

Injury Schemes Seminar

Balancing Outcomes

10–12 November 2013
Sheraton Mirage Gold Coast



Claims Model Transformation An update on the journey

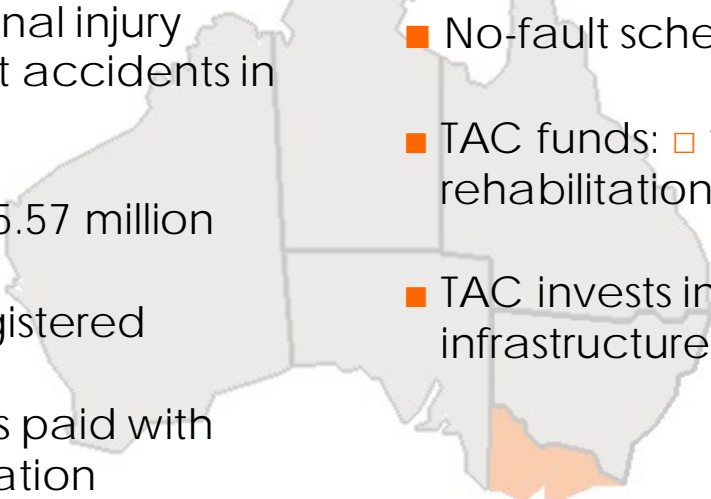
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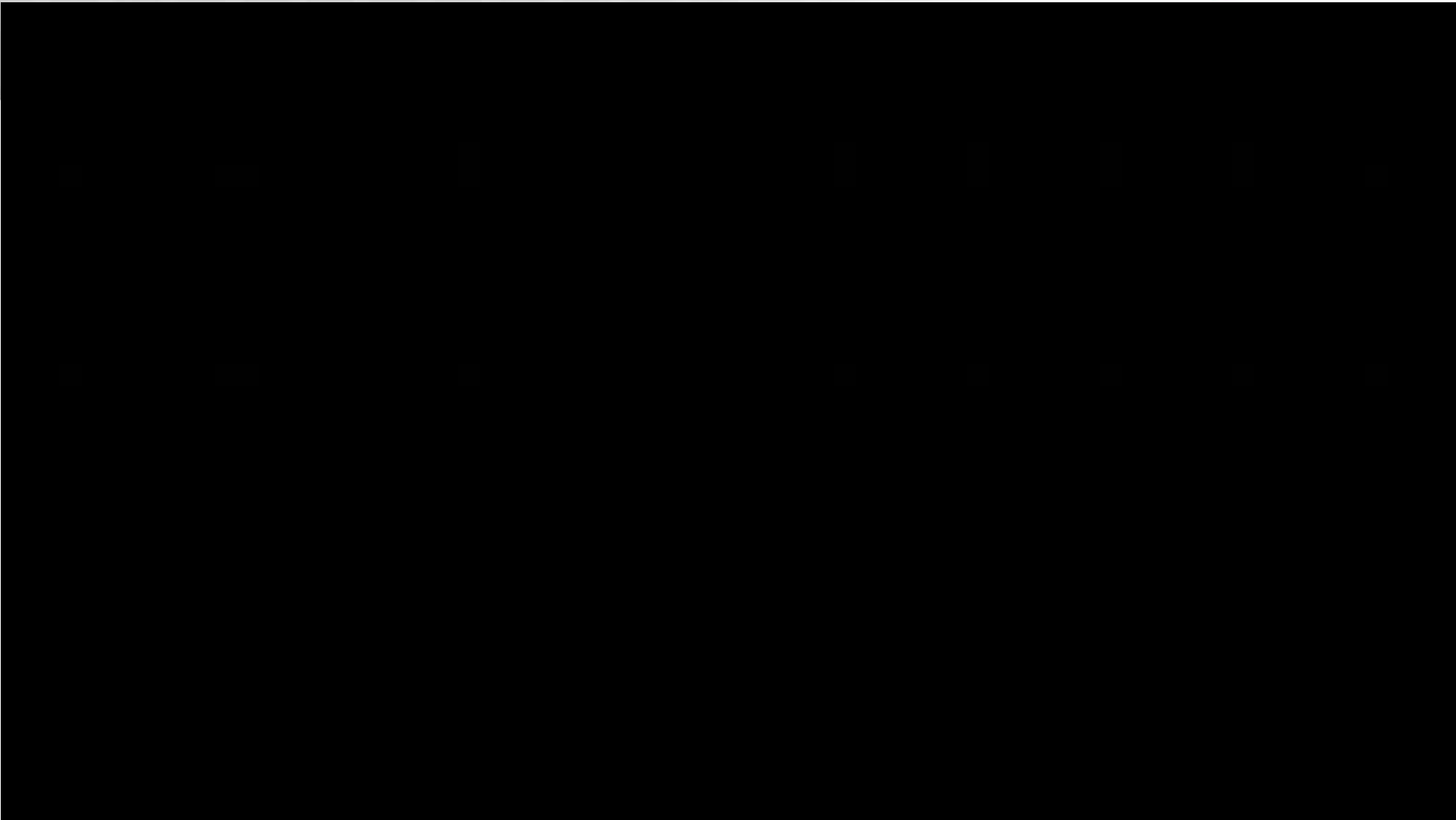
Overview of the TAC

- 
- Sole provider of personal injury insurance for transport accidents in state of Victoria
 - Victoria's population 5.57 million
 - 4.3 million vehicles registered
 - Compulsory premiums paid with annual vehicle registration
 - No-fault scheme
 - TAC funds: □ treatment □ income □ rehabilitation □ lifetime care
 - TAC invests in: □ Road safety □ Safer road infrastructure



Our Clients







Alex

Claims Division

\$1.08B claim payments 2012/2013

\$10.9B liabilities as at June 2013

18,543 new claims 2012/13

45,038 people received funded support in
2012/13



Our 2015 Strategy – Why?



Relocation of TAC headquarters to a regional setting

High percentage new employees

Shift in thinking from traditional, transaction-based insurance organisation to focus on whole of client / client outcomes.



Recovery – mild to moderately injured clients

Goals



Core Functions



Enablers

Align to deliver on the TAC 2015 agenda



Vision & Objective for Recovery

“Supporting our clients to return to health and work as quickly as possible”

The objective of the Recovery model is to assist clients with their individual needs and support them in achieving their health and return to work goals



What Changed?

Benefit Delivery

- ❑ Portfolios based on injury type
- ❑ Claim movements all manual based on pre-defined time-lines and events
- ❑ Multiple file handovers (5+) during life of claim
- ❑ Portfolio sizes and staff not aligned to client needs
- ❑ Long tail claims scattered across teams
- ❑ Missed opportunities for early intervention & common law



Recovery

- ❑ Algorithm to automatically segment claims by risk factors overnight
- ❑ Portfolio sizes clearly differentiated to client needs
- ❑ Risk screening tool for return to work, mental health and pain risk factors
- ❑ Strong focus on early intervention, expectation setting and client outcomes
- ❑ Larger Client Assist stream to absorb low needs clients
- ❑ Fewer file handovers
- ❑ Targets review of long tail claims and outlier providers
- ❑ Earlier identification of Common Law



Recovery... the journey so far



Jon



Recovery Phase 2

Phase 2 focussed on changes to the systems, processes and people required to better support our client's recovery

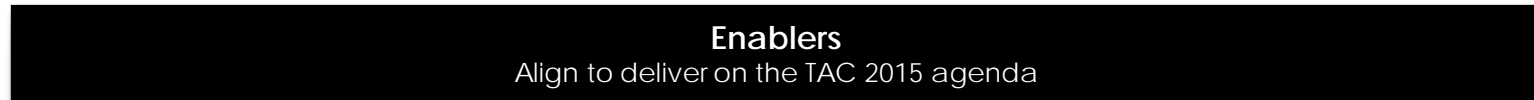
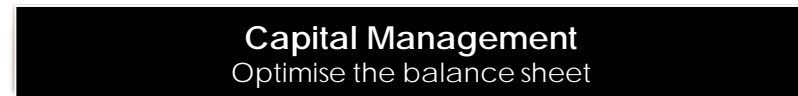
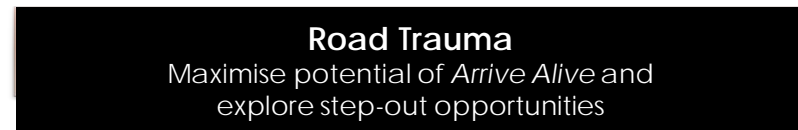
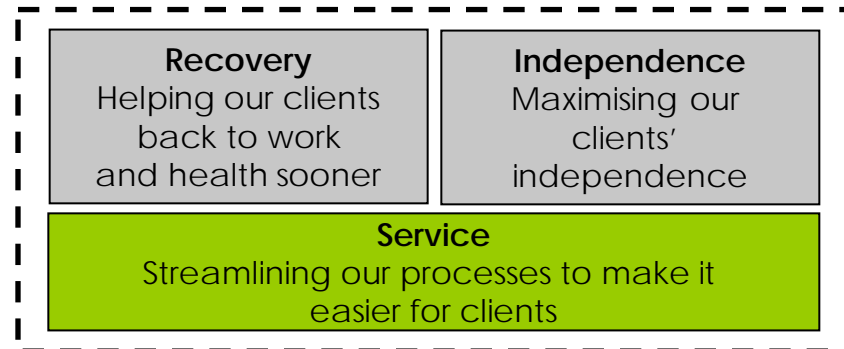
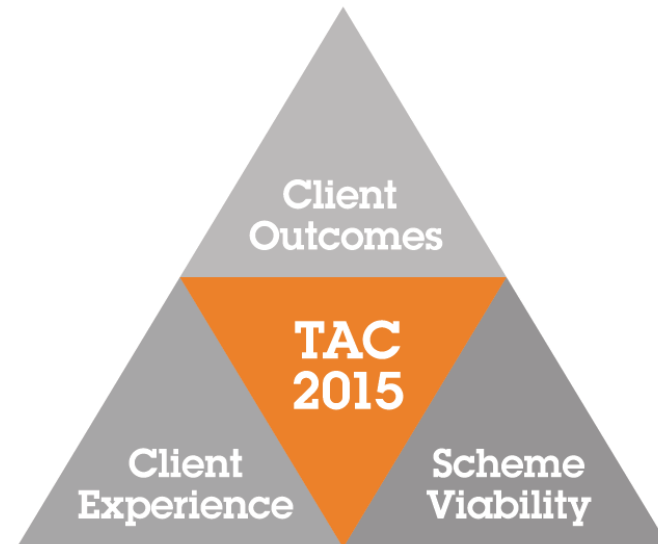
- Roll-out of Motivational Interviewing skills training
- Introduction of Recovery Action Plan focussed on barriers and interaction
- Focus on effective interventions and pathways – particular focus on mental health, persistent pain, and return to work barriers



Service – *Impacts all clients*

Goals

Core Functions





Service

- ❑ Major streamlining of core Claims processes
- ❑ Significant investment in building staff capability and empathy for clients
- ❑ New service options for clients to support their Recovery or Independence goals





Service

BEFORE

Claim acceptance takes up to 70 days

Client required to fill out 14-page hard copy claim form

40% of incoming calls are from providers following up outstanding accounts

Psychologist / psychiatrist only option for clients with mental health issues

Clients must seek prior approval for most services

No recording of calls / no coaching for employees in customer service skills

NOW

Clients no longer required to fill out a hard copy claim form

80% claims accepted in five days

90% provider / client accounts paid in 14 days

Services expanded to e-therapy and psycho social support service

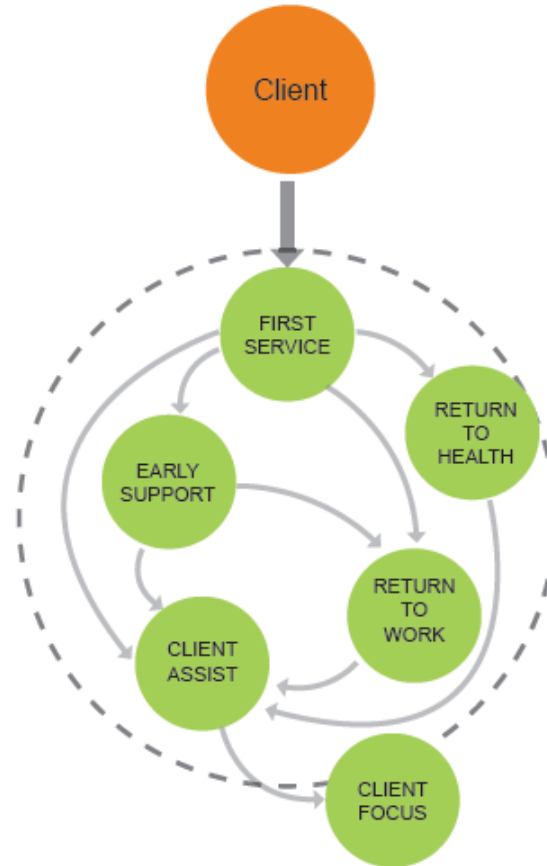
Services pre-approved for new clients for increased chance of early RTW

▶ acupuncture, chiropractic, osteopathy, occupational physiotherapy, psychology, exercise physiology ◀

Consistent customer service culture



Recovery Today - Structure





Recovery Today

Teams

Recovery Then

- ❑ 9 different kinds of teams
- ❑ 11 teams in total
- ❑ Early Support – managing both return to work and return to health claims
- ❑ Return to Work – 2 complex teams and 2 less-complex teams. Complexity linked to risk of high cost, driven by common law
- ❑ Return to Health – Complex & less-complex
- ❑ Client Assist – one large team
- ❑ Client Review – 8 staff, both reviewing claims and assisting with other tasks

Recovery Now

- ❑ 5 different kinds of teams
- ❑ 10 teams in total
- ❑ Early Support – managing return to work claims only
- ❑ Return to Work – 5 teams managing similar mix of claims and more even workload
- ❑ Return to Health – one team only
- ❑ Client Assist – two equivalent teams
- ❑ Client Focus – 3 staff, renewed focus on reviewing claims



Recovery Today

Tools & Processes

Recovery Now

- ❑ Client conversational tool –
 - inconsistent use, but still recognised as important
 - Service program to help address what to do when 'at risk' clients are identified

- ❑ Managing common law risk
 - Automated identification shifted to 3 month mark to increase accuracy
 - Shared KPIs removed, but KPIs for Recovery in 2013/14 call out their impact on common law

Recovery Then

- ❑ Client conversational tool –
 - questions to identify 'high needs' clients

- ❑ Managing common law risk
 - ❑ Automatic identification at intake
 - ❑ Flag on claims management system
 - ❑ Shared KPIs between Recovery & Lump Sum (who manage common law benefits)



Recovery Today

Tools & Processes

Recovery Then

- ❑ Proactive data analytics –
 - Claims analytically selected for review using triggers based on cost, age of claim, recent activity
 - Triggers able to be adjusted to address current areas of concern

- ❑ Segmentation Algorithm
 - ❑ Automatic allocation of claims to appropriate teams at acceptance
 - ❑ Logistic regression
 - ❑ Combined no fault and common law models
 - ❑ Processed SAS and claims management system



Recovery Now

- ❑ Proactive data analytics –
 - Active management focusing on proactive management, reducing need for review
 - Streamlined up front approvals introduced, creating space for more reviews with new to criteria

- ❑ Segmentation Algorithm
 - Flexible enough to cope with structure changes
 - More accurate for no fault model
 - Recent change to only using no fault model at acceptance
 - Now fully integrated in claims management system
 - Use of statistical models to support decision making extended to claim eligibility decision and initial income payment



Impacts on Scheme Objectives

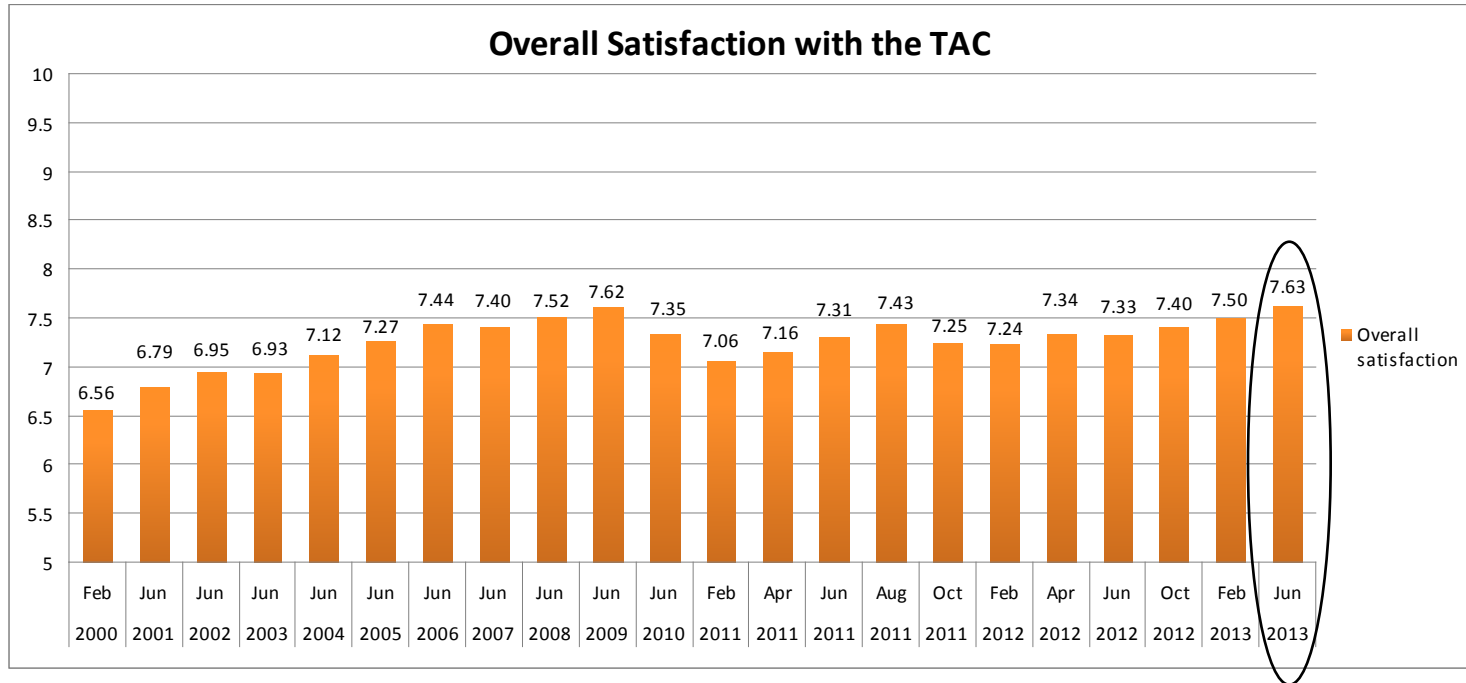
Client Experience

- Client Satisfaction has improved with a record score of 7.63 achieved in June 2013.
- This is the highest score that the organisation has achieved since it began measuring satisfaction
- All teams within the branch achieved significant improvements over the last 12 months
- All attributes – keep me up to date, resolve my issues, treat me as an individual, and empathy, have shown statistically significant improvements since the introduction of the Recovery model
- This score is the result of long term change and improvement and is not underpinned by an increase in payments for benefit types that have impacted our short term actuarial performance.



Impacts on Scheme Objectives

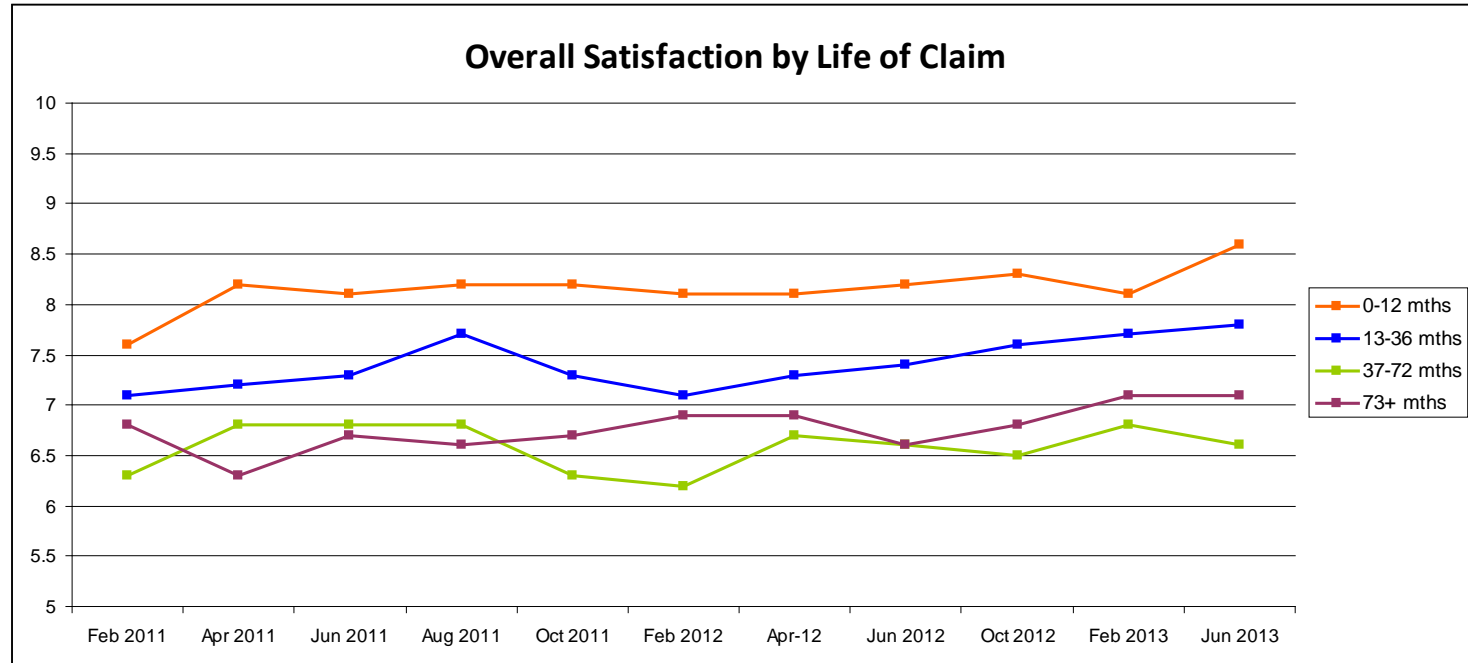
Record client satisfaction score





Impact on Scheme Objectives

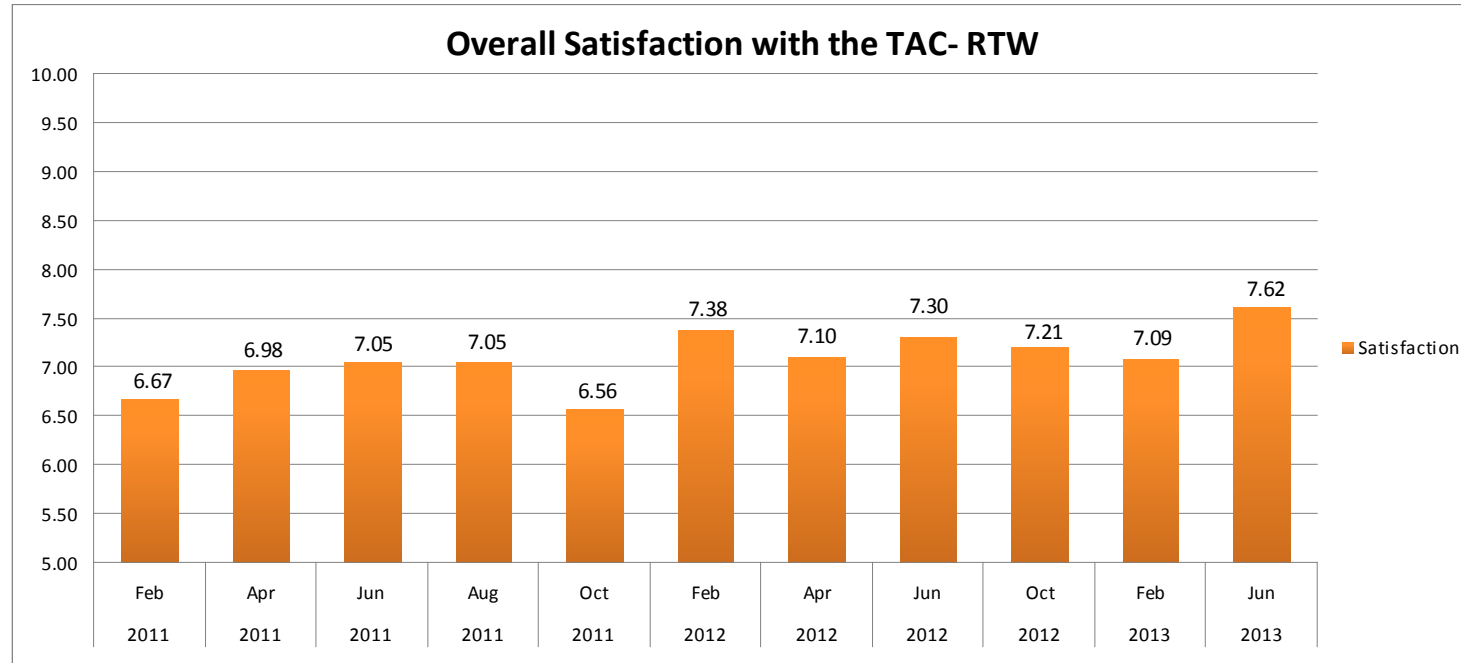
Overall satisfaction by life of claim





Impact on Scheme Objectives

Overall client satisfaction: Return to work





Impact on Scheme Objectives

Scheme Viability

While initial results were positive, in the past 18 months both income and paramedical benefits have been under pressure

The impact of the Recovery Model on return to work and Common Law outcomes will not be fully realised until 3-4 years after implementation of the Recovery model but we are currently utilising ISCRR to evaluate the impact to date and a report is expected to be available for the Board in October.



Impact on Scheme Objectives

Scheme Viability

Returning clients to work remains a major focus for Recovery and is key to achieving future savings in common law payments

- The main indicator of return to work success is a low percentage of clients who require income support at 6 months post accident. The result for the full year was slightly above target at 41.1% (against a target of 39%)
- The percentage of return to work outcomes has continued to perform significantly better than target (68.7% against a target of 60%) which means that a higher number of income payment cessations are due to genuine return to work outcomes



Impact on Scheme Objectives

Scheme Viability

The Recovery Branch has had a negative result for paramedical payments in the last 12 months and growth in tail payments has been experienced in housekeeping, prosthetics, post hospital support, and client travelling expenses. Growth in more recent claims has also been experienced in housekeeping, post acute support, childminding, psychology, physiotherapy and sports centres (gym / swim programs)

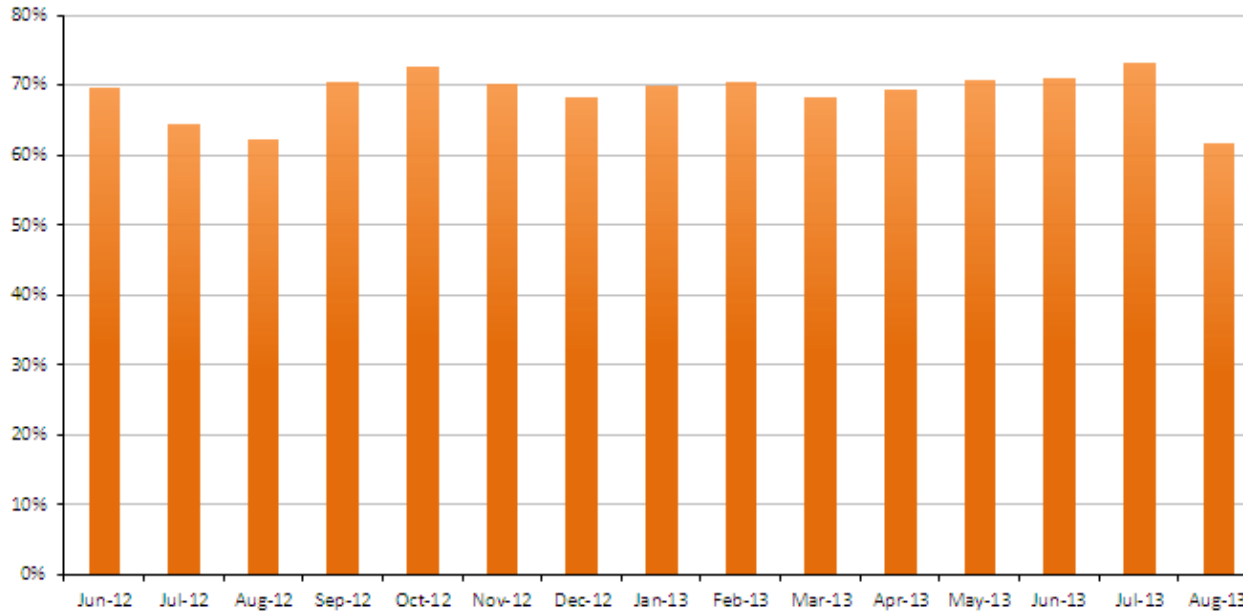
Growth issues relate primarily to more recent payment experience and are the result of an increase in the number of services per client and an increase in the number of clients receiving services



Impact on Scheme Objectives

Recovery outcomes: % clients return to work

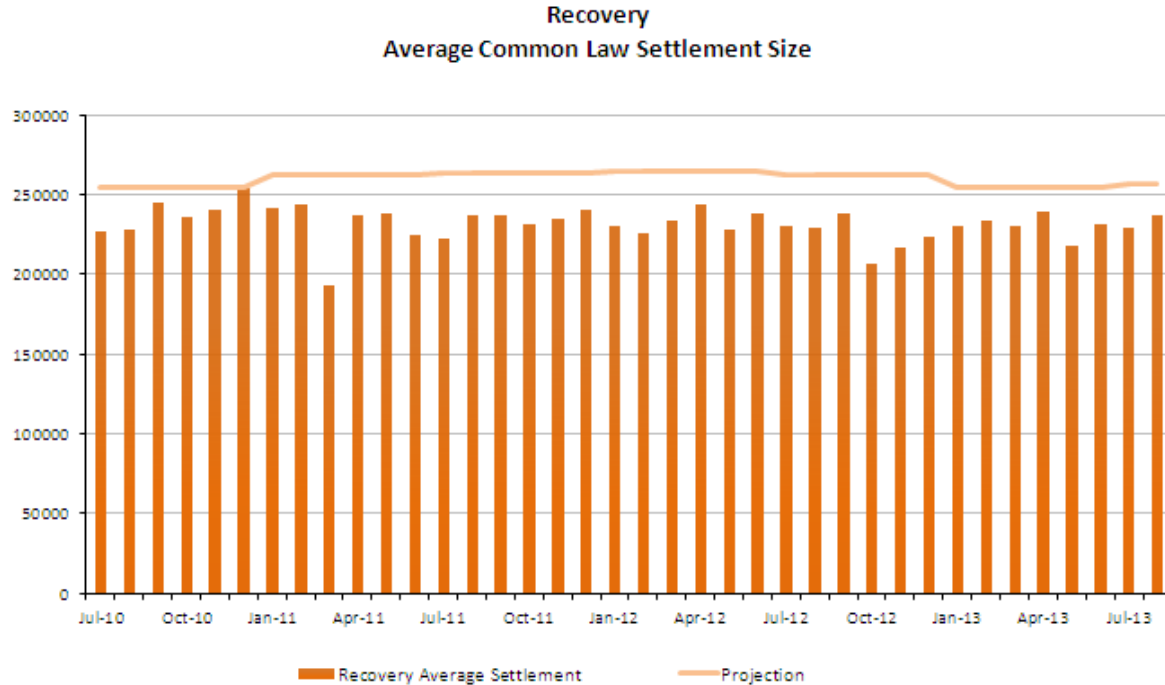
% RAP Outcomes that are RTW





Impact on Scheme Objectives

Average common law settlement size





Impact on Scheme Objectives

Client Outcomes

A client outcomes index has been developed and incorporating outcomes survey results, income durations and scheme participation for Recovery. Used for the first time during 2012/13 it fell short of its target.

The outcome measures used include self assessed mental health, physical health and return to work outcomes.

The branch has seen improvement in both 12 month income durations and Scheme Participation results over the last three months. The 12 month Income Duration results are below target for the first time this financial year and whilst Scheme Participation remains above target it has continued to improve.

The branch has specifically focussed on ensuring that return to work outcomes are sustainable and that the services we fund drive both return to work and return to work outcomes

The successful launch of First Service, Streamlined Decisions and Right Payments is already having a significant impact on the time it takes for clients to access the services they need to help them recover. This early intervention is a key strategy for client outcomes.



Learnings

Claims Management Model

- ❑ Recovery was a new 'claims management model'
 - A. Organisational structure within which claims are managed
 - B. Rules and processes for claims moving within the structure and portfolios sizes
 - C. Strategies, work practices and interventions employed in managing claims
- ❑ Recovery implementation focused significantly on structure and process, particularly around return to work and common law risk
- ❑ Shift to look more at C and covering all claims, not just those with return to work and common law needs

Structure and claim pathways are not enough. The focus areas and actions undertaken within the structure are key to delivering outcomes



Learnings

View of Risk

- ❑ Recovery initially focused on claims at risk of becoming high cost
- ❑ More recently this has shifted to also include client experience and client outcomes

*A claims management model designed to meet our goals needs to consider a variety of risks,
not just cost*



Learnings

Risk Identification and Services

- ❑ A key aspect of Recovery has been improved identification of clients at “risk” of
 - becoming high cost
 - having poor experience
 - having poor outcomes
- ❑ Once clients were identified as being at risk there were limited tools and services to meet this need
- ❑ Service program is partly focussed on providing increased options

The Recovery model identified risk and we will now have the tools and services to more effectively meet our clients' needs



Learnings

Change Management

- ❑ Change management plan in place prior to and immediately after Recovery went live
 - Understanding behaviour and mind set changes required
 - Training in new processes and tools
 - Feedback sessions post implementation

However

- ❑ Still difficult to ensure all aspects of the model were embedded

Regardless of the quality of tools or processes available they will not deliver results unless the people involved understand, use and believe in the new model and approach



Conclusion

- The Recovery model has focussed the branch's attention on its core purpose of returning people to work and health as quickly and sustainably as possible
- The model's successful introduction saw the creation of twelve new teams with clear purposes and portfolio sizes aligned to client needs; it saw 24,000 active claims and 128,000 inactive claims move into the new structure, and the realignment of every staff member's role and work purpose
- New processes such as the segmentation algorithm and client conversational tool were introduced to more effectively identify claims at risk of becoming high cost and gave each team a strong chance of achieving outcomes with our clients
- Recovery Phase 2 enhanced this by providing improved skills for claims staff through motivational interviewing and improved planning and monitoring for claims via the Recovery Action Plan
- The introduction of the Service program of work has also had a significant impact on the implementation of the Recovery model and its benefits are not yet fully realised. Receiving claims faster, providing access to treatment sooner, improved variety and access to services, and focussing further on the capability and development of our staff will further enhance the Recovery model's effectiveness
- The TAC has undergone a large cultural shift towards putting client outcomes at the centre of everything we do. The successful implementation of the Recovery model has been an instrumental part of this shift and there remains considerable upside for both our clients and the organisation's objectives



Beyond 2015

- ❑ A future where the majority of clients self navigate the system
- ❑ Fundamental shift away from scrutinizing each individual claim
- ❑ Focus on influencing whole ecosystem
- ❑ Sophisticated analytics to manage risk
- ❑ A model that aligns to the future of disability care in Australia where clients have choice and empowerment



Marcus



Thank You

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Transport Accident Commission