

**Submission
No 51**

THE PROGRAM OF APPLIANCES FOR DISABLED PEOPLE (PADP)

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INQUIRY into the PROGRAM of APPLIANCES

for DISABLED PEOPLE (PADP)

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PREPARED for the LEGISLATIVE COUNCIL –

General purpose Standing Committee No. 2

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1. EXECUTIVE SUMMARY

The Physical Disability Council of NSW (PDCN) appreciates the opportunity provide constructive feedback and recommendations to the Legislative Council – General Purpose Standing Committee No. 2, Inquiry into the Program of Appliances for Disabled People.

PDCN has chosen to focus its discussion on issues relevant to access and equity. In summary PDCN recommends that the PADP budget be increased by 24.4 million in the next financial year and the removal of the co-payment for all recipients of PADP except for very high incomer earners.

2a. TERMS OF REFERENCE - General Purpose Standing Committee No.2

That General Purpose Standing Committee No. 2 inquire into and report on the Program of Appliances for Disabled People (PADP), and in particular:

1. *Adequacy of funding for present and projected program demand*
2. *Impact of client waiting lists on other health care sectors*
3. *Effects of centralizing PADP Lodgment Centres and the methods for calculating and implementing financial savings from efficiency recommendations*
4. *Appropriateness and equity of eligibility requirements*
5. *Future departmental responsibility for the PADP*
6. *Any other related matter.*¹

¹ Legislative Council – General Purpose Standing Committee No. 2 – Inquiry into the Program of Appliances for Disabled People (PADP)

2b. RECOMMENDATIONS 12 – 26 identified in the 'REVIEW into the PROGRAM of APPLIANCES for DISABLED PEOPLE'

12. *That the requirement for a referral by a medical practitioner on initial access to PADP or when the condition changes for all equipment categories be removed and that this requirement should apply only in those categories of clients where the condition may not be permanent (or indefinite) or may fluctuate in severity*
13. *That a single prescription form and a single application form are introduced across all PADP Lodgement Centres and that these can be downloaded and submitted via the website.*
14. *That the issue of an apparent lack of guidance in the skills necessary for the safe and competent prescribing of equipment by therapists be brought to the attention of the appropriate professional association (especially in relation to occupational therapy as this profession prepares the majority of prescriptions), with the view that standards of professional competence be reviewed or established in relation to this area of practice.*
15. *That consideration is given to the establishment of the role of state-wide advisors within PADP, whose role will be to review prescriptions and applications for complex and high cost items, especially in relation to mobility equipment*
16. *That the role and function of the Bathurst Seating clinic should be reviewed by a competent professional or team who are able to form a judgement as to the appropriateness and safety of the continuing practice of this clinic in undertaking its own modification and construction of mobility equipment.*
17. *That the Department undertake the following initiatives to provide more easily available and accessible information on the program:*
 - *Develop a single application form for use at any Lodgement Centre.*
 - *Establish a web page on PADP or a new website providing information on PADP which includes clear eligibility criteria, an up-to-date list of aids and equipment available, a downloadable application form, a capacity for lodging applications electronically, current wait list statistics, and access to information on the program by email.*
 - *Establish an 1800 number to an appropriate service to provide information on the program.*
18. *That a defined equipment list be established and maintained on a publicly available website and with some pages available only for authorised prescriber. That consideration be given to contracting out to a not-for-profit organisation the establishment and maintenance of the list. This organisation would specialise in providing information on aids and equipment for people with a disability.*
19. *That the following initiatives be undertaken in relation to co-payments:*
 - *Increase co-payment to at least \$200 annually.*
 - *Require persons with equipment on loan to make the co-payment each year they have the equipment.*
 - *Discontinue the grand-parenting arrangements that have been in place since 2000.*
 - *Allow those with disposable supplies (such as continence products) to have the option to produce receipts, to the value of the co-payment, in lieu of a cash payment each year.*

20. Establish only two income Tiers.

Tier 1 would include:

All pensioners, part pensioners and Health Care Card holders, except holders whose sole justification for a Health Care Card is the mobility allowance criteria.

All persons receiving an adjusted income less than \$29,683 (this has been indexed from the current Band 2 and is approximately the same real income level as a single person receiving a full pension plus benefits). People who are Health Care Card holders because of mobility allowance criteria would be subjected to the same income test as non Health Care Card holders. Children whose parents earn an adjusted income less than \$45,000 (the income for Band 2).

Tier 2 would include:

All applicants aged over the age of 16 whose adjusted income is less than the average income for NSW (around \$45,000 for singles and \$75,000 for couples) and greater than the top limit for Tier 1. Children whose parents combined adjusted income is higher than \$45,000. Tier 2 would have the following rules:

Applicants are required to make an annual co-payment of \$1,000 for each year they have equipment. Eligible persons could expect to be allocated funds only when all people in Tier 1 have received aids or equipment. Applicants would be expected to make a 50% co-payment for the cost of the item up to a limit of \$10,000. Persons seeking equipment with a cost greater than \$20,000 would not be required to make a co-payment greater than \$10,000. Applicants in this Tier will be priority ordered, in part, based on the percentage of their total adjusted income that the cost of the equipment represents, with those whose equipment needs form a higher percentage of their total adjusted income being given a higher priority (priority would also include consideration of relative needs and improvement in quality of life from the equipment). Persons in both Tiers would have their income adjusted to reflect the cost of the PADP item requested (that is, a person with an annual unadjusted income of \$54,000 requesting equipment to the value of \$10,000 would have their annual income in the year of the request adjusted to \$44,000). Adjusted income tests should take into consideration the expected income for the year of the application if the person's income has changed significantly since the previous year's income assessment by the ATO. High income earners faced with the prospect of purchasing very high cost items should have access to PADP for 50% of the initial cost with an option to repay the balance over 5 years. Legal advice should be sought on providing clients with the option of having ownership transferred to them in those circumstances where they make a large co-payment.

21. That clarification of the eligibility for residents in receipt of Community Aged Care Packages (CACP) should be sought by NSW Health from the Australian Government Department of Health and Ageing and advice provided to Lodgement Centre coordinators on the arrangement that should apply when persons with PADP equipment commence on an Extended Aged Care in the Home Package (EACH) or CACP program.
22. That the management of the Aids for Individuals in DADHC Accommodation Services (AIDAS) related to the purchasing and supply of equipment is

transferred to PADP and PADP coordinators be provided with guidelines on the different criteria operating in relation to the funding of equipment purchased through AIDAS. Responsibility for policy development would remain with DADHC, with shared involvement in the determination of consistent application of policies across the state. PADP coordinators will be required to monitor and report, over a period of six months, any circumstances where there appears a lack of clarity on eligibility under PADP or AIDAS of an application for PADP, and following this period that the two Departments meet to determine if any action is required.

23. *Centralise the processing of continence products to a single state-wide program and assess the feasibility of contracting this component of PADP to an external contractor after determining clear and strict eligibility criteria.*
24. *Increase the co-payment for continence products up to \$200 (currently \$100), and allow the co-payment conditions to be met by the client by producing proof that they had purchased products up to the value of the co-payment in each financial year prior to receiving products through PADP. This co-payment would not include the value of products already supplied through the Continence Aids Assistance Scheme (CAAS), and would have to be met by the CAAS eligible client after they have exhausted their CAAS entitlement.*
25. *That the defined level of a high cost item be increased to \$3,000 in association with improved management and accountability systems across all Lodgement Centres.*
26. *That consideration is given to the procedure of establishing a 'high cost item' level for each category of equipment, in association with the recommendation to establish and maintain a single list of aids and equipment.*²

3. ABOUT PHYSICAL DISABILITY COUNCIL (PDCN)

PDCN is the peak body representing people with physical disabilities across New South Wales, representing approximately 700,000 residents.³ PDCN focuses on issues relevant to people with limited mobility, such as access to the built environment, transport and access to aids and equipment.

An inclusive society is achieved when people with limited mobility are involved in every aspect of political, social, economic and cultural life. Access to all modes of public transport is essential to facilitate community inclusion in all aspects of daily living.

PDCN is able to represent the needs and interests of people with limited mobility. Membership of PDCN includes people with a range of mobility issues, from young children and their carers, to aged people, living across NSW in either Greater Sydney Metropolitan area or rural NSW all from a wide range of socio-economic circumstances. PDCN has the background, knowledge and skills to advocate on all levels of Government regarding the needs of people with limited mobility.

² NSW Department of Health, PriceWaterhouseCoopers – Review of the Program of Appliances for Disabled People 2006

³ ABS (2003-04). *Regional Population Growth, Australia and New Zealand. 2003-04.* Australian Institute of Health and Welfare (2008). *The Health of Australians – an overview.* Canberra p.36

PDCN encourages people with limited mobility to become involved in the decision making process, so that Government and non-Government bodies become familiar with relevant issues.

PDCN effectively networks with other advocacy organisations on common goals and issues. Subsequently PDCN strives to bring about significant, permanent and positive changes to the circumstances of people with limited mobility. The goal is to secure equal civil and human rights for our constituency.

Promotional activities assist to educate and inform all members of the community, most frequently through the media. Publications such as 'Words Matter' produced by PDCN facilitate this educative process.

PDCN is funded by the NSW Department of Ageing, Disability and Home Care, employing four staff members, and based in Glebe.

4. PDCN RECOMMENDATIONS

Recommendation 1: PDCN supports current reforms to PADP including the centralization of the program to improve consistency and equity of administration and management.

Recommendation 2: PDCN recommends the availability of information in a variety of formats with the following information - eligibility criteria, the availability of aids and equipment, complaints mechanisms and contact details, and additionally the availability of an 1800 number.

Recommendation 3: Due to the financial costs associated with having a life- long disability, that the \$100 co- payment should be completely eliminated for people in Band 1, and in so doing eliminating the existing grand- parenting clause.

Recommendation 4: For high income earners that a \$1, 000 co- payment be charged only on a one- off occasion rather than needing to pay an additional \$1,000 for each year equipment is used.

Recommendation 5: PDCN recommends an increase to PADP funding of 24.4 million in the 2008/ 09 budget to fund existing unmet need, and further increases of 10 million to accommodate our aging population.

Recommendation 6: PDCN recommends the revision of Clause 4 and Section 15.19 of the PADP policy.

5. BACKGROUND TO PADP

The Program of Appliances for Disabled People (PADP) provides equipment, aids and appliances to eligible residents with life-long or long-term disabilities to assist them to live and participate in their communities. The program aims to assist those individuals who are financially disadvantaged and have a disability of a permanent or indefinite nature. Access to PADP is means tested for adults, while access for children (less than 16 years of age) is universal.

Equipment items commonly provided through PADP include showering and toileting aids, wheelchairs, seating support systems, patient lifters, continence aids, communication devices, environmental control units and breast prostheses. PADP is only required to meet the cost of the most economically clinically appropriate item.

The program was established in 1982 and is administered through the New South Wales (NSW) Department of Health and managed through local hospitals and health services. The PADP budget in 2005/2006 was \$24 million with an additional \$800,000 spent through two specialist services. It is estimated that about \$60 million worth of equipment is currently in circulation. The current policy for PADP commenced on 1 January 2001 and has not been substantially revised since then.

The program is accessed through 27 Lodgement Centres located in Area Health Services across NSW and also through programs at Prince of Wales Hospital (POW), Royal North Shore Hospital, Children's Hospital Westmead and Justice Health. Since the restructure of health administration from 17 Area Health Services into eight Area Health Services, the number of Lodgement Centres has not been reviewed. Variation exists in regard to the consistency in business practice and the quality of service delivery between lodgements centres within each AHS and across NSW. This variation, together with long waiting times for some items in some locations, has given rise to considerable frustration and complaints.

This review has been commissioned to examine three major elements of the Program:

- Management and administration.
- Target population and demand.
- Budgetary requirements and financial management. ⁴

6. DISCUSSION

Centralisation of PADP

Recommendation 1: PDCN supports current reforms to PADP including the centralization of the program to improve consistency and equity of administration and management.

PDCN supports the following recommendations documented in the 'Review of the Appliances for Disabled People' currently being implemented by the NSW State Government:

- The integration of twenty seven separate PADP lodgement centres located throughout urban and rural NSW into one central administrative body called EnableNSW;
- A program which delivers greater consistency, and equity

⁴ NSW Department of Health, PriceWaterhouseCoopers – Review of the Program of Appliances for Disabled People 2006

- EnableNSW to manage the administrative functions of five disability support programs under the auspice o NSW HealthSupport:
 - Program of Appliances for Disabled People
 - Home Oxygen program
 - Artificial Limb Service
 - Ventilator Dependent Quadriplegic program
 - Children's Home Ventilation program
- A new website to be launched in 2009 providing clients and clinicians with information about EnableNSW and the availability of specialised equipment.

Provision of information about PADP

Recommendation 2: PDCN recommends the availability of information in a variety of formats with the following information - eligibility criteria, the availability of aids and equipment, complaints mechanisms and contact details, and additionally the availability of an 1800 number.

In the past both written and electronic information about PADP, including eligibility criteria, wait lists, the availability of equipment, complaint mechanisms and contact information has been difficult to obtain. Current information on the NSW Health website is limited to the PADP policy, information about this review and out of date information about lodgement centres.

As a consequence information about eligibility criteria, the availability of aids and equipment, complaints mechanisms and contact details would be advantageous to our constituency, professional and industry representatives. Additionally the ability to access and lodge the application form electronically with current wait list statistics would assist assessment, coordination and processing of applications.

PDCN recommends the availability of information that is easy to read, and available in hard copy and electronically, such is available on the Queensland, Department of Health website which contains information about their Medical Aids Subsidy Scheme, and an electronic half yearly e- bulletin.⁵

Additionally it is recommended that an 1800 number with TTY facilities be available at the new EnableNSW head office, and manned with staff sufficiently trained.

Elimination of \$100 co- payment

Recommendation 3: Due to the financial costs associated with having a life- long disability, that the \$100 co- payment should be completely eliminated for people in Band 1, and in so doing eliminating the existing grand- parenting clause.

⁵ Queensland Health Medical Aids Subsidy Scheme <http://www.health.qld.gov.au/mass/default.asp>

Recommendation 4: For high income earners that a \$1,000 co-payment is charged on a one-off occasion rather than needing to pay an additional \$1,000 for each year equipment is used.

People with a physical disabilities spend a large amount of their government pension or limited income on the following non tax deductible items:

- Personal care costs - Attendant/personal care is the assistance received by people with physical disabilities for undertaking the full range of everyday tasks that people without disabilities accomplish without assistance. It includes the full range of daily tasks, including personal hygiene; grooming; housecleaning; gardening; home maintenance; child care; educational support; vocational support; and respite.

Due to varying functional needs of different individuals, the total expenditure can vary enormously, but generally regarded as being a large annual expenditure.

- Transport costs - Due to limited accessible public transport, people with physical disabilities who do not have access to a private vehicle are still reliant on taxis and hence very costly. As from December 2007, a minimum of 25% of public transport provided access. As a consequence accessible modes of transport are less frequent, requiring a greater travelling time for passengers needing access. Accessible transport facilitates independence and community involvement, but is costly for a regular taxi user, such as for a person who uses taxi transport to and from their place of employment.
- Equipment costs such as for scooters, motorised wheelchairs and electric beds cost a lot to purchase and need to be replaced every 5- 10 years. Additionally continence products and pharmaceutical costs (each subsidised to some extent by government) need to be considered.
- Home modifications including substantial changes to the entrance of a house or the installation of an accessible toilet/ shower add significantly to the yearly budget.

PDCN believes that it is unreasonable to seek a co-payment of \$100 from people who already experience financial hardship on an ongoing basis and that government funding should be increased to meet this shortfall. As it is the NSW Department of Health appears to only obtain just over \$100,000 from this source per annum.⁶ In the existing financial budget PADP funding accounted for only a very small part of the total health care budget, that being approximately 0.2%.⁷ Hence PDCN supports the removal of a co-payment for people on Band 1 whether they were a registered with PADP prior to 2000 or more recently have become a PADP registered client.

PDCN will only support a co-payment for very high earners, where a one-off payment of \$1,000 is charged, rather than an ongoing payment of \$1,000 for each year that equipment is needed.

⁶ NSW Department of Health 2006/07 Annual Report – Financial Statements

⁷ NSW Treasury 2007/08 Budget – NSW Department of Health

Unmet need

Recommendation 5: PDCN recommends an increase to PADP funding of 24.4 million in the 2008/ 09 budget to fund existing unmet need, and further increases of 10 million to accommodate our aging population.

The Review of the Program of Appliances for Disabled People acknowledge that demand for PADP funds have increased recently due to an ageing population, resulting in unmet need and consequently PDCN seeks additional funds to reduce existing unmet need.

Failure to provide aids and equipment in a timely manner means that people with disabilities experience greater difficulty or may not be able to go about their daily activities such as work, school, leisure, and shopping. While they wait for equipment:

- Some will be admitted to hospital because they have developed pressure problems that require specialist prolonged medical intervention.
- Deformities develop and are exacerbated. This eventually leads to corrective surgeries, especially when equipment is not upgraded for growing children.
- Additional personal support services are needed so that a person with a disability can leave their home to shop and attend family, community and social activities.
- Many people experience additional pain as a result of unsuitable equipment, often requiring further medical intervention.
- Families cannot "do things together", resulting in family tension and disgruntled siblings.
- Some relinquish their independence. Given appropriate equipment, in a timely manner, people with disabilities need not sacrifice their independence.
- Some will lose their employment

PDCN understands that the Resource Distribution Formula is made up of the following categories used to guide the allocation of health funds:

- Demography (age, sex)
- Ethnicity (eg indigenous status)
- Employment/ disability
- Mortality
- Morbidity
- Social factors (such as unemployment, marital status, housing quality, income, family structure)⁸

PDCN recommends that the components of the formula used for Primary and Community Based Services be revised, so that additional funds are provided as part of the PADP budget. If the PADP budget was increased by \$0.94 per capita to \$3.67, as

⁸ NSW Health - Resource Distribution Formula Technical Paper - 2005 Revision NSW Health, P. 14

provided in Victoria, an additional 5.9 million dollars would bring the NSW PADP budget to approximately \$27 million per annum.

Review of PADP policy

Recommendation 6: PDCN recommends the revision of Clause 4 and Section 15.19 of the PADP policy.

PDCN agrees that Clause 4 - Target Population of the PADP policy needs to be reviewed as it appears that a resident living in a group home under the operation of the Department of Aging, Disability and Home Care or Department of Health, can access additional funding through the Aides for Individuals in DADHC Accommodation Services (AIDAS) program, and additionally PADP.

PDCN recommends that section 15.19- Residential Aged Care Facilities of the PADP policy be reviewed as this clause excludes younger people with disabilities living in high-level aged care facilities from accessing motorised wheelchairs through PADP.