

*From the President's Office*  
*Dr Kean-Seng Lim*  
*GAICD FRACGP MBBS*



29 November 2019

SIRA  
Level 6  
McKell Building  
2-24 Rawson Place  
Sydney NSW 2001

**By email only: [consultation@sira.nsw.gov.au](mailto:consultation@sira.nsw.gov.au)**

### **AMA NSW Submission on Regulatory requirements for health care arrangements consultation**

Thank you for the opportunity to make a submission to the regulatory requirements for health care arrangements consultation. AMA (NSW) acknowledges the purpose of this consultation is to inform revised regulatory requirements relating to the health care arrangements within the NSW workers compensation and compulsory third party (CTP) systems, to manage costs and improve outcomes for injured motorists and workers.

#### **Executive summary**

AMA (NSW) is a medico-political organisation that represents over 9,000 doctors in New South Wales (NSW), including doctors-in-training, career medical officers, staff specialists, visiting medical officers and specialists and general practitioners in private practice. Our members perform an important role in the workers compensation and CTP systems by facilitating the treatment and recovery of those injured following workplace or motor vehicle accidents.

For over 20 years, injured workers in NSW have had the benefit of being able to access medical care on the same basis as patients with comprehensive private health insurance. This ensures injured workers receive timely access to a wide range of specialist general practitioners and other medical specialists, thus aiding their return to work process.

#### **Increased service utilisation**

We note that the *Summary of Preliminary Findings for NSW Workers Compensation and Compulsory Third Party schemes* (Summary Report) found service utilisation to be a key driver in increased medical expenditure, reporting a growth rate of 7.7%. Changes in health care expenditure and utilisation occur over time due to increases to the cost of health service delivery, increases and changes in population structures, new and emerging technologies and changes in patterns of care as a result of advances in best practice (1). Yearly increases in health care expenditure occur in the public and private health care systems. The increase in service utilisation noted in the Summary Report is not uncommon and may, in fact, indicate that barriers to care have been removed and that the systems are working effectively.

### **Australian Medical Association (NSW) Ltd**

AMA House, Level 6, 69 Christie Street, St Leonards NSW 2065 | PO Box 121, St Leonards NSW 1590  
t: 02 9439 8822 | f: 02 9438 3760 | e: [enquiries@amansw.com.au](mailto:enquiries@amansw.com.au) | [www.amansw.com.au](http://www.amansw.com.au) | ABN 81 000 001 614

Australians are working and living longer. In January 2018, Australians aged 65 years and over had a workforce participation rate of 13% (up 5% since 2006) (2). As the workforce ages, the probability of injury in the workplace increases while the likelihood of returning to work decreases, which ultimately results in higher service utilisation. Furthermore, with increases to the minimum age limit of the Australian Age Pension locked in until July 2023, more Australians will be required to work for longer to reach the pension age.

### **Medical practitioner fees**

In NSW, the maximum rates gazetted for medical consultations and procedures in the workers compensation scheme are as contained in the AMA List of Medical Services and Fees (“AMA Fees List”) at the time the service was provided, unless otherwise specified in the relevant fees order. A 150% loading applies to surgical procedures completed by recognised specialist surgeons. The AMA (NSW) and our members support the use of this model. The AMA Fees List is indexed every year and considers changes to the Medicare Benefits Schedule.

The Summary Report compares the NSW fee structure against models in various jurisdictions. AMA (NSW) is concerned about this comparison because doctors working in other states or jurisdictions, with different billing methods (such as QLD, VIC and Comcare), may not be as willing or motivated to complete work under the scheme due to reduced remuneration. Better remuneration could be encouraging more doctors in NSW to complete work in the scheme. As a result, patients would experience decreased waiting times and more timely access to care. This could potentially explain the increased service utilisation noted in the Summary Report.

### **Ensuring best outcomes for injured people**

High quality health care, with timely access to general practitioners, specialists and other health services, leads to improved health outcomes (3). Doctors play a critical role in facilitating the treatment and recovery of those injured at work. As mentioned previously, it is important that doctors are motivated to participate in the scheme. A report by the Royal Australian College of Physicians in 2001 found that patients injured at work experienced significantly poorer health outcomes than patients experiencing the same injury outside the compensable system (4). There are many factors to this, but it is generally concluded that the psycho-social elements associated with a compensable injury have a significant impact on the health outcomes of the patient.

While doctors wish to care for their patients and to ensure the best health outcomes, patients injured at work represent a particular and complex challenge. Doctors are required to deal with scheme agents and employers who may have limited interest in the wellbeing of patients nor in assisting the employee to return to work. Doctors are required to complete additional paperwork which again serves to act as a barrier to care. We believe that if fees in NSW are reduced, a significant proportion of doctors may refuse to participate in the schemes due to the rising cost of providing health care. If this were the case, patients may struggle to find a practitioner that is willing to provide the service, which would ultimately result in poorer outcomes for patients.

We note with particular concern that the basis for the suggestion that medical fees require review is that return to work rates are not improving. While we recognise this is the legislated objective of the scheme, we are strongly opposed to the suggestion that it should be the basis upon which the performance of doctors be judged. The goal of a treating doctor is first and foremost to provide comprehensive high-quality treatment to the patient and to make that patient well. Getting that patient to return to work is also an important priority and we recognise the health benefits associated with work.

### **Australian Medical Association (NSW) Ltd**

AMA House, Level 6, 69 Christie Street, St Leonards NSW 2065 | PO Box 121, St Leonards NSW 1590  
t: 02 9439 8822 | f: 02 9438 3760 | e: [enquiries@amansw.com.au](mailto:enquiries@amansw.com.au) | [www.amansw.com.au](http://www.amansw.com.au) | ABN 81 000 001 614

Australia's ageing population and rising prevalence of chronic illness means that returning to work may not be an option for some Australians following a workplace injury. Reviewing the system's goals may lead to more positive outcomes if patients are returned to health, as opposed to the workplace. The system needs to be able to adapt to these changes and their associated challenges.

**More data**

AMA (NSW) understands that part of the increase in expenditure in the 2017-2018 financial year was related to increases in theatre expenditure. While these costs don't directly relate to doctor's time and services, we would recommend getting better visibility from hospitals around what is causing this increase. AMA (NSW) would be interested to see further data on this.

We also understand that there have been increases in expenditure in orthopaedic surgery, anaesthesia and neurosurgical services. While the data illustrating this trend only dates to 2012, we note that the increases displayed for orthopaedic surgery and neurosurgical services are marginal. We welcome further data in this regard.

We also recommend that more consideration be given to the health outcomes for patients associated with the scheme, including but not limited to consideration of whether the current higher levels of utilisation are in fact resulting from more timely access to care, more comprehensive multi-disciplinary care or other changes which are improving health outcomes for injured workers.

Yours sincerely,



Dr Kean-Seng Lim  
**AMA (NSW) President**

**Australian Medical Association (NSW) Ltd**

AMA House, Level 6, 69 Christie Street, St Leonards NSW 2065 | PO Box 121, St Leonards NSW 1590  
t: 02 9439 8822 | f: 02 9438 3760 | e: enquiries@amansw.com.au | www.amansw.com.au | ABN 81 000 001 614

## References

1. Australian Institute of Health and Welfare. Australia's Health 2018 [Internet]. Canberra: Australian Institute of Health and Welfare, 2018 [cited 2019 Nov 28]. Available from: <https://www.aihw.gov.au/getmedia/7c42913d-295f-4bc9-9c24-4e44eff4a04a/aihw-aus-221.pdf.aspx?inline=true>
2. Australian Institute of Health and Welfare. Older Australia at a glance [Internet]. Canberra: Australian Institute of Health and Welfare, 2018 [cited 2019 Nov 28]. Available from <https://www.aihw.gov.au/reports/older-people/older-australia-at-a-glance/contents/social-economic-engagement/employment-economic-participation>
3. Australian Bureau of Statistics. Census shares insights into Australia's ageing population. Canberra, 2017 [cited 2019 Nov 28]. Available from <https://www.abs.gov.au/AUSSTATS/abs@.nsf/mediareleasesbyReleaseDate/39BF03C9400F2E2DCA2581FB0019824A?>
4. The Royal Australasian College of Physicians. Compensable Injuries and Health Outcomes [Internet]. Sydney, 2001 [cited 2019 Nov 28]. Available from [https://www.racp.edu.au/docs/default-source/advocacy-library/compensable-injuries-and-health-outcomes.pdf?sfvrsn=97b42c1a\\_2](https://www.racp.edu.au/docs/default-source/advocacy-library/compensable-injuries-and-health-outcomes.pdf?sfvrsn=97b42c1a_2)

### **Australian Medical Association (NSW) Ltd**

AMA House, Level 6, 69 Christie Street, St Leonards NSW 2065 | PO Box 121, St Leonards NSW 1590  
t: 02 9439 8822 | f: 02 9438 3760 | e: [enquiries@amansw.com.au](mailto:enquiries@amansw.com.au) | [www.amansw.com.au](http://www.amansw.com.au) | ABN 81 000 001 614