

ANSWERS TO ESTIMATES QUESTIONS ON NOTICE

HEALTH AND AGEING PORTFOLIO

Budget Estimates 2011-2012, 30/31 May 2011

Question: E11-374

OUTCOME 7: Hearing Services

Topic: HEARING SERVICES

Written Question on Notice

Senator Fifield asked:

- a) What transition arrangements have been put in place to assist clients and providers to adjust to the new voucher requirements?
- b) What is the expected impact on the hearing services industry as a result of this measure?

Answer:

- a) The impact of the voucher change from two to three years has a lead-in period of 18 months. The Office of Hearing Services (OHS) will implement transitional arrangements during this period to assist service providers to adjust their business models to suit the new arrangements, including:
 - phasing in the voucher period changes over the transition period;
 - allowing for additional hearing aid adjustments for voucher clients during the transition period; and
 - providing information during the 18 month lead-in period that will enable providers to rearrange their business models and inventory.

The OHS will be consulting with contracted service providers and other industry representatives, including peak practitioner and consumer bodies, on plans and ideas for implementation of the voucher changes via meetings in most capital cities in Australia from June to August 2011. Consultations with providers on the transition arrangements may result in additional transition arrangements or changes to current transition plans.

The Hearing Services Program is entitlement based and clients in need will always be able to access voucher services, except now these services will be available over three years instead of two. Special access provisions are still available to clients seeking review before three years.

- b) The impact on contracted service providers will vary depending on each individual provider's business model and new/return client mix. There will be no reduction to new client numbers or new client revenue, which will continue to grow. The impact of moving

the voucher period to three years is the slowing of return client growth. There is an 18 month period before changes to client volumes and associated revenue have an impact, allowing for business model adjustments to be made. The OHS will consult with providers during this phase on proposed transitional arrangements.