

# Injury Schemes Seminar

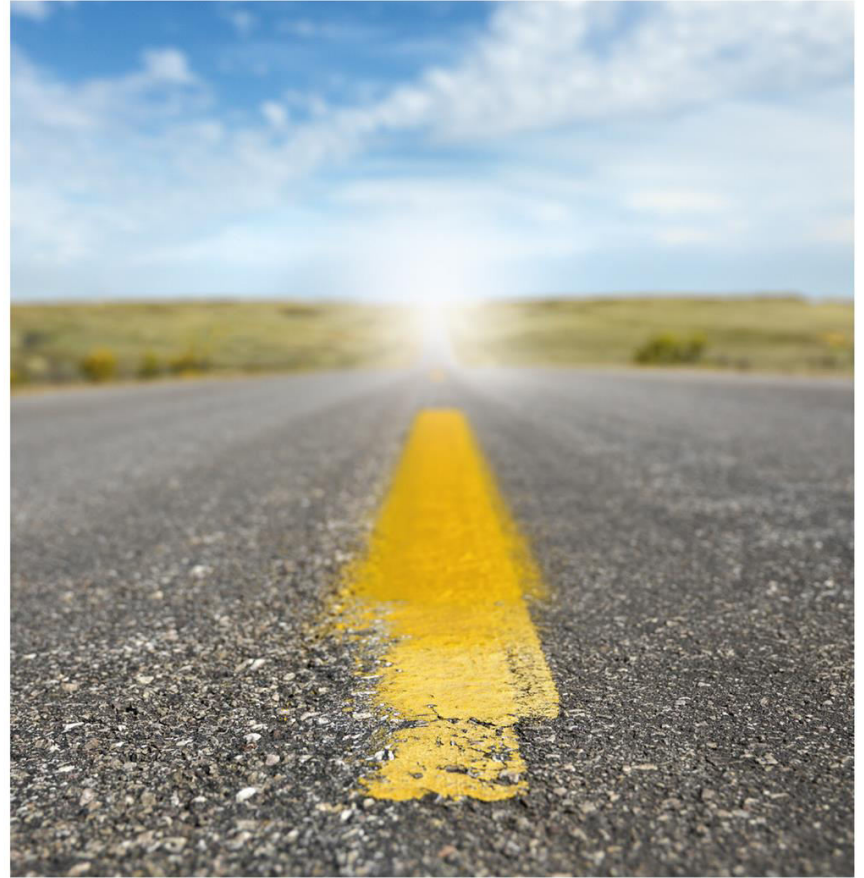
**Road to Recovery**



**Actuaries  
Institute**

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8-10 November 2015 • Hilton • Adelaide





# Psych claim outcomes under different claims management approaches

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

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# Agenda

- Who are we three, and why are we here?
- 1 minute of background on the scheme's legislation
- What's been done at different times?
- What has it all meant for claim outcomes?
- Summary of key messages
- The future...

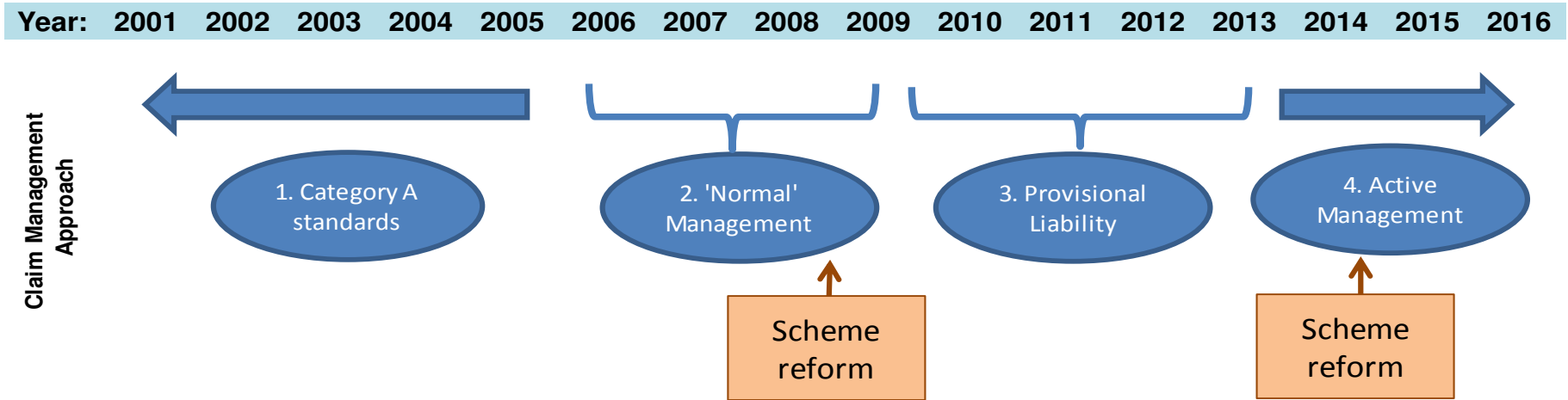
## Who are we three, and why are we here?

- We three...
- Why are we here...

## 1 minute of background on the scheme's legislation

- There are two big reforms in the period we are discussing:
  - **Pre-2008:** largely a lifetime benefit structure ('pension scheme'), with most tail claims ultimately redeemed with a lump sum payout.
  - **June 2008:** Introduction of non-recoverable provisional liability income replacement benefits and work capacity testing at 2.5 years.
  - **July 2015:** A full claims determination needs to be made as expeditiously as practicable, and any interim benefits paid may be recoverable; employment must be "a significant contributing cause" (up from 'substantial'); capped benefits for most claims.

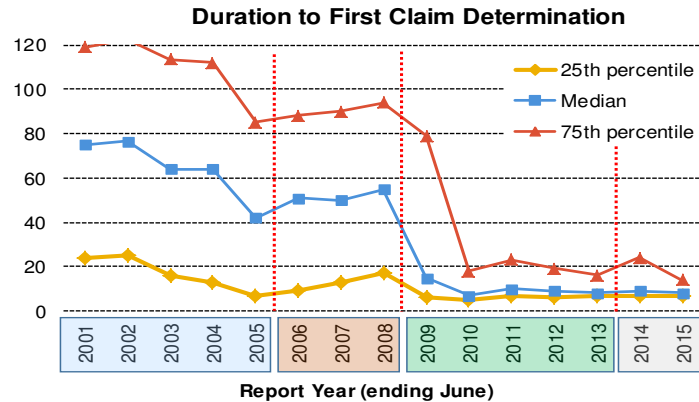
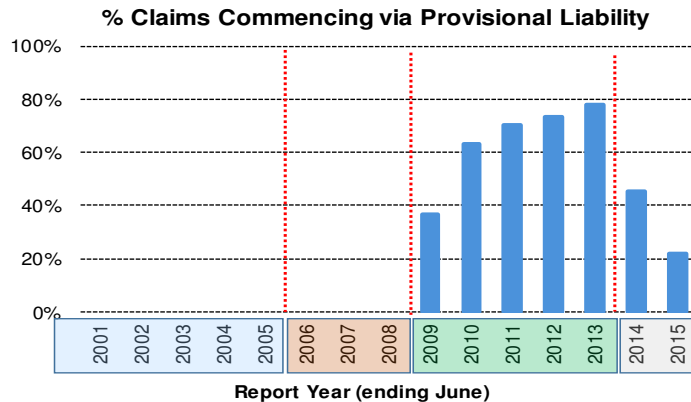
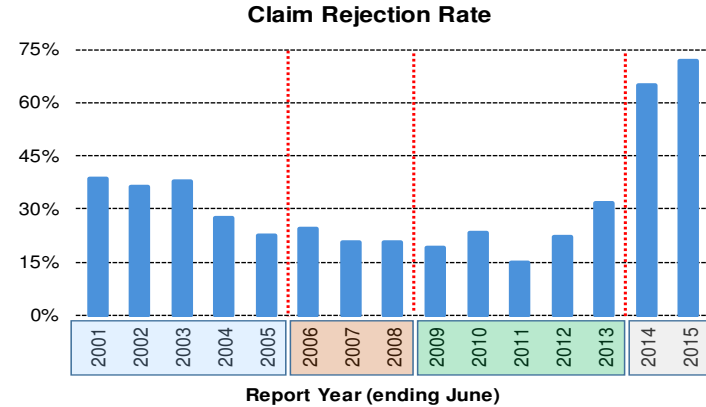
# What's been done at different times (1)?



## What's been done at different times (2)?

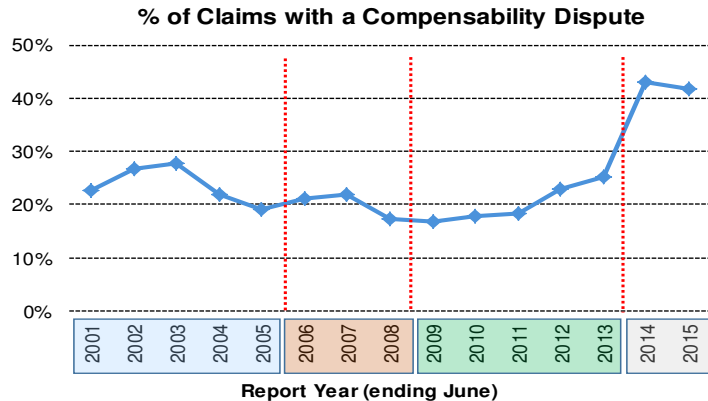
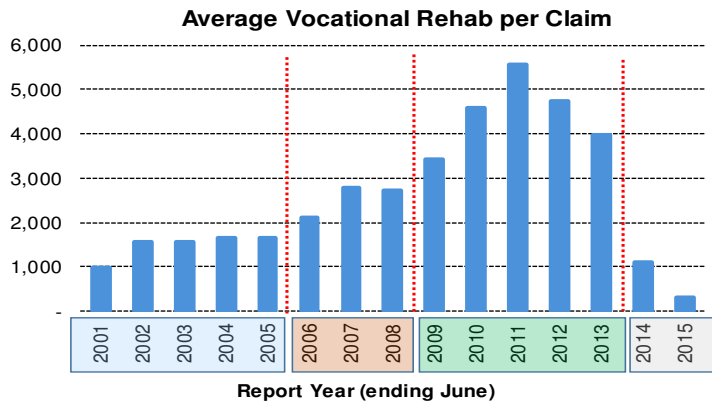
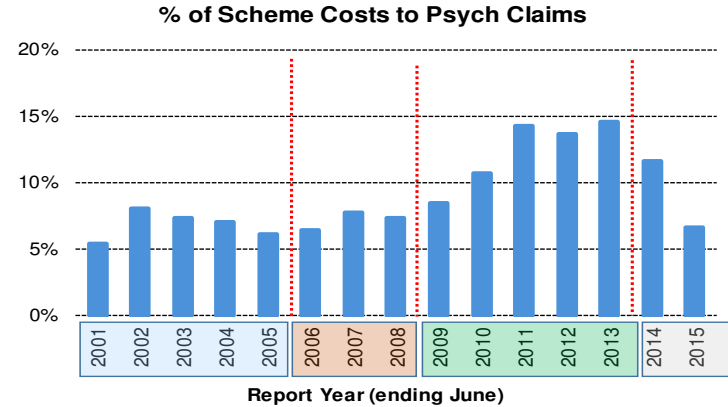
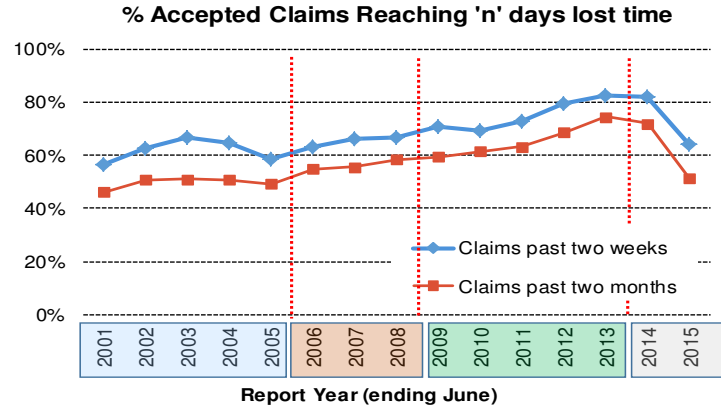
Approach	Description of Approach	Implications of Approach
<b>1. Category A standards</b>	Various standards were required to be met by the claims agents.	A very procedural and compliance based approach to claims management.
<b>2. Normal management</b>	No specific policy applied to the management of claims (other than to adhere to the claims manual).	Claims management approaches were driven by the claims agent.
<b>3. Provisional Liability</b>	Reduced emphasis on initial claims determination, with many claims commencing benefits under the new provisional liability rules.	More claims commenced income support payments, as medical benefits and up to 13 weeks of income support could be paid without a claim determination.
<b>4. Active management</b>	Focus on prompt and informed decision making, with high levels of engagement with the worker, employer and treating doctor.  Has since evolved into the use of Mobile Case Managers.	Claims have a much higher level of interaction with claims managers, most of which is now face to face. Evidence based decision making is key, with barriers that delay decisions being consciously broken down.

# What has it all meant for claim outcomes (1)?



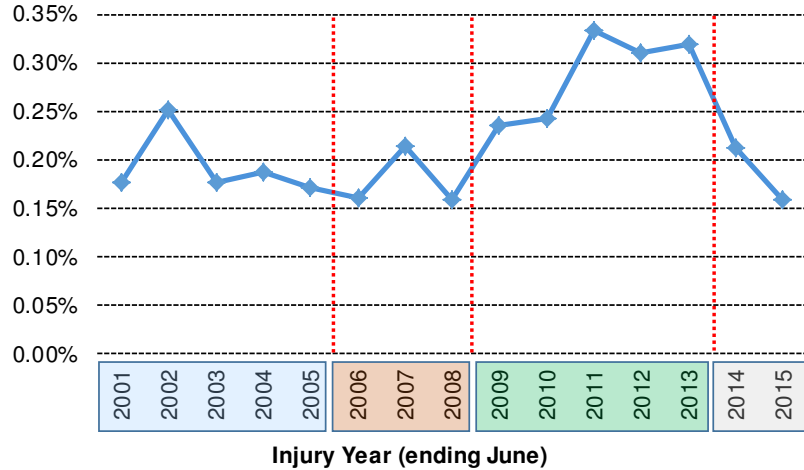


# What has it all meant for claim outcomes (2)?

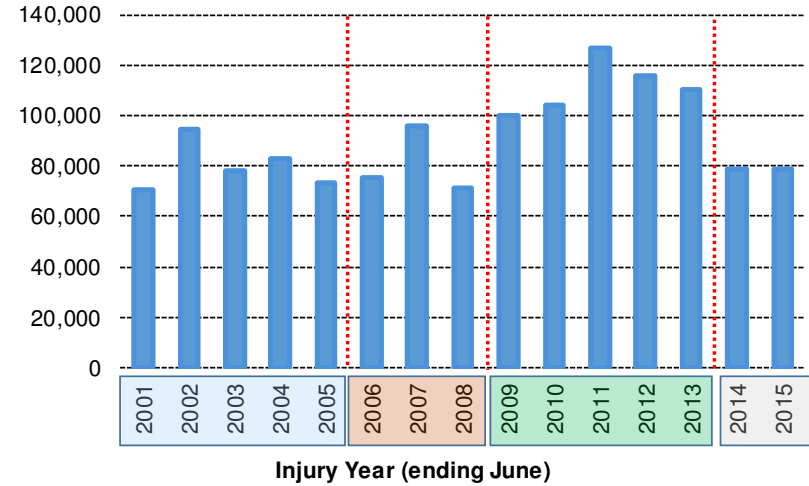


# What has it all meant for claim outcomes (3)?

**Ultimate Cost as % Wages (premium basis)**



**Ultimate Average Claim Size**



## Summary of key messages

- Claims management is not 'one size fits all'
- Expectations are important, particularly for the injured worker
- Time is of the essence
- Market perception has an impact on claim outcomes
- GPs generally want to help, but sometimes they don't know how
- Process measures are no substitute for an outcome focus
- Community awareness and expectations are increasing
- Analytics is a useful tool, but not an answer in and of itself

## The future...

- There is still more to be done...
- The plan is to come and talk to you about it in another two years if we can.