Australian Physiotherapy Association
Submission

National Disability Insurance Scheme (NDIS)

2022-23 Annual Pricing Review

Submission by the

Australian Physiotherapy Association

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AUSTRALIAN PHYSIOTHERAPY ASSOCIATION

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Introduction

The Australian Physiotherapy Association (APA) thanks the National Disability Insurance Agency (NDIA) for providing an opportunity to provide feedback to the 2022-23 Annual Pricing Review.

However, we lament that the timeframe to provide our feedback was only of 17 business days with no opportunity for an extension. Despite the consultation paper acknowledging the time constraint, the fact that previous feedback will be taken into consideration, and the focus on the last year, the guiding questions indicate a level of details that requires thorough engagement with our members, and may indicate that previous material provided hasn't actually been taken into consideration – see Question 8. The consultation paper indicates that the pricing review process started in November 2022, we would have liked to be contacted earlier in the process.

In order to respond to the consultation questions, we have organised a focus group of 12 members who deliver supports to NDIS participants and that we have identified of being likely to be representative of the broader APA membership working in the disability space. Participants represented all states and territories, metropolitan and rural and regional areas, worked in a variety of settings (public health, small, medium and large private practices, multidisciplinary teams), employees and business owners, in all areas of disability including paediatrics and neurology physiotherapy, all with at least 5 years of experience in disability (7 with 14 years' experience or more, including 4 with over 20 years' experience in disability). Testimonials from the focus group are reported in blue in the present submission. Minor edits were included for clarity and ease of reading.

We would like to note that our members volunteer their time to respond to consultations. They often have to forgo income to provide feedback and draw and analyse the business data that is requested from them. Requesting a large amount of hours of work at short notice puts a strain on an already stretched workforce and compounds issues we cover in the submission regarding availability of time for support delivery.

Background: Physiotherapy and Disability

Physiotherapy is a highly trained, Ahpra-regulated discipline with expert knowledge, skills and training in understanding how people move and learn to move, and the development of movement, specifically, as these relate to the health, well-being and quality of life of people of all ages. Physiotherapists are trained in the biomechanics of movement, combining knowledge of physics, physiology and anatomy to analyse movement and determine movement difficulties.

Physiotherapists are movement and participation experts in disability who provide expertise in improving function, participation and building capacity. Physiotherapists analyse an individual's quality of movement, identify motor impairment, and investigate the interrelationship between movement and other neurological and physiological factors such as sensory perception and pain.

Physiotherapists are committed to providing evidence-based, patient-centred, safe and high-quality care to people with disability and contributing to an effective and equitable disability sector.

Physiotherapists promote social inclusion through optimising a person's function and encouraging participation and inclusion in the economic and social life of the community.

Within the NDIS, a physiotherapist's scope of practice is very broad. Physiotherapists work in multidisciplinary and transdisciplinary teams to support capacity building goals and the functional and participation outcomes for all their participants. These supports will often occur in natural environments such as homes, day care, work places and in the community, in order to achieve participation outcomes, one of the pillars of NDIS's insurance-based approach. Often supports will require communication with both a participant's family, carers, and their formal supports. All this service provision occurs in addition to the face-to-face services that a participant receives.

Our ask

We acknowledge the terms of reference of this pricing review and understand that this pricing review is focusing on "issues that require attention prior to the conclusion of the broader NDIS Review." We also acknowledge that the NDIS Review is expected to consider strategic pricing issues (structures and regulation).

In this context, we ask for the price limits for physiotherapy supports to be indexed on 1 July 2023 in line with the Wage Price Index and Consumer Price Index.

Price limits for supports delivered by physiotherapists haven't changed since July 2019. This means that they have decreased in real terms as the costs of providing supports have increased in line with wage and price increases. We note that indexation of NDIS price limits in line with the Wage Price Index (WPI) and Consumer Price Index (CPI) was granted to nursing supports in the latest update of the price guide in June 2022.
A one-off increase to take into account the cost of doing business increases since 1 July 2022 would be welcomed.

Impact: physiotherapy supports and overall NDIS payments

Line items dedicated to physiotherapy supports represent less than 1% of total NDIS payments. Price increases for physiotherapy supports in line with CPI and WPI would have a very moderate impact on the overall amount of NDIS payments.

	Total payments against physiotherapy specific line items	Share of physiotherapy payments amongst total of NDIS payments
FY 21	$214,566,318[1]	FY 21[3] = 0.91% (of $23b)
FY 22	$286,381,717[2]	FY 22[3] = 0.99% (of $28b)

1. As indicated in data provided to the APA by the NDIA.
2. As indicated in Average support line item payments data downloads June 2022 on the NDIA website.
3. As indicated in NDIA's material.

We would like to note that the APA doesn't expect the NDIS will fund all physiotherapy supports for people with disability. In our submission to the Federal budget 2023, we ask for the strengthening of funding for access to physiotherapy supports in primary care for children and adults living with disability who are not eligible to the NDIS.[1] We also strongly believe that efforts must be undertaken to make Australia more inclusive of people with disability in all areas of life including education, transport, work, sports, leisure and entertainment, and health. The lack of community-based services, 'Tier 2', is documented in the *Not a one-stop shop* report.[2] A multi-tiered government response is required to provide wrap around supports to children, teens and adults with a disability. The lack of community based Tier 2 supports is one aspect of this.

[1] APA Federal Pre-Budget submission 2023-2024 *Physiotherapy: high-value care for all* is available at: https://australian.physio/sites/default/files/submission-2023-01/APA_Federal_Pre-Budget_Submission_2023-24.pdf
[2] D'Rosario, M. (2023). *Not a one-stop shop: the NDIS in Australia's social infrastructure*. National Disability Services, Per Capita. Australia.

Response to the consultation questions

Beforehand, we would like to acknowledge the limitations of looking at pricing issues in isolation. The previous pricing review recommended a review of therapy supports. It is unclear to us at this stage whether the review of therapy supports will be included in the NDIS Review or will be the object of a stand-alone project. The outcomes of the Information Gathering for Access and Planning (IGAP) project are also critical.

Therapy Supports

Q6. What has been the main cost driver in delivering NDIS therapy supports over the past year? Is this different to the past few years?

a. Price increases

As acknowledged in the consultation paper regarding the Australian economy, price increases have been a major factor of driving costs of delivering supports across workspace (rent and mortgage repayment increases), utilities, travel, consumables, and specific equipment for the delivery of supports to participants.

Cost increases associated with travel to deliver supports in the community were singled out.

> A member reports:
> I used to be able to source small quality cars for around $16k pre-COVID and now they are costing me $26k and over. Travel reimbursement for staff using their own vehicles also went up 15% from 1 July 2022 from $0.80/km to $0.92/km.

b. Cost of labour

The consultation paper acknowledges increases in Wage Price Index (WPI) however this doesn't cover other factors that contribute to the cost of labour, including increasing superannuation contributions. Below we describe some factors that have led to increasing costs of labour in the last 12 months.

Wages

Physiotherapy now features in the top 20 occupations in demand nationally as indicated in the February 2023 quarterly report of the *Labour Market Update* from Jobs and Skills Australia (JSA).[3] In this context, we have seen increased competition on wages which leads to increases beyond national averages.

Competition on wages also originates from within the profession across settings. The not-for-profit sector can offer tax incentives and salary benefits that private practices can't offer. We have also seen

[3] *Labour Market Update February 2023*. Available at https://www.jobsandskills.gov.au/reports/labour-market-update-december-2022 .

salary increases in the public sector (health and education) across many states and one-off COVID bonuses ($3,000 in Victoria and New South Wales).

While we rejoice that wages are increasing at a macroeconomic level, especially in a context of high inflation, this impacts private practices' sustainability and threatens their viability if revenues don't increase at the same time.

Members report:

- Wages have risen from 72% to 76% of total income in the last 12 months.
- Our average therapist annual salary (including superannuation) has increased by 22% since July 2020.
- In Queensland, new graduates in the Health department are paid minimum $77K, in the Education department are paid minimum $77K, and in the Aged Care sector are paid $80-90K.

Testimonial

"We have 23 employees. It's probably equivalent to about 20 full-timers, including admin staff.

- 15 therapists (physiotherapists, occupational therapists, speech pathologists and a counsellor),
- 1 allied health assistant, and
- 1 support worker.

We provide services under the 0128 and 0118 registration groups, as well as some core supports (although, core is less than 1% of our turnover) and the total of our NDIS revenue is currently 96.9% of everything we bring in.

The last time the price limit went up, it went from $182.74 (2018-19) to $193.99 (2019-now) for early childhood and $179.26 to $193.99 for over 7s. Of course, we're still paying extra to be registered providers for early childhood, but no longer partly compensated for the extra expense by the slightly higher price limit, which is very unfair, especially considering that paediatric placements are compulsory in order to graduate as a physiotherapist.

In the 12 months leading up to that price limit increase, we were in a growth phase; our income increased by 56.42%.

With that increase in income, our expenses increased by:

- workers comp insurance = 140.68%
- superannuation = 76.21%
- wages = 76.19%
- software subscriptions = 44.41%
- loan repayments = 26.59%
- professional development = 18.00%
- rent = 17.87%
- business insurance = 5.93%

In the 4 years since that price limit was increased, we have been unable to grow as quickly as previously (primarily due to staff shortages, as waiting lists have remained very long) so our income has only increased by 25.93% over those roughly 46 months.

During that time, our expenses have increased by:

- workers comp insurance = 227.16%
- rent = 143.71%
- business insurance = 125.33%
- advertising = 114.61%
- superannuation = 62.40%
- software subscriptions = 59.86%
- wages = 45.58%
- loan repayments = 38.55%

We believe our workers compensation insurance has increased so much because a number of staff suffered psychological injuries during lockdown (due to witnessing abuse during Zoom sessions, for example).

Our advertising budget has increased in an attempt to replace staff who left the sector or moved intercity/internationally as a direct consequence of the effects of lockdown and burnout related to the pandemic.

Our superannuation increased more than the statutory increase, partly because of the removal of the $450/month minimum threshold and also because wages increased substantially (even though wages increased by a lower percentage than prior to the last price limit increase, we have substantially fewer staff now, so each employee is earning a much higher hourly rate than prior to the pandemic).

Despite having finished paying off some of our loans, our repayments have increased overall due to higher interest rates on the remaining variable rate loan and the need to replace broken equipment that required an additional loan to be taken out (with a higher fixed interest rate than the original equipment was financed at).

Since opening at the start of 2017, the percentage of our income from providing therapy supports to NDIS participants has remained consistent at around 97% (currently 96.9%)."

Recruitment costs

In the last 12 months, recruitment costs have increased including costs related to outsourcing recruitment (which has become a necessity for employers in the context of workforce shortages) and sign-on bonuses.

Worked hours: leave and part-time

An unintended impact of the pandemic is that staff still need to use more than their allocation of sick-leave and tend to use annual leave to cover for their absence when they are sick - which has an impact on job satisfaction and therefore staff mental health. A consequence is that more staff are taking unpaid leave, which reduces the number of work/hours available, and the ability to cover fixed costs.

Members report a significant rise in employees seeking part-time roles. This also weakens the ability to recoup fixed costs – for example, it is more difficult and longer to recoup hiring, induction, worker screening checks and initial training costs.

Mental health

On top of triggering the emergence of new mental health issues, the pandemic has also challenged the resilience of staff and exacerbated pre-existing issues, including dealing with the emotional load inherent to the profession. Pricing that doesn't seem to reflect the true value of the work in parallel with media and social media coverage of alleged price gouging participate in weakening staff's mental health.

In the last year, in terms of cost to practice, this has resulted in increases in:

- mental health supports provided to staff; and
- successful workers compensation claims on psychological ground - members report that the 'benchmark is lower' for claims to be successful and that claims which would have been unsuccessful before are now successful.

End of transitional period for workers screening checks

Although most states had ended transitional periods in late 2021, there were still transitional arrangements in place in 2022 and up to February 2023 in Western Australia.

Overall comment

Across the board, physiotherapists practising in rural and regional areas report that cost of labour increases are felt more strongly in their areas because competition around wages, housing shortages, and increased costs of travel and consumables, are exacerbated.

c. Ongoing impact of the pandemic

Settling into 'life with COVID' means that physiotherapy practices incur ongoing costs with no indication that this will stop in the near future, including:

- Procurement of protective personal equipment and rapid antigen tests – all of it being self-funded as Capacity building providers didn't receive supports for procurement nor did they receive stock form the national stock pile.

- Increased number of days of staff sick-leave and flow-on effect on annual leave and unpaid leave (issue which intersects with workforce and mental health issues – see above); staff time off work to get vaccinated.
- Precautionary isolation – although mandatory isolation has stopped across Australia, working with people with disability (a population more likely to develop severe forms of COVID), there is still an expectation from participants that staff who are sick with COVID (or at reasonable risk of being sick with COVID) will isolate.

Testimonial

"All our staff were provided leave from the workplace to obtain their first and second COVID vaccination. This usually took half a day due to travel to the location of vaccine delivery and large queues waiting. It was identified that 70% of staff required minimum one sick day following their vaccine, ranging 1 to 3 days off work. For the booster, all staff were provided leave if they received the booster on a Friday, in an effort to reduce worker absenteeism."

Q7. What proportion of your therapy revenue is derived from NDIS compared to other funding sources?

Responses from our sample included:

- Over 90% - we are a disability-specific purpose-built facility.
- 40% - we have capped the percentage of NDIS participants. We are a non-registered provider. Our private fees are higher than the fee to NDIS participants while the NDIS administrative costs are higher than our private costs.
- 75%
- 61.8%
- 10-15% as a whole across our business. However, some of our clinics have up to 70-80% of revenue from the NDIS. With the stagnant pricing the bottom line of the clinics with significant NDIS revenue is under downward pressure.
- 86%. We are actively working to decrease our percentage of NDIS participants because it is financially untenable to continue seeing such high percentages of NDIS participants when the pricing has been fixed for the past 4 years and is now so far behind market rates.
- 85%
- 89%

Q8. Is there a price difference between rates for your NDIS participants compared to non-NDIS participants? If so, what is the rationale for the price difference?

Physiotherapists take a variety of factors into consideration when setting their pricing. Because these factors are localised and unique to each practice (including registration and administration costs associated with accreditation to the NDIS Practice Standards), this leads to a variety of decisions: same price for NDIS participants and private patients (at NDIS price limit level, or higher, or lower), higher fee for private patients, higher fee for NDIS participants. In previous submissions and in working groups of the previous pricing review, we have explained in detail why some physiotherapists may choose to charge a higher fee to NDIS participants than to private patients.

Here are testimonials from the focus group:

- No. If anything, after 4 years at the same price limit, our NDIS services are discounted.
- Although we don't charge more for NDIS services, we understand why other registered providers would; the financial cost of audit alone needs to be recouped and it wouldn't be fair for other clients to contribute to paying for NDIS registration and compliance.
- Our private fees are higher. Our psychologists fees at $270 per hour are in line with Australian Psychology Association (APS) recommendations; $230 per hour for our senior allied health; $190 per hour for our junior allied health. The $193 NDIS price limits is in line with our junior and lower staff. Our private fees are higher in line with tiered experience of clinicians and account for inflation.
- Yes, our private rates are significantly higher ($30 per hour higher) for private clients than NDIS per hour. We believe our private rates to be representative of the value and service we provide.
- Our private fees are higher to be able to pay our staff wages that recognise their skill set/expertise and to meet all other overheads required to provide our service (administrative costs, wages, rent, equipment loan, etc.). The NDIS rates do not value the service, facilities and access to state of the art equipment we provide to our clients.
- Private rates are significantly higher across clinics – ranging from 10 – 60% higher depending on the location of the clinic and the experience and qualifications of the clinician (new graduates through to specialists). Our prices have increased significantly over the last 18 months in line with inflation and a competitive employment market. The fees charged directly impact on our clinicians' salaries as they are paid on an incentive-based scheme. This has the potential to make the NDIS market less enticing for therapists, especially our senior and well-experienced clinicians who have a caseload of patients willing to pay at market rates.
- No, we charge all our clients the same rate. We have taken this approach because we believe we provide the same quality of care to all our clients, regardless of where their funding comes from. However, this is no longer financially tenable – we are actively moving a greater proportion of our caseload away from NDIS, and will be introducing a higher rate for our private clients.
  I also just want to comment that much of what is published by the NDIA and the media does not accurately reflect NDIS vs private paying client fees. It is detrimental when the NDIA, politicians, the media, or participants say that someone they know was only charged $120 for a physiotherapy appointment, but they (the person with a disability) was charged $193. Most musculoskeletal appointments are 30-45 minutes duration, whereas most NDIS appointments

would be an hour (plus any behind the scenes preparation and follow up which is required for that client). A 30 minute appointment which costs $120 is actually $240 per hour, significantly higher than the capped price of $193.99 per hour.

- No difference.
- No difference. We have arranged above rate service approvals with TAC (Transport Accident Commission) to bring fees in line with NDIS for most disciplines. TAC actually pay us a bit more for Exercise Physiology services.
- Private rates recognise the quality of the service provided, which is $230 per hour.
- No.

Further comments

In discussing costs and revenues, the question of business viability was raised.

Some members reported their profit margins were shrinking to the point of becoming inexistent. 5 out 10 members of the focus group reported that their business was not currently running at a profit.

Members reported that step to be taken to address viability will include:

- Deregistering;
- Deregistering, then trying to sell the business, if not successful, file for bankruptcy;
- Increasing all services to the maximum of the price limit;
- Decreasing percentage of NDIS participants, increasing other income streams (including teaching), considering workforce cuts;
- Cutting expenses, improving systems, increasing travel fees, increasing non face-to-face billing; and
- Maximising indirect billable, reducing the percentage of NDIS caseload, offering block therapy only.

Members reported there is no margin to put additional pressure on the workforce.

Registration

Q11. Please provide an estimation of time spent by your employees to complete administrative tasks associated with registration, audits and compliance relative to other sectors (private or public).

Responses vary across providers.

Here is a sample from the focus group:

- We are not registered and do not intend to register.
- We are not registered. We made the decision to forgo as we did not have the time, money or staff to undertake the requirements. Four of our five patients who were NDIA managed, changed to be plan or self-managed and continued with our service.
- Best estimate, 100 hours per year (1 hour per staff member per year) without re-accreditation. In accreditation year, add another 100 hours.
- The initial registration was time-consuming but as a new business trying to establish our policies and procedures, we found it somewhat valuable. As we are about to undertake our re-registration audit, we are optimistically hoping the re-registration will be the same.
- I cringe to think of the added costs associated with compliance – from policy development, compliance monitoring, audit costs, daily admin support costs, and companywide operations support.
- My best estimate: for every NDIS client we see, there would be an additional 1-2 hours per year for the completion of their Service Agreement, Schedule of Supports, individualised Emergency and Disaster Plan, and then extra time to chase up getting information from them like a copy of their plan goals which is a requirement for us to be able to deliver services that will meet their goals. In addition, I would estimate we spend another 4 hours a week issuing invoices, chasing up invoice payments, and processing payments requests through the portal – none of which we have to do for private paying clients because they pay on the day. Every time we onboard a new staff member there is about 3 hours spent on completing mandatory NDIS training and chasing up worker screening. Then I would estimate that there would be at least 200 hours dedicated every 18 months for audit preparation and then undergoing the audit.
- I have employed additional administrative staff to undertake additional administrative demands of the NDIS (which are significant in comparison to private paying patients).
- Our clinic has just advised NDIA and clients that it will be deregistering. We can no longer justify the time, expense (and often distraction from core business) to complete audits and the registration process.
- I have undertaken a full breakdown and was actually surprised when adding up the true cost. Costs really includes: direct wages for the compliance staff we have, then the 8+ hours of mandatory training modules that we have for every team member, hours devoted to preparing for audit by all staff, cost of auditors, cost of NDIS checks. There is also the opportunity cost of our 150 or so therapists not seeing clients while undertaking compliance and administrative activities – this opportunity cost is significant. My full breakdown ended up at a ceiling of over $725,000 and around 8,000 hours (we have around 200 staff).
- Number of factors:
  Quality Assurance Leader approximatively 5 hours/week for registration compliance, staff checks, etc. This includes some incidental work involved in educating other providers about their requirements for reporting to the NDIS Safety and Quality Commission following an incident, and following up that this has been done.
  + Preparation for registration - 300 hours.
  + Audit - 20 hours.

+ Specific NDIS induction time (discipline-specific, introduction to NDIS and NDIS modules) = 2.5 hours / per clinician.
+ Auditor fee $2,000.

Q12. Has the time spent on NDIS administrative/registration tasks increased in the past year?

Almost all the members of the focus group are reporting increased time spent on NDIS administrative tasks, others were unsure.

Further comments included:

- As an example, we are currently experiencing a 2-week delay in having remittance advices appear on our portal. On one occasion, a staff member spent 90 minutes on the phone trying to get the issue solved, but without any resolution. Without the remittances, we can't do a lot of our administration tasks, which is even more concerning coming up to the end of a financial quarter.

- With the introduction of the workers screening checks and NDIS orientation modules, time spent on compliance has increased per staff member and there are more administrative tasks to manage.

- Compared to other funding bodies at least most NDIS participants related administrative tasks are funded (excluding worker screening checks, compliance and registration related tasks).

- Compliance requirements have increased, and, as a result, our client and compliance related administration has increased. Reasons for the increase include: increased compliance requirements for Service Agreements and Schedules of Supports (every client now needs an individualised Disaster and Emergency Plan completed with every plan), submitting and following up worker screenings checks, filling in the weekly report about worker COVID vaccinations during the peak of the COVID period, and chasing up late payments/non-payments. From a service delivery point of view, the amount of information now required in reports (end of plan, Assistive Technology Applications, and Functional Capacity Assessments) is now much greater than it used to be, and this has been a direct result of NDIS introducing changes.

- The Victorian process for NDIS worker screening checks is horrendous and only works first time for around 60% of staff – we have had many staff pushed to manual check which can take 3 months to complete. We are in the process of renewing our registration so it is huge this year [with the time spent to prepare for the audit].

- Chasing worker screening checks is time consuming. For example, on at least 2 occasions, we have had occupational therapists (OTs) ready to commence but still awaiting NDIS Worker Screening Clearance which has taken 3 months. There was significant time spent in following up the progress of this application (emails, multiple submissions of paperwork) so NDIS participants could be seen by these OTs.

- Workers screening checks are really challenging especially in Victoria. We have had people leave the sector because of the wait (this is particularly problematic for physiotherapists from overseas).

Q13. What do you see as the benefits and barriers to registration? If any, please provide more details?

Most common responses are captured in the table below:

Benefits	Barriers
• Fairness and social justice to deliver supports to ALL participants fairly and equally (regardless of level of risk, or plan management category). • Opportunity to review business processes and standards of service delivery during the audit process. • Opportunity to hear participants' feedback during the audit.	• Cost (of registration, audit, compliance). • Time. • Administrative burden and associated opportunity cost (= loss of revenue because of loss of billable hours) of time spent on administrative and compliance tasks. • Competitive disadvantage compared with unregistered providers. • Very little to no reward for being registered. • Stress of staff involved in the auditing process. • Little to no evidence that the registration process helps ensure or increase participants' safety and supports quality.

Participants' safety and quality of supports is paramount for our members. However, there is little confidence that this is achieved thanks to the registration and auditing processes as they are today. Overall, the cost / benefit analysis for registration doesn't hold, especially for small to medium providers which can't spread the cost. Many remain registered to be able to service all participants without discrimination.

Testimonials from members included:

- We are strong believers in social justice, which is the only reason we continue to be registered providers. This puts us at a significant disadvantage to our competitors who are unregistered, including economically and the time spent in preparing for audits.

- Being a large company we can absorb the cost of the audit fairly well. I don't think the audit costs are fair in terms of the size of the business and should be considerably less for small to medium size businesses. I have experience with both the certification and verification audits and I believe that only the certification audit has an impact on quality and safety as they scrutinize how you are implementing policies and processes at both organisational level and participant level. The verification process is a tick box of policies and really does nothing in regard to quality and safety of supports provided.

- The lost time on all the administrative processes is the greatest barrier. Both the day to day time lost, and the audit preparation time that is lost, and could otherwise be spent on serving our community. The preparation for the audit is significantly time intensive. The cost is a big cost to wear when our profit margins are low, for very little financial benefit – but the time lost is the most significant cost. Also the stress on the

team in preparation for the audit.
Another barrier is that it does not offer any advantage to us as a business to be registered. So any other service who is not registered can charge the same amount as us, provide the same service as us, but do not have to spend the time, resources and money on an audit process.

- Benefits are supporting the concept of a regulated industry. Barriers are that there are no direct benefits to our organisation. All expenses going up, including auditors' rates, yet NDIS rates have been stagnant and thus reduced in real terms. I can no longer justify the time, expense (and often distraction from core business) to complete audits and the registration process.

- We do recognise that safeguarding of NDIS participants is very important but the process is arduous. For what ends when it appears there are unregistered providers who are taking advantage of the participants and the system? Is registration the benchmark for quality? So, is the system meeting the needs of participants or is it creating an industry of people to carry out audits?

Further comments

In discussing questions 11 to 13, and assuming the aim of the agency is to increase the number of registered providers, the focus group raised the issue of how to incentivise providers' registration without penalising participants financially (a higher hourly rate for registered providers for example would directly penalise participants if it was taken from their budget) and without limiting choice and control.

We note that participants have expressed how important it is to them that there is a market of unregistered providers. This was particularly expressed by Dr George Taleporos in the article *NDIS Provider Registration: Our lives, our homes, our bodies, our choice*[4] which references an episode of his Reasonable and Necessary podcast[5]. This view is also supported by academic research[6] which shows how participants see the presence of unregistered providers as a way of maintaining choice and control.

The APA would welcome the pricing review to comment or make suggestions on these two aspects.

[4] Dr George Taleporos. (2023). *NDIS Provider Registration: Our lives, our homes, our bodies, our choice*. Available at https://www.linkedin.com/pulse/ndis-provider-registration-our-lives-homes-bodies-dr-george.
[5] Reasonable &Necessary with Dr George is available on YouTube.
[6] Dickinson H, West R, Yates S. (2022). *Unregistered NDIS providers are in the firing line – but lots of participants have good reasons for using them.* Findings available at https://theconversation.com/unregistered-ndis-providers-are-in-the-firing-line-but-lots-of-participants-have-good-reasons-for-using-them-196375

Labour Market

Q14. How have NDIS pricing arrangements and price limits assisted your ability to hire and retain workers compared to other sectors and the private market? Please provide evidence.

Unanimously, the focus group reports that NDIS pricing arrangements and price limits DO NOT assist their ability to hire and retain staff. Conversely, members report the price limits to be a hindrance for the recruitment and retention of staff, as the price limits limit their ability to offer attractive salaries that reflect the complexity of the supports delivered in a highly competitive market.

A member reported hiring less experienced staff however acknowledged this might be a false-economy as they incur high training costs.

Members were encouraged to provide evidence directly to the pricing review.

Further comments included:

- Our private revenues subsidise the NDIS price limited supports we provide and allow us to be competitive in the labour market. If NDIS price limits had increased in line with inflation over the last 4 years, we would be able to offer more attractive employment conditions.

- The only benefit is that there are significantly higher price limits for providing services to people in a remote location – there is no way we could provide our outreach services if we could not charge the significantly higher rate that is allocated for this service. If our clinic was solely based in a remote location, we would be doing much better financially than we currently are.

- Pricing limits make it challenging to be competitive in the current market. Complexity associated with NDIS participants means we need skilled clinicians, with higher wages. We are unable to compete with pricing and conditions available to bill private clients. We can't provide competitive wages or conditions because of the pricing limit. Job satisfaction is impacted by the time taken to write lengthy reports which are subsequently not read. Job satisfaction is also impacted by the lack of transparency with decision making, the lack of understanding of multidisciplinary roles by NDIA, leading to repeat plan reviews.
  Retention of staff: 10 staff departures over the past 12 months due to pricing arrangements. Our waitlist is 20-24 weeks - this is the new normal.

Q15. How have NDIS pricing arrangements and price limits assisted in meeting the sector demand and/or supply for NDIS supports? Please provide evidence.

Benefits from pricing arrangements and price limits to the provision of supports include:

- Ability to bill for non-face-to-face time;
- Ability to bill for travel;
- Ability to bill for cancellations.

However, members note that it would be preferable if the items above were made visible in participants' plans. In the absence of this being specified, there can be tensions arising from a misunderstanding of what capacity building budgets include. This is exacerbated by media coverage over alleged price gouging.

Beyond the level of the price limit, other limitations include:

- Inability to charge weekend rates while the employer has to pay penalty rates;
- Absence of funding for skilled migrants' relocation costs;
- Inability to provide small therapy items and consumables during consultations for participants in order to continue practice in natural environments or when with support workers and informal supports.

Q16. In your view, what is the best way(s) to address workforce issues?

There are many factors to take into consideration when looking at workforce issues (including housing and immigration for example) and many are beyond the scope of this pricing review.

The APA would welcome the opportunity to have an in-depth conversation with the NDIA regarding workforce solutions.

In the meantime, we would like to refer this review to the APA's Federal Pre-Budget Submission 203-2024, particularly the chapter on workforce[7], and to APA's Position Statement on Unregulated Allied Health Assistants.[8]

In the NDIS, the APA is particularly concerned by the risk of encroachment coming from unregulated emerging professions. We need to improve the utilisation of regulated disciplines and associated clinical leadership, and set up role parameters and supervision, and related funding – see APA's position on unregulated allied health assistants mentioned above. There is a lack of a national allied health workforce strategy encompassing needs assessments and targets for physiotherapy workforce growth. A coordinated approach is needed around prioritising skills planning including valuing skills and protecting scope.

Some workforce solutions relate directly to pricing:

a. Price limits indexed with CPI and WPI

Price limits indexation would help with budget certainty and service planning and would make employers more confident when hiring staff. Certainty and sustainability would allow practices to invest on staff education, and adopt innovative processes which would translate into higher-quality supports and service delivery.

Also, price indexation would demonstrate that the work of physiotherapists is valued, and the value recognised in the price. This would assist with both attraction and retention of staff.

[7] The APA's *Federal Pre-Budget submission 2023-2024* is available at https://australian.physio/sites/default/files/submission-2023-01/APA_Federal_Pre-Budget_Submission_2023-24.pdf

[8] APA's Position Statement on Unregulated Allied Health Assistants is available at https://australian.physio/sites/default/files/submission-2022-07/APA_UNREG_ASSISTANTS_A4_WEB.pdf

b. Paid student placement in disability and support for mentoring and training

Physiotherapists' readiness to deliver supports to people with disability doesn't just come down to their core physiotherapy skills but also comes from learning the psychosocial aspect of it. This is learnt through experience with support and guidance from experienced physiotherapists.

Physiotherapy practices need to be financially supported so they can host and supervise student placements, and to fund ongoing training and supervision of graduates and junior physiotherapists.

c. Attractions and retention packages for skilled migrants

Members report the difficulty to pay for the relocation of skilled physiotherapists from overseas. One member estimates the cost per physiotherapist from overseas at $25,000. Settlement costs have increased faster in the last year (especially around housing and vehicles). It takes between 2 and 4 years to recoup the initial investment – it is not guaranteed that the new hires will stay that long in the practice.

As asked in the APA's Pre-Budget Submissions, direct attraction and retention packages for skilled physiotherapists to work in the disability sector would help addressing workforce issues.

Non-related to pricing solutions include:

- Improve worker screening checks processes, especially for Ahpra-registered allied health professionals, including physiotherapists.
- Increase Commonwealth supported places for Australian students to enter allied health degrees.
- Allow international students who complete their allied health degrees in Australia longer than the 2-year post-graduate working visa they can currently access (a 4-year visa would be beneficial).
- Prioritise visa processing and reduce cost of sponsoring visas for employers seeking internationally trained therapists.
- Reinstate mutual recognition with New Zealand, Canada, the United States, and the United Kingdom.
- Improve childcare conditions (especially after hours – which is peak time for therapists to provide supports).
- Improve university curriculum to include awareness of the NDIS and the disability sector.

Additional comments

Based on content of the terms of reference, consultation paper and topics that arose from the focus group we would like to provide further comments.

Outcome-based funding

There is extensive literature that explains that solving the equation between outcome-based funding and providers' remuneration remains a significant challenge. A recent example of a paper exploring such challenges is the Deeble Institute's issues brief *A roadmap towards scalable value-based payments in Australian healthcare.*[9] The paper makes a number of recommendations regarding the initial steps that need to be taken in order to move towards including value-based payments. Potential negative effects are also well documented such as the risk that providers are led to choose to only treat 'easy cases' where there is certainty outcomes will be achieved efficiently enough to attract sufficient funding.

In Australia, to our knowledge, SIRA and TAC are the most advanced public funders in progressing outcome-based funding in a context where the goal is known and pre-determined: rehabilitation and return to work – generally in a cohort that is reasonably healthy before the event (accident) and don't have the complexity of a degenerative condition, secondary conditions and co-morbidities.

In any case, exclusions will be needed as some conditions by definition are resistant to outcomes especially degenerative ones, these participants and their therapists would be penalised in an outcome-based funding model.

We would welcome discussion around outcome-based funding and acknowledge significant work will need to be undertaken with both participants and providers to finalise support packages provided to participants and the remuneration received by providers.

An avenue that could be explored as a way towards rewarding outcomes, would be to work towards incentivising best-practice, both for participants and providers. The first step would be to work with physiotherapists to document and distribute evidence-based best practice guidelines for disability supports.

Market deregulation

The terms of reference indicate that "the long-term goal of the NDIA is to remove regulatory mechanisms from the markets for disability support."

The APA would welcome further information regarding which 'regulatory mechanisms' are referred to, and what would be an indicative timeline for this work to take place.

[9] Cutler H. (2022). *A roadmap towards scalable value-based payments in Australian healthcare.* Deeble Institute for health Policy Research. Available at https://ahha.asn.au/system/files/docs/publications/deeble_issues_brief_no_49_a_roadmap_towards_scalable_value_based_payments_final_0.pdf

At this stage, it is our view that a lot more maturity in the market is needed before moving to deregulation. We are particularly concerned that the access and planning processes need a lot of improvement, and that overall understanding of therapy supports, how they are delivered, best practices, and how they help participants achieve outcomes remains very low.

Suitability of the price guide

APA members often report difficulty in understanding the price guide due to its length and complexity. For example, there is no Therapeutic Supports Travel example in the Chapter related to Core Supports, which often leads to confusion whether travel can be billed when providing Disability related health supports from Core.

Our members also report that the price guide reflects a misunderstanding of the reality of supports delivery. For example, there is no incentive or proper provision to deliver supports in natural environment despite it being best practice.

As indicated at question 15, the price guide doesn't allow for the provision of small therapy items and consumables (such as theraputty, pencil grips, strapping tape) during consultations to participants in order to continue practice in natural environments or when with support workers and informal supports. This is usually allowed under other insurance schemes such as Department of Veterans' Affairs, Icare or Lifetime Care and Support Scheme (LTCS).

We note that the previous pricing review announced a review of Therapy supports, the APA is looking forward to contributing to it.

About the Australian Physiotherapy Association

The APA is the peak body representing the interests of Australian physiotherapists and their patients. It is a national organisation with state and territory branches and specialty subgroups representing more than 30,000 physiotherapists who conduct more than 23 million consultations each year.

The APA's vision is that all Australians will have access to quality physiotherapy, when and where required, to optimise health and wellbeing.