

ACC primary submission

**Review of the way in which Physiotherapy Services are
Funded and Accredited by ACC**

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Purpose

The Confidence and Supply Agreement between the Government and New Zealand First includes a requirement to conduct a review of the way in which physiotherapy services are funded and accredited by ACC. The Government has agreed to address this issue during this term of Parliament.

ACC welcomes the opportunity to make this submission.

This submission:

- describes the statutory environment in which ACC operates;
- explains how ACC operates within this legal framework to ensure claimants receive physiotherapy services that are necessary and appropriate;
- shows how ACC recognises and values the skills of physiotherapists for helping claimants to be rehabilitated to the maximum extent practicable;
- demonstrates how ACC uses the skill set of physiotherapists to meet the needs of claimants by purchasing services in other ways which are permitted, but not required, by the legislation; and
- has attached all material that ACC believes will be helpful and relevant to the Review.

This submission is organised as follows:

- an overview of ACC;
- what physiotherapy services are purchased by ACC;
- how ACC purchases physiotherapy services;
- ways in which physiotherapy services are monitored;
- what ACC does to improve delivery of physiotherapy services to its claimants; and
- how ACC works with the sector to build capability.

1 Introduction

ACC operates within a prescriptive, statutory arena, the Injury Prevention, Rehabilitation, and Compensation (IPRC) Act 2001.

ACC is governed by a Board of Directors and led by an Executive Leadership Team headed by the Chief Executive. ACC is funded by levies, income earned from investments, and Government appropriation through Vote ACC.

1.1 ACC overview

The Accident Compensation Corporation (ACC) is the Crown entity that manages New Zealand's accident compensation scheme. The overall 'Scheme' consists of seven separate schemes which are as follows:

1. Employers';
2. Earners';
3. Self-Employed Work;
4. Non-Earners';
5. Motor Vehicle;
6. Medical Misadventure; and
7. Residual Claims.

ACC's performance is overseen by a Board whose members are responsible to the Minister for ACC. The Scheme began in 1974 and is unique in the world. It provides comprehensive, 24-hour, no-fault personal injury cover and entitlements for everyone in New Zealand – whether they are a citizen, a resident or a temporary visitor and have an injury on the road, in the home, at work, or at play. In exchange for comprehensive cover, people do not have the right to sue for personal injuries that are covered by ACC. It is still possible to sue for exemplary damages.

ACC is responsible for:

- preventing injury;
- determining whether claims for injury are covered by ACC;
- providing correct entitlements to claimants;
- purchasing acute and post-acute care, rehabilitation and support services;
- collecting levies; and
- investing levies to cover operating expenses and future costs of current claims.

ACC's key role is to keep New Zealanders free from injury – to prevent injury and to ensure that people who are injured are promptly rehabilitated and receive what they are entitled to receive.

The Scheme was introduced in 1974 following a Royal Commission of Inquiry chaired by the Honourable Justice Owen Woodhouse. The Inquiry found that:

Injury arising from accident demands an attack on three fronts. The most important is obviously prevention. Next in importance is the obligation to rehabilitation the injured. Thirdly there is the duty to compensate them for their losses.'

A copy of the *ACC Annual Report 2006* is enclosed with this submission (1). The Report is produced annually for Parliament and the community as a statement of ACC's performance, and explains who ACC is and what it does. This year the Report focuses on the impact of ACC's seven strategic priorities, which are defined later in the submission.

1.2 Governing legislation

ACC's governing legislation represents Woodhouse's vision of prevention, rehabilitation, and compensation. The purpose of the Act, as set out in section 3, is to:

enhance the public good and reinforce the social contract represented by the first accident compensation scheme by providing for a fair and sustainable scheme for managing personal injury that has, as its overriding goals, minimising both the overall incidence of injury in the community, and the impact of injury on the community (including economic, social and personal costs).

Appendix 1 includes a list of the sections of the Act that ACC considers are most relevant to physiotherapists' provision of treatment and ACC's obligation to pay or contribute to the cost of treatment.

1.3 Governance

1.3.1 Board of Directors

ACC is governed by a Board of Directors who are appointed by, and are responsible to, the Minister for ACC. The Board is responsible for ensuring that ACC carries out its statutory duties and meets its obligations, in particular:

- establishing ACC's strategic direction and monitoring day to day performance;
- approving major capital expenditure;
- appointing the Chief Executive and delegating to them the day-to-day management of the organisation.

The Chief Executive is responsible for the leadership and management of the organisation, and is accountable for achieving the objectives of the IPRC Act 2001.

1.3.2 Role of Department of Labour

The Department of Labour (DoL) plays an important role in assisting the Minister for ACC to discharge her functions as the Minister responsible for ACC. DoL has two broad advisory roles relating to ACC and the ACC Schemes, which are:

¹ Compensation for Personal Injury in New Zealand. Report of the Royal Commission of Inquiry. Government Printer, December 1967. p. 19.

- provide primary policy advice to the Minister for ACC on broad strategic direction in the areas of injury prevention, rehabilitation, and compensation, and on the operation of the ACC Schemes; and
- provide purchase advice (for the Non-Earners' Account) and monitoring for the Minister on the ACC Corporation and Scheme performance, including assisting the Minister in her Governance roles relating to ACC's Board and accountability arrangements.

1.4 Strategic framework

ACC's focus is changing from a short-term, operations and process focus to a more long-term, strategic and sustainable outcome for people focus. The new ACC vision is *freedom from injury and its consequences, for everyone in New Zealand*. The foundation of ACC's strategic direction is its seven strategic priorities which are represented by the acronym EMPOWER.

Seven strategic priorities

Ensuring New Zealanders have confidence in ACC

Maintaining fair and stable levies

People-focused with good outcomes

Open and fair access for all New Zealanders

Working to reduce injuries and occupational diseases

Efficient, sustainable and flexible organisation

Rehabilitation focused on returning to productive life.

These strategic priorities encompass ACC's key business areas and guide business planning, and are supported by ACC's values:

- Honouring people as People;
- Freedom to succeed; and
- Pride in what we do

1.5 How ACC is funded

For the year ending 30 June 2006, ACC spent approximately \$2.1 billion on rehabilitation, treatment and entitlements such as weekly compensation. To fund these services, ACC collects levies and earns income from investing the funds it holds. Government funds the costs of injuries to people who are not in the paid workforce such as children and retired people.

1.5.1 Levies

Funding for the costs incurred by ACC is managed through seven separate accounts. Government sets levy rates based on recommendations from ACC following a formal public

consultation process. The levies paid to ACC are assigned to one of seven accounts. The type of injury claim and earner/non-earner status of the injured person determines from which account the injury will be funded. Table 1 below describes the type of injuries funded by each account and how the seven accounts are funded.

Table 1 – ACC Scheme Accounts Funding		
Accounts	What the Account Funds	Funding Source
Employers' Account ²	Work-related personal injuries suffered by employees and private domestic workers after 1 July 2000	Levies paid by all employers and private domestic workers
Earners' Account	Non-work injuries suffered by people in paid employment on or after 1 July 1992 (except motor vehicle injuries)	Levies paid by everyone in the paid workforce, via PAYE which is collected by Inland Revenue. Self-employed and non-PAYE shareholder employees are invoiced directly by ACC
Self-Employed Work Account	Work-related personal injuries suffered by self-employed people after 1 July 1999	Self-employed are invoiced directly by ACC
Non-Earners' Account	Injuries to people who are not in the paid workforce, such as students, beneficiaries, retired people and children (other than injuries covered by the Motor Vehicle or Medical Misadventure Accounts)	Vote ACC appropriation from Government
Motor Vehicle Account	Injuries involving moving motor vehicles on public roads	A levy on the price of petrol collected by the New Zealand Customs Service on behalf of ACC and from a component of the motor vehicle licensing fee collected by Land Transport NZ on behalf of ACC
Medical Misadventure Account	Injuries that result from treatment by a registered health professional	55% from Earners' Account and 45% from Non-Earners' Account
Residual Claims Account	All work injuries suffered before 1 July 1999 and non-work injuries suffered by earners prior to 1 July 1992	A separate and additional levy paid by employers and self-employed persons collected by ACC

² From 1 April 2007, the Employers' Account and the Self-Employed Work Account will be replaced with a single account named the Work Account.

1.5.2 Investments

Over the past 10 years, ACC's investment assets have steadily increased and are \$9.08 billion as at 30 June 2006. The main reason for this growth was the decision, endorsed by both major political parties, to move towards a fully funded Scheme that will hold enough funds to cover all future costs of existing injuries (previously ACC was funded on a pay-as-you-go basis with minimal, typically six-month, reserves). It is anticipated that by 2014, the date at which the Scheme is scheduled to be fully funded, ACC will have around \$19 billion of long-term investment funds.

1.5.3 Vote ACC appropriation and Budget process

Vote ACC appropriation

ACC is obligated under the IPRC Act 2001 to fund entitlements, such as treatment³, social⁴ and vocational rehabilitation⁵, and weekly compensation⁶, for claimants who meet the criteria set out in the Act.

Government funds the cost of injuries for people who are not in the paid work force such as children, students, retired people and beneficiaries through the Vote ACC appropriation. The Minister for ACC is the Minister responsible for the Vote and DoL is the department responsible for administering the Vote.

The Vote ACC appropriation is determined through the October Baseline Update and March Baseline Update processes. During these processes, the estimated amount of funding required for non-discretionary expenditure in the Non-Earners' Account is re-estimated and updated.

Annual Budget process

Funding for any new policy initiatives, changes in legislation, increases in current amounts paid for services or other discretionary cost increases that have a material impact on the Non-Earners' Account need to be agreed and appropriated through the Government's annual Budget cycle.

ACC has an opportunity to propose potential Budget bids for the Budget cycle. The bids are the Minister for ACC's and she decides, on advice from Department of Labour and Treasury, which ones are to be put forward for consideration. Bids are considered against Government's fiscal policy objectives and against other Vote Minister's Budget bids. Treasury also scrutinises Budget bids for cost benefit and affordability, and makes recommendations to the Minister of Finance regarding which bids should be supported and which should be declined. For Vote ACC, an unsuccessful Budget bid means that the policy

³ Treatment can include the following services:

- physical rehabilitation;
- cognitive rehabilitation; and
- examination (consultation).

⁴ The purpose of social rehabilitation is to restore the claimant's life skills and abilities that are essential for every day functioning to the maximum extent practicable. Areas of social independence that have the highest priority include health care, mobility and safety management.

⁵ Vocational rehabilitation is the process of support a claimant receives (through the provision of certain vocational rehabilitation entitlements and services) with the goal of assisting a claimant to restore their independence and participation within the context of their employment situation.

⁶ 'Weekly compensation' means compensation for loss of earnings, or potential earnings, as a result of injury.

initiative cannot proceed because of its impact on the Non-Earners' Account. The Budget process begins in August/September each year and finishes in May when the Budget is announced by the Minister of Finance. During the Budget process, all bids are classified as sensitive and remain confidential until they are announced on Budget Day. Unsuccessful Budget bids are not made known to the public.

2 Overview of physiotherapy services purchased by ACC

ACC recognises that physiotherapy plays an important role in helping people to recover their quality of life and return to work or independence following injury. ACC is the largest purchaser of physiotherapy services in New Zealand. The number of physiotherapists providing treatment for ACC claimants is growing. ACC's expenditure on physiotherapy services is also increasing. This section helps to set the context for the submission by setting out the number of physiotherapists from whom ACC purchases services and the quantum of physiotherapy claims, including physiotherapy treatment statistics, and providing information regarding expenditure on physiotherapy treatment for claimants.

2.1 Physiotherapists as treatment providers for ACC

Physiotherapists are registered health practitioners educated to apply scientific knowledge and clinical reasoning to assess, diagnose and manage human function. They promote mobility, health and independence, rehabilitate, and maximise potential for activity.

For the year ending June 2006, 2.3 million treatment visits were made to general practitioners, 2.8 million treatment visits to physiotherapists and 2.7 million visits for all other medical treatments. The total number of new claims registered with ACC during this period was 1.604 million. During this time, 480,315 claimants received physiotherapy services, receiving on average 6 visits per claim.

For administrative purposes, ACC requires treatment providers, including physiotherapists, to register with ACC. To register, treatment providers must meet qualification, registration, certification and other requirements. Enclosed with this submission are copies of the ACC provider registration pack which contains material sent to physiotherapists when they apply to be registered and the ACC registration process (2).

Pursuant to section 6 of the IPRC Act 2001, 'physiotherapist' means a health practitioner who:

- is, or is deemed to be, registered with the Physiotherapy Board of New Zealand continued by section 114(1)(a) of the Health Practitioners Competence Assurance Act 2003 as a practitioner of the profession of physiotherapy; and
- holds a current practicing certificate.

The Physiotherapy Board requires the following qualifications for registration as a physiotherapist:

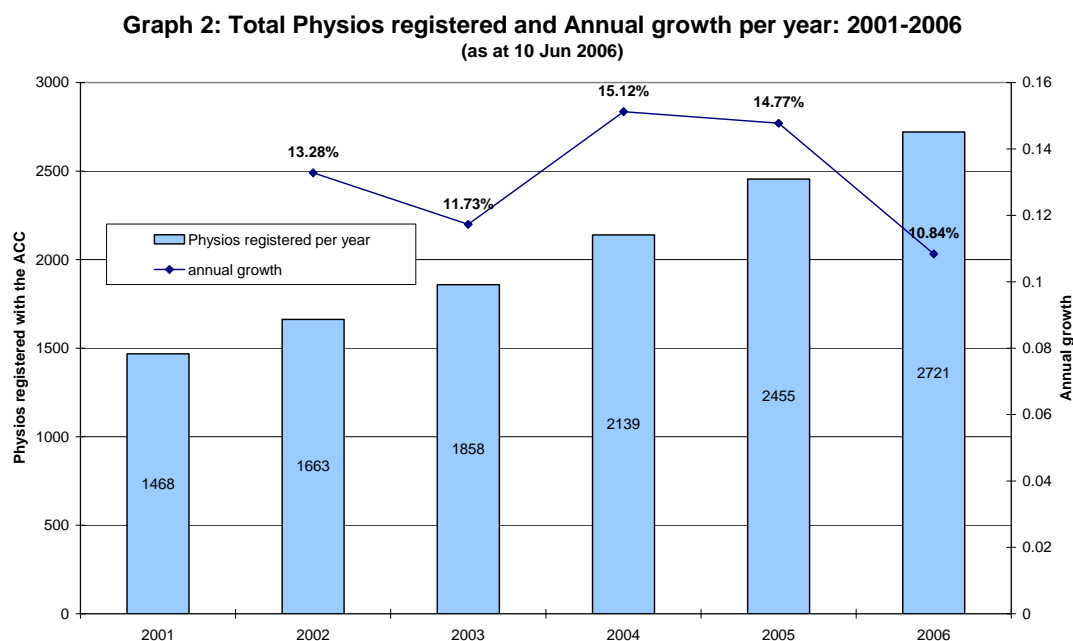
- Bachelor of Health Science (Physiotherapy), Auckland University of Technology; or
- Bachelor of Physiotherapy, University of Otago; or
- a pass in an assessment set by the Physiotherapy Board for persons holding a physiotherapy qualification gained overseas; or
- registration as a physiotherapist in any state or territory which is participating jurisdiction under the provisions of the Trans-Tasman Mutual Recognition Act 1997.

Physiotherapists who meet the requirements of the IPRC Act 2001 may:

- lodge ACC claims on the claimant's behalf;

- provide treatment to ACC claimants (within their scope of practice); and
- invoice ACC for treatment.

There are currently 861 physiotherapy practice addresses and 2721 physiotherapists registered with ACC.⁷ Graph 2 below demonstrates the number of physiotherapists per year registered with ACC since 2001, as well as the percentage of the annual growth per year.



Between 2001 and 2006, the number of physiotherapists registered as treatment providers for ACC has increased by approximately 85%.

2.2 Physiotherapy treatment statistics

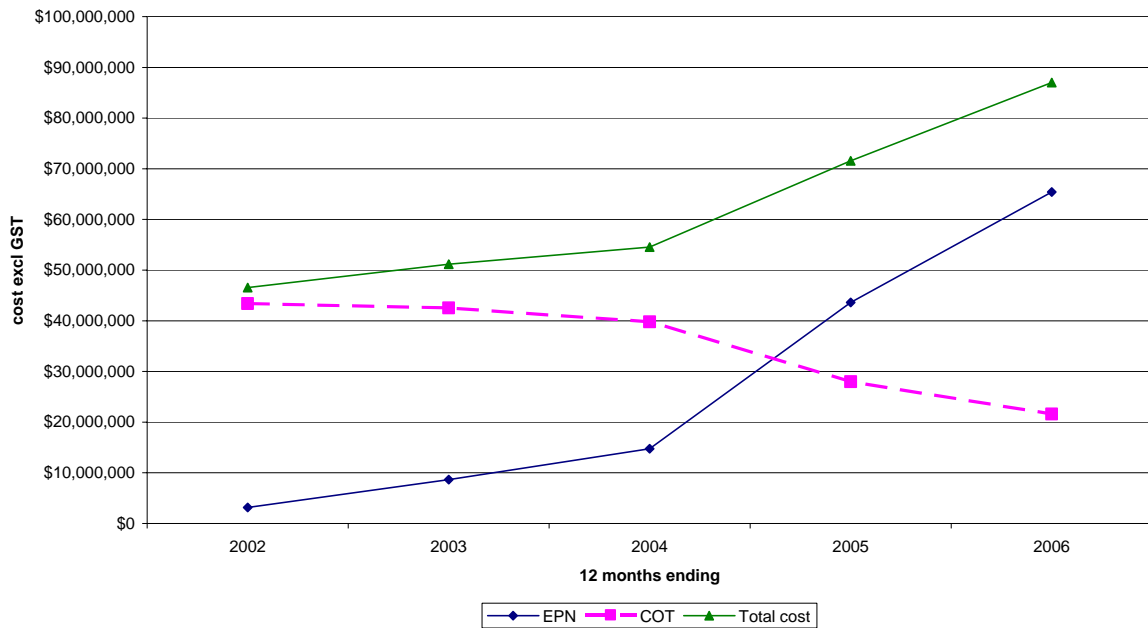
The most common injuries treated by physiotherapists include neck, thoracic and lumbar sprains, rotator cuff sprains, and ankle sprains. Tables 2 and 3 in Appendix 2 below set out the top 20 injuries receiving physiotherapy treatment in 2004/05 and 2005/06 and the average number of visits per claim. The top 20 injuries make up 76% of ACC claims treated by physiotherapists.

2.3 Expenditure on physiotherapy treatment for ACC claimants

For the year ending 30 June 2006, ACC spent \$402,440,973 on medical treatment for claimants. Of this spend, \$87,834,677 was for physiotherapy treatment visits paid under the Cost of Treatment Regulations and Endorsed Provider Network service agreement. Expenditure on other physiotherapy service agreements was \$5,987,485 for Hand Therapy Service Agreements and \$13,138,741 for service agreements regarding Activity-Based Programmes (these programmes are defined below). Table 4 in Appendix 3 details ACC's expenditure for medical treatment for the financial year ending 30 June 2006.

⁷ This is based on the number of physiotherapists who are registered with ACC. This may include physiotherapists who are no longer practicing.

Increase in expenditure for EPN physiotherapists compared with expenditure for physiotherapists invoicing under the Cost of Treatment Regulations from 2002 to 2006



The graph above demonstrates that the spend for physiotherapists holding Endorsed Provider Network (EPN) Physiotherapy Service Agreements for the period 2001 to 2006 has been trending upwards while the spend for physiotherapists invoicing under the Cost of Treatment Regulations has been trending downwards as more physiotherapists move to EPN services agreements.⁸

⁸ EPN Service Agreements are contracts between ACC and physiotherapy practices that have achieved accreditation. To ensure timely and effective rehabilitation for claimants, ACC pays these practices an increased fee and in return the practices cannot charge claimant co-payments.

3 How does ACC purchase physiotherapy services

ACC purchases physiotherapy services under regulations and through innovative contracts aimed to achieve more timely and effective rehabilitation for its claimants. ACC recognises its role as purchaser and monitors its level of payment.

3.1 Legal framework

Under Clause 1, Schedule 1 of the IPRC Act 2001, ACC is liable to pay or contribute to the cost of a claimant's treatment for personal injury for which the claimant has cover –

- to the extent permitted under contract or agreement with any person for the provision treatment;
- if no such agreement or contract applies, to the extent required or permitted by regulations made under the IPRC Act 2001; or
- if no agreement, contract or regulations apply, the cost of the treatment

3.2 Regulatory services

When there is no contract or agreement in place, the default purchasing mechanism is the Injury Prevention, Rehabilitation, and Compensation (Liability to Pay or Contribute to Cost of Treatment) Regulations 2003 (Cost of Treatment Regulations). These regulations set out the amounts ACC is liable to pay or contribute to the cost of a claimant's treatment.

Section 324 of the IPRC Act 2001, enables the Governor-General, on the recommendation of the Minister for ACC, by Order in Council, to make regulations prescribing the costs ACC is liable to pay for the entitlement of rehabilitation. The Cost of Treatment Regulations prescribes ACC's contribution towards the cost of treatment for a number of providers including physiotherapists. These contribution rates are not currently subject to regular adjustments.

3.2.1 Overview

Under the Cost of Treatment Regulations, physiotherapists are included in the Specified Treatment Provider⁹ group and can elect to receive the 'per treatment visit' rate of \$19.48 or the hourly rate of \$49.00.¹⁰ For physiotherapists who choose to receive the hourly rate, ACC is liable to pay the appropriate proportion of the hourly rate for the part of an hour during which a claimant received direct treatment (time during which a physiotherapist is directly applying his or her expertise). As at 30 September 2006, 691 physiotherapists received the 'per treatment visit' rate and 866 elected to receive the hourly rate.

The last adjustment to ACC's contribution towards the cost of treatment provided by Specified Treatment Providers was made on 1 April 2006 when rates were increased by 2.5%. From 1 April 2007, rates will be adjusted by approximately 25% to \$24.48 for the 'per treatment visit' rate and to \$61.57 for the hourly rate.

Specified Treatment Providers paid under the Cost of Treatment Regulations may charge a co-payment to claimants in addition to ACC's contribution towards the cost of treatment.

⁹ Under the Injury Prevention, Rehabilitation, and Compensation (Liability to Pay or Contribute to Cost of Treatment) Regulations 2003, Specified Treatment Provider means an acupuncturist, chiropractor, occupational therapist, osteopath, physiotherapist, podiatrist, or speech therapist.

¹⁰ These rates are GST inclusive.

Co-payment charges for services are an important factor in service affordability to claimants, and for some can become a barrier to service access. Because of the impact co-payments can have on access, ACC monitors the level of co-payments treatment providers charge to claimants by surveying providers on a regular basis. ACC has commissioned BRC Marketing & Social Research and Research New Zealand to undertake this research. The research found that average co-payments for physiotherapy services are about \$13 and that co-payment levels charged by physiotherapists have not increased above inflation over the period in which ACC has been monitoring co-payments.

The following documents are enclosed with this submission:

- BRC Marketing & Social Research's Physiotherapy Services Co-payment Charges Survey – 2003/4 and 2004/5 Comparative Analysis;
- BRC Marketing & Social Research's Physiotherapy Services Co-payment Charges Survey – 2004/05 and 2005/06 Comparative Analysis; and
- Research New Zealand's Comparative Report on Physiotherapists Co-payment Survey dated 18 January 2007 (3)

3.2.2 History of adjustments to the Cost of Treatment Regulations

Table 5 summarises adjustments made to ACC's contribution towards the cost of treatment provided by Specified Treatment Providers, as set out in the Cost of Treatment Regulations, since 1992.

Table 5 – Adjustments to Specified Treatment Provider rates in the Cost of Treatment Regulations since 1992		
Date of adjustment	Changes	Adjusted rate (treatment visit/hourly rate)
1 December 1989 to 30 June 1992	Government regulated ACC's contributions towards the cost of treatment	\$19 per treatment visit \$47.80 per hour (both rates are GST <i>exclusive</i>)
1 July 1992	Regulated contribution became GST inclusive, which effectively reduced contributions by 15% - Government initiative to mitigate rising health care costs ¹¹	\$19 per treatment visit \$47.80 per hour (both rates are GST <i>inclusive</i>)
2000 review of the Cost of Treatment Regulations	Broad goals for treatment costs framework agreed by Cabinet [POL Min (01) 9/10 refers]	No change
1 April 2006	2.5% increase - part of 2005 Budget package [CAB Min (05) 14/3 refers]	\$19.48 per treatment visit \$49 per hour (both rates are GST <i>inclusive</i>)
1 April 2007 (if approved by the Governor General on	25.67% increase - part of 2006 Budget package	\$24.48 per treatment visit \$61.57 per hour

¹¹ This change to the Cost of Treatment Regulations was announced by Rt Hon WF Birch in his paper on *Accident Compensation – a fairer scheme*, 30 July 1991.

Table 5 – Adjustments to Specified Treatment Provider rates in the Cost of Treatment Regulations since 1992		
Date of adjustment	Changes	Adjusted rate (treatment visit/hourly rate)
recommendation from Cabinet)	[CAB Min (06) 11/7 (1) refers]	(both rates are GST inclusive)

Adjustments to the Cost of Treatment Regulations enable the real value of ACC’s contributions for consultations to be maintained, reduce pressure on providers to increase claimant co-payments, and enable the Government to maintain its progress towards compliance with International Labour Organisation (ILO) Convention 17 article 9.¹² In the past, these adjustments have been made on an ad hoc basis. The Department of Labour is undertaking work to require a regular review of the Cost of Treatment Regulations in the IPRC Act 2001 and to improve the mechanism for amending the Cost of Treatment Regulations.

3.2.3 Process for amending the Cost of Treatment Regulations

The process for amending the Cost of Treatment Regulations, which includes adjusting ACC’s contributions towards the cost of treatment and adding or removing procedures items from the Schedule, is prescribed in section 324 of the IPRC Act 2001.

ACC, on behalf of the Minister for ACC, must publicly consult with interested parties on proposed changes to the Cost of Treatment Regulations. Notice of ACC’s intention to consult must be published in the New Zealand *Gazette* and daily newspapers in Auckland, Hamilton, Wellington, Christchurch and Dunedin. The public consultation period must be for at least 28 days from the date the notice is published in the *Gazette*. ACC, or an external agency on behalf of ACC, must consider all submissions received by ACC. After submission analysis is completed, ACC must make recommendations on the proposed regulations to the Minister for ACC. If the Minister agrees with the recommendations, she directs officials to instruct the Parliamentary Council Office to draft new regulations which are then passed by the Governor General, on recommendation of the Minister for ACC, by Order in Council. This regulatory change process can take up to 10 months before the new regulations come into effect.

3.3 Contractual services

ACC recognises and values the important skill set of physiotherapists and the needs of its claimants by purchasing physiotherapy services in a way that is permitted, but not required, by the IPRC Act 2001. One innovative way ACC does this is by contracting with the physiotherapy sector through Endorsed Provider Network (Physiotherapy) Service Agreements. ACC pays appropriately for these services to achieve timely, effective rehabilitation for claimants.

¹² This article states that injured workers “shall be entitled to medical aid and to such surgical and pharmaceutical aid as is recognized to be necessary in consequence of accidents. The cost of such aid shall be defrayed either by the employer, by accident insurance institutions, or by sickness or invalidity insurance institutions”. The Government has agreed that ACC should move towards compliance with ILO Convention 17 for all injured people as funds permit.

3.3.1 Objectives of the EPN service agreement

The objective of the EPN Service Agreement is to give claimants timely access to quality physiotherapy treatment that brings a prompt, cost-effective, and sustainable return to independence, work and education.

The philosophy of the EPN service agreement is to provide quality treatment that is accessible at no cost to claimants. The primary focus of the treatment provided is to restore to the maximum practicable extent a claimant's health and independence. Treatment must be necessary and appropriate, match the quality required, be given the appropriate number of times at the appropriate time and place, and should be of a type normally provided by physiotherapists.

The EPN service agreement also aims to achieve effective rehabilitation outcomes for claimants through financial incentives on providers to establish quality processes associated with certification and a better treatment profile, and through incentives (i.e. no co-payments) on consumers to choose certified providers over non-certified providers.

One provision in the EPN service agreement is that physiotherapists holding these agreements not charge co-payments to ACC claimants. This provision recognises that co-payments can be a barrier to accessing ACC for some claimants. This provision also reflects Government's decision to move towards compliance with ILO Convention 17 for all injured people.

The introduction of the EPN Service Agreements, while supported by many physiotherapists, was also opposed by some.

3.3.2 Benefits of EPN to claimants

The EPN programme is expected to:

- encourage quality treatment;
- eliminate claimant co-payments with progress toward compliance with ILO Convention 17;
- reduce weekly compensation durations; and
- achieve early, effective, sustainable rehabilitation outcomes.

3.3.3 How do physiotherapists become EPN accredited

To apply for an EPN service agreement, physiotherapists must:

- attain certification against the *NZS 8171:2005 Allied Health Services Sector Standard*;
- interact electronically with ACC; and
- work according to the *ACC Physiotherapy Treatment Profiles*.

One of the criteria to meet to apply for an EPN service agreement is to have achieved certification against the *NZS 8171:2005 Allied Health Services Sector Standard*. The purpose of this requirement is to lift the quality of treatment provided to claimants through improved systems and processes. Certification against the Standard also recognises a quality management system within the business. The original EPN service agreement required practices to be accredited against the New Zealand Physiotherapy Accreditation Scheme (NZPAS) Standard. This was an internal physiotherapy programme developed and

audited by the sector. ACC recognised that without a national standard and an auditing framework, there would be an inconsistent approach to quality.

ACC bought the NZPAS standards in 2004 and contracted Standards New Zealand to develop *NZS 8171:2005 Allied Health Services Sector Standard*. This is a national standard. Physiotherapy parties formed the majority of the main working group together with other allied health professions. From 1 January 2007, the NZS 8171:2005 has become the mandatory Standard for certification. An audit workbook tool was also developed for physiotherapists to assist practices in preparing for certification and for auditors to use when auditing against the standard. A copy of the *NZS 8171:2005 Allied Health Services Sector Standard* (4) and *SNZ HB 8171.1:2005 Physiotherapy Services Audit Workbook* (5) tool are enclosed with this submission.

3.3.4 EPN Pilot

From September 2000 until March 2001, an EPN pilot for GPs, radiologists and physiotherapists was run in Wanganui, Rotorua and Palmerston North. Inconclusive results for GPs and radiologists resulted in ACC extending the new pilot to physiotherapists only. In January 2002, New Zealand Institute of Economic Research (NZIER) undertook an independent review of ACC's report entitled *Endorsed Provider Network – report on the trial* dated May 2001. A copy of NZIER's review is included with this submission (6). NZIER's review found that the assessment of the EPN pilot was incomplete from a cost benefit analysis perspective and that it appears that changing claimant co-payments is not a very effective way of achieving the EPN objectives.

The EPN extension pilot for physiotherapists began on 13 August 2001 and ran until 8 February 2002 in sites in Christchurch, Invercargill, Wanganui and Rotorua. An EPN contract was offered to physiotherapy clinics in the pilot sites who attained New Zealand Physiotherapy Accreditation Scheme certification and provided treatment in accordance with ACC's treatment profiles.

A cost-benefit assessment of the EPN extension pilot was prepared on 9 July 2002 (enclosed with this submission (7)) and concluded:

- there was no significant difference in the average number of treatment visits per claim between EPN and non-EPN physiotherapists;
- no increase in the number of claims was observed that could not be explained by previously existing trends;
- there was a switch of claimants from non-EPN to EPN physiotherapists to take advantage of the zero co-payments. About 10% of the growth in EPN claim numbers was attributed to switching; and
- there was no evidence of any change in the severity or complexity of the injuries treated by EPN physiotherapists.

Although the assessment of the EPN pilot found that the number of visits to physiotherapists did not change, claimants treated by EPN physiotherapists on average had a shorter duration (by 13%) on weekly compensation than claimants treated by non-EPN physiotherapists. This may indicate that treatment by these endorsed providers is of a higher quality or more effective in achieving timely rehabilitation than non-EPN physiotherapists. Currently, claimants receiving treatment from an EPN physiotherapist receive weekly compensation, on average, 1.9 days (or 5.9%) less than claimants being treated by non-EPN physiotherapists.

Another outcome of the EPN pilot was an increase in the number of Maori claimants and lower socio-economic claimants attending one Rotorua clinic (8).

3.3.5 National roll out

As part of Budget 2003, Cabinet agreed to funding to implement the EPN service agreement nationwide and the EPN for physiotherapists was rolled out in April 2004 [CAB Min (03) 13/09(01) refers]. One condition of Cabinet approval was that the EPN service agreement would be provided at no cost to ACC claimants (i.e. physiotherapists under the EPN service agreement would not charge a co-payment).

In the lead up to the national roll out, operational guidelines and a road show were delivered to physiotherapists. ACC also met regularly with the New Zealand Society of Physiotherapists to discuss and negotiate the development of the service specifications. Like the EPN pilot, physiotherapists who meet the contract criteria may apply to ACC for an EPN Service Agreement.

Enclosed with this submission is a copy of the EPN Service Agreement and operational guidelines, and documents for the application process to hold an EPN Service Agreement (9).

As at 31 January 2007, there are 293 physiotherapy businesses (1205 physiotherapists) holding EPN service agreements with ACC which represents approximately 74% of all physiotherapy claims.

Between 2003/04 and 2005/06, the number of claims requiring physiotherapy treatment has increased from 432,761 to 493,773. Of the 493,773 claims in the 2005/06 financial year, 61.8% of claims were made by EPN physiotherapists and 38.2% claims were made by physiotherapists invoicing under the Cost of Treatment Regulations.

Table 6 in Appendix 4 illustrates the transfer of claims and costs from the Cost of Treatment Regulations to EPN service agreements.

3.3.6 EPN pricing framework

The EPN Service Agreement has four service levels, which are paid at different rates, and adjusted annually based on the Labour Cost Index:

- Level A – for a specific injury without complications
 - initial appointment = \$47.26
 - follow-up appointment = \$38.01
- Level B – for injuries where the related clinical factors indicate extended physiotherapy consultation duration
 - initial appointment = \$83.22
 - follow-up appointment = \$61.64

The physiotherapist determines the level of treatment the claimant requires, according to severity of injury, and invoices ACC accordingly.

To develop this pricing framework for EPN Service Agreements, ACC commissioned BRC Marketing & Social Research to undertake a survey of the level of co-payments claimants

were being charged for physiotherapy services. In September 2003, practices were asked the cost of an initial and a follow-up consultation for an ankle injury. The EPN price was derived from the mean co-payment plus one standard deviation plus \$19.48 (ACC's contribution towards the cost of treatment provided by Specified Treatment Providers as set out in the Cost of Treatment Regulations). According to the survey, the prices in the EPN service agreement either met or exceeded the current cost of providing a service for 84% of physiotherapy practices.

Although a condition of the EPN service agreement is that claimants will not be charged a co-payment for visiting EPN physiotherapists, they may still be charged for:

- physiotherapy services provided outside normal working hours (between the hours of 8am – 6pm, Monday to Friday);
- materials used in treatment (e.g. strapping or orthoses);
- travel to provide physiotherapy services for a claimant where payment for that travel is not covered by ACC; and
- a 'no-show' fee if the claimant does not attend a scheduled appointment and does not advise the service provider in advance that they will not be attending the appointment.

3.2.7 Service evaluation of EPN

ACC conducts regular service evaluations for all service agreements. An interim analysis of the EPN, undertaken in February 2006, showed inconclusive results as the data was young and trends were not yet established. A copy of the data analysis and service evaluation report is included with this submission (10).

Further work evaluating the EPN has been undertaken with a report currently being finalised. Results of this evaluation will be submitted to this review once they become available. The report will assess whether the EPN service agreement is achieving the Government's desired outcomes as outlined above. Included with this submission is a copy of the *Service Evaluation Report – Endorsed Provider Network Physiotherapy Services* (11).

3.4 Rewards

In the absence of an agreed mechanism for pricing review of the EPN Service Agreement, to maintain an appropriate price that reflects a fair and reasonable market rate, and in response to requests from the NZSP, ACC contracted Deloitte in July 2005 to undertake an independent costing and pricing review of physiotherapy services. The purpose of the pricing review was to:

- determine whether the current EPN prices reflect the market;
- identify the sustainable price required to operate a physiotherapy practice; and
- develop an agreed mechanism and model to review pricing for ACC service agreements.

To obtain this information, Deloitte developed a questionnaire, in consultation with ACC and NZSP. NZSP have been involved in the design of the study and also advised which practices should participate in the pricing review. These practices have remained anonymous to ACC. NZSP have been involved in consultation on Deloitte's draft reports,

and independently contracted KPMG to further investigate the model and provide feedback to Deloitte.

The final report has been completed by Deloitte and released by ACC to the NZSP. The key findings of the final report include:

- the weighted average cost to a physiotherapy practice for a one hour consultation is \$88.39 (excl GST) for the 2004/2005 year;
- the estimated sustainable price including a ROI rate of 15% for the 2007/2008 year is \$103.51 (excl GST); and
- the current level of funding from ACC is at an appropriate level for the majority of service items.

A copy of the report is included with this submission (12).

As mentioned in Deloitte's report, the pricing and costing model and the conclusions drawn are one of a number of inputs into any pricing decisions made by ACC.

3.5 Other contractual services

A further way ACC uses the skill set of physiotherapists to improve the effectiveness of rehabilitation for claimants is through Hand Therapy Service Agreements (13), Activity-Based Programme Service Agreements (14), and other social and vocational service agreements.

3.5.1 Hand Therapy Service Agreement

ACC's Hand Therapy Service Agreements were introduced in 1999 to provide claimants with specific rehabilitation for injuries to upper extremities, such as amputations, burns or crush injuries. Hand therapy is a specialist service provided by physiotherapists and occupational therapists that have undergone an additional two year post-graduate programme of study as well as providing evidence of a considerable amount of time treating hand injuries. Criteria to hold the contract have been developed in consultation with the New Zealand Association of Hand Therapists (NZAHT). To be eligible to hold a Hand Therapy Service Agreement the vendor must be either a full registered member of the NZAHT or an Associate member, where there is a service gap. All named providers on the contract are members of the NZAHT and either are undergoing or have completed the training. ACC currently has 38 Hand Therapy Service Agreements with providers and 84 hand therapists working under these contracts.

For the year ending 30 June 2006, ACC spent \$5,987,485 on hand therapy treatment. The current Hand Therapy Service Agreement includes a mechanism for an annual price review.

3.5.2 Activity-based Programme Service Agreements

Activity-based Programme (ABP) Service Agreements began in 2001 with the aim of providing services to ACC claimants who are still suffering from pain and decreased physical functioning six weeks after injury. These Service Agreements include:

- Activity-based Work Hardening Programme (single discipline) – a specific exercise and cardiovascular programme to assist the claimant to achieve strength and fitness,

and participate in their usual activities at work and at home. This programme is for claimants whose pain is not a serious limiting factor;

- Activity-based Standard Programme (single discipline) – for claimants who have persistent injury-related pain, where pain has persisted for over 6 weeks, to assist the claimant in achieving the maximum possible level of functional independence and participation in their usual work and home activities; and
- Activity-focused Programme (multi discipline) – provided to claimants who have persistent pain and have not returned to work due to injury for more than 12 weeks. Cognitive behavioural principles are used to assist the claimant in establishing skills to self-manage pain.

These pain management programmes are aimed at increasing the claimant's level of physical functioning through implementing a structured exercise and therapy programme based on cognitive behavioural principles. The goal of the programmes is for claimants to learn to manage their pain and continue with activity and exercise as a way of self-managing their return to work and other pre-injury functions.

The ABP services provide a specific exercise and cardiovascular programme to assist claimants to:

- achieve the maximum possible level of functional independence; and
- participate in their usual activities at work and at home.

ACC expenditure on ABP Service Agreements for the financial year ending 30 June 2006 was \$13,138,741.

ABP service review

In January 2006, ACC commissioned a research study to explore the extent to which the goals and intent of the IPRC Act 2001 are being met with regard to the provision of vocational rehabilitation. A draft report was prepared by Auckland University of Technology in January 2007. A key recommendation is that core processes be reviewed and, as a result, the ABP services are currently undergoing a service review. The aim of the review is to provide easier integration with other aspects of rehabilitation and closer liaison with treatment providers.

To date the work has included:

- a literature review to determine evidence-based best practice for ABP;
- an audit of the ABP service reports to determine compliance against the service schedules;
- a survey of 20 contracted providers (physiotherapists) to determine current service delivery and to obtain feedback on possible improvements to the ABP service; and
- interviews with five clinical leaders in pain management as well as two ACC clinical advisors (one of whom is a physiotherapist).

Consultation on proposed changes to ABP services ended on 17 February 2007. Feedback from the consultation process will inform any changes to the services, and changes are currently programmed to be implemented on 1 September 2007.

3.5.3 Other services provided by physiotherapists

Other services provided by physiotherapists include:

- social rehabilitation assessments;
- training for independence;
- graduated return to work; and
- functional capacity evaluations.

Pricing for service agreements is reviewed annually and is usually adjusted by inflation. If providers believe the price paid by ACC is insufficient to cover their costs, they can make submissions with supporting information to request a price change.

A copy of the above service agreements, including application processes and documentation, is included with this submission (15).

4 How does ACC monitor physiotherapy services

ACC has a responsibility to ensure it achieves effective rehabilitation outcomes that are cost effective and maintain fair and stable levies for levy payers. To do this, ACC monitors these services against the ACC/New Zealand Society of Physiotherapists jointly agreed treatment profiles, undertaking practice audits and auditing against standards required by particular service agreements, and randomly monitoring providers for compliance with contracts and legislation.

4.1 Monitoring of purchased services

ACC's Monitoring Team monitors compliance with the services' monitoring plans, contracts and legislation by undertaking annual reviews of all services to identify and manage provider behaviour that is outside ACC's expectations and evidence-based practice. The role of the Monitoring Team is to:

- work with providers in an educative and supportive role to ensure providers reflect best practice in their treatment and rehabilitation for claimants;
- implement monitoring activity using the Healthwise Provider Performance Monitoring Framework;
- assist with development, negotiation, and implementation of provider performance improvement plans; and
- manage provider issues and facilitate communication.

Following the service review, providers with data profiles across key areas that are significantly different to their peers are selected for follow up and asked to provide additional information regarding business practice. ACC requests information to establish that the requirements of clause 2, part 1, Schedule 1 of the IPRC Act 2001 are met. A copy of the generic letter to providers is included with this submission (16). The letter is adapted to seek the appropriate information from the treatment provider concerned.

A copy of the documentation and flowchart explaining the monitoring process that was given to provider groups is included with this submission (17).

Also included with this submission is a copy of the Service Monitoring Plans for the following services (18):

- *Endorsed Provider Network Services Agreement;*
- *Specified Treatment Providers (IPRC Liability to Pay or Contribute to Cost of Treatment) Regulations 2003 – Physiotherapy, Chiropractor, Osteopathy, Podiatry, Acupuncture;*
- *Hand Therapy Services Agreement;* and
- *Activity-based Programmes.*

4.2 Physiotherapy treatment profiles

The New Zealand Society of Physiotherapist and ACC jointly developed the *ACC Physiotherapy Treatment Profiles 2000* in 1999 (19). The profiles are a consensus of opinion from NZSP members as to what is considered appropriate and common current practice.

ACC has treatment profiles for treatment provided by general practitioners, physiotherapists, chiropractors and acupuncturists.

The profiles specify an acceptable range of number of treatments for specific diagnoses and indicate the trigger number (i.e. the number of treatments after which ACC would appropriately seek a review of the services that have been provided). Physiotherapists who provide treatment outside the treatment profiles, without receiving prior approval from ACC, may not receive payment for the additional follow up consultations.

4.3 ACC32 request for prior approval of treatment

Treatment required outside of the treatment profile ranges to meet the claimant's rehabilitation goals must first be approved by ACC. ACC has developed the *ACC32 Request for Prior Approval of Treatment* form for the prior approval process. Approximately 500,000 claims are lodged each year which require physiotherapy treatment. ACC receives approximately 80,000 ACC32 forms per year from physiotherapists requesting prior approval of treatment. Of the total yearly claims lodged, approximately 16% are outside treatment profiles.

Enclosed with this submission is a copy of the *Request for Prior Approval of Treatment Form (ACC32)* and the *Completion Guide* which is included in each pack of forms. The process that ACC undertakes to approve the ACC32 is also included (20). Information for providers on prior approval is available in the *ACC Treatment Provider Handbook* (21). It is a matter of concern that such a significant number of requests for prior approval are received against a profession-developed treatment protocol.

4.4 Provider claim lodgement framework

Physiotherapists may provide treatment for ACC claimants within their scope of practice, which is set by the Physiotherapy Board of New Zealand and continued by the Health Practitioners Competence Assurance (HPCA) Act 2003. Cover needs to be established before treatment can be funded.

To assist in making decisions regarding cover for claimants, ACC has developed a *Provider Claim Lodgement Framework* (22) that specifies which treatment provider groups are eligible to provide clear diagnostic information for each injury type. When completing an *ACC45 Injury Claim* form, the diagnosis of the injury is required to be within the scope of the *Provider Claim Lodgement Framework* for that treatment provider. If a claimant attends for treatment and the diagnosis is not within that provider's claim lodgement scope, the claimant is referred to the appropriate treatment provider to confirm the diagnosis. This allows ACC to have confidence in the diagnosis and make an appropriate cover decision.

The *Provider Claim Lodgement Framework* was developed in consultation with each of the 14 treatment provider groups. Training, qualifications, registration, and ability to investigate and understand relevant pathology and causation were all considered in the development of the Framework. When making a decision, ACC uses the following criteria:

1. the practitioner has the knowledge and skills to make a diagnosis;
2. the practitioner has the resources to undertake the investigation; and
3. the practitioner can provide the immediate and necessary treatment.

The *Provider Claim Lodgement Framework* is a living document and professional groups may submit supporting evidence to ACC to request an update to the document.

Treatment, that may be given once cover is established, is defined by the treatment provider's scope of practice, which is set by their regulatory body.

4.5 Audits

Another way ACC monitors physiotherapy services is through auditing providers' practices and programmes. Where anomalies are identified as a result of the audit, ACC's Practice Audit Team establishes whether these anomalies are a result of gaps within the provider's own processes and policies or gaps within ACC's management of the relationship with the provider. Recommendations are made to both the provider and ACC regarding ways in which both parties might address those gaps and improve their professional relationship. Any clinical issues identified in the audit are peer reviewed by an appropriate, independent, external health professional.

4.5.1 Practice audits

ACC implemented its Practice Audit Programme in June 2005. The first audits looked solely at medical General Practices billing under both the Cost of Treatment Regulations and specific service agreements. After a period of 16 months and the recruitment of a second Practice Audit Team, it was decided to audit other provider groups in a similar manner. Providers holding any of the Activity Based Programme Service Agreements were selected for audit. Whilst the holders of these agreements are usually qualified physiotherapists, physiotherapists have not yet been selected, as a specific provider group, for audit.

As described in the *ACC Audit Protocol* (23), practice audits are a formal examination of an organisation's or an individual's:

- ACC accounts or financial situation;
- compliance with contracts/ regulations (as applicable);
- confirmation of service provision meeting IPRC Act and regulation requirements;
- appropriateness of scheduled fees or contributions versus services provided; and
- adequacy of clinical notes.

The Protocol also outlines the processes that ACC follows to gather facts around service provision if a treatment or rehabilitation provider is the subject of an onsite audit. The Protocol was developed in consultation with a number of professional groups, including the NZSP.

In addition to assessing provider compliance, these practice audits have also been designed to examine the strength of the control environment within ACC, through an inspection of how the services between ACC and treatment providers are being purchased, implemented and monitored.

Several practices have been audited but none of the practice audits have resulted in prosecutions.

4.5.2 Programmed audits

Practices and providers are randomly selected by ACC's Audit Team to undergo a programmed audit. For each provider selected, an audit sample of claimant files is then randomly generated, using a computer programme, which extracts the relevant data from ACC's data warehouse. The number of cases selected for each audit will vary, depending on the number of claimants seen by that provider and the volume of information required to be examined per file. To date, the Audit Team have scheduled 12 audits with physiotherapists who provide services under the Activity-Based Programme Service Agreement and contact has been made with four of the 12 physiotherapists to initiate the audits.

4.5.3 Selected audits

Occasionally, where ACC has identified irregularities or unusual claiming patterns in relation to a particular treatment provider, audits may be initiated. The purpose of a selected audit is to seek clarification on any perceived anomalies and provide context to the raw data from which such conclusions have been reached. Where an audit is selected, the provider will be advised of this in a letter of engagement. To date, ACC's Audit Team has not completed any selected audits on physiotherapists and no audits are currently planned.

4.5.4 Hand Therapy Service Agreement audits

In 2005, the New Zealand Association of Hand Therapists (NZAHT) undertook an audit of members' referral base and type of injuries seen. Results showed that 75.5% of referrals to hand therapists were received from medical specialists, and 77% of referrals received for fractures were for clients with a complex fracture. This indicates that hand therapists are recognised as the clinical experts for treatment for hand injuries by other professions.

In 2006, the NZAHT completed an outcome-based audit which assessed outcomes of hand therapy treatment for claimants with complex injuries. Claimants completed the *Patient-Rated Wrist/Hand Evaluation*¹³ questionnaire at the initial and final treatment visits. Results indicated large improvements in functional outcome between initial assessment and discharge for claimants receiving hand therapy services, and an average treatment period of two months.

4.5.5 EPN Auditing

To ensure consistency in quality between auditors and agencies, ACC developed guidelines to standardise the process for auditing against standards when they are required as part of an ACC service agreement criteria. *ACC's Requirements for Conformity Assessment Bodies* to audit against the New Zealand Physiotherapy Accreditation Scheme Standards 2003, the NZS 8171:2005 Allied Health Services Sector Standard (24) and the *Letter of Agreement for Provision of Services to Providers by Conformity Assessment Bodies* (25) are included with this submission. The guidelines supplement the Ministry of Health's Designated Audit Agencies programme for auditing against *NZS 8134:2001 Health and Disability Sector Standard*. Physiotherapists holding EPN Service Agreements must undergo accreditation every 3 years by an independent Conformity Assessment Body.

¹³ MacDermid, J.C. & Tottenham, V. *Responsiveness of the Disability of the Arm, Shoulder, and Hand (DASH) and Patient-Rated Wrist/Hand Evaluation (PRWHE) in Evaluating Change after Hand Therapy*. *Journal of Hand Therapy*, 2004:17 18-23.

Prior to introducing the audit programme, providers were required to have joined the New Zealand Physiotherapy Accreditation Scheme for one year before they could be assessed for accreditation and were put on a waiting list. As a result of implementing the audit programme, the waiting list for audit has disappeared, practices have the choice of four audit agencies, and a consistent process and quality of audit is applied. This also means that physiotherapy practices now achieve an internationally recognised certification against a national standard.

Prior to the implementation date of 1 January 2007, physiotherapy practices have had the choice of audit against either the NZPAS Standard or NZS 8171:2005 Standard. ACC grandparented the NZPAS Standard until 1 January 2007, from which date the NZS 8171:2005 Standard will become the mandatory standard for certification.

4.6 Operation Quest III

In 2002, ACC determined that it needed improved data on the levels of fraud occurring across the ACC Schemes and instigated a formal study into fraud. Operation Quest Phase I focused on claimant fraud and was completed in 2003. Based on the outcome of this first study it was agreed a further investigation should be commenced focusing on provider fraud. Operation Quest II focused on general practitioners and was completed in February 2004.

In April 2004, Operation Quest III began and focused on physiotherapists and chiropractors. A sample of providers was selected from invoiced billing schedules submitted by providers to ACC between 1 September 2003 and 31 January 2004. The sample population represented only those physiotherapists and chiropractors that claimed by the 'per treatment visit' rate under the Cost of Treatment Regulations. The investigation found that the level of fraud observed within the physiotherapist and chiropractor provider groups for individual transactions is 8.14%. Improving compliance and effectiveness of execution of prescribed ACC claims procedure would have a significant impact on the reduction of provider fraud.

The purpose of the Quest studies was to determine the level of fraud within the ACC Schemes in relation to the selected provider groups. ACC's Risk & Assurance and Fraud Group will use the results of this investigation to:

- complete its Strategic Planning for the period to 2008;
- further refine its methods for identifying and investigating levels of fraud within ACC schemes; and
- to prosecute any providers identified as engaging in fraudulent activities as a result of the investigations.

4.6.1 Current physiotherapy fraud investigations

The number of physiotherapists investigated is low compared to the total number of ACC registered physiotherapists. There are currently 12 open provider fraud investigations being undertaken, which represents 0.44% of the physiotherapy sector. Physiotherapy fraud investigations make up 21% of the total current provider fraud investigations. Of the 13 fraud prosecutions completed in 2006, three related to physiotherapists.

Between 1 September and 1 December 2006, outcomes were reported in relation to 37 physiotherapist investigations. Ten investigations were referred to another ACC business unit (such as ACC Monitoring Team or Debt Management Unit), three were warned, one was prosecuted, one had his billing restricted, and two signed administration agreements

(formal cautions signed between ACC and the provider acknowledging that the provider's billing behaviour has been inappropriate and if it occurs again, the provider may be prosecuted).

The provider fraud investigation process is outlined on the flow chart enclosed with this submission (26).

5 What has ACC done to improve service delivery

ACC builds on its goal of effective and innovative ways of purchasing physiotherapy services by funding pilot programmes, establishing an Evidence-based Healthcare Group, and commissioning treatment provider satisfaction surveys,

5.1 Evidence-based health care

ACC has established an Evidence-based Healthcare (EBH) Group comprised of ACC staff who have clinical, paraclinical, and epidemiologic backgrounds, and are trained in the systematic retrieval and critical assessment of information. The role of the EBH Group is to:

- provide unbiased and evidence-based information to ACC and stakeholder groups;
- investigate the usefulness, appropriateness and cost-effectiveness of services and products related to injury treatment and rehabilitation;
- provide the evidence that is considered and used by experts to make clinical or purchasing decisions; and
- manage research projects (both internal and those commissioned or purchased from external sources) related to injury treatment and rehabilitation.

When developing a new service, ACC considers evidence-based information before making any purchasing decisions.

5.2 Physiotherapy pilots

ACC has a number of pilots with Management Services Organisations, which provide management support to Primary Health Organisations, and Independent Practitioner Associations, involving physiotherapy. The pilots encourage better communication and coordination of care between general practitioners and physiotherapists, and align with the Primary Health Care Strategy by encouraging physiotherapists to become involved in Primary Health Organisations. The pilots include:

- South Link Health – Treatment of Shoulders Programme;
- ProCare – “Back 2 Action” programme for people with acute lower back pain; and
- Pegasus Health – Review of Knee Injury Treatment Practices.

A copy of the publications for physiotherapists regarding the South Link Health and ProCare pilots have been included with this submission (27) and (28).

ACC is discussing with the physiotherapy profession the development of a pilot using the role of an expert physiotherapist clinician to provide additional diagnostic and treatment services to claimants. The aim of the pilot is to make use of advanced physiotherapy skills to ensure that claimants receive early and appropriate rehabilitation. This pilot is in the scoping stage and ACC anticipates working closely with the New Zealand Society of Physiotherapists, New Zealand College of Physiotherapy, Auckland University of Technology, and the University of Otago to develop the pilot further.

5.3 Treatment provider satisfaction survey

Since 2001, ACC has undertaken annual surveys of health providers to get their feedback on the service we provide, to help inform possible improvements to the service and processes. ACC commissions BRC Marketing & Social Research, an independent research agency, to analyse the results. Surveys are confidential and names of respondents are not associated with any of the information provided.

The 2005 BRC Treatment Provider Feedback Survey results showed that overall, that 70% of respondents were 'satisfied' or 'very satisfied' with the service they received from ACC. This overall satisfaction rate was unchanged from the 2004 Survey results. The 2005 Survey results also found that:

- ACC contacts are courteous and professional;
- Case Managers' availability to take calls is still an issue;
- about half of providers have used ACC's Provider Helpline (a toll free helpline that assists providers with queries about working with ACC, including queries about payments, referrals, prior approval, and lodging injury claims);
- awareness and use of the Clinical Advisory Service (a service that provides advice to providers regarding appropriateness of treatment) is low;
- usage of some publications is high, but perceived usefulness is moderate; and
- a majority (59%) of providers would find guidelines on return to work useful (84% of responding physiotherapists said they would find these guidelines useful).

Following the results of the 2005 Survey, ACC has developed the *ACC2360 Return to Work Guide* (May 2006).

A summary of the 2005 BRC Treatment Provider Feedback Survey results, together with recommendations, is included with this submission (29). The 2006 BRC Treatment Provider Feedback Survey is currently being analysed.

6 ACC and the physiotherapy sector interface

ACC acknowledges that the relationship between itself, as a dominant purchaser of physiotherapy services, and the physiotherapy sector is critical and at times challenging. However, we share common goals of improved service delivery and better rehabilitation outcomes for claimants.

6.1 New Zealand Society of Physiotherapists

Representatives of ACC and the New Zealand Society of Physiotherapists have met regularly for the past 10 years, generally on a quarterly basis, with documented minutes going back to 2000. Meetings became more frequent during the development of the Endorsed Provider Network service agreement.

ACC is currently establishing a provider reference group for vocational rehabilitation, and anticipates similar involvement and support from the New Zealand Society of Physiotherapists.

6.2 Establishment of the Physiotherapy Liaison Group

In March 2005, ACC established the Physiotherapy Liaison Group (PLG) which is comprised of representative groups of the physiotherapy sector and represents the interests of physiotherapy providers, health and disability professionals, and claimants. The PLG's primary function is to provide expert opinion upon which ACC can develop its rehabilitation programmes and Primary Health Care Strategy. The Group meets at ACC's Corporate Office in Wellington and ACC reimburses members for travel costs and provides a practice allowance for active clinicians.

The PLG is chaired by ACC's National Manager of Rehabilitation Service Development, and includes representatives from the following physiotherapy organisations:

- New Zealand Society of Physiotherapists;
- New Zealand Society of Physiotherapists Taeora Tinana;
- New Zealand Private Practitioners Association;
- New Zealand College of Physiotherapists;
- Physiotherapy NZ Trust;
- District Health Board physiotherapists PALM (Physiotherapy Advisors, Leaders and Managers);
- Physiotherapy education and training colleges (School of Physiotherapy, University of Otago and Physiotherapy School, Auckland University of Technology);
- Waikato Physiotherapists; and
- Auckland Private Physiotherapy Practitioners Association (APPPA).

The PLG aims to contribute to discussions on:

- issues affecting physiotherapists and the Primary Healthcare sector;
- development of rehabilitation programmes;
- information collection;

- electronic processes;
- quality frameworks;
- provider performance and profiling;
- best practice;
- legislative amendments; and
- communication issues in Primary Care.

For a summary of the principals and scope of the PLG, please refer to the enclosed Terms of Reference (30).

7 Working with physiotherapy sector to build capability

ACC has an ongoing, developing relationship with the physiotherapy sector and works co-operatively with the sector to help build their capability. This section sets out how ACC shares information through Provider Relationship Managers, sponsors physiotherapy conferences, funds pain management education sessions, and publishes information that supports best-practice for treatment providers.

7.1 Provider Relationship Managers

Provider Relationship Manager (PRM) roles were developed in September 2002. They provide a nationwide advisory and information service to General Practitioners, nurses, physiotherapists, counsellors and primary health care provider groups. A key role for PRMs is to establish and maintain a strong working relationship between providers and ACC, and educate and update the sectors on ACC policies and processes. ACC currently has nine PRMs located in Wellington, Henderson, Palmerston North, Auckland, Manakau City, Tauranga, Christchurch and Dunedin.

PRMs began visiting physiotherapists at their practices in September 2003 where they:

- promote the uptake of electronic business, e-lodgement, e-scheduling and e-lookup facilities (ACC funds training and digital certificates for providers who wish to use e-lodgement facilities);
- provide information on how to register as a new provider;
- promote the correct completion of the *ACC45 Injury Claim* form, with an emphasis on using correct READ codes and completing the additional injury comments text box;
- promote the correct completion and invoicing of the *ACC32 Request for Prior Approval of Treatment* form;
- promote the correct use of the Cost of Treatment Regulations;
- promote the correct use of the Endorsed Provider Network service agreement;
- promote, and provide information on, injury prevention initiatives such as "SportSmart" resources;
- educate regarding treatment for Return to Work; and
- educate regarding ACC legislation, policies and procedures.

In 2006, PRMs also arranged a number of education sessions across the country specifically for physiotherapists. These sessions have been accredited by the New Zealand College of Physiotherapists for continuing education points. The sessions have been delivered by registered physiotherapists who are employees of ACC and have included topics on:

- Work-related Gradual Process overview; and
- Clinical Advisors and the ACC32 process (request for prior approval of treatment).

A copy of the presentations given at these sessions is included with this submission (31). The feedback from physiotherapists who attended the sessions was extremely positive, and ACC will continue to roll out the education sessions to the physiotherapy sector in 2007.

ACC has also invited physiotherapists to attend sessions on evidence-based best practice guidelines on knee and shoulder injury management, acute lower back pain, and return to work.

7.2 ACC sponsorship of physiotherapy conferences

ACC engages in sponsorship to support its strategic direction. Sponsorship develops and supports positive relationships with providers, allows an opportunity to educate the sector, and provides a medium to change attitudes or behaviour.

Since 2004, ACC has funded \$19,850 towards physiotherapy conferences to support the following:

- Leaders, Advisors & Managers Physiotherapy Services / Physiotherapy Advisors, Leaders and Managers Conference;
- New Zealand Association of Hand Therapists Conference;
- Southern Physiotherapy Symposium;
- Taeora Tinana Maori Allied Health Hui;
- New Zealand Society of Physiotherapists;
- Occupational Health Physiotherapists Special Interest Group Seminar; and
- National Community Physiotherapy Conference.

7.3 Pain management education

As part of ACC's pain management review, ACC has funded pain management education sessions which have been attended by physiotherapists and other providers. These sessions have included international speakers such as:

- Dr Richard Sherman, a visiting psychophysiologicalist from the USA who gave lectures on "Aspects of Pain Mechanisms and Interventions", and "The Use of the Biofeedback"; and
- David Butler from Australia who gave "Explain Pain" and "Sensitive Nervous System" seminars in November 2006 at four centres.

7.4 Provider development information

ACC's Provider Development Unit works with recognised clinical leaders, providers and ACC subject-matter experts to produce information that supports best-practice for treatment providers. With this information ACC's goal is to:

- promote evidence-based recommendations and encourage providers to follow them so that claimants consistently receive best-practice treatment;
- identify and minimise sub-optimal or harmful treatment practices;
- measure and monitor the extent of variation between provider performance and evidence-based recommendations (compliance); and

- provide claims management documents for use in ACC Branches that promote best-practise disciplines and provide consistent information for ACC Branch staff nationwide.

ACC has developed a number of educational publications applicable to physiotherapists in their clinical practice, which include:

- Individual Feedback Report on shoulder injuries;
- Traumatic brain injury case studies;
- Personal Journeys: If you get hurt it's good to know ACC will help you;
- ACC Treatment Provider Handbook;
- Your Guide to Recovery;
- The Diagnosis and Management of Soft Tissue Knee Injuries: Internal Derangements, Best Practice Evidence-Based Guideline;
- The Diagnosis and Management of Soft Tissue Shoulder Injuries and Related Disorders, Best Practice Evidence- Based Guideline;
- ACC Review, Rotator cuff disorders, Part 1,2; Frozen shoulder, Diagnosis and Management of Soft Tissue Shoulder Injuries and Related Disorders;
- Managing Soft Tissue Ankle Injuries, A summary of recent research;
- Acute Ankle Sprain Taping Technique;
- New Zealand Acute Low Back Pain Guide, October 2004;
- Acute Low Back Pain Screening Questionnaire;
- Acute Low Back Pain Case Studies, April 2005;
- Acute Low Back Pain, Part 1, 2, and 3;
- Questions and Answers about your return to work after an injury;
- ACC Return 2 Work pamphlets;
- ACC Return 2 Work Injury Profile series;
- Knowing about your....pamphlet series;
- Caring for your....pamphlet series;
- Managing your sports injury; and
- Smart Tips for Preventing Injuries.

Copies these publications are enclosed with this submission (32).

7.5 Other

ACC holds 6-monthly teleconferences with the New Zealand Association of Hand Therapists and speaks to their members at their annual general meeting.

8 Conclusion

ACC recognises the value of physiotherapy in helping people to recover their quality of life and return to work or independence following injury. ACC has established appropriate structures and services to ensure it meets its obligations under the IPRC Act 2001. It has also established innovative services to better utilise the skills of physiotherapists to achieve more timely and effective rehabilitation for ACC claimants. ACC pays an appropriate price that reflects a fair and reasonable market rate for physiotherapy services in line with other ACC contracts with treatment providers.

ACC acknowledges that the relationship between ACC and the physiotherapy sector is critical and at times challenging within the dynamic environment. ACC is committed to working with the sector to improve services to achieve better rehabilitation outcomes for claimants.

9 List of attached documents

Section 1 - Introduction

- 1 *ACC Annual Report 2006*

Section 2 – Overview of physiotherapy services purchased by ACC

- 2 Letter *ACC Provider No__ – Application Accepted, ACC Process provider registration, ACC974 ACC website resources, ACC53 Read Codes, ACC27 Health Provider Order Line*

Section 3 – How does ACC purchase physiotherapy services

- 3 *BRC Marketing & Social Research's Physiotherapy Services Co-payment Charges Survey – 2003/4 and 2004/5 Comparative Analysis; BRC Marketing & Social Research's Physiotherapy Services Co-payment Charges Survey – 2004/05 and 2005/06 Comparative Analysis; and Research New Zealand's Comparative Report on Physiotherapists Co-payment Survey dated 18 January 2007*
- 4 *NZS 8171:2005 Allied Health Services Sector Standard*
- 5 *SNZ HB 8171.1:2005 Physiotherapy Services Audit Workbook*
- 6 *Endorsed Provider Network – review of analysis, New Zealand Institute of Economic Research, January 2002.*
- 7 *The Endorsed Provider Network Extension Pilot – a cost benefit assessment, 9 July 2002*
- 8 *Endorsed Provider Pilot – outcome report, ACC, 8 April 2002.*
- 9 Letter *Request for Endorsed Provider Network (EPN) application pack, Letter Interest in an Endorsed Provider Network (EPN) contract, EPN Contact Information, Letter Endorsed Provider Network(EPN) Contract, Letter enclosing promotional material, Letter Endorsed Provider Network Invoicing and Payment, Letter ACC Healthwise Agreement, Letter Endorsed Provider Network (Physiotherapy) Contract, Endorsed Provider Network (Physiotherapy) Service contract; and Operational Guidelines*
- 10 *Service Evaluation Report Endorsed Provider Network Physiotherapy Services, ACC, 6 March 2006; Data analysis for the Service Evaluation of the EPN physiotherapy contract, ACC, 3 February 2006.*
- 11 *Service Evaluation Report – Endorsed Provider Network Physiotherapy Services, dated 9 March 2007*
- 12 *Accident Compensation Corporation – physiotherapy practice costing and pricing review (final report), Deloitte, March 2007*
- 13 *Hand Therapy Contact Information form; Hand Therapy Service – Service Schedule; Hand Therapy Services Operational Guidelines; Letter enclosing two copies of Hand Therapy Services Agreement, Letter Hand Therapy Services – Named Hand Therapist; Letter Hand Therapy Services Contract; Letter Locum Hand Therapy Provider Number; Letter Hand Therapy Services – Named Hand Therapist; Letter Hand Therapy Services Contract, HW***; Letter regarding issue of new provider number.*
- 14 *Activity Based Work Hardening Programme – Service Schedule, Activity Based Standard Programme – Service Schedule, Activity Focused Programme – Service Schedule; and Activity Based Programmes Proposal Evaluations.*

15 Contracts for:

- *Agreement for Services between Accident Compensation Corporation and [Vendor Legal Name] for Organisational Terms and Conditions (Part 1) Service Schedule(s) (Part 2);*
- *Agreement for Services between Accident Compensation Corporation and [DHB Name] for Organisational Terms and Conditions (Part 1) Service Schedule(s) (Part 2);*
- *Accident Compensation Corporation – Invitation to apply (ITA) for Vocational Rehabilitation Services (Vocational Rehabilitation), 2006;*
- *Accident Compensation Corporation – Invitation to apply (ITA) for Occupational Assessment Services (Vocational Rehabilitation);*
- *Accident Compensation Corporation – Application response for Occupational Assessment Services (Vocational Rehabilitation), 2006;*
- *Accident Compensation Corporation – Application response for Mild Traumatic Brain Injury Assessment and Rehabilitation Services, 2006;*
- *Accident Compensation Corporation – Invitation to apply (ITA) for Mild Traumatic Brain Injury Assessment and Rehabilitation Services, 2006;*
- *Summary of Overview of the Workplace Assessment Report Template – 18 May 2006;*
- *Accident Compensation Corporation – Evaluation Guide for Application for Vocational Rehabilitation Services (Vocational Rehabilitation);*
- *Accident Compensation Corporation – Evaluation Guide for Application for Occupational Assessment Services (Vocational Rehabilitation);*
- *Service Schedule for Multidisciplinary Persistent Pain Programme;*
- Social rehabilitation assessments, including:
 - *Education Service Schedule;*
 - *Seating Service Schedule;*
 - *Equipment Services Schedule;*
 - *Application Evaluation Booklet – Social Rehab Assessment Service;*
- *Agreement for Provision of Mild Traumatic Brain Injury Assessment and Rehabilitation Services;*
- *Complex Generic Service Schedule;*
- *Single Discipline Service Schedule;*
- *Standard Generic Service Schedule;*
- *IOA Service Schedule;*
- *VIOA Service Schedule;*
- *Service Schedule Employment Maintenance Programme Services;*

- *Service Schedule Functional Capacity Evaluation Services;*
- *Service Schedule Graduated Return to Work Programmes;*
- *Service Schedule Transitional Job Search Services;*
- *Service Schedule Work Preparation Programme; and*
- *Service Schedule Work Ready Programme Services.*

Section 4 – How does ACC monitor physiotherapy services

- 16 Letter to providers regarding *Annual Service Review* and letter to providers regarding *Annual Service Assessment of «Service Type»*
- 17 *Provider Monitoring Process* and *Provider Performance Management* flowchart
- 18 Service Monitoring Plans for:
- *Endorsed Provider Network Services Agreement;*
 - *Specified Treatment Providers (IPRC Liability to Pay or Contribute to Cost of Treatment) Regulations 2003 – Physiotherapy, Chiropractor, Osteopathy, Podiatry, Acupuncture;*
 - *Hand Therapy Services Agreement; and*
 - *Activity-based Programmes.*
- 19 *ACC Physiotherapy Treatment Profiles 2000*
- 20 *Request for Prior Approval of Treatment Form (ACC32); Request for Prior Approval of Treatment Form (ACC32) Completion Guide; and Process ACC32 – request for diagnosis and/or change of additional treatment*
- 21 *ACC Treatment Provider Handbook 2004/05*
- 22 *Provider Claim Lodgement Framework*
- 23 *ACC Audit Protocol*
- 24 *ACC's Requirements for Conformity Assessment Bodies to audit against:*
- *New Zealand Physiotherapy Accreditation Scheme Standards 2003; and/or*
 - *NZS 8171:2005 Allied Health Services Sector Standard*
- 25 *Letter of Agreement for Provision of Services to Providers by Conformity Assessment Bodies*
- 26 Provider fraud investigation process flowchart

Section 5 – What has ACC done to improve service delivery

- 27 South Link Health – Treatment of Shoulders Programme
- *DVD Primary care of shoulder injuries: clinical examinations of the shoulder;*
 - *ACC2154 Caring for your...Shoulder Joint Injury;*
 - *ACC2175 Knowing about your...Rotator Cuff Disorder;*

- *Primary Care of Shoulder Injuries – General Management;*
 - *Data Request for Feedback, Resource Development and Evaluation of Shoulder programme;* and
 - *Case Study: Shoulder Injury*
- 28 ProCare – “Back 2 Action” programme for people with acute lower back pain
- *CDROM Back 2 Action;*
 - *Your guide to getting Back 2 Action;*
 - *Back 2 Action Patient Flow Chart;*
 - *ACC EPN Physiotherapy Practices;*
 - *Back 2 Action – Practice Manual;*
 - *Back 2 Action Pilot Programme Service Specification;*
 - *Back 2 Action – Key points;*
 - *ACC1631 Acute Low Back Pain Screening Questionnaire;* and
 - *ACC1038 New Zealand Acute Low Back Pain Guide.*
- 29 *How to increase treatment provider satisfaction – recommendations from the Healthwise Customer and Market Business Excellence Team (based on analysis of 2005 BRC Treatment Provider Feedback Survey Results)*

Section 6 – ACC and the physiotherapy sector interface

- 30 *Physiotherapy Liaison Group – Terms of Reference*

Section 7 – Working with physiotherapy sector to build capability

- 31 *Work-related Gradual Process Overview – Clinical Advisors and the ACC32 process*
- 32 Educational publications applicable to physiotherapists in their clinical practice, including:
- *ACC11 Physiotherapy services – normal treatment numbers;*
 - *Individual Feedback Report on shoulder injuries;*
 - *Traumatic brain injury case studies, November 2006;*
 - *ACC2196 Personal Journeys: If you get hurt it’s good to know ACC will help you;*
 - *ACC692 ACC Treatment Provider Handbook 2004/05;*
 - *ACC358 Your Guide to Recovery;*
 - *ACC1331 The Diagnosis and Management of Soft Tissue Knee Injuries: Internal Derangements, Best Practice Evidence-Based Guideline;*
 - *ACC1617 The Diagnosis and Management of Soft Tissue Shoulder Injuries and Related Disorders, Best Practice Evidence- Based Guideline;*
 - *ACC Review, Rotator cuff disorders, Part 1,2;*

- *ACC1616 The Diagnosis and Management of Soft Tissue Shoulder Injuries and Related Disorders;*
- *ACC989 Managing Soft Tissue Ankle Injuries, A summary of recent research;*
- *ACC982 Acute Ankle Sprain Taping Technique;*
- *ACC983 Acute ankle sprain vignette;*
- *ACC1038 New Zealand Acute Low Back Pain Guide, October 2004;*
- *ACC1631 Acute Low Back Pain Screening Questionnaire;*
- *ACC1608 Acute Low Back Pain Case Studies, April 2005;*
- *Acute Low Back Pain, Part 1, 2, and 3;*
- *ACC1689 Questions and Answers about your return to work after an injury;*
- *ACC Return to Work pamphlets:*
 - *ACC1976 Return to work: the myths & realities;*
 - *ACC1989 Tools to help your employees;*
 - *ACC2010 Six easy steps to help you go back to work after injury;*
 - *ACC1990 If you stop work due to an injury you can rely on us to give you all the help you need to go back to work;*
 - *ACC1991 How you can help an injured employee who has stopped work get ready to go back to work;*
 - *ACC1966 Getting a back injury back on track;*
 - *ACC1965 Sharing return to work delivers success;*
 - *ACC1964 Production line injury gets the right treatment; and*
 - *Note pad.*
- *ACC Return 2 Work Injury Profile series;*
 - *ACC 1725 Injury Profile – Ankle sprain;*
 - *ACC1722 Injury Profile – Lower back sprain;*
 - *ACC 1756 Injury Profile – Fracture of metacarpal bone in the hand;*
 - *ACC1728 Injury Profile – Rotator cuff injury;*
 - *ACC1734 Injury Profile – Carpal tunnel syndrome; and*
 - *ACC1733 Injury Profile – Tennis elbow (epicondylitis).*
- *Knowing about your....pamphlet series;*
 - *ACC2173 Knowing about your...Ankle Sprain;*
 - *ACC2176 Knowing about your...Tennis Elbow;*
 - *ACC2177 Knowing about your...Carpal Tunnel Syndrome;*

- *ACC2174 Knowing about your...Fractured metacarpal bone in the hand; and*
 - *ACC2172 Knowing about your...Low Back Pain.*
- *ACC1620 Caring for your....short term low back pain (acute);*
- *ACC165 Managing your sports injury; and*
- *Smart Tips for Preventing...series:*
 - *Touch injuries;*
 - *Snow sport injuries; and*
 - *Soccer injuries.*
- Posters:
 - SportSmart;
 - Prevention, Care, Recovery
 - Care;
 - Recovery;
 - Prevention;
 - Every year, hundreds of New Zealanders die in so-called accidents. Don't become one of them; and
 - ThinkSafe.

10 Appendices

Appendix 1 – Injury Prevention, Rehabilitation, and Compensation Act 2001 – sections relevant to physiotherapy services

Below is a list of the most relevant sections of the Act relating to physiotherapists' provision of treatment and ACC's obligation to pay or contribute to the cost of treatment:

- Section 6, Interpretation
- Section 7, Acute treatment
- Section 33, Treatment
- Section 48, Person to lodge claim for cover and entitlement
- Section 49, Treatment provider lodging claim on behalf of person
- Section 67, Who is entitled to entitlements
- Section 68, Corporation provides entitlements in accordance with this Act
- Section 69, Entitlements provided under this Act
- Section 70, Claimant's and Corporation's obligations in relation to rehabilitation
- Section 71, Employer's obligations in relation to rehabilitation
- Section 73, Payment of treatment providers for acute treatment
- Section 74, Limits on treatment providers in decisions on acute treatment
- Section 123, Entitlements inalienable
- Section 124, Entitlements to be provided to claimant only
- Section 324, Regulations relating to rehabilitation
- Schedule 1, Part 1 clause 1. Corporation's liability to pay or contribute to cost of treatment
- Schedule 1, Part 1, clause 2. When Corporation is liable to pay cost of treatment
- Schedule 1, Part 1, clause 4. Corporation's prior agreement to treatment required, except in certain cases
- Schedule 1, Part 1, clause 5. Corporation may require claimant to supply information about treatment
- Schedule 1, Part 1, clause 6. When Corporation must not decline to pay cost of treatment
- Injury Prevention, Rehabilitation, and Compensation (Liability to Pay or Contribute to Cost of Treatment) Regulations 2003

Appendix 2 – Average number of physiotherapy visits per claim by injury type

Table 2 – Total number of visits for closed cases receiving their first treatment from 1 July 2004 to 30 June 2005				
Injury	Physiotherapist paid under	Sum of Number of cases	Sum of no of visits	Average visits per claim
Ankle sprain	Endorsed Physio	14210	85672	6.03
	Reg Physio	14085	75070	5.33
Bucket handle tear - current injury	Endorsed Physio	2103	14329	6.81
	Reg Physio	2083	12338	5.92
Contusion, knee and lower leg	Endorsed Physio	2801	16147	5.76
	Reg Physio	2848	15060	5.29
Foot sprain	Endorsed Physio	2525	14715	5.83
	Reg Physio	2390	12368	5.17
Lumbar sprain	Endorsed Physio	26641	158186	5.94
	Reg Physio	28923	151851	5.25
Neck sprain	Endorsed Physio	16141	95225	5.90
	Reg Physio	17244	87528	5.08
Pain in lumbar spine	Endorsed Physio	3533	22542	6.38
	Reg Physio	3645	20435	5.61
Rotator cuff sprain	Endorsed Physio	8263	63767	7.72
	Reg Physio	8051	54456	6.76
Sacroiliac ligament sprain	Endorsed Physio	1640	10665	6.50
	Reg Physio	1827	10727	5.87
Sprain of elbow and forearm	Endorsed Physio	2008	13989	6.97
	Reg Physio	2215	13502	6.10
Sprain of knee and leg	Endorsed Physio	5120	30929	6.04
	Reg Physio	5056	26862	5.31
Sprain of medial collateral ligament of knee	Endorsed Physio	4839	31403	6.49
	Reg Physio	5122	29939	5.85
Sprain of shoulder and upper arm	Endorsed Physio	5832	41570	7.13
	Reg Physio	6707	41271	6.15
Sprain or partial tear, knee, lateral collateral ligament	Endorsed Physio	1549	10311	6.66
	Reg Physio	1617	9308	5.76
Sprain wrist ligament	Endorsed Physio	1942	10169	5.24
	Reg Physio	1678	8271	4.93
Sprain, quadriceps tendon	Endorsed Physio	1783	10269	5.76
	Reg Physio	1570	8088	5.15
Thigh sprain	Endorsed Physio	7211	42624	5.91
	Reg Physio	7464	40041	5.36
Thoracic sprain	Endorsed Physio	7316	39445	5.39
	Reg Physio	8120	37469	4.61
Torn achilles tendon	Endorsed Physio	3190	23929	7.50
	Reg Physio	3245	21812	6.72
Torn gastrocnemius	Endorsed Physio	5787	35808	6.19
	Reg Physio	5891	32374	5.50

Table 3 – Total number of visits for closed cases receiving their first treatment from 1 July 2005 to 30 June 2006

Injury	Physio type	Sum of Number of cases	Sum of no of visits	Average visits per claim
Ankle sprain	Endorsed Physio	19987	120822	6.05
	Reg Physio	10084	51631	5.12
Bucket handle tear - current injury	Endorsed Physio	2761	17943	6.50
	Reg Physio	1488	8473	5.69
Contusion, knee and lower leg	Endorsed Physio	3515	20035	5.70
	Reg Physio	2012	10281	5.11
Foot sprain	Endorsed Physio	3767	21627	5.74
	Reg Physio	1924	9515	4.95
Lumbar sprain	Endorsed Physio	39178	238650	6.09
	Reg Physio	22057	111732	5.07
Neck sprain	Endorsed Physio	23340	138445	5.93
	Reg Physio	12885	63798	4.95
Pain in lumbar spine	Endorsed Physio	4419	28426	6.43
	Reg Physio	2384	13142	5.51
Rotator cuff sprain	Endorsed Physio	11009	84342	7.66
	Reg Physio	5710	37417	6.55
Sacroiliac ligament sprain	Endorsed Physio	2169	14155	6.53
	Reg Physio	1381	7850	5.68
Sprain of elbow and forearm	Endorsed Physio	3236	23018	7.11
	Reg Physio	1859	10944	5.89
Sprain of knee and leg	Endorsed Physio	7782	45443	5.84
	Reg Physio	3666	18322	5.00
Sprain of medial collateral ligament of knee	Endorsed Physio	6162	39416	6.40
	Reg Physio	3775	20416	5.41
Sprain of shoulder and upper arm	Endorsed Physio	8221	57519	7.00
	Reg Physio	4874	29430	6.04
Sprain or partial tear, knee, lateral collateral ligament	Endorsed Physio	2069	12765	6.17
	Reg Physio	1061	5466	5.15
Sprain wrist ligament	Endorsed Physio	2394	12828	5.36
	Reg Physio	1140	5140	4.51
Sprain, quadriceps tendon	Endorsed Physio	2382	13442	5.64
	Reg Physio	1246	5996	4.81
Thigh sprain	Endorsed Physio	9489	57950	6.11
	Reg Physio	5032	26239	5.21
Thoracic sprain	Endorsed Physio	10323	55291	5.36
	Reg Physio	5858	26112	4.46
Torn achilles tendon	Endorsed Physio	4445	33962	7.64
	Reg Physio	2320	14601	6.29
Torn gastrocnemius	Endorsed Physio	8403	51078	6.08
	Reg Physio	4440	23357	5.26

Appendix 3 – ACC expenditure for medical treatment for year ending 30 June 2006

Table 4 – ACC Expenditure for Medical Treatment for year end 30 June 2006		
Service	Account Name	Total
Community Nursing	Nurses	\$11,580,830
Community Nursing Total		\$11,580,830
Diagnostic Imaging	Radiologist Claimant Refund	-\$1,676
	Radiologists	\$61,070,859
Diagnostic Imaging Total		\$61,069,184
General Practice	General Practitioners	\$97,497,708
	Medical Case Review	\$382,196
	Medical Examination	\$118,718
	Sensitive Claim Assessment	\$128,457
General Practice Total		\$98,127,079
Hearing Loss Services	Audiologists	\$12,458,281
Hearing Loss Services Total		\$12,458,281
In-patient Rehabilitation	Medical Treatment Overseas	\$4,059
In-patient Rehabilitation Total		\$4,059
Other Primary Care	Acupuncturists	\$5,934,148
	Chiropractors	\$7,852,311
	Contributing Insurer Treatment Costs	\$166,934
	Hand Therapists	\$5,987,485
	Interpreter	\$62,459
	IVF Treatment	\$84,600
	Laboratory Services	\$644,076
	Med Fees Reports Treatment Providers	\$2,570,167
	Personal Effects - Spectacles	\$116,403
	Podiatrist	\$457,109
	Osteopath	\$7,326,440
Other Primary Care Total		\$31,202,131
Other Services	Counselling - Psychiatrists	\$795,628
	Counselling Fees - Other	\$75,849
	Counsellor	\$11,789,219

Table 4 – ACC Expenditure for Medical Treatment for year end 30 June 2006		
Service	Account Name	Total
	Counsellors-Psychologists	\$4,114,496
	Hyperbaric Oxygen Treatment	\$257,072
	Spinal Cord Assessment	\$912,818
Other Services Total		\$17,945,081
Other Services (SAV)	Occupational Therapy	\$174,923
	Speech Therapist	\$6,425
Other Services (SAV) Total		\$181,348
Pain management services	Activity Based Programmes	\$13,138,741
	Pain Management Services	\$6,306,847
Pain management services Total		\$19,445,588
Pharmaceuticals	Pharmaceuticals	\$14,436,088
Pharmaceuticals Total		\$14,436,088
Physiotherapy	Physiotherapist	\$87,830,719
	Physio Assessment – Social Rehabilitation	\$3,958
Physiotherapy Total		\$87,834,677
Specialist Medical	Specialists – Consultations/Reports	\$48,156,628
Specialist Medical Total		\$48,156,628
Total Medical Treatment		\$402,440,973

Appendix 4 – trends in claim numbers/costs under Cost of Treatment Regulations and EPN Service Agreement

The Table below illustrates the transfer of number of claims and cost from Cost of Treatment Regulations to EPN, to June 2006.

Table 6 – Trends in claim numbers and costs for physiotherapy visits under Cost of Treatment Regulations and EPN service agreement				
Year	Claim Numbers		Claim Costs	
	EPN Claims	CoT Reg Claims	EPN Cost (excl GST)	CoT Reg Cost (excl GST)
2002	19,806	360,192	\$3,183,250	\$43,380,493
2003	48,523	358,031	\$8,656,616	\$42,524,257
2004	84,352	348,506	\$14,858,170	\$40,318,012
2005	212,099	245,997	\$44,070,949	\$28,337,327
2006	305,510	189,214	\$66,643,023	\$21,913,475