



REPORT ON ATSA MEMBER SURVEY: SERVICES OFFERED IN THE AGED CARE SECTOR

December 2021

Survey Design, Implementation and Report: David Sinclair EO ATSA, Melanie Robertson Event and Marketing Manager, ATSA and Margaret Noonan Senior Policy Officer, ATSA.

Summary of Main Findings

80% of respondents supply to the Aged Care sector. 16 % are interested in supporting this market.

Lift Chairs, walker rollators, adjustable beds and shower chairs are the most commonly requested assistive technology from older Australians.

67% of Assistive Technology is delivered within 3 days to metro areas and 60% to regional areas.

In remote areas time and cost is based on product, distance and number of staff needed with 70% delivered within up to 10 days.

The two key purchase offerings from suppliers to customers are outright purchase and rental/hire.*

77% of respondents will provide equipment valued from \$0-\$200 for hire/rent.

The delivery cost is \$0-\$60 to metro areas for 50% of suppliers and to regional areas for 69% of suppliers.

*In informal discussions with ATSA members, many indicated the hire/rental they offer is short term. See Survey Results section 2 of this report for further details.

About this Report

There were 50 respondents to this survey representing an estimated 26% of the Assistive Technology suppliers in Australia (excluding product sold privately by individuals in the second hand market). The focus of this survey was on the supply of Assistive Technology to the Aged Care sector.

The response rate varied across different questions. The authors attribute this in part, to the commercial sensitivity of some survey questions.

While 80% of respondents are engaged in the provision of Assistive Technology to the Aged Care sector, the remaining 20% responded to the survey based on their supply to other market segments.

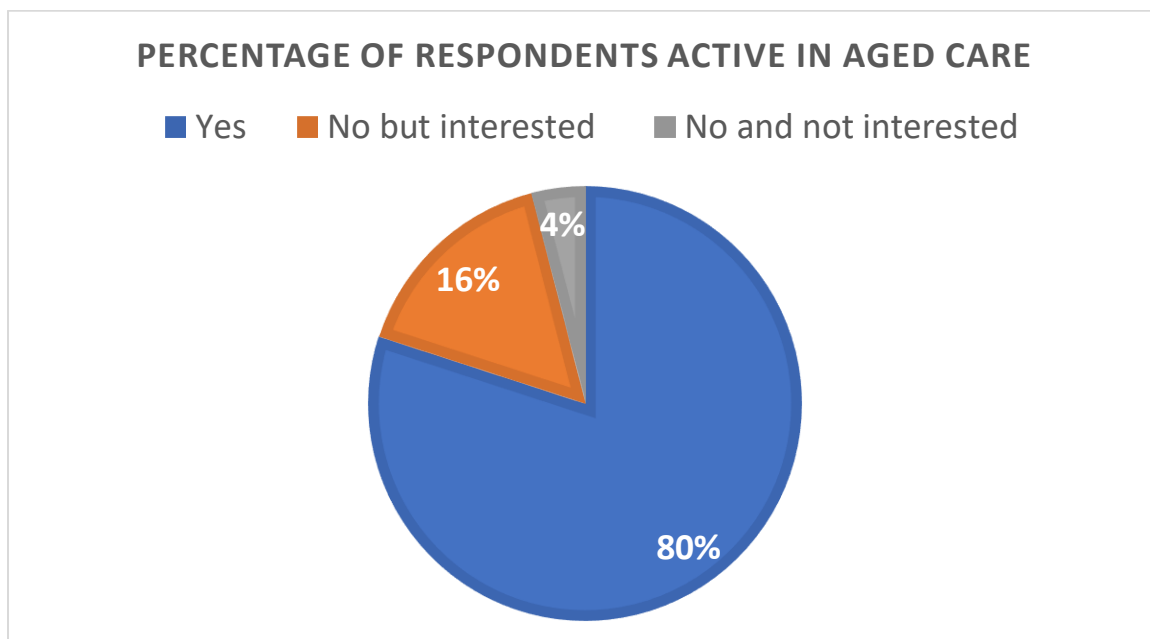
The survey design was based on multiple choice and open text responses.

Survey Results

1. Number of respondents active in Aged Care, interested in participating in this market segment or not interested in this market

The survey results show 80% of respondents are already providing Assistive Technology to older Australians and that 16% would be willing to participate in this market segment. 4% of respondents advised they did not want to participate in the supply of Assistive Technology in the Aged Care sector and were excluded from the remainder of the survey.

Chart 1



2. Purchase offerings from suppliers to their clients in the Aged Care market

Chart 2 shows the dominant purchase offerings from suppliers in the Aged Care market were “outright purchase” and “rental/hire”. In percentage terms, outright purchase was selected by 41% of respondents and rental/hire by 30% of respondents. ATSA members have advised separately to this survey that their rental/hire offering tends to be short to medium term and is usually linked to the purchase of a device.

77% of respondents indicated the minimum spend that is required for them to rent/hire a device is in the \$0-\$200 range.

Chart 2



In regard to the rental/hire option, some ATSA members have identified a legal requirement for suppliers to obtain a Credit Licence. This is addressed in the Conclusions section of this Report.

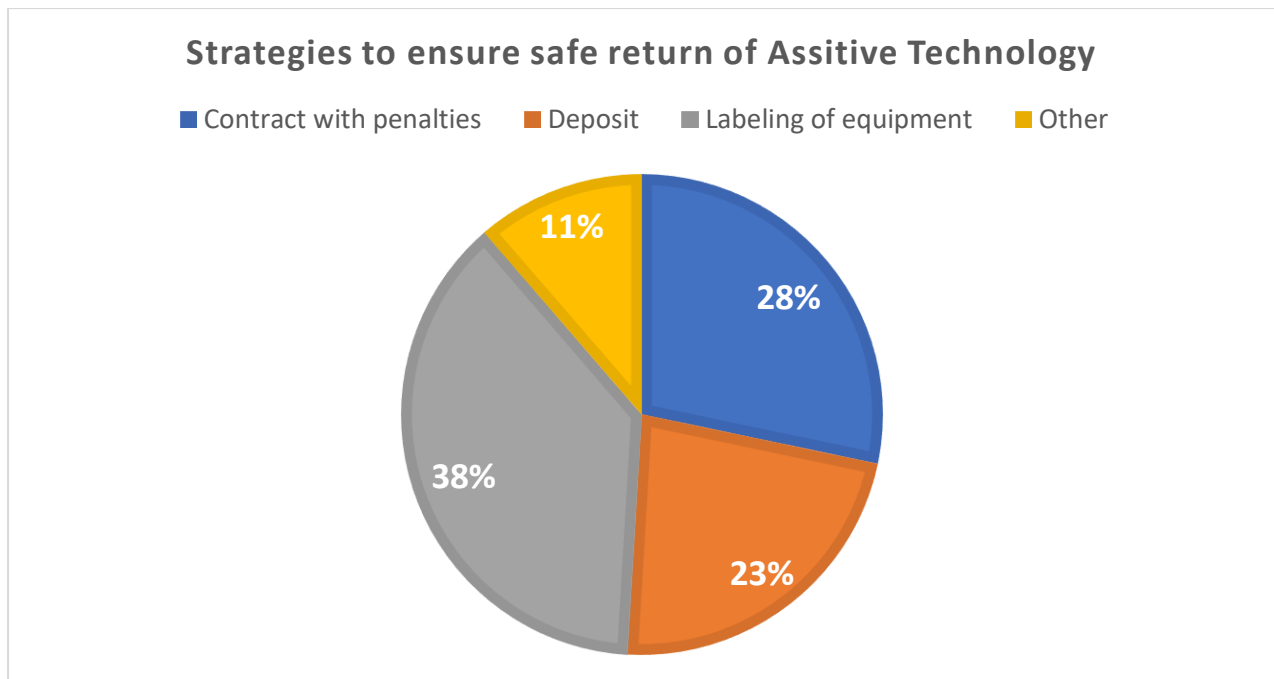
3. Response to strategies to ensure safe return of assistive technology.

This question in the survey was not tied to the Aged Care sector and responses are likely to reflect the current business practice across all market segments.

While the labelling of equipment is dominant at 38% the strategies of a contract with penalties, 28% and deposit 23% are also commonly used. Based on the total number of responses, suppliers are using multiple strategies per device.

We did not receive any comments in regard to the “Other” category in this survey question.

Chart 3



4. Capacity to assess the condition of rental/hire AT and do maintenance, cleaning and repairs before reissuing Assistive Technology

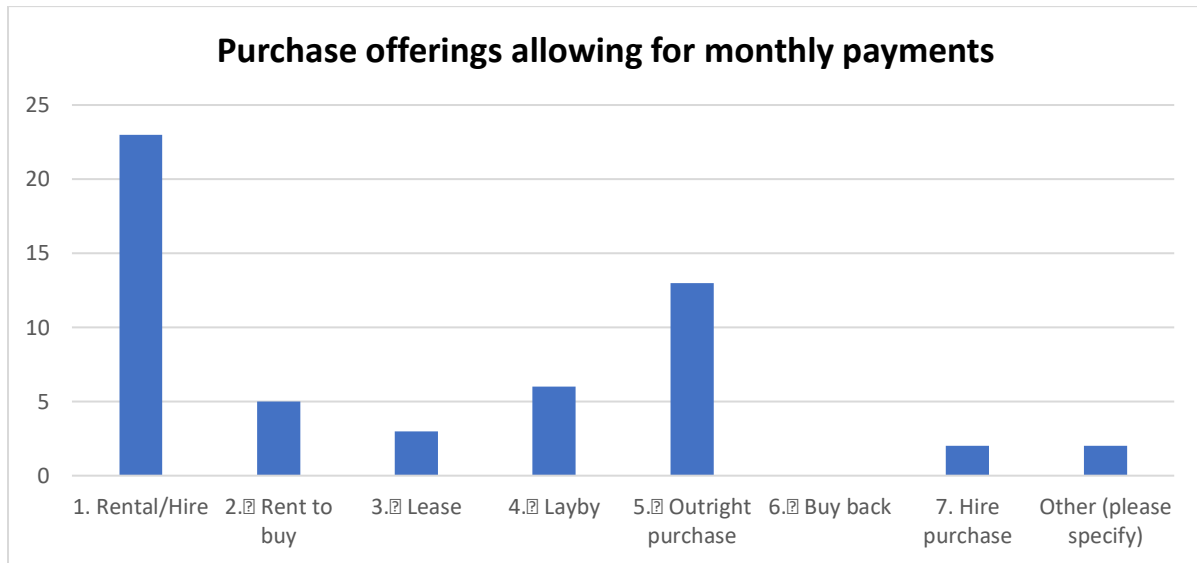
60% of those surveyed responded to this question. Of those who did respond 93% advised they currently have the capacity to provide maintenance, cleaning and repairs before a device is reissued to another person.

When those who indicated they currently do not have capacity to service devices before being reissued were asked what they required to build this capacity, the most common response was financial guarantees when equipment is damaged or not returned.

5. Purchase offerings that allow for a monthly payment

The following table shows suppliers have monthly payments in place for all types of purchase offerings excluding buy back. The most prominent purchase offering with a monthly payment is the hire/rental option with outright purchase being the next most common. Note: Each supplier may offer multiple options.

Chart 5

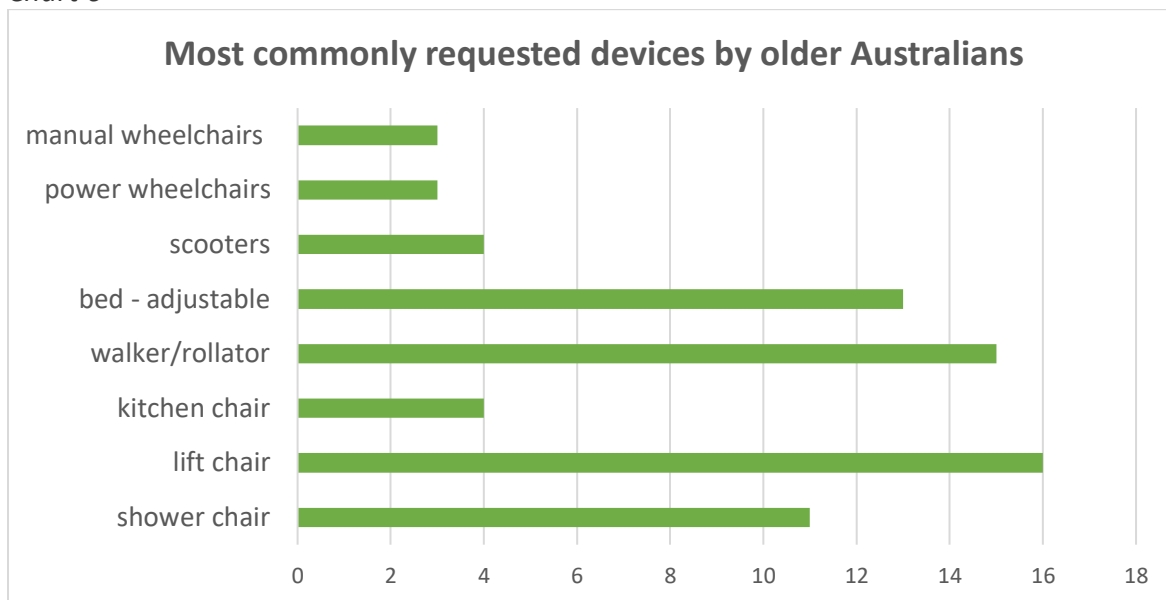


6. Most common Assistive Technology devices currently requested by older Australians

The most common device requested by older Australians from the respondents is the lift chair. Walker rollators, adjustable beds and shower chairs are the next most commonly requested assistive technology devices.

Note due to commercial sensitivity, suppliers were not asked to provide the number of devices they provide. The results below show the number of providers offering each type of device.

Chart 6



Commercial in Confidence, not for distribution without permission from ATSA

Other devices identified only once by suppliers included electronic AT, Thermostatic Shower, bed sticks, toileting aids, automatic pill dispenser, orientation clocks, medication aids, assistive listening devices, reminders and prompts.

Note: In separate discussions with Vision providers, the most common type of equipment requested is magnifiers. Vision Australia have undertaken an extensive survey on the needs of their older clients.

7. Supplier observations and experience on how often Assistive Technology meets clients' needs

A question on how often suppliers observed whether prescribed assistive technology met client's needs was included due to concerns raised by suppliers about needing to adjust AT after delivery to meet the client's needs or the wrong device being ordered by the assessor. The results may guide decisions about the assessment and ordering process.

- 62% of respondents indicated client needs were met 91-100% of the time.
- 19% of respondents indicated client needs were met 81-90% of the time
- 10% of respondents indicated client needs were met 71-80% of the time
- 10% of respondents indicated client needs were met 61-70% of the time.

8. Typical delivery time in days for Assistive Technology for hire/rental

This question looked at the variation across metro, regional and remote areas. It should be noted the survey did not address the demographic of suppliers. It is therefore not possible to draw conclusions about the distance the supplier has to travel from their base to metro, regional or remote areas.

83% of respondents indicated they can deliver within 1-4 days in metro areas. The remaining 17% indicated they would take up to 10 or more days to deliver in metro areas. As noted above, this could relate to the base location for the suppliers.

In regional areas 60% of respondents indicated they can deliver within 3 days and 27% can deliver within 4-5 days. 13% deliver in 7 or more days.

In remote areas 30% of respondents indicated they can deliver within 3 days, 40% within 10 days and the remaining 30% indicated deliver takes more than 10 days.

9. Typical delivery cost for Assistive Technology on hire/rental

While this question related to devices that are hired or rented, it is assumed these same costs would apply irrespective of the purchase offering (rent, buy etc.).

69% of respondents advised they can deliver to metro areas at a cost of up to \$60 while 29% can deliver at a cost of up to \$100. The remaining 2% would have a delivery cost of over \$100. As noted

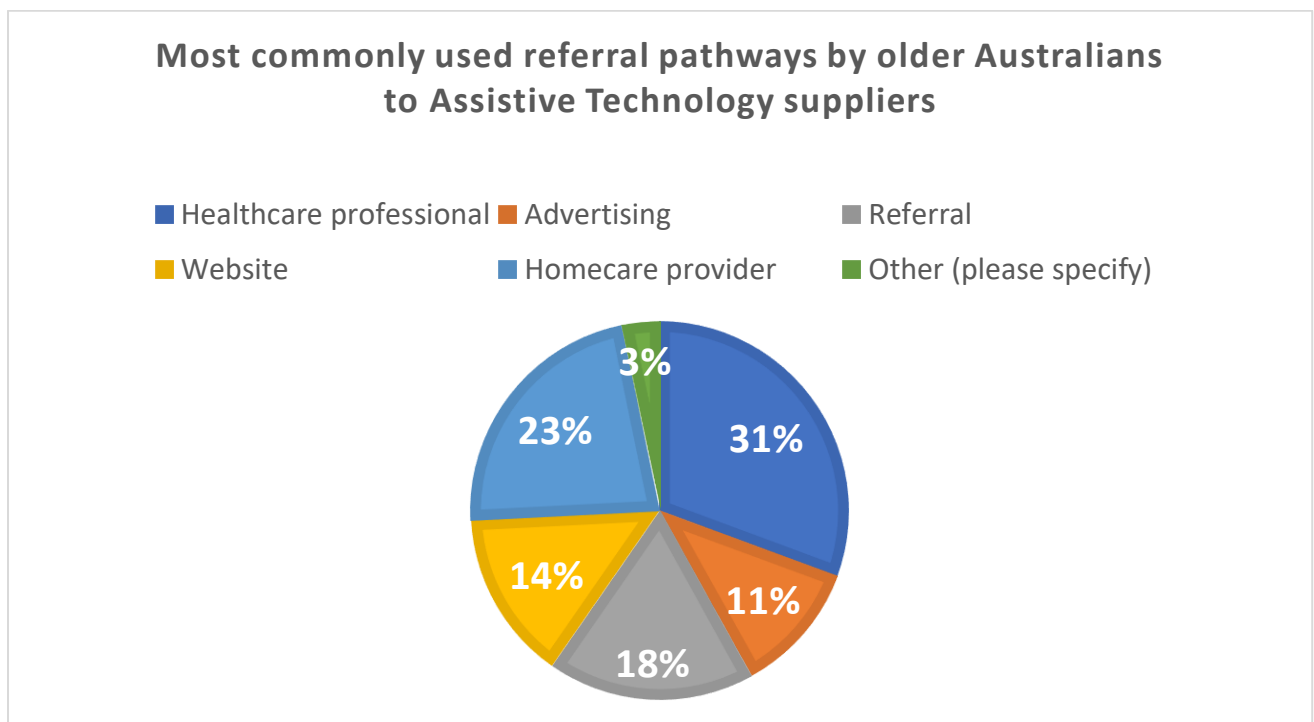
Commercial in Confidence, not for distribution without permission from ATSA

previously, information on the location of the suppliers was not collected in this survey and regional based suppliers will have higher delivery costs into metro areas and vice versa.

56% of respondents advised they can deliver to metro areas at a cost of up to \$60 while 38% can deliver at a cost of up to \$100. The remaining respondents have a delivery cost of over \$100.

In regard to remote areas, 42% of respondents have a delivery cost of up to \$100 and 33% calculate delivery cost based on the type of product, distance and the number of staff required to complete delivery. The remaining 25% have a delivery cost in excess of \$100.

10. Referral Pathways used by older Australians to suppliers of Assistive Technology



Conclusions from survey and discussion points for Assistive Technology Framework

1. Conclusions from Survey:

Participation in the Aged Care Sector

Based on the results of this survey there is significant support from suppliers to participate in the provision of Assistive Technology within the Aged Care sector with 80% of respondents already actively supplying devices to older Australians.

The rental/hire option is currently available to clients but on a short term basis. An intervention by the Department with ASIC would be required to ensure suppliers are not penalised for offering devices on a hire basis when the client has no intention to buy the device. This is discussed below.

There are 4 devices most commonly requested by older Australians without complex needs. These include a lift chair, walkers adjustable rollators, adjustable beds and show chairs. In addition, the most common devices for those with complex needs also include power or manual wheelchairs and scooters.

Delivery times and costs may require further investigation so they are linked to the location of the supplier.

General Comments from Suppliers

The survey included open questions for suppliers to provide their feedback.

The key messages were

- Assistive Technology suppliers should be registered.
- Access to Assistive Technology for those ageing has been a great boost to people's independence and quality of life.
- Need to ensure clients still have choice in a rental/recycling model.
- The role of the Home Care Package manager needs to be clarified significantly. Currently they control all interactions with therapists conducting assessments and suppliers providing Assistive Technology. The providers with their own OTs insist on multiple reviews. They should have KPIs to ensure a sense of urgency for client to receive services.
- In regard to the benefits of government funding, people get what they need; there is a pathway to services for them; payment to suppliers is prompt; people can stay in their home longer.
- Communication needs to be improved so clients know what funds they have; funding is needed for larger items, not spread over months so people do not have to wait; suppliers are forced to work through aged care providers, plan managers can be self-interested; wait times for clients for approval are too long.

Commercial in Confidence, not for distribution without permission from ATSA

Building Capacity for suppliers to develop hire/rental model to reissue Assistive Technology in Aged Care

When those who indicated they currently do not have capacity to service devices before being reissued were asked what they required to build this capacity, the most common response was financial guarantees when equipment is damaged or not returned. This is the current model under the NDIS and it is recommended this being extended to the Aged Care sector as a way of encouraging suppliers to participate in this market segment and to ensure sustainability of Assistive Technology.

2. Discussion Points:

Payment plans for older Australians

To date only one supplier has identified that they have a financial partner who can work with clients to organise an agreed financial payment plan for the purchase of Assistive Technology. More suppliers may need to look at this option to assist them in developing a monthly payment plan for the purchase of Assistive Technology under the current monthly Home Care model.

Hire/rental

While a number of suppliers are already engaged in the hire and rental offering to clients, a significant issue has been raised by suppliers outside of this survey process. If suppliers offer a hire/rental model with no intent to include the intent by the client to purchase the device, they have to obtain a credit licence.

The Regulatory Guide 203 from ASIC states:

“ RG 203.12 The National Credit Code applies only to credit that is: (a) provided to a natural person or strata corporation (i.e. a consumer); (b) provided wholly or predominantly for: (i) personal, household or domestic purposes; or (ii) residential property investment; Note: See RG 203.20 for the definition of ‘predominantly.’ (c) charged for, or may be charged for, by the credit provider; and REGULATORY GUIDE 203: Do I need a credit licence? © Australian Securities and Investments Commission October 2017 Page 7 (d) provided in the course of carrying on a business of providing credit in this jurisdiction (i.e. Australia) or as part of, or incidental to, any other business of the credit provider carried on in this jurisdiction.”

“RG 203.15 Under the National Credit Code, a consumer lease is a contract for the hire of goods that is entered into by a natural person or strata corporation (i.e. a consumer) and under which the consumer does not have a right or obligation to purchase the goods.”

This regulatory requirement in the situation where assistive technology is rented or hired with no intent to buy, puts additional cost, reporting and accreditation obligations on to members and discourages participation in the supplier of Assistive technology on this basis. It is possible for an exemption to be requested from ASIC by the Department.

Commercial in Confidence, not for distribution without permission from ATSA

Second Hand Assistive Technology

In various discussions in response to consultation papers from the NDIS, the issue of unwanted assistive technology has been raised by ATSA, allied health professionals and engineering rehabilitation specialists. Note: This is particularly relevant in the second-hand market segment. ATSA is working on a separate position paper in regard to the market segment and has raised the management of quality and safety of second-hand products for consumers with the ACCC and the TGA.

Risks raised by suppliers for further discussion

The following risks have been raised by suppliers and will require further investigation:

- Suppliers could be in a loss situation if they sell assistive technology and the client passes away. This is addressed by the NDIS who guarantee payment for any losses that cannot be recovered.
- Return of Assistive Technology to supplier. The issue of the safe return of assistive technology has been raised in a number of discussions on the recent NDIS Consultation paper on Early Childhood Assistive Technology. Key issues for suppliers include:
 - o Collection costs
 - o Warehouse space for purchasing options where item is not owned by client or in the second hand model
 - o Quality and Safety for older Australians should be the basis for the Assistive Technology Framework. Registered suppliers reissuing devices to have suitably qualified/experienced staff to work on Assistive Technology before being provided to clients.

Recommendation 1: Outright Purchase

If the client or family buy the AT outright, there should be an option for a rebate to recover the cost from the Home Care package over a fixed period of time.

Recommendation 2: Hire

ATSA recommends that the Department of Health, NDIS and Veteran's Affairs make a request to ASIC to have an exemption for registered suppliers to obtain a credit licence for the hire/rental of Assistive Technology.

Alternatively a low cost and compliance credit registration process would need be developed with ASIC.

Recommendation 3: Hire/lease to buy

Need to confirm with ASIC that a credit licence will not be required if the contract includes an option to buy (also referred to in Recommendation 2).

The payment for the AT should be made directly from government to the supplier or from the client to the supplier. This will maximise the benefit of the Home Package to the client as the time from the Service Provider would not be added to the process of AT purchase.

Commercial in Confidence, not for distribution without permission from ATSA

If the client moves to residential care or passes away before the purchase is completed, government will pay the gap.

Gap = Purchase price in the initial contract – rent received by supplier to date – sale price of reissued equipment (where supplier recovers cost of cleaning, replacing vinyl – to be transparent and defined).

Recommendation 4: Artificial Intelligence (AI)

The current Home Care package is not likely to be suitable for the installation of Artificial Intelligence (AI) in the homes of older Australians. AI devices cost between \$6,500 to \$21,000 and above. Some suppliers of AI currently offer a 3 month lease and then buy option. AI has the capacity to support people with complex needs or who have suffered from strokes, arthritis and other chronic conditions to remain in their home longer. ATSA recommends further research to scope and design the context of AI for the Aged Care sector and its benefits to support a person to remain in their home. This also requires a cost /benefit analysis. ATSA would be pleased to partake in this work.

Final Comments

The financial model for determining the value of Assistive Technology for older Australians has already been considered in the Department of Health report “Review of Assistive Technology Programs in Australia Final Report for the Australian Government Department of Health Australian Healthcare Associates 9 June 2020”. One area however that requires further consideration is ensuring the funding model supports the future of innovation in Assistive Technology in Australia. This in turn will produce cost savings for government and high quality and meaningful solutions for end users.

The terms and conditions around the supply, delivery and payment of AT need to be agreed, transparent and well communicated to all stakeholders.

ATSA remains committed to working with the Department of Health in the provision of Assistive Technology under the current Home Care package. We will also work with the Department on future changes in supply to meet the Recommendations from the Royal Commission into Aged Care in regard to Assistive Technology.