

New Regulations Cut Reimbursement Fees to Ontario Chiropractors

Editorial Staff

The Ontario government has introduced a series of measures designed to reform the province's auto insurance system. Included in the reforms are new fee schedules that drastically reduce the maximum amount insurers are required to pay chiropractors and other health care providers for their services.

Effective Nov. 1, automobile insurance carriers will have to reimburse chiropractors a maximum of \$95 per hour for professional services rendered to patients injured in automobile accidents. Massage therapists; occupational therapists; registered nurses; physiotherapists; podiatrists; and other providers will see fee reductions ranging from 30 percent to 50 percent - in some cases, as low as \$49.¹

Before the new regulations were implemented, there were no mandated fee schedules for the Ontario chiropractic profession related to the treatment of auto insurance victims. According to a spokesperson for the Ontario Chiropractic Association, the profession had tried to negotiate a fee schedule with the insurance industry for several years (and in fact reached preliminary agreements on two separate occasions), but the insurance industry refused to ratify those agreements.²

In addition to the hourly fee cuts, reimbursement fees for "preapproved frameworks" of care for WAD I (mild whiplash-associated disorders) and WAD II (moderate whiplash-associated disorders) have been reduced 20 percent across the board. Introduced earlier this year, preapproved frameworks are programs of care funded on a block fee basis, which do not require any insurer approval before treatment can commence.

Under the framework system, practitioners who would have received \$670 for four weeks of treatment of a WAD I, mild whiplash injury case that commenced on or before Oct. 1 will get \$536 for cases starting Nov. 1. For moderate whiplash injuries, practitioners will have preapproval to charge up to \$1,450 for a set program of treatments that began on or before Oct. 1, but only \$1,160 starting Nov.

1.³ While mild and moderate whiplash are the only conditions that currently utilize the preapproved framework system, legislators are considering adding more frameworks to treat other disorders.

The reforms were drafted in response to the province's wildly escalating insurance premiums. According to Statistics Canada, auto insurance rates in Ontario jumped an average of 27.7 percent from April 2002 to April 2003.⁴ While the insurance industry has blamed the rate increases on a sputtering economy and the aftereffects of the Sept. 11, 2001 terrorist bombings, figures from the Insurance Bureau of Canada show that private property and casualty insurers made \$1.1 billion in the first half of 2003, nearly four times the amount made over the same time span the previous year.

According to the *Toronto Star*, provincial officials estimate the new fee limits will save insurance

companies approximately \$400 million per year. In an interview with the *Star*, George Cooke, a past chairman of the Insurance Bureau of Canada, said the fee cuts and other changes would trickle down from the insurance industry and translate to substantial savings to drivers, who would see a reduction in their insurance premiums.⁵

Some health care providers in the province, however, are worried the cuts are so severe that they may force practitioners to stop serving auto accident victims. "It is sure hard to follow the logic of their numbers," said Jeff Lear, an official with the Ontario Association of Speech Language Pathologists and Audiologists. Speech language pathologists will see a 30 percent fee reduction under the new regulations.⁵

Members of the Ontario chiropractic profession have also questioned the reforms, and are concerned about the effect they will have on access to care.

"Coming two days after the insurance industry announced profits of over \$1 billion in the first half of the year, the announcement is hard to understand," said Dennis Mizel, DC, president of the Ontario Chiropractic Association. "Like all health professionals, I'm worried that the impact of this change will be that people injured in auto accidents have to wait longer to receive the care they need, and in turn, this well mean they're off work longer, and they're more likely to develop chronic injuries. The government should rethink this drastic announcement, in light of the effect it will have on access to care."²

"We would have preferred to see more modest cuts in professional fees and then see what happens in six months," added Carlan Stants, DC, chair of the Coalition of Regulated Health Professional Associations and Allied Organizations. The coalition was formed in October 2001 to represent the interests of the professional health care community on issues related to automobile insurance.

Dr. Stants said that while some elements of the bill, such as the preapproved framework for whiplash treatments and an existing ban on payment of cash settlements within a year of an injury claim, will produce substantial savings for insurers, the new fee limits could cause an undue burden on some health care providers. "It is almost like it is too much all at once," he said.³

References

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