

## APA Feedback on WorkCoverSA

# Physiotherapy fee schedule and policy consultation paper

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Thank you for the opportunity to respond to the *Physiotherapy Fee Schedule and Policy Consultation Paper January 2015*.

The Australian Physiotherapy Association (APA) is aware that WorkCoverSA has recently announced its new name of Return to Work SA which it will be transitioning to over the next months. As we are responding to correspondence sent to us by WorkCoverSA we will address our comments back to WorkCoverSA on this occasion.

### **Fee Calculation Methodology**

The APA notes that WorkCoverSA continues to rely on Medicare data, for this year and into the foreseeable future to assist them in determining firstly what the average patient charge is and from that, how much that average charge may have increased each year due to CPI and other inflationary pressures.

As stated previously in our 2014-15 feedback last year, the APA does not believe Medicare data is an accurate representation of what the average private patient pays for a consultation. Chronic Disease Management (CDM) services under Medicare make up a very small proportion of a physiotherapist's total caseload, with patients most likely to be elderly pensioners or those without any private health cover. APA's internal surveys of members suggest that very few SA members charge these patients a gap, accepting just the 85% Medicare rebate (\$52.95 instead of \$62.25) as full payment for item 10690.

The use of Medicare data as the process to calculate the fee for service is therefore an ongoing standing concern. The APA would be very interested to see the National Medicare Dataset that is accessed by WorkCoverSA to be better informed as to how many (CDM) services are provided by SA physiotherapists, and what the total Medicare billings were for those services.

WorkCoverSA has likewise responded to our concerns regarding the accuracy of Medicare data, stating that they "allow for a margin of error in the Medicare data by setting fees at a higher rate than that determined from this data". This we acknowledge has produced a reasonable outcome, but it also further demonstrates that the current fee calculation methodology is significantly flawed.

We note, for financial year 2014-15, WorkCoverSA points out that their hourly rate for service was 17.7% above the average private charges as determined by the Medicare calculated hourly rate. In 2015-16, WorkCoverSA states it will be 19.9%.

The APA considers that these statements cannot be correct. Our calculations show the 2015-16 WorkCover hourly rate of \$173.90 as being 10% above the actual Medicare hourly rebate rate paid per hour of \$158.85 and 10% below the Medicare benefit rate paid per hour of \$186.75.

### **Proposed fee increase and three year cycle**

WorkCoverSA fee increase methodology is to compare the annual percentage increase in Medicare billings with the annual increase in Consumer Price Index over the previous financial year. Both increases are then analysed and this forms the basis for proposing a percentage increase on the hourly

rate, which comes into effect at the start of the next financial year. On this point, the APA would appreciate a response from WorkCoverSA on a question our members often ask - why isn't the Health CPI, which is rising at 4-5% each year, considered instead of all CPI?

Nevertheless, WorkCoverSA considers that CPI is an indicative reflection of the market rate over the past few years. CPI in September and December were 2.3% and 1.7% respectively. WorkCoverSA proposes that their hourly rate increases by 2.2% from \$170.20 to \$173.90. This we accept for 2015-16.

In addition, commencing from financial year 2015-16, WorkCoverSA proposes a three year fee review cycle. The APA notes the methodology proposed will still involve consideration of recent average private charges for physiotherapy services, compared with CPI annual increases in the first year of the cycle, but then applying that agreed percentage increase to the next three years.

For 2015-17 cycle, WorkCoverSA propose the average of the three most recent CPI annual increases to each year of the upcoming three year cycle. We note the average CPI over the last three years has been 2.2%.

The APA accepts the three year cycle proposition which agrees to:

- On 1 July 2015 the hourly rate increases to \$173.90, a 2.2% increase on \$170.20 last year.
- Commencing 1 July 2016 the hourly rate will increase a further 2.2% to \$177.70.
- Commencing 1 July 2017 the hourly rate will increase a further 2.2% to \$181.60.

We agree that three year cycle will allow providers to plan and forecast increases within the three year cycle.

### **Physiotherapy Services Consultation**

The APA's agreement on a three year cycle for fee calculation does not replace WorkCoverSA's annual consultation with stakeholders regarding physiotherapy services. WorkCoverSA proposes to communicate throughout the three year cycle with stakeholders to amend, remove and add services as considered necessary. Particularly given the new legislation, the APA would prefer to retain an annual face-to face consultation meeting to discuss fee descriptors.

### **Review of services and policy for 2015-16**

We note the only additional service to be introduced in 2015-16 is the Restricted Consultation item whereby the physiotherapist can make an application for cases on merit (where appropriate clinical reasoning is provided) for up to 6 treatment sessions of up to one hour in duration.

The APA has appreciated the level of consultation afforded to us by WorkCoverSA in the development of this new item. APA physiotherapists who are truly passionate about treating work related injuries and achieving better outcomes will really welcome its inclusion.

The APA is also pleased that we will continue to be consulted in developing policy and guidelines around the application for this service. One guideline we feel we need to discuss already is around the time frame for the provision of the six sessions. Is the six sessions all that are allowed over the life of the claim, or is there a time frame in which the six sessions must be provided? We believe the physiotherapist should be able, if justified by their management plan, to seek approval for additional sessions at a later point in time.

We note no other changes have been proposed however we wish to comment on one of the existing fee descriptors.

## Activities of Daily Living assessment and Report

The APA suggests a change to the wording of the current policy guidelines, in relation to the **'Purpose'** of this item. The current guidelines (1 July 2014) state on page 4:

*"The purpose of an ADL assessment is to assess the worker's level of functioning in relation to personal care, household tasks and recreational and social activities.*

*The assessment is usually conducted in a worker's home environment."*

The APA is of the view that the purpose of an ADL assessment, in addition to assessing the level of functioning in everyday living, is also to assess capacity for any return to work duties. The 'purpose' of an ADL as described in the 2013-14 Schedule on page 25 reads:

*"Assessment by a physiotherapist, usually conducted in a workers home environment, to assess the worker's level of functioning in relation to personal care, household tasks and recreational and social activities.*

*The purpose of the assessment is to reduce the potential adverse impact of the injury on the worker to facilitate early return to normal activity, and to provide an indicator of functional tolerances for determining work capacity"*

We therefore recommend that the 2013-14 Schedule description would be more appropriate and should be used in place of the current description.

## Improving Access to Specialist Physiotherapy Services

The APA would like to keep on the table, discussion around the merits of an injured worker seeing a specialist physiotherapist to achieve a desired patient outcome.

The APA would like to see a referral model in place for specialist physiotherapy treatment whereby the injured worker has been assessed by a medical practitioner or treating physiotherapist as needing the Physiotherapy Specialist's involvement as a consultancy service. The treating physiotherapist retains overall responsibility for the client's ongoing physiotherapy treatment.

The APA requests recognition of the higher level services provided by specialist physiotherapists to injured workers through development of appropriate service descriptors and remuneration.

Yours sincerely



Paul Wilcock  
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