

GTK REHAB

Submission to

Disability Care and Support Inquiry
Productivity Commission
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**GTK Rehab**

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Dear Sir/Madam,

My name is Greg Kline and I am the owner of GTK Rehab. I have worked in the disability industry for 25 years. GTK Rehab is a supplier of complex rehabilitation equipment including custom made powered and manual wheelchairs, seating systems, High end walking and standing equipment and sleep systems. I have a staff of 22 including 3 Occupational therapists employed as sales consultants. GTK service the majority of NSW.

Based on my dealings with funding bodies and consumers over a long period there are several issues that I ask the committee to consider as part of the review of the funding of equipment for the Disability sector.

These issues impact directly on:

- (1) The quality of service we can give our clients.
- (2) Ensuring that the funding body receives value for money
- (3) Safety for consumers
- (4) Continued viability of suppliers.

The implementation of the National Disability Insurance Scheme should ensure that people across Australia with disabilities have equal access to the correct equipment and services. The equipment supplied should not be based on the lowest cost, but on being the most appropriate for the client.

The major issues I would like the committee to consider are:

(A) THE ASSESSMENT PROCESS

GTK operate in the complex end of the equipment market. For complex assessments we can see the client several times to come up with a final script and quote. It then can take between 6 months to 3 years for us to receive an order. With children, any order received that is older than 3 months requires a re measure. For adults any quote older than 6 months requires checking. This reassessment process has a large impact on the costs of running this business - each assessment costs approx \$400.00.

This assessment and reassessment process also creates a lot of frustration for the clients. We often receive phone calls from clients asking where their equipment is. They have been told by the funding body that their application has been successful but have not been told they are on a waiting list that may mean a 1-2 year wait for their equipment.

RECOMMENDATION – Pre approved funding.

I have raised the issue of pre approved funding with Enable (Funding body in NSW) and they are looking into it. The Health Department in South Australia has been successfully running a pre-approved system for the last couple of year. Under a pre approval system the prescribing therapist will submit an application for funding for a piece of equipment for “Mrs. Smith”, say a powered wheel chair for \$15,000.00. Once the finance has been approved, the therapist calls the suppliers in to do the assessment and in conjunction with the client chooses the most appropriate wheelchair. The supplier then submits the final quote and the order placed.

As a result of this process the client, prescribing therapist and the supplier go through the process only once. The Price Waterhouse review estimated the reassessment process costs the Department of Health approx \$1,000.000 pa. This does not include the supplier costs.

(B) EQUIPMENT SERVICING

GTK Rehab employs 5 people in its service division. Our KPI for repairing equipment is 48 hours. Some PADP departments choose to use other service providers because their call out rate is less than ours. My major concerns with this are:

(1) SAFETY: The products that we supply, are being serviced by people who have had no training in our equipment - and that is a safety issue for the client.

(2) COST: Although PADP think they are saving money because they can get a less expensive call out fee, in the long run it is costing them more. We have been called out on many occasions where the other service providers have not been able to repair a piece of equipment because they do not have the knowledge. Also, other service agents will replace whole components like a motor or gearbox on a wheelchair when only the brake needs replacing. Also these other providers have to purchase their parts from us, so by the time they put their mark up on the parts, it is costing PADP more.

(3) LACK OF PREVENTATIVE MAINTENANCE. The majority of equipment we supply comes with a suggested maintenance schedule. This in my experience is never done. We only get called when the equipment breaks down. Servicing costs would be reduced if the regular checks were done.

RECOMMENDATION A - That specialised equipment is serviced by the company that initially supplied the equipment.

B - That all specialized equipment have a preventative maintenance order raised as part of the original order.

(C) DEMONSTRATION EQUIPMENT

Prescribing therapists are requesting longer trials for equipment. This is not an option for us. The investment we currently have in demonstration equipment is high and we must have a return on this equipment. Our margins are low and this limits our capacity to invest in more equipment

Therapists' expectations of suppliers in some instances are unrealistic for example we often receive requests from therapists to borrow a pressure cushion for trial. We are expected to pay the freight to and from the client's house and for the cleaning of the cushion cover on its return. We are not allowed to charge for this service because all the major cushion suppliers have a recommended retail price and if you quote above that, PADP will order from someone else.

Suppliers in Sydney also supply the majority of Demonstration Equipment on permanent loan to both our Spinal units at no cost. Our investment is approx 30K

RECOMMENDATION – That suppliers be able to charge for extended trials.

(E) CENTRALISED PURCHASING

The move to centralized purchasing of basic items will ensure that the funding body does maximize its resources. My concern is that the majority of products that we supply to this industry do have a service component attached. A trial for a pressure cushion may entail a visit by one of our therapists with a number of cushions so the most appropriate cushion can be supplied. Even under the current system we will supply a quote to PADP for the selected cushion and some PADP departments will shop our quote to other suppliers for a less expensive quote. We have done all the work and we do not receive the order. PADP do not recognise the service component in providing equipment.

RECOMMENDATION – That complex rehabilitation equipment be excluded from competitive bidding.

(F) DEALER VIABILITY

This company and this industry are under enormous pressure due to poor margins. One could get a better return on capital by putting your money in the bank than investing in a Rehabilitation Supply Company. I would be happy to discuss net returns with the committee providing the information is kept confidential.

(G) STANDARDS AND COMPLIANCE

As a supplier of complex rehabilitation products we are subject to complying with Australian Standards and Australian TGA Regulations.

The standards also ensure the funding bodies are purchasing safe and reliable products for their clients.

There are a number of suppliers in this industry who import product that has not been through either of these departments and as a result client safety is put at risk. In the absence of TGA listing there is no effective tracking of product if there needs to be a product recall for quality issues.

RECOMMENDATION - That the listing of all Class 1 Medical products with TGA be enforced.

Over the last 23 years I have seen the funding system develop in NSW from a totally inequitable system to the current centralized system where there is more equity. In the past I have seen families move suburbs in Sydney to be in an area that has better funding and therefore more speedy provision of equipment. I also know that every state has a different system of funding ranging from full funding to part subsidy. One would think that all Australians should have equal access to services and equipment.

Thank you for the opportunity to have input into the enquiry.

GTK Rehab is a member of the Independent Rehabilitation Suppliers Association and endorses their submission to the Productivity Commission.

Yours Sincerely

GREG KLINE
Managing Director