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Design & Research for  
Sensorily Handicapped People

David Goddard QC  
ATT: Diane Salter / Acc Policy  
Public Submission Review Physio Services

Dear Mr Goddard,

8 May 2007

SUMMARY

The Accident Compensation Corporation of New Zealand has introduced the Endorsed Provider Network (EPN) against the advice of over 70% of members of the physiotherapy profession.

Contrary to ACC claims that EPN provides FREE physiotherapy treatment to patients; this claim is false. Instead this program has lowered the threshold level of competency of treatments provided to patients.

University departments of physiotherapy have found that their "Post Graduate" student role has collapsed because of the vast amount of time required for EPN paperwork by physiotherapists.

EPN contributes NOTHING to the knowledge of physiotherapy treatment for injury.

Past fraudulent behaviour of ACC has destroyed the personal and professional lives of many very experienced physiotherapists.

Clearly the original intention of the Architects Justice Woodhouse and associates has been lost.

INTENT OF EPN PROGRAM

The intent of the administration of ACC is to provide a "Gate Keeper" program at unconscienceable cost to physiotherapy practitioners in order to eliminate small practices. Their misguided belief is that their administration costs will be reduced by dealing with large combined group practices of various professions.

This long held objective is in direct conflict with traditional New Zealand small business philosophy. Tunnel vision thinking by ACC.

Total costs to each practice are in excess of \$20,000:00 for EPN. Okay for large practices but an impossible burden for small practitioners.

The profession has lost many very experienced physiotherapists who could not afford either the money nor the time and have closed their doors and walked away from the profession. They have suffered financial and personal loss. In turn both the public and the profession are losers.

Mentors for new graduates and ongoing young physios are in crisis shortage. This puts the public at risk of incorrect diagnosis and treatment.

Both ACC administration together with the NZ Physiotherapy Board have overseen a period dating back to approximately 1990, (almost 17 years), during which physiotherapists have struggled to survive without an increase in payment per treatment. Unheard of in all industrial areas. Unacceptable.

Physiotherapists are dedicated practitioners all of whom graduated with great expectations for their chosen career, together with huge study costs. They discover that their goodwill is taken advantage of because they work in a caring profession.

EPN masquerades as providing free patient treatment but, a close examination of the facts proves that this is not true.

EPN pays \$35:00 per treatment but the physiotherapist is not allowed to surcharge to cover additional costs for materials and extra time treatment. Therefore patients treatment time is in the order of 15 to 20 minutes.

In non EPM qualified clinics the patient would generally be treated for a period 30 minutes minimum, but generally 45 minutes and 60 if necessary. Consequently the patient is more comprehensively treated at the outset of the injury and therefore requires fewer sessions of treatment.

Clearly fewer treatment appointments for a more comprehensive treatment results in savings in time off work and travel costs. Annually a huge national workforce saving.

Doctors are persuaded by ACC to refer patients to EPN physiotherapists and to advise that they will pay a surcharge at other physiotherapists.

ACC generally allows 12 treatments per injury. Because they don't pay most patients demand their full allocation even although the injury may be resolved in far fewer treatments. When patients pay a surcharge they do not request unnecessary treatments.

ACC spokesman Laurie Edwards admitted in a NZ Herald article dated 14.4.07 that treatments provided for June 04 increased from 60.000 to 80.000 2005.

Whereas under the surcharge system ACC ran an annual surplus of \$800M plus currently ACC is running deep in the red due to unnecessary treatments.

Young physiotherapists encapsulated by the short treatment time admit that they wouldn't know what to do for more than 20 minutes. They are unable to develop an adequate treatment faculty.

University Colleges of Physiotherapy have experienced a dramatic drop-off of post graduate student numbers. Instead of furthering their studies and research to post graduate level, their time and focus has been changed by ACC to study for EPN, which has little to do with patient treatment and care.

Fundamentally EPN is an administrative area or bureaucracy such as know the Treaty of Waitangi etc which has nothing to do with patient care.

EPN is an intrusive waste of time, resources and finance which would normally be invested in upgrading specialist equipment etc.

Australian Surgeon conference currently being held in Christchurch has revealed that whereas in Australia 60% of surgeons operate in public hospitals while in New Zealand surgeons are escaping the tiresome manager/paper bureaucracy leaving 20% only operating in public hospitals. This is reflected in the staggering number of unfortunate operations.

Currently ACC is offering a patient \$6000:00 for having a leg unnecessarily cut off. Health and Disability Commissioner Ron Patterson in NZ Herald 1.5.07 refers to "chain of errors" and "systemic weaknesses" in a hospital resulting in death. Deaths similarly in other hospitals are referred to.

Clearly all hospitals are suffering inadequate staffing of experienced qualified medical personnel. Reduce bureaucracy such as EPN and allow qualified professional people to carry out the work for which they are trained.

To rebut the case against EPN by experienced competent physiotherapists Malcom Hood and Murray Hing, ACC spokesman Laurie Edwards claims that quote "We're a creature of statute", We do what the law says".

The following is an example where ACC acted intentionally outside the law with devastating effect on professional and personal lives of a number of small practitioners. It was used as an opportunity by a ruthless young physiotherapist, who had been given two months notice, to discredit her employer and possibly take over the practice. She attempted to have her employer, who was admitted to hospital, deregistered.

EXAMPLE (Refer Greg Liddington Director ACC Auckland Region)  
ACC failed to pay physiotherapy patient claims for over 3 1/2 months.

ACC entered into a secrete agreement to pay big practices 80% of their claims up front, the balance being paid after the claims had been processed. They were bound not to advise small practitioners of this agreement. This was revealed to me when I confronted Liddington in his office.

My partner had a breakdown as a result of trying to pay staff and other running costs such as mortgage, materials and personel outgoings. The staff member dismissed had aggressively demanded wages and became disruptive.

All small practices were forced to take out substantial bridging loans at high rates of interest. Others who were unable to arrange loans had to close down with substantial personal, career and financial losses.

Liddingtons explanation was that when ACC relocated claims processing staff from Takapuna to College Hill in Ponsonby, they lost 92% staff, who were women with children at school and therefore refused to transfer.

A \$250M computer program which was being installed had to be dumped; similar story to Isis for Police.

ACC covered up their problems by using small practitioners earnings as an INTEREST FREE LOAN.

Absolutely no compensation has ever been paid to these practitioners, nor has any form of a pology been issued.

All of these practitioners were distressed and suffered great financial loss which impacted detrimentally on their practices and personal lives. Both staff and patients were lost as a consequence.

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Authoritarian behaviour displayed by administration of ACC with little regard for people over whom they exercise power appears to be endemic in New Zealand as the following example, show.

Jacque Pessers a medical practitioner of many years experience and who cared for Prime Minister David Lange and Dame Fena Cooper in Middlemore hospital, was seconded by David Chaplow a director of psychological medicine, after a distinguished period as medical officer at Mt Eden Prison, to work at the Mason Clinic.

Two weeks after commensing at the Mason Clinic Jacque was delegated to escort a client shopping at Lynn Mall, being assured that the man was safe. The client escaped and flew to the South Island.

Over a period of 8 months Jacque was subjected to brain scans, intimidating interrogations, psychoanalysis, report writing about his personal and professional life and was stood down on a rudimentary salary.

Finally he requested me to attend a disciplinary meeting intended to lead to his deregistration. We coopted two of his close friends, Professor David Scott head of teaching and examination at Middlemore Hospital together with Dr Robert Steinhuisen Director of Higher Ground Rehabilitation.

Immediately following this meeting, the manager of the department in which Jacque was employed was stood down and delegated menial tasks. Eventually having worked in New Zealand for over 20 years he returned to Holland.

The above is indicative of many similar exemples which I could quote from other professional and Local Body actions.

Our service industries need a caring administrator, sensitive and knowledgeable for the ongoing good of both the providers and the professionals who provide services. Intrinsic is trust to achieve good goals for all.

Yours faithfully

  
Max Bognuda B'ARCH