The NDIS – the role of assessments & evidence-based funding

The Productivity Commission’s final report on Disability Care and Support was a key agenda item at the COAG meeting held on 19 August 2011. The meeting agreed that a National Disability Insurance Scheme (NDIS) was an important part of reforming disability services in Australia and COAG is currently establishing a Select Council of Treasurers and Disability Services Ministers, chaired by the Commonwealth. This select committee will consider the Productivity Commission’s recommendations and provide an initial report to the first COAG meeting in 2012. Some of the Productivity Commission’s recommendations for establishing an NDIS are part of the current National Disability agreement and COAG has agreed to make these a priority. Developing a national assessment framework is one of these priority areas, along with developing national consistent service and quality standards, and a workforce strategy for the sector.

The challenge

One of the challenges in establishing an NDIS is to develop assessment approaches that ensure that decisions regarding funding are skills and needs-based, fair and equitable, and support long term viability of the scheme. Effective resource allocation methodologies deliver results in managing costs and liabilities. Best practice approaches to resource allocation address actuarial considerations and ensure funded supports act as enablers rather than barriers, supporting the use of person-centred planning and responses and people’s participation in all aspects of community life.

The key considerations

One of the key considerations in developing a robust approach to funding (resource allocation) is the use of a range of strategies. Successful approaches to resource allocation combine a range of approaches, a mixture of ‘art’ and ‘science.’ These two elements can be compared in the table below.

Table 1: Individualised assessment and planning and support needs profiling.

<table>
<thead>
<tr>
<th>Individual assessment and planning</th>
<th>Standardised assessment for support needs profiling</th>
</tr>
</thead>
<tbody>
<tr>
<td>ART</td>
<td>SCIENCE</td>
</tr>
<tr>
<td>Variably Structured</td>
<td>Standardised</td>
</tr>
<tr>
<td>Open questions and discussion</td>
<td>Closed questions to set items</td>
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<tr>
<td>Developed over time</td>
<td>Snapshot in time</td>
</tr>
<tr>
<td>Deeply involved with the individual</td>
<td>Essentially an assessment process</td>
</tr>
<tr>
<td>Information rich</td>
<td>Minimum information required for the task</td>
</tr>
<tr>
<td>Minimal statistical data</td>
<td>Statistically rich</td>
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Standardised assessments and person-centred planning yield different but complementary types of data and each informs the ongoing development of a statistical model. Standardised assessments yield data on which the statistical model can be built, enabling a population to be described and financial models of the support needs of that population to be developed. The financial model supports administrators in streamlined decision making - taking a low intervention approach to those
tracking as expected and focusing on managing exceptional circumstances. Data from person-
centred planning and participation outcomes enables the validity of the statistical model to be tested
and refined.

Person-centred planning ensures that the person’s needs, goals, and aspirations are the starting point of
planning, leading to consideration of a range of support strategies – funded support is one part of the
mix but not the whole answer. This approach ensures the focus remains on people as community
members, citizens, friends, and family members rather than as clients. The statistical model is used to
guide decisions regarding funded support that are consistent and robust.

A national model for resource allocation will ensure the long-term financial viability of an NDIS. Even
in a scheme that is initially well-funded, viability is not assured particularly because of the long-term
nature of key liabilities. Maintaining scheme viability through the development and use of a valid and
reliable resource allocation model avoids the undesirable control mechanisms such as rationed
services or tax increases.

Conclusions

- Successful resource allocation models are responsive to their context (social, economic,
  legislative)
- Well-designed upfront data collection enables the development of enhanced & more accurate
  actuarial models, as well as providing scheme level information on client outcome and
  performance reporting
- Appropriate resource allocation tools can enable administrative efficiencies – enabling
  streamlined decision making and leaving administrators to focus on managing complex
  circumstances
- Effective resource allocation models enable skills and needs-based, fair, equitable and
  sustainable decisions supporting long-term scheme sustainability
- Robust consistent evidence-based decision making processes make for more equitable
  outcomes, regardless of diagnosis or the causation of disability.

DCG Expertise

Dyson Consulting Group expertise in Australia and New Zealand includes:

- Development of statistical models informed by deep understanding of the disability sector and
  person-centred planning with Disability Services Commission, Western Australia and, with
  ACC Actuarial Services, the National Serious Injury Service - ACC (New Zealand)
- Internationally published work on assessments for statistical modelling for funds allocation
  and planning
- Advisor to government – resource allocation
- Expertise in the insurance and disability sectors in the implementation of person-centred
  planning.

Relevant Publications

1. Dyson, M., S.J. Duckett, and F.C.L. Allen, *Development of a therapy relevant casemix
classification system for school age children with disabilities*. Archives of Physical Medicine and
2. Dyson, M. and S. Canobi, *A long-term disability care and support scheme for Australia:
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