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AMASA Submission on Proposed Medical Fee Increases for RTWSA

Dear Julianne

Thank you for the opportunity to provide advice from our members about the proposed fee increases for Return to Work services for the Financial Year 2019-20. The Australian Medical Association (South Australia) (AMASA) supports the Return to Work South Australia's (RTWSA) objectives to provide a desirable, affordable and durable recovery and return to work scheme for South Australia, recognising the health benefits of work and ensuring the scheme's effective and economic operation.

Returning injured workers to health and work promptly is premised on achieving timely access to quality medical care for return-to-work patients. The AMASA recognises that there is a complex balance between constraining the costs of the system and ensuring proper remuneration of highly qualified medical practitioners for their services. We acknowledge that the measures undertaken by the agency to manage the costs of the workers' compensation system since new legislation came into force in 2015. We note there has been a reduction of more than 5 per cent in insurance premiums and the number of disputes has halved since 2015.¹

Support for proposed GP fee increases

The AMASA supports the agency's focus on securing timely access to general practitioners (GPs) for Return to Work (RTW) patients by providing a 2.1 per cent weighted average increase for the RTW GP attendance fees, consistent with the AMA published rate. We note that this is, in some cases, higher than the AMA scheduled fee (Appendix A). It is also 65.5 per cent higher than the average private charge used to calculate the RTW fees and significantly higher than the (artificially low) Medicare rebate. Our members believe that this fee structure provides fair and reasonable remuneration for services, reflecting the true costs of general practice. The comparative data on the time taken to return to work, which shows 79 per cent return to work within four weeks of their injury (an improvement from 73 per cent in 2013-14) and 93 per cent return to work by 52 weeks

¹ RTWSA Annual Report 2018-18 p 11 and RTWSA Insurer Statistics 2018
<https://public.tableau.com/profile/rtwsa#!/vizhome/ReturnToWorkSA-InsurerStatisticsFY2018/ReturnToWorkSA-InsurerStatisticsFY2018>

(an improvement on 88 per cent in 2013-14) would appear to support the view that the medical support provided to workers is both timely and effective.

Concerns that proposed RTWSA fees for specialists will delay patients' recovery

In contrast, there is concern among specialists that the proposed weighted average fee increase of just 1 per cent will compromise the RTW agency's objectives to provide early intervention to support workers to recover from injury and return to work.

Our members note that negligible fee increases over the past few years do not provide sufficient incentive for independent specialists to treat injured workers quickly. They are concerned that fees set below the AMA rate do not reflect the complexity of the average RTW patient. The AMA(SA) is advised that almost all RTW cases are more complex to treat than the average patient and clinicians are required to spend more time in consulting third parties and complying with regulatory obligations. Specialists such as psychiatrists and neurologists have extensive waiting lists for RTW patients of at least 3-4 months – if they choose to treat them at all. One psychiatry practice advised that they receive 10 calls a day from GPs trying to refer new patients and demand could not be met. Because RTW patients need prior assessment, there are additional delays associated with collating information with third parties before these patients can be treated.

AMA(SA) is advised that the fees for discectomy and spinal fusion are less than half the AMA rates, and RTWSA fees for some spinal surgical procedures had halved over the past 12 months. Specialists providing surgical services for South Australia's RTW patients are concerned by the apparent discrepancy between RTWSA fees and those recommended by the AMA. RTW fees for pain treatment and ear nose and throat treatment are around 20-30 per cent lower than the private fee in some cases (Appendix A). Our members advise that the more complicated work environment and compensation environment makes the problem presented in compensation medicine much more difficult to manage in nearly all cases and therefore the average private charge is not a true reflection of the costs of treating these patients.

A lack of incentive to treat RTW patients is already causing significant delays for some patients. For example, we are advised that one RTW patient, for example, was bed-ridden for more than three months, waiting for spinal surgery. Such delays in treatment are exacerbated by the RTWSA's practice of approving only an initial consultation, requiring multiple letters, calls and emails to approve a course of treatment.

Our members submit that a number of independent specialists may increasingly choose not to treat RTW patients, creating a system that is only viable for practitioners who see high volumes of patients. There is concern that a reliance on a pool of second opinion doctors, providing services at discounted rates at the expense of independent specialist advice, will lead to insurance-driven treatment, rather than best practice medicine. This is likely to result in more disputes and higher costs. Our members also question the effectiveness of the policy of paying a higher fee for an initial independent assessment when provided for a report than for an initial consultation when referral is from a GP or specialist for treatment.

AMA Rates for RTW Cases is Needed to Secure Timely Access to Independent Medical Specialists

In contrast to South Australia, the NSW State Insurance Regulation Authority pays the AMA rate for general practice and specialist treatment and provides a loading for surgeons in a bid to ensure that injured workers have priority access to surgeons to treat their injuries as soon as practicable. The authority pays 150 per cent of the AMA rate for surgical item numbers for the primary procedure and for each additional item or injury at 112.5 per cent of the AMA list fee. Specialists in South Australia have said that RTW fees of at least the AMA rate are required to secure timely access to treatment and consideration should be given to the approach taken in NSW.

Potential for Ongoing Engagement About Appropriate RTW Billing

Specialists have told us that they habitually absorb the costs of emails and telephone calls associated with RTW patients and they cross-subsidise RTW patients from other areas of their practice. In contrast, GPs have been encouraged to bill to reflect the additional time required to treat these patients.

We welcome the measures taken by RTWSA to build stakeholder understanding of the fee calculation process and its underlying policy principles. The AMASA believes there would be significant benefit in further developing deeper ongoing engagement with our members about how they can work more effectively with RTWSA in the interests of patients and employers. There may also be an opportunity to discuss ways of making the system more efficient.

We would be pleased to discuss this further following the remuneration review.

Yours sincerely

Dr John Woodall

Acting CEO

Australian Medical Association (South Australia) Inc.

Appendix A – as provided by specialists 4 March 2019

GP Fee Comparison

	Full Fee Standard	HCC Fee	AMA Fee	RTWSA Fee
Level 23 B	\$73	\$60	\$75	\$79
Level 36 C	\$112	\$101	\$136	\$146
Level 44 D	\$150	\$140	\$210	\$220

Spinal Surgery Fee Comparison

	BUPA	AMA Fee	RTWSA Fee
Disc New Fee	\$2,796.45	\$5,820	\$2,153
Disc Old Fee			\$3,848.90
LAM New	\$2,796.45	\$5,820	\$2,153
LAM Old			\$4,163.15
One level Fusion New	\$4,725.24	\$9,281.25	\$3,961.29
One Level Fusion Old			\$5,376.31
Two Level Fusion New	\$5,989.41	\$11 158.75	\$5,146.39
Two Level Fusion Old			\$5,845.14
Consultations	InPAT		
	104- \$120.90	104 (AC500) - \$178	104 - \$152.40
	105 - \$60	105 (AC510) \$95	104a - \$178.40
			105 - \$82.70

ENT Fee Comparison

Item No	Most Common Fee (set by Treasury)	AMA Fee	RTWSA Fee (ex GST)
104	86.85	\$180	\$129.40
105	46.55	\$95	\$82.70
AIMS80 (IME consult in conjunction with report request)	-	-	\$234
11315 (audiometry)	\$49.20	\$112	\$79.10
11327 (audiometry)	\$19.75	\$53	\$38.1
41764 (NXPXLX)	\$122.85	\$305	\$222.70
41647 (ear toilet)	\$109.9	\$265	\$190.40
41671 SMR	\$483.25	\$1,180	\$970
47738 red	\$235.50	\$1,035	\$1,066.10

Pain Attendance Fee Comparison

Item No	AMA	RTWSA
2801	\$310	\$276
2806	\$142	130
110	\$310	254
116	\$142	130
132	\$535	360.80

Psychiatry Fee Comparison

Item No	Private Fee	RTWSA
296	\$410	\$404
308	\$240	\$230