

# Injury Schemes Seminar

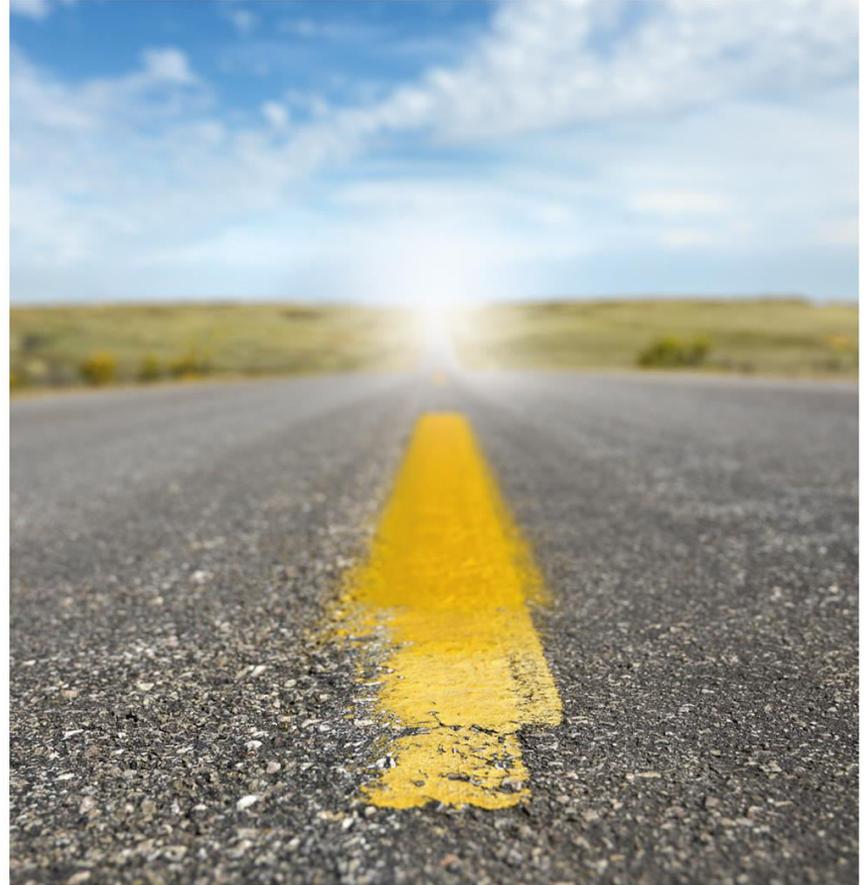
**Road to Recovery**



**Actuaries  
Institute**

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8-10 November 2015 • Hilton • Adelaide





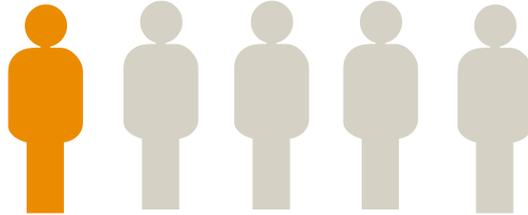
# An exploration of psychological injury in workers compensation schemes

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*This presentation has been prepared for the Actuaries Institute 2015  
Injury Schemes Seminar.*

*The Institute Council wishes it to be understood that opinions put forward  
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## \$40 billion a year problem in Australia



**Australian Government**  
**National Mental Health Commission**

*“The lack of nationally consistent tools and infrastructure for collecting data about efficacy and cost-effectiveness significantly hampers research into what mental health and associated interventions work for whom.”*

## Workers' compensation schemes

- In a unique position to provide valuable insights into strategies for prevention, early intervention and treatment of mental health conditions.
- Each year, around 10,000 people in Australia will have a serious work-related mental stress claim. In comparison, 3.6 million Australians are affected by mental illness each year.
- The NSW public sector, with around 1,000 serious claims and a further 1,000 claims with time lost less than 5 days, offers an interesting case study to understand the available data, explore trends and provide insights on “what works” in preventing and treating mental health conditions.

# icare Self Insurance

High exposure to mental stress due to the occupational mix



## Mental stress is costly to the NSW Public Sector

- Mental stress claims make up around 11% of claim numbers but around 36% of claims costs, due to their longer duration off work.
- This is even more pronounced in emergency service agencies, where mental stress claims make up around 30% of claim numbers but around 73% of claims cost.
- If you consider the cost and impact of secondary mental health conditions on physical injury claims, and the broader cost of mental ill-health, there is a strong case for further investment.

## Compared with physical injuries

**Hours  
Lost**



**Claims  
Cost**

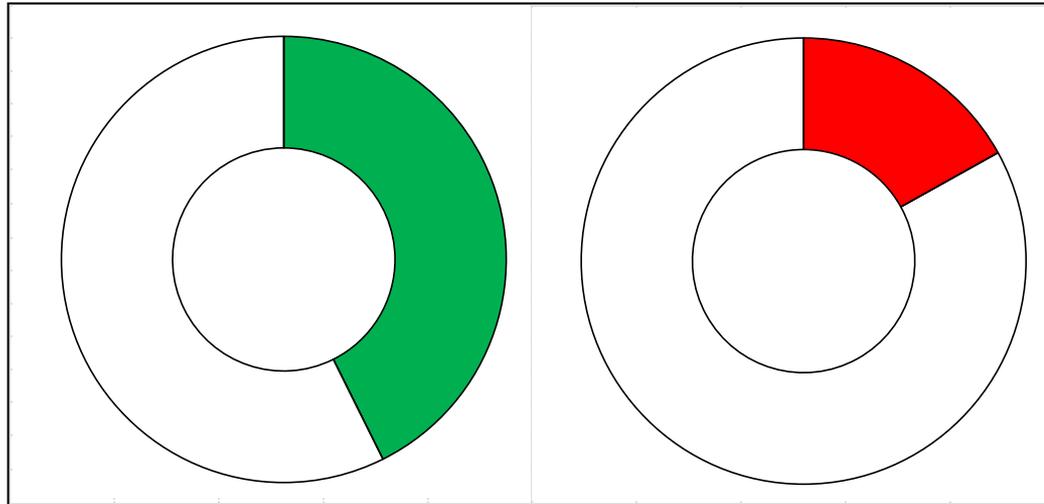


# Medical and rehabilitation spend

## Physical Injury

Average paid  
\$4,300 per  
claimant

**41 cents of  
every dollar**



## Mental Stress

Average paid  
\$7,800 per  
claimant

**16 cents of  
every dollar**

Despite spending almost double the amount on medical and rehabilitation services for mental stress claims, it makes up only 16 cents of every dollar spent.

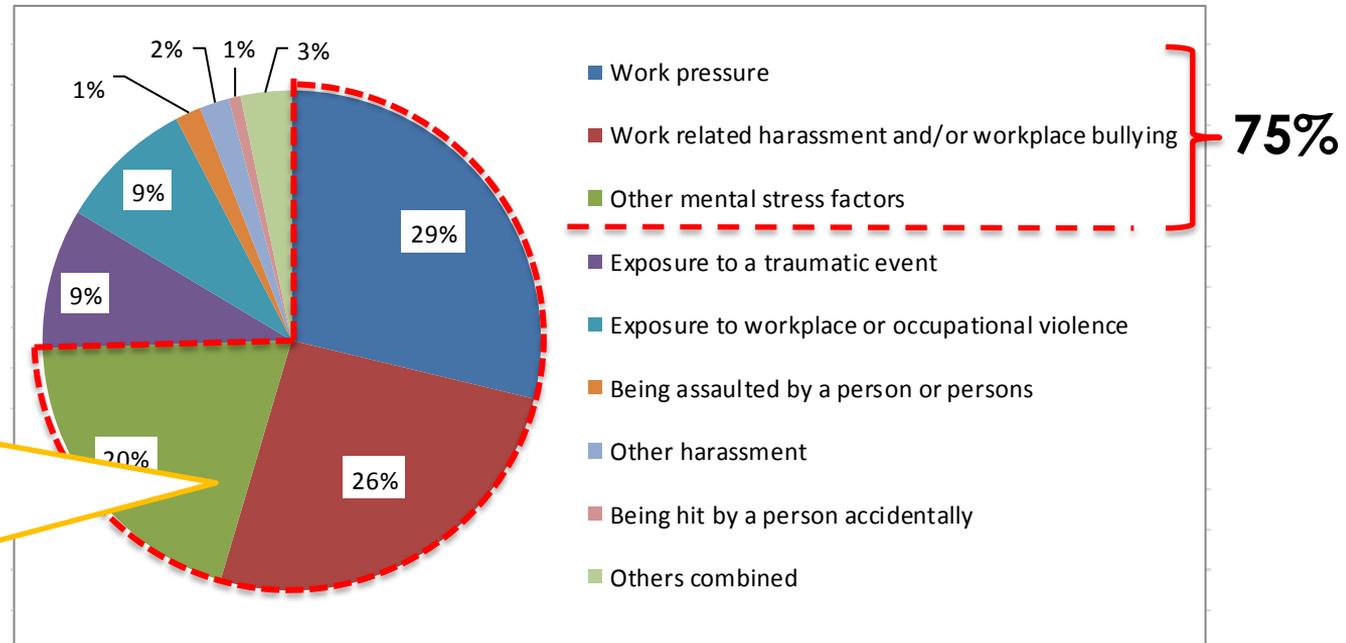
Physical Injuries can undergo intensive rehabilitation.

Mental stress injuries have limited treatment options by comparison and at a lower level of service intensity.

## Mental stress claims by mechanism of injury

These three categories account for 75% of all mental stress claims reported.

Safe Work Australia observed a similar proportion (76%).



# Work Pressure

## 84 Work pressure

### *Includes:*

- mental stress arising from work backlogs, deadlines, responsibilities organisational restructure etc
- mental stress arising from interpersonal conflict with peers, supervisors
- mental stress arising from performance counselling, job disciplinary action job promotion disappointment

### *Excludes:*

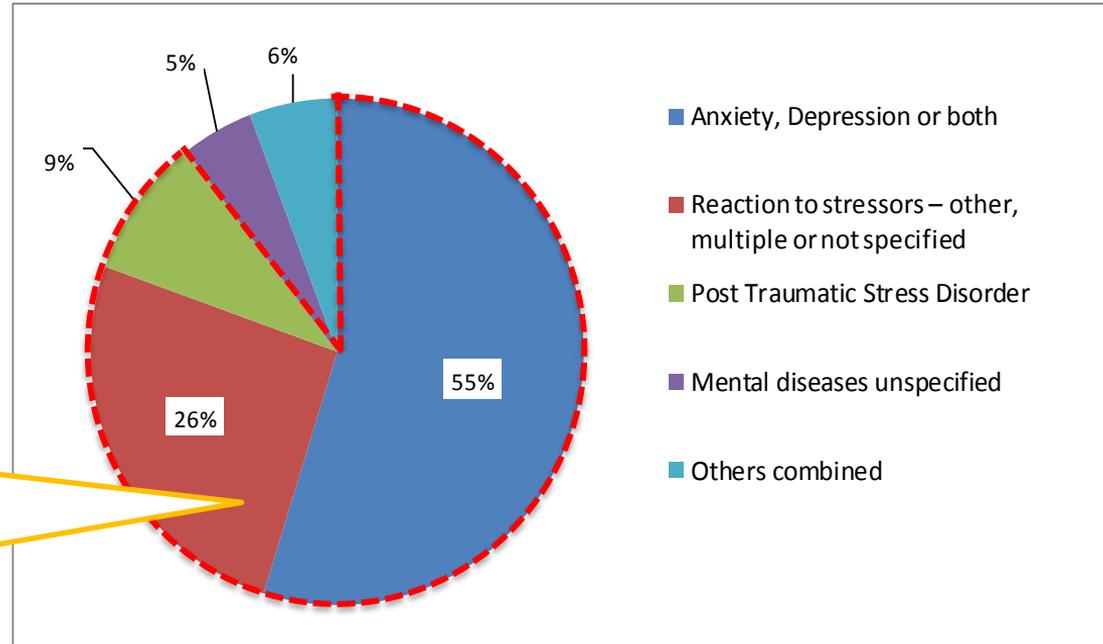
- threatened assault at work by a person other than work colleagues (code to 82)
- single act of threatened assault by a work colleague or colleagues (code to 82)
- repetitive threatened assault, verbal threats or abuse from a work colleague or colleagues (code to 87)
- sexual or racial harassment (code to 88)

Purpose of TOOCs

“.....vital in highlighting major sources of injury and diseases to be targeted for prevention efforts.”

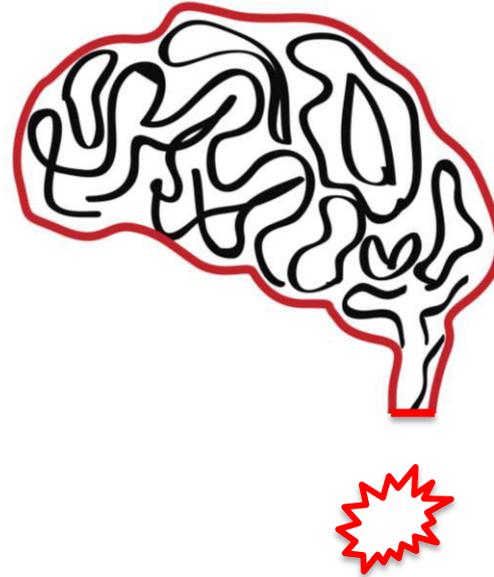
**Australian Safety and Compensation Council, TOOCS 3<sup>rd</sup> Edition, May 2008**

## Mental stress claims by nature of injury



These three categories account for almost 90% of all mental stress claims reported.

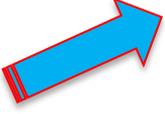
Why is mental stress  
difficult to deal with?



to be best in  
point of view  
**Bullying** ['b  
Insulting wi  
aggressive



**PANIC  
ATTACK!**



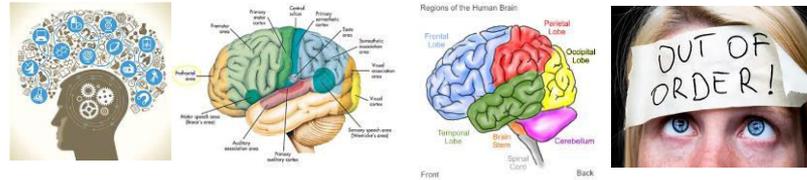
post traumatic stress disorder  
flashbacks  
disorder  
fear  
PTSD  
anxiety  
trigger



**STOP  
WORKPLACE  
HARASSMENT  
NOW!!**

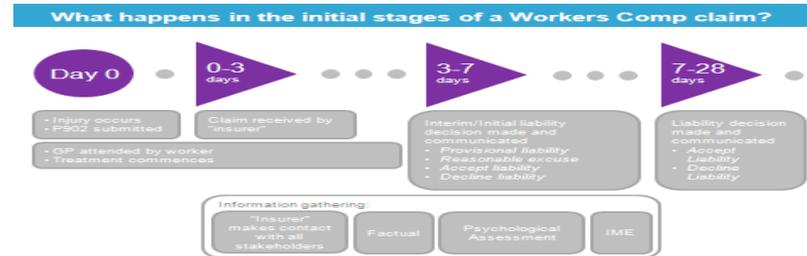


The mind is complex



Regardless of cause or circumstances, the journey to heal the mind is not straightforward.

The claims process is complex



**There is a need to balance immediate genuine care versus fairness to system.**

Investigation can be lengthy, non-therapeutic and adversarial.

Diagnosis and treatment are complex



DSM V 970 pages, but clinician bias and patients' inability to express their symptoms can lead to misdiagnosis.

## Physical injury



## Psychological injury

**Early intervention is key**  
**Treatment window of 6-12 weeks**



Manifestation of mental health issues. Worker seeks assistance from GP / EAP. Workplace unaware of worker's mental health condition.

Mental health issues escalate and worker takes time off work as sick leave.

Workers compensation claim reported. Investigation commences which can be non-therapeutic and adversarial.

“Egg shell psyche”  
If liability accepted - diagnosis and treatment. If not, how does the workplace assist the worker?

## However, perception matters

*“It is not correct to say that a worker cannot recover compensation if his or her reaction to, or perception of, events that happened at work (or arose out of the employment) was not objectively rational or was excessive. Nor is it relevant to say that “no offence was intended” by the particular conduct or comment. Motive is irrelevant. The proper approach is to ask if the worker’s employment was a substantial contributing factor to the development of a recognised psychological condition. **It does not matter that the worker may have been oversensitive, or that a different person may not have reacted to the particular conduct or comment. Employers take their employees as they find them.**”*

Workers Compensation Commission, Deputy President Bill Roche

## Not all incidents are claims

The *Workers Compensation Legislation Amendment Act 2012* was amended for the following to apply to disease claims:

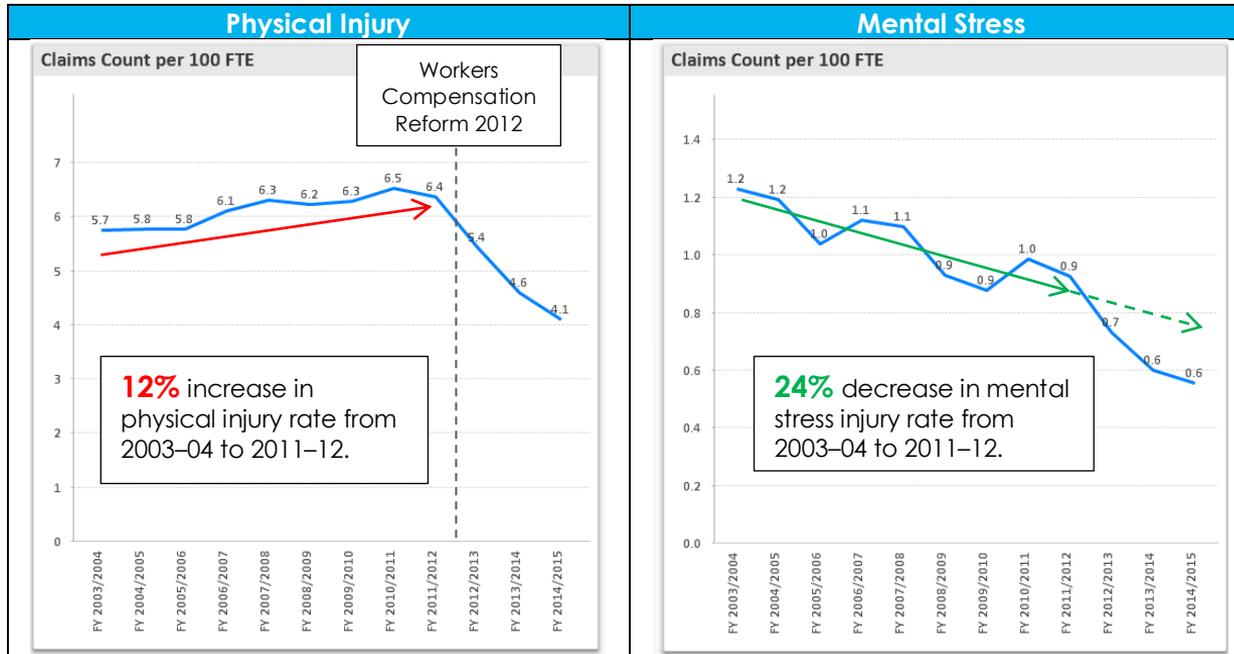
(i) a disease that is contracted by a worker in the course of employment **but only if the employment was the main contributing factor to contracting the disease**, and

(ii) the aggravation, acceleration, exacerbation or deterioration in the course of employment of any disease, **but only if the employment was the main contributing factor to the aggravation**, acceleration, exacerbation or deterioration of the disease,..." (emphasis added)

## What works?

- 1. NSW Education** – with the right suite of programs on prevention, intervention, triage and treatment, Education has seen a significant reduction in the number of mental stress claims.
- 2. NSW Police** – due to the nature of work, police officers are much more likely to develop PTSD. NSW Police has developed a comprehensive set of programs to look after the health and wellbeing of officers.
- 3. Queensland Resolve** – does not distinguish between work or non-work related mental health issues in providing support to workers.

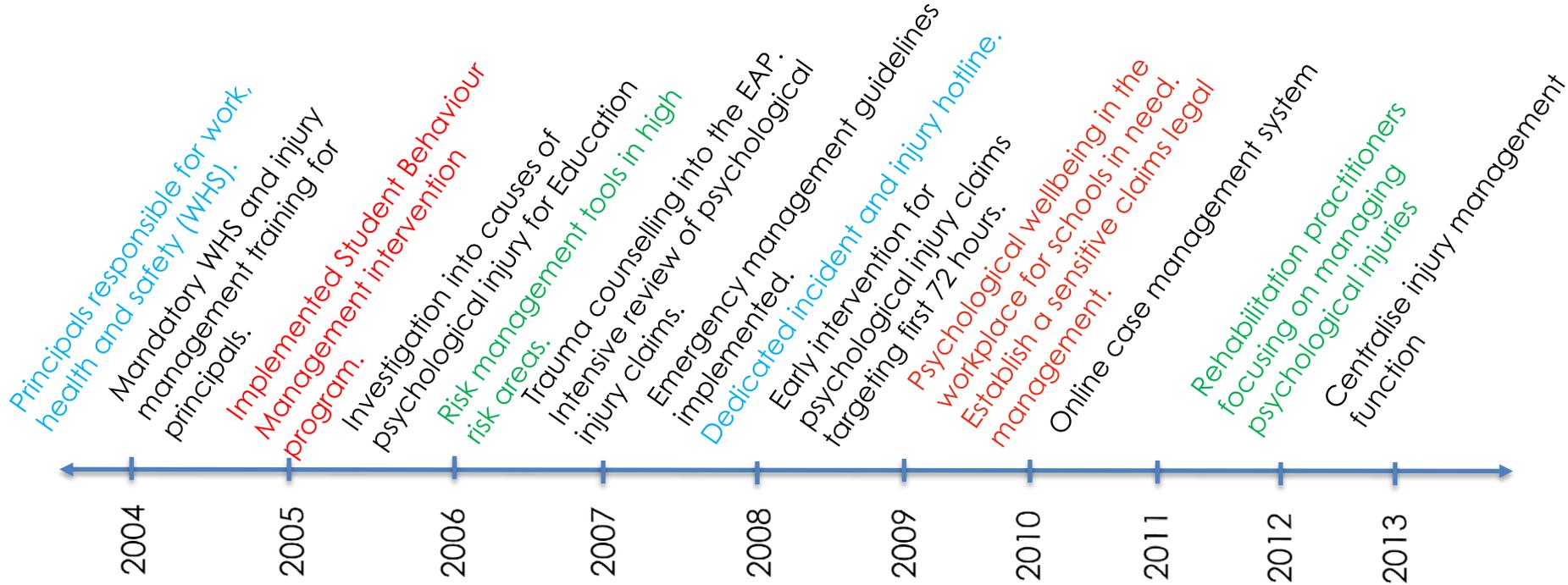
# NSW Education – Physical Injury vs Mental Stress



Note: Post Workers Compensation Reform 2012 there has been a significant reduction in physical injury claims. For comparison purpose the benchmarking is done up to 2011-12.

Note: the Workers Compensation Reform 2012 does not directly impact mental stress claims but appears to have influenced the decrease in DEC mental stress claims.

# NSW Education Programs



## NSW Education

For an investment of around \$10m (from both NSW Education and claim managers), we estimate \$85M in savings has been achieved – a **ROI of 850%**.

The benefits/savings would be even higher if replacement FTE, sick leave, increased engagement and productivity were taken into consideration.

- Shifting culture by building resilience
- Claims triage and early intervention
- Claims management process improvement

# NSW Police Workforce Improvement Program (WIP)

A range of programs targeting physical and mental wellbeing:

- Promote Wellbeing (40 programs)
- Manage Injury (18 programs)
- Rehabilitation and Redeployment (11 programs)

These programs includes new service, educational awareness, strategic review and operational improvements. More officers are now returning to work instead of seeking to be medically discharged from the police force.

The Hunter Institute of Mental Health has reviewed the programs and found NSWPF “*is doing commendable or very good work across the majority of elements*”. Their analysis identified that there has been “*a significant shift over time to focus on prevention as well as injury management initiatives to reduce preventable physical and mental health injury and illness*”.

PwC’s Creating a Mentally Healthy Workplace analysis suggest possible **ROI of 230%**.

## NSW Police Workforce Improvement Program (WIP)

- E-WellCheck – electronic early screening tool for mental stress
- Managing the Triggers of Workplace Conflict
- Self Harm Prevention Advisory Panel
- Fatigue management
- Pre-deployment checks for interstate and disaster actions
- Psychometric assessment of officers for specialist squads
- Psychological First Aid – Five Things Booklet
- Incident & Support database – visibility of traumatic events and corporate picture of trauma exposure

## Queensland's "Resolve at Work"

- Funding mediation intervention and rehabilitation for workplace related issues.
- The approach recognises the value of proactive prevention resulting in cost savings. A set number of hours for intervention services such as mediation, conflict resolution or counselling are provided to prevent incidents turning into costly claims.
- The program cost-benefit analysis showed **ROI of between 400% to 800%**.

## Learnings #1

Despite access to icare self insurance data, the sub-groups of data on mechanism and nature of injury were not sufficiently granular to pinpoint the causes of mental stress.

Going forward, a more granular breakdown of the data, including causes, clinical diagnoses and methods of treatment, would enable an evidence-base to be collected and analysed to understand what works for which type of claims.

## Learnings #2

Early diagnosis is very important, particularly for PTSD versus other anxiety disorders for the correct treatment to be provided.

The DSM-V (Diagnostic and Statistical Manual of Mental Disorders) is used in the diagnosis and evaluation of impairment. However, there are known limitations to this methodology and issues which can arise with respect to the diagnosis.

It is important that the right clinical treatment be provided by skilled psychologists. Even then, clinician bias and patient's inability to express symptoms accurately can lead to incorrect diagnosis.

## Learnings #3

Prevention is key.

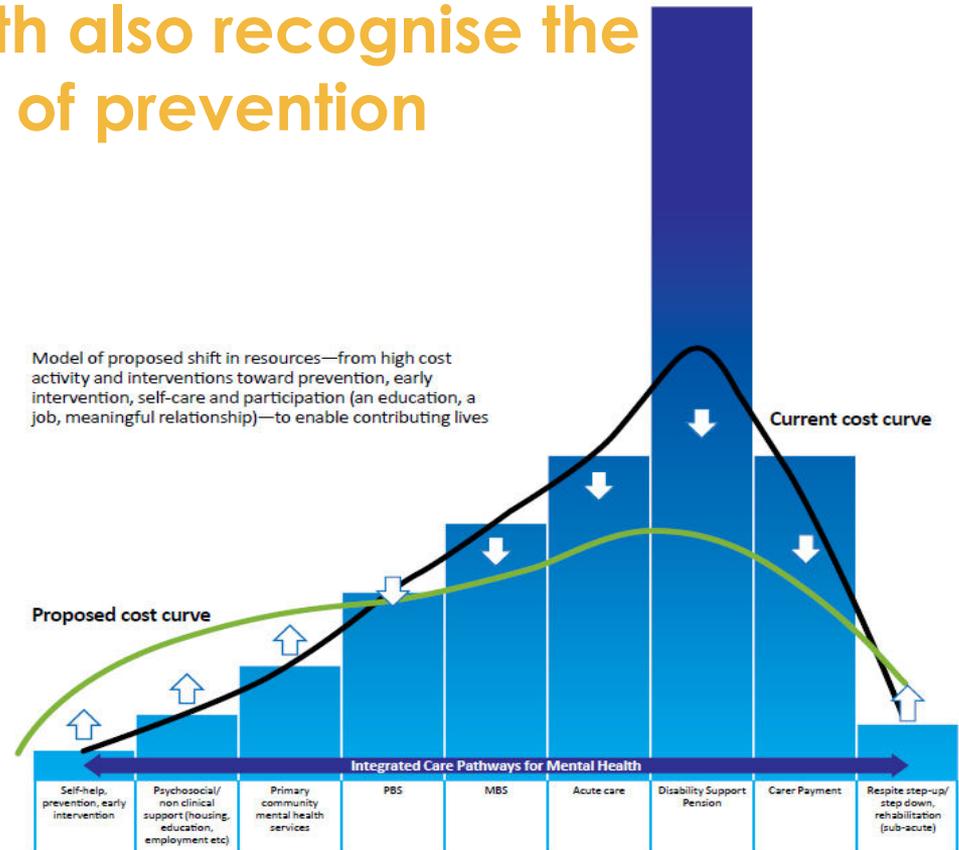
Investing to create and maintain mental health and wellness in employees provides excellent return on investment.

There are models which target incidents before they become a workers compensation claim, recognising early intervention as key to resolving issues and preventing workers compensation claims (for example, the QLD Resolve model).

Other workplaces will look after an employees' mental health by providing support and treatment regardless of whether the injury arose from the workplace or otherwise. Keeping people at work but supported is in many cases better than extended periods off work.

# The Commonwealth also recognise the importance of prevention

Whilst currently, the Commonwealth spend is predominantly on benefits and allowance (87.5%), the ideal distribution of costs for the Commonwealth is the green line, where much more is spent on prevention with the anticipation that this will result in savings in benefits and allowance.



## Summary Conclusions about Best Practice

Prevention	Early Intervention	Management
Build personal resilience for all employees	Focus first on person, second on liability	Continuity of care important to build rapport and trust
Build awareness of “warning signs” in self and others and what to do	Channel potential claims to designated specialists for quick contact, advice and triage using consistent framework and tools	Treatment needs to be tailored to individual and diagnosis – eg CBT, exposure therapy
Build skills, culture to openly discuss and tackle issues	Early and correct diagnosis by skilled professionals is crucial to inform treatment	Professional support to facilitate sustainable RTW

# Questions