

OPEN LETTER

24 June 2025

The Hon Tanya Plibersek MP - Department of Social Services

The Hon Jacinta Allan MP - Department of Health

Louise Glanville - National Disability Insurance Scheme (NDIS) Quality and Safeguards Commission

The Hon Bill Shorten and Rebecca Fulkingham - National Disability Insurance Agency (NDIA)

NDIS, Social and Health Worker colleges

Dear representatives,

As an active member of the NDIS community, we have the privilege to stay involved in all aspects of our participants' journeys. Through this function, we aim to highlight a significant barrier to optimal NDIS funding utilisation: referral fee payment practices. This submission seeks to provide recommendations and enhance quality service benefits for all discharge and referral parties, with a particular focus on NDIS participants.

By **addressing** the **adverse effects** of long-standing client **referral fee incentive payments**, the submission will highlight areas for quality improvement with minimal cost to NDIS provider governance and significant benefits for Patients, Participants, as well as the NDIA and State healthcare systems.

The little-talked-about fee payment referral system, where payments are made by providers (such as NDIS core or Capacity Building businesses) to referral parties (e.g., hospitals, government staff, or NDIS Support

Coordinators), originates from an area before the NDIS legislation. Since the implementation of the NDIS Act, these little addressed payments have been negatively affecting our participants and carry significant concerns for our industry.

Receiving and, in some cases, demanding additional fees to facilitate referrals throughout the process chain, thereby encouraging discharge to willing providers. This process is both unethical and creates unreasonable expectations of future income. The outcomes are negatively affecting participants and their NDIS funding. The NDIS Taskforce has initiated notable discoveries in the past year to identify and expose dubious NDIS providers; however, it has yet to dismantle the above-described process chain sufficiently. There is much more to be done to discourage the behaviour and promote the NDIS's initiative of getting the scheme back on track. The Getting the NDIS Back on Track initiative has been focusing intensely on price caps and individual funding levels in line with reasonable and necessary funding. While this approach is valid and favours capping expenditures, it fails to address the undue fund utilisation by third parties.

Referral fees across all Health and Government services, specifically affecting NDIS participants/ exploring the paid referral pathway.

As part of the discharge process, when a patient or participant is ready to leave a hospital or government system, a staff member—generally a discharge officer or social worker—guides the participant in preparing for a successful transition of care. The participant, with the aid of support staff, identifies a suitable provider, and the care handover is to commence. Notably, the hospital- or government-funded support network holds a significant level of influence over this process, as patients and participants rely on expert and unbiased guidance from a

trusted institution. Introducing incentive payments negatively affects the discharge and ongoing quality of recovery by;

- Limits the provider pool and only favours providers who are prepared to honour the referral fee payments.
- Negatively affect the NDIS Scheme's basic principle of market competitiveness in favour of less than desirable providers' business conduct; disturbance of market competition by an unregulated party.
- Distorts focus from the best interest of the participant to the best interest of the referral person; prioritising the most significant benefit available (commission payments).
- Compromises quality standards to favour individual monetary benefits, instead of fulfilling contract KPI's.
- Obtaining payment for the same tasks twice across two different payment pathways/ double dipping.
- Builds and enforces unrealistic and sharp practices, as the recovery of pre-payment, as well as potential ongoing payments, are to be budgeted into the cost of care. These costs are claimed by the newly appointed NDIS provider, which further distorts the NDIS fund utilisation scheme.
- Service gap between funded and received care by NDIS participants. The appointed provider is unable to deliver the level of support deemed reasonable and necessary due to unregulated and unchecked additional expenses.
- Erosion of ongoing NDIS service quality with a lack of enforcement of service delivery and the greater likelihood of returning to state/ hospital care.

Please note that this publication does not suggest that all referral/discharge staff are involved in referral fee payment; rather, it indicates that the market for this conduct is still large enough to impact our industry. A small number of individuals in key positions have a tremendous adverse on-flow effect.

Proposed actions to curb this deeply ingrained behaviour for both NDIS and other health and social care workers.

NDIS Registered organisations could be immediately and directly affected by;

- Addressing the conduct and desired quality of service by the NDIA and NDIS Commission regarding the practice. The recently implemented language around Conflict of Interest guidelines (as of June 2025) is a positive step in this direction.
- More stringent Conflict of interest registration/ self-reporting reviews as part of the auditing process.
- The enforcement of Standard requirements and the implementation of Mandatory registration for SIL and Support Coordination organisations have been a welcome development. To further improve the process, the recommendations of the ASIC Director's checks for the past 10 years should be considered, as well as the ongoing renewal of checks every 5 years thereafter. This low-cost implementation, proposed for NDIS business Directors, will uncover any current and past director appointments that the Commission should consider as part of the registration renewal process.
- Creating an easy-to-use system to encourage reporting of Referral Fee Payments.

- NDIA and the NDIS Commission's Taskforce to familiarise themselves with the practice and obtain training to investigate and recommend remedial actions or fines to uphold best practices and NDIS service standards.

Recommendations to safeguard NDIS participants and support Disability sector Governance Standards **for other social workers and healthcare professionals.**

- Education of staff on best practices and required service standards in line with hospital/ department policies.
- Highlighting the erosion effects of referral fee acceptance for ongoing quality of service on NDIS participants' recovery pathways, as well as outlining the importance of quality of care delivery to support long-term independence.
- Creating and circulating corrective actions as found reasonable by the establishment, with the request of registration of any (first, second or third level) conflict of interest relations.
- Monitoring referrals made by discharge staff and other practitioners to enforce hospital and department values, as well as the quality of service delivery.
- Readiness to enforce conflict of interest and ongoing quality of care service delivery standards.
- Inclusion of employee application requirement checks of directorship by the ASIC registry in the past 10 years to scan for NDIS organisation ownership first-level affiliation by managerial and senior appointments and candidates. Suppose ownership or directorship relations are discovered for the applicant/ staff member. In this case, an

appointment should be made with awareness of this potential conflict of interest, and ongoing monitoring of this relationship should be established further to support the safety and quality of service delivery.

- A past 10-year ASIC registrant directorship check for all key employees involved in discharge functions is to be completed as part of the renewal of employment contracts, as well as every 5 years thereafter.

As an organisation aware of our industry referral practice and having made a conscious decision to prioritise quality of care over sharp and dubious conduct since our establishment in 2019, we aim to encourage all colleagues to support our goal of **providing quality care to all our community members.**

I appreciate your time and look forward to continuing to support our participants. Sincerely yours,

Katalin Jakus/ Director of Hand in Hand Support Coordination

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