

**STANDING COMMITTEE ON LAW AND JUSTICE  
REVIEW OF THE LIFETIME CARE SCHEME  
PRE-HEARING QUESTIONS ON NOTICE**

**1. Please provide an update on the 'we care' program conducted in partnership with Carers NSW**

**Answer:**

icare Lifetime Care (LTC) partnered with Carers NSW in 2016 to develop and deliver the *wecare* project offering the *Mentoring Carers Program* and the *Children and Young People Program* to carers of people who have been traumatically injured at work or in a motor vehicle accident, as part of the Workers Care and Lifetime Care schemes.

The *Mentoring Carers Program* is a carer-led program for adult family members, which uses a wellness coaching framework that can be delivered in person or via phone/SKYPE over 6 to 8 individual mentoring sessions. The overall aim of this program is to improve carer health and wellbeing, resilience and coping strategies through a range of program activities. A suite of modules has been developed including - Impacts of caring; Managing stress; and Resilience and coping strategies.

The *Children and Young People Program* is for family members aged 5 to 18. The program works with the young person to support them reach their goals. A solution-based casework model is used to support and assist the young person to identify barriers and overcome them, at home, school or in their social life.

To evaluate the effectiveness of the programs, interviews are being conducted with carers, mentors and icare staff on completion of the programs and again six months after. This is in addition to pre and post health and wellbeing surveys which are administered to measure the carers self-perceived change in their health and wellbeing status over the course of the mentoring.

The programs are available to all family members of icare lifetime care participants and workers care workers. This can include extended family members and non-family members who may be the primary support person/carer. It does not include paid carers.

In the 12 months to 31 October 2018, there were 55 referrals into the *Mentoring Carers Program* with 221 mentoring sessions provided – 78 per cent via face-to-face delivery. During this time there were also 16 referrals into the *Children and Young Peoples Program* with 48 sessions provided all by face-to-face delivery.

Following on from the success of the *wecare* programs, they have been adapted to support the different carer profile of the icare Dust Disease Care (DDC) client group. *wecare* began accepting DDC referrals in July 2018 to pilot the adapted programs.

The programs are funded by icare Lifetime Care until October 2019.

**2. Please provide a report on the performance of the new support and advocacy service which commenced in May 2017**

**Answer:**

The Support and Advocacy Service was established in May 2017 to provide Lifetime Care participants with additional, independent support in lodging a dispute, as well as through the dispute resolution process. The service also assists Lifetime Care participants to lodge complaints, providing a source of support that is independent from icare and from the health professionals involved with the participant, and can be anonymous.

Since its establishment, 12 participants have taken advantage of the services provided by the disability advocacy agencies engaged to provide support. This support was provided to five participants for assistance with a complaint and seven participants for assistance with a dispute.

Participant uptake in use of the service to date appears low despite promotion of the service, however it is acknowledged that the service commenced at a time when complaint and dispute numbers in Lifetime Care had decreased. For example, in the 2017-2018 financial year, frontline complaints had reduced by 20 percent compared to the previous year, and disputes about treatment and care needs had reduced by 29 percent.

Lifetime Care has promoted the service by developing information sheets for participants and staff, published on the icare website. Participants receive information about the service, including contact details for each of the disability advocacy agencies, on every decision letter about eligibility and every decision letter about services. Lifetime Care has also sent participants a copy of the information sheets on the service and has included an article about the service in the participant newsletter *Shine*.

**3. Please provide the number and type of complaints in the Lifetime Care and Support scheme complaints for 2017-2018**

**Answer:**

Lifetime Care's three-level model of complaint handling is outlined in the table below. It enables the majority of complaints to be resolved quickly by frontline staff who have most contact with participants.

Lifetime Care Complaints process		
Level	Complaint handler	Timeframe for resolution
Level 1	Complaint resolved by a frontline staff member (Coordinator)	2 business days
Level 2	Escalated complaint resolved by Step 1: Assessment Review Team Step 2: Optional internal review of complaint by General Manager Operations, Lifetime Care	20 business days 20 business days
Level 3	External agency, e.g. NSW Ombudsman	Prescribed by the external agency

During 2017-18, Lifetime Care received 194 complaints at the frontline (level 1). This is a 20 per cent reduction from the 245 complaints received in the 2016-17 financial year. A typical level 1 complaint is about a delay in payment or a communication problem between a provider and the participant.

There was also a 13 per cent reduction in the number of escalated (level 2) complaints; from 23 in 2016-2017 to 20 complaints in 2017-18. Most complaints received were from participants and related to the level of service received from Lifetime Care and service providers, as well as funding decisions. There were no complaints escalated to external agencies such as the NSW Ombudsman in 2017-18.

Frontline complaints were open for an average of two business days, while escalated complaints were open for an average of 22 business days due to complexity. Lifetime Care aims to resolve escalated complaints within 20 business days. Some complaints may take slightly longer because of the complexity of the matter and reliance on multiple parties such as service providers to respond with information or action. If this is the case, the person raising the complaint is kept informed of progress. A full breakdown is provided below.

Complaints in 2017-18	
Total complaints – Level 1	194 Top three complaint categories: <ul style="list-style-type: none"> <li>• Level of service – icare</li> <li>• Level of service – provider</li> <li>• Funding decision</li> </ul> <b>Average time to resolve (business days) = 2</b>
Total complaints – level 2	20 Top three complaint categories: <ul style="list-style-type: none"> <li>• Level of service – icare</li> <li>• Level of service – provider</li> <li>• Funding decision</li> </ul> <b>Average time to resolve (business days) = 22</b>

#### 4. Please provide a report on the investment performance of the Lifetime Care and Support scheme

##### **Answer:**

The Lifetime Care & Support Scheme Investment Fund (the Fund) is actively managed to achieve return and risk outcomes appropriate to the scheme it supports. The Fund saw positive returns over the 2017-18 financial year and exceeded its stated investment objectives (refer below).

The Fund benefited from strong performances in the Australian equities and Australian unlisted property sectors, with it exceeding its asset-weighted benchmarks. Unlisted infrastructure investments also provided solid returns with low levels of volatility. Global equities performed well in absolute terms and the decline in the Australian dollar provided additional returns for investments held in foreign currencies. While cash and bond market returns were low in line with the low level of interest rates, allocations to defensive asset classes remain important in building the Fund's resilience to market shocks.

The Fund performance for the financial year ending 30 June 2018 is outlined in the table below:

	1 Year	3 Year	5 Year	10 Year
LTCSA Total Fund	8.87%	7.02%	9.09%	7.98%
Strategic Asset Allocation Benchmark	8.58%	6.57%	8.55%	7.62%
Excess	0.29%	0.45%	0.54%	0.36%
AWE + 2% p.a. (Key Performance indicator)	4.23%	4.14%	4.21%	4.91%
Excess	4.64%	2.88%	4.88%	2.98%

5. Under the *Motor Accidents Injuries Act 2017*, the Lifetime Care and Support Authority has assumed responsibility for injured people with particular injuries after five years. What are icare's projections on the number of people who would come under the LTCS scheme as a result of the 2017 Act? How much is it expected to cost icare? How will icare fund it?

**Answer:**

Under the *Motor Accident Injuries Act 2017*, Lifetime Care becomes the relevant insurer for payment of statutory benefits for treatment and care provided to eligible CTP claimants more than five years after the motor accident. Although these claimants under the 2017 Act will not become participants in the Lifetime Care and Support Scheme itself, icare is developing a new service model with the attributes of the Lifetime Care and Support scheme operating model that will be tailored to meet their specific needs.

icare's current projections are that around 450 people a year will receive treatment and care beyond five years. This is a point in time estimate of active cases. This number may be higher due to people who only require one-off or intermittent support. This number is expected to change over time in line with changes in the number of vehicle registrations".

icare expects the fully funded present value of future treatment and care costs, claims management costs, case management costs, and operating expenses paid from the Motor Accidents Injury Treatment and Care Benefits Fund (MAITCB Fund) to be approximately \$58 million for persons injured over the period 1 December 2017 to 30 November 2018.

These costs will be funded via a levy paid by motorists in NSW alongside their CTP insurance premium. Investment earnings on these levies are required to meet the ultimate costs of the treatment and care for these individuals.

icare informs SIRA of the aggregate amount of levy to be contributed to the MAITCB Fund each year. This is collected through a levy on CTP Insurance, as required under the *Motor Accident Injuries Act 2017*. SIRA determines the collection methodology. icare invests the levies not required to meet immediate costs upon receipt.

icare has calculated the amount of levy required for the MAITCB fund using payment data from other jurisdictions with an adjustment for NSW. The aggregate levies were estimated to be \$58m for the period 1 December 2017 to 30 November 2018. Costs and levies are expected to change annually in line with changes in experience as it emerges, changes in the number of vehicle registrations and inflation.

**6. Has icare reached an agreement with the CTP insurers regarding the transfer of claims management responsibility for injured road users at the five year mark of their claim?**

**Answer:**

icare and SIRA have established a joint program of work to develop a future operating model for CTP claimants with ongoing treatment and care needs beyond five years, overseen by joint steering committee. This new program of work is called *CTP Care*. The transition between the CTP insurer and icare is a particular focus under the program. At this stage icare and the CTP insurers do not yet have an agreement, and this is expected to be delivered under the program in 2019.

The Act allows Lifetime Care to enter into an agreement with a CTP insurer to resume responsibility for the payment of statutory benefits earlier than five years. The committee is working towards December 2019 as the earliest date CTP claimants could be interested in this transition to CTP Care. This group is interim Lifetime Care participants who have recovered from their brain injury and therefore, are not eligible for lifetime participation in the Lifetime Care and Support Scheme. However, their orthopaedic injuries would mean that they would be eligible for treatment and care through CTP Care.

SIRA is assisting icare to meet with each of the CTP insurers to discuss transition and to seek their feedback on the types injuries these potential CTP Care claimants will have to help inform the new service model.

For injured people reaching the five-year point, the MAITCBF levy covers the expected cost of the future payments. Where an injured person transfers in advance of this point, a method for determining the associated capital transfer is still to be determined. This is one of the topics of conversation with SIRA, along with making sure the customer journey and experience is seamless and not compromised or disrupted.

**7. What is the projected cost of this arrangement and how does it compare to the cost of funding future medical treatment expenses through lump sum payments under the old scheme?**

**Answer:**

icare expects the fully funded present value of future treatment and care costs, claims management costs, case management costs, and operating expenses paid from the Motor Accidents Injury Treatment and Care Benefits Fund (MAITCB Fund) to be approximately \$58 million for persons injured over the period 1 December 2017 to 30 November 2018.

icare does not have access to information on the costs of funding future medical treatment expenses through lump sum payments available under the *Motor Accidents Compensation Act 1999*. icare is therefore unable to make comparisons. SIRA may be better placed to provide information in relation to costs under the old scheme.

**8. Please provide an update on consultation with stakeholders on the issue of protracted disputes about eligibility in the scheme. Please include a report on the November meeting of the Lifetime Care Participant Reference Groups**

**Answer:**

Lifetime Care has consulted with stakeholders including SIRA, the Insurance Council of Australia and participants via the Participant Reference Groups on the issue of protracted disputes about eligibility.

Legal stakeholders have suggested that this issue is dealt with by restricting the number of dispute applications that can be made by CTP insurers. No stakeholders suggested improvements that did not require legislative change.

During the Participant Reference Groups held in Sydney, Newcastle and Parramatta in November 2018, one participant expressed concern that a CTP insurer was able to lodge an application to the Scheme on their behalf without their consent, which the legislation allows, at the time when negotiations were occurring to settle a CTP claim.

Some disputes may appear protracted because they progress through all stages of the dispute process, and therefore might take months or over a year to resolve. A participant or an insurer also has six months to lodge a dispute. An eligibility dispute is initially resolved by an Assessment Panel of three dispute assessors. Either party then has the right to seek a review of an Assessment Panel's decision about eligibility, which is resolved by a Review Panel of three dispute assessors. It could take several months to progress through each stage, given that it may take time for each Panel to conduct assessments and gather information and submissions from the parties to the dispute.

**9. In light of the recent decision to reduce the LTCS levy by \$3 per policy, what is the projected outlook for future scheme costs?**

***Answer:***

Emerging experience indicates that the number of participants joining the LTC scheme has decreased slightly in recent years. icare expects that, as a result of fewer participants joining the LTC Scheme, future LTC scheme costs associated with persons injured over the next twelve months will be approximately \$18m lower than previously projected. The \$3 per policy reduction reflects the expected reduction in these costs.

As the experience supports the levy reduction, there is no reason to think the financial position of the scheme will be compromised by the levy reduction. The cost reductions are projected to change in line with the number vehicle registrations and inflation over time.

**10. How are these scheme costs affected by the inception of the NDIS?**

***Answer:***

The impacts to date are expected to predominantly relate to pressure on attendant care hourly rates payable by the LTC Scheme. If the demand for attendant care significantly increases or if the NDIS pays a higher rate, there will be upward pressure on the attendant care hourly rates payable by the LTC Scheme.

While to date there has been little impact on scheme costs by the NDIS, icare closely monitors the rates paid by the NDIS and reflects the expected impact on the rates payable by the LTC Scheme in estimating levies.

icare is also aware of the impact of rising medical costs across its schemes and is closely monitoring it.