

2020 Review of the Workers Compensation Scheme

SIRA pre-hearing questions

1. Can you give an update as to progress made in relation to the committee's recommendations from the last review?

Answer

Recommendations 1, 2 and 3 are addressed through the *Personal Injury Commission Bill 2020*, and the subsequent implementation of the Personal Injury Commission.

Recommendation 4 is complete. SIRA required insurers to ensure workers received timely communication and resources in accessing services and supports following the cessation of weekly entitlements. SIRA continues to monitor insurer service delivery and support for workers that were receiving weekly payments at the time of the 2012 legislative amendments as they transition off medical entitlements. SIRA has also implemented tailored additional support programs for this cohort.

Recommendation 5 is being addressed through the *Workers Compensation Dispute Resolution Steering Committee*. The Committee has considered a number of the identified ambiguities (with the exception of matters before Workers Compensation Commission). SIRA continues to convene the Steering Committee and works collaboratively with the WCC and the WIRO to better understand and respond to emerging issues in the workers compensation system, with the main focus in recent months being adaptation to COVID-19. SIRA regularly provides advice to the Minister on opportunities to remove ambiguity in legislation through clarifying legislative amendments.

2. Can you please provide an overview of the scheme's performance over the last 12 months, including the number of notifications and claims and the total spent in relation to these claims.

Answer

Since 2017 the performance of the workers compensation scheme has been impacted by declining return to work rates and increasing claims costs. The performance of the scheme is significantly influenced by the Nominal Insurer (NI) managed by icare, which accounts for around 65% of all active claims. The latest scheme performance data was published via the [March 2020 dashboard](#), on the SIRA website. Comprehensive scheme data is updated regularly on the [SIRA Open Data Portal](#). SIRA is preparing a summary of performance by insurer which will be available to the Committee when SIRA appears at the hearing, or earlier if available.

Workers compensation claims and payments for injuries in the 12 months to 31 May 2020

Claim status	Non-reportable	Payments to date	Reportable	Payments to date	Total	Payments to date
Notifications	27,388	\$ 9,175	45,027	\$102,527,323	72,415	\$102,536,498
Claims	1,873	\$ 28,582	42,005	\$592,120,429	43,878	\$592,149,011
Total	29,261	\$ 37,757	87,032	\$694,647,752	116,293	\$694,685,508

Notes:

- Claims (Liability accepted or declined and/or date claim made reported)
- Notification (no liability decision and no date claim made reported)

- A reportable claim for workers compensation or work injury damages is a claim that a person has made or is entitled to make under the Workplace Injury Management and Workers Compensation Act 1998. Claims become reportable once they meet certain liability conditions and/or have received payments.

3. Over the last 12 months, what percentage of premium income was returned to injured workers via their benefits?

Answer

SIRA estimates that in 2018-19, 72 percent of system expenditure was directed to injured workers through weekly benefits, medical and other support.

4. What progress has been made against the 21 point action plan agreed in response to the Dore Report?

Answer

SIRA has published an [update on progress](#) against the 21 Point Action Plan.

5. What progress has been made against issues raised in the Dore Report that may have been regarded as 'out of scope'?

Answer

Chapter 9 of the Dore Report outlines six issues which were identified as outside of the terms of reference:

- Transparency of NI communications
- Strategic direction
- Medical panel and provider management
- IT platform
- Agent management
- Complaints and disputes.

While out of scope for the *Independent Compliance and Performance Review of the Nominal Insurer managed by icare* (the Dore Review), SIRA is addressing the above issues through the 21-point action plan, and through other regulatory and supervision activities including a comprehensive healthcare review, and an increased focus on health provider supervision, billing and payments.

6. What further audit or review of the Nominal Insurer scheme is occurring, and when? What scope does the audit have?

Answer

SIRA is undertaking quarterly audits of the Nominal Insurer consistent with the 21-point action plan. The first of those reviews was conducted in March 2020. The final report from that review has been provided to icare for comment and will be finalised by the end of July. The second quarterly audit was delayed due to COVID-19 restrictions and is scheduled to commence on Monday 27 July 2020. The terms of reference for the audit is provided at Attachment A.

7. What actions are being taken to improve oversight and management of the TMF scheme? Is there a different level of oversight provided to this scheme when compared with oversight of the Nominal Insurer scheme?

Answer

SIRA's supervision program covers all insurers in the workers compensation system. Despite some differences in powers to apply licence conditions, SIRA uses the same insurer supervision model, insurer portal, reporting requirements, performance metrics and performance feedback for all insurers, including the TMF and the NI. For the TMF, financial oversight is undertaken by NSW Treasury. The TMF is out of scope for SIRA supervision of premiums as it is a self insurer.

SIRA actively supervises performance and regularly communicates with icare about the TMF. Compliance and enforcement actions related to TMF are undertaken for potential legislative breaches as with any other insurer.

SIRA is closely monitoring the performance of TMF and will increase regulatory oversight should that be required.

SIRA communicates directly with larger government agencies and has established a quarterly engagement meeting to discuss operational matters, provide education and support and progress resolution of issues. SIRA proposes to extend this forum to smaller government agencies who may benefit from the interaction, education and collaboration before the end of 2020.

8. We understand that there will be a review of the Treasury Managed Fund, as well as an audit of self-insurers and specialist insurers. Where are these reviews up to and when do you expect them to be completed?

Answer

In March 2020, icare advised SIRA of its intent to undertake a PIAWE 'risk discovery review' of the TMF claims. SIRA directed icare to undertake that review as a matter of urgency and incorporate it into icare's overall *PIAWE Review and Remediation Program*. icare has indicated that it would undertake a 'TMF Scheme Potential Miscalculation Discovery Review' by the end of May 2020.

In May 2020, icare reported to SIRA that it had completed its sample review of 500 TMF claims that identified a 'small number of PIAWE calculation errors', however this finding was limited because 'the majority of claims reviewed had insufficient information to recalculate PIAWE'. icare has advised that it has initiated a further review with 7 government agencies to determine the potential extent of any PIAWE miscalculation errors and this further review will be completed by the end of August 2020.

When SIRA became aware of the PIAWE issues identified by icare, SIRA immediately undertook an initial review of 10 self and specialised insurers to assess their PIAWE compliance to determine if there were system wide issues. This initial review indicated compliance of around 90% in main areas of timeliness, accuracy and completeness of information. SIRA is now extending this review to all self and specialised insurers. The audit component of the review will be completed by late July. Following this the results will be analysed and a report prepared with recommendations for further action if required.

SIRA is taking follow up supervision action with insurers where an incorrect payment has been identified to ensure remediation has occurred and the cause of the error identified and addressed.

9. Can you please give us an update as to the progress of the review and remediation work being undertaken by icare with respect to pre-injury average weekly earning matters?

Answer

icare provides [information about the progress of the Review and Remediation program](#) on its website. SIRA understands that icare will commence repaying workers who were underpaid by the end of July 2020.

10. Can you please provide up to date data to show return to work rates. Why have return to work rates fallen and what are you doing as the regulator to improve this? Can you breakdown the data by insurers please?

Answer

A summary of performance by insurer type is provided at Attachment B. Additionally, the latest performance data was published via the [March 2020 dashboard](#) on the SIRA website. Comprehensive scheme data is updated regularly on the [SIRA Open Data Portal](#). Data for May 2020 is available but likely to be impacted by COVID-19. It may be most useful for the Committee to consider January 2020 and January 2018 as comparison points.

Return to work is a key metric for the performance of the NSW workers compensation system. The impact of delayed RTW on injured workers is a serious concern. There is a strong body of evidence that shows the longer an injured person is away from work, the less likely they are to ever return.

Return to work rates have been declining across the workers compensation system since January 2018, with the NI's performance impacting the most injured workers and posing the most serious risk to the system.

The decline in icare's return to work performance from January 2018 coincided with the implementation of an ambitious transformation program. The Dore review found that icare's new claims operating model, combined with the appointment of EML as the single scheme agent, was the main contributing factor to the deterioration of return to work rates.

SIRA is working constructively with icare to ensure a shared understanding about the trend, and to improve early accurate assessment of the effectiveness of claims management changes designed to improve return to work.

icare's board have engaged the services of an independent consultant, John Trowbridge, to review return to work measurement models. SIRA is engaging at senior levels with icare and Mr Trowbridge to identify key performance indicators for the NI which will be reported monthly to both the icare and SIRA Boards. Any substantive improvement in RTW will be seen in:

- consistent RTW results using a range of measures
- average duration on weekly payments
- total weekly payments
- total active claims.

SIRA is closely supervising and taking regulatory action with each insurer that has seen a deterioration in return to work to understand the reasons for the decline beyond the NI.

Measuring return to work

In line with recommendations from this committee, SIRA is *developing a multi-layered approach to measure system-wide return to work performance to will provide more consistent and complete analysis and reporting of return to work outcomes.*

SIRA has worked to collect clearer and more comprehensive data on return to work and now uses a range of measures and is developing more evidence based and multilayered lead and lag indicators. In particular, for workers compensation, SIRA uses a RTW measure based on "work status" which records the work status of a worker at a point in time (after 4, 13, 26 and 52 weeks). This is reported by insurers to SIRA and includes information on whether a worker has returned to work in either suitable work or pre-injury work or has not returned to work and

payments have ceased for other reasons such as retirement. Previously, return to work was primarily measured in the NSW workers compensation system by measuring cessation of weekly payments.

There are different ways to measure return to work. Getting the right combination is critical to effectively monitoring scheme health and insurer performance, and in designing interventions and regulatory measures to improve outcomes for injured people. In December 2019 SIRA released a Measuring RTW discussion paper which outlined the suite of metrics SIRA currently uses to measure return to work and sought input about how it could strengthen the approach across both workers compensation and CTP. The consultation period ended in March 2020 with SIRA receiving 27 submissions. There was broad agreement that common RTW measures are necessary and that there are social and financial benefits of early RTW. SIRA will undertake further targeted consultation with key stakeholders to assist in finalising its multi-layered approach to RTW measurement and its design of an RTW measurement framework.

SIRA recently hosted a series of roundtable discussions with a range of stakeholders including workers compensation and CTP insurers, self and specialised workers compensation insurers, actuaries, service provider associations, academics, unions and employer associations and other NSW Government agencies. A summary report of key themes from the submissions and recent roundtable consultation will soon be published.

Insurer supervision activities to improve return to work

- SIRA utilises monthly RTW metrics by insurer to hold insurers accountable for RTW performance and discusses this performance with all with insurers on a regular basis.
- SIRA publishes RTW data by insurer type. at a cohort level
- RTW issues identified by SIRA are validated with the insurer. Based on the outcome of this validation and the level of risk, SIRA identifies the most appropriate regulatory response.
- SIRA requires the insurer to implement a corrective action plan to address either data quality issues or RTW performance issues. Insurers who are subject to SIRA imposing additional licence conditions compliance with instructions to implement a corrective action plan is high.
- SIRA requires that the NI 2020-21 business plan provides appropriate RTW targets and sufficiently details programs of work to achieve those targets.
- SIRA has commenced regular quarterly performance reviews of icare's claims management.
- SIRA is to be updated regularly on progress of icare's renegotiation of EML's contract to ensure inclusion of remuneration incentives based on RTW performance. Contracts with Authorised Providers contain RTW remuneration incentives.

Employer supervision activities in relation to RTW

- SIRA designs and implements tailored compliance programs targeted at employers and industry sectors at risk of poor return to work performance.
- SafeWork NSW undertakes proactive visits to employers at the individual claim level. In 2019/2020, 435 return to work verifications were completed. Inspectors also responded to 152 requests for service (complaints) from workers about return to work, resulting in 103 improvement notices.
- In May 2019 SIRA released 14 eLearning modules to build return to work knowledge and capability regarding RTW. As at 30 June 2020 there are 4433 registered users.

SIRA funded programs

- SIRA funds programs that workers and employers can access to help with recovery at work.
- The programs funded by SIRA do not affect an employer's premium calculation. The programs include direct support for workers including training, work trial (experience), equipment and workplace modification as well as incentives for employers, with one program specifically aimed at assisting small business.
- During COVID-19 SIRA has undertaken consultation with stakeholders to seek suggestions for improving return to work – especially for those injured workers who cannot return to their workplace or lose their job as a result of COVID-19.
- In recognition of the economic impact of COVID-19, SIRA has recently developed three additional programs:
 - The [JobCover6](#) program offers financial incentive to employers who provide short-term work opportunities to help injured workers who are looking to gain new employment during this COVID-19.
 - The [Connect2work](#) program offers financial support to employers who provide work placements to assist workers who are unable to recover at their pre-injury workplace or are looking to gain new work skills during the COVID-19 crisis.
 - SIRA has also implemented a Recovery Advisory service for employers.

Return to Work Strategy

SIRA has been actively contributing to the National Return to Work Strategy. As the COVID-19 situation stabilises, SIRA will lead development and implementation of a return to work strategy for NSW.

11. What checks and balances are in place to ensure that employers pay correct premiums and have accurate certificates of currency?

Answer

It is the responsibility of the insurer to ensure that the correct premium is collected for the workers compensation policy and is in accordance with the annual filing submitted to SIRA and assessed as compliant with the workers compensation market practice and premiums guidelines (MPPGs). Regulatory oversight includes:

- An employer may seek a review of their premium calculation from the insurer and, if not satisfied, may seek a further review by SIRA.
- SIRA has implemented an insurer supervision model to assess compliance and performance of insurers including market practices, premiums and insurer service delivery.
- SIRA has taken some regulatory action against the Nominal Insurer for non-compliance with the MPPGs, specifically for failing to comply with premium capping limits.
- Insurers are required to provide quarterly reports to SIRA on policy and premium related complaints and premium quality assurance programs.
- SIRA has an employer compliance and enforcement program that includes matching Australian Taxation Office (ATO) data about businesses operating in NSW with policy data from NSW workers compensation insurers to ensure that businesses have the required workers compensation policy. As at June 2020 this SIRA compliance program has resulted in 8,000 new policies being taken out by businesses, covering almost 26,000 workers in NSW and accounting for approximately \$12 million worth of premium into the workers compensation system.

- Compliance with MPPG's was part of the Independent Compliance and Performance Review of the *Nominal Insurer managed by icare*.

12. What percentage of claims relate to psychological injuries? And of these, what percentage arise out of workplace bullying matters?

Answer

For the 12 months from 1 June 2019 to 31 May 2020 psychological injuries accounted for 8% of all claims reported by insurers. Of those, 33% related to workplace bullying.

13. Has SIRA looked at arrangements in other jurisdictions to consider other measures that may support injured workers back to health and improve return to work rates?

Answer

SIRA undertakes research in partnership with other jurisdictions and contributes to joint benchmarking and monitoring of return to work and recovery. SIRA actively participates in the National Return to Work Strategy, is a member of the Heads of Workers' Compensation Authorities and works collaboratively with other jurisdictions as part of Safe Work Australia to develop national policy relating to workers compensation.

SIRA is also a member of the Heads of Motor Accident Injury Schemes and actively considers CTP scheme measures that may be transferable to workers compensation.

Assessing the impact and potential application of measures in other jurisdictions is an important element of SIRA's efforts to improve health and return to work outcomes for workers. There are many examples of collaboration which have been effective in NSW.

SIRA actively engages with other jurisdictions and related agencies on research. For example:

- SIRA is a member of the SafeWork Australia Evidence Reference Group and the Australia and New Zealand Research Collaboration chaired by WorkSafe Victoria. Both groups facilitate comprehensive information sharing across jurisdictions. SIRA has nominated to lead a project to evaluate the success of the transition to telehealth services across jurisdictions during the COVID-19 pandemic.
- SIRA has engaged the Insurance Work and Health Group at Monash University to investigate support measures for people with psychological injuries impacting their ability to work. This includes a review of measures in other jurisdictions.

14. What treatment providers are required to have SIRA accreditation? Should the categories be expanded to ensure other providers are included and comply with the scheme?

Answer

Treatment providers that must be approved by SIRA to provide services in the NSW workers compensation system are:

- Allied health practitioners who have general registration with the Australian Health Practitioner Regulation Agency (AHPRA) – physiotherapists, chiropractors, osteopaths and psychologists.
- Exercise physiologists who are accredited with Exercise & Sports Science Australia (ESSA)
- Counsellors who are full clinical members of the Psychotherapy and Counselling Federation of Australia, mental health social workers accredited with the Australian

Association of Social Workers, level 3 or 4 members of the Australian Counsellors Association, workplace rehabilitation providers or hearing service providers.

The following non-treating health practitioners must also be approved by SIRA to provide services in the NSW workers compensation system:

- Independent consultants that provide peer reviews of allied health practitioner treatment in the NSW workers compensation system.
- Injury management consultants that are registered medical practitioners experienced in occupational injury and workplace-based rehabilitation.

Under the [comprehensive healthcare review](#), SIRA is examining a range of options to improve regulatory supervision of health providers. This could include adding providers to the list of those requiring approval.

SIRA works with the Australian Health Practitioner Regulation Agency (AHPRA) to strengthen monitoring of medical and allied health practitioners in the NSW workers compensation system. SIRA accesses the AHPRA registration database for up to date information of proof of professional registration and notification of any conditions that may have been placed on the professional registration of healthcare practitioners. Where providers are delivering treatment, services or care contrary to their registration status, SIRA refers these practitioners to the relevant governing body. This monitoring has led to SIRA suspending or revoking approval this financial year for 117 allied health practitioners who have not met SIRA's requirements.

SIRA meets quarterly with the Health Professional Councils Authority (HPCA) and the NSW Health Care Complaints Commission (HCCC) to explore and streamline regulatory processes and the prevention of unsafe practice. HPCA works in partnership with the HCCC to manage complaints about health practitioners and students in NSW. This year, SIRA has referred two matters to HPCA concerning the service provision and professional behaviour of health service providers that may be detrimental to the health and safety of the public.

15. What changes are being considered to the claims management model for the Nominal Insurer scheme to help improve the scheme and support provided to injured workers?

Answer

Changes to the NI claims management model are a matter for icare. SIRA's role is to highlight issues and monitor performance. Both icare and SIRA supported findings of the Dore Report related to improving claims management. SIRA's 21 Point Action Plan set out a number of recommended actions including:

- Ongoing review and refinement of claims management, including agent arrangements, triaging of claims and provision of dedicated case managers to significantly injured workers and workers with psychological injuries or mental illness
- Consider allocating a dedicated case manager whenever an injured worker is likely to be (or has been) incapacitated for work for a continuous period of more than 7 calendar days. This would include any injured person meeting the definition of a worker with a significant injury as defined by s42 of the *Workplace Injury Management and Workers Compensation 1998 Act* (1998 Act)

16. Can you please provide an update as to the number of COVID-19 related workers compensation claims?

Answer

As at 3 July 2020 insurers have notified 267 cases related to Covid-19. Of these, 80 are confirmed cases of which 45 have provisional payments, 4 are pending a decision and 31 have been denied or reasonably excused.

17. What measures are in place or being implemented to improve timeliness in determining claims?

Answer

SIRA monitors the performance of all workers compensation insurers in relation to timeliness in determining claims.

An audit of liability timeframes was undertaken by SIRA in May 2019. It identified a breach of legislative timeframes by the NI and resulted in SIRA issuing 24 penalty notices. icare's performance has since improved in respect to claims liability decision-making.

As per the 21 Point Action Plan, SIRA continues to undertake quarterly compliance and performance audits which include timeliness of decision making.

In 2019 SIRA undertook a review of the timeliness of decision making by self and specialised insurers. While some instances of late decisions were found and insurers cautioned, the review identified some significant issues in relation to accuracy and completeness of data by a number of insurers. As a result of the review:

- Catholic Church Insurance Limited was issued three penalty notices with respect to non-compliance with claims management practices within their portfolio.
- Formal warnings were issued to nine insurers for breaching their licence conditions by failing to provide timely and/or accurate claims data to SIRA.
- Two insurers had special licence conditions imposed upon them in relation to accuracy and timeliness of data.

When SIRA conducted up a follow up review in late 2019, there was a marked improvement in both timeliness of decision making and data accuracy.

SIRA has developed, published and regularly updates the *Standards of practice: Expectations for insurer claims administration and conduct*. These Standards are supported by streamlined and consolidated Workers compensation guidelines. Together, the Standards and revised Guidelines set clear, consistent, accessible and enforceable expectations that guide insurer conduct and claims management.

18. How many applications were made to undertake surveillance over the last two years? Please provide a breakdown by scheme agent.

Answer

icare provided the following data on 3 July 2020:

Surveillance 1.07.2018 to 30.06.2020					
Scheme Agent	Column Labels		Grand Total	Percentage approved	
	Count of Date Response Sent	No			Yes
Allianz		32	43	75	57%
EML - RTWSS		94	115	209	55%
EML - WI		18	41	59	69%
GIO		36	85	121	70%
ULIS		3	10	13	77%
Grand Total		183	294	477	62%

Surveillance 1.07.2019 - 30.06.2020					
Scheme Agent	Column Labels		Grand Total	Percentage approved	
	Count of Date Response Sent	No			Yes
Allianz		14	22	36	61%
EML - RTWSS		68	73	141	52%
EML - WI		13	22	35	63%
GIO		16	49	65	75%
ULIS			4	4	100%
Grand Total		111	170	281	60%

TMF

Surveillance from 01/07/2018 - 30/06/2020			
Agent	Requests	Approvals	Percentage approved
Allianz	5	4	80%
QBE	18	13	72%
CSS	1	1	100%
EML	18	14	77%
Total	42	32	76%

19. Have any licence conditions been imposed on agents in relation to surveillance?

Answer

SIRA does not have regulatory power to impose licence conditions on the Nominal Insurer. SIRA is aware icare has issued a surveillance guideline to its agents and is best placed to address the specific conditions or procedures they have imposed on agents in relation to surveillance.

Terms of Reference

Nominal Insurer Quarterly Claims Management Compliance and Performance Reviews - 2020

February 2020 (Version 1.0)

**State Insurance
Regulatory
Authority**



**State Insurance
Regulatory Authority**

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1. Purpose

- 1.1 This document sets out the Terms of Reference for SIRA's 'Nominal Insurer (NI) Quarterly Claims Management Compliance and Performance Reviews. (The 'Quarterly Reviews')

2. Background

- 2.1 During 2019, SIRA conducted a compliance and performance review of the NI. Part of that review, conducted by EY, was a claims file review of a sample of NI claims from the 2018 accident year. The review was conducted by three senior claims specialist including one authorized officer from SIRA. 122 claims were reviewed that were selected based on a stratified random claims sample.
- 2.2 In order to conduct a claims file review that was as objective as possible, a questionnaire was developed that would lead to a consistent assessment of each claim reviewed. This questionnaire consisted of approximately 170 mostly binary questions that had to be completed by the file reviewer. In addition, several dates and payment amounts were collected. The file reviewers also had free text fields they could use to record observations or other items not covered by the questions. The questions covered the following stages of the claims process:
 - 2.2.1 Claim acceptance and triage
 - 2.2.2 Liability decisions
 - 2.2.3 Ongoing liability and work capacity assessment
 - 2.2.4 Injury management and return to work
 - 2.2.5 Medical treatment and costs
 - 2.2.6 Weekly benefit assessment and payments.
- 2.3 Once each questionnaire was completed, all results were collated and analysed.
- 2.4 SIRA's response to the compliance and performance review of the NI included a 21-point action plan. Action number 10 stated:
 - 2.4.1 *"During 2020, SIRA will conduct and publish a quarterly compliance and performance audit of claims management by the NI, under Division 4 of the Workers Compensation Act 1987, including file reviews utilising an enhanced methodology. Audit reports will be provided to the SIRA and icare boards. The first audit will commence in February 2020 and will be undertaken by EY in accordance with Terms of Reference to be finalised by January 2020"*

2.5 This document constitutes the Terms of Reference referred to in the above statement.

3. Overview

3.1 The Quarterly Reviews will be undertaken by SIRA and will consist of four separate reviews, conducted approximately three months apart, commencing in February 2020. Dependant on review findings, SIRA may decide to undertake additional quarterly reviews, under these or new Terms of Reference, following the completion of the initial four Quarterly Reviews.

3.2 SIRA may elect to exercise any of its legislative powers in the conduct of the Quarterly Reviews but will principally operate under the provisions of section 202A of the *Workers Compensation Act 1987*.

4. Claim Stages and Areas of Claims Management

4.1 The following table summarises the claim stages to be examined and the areas of claim management to be assessed under the Quarterly Reviews.

Claim Stage	Area Assessed
1. Claim reporting and acceptance	<ul style="list-style-type: none">▶ Assess if notification was compliant including if the claimant was deemed to be a worker under the Act and if injury occurred during the course of employment▶ Date of initial and subsequent liability decisions▶ Appropriate communication with all parties▶ Date of commencement of payments▶ Appropriate investigations to determine liability carried out and in a timely manner▶ Views of the employer given due consideration▶ Appropriate resolution of all issues raised
2. Triage and case management	<ul style="list-style-type: none">▶ Initial and subsequent triage categories▶ Date of moving triage category▶ Date of appointment of case manager▶ Appropriateness of initial triage decision▶ Number of case managers involved in the file▶ Degree of engagement with injured worker, employer and treating doctor

3. Ongoing liability and work capacity	<ul style="list-style-type: none"> ▶ Communication with injured worker of changes in liability status ▶ Evidence of re-assessment of liability status having regard to work capacity and ongoing medical treatment needs ▶ Evidence of worker's incapacity to support the level of weekly benefits being paid
4. Injury management	<ul style="list-style-type: none"> ▶ Appropriateness of injury management plan ▶ Compliance with section 45 of the Act ▶ Evidence of employer involvement in getting injured worker back to work ▶ Appropriateness of any appointment of rehabilitation provider ▶ Effectiveness of rehabilitation provider ▶ Appropriate communication with all parties during rehabilitation ▶ Appropriate review of injury management plan on an ongoing basis as treatment progresses
5. Medical management	<ul style="list-style-type: none"> ▶ Appropriateness of information used to prepare the medical treatment plan ▶ Ongoing review of medical treatment plan ▶ Appropriate use of IME and/or MSP ▶ Appropriate detail recorded on file to assess cost of medical treatment ▶ Required approvals for surgery ▶ Assessment of actual costs relative to expected ▶ Appropriate monitoring of treatment and its effectiveness ▶ Relevant challenge to treatment plan if proving ineffective
6. Weekly benefits	<ul style="list-style-type: none"> ▶ Appropriate evidence recorded on file to enable calculation of PIAWE ▶ Accuracy of PIAWE calculations ▶ Weekly benefits paid in accordance with medical certificates (work capacity) recorded on file ▶ Appropriate reimbursement schedules on file to justify payments made ▶ Timeliness of payments made
7. Data quality	<p>Check quality of certain data fields (if relevant) including:</p> <ul style="list-style-type: none"> ▶ Date entered insurer system ▶ Work status code ▶ Work status date ▶ Date ceased work ▶ Date resumed work ▶ Number of days absent

5. Review Activity

- 5.1 The Quarterly Reviews will involve:
 - 5.1.1 Using a consistent set of evaluation criteria to assess files (the same criteria as used for the initial NI review).
 - 5.1.2 Reviewing the sample of files based on this evaluation criteria and recording the findings.
 - 5.1.3 Consulting with an assigned icare contact person as needed to clarify relevant matters in each claim.
 - 5.1.4 Consolidating the individual review findings and discussing the main issues emerging with icare.
 - 5.1.5 Documenting the detailed review for each file.

6. Assessment Principles

- 6.1 In assessing the claim files the following guiding principles will be used:
 - 6.1.1 Questions are structured such that Yes is a positive response.
 - 6.1.2 Either Yes or No is a preferred response rather than N/A, which should only be used when it is a patently correct response.
 - 6.1.3 Many questions relate to timeliness. If evidence was necessary but was not obtained, it is therefore not timely.
 - 6.1.4 Where a question assesses evidence on file, the evidence must be clear and not open to interpretation, otherwise the answer is No.
 - 6.1.5 Some areas of assessment are by their nature subjective, the reviewer shall apply professional judgement and have consideration of all aspects of the claim.

7. Reviewer Conclusions

- 7.1 The results of the claim file review will allow the reviewer to draw conclusions with respect to the quality of claims management on:
 - 7.1.1 The appropriateness of actions taken to assess liability initially and on an ongoing basis.

- 7.1.2 The effectiveness of liaison between icare, EML, the claimant and the employer in order to affect a successful return to the workforce.
- 7.1.3 Whether actions taken are proactive or reactive.
- 7.1.4 The timely and appropriate use of service providers.
- 7.1.5 Whether provider over servicing is identified and acted upon.
- 7.1.6 Whether actions are being taken where treatment is not reasonably necessary.
- 7.1.7 The evidence of strategic application of the legislation to promptly bring the claim to conclusion.
- 7.1.8 The commercial focus of claims strategy and decisions.
- 7.1.9 The management of claim payments.

8. Composition of Review Teams

- 8.1 Where practical to do so, the Quarterly Reviews will generally be conducted by the same reviewers. The Quarterly Review teams will generally be comprised of two independent and experienced claim file reviewers from EY, and one Authorised Officer from SIRA.

9. Claims Sampling

- 9.1 Claims for each Quarterly Review will be drawn from a stratified random sample using the following strata:
 - 9.1.1 Date claim reported between 1 January 2019 and 31 December 2019 and claim open status
 - 9.1.2 Liability status of provisional, accepted or denied
 - 9.1.3 Injury type of fracture, sprains, psychological injury or other
 - 9.1.4 Weekly benefits duration of <1 week, 1-4 weeks, 4-13 weeks, 13-26 weeks or 26+ weeks
 - 9.1.5 A minimum of 10 psychological injury claims will be reviewed
- 9.2 Each Quarterly Review will sample 120 claim files. Based on the findings of the initial file reviews, the Quarterly Reviews will focus on claims managed by EML. The Quarterly Reviews may also sample from any of icare's Authorised Providers (APs).

10. Data and Information

10.1 Data requirements for the Quarterly review will include, but may not be limited to:

SIRA Data

10.1.1 CDR data as at 31 December 2019 (claims header).

icare Data

10.1.2 Documentation of any changes made to the claims operating model since 30 June 2019.

10.1.3 The current triage segments and target case loads.

10.1.4 The current decision making framework between icare and EML.

10.1.5 The current process for case managers to engage with the MSP.

10.1.6 Current APs, the start date of the AP and the current number of claims reported to the AP (in the 12 months to 31 December 2019)

11. Timing

11.1 Each Quarterly Review is anticipated to take approximately 8 weeks to complete, based on the following key activities:

11.1.1 One week of preparatory coordination

11.1.2 Three weeks to conduct review of 120 claims

11.1.3 One week to undertake analysis or review finding and identify and execute any additional information requirements

11.1.4 Two weeks to prepare of initial draft report

11.1.5 One week to review of draft report and prepare of final report

12. Planning and Coordination

12.1 SIRA will designate a Lead Reviewer for each Quarterly Review. The Lead Reviewer will be responsible for preparing a Review Plan for each Quarterly Review and sharing that plan in advance of review commencement with the identified icare Lead Contact.

12.2 The plan will detail the following information relation to each Quarterly Review (Plan template at Appendix 1):

- 12.2.1 Location for the conduct of onsite review activity
- 12.2.2 Name and contact details of icare’s principal point of contact for the review
- 12.2.3 Name and contact details of other icare employees assigned to assist the Review team
- 12.2.4 Description of the review objectives
- 12.2.5 Description of the review scoping and/or focus if narrower than the scope generally provided under these terms of reference
- 12.2.6 Schedule for conduct of any onsite review activity
- 12.2.7 Resource requirements to be provided by icare or its agents during onsite review activity
- 12.2.8 Name and contact details of the Lead Reviewer
- 12.2.9 Names of all Review Team members, including the identification of any formal designation such as “SIRA Authorised Officer” under applicable legislation
- 12.2.10 Details of claims to be made available for review

13. Amendments

- 13.1 These Terms of Reference may be subject to amendment between each of the Quarterly Reviews, only to the extent that the amendments seek to address some aspect of earlier review findings. Any such amendments will be promptly communicated to icare.

14. Reporting

- 14.1 EY will produce a report detailing the findings and analysis of each of the four Quarterly Reviews and as well as final report with consolidated findings and analysis. EY will present each of the reports to the SIRA executive outlining findings and conclusions. Consistent with Action 10 of SIRA’s of 21 point action plan, the reports will be published by SIRA.

Appendix 1 – Review Plan Template



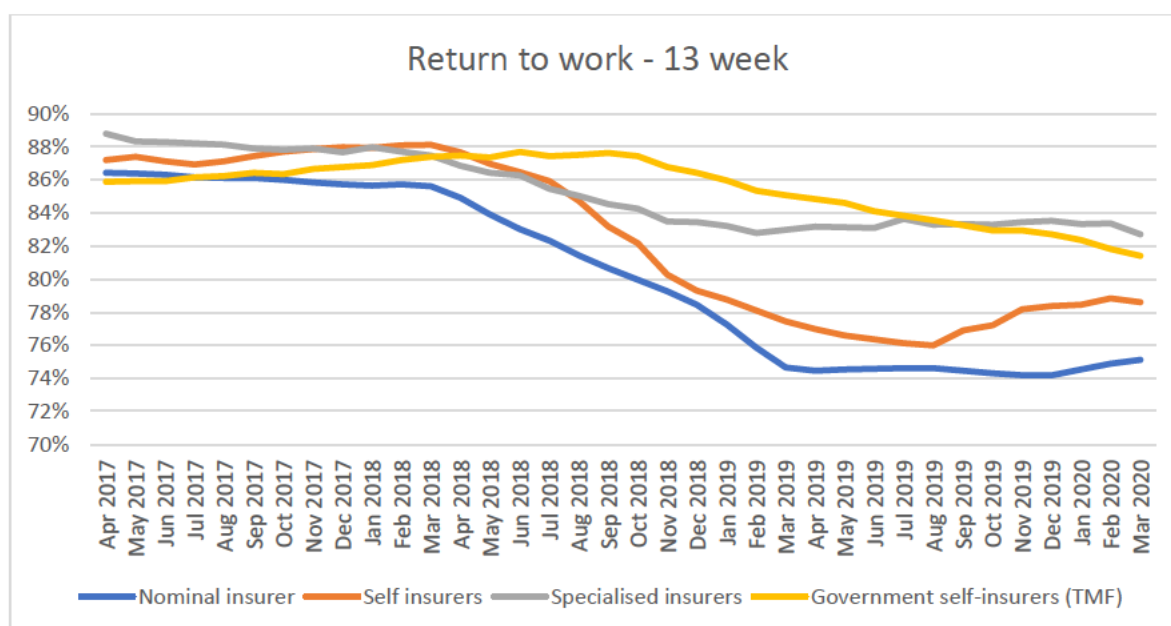
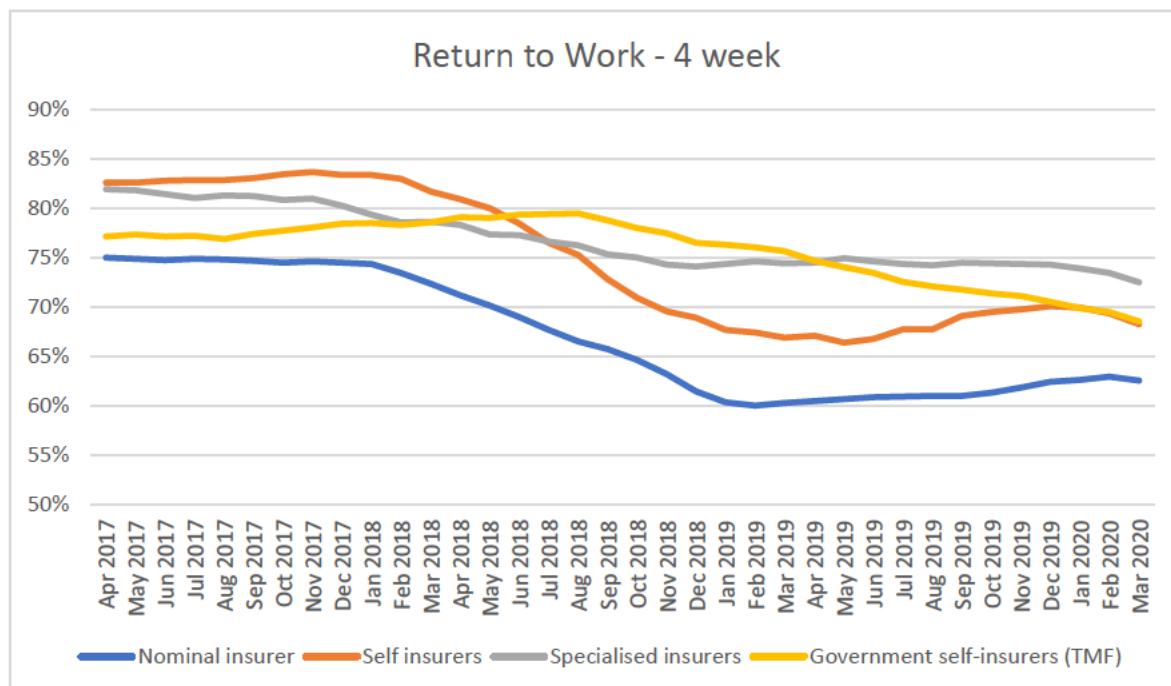
**State Insurance
Regulatory Authority**

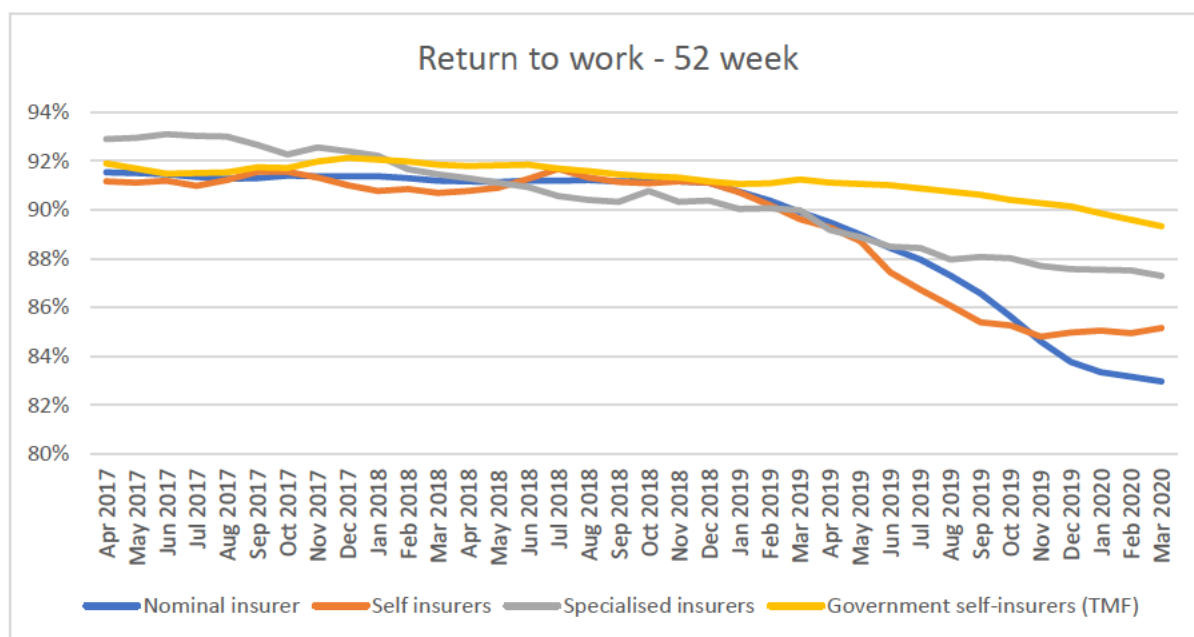
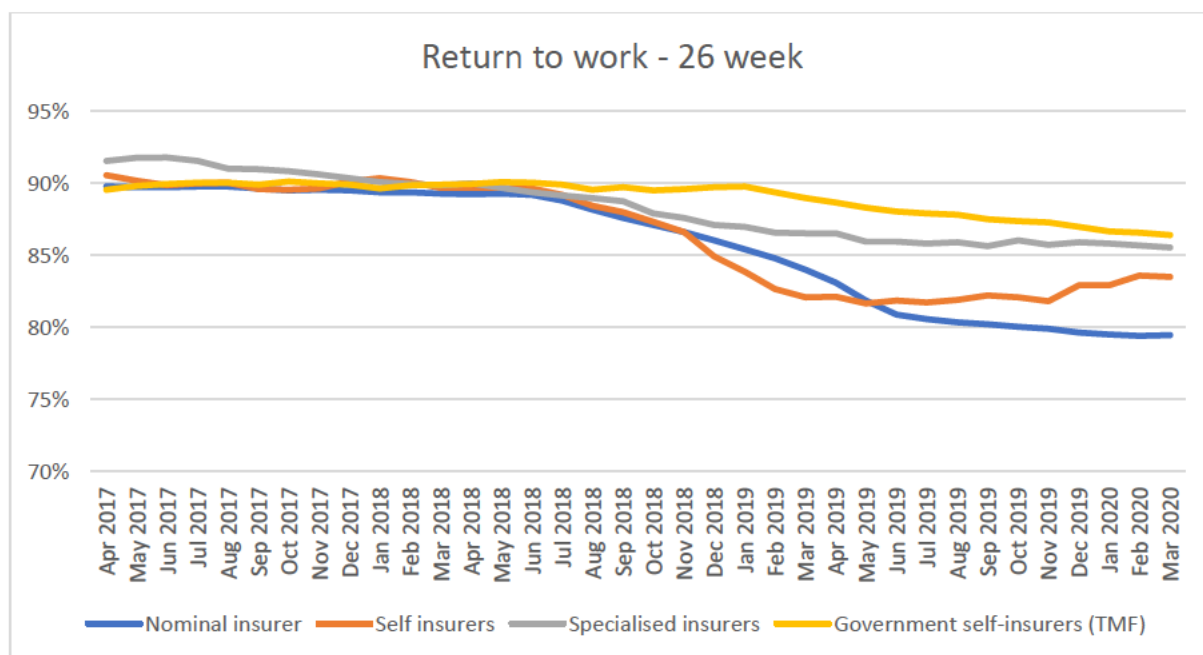
NI Quarterly Claims Management Compliance and Performance Reviews

Quarterly Review Plan (TEMPLATE)

Insurer	<Insurer Name>		
Onsite Review Location	<Address> <Room details>		
Insurer Lead Contact	<Name> <Appointment/Title> <Mobile number> <Email address>		
Insurer Review Support Team	<Name> <Appointment/Title> <Email address>	<Name> <Appointment/Title> <Email address>	<Name> <Appointment/Title> <Email address>
Objectives	<Description of objectives – consistent with Terms of Reference>		
Scope	<Details of scope – consistent with Terms of Reference>		
Schedule	<Date/s of onsite review activity> <Indicative timings of specific review activities>		
Resource/Access Requirements	<List known resources and access requirements e.g. Room facilities, individuals to meet with etc>		
Lead Reviewer	<Name> <Appointment/Title> <Mobile number> <Email address>		
Audit team (Identify Authorised Officer where applicable)	<Name> <Appointment/Title> <Email address>	<Name> <Appointment/Title> <Email address>	<Name> <Appointment/Title> <Email address>
Claims	<Description/details of claims sample to be included in review>		

RTW by insurer type (monthly view)





Number of claims by insurer type (monthly view)

