

## Review of TAC Victoria Schedule of Fees for Physiotherapy Services (Private)

Presented to the Transport Accident  
Commission (VIC)

May 2013

**Authorised by:**

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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 APA is governed by a Board of Directors elected by representatives of all stakeholder groups within the Association.

The organisation has approximately 13,500 members, some 70 staff and over 300 members in volunteer positions on committees and working parties. In Victoria there are approximately 5,300 registered physiotherapists. More than 3,500 are APA members.

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).

## Executive Summary: Schedule Review

### Overview:

The Australian Physiotherapy Association believes that a fair and reasonable fee structure, which focuses on early intervention and access to the most experienced and qualified health professionals will produce the best patient outcomes.

- The current TAC fee schedule is significantly below market rates when compared to the treatment of private patients in Victoria
- The current TAC fee schedule has failed to increase in accordance with CPI Health Index over a significant period
- The current TAC fee schedule pays significantly below fees in other states and therefore national average fees for treating injured road users
- The TAC is failing to meet its legislated obligation to pay reasonable costs as required by s60(2)(a) 'Medical and like benefits' of the Transport Accident Act 1986

The APA requests the TAC review its current fee schedule as a matter of urgency. Our expectation is that the TAC will update the fee schedule immediately to current market rates thus providing reasonable remuneration for physiotherapists.

## Detail: TAC Fee Schedule Review

### 1. The APA supports the TAC

The APA acknowledges the importance of maximising results from money devoted to compensating injured road users so as to achieve the best health, recovery and rehabilitation outcomes. The APA believes that physiotherapists are best equipped and trained to provide effective rehabilitation for injured road users. The APA has and will continue to support key messages of the TAC. These include the focus of physiotherapy services on evidence based practice and treatment outcomes centered achieving pre-accident full function. In spite of APA's committed support for TAC's Outliers Program, improvements in this area have not translated into appropriate and reasonable fees for physiotherapists.

### 2. TAC Schedule of Fees

The APA recognises the need for compensable bodies to control costs and ensure that the compensable fee structure is sustainable. However, the TAC's failure to pay reasonable fees is incompatible with the physiotherapist's objective to provide quality care focussed on early rehabilitation and return to full function. Poor remuneration offered to physiotherapists for treating injured road users is a disincentive to treat such patients. This drives many highly qualified and experienced physiotherapists away from the TAC funded scheme and compromises best health outcomes for patients.

### 3. TAC Fees for service compared to market rates in Victoria

A comparison of the remuneration Victorian physiotherapists receive for treating private clients versus injured road users, as funded by the TAC, shows a profound discrepancy as demonstrated in table 1 below. In particular, the TAC standard consultation fee is \$15.40 less than the state average fee. It is an alarming 24.1% lower than the fee applied to private clients. Comparisons between 2011 and 2012 data indicate the TAC schedule shortfall is worsening. The TAC pays well below market rates for physiotherapy consultations in Victoria. The APA requests that the TAC Schedule of Fees should be increased to reflect market rates in Victoria.

Victorian Fees	Private Practice Fees	TAC Scheduled Fees	Fee Deficit	% Deficit
2012				
Initial Consultation	\$74.80	\$63.65	\$11.15	14.9%
Standard Consultation	\$63.90	\$48.50	\$15.40	24.1%
2011				
Initial Consultation	\$71.44	\$61.74	\$9.70	13.6%
Standard Consultation	\$60.42	\$47.05	\$13.37	22.1%

Data collection on the average cost of an initial and standard consultation fee across the states and territories of Australia per Millward Brown report (MB) as commissioned by the APA.

**Table 1: Comparison of private fees vs TAC fee schedule 2011 & 2012**

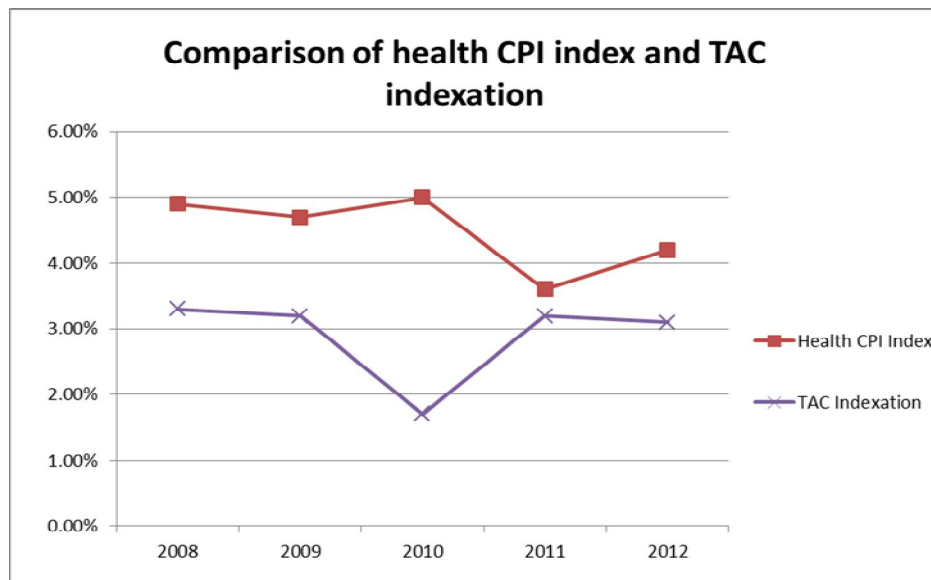
#### 4. TAC fees for service and CPI indexing

The table below outlines health CPI indexing for the six year period from 2007 to 2012. TAC indexation is provided as a basis for comparison.

Year	Health CPI Index	TAC Initial Consultation rate	TAC Indexation	TAC Standard Consultation rate	TAC Indexation
2007	4.10%	\$55.25	n/a	\$42.05	n/a
2008	4.90%	\$57.05	3.30%	\$43.45	3.30%
2009	4.70%	\$58.85	3.20%	\$44.85	3.20%
2010	5.00%	\$59.85	1.70%	\$45.61	1.70%
2011	3.60%	\$61.74	3.20%	\$47.05	3.20%
2012	4.20%	\$63.65	3.10%	\$48.50	3.10%

**Table 2: Comparison of health CPI index and TAC indexation**

Graph 1 highlights that TAC indexation has been consistently below the health CPI index over the last 5 years. The TAC *Schedule of Fees* has not kept pace with health CPI indexing and further highlights that the TAC fees in Victoria continue to significantly lag behind standard market rates.



**Graph 1: Comparison of health CPI index for 2008-2012 and TAC indexation**

## 5. Fees for physiotherapy services paid by road accident insurers across Australia

Table 3 below provides a comparison of fees for *initial* and *standard* consultations across Australian states and territories.

### **Initial consultation fee**

The 2012/13 TAC initial consultation fee of \$63.65 is the lowest in the country. Western Australia (WA), South Australia (SA) and Tasmania (TAS) provide a fee schedule for physiotherapists treating patients under their compensable motor vehicle accident scheme. On average, the initial consultation fee across these three states is \$75.38. This is \$11.73 more than Victorian physiotherapists are paid for providing the same service.

Queensland (QLD), New South Wales (NSW), the Australian Capital Territory (ACT) and the Northern Territory (NT) do not have a schedule of fees. In these states, physiotherapists set their own fees. Insurers then have the option to accept or reject the physiotherapist's fees. In most instances the physiotherapist is paid the amount requested, provided the treatment services are clinically justifiable.

Therefore, 2012/13 average (mean) private sector fees for QLD, NSW, ACT and NT is used in our data analysis below to represent the fees paid by road accident insurers. The average fee for an initial consultation across these 3 states is \$88.86, a staggering \$25 more than Victorian physiotherapists receive. A similar trend is observed for 2011/12, with Victoria again being the lowest paid state by a significant margin.

### **Standard consultation fee**

When compared with WA, SA and TAS, the Victorian standard consultation fee is \$12.25 less than the average service fee in these states. The APA believes there is no justifiable reason why the payment fee for a standard consultation in Victoria should be so much lower than that of other states.

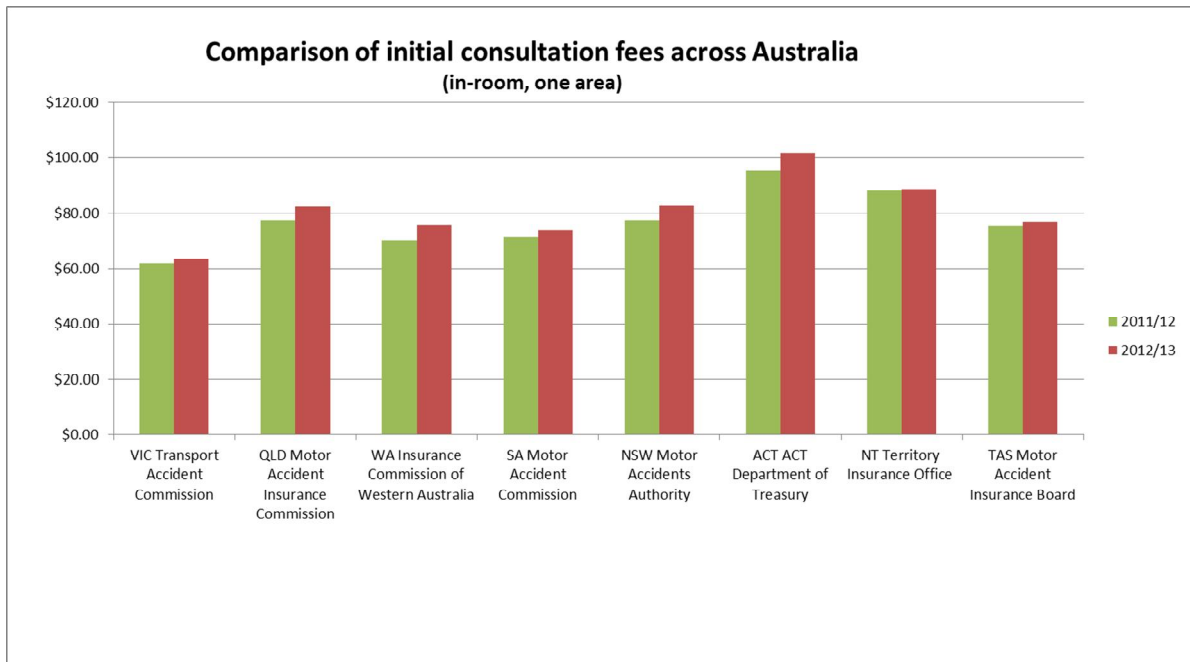
Victoria's standard consultation fee falls \$25 behind the average fee across QLD, NSW, ACT and NT. Data for 2011/12 shows a similar trend; the standard consultation fee for Victoria was \$23.30 less than the average fee of these other states.

Victorian physiotherapists are the lowest paid physiotherapists in Australia when treating injured road users. Data demonstrates this discrepancy is increasing. The APA contends that fees for service in Victoria should be significantly higher and brought into line with the national average fees.

Consultation cost in rooms, one area	Initial Consultation		Standard Consultation	
	2012 /13	2011 /12	2012 /13	2011 /12
<b>VIC</b> Transport Accident Commission	\$63.65	\$61.74	\$48.50	\$47.05
<b>QLD</b> Motor Accident Insurance Commission	\$82.36	\$77.45	\$70.59	\$67.86
<b>NSW</b> Motor Accidents Authority	\$82.60	\$77.39	\$69.36	\$65.72
<b>ACT</b> ACT Department of Treasury	\$101.76	\$95.44	\$78.68	\$75.79
<b>NT</b> Territory Insurance Office	\$88.75	\$88.08	\$75.00	\$72.08
<b>WA</b> Insurance Commission of Western Australia	\$75.40	\$70.05	\$60.55	\$56.25
<b>SA</b> Motor Accident Commission	\$73.90	\$71.30	\$60.20	\$58.10
<b>TAS</b> Motor Accident Insurance Board	\$76.85	\$75.25	\$61.50	\$60.25

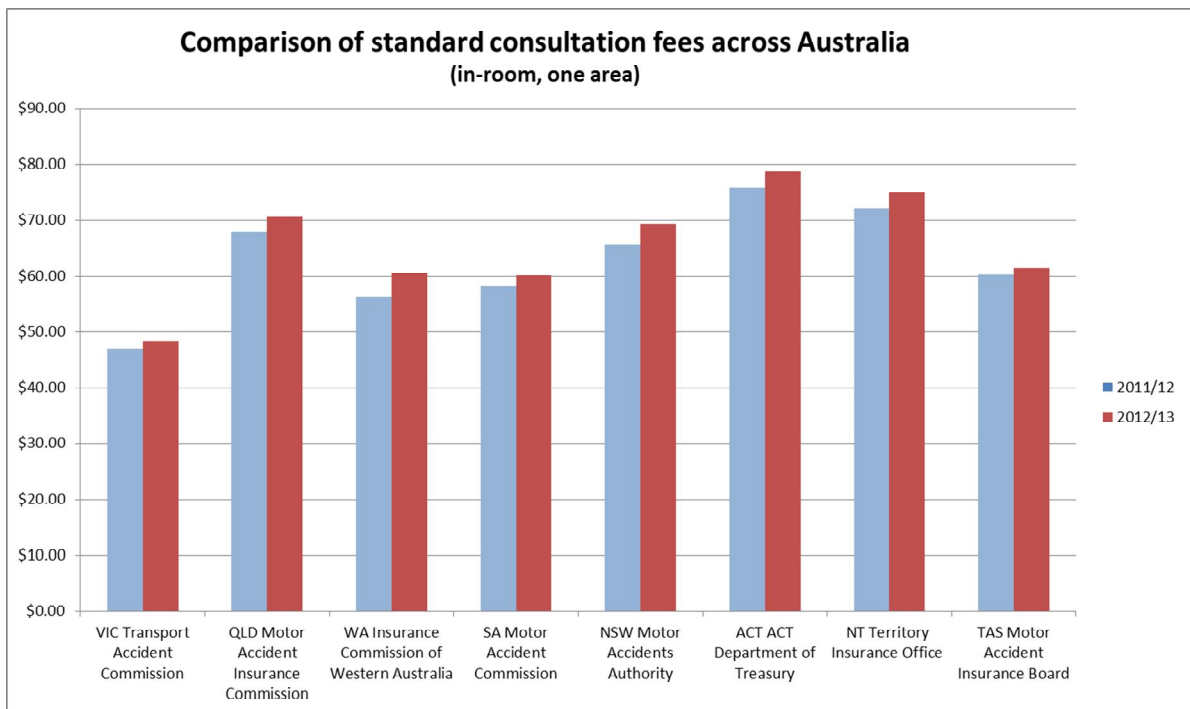
**\*Table 3: Comparison of fees for initial and standard consultation rates across Australia**

\* See notes, pg 6



**Graph 2: Comparison of initial consultation fees across Australia**

\* See notes, below



**Graph 3: Comparison of standard consultation fees across Australia**

\*Notes: QLD, NSW, ACT & NT have no fee schedule. Millward Brown 2011 & 2012 data used instead.

WA: WorkCover WA fee schedule applies; SA: WorkCover SA fee schedule applies; TAS: Rates effective as of 1 June 2010, reviewed biennially

## 6. Conclusion

The APA requests the TAC review its current fee schedule and update fees to align with market rates. The APA is committed to achieving optimal patient outcomes and would welcome the opportunity to engage with the TAC in any way possible that may facilitate the undertaking of a fee schedule review.

We will ensure that staff and members with suitable expertise are readily available for consultation to assist the TAC in updating the fee schedule to represent reasonable remuneration for physiotherapists and propose that this be sustained with annual CPI Health Index based increases.