



COVERSHEET

Minister	Hon Carmel Sepuloni	Portfolio	ACC
Title of Cabinet paper	Accident Compensation Cost of Treatment Amendment Regulations 2023	Date to be published	12 April 2023

List of documents that have been proactively released

Date	Title	Author
February 2023	Accident Compensation Cost of Treatment Amendment Regulations 2023	Office of the Minister for ACC
23 February 2023	Accident Compensation (Liability to Pay or Contribute to Cost of Treatment) Amendment Regulations 2023 LEG-23-MIN-0009 Minute	Cabinet Office

Information redacted

YES / NO [select one]

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

In Confidence

Office of the Minister for ACC

Chair, Cabinet Legislation Committee

Accident Compensation Cost of Treatment Amendment Regulations 2023

Proposal

1. I propose that the Cabinet Legislation Committee authorise the submission of the *Accident Compensation (Liability to Pay or Contribute to Cost of Treatment) Amendment Regulations 2023* (the Amendment Regulations) to the Executive Council.

Proposal

2. The *Accident Compensation (Liability to Pay or Contribute to Cost of Treatment) Regulations 2003* (Cost of Treatment Regulations) specify the payments that ACC can make toward the cost of treatment for claimants. These apply where ACC does not have specific contracts with treatment providers.
3. ACC is required to undertake a biennial review of regulated treatment costs and assess whether adjustments to regulated payments are required given changes in the costs of rehabilitation.
4. ACC completed its initial 2020 review in December 2020, but the final review was deferred until early 2022 due to COVID-19 and other reasons. This deferral allowed ACC to make more comprehensive and bespoke pricing recommendations to take account of differences in labour cost pressures between professional groups.
5. The previous Minister for ACC undertook consultation on the preferred option for increases to regulated treatment rates in September and October 2022. No changes were proposed as a result of the consultation.
6. On 12 December 2022 Cabinet agreed to implement the recommendations from the 2020/21 review of regulated treatment costs [CAB-22-MIN-0564 refers]. These were to:
 - 6.1. implement bespoke payment increases ranging from 4.6 percent to 9.36 percent for treatment providers
 - 6.2. introduce a nurse practitioner and registered nurse combined treatment rate
 - 6.3. make a nil increase to audiology treatment rates.

7. Therefore, I am proposing to amend the Regulations to implement the Cabinet decision.
8. The previous Minister recently received ACC's further recommendations from their 2022 review of regulated treatment rates. These include an increase to audiology rates. The Ministry of Business, Innovation and Employment will undertake targeted consultation with industry representatives and affected stakeholders on the 2022 recommendations once the 2020/21 review recommendations have been implemented, with a view to implementing the 2022 recommendations late in 2023.

Timing and 28-day rule

9. The Amendment Regulations are planned to come into force on 1 April 2023. In order to comply with the 28-day rule, the Amendment Regulations should therefore be notified in the *New Zealand Gazette* no later than 2 March 2023. However, an earlier notification is desirable to provide certainty for treatment providers who will need to update their systems and processes to align with the new rates.

Compliance

10. The proposed Amendment Regulations comply with each of the following:
 - 10.1. the principles of the Treaty of Waitangi;
 - 10.2. the rights and freedoms contained in the *New Zealand Bill of Rights Act 1990* or the *Human Rights Act 1993*;
 - 10.3. the principles and guidelines set out in the *Privacy Act 2020*;
 - 10.4. relevant international standards and obligations;
 - 10.5. the Legislation Design and Advisory Committee's Legislation Guidelines (2021 edition).
11. Section 324(2) of the *Accident Compensation Act 2001* sets out requirements for recommending, and consulting on, any changes to the Cost of Treatment Regulations. These requirements were complied with in the 2020/21 review of the Cost of Treatment Regulations. This included ACC making recommendations from its review and MBIE undertaking a public consultation on the proposed changes on my behalf.

Regulations Review Committee

12. There are no grounds for the Regulations Review Committee to draw the Regulations to the attention of the House of Representatives under Standing Order 327.

Certification by Parliamentary Counsel

13. The draft Amendment Regulations have been certified by the Parliamentary Counsel Office as being in order for submission to Cabinet.

Impact Analysis

14. A Regulatory Impact Assessment was prepared in accordance with the necessary requirements and was submitted at the time Cabinet approval for the recommended changes was sought on 12 December 2022 [CAB-22-MIN-0564 refers].

Publicity

15. ACC, as the operational agency, will communicate with treatment providers on the changes to the regulated payments for treatment.

Proactive release

16. MBIE will proactively release this Cabinet paper and accompanying Cabinet minute. No redactions are proposed.

Consultation

17. The Department of the Prime Minister and Cabinet and Te Puni Kōkiri were informed about the 2020/21 review and the proposed changes to the Cost of Treatment Regulations. The following agencies and Crown entities were consulted: ACC, the Treasury, the Ministry of Social Development, Manatū Hauora, Te Whatu Ora, Whaikaha - Ministry of Disabled People, the Ministry for Women, and the Ministry for Pacific Peoples.

Recommendations

I recommend that the Cabinet Legislation Committee:

1. **Note** that on 12 December 2022 Cabinet agreed to implement the results of the 2020/21 review of ACC's regulated payments for treatment [CAB-22-MIN-0564 refers], which were to:
 - 1.1. implement bespoke payment increases ranging from 4.6 percent to 9.36 percent for treatment providers
 - 1.2. introduce a nurse practitioner and registered nurse combined treatment rate
 - 1.3. make a nil increase to audiology treatment rates;

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2. **Note** that the *Accident Compensation (Liability to Pay or Contribute to Cost of Treatment) Amendment Regulations 2023* will give effect to the decisions referred to in the preceding paragraph;
3. **Authorise** the submission to the Executive Council of the *Accident Compensation (Liability to Pay or Contribute to Cost of Treatment) Amendment Regulations 2023*;
4. **Note** that the *Accident Compensation (Liability to Pay or Contribute to Cost of Treatment) Amendment Regulations 2023* will come into force on 1 April 2023;
5. **Note** that section 324(2) of the *Accident Compensation Act 2001* requires that the responsible Minister receive a recommendation from ACC and be satisfied that consultation with the persons and organisations the Minister considers appropriate has occurred before recommending the making of an Order in Council under section 324;
6. **Note** that the requirements of section 324(2) have been met.

Authorised for lodgement

Hon Peeni Henare

Minister for ACC

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