

Editorial

TO PRIVATISE OR NOT TO PRIVATISE ...

Privatisation of the State/Federal Vocational Rehabilitation (VR) Program in the United States (US) has recently become a contentious topic within the rehabilitation community. An article by Carolyn Weaver in the Volume 5(1) of *Journal of Disability Policy Studies* (reprinted and adapted in *Private Rehab*, 20, Fall 1995) on privatising vocational rehabilitation has provided a stimulus for much of this debate. Weaver contends that the US public VR program is not organised to ensure high quality rehabilitation services at minimum cost. She also argues that it is resource inefficient because it is unable to quickly determine who will benefit from VR services and the mix of appropriate services needed for a particular client. Weaver recommends that competition be introduced into the system to encourage innovation to solve these problems.

What does this have to do with Australia? Allocation of resources sounds surprisingly like the issue facing a number of government entities in the human services arena including the Commonwealth Employment Service and the Commonwealth Rehabilitation Service (CRS). In the area of employment services for the long-term unemployed the Department of Employment, Education and Training has responded to this issue by privatising case management services. In the area of rehabilitation of people with disabilities, the CRS has introduced a case classification project, influenced by casemix philosophy, which is designed, among other things to provide information that will guide funding, describe outcomes and improve service delivery.

Weaver presents four options for introducing competition into the VR system in the United States. These are:

1. Contract rehabilitation case management services to private-for profit firms with State VR agencies maintaining a monitoring function.
2. Provide vouchers to people with disabilities to enable them to purchase rehabilitation services from either public or private agencies.
3. Introduce a system which allows people with disabilities to obtain an 'income tax credit' against a portion of allowable expenses on rehabilitation.
4. Create a federal loan program through the Social Security Disability Insurance Program for people with disabilities to purchase rehabilitation services with the proviso that the loans must be repaid if the individual does not return to work.

Of these options Weaver supports a voucher system because it would give people with disabilities choice and purchasing power, develop innovation in rehabilitation programs through competition and enhance quality of services.

Privatisation of vocational rehabilitation has been criticised on the grounds that people with severe disabilities will miss out on services because the private-for-profit firms will 'cream off' easier cases for the 'quick dollar'. In response, Weaver describes research conducted in Arizona that indicated that the private sector

could produce high quality outcomes for people with severe disabilities at a reasonable cost. Furthermore, the assumption that the non-for-profit or government sector will guarantee that people with severe disabilities will receive rehabilitation services they need is also questionable. For example, Working Solutions, the Report of the Strategic Review of the Commonwealth Disability Services Program states that people with a significant level of disability have tended to miss out on services under the Disability Services Program. The emphasis on 'case closures' in rehabilitation services, the impact of resource limitations on provision of a comprehensive range of services and lack of trained personnel to work with people with a range of support needs all contribute to lack of access to rehabilitation services by people with severe disabilities. Any system of rehabilitation service provision, regardless of whether it is private or government must deal with these issues.

Blanket statements that 'government is good and private is bad' or vice versa do not contribute to the debate. Legislative changes to State workers compensation and motor vehicle accident schemes have resulted in a well-developed private-for-profit rehabilitation sector capable of servicing people with disabilities who are in receipt of social security pensions and benefits. Furthermore the CRS already successfully competes with private providers for rehabilitation work under certain state workers compensation schemes and possesses certain competitive advantages which would serve it well in a privatised market. The boundaries between private and government rehabilitation service provision therefore are already nebulous.

Ideally, the ultimate complexion of rehabilitation services in Australia should be determined by the needs of consumers of such services. Involvement of the disability and rehabilitation communities in this process is essential. Rehabilitation personnel have both an opportunity and a responsibility to fulfil an advocacy role for consumers of their services by lobbying governments on the issue of privatisation rather than passively accepting government policy. Whatever happens, the privatisation issue will not go away, and thus the rehabilitation community should be in the forefront of shaping any changes to the current system of service delivery.

The Journal proposes to establish a Forum Section and would welcome submissions not exceeding 250 words on the issues raised in this Editorial.

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Editor

