

## **Additional input on the model for GEAT in the Support at Home program**

### **Key Messages**

- 1) Some suppliers have advised the introduction of a central loan pool (including a state based loan pool model) for the supply of AT, would have a direct impact on business activity that will result in their either significantly reducing staff numbers and/or closing the door on their business. This is a real issue for some of our regional and more remote members in particular, as they are highly reliant on the aged care business sector. In turn, it is likely to reduce the number of suppliers available to support clients in the NDIS and other schemes exacerbating already “thin markets.”
- 2) The introduction of a central loan pool is expected to increase the cost of supply due to additional freight costs as AT is transported from the loan pool centre/s to clients across Australia.
- 3) Any new model should be transparent and supported by good communication. The preferred model would emulate the NDIS supply of new product with the inclusion of reissued AT that is locally held. This would provide clients with access to local showrooms for AT demonstrations. Additionally, trials of AT would be at a lower cost due to reduced freight charges compared to those from a central loan pool model.
- 4) Assistive technology (AT) suppliers currently provide a range of wrap around services<sup>\*1</sup> to support clients in the purchase, set up and maintenance of their AT. Clarification on how these services will be provided is required in the new model.
- 5) A number of members raised concerns about clients having restricted choice noting the current loan pools in Australia stock a limited range of AT. Clients should be provided with what is clinically most suited to their need and not just what is available from the loan pool.
- 6) A portal system should be introduced where the status of approval and supply is visible to the relevant parties with the client and Aged Care assessor/planner having full visibility. This would allow for transfer of stock to places of need from the nearest provider.
- 7) Suppliers must meet the same registration requirements as for the NDIS and have the required qualified/experienced staff to undertake safety and quality checks for any reissued AT.

- 8) ATSA has tried to identify alternative options (see Possible Alternate Model p3). ATSA wishes to clarify that the option presented later in this response has not been fully endorsed by our members, due to the limited time to consult. ATSA highly recommends that work is necessary to assess the viability, risk and practicality of an alternate hybrid model of a virtual loan pool and purchase options.

## Summary of Input from ATSA's members

### Client support currently provided by suppliers\*1

- ❖ Suppliers are often the first entity approached by clients in the local area for information on GEAT. The suppliers refer the client to the appropriate scheme, allied health practitioners in the local area and the client's GP. They also provide information on GEAT to the client, their family/carer.
- ❖ When AT is approved for a client, local suppliers currently:
  - Work with the prescriber to set up a trial of the AT for the client in their home and local area environment to ensure the AT meets their needs. For example, a rollator from a loan pool may work in metro areas with good footpaths but may not be appropriate in rural and regional areas, i.e., non-paved pathways. Local knowledge plays a critical role in the supply of effective, appropriate and safe AT. Suppliers in regional and more remote areas do not have the same localised client base as metro suppliers and travel distances to see their clients.
  - Ensure the AT is set up correctly for that individual based on the script or recommendation (e.g. correct height adjustments for a walker, over the toilet seat or backrest, correct scooter for the local terrain etc.),
  - Show the client and their family/carer how the AT works and provides instruction on the correct use of the AT which reduces the need for repairs.
  - Make a follow up call to ensure the AT is working for the client.
  - Undertake an initial maintenance check within an agreed period of time depending on the type of device. Note: Regular maintenance improves the life and quality of the AT (e.g. refer to MASS training on repairs and maintenance - <https://www.health.qld.gov.au/mass/mass-repairs-and-maintenance> )
  - Suppliers also train health care professionals including OTs in product knowledge.

The question arises as to who will undertake this work in a loan pool model? How will this work in regional and remote areas?

- ❖ Promoting the GEAT program to clients directly should also be a key focus to ensure participants are aware of the scheme and how it will assist them. Promoting via their medical professionals could be beneficial. Also, more information should be provided to suppliers on the main aim of the GEAT program.
- ❖ The approval process needs to be transparent and all those involved trained in the new system to minimise the risk of delays for the client. ATSA's members continually express their experiences from other schemes are that delays are generally caused when the

“approver,” does not know the client, challenges a clinical assessment, or needs to work through a complex set of rules prior to approval, form the primary reasons for delay of access to AT.

- ❖ A well-designed portal which can be viewed by the client, prescriber, aged care assessor and GEAT supplier will create transparency and accountability for the timely delivery and cost of the GEAT.
- ❖ As GEAT is not a one size fits all, and all endeavours need to be considered to avoid the problem of the goods supplied not meeting clients’ clinical needs. Caution is required to avoid clients being “encouraged/forced” to simply accept what GEAT is in the loan pool rather than what has been recommended or prescribed for them. This comment does not remove the opportunity to utilise reissue products or the promotion for product from a loan pool. It is a comment to avoid the creation of a culture of fitting a person to available AT from a pool rather than meeting the clinical need for that person.
- ❖ In the NDIS, it has been identified that a free market where the client is in control of their funds is the most cost-effective way to reduce the cost of AT. Two examples of this are
  - Example 1: The move to mid-cost range AT has allowed the client to purchase additional AT they require (either with the NDIS making the payment or the client when it is a self-managed plan) if they make savings when buying other items. This allows them to purchase other AT they need later in the plan period without having to require further approval. They just need to have evidence the AT is suitable for their needs. This supports the goal of the Department’s Aged Care reforms for “Australians to feel confident about accessing high quality and safe aged care, where and when they need it.”
  - Example 2; The move away from bulk buying of continence products by government to letting clients purchase directly from the suppliers, i.e., the introduction of the CAPS. This removed a culture of client’s stock piling for fear they would not receive their product and resulted in a significant decrease in the price paid for continence products due to open market competition over contract supply. In addition, the change resulted in the use of more suitable clinical solutions for the individual’s need rather than only accessing what was on the panel supply list. There are real lessons that can be learnt on how the CAPS scheme functions and how this could translate to a voucher system in the Support at Home GEAT model that included major contract management saving for government.

By giving clients more control, the result was reduced administrative and purchasing costs for the government.

- ❖ The option of clients in the Aged Care system using a voucher system to access AT may also be a more effective system for the purchase of loan, reissued or new AT and will achieve cost savings. It also gives clients a stronger sense of control.
- ❖ Note: In the Support At Home Program Overview paper January 2022 p15 it was suggested client directed choice and control will be facilitated through a point of sale payment system . We support the inclusion of this type of system in the final model.

## The Loan Pool

- ❖ A difficulty for clients may be that the loaned product is not suitable as it will be difficult for the GEAT program to have all possible options of products available in a loan pool.
- ❖ The true cost of the state programs is not clear as past reporting has only identified the operational costs and not the full costs. The question arises as to whether there is cross subsidisation to fund these programs. E.g. The South Australian State loan pool was open for takeover, but there was no interest as the business model was not considered financially viable by the private sector.
- ❖ Feedback from some of our members is clients have long wait times from some of the state based programs due to the lack of stock held in the loan pool. This has resulted in people being given the wrong equipment resulting in adverse health outcomes.
- ❖ Suppliers have advised the cost of freight has increased significantly due to current world events. The risk with a centralised loan pool/s is the heavy reliance on freight to have items delivered and collected from areas geographically removed a long way from the loan pool centre. In the event the trialled AT is unsuitable or the wrong item is delivered, the cost of replacing the AT with the correct one could become significant.
- ❖ AT is sometimes delivered from loan pools as a flat pack which may be impractical for this client group.
- ❖ If a loan pool is used, the pool should be managed by qualified people (technicians and OTs in unison) to ensure items are safe and correct.
- ❖ Pool needs to have funding to purchase items if a specific unique item is needed.
- ❖ Maintenance in excess of annual servicing could come from the user's budget to ensure responsible use of items.
- ❖ AT products should be labelled and a documentation process in place by the supplier to flag the end of the product's life cycle as set by the manufacturer. This is particularly critical for Class 1 AT devices registered with the TGA to ensure the conditions for approved supply of the device in Australia are met. Our understanding is this control is not currently built into other loan schemes.
- ❖ New for old replacement available at the end of the product life cycle to ensure quality and reliability.
- ❖ As noted in the key messages, we have had strong feedback that a centralised loan pool with a limited number of suppliers to that pool will result in some of the small to medium sized suppliers being forced to shed staff and in some cases, close their businesses, particularly those in rural Australia. This would also adversely impact the local economy in the thin market areas and reduce the number of suppliers supporting the NDIS, self-funded clients and other schemes.
- ❖ If the draft model includes the potential exclusion of local suppliers from the Support at Home GEAT program, it is recommended the Department confers with the Department of Finance in regard to the revised Commonwealth Procurement Rules July 2022 Section 5 on Small and Medium Enterprises:

“5.5 To ensure that *Small and Medium Enterprises (SMEs)* can engage in fair competition for Australian Government business, *officials* should apply procurement practices that do not unfairly discriminate against *SMEs* and provide appropriate opportunities for *SMEs* to compete. *Officials* should consider, in the context of value for money:

- a. the benefits of doing business with competitive SMEs when specifying requirements and evaluating value for money;
- b. barriers to entry, such as costly preparation of submissions, which may prevent SMEs from competing;
- c. SMEs' capabilities and their commitment to local or regional markets; and
- d. the potential benefits of having a larger, more competitive supplier base, including the disaggregation of large projects into smaller packages, where appropriate, that maximise competition"

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## **Possible alternative model**

**A hybrid model of a virtual loan pool and purchase of reissued or new AT be available to clients who make the choice based on their GEAT plan.**

It is important to note this alternative model has not received unanimous support from our members. The department would therefore need to have further discussions with suppliers on the risks and practical issues of implementing a virtual loan pool.

### Identified benefits:

- Existing SME suppliers would not have to close their business due to the introduction of a central loan pool model.
- Suppliers located in thin markets (regional and remote areas) and metro areas would form part of the loan pool thereby increasing the availability of equipment and minimising the freight costs for delivery and pick up. This should also reduce the wait times experienced with existing large, centralised loan pools. Clients will continue to be able to visit local suppliers to see the AT before they acquire it either from the loan pool or by purchasing the AT.
- Core /wrap around services, for the provision of AT to clients and the education for clients, their families, carers on the correct use of the AT, would continue to be delivered.
- Localised support via suppliers will be able to continue to assist their older clients.
- Additional benefits to clients will be choice, improved provision of the correct AT for that person first time resulting in reduced wait times and AT purchased at a competitive price.
- Having a wider range of products in the virtual pool will allow for the OTs to make better judgements for their clients. Based on previous discussions with Allied Health peak bodies, this is particularly important for less experienced OTs working in isolation.

- The benefit to allied health professionals and other prescribers is the continuing education in existing and new AT and access to a wider range of AT for trial with clients.
- This alternate model would help the Support at Home team meet the criteria from the Review of Assistive Technology Programs in Australia Final Report 9 June 2020 which states: “With additional funding, there may be considerable benefit in both **expanding the AT product range** as well as the level of funding available for AT programs. Regardless, a staged approach involving an initial trial is suggested to ensure that a national rollout of the new approach builds an evidence base to ensure that it is appropriate for clients and cost effective” (Source: p62 <https://www.health.gov.au/resources/publications/review-of-assistive-technology-programs-in-australia-final-report> )
- AT is held by suppliers reducing the inventory and stock control costs to the government.
- The benefit to government is reduced freight cost and client service that provides equity with other schemes. Additionally the supply of Class 1 AT that meets the TGA’s requirements and the manufacturer’s “intended purpose” and is therefore approved for sale within Australia thereby reducing the risk to clients and the Department.

Identified risks:

- A virtual loan pool may become an administrative burden for suppliers to continually update pricing and stock availability. Many suppliers hold a significant number of different AT products. This issue would need to be addressed with suppliers and overcome for a virtual loan pool to be a viable option. The AT list used by the NDIS may provide some insight on how this could be done.
- An exemption may need to be sought from ASIC for suppliers who would otherwise require a credit licence if any equipment provided is not intended to be purchased by the client.
- ATSA is willing to work with the Department to complete the risk assessment across the sector.