



ADA WoA Inflation Update

May 2024

Analytics, Data and Actuarial (ADA) Division



Introduction

ADA analysis indicates that most of the historical intraplan inflation observed in the Scheme over the 12 months to February 2024 was driven by a relatively small group of participants, with about **25,000 participants driving 62% of intraplan inflation**, and of those, **3,500 participants driving 42% of intraplan inflation**. These are referred to as the **'high inflation' cohorts** for this pack.

ADA were tasked to further investigate these groups, including splits of this cohort by:

1. SIL status
2. Intermediaries (Plan Manager/Support Coordination)
3. Streaming
4. Age
5. State/Geography
6. Plan size

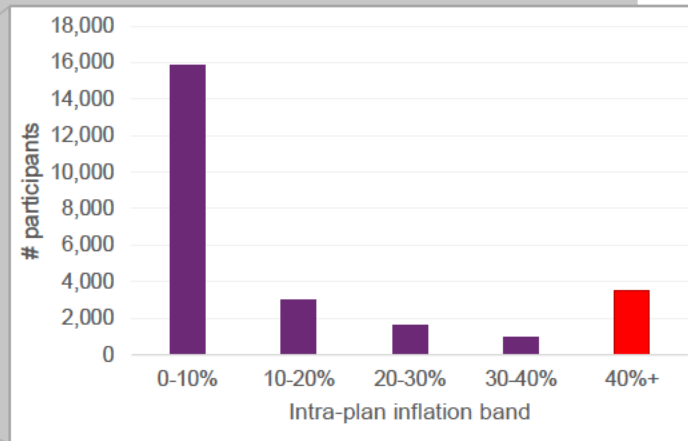
Table 1: Intraplan inflation (excl. price indexation) in 12mths to Feb24 by age band and plan budget

Age	Annualised Plan Budget	# of participants	%	12mth Intra-Plan Inflation net of indexation	%
0-14	0-\$200,000	26,828	27%	\$239m	7%
	\$200,000+	1,052	1%	\$101m	3%
15+	0-\$200,000	47,314	47%	\$902m	27%
	\$200,000+	24,973	25%	\$2,061m	62%
Total		100,167	100%	\$3,304m	100%

Over the 12 months to Feb24, intraplan inflation was driven by a relatively small group of participants aged 15+ with annualised plan budgets of over \$200,000.

This group of ~25,000 participants made up 62% of the observed intraplan inflation (excl. price indexation effects).

Chart 2: Selected group of participants with by intraplan inflation band



Of this group of ~25,000 participants, around two-thirds (67%) of the intraplan inflation was driven by a small group of around 3,500 participants who had high proportional intraplan inflation, of 40% of more.



1. SIL Status

	# Participants			Intra-plan inflation			Intra-plan inflation Rate	
	SIL	Non-SIL	% SIL	SIL	Non-SIL	% SIL	SIL	Non-SIL
High Contributor Group (~25,000 participants) <i>(Age 15+, Annualised Budget \$200,000+, >\$1 intraplan inflation over 12 months to March 2024)</i>	12,351	12,584	50%	\$975m	\$1,043m	48%	16%	23%
High Inflation Rate Subset (~3,500 participants) <i>(Age 15+, Annualised Budget \$200,000+, 40%+ intraplan inflation over 12 months to March 2024)</i>	1,424	2,091	41%	\$628m	\$727m	46%	90%	96%
All active participants at Feb24 <i>(Age 15+, Annualised Budget \$200,000+, ~60,000 participants)</i>	33,378	27,843	55%					

- Given the annualised budgets of \$200,000+, a relatively high number of SIL participants is expected in the two ‘high inflation’ cohorts.
- 50% of the high contributor group are SIL participants and 41% of the high inflation subset being identified as SIL. This compares with 55% of active participants in the Scheme under the same age and budget criteria identified as SIL.
- Therefore, ‘high inflation’ cohorts driving intraplan inflation skew toward non-SIL participants.
- Marginally higher rates of intraplan inflation are also observed for non-SIL participants in both cohorts.



2a. Intermediaries – Plan Management* (1)

	% of Participants				Intra-plan inflation				Intra-plan inflation Rate			
	Self Managed Fully	Self Managed Partly	Plan Managed Partly	Agency Managed	Self Managed Fully	Self Managed Partly	Plan Managed Partly	Agency Managed	Self Managed Fully	Self Managed Partly	Plan Managed Partly	Agency Managed
High Contributor Group (~25,000 participants) <i>(Age 15+, Annualised Budget \$200,000+, >\$1 intraplan inflation over 12 months to March 2024)</i>	3%	7%	80%	11%	\$30m	\$113m	\$1,725m	\$149m	14%	16%	20%	12%
High Inflation Rate Subset (~3,500 participants) <i>(Age 15+, Annualised Budget \$200,000+, 40%+ intraplan inflation over 12 months to March 2024)</i>	2%	5%	87%	7%	\$17m	\$66m	\$1,179m	\$93m	82%	94%	93%	91%
All active participants at Feb24 <i>(Age 15+, Annualised Budget \$200,000+, ~60,000 participants)</i>	2%	6%	75%	16%								

- There is a significantly higher concentration of plan management in the selected 'high inflation' cohorts (80% and 87% with at least partial plan management) than Scheme average group with comparable budgets and ages (75%).
- Analysis suggests participants who are at least partially plan managed see higher rates of intraplan inflation than participants in other plan management types.

*Note: a hierarchical approach is used to categorise participants into these plan management categories, which is generally expressed as Self-Managed being the highest in the hierarchy, followed by Plan Managed, then Agency Managed.



2a. Intermediaries – Plan Management* (2)

- The top 20 plan managers for the 'high contributor' group (~25,000 participants) is shown in the table to the right.
- Most (19 of 20) of these plan managers are also in the top 20 for the high inflation subset (~3,500 participants).

#	Plan Manager Name	# Participants	Average Intraplan Inflation per participant
1	s47G - business information	1,685	\$88,792
2		1,318	\$94,102
3		1,004	\$70,017
4		792	\$83,810
5		646	\$94,618
6		466	\$93,989
7		542	\$75,210
8		469	\$79,661
9		417	\$83,479
10		387	\$88,212
11		371	\$87,715
12		408	\$71,547
13		279	\$100,864
14		274	\$92,412
15		232	\$94,726
16		127	\$159,139
17		228	\$86,818
18		177	\$105,275
19		126	\$140,518
20		124	\$123,385

*Note: a hierarchical approach is used to categorise participants into these plan management categories, which is generally expressed as Self-Managed being the highest in the hierarchy, followed by Plan Managed, then Agency Managed.



2b. Intermediaries – Support Coordination

	# Participants			Intra-plan inflation			Intra-plan inflation Rate	
	With Support Coordination	No Support Coordination	% with SC	With Support Coordination	No Support Coordination	% with SC	With Support Coordination	No Support Coordination
High Contributor Group (~25,000 participants) <i>(Age 15+, Annualised Budget \$200,000+, >\$1 intraplan inflation over 12 months to March 2024)</i>	22,126	2,809	89%	\$1,796m	\$222m	89%	18%	21%
High Inflation Rate Subset (~3,500 participants) <i>(Age 15+, Annualised Budget \$200,000+, 40%+ intraplan inflation over 12 months to March 2024)</i>	3,091	424	88%	\$1,201m	\$155m	89%	92%	97%
All active participants at Feb24 <i>(Age 15+, Annualised Budget \$200,000+, ~60,000 participants)</i>	54,596	6,625	89%					

- The 'high inflation' cohort are have high levels of involvement with intermediaries, with around 90% of individuals receiving support coordination services. This may be expected given the high-needs nature of this group, as similar proportions are seen for comparable active participants with similar budgets and ages.
 - Around 54% of **all** participants aged 15+ are receiving support coordination supports.
- Of those receiving support coordination, the majority (~90%) received Level 2 support coordination, similar to overall support coordination use in the Scheme.
- The 10% of the 'high inflation' cohorts who did **not** receive support coordination had similar proportional contributions to intraplan inflation and did not appear to have significantly different average intraplan inflation rates (and were in some cases marginally higher).



3. Streaming Type

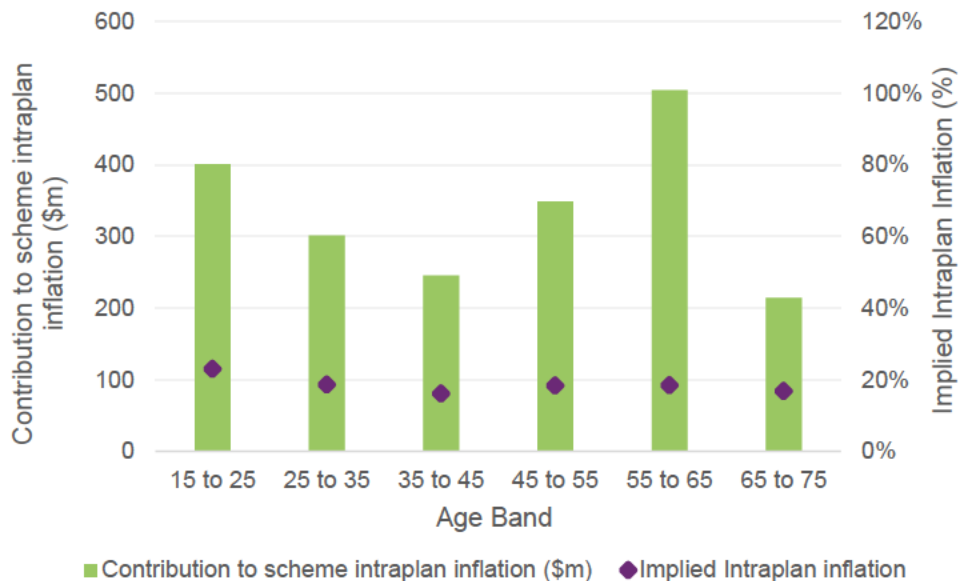
	% of Participants						Intra-plan inflation Rate					
	General	Supported	Intensive	Super Intensive	Complex	YPIRAC	General	Supported	Intensive	Super Intensive	Complex	YPIRAC
High Contributor Group (~25,000 participants) <i>(Age 15+, Annualised Budget \$200,000+, >\$1 intraplan inflation over 12 months to March 2024)</i>	4%	10%	58%	16%	10%	2%	22%	18%	17%	19%	24%	26%
High Inflation Rate Subset (~3,500 participants) <i>(Age 15+, Annualised Budget \$200,000+, 40%+ intraplan inflation over 12 months to March 2024)</i>	4%	9%	54%	17%	14%	2%	88%	85%	89%	96%	102%	102%
All active participants at Feb24 <i>(Age 15+, Annualised Budget \$200,000+, ~60,000 participants)</i>	3%	9%	61%	17%	9%	1%						

- For the participants in the 'high inflation' cohorts, the majority were streamed as 'intensive' (54% and 58%). This is within expectation for this group, overall active participants at similar ages and budgets had similar proportions in this stream (61%).
- We observe **higher numbers of complex stream** participants, particularly for the 'high inflation rate subset' of 3,500 participants, than comparable participants in the overall Scheme.
- Further, those in the complex stream had **higher rates of intraplan inflation** than those in other streams (noting small numbers of participants in YPIRAC mean that results for this category may not be reliable).

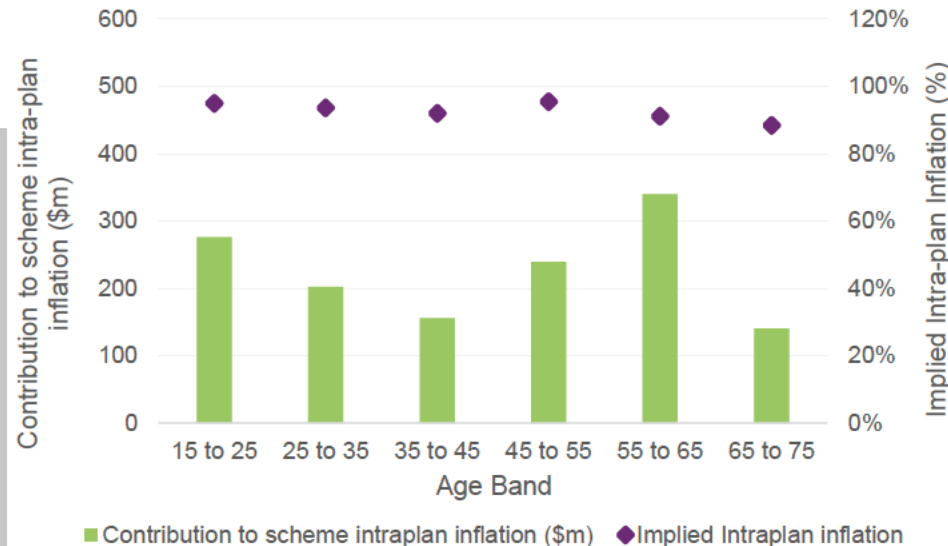


4. Features by age

High Contributor Group
(Age 15+, Annualised Budget \$200,000+, ~25,000 participants)

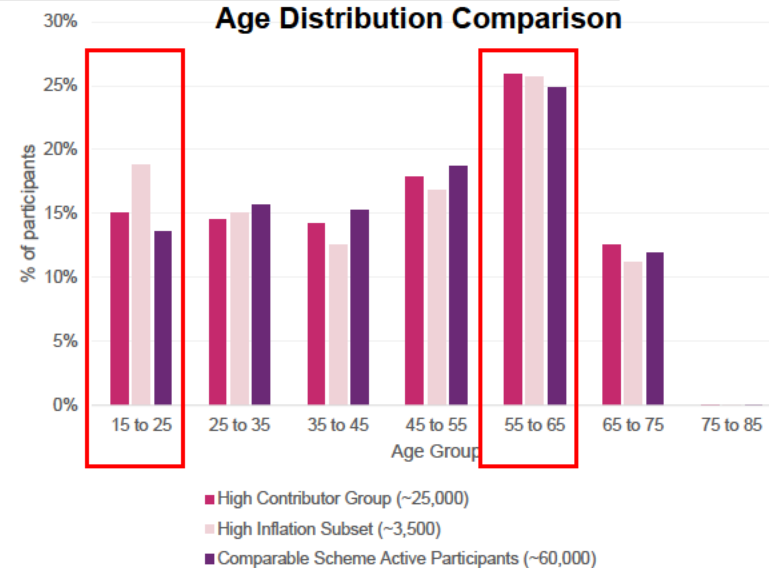


High Inflation Rate Subset
(Age 15+, Annualised Budget \$200,000+, 40%+ intraplan inflation ~3,500 participants)



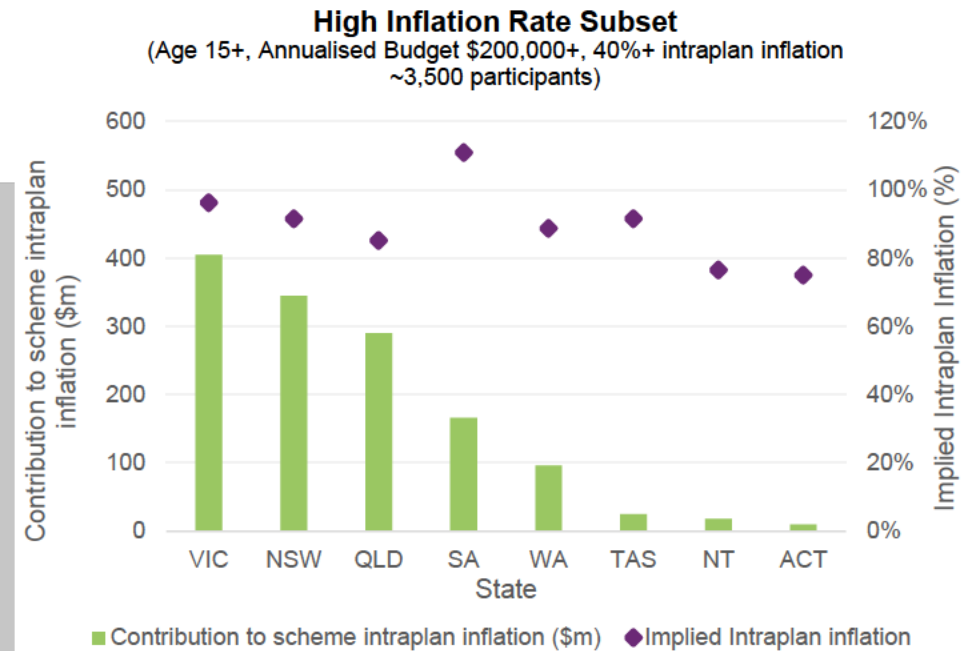
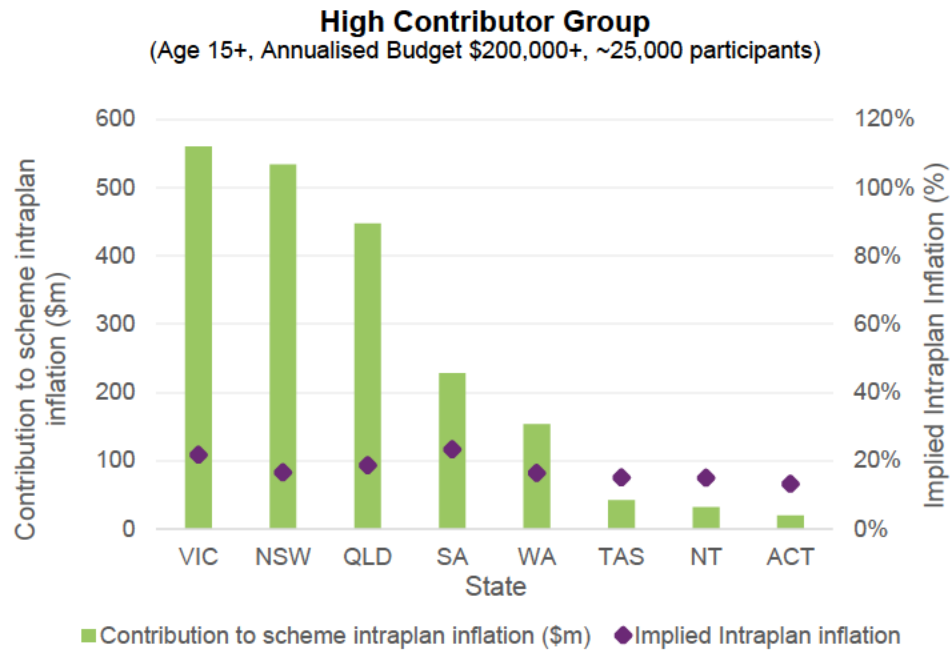
- Within the cohorts of interest, participants aged 55 to 65 contributed the most to intraplan inflation in absolute terms
- However, ages 15 to 25 showed a relatively higher inflation rate.
- When compared to others in the Scheme at the same age and budgets, the 'high inflation' cohorts also showed a skew towards higher participant numbers in these younger (15-25) and older (55 to 65) age groups. This potentially corresponds to key transitional life stages for a participant.

Age Distribution Comparison





5. Features by state

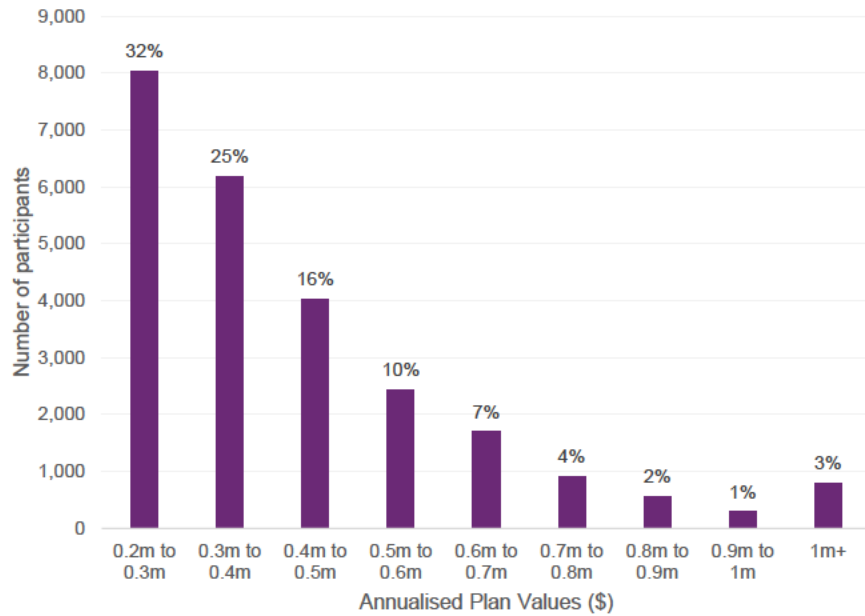


- Across both 'high inflation' cohorts, most intraplan inflation can be attributed to VIC, NSW, and QLD due to higher numbers of participants from these states.
- SA has the highest intraplan inflation rate across both groups.

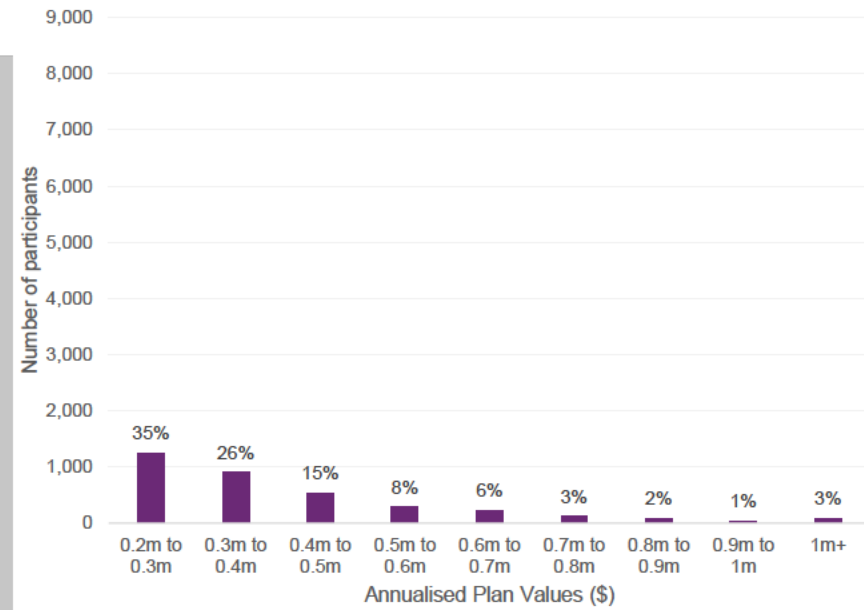


6. Features by plan size

High Contributor Group
(Age 15+, Annualised Budget \$200,000+, ~25,000 participants)



High Inflation Rate Subset
(Age 15+, Annualised Budget \$200,000+, 40%+ intraplan inflation ~3,500 participants)



- Most plans across both 'high inflation' cohorts have an annualised plan values of \$200k to \$300k, noting the minimum annualised budget of \$200k applied to these groups.

Appendix - Case studies

Illustrative examples of participants with intraplan inflation well in excess of average (Case studies 1 – 4)

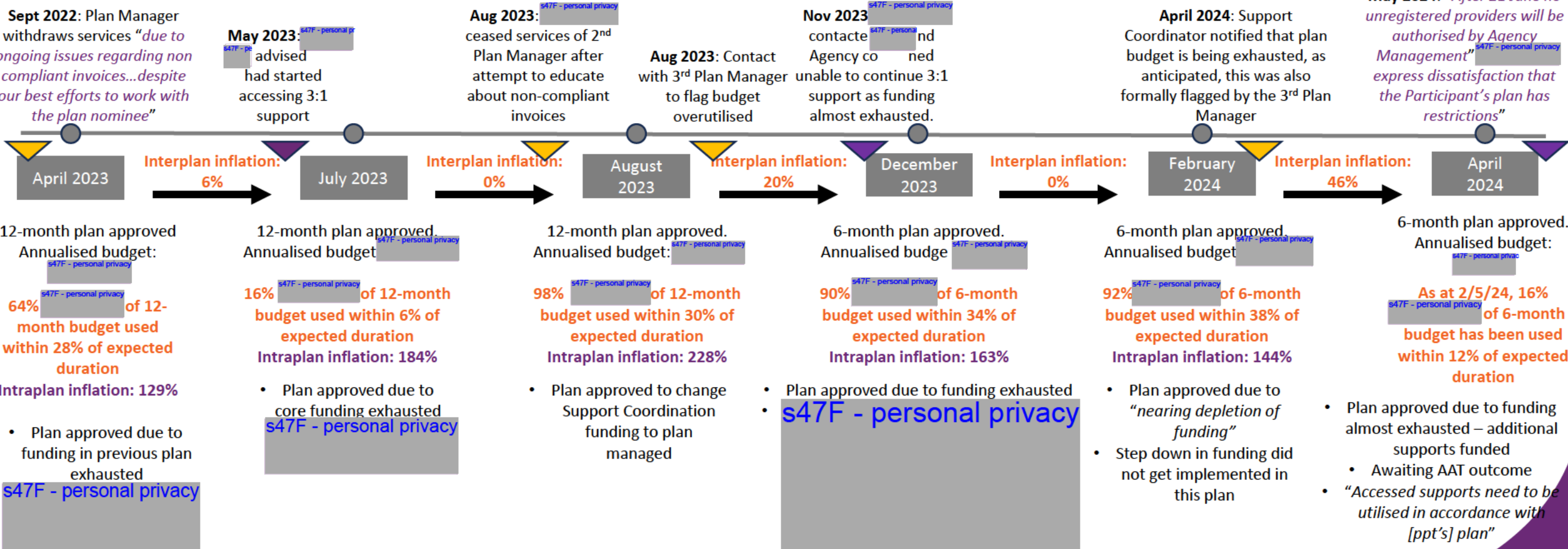
Overspending patterns around Behaviours of Concern, SIL supports, and Support Coordinator and Plan Manager influence (Case studies 1 – 4)

Case Study 1: \$2.82M spent compared to approved funding of \$931k for 12 months



Participants continuing to claim level of supports not funded – behaviours of concern

s47F - personal privacy participant with recorded disabilities of Autism (level 3) and moderate ID. Escalating behaviours since 2019, verbal and physical aggression reported and concerns for mental health raised. Multiple hospital admissions s47F - personal privacy since 2020. In June 2022, the participant's annualised budget was s47F - personal privacy not funded, started accessing 24/7 1:1 supports approx Oct 2021, and 24/7 2:1 supports Jan 2022. H&L decision Aug 2022 to fund 12hr/day 1:1 and 12hr/day 2:1 support. Support Coordinators and Plan Managers advised numerous times 3:1 not funded, however attempts to date to bring spend in line with plan have been unsuccessful.



"We are in understanding that the plan has been created with specific hours and support ratio in mind, however it is the understanding that once a plan is created it is a participants choice and control to use hours as they see needed." *

* Response from Plan Manager in Aug 2023 after delegate contact advising budget overutilised, reiterating what supports had been funded in the plan and advising "Payments are expected to be in accordance with the intention of the NDIS and the request for 3:1 is outside of the expected plan spend. Funding above the allocation is not in line with the plan allocation and is not considered reasonable and necessary based on current evidence."

** Funding increase due to addition of 30 days STA, an increase in 24/7 2:1 days funded, and possible error in previous budget calculation.

Case Study 2: \$2.1M spent compared to approved funding of \$772k for 20 months

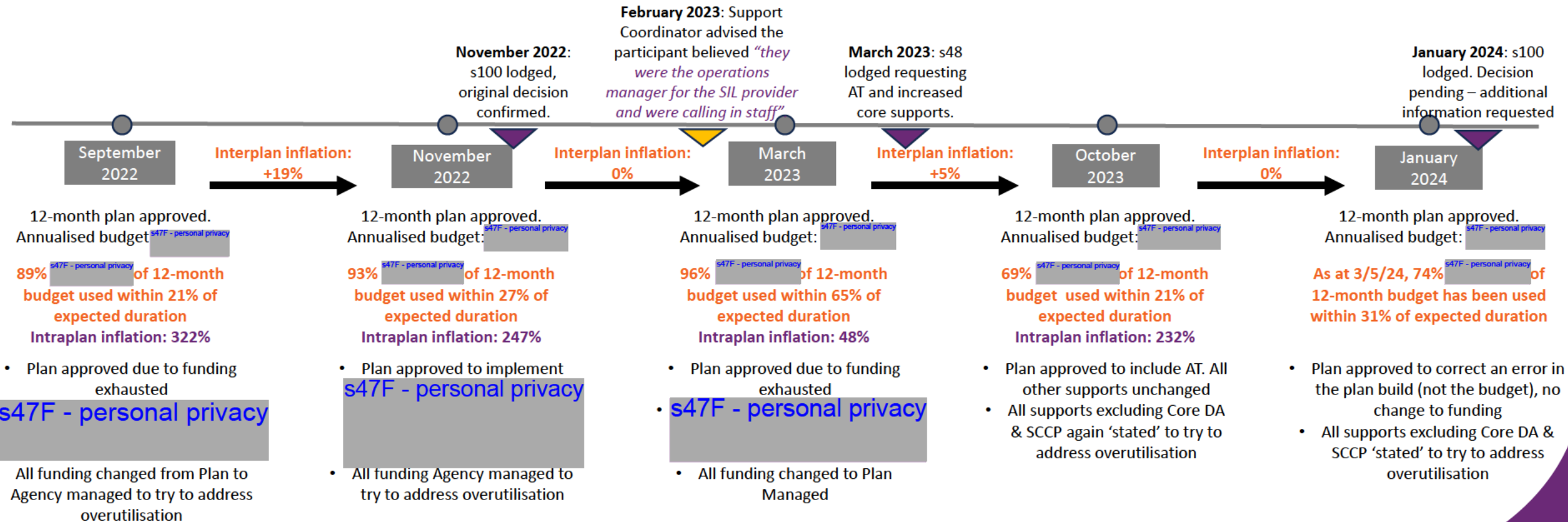


Participant continuing to claim level of SIL supports not funded as well as supports not funded in the plan

s47F - personal privacy participant s47F - personal privacy has recorded disabilities of Cerebral Palsy and Moderate Intellectual Disability.

27 plans have been approved since January 2017 (the longest plan duration 7 months) with a history of overutilisation.

Participant contacted multiple times prior to May 2022 and advised to spend supports in line with plan funding. Attempts to date to bring spend in line with plan have been unsuccessful. The participant has submitted multiple requests for additional supports to be funded.



The participant has accessed core SIL supports exceeding 2:1 24/7 and supports not funded across multiple plans

*Figures excludes Capital support funding.

Case Study 3: \$647k spent compared to approved funding of \$403k for 53 months

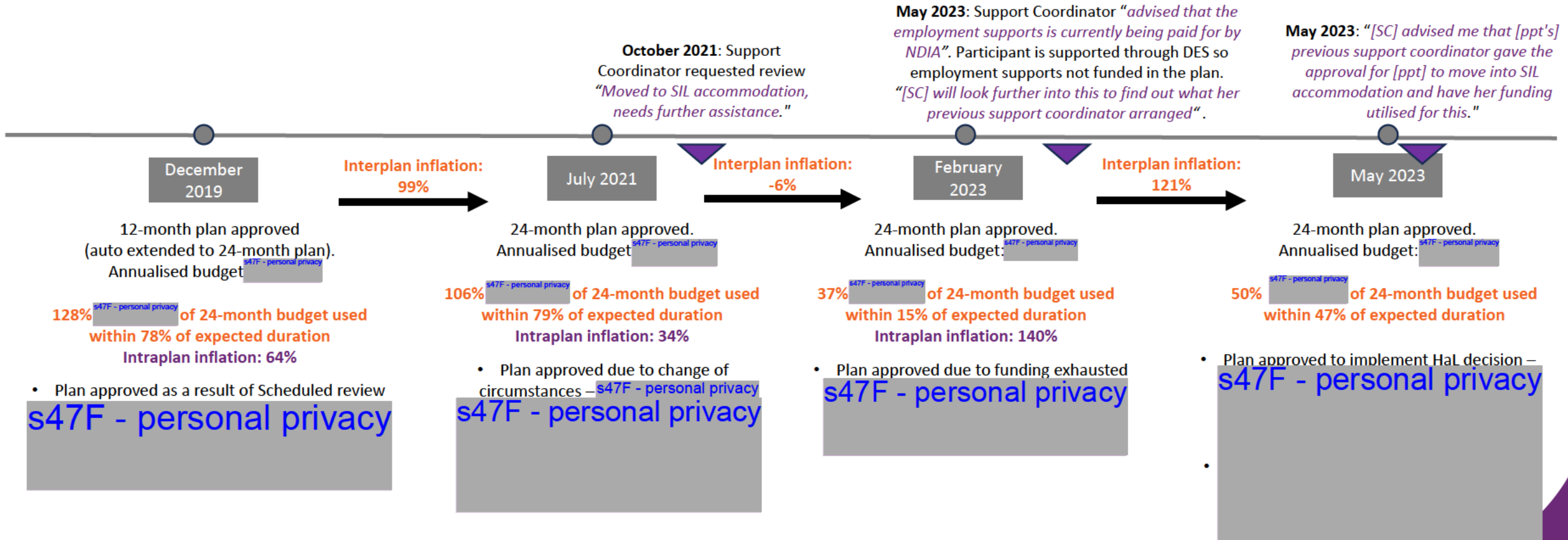


Evidence of Support Coordinator influencing overutilisation

s47F - personal privacy participant met access under *unspecified* intellectual disability in 2018.

Participant was supported by two different support coordination providers over 2 years to access supports not funded, including STA, SIL and Supports in Employment, leading to plans being overutilised.

Participant was supported to move to SIL prior to an Agency decision on SIL suitability, and remains living in SIL arrangement despite HaL decision of not SIL suitable.



Support Coordinator has supported participant to access supports not funded or a higher level of supports since 2019. No evidence of discussion about spending in line with plan. However Support Coordinator was advised to "arrange with providers to claim invoices and that when funding is close to exhausted contact the NCC and request an escalation based on plan has no funds"



Case Study 4: \$645k spent compared to approved funding of \$260k for 26 months

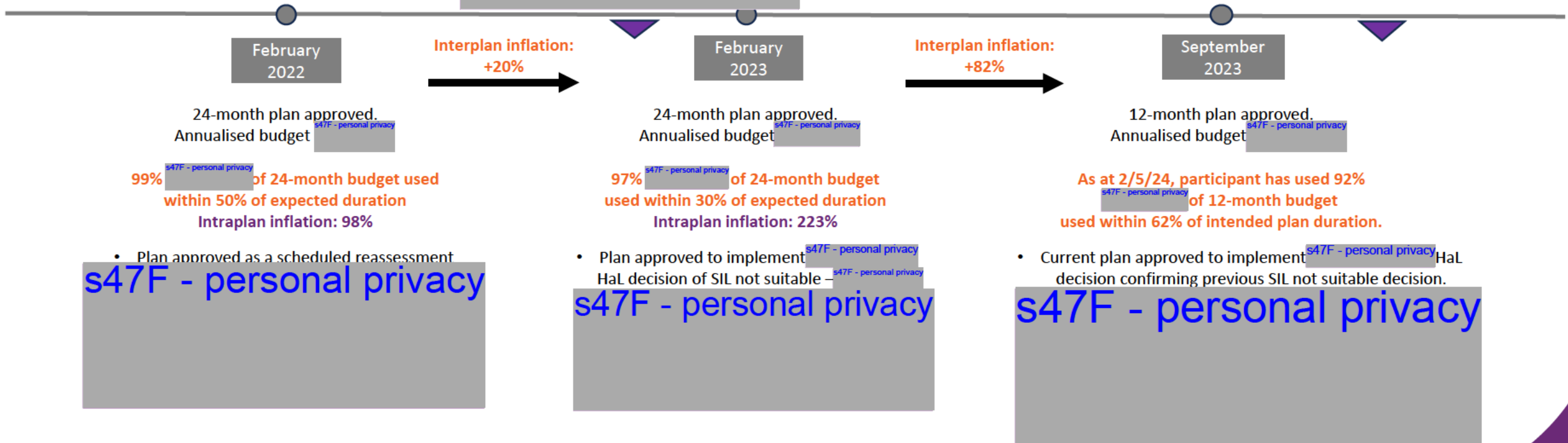
Participant continuing to access SIL supports following Home & Living decision of not SIL suitable and Plan Manager influence

^{s47F - personal privacy} participant with recorded disabilities of Cerebral Palsy and Mild Intellectual Disability, moving into SIL arrangement in June 2022 ^{s47F - personal privacy} This has resulted in 3 plans being overutilised.

January 2023: Support Coordinator stated that she has had to ^{s47F - personal privacy}

March 2024: Agency contacted Support Coordinator and discussed the risk of delivering support model not approved and that funding exhaustion is best addressed outside the s100 process

^{s47F - personal privacy}



- Plan approved as a scheduled reassessment ^{s47F - personal privacy}

- Plan approved to implement ^{s47F - personal privacy} HaL decision of SIL not suitable ^{s47F - personal privacy}

- Current plan approved to implement ^{s47F - personal privacy} HaL decision confirming previous SIL not suitable decision. ^{s47F - personal privacy}

The participant's Plan Manager, Support Coordinator and SIL provider are from the same provider company**
 This provider has collectively contacted the Agency on more than 25 occasions since November 2022 enquiring about additional funded supports and stating the participant is at risk of homelessness if additional funding for SIL is not received.

*Figures excludes Capital support funding.

** Company appears to be owned by the participant's Support Coordinator.