Understanding provider service agreements:

A guide for NDIS providers.

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PLAN MANAGEMENT

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Provider service agreements help protect both NDIS providers and participants by clearly outlining the services and supports to be delivered.

These service agreements can sometimes be difficult to understand and use correctly, especially if you're new to the NDIS or unfamiliar with how service agreements work.

This guide is designed to help you understand what provider service agreements are, why they're important, and how to develop them with participants.

What is a service agreement?

A service agreement is a legal document outlining the expectations and responsibilities of both the provider and the participant before supports begin. While not mandatory for all NDIS services, the NDIA recommends having a written service agreement to support clear communication and mutual understanding. Service agreements help participants and providers negotiate and agree on key details in one accessible document, such as:

- The specific supports to be provided and how they will be delivered
- The cost of those supports, in line with the NDIS Pricing Arrangements and Price Limits
- Your responsibilities as a provider and the participant's rights
- How changes, cancellations, or disputes will be managed.

Some providers use a standard service agreement for all participants, while others choose to tailor agreements to suit each participants individual needs. Regardless of the format, providers must ensure participants understand the agreement using language, communication methods, and terms that meet their needs.

Creating a provider service agreement

As a provider, you are responsible for preparing service agreements with participants. When creating a service agreement for the first time, it's important to communicate with the participant or their nominee using their preferred method. Use clear, accessible language throughout the document to ensure the participant understands what a provider service agreement is and what it includes.

The participant, their nominee or guardian must be given the opportunity to read and understand the service agreement in full before accepting it. They should also receive a copy of the service agreement for their records.

Your provider service agreement must comply with both Australian Consumer Law and NDIS guidelines. The NDIA does not directly oversee service agreements between providers and participants but they may take action if any terms are inconsistent with the NDIS Act 2013 or the NDIS Pricing Arrangements and Price Limits.

The NDIA may review your service agreements at any time, particularly as part of a payment integrity audit or compliance review. This ensures that services are delivered as agreed and that claims are in alignment with the intent of the participants plan and NDIS rules.

While there are no specific rules about the format of a provider service agreement, there are specific details it must include to be considered acceptable under NDIS guidelines:

- **The participant's full name and NDIS number**
- **Your Australian Business Number (ABN)**
- **The agreement's start and end dates**
  - These dates must fall within the participant's current NDIS plan period and/or reflect the applicable funding periods.
- **Details of the services to be provided:**
  - The type of support(s) you will deliver (e.g. household tasks, therapy, transport)
  - Frequency and duration (e.g. daily, hourly, weekly units)
  - If applicable, cancellation notice periods and charges
  - The correct support categories (e.g. Core, Capacity Building or Capital)
  - Relevant support line-item(s) from the NDIS Pricing Arrangements and Price Limits
  - Total amount of funding to be claimed from the participant's plan for these services

A provider service agreement does not need to be long and complex. However, the clearer and more detailed it is, the more beneficial it will be for both you and the participant. Including sufficient detail helps minimise the risk of confusion, misunderstanding, or disputes.

For example, your service agreement can outline what happens if a participant or provider doesn't attend a support and clarify what the participant or provider is entitled to in such cases.

To help build strong, transparent relationships with participants, we recommend including the following:

- Timeframes and conditions for reviewing or renewing the service agreement
- Payment terms, including how and when payments will be made and any relevant plan management processes
- A process for changing, ending, or cancelling the service agreement
- Privacy, confidentiality and consent provisions
- Guidance on communicating with the participant via nominees or support coordinators
- A description of how the agreed supports align with the participant's NDIS plan and funding goals.

You may include information about payment expectations in your provider service agreement however, payment is not guaranteed. Delays or issues may arise due to circumstances such as manual invoice approvals by the participant or NDIA payment integrity audits. Importantly, the NDIA does not permit providers to charge late fees for delayed payments, regardless of the reason.

Amending a provider service agreement

Amending any service agreement is common and reflects changes in a participant's NDIS plan, goals or support needs. As with creating the initial service agreement, any amendments must be discussed and agreed upon with the participant or their nominee/guardian. It's also important to clearly state whether the changes replace the previous service agreement entirely or simply add to it, and this will depend on the extent of the changes.

Examples of amendments include:

- The original provider service agreement includes a small number or sessions and the participant receives additional funding to access more sessions; the original agreement should be updated but not replaced.
- If a participant receives multiple services from the same provider and wishes to adjust which services they want to continue, discontinue, or add, the agreement should be amended and replaced with a new one accordingly.

Clear documentation of any changes helps to maintain transparency and ensure that supports remain aligned with the participant's NDIS plan, their needs and goals.

Why you should use provider service agreements

Provider service agreements are an important part of delivering NDIS-funded supports. As a plan manager, we encourage you to use service agreements and retain copies, as they help manage:

- Risks associated with the potential misuse of NDIS funding
- Cancellations, changes, conflicts or disputes with participants, nominees or guardians
- Record-keeping and administrative obligations
- Requests for documentation during NDIA or plan manager audits.

In addition, provider service agreements provide us with essential service information that supports accurate fund allocation and payment processing, including:

- Instructions for quarantining (setting aside) funds can help manage the risk of non-payment if a participant exhausts their funding. However, this does not eliminate the risk entirely, as participants can still choose to reduce or use quarantined funds.
- Invoice details and standing authorities
- Information on how we manage participants funding and the implications for their plan
- Insights into participants' plans and provider relationships, helping us support more informed and efficient fund management.

Disputes

Disagreements or disputes about NDIS services can occur from time to time. However, nib Thrive Plan Management is not an intermediary and cannot intervene in disputes between providers and participants. The responsibility for resolving any issues sits with you (the provider) and the participant, their nominee or guardian.

As a plan manager, our role is limited to managing claims and payments. We are not nominees for participants, and we are not support service providers. This means:

- We do not have the authority to act on behalf of a participant
- We must respect and follow the participant's right to choice and control, including their instructions regarding payments
- We are not involved in engaging, delivering, verifying or approving support services.

We encourage providers to maintain clear communication with participants and to use service agreements to help prevent and resolve potential disputes. Provider service agreements are a valuable tool in resolving disputes, as they clearly outline what both parties have agreed to. A well-drafted service agreement may also include a dispute resolution process. If a dispute happens, you should always attempt to resolve it by speaking directly with the participant or their nominee/guardian.

A resolution might involve:

- Clarifying any misunderstandings
- Amending or renegotiating the service agreement
- Agreeing to end the service agreement.

If the issue or dispute is serious or cannot be resolved informally, either party may escalate the matter:

- To the **NDIA**, for plan or funding-related concerns
- To the **NDIS Quality and Safeguards Commission**, for provider conduct or service-related complaints.

The Commission investigates complaints and may use the provider service agreement as evidence during the process. Creating and maintaining clear service agreements can help protect you (the provider) and your participants, supports smoother service delivery and ensure compliance with NDIS requirements.

If you have questions about service agreements or need guidance on best practices, get in touch with us any time.

Contact us
Call: **1800 999 333**
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