



Hearing Loss Regulations Vendor information pack

November 2010

Implementing the Accident Compensation (Apportioning Entitlements for Hearing Loss) Regulations 2010

The Minister for ACC, the Hon. Dr Nick Smith, has announced that new regulations on financial support for people with hearing loss will come into force on 1 January 2011. The regulations will introduce changes to entitlements, processes and claim management for hearing loss at ACC. This document provides vendors with details of the changes and helps them prioritise their preparations to enable the easiest possible transition from the current Audiology Services contract to operating in the regulated environment.

What's changing?

Key changes

| Current | From 1 January 2011 |
|---|---|
| Apportionment of the cause of hearing loss is undertaken for cover decision purposes | <ul style="list-style-type: none"> Injury/non-injury causes of hearing loss will be apportioned for funding entitlements Injury-related hearing loss will be presented as a proportion of total hearing loss |
| ACC routinely funds assistance for non-injury related hearing loss when covering clients with injury-related hearing loss | <ul style="list-style-type: none"> Financial assistance for clients will be based on apportionment, and shown in 10 funding bands Ministry of Health will contribute funding to entitled ACC clients with mixed cause hearing loss where the injury-related portion is less than 90%. |
| Current ACC funded clients are unable to access Ministry of Health funding | <ul style="list-style-type: none"> Clients entitled to ACC assistance towards mixed cause hearing loss may now be able to access Ministry of Health funding administered by ACC Clients entitled to fully-funded hearing aids from the Ministry of Health will be able to choose between that funding stream and ACC/Ministry of Health joint funding |
| No time limit on replacing hearing aids | <ul style="list-style-type: none"> Funding will be available not more than once every six years for replacement hearing aids/device |
| Contracted rates for assessment, repairs and maintenance | <ul style="list-style-type: none"> ACC contributions for assessment, repairs and maintenance will be set in regulations and time-limited |
| ACC purchases hearing devices on behalf of clients, based on an audiologist's recommendation | <ul style="list-style-type: none"> Clients will use a combination of Government funding and their own financial resources to purchase their hearing devices, in consultation with their audiologist of choice |
| Clients who are not eligible for funding from ACC (i.e. have no injury related loss) are able to access funding from Ministry of Health | <ul style="list-style-type: none"> No change – clients not entitled to ACC assistance will continue to be able to access funding direct from the Ministry of Health |

Full details, including the regulations, will be available on ACC's website. Only ACC's contribution to hearing services is regulated, the Ministry of Health's contribution is not regulated, but has been agreed by the Government.

The changes in detail

Funding for hearing devices

From 1 January 2011, most people with a mix of injury-related and non-injury-related hearing loss who are entitled to ACC assistance will have access to financial support towards hearing devices from both ACC and the Ministry of Health. Hearing devices include, but are not limited to, hearing aids, accessories, remote controls and consumables.

The level of hearing device funding will depend on the mix of the client's hearing loss:

- If 90% or more of the client's covered hearing loss is injury related, they will be entitled to the maximum ACC contribution of \$3,000.00 (ex. GST) for two hearing aids/device. These clients will not be eligible for any Ministry of Health funding.
- If all of the client's hearing loss is non injury-related, the Ministry of Health will consider funding, such as a subsidy of \$888.88 (ex. GST) for two hearing aids/devices, or the wholesale cost of hearing aids if the client is eligible. These clients will not be eligible for any funding from ACC.
- If the client is entitled to ACC assistance and their hearing loss is a mix of injury and non-injury factors, and the proportion of their injury related hearing loss is less than 90%, they will have access to some hearing aid funding from ACC and some from the Ministry of Health. The costs will be apportioned between the two agencies, depending on how much of the total hearing loss is due to injury and non injury causes.
- Table 1 shows hearing aid funding for clients with mixed cause hearing loss who are entitled to assistance from ACC. Aids can be replaced every six years following re-assessment.

Table 1: Joint ACC / Ministry of Health hearing aid/device funding (per ear)

| Band | Injury as a proportion of total hearing loss (%) | Maximum ACC will pay | | Maximum the Ministry of Health will pay | | Joint maximum for mixed injury and non-injury hearing loss | |
|------|--|----------------------|-----------------|---|-----------------|--|-----------------|
| | | <i>Ex. GST</i> | <i>Inc. GST</i> | <i>Ex. GST</i> | <i>Inc. GST</i> | <i>Ex. GST</i> | <i>In.c GST</i> |
| 1 | 0.1 - 9.99 | \$150.00 | \$172.50 | \$400.00 | \$460.00 | \$550.00 | \$632.50 |
| 2 | 10.0 – 19.99 | \$300.00 | \$345.00 | \$355.00 | \$408.25 | \$655.00 | \$735.25 |
| 3 | 20.0 – 29.99 | \$450.00 | \$517.50 | \$311.00 | \$357.65 | \$761.00 | \$875.15 |
| 4 | 30.0 – 39.99 | \$600.00 | \$690.00 | \$266.00 | \$305.90 | \$866.00 | \$995.90 |
| 5 | 40.0 – 49.99 | \$750.00 | \$865.20 | \$222.00 | \$255.30 | \$972.00 | \$1,117.80 |
| 6 | 50.0 – 59.99 | \$900.00 | \$1,035.00 | \$178.00 | \$204.70 | \$1,078.00 | \$1,239.70 |
| 7 | 60.0 – 69.99 | \$1,050.00 | \$1,190.25 | \$133.00 | \$152.95 | \$1,183.00 | \$1,360.45 |
| 8 | 70.0 – 79.99 | \$1,200.00 | \$1,380.00 | \$89.00 | \$102.35 | \$1,289.00 | \$1,482.35 |
| 9 | 80.0 – 89.99 | \$1,350.00 | \$1,552.50 | \$44.00 | \$50.60 | \$1,394.00 | \$1,603.10 |
| 10 | 90.0 –100.00 | \$1,500.00 | \$1,725.00 | \$00.00 | \$00.00 | \$1,500.00 | \$1,725.00 |

Fitting fees

ACC's contribution to fitting fees is intended as a contribution to the costs of fitting hearing aids (including an assessment of the client's needs), a trial period of at least 2 weeks, follow-up services, and handling and management.

Only clients entitled to ACC assistance for injury related hearing loss can get a contribution to fitting fees because ACC makes a contribution to these costs but the Ministry of Health does not. Table 2 shows how much ACC will contribute to fitting fees. Costs are payable not more than once every six years.

Table 2: ACC contribution to fitting fees

| Band | Injury as a proportion of total hearing loss (%) | ACC contribution (binaural) | | ACC contribution (monaural) | |
|------|--|-----------------------------|-----------------|-----------------------------|-----------------|
| | | <i>Ex. GST</i> | <i>Inc. GST</i> | <i>Ex. GST</i> | <i>Inc. GST</i> |
| 1 | 0.1 - 9.9 | \$120.00 | \$138.00 | \$90.00 | \$103.50 |
| 2 | 10.0 - 19.9 | \$240.00 | \$276.00 | \$180.00 | \$207.00 |
| 3 | 20.0 - 29.9 | \$360.00 | \$414.00 | \$270.00 | \$310.50 |
| 4 | 30.0 - 39.9 | \$480.00 | \$552.00 | \$360.00 | \$414.00 |
| 5 | 40.0 - 49.9 | \$600.00 | \$690.00 | \$450.00 | \$517.50 |
| 6 | 50.0 - 59.9 | \$720.00 | \$828.00 | \$540.00 | \$621.00 |
| 7 | 60.0 - 69.9 | \$840.00 | \$966.00 | \$630.00 | \$724.50 |
| 8 | 70.0 - 79.9 | \$960.00 | \$1,104.00 | \$720.00 | \$828.00 |
| 9 | 80.0 - 89.9 | \$1,080.00 | \$1,242.00 | \$810.00 | \$931.50 |
| 10 | 90.0 - 100 | \$1,200.00 | \$1,380.00 | \$900.00 | \$1,035.00 |

An example:

If 55% of a client's total hearing loss results from an injury they would qualify for Band 6. If they wanted hearing aids in both ears, they would be eligible for the following support. Prices are quoted ex GST.

- \$2,156 (ex. GST) (\$1,800 from ACC; \$356 from the Ministry of Health) toward hearing devices; and
- \$720 (ex. GST) from ACC towards fitting costs; and
- some financial assistance with repairs and maintenance from ACC
- batteries, at the client's request, as needed direct from ACC (not regulated).

If the client wants hearing aids that cost more than the funding available, they would need to 'top up' to the price.

Other fitting fee contributions payable:

- ACC will contribute up to \$120.00 (ex. GST) if a client has undergone the fitting process but ultimately chooses not to purchase hearing devices.

- ACC will contribute a flat rate of \$300.00 (ex. GST) if a client has a single hearing aid fitted, and decides within a year to have another ACC funded hearing aid fitted for the other ear. The monaural fitting fee would not apply for the second aid fitted.

Services and Repairs

People who receive a financial contribution from ACC for hearing devices and fees are also entitled to contributions to the repair and maintenance of their hearing devices:

- For each client, ACC will contribute up to \$50.00 (ex. GST) per service for on-site hearing device repairs, for a maximum of two services per year.
- For each client, ACC will contribute up to \$200.00 (ex. GST) per service for off-site hearing device repairs, once every two years after the device is out of warranty.

As is the case now, the Ministry of Health pays for hearing aid repairs for people who qualify for full wholesale payment of hearing aids.

Technical amendments to existing regulations on assessment procedures

Some changes will also be made to the requirements for assessing gradual process hearing loss claims. These requirements are in the Accident Insurance (Occupational Hearing Assessment Procedures) Regulations 1999.

Two changes will take effect from 1 January 2011:

- A more recent table for deducting standardised percentages of age-related hearing loss from a client's total hearing loss will replace the current table.
- Outdated references to base-line hearing tests will be removed.

A further change will take effect later. From 1 January 2012, the current acoustical testing standard (ISO 6189) required by regulations will be replaced by the standard that is considered best practice for diagnostic audiology in New Zealand (AS ISO 8253.1-2009) – see below.

Implementation of the regulations

Implementation of the regulations will require changes both to ACC's processes and to vendors' business practices. This section of the information pack covers issues related to the administration and implementation of the regulations.

• Administration

A key change is that ACC will administer support for most clients with mixed cause hearing loss requiring joint ACC/Ministry of Health funding. Clients with injury related hearing loss will make a claim to ACC, and ACC will determine cover and entitlements. Clients will not be required to approach more than one agency.

For clients, the process for seeking help from government agencies will not change:

- If injury is a causal factor, GPs will continue to lodge ACC claims
- An assessment (or possibly a reassessment) will be required from an audiologist to determine the extent of hearing loss
- An assessment will also be required from an ENT specialist on the apportionment of the hearing loss between injury and non-injury causes

- ACC will use this information to decide cover.

What will change is that ACC will use the ENT report to allocate the claim to a funding band.

Vendors will receive new ACC templates and more detailed process documentation before mid-December 2010.

- **Purchasing hearing aids**

There will also be changes to the process of purchasing hearing aids for clients with mixed cause hearing loss, or loss caused entirely by injury.

- Under the current process, ACC purchases hearing aids on behalf of the client based on recommendations from audiologists and following a trial for suitability.
- Under the new approach, clients will be responsible for purchasing their hearing aids using their entitlement and any top up they wish to pay to meet their specific requirements. Discussion on the type and appropriateness of the client's aids will take place between the client and the audiologist, ACC will not be involved.

Based on the wholesale prices in the current ACC price list, there are hearing aids at each funding band level. Clients whose hearing loss is caused entirely by non-injury factors will be funded by the Ministry of Health in the normal way, and the purchasing process will not change. Clients will not be able to access both funding streams.

- **Compliance with ISO standards (from 1 January 2012)**

An amendment has been made to the existing regulations¹, changing the acoustical testing standard to *AS ISO 8253.1-2009: Audiometric test methods, Part 1: Basic pure tone air and bone conduction threshold audiometry*. Vendors that wish to provide hearing assessment services to ACC will need to have their clinics tested by an accredited laboratory to this standard. This amendment will take effect a year later than other amendments, meaning that there will be an opportunity to phase this in during 2011 to ensure compliance by 1 January 2012.

The relevant ambient noise levels are those for bone conduction and these should be accurate to 5 dB HL. Vendors will be required to declare that they comply with these standards on the ACC 612 Hearing Loss Audiometric Report form, which is completed as part of the claim process.

- **Transitional provisions**

Under the regulations all decisions issued from ACC for existing and new clients from 1 January 2011 will be aligned to the new regulations.

The only exception will be where audiologists have submitted a completed ACC Needs Assessment or Reassessment form, these have been received by ACC prior to 1 January 2011 and ACC has not yet issued a decision prior to the regulations start date.

ACC will only issue a decision under the existing funding arrangements for these transitional requests.

¹ The Accident Insurance (Occupational Hearing Assessment Procedures) Regulations 1999.

For these transitional requests only, ACC would expect vendors to align their approach with that of the current contract and invoice ACC for services and aids at contract prices. There would be no change to invoicing processes or codes for transitional claims.

The alternative would be for all claims, regardless where they are in the claims process, to be managed under the regulations.

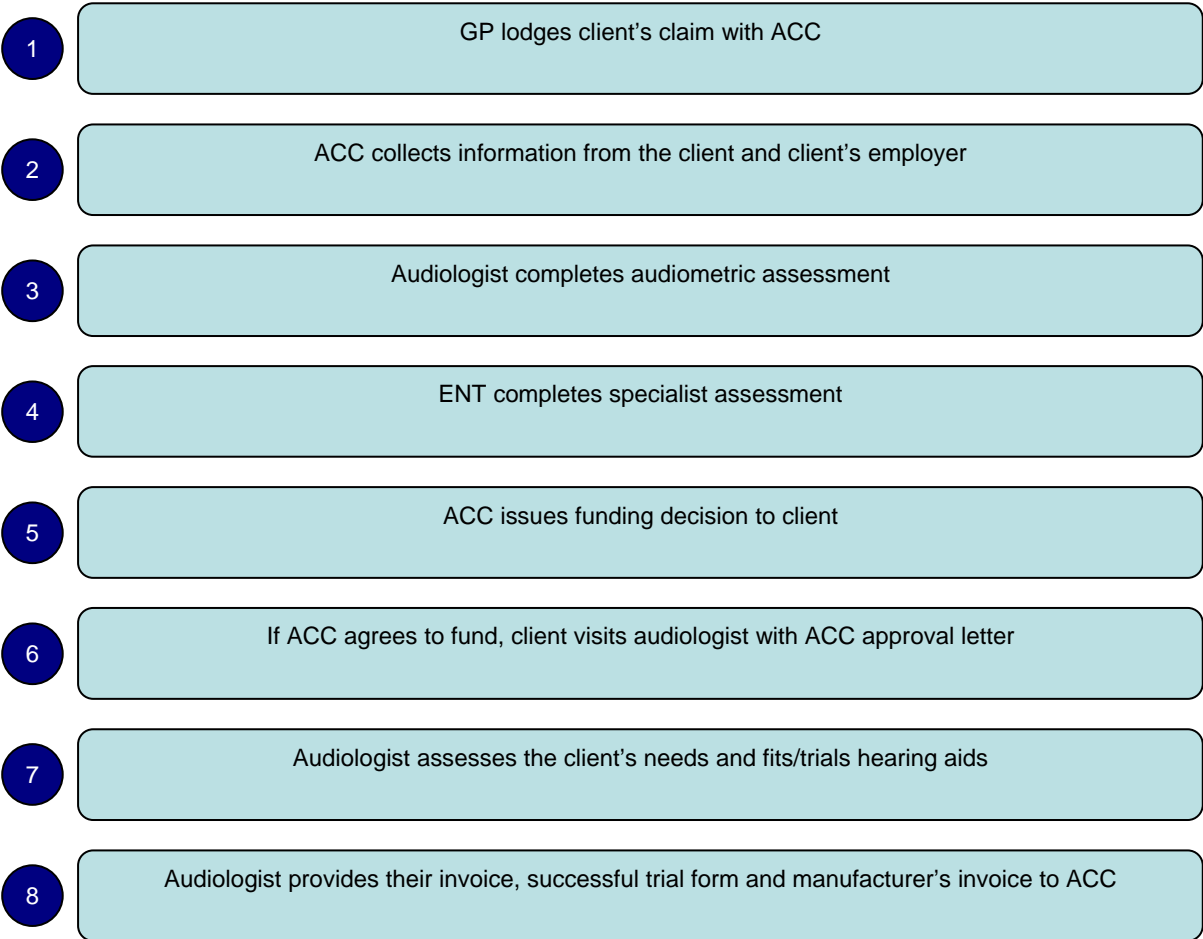
ACC will work with the sector on these issues and will look at introducing the most practicable solution.

- **New service codes**

New service codes have been developed to accompany the changes. They have been attached to this implementation pack in the form of an Excel spreadsheet.

- **High level process**

The following outlines the ACC process for new hearing device claims:



Communications

ACC wants to maintain communications with vendors during the implementation process prior to 1 January 2011 and during the “bedding in” period in the New Year. To ensure this takes place, an email contact address has been set up to receive comments and questions from vendors

and those involved in working with the regulations: hearinglossinfo@acc.co.nz. We welcome your questions.

Questions will be reviewed and answers provided to the sector via ACC's web site at: <http://www.acc.co.nz/for-providers/index.htm> - see Provider News.

In addition, a more detailed vendor implementation pack will be issued to all vendors before mid-December 2010. It will contain the revised forms and detailed processes which need to be followed to ensure ACC can make payment to you under the new arrangements.