

21st September 2018

Joint Standing Committee on the National Disability Insurance Scheme
PO Box 6100
Parliament House
CANBERRA ACT 2600
ndis.sen@aph.gov.au

RE: Assistive Technology Inquiry

Thank you for the opportunity to make a submission to the Joint Standing Committee's NDIS Assistive Technology (AT) Inquiry.

ATSA is the peak industry body representing businesses who supply assistive technology (AT) throughout Australia. Our members are businesses of varying sizes who provide assistive AT solutions for people with disability, seniors and their carers to increase independence and make everyday living easier. ATSA works to ensure the market for AT is competitive, efficient, viable and appropriately regulated.

ATSA's submission has been developed with the goal of supporting and improving the AT service provision of the NDIS to the benefit of Australian society.

We would welcome the opportunity to discuss the matters raised with members of the Joint Standing Committee and provide you with any further information which you may consider useful in your deliberations.

Yours sincerely



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Assistive Technology Suppliers Australasia (ATSA) Submission

September 2018

Joint Standing Committee on the National Disability Insurance Scheme

Assistive Technology Inquiry

Summary

There are issues with the timely provision of Assistive Technology (AT) to NDIS participants, however ATSA acknowledges that the NDIA is listening to participants, AT suppliers and allied health practitioners (AHPs) and is responding to their concerns.

The changes that are planned by the NDIA, such as the new Pathways program, are yet to be fully implemented and it is anticipated they will deliver significant improvements. The stakeholder engagement approach used by the NDIA will see the benefits realised over time.

In addition to the NDIA's changes to their processes, the education of their frontline staff on AT is of high importance to aid in the minimisation of delays and unintended errors in the development of plans and processing of quotations/orders.

A review of Section 34 of the NDIS Act which covers "reasonable and necessary supports" would contribute to reducing delays in the approval process. The current requirement is that all AT supplied must address each of the 6 elements before an approval can be issued for supply. Therefore, when an application for AT device that is a replacement for an existing old item that has come to the end of its useful life, it can only be replaced once all the 6 elements are addressed. A large amount of paperwork and time is required to respond to the legislated due diligence that is currently set in Section 34.

Once the rollout of the NDIS is complete, careful consideration will be required on the future roles of State/Territory AT funding schemes and the provision of AT to the NDIS. These schemes are tax payer entities who have access to significant government capital and other resources that businesses could never access. If these entities are allowed to compete with business, their size and purchasing powers could distort the market with the possible loss of choice, innovation and competition.

There is a need to identify a suitable solution to support AT markets that have low demand but are important to the participant who needs that AT, e.g. a specialised wheelchair that is needed in a remote location where there is either no AT supplier nearby, or due to the

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uniqueness of the device, only 1 every couple of years is sold by the supplier. The question is, how do we support not only the participant but an AT supplier to provide technical support over the life of the wheelchair in the remote location and be financially viable? This is apparent in regional and remote locations; however, this is also a risk in the major centres with a speciality device that only generates a low number of sales per year. Consideration is required on how to appropriately underpin the supply of low volume AT wherever it is supplied.

The transition to the NDIS and how this has impacted on speed of equipment provision;

The transition has impacted on the speed of supply of some AT. The causes relate to 3 main areas -

- The shift from the traditional AT justification where AHPs focused on explaining functional outcomes as part of the scripting process, to the NDIS model where specific AT has to be linked to the participant's "Goals".
- The current quotation/supply processes require all AT over \$1000 to follow this process i.e. Assessment - trial of AT - quotation - approval – supply (note there are announced changes by the NDIA underway to address this matter, i.e. the new Pathways program that plans to reduce quotations to only the more complex AT, with a target of 80% of AT no longer requiring a quotation).
- NDIA approval process before AT can be supplied due to the NDIA's strict adherence to Section 34 of the NDIS Act 2013.

These have had a profound impact upon participants, resulting in extended delays and confusion with the process, as the NDIA operates under a new set of rules to what participants, AHPs and AT suppliers have been historically used to. Despite the best efforts of the NDIA to educate all stakeholders in the processes, unacceptable delays have occurred and continue.

Apart from the personal impact this has had on NDIS participants, it has also resulted in businesses experiencing a significant slow-down in the processing and approval of orders. This is placing pressure on businesses as they run a trial for the AT, hold the items for the participant for approval, and due to delays, cash flow suffers. When this is the case for multiple orders, it can create major problems for a small specialised business.

Currently there is no consistent or reliable wait time from the NDIA for an approval of a quote to supply AT. The impact on the delay varies depending on the level of AT complexity and sector, e.g. Children, Car Modifications etc. The time for supply of AT indicated to ATSA ranges between 4 to 9 months from the time of an approved plan to receipt of the AT with

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the typical wait time being 7 months. However, the scope ranges from 18 months to the quickest of 4 weeks.

These delays reflect the time taken to reject a quote for the supply of AT. If this takes place, the participant is required to start the process again. Then the wait simply compounds.

The common theme that comes through on the cause of delays is the fundamental lack of AT knowledge by NDIA Planners. This is mainly the case with more complex AT and a lack of appreciation of the costs and customisation that these items require to be fit for purpose. One example of this -

A Walker had been processed in the portal as a Standing Frame. A Standing Frame had already been supplied, so the supplier could not process the service booking under the Standing Frame line item number. When referred back to the Planner requesting this to be amended, the Planner admitted they did not know the difference between a Standing Frame and a Walker.

Business are reporting to ATSA that the quotation activity has been maintained at a consistent rate, but order conversions are generally down 30-40% compared to non-NDIS business opportunities, e.g. State/Territory based schemes, private purchases etc.

The resultant wait times are an area of great stress to NDIS participants. To the credit of the NDIA, they are listening and responding to these issues. The NDIA is working with all stakeholders to find ways to overcome these issues. ATSA has received feedback from its members that they are now noticing some improvement. Based on the information provided to ATSA by the NDIA, we believe these improvements will accelerate as the various changes unfold, e.g. the new Pathways program.

Whether the estimated demand for equipment to be sourced through the assistive technology process in each roll out area was accurate;

This is difficult to gauge as the NDIS appropriately allows for participant choice and control. AT suppliers have relied on their experiences from the historic State/Territory schemes which is different, as these schemes are to a large extent contracted AT lists, whereas the NDIS allows for the most suitable AT that supports the participant's goals.

The change to "choice and control" has altered the types and quantity of what AT that is purchased. This is a positive change for participants as they now have the opportunity to select and purchase what they need rather than be restricted to choosing from a prescribed, tendered list. However, in practise suppliers of AT have relied on the historic spending patterns to provide an indication of what the demands may be as there is no other data or

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method to forecast supply. Unfortunately, the reality of a new spending pattern combined with the delay in processing of orders has had an impact on businesses ability to predict the demand of AT.

Whether market-based issues impact the accessibility, timeliness, diversity and availability of assistive technology;

Freedom of choice will benefit NDIS participants as it empowers them to identify and purchase the most suitable AT for their circumstances from their preferred AT supplier.

As with any other industry, the risk comes with the need for volume to sustain the commercial viability of supply. For AT suppliers, mainly in the mid to complex end of the market, (i.e. bespoke built devices or customisable items) this is a concern. There are risks to the supply of these, if left only to the market forces as low demand undermines viability, resulting in a participant missing out as the AT is not available, and the participant's life could be impacted.

The areas of risk -

- Geographic – Australia's population is concentrated in pockets across the country, therefore depending on the demand in an area, the ability for access to a specialised AT device can be limited. How do you enable equitable distribution across the country that is sustainable?
- Scale – Due to the population of Australia, a specialty AT device may only support one business in one location that provides a commercial return on investment. How do you distribute and support it across the country?
- Dominance, i.e. an effective monopoly of a product – due to limited demand, how will cost management, removing profiteering, be achieved for a product, that is needed?
- Available skills to support the extremely diverse range of AT.

Positives

The open market has provided the opportunity for greater choice, enticed new players and enabled existing AT businesses to increase and develop their product and service offerings. In addition, innovation is now being considered and developed to assist the sector as purchase of AT is no longer largely driven by Government tenders.

- Participants are now able to shop around and purchase smaller but essential items that are low cost, low risk without the need for slow and expensive justification processes.

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- Participants are now gaining access to equipment after delays and getting much more appropriate equipment.
- The increase in the range of equipment that now becomes available to participants which is often so much better suited to meet the client's needs.

The role of the NDIA in approving equipment requests;

The current approach by the NDIA insisting on multiple quotations has created an unsustainable market for quote shopping and under-cutting. Decisions to work with an AT supplier are being based on price, rather than who has invested time and expertise working with a participant. This creates significant confusion and angst for families who expected to deal with a trusted supplier but instead, end up with a random supplier who has never seen the participant.

These circumstances greatly increase the risk of poor AT outcomes for participants as the original quote hand specification as been designed around the participant's needs as interpreted by the attending supplier and advising AHP. They have applied their knowledge, expertise, and skills to develop an individualised AT specification that is intellectual property. A secondary quote, is based on a list of items, cannot always appreciate the reasoning behind the selection of the AT and how it will be utilised.

In the quoting process, the supply of trial equipment is common, and historically this has been provided by the supplier at no charge. However due to the quote shopping that is current with the NDIA, these costs will need to be charged as businesses cannot sustain hours of work, with a risk of missing out on the order. Their work and investment benefits their competitor.

The choice is not necessarily made by a suitably skilled employee of the NDIA but viewed as a price comparison only. AT is not purchasing a car, but a personal, customised and integrated technical suite of equipment that has been crafted to meet an individual's set of needs.

This problem has been acknowledged by the NDIA, who have worked with the industry to rectify the situation. Major changes are underway to address this matter through the development of the new Pathways program that is to be piloted shortly.

Another concern is the transparency of where a quote/order is up to in the system and this creates frustration for participants and AT suppliers. A supplier is not able to obtain guidance from the NDIA where the quote/order is up to and the participant is of the belief that this is the case, resulting in a communication gap. Again, the NDIA has acknowledged

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this issue and is developing an approach to provide transparency of where a AT quote/order is up to in its approval.

Coding and allocation of where funds are applied for ordering/claiming is a problem that the NDIA is working on through improved education of Planners and reviewing of codes. This situation is creating delays and cost to AT suppliers as the wrong codes result in multiple phone calls to the Planner to rectify the matter. Meanwhile the participant continues to wait for their AT.

Some of the current challenges -

- Long wait times are still occurring when waiting for approval of AT due to processes that are required to be followed by the NDIA staff to meet the NDIS legislation.
- As a consequence of the wait times, some suppliers are re quoting multiple times and having to do costly retrials as the participant's AHP has changed and this is very time consuming and costly for businesses.
- Rescripting having to be done as part of the equipment has been denied, this occurs when the business receives the order and sees some components denied, which will be the first time they find out from the NDIA.
- NDIS staff approving equipment don't have the required knowledge about the item(s) they are approving e.g. Powered wheelchairs approved with controller denied, elevating leg rests denied for client's with pressure areas on their feet.
- NDIA, challenging fees for special trial equipment that a business cannot stock, due to the uniqueness of the need.

The role of current state and territory programs in the assistive technology process;

ATSA appreciates the role that each State and Territory body has in the transition of participants to the NDIS. In the main this has been welcomed by AT suppliers as they have provided a safe pathway for the participant throughout the transition.

Once this transition is complete, careful consideration is required on any future role for the State and Territory schemes in the supply of AT under the NDIS.

These schemes are tax-payer funded and have access to levels of capital and other resources that no business could access. Each scheme has their own processes and rules and some are inconsistent with those of the NDIS. These schemes have the ability to distort their local market and what choices will be available, resulting in significant inconsistencies with the NDIS Act, and the essential principal of "Choice and Control". In addition,

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payments to AT suppliers via these schemes can be 30 plus days, whereas an approved payment by the NDIA is less than 48 hours. This impacts business cash flows.

Whether the regulatory frameworks governing assistive technology are fit-for-purpose, and

ATSA recognises and supports the need for appropriate and balanced governance structures to ensure the sustainability of the NDIS. There is work required to resolve issues with the governance frameworks and consideration may be required to adjust the NDIS legislation to remove the level of inflexibility the NDIA must work within to provide AT. ATSA is not able to propose specific changes to the NDIS Act but suggests the elements of Section 34 of the Act may benefit from a review now that there is real world experience at hand. This is one of the reasons there are delays in AT approvals.

The NDIS legislated governance that the NDIA is required to adhere to within the NDIS Act, is creating a market perception, that the importance on cost management and process comes at the expense of participants. Again, this situation has been acknowledged by NDIA who are working with the sector to address this concern, e.g. the new Pathways Program.

There has been a distinct shift in this situation over the past 12 months with a greater engagement with the industry by the NDIA, acknowledging AT suppliers, their expertise and how they have a critical role working with AHPs to supply AT closely aligned to the goals of participants.

ATSA encourages the Government to support the NDIA in its endeavours to streamline the supply of AT and remove any unintended legislative barriers now that there is sufficient data to provide guidance on what will strengthen the NDIS and benefit the participant. This should include the removal of unnecessary red tape in the process, e.g. why does an adjustment to an AT device that includes the purchase of new foam blocks on a car seat for a growing child require a full plan review and application for supply that must cover all 6 elements of Section 34 of the NDIS Act?

Any other related matters.

ATSA recommends that improvements in the Portal are still required to enable a streamlined service. In particular, the Portal needs to allow AT suppliers to search a participant's plan for funding when seeking payment. Currently they search by elimination, launching multiple queries. It's a highly inefficient process that adds cost.

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