



AAI Limited  
trading as GIO –Agent for the NSW WorkCover Scheme  
ABN 83 564 379 108 – 003

Suncorp Place  
18 Jamison Street NSW 2000

1 December 2016

Your Ref: D16/36596

Hon Shayne Mallard MLC  
Chair – Standing Committee on Law and Justice  
Parliament House  
Macquarie Street  
Sydney 2000

By email: [lawandjustice@parliament.nsw.gov.au](mailto:lawandjustice@parliament.nsw.gov.au)

Dear Mr Mallard

**Re - First review of the NSW workers compensation scheme**

Thank you for the opportunity to provide a response to the Standing Committee on the evidence received and reviewed by the committee as part of this review.

Suncorp is Australia's largest private personal-injury insurer. Through our GIO brand, Suncorp is engaged as an Agent managing claims on behalf of the Government Insurer, icare, in the NSW Workers Compensation scheme. Suncorp is committed to engaging with all stakeholders in order to positively contribute to the process of reform and refinement of public policy.

As our numerous publications have detailed, Suncorp believes that statutory personal injury schemes play a vital role in maintaining the wellbeing of our community.

The design of these schemes is critical in delivering upon the key objectives of affordability, protection, financial sustainability and health outcomes for injured people. Suncorp welcomes the recent icare initiatives to enhance the emphasis on the experience of injured workers through the claims process.

The introduction of a customer Net Promoter Score (NPS) as a performance and remuneration metric for scheme Agents managing claims is an important mechanism that enhances competition between Agents to the benefit of end-users, in particular injured workers.

The response provided below serves to expand upon the themes identified by the Standing Committee and explores GIO's experience in relation to those themes in the operational context.

## Use of Surveillance

The lodged submissions have highlighted the use of surveillance as an area of concern for injured workers and employee representative bodies.

GIO considers the protection of an individual's privacy to be paramount, GIO also believe we have an obligation to all policyholders, injured workers and the community to pay only genuine claims. This view is consistent with the philosophy and guidelines set out by the NSW Workers compensation insurer, icare. The insurance industry has a vital role in deterring, detecting and reporting fraudulent activity. Fraud detection and deterrence requires a multifaceted approach, including appropriate surveillance to uncover fraudulent activity and inconsistencies relating to capacity for work.

Whilst GIO is concerned that any significant limits on appropriate surveillance may have major impacts on the ability to uncover fraud with financial repercussions for the scheme and wider community, GIO is confident that any potential adverse consequences of surveillance can be minimised by implementing the highest level of ethical standards through consistent controls, procedures and oversight.

Using our multi-factorial approach to detecting fraud, including the use of surveillance, we have identified a number of matters which were referred to the SIRA in the past year.

### *Surveillance and Mental Illness*

Across the personal injury insurance industry in Australia, claims involving the impact of mental health conditions are increasing and adding a new level of complexity to the management and resolution of these claims. GIO is aware of the rising concern in the

community regarding the use and effectiveness of surveillance in cases which involve injured workers suffering from mental health conditions.

As a claims management Agent in the NSW scheme, GIO has recently reviewed its surveillance procedures and processes to ensure that an injured worker's mental health condition and background are considered prior to conducting surveillance whilst at the same time ensuring that we meet our contractual obligations to ensure that we are paying only genuine claims.

GIO acknowledges that there is a fine balance between uncovering fraud and the potential for further injury when surveillance is conducted without consideration of the injured worker's mental health.

GIO's surveillance procedure and process is consistent with icare's Covert Surveillance Guidelines, which are based on a multi-factorial approach to determining when surveillance is appropriate.

#### *Desktop Surveillance*

GIO undertakes desktop surveillance in the form of social media searches, however, this is limited only to information that is freely available within the public domain.

GIO and its service providers are aware that they are not to engage in any conduct for the purposes of gaining greater access to information which is not publically available. GIO's fraud and investigation team have comprehensive Service Level Expectations (SLEs) in place with these providers outlining expectations and key performance indicators.

Social media searches are the extent of GIO's desktop surveillance or investigations. GIO also acknowledges that desktop surveillance can often lack any real probative value in detecting fraud for injured workers allegedly suffering psychological injuries.

#### *Panel Providers*

Suncorp partners with a panel of approved investigation organisations who provide services to GIO.

Comprehensive Service Level Expectations (SLEs) are in place with these providers which outline key expectations and key performance indicators.

Of paramount importance is the requirement that all work carried out on behalf of GIO is conducted in an ethical and professional manner with all stakeholders at all times. Any complaints received in relation to our external providers investigated and resolved by GIO with the potential for major ramifications on the agreement we have with the specific service provider.

All feedback is provided to the panel providers by our stakeholder management team and GIO has no tolerance for conduct which falls below the standard expected of our providers.

## Consistency in Case Management & Case Manager turnover

GIO currently employs 128 people within the NSW Managed Fund Workers Compensation Claims business.

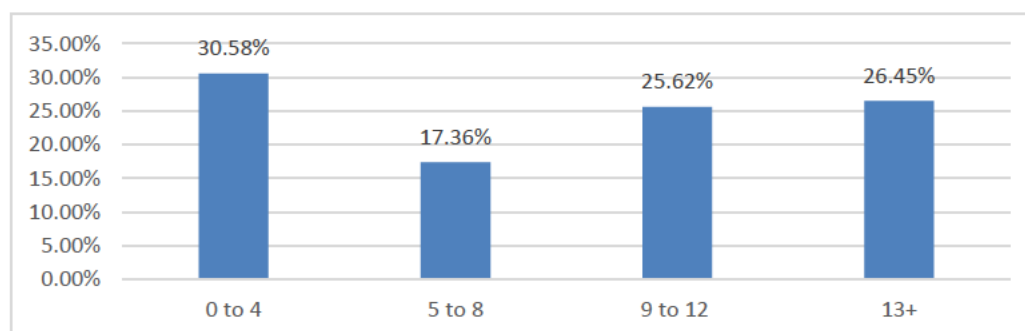
The employee initiated turnover rate is calculated as 3.9% (table 1). This correlates with tenure data detailed below demonstrating that 69% of GIO claims staff have over 5 years of service with GIO.

### STAFF TURNOVER – GIO WORKERS COMPENSATION

	Contractor FTE	Employee FTE	Total FTE	Actual Headcount	Employee Initiated T/O (12 Mth Rolling)	Employee Initiated Rate (12 Mth Rolling)	T/O Mth
Commercial Claims	1.0	67.6	68.6	72	3	4.17%	
Corporate Claims	0.0	52.0	52.0	55	2	3.64%	
Technical Specialist WC	0.0	1.0	1.0	1	0	0.00%	
Total GIO NSW Workers Comp Team	1.0	120.6	121.6	128	5	3.91%	

Table 1. GIO NSW Workers Compensation Claims team FTE, headcount and turnover.

### STAFF TENURE – GIO WORKERS COMPENSATION



Graph 1: Distribution of GIO claims staff by tenure (percentage)

GIO is committed to stability within its claims management functions and works to retain the same Claims Advisor aligned to each customer's claim within each life stage of the claim, acknowledging that this is not always possible. GIO consider continuity drives the development of a supporting and trusting partnership between all

stakeholders and optimises the success of return to work outcomes. GIO is committed to robust claims management processes to overcome transitional challenges in circumstances in which Claims Advisor claim continuity cannot be achieved, ensuring a uniform experience across each life stage of the claim.

## Qualifications and Training of Case Managers

All claims management positions at GIO have defined core competency requirements that are specified in position descriptions. Personal injury management is an established professional discipline and GIO has invested in building this capability by establishing business practices to support continuous professional development across all personal injury claims portfolios. Suncorp is a signatory to the Health Benefits of Good work consensus statement and we promote this philosophy through our Personal Injury claims businesses.

There has been significant investment to build injury management capability within the claims business over the past five years. Claims staff have the opportunity to undertake Certificate IV in General Insurance (FNS41415) focusing on Personal Injury Management. Currently approximately half of GIO claims staff have this qualification. It has been our experience that this uplift in capability has contributed to significant improvements in staff performance, engagement and enablement.

All claims staff have personalised development plans detailing areas for personal and professional development. The plans are revised annually and enable staff to be directly engaged in their own development throughout their career at Suncorp.

GIO claims staff undertake a broad range of ongoing training including:

- online Suncorp Group compliance modules;
- icare e-learning modules;
- ad-hoc seminars presented by rehabilitation service providers, medical professionals and lawyers; and
- face to face training by icare.

Additional support and continuous improvement is provided and identified by the Claims Solutions Quality Assurance team, including:

- Call recording;
- Document and language review; and
- Process optimisation to increase efficiency and customer responsiveness.

GIO has documented procedures and templates that are accessible by all staff. The workflow system supporting the claim management process ensures that all activities are monitored and customer contact timeframes are met.

### *Customer Focus*

The customer is the focus of the Suncorp Group across all our activities. Our Claims team members are committed to a customer focused approach, whether they are talking to a small employer, large employer, injured worker or intermediary.

A range of tools are utilised to ensure customer focus is embedded across the claims team:

- Access to tools, scripts and templates that have been implemented to train, measure and continuously enable staff to maintain a customer first approach;
- Call recording system to monitor the interactions between our employees and customers so that mentoring and coaching can be provided to improve service;
- Monitoring of the icare NPS feedback to manage performance and provide continuous improvement approach to claims management engagement with injured workers, employers and providers; and
- Maintaining a dedicated Claims Solutions team which works closely with the Claims and Portfolio teams to identify and consolidate national best practice across all our schemes, and drives initiatives to improve our processes and enhance the customer experience.

## Triaging of claims for professional assessment

### *Triaging of Claims: profiling the claim and streaming to appropriate claims management*

The triage stage of claims management identifies the characteristics of the claim, through contact with the employer and the injured worker. Treating doctors may also be contacted at this initial stage to gain an understanding of the likely medical requirements, and to inform our activities in facilitating the triaging of claims. This also involves the consideration of any potential barriers to early injury management intervention and a safe and sustainable return to work. Triaging ensures the claim can be accurately profiled and assigned to the most appropriate segment and Claims Advisor to commence the return to work and claim management strategy.

Claim profiling is undertaken by the Claims Advisor by using a series of questions based on bio-psychosocial factors as well as static metrics to identify the appropriate

management pathway. This classification takes place at every subsequent review point. Claims are triaged into:

- High risk – Claim presents with significant barriers and psychosocial factors requiring immediate intervention, close monitoring and support (‘intervene’ classification)
- Medium risk – Claim presents with barriers or potential barriers requiring active management to ensure that the claim is managed effectively and appropriately with the right level support and guidance for the customer. (‘manage’ classification)
- Low risk – Claim is progressing with minimal support, as expected and is considered on-track (‘monitor’ classification).

Our Return to Work (RTW) Claims Advisors focus on eligibility, early intervention, treatment and RTW in relation to new claims, through the eligibility process and up to 26 week point. They maintain a high level of contact, closely manage treatment, and work with all stakeholders to deliver optimal RTW outcomes, placing emphasis on the injured worker’s capacity, rather than their incapacity.

Claims Advisors provide assurance to the employer of GIO’s processes and expertise to manage the claim effectively and professionally. Equally, injured workers are also assured of our understanding of their situation and our ongoing support through their claim. Importantly, Claims Advisors have extensive claims management experience, and are able to explain the expected claims cycle with confidence and to establish a consistent customer experience from the beginning.

It is important that the injured worker is supported in their recovery and engaged in their return to work. This is a core capability of our RTW Claims Advisors – who work with all parties to establish and maintain constructive relationships whilst ensuring all service obligations and expectations are met.

GIO has developed a communication strategy that is designed to ensure that the injured worker feels supported and informed throughout the entire end to end process. Correspondence is designed to be easily understood, articulating obligations under legislation of the injured worker and GIO. Our correspondence outlines information about the injured worker’s obligations under the legislation, as well as our dispute resolution process and ways to provide feedback throughout the process. We believe that this approach creates stronger working relationships between stakeholders based on trust, and ultimately leads to improved outcomes and fewer disputes or litigation.

### *Decision making model*

GIO has developed a robust claims decision-making model that supports decision-making based on credible evidence consistent with the Model Litigant Policy (Justice NSW Government).

Claims Advisers consider all evidence available to them to develop an informed view that supports their decision. The decision is then peer reviewed by a Technical Advisor. This review and sign-off is mandatory for any adverse decision, and is critical to make sure that decisions are based on credible evidence, are fair to the injured worker and meet the policy conditions as set by the insurer, icare.

As part of the review, the Technical Adviser will consider all competing evidence and provide justification for any preference of evidence. This process validates the decision for the Claims Advisor and provides them with information to support their discussion with the injured worker and the wording for the notice. The Technical Advisor will review the dispute notice prepared by the Claims Advisor for correctness before it is issued to the injured worker.

The internal dispute resolution (IDR) team independently reviews any decision where an injured worker requests review, providing an impartial view on the original decision, and will overturn decisions where the original decision is found to be incorrect or where new supporting evidence is provided. The IDR team is situated in the Customer Relations area, within the Customer Experience Division of Suncorp to ensure both independence and impartiality of the review decision.

In NSW, we regularly review decisions of the Workers Compensation Commission, SIRA merit reviews work capacity decisions and WIRO procedural reviews of work capacity decisions, to ensure that our decision-making reflects current best practice.

### *Length and complexity of work capacity decisions including accessibility for non-English speaking workers*

GIO acknowledges that work capacity decisions are complex, involving compliance with legislation and the decisions require a range of scenarios to be considered.

GIO ensures compliance with legislative requirements and the guideline, whilst also considering outcomes at the merit review and WIRO. The complexity of the work capacity decision, often means that the notice itself is detailed with extensive supporting documentation.



A work capacity decision is a specific type of decision by the insurer which is defined in Section 43(1) of the *Workers Compensation Act NSW 1987* as follows:

- (a) a worker's current work capacity,
- (b) what constitutes suitable employment for a worker,
- (c) the amount an injured worker is able to earn in suitable employment,
- (d) the amount of an injured worker's pre-injury average weekly earnings or current weekly earnings,
- (e) whether a worker is, as a result of injury, unable without substantial risk of further injury to engage in employment of a certain kind because of the nature of that employment,
- (f) any other factor that affects a worker's entitlement to weekly payments of compensation, including a decision to suspend, discontinue or reduce the amount of the weekly payments of compensation payable to a worker on the basis of any decision referred to in paragraphs (a)-(e).

Throughout a notice a scheme agent will need to separately address each of the 5 elements (a-e).

GIO utilises a full suite of work capacity notice templates to ensure that the Claims Assessor has covered off all of the minimum considerations of a work capacity decision. Given the complexity of the decision, the documents are unavoidably lengthy and detailed to cover every element of the work capacity decision and the corresponding review process for each element stated in Section 43 of the Act.

For example, subsection (d), the calculation of an injured worker's pre-injury average weekly earnings (PIAWE) is one element of the notice and just one element of the work capacity decision. First the relevant period is identified, then the methodology used for calculating the PIAWE is explained. The determined PIAWE is then included in a number of places throughout the notice in addition to attaching the evidence pertaining to the PIAWE at the end of the notice. This is just one of the five elements to be covered in each Work Capacity Notice.

Section 44BB of the Act outlines the decision review process that constitutes three stages:

1. Internal Review – The GIO internal dispute resolution (IDR) team independently reviews any decision that an injured worker wants reviewed, providing an impartial view on the original decision, and will overturn a decision where evidence is provided warranting it.
2. SIRA Merit review - This review is on the merits of the case and decision.

3. WIRO Procedural review – This review ensures the correct procedures have been followed throughout the review process

The GIO Technical Specialist and internal Legal team review the outcomes from the internal, SIRA and WIRO reviews to ensure our processes are aligned to these outcomes and reflect the current approach by SIRA and WIRO. When a decision of significance is made, GIO updates its draft work capacity notice templates to reflect these changes, which occurs approximately every two to three months.

SIRA's merit review decisions have reflected a view that the whole person impairment (WPI) of an injured worker is relevant when making a work capacity decision (WCD). Recently decisions have been set aside by SIRA where it wasn't clear about the level of WPI, or at least no mention of it was made. The level of WPI can affect the entitlements timeframe for an injured worker to treatment and the type of WCD we can make when an injured customer is in the post second entitlement period. As a result, even though there is no legislative requirement for a WPI, GIO has updated our Work Capacity decision templates to incorporate this consideration.

Both SIRA and WIRO have recently provided guidelines that have consolidated their procedures and guidelines. GIO appreciates that in practice it is continually changing, and as a Scheme Agent we continually adapt and modify our processes and supporting documentation to ensure compliance with the legislation.

#### *Accessibility for non-English speaking workers*

In the current year GIO has noted the involvement of an interpreter in 15% of work capacity decisions. Wherever an injured worker advises us of their requirement for an interpreter to be present we ensure an interpreter is available at the fair notice phone call and the final decision phone call. Where possible, GIO provides written communications in the preferred language of the injured worker and always endeavour to cater for the specific needs of non-English speaking workers.

GIO are proud to provide claim management services for injured workers in NSW and believe we have a strong history of partnering with the Government Insurer, icare to develop efficient and effective claim services and practices as well as claims management remuneration measures that deliver strong health and return to work outcomes for injured workers across NSW

Should you require any further information in relation to this response please don't hesitate to contact me on

Yours sincerely

David Hutton

Executive Manager – General Accident & Lifestyle Claims NSW

GIO