

## Osteopathy in Australia:

An economic profile of the profession and patients

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Prepared for the Australian Osteopathic Association

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## Contents

<b>Overview</b>		<b>1</b>
<b>1. OSTEOPATHY IN AUSTRALIA</b>		<b>2</b>
1.1 Osteopathy	2	
1.2 The profession	2	
1.3 Osteopaths are “allied health professionals”	2	
1.4 Osteopaths as an occupational group	3	
1.5 Education and training	3	
<b>2. Practicing osteopaths</b>		<b>5</b>
2.1 Registered osteopaths	5	
2.2 Growth in numbers of osteopaths	5	
2.3 Projected numbers of osteopaths	6	
<b>3. Economic profile</b>		<b>7</b>
3.1 ABS Census of Population and Housing 2006	7	
3.2 ABS 1998 Allied Health Industry Survey	8	
3.3 AOA member survey 2004	8	
3.4 Osteopathy patient profile: AOA Member survey 2004	9	
<b>4. Estimated current expenditure on osteopathic services</b>		<b>9</b>
4.1 Patient expenditure	9	
4.2 Net personal expenditure on osteopathic services	11	
4.2.1 Medicare rebates	11	
4.2.2 Rebates from private health insurance	12	
4.2.3 Rebates/claims under workers compensation insurance	13	
4.2.4 C.T.P. (motor vehicle) insurance	14	
4.2.5 Veterans Affairs	15	
4.2.6 Estimated rebates, insurance claims and direct payments for osteopathy:		
Total	15	
4.3 Australian expenditure on health services generally	16	
4.3.1 Patient and government expenditure	16	
4.3.2 Future expenditure on osteopathic services	16	

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## Overview

### *The profession*

- Osteopathy recognises that much of the pain and disability we suffer stems from abnormalities in the function of the body structure as well as damage caused to it by disease.
- Osteopaths are (state and territory Government) registered primary health care practitioners. Osteopathy has been practiced for 100 years and has been a registered profession in Australia for 30 years.
- The proposed National Registration and Accreditation scheme for Health Professionals includes osteopaths as one of the 9 professions to be covered. Osteopaths are recognised allied health professionals.
- Osteopathy has a university degree requirement for registration.

### *Economics of the profession*

- This report has been prepared to provide an overview of available data on the profession and the contribution that osteopathy makes to health care. Official data, industry studies and AOA estimates have been used to detail the economic contribution made by osteopathy.
- There are currently some 1,410 registered osteopaths in Australia. Around 95% of registered osteopaths are in practice.
- Most (85%) patients are self referred — they have not sought a GP referral before presenting for osteopathic treatment

### *Osteopathy and their patients*

- The osteopathic profession is the fastest growing allied health profession in Australia —the number of osteopaths almost doubled between 1996 and 2001 and again between 2001 and 2006.
- By comparison with all employed people, osteopaths were typically younger, more likely to be female, born in Australia, hold a degree, be employed part time and operate a business as an owner/manager.
- Industry surveys show that most patients were returning patients, female, mostly in their 30s and overwhelmingly private paying.

### *Expenditure on osteopathy*

- It is estimated that in 2007-08 Australians spent around \$176m on osteopathic services. An estimated minimum of \$16.2m of this expenditure was rebated back to patients (Medicare, private medical insurance) or paid for by other parties (Department of Veterans Affairs). Rebates and direct payments would have been made by other parties

(under workers compensation insurance and compulsory third party (motor vehicle) insurance) but data are not available.

- On the basis of net expenditure by individuals treated, osteopathic services are estimated to make about 1% of total recurrent health expenditure by individuals.
- Osteopathy is a small, but growing, allied health care profession. It has high professional requirements. The demand for osteopathy is driven mainly by individuals using their own money to manage their health.

## 1. OSTEOPATHY IN AUSTRALIA

### 1.1 Osteopathy

Osteopathy is an established recognised system of diagnosis and treatment, which lays its main emphasis on the structural and functional integrity of the body. It is distinctive by the fact that it recognises that much of the pain and disability we suffer stems from abnormalities in the function of the body structure as well as damage caused to it by disease.<sup>1</sup>

### 1.2 The profession

Osteopaths are (state and territory Government) registered primary health care practitioners. Osteopathy has been practiced for 100 years and a registered profession in Australia for 30 years.

### 1.3 Osteopaths are “allied health professionals”

Osteopaths are regarded as allied health professionals.

- It is one of the professions whose practitioners require registration and accreditation under State laws. Registration Boards operate in all States and Territories. The proposed National Registration and Accreditation scheme for Health Professionals includes osteopaths as one of the 9 professions to be covered.<sup>2</sup>
- Osteopathic services are likewise described as those of “allied health professionals” in the *Supplement to Medicare Benefits Schedule – Allied Health Services*, 1 November 2007. There is similar terminology in respect of Veterans’ benefits.
- In the UK, the expression “non-medically qualified professionals” is used along with “allied health professionals” to describe nurses, chiropractors, physiotherapists, radiographers as well as osteopaths.<sup>3</sup>

<sup>1</sup> Melbourne Osteopathy Clinic, melbourneosteopathy.com.au

<sup>2</sup> The Council of Australian Governments (COAG) at its meeting of 26 March 2008 signed an Intergovernmental Agreement proposing a single national registration and accreditation system for nine health professions: medical practitioners; nurses and midwives; pharmacists; physiotherapists; psychologists; osteopaths; chiropractors; optometrists; and dentists (including dental hygienists, dental prosthetists and dental therapists). See <http://www.nhwt.gov.au/natreg.asp>

<sup>3</sup> Royal College of Nursing et al, *Clinical imaging requests from non-medically qualified professionals* (2008).

- Under WorkSafe in Victoria (for example) injured workers seeking treatment for a work-related injury or illness are able to choose their own healthcare professional. However, only healthcare professionals registered with WorkSafe can receive payment for services. There are two types of healthcare services that WorkSafe can pay for, 'primary contact services' and 'referred services'. Osteopathy is one of the 'primary contact services' along with Chiropractic, Dental, Medical, Optometry, Physiotherapy and Podiatry. <sup>4</sup>

#### 1.4 Osteopaths as an occupational group

The Australian Bureau of Statistics in its classification of occupations outlines that:

“Osteopaths diagnose and treat physiological and mechanical disorders of the loco motor system and tissue strain, stress and dysfunction that impede normal neural, vascular and biochemical mechanisms, and provide advice on preventing these disorders” (Box 1).

#### 1.5 Education and training

Osteopathy has a university degree requirement for registration.

Australian osteopaths currently undergo five years of full-time university level training, which, in addition to the study of osteopathic technique, includes study of anatomy, physiology, pathology, clinical diagnosis and management, biochemistry, radiology, pharmacology, nutrition, psychology and exercise prescription. The training also includes supervised practice in university teaching clinics.

There are three universities which teach osteopathy and undertake related research. <sup>5</sup>

- Southern Cross University
- Victoria University
- RMIT University.

Entry to the degree courses needs a Tertiary Entrance Rank (TER) in the high 80s.

It is increasingly the case in Australian universities that undergraduates training for health professional qualifications take many core subjects – such as anatomy, physiology, biochemistry – before specialising in their chosen profession. As well, it is not uncommon for people to seek to qualify in more than one discipline. In the United States, for example, all osteopaths are also medical doctors.<sup>6</sup>

<sup>4</sup> WorkSafe Victoria, Introducing WorkSafe: A guide for allied healthcare professionals, July 2007, p. 5.

<sup>5</sup> Undergraduate courses are provided at the University of Western Sydney, but new enrolments are not being taken.

<sup>6</sup> In this report, the expression “medically qualified professional” is used to describe those who are qualified to be registered as a medical practitioner in an Australian State. The term “doctor” is also colloquially used as an equivalent expression. Osteopaths, dentists, chiropractors and veterinarians are entitled by some State laws to identify themselves with the “Dr” prenomial.

### **Box 1: Osteopaths: ABS Occupational Group 252112**

Osteopaths diagnose and treat physiological and mechanical disorders of the locomotor system and tissue strain, stress and dysfunction that impede normal neural, vascular and biochemical mechanisms, and provide advice on preventing these disorders.

Indicative Skill Level in Australia and New Zealand: Occupations in this unit group have a level of skill commensurate with a bachelor degree or higher qualification (Australian and New Zealand Standard Classification of Occupations (ANZSCO): Skill Level 1.

Registration or licensing is required.

Tasks Include:

administering a variety of neurological, musculoskeletal and functional tests to identify and assess physical problems and ailments of patients

planning and discussing effective management of patients' dysfunction

designing, reviewing, monitoring, assessing and evaluating treatment programs

assisting and improving the function of all body systems such as musculoskeletal, neurological, cardiovascular, respiratory, gastrointestinal, endocrine and genitourinary systems

recording detailed patient medical histories, treatments delivered and the patients' responses and progress to treatments

referring patients to specialists and liaising with other Health Professionals in relation to patients' problems, needs and progress

educating patients, their partners, family and friends in therapeutic procedures, such as home exercises and lifestyle changes, to enhance patients' health and wellbeing

ABS, *Australian and New Zealand Standard Classification of Occupations*, see <http://www.abs.gov.au/AUSSTATS/ABS@.NSF/Product+Lookup/1220.0~2006~Chapter~UNIT+GROUP+2521+Chiropractors+and+Osteopaths>

## 2. Practicing osteopaths

### 2.1 Registered osteopaths

There are some 1,410 registered osteopaths in Australia (Table 1). Around 95% of registered osteopaths are in practice.<sup>7</sup>

**Table 1: Registered osteopaths: Australia: Number by state**

NSW	560	Tas	28
VIC	599	ACT	32
QLD	111	NT	7
SA	29		
WA	44	Total	1,410

Source: AOA, sourced from respective state registration boards/authorities

### 2.2 Growth in numbers of osteopaths

The osteopathic profession is the fastest growing allied health profession in Australia.

Data from the ABS Census of Population and Housing shows that the number of people describing their principal occupation as an osteopath almost doubled between 1996 and 2001 and again between 2001 and 2006 (Table 2). By contrast, the rate of increase in other allied health therapists was much smaller.

Viewed from a society wide perspective, over the decade to 2006, the Australian population increased by 12% and the number of all health professionals rose by 31%, emphasising the increase in relative demand for osteopaths in particular and allied health professionals in general.<sup>8</sup>

<sup>7</sup> AOA estimate.

<sup>8</sup> The above 2006 ABS Census of the Population and Housing data (Table 2) shows a much smaller number of osteopaths than official (State/Territory Government) registration numbers as at January 2008 (Table 1). There are three reasons.

- Since 2006, two additional cohorts of osteopaths have graduated and registered. The number of osteopaths registered at January 2006 totalled around 776 — broadly in line with the ABS Census data.
- The ABS Census asked people for their 'occupation title'. For many registered osteopaths, osteopathy may have been one of the professional services they provide but not necessarily their principal occupational service.
- Some osteopaths are registered but not necessarily in employment.

**Table 2: Allied health professionals: Australia: Numbers 1996, 2001 and 2006**

	Osteopaths	Chiropractors	Physiotherapists
1996	257	1,711	5,663
2001	429	2,073	10,039
2006	776	2,488	12,277
Change: 1996-2006	202%	45%	117%

Source: ABS, *Census of Population and Housing, 1996, 2001 and 2006*

### 2.3 Projected numbers of osteopaths

Taking the ABS numbers for each of the professions (and while now dated they are collected on a common basis), and projecting forward historical growth rates, shows that practitioner numbers in each of the three professions can be expected to increase (Table 3 and Figure 1). However, the rate of increase would be significantly higher for osteopaths and chiropractors than physiotherapists.

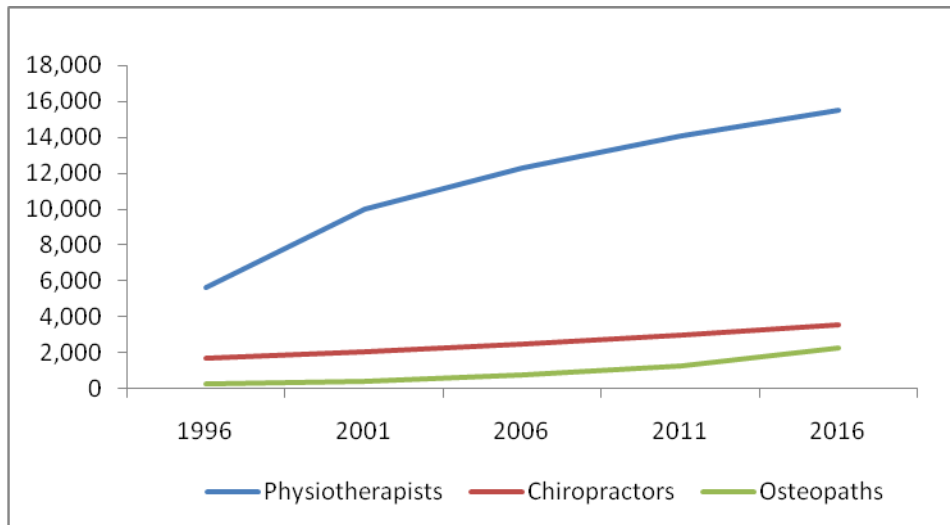
**Table 3: Number of allied health professionals: Australia historical and projected.**

	Osteopaths	Chiropractors	Physiotherapists	
1996	257	1,711	5,663	Historical
2001	429	2,073	10,039	Historical
2006	776	2,488	12,277	Historical
2011	1,300	3,000	14,100	Projected
2016	2,300	3,600	15,500	Projected
Change				
1996-2006	202%	45%	117%	Historical
2006-2016	198%	46%	26%	Projected

Source: IDA analysis



**Figure 1: Number of allied health professionals: Australia historical (1996 to 2006) and projected (2006 to 2016)**



Source: Table 3.

### 3. Economic profile

The most up to date data which helps describe the characteristics of the osteopathic professional workforce comes from the ABS 2006 *Census of the Population and Housing*.

Earlier studies (summarised below) include:

- ABS Allied Health industries Survey 1998
- AOA Member survey 2004.

#### 3.1 ABS Census of Population and Housing 2006

On average, and relative to the average employed person in Australia, osteopaths are more likely to be female; younger; born overseas; hold higher education qualifications; be employed part time and run their own business. As well as being an important health professional, osteopaths are overwhelmingly small businesses and thus impacted by issues and policies impacting upon small business.

**Table 4: Osteopaths and the Australian workforce in general: 2006**

	Female	Median age (a)	Overseas born	Bachelor degree or higher qualification (b)	Employed part time (c)	Owner managers (d)
	%	years	%	%	%	%
Osteopath	48.7	33	21.8	86.9	38.6	88.2
All employed people	46.1	40	25.4	23.3	31.5	16.6

(a) Age reported in whole years.

(b) In any field of study.

(c) Of those who had worked in the week prior to census.

(d) Of incorporated and unincorporated enterprises.

Source: ABS 2006 Census of Population and Housing.

### 3.2 ABS 1998 Allied Health Industry Survey

The 1998 ABS survey of the Allied Health Professions found that for osteopaths:

At the end of June 1998, there were 374 osteopathic practices, of which 94% were single osteopathic practices. The osteopathic industry was smaller than the chiropractic industry. It generated \$29 million in total income and had \$20 million in total expenses.

The industry recorded an operating profit before tax of \$8 million which represented an operating profit margin of 29.5%. Wages and business profits resulted in a return per osteopath of \$30,000 for 1997-98.

Of the 395 osteopaths, 72% were male and 61% were less than 45 years of age. In an average working week, osteopaths had 17,011 patient consultations: 43 consultations for each osteopath per week. While 46% of osteopaths practiced in New South Wales, three other States and territories (Victoria, Tasmania and the Australian Capital Territory) also had a higher number of osteopaths per person than the national average.<sup>9</sup>

However, given the substantial increase in the number of osteopaths and the changing age profile of the profession, these earlier survey findings are of limited contemporary relevance, and likely to be quite conservative.

### 3.3 AOA member survey 2004

In 2004 AOA undertook a survey of its members (total AOA membership at the time 656). The results provide a generalised picture of osteopaths and their patients at that time.

<sup>9</sup> ABS, *New look at chiropractic and osteopathic practices*, Media Release 100/99, August 1999. <http://www.abs.gov.au/ausstats/abs@.nsf/mediareleasesbyReleaseDate/7A8F50EE7854A02DCA2568A90013634A?OpenDocument>

The May 2004 AOA member survey (341 respondent osteopaths) showed that most osteopaths are young (20-39); males and females equally represented; and on average see 40 patients a week. Specifically:

- 68% of osteopaths were aged between 20-39, with 6 individuals over 60
- 50/50 male and female
- Practice hours are 32-40 hours per week
- A practitioner will see an estimated 40 patients a week.

### **3.4 Osteopathy patient profile: AOA Member survey 2004**

The May 2004 AOA member survey relating to patients (255 respondent osteopaths) revealed that most patients were returning patients, female, mostly in their 30s and overwhelmingly private paying. Specifically:

- 8.7 patients were seen per day
- 25% of patients were new patients
- 63% of patients were female
- Patients were mostly aged 30-39 years of age, with a range from 0 to 80+
- 89% of patients were private paying patients.
- The 6 most common complaints (accounting for 85% of visits) were
  - Lumbar spine pain 27%
  - Neck pain 25%
  - Headaches and migraines 10%
  - Pain and immobility thorax/spine 13%
  - Shoulder joint 5%
  - Pelvis 5%

## **4. Estimated current expenditure on osteopathic services**

### **4.1 Patient expenditure**

Recent detailed expenditure data on osteopathic services is not available. Earlier surveys of the profession and allied health industry generally provide only limited information and it is now dated. Given the significant increase in the size of the profession a more contemporary estimate is required.

To provide a broad indication of the economic importance of the profession an estimate of current expenditure on osteopathic services has been made using official data for registered numbers of osteopaths and accepted norms in the profession for patient numbers and fees charged. For 2007-08 it is estimated that Australians spent around \$176m on osteopathic services

(Table 5).<sup>10</sup> Given the variation across the profession in patients treated per professional, the total actual expenditure is likely to range between \$150 and \$200m per annum.

**Table 5: Patient expenditure on osteopathy: Australia 2008**

Item	Value	Unit	Derivation	Source
Osteopaths	1410	no	a	State registration authorities
Proportion osteopaths practicing	95%	%	b	AOA estimate
Proportion working full time	62%	%	c	ABS <i>Census of the Population</i>
Patients per day (full time osteopath)	8	no	d	AOA estimate av. 30 minutes/consultation
Patients per day (average full and part time)	6.5	no	$e=(d*c)+(d*(1-c)*.5)$	Part time estimated 50% of full time
Consulting days per year	225	days	f	(45 by 5 day weeks)
Patients seen (a)	1.95	m	$g=a*b*e*f$	
Average consultation fee	\$90	\$/consultation	h	AOA suggested schedule: Initial consultation to 30 minutes
Patient expenditure	\$176	m	$i=g*h$	

*This estimate is supported by the ABS 2004-05 National Health Survey. In 2004-05, an estimated 60,300 people visited an osteopath in the 2 weeks prior to the survey.<sup>11</sup> This implies total patient visits of 1.57m. Given the increase in numbers of osteopaths between 2005 and 2008, the estimated 1.95m patient visits in 2008 is realistic. By comparison, in March 2008 the number of services provided under Medicare by GPs and Vocationally Registered GPs totaled 23.5m, implying an annual visitation level of 94.1m.*

Source: IDA estimates

<sup>10</sup> However, this estimate may be quite conservative. Research at the RMIT and Latrobe University estimated that the number of visits to osteopaths totalled 3.1m in the 12 months to June 2005, suggesting annual personal expenditure of \$246m. This research, drawing on random telephone interviews across Australia, estimated the importance of the main manipulative therapies generally considered to be complementary medicine (acupuncture, chiropractic and osteopathy). Approximately one in four adult Australians were found to have used acupuncture, chiropractic or osteopathy in 2005 (one in twenty for osteopathy). However, the sample contained just 51 reported visits to osteopaths and overall a low participation rate in the survey (15%). *Acupuncture, chiropractic and osteopathy use in Australia: a national population survey*, Charlie CL Xue<sup>1</sup>, Anthony L, Zhang<sup>1</sup>, Vivian Lin, Ray Myers, Barbara Polus, David F Story, BioMedCentral, Public Health, Vol 8, <http://www.biomedcentral.com/1471-2458/8/105> Pg. 6.

<sup>11</sup> ABS, *Australian Social Trends*, Cat. No. 4102.0, 2008, p. 2. (<http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/4102.0Chapter5202008>)

## 4.2 Net personal expenditure on osteopathic services

In some situations individual patients can claim Medicare rebates or private medical or other insurance, or have their fees paid under government programs. Estimating net personal expenditure on osteopathic services requires an adjustment for these rebates, insurance claims and direct payments.<sup>12</sup>

The principal rebates, insurance payments and direct government payment comprise:

- Medicare rebates
- Private health insurance payments
- Workers compensation claims
- Compulsory third party (motor vehicle) insurance claims
- Payments by the Department of Veterans Affairs

### 4.2.1 Medicare rebates

To claim osteopathic treatments through the Medicare system requires a referral from a GP prior to the initial consultation. “Patients who have a chronic medical condition and complex treatment needs” can have up to 5 individual osteopathic services per year.

In 2007-08 there were 30,643 claims (items processed) for osteopathy (MBS item 10966). Item 10966 allows for a Medicare benefit of \$47.85 per service. Benefits paid totalled \$1.466m (70% of claimed benefits were paid for women).<sup>13</sup>

The number of claims has been steadily rising since the introduction of the Enhanced Primary Care (EPC) program in July 2004 (Figure 2).<sup>14</sup>

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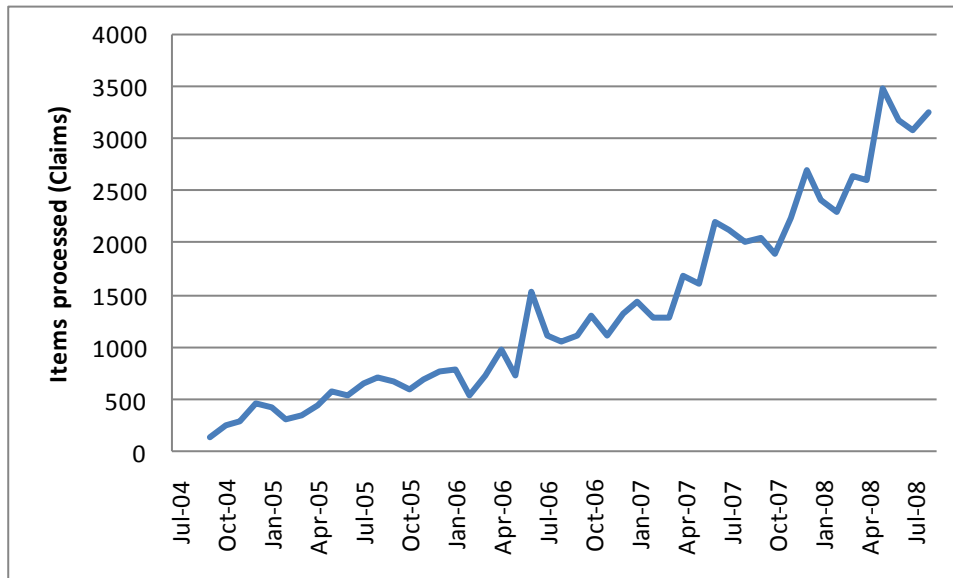
12 In doing so it is assumed that insurance policies would continue to be taken out, irrespective of claims for osteopathic services: the costs of insurance policies remain unchanged.

13 Medicare Australia, Item 10966 [https://www.medicareaustralia.gov.au/statistics/mbs\\_item.shtml](https://www.medicareaustralia.gov.au/statistics/mbs_item.shtml)

14 The Medicare allied health and dental care initiative provides rebates for certain allied health and dental care services for patients with a chronic condition and complex care needs who are being managed by their General Practitioner under an Enhanced Primary Care plan. Medicare rebates are available to eligible patients for a maximum of five allied health and three dental care services each calendar year. To access these rebates, patients need to be referred by their General Practitioner to an allied health professional or dentist who is registered with Medicare Australia.

Providers included under the measure are Aboriginal health workers, audiologists, podiatrists, chiropractors, dentists (through the dental care plan), diabetes educators, dieticians, exercise physiologists, mental health workers, occupational therapists, physiotherapists, podiatrists, psychologists, osteopaths and speech pathologists. (Mediguide p 36)

**Figure 2: Items processed for Medicare benefit claims: Item 10966 (osteopath): July 2004 to August 2008**



Source:

Medicare Australia [https://www.medicareaustralia.gov.au/statistics/mbs\\_item.shtml](https://www.medicareaustralia.gov.au/statistics/mbs_item.shtml), item no. 10966

#### 4.2.2 Rebates from private health insurance

All major health funds cover part of the cost of osteopathic treatment, usually under their ancillary or ‘extras’ cover. Different insurance companies manage rebates for osteopathic charges differently. Some group them with other modalities such as physiotherapy. All insurance companies vary the amount of rebate for a single consultation and the total amount of rebate in a single year. The rebate is often highest for the initial consultation.

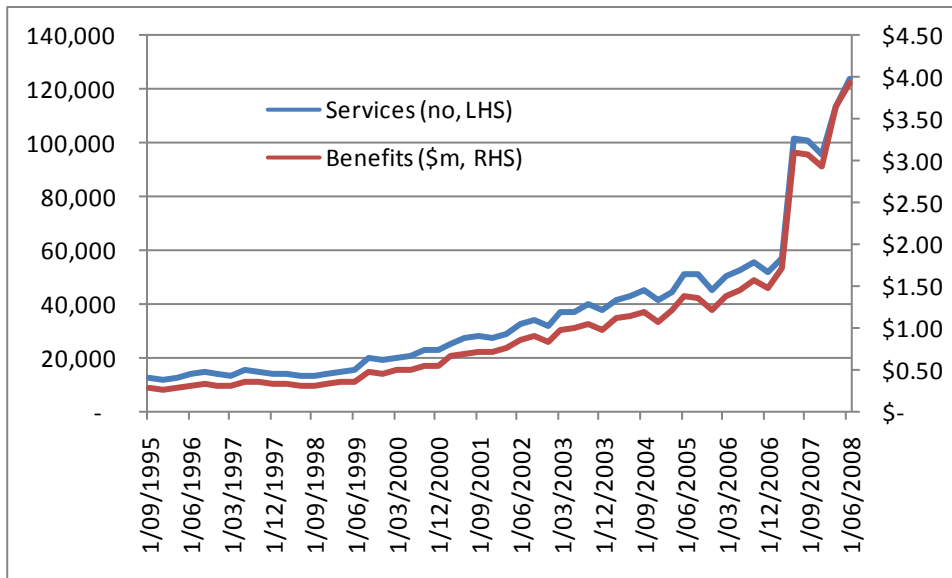
In 2007-08 general treatment service claims for osteopathic services totalled 435,000 with associated benefits of \$13.62m paid out as benefit claims.<sup>15</sup>

Osteopathic services and claims have risen continuously since the mid 1990s (Figure 3). Benefits paid rose sharply in mid- 2007, reflecting a change in policy of a major of private insurer.<sup>16</sup>

<sup>15</sup> Private Health Insurance Administration Council, Statistical trends in Benefits, Ancillary benefits, <http://www.phiac.gov.au/statistics/trends/index.htm>

<sup>16</sup> Private Health Insurance Administration Council, pers. comm.

**Figure 3: Private health insurance: Number of osteopathic services and value of benefits: 1996 to 2008**



Source: Private Health Insurance Administration Council, *Statistical Trends in Benefits*, <http://www.phiac.gov.au/statistics/trends/index.htm>, data for Australia

#### 4.2.3 Rebates/claims under workers compensation insurance

Workers compensation is compulsory in all states and territories. Osteopathic services are a defined service to treat relevant injuries and claims. All WorkCover claims (for example in NSW) require a referral from a GP.

The extent of use of osteopathic services is not separately available but they are important. WorkSafe (Victoria), for example, outlines that

“Osteopathic services make a significant contribution to improving health and return to work outcomes for injured workers”.<sup>17</sup>

WorkSafe considers osteopathy to be a primary contact service. A referral from a medical practitioner is therefore not required. At the same time and for the same claim, WorkSafe will only pay for either:

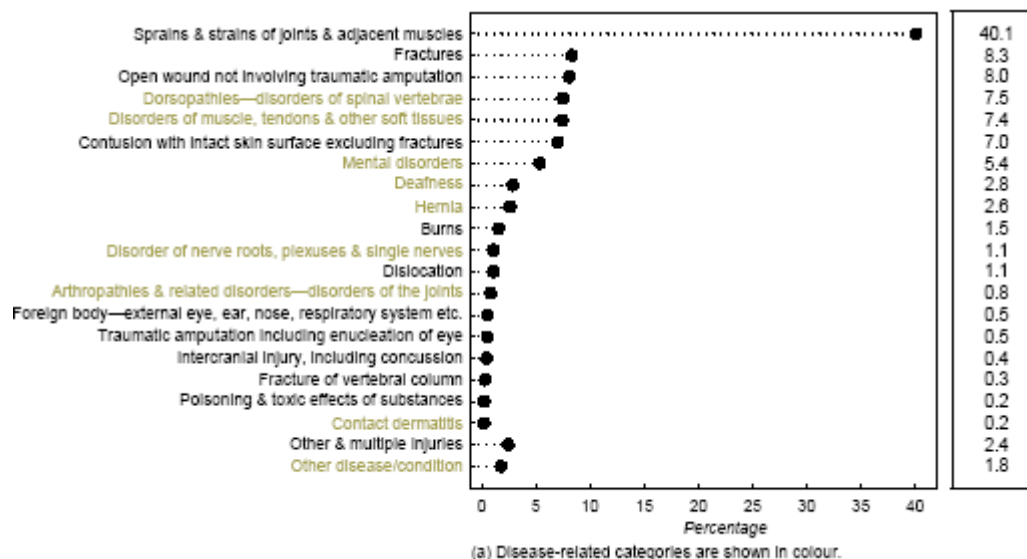
- osteopathic treatment,
- chiropractic treatment, or
- physiotherapy treatment.

Although specific data on the use of osteopathy services is not available it is probable that osteopathy is relevant given the nature of injuries involved in workers compensation claims. Specifically,

- sprains and strains of joints and adjacent muscles (Figure 4); and
- the high incidence of back injuries (Figure 5).

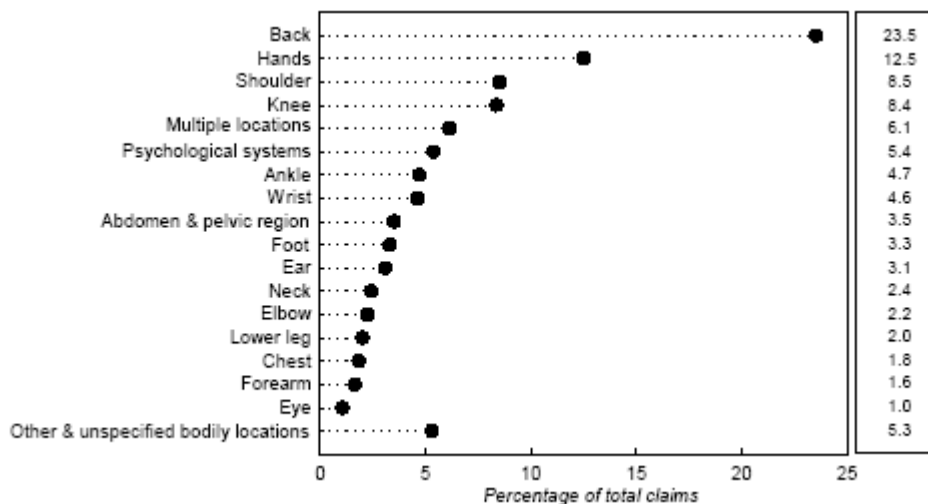
<sup>17</sup> WorkSafe Victoria  
<http://www.worksafe.vic.gov.au/wps/wcm/connect/WorkSafe/Home/Health+Care+Providers/Allied+Health+Providers/Osteopathy/>

**Figure 4: Serious claims: percentage of claims by nature of injury or disease(a), 2005–06p**



Source: Australian Safety and Compensation Council, *Compendium of Workers' Compensation Statistics Australia 2005–06*, June 2008, p. 13.

**Figure 5: Serious claims: percentage of claims by bodily location of injury or disease, 2005–06p**



Source: Australian Safety and Compensation Council, *Compendium of Workers' Compensation Statistics Australia 2005–06*, June 2008, p. 14

#### 4.2.4 C.T.P. (motor vehicle) insurance

Osteopaths are able to provide treatment to patients claiming injury under C.T.P. insurance.<sup>18</sup>

<sup>18</sup> See Motor Accidents Authority, *An osteopath's guide to providing treatment in the NSW Motor Accidents Scheme 2006*, <http://www.maa.nsw.gov.au/default.aspx?MenuID=141>



All C.T.P. claims require a referral from a GP prior to consultation.

Detail of the extent to which osteopathic services are used to treat injuries under C.T.P insurance is not available.

#### 4.2.5 Veterans Affairs

The Department of Veterans Affairs (DVA) supports the health and wellbeing of the veteran community through the provision of services by physiotherapists, podiatrists, occupational therapists, osteopaths, chiropractors, social workers, psychologists, dieticians, speech pathologists, opticians and dental health professionals. DVA has arrangements with private providers to deliver services to veterans and war widows/widowers across Australia. All D.V.A. claims require a referral from a GP prior to consultation.

In 2007-08 the number of osteopathic treatments totalled 20,594 and associated expenditure by the DVA totalled \$1.15m (Table 6).

Expenditure has increased over time, reflecting both an increase in the number of treatments (up 11% in 2007-08) and the average cost of treatments (up 14% in 2007-08 on top of a 40% increase in 2006-07). The Government decision to increase fees paid to health providers (including osteopaths) took effect from 1 November 2006.

**Table 6: Expenditure by the Department of Veterans Affairs: Osteopathic services**

	Treatments		Expenditure		Av. expenditure/item	
	no	Change on previous year	\$	Change on previous year	\$/treatment	Change on previous year
2006	16,917		\$586,976		\$34.7	
2007	18,597	10%	\$908,701	55%	\$48.9	41%
2008	20,594	11%	\$1,150,159	27%	\$55.8	14%

Source: DVA, data prepared for DVA Allied Health Advisory Committee

#### 4.2.6 Estimated rebates, insurance claims and direct payments for osteopathy: Total

At a minimum, the value of personal expenditure subsequently rebated or paid against insurance in 2007-08 was \$16m (Table 7). It is probable that the total is well in excess of this amount since claims against workers compensation and C.T.P are not included (since relevant data is not available).

**Table 7: Total rebates, insurance claims and direct payments for osteopathic services: 2007-08**

	\$m
Medicare	1.47
Private medical insurance	13.62
Workers compensation insurance	na
C.T.P	na
Department of Veterans Affairs	1.15
Total	16.2

This suggests that the net expenditure by individuals for osteopathy in 2007-08 was around \$150m.

### 4.3 Australian expenditure on health services generally

#### 4.3.1 Patient and government expenditure

Australian recurrent health expenditure totalled \$83,147m in 2005-06 (see Table 8). Of this \$15,086m was net expenditure by individuals — about \$733 per person.

Osteopathic services, on the basis of net expenditure by individuals treated, is estimated in 2007-08 to have made up about 1% of total recurrent health expenditure by individuals.

**Table 8: Funding of recurrent health expenditure, by area of expenditure: Australia: 2005-06 (\$m)**

Government	
Public hospitals	22,479
Private hospitals	2,751
Medical services	12,239
Dental services	995
Other medical practitioners	711
Medications	6,117
Other	9,850
Total government	55,143
Non-government	
Health insurance	6,284
Individuals	15,086
Other non-government	6,634
Total non government	28,004
Total	83,147

Source: Australian Institute of Health and Welfare, Health Expenditure 2005-06, AIHW cat. no. HWE 37, excel files (<http://www.aihw.gov.au/publications/index.cfm/title/10529>)

#### 4.3.2 Future expenditure on osteopathic services

If there were no changes in rebate policies, either private or public, and assuming patient numbers grow in line with the projected supply of practicing

osteopaths (120% between 2008 and 2016, Figure 1), net expenditure by individuals on osteopathic services in 2016 would total around \$330 m (2007-08 dollars).