

Submission  
No 1

## INQUIRY INTO WORKERS COMPENSATION INJURY MANAGEMENT PILOTS PROJECT

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**Theme:**

**Summary:**



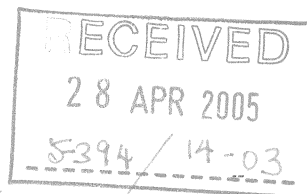
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28 April 2005

The Hon Christine Robertson  
Committee Chair  
Standing Committee on Law and Justice  
NSW Legislative Council

Parliament House  
Macquarie St  
Sydney, NSW 2000



Dear Hon Robertson

Thank you for the opportunity to provide feedback on the evaluation report relating to the Workers Compensation Injury Management Pilots Project July 2004.

The key messages and lessons for agents to come out of the pilot focus on identifying critical components of injury management, measuring improvements in all aspects of service delivery and establishing benchmarks for integrated injury claims management.

Prior to the release of the evaluation report, CGU had the opportunity to implement initiatives relating to case management and case conferencing and provided feedback into these key initiatives at WorkCover facilitated workshops.

#### **Critical components of injury management**

The pilot program highlighted the need for a case management model, which addressed both the needs of the worker and employer, and that embraced exemplary customer service. These critical components have been targeted as requirements for agents as part of the Claims and Policy Services outlined in the Request for Tender administered by WorkCover NSW. CGU endorses the stance WorkCover has taken in relation to these initiatives and agree that active management of claims will result in improved claims outcomes.

The pilot identified key strategies for the management of small to medium employers targeting both their injury prevention strategies by providing employers kits and also providing incentives for early reporting of injuries. CGU support both of these initiatives and believes there is a role in the scheme for the use of WorkCover accredited return to work providers to service this niche market of employers. This recognises that different stakeholders within the scheme have different drivers and each approach needs to be tailored to acknowledge the strengths and limitations of various scheme participants.

Additionally providing a small incentive to employers regardless of the size of the organisation promotes the right type of behaviour and facilitates change. Ensuring the quality of service provision aligns with the more rigorous management of service providers highlighted in the recent WorkCover tender.

CGU notes that the QBE pilot allowed staff to move away from the process, which resulted in superior customer satisfaction, excellent return to work outcomes and lower claim costs when compared with

the other pilots. This outcome does not seem to be reflected in the Request for Proposal, which incorporates a large number of process level KPIs that are designed to form a contract requirement for the provision of claim services. This approach seems to be contrary to the findings of the pilot.

#### **Data integrity and information sharing**

The pilot study highlighted data integrity issues that appear to be facing the industry as a whole. Again WorkCover has taken the opportunity to rectify this situation in their recent Request for Proposal which specifies the necessary changes to information technology enabling the agents to capture more robust data which will allow the effective monitoring and evaluation of scheme performance.

The study also illustrated the benefits the industry can gain through information sharing. The pilot allowed a variety of models to be trialled and best practice processes to be implemented scheme wide. WorkCover continue to have an important role facilitating information sharing among agents and promoting further research to improve the scheme.

The Request for Proposal recognises the importance of case management in reducing claims costs and the best practice model identified through this pilot has been incorporated into the tender. CGU supports a continuing emphasis on research and evaluation to inform further scheme improvements and would welcome the opportunity to be involved in any future pilot projects.

Please contact Jan Smith, Medical Development Manager (9088 9859) within my team if you have any questions or require further information.

Kind regards,



Malcolm Freeman  
State Manager  
CGU Workers Compensation NSW  
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cc Dallas Booth  
Insurance Council of Australia  
(via email)