

# **Workers Compensation Claims Service Provider Announcement: General FAQ's October 2022**



## What are the changes to the way claims are being managed?

The way we manage claims (also known as the claims model) in the Nominal Insurer scheme is changing. The new model will have a greater range of Claims Service Providers (CSPs), and eligible employers can choose between a generalist Claims Service Provider or one with additional specialist capabilities, which includes service providers with expertise in managing psychological claims. Specialised providers offer a tailored approach to particular types of claims which is expected to lead to better quality service for injured workers and employers. With the rise in mental health issues we are providing specialist care for psychological claims to ensure workers with mental health claims get back to health and work as quickly as possible.

These changes to the claims model aim to help both employers and workers navigate a worker's compensation claim together – enabling workers to get the support they need earlier and get back to the work faster.

The new claims model applies to workers in the private sector.

## Why is icare changing the model?

Following external reviews of icare, we embarked on a wide-ranging improvement program that included extensive consultation in 2021 on a new claims model for workers compensation under the Nominal Insurer. The engagement included a Market Study on potential service providers, a survey on the NSW Government Have Your Say website, and interviews and focus groups, with valuable input from injured workers, businesses, unions, industry groups, service providers, and the community. The feedback has directly input into the claims provider tender.

Improving outcomes for injured workers is a top priority for us. We are seeing a significant rise in psychological claims that take longer for an injured worker to recover from. To address this, we have created a model that provides specialists in managing psychological claims so we can provide better care and get injured workers back to health and work faster.

The mix of providers will create a competitive marketplace that aims to improve the way claims are managed, including psychological claims, and then regularly report on these outcomes. This will help icare drive competition to improve return to work rates, customer satisfaction and the financial sustainability and governance of our Nominal Insurer scheme.

## Who are the providers on the panel?

icare has chosen a mix of current and new Claims Service Providers including Allianz, EML, GIO and QBE, with new providers DXC and Gallagher Bassett (GB).

We've also recognised that mental ill-health is now the most diagnosed long-term condition in Australia and in response our claims model will deliver Claims Service Providers with dedicated teams and resources that offer specialist support to injured workers for psychological injury claims.

These Claims Service Providers are referred to as 'general providers with specialist capabilities' and include Allianz, DXC, EML and GB.

Providers GIO and QBE are 'generalist providers' who will deliver general claims and injury management services.

**Generalist CSP:** Provider can manage all claims types.

**Generalist with Specialist Capabilities:** Provider can manage all claims types but will need to manage psychological claims with a dedicated psychological claims case manager.

**Specialist:** Providers can only manage psychological claims. We are working towards having a specialist only provider on the panel as we transition to the new model. Other providers may be added to the panel in the future.

## **Why were these Claims Service Providers chosen?**

The panel contains a quality mix of incumbents and new entrants, across the categories of Generalist with Specialist Capabilities, and Generalist only Claims Service Provider.

Considering mental health issues are now the most common diagnosed long-term health condition in Australia, we are preparing for this by providing specialist care to ensure these injured workers get back to health and work as quickly as possible.

The inclusion on the panel of Generalist with Specialist Capabilities offer a tailored approach to particular types of claims (beginning with Primary Psychological Claims Only) is envisaged to lead to better quality service for injured workers and employers. Providers with Specialised Capability offer specific support structures and appropriately skilled and experienced Claims Managers dedicated to managing specialised claims.

The mix of providers will create a competitive marketplace that aims to improve the way claims are managed, including psychological claims, that will improve return to work rates, customer satisfaction and the financial sustainability of the Nominal Insurer scheme.

The transition to new providers will be measured and staged to ensure Claims Service Providers have the capacity and capability to manage claims and to scale up operations over time. icare will support them through this process.

## **When will the contracts under the new claims model commence?**

The Claims Service Providers contracts will commence on 1 January 2023.

We're committed to making the transition to the new claims model a smooth process for injured workers and employers. To best support our customers throughout this transition, we are adopting a measured and staged approach. Allocation of claims to the new claims service providers is expected to begin in the second quarter of 2023 following an onboarding process. This phased approach will ensure minimal disruption to injured workers and their care.

## **Are there plans to add any additional providers to the panel in the future?**

More providers may be added to the panel at a future date.

## **What are the benefits of the changes?**

The changes will deliver a higher standard of service and improved return to work outcomes, ensuring better support and experience for injured workers and employers.

With the increase of Claims Service Providers, the new claims model aims to create a competitive marketplace, enabling more choice for employers, innovation, better return to work outcomes and long-term scheme sustainability. Publication and reporting on the performance of Claims Service Providers will ensure that eligible employers can choose claims service providers based on performance.

Improving outcomes for injured workers is a top priority for us. In response to increasing rates of psychological injury claims in NSW our new claims model has Claims Service Providers that offer specialist support to injured workers for psychological injury claims, so the right support and care is given when it's needed most.

## **What does this mean for injured workers with existing claims?**

We're committed to making the transition to the new claims model a smooth process for injured workers and employers. To best support injured workers and employers throughout this transition, we are adopting a measured and staged approach to implementing these changes to ensure there is minimal disruption for existing and new claimants. Injured workers will be contacted if there are any changes to their claim.

## **Do injured workers need to do anything following this announcement?**

No. icare will let you know in advance and keep you informed every step of the way if your claims are to be transferred and by when. If your claim is moving to a new Claims Service Provider, your current provider will continue to manage the claim and your case manager will continue to support you, up until the day of the transfer.

## **Who will ensure injured workers are taken care of in this process?**

Our objective is to deliver a seamless service as we do today. icare and Claims Service Providers will make sure workers continue to receive any payments and medical treatments as usual.

## **Who do injured workers contact if they have an issue or concerns?**

Injured workers should first contact their case manager if they have any questions or concerns about claims transition activities. Our transition team will be liaising closely with Claims Service Providers on all transition activities to ensure there is minimal disruption and impact on the injured worker and employer.

## **What does this mean for employers?**

The new model is geared to enhance service levels for employers and injured workers. The expansion of employer choice is a key part of the strategy that will give employers a larger choice of claims providers. We intend to reduce the threshold (average performance premium of above \$500,000) over time to enable more choice for a larger number of employers.

## **Has icare consulted with injured workers and employers on the changes?**

Following external reviews of icare, we embarked on a wide-ranging improvement program that included extensive consultation in 2021 on a new claims model for workers compensation under the Nominal Insurer.

Some of the ways we engaged include: a Market Study on potential service providers, a survey on the NSW Government Have Your Say website, and interviews and focus groups, with valuable input from injured workers, businesses, unions, industry groups, service providers, regulators and the community.

We value feedback and will continue to consult with our customers, partners and providers to ensure continuous improvement and better outcomes for injured workers, employers, and the wider scheme.

## **What procurement process is being used?**

The Nominal Insurer Claims & Injury Management Service procurement process has been thorough and is following the NSW Procurement Policy Framework. The Request for Proposal (RFP) process has a strong governance framework including a Steering Committee, oversight by the Chief Procurement Officer and engagement of an external Probity Consultant to advise on all probity matters.

Media questions should be directed to [media@icare.nsw.gov.au](mailto:media@icare.nsw.gov.au)

Further updates will be provided in due course.