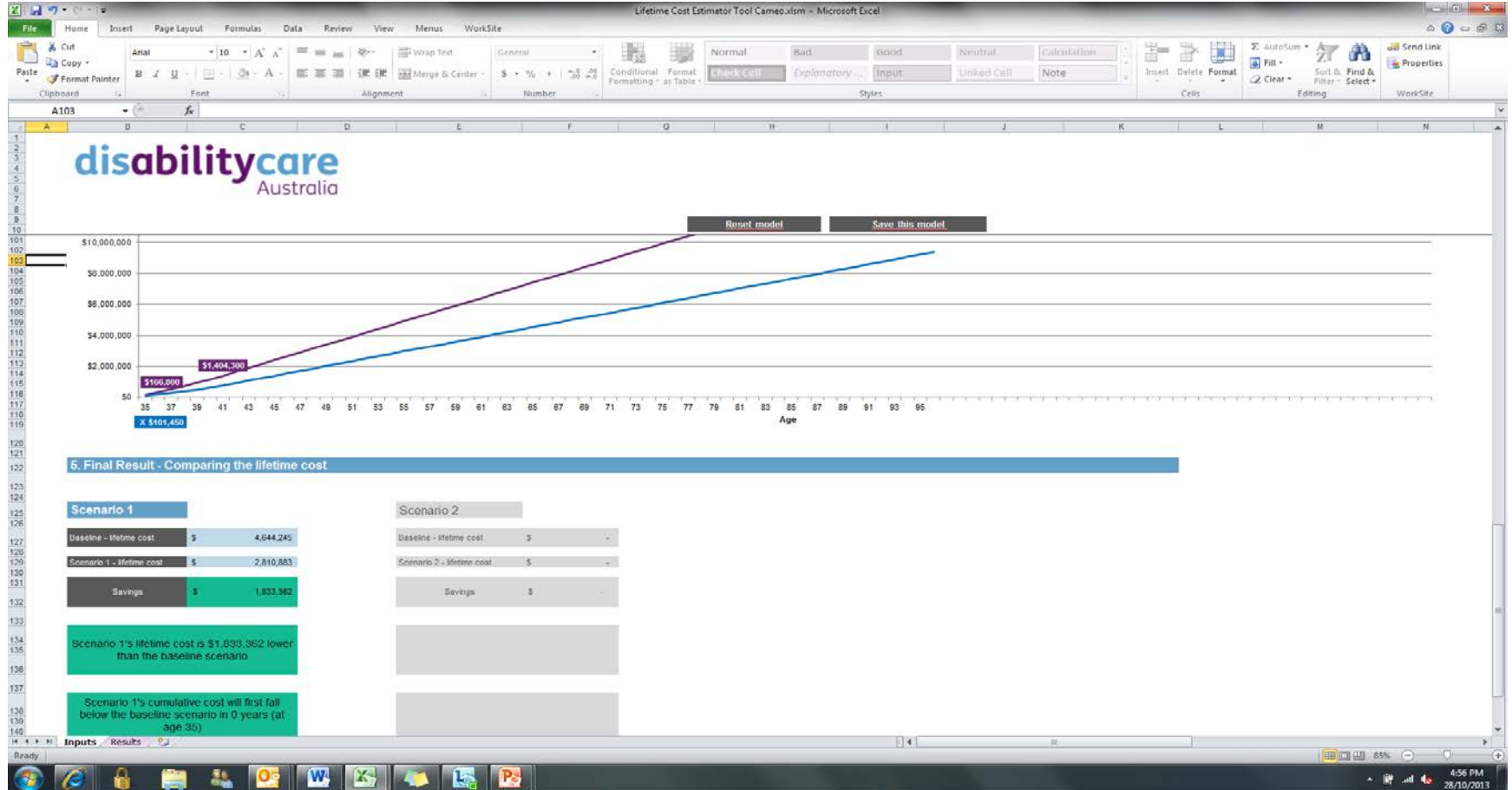
Type of support	Units of support		Summary - Annual Support Plan	
	Units of support	Time frame	Units of support	Cost
Plan Management	0.0 hrs	Per Week	hrs	\$
Care and Support	10.0 hrs	Per Day	3,650 hrs	\$ 146,000
Therapeutic supports	0.0 hrs	Per Day	hrs	\$
Transport	10 trips	Per Week	520 trips	\$ 20,800
Estimated Support Plan			\$	166,800

3. Support Trajectory - expected changes in support costs over a participant's lifespan

Total lifetime cost \$ 4,644,245

The chart below shows how this participant's annual support plan in dollars is predicted to change year-to-year as they age.







Outcomes achieved

- **\$1.83M saving over lifetime**
- Occupational therapy assessment to select ceiling track hoist and install it, and provide training for participant and carers
- Three month safeguard of 2 carers in place
- **Achieved outcomes:**
 - Participant outcome, promoting safety and dignity with self-care
 - Maximising Scheme's financial sustainability
 - Enabling best-practice with equipment provision which will provide for a safer workplace for carers
 - More appropriate management of agency's workers compensation exposure
 - Reduced the demand from scarce workforce with carer resource able to be redeployed



Role of the scheme actuary

- Advise the agency on data requirements
- Advise the agency and the Board on scheme processes
 - Eligibility, resource allocation, outcomes
- Quarterly reporting on estimated future expenditure:
 - Actual vs expected
 - Adjustments based on emerging experience
- Annual financial sustainability report
 - Recent experience and projections
 - Administrative infrastructure, processes and risk management
 - Provision of support to people with a disability (including from other government agencies)



Insurance principles

- Scheme annual funding requirement estimated from the reasonable and necessary support needs of the target population
- Individual assessment of support need and resource allocation package
- Strong monitoring, governance, reporting, and management
- Focus on early intervention and long-term outcomes



Insurance approach

- Big shift in thinking from the current welfare model
- The insurance approach is not:
 - Private insurance
 - European style social insurance
 - Medicare
 - Accident compensation (lump sum)
- Benefits of the insurance approach
 - Risk pooling
 - Risk estimation
 - Prudential governance
 - Planning for positive outcomes
 - accountability



Reference packages

1. Participant information

DisabilityCare Number	123456789
Plan start date	5/11/2013
Date of Birth	1/01/1970
Age	43
Gender	Male
Indigenous status	Non-Indigenous
Primary health condition	Cerebral palsy

2. Frequency of need for support

Support Category (Domain)	Frequency
Mobility	3-5 times a day
Self care	3-5 times a day
Communication	Never
General tasks	1-2 times a day
Learning	Never
Interpersonal	Never

3. Statement of supports

Total plan	\$50,100
Number of months	12

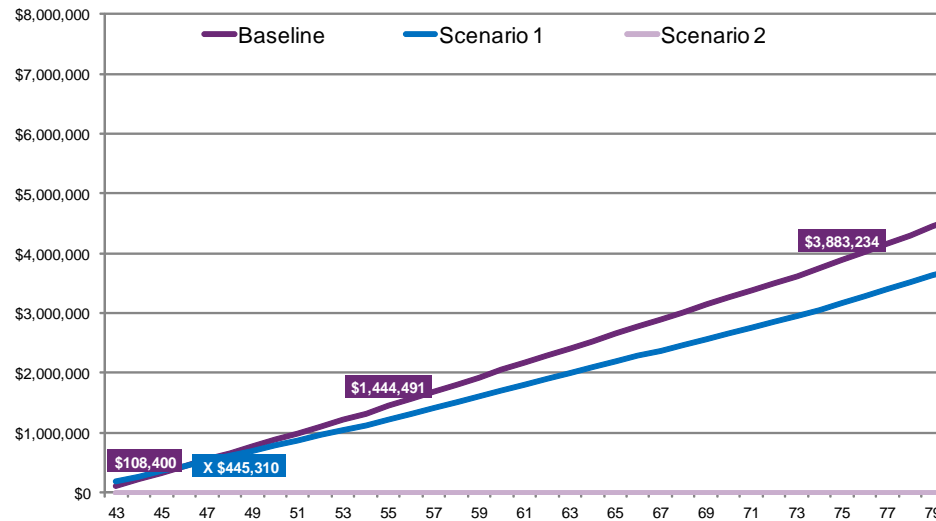
4. Delegation Authority

Yellow - Senior Planner can approve

- Reference package decision support tool for Planners
- Assists with whether a proposed statement of supports is in line with what is expected for a Participant of similar characteristics and needs



Lifetime Cost Estimator



5. Final Result - Comparing the lifetime cost

Scenario 1

Baseline - lifetime cost	\$	2,572,449
Scenario 1 - lifetime cost	\$	2,130,103
Savings	\$	442,347

Scenario 1's lifetime cost is \$442,347 lower than the baseline scenario

Scenario 1's cumulative cost will first fall below the baseline scenario in 3 years (at age 46)

- Lifetime cost estimator decision support tool for Planners
- Assist with consideration and approval of high cost items, such as vehicle and home modifications – high cost items may offset future costs and therefore reduce the lifetime cost of supporting a participant



What is financial sustainability?



What is financial sustainability?

The NDIS will be financially sustainable for as long as:

Participants believe they are getting enough money to buy supports

AND

Contributors think the cost is worth it and remain willing to contribute



A financial sustainability mission statement?

The NDIA should simultaneously seek to maximise the likelihood that:

Participants believe they are getting enough money to buy supports

AND

Contributors think the cost is affordable, value for money, and remain willing to contribute



A necessary but not sufficient condition

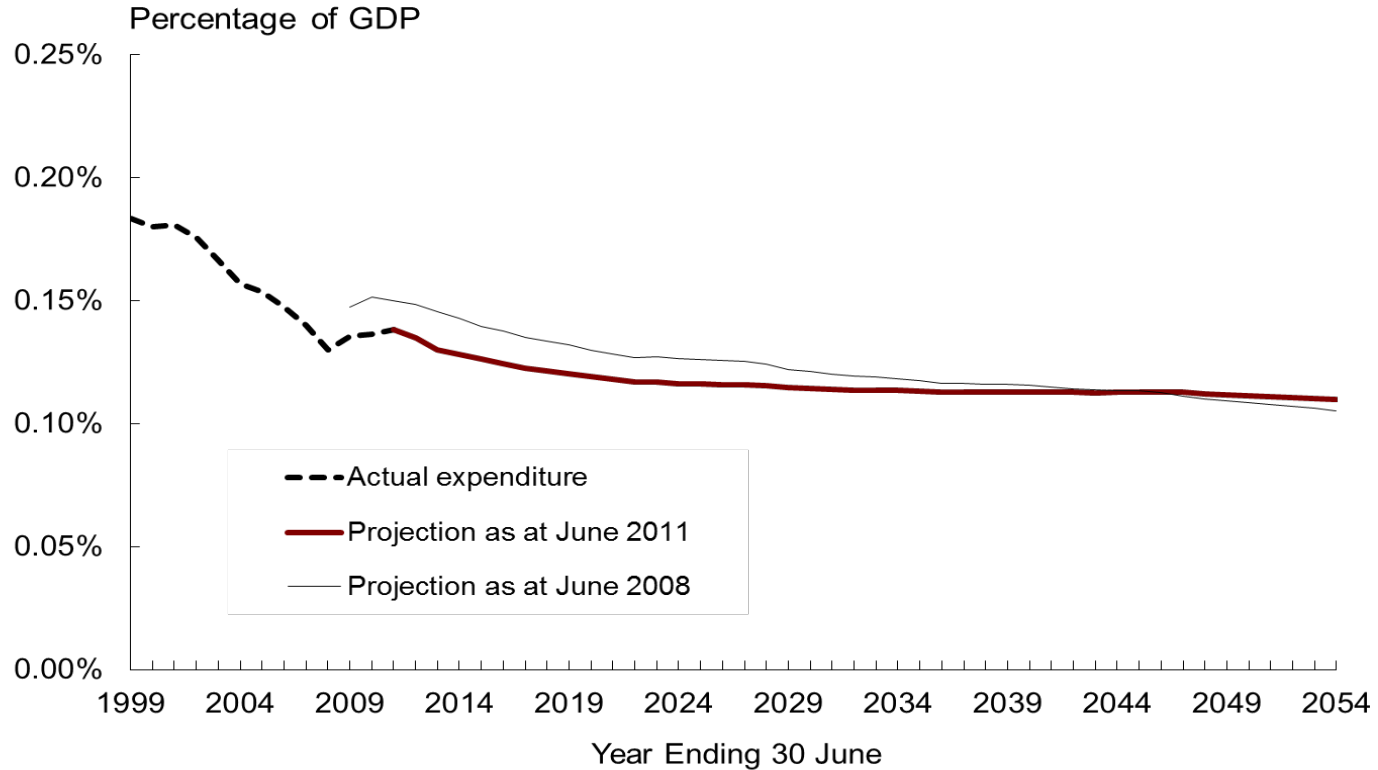
The NDIA must seek to satisfy participant support needs at the lowest possible long term cost to taxpayers

- Great people on the ground transacting with participants
- Adequate but not excessive packages – long term prism
- Can monitor experience and transmit to people on the ground
- Research
- Co-operative not adversarial model
- Innovative, nimble and progressive service delivery



Another one...

The NDIA will have a substantial external communications challenge regarding scheme costs



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QUESTIONS?