



**Employer Frequently Asked
Questions On The Nominal Insurer
New Claims Model**

December 2022

New Claims Model Summary

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

- The model that guides how claims are managed (also known as the claims model) in the NSW 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 CSP or one with additional specialist capabilities in managing psychological claims.
- Changes to the claims model aim to help both employers and workers navigate a worker's compensation claim together; enabling employers to get the support they need earlier and helping their workers return to work and health faster.
- The new claims model applies to workers in the private sector.

Why the changes?

- The NSW Nominal Insurer has faced challenges in recent years, and we are implementing these changes to improve the performance of the scheme and better support our injured workers and employers.
- Our external environment is changing and we need to **change our thinking about mental health**.
- Mental health issues are now the **most diagnosed long-term conditions in Australia** and icare is seeing the impact in increasing rates of psychological injury claims.

Who are the providers?

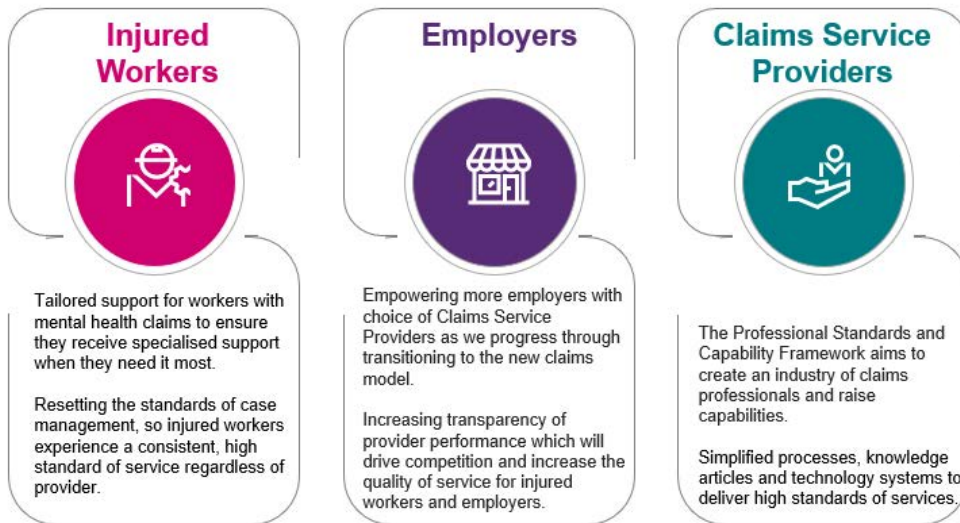
- We have selected six providers: **Allianz, DXC Technology, EML, Gallagher Bassett (GB), GIO, and QBE** to manage workers compensation claims for the NSW Nominal Insurer.
- These changes are part of an extensive improvement program underway at icare to improve outcomes for injured workers and businesses.

What's changing?

- Four of the six claims providers will provide **specialist psychological claims capability** with skilled and experienced case managers dedicated to managing psychological claims.
- icare is also establishing an internal team that will develop and trial new approaches to psychological claims that can then be rolled out to all Claim Service Providers.
- The changes will be **progressively implemented from early 2023**, with more details provided over coming months.
- The Claims Service Providers' contracts commence on 1 January 2023.
- New Claims Service Providers are expected to be onboarded in a staged manner from mid-2023 to minimise the impacts on injured workers and employers.

What are the benefits of the changes?

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



What does this change mean for employers?

We're improving our claims model to help injured workers return to health and work faster by increasing the range of service providers, including those with specialisation in mental health claims. This will provide more choice for employers over time and deliver a service more aligned to injured worker needs.

What do I need to do?

Nothing, we will let you know in advance and keep you informed every step of the way if your claims are to be moved and by when. If they are moving to a new Claims Service Provider, your current provider will continue to manage the claim and your Claims Manager will continue to support you, up until the day of the move.

How will these changes improve return to work rates?

As we implement these changes, our goal is to ensure scheme performance remains stable and there are minimal disruptions for injured workers and businesses. icare will continue to monitor Claims Service Provider performance and drive return to work activities to ensure injured workers are getting the treatment and care they need when they need it. As such, the new Claims Service Providers will gradually start operating over the coming months to ensure they have the capacity and capability to manage claims effectively and to ensure minimal disruption to injured workers and employers.

EMPLOYER CHOICE

Employers eligible for choice: what you need to know

- If you were previously eligible for choice of claims service provider and have an Average Performance Premium (APP) or Group APP of \$500,000+ you still have choice.
- If you're eligible, you can select a new Claims Service Provider aligned to your next renewal date after the market freeze lifts on 1 January 2023 for new claim lodgements from that date.
- The nomination process and deadline remain the same. Please make your Claims Service Provider selection using the existing form at least 14 days prior to your renewal date.
- Employers can select from the existing Claims Service Providers (Allianz, EML, GIO, QBE) at their policy renewal date.

- We are bringing on new Claims Service Providers (DXC Technology and Gallagher Bassett) in a staged approach from mid-2023. icare will make a further announcement about when these Claims Service Providers will be available for employers to select.
- If you are an employer eligible for choice of a Claims Service Provider and would like to stay with your current Claims Service Provider, you do not need to complete a nomination form.




Employers not eligible for choice: what you need to know

- ✓ icare intends to gradually expand employer choice, so that more employers – like smaller business employers – can choose their provider.
- ✓ Our aim is to offer employers with an Average Performance Premium (APP) or Group APP of \$200,000+ the choice of provider from 31 July 2024. This will be lowered further to \$30,000 APP from 31 July 2025.
- ✓ To ensure continuity of service and support for employers with an APP or Group APP of \$200,000+, new claims will be allocated to your current claims service provider until you have choice.
- ✓ icare may allocate some small and medium business employers to new Claims Service Providers for management of any new claims.
- ✓ icare may allocate psychological injury claims to providers with specialist capability (Allianz, DXC, EML, Gallagher Bassett) for further tailored case management in future.

Employer choice FAQs

What is the difference between a Claims Service Provider that is a Generalist and a Generalist provider with Specialist Capability?

Specialised Providers offer a tailored approach to particular types of claims (beginning with Primary Psychological Claims Only) and provide targeted quality service for injured workers and employers. Providers with Specialised Capability offer specific support structures and appropriately skilled and experienced case managers dedicated to managing specialised claims. Generalist Claims Service Providers can still manage psychological injury claims using a non-specialised approach via case managers that are not dedicated to managing psychological claims.

 <p>Generalist Claims Service Providers: GIO, QBE</p> <ul style="list-style-type: none"> • Generalist providers can manage all claim types, including psychological injury claims. • If employers, who do not have choice, have existing claims with a generalist provider (GIO, QBE), new claims will be managed by the same provider to ensure consistency of service. 	 <p>Generalist with Specialist Capability Providers: Allianz, DXC, EML, Gallagher Bassett</p> <ul style="list-style-type: none"> • Provider can manage all claims types. • They offer specific support structures and appropriately skilled and experienced Claims Managers dedicated to managing specialised claims, such as mental health claims. 	 <p>Specialist Claims Service Providers</p> <ul style="list-style-type: none"> • Providers can only manage psychological claims. • icare is working towards having a specialist only provider on the panel as we progress from transition to the new model. Other providers may be added in the future.
--	---	---

Do all employers get a choice of Claims Service Provider? If not, why?

No, only those larger employers with a Group or Average Performance Premium (GAPP/APP) of above \$500,000 will be able to choose their Claims Service Provider initially. This helps to ensure there is stability in the scheme as new Claims Service Providers come on board. In line with recommendations from the McDougall review, icare is taking a measured and staged approach to expanding employer choice. Our aim is to offer employers with an Average Performance Premium (APP) or Group APP of \$200,000+ the choice of provider from 31 July 2024. This will be lowered further to \$30,000 APP from 31 July 2025.

What happens if I want my claim managed by a new Claims Service Provider?

Employers with choice (i.e. those with a Group or Average Performance Premium above \$500,000) can choose to have their claims managed by a new Claims Service Provider as soon as they are onboarded.

New Claims Service Providers are expected to be onboarded in a staged manner from mid-2023.

As a smaller employer, can I move Claims Service Providers?

Not currently. Choice of Claims Service Providers is currently offered only to large employers (i.e. those with a Group or Average Performance Premium above \$500,000). This helps to ensure we have stability in the scheme as new providers come on board. However, icare's intention is to provide more choice in future, so smaller employers can select the Claims Service Provider they want.

Will claims stay where they are until 31 July 2024 when more employers have choice?

Yes. Where a current open claim exists or an employer has exercised choice, both open claims and new claims will remain with their current Claims Service Provider.

Will information about the Claims Service Providers be provided prior to 1 January 2023 to allow employers to make an informed choice of new Claim Service Providers?

The standard selection process would apply from 1 January 2023 for all existing Claims Service Providers (CSPs). icare will notify eligible employers ahead of any new CSPs coming onboard during 2023 to give you enough time to make an informed choice.

When does the market freeze on employer choice end?

Following the announcement of the Claims Service Providers selected to be part of the new model, the market freeze placed on employer choice of Claims Service Provider from 15 July 2022 will be lifting, effective 1 January 2023.

Eligible customers (Average Performance Premium (APP) or who are part of a Group with Group APP >\$500,000) can select their preferred provider for claims management services aligned to their renewal date on or after 1 January 2023.

Up until 30 May 2023, Allianz, GIO and QBE are available for selection. Later in 2023 our new Claims Service Providers will also be available once they have been onboarded.

Claims allocation

How will claims be transferred between Claim Service Providers?

Any open or closed claims will only be transferred between Claims Service Providers (CSP) if an employer wishes to consolidate their claims with their selected CSP. This affects only large employers eligible for choice (i.e. those with a Group or Average Performance Premium above \$500,000) who

have transferred to a new CSP since 2020. Large volumes of claims are not expected to be moved between CSPs.

When will claims be transferred?

The consolidation of claims is dependent on enhancements made to icare's Guidewire system (claims management system) and is planned for mid-2023. Further information will be provided in future with the timing of any transfers to be finalised in the coming months.

How will I know who to contact once my claims have moved?

Your new Claims Service Provider is responsible for contacting you and your injured worker with details of the new Case Manager. Your new Claims Service Provider team will be able to assist you from the date of the move.

If my claim moves between Claims Service Providers, what is the process?

If claims do move, there will be a process in place to ensure minimal disruption to the injured worker and that adequate notice is provided to the worker and employer before any transfer. Further detail about this will be shared in due course.

How quickly will my Claims Service Provider be able to review and start management of my claims after they move?

One of the benefits of icare's system is that the claim history and all information on the claim file will be available to your Claims Service Provider of choice immediately after moving.

Will pre-2018 claims stay with existing Claims Service Providers?

Yes, pre-2018 claims will stay with existing Claim Service Providers (CSPs) to avoid disruption to injured workers and employers. If an eligible employer has claims with one CSP and they wish to choose to go to a different CSP then icare would consolidate these claims alongside that decision. icare would first ensure the CSP has the capability and capacity to take on these claims before they are transferred.

If an injured worker has a psychological claim and a physical claim, and an employer chooses a Generalist with Specialist Capability, will the injured worker be likely to have multiple claims managers?

That scenario is a possibility, although it will be at the discretion of the Claims Service Provider on a case-by-case basis to appropriately triage and allocate the claims, so the injured worker and employer experience is not impacted.

How will psychological claims differ to other workers compensation claims? For example, will there be similarities like how COVID-19 claims differed to general claims? Are there specific points to be aware of and when will this specialised scheme come into place?

The lodgement and management of a psychological claim continues to be in line with legislative requirements and will not fundamentally change. What will change is the service approach taken and support structures that Claim Service Providers put in place to support the mental health and safe return to work outcomes of workers who have a psychological claim.

How will an employer or broker be notified of who their Claims Service Provider is if their claims are reallocated?

We will be notifying employers who their Claims Service Provider is at least four weeks before renewal.

How will Claim Service Providers performance be measured?

Sustainable return to work outcomes will be one measure within a balanced scorecard that will also consider Case Manager competency via the Professional Standards Framework, retention, and other key leading measures like contact timeliness.

When will Claims Service Provider performance be made public?

icare has committed to publishing Claims Service Providers (CSP) performance results, which will drive competition and, in time, make it easier for businesses to choose the CSP who can give their injured workers the best care and support to help them return to health and work faster. It will take time for performance data to be gathered for all CSPs, so it is anticipated this will be available after 2023.

Are there changes to dispute resolution pathways for an employer that is not satisfied with the handling of a claim/decisions made on a claim?

Not at this time, however icare may pilot processes throughout 2023 the help expedite the dispute resolution process.

When new Claim Service Providers come onboard, can employers change to these new Claim Service Providers or do they need to wait until renewal date?

An eligible employer will be able to change Claims Service Provider (CSP) on their policy renewal date. icare will provide notice and communication to eligible employers ahead of any new CSPs coming onboard during 2023.

How does it work with a specialised Claim Service Providers if you have a mix of physical and psychological claims? Do you then work with two different Claims Service Providers?

One of the fundamental changes in the new claims model is the expansion of informed choice for more employers. In time, an employer eligible for choice may elect to have psychological claims managed by a Claims Service Provider (CSP) with a specialised model to support the mental health and safe return to work of workers who lodge a psychological claim, and another CSP managing physical claims.

What is the triage process of allocating claims to new Claims Service Providers?

icare's claims management system looks for information related to the policy and/or group initially, so to ensure there are no delays in managing new claims, use your correct policy number at lodgement to ensure the claim is directed to the right Claims Service Provider (CSP) immediately. Where an employer is not eligible for choice of CSP, subsequent checks are completed to determine the right CSP with the right capacity to manage the claim, for example psychological injury claims.

Will employers be told their Claims Service Provider at renewals?

Yes, where the transfer to a new Claims Service Provider occurs aligned to renewal date, the employer will be notified six weeks prior to their policy renewal date.

How will icare allocate volumes of claims to each Claims Service Provider?

icare's claims management system looks for information related to the policy and/or group initially, so to ensure there are no delays in managing new claims, please use your correct policy number at lodgement to ensure the claim is directed to the right Claims Service Provider (CSP) immediately. Where an employer is not eligible for choice of CSP, subsequent checks are completed to determine the right CSP with the right capacity to manage the claim, for example psychological injury claims.

Allocation will be based on CSP capability and capacity to take on claims – there are no plans to transfer existing claims in the short-term, unless by request from an eligible employer.

Can Generalist Claims Service Providers (QBE, GIO) still manage psychological claims?

Yes, Generalist Claims Service Providers can still take on psychological injury claims for those employers who have nominated to have GIO or QBE as their Claims Service Provider.

If I have a psychological claim, why would I choose a Generalist Claims Service Provider over a Generalist with Specialist Capability Claims Service Provider who have dedicated teams to address mental health claims?

You may already have a relationship with QBE or GIO and wish to remain with them. Your claims will likely be managed by one Case Manager who has a combined portfolio of physical and mental health claims. Generalist with Specialist Capability Claims Service Providers (CSP) will have their claims segmented with mental health claims being managed by dedicated mental health Case Managers.

Generalist Claims Service Providers have Case Managers who have the capability to manage mental health claims. Employers may choose a Generalist CSP to keep all their claims under a single CSP (applicable to employers who have choice). GIO and QBE will continue to manage both physical and psychological injury claims.

Communication updates

Will there be any impact to the reporting I receive from icare or my Claims Service Provider?

No, your Cost of Claims report from icare will automatically update with the relevant details in the managing entity field for claims that are moved.

Who will contact the injured worker to notify them their claim will move?

If claims are being moved, then the existing Claims Service Provider (CSP) will be in touch to let them know what CSP will be managing their claim in the future and the date that their claim will be moved.

Who will take care of my worker(s)?

Our priority is to continue to support employers' injured workers return to work and health. icare and the Claims Service Providers will ensure workers continue to receive any payments and medical treatments as usual.

Who do injured workers contact if they have an issue?

Injured workers should first contact their Case Manager if they have any questions or concerns about changes impacting their claim.

How are employers going to be communicated with after January 1?

Employers will continue to be kept updated through **icare Connect**, Looped In sessions, icare's website, their broker (where applicable) and other industry bodies. icare has recently also developed **icare Workplace** and we welcome employers to opt-in to receive updates. You can subscribe here: <https://www.icare.nsw.gov.au/about-us/publications/workplace>

How will I receive updates on any changes to my claims?

icare is committed to keeping you informed if your claims are impacted. Any transition of claims (a claim moving between Claims Service Providers either via choice, or through icare allocation) activity will be communicated with employers and injured workers well ahead of time.

What engagement was undertaken on the new 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. We have also provided regular updates to the Nominal Insurer Advisory Committee which has both worker and employer representation.

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.