The National Disability Insurance Scheme

Scheme update

© Sarah Johnson and Kim Birch, National Disability Insurance Agency

This presentation has been prepared for the Actuaries Institute 2015 Injury Schemes Seminar.

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NDIS & the NDIA

- NDIA – stat authority established (NDIS Act 2013) to deliver the NDIS
- Agency launched July 2013
- Big “P” Policy – C+S&T
- Little “p” operational policy – NDIA

- Established post Productivity Commission report 10 Aug 2010
- Decision by COAG in 2011 to establish the Scheme

- Workforce 854 employees (at 30/06/15)
- 16.16% identify as having disability (APS 3.1%)
- 50% identify as having lived experience of disability
Hx: Prior to NDIA launch - July 2013

UN Convention on the Rights of Persons with Disabilities – NDIS Act (in conjunction with other laws) give effect to Australia’s obligations

National Disability Strategy – 2010 to 2020 underpinned by UNCRPD – broader commitment by government to advance the interests of people with disability, their families & carers across Australia.

Transform the experience of people with disability across six policy domains:

- Inclusive & accessible communities
- Economic security
- Learning & skills
- Rights & protection, justice & legislation
- Personal & community support
- Health & wellbeing

NDIS success – dependent on accessible & inclusive services & communities (NDS success)
Three key pillars underpin NDIS design

- Insurance approach
- Choice and Control
- Community and Mainstream
How things are changing under the NDIS

<table>
<thead>
<tr>
<th>Feature</th>
<th>Former system</th>
<th>NDIS</th>
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</thead>
<tbody>
<tr>
<td>Access criteria</td>
<td>Vary from state to state</td>
<td>Nationally consistent as set out in legislation</td>
</tr>
<tr>
<td>Choice and control</td>
<td>Varies from state to state - most people have little say over the supports they receive</td>
<td>Individual has control over the type and mix of supports, delivery and how their funding is managed</td>
</tr>
<tr>
<td>Level of assistance</td>
<td>Capped – people may be eligible but can spend years on waiting lists</td>
<td>Need driven – people with disability get the support they need, when they need it, to make progress towards goals</td>
</tr>
<tr>
<td>Funding</td>
<td>Multiple programs within and across governments</td>
<td>Single pool of government funding administered by NDIA</td>
</tr>
<tr>
<td>Lifetime view</td>
<td>Focus on a participant’s short term goals within the annual budget</td>
<td>Focus on early intervention and investment over a participant’s lifetime</td>
</tr>
</tbody>
</table>
NDIS: the new way of delivering disability support

- Delivered in local communities
- National coverage

Sites

- **July 2013** – SA, Barwon, Hunter & Tas
- **July 2014** – ACT, Perth Hills & Barkly
- **Sep 2015** – Penrith/NBM
- **coming soon** – Qld (Townsville, Charters Towers & Palm Island)
Insurance principles

Aligned with the NDIS 2013-2016 Strategic Plan:

• The aggregate **annual funding requirement** will be estimated by the Scheme Actuary’s analysis of reasonable and necessary support need, including a buffer for cash flow volatility and uncertainty.

• The NDIS will focus on **lifetime value** for scheme participants, and will seek to maximise opportunities for independence, and social & economic participation with the most cost-effective allocation of resources.

• The NDIS will **invest in research and innovation** to support its long term approach and objective of social and economic participation, and independence and self-management, for participants.

• The NDIS will support the **development of community capability and social capital** so as to provide an efficient, outcomes-focused operational framework and local area coordination and a support sector which provides a high quality service and respects participant social and economic participation and independence.
An NDIS participant is a participant for life.

The participant pathway is essentially a control cycle approach to participant support.

The balance between participant outcomes and cost is critical to the success of the NDIS.
Scheme experience to date
1 July 2013 – 30 June 2015
Our journey so far ……..

19,817 people
have become participants
in the NDIS.

17,303 people
have individualised plans, helping
them change their lives by accessing
the supports and services they need
to live more independently and
engage with their community.

$952.8m
has been committed for
participant support to date.

Participant satisfaction
remains high with
95%
rating their planning
process as “good” or
“very good”.
Participants

As at 30 June 2015:

- 19,817 participants were eligible for the scheme (107% of the bilateral target).
- 17,303 participants had an approved plan (94% of the bilateral target).
- The actuarial baseline model used a different methodology to determine the likely number of participants in each trial site. This analysis resulted in different estimates to the bilateral agreements.

<table>
<thead>
<tr>
<th>1 July 2013 to 30 June 2015</th>
<th>NSW</th>
<th>SA</th>
<th>TAS</th>
<th>VIC</th>
<th>ACT</th>
<th>NT</th>
<th>WA</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of expected participants (bilateral agreements)</td>
<td>5,030</td>
<td>4,688</td>
<td>906</td>
<td>4,521</td>
<td>1,537</td>
<td>150</td>
<td>1,642</td>
<td>18,474</td>
</tr>
<tr>
<td>Number of participants (active &amp; inactive participants)</td>
<td>4,964</td>
<td>5,521</td>
<td>1,079</td>
<td>4,740</td>
<td>2,045</td>
<td>68</td>
<td>1,400</td>
<td>19,817</td>
</tr>
<tr>
<td>Percentage deemed eligible compared with expected</td>
<td>99%</td>
<td>118%</td>
<td>119%</td>
<td>105%</td>
<td>133%</td>
<td>45%</td>
<td>85%</td>
<td>107%</td>
</tr>
<tr>
<td>Number of participants with current approved plans (active &amp; inactive participants)</td>
<td>4,605</td>
<td>4,660</td>
<td>959</td>
<td>4,392</td>
<td>1,427</td>
<td>61</td>
<td>1,199</td>
<td>17,303</td>
</tr>
<tr>
<td>Percentage with approved plans compared with expected</td>
<td>92%</td>
<td>99%</td>
<td>106%</td>
<td>97%</td>
<td>93%</td>
<td>41%</td>
<td>73%</td>
<td>94%</td>
</tr>
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Profile of participants

The following section presents a profile of participants by:
- Age
- Gender
- Indigenous status
- Culturally and Linguistically Diverse status
- Primary disability
Age

- The Barwon trial site has a higher than expected number of 0-14 year olds to date compared with the actuarial model.
- The age distribution in the Australian Capital Territory and Western Australian trial sites reflects the phasing schedules of the trial sites.
Gender

• The proportion of males and females is consistent with the actuarial model for the New South Wales, South Australian, Tasmanian and Victorian trial sites.

• The new trial sites have relatively more males than females due to the specific age groups currently in these trial sites.
Indigenous status

- Indigenous status is not well completed in the system with 16% of records not stated.
CALD status

- CALD status is reasonably well completed in the system, with the data field filled in for 97% of participants.
Autism and related disorders and intellectual disability (including Down syndrome) are the largest primary disability groups in the New South Wales and Victorian trial sites.
Committed support

As at 30 June 2015:

• $952.8 million of support has been committed in total to the 17,303 participants with an approved plan.

• Overall, committed support is in line with expectations.
Distribution of package costs

- The distribution of support packages differs from expectations across all trial sites.
- In particular, a higher proportion of low cost participants was expected compared with actual experience.
- The number of high cost participants is in line with expected.
- The distribution of cost is highly skewed towards a small number of participants with high cost packages.
Committed support

• The types and amount of supports committed (in dollar terms) are fairly consistent across New South Wales and Victoria, with community participation, assistance with personal activities, and daily tasks in shared living arrangements being the most common support types (71% of committed supports in New South Wales excluding Stockton and 69% in Victoria excluding Colanda).

• In Tasmania the most common support type in dollar terms is community participation followed by daily tasks in shared living arrangements (together comprising 63% of committed support). A further 16% of committed support is for assistance with personal activities.

• In South Australia the most common committed supports in dollar terms are early childhood supports (totalling 71% of committed supports).

• The distribution of committed supports for the trial sites that commenced in July 2014 is affected by the phasing schedule of participants being brought into the scheme.
Implementation
Implementation challenges to date

Transition from existing disability system to the NDIS
• Difficulty in contacting some people identified in the existing system
• Building capacity of participants to actively participate in planning conversations & implementation
• choose and control

Legacy of existing systems evident in trial site experience to date
• Participant numbers & costs influenced by existing disability system in each state

Move from block funding to invoicing
Task ahead …. Around 460,000 Australians will be supported by the NDIS by 2020.
Transitional Stage – Service Delivery

- Fundamentals – understand participant characteristics, volumes & channels
- Invest in participants – right time, right channel, right response
- Service delivery arrangements in design to be as flexible as possible and build on existing strengths in the community + opportunities for new experiences
  - Participants can self-plan ("get out of the way" strategy)
  - Local Area Coordinators (LACs) will develop plans for general and some supported streamed participants (in participant’s community)
  - Specialised Planners will develop plans for all intensive streamed participants
Reference packages & the Outcomes Framework

Reference packages

• annual benchmark funding level of support for participants with similar support needs and characteristics.
• allow a referential link between resource allocation to individual participants and the overall funding envelope.
• being developed to assist with detailed monitoring of scheme experience, including analysis of potential cost drivers.

Outcomes framework

• outcomes measured at the scheme level, as well as the individual level
• assist in understanding the benefits of the NDIS
• implemented across trial sites in early 2015/16.
Transition to full scheme

• Signed bilateral agreements for New South Wales and Victoria
• Ongoing bilateral negotiations between other states/territories and the Commonwealth government
• Around 30,000 participants at the end of the trial, ramping up to 460,000 at full scheme
• Focus on enduring data connections and reducing the need for frontline staff to collect data that may be available from other sources
• Building a national footprint

• Listen, Learn, Build, Deliver ..... 

• www.ndis.gov.au
Questions?

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