



## Providing Assistive Technology in the National Disability Insurance Scheme

### Summary

ATSA fully supports the establishment of a National Disability Insurance Scheme, and believes the following measures must be undertaken if assistive technology (aids and equipment) are to be effectively provided within the scheme:

- The establishment of a single national assistive technology scheme across the NDIS and NIIS
- The establishment of a national AT accreditation system for suppliers and prescribers
- Recognition of the central role AT suppliers play in delivering good outcomes for consumers, including: customised equipment solutions; trials in the home; and ongoing support, maintenance and repairs
- Avoid bulk procurement approaches at the complex end of the AT spectrum
- Consideration of total lifetime costs of the equipment when making purchasing decisions: durability, maintenance, repairs, training, and upgrades
- Flexibility in tendering and bulk procurement for rural and remote settings

### Background

Assistive technology (AT) is central to minimising long-term costs and improving the lives of people with disabilities. Effective AT provision will help ensure that the NDIS is affordable and economically sustainable.

AT products are often categorised in three main groups: personal care; communication; and mobility. AT varies from simple and inexpensive products such as aids to open cans or cut up food, shower chairs and canes, through to very complex and high tech equipment such as a powered wheelchair with customised seating and controls (see the AT Pyramid). The World Health Organisation defines AT as:

*an umbrella term for any device or system that allows individuals to perform tasks they would otherwise be unable to do or increases the ease and safety with which tasks can be performed.*

ATSA was established in 2000 to represent the interests of AT suppliers who manufacture, import, distribute, service, and hire equipment. ATSA members range from small, family owned businesses to international companies.

A viable and competitive supplier sector is pivotal to ensuring choice and flexibility for people with disabilities within the NDIS.

# AT Pyramid

AT varies widely in complexity, and this variation requires different supply-chain and procurement approaches to ensure good quality outcomes for consumers while minimising costs (see the AT pyramid below).

Creating a national AT system will enable the National Disability Insurance Agency to achieve significant savings through competitive tendering and bulk purchasing across the two bottom layers of the AT pyramid. These tendering and bulk purchasing arrangements must be done in consultation with both consumers and suppliers to help ensure that the intended procurement cost savings are achieved while at the same time providing a high degree of consumer choice and control.

However, the top segment of the pyramid – encompassing AT that is very complex, expensive and at high risk of failure if not done well – is not amenable to tendering and bulk purchasing arrangements and will require purchasing structures that support the uniqueness and complexity of the AT at this level.

For this 'top' segment of the market, utilisation of appropriately accredited suppliers is essential. An approved provider structure of suppliers with the highest levels of accreditation would ensure the necessary high levels of skills, training, experience and capacity to support complex AT solutions. Effective AT can be life changing for someone with a disability, and have positive economic impacts regarding independence, participation and health outcomes – when it is done well.

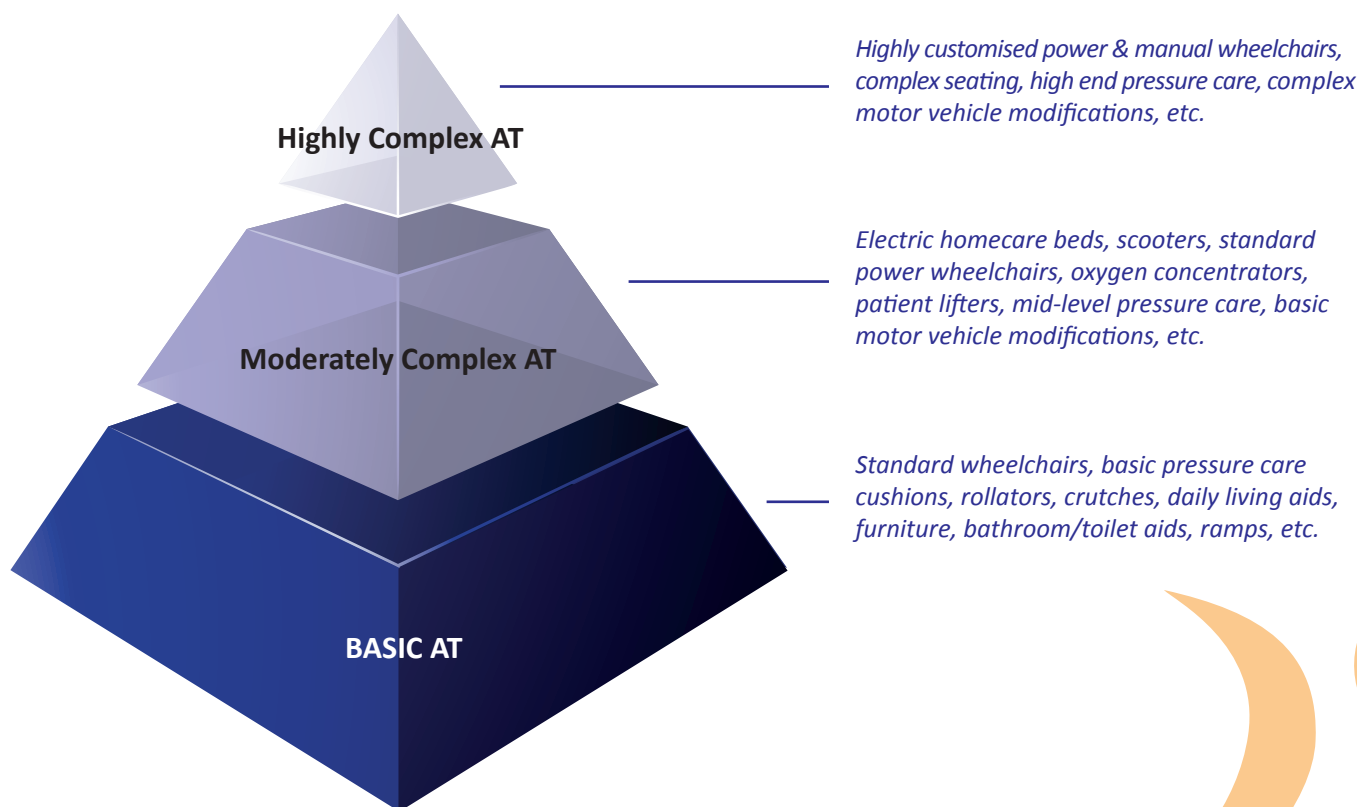
Good outcomes for people with disability require a different approach at the top end of the AT pyramid as a consequence of:

- the relatively low volume of AT (estimated at between 5-10% of all AT in the NDIS)
- the extensive labour costs and high skill levels needed for both prescribers and suppliers (estimated at 15-35% of AT costs)
- the uniqueness of each AT solution

**All AT purchasing decisions must be based on the total lifetime costs of the equipment**, and a national AT system will enable data and evaluation to ensure that this is possible. Total costs need to incorporate not only the equipment itself, but also other costs including:

- durability/life-span
- repairs
- maintenance
- training for consumers, families, and professionals in the use of the equipment
- future upgrades/modifications if required
- the often hidden costs of providing AT in rural and remote areas

*Individualised procurement essential at this level: low volume/high cost*



*Potential for bulk procurement at this level: high volume/low cost*



## Role of suppliers

ATSA members, and AT suppliers generally, deliver many essential services that are vital to ensuring that people with disability get the equipment they need. This includes:

- **Importers/manufacturers/distributors** – known as ‘sponsors’ within the Therapeutic Goods Administration’s (TGA) framework
  - sourcing products, including research and development of new products
  - information on the availability, function, and detailed specifications of AT products that are TGA listed and meet Australian/international standards
  - training and education for therapists and retailers
  - product inventory and spare parts – immediate availability is essential for many products, especially spares for ‘life critical’ items such as wheelchairs, pressure mattresses and hoists
  - warranties; quality assurance; standards testing and regulatory compliance; product recalls; and participation in the review and development of Australian standards
  - Loan products to ILCs (Independent Living Centres) and major specialist facilities (e.g. spinal care and rehabilitation)
- **Retailers / Local Suppliers:**
  - Assist consumers with appropriate product selection, often in conjunction with prescribing health professionals such as occupational therapists, physiotherapists and speech therapists
  - At the middle and top of the AT Pyramid retailers/ local suppliers are the primary source of expertise regarding specific product selection, measurement, customisation/modification and fitting – getting this ‘right’ is fundamental to good consumer outcomes, and requires a very significant investment in staff training
  - Trialling AT – making equipment available for consumers to take home and trial to ensure appropriateness (e.g. which hoist will work in that space and which sling is most suitable) and to determine exact specifications for more complex AT (e.g. a control system, frame configuration and/or seating for a wheelchair). This includes undertaking modifications when required, delivery, set-up and training in use of trial equipment
  - Order, assemble and deliver AT products, including final fitting and adjustments, and consumer/carers training and other assistance as needed
  - Service, maintenance and repairs

**Prescribers and consumers both rely on the expertise of suppliers in identifying and bringing to fruition the best AT solution.** For consumers whose needs are at the middle and higher end of the AT pyramid, suppliers and therapists work together to develop the detailed specifications to configure the AT to the person’s capacities and body. Suppliers then procure, assemble, test and trial the solution with the consumer, usually with oversight from the prescriber.



## A national AT system

**ATSA proposes the establishment of a single national AT system within the NDIS and NIIS.** A national system would significantly reduce complexity for people with disabilities and simultaneously increase service delivery efficiency.

A single national AT system under the NDIS (and NIIS) will:

- enable effective oversight by the NDIA
- collect national data for review/evaluation
- drive cost effective solutions based on consumer choice and control
- enable integration with other NDIA/NIIS structures
- provide a focal point for collaboration with other key portfolios such as employment, health and aged care
- provide capacity for efficiencies only achievable on a national scale

ATSA believes these goals will only be achieved via the establishment of a new national AT system, rather than the ‘harmonisation’ of existing state and territory schemes which are not designed to operate in an insurance environment and are not underpinned by the NDIS principles or aims.

## Rural and remote settings

**Timely and efficient supply, support, maintenance and repair of AT in rural and remote communities requires a high degree of flexibility in relation to procurement** – particularly in relation to tendering and bulk purchasing. There are relatively few suppliers in rural and remote communities as meeting the needs of a very wide range of consumers is difficult to do economically with low profit margins and significant additional expenses.

The range of inventory for both equipment and spares, and the depth and variety of skills required to ensure the consumer gets the right product, and that it is configured and customised appropriately, along with the problems of distance and travel times and costs, are major challenges when population densities are low.

Tendering and bulk purchasing arrangements must carefully take into account AT provision in rural and remote communities. Tendering and bulk purchasing in several state programs has resulted in absurd situations such as where an urban supplier has the contract, so a consumer must wait for weeks to get a piece of equipment to trial – but the local supplier has the appropriate piece of equipment and could supply it within a day or two.

Similarly, at the bottom end of the AT triangle contracts for supply of high volume low cost equipment held by individual large suppliers can ultimately reduce the capacity of local rural and remote suppliers to operate viable businesses and service their local communities.

ATSA proposes that the NDIA's procurement strategies ensure that bulk purchasing arrangements take into account the value and advantages of local suppliers in rural and remote areas: relationships with local consumers; timely supply; timely maintenance and repairs; local support and training for consumers and carers. Many rural and remote suppliers also have a wide range of essential skills related to ensuring the right fit between the consumer and their AT, and knowledge of local conditions and needs. Additionally, most of the cost savings from tendering and bulk procurement will be realised in urban areas, so the value of extending these to rural/remote areas should be carefully examined.

## Accreditation

ATSA's Code of Practice for members ensures fair, ethical and consistent provision of equipment and services to consumers with disabilities and older people, and safeguards all stakeholders' interests.

However, there is still **a pressing need for the development and implementation of a national accreditation system for AT prescribers and suppliers** as the most effective and economical way to meet many of the High Level Principles for an NDIS in relation to AT, including:

- providing nationally consistent standards, quality, transparency, accountability and safeguards for AT prescription and supply
- supporting a market-based approach, including competition, consumer choice and control, and assisting people with disabilities to readily identify appropriate sources of expertise and assistance
- ensuring minimum AT supply-chain transaction costs and time if prescriber accreditation is linked to funding authorisation, as well as minimising delays and reducing risk

Accreditation for suppliers should be linked to their capacity to match consumers to the right equipment and to support and maintain that equipment, and at the higher end of the AT Pyramid their capacity to do the complex and detailed fitting and customisation required. For prescribers accreditation should be linked to different levels of expertise and different areas of practice such as mobility, seating, vehicle modifications and communication.

ATSA proposes a two-stage approach, with an independently commissioned options paper exploring the best alternatives for an accreditation system as the first stage. The second stage would be securing funding to underwrite the establishment and operation of an accreditation body for three years, when it should then be fully self-sustaining. This process needs to proceed immediately, and should involve key stakeholders such as ATSA, ARATA (Australian Rehabilitation and Assistive Technology Association), OT Australia, AFDO (Australian Federation of Disability Organisations) and Carers Australia.



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