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Ministry of Health

cc Phil Wysocki, Manager Service Access Team

By email

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NASCA Management Fee

Dear Toni and Phil

I am writing to raise significant concerns voiced through NASCA by DSS NASC providers regarding the DSS NASC Management Fee, and to seek information and discussion with the Ministry of Health on this matter.

There is concern on two counts:

1. That the management fee paid to DSS contracted NASCs is adversely impacting the ability of NASC providers to maintain quality staffing and delivery of services to the level expected by the Ministry. It is noted that the management fee directly influences both the number of staff who can be employed, and therefore 'case management' levels, as well the level of remuneration able to be offered.
2. That the management fee is not applied in an equitable manner across the NASCs with regard to the large number of variables applicable to the range of DSS NASC contracts.

These concerns are raised on account of:

- The experience of many NASCs with unhelpful levels of staff turnover and difficulties recruiting quality staff. It is clear that skilled and experienced staff are required at both the assessment and coordination phases due to the complex environment within which NASCs operate. It is noted that the DHB MECA agreements for allied health staff and nurses appear to be driving salary expectations to the detriment of DSS NASCs.
- The context in which DSS NASCs are operating where increasingly comparisons are being drawn between NASC practice and the practice of EGL and LAC workers. In the eyes of many in the sector the level of attention to and service by NASC is seen as inferior which is inevitable given the disparate caseloads (around 250-300 for NASC coordinators, and 50-70 for EGL and LAC workers). It is also apparent that EGL and LAC workers attract higher salaries than the typical remuneration to NASC staff.

At the current time the NASC DIAS review is underway, there is a heightened level of discussion and debate in the sector, and the EGL demonstration in the Waikato is gaining traction and a level of official recognition. NASCs are concerned that people with influence in the sector are drawing conclusions and positioning future thinking and planning with officials without fully appreciating the markedly different resourcing being provided to NASCs and the demonstration activities, and the widely different expectations by the Ministry in terms of operational approach and outputs.

There is real potential for misunderstanding and misconstrual of NASC ability to perform in the ways consistent with the latest EGL thinking. NASCs consider that the differential funding provided serves to unfairly heighten these perceptions and disadvantage NASCs.

- The context in which NASCs have been required to undertake additional work or additional complexity of work over recent years. Additional work and complexity has arisen from:
 - addition of funded family carers as a funding mechanism - requiring intensive information provision, assessment and coordination
 - addition of explicit DSS funding responsibility for ASD – additional eligibility checking and issues, and additional coordination requirements in an environment where specific services are poorly developed
 - ICARE assessments – requiring considerable additional time to complete assessment to the level of detail required, additional time to complete the ICARE tool, and additional time ‘negotiating’ time with residential providers due to the perceived importance to them of getting the time as high as possible
 - additional responsibilities in referring and liaising with the national behaviour support service
 - additional time adjusting some community support packages for the introduction of In Between Travel funding methodology to home and community support providers
- It is accepted that the Ministry have provided some additional funding (eg for family funded carers, and ASD) but NASCs consider that the increases provided have not appropriately covered the magnitude of additional work required.

The NASCA membership have instructed NASCA Executive to engage an external consultant to advise and support NASCA in establishing an appropriate management fee for the service specification and operational expectations of the Ministry. Following initial discussion with our advisors PWC Limited we are making an initial approach directly to the Ministry. We believe it would be helpful if the Ministry were able to provide the following information and then to engage in dialogue directly with NASCA, with a view to determining whether appropriate methodologies and application of resourcing is being provided.

The information sought is:

- The basis on which the general NASC management fee is calculated – specifically
 - what are the front line (assessors and coordinators) staff levels (per client caseload numbers) envisaged

- what level of remuneration is provided for assessors and coordinators and what comparisons have been made with relevant benchmark
- what is the rationale for apparently significantly different staff levels and remuneration for NASC compared with LAC and EGL contract provisions
- demonstration that the management fee over say the last 10 years has increased in line with inflation and with respect to additional responsibilities and requirements added to the NASC expectations
- The basis on which the NASC management fee is calculated with respect to the various NASC contracts – specifically how the following factors are provided for
 - the varying overall client numbers – ie NASC staff per client caseload numbers
 - any adjustments intended to reflect economies of scale
 - additional complexities in the client base in some areas – higher levels of clients with high needs having settled from closure of institution
 - additional complexities due to the unavailability of contracted services in some areas
 - geographic considerations including rurality and access to isolated communities
 - additional responsibilities of NASCs in some areas interacting with new model/ LAC/EGL trials and demonstrations

I and members of the NASCA Executive would be pleased to discuss these matters with you further. In view of the way these concerns have been raised by the membership across DSS NASC I will need also in due course an official response to communicate back to the member NASCs.

Yours sincerely



Mark Brown
Chairperson
NASCA

