The mission of Independent Audiologists Australia is to promote and support clinical practices owned by audiologists.

Hearing Services Programme
hearing@health.gov.au

17 July 2019

Dear Colleagues

Revised contract between the Department of Health and Hearing Services Providers and Key Service Item Changes

Thank you for the opportunity to comment on the consultation draft of the revised contract that will be held between the Commonwealth Department of Health and contracted hearing services providers.

Independent Audiologists Australia Inc (IAA) is a not for profit incorporated association whose members are all university qualified audiologists who hold a financial interest in an audiology practice. As such, our members are both contracted hearing services providers and qualified practitioners (audiologists) under the Hearing Services Program (HSP). Our members employ and/or are in partnership or other business arrangements with audiologists, audiometrists, otorhinolaryngologists, business managers and others. They operate more than 400 clinic sites across Australia. Our members are all signatories to our code of ethics and practice standards that require, amongst other things, transparency in billing and transparent handling of interests that potentially conflict.

We raise queries or concerns in our feedback to follow on the following areas:

Service Provider Contract

1. Clause 9 – Device Supply Arrangements
2. Clause 12 – Payments to the Service Provider & Clause 16 – Audit and access

Key Service Item Changes

1. Audiological Case Management
2. Fees and Charges

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Service Provider Contract

1. **Clause 9 – Device Supply Arrangements**
   IAA supports provision of devices directly from suppliers, excluding third party buyers and buyers' agents. However, we seek clarification that what is meant by contract between an appointed supplier and a Service Provider as stated in 9.4 is no more than a legal contract of sale. Further, we seek removal of reference to price discounts (including volume discounts) in 9.5 (a). Volume discounts may be irrelevant to any particular transaction if the prescribed volume has not been met. Further, many suppliers require their contracts with providers (including price discounts) to be confidential. We fail to see how wholesale price information will influence the decision making of a voucher holder. What is relevant is the retail price of devices, which in the current scheme is uncapped and unregulated. By way of analogy, a pharmacist supplying a drug pays x amount for the drug. The patient only knows what amount they are required to pay the pharmacist to supply the drug. What the pharmacist pays to the supplier and what fee the government pays to the pharmacist are not relevant to whether the patient chooses to use a prescribed drug or not. Hearing devices are no different in transaction type.

2. **Clause 12 – Payments to the Service Provider & Clause 16 – Audit and Access**
   Section 49 of the instrument is referenced in both Clause 12 and Clause 16. Section 49 of the exposure draft stated that services must not be charged for if they are available under the voucher. Clause 12.3 (c) states that receipts for payment for any private services must be retained for 7 years. Clause 16.2 (f) states that those records can be inspected by the Commonwealth. Private services or devices would only be provided to voucher holders if they are not available to them under the scheme, and so fall outside the rules of the voucher scheme.

   One interpretation of how the contract is worded is that the Commonwealth could review *all records* for compliance, because section 49 of the Instrument (as referred to) simply says that private services cannot be provided where a voucher is otherwise available, and technically all private services provided could be reviewed on that basis. Audiological services are health services within the meaning of the Privacy Act, and health information is classified as sensitive information under the Act. We are concerned about members being in breach of the Privacy Act if they provided access to the information of private services delivered to their patients. We are concerned too that audiologists would have to explain to their patients that their private healthcare records might be accessed by the Commonwealth.

   We therefore seek clarification on what the Commonwealth is seeking to achieve by requesting private records; why the Commonwealth considers it should be entitled to receive private records which do not relate to Services provided under a voucher; and on what legal basis this would be permitted. We note that unless there is a reasonable explanation, that either private records should not be accessed by the Commonwealth or legislation should be amended to allow disclosure of hearing services records under the Privacy Act.

Key Service Item Changes

1. **Audiological Case Management**

   Clinical investigation and subsequent report writing requires an in depth and diagnostic case history, a range of additional audiological tests, integration of all test results to arrive at an audiological diagnosis and report to any medical practitioner or specialist. Audiologists should be compensated for their professional time for undertaking these tasks, regardless of whether they are doing this because their own clinical findings indicate further assessment is appropriate, or if an audiometrist refers a voucher holder to them for this service.

   Whilst audiologists are not required to hold contracts with the Commonwealth to practice, the contract provides an avenue to deliver a valuable public service. Audiologists should be appropriately compensated by the Commonwealth for valid work performed for voucher holders. Further, removing the right of audiologists to claim for audiological case management offers a financial advantage to those practices that employ both audiometrists and audiologists. We see this as discrimination against small businesses.

   Removal of the ability for audiologists to claim for work is a denial of the professional expertise of university qualified audiologists. No publicly funded scheme should have to rely on professionals delivering essential services for free. We agree that the items that relate to this – currently numbered 610 and 810 should be paid to audiologists only, as they will be carrying out the advanced diagnostic assessments and preparing reports for medical practitioners. We note that the definition and terminology related to the contract does not define audiologist and audiometrist. We see definitions of audiologist and audiometrist as necessary given that audiological case management can be the basis of a referral from an audiometrist to an audiologist.

   We take exception to the statement made in the document titled 2019 Contract Redevelopment – Proposed Changes on page 8 that “the program has identified that audiologists have been incorrectly claiming audiological case management items.” A screenshot from the hearing services program website as of 4 July 2019 (see Attachment I) states that audiologists may claim audiological case management for their own patients. For a link to the webpage that contains that information, click here .

   Our members advise that they have been told during audits by the Hearing Services Program to ensure that they claim for audiological case management when voucher holders seen by audiologists require diagnostic assessment and/or referral to medical practitioners.

   We request that the rules as stated on the hearing services program website about claiming audiological management (610 / 810 claims) remain unchanged and all reference to audiologists being incorrect be rectified in all documentation.

2. **Fees and Charges**

   The change from a fixed fee per person, to a fee per ear / per device for maintenance and lost devices raises concerns that voucher holders could elect to maintain just one device, yet demand batteries to operate both devices, on the grounds that they will save money. Similarly voucher holders who lose two hearing aids might elect to replace only one, given they will have to pay double if they replace both. Advantages of binaural hearing are well documented. We believe that a person- centred policy should be implemented such that a rehabilitation programme tailored to each individual should be maintained and supported. The shift to individual device maintenance options is device centric and raises the potential for patients not to receive the maximum benefit from the programme.

We see that the Commonwealth includes terms in the proposed contract that are like clauses in previous contracts, allowing the Commonwealth to take any action they see fit. We see Clause 16 (d) as delivering unnecessary rights to the Commonwealth and consider that their interests are sufficiently protected in Clause 16 (a to c). We would prefer to see Clause 16 (d) deleted.

We trust that the final contract will be revised to reflect our recommendations.

Thank you again for the opportunity to comment on the proposed contract and changes to key service areas.

Kind regards
The IAA Executive Committee

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Attachment 1