



# Guide to the NDIS Market dashboards

National Disability Insurance Agency

# Outline



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PART 1

# Background

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**The purpose of the National Disability Insurance Scheme (NDIS) is to provide reasonable and necessary funding to people with a permanent and significant disability so that they may access the supports and services they need to assist in achieving their goals. Participants receive individual budgets from which they choose providers to support them.**

This guide covers the indicators and benchmarks that are used to identify “hot spots” where investment to improve markets might be required, and provides an overview of the dashboards that are available on the ‘Market monitoring’ section of the NDIA website (link below): [Market monitoring | NDIS](#)

Please note, all participant characteristics (age, disability, etc.) and the metrics in the dashboards are based on data as at the end of the exposure period, as opposed to the reporting date. Given the three-month delay between the end of the exposure period and the reporting date, there will be some reconciliation differences between the market monitoring report and other existing reporting, at a characteristic level. However, the figures should reconcile at the total level.

PART 2

# Key indicators

There are five key indicators of “hot spot” thin markets across each market segment:

1. Plan utilisation
2. Provider concentration
3. Choice and control
4. Participants per provider
5. Provider growth / shrinkage

The monitoring framework presents these indicators by:

- State/Territory
- Service district
- Local Government Area (LGA)
- Support category
- Participant characteristics, including age, primary disability type, level of function, remoteness, Indigenous status, and culturally and linguistically diverse (CALD) status

An appropriate benchmark is also presented for each indicator and market segment. The benchmark represents the national average, and for some indicators it is adjusted for the mix of participants within the market being assessed.

# Indicator definitions



**Plan utilisation** – The ratio between the total payments over the exposure period and the total plan budgets over the same period.

**Provider concentration** – The ratio between the payments to the top 10 providers over the exposure period and the total payments to all providers over the exposure period.

**Outcomes: Do you choose who supports you?**  
– The proportion of participants who said “Yes” in their latest outcomes framework survey in response to the question: “Do you choose who supports you?”.

**Outcomes: Has the NDIS helped with choice and control?** – The proportion of participants who said “Yes” in their latest outcomes framework survey in response to the question: “Has the NDIS helped you have more choices and more control over your life?”.

**Participants per provider** – The ratio between the number of active participants with an approved plan and the number of active providers.

**Provider growth** – The number of providers that have received payments over the exposure period that are **100% higher** than the amount of payments received over the exposure period immediately prior, divided by the total number of active providers.

**Provider shrinkage** – The number of providers that have received payments over the exposure period that are **25% lower** than the amount of payments received over the exposure period immediately prior, divided by the total number of active providers.

## Notes for provider growth and shrinkage:

- Only providers that received more than \$10k in payments over both exposure periods have been considered in both the numerator and denominator of these calculations.
- The thresholds were selected at June 2019 after reviewing the distribution of payment growth rate by provider over the six months to 31 January 2019, compared to the six months immediately prior.
- This review showed that there was a large volume of providers with very high growth or shrinkage rates, i.e. in the extreme tails of the distribution. This was mainly driven by small dollar changes in payments for small providers, leading to very high growth or shrinkage rates shown for these small providers. As a result, the analysis was then restricted to providers that had received \$10k in payments (for both exposure periods).
- After applying the \$10k in payments restriction, the distribution was skewed towards growth, with about 70% of all providers showing some growth over the period. This resulted in different thresholds being selected for the provider growth and provider shrinkage indicators.

## Other notes:

- All indicators are calculated over a six-month exposure period that runs from nine months prior to the reporting date to three months prior to the reporting date (for example, the indicators reported in the 31 December 2019 report are based on data from 1 April 2019 to 30 September 2019).
- Indicators have been calculated at different geographic levels – nationwide, State and Territory, service district and at different support category levels – all support categories, by support type (core, capacity building, capital) and by support category (daily activities, community, transport etc.).
- As providers can provide services in multiple areas, the sum of providers at the ‘State and Territories’ level across all the States and Territories is greater than the actual number of providers when considered at the National level. A similar effect occurs when comparing the sum of providers across the regions in a State/Territory and looking at the State/Territory level.
- Monetary amounts are measured in Australian dollars – total plan budgets and total payments are measured in millions of dollars, while average plan budgets and average payments are measured in dollars.



# Interpretation of key indicators



**Plan utilisation** – Payments as a proportion of total plan budget over the exposure period. Low utilisation relative to benchmark may indicate insufficient provision of supports in the market. Additional investment in markets might be required to increase utilisation in these markets.

**Provider concentration** – Proportion of total provider payments that were paid to the 10 providers that received the most payments. The lower the concentration relative to benchmark, the more competitive the market is likely to be since payments are going to a range of different providers.

## **Outcomes indicator on choice and control**

– Proportion of participants that report that they choose who supports them. A lower result in the outcomes indicator on choice and control relative to benchmark may suggest participants will benefit from increased choice (or information on their ability to choose).

**Outcomes indicator on “Has the NDIS helped with choice and control?”** – Proportion of participants that report that the NDIS helps with choice and control. A lower result in this choice and control indicator relative to benchmark may also suggest participants will benefit from increased choice (or information on their ability to choose).

**Participants per provider** – Ratio between the number of active participants with an approved plan and the number of active providers. The participants per provider result can indicate low numbers of participants in the market, but in some cases could be indicative of the size of the average provider in the market. E.g. a low participant per provider result may suggest a prevalence of sole traders or small providers with limited capacity in the market.

**Provider growth** – Proportion of providers for which payments have grown by more than 100% compared to the previous exposure period. Only providers that received more than \$10k in payments in both exposure periods have been considered.

**Provider shrinkage** – Proportion of providers for which payments have shrunk by more than 25% compared to the previous exposure period. Only providers that received more than \$10k in payments in both exposure periods have been considered.

PART 3

# Benchmarks

In order to fairly measure and compare the performance of each market, an appropriate benchmark for each indicator has been developed. For some indicators this has allowed us to control for factors known to affect the indicator being assessed, thus preventing markets that are weighted towards these factors from being the only markets identified as possible “hot spots”.

For example, the benchmark for plan utilisation allows for the number of plans that each participant (within the market being assessed) has received since joining the Scheme.

Prior analysis conducted by the Office of Scheme Actuary suggests that the average plan utilisation of each participant tends to increase as they spend more time in the Scheme and learn how to make the most of the supports that are available to them.

Therefore, it is reasonable to set a higher benchmark for markets with a higher proportion of participants who have been in the Scheme for a longer period of time, compared to a market that consists only of participants who are new to the Scheme, in order to not distort comparisons between geographical areas.

**The benchmarks for each of the key indicators are discussed in the following slides.**

# Benchmarks

## Plan utilisation

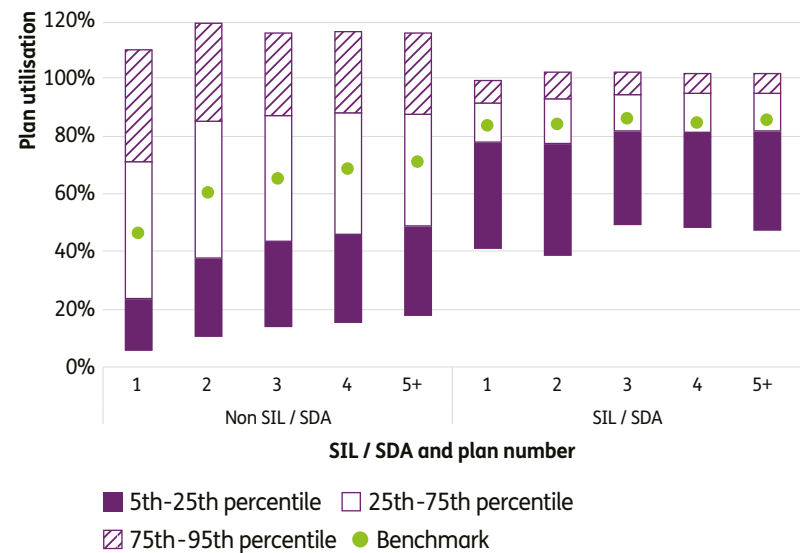
This chart shows the distribution of plan utilisation<sup>1</sup> within each combination of:

- SIL participants and/or participants with SDA supports in their latest plan.
- participants who have received 1, 2, 3, 4, or 5 or more plans since entering the Scheme.

A benchmark has been set for each participant based on the mean of the distribution of the category<sup>2</sup> that each participant belongs to. It is worth noting the following:

- Non-SIL/SDA participants who have been in the Scheme for a longer period of time, generally have higher utilisation rates.
- SIL/SDA participants generally have a higher plan utilisation rate compared to non-SIL/SDA participants.

**Distribution of individual participant plan utilisation, by SIL/SDA status and number of plans**



<sup>1</sup> Calculated over the period from 1 April 2019 to 30 September 2019, using data available as at 31 December 2019.

<sup>2</sup> At June 2019, the relationship between age and plan utilisation was tested and it was found that utilisation tends to decrease for older participants. However, we have not allowed for age in the benchmark so that we will be able to identify utilisation trends across age groups, and allowing for age within the benchmark may conceal these trends. At June 2019, it was also confirmed that allowing for age within the benchmark does not materially affect the benchmark at the service district level.

# Benchmarks

## Provider concentration

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For provider concentration at the service district level, a fixed benchmark of 85% has been set.

For markets more granular than a service district, e.g. a service district and support category combination, the **unweighted regional average** has been adopted across the Scheme for the support category being assessed.

A similar approach has been adopted **within each segment by participant characteristic** (age group, disability type, level of function, remoteness rating, Indigenous status and CALD status). However, given the more granular nature of a segment for a particular participant characteristic, both the provider concentration metric and the benchmark has been defined using payments to the top 5 providers, instead of the top 10, which is what was adopted at the service district and support category level.

**It is worth noting that benchmarks do not explicitly allow for differences in participant characteristics as it is unlikely that the mix of participants in an area would impact provider concentration.**

The approach outlined on this slide has also been used for the other provider metrics: participants per provider, provider growth and provider shrinkage.

## Benchmarks

# Outcomes indicator on choice and control

The benchmark for the outcomes indicator on choice and control has been set for each participant based on whether the participant is a SIL participant and/or has SDA supports in their latest plan.

A review of the average outcomes indicator on choice and control showed that SIL participants and/or participants with SDA supports in their latest plan generally have a lower indicator compared to non-SIL participants and/or participants without SDA supports in their latest plan.

The proportion of SIL participants and/or participants with SDA supports in their latest plan has therefore been used as the only factor<sup>2</sup> for determining an appropriate benchmark for a particular market.

	Non-SIL/ SDA	SIL/ SDA
Number of participants who reported that they choose who supports them in their most recent outcomes framework survey <sup>1</sup>	81k	3k
Number of participants who have a valid response to the question in their most recent outcomes framework survey <sup>1</sup>	149k	19k
Outcomes indicator on choice and control	<b>55%</b>	<b>14%</b>

<sup>1</sup> Calculated using surveys submitted on or prior to 30 September 2019, from data available as at 31 December 2019.

<sup>2</sup> At June 2019, we tested the relationship between the outcomes indicator on choice and control and other key participant characteristics such as the number of plans a participant has received and age. However, we have opted not to include either of these characteristics in the benchmark.

PART 4

# Dashboards

The insights dashboard has four key sections:

- 1) Utilisation for each service district versus benchmark
- 2) Provider concentration for each service district versus benchmark
- 3) Proportion of participants that report that they choose who supports them versus benchmark
- 4) Identified “hot spots” based on the metrics presented

For **sections 1–3**, each service district has been allocated into one of three buckets. These buckets represent the size of the service district, as measured by the total plan budget for the exposure period. The three buckets are currently defined as:

- Less than \$100m in total plan budgets
- \$100m - \$250m in total plan budgets
- More than \$250m in total plan budgets

This allocation is decided upon so that a broadly even number of service districts remain in each bucket.

**Section 4** highlights service district / market indicator combinations which have been identified as being the “hot spot” markets – i.e. service districts where weak performance for a given metric indicates that the market may require investigation. “Hot spot” markets within each bucket are identified by comparing the indicator against the benchmark over the exposure period, and ranking by gap to benchmark (with a weighting based on total plan budget sizes to give greater weight to larger service districts). The five service districts with the largest weighted gap to the benchmark are listed for each of the three total plan budget buckets.



# Service district summary dashboards



The service district summary dashboard provides a nationwide summary of the market indicators across the Scheme. This dashboard has two sections:

## 1) Service district summary

## 2) Support category summary (National level)

Within each section, the following metrics are shown for each service district / support category:

• Number of active participants with approved plans	• Average plan budgets
• Number of active providers	• Total payments
• Participants per provider	• Average payments
• Provider concentration	• Utilisation
• Provider growth	• Proportion of participants that report that they choose who supports them
• Provider shrinkage	• Proportion of participants that report that the NDIS helps with choice and control
• Total plan budgets	

The dashboard uses a system to highlight the top 10% (green dot) and bottom 10% (red square) markets relative to the benchmark for each metric.

There are three versions of the service district summary dashboard – all participants, SIL/SDA participants and non-SIL/SDA participants.

# Service district detailed dashboards



The service district detailed dashboard provides a greater level of granularity than the other dashboards by showing the indicators for the service district and support category by the following participant characteristics:

• Age group	• Remoteness rating
• Primary disability	• Indigenous status
• Level of function	• CALD status

This dashboard has five sections:

- 1) Participant profile
- 2) Service provider indicators (including provider concentration, participants per provider, provider growth / shrinkage)
- 3) Plan utilisation
- 4) Outcomes framework (including outcomes indicator on choice and control and “Has the NDIS helped with choice and control?”)
- 5) Support category summary

All indicators are shown against appropriate benchmarks. A detailed dashboard is produced for each service district. Each dashboard shows the above sections for all participants, SIL/SDA participants and non-SIL/SDA participants.

# LGA summary dashboards



The LGA summary dashboard provides a nationwide summary of the market indicators for each LGA across the Scheme. This dashboard has two sections:

## 1) Local Government Area summary

## 2) Support category summary

Within each section, the following metrics are shown for each LGA / support category:

- Number of active participants with approved plans
- Number of active providers
- Participants per provider
- Total plan budgets
- Average plan budgets
- Total payments

- Average payments
- Utilisation
- Proportion of participants that report that they choose who supports them
- Proportion of participants that report that the NDIS helps with choice and control

Note the following for the LGA summary dashboard:

- We did not identify the top 10% and bottom 10% markets relative to the benchmark in the LGA summary dashboard.
- Results are excluded for those LGA's that have 10 participants or less.
- The following indicators are not presented in the LGA summary dashboard:
  - Provider concentration
  - Provider growth / shrinkage

# LGA detailed dashboards



The LGA detailed dashboard provides a greater level of granularity than the other dashboards by showing the indicators for the LGA and support category by the following participant characteristics:

• Age group	• Remoteness rating
• Primary disability	• Indigenous status
• Level of function	• CALD status

This dashboard has five sections:

- 1) Participant profile
- 2) Service provider indicators (including the number of active providers and participants per provider)
- 3) Plan utilisation
- 4) Outcomes framework (including outcomes indicator on choice and control and “Has the NDIS helped with choice and control?”)
- 5) Support category summary

All indicators are shown against their respective state averages. A detailed dashboard is produced for each LGA (excluding those LGA’s that have 10 participants or less).



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