



Submission to Private Health Funds

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Submitted by: Australian Register of Counsellors and Psychotherapists, a partnership of:

- Psychotherapy and Counselling Federation of Australia
- Australian Counselling Association

A. Background

Counselling and psychotherapy is a self-regulated profession with two peak bodies, the Psychotherapy and Counselling Federation of Australia (PACFA) and the Australian Counselling Association (ACA), providing leadership and regulation mechanisms for the profession.

PACFA and ACA have now joined together to establish the Australian Register of Counsellors and Psychotherapists (ARCAP) which is a single register and credentialing system for the profession in Australia. Counsellors and psychotherapists registered with PACFA or ACA are now all listed on the ARCAP which can be viewed at www.arcap.org.au.

Registered practitioners have the appropriate level of training and education required to practise as counsellors or psychotherapists; they meet annual professional development and supervision requirements; they adhere to the Code of Ethics of either PACFA or ACA and are subject to disciplinary procedures in the event of ethical breaches.

This is a joint submission from PACFA and ACA through our ARCAP partnership. The purpose of the submission is to request the eight Private Health Funds receiving the submission to offer their customers rebates for counselling and psychotherapy services provided by appropriately registered counsellors and psychotherapists. We are requesting these services to be included within the Extras or Wellness products offered by Private Health Funds.

PACFA and ACA will also seek accreditation under the Private Health Insurance (Accreditation) Rules 2008 with any Private Health Funds wishing to offer rebates for counselling and psychotherapy services provided by PACFA or ACA registered practitioners. Currently, Medibank Private is the only Private Health Fund that has accredited PACFA and ACA, enabling registered practitioners to offer rebates for counselling and psychotherapy. Unfortunately, the coverage offered for counselling and psychotherapy in Medibank Private's insurance products is very limited and has therefore not impacted on service accessibility.

B. Issues

PACFA and ACA have identified some key strategic issues which have prompted the preparation of this submission and which support our position that in 2012, it is both timely and necessary to address the need for private health insurance rebates for counselling and psychotherapy.

1. Mental illness has a high profile in the Australian community, in the media and in public policy debate

Mental health has become a prominent issue in the media, attracting a great deal of attention from consumers and carers who use counselling and psychotherapy services, and from lobby groups seeking an increase in funding for these services. Government now acknowledges what the community has long known - that government funded services are not meeting community demand for mental health services, including essential treatment services such as counselling and psychotherapy. While the mental health policy debate has resulted in a significant increase in government funding for mental health, funded counselling and psychotherapy services still do not come anywhere near meeting community demand for these services.

2. Demand for treatment services for mental illness is high and continues to grow

There is clear evidence available that increasing numbers of Australians are struggling with mental illness. One in five Australians experiences a mental illness every year and almost half of all Australians will experience mental illness at some time in their life.

The National Survey of Mental Health and Wellbeing conducted by the Australian Bureau of Statistics (2007) found that an estimated 3.2 million Australians (20% of the population aged between 16 and 85) had a mental disorder in the twelve months prior to the survey. The Burden of Disease and Injury in Australia (AIHW, 2003) indicated that mental disorders constitute the leading cause of disability burden in Australia, accounting for an estimated 24% of the total years lost due to disability.

Unfortunately, only about half of those affected by mental illness receives treatment and disadvantaged members of the community are even less likely to receive the treatment they need.

3. Limited Mental Health Services are provided by government

The Better Access Initiative which is funded through Medicare offers patients up to 10 individual and up to 10 group therapy sessions in a calendar year. Services must be 'Focussed Psychological Strategies' and can only be provided by psychologists, social workers or occupational therapists. Other government-funded programs are also available including the Access to Allied Psychological Services (ATAPS) program, which also provides Focused Psychological Strategies but targets hard-to-reach client groups.

The following rebates apply under the Better Access Initiative (Department of Health and Ageing):

'Focussed Psychological Strategies' items	Medicare rebate
50 minute consultation with psychologist	\$58.95
Group therapy of at least 60 minutes with psychologist	\$21.25
50 minute consultation with clinical psychologist	\$83.25
Group therapy of at least 60 minutes with clinical psychologist	\$31.05
50 minute consultation with occupational therapist	\$51.95
Group therapy of at least 60 minutes with occupational therapist	\$18.70
50 minute consultation with social worker	\$51.95
Group therapy of at least 60 minutes with social worker	\$18.70

Services offered through the Better Access and ATAPS programs are limited to Focused Psychological Strategies, which are not adequate to meet the wide range of needs within the community. Researchers have found limitations in the effectiveness of some of these strategies, in particular Cognitive Behavioural Therapy (CBT), Interpersonal Therapy (IPT) and Narrative Therapy. Other interventions with a strong evidence base are not accessible, for example some interventions that are known to be effective for substance misuse, the third most common mental disorder after depression and anxiety.

CBT is the dominant model offered in the Better Access and ATAPS programs. For some age groups, CBT does not have demonstrated efficacy. A Cochrane review of psychological therapies for Generalised Anxiety Disorder found that older people were more likely to drop out of CBT than other age groups (Hunot et al., 2007). Information on CBT available to consumers from a good quality consumer website, Patient.co.uk, which makes reference to this and other research, includes a statement on the limitations of CBT:

What are the limitations of cognitive behavioural therapy?

CBT does not suit everyone and it is not helpful for all conditions. You need to be committed and persistent in tackling and improving your health problem with the help of the therapist. It can be hard work. The homework may be difficult and challenging. You may be taken 'out of your comfort zone' when tackling situations which cause anxiety or distress. However, many people have greatly benefited from a course of CBT. (EMIS, 2011).

4. Limited rebates for mental health services are provided by Private Health Funds

Both PACFA and ACA have been accredited by Medibank Private, making counsellors and psychotherapists registered with PACFA or ACA eligible to offer rebates for counselling services to clients with specific Medibank Private policies. Unfortunately, the coverage offered for counselling and psychotherapy in Medibank Private insurance products is very limited.

Currently, most Private Health Funds only provide rebates for counselling and psychotherapy for *psychologists*. Some Private Health Funds have an even narrower focus on *clinical psychologists*. This means client choice in relation to psychological services is limited to psychologists and, as many psychologists principally provide cognitive-behavioural therapy (CBT), client choice is even further limited to this form of therapy.

5. Counselling and psychotherapy deliver positive treatment outcomes

Counselling and psychotherapy are professional activities that utilise an interpersonal relationship to enable people to develop greater understanding of themselves and to make changes in their lives. Professional counsellors and psychotherapists work within a clearly contracted, principled relationship that enables individuals to obtain assistance in exploring and resolving their difficulties.

The relationship between counselling and psychotherapy is seen as a continuum rather than as a sharp line of demarcation. Counselling is focused more on the person's capacity to cope with practical aspects of their life situation and relationships, whilst psychotherapy focuses to a greater extent on achieving a change in some aspects of the person's self or personality structure.

Counselling and psychotherapy have always been interdisciplinary activities in that no one professional group or academic discipline 'owns' counselling or psychotherapy. In the Australian context, this is an important issue since it has often been assumed by governments and other institutions that counselling and psychotherapy are the exclusive province of the discipline of psychology and consequently of the psychology profession. However, an examination of the

professional and academic literature for counselling and psychotherapy, along with an examination of who actually provides services to clients, shows this assumption to be untenable.

For example, the outcome data for the Better Access initiative indicates that similar outcomes were achieved regardless of whether treatment was provided by psychologists, social workers or occupational therapists. The level of psychological distress decreased from high or very high at the start of treatment to much more moderate at the end of treatment (Pirkis et al., 2011), regardless of the type of therapist delivering the service.

There is no clinical basis for restricting private health insurance rebates for psychological services exclusively to psychologists or clinical psychologists as effectiveness evidence shows that counsellors and psychotherapists achieve positive treatment outcomes with clients with high levels of psychological distress in the same way that psychologists do.

6. The contribution of counselling and psychotherapy to health

Counselling and psychotherapy have implications for health in a number of ways. The contribution that counselling and psychotherapy make is both remedial and preventative.

Physical health and disease

It is recognised that the response of patients to interventions aimed at ameliorating or healing various physical conditions will be influenced by emotional and psychological factors. Examples include treatments for cancer, chronic conditions involving a degree of impaired functioning, and immune disorders including HIV/AIDS. Counselling and psychotherapy have a growing role as an adjunct to medical interventions in these situations.

There is also evidence that many physical ailments have a psychological component and vice versa. For example, recent research from the Australian Institute of Health and Welfare (Sky News, 2012) found that the 1.8 million people who had back problems in 2007-08 were 2.5 times more likely to experience mood disorders such as depression, 1.8 times more likely to suffer from anxiety and 1.3 times more likely to report a substance use disorder, compared with people without back problems.

Offering private health insurance rebates for counselling and psychotherapy would support a more holistic and evidence-based approach to treatment of physical ailments, resulting in a decrease in the length of time for treatment and achieving better health outcomes for members. This would, in effect, lower costs for Private Health Funds.

Mental health

There is widespread evidence for the contribution of counselling and psychotherapy - of various orientations - to the treatment of mental illness. Pertinent examples are high prevalence disorders such as depression and anxiety. Where aspects of personality functioning are a factor in mental health, psychotherapy has a particular role to play.

Relationship difficulties

The nexus between fulfilling and rewarding personal relationships and both physical and mental health is well documented by research. For example, adult males who experience breakdown of a marriage or committed de facto relationship and have not been able to come to terms with this loss (30% are in this category 2 years after the relationship breakdown) are at significantly greater risk of being diagnosed with depression. Counselling and psychotherapy are the indicated treatment for relationship difficulties.

7. The preventative role of counselling and psychotherapy in mental health

There is strong evidence for the contribution of counselling and psychotherapy to the prevention and treatment of mental illness, including depression, anxiety and trauma (Cuijpers, van Straten, Smit, Mihalopoulos & Beekman, 2008). The prevention aspect of counselling and psychotherapy will be of particular significance for Private Health Funds.

Once mental illness develops and becomes severe, specialised clinical services, hospitalisation and a higher level of case management are required. There is evidence from an Australian clinical trial with a 5 year follow up ($n = 150$) that regular participation in psychotherapy for people with personality disorders reduced the rate of hospitalisation, incidents of self-harm and violence, reduced drug use and improved work history (Stevenson, Meares and D'Angelo, 2005).

Non-clinical services can and should be provided by counsellors and psychotherapists rather than psychologists. Counselling and psychotherapy, as adjuncts to psychiatric and psychological services, can be successful in symptom reduction and increasing the social functioning of clients. There is a shorter and more effective journey towards wellness for those who are able to access counselling and psychotherapy.

For those at risk of developing more serious mental health disorders, people suffering from high prevalence disorders such as depression and anxiety and those needing treatment for issues not effectively treated by Focussed Psychological Strategies, access to private health insurance rebates for counselling and psychotherapy will contribute significantly to the prevention of the more serious consequences - and costs - associated with mental illness.

8. Client choice in counselling or psychotherapy services

As already detailed, the interventions offered through the government-funded Better Access and ATAPS programs are limited to Focussed Psychological Strategies, which are not adequate to meet the wide range of needs within the community. Under this regime, consumers have very limited choice in relation to the treatments they can access and Focussed Psychological Strategies are not suitable for a range of presenting issues including relationship difficulties, eating disorders, trauma and personality disorders.

When it comes to choosing a therapist, choosing the right type of treatment, or deciding on the length of treatment required, a client's choice will vary greatly depending on their presenting issues, age, temperament, cultural background and geographic location. All of these factors may lead a client to choose a counsellor or psychotherapist registered with PACFA or ACA instead of the standard treatment options available under Medicare.

It is interesting to note that research has found that counsellors are rated by clients as having higher acceptability than either psychologists or psychiatrists (Jorm et. al., 1997; Sharpley 1986) and are seen as more approachable and empathic (Sharpley, 1986). Counsellors are considered by the public to be the most helpful of all the professional groups (Jorm et. al., 1997) and general practitioners also rated counsellors fairly highly for help with depression (Rodgers & Pilgrim, 1997).

9. Equity of access to counselling and psychotherapy services

Currently private health insurance rebates for psychology are only available through premium health insurance products. This limits access to rebates for psychological treatments to those with the means to purchase these premium products. With the cost of psychologist consultations being relatively high, this further reduces the accessibility of these services for customers.

The recommended schedule fee for a psychologist consultation published by the Australian Psychological Society is \$222 for a 50 minute session (APS, 2012), making the rebate quite high from the Private Health Fund's perspective. Even if the psychologist charges a lower than schedule fee of say \$160, a rebate of \$48 would be payable for a 30% rebate, \$80 for a 50% rebate, or \$112 for a 70% rebate. With such high schedule fees, customers may be more likely to use the whole of their available cover in only 3 or 4 sessions with a psychologist, or may not access the service at all if the amount to be paid by the customer is prohibitively high.

In light of this, it seems likely that uptake of private health insurance rebates for psychology services is at present low. This is in stark contrast to actual needs for counselling and psychotherapy in the community and the potential consequences for health and mental health when these services cannot be accessed.

Counsellors and psychotherapists vary greatly in the professional fees they charge but fees generally range from \$70 to \$130 per session, with \$90 to \$100 per session being fairly standard. The affordability of counselling and psychotherapy compared with psychology means there is the potential to make services more accessible if private health insurance rebates are offered.

Offering rebates for counselling and psychotherapy services will also improve geographic access to services as counsellors and psychotherapists are widely distributed and accessible throughout Australia in urban, regional, rural and remote areas. Access will also be improved for clients from culturally and linguistically diverse (CALD) backgrounds and for Indigenous clients, who often find it difficult to access culturally sensitive treatment services. Counsellors and psychotherapists come from diverse backgrounds, live in all parts of Australia and have experience providing a wide range of evidence-based treatments for a diverse client population.

10. Demand for private health insurance rebates for counselling and psychotherapy

PACFA and ACA have launched a letter-writing campaign to highlight the need for Private Health Funds to recognise counselling and psychotherapy. Clients and prospective clients of PACFA and ACA-registered practitioners have been writing to the eight Private Health Funds receiving this submission to request rebates for counselling and psychotherapy under their Extras or Wellness policies. The letter-writing campaign is ongoing as we are aiming to demonstrate that there is demand within the Australia community for rebates for counselling and psychotherapy.

11. Counselling and psychotherapy rebates and the business needs of Private Health Funds

PACFA and ACA are aware of the business implications for Private Health Funds of introducing new rebates for counseling and psychotherapy. While offering rebates for new services can attract new customers to private health insurance and to Extras or Wellness packages in particular, risks will have to be managed around the cost implications of the new rebates.

In part C of this submission, we suggest three possible options for the costing and placement of counselling and psychotherapy rebates within health insurance products. These are only suggestions as the best way to structure and cost the rebates will vary for different Private Health Funds, depending on their existing insurance products and business needs.

12. Public relations benefits for Private Health Funds

PACFA and ACA believe that there could be significant public relations benefits to any Private Health Funds that decide to take the lead in the private health insurance sector by offering rebates for counselling and psychotherapy. By offering these rebates, private health insurance has the potential

to make a significant difference to the mental health of the Australian community, with the associated improvements in general health and wellbeing. Importantly, there will be financial savings flowing from preventing more serious mental health issues and from general improvements in health and well-being as a result of greater access to counselling and psychotherapy.

In the current climate of public concern about the lack of resources being committed to mental health, it is arguable that private health insurance companies cannot afford *not* to be part of the solution in this important public health issue.

C. Requests to Private Health Funds

1. PACFA and ACA request Private Health Funds to include counselling and psychotherapy in their Extras or Wellness products to better support the mental health of the Australian community.
2. Counselling and psychotherapy should both be listed as rebateable items to ensure that all different forms of therapy are covered by the rebates. Counselling and psychotherapy is a diverse profession incorporating different therapy modalities, all of which should be covered.
3. A range of options is open to Private Health Funds wishing to offer rebates for counselling and psychotherapy. Three options are presented below illustrating how Private Health Funds could incorporate rebates for counselling and psychotherapy into their Extras or Wellness products. However, any number of other solutions could be developed by Private Health Funds depending on their products and business needs.

Option 1: Inclusion with psychologists in Extras or Wellness products

Under this option, counsellors and psychotherapists would be included with psychologists under the Private Health Fund’s Extras or Wellness products. Different levels of rebate could be made available for different levels of cover.

This approach has the advantage of grouping all psychological services together. Instead of calling the rebate item “Psychology”, the item could be called “Psychological Services” or “Counselling and Psychotherapy”. The services in this item would cover consultations with psychologists, counsellors and psychotherapists. The rebates would be the same, regardless of which practitioner is consulted.

It is our submission that some rebates for counselling and psychotherapy should be offered even under “budget” Extras and Wellness policies as basic cover for mental health should really be seen as essential to health and wellbeing, like basic dental and optical cover.

For a basic policy, the cover could be up to a maximum of \$200 or \$300. This could be claimed as a percentage of the schedule fee. For premium policies, the cover could be up to a maximum of \$400, \$500 or \$600, with higher rebate percentages allowed where the cover is higher. For example:

Rebate percentage	Maximum rebate	Example of fee	Rebate per session
30%	\$200	\$100	\$30
40%	\$300	\$100	\$40
50%	\$400	\$100	\$50
75%	\$500	\$100	\$75

On average, clients seek less than 6 sessions of counselling making it unlikely that most customers would use their full entitlements. For example, 74% of consumers accessing services under the Better Access Initiative received between 1 and 6 sessions (Littlefield, 2011). Under this scenario, the possible claims may be as follows:

Rebate percentage	Maximum rebate	Example of fee	Average No of sessions	Rebate	Total cost
30%	\$200	\$100	4	\$30	\$120
40%	\$300	\$100	4	\$40	\$160
50%	\$400	\$100	4	\$50	\$200
75%	\$500	\$100	4	\$75	\$300

Option 2: A new item for counselling and psychotherapy in the Extras or Wellness products

If it is considered necessary for psychology to continue to be a separate item in the Extras or Wellness products, then counselling and psychotherapy could be a new service item on their own. Under this option, the rebates would be designed in the same way as for option one. Ideally, the rebates would not be different from the rebates offered for psychologists, however if Private Health Funds wish to cost rebates for psychologists differently from rebates for counsellors and psychotherapists, this may be a rationale for making them separate rebate items.

Option 3: Inclusion with natural therapies in Extras or Wellness products

Another option would be to include counselling and psychotherapy in the group of natural therapies that are offered in most Extras or Wellness products. While counsellors and psychotherapists would not consider themselves ‘natural therapists’, this third option could be considered if the other two options are not viable. This is our least preferred option as counselling and psychotherapy should ideally be identifiable as *psychological services* in order to promote them as treatments that improve mental health and wellbeing.

Under this option, counselling and psychotherapy would be placed with naturopathy, acupuncture, traditional chinese medicine, massage, kinesiology etc. This is not as good a ‘fit’ as placing them with psychology but this may be a cost-effective way for Private Health Funds to give access to rebates for counselling and psychotherapy to larger numbers of customers needing these services. This may also be a lower risk option for Private Health Funds as the total rebate amount would be included within the rebate already offered for natural therapies.

For example, for a basic policy, the cover for natural therapies could offer rebates of up to \$300. Counselling and psychotherapy would be two more options in the range of therapies that can be claimed in this item. Rebates could be offered as a percentage of the consultation fee or as a fixed amount of per session of say \$30 or \$40. The total amount of coverage for premium products would be higher, say \$500, and the amount of the rebate would also be higher, say \$50 or \$60 per session.

This option has the advantage of ensuring that even customers with “budget” Extras policies would be able to access some rebates for counselling and psychotherapy. It would certainly be a better ‘fit’ to place counsellors and psychotherapists with psychologists, although this may have the disadvantage of restricting access to rebates to customers with premium health insurance policies as psychology is not normally included in budget products. However in option one, we have proposed including counselling and psychotherapy rebates in budget policies to ensure mental health services are accessible to more customers, not just those who can afford premium insurance products.

D. Further information

Maria Brett
 Executive Officer, PACFA
 290 Park St
 Fitzroy North VIC 3056

Tel: 03 9486 3077
 Email: maria.brett@pacfa.org.au

E. References

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