Successfully transitioning to the National Disability Insurance Scheme (NDIS)

Ten actions to improve readiness

Dyson Consulting Group

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TechnologyOne's mission is to provide our customers with solutions that transform their business and make their working life simple. We do this by embracing new technologies, building innovative products and delivering outstanding services. Our philosophy is to ensure simplicity for our customers by providing powerful, integrated enterprise software that is incredibly easy to use. We focus on participating in only seven key markets; government, local government, financial services, education, health and community services, utilities and managed services. With our commitment to these key markets we develop, market, sell, implement, support and run our preconfigured enterprise software solutions with the TechnologyOne difference – the Power of One – One Vision. One Vendor. One Experience.

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About this resource paper

This paper, *Successfully transitioning to the National Disability Insurance Scheme*, is the second in a series of Technology One resource papers about the NDIS.

The first resource paper, *Preparing for the National Disability Insurance Scheme: A straightforward guide for disability service providers*, gave an overview of the NDIS and what your organisation needed to know.

This second paper provides some practical ideas about how your organisation can successfully prepare for, and transition to, individualised funding and the NDIS. The topics covered relate to the issues and concerns raised by service providers during the TechnologyOne seminar series *NDIS: Business strategies for success*, facilitated by Dyson Consulting Group (DCG) in Brisbane, Sydney and Melbourne in late 2013.

Successfully transitioning to the NDIS

The successful transitioning of your organisation to the NDIS requires a multi-faceted approach. There is no part of your business that the NDIS, and individualised funding more broadly, will not affect. Maintaining 'business as usual' is unlikely to be an effective strategy for the majority of agencies.

International and Australian experience indicates that the transition is likely to take longer than anticipated, as it entails significant culture, workforce and service model, and business practice changes. So if you haven't already done so, it is important to start this transition now.

However, some agencies are unsure where to start and what they need to do. Below you will find some suggestions.

What should we do?

Your organisation needs a clearly articulated Action Plan that details how you will make the transition. This plan should be multi-pronged and be regularly reviewed.

As a minimum, the Action Plan should cover:

1. Engaging with the Board and senior management and reflecting and decision-making

2. Developing or modifying participant data management systems

3. Reviewing and developing effective business management practices and operations

4. Developing effective outcomes and reporting processes

5. Reviewing and adjusting workforce arrangements

6. Developing stringent cash-flow management processes

7. Creating marketing and information products

8. Continuing to focus on compliance

9. Reviewing services and supports

10. Looking for opportunities for partnerships.

The NDIS will affect every part of your business.

Action item #1: Boards and Senior Management

It is essential that the Board and senior management group are well informed about the NDIS, including its legislation and rules.

In particular they need to be fully cognisant of:

- Section 4, 24, 25 and 34 (principles, eligibility, reasonable and necessary supports) of the NDIS Act 2013.

- The NDIS Rules – particularly those relating to becoming a participant, the types of supports the NDIS will fund and the provider registration processes and requirements.

- The NDIS Price Schedules.

For more information on NDIS legislation, rules and price lists, visit www.ndis.gov.au

There is also a need for you to make time to discuss the potential impacts on your organisation and the participants and families you support. It is likely that this will be a time of uncertainty for many organisations but it also provides a good opportunity to reflect and review the organisation. This is essential to allow you to make the necessary decisions regarding your viability or service and support options.

You will also need to decide if you will register with the National Disability Insurance

Agency (NDIA) as a 'provider of support' and/or 'plan management provider'.

Action item #2: Client data management

The better you understand the needs and preferences of current and potential NDIS participants and their families the better business decisions you will make. You need to know the characteristics and needs of current and potential individuals and families. This information will also assist you to develop more individually tailored support models.

To operate effectively each agency will need a robust participant management system (that ideally is well integrated with your business systems). As a minimum the participant management system should include the following data:

- Details about the participant—contact details, age, gender, disability, support needs, complexity, preferences (e.g. preferred workers), alerts (e.g. worker safety, health issues)

- Types of services delivered to each individual (including when and where and by whom) and at what cost.

- Assessment and outcome reporting data.

It may be useful to also:

- Compare your current clients with the AIHW Minimum National Disability Dataset. This will give you a better understanding of whether they represent a typical cross-section or have more complex needs.

- Explore population and socio-demographic data in your current area and any areas you are considering for expansion.

- Consider conducting a needs analysis to better understand the types of services individuals and families would wish to purchase (as opposed to narrow service types based on funding streams) and the key things they look for when choosing a support provider.

Integrating your client management system with your other business systems can help you leverage and manage large amounts of data generated by the NDIS.

Action item #3: Business practices and systems

A robust business system that allows you to calculate your service costs is essential when operating in an environment of individualised funding. This should factor in direct and indirect costs. Regular and accurate statements and invoices will also need to be generated for the participant/nominee.

You will also need to decide if your organisation will use service agreements between you and the participant (or nominee). These agreements often detail:

- The services to be provided
- The costs of services and any additional charges
- The roles and responsibilities of the various parties (e.g. relating to issuing and paying invoices, notifications in changes to supports and support workers, complaints process, exiting process etc.).

If you are a registered NDIS plan manager you will need:

- 'Real-time' processes to accurately record the total amount of funds and expenditure (supports purchased either from your agency or others, equipment and other expenses) and the funds remaining.
- Robust processes to manage any potential conflicts of interest.

Action item #4: Outcomes and reporting processes

Under the NDIS there is an increased focus on reporting and monitoring participant outcomes. If you do not currently have systems in place, you will need to consider how you will do this. Some possible options include developing standard report templates and use of standardised outcome measures.

Outcome Standard tip

The Australian Bureau of Statistics (Disability, Ageing and Carers, 2003) has stated that any

framework for measuring outcomes in human services requires five steps:

1. Deciding the desired areas of individual or community change (the "desired outcomes")
2. Defining these areas and their parameters
3. Identifying the indicators of these changes by making pragmatic decisions about which phenomena will provide the greatest insight into these issues
4. Deciding how to measure these phenomena
5. Combining and reporting the information in a clear and concise way.

Outcome Standard tip

Health & Disability Auditing Australia *(Outcome Standards for Disability Services: Evidence Indicators, 2009)* references 16 life areas to assist service providers to focus on things that are important to people with a disability, their families and their carers. To support the life areas, there are a number of outcome standards with accompanying evidence indicators. Here is a short extract:

Outcome Standard: Individuality
Each individual has goals, wants, aspirations and support needs and makes empowered decisions and choices about their life.

Evidence indicators

1.1 People with a disability can access an independent support person to assist them with decisions and choices.

1.2 People with a disability can access information about other services and supports that may be of assistance.

1.3 People with a disability can access information in community languages and culturally appropriate formats.

Action item #5: Workforce arrangements

Your organisation needs a nimble workforce that provides the right types of supports at the time the participant chooses. The skills needed by workers may change.

In some cases, a diverse workforce (i.e. differing awards, qualifications) will be needed to provide the most cost effective option within the NDIS Prices Schedule.

Workforce arrangements will also change. This in part is due to less predictable cash flow combined with participant-driven demand. Greater use of part-time and casual workers is also likely. So you will need to identify the strategies you will use to explain these changes to your workforce and make any necessary changes to workplace agreements in place.

Workforce attrition is also possible, as some participants may decide to directly employ your workers. Some workers may also choose to set up their own business. Recruitment and retention strategies will be needed.

With workers operating more flexibly in the community, monitoring and supervising staff and record keeping can be an issue. Consider using mobile technology (phone-based, computer based or GPS systems), providing tablet computers and/or leveraging the trend towards Bring Your Own Device (BYOD).

Action item#6: Cash-flow management

In the new paradigm, 'Cash is king' and stringent cash management will be required. Like all businesses, it is essential that you have sufficient fiscal resources to cover your outgoings while at the same time receiving funding in arrears and possibly carrying bad debts. Some providers estimate that you will require at least three months cash flow on hand.

If significant fiscal issues exist, you may need to consider possible partners, merges or—in a small number of cases—ceasing operations. Unlike the old paradigm where some organisations with cash flow issues would sometimes ask government departments for additional funding, this will not be possible with individualised funding or under the NDIS.

Further, the move to the NDIS is likely to reduce your fundraising revenues. If current services are being propped up by fundraising dollars, you will need to review whether this is a sustainable business model and make any necessary adjustments.

A review of your assets will be warranted; use this information to develop strategies for what you will do if some assets are no longer required.

NDIS field workers can allocate costs instantly against clients, using TechnologyOne HR & Payroll mobile apps. This will flatten charge-out rates to avoid overtime burden on the last appointment of the day.

Action item #7: Marketing and information products

Traditional disability service marketing communications tend to focus on the organisation. This approach will no longer be effective. Websites and marketing products should provide a focus on the information that current and future clients will want to know. This includes what you offer, the costs and benefits of using your service, case studies demonstrating your experience, and so on.

Undertaking a thorough environmental scan of the current providers operating in your area (and any other areas that you may be considering expanding into) will also be helpful. This will allow you to identify service gaps, areas of overlap and key differences. When this information is combined with your knowledge about current and future participants, you can develop effective marketing processes and products based on your unique selling proposition.

While websites will be a major marketing tool, also develop other methods such as DVDs and hard-copy collateral, as there is evidence that not every participant is computer literate or has ready access to the internet.

Action item #8: Compliance

Registered NDIS providers will need to comply with relevant legislative and regulatory requirements. While the existing state systems (standards, complaints, safeguards and protections etc.) will continue it is likely that when the NDIS becomes national that these systems will change.

Action item #9: Service and support models

As you are aware, under the NDIS funding and supports will be individually tailored. When funding is no longer tied to program types but to client goals and outcomes, participants and providers have greater flexibility in what is provided, by who and when. So a review of your current service offerings will be needed and any necessary adjustments made to ensure that they promote choice, control and deliver individually tailored supports.

This does not mean that group-based options will cease. Group-based supports will continue to have a place, as they provide value-for-money for the participant and also sources of social support. Be aware, however, that it is possible that fewer participants will choose them.

Action item #10: Partnerships

While there is much focus within the sector regarding the competition that results from individualised funding and the NDIS, there are also many opportunities for forging effective partnerships. These may be formal or informal arrangements. These partnerships may be based on business practices (e.g. an organisation with good IT business systems may create invoices for another agency) or services and support arrangements. If your organisation decides that working in partnership could be useful, identify any possible partners and the focus/scope of this arrangement.

When scoping for partnerships, promote your most valuable points. This could be a strong brand, a particular speciality, a niche service, a geographical advantage or a robust IT system for managing NDIS administration.

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