



Insurance Council
of Australia

21 October 2022

Dr Petrina Casey
Executive Director
Motor Accidents Insurance Regulation
State Insurance Regulatory Authority
Locked Bag 2906
Lisarow NSW 2252

Via Email: [REDACTED]

Cc: ctppolicy@sira.nsw.gov.au

Dear Petrina,

Draft State Insurance and Care Governance Amendment Regulation 2022

The Insurance Council of Australia (Insurance Council), on behalf of its licensed CTP insurer members (Insurers) welcomes the opportunity to provide feedback on the *Draft State Insurance and Care Governance Amendment Regulation 2022* (“the Draft Amendment Regulation”). Insurers are dedicated to ensuring that the varied needs of injured road users in New South Wales are centred in the service design and delivery of the Motor Accident Injuries Scheme (“the Scheme”).

We recognise the role of the wider healthcare ecosystem in providing improved healthcare outcomes, including the pivotal relationship between an injured person and a provider in improving return to work and activity, and supporting recovery. Insurers broadly support the Draft Amendment Regulation and welcome mechanisms that drive the delivery of optimal health outcomes and the appropriate, timely and cost effective provision of healthcare to injured road users. In the interests of realising these objectives for the benefit of injured people, Insurers have provided feedback on the Draft Amendment Regulation which includes suggested improvements and additional areas of reform for SIRA’s consideration.

Gazetted rates for healthcare services

We refer to our response on behalf of workers compensation and CTP insurers to SIRA’s ‘*McDougal Review, COVID-19 and Future Opportunities for Personal Injury Schemes*’”) consultation (“Future Opportunities Consultation”) dated 11 November 2021. As part of the transition towards value-based care, the Insurance Council recommended that SIRA consider the implementation of gazetted rates for healthcare services.

We note that CTP Scheme is not subject to a specific fee order or rate and inconsistent charges apply for certain types of treatment such as surgical fees and MRI services across the Schemes. As Workers Compensation and CTP Insurers compete in the market for similar services, we consider that consistent fee settings may assist in improving timely access to appropriate healthcare.

In our response to the Future Opportunities Consultation, the Insurance Council further recommended that SIRA considers aligning certification of accredited service providers across the Schemes.

Restriction of third party agents from treatment costs

Insurers recommend that the Draft Amendment Regulation include a provision to the effect that an incurred cost is not considered to be reasonable and necessary unless the cost is directly payable to a health practitioner or practice that has provided the treatment to an injured person. Insurers consider that a provision of this nature would prohibit third party agents from acting as a broker to injured people under the current model.

Authorised provider model

Insurers would welcome guidance from SIRA on how the Draft Amendment Regulation will intersect with the Authorised Provider Model. By way of example, Insurers would benefit from further information regarding the intended effect of a warning, circumstances where an authorisation is revoked and the envisioned for the process of re-application. Insurers understand that they cannot issue a reimbursement in circumstances where a notice is issued against a service provider. We would also welcome guidance from SIRA on how progress information will be shared with stakeholders who have notified SIRA of an alleged legislative or ethical breach.

Guidelines

Insurers look forward to SIRA's further consultation on the draft guidelines that correspond with the Draft Amendment Regulation. Insurers would support a provision that outlines the process for a formal exchange of information between stakeholders pertaining to potential ethical or professional breaches. We consider that Draft Amendment Regulation would be strengthened through the formalisation of an information sharing process, as it is the experience of industry that information concerning ethical or professional breaches often originates from claimants, insurers or other service providers.

We trust that our response is useful to SIRA. Please do not hesitate to contact me or Sarah McKenzie, Senior Policy Advisor, Consumer Outcomes ([REDACTED] or [REDACTED]) if you have any queries regarding our submission.

Sincerely,



Andrew Hall
Executive Director & CEO