

28 November – 1 December 2004

Xth Accident Compensation Seminar

2004



Focus on the health and social objectives of an accident compensation scheme

**Michael Playford, Anne-Marie Feyer, Katie Bryan-Jones, Mary Haines,
Michael Dickson, Caitlin Francis, John Walsh
PricewaterhouseCoopers**



Institute of Actuaries of Australia



Introduction

- Schemes and stakeholders are interested in a range of objectives – not just financial viability
- Schemes have a combination of financial, social, health and community objectives
- Emerging evidence that health and social factors influence financial outcomes
- PwC restructured actuarial practice to include health and social technical specialists to address this issue



Structure of Presentation

1. Accident compensation scheme objectives
2. Case for a balanced and comprehensive evaluation of scheme performance
3. Evaluation issues
4. Framework for scheme evaluation
5. Conclusions & Recommendations
6. Q & A Discussion



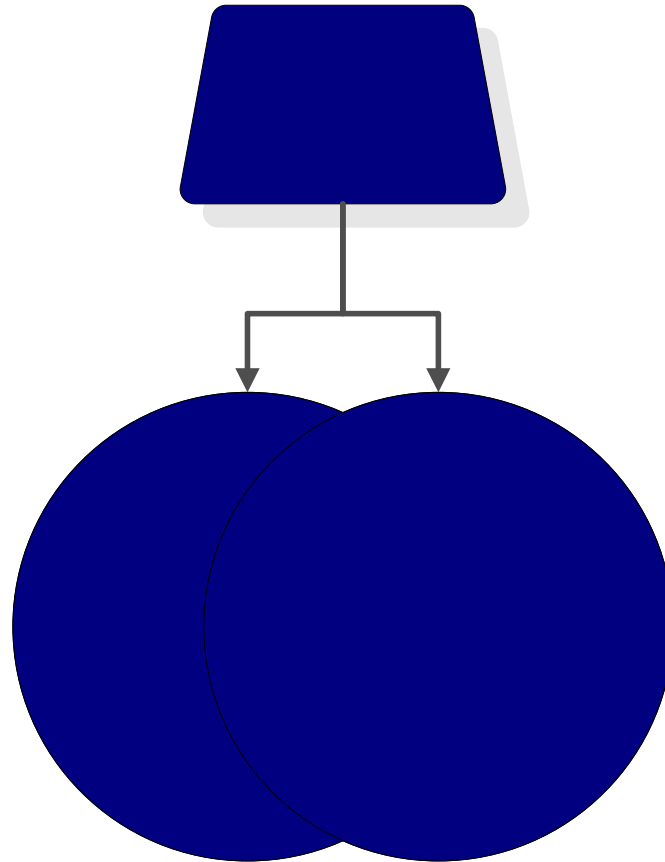
Typical Scheme Objectives

- Financial
- Prevention
- Health
- Return to work
- Community service obligations
- Satisfaction

Financial, health and social objectives are interrelated



The interrelationship between objectives





Why the preoccupation with financial objectives?

- Recent history of cost escalation has made financial viability a priority
- Most monitoring relates to fiscal outcomes – ease of data access and analysis
- Poor understanding in the accident compensation industry how to measure health and social outcomes



The case for more comprehensive and balanced scheme evaluation

- All objectives need to be assessed to provide balanced and comprehensive evidence to inform scheme improvement
- Better understanding of scheme trends and the ability to benchmark
- Australia positioned as leading the international field in accident compensation scheme performance management



Evaluation Issues

- Setting key performance indicators for social objectives
- Attribution of observed changes to scheme objectives
- Long term investment for health and social outcomes
- Reliable and valid measurement of social indicators
- Current data collection mechanisms have limited ability for data linkage

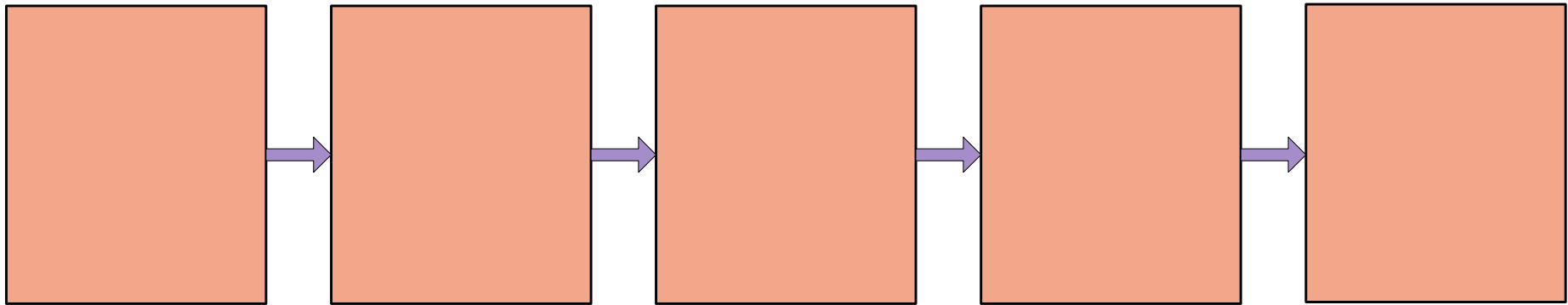


What is an Evaluation Framework?

- In public health evaluation frameworks are powerful tools that are widely used to measure performance.
- EF provides foundation for logical and systematic measurement and evaluation
- Beneficial to apply this methodology to accident compensation evaluation



Steps required to develop an evaluation plan



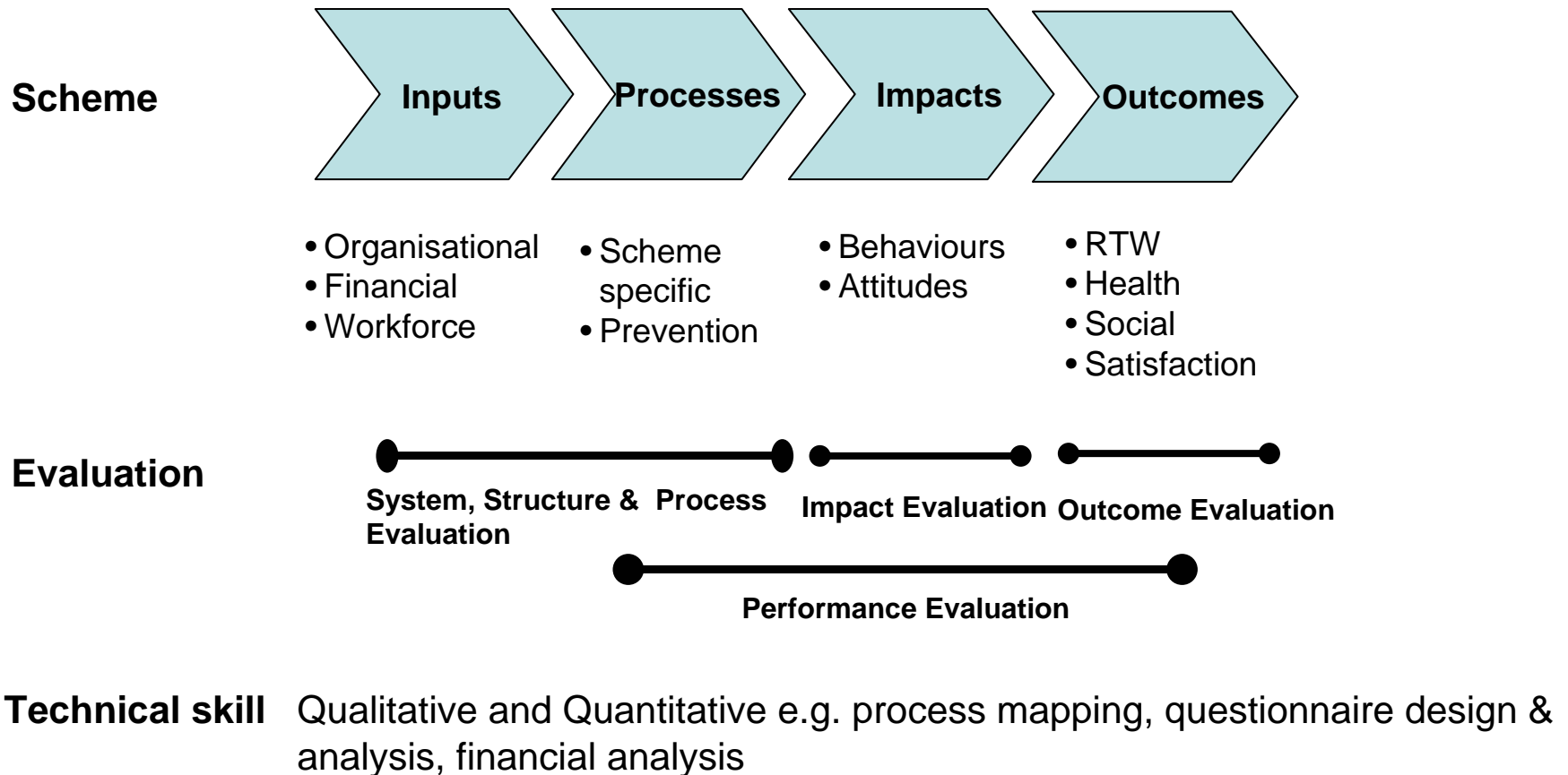


Setting Evaluation Questions

- The objectives of the accident compensation scheme determine the evaluation questions examples being
 - Is the balance of scheme objectives still appropriate?
 - Was the scheme effective in achieving its objectives?
 - How efficient was the scheme?



An evaluation framework





Approaches to measuring the outcomes

- Multidisciplinary team approach
- Qualitative and quantitative data collection methods
- Administered with rigorous and established procedures
- Inclusive and representative sample of all stakeholders: employees, employers, insurers, providers and scheme professionals



Data requirements for routine data collections

Key
recommendation



Expand the range
of routine data
collected



Data Quality Control Techniques

- High quality data that is reliable and valid is imperative for a robust evaluation
- Well established QA procedures at all stages
 - Planning
 - Collection
 - Cleaning
 - Analysis
 - Interpretation



Conclusions

- Accident compensation schemes are complex – multiple objectives and stakeholders
- Scheme evaluations need to be balanced and comprehensive addressing both financial and health objectives
- Multidisciplinary program evaluation provides a robust and workable solution



Q & A – Discussion

- PwC Authors attending Conference
 - Michael Playford: Actuary
 - Anne-Marie Feyer: Health & social technical specialist
 - Mary Haines: Health & social technical specialist
 - Michael Dickson: Health & social technical specialist