

Information Bulletin

October 25, 2017

Attention: Physiotherapy Service Providers

Subject: Physiotherapy Agreement Update

As the RFP process has now closed, we are now able to share additional information with you. During an open RFP, in order to ensure we maintain the integrity of the process, we are unable to communicate other than via the addenda process. It is for this reason that we needed to wait until the process had closed before we could discuss issues outside of the process itself.

You may have seen the 7 questions that the Physiotherapy Association of British Columbia (PABC) had posed to us during the RFP. These questions were answered, shared with the PABC and subsequently posted as an addendum to the RFP on October 12th. These are captured at the end of this bulletin for your reference.

Consultation and Feedback:

Prior to developing and finalising the Physiotherapy Agreement, WSBC completed a number of consultations in order to solicit feedback. These consultations were with the PABC as well as physiotherapists from across British Columbia.

More recently, on October 19th, WorkSafeBC Senior VP and CFO, Brian Erickson and Director, Health Care Programs, Andrew Montgomerie, met with the PABC President, Patrick Jadan, and CEO, Christine Bradstock. The meeting was scheduled to discuss the next steps for both organizations. These next steps discussed included working collaboratively to support physiotherapists through the implementation of the new contract, and ultimately in support of our mutual goal: ensuring the best health care services for injured workers.

Coming from this meeting, both organizations have confirmed our intent to work together moving forward, to continue conversations around this new contract, and to ensuring we can keep physiotherapists informed, whether they are PABC members or not. The draft of the Terms of Reference is being worked on with the hope that it will be finalized in the next couple of weeks. WSBC and PABC are in discussion around the final wording of the new contract.

Fees:

Since the implementation of the last contract in 2014, WSBC has seen a significant overall increase in costs with the change in the model of physiotherapy. Annual spend on physiotherapy services increased by 25%, on a per-claim basis, with the implementation of the new block model.

In addition, the Agreement allowed for two CPI increases, one in 2015 and one in 2016, for a total of an additional 2% to the fee schedule. With the clear focus on functional abilities and early return-to-work in this new contract, WorkSafeBC anticipated better return-to-work outcomes, resulting in a reduction in wage loss. However, to date we have not seen a reduction in wage loss costs for injured workers attending physiotherapy.

Regarding the fee schedule, WorkSafeBC gave consideration to reducing the rates in this new contract. However, due to consultation and discussion with the PABC in the months leading up to the contract renewal, it was determined that for goodwill and preservation of the relationship with physiotherapists, the fees would be held flat for the initial term of the agreement.

Additionally, in gathering data in preparation for the contract renewal, the following statistically significant Province-wide analysis of Physiotherapy Providers was completed. The analysis indicated the following:

- For claims treated under Standard Treatment Services, the average number of visits was 14.6 and the associated average payment per visit was \$61.25. This number does not include the payment of either the Extension or the Discharge Report, which would be an additional \$87 total per claim where both reports are submitted.

Contracting with clinics only rather than with clinics and individuals PTs:

In the prior contract structure, we allowed both clinic owners and individual physiotherapists to apply for a contract.

In revising the contract in preparation for this renewal process, WorkSafeBC determined that individual physiotherapists no longer need to hold a contract, but rather that the contractual obligations would reside with the clinic owner. This was thought to be a positive change for physiotherapists, as it meant that they did not have to complete the RFP process, and did not need to hold their own insurance, among other administrative requirements of the contract. Instead, they can work at a clinic that holds a contract, without requiring their own contract.

Feedback that WorkSafeBC has received directly from physiotherapists is that this change is welcomed, and results in less paperwork and administrative effort overall.

Physiotherapy Network:

The intention of WorkSafeBC is to have as many physiotherapy provider clinics in our contracted network as are interested in providing the service. Physiotherapy services are critical to the recovery, rehabilitation and return to work of our Injured Workers, and we want as broad a network as possible for injured workers to choose from.

Concerns have been raised by some physiotherapists that have home-based clinics (i.e. in buildings zoned as “residential”), as the RFP did not allow for them to apply. This is currently being reviewed internally, and will be addressed. Our hope is to develop a process for home-based clinics to have the opportunity to treat injured workers. The primary concern with home-based clinics is to ensure we protect the safety and privacy of both our injured workers and the physiotherapists that treat them. The intent is not to reduce the number of physiotherapists that hold our contract and are able to treat injured workers. WorkSafeBC will continue to consult with PABC on this topic.

Further, in the coming months, we will be posting an ongoing, open RFP for any clinics who did not respond to the recent RFP, or for any new clinics that wish to join the network. This is in keeping with our past practice.

Amendments to the Agreement:

We have heard and understand that some physiotherapists have concerns regarding the termination language of the new Agreement. Specifically, there is no clause that explicitly states how the physiotherapist can terminate the Agreement. While our intent in removing that clause was simply that it was not necessary (i.e. Physios can stop providing services any time with notice to WorkSafeBC, and don't require a termination clause to do so), we did not anticipate that its removal would be a concern to the physiotherapy community. As a result of hearing the concerns raised, we will be adding a termination clause to the final version of the Agreement. As well, we will be reviewing any other similar items and feedback that have been brought to our attention during the RFP Process that could make the contract more clear or fix any errors. WorkSafeBC plans to continue discussions with the PABC regarding this topic as well, as we finalize the contract.

We value, appreciate and thank you for the work you do in treating our Injured Workers.

7 PABC Questions with WorkSafeBC responses as posted in Addendum #9:

Q1: Are you, have you, or do you plan to negotiate different contracts with different groups of Physiotherapists?

A1: We are not and have not negotiated different contracts with different groups of physiotherapists. As of this writing, we don't have plans to do so, but we might make minor adjustments to the contract in response to feedback received during the RFP process. For example, where a section's wording is confusing and could be clarified, or if typos or grammatical errors are noted.

Q2: What is the process and amount paid to cover Physiotherapists that do not contract with WSBC but deliver their services to WSBC injured workers?

A2: We haven't determined that yet. We anticipate having a network of approximately the same size and geographic coverage as in the previous contract. Where we have gaps in coverage, we will have to determine the best way to ensure injured workers have access to required health care.

Q3: Did WSBC intentionally not seek any input from PABC prior to creating the contract (Appendix E) delivering it to PABC members as a take it or leave it proposition?

A3: WorkSafeBC has met with the PABC on several occasions, and we have incorporated feedback and input that we received from the PABC. We also sought input from physiotherapists during the sessions we held in Victoria, Burnaby and Kelowna. PABC representatives attended each of these sessions. Input was considered from all of these sources in creating the contract. In addition, WorkSafeBC shared the contract with both the PABC and the College of Physical Therapists of BC (CPTBC) prior to posting it in the RFP.

Q4: WSBC indicates the desire to have a collaborative relationship with PABC and physiotherapists in general going forward, but how can this be accomplished under a process that offers a non-negotiable contract and one in which PABC is shut out?

A4: WorkSafeBC believes we have a positive working relationship with the PABC, and we've shared a draft terms of reference to clearly define that relationship, including the respective roles and responsibilities of our organizations, for PABC's consideration and input.

Regarding negotiations, the decision not to negotiate the contract with PABC arises from the following: (1) the PABC does not represent all physiotherapists; just those who have chosen to be members of PABC; (2) consideration for the Competition Act; and (3) PABC is not a party to the contract. The contract will be between WorkSafeBC and the individual physiotherapy clinic owners as the parties accountable for delivering the services, and it therefore would not be appropriate for WorkSafeBC to negotiate contract terms with the PABC, who are not involved in any way in delivering the services.

The PABC was consulted in advance, and their input was considered and incorporated where appropriate.

Q5: Given the possibility of many clinics choosing not to sign this new contract, is WSBC concerned with the possibility of a shortage of services to providing rehabilitation to injured workers? How does WSBC plan on handling these scenarios across the province?

A5: WorkSafeBC's priority is to ensure access to quality health care for injured workers across the Province. Once the RFP has closed and we are able to assess the responses, we will be in a better position to comment on access to physiotherapy for injured workers.

Q6: How does WSBC justify paying below market rates for physiotherapy for the next 3-5 years given that there is now a greater amount of reporting required by

physiotherapists and there is a delay in clinics receiving payment? These two factors should actually result in remuneration that is above NOT below market rates.

A6: We believe that the rates offered in the current contract are fair for the service expectations. With respect to delays in payments, WorkSafeBC is happy to work with clinics experiencing payment delays to identify the cause of those delays, and to help streamline the process. On average, over the past 12 months, 88% of invoices are processed within 30 days of receipt, and where they are not it is generally due to deficiencies in the invoice received. With respect to physiotherapy invoices, the most common billing problem is caused by an incorrect Date of Service on the invoice.

Q7: Under the terms of the RFP, will WSBC negotiate with successful Respondents on any or all of the following terms in Appendix E, which PABC members have identified as problematic?

- Eliminating the voice of PABC as an advocate.
- Changing the contractor from the physiotherapist to the clinic.
- The fee structures.
- The removal of the ability of contractors to terminate the contract on 30 days' notice, while retaining this option for WSBC.

A7: WorkSafeBC intends to consider feedback received from physiotherapists during the RFP process prior to distributing a final contract. We may make minor adjustments to the contract prior to sending a final version to successful respondents for signatures.

Contact us

Linda Calvert
Quality Assurance Supervisor
Health Care Services
604.231.8522
1.866.244.6404 press 2
Linda.Calvert@worksafebc.com

Gabrielle Jacobson
Program Manager
Health Care Services
604.233.5313
1.866.244.6404 press 2
Gabrielle.Jacobson@worksafebc.com

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