

## **Feedback on the Draft Pricing Framework**

**Presented to the Independent Hospital  
Pricing Authority**

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## Australian Physiotherapy Association

The Australian Physiotherapy Association (APA) is the peak body representing the interests of Australian physiotherapists and their patients. The APA is a national organisation with state and territory branches and specialty subgroups. The APA corporate structure is one of a company limited by guarantee. The organisation has approximately 12,000 members, some 70 staff and over 300 members in volunteer positions on committees and working parties. The APA is governed by a Board of Directors elected by representatives of all stakeholder groups within the Association.

The APA vision is that all Australians will have access to quality physiotherapy, when and where required, to optimise health and wellbeing. The APA has a Platform and Vision for Physiotherapy 2020 and its current submissions are publicly available via the APA website [www.physiotherapy.asn.au](http://www.physiotherapy.asn.au).

## Feedback on the Draft Pricing Framework

### Background

The Australian Physiotherapy Association (APA) presents this submission in response to the Independent Hospital Pricing Authority's discussion paper *Activity based funding for Australian public hospitals: Towards a Pricing Framework*.

The APA supports the careful implementation of an activity based funding framework, and believes that a well-designed framework will improve efficiency and accountability by funding appropriate services based on the number and complexity of treatments, while also providing the flexibility to apply alternate funding mechanisms to services that are not suitable for activity based funding.

### Specific feedback

#### Draft principles

The APA supports the set of principles stated in the draft framework and believes that they provide adequate clarity to guide the Independent Hospital Pricing Authority's funding decisions.

In particular, the APA would like to emphasise on the importance of the principle to **minimise undesirable and inadvertent consequences**. The APA firmly believes that the pricing framework must not be structured or implemented in such a way which could compromise or influence professional decision-making. It is paramount that where possible all patients receive evidence-based, best practice treatment for their individual conditions, and the pricing framework must ensure that no perverse incentives or disincentives are created for any one type or modality of treatment.

#### Penalties for hospital acquired conditions

The APA is concerned that denying payment and applying penalties for hospital acquired conditions may lead to adverse effects. While effective for conditions acquired clearly as a direct result of malpractice, such an initiative needs judicious consideration as there is the potential for some patients with complex conditions to present post-treatment with conditions similar to some hospital acquired conditions.

Should penalties be imposed, the framework must be required to adopt a degree of flexibility to uniquely reflect these individuals within the patient population and take into account any possible co-morbidities when determining funding. As a negative example, in the *United States Medicare List of Hospital Acquired Conditions*, "Total Knee Replacement and Hip Replacement" is an inappropriately broad category – it is unrealistic to impose penalties on further treatment of Deep Vein Thrombosis acquired post-treatment without first considering all possible co-morbidities which may have caused the condition.

In addition, the APA contends that penalties imposed without regard to individual patient characteristics may lead to some hospitals discriminating against patients with complex conditions.

#### Teaching, training and research

The APA believes that the application of 'teachingness' should not be limited to undergraduate clinical training. The APA recommends that the pricing framework must recognise that components of post graduate and specialisation clinical training also exist in hospital settings, and facilitated not only by the universities but also by colleges such as the Australian College of Physiotherapists. It is imperative that these training are adequately funded as well.

### **Adjustments to the national efficient price**

The APA believes that the application of a loading or block funding is appropriate for alternative multidisciplinary models and complex and unique patient groups, for example groups representing Aboriginal and Torres Straits Islander people, young people with a disability, and older people.

For example, a young person with a head injury or a stroke patient requiring slow stream, long-term inpatient rehabilitation may receive treatment over an extended period measuring from months to years. These patients, under a fully activity based funding model may not be adequately or appropriately funded for the services they require and this will adversely affect optimal outcomes as a consequence..

There also needs to be flexibility in the application of block funding. For example there is a huge variation in the complexity and impact of conditions on young people, which may make block funding in some cases inappropriate.

### **Differential pricing of services provided by experienced allied health practitioners**

While conscious that it is not the intent of the draft pricing framework discussion paper to examine in detail individual services provided throughout the health system, the APA would like to highlight the absence of any reference to services provided by highly experienced allied health practitioners such as those provided by specialist physiotherapists.

Specialist physiotherapists have a broad foundation but have undertaken additional training and gained higher qualifications focused on a particular area within that broad scope of practice, and have further developed their knowledge, skills and professional attributes to practice at a greater depth within that particular area of practice. Evidence has clearly demonstrated that experienced physiotherapists have higher levels of knowledge in managing musculoskeletal conditions than medical students, physician interns and residents, and all physician specialists except for orthopaedists. Indeed, when magnetic resonance imaging (MRI) was used as the gold standard, the diagnostic accuracy of physiotherapists for clients with musculoskeletal injuries was found to be as good as that of orthopaedic surgeons and significantly better than that of non-orthopaedic providers.<sup>1</sup>

Many specialist physiotherapists work in advanced or consultant roles in the public sector and the APA firmly believes that it is critical that the pricing framework is designed to appropriately reflect this.

## **Conclusion**

The APA appreciates the opportunity to provide feedback on the Draft Pricing Framework and welcomes further involvement in future consultations.

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<sup>1</sup>Moore JH, Baxter RE, DeBerardino TM, Mansfield LT, Fellows DW, Taylor DC., *Clinical diagnostic accuracy and magnetic resonance imaging of patients referred by physical therapists, orthopaedic surgeons, and nonorthopaedic providers.* J Orthop Sports PhysTher, 2005. 35: p. 67-71.