


# Fully Funded Disability Support: Is this Possible?

Dr Maree Dyson  
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[www.dysonconsultinggroup.com.au](http://www.dysonconsultinggroup.com.au)

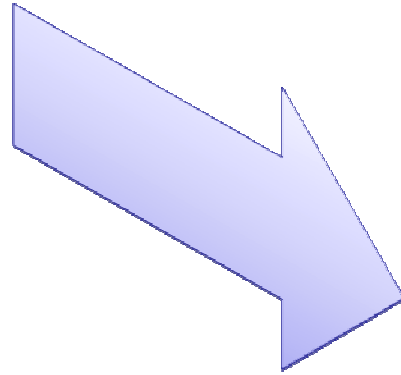


# Australian Productivity Commission 2010-2011

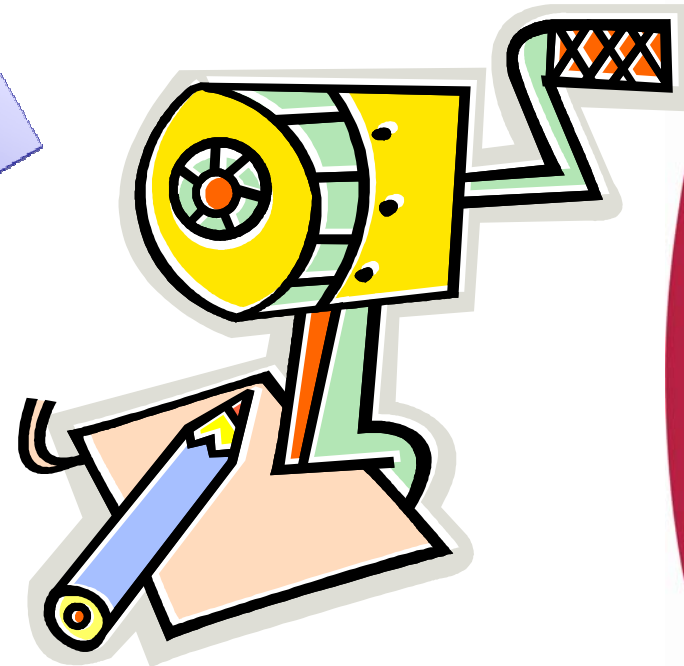


“Investigating the feasibility of  
new approaches for funding and delivery  
of new approaches to  
long term disability support”

We have told the PC  
about



Now we need



## Here today to share ...

- My readings regarding international “life time care”
- My experience of the Victorian and New Zealand no-fault, lifetime support (care) insurance sectors
- How these schemes deliver uncapped, unrationed, lifetime care and support funding to people with serious injuries and significant disabilities

## Here today to describe...

- What we can learn from the non-rationed insurance based models
- What an approach to insurance based disability funding might look like
- Risks that must be managed
- Questions the sector must be prepared to answer



But not all of the bits of the puzzle to

“... new approaches  
for funding and  
delivery of new  
approaches to  
long term disability  
support”



## Acknowledgements

- People with disabilities
- Families
- Colleagues
- Funders
- Insurers: ACC (NZ)  
TAC
- Providers
- Advocates
- Academics/researchers
- Actuaries



Sir Owen  
Woodhouse



John Walsh

Colleagues  
National Serious Injury Service of the Accident  
Compensation Corporation New Zealand



Liz Cairns, Manager National  
Serious Injury Service



Randal Southee,  
Service Delivery  
Manager, NSIS





Where we are in funding disability

OR

Be very selective about how and where  
disability happens



Dozed off driving in WA



Muscular Dystrophy



Dozed off driving in Vic



Mum fell asleep at wheel in WA



Fell off ladder at work in Vic



Fell off ladder at home



U turn on NSW/Qld border

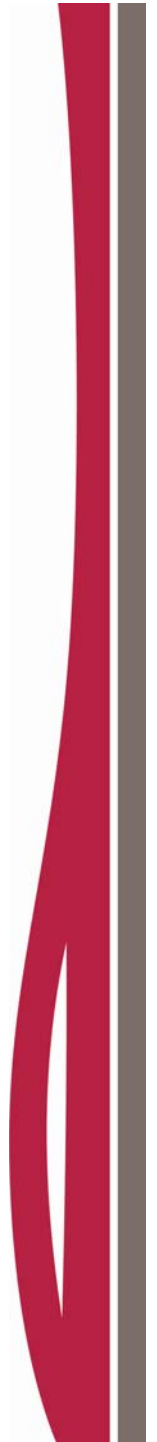


Cerebral Palsy



Asthma delayed resuscitation

What is a new approach to funding?



Is not new – it's no-fault insurance



# New Zealand

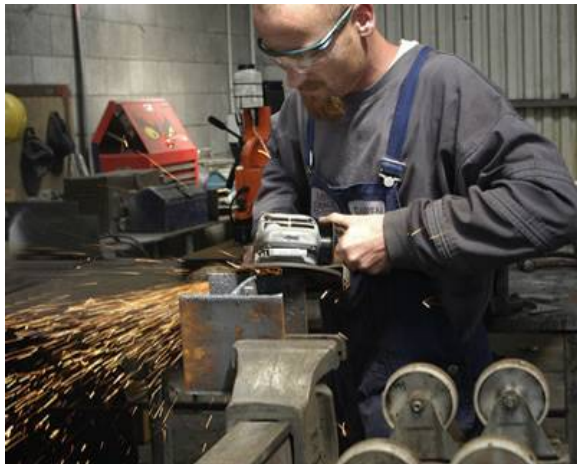


Te Kaporeihana Āwhina Hunga Whara



## No fault insurance in New Zealand

- Covers all accidents
  - No 'winners & losers' when accidents happen
  - Litigation is minimal
- Does NOT cover congenital or acquired disability



# Client mix in ACC and the group of interest to an NDIS model are

Rehabilitation & recovery

Lifetime support

Short term

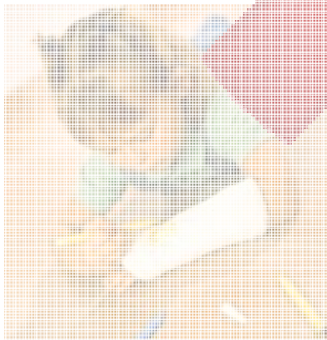
Long term

Lifetime

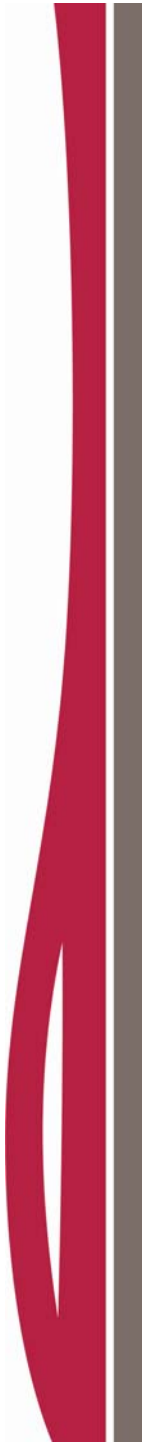
Sprains & strains  
Cuts & bruises  
Broken bones

Back strain  
Multiple injuries  
Persistent pain

Traumatic brain injury  
Spinal cord injury  
Multiple amputations  
Severe burns



What would a disability scheme based on no fault lifetime support look like?

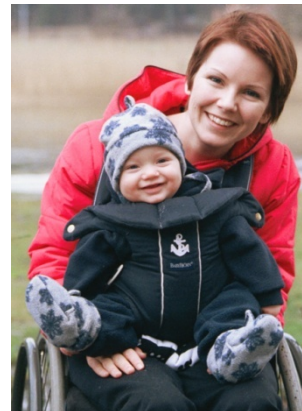




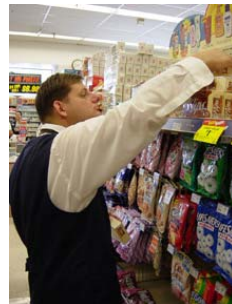
## Typical disability services and supports

- Needs-based specialist case management
- Funding & case administration where needs and circumstances are stable
- Personal care (attendant care)
- Housing modifications
- Specialist services & programmes to achieve functional gains, facilitate independent living & community participation
- Specialist and mainstream employment services to find & sustain paid work
- Education support (teacher aide)
- Specialist youth service to facilitate transition from secondary school to further education or work
- Active rehabilitation & therapy to outcomes
- Equipment, aids & appliances
- Consumables
- Residential care
- Home help & child care
- Support to access highly modified vehicles

# Designed to be life long



# Grounded in contemporary disability practice

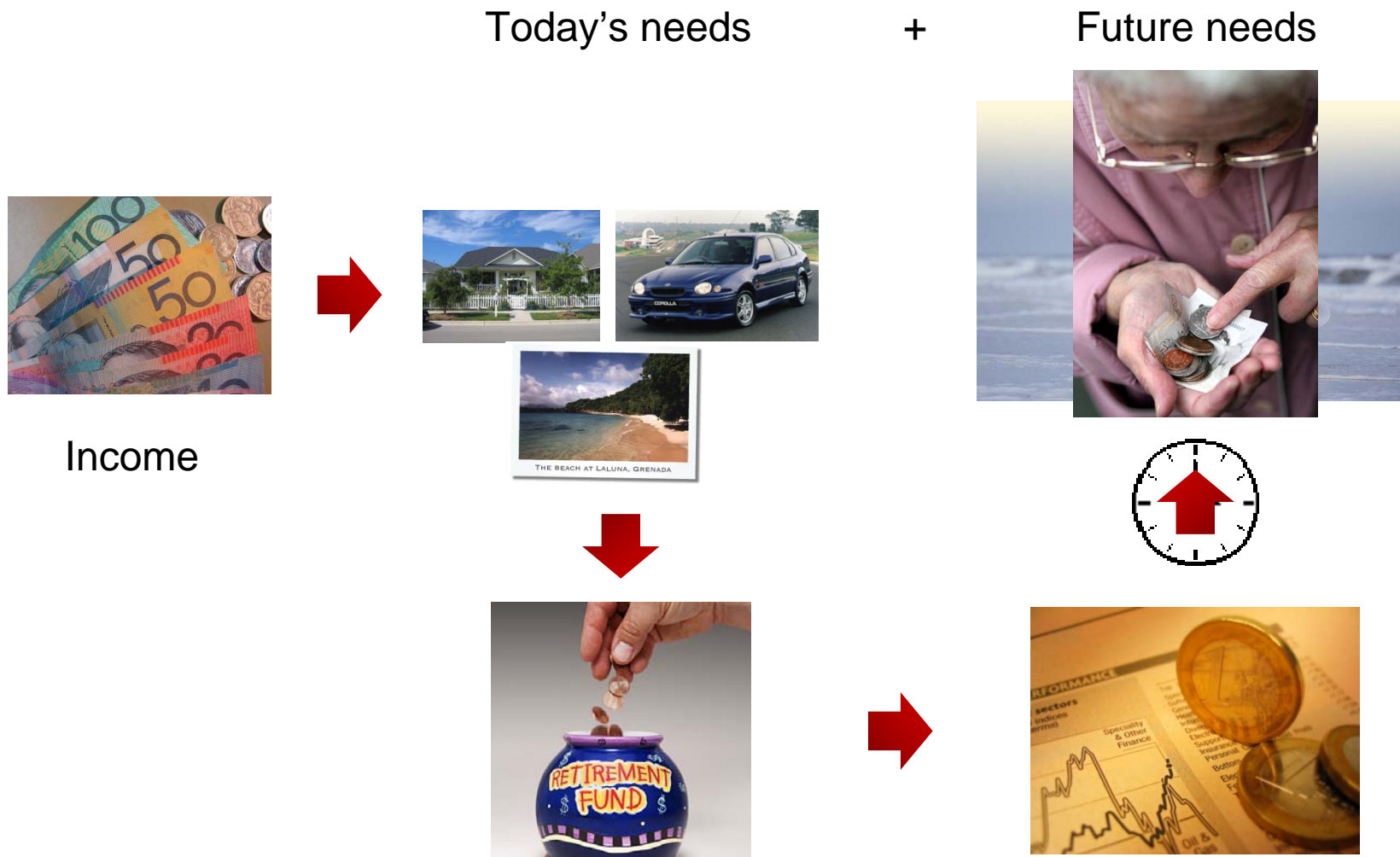


## Designed to a life time support insurance model

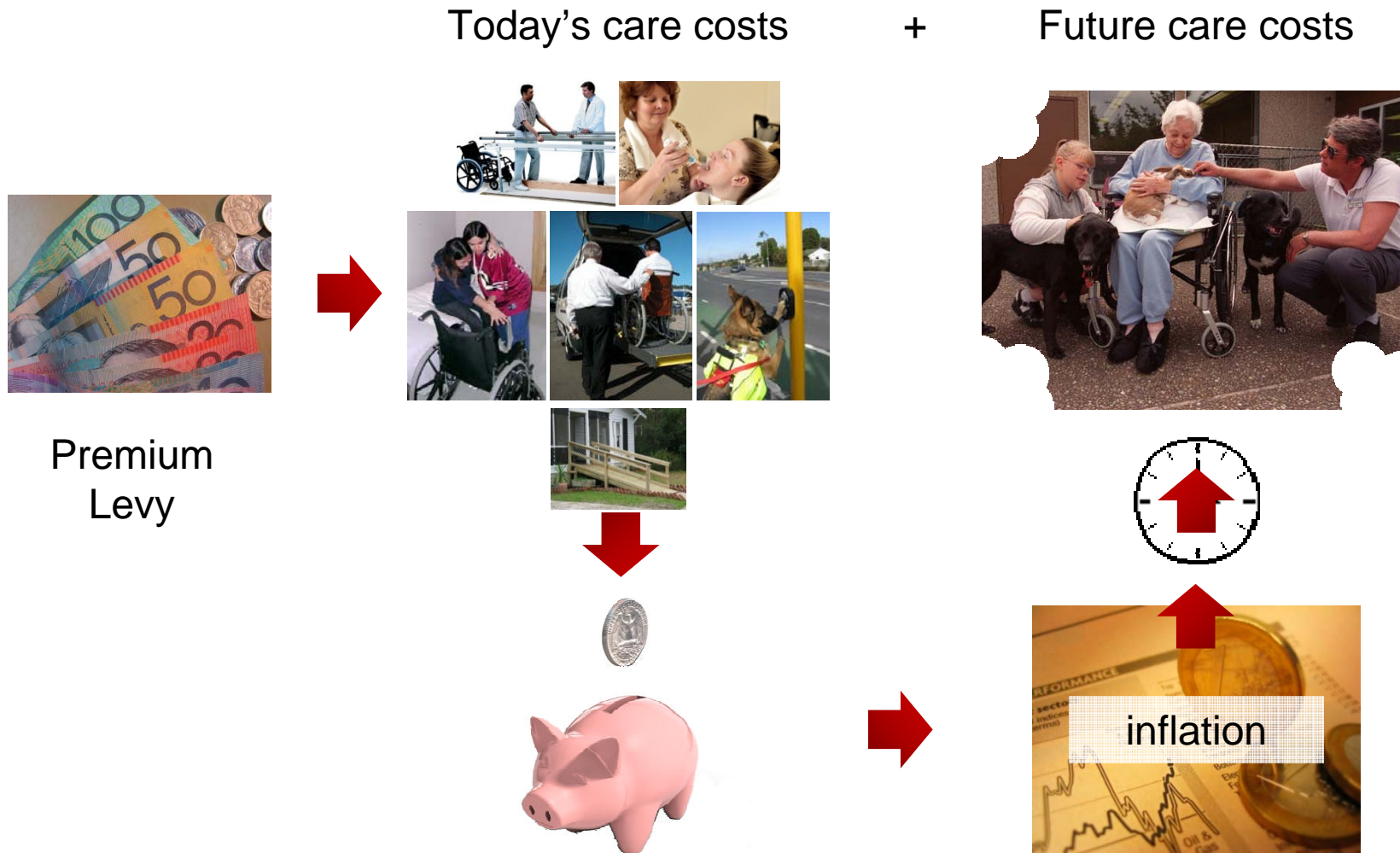
- Needs-based
- Uncapped
- Financially sustainable



# What does financially sustainable mean?



# An insurance model is just the same



## Lessons learned

- Work to contemporary disability practice
- Financial sustainability is critical



# Risk One: Furphies: our own and others





# Furphy: people with x are different



# Reality: abilities, support needs, context & life are what count



## Furphy: moral hazard



## Reality: Prevention focus



# Furphy: lump sums are fairer, better



# Reality: anything but fairer, better



MS: No one to sue



Successfully sued

Waited 7 years in nursing home for settlement

Funding exhausted after 20 years



Near drowning, no one to sue



Medical error

Rapid settlement

Victim of fraud

Funds lost in 2 years

## Lessons learned

- Financial sustainability is critical
- Work to contemporary disability practice
- Don't be fooled by furphies



## Risk Two: Rubbery boundaries





## Who might be the target group?

- Traditionally
  - Severe or profound disability in one or more core activities (mobility, communication or self care)
- Increasingly
  - More moderated disability for better outcomes
- A new approach
  - Chronic or terminal illness?
  - Psychiatric disability?
  - Ageing care and support?
- The risk
  - Boundary creep





## A starting point

**The scheme funds ONLY people with a**

- Disorder, disease, impairment (WHO)

**AND**

- A demonstrable need for day-to-day assistance to live life

**THAT**

- Cannot be delivered via ordinary family relationships and roles and community responses

**AND**

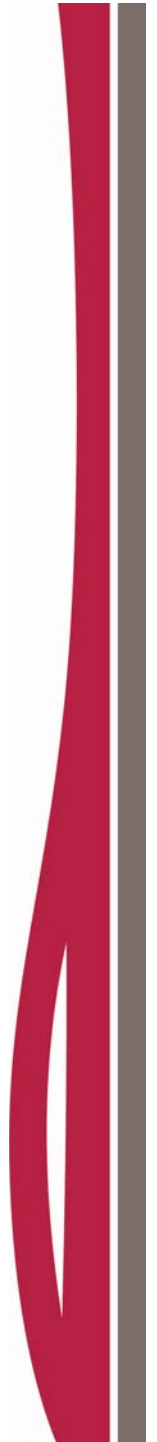
**The scheme promotes opportunities for ALL people with a disability**

## Lessons learned

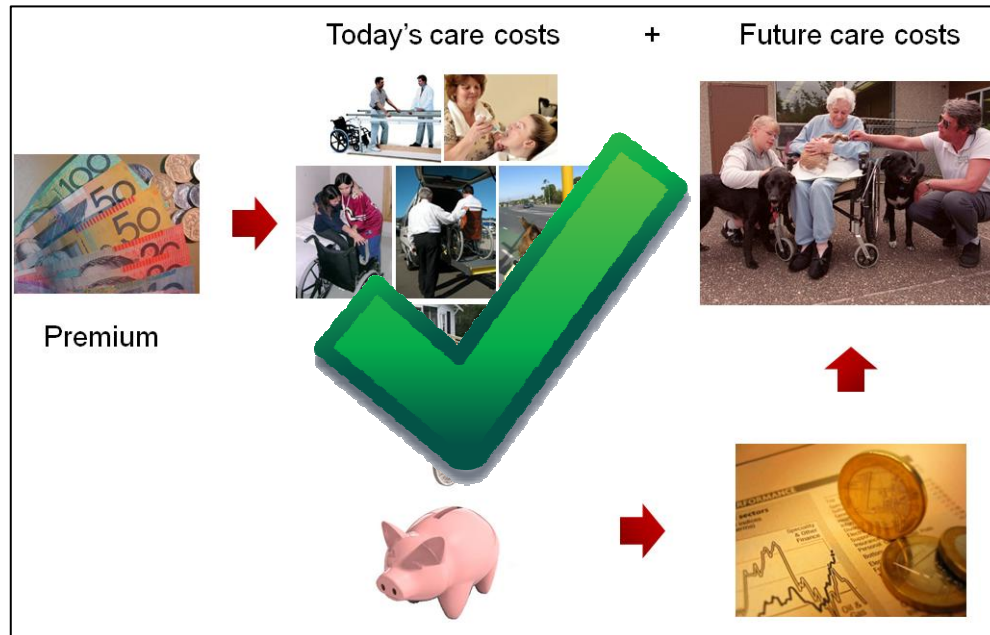
- Financial sustainability is critical
- Work to contemporary disability practice
- Don't be fooled by furphies
- Explicit legislated boundaries linked to the WHO model and evidence-based
- Legislate the target group & control the boundaries
- Scheme is responsible for the promotion of all people with disabilities
- Scheme only funds people in the target group



Risk Three:  
Insurance levy, budget bid, mixed  
model?



# Insurance versus budget bid



## Lessons learned

- Financial sustainability is critical
- Work to contemporary disability practice
- Don't be fooled by furbies
- Explicit legislated boundaries linked to the WHO model and evidence-based
- Legislative the target group & control the boundaries
- Scheme is responsible for the promotion of all people with disabilities
- Scheme only funds people in the target group
- **Insurance based**



## Risk Four

### Missing the mutual responsibility



# Mutual responsibility, accountability, ordinary lives?





# If mutual responsibility fails...

Today's care costs

+

Future care costs



Premium



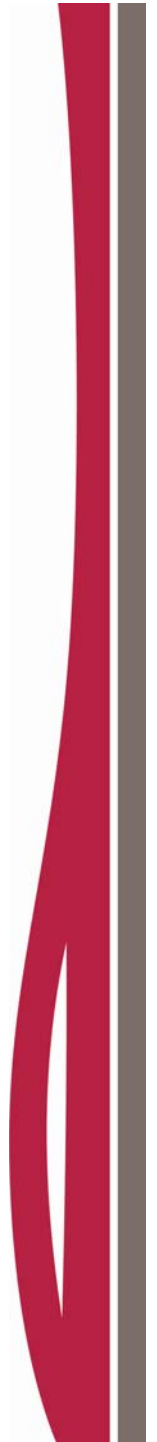
## Lessons learned

- There is a mutual social and economic obligation to:
  - Insurance levy payers who never access funding and
  - Other people with disabilities and families to mutually ensure scheme sustainability
- Appeal mechanisms must consider scheme implications with reference to financial sustainability



# Risk Five

## Focusing on the wrong things and going broke?

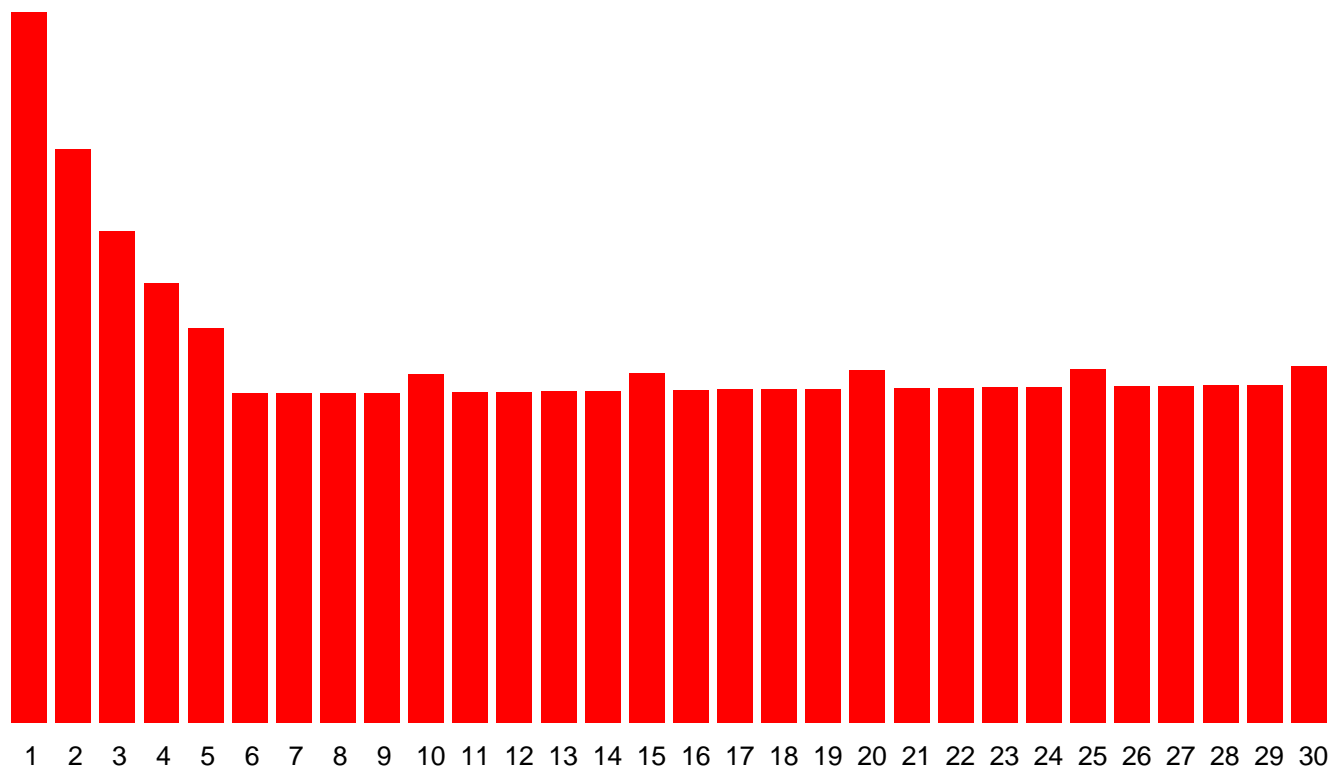


## Services include

- Needs-based specialist case management
- Funding & case administration where needs and circumstances are stable
- Personal care (attendant care)
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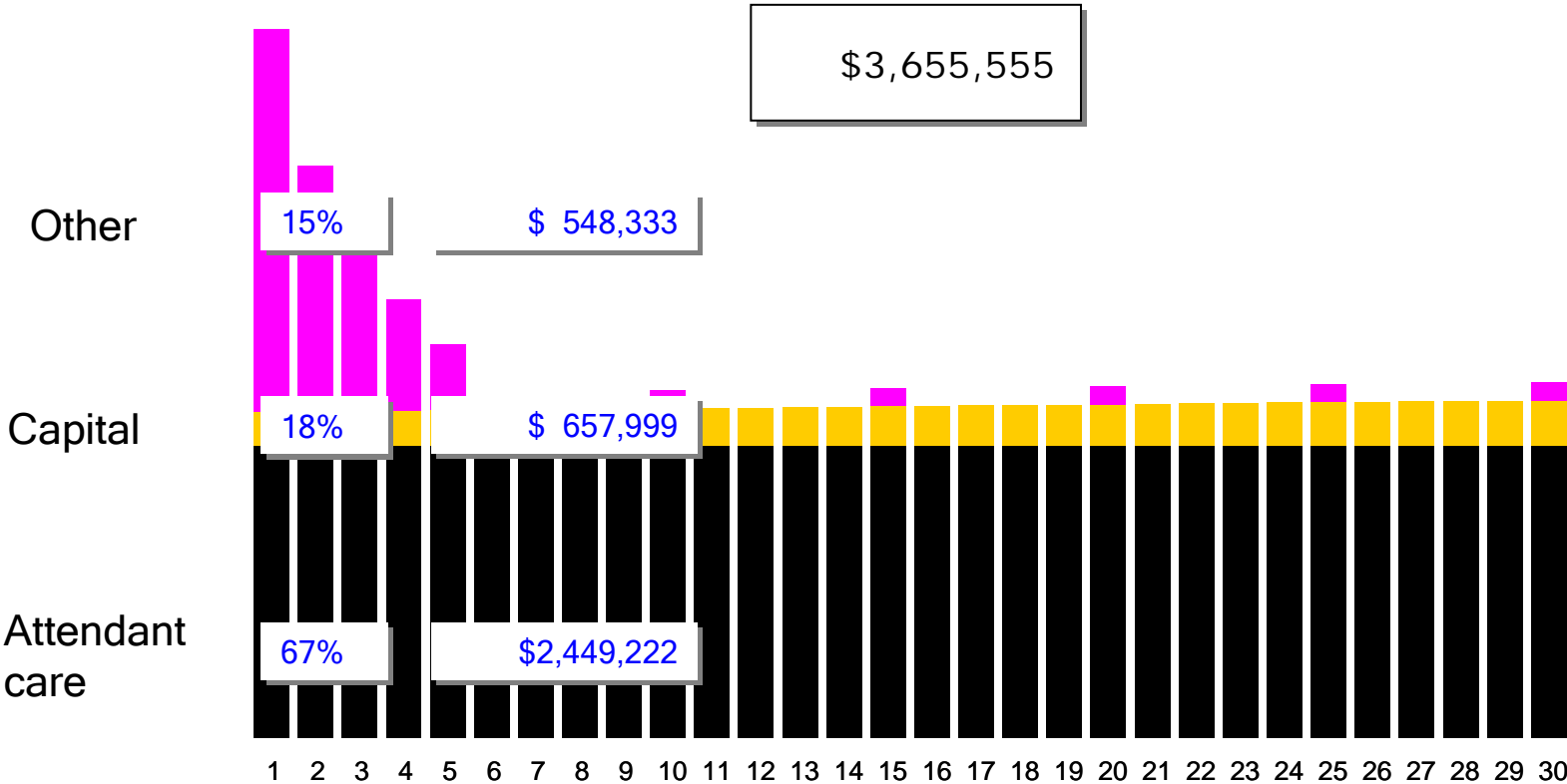
## How costly?

- Disability funding of say 30 years in duration



# How costly?

- Disability claim of say 30 years in duration



## Lessons learned

- There is a mutual social and economic obligation to:
  - Insurance levy payers who never access funding and
  - Other people with disabilities and families to mutually ensure scheme sustainability
- Appeal mechanisms must consider scheme implications with reference to financial sustainability
- **Attendant care liabilities is the name of the game**
- **Everyone (administrators, case managers, clients and families) must understand the liability story**



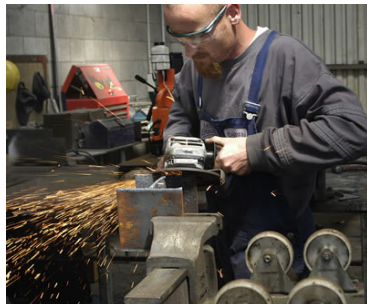
# Risk Six

## Families, carers, both?





We know ...



## We know ...



Various groups are lobbying for family carers to be paid

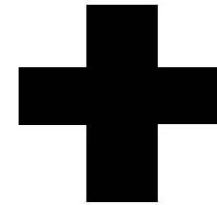
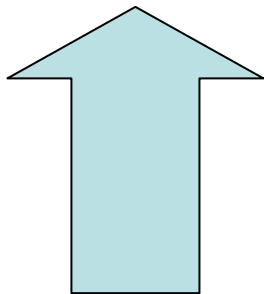
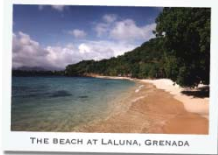
We have no evidence that turning families



Into paid attendant carers



We have evidence that turning families into paid attendant carers carries risks



But other Western jurisdictions pay families



- And all are capped
- None are fully funded
- All rely on un-funded family care

## Lessons learned

- There is a mutual social and economic obligation to:
  - Insurance levy payers who never access funding and
  - Other people with disabilities and families to mutually ensure scheme sustainability
- Appeal mechanisms must consider scheme implications with reference to financial sustainability
- Attendant care liabilities is the name of the game
- Everyone (administrators, case managers, clients and families) must understand the liability story
- Study the problem (support & family quality of life), options and financial risks before arriving at a solution



# And achieve





Any questions?

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