

## icare update on the WIRO annual report

The 2017/18 annual report from the NSW Workers Compensation Independent Review Office raised a number of themes that relate to icare’s operations. For transparency icare is providing an update to stakeholders on the themes raised in the report.

WIRO report theme	icare update
<p><b>icare, its Scheme Agents and SIRA each have a complaints procedure, which operate under different principles, but they lack WIRO’s statutory function. Their procedures do not facilitate the transparent reporting of issues raised and any systemic issues that are identified.</b></p>	<ul style="list-style-type: none"> <li>• icare’s new claims model is a triaged based model using industry leading technology and approaches specifically designed to segment claims into appropriate streams allowing for fast and appropriate handling of injuries and associated claims.</li> <li>• While we have different statutory functions, icare continues to work on refining and enhancing the claims model to further improve self-service for our customers, including building consolidated reporting mechanisms for claims across multiple service providers.</li> <li>• icare manages complaints close to the customer and attempts to resolve any service issues as close to the front line as possible.</li> <li>• If a complaint cannot be resolved, every customer is given information regarding alternative dispute resolution avenues, including the WIRO. All icare standard letters provided to Scheme agents include contact details for the WIRO.</li> <li>• Customers can lodge complaints, general enquiries and feedback online at <a href="https://www.icare.nsw.gov.au/contact-us/complaints/">https://www.icare.nsw.gov.au/contact-us/complaints/</a></li> </ul>
<p><b>Towards the end of the 2017 calendar year, WIRO received an increasing number of enquiries and complaints regarding the termination of weekly payments under s 39 of the 1987 Act. WIRO published data regarding these enquiries and complaints, which has been used to inform icare and insurers regarding best practice when notifying affected workers of the impact of s 39.</b></p>	<ul style="list-style-type: none"> <li>• As of 16 January 2018, icare had received 105 enquiries from WIRO regarding section 39.</li> <li>• Of these enquiries, 52 concerned conceding /deeming the threshold, 22 related to advising of a Medical Assessment Certificate (MAC) outcome including not reaching maximum medical improvement, 28 related to general queries regarding Whole Person Impairment (WPI) assessment outcome / liability for additional body parts, and three were closed given the worker had settled via work injury damages.</li> </ul>

## WIRO report theme

**Solutions Group received dozens of complaints from injured workers regarding deterioration in service from QBE and CGU before their claims were transitioned to GIO. In many instances, QBE and CGU failed to determine the claims within statutory timeframes that expired prior to transition of the claims.**

**A large volume of complaints also related to a lack of response from GIO following the transition and in many cases, GIO failed to respond to claims within a period of weeks to several months following transition.**

## icare update

- Towards the end of the 2017 claims transition, icare became aware that service on some of the 18,000 claims that transferred from QBE and CGU to GIO was declining prior to transfer. Between August and November 2017, of the 379 complaints received by WIRO, 170 related to QBE and CGU. icare raised these with the agents at the time and steps were taken to help address the issues.
- In order to help ease this service problem, icare proactively provided assistance to QBE and CGU. This included assistance with retaining key, experienced scheme personnel and keeping them engaged for the period up until disengagement on 31 December 2017. In addition, icare also allowed the lodgement of new claims with QBE and CGU to cease on 1 October 2017. This measure ensured their personnel could focus on the claims already under their management, rather than reviewing and managing new claims from that date.

- There was a period immediately after the transfer date in some of the early claims batches where GIO was under-resourced. This delayed lodgement activities and created an early backlog. However, this backlog was rapidly processed within weeks following the transfer date.
- In October and November 2017, GIO recruited and trained new contact centre agents to alleviate call volumes which resulted in a vastly improved grade of service (above 90% from November) and lower rate of abandoned calls (under 10% from November).
- GIO's average handling time dropped consistently every week from October to December, demonstrating the agent's familiarity with its role and increasing ability to support customers.
- In total, GIO recruited approximately 450 full time employees in the Newcastle region, Wollongong and Sydney with the dedicated goal of providing more customer-centric service.

## WIRO report theme

**In many cases, injured workers experienced a lack of response both prior to and following transition of their claims between scheme agents.**

**WIRO raised these issues with icare during several meetings, during which we brought to icare's attention that GIO was having significant difficulties in recruiting staff to manage these claims and that GIO was also experiencing data conversion issues, which meant that claims documentation was not readily accessible in its claims database.**

## icare update

- A range of channels existed for customers to reach their exiting scheme agent (QBE or CGU), their receiving scheme agent (GIO) or icare. icare is not aware that a customer could not make contact with an agent regarding claims being transitioned.
  - At the commencement of the transition, icare established a Claims Transition Support Service for all agents and icare to provide a positive customer experience and specifically to limit impact during the claim transfer period. The Support Service managed 788 requests and queries throughout the claims transition 2017 and 88% of these requests were resolved within 24 hours.
  - In a comparison of pre-transition (QBE/CGU) and post-transition (GIO) Net Promoter Scores (NPS), the survey results of those individuals that have completed at least one survey at either QBE or CGU and again with GIO, icare recorded a positive shift in the overall sentiment of +16 points in the experience of workers pre and post transition highlighting that workers are more satisfied with the service they are receiving with their new agent.
- 
- When WIRO raised these issues with icare they were already well known by the business. As previously stated, icare was kept informed of these issues by GIO at the time and addressed them throughout the 2017 claims transition.
  - icare is not aware of any data conversation issues at GIO that meant claims documentation was not readily accessible in its claims database. As with every transition, there is a 'limited information period' where case managers work from a file transfer record to ensure cases can still be progressed while the data makes its way through SIRA and agent systems. In order to reduce the impact on customers, requests for treatment and surgery were prioritised.

## WIRO report theme

**Calculation of PIAWE remains complex as evidenced by icare issuing an 88-page PIAWE handbook for Scheme Agents, and lack of support for workers seeking advice about disputing a work capacity decision.**

**NSW Employers have complained to WIRO about difficulties in communicating with EML and expressed dissatisfaction with EML staffing.**

## icare update

- Pre Injury Average Weekly Earnings (PIAWE) is one of the most complex areas of workers compensation, which is why the legislation has recently been changed to simplify it. icare has undertaken a number of initiatives to improve calculation of PIAWE, including scheme wide training, auditing of Scheme agents, simplifying letters and including PIAWE in Question and Answer reviews with EML (new claims).
- In September 2018, icare conducted internal reviews on PIAWE for several matters including:
  - 12 decisions resulting in the worker being better off
  - four decisions resulting in the worker being worse off
  - one resulting from a WIRO escalation
  - five employers requesting a formal internal review of the workers PIAWE.
- This action shows that icare is seeking to address / correct issues prior to escalation externally.

- As a new untested model to the Scheme, unforeseen challenges were anticipated in the roll out from 1st January 2018. icare and EML recognised the requirement for a larger workforce for a period of the year and have worked closely to adjust and respond accordingly to stabilise the new model.
- icare's contract with EML and new claims model allows us to be closer to claims performance levels and necessitates earlier responses when issues arise.
- In late January 2018, following a review of call stats that determined existence of an initial issue, an accelerated improvement plan was agreed between icare and EML to remediate service levels, allowing us to swiftly rectify and to deliver agreed standards of service.
- icare's Grade of Service, (GOS, that is percentage of calls answered in 60 seconds) has improved dramatically since early February 2018. Average wait times have improved by 92% to 36 seconds since February 2018.
- icare's new claims model focuses on service delivery, moving decisions closer to the customer to ensure the right level of support at the right time and shifting customer interactions from adversarial to improved customer experience that is outcome focused and delivers faster treatment plans and earlier RTW. The data icare is capturing - like our triage data and the reduction in claim disputes - tells us this model is working. icare has had 11% fewer disputes referred to the Workers Compensation Commission (WCC) than at the same time last year.

## WIRO report theme

## icare update

- There is early evidence of an increase in the total number of claims reported in 2018 compared to 2017 (7%). This appears to relate to the increase in claims in the construction industry and increase in mental health claims.
- In the first three months of this year, there were higher lodgements received than forecast (7%), which necessitated an increase in resourcing to improve service standards to acceptable levels.
- Our NPS data also tells us that our customers prioritise responsiveness and 'doing what we say we will do'. As such, icare's operational metrics and focus for performance improvement reflect these customer expectations and EML operationalises and delivers on this.
- icare is focusing on uplifting employee capability through a whole of claim outcome-based approach in order to drive system benefits. By supporting and building EML resources, we have seen measurable benefits and ongoing improvements under the new claims model, including:
  - The highest NPS scores across the Scheme (currently +27)
  - Empower and Guide segments of the model holding the highest NPS results (+30) Average wait times have improved by 92% to 36 seconds since February 2018. Increased number of claim finalisations for the month of September 2018 and planned focus of October 2018

## WIRO report theme

**EML does not seem to be complying with the 7-day timeframe for determining provisional liability and, as a result, a default decision is made to commence provisional payments without adequate investigations being conducted.**

**Several employers have complained that they have not been assigned a dedicated account manager for their policies after 1 January 2018.**

## icare update

- icare was aware of delays in decision making and raised this with SIRA in early February 2018. Following discussion with EML, it addressed the delays and this measure has been reported daily to icare from 5 February 2018.
  - Since early challenges experienced under the new claims model, initial liability decisions have been made within seven days of notification in more than 98% of new claims from March 2018, and most recently averaging five days.
  - This is measured and reported every day since that time. EML continues to meet standards of between 98-99% each day.
  - Year on year, there has been a significant reduction in the application of full liability decisions at first decision from around 30% to 5% of claims. This has been balanced by a greater application of provisional liability that enables quicker time to treatment and decisions being made that lead to better return to work outcomes. Overall liability acceptance/declinature in the model is within 1% of the same period last year.
  - However, the assignment of provisional liability does not mean the claim has been accepted. All claims have an ongoing full liability assessment that involves the appropriate parties and a liability decision made in line with regulatory requirements. This has been most apparent in mental health related claims, where the cost is typically twice that of physical injury claims. Getting faster access to treatment has delivered a 40% improvement in return to work outcomes as well as a 32% reduction in the associated cost of weekly benefits.
- 
- icare is continually reviewing and improving on its service model. In response to large employer feedback we have acknowledged that large employers need a single point of escalation when they have multiple claims.
  - As such the Client Service Manager role was created to:
    - have day-to-day oversight of all the employer's claims and is a single point of contact across all their claims
    - support employers on their claims and are an escalation point across all segments of the model
    - pro-actively work in tandem with the Case Management Specialists and Claims Advisors to ensure claims are handled expeditiously
    - Support the Case Managers, operational management team and the client as a point of contact and escalation for legacy claims sitting with EML.
  - Following early feedback from employers, a new role was created as part of the structure of the icare New Claims Model for all employers with more than 18 claims reported annually. This is around 400 of the largest employers.

## WIRO report theme

**Employers have also expressed a significant degree of frustration regarding EML's reluctance to organise Independent Medical Examinations in 2018. WIRO notes that based upon its own criteria, the newly- appointed icare Medical Support Panel appears reluctant to authorise independent medical examinations - even when they are specifically requested by the policy holder to assist EML in determining liability.**

**WIRO notes that in response to several recent inquiries, EML has responded to the effect that it feels "hamstrung" by this process. As a result, EML often lacks the medical evidence required to enable a proper determination of liability.**

## icare update

- One of the reasons the Medical Support Panel (MSP) was introduced was in response to the NSW Standing Committee on Law and Justice First Review of the Workers Compensation Scheme (2017), which identified practices that were detrimental to injured worker outcomes, including the inappropriate use of Independent Medical Examinations (IMEs).
- The MSP assists employers, workers and case managers in approving reasonably necessary treatment faster to support recovery.
- The MSP is not intended to replace IMEs. MSP clinicians will recommend a case is referred to an IME in cases where they deem the medical information provided is incomplete or a physical examination is required to allow the Case Manager to make an informed decision.
- The benefits of the MSP include:
  - Faster approval of treatment requests from six weeks to less than five days
  - Assessment of the appropriateness of treatment
  - Ability for a doctor to discuss treatment options with another doctor in addition to the worker and employer
  - Outcomes focused, evidence based and best practice decision making.
- The MSP provides objective reviews of cases in a timelier manner than an IME, with a focus on ensuring Case Managers have access to information required for them to make decisions related to medical causation and treatment. The current turnaround time to confirm is less than five days.
- If the MSP clinician recommends the worker be referred to an IME, they support this process by providing, in consultation with Case Managers, high quality clinical summaries (including information from conversations with stakeholders that an examiner would generally not have access to) and specific, objective questions for the IME.
- A recent example where the MSP was happy to maintain transparency by referring to an IME at the request of the employer (albeit to the detriment of the injured worker):
  - Provisional liability accepted for a knee injury
  - Video surveillance from the workplace was provided, confirming the injury occurred from a fall at work
  - Referred to MSP on 29 August 18, medical causation confirmed (via Nominated Treating Doctor /physio/ two treating surgeons, and video evidence)
  - MSP supported medical causation and surgery as per treating surgeon(s) – recommendation given 4 September 2018

WIRO report theme	icare update
	<ul style="list-style-type: none"><li>◦ Employer adamant an IME was required to confirm surgery required</li><li>◦ While not deemed necessary, the MSP agreed to summarising the case and referring to an IME</li><li>◦ IME report was received 13 November 2018, confirming medical causation, and surgery was required</li><li>◦ This was a two-month delay in approving medical causation and surgery that the MSP originally supported in four business days.</li></ul>