

NSW Health

Review of the Program of Appliances for Disabled People

June 2006



Acknowledgements

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List of acronyms and abbreviations

A&EP	Aids and Equipment Program (Victoria)
ABC	Activity based costing
ABS	Australian Bureau of Statistics
ADD	Ageing and Disability Department
AHS	Area Health Service
AIDAS	Aids for Individuals in DADHC Accommodation Services
ATO	Australian Tax Office
BIRP	NSW Brain Injury Rehabilitation Program
CAAS	Continenence Aids Assistance Scheme
CACP	Community Aged Care Package
CAEP	Community Aids and Equipment Program (Western Australia)
CHW	Children's Hospital Westmead
DADHC	Department of Ageing, Disability and Home Care
DHS	Department of Human Services
DIPNR	NSW Department of Infrastructure, Planning and Natural Resources
DVA	Department of Veteran's Affairs
EACH	Extended Aged Care in the Home Package
ELP	Equipment loan pool
FTE	Full-time equivalent
GMCT	Greater Metropolitan Clinical Taskforce
HES	Hunter Equipment Service
ILC	Independent Living Centre
MASS	Medical Aids Subsidy Scheme (Queensland)
MOU	Memorandum of Understanding
NGO	Non-Government Organisation
NSW	New South Wales
OT	Occupational Therapist
PADP	Program of Appliances for Disabled People
PADPIS	Program of Appliances for Disabled People Information System
POW	Prince of Wales Hospital
RDF	Resource Distribution Formula
RNSH	Royal North Shore Hospital
RRCS	Royal Rehabilitation Centre Sydney
SDAC	ABS Survey of Disability, Ageing and Carers data
SLA	Service Level Agreement
SSCIS	NSW State Spinal Cord Injury Service
SSUF	Spinal set up fund
TBI	Traumatic brain injury

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Executive Summary

1 Executive Summary

1.1 Background

The Program of Appliances for Disabled People (PADP) provides equipment, aids and appliances to eligible residents with life-long or long-term disabilities to assist them to live and participate in their communities. The program aims to assist those individuals who are financially disadvantaged and have a disability of a permanent or indefinite nature. Access to PADP is means tested for adults, while access for children (less than 16 years of age) is universal.

Equipment items commonly provided through PADP include showering and toileting aids, wheelchairs, seating support systems, patient lifters, continence aids, communication devices, environmental control units and breast prostheses. PADP is only required to meet the cost of the most economically clinically appropriate item.

The program was established in 1982 and is administered through the New South Wales (NSW) Department of Health and managed through local hospitals and health services. The PADP budget in 2005/2006 was \$24 million with an additional \$800,000 spent through two specialist services. It is estimated that about \$60 million worth of equipment is currently in circulation. The current policy for PADP commenced on 1 January 2001 and has not been substantially revised since then.

The program is accessed through 27 Lodgement Centres located in Area Health Services (AHSs) across NSW and also through programs at Prince of Wales Hospital (POW), Royal North Shore Hospital (RNSH), Children's Hospital Westmead (CHW) and Justice Health. Since the restructure of health administration from 17 AHSs into eight AHSs, the number of Lodgement Centres has not been reviewed.

Variation exists in regard to the consistency in business practice and the quality of service delivery between lodgements centres within each AHS and across NSW. This variation, together with long waiting times for some items in some locations, has given rise to considerable frustration and complaints.

This review has been commissioned to examine three major elements of the Program:

- Management and administration.
- Target population and demand.
- Budgetary requirements and financial management.

1.2 Major issues and challenges

There are four defining and overarching challenges that emerge in relation to the operation of PADP. These are:

- 1 The challenge of managing expectations from consumers applying to an eligibility program (where not all of the eligible persons can be provided with services) in the belief that they are accessing an entitlement program (where all those who meet the entitlement are provided with the services).
- 2 The challenge to accurately match the available budget to the numbers of persons who meet the eligibility criteria.
- 3 The challenges in delivering a consistent and reliable state-wide program within a delegated geographical management structure that has only minimal state-wide administration.
- 4 The challenge of creating the appropriate management and policy framework for the program in the future, as it is apparent the program has outgrown the current arrangements.

A common feature of all clients, regardless of the nature and the level of disability, is the potential increase in the quality of life from the supply of aids and equipment through this program. The counter side to that benefit is the significant inconvenience and decline in quality of life that a failure of the program to deliver can inflict. The significance of these benefits suggests that a program such as PADP should provide each of the potential clients with some certainty as to the services the program will provide; that is, a quality service should achieve a high level of consistency, predictability and reliability.

The current level of inconsistency, failure of predictability and reliability across the program is unacceptability high. This is due in part to the failure of the available funds to adequately satisfy the reasonable expectations of the client group. The current structure and administration of the program also contributes to its lack of reliability.

It is clear from the current operations that PADP has outgrown its current administrative and management arrangements, and it now is in urgent need of reform to ensure that the funds are appropriately expended and the service meets the standards of operation that clients and stakeholders expect.

1.3 Methodology

The activities undertaken in order to inform the recommendations for this review included:

- Consultations were held with a range of stakeholders. This included public meetings in three AHSs with consumers, clinicians, stakeholders and staff from the health system, NSW Health and from the Department of Ageing Disability and Home Care (DADHC). A separate meeting was held with Non-Government Organisations (NGO). The review team met with the NSW PADP Advisory Committee on two occasions and with PADP

coordinators. Teleconferences were also held with managers of health services and senior staff of DADHC.

- The estimation of current and future budget requirements was based on publicly available data from the Australian Bureau of Statistics (ABS) and other sources.
- A survey was completed of PADP Lodgement Centres and PADP Occupational Therapist (OT) Assessors working within NSW Health.

1.4 Key findings

- There are many processes within PADP that lend themselves to greater efficiency by having fewer and larger centres. Based on the available data, fewer than 2% of all items supplied per year cost more than \$500 in the Area based Lodgement Centres. This figure does not include spinal injury set up funds. The bulk of the purchasing is for standard and frequently purchased low cost items. This suggests increased efficiency from fewer sites than currently operating across NSW.
- The most efficient operation would be to establish one administration for PADP in NSW. This administration would receive applications and prescriptions from clients and prescribers, primarily by electronic form, with much of the functionality performed over the internet. One state-wide operation would have the following features:
 - Receipt and processing of all applications, with most lodged electronically over the internet.
 - Determination of priorities for high cost, complex, and set up funds.
 - Clinical and professional advice provided by appointed state advisors and/or one Advisory Committee.
 - May operate as a virtual centre with more than one location and processing unit.
 - Some processes contracted out e.g., equipment management and continence products.
 - This service would not necessarily be operated by NSW Health, that is, all or part of it could be contracted out.
 - The program would be overseen, and policy advice provided by, a small Steering Committee with a governance role.
- More than \$2.8 million is spent on the coordination and administration of PADP – only \$1.4 million is from the PADP budget, with the balance provided by NSW Health through the hosting AHSs. Although no detailed costing has been completed in the study, these funds could be used to staff a central service.

- Equipment management practices vary considerably across NSW and should be streamlined. There is a sound argument for combining all equipment pools, including PADP, and establishing one equipment service within each AHS. The purchasing, maintenance and administration of the equipment pools could be contracted out either on an Area by Area basis or for the State as a whole.
- If it is determined that AHS based Lodgement Centres are to be retained, there does not appear to be any argument to have more than one Lodgement Centre for each AHS. Should this be preferred to a single state-wide service, the features of an AHS PADP Lodgement Centre would include:
 - single management, but may have more than one outlet
 - administration located within a clinical stream with responsibility clearly vested in a senior manager
 - one Advisory Committee per area
 - all equipment pooled, centrally managed and contracted out
 - state-wide set up fund (centrally managed)
 - publication of annual public reports.
- The eligibility criteria in the current policy are not clear and not consistently applied, and there is a need to adjust the income test to reflect changes in wages since the current policy was introduced. A simplification of the income test would establish two income Tiers and new co-payment arrangements.
- There are significant inequities in the operation of the spinal injuries set up funds and the CHW fund (which covers children in the Parramatta, Baulkham Hills and Holroyd municipalities only). The establishment of a single state-wide set up fund would overcome some of these inequities. This new fund would cover all persons in public hospitals needing high cost set up to go home, e.g. acquired brain injury, disease related spinal injury, children etc.
- The current budget for this new set up fund would need to be substantially enhanced to make allowances for access by new categories of clients such as those with acquired brain injury; however this may be offset to some extent by the new Long Term Care and Support Scheme. It would have central administration with central advisory functions and include appropriate representation from the spinal injury, brain injury and children's services.
- The new set up fund would possibly grant funding to applicants rather than purchase equipment prior to discharge.
- All things considered, the balance of probabilities calls for an increase in PADP funding. This is strongly supported by our process of consultation described elsewhere in this report, and anecdotal evidence on waiting lists and examples of personal hardship.

- It is instructive to compare the current per capita NSW expenditure on PADP of \$2.73 (when adjusted for oxygen, the NSW per capita funding is \$3.18) with the Victorian per capita expenditure of \$3.73. Although the Victorian number includes home modifications and respiratory items (not covered by NSW), it also doesn't cover Transport Accident Commission claimants (any major trauma resulting from a motor vehicle accident), which are likely to more than offset respiratory items.
- A per capita budget of \$3.73 in NSW would lead to an annual budget of about \$25m, which is consistent with the lower end of our estimate of required expenditure on an eligibility criterion for Tier 1 of pensioners or people with annual income < \$30,000.
- The next ten years see a dramatic increase in the population prevalence of disability, driven by the general ageing of the population and the high prevalence of disability in older age groups. Using the hypothetical budget of \$25 million in 2006, it is estimated that future demand will cost \$33 million in 2011 and \$41 million in 2016.

1.5 Recommendations

1.5.1 Management and administration

Recommendation 1

It is strongly recommended that all PADP functions be transferred from the current Lodgement Centres to one state-wide administration covering the state.

See Section 7.3 for a full discussion of this recommendation.

Recommendation 2

A feasibility study should be commissioned by NSW Health to investigate the cost and challenges associated with establishing a single state-wide service to replace the current hospital based operations.

See Section 7.3 for a full discussion of this recommendation.

Recommendation 3

Should the decision be made to retain local Lodgement Centres, only one centre should be established in each AHS that has clear management and reporting arrangements, an area wide Advisory Committee and be appropriately staffed.

See Section 7.4.2 for a full discussion of this recommendation.

Recommendation 4

That standards, performance indicators, policies and procedures be established to improve transparency and accountability of the operation of Lodgement Centres. This would include the production of an annual report (that reports the available budget, expenditure against budget and performance against standards and performance indicators), and clear lines of reporting and accountability for the operations of the centres, the Advisory Committees and their members. The standards and performance indicators should cover response times,

standard advice to applicants on their waiting list status and agreed procedures for advising applicants on decisions of the Lodgement Centre and the Advisory Committees.

See Section 7.4.3 for a full discussion of this recommendation.

Recommendation 5

More information is made available to consumers and applicants concerning the policies and operations of the local Lodgement Centres, especially in regard to the capping of expenditure and waiting list procedures and policies.

See Section 7.4.3 for a full discussion of this recommendation.

Recommendation 6

That the new software being planned by NSW Health includes adequate functionality to enable the preparation of annual plans for the maintenance and replacement of equipment already provided to clients.

See Section 7.4.4 for a full discussion of this recommendation.

Recommendation 7

That Lodgement Centres prepare annual plans for the maintenance and replacement of equipment on loan.

See Section 7.4.4 for a full discussion of this recommendation.

Recommendation 8

That should the decision be made to continue to operate AHS based Lodgement Centres, the Department of Health retain responsibility for the operation of the program and for the development of PADP.

DADHC should exercise its responsibilities for the development of policy in relation to persons with a disability in NSW by contributing to the development of policy surrounding this program through an appropriate governance mechanism that oversees this program and holds the Department of Health accountable for providing equity of access and operating the program efficiently and effectively.

Should the decision be made to move to a single state-wide system of administration with major functions contracted out then consideration be given to the transfer of the function to DADHC based on its responsibility for whole of government policy responsibility for people with disabilities.

See Section 7.4.5 for a full discussion of this recommendation.

Recommendation 9

That the Department of Health establish a state-wide Steering Committee with a smaller membership, a focus on governance (rather than advisory responsibilities) whose role is to review the planning and performance of PADP. The Department should redefine the role of the Advisory Committee to better reflect its current role of communication between the

disability community and the Department, but with no expectation for a policy oversight function.

See Section 7.4.6 for a full discussion of this recommendation.

Recommendation 10

That a state-wide set up fund be established that has the following characteristics:

- Is available to all non compensable patients in a public hospital in NSW because of a catastrophic injury or disease that requires substantial equipment to allow for discharge to a community setting.
- This fund would include the existing spinal injuries set up fund available to the POW and the RNSH/Royal Rehabilitation Centre Sydney (RRCS) Hospital, and CHW.
- The size of the set up fund should be at least \$1.8 million - \$800,000 from the existing spinal injuries fund, \$280,000 from the CHW fund (if this were to be included to cover the cost of a set up fund for children), \$415,000 for the inclusion of brain injury patients, plus an allowance to include patients in other children's hospitals and in other hospitals in NSW.
- The fund would be administered as part of the state-wide administration of PADP.
- Applications to the fund would be for a parcel of funds to be spent by the patient over a period that covers both pre and post discharge.
- An advisory group of specialist clinicians be appointed to provide advice on the appropriateness of prescriptions.
- The fund would operate by allocating the amount of funding estimated to cover the equipment needed, rather than specific pieces of equipment, but would require the equipment to be purchased within a set timeframe.

See Section 7.4.7 for a full discussion of this recommendation.

Recommendation 11

That the current information system be replaced, as a matter of urgency, with a new system that allows improved management and reporting of the program and access by authorised users to client and program information. This new data system would underpin the single state-wide service.

See Section 7.4.8 for a full discussion of this recommendation.

1.5.2 Access and eligibility

Recommendation 12

That the requirement for a referral by a medical practitioner on 'initial access to PADP or when the condition changes' for all equipment categories be removed, and that this requirement should apply only in those categories of clients where the condition may not be permanent (or indefinite) or may fluctuate in its severity.

See Section 7.5.1 for a full discussion of this recommendation.

Recommendation 13

That a single prescription form and a single application form are introduced across all PADP Lodgement Centres and that these can be downloaded and submitted via the website.

See Section 7.5.1 for a full discussion of this recommendation.

Recommendation 14

That the issue of an apparent lack of guidance in the skills necessary for the safe and competent prescribing of equipment by therapists be brought to the attention of the appropriate professional association (especially in relation to occupational therapy as this profession prepares the majority of prescriptions), with the view that standards of professional competence be reviewed or established in relation to this area of practice.

See Section 7.5.2 for a full discussion of this recommendation.

Recommendation 15

That consideration is given to the establishment of the role of state-wide advisors within PADP, whose role will be to review prescriptions and applications for complex and high cost items, especially in relation to mobility equipment.

See Section 7.5.2 for a full discussion of this recommendation.

Recommendation 16

That the role and function of the Bathurst Seating clinic should be reviewed by a competent professional or team who are able to form a judgement as to the appropriateness and safety of the continuing practice of this clinic in undertaking its own modification and construction of mobility equipment.

See Section 7.5.2 for a full discussion of this recommendation.

Recommendation 17

That the Department undertake the following initiatives to provide more easily available and accessible information on the program:

- Develop a single application form for use at any Lodgement Centre.

- Establish a web page on PADP or a new website providing information on PADP which includes clear eligibility criteria, an up-to-date list of aids and equipment available, a downloadable application form, a capacity for lodging applications electronically, current wait list statistics, and access to information on the program by email.
- Establish a 1800 number to an appropriate service to provide information on the program.

See Section 7.5.3 for a full discussion of this recommendation.

Recommendation 18

That a defined equipment list be established and maintained on a publicly available website and with some pages available only for authorised prescriber. That consideration be given to contracting out to a not-for-profit organisation the establishment and maintenance of the list. This organisation would specialise in providing information on aids and equipment for people with a disability.

See Section 7.5.4 for a full discussion of this recommendation.

Recommendation 19

That the following initiatives be undertaken in relation to co-payments:

- Increase co-payment to at least \$200 annually.
- Require persons with equipment on loan to make the co-payment each year they have the equipment.
- Discontinue the grand-parenting arrangements that have been in place since 2000.
- Allow those with disposable supplies (such as continence products) to have the option to produce receipts, to the value of the co-payment, in lieu of a cash payment each year.

See Section 7.5.5 for a full discussion of this recommendation.

Recommendation 20

Establish only two income Tiers.

Tier 1 would include:

- All pensioners, part pensioners and Health Care Card holders, except holders whose sole justification for a Health Care Card is the mobility allowance criteria.

- All persons receiving an adjusted income less than \$29,683 (this has been indexed from the current Band 2 and is approximately the same real income level as a single person receiving a full pension plus benefits¹).
- People who are Health Care Card holders because of mobility allowance criteria would be subjected to the same income test as non Health Care Card holders.
- Children whose parents earn an adjusted income less than \$45,000 (the income for Band 2).

Tier 2 would include:

- All applicants aged over the age of 16 whose adjusted income is less than the average income for NSW (around \$45,000 for singles and \$75,000 for couples) and greater than the top limit for Tier 1.
- Children whose parents combined adjusted income is higher than \$45,000.

Tier 2 would have the following rules:

- Applicants are required to make an annual co-payment of \$1,000 for each year they have equipment.
- Eligible persons could expect to be allocated funds only when all people in Tier 1 have received aids or equipment.
- Applicants would be expected to make a 50% co-payment for the cost of the item up to a limit of \$10,000.
- Persons seeking equipment with a cost greater than \$20,000 would not be required to make a co-payment greater than \$10,000.
- Applicants in this Tier will be priority ordered, in part, based on the percentage of their total adjusted income that the cost of the equipment represents, with those whose equipment needs form a higher percentage of their total adjusted income being given a higher priority (priority would also include consideration of relative needs and improvement in quality of life from the equipment).

Persons in both Tiers would have their income adjusted to reflect the cost of the PADP item requested (that is, a person with an annual unadjusted income of \$54,000 requesting equipment to the value of \$10,000 would have their annual income in the year of the request adjusted to \$44,000).

Adjusted income tests should take into consideration the expected income for the year of the application if the person's income has changed significantly since the previous year's income assessment by the ATO.

¹ The cost of pension benefits is included in Appendix 11.

High income earners faced with the prospect of purchasing very high cost items should have access to PADP for 50% of the initial cost with an option to repay the balance over 5 years.

Legal advice should be sought on providing clients with the option of having ownership transferred to them in those circumstances where they make a large co-payment.

See Section 7.5.6 for a full discussion of this recommendation.

Recommendation 21

That clarification of the eligibility for residents in receipt of Community Aged Care Packages (CACP) should be sought by NSW Health from the Australian Government Department of Health and Ageing and advice provided to Lodgement Centre coordinators on the arrangement that should apply when persons with PADP equipment commence on an Extended Aged Care in the Home Package (EACH) or CACP program.

See Section 7.5.7 for a full discussion of this recommendation.

Recommendation 22

That the management of the Aids for Individuals in DADHC Accommodation Services (AIDAS) related to the purchasing and supply of equipment is transferred to PADP and PADP coordinators be provided with guidelines on the different criteria operating in relation to the funding of equipment purchased through AIDAS. Responsibility for policy development would remain with DADHC, with shared involvement in the determination of consistent application of policies across the state. PADP coordinators will be required to monitor and report, over a period of six months, any circumstances where there appears a lack of clarity on eligibility under PADP or AIDAS of an application for PADP, and following this period that the two Departments meet to determine if any action is required.

See Section 7.5.7 for a full discussion of this recommendation.

Recommendation 23

Centralise the processing of continence products to a single state-wide program and assess the feasibility of contracting this component of PADP to an external contractor after determining clear and strict eligibility criteria.

See Section 7.5.8 for a full discussion of this recommendation.

Recommendation 24

Increase the co-payment for continence products up to \$200 (currently \$100), and allow the co-payment conditions to be met by the client by producing proof that they had purchased products up to the value of the co-payment in each financial year prior to receiving products through PADP. This co-payment would not include the value of products already supplied through the Continence Aids Assistance Scheme (CAAS), and would have to be met by the CAAS eligible client after they have exhausted their CAAS entitlement.

See Section 7.5.8 for a full discussion of this recommendation.

Recommendation 25

That the defined level of a high cost item be increased to \$3,000 in association with improved management and accountability systems across all Lodgement Centres.

See Section 7.5.9 for a full discussion of this recommendation.

Recommendation 26

That consideration is given to the procedure of establishing a 'high cost item' level for each category of equipment, in association with the recommendation to establish and maintain a single list of aids and equipment.

See Section 7.5.9 for a full discussion of this recommendation.

1.5.3 Management of equipment**Recommendation 27**

The policy that all equipment remains the property of PADP should be reviewed to determine if it is less risky and more cost effective (in terms of the staff handling cost and storage costs) for some low cost items to be effectively given to the clients.

The new PADP Information System (PADPIS) should have functionality that enables equipment to be better registered for appropriate retrieval (or non retrieval), tracked for routine maintenance and programmed for planned replacement.

See Section 7.6.1 for a full discussion of this recommendation.

Recommendation 28

Each AHS should combine all equipment pools within their Area under a single management structure. This administrative process would be responsible to ensure all equipment, regardless of the origin of the funds that purchased it, is available for the most appropriate use within the Area. The single equipment management service will need to establish a number of different sites across the Area to store equipment for quick access for local health services. These sites should be managed and supplied by the central equipment service.

Guidelines, policies, performance indicators and benchmarks should be established to cover the management of the single equipment services within the AHSs.

See Section 7.6.2 for a full discussion of this recommendation.

Recommendation 29

A pilot program commencing with Liverpool Hospital should be undertaken over a suitable period, say six months, to trial contracting out arrangements for the supply of equipment for two months for discharged patients and subsequently evaluated. A formal objective evaluation should be conducted of the pilot including measures of access, efficiency, cost effectiveness, and staff and client satisfaction.

Should the initial evaluation be favourable, the trial should be extended to include hospital loan arrangements for an entire AHS and also include PADP, with a similar evaluation process.

Based on these trials, consideration should be given to contracting out all aspects of equipment purchasing and management. Contracts could be on an Area by Area arrangement or for the whole state.

See Section 7.6.3 for a full discussion of this recommendation.

Recommendation 30

That the name of the program be changed to Program of Aids for People with Disabilities – PAPD.

See Section 7.6.4 for a full discussion of this recommendation.



Introduction

2 Introduction

This section provides a description of the background of the program, an overview of the current administration of the program, the objectives of the current review and a snapshot of the previous review, including the recommendations that were proposed and the subsequent implementation of these recommendations.

2.1 Background to PADP

PADP provides equipment, aids and appliances to eligible residents with life-long or long-term disabilities to live and participate in their communities. The program aims to assist those individuals who are financially disadvantaged and have a disability of a permanent or indefinite nature. Access to PADP is means tested for adults, while access for children (less than 16 years old) is universal.

The program was established in 1982 and was originally cost shared between the Commonwealth Government and the NSW Government; however in 1987 the responsibility was transferred to the State Government.

Equipment items commonly provided through PADP include showering and toileting aids, wheelchairs, seating support systems, patient lifters, continence aids, communication devices, environmental control units and breast prostheses. PADP is only required to meet the cost of the most economical, clinically appropriate item.

The PADP budget in 2004/2005 was \$19.8 million which included non-recurrent enhancements of \$2 million for paediatric equipment from DADHC along with \$1 million to address waiting lists. A recurrent budget enhancement of \$3.2 million and a non recurrent enhancement of \$2.0 million for children increased the budget to \$24.0 million in 2005/2006.

The current policy for PADP commenced on 1 January 2001. This policy sets out a framework for AHSs and includes guidelines to assist AHSs in providing appliances and equipment to people with disabilities of a permanent and indefinite nature.

PADP budgets are allocated by the NSW Department of Health via a Resource Distribution Formula (RDF). AHSs are responsible for the funding, and successful operation of PADP on a local level.

As outlined in the PADP policy, the objectives of the program are to ensure:

- improved access to appropriate equipment and appliances based on a person's needs
- improved quality of life for people with disabilities
- improved capacity to participate in family and community activities and the prevention of premature and inappropriate entry in to institutional care

- continuity of care
- effective management of existing resources
- timely and efficient service
- improved customer service.

The target population for PADP, as outlined in the PADP policy are those individuals living in the community who:

- have a disability of a permanent or indefinite nature (e.g. a disability likely to last more than 12 months regardless of the cause of the disability) as defined under the Disability Services Act 1993
- are a permanent resident of the AHS
- are resident in a group home operated by a NGO on behalf of the Ageing and Disability Department (now the Department of Ageing Disability and Home Care), Department of Community Services or NSW Health
- have not received compensation or damages in respect of the disability for which the aid has been prescribed
- have been discharged from hospital for at least one month and are not eligible for the provision of equipment under a loan arrangement or on a permanent basis by a hospital or health service for the condition for which the equipment is required
- are not eligible to receive the requested appliance under any other program.

2.2 Overview of the current administration of PADP

This section describes the current arrangements for the provision of PADP in NSW and an overview of the current funding arrangements for the program.

2.2.1 Arrangements for the provision of PADP in NSW

PADP Policy

The current PADP policy was implemented in 2001 to provide direction for AHSs for the management of the program. The aim of the policy was to assist AHSs to deliver a quality service that is consistent state-wide and has a focus on the needs of the target population. This policy has not been reviewed since its implementation in 2001.

PADP Lodgement Centres

The current locations of the PADP Lodgement Centres across NSW, including the centres at the CHW and Justice Health are described in Table 1. Since the restructure of health

administration from 17 AHSs into eight AHSs, the number of Lodgement Centres has not been reviewed. As a result, some AHSs have up to five Lodgement Centres and each one can operate its own local Advisory Committee. In those instances where more than one Lodgement Centre is located within an AHS, each centre is responsible for either different geographical areas or different components of the program (e.g. paediatric, adult or continence etc).

Variation exists in regard to the consistency in business practice and the quality of service delivery between lodgements centres within an AHS and across NSW.

Table 1 Location of the PADP Lodgement Centres

Area Health Service	Location of Lodgement Centres	
Northern Sydney Central Coast	<ul style="list-style-type: none"> Hornsby and Ku-ring-gai Hospital Manly District Hospital Gosford District Hospital 	<ul style="list-style-type: none"> Ryde Hospital and Community Services Royal North Shore Hospital, St Leonard's²
South Eastern Sydney and Illawarra	<ul style="list-style-type: none"> Calvary Hospital, Kogarah Prince of Wales Hospital 	<ul style="list-style-type: none"> Sutherland Hospital Port Kembla Hospital
Sydney South West	<ul style="list-style-type: none"> Balmain Hospital Bowral District Hospital Liverpool Hospital 	<ul style="list-style-type: none"> Campbelltown Hospital Bankstown/Lidcombe Hospital
Sydney West	<ul style="list-style-type: none"> The Children's Hospital Westmead Nepean Hospital 	<ul style="list-style-type: none"> St Joseph's Hospital Mount Druitt Hospital, Auburn
Greater Southern	<ul style="list-style-type: none"> Wagga Wagga Base Hospital 	<ul style="list-style-type: none"> St John of God Hospital, Goulburn
Greater Western	<ul style="list-style-type: none"> Broken Hill Base Hospital Lourdes Hospital, Dubbo 	<ul style="list-style-type: none"> Bathurst Base Hospital
Hunter New England	<ul style="list-style-type: none"> Wallsend Campus Tamworth Base Hospital 	<ul style="list-style-type: none"> Manning Base Hospital, Taree
North Coast	<ul style="list-style-type: none"> St Vincent's Hospital, Lismore 	
Justice Health	<ul style="list-style-type: none"> Justice Health, Long Bay 	

PADP Processes

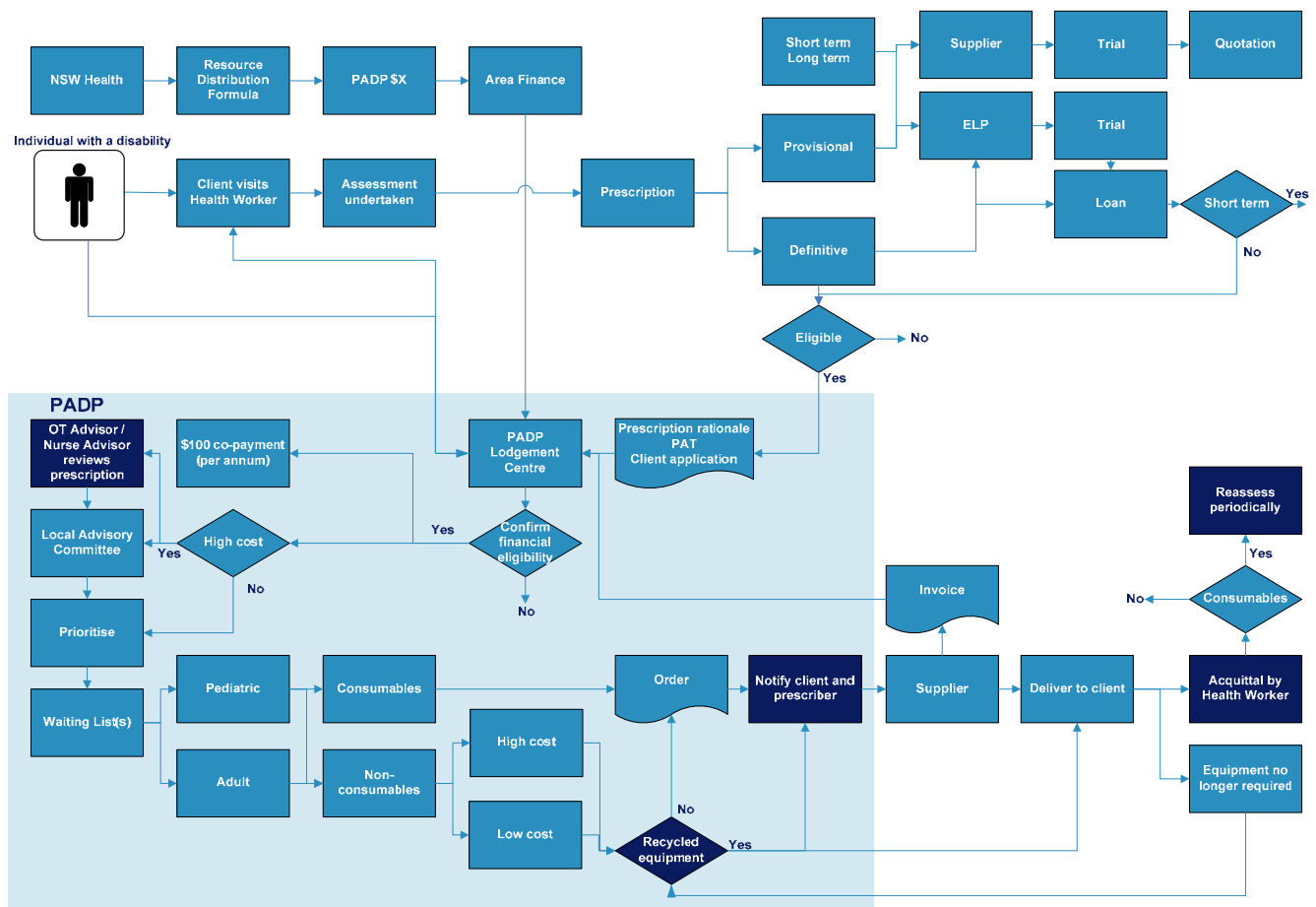
Figure 1 is a diagram that highlights the key processes, decisions and tools that are required in the operationalisation of PADP.

In summary, the following describes the key steps of an individual who applies to PADP:

² This Lodgement Centre is for the purpose of spinal injury set up funds only.

- The need for an aid or piece of equipment is identified for an individual with a disability.
- An assessment is undertaken followed by the development of a prescription for the aid or equipment.
- Once eligibility of the client is confirmed, it is determined if the item is a high cost (i.e. >\$800) or low cost item. If the item is high cost, the application is forwarded to the local Advisory Committee for approval. Approval of low cost items is determined by the local Lodgement Centre.
- Following approval for the aid or equipment, clients are prioritised and will receive the item if the funds are available otherwise they are placed on a waiting list.
- If a clinically appropriate recycled aid or equipment is available the client will receive this, however if a recycled piece of equipment is not available a new item is purchased.

Figure 1 Diagram of current PADP processes



2.2.2 Overview of the current funding arrangements of PADP

Annual Budget

The available funding for PADP is allocated using a RDF. The RDF is a weighted population formula that takes into consideration, inter alia, the range of age and disability levels within each AHS.

There has been a substantial growth in the annual budget for PADP over the past five years. In 1999/2000 the available PADP budget was \$10.6million. This had increased to \$19.8 million by 2004/2005 (during 2004/05 an additional 'one-off' allocation of \$1 million was added to the budget to address waiting lists).

A further recurrent budget increase of \$3.2 million and a non-recurrent paediatric enhancement of \$2.0M was provided in 2005/06.

Over the past several years DADHC has provided \$2 million per year to the budget for paediatric equipment. This component has now been permanently transferred to NSW Health.

Table 2 describes the steady increase in the budgets allocated to each of the AHSs over the time. These allocations were based on the RDF, which was revised to acknowledge the reorganisation of the areas.

Table 2 PADP funding allocations by AHS from 1999-2006

Area Health Service	PADP funding allocations ('000)						
	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Greater Southern	\$662	\$812	\$908	\$963	\$1,262	\$1,425	\$1,868
Hunter/New England	\$1,138	\$1,318	\$1,538	\$1,633	\$2,019	\$2,177	\$3,144
Greater Western	\$450	\$588	\$645	\$684	\$880	\$982	\$1,468
North Coast	\$754	\$966	\$998	\$1,056	\$1,616	\$1,118	\$2,176
Northern Sydney/ Central Coast	\$1,866	\$2,169	\$2,445	\$2,617	\$3,044	\$3,659	\$3,260
South Eastern Sydney/Illawarra	\$2,122	\$2,378	\$2,738	\$2,919	\$3,085	\$3,676	\$3,553
Sydney South West	\$1,947	\$2,324	\$2,641	\$2,803	\$3,282	\$3,321	\$4,366
Sydney West	\$1,232	\$1,471	\$1,640	\$1,742	\$2,384	\$2,854	\$3,280
Corrective Services	\$ -	\$ -	\$10	\$10	\$10	\$10	\$10
The Children's Hospital at Westmead	\$183	\$187	\$193	\$193	\$204	\$308	\$378
Total	\$10,354	\$12,213	\$13,756	\$14,622	\$17,785	\$19,530	\$23,494
Risk Pool	\$ -	\$1,477	\$1,975	\$1,869	\$ -	\$ -	\$ -
Administration	\$254	\$388	\$ -	\$325	\$ -	\$297	\$511
Total	\$10,608	\$14,078	\$15,731	\$16,816	\$17,785	\$19,827	\$24,005

Notes:

- 5 Figures include both recurrent and non-recurrent allocations. The latter include risk pool, DADHC and central office funds.
- 6 Non-recurrent allocations may vary between Areas from year to year.
- 7 In 2003/04 there was a recalculation of allocations based upon updated population data.
- 8 In 2004/05 changes in Area boundaries affected allocations between Hunter/New England and North Coast AHSs and to a lesser extent between Greater Western and Sydney West AHSs.
- 9 In 2004/05 large non-recurrent allocations were made differentially to Areas on the basis of waiting list data collected for the first time.
- 10 The 2005/06 figures include an additional non recurrent funding from DADHC
- 11 In 2005/06 the Resource Distribution Formula was reviewed again.
- 12 In addition, the Royal North Shore Hospital receives an allocation of \$500,000 a year and POW \$300,000 a year for the Spinal Injuries Set up Fund.

How the budget has been spent

The most commonly supplied equipment items provided through PADP include:

- Showering and toileting aids
- Wheelchairs
- Seating support systems
- Patient lifters
- Continence aids
- Communication devices
- Environmental control units
- Breast prostheses.

The data in the tables below has been provided by the NSW Department of Health from the PADPIS database and represents the data supplied by Centres for 2003/2004. Not all Centres provided data to the Department during that year, and there are gaps in the dataset from the centres that did provide the information, particularly in relation to the supply of continence products. These gaps have arisen due to some characteristics of the PADPIS software. Accordingly, these tables are provided for guidance and should not be relied on as a true representation of cost or distribution – for example the \$9.8m in 2003/04 total expenditure presented in Table 3 does not reconcile with the total budget for the year.

Table 3 shows the break-up of expenditure on new equipment across types of equipment and age groups for 2003/04. This is the most recently available data for a full year. Table 3 indicates that the largest expenditure by equipment group was mobility aids, accounting for just under half of the total expenditure. The expenditure was evenly spread across age groups, the only distinct difference occurring in the half a million dollar reduction in

expenditure for individuals aged 70 and over. This lower amount for aged people is explained simply by the fewer number of people in this age group, particularly those living in the community – indeed, PADP cost per capita is actually higher for people of advanced age, reflecting the high incidence of disability in these age groups.

Table 3 Total expenditure for newly purchased equipment for 2003/2004 by age group

Equipment Group	0-15	16-44	45-69	70+	Total
Continance	\$579,022	\$344,130	\$237,783	\$838,903	\$1,999,838
Mobility	\$1,239,481	\$1,437,258	\$1,403,504	\$635,252	\$4,715,494
Others	\$116,098	\$137,126	\$272,064	\$213,564	\$738,852
Maintenance	\$46,211	\$175,653	\$207,577	\$47,598	\$477,039
Beds & Seating	\$193,259	\$272,615	\$289,889	\$139,987	\$895,751
Self Care	\$101,759	\$202,397	\$127,620	\$75,082	\$506,857
Nutritional	\$207,595	\$50,731	\$23,738	\$18,283	\$300,347
Prostheses	\$4,339	\$5,551	\$22,163	\$19,349	\$51,402
Communication	\$49,567	\$14,396	\$31,310	\$26,120	\$121,392
Total	\$2,537,331	\$2,639,856	\$2,615,647	\$2,014,138	\$9,806,971

Table 4 indicates that mobility aids were the leading expense for those aged 0-15, 16-44 and 45-69 years, which accounts for approximately 50% of all expenditure. Continance aids were the leading expense item category for individuals aged 70 and over.

Table 4 Percentage of total expenditure for newly purchased equipment by age group for 2003/2004

Equipment Group	0-15	16-44	45-69	70+	Total
Continance	22.8%	13.0%	9.1%	41.7%	20.4%
Mobility	48.8%	54.4%	53.7%	31.5%	48.1%
Others	4.6%	5.2%	10.4%	10.6%	7.5%
Maintenance	1.8%	6.7%	7.9%	2.4%	4.9%
Beds and Seating	7.6%	10.3%	11.1%	7.0%	9.1%
Self Care	4.0%	7.7%	4.9%	3.7%	5.2%
Nutritional	8.2%	1.9%	0.9%	0.9%	3.1%
Prostheses	0.2%	0.2%	0.8%	1.0%	0.5%
Communication	2.0%	0.5%	1.2%	1.3%	1.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Number of clients

Table 5 indicates that of the 10,940 people provided with items, the age bracket with the highest number of clients supplied was for clients aged 70 years and over. The most popular item requested for all age groups was continence aids.

Table 5 Total number of people provided with equipment by age group for 2003/2004

Equipment type	0-15	16-44	45-69	70+	Total
Continence	909	601	609	2,405	4,524
Mobility	541	525	646	567	2,279
Others	121	210	361	377	1,069
Maintenance	102	343	372	141	958
Beds & Seating	107	230	280	217	834
Self Care	70	167	188	228	653
Nutritional	229	73	35	50	387
Prostheses	4	3	57	59	123
Communication	16	12	44	41	113
Total	2,099	2,164	2,592	4,085	10,940

Note: A person may be counted under more than one equipment type.

Table 6 indicates that Individuals aged 45-69 are the only age group that had a higher percentage of mobility devices than continence aids. All other age brackets required a larger percentage of continence aids than any other equipment type.

Table 6 Percentage of people purchasing new equipment by age-group for 2003/2004

Equipment type	0-15	16-44	45-69	70+	Total
Continence	43.3%	27.8%	23.5%	58.9%	41.4%
Mobility	25.8%	24.3%	24.9%	13.9%	20.8%
Others	5.8%	9.7%	13.9%	9.2%	9.8%
Maintenance	4.9%	15.9%	14.4%	3.5%	8.8%
Beds and Seating	5.1%	10.6%	10.8%	5.3%	7.6%
Self Care	3.3%	7.7%	7.3%	5.6%	6.0%
Nutritional	10.9%	3.4%	1.4%	1.2%	3.5%
Prostheses	0.2%	0.1%	2.2%	1.4%	1.1%
Communication	0.8%	0.6%	1.7%	1.0%	1.0%

Unit cost of items

Table 7 describes the annual unit cost of PADP equipment by age group.

Table 7 The annual unit cost of PADP equipment by age group for 2003/2004

Equipment Group	0-15	16-44	45-69	70+	Total
Continenence	\$637	\$573	\$390	\$349	\$442
Mobility	\$2,291	\$2,738	\$2,173	\$1,120	\$2,069
Others	\$959	\$653	\$754	\$566	\$691
Maintenance	\$453	\$512	\$558	\$338	\$498
Beds & Seating	\$1,806	\$1,185	\$1,035	\$645	\$1,074
Self Care	\$1,454	\$1,212	\$679	\$329	\$776
Nutritional	\$907	\$695	\$678	\$366	\$776
Prostheses	\$1,085	\$1,850	\$389	\$328	\$418
Communication	\$3,098	\$1,200	\$712	\$637	\$1,074
Total	\$1,209	\$1,220	\$1,009	\$493	\$896

Table 8 and Table 9 demonstrate across equipment 'groups' in relation to percentage expenditure and number of clients by age group. Hence in many equipment groups, the age bracket that commanded the highest percentage of expenditure was not always identical to the age bracket that had the highest number of clients. This trend is explained by differences in unit cost across age groups, as presented in Table 9.

Individuals aged between 0-15 years accounted for the highest percentage of expenditure and the highest percentage of demand in nutritional aids and accounted for the highest percentage of expenditure in communication devices.

Clients in the 16-44 age group had the highest percentage of expenditure on self care and mobility devices.

Individuals aged 45-69 years had the highest percentage of expense and highest percentage of demand in beds and seating and maintenance. This client age range also accounted for the largest expense in prosthesis and others and the largest demand in mobility and communication devices.

Groups over 70 accounted for the highest percentage of expenditure and demand for continence equipment. This age bracket also had the highest percentage of demand in self care, prosthesis and other equipment.

Table 8 Percentage of total expenditure for newly purchased equipment by age group for 2003/2004

Equipment Group	0-15	16-44	45-69	70+	Total
Continenence	29.0%	17.2%	11.9%	41.9%	100.0%
Mobility	26.3%	30.5%	29.8%	13.5%	100.0%
Others	15.7%	18.6%	36.8%	28.9%	100.0%
Maintenance	9.7%	36.8%	43.5%	10.0%	100.0%
Beds & Seating	21.6%	30.4%	32.4%	15.6%	100.0%
Self Care	20.1%	39.9%	25.2%	14.8%	100.0%
Nutritional	69.1%	16.9%	7.9%	6.1%	100.0%
Prostheses	8.4%	10.8%	43.1%	37.6%	100.0%
Communication	40.8%	11.9%	25.8%	21.5%	100.0%

Table 9 Percentage of supply of newly purchased equipment by age group for 2003/2004

Equipment type	0-15	16-44	45-69	70+	Total
Continenence	20.1%	13.3%	13.5%	53.2%	100.0%
Mobility	23.7%	23.0%	28.3%	24.9%	100.0%
Others	11.3%	19.6%	33.8%	35.3%	100.0%
Maintenance	10.6%	35.8%	38.8%	14.7%	100.0%
Beds & Seating	12.8%	27.6%	33.6%	26.0%	100.0%
Self Care	10.7%	25.6%	28.8%	34.9%	100.0%
Nutritional	59.2%	18.9%	9.0%	12.9%	100.0%
Prostheses	3.3%	2.4%	46.3%	48.0%	100.0%
Communication	14.2%	10.6%	38.9%	36.3%	100.0%

Estimate of whole of PADP system statistics

A discussed in the previous sections, the data presented above is compiled from a subset of returns by Lodgement Centres; moreover, the quality and completeness of data is variable across these returns. Accordingly in this section we provide an estimate of the whole of PADP statistics in terms of expenditure and number of clients. The methodology used to determine this estimate has been to (a) eliminate as far as possible double-counting in the number of clients being assisted (i.e. where clients receive more than one type of service – say mobility and continence), and (b) gross-up expenditure to an estimated annual amount of \$21m, and to use the same gross-up factor to estimate a total number of clients.

The PADP review undertaken in 1998 (see Section 2.4 for more information on the review), relied on data collected via a four week survey carried out in August 1997 across 35 lodgement centres. This method was utilised as a result of the lack of standardised data

collection process at this time. Comparisons of this data to the 2003/04 data are described below, however it is important to note the above mentioned limitations of the data from the previous review.

Table 10 indicates that the 0-14 age group was the largest age group to utilise PADP during the 2003/04 period, comprising 28% of the total clients. However in the 1998 review it was reported that the 65-74 age group was the largest, comprising 35% of the total clients. There were a similar percentage of people in the 25-44 and 45-64 age groups across the two time periods.

Table 10 Estimated total number of clients by age group for 2003/04 and previous review

Age group	2003/04	Previous review
	%	%
0-14	28%	17%
15-24	10%	5%
25-44	14%	12%
45-64	23%	25%
65-74	10%	35%
75+	14%	5%
Total	100%	100%

Table 11 indicates that in both the 2003/04 and previous review period continence aids were the group which consumed the most expenditure. However, in general the patterns of supply were similar across the majority of item groups.

Table 11 Estimated total expenditure (\$) and comparison to the previous review

Item group	2003/04 (%)	Previous review (%)
Contenance aids	37%	36%
Other	16%	3%
Personal care items	15%	17%
Simple mobility aids	8%	2%
Wheelchairs	5%	7%
Bathroom aids	4%	1%
Bedroom aids	4%	10%
Complex Mobility Items	2%	6%
TENS	0%	1%
Orthotics	0%	7%
Glucometer	0%	1%

Value of equipment in circulation

Based on the PADP database, the number of items purchased in a year, the annual budget, the types of equipment purchased and the expected life of this equipment, it is estimated that in 'new cost' value, about \$60 million worth of equipment is either on loan or in an equipment pool. While no attempt has been made to estimate the cost of equipment in the PADP equipment pool, anecdotally this would not appear to be a high percentage of items.

2.3 Objectives of the current review

This review is examining three major elements of the Program:

- Management and administration.
- Target population and demand.
- Budgetary requirements and financial management.

More detail on the objectives relating to each of these elements is provided below, and the Terms of Reference are contained in Appendix A.

2.3.1 Management and Administration

- Identify the full range of publicly funded programs providing equipment to people with a long-term disability in NSW.
- Determine the cost effectiveness of different lodgement systems including a fully centralised PADP lodgement system, a partly decentralised system with a single Lodgement Centre in each AHS, and other relevant models of equipment service provision across Australia and internationally.
- Advise on costs and benefits of consolidation of State Government equipment schemes administered by the DADHC and the NSW Health Department.
- Examine the current process of assessing applications (including the use AHS Advisory Committees, and current work on the Priority Assessment Tool and Prescriber Guidelines), and determine the potential cost savings and improvement in quality through alternate models.

2.3.2 Target population and demand issues

In view of the overarching PADP policy statement that it is a program for people who are financially disadvantaged:

- Review the equity of the current threshold levels for each of the four (4) financial eligibility Bands including review of the high cost threshold (\$800) for access for Bands 3 and 4 clients.

- Review the equity of the use of the Health Care Card for automatic entry to Band 1.
- Investigate capping the value of PADP's contribution towards:
 - Equipment packages.
 - Individual items of equipment where the cost of the prescribed item significantly exceeds the average cost for such items.
 - Consumable items such as continence pads and nutrition aids.
 - Examine the impact on access and equity.
- Make recommendations for a hierarchy of prioritisation for clients with high clinical priority across the four financial eligibility Bands.
- Review the universal access for children given the significant financial burden and lack of choice for low income parents.

2.3.3 Budget Requirements

- Determine the efficacy of budget banding for:
 - low through high cost packages
 - single use products such as continence pads
 - equipment supplied on a one-off basis such as mobility or personal care equipment.
- Review the current system of co-payments including grandfathering of clients under previous arrangements and the amount of the co-payment in order to ensure its cost effectiveness and equity.
- Determine current and future budget requirements for PADP in consideration of:
 - other equipment programs
 - the current equipment list
 - enhanced technology
 - expansion of state-wide purchasing contracts to include all standard equipment and services
 - changing expectations in relation to people being cared for at home
 - eligibility criteria

- cost efficiencies of proactive early intervention strategies
- the population projections for children and adults living in NSW with moderate to severe disabilities.

2.4 Previous reviews

In 1998, a State Equipment Scoping Study was jointly commissioned by the NSW Ageing and Disability Department and NSW Health to review current issues and arrangements for equipment supply in NSW. The scope of the Study was limited to a detailed review of PADP as it was the major equipment scheme funded by NSW Health. The review was undertaken by Carla Cranny and Associates.

Broadly, the recommendations from the review covered:

- a whole of Government approach
- a state-wide PADP Advisory Committee
- management of PADP including budget management
- eligibility
- consumer information
- budget requirements.

Implementation of recommendations made following the review

The majority of the recommendations from this review have been progressively implemented; however the state-wide performance indicators and PADPIS are in the development stage.

Appendix B describes the recommendations from the 1998 review and how these recommendations have since been implemented.