

Medical and Health Expenses Compensation

The Bill provides greater flexibility to prescribe medical and health expenses compensation and delivers on a 2021 election commitment to increase the cap on medical and health expenses compensation from 30% to 60% of the general maximum (prescribed) amount.

Key Points

Bill ref: Part 2 Division 4, 554, 556

- The Bill provides greater flexibility to prescribe compensable health services and any provider eligibility requirements by regulations.
- Fees payable for medical and health expenses will be fixed by Ministerial order, rather than regulations.
- The requirement for medical and health expenses to be reasonable is maintained but clarified with reference to the necessity of the worker to incur the expense and the scales of fees set by Ministerial order.
- A medical and health expenses general limit will apply to a worker's entitlement, which will increase from 30% to 60% of the general maximum amount. This would equate to an increase from \$73,197 to \$146,395 in 2022/23. The limit will be indexed annually in accordance with the regulations (as it is currently).
- Provisions for a standard increase and special increase in the medical and health expenses general limit, and the criteria that apply to each increase, are substantively the same as the current Act.

Questions & Answers

Q. What health services will be prescribed in regulations?

A. In the first instance, the intention is to prescribe in regulations the health services and providers currently referred to as 'approved treatment' in the current Act. These are physiotherapy, chiropractic, counselling and clinical psychology, occupational therapy, osteopathy, speech pathology, acupuncture, exercise programs. Regulations provide flexibility to recognise new compensable health services, or to modify the description or criteria that applies to existing health services, if there is a sound basis for doing so in the future.

Q. Why are maximum amounts for health services being fixed by Ministerial order and with reference to provisions of other publications?

A. This is a more flexible and contemporary approach to setting fees for medical and health services due to volume and technical terms. It also allows for the order to adopt provisions of other publications as they relate to health services and fees. For example, other jurisdictions adopt in full, or part, fees, service descriptors and billing rules in the *Australian Medical Association List of Medical Services and Fees* or the *Medicare Benefits Schedule List of Medical Services*.

Q. Are medical and health expenses in the Bill payable for injuries and claims made under the current Act?

A. Yes, only if the medical expenses cap was not exhausted before the new Act commences. The Bill converts compensation paid under the current Act to compensation paid under the new Act with amounts paid under the current Act taken to be paid and contributing to any capped amount in the new Act.

