

New criteria for funding hearing aids

March 2010

The value of applications received for equipment and housing modifications for disabled people increased by nearly 25% last year. Because of this rise in costs, and the level of funding available, many more people now have to wait to get the services they need. To try and reduce the length of time that people have to wait for their equipment and/or modifications, the government will add an extra \$7 million immediately to the Equipment and Modification Services' budget and another \$20 million over the next two years.

However, even with this additional funding, the rising costs of equipment and modification services are not sustainable, so we need to look at how we can manage demand within the money that is available.

To do this, the Ministry has made several changes to the eligibility criteria for some services and has introduced changes to funding limits. It also plans to extend its competitive processes for buying disability equipment, including hearing aids, which will help bring overall costs down.

The changes will also make the system fairer. Some people who were previously only able to get a low level of subsidy towards the cost of their hearing aids will now be able to either get fully funded hearing aids (wholesale cost) or a higher subsidy. The level of funding they can get will depend on their individual circumstances.

What are the changes?

We have made significant changes to the funding levels that different groups of people with hearing loss will be able to receive. The key features of these changes are

- Preschoolers, children and young people up to 21 in school or tertiary education will still get fully funded hearing aids and the current processes for funding will continue to apply.
- Adults with complex needs (see over for criteria) will get fully funded hearing aid(s)
- Adults over 16¹ who are working, studying, doing voluntary work or caring for a dependent person **and have** a Community Services Card will get fully funded hearing aid(s).
- Adults over 16¹ who are working, studying, doing voluntary work or caring for a dependent person and **do not** have a Community Services Card will get a \$500 (inc GST) subsidy per hearing aid up to once every six years.
- Adults over 16¹ who are **not** working more than 30hrs/week, studying full time, doing more than 20hours/week of voluntary work or caring for a dependent person fulltime will get a \$500 (inc GST) subsidy up to once every six years whether they have a Community Services Card or not.
- For all areas of New Zealand, people will need to pay for any additional costs that their audiologist may charge; this will include any fitting fee that applies.

We are keen to establish some target price bands for hearing aids so that people who receive a subsidy towards the cost of their aids will be able to purchase hearing aids at the most competitive price. The Ministry will be engaging with the New Zealand Audiological Society (NZAS) as this work gets underway.

¹ Existing details as described in the Equipment Manual regarding the type of and time spent at work, study, voluntary work and caring for a dependent person continue to apply

In addition, within the next few months, fully funded hearing aids will be purchased from within a specified range. We will be looking to extend our competitive tendering model as for many other equipment items, which is similar to the Pharmac purchasing model. In the meantime, we will be working with NZAS to set up some interim ways that we can be confident that the most cost-effective solution is recommended for the person. The aim is reduce demand on the overall budget make sure that people will not have to wait as long for their fully funded aids as they have had to do in the past year or so.

When will changes come into effect?

The new criteria will come into effect immediately, meaning that any applications received after Wednesday 3 March 2010 will be subject to the new criteria. Any applications that were received by Accessable or Enable New Zealand before the close of business on Tuesday 2 March 2010 will be covered by the old criteria.

However, for people who are currently eligible for the lower subsidy level of \$198.00, we have agreed that, for those people who have not yet purchased their hearing aids, we will be more flexible with these timeframes. This means that:

- All people who have invoices submitted which have not been paid by Enable New Zealand for the \$198.00 subsidy will be paid the subsidy at the increased rate of \$500.00.
- People who could now be eligible for a fully funded hearing aid, and who have not yet purchased their aid(s), will be able to ask their audiologist to withdraw their invoice and resubmit the application for a fully funded aid(s). This will mean the completion of a full application for a hearing aid(s) and a quotation for the cost of the recommended hearing aid(s). If this happens, you will need to explain to the person that they will probably have to wait for the provision of the hearing aids - as most people currently do - unless they need the hearing aids are needed to meet their urgent safety needs.
- All people who have already purchased their hearing aid(s) before 2 March 2010 and payment for their subsidy has been made by Enable New Zealand, will not be eligible to receive any higher subsidy payment level or reapply for fully funded aids.

What does this mean for us?

We have developed a flow chart (attached) that will help you work out what funding your client may be eligible for and where the application should be sent.

More details will be available as work progresses, including definitions to assist you when determining the new funding levels your clients will be eligible to receive.

If you would like more information you can contact:

Accessable (if you practice in the Auckland/Northland region):

- www.accessable.co.nz, info@accessable.co.nz, Phone 0508 001 002, Fax 09 620 1702

Enable New Zealand (if you practice south of the Auckland region):

- www.disabilityfunding.co.nz, enable@enable.co.nz, Phone 0800 17 1981, Phone 0800 553 300 (for information about hearing aids only), Fax 06 353 5876

What funding can my client get?

Groups of People	What used to be available	What have we moved to
1. Children and Young People		
<ul style="list-style-type: none"> • Preschoolers • Children and young people up to the age of 21 if in primary, secondary or tertiary education 	<ul style="list-style-type: none"> • Can get fully funded hearing aids – no limit on type or cost 	Continue to get fully funded hearing aids –these will be purchased from a limited range, selected via competitive tender processes
2. Adults with Complex Needs aged 16 years and over		
<p>Adults who have:</p> <ul style="list-style-type: none"> ➢ had severe long-term hearing loss since childhood, or ➢ had onset of sudden and severe hearing loss during adulthood, or ➢ a dual disability (such as deaf/blind or hearing loss and an intellectual disability) 	<ul style="list-style-type: none"> • All people 16 years and over - can get funded hearing aids if they are working, studying, doing voluntary work, caring for a dependent person or have a dual disability • People under 65 years - can get a subsidy of \$198 (inc. GST) if they are not working, studying, doing voluntary work or caring for a dependent person or have a dual disability – mainly beneficiaries • People 65 years and over- can get a subsidy of \$500 (inc. GST) if they are not working, studying, doing voluntary work or caring for a dependent person <p>Note – Subsidies are available once every 5 years</p>	<p>Fully funded hearing aids (wholesale cost) for all adults in this group, even if they don't hold a Community Services Card</p> <p>Hearing aids will be purchased from a limited range, selected via competitive tender processes</p>
3. All other Adults aged 16 years and over		
<p>Adults who are:</p> <ul style="list-style-type: none"> ➢ working (greater than 30 hours per week), or ➢ studying full time (aged over 21 years), or ➢ doing voluntary work (greater than 20 hours per week), or ➢ caring for a dependent person full-time 	<ul style="list-style-type: none"> • Can get fully funded hearing aids 	<p>Fully funded hearing aids (wholesale cost) provided to people if they have a Community Services Card</p> <p>Hearing aid subsidy of \$500.00 (inc. GST) available for people who do not have a Community Services Card</p> <p>Note – Subsidies will be available once every 6 years</p>
<p>Adults who are:</p> <ul style="list-style-type: none"> ➢ not working full time, or ➢ not studying full time, or ➢ not doing voluntary work (greater than 20 hours per week), or ➢ not caring for a dependent person full-time, ➢ and do not have complex needs as in 2 above 	<ul style="list-style-type: none"> • People under 65 years - can get a subsidy of \$198 (inc. GST) • People 65 years and over- can get a subsidy of \$500 (inc. GST) <p>Note – Subsidies are available once every 5 years</p>	<p>Hearing aid subsidy of \$500.00 (inc. GST) available</p> <p>Note – Subsidies will be available once every 6 years</p>

Where do I send my Applications?

The New Application Pathway for Ministry of Health Funded Hearing Aids

