

Submission
No 30

THE PROGRAM OF APPLIANCES FOR DISABLED PEOPLE (PADP)

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SUBMISSION TO

**INQUIRY INTO THE PROGRAM
OF APPLIANCES FOR
DISABLED PERSONS (PADP)**

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Introduction

My company, Home Safety & Comfort is based in Port Macquarie and Forster with 9 employees and services the mid north coast of NSW supplying a broad range of equipment to people within our service delivery area. It has been in existence for 13 years and in that time has built up a reputation for quality of service, product knowledge and range of product to suit a wide variety of needs.

From this experience I believe that I am qualified to make comment on my industry and the experiences I have seen with PADP over that time frame.

1 Adequacy of funding for present and projected program demand

Funding is and has always been inadequate for the needs of those receiving equipment from PADP. For many years people have literally died waiting for their name to come to the top of the list.

The 1996 Commonwealth/State Disability Agreement listed the following issues

- Exclusion of certain groups from accessing schemes
- Insufficient funding, which varies between jurisdictions and depends upon location
- Absence of local alternatives for those living in remote or country areas. My personal belief is that this has dramatically changed in the years since the report and there are now a range of reliable regional suppliers.
- Inadequate information on eligibility criteria and range of items available
- Funding for equipment schemes was suggested to be insufficient to both increase the number and range of equipment available to clients and properly cover the cost of maintenance, repair and replacement of loan equipment.

Most of these issues still remain relevant today.

2 Impact on client waiting lists on other health sectors

Inadequate provision of equipment due to funding restrictions can very easily lead to problems developing in other areas of a persons health.

One example is, a person waiting for a pressure cushion can easily develop or pressure sore/ulcer. The cost to heal a pressure ulcer is estimated in UK studies to approach \$70,000. This is definite false economy as well as causing severe pain and hardship for the person.

The 2003 report from the Australian Institute of Health & Welfare in Disability: the use of aids and the role of the environment reported the following:

“Aids and equipment are environmental factors with the potential to improve the life of people with disabilities through the attainment of greater independence and less reliance on personal assistance”. This obviously has a flow through effect in other health funding areas.

3 Effects of centralizing PADP lodgement centres.

Centralisation of lodgment centres would be an absolute disaster for both the clients receiving equipment and the regional small businesses that both provide and maintain the crucial ongoing maintenance services and support required.

Service & maintenance issues – these are of the utmost importance to the clients as without their equipment they are usually not able to carry out their normal daily activities. The creation of a central bureaucracy will entrench delays into the system with relevant approvals having to be sourced from a department with often no idea where a client lives, who nearby can solve the persons problems with the appropriate level of knowledge, in a cost effective manner and in a timeframe to suit the clients needs. **This cannot be done through a centralized system.**

Provision of new equipment – the suggestion that equipment can be sourced through a single supply option and shipped to the client via the therapist is also doomed to failure for a number of reasons. Therapists are clinically and not mechanically trained, their time is invaluable and asking them to do this setup, normally done at no or very low cost by regional suppliers is inefficient and profligate with health funds.

This is proven when according to the Price Waterhouse Coopers report the assessment by therapists for the equipment costs almost the same as the equipment itself. The idea of putting more expectations onto therapists is not logical.

The Australian Institute of Health & Welfare in Disability report quotes Philip & Zhao's study which states when discussing equipment abandonment
"Performance. Users indicated that if aids and equipment met their expectations they were less likely to abandon the equipment."
"The level of consumer involvement in aid and equipment selection. Users felt very strongly that that their views and needs be taken into consideration when aids and equipment were being selected for them."

These suggest the importance of retaining qualified regional suppliers who can provide a range of equipment and services to meet a clients needs. This cannot be done when only one product range or limited supplier choices exist. Usually the result of centralized purchasing policies.

4 Equity of eligibility requirements – No input as a supplier

5 Future departmental responsibility for the PADP

The plans to consolidate PADP within Enable NSW will give the opportunity for some system cost savings, some guidance on fair pricing and ensure consistency of assessment procedures, equity of supply to clients and greater accountability of taxpayer funds. All these are desired outcomes but cannot be made to the detriment of ongoing supply capabilities or by making regional supply companies unviable.

Other related matters

Preapproval of equipment – as stated previously the cost of the assessment procedure is almost the same as the equipment itself. This is due to the current system where clients, therapists and suppliers are forced to go through the process of assessing, measuring, quoting, submitting and waiting for equipment to be approved. When approval to supply is given, the client has often changed in size, their condition has deteriorated, they no longer need the equipment or they have passed away. The whole process is costly and wasteful.

We submit that the best most cost effective way to reduce costs and stress for all is for the relevant Therapist to submit an application for the equipment with an approximate cost. When approved the full assessment process can occur, a quote be submitted and then if within a preapproved range a purchase order can be raised within the PADP system.

Delays in payment of PADP accounts – the delays in payment of accounts (often up to 120 days) is outside government policy and adds undue hardship onto supply companies. This has a flow through in costs to the government in that companies have to service unnecessary overdrafts.

Single supply organization – suggestions are that all purchases will be put through a single organization to reduce PADP costs are not workable.

Firstly, no one company in Australia has the range of equipment to satisfy all client requirements. If necessary this organization would purchase from other companies vastly inflating the price.

Secondly, a single supply organization gives no alternatives to either therapists or clients for specialized high end equipment and may result in incorrect equipment being pushed onto a client.

Thirdly, a single supply organization will tend to send unassembled equipment to regional areas resulting in either incorrectly adjusted items or huge expense with therapists having to do a suppliers job.

Fourthly, no single organization can effectively service all regional areas within a realistic timeframe.

Equipment Trials – there are unrealistic expectations on suppliers to have expensive equipment available for long trials. A recognition of business realities needs to occur within the PADP hierarchy.

Lack of Consultation – there has been a total lack of consultation between the health department and supplier companies until very recently when Enable NSW agreed to start consultations with the industry body. The perception from the department seems to be that suppliers are viewed as money hungry vultures. Believe me, the returns in this industry are well below what many of us could be earning in other areas. Any unscrupulous operators are soon weeded out by therapists not using their services.

Summary

We welcome the efforts of the government to improve efficiencies and outcomes for PADP clients and would like to assist in any way we can.

However many of the suggestions raised are unworkable and do not take into account the specialized nature of our industry and the special needs of regional NSW. We look forward to the inquiry assisting the government to modify and improve the changes within the PADP system.