

INQUIRY INTO 2022 REVIEW OF THE LIFETIME CARE AND SUPPORT SCHEME

Organisation: Insurance & Care NSW (icare)

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***Submission to the Standing Committee on Law and Justice's
2022 Review of The Lifetime Care and Support Scheme***

Insurance and Care NSW (icare)

September 2022

INTRODUCTION

The Lifetime Care and Support Scheme was set up to provide individualised support to people catastrophically injured on NSW roads. icare, in its role as service provider for the Lifetime Care and Support Scheme, has continued this personalised support structure through a dedicated team of passionate and committed professionals who live and breathe an ethic of customer service.

The Scheme itself has continued to grow broadly as predicted and will continue to do so for decades to come. Ensuring the levels of personalised support in a scalable and sustainable manner is now a critical aspect of the Scheme's ongoing success.

There has been a reduction in traffic volumes over the COVID-19 lockdowns which has resulted in a reduced number of serious injuries and consequently fewer participants entering the Scheme. The COVID-19 period also saw a reduction in the usage of services by participants. These numbers have slowly returned to the expected levels as restrictions have unwound to March 2022.

Lifetime Care's model of service delivery continues to be participant centred, with participants and their families being involved in developing their goals and decisions about living in the community and the services they receive. Lifetime Care continues to focus on providing participants with the treatment and care they need to live as full and independent a life in the community as possible.

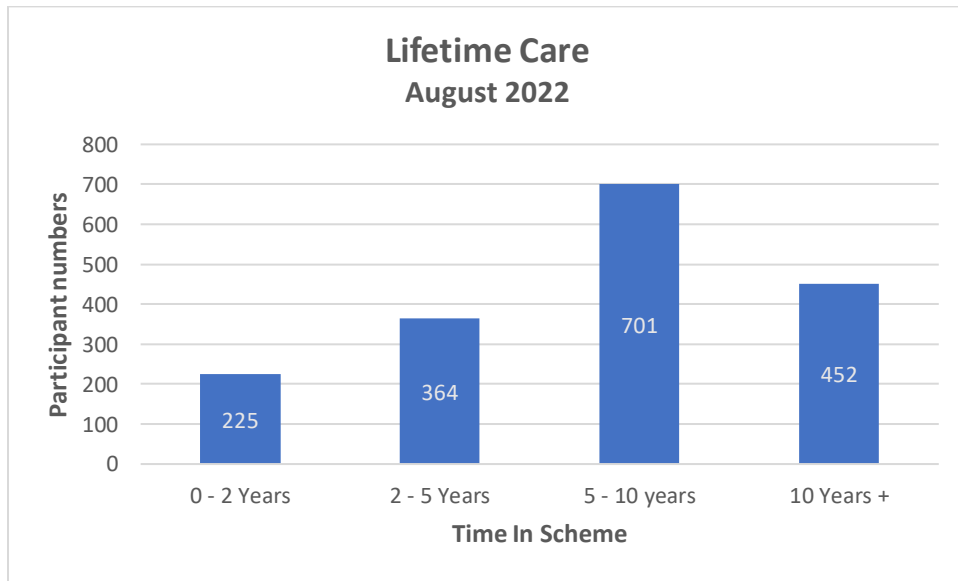
Attendant care services account for nearly 70% of the Scheme's costs. The impact of the National Disability Insurance Scheme (NDIS) consumption on supply and pricing, support worker shortages and the new award for support workers is limiting participant choice in attendant care. It is also driving additional cost on the Scheme and affecting its financial stability.

The Lifetime Care and Support Authority is also pleased that the Compulsory Third Party (CTP) Care program will commence on 1 December 2022. The State Insurance Regulatory Authority (SIRA) and CTP insurers have collaborated with Lifetime Care to plan for a smooth transfer process for participants from the existing CTP scheme to the new CTP Care program for their ongoing treatment and care.

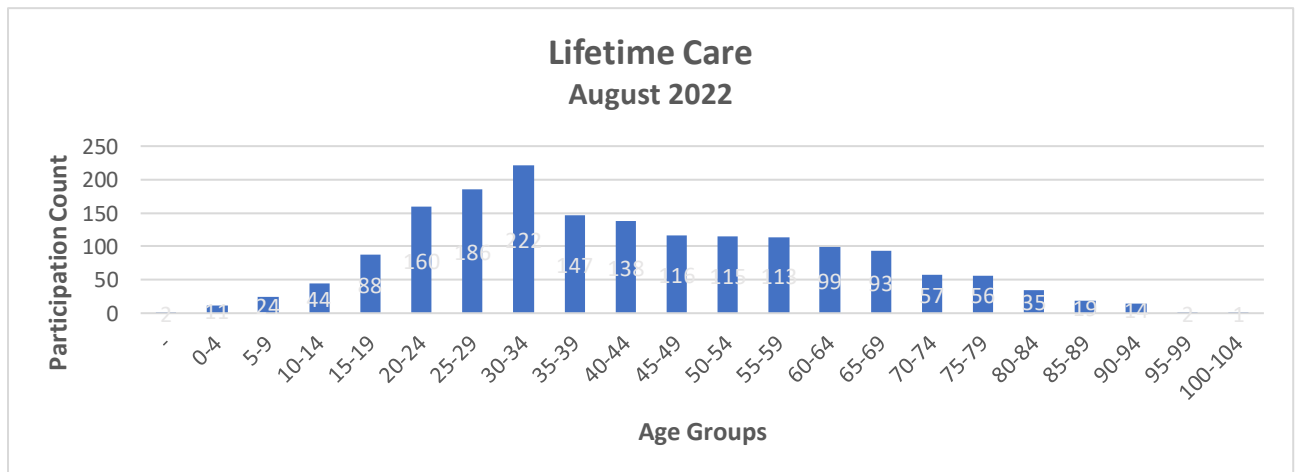
Participant numbers as at August 2022

As of August 2022, the Lifetime Care and Support Scheme has 1,742 participants. Of these, 1,370 have a brain injury, 381 have a spinal cord injury and 54 have other injuries. The gender breakdown is 1,259 male and 483 female.

Time since injury:

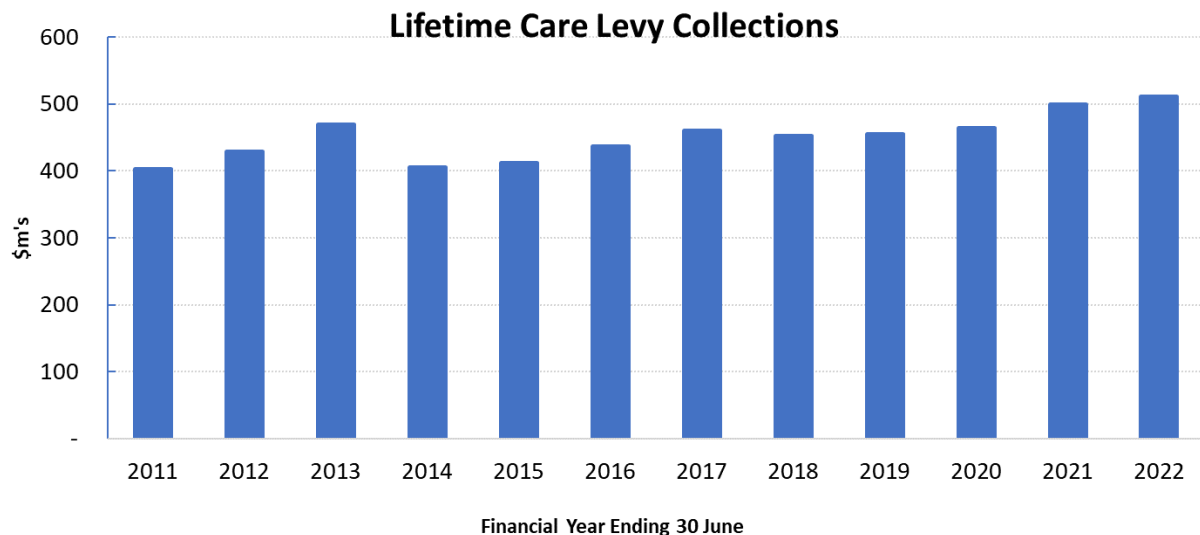


Age of participants as at August 2022:



Levies

Lifetime Care and Support Scheme levies are collected through NSW CTP green slips and are designed to cover, after allowing for the investment income on the levies, the total lifetime costs for participants who incur injuries in the levy collection year. The history of collected Lifetime Care levies is shown in the following graph:



Lifetime Care levy collections in the early years of the Scheme were highly uncertain as experience had yet to develop. Rising attendant care costs and other inflationary pressures have led to increases in the levy requirement in recent years. Current levy collections equate to a levy of approximately \$84 per CTP policy.

Funding Position

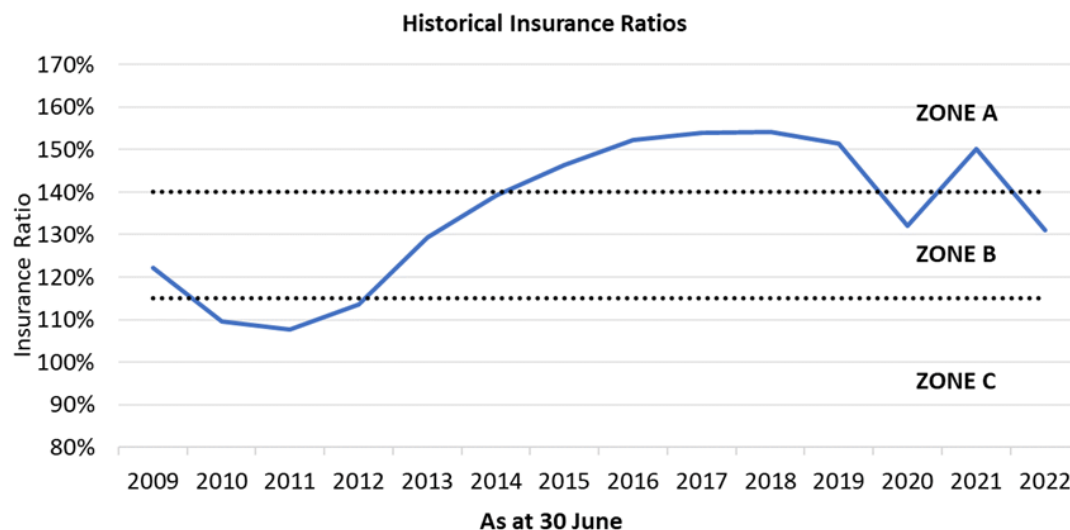
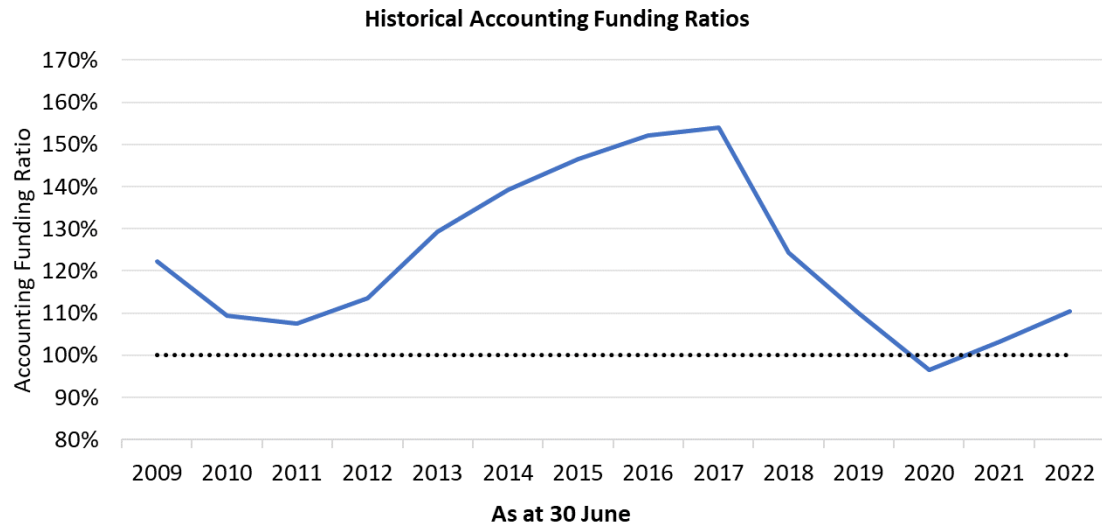
Under the Capital Management Policy for the Lifetime Care Scheme, approved by the icare Board in May 2022, the insurance ratio is the primary metric used to measure the financial strength of the Scheme and the accounting funding ratio is an additional metric to consider.

The insurance ratio is the ratio of assets to the associated liabilities in the Scheme, where the liabilities are calculated using an expected long-term investment return of 6% per annum and future inflation on benefit payments of 4% per annum. The accounting funding ratio is calculated using discounting assumptions based on risk-free Government bond yields and long-term inflation rates set with consideration to the long-term bond rates.

The target operating zone for the insurance ratio has been set based on the icare Board's risk appetite and is designed to target a probability of above 96.7% of meeting all the Scheme's financial obligations as they fall due under the hypothetical scenario that the Scheme enters runoff. This was based on Australian Prudential Regulation Authority (APRA) requirements for general insurers. For the Lifetime Care Scheme, a target operating zone of over 140% for the insurance ratio is stated in the Capital Management Policy.

The following two figures show the historical insurance ratios and accounting funding ratios for Lifetime Care. The three zones shown on the insurance ratio graph are the three zones from the Capital Management Policy.

The target operating zone is indicated by Zone A:



Historically, the Lifetime Care Scheme has been well funded with assets in excess of its liabilities.

The historical accounting funding ratios and the historical insurance ratios were identical up until 2017, as the liabilities on the accounting basis were calculated using the same fixed inflation and discount rates as the insurance basis. In 2018, there was a change in the accounting treatment for the Scheme to utilise risk free rates of return based on the yields on Commonwealth Government bonds and forecasts of future inflation rates based on economic indicators. As risk-free rates reduced significantly from 2018 through to 2021, this has driven an increase in the claims liability and a decline in the accounting funding ratio.

There was no change in the discounting and inflation approach for the insurance ratio and it has remained relatively stable between 2016 and 2019. The significant fall in 2020 was due to the COVID-19 impact on the investment markets delivering poor investment returns thereby reducing the capital position of the Scheme. In 2021, the investment markets rebounded and the insurance ratio returned to 2019 levels.

The insurance ratio fell again to 131% at 30 June 2022, due to negative investment returns and an increase in the claims liability as a result of attendant care inflation increasing by more than 4%.

The 30 June 2022, Lifetime Care Scheme's insurance ratio of 131% is in Zone B which is below the target zone and the accounting funding ratio is 110% at central estimate. Management action plans to return the insurance ratio to Zone A are in place.

REVIEW OF PARTICIPANTS CHANGING NEEDS

Lifetime Care considers the changing needs of its participants through its Participant Reference Groups, surveys of participants, complaints, and consultation with Disability Advocacy groups. An extensive file review of participants in the Scheme for longer than eight to 10 years has also been conducted. This is done to ensure the participant is at the centre of our decision making and decisions are made with optimal outcomes in mind.

Pain continues to be one of the most significant issues for participants. This is so for over 50% of participants with a brain injury and 70% of participants with a spinal cord injury, even 10 years post-accident. For participants with a brain injury, challenging behaviours continues to significantly impact the delivery of their programs. Mental health conditions, in particular depression, is also highly correlated with a moderate to severe brain injury.

Participant survey

The Lifetime Care participant survey has been undertaken since 2009. The survey is undertaken as part of Lifetime Care's quality assurance program with the aim of understanding how participants experience Lifetime Care and to identify areas for improvement.

The aim of the survey is to:

- assess overall satisfaction of participants and their nominated representatives with Lifetime Care and those who provide services funded by Lifetime Care;
- identify what works well and what does not with Lifetime Care or those providing funded services; and
- provide input into Lifetime Care's continuous improvement initiatives which aim to improve the support provided to our participants.

Following feedback from previous surveys, we have:

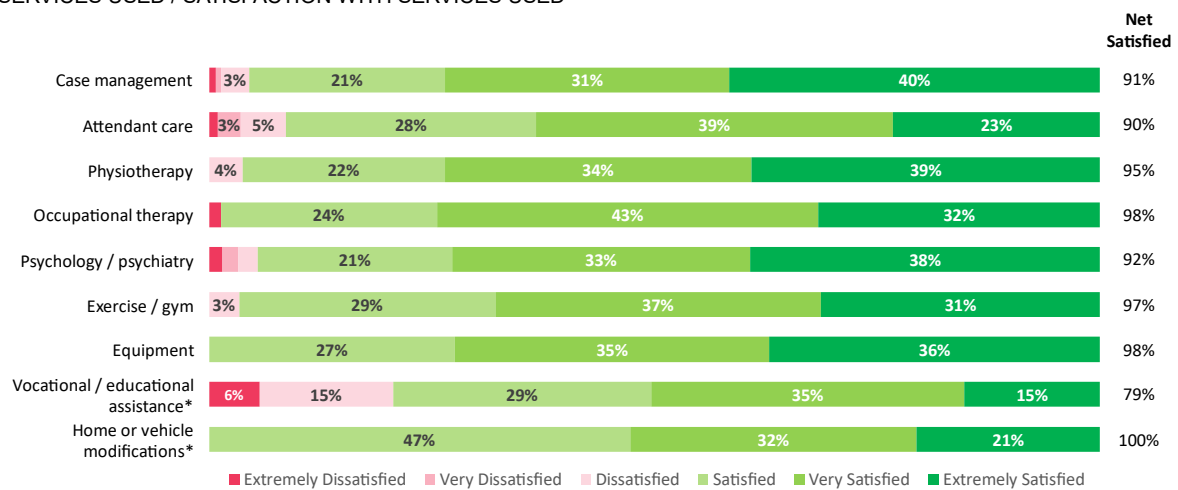
- implemented a schedule for equipment repairs and maintenance to address delays;
- developed communication protocols with participants that specify minimum contact arrangements;
- changed the My Plan toolkit to provide participants with plan preparation tools to make it easier to engage in the planning process;
- increased regional recruitment to our Case Management Panel;
- published our Health Literacy Framework to help participants manage their own health, rehabilitation and wellness by increasing the accessibility and availability of services, programs and information; and
- developed innovative and immersive training for our attendant care providers to improve the way support workers interact with and understand participants.

2021 survey results

Overall, a deep sense of gratitude was expressed by participants for the support provided by Lifetime Care and they recognised how much the assistance had aided their recovery, with most expressing very positive overall sentiments.

From the quantitative research, 90% of respondents were overall satisfied with the Lifetime Care Scheme, which is consistent with results over time. From the qualitative research, this was because Lifetime Care proactively and flexibly provides important services they need within a reasonable timeframe. Respondents also stated that they were treated as individuals through empathetic, inclusive and accessible communication. Additionally, 91% reported experiencing no problems with Lifetime Care in the previous three months. Satisfaction with most service providers ranged from 90 to 95%. The survey did pick up lower satisfaction with vocational service providers (79%) and this will be one of the focuses of work over the next 18 months.

SERVICES USED / SATISFACTION WITH SERVICES USED



Quantitative results summary 2011-2021

Measure	2021	2019	2018	2017	2016	2015	2014	2013	2012	2011
Overall Satisfaction										
Overall Satisfaction with Lifetime Care	90%	88%	91%	90%	90%	77%	82%	86%	83%	80%
Services and Equipment										
Problems with services or equipment in the last three months	22%	26%	22%	24%	23%	38%	19%	23%	32%	35%
Problems with Lifetime Care in the last three months	9%	12%	9%	10%	17%	15%	11%	11%	15%	23%
Agree I have enough control of the types of services and equipment [I/participant] receive	83%	92%								
Overall Satisfaction with Attendant Care	90%	74%	92%	87%	90%	88%	88%	89%	92%	86%
Contact and Communication										
Unprompted awareness of SPOC*	76%	89%	87%	93%	80%	86%	83%	79%	89%	80%
Contact with coordinator in past 6 months	84%	80%	87%	78%	64%	64%	70%	72%	59%	
Agree my case manager involves me in decisions about my treatment, rehabilitation and care	84%	95%	87%	91%	88%	88%	94%	92%	93%	80%
My Plan and Goals										
Have a My Plan	74%	52%	53%	56%	50%	55%	61%	60%	61%	57%
Agree goals cover things you most want to work on, 'completely' + 'quite a lot'	88%	92%	91%	89%	91%	80%				
Agree I feel I'm progressing too slowly with my goals	21%	36%	33%	21%	25%	21%	42%	48%	31%	29%
'Life Back on Track' average score	6.7	6.9	7.2							
Health Literacy										
Agree I am able to accurately remember health advice	70%	73%								
Agree I know how to get the right help when I need assistance with [my/ participant's] health or injury management	91%	91%								
Cultural needs										
Satisfied with the way Lifetime Care meets cultural needs	70%									

▲ ▼ Significantly higher/lower compared to previous year at 95% CI

*Question changed in 2021 to "Do you know the name of your Lifetime Care Contact?", previously "Do you have a Lifetime Care Contact?". No significance testing conducted between 2019 and 2021 for this reason.

Complaints

For the year 2021-2022, Lifetime Care had 196 level 1 complaints across a group of around 1,700 participants, each receiving multiple services on a daily basis. A level 1 complaint is made with, and resolved at, the first point of contact – usually the frontline workers. Escalated complaints are those unable to be resolved at the front line. There were 10 level 2 complaints taking on average 17 business days to resolve. There was one level 3 complaint referred to the Ombudsman.

LIFETIME CARE			
Complaints – Level 1			
Nature of Complaint	Number of complaints	Average time to resolve (business days)	
Service Delivery	82	1 business day	
Communication	53		
Decision	20		
Staff	17		
Cost/Payment/Benefit	11		
Guidelines/Legislation	10		
Process	3		
TOTAL	196		
Complaints – Level 2			
Nature of Complaint (escalated)	Number of complaints	Average time to resolve (business days)	
Guidelines/Legislation	5	17 business days	
Service Delivery	4		
Decision	1		
TOTAL	10		
Complainants- Level 3 (NSW Ombudsman)			
Nature of Complaint (escalated)	Number of complaints	Average time to resolve (business days)	
Decision – Self-management	1	20 business days	
TOTAL	1		
Complaint lodged by			
	Level 1	Level 2	Level 3
Participant	96	9	
Service provider	28	0	
Family/friend	69	1	1
Insurer/legal rep	2	0	
Employer	1	0	

SERVICE DEVELOPMENT INITIATIVES FOR PARTICIPANTS

The feedback received from participants and service providers guides the priorities of the Service Development Program. Recent areas of investment have included:

Psychiatry fellowships

Within NSW a shortage of psychiatrists with experience and expertise in treating people with a brain injury was identified. Lifetime Care worked with the Royal Australian and New Zealand College of Psychiatrists (RANZCP) and the Brain and Mind Centre, Sydney University to develop a successful fellowship training program. Five fellows participated in receiving the RANZCP approved brain injury psychiatry training, exposing them to a wide variety of acute inpatient, outpatient and community cases. The training addressed the often complex behavioural and mental health issues that are commonly experienced in people following brain injury. The next phase of this program will be the piloting of a brain injury telepsychiatry service in 2022 (Phase 2).

Positive Behaviour Support Project

Many of our participants exhibit challenging, aggressive, and risk-taking behaviours which makes the provision of services difficult for service providers, in particular support workers. There is a shortage of psychologists and other therapy staff with the requisite skills to manage these behaviours. This project aims to develop the capability of staff and service providers in the area of positive behaviour support. Webinars and group mentoring sessions have been delivered by an experienced Occupational Therapist/Clinical Neuropsychologist to key stakeholders working with participants. These include positive behaviour support practitioners, case managers, allied health professionals, and icare staff. The group mentoring sessions involve case study presentations by the allied health professionals involved in complex behaviour support programs. A Functional Behavioural Analysis tool has also been developed to assist icare staff and providers with the management of positive behaviour support programs for icare participants.

Vocational Intervention Program (VIP)

The Vocational Intervention Program (VIP) facilitates return to competitive employment after severe brain injury, with a focus on return to pre-injury employment. Sites from the Brain Injury Rehabilitation Program (BIRP) have partnered with local vocational rehabilitation providers to coordinate vocational services within each individual's rehabilitation program. This has seen 72% of people entering the program with a brain injury returned to pre-injury employment, and of those seeking new employment, 35% achieved paid employment and 53% were engaged in "stepping stone" activities such as study, volunteer work and work trials.

Phase 3 of the VIP program, which commenced in February 2022, will continue the model of vocational rehabilitation with the Brain Injury Rehabilitation Program for a further two years. The focus of the program will be on sustainability and to support the establishment of a community of practice involving all BIRP sites, providers, and other stakeholders.

Be Pain Smart

The Be Pain Smart project has developed and piloted specialised multi-disciplinary pain clinics for people with a brain injury or spinal cord injury. The aim is to have the assessment of pain included as a routine part of the clinical assessment of people with a brain or spinal cord injury. The clinics provide assessment, development of pain management plans, consultation and case conferencing with local clinicians and case managers, and mentoring to local clinicians throughout NSW.

The clinic was originally designed to rotate locations across metropolitan and regional brain injury and spinal units, however due to COVID-19 restrictions, services since 2020 have been increasingly delivered via telehealth. Both adult and paediatric clinics have been established, with steady referrals for both services continuing. This is a partnership with the Agency of Clinical Innovation within NSW Health.

Lifetime Care's response to COVID-19

Lifetime Care's model of service delivery involves regular communication with participants and face to face visits. Staff moved quickly to tele and video conference platforms to keep in contact with participants during the pandemic lockdowns. There has been a positive response to the use of videoconferencing in particular, and this mode of communication will be part of our ongoing participant communication going forward. Our Participant Reference Groups moved online during this time as well, also with positive feedback.

Because of the nature of their injuries, Lifetime Care's participants are particularly vulnerable to contracting COVID-19 both in the community, in hospital and at home. As NSW hospitals were dealing with COVID-19, icare was asked to find alternate hospital and rehabilitation services for participants with a spinal cord injury.

Participants and their families raised concerns about the risk of infection and the number of health and support workers involved in their treatment and care. Lifetime Care sent information to all participants about wearing masks and what the practical impacts of shutdowns would mean for them. Participants were also supported in the use of different delivery models for services, be that reduced numbers of health and support workers, or the use of telehealth.

Lifetime Care participants overall showed increased anxiety during this time, which resulted in a reduction in the number of support workers being able to attend the participant's home as well as reduction in the number of hours of support being utilised. Lifetime Care, in consultation with its attendant care providers, made changes to its fee schedules to support the providers during the lockdown period. Along with bringing forward the regular indexation of attendant care fees, Lifetime Care increased the care coordination allowance for providers who were dealing with the difficult daily issues of ensuring care and support was being delivered. Lifetime Care worked closely with its supplier of consumables, such as continence products, wound care and masks, to ensure the adequate supply of this essential equipment.

The impacts of COVID-19 are still being felt by participants and service providers. There has been a slow return to face-to-face visits from staff, therapy and medical services while continuing the benefits of virtual programs. The largest impact is on the shortage of support workers and the ability to fully staff attendant care programs.

Attendant care

The new SCHADS (Social, Community, Home Care and Disability Services) Industry Award commenced on 1 July 2022. While it included an increase to award wages, the changes likely to have an impact on service provision are an increase in the minimum shift time from one hour to two hours; and changes to the conditions around broken shifts and overtime payments. Lifetime Care initially increased its fees by 5% to allow for the award increase and is currently analysing the impact of the changes to the other conditions. It should be noted that the NDIS increased its fees by 9% and Lifetime Care only makes up around 1% of the attendant care market.

Subsequent to the 1 July 2022 increase of 5%, pressure from the market and the need to ensure services for participants in the Scheme led to a further increase of 3.7%.

While this increase is close to the movement applied by the NDIS, it is applied to a lower starting point. icare continues to invest in supporting providers to deliver services in the attendant care arena.

The industry reports significant implementation problems with the SCHADS award, including the need to reduce the amount of care hours received by their clients (not Lifetime Care participants as we use a different funding model) on packages of care such as those in the aged care sector or those on NDIS packages of support. They also report an increase in, and difficulty in obtaining, their insurances such as professional indemnity. The award difficulties have compounded the ongoing issue of support worker shortages that is endemic in the disability and aged care sector.

The contracts for the Lifetime Care's Panel of Attendant Care Providers expire in February 2023. icare, through Lifetime Care, has released a tender seeking a new panel of Attendant Care Providers for the following five years.

Building Remediation program

In 2021 we conducted a condition report on each of the Lifetime Care houses which identified a number of building works and repairs required to ensure the integrity of the buildings and the safety of the tenants and support workers delivering the care on site. One of the Lifetime Care panel of building modification project managers has been engaged to project manage the remediation program which is underway.

CTP CARE PROGRAM

The *Motor Accident Injuries Act 2017* (MAI Act) introduced a new role for icare: namely that the Lifetime Care and Support Authority will become the relevant insurer for payment of statutory benefits for treatment and care for people injured in a motor vehicle accident from 1 December 2017, and who have needs five years or more after their motor vehicle accident. The CTP Care program (or CTP Care) is the name given to this new function.

The MAI Act established the Motor Accident Injuries Treatment and Care Benefit Fund (MAITCBF), which holds funds to cover treatment and care expenses to be paid by CTP Care. These funds come from a levy collected at the same time as the CTP premium paid by all NSW motorists. The MAITCBF is separate from and shares no assets with the Lifetime Care and Support Scheme Fund.

icare and SIRA have worked collaboratively for some years towards the operationalisation of this new function, including establishment of a CTP Care Steering Committee and a separate CTP Care Working Group.

The MAI Act allows icare to enter into an agreement with a CTP insurer to assume responsibility for the payment of statutory benefits for treatment and care at a period earlier than five years if icare is satisfied that the injured person is likely to have needs and be entitled to treatment and care at five years from the accident. The CTP insurer is to pay icare for the treatment and care it would have to otherwise pay. This is termed Early by Agreement (EBA).

icare, SIRA and the CTP insurers have developed an EBA model with a CTP Care Master Deed Agreement between Lifetime Care and the CTP insurers to support implementation of this program. To date there are 36 people receiving their treatment and care through CTP Care earlier than five years.

The learnings from the early stages of the EBA model have been used to inform the future service delivery model for the different cohorts of injured people to be transferred to CTP Care at five years from accident. icare has also been using data from SIRA's Universal Claims Database to predict the numbers of clients that will transfer to CTP Care and the number of people that will have active needs. It is estimated that between 1,300 and 1,700 people injured per annum, will have a future treatment or care need to be covered by CTP Care. It is expected that the needs of future CTP Care clients will vary significantly ranging from very intense complex needs, like those of a Lifetime Care and Support participant, to intermittent or single service needs.

Under current Motor Accident Guidelines and interim operational processes agreed with CTP insurers, icare has already begun to receive notification and file information for future CTP Care clients that will transfer from 1 December 2022, the date CTP Care officially goes live. While SIRA is consulting on amendments to the Motor Accident Guidelines, operational arrangements with licensed insurers cannot be confirmed.

Ready for commencement

icare has been incrementally developing CTP Care since the new legislation was passed, in close consultation with SIRA and CTP insurers. Recruitment to expand the operational team has commenced and most of the system requirements to support service delivery and reporting to SIRA have already been delivered. A program of work continues to deliver the remaining less critical requirements prior to 1 December 2022.

icare's risk and assurance team has reviewed over 50% of the artefacts developed for CTP Care in line with operational readiness expectations provided by SIRA. These artefacts cover all aspects of service delivery as described under the legislation and current Guidelines and are being reviewed to ensure they are fit for purpose and meet the requirements.