

Otto Bock Australia Pty Ltd**Response to the NDIA discussion paper****‘Towards Solutions for assistive Technology’**

Thank you for the opportunity to comment on the AT discussion paper. Otto Bock Australia Pty Ltd is a subsidiary of Otto Bock Healthcare Group, a German based global organisation with 95 years’ experience developing assistive technology to help restore and maintain human independence and mobility. We are the global leader in prosthetic technology development and also have a strong presence in orthotics and wheeled mobility. We have special expertise in paediatric seating, positioning and mobility.

Ottobock strongly supports the three key objectives stated on page 3: To maximise participant choice and control, to support innovation and ensure sustainability. In a detailed analysis of the discussion paper however, we identify major disconnects between those objectives and the proposed solutions. Thousands of words could be written highlighting and proving these disconnects, however to ensure the key issues are not lost this response will be brief and succinct, focussing on the key issues that must be addressed if the three key objectives are to be achieved. We are willing to meet if the NDIA require more detailed information and we are happy to discuss potential solutions to achieve the objectives.

Disconnect between the key objectives and the managed procurement approach.

The paper promotes the potential advantages of managed procurement but unfortunately does not provide evidence to support its claims on the benefits of managed procurement and presents no dialogue on the negative aspects of this approach. Market evidence and economic analysis by the QCA is contrary to what is claimed in the paper. The NDIA advocates a market model for the rest of the NDIS but has a complete contrary view for AT.

1. The managed procurement approach in our opinion will lead to less participant choice and less participant control.
 - a. The type and brand of AT required by a participant may not be on ‘the list of preferred items’. This could lead to inappropriate AT being prescribed which may lead to abandonment or long term injury to the participant.
 - b. The long term relationship between the participant, their therapist and their AT supplier creates significant advantages for the system. The ‘fitting’ process can be personally confronting for the participant and a long term relationship with the participant builds trust in their supplier and the supplier gains experience and knowledge of the individual’s special requirements.
 - c. Rural and regional participants will be even more vulnerable to the negative impacts of the managed procurement approach.

Otto Bock Australia Pty. Ltd.

ABN 35 001 242 360

PO Box 7224
Baulkham Hills BC
N.S.W. 2153 Australia62 Norwest Boulevard,
Baulkham Hills N.S.W. 2153
AustraliaPhone 02 8818 2800
Fax 02 8814 4500
healthcare@ottobock.com.au
www.ottobock.com.au

2. The managed procurement approach in our opinion will lead to less innovation.
 - a. Centralised procurement stifles innovation. The paper recognises this and acknowledges that under such a model the NDIA will need to be the innovation driver. This is a failed model in other industries where government takes on the role of innovation and will fail in relation to AT as well.
3. The managed procurement approach in our opinion significantly reduces the sustainability of the system.
 - a. Under the current market system suppliers provide significant services such as trial, loan and demonstration equipment, post market adjustments, product exhibitions training, training to therapists and families. The discussion paper acknowledges the need for 'a well-integrated continuum of services. These have yet to be fully developed...' however it does not acknowledge the cost involved going forward. Suppliers currently provide much of the continuum of services but in the proposed model this is yet to be defined and likely to be unsustainable.

Disconnect between the key objectives and the proposed refurbishment and reissue model

1. Ottobock supports the reissue of appropriate AT equipment as it can lead to economic efficiencies. When investigating reissue we draw attention to two key factors.
 - a. Most AT is classified as a Class 1 Medical Device and as such falls under the control of the Therapeutic Goods Act. Refurbishment of a medical device has a legal connotation and the refurbisher becomes the legal manufacturer and must comply with the TGA (including compliance with ISO13485 and the 16 essential principles). Anecdotal evidence suggests that some current reissue programs are non-compliant, which is not in the best interest of the participant and puts the program at risk of liability.
 - b. We have noticed that the current schemes focussing on reissue have reduced choice for participants. With the original purchase these schemes are purchasing more basic equipment, less suited to the individual participants' needs because, in theory, it will be easier to re-issue. This is contrary to the stated objectives and inappropriate equipment can lead to deterioration of function and health, and result in much higher costs to the system.

Specific comments on Prosthetics and Orthotics

It is noted that prosthetics 'has not yet been explored in the same level of detail'. However we will make a couple of comments.

Prosthetics and orthotics are generally custom made or customised and as noted in figure 3 the paper acknowledges there is no clear benefit from managed procurement or refurbishment. We support this conclusion.

The current state schemes have reasonably efficient models for the provision of basic prosthetic limbs for the 85% of amputees covered under their schemes. However these amputees are unfairly disadvantaged when compared to amputees with compensable claims or amputees in other developed countries. The componentry provided by the current state schemes was developed over 40 years ago and therefore the amputees do not benefit from the significantly enhanced function and safety of prosthetic devices developed in recent decades, which facilitates a return to original occupations and increased community involvement. Otto Bock can provide a great deal of evidence that highlights the significant savings this technology can deliver to the NDIA.

Terry Gallagher
Managing Director
Ph. 02 8818 2800
Email: terry.gallagher@ottobock.com