



## Consultation Provider Factsheet – Device Supply Disclosure

Clients of the Australia Government Department of Health's Hearing Services Program (the have the right to information to support informed choices about the hearing services they receive. This includes transparency about any arrangement(s) a contracted service provider (provider) may have with a device supplier which may, or which could be perceived to, influence the recommendation they may make regarding the supply of fully or partially subsidised device(s) under the program.

### Program Requirements

Section 28 of the *Hearing Services Program (Voucher) Instrument 2019* specifies that providers must inform program clients of relevant device supply arrangements. Clause 9.5 of the [Service Provider Contract](#) (the contract) then expands on these requirements.

When services including devices are being provided, the provider must disclose in writing to the client whether or not

- (a) the provider, including any of its personnel, receive direct or indirect benefits (financial or otherwise) related to the purchase of devices from a device supplier to program clients. This includes exclusive supply arrangements, price discounts, commissions, gifts and rewards
- (b) the supplies being provided are manufactured or supplied by a related party<sup>1</sup>, or where there has been significant financial support provided or received and/or
- (c) the provider is also an appointed supplier and supplies its own devices

Please note that providers are not required to disclose specific details of any arrangements. At a minimum, the disclosure must include if arrangements exist or not, the type of arrangement (for example reward programs, financial support) and with whom the arrangements exist.

### Disclosure information considerations

Arrangements between an appointed device supplier and a provider may influence the type and/or brand recommended and supplied, and can have significant implications on the cost to the client. Therefore, when preparing a disclosure statement the following information should also be considered

- preferences to supply limited brands rather than the broader range of devices available, and whether all device brands can be supplied in the circumstances
- the use of sales targets, rewards and commissions for the business and staff, particularly where related to the sale of partially subsidised devices over fully subsidised devices
- loans of equipment, branding and financial assistance potentially biasing practitioners to recommend one brand over another
- protections in place to ensure device recommendations are based on the client's individual circumstances and their best interests, and
- potential advantages to clients of the agreement in place such as better value for money

<sup>1</sup> Related Party is a defined term in the Service Provider Contract



Some examples on how to include these elements is attached under, [Device Supply Disclosure Examples](#).

Providers must not make false or misleading statements to clients in their disclosure statement. Please note a publically available disclosure statement may assist providers in being upfront with arrangements in the event of a client complaint about potential duress in purchasing a partially subsidised device.

## **Possible Examples**

It is up to each provider how to present their written disclosure statement to clients and potential clients. The following are examples for providers when considering what processes and procedures that might put in place in order to meet the obligations

- a poster displayed in the waiting room or consulting rooms of each clinic
- a statement appearing on client forms e.g. device quote form
- disclosure information included in client brochures, newsletters and/or information packages and
- a statement on the website and social media pages

## **Consultation and transition**

The department will use the transition period until 31 March 2020 to liaise with consumer and industry representative groups, including providers, to further develop example statements for inclusion on Disclosure Statements

As stated above, disclosure is about transparency regarding the existence of an arrangement and does not require disclosure of the commercial or other detail of that arrangement. As such, disclosure procedures will differ between service providers.

Existing Preferred Supplier Disclosure Statements will be deemed compliant during the transition period. Providers have until 31 March 2020 to have device supply arrangements disclosures in place that are compliant with the new legislative and contractual requirements.

## **Compliance Monitoring**

Program requirements are monitored in accordance with the [Compliance Monitoring and Support Framework](#). The provider's Device Supply Disclosure information may be requested at any time for the purposes of compliance monitoring.

## **Links and Resources**

For further information

Visit - [www.hearingservices.gov.au](http://www.hearingservices.gov.au)

Email - [hearing@health.gov.au](mailto:hearing@health.gov.au) or

Call - 1800 500 726



## Device Supply Disclosure Examples

Disclosure statements will differ between service providers, depending on the nature of any preferred supply arrangements in place. Disclosure is about transparency regarding the existence of any arrangement, the detail of such arrangement does not need to be included. Possible elements for inclusion in provider disclosure statements might be

### Preferred Supplier/Related Entity

[Provider Name] has a preferred supplier arrangement with [Insert Manufacturer/s Name].

[Provider Name] is a subsidiary of [Entity Name] who is also an Appointed Supplier of devices under the program.

We received initial start-up support from [Insert Manufacturer/s Name].

### Rewards, including commissions

Our staff receive rewards for the quality of services they provide, including sales of devices.

Our practitioners receive support from [Insert Manufacturer/s Name] for participation in conferences and seminars. However our practitioners are able to supply all devices available through the program and this does not influence the recommendation.

### Provider also an Appointed Supplier

[Provider Name] is a Contracted Service Provider and Appointed Supplier of devices under the Hearing Services Program.

We generally supply our own devices however can arrange for other program approved devices to be supplied.

### Benefits and Impact

Our practitioners will provide you with a range of device options to meet your individual circumstances.

The benefits of our supply arrangements to you as a client are

We have preferred supplier arrangements with [Insert Manufacturer/s Name] which allows us to obtain devices at a lower cost and we are able to pass these savings on to you.