

12 December 2019

The Manager  
Accident Compensation Policy  
Ministry of Business, Innovation, and Employment  
PO Box 1473  
Wellington 6140  
By email: [ACregs@mbie.govt.nz](mailto:ACregs@mbie.govt.nz)

## **Consultation on ACC regulated payments for treatment**

Dear Sir/Madam

Physiotherapy New Zealand (PNZ) is providing feedback on the current consultation on changes to regulated payments for ACC treatment to apply from 01 July 2020.

PNZ is the professional membership organisation for registered physiotherapists in New Zealand with over 4,300 members. Of our members working in private practice a significant group provide services for clients with an injury covered by ACC under Cost of Treatment Regulations (CoTR). Other providers are working under the Physiotherapy Contract, or various secondary care contracts. Around 25% of people claiming ACC payments in primary care make their claim through a physiotherapist.

PNZ has views on:

1. the proposed increases in payments;
2. the proposal to split out the classes of specified providers and
3. changes to CoTR that could meet the government aims of improving equity of access and health outcomes for New Zealanders.

We have no submissions on either the changes for hearing loss services eligible for payment increases, nor the proposal to remove deductions for dental treatment on teeth that have had prior work have.

### **1. The proposed 1.72% and 2.05% increases to payments for the list of specified providers, including physiotherapists.**

This proposal would see the current rate per visit to a physiotherapist rise by 48 cents, to cover a proposed two year period. The last increase of 1.56% was applied in December 2018. Our view is that the ACC payments under CoTR over the past decade have not kept pace with the changes in cost of delivering services. Since the last change to the CoTR we note that the DHB employment agreements (MECA) for allied health workers increased wages by 9%. This is a significant cost increase, which affects both public and private sector physiotherapists. The 2.05% increase does not factor in this one off change in cost of providing services. Whilst maintaining a sustainable service – one of the policy objectives for this review- we believe that an increase of at least 5% for the next two years is required to start to reduce the gap between the ACC contribution and the cost to patient.

Our members estimate that the current CoTR represents approximately half of the actual cost of treatment. Initially the CoTR represented more than 60% of the cost. This means to achieve a sustainable business most physiotherapists are having to increase the amount of copayment charged. This has obvious implications for access to services.

### **2. Splitting out the classes of Specified Providers**

PNZ supports the proposal to separate the classes of specified providers into their respective areas of practice. We note there is no change in the actual rates for allied health providers, including physiotherapists, and believe this does not reflect either the levels of service nor the patient health outcomes achieved.

We recommend that there is consideration given to the disparity in payment rates between the different professional groups given the clinical expertise required, health professional degree of autonomy in diagnosis and treatment provided and clinical risk is of little difference when it comes to treating patients.

### 3. Other changes to CoTR that would support the policy objectives

While the CoTR is a subsidy towards the cost of treatment, our members are reporting that many patients have limited ability to contribute a copayment. In 2018, the CoTR changes allowed for a higher payment for patients with a Community Services Card (CSC) when accessing GP and practice nurse services. PNZ believes this recognizes the challenge people on low incomes face when accessing health services. This challenge is not limited to a GP service and should extend to physiotherapy services, and potentially other first point of contact services. Data provided by ACC indicates that while 50% of claims are lodged through a GP, physiotherapists represent the next largest group of first contact providers lodging 25% of primary care claims.

A consequence of financial barriers limiting access to physiotherapy treatment is that these more conservative and cost effective options are not considered by GPs and instead patients are referred for more expensive treatment options such as surgery and potentially unnecessary radiology procedures.

PNZ also notes that the CoTR framework, which is entirely transactional in nature, is no longer meeting the requirements for interdisciplinary health service provision. The Ministry of Health is clearly moving in this direction as discussed at their recent two-day national forum. The fee for service per service provider does not encourage patients or providers to share information and to work collaboratively towards shared injury rehabilitation goal setting and management to achieve improved patient outcomes. In a recent presentation by ACC at the Physiotherapy Business Symposium it was noted that one of the drivers behind the development of the GP Connect Programme was to improve the delivery of primary care services for ACC because in ACC 's view:

- System is not fully co-ordinated
- Some clients fall through the gaps
- Information not shared between providers
- ACC payment doesn't incentivise integration
- No data to enable clinical insights

The current CoTR review does little to address these shortcomings.

Your Briefing to the Incoming Minister for ACC in 2017 <sup>1</sup>noted that submissions to the 2016 review noted these same concerns. This document states: *"In response to this feedback, MBIE is undertaking a full review of the Cost of Treatment Regulations. A full review is intended to update and modernise the Cost of Treatment Regulations to ensure they provide access, improve quality treatment, and support modern health workforce practices "*. No such review has been undertaken. PNZ supports the undertaking of a full review of the CoTR and would welcome the opportunity to provide input into such a review.

In summary PNZ believes the current system, which has been in place since the inception of ACC lacks the flexibility, quality measures and processes to reduce inequitable access to services that are inherent in the ACC policy drivers.

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<sup>1</sup> MBIE Briefing for the Incoming Minister for ACC 26 October 2017. Retrieved from <https://www.beehive.govt.nz/sites/default/files/2017-12/ACC%20-%20Ministry%20of%20Business%2C%20Innovation%20and%20Employment.pdf>

Thank you for the opportunity to submit on this matter.  
The primary contact for matters relating to this submission is:

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Yours sincerely,

A handwritten signature in blue ink that reads "Sandra Kirby". The signature is fluid and cursive, with the first name "Sandra" and the last name "Kirby" clearly distinguishable.

Sandra Kirby  
CEO