

How to submit this form

Submission form: Proposed updates to ACC regulated payments for treatment

The Ministry of Business, Innovation and Employment (MBIE) would like your feedback on proposed updates to the ACC regulated payments for treatment. Please provide your feedback by **18 October 2022**.

When completing this submission form, please provide comments, evidence, and any data that may aid your submission. Your feedback provides valuable information and informs decisions about the proposals.

We appreciate your time and effort taken to respond to this consultation.

Instructions

To make a submission you will need to:

1. Fill out your name, email address, phone number and organisation.
2. Fill out your responses to the discussion document questions. You can answer any or all of the questions. Where possible, please provide us with evidence to support your views. Examples can include references to independent research or facts and figures.
3. If your submission has any confidential information:
 - i. Please state this in the email accompanying your submission, and set out clearly which parts you consider should be withheld and the grounds under the Official Information Act 1982 (Official Information Act) that you believe apply. MBIE will take such objections into account and will consult with submitters when responding to requests under the Official Information Act.
 - ii. Indicate this on the front of your submission (eg, the first page header may state "In Confidence"). Any confidential information should be clearly marked within the text of your submission (preferably as Microsoft Word comments).
 - iii. Note that submissions are subject to the Official Information Act and may, therefore, be released in part or full. The Privacy Act 1993 also applies.
4. Submit your feedback:
 - i. As a Microsoft Word document by email to ACregs@mbie.govt.nz with subject line: *Consultation: ACC regulated payments for treatment*, or
 - ii. By mailing your submission to:

The Manager, Accident Compensation Policy
Ministry of Business, Innovation and Employment
PO Box 1473

Wellington 6140
New Zealand

Submitter information

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MBIE would appreciate if you would provide some information about yourself. If you choose to provide information in the section below it will be used to help MBIE understand the impact of our proposals on different occupational groups. Any information you provide will be stored securely.

Your name, email address, phone number and organisation

Name: Benjamin Hinchcliff

Email address: admin@nzptrust.co.nz

Phone number: 0225400300

Organisation: New Zealand Physiotherapy Trust Ltd

- The Privacy Act 2020 applies to submissions. Please tick the box if you do **not** wish your name or other personal information to be included in any information about submissions that MBIE may publish.
- MBIE may upload submissions or a summary of submissions received to MBIE's website at www.mbie.govt.nz. If you do **not** want your submission or a summary of your submission to be placed on our website, please tick the box and type an explanation below:

I do not want my submission placed on MBIE's website because... [insert reasoning here]

Please check if your submission contains confidential information

- I would like my submission (or identifiable parts of my submission) to be kept confidential, and **have stated** my reasons and ground under section 9 of the Official Information Act that I believe apply, for consideration by MBIE.

Proposed updates to ACC regulated payments for treatment

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Questions on increases to rates set by the cost of treatment regulations

Question 1

Do you agree that tailored payment increases reflecting wage increases in the main occupational groups (option D in discussion document), which will result in the increases detailed in Table 4 reproduced below, best meets the following policy objectives:

- Claimants are able to access treatment, meaning co-payments should be affordable
- Costs to ACC are sustainable, affordable and predictable (gradual increases)
- Payments are not too dissimilar between the health and ACC systems.

If you do not agree, why not? Please provide reasons for your view.

The following submissions relate to the proposed increase for physiotherapists

Claimants are able to access treatment, meaning co-payments should be affordable

In the Research New Zealand Co-payments Survey 2021, it was found that the mean co-payment rates for physiotherapy treatment are around \$30 and \$46 per treatment. It identified that between 17% and 68% of respondents stated that cost was a barrier to treatment. Māori was at 55% and Community Service Card holders at 68%.

The proposed increase of 9.36% equates to an increased hourly rate of \$5.63. As each physiotherapy treatment is usually between 30 and 45 minutes, the increase per visit is around \$4 per visit.

Based on the average time of treatment, the average co-pay is around the amount paid by ACC. Section 3(c) of the Act states in part that ACC's goal is restoring to the maximal extent possible a claimant's independence and participation. If ACC expects the claimant to pay as much as ACC pays for treatment, ACC is not complying with s 3 of the Act.

If a person is on weekly compensation at the minimum rate of around \$640 gross per week and is recovering from surgery, they may be expected to attend physiotherapy 3x per week. If the average co-pay is \$30 per treatment, it is unrealistic for a claimant to afford \$90 per week in physiotherapy costs. As such the claimants may not recover as quickly or may be left with continued problems due to poor compliance with rehabilitation.

It is submitted that ACC should be responsible for at least 80% of the costs of claimant care, this is the rate that weekly compensation is paid at. This equates to a 50% increase in the costs of regulation payments to physiotherapists and will mean that co-pays may be reduced by around 50% allowing for improved access to care.

Summary: The increase should be 50% to physiotherapists.

Costs to ACC are sustainable, affordable and predictable (gradual increases)

The Consultation Paper states that various ACC levies would need to be increased relative to the increase in provider payments. The consultation paper does not appear to consider that compliance with rehabilitation guidelines following injuries results in faster return to work,

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less specialists and other treatment costs. Physiotherapy is proven to prevent complications from injuries and prevent the requirement of some surgeries.

If, due to lower co-pays, claimants comply with rehabilitation treatment guidelines, the costs to ACC will decrease. Unnecessary specialists and radiology tests would eventuate, weekly compensation payments would terminate quicker, and lump sum payments for permanent impairments from ACC would be less.

ACC pays physiotherapists around \$110 per hour to provide patient notes. This is evidence that ACC understands that physiotherapists should be reimbursed around that amount per hour to cover costs.

It is submitted that a 50% increase in payments for physiotherapy treatment would be budget neutral. There are predictable benefits and costs savings related to decreased co-payments. The suggested 9.36% increase (close to that of inflation) will have little effect on claimant compliance with treatment as co-payments would stay the same.

Payments are not too dissimilar between health and ACC systems

The public health system does not usually charge a co-pay for physiotherapy treatment. Under the May 2022 MECA physiotherapy rates, physiotherapist wages are between \$25.64 and \$54.46 per hour. 8% should be added to this amount to factor in holiday payments.

In private practice, physiotherapists usually need a receptionist, a small gym, office space, and treatment rooms. While the expenses related to claimants' treatments vary, it is likely to be around \$30 per hour per physiotherapist.

Private practitioners also have to, when not with the claimants and not billable time to ACC, write patient notes, write referrals to specialists, and factor in clients missing appointments and time spent promoting their services.

It is submitted that payments to physiotherapists, to what they would receive within the public system, is \$30 per hour for overheads, 20% for non-billable time, and 8% for lack of holiday pay. This equates to a rate of between \$72.11 and \$109.46 per hour. If an average physiotherapist has around 8 years of experience, payment should be \$90 per hour under regulations consistent with a 50% increase in physiotherapy payments under regulations.

Table 4: Services eligible for payment increases

Accident Compensation (Liability to Pay or Contribute to Cost of Treatment) Regulations 2003			
Treatment Provider	Regulation	Service	Proposed Increase
Counsellors	9	Consultation	9.36%
Dentists	10 and Schedule	Consultation and treatment costs	5.70%
Medical practitioners	13 and Schedule	Consultation and treatment	5.70%
Nurses	14 and Schedule	Consultation and treatment	7.85%
Medical practitioners and nurses	15 and Schedule	Combined consultation and treatment	4.60%
Nurse practitioners	15A and Schedule	Consultation and treatment	7.85%

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Accident Compensation (Liability to Pay or Contribute to Cost of Treatment) Regulations 2003			
Specialists	16 and Schedule	Consultation and treatment	5.70%
Hyperbaric oxygen	11 and Schedule	Treatment costs	5.70%
Radiologists	12 and Schedule	Consultations and imaging	5.70%

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Specified Treatment Provider	Regulation	Service	Proposed Increase
Acupuncturists	17 and Schedule	Treatment costs	9.36%
Chiropractors	17 and Schedule	Consultation, treatment and imaging	9.36%
Occupational therapists	17 and Schedule	Treatment costs	9.36%
Osteopaths	17 and Schedule	Consultation, treatment and imaging	9.36%
Physiotherapists	17 and Schedule	Consultation, treatment and imaging	9.36%
Podiatrists	17 and Schedule	Consultation, treatment and imaging	9.36%
Speech therapists	17 and Schedule	Treatment costs	9.36%

Question 2

Do you have any concerns about the impact the regulated payment regime has on particular population groups who have difficulty in accessing treatment? If so, please provide examples and reasons for your view.

Access to patient care continues to be problematic, especially in the smaller centres where physiotherapists are more likely under regulated payments than ACC contract payments. ACC contracts usually belong to the bigger rehabilitation providers. As such, the rural areas with small physiotherapy practices struggle to retain providers as they do not have lucrative contracts available to bigger providers.

It is logical that lower socioeconomic groups cannot afford the average \$30 co-pays. This has been established in the 2021 Co-payments Survey.

Another problem is attracting diverse physiotherapists to work in smaller communities. As 50% of physiotherapists stop being physiotherapists by 7.4 years (as per PNZ) the profession is dominated by inexperienced physiotherapists. The high rate of physiotherapists leaving the profession can be partially blamed on the poor payment rates for physiotherapists and a lack of career progression.

Standalone physiotherapy clinics struggle due to the expenses of owning a clinic and the lack of reimbursement under regulations. It is not fiscally prudent to open a clinic in communities that cannot afford above-average co-pays. Due to the added expenses of having a small clinic that still needs to provide all the services, such as a gym, they fail.

Retaining physiotherapists will help spread them out in the communities to go where care is needed helping with access to treatment. The best way of retaining physiotherapists is to provide progression steps and offer incentive payments. A 50% increase in regulation payments will help to retain physiotherapists in various communities.

Question on the hearing loss regulations

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Question 3

Do you have a view on the proposed nil increase to the payments listed in Table 5 reproduced below? Please provide reasons for your view.

Table 5: Hearing Loss Services

Accident Compensation (Apportioning Entitlements for Hearing Loss) Regulations 2010 (the Hearing Loss Regulations)			
Provider	Regulation	Service	Increase
Audiologists	5, 5A, 6, 8, 9, 10, 10A	Assessment, consultations, fittings, service, repairs and replacement ear moulds	0.00%

No comment.

Questions on the proposed new Nurse Practitioner and Nurse combined rate

Question 4

Do you agree with introducing a new nurse practitioner and nurse combined treatment rate, and the specific rates (before the general increase proposed in section 3) listed in Table 6 reproduced below? Please provide reasons for your view.

Table 6: Nurse Practitioner and Nurse combined treatment rates

Definition	Treatment rate
If the claimant is 14 years old or over when the visit takes place and is not the holder of a community services card or the dependent child of a holder	\$29.33
If the claimant is under 14 years old when the visit takes place	\$54.21
If the claimant is 14 years old or over when the visit takes place and is the holder of a community services card	\$50.88
If the claimant is 14 years old or over but under 18 years old when the visit takes place and is the dependent child of a holder of a community services card	\$55.71

No comment.