Mental Health Council OF TASMANIA

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NDIS Thin Markets Project

Submission

Mental Health Council of Tasmania

31 May 2019

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Preamble

Submission author: Mental Health Council of Tasmania

The Mental Health Council of Tasmania (MHCT) is the peak body for community-managed mental health services in Tasmania. We represent and promote the interests of our members and work closely with Tasmanian Government agencies and Primary Health Tasmania to ensure sectoral input into public policies and programs. We have a strong commitment to enabling better mental health care access and outcomes for every Tasmanian. Our purpose is to improve mental health for all Tasmanians. Our vision is for all Tasmanians to have awareness of, and value, their mental health and wellbeing.

Introduction

MHCT welcomes the opportunity to respond to the NDIS Thin Markets Project Consultation. Our responses are informed by direct consultation with our members and relate specifically to Tasmania's Community Managed Mental Health Sector, in particular psychosocial supports within an NDIS context, rather than the State's disability sector more broadly. The submission is strongly informed by the expertise and experience of our members. MHCT consulted with service delivery member organisations, including the Tasmanian Mental Health Leaders Forum, who are familiar with the experiences of people with psychosocial disabilities accessing the NDIS. This Forum comprises organisations who are currently delivering the Partners in Recovery (PIR), Personal Helpers and Mentors Scheme (PHaMS) and Day to Day Living (D2DL) programs.

This submission is structured around MHCT members' interpretation of the consultation questions and how these distinctly relate to the Tasmanian Community Managed Mental Health sector.

As outlined in previous MHCT submissions such as the Submission to the Joint Standing Committee on the NDIS on Market Readiness for the National Disability Insurance Scheme, MHCT believes a range of interventions are urgently required to counter the market's clear lack of confidence and failure to grow. Potential solutions include the development of a long-term mental health workforce strategy that includes mental health peer workers; the addition of appropriately-priced specialist mental health supports within the NDIS price guide; funding to allow organisations to offer professional development to staff outside of NDIS service delivery; and funding to assist clients to travel to services or services to reach clients in isolated areas. These issues remain current and are now even more pressing.

The Tasmanian Context

By ABS definition Remoteness Classification, the whole state of Tasmania is considered regional and remote – we have geographical spread but not population density. Tasmania's population,

measured at 522,152 in 2017, is the smallest of any Australian state.[1] The Tasmanian population is widely dispersed in comparison to other states and territories; less than half of all Tasmanians live in or near the state capital, Hobart.[2] These two population characteristics negatively impact the provision of goods and services, including mental health services, within Tasmania. The first does not provide for economies of scale that are routinely achieved in other states. The second compounds the effects of poor scalability to create relatively poor access to services for many Tasmanians, since services tend to be clustered in highly populated areas, and most of Tasmania's satellite population centres are too small to ensure service viability.

Tasmania has relatively poor public transport infrastructure, with no passenger rail service and limited inter-regional bus services, which impacts on accessing services. Daily bus services provide connectivity between regional centres such as Hobart, Launceston, Burnie/Devonport, but regional public transport connectivity continues to worsen with bus services between Hobart and the west coast of Tasmania requiring an overnight connection through Burnie. Transport accessibility is further diminished by petrol prices which are consistently amongst the highest in the country.[3]

Tasmania's population reveals characteristic measures of disadvantage, some operating intergenerationally, associated with poorer population mental health:

- Educational status–in 2016, 38.3% of Tasmanians completed year 12 compared to the national average of 51.9% with 44% leaving school at year 10 or below.[4]
- Health literacy–36.6% of all Tasmanians have adequate skills to understand and use information on health issues such as drug and alcohol use, disease prevention and treatment, first aid and emergencies, compared to a national average of 40.5%.[5]
- The average Tasmanian household income in 2016 was the lowest of any state or territory and was 19% lower than the Australian average.[6]

[1] ABS, 2018, *Data by Region*, *2011-17*.
[2] In 2017, 229,088 people (or 43.9%) lived in Greater Hobart, with 293,064 people living in other parts of Tasmania. The average metropolitan to rest-of-state population load across other Australian states and territories is 69.6%, although there is wide variation between jurisdictions modelled on raw data from ABS, 2018, *Data by Region*, *2011-17*.
[3] For instance, a snapshot of 'cheapest available' fuel prices in Australian capital cities on 21 March 2019 indicated a cost of 137.7 cents/litre in Hobart compared to 133.4 cents/litre averaged across all states and territories; data drawn from Petrolspy.com.
[4] ABS, 2018, *Education and Work*. Data shows 2016 figures.
[5] ABS, 2008, *Tasmanian State and Regional Indicators* 'Literacy in Tasmania'. Data is from 2006, however, an analysis of general Tasmanian educational attainment using ABS data from 2011 and 2018 indicates a relatively small (less than 10%) upward shift over that period, making it unlikely that that health literacy has risen markedly since last measured.
[6] ABS, 2019, *Average Weekly Earnings.* Data shows 2016 figures.

Psychosocial support within the NDIS Framework

MHCT would like to highlight that high rates of NDIS application disengagement/refusal and/or difficulty choosing providers and programs are likely to be driven by factors specific to the psychosocial disability stream target cohort. Previous negative experiences may contribute to less confidence in mental health systems and supports and in clinical and non-clinical professionals; and the recounting of symptoms or experiences traumatic in itself may exacerbate or trigger an underlying mental health condition. The NDIS language of 'permanent disability' is directly opposed to contemporary mental health recovery approach, in which mental illness is characterised as a treatable, episodic condition from which recovery is both possible and desirable. The NDIS requirement to evidence permanent impairment is particularly problematic as it requires people to move from an identity state in which recovery is possible and desired, to an identity as a person who is largely defined by, and permanently disabled by, their illness. Moreover, once this mindset is adopted for the purpose of making a successful NDIS application, it is difficult to shift even if that application is unsuccessful. This leaves unsuccessful applicants at risk of poorer outcomes in relation to their recovery journey outside of the NDIS.

The NDIS in Tasmania

Given its regionality, relative isolation as an island state and population base, Tasmanians experience thin markets across a range of services and resources, and function within thin markets as a matter of course. This will especially be the case for psychosocial support provision delivered within the community.

At 31 March 2019 there were 1,459 registered NDIS providers in Tasmania, and of these, 30 per cent were active.[7] A breakdown of psychosocial support providers per region and service type would assist to identify thin market and service gaps. It would also assist NDIS providers and other state and regional stakeholders with business planning and risk management for this cohort.

In 2017-18, NDIS plan utilisation was 81 per cent of committed supports. There is a need to understand the reasons for underutilisation of plans. Currently there is little non-anecdotal information available to stakeholders to provide insight into whether underutilisation relates to specific regions of Tasmania or service types in rural and remote areas of Tasmania.

Tasmania is not yet a mature market as it is still undergoing transition into the NDIS. Until full transition has been achieved, the state is in 'uncharted waters' in terms of understanding and assessing market impact. The age cohort approach has meant that the NDIS only became

[7] COAG Disability Reform Council Performance Report - Tasmania 31 March 2019 https://www.ndis.gov.au/about-us/publications/quarterly-reports

available in 2018 for people with psychosocial disability in age cohorts where onset and diagnosis of severe and persistent mental health conditions are statistically higher. This means that the largest cohort with psychosocial disability are the last group to enter the scheme and therefore the market impact is still relatively unknown at this stage.

In Tasmania, transitioning into the scheme is an issue at this point in time – with many eligible individuals not yet opted into the scheme, still awaiting assessment for eligibility or awaiting the outcome of their plan assessment by the NDIS.

Current programs are still in transition into the NDIS. A report recently released by Community Mental Health Australia and the University of Sydney[8] illustrated that in Tasmania:

- There are 461 active NDIS clients who receive help from the Partners in Recovery (PIR) program. Of these there are 64 who have applied, 169 who are in the process of applying and 172 who either have not or will not apply.

- For the Personal Helpers and Mentors program (PHaMS), there are 278 active NDIS clients, 105 who have applied, 47 who are in the process of applying and 112 either who have not applied or will not apply. Seven clients of this program have been deemed ineligible for NDIS support.

- For Day to Day Living (D2DL), there are 233 active NDIS clients, 107 who have applied, 12 who are in the process of applying, and 114 who either have not or will not apply. For this program, 35 Tasmanians have been deemed ineligible and 45 are still awaiting an outcome.

[8] https://cmha.org.au/wp-content/uploads/2017/04/CMHA-and-University-of-Sydney-NDIS-Tracking-Transitions-Phase-2-Report-version-3.pdf

Responses in relation to Discussion Paper Questions

1. Where Tasmanian participants are experiencing thin markets issues now.

More research is needed to understand this further as the overall scope is difficult to determine at this stage. As well as the people known to the system in programs who are not yet to be transitioned into the NDIS, there are people who are new to the system that are not currently in the programs being transitioned. This makes it difficult to identify the full extent of thin markets in Tasmania, with some locations potentially experiencing a bigger demand for services than previously recognised.

Greater insight of the NDIS market, workforce and underutilisation of plans is required to build evidence to inform specific responses to the NDIS market in regions of Tasmania. While thin markets across Tasmania's regions may have common factors, a more localised, tailored response to workforce and market concerns in various regions is likely be more effective and sustainable.

The system is based on the concept of choice and control but there is little to no choice if services or providers are not available or accessible - also people can choose not to access support if there has been a negative experience with the only available provider in a particular location, for example.

It is well understood that there are logistical issues in face-to-face service delivery to rural communities and regional centres. Consultation undertaken by the MHCT for the submission to the 2018 Senate Community Affairs References Committee Inquiry into *Accessibility and quality of mental health services in rural and remote Australia* found that a lack of access to mental health services within these areas can then further increase the severity and prevalence of mental health conditions. Our consultation has shown that social isolation is a highly influential factor, impacting on the mental health of rural and remote Tasmanians. The consultation determined that 83 per cent of respondents indicating social isolation as a key contributing factor impacting on the mental health of individuals within Tasmania.

All of Tasmania (except for the Hobart area) is classified as a district of workforce shortage for psychiatry in accordance with the Australian Government's Department of Health Doctor Connect resource[9]. In addition to access to good quality and consistent mental health services, turnover of psychiatrists and psychologists can be an issue for continuity of care if the person has to start all over again. We can assume the above shortage of psychotherapeutic supports creates a greater demand for psychosocial supports in Tasmania.

One provider reports very limited access to services covered by low cost line items such as individual skill development in all locations.

[9] http://www.doctorconnect.gov.au/internet/otd/Publishing.nsf/Content/locator

Anecdotal information from State Government and the sector suggests there is, and will continue to be, an inadequate NDIS workforce and thin markets particularly in regional areas of Tasmania with lower population rates. There is information that suggests there is a thin market for allied health services in North West Tasmania and there is a real risk of market failure. However, there is little evidence available which could be used to support responses that are tailored to meet market and workforce concerns in all regions of Tasmania.

Within previous MHCT consultations on the impact of the NDIS in Tasmania, organisations indicated that as the funding for current community delivered psychosocial support programs transitions into NDIS—Partners in Recovery (PIR), Personal Helpers and Mentors Scheme (PHaMS) and Day to Day Living (D2DL)—there is an equivalent and increasing loss of staff. The sector is still in unchartered waters and it is unclear what composition of new or refined skill sets within the workforce may be required for change in service delivery. A number of our members said that they expect most program staff to turn over completely and they would require an entirely new workforce to come on board in order to deliver supports under the NDIS. Without the introduction of targeted strategies to retain staff and sustain organisations through this period of transformative change, there is a significant risk of losing much of the acquired skill and expertise within Tasmania's community managed mental health workforce, which further exacerbates existing thin market concerns and challenges.

> **Recommendation 1**: Implement a workforce strategy tailored to suit the unique needs and environments of Tasmanian regional, rural and remote communities. This strategy should include tailored solutions to addressing specialist workforce shortages, recruitment and retention whilst also upskilling the existing workforce to deliver the NDIS.

2. Factors impacting on organisations' abilities to operate in a thin market.

Ongoing viability of providers might be at risk until full scheme is reached and the sector can review and understand what the impacts may be. Some organisations engaging in the NDIS transition are currently operating at a loss, with a view to review participation in the scheme after 12 months. Losses can be attributed to price differences in delivering a service (including limited ability to recover travel costs associated with supporting participants in remote areas), workforce adjustment and realigning a business model which was designed around the block funding model and service delivery. This may lead to the withdrawal of services in certain locations and compound the issue of lack of choice within a 'provider choice' model.

MHCT has noted the effect the transition to the NDIS is having on the future of Tasmania's already limited market. Some specialist mental health service providers are reporting that they have elected not to offer NDIS services as they cannot operate at a loss, others indicating they

will reduce the number or type of services they offer. Anecdotally, services have already been withdrawn from some rural and remote areas in Tasmania, including outreach. A question remains about the survival and viability of many individual service providers but also over the specialist mental health sector as a whole.

> *We have been considering entering the market but due to the fee structure, the high cost of providing services to rural/remote regions, the inability to recover the costs of supervising and coordinating staff, the inability to recover the costs of professional development, and the low pay rate that would be offered to staff engaged in delivering services in this space (which would essentially attract lower skilled/qualified staff and lead to a greater need for support/coordination/training etc), we are not about to jump in tomorrow.* (Provider)

MHCT members also suggest that Tasmanian mental health service providers generally are under prepared for full scheme NDIS, due to the age-based, staggered introduction of the NDIS and a high number of participants either currently transitioning or yet to transition into the scheme. The uncertainty of an ongoing service stream is one of the major issues for providers in being able to establish services. There is the conundrum of not being able to establish services until there are known, funded consumers against consumers not being able to find established services when they have a funded plan.

Recommendation 2: To ensure service provider viability, consider a combination of block funding and NDIS provision for organisations operating in thin market regions.

Recommendation 3: Whilst acknowledging the NDIS pricing structure has been adjusted to help address the disconnect between unit prices and the Award rate of pay for qualified mental health workers there is still a shortfall therefore structured ongoing review is required.

Recommendation 4: Provision of financial assistance for business planning support to alleviate the administrative and compliance burden, such as the quality and safety framework, on providers.

3. Barriers affecting the availability of services, and the ability of participants to access services.

A major barrier to service availability is the ability to deliver services in rural and remote areas where there is a lack of economies of scale to do so. This also applies to other areas of Tasmania outside major urban areas where there is an onus on participants to travel to services, but acknowledging they are constrained by very limited public transport options. This

constraint impacts the ability of participants to attend appointments scheduled at certain times of the day such as first thing in the morning.

On entry into the NDIS, questions are being asked of participants with the expectation that they fully understand what is available to them in their location and that they are cognisant of the full range of services that may benefit them and that they would like to access. Currently, the primary focus is entering scheme and then what participants need is secondary. Choice and control under these conditions can be compromised.

Mental health service providers and MHCT members have reported feedback about the inconsistency between different areas of state or even within the same location of NDIS planning processes for people with psychosocial disability. Some participants secured large individual packages and others with similar experiences and clinical histories were deemed ineligible or secured small packages only. It was surmised by providers that planners may not have a consistent skill base, localised knowledge of what is available in particular areas, or may not apply the same assessment criteria in relation to psychosocial participants.

Other feedback reported is that social and geographical isolation has meant some participants are unable to utilise a plan once approved as there are no services available in the area. Moreover, there have been examples where the plans of participants with a mental illness have been significantly reduced on review, reinforcing the perception of participants and providers that the episodic nature of many mental health conditions means participants will lose their funding if it isn't utilised within the set plan period.

> *Participants with well resourced plans are not engaging with services due to fear of an unknown service, early let downs from newly engaged services and/or the episodic nature of their illness.* (Provider)

The reluctance of consumers to engage needs to be considered in conjunction with the 'thin market' issue. For example, the ability of participants to access services is impacted by the type of supports they have access to. A significant level of support is provided by families and carers and there has been a reported lack of engagement or recognition with these cohorts by the mental health sector and the NDIS. Families, friends and carers still report lack of knowledge and understanding of how the NDIS works, how to access the NDIS, and how to support the person they care for if that person is reluctant to test their eligibility or undertake the rigorous and somewhat onerous process to apply for an NDIS plan. Given that carers provide a great deal of face-to-face support for friends or family members living with mental illness, they are often the best resource to support a reluctant consumer.

For the MHCT submission to the Inquiry into Accessibility and Quality of Mental Health Services in Rural and Remote Australia, survey respondents highlighted a number of reasons why rural and remote Tasmanians access mental health services at a much lower rate. Whilst geographical location is an obvious barrier for many, 82 per cent of respondents also identified

having limited access to a range of services as a challenge, with another 78 per cent of respondents highlighting the challenge of knowing what supports are available. Additionally, over 50 per cent of our respondents indicated other impediments including service costs, admitting and recognising a need for support, and transport to services as other stated challenges. Further to this, anecdotal evidence from our consultation suggests that often access to GPs in rural and remote areas may be limited, and that GPs who are available may not always be equipped and skilled to deal proactively with mental health concerns.

Other barriers to access include:

- Providers being asked to subjectively approximate how many sessions a person will need within their plans which could be at the detriment to the client if they need to access more.
- Consumers hold off applying due to planning barriers, negative experiences/stigma or a perception that their condition/circumstances/episodic nature of mental ill health may mean they are not eligible.

Recommendation 5: While there are separate Price Guides for Remote (20% higher) and Very Remote (25% higher) areas, there is no additional loading applied for service providers delivering services and supports in regional areas - this needs to be considered to address provider viability and potential market failure.

Recommendation: 6 Under-utilisation of plans needs to be understood as a priority to better determine what the barriers are and how these can be addressed.

Recommendation 7: Consistent information made available to participants and their carers in regards to the services that are available and they are entitled to.

Recommendation 8: Additional resources should be made available to organisations supporting hard to engage psychosocial cohorts through NDIS pre-planning and transition.

4. Short-term and long-term approaches that would best address thin market issues for organisations.

Member organisations voiced that there is the fundamental issue of the concept of market principles being applied to human services as the characteristics of individuals and their context/history are not taken into account. The principle of consumer choice is undermined if the market cannot provide what people want or need to access in their location. Consumers need a complete picture of the full range of supports that should be available to them in their location; and what they cannot readily access will identify the extent of the thin market.

Short term approaches that would assist organisations:

- An extended transition period.
- A mechanism to raise a flag around risks where there are provision issues for specific clients or in particular locations.
- Additional resources for organisations to prepare clients to submit a plan.
- A faster turnaround of and more consistency in plan approvals to assist organisations in planning more effectively for the delivery of services.

The following issues need to be addressed for organisations in the longer term:

- Appropriately skilled planners working in collaboration with organisations who can provide feedback on clients plans.
- Assistance with business planning support.
- Consideration of increasing pressures on families and carers as barriers such as distance to accessing services for people in their care can in turn affect their own mental health – more education and support is needed.
- Design and implementation of a workforce strategy to address workforce shortages to deliver NDIS services, including recruitment and relocation challenges.
- Ongoing review of the pricing structure which needs to reflect a layer of complexity of need – low to complex, as well as location and workforce elements.
- Choice and control from a service provider perspective, including assistance to remain viable under a mixed funding model (i.e. block/individual).
- Requirement for support coordination – thin market barely being provided at all and in a diminishing market.
- The real risk of market failure and viability of the system as a whole. There is likely to be geographic failures where outlying areas will fail first. There is no provider of last resort therefore reliant on family or state system Emergency Department to fill the gap.
- Ways to provide services other than face to face has not been explored enough. Education is needed as to what is available and how it could work.

Recommendation 9: Alternative delivery models (for example: telehealth) services could be further explored further.

Recommendation 10: Special considerations or additional incentivisation for providers to support organisations to remain within the scheme.

MHCT Recommendations

Recommendation 1: Implement a workforce strategy tailored to suit the unique needs and environments of Tasmanian regional, rural and remote communities. This strategy should include tailored solutions to addressing specialist workforce shortages, recruitment and retention whilst also upskilling the existing workforce.

Recommendation 2: To ensure service provider viability, consider a combination of block funding and NDIS provision for organisations operating in thin market regions.

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Recommendation 6: Under-utilisation of plans needs to be understood as a priority to better determine what the barriers are and how these can be addressed.

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Recommendation 10: Special considerations or additional incentivisation for providers to support organisations to remain within the scheme.

MHCT would welcome the opportunity to provide further information on any aspect of this submission. Submission prepared by Jackie De Vries, Sector Reform Project Officer.

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