



Joint Standing Committee on the National Disability Insurance Scheme
PO Box 6100
Parliament House
Canberra ACT 2600

8th August 2017

Transitional arrangements for the NDIS – ATSA Submission

Thank you for the opportunity to make a submission to the Joint Standing Committee on the National Disability Insurance Scheme.

I am the Executive Officer of Assisted Technology Suppliers Australasia (ATSA). ATSA is the peak industry body representing businesses who supply assistive technology (AT) throughout Australia.

Our members are businesses of varying sizes who provide assistive AT solutions for people with disability, seniors and their carers to increase independence and make everyday living easier. ATSA works to ensure the market for AT is competitive, efficient, viable and appropriately regulated.

ATSA's submission has been provided with the interest of supporting and improving the service provision of the NDIS to the benefit of Australian society.

We would welcome the opportunity to discuss the matters raised with members of the Joint Standing Committee and provide you with any further information which you may consider useful in your deliberations.

Yours sincerely

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Assistive Technology Suppliers Australasia (ATSA) Submission

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Transitional arrangements for the NDIS

Summary

There are a range of initiatives which need to be implemented to improve the transition to the NDIS, participant outcomes, reduce cost to Government and increase the competitiveness and viability of businesses supplying AT.

The NDIA's current approach to the supply of AT supports, involves an inconsistent and overly complex set of procedures, combined with high risk 'quote shopping' for often complex solutions. This has resulted in extended delays in the supply of AT supports, adversely impacting people with disability and placing undue financial burden on businesses risking the sustainability of AT suppliers.

The situation is compounded due to a lack of communication at the local office level, consistency or national standards from the NDIA.

Basic actions like letting a participant or supplier know "what is happening to their application for AT supports" are not consistently being performed causing confusion and unnecessary concerns. This fails to address the essential needs of NDIS participants and the industry that is endeavouring to support them.

In addition, the adopted practise by the NDIA to 'quote shop' is overloading the industry with an increased demand for the supply of competing quotes. The practise is placing an excessive cost burden onto the industry.

This set of circumstances is placing a considerable risk to a successful roll out of the NDIS by impacting the financial viability of the AT supply industry.

ATSA recommends an adoption of a 'deed of a standing offer' for the supply of AT supports to remove the need for 'quote shopping' and provide a simplification of the supply process of AT supports that will reduce waiting times in a cost-effective manner.

Delays and additional cost in supply of AT

The current processes undertaken by the NDIA is creating extended delays for the participant as a plan with AT supports must go through several steps for approval. Based on a recent ATSA industry survey, 44% of respondents experienced wait times greater than 3 months to receive a formal response from their submitted quote. In some cases, well over 6 months, in addition we have cases where it has taken over 12 months and a request to requote has occurred.

Throughout the process there is a lack of communication on what is happening. Neither the participant or the AT supplier is informed on the progress of the supply of the AT support. This is causing frustration and hardship for the participant and the provider as they do not know how to plan their lives or the arrangement of supply.

A major contributing cause is the NDIA's focus on identifying the best price using 'quote shopping', which is adding 'red tape', and is causing excessive cost to the NDIA administration and the industry.

The NDIA 'quote shopping' approach has assumed that design solutions for the participants are universal, however, in most cases an AT solution is product/brand specific to how the Allied Health Practitioner (AHP) has crafted it. Based on the products along with his/her expertise. A solution cannot be assumed to be universal when subjected to the open market.

When a quote is done correctly, it requires between six to eight hours on average for each submission for an AT purchase. Historically the industry has carried this cost as part of the retail price to supply. The breakdown of the quote includes; around ½ a day to demonstrate the AT supports are followed up, with 2 to 4 hours to prepare the quote and liaise with the AHP and participant, plus the follow up with the NDIA.

These additional costs involved will in turn impact the NDIA operational costs and place delays in the supply of AT to the participant. The approach is now becoming a major issue for the AT industry and it is expected that the AT industry will be forced to increase pricing of AT supports to cover the additional labour employed to write quotes, that may or may not be accepted to support the practise.

An AT solution designed for the participant is part of the quoting process and is 'product specific' and is by design, intellectual property of the business who creates the quote. This intellectual property has been shared, including privacy details to industry competitors to gain access for competing quotes from different AT suppliers. With the express intent to 'quote shop' to test the market for a better price.

The use of the expertise from the first quote is placing the original AT supplier at an economic disadvantage who developed the solution to ensure a good fit for the participant's needs and goals. This places the quote provider, at a significant commercial disadvantage as the second/third party is trading off the original company's intellectual property, at a reduced cost to themselves.

Pricing

ATSA strongly supports cost management, but believes there is a need to use a structured accreditation method of suppliers to remove the need for 'quote shopping'. The aim is to minimise administration within the NDIA and costs to the industry, however, more importantly to remove unnecessary delays in the supply of AT supports to the participant, especially in the context of the ramping up of the roll out.

It is important to note that the pricing structure to provide 'choice and control' in some circumstances will follow normal market characteristics of supply and demand which will vary in the 'Thin Markets', i.e. where there is a natural shortage of supply choices due to remote and rural locations. The use of 'quote shopping' does not always take into consideration the location and characteristics of the participants circumstances.

Industry Impact

The current practices of the NDIA are causing instability in the industry, focusing on price results focuses on short term economic benefit rather than participant outcomes and the long term, sustainable industry.

An example of one business, is that they are receiving around 6-10 private clients per month seeking NDIS funding but receiving around 1 or 2 per month approved, and in some cases, none. If you equate the average time taken per quote, this is a cost in the range of 40 to 60-man hours of work with no reward. This business has had to lay off 8 staff to remain viable, principally due to cash flow from the delay in the processing of orders. Skills now lost from the industry.

Another organisation historically operated with a turnover of around \$2million P.A., is now experiencing sales turnover less than half, due to the extended delays of quote to order processing through the NDIA. Owing to the additional demand created by the NDIA system to chase and manage quotes through the process, they have taken the risk to put on more staff to handle the workload. With the hope that the situation on the extended delays to process quotes to orders will improve. However, the quote to order processes is lengthening, therefore, they are now considering what options to take to remain viable. This is a specialist AT provider that if lost would have a very high impact to the industry.

Another business has over 100 orders pending, and is not sure how to handle their inventory. With the associated lead time to import the highly specialised parts to fulfil the orders in a timely manner if these quotes become orders.

The commercial risk to the industry is growing during the transition/rollout of the NDIA. It could result in the loss of many ethical and highly skilled individuals that will take years to replace given their specialised skills and expertise.

The human risk to the community with the loss of specialised expertise will go beyond just the financial one, it will impact lives. **This is not a sustainable situation.**

Proposed Solution - 'deed of a standing offer'

ATSA's proposes accreditation structure as set below, which aligns to NDIS Act 2013¹. The guidelines would not only provide standards of supply but allow for flexibility for new providers to enter the scheme without the need to go through an expensive tendering process that may inadvertently 'lock out' new technology providers.

- The accreditation would result in a 'deed of a standing offer' covering;
 - The type of goods and services the supplier would provide.
 - Set indicative pricing for all the services or goods that the supplier may supply an NDIA recipient.
 - Customisation costs outlined so that when /if required.
 - Provide the details of the Standards the AT goods have been built to.
 - State any product supply restrictions, e.g. not suitable to be used on a beach.
 - Service and support offering for the submitted AT items including any associated fees and charges.
 - Warranty terms of submitted items.
 - Trial/Design Solution/Quoting/Delivery/Commissioning charges applicable.
 - When a price variation is required including the 'rules will be applied' to manage such variation.
 - Average life expectancy of the AT device.
 - A statement of standards that they operated under, e.g. ISO 9000 or Industry Code of Practise

¹ NDIS Act 2013, (Act No. 61, 2016), Part 3 – Registered providers of supports, (73) National Disability Insurance Scheme rules for registered providers of supports

- A supplier can apply at any time to enter into a 'deed of a standing offer' with the NDIA as a supplier. This allows for new technology to be accessed without any timing restrictions.
- At the time of applying for a 'deed of a standing offer' pricing structure for the items/services to be listed would be agreed between the NDIA and the supplier.
- At any time, a supplier can list new items or remove obsolete items.
- If a pricing review is required, the supplier would reapply for the items effected under their 'deed of a standing offer'.
- The onus will be on the supplier to maintain AT product offerings and price with the NDIA.

This approach will remove a constant need for price checking by NDIA Planners and remove additional administration checks on each participant's AT provision as the AT price point would have already been identified.

An additional check is also recommended through the monitoring overall prices/costs of all suppliers at a macro-level. Utilising a data monitoring system similar to that of medical practitioners via Medicare to prevent systemic abuses i.e. through low cost systemic surveillance. Organisations that have been found to have breached the standards/spirit set in the 'deed of a standing offer' would lose access to supply to the NDIA.

Appendix

Some Sample Case Studies from ATSA Industry Survey July 2017:

- Young child in Adelaide has just got a power wheelchair that he needs to use as part of his therapy and access to school. Family cannot transport the power wheelchair without a wheelchair access vehicle. His "urgent" application was rejected because the vehicle the family agreed to purchase had 8,000km more than NDIS guideline – but it took NDIS 8 weeks to notify the client. Technical Advisory Team now handling matter, 14 weeks after initial NDIS contact from the applicant.
- Child in Melbourne, identified as an "urgent" case, application lodged in March 2017, no progress from NDIS despite AHP, family and provider following up.
- Adult in Melbourne, specifically instructed by NDIS that she needed to purchase/own the vehicle prior to her application for vehicle modifications could be processed. 12 months later, vehicle is still in our storage shed and applicant recently advised her application was rejected on the basis that her medical condition was so severe she may not get the full life use out of the modifications.

- NDIS planners directing participants and AHPs to competitor businesses. There are numerous instances where the supplier has met with a client/AHP, worked out an appropriate AT specification, the participant has signed a contract, then NDIS planner has instructed the applicant/OT to consider other suppliers, which have previously been considered and rejected.
- We had the pleasure of meeting little Oliver this morning to trial some equipment that his Mum: Jodie was so excited about as she had finally received his NDIS plan. Jodie was so excited to be trialling equipment for Oliver has the received a leave pass from the hospital which is where they are currently living. Questions were asked regarding her plan and Jodie explained that the plan was finalised and that she could go shopping for all the equipment that he desperately requires. Sadly..... when looking through the plan there was no Category for Assistive Technology which all the equipment that he had trialled would be under. If all goes well with Oliver's progress in hospital they have scheduled him to go home in November. This was the main reason why Jodie had pushed for him to get a leave pass to trial the equipment thinking his plan was finalised and we could process the equipment today and he would receive the equipment ready for his arrival home. We contacted her planner who explained that they wanted to avoid delay and get the ball rolling so Oliver had a plan even though AT was missing. We then asked what happens now and what is the delay? The process is the same if he didn't have a plan: Quote, OT/PT justification, approval (hopefully) then the plan to be reviewed/updated with AT. We asked the planner to communicate this process/delay back to Jodie as she was adamant that she could order for Oliver. Since the below transpired I have spoken to the LAC who confirmed it was a priority to have this families plan up and running asap as the family were paying for intensive therapy out of pocket. The LAC had explained to the family on 2 occasions equipment trials would need to take place, the therapist was required to complete AT Forms and then lodge with the LAC, which in turn will trigger a review of the Plan (which takes months and months)
- A gait trainer was sent to a regional participant to trial. Trial was successful and the equipment was deemed suitable. A quote was submitted. An equivalent item was available from DES (Domiciliary Equipment services) and supplied from their store. Time and Expense costs incurred that will not be recouped. This event has been resolved - I have my equipment back and the participant has a gait trainer. Without me sending the equipment, the client would not have been able to trial, however I'm sustainably out of pocket.
- I have completed quite a few trial appointments where the equipment is then supplied from DES (Domiciliary Equipment Services), our competitor. Time taken to set up, complete appointment and quote - varies from 3.5 to 6 hours. This matter is not resolved as Domiciliary Equipment services charge the participant to trial equipment. With the current processes in the NDIS this involves more work from the prescriber and it is an extremely lengthy process to organise this so most prescribers are not willing to undertake this. It is important for me that the equipment products supported by my business continue to be trialled.
- Client applied for funding for power assist wheels. Client contacted us to let us know that the product has been approved and money is in the portal. Back and forward for a couple of weeks we checked daily and spend much time talking with the client, OT, support person and

NDIS but the funds did not appear. Finally, this was fixed but many hours had been eaten up which we cannot invoice for. This clients issue has been resolved now but we now tell the client to contact NDIS as a business we can't spend 10 hours per client on the phone trying to sort this out for them. If we could invoice and had invoice paid it would save a lot of time. Issues with the portal is if there is an issue you're spending so much time talking to so many people to get the problem resolved.

- Issues with approved participant plans. It took 3 weeks delay in placing order. It is still not resolved. Almost all plans approved by NDIA Townsville office have not been entered into the portal correctly. Generally, the approved funding for an Assistive Technology component is entered under a different category e.g. core support and I am not able to do a service booking in the portal. Or alternatively they approve funding against certain line items and do not advise which line item it is. In this case I have to contact the office and every time I call they take a message and someone finally gets back to me in 3 weeks. Even with emails they take about 3 weeks to respond. They also don't advise us when they have approved a quote or entered a service booking in the portal on my behalf. The NDIA Townsville office makes so many errors with funding plans and does not advise us as a provider when funding is approved. They also take 3 weeks to respond to queries which delays the order for the customer. However, NDIA Toowoomba office are fantastic. They personally call me every time a plan is approved and they fix any issues with plans on the spot. How can there be such a difference in service quality from one organisation? When the portal entries do work the process is absolutely fantastic. Payment is made within 3-5 days and it's fabulous. It's just taking weeks of delay to get from the approval stage to the order stage. So many clients ring us up to see how their order is progressing only to find out that no one has told us as a supplier that they wish to accept our quote. Every client comes away from the funding approval process thinking their goods have been ordered yet the process is breaking down at that point because the approval does not get passed on to us as a supplier.
- The time spent on individual claim- 3 employees attending and relationship between company and client was impacted as they felt it was our fault on hold of equipment being approved and delivered. The issue is now resolved. The situation would have been better if those whom answer the phone at the NDIS call centre are consistent with information provided, not having a different answer given every time you phone through and speak to a different operator. Also, if they were knowledgeable and had the required training to complete the job thing would have been better for all. The processing time on quotes and clear information given to clients' needs to improve. The NDIA advised they have amounts of funding available under certain categories but do not explain in detail availability and items that will need to be approved by the NDIS assessment team etc. The client as a result calls us upset and not understanding why we have not supplied the items. Also, payment to reflect claimed amount, or a reason given as to why the full payment amount was not allocated to our bank account when services we completed.
- Supplied Equipment, But NDIS only paid for half. Carried the debt for 10 months until resolved with the client. Our booking had expired, and other suppliers had taken the money from the

allocated funds under the NDIA. This could have been avoided if we had been able to talk to the same NDIS person about issues we are having.

- Quote for NDIS expired for over a year being approved. The pricing is totally different after a year so it was requoted. The NDIS is taking too long to approve a quote for power mobility. This is a problem as client needs can change.
- Private clients now generally opt for NDIA funding rather than funding the purchase personally. We are gaining a higher level of interest in our products from clients who previously could not fund vehicles themselves. However, the long NDIA processing time for applications has resulted in severe cash flow issues as the number of applications/quotes we have in NDIA keeps growing, but the number of approvals being received is not growing. It has NOT been resolved. We are meeting with NDIA to help them understand our systems and products and we understand their processes. We are all working towards the same outcome of helping people with special needs. The easiest fix in the short term is better transparency/visibility of the NDIA processes for the provider/OT/applicant. In addition, if NDIA could advise parties of their expected processing time for applications (e.g. 8 weeks to assess the application) and then provide an indication of when funding was going to be available if approved (e.g. NDIA will release funds in 6 months) it would introduce some certainty for applicants and providers. The NDIA itself is a great initiative that is going to help many people gain access to mobility equipment that they could not otherwise afford. But right now, it is being seen by many applicants as "dangling a carrot" in front of them because they can see it, but can't reach it.
- Equipment supplied to participant. Have had several attempts to create a service booking but the funding has not been available for this particular equipment in the participants plan. Have made contact with several staff at NDIS and have still yet to resolve the issue and payment is still outstanding. It has caused the issue of an outstanding debt and hours of follow up to no avail. This is not resolved to date. The issue has been escalated through NDIA, awaiting response. Cannot seem to get an answer from any departments within NDIS & no one seems to take any responsibility. This causes hours of follow up without a resolution.
- Equipment supplied to participant is not suitable. Would like to return and purchase another item through a different supplier. Have had to follow up with numerous phone calls to find out how to give the credit back to the participants funding. Not resolved. Have been advised by NDIS to send information in an email. A lot of time wasted following up with no resolution.
- Client using hire equipment post discharge from hospital. this was paid for by the hospital for the first 30 days and then NDIS were meant to take over. After 2 months of repeatedly contacting the client's family (who were very stressed, abusive and angry), and many phone calls and emails to the managing case managers and OT's we still do not have any further payment, minimal replies to correspondence and stress on my own staff member. This event has been very stressful for my experienced staff member and has required several meetings

with management. This event has not been resolved and we are still trying to sort it out with the relevant case management service and OT. Case management services and OT's are still not aware of their roles in processing claims and how delays affect the individuals, their families and related services. In this case I feel that the OT was relying on the case management service and the case management service did not understand the needs of the individual. This has caused greater costs to NDIS, the family and my business. In this situation, the family suffered greatly which was unnecessary. Case management services/staff do not understand the importance of prompt customer service.

- A power chair has been trialled three times within a short period of time and has been waiting approval for 6 months whilst the client is sitting in a nursing home awaiting the equipment to return home. Wasted time in retrials and follow up with specific documentation (not required by any other organisation we deal with). We are still waiting on a purchase order and the client is still waiting in a nursing home. There has been some lack of organisation by the therapist requiring extra trials, however it appears the main hold up has been with SWEP. Having someone in a facility 6 months longer than necessary brings large financial and emotional costs. We know there is sufficient funding for this client in her package I believe the failure is the inability of the agency to process this order in a timely manner.
- A lady with a self-managed plan was permitted equipment under the plan however as she had no funds to pay up front she has had to stagger the items she needs due to lack of finances. We were unable to assist this lady. I have advised staff that we can offer credit to some customers on a case by case basis in future to assist clients. Self-managed customers should be able to have their purchases processed on the portal in these special circumstances. It is all very well to have money allocated in a plan however most of these clients are struggling financially and hence it denies them access to the items/services required.
- A customer phones needing a scooter, we assess his needs over phone then he comes in to showroom we then go over all the scooters with him and work out which ones would be suitable. Then he says he wants to go through NDIS so he will be in touch. An OT phones us to book a home demonstration with a few suitable scooters to which I explain we have already been through the ones that suit and he together with us has chosen a comfy one suitable. She then wishes to see a few more and including this one. Bear in mind when he came here he had a lengthy trial already. We take out 4 scooters to which she agrees to the original one as being the most suitable. This took around 3 hours! Still this OT wanted to see more options so booked again another demo a month down the track as she was busy (poor customer just needs his scooter) so we booked and did another demo on site taking another 3 hours of our time By this stage the customer was cranky and just wanted scooter. She agreed to submit the quotes that had been already sent the first time. So far, we are in the 4th month and he still has NO scooter and keeps phoning me. The OT said it is a lengthy report that she needs to justify all her hours.... We do not get paid for home demos only if the sale goes ahead as a small business we are not in a position to be doing demo after demo just so these OTs can put in their huge bills. Still waiting for first one to be approved. Poor customer could have and should have been actively driving his scooter around keeping his independence alive. OTs overcharging for time when it is clear what the customer needs. If the customer was not going

through the NDIS they would have been already in the scooter by now. The lack of communication. How can we see where we are up too in the whole process....The customers are all phoning me have you heard anything I need a scooter. Please bear in mind we only get paid if and when the quotes are approved. So far it has been tough as we have done endless demos and most are still waiting for approval. So, we have been busy trying to do demos and quotes however no money coming through yet.

- Enable not notifying Therapist of any Knock Backs in items on a quotation. Having to become the messenger takes time from our staff's day explaining the process and then sometimes having to reconfigure the item due the item not being funded. To many layers in the process - therapist writes report - report goes the NDIS, report then goes to Enable for review, Approval goes back to NDIS - this can cause a significant delay depending on what desk it lands on. Overall it works for us other than the time delay for approvals seems to have blown out from a month to 6 or more months.
- Comment from an NDIS employee that "they are not in the business of funding BMW's". Felt annoyed that we had to justify a Fairly Priced - Fair value - Australian made product that was much cheaper than an imported product and was configured to the client's needs e.g. not out of a box. This has not been resolved and it shows a lack of understanding/ knowledge of what is being prescribed. The issue of questioning product pricing shows a lack of understanding of what is on the market. The therapist who is on the coalface mostly knows why they are prescribing a particular AT device and their report should be enough. Comments from administration staff not involved in the assessment need to be checked. It appears they are trying to make decisions without actually meeting the client this is not a good approach and the Therapist should be relied on that they are making a justifiable decision based on the client's needs and goals.
- Quote shopping, our Confidential information being passed onto competitors. We have had our quotations passed onto a competitor who provided quotations without attending the clients home - the quotes were significantly lower and showed a lack of understanding of the client's needs. this leaves the client at risk of receiving an incorrectly prescribed AT device based on price alone. This maybe ok for an off the shelf AT devices e.g. a shower stool, but not complex AT like power wheelchairs with custom seating.