<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
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<tbody>
<tr>
<td>10.00am – 12.00pm</td>
<td>Dept of Health &amp; Dept Social Services: Information session and questions</td>
</tr>
<tr>
<td>12.00pm – 12.45pm</td>
<td>Lunch</td>
</tr>
<tr>
<td>12.45pm – 1.30pm</td>
<td>Dept of Finance: Australian Hearing Scoping Study</td>
</tr>
<tr>
<td>1.30pm – 2.00pm</td>
<td>Wrap up and next steps</td>
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What the National Disability Insurance Scheme means for hearing services

Information Session

Tracey Duffy, National Manager, Office of Hearing Services, Dept of Health
Nick Hartland, Group Manager NDIS, Dept of Social Services

June 2015
The National Disability Insurance Scheme

Key messages

• There are advantages for Hearing Services Program clients transitioning to the NDIS, including choice of providers & greater range of supports

• The Hearing Services program is only one of sixteen programmes transitioning in whole or in part

• Systems will be put in place to protect quality and safeguard clients
National Disability Insurance Scheme

• Based on Insurance Principles
  – Understand lifetime costs
  – Fully fund need (reasonable and necessary)
  – Invest in people
  – Continually monitor impacts

• Market based
  – Individuals have choice and control
  – Providers can compete for additional business and innovate
Commonwealth Funding

- Medicare Levy
- Funding from Budget
- Funding from *Programmes* that will roll into NDIS in full or in part
  - ADEs
  - Better Start
  - Helping Children with Autism
  - Mental Health (PHaMs, PIR, D2D)
  - Hearing Services
Review of Quality and Safeguards

- Control and choice implies right to **take risks**
- Re-engineer **quality assurance** – not reliant on contracts
- Leverage individual planning to build **safeguards**
- Ensure adequate **scrutiny of complaints** based on Commonwealth legislation
- Ensure goal of **deregulation** can be realised by building industry approaches as much as possible
NDIS Eligibility – disability requirements

• To access assistance from the NDIS a person must:
  – Have a **permanent** impairment that has -
    ➢ a **significant impact** on everyday life; and
    ➢ on the person’s ability to participate in the community.
  – Need ongoing supports.
Early intervention

• To meet the early intervention requirements a person must:
  – have an impairment that is, or is likely to be, permanent
  And
  – There is evidence that receiving supports now (early interventions) will help:
    ➢ **reduce the level of support** needed, now and in the future or
    ➢ assist their family and carer to keep providing support
Early intervention objectives

• Early intervention is particularly **focused on children**, but also available for older age groups.

• Investment in early intervention is a **key feature** of the Scheme. Access to early intervention support will aim to:
  – Increase functional capacity.
  – Reduce the impact of disability.
  – Help maintain independence.
  – Increase opportunity for social, economic and community participation.

• Will utilise **evidence-based** interventions.
Access to NDIS (generally)

To access the NDIS people must be:

- under 65 years;

And

- have a disability resulting from an **impairment** that is, or is likely to be, **permanent** and:
  - that impairment stops them from doing everyday things for themselves (reduced functional capacity)
  
  Or
  
  - if support is provided now it will **reduce their need for support in the future**
  
  Or
  
  - the person is aged **under six years old** with developmental delay.

And

- be an Australian citizen, a permanent resident or hold a Protected Special Category Visa.

Access to NDIS 2015

At this stage, because the NDIS is still in trial phase in most States, or an early transition to Full Scheme in Nepean Blue Mountains, access is restricted by age (SA, Tas, NBM) and residential address.
Key messages

- There are some hearing-specific issues that need to be worked through before clients transition
- Interim arrangements are currently in place
- The NDIS has implications for clients, the Hearing Services Program, Australian Hearing and the industry more broadly.
Hearing Services Program - Issues

- Access to NDIS for Hearing Services Program clients – CSO and Voucher

- **Continuity of services** for existing clients who cannot access the NDIS

- **Review of Program** after number of CSO clients that will transfer is clearer – stakeholder consultation

- **Alignment of quality and safeguards** between Hearing Services Program and NDIS to ensure no unnecessary regulatory burden
Eligibility

**Voucher**

- **Pension Concession Card + dependants** (86.9%)
- **Dept Veterans’ Affairs** clients (Gold card / white card) + dependants
- **Sickness allowance** recipients + dependants
- **Member Australian Defence Force**
- Person referred under rehabilitation program under *Disability Services Act 1986*
- **NDIS participants** referred by their planner

**CSO**

- **Under 26 year olds**: 32,779 clients in 2013-14
- **Complex adults** from the Voucher Program: 20,071 clients in 2013-14
- Adults living in **rural/remote** areas from the Voucher Program
- **Indigenous Australians >50 years**, Remote Jobs and Communities Program participants
- **NDIS participants** who are young Australians
Current arrangements

• Legislation changed in 2013 to expand eligibility for Voucher and CSO to NDIS participants

• This means that an NDIA planner can refer clients with hearing supports in their plans to the Hearing Services Program

• Advantages to NDIS participants
  – Potential access to supports outside of the Program
  – no out-of-pocket costs for maintenance, batteries, hearing devices

• This is an interim arrangement until the NDIS is fully rolled out
When will clients transfer?

- Hearing Services Program clients living in NDIS trial sites are encouraged to meet with an NDIA planner to determine eligibility now.

- These clients will be both clients of the Hearing Services Program clients and NDIS participants until the Hearing Services Administration Act 1997 and the Australian Hearing Act 1991 are amended to restrict eligibility to people who cannot access the NDIS.

- This will need to be worked through as part of transition planning and reflected in relevant legislative arrangements.
Who has responsibility for hearing services?

- The **NDIA** implements the NDIS and has **funding and operational responsibility** for hearing services provided under the NDIS, including determining access.

- Disability Reform Council has responsibility for NDIS policy.

- **Health** (through the OHS) will continue to have **funding and policy responsibility** for hearing services provided under the Hearing Services Program, including eligibility.
What does this mean for Australian Hearing?

- AH will:
  - **Compete** to provide broader range of services to **NDIS** participants
  - Change from CSO block funding to **fee for service**
  - Continue to **compete** to provide services to **Voucher clients**
  - Compete for majority of clients but **not on an equal footing** as a government entity (ie as a statutory authority)

- Accountability, reporting obligations, autonomy, employment
- Restricted in competing for private clients (over 65 years self-funded retirees and less than 65 years who do not qualify for NDIS)
What does this mean for Hearing Services Program clients who transfer to NDIS?

- **Choice** of service provider

- Individual funded package – *more flexibility* with potentially greater range of supports

- Continuity of services - ability to *stay with AH* after they reach 26 years of age (if wish to do so)
What does this mean for the industry?

- Increased government funding to the sector - for which AH will compete with other providers
- Need to adapt to a more flexible / holistic approach to meeting communication goals of NDIS participants
- Greater flexibility in service design and delivery - a more joined up approach to service delivery
- A greater focus on client outcomes under a quality assurance approach
Key messages

- Existing clients will continue to get services – either through Hearing Services Program or NDIS

- Strategies are being developed to deliver better co-ordinated, integrated disability services to remote and rural areas

- There are a number of other issues to be worked through

- Transition planning with stakeholders is critical
Funding for NDIS participants

• Hearing Services Program **funding will follow clients** transitioning to the NDIS

• NDIS participants will have supports **based on individual needs** rather than rationed funding (including hearing services and hearing related equipment)

• **Costings** for the NDIS anticipate funding for **sensory groups** to double
Rural and remote access

• NDIA is developing a **service delivery strategy** for rural and remote areas.

• **Opportunity** to drive improvements - a number of reviews, point to the need for **improved co-ordination of outreach services** to rural and remote areas

• Primary healthcare networks also important role in improving co-ordination – **referral pathways**
Managing thin markets

• Specific strategies to respond to **thin markets** (ie areas with few or no providers)

• For example
  – Location loadings for costs
  – Tender for service delivery to specific region
  – Supporting co-operative arrangements between different service providers (ie primary, secondary, tertiary hearing health)
To be worked through with NDIA

- Hearing devices - supporting technology & Innovation
  - maximise participant **choice and control**
  - support innovation
  - ensure sustainability.

- Service Pathways and response times
  - childhood screening

- Other CSO funded activities
  - Reviewing school based hearing equipment
  - Public/community education on hearing loss
Transition

• A **staged** approach

• Broad stakeholder input to Transition Blueprint – **workshops** commencing from July /August 2015

• **Ongoing sector engagement** – to inform how Health and Social Services can best support transition to the NDIS

• **Questions** for stakeholders to consider
4 Key messages
Key take away messages

1. The NDIS is a significant reform initiative which has the potential to benefit thousands of people under 65 years with permanent hearing loss.

2. By 2019-20 Hearing Services Program clients who are eligible for NDIS will transfer to that scheme.

3. The Hearing Services Program will continue to provide to services to eligible clients who are not NDIS participants.

4. CSO clients who transfer will be able to choose to remain with Australian Hearing as their service provider.

5. Australian Hearing will compete for NDIS and Hearing Services Program clients under a quality assurance framework.

6. There are a range of issues which will be worked through with stakeholders (before the interim arrangements cease) to ensure ongoing access to high quality hearing services. Stakeholder input is critical to success.
Questions and discussion
Australian Hearing
Scoping Study

Information Session, June 2015

Robin Renwick, First Assistant Secretary
Australian Hearing Scoping Study

• Scoping study announced as part of the 2014-15 Budget.

• Independent advisers appointed – PWC and Herbert Smith Freehills.

• The views and feedback of a range of stakeholders were sought.

• Common themes emerged from the early stakeholder engagement.

• A key consideration identified – Introduction of the NDIS.

• Consideration of scoping study is deferred pending further stakeholder consultation.
## Eligibility, funding, access and quality services

### Key issues

<table>
<thead>
<tr>
<th>Eligibility: Assuring ongoing eligibility for CSO clients</th>
</tr>
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<tbody>
<tr>
<td>Children receive the breadth of services they need, assistance throughout life.</td>
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</table>

| Access: Ease of access for parents, maintaining Australia’s low ‘loss to follow-up’ ratio |
|Oregon services to rural Indigenous population, including better coordination. |

<table>
<thead>
<tr>
<th>Quality: Need to maintain a quality, holistic approach to service delivery</th>
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<tbody>
<tr>
<td>Safeguards to assure quality of service, special needs of paediatric and outreach.</td>
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</table>

<table>
<thead>
<tr>
<th>Funding: Maintenance of sufficient programme funding</th>
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<tbody>
<tr>
<td>Funding for Indigenous programs, spending it in the right areas</td>
</tr>
<tr>
<td>Guarding against cost increases for CSO, reductions in technology and in service.</td>
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<table>
<thead>
<tr>
<th>Research: The NAL to remain as an independent research organisation</th>
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<tbody>
<tr>
<td>Access to data provided by Australian Hearing for hearing loss research projects.</td>
</tr>
</tbody>
</table>
Health policy determines access to CSO and the services

The scoping study advisers found

- Australian Hearing is a service provider.

- Australian Hearing does not determine government policy for eligibility to funded hearing services or the nature of those services.

- Office of Hearing Services in the Department of Health provides advice to Government on the impact of any change to health policy, population growth and technology on the costs of service delivery under the Hearing Services Program.

- Health negotiates agreed service and quality expectations for CSO services with Australian Hearing.

- Health policies that underpin funding of CSO hearing services by the Australian Government are not impacted by ownership of Australian Hearing.
Hearing services market is competitive and mature

The scoping study advisers found

• Market conditions have changed significantly since Australian Hearing established.
• Many other private providers now service the majority of clients:
  – 100% of private hearing services
  – approx 70% of government funded Voucher services.
• 250+ service providers operating from more than 2,600 locations around Australia.
• Australian Hearing operates about 20% of the total permanent and visiting sites.
• Australian Hearing has a similar site profile to other providers.

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<tr>
<th></th>
<th>Metro</th>
<th>Regional</th>
<th>Remote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Hearing</td>
<td>52%</td>
<td>46%</td>
<td>2%</td>
</tr>
<tr>
<td>Other providers</td>
<td>55%</td>
<td>42%</td>
<td>3%</td>
</tr>
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Hearing Services Market

2014 Hearing Services Market (%)

Voucher 66%
Private Services 27%
CSO 7%

AH Revenue 2013-14 (approx. %)

<p>| | |</p>
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<tbody>
<tr>
<td>CSO</td>
<td>30</td>
</tr>
<tr>
<td>Voucher</td>
<td>70</td>
</tr>
<tr>
<td>Private Services</td>
<td>0</td>
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</table>
## Contestable CSO arrangements 2019-20 onwards

<table>
<thead>
<tr>
<th>Market Access</th>
<th>AH</th>
<th>Private Providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private</td>
<td>X</td>
<td>✓</td>
</tr>
<tr>
<td>Voucher</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>CSO</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>
## Hearing services market is competitive and mature

<table>
<thead>
<tr>
<th>Segment</th>
<th>Voucher</th>
<th>CSO</th>
<th>Private Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Clients</strong></td>
<td>Pensioners, veterans</td>
<td>Children and young adults to 26 years, eligible Aboriginal and Torres Strait Islander people and Voucher adults with complex hearing needs</td>
<td>Others not eligible under Voucher or CSO (adults from age 27-65 and self funded retirees)</td>
</tr>
<tr>
<td><strong>Services provided</strong></td>
<td>Assessment, hearing devices and fitting, device repairs and maintenance</td>
<td>Same as voucher, plus additional services to address specific needs</td>
<td>Services as required by client</td>
</tr>
<tr>
<td><strong>Service providers</strong></td>
<td>Australian Hearing and 250+ private providers</td>
<td>Australian Hearing – sole provider</td>
<td>250+ private providers</td>
</tr>
</tbody>
</table>
The market is about to enter a period of change

The scoping study advisers found

- The NDIS will change the way hearing services are provided in Australia.
- Services to be based on individual need, with tailored packages to ensure clients receive the services they need.
- NDIS eligible CSO clients will be able to choose to remain with Australian Hearing or choose another service provider.
- Choice, flexibility and ‘whole-of-life’ needs-based service delivery will benefit clients.
- The NDIS will affect Australian Hearing regardless of its future ownership.
- Emerging industry trends
  - technological advances in self-treating hearing loss
  - ‘one-stop shop’ models, increasing industry consolidation, online service providers
Australian Hearing will need to evolve

The scoping study advisers found

- As a government service provider, Australian Hearing is restricted from participating in all segments of the market.

- Australian Hearing needs to adapt to the growing, changing market and to the introduction of the NDIS.

- Australian Hearing needs to diversify to give clients the breadth of services that other providers already offer.

- Australian Hearing needs to have the flexibility and capability to deal with emerging industry trends.
The National Acoustic Laboratories

The scoping study advisers found

• All stakeholders highlighted the vital role played by the NAL.

• Stakeholders said the NAL should continue:
  – as an independent research entity
  – to underpin national hearing health priorities
  – to provide evidence-based recommendations for clinical practices and
  – collaborate with Australia’s hearing research industry.

• The NAL should continue to provide independent research to maintain
  Australia’s leading position in this field

• The NAL would have a greater opportunity to capture other research funding
  from having more experience in the broader contestable research funding
  environment.
Next steps and questions..

- Health will continue to consult with stakeholders on developing the transition blueprint in relation to the Hearing Services Program and the NDIS from July onwards.
- Departments will report back to Government in second half of 2015.
- Feedback already provided and additional feedback from these sessions will help inform transition plan to NDIS.
- Further stakeholder feedback will be taken into account by the Government in the context of considering the outcomes of the scoping study.

- Any questions..?