

01 December 2016

The Hon Shayne Mallard MLC
Committee Chair
Legislative Council Standing Committee on Law and Justice
Parliament House
Macquarie St
Sydney 2000

Your Ref: D16/36570

RE: First Review of the Workers Compensation Scheme

Dear Mr. Mallard,

We are pleased to support the Standing Committee of Law and Justice in its first review of the NSW Workers Compensation Scheme.

We thank you for your letter of the 10th November and for the opportunity to comment on the following:

1. Covert Surveillance
2. Consistency in case management and case manager turnover
3. Qualifications and training of case managers
4. Triaging of claims for professional assessment
5. The length and complexity of work capacity decisions, including accessibility for non-English speaking workers.

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Allianz is committed to listening to feedback with an understanding of creating simpler, fairer and more transparent customer experiences. We have a long and dedicated association with Workers Compensation in NSW from when it was a privatised underwritten scheme to the current scheme where we are agents in both the Managed Fund and the Treasury Managed Fund. We are contracted by icare and work within the legislation regulated by SIRA.

The complexities of the rules which govern the scheme are such that the role of the workers compensation case manager is one of the most challenging in the insurance industry. There is a primary relationship between the case manager and the worker that is based on engagement, empathy and trust. The case manager has to manage the intricacies of the Workers Compensation legislation and work with all stakeholders in addition to the worker, such as the employer, the treating doctor, broker, specialists, medical providers, consultants, and where required, interpreters. This requires appropriate skills and knowledge to provide support, whilst empowering workers on the journey to recovery, return to work and wellbeing.

Allianz has an extensive and substantial training and development program to ensure all our staff are equipped with the necessary skills. We have a segmented structure that recognises specialisations enabling workers to be supported by case managers with the skills and knowledge to manage their specific claims and injury.

By way of background, across both our Managed Fund and Treasury Managed Fund business in NSW we:

- Have approx. 19,500 new claims each year
- Manage approx. 45,500 claims annually including ongoing claims and reactivations

Covert Surveillance

There are rare occasions whether initiated by external parties or internal views that fraud is suspected. Under these circumstances, covert surveillance may be considered.

In 2016, less than 1% of claims managed by Allianz were subject to covert surveillance.

Allianz complies with the icare Covert Surveillance Guideline, an internal procedure document and an overarching Allianz Investigations Provider Management Guideline. This adherence facilitates a consistent approach using sound reasoning in appointing surveillance but also governs investigators representing Allianz. We appoint appropriately qualified and experienced investigators to undertake the investigations. Surveillance on a claim requires dual approval, including alternative investigative options and general suitability considering the individual claim.

All Allianz case managers complete an Investigations face to face training seminar which provides in-depth review of surveillance, how it works, the reality of surveillance, criteria for when surveillance can be considered and when it is not appropriate.

Psychological claims

Allianz does not consider the use of covert surveillance on workers with a psychological condition as an effective tool for assessing capacity. However, there are occasional exceptions, such as examples of embellishment and fraud (for example undisclosed employment) and in these cases our investigators are fully briefed on all relevant information so as to limit any potential impact on the worker.

Consistency in case management and case manager turnover

As mentioned above, the role of the case manager is complex. No two claims are the same and the quality of the outcome is based on the relationship between the case manager and the worker. However, to provide a framework of consistency we have:

- A claims system with inbuilt controls, processes and workflows that guide case managers through all the relevant stages of a claim.
- Comprehensive and compulsory training that builds knowledge and experience in a structured manner.
- Fully integrated quality assurance procedures and reviews that both seek to confirm adherence to requirements and to identify training needs.
- Extensive reporting that highlights outcomes and potential opportunities for improvement at a granular level.
- A career development program that enables staff to pursue a career in workers compensation built on a structured pathway with key performance metrics.
- All case managers have access to the broader team and specialists to ensure the most appropriate assessments and supports are provided for each claim – this ensures multiple people know the claim, mitigating any problems from staff movements.

Customer Centricity

Allianz is strongly engaged with icare's principle to move towards consistent and person centered delivery of service.

We offer a tailored service delivery model to ensure we provide a person centred approach. Embedded in our business are our Customer Experience Principles which guide and deliver a consistent customer experience. The principles are aligned with treating customers with respect, making it easy, acting with integrity and being responsive in everything we do.

Our values and initiatives are aligned with icare's customer centric focus. Our purpose at Allianz is to help people through their toughest times supported by the Allianz Group's core focus on true customer centricity.

Allianz has a history of investment and innovation and in NSW, we have incorporated Behavioural Insights and Motivational Interactions concepts into our business so that our employees can support their customers. In 2013, the Department of Premier and Cabinet's Behavioural Insights Unit, the Department of Education and Allianz undertook a joint-project to apply behavioural insights to the return to work process. Workers involved in the trial returned to full capacity 27% faster in the first 90 days. The results show that workers who experienced the new approach found it to be clearer and easier to understand, more personalised and more empowering.

We utilise Behavioural Insights and Motivational Interactions concepts that:

- Empower communication between case managers and workers with a focus on empathy and the concept of personal commitments.
- Create a collaborative, person centred communication style for strengthening a worker's own motivation and commitment to a specific goal.

We recognise that for workers, the whole claim process can be daunting and confusing and exacerbated by the challenges of managing an injury. We provide transparent communication in various media and seek to ensure workers understand all aspects of the process. Customer feedback though is vital to understand issues and drive improvement. Allianz has long experience in using the Net Promoter Score (NPS) system within its business. We are pleased with the NPS system introduced by icare, building on our own insights, and providing valuable information which is used by our Customer Experience Team to address concerns and drive changes in the business.

Triaging of claims for professional assessment

Structure and segmentation

Allianz has created an agile claims management model to deliver sustained return to work and health outcomes and to support our high focus on customer satisfaction. Our business is segmented into teams that specialise in particular cohorts of claims which:

- Aligns case manager qualifications to the types of claims or employer type
- Aligns and reduces caseloads for more complex matters
- Provides focus on particular cohorts of claims such as self-employed claims or psychological claims

This enables claims staff to become proficient and experienced in their respective cohorts leading to consistent practices and injury management support provided to workers, ultimately giving rise to improved return to work and return to health outcomes.

IT system controls

Allianz has invested heavily in our IT system, enabling us to control critical activities in our business which relate directly to service delivery, by managing processes and timeframe driven activities as effectively as possible.

In particular, Allianz uses a sophisticated triage process in our claims system to route each claim on notification to the most appropriate case manager, based on establishing data relevant to the injury and to any psychosocial barriers that may impact on a positive outcome for our customers.

Independent Medical Examinations

As part of its range of injury management and assessment tools, Allianz uses Independent Medical Examinations (IMEs) only when information from treating doctors is unavailable or inconsistent, to better understand the progress of an injury at a point in time.

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It is recognised that workers should have choice and as such we provide, where practical, three IMEs for the worker to select their preferred examiner.

Qualifications and training of case managers

We have developed a range of people practices to attract, develop and retain the best employees who deliver the optimal customer service experience and achieve sustainable return to work and return to health outcomes.

At Allianz we have a highly experienced team with 46% of case managers with employment tenure in excess of 2 years, and 20 % of those 5+ years. More than 75% have formal qualifications including Allied Health degrees.

In addition to the Allianz programs, icare has invested heavily throughout 2015 and 2016 to deliver online e-learning and face to face training to scheme agents, providing a layer of consistency across the entire scheme.

The worker who has been injured is at the centre of everything we do at Allianz - service delivery is vital, and relies on the quality, knowledge and competency of our employees. Allianz is committed to developing capable, empathetic and engaged employees who can provide exceptional customer service. Our approach includes:

- A recruitment program which focuses on customer service competencies.
- A dedicated workers compensation Learning and Development Team that provides technical and soft skills programs.
- An online Harvard eLearning database
- Employee accountability for the delivery of superior service, which is embedded in our performance review process.
- Structured career progression for front line employees which is based on competence and experience in delivering superior service.

- A transparent complaints management model that ensures consistency in service delivery and investment in continuous improvement initiatives.
- A Customer Experience Team to assess feedback from customers and develop and implement initiatives to improve the overall customer experience.
- Call recording, quality assurance reviews and feedback process for case managers.

We would like to take this opportunity to comment that Allianz case managers do not (and never have) receive bonus or incentive payments of any type.

The length and complexity of work capacity decisions, including accessibility for non-English speaking workers.

Our primary objective is to return workers to work and wellbeing. However in line with the legislation, at points of the claim, workers will be deemed to have work capacity and we are required to undertake an assessment.

Structure

At Allianz, the role of the case manager is not to make work capacity decisions but to assess where required the level of work capacity a worker has. Allianz employs a dedicated Work Capacity Team which is responsible for the peer review of work capacity assessments and the delivery of work capacity decisions to ensure these are independent and evidence based, communicated to the worker in a fair and transparent manner, and are consistent, including advice around the dispute resolution process available.

This team of experienced technical specialists ensures that all relevant and available information (even if conflicting), is assessed and appropriately considered.

Additionally, we have a separate and independent Internal Review Team that undertakes reviews of work capacity decisions should it be requested by the worker.

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Both teams take legislative and procedural feedback from the Merit Review Service (at SIRA) and WIRO to continue to enhance our practices and decision making.

Peer Review

Prior to commencing the work capacity decision process, we conduct a review of the information available on the claim file and conduct an assessment to determine if there is sufficient evidence available to make a work capacity decision. This review process will consider all information provided.

The work capacity decision process

The NSW WorkCover Work Capacity Guidelines (11/10/2013) and more recently the SIRA Guidelines for claiming workers compensation (17/06/2016) set out the minimum requirements for scheme agents when undertaking work capacity assessment and decisions.

We have a structured process that involves:

- Assessment of all available information by the case manager
- Peer review
- Recommendation to the Work Capacity Team
- Acceptance or referral back to the case manager
- Fair notice provision where a worker is given all key documents
- Work capacity decision communication using phone and letter
- Three months ongoing benefits

The dispute process includes:

- An internal review by Allianz
- A Merit Review by the Merit Review Service
- A procedural review by WIRO

Sustainability of decisions

The table below provides a summary of the work capacity decisions conducted by our Managed Fund and Treasury Managed Fund business units year to date.

	Volume
	45,500
Work Capacity Decision	
Work Capacity Decisions made by Allianz	570
Internal Review	
Number of Internal Review Applications	277
Merit Review Service	
Number of Merit Review Applications	114
WIRO	
Number of WIRO procedural review applications	32

The above table demonstrates that out of over 45,000 Allianz claims, work capacity decisions were only made on 1.2% of claims.

The work capacity process can be complex and while we are committed to providing fair and transparent communication, we believe workers should be able to access legal representation to further understand the process and expectations.

Non-English speaking or English as second language workers

Allianz uses interpreters at all verbal communication touch points when a worker nominates that their spoken language is not English, including during fair notice and on the delivery of a work capacity decision. This ensures that communication of the decision is fair and transparent and outlines the dispute mechanism process and third party support services available.

We do however acknowledge that it is not general practice for Allianz to provide interpretation of written communication. We agree that the scheme would benefit from a service that agents could access to have notices interpreted into the worker's spoken language.

Thank you for the opportunity to provide feedback in support of the Standing Committee of Law and Justice's first review of the NSW Workers Compensation Scheme.

Please do not hesitate to contact me, if we can provide any further clarification which will assist in your review.

Yours sincerely,

Mike Siomiak
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Allianz Australia Workers Compensation (NSW) Ltd