

Summary of Submissions of NZSP  
To Independent Review  
14 May 2007

# NZSP – The Who and How

- Addressed by Jon Warren
- Consultation and sector wide support for this submission
- Discussion of physiotherapy within submission and in Schools' evidence

# Partnership and Policy Goals

- Sector fundamentally affected by ACC Scheme
- Partnership between Physiotherapists / ACC
- Proper inclusion of interests in policy
- Integration of partnership into daily interaction
- Sector policy to be transparent, consistent with underlying scheme, logical and fair
- Other issues / solutions flow from this resolution, including culture
- Must still address current issues

# Partnership with Physiotherapy

- ACC and physiotherapists share common goal for patient health, rehabilitation and injury prevention
- Mutually dependant as funder and main provider serving same patients
- Strategic partnership must be recognised and flow through into policy decisions and interaction at all levels, from head office to branches

# Funding Issues – Approach

- ACC dominant, stakeholder, purchaser of service capacity, not individual treatments
- Link between ACC payments and business performance, practitioner remuneration
- “Adequacy of current costs” (IR) and “sustainable costs” (DP) same inquiry
- Comprehensive cost assessment of modern practice with fair remuneration
- Purchasing services not the test
- Practitioners not to bear cost of scheme

# Direct Resolution Required

- Deloitte Project good basis once assessed and issues resolved
- Argue issues not alternative models
- ACC sought independent assessment of price – corrections required
- Best information = best decisions
- NZSP have engaged, incurred large cost
- No alternative independent assessment
- Reasonable expectations

# Funding Framework Issues

- EPN and Regulation both supported
- Copayments must be allowed – business decisions and consistency with GPs
- ACC payment must be at or near 100% for public access and confidence
- Differential EPN and Regulation must be policy based and fair
- Consistency in pricing and conditions of all contracts – based on economic price
- If copayments not allowed, adopt higher percentile for sustainability

# Pricing Via Deloitte Project

- Aim: To identify sustainable price for physiotherapy services (EPN)
- Methodology: assess total costs (salary, premises, accreditation) – divide by number of consult hours to get price per hour
- Based on surveyed costs and consult times, normalised, adjusted for sustainability

# Deloitte Model NZSP Assessment

- Survey data generally adequate
- Deloitte and ACC failed to engage on key issues
- Model must validate
- Specific modelling issues – KPMG
- Detailed adjustment issues NZSP / KPMG / Strategic Pay

# Notional Salary Adjustment

- Model very sensitive to salary
- Survey shows poor salaries – owners \$38 – 48K
- Deloitte accept need to adjust surveyed salary but fail to benchmark properly
- NZSP retain Strategic Pay to advise and present evidence
- Broader comparative data equivocal and unreliable
- Some evidence of high staff turnover, but must pay fair rates not wait till industry falls into crisis

# Funding Levels – Other Model Issues

- Capturing of consult times
- Use of revenue splits
- Poor asset base and replacement modelling
- Capture of certification costs and other professional costs
- Working capital
- goodwill

# Regulation Rates

- Based on full economic price of EPN
- Adopt best practice 4-tier pricing and annual indexation
- Differential set as a result of balancing competing policy – unlikely to be large

# Culture of ACC

- Primarily Dealt with by “partnership”
- Daily case management and branch interaction can be problem
- Complaints by physiotherapists difficult
- ACC to consider uniform principles for dealing with physiotherapists and issues affecting physiotherapists

# Profession Generally

- Need to retain senior practitioners
- Broader recognition of “advanced practitioner status” to be considered

Presentation Ends  
Thank You