

**Submission
No 6**

**STATUTORY REVIEW OF THE STATE INSURANCE AND
CARE GOVERNANCE ACT 2015**

Organisation: icare

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Standing Committee on Law and Justice

***Statutory review of the State Insurance and
Care Governance Act 2015***

Submission from
Insurance & Care NSW (icare)

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Introduction

In 2015, the NSW Government introduced the *State Insurance & Care Governance Act 2015* (SICG Act) and undertook a significant transformation of the NSW Government's insurance landscape. This included separating the regulatory and operational functions of the NSW Workers Compensation Scheme and bringing together the services of the State's statutory insurance and care schemes under a single insurance service provider.

Insurance & Care NSW (icare) was created on 1 September 2015 for this purpose and provides the care, services and administration for:

- Workers Insurance
- Dust Diseases Care
- Lifetime Care
- The NSW Self Insurance Corporation
- The Home Building Compensation Fund

icare's functions also include administration of Sporting Injuries Insurance, the Building Insurers' Guarantee Corporation, the Bush Fire Fighters' Compensation Fund, the Emergency and Rescue Workers' Compensation Fund, the Construction Risks Insurance Fund, the Pre-managed Fund Reserve and a number of closed managed fund schemes.

icare protects 3.7 million workers, 296,000 NSW businesses, and \$190 billion of the State's assets. It provides in excess of \$2 billion in benefits to injured workers and \$110 million in treatment and care services for people with road injuries.

As a Public Financial Corporation, icare is governed by a Board of Directors (comprising eight independent Non-Executive Directors and the Chief Executive Officer), which is accountable directly to the NSW Treasurer.

icare is a social insurer whose purpose is creating a positive impact for customers and the NSW community through a 'commercial mind, social heart' ethos and simplifying insurance for injured people and employers. icare exemplifies this ethos through its peoples' dedication to delivering high-quality, transparent and consistent customer experiences. icare leaders also see it as their responsibility to develop employees to be ethical and innovative change-makers for the betterment of society.

Human centred design is embedded across every part of icare's business so it works from the customer's perspective, to radically improve the customer experience from point of injury to end of claim.

Tangible examples of significant change and improvement in process, innovation and customer experience, as well as community achievement since icare's inception are demonstrated in this submission.

Improved outcomes

Historically, care for schemes across icare's service lines has been managed separately. While each service line had its individual strengths, they were only loosely connected. The formation of icare has provided a tremendous opportunity to bring the Dust Diseases Care and Lifetime Care service lines together under a single operating model - Integrated Care.

Integrated Care builds on the strengths of Lifetime Care and Dust Diseases Care schemes through collaboration, supported by leading practices to deliver the best outcomes for participants. icare is focusing on leveraging a continuous support care model for icare, that treats and supports customers based on their individual injury and lifestyle needs; delivering a consistent experience regardless of where participants live or who is supporting them.

In 2016/17, the Lifetime Care team also introduced a streamlined process for reviewing and approving a bundle of predictable services for interim participants, ensuring that participants have earlier access to what they need. Approval of services in a participant's plan has reduced approval times from an average of 6.3 days to 2.75 days using the streamlined process for interim participants.

Work is continuing to enhance and expand pre-approved services. Lifetime Care has also implemented a range of self-management options to allow participants with stable needs to self-manage some or all of their supports including attendant care services.

Dust Diseases Care has continued to improve services, working with families to improve wellbeing and quality of life, recognising that workers' needs will change over time and ensuring that appropriate services are provided at the right time. Participants are now offered the choice of service provider for their medical screening examination - either in Sydney CBD, through the icare Lung Screen mobile respiratory unit, through their regular treating respiratory physician, or through a recommended locally based provider. This ensures that the participant does not have to travel far unnecessarily.

Before icare, NSW had a protracted assessment process for workers and their families claiming compensation for a work-related dust disease. The average timeframe to complete dust diseases care applications and determine claims in the eighteen months prior to icare was 136.7 days.

Since then, amendments to the *Workers Compensation Dust Diseases Act 1942* established new timeframes for the determination of dust diseases claims. Under the amendments, icare must make decisions on all claims within two days of approval by the Medical Assessment Panel or within two days of the Authority receiving all necessary information to determine the claim. From the commencement of the SICG Act to 30 June 2017, icare has determined 892 claims for dust diseases compensation and 100 per cent of these claims were determined within the two working day requirement.

Additionally, Dust Diseases Care has introduced a triage procedure where urgent malignant cases, such as mesothelioma or lung cancer, are identified and prioritised for action. It has reduced claim application forms from up to 14 pages in length to just two pages and proactively offers the choice for workers and dependents to complete application forms over the phone on first contact.

Dust Diseases Care recipients and their families can now expect remarkably quicker application processing times under the icare model. In 2016/17, the average time taken to determine claims has fallen by more than half: by 55.36 per cent for workers' claims and 62.12 per cent for claims made by dependents of deceased workers.

Under the Workers Care program, the management of treatment, rehabilitation and care for severely injured workers has been transferred from workers compensation Scheme agents to icare. Since October 2015, any newly injured workers who meet the severe injury criteria have been supported by the Workers Care program, which applies the Lifetime Care model of support.

As at 30 June 2017, there were 267 workers in the Workers Care program. A staged transfer of existing severely injured workers across Scheme agents commenced progressively from September 2016, ensuring a seamless and positive transition experience. It also involves a shared relationship in managing claims, as the agents continue to manage all other aspects of the claim including payment of weekly benefits. A communications and operations protocol is in place to ensure interactions between Workers Care and Scheme agents are consistent, efficient and effective. icare is continuously working to identify other severely workers injured who could benefit from inclusion in the Workers Care program.

Improved customer experience

To improve the way icare provides service to injured workers within the public sector and its Government agency customers, the icare self insurance service line has embarked on a three year transformation program.

Based on the findings from the customer experience design work with public sector workers with an injury, as well as agency customers as employers, icare has created a proposed operating model which is intended to deliver better outcomes for all.

The new model is currently in development and will allow self insurance to deliver enhanced person-centric tools and services across risk advisory, claims management as well as product and underwriting by:

- Improving risk intelligence driven by data insights research and partnerships.
- Improving policy and billing and declaration processes by bringing them in-house.
- Continuing to leverage provider expertise and technology for claims management.

icare is supporting stronger collaboration across agencies through the sharing of risk insights and development of risk forums, executive on-boarding, enhanced communities of practice as well as awards and recognition programs. By better addressing these core needs; icare will be fulfilling its duty of being a trusted risk advisor and supporting a stronger NSW economy.

icare has created a Transformation Advisory Group to ensure the proposed product offering meets customer needs; new functions are well designed, consistent and targeted, so that they deliver immediate value. Representatives from each Government department meet at the Group to hear updates and provide feedback to icare.

With the commencement of the SICG Act, icare was given the task of improving customer service and building a simpler, more transparent and supported claims experience for workers and employers. To achieve that, icare has made a number of changes in workers insurance, which has included improving the way claims are managed. As part of the new claims model, icare has selected Employers Mutual NSW Ltd as its partner to manage new claims from January 2018, while GIO General Limited and Allianz Australia Workers Compensation (NSW) Limited will provide services for existing claims beyond 2017.

Redesigning the workers insurance claims model with these selected partners will deliver a more consistent service and higher quality of experience to the injured workers and employers of NSW. icare was able to lower Scheme agent remuneration for 2016 by 33 per cent through pro-active contract and performance management and consolidation of services.

icare is also working hard to improve the independent medical examination (IME) customer experience, which is a service in workers insurance traditionally perceived as having protracted time frames, variable quality and inconsistent outcomes.

Historically, when an injured worker and their doctor decide on a treatment path, a request for that treatment then usually goes to the Scheme agent managing the claim for review. This process can result in injured people waiting for far too long, in some cases up to six weeks, to get the treatment and care they need. icare understands that getting treatment early results in improved return to work and health outcomes which translates into reduced claims costs.

In response to these concerns and to reduce delays, icare is piloting a Medical Support Panel that is targeting faster treatment for injured workers by helping case managers make faster and more informed decisions.

The panel of experts is made up of occupational health physicians and psychiatrists who understand how returning to work can impact health and wellbeing. Their recommendations are evidence-based, and utilise the most current global medical practices and recommended treatment pathways for different types of injuries that consider the worker's overall wellness in addition to their physical injury. In cases where there is insufficient information to recommend approval or agree on an alternative pathway, the case is referred to an IME.

During the initial 12-week pilot period, the panel resolved 213 requests and made these decisions in less than six days. The pilot will continue until around mid-November 2017 to expand on these preliminary results and test the concept across a broader range of claims.

In addition, Scheme agents are required to provide workers with a choice of three IMEs situated locally to where they reside rather than dictating which doctor will conduct the examination. icare understands that it is not always possible to locate three IMEs in some regional and remote areas, so to ensure injured workers in regional areas are not disadvantaged, icare can (and has done) in some instances fly IMEs out to assess workers in their local area or an area convenient to them.

The results achieved in the pilot so far show that by focusing on customer needs rather than process, icare has achieved extraordinary outcomes that will benefit injured workers and employers across NSW.

In 2016, the NSW Government announced reforms to HBCF to ensure financial sustainability and improve protection for consumers against incomplete and defective building work. The reforms enable private insurers to enter the market and include premium changes, the introduction of risk based pricing and removal of broker fees.

As the operator of the HBCF, icare is implementing these changes. Stakeholders including brokers (distributors) and builders have been consulted throughout the HBCF Reforms, including the establishment of its Distributor Advisory Council. Key distributors were also engaged to provide feedback on communication to builders regarding the new pricing. In addition, town hall-style meetings were held for major builders to inform them about the reforms and supporting materials, including FAQs, were also prepared for builders, making it easier to understand the reforms.

icare has also used customer experience insights and recommendations, and is engaging with frontline staff and participants to develop the Optimal Care program for participants in the Lifetime Care and Dust Diseases schemes. The program will remove red tape and simplify processes for an efficient and outcome focused service delivery to our participants with severe illness or injury, their families and carers, irrespective of which scheme they are in.

Community

Following world class models of governance and investment, icare has established the icare Foundation to fund programs that make a difference in the lives of those who live and work in NSW.

The Foundation's purpose is to help prevent injuries and drive better outcomes for people in NSW who are injured at work and on the roads, and for their families and broader support networks. It consolidates grants, sponsorships, research and innovation seed funding from across the various icare schemes to better leverage its overall investment and deliver a greater commercial and social impact.

The icare Foundation was established in November 2016, and will invest \$100 million over five years, to focus on new research, seed innovative breakthrough ideas, and accelerate the development and adoption of new solutions so the potential to improve lives can be realised. Each social investment targets specific health, psychological and return-to-work outcomes for injured workers or motorists, with the opportunity to scale programs across icare's different insurance and care schemes, as well as reaching new locations in both metropolitan and regional NSW.

The Foundation's first round of investments includes:

- Establishing the first injured workers social enterprise in NSW, 'Craig's Table'. Craig's Table is driven by a visionary injured workers' advocate to support injured workers to re-connect to community and return to work. It is based in Parramatta.
- Piloting 'GP Social Prescription', an innovative mechanism which links patients with non-medical sources of support within the community. This is delivered in partnership with Primary and Community Care Services across 80 General Practices in Central/Eastern Sydney.
- Partnering with Spinal Cord Injuries Australia bringing its NeuroMoves program to seriously injured people in regional areas (starting with Lismore).
- Funding the Hunter Institute of Mental Health to lead a new evidence-based response to the mental health and wellbeing of small business owners and workers in NSW. The Hunter Institute will collaborate with small business and mental health partners in NSW to co-design measures that will reduce the onset and impact of mental health problems in those who work in small business.

The Foundation's future investment portfolio is particularly focused on mental health. With the changing nature of work, there is the opportunity for the Foundation to fund programs that help define and create exemplary 'work well' environments so that icare becomes the leader in this space. Partnerships will be fundamental to how the Foundation achieves these outcomes and icare has already developed relationships with key organisations such as the Mental Health Commission of NSW.

icare has also launched *UFirst*, a social innovation and engagement hub, which will work closely with the Foundation, to bring together important stakeholders from the health, community, mental

and social services sectors to diagnose problems in workers compensation and co-design solutions, helping people return to a full rewarding life.

Technology

A major achievement of icare has been the initial delivery of its world-class enterprise insurance technology solution. This platform has positively influenced changing customers' experiences across all of icare's service lines.

Building strong capability in systems has already enabled icare to directly engage with Workers Insurance customers for the first time in the 30 years of the scheme. This has marked a significant milestone in icare's journey towards becoming a world-class insurance and care organisation and has, most importantly, given Workers Insurance customers choice in managing their policies. Employers can now buy workers compensation either digitally or over the phone, with approximately 80 per cent choosing to self-serve and purchase their policies online.

Following the implementation of the NSW Government's HBCF reforms in November 2016, icare has launched an online Builder Self-Service Portal, which offers builders and brokers online access to current consolidated policy information, and lets them organise their insurance requirements at a time convenient to them.

The portal includes insurance policy details including eligibility limits, profile limits and risk-based pricing profiles and enables builders to obtain quotes online; download Certificates of Eligibility, lodge and track new policy applications, and close open jobs. In designing the portal, icare consulted key stakeholders, including members of the building industry, to ensure it was tailored to suit their business needs.

Net Promoter Score (NPS)

icare has implemented a Net Promoter Score (NPS) system to actively gauge client satisfaction and how well the organisation is delivering services and meeting the needs of its customers.

The NPS is a customer service tool that helps capture feedback on a customer's experience via a quick survey. It is conducted on icare's behalf by Customer Monitor, an independent research agency that provides an internationally accredited benchmark of customer service. icare customers are issued with a survey at least once a year and as many as four times a year. Participation in the survey is voluntary and customers can elect to opt out of the survey process at any time.

The insights and information collected from the surveys help inform and drive improvements to icare services and support, which will help improve the customer experience and outcomes. icare has implemented a triage procedure to follow up low scoring NPS respondents on their authorisation to ensure the timely response to and resolution of issues identified by the respondent through the survey.

According to the *Australia NPS Industry Benchmarks 2017 Report* collated by Customer Monitor, the NPS score for the insurance sector is -3 and for charities is +27. The icare NPS score is has climbed from +11 in March 2017 to +18 in September 2017.

The following can be said of icare's individual services lines:

- Workers Insurance has improved its scores from -10 (when it was first measured in March 2016) to +23 as of September 2017.

- Both Lifetime Care and Dust Diseases Care continue to demonstrate the quality of the strong relationships they foster with very high scores (+49 and +66 respectively) that are still on the rise in September 2017.
- icare commenced measuring the TMF injured worker cohort in September 2017, with an initial score of +13 for injured workers. Home owners for **icare hbcf** will follow in November 2017.

Cultural Shift

icare believes that customer-centricity starts with the people who serve them and is therefore important that the icare team feels empowered to challenge the status quo and can innovate to be one step ahead to exceed customer expectations. The icare team is dedicated to be part of something different and start to move its legacy schemes to a world-class experience for the NSW community.

icare's ultimate goal as an employer is to ensure that it makes icare a great place to work to achieve the best possible outcomes for its customers. At just two years old, icare has been recognised in the 2017 Australian HR Awards as an Employer of Choice finalist amongst other outstanding organisations. The team's capability has also been recognised at ANZIIF's Australia Insurance Industry Awards; Australian HR Awards; CEO Magazine Executive of the Year Awards; Australian Insurance Awards; Australian HR Institute Awards (AHRIs); AAGE Graduate Recruitment Industry Awards (AGRIAs); Page Personnel EA Awards; Women's Agenda Awards; and the Telstra Women's Business Awards.

The Net Promoter Score for icare employees (eNPS) was introduced in April 2016 to help the organisation see how it is tracking towards its goal. The eNPS tells icare what its employees think is working well and what needs improvement.

icare's eNPS has seen an upward trajectory from +18 in April 2016 to +47 in August 2017. Furthermore, icare's result in the NSW Government People Management Employee Survey (PMES) in 2017 of 78 per cent was one of the highest in the NSW Public Sector (average 65 per cent).

Conclusion

Through the SICG Act, icare began its journey not only as the NSW State insurer, but as one of the largest general insurers in Australia. Since icare's establishment, strong foundations have been laid for an insurance and care provider that operates with a commercial mind and a social heart. icare has a person-centred focus that puts the customer at the centre of everything it does and its governing Board and leadership team continue to drive a host of innovative programs in partnership with key stakeholders.

icare is working tirelessly to make things easier and better for scheme participants, and just as importantly, providing transparency and accountability in its operations. icare is very aware that caring for the State's injured and vulnerable is not a 'one-size' fits all approach and that every customer is unique. icare supports their long-term care needs to improve quality of life, including helping people return to work, where appropriate. icare's aspiration is to create the best possible outcome for every person and organisation it serves, delivered through a fair, respectful and empathetic experience that is focused on the person, not the process.