SYNOPSIS

FINANCIAL INCENTIVES FOR EMPLOYERS TO REPORT WORK INJURY SOONER: IMPACT ON TIME SPENT IN THE CLAIM LODGEMENT PROCESS

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Purpose of your paper: South Australia and Tasmania introduced financial incentives for employers to report work injuries sooner. We evaluated their impact on time in the claim lodgement process. The findings suggest mixed success.

Synopsis: In 2009 and 2010, South Australia and Tasmania introduced financial incentives for employers to report worker injuries sooner. The aim was to speed access to workers' compensation services, including treatment and wage replacement, to improve their outcomes and reduce claim costs. We used an interrupted time series design to evaluate incentive on duration of the claim lodgement process. The main outcome was claim reporting time, though we also evaluated insurer decision time and total time in the process. In South Australia, we were also able to evaluate time within claim reporting: worker reporting time and employer reporting time.

The incentives were following by reductions in claim reporting time in both jurisdictions. However, in South Australia the incentive target, employer reporting time, did not change; only worker reporting time was reduced. Further, there were significant increases in insurer decision time in Tasmania. Total time in the process did not decrease immediately, but there was a significant downward trend in both jurisdictions.

The findings suggest that incentives had mixed success. In both jurisdictions, the presence of provisional liability, which grants injured workers some compensation services prior to claim acceptance, limited the negative impact of insurer decision time (which could have delayed access to services). However, these increases have been associated with poor long-term health effects, and may perhaps mitigate any benefits achieved through early injury reporting. Further, that the change in South Australia was attributable to a reduction in an area that was not the target (worker reporting time) raises questions as to whether the incentives were directly responsible for the reduction.