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The ACC levy debate

As you'll have heard, ACC is proposing increases in its levies as part of the annual levy-setting process.

The levies concerned are the:

- work levies, which cover work-related personal injuries
- earners' levies, which cover non-work-related personal injuries (such as injuries that happen at home or during sport)
- motor vehicle levies, which cover personal injuries involving moving motor vehicles on public roads.

The proposed increases are part of a wide range of measures aimed at addressing the now unsustainable cost of the ACC Scheme, which has resulted from factors such as :

- ongoing increases in claim numbers (outstripping population growth)
- rising healthcare and rehabilitation costs (in some cases 20% per annum)
- increases in the Scheme's scope and client entitlements.

In addition, the global recession has had a compounding effect.

“The ACC Board appreciates there's a limit to how much New Zealanders should be expected to pay in ACC levies, and that

many will view the prospect of levy increases at this time with dismay,” says ACC Chairman John Judge.

“We wish to stress that levy increases are not seen as the only answer to the challenges confronting the ACC Scheme – the focus must also be on other ways to make the scheme more sustainable and affordable in the long-run.”

Measures that we're already implementing include:

- taking a more realistic approach to estimating future costs and the Scheme's claim liability (the future costs of existing claims)
- improving the way we manage claims
- ensuring better value for money from health purchasing
- ensuring we're not providing more or less than we are legally required to
- carrying out more investigations to make sure the need for treatment such as physiotherapy or elective surgery is a consequence of injury rather than age, illness or an underlying condition

The ACC levy debate *continued* ...

- encouraging clients to take more personal responsibility for 'getting back on their feet' after injury
- reducing our administrative costs.

We're also working with the Government on the need for legislative and regulatory change.

"If we don't improve ACC's financial position now, the problem will continue to grow and we will simply be passing it on

for future generations to deal with," says Mr Judge.

The annual consultation process on levy rates will close on 10 November – and from there the ACC Board will make recommendations on any increases to the Minister, with the Government making the final decision. We'll keep you updated on the outcomes.

New physiotherapy contract live

A new purchasing arrangement for physiotherapy services will go live on 16 November, through a one-year contract designed to drive greater value for money for levy payers without compromising services to clients.

The Endorsed Provider Network (which delivered 'free' physiotherapy) has been replaced by a new purchasing approach, in which ACC pays physiotherapists less, however they can now ask their clients to pay a part charge to cover the total cost of treatment. Individual practices will decide whether, and how much, to charge.

Physiotherapists providing services under the Injury Prevention, Rehabilitation and Compensation (Liability to Pay or Contribute to Cost of Treatment) Regulations 2003 are not affected by the changes.

The contract is an interim arrangement for one year. During this time, ACC will work with the sector on solutions to longer-term issues. These include simpler

accreditation processes, an enhanced quality framework, and achieving good client outcomes. A long-term contract incorporating these changes will come into force in November 2010.

A key feature of the one-year contract is a requirement for physiotherapists to report against client outcome measures. These include the Patient Specific Functional Scale and the Numeric Pain Rating Scale, or others depending on their relevance to the client.

These changes to purchasing arrangements are inevitable given ACC's focus on containing Scheme costs while achieving positive client outcomes. They'll curtail unaffordable growth in expenditure on physiotherapy, which in 2007/08 cost \$144 million and, without change, was forecast to increase to an unsustainable \$232 million by 2013/14.

"The development of this contract, and its successful introduction, is a testimony to the productive relationship between ACC

New physiotherapy contract live *continued ...*

and the sector, in particular the New Zealand Society of Physiotherapists,” says Dr Kevin Morris, ACC’s Business Owner, Health Purchasing and Provider Relationships.

“We all recognise that sustainable funding is vital for the sector and ACC clients, and the new approach acknowledges this reality.”

Focus on monitoring protects Scheme sustainability

The integrity and cost of the ACC Scheme depends on the collective goodwill and responsibility of those who engage with it.

No more is that so than in ACC’s dealings with treatment providers, on whom ACC and clients depend to take the responsibility of ensuring treatment is “necessary and appropriate, and of the quality required” (Injury Prevention, Rehabilitation and Compensation Act) to meet the client’s treatment and/or rehabilitation needs.

Most treatment providers are professionals, and deliver accordingly. But some don’t, whether through lack of knowledge, poor performance or fraud. The result is additional cost to the ACC Scheme and the undermining of relationships on which clients and ACC depend for quality treatment and rehabilitation outcomes.

Rigorous provider monitoring can be expected

Over the last year, ACC has refined its monitoring and performance strategy to ensure a more structured approach to working with providers on performance matters. The goal of this strategy is to work with the sector to ensure efficient and effective service provision which is aligned to achieving clients’ treatment and rehabilitation goals.

ACC will, in future, focus more intensely on identifying treatment providers who operate outside the boundaries of regulations or their contracts. Quality of service delivery, reporting and billing practices and servicing levels, among other things, will be proactively monitored and corrective action taken where necessary.

Fraud will not be tolerated

Last year ACC’s Investigation Unit recouped \$32.5 million following investigations into client and treatment provider activities. Fraud on this scale must, and will, be addressed.

To protect the interests of everyone who engages with the ACC Scheme, ACC has developed a counter-fraud strategy which aims to highlight irregularities and gross misconduct against ACC. Providers who undertake questionable practices can expect to be contacted by ACC’s Investigations Unit.

Over the coming months, we’ll update you on our monitoring activities to ensure everyone understands their responsibilities moving forward.

Sensitive Claims Unit – a new way of working

In the August issue of ACC News we presented our proposed changes to the way we handle claims for significant mental injury occurring as a result of sexual abuse or sexual assault.

As a result of extensive consultation with treatment providers, and some further amendments to the process, the Clinical Pathway has been confirmed and implementation began on 27 October.

The new Pathway:

- ensures that initial assessments are completed only by providers able to provide the information, including the DSM-IV diagnosis, which enables claim decisions to be reached. It also identifies the option for ACC to consider the use of another relevant clinical diagnostic tool when proposed by a Provider and that is appropriate to the client's needs
- introduces clinical triage of all claims by senior clinicians
- introduces processes to fast-track claims to cover decisions
- separates treatment into short- and long-term pathways
- continues independent assessments, but with provider continuity

- gives priority to children, young people and adolescents
- streams clients according to the specific needs associated with their injuries and the context
- ensures more regular progress reporting, and documented plans to support clients when their treatment ends
- strengthens the rehabilitative focus.

We'll continue our work on:

- developing a clinical path for managing specialist situations involving children, Māori, and substance abuse
- investigating options for new evidence-based support packages that offer new treatment or support options and better outcomes for clients.

The Pathway will also be regularly reviewed to ensure we implement evidence-based best practice in line with our commitment to continuous improvement. If you have any questions, please email them to sensitiveclaims@acc.co.nz. For more information on the Pathway, visit www.acc.co.nz/for-providers/lodge-and-manage-claims/PRV00031.

Prestigious honour awarded

Dr Peter Jansen, ACC's Senior Medical Advisor, was presented with the Dr Maarire Goodall Award at the Te Ohu Rata o Aotearoa (Te ORA) Māori Medical Practitioners' Association Conference in September.

This is the highest honour accorded by Māori medical practitioners to a member of the

health workforce. It recognises Peter's valuable contribution to improving the health of Māori and Pacific Island people.

Peter has been widely recognised for his work in the area of cultural competence, and received his Award from Dr Maarire Goodall himself.

Pharmaceutical update – generic prescribing

We ask all prescribers to prescribe generically, so that our clients can enjoy the benefits of having a continuous supply of pharmaceuticals.

Because pharmacists have a wide range of approved generic alternatives, they can

dispense generic prescriptions quickly and ensure a continuous supply. In contrast, prescribing by brand can cause problems for our clients when the brands are no longer available or difficult to source in New Zealand.

Provider numbers for locums

If your practice employs locum treatment providers, please make sure that you have a practice-specific locum provider number for them. If you require a new locum number to be registered for your practice, please contact us on 04 918 7782 or email registrations@acc.co.nz so we can send you the appropriate registration form.

Any locum using a locum provider number must:

- be employed by the practice to provide ad hoc relief work
- be of the same professional group for which the number was allocated.

For example, a locum nurse can't use a number allocated to locum medical practitioners; they'll need their own locum nurse provider number.

We recommend that a locum number should be used for a period no longer than three months. We may ask the individual to register with us if the period extends this timeframe.

Please let us know if a new treatment provider is going to start using your practice's locum number – simply fax the Locum Update Form which can be obtained via our website to 04 918 3713.

Adding logos to ACC forms

We've recently discovered that a number of vendors have added their business logos to ACC forms.

ACC does not approve of this practise and requests that you please destroy all the ACC forms that have your business logo added.

Please also ensure you don't use the ACC logo in any other material and that you don't promote 'ACC services' without ACC's explicit permission.

ACC NEWS feedback:

We welcome feedback on, and suggestions for, ACC News.
Please email us at feedback@acc.co.nz.

New address for ACC Whangarei

The ACC Whangarei branch moved to a new address on 19 October. It can now be found at 13-15 Walton Street. The PO Box and phone numbers remain the same.

New hearing aid battery ordering system

Following a successful trial in July, we're progressively changing the way ACC clients order new hearing aid batteries.

Instead of batteries being automatically sent to them, clients needing a re-supply will simply complete and return an order form. It's an approach that will help save ACC money while ensuring that clients receive batteries, when they need them

rather than being over-supplied.

We'll be advising all affected clients of the new process between now and May 2010, depending on when their next automatic order is due. Audiologists who have any questions should contact the ACC Provider Helpline on 0800 222 070, while affected clients are welcome to contact us on 0800 101 996.

Pain services review update

Our thanks go to everyone who provided feedback for the pain services review. A summary of your feedback will soon be sent to all pain services contract holders.

The Project team has considered the feedback and will complete a review report by November with input from the Pain Focus Group (PFG). This report will provide

recommendations for the future direction of pain services, and copies will be sent to all professional associations via the PFG members, who represent a variety of allied health professionals.

The PFG has met regularly since 2007, providing pain management clinical advice and opinions to ACC.

Upcoming conferences and events

13-15 November – **St John Traumed 2009, Whangarei.**
www.traumed.org.nz/Index.html

26-30 March – **The New Zealand Association of Musculoskeletal Medicine Conference 2010, Auckland.**
www.musculoskeletal.co.nz/content/conference-2010