

Occupational Health Physiotherapy Group



Comments on the draft report of the review of the ways in which physiotherapist services are funded and accredited by ACC

Prepared by the Occupational Health Physiotherapy Group, a Special Interest
Group of the New Zealand Society of Physiotherapists Inc.

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The OHPG supports the findings from the enquiry that physiotherapy has been underfunded by ACC, and that the physiotherapy fees need to be increased to ensure sustainability of physiotherapy services for New Zealanders. We also support the following recommendations from the report:

- Adoption of a partnership approach to delivery of high quality rehabilitation services to claimants
- Improved genuine, timely and constructive two-way dialogue on matters of policy and contractual arrangements.

We believe there is a need for ACC to recognise post-graduate qualifications and factor this into their contractual payments, as well as the certification against the Allied Health Sector Service Standards (AHSSS). It should be noted however that whilst ACC to date has recognised accreditation or certification against this standard through its EPN contract, it has failed to do the same with other national contracts that involve physiotherapy. We feel this should also be addressed.

Our key concern from the report is the finding that other specialised contracts appeared to be working well and no specific concerns were identified. We strongly refute this.

Many of our physiotherapists working in occupational health only work under the national contracts such as vocational rehabilitation and activity-based programmes, and wish to clarify the OHPG's position on this. The terms around the national contracts, e.g. the vocational rehabilitation contracts (GRTW, FCE, EMP and Work Ready) have become untenable over the years, to the point in May 2005 when the NZSP, with the support of the OHPG, sent a letter to ACC requesting the withdrawal of the contracts, as we felt they had become unsafe for the public, providers and employers, and breached a large number of Acts and Codes. There were major issues with poor funding or funding gaps, a poorly-rolled out and flawed ACC purchase order number system, which had put large numbers of physiotherapists and other providers working in Vocational Rehabilitation into financial embarrassment. Through meetings with NZSP, ACC agreed that the philosophy for rehabilitation was not best practice, that the models for services were also flawed and did not represent best practice, the contracts and service specs were vague and had gaps, and that the implementation of a purchase order number system had again highlighted these issues.

It was agreed that strategies would be put in place, both in the immediate short and longer term, to address these issues. To date, 18 months later, only a few issues have been resolved and the following concerns remain:

- Contracts do not represent best practice rehabilitation or models of care suitable for New Zealanders.
- They are not client-focused or needs-based.
- There remain gaps in funding which physiotherapists have had to provide for free or for minimal funding e.g.:
 - after-hours services are not paid for
 - attendance at case meetings are not funded but required
 - organisation and trialling of equipment.
- There remain no penalty payments or fees for late payments of invoices by ACC, yet our figures show that some physiotherapy companies are having to wear the burden of 30-40% of their total ACC payments being paid later than the contractual 30 days.
- Unlike the other ACC payment models to physiotherapists, the national contracts get paid at the end of the service. This means that we may need to complete up to 12 weeks of treatment, then submit an invoice a week later, then wait up to the 20th of the following month or 30 days for payment to be made, depending on the terms of the contract. Meanwhile, we

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have to pay wages, expenses and other outgoings for that entire time. This carrying of additional debt has huge cashflow and cost implications for physiotherapy practices, and requires additional administrative systems and resources to collect, store and retrieve the fees information prior to invoicing. This adds to the costs of delivery of services, especially when there is such a high error rate of payment from ACC. Given that payments are often late, it is not unusual for therapists to wait up to six months for payment from the time they initially deliver the service. To our knowledge, no other provider group is being asked to bear the cost of rehabilitation services directly in this way.

The development of the national contracts and models of care was done with little or no real consultation with the professions and we have repeatedly stated that they are poorly structured, have major flaws and do not reflect best practice rehabilitation in New Zealand. As an example, ACC has recently just amended a travel code in the activity-based programme, which was inadvertently missed out by the procurement team over 12 months ago. It has taken many hours of unnecessary work by providers and NZSP to get this changed, and has caused losses of thousands of dollars in revenue to physiotherapists through this oversight. This should have been addressed immediately when it was first raised. We have numerous examples of this type of problem occurring, and which are still ongoing.

It is important to note that our concerns regarding the unsatisfactory models of service, service gaps, and anomalies with the contracts have been repeatedly brought to the attention of ACC by NZSP, yet in the nine years that they have been offered, they have been minimally altered.

All work-related injuries are solely funded by ACC, or via the Accredited Employers scheme. Third party administrators who assist with claims management for accredited employers are also required by ACC to use providers who hold national contracts with ACC, and also use their fees, or occasionally negotiated fees between the employer and the provider. We are aware that some third party administrators are now insisting on providers accepting discounted service fees in order to get the contracts. Therefore occupational health physiotherapists cannot choose to elect to work outside the system to provide a preferred model of care or supplement the low funding by ACC with a surcharge, as other physiotherapists working under regulation fees can. Occupational health physiotherapists are trapped inside this monopolistic system and have been extremely frustrated by the indifference of ACC to address these anomalies.

The New Zealand public has therefore also lost their right to freely choose their own vocational provider, as ACC has insisted that all providers of vocational rehabilitation must be contracted directly to ACC, otherwise they cannot provide the service.

We would urge you to consider this information when completing your report, and OHPG recommends that the payment systems for national contracts be altered, so that our members can bill weekly as per all other providers. If this is not possible, then there should be a much higher rate incorporated into the national contracts to reflect the costs borne by the national contracts providers.

We believe that the inequity of power, monopoly on funding for delivery of these national work injury management services have been detrimental to the delivery of best practice rehabilitation to New Zealanders,

We therefore strongly support the recommendation in the draft report under paragraph 1.26, that other ACC contracts containing the use of physiotherapy services be considered and included when addressing the issue of sustainable costs for providing physiotherapy services, but we would also ask for a recommendation that where these services are having to be provided for free by physiotherapists at present, that this matter be urgently addressed by ACC.

We would also like to go on record as stating that we strongly believe that ACC is a funder and purchaser of services and that it is not their role to determine models of care or best practice

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rehabilitation. This should be determined by the health professions and their right to retain clinical autonomy when practising is paramount. None of the contracts that the occupational health physiotherapists are working under have been sanctioned, endorsed or developed by, or in conjunction with, the profession, which is why we believe there are so many problems with them.

We apologise if our willingness to stay positive, forward looking and avoid undue negativity in our first submission has misrepresented or understated our high level of concerns and frustrations regarding the funding implementation and delivery of ACC-funded occupational health physiotherapy services in New Zealand.

Signed

Lee Gardiner
Chairperson
Occupational Health Physiotherapy Group

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