

# Reasonable costs for aids, appliances, alterations and modifications

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## Introduction

When approving payments for aids, appliances, alterations, and modifications you need to consider whether the amount invoiced or quoted is a 'reasonable' amount to pay for the aid, appliance, alteration, or modification.

## Legislation

Section 16 of the SRC Act provides that Comcare is liable to pay the appropriate cost of medical treatment the employee is reasonably required to obtain as a result of the injury (see: What is medical treatment?).

Section 39 of the SRC Act provides that where an employee suffers an injury resulting in an impairment; and the employee is undertaking, or has completed, a rehabilitation program, or has been assessed as not capable of undertaking such a program, the relevant authority is liable to pay compensation of such amount as is 'reasonable' in respect of the costs, payable by the employee, of:

- any alteration of the employee's place of residence or place of work
- any modifications of a vehicle or article used by the; or
- any aids or appliances for the use of the employee, or the repair or replacement of such aids or appliances.

being alterations, modifications or aids, or appliances reasonably required by the employee, having regard to the nature of the employee's impairment and, where appropriate, the requirements of the rehabilitation program.

The SRC Act does not provide definitions on what is 'appropriate' or 'reasonable.'

There are many items for which Comcare may be liable, under section 16 or section 39 of the SRC Act, to assist an employee with their medical or rehabilitation needs.

Comcare supports a flexible approach to assessing reasonable cost that allows you, with the knowledge of the individual circumstances of each claim, to decide on the best approach.

The Injury Management Team can help with reviewing the reasonableness of costs for aids, appliances, appliances, alterations, and modifications.

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## Investigating reasonable cost

There are a variety of ways to investigate the costs associated with an aid or appliance:

- Check what Comcare has previously paid for such an item – discuss this with your Assistant Director and the Injury Manager.

For more specialised or less commonly purchased items, seek other advice from the Injury Management Team or the Clinical Panel.

- Research suppliers either by telephone or on-line to seek comparison quotes. Usually, two additional quotes should be sought.
- Work with the employee, and/or the Rehabilitation Case Manager (RCM) to obtain additional quotes if required.
- The burden on the employee to seek additional quotes should be carefully considered taking into account the employee's age, incapacity, location, and any specific requirements the employee may have that might make it difficult for them to obtain the required quotes. In these instances, the CM and the RCM may need to work together to obtain the required quotes.
- Usually, Comcare requires the original quote (or cost) and two additional quotes to assess whether the cost of the request is reasonable.

**Note:** If you are confident that the product could be sourced for a cheaper price (less than 10 per cent of the employee's requested price) and that it is reasonable for the employee to use the cheaper supplier, then you should determine that the amount Comcare is prepared to pay is an amount equal to the cheaper price, and advise the employee that if they wish to purchase the more expensive product, they will need to personally pay the difference between the two quotes.

If compensation payable is less than the cost of the aids, appliances and alterations, the employee is personally liable to the supplier for the difference.

<b>Considerations:</b>	<b>Guidance:</b>
The cost	<p>You need to consider if the cost payable is reasonable, not the cheapest available. If the employee's preferred quote cost is within 10% of the other quotes received, then the claimed amount would usually be considered reasonable.</p> <p>If the employee has sourced 3 quotes and they have expressed a preference for a product that is not the cheapest, consider whether their reasons are valid. Is it that the preferred product is likely to better meet their needs or just that they want additional functionality that, while nice to have, is not necessary to address their condition?</p> <p><b>Note:</b> More than 60% of aids and appliance requests are for items under \$100. Requests for items under \$100 would generally not require an extensive investigation.</p>
Your knowledge of the item purchased	<p>Some items commonly purchased by employees may be items with which you are familiar in terms of what they cost, either from your personal experience or because you have processed several claims for such items in the past.</p> <p>Where you are familiar with the cost, there would be no need to undertake further investigation.</p>
	<p>Some items requested are of a very specialised nature or need to be customised for the individual employee. These items would not be widely available for purchase so it may be difficult to obtain quotes.</p>

<p>If the item is a specialised product</p>	<p>For these items further investigation would usually not be required.</p> <p><b>Example:</b> Custom-made orthotics, prosthetic devices, expensive medical aids such as intrathecal pumps and heart valves and specialist software such as Dragon speaking software.</p>
<p>If the item provides a personal benefit to the employee</p>	<p>There is a greater risk associated with items that assist the employee with their compensable injury as well as provide a personal benefit to the employee.</p> <p>These items are general household items that might be purchased regardless of an injury e.g., beds, chairs, pillows, desks etc.</p> <p><b>Example:</b> If an employee is advised by a LQMP or approved rehabilitation provider that they need a more supportive bed, they may be inclined to seek a \$8000 top of the line bed as opposed to a \$1500 bed that might meet their requirements.</p> <p>A further example would be paying for just the mattress rather than an ensemble or base.</p> <p>It is important to ensure that Comcare only compensates the employee for what is required to address the medical/rehabilitation need only.</p> <p>The best way to do this is to be clear on the functionality required for the product, as specified in the evidence supporting the claim, so that you can check that the claimed product is appropriate to the compensable condition.</p> <p>On the other hand, there are many items requested that are of a medical nature and which are often supplied by a medical professional. There is a low level of risk that these types of items would not be obtained at a reasonable cost.</p>
	<p>A variety of aids and appliances that might be required by employees are available for hire as well as for purchase, e.g., crutches, wheelchairs, TENS machines, shower stools/chairs, back braces etc.</p>

<p>If it is more appropriate to buy or hire the item</p>	<p>It is important to consider how long the aid is likely to be required and the cost of hiring vs purchasing the aid or appliance.</p> <p>It may also be appropriate to hire the equipment if the employee is unsure which product may best suit their needs or if it a short-term need.</p>
<p>Who the payment being is made to?</p>	<p>The employee must provide Comcare with an invoice as proof that the item has been paid for in full. It is important to ensure that the invoice provided is valid before making payment.</p> <p>Internet sourcing is becoming more common and will often yield a cheaper price than buying from a shop front. It is important to confirm the legitimacy of the quote/invoice particularly where an Internet supplier has been used.</p> <p>Quotes from the Internet may not have the level of detail that would be expected from a non-Internet supplier and therefore may require further investigation to be undertaken.</p>
<p>The availability of alternate suppliers</p>	<p>The availability of alternate suppliers is also an important consideration.</p> <p>While cheaper quotes may be available from different shop fronts or on-line stores, these options may not be available to the employee, or, in the case of Internet suppliers, the employee may not feel comfortable with making on-line purchases.</p> <p>Consider whether it is reasonable to expect the employee to source the product from these alternate suppliers.</p> <p><b>Example:</b> If the employee is living in a remote area or if the employee has limited mobility.</p>

# Quotes for aids, appliances, alterations, and modifications

While the SRC Act gives the choice of provider/supplier to the employee, it permits payment of compensation of less than the cost where alternative supply was reasonably available at a lesser cost from another provider or supplier.

Comcare usually requires a minimum of three quotes in order to determine whether the cost of the aids, appliances, alterations, or modifications is reasonable and to ascertain if there is an alternative supply that was reasonably available at a lesser cost from another provider or supplier.

If the employee has only provided one quote or invoice in relation to the requested aids, appliances, alterations, or modifications, the CM and/or the RCM will need to work with the employee to obtain the additional quotes where possible to do so.

If the compensation payable is less than the cost of the aids, appliances, alterations, and modifications then the employee is personally liable to the supplier for the difference.

## What information should a quote contain?

A quote should contain, as a minimum, the following information:

- the specific type of aid/appliance - make, model and manufacturer, or
- details of the alteration/modification
- clearly note the itemised costs of alterations/modifications (i.e., include details of cost of materials and labour)
- include the cost, exclusive of GST and state the total amount of GST payable
- contain the provider/organisations contact details, including its ABN
- be on a business letterhead
- be signed and dated.

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## Procedure to request and obtain multiple quotes for further cost investigation

The following procedure explains how you can request and obtain multiple quotes where further investigation of a cost is required.

**Note:** Before requesting a quote, please become familiar with the information under the aids, appliances, alterations, and modification section.

### Step 1: Phone the employee – your conversation should advise:

- that the claim for the aid, appliance, alteration, or modification has been received
- of the number of quotes required that will assist to determine liability for the aid, appliance, alteration, or modification
- of the information the quote(s) needs to contain - see above
- of the date the quote(s) is due, and
- that once their quote(s) is received, you may need to obtain a further quote if the price in the initial quote is not considered reasonable.

### Step 2: Phone the Rehabilitation Case Manager (RCM)

Advise the RCM of the claim received for the aid, appliance, alterations or modifications and your conversation with the employee.

**Note:** Ensure that a copy of the claim is emailed to the RCM.

### Step 3: Enter comments in Pracsys –



Go to '*Manage Claim Comment*' (MCOM) and:

- enter a comment
- record all your conversations with the employee and RCM
- include that you have requested quotes to be provided by the employee.

**Create an action plan in Pracsys** – in the '*Manage Action Plan*' (MAP) description field, enter that you are to follow up on the requested quote **5 days** prior to the due date.

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