

**Department of Health  
Hearing Services Program**

**Regulator Performance Framework  
Self-Assessment Report 2016-17**

## Introduction

The Hearing and Diagnostic Imaging Services (HDIS) Branch, within the Australian Government Department of Health (DoH), is a Commonwealth regulator that administers, monitors, and enforces regulation related to the Hearing Services Program (the program), and is required to implement the [Regulator Performance Framework](#).

The program regulates and contracts hearing service providers and suppliers of Assistive Hearing Technology (AHT) to achieve Outcome 4.2 in the Health Portfolio Budget Statements (PBS):

*Reducing the incidence and consequence of avoidable hearing loss in the Australian community through research and providing access to high quality hearing services and devices.*

DoH administers the *Hearing Services Administration Act 1997* (the Act), five other pieces of legislation, and numerous quasi legislative instruments, to ensure hearing services provided and hearing devices fitted under the program meet acceptable standards of quality, safety, and efficacy.

The program supports pensioners, veterans and serving personnel, children and young people, Aboriginal and Torres Strait Islander clients, and those with complex hearing problems to access hearing assessments, rehabilitation, and hearing devices, via a network of private and public service providers.

DoH uses risk based auditing to ensure program clients are receiving appropriate services and that service providers are complying with program requirements. DoH investigates complaints it receives to determine any necessary regulatory action.

During 2016-17 the DoH continued to actively seek and implement activities that reduce the regulatory burden on the hearing sector and address areas identified for improvement in the 2015-16 self-assessment report, as follows:

- Clear and concise consultation documents made available for review for a sufficient amount of time and enabling a broad range of stakeholders to consider and contribute feedback.
- Further updates and streamlining of the Audit and Compliance processes such as risk profiling, timeframes, sharing of information procedures, and capacity to audit.
- Improve understanding for stakeholders of the Compliance Monitoring and Support Framework with the publication of the updated Framework on the program website.
- Ensure stakeholder concerns are captured in the NDIS Transition Plan and will continue to be worked through until mid-2019.

Overall performance against each KPI has been assessed using the following rating scale.

<b>Excellent</b>	<b>Very Good</b>	<b>Good</b>	<b>Fair</b>	<b>Poor</b>
Strong performance against all the measures under the KPI	Strong performance against majority of the measures under the KPI and no evidence of negative/poor performance against any measure	Average performance against the measures under the KPI	Poor performance against some measures under the KPI	Poor performance against most of the measures under the KPI

## 2016-17 Performance Reporting

### 1. Regulators do not unnecessarily impede the efficient operation of regulated entities

Measure	HDIS Evidence Metric	Evidence
<p>1. Regulators demonstrate an understanding of the operating environment of the industry or organisation, or the circumstances of individuals and the current and emerging issues that affect the sector.</p>	<p>We initiate and participate in stakeholder meetings, events, industry conferences and working groups.</p>	<p>We consulted with stakeholders on a range of matters including:</p> <ul style="list-style-type: none"> <li>• The review of <a href="#">Service Items and Fees</a>, and Supply of AHT arrangements; and</li> <li>• facilitated the development of a <a href="#">Safety and Quality Framework for the hearing services sector</a>.</li> <li>• The National Disability Insurance Scheme (NDIS) transition arrangements.</li> </ul>
	<p>We employ audiologists who maintain industry involvement, to inform understanding of the operating environment, the circumstances of individuals and current and emerging sector issues.</p>	<ul style="list-style-type: none"> <li>• There has been up to two audiologists employed during 2016-17 who have maintained their qualifications by participating in professional education development activities.</li> <li>• Staff attended and participated in <a href="#">Hearing Awareness Week 2016</a>.</li> </ul>
	<p>We undertake environmental scanning, including reviews of relevant literature reports.</p>	<ul style="list-style-type: none"> <li>• We consulted with the hearing sector and reviewed and utilised research and other hearing literature to provide input to policy development and program improvements.</li> <li>• We contributed to professional magazines and other sources regarding current NDIS transition arrangements and the ongoing program reform work.</li> </ul>
<p>2. Regulators take action to minimise the potential for unintended negative impacts of regulatory activities on regulated entities or affected supplier industries and supply chains.</p>	<p>Feedback mechanisms provide opportunities for stakeholders to comment on proposed program changes, to minimise potential for unintended impacts.</p>	<ul style="list-style-type: none"> <li>• We consulted on proposed program changes through regular meetings with Professional Peak Bodies and stakeholders as well as communications on the <a href="http://hearingservices.gov.au">hearingservices.gov.au</a> website, which includes a <a href="#">feedback</a> link to an enquiry and feedback form.</li> <li>• Hearing service providers, AHT manufacturers and other hearing sector organisations are encouraged to express their concerns or comments regarding program changes to ensure we fully understand the implications of these changes in the hearing sector.</li> <li>• Feedback is also collected from hearing service</li> </ul>

Measure	HDIS Evidence Metric	Evidence
		<p>providers through the annual audit self-assessment process and after closure of audits.</p>
<p>3. Regulators implement continuous improvement strategies to reduce the costs of compliance for those they regulate.</p>	<p>Within legislative constraints, we implement continuous business improvements to reduce compliance costs for industry.</p>	<ul style="list-style-type: none"> <li>• Most paper-based manual claim functions have been automated through the Hearing Services Online (HSO) portal, creating efficiencies for service providers.</li> <li>• We continued to comply with the <a href="#">Electronic Signatures Policy</a> enabling contracts and other documents with signatures to be accepted electronically, providing time and paper/postage cost efficiencies for hearing service providers and manufacturers.</li> <li>• We have made it possible, by setting up drop boxes using DoH’s Electronic Data Warehouse, for hearing service providers to submit client files, requested for audit purposes electronically, again providing time and paper/postage costs efficiencies. This has the added advantage of ensuring continuity of service for clients, as the actual files do not need to be sent to Hearing Services.</li> <li>• We have expanded our Compliance Support Framework so that support now starts with the accreditation process. We address potential non-compliance signals detected in applications for accreditations by offering pre-accreditation advice and support. This reduces the likelihood of non-compliance, which could otherwise be costly for newly accredited hearing service providers.</li> </ul>
<b>Self-assessed rating:</b>		Very Good

## 2. Communication with regulated entities is clear, targeted and effective.

Measure	HDIS Evidence Metric	Evidence
<p>1. Regulators provide guidance and information that is up to date, clear, accessible and concise through media appropriate to the target</p>	<p>Guidance and information is:</p> <ul style="list-style-type: none"> <li>• Available on the hearing services website.</li> <li>• Provided directly to stakeholder groups</li> </ul>	<ul style="list-style-type: none"> <li>• Our website is structured to include three homepage tabs with information tailored to specific users or program information: ‘professionals’, ‘everyone’, and ‘about the program’, which improves navigation and access to information for these user groups.</li> <li>• Our website hosts policies, frameworks, and</li> </ul>

Measure	HDIS Evidence Metric	Evidence
audience.	via input to their newsletters. <ul style="list-style-type: none"> <li>• Provided by seminar to interested groups.</li> </ul>	<a href="#">legislation</a> , including the <a href="#">Compliance Monitoring and Support Framework</a> ; <a href="#">Regulator Performance Framework</a> ; <a href="#">Service Delivery Framework</a> ; <a href="#">Service Provider Contract</a> ; <a href="#">Deed of Standing Offer</a> ; and legislative instruments.
2. Regulators consider the impact on regulated entities and engage with industry groups and representatives of the affected stakeholders before changing policies, practices or service standards.	Consultation with affected stakeholders is undertaken before processes are changed.	<ul style="list-style-type: none"> <li>• We consulted with a range of external stakeholders through the Review of <a href="#">Service Items and Fees</a>, and Supply of AHT. The approach included individual and small group meetings and surveys with both hearing service providers and manufacturers with the opportunity to respond to a Public Discussion Paper. This was independently facilitated by PricewaterhouseCoopers, with all findings being de-identified in reports to the DoH.</li> <li>• We participated in a hearing sector implementation steering group in the development of a Service Delivery Framework for hearing services in Australia.</li> <li>• Information on NDIS transition arrangements continues to be updated and published on the program website.</li> </ul>
3. Regulators' decisions and advice are provided in a timely manner, clearly articulating expectations and the underlying reasons for decisions.	Audit reports are processed in accordance with the Compliance Monitoring and Support Framework.	<ul style="list-style-type: none"> <li>• Audit reports are processed in accordance with current standard operating procedures (SOPs) that support consistent implementation of the <a href="#">Compliance Monitoring &amp; Support Framework</a>.</li> </ul>
4. Regulators' advice is consistent and supports predictable outcomes.	Policies and frameworks are available on the program website.  Standard Operating Procedures are documented for internal processes.	<ul style="list-style-type: none"> <li>• In 2016-17 SOPs were reviewed and streamlined as required following an internal restructure, and subsequently communicated to staff to maintain effective internal processes.</li> <li>• The Framework provides a transparent, consistent, proportionate compliance response to non-compliances found during audits.</li> </ul>
<b>Self-assessed rating:</b>		Very Good

### 3. Actions undertaken by regulators are proportionate to the regulatory risk being

managed.

Measure	HDIS Evidence Metric	Evidence
<p>1. Regulators apply a risk-based, proportionate approach to compliance obligations, engagement and regulatory enforcement actions.</p>	<p>The Compliance Monitoring and Support Framework provides a proportionate approach to regulation compliance.</p>	<ul style="list-style-type: none"> <li>• Audits are completed in accordance with the <a href="#">Compliance Monitoring &amp; Support Framework</a>, which describes the risk-based approach to audit and compliance, including proportionate responses to regulatory non-compliance.</li> <li>• The severity of the non-compliance and the attitude of the regulated entity towards compliance are taken into account in determining an appropriate response to non-compliance. This response can range from provision of support and education through to taking legal action.</li> </ul>
<p>2. Regulators' preferred approach to regulatory risk is regularly reassessed. Strategies, activities and enforcement actions are amended to reflect changing priorities that result from new and evolving regulatory threats, without diminishing regulatory certainty or impact.</p>	<p>Risk and compliance procedures support governance of the program and are reviewed regularly. Mechanisms and opportunities are available for stakeholders to provide feedback about regulatory compliance activities.</p>	<ul style="list-style-type: none"> <li>• The risk based audit and compliance processes, documented in the <a href="#">Compliance Monitoring &amp; Support Framework</a>, align with program requirements.</li> <li>• The risk register and audit processes were reviewed in 2016-17.</li> <li>• Stakeholders are able to use a range of mechanisms to provide feedback on regulatory compliance including: <ul style="list-style-type: none"> <li>○ Survey's following closure of the audit process</li> <li>○ <a href="#">consultations</a> page on the <a href="#">program website</a>;</li> <li>○ via the <a href="mailto:hearing@health.gov.au">hearing@health.gov.au</a> mail box;</li> <li>○ meetings and communications with targeted stakeholders on specific issues, including <a href="#">contracted service provider notices (CSPNs)</a>, which invite comment and feedback; and the <a href="#">feedback</a> link on the program website.</li> </ul> </li> </ul>

Measure	HDIS Evidence Metric	Evidence
<p>3. Regulators recognise the compliance record of regulated entities, including using earned autonomy where this is appropriate.</p> <p>All available and relevant data on compliance, including evidence of relevant external verification is considered.</p>	<p>Multiple indicators (claiming data, complaints, referrals etc.) are used to assess risk biannually.</p> <p>Compliance responses and actions are reduced for regulated entities with a good compliance record.</p>	<ul style="list-style-type: none"> <li>• A compliance risk register, reviewed in 2016-17, is maintained. The register is used to track risk indicators that identify service providers that present the greatest risk of non-compliance with program requirements.</li> <li>• Through the register, risks are analysed to prioritise those service providers that will be scheduled for audit.</li> </ul>
<b>Self-assessed rating:</b>		Very Good

#### 4. Compliance and monitoring approaches are streamlined and coordinated.

Measure	HDIS Evidence Metric	Evidence
<p>1. Regulators' information requests are tailored and only made when necessary to secure regulatory objectives, and only then in a way that minimises impact.</p>	<p>A Stakeholder Engagement Plan, reviewed annually, advises stakeholders when consultation will occur.</p>	<ul style="list-style-type: none"> <li>• The <a href="#">2016-17 Stakeholder Engagement Plan</a> advised stakeholders on planned consultations and the opportunities to provide input.</li> <li>• A Stakeholder Engagement Plan ensured a coordinated approach to contacting stakeholders for the collection of input and information.</li> </ul>
<p>2. Regulators' frequency of information collection is minimised and coordinated with similar processes including those of other regulators so that, as far as possible, information is only requested once.</p>		
<p>3. Regulators utilise existing information to limit the reliance on requests from regulated entities and share the information among other regulators, where possible.</p>	<p>Existing information sources will be considered prior to any requests of stakeholders.</p>	<ul style="list-style-type: none"> <li>• We continued to use information and data from existing information technology sources including the <a href="#">HSO portal</a> and the Department of Human Services (<a href="#">e-claiming</a>).</li> <li>• Information and advice is also obtained through targeted committees, groups, and organisations with an agreed relationship with us, including: <ul style="list-style-type: none"> <li>○ Industry and practitioner professional bodies; and</li> <li>○ <a href="#">Australian Hearing</a>;</li> </ul> </li> </ul>

Measure	HDIS Evidence Metric	Evidence
		<ul style="list-style-type: none"> <li>○ the <a href="#">National Disability Insurance Agency (NDIA)</a> and other relevant Australian Government agencies.</li> </ul>
4. Regulators base monitoring and inspection approaches on risk and, where possible, take into account the circumstance and operational needs of the regulated entity.	A risk-based approach, taking into account the circumstance and operational needs of stakeholders, is used when scheduling and prioritising compliance actions, including audits.	<ul style="list-style-type: none"> <li>● A compliance risk register, reviewed in 2016-17, is maintained. The register is used to track risk indicators that identify hearing service providers that present the greatest risk of non-compliance with program requirements.</li> <li>● The register is used to prioritise those hearing service providers that will be scheduled for audit</li> <li>● Auditors work with hearing service providers to complete audits with minimal disruption to their operational requirements.</li> </ul>
<b>Self-assessed rating:</b>		Very Good

#### 5. Regulators are open and transparent in their dealings with regulated entities.

Measure	HDIS Evidence Metric	Evidence
1. Regulators' risk-based frameworks are publicly available in a format which is clear, understandable and accessible.	The hearing services risk based Compliance Monitoring and Support Framework is published on the program website, and updated as necessary.	<ul style="list-style-type: none"> <li>● The <a href="#">Compliance Monitoring &amp; Support Framework</a> is available on our website for easy access and was reviewed twice in 2016-17. All related material on the website was also updated to ensure consistency with the Framework.</li> </ul>
2. Regulators are open and responsive to requests from regulated entities regarding the operation of the regulatory framework, and approaches implemented by regulators.	Responses to requests from regulated entities are made within benchmark timeframes.	<ul style="list-style-type: none"> <li>● We endeavour to respond to all enquiries within 7 business days and, where possible, aim to resolve most enquiries within 28 days, which was consistently achieved in 2016-17.</li> <li>● We also meet with hearing service providers to provide support and education in relation to their capacity to comply. These meetings may be initiated by the provider or by Hearing Services and can be face-to-face or via</li> </ul>



Measure	HDIS Evidence Metric	Evidence
		teleconferencing.
3. Regulators' performance measurement results are published in a timely manner to ensure accountability to the public.	Performance information is published on the hearing services website.	<ul style="list-style-type: none"> <li>The program website publishes annual performance information related to, <a href="#">regulatory performance</a>, <a href="#">program utilisation</a>, <a href="#">complaints</a>, <a href="#">research outcomes</a>, and <a href="#">audit and compliance</a>.</li> <li>Our <a href="#">Regulator Performance Framework 2015-16 self-assessment report</a> was externally validated and published on the DoH website in December 2016.</li> <li>The DoH <a href="#">Annual Report</a>, provides a detailed description of the activities and reporting against planned outcomes and performance targets identified in the <a href="#">Health Portfolio Budget Statements</a> and <a href="#">Additional Estimates Statements</a>.</li> </ul>
<b>Self-assessed rating:</b>		Very Good

## 6. Regulators actively contribute to the continuous improvement of regulatory frameworks.

Measure	HDIS Evidence Metric	Evidence
1. Regulators establish cooperative and collaborative relationships with stakeholders to promote trust and improve the efficiency and effectiveness of the regulatory framework.	We collaborate with stakeholders to improve program efficiency and effectiveness.	<ul style="list-style-type: none"> <li>We conducted formal consultation with the hearing industry in 2016-17 regarding the Review of Service Items and Fees and Supply of AHT, culminating in the release of a public discussion paper in April 2017.</li> </ul>
2. Regulators engage stakeholders in the development of options to reduce compliance costs. This could include industry self-regulation, changes to the overarching regulatory framework, or other strategies to streamline monitoring and compliance approaches.	<p>Annual self-assessment processes are maintained.</p> <p>Feedback mechanisms are available for regulated entities.</p>	<ul style="list-style-type: none"> <li>The annual Self Assessment Tool (SAT) process closed 31 October 2016, with only two hearing service providers (1%) failing to submit a SAT. Four service providers reported breaches of program requirements and submitted rectification plans.</li> <li>We facilitated the opportunity for feedback through targeted consultation groups, a public discussion paper regarding: <ul style="list-style-type: none"> <li>The review of Service Items and</li> </ul> </li> </ul>

Measure	HDIS Evidence Metric	Evidence
		Fees, and Supply of AHT; and <ul style="list-style-type: none"> <li>○ Facilitated in the development of a Service Delivery Framework for hearing services in Australia.</li> </ul>
3. Regulators regularly share feedback from stakeholders and performance information (including from inspections) with policy departments to improve the operation of the regulatory framework and administrative processes.	Stakeholder feedback is disseminated and considered throughout the Office, the Department and Government as necessary.	<ul style="list-style-type: none"> <li>● Stakeholder feedback was considered and made available on the <a href="#">Closed Consultations</a> page.</li> </ul>
<b>Self-assessed rating:</b>		Very Good

## Concluding remarks

In 2016-17, we engaged with the hearing sector to facilitate the development of a Service Delivery Framework. Following completion of this work it was agreed that hearing services would be included in the development of the National Safety and Quality Health Service (NSQHS) Standards for primary care settings. The ongoing work of this framework is being governed by the Australian Commission on Safety and Quality in Health Care under its Australian Health Services Safety and Quality Accreditation (AHSSQA) Scheme.

PricewaterhouseCoopers (PwC) was commissioned by the DoH to conduct stakeholder meetings with hearing service providers, their representative industry bodies, suppliers of AHT and client advocacy groups regarding the joint review of Service Items and Fees, and Supply of AHT in the program. PwC released a public discussion paper in April 2017 and they received 37 responses.

The program continued to fund research and development activities into hearing health, prevention and rehabilitation. The program website and online portal continue to improve access and reduce regulatory burden for hearing service providers and suppliers of hearing technology.

Material continues to be developed to inform program client and industry of any program changes including the NDIS transition arrangements.

Overall our self-assessed performance rating is Very Good against all KPIs.