

28 November – 1 December 2004

Xth Accident Compensation Seminar

2004



The Victorian Transport Accident Scheme

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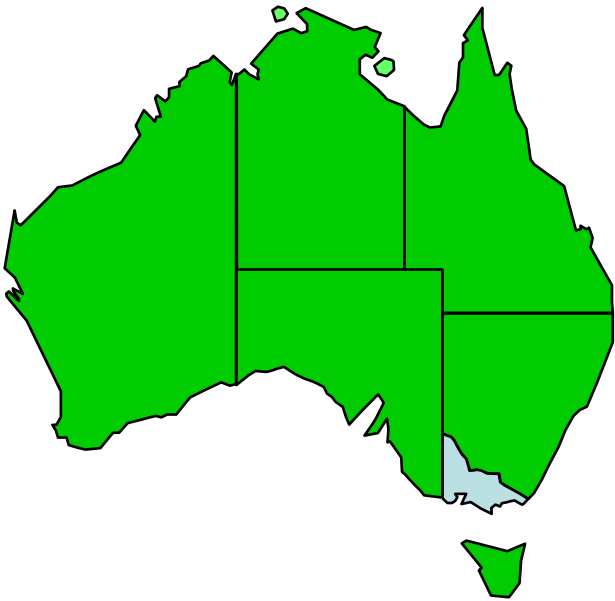


Agenda

1. Overview of the Scheme
2. Recent Performance
3. Key Initiatives



Who is the TAC...



- fully funded combined no-fault and common law scheme
- monopoly CTP insurer in Victoria with 3.6 million insured vehicles
- established by the Transport Accident Act 1986
- owned by the Victorian government with independent Board & Managing Director
- 630 staff
- \$6.8 billion assets - \$5.6 billion liabilities

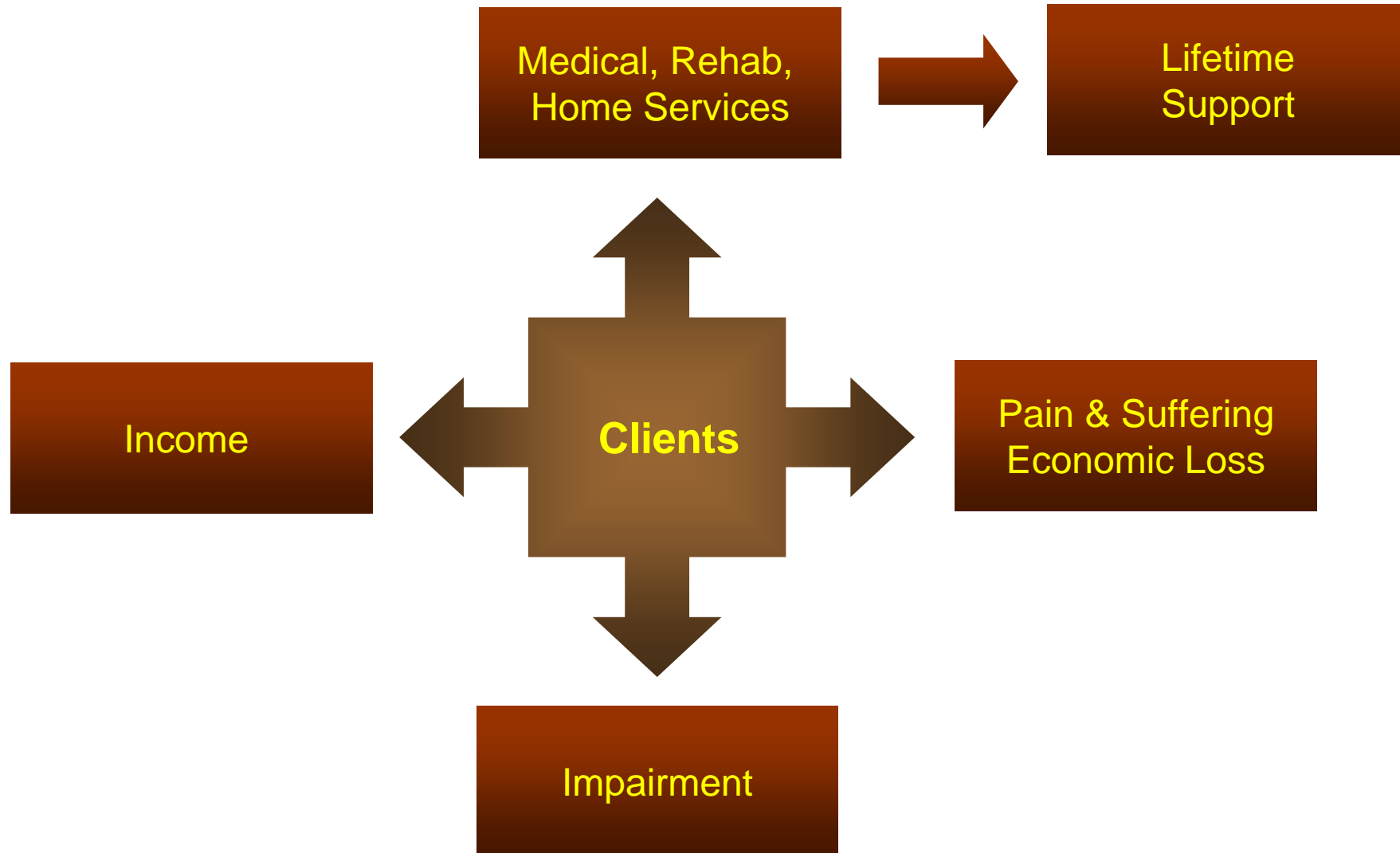


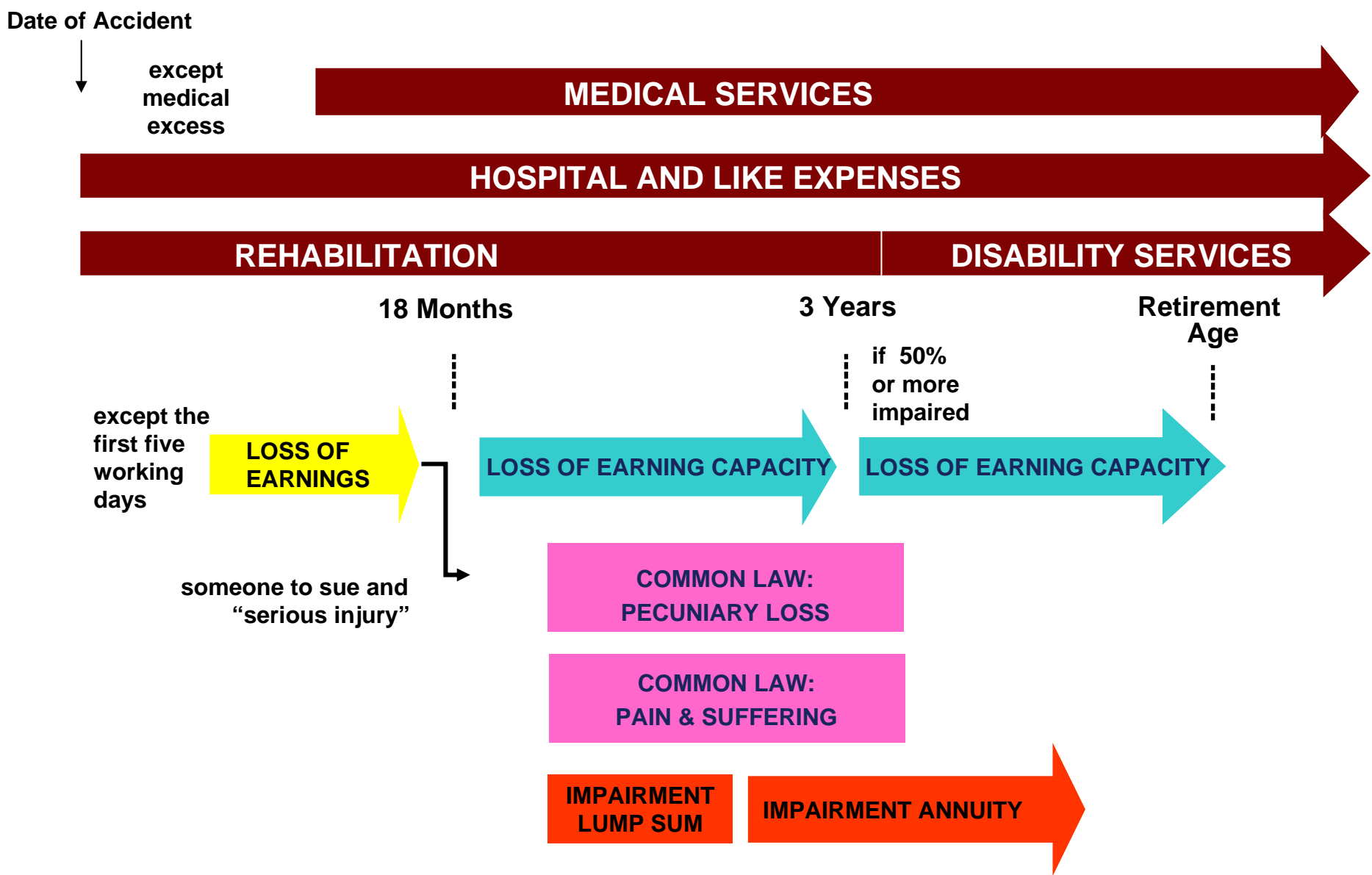
The TAC Scheme

- a hybrid no-fault/common law scheme
- cover ALL people injured in a transport accident on a no-fault basis
 - other driver
 - passengers
 - pedestrians
 - trains and trams
- limited common law rights for pecuniary loss and pain and suffering for the seriously injured
- medical excess (\$564) and mandatory police reporting to reduce “frivolous” claims
- medical and like benefits continue for life - cannot be bought out
- a “long-tail” scheme, providing benefits for life benefits include medical, paramedical rehabilitation, lifetime support (eg attendant care), equipment, etcetera



The TAC Product





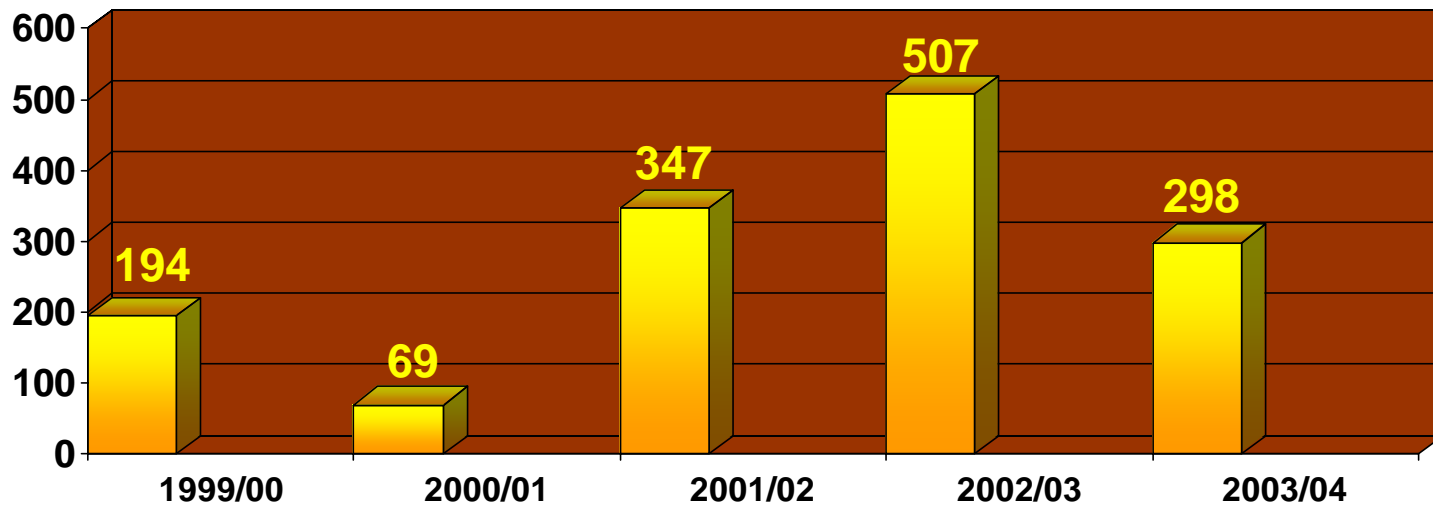


Recent Performance



Sound financial performance.

Profit from Internal Factors



actuarial release of \$118 m

investment return of 13%

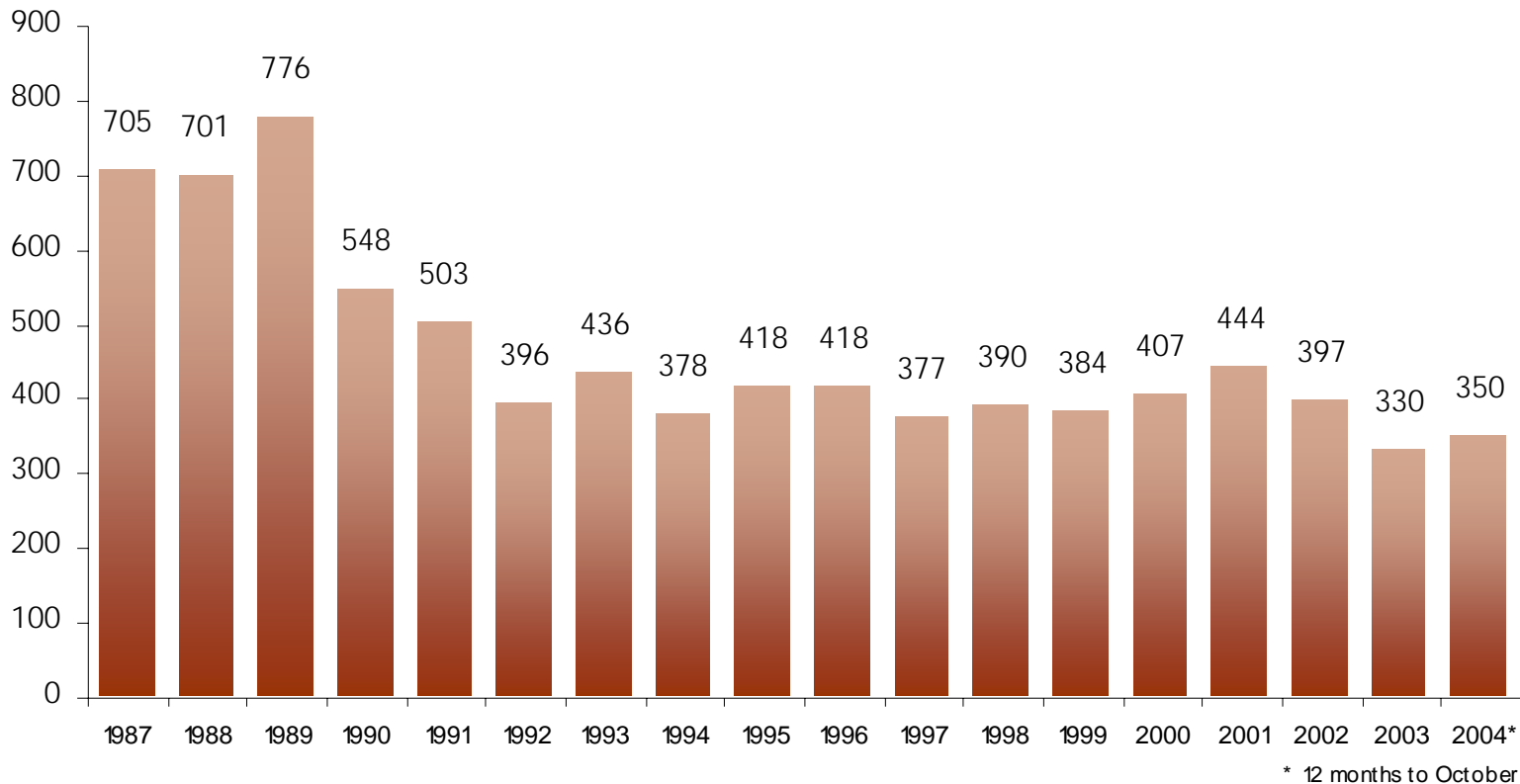
funding ratio of 116%

\$590 m after tax profit



Lowest road toll in 2003/04.

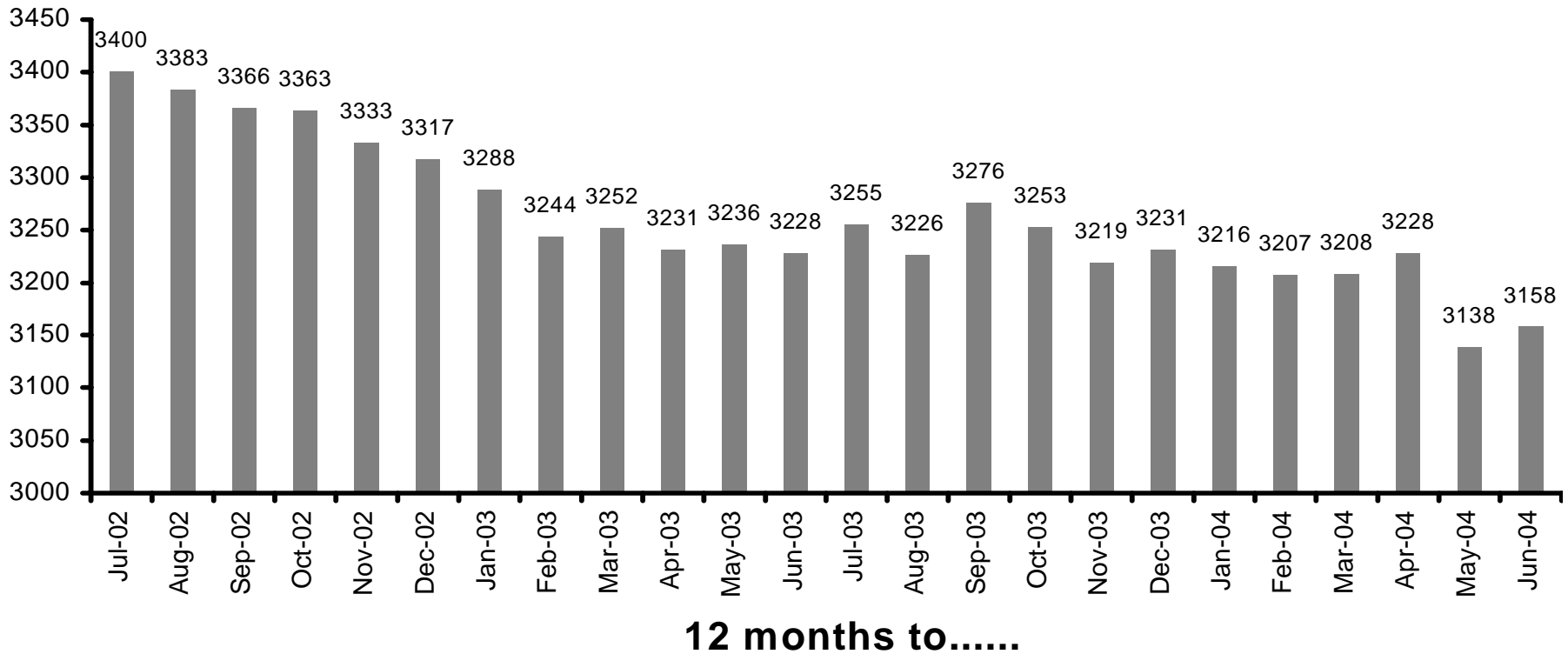
Victorian Road Toll





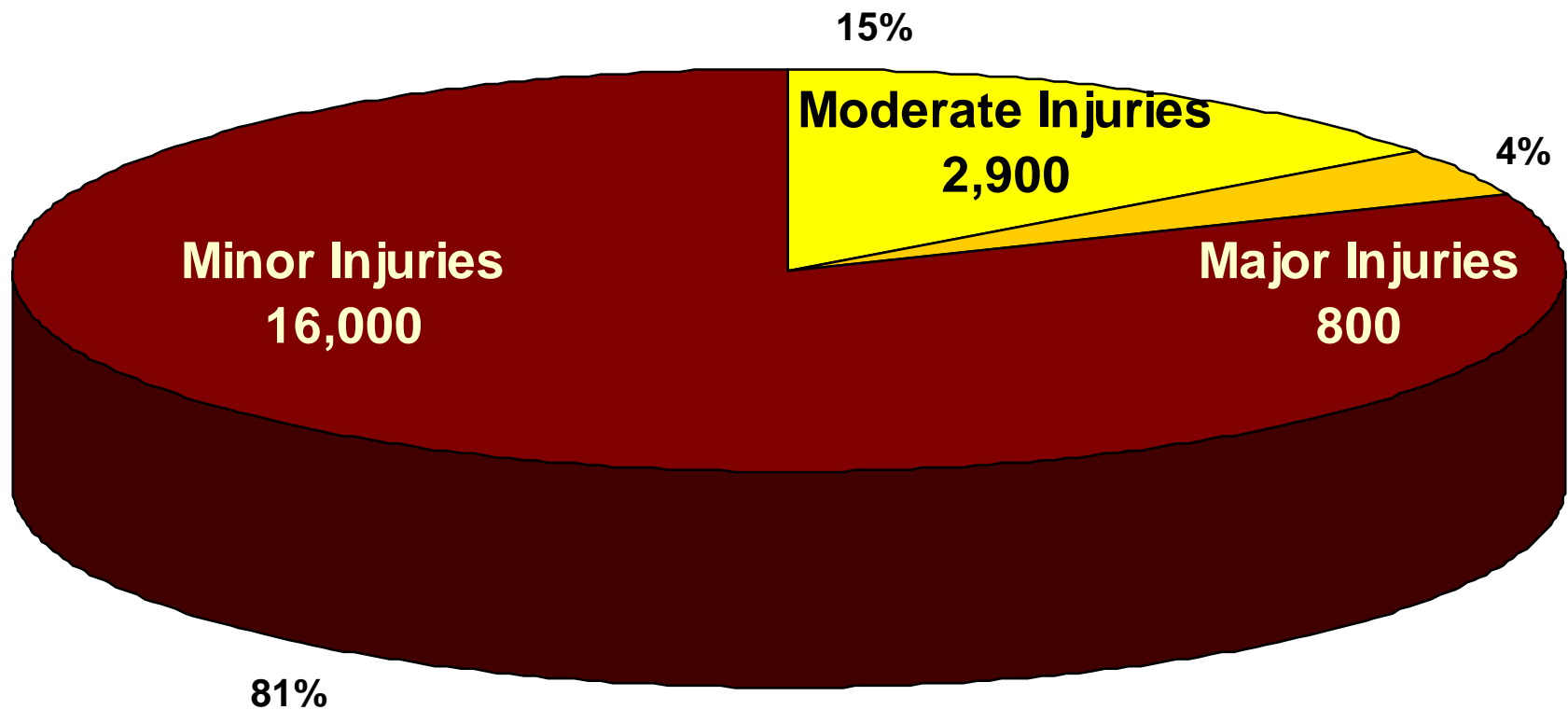
Hospital claims also reducing.

Hospitalised (> 1 day) Claim Lodgements



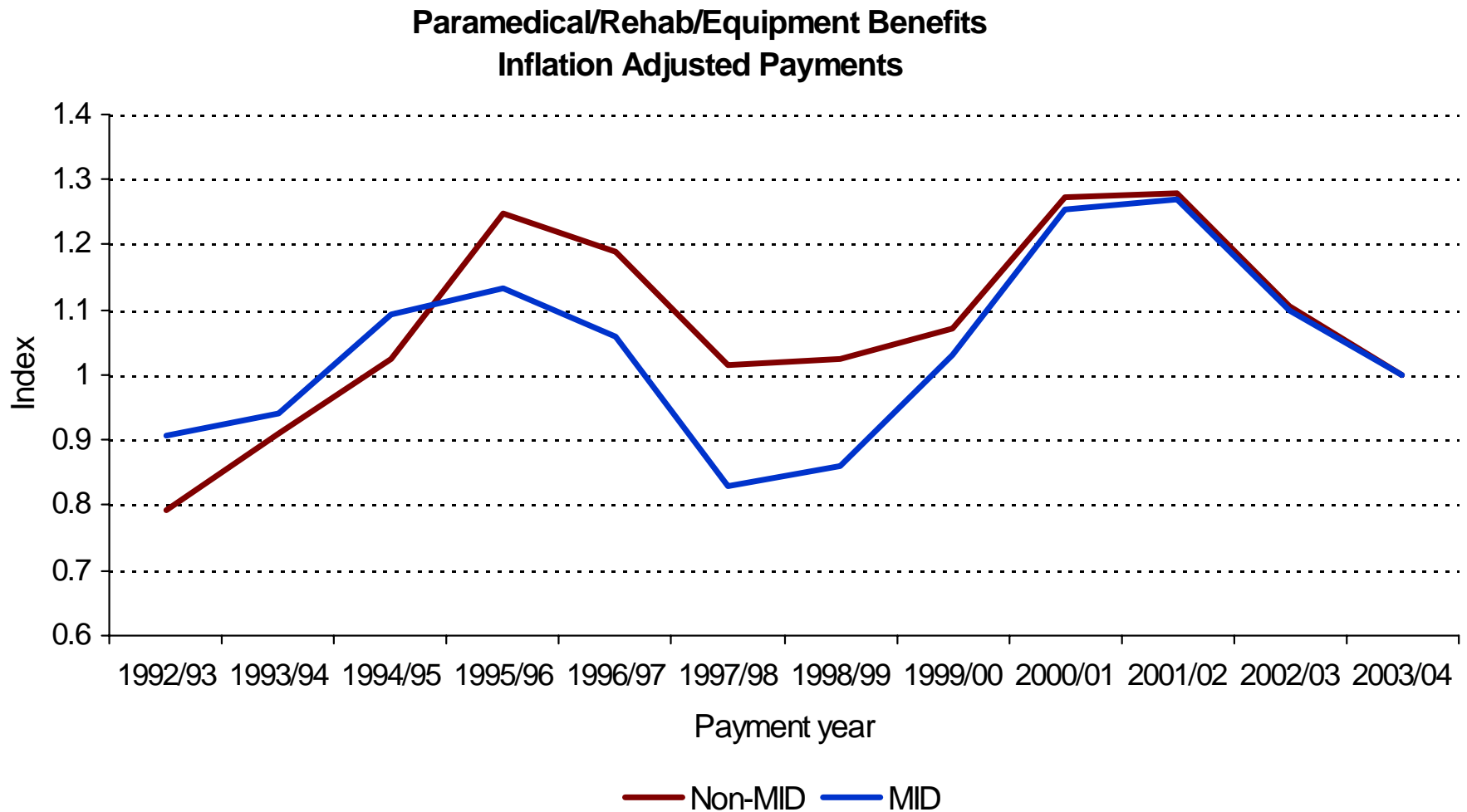


Majority of claims are minor injuries.





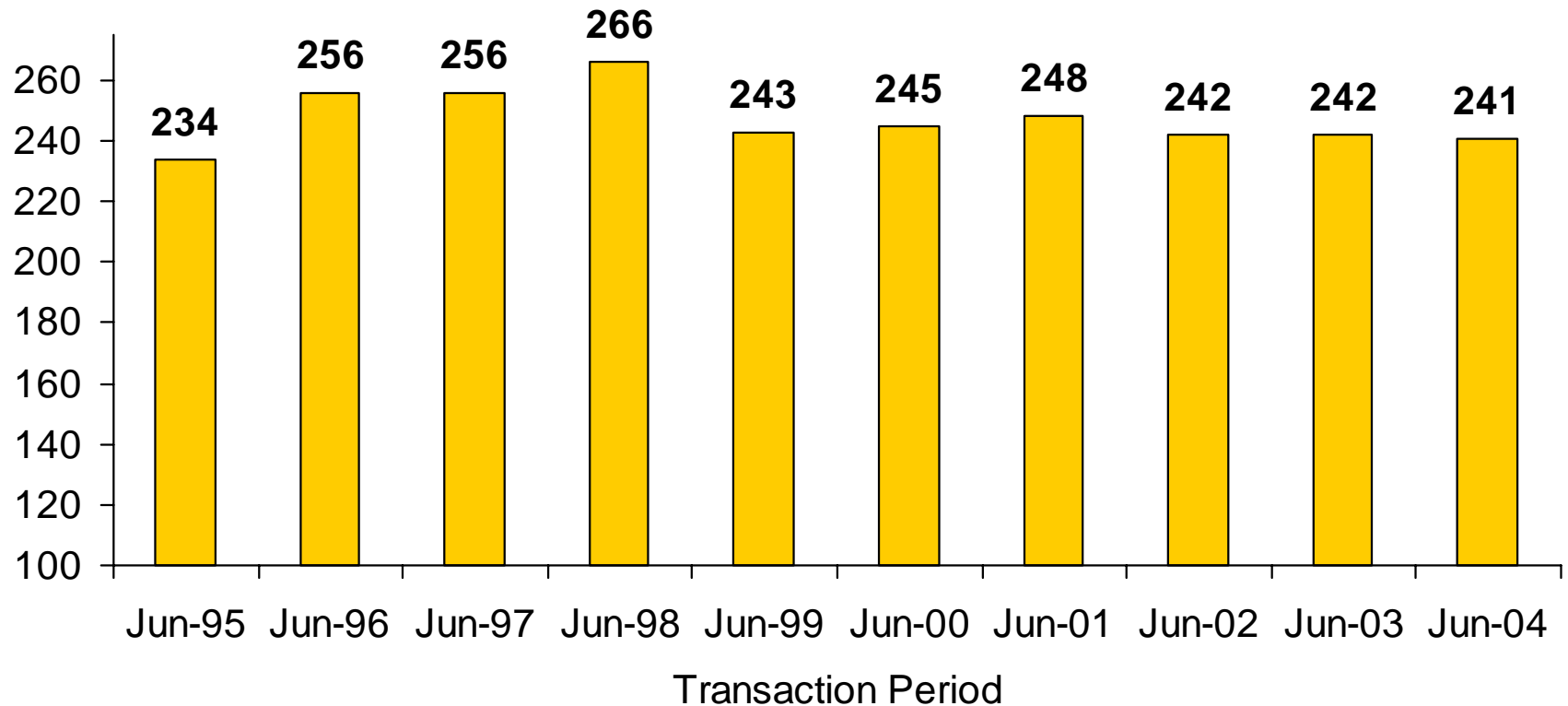
We are controlling paramedical benefits.





Common Law benefits are stable.

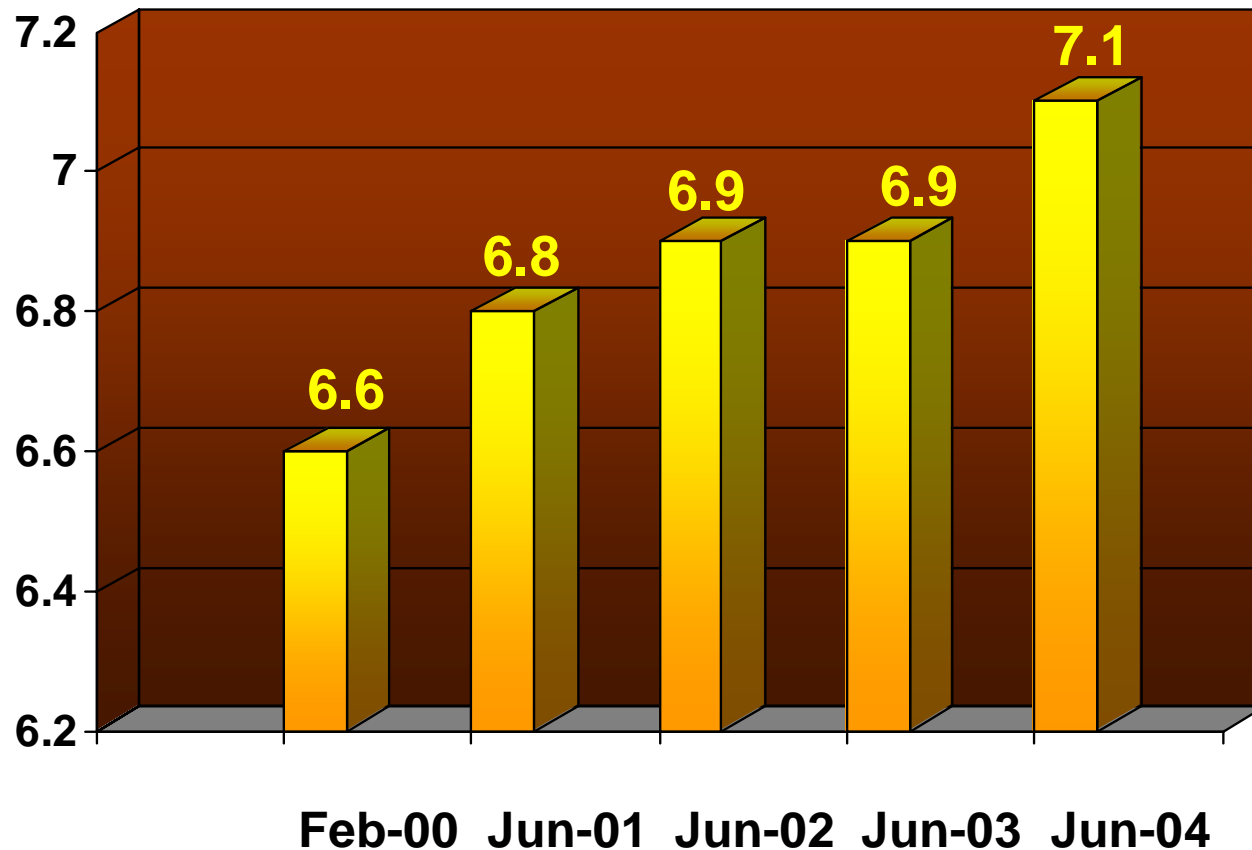
Average Settlement Size (June 2004 \$'000)





Client satisfaction is at a record high.

Client Satisfaction Score





Key Initiatives



Key Initiatives

1. Legislative Changes
2. Alternative Dispute Resolution Protocols
3. Clinical Justification
4. Lifetime Support Initiative



1. Legislative Changes



Why amend the TAC Act?

- address inequities
- improve efficiency
- improve benefits where gaps
- keep up to date with changing society
- clarify problematic definitions that lead to dispute



About the amendments.

- 37 clauses
- \$11 million in extra new benefits each year
- \$8 million extra impairment benefits to accompany improvement to dispute resolution
- anticipate full implementation by March 2005 - passed by lower house of Parliament



What the amendments will do.

- simpler and faster calculation of loss of earnings
- decreased administration with self purchasing and travel allowance
- speedier determination of impairment and flexibility to make interim payments
- fairer and more logical eligibility criteria for home services and childcare benefits
- return to work travel benefit provides another option for vocational support

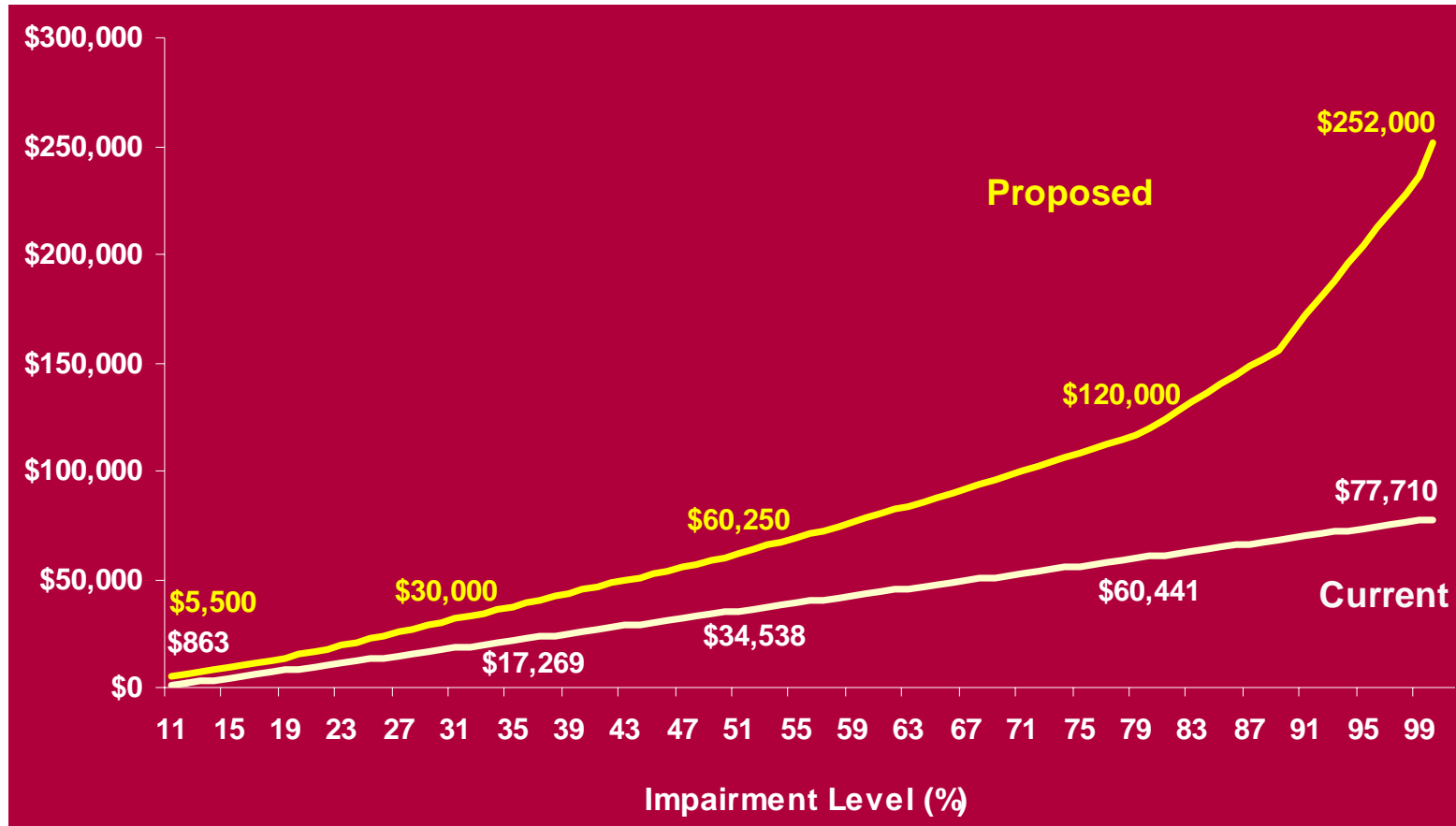


A walk through the key changes.

1. individual funding agreements
2. revised home services and childcare benefits
3. post hospital support benefit
4. travel benefits
5. income benefits
6. impairment reforms



Impairment benefits increase substantially.





2. Alternative Dispute Resolution Protocols



Protocols - Why change?

- improve decision quality and consistency
- reduce time to resolve disputes
- reduce common law timeframes
- reduce the costs of dispute management
- recognise plaintiff lawyer contributions

... through three non-legislative protocols agreed between the TAC, LIV and APLA.



new directions for the victorian justice system 2004-2014

- » initiatives to modernise the justice system and ensure it remains flexible and responsive to change
- » strong measures to safeguard the rights of those who are most vulnerable



Resolving civil disputes outside the adversarial system is a priority...

Central to our commitment to provide access to affordable high-quality justice.”



Protocols – Key Features

- early exchange of information
- pre-court meetings
- event-based legal cost funding model

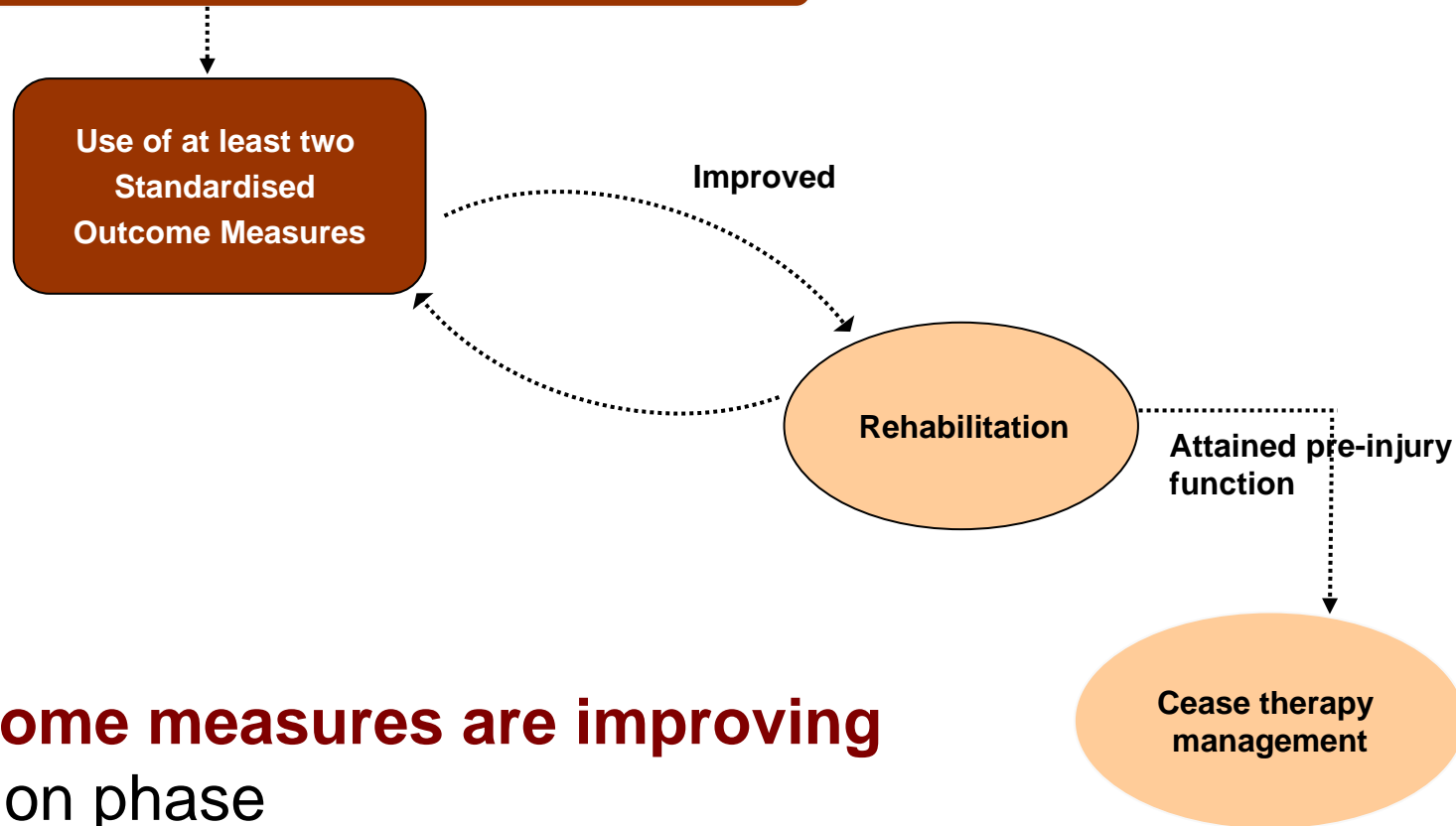


3. Clinical Justification



Provider perspective:

A Clinical Justification Approach



When outcome measures are improving

- rehabilitation phase
- demonstrates a return to pre-injury status
- plateau marks end of rehabilitation



The plateau.

Oswestry Disability Questionnaire

This questionnaire has been designed to give us information as to how your back or leg pain is affecting your ability to manage in everyday life. Please answer by checking **one box in each section** for the statement which best applies to you. We realise you may consider that two or more statements in any one section apply but please just shade out the spot that indicates the statement which **most clearly describes your problem**.

Section 1: Pain Intensity

- I have no pain at the moment
- The pain is very mild at the moment
- The pain is moderate at the moment
- The pain is fairly severe at the moment
- The pain is very severe at the moment
- The pain is the worst imaginable at the moment

Section 2: Personal Care (eg. washing, dressing)

- I can look after myself normally without causing extra pain
- I can look after myself normally but it causes extra pain
- It is painful to look after myself and I am slow and careful
- I need some help but can manage most of my personal care
- I need help every day in most aspects of self-care
- I do not get dressed, wash with difficulty and stay in bed

Section 3: Lifting

- I can lift heavy weights without extra pain
- I can lift heavy weights but it gives me extra pain
- Pain prevents me lifting heavy weights off the floor but I can manage if they are conveniently placed eg. on a table
- Pain prevents me lifting heavy weights but I can manage light to medium weights if they are conveniently positioned
- I can only lift very light weights
- I cannot lift or carry anything

Section 4: Walking*

- Pain does not prevent me walking any distance
- Pain prevents me from walking more than 2 kilometres
- Pain prevents me from walking more than 1 kilometre
- Pain prevents me from walking more than 500 metres
- I can only walk using a stick or crutches
- I am in bed most of the time

Section 5: Sitting

- I can sit in any chair as long as I like
- I can only sit in my favourite chair as long as I like
- Pain prevents me sitting more than one hour
- Pain prevents me from sitting more than 30 minutes
- Pain prevents me from sitting more than 10 minutes
- Pain prevents me from sitting at all

Section 6: Standing

- I can stand as long as I want without extra pain
- I can stand as long as I want but it gives me extra pain
- Pain prevents me from standing for more than 1 hour
- Pain prevents me from standing for more than 30 minutes
- Pain prevents me from standing for more than 10 minutes
- Pain prevents me from standing at all

Section 7: Sleeping

- My sleep is never disturbed by pain
- My sleep is occasionally disturbed by pain
- Because of pain I have less than 8 hours sleep
- Because of pain I have less than 4 hours sleep
- Because of pain I have less than 2 hours sleep
- Pain prevents me from sleeping at all

Section 8: Sex Life (if applicable)

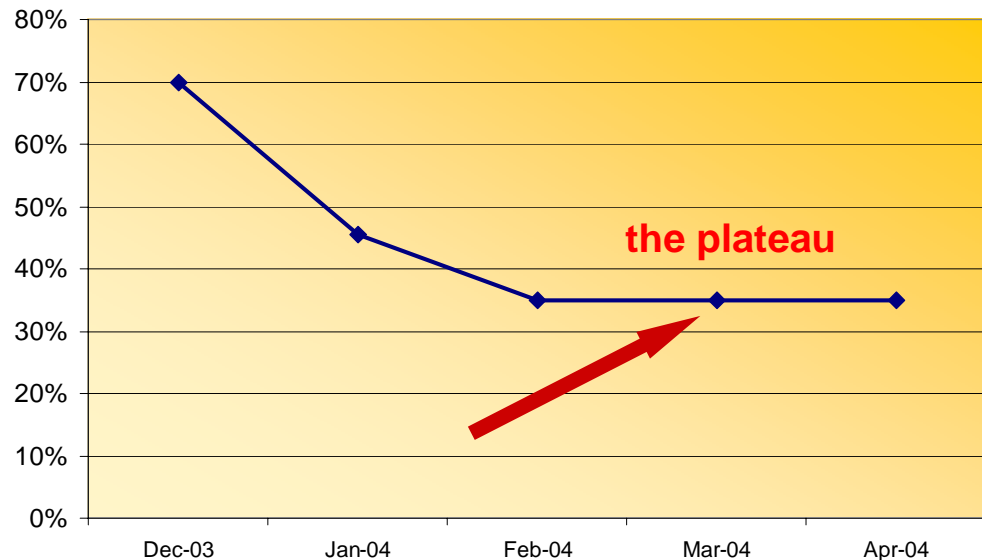
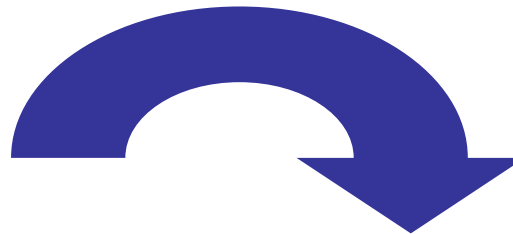
- My sex life is normal and causes no extra pain
- My sex life is normal but causes some extra pain
- My sex life is nearly normal but is very painful
- My sex life is severely restricted by pain
- My sex life is nearly absent because of pain
- Pain prevents any sex life at all

Section 9: Social Life

- My social life is normal and gives me no extra pain
- My social life is normal but increases the degree of pain
- Pain has no significant effect on my social life apart from limiting my more energetic interests e.g. sport
- Pain has restricted my social life and I do not go out as often
- Pain has restricted my social life to my home
- I have no social life because of pain

Section 10: Travelling

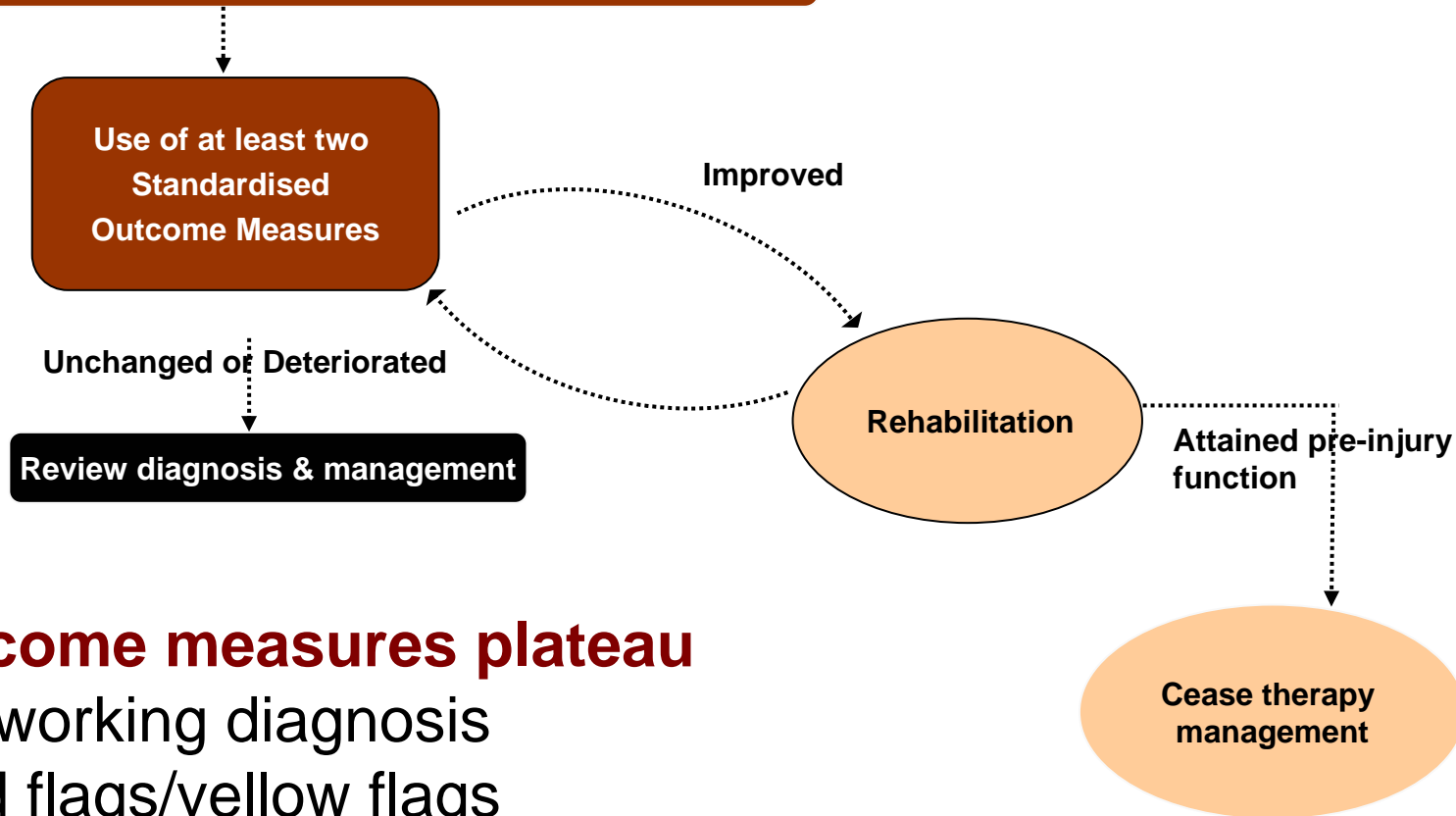
- I can travel anywhere without pain
- I can travel anywhere but it gives me extra pain
- Pain is bad but I manage journeys over two hours
- Pain restricts me to journeys of less than one hour
- Pain restricts me to short necessary journeys under 30 minutes
- Pain prevents me from travelling except to receive treatment





Provider perspective:

A Clinical Justification Approach



When outcome measures plateau

- consider working diagnosis
- watch red flags/yellow flags
- assess patient compliance/understanding
- consider placebo/dependence issues



Guide to selection and interpretation of Standardised Outcome Measures



Guide to selecting and interpreting standardised outcome measures: Orthopaedic conditions

Scale	Also known as	What it measures	What it asks about	How it is scored	What a score means	What a change in score means (MDC90)*	Comments
Patient-Specific Functional Scale (Stratford et al)	PSFS	Disability in people with back, neck or knee problems	Difficulty with activities specified by each patient Note: This questionnaire is administered by interview	Patient is asked to identify 3-5 activities and then to rate each on a 0-10 difficulty scale. Item scores can be averaged.	Possible score 0-10 Lower score means worse disability	MDC90 1 – 2 for averaged scores, 2.5 – 3 for single item scores (Chatman et al. 1997; Stratford et al. 1995; Westaway et al. 1998)	May be useful for all patients, but has only been tested in people with back, neck and knee problems.
Oswestry Disability Questionnaire (Fairbank et al. 1980)	ODI, ODQ	Disability in people with low back pain	Pain intensity, personal care (washing, dressing, etc.), lifting, walking, sitting, standing, sleeping, sex life (if applicable), social life, travelling. Modified versions: 1. Replaces "sex life" section with "changing degree of pain" (this version is not recommended) 2. Replaces "sex life" section with "employment/ homemaking" (Fritz and Irrgang 2001)	Each section has 6 statements, which are scored 0,1,2,3,4,5. The section scores are summed, then divided by the total possible score (50 if all sections are completed), then multiplied by 100 and expressed as a percentage score.	Possible score 0-100 A higher score means worse function. 0-20% minimal disability 20-40% moderate disability 40-60% severe disability 60-80% housebound ¹ 80-100% bedbound or exaggerating (Fairbank et al. 1980) It is rare for an ambulatory, non-admitted patient to have a score exceeding 80%. Unexpected high scores may indicate the need for further assessment.	MDC90 10% points (Davidson and Keating 2002)	The frequent references to pain may be undesirable in chronic pain patients when treatment programs aim to reduce the patient's focus on pain. Does not measure ability to move between postures (eg get out of a chair), work or housework.
Neck Disability Index (Vernon and Mior 1991)	NDI, Mior Index	Disability in people with neck pain	Pain intensity, Personal care (washing, dressing, etc.), Lifting, Reading, Headaches, Concentration, Work, Driving, Sleeping, Recreation	Each section has 6 statements, which are scored 0,1,2,3,4,5. The section scores are summed. A percentage can be calculated as for the Oswestry.	Possible score 0-50 or 0-100 if transformed to a percentage A higher score means worse function.	MDC90 5 points or 10% points (Stratford et al. 1999)	Has limited content relating to headaches.

¹ Original classification by Fairbank et al (1980) was "crippled"



Summary

- clinical practice must be clinically justified
- goal setting - client & provider
- outcome measures provide a long term record of health
- evidence is required for selection and continuation of treatment
- the same parameters used in everyday practice should be applied to TAC clients



There is reduced servicing where efficacy of treatment cannot be demonstrated.

Physiotherapy (private)	17% reduction
Osteopathy	31% reduction
Chiropractic	17% reduction
Speech Therapy (private)	7% reduction

rolling 12months to August



5. Empowering Clients: A Better Approach to Lifetime Support

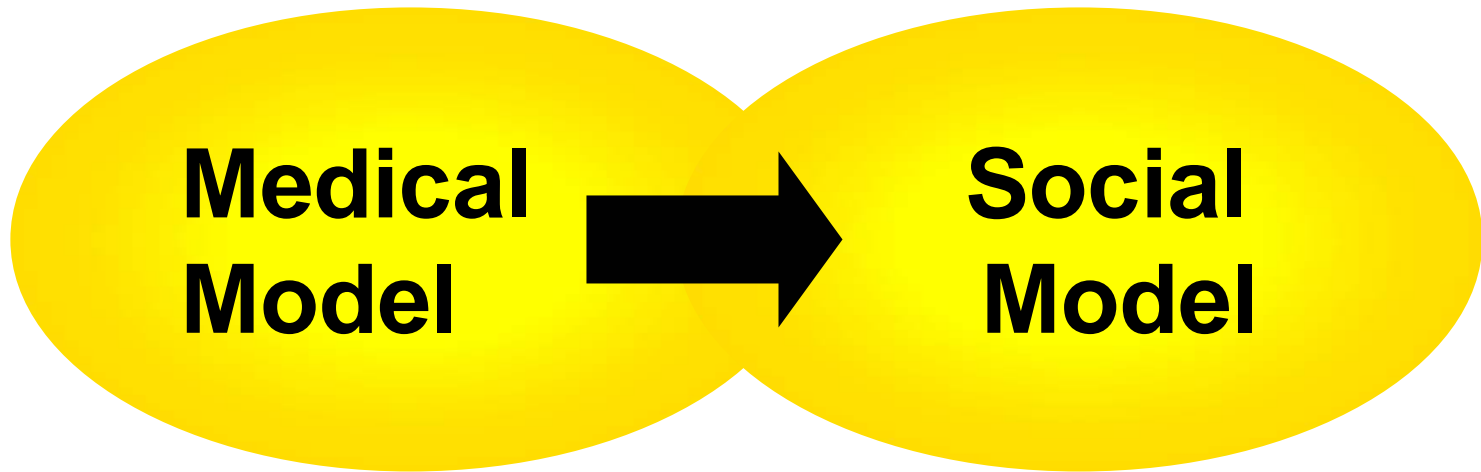


Why focus on lifetime support?

- we always want to improve outcomes for clients
- play a role in supporting the Victorian Government's State DisAbility Plan
- ensure our financial resources are used effectively to support clients now and in the future



We knew there was a better way



decisions driven by medical opinion

focus on recovery

segregated environments

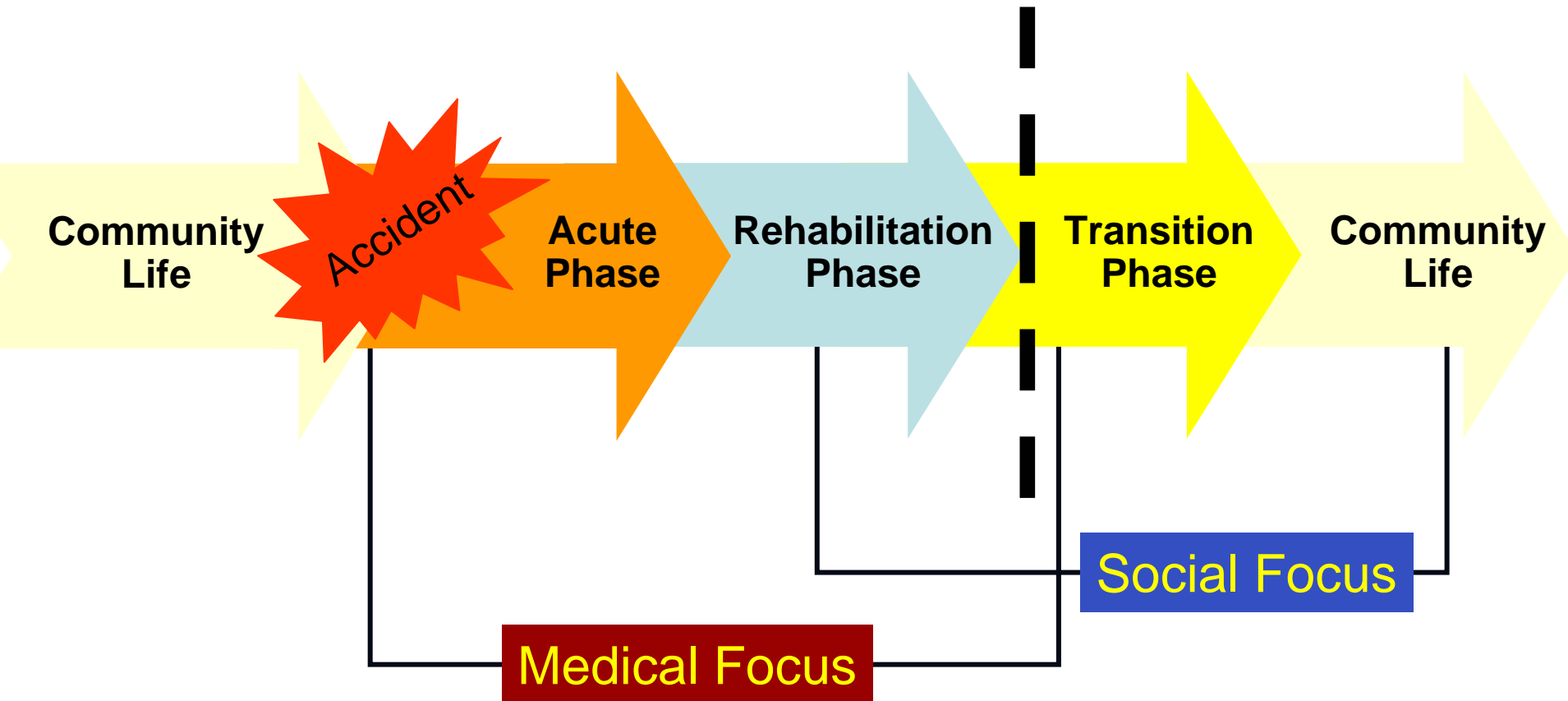
decisions driven by client needs and goals

focus on abilities

community inclusion and lifestyle



Clients going home faced real challenges





Our new approach.





Person-centred, not TAC-centred.

Community

Providers

Friends

Family

TAC

Work

Leisure





Focus on community life.

Achievements

- Individualised planning in place
 - 170 clients supported by Case Managers through transition home
 - > 200 clients who were already living in the community have been engaged in elements of the new process
 - completed research into client discharge experiences





Greater choice – home.

Achievements

- clients with high support needs can have one carer per day, rather than multiple carers on multiple shifts
- more than 100 client living in more than 20 community houses
- now partnering with the health department and other disability groups in community house development
- 4 more rural clients living in the community and not in nursing homes

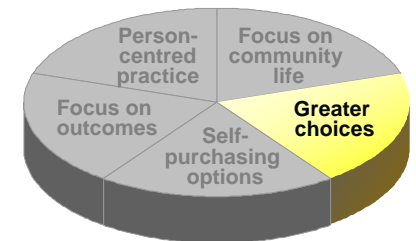




Greater choice – work.

Achievements

- 12 clients in supported employment including:
 - gardening
 - window cleaning
 - hospitality traineeships
- 5 clients in open employment





Greater choice – leisure.

Achievements

- clients now choose interest-based community activities
- agencies appointed in each Melbourne metro region and two rural regions to coordinate activities
- 114 clients participating in their preferred supported leisure options





Self-purchasing options.

Achievements

- established a model that gives clients control over their services
- engaged with the community to develop the model
- brokerage pilot up and running with 7 clients participating
- legislation about to be passed to allow individualised funding agreements





Focus on outcomes

Achievements

- through individual plans, clients and TAC can track lifestyle changes
- now capturing home, work and leisure outcomes
- continuous improvement of client's discharge experience by responding to client and case manager feedback





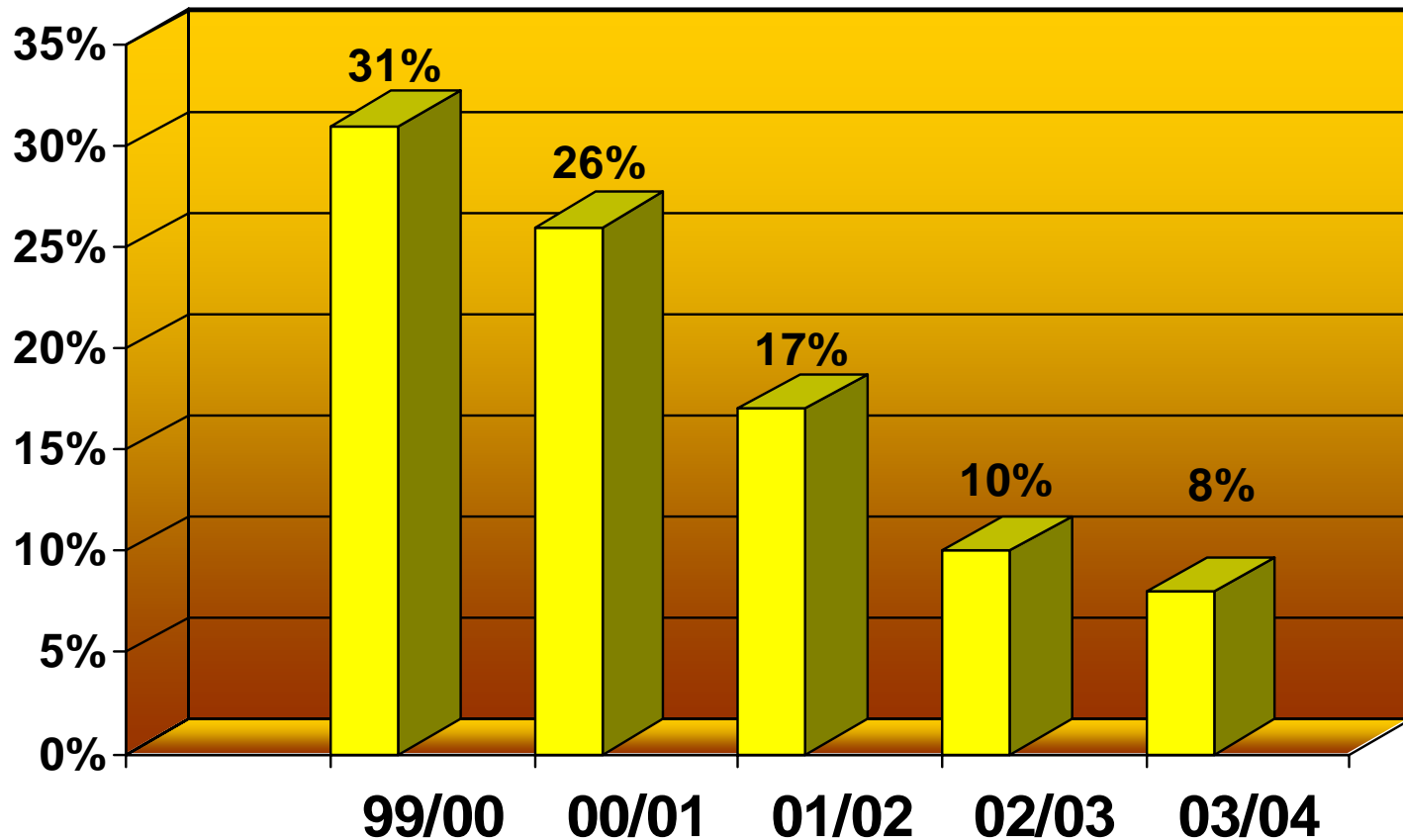
Summary of achievements

- Lifetime Support is a reality!
- person-centred planning is in place
- over 130 clients have engaged in various work, leisure or home options
- clients are better informed and engaged
- the approach is making a real difference to clients' lives
- building expertise and infrastructure for all of Victoria
- TAC is gaining credibility in the community



Sustainable growth means long term security

Annual Growth in Attendant Care Payments



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