

**SUBMISSION BY AMPLIFON NZ LIMITED ON MBIE CONSULTATION ON
UPDATES TO TREATMENT REGULATIONS - OCTOBER 2022**

1. BACKGROUND

Amplifon NZ Limited who trade as Bay Audiology and Dilworth Hearing are the largest provider of Hearing Services in New Zealand.

Amplifon NZ has the largest workforce in the New Zealand Hearing industry with well over 500 employees. Within this workforce it is also the largest employer of NZAS Members (Full, Audiometrist and Provisional members), and other professionals who provide services to New Zealand’s nearly 1 million hearing impaired residents.

Amplifon NZ also has a network of over 130 locations nationally including into small rural communities who would otherwise have difficulty accessing either Private or Public Hearing Services.

Amplifon NZ is the largest provider of Audiology Services funded by ACC.

Amplifon NZ responds with relation to Question 3 in the consultation document **“Proposed Updates to ACC regulated payment for treatment” September 2022**

Question 3

Do you have a view on the proposed nil increase to the payments listed in Table 5? Please provide reasons for your view.

Table 5: Hearing Loss Services

Accident Compensation (Apportioning Entitlements for Hearing Loss) Regulations 2010 (the Hearing Loss Regulations)			
Provider	Regulation	Service	Increase
Audiologists	5, 5A, 6, 8, 9, 10, 10A	Assessment, consultations, fittings, service, repairs and replacement ear moulds	0.00%

2. MBIE CONSULTATION ON UPDATES TO TREATMENT REGULATIONS

2.1 Proposed Nil Increase – Question 3

First Amplifon NZ observe that the above table references the Accident Compensation (Apportioning Entitlements for Hearing Loss) Regulations 2010 but not the Amendment Regulations 2014 or the Amendment Regulations 2021. Amplifon NZ assume that these are relevant to this discussion and any proposed increase is applied to the most recent amendment to funding.

As the largest employer of Audiologists and other professionals who work in the NZ Hearing Services sector, Amplifon NZ can confirm that the same wage movements which have driven the ACC recommendation under Option D for Allied Health providers, are consistent with movements in the Audiology sector. These costs directly impact the cost of providing services to ACC funded clients and an adjustment aligned to this group (currently proposed at 9.36%) while the maximum proposed by ACC, does not cover the full quantum of inflationary cost impacts. These not only include labour but also other cost increases (i.e rent, utilities, consumables, technology, plant and equipment) which contribute to the provision of these services seen since funding levels were last reviewed.

In addition, the Maximum Cost that ACC is liable to pay for devices under part 7 of the regulation has remained unchanged since 2014. In this time hearing technology has advanced dramatically and the wholesale cost of hearing devices has certainly increased. It is fundamentally important that the co-payment required by ACC claimants for the most appropriate technology is minimized and these funding levels should also be reviewed.

2.2 Rationale Provided for Nil Increase

The consultation document notes three pieces of information which purport to be the rationale for the proposal however bear no relevance to the driver of funding revision which is wage, salary and cost inflation.

Rationale A - 'wider ongoing work on hearing loss settings'

The document does not define what this means in any way. Without understanding the reference, it seems unlikely that it has a bearing on the statutory obligation of ACC to review the cost of service provision every two years and the reality that provision of these services have and continue to be impacted by severe wage and cost inflation. This and the assertion that no revision should take place until 2024 is unreasonably singling out Audiology compared to all other sectors supplying ACC.

Rationale B – 'no increase in cost related access issues for clients with injury related hearing loss'

Prices of hearing services and hearing devices have increased in wholesale terms (Approved Hearing Aid List) and in Retail terms over the past 24 months. This has absolutely had an impact on the co-payment costs which ACC Claimants have been subject to where applicable. This inevitably has an impact on access to the most appropriate service or technology for some claimants.

Rationale C - 'With on-going technology changes, which include improving the ability of clients to self-programme hearing devices, an increase in device fitting fees might be inconsistent with market trends.'

It is clear that there is limited understanding of technology changes with hearing devices. Recent changes have enabled remote services to be provided in some instances which provide for convenience for the claimant however the requirement for equivalent or greater time and resource consumption from the provider.

Additionally, the development of connectivity to external devices such as smart phones and apps for controlling hearing devices has added to the amenity and flexibility of device control, as well as the replacement of accessory devices such as remote controls however has not enabled in any way “self programming” of hearing devices.

Hearing services need to be provided by a suitably trained professional with reference to the clients needs assessment and their measured hearing loss (in a controlled sound environment with calibrated equipment). The mechanism of hearing loss needs to be defined and physical examination of the ear required before a device can be prescribed, fitted and the process of rehabilitation can begin. As client centered care and personalized solutions are paramount in successful rehabilitation, this rationale suggests the opposite of what is the reality.

3.0 IN SUMMARY

There is no valid rationale to refuse a similar increase to the service costs for Audiologists under parts 5, 5A, 6, 8, 9, 10, and 10A of the Accident Compensation (Apportioning Entitlements for Hearing Loss) Regulations 2010 and its amendments in 2014 and 2021.

The value of these increases should be aligned to all Allied Health Professionals, currently proposed as 9.36%.

The total device contribution provided by ACC and MOH at funding bands 101, 102,103 and 104 under part 7 which has remained unchanged since 2014 should also be reviewed in light of the increased wholesale cost of devices provided in accord with the Approved Hearing Aid List and the increased retail prices that claimants are required to fund through co-payment.

Thank you for the opportunity to submit on this matter.