



Standing Committee on Law and Justice

2022 Review of the Workers Compensation Scheme

**RESPONSES TO QUESTIONS ON NOTICE
FROM HEARING ON 10 OCTOBER 2022**

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The Hon. ANTHONY D'ADAM: Perhaps on notice you might be able to provide us with some statistics about psychological claims that have been redeployed to alternative employment for each of the last, say, five years. How many of those cases have successfully resulted in a worker being redeployed with a different employer or to a different workplace?

RICHARD HARDING: I am happy to do that and bring it back for you on notice. No problem.

MARY MAINI: Can I add to that, Mr D'Adam? In our submission, we also talk about our—we've got career transition services that we've piloted. I can also provide the outcomes of those. We're looking at how do we provide career support for those that won't stay at that employer and transition somewhere else and also bring that into the material that we provide to you.

ANSWER

Nominal Insurer – employment numbers as at August 2022

From 2018 to 2022 (YTD) overall, 20% of workers with psychological injury claims under the Nominal Insurer have obtained employment with a new employer, and 39% are working with their pre-injury employer. A breakdown for each of the last five years is provided in the table below.

Year of injury	Total	Not working	Working same employer	Working new employer	% with new employer
2018	2,936	1,066	1,220	650	22%
2019	3,745	1,413	1,446	886	24%
2020	3,673	1,471	1,395	807	22%
2021	3,325	1,408	1,315	602	18%
2022 (YTD)	1,539	859	550	130	8%
Total	15,218	6,217	5,926	3,075	20%

Treasury Managed Fund – employment numbers as at September 2022

From 2018 to 2022 (YTD) overall, 4% of workers with psychological injury claims under the Treasury Managed Fund have obtained employment with a new employer, and 62% are working with their pre-injury employer. A breakdown for each of the last five years is provided in the table below.

Year of injury	Total	Not working	Working same employer	Working new employer	% with new employer
2018	2,486	799	1,559	128	5%
2019	2,991	953	1,911	127	4%
2020	2,762	963	1,699	100	4%
2021	2,258	1,508	1,754	96	4%
2022 (YTD)	2,161	1,180	950	31	1%
Total	12,658	5,403	7,873	482	4%

Career transition services program

A career transition services program has been established in the Nominal Insurer, whereby an in-house team of seven specialists provide assistance to injured workers with sourcing new employment when they become detached from their pre-injury employer.

From the program's commencement in 2021, 398 workers have utilised the service and of these, a significant portion were directly referred by case managers.

Under the 2021 program, 105 workers secured new employment.

Under the 2022 program to date, 87 injured workers have enrolled and 25 (or 28%) have secured employment.

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MARY MAINI: Mr Donnelly, I wasn't privy to that conversation either but what I'd like to do is just highlight that in terms of what we ask when we've got the notification process is the name and contact details of the worker, the name and contact details of the employer, the name and contact details of the worker's medical practitioner—I'm just reading through in terms of what we've got—the name and contact details of witnesses, were any other witnesses known to the worker if the incident was witnessed, a description of the injury and how it happened, and information to support medical expenses and other losses. I'm at a loss to try to understand what the nature of the question was earlier or the issue. We do have an online portal, where we're trying to capture minimal information quickly. The important thing for us, and for any insurer, is for an injured worker and an employer to notify as quickly as possible so that we can trigger the provisional liability requirements and help those injured workers. If there's a barrier, I'm happy to take that on notice and provide more information.

The Hon. GREG DONNELLY: Perhaps you could do that on notice. But the issue is minimal information. I think you've probably nailed it on the head. This is the point: There is minimal information being captured.

RICHARD HARDING: There is some conversation about gaps. I don't know what the gaps are. We have information that's necessary for us to process and initiate the claim, which is the key. Then the conversations can happen with the stakeholders in that claim so that we can capture the rest of the information in a much more rich way than on a form. Perhaps you were talking to the lawyers' association, who like a lot of forms. Otherwise, unfortunately, we don't have the context or the background. Maybe you can email me and I can give you a bit more detail and we can have a look.

The Hon. ANTHONY D'ADAM: You could review the transcript and perhaps on notice provide a response.

The Hon. GREG DONNELLY: We can deal with that on notice.

ANSWER

The information necessary to facilitate a workers compensation claim is primarily captured via two forms.

Lodgement form for reporting an injury

An injured worker or employer can notify a claim service provider of an incident and/or injury by submitting a Lodgement form by email or post, or via the online portal on icare's website.

The information captured on the form is in line with Part 1 of the State Insurance Regulatory Authority (SIRA) Workers compensation guidelines, and includes:

- names and contact details for the worker, their employer and their treating doctor;
- names and contact details of any witnesses and/or witness statements;
- a description of the injury and how it happened; and
- information to support medical expenses and other losses the worker is claiming.

The information collected is captured in icare's online portal. Once a claim service provider or insurer receives notification of a worker's injury, the portal prompts them to capture additional information above and beyond the requirements of the guidelines. This includes details of the worker's income, employment situation and health conditions, and whether they have support at work and at home.

The information captured by a claim service provider or insurer in relation to physical injury claims and psychological injury claims may differ, given the nature of psychological injuries whereby further information and investigation is often required to understand diagnosis and contributing factors/causation. This is further complicated in cases where it takes a worker some years to make a claim for their psychological injury, which can make the circumstances surrounding the injury much more difficult to recall.

To ensure the information recorded about a claim is up to date and complete, the claim service provider or insurer can update the portal at any time as further information becomes available.

Worker's injury claim form

Under SIRA's guidelines, there are certain circumstances when a Worker's injury claim form may be required, such as where:

- a reasonable excuse notice has been issued, the worker is seeking weekly payments of compensation and the reasonable excuse is still relevant; or
- compensation is likely to be claimed beyond the provisional liability limits and the insurer determines that there is insufficient information to determine ongoing liability.

A worker can submit a claim form at any time. The guidelines provide that claim service provider or insurer can waive the requirement for a worker to submit a claim form, if they determine there is enough information to make a liability decision.

icare looks forward to contributing to any recommendations made to improve the capture of information relating to injury notifications and claims.

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The Hon. ANTHONY D'ADAM: I want to ask about the customer satisfaction measure. When do you actually take the feedback? When does a worker submit to that process in terms of giving that feedback about customer satisfaction? At what stage do you take those assessments in a claims process?

RICHARD HARDING: I might need to take that on notice for you. I can generically say to you—and I'm happy to come back with specific detail on it—that we take soundings on a regular basis. So monthly—Ms Bansal might actually know the answers.

RASHI BANSAL: Yes, monthly. We do it at different stages. That's my understanding.

The Hon. ANTHONY D'ADAM: Perhaps on notice you could provide some detail about the stages at which points in the worker journey through the claims process that those measures are taken.

RASHI BANSAL: Sure.

ANSWER

icare has a customer satisfaction score (CSAT) measurement strategy that covers the end-to-end claim journey of an injured worker. Feedback is captured at multiple points in a worker's claim to allow continuous improvement in service provision, and the timely rectification of issues as they arise.

Measurements are taken at key points in the claim process, including at the time of:

- any payments to the worker;
- four weeks after notification/claim lodgement;
- 12 weeks after notification/claim lodgement; and
- claim closure.

Feedback is collected via surveys, which are deployed weekly for Nominal Insurer claims, and monthly for those under the Treasury Managed Fund. Rest periods are applied to respect injured workers' time and avoid 'survey fatigue', which would reduce some workers' motivation to participate.

See flow chart *CSAT measurement by moments in the customer journey* at **Tab A**.

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The Hon. ANTHONY D'ADAM: I wonder if you could also on notice provide the detail of the customer satisfaction level for psychological claims for the last two years and then the customer satisfaction level for all other claims for the last two years.

RICHARD HARDING: We're happy to. Historically, we haven't measured satisfaction. We've had—

MARY MAINI: NPS.

RASHI BANSAL: NPS.

RICHARD HARDING: —NPS, which is not a particularly wonderful measure. But we can provide you what we've got.

The Hon. ANTHONY D'ADAM: So you've changed the measure, have you?

RICHARD HARDING: We've improved the measure, yes. Historically—

ANSWER

Transition from Net Promotor Score (NPS) to Customer Satisfaction (CSAT) measure

Historically, icare gauged the performance of claims using the NPS customer experience measure. In early 2021, after detailed research and consultation, a decision was made to transition to CSAT to increase relevancy of the measure for injured workers and improve the actionability of the feedback being captured.

After a period of staged transition during FY2021-22, CSAT became icare's lead customer experience measure from 1 July 2022. NPS will be monitored in parallel to CSAT until the end of the existing claims service provider contracts, at which point it will be retired.

Customer experience performance

Injured workers with physical injury claims are more likely to be satisfied with their claims experience than those with psychological claims. Performance over the past two years has been relatively stable for both physical and psychological claims, across the Nominal Insurer and Treasury Managed Fund.

Based on Nominal Insurer customer feedback captured from September 2020 to September 2022, the proportion of injured workers who provided a NPS rating of 6 – 10 on an 11-point scale was stable, moving from 74% to 73%. The experience rating (NPS or CSAT) provided for physical and psychological claims differed, with the latter performing more poorly. Looking at the most recent period since the inception of CSAT from January 2022 to September 2022, physical and psychological claim scores were stable at 71% and 51% respectively.

For the Treasury Managed Fund, while also quite stable, there was a small decline in the CSAT experience rating for physical injury claims, from 75% to 73% in the period from January 2022 to September 2022. However, this is balanced by an increase from 58% to 66% over the same period for psychological claims.

icare continues to use the voice of those we serve to drive improvements in all customer experiences.

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The Hon. ANTHONY D'ADAM: But you've moved to a different measure, so you have no historical reference point?

RICHARD HARDING: We've got enough historical to give you a good context, and we've got an ability to align the two so you can see changes. But our ability to get deep into understanding what affected the NPS in the past is a lot less than what we can do today in helping to understand the drivers of the satisfaction.

The Hon. ANTHONY D'ADAM: The second thing I wanted to ask was about when you talked about the average claim cost, what categories—can you break that down into what proportion of an average claim is weekly benefits, medical costs, administration, disputation?

RICHARD HARDING: Absolutely.

MARY MAINI: We can do that.

The Hon. ANTHONY D'ADAM: I was wondering if you could provide that detail, the average claim costs for psychological claims and then for all other claims for the last, I don't know, four years if that is possible.

RICHARD HARDING: Yes.

The Hon. ANTHONY D'ADAM: Thank you.

RICHARD HARDING: That's not hard at all.

ANSWER

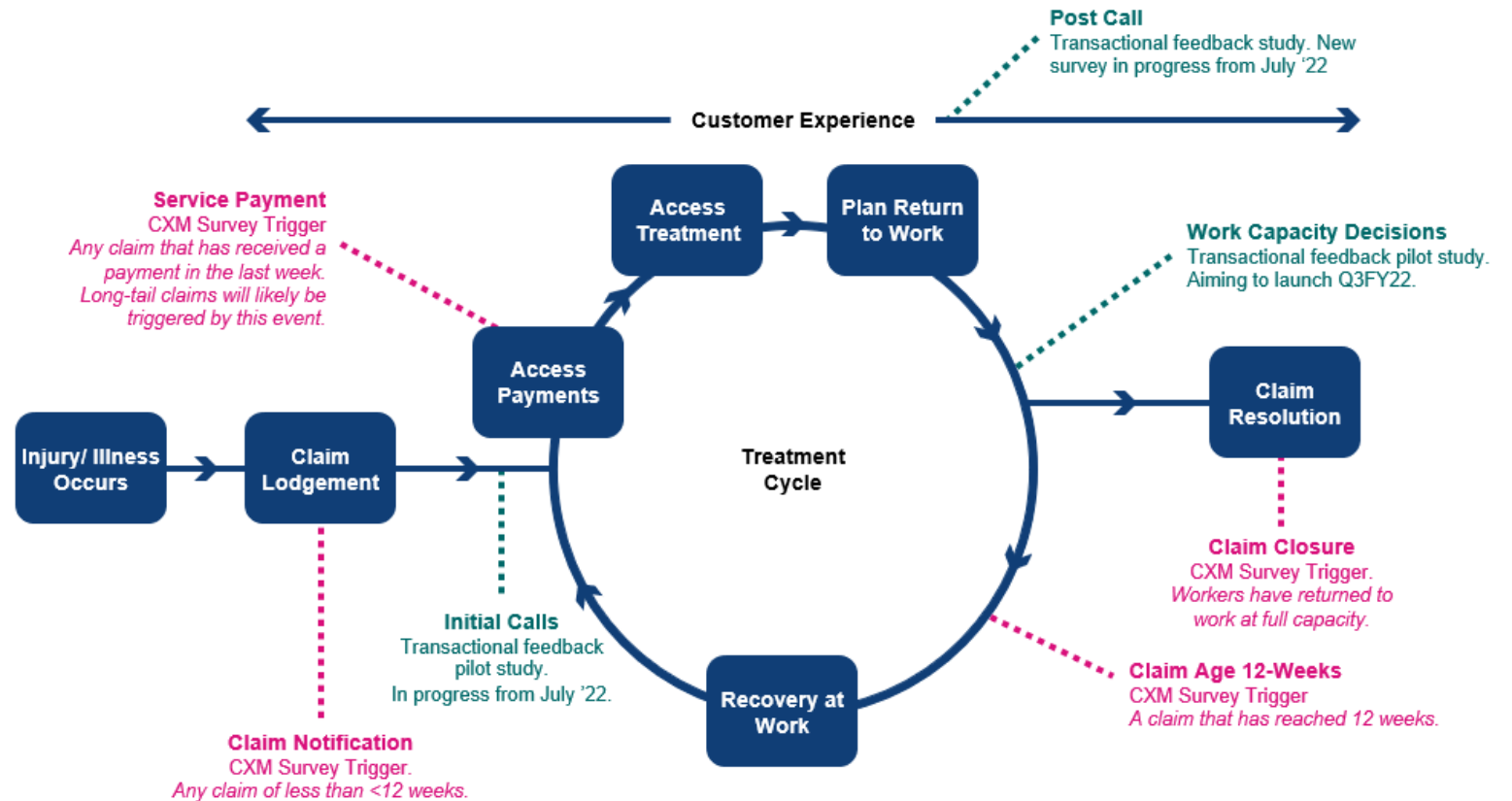
See tables at **Tab B**.

Nominal Insurer – CSAT measurement by moments in the customer journey

Injured/Ill Workers and Employers Customer Journey:

CXM surveys evaluate the overall relationship with CSPs; not a specific moment in the customer journey. CXM surveys are triggered by an event or the age of the claim.

Moments and survey triggers apply to both cohorts.



Key:

Customer Journey Moments

CXM Survey Triggers*

Transactional Feedback Survey Triggers**

*Exclusions and rest periods ensure no overlap in survey triggers.

** Transactional feedback surveys do not contribute to Scheme or Enterprise CSAT targets.

Physical injuries

Physical injuries: Average ultimate cost per claim - nominal dollars, undiscounted ('000s)									
Accident calendar year	Weekly \$'000	Medical \$'000	Work Injury Damages \$'000	Legal & Investigation \$'000	Other \$'000	Expenses* \$'000	SIRA levy \$'000	Other statutory levies \$'000	All claims costs \$'000
2016	11.5	13.3	5.6	1.6	5.0	9.1	3.0	2.0	51.0
2017	14.9	18.1	6.0	1.6	5.5	9.1	3.3	1.3	59.7
2018	18.1	17.3	6.1	1.5	5.0	9.1	3.1	1.0	61.2
2019	19.5	21.3	6.3	1.7	5.6	9.2	3.1	1.0	67.7
2020	21.1	20.9	6.8	1.8	5.5	9.9	3.3	1.0	70.3
2021	21.5	20.6	7.1	1.9	6.2	9.9	3.4	1.1	71.8
*Expense exclude transformation expenses and levies and are the average cost of managing the scheme for the financial period									

Physical injuries: Proportion of average ultimate cost per claim by cost type								
Accident calendar year	Weekly	Medical	Work Injury Damages	Legal & Investigation	Other	Expenses*	SIRA levy	Other statutory levies
2017	25%	30%	10%	3%	9%	15%	5%	2%
2018	30%	28%	10%	2%	8%	15%	5%	2%
2019	29%	31%	9%	2%	8%	14%	5%	2%
2020	30%	30%	10%	3%	8%	14%	5%	1%
2021	30%	29%	10%	3%	9%	14%	5%	1%
*Expense exclude transformation expenses and levies and are the average cost of managing the scheme for the financial period								

Psychological injuries

Psychological injuries: Average ultimate cost per claim - nominal dollars, undiscounted (\$'000s)									
Accident calendar year	Weekly \$'000	Medical \$'000	Work Injury Damages \$'000	Legal & Investigation \$'000	Other \$'000	Expenses* \$'000	SIRA levy \$'000	Other statutory levies \$'000	All claims costs \$'000
2016	42.3	10.7	31.3	4.5	13.9	25.3	8.3	0.0	136.2
2017	57.4	14.9	33.8	4.3	15.0	24.7	8.9	0.0	158.9
2018	87.4	22.0	56.9	6.1	20.1	36.6	12.3	0.0	241.4
2019	96.5	25.5	53.5	6.3	20.8	34.4	11.5	0.0	248.4
2020	98.3	25.8	55.4	6.7	20.1	36.3	12.1	0.0	254.7
2021	103.5	28.3	61.1	7.4	24.4	38.7	13.4	0.0	276.8
*Expense exclude transformation expenses and levies and are the average cost of managing the scheme for the financial period									

Psychological injuries: Proportion of average ultimate cost per claim by cost type								
Accident calendar year	Weekly	Medical	Work Injury Damages	Legal & Investigation	Other	Expenses*	SIRA levy	Other statutory levies
2017	36%	9%	21%	3%	9%	16%	6%	0%
2018	36%	9%	24%	3%	8%	15%	5%	0%
2019	39%	10%	22%	3%	8%	14%	5%	0%
2020	39%	10%	22%	3%	8%	14%	5%	0%
2021	37%	10%	22%	3%	9%	14%	5%	0%
*Expense exclude transformation expenses and levies and are the average cost of managing the scheme for the financial period								