



Exposure Draft Updates for Consideration

Redrafted Declared Hearing Services Determination

This instrument has been found to be fit-for-purpose as is. The updates and simplification are minor.

1. Update 'remote' eligibility to Modified Monash Model.

It is proposed to update 'remote' eligibility, currently based on a list of postcodes shown at Schedule 2 of the instrument, to the [Modified Monash Model \(MMM\)](#) classification system.

Analysis of the current 474 listed postcodes shows that

- many no longer exist and many were never 'remote'.
- There are currently 242 active CSO remote eligible clients in only 42 of the listed postcodes.
- 228 of these clients are in MMM 6 or 7.
- 12 clients are in postcodes that are predominantly MMM 5 but that have significant areas within MMM 6 or 7.
- Active CSO remote eligible clients outside of MMM 6 or 7 will remain eligible.

Hearing Services Program (Voucher) Instrument 2019

2. Prohibit the sub-contracting of clinical services

2.1 Section 31 of the Voucher Instrument exposure draft refers to subcontracting.

While currently allowed, issues have arisen where a contracted service provider has subcontracted clinical services to a third party (entity, not individual) without appropriate arrangements in place that would enable compliance with the Act, instruments or service provider contract.

2.2 Analysis of the annual Self-Assessment Tool (SAT) completed by providers to ensure compliance with the requirements of the Hearing Services Program (HSP) shows that around three per cent may have these subcontracting arrangements.

2.3 It is proposed to prohibit these arrangements. Transitional provisions will be made for those affected and providers may still use locum or direct contract clinical staff who are registered to provide services with the business.

3. Allow the provision of private devices and services

3.1 Section 49 of the Voucher Instrument exposure draft refers to the delivery of private services. Contracted service providers are not currently allowed to sell devices or services privately to voucher-holders. The new provision clarifies that this is not allowed if the same or substantially similar service is available to the voucher-holder under the HSP.

3.2 Where private devices or services are provided, obtaining informed consent will be required. Further, devices sold privately to voucher-holders will still need to be listed on the approved device schedules to ensure minimum specifications are maintained but only where those devices are intended to be brought onto the HSP for the purpose of fitting, maintenance and replacement claims.

4. Elevate and broaden disclosure of preferred device supply arrangements

4.1 Section 28 of the Voucher Instrument exposure draft refers to device supply arrangements. The use of commissions and sales incentives within the hearing industry has been raised by the Australian Competition and Consumer Commission (ACCC) and the Standing Committee on Health, Aged Care and Sport's Still waiting to be heard...Report on the Inquiry into the Hearing Health and Wellbeing of Australia.

4.2 It is proposed to make it a legislative requirement that contracted hearing providers disclose any preferred devices supply arrangements and to notify voucher holders of "...any commission, incentive or other reward for the provision or sale of a particular device or brand". The manner for the disclosure will be prescribed administratively, for example via the use of a template.

5. Remove requirement to obtain medical certification

5.1 Subsections 5(3) and (4) of the Hearing Services Voucher Rules 1997 require an applicant for a voucher to obtain a certificate from a medical practitioner stating whether

- there are any medical contraindications to the fitting of the applicant with a hearing device, or
- if an applicant has previously been fitted with a hearing device, to obtain a certificate from a hearing service or a medical practitioner stating that the applicant needs the hearing service applied for.

5.2 During the Thematic Review consultation in 2018, stakeholders noted that the requirement for eligible participants to obtain a certificate from a medical practitioner to apply for a voucher creates unnecessary administrative burden for service providers, individuals and medical practitioners.

5.3 In late 2016, the U.S. Food and Drug Administration issued a guidance document explaining that it does not intend to enforce the requirement that individuals 18 and up receive a medical evaluation or sign a waiver prior to purchasing most hearing aids. The FDA cites advice from the President's Council of Advisors on Science and Technology and the National Academies of Sciences, Engineering and Medicine (NAS) that such a condition for sale was a potential barrier to availability and accessibility of hearing aids, and concluded that it was providing little to no meaningful benefit to patients.

Alternative position

Keep requirement to obtain medical certification for device fittings only.

6. Clarify device replacement arrangements

- 6.1 Sections 48 and 53 of the Voucher Instrument exposure draft refers to device replacements.
- 6.2 Subsection 48(2) specifies replacement devices are to be the same device as the one being replaced. The current provision only requires a 'similar' device. Approval of a "reasonable alternative" will be considered administratively and will be considered a refitting. Consequently, the client will not be eligible for a further refitting for another five years from the date of fitting of the replacement device.
- 6.3 Section 53 clarifies that the replacement fee (or co-payment) is per device. For example, if a binaurally fitted voucher holder loses both devices, the replacement charge will be double. Contracted service provider can choose to waive this fee.
- 6.4 It is proposed to align the replacement co-payment with the DVA reimbursement amount and subject the replacement co-payment to ongoing consumer price indexation. The replacement co-payment (\$30) has never been indexed unlike the client maintenance charge and the DVA replacement reimbursement fee (\$41.05).
- 6.5 To minimise the cumulative cost impact of these changes to clients, particularly those requiring binaural (two) replacement devices, it is proposed to make the single device replacement co-payment half of the current DVA reimbursement rate, shown at 2018-19 levels as follows

Current Replacement Fee	Current Co-payment	Current DVA Reimbursement
One device	\$30.00	\$41.05
Two devices	\$30.00	\$41.05

New Replacement Fee	New Co-payment	New DVA Reimbursement
One device	\$20.50	\$20.50
Two devices	\$41.05	\$41.05

7. Remove Class 4 eligible persons and minor maintenance items

- 7.1 The Hearing Services (Eligible Persons) Determination 1997 and Hearing Services (Participants in the Voucher System) Determination 1997 together describe a class of eligible persons and the specific services they are entitled to. That is persons each of whom

- has, at any time, been an eligible person under subsection 5 (1) of the Act, and
- has had a hearing device fitted by a contracted service provider, and
- has subsequently ceased to be an eligible person under that subsection,

are entitled to the "necessary repairs and maintenance of the hearing device, ... for a period of 5 years from the date the participant ceased to be an eligible person." These services are the "Minor Repairs" items 900 / 910 on the HSP Schedule of Service Items.

7.2 The original provisions were drafted at a time when the “Voucher Period” was six months. As the voucher period is now three years the provision is considered to be redundant.

7.3 Further, the *Hearing Services (Eligible Persons) Determination 1997* provision taken in isolation of the *Hearing Services (Participants in the Voucher System) Determination 1997* has led to the mistaken belief that a client who has been fitted with a device is always eligible for any service. This is reflected in provider claiming behaviour. In 2017-18

- Over 72,000 claims for payment were made (worth \$14m) by providers for services rendered to voucher clients who did NOT have a valid voucher at the time of the service.
- Only 732 claims were for Minor Repairs.

8. Expand / Clarify Disability Employment Services Eligibility

8.1 Section 10 of the Voucher Instrument exposure draft refers. Section 5(2)(g) of the Hearing Services Administration Act 1997 confers eligibility to persons referred to the HSP under Part III of the Disability Services Act 1986 (DSA). Due to unintended consequences of multiple changes with the operation of Disability Employment Services (DES) under the DSA and the HSP over time, some DES clients have lost eligibility.

8.2 Under the DSA and HSP, currently only DES Disability Management Services (DMS) clients are eligible. DMS is for job seekers with disability, injury or health condition who need assistance to find a job and occasional support in the workplace to keep a job. However DES Employment Support Service (ESS) clients are NOT eligible for the HSP despite the fact that they are job seekers with permanent disability or who need regular, ongoing support in the workplace to keep a job.

8.3 It is likely that many DES-ESS clients are NDIS eligible or otherwise eligible for the HSP (under other eligibility provisions). It appears that the original intent was for all DES clients to be eligible for the HSP which this update will reflect.

8.4 It is proposed to extend eligibility to DES – ESS clients.

9. Remove Audiological Case Management Items

9.1 HSP contracted service providers can currently claim service items (610/810) intended to allow an independent review by an audiologist of an audiological assessment, particularly if initially conducted by an audiometrist. However, ambiguity within item description has led to an interpretation that the item is open to claiming by any Audiologist.

- In 2017-18, 92% of all 610 / 810 claims were made by the same Audiologist who claimed the Audiological Assessment.

9.2 These are low volume (18,165 claims in 2017-18), low value items (\$44.40 each) being claimed incorrectly by providers. The audiological assessment available under the HSP is comprehensive and there should be no need to claim ‘additional’ tests. Further, audiology professional standards include medical referral where appropriate.

9.3 It is proposed to remove these items.

Alternative position

Retain audiological case management items for audiometrist to audiologist referral only.

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