

Medical, allied and mental health, private and public hospital fees

Introduction

ReturnToWorkSA is seeking to gazette fees for medical, allied and mental health, private and public hospital fees for 2024-25, effective 1 July 2024.

The *Return to Work Act 2014* (the Act) requires ReturnToWorkSA to consult with stakeholders prior to a fee schedule being published. This paper describes the proposed changes and fee calculation methodology and forms part of the formal consultation process. We invite your feedback throughout the formal consultation period, which will be for 5-weeks commencing Monday 5 February 2024.

ReturnToWorkSA will consider all feedback received before finalising fees for 2024-25.

Please provide your feedback to providers@rtwsa.com by close of business Friday 8 March 2024.

Fee calculation methodology

The *Return to Work Act 2014* requires ReturnToWorkSA to set fees based on the average charge to private patients for the relevant service. The amount fixed for the service must not exceed the amount recommended by the relevant professional association.

ReturnToWorkSA obtains data from Medicare Australia and the Private Hospital Data Bureau (PHDB) to calculate the average private charge for the relevant service, except for public hospitals and other non-gazetted services (such as remedial massage and aquatic & gymnasium facilities). The Medicare data includes both the Medicare scheduled fee and the actual charge raised by providers across Australia for the service (i.e. the gap charged in addition to the Medicare scheduled fee). This enables ReturnToWorkSA to derive an hourly rate/actual charge for services/items, as well as compare year-to-year charges to determine the change in average private charge and the percentage difference between ReturnToWorkSA fees and the average private charge. Fees are then adjusted relative to these benchmarks.

Medical Practitioner attendance fees

ReturnToWorkSA has agreed to increase General Practitioner and Specialist attendance fees to the published Australian Medical Association (AMA) rates, up to but not exceeding an annual 5% increase. The published AMA rates for 2023-24 exceeds the agreed 5%, as outlined in the table below, but reflects the current environment impacted by rising costs of living and inflation. The AMA cite the significant financial pressures faced by GPs throughout the COVID-19 pandemic, inflation, and the rising costs associated with providing medical services as reasons for the increase. The Royal Australian College of General Practitioners (RACGP) have previously communicated similar financial pressures.

The following table illustrates the change in Average Private Charge (APC), ReturnToWorkSA's fees compared to the average private charge and Medicare fees, and the proposed changes to ReturnToWorkSA medical fees for 2024-25:

	APC change for 2023-24	RTWSA vs APC for 2023-24	RTWSA vs Medicare scheduled fee for 2023-24	Proposed RTWSA change
Medical practitioner attendance fees (Schedule 1A)	10.9%	36.46% higher than APC	113.80% higher than MBS	10.9% weighted average

All other medical fees (excl. Schedule 1A attendance fees)	4.9% weighted average	16.6% higher than APC	83.92% higher than MBS	4.9% weighted average
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In addition ReturnToWorkSA may review the Medical 1B, Permanent Impairment Assessment Services and Independent Medical Examiner fee schedules and policies to ensure terminology is clear and accurate.

Anaesthetic fees

ReturnToWorkSA is currently reviewing anaesthetic fee items in collaboration with the AMA(SA). Further data from Medicare Australia is required to determine the average private charge compared to ReturnToWorkSA’s fees. An update will be provided in due course.

Independent Medical Examiner fees

ReturnToWorkSA commenced a review of Independent Medical Examiner (IME) fees in FY2022-23, including a comparative analysis of the IME fees paid by other Schemes and provider surveys. ReturnToWorkSA’s report and examination fees were found to be lower than other Schemes, whereas reading fees were significantly higher. In addition, the fee schedule was considered complex and administratively cumbersome because of the requirement to itemize all components of the IME and count and combine half pages for the purpose of invoicing.

To address this, ReturnToWorkSA is proposing to:

- Apply a 39% increase to Consultant Physician and Surgeon fees and a 28% increase to Psychiatrist fees. This will better align the fees paid by ReturnToWorkSA with other Schemes.
- Create a single fee for each specialty inclusive of the examination, report and up to 100 pages of reading. This will reduce the administrative effort and complexity of the fee schedule.
- Create an ‘additional reading time’ fee for supplied material between 101-500 pages, charged at the specialist hourly rate (currently \$556.90 p/hr) and capped at 2 hours (working on the premise that medical specialists can read approximately 200 pages per hour). This will reduce the administrative effort required to count and combine half pages for the purpose of invoicing and will better align the approach and fees to the other Schemes.

Further information is contained in Tables 1 and 2.

Table 1. Fee proposal

Specialty	Current	Proposed	Increase
Physician / Surgeon	\$920.80	\$1503.05	39%
Psychiatrist	\$1192.60	\$1666.35	29%
Reading	\$130.20 (Physician/Surgeon) or \$169.20 (Psychiatrist) for up to 12 pages reading	30 minutes or up to 100 pages of reading included in fee	
Additional reading	\$10.30 p/page thereafter	\$556.90 per hour, maximum 2 hours	-
Fee structure	<u>Separate items</u> for the Consultation, Report and Reading including counting and combining half pages for the purpose of invoicing	<u>One fee item</u> inclusive of consultation, up to 100 pages reading and report (paid regardless of whether 100 pages read/supplied)	-

The total fee package would remunerate for reading up to 500 pages. This would account for 99.7% of reading based on FY2022-23 payment data. As illustrated in table 2, in 79% of instances examiners would be paid reading time when there was less than 100 pages supplied. This is intended to offset the small proportion (<1%) of instances where reading volume is >500 as well as increase the appeal of IME work.

Table 2. Breakdown of pages read as a proportion of all reading volume

Number of pages	Percentage	New fee structure
0 - 50	79%	Provided for in the 'base fee'
51 - 100	11%	
101 - 500	9%	Additional reading fee applies
501+	<1%	

Permanent impairment assessment fees

The proposed changes to the Independent Medical Examiner (IME) fee schedule outlined above will result in IME fees being higher than Permanent Impairment Assessment (PIA) fees. Permanent Impairment Assessments are considerably more complex, and assessors must meet and maintain accreditation standards established by the Minister that Independent Medical Examiners are not subject to. Therefore, it is proposed to apply the increases outlined above to PIA fees. That being:

- a 28% increase to General Practitioner and Psychiatric fees, and
- a 39% increase to Specialist fees.

Many Independent Medical Examiners are also accredited to undertake Permanent Impairment Assessments. For consistency and simplicity, it is also proposed to adopt the reading fee model described above. That being:

- all fee items to include up to 100 pages of reading (whether supplied or not)
- creation of an 'additional reading' fee, charged at the specialist hourly rate (currently \$556.90), capped at 2 hours. Not applicable to ENT assessments without prior approval, as reading volume is generally <100 pages.

The total fee package would remunerate for reading up to 500 pages, which would account for 76% of reading based on FY2022-23 payment data, as outlined in tables 2 and 3.

Table 3. Breakdown of pages read by specialty type as a proportion of all reading volume

Pages	ENT	GP	Psychiatrist	Specialist	All
0 – 100	84%	46%	28%	28%	37%
101 – 400	14%	46%	72%	43%	39%
401+	2%	8%	Nil	29%	24%

ReturnToWorkSA will continue to work with Claims Agents regarding provision of only necessary information. Assessors will be asked to query reading volume greater than 500 pages directly with the requestor to ensure the volume is necessary. An approval process will be established for instances where reading material greater than 500 pages is necessary.

Allied and mental health fees

The methodology for 2024-25 considers the change in average private charge across all the allied and mental health groups and compares this to the June 2023 annual Australian Bureau of Statistics Consumer Price Index – CPI (6.0%). Where the figures are similar across the groups, the allied and mental health fees are increased by the annual CPI amount. The change in average private charge ranged from 2.7% to 8% across the groups, with an average of 5.87%. Therefore, it is proposed to increase allied health fees by the annual CPI amount (6.0%).

The following table illustrates the change in Average Private Charge (APC), ReturnToWorkSA’s fees compared to the average private charge and the proposed changes to ReturnToWorkSA fees for 2024-25:

	Fee Increase FY 2023-2024	APC Change	Proposed Increase for 2024-2024	RTWSA rate compared to APC
Physiotherapy	4.0%	6.3%	6.0%	18.1% higher
Psychology	15.8%	7.5%	6.0%	6.1% higher
Occupational Therapy	4.0%	8.4%	6.0%	15.0% higher
Chiropractic	4.0%	2.7%	6.0%	7.9% higher
Speech Pathology	4.0%	2.8%	6.0%	4.6% lower
Osteopathy	4.0%	4.9%	6.0%	5.7% higher
Exercise Physiology	4.0%	7.0%	6.0%	10.6% higher
Audiology	4.0%	5.2%	6.0%*	-0.6 % lower
Social work	4.0%	8.0%	6.0%	9.1% higher
Counselling	4.0%	N/A	6.0%	N/A

*This does not include hearing aids and other devices. There is no fee increase to hearing aids and other devices.

ReturnToWorkSA may review allied health fee schedule descriptors and policies to ensure terminology is clear and accurate.

Physiotherapy fees

ReturnToWorkSA is proposing a once-off adjustment to the following physiotherapy fees to better reflect contemporary practice:

Fee item	Current maximum participants	Proposed maximum participants	Current per participant fee	Proposed per participant fee
Group aquatic session (PT420)	8	6	\$30.20	\$34.20
Group exercise session (PT460)	8	6	\$21.20	\$34.20

Audiology fee schedule

ReturnToWorkSA is proposing to create a new fee item for rechargeable hearing aids at a maximum of \$2020 per aid and update the fee schedule descriptors and policy to provide greater clarity on service expectations. A marked-up version containing the changes is attached.

Private Hospital fees

The Private Hospital Data Bureau (PHDB) data shows a 2.7% change in the average private charge, after removing I16Z DRG (other shoulder procedures), which is not represented in the South Australian data. Therefore, a 2.7% increase is proposed for private hospital fees for 2024-25.

Public Hospital fees

The ABS Medical and Hospital Services Index (Adelaide) shows a 5.2% change. Therefore, a 5.2% increase is proposed for public hospital fees for 2024-25.

Next steps

To enable fees to take effect from 1 July 2024, ReturnToWorkSA will:

- consider all feedback provided by stakeholders
- seek the approval of the ReturnToWorkSA Board and the Minister for Industrial Relations and Public Sector to publish medical, allied health, and public and private hospital fees in the South Australian Government Gazette to be effective 1 July 2024
- provide a written response to feedback received following approval to gazette fees (late May/early June)

Further information

If you have any questions, please contact Jodie Yorke, Manager, Provider Programs on 8233 2204 or email providers@rtwsa.com.