



AUSTRALIAN MEDICAL ASSOCIATION
(SOUTH AUSTRALIA) INC.
ABN 91 028 693 268

12 March 2020

Ms Jodie Yorke
Program Lead
Provider Regulation and Support
ReturnToWorkSA
E: providers@rtwsa.com

Dear Ms Yorke

Re: Re: AMA(SA) feedback to proposed changes to ReturnToWorkSA Fees

On behalf of the Australian Medical Association (SA) (AMA(SA)), thank you for the opportunity to provide feedback to the proposed changes to ReturnToWorkSA (RTWSA) Medical Fees outlined in the document provided on 12 February 2020.

I have consulted with AMA(SA) members and, in particular, the AMA(SA) RTWSA Reference Group, in providing this feedback.

It is the AMA(SA) position that the fees doctors expect to receive for the medical services they provide should accurately reflect the cost of providing high-quality care to the patients requiring these services. In the case of care provided under RTWSA, these services are well understood to have significantly more complexity, due to added compulsory requirements and administrative burdens.

This AMA(SA) feedback to the proposed changes to medical fees outlines:

1. Specific concerns related to the proposal to make a one-off adjustment to reduce selected diagnostic imaging fees
2. General concerns related to methodology used to calculate the Average Private Charge (APC) on which the RTWSA fees are based, particularly in relation to the transparency of this calculation and in how it takes into account the variation between services provided by different specialties and subspecialties.

1. Specific concerns related to the proposal to make a one-off adjustment to reduce selected diagnostic imaging fees

The AMA(SA) has significant concerns about the proposal to make a one-off adjustment to reduce selected diagnostic imaging fees.

Although noting that this proposal will only apply to 141 diagnostic imaging items where the service count is less than 500 per year, the AMA(SA) has consulted with members affected by this proposal and who have raised the following significant concerns that:

- These proposed reductions will have a significant negative impact on the doctors and organisations who are tasked with providing these services
- These reductions will apply to services of lower volume where the relative costs to provide these services are higher due to reduced economies of scale, particularly when they are complex in terms of technique and equipment requirements
- This proposal unreasonably singles out one group of providers
- This proposed reduction will target diagnostic imaging, which has been one of the sectors most affected by decades of Medicare freezes, with a direct flow-on to

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measures such as APC, despite increased costs and complexity of equipment and technology during this period

- This proposal considers only items RTWSA believes are comparatively high in the specialty, while failing to consider those which might be comparatively under-remunerated, i.e., it only considers the high end of the scale while ignoring the low end.

These specific concerns occur in the context of well-accepted points that consultations related to workers compensation:

- Are more expensive, complex and time-consuming than other consultations
- Involve significantly more administration and red tape
- Are much more effective if the doctor, rather than feeling limited to merely providing immediate care, feels supported to take additional steps that may improve the outcomes for both the patient and the insurer. For example, radiologists who contribute opinions to RTWSA assessments can expedite the management of patients' conditions, through sending patients to hospital if necessary or referring them directly to specialists. They can also tailor their reports according to the needs of patients, often eliminating needless duplication and the impacts of this on the patient and the insurer.

The AMA(SA) believes that such a move would send a negative signal to all doctors who work hard to provide high-quality services to patients requiring assessment and treatment under RTWSA. As such, it would have the capacity to undermine the AMA(SA)'s long-term support for RTWSA, during a period in which AMA(SA) is making efforts to build a constructive, long-term relationship between the two organisations.

2. General concerns related to methodology used to calculate the Average Private Charge (APC) on which the RTWSA fees are based

Members have raised general concerns related to the methodology used to calculate the Average Private Charge (APC) on which the RTWSA fees are based, particularly relating to the transparency of this calculation and in how it takes into account the variation between services provided by different specialties and subspecialties.

I am of the understanding that members have previously made enquiries about this matter and have not felt that they have received adequate clarification.

Questions and concerns that have been posed by members include:

- Is the APC calculated based on the average fees charged by *all* specialists (i.e., all physicians, surgeons lumped together, etc.) or is it calculated by specialty and subspecialty (i.e., is the APC calculated for each specialty or subspecialty group)?
- If the former is the case, this leaves potential scope for inequities and distortions in fee determination between specialties, and also between subspecialties (e.g., the APC for paediatric surgeons would likely be less than that for adult surgeons due to the latter having to treat patients with more complex medical backgrounds).
- Whatever the case, the failure to make this clear has led to concerns by members about transparency of the methodology for calculating the APC and subsequent RTWSA fees for each specialty and subspecialty, and for RTWSA items as a whole
- Ultimately, that a perception of lack of transparency has led to some undermining of trust among members who provide services to patients treated under RTWSA.

Beyond the direct feedback that we have provided relating to the current RTWSA fee proposal, members also continued to relate wider concerns regarding RTWSA processes of the type that we discussed in our recent meeting with you on 12 February 2020. These included:

- concerns about a lack of consultation with members, leading to unnecessary complexity in administrative processes they are required to complete
- unreasonable questions in requests for reports

- the employment of external (sometimes from interstate) medical opinions (with a 'select band' of plaintiff lawyers referenced) that were considered to be less than independent and leading to increased costs in subsequent legal proceedings.

As agreed at our recent meeting, I believe it will be helpful for a meeting to be arranged between AMA(SA), the AMA(SA) RTWSA Reference Group and RTWSA to clarify matters where there might be a misunderstanding, or to rectify or improve matters where there are current problems.

The AMA(SA) would like to emphasise that our members are committed to the highest standards of care for all our patients, including those cared for under RTWSA. As such, we seek to maintain a positive and constructive relationship with RTWSA. I am therefore of the hope that you will give due consideration to the points and concerns outlined in this AMA(SA) feedback.

I look forward to receiving information regarding the outcome of this review. In the meantime, please contact me via my Executive Assistant, Mrs Claudia Baccanello, on 8361 0109 or at claudia@amasa.org.au, if I can help further.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chris Moy', with a stylized flourish underneath.

Dr Chris Moy
MB BS, FRACGP, FAMA, AMA(M)
President