



Australian Government
Department of Health and Aged Care

Stoma Appliance Scheme

Operational Guidelines – April 2024



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1. Overview

The purpose of this document is to describe the practices and procedures that must be followed by participating stoma associations that provide stoma-related products to their members under the Australian Government's subsidised Stoma Appliance Scheme (SAS).

This document includes requirements relating to:

- membership
- supply of stoma-related products
- reporting
- financial obligations
- claims processing and payments.

The SAS Operational Guidelines form part of the arrangements made by the Minister (or delegate) under Section 9A(1)(a) of the *National Health Act 1953* to arrange for supply of medical equipment or appliances as prescribed to persons who require them.

2. Roles and responsibilities

2.1 Use of Commonwealth funds

All participants and entities in the SAS should adhere to the principles for use of Commonwealth funds by providing assurance, accountability, and transparency in their operations. Activities relating to the supply of stoma-related products should ensure that public resources are used in the most efficient, effective, ethical and economic manner.

2.2 Department of Health and Aged Care

The Australian Government through the Department of Health and Aged Care (the department) is responsible for the SAS. The department oversees and supports the Stoma Product Assessment Panel and monitors SAS access and compliance of stoma associations with the SAS Operational Guidelines. The department works closely with Services Australia and liaises with the Australian Council of Stoma Associations (ACSA) on SAS issues.

2.3 Services Australia

Services Australia administers SAS benefits on behalf of the department. Services Australia manages the processing and payment of claims lodged for SAS products (including the provision of payment statements) and provides data on SAS activity to the department. Services Australia also works with the department and liaises with ACSA to ensure payment integrity.

2.4 Australian Council of Stoma Associations

ACSA represents, at a national level, all stoma associations across Australia. ACSA has primary responsibility for the distribution of stoma-related products listed on the SAS

Schedule by its member stoma associations. ACSA is responsible for periodically monitoring compliance by stoma associations with the SAS Operational Guidelines, and for responding to requests from the department and Services Australia. ACSA also liaises with the department and suppliers, and coordinates support services for people with a stoma throughout Australia.

2.5 Stoma associations

Stoma associations are not-for-profit organisations that distribute stoma-related products through the SAS.

Stoma associations order SAS products for eligible ostomates and provide information and support to their members. Stoma associations must be members of ACSA and must follow requests made by the department or Services Australia through ACSA. Stoma associations are responsible for ensuring all orders and claims meet the SAS Schedule and payment integrity requirements under the SAS.

Stoma associations are required to provide representatives of ACSA, the department and Services Australia with open and transparent access to any documentation and records related to the distribution of products listed on the SAS Schedule when requested. Requests will be in writing and will be for the purpose of monitoring the stoma association's compliance with the SAS Operational Guidelines and any other purpose related to SAS administration. Open and transparent access may involve viewing documentation and records within the operating premises of the stoma association.

Stoma associations may also offer cash sales of products, including SAS listed goods, at their discretion. The sale price of products is set by each stoma association. Benefits from Services Australia are not payable for products supplied outside the SAS, and products originally supplied through the SAS and returned to stoma associations cannot be on-sold.

2.6 SAS participants (ostomates)

A SAS participant is an eligible person (clause 4.1 below) who has had an application for SAS registration accepted by a participating stoma association. SAS participants must be a member of an approved stoma association of their choice and familiar with the policies and procedures of that stoma association regarding SAS ordering policies and timeframes. SAS participants are required to pay an annual access fee and pay any costs associated with obtaining stoma products that are not met by the SAS (e.g. for delivery of products). SAS participants must only use products supplied through the SAS for their own personal use.

SAS participants are responsible for updating their stoma association about any changes to their circumstances relevant to the SAS.

2.7 SAS sponsors

A SAS sponsor is a manufacturer or distributor of stoma related products listed on the SAS Schedule. Sponsors apply to have their products listed on the SAS Schedule according to the SAS Application and Assessment Guidelines. When applying to list products on the SAS Schedule, sponsors must be able to guarantee supply of the products if approved for listing.

Once products are listed on the SAS Schedule, stoma associations order from and pay sponsors for products on the SAS Schedule. Stoma associations should raise concerns with ACSA if there are issues regarding sponsors' supply of products or marketing activities.

3. Requirements for stoma associations

3.1 Eligibility

Stoma associations must:

- comply with these guidelines
- be a member of ACSA
- demonstrate knowledge of, and the ability to administer, the SAS
- have separate financial arrangements and administration for SAS operations where an existing organisation, such as a hospital, is sponsoring the stoma association
- be able to demonstrate a membership base which provides for financial viability (as described below)
- be able to demonstrate financial viability in respect to:
 - operating revenue
 - the provision of suitable premises as described below
 - acquisition and maintenance of a computer-based ordering and claims system
 - funding inventory
 - funding staffing requirements and/or drawing on volunteer assistance
- operate from premises with adequate space to ensure timely ordering, packing and secure distribution of orders to ostomates
- seek approval for electronic claiming by Services Australia
- be able to electronically order stoma-related products, and submit electronic claims in a format/manner approved by Services Australia (Health Professional Online Services (HPOS) Version 2 or any later versions)
- provide ostomate support
- meet the payment integrity requirements stipulated by Services Australia and the department.

Stoma associations must ensure that they are meeting all requirements under state and federal legislation relevant to their organisation and governance.

3.2 Premises and supply of stoma-related products

Premises should have adequate space to enable timely ordering, packing and secure distribution of orders to ostomates.

A stoma association may be located within a hospital complex or a private building.

Where a stoma association operates within a hospital complex, it needs to operate separately to the hospital's administration or services. Specifically, stoma associations must

not provide SAS products to in-patients of the hospital or purchase stoma-related products through the hospital.

A working relationship can exist with the local hospital, for example, if there is a Stomal Therapy Nurse (STN) in the hospital. Arrangements for members to have access to this service can be made in a non-in-patient setting.

3.3 Dispute resolution

Stoma associations that experience operational problems in relation to the SAS must first refer the matter to ACSA for advice or assistance. All issues relating to the submission, processing and payment of individual claims should be referred to ACSA in the first instance. The matter may be referred to Services Australia where ACSA is unable to assist. For all other enquiries stoma associations should contact the department.

4. Requirements for SAS participants

4.1 Eligibility

4.1.1 General requirements

To access stoma related products under the SAS, a person must:

- have a temporary or permanent artificial body opening (created surgically or otherwise, including a fistula that originates from the urinary or gastrointestinal tract) which facilitates the removal of urine and/or products of the gastrointestinal tract from the body where the person does not have normal gastrointestinal tract or bladder functions, and provide evidence from a STN or registered medical practitioner in an approved form
- be an eligible person within the meaning of the *Health Insurance Act 1973*
- reside in Australia
- have one of the following:
 - a current Medicare or Department of Veterans' Affairs (DVA) entitlement number
 - a current Australian Reciprocal Medicare Card number (if the person is a resident of a country that has signed a Reciprocal Health Care Agreement (RHCA) with Australia), or
 - a current passport number if the person is a resident of New Zealand or the Republic of Ireland.

Ostomates residing in Norfolk Island must satisfy the definition of a 'SAS participant' as stated in clause 2.6 and eligibility requirements.

All enquiries relating to incarcerated persons' access to stoma-related products should be referred to the relevant stoma association.

4.1.2 Reciprocal Health Care Agreements

Visitors to Australia who are eligible to receive benefits under an RHCA can access products under the SAS during their stay in Australia.

It is at the discretion of the stoma association as to whether the visitor is required to become a temporary member of the stoma association to access products.

5. Stoma association fees

5.1 Stoma Appliance Scheme access fee

The SAS annual access fee is set by each stoma association and is payable to the stoma association where the member (usually) obtains their stoma-related products. The fee is compulsory, but stoma associations may allow for the fee to be paid by instalments in the case of financial hardship. The fee may also be payable on a pro-rata basis where a member joins the stoma association part way through a year.

5.2 Stoma association membership fee

Stoma associations may charge an additional membership fee at their discretion for services not covered by the SAS access fee. Stoma associations must advise members that this membership fee is separate to the SAS access fee. A member who is not able to pay the additional fee because of financial hardship may apply to the stoma association to have the additional fee paid in instalments or waived. The fee may also be payable on a pro-rata basis where a member joins the stoma association part way through a year.

6. Reporting requirements for stoma associations

6.1 Reporting to ACSA

Stoma associations are required to provide ACSA with:

- monthly new membership numbers and statistics
- annual membership numbers and statistics
- details of members accessing the SAS
- yearly financial statements
- any other information related to SAS activities as requested.

ACSA is required to provide the above information to the department on an annual basis, or as requested.

6.2 Reporting to Services Australia and the department

Information requested by the department or Services Australia from ACSA or any stoma association must be provided in a timely manner.

Changes affecting day-to-day operations of payment and processing procedures (i.e. changes to stoma association name, banking details, authorised persons and mailing address) must be reported as soon as possible to Services Australia.

7. Supply of stoma-related products

7.1 SAS Schedule

The SAS Schedule is a list of stoma-related products that can be accessed under the SAS. Participating stoma associations are eligible to receive payments for the supply of products listed in the SAS Schedule, according to these Operational Guidelines.

Each product on the SAS Schedule has a description and contains the SAS and company product codes, pack size, maximum issue and the maximum price that suppliers can charge. Services Australia reimburses stoma associations at the listed price on the SAS Schedule. Updates to the SAS Schedule will be distributed to all stakeholders one month prior to commencement.

Certain products on the SAS Schedule are subject to restrictions. Where a product is subject to a restriction, the restriction group will be identified as part of the product description on the SAS Schedule. Restriction definitions are below.

Restriction Group	Definition
R1	Requires authorisation by an STN, nurse practitioner, registered nurse or registered medical practitioner.
R2	No authority for an increase in the yearly allocation can be granted.
R3	Strict Usage Restriction – Requires authorisation by an STN, nurse practitioner, registered nurse or registered medical practitioner including clinical justification.
R4	Strict Usage Restriction – Requires authorisation by a colorectal or general surgeon.

7.2 Supply limits

7.2.1 Ordering stoma-related products from more than one group on the SAS schedule

When multiple products which serve the same purpose are requested, the maximum amount supplied of each product must be reduced to ensure supply limits are not exceeded. For example, if 2 adhesive removers are requested, the maximum quantity of each should be reduced by 50%.

7.2.2 Subsequent requests for stoma-related products

If a member has not ordered for a past calendar month, they are not entitled to add that supply of stoma-related products to any subsequent claim.

7.2.3 Dual or multiple stomas

For ostomates who have more than one stoma and require additional stoma-related products, this needs to be indicated as 'Multiple' (M) in the claim file. Where an ostomate requires a product that is needed to directly handle their stoma, the maximum quantity consideration is per stoma (e.g. adhesive remover, seal, etc). Where an ostomate requires a product to manage their condition more generally, (e.g. support belt) the maximum quantity consideration is per person, not per stoma.

7.2.4 Maximum quantities and additional supplies

Stoma-related products must be supplied within the limits described in the SAS Schedule, except in the following circumstances.

Two-month ordering cycle

A 2 month ordering cycle is available to members who have had their stoma for 6 months or longer.

Clinical reasons

Where clinical reasons require an ostomate to be supplied with more than the limits described in the SAS schedule, an [Application for Additional Stoma Supplies – Clinical](#) must be supplied to the ostomate's stoma association.

Where an ostomate requires increases of **up to and including 4 times** the maximum allowance of products, the Application for Additional Stoma Supplies – Clinical is managed by the ostomate's stoma association.

Where an ostomate requires **more than 4 times** the maximum allowance of products, the stoma association must forward the SAS Application for Additional Supplies – Clinical **and** a clinical justification letter to the department requesting approval of the additional supplies.

Clinical justification letters are only valid if they are signed by a STN or registered medical practitioner.

Each authorisation is valid for a period of up to 6 months.

Overseas Travel

Members are entitled to have up to 6 months' supply in advance if travelling overseas. Members requiring more than 2 months' supply of products will need to supply their stoma association with proof of travel, such as travel documents, and a completed [Application for Additional Stoma Supplies – Travel/Remote Location](#) form.

Stoma-related products for members living or working in remote locations

Members working and/or living in remote locations (see Glossary) are eligible to receive 6 months of stoma supplies at a time. Members requiring more than 2 months' supply at a time will need to provide evidence of location and a completed [Application for Additional Stoma Supplies – Travel/Remote Location](#) form and should contact their stoma association to discuss access to supplies.

Norfolk Island ostomates

Norfolk Island ostomates are covered by special arrangements and are eligible to receive 6 months of stoma supplies at a time. Norfolk Island ostomates will need to provide evidence of location and a completed [Application for Additional Stoma Supplies – Travel/Remote Location](#) form to their stoma association to access additional supplies.

7.3 Unavailability of products

If a product is unavailable, an alternative product may be supplied only if a member has placed an order for the alternative product. Members should be advised to seek advice from a STN or their medical practitioner prior to selecting an alternative product.

7.4 Receipt of stoma-related products

Stoma associations must hold records to demonstrate that they are reasonably satisfied that all products for which they are submitting claims to Services Australia for payment have been provided to an ostomate. Products for which reimbursements have been paid (including where these products have been returned to the stoma association) must not be on-sold for profit or form part of a subsequent claim for payment.

8. Pricing

Prices for the supply of approved stoma-related products are negotiated directly by the department with the relevant supplier.

Stoma associations are responsible for the purchase of stoma related products to distribute to their members. They are reimbursed the listing price in the SAS Schedule, plus a 2.75% handling fee.

GST is not payable on any item listed on the SAS Schedule. GST is only payable on the 2.75% handling fee.

9. Services Australia claims processing

9.1 Preparation of a claim for payment

Stoma associations are responsible for ensuring claims for payment of the supply of SAS products accurately reflect the products supplied to their members. They must also satisfy the claiming requirements as stipulated by Services Australia under the SAS. Payment will not be made for claims that do not meet these requirements. Details required for each claim are based on the eligibility requirements of the SAS, as described within these guidelines.

From time to time, stoma associations may be required to make software changes to their existing claiming systems within an agreed suitable timeframe commensurate with the change required. For more information on details required for a claim submission, please refer to servicesaustralia.gov.au/stoma.

9.2 Find a patient service for stoma associations

Stoma associations have access to the 'Find a patient' service through the HPOS portal. Associations can access HPOS via the Services Australia website. The 'Find a patient' service allows stoma associations to search by Medicare number, DVA entitlement number or patient details to confirm the Medicare details of their members. There may be instances where the stoma association needs to verify eligibility information with the member. For example, the member may not have updated their Medicare record with Services Australia or provided their stoma association with their current information. Stoma associations are to follow the correct procedures when accessing and using personal information.

- Personal information held by Services Australia and provided to stoma associations through the 'Find a patient' service must only be accessed and used for the purpose of claiming under the SAS.
- Personal information must not be shared outside of the stoma association or with stoma association staff or volunteers who are not deemed to have a valid need for the information.
- Stoma associations must adhere with the [Australian Privacy Principles](#) when accessing and storing personal information.

9.3 Submission of a claim

Claims for payment of the supply of stoma-related products must be submitted to Services Australia in accordance with the submission methods described by Services Australia. Submission methods have been designed to satisfy the agency's security and identity authentication standards and offer a secure and streamlined method to interact with Services Australia. Refer to Services Australia's website for further details on how to submit a claim servicessaustralia.gov.au/stoma.

Claims for reimbursement by Services Australia should be lodged by each stoma association on a monthly basis. Stoma associations must keep supporting evidence for audit purposes.

9.4 Payment of a claim

Payments for all claims processed by Services Australia are made via electronic funds transfer to the financial institution nominated by the stoma association. Payment statements are forwarded to the stoma association following payment to their nominated financial institution.

Electronic claims submitted via HPOS will be processed and paid within 7 days from the date of lodgement.

Payment statements contain details of items paid, rejected for payment, and/or any adjustments that may be made to a claim including the payment of the 2.75% administration fee. The statement may contain details of more than one claim.

9.5 Audit

Stoma-related products are subsidised by the Australian Government.

As such, the department in collaboration with Services Australia may choose to review stoma associations' claims for payment for integrity purposes. A follow-up check may be made later if considered necessary. Reviews will include orders and invoices checking for items supplied to members.

9.5.1 Evidence

The department and Services Australia requires stoma associations to retain proof of claims and supporting evidence for a minimum of 2 years, including:

- completed application forms (including SAS Application forms) submitted by members, or their agents, for all (current and ceased) members
- records or proof of a member's request and the supply of stoma-related products for each claimed item, and
- evidence supporting increased supply for clinical (including SAS Application for Additional Supplies – Clinical forms) and non-clinical reasons (including SAS Application for Additional Supplies – Travel/Remote Location forms) and approval from the department, where relevant.

Stoma associations should also retain copies of the invoices provided by the suppliers of the stoma related products for at least the same period of time.

Reviews may be undertaken by the department in collaboration with Services Australia.

Stoma associations are required to comply with all relevant state and Commonwealth laws regarding retention of information.

10. Forms

Stoma associations are responsible for keeping supporting evidence for audit purposes. The following forms, available on the department website, are to be used by stoma associations to record and retain details that support business operations, and which may be required for auditing purposes:

- **Stoma Appliance Scheme Application Form¹** – application to participate in the Stoma Appliance Scheme.
- **Application for Additional Stoma Supplies – Clinical²** – application for the supply of stoma-related products for clinical reasons above the supply limits described in the SAS Schedule.
- **Application for Additional Stoma Supplies – Travel/Remote²** – application for the supply of stoma-related products for non-clinical reasons outside the supply limits described in the SAS Schedule.
- **Authorisation forms** are available on the SAS [website](#) to access:
 - cleanser wipes

¹ This form replaces the previous Services Australia PB049 form.

² These forms replace the previous Services Australia PB050 form.

- deodorant and absorption gelling sachets
- irrigation kits
- Tiemann tip catheters
- Peristeen Plus.

The use of irrigation kits, cleanser wipes, Tiemann tip catheters, and deodorant and absorption gelling sachets by persons with a stoma requires special authorisation by a registered health professional (STN, nurse practitioner, registered nurse or registered medical practitioner). Peristeen Plus has an R4 restriction and has special conditions for eligibility outlined in the form. These products should not be ordered for or dispensed to a member prior to the sighting of the completed and signed authorisation form.

Glossary and definitions

Term	Definition
ACSA	Australian Council of Stoma Associations
Authorised Health Professional	Stomal therapy nurse, nurse practitioner, registered nurse or registered medical practitioner
Department	Department of Health and Aged Care
DVA	Department of Veterans' Affairs
GST	Goods and Services Tax
HPOS	Health Professional Online Services
Member/Ostomate	Eligible person who receives products under the SAS
Remote locations	For SAS purposes – Modified Monash Model (MMM) Category 3-5 for rural and 6-7 for remote
RHCA	Reciprocal Health Care Agreement
SAS	Stoma Appliance Scheme
Stoma association	Associations distributing stoma-related products
STN	Stomal Therapy Nurse