

12th Accident Compensation Seminar 2009 Rising to the Challenge

Melbourne 22nd – 24th November 2009



Institute of Actuaries of Australia



A new scheme-funded compensation research institute

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The 'compensation effect'

Table. Subgroup Analysis of the Association Between Compensation Status and Unsatisfactory Outcome

Subgroup	No. of Studies	Odds Ratio (95% Confidence Interval)
Study type		
Randomized controlled trial	2	5.03 (3.22-7.86)
Cohort study	30	3.58 (2.74-4.67)
Case series	97*	3.87 (3.25-4.61)
Minimum time to follow-up, mo		
0-6	21	3.81 (2.72-5.34)
7-12	30	4.02 (3.08-5.25)
13-24	34*	4.36 (3.17-6.01)
>24	30	3.44 (2.60-4.55)
Completeness of follow up, %		
≥80	111*	3.84 (3.30-4.47)
<80	18	3.61 (2.39-5.47)
Prospective vs retrospective design		
Prospective	15	3.60 (2.70-4.80)
Retrospective	114*	3.84 (3.27-4.50)
Procedure		
Shoulder acromioplasty	13	4.48 (2.71-7.40)
Lumbar spine fusion	19	4.33 (2.81-6.62)
Lumbar spine discectomy	24	4.77 (3.51-6.50)
Lumbar intradiscal chymopapain injection	9	3.67 (2.45-5.51)
Carpal tunnel decompression	10	4.24 (2.43-7.40)
Country of origin		
United States	106*	3.77 (3.20-4.43)
Canada	12	4.02 (2.65-6.09)
Europe, all	6	7.42 (4.37-12.60)
Australia	5	2.23 (1.49-3.35)
Study designed to assess compensation effect		
Yes	16	3.60 (2.50-5.20)
No	113*	3.85 (3.29-4.51)
Compensation type		
Workers' compensation only	86*	3.89 (3.26-4.64)
Workers' compensation and litigation	43	3.69 (2.88-4.73)
Revision vs primary surgery		
Primary surgery only	81	3.66 (3.07-4.36)
Revision surgery only	19	5.54 (3.47-8.83)

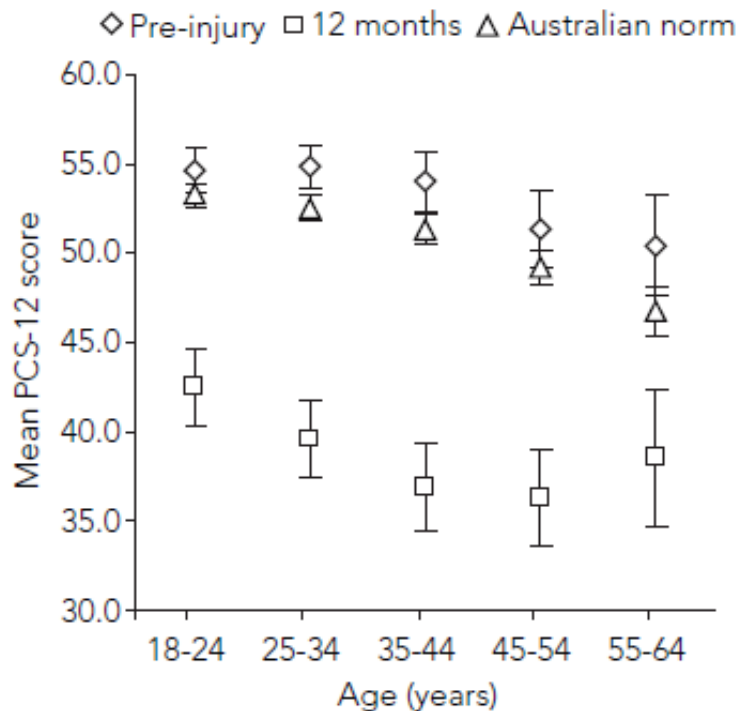
*Includes 1 study with an unestimatable odds ratio (no unsatisfactory outcomes).

- Compensation is associated with poor health and vocational outcome.
- Hundreds of published studies demonstrating this phenomenon across jurisdictions and compensation schemes.
- Magnitude of effect is very large.
- Many potential reasons / causes.
- Likely to be multi-factorial.

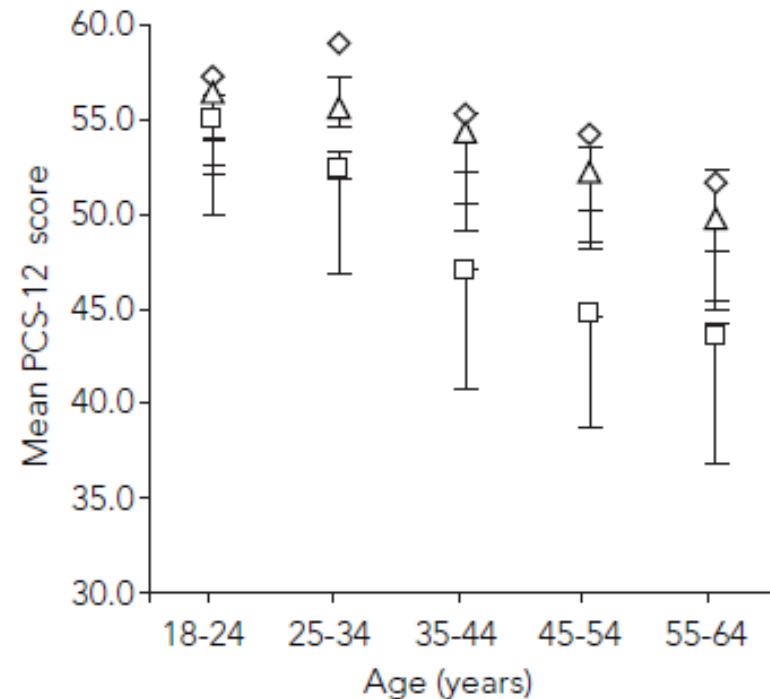


The 'compensation effect'

Transport Accident Commission
compensable patients



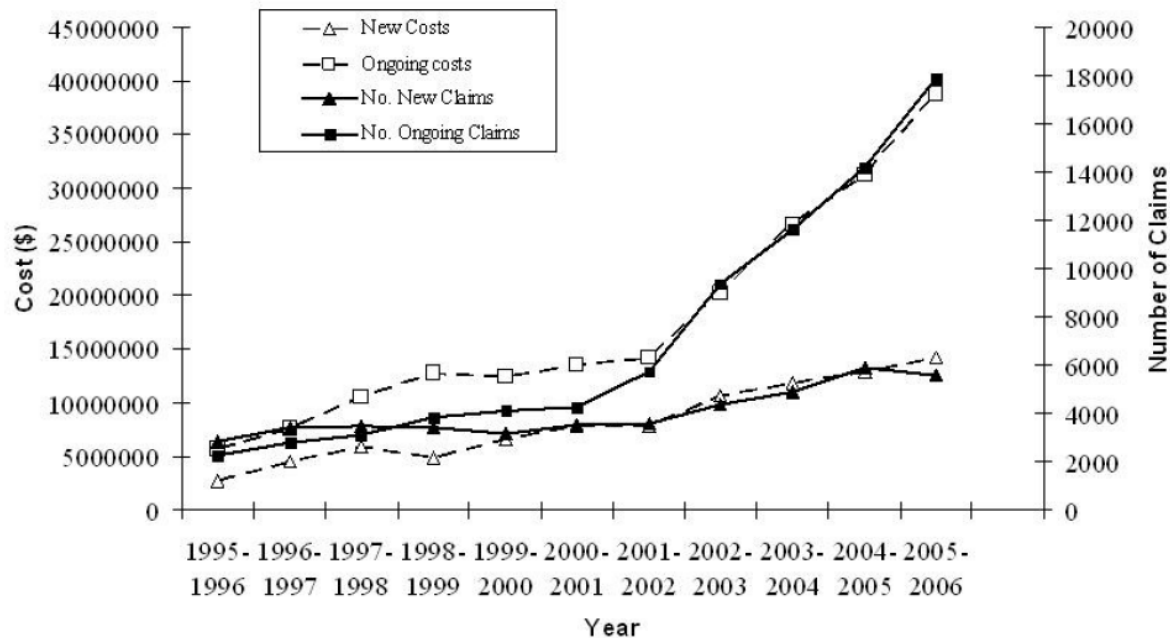
Non-compensable patients





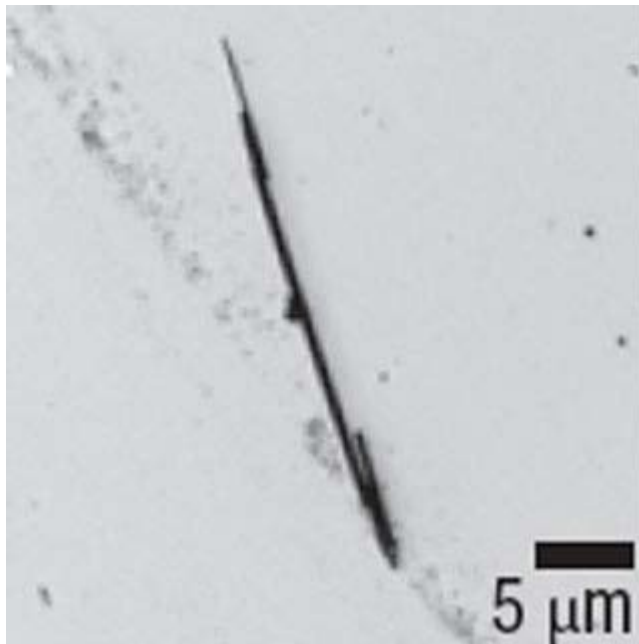
Rising health impact and cost despite decades of regulation (in some areas)

Figure 1. The number and the cost of new and ongoing ACC claims annually between July 1995 and June 2006.

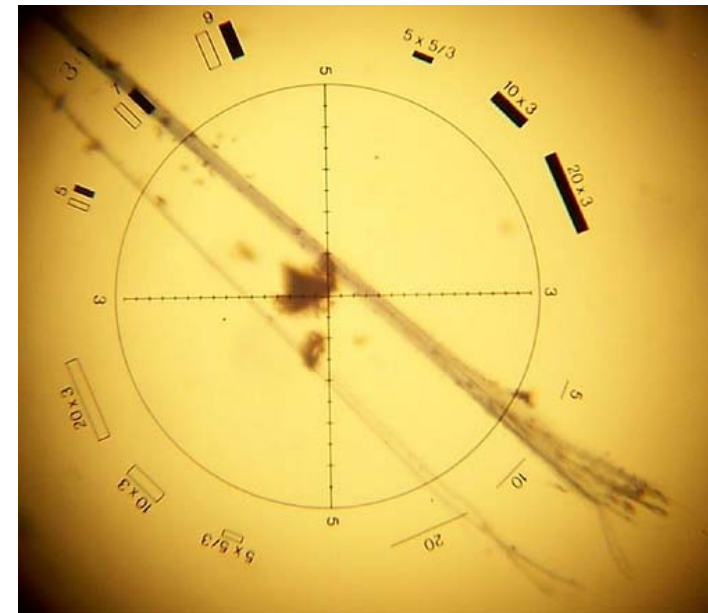




Emerging health issues and technologies



Long multiwalled carbon nanotube (engineered nanoparticles)



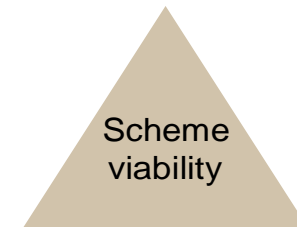
Crocidolite (blue asbestos)



Significant initiatives requiring independent evaluation

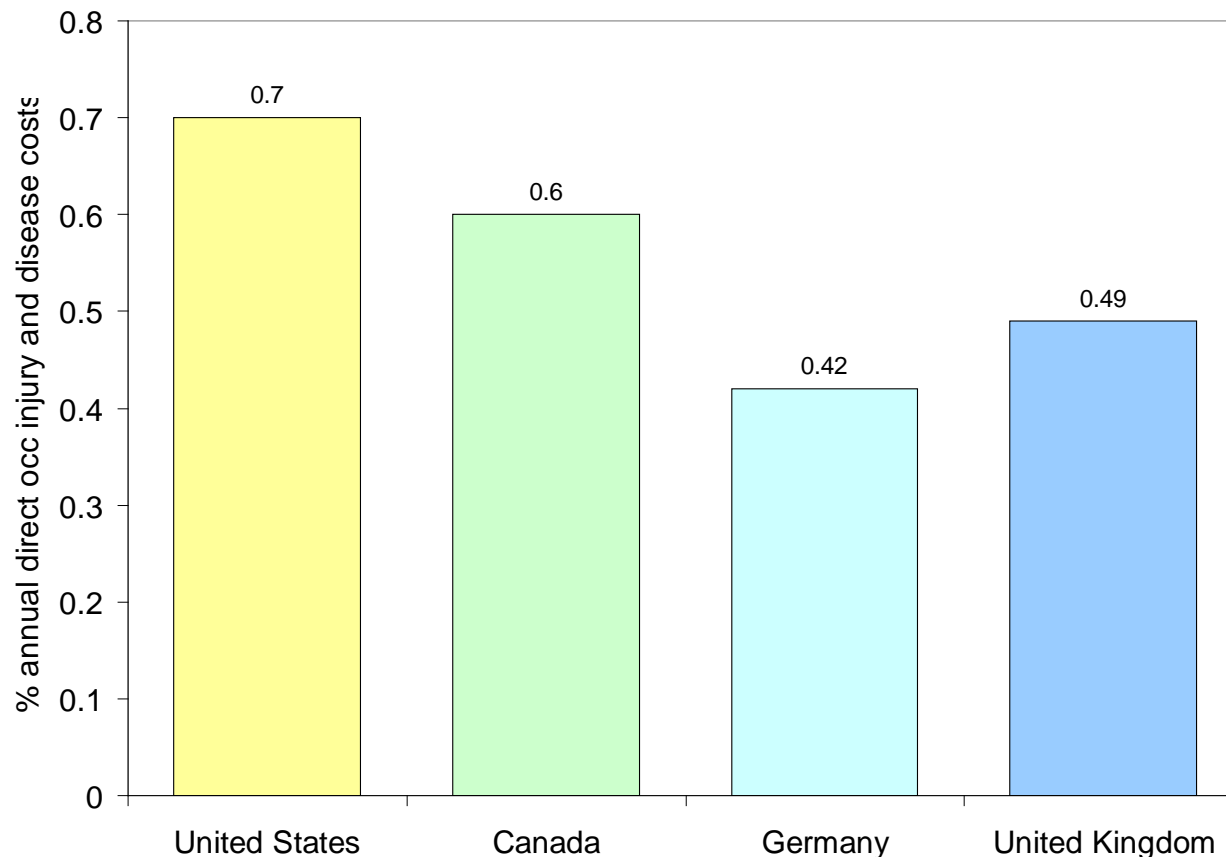
The screenshot shows the WorkHealth website with the WorkSafe logo. The main heading is "Working towards better health". Below this are three columns: "Why?" with links to "What is WorkHealth?", "Why do we need WorkHealth?", and "What are the benefits?"; "Who?" with links to "For employers", "For workers", and "About service providers"; and "How?" with links to "Worker health checks", "Workplace grants", and "Information and resources". A "Finding out more" section includes links for "Can I offer health checks in my workplace?", "Find out what's happening in your area", and "How healthy is my workplace?". There are two buttons: "Apply now for Health Checks" and "Apply now for Workplace Grants". The footer contains "Site map | Disclaimer | Privacy Statement | Contact us" and the Victorian logo.

TAC Strategy 2015





International workers' compensation research investment



Victoria - \$7M = 0.36% of annual direct costs of compensable injury and disease (CTP & workers' comp)



Institute for Safety, Compensation and Recovery Research

- Established 1 April 2009
- Three partner organisations
 - WorkSafe Victoria
 - Transport Accident Commission
 - Monash University
- Broad Areas of Focus
 - Occupational Health and Safety
 - Rehabilitation / Return to Health
 - Return to Work
 - Compensation Practice
- Centralised and co-ordinated research function for WorkSafe Victoria and the TAC, with access to appropriate expertise via the University.



Purpose & Objectives

- Victorian 'centre of excellence' conducting research aligned with scheme issues and objectives.
- Provide an evidence-base for policy decisions that will lead to:
 - Fewer and less severe occupational injuries and diseases
 - Improved health and vocational outcomes
 - Improved compensation scheme performance
- Facilitate translation of research evidence into policy and practice.



Establishment

- August 2008
 - Financial commitment from WorkSafe and the TAC
- Sept to Dec 2008
 - Select tender conducted by WorkSafe and the TAC
- Jan to Mar 2009
 - Negotiations with preferred University partner (Monash)
- 1 April 2009
 - ISCRR established
 - Interim Board and Acting CEO appointed
- 1 July 2009
 - First projects begin
- Nov 2009
 - CEO appointed



Operating Model

- Unincorporated joint venture established as part of Monash University.
- Governed by a Board of seven comprising two nominees of each partner organisation plus one independent director.
- CEO/Scientific Director reporting to Board.
- Board advised by
 - Scientific Advisory Committee (national research experts); and
 - Research Liaison Committee (WorkSafe & TAC senior execs).
- Initial virtual institute model
 - Some 'in-house' expertise
 - Most research 'outsourced'
 - Mix will change as institute develops



Scale

- Initial 5 year commitment with option for extension
- Core funding of ~\$25M from three partners
 - Sufficient to employ 50-60 FTE staff per annum by year five
- Core funding must be spent on activities linked to priorities of WorkSafe and the TAC
 - Research Liaison Committee to ensure close link to funder priorities
 - Annual budget approval by WorkSafe and TAC boards
- Will also seek funding from other sources
 - Competitive research grants
 - Corporate sponsors / philanthropy
 - Other regulators and insurers
- Can add further funding organisations to ‘core’ partnership



Broad Areas of Focus / Scope

- Areas of Focus
 - Occupational Health and Safety
 - Rehabilitation / Return to Health
 - Return to Work
 - Compensation Practice
- In each of these four areas the institute will
 - Generate new knowledge
 - Synthesise existing knowledge
 - Translate knowledge into policy & practice
 - Evaluate WorkSafe and TAC programs
- Out of Scope
 - Traumatic brain and spinal cord injury (TAC funds Victorian Neurotrauma Initiative)
 - Transport injury prevention (TAC funds MUARC)



International example

- Institute for Work and Health (IWH), Toronto established 1990
- ~ 70% of funding from the Workplace Safety Insurance Board (WSIB) of Ontario
 - Research is linked to WSIB priorities
 - Close day-to-day interaction between IWH and WSIB staff
- Remaining funding from competitive grants
 - Ensures institute research is high-quality
- Recognised internationally for its research in
 - Workplace health and safety
 - Workers compensation
 - Knowledge transfer and exchange
- Projects led by IWH have reduced the burden of occupational injury and disease in Ontario



Compensation Research Database

- Objectives
 - Develop a research database from the claims and administrative datasets of WorkSafe Victoria and the TAC that is regularly updated.
 - Link the CRD to other relevant datasets.
- Why?
 - Investigate the impact of compensation scheme design on outcome:
 - health outcome
 - vocational outcome
 - economic outcome
 - Identify risk factors for poor outcome
 - Investigate the impact of particular procedures/treatments/providers on outcome
 - Evaluate the impact of scheme initiatives
 - Provide data to support the research activities of the ISCRR (eg, study design, applications for research funding)



Compensation Research Database – TAC data

- All claims since scheme inception in 1987
- Plus claims with inception prior to 1987 but still active at 1987
- 852,000 claims in total & 24 million financial transactions
- All claims de-identified with linkage key held by the TAC

Data Category	Example
Person	Unique identifier, date of birth, occupation at time of accident, postcode at time of accident, gender etc...
Injury	Injury type, pre-existing injuries, date of hospital admission, hospital, LOC, GCS etc...
Accident	Date of accident, Role in accident, Postcode of accident, make of vehicle, N vehicles involved etc...
Claim	Date of interview, claims mgmt team, acceptance/denial date & code, claim activity, common law claim etc...
Treatment / Service	Type of service, Type of service provider, Benefit type, Benefit category, N inpatient days, N outpatient visits, loss of earnings, payments by service type etc...



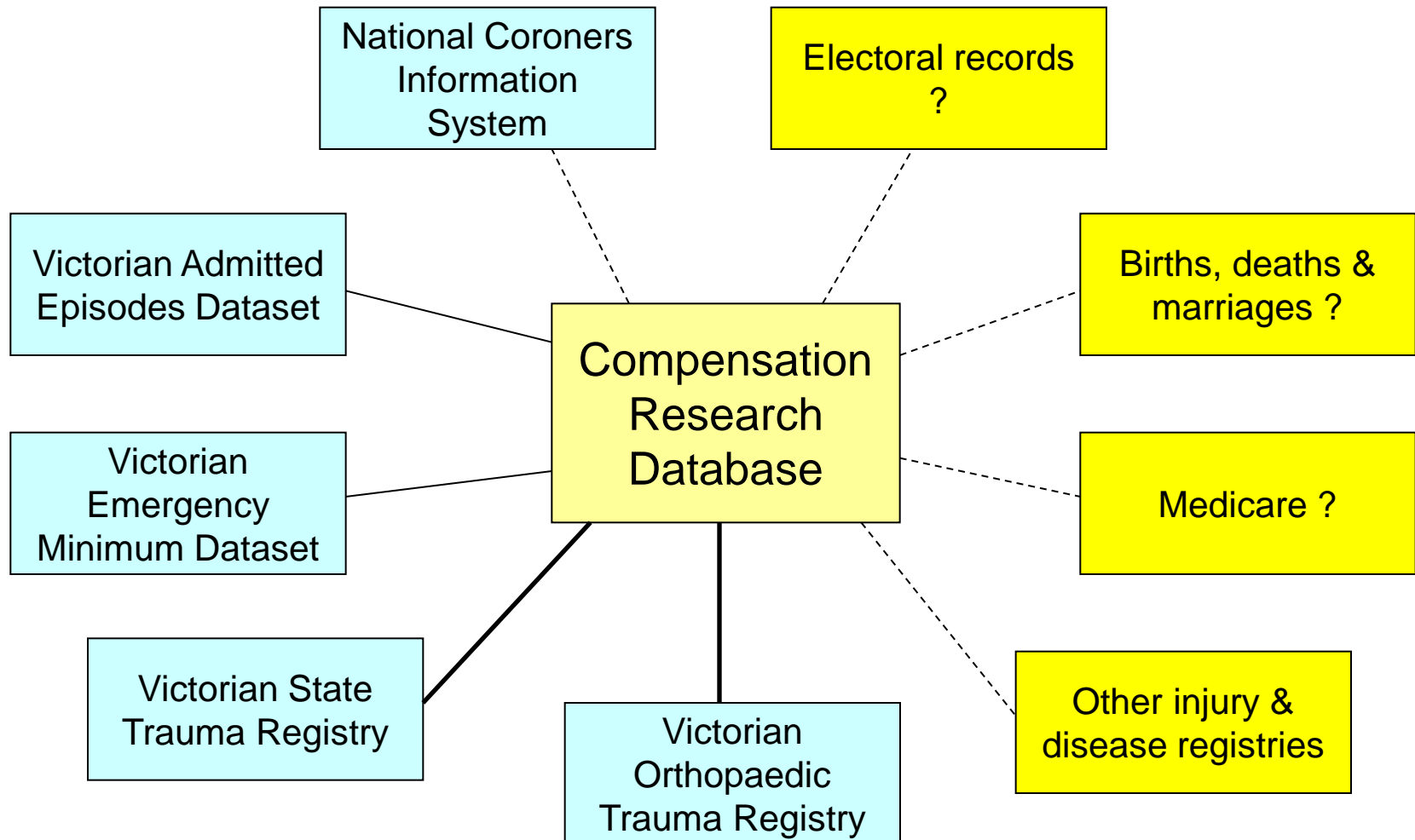
Compensation Research Database – WorkSafe Victoria

- All claims since scheme inception in 1985
- Over 2 million claims (exact N to be determined)
- All claims de-identified with linkage key held by WorkSafe

- Data categories
 - Person
 - Occupation & Industry
 - Injury / Disease
 - Employer
 - Claim
 - Treatment / Service / Payment



Data Linkage





Compensation Research Database – status

- Long-term project
- Early stages of development
- Data management protocols established and in place
- Currently determining minimum datasets for both TAC and WorkSafe (to be updated as CRD develops)
- Preliminary analysis underway
- Detailed analysis from early 2010
- Data linkage from late 2010

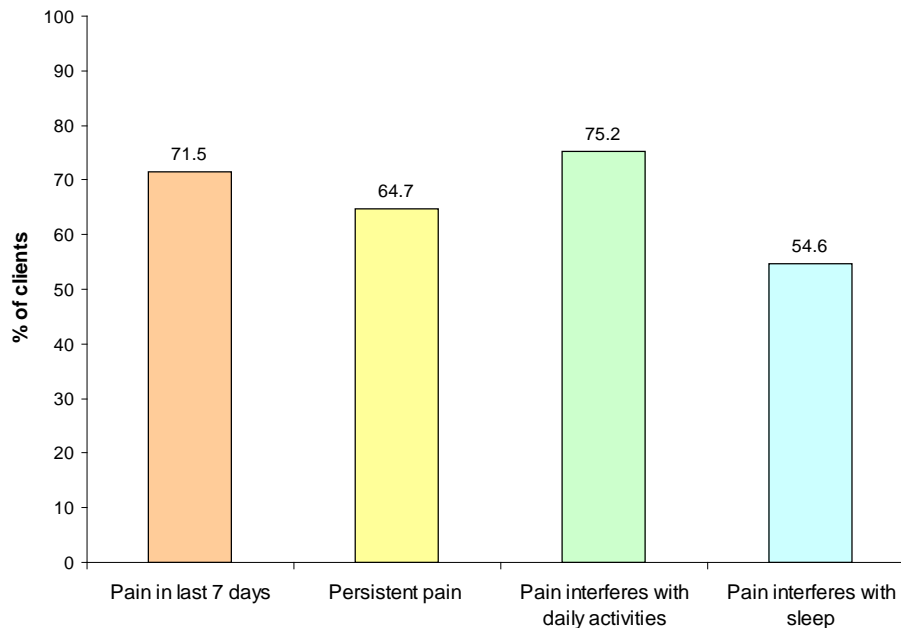


Claimant Outcomes Project

- Client health outcomes a new KPI for the TAC
- Annual survey collecting data on TAC client
 - Occupational status pre and post injury
 - Current health status
 - Experience accessing healthcare services
 - Client satisfaction
- Link survey data to claims data
- Identify drivers of positive and negative client and compensation outcomes
- Analysis:
 - Describe health and vocational status of TAC benefit delivery clients
 - Identify potential key performance indicators
 - Identify interactions between satisfaction, health, RTW
 - Interaction between health and vocational status and compensation outcomes



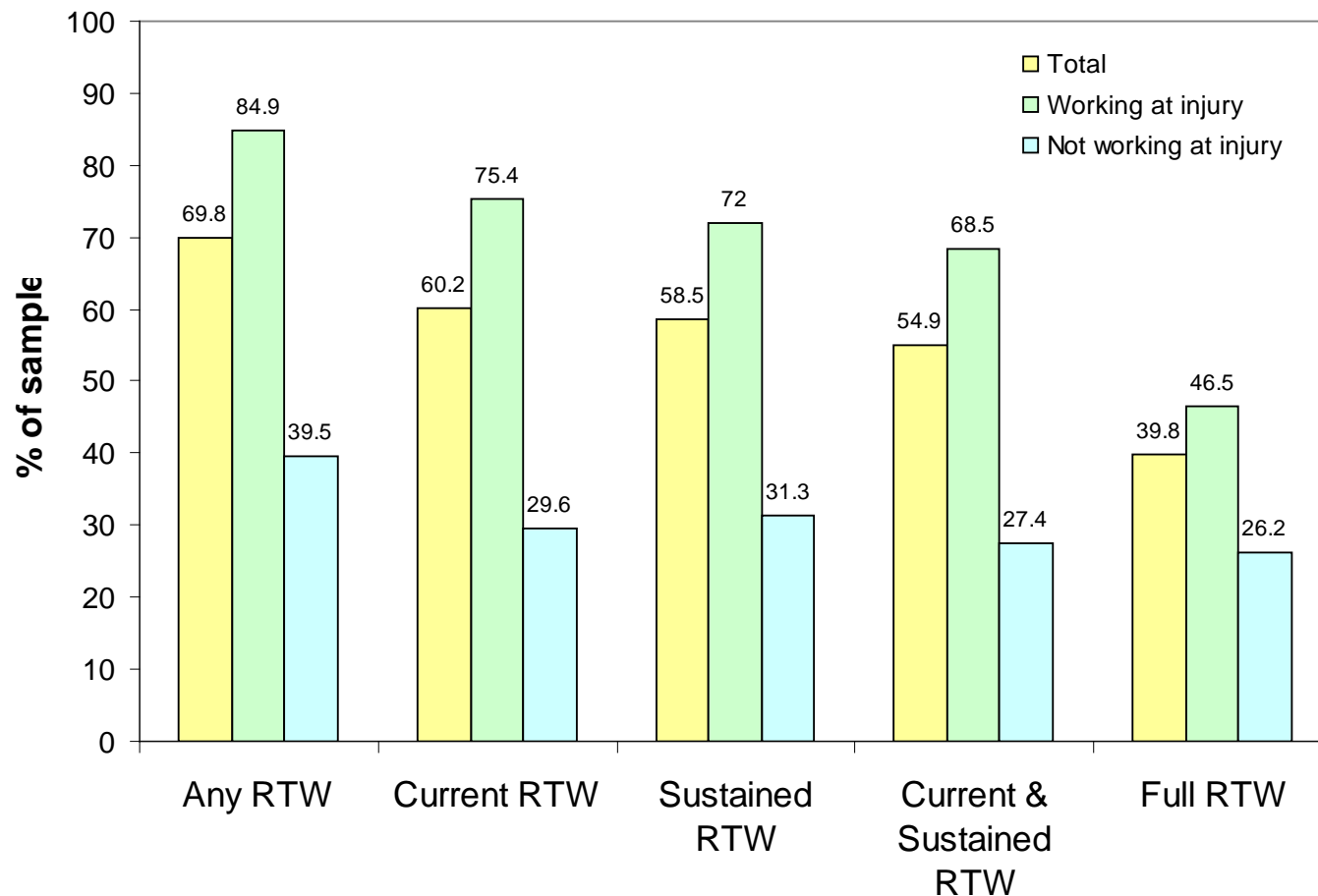
Persistent pain in TAC clients



- Average pain score = 5.8/10
- Persistent pain = regular occurrences of pain over a period greater than 3 months
- 95.3% of TAC clients with persistent pain reported pain interfering with daily activities
 - NSW Health Survey = 66%
- Rates of persistent pain according to own health rating:
 - Poor health = 96.0%
 - Fair health = 79.3%
 - Very good health = 37.7%
 - Excellent health = 21.7%



RTW rates vary according to definition - TAC





Summary

- Many issues facing compensation schemes nationally and internationally that require rigorous investigation.
- ISCRR is a significant undertaking of WorkSafe, the TAC and Monash University
- Research focussed on scheme-relevant issues and linked to scheme objectives
- Close interaction between research community and schemes
 - Translation into policy and practice
- Long-term perspective.
- Aim is to positively impact:
 - Scheme viability
 - Claimant health outcomes
 - Claimant vocational outcomes
 - Rates of injury and disease