

Community Mental Health Australia 2018-19 Federal Pre-Budget Submission

Introduction

CMHA is a coalition of the eight state and territory peak community mental health organisations. CMHA, through its state and territory bodies, has a direct link and contact to mental health organisations delivering services at the community level. CMHA provides a unified voice for approximately 800 community-based, non-government organisations who work with mental health consumers and carers across the nation and who are members of, or affiliated with, the various coalition members.

The organisations represented through CMHA are:

- Mental Health Coalition of South Australia
- Mental Health Community Coalition of the ACT
- Mental Health Coordinating Council NSW
- Mental Health Council of Tasmania
- Northern Territory Mental Health Coalition
- Psychiatric Disability Services of Victoria (VICSERV)
- Queensland Alliance for Mental Health
- Western Australian Association for Mental Health

CMHA promotes the recovery of people living with a mental health condition so that they are contributing citizens and included in all of the economic and social aspects of their community. The organisation presents a united and representative voice for the community managed mental health sector who work every day on mental health issues and have the expertise through a specialised workforce, including a peer workforce and lived experience.

In the 2017-18 Federal Pre-budget Submission, CMHA noted that a key requirement of a successful mental health and disability support system is that it must be able to deliver treatment, community-based rehabilitation and disability support especially for people more severely impacted by mental illness. Some people severely impacted by mental illness will need access to all three service types. People living with a mental illness or psychosocial disability must be able to access and receive appropriate, high quality and coordinated support regardless of where that support is provided – that is whether for they are eligible for the National Disability Insurance Scheme (NDIS) or not.

2017-18 Federal Budget

CMHA welcomed the announcement in the 2017-18 Federal Budget of the \$80 million for the community-based mental health sector for psychosocial rehabilitation services for people who will not be eligible for the NDIS. The funding is contingent on states and territories matching to receive funding. CMHA's Pre-Budget Submission 2017-18 identified the gap for people not eligible for the NDIS as one of the most significant issues, along with the need to identify options for these people.

CMHA recommended that options be developed for funding services for people living with a mental illness who are ineligible for the NDIS and currently access Federally funded programs, ensuring their rehabilitation and disability support needs are met whether eligible or not. CMHA believes that a low barrier to entry, flexible programs of mental health support – such as was provided through Partners and Recovery (PIR) and Personal helpers and Mentors (PHaMs) – is vital for people who need timely access to support.

CMHA notes the gaps arising in all states and territories with the transition to the NDIS. CMHA urges all state and territory governments to work with the Commonwealth Government to ensure all jurisdictions benefit from the funding and that responses are targeted to reflect the regional needs in each jurisdiction. There must be increased and improved community managed mental health services in each state and territory. The state and territory peaks are in regular discussions with their respective governments, and CMHA supports the work of the state and territory peaks to establish, maintain and review the delivery and access to quality psychosocial supports.

A central part of delivering quality psychosocial supports is the workforce, to ensure there is an informed and properly planned approach to developing, supporting and maintaining the workforce to deliver the range of mental health reforms that are occurring. CMHA's 2017-18 Federal Pre-budget submission recommended a National Mental Health Workforce Strategy be undertaken to develop, support and maintain the mental health workforce. This should include the community mental health sector, the mental health peer workforce, and the primary health workforce. CMHA notes that the Implementation Plan for the Fifth National Mental Health and Suicide Prevention Plan includes the development of a Workforce Development Program to guide strategies to address future workforce supply requirements and assist with recruitment and retention of staff. The inclusion of the community mental health workforce in this Program will be vital, as the various reforms in mental health are having an impact on the workforce in community-managed mental health sector. For example, the development of the new disability workforce through the NDIS is not funded and therefore quality is being impacted. This is noted in the Productivity Commission report on NDIS Costs. CMHA looks forward to being a part of the development of this Program.

2018-19 Federal Budget

CMHA believes recommendations made in the 2017-18 Federal Pre-Budget submission are still relevant and require implementing to address ongoing issues, particularly through the reform processes, which are:

- Psychosocial services included in the services Primary Health Networks (PHNs) are able to commission
- Develop quality assurance processes specifically tailored for psychosocial support services as a part of the NDIS Quality and Safeguarding Framework
- Conduct regional Communities of Practice to support NDIS transition

Each of the above initiatives are largely cost-neutral or can be accommodated within existing processes.

In addition to the above initiatives, CMHA identifies the following specific initiatives to be included in the 2018-19 Federal Budget:

<i>Initiative</i>	<i>Budget Impact¹</i>
Establish a national over-arching and coordinated policy reform structure	Cost associated
Establish an independent price regulation body for the NDIS	Cost associated
Develop an alternative gateway for people with psychosocial disability to access the NDIS	Cost neutral
Undertake a review of the NDIS Act	Cost associated

Establish a national over-arching and coordinated policy reform structure

There are a range of mental health and other related reform processes occurring including:

- NDIS and transitioning of mental health programs to the NDIS
- PHNs – mental health and suicide prevention funding transitioning to the flexible funding pool
- Health care homes – mental health was identified as a target area
- Fifth National Mental Health and Suicide Prevention Plan

CMHA’s 2017-18 Federal Pre-budget submission recommended the establishment of a cross-government and sector expert reference group to monitor each of the reform processes on mental health including, but not limited to, service delivery and access; workforce planning; overlapping issues such as service pricing and ongoing service provision; and policy consistency.

The 2017-18 budget initiative was to highlight that there are a range of reforms, programs, strategies and policies but no over-arching process to examine how they interrelate and could work together. There is no system architecture for mental health at the federal level which looks at all the areas which impact mental health – health, housing, employment, justice, disability. The Fifth National Mental Health and Suicide Prevention contains some useful direction in terms of actions to implement, however it is a ‘Health Minister’s’ Plan – not a plan that will look at how the various areas within government are influencing or impacting mental health.

A national over-arching and coordinated policy reform structure could also be undertaken by the National mental Health Commission, in terms of developing a process which looks at where each of the reforms, strategies, programs etc. intersect and overlap and ensuring where this occurs, there is an

¹ There is information on the associated costs provided in the detailed description of each initiative.

process for ensuring there is shared information, understanding about how they can and should work together, and monitoring to ensure there isn't duplication or that the actions of one area impact another. This also needs to consider areas such as housing, employment, welfare and education where there will be programs and policies that impact on mental health.

Overall, there needs to be national direction and leadership on the overall picture of what is occurring in and impacting the mental health policy space. The exact process to apply – that is to establish an Expert Reference Group or to resource a body such as the National Mental Health Commission or to develop a process – should be developed in consultation with the sector.

That the Federal Government establish a cross-government and cross-sector process to examine and monitor the overlapping health and human services reforms impacting mental health.

There would be a cost associated with resourcing a body to develop the process and/or a group to oversee the process in terms of holding meetings and teleconferences, secretariat support and the production of any reports.

Establish an independent price regulation body for the NDIS

The Productivity Commission in the NDIS Costs inquiry Position Paper recommended that:

The Australian Government should:

- immediately introduce an independent price monitor to review the transitional and efficient maximum prices for scheme supports set by the National Disability Insurance Agency (NDIA)
- transfer the NDIA's power to set price caps for scheme supports to an independent price regulator by no later than 1 July 2019.²

The body tasked with price regulation for scheme supports should:

- collect data on providers' characteristics and costs. This should include appropriate funding to continue the business characteristics and benchmarking study currently undertaken by National Disability Services and Curtin University
- determine transitional and efficient prices for supports at a state and territory level
- comprehensively review and publish its price model on an annual basis. This review should be transparent, have public consultation, be evidence-based and evaluate the effectiveness of prices in meeting clearly-defined objectives
- assess and recommend when to deregulate prices for supports, with particular regard to the type of support and region, on the basis that prices should only be regulated as narrowly, and for as short a time, as possible.³

² Productivity Commission (2017) National Disability Insurance Scheme (NDIS) Costs, Productivity Commission Position Paper, June 2017. Commonwealth of Australia: Canberra

³ Ibid

The final report on the Productivity Commission NDIS Costs inquiry – the Study Report – reiterated the need for ongoing independence in pricing stating that a body responsible for regulating the price of supports should set price caps in a manner that is:

- transparent with public consultation and publicly available information
- evidence-based
- supported by clear and limited legislative authority
- independent
- timely⁴

It recommended that the proposed NDIS Quality and Safeguards Commission, upon commencement in 2018, be given the authority to monitor, review and report on price caps, and have the power to set price caps transferred to its responsibility by 1 July 2020.⁵

A central issue is mental health not fitting into the pricing structures of the NDIS. There is an impact of the NDIS pricing structure and its relationship to qualified mental health staffing, the skills and knowledge required are different with the NDIS pricing structure able to fund disability support, and therefore, retaining a highly qualified mental health workforce for the NDIS is a concern. CMHA supports the recommendation to transfer price regulation powers to an independent body by 1 July 2019. This is a recommendation which should occur as a matter of priority.

CMHA acknowledges and welcomes the Independent Price Review that was announced and is being undertaken by an independent consultant for the NDIA. However, there will remain a significant conflict of interest for the NDIA in being the body that establishes and monitors price, and determines, reviews and monitors NDIS participant plans. It is vital that the regardless of what eventuates with the independent price monitor, the full report and results of the Independent Price Review are made publicly available.

That the Government establish an independent price regulation body for the NDIS.

There will be a cost involved to establish the body, however it could be modelled on and/or made a part of existing structures such as the Independent Hospital Pricing Authority (IHPA) or the NDIS Quality and Safeguards Commission, as recommended by the Productivity Commission.

Develop an alternative gateway for people with psychosocial disability to access the NDIS

CMHA has raised the significant problems and issues occurring for people with psychosocial disability in accessing the NDIS in a number of submissions and forums. These include:

⁴ Productivity Commission (2017) National Disability Insurance Scheme (NDIS) Costs, Productivity Commission Study Report, October 2017. Commonwealth of Australia: Canberra

⁵ Ibid

- The importance of the NDIS pricing structure reflecting the actual cost of delivering services to people with complex psychosocial disability; the qualifications of the workforce and the high level of expertise that is required to deliver services; the importance of assertive outreach and how this was a part of the success of NDIS trial sites; and the importance of recognising and involving the peer workforce in the NDIS structure.
- People living with a mental illness and psychosocial disability must receive high quality and appropriate care regardless of being eligible for the NDIS or not. All governments must continue to fund mental health services, and not withdraw funding until there is clarity about what the NDIS will fund and what it won't, this includes the need to resolve boundary and intersecting issues such as chronic health and disability.
- The NDIS planning process; the expertise of NDIS assessors and planners in psychosocial disability; the problems occurring with overall implementation; people receiving dramatically reduced plans upon review; access issues for new NDIA applicants; and the need for the NDIS legislation to be reviewed.

CMHA remains committed to the NDIS and the benefits that it can bring to the lives of people living with a mental health issues. However, it is vital that governments work in partnership with community managed mental health service providers to develop solutions to concerns and issues that have emerged. Mental health cannot be simply made to fit a system, which is focused on disability support when psychosocial rehabilitation is a very different concept and practice. If appropriate interventions are put in place upfront then the outcomes will be significantly improved.

The Productivity Commission has highlighted the issues occurring for psychosocial disability and that people living with psychosocial disability are one of the groups experiencing the worst outcomes.⁶ The Joint Standing Committee on the NDIS highlighted a range of issues regarding the overall process for people with psychosocial disability accessing the NDIS and made recommendations including:

- the NDIA, in conjunction with the mental health sector, develops and adopts a validated fit-for-purpose assessment tool to assess the eligibility of people with psychosocial disability that focuses on their functional capacity for social and economic participation.
- the NDIA monitors eligibility rates for people with psychosocial disability to, a) understand the reasons for a higher rejection rate compared to other disabilities; and b) to build a clearer picture of the size and needs of the people who have been found ineligible for NDIS services.
- the NDIA, in conjunction with the mental health sector, creates specialised teams of NDIS planners trained and experienced in working with people who have a mental health condition as their primary disability.

⁶ Productivity Commission (2017) National Disability Insurance Scheme (NDIS) Costs, Productivity Commission Position Paper, June 2017. Commonwealth of Australia: Canberra

- the NDIA publishes the results of its participants and providers pathways review, particularly in the areas related to mental health, and strategies in place to achieve improved outcomes.⁷

The final report of the Productivity Commission NDIS costs inquiry recommended that a psychosocial gateway be implemented that should be the primary pathway that people with psychosocial disability enter the NDIS. The recommendation stated that the gateway should:

- use specialised staff
- operate on a face-to-face basis to the greatest extent possible
- consider models of outreach to engage people with psychosocial disability who are unlikely to approach the NDIS
- provide linkages to both clinical and non-clinical services and supports outside of the NDIS
- collect data on both entrants into the NDIS and people linked to services and supports outside the NDIS.⁸

Given the range of issues that have been raised by the sector, and in response to these issues the reports by the Productivity Commission and the Joint Standing Committee on the NDIS, a more effective and alternative pathway must be developed for people with psychosocial disability to access the NDIS. This must include the expertise required to engage with and assess people with psychosocial disability, and include processes that incorporate, for example, assertive outreach and relationship and trust building. This pathway must be developed in partnership with NDIS participants, consumers, carers, service providers and the state and territory governments; and the community managed mental health sector should be engaged to develop and deliver the expertise.

This process should be cost neutral and not lead to increased cost, as the current processes are leading to uninformed plans, rejected applications and unplanned reviews, which is inefficient and unsustainable.

⁷ Joint Standing Committee on the NDIS (2017) Report – Provision of services under the NDIS for people with psychosocial disabilities related to a mental illness, http://www.aph.gov.au/Parliamentary_Business/Committees/Joint/National_Disability_Insurance_Scheme/MentalHealth/Report

⁸ Productivity Commission (2017) National Disability Insurance Scheme (NDIS) Costs, Productivity Commission Study Report, October 2017. Commonwealth of Australia: Canberra

That the Government develop a more effective or alternative pathway for people with severe mental illness and psychosocial disability to navigate the NDIS eligibility and access process, as recommended by the Productivity Commission, with the input of NDIS participants, consumers, carers, service providers and the state and territory governments; and the community managed mental health sector should be engaged to develop and deliver the expertise.

Establishing the pathway would be cost neutral. The current processes are also inefficient and unsustainable in both the short- and long-term.

Undertake a review of the NDIS Act

CMHA has raised in a number of submissions that the use or interpretation of the *NDIS Act 2013* (the ACT) by the NDIA appears to be an area requiring examination.

Not having a clear understanding of what is ‘reasonable and necessary’ - as stated but not defined in the Act - is a significant cause of many problems occurring with the NDIS, in that what the NDIA considers as reasonable and necessary may be very different to what a consumer considers this to be. The lack of a clear understanding is leading to a range of different interpretations, which inevitably impacts on the types and consistency of plans being approved. Different interpretations on various aspects of the Act by the national as compared to regional NDIA offices, assessors and planners is an ongoing issue. The lack of clarity around reasonable and necessary where the only avenue for appeal is intimidating and onerous creates a power imbalance in the system where the NDIA become the expert and the participant becomes a recipient. An examination of what is early intervention under the Act, particularly for psychosocial disability, is also required, along with a consideration of available early intervention data.

The December 2015 independent review of the NDIS legislation by Ernst and Young⁹ stated as a key finding that while, at the time, the legislative framework was broadly enabling government to progress the Act, an important caveat was that the NDIS was at an early stage and evolving. That as the scheme moved into more locations and took on more people, a key recommendation was the government should conduct another review in 2 to 3 years to ensure the legislation was ‘fit for purpose’ for full scheme.

A process of relying on NDIS participants having to take cases to a tribunal or a court when what they think is reasonable and necessary is different to the NDIA’s is not how the scheme should be undertaken. Relying on a process that is costly, not timely and likely to cause stress to the individuals involved is far from ideal and not sustainable. The current issues around what is reasonable and necessary is not leading to flexibility and choice and control, and appears to be guided by a cost driver

⁹ Ernst and Young, Independent review of the NDIS Act, December 2015, https://www.dss.gov.au/sites/default/files/documents/04_2016/independent_review_of_the_ndis_act.pdf

rather than delivering quality care that is best for the NDIS participant. For people with psychosocial disability, a process relying on legal cases creates added difficulties as there are hurdles already in establishing eligibility through the NDIS, and a legal case to prove this would encounter the same difficulties.

The Government tabled amendments to the Act on 27 June 2017 inserting the word 'sustainable' around people accessing innovation etc. to have a 'normal 'life'. The changes amend the principle in subsection 4(15) of the Act to directly refer to a diverse and sustainable market and sector in which innovation, quality, continuous improvement, contemporary best practice and effectiveness in the provision of those supports is promoted. While these amendments would seem appropriate on face value, the significant issues that are occurring around what is 'reasonable and necessary' would mean that the addition of further words that focus on sustainability may cause further complications if the main driver is a cost factor. This again points to the need for a proper examination of the legislation, as in the absence of this, amendments will be proposed and potentially made to the Act that have not been fully considered and potentially impact on what type of support a person can access within the scope of what the NDIA considers is appropriate.

The Government engage an independent body to review the NDIS Act 2013 now that the legislation is at implementation, as recommended by Ernst and Young's 2015 review of the NDIS legislation.

There will be a cost involved to engage a consultant, however, the Government has already noted the need for a review of the Act and therefore this should already be accounted for in budget estimates. The current processes of implementing the NDIS are also inefficient.