Osteopaths New Zealand submission on proposed changes to the Cost of Treatment Regulations and Definitions Regulations

Overview

Osteopaths New Zealand supports Option B, a blanket increase of 9.45% to all regulated treatment rates, because it is the option most closely aligned to ACC's own estimate of labour-cost increases over July 2022 to June 2024 and best supports claimant access, affordability of co-payments, and sustainability of treatment provision.

Osteopaths New Zealand also generally supports the minor clarifying and administrative amendments proposed in section 3 of the consultation paper, with the key caveat that any six-month invoicing limit should allow for a practical exceptions process where delays arise from circumstances outside the provider's control.

Organisational submission

Thank you for the opportunity to comment on the proposed amendments to the Accident Compensation (Liability to Pay or Contribute to Cost of Treatment) Regulations 2003, the Accident Compensation (Apportioning Entitlements for Hearing Loss) Regulations 2010, and the Accident Compensation (Definitions) Regulations 2019.

This submission is made on behalf of Osteopaths New Zealand as a representative body for osteopaths providing ACC-funded treatment under the Cost of Treatment Regulations. The focus of this submission is on the proposed increase to regulated treatment rates and the amendments that are most relevant to claimant access, co-payments, and the sustainability of osteopathy practices.

Question 2.1: Which of the options for increasing payment rates do you prefer? What is your justification?

Osteopaths New Zealand supports Option B: a blanket percentage increase of 9.45% in all treatment rates.

The primary reason for this position is that MBIE's paper records that ACC calculated provider-specific labour-rate increases for the two-year period from July 2022 to June 2024 using health-sector MECA movements, with observed increases ranging from 8.83% to 12.22% and a weighted average of 9.45%. Option B is therefore the option that most closely reflects ACC's own evidence about labour-cost movements.

The paper also recognises that one of the core policy objectives is that claimants are able to access appropriate treatment and that co-payments should be affordable, while another is

that differences in payments between the health and ACC systems are minimised. A 9.45% increase best advances those objectives because it is more likely than the alternatives to reduce pressure for further co-payment increases and help maintain viable community-based treatment services.

Option A would leave rates unchanged, and the paper itself notes that this would increase the risk of providers raising co-payments and reducing access to treatment. Option C would provide only a 4.7% increase, approximately half of Option B, and the paper similarly acknowledges that this lower increase is more likely to result in higher co-payments and reduced access for some claimants.

From the perspective of osteopathy practices, regulated payments do not operate in isolation from other business costs. Labour costs are central, but practices also face ongoing pressures from rent, utilities, insurance, compliance, software, equipment, and general inflation. A rate increase materially below ACC's own estimate of labour-cost growth will leave a growing gap between the regulated contribution and the real cost of delivering care. This position is strongly supported by ONZ members.

In a survey of members conducted in April 2026, 100% of respondents supported Option B. The overwhelming rationale was that cumulative cost increases across rent, staffing, insurance, utilities, and software have significantly outpaced previous rate adjustments. Of members surveyed, 94% confirmed that practice costs have increased significantly since June 2024, with insurance, electricity and utilities, rent, and staff wages most commonly cited. As one Auckland member noted: "A review system that uses CPI as a floor rather than a ceiling is struggling to reflect the real operating environment of healthcare businesses in NZ, support practitioner retention, and protect ongoing access to injury recovery." A Whangarei member observed: "We're over 21% behind where we should be at with inflation. Every time an increase comes, it is opted to go for a less than inflation amount."

For these reasons, Option B is the most evidence-based and most balanced option. While MBIE notes ACC's interest in long-term scheme sustainability, sustainability should not be pursued in a way that simply shifts cost pressure onto claimants through higher co-payments or onto providers through erosion of real income and reduced workforce capacity.
Since the last CoTR increase took effect in June 2024, cost pressures have continued to build. Annual CPI inflation was 3.1% in the December 2025 quarter and remains driven by sharp increases in non-tradables such as electricity (+12.2%), local authority rates (+8.8%), and rents (+1.9%). This is above the Reserve Bank of New Zealand's 1–3% target band, and the RBNZ has acknowledged that returning inflation to the 2% midpoint remains a persistent challenge.

Major banks now expect annual inflation to rise to around 4.1% over 2026 in response to higher energy and transport costs stemming from the current Middle East conflict. This is materially higher than post-COVID best-case paths previously anticipated, and follows a recent history where inflation peaked at 7.3% in the year to June 2022 - the highest in 32 years.

Recent geopolitical tensions have pushed global fuel prices sharply higher, with New Zealand petrol prices rising approximately 22% since the conflict escalated. Airlines,

including Air New Zealand, have responded with flight cuts and fare increases, reflecting higher transport and freight costs that flow directly through to small health practices' input costs - including consumables, equipment delivery, and staff travel. These cost pressures had not materialised at the time ACC conducted its July 2022 - June 2024 labour-cost analysis, and they will be fully active by September 2026 when any new CoTR rates take effect.

Westpac's April 2026 weekly economic commentary notes that the global trade environment has deteriorated sharply in early April 2026, with US tariff announcements driving further financial market volatility and downside risk to growth. For New Zealand, this introduces additional uncertainty around commodity export prices and business investment, further constraining the operating environment for small service-based businesses such as osteopathy practices.
Against this backdrop, Option C (4.7%) represents an increase already insufficient to cover the documented labour-cost movements of 2022 - 2024, and will be even further from adequate by September 2026, when compounded by the inflation and cost-pressure trends described above.

Question 2.2: How would the preferred 4.7% increase to payment rates under option C affect providers and claimants?

If Option C were adopted, Osteopaths New Zealand considers that the likely result would be a further increase in claimant co-payments. The consultation paper expressly notes that the lower increase is more likely to result in providers raising co-payments and that this may restrict access and negatively affect rehabilitation.

For osteopathy practices, a 4.7% increase would not keep pace with the labour-cost movement identified by ACC, nor with the broader operating-cost pressures experienced since the last increase took effect. The practical consequence is that clinics would need to absorb more unrecovered costs, increase patient charges, or do some combination of both.

With CPI forecast to reach 4.1% in 2026 and non-tradables such as electricity, rates, and rent already running well above that level, a 4.7% CoTR uplift will be absorbed almost entirely by existing cost pressures before generating any real relief for providers.

ONZ member survey data makes these impacts tangible. Of members surveyed in April 2026, approximately 89% have already raised co-payments or are actively considering doing so - with increases ranging from $5 to $10 per session, and some as high as 20–25%. Several members indicated they are absorbing costs personally rather than passing them on, because patients cannot afford more. As one North Shore Auckland practitioner put it: "I have chosen not to raise co-payments as patients can't afford to pay more, so I am taking the loss. This is now negatively impacting my practice." Nearly half of surveyed members (44%) also reported difficulty recruiting or retaining osteopaths, with one Whangarei member warning: "Practitioners are immigrating to Australia, as manual therapies are GST-exempt and funded better. We will soon experience an even larger shortage than we already have."

For claimants, this would likely mean:

- Higher out-of-pocket costs per consultation.
- A greater likelihood of delaying treatment, spacing appointments further apart, or stopping care earlier than clinically appropriate.
- Reduced access in communities where providers have limited ability to absorb additional cost pressure.

The risk to health equity is already visible in member feedback. As one Tauranga member noted: "Osteopathy becomes less accessible, and more of a luxury. A larger portion of patients from lower socioeconomic backgrounds will not be able to afford treatment, further deepening health inequalities." A Christchurch member described how cost pressure is already distorting clinical decision-making: "If it is between no care or free specialist care, we choose that. These decisions of resource allocation are compromising patients' recovery."

For providers, this would likely mean:

- Ongoing pressure to widen the gap between ACC and private fees.
- Reduced ability to recruit and retain clinicians in a competitive health labour market.
- Less capacity to invest in supervision, professional development, technology, and service quality improvements.

The paper suggests that constraining payment growth may encourage innovation and efficiency. In small allied-health practices, however, there is limited scope to offset sustained under-indexation through automation or management changes without affecting service availability, appointment length, or workforce conditions. In practice, the more immediate response is likely to be higher co-payments rather than meaningful productivity gains.

Question 3.1: Do you agree that the Cost of Treatment Regulations should be amended to include the dental treatments and rates listed in Table 2?

Osteopaths New Zealand supports this amendment in principle. The paper identifies that non-contracted rates can lack visibility and may be missed when regular uplifts are applied, leading to inconsistency. Bringing those rates into the Cost of Treatment Regulations improves transparency and makes future review more straightforward.

Question 3.2: Do you agree that consultations provided under the Cost of Treatment Regulations can be provided via telehealth if clinically appropriate?

Yes. Osteopaths New Zealand supports explicit clarification that consultation rates apply to telehealth where clinically appropriate. The paper notes that ACC already funds telehealth consultations in some contexts and that the proposal would clarify current practice.

For osteopathy, hands-on care remains central to much treatment, but telehealth can still be clinically useful in selected situations such as triage, follow-up review, self-management advice, exercise progression, education, and some return-to-work discussions. Clear

regulatory wording would provide certainty and support access where in-person attendance is not necessary or not practical.

Question 3.3: Do you agree with the revised methodology for the combined nurse practitioner and nurse consultation rate?

Osteopaths New Zealand does not provide a substantive response to this question. The proposed change relates to the methodology for calculating combined consultation rates for nurse practitioners and nurses, which falls outside the scope of osteopathic practice. We consider it appropriate to defer to the nursing and nurse practitioner professions, who are directly affected by this amendment.

Question 3.4: Do you agree that two new combined rates should be added for concurrent treatment by a medical practitioner and a paramedic, and by a nurse practitioner and a paramedic?

Osteopaths New Zealand does not provide a substantive response to this question. The proposed addition of combined rates for paramedics working concurrently with medical practitioners and nurse practitioners relates to emergency and acute clinical settings that are outside the scope of osteopathic practice. We consider it appropriate to defer to the paramedic and medical professions who are directly affected by this amendment.

Question 3.5: Do you agree that consultations should be covered at the initial rate even when a specified treatment is not provided?

Yes. Osteopaths New Zealand supports this clarification. The paper identifies uncertainty where actions such as referral, prescribing, or certification occur, but no scheduled treatment is provided. It is reasonable that the consultation itself still attracts the relevant initial rate, because clinical assessment, decision-making, and care planning remain part of treatment provision.

Question 3.6: If an invoicing time limit is added to the Cost of Treatment Regulations, should the time limit be six months?

Osteopaths New Zealand accepts the rationale for adding an invoicing time limit, but recommends that MBIE and ACC preserve a clear exceptions pathway where invoicing is delayed for legitimate reasons outside the provider's control. The consultation paper notes that the current contractual position generally expects invoicing within two months and allows late invoicing within 12 months where extenuating circumstances exist, while the proposal is for a six-month limit in the regulations.

In principle, timely invoicing supports administrative efficiency, improves data quality, and assists ACC's ability to assess service use and detect fraud, waste, and abuse. Those are legitimate objectives.

However, a strict six-month limit with no practical discretion could unfairly penalise providers in situations such as:

- Delayed cover decisions or claim-number issues
- Technical failures in claiming or practice-management systems
- Genuine administrative error identified and corrected within a reasonable time
- Exceptional personal or business disruption affecting the provider

ONZ member feedback supports this concern. Members highlighted that invoicing delays can arise from circumstances entirely outside provider control - including periods of serious personal illness and technical bottlenecks in practice management system integration with ACC platforms. One member also noted that new software requirements, such as SubmitKit, introduce additional compliance costs and integration risks that could themselves generate inadvertent delays. These are not cases of negligence or fraud; they are the predictable consequences of running small, often sole-trader health practices. A rigid cut-off with no exceptions pathway would penalise the very providers delivering accessible community-based care that the ACC system depends on.

For that reason, Osteopaths New Zealand suggests either retaining a 12-month outer limit for exceptional circumstances or expressly providing for case-by-case acceptance of late invoices where documented reasons exist.

Question 3.7: Do you agree that changes are required to reflect the fact that vocationally trained GPs are a type of specialist, and if so, which option is preferred?

Osteopaths New Zealand does not provide a substantive response to this question. The proposed change relates to the classification and billing status of vocationally trained GPs within the Cost of Treatment Regulations, which is a matter most appropriately addressed by the Royal New Zealand College of General Practitioners and the Medical Council of New Zealand. As primary healthcare practitioners who work alongside and refer patients to GPs, ONZ acknowledges the importance of clear and accurate terminology in the regulations, but defers to the GP profession on the specifics of how that terminology should be amended.

Question 4.1.1: **What benefits for claimants are there from oral health therapists and dental therapists being made treatment providers?**

Osteopaths New Zealand supports this proposal. The consultation paper states that adding oral health therapists and dental therapists as treatment providers would provide claimants with more choice and may allow some claimants to access treatment with a lower co-payment where practice pricing reflects lower pay rates than dentists.

Those are credible claimant benefits. Where treatment is within scope of practice, expanding the eligible provider base should improve availability, reduce bottlenecks, and support more timely access to care.

Questions 4.1.1, 4.1.2, 4.1.3 and 4.2: Oral health therapists and dental therapists as treatment providers

Osteopaths New Zealand does not provide a substantive response to these questions. The proposed changes relate to the scope of practice, treatment provision, and funding of oral health therapists and dental therapists, professions with no clinical overlap with osteopathy. We consider it appropriate to defer to the dental professions and their representative bodies, who are best placed to assess the benefits, costs, and consequences of these amendments.

Question 4.3: Do you agree with adding physician associates as a registered health professional in the Definitions Regulations?

Osteopaths New Zealand does not provide a substantive response to this question. The designation of physician associates as registered health professionals relates to medical governance and treatment injury provisions that are most appropriately assessed by the Medical Council of New Zealand and the medical profession. As a profession regulated under the same HPCA framework, ONZ broadly supports the principle that designated health practitioners should have appropriate coverage under ACC's treatment injury provisions, but defers to the affected professions on the specifics of this amendment.

Additional comments

This review is a routine part of the statutory biennial process for regulated payments. The most important issue for osteopaths is not whether regulated rates should be reviewed, but whether the selected uplift adequately reflects real cost pressures and protects claimant access to treatment.

Osteopaths New Zealand also notes that there are limits to benchmarking osteopathy against public-sector comparators, because osteopathy does not have a direct like-for-like service match in the public health system. That makes it especially important that ACC and MBIE do not assume that constrained regulated rates can be painlessly absorbed by providers without consequences for workforce sustainability, service availability, or co-payment levels.

Over the coming months, Osteopaths New Zealand intends to build a stronger osteopathy-specific evidence base on practice costs, co-payments, and workforce pressures. As an initial step, ONZ conducted a member survey in April 2026 specifically for this submission - the results, with 100% of respondents supporting Option B, widespread reporting of significant cost increases across all practice cost categories, co-payment increases of up to 25%, and nearly half of respondents experiencing recruitment or retention difficulty, are directly reflected in this submission and will form part of a growing dataset for future review cycles. This will be complemented by an existing ACC dataset and pilot-study material to better demonstrate the services osteopaths provide and the operating environment in which practices deliver care, supporting more informed engagement with ACC and MBIE in future cycles.

Closing

Osteopaths New Zealand thanks MBIE for the opportunity to comment on these proposals. In summary, the submission strongly supports Option B (9.45%) as the most evidence-based approach to maintaining affordable access and sustainable treatment provision, supports most of the proposed minor amendments and definition changes, and recommends flexibility around any six-month invoicing limit so legitimate providers are not unfairly disadvantaged.

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