

2023-2024 NDIS Annual Pricing Review Submission 5 March 2024

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EXERCISE & SPORTS SCIENCE AUSTRALIA (ESSA) SUBMISSION

RE: 2023-2024 NDIS ANNUAL PRICING REVIEW

National Disability Insurance Agency

Thank you for the opportunity to provide feedback in relation to the 2023-2024 Annual Pricing Review.

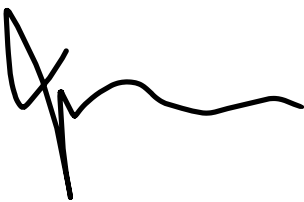
Exercise & Sports Science Australia (ESSA) is the peak professional association for exercise and sports science professionals in Australia, representing more than 11,000 members comprising of university qualified Accredited Exercise Physiologists (AEPs), Accredited Sports Scientists, Accredited High-Performance Managers and Accredited Exercise Scientists.

Whilst ESSA and members appreciate the opportunity to engage in consultations, the evidence presented in previous submissions has not been adopted and exercise physiology continues to be undervalued by the NDIA in pricing and support arrangements. This has resulted in continued use of lower price limits for exercise physiology services that are inconsistent with comparable national schemes and awards when compared with other allied health professions.

This submission will highlight issues in relation to price parity of AEPs with other allied health professions and the impact that this has on business viability in the face of rising operational costs. Additionally, concern continues to be raised on the methodology for pricing setting which is essential to safeguard a fair and equitable environment, ensuring access for NDIS participants to the full multidisciplinary team to support independence.

Please contact ESSA Policy & Advocacy Manager, Judy Powell, on 07 3171 9688 or at Policy@essa.org.au for further information or questions arising from the following submission.

Yours sincerely



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1.0 ABOUT EXERCISE PHYSIOLOGISTS

Accredited Exercise Physiologists (AEPs) are at least four-year university degree qualified allied health professionals. They provide supports like other allied health professionals and are trained to support a range of disabilities and pathologies, including people with both mental and physical conditions [1]. Exercise physiology is recognized by Australian compensable schemes including Medicare, the National Disability Insurance Scheme (NDIS), Department of Veteran Affairs (DVA), workers' compensation schemes and private health insurers. Australia's exercise physiology profession comprises approximately 8,000 **professionals, 50% of whom provide therapeutic supports under the NDIS.**

2.0 SUMMARY OF RECOMMENDATIONS

Recommendation 1: That the NDIA set prices for AEPs supports in a consistent manner to other allied health professionals.

Recommendation 2: That the NDIA provides price parity for exercise physiology supports with other allied health professions.

Recommendation 3: That the NDIA immediately funds an independent body to conduct an in-depth and consistent pricing analysis to establish fair and reasonable prices for therapy supports.

3.0 PROVIDER EXPERIENCE – SUSTAINABILITY

Feedback from providers and participants has consistently highlighted significant challenges in the pricing and perception of exercise physiology within the NDIS framework. A key issue is the NDIS's approach to price benchmarking, which, inconsistently applies price caps for exercise physiology supports. These caps are lower than those applied to other allied health professionals and other compensable schemes, raising concerns among providers about the sustainability and attractiveness of offering exercise physiology supports.

Providers have voiced significant barriers stemming from changes in economic conditions that impact the ability to retain exercise physiologists. Operating costs are reported to have increased drastically, reducing business viability significantly. The impact of soaring allied health wages and increasing business costs when the price cap for exercise physiology services is more than \$40 per hour lower than other therapies indicate that hiring AEPs is considered non-viable in these conditions.

The potential for a future reduced workforce exacerbates access issues and decreases the quality of supports provided. This is currently aggravated in circumstances where support coordinators do not fully understand the role or value of exercise physiologists and restrict access without explanation. Such actions contribute to a perception that the NDIS does not regard exercise physiologists as equal to other allied health providers. The sentiment within the profession can be succinctly expressed as frustration over being paid less than other allied health professionals, coupled with a lack of recognition and support.

ESSA's previous submission detailed these provider voiced price benchmark concerns extensively, emphasizing the ongoing nature of these issues [2]. The current situation, where exercise physiology is viewed as both undervalued and undercompensated, does not present an attractive career pathway for new or existing professionals.

There is a pressing need for the NDIS to apply consistent price benchmarking across all allied health supports. Addressing the pricing discrepancies and enhancing the understanding and recognition of exercise physiology's role and value are critical steps towards ensuring equitable treatment for AEPs and fostering a more attractive and sustainable professional environment.

Recommendation 1: That the NDIA set prices for AEPs supports in a consistent manner to other allied health professionals.

4.0 PRICE PARITY

Benchmarking of allied health pricing models in compensable schemes demonstrates the requirement for price parity between AEPs and all other allied health professionals within the NDIS framework. This recommendation aligns with industry standards across various compensable schemes, where AEPs are remunerated equally to all other allied health professionals, reflecting their equivalent qualifications, roles, and contributions to outcomes for participants. For examples of fee schedules in other compensable schemes where there is fee parity with other allied health professions:

- Workcover Queensland - \$209/hour (Ex. GST) [3].
- Workcover WA - \$221.50/hour (Ex. GST) [4].
- State Insurance Regulatory Authority (SIRA) – \$214.80/hour (Ex. GST) [5].
- MBS and DVA also set equal prices for allied health professionals at rates of \$205.65 per hour (Ex. GST) and \$211.20 per hour (Ex. GST) respectively [6, 7]. Additionally, AEPs can charge a gap fee for MBS.

As stated in ESSA's previous 2022-23 NDIS Annual Pricing Review Submission numerous compensable schemes and health awards mandate equal pay for AEPs alongside other allied health professionals, showcasing a recognised standard of parity which the NDIS pricing model should reflect to ensure equity and fairness [2].

Provider feedback highlights challenges in engagement and retention of AEPs under the NDIS model with non-competitive salary being cited as a major barrier to workforce retention in this space. All businesses employing AEPs are required to pay them the same as all other allied health professionals, which means that lack of price parity issues make exercise physiology less viable. To say it simply, if a business must pay two identically credentialed allied health professionals the same wage, they have the same operating costs and the same training and development costs, yet one generates \$42 an hour less revenue they are considerably less financially sustainable. The freeze on NDIS pricing arrangements that therapist have experienced in recent times has further compounded this issue. This is the current position of exercise physiologists under the NDIS scheme.

The provision of price parity for AEP supports could not come at a more crucial time for the industry. AEPs have faced the following considerable financial implications, all of which combined threaten the sustainability and viability of exercise physiology supports. The following issues in particular highlight the importance of price parity being achieved for AEPs:

1. Unlike other allied health professions, AEPs are required to pay 10% of the current maximum rate of their line item as GST from several NDIS price limits. The fact that AEP supports are not GST exempt means that under the current pricing model stipulated by the NDIA, AEP line items are considered GST inclusive and therefore 10% of the current fee cannot be considered part of business modelling. This means that the current maximum line item rate of \$166.99 becomes \$151.88 after GST is removed. \$15.18 is a tax that other allied health professional doesn't have to pay. This is \$42.18 less than the maximum line item rate of \$193.99 that all other allied health therapies are able to be remunerated for their supports.
2. The AEP line items have not been indexed with inflation since 2021. Provider feedback highlights that the price benchmarking model for AEP supports is currently failing to incorporate adjustments for rising operational costs and inflation. This oversight is critically impacting the sustainability and equitable provision of exercise physiology supports. AEPs are at the forefront of delivering tailored exercise interventions catering to the unique needs of NDIS participants. These interventions are vital for the attainment of NDIS goals pertaining to increased independence and participation. However, the lack of inflation adjustments is rendering exercise physiology supports financially unfeasible, compelling providers to report diminished accessibility for those most in need.
3. Rising costs of inflation are impacting business viability. This is further exacerbated by AEPs facing escalating challenges due to the current pricing model amidst surging costs for essential operational expenses over the last 12 months, such as:

- Rent
- Utilities
- Equipment
- Staff wages
- Superannuation
- Insurance costs, in particular the cost of cyber insurance policies
- Recruitment costs
- Software licenses, such as practice management software

For instance, data from a regional exercise physiology provider highlighted a staggering increase in lease payments over the last two years of approximately 28%, with no corresponding rise in pricing to offset these costs. Given the NDIS serves as a primary funding source for many providers, operating under these conditions is increasingly untenable. A notable example from one provider underscored the profound impact of these economic strains, illustrating that their business closure would leave a significant portion of the population in regional areas without access to exercise physiology, necessitating travel of up to two hours to reach the nearest available provider.

Submissions from Allied Health Professions Australia and other accrediting allied health bodies will demonstrate, allied health professions that operates identically to AEP are struggling to maintain business profitability with the lack of indexation of the NDIS pricing arrangements. Many businesses operate a multidisciplinary model, employing a range of allied health.

We urge the NDIS to review its pricing model to incorporate price parity for AEPs with other allied health professionals. This adjustment will not only correct the current inequity but also reinforce the value of exercise physiology supports within the multidisciplinary care framework, ensuring all participants have access to the comprehensive care they require.

Recommendation 2: That the NDIA provides price parity for exercise physiology supports with other allied health professions.

5.0 INDEPENDENT REVIEW

The establishment of an independent review body for the NDIS pricing model, particularly to assess AEP supports fairly and equitably, has substantial support from the feedback and experiences shared by providers. These insights underscore concerns regarding data inaccuracies, sample adequacy, comparative analysis disparities, and pricing analysis errors in comparable schemes [2]. Each of these points is further elaborated below, with provider feedback illuminating the need for a comprehensive review and reform.

Providers have voiced significant concerns regarding the methodologies employed by the NDIS in collecting data on private billing rates for exercise physiology. The primary critique centers on the inadequate sample size that has been used to determine price limits, which many believe does not accurately reflect the diversity and breadth of exercise physiology across different regions and settings. For instance, one provider noted, “The sample size considered for setting the price benchmarks is not representative of the vast and varied landscape in which exercise physiology is delivered, leading to skewed price limits that do not accommodate regional disparities or specialized offerings.”

Comparative Analysis with Other Therapies

There is a notable discrepancy in how exercise physiology is priced in comparison to other therapies within the NDIS, despite substantial feedback from providers indicating that there should be no price differentiation. This stance is based on the understanding that wage rates and input costs remain consistent across different types of therapies. A provider highlighted, “Our operational costs for delivering exercise physiology are on par with those of other therapies. The differentiation in pricing fails to acknowledge this parity, disadvantaging exercise physiology providers and, by extension, our clients.”

Inaccuracies in Price Analysis for Comparable Schemes

Errors in the price analysis of exercise physiology within schemes comparable to the NDIS have been a significant point of contention. Providers have identified several inaccuracies in how these analyses were conducted, which they believe have perpetuated existing price distortions. One provider's feedback encapsulates this concern: "The comparison with other schemes has been flawed, with errors in data interpretation and application leading to a continuation of unjustified price limits for exercise physiology. This not only affects providers but also limits access for participants who could greatly benefit."

This collective feedback from providers underscores the critical need for an independent review body capable of addressing these issues. Such a body would be tasked with ensuring that data collection methodologies are robust, representative, and transparent. Additionally, it would work to rectify comparative analysis methodologies to ensure equitable treatment of all therapies and correct inaccuracies in the analysis of comparable schemes. Ultimately, the goal would be to establish a fair, accurate, and sustainable pricing model that reflects the true value and costs associated with delivering high-quality exercise physiology to NDIS participants. This reform is not just about financial viability for providers; it's also about safeguarding the quality and accessibility of essential therapies for individuals with disabilities, ensuring they receive the support they need to lead fulfilling lives.

Recommendation 3: That the NDIA immediately funds an independent body to conduct an in-depth and consistent pricing analysis to establish fair and reasonable prices for therapy supports.

6.0 CONCLUSION

Feedback from providers and participants has consistently illuminated significant challenges faced by AEPs within the NDIS framework. Key issues include unfairly low price caps compared to other allied health professions, and a general misunderstanding of the distinct role and benefits of AEPs.

This context highlights the urgent need for the NDIS to adjust its benchmarking and funding approach to ensure fair compensation and recognition for AEPs, thereby making the field a more attractive career and business path, and a commitment to better understanding the value of AEPs as allied health professionals.

Establishing price parity for EPs with other allied health professionals is a crucial step towards ensuring a fair, sustainable, and effective NDIS ecosystem. This change will promote a more equitable distribution of resources and recognition across allied health professions, ultimately benefiting NDIS participants through improved access to the right supports.

7.0 REFERENCES

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6. Australian Government Department of Health. *Medicare Benefits Schedule - Item 10953*. [cited 2023 15 March]; Available from: <http://www9.health.gov.au/mbs/fullDisplay.cfm?type=item&q=10953>.
7. Australian Government, *Exercise physiologists schedule of fees effective 1 July 2023*, D.o.V. Affairs, Editor. 2023.