Date: 13th August 2010

Disability Care and Support Inquiry
Productivity Commission
GPO Box 1428
CANBERRA CITY ACT 2601

Otto Bock Australia Pty Ltd is pleased to have the opportunity to make this submission to the Productivity Commission – Disability Care and Support

Background:

Otto Bock is a global manufacturer of assistive technology (AT) for people with disabilities, including prosthetics, orthotics, wheelchairs, seating and postural support and specialised equipment for children with a disability. We employ occupational therapists, physiotherapists and prosthetists and their role includes training clinicians and customers in the appropriate selection and use of equipment.

We strongly endorse submissions by the Australian Orthotic and Prosthetic Association (AOPA) and The Independent Rehabilitation Suppliers of Australia (IRSA). Otto Bock provides AT to most sectors involving people with a physical disability; we can therefore offer unique perspectives to the National Disability Strategy.

Equity and Fairness for all Australians with a Disability

There are currently more than 100 funding schemes in Australia for AT and most are plagued by under funding, long waiting lists, extensive delays, inefficiency, duplication and a narrow understanding of the true value of providing appropriate AT to people with a disability. These schemes lack equity and consistency and are often confusing and overly complex to AT consumers.

Where you live and how you can articulate your needs has a substantial impact on the level of State/Territory Government funding that you will receive and how quickly.

Some schemes state quite categorically that they are designed to do no more than provide mobility within the home and avoid premature admission to costly institutional care or hospital. This appears to be inconsistent with the Federal Government's proposition of "Access Inclusion Participation" which seems core to the National Disability Strategy that is under consideration.

Need, Not Cause of Disability, Should Determine Level of Care and Funding

It is a sad indictment on Australia's care of people with a disability that how you acquire disability has a major influence on your level of care. It should be needs based. Accident victims usually receive much greater levels of care and AT than people with a congenital disability or a disability acquired through illness. The probable reason is that accident victims are often covered by insurance and insurance companies look at total cost, not just AT cost. It is also worth noting that people in residential care or nursing homes are often ineligible to access AT funding.

True Cost Effectiveness of AT Should be Considered

Historical and artificial restrictions on equipment that may be funded often result in highly inappropriate equipment for the person with a disability. This can lead to costs to the system which are much higher than the cost of appropriate equipment. These costs could include the cost of surgery, cost of attendant care and additional AT costs.

The use of appropriate AT, in many cases, would enable users to return to the work-force, provide total savings many times greater than the equipment cost. There are numerous examples however we will use just one here; a micro-processor knee for above knee amputees. These knees are funded in most developed economies, Germany, France, Sweden, UK and even the US Medicare system; however they are not funded by the public systems in Australia

A recent study presented at the November 2009 International Society of Prosthetics and Orthotics in Qld (Howells et al) showed that above knee amputees using a microprocessor knee had a 70% chance of returning to their original occupation. This compares to anecdotal evidence of less than 20% of amputees on mechanical knees returning to their original occupation. The annual cost difference between a mechanical knee and micro-processor knee is estimated at between $5,000 and $10,000. Amputees on the government schemes are unable to get micro-processor knees, thereby restricting their opportunity to return to work. The funding bodies do not benefit from the welfare savings; therefore these savings are not included in their cost analysis. This policy places huge unnecessary cost on the welfare system and severely restricts activities and safety of the amputee

This technology also provides large savings to the health system due to the significant reduction in falls for those amputees using a micro-processor knee. (64% reduction in falls - Kahle et al, Journal of Rehabilitation Research and Development, vol 45 2008). The cost of falls on the total healthcare system is well documented, especially with older patients, so these costs need to be included when assessing benefits of technology.

The poor level of funding impacting amputees is also evident when viewing the type of equipment available on the state Artificial Limb Schemes. In nearly every case the equipment on the schemes was developed in the 1980's or prior. Imagine the outcry if users of chemotherapy or cardiac equipment had to rely on thirty year old technology.

Other examples of AT where the cost of in-action can many times outweigh the cost of appropriate AT include:

- Use of appropriate pressure and postural care reduces the huge cost of pressure ulcers to the health system (estimated at over $400 million)
- Early use of standing and walking equipment for paediatrics increases participation and integration.
- 24 hour positioning for paediatrics can reduce the need for corrective spinal surgery
- Power chair use for longer distances significantly reduces expensive shoulder over use injuries in manual wheelchair users

(We are happy to provide detailed analysis of these upon request)

Long Term Viability of the Assistive Technology Industry is Essential

Both the IRSA and the AOPA submissions highlighted the current unsustainable position of their respective industries. Suppliers of rehabilitation equipment generally operate on lower margins than the more acute medtech industry. The procurement process also adds unsustainable costs. Take the television analogy in the IRSA submission.

'The level of service and support provided by AT suppliers is quite unique in the business world. Consider someone purchasing a major home appliance such as a large, flat screen television worth say $2,500 and expecting 2 or 3 retailers to visit their home, along with a trial television to leave for the consumer for a couple of days. The retailer then collects the television and issues a quote hoping to secure the business, knowing full well if they are successful it may take 3 or more months to get paid. All this provided at no direct cost to the consumer.' Further more the funding may take a year or two to come through so the supplier has to re-visit and re-spec.

AOPA's submission highlights the impact on the profession of the current sad state of funding for amputee care…
'The continued real term decline in resources applied to amputee care, and the lack of ongoing quality improvement and development of best practice care pathways has encouraged prosthetists to move to differing careers, outside of clinical care. AOPA statistics show 60% of graduates leave the profession within 7 years of qualifying.

The poor structure and funding for people with disabilities in Australia has led to suppliers providing far greater input into the rehabilitation and care process than that of other industries. It is not just the equipment provision but also the extra-ordinary levels of training, loan equipment, trialling, prescribing advice and service required from suppliers to supplement the current flawed system. If current structures and funding persist the industry cannot survive and it is widely acknowledged that without the knowledge and skills within the supplier base the care of people with a disability in Australia will suffer drastically.

Recommendations

1. A national consistent funding platform for AT
2. Equitable and consistent funding models irrespective of how disability occurs
3. Application of cost benefit outcomes / health economics to AT funding
4. Clear focus on defining and optimising outcomes for AT consumers
5. Fast track approval funding for people requiring AT
6. Enforcement of TGA requirements for suppliers of AT
7. Alignment of Australian Standards with International Standards
8. Restrict one-off compensation pay-outs to ensure long term care and access to AT
9. Immediate creation of a national body to assess and plan amputee services across Australia. The panel should include user groups, multi-disciplinary professional organisations, health economists and government representatives

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