Senate Community Affairs Committee

ANSWERS TO QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Inquiry into Hearing Health
19 March 2010

Question no: 17

OUTCOME 7: Hearing Services

Topic: FUNDING OF COCHLEAR DEVICES

Written Question on Notice

The Committee asked:

In its submission to this inquiry, Australian Hearing made the following comment:

> "There are specific funding arrangements that apply to cochlear implants which create an inconsistency in access for cochlear implants versus hearing aids. There is public funding available for the initial implant regardless of age or income but not for hearing aids. Ongoing clinical services are charged to Medicare for cochlear implant users but not for hearing aid users. Subsidised clinical services for hearing aid users is only available if the person qualifies for the Australian Government Hearing Services Program". (Australian Hearing, *Submission*, p.10)

- Is Australian Hearing's claim accurate?
- If not, can the department please explain what the public funding arrangements are for cochlear implants and hearing aids in this regard?
- If so can the department explain the reason implants are funded differently to hearing aids, and whether there are any plans to review that arrangement?

Answer:

It is true that public funding is available for the initial implantation of a cochlear device through the Medicare Benefits Schedule (MBS) as a surgical procedure regardless of age or income. Reprogramming of the speech processor is also funded publicly through the MBS as a diagnostic procedure. These are medical procedures that are subsidised through Medicare arrangements.

Other costs associated with cochlear implants, such as speech processor upgrades, are paid for by individuals as out of pocket expenses, subsidised through private health insurance or funded through the Community Service Obligations (CSO) component of the Australian Government Hearing Services Program (the Program) for people under 21 years of age.

Public funding is available for hearing aids to people who are eligible for the Program through both the CSO and voucher components.

Funding arrangements for cochlear implants and hearing devices have been maintained by successive governments.

Senate Standing Committee on Community Affairs

ANSWERS TO QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Inquiry into Hearing Health
19 March 2010

Question no: 19

OUTCOME 7: Hearing Services

Topic: ELIGIBILITY FOR AUSTRALIAN HEARING SERVICES

Written Question on Notice

The Committee asked:

Can the department please provide the background for why Australian Hearing services are cut off at age 21 (i.e. what is the significance of age 21, as opposed to say 18 or 25)?

Answer:

The Senate Community Affairs Legislation Committee considered the *Hearing Services Administration Bill 1997* in March 1997, and recommended an eligibility age limit of 21 years of age.

Eligible clients of the Australian Government Hearing Services Program with complex hearing needs and Indigenous Australians who are participants in the Community Development Employment Projects Program or aged 50 years and over are able to receive hearing services from Australian Hearing.

Senate Community Affairs Committee

ANSWERS TO QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Inquiry into Hearing Health
19 March 2010

Question no: 21

OUTCOME 7: Hearing Services

Topic: PRIVATE HEALTH INSURANCE ARRANGEMENTS FOR COCHLEAR IMPLANTS

Written Question on Notice

The Committee asked:

Many witnesses have testified that private health insurance coverage for replacement hearing aids, or for lost or damaged cochlear implant speech processors, is either very low or not obtainable at all. Are private health insurers under any obligation to provide cover for items such as these?

Answer:

Item 4 of the table in Section 72-1 (2) of the *Private Health Insurance Act, 2007* (the Act) sets out that a private health insurance policy that covers hospital treatment must provide "a benefit for:

(a) hospital treatment covered under the policy; and
(b) hospital-substitute treatment if the policy covers hospital-substitute treatment;

that is the provision of a prosthesis, of a kind listed in the Private Health Insurance Prostheses) Rules as described in either of the following paragraphs:

(c) the prostheses is provided in circumstances in which a Medicare benefit is payable, and if those Rules set out conditions that must be satisfied in relation to the provision of the prosthesis in those circumstances, those conditions are satisfied;
(d) the prosthesis is provided in other circumstances set out in those Rules and, if those Rules set out conditions that must be satisfied in relation to the provision of the prosthesis in those circumstances, those conditions are satisfied".

Neither the Act nor any of the Private Health Insurance Rules defines 'prosthesis'. Instead, criteria for listing products on the Prostheses List are applied by the Prostheses and Devices Committee (PDC) to each product assessed for listing. The PDC is a ministerial appointed advisory committee that makes recommendations to the Australian Government Minister for Health and Ageing (or their delegate) about which products should be included on the Prostheses List and appropriate benefits for these products.

The PDC has established criteria that must be met before products are listed on the Prostheses List, including the mandatory legislated criteria that the product must be included on the Australian Register of Therapeutic Goods pursuant to the *Therapeutic Goods Act 1989*, that it must be provided to a person as part of an episode of hospital treatment or hospital-substitute treatment and that a Medicare benefit must be payable in respect of the professional service associated with the provision of the product (or the provision of the product is associated with podiatric treatment by an accredited podiatrist, pursuant with the Private Health Insurance (Complying Product) Rules).

Hearing aids do not meet the criteria for listing and are therefore not listed on the Prostheses List. Consequently, private health insurers are not obliged to provide cover for them. However, hearing aids are covered by numerous insurers who provide benefits as part of general treatment (ancillary) policies. The amount of benefit, if any, paid by the insurer depends on the particular policy coverage.

Cochlear implant speech processors are listed on the Prostheses List. Consequently, where they are provided to a patient in the circumstances set out in Item 4 of the table in section 72-1 (2) of the Act, an insurer must provide the listed benefit.

However, there may be circumstances where replacement cochlear speech processors do not need to be provided as part of an episode of hospital treatment or hospital-substitute treatment. In these cases, the Prostheses List benefit requirements do not apply, and the private health insurance benefits, if any, that are payable will depend on the person's private health insurance cover under their general treatment (ancillary) policy.

Senate Community Affairs Committee

ANSWERS TO QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Inquiry into Hearing Health
19 March 2010

Question no: 22

OUTCOME 8: Indigenous Health

Topic: INCIDENCE OF EAR DISEASE AMONG INDIGENOUS AUSTRALIANS

Written Question on Notice

The Committee asked:

Dr Chris Perry appeared before the committee on 7 December 2009. Dr Perry said:

"We know the incidence [of ear disease among Indigenous Australians], but DoHA still say the severe ear disease rate in Aboriginal people is 10 per cent. Sorry, it is not. It is between 40 and 90 per cent, depending on the season. Why do DoHA say it is 10 per cent? I do not know. Is it because of shame? Is it because they do not want to fund it? It is a real problem for us. It is 40 to 90 per cent". (Committee Hansard 7 December 2009, p2 Dr Chris Perry, Clinical Director, Deadly Ears program).

This issue was put to another witness later the same day, who replied:

"I do not believe the 10% figure frankly" (Committee Hansard 7 December 2009 p40 Mrs Jennifer Stevens, Clinical Director Attune hearing).

This was put to a number of witnesses during the course of hearings, and all responded in a similar way. Would the Department like to respond to Dr Perry and Mrs Stevens' remarks?

Answer:

The rate of severe ear disease among Aboriginal and Torres Strait Islander populations of 10% is sourced from the 2004-05 (the latest year available) National Aboriginal and Torres Strait Islander Health Survey (Australian Bureau of Statistics), which utilised self-reported data. The Survey reported that 10% of Indigenous children aged between 0 and 14 years were reported as having ear or hearing problems, compared with 3% of non-Indigenous children of the same age.

It is important to note that the survey is not a measure of the national prevalence of Otitis Media. In fact, there is not national data collection for this purpose. There is some community and jurisdictional data available for communities with a high prevalence of Otitis Media, such as data collected in the Northern Territory.

The Menzies School of Health Research recently reported that in a recent survey of 29 communities throughout the Northern Territory, 25% of young Aboriginal children had either chronic suppurative otitis media (Chronic Suppurative Otitis Media (CSOM) or acute otitis media with perforation); 31% had bilateral otitis media with effusion; and only 7% of children had bilaterally normal middle ears.

CSOM is defined by the World Health Organization as a massive public health problem requiring urgent attention when prevalence exceeds 4%. The Department knows from information provided by Dr Chris Perry and from other jurisdictional studies that the rate of CSOM amongst Indigenous Australians exceeds this rate. The Australian Government has committed $58.3 million over four years from 1 July 2009 to improve ear and eye health in Indigenous communities through the *Improving Eye and Ear Health Services for Better Education and Employment Outcomes Measure*.