

Workers Compensation and Injury Management Act 2023

Implementation proposals for regulations and administrative instruments

Implementation Consultation Paper 25: Fees Order for Allied Health Services

November 2023

Public comment on the implementation proposals
should be submitted to:

consultation@workcover.wa.gov.au by **12 January 2024**

All submissions will be publicly accessible unless confidentiality is requested.

For further details on making a submission see:

<https://www.workcover.wa.gov.au/resources/modernising-was-workers-compensation-laws/>

*****Draft proposals only*****

The proposals in this consultation paper are in draft form to facilitate public comment and do not represent the final position of WorkCover WA, the Minister or Government.

Implementation Consultation – Fees Order for Allied Health Services

Scope

This document outlines proposed fees for compensable allied health services WorkCover WA intends to recommend to the Minister for inclusion in an allied health expenses fee order on commencement of the *Workers Compensation and Injury Management Act 2023 (WCIMA23)*. This document does not address workplace rehabilitation fees which are covered in a separate consultation paper.

Background and intent

Under the *WCIMA23*, the Minister, on the recommendation of WorkCover WA, may make an order fixing scales of fees and charges for allied health services (physiotherapy, chiropractic, counselling and clinical psychology, occupational therapy, speech pathology, osteopathy, acupuncture and exercise program services provided by physiotherapists or exercise physiologists).

If an order is made, the charge for an allied health service must be in accordance with the scale of fees and charges fixed by the order.

A fee order has the same status as a regulation under the 1981 Act, but is made by the Minister as an order, rather than a regulation made by the Governor.

Prior to the making of a fee order the Minister must seek recommendations from WorkCover WA.

WorkCover WA is consulting stakeholders on the following proposals for inclusion in the fees order for allied health services when the *WCIMA23* commences operation (indicative - 1 July 2024):

- reset consultation fees for health services based on the average private practice charge for the relevant service by a large private health insurer in Western Australia, before any gap or rebate is applied with the exception of exercise program services (as there is no appropriate equivalent) and ancillary services.
- freeze indefinitely the current hourly rate of \$221.50 per hour for exercise program services
- provide for all allied health services to charge for the following ancillary services:
 - travel
 - case conferences
 - communications
 - reports
- provide for automatic indexation of the revised base rates each 1 November in accordance with WorkCover WA's composite index formula which will be specified in the order.

WCIMA23 key provisions

s. 73 – Medical and health expenses order

Rationale for changes to allied health service fees

The 1981 Act and supporting regulations currently set out a range of compensable allied health services and corresponding scales of fees.

The regulated fee schedule was developed in 1998 and comprises scales of fees for allied health providers. The service descriptors and base rates in the regulated fee schedule were based on average private practice services and rates at the time (except for exercise program services).

The fee amounts in the regulated fee schedule have been indexed each year on 1 November in accordance with WorkCover WA's composite index. The composite index was developed by the scheme actuary in 2002 and accounts for changes in medical and health practice costs. It is comprised of the following formula:

$$60\% \text{ of WPI} + 30\% \text{ of AMA MFI} + 10\% \text{ of CPI}$$

Where:

- WPI = Australian Bureau of Statistics (ABS) Wage Price Index for WA ordinary time earnings all sectors (a measure of WA wage growth)
- AMA MFI = the Australian Medical Association's Medical Fees Index for general practice non-procedural (which underpins AMA fees).
- CPI = Australian Bureau of Statistics Consumer Price Index for all groups excluding housing (a measure of inflation).

Some allied health providers and insurers have expressed concerns to WorkCover WA regarding:

- the extent to which the regulated fees (base rates) for allied health services align with current market rates
- disparities/relativities in fee levels between allied health providers with similar functions
- disparities and inconsistencies between allied health providers around service charges for ancillary services such as reports, communication, and travel.

Proposed allied health services & fees

The *WCIMA23* provides that fees payable for compensable allied health service expenses will be fixed by Ministerial order on the recommendation of WorkCover WA, rather than by regulations as required under the 1981 Act.

Following a review of allied health services the following is proposed for consideration in a Ministerial allied health expenses fee order:

- adopt the current average private health insurance charge for consultations before any gap or rebate is applied (used as a proxy for market rates) with the exception of exercise program services (as there is no appropriate private health insurance equivalent), and ancillary services
- maintain fee relativities between allied health providers in line with private health insurance relativities
- freeze fees for exercise program services to address high costs relative to other workers compensation jurisdictions
- provide for health professions to charge for travel, reporting, communications and case conferences (ancillary services) at the same rate unless exceptions apply.
- implement the following range of controls and service requirements for ancillary services to ensure transparency and reduce the scope for overservicing:
 - insurer pre-approval requirements
 - caps on reporting and communications
 - documentation of point-to-point travel
 - detailed service specifications
- provide for automatic indexation of allied health fees each 1 November in accordance with WorkCover WA's composite index formula which will be specified in the fee order.

It is proposed the maximum fees for compensable allied health services to apply from 1 July 2024 to 31 October 2024 are as set out in Table 1.

The proposed fees (with the exception of ancillary services and exercise program services) are based on the average private practice charge for the relevant service for the period 1 November 2022 to 31 October 2023 by a large private health insurer in Western Australia, before any gap or rebate is applied.

This change is intended to address concerns around disparities between the regulated allied health fees in the workers compensation scheme and private practice charges.

All proposed allied health service fees are intended as maximum fees and will continue to be GST exclusive.

Table 1 - Comparison of current and proposed allied health fees

Service	1 Nov 2023 service fees		Proposed service fees from 1 Jul 2024	
Acupuncture	Consultation	\$86.65	Initial	\$114
			Subsequent	\$91
			Travel	\$177.35/hr
			Report	\$111
			Communication	\$22.20/6 min
			Case conferences	\$22.20/6 min
			Treatment management plan	\$111
Chiropractic	Initial Consultation and Examination	\$76.75	Initial	\$101
	Subsequent Consultation	\$64.05	Subsequent	\$65
	Spinal x-ray, one region	\$152.55	X-rays	Market rates
	Spinal x-ray, 2 or more regions	\$229.05		
	Travel	\$1.05/km	Travel	\$177.35/hr
			Report	\$111
			Communication	\$22.20/6 min
			Case Conferences	\$22.20/6 min
			Treatment Management Plan	\$111
Clinical Psychology	Attendance & Treatment	\$280.65 /hr	Initial or Subsequent	\$303
	Report (time limit applies)	\$280.65 /hr	Report (time limit applies)	\$303
			Travel	\$177.35/hr
			Communication	\$22.20/6 min
			Case Conferences	\$22.20/6 min
			Treatment Management Plan	\$111
Counselling Psychology	Attendance & Treatment	\$280.65 /hr	Initial or Subsequent	\$303
			Travel	\$177.35/hr
			Report (time limits apply)	\$303
			Communication	\$22.20/6 min
			Case Conferences	\$22.20/6 min
			Treatment Management Plan	\$111
Exercise Based Services (by Physiotherapists or Exercise Physiologists)	Initial Consultation	\$221.50/hr	Initial Consultation	\$221.50/hr
	Subsequent Consultation	\$221.50/hr	Subsequent Consultation	\$221.50/hr
	Gym Fees	Market rates	Gym Fees	Market rates
	Travel	\$177.35/hr	Travel	\$177.35/hr
	Reports (time limits apply)	\$221.50/hr	Reports (time limits apply)	\$221.50/hr
	Communication	\$22.20/6 min	Communication	\$22.20/6 min
	Case Conferences	\$221.50/hr	Case Conferences	\$22.20/6 min
			Treatment Management Plan	\$111

Service	1 Nov 2023 service fees		Proposed service fees from 1 Jul 2024		
Occupational Therapy	Brief (< 15 mins)	\$33.00	Initial	\$148	
	Short (15 to < 30 min)	\$66.45	Subsequent	\$115	
	Std (30 min to < 45 min)	\$109.55			
	Extended (45 to < 1 hr)	\$164.25	Extended (≥45min)	\$164.25	
	Extended (≥ 1hr)	\$219.25			
	Std. Group Consult	\$72.00 pp	Std. Group Consult	\$72.00 pp	
	Treatment Management Plan	\$97.20	Treatment Management Plan	\$111	
	Travel	\$219.25/hr	Travel	\$177.35/hr	
	Report	Incorporated in consultation	Report	\$111	
			Communication	\$22.20/6 min	
		Case Conferences	\$22.20/6 min		
Osteopathy	Consultation	\$88.70	Initial	\$123	
			Subsequent	\$103	
				Travel	\$177.35/hr
				Report	\$111
				Communication	\$22.20/6 min
				Case Conferences	\$22.20/6 min
				Treatment Management Plan	\$111
Physiotherapy	Initial Consultation	\$97.20	Initial	\$111	
	Standard Consultation	\$78.05	Standard	\$90	
	2 distinct areas of treatment per visit	\$98.60	2 distinct areas of treatment per visit	\$118	
	Group Consultation	\$24.05	Group Consultation	\$34	
	Worksite Visit	\$221.50/hr	Worksite Visit	\$221.50/hr	
	Travel	\$177.35/hr	Travel	\$177.35/hr	
	Reports (Standard / Progress)	\$97.20	Reports (Standard / Progress)	\$111	
	Comprehensive Report	\$221.50/hr	Comprehensive Report	\$221.50/hr	
	Communication	\$22.20/6 min	Communication	\$22.20/6 min	
	Case conferences	\$22.20/6 min	Case conferences	\$22.20/6 min	
	Treatment Management plan	\$97.20	Treatment Management Plan	\$111	
	Specific Assessment	\$221.50/hr	Specific Assessment	\$221.50/hr	
	Specific Intervention	\$221.50/hr	Specific Intervention	\$221.50/hr	
Speech Pathology	Initial up to and including 1 hour	\$202.50	Initial	\$261	
	Initial > 1 hour	\$262.25	Subsequent	\$153	
	Subsequent < 30min	\$88.30			
	Subsequent 30m – 1hr	\$114.70			
	Subsequent > 1hr	\$154.80			
			Travel	\$177.35/hr	

Service	1 Nov 2023 service fees		Proposed service fees from 1 Jul 2024	
			Report	\$111
			Communication	\$22.20/6 min
			Case Conferences	\$22.20/6 min
			Treatment Management Plan	\$111

Indexation

It is proposed the allied health fees specified in Table 1 (with exception of exercise program services) will continue to be indexed each 1 November in accordance with WorkCover WA's Composite Index.

It is proposed the fee order will adopt the composite index adjustment methodology so that subsequent fees are automatically indexed without the need for a Ministerial fee order each year.

By adopting the composite index in the fee order this will automate the annual indexation and will not require a new ministerial fee order to be made each year. Subsequent ministerial fee orders will only be required if new services are added, or existing services are deleted or modified.

WorkCover WA will publish the indexed allied health fees prior to 1 November each year.

Ancillary services

WorkCover WA's review of allied health fees identified significant differences in charges for ancillary items such as travel and communication between a broad range of allied health providers.

Ancillary items are not directly related to the direct treatment of workers or using specialised skills, but relate to administrative or business costs of the provider in providing the service. It is important appropriate and reasonable fees are set for ancillary services as these costs also come out of a worker's capped entitlement.

One of the principles supported by the WorkCover WA Board is that third party reporting, communications and travel items should be consistent and determined by necessity and demand, not supply, with controls to prevent unnecessary service delivery or overservicing.

Travel

While charges for consultations and specific specialty services carried out by allied health providers vary, the charges for travel should be consistent.

It is proposed travel rates be set initially at \$177.35 per hour (based on the hourly travel rate for physiotherapy services) for all allied health professions.

It is also important to clarify how travel time is to be charged and for records to be maintained. It is intended the fee order will require a logbook of all point-to-point travel be kept with the date, distance and time travelled for each service recorded. All travel (date, distance and time) must be reported to the insurer when billing for the travel service.

Where multiple cases are serviced on one location, travel must be apportioned. No travel is to be charged if returning from a service location to the allied health service provider's office location.

Reports

It is intended that an initial flat rate of \$111 will apply for reports given by most allied health providers (based on the physiotherapy report rate). The exceptions are clinical /counselling psychology, comprehensive physiotherapy reports and exercise program services where the current respective hourly rates will continue to apply as the initial rates from 1 July 2024.

An allied health service provider will be able to bill for up to 3 standard reports without requiring insurer preapproval (as is currently the case with physiotherapy reports).

Communications

It is intended that all allied health providers be able to charge for either oral or written communication with specialists and other medical practitioners (excluding courtesy communications). The proposed initial rate is \$22.20 per 6 minute block (based on the physiotherapy rate).

It is intended the fee order will place controls on communications including:

- a maximum 30 minute duration per communication
- a maximum cumulative duration of 60 mins per claim (as currently applies to physiotherapy)
- prohibiting the charging of fees for communications between allied health providers within the same organisation.

Case conferences

It is intended that all allied health providers will be able to charge and initial rate of \$22.20 per 6 minute block (based on the physiotherapy rate) for their participation in a case conference. A maximum limit of 30 minutes per case conference will apply.

Treatment management plans

Where a WorkCover WA approved treatment management plan is available it is intended a flat rate of \$111 will apply. At this stage treatment management plans apply to physiotherapists and occupational therapists only. Different treatment management plans may be approved for tailored use by other allied health providers.

Exercise program services

It was not possible to determine a comparable market rate for exercise program services as equivalent private health insurance data is not available.

WorkCover WA subsequently considered fees for exercise program services in other workers compensation jurisdictions.

The table below shows fees for exercise program services in Western Australia are the highest of comparable jurisdictions by a significant margin:

WA	NSW	QLD	VIC	SA	Average
\$221.50 (hourly)	\$129.30 (flat fee)	\$209 (hourly)	\$130.61 (pro-rata hourly)	\$162.90 (hourly)	\$158 (Hourly)

While a revised rate of \$158 per hour could be considered fair and reasonable relative to other jurisdictions and in the broader context of maintaining the viability of the scheme, WorkCover WA is cognisant that a fee reduction of this size, particularly within such a short timeframe, would impose significant challenges to providers.

It is intended that WorkCover WA will recommend an indefinite freeze on fees for exercise program services, based on the fees as at 1 November 2023.

At this stage WorkCover WA cannot speculate how long the fees will be frozen. It is likely periodic reviews will be undertaken where a number of factors will be considered including comparisons with fees for exercise program services from other jurisdictions.

Cost impacts

The indicative additional scheme cost of the allied health fee proposal is \$2.27 million per annum based on differentials between the current scheduled rates and the private practice rates for comparable consultation items. If adopted, the cost increase will be factored into recommended premium rates for 2023/2024.

Transition

The proposed allied health fees if made by Ministerial order are intended to commence on 1 July 2024.

It is intended the ministerial fee order will adopt the fees in Table 1 for the period 1 July 2024 to 31 October 2024.

From 1 November 2024, and for each subsequent year from 1 November to the following 31 October, it is intended the fees listed in Table 1 will be adjusted by the percentage variation in the Composite Index.

Allied health provider service codes are built into WorkCover WA and insurer systems, and some health practice software systems.

WorkCover WA will advise stakeholders of service codes for allied health service items prior to implementation.

WorkCover WA expectations

WorkCover WA expects health practitioners to:

- charge for services in accordance with any future ministerial fee order after the commencement date
- comply with all requirements and obligations set out in the fee order
- use the correct service codes when invoicing for services.