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FIRST REVIEW OF THE COMPULSORY THIRD PARTY INSURANCE SCHEME

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ROYAL AUSTRALASIAN COLLEGE OF SURGEONS

NSW REVIEW OF THE COMPULSORY THIRD PARTY INSURANCE SCHEME

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INTRODUCTION

Thank you for the opportunity to provide input to the NSW Government's review of the Compulsory Third Party (CTP) insurance scheme.

The Royal Australasian College of Surgeons (RACS) is the leading advocate for surgical education, training, and high standards of practice in Australia and New Zealand. RACS Fellows and staff work closely with other health organisations to promote the best health outcomes for patients and the community more broadly.

RACS advocates for excellence in patient care. We endeavour to give consideration to the full effects of reform measures, such as the NSW Government's review of the CTP insurance scheme. We support the objectives outlined for the review.

Our College is pleased that the NSW Government has sought input from stakeholders on this important issue, and we stand ready to provide further advice which may help resolve clinical issues associated with the scheme, in particular the assessment of injury and delivery of care to patients.

KEY POINTS

- RACS supports most of the stated objectives of the review, which are to increase the proportion of benefits provided to the most seriously injured road users; reducing the time it takes to resolve a claim; and reducing opportunities for claims fraud and exaggeration.

- We support a reduction in the cost of Green Slip premiums, but only where this does not affect adequate coverage of the injured patient.

- We are concerned that less than half of the Green Slip funds collected are paid to injured members of our communities, and we support the Government's efforts to investigate the pattern of insurers' profits exceeding the filed target.

- Current wait times for the finalisation of claims, particularly in relation to the most seriously injured, are unacceptable, and place a financial and emotional burden on individuals and their families.

- RACS encourages the NSW Government to switch to a no fault scheme, such as the model used in Victoria or New Zealand, which is superior to a fault-based scheme.

The most important features of any scheme reform

RACS offers in principle support for the rights of injured people with regards to their health care treatment following an accident. Financial liability should continue under the scheme so that injured people have a continued right to seek timely care of their choice.

Improving the timeliness of claims finalisation is an important feature of any scheme reform. It is unacceptable that the median time to finalise claims increases with the severity of the incident, with the most severely injured patients waiting an average of five years before their claims are finalised.

It is vital that injured patients can access payment at the time when it is most needed, to prevent any barriers to recovery. It is recognised that the earlier a seriously injured patient can access rehabilitation, the sooner they are likely to return to pre-injury activities. Return to work is especially beneficial for those suffering injuries as it restores self-esteem and a sense of purpose. With public hospital rehabilitation services already overburdened, delays to accessing treatment impair the recovery process. Earlier finalisation of claims would enable people suffering injury to access private rehabilitation services.

Rehabilitation costs

Entitlements (either lump sum or recurring payments) arising from motor vehicle accidents must be appropriate to prevent further harm and to cover the full cost of ongoing medical treatment.

RACS supports an initial lump sum payment to assist with access to rehabilitation services, but with the proviso that a review process is implemented wherein a second lump sum could be negotiated should the condition of the individual deteriorate as a late consequence of the initial injuries. This subsequent payment would assist with the purchase of mobility aids, joint arthroplasty should severe arthritis complicate orthopaedic injury, management of chronic pain, and other recognised sequelae that can follow particular injuries.

This would bring CTP insurance in line with recent changes to the NSW Workers Compensation Scheme which has incorporated the provision to negotiate a second lump sum payment. A whole of life approach to support for trauma patients must be the goal.

Clinical assessment of injury

Assessment of injury can be performed using a range of scoring tools. Acutely, trauma clinicians use the Injury Severity Score to predict injury severity and likely outcomes. Injury Severity Score (ISS) is an internationally-standardised approach to describing the overall severity of injury for each patient. It combines the severity of the three most significantly injured body parts and enables comparison between populations of injured patients. It also provides a standard inclusion criterion for trauma registries.

However, it is recognised that some patients with quite high ISS following abdominal and thoracic injuries may go on to have minimal if any residual impairment. On the other hand, a patient with a low ISS such as a severe hand injury may have significant long-term impairment if it is the dominant hand and prevents return to pre-injury activities.

RACS recommends the use of ISS as an initial score to determine the extent of injury, and the subsequent use of functional capacity scoring systems such as the Functional Independence Measure (FIM), and the Short Form Health Survey (SF36).

SF-36 is a set of generic, coherent, and easily administered quality-of-life measures. These measures rely upon patient self-reporting, and assess both physical and emotional wellbeing. These tools are now widely utilised by managed care organisations and by Medicare for routine monitoring and assessment of care outcomes in adult patients.

At fault versus no fault

RACS supports a ‘no fault’ scheme allowing drivers at fault the same access to care, similar to the models that have been adopted in Victoria and New Zealand which allow timely access to trauma and rehabilitation services.

This removes the burden of proof being placed on the injured person, who in some cases may not be able to prove that a motor vehicle accident was caused through the fault of another driver. It would also negate the need for costly legal proceedings, and ensure that all drivers have access to care regardless of fault. Furthermore, at fault drivers are likely to suffer consequences through the legal system. It seems unreasonable to penalise them additionally by limiting their access to financial assistance and care.

Compulsory Third Party premiums

Like the State Insurance Regulatory Authority, RACS is concerned about the high level of insurer profits in the CTP scheme. History has demonstrated a pattern of profit margins exceeding the projected target, in some cases by more than double the projected amount.

The NSW Government is ultimately the payer for road trauma. If only a fraction of the revenue generated through CTP Insurance is passed on to the injured person, then then hospitals pick up the difference through the public health system. This imposes further financial and service provision burden on a healthcare system already struggling with burgeoning costs.

Coverage for other injured road users

Since cyclists and pedestrians injured in motor vehicle accidents are covered under the CTP scheme, it seems inequitable that individuals harmed by motorised and non-motorised vehicles such as bicycles, skateboards, and unregistered motorised vehicles such as dirt bikes are not covered by the current CTP legislation.

The importance of collecting data on injury

The value of information and investigation of injury outcomes to improve trauma quality care cannot be overestimated. A recent report from the Senate Inquiry into Aspects of Road Safety highlighted the value a national registry would provide by monitoring the burden of injury to better inform long-term decision making. The committee recommended that the Commonwealth Government commit $150, 000 for three years from 2016-17 to fund the continued operation of the Australian Trauma Registry.

The Registry also requires the support of state and territory governments, both through the contribution of data, and financially, to provide national outcomes and trauma service benchmarking. Acknowledging the high quality work undertaken by the NSW Institute of Trauma Injury Management (ITIM), RACS recommends hypothecating funds from the NSW CTP scheme to provide pro rata support to the work of the Australian Trauma Registry.

Between 2010 and 2012, the Registry collected data from 27 designated Level 1 Trauma centres across Australia, and published its inaugural report in 2014. The Registry includes information on trauma cases arising from a variety of mechanisms including transport, falls, fire, suffocation and drowning.

The report found that 20,435 patients with an ISS greater than 12 (patients with a severe and often lifelong injury) were admitted and treated over three years. Transport was the major mechanism of injury (52 per cent) and the median unadjusted length of stay in intensive care units was four days, although there were varied outcomes depending on where patients were treated.

The Registry could be linked to existing trauma, cost, and ambulance data registries, and offers unique, clinically relevant information, as well as linked outcomes beyond mortality, which existing datasets may not. The Registry has gone beyond the feasibility stage, already has a good track record with broad acceptance, and has contracts in place with 26 major trauma centres.