

# Submission to the Victorian Workers' Compensation System: Independent Review into the Agent Model and the Management of Complex Claims

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## Contents

1. Background to the submission .....	1
2. My background.....	2
3. Introduction:.....	3
4. Claims operating models .....	3
The claims agent model.....	3
The statutory model .....	3
Private insurers.....	4
5. WorkSafe as the insurer and claims management .....	4
A. Evidence-based claims management .....	4
Evidence based case management systems .....	4
Case managers.....	5
B. Historical influences .....	6
C. Victorian system evidence-based gaps.....	6
6. WorkSafe as the regulator .....	8
A. Evidence based regulation .....	8
B. Gaps between evidence-based regulation and current practices in Victoria.....	9

## 1. Background to the submission

The Victorian Government has commissioned an independent review into the management of complex workers' compensation claims by WorkSafe agents, in response to the 2019 follow up Victorian Ombudsman's report into complex workers' compensation claims.

The Terms of Reference include:

*The Review will investigate the adequacy, suitability and effectiveness of the agent model in managing complex WorkCover claims under the Workplace Injury Rehabilitation and Compensation Act 2013 (WIRC Act). The Review will determine how and by whom complex claims should be managed to achieve optimal outcomes for injured workers, having regard to the need to maintain the financial viability of the scheme.*

*This includes:*

- a. Whether the agent model is effective in delivering and achieving positive health and recovery outcomes, including prompt, effective and proactive treatment and management of injuries.*
- b. Whether case management processes and practices for complex claims reflect best practice and provide tailored treatment and support based on biopsychosocial factors, individual circumstances and medical advice.*
- c. Whether policy, oversight and governance arrangements, including financial and performance incentives support and promote best practice, timely, sustainable and quality decision making by agents.*
- d. Any other matters that the Reviewer deems necessary, including any potential system wide implications.*
- e. The implications of retaining, limiting or removing agents from performing claim management functions on behalf of WorkSafe.*

## 2. My background

As an occupational physician I have viewed the workers compensation system in Victoria and other jurisdictions through many lenses over three decades.

Prior to specialising as an occupational physician, I was a general practitioner. As is normal, I managed my share of injured workers and can still recall the situations in which I had little idea about what I was doing.

In the mid-90s I studied and became an occupational physician. Work as an occupational physician has included roles as a treating specialist and as an independent medical examiner in Victoria and in other jurisdictions. The difficulties workers report with attending independent medical reviewers are acknowledged. Nonetheless, the role does provide one significant insights into the way people are dealt with by different approaches and different schemes.

Other work within the field has included:

- Managing a small enterprise that provided case management of work injuries for medium to large employers. Days lost from work were reduced by 60% and claims costs by 40%.<sup>1</sup> This was achieved by implementing the approaches known to improve health, recovery and return to work outcomes: day one reporting, early support, maintaining the relationship between employee and employer, avoiding disputes and delays and ensuring people had best practice healthcare. Key learnings from this experience were:
  - we can make a difference and improve the lot of employees and employers with streamlined case management.
  - implementation is hard work, particularly in a scheme that runs on entrenched practices counter to evidence.
  - If you do the right thing by people (workers) they generally respond in kind.
- Recurrent work across different work injury schemes over the last 10 years; in Western Australia, South Australia, Victoria, Northern Territory and more recently New South Wales.
- Research, initially in the field of spinal problems and subsequently in the field of return to work. This included leading an evaluation of the Return to Work Survey for Safe Work Australia, exploring the data to better understand influencing factors in return to work.<sup>2,3</sup>
- 'Retailing' scientific evidence on return to work through RTWMatters.org. This web resource aims to provide good quality practical information to those who work in the field. We summarise up-to-date research, and promote evidence-based practices, recognising that many at the coalface have limited training.

- Work as a conciliator in the then newly formed Accident Compensation Conciliation Service
- A review of the Queensland scheme, focused on RTW, for the regulator.
- Policy development through the Australasian Faculty of Occupational and Environmental Medicine (AFOEM), part of the Royal Australian College of Physicians. Including on the health benefits of work ,the virtuous circle of workplace health and workforce productivity, and best practice for return to work. Over the last 18 months I have been the lead Fellow on the AFOEM Policy and Advocacy Committee developing policy on evidence-based work injury scheme design.<sup>4</sup>
- Advisory work for government insurers and regulators

### 3. Introduction:

This submission seeks to compare evidence-based work injury management practices to the approach in Victoria. The submission touches on the options for the claims operating models, explores WorkSafe's role and practices as the insurer and as the regulator. And concludes scheme leadership in setting standards and practices needs to be overhauled. Changes to the claims agent model will have little impact if that change occurs in isolation.

The current claims agent model in Victoria, as it is run, diverges significantly from evidence-based practices.

I have also contributed to the AFOEM submission, which includes many of the key points of this submission. The two submissions are complimentary.

### 4. Claims operating models

There are three models for work injury claims management across Australia.

#### *The claims agent model*

Claims agents are used by self-insurers, who generally achieve better results than most large employers. Use of claims agents in and of itself should not result in poorer outcomes.

However, claims management is a complex undertaking in a complex scheme. The added layer of another organisation further complicates work injury management. This has been clearly highlighted by the Ombudsman's findings on the impact of financial drivers.

The claims agent model has operated in Victoria since 1986, with numerous changes to claims agents and how they are managed and incentivized through WorkSafe as the insurer. The model does not appear to have functioned satisfactorily over an extended period of time and further tweaks seem unlikely to be effective. Evidence suggests there are different drivers for the insurer and the claims agents that have led to poor practices.

However, while the direct actions of, for example claim termination targets, are attributed to the claims agents, the financial drivers of this behaviour are set by WorkSafe as the insurer.

#### *The statutory model*

The only statutory model of claims management in Australia is WorkCover Queensland, which is well regarded. The organisation has a centralized database (as does Victoria), the ability to work across the scheme to inform, educate and engage scheme participants, and introduced improvements can be done at scale. It has also has a sustained focus on improvements in case management that are evidence based.

The publicly managed claims management model provides the best opportunity to influence the scheme as a whole to make improvements.

However, Queensland is a smaller scheme and has operated under the same model for an extended period of time. They have long term thinking and their approach is to actively engage with scheme participants, and a long term approach to developing enhancements, implementation and then review to improve.

The difficulties of adopting this approach in the larger Victorian scheme should not be underestimated. Such a major undertaking would require a system with significant return to work expertise and an ability to influence and implement, well beyond what has been seen in Victoria over the last two decades.

### *Private insurers*

The private insurer model has been well regarded in Western Australia. (I do not have sufficient experience to comment about the other systems run by private insurers). Private insurers are in a better position to recognise the importance of early proactive claims management. They carry the risk and the costs of poor claims management can be more of a focus.

Some private insurers have been early adopters of evidence-based initiatives that are significantly more advanced, such as online reporting with early psychosocial screening built in to the system of claims lodgment.

However, the Western Australian scheme has also been a stable scheme for the last 16 years and the regulator appears to understand scheme practices and behaviours and have a focus on gradual improvements over time. They have been explicit about the importance of the role of case management.

The privately funded model is the one that provides the most direct link between the costs and how a claim is managed. However, as with insurance generally, this model requires strong oversight.

What makes these Queensland and Western Australian schemes less problematic than the Victorian scheme? Both are run by a stable workforce, including scheme leaders who have knowledge, skills, and long experience in the industry. Both schemes recognise the importance of appropriate case management and both schemes operate with a 'moral compass'. Both have deficiencies and gaps, but a continuous improvement approach to deal with those gaps.

## 5. WorkSafe as the insurer and claims management

WorkSafe as the insurer manages the system under which claims agents operate.

### A. Evidence-based claims management

The current approach to claims management in Victoria is process driven and often impersonal. Many claimants reaching 130 weeks speak of dispiriting repeated changes in claims managers, having up to six to ten claims managers over the 130 week period. Disputes are common with many claimants reporting multiple endeavours at conciliation over treatment and benefit disputes. Common law claimants have very high levels of anxiety and depression, with prospects for return to work substantially diminished by secondary mental ill health.

Evidence indicates early timely and proactive claims management can help prevent many cases from becoming complex claims. The following are features of evidence-based claims management.

### *Evidence based case management systems*

**Accurate risk identification and intervention:** Best practice case management prioritises accurate early identification of the needs and risks of workers, targeting care accordingly and evaluating the results.<sup>5</sup>

**Timeliness of claims determinations, wage replacement payments and treatment:** Delays are linked to prolonged disability, worse RTW outcomes, the development of secondary injuries and strong feelings of injustice in workers.<sup>6-20</sup>

**Responsive monitoring:** Effective case management systems track worker progress, monitor biopsychosocial influences and proactively trigger intervention as required.<sup>1,12,21</sup>

**Guidance and support for workers and treatment providers:** Difficulties understanding the requirements of the claims' process cause stress, undermine recovery and may lead to a more adversarial mindset.<sup>12,17</sup> Active guidance from a trusted case manager is preferred,<sup>14</sup> although high-quality online information can reduce feelings of injustice too.<sup>22</sup> Treating practitioners – especially those who irregularly manage workers' compensation claims – may also benefit from case manager guidance in terms of roles, responsibilities and administrative requirements.<sup>9,11,23,24</sup>

**Regular, effective communication:** Poor communications practices are linked to negative recovery and RTW outcomes,<sup>11-14</sup> whilst case management initiatives that include empathetic, supportive, informative and individualised communication substantially reduce the number of days of compensation paid, total claim costs, total medical costs and the amount paid in weekly benefits.<sup>1,21</sup>

**Minimal paperwork and other bureaucratic demands for case managers and other scheme participants:** Arduous and repetitive administrative requirements leave little time for proactive case management initiatives. Administrative demands also damage workers' mental health and recovery prospects and lead to less cooperation between insurers and healthcare professionals.<sup>11,12,17,25</sup> Treating practitioners say that more paperwork leaves less time for therapeutic work, and reduces their willingness to treat compensable patients.<sup>23,26</sup>

**Fair and transparent disputes, reviews and investigations:** Adversarial contexts result in poorer health outcomes for injured workers, lower rates of RTW and more negative emotions for stakeholders.<sup>12,27,28</sup> IMEs are frequently a source of tension, distrust and conflict in the RTW process,<sup>14,29,30</sup> and may delay recovery.<sup>17,18,25,29</sup> Some investigative processes cause stress and humiliation for injured workers, compromising recovery.<sup>13,18</sup> Fair and transparent processes, with open sharing of information between stakeholders, are likely to build trust and safeguard engagement.<sup>17</sup>

**Cooperation/capacity for multidisciplinary action:** Best outcomes are achieved via multidisciplinary interventions.<sup>31,32</sup> Promotion of cooperation amongst stakeholders is an important part of case management.<sup>33</sup> This may include the provision of resources to enable key stakeholders to participate (e.g. payment for treating practitioners).

## Case managers

Case management should be procedurally fair, timely, proactive and supportive. As such, the attributes and skills of an effective case manager are:<sup>18,34-36</sup>

- interpersonal skills to enable positive interactions with people in difficult situations;
- the ability to influence multiple scheme participants through verbal or written communication;
- RTW focus and attitude;
- RTW facilitation skills;
- assessment skills;
- organisational and administrative skills;
- problem-solving skills;
- conflict resolution skills; and
- time management skills.

Case or claims management can be a challenging role. However, the case manager can make a major contribution to a person's well-being and recovery, if provided with the right tools and systems. These

take time to develop and need to be nurtured to develop a workforce that is skilled and able to influence people in what can be difficult circumstances.

## B. Historical influences

One of the difficulties WorkSafe and other workers compensation schemes have experienced is blowouts in scheme liabilities with increased numbers of long-term claimants.

Short-term approaches to deal with his issues have led to incentives to control scheme costs. The problems associated with this approach have been clearly outlined within the Ombudsman reports from both 2016 and 2019.

Fair decision-making and fair processes have suffered at the expense of scheme 'sustainability.'

This has caused difficulties for many patients and the health practitioners delivering to care to those patients. Decisions often seem to be made without basic reasoning.

While return to work is said to be an important issue, a focus on finances seems to have driven decision making. For example, paying doctors to discuss their patients with employers or claims agents was discussed for over 15 years. However actuarial costings advisedly drove WorkSafe's repeated decision not implement funding for this work by general practitioners, a group said to be important to engage.

## C. Victorian system evidence-based gaps

The fundamentals of case management need to improve in Victoria. To achieve improvement in claims management in Victoria the following is needed:

- Case managers with the competencies of good communication, the ability influence, technical expertise, time management skills, and the knowledge and experience to be effective with proactive case management.
- Case managers have systems that allow them to be effective, such as an IT and administrative structure that is efficient and not burdensome, continuity of case management, and staff that provide appropriate support – health and RTW advice, administration, technical advice.

An analogy is a complex surgical operation: Success is more likely if the principal surgeon has greater experience, skills and training in performing the surgery. Having a highly experienced team of support staff, theatre nurse, assistant surgeon, anaesthetist is more likely to lead to success. The systems underpinning the operation also matter: sterilizing, scheduling, the communication systems within the operating theatre, the ability of staff to speak up and report problems.

- Case managers need sufficient time to speak with people, influence relevant parties, and they need systems that support them to do this efficiently. Having a caseload of 35 cases per case manager equates to about 1 hour on each case per week. We consider this to be a reasonable case load if 10-20% of cases are considered to be 'complex'.
- The importance of case managers' experience needs to be acknowledged. Most people recognize it takes one to three years to become reasonably experienced in case management in the complex workers compensation environment.
- Continuity of care is important. Reducing staff turnover is needed to improve the level of skills and experience. Reducing staff turnover may be achieved through more and better training, career development and better conditions such as higher salaries. Many claims managers leave the workers compensation environment for work where they can make a difference, or better pay and conditions. High staff turnover contributes to multiple changes in case managers for

long term claimants and this is disruptive for the person and management of their case.

- Return to work, by its very nature, is a cooperative and collaborative approach. The case manager requires the skills and autonomy to think, act, and respond to nuances within the case and influence and engage others. This means a process driven system needs to be transitioned to one where case managers are competent to assess and manage cases.

Presently the claims agents undertake the day to day claims management. WorkSafe as the insurer decides on the approach to claims management, including through the Claims manual and dictating specific projects or processes to be followed.

However, WorkSafe does not deliver claims management practices that are in line with evidence-based case management.

There is a sense WorkSafe does not truly believe that approaches that improve return to work result in less claims costs.

There are enormous costs, human and financial, that arise from long term claims. A substantial proportion of long term claims can be prevented through early supportive proactive care that addresses barriers to return to work and function.

Investment in early proactive case management is the key. This requires investment in the claims management workforce and systems of work (eg early reporting, early identification of barriers to recovery and return to work) that we know can help people at a time of need, and improve return to work outcomes and reduce costs.

It requires long term thinking about the problems, engaging with those who work in the field, devoting time and energy and focus to the issues of implementation.

It requires those operating the scheme to have a rich understanding of the issues they are endeavouring to manage. The skills and experience of those developing policy is important.

Developing policy that impacts the recovery and return to work of workers is fundamentally a public health issue. In 2020 we have seen the importance of expertise in responding to public health problems.

Investing in staff and systems that will help the worker are the best way to reduce costs and maintain scheme viability. This includes:

- Enhanced training for case managers
- Reducing turnover of claims managers
- Employment of staff with the competencies to influence, engage, and support workers
- The development of systems that support effective claims management – systems that allow the case manager to make appropriate decisions based on the particulars of the case.
- Investment in retraining if the worker is not able to return to their previous occupations.

WorkSafe integrates medical and scientific expertise at a senior level

- A Chief Medical Officer and Chief RTW Officer are housed within the executive group
- There is health and RTW expertise on the Board.
- WorkSafe develops a scientific advisory committee of return to work experts, to ensure evidence based practices are developed and implemented.
- WorkSafe, in conjunction with researchers, develops a body of implementation research on systems of work, behavioral approaches, best practice training for the workforce, and online tools for workers.

Pilot studies are used to help guide implementation.

It is vital that the current case or claims management systems move to an evidence-based approach. This includes:

- Changes to injury reporting systems so that injury reporting is personal, and supports early case management.
- Selection, training and retention of claims managers becomes a priority
- Claims managers have autonomy to make decisions about what is likely to be most effective in supporting a worker in their recovery and return to work.

## 6. WorkSafe as the regulator

WorkSafe is both the regulator and the insurer. In this section the role of the regulator is outlined and the case made for the need for improved regulation in Victoria.

The regulator can promote positive influences on management of cases and dismantle unnecessary barriers to recovery, using legislation, standards, culture, scheme oversight, and delivery and dispute systems. Regulators are also well placed to exert influence within various stakeholder domains (e.g. healthcare, the workplace), raising awareness of psychosocial risks and incentivising appropriate management.

### A. Evidence based regulation

A range of responses from the regulator, from encouragement to enforcement, influence how work injury schemes operate.

#### *Encouragement*

The substantive problem impeding improved RTW is implementation of evidence-based policy. Approaches that foster proactive management, good behaviours, fairness and trust are important.

The regulator can support culture, workforce skills and scheme interactions through persuasion, incentivisation, education, evaluation, performance monitoring, information provision and generally encouraging good behaviour. These approaches will be more effective if there is trust in the regulator, and this is more likely when scheme leaders act responsibly and promote scheme objectives and scheme values.

Examples of regulator approaches to foster positive approaches include:

**Stated expectations of customer service and conduct:** Two interstate work injury scheme regulators have published explicit statements of principles and expectations of standards of service.<sup>37 38</sup> The principles outlined set expectations for insurers, in particular being fair, acting with respect, being reasonable, efficient and proactive, responsive, transparent and accountable.

**Declaration of the regulator's operating principles:** The regulator declares the principles underpinning their approach.<sup>39</sup>

**Measurements of claimants' experience:** Information about lead indicators (e.g. early contact, quality of interaction with the insurer or claims agent) provide opportunities for improvement.

**An explicit focus on engagement:** The regulator has an explicitly stated stakeholder strategy.<sup>40</sup> In one jurisdiction, where stakeholder engagement is largely managed by the insurer rather than the regulator, the model includes extensive outreach.<sup>41</sup> Each team leader at the insurer manages one or more relationship. The relationship may be with a large employer association, a union, a health association, legal firms, or specific individuals, such as a neurosurgeon who regularly operates on injured workers. Staff are taught how to develop and maintain relationships. There may be an initial in-person meeting and then regular or intermittent contact. Contact may be face to face, by phone or email.

**Skill development and coming together:** Regular conferences are arranged in some jurisdictions, imparting knowledge and bringing scheme participants together.<sup>42,43</sup> In one jurisdiction the regulator provides free education sessions for workers<sup>44</sup> as well as quarterly forums for injury managers working for private insurers.

**Transparent sharing of scheme data:** Sharing of scheme results helps participants to understand how the system is tracking and fosters transparency.<sup>45</sup>

**Active versus passive regulation:** Active regulation means actively reviewing practices, such as case or claims management. An active regulator seeks to actively monitor scheme practices, attends to issues early, and has a suite of measures that monitors performance. These may include complaints, timeliness of activities such as decision-making, documentation, surveys of workers and employers, monitoring of the type and rates of disputes, and audits of case management files.

**Culture:** A positive culture inhibits poor conduct and a lax culture can allow poor conduct to occur and proliferate.<sup>46</sup> In some settings poor conduct may even be rewarded. A good regulator takes measures to counteract poor conduct. Influencing culture in a complex scheme requires leadership, purpose and clarity of vision.

### *Compliance and enforcement*

Dealing with abuses of the scheme, small or large, is important to maintain confidence in the system. Abuses undermine trust of all scheme participants. Transparency about how problems will be identified and addressed raises awareness as a deterrent.

The regulator can and should use a suite of tools to understand and monitor the scheme. Early identification of inappropriate behaviour enables the regulator to deal with the problem early. Scheme monitoring for inappropriate behaviour can involve:

- examining the number and type of complaints;
- encouraging open feedback from scheme participants;
- tracking the number and nature of disputes;
- maintaining a whistleblower hotline to support reporting of scheme abuses, such as unethical case management practices;<sup>47</sup> and
- file audits, such as case management file audits.

Failure to deal with abuses of the scheme has an outsized effect. Trust in the system is diminished when inappropriate practices persist. The Ombudsman has called for wholesale change in the state's scheme, noting repeated failures of the regulator to reign in claims practices that were considered unethical.<sup>47</sup>

Further, inappropriate practices compromise staff tasked with enacting the practices. Staff responding to short-term approaches are less likely to provide holistic care to workers at a time of need, workers become demoralised and demotivated, and a negative cycle ensues.

## **B. Gaps between evidence-based regulation and current practices in Victoria**

As canvassed earlier, the regulator has a suite of tools to influence the scheme, from encouragement to enforcement. The regulator has the ability to set standards. The regulator needs visibility into the practices and behaviours of those involved in the scheme, to respond appropriately.

### *WorkSafe's understanding of scheme practices and behaviours*

The Ombudsman's report concludes WorkSafe as the regulator has not provided adequate oversight of the claims agents who conduct the insurer's work.

A proactive regulator seeks out information to monitor the scheme they are overseeing: through data, conversations, reviewing case files, surveys, and through feedback from scheme participants. A proactive regulator understands that working with scheme participants assists them to understand scheme drivers and day to day practices.

This seems to be lacking. Examples of lack of understanding of and engagement with the scheme being regulated include:

- In 2014 Deakin University researchers released a report on the views of scheme participants across numerous jurisdictions. They noted in some jurisdictions compensation authorities were felt to give lip service to consultation with stakeholders. Scheme participants in some jurisdictions considered the focus was on managing rather than engaging them and that their feedback was unwelcome. Victoria was one of those jurisdictions.
- While 'health checks' on claims have been undertaken, the Ombudsman's review suggests these have not resulted in meaningful change, for individual claims or for the system.
- Over many years WorkSafe has generally not welcomed feedback from scheme participants or seems to have responded superficially. Some have indicated serving on WorkSafe committees is more going through the motions than a genuine wish to understand and improve. Some committee members have indicated they have been told directly not to provide negative feedback.
- When the first Ombudsman's report was released in 2016 many WorkSafe employees were shocked at the report. Yet many external to WorkSafe had endeavoured to provide similar feedback to WorkSafe over a number of years. It is difficult to understand how those within WorkSafe had such little understanding of what was happening 'at the coalface.'
- The then CEO's response to the 2016 ombudsman report also suggests WorkSafe had little insight into the serious issues addressed in the report, even when confronted with stark evidence:
  - *"Let me say upfront that Victoria is fortunate to have a workers compensation scheme which provides significant benefits to injured workers and at the same time generally functions efficiently and cost effectively. We believe that our scheme compares favourably with the schemes in other states and territories of Australia and International best practice standards....."*
  - *....You have not invited us to comment on your proposed conclusions, but I would like to put on record that we consider that they substantially overreach the limited evidence considered in the course of your investigation.*

While the Ombudsman's report highlighted particularly egregious claims management behaviours, the same issues have been reported to WorkSafe for many years. The logical conclusion is that WorkSafe have not been aware of everyday practices and in that regard, there has been regulatory failures.

#### *Encouragement.*

The majority of people and groups respond best to positive constructive approaches. WorkSafe has not engaged the industry in approaches to improve standards and the level of cooperation and collaboration between scheme participants.

**Culture:** As concluded by the Royal Commission in the finance sector, culture can be measured and managed. The prevailing culture of the Victorian scheme has been based on financial management, processes and rules. This has resulted in an adversarial approach for many cases.

Changing that culture will be difficult and will require conviction, leadership and engagement. This is crucial if claims management is to improve.

**Engagement:** WorkSafe can foster engagement and cooperation between scheme participants.

**Stated expectations of customer service and conduct:** A set of standards in claims management tells the community what is expected and provides a measure against which performance can be set and measured, providing information on what needs to improve. We consider it is appropriate to set expectations for insurers / claims agents, in particular being fair, acting with respect, being reasonable, efficient and proactive, responsive, transparent and accountable.

**An explicit focus on engagement and workforce development:** WorkSafe develop a stakeholder strategy to engage those who work within the scheme. This should include fostering the development of knowledge and the skills of those working within the system, through conferences, meetings, or online learning. Being open to and in fact welcoming of feedback from scheme participants will enhance cooperation and collaboration.

### *Compliance and enforcement*

Concerns have been expressed about blurring of roles when the regulator and insurer are housed in one organisation.<sup>18,48</sup> “Regulatory capture” describes the difficulties of overseeing an industry when the regulator is too close to the body it is regulating.

This may occur through asymmetry of information, pressure to support the approach of the group being regulated, or when the regulators’ connections lead them to be more sympathetic to those with whom they are in regular contact.<sup>49</sup> These issues have led to concerns about insurers and regulators being part of the one organisation.

**The regulation and insurance roles of WorkSafe should be separated.** How that is achieved is not within my expertise but clear oversight of the insurer is needed.

**To be effective in regulation WorkSafe as the regulator needs a suite of tools for scheme monitoring.** To manage a complex system the regulator needs to understand what is happening in real time.

The **development of quality standards** and rich **methodology to monitor progress towards those standards** will assist.

Monitoring and reporting recommendations include:

- **surveys to monitor scheme performance.** Customer satisfaction can be useful to measure but a more in-depth approach is preferred, using feedback from the RTW Survey<sup>50</sup> and measuring known psychosocial influences on RTW, such as perceived fairness. Safe Work Australia has partnered with the Insurance Work and Health Group at Monash University to develop a scorecard that assesses RTW performance, including lead and lag indicators.<sup>51</sup> This dataset will enable meaningful comparison over time and between jurisdictions. Lead indicators are important to help drive changes in the quality of claims management. We recommend WorkSafe adopts use of this approach to use of data.
- **regular quality auditing of case files.** This would require evaluating a set of case files for markers of good case management, including risk identification, quality of communication, delays, approaches to influence the employer, frequency of delays and unnecessary disputes, and whether the case manager is acting in line with the values of the scheme.
- **staff turnover rates** within both claims management organisations and scheme providers, such as rehabilitation professionals
- **separate reporting in the RTW Survey on those who have been involved in the scheme for more than three months**, and those with complex cases (approximately 20% of cases overall)
- **regular reporting on the level of complaints.**

**The Victorian scheme needs an engaged and proactive regulator.**

Armed with a suite of tools to measure the scheme, WorkSafe needs to take a more active role in attending to problems early. This is best done initially through encouragement options and where appropriate through active compliance measures.

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