

28 November – 1 December 2004

Xth Accident Compensation Seminar

2004



Institute of Actuaries of Australia

 **ERNST & YOUNG**

 **KPMG**

PRICEWATERHOUSECOOPERS 


IAG
Insurance
Australia
Group

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ACC and Long Term ~~Care~~ Support

Gavin Pearce



Institute of Actuaries of Australia



Overview

- Overview of ACC
- Approach to Claim Management
- Serious Injury Claimants
- Past
- The ICF Model
- Change within ACC



Overview (cont.)

- Now
- Results
- Valuing Serious Injury Claims
- Social Rehabilitation Costs
- Lessons Learned
- The Future

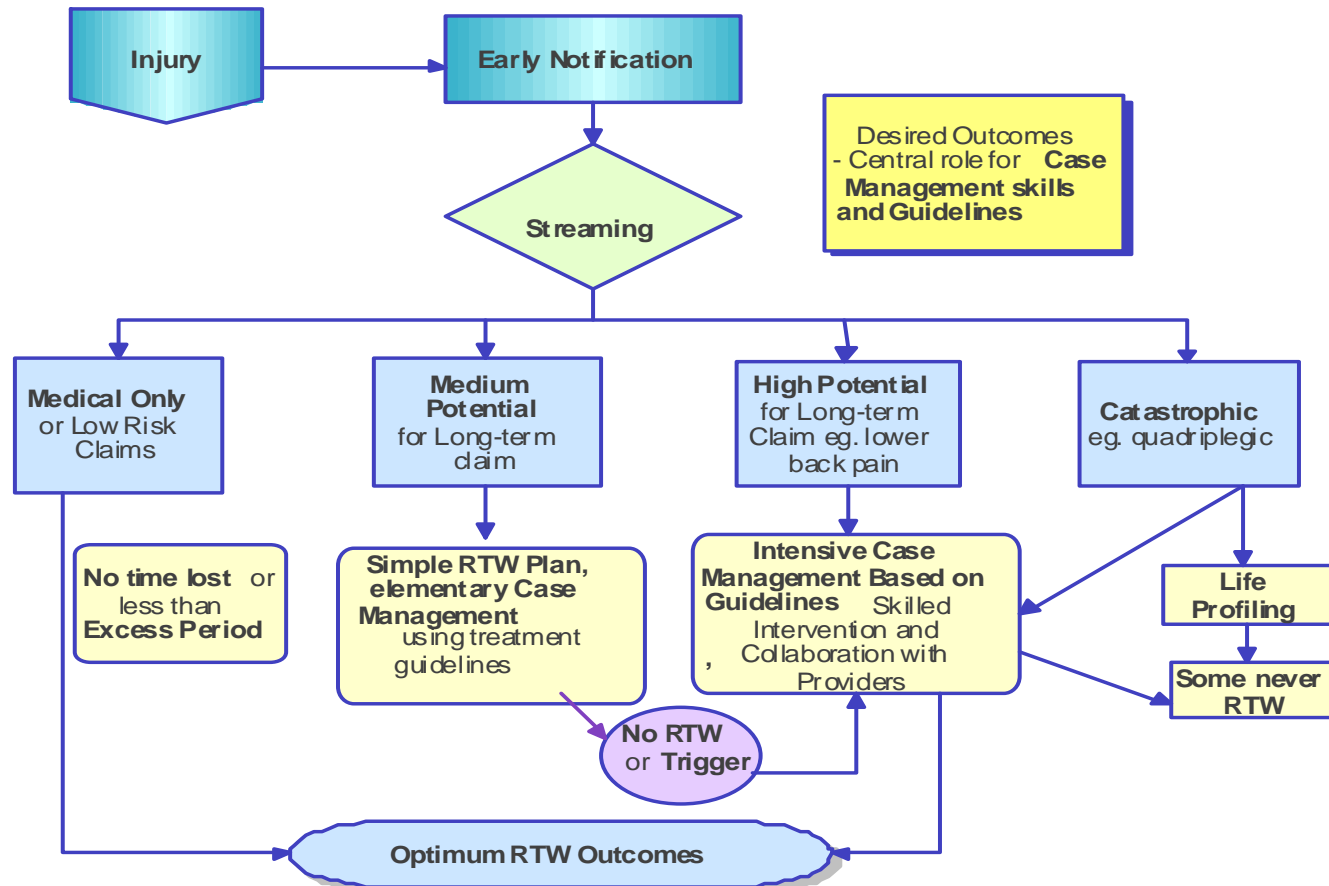


Overview of ACC

- **Cover:**
 - 24 hour
 - No fault
 - All NZ'ers & visitors
 - Work, non-work, motor and medical misadventure
- **Benefits:**
 - Defined in legislation
 - Include medical, rehab, lump sums, weekly comp & death benefits



Approach to Claim Management



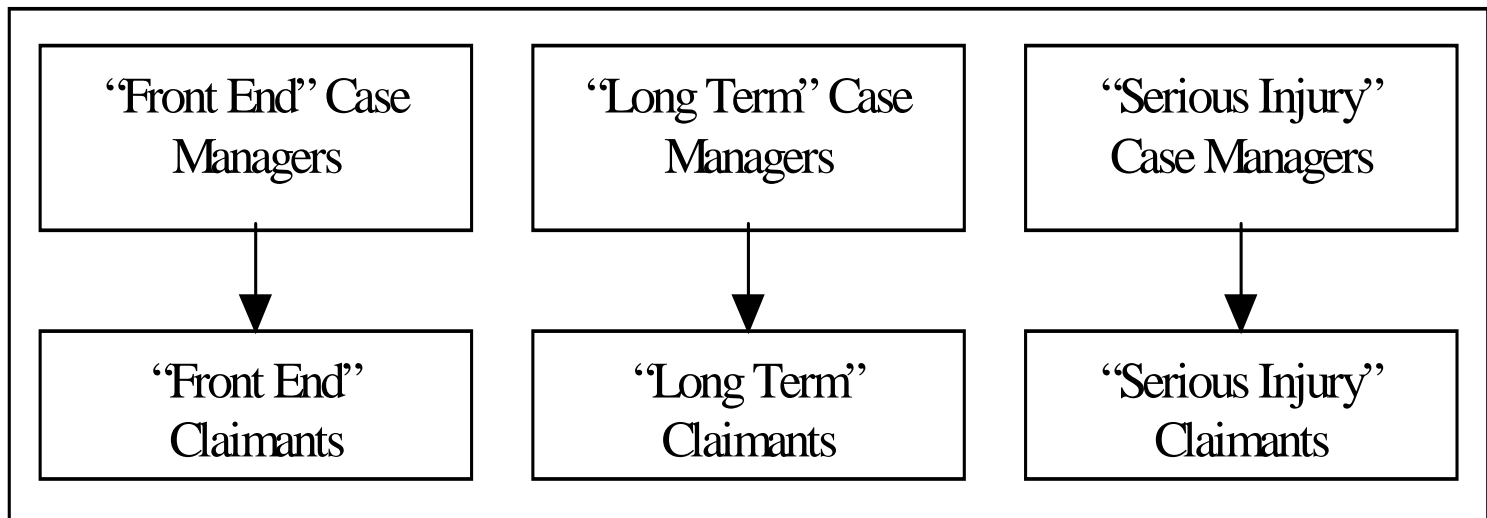


Serious Injury Claimants

- Definition
- Profiles:
 - Spinal cord injuries: 1, 2, 3, 10
 - Brain injuries: 5, 6
 - Dual injuries: 8, 11
 - Recent brain injuries: 13 “holding pen”



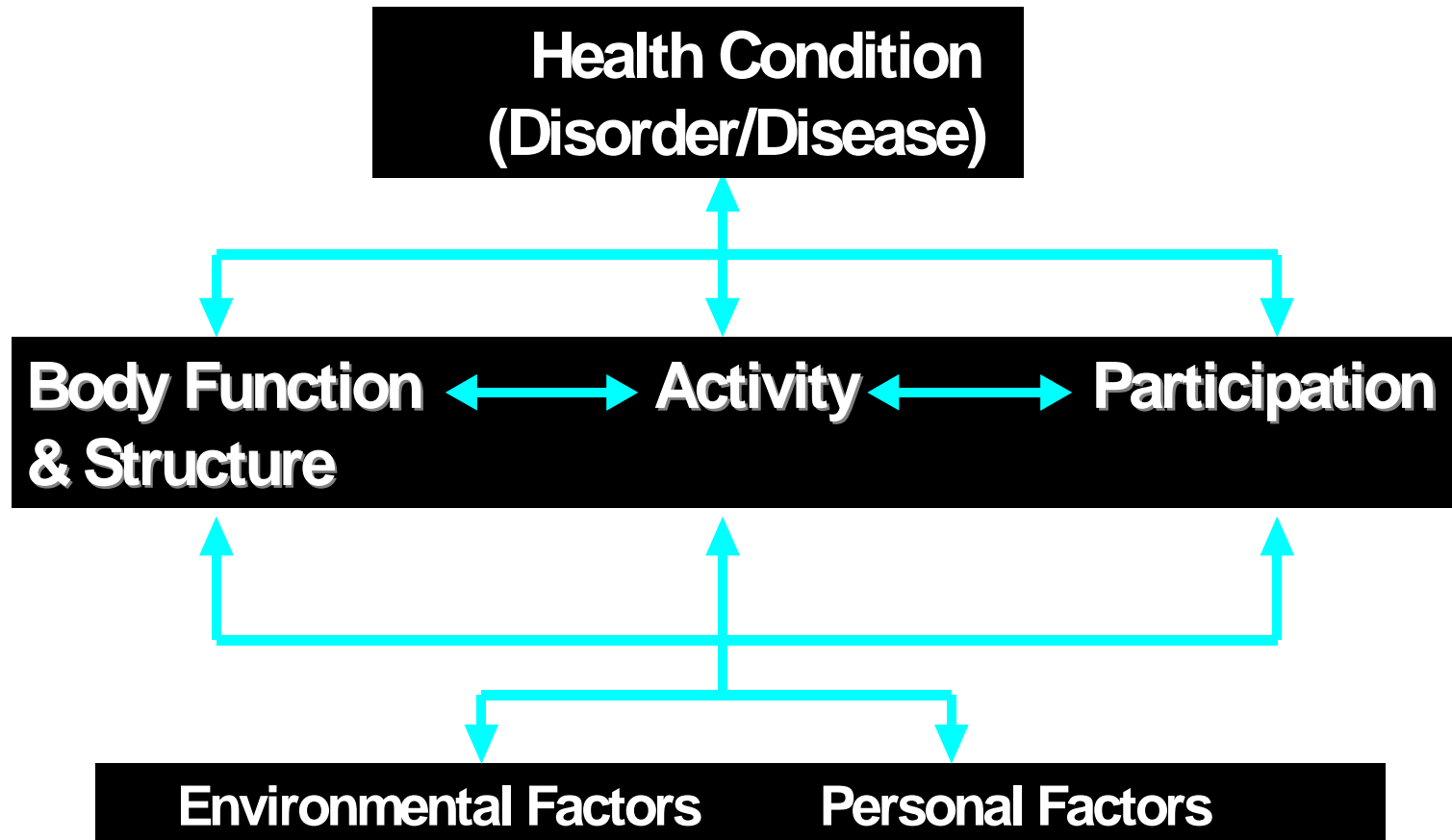
Past





The ICF Model

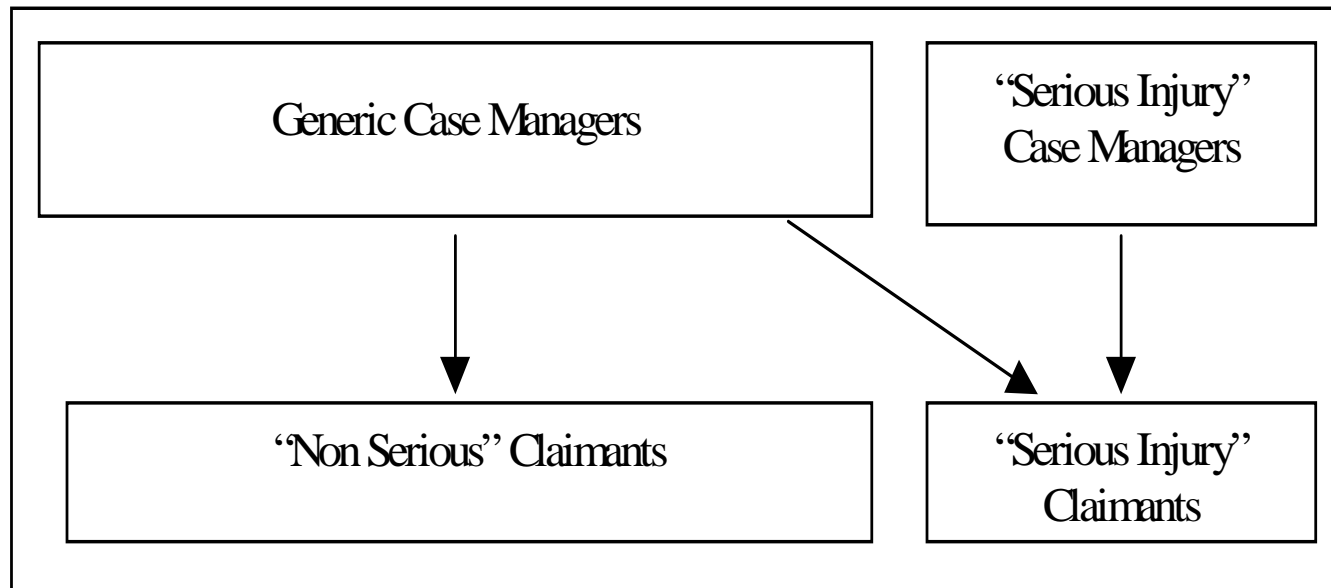
ICF Interaction of Components





Change within ACC

- Care \Rightarrow Support
- Recovery \Rightarrow Participation
- Benefits \Rightarrow Aspirations





Now

Lifetime Rehabilitation Planners:

- specialised training
- planning services to case managers
- comprehensive assessment of lifetime needs



Results

- Case studies
- More cost effective
- Assessor and provider accountability
- Some S.I. case managers feel threatened
- Referral process changed
- Positive response from claimants



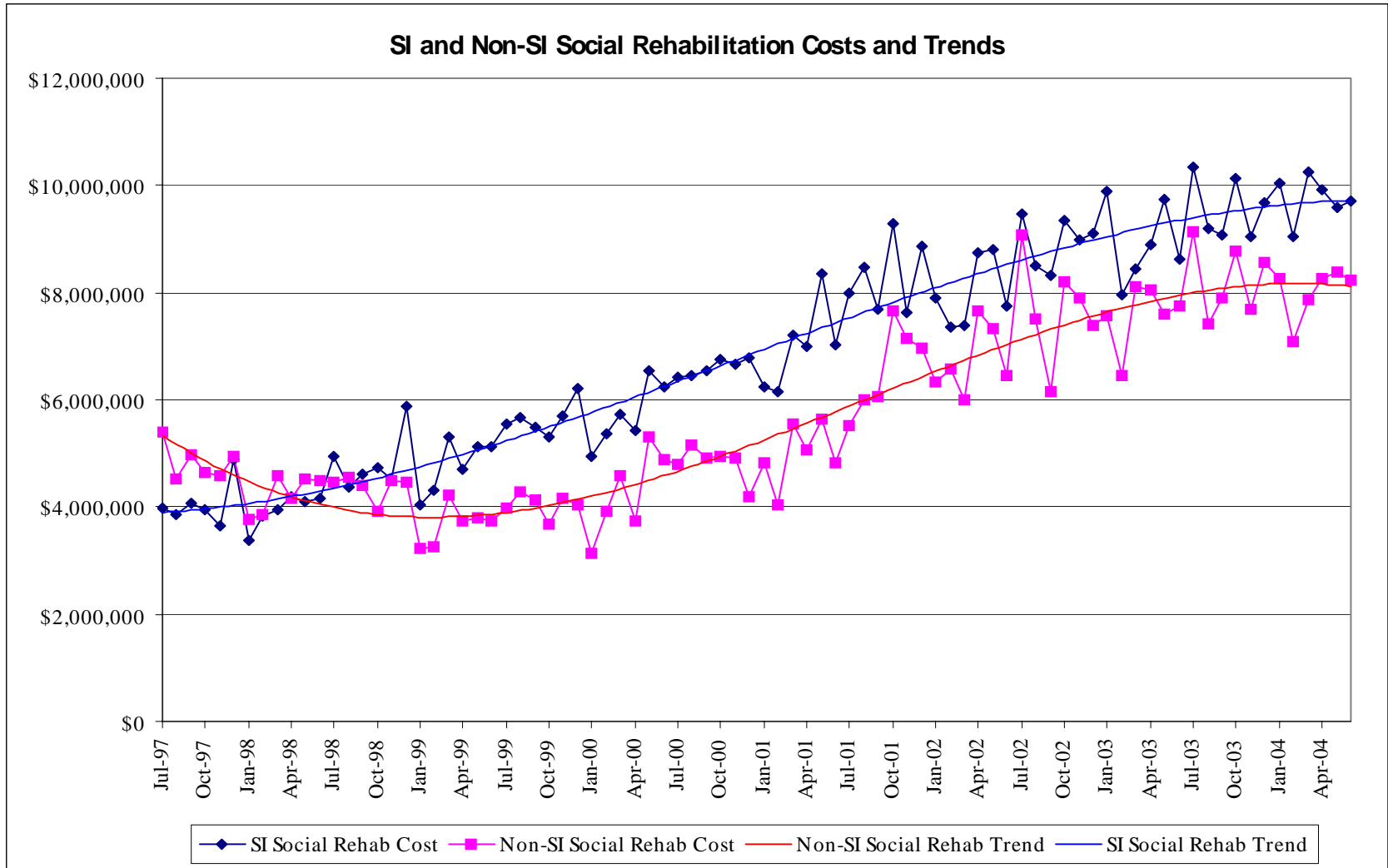
Valuing Serious Injury Claims

- Model
- Social rehabilitation benefits only

Group	Profile	Estimated Ongoing Annual Social Rehab Cost per Person	Number of Claims	Social Rehab Reserve (\$M)	Social Rehab Reserve per Person (\$M)
A. Spinal Cord Injuries	1. High level tetraplegic	\$84,234	299	\$421.62	\$1.41
	2. LL tetraplegic/HL paraplegic	\$46,957	223	\$174.81	\$0.78
	3. Paraplegic	\$17,392	539	\$162.70	\$0.30
	10. Incomplete spinal cord injury	\$11,259	374	\$57.23	\$0.15
C. Brain Injuries	5. Severe Brain injury	\$76,103	456	\$695.49	\$1.53
	6. Severe to moderate brain injury	\$36,706	928	\$665.84	\$0.72
D. Dual injuries	8. Comparable diagnosis	\$24,816	189	\$55.00	\$0.29
	11. Psychiatric	\$18,645	21	\$0.32	\$0.02
TOTAL			3,029	\$2,233.02	\$0.74



Social Rehabilitation Costs





Drivers of Cost Increase

- Claimant longevity
- Cost shift
- Previously unmet needs
- Technological advances



Lessons Learned

- Better understanding
- Identify needs and responsibilities
- Claimant involvement
- Provider quality and accountability
- Management of mild TBI
- Existing case managers
- Claimant longevity



The Future

- Ministry of Social Development project
- Valuation model change
- Acute services provision
- Vocational rehabilitation strategies
- Training and education
- “Packages of support”