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State Insurance Regulatory Authority
Level 6
McKell Building
2-24 Rawson Place
Sydney NSW 2001
By email: consultation@sira.nsw.gov.au

Re: Consultation regarding work-related hearing loss in the NSW Workers Compensation Scheme

Dear Sir/Madam,

The Hearing Business Alliance (HBA) appreciates the opportunity to contribute to the State Insurance Regulatory Authority's (SIRA) review of work-related hearing loss in the NSW workers compensation system.

HBA is an organisation which advocates on behalf of its members who are predominantly small to medium sized independent hearing clinics.

From our members' feedback we understand the following:

- The State Insurance Regulatory Authority ([SIRA](#)) is the government organisation responsible for the regulatory functions for workers compensation insurance.
- [iCare](#) is a NSW Government agency that provides insurance and care services to statutory authorities and people with injuries under various compensation schemes. This includes the Workers Compensation Nominal Insurer, providing workers compensation to more than 295,000 employers and 3.4 million workers in NSW.
- Workers Compensation Independent Review Office ([WIRO](#)) is an independent statutory office that has the following roles: finding solutions for injured workers with complaints about insurers, managing the provision of legal advice and assistance for injured workers.
- iCare mandates that hearing clinics purchasing devices from hearing device manufacturers for NSW WorkCover clients must pay the listed wholesale price.
- Hearing providers with negotiated volume-discounts with manufacturers are banned under the contract iCare holds with the manufacturers to have these discounts applied to devices supplied for their WorkCover clients. This means that providers are forced to pay more for hearing devices fitted to NSW WorkCover clients than for the same devices being fitted to all other clients (HSP and Private).
- Hearing Clinics are instructed by iCare to identify NSW WorkCover purchases to the manufacturer when ordering.
- iCare has a contractual agreement with hearing device manufacturers obliging the manufacturers to identify to iCare all NSW Workcover-related purchases of hearing aids.

- iCare audits the manufacturers quarterly. If the manufacturer is found by iCare to have applied any volume-discounting to the provider, iCare may remove the manufacturer from the contracted supplier list.
- The Workers Compensation [\(Hearing Aid Fees\) Order](#) 2019, under the Workers Compensation Act 1987, sets the maximum fees for a hearing aid and services provided on or after 1 January 2019. This sets a threshold price of \$2500.00 per device.
- iCare has imposed a threshold of \$1750 per device.
- The injured worker is precluded from paying extra, or 'topping up', to obtain hearing devices with additional features/technology.
- [Without consultation](#), at the beginning of 2019, workers who are eligible for a Commonwealth pension no longer receive funding to make a legal claim under WIRO. These pensioners with legitimate work-related hearing loss now have the only option for obtaining subsidised hearing devices to occur under the Commonwealth Hearing Services Program. To obtain hearing devices with the same level of technology that they would have been eligible for under WorkCover, these pensioners will be required to pay an extra 'top-up' fee.

HBA has several issues with these arrangements:

- Our members feel that fixing our prices from the manufacturer is unfair to both clients and independent clinics.
- Our members feel these supply arrangements put a ceiling on the devices allowed to injured workers, so workers are receiving devices with lower technological specifications than they might otherwise receive.
- Our members feel providers with negotiated volume-discount with manufacturers are forced to pay extra for the devices fitted to NSW WorkCover clients.
- Our members feel the supply arrangement significantly disadvantages independent clinics who are purchasing hearing aids at the inflated price dictated by iCare.
- Our members feel that vertically-integrated clinics are unaffected, as the manufacturer achieves an inflated profit, while the clinic shows a minimal profit with a cost-neutral result.
- Our members feel this has a negative impact on injured workers as it may limit choice of provider if independent providers withdraw from providing NSW WorkCover services.
- Our members feel this arrangement discriminates against injured workers who are also pensioners or veterans and cost-shifts what should be a NSW WorkCover payment to the Commonwealth Government under the Hearing Services Program.

Kind regards,



Jane MacDonald
 Executive Officer
BSc, DipAud, MAudA (CCP)