



Psychotherapy & Counselling  
Federation of Australia

## Submission to Private Health Funds

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**Submitted by:** Psychotherapy and Counselling Federation of Australia

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### Introduction

The purpose of this submission is to request Private Health Funds (PHF) to offer their customers rebates for counselling and psychotherapy services provided by PACFA-registered counsellors and psychotherapists. We are requesting these services to be included within the Extras or Wellness products offered by PHFs.

Counsellors and psychotherapists are already recognised by several PHFs, including Medibank Private. The cover offered for counselling and psychotherapy is quite limited and this means many private health insurance customers, who may be interested in counselling and psychotherapy services, are not being offered this option. This means there is currently an opportunity for other PHFs to gain a marketplace advantage by offering rebates for counselling and psychotherapy to their members.

### Background

Counselling and psychotherapy is a self-regulating 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 works in collaboration with the ACA through the Australian Register of Counsellors and Psychotherapists (ARCAP) which includes both PACFA's and the ACA's professional Registers.

The Federal Government has decided that as counsellors and psychotherapists pose a low risk to the community, the profession is required to be *self-regulating*. We are therefore not regulated by the Australian Health Practitioner Regulation Agency (AHPRA). This does not in any way prevent recognition by PHFs of the counselling and psychotherapy profession. Indeed, many other self-regulating professions are already recognised by PHFs, including social workers, naturopaths, massage therapists, hypnotherapists, dieticians, herbalists, shiatsu therapists, aromatherapists and homeopaths.

All self-regulating health professions are subject to the new "code-regulation regime" which is in the process of being implemented in all States and Territories. This involves a National Code of Conduct, the purpose of which is to protect the public by setting minimum standards of conduct and practice

for self-regulating health professions. It also enables disciplinary action to be taken and prohibition orders issued in circumstances where a practitioner poses a risk to public health and safety.

The principal self-regulation mechanism provided by PACFA is the PACFA National Register of suitably qualified practitioners. Registered practitioners have the appropriate training required to practise as counsellors or psychotherapists; they meet annual professional development and supervision requirements; they hold professional indemnity insurance; they adhere to PACFA's Code of Ethics and are subject to PACFA's disciplinary procedures in the event of ethical breaches.

PACFA could be accredited under the [Private Health Insurance \(Accreditation\) Rules 2011](#) by any PHFs that wish to offer rebates for services provided by PACFA-registered practitioners. Although this form of accreditation is not mandatory in order to offer rebates for counselling and psychotherapy services, it does provide a robust form of scrutiny of PACFA's standards. Medibank Private has accredited PACFA under the Private Health Insurance (Accreditation) Rules. This provided them with the confidence that PACFA-registered practitioners are suitable professionals to offer private health insurance rebates.

## Issues

PACFA has identified some key strategic issues which have prompted the preparation of this submission. These issues support our submission that it is both timely and necessary in 2017 to address the need for private health insurance rebates for counselling and psychotherapy.

### **1. Demand for treatment services for mental illness is high and continues to grow**

There is clear evidence 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 adult population) 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.

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. Government acknowledges what the community has long known - that government services are not meeting community demand for mental health services, including counselling and psychotherapy.

### **2. Limited Mental Health Services are provided by government**

The Better Access Initiative (BAI) 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 (DoHA, 2012). Counsellors and psychotherapists have been excluded from Medicare rebates which means many consumers are not able to see their preferred practitioner if that practitioner is a counsellor or psychotherapist.

Services offered through BAI are limited to Focussed Psychological Strategies, which are not adequate to meet the range of needs within the community. Research has 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 under BAI. 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).

### **3. 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 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, 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 BAI 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.

### **4. 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 (AIHW, 2016) found that, consistent with international studies, persistent back problems are linked to increased psychological distress. In 2014–15, 6.8% of people aged 18 and over with chronic back problems experienced very high levels of psychological distress, which was higher than that experienced by the general population (3.7%)

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 PHFs.

### ***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 are at significantly greater risk of being diagnosed with depression. Counselling and psychotherapy are the indicated treatment for relationship difficulties.

## **5. 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 PHFs.

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 could contribute to the prevention of the more serious consequences - and costs - associated with mental illness.

## **6. Client choice in counselling or psychotherapy services**

Currently, most PHFs only provide rebates for counselling and psychotherapy provided by *psychologists*. Some PHFs 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.

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 registered counsellor or psychotherapist instead of a psychologist.

As already detailed, the interventions offered through the government-funded BAI are limited to Focussed Psychological Strategies, which are not adequate to meet the wide range of needs in the community. Under BAI, consumers cannot access appropriate treatments for all issues such as relationship distress, eating disorders, trauma and personality disorders.

It is interesting to note that research has found counsellors are rated by clients as having higher acceptability than 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 professionals (Jorm et. al., 1997) and general practitioners also rated counsellors fairly highly for help with depression (Rodgers & Pilgrim, 1997).

## **7. Improving access to counselling and psychotherapy services**

The recommended schedule fee for a psychologist consultation published by the Australian Psychological Society is \$241 for a 50 minute session (APS, 2016), making the rebate quite high from the PHF'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 out of pocket fee 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. In particular, there is a higher risk of hospitalisation in the absence of early intervention services to address mental health issues.

Counsellors and psychotherapists vary greatly in the professional fees they charge but fees generally range from \$70 to \$130 per session, with \$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 located throughout Australia in urban, regional, rural and remote areas. Access will also be improved for clients from culturally and linguistically diverse backgrounds and for Indigenous clients, who often find it difficult to access culturally sensitive services. Counsellors and psychotherapists come from diverse backgrounds and have experience providing evidence-based treatments suitable for diverse clients.

## **8. Benefits for Private Health Funds**

PACFA is aware of the business implications for PHFs 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 PHFs, depending on their existing insurance products and business needs.

PACFA believes that there could be public relations benefits to any PHFs 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 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.

## Requests to Private Health Funds

1. PACFA requests PHFs to include counselling and psychotherapy in their Extras or Wellness products to better support the mental health of the 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 PHFs wishing to offer rebates for counselling and psychotherapy. Three options are presented below showing how counselling and psychotherapy could be included in Extras or Wellness products. Other solutions could also be developed depending on the products and business needs of the PHFs.

### Option 1: Inclusion with psychologists in Extras or Wellness products

Under this option, counsellors and psychotherapists would be included with psychologists under the PHF'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". This item would cover consultations with psychologists, counsellors and psychotherapists and provide the same rebate, 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 \$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 BAI services received between 1 and 6 sessions (Littlefield, 2011). In 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 & psychotherapy in 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. Ideally, the rebates would not be different from rebates offered for psychologists, however if PHFs wish to cost rebates for psychologists differently from 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, massage, shiatsu, herablism etc. This is not as good a 'fit' as placing them with psychology but it may be a cost-effective way to give access to rebates for counselling and psychotherapy to larger numbers of customers needing these services. This may also be an attractive option for PHFs as the rebate 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 of 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.

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.

## Further information

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