

2017 Price Controls Review
National Disability Insurance Agency
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Mental Health Australia is pleased to comment on the NDIA's *2017 Price Controls Review*. As the peak, national non-government organisation representing the broader non-government mental health sector, Mental Health Australia is not a provider of psychosocial services. However, our comments reflect the experiences of our members who do provide those services.

Since rollout of the NDIS commenced, providers have raised concerns about the match between the hourly prices paid by the National Disability Insurance Agency (NDIA) for psychosocial support work and the reality of delivering that work by suitably qualified personnel.

To date, providers of psychosocial services have had no involvement in the process to set prices for their services. They have had to accept prices set through the Reasonable Cost Model (developed jointly by the NDIA and National Disability Services), where mental health pricing was expressly out of scope.

There has been some activity sponsored by the NDIA that held the promise of proper consideration of mental health prices. The NDIA and Mental Health Australia jointly undertook the Psychosocial Supports Design Project with the intention that the project's findings would support future work on pricing matters. In addition, a paper by Community Mental Health Australia, funded by the NDIS Sector Development Fund, identified that the pricing constraints and rigidity in the (then) Catalogue of Supports was impeding providers' efforts to remain faithful to a recovery model and to deploy and manage the workforce effectively.

The business environment for providers of psychosocial services remains challenging.

The NDIS Price Guide does not have an hourly price for psychosocial support services. Instead the prices apply to support with daily living (lower prices) and capacity building, including support coordination (higher prices at varying levels). In effect, the relative mix of services in a participant's individually funded package (IFP) determines the average hourly wage that a provider can offer to skilled and qualified mental health workers. IFPs that have a higher number of capacity building supports will mean providers should be able to employ staff with higher skills. However, it is highly questionable whether this is the appropriate way to ensure that NDIS participants with psychosocial disability have access to appropriately skilled and trained support workers.

Feedback from Mental Health Australia's members indicates that providers have been forced to reduce the quality of services provided, hire less skilled and less qualified staff, and increase casualisation of the workforce. If pricing controls continue to be set below the true cost of providing psychosocial support, it will be a challenge for providers to provide a range of safe and high-quality services and meet the National Standards for Mental Health Services 2010. This, in turn, means that choice and outcomes for participants may be gradually eroded over time.

The NDIA has imposed a complex and activity-driven pricing regime, developed for the broader disability sector, on community mental health providers with different service models, skillsets and cost drivers. They have done so without appropriate consultation. Submissions from psychosocial service providers will no doubt provide more detail to illustrate the case that the time has come for the NDIA to conduct a full and proper review of mental health pricing.

Mental Health Australia therefore recommends that as part of the *2017 Price Controls Review*, the NDIA establish a discrete process to review the price controls for psychosocial support services with providers and consumers and carers.

We stand ready to assist the NDIA with that important endeavour.

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