

POSITION STATEMENT

TITLE: COSTS OF UPGRADING COCHLEAR IMPLANT SPEECH PROCESSORS

ISSUE:

Current government funding arrangements meet the initial cochlear implant speech processor fitting costs for all pensioners, children and Veterans, but the costs of upgrading speech processors are only met for children.

The Hearing Services legislation that specifically deals with provision of Community Service Obligations is the Declared Hearing Services Determination, 1997. The Minister determines these services. The difference between services provided to Australian Children (Class 1) and Certain Eligible Persons - Class 7 (adults with complex rehabilitation needs) is that the children have access to one extra service, the provision of a replacement cochlear implant speech processor unit. Certain Eligible Persons - Part 7 numbers 4 & 5 cover the needs of eligible pensioners with a cochlear implant. So long as they are eligible for Australian Hearing's services and have a current Hearing Services Card, i.e. have paid their annual maintenance fee, their needs are met.

Parents and cochlear implant clinics lobbied for children to have access to upgrades of speech processors, as these were not covered by any State public funding (but initial speech processor devices were). They argued their case on the basis that all children are entitled to hearing aid upgrades etc. A special budget initiative initially set aside a certain amount of money for upgrades over a 4-year period. As a follow up, government decided to roll this into the annual budget for services to children, and the legislation was changed to reflect the latter. Cochlear considers that the current allocation is insufficient to meet the demand, based on the expectations regarding the need for replacement of speech processors. The Office of Hearing Services (OHS) says that there is no problem in respect of children, because if Australian Hearing found it had inadequate funds for the purpose, it would alert OHS which (in turn) would seek an Additional Budget Allocation from the Department of Finance. Others would argue that Australian Hearing would probably be told to find extra money for upgrades from its overall budget allocation, thus necessitating reductions in other spending.

Australian Hearing can provide routine habilitation services to children (as for children with hearing aids), including provision of FM systems. It also can provide upgrades for children who have had a processor more than 5 years or require the new technology. It can maintain speech processors and accessories for all eligible clients with a Hearing Services Card. It can provide rehabilitation/communication training for eligible adults who require it and are motivated to attend.

Australian Hearing has the infrastructure and expertise to provide the same services to adults as to children, but current government policy does not make any provision

for this. Legislative changes would be required for Australian Hearing to upgrade existing implant speech processors in adults. To estimate the required Budget allocation to meet likely demand if the legislation was changed, it would be necessary to estimate how many eligible adults there are with old speech processing technology. The cochlear implant clinics may have a good idea of likely demand. There would be less eligible adults than there are children. Australian Hearing would have the advantage of purchasing power, if it combined it with bulk purchases for children.

As a result of a government review determining that upgrading speech processors could not be defined as prosthetics, the government agreed that (from February 2002) private health insurance providers would no longer be obliged to pay benefits towards these costs under their Hospital tables. However, that change was put on hold while the private health insurance area of the Department of Health and Ageing negotiated with the funds about the possibility of including speech processor upgrades in their ancillary benefits tables. The most recently available advice is that some private health insurance companies have agreed to include benefits in their ancillary tables and the department hopes others will follow suit, before ongoing speech processors are excluded from the definition of prostheses. The issue then would be the level of benefits payable via ancillary tables. It seems unlikely that the level of benefits offered would cover the full cost. There also is the situation of people unable to afford private health insurance.

It is arguable that the costs of upgrading speech processors is a “Costs of Disability” issue and that the government should meet such costs for those not assisted by Australian Hearing, perhaps via an allowance tailored to reflect the costs incurred by any particular person with a defined disability. For such an arrangement to benefit cochlear implantees, eligibility would need to extend beyond the current assessment of eligibility for Disability Support Pension.

Adults with cochlear implants who are not eligible for Australian Hearing’s services are financially disadvantaged in respect of the costs of upgrading their cochlear implant speech processors. Children who miss out on available funds for upgrading of their processors are also financially disadvantaged. The exclusion of ongoing speech processors from the definition of prostheses in respect of private health insurance has created a problem even for those able to afford private health insurance.

POSITION:

That the government implement arrangements to ensure that all adults and children fitted with a cochlear implant have affordable access to upgrades of speech processors as clinically required.

COSTS OF POSITION: No specific costing undertaken.

RESEARCH BASIS: No specific research undertaken.



APPROVED: Board - December 2002

REVIEWED: Board - 25 October 2004.

DATE OF NEXT SCHEDULED REVIEW: No review currently scheduled.