



APPROPRIATE COST OF MEDICAL TREATMENT

PURPOSE

- > To provide scheme guidance to relevant authorities¹ and their claims managers about the appropriate cost of medical treatment under **subsection 16(1)** of the *Safety, Rehabilitation and Compensation Act 1988* (SRC Act).

BACKGROUND

- > Once a claim for injury is accepted, a relevant authority is liable to pay compensation of such an amount as it determines is appropriate in respect of medical treatment that was reasonably obtained by an employee under subsection 16(1) of the SRC Act.
- > The four essential statutory steps for a claims manager to consider are:
 1. The claimed service must be medical treatment².
 2. It must be obtained in relation to the compensable injury.
 3. It must be reasonable in the circumstances for the employee to have obtained it³.
 4. The cost is appropriate to the medical treatment.
- > This scheme guidance is about Step 4—**determining what amount is appropriate in respect of the cost of the medical treatment**.
- > The assessment of what is appropriate is determined on a case-by-case basis by the relevant authority. This scheme guidance assists relevant authorities in the assessment of what is an appropriate cost to be paid in individual circumstances.
- > This scheme guidance may be used to encourage injured employees and their medical service providers to consider the published rates and provide services at these published rates.
- > This scheme guidance is non-binding and relevant authorities and their claims managers retain their discretion to determine amounts they consider appropriate for compensable medical treatments.

1 Relevant authority is defined in subsection 4(1) of the SRC Act. It is defined as either a licensee (in relation to an employee who is employed by a licensee) or Comcare (in relation to any other employee).

2 Medical treatment is defined in subsection 4(1) of the SRC Act. Medical treatment includes the provision of eight types of treatment and any other form of treatment prescribed.

3 [Scheme guidance 300](#) provides claims managers with guidance about applying the clinical framework to assess the reasonableness of medical treatment.

Relevant decision

- > In *Sinclair and Comcare (2002)*, the Administrative Appeals Tribunal (the Tribunal) considered the average cost of physiotherapy treatments. The Tribunal found that, when determining what amount is appropriate for compensable medical treatment services, reference must be made to the actual costs incurred by the injured employee.
- > The Tribunal also found that the issue of cost is not open-ended. Where the majority of service providers charge between certain amounts for a treatment item, and the cost incurred by the injured employee is vastly in excess of that amount, then it is open to the relevant authority to determine that the cost it is not 'appropriate to that medical treatment' and a lesser amount be paid.

GUIDANCE

- > In determining whether the cost of a medical treatment is appropriate, reference to published national, state or territory rates as described below is considered better practice.
- > The referenced fees are considered to reflect the upper limit of the amount payable for the medical treatments listed. Claims managers are still able to determine that a lower or higher fee than that set out in the published rates is appropriate based on the circumstances of a particular claim.
- > Where a published rate does not exist for a particular medical treatment, claims managers can determine the appropriateness of fees on a case-by-case basis or by referencing the rates considered by Comcare, as a relevant authority, for similar medical treatment services.

PUBLISHED RATES—NATIONAL

Medical treatment provided by legally qualified medical practitioners

- > The upper limit fee for medical treatment services provided by legally qualified medical practitioners is set by reference to the Australian Medical Association (AMA) List of Medical Services and Fees (the AMA List).
- > The AMA is a national organisation representing registered medical practitioners and medical students in Australia (AMA members). The AMA List is based on the most common fees in private practice, both general and specialist.
- > The AMA List is indexed annually on 1 November at a rate that takes account of the cost of providing medical services and is therefore higher than the Medical Benefits Scheme and private schedules. The AMA List guides members in setting their fees and periodic indexation.
- > Medical practitioners providing diagnostic services such as imaging, radiology and ultrasound may also adjust their fees in response to lower rates payable for these services under the New South Wales, Queensland and Western Australia workers' compensation schemes. In these cases, claims managers may consider the actual cost incurred by the employee and any other relevant matters (such as the provision of a report) and apply their discretion to determine the appropriate cost of medical treatment.
- > To access the AMA List, relevant authorities may contact the AMA via email at feelist@ama.com.au. Relevant authorities may need to pay an annual subscription.

Pharmaceutical services

- > The Pharmaceutical Benefits Scheme (PBS) subsidises prescription medicines listed under the Schedule of Pharmaceutical Benefits (the schedule). The national schedule is published on the [PBS website](#) and is updated every month to include new listings and changes.
- > Where an employee is entitled to access the PBS, claims managers should only pay the employee's PBS co-contribution amount set out in the PBS schedule.
- > Claims managers should only pay for non-PBS medications if the medications are obtained in relation to the injury (being treatment that it was reasonable for the employee to obtain in the circumstances) and there are no readily available alternatives on the PBS.

PUBLISHED RATES—STATES AND TERRITORIES

Medical treatment provided by chiropractors, occupational therapists, osteopaths, physiotherapists and psychologists

- > The upper limit fee recommended for medical treatment provided by chiropractors, occupational therapists, osteopaths, physiotherapists and psychologists is set by reference to the existing scales of payment in the relevant workers' compensation schemes in New South Wales, Queensland, South Australia, Victoria and Western Australia.
- > Payment of fees for service by reference to the established state rates provides a consistent approach to workers' compensation costs for medical treatment providers working in the relevant state. It also helps ensure equitable access to treatment for employees covered by the SRC Act.
- > The ACT, Northern Territory and Tasmania do not publish rates. In these cases, the appropriate amount of compensation may be determined by reference to the rates published by Comcare as a relevant authority, or by applying the considerations set out below.
- > **Attachment A** provides a link to the recommended rates.

Assessing medical treatment services without these rates

- > Medical treatment rates that are not referenced to an existing scale of payment should be determined on a case-by-case basis. Claims managers should:
 - research healthcare prices—prices should not vary greatly from provider to provider within the same locality;
 - contact health service providers to establish how they set their price; and
 - discuss prices with employees and their health service providers before approving treatment.

What if the cost incurred exceeds the recommended rate?

- > Where a medical treatment provider charges more than the recommended fee, a claims manager may request⁴ that the employee provide them with the providers' billing policy in order to determine if it is appropriate to pay the excess amount.
- > Where the excess exceeds what the majority of service providers in that area or location would charge for the same level of service, it may be appropriate to pay only the recommended fee amount.
- > However, a higher fee could be paid where, for example, because of the isolated location at which the medical treatment is provided, some additional costs will be incurred by the health service provider of the treatment.
- > To avoid inconsistencies and disputes about the cost of compensable medical treatment relevant authorities may:
 - refer employees to this publication and advise them of the intention to pay the recommended fee(s) unless reasons for a higher fee are established, based on the circumstances of that particular service; and
 - encourage employees to seek advance approval for payment medical treatment.
- > The recommended fees do not prevent a relevant authority from applying their discretion to determine an appropriate amount of compensation, based on the actual cost incurred by the employee having regard to those circumstances.

FURTHER INFORMATION

For further information, please contact Comcare's Scheme Policy team on 1300 366 979 or email: general.enquiries@comcare.gov.au. You can also contact scheme policy if you apply this scheme guidance and the claim is subject to a Court appeal.

ATTACHMENT

- > Attachment A—Medical treatment provided by chiropractors, occupational therapists, osteopaths, physiotherapists and psychologists.

⁴ Section 58 of the SRC Act provides delegates with the power to request the provision of information where the relevant authority has received a claim and is satisfied that the claimant has information that is relevant to that claim or may obtain such information without unreasonable expense or inconvenience.

ATTACHMENT A—MEDICAL TREATMENT PROVIDED BY CHIROPRACTORS, OCCUPATIONAL THERAPISTS, OSTEOPATHS, PHYSIOTHERAPISTS AND PSYCHOLOGISTS

The upper limit fee is set by reference to the existing scales of payment in the relevant workers' compensation schemes in New South Wales, Victoria, Queensland and Western Australia. The ACT, Northern Territory and Tasmania do not publish rates. In these cases, the appropriate amount of compensation may be determined by reference to the rates published by Comcare, as a relevant authority, or by applying the considerations set out in the scheme guidance.

NSW	Webpage	Comments
Chiropractors Osteopaths Physiotherapists	https://www.sira.nsw.gov.au/__data/assets/pdf_file/0008/326699/Workers-Compensation-Physiotherapy,-Chiropractic-and-Osteopathy-Fees-Order-2018.pdf	Services are paid in accordance with orders issued under the NSW workers' compensation legislation.
Occupational therapists	N/A	
Psychologist	http://www.sira.nsw.gov.au/_data/assets/pdf_file/0020/112871/Psychology-and-counselling_Fees-Order-2017.pdf	
QLD	Webpage	Comments
Chiropractors	https://www.worksafe.qld.gov.au/_data/assets/pdf_file/0017/140246/2017-Chiropractic-table-of-costs.pdf	Services are paid in accordance with fee schedules issued by Workcover Queensland.
Occupational therapists	https://www.worksafe.qld.gov.au/_data/assets/pdf_file/0013/140251/2017-Occupational-Therapy-table-of-costs.pdf	
Osteopaths	https://www.worksafe.qld.gov.au/_data/assets/pdf_file/0016/140254/2017-Osteopathy-table-of-costs.pdf	
Physiotherapists	https://www.worksafe.qld.gov.au/_data/assets/pdf_file/0017/140255/2017-Physiotherapy-table-of-costs.pdf	
Psychologists	https://www.worksafe.qld.gov.au/_data/assets/pdf_file/0019/140257/2017-Psychology-table-of-costs.pdf	
VIC	Webpage	Comments
Chiropractors	https://www.worksafe.vic.gov.au/chiropractic-services-fee-schedule	Services are paid in accordance with guidelines issued under the Victorian workers' compensation legislation.
Occupational therapists	https://www.worksafe.vic.gov.au/occupational-therapy-services-fee-schedule	
Osteopaths	https://www.worksafe.vic.gov.au/osteopathy-services-fee-schedule	
Physiotherapists	https://www.worksafe.vic.gov.au/physiotherapy-services-fee-schedule	
Psychologists	https://www.worksafe.vic.gov.au/psychology-services-fee-schedule	

WA	Webpage	Comments
Chiropractors	http://www.workcover.wa.gov.au/content/uploads/2016/10/Chiropractors-2016_17.pdf	Services are paid in accordance with regulations issued under the Western Australia workers' compensation scheme.
Occupational therapists	http://www.workcover.wa.gov.au/content/uploads/2016/10/Occupational-Therapists-2016_17.pdf	
Osteopaths	http://www.workcover.wa.gov.au/content/uploads/2016/10/Osteopaths-2016_17.pdf	
Physiotherapists	http://www.workcover.wa.gov.au/content/uploads/2016/10/Physiotherapy-2016_17.pdf	
Clinical Psychologists	http://www.workcover.wa.gov.au/content/uploads/2016/10/Clinical-Psychologists-2016_17.pdf	
Counselling Psychologists	http://www.workcover.wa.gov.au/content/uploads/2016/10/Counselling-Psychologists-2016_17.pdf	
Comcare (relevant authority)	Webpage	Comments
Chiropractors	https://www.comcare.gov.au/service-providers/medical-allied-health/treatment-rates	Treatment fees for the ACT, Northern Territory and Tasmania are set by reference to the average treatment cost and indexed annually.
Occupational therapists		
Osteopaths		
Physiotherapists		
Psychologists		