

Outcome 7

HEARING SERVICES

A reduction in the incidence and consequence of hearing loss, including through research and prevention activities, and access to hearing services and devices for eligible people

Outcome Strategy

The Australian Government, through Outcome 7, aims to reduce the incidence of avoidable hearing loss in the Australian community and the consequence of hearing loss for eligible people, and provide access to high quality hearing services and devices.

The Australian Government offers free hearing services for Australian citizens or permanent residents with a measurable hearing loss above a specified threshold. These services are provided by Australian Hearing¹, the Government provider of hearing services, and a range of contracted private service providers. To be eligible for these free hearing services, the applicant must hold either a Pensioner Concession Card, a Department of Veterans' Affairs Gold Repatriation Health Card, or a White Repatriation Health Card, or be a dependant of a person in one of those categories. Members of the Defence force, people in receipt of a sickness allowance from Centrelink, and people undergoing Disability Employment Services - Disability Management Service are also eligible. In addition, hearing impaired children and young people under 21 years of age, Aboriginal and Torres Strait Islander peoples who are over 50 years of age or who were participants in a Community Development Employment Program, can access free hearing services from Australian Hearing.

Currently one in six Australians is affected by hearing loss, and with an ageing population, hearing loss is projected to increase to one in every four Australians by 2050.² Hearing loss reduces the capacity to communicate and participate in social situations and can affect a person's education and employment opportunities. Avoidable hearing loss, especially in young people and people in the workforce, will also increase unless preventive action is taken. Given the expected growth in demand for hearing services into the future, the Government will take action to maintain the accessibility of hearing services and ensure that funding for hearing services is targeted at the most at risk groups in society.

Outcome 7 is the responsibility of Regulatory Policy and Governance Division.

¹ More information about Australian Hearing is available at: <www.hearing.com.au>.

² Access Economics & Cooperative Research Centre for Cochlear Implant and Hearing Aid Innovation (Australia) & Victorian Deaf Society, 2006. *Listen hear!: the economic impact and cost of hearing loss in Australia*: a report by Access Economics Pty Ltd CRC for Cochlear Implant and Hearing Aid Innovation: Vicdeaf, East Melbourne.

Program Contributing to Outcome 7

Program 7.1: Hearing Services

Outcome 7 Budgeted Expenses and Resources

Table 7.1 provides an overview of the total expenses for Outcome 7 by Program.

Table 7.1: Budgeted Expenses and Resources for Outcome 7

	2010-11 Estimated actual ¹ \$'000	2011-12 Estimated expenses ¹ \$'000
Program 7.1: Hearing services		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	375,098	410,660
Departmental expenses		
Departmental appropriation ²	9,226	11,706
Expenses not requiring appropriation in the budget year ³	190	232
Total for Program 7.1	384,514	422,598
Outcome 7 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	375,098	410,660
Departmental expenses		
Departmental appropriation ²	9,226	11,706
Expenses not requiring appropriation in the budget year ³	190	232
Total expenses for Outcome 7	384,514	422,598
	2010-11	2011-12
Average staffing level (number)	54	86

¹ The 2010-11 estimated actual and the 2011-12 estimated expenses are based on the new program structure to be implemented 1 July 2011 by the department as part of the *Health and Ageing Portfolio - administrative efficiencies* measure.

² Departmental appropriation combines 'Ordinary annual services (Appropriation Bill No 1)' and 'Revenue from independent sources (s31)'.¹

³ Expenses not requiring appropriation in the budget year¹ is made up of depreciation expense, amortisation expense, make good expense and audit fees.

Program 7.1: Hearing services

Program Objectives

Through Program 7.1, the Australian Government aims to:

- support access to quality hearing services for eligible clients;
- provide better targeted hearing services; and
- support research into hearing loss prevention and management.

Major Activities

Support access to quality hearing services

Ensure eligible clients have access to free hearing services

The Australian Government, through the Hearing Services Program (HSP), provides free hearing services for eligible people. In 2011-12, the department will continue to issue vouchers to clients for hearing assessments, hearing rehabilitation and the fitting of hearing aids, if clinically appropriate. Funding support will also continue for Australian Hearing to make free rehabilitation services and aids available for children and young adults, eligible Indigenous Australians and those people with complex hearing needs. Rehabilitation services support clients to make best use of their residual hearing or better use of a hearing aid.

Ensure program clients receive quality services

In 2011-12, the department will continue to monitor and evaluate the operation of the HSP to ensure quality and consistency in the delivery of hearing services to eligible clients. This process will include accreditation and monitoring of contracted service providers and registration and monitoring of qualifications for individual hearing health practitioners. This will ensure that hearing services and aids provided under the program are of high quality and meet the clinical needs of each client. In addition, given the high level of growth in clients of the program and the number of providers, the department will develop and implement a risk based audit program to better target resources to ensure that client services are delivered in a clinically appropriate and timely manner.

The department will also continue to provide a transparent and well supported information service and complaints handling process for services provided under the HSP.

Better targeting of Government resources

Currently, eligible clients in the voucher program can access hearing services including hearing assessments and replacement of hearing aids every two years. For the majority of eligible clients in the voucher program, hearing loss is minimal over this period of time (about 1 decibel per year). From 1 January 2012, clients of the voucher program will receive vouchers for a range of services (including assessment, rehabilitation, hearing aids and aid adjustments) that will be valid for three years, instead of the current two year period. This extension of the voucher period will reduce the frequency of the replacement of hearing aids where not

clinically needed and where an aid adjustment will be sufficient. However, clients who have a clinical need for services before their voucher is reissued will be able to request a new voucher and access appropriate hearing services within this period. Although the voucher period will be extended, the range of services available to clients will remain unchanged. These new arrangements will come into effect on 1 January 2012.

Transition arrangements will be put in place to assist clients and providers adjust to the new voucher requirements. As part of these transition arrangements, the department will work with providers to phase in the reissue of vouchers for clients returning in 2013 into 2014. This 18 month transition interval will allow providers time to rearrange their business models to better match expected client numbers. Allowance will also be made for the provision of additional aid adjustments, if required, for clients during the peak transition period (1 January 2014 to 1 January 2015).

From 2011-12, the department will begin the development of new IT systems to automate existing manual systems. Through the new IT systems, clients will be able to lodge applications and receive vouchers electronically, and service providers will be able to electronically exchange information with the department concerning pertinent hearing issues.

These changes will support the capacity of the HSP to provide vouchers to clients in a timely manner in the context of significant annual increases in the client population.

The May 2010 Senate Inquiry Report: *Hear Us: Inquiry into Hearing Health in Australia*, identified children and young people as being a particular at risk group. The report found that young people often lacked access to hearing services and that hearing loss at that stage of their lives had negative impacts on their future earning potential and social participation. To better assist these young adults, from 1 January 2012, the Australian Government will extend eligibility for hearing rehabilitation and hearing devices including hearing aids and cochlear speech processor upgrades, to young adults up to 26 years of age.

This extension of eligibility will enable this group to have continued hearing support during a period in which many are studying, training or establishing themselves in a career with a view to becoming self-reliant in the long-term. It also responds to a major area of concern raised by many stakeholders during the Senate Inquiry into Hearing Health in Australia.

There has also been significant growth in the client population of the Community Services Obligations component of the HSP (children, young adults, some Indigenous people and adults with complex needs). From 2011-12, the Australian Government will provide additional funding to ensure that these special needs groups can access services that they require in a timely manner, including more complex technologies, such as cochlear support for children and young adults.

In 2011-12, the department, through its Rehabilitation Plus service, will continue to investigate ways to improve take-up rates of hearing aid rehabilitation services by clients fitted with a free aid for the first time. The Rehabilitation Plus service

educates and encourages clients on making the best use of their hearing aids and assists clients in coping with their hearing loss. As the rate of client uptake for the program was lower in 2010-11 than anticipated, the department will commission a review of this service in 2011. The review will involve stakeholders representing industry, consumers and professional bodies and will examine the barriers and enablers to providing improved hearing stakeholder support.

In 2011-12, the department will monitor and evaluate the implementation of the Minimum Hearing Loss Threshold (MHLT).³ The MHLT was designed to better ensure that Government funding is targeted to clients who have genuine rehabilitative needs, are ready for rehabilitative intervention and are most likely to benefit from rehabilitation that incorporates an aid fitting. From 1 July 2010, clients could only be fitted with a hearing aid if they met minimum clinical criteria for a fitting. Clients who do not meet these criteria but are otherwise eligible for the program can still access rehabilitation services.

Support ongoing research into hearing loss prevention

The Australian Government aims to reduce the incidence of avoidable hearing loss in the community. The number of people affected by hearing loss in Australia is expected to increase over time, with this increase mainly attributed to the ageing population. Other significant causes of avoidable hearing loss in the community include workplace noise, the incidence of middle ear disease in Indigenous Australians, and more recently identified threats to hearing health of young people (such as the impact of noisy leisure activities).

In 2011-12, \$4.0 million will be provided by the Australian Government from the Community Service Obligation's component of the Program to Australian Hearing, to support research by the National Acoustic Laboratories (NAL) into hearing loss and its management. Further research funding will be provided to a range of research organisations through the Hearing Loss Prevention Program, to identify strategies to reduce avoidable hearing loss in the general community and its consequent impact on productivity. The program currently funds research targeting priority areas such as Aboriginal and Torres Strait Islander peoples, young people, and those in the workplace. Projects funded through the program must have methodological merit, must be cost-effective and must be translatable into practice. The department will continue to monitor the outcomes of this research under the Hearing Loss Prevention Program, and ensure that relevant authorities and the public are made aware of the outcomes of completed projects.

Program 7.1 is linked as follows:

- The Department of Human Services (Medicare Australia) to administer the Hearing Services Program through its Services to the Community (Program 1.1).

³ MHLT criteria available at: <www.health.gov.au>.

Program 7.1 Expenses

Table 7.2: Program Expenses

	2010-11 Estimated actual \$'000	2011-12 Budget \$'000	2012-13 Forward year 1 \$'000	2013-14 Forward year 2 \$'000	2014-15 Forward year 3 \$'000
Annual administered expenses					
Ordinary annual services	375,098	410,660	419,189	442,112	439,853
Program support	9,416	11,938	12,531	12,177	11,671
Total Program 7.1 expenses	384,514	422,598	431,720	454,289	451,524

Program 7.1: Deliverables

The department will produce the following 'deliverables' to achieve the objectives of Program 7.1.

Table 7.3: Qualitative Deliverables for Program 7.1

Qualitative Deliverables	2011-12 Reference Point or Target
Produce relevant and timely evidence-based policy research	Relevant evidence-based policy research produced in a timely manner
Stakeholders participate in program and/or policy development through a range of avenues	Stakeholders participate in program and/or policy development through avenues such as regular consultative committees, conferences, stakeholder engagement forums, surveys, submissions on departmental discussion papers and meetings
Support access to quality hearing services	
Provide clients with advice on voucher services	Timely and accurate advice provided to clients
Provide appropriate services to eligible clients with special needs	Delivery of quality services to clients with special needs in a timely manner
Better targeting of Government resources	
Review the implementation of the Rehabilitation Plus measure	Conduct a review, in consultation with industry, consumer and professional body stakeholders, to identify barriers and enablers to improving rehabilitation outcomes for clients

Table 7.4: Quantitative Deliverables for Program 7.1

Quantitative Deliverables	2010-11 Revised Budget	2011-12 Budget	2012-13 Forward Year 1	2013-14 Forward Year 2	2014-15 Forward Year 3
Percentage of variance between actual and budgeted expenses	≤0.5%	≤0.5%	≤0.5%	≤0.5%	≤0.5%
Support access to quality hearing services					
Number of people receiving clinical services	393,295	423,303	408,864	372,398	369,458
Number of people receiving supporting services	452,619	478,471	484,232	570,367	621,158
Number of clients accessing rehabilitation services	3,564	3,717	3,851	4,134	4,342
Number of sites registered to provide services under the Hearing Services program	2,100	2,364	2,491	2,623	2,763
Support ongoing research into hearing loss prevention					
Progress reports submitted from existing grant recipients as per agreement ⁴	100%	100%	100%	NA	NA

⁴ The Hearing Loss Prevention Program ceases on 30 June 2013.

Program 7.1: Key Performance Indicators

The following 'key performance indicators' measure the effectiveness of Program 7.1 in meeting its objectives thereby contributing to the outcome.

Table 7.5: Qualitative Key Performance Indicators for Program 7.1

Qualitative Indicator	2011-12 Reference Point or Target
Support access to quality hearing services	
Hearing service providers operate in accordance with their contractual and legislative obligations	The risk based audit system will enable audit and compliance actions to target provider activities which pose the most significant risks to clients and the overall Hearing Services Program
Better targeting of Government resources	
Provide hearing aids targeted to clinical need	Qualified practitioners operate within the legislated MHLT exemption criteria as defined in the <i>Hearing Services (Participants in the Voucher System) Determination 1997</i>
Provide higher level technologies to special need groups evidenced by clinical need	Reporting requirements, agreed with Australian Hearing, demonstrate services and expenditure are in line with planning and clinical criteria

Table 7.6: Quantitative Key Performance Indicators for Program 7.1

Quantitative Indicators	2010-11 Revised Budget	2011-12 Budget Target	2012-13 Forward Year 1	2013-14 Forward Year 2	2014-15 Forward Year 3
Support access to quality hearing services					
Applications received from new clients ⁵	153,713	169,019	185,001	210,158	227,227
Applications received from return clients	230,582	270,502	282,201	188,053	138,179

⁵ The figures for numbers of applications received from new and return clients is not commensurate with the figures for the number of people receiving clinical services mostly due to a lag between the time the client receives the voucher and accessing hearing services.

Section 2 – Department Outcomes – 7 Hearing Services

Quantitative Indicators	2010-11 Revised Budget	2011-12 Budget Target	2012-13 Forward Year 1	2013-14 Forward Year 2	2014-15 Forward Year 3
Average number of business days taken to issue vouchers to eligible clients ⁶	14	14	14	14	14
Percentage of fitted clients who use their aid(s) for five or more hours per day ⁷	58%	58%	58%	58%	58%
Better targeting of Government resources					
Percentage of clients fitted with a hearing aid who have hearing loss greater than 23 decibels	95%	95%	95%	95%	95%
Support ongoing research into hearing loss prevention					
Percentage of existing research and prevention projects that are completed in the required timeframes where results are disseminated widely ⁸	100%	100%	N/A	N/A	N/A

⁶ The 2010-11 result came from the 2010 survey. The benchmark has been dropped to 58% to reflect a level which was the average of the past three surveys rather than a one-off effect of the 2010 survey. The margins of error in the surveys need to be taken into account when setting the benchmark.

⁷ Figures for this key performance indicator have been amended from the 2010-11 Portfolio Budget Statements to reflect more recent forecasts, based on 2009-10 data.

⁸ Funding for existing projects ceases in 2012-13.

