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By email: consultation@sira.nsw.gov.au

SIRA Consultation: Regulatory requirements for health care arrangements in the NSW Workers Compensation and CTP Schemes

Thank you for the opportunity to provide feedback as part of this consultation on the regulatory requirements for health care arrangements.

The ICA and our members have reviewed SIRA's consultation paper and provide the following feedback.

Areas and opportunities for improvement in the provision of treatment and care

The timely provision of appropriate treatment and care is an essential component in the process of supporting an injured person's recovery. Opportunities exist to improve the efficiency and effectiveness of health care provided to injured people within the NSW Workers Compensation and Compulsory Third Party (CTP) schemes.

These opportunities include:

- Ensuring case managers are empowered with the tools, support and necessary authority to rapidly respond and provide all reasonable and necessary treatment and care.
- Extending the requirement for SIRA accreditation for health care providers (that exists within the Workers Compensation scheme) to the CTP scheme and explore opportunities for implementing a quality framework for providers.
- Extending the provision of gazetted rates for imaging services and private hospitals (as detailed in SIRA's Workers Compensation Fees Order) to the CTP scheme.
- Increasing the utilisation and distribution of data relating to health providers to identify trends and provide information for customers.
- Implementing a consistent process for claims managers and insurers to obtain relevant records from government organisations (eg. Health, Police, Medicare) to support timely claims management decision making.
- Assessment of the feasibility of incorporating aspects of value-based care within both schemes.

Empowering case managers

A principle driver of health care expenditure is the quality of the case management that is provided to each injured person. The benefits of providing appropriate treatment and care at the earliest possible juncture are well established with respect to expediting recovery.

Timely provision of care is in the best interests of an injured person, their family and their employer. It also maintains affordability and the sustainability of the scheme. Delays in treatment can result in adverse health outcomes and subsequent increase in the duration and cost of claims.

It is essential that case managers are provided with all necessary tools, support and authority to make the right decisions at the right time to avoid delays. Equally, robust processes are required to ensure that each claim is legitimate and compensable and the care provided is directed towards the compensable injury.

A failure to make timely liability decisions or examine the delivery of treatment could, in some instances, result in over-servicing and/or the scheme funding treatment that is not compensable. This is to the detriment of policy holders and scheme sustainability.

Extending accreditation to the CTP scheme

SIRA's system of accreditation for health care providers that is necessary within the Workers Compensation scheme should be extended to the CTP scheme. This would enable data to be collected on individual providers, improving the useability of this data for SIRA, insurers, claims managers and customers.

Currently CTP insurers provide SIRA with data regarding the health provider practice that has provided a service. However, as a practice may have several providers (eg. physiotherapists) it is not possible to ascertain which provider has administered the service. Accreditation would enable SIRA to gather precise data regarding providers, which could be used to inform analysis of their performance.

Further, a comprehensive data set of all health care providers servicing the Workers Compensation and CTP schemes within NSW could be used to provide a valuable service to injured people. Potentially a customer could be provided with details of all providers in their local area, including a providers' area of specialisation. This would allow them to be informed when selecting a provider that is best placed to treat their injury.

An additional benefit of having a consistent process of accreditation across both schemes is it would enable SIRA to ensure a high standard of service is maintained, benefiting injured people and the scheme. Insurers believe there may be opportunities to learn from the recently established NDIS Quality and Safeguards Commission. This body monitors provider compliance with NDIS practice standards and the NDIS code of conduct. The Commission also provides market oversight by monitoring trends in the market and plans to share this information with regulatory bodies. Implementation of a similar type of quality framework within the workers compensation and CTP schemes may allow for SIRA to monitor providers and, where appropriate, withdraw accreditation for providers who fail to meet agreed practice standards.

Extending gazetted rates to the CTP scheme

Gazetted rates, as detailed in SIRA's Fees Order are an effective mechanism within the NSW Workers Compensation scheme to avoid excessive costs for treatment and care. Issues currently exist within the CTP scheme with respect to providers charging excessive amounts for imaging (eg. MRIs) and private hospital fees (including private rehabilitation facilities).

The gazetted rates for imaging and private hospital fees that currently operate in the Workers Compensation scheme should be extended to the CTP scheme, creating alignment across the schemes for all providers and ensuring that costs are maintained at reasonable levels.

Additionally, definitions for categories of treatment and care (eg. guidelines to distinguish between a standard physiotherapy treatment and a complex treatment) that currently operate in the Workers Compensation scheme should be extended to the CTP scheme.

Incorporation of gazetted rates for allied health, private hospital and imaging services would reduce the need for claims staff to negotiate rates with providers, and provide clear guidelines on definitions. Gazetted rates would also allow for consistency between insurers for service providers. Negotiation of fees with allied health providers can be challenging as insurers advise they do not wish to disrupt the customers care or not support them seeing a provider they have built rapport with because of a fee concern. So it would also benefit the customer experience.

However, we do note that caution needs to be exercised when considering whether gazetted rates for allied healthcare providers (that exists within the NSW Workers Compensation scheme) be extended to the CTP scheme. Any fee structure that is implemented will need to ensure that it meets the objectives of attracting good providers to work in the CTP scheme and in turn promote the best recovery outcomes for scheme participants.

It is also the experience of insurers that some treating specialists refuse to accept patients at the AMA rate. Instead they request that the claimant pay a gap (and claimant seek reimbursement of this cost from their insurer). As the MBS rates are generally lower than the AMA, scheme movement toward to MBS rates may result in some doctors becoming less willing to provide treatment to patients within the CTP scheme. One option to manage this risk could be to provide an uplift to some specialist consultation services in CTP above the gazetted rate.

Expanding utilisation of health provider data

The opportunity exists to further utilise and distribute health care provider data to identify trends and rapidly implement strategies to address issues as they arise. The ability of individual claims managers and CTP insurers to identify trends is hindered by a lack of access to scheme-wide data. This is because trends can take longer to become apparent when only a small subset of the data is available.

Historically, there have been instances where the provision of a particular treatment has surged, indicating that some customers may be receiving treatment that may not be necessary, adding cost to the scheme and potentially delivering inappropriate treatment to injured people.

Identifying these issues would be expedited by SIRA regularly sharing data regarding provider behaviour within the workers compensation and CTP schemes. This would greatly assist claims

managers and insurers to rapidly respond to issues as they arise, minimising the adverse impact on customers and the schemes.

For example, if a particular provider significantly increased the frequency with which a treatment (or referral for treatment) was being administered, claims managers and insurers would be immediately aware of this change in treatment.

Additionally, SIRA would have the opportunity to communicate directly with providers to inform them of how their behaviour compares with their peers. This simple act of communicating a comparison can be effective in informing the behaviour of those who are providing treatment in a manner that is inconsistent with equivalent providers treating equivalent injuries.

Health care is an important and substantial component of the scheme. Therefore, a higher degree of transparency regarding the performance of this aspect of the scheme would allow all stakeholders to contribute to the process of improving the efficiency and effectiveness of the treatment provided to injured people in NSW.

Consistent processes to obtain records

Effectively managing a personal injury claim requires that case managers obtain relevant records from various government organisations including NSW Health, Police and Medicare. The timely provision of this information is necessary to ensure that the right decisions are being made by case managers as quickly as possible.

Delays in the provision of, for example, records detailing an injured person's pre-existing medical conditions can compromise the ability of a case manager to ensure that treatment is being provided for compensable injuries. This can adversely impact scheme health care costs.

There is a need to implement consistent processes to expedite the provision of this essential information, enabling case managers to make well-informed decisions in a timely manner. An illustration of the current inconsistency is that different hospitals in NSW have different processes that must be followed to obtain medical records.

As the NSW Government continues to implement its digitisation strategy, the opportunity exists for case managers and insurers to access relevant records faster through secure systems, reducing administrative delays, improving scheme efficiency and enhancing health outcomes for customers.

Assessment of feasibility of value based care

It is well recognised that value based care is, in practice, difficult to implement successfully. Effective implementation relies on having a robust outcome measurement system across a person's recovery pathway. This includes customer experience, clinical outcomes and assessment of alignment with best practice/process measures.

Some principles of a value based module may be beneficial for specific injury types, such as whiplash, where there are clear best practice guidelines, including for duration and type of treatment these patients should receive. However this would be more challenging when customers have multiple injuries, or where they have pre-existing medical condition which could impact their recovery.

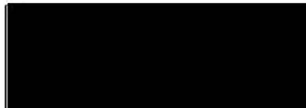
Performance incentives within value based care also need to be carefully calibrated so that effects such as cost shifting or reduced access to care for those with more complex injuries does not occur.

The NSW Workers Compensation and CTP schemes do not currently have a robust outcome measurement system in place. There may be an opportunity for these schemes to collaborate and examine digital solutions which may facilitate collection and analysis of a range of outcome measures. This could potentially include a digital platform which enables the collection of feedback from scheme participants, clinical outcome measures inputted directly by healthcare providers and process data uploaded from insurers. Any of these options will require a trial and pilot prior to implementation to ensure that they are valid and reliable and warrant the required investment in resources.

As a first step, a review of provider performance against “best practice” or against “peer performance” could be beneficial. Feedback given to providers about how their performance compares to peers and best practice has the potential to act as a catalyst for movement towards best practice and potentially facilitate a movement away from over-servicing.

We trust this feedback is helpful.

Yours sincerely



Robert Whelan
Executive Director and CEO