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Dear Annual Pricing Review Team

Australian Psychological Society Submission to the NDIS Annual Pricing Review 2023–24

The Australian Psychological Society (APS) welcomes the opportunity to provide a submission to the NDIS Annual Pricing Review 2023–24. As the peak body for psychology in Australia, we are dedicated to advancing the scientific discipline and ethical practice of psychology in the communities we serve to promote good psychological health and wellbeing for the benefit of all Australians.

This submission is informed by a targeted consultation of APS members who are currently providing NDIS psychology services. Forty-six members across Australia took part in this consultation, which was based on relevant questions in the Provide Consultation Paper. Virtually all members (98%) worked in a private practice setting. Half of members consulted provided NDIS therapy supports, while the remaining half provided both therapy supports and early childhood supports. We have included selected verbatim quotations from members in relation to their experience of providing NDIS services, and the challenges that they are experiencing under current economic conditions and the constraints of current pricing settings. The submission below follows the structure and questions of the Provider Consultation Paper as relevant to psychologists.

Market environment and influences

How have psychologists responded to recent economic conditions, like inflation and rising interest rates?

A substantial majority of members consulted identified that difficult economic conditions were impacting their ability to provide NDIS psychology services. Many members noted that they were previously charging less than the NDIS price limit for psychology services but had to increase their fees, including up to the fee limit. Other members reported being constrained by the price limits and had little option but to reduce their practice costs – including cutting resources which allowed them to practice effectively. A smaller group of members reported considering moving to self-managed participants only in order to be able to charge what is required to keep a practice running.

Members were acutely aware of the economic challenges facing participants and therefore sought to temper any price increases by bearing the cost themselves as much as possible. In addition to sacrificing necessary expenses (e.g., professional development, staff training or supervision), members reported that they were now working more hours – both billable and unbillable – to make ends meet.

"I have not raised my prices due to the financial difficulties clients are experiencing."

"Trying to keep fees for clients stable — at my cost."

"We have had to downsize and relocate from our previous practice premise of 18 years as we could no longer absorb the costs of running that clinic. We did not want to but changes in economic conditions especially over the last 3 years made it impossible to wear the costs, due to no increase in Medicare funding for over a decade and insufficient funding for NDIS services."

The APS is very concerned that psychologists are having to bear the burden of difficult economic conditions at increasing cost to their professional and personal wellbeing. Evidence from this consultation suggests that psychologists' endeavours to maintain continuity in their provision of treatment supports is unsustainable without targeted and meaningful pricing reform. The experience from our members is also at odds with the harmful myth that psychologists are self-interested and disconnected from their communities. The reality is that psychologists are deeply invested in the wellbeing of participants and the broader community, but are prevented from providing the services needed due to misaligned pricing and regulatory settings.

What is the primary business risk that psychologists are concerned about? How are psychologists preparing for this challenge?

Members identified that the primary business risk they face is related to the uncertainty of NDIS funding, both specifically in relation to psychology services and in relation to the direction of the NDIS more generally. Members consistently pointed to the trend of psychology supports being cut from participants' plan as an indicator that psychology is not valued within the NDIS. The frequent substitution of cheaper – but inappropriate – support items means that the availability of ongoing funding is not assured, affecting business planning and motivation.

"There is also a current issue of clients having psychology underfunded or no longer funded at all — despite the client benefiting from it and it being recommended by other support professionals like OTs or speech therapists. If this continues, the risk is that we can no longer effectively help clients achieve their goals."

"Concerns that NDIS will stop funding Psychology as many participants have had their Psychology funding cut completely or reduced to monthly. At present not taking new NDIS clients and attempting to fill books with Medicare/private."

"If NDIS do not follow the current economic climate, unfortunately I will not be able to see new clients with this funding."

Members reported adjusting their business practices accordingly, including by reducing or ceasing the intake of NDIS participants in order to preserve the viability of their practices.

Members also identified downstream business risks and adverse consequences following from the insufficient funding for NDIS psychology services, including the professional burnout of psychologists and problems with retention. The consultation indicated that there are increasing rates of psychologists moving out of disability work as a result of pervasive uncertainty, financial unsustainability, limited autonomy and over-regulation.

Registered providers also noted the business risks of maintaining their registration, noting that the regulatory burden of registration was prohibitive and felt punitive:

"Having been a registered provider for 10 years it feels as though service providers are being punished for providing service provision in this space as have to meet more requirements than non-registered providers and the costs of this is not reflected in NDIS hourly rates."

Finally, members noted the ongoing financial pressures faced by participants created business risks, but still sought to find ways to provide necessary and regular services wherever possible. While this speaks to the ethical and professional commitment of psychologists to the NDIS, it is lamentable that psychologists are essentially paying for this level of support out of their own pockets:

"[The major business risk is] patients who cannot afford to pay for frequency of sessions clinically required. I will adjust fees to meet their needs."

Do provider organisations currently have any vacancies for psychologists? If so, what proportion of the potential psychology workforce do these vacancies represent?

Of the smaller proportion of members who responded on behalf of their practice/organisation (20%), two-thirds reported that their practice/organisation had vacancies for NDIS psychologists. These vacancies represented just under half of the psychologist FTE load in that practice or organisation, translating to approximately 3 FTE across an average practice size of 8 psychologists.

Therapy Supports

Have there been significant changes to the costs of delivering NDIS psychology services over the past 12 months? If yes, please provide additional information.

A majority of members consulted reported that their costs of delivering NDIS psychology services have increased in the past year. Members pointed to several factors which affected the cost of providing NDIS psychology services:

- A reduction in active and predictable client load due to NDIS participants being denied funding for psychology supports;
- That the complexity of NDIS participants has increased over time, requiring more out-of-session and non-billable time in treatment planning, liaison with other providers and professionals, and report writing;
- A reduction in billable time due to increasing non-billable administrative burdens and an increasing proportion of participants requiring internal review or AAT review (due to psychology supports not being funded);
- Increasing administrative and compliance costs (e.g., registration costs and audits); and
- General increases in the cost of running a business (e.g., staff wages, rent, utilities and materials) while NDIS fees have remained static.

Do psychologists offer therapy supports/early childhood supports to non-NDIS participants?

Yes.

What is the proportion of NDIS participants and non-NDIS participants that psychologists typically see?

Across members who were consulted (noting that these are psychologists who are currently providing NDIS services, which is a subset of all psychologists), NDIS participants accounted for 55% of their clients, with a further 5% being NDIS applicants. Non-NDIS clients accounted for the remaining 40%, on average. No member reported providing therapy/early childhood supports exclusively to NDIS participants.

Looking more closely, there was significant variation amongst members. There was a group of members who primarily provide NDIS psychology services (with 37.5% of members for whom NDIS

participants accounted for 70% or more of their client load), and those who mainly provide psychology services under other sources of funding (e.g. Medicare) but also see some NDIS participants (with 33% for whom NDIS participants represented less than 30% of their client load).

As noted above, members have reported reducing the proportion of NDIS participants that they see because of funding and regulatory pressures.

What is the typical duration of these appointments compared to appointments for NDIS participants?

Based on members' responses, the median duration of psychology appointments for both NDIS and non-NDIS participants is 60 minutes. There was no statistically significant difference between the two client types.

How much do psychologists charge for NDIS appointments?

The median fee that members reported charging for NDIS participants for an average session is, as expected, the NDIS price limit of \$214.41. There was greater variability in the fees charged for non-NDIS participants.

"Psychology is very important for my clients. A lot of my clients have been told to figure out ways to reduce their frequency of psychology because our fees are high. I believe our fees are high because we are of value. We should not be replaced by lesser qualified [providers] when our clients need us."

When determining the hourly rate charged for NDIS participants what factors do psychologists consider, and are these considerations different when determining the rate for non-NDIS clients?

In determining their NDIS fees, members pointed to the additional complexity and administrative load of working with NDIS participants (e.g., report writing, liaison with other providers and planners, the costs of providing sessions outside of business premises, and administrative costs associated with compliance and registration requirements). However, members also felt constrained and undermined by not only the price limits but also the insinuation that psychologists should charge less than what is a reasonable amount for their services.

"The current [NDIS] hourly rate does not meet the cost of running my practice, and I take a significant drop in income to work with NDIS clients. All my other fee-paying clients are subsidising the Federal Government and NDIS clients."

"NDIS reports are more complex and take longer to write than the fees charged for providing these reports. It is often necessary to communicate with other support staff such as the support coordinator, carers, occupational therapists, speech pathologists etc. There is a lot of extra time (phone calls / administration) that I do not charge for."

"I am concerned and insulted that [NDIA] are then saying if we charge more than for our private clients we are being unreasonable - when the pricing itself is unreasonable and we are working with multiple flawed systems and doing our best to provide a service to clients."

Many members noted that they charged the NDIS price limit defensively "to avoid accusations of overcharging", in the words of one member.

Members also spoke of the need to maintain equity of service – by absorbing as much of the additional costs as possible – as part of their ethical and professional obligations and service to their communities. The allegation that NDIS psychologists, as a whole, are overcharging, or that psychology services are unnecessary, is therefore particularly insulting.

"Clients get the same level of quality and support regardless of complexity, therefore funding route does not change my fee. However, admin time is increased for some clients where liaison with plan managers, support coordinators, support workers etc or where review of NDIS plans or drawing up of service agreements are needed I do not charge separately for this."

Cancellations

What are psychologists' cancellation policy (notification period and charges) for NDIS participants?

85% of members reported having a cancellation policy for NDIS participants. Of these:

- 38% required 24 hours' notice for a cancellation;
- 34% required 48 hours' notice;
- 11% of members had a tiered cancellation policy, with different fees payable depending on the time (typically 100% within 24 hours and 50% between 24–48 hours); and
- 17% of members charged for same-day cancellations only.

Importantly, just 40% of these members who specified a cancellation policy noted that they apply their cancellation policy flexibly. For example, many members did not charge a cancellation fee if the participant could be rescheduled or if their allocated time could be filled by another client. Other members did not charge a cancellation fee if the participant was ill or had other extenuating circumstances.

The remaining 15% of members said that they did not have a cancellation policy because it was not necessary (i.e., they had very few cancellations) or were happy to arrange another session on a discretionary basis. Most psychologists said that the same cancellation policy applied across all client types (NDIS and non-NDIS).

"I can't have a cancellation policy. Most of my clients attend except if they are really unwell or have a clashing appointment or have to go to hospital. I create flexibility in my schedule to allow for the clients who struggle to plan and organise their transport (if they do not have support workers). I have clients who experience a myriad of secondary complications which means some days they have seizures etc so they cannot attend the session."

"I allow clients to cancel 1 appointment per year, at the last minute, without financial penalty."

How often do psychologists face short-notice cancellations or no shows on average?

Cancellations by NDIS participants were relatively infrequent, with two-thirds of members reporting that they occurred in less than 10% of scheduled appointments. A further 29% noted that they occurred occasionally, between 10–30% of scheduled appointments.

"They [participants] don't really cancel. People are defensive about their money as NDIS has seemingly cut so much funding out of them."

"We don't experience [cancellations] very often because our waitlist is about 2 years and has been that for the last two years. So once we start working with families they rarely disengage or cancel."

The cancellation rate for NDIS participants was slightly higher than for non-NDIS participants, where 79% of members reported that cancellations occurred in less than 10% of scheduled appointments (as opposed to 67% for NDIS participants). Members attributed the higher cancellation rate to NDIS

participants' intersectional complexities, rather than identifying any differences in motivation, engagement or benefit.

What approach do psychologists take when a participant has an unusually high frequency of cancellations?

In line with the flexibility and compassion that psychologists show to participants who need to cancel or reschedule their sessions, members said that they would address frequent cancellations with the participant to explore what is going on and if there are other personal or contextual factors which affect the provision of supports.

"We discuss if the session time/arrangement works for them and if there are any adjustments we can make This is a very rare occurrence in my clinic."

"I will also look at changing the frequency of the sessions – perhaps it is too often, especially if they have to organise transport. If I know they tend to become unwell then we talk about how we can organise a telehealth at short notice and I let them know my parameters around that. Sometimes, especially last few years, a lot of my wheelchair users struggled to come into the office with the rain."

Beyond this, and as with any client (regardless of funding source), psychologists will consider terminating their services if a workable arrangement cannot be found and if it is within professional and ethical parameters to do so. Psychologists are mindful of their waitlists and the need to provide much needed services to as many members of the community as possible.

What service offering do psychologists have as an alternative to short notice cancellations?

Members overwhelmingly identified telehealth as the primary alternative to short-notice cancellations, but noted that in most cases this would not be a genuine alternative. For example, if a participant is unwell then a telehealth appointment would generally also not be feasible and the session would need to be rescheduled.

Members noted that direct participant contact was only one part of their services under the participant's plan and would engage in other required activities if the participant was unable to attend for a scheduled appointment. These activities could include liaison with schools or other services, providing parent support or team training, or following up with the care team.

Thank you again for the opportunity to provide a submission to the NDIS Annual Pricing Review 2023-24. If any further information is required from the APS, I would be happy to be contacted through our National Office on (03) 8662 3300 or by email at: z.burgess@psychology.org.au

Yours sincerely

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The APS would like to acknowledge and sincerely thank the members who so kindly contributed their time and evidence-informed knowledge, experience and research to this submission.