



**Australian Government**

**Department of Health**

**JOINT STANDING COMMITTEE ON  
THE NATIONAL DISABILITY  
INSURANCE SCHEME**

**AUSTRALIAN GOVERNMENT  
DEPARTMENT OF HEALTH  
SUBMISSION**

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## **EXECUTIVE SUMMARY**

The Department of Health (DoH) is providing a summary of current programs and actions being undertaken to improve the social and economic impact of hearing impairment on the long term health and wellbeing of Australia. DoH's submission will outline the current hearing related programs within DoH and the future of hearing health management, including the transition to the National Disability Insurance Scheme (NDIS).

The Australian Government is committed to supporting services and research into hearing impairment issues and has been since the early 1940s. For example, the Australian Government Hearing Services Program, within DoH, provides funding to help eligible people with hearing loss access services and products. The Government also funds research into the treatment and prevention of hearing loss through organisations such as the National Acoustics Laboratories (NAL).

The Indigenous Australians' Health Program aims to raise community awareness about Aboriginal and Torres Strait Islander ear and hearing health, including the Care for Kids' Ears resources, developed as part of a campaign, which aim to increase awareness of ear disease among Aboriginal and Torres Strait Islander people.

## **CURRENT ACCESS AND SUPPORT**

Currently, access to hearing services and support in Australia occurs through Australian Government funding, state and territory governments, and private or not for profit arrangements.

An individual with hearing loss may receive hearing services through various access points, which may be supported through a range of funding (depending on their individual circumstances and needs). All babies born in Australia are screened for hearing loss at birth under the Australian Government's Universal Newborn Hearing Screening program. Those who receive a "refer" result from their screening (or are detected later) will go on to a diagnostic service and then, if a hearing loss is diagnosed, attend Australian Hearing and/or a Cochlear Implant service for further assessment. There are a wide variety of activities to support hearing health. These include prevention, screening, monitoring, hearing loss diagnosis / assessment, hearing aid fitting, cochlear implantation, hearing device management and maintenance, and research.

An Aboriginal and Torres Strait Islander Health Assessment for a child under 15 years must include an ear examination using otoscopy (Medicare Benefits Scheme Item 715). Opportunistic inner ear examination is encouraged every time an Indigenous child attends a medical clinic, even if the child is not the patient. This model of care embeds ear and hearing health into existing child health primary care and can be beneficial as middle ear conditions can be asymptomatic with fluctuating hearing loss.

Hearing screening programs conducted in schools continue to be important, however comprehensive ear health care in the 0-4 age group is vital to children so that they can meet developmental milestones and achieve educational outcomes.

### *Government Support*

The Government contributes funding and provides services across a number of hearing related activities and through multiple portfolios, including:

- the Department of Health (DoH);
- the Department of Veterans' Affairs;
- the Department of Human Services;
- the Department of Industry, Innovation and Science; and
- the National Disability Insurance Agency (NDIA).

In relation to the Health portfolio, major contributions relating to hearing health include:

- The Australian Government Hearing Services Program (the program) which provides assessment and hearing devices through a voucher scheme for eligible clients, as well as specialised services for specific groups through a Community Service Obligations arrangement delivered by Australian Hearing.

Interim arrangements have also been put in place for National Disability Insurance Scheme (NDIS) participants requiring hearing supports to access the program.

- Medicare benefits for hearing services provided by medical practitioners and audiologists. A subsidy for these services is provided through specific audiology related item numbers in the Medicare Benefits Schedule (MBS). In 2015-16, 858 services were registered under MBS item 41617 – cochlear implant, insertion of, including mastoidectomy. This increased from 828 in 2014-15. Also in 2015-16, 466 services were registered under MBS items 41603 and 41604 – the implantation and fixation of titanium fixtures for use with implantable bone conduction hearing system devices.
- Specific initiatives funded by the Indigenous Health Division, such as *Healthy Ears – Better Hearing, Better Listening* and *Care for Kids' Ears*.
- Assistance provided to state and territory governments under the National Care and other Commonwealth/state agreements, which contribute to the cost of hearing services delivered through public health services in each state and territory, including cochlear implantation surgery.
- Pneumococcal immunisation programs to prevent otitis media.
- Support for private health arrangements.
- Supporting and funding research, including through involvement of the National Health and Medical Research Council (NHMRC) grants.

### ***The Australian Government Hearing Services Program***

The Office of Hearing Services (OHS) was established in 1997 to administer the Hearing Services Program (the program). The program provides access to subsidised hearing services and devices for eligible people, and supports research that assists with reducing the incidence and consequences of hearing loss in the community.

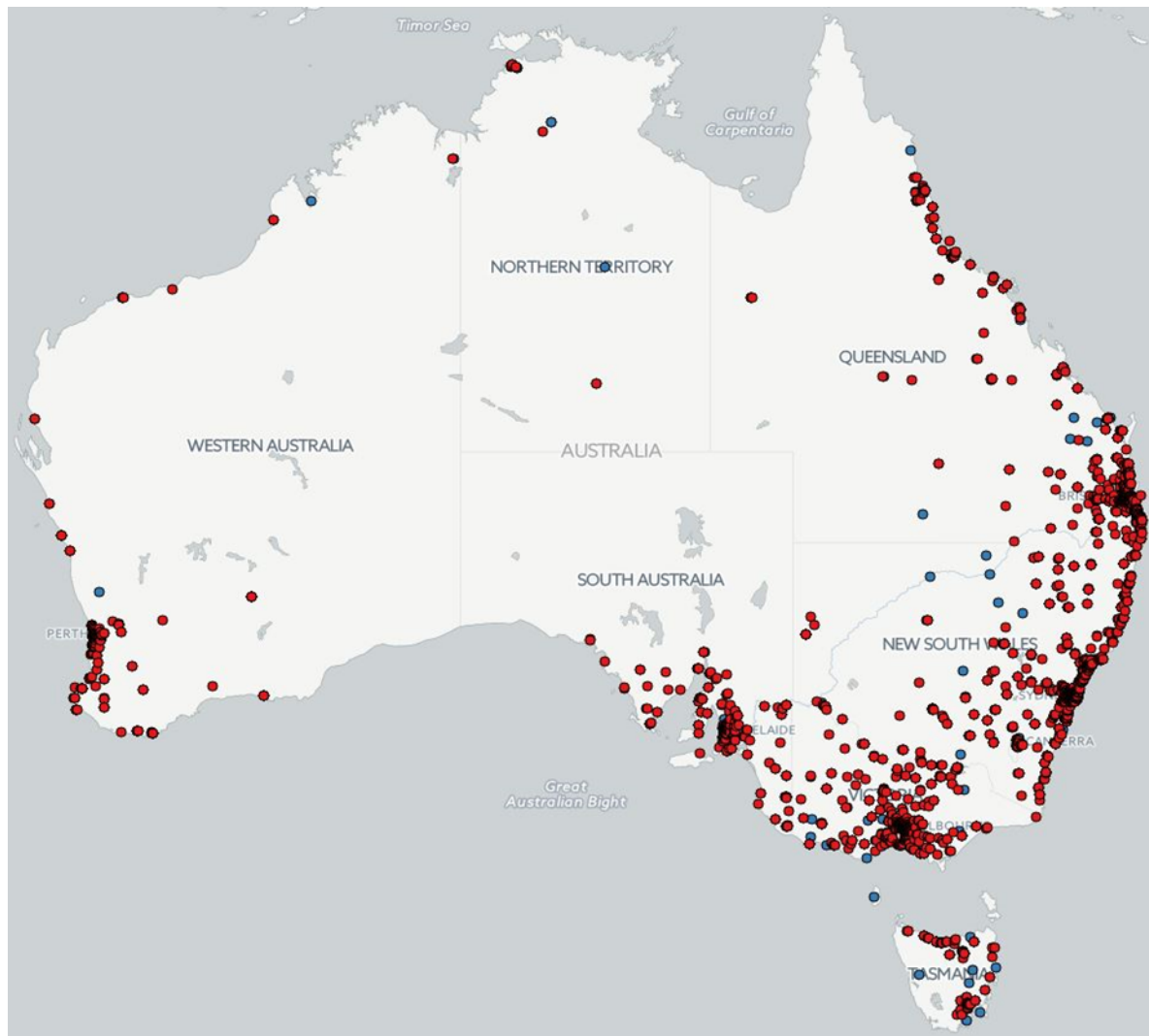
Program components include:

- the Voucher Scheme (the Scheme);
- Community Service Obligations;
- funding program-relevant research.

#### ***The Voucher Scheme***

The Scheme enables eligible clients to obtain hearing services and devices from a national network of private hearing services providers and Australian Hearing. The Scheme gives participants access to a wide range of fully or partially subsidised hearing devices, maintenance, and ongoing support. These services are provided by approximately 300 private providers, offering services out of approximately 3700 sites, accredited with the program, including Australian Hearing.

*Figure 2: Geographic distribution of Hearing Centres in the Voucher Scheme, May 2016. Blue dots represent Australian Hearing Centres, red represent service providers.<sup>1</sup>*



In 2015-16, around 690,000 clients received a service under the Scheme, with approximately 1.2 million services being delivered. The average age of eligible clients was 77, with 89% of program clients aged over 65. The majority (85.7%) of clients in the Scheme are clients with a Pensioner Concession Card (PCC). Modelling of the estimated prevalence of hearing loss in the total pensioner concession card population indicates that the rate of PCC clients in 2015-16 was 68.5%.

Australian citizens or permanent residents 21 years and older are eligible if they have a hearing loss and are:

- a Pensioner Concession Card holder or receiving Sickness Allowance from Centrelink;

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<sup>1</sup> Office of Hearing Services, unpublished statistics.

- a holder of a Department of Veterans' Affairs (DVA) Gold Card (issued for all conditions), or White Card (issued for conditions including hearing loss);
- a dependent of a person in one of the above categories;
- a member of the Australian Defence Force;
- an NDIS participant with hearing needs referred by their National Disability Insurance Agency (NDIA) care planner; or
- undertaking a vocational rehabilitation program and are referred by the Australian Government Disability Employment Services Program.

Services provided under the Voucher Scheme include:

- choice of hearing service provider for eligible clients;
- a hearing assessment, including advice and support about hearing loss; and
- if needed, the fitting of an appropriate hearing device and a small client contribution towards maintenance and repair of hearing devices.

As well as those listed above, specialist services are available through the program to Community Service Obligations clients. Services include cochlear implant speech processor upgrades for children and young adults up until their 26th birthday.

#### *Community Service Obligations*

The Community Service Obligations provides specialist services to young Australians aged 0-26 years, including young NDIS participants, Voucher eligible adults with complex hearing needs, Indigenous groups, or participants in the Remote Jobs and Communities Program or the Community Development Employment Projects Program. Community Service Obligations services are delivered by Australian Hearing, the sole government provider under the portfolio responsibility of the Department of Human Services (DHS). In 2015-16, OHS provided \$65.3 million to Australian Hearing for Community Service Obligations services.

Each year, Australian Hearing uses a portion of funding allocated for Community Service Obligations services to deliver outreach services to both urban and remote clients. A high proportion of these services are accessed through local health services. Services are delivered from permanent hearing centres, visiting, and remote sites located across Australia. Australian Hearing works closely with local services to deliver the outreach program providing hearing services to some of the most remote communities in Australia.

Australian Hearing reports that under the Community Service Obligations in 2015-16<sup>2</sup>:

- 29,850 children or young adults under 21 received 67,864 services;
- 3,628 young adults aged between 21-26 received 7,736 services;
- 23,344 adults with specialised needs received 53,771 services;
- 4,300 Indigenous people received 8,256 services; and

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<sup>2</sup> Figures are from 2015-16 Australian Hearing Annual Report <http://www.hearing.com.au/>.

- 578 cochlear implant speech processors were funded through the speech processor upgrade program.

Community Service Obligations services are available to groups who include:

- people from the above eligibility groups who:
  - have complex hearing needs;
  - are Aboriginal and/or Torres Strait Islander people(s); or
  - live in remote areas; or
- any Aboriginal and/or Torres Strait Islander person who:
  - is over 50 years of age; or
  - is a participant in the Remote Jobs and Communities Program or the Community Development Employment Projects Program; or
- Australians under 26 years of age, including young NDIS participants.

### ***Aboriginal and Torres Strait Islander Specific Measures***

Through the Indigenous Australians' Health Program, \$0.85 million (2013-14 – 2018-19) is available to raise community awareness about Indigenous ear and hearing health.

The Care for Kids' Ears resources, developed as part of a campaign, aim to increase awareness among Indigenous people of ear disease, by highlighting risk factors and promoting the importance of good hygiene, and seeking and following treatment regimens to prevent hearing loss.

Promotional materials and resources include:

- games, posters, literature for children, parents and carers, health professionals, teachers and teachers' aides, early childhood and community groups;
- interactive events such as "Yamba the Honey Ant" road show to introduce children to the ear health and hygiene message; and
- Indigenous ear champions, (high profile Aboriginal and Torres Strait people such as Dr Kelvin Kong) promote, raise awareness and describe the impact of ear disease on schooling, health and home life.

All resources are available electronically or hard copy provided at no charge.

In 2015-16, key outcomes from this investment include more than 42,000 patient services in 328 locations, ear surgery for 143 children, ear health training for more than 1,500 health professionals and provision of almost 1,100 pieces of ear health assessment equipment and more than 118,000 disposable ear tips used with ear health assessment equipment.

In excess of 66,000 Care for Kids' Ears Health promotion resources were despatched in 2015-16, and the clinical guidelines continue to be available free of charge, electronically and as hard copy.



A further \$33.4 million is being provided specifically for ear health services including complex case management in the Northern Territory over the ten year period 2012-13 to 2021-22 under the National Partnership on Northern Territory Remote Aboriginal Investment.

## COSTS

In 2015-16, the Government provided funding for services and hearing devices through the following programs:

*Table 1: Government expenditure on Hearing Services 2015-16.<sup>3</sup>*

<b>Program</b>	<b>2015-16 (\$m)</b>
Voucher Program	\$406.290
Community Services Obligations Program	\$65.284
National Acoustics Laboratory	\$4.334
MBS (Audiology items excluding co-claimed specialist attendances)	\$20.0
Healthy Ears – Better Hearing Better Listening	\$4.0
<b>Total</b>	<b>\$500.108</b>

In 2015-16, the following broad service groupings were provided in the Voucher Scheme.

*Table 2: Voucher Scheme services and costs by broad service groups, 2015-16.<sup>4</sup>*

<b>Service Group</b>	<b>Count of Services</b>	<b>Total Expenditure<sup>5</sup></b>
		\$m
Hearing assessments	319,657	\$40.963
Hearing device fittings	181,223	\$221.256
Hearing Rehabilitation	5,171	\$0.437
Hearing device maintenance/repairs	526,796	\$96.112
Hearing device replacements/spare aids	38,650	\$26.510
Client reviews	193,854	\$22.084
Other	69,730	\$3.656
<b>Total</b>	<b>1,335,081</b>	<b>\$411,017,920</b>

In 2015-16, the Community Service Obligations program provided funding for services delivered to the following vulnerable populations.

<sup>3</sup> Department of Health, 2015-16 Annual Report and unpublished statistics.

<sup>4</sup> Office of Hearing Services, [Hearing Services Program Statistics](#)

<sup>5</sup> Total expenditure excludes recoveries and payments by the Department of Veterans' Affairs (DVA) for DVA contribution to maintenance and replacement of hearing aids.

*Table 3: Government expenditure on services to vulnerable populations by Community Service Obligations Group, 2015-16.<sup>6</sup>*

<b>Community Service Obligations group</b>	<b>2015-16 (\$m)</b>
Young Australians (aged 0-20 years)	\$30.742
Young Adults (aged 21-25 years)	\$3.467
Adults with complex hearing loss (26 years and older)	\$14.776
Aboriginal and Torres Strait Islanders	\$9.302
<b>Total</b>	<b>\$58.017</b>

In 2016-17, the Government expects expenditure in the Hearing Services Program to be \$564.5 million.

The current costs for Cochlear Implant Speech Processors ranges from \$8,000 for a replacement to \$13,500 for an initial processor<sup>7</sup> and the subsidy payment for hearing devices issued in the Government Voucher Scheme ranges from \$400 to \$460 per device.<sup>8</sup>

## **STATE AND TERRITORY GOVERNMENTS**

State and territory governments provide newborn screening services, prevention activities, hearing assessments through community health services, workers' compensation arrangements, health care for prisoners, school based hearing equipment, and cochlear implantation surgery through public hospitals.

## **OTHER SERVICES**

Additional services are provided by other organisations, such as a range of private providers, Aboriginal Medical Services, hearing device manufacturers, private health insurance funds, charitable institutions (operating hearing aid banks), research institutes and universities and private hospital.

## **RESEARCH**

The Hearing Services Program supports research that:

- contributes to the development of improved policies and service delivery; and
- enables Health to better identify the needs of the community in relation to hearing loss.

The main research bodies are summarised below:

- NAL undertakes research and development in the areas of hearing health, rehabilitation and hearing loss prevention. The current funding agreement

<sup>6</sup> Australian Hearing, unpublished statistics.

<sup>7</sup> *Private health Insurance (Prostheses) Amendment Rules 2016 (No. 4), Part A.*

<sup>8</sup> Office of Hearing Services, [Schedule of Fees 2016-17](#)

(July 2015 to June 2019) provides for a total budget of \$13.5 million (GST inclusive). NAL funding currently supports 30 projects, including partnerships with the Hearing Cooperative Research Centre.

The Hearing Loss Prevention Program (HLPP) is administered by the National Health and Medical Research Council (NHMRC) and concluded as a funded measure at the end of June 2013. To date over \$11.5 million (GST inclusive) has been allocated for 20 HLPP research projects, 13 of which have been completed. The seven projects that are still in progress are due for completion by 30 June 2020.

## **TRANSITION TO NDIS**

DoH is a member of the NDIS Hearing Services Governance Group which is working on the transition arrangements for NDIS eligible participants from the program by July 2019. It is expected that by 2019-20, when the NDIS reaches full national roll out, a portion of program clients under 65 years of age will transition into that scheme. To assist with this transition, the program has developed a high level Hearing Services Program NDIS Transition Plan (Transition Plan) in conjunction with partner agencies, which is published on the program website [www.hearingservices.gov.au](http://www.hearingservices.gov.au).

The Office of Hearing Services, as the administering body of the program, has been working with NDIA as it determines the eligibility criteria in terms of hearing loss threshold for NDIS participants. The NDIA are expected to confirm and publish their eligibility criteria shortly. Current participants in the NDIS who receive hearing services in their funded plan are referred to the program to access these services. The program continues to provide hearing services to eligible program clients who are not NDIS participants.

To date the take-up of hearing services in the NDIS has been comparatively low. The 150 NDIS clients with hearing loss services and supports in their NDIS plan package receive services through the program on an 'in-kind' arrangement. This arrangement will be reviewed as part of the transition to the NDIS.

Moving eligible clients of the program to the NDIS will mean that they have far more choice and control over providers, services, and supports. Currently, the Community Service Obligations hearing services are delivered exclusively by Australian Hearing. Voucher services are delivered by program accredited service providers. On full roll out of the NDIS by 2019-20, existing program clients who are considered eligible NDIS participants will fully transfer to the NDIS, where they will have a choice of service provider, including Australian Hearing and the market will become fully contestable.