



Consultation paper

Approval framework for workplace
rehabilitation providers:

Workplace rehabilitation
provider fee structure

February 2011

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CONTENTS	PAGE
INTRODUCTION	2
1. BACKGROUND	2
1.1 LEGISLATION	2
1.2 WORKERS COMPENSATION SYSTEM OBJECTIVES	2
1.3 APPROVAL FRAMEWORK FOR WORKPLACE REHABILITATION PROVIDERS	3
1.4 PURPOSE OF FEE GAZETTAL	3
1.5 SCOPE OF THE WORKPLACE REHABILITATION SERVICES FEE STRUCTURE	4
2. RESEARCH AND CONSULTATION FINDINGS	5
2.1 CURRENT FEE ARRANGEMENTS	5
2.2 LITERATURE REVIEW	8
2.3 INFORMATION PROVIDED BY STAKEHOLDERS	10
2.4 DATA RELEVANT TO WORKPLACE REHABILITATION SERVICES	11
3. FEE SOLUTIONS FOR WORKPLACE REHABILITATION SERVICES	13
3.1 SOLUTION 1: MILESTONE AND OUTCOME MODEL	15
3.2 SOLUTION 2: FEES FOR SPECIFIC SERVICES AND TIME BASED RATE	25
3.3 SOLUTION 3: TIME BASED RATE	26
3.4 SOLUTION 4: TIME BASED AND OUTCOME MODEL	28
4. FEEDBACK ON SOLUTIONS	33
APPENDICES	
APPENDIX A: INTERVIEWS WITH INDIVIDUAL STAKEHOLDERS CONDUCTED BETWEEN SEPTEMBER AND OCTOBER 2010	34
APPENDIX B: WORKPLACE REHABILITATION PROVIDER FEE STRUCTURE PROJECT REFERENCE GROUP	35
APPENDIX C: REFERENCE LIST	36
APPENDIX D: WORKCOVER WORKPLACE REHABILITATION SERVICE DESCRIPTORS	38

INTRODUCTION

The role of WorkCover NSW as the approval body for workplace rehabilitation providers is to ensure that workers and employers are provided with high quality, cost effective workplace rehabilitation services to assist return to work after injury. WorkCover NSW fulfils this function through the *Approval framework for workplace rehabilitation providers* (the approval framework).

WorkCover's intention is to have consistent measures of outcomes of provider intervention and a fee structure that appropriately remunerates providers for performance. The fee schedule must support the NSW workers compensation system's objectives and the approval framework.

This consultation paper outlines relevant research and proposes solutions for the establishment of a gazetted fee structure for workplace rehabilitation services in the NSW workers compensation industry. The proposed solutions are general in nature and are provided to promote consideration and discussion.

It is anticipated that the fee structure will commence 1 January 2012 for workplace rehabilitation services conducted on or after that date.

Feedback about the proposed solutions is invited. Information about how to provide feedback is detailed in section 4 of this document.

1. BACKGROUND

1.1 LEGISLATION

The *Workers Compensation Act 1987* (the Act) provides for the compensation payable for workplace rehabilitation services:

- Section 59 of the Act defines workplace rehabilitation services
- Section 60 of the Act determines that an employer is liable for the cost of any reasonably necessary workplace rehabilitation service that is required as a result of a workplace injury sustained by a worker.

1.2 WORKERS COMPENSATION SYSTEM OBJECTIVES

Scheme objectives include:

- to assist employers to make workplaces safe and promote the health, safety and welfare of workers
- to aim to ensure workers receive prompt, proactive and effective management of their injuries to improve their return to work outcomes
- to provide improved health and social outcomes for injured workers
- to achieve appropriate management and financial governance.

All parties in the system must be aligned and focused on these objectives to enable achievement of these.

1.3 APPROVAL FRAMEWORK FOR WORKPLACE REHABILITATION PROVIDERS

In July 2008 a new approval framework was implemented.

The purpose of the approval framework is to:

- provide a robust approval system for workplace rehabilitation providers
- enable the objective measurement of provider performance against the Conditions of Approval
- establish standards designed to deliver high quality workplace rehabilitation services to workers, employers and insurers.

The approval framework includes the development of a fee structure for workplace rehabilitation services. The development of the fee structure was placed on hold until other components of the approval framework (ie new principles of workplace rehabilitation and the evaluation process) were implemented. The principles and the evaluation process have been consolidated over the past two and a half years through WorkCover evaluations, provider self evaluations, education and feedback.

In July 2010, a nationally consistent approval framework was implemented and is currently in operation.

The approval framework is aligned with WorkCover's provider management model that includes the following features:

- approval and renewal process
- standards and/or principles of practice
- quality assurance and continuous improvement
- regulation of fees
- complaints management
- performance management
- promotion of evidence based practices
- promotion of measurable outcomes.

To date, the model has been implemented with major groups of allied health providers including physiotherapists, chiropractors, osteopaths, exercise physiologists, remedial massage therapists and, most recently, psychologists and counsellors.

1.4 PURPOSE OF FEE GAZETTAL

A gazetted fee is the maximum amount that can be paid for a service or set of services for which an employer is liable under the Act. A gazetted fee is legally binding and provider fees cannot be charged or paid above these amounts.

Fee gazettal is an element of WorkCover's service provider management model. Over time, WorkCover has gazetted fees for services provided by the different providers in the system. The most recent fee gazetttals relate to services provided by exercise physiologists, psychologists and counsellors.

The reasons for implementing a gazetted fee structure for workplace rehabilitation services include:

- WorkCover has a responsibility to employers and workers to ensure the money paid by employers through their premiums is being used cost effectively, that the system facilitates return to work outcomes and remains financially viable. The approval framework, including the implementation of a gazetted fee model, aims to facilitate these objectives
- it aligns the fee structure with WorkCover's service provider management model
- gazettal of workplace rehabilitation provider fees provides an official recognition of the payment rate for workplace rehabilitation providers. The gazettal process allows for annual adjustment of fees
- fee gazettal aims to create greater consistency of purchasing by insurers
- fee gazettal sets price expectations between the payer and payee, resulting in reduced conflict about service charges
- fee gazettal promotes competition based on quality and customer service instead of cost.

1.5 SCOPE OF THE WORKPLACE REHABILITATION SERVICES FEE STRUCTURE

The fee structure will apply to workplace rehabilitation services provided by workplace rehabilitation providers in the NSW workers compensation system, namely:

- single rehabilitation services (payment classification code: OR01)
- return to work same employer services (payment classification code: OR02)
- return to work different employer services (payment classification code: OR03)
- travel (payment classification code: OR04).

For the description of services that can be provided under these categories, please refer to the *Supplement to the guide: Nationally consistent approval framework for workplace rehabilitation providers*, pp16-17.

Other services that a workplace provider may provide in the NSW workers compensation system are outside the scope of this consultation paper and will not form part of this fee structure.

2. RESEARCH AND CONSULTATION FINDINGS

2.1 CURRENT FEE ARRANGEMENTS

Workplace rehabilitation providers in NSW

Current workplace rehabilitation provider fee arrangements in the NSW workers compensation system include:

- individual providers set their fee structure (usually at an hourly rate and determined by market forces)
- individual insurers set the fee structure for providers (eg through provider panel/ service level arrangements).

Current fee structures include hourly rate, fees for specific services, milestone/outcome models and a combination of these models. The hourly rate range is \$140 – \$189 (exclusive of GST) with most converging within \$150 – \$160 (exclusive of GST).

In general, milestone and outcome fees are only in place for different employer services, however, one scheme agent has recently implemented a milestone and outcome model for same employer return to work services.

Historically, payment for workplace rehabilitation services has been based on an hourly rate structure. Whilst this structure remains the most commonly used, there is growing utilisation of other fee structures.

Other jurisdictions

Across Australia, workers compensation jurisdictions predominantly use an hourly rate arrangement for workplace rehabilitation services that is either gazetted or determined by market forces. In addition to this, some jurisdictions have specific fees for specific services. Victorian and South Australian jurisdictions also use placement and incentive/ bonus fee arrangements. There are no Australian workers compensation jurisdictions that currently gazette a milestone and outcome model.

The federal government's Department of Education, Employment and Workplace Relations (DEEWR) uses a milestone and outcome model for its Disability Employment Services Program. This model includes service fees, job placement fees and outcome payments.

Jurisdiction	Fee structure (rates are exclusive of GST)
Workers Compensation:	
Victoria	<p>Combination of gazetted hourly rate, fees for specific services, and incentive fees.</p> <p>Examples:</p> <ul style="list-style-type: none"> • Hourly rate: \$139.40 Travel charged at \$139.40/hour (pro rata) (hourly rate pro rata) • Specific service fee examples: Original employer services initial assessment: \$691.40 Vocational assessment: \$696.60 Job seeker plan: \$545.20 • Incentive fees for original employer: 50% pre-injury hours achieved: \$95.00 100% pre-injury hours achieved: \$190.00 13 week sustainability achieved: \$510.00 Pre-injury duties or productive duties achieved: \$190.00 • Incentive fees for new employer: Worker received < 52 weeks of weekly benefits, is working and receiving no weekly benefits at 13 weeks return to work: \$3600.00 Worker received < 52 weeks of weekly benefits, is working and receiving < 50% weekly benefits at 13 weeks return to work: \$1800.00 Worker received > 52 weeks of weekly benefits, is working and receiving no weekly benefits at 13 weeks return to work: \$6100.00 Worker received > 52 weeks of weekly benefits, is working and receiving < 50% weekly benefits at 13 weeks return to work: \$3050.00 <p>One off assessments can be at a negotiated number of hours at the hourly rate, but capped.</p> <p>A provider may be eligible to seek a provider placement fee regarding the WorkCover Incentive Scheme for Employers (WISE). Payment up to \$1757.34 (where applicable).</p>
Queensland	<p>Combination of gazetted hourly rate, fees for specific services, fees by negotiation.</p> <ul style="list-style-type: none"> • Gazetted hourly rate: \$149.02 • Specific service fee example: Suitable duties program: \$50.00
Western Australia	<p>Gazetted hourly rate of \$151.10. Compensation entitlement: services up to \$12,838.00 (ie 7% of 'Prescribed Amount').</p>
South Australia	<p>Combination of gazetted hourly rate, fees for specific services, job placement and bonus fees (new employer services).</p> <p>Examples:</p> <ul style="list-style-type: none"> • Hourly rate: \$125.90 Travel charged at \$125.90/hour (pro rata) • Specific service fee examples: Initial rehabilitation assessment: \$629.50 Rehabilitation and RTW plan: \$343.35 10 week job seeking program: \$1373.45 • Job placement fees (new employer): Job placement at 13 weeks: \$2746.90 (max) Job placement at 26 weeks: \$5493.80 (max) • Incentive bonus (new employer): \$572.30

Tasmania	Market rate. Fee for service.
Australian Capital Territory	Market rate. Fee for service.
Northern Territory	Market rate. Fee for service.
Comcare	Market rate. Fee for service.
Department of Education, Employment and Workplace Relations (DEEWR): Disability Employment Services Program – Disability Management Service. The Disability Management Service is for job seekers with a disability, injury or health condition who require the assistance of a disability employment service but are not expected to need long-term support in the workplace.	Combination of service fees, placement fees, outcome fees. Examples: Service fees: <ul style="list-style-type: none"> • First and second 13 week service fees: \$1595.00 • Subsequent 13 week service fees: \$715.00 additional amount is paid for remote services Job placement fee: \$770.00 Outcome fees for sustainable employment: <ul style="list-style-type: none"> • Full outcome at 13 weeks post employment: \$2860.00 • Full outcome at 26 weeks post employment: \$4400.00

Fee arrangements in the NSW workers compensation system:

Scheme agents

The seven scheme agents in the NSW WorkCover scheme operate under performance-based contracts. These types of contracts have been in place with agents since 2006. New contracts commenced on 1 January 2010 for a five year term and the remuneration paid to scheme agents involves a mixture of fee for service and outcome based remuneration. The outcome based remuneration component is in respect of their performance in key areas such as return to work and specific financial outcome measures for managing various portfolios of claims. Key performance indicators have also been linked to remuneration to ensure scheme agents meet minimum service standards in areas such as case management and data quality.

Providers

WorkCover gazettes fees for a number of different providers in the system, including allied health professionals, medical practitioners and legal providers. Gazetted fee arrangements include service fees, time based fees and outcome fees. Please refer to WorkCover's *2011 Fees Order and Workers Compensation Amendment (Costs) Regulation 2006* for more detailed fee gazettal information regarding these providers.

WorkCover approved allied health providers:

As part of WorkCover's allied health provider management framework, WorkCover gazettes maximum fees for services provided by the following allied health providers:

- chiropractors
- counsellors
- exercise physiologists
- osteopaths
- physiotherapists
- psychologists
- remedial massage therapists.

The maximum fees payable for treatment are not time based. An hourly rate (pro rata) is payable for services such as case conferencing.

Provider:	Hourly rate (ex GST)
Chiropractors	\$156.00 per hour
Counsellors	\$124.00 per hour
Exercise physiologists	\$124.60 per hour
Osteopaths	\$156.00 per hour
Physiotherapists	\$156.00 per hour
Psychologists	\$155.00 per hour

The gazetted travel rate for these providers is \$1.45 per kilometre.

Fees are reviewed annually and subject to indexation. WorkCover indexes worker benefits and provider fees using indexation adjustments that reflect movements in the *Quarterly wage price index for NSW ordinary time hourly rates of pay excluding bonuses*.

2.2 LITERATURE REVIEW

The literature review identified 21 research articles about fee models of relevance to workplace rehabilitation services in the NSW workers compensation system. (Refer to Appendix C for reference list).

In summary:

- articles were focused on vocational rehabilitation programs outside the workers compensation arena
- most articles related to milestone and outcome models. Terms used in the literature to describe this type of model were also referred to as outcome based, results based or performance based funding models
- limited information was found about hourly rate or fee for service models and no articles individually focussed on these models
- no conclusive studies were found comparing the effectiveness of hourly rate, fee for service models and milestone/outcome models
- no articles discussed the use of milestone/outcome payments for return to work – same employer services.

Historically, vocational rehabilitation systems have adopted a payment system based on hourly fee structures (O'Brien & Revell 2005). With hourly rate funding, providers are paid according to the time services take to provide. The disadvantage of this model is that the provider is financially rewarded regardless of whether the intended outcome is achieved. The model incentivises the provider to focus on activity instead of the intended outcome (Collins 2002, Frumkin 2001). If the model is misused it can have the unintended effect of unnecessarily increasing the length of programs and actually reduce the likelihood of an employment outcome (Collins 2002, O'Brien & Revell 2005). The model can lead to micromanaging accountability, with the focus of this being on time taken for services instead of results (Collins 2002).

Utilisation of performance based remuneration has increased over the past 30 years across a number of different industries including building, construction, and human services due to the commercial viability of shifting focus from process to outcome (Behn & Kant, 1999, Corden & Thornton 2003, Finn 2009b, Martin 2002). The transition from hourly rate funding to performance based funding for employment programs started in the USA in the 1990s (Finn, 2009b). This shift was motivated from dissatisfaction regarding employment outcomes and program efficiencies (Collins 2002, O'Brien & Revell 2005).

The milestone and outcome model aims to achieve employment outcomes predominantly through two mechanisms; incentivisation and operational flexibility (Ramasamy & de Boer 2004). What appears to work well in one jurisdiction may not be directly transferrable to a different context (Corden & Thornton 2003), however, the research identified common potential benefits, risks and model design strategies to maximise benefits and assist in mitigating risks (Armstrong, Byrne, Patton & Horack 2009, Behn & Kant 1999, Collins, 2002, Conrad & Perry 2009, Corden & Thornton 2003, Finn 2009a, Novak, Makin, Revell & O'Brien 1999).

The literature stated the potential benefits of the milestone/outcome model to include:

- increased emphasis on valued outcomes
- increased accountability
- greater efficiency and effectiveness in delivery
- greater choice and satisfaction for clients.

However, actualising the benefits of the model depends on a number of factors (Novak et al, 1999). Several articles reviewed identified potential pitfalls with this type of model if risks were not mitigated and monitored robustly (Behn & Kant, 1999, Corden & Thornton, 2003, Finn 2009a, O'Brien & Revell, 2005). Risks of the model identified by these articles include:

- creaming: providers select clients who are easier to assist and place in employment and avoid clients who are more difficult to assist
- parking: clients who are more costly to assist receive only minimal services and make little progress in a program
- the intent of the model and the intent of the provider may not align. The provider may take advantage of the model design without adopting the intentions
- potential threats to quality
- potential threats to industry viability

Models have tended to evolve and develop from lessons learned, self correcting processes and in response to policy direction (Cordon & Thornton 2003, Finn 2009b). There is mixed evidence about the degree of success of milestone outcome models in reaching system objectives and the ability of research studies to accurately assess the impact of negative behaviours such as creaming. However, a number of articles did report improved service effectiveness and cost efficiencies when adopting a milestone and outcome approach (Armstrong, Byrne, Patton ,& Horack, 2009, Corden & Thornton, 2003, Finn 2008, Finn 2009b, Frumkin 2001, McGrew, Johannesen, Griss, Born & Katuin 2005, Novak et al 1999). The federal government uses performance based funding arrangements for its disability employment services. The model has undergone review and refinement since its inception in 2005, however, the success of this model is indicated by its continued application and increase in employment outcomes.

To maximise the benefits and assist in mitigating risks of a milestone and outcome model, the research recommends that the following strategies be incorporated into the design of the model:

- involve key stakeholders in developing the milestones and outcomes
- design milestones and outcome definitions that support the goals of the model, using quality indicators that are measurable, achievable and clearly defined
- do not use too few or too many measures
- develop creaming/parking countermeasures
- monitor for perverse incentives and creaming
- avoid creating disincentives to providing services for clients with more significant needs
- maximise the use of performance data in monitoring the model's effectiveness. Real time data facilitates identification of issues before they become significant
- structure payments to ensure funding levels are workable for providers
- periodically review and refine the system.

In summary, the literature review identified challenges for hourly rate funding and milestone and outcome models in meeting system objectives. There has been a growing trend to adopt a performance based approach to funding. The evidence identifies that the potential of a performance based funding model can only be realised through sensitive and careful design, robust monitoring and review.

2.3 INFORMATION PROVIDED BY STAKEHOLDERS

WorkCover used various mechanisms to gather information from stakeholders to inform the fee structure development process. These included:

- stakeholder interviews (*25 interviews conducted between September and October 2010*) (Refer to Appendix A for a list of the stakeholders interviewed)
- feedback from workplace rehabilitation provider and insurer forums
- liaison with the Australian Rehabilitation Provider Association (ARPA)
- implementation of a reference group (refer to Appendix B)
- review and consideration of correspondence received from individual stakeholders
- review of NSW Workers Compensation and Workplace OHS Advisory Council's feedback.

From the information provided by stakeholders, there was clear agreement about what objectives to which the fee model should aspire. These were:

- promote focus on appropriate and sustainable return to work outcomes
- promote cost effective service provision that matches the particular needs of case
- promote workplace based rehabilitation
- support quality
- be clear and simple to understand and administer
- support staff recruitment/retention
- not have an unintended adverse impact on the workplace rehabilitation provider industry's viability and diversity.

Whilst there was strong agreement on the objectives, there was varied opinion regarding what type of fee model should be implemented, how it operates and is structured. Stakeholders identified benefits and risks regarding all models.

The achievement of the fee model objectives can only be realised in the context of the approval framework and is dependent on how robust all components of the approval framework is.

2.4 DATA RELEVANT TO WORKPLACE REHABILITATION SERVICES

Current data relevant to the provision of workplace rehabilitation services includes:

Return to work rates:

- Data reported in *Australia and New Zealand Return to Work Monitor 2009/10*¹:
In 2009/10:
 - Australian national return to work rate was 85 per cent
 - in NSW the return to work rate was 85 per cent
 - Australian national durable return to work rate was 75 per cent
 - in NSW the national durable return to work rate was 74 per cent
 - 68 per cent of Australian injured workers who returned to work were working for the same employer and in the same duties, and 19 per cent of Australian workers were working for the same employer but in different duties

The national return to work rate has been relatively stable over the past 13 years, fluctuating between 83 per cent and 87 per cent.

The *Australia and New Zealand Return to Work Monitor* calculates the return to work rate on the proportion of injured workers who had returned to work between the time of their claim and time of interview.

¹ The *Australia and New Zealand Return to Work Monitor* provides comparative performance measures for Australian and New Zealand workers compensation schemes. The RTW Monitor is based on a survey of injured workers who have had 10 or more days compensation paid. The survey provides outcomes measurements irrespective of claim status. The survey results are integrated with scheme based outcome data to identify costs. Participation in rehabilitation is measured by rehabilitation expenditure as reported by each compensation authority. The sample is focused on injured workers with more serious injuries where rehabilitation is likely to be appropriate.

Workplace rehabilitation utilisation and costs:

- Data reported in *Australia and New Zealand Return to Work Monitor 2009/10*:
In 2009/10:
 - in Australia, 48 per cent of injured workers were identified as having participated in rehabilitation
 - in NSW, 36 per cent of injured workers were identified as having participated in rehabilitation
 - the average cost of rehabilitation cases in Australia was \$1826
 - the average cost of rehabilitation cases in NSW was \$2845

Over the last six years, close to half of injured workers were identified as having participated in rehabilitation, with the exception of a decline in 2006/07. There has been an upwards trend in the cost of rehabilitation over the past four years.

- Data reported in WorkCover's *Statistical Bulletin 2008/09*:
 - In 2008/09, workplace rehabilitation payments totalled \$109,743,000. This was the third highest service provider payment type in the NSW workers compensation system, following medical and legal provider payments. As a comparison, physiotherapy and chiropractic treatment payments totalled \$71,235 million.
 - In 2008/09, workplace rehabilitation payments accounted for 4 per cent of payments in the NSW system.
 - Workplace rehabilitation payments increased 14 per cent when comparing 2007/08 and 2008/09 figures (\$96,260,000 and \$109,743,000 respectively). During this period, payments in all categories increased, with workplace rehabilitation payments being the third highest increase. As a comparison, physiotherapy and chiropractic treatment payments increased 9 per cent.
 - Historically, workplace rehabilitation payments have fluctuated. Between 1993 and 2004 there was a trend of increasing workplace rehabilitation payments. During 2004 and 2007 there was a reduction in payments. From 2007, workplace rehabilitation payments have risen. Payments rose 2 per cent between 2006/07 and 2007/08, and 14 per cent between 2007/08 and 2008/09.

Changes in workplace rehabilitation costs may be due to a number of factors, including referral patterns, case mix, increases in provider charges and changes in agent/insurer remuneration arrangements for providers.

3. FEE SOLUTIONS FOR WORKPLACE REHABILITATION SERVICES

The following section details proposed fee model solutions for workplace rehabilitation services in the NSW workers compensation system.

The proposed solutions are general in nature and are provided to promote consideration and discussion about a workplace rehabilitation provider fee structure. Feedback from the industry will assist in establishing the direction of the fee structure. Once this direction is established, a specific model will be developed, using the considerations from the research, industry feedback, and financial and outcome modelling.

The proposed solutions are not detailed in any preferred order.

Four solutions for consideration are:

- Solution 1: Milestone and outcome model
- Solution 2: Specific services and time based rate
- Solution 3: Time based rate
- Solution 4: Time based and outcome model.

Complexity rating:

In addition to feedback on the proposed solutions, WorkCover also seeks feedback on whether a differential fee arrangement should be applied to the fee structure (regardless of the fee model type).

A widely accepted complexity indicator is the duration between date of injury to date of referral.

An example of this streaming could be:

- date of injury to date of referral: equal to or less than 12 weeks
- date of injury to date of referral: 13 weeks – 26 weeks
- date of injury to date of referral: 27 weeks – 40 weeks
- date of injury to date of referral: greater than 40 weeks.

The rate would increase as the time between date of injury to date of referral increases.

Model definitions:

Milestone and outcome model:

Set fees are charged at defined milestones of the case and an outcome fee is paid upon durable employment. Examples of milestones could be:

- the development of an agreed return to work plan
- achievement of an upgrade in return to work status
- successful completion of retraining
- commencement in employment.

Fees for specific services:

A set fee is charged for the following services:

- workplace assessment
- functional assessment
- vocational assessment.

The criteria for these services will be based on the service descriptors detailed in WorkCover's *Supplement to the guide: Nationally consistent approval framework for workplace rehabilitation providers* (pp11-15). (Refer to Appendix D).

Time based rate:

Service charges are calculated according to a set per hour fee (pro rata).

Factors applicable to the fee structure:

- the fee structure chosen will be gazetted by WorkCover
- final fees rates will be dependent on modelling
- the fee structure will allow for annual adjustments. Adjustment methodology would be aligned with WorkCover's indexation of other benefits in the system
- it is not intended that a milestone and outcome approach will apply to workplace rehabilitation services provided to workers with severe injuries. (The definition of a severe injury means severe and permanent disabilities, including paraplegia, quadriplegia, acquired brain injury, blindness, bilateral or multiple amputation, and severe burns – ie full thickness to more than 30 per cent of the whole body).

3.1 SOLUTION 1: MILESTONE AND OUTCOME MODEL

This solution relates to same employer return to work services (OR02) and different employer return to work services (OR03). Single rehabilitation services (OR01) would be billed using either specific fees and/or a time based rate. Travel (OR04) would be billed using a time based rate.

3.1.1 Same employer return to work services (OR02):

Under this type of model it is proposed that the following milestones and outcome would apply:

Milestone	Workplace rehabilitation services to be provided	Deliverable	Milestone/outcome payment (ex GST)
Assessment milestone	Assessment of need (including workplace assessment and communication with relevant parties).	Assessment documentation, including tailored recommendations for return to work planning. Information must be aligned to the workplace rehabilitation service descriptors (refer to Appendix D). If the assessment of need indicates that ongoing workplace rehabilitation services are currently not appropriate for the worker, the provider must outline: <ul style="list-style-type: none"> the specific reasons workplace rehabilitation is not appropriate at this stage current recommended injury management and return to work strategies to facilitate return to work whether re-referral to a workplace rehabilitation provider at some future time is likely to be beneficial and the anticipated timeframe regarding this. 	\$650.00
Development of return to work plan milestone	Development of return to work plan.	Return to work plan (including overarching return to work strategies and suitable duties upgrading), agreed by relevant parties.	\$500.00

<p>Commencing suitable employment milestone:</p> <p>This milestone only applies if the worker:</p> <ul style="list-style-type: none"> was not working at time of referral (ie unfit for work or fit for suitable duties but not working) commences suitable employment with the pre-injury employer maintains suitable employment with the pre-injury employer for 10 consecutive scheduled working days. 	<p>Workplace rehabilitation services to facilitate returning the worker to suitable employment with the pre-injury employer.</p>	<ul style="list-style-type: none"> return to work: suitable duties plan agreed by all parties evidence that worker has performed suitable employment with the pre-injury employer for 10 consecutive scheduled working days (as per the arrangements detailed in the return to work: suitable duties plan). 	<p>\$350.00</p>
<p>Return to work milestone:</p> <p>A return to work milestone is reached once all of the following have occurred:</p> <ul style="list-style-type: none"> upgrade in hours worked and/or duties performed the return to work goal is achieved the workplace rehabilitation provider determines the employment placement is likely to be durable. 	<p>Workplace rehabilitation services to achieve agreed return to work goal.</p>	<p>Evidence that worker has achieved the return to work goal with the pre-injury employer and has worked in this capacity for 10 consecutive scheduled working days.</p>	<p>Only one of the following milestone fees can be paid in the case:</p> <ul style="list-style-type: none"> worker is working pre-injury hours and duties with the same employer (no weekly benefits paid): \$1000.00 worker is working in some capacity with the same employer (<50% of weekly benefits paid): \$600.00 worker is working in some capacity with the same employer (>50% of weekly benefits paid): \$300.00.

<p>Employment durability outcome: This outcome is reached when the worker has achieved the return to work goal with the pre-injury employer and has worked in this capacity for 13 consecutive weeks.</p>	<p>Workplace rehabilitation services to achieve the employment durability outcome.</p>	<p>Evidence that worker has achieved the return to work goal with the pre-injury employer and has worked in this capacity for 13 consecutive weeks.</p>	<p>Only one of the following milestone fees can be paid in the case:</p> <ul style="list-style-type: none"> worker is working pre-injury hours and duties with the same employer (no weekly benefits paid): \$2500.00 worker is working in some capacity with the same employer (<50% of weekly benefits paid): \$1500.00 worker is working in some capacity with the same employer (>50% of weekly benefits paid): \$750.00.
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- All milestone and outcome payments can only be paid once in the case.
- The employment durability outcome payment is paid after 13 consecutive weeks of employment and is payable in addition to the relevant milestone payments.

Examples:

- Mr Jones was referred to the provider when certified unfit. The provider identified suitable duties at the workplace and Mr Jones upgraded to his full pre-injury hours and duties, and worked in this capacity for 13 consecutive weeks. The duration of intervention was 18 weeks.
 - Cost of service: **\$650.00 + \$500.00 + \$350.00 + \$1000.00 + \$2500.00 = \$5000.00**
- Mr Jones was referred to the provider when performing suitable duties with the pre-injury employer (working eight hours/week). Pre-injury work hours were 35 hours/week. During intervention there was no upgrading in work hours or duties.

The duration of intervention was 18 weeks.

 - Cost of service: **\$650.00 + \$500.00 = \$1150.00**

3.1.1.2 DIFFERENT EMPLOYER RETURN TO WORK SERVICES (OR03)

Option A:

Under this type of model it is proposed that the following milestones and outcome would apply:

Milestone	Workplace rehabilitation services to be provided	Deliverable	Milestone/outcome payment (ex GST)
Assessment milestone	Assessment of need (including vocational assessment/review and communication with relevant parties).	Assessment documentation, including tailored recommendations for return to work planning. Information must be aligned to the workplace rehabilitation service descriptors (refer to Appendix D). If the assessment of need indicates that ongoing workplace rehabilitation services are currently not appropriate for the worker, the provider must outline: <ul style="list-style-type: none"> the specific reasons workplace rehabilitation is not appropriate at this stage current recommended injury management and return to work strategies to facilitate return to work whether re-referral to a workplace rehabilitation provider at some future time is likely to be beneficial and the anticipated timeframe regarding this. 	\$800.00
Development of return to work plan milestone	Development of return to work plan.	Return to work plan (including overarching return to work strategies and job seeking strategy), agreed by relevant parties.	\$500.00
Vocational rehabilitation program milestone: retraining The milestones apply only if endorsed retraining is utilised as part of the return to work plan. Milestones are paid after the deliverable is achieved.	Assessment, implementation, monitoring and review of retraining.	Retraining commencement: Notification that retraining application is endorsed. Retraining completion: Worker successfully completes endorsed retraining and vocational program closure report is submitted.	<ul style="list-style-type: none"> retraining commencement: \$200.00 retraining completion: \$600.00

<p>Vocational rehabilitation program milestone: work trial</p> <p>The milestones apply only if an endorsed work trial is utilised as part of the return to work plan. Milestones are paid after the deliverable is achieved.</p>	<p>Assessment, implementation, monitoring and review of work trial.</p>	<p>Work trial commencement: Notification that work trial application is endorsed.</p> <p>Work trial completion: Worker successfully completes endorsed work trial and vocational program closure report is submitted.</p>	<ul style="list-style-type: none"> • work trial commencement: \$400.00 • work trial completion: employment not gained with work trial host: \$600.00 or • work trial completion: employment gained with work trial host and worker has maintained employment for 10 consecutive scheduled working days: \$1000.00.
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<p>Employment placement milestone:</p> <p>A return to work milestone is reached once all of the following have occurred:</p> <ul style="list-style-type: none"> • the return to work goal is achieved • worker has returned to paid employment with a different employer and has worked in this capacity for 10 consecutive scheduled working days. 	<p>Workplace rehabilitation services to achieve agreed return to work goal.</p>	<p>Evidence that worker has achieved an employment placement with a different employer and has worked in this capacity for 10 consecutive scheduled working days.</p>	<p>Only one of the following milestone fees can be paid in the case.</p> <p>For cases where a vocational program has been used:</p> <ul style="list-style-type: none"> • worker is working pre-injury hours and duties with a different employer (no weekly benefits paid): \$1100.00 • worker is working in some capacity with a different employer (<50% of weekly benefits paid): \$700.00 • worker is working in some capacity with a different employer (>50% of weekly benefits paid): \$400.00 <p>For cases where a vocational program has not been used:</p> <ul style="list-style-type: none"> • worker is working pre-injury hours and duties with a different employer (no weekly benefits paid): \$1900.00 • worker is working in some capacity with a different employer (<50% of weekly benefits paid): \$1500.00 • worker is working in some capacity with a different employer (>50% of weekly benefits paid): \$1000.00.
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<p>Employment durability outcome: This outcome is reached when the worker has achieved the return to work goal with a different employer and has worked in this capacity for 13 consecutive weeks.</p>	<p>Workplace rehabilitation services to achieve the employment durability outcome.</p>	<p>Evidence that worker has achieved the return to work goal with a different employer and has worked in this capacity for 13 consecutive weeks.</p>	<p>Only one of the following milestone fees can be paid in the case:</p> <ul style="list-style-type: none"> • worker is working with a different employer (no weekly benefits paid): \$3200.00 • worker is working in some capacity with a different employer (<50% of weekly benefits paid): \$2150.00 • worker is working in some capacity with a different employer (>50% of weekly benefits paid): \$1100.00.
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- All milestone and outcome payments can only be paid once in the case.
- The employment durability outcome payment is paid after 13 consecutive weeks of employment and is payable in addition to the relevant milestone payments.

Examples:

- Mr Jones was referred to the provider to assist return to work with a different employer. A vocational assessment was conducted and a return to work plan developed. As part of the return to work plan, Mr Jones participated in a work trial and was employed by the work trial host at completion of the work trial. Mr Jones achieved the return to work goal and has worked in this capacity for 13 consecutive weeks (no weekly benefits paid). The duration of intervention was 30 weeks.
 - Cost of service: **\$800.00 + \$500.00 + \$400.00 + \$1000.00 + \$1100.00 + \$3200.00 = \$7000.00**
- Mr Jones was referred to the provider to assist return to work with a different employer. A vocational assessment was conducted and a return to work plan developed. As part of the return to work plan, Mr Jones participated in job seeking with the assistance from the provider. Retraining commenced but was not completed. At the end of the program, Mr Jones had not gained employment. The duration of intervention was 30 weeks.
 - Cost of service: **\$800.00 + \$500.00 + \$200.00 = \$1500.00**

Option B:

Under this type of model it is proposed that the following milestones and outcome would apply:

Milestone	Workplace rehabilitation services to be provided	Deliverable	Milestone/outcome payment (ex GST)
Assessment milestone	Assessment of need (including vocational assessment/review and communication with relevant parties).	<p>Assessment documentation, including tailored recommendations for return to work planning. Information must be aligned to the workplace rehabilitation service descriptors (refer to Appendix D).</p> <p>If the assessment of need indicates that ongoing workplace rehabilitation services are currently not appropriate for the worker, the provider must outline:</p> <ul style="list-style-type: none"> • the specific reasons workplace rehabilitation is not appropriate at this stage • current recommended injury management and return to work strategies to facilitate return to work • whether re-referral to a workplace rehabilitation provider at some future time is likely to be beneficial and the anticipated timeframe regarding this. 	\$800.00
Development of return to work plan milestone	Development of return to work plan.	Return to work plan (including overarching return to work strategies and job seeking strategy), agreed by relevant parties.	\$200.00

<p>Service milestones: The service milestones apply once the development of a return to work plan has been approved and conclude once an employment placement has been achieved. Each service milestone is for a six week time period. Service milestone fees are to be invoiced and paid at the beginning of the six week service period.</p>	<p>Workplace rehabilitation services to achieve agreed return to work goal.</p>	<p>First six week service milestone: approved RTW plan. Subsequent service milestones:</p> <ul style="list-style-type: none"> evidence that the goals of the previous service milestone period have been achieved plan of action and goals for next milestone service period. 	<ul style="list-style-type: none"> first six week service fee: \$450.00 second six week service fee: \$450.00 third six week service fee: \$450.00 fourth six week service fee: \$450.00 subsequent six week service fees: \$225.00.
<p>Employment placement milestone: A return to work milestone is reached once all of the following have occurred:</p> <ul style="list-style-type: none"> the return to work goal is achieved worker has returned to paid employment with a different employer and has worked in this capacity for 10 consecutive scheduled working days. 	<p>Workplace rehabilitation services to achieve agreed return to work goal.</p>	<p>Evidence that worker has achieved an employment placement with a different employer and has worked in this capacity for 10 consecutive scheduled working days.</p>	<p>Only one of the following milestone fees can be paid in the case:</p> <ul style="list-style-type: none"> worker is working with a different employer (no weekly benefits paid): \$1000.00 worker is working in some capacity with a different employer (<50% of weekly benefits paid): \$600.00 worker is working in some capacity with a different employer (>50% of weekly benefits paid): \$300.00.

<p>Employment durability outcome: This outcome is reached when the worker has achieved the return to work goal with a different employer and has worked in this capacity for 13 consecutive weeks.</p>	<p>Workplace rehabilitation services to achieve the employment durability outcome.</p>	<p>Evidence that worker has achieved the return to work goal with a different employer and has worked in this capacity for 13 consecutive weeks.</p>	<p>Only one of the following milestone fees can be paid in the case:</p> <ul style="list-style-type: none"> • worker is working with a different employer (no weekly benefits paid): \$3000.00 • worker is working in some capacity with a different employer (<50% of weekly benefits paid): \$2000.00 • worker is working in some capacity with a different employer (>50% of weekly benefits paid): \$1000.00.
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- All milestone and outcome payments can only be paid once in the case.
- The employment durability outcome payment is paid after 13 consecutive weeks of employment and is payable in addition to the relevant milestone payments.

Examples:

- Mr Jones was referred to the provider to assist return to work with a different employer. A vocational assessment was conducted and a return to work plan was developed. As part of the return to work plan, Mr Jones participated in a work trial and was employed by the work trial host at completion of the work trial. Mr Jones achieved the return to work goal and has worked in this capacity for 13 consecutive weeks (no weekly benefits paid). The duration of intervention was 30 weeks.
 - Cost of service: **\$800.00 + \$200.00 + \$1800.00 + \$1000.00 + \$3000.00 = \$6800.00**
- Mr Jones was referred to the provider to assist return to work with a different employer. A vocational assessment was conducted and a return to work plan developed. As part of the return to work plan, Mr Jones participated in job seeking with the assistance from the provider. Retraining commenced but was not completed. At the end of the program, Mr Jones had not gained employment. The duration of intervention was 30 weeks.
 - Cost of service: **\$800.00 + \$200.00 + \$1800.00 = \$2800.00**

3.2 SOLUTION 2: FEES FOR SPECIFIC SERVICES AND TIME BASED RATE

Under this type of model it is proposed that the following fees for specific services would apply:

Service	Deliverable	Cost (ex GST)
Workplace assessment	<ul style="list-style-type: none"> Return to work – suitable duties plan (if suitable duties can be identified) Workplace assessment report detailing worker capacity and possible job matches to facilitate upgrading into suitable employment (if suitable duties cannot be identified). 	\$545.00
Functional assessment	Functional assessment report detailing tailored recommendations to facilitate return to work.	\$620.00
Vocational assessment	Vocational assessment report detailing tailored recommendations to facilitate return to work.	\$930.00

These service fees would be applicable for single services (OR01) and for these services provided as part of a return to work plan (OR02, OR03). If the same services are required again at a later stage that uses findings from the first service, it would be charged at the time based rate, capped at the fee for the specific service maximum rate.

All other workplace rehabilitation services (including provider travel) would be charged at the time based rate.

Examples:

Same employer return to work services:

- Mr Jones was referred to the provider when certified unfit. The provider identified suitable duties at the workplace and Mr Jones upgraded to his full pre-injury hours and duties, and has worked in this capacity for 13 consecutive weeks. The duration of intervention was 18 weeks. Hours of intervention were 14 hours (excluding the workplace assessment).
 - Cost of service: **\$2184.00 + \$545.00 = \$2729.00**
- Mr Jones was referred to the provider when performing suitable duties with the pre-injury employer (working eight hours/week). Pre-injury work hours were 35 hours/week. During intervention there was no upgrading in work hours or duties. The duration of intervention was 18 weeks. Hours of intervention were 14 hours (excluding the workplace assessment).
 - Cost of service: **\$2184.00 + \$545.00 = \$2729.00**

Different employer return to work services:

- Mr Jones was referred to the provider to assist return to work with a different employer. A vocational assessment was conducted and a return to work plan developed. As part of the return to work plan, Mr Jones participated in a work trial and was employed by the work trial host at completion of the work trial. Mr Jones achieved the return to work goal and has worked in this capacity for 13 consecutive weeks (no weekly benefits paid). The duration of intervention was 30 weeks. Hours of intervention were 21 hours (excluding the vocational assessment and workplace assessment for the work trial).
 - Cost of service: **\$3276.00 + \$ 930.00 + \$545.00 = \$4751.00**
- Mr Jones was referred to the provider to assist return to work with a different employer. A vocational assessment was conducted and a return to work plan developed. As part of the return to work plan, Mr Jones participated in job seeking with the assistance from the provider. Retraining commenced but was not completed. At the end of the program, Mr Jones had not gained employment. The duration of intervention was 30 weeks. Hours of intervention were 21 hours (excluding the vocational assessment and workplace assessment for the work trial).
 - Cost of service: **\$3276.00 + \$ 930.00 + \$545.00 = \$4751.00**

3.3 SOLUTION 3: TIME BASED RATE

Under this type of model services would be charged according to the time taken to provide the service. This would apply to all workplace rehabilitation services (ie single rehabilitation services, return to work same employer services, return to work different employer services and provider travel).

It is proposed that the maximum hourly rate for workplace rehabilitation services would be \$156.00 (ex GST). This rate is derived from the rate range most commonly charged by workplace rehabilitation providers and current gazetted allied health provider fees in the NSW workers compensation system.

Examples:

Same employer return to work services:

- Mr Jones was referred to the provider when certified unfit. The provider identified suitable duties at the workplace and Mr Jones upgraded to his full pre-injury hours and duties, and has worked in this capacity for 13 consecutive weeks. The duration of intervention was 18 weeks. Hours of intervention were 18 hours.
 - Cost of service: **\$2808.00**

- Mr Jones was referred to the provider when performing suitable duties with the pre-injury employer (working eight hours/week). Pre-injury work hours were 35 hours/week. During intervention there was no upgrading in work hours or duties. The duration of intervention was 18 weeks. Hours of intervention were 18 hours.
 - Cost of service: **\$2808.00**

Different employer return to work services:

- Mr Jones was referred to the provider to assist return to work with a different employer. A vocational assessment was conducted and a return to work plan developed. As part of the return to work plan, Mr Jones participated in a work trial and was employed by the work trial host at completion of the work trial. Mr Jones achieved the return to work goal and has worked in this capacity for 13 consecutive weeks (no weekly benefits paid). The duration of intervention was 30 weeks. Hours of intervention were 30 hours.
 - Cost of service: **\$4680.00**
- Mr Jones was referred to the provider to assist return to work with a different employer. A vocational assessment was conducted and a return to work plan developed. As part of the return to work plan, Mr Jones participated in job seeking with the assistance from the provider. Retraining commenced but was not completed. At the end of the program, Mr Jones had not gained employment. The duration of intervention was 30 weeks. Hours of intervention were 30 hours.
 - Cost of service: **\$4680.00**

3.4 SOLUTION 4: TIME BASED AND OUTCOME MODEL

Under this type of model it is proposed there could be a combination of time based and outcome fees. A reduced hourly rate would be charged and an outcome fee paid upon the achievement of a durable return to work. This solution relates to work services (OR02) and different employer return to work services (OR03). Single rehabilitation services (OR01) would be billed using either specific fees and/or a time based rate. Travel (OR04) would be billed up to the maximum gazetted rate.

Option A:

Fee type	Deliverable	Same employer return to work services: Cost (ex GST):	Different employer return to work services: Cost (ex GST)
<p>Time based rate. Services would be charged according to the time taken to provide the service.</p>	<p>Workplace rehabilitation services to achieve durable return to work.</p>	<p>\$124.80/hour</p>	<p>\$124.80/hour</p>
<p>Employment placement fee: An employment placement fee is paid once all of the following have occurred:</p> <ul style="list-style-type: none"> • the return to work goal is achieved • worker has returned to paid employment and has worked in this capacity for 10 consecutive scheduled working days. 	<p>Evidence that worker has achieved an employment placement with an employer and has worked in this capacity for 10 consecutive scheduled working days.</p>	<p>Only one of the following fees can be paid in the case:</p> <ul style="list-style-type: none"> • worker is working pre-injury hours and duties with the same employer (no weekly benefits paid): \$300.00 • worker is working in some capacity with the same employer (<50% of weekly benefits paid): \$150.00 • worker is working in some capacity with the same employer (>50% of weekly benefits paid): \$75.00. 	<p>Only one of the following fees can be paid in the case:</p> <ul style="list-style-type: none"> • worker is working with a different employer (no weekly benefits paid): \$600.00 • worker is working in some capacity with a different employer (<50% of weekly benefits paid): \$400.00 • worker is working in some capacity with a different employer (>50% of weekly benefits paid): \$200.00.

<p>Employment durability outcome: This outcome is reached when the worker has achieved the return to work goal with a different employer and has worked in this capacity for 13 consecutive weeks.</p>	<p>Evidence that worker has achieved the return to work goal with a different employer and has worked in this capacity for 13 consecutive weeks.</p>	<p>Only one of the following fees can be paid in the case:</p> <ul style="list-style-type: none"> worker is working pre-injury hours and duties with the same employer (no weekly benefits paid): \$900.00 worker is working in some capacity with the same employer (<50% of weekly benefits paid): \$550.00 worker is working in some capacity with the same employer (>50% of weekly benefits paid): \$250.00. 	<p>Only one of the following fees can be paid in the case:</p> <ul style="list-style-type: none"> worker is working with a different employer (no weekly benefits paid): \$1400.00 worker is working in some capacity with a different employer (<50% of weekly benefits paid): \$900.00 worker is working in some capacity with a different employer (>50% of weekly benefits paid): \$500.00.
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- The employment durability outcome payment is paid after 13 consecutive weeks of employment and is payable in addition to the other relevant payments.

Examples:

Same employer return to work services:

- Mr Jones was referred to the provider when certified unfit. The provider identified suitable duties at the workplace and Mr Jones upgraded to his full pre-injury hours and duties, and has worked in this capacity for 13 consecutive weeks. The duration of intervention was 18 weeks. Hours of intervention were 18 hours.
 - Cost of service: **\$2246.40 + \$300.00 + \$900.00 = \$3446.40**
- Mr Jones was referred to the provider when performing suitable duties with the pre-injury employer (working eight hours/week). Pre-injury work hours were 35 hours/week. During intervention there was no upgrading in work hours or duties. The duration of intervention was 18 weeks. Hours of intervention were 18 hours.
 - Cost of service: **\$2246.40**

Different employer return to work services:

- Mr Jones was referred to the provider to assist return to work with a different employer. A vocational assessment was conducted and a return to work plan was developed. As part of the return to work plan, Mr Jones participated in a work trial and was employed by the work trial host at completion of the work trial. Mr Jones achieved the return to work goal and has worked in this capacity for 13 consecutive weeks (no weekly benefits paid). The duration of intervention was 30 weeks. Hours of intervention were 30 hours.
 - Cost of service: **\$3744.00 + \$600.00 + \$1400.00 = \$5744.00**
- Mr Jones was referred to the provider to assist return to work with a different employer. A vocational assessment was conducted and a return to work plan was developed. As part of the return to work plan, Mr Jones participated in job seeking with the assistance from the provider. Retraining commenced but was not completed. At the end of the program, Mr Jones had not gained employment. The duration of intervention was 30 weeks. Hours of intervention were 30 hours.
 - Cost of service: **\$3744.00**

Option B:

Fee type	Deliverable	Same employer return to work services: Cost (ex GST):	Different employer return to work services: Cost (ex GST)
<p>Time based rate. Services would be charged according to the time taken to provide the service.</p>	<p>Workplace rehabilitation services to achieve durable return to work.</p>	<p>\$124.80/hour</p>	<p>\$124.80/hour</p>
<p>Outcome bonus fee</p>	<p>Evidence that the worker has achieved the return to work goal and has worked in this capacity for 13 consecutive weeks.</p>	<p>Only one of the following fees can be paid in the case:</p> <ul style="list-style-type: none"> worker is working pre-injury hours and duties with the same employer (no weekly benefits paid): 40% of the gazetted maximum rate on hours billed to date, cap of \$1200.00 worker is working in some capacity with the same employer (<50% of weekly benefits paid): 20% of the gazetted maximum rate on hours billed to date, cap of \$600.00 worker is working in some capacity with the same employer (>50% of weekly benefits paid): 10% of the gazetted maximum rate on hours billed to date, cap of \$300.00. 	<p>Only one of the following fees can be paid in the case:</p> <ul style="list-style-type: none"> worker is working with a different employer (no weekly benefits paid): 40% of the gazetted maximum rate on hours billed to date, cap of \$2000.00 worker is working in some capacity with a different employer (<50% of weekly benefits paid): 20% of the gazetted maximum rate on hours billed to date, cap of \$1000.00 worker is working in some capacity with a different employer (>50% of weekly benefits paid): 10% of the gazetted maximum rate on hours billed to date, cap of \$500.00.

- The outcome bonus fee is paid after 13 consecutive weeks of employment and is payable in addition to the time based rate.

Examples:

Same employer return to work services:

- Mr Jones was referred to the provider when certified unfit. The provider identified suitable duties at the workplace and Mr Jones upgraded to his full pre-injury hours and duties, and has worked in this capacity for 13 consecutive weeks. The duration of intervention was 18 weeks. Hours of intervention were 18 hours.
 - Cost of program: **\$2246.40 + \$1123.20 = \$3369.60**

- Mr Jones was referred to the provider when performing suitable duties with the pre-injury employer (working eight hours/week). Pre-injury work hours were 35 hours/week. During intervention there was no upgrading in work hours or duties. The duration of intervention was 18 weeks. Hours of intervention were 18 hours.
- Cost of program: **\$2246.40**

Different employer return to work services:

- Mr Jones was referred to the provider to assist return to work with a different employer. A vocational assessment was conducted and a return to work plan developed. As part of the return to work plan, Mr Jones participated in a work trial and was employed by the work trial host at completion of the work trial. Mr Jones achieved the return to work goal and has worked in this capacity for 13 consecutive weeks (no weekly benefits paid). The duration of intervention was 30 weeks. Hours of intervention were 30 hours.
- Cost of program: **\$3744.00 + \$1872.00 = \$5616.00**
- Mr Jones was referred to the provider to assist return to work with a different employer. A vocational assessment was conducted and a return to work plan developed. As part of the return to work plan, Mr Jones participated in job seeking with the assistance from the provider. Retraining commenced but was not completed. At the end of the program, Mr Jones had not gained employment. The duration of intervention was 30 weeks. Hours of intervention were 30 hours.
- Cost of program: **\$3744.00**

4. FEEDBACK ON SOLUTIONS

WorkCover is seeking written feedback about the proposed fee solutions.

WorkCover seeks feedback on:

- the strengths, opportunities, weaknesses and threats of the solutions described
- how effective the proposed solutions are in achieving cost effective, appropriate and durable return to work outcomes
- your preferred fee solution and rationale for this (provision of evidence is encouraged)
- how provider travel could be charged
- whether a complexity rating should be applied to the fee model and how this would apply
- what model should be applied to workplace rehabilitation services provided to workers with severe injuries
- whether any other considerations be applied.

The feedback gathered will be used to inform the final fee structure for workplace rehabilitation services.

Stakeholders are not obligated to provide feedback on all points raised.

Stakeholders are invited to provide written feedback by **Thursday 21 April 2011**.

When responding please provide your name, organisation and email address.

Feedback may be published, including the identity of the organisations and those participating on behalf of organisations.

Written feedback may be sent by mail, fax or email to:

Janelle Watson
Project Manager
Provider Services Branch
Workers Compensation Division
WorkCover NSW
Locked Bag 2906
Lisarow NSW 2252
Ph: 02 4321 5319
Fax: 02 9287 4321
Email: provider.services@workcover.nsw.gov.au

APPENDIX A: INTERVIEWS WITH INDIVIDUAL STAKEHOLDERS CONDUCTED BETWEEN SEPTEMBER AND OCTOBER 2010

Stakeholders:

- All seven scheme agents
- Three self/specialised insurers
- One Treasury Managed Fund (TMF) insurer
- Ten workplace rehabilitation providers (mix of small, medium, large, metropolitan, regional and national providers)
- Interviews with four workplace rehabilitation providers involved in the Department of Education, Employment and Workplace Relations (DEEWR) market
- Department of Education, Employment and Workplace Relations (DEEWR)
- WorkSafe.

APPENDIX B: WORKPLACE REHABILITATION PROVIDER FEE STRUCTURE PROJECT REFERENCE GROUP

Purpose

Provide advice and feedback on the development of the workplace rehabilitation provider (WRP) fee structure project.

Mandate and scope

The reference group will provide advice and feedback on:

- the design and content of the discussion paper
- the design of the fee structure and the implementation plan
- operational and change management issues related to the introduction of the fee structure
- unintended consequences that may emerge out of the workplace rehabilitation provider fee structure project
- implementation of the fee structure.

Membership

The reference group has been established to ensure that the appropriate representatives from the industry are involved in the development and implementation of the workplace rehabilitation provider fee structure.

The members of the reference group are:

WorkCover:

- Project Manager (Janelle Watson).
- Manager, Workplace Rehabilitation, Provider and Injury Management Services (Catherine Day).

Workplace rehabilitation providers:

- One large sized provider (James Mah, Recovre).
- One small sized provider (Jillian Weekes, Keystone Professionals).
- One provider experienced in working under different fee structure models across Australia (Peter Scott, ORS Group).
- One ARPA representative, medium sized and regional provider (Nikki Brouwers, ARPA/ Interact Injury Management).

Insurers:

- One larger sized agent (Caroline Howe, QBE).
- One smaller sized agent (Suzanne Jones, Xchanging).
- One Treasury Managed Fund insurer (Kate Woods, Allianz TMF).
- One self or specialised insurer (Graeme Lean, Woolworths).

APPENDIX C: REFERENCE LIST

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APPENDIX D: WORKCOVER WORKPLACE REHABILITATION SERVICE DESCRIPTORS

INITIAL REHABILITATION ASSESSMENT

Service description

Examination of the worker's injury, usual job and duties, current medical situation (including psychosocial factors), education, employment history and workplace factors to determine, and establish, a plan to address the worker's and employer's rehabilitation needs.

Activities include:

- assessment of the worker's and employer's needs
- consultations with the doctor and treating professionals
- workplace visits to identify/negotiate suitable duties, and the development of a return to work plan where a specific workplace assessment is not indicated.

FUNCTIONAL ASSESSMENT

Service description

Objective measurement of the injured worker's existing work capacity against specific and relevant work demands.

In assessing function, the worker's skills and abilities are implicitly evaluated. Known predictors of return to work outcomes must be incorporated to maximise the contribution of the functional assessment to the return to work process.

The functional assessment:

- identifies the worker's current work capacity to individualise pre-injury/suitable duties or alternate vocational option
- provides for safe upgrading commensurate with improving work capacity
- is used in discussion with the nominated treating doctor to encourage appropriate medical certification and more precise workplace capacities and restrictions
- assists in identifying suitable duties options
- assists in establishing a vocational goal, if a worker is unable to return to their pre-injury job
- identifies return to work barriers, including psychosocial 'yellow' flags.

A functional assessment can be performed as a stand-alone assessment or as a component of a workplace assessment.

WORKPLACE ASSESSMENT

Service description

On-site assessment of the worker performing pre-injury duties, potential suitable duties and/or equivalent, with the same or a different employer.

Activities include:

- identification of the critical physical, psychological, social, environmental and organisational demands and risk factors of all relevant work tasks
- determination of the employer's capacity and willingness to offer suitable duties
- facilitation of a job match of the injured worker's functional capacity with appropriate components of the pre-injury job or other suitable duties
- identification of methods of temporarily or permanently modifying/mitigating the work demands to facilitate a safe return to work
- identification of suitable duties that will increase the worker's tolerances and work capacity.

The worker must participate in the workplace assessment. The assessor must determine if the proposed duties are within the worker's current work capacity and that the worker can perform all proposed duties safely.

The purpose of the workplace assessment is to design a return to work plan that is precisely matched to the worker's current work capacity, providing for safe upgrading of duties commensurate with improving capacity. A workplace assessment would necessarily include components of a functional assessment to determine capacity for relevant work tasks.

A workplace assessment includes:

- the worker performing the relevant work tasks
- components of a functional assessment to determine capacity for relevant work tasks.

The workplace assessment findings are discussed with the nominated treating doctor to assist appropriate certification and concurrence with the return to work plan.

ADVICE CONCERNING JOB MODIFICATION, AIDS AND EQUIPMENT

Service description

Assessment regarding aids, equipment needs and/or modification of either the physical work environment, the management systems of the job, or the work practices to assist in achieving a return to work.

Activities include:

- provision of advice regarding aids, equipment and/or modification including discussion, education and negotiation with worker/employer/return to work coordinator and, if applicable, union
- organisation of the supply of equipment and ensuring that the injured worker can safely utilise the equipment.

ADVICE OR ASSISTANCE CONCERNING JOB SEEKING

Service description

Provision of advice or assistance in job seeking and job placement.

Activities include:

- identifying job seeking needs
- developing a job seeking plan
- liaison with employers and relevant parties
- teaching job seeking skills to optimise the worker's capacity to job seek independently
- job search and negotiating placements (both job and work trial)
- provision of post-placement support.

ADVICE OR ASSISTANCE IN ARRANGING VOCATIONAL RETRAINING

Service description

Arranging and monitoring sponsorship for:

- retraining for the purpose of assisting the injured worker obtain a suitable job with the pre-injury employer or new employer.



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