

Victorian Aids & Equipment Program Redevelopment

Service Delivery Model – Discussion Paper
November 2008

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Introduction

The Aids and Equipment Program (A&EP) provides subsidies and reissues aids and equipment to around 28,000 Victorians with a long term disability each year. The program assists people with a disability – including children and older people – with items such as wheelchairs, mobility aids, beds, hoists, continence aids, home oxygen, orthoses and home and vehicle modifications.

The program, previously known as Program of Aids for Disabled Persons (PADP), was transferred from the Commonwealth to Victoria in 1987 and has grown from approximately \$1 million in 1987 to over \$29 million in 2008. The A&EP has remained largely unchanged over the past 20 years. However, growth in demand over that time has continued to outstrip program capacity, challenging the program's ability to provide basic equipment in a timely response. The Department of Human Services (DHS) commissioned KPMG to undertake a review of the A&EP and recommend a preferred model for Victoria. The report was released in November 2007 and KPMG recommended that a significant restructure of the A&EP was required in order to make aids and equipment more affordable, reduce waiting times and waiting lists, provide a wider range of equipment and services and allow more people to access equipment and services.

In its response to the review, DHS committed to undertake a redevelopment of the A&EP over the next two years, incorporating the 2007-08 State Budget commitments and a number of the high level themes and recommendations from the review.

The service delivery model project is one of a number of initiatives related to the redevelopment of the A&EP. Other projects include the development of a new information technology (IT) platform for the A&EP, transfer responsibility for home oxygen to Hospital Admission Risk Program (HARP) and continence to Sub-acute and Ambulatory Care Services (SACS) Continence Clinics in the Metropolitan Health and

Aged Care Services Division, improving the interface for referring therapists and further work looking at the links between the home modification subsidy and other Office for Housing programs.

The aim of this discussion paper is to canvas options for a new service delivery platform for the A&EP in Victoria. It is proposed to establish a statewide service with a single point of entry to ensure greater equity, transparency and consistency in the allocation of resources and to achieve greater operational efficiency. Three options for a new service model are explored in this paper for consultation and feedback.

Other reforms proposed in this paper are the establishment of a contemporary policy framework to ensure consistency with current government policy for the key client groups of children, people with a disability and older people, the establishment of a clinical advisor function and new ways of procuring aids and equipment.

Feedback on the proposed options is currently being sought and submissions close 6 February 2009. Following the public consultation period and consideration of submissions, a preferred model of service delivery will be determined by the Department of Human Services. It is anticipated that once the final model is decided, there will be a 12-month transition from the existing service system and implementation to the new service model.

Consultation process and call for submissions

The Department of Human Services invites your comments and feedback on this discussion paper

Consultation Forum

Should you wish to arrange a separate consultation session with your group or organisation please contact:

Email: aep@dhs.vic.gov.au

Or contact project leader Krishen Pandita on (03) 9096 7144

How do I make a submission?

A submission may be made in several ways: in writing via mail, email or fax. There is no particular format to follow, however it would assist us if you could address the questions listed at the end of the paper. Written submissions may be made to:

Aids and Equipment Redevelopment
7/50 Lonsdale Street
Department of Human Services
GPO Box 4057
Melbourne VIC 3001

Email: aep@dhs.vic.gov.au

Facsimile: (03) 9096 9131

Assistance in making a submission

If you require assistance such as an interpreter to have your views heard, or would like a copy of this paper in an accessible format, or would prefer to make a verbal submission, please telephone (03) 9096 7144 or email: aep@dhs.vic.gov.au

Confidentiality

Please let us know how you wish your submission to be treated. Submissions can be made either publicly, anonymously or confidentially. Public submissions may be referred to in our reports.

Submission deadline

4.30pm, Friday 27 February 2009

Glossary

A&EP	Aids and Equipment Program
CACP	Community Aged Care Packages
CES	Community Equipment Services
CAEP	Community Aids and Equipment Program
DES	Domiciliary Equipment Service
DHS	Department of Human Services
DVA	Department of Veterans' Affairs
EMS	Equipment and Modification Service
ECD	Electronic Communication Devices
IT	Information Technology
LGA	Local Government Area
LCGP	Lymphoedema Compression Garment Program
MASS	Medical Aids and Subsidy Scheme
NZ	New Zealand
NSW	New South Wales
PADP	Program of Aids for Disabled Persons
QLD	Queensland
RAP	Rehabilitation Appliances Program
SAEAS	Supported Accommodation Equipment Assistance Scheme
SA	South Australia
UK	United Kingdom
WA	Western Australia

Background

Aids and Equipment Program

The Australian Government established the Program of Aids for Disabled People (PADP) in 1981, the International Year of the Disabled. In 1987 the Australian Government transferred funding and program administration responsibility for the PADP to the States and Territories.

In June 2001, PADP changed its name to the Victorian Aids and Equipment Program (A&EP) to better reflect the target population. Since the initial transfer, the A&EP has expanded significantly and become the key platform for the provision of aids & equipment and home modification service in Victoria.

The A&EP assists around 28,000 Victorians with a long-term disability each year with subsidies or reissued items including wheelchairs, mobility aids, beds, hoists, continence aids, home oxygen, orthoses and home and vehicle modifications.

Service delivery platform

Currently funding for A&EP is directed through eight DHS regions to 30 issuing centres including five specialist statewide services and 25 local issuing centres (two services conduct both roles) see Figure 1. Local issuing centres provide geographically targeted services based on Local Government Areas.

There are five statewide issuing centres:

- The *children's* statewide aids & equipment service is operated through the Royal Children's Hospital and provides aids and equipment specifically for children.
- The *Electronic Communication Devices Scheme* is operated through Yooralla and provides assessments and electronic communication devices for people of all ages with complex communication needs.
- The *Lymphoedema Compression Garment Program* is operated through Mercy Health and Aged Care

and provides compression garments for people who have been medically assessed as having either primary or secondary lymphoedema.

- The *Victorian Breast Protheses Subsidy Program* is operated through the Monash Medical Centre in Moorabbin and provides external breast prosthesis for women who have had a mastectomy.
- The *Vehicle Modifications Subsidy Scheme* commenced in June 2008 and is operated through the Ballarat Health Services. It provides assistance with modifications to vehicles for both drivers and passengers with a disability.

Each issuing centre is responsible for responding to enquiries from the public, processing applications, ordering and supplying equipment, equipment storage and reissue, managing their own budget allocation and maintaining a local waitlist.

Eligibility and application process

To be eligible for the A&EP applicants must have a permanent disability and require equipment on a long term basis. The program provides reissue items where available or a subsidy towards the purchase cost of an item. The list of items covered and the level of subsidy provided for each item is listed in the program guidelines and is available from www.dhs.vic.gov.au/ds/aep.

Applicants need to arrange for an assessment from a prescribing therapist, usually an allied health or health professional, to determine the most appropriate and cost effective aid or piece of equipment. A general application form for aids and equipment is then submitted to the local A&EP issuing centre, along with a copy of the prescribing therapist's assessment report. A similar process operates for the statewide issuing centres.

Once an application is received at an issuing centre it is checked to determine eligibility and is assigned a priority according to program guidelines. Applications

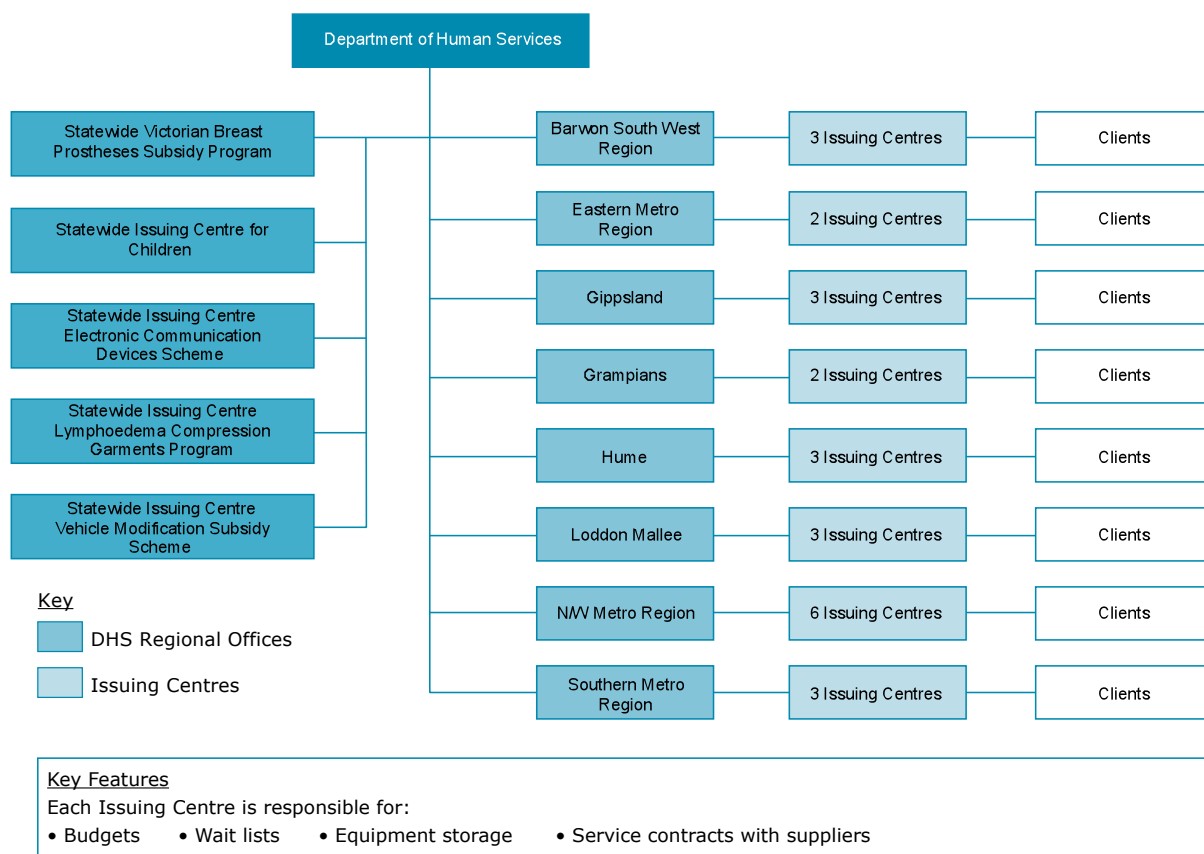
may be prioritised as no wait items if they are for home oxygen, wheelchair repairs, ongoing supply of continence products or if reissue equipment is available. Otherwise they will be placed on a waiting list according to the priority of the application as either high urgency or low urgency.

The A&EP is not available to people who already receive assistance from other government-funded aids and equipment programs, or who are residents of government-funded Residential Aged Care Facilities. Nor does it provide aids & equipment specifically for use at work or in educational settings, or fund any equipment associated with medical treatment or surgical intervention.

Funding model

Funding for the aids and equipment program is detailed in the Disability Services Policy and Funding Plan 2006-2009. Funding allocations are made to each local issuing centre based on a regional equity formula. An administration component of 12.5% of the A&EP budget is provided to cover the administration components of operating the program. Additional funding is also provided for training which is calculated at 1.5% of 80 per cent of the 12.5% administration component. DHS regional offices are responsible for managing the funding and service agreements with the issuing centres in their region.

Figure 1. A&EP Current Structure



Background *cont.*

Supported Accommodation Equipment Assistance Scheme (SAEAS)

The A&EP also administers the Supported Accommodation Equipment Assistance Scheme (SAEAS) via 10 of the 25 local issuing centres. SAEAS is available to people who reside in a DHS-funded accommodation service that is registered or funded under the Disability Act 2006 or the Children, Youth and Families Act 2005.

Aids and Equipment for Children

A statewide issuing centre for children is based at The Royal Children’s Hospital. In addition, under the current service model children may also apply to their local issuing centre.

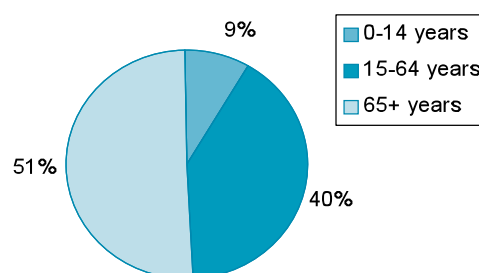
Equipment Libraries and advisory services

The Department of Human Services provides funding to equipment libraries. The Equipment Library based at the Independent Living Centre Yooralla provides short term loan equipment for children to trial when it is required as part of the process of accessing funding. The Motor Neurone Disease Association of Victoria provides loans to people with motor neurone disease. Funding is also provided to equipment advisory and information services including the Independent Living Centre (ILC) to provide telephone and internet advice and information about assistive technology to people with a disability and therapists.

Service user profile

The A&EP assisted 28,139 people with over 52,000 items in 2007/08. The majority of service users were in the older age group with just over half of all service users (51%) aged 65 years or over, 40% were aged between 15 and 64 years and 9% were aged 14 years or younger.

Percentage of clients by age cohort by all funding type - 2007-08



The most frequently provided items in 2007-08 include home oxygen, continence aids, orthoses and commodes and shower chairs (table 1). However, the top five aids and equipment items by order of expenditure were: home oxygen, mobility aids, continence products, home modifications and orthoses.

Table 1 Most frequently provided items all ages in 2007/08*

Item	Number of people assisted all ages	Number of children assisted 0-14
Home Oxygen	11,848	439
Continence	8,395	808
Orthoses	3,377	773
Commodes, Shower chairs	3,247	196
Home modifications	1,976	58
Mobility aids - manual and power wheelchairs & scooters	1,478	283
Mobility aids - walking aids	1,279	92
Beds and Mattresses	1,039	56
Personal use items	980	83
Pressure care	878	83

*excludes SAEAS

Aids and Equipment Program Redevelopment

DHS commissioned KPMG to undertake a review of the Aids and Equipment Program and recommend a preferred model for Victoria. KPMG concluded the A&EP was not sustainable in its current form and recommended significant restructuring of the service delivery platform to improve efficiency, effectiveness and client outcomes. The recommendations focussed on:

- Making aids and equipment more affordable;
- Reducing waiting lists and waiting times;
- Providing a wider range of equipment and services; and,
- Enabling more people to access aids and equipment.

DHS response to the review

Following the review, Disability Services committed to the reconfiguration of the A&EP over the next two years as follows:

1. Development of a new service model for delivering aids and equipment including:
 - Further service modelling and wider consultation to develop options to improve client access and timely provision of aids and equipment, facilitate operational efficiency and develop statewide consistency in the provision of aids and equipment, including potential new service delivery models.
 - Development of new and consistent ways of assessing and prioritising people's aids and equipment needs to streamline the interface for prescribing therapists.
 - A review of subsidy levels and the available equipment range.
 - Further discussion and work within DHS to fully explore the opportunities to integrate the elements that involve ongoing clinical and health support, provision of oxygen, continence products and home modifications.

2. Development of policies to improve access to the program, including expanding eligibility to those in receipt of Commonwealth-funded Community Aged Care Packages (CACP) and Extended Care at Home Packages (EACH).
3. Provision of subsidies for vehicle modifications for the first time.
4. Establishment of a new cross-departmental governance structure to oversee policy and funding for the A&EP involving Disability Services, Rural & Regional Health and Aged Care Services, Metropolitan Health and Aged Care Services, Housing & Community Building and the Department of Education and Early Childhood Development.

Several of these initiatives have already been implemented, including the establishment of the vehicle modification subsidy scheme (June 2008), the broadening of eligibility to include people in receipt of Community Aged Care Packages and Extended Care at Home Packages (February 2008) and an increase in subsidies for a number of items (October 2007).

Redevelopment of the A&EP

The redevelopment of the A&EP involves a number of projects that will be undertaken over a two-year period. It is anticipated that development of the new service model will be completed by July 2009 and that the transition and implementation to the new service delivery platform will take 12 months and will be operational by August 2010. The redevelopment projects include:

1. Implementation of a new service delivery model (this project), including consolidation of the current 30 issuing centres and development of a procurement strategy.
2. Transfer of the home oxygen and continence components of the program to Metropolitan Health and Aged Care Division.

Aids and Equipment Program Redevelopment *cont.*

3. A review of subsidy levels and equipment range.
4. Implementation of a new information technology platform to replace the current system.
5. Working more efficiently with prescribing therapists to reduce administrative burden and improve access to occupational therapists by clients.
6. Further consultation and consideration of options for home modifications

IT platform

One of the recommendations of the KPMG review was to develop a new IT platform to support service delivery, to facilitate reporting and planning and improve efficiency. Work has already commenced to replace the existing IT system in order to better support the business and operational requirements of the A&EP. The Department of Human Services advertised a public tender for a new IT system in November 2009 and it is anticipated the new system will be fully operational by December 2009. The new system will significantly improve and streamline the administrative efficiency of the A&EP. It will also enable the program to better capture and manage data to improve planning and budgeting processes and better manage wait lists and equipment reissue.

Home Oxygen and Continence

A concurrent project is also underway to investigate opportunities for the integration of the home oxygen and continence components of the A&EP, with programs that provide clinical and health support to clients. The project will examine the capacity to improve outcomes for clients through the integration of home oxygen with the Hospital Admission Risk Program (HARP) and the integration of the continence component with Sub-acute Ambulatory Care Services (SACS) Continence Clinics.

Home Modifications and prescribing therapists

These projects are scheduled to commence in the first half of 2009, after the service delivery model project is completed.

Aids and equipment programs in other jurisdictions

A number of states and territories also are in the process of restructuring and refocussing their programs. A key feature of the reforms in other states is the move towards a single statewide service that provides a one-stop shop approach for people applying for aids and equipment. Most other states have also established, or are in the process of setting up, a central approach to procurement of equipment. South Australia has established a bulk purchasing and distribution model, whilst Queensland has a well-established statewide approach to contracting and procurement arrangements with suppliers for certain items. A summary of the key features of aids and equipment programs in other jurisdictions can be found in appendix 1.

Most other states have included a clinical advisor function within their equipment service. This assists in the assessment and prioritisation of applications and provides support to prescribing therapists. There are also a number of approaches to facilitate prescribing and ordering of equipment. Prescribers can interface on line with the Department of Veterans Affairs' (DVA) Rehabilitation Appliances Program (RAP) and order from a pre-approved list of aids and equipment. New South Wales is developing standard prescription forms and a system for accrediting prescribers for basic equipment to more complex prescriptions.

Developing a contemporary policy framework

Since the initial transfer of PADP to Victoria in 1987 there have been significant changes in the policy environment and the way support services are provided. Key Victorian Government policies are outlined in Growing Victoria Together, A Fairer Victoria, The Victorian State Disability Plan and Every Child Every Chance. There is now a much stronger emphasis on reducing disadvantage and maximising the health, independence and opportunities for participation of people with a disability, including children, the aged and people with chronic and complex health conditions. Promoting community participation, enabling people to reach their goals and provision of timely and accessible high quality services are key components in current government policy.

As part of the repositioning of the A&EP and to ensure a whole of department focus, DHS has already established a cross-departmental board to create a more integrated and coordinated service system consistent with contemporary policy objectives and priorities.

New principles, aims and objectives for aids and equipment

The KPMG review also recommended that the A&EP be refocused to provide subsidised aids and equipment to improve outcomes for individuals, with an emphasis on early intervention, prevention and maintenance of functional abilities of children, frail aged and their carers.

Therefore it is proposed to update the current aids and objectives for the A&EP with aims, principles and objectives that reflect the contemporary policy context for all client groups accessing aids and equipment. The current aims and objectives for the A&EP are outlined in the A&EP guidelines and can be found in appendix 2.

Proposed aim

The Victorian A&EP provides people with a permanent or long-term disability with subsidised aids, equipment and home and vehicle modifications to enhance independence in their home, facilitate community participation and support families and carers in their role.

Proposed principles

The key principles underpinning the A&EP are to improve outcomes for individuals and aim to achieve a customer focussed service through:

- A streamlined and timely access to an integrated and co-ordinated service delivery system;
- Transparent processing, prioritisation and equitable access; and
- Efficient and cost effective use of resources.

Proposed program objectives

The objectives of the Victorian A&EP are to provide:

1. Subsidised aids and equipment that support goals and plans of an individual at key life stages.
2. A streamlined, single point of access for individuals irrespective of their place of residence.
3. An efficiently administered aids and equipment program that is targeted to individuals most in need and ensures equal access throughout Victoria for people with permanent or long-term disability.
4. A cost-effective aids and equipment program to maximise assistance to as many individuals as possible.
5. Individuals with high quality aids and equipment that comply with relevant Australian standards.

Questions you may like to consider.

Do you support the proposed aims, objectives and principles?

Developing a statewide service for Victoria

The primary objective of the A&EP redevelopment is an improved service model for the delivery of aids and equipment to people with a disability and the frail aged in Victoria. The new service delivery model will strengthen the capacity of the A&EP to meet the current and future demand on the program and better meet the needs of people with a disability in the community.

Proposed service delivery model

The KPMG review recommended that a single statewide aids and equipment centre be established to improve client access and timely provision of aids and equipment, facilitate greater operational efficiency and develop statewide consistency in the provision of aids and equipment.

Since the KPMG review, average waiting lists and waiting times have decreased significantly as a result of additional funding for the program. However, despite the additional funding, there are still variable waiting times between issuing centres with a number of issuing centres having little or no wait and others still experiencing much longer waiting lists.

In establishing a new service delivery platform it is proposed to consolidate the number of centres in order to:

- Improve client access;
- Reduce the inconsistencies in program administration;
- Reduce inequities due to variable waiting times;
- Provide aids & equipment in a timely manner; and
- Improve access to reissue equipment.

The new service delivery model will be supported by the implementation of a new IT platform to streamline administrative and business processes. Three options

for the new A&EP service delivery platform are proposed for comment and feedback:

Option 1 – a single statewide issuing centre

Option 2 – two statewide issuing centres, one for adults one for children

Option 3 – five issuing centres, one for children, one for adults and the retention of the existing statewide centres for the Vehicle Modification Subsidy Scheme, the Lymphoedema Compression Garment Program and the Electronic Communications Devices Scheme.

It is also proposed to establish a new function, that of clinical advisor within the new model.

Home Oxygen and Contenance

As the recommendation in relation to the transfer of home oxygen and continence to Metropolitan Health and Aged Care is being considered as part of another project, options around the best way to administer these subsidies will be addressed as part of this project.

Victorian Breast Prosthesis Subsidy Program

The Australian Government has announced the establishment of a National External Breast Prostheses Reimbursement Program. The program will be administered by Medicare Australia from 1 December 2008. As a result of the establishment of the national program, the Victorian Breast Prosthesis Subsidy Program will be phased out from 30 November 2008. Therefore the VBSP is not included in the options under consideration.

Core functions of a statewide issuing centre

The statewide issuing centre will be responsible for the following:

- Responding to enquiries from the public and provision of information to clients, families and prescribing therapists, including the establishment of a 1800 number, website and email address.
- Receiving and assessing applications to determine eligibility and priority in accordance with program guidelines.
- Establishing and managing the statewide waiting list and ensuring the equitable and transparent allocation of resources.
- Developing and implementing a procurement strategy to enhance the purchasing power of the program in order to achieve improved reissue, maintenance and repair of equipment.
- Establishing links with community service organisations, health services and other organisations to ensure that the provision of the Victorian A&EP is coordinated and integrated.
- Provision of support and information for prescribing therapists, including the development of streamlined prescribing processes and the provision of education and updates about the aids and equipment program.

Options for consideration

Option 1: One statewide service

It is proposed to consolidate the existing service system into a single statewide aids and equipment service (Figure 2). The service would support children and adults and incorporate SAEAS, the Vehicle Modifications Subsidy Scheme, the Lymphoedema Compression Garment Program, and the Electronic Communication Devices Scheme. The service would become the single point of contact for both clients and prescribers irrespective of their location.

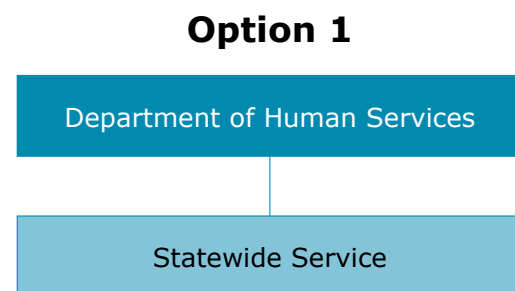
Under this model clients would continue to access their local prescribing therapist for assessment and referral.

As the Vehicle Modification Subsidy Scheme has only recently been established, it would continue to provide service in its current form and integration with the statewide issuing centre would be addressed following the evaluation of the scheme.

Key Features

- One service for all clients;
- Single point of contact, including 1800 number and one website;
- Maximises capacity to develop innovative procurement arrangements, including statewide contracts for supply of equipment and bulk purchase arrangements;
- Wait lists would be managed on a statewide basis to improve access and equity;
- Greater budget flexibility to allocate to high priority clients as budget would be managed centrally;
- Administrative efficiency and economies of scale because it is less costly to administer one centre than 30;
- Clinical advisor to provide specialist advice and support;

Figure 2



Option 1 provides a single point of access for all clients across all age groups. The same service provider will ensure continuity of service throughout a person's life time and ensure a seamless transition from children's services to adult services. This option also maximises the opportunities to improve communication by providing a one stop shop for information and to develop one website and a 1800 number. It will also enable the creation of the new role of clinical advisors to assist in assessing more complex applications and to provide advice and support to referring therapists to facilitate the application process. A single state-wide issuing centre would manage one wait list on a statewide basis and would provide a consistent approach in assessing and prioritising applications. It would eliminate the inconsistencies caused by the current system of multiple issuing centres and waitlists. This model also provides the greatest budget flexibility to manage demand and to ensure that those clients with the highest needs are assisted first.

A single issuing centre will maximise opportunities to achieve greater purchasing power and cost savings through the development of a state-wide approach to the procurement and reissue of equipment.

Option 2: Two statewide services

Under this option it is proposed to establish two statewide services, one for adults and one for children (Figure 3). The service for children would be responsible for provision of all aids and equipment for children. The adult service would incorporate SAEAS and the Lymphoedema Compression Garment Program. Both the adult and children's statewide services would manage applications for vehicle modifications subsidies and electronic communication devices.

Assessments for equipment would continue to be carried out by appropriate health professionals and applications forwarded to statewide issuing centre for processing.

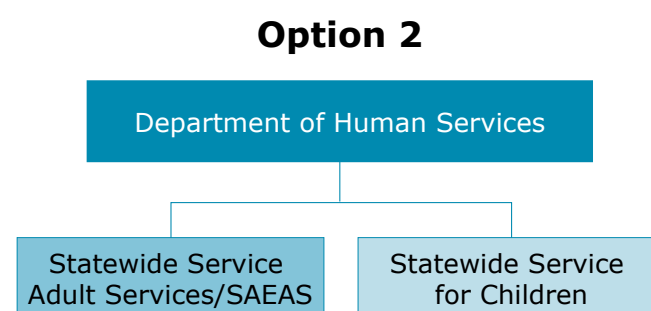
The children's statewide service would have a similar role as the adult service and would operate on the same information technology platform. There could be opportunities to work jointly on procurement.

As the Vehicle Modification Subsidy Scheme has only recently been established it would continue to provide service in its current form. Integration with the statewide issuing centre would be addressed following the evaluation of the scheme.

Key Features

- Separate services for children and adults;
- Retains a specialist emphasis for children's services;
- Separate budgets; and
- Separate management of wait lists.

Figure 3



Option 2 provides two issuing centres and retains a specialist focus for children's aids and equipment and creates a single point of access for children. There would be a separate service for adult aids and equipment. The two issuing centres would be responsible for managing their own budget and wait list, although they would share the same IT platform for consistency in data management. This option does not allow for the same level of budget flexibility to manage peaks in demand across all age groups as option 1 as there would be separate budgets and waitlists for children and adults.

Option 3: Five statewide services

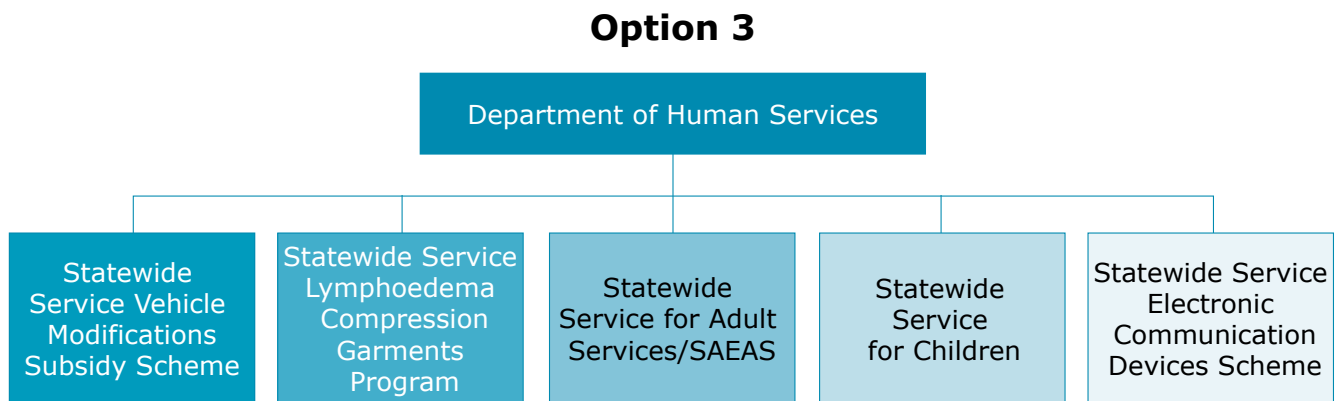
This option proposes the establishment of five services (Figure 4). It retains the existing statewide service providers for the Vehicle Modification Subsidy Scheme, the Lymphoedema Compression Garment Program and the Electronic Communications Devices Scheme and establishes two new services one for adults and one for children.

Key Features

- Retains current statewide services;
- Separate budget for each centre;
- Each centre manages its wait list; and
- Capacity to share information technology platform.

Options for consideration *cont.*

Figure 4



Option 3 retains all of the existing specialist statewide services but creates two general issuing centres, one for children and one for adults. Under this option the capacity to achieve administrative savings is less than the other options.

Questions you may like to consider:

Which service model option do you prefer and why?

What is the best way of providing aids and equipment to children with a disability?

- Should there be a separate service for children's aids and equipment?

Should there be a different approach for rural and metropolitan areas?

Clinical advisors

A key function of many other aids and equipment programs is that of clinical advisor. It is proposed to establish a new role of clinical advisor within the new statewide service model to assist in processing of applications and to provide support to prescribing therapists. Clinical advisors would have expert knowledge in relation to particular client groups or types of equipment.

It is proposed that the role of a clinical advisor would include:

- Reviewing prescriptions and applications for customised and high cost items;
- Provision of support to prescribing therapists;
- Assistance in interpretation of guidelines;
- Quality review of prescriptions to ensure value for money items that best meet client needs; and
- Development of prescription forms and prescribing guidelines.

Questions you may like to consider.

Do you support the establishment of clinical advisor role?

Procurement

One of the recommendations in the KPMG review was to implement alternative purchasing arrangements to enhance the purchasing power of the program and improve reissue, maintenance and repair.

There are a number of examples across Australia where organisations have contracted out the supply of equipment for people with a disability. The Victorian Transport Accident Commission obtains equipment other than continence products from a number of equipment brokers. The DVA RAP procurement strategy is by tender to a number of suppliers who provide delivery and pick up of equipment to the clients' houses, as well as storage, cleaning and reissue of equipment. The Motor Neurone Disease Association of Victoria has recently restructured its equipment library service to outsource the storage, cleaning, delivery and reissue of equipment to a third party. In addition it has streamlined the equipment range to improve reissue rates by supplying a standard wheelchair that has a number of optional features that can be adapted to a client's needs. South Australia's Domiciliary Equipment Scheme (DES) has established bulk purchasing with a central 1800 number and a web-based catalogue from which therapists can directly order equipment.

There are a range of strategies to improve efficiency in procurement, including statewide contracts, bulk purchasing, and the establishment of a panel of preferred suppliers. It is possible to outsource a number of the functions currently managed by issuing centres, including storage and reissue of equipment, as well as maintenance and repair of equipment.

Improving efficiency with reissue and low cost items

Costs associated with staff time, transport, handling, cleaning, recording and storage of low cost items retrieved from a client who no longer requires these, may be more than the initial purchase price. Or an item may be in such poor repair when returned that it is of no further use. Therefore it is proposed that low cost items (under \$250) be treated as non-returnable and deemed to be owned by the client.

Key features of the new procurement strategy

- Low-cost standard items (shower stools, shower chairs) costing up to \$250 to be classified as non returnable items;
- Consideration of opportunities for statewide contracts, establishing a panel of suppliers for standard items and bulk purchasing of items;
- Consideration of options for retrieval, maintenance, storage and reissue of equipment to be included as part of the contractual arrangements with suppliers or third parties; and
- Consideration of a system to enable prescribers to select from a range of standard equipment items.

Questions you may like to consider.

Do you support the proposal that low cost items are non-returnable?

Next stages

Following the consultation period on the new Service Model and consideration of submissions a preferred service model will be determined by the Department of Human Services. It is anticipated that a decision about the new service delivery model will be made by June 2009. The Department will then develop a set of service specifications for the new aids and equipment program and proceed to select and appoint a provider or providers. There will be a twelve month period of transition to the new service model.

It is anticipated that new service delivery model will be fully operational by August 2010.

What key features should be included in the service specifications for the new service model?

What are the key factors to focus on in the transition phase to the new service delivery model?

Consultation questions

The Department of Human Services invites your comments and feedback on this discussion paper. Instructions on how to make a submission are outlined on page 5. Submissions close Friday 6 February 2009.

Questions you may like to consider

Do you support the proposed aims, objectives and principles?

Which service model option do you prefer and why?

What is the best way of providing aids and equipment to children with a disability?

- Should there be a separate service for children's aids and equipment?

Should there be a different approach for rural and metropolitan areas?

Do you support the establishment of clinical advisor role?

Do you support the proposal that low-cost items are non-returnable?

What key features should be included in the service specifications for the new service model?

What are the key factors to focus on in the transition phase to the new service delivery model?

Appendix 1

Equipment schemes – other jurisdictions

Program of appliances for Disabled People - PADP (NSW)

Following the review of PADP undertaken by PricewaterhouseCoopers, the New South Wales Department of Health has commenced to redevelop its equipment programs and transfer all PADP functions from the current lodgement centres to one statewide administration.

The PADP provides appropriate equipment, aids and appliances to assist eligible NSW residents with a permanent or long-term disability to live and participate in their community. Residents of state government-funded group homes are also eligible. The PADP is centrally managed by ENABLE and is currently provided by 22 individual Area Health Services, although services will be consolidated over the next two years. ENABLE will also incorporate domiciliary oxygen, continence and artificial limb programs.

Key features

- Single statewide service;
- Prescription model – prescriber guidelines and web-based forms;
- Applications prioritised and weighted according to need;
- Business units for information technology and procurement;
- Clinical advisors employed for support and review of requests;
- Means tested for adults, co-payment applies; and
- Equipment loan pools.

Domiciliary Equipment Service – DES (SA)

DES is set up as a business unit of the South Australian Government and provides equipment service and home modifications to clients who are eligible for domiciliary care in South Australia. DES provides equipment for Domiciliary Care SA, Disability SA, DVA, not for profit organisations and private hire clients.

Key features

- Statewide service;
- Access to program is means tested;
- Equipment available as per need and financial situation;
- Loans pool;
- Clinical advisors employed for review and advice;
- Currently a number of lodgement centres in place, moving towards a statewide service and new procurement strategy; and
- Bulk purchasing.

Department of Veterans' Affairs (DVA) Rehabilitation Appliances Program (RAP)

The RAP is administered by DVA and provides items for self help and rehabilitation to eligible veterans, based on assessed clinical need. The program has a list of approved items available. Assessment and recommendations can only be made by DVA-approved service providers. Referral forms are also standardised. All listed items are fully funded and there is no waiting period. DVA retains the ownership of the equipment.

Key features

- Nationwide program with some state-based functions;
- Approved list of equipment;
- Approved contracted suppliers;
- Well-defined procurement strategy; and
- Clinical advisors review requests for unlisted/special equipment and guidance.

Medical Aids and Subsidy Scheme – MASS (Qld)

The MASS assists Queensland residents with permanent and stable conditions or disabilities with access to aids and equipment. Priority is given to the

Appendix 1 *cont.*

clients with greater need. Co-payments apply. MASS retains the ownership of the aids and equipment where it has contributed more than 50 per cent of the cost.

Key features

- Statewide program;
- Prescriber model;
- Subsidy program, means tested;
- Endorsed listing of equipment;
- Focus on people with disability living at home;
- Clinical advisors advise and review;
- Clinical and client education organised; and
- Statewide contracts and preferred suppliers. Purchased items need to meet Australian standards.

Community Aids and Equipment Program – CAEP (WA)

CAEP assists people with a disability to stay in their own home by providing equipment and home modifications. There is an approved list of equipment and funding limits apply. Eligibility is confirmed by a GP or specialist and referral is made to the CAEP service provider. An advisory committee holds oversight responsibility for the program to ensure effective implementation of CAEP policies and to provide a strategic approach to the program. The committee responds to matters referred by the clinical sub-committee and provides an appeals mechanism for the program.

Key features

- Prescriber model;
- Approved list of equipment;
- Funding limits;
- Advisory committee in place; and
- Bulk purchasing.

Equipment and Modification Service – EMS (NZ)

Equipment and Modification Services (EMS) is the system by which people with long-term impairment get equipment or modifications to their home or vehicle to enable them to be safe and independent in daily living. Applications are prioritised to identify those people with high need. For housing modifications over \$7900, income and asset testing is conducted through Work & Income. The accessible store located in Auckland provides a storage facility for bulk purchased items awaiting distribution and a central base for equipment collected from people who no longer require the item.

Key features

- Centralised equipment and home modification service;
- Priority given to people with high need; and
- Bulk purchasing;
- Preferred Suppliers.

Community Equipment Services – CES (UK)

Community Equipment Services are available to people who require assistance to perform essential activities of daily living, maintain their health and independence and live as full a life as possible. This service is funded by the National Health Service and administered by local authorities. Following a review of this service in 2006, there is a move towards developing a uniform national service in partnership with local authorities and the National Health Service. The new model is defined as a retail model, where a health professional issues a prescription for equipment and the person redeems it at local retail outlet.

Key features

- Currently administered by local authorities, moving towards uniform national service;
- Prescriber/retail model; and
- Standardised prescription form.

Appendix 2

Aims and objectives

The aims and objectives are outlined in the A&EP guidelines, which provide a framework for the operation of the program.

The current aim of the program is to:

Provide people with a permanent disability with subsidised aids, equipment and home modifications to enhance their safety and independence, reduce their reliance on carers and prevent premature admission to institutional care or high-cost services.

The current objectives of the program are:

1. To provide efficiently administered aids and equipment services that are targeted to people most in need and promote equity of access throughout Victoria for people with permanent or long-term disability.
2. To identify and provide subsidised aids, equipment and home modifications that are appropriate and cost-effective to meet the identified needs of clients.
3. To ensure that people with disability and the frail aged are provided with aids and equipment and home modifications that facilitate increased independence, enhanced quality of life and maximum participation within the community.
4. To provide aids, equipment and home modifications to support people with a disability and the frail aged to remain living in their own home and enhance the carers' capacity to maintain the care arrangements.
5. To facilitate the provision of advice, training and ongoing monitoring for the appropriateness of aids, equipment and home modifications to current and potential clients of the Victorian A&EP.

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