

# Health Outcomes Framework for the NSW Workers Compensation and Motor Accident Injury/Compulsory Third Party Schemes: Consultation Paper

21 July 2020

## Contents

1. Purpose of the consultation paper.....	3
2. Why is SIRA doing this?.....	3
3. A framework for health outcomes.....	4
Value-based care in the WC and CTP schemes .....	4
Figure 1 - Legislative purpose of SIRA's personal injury schemes.....	5
Purpose of the framework .....	6
The framework.....	6
Figure 2 - The Health Outcomes Framework.....	7
Who will the framework apply to? .....	7
4. Defining and measuring success.....	8
What are the domains? .....	8
Figure 3 - Outline of framework and domains .....	9
What are the desired health outcomes?.....	10
Figure 4 - Summary of outcomes to be achieved.....	11
What are the metrics? .....	13
5. Implementation plan for the framework.....	13
Figure 5 - Implementing the health outcomes framework.....	14
6. Conclusion and questions for feedback.....	16

# 1. Purpose of the consultation paper

The purpose of this consultation paper is to seek feedback on the health outcomes framework (the framework) for the NSW workers compensation (WC) and compulsory third party (CTP) schemes (personal injury schemes). The framework sets a vision for the delivery of healthcare and provides a transparent and systematic approach to monitoring and reporting on healthcare.

## 2. Why is SIRA doing this?

The State Insurance Regulatory Authority's (SIRA's) legislative objectives include to: ensure that persons injured in the workplace or in motor accidents have access to treatment that will assist in their recovery; to promote efficiency, effectiveness and viability of the schemes; and to minimise cost to the community of workplace injuries and injuries arising from motor accidents.

Over recent years healthcare costs have risen in the workers compensation scheme, without a corresponding improvement in return to work rates. (As the new CTP scheme is less than three years old, trends in that scheme are not yet clear.) In response, SIRA commenced a comprehensive review of healthcare outcomes in the NSW workers compensation and motor accidents schemes.

SIRA's objective is to make sure that every dollar spent delivers quality and value and optimises recovery. The review is not necessarily about reducing expenditure or the treatment available to injured people.

The review is looking at the full range of healthcare arrangements including clinical quality, data and reporting, fees, monitoring and compliance, and regulation. Our aim is to ensure that every healthcare dollar spent optimises recovery and outcomes for injured people. The outcomes framework specifies how we will measure if this is being achieved.

The health outcomes framework will also improve our understanding of the health outcomes claimants experience in our schemes. Better data on injured people's health status and outcomes is essential to enabling SIRA and scheme participants to determine whether the schemes are delivering value-based healthcare.

SIRA received over 50 submissions in response to its first consultation paper on the healthcare review at the end of last year. The submissions include the following themes:

- the importance of early treatment in medical costs across the life of a claim
- the need for insurers to better identify injured people at risk of not returning to work
- the need to increase transparency of outcomes and costs in the schemes
- the need for increased data publication, including on provider performance; unexpected outcomes/adverse events; and claimant satisfaction
- the importance of strengthening insurer controls over health provider billing
- the need for insurers to more closely scrutinise proposed treatments
- a link between adversarial claims and disputes and non-medically appropriate care

- an increase in degenerative, rather than traumatic injuries
- some health providers are seeing patients for long periods without clinical justification
- consideration of outcome-based fee models
- the need for SIRA to set clinical frameworks and standards.

The framework and a transition to value-based healthcare respond to these themes and other inputs received during the review to date.

## 3. A framework for health outcomes

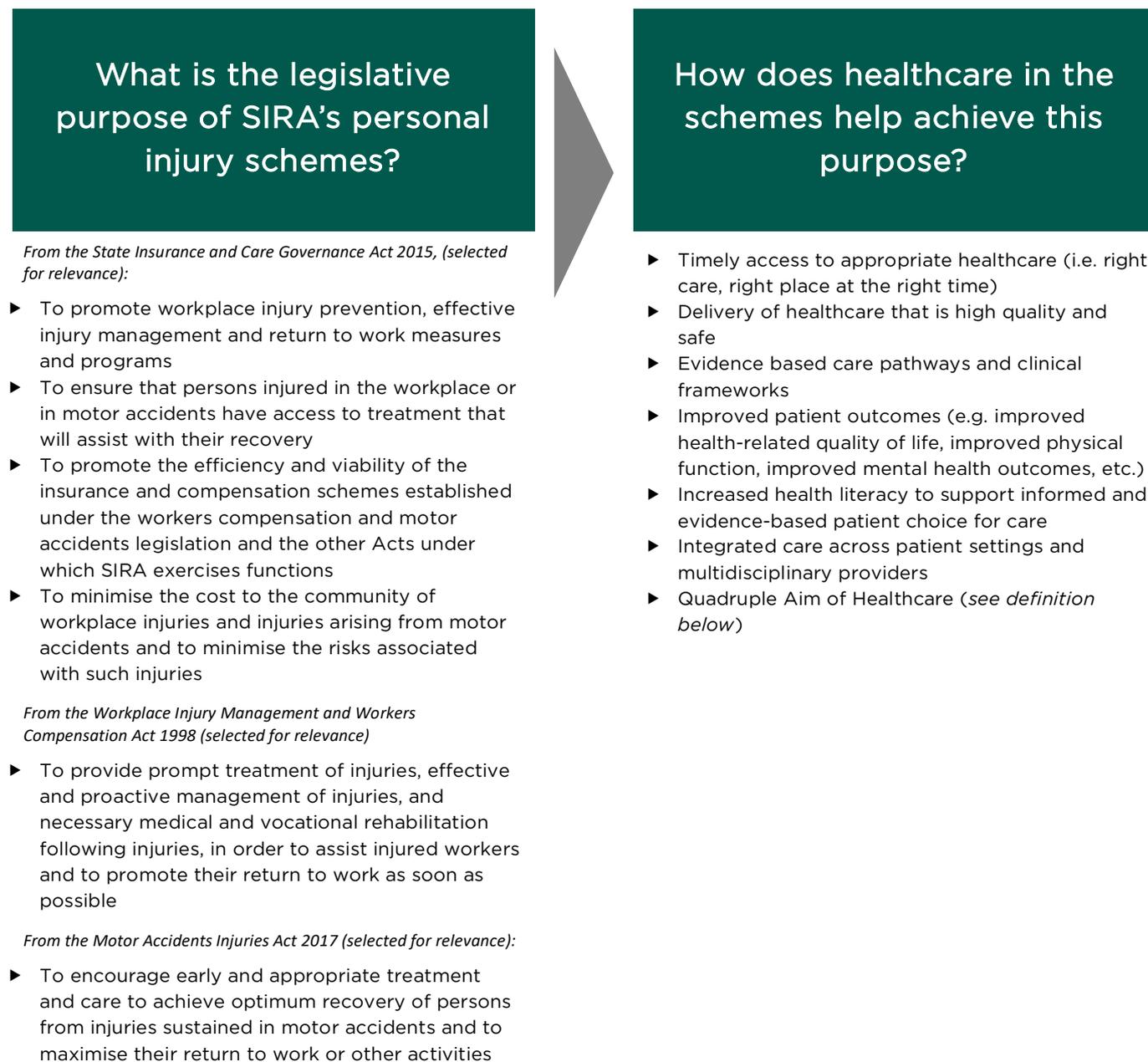
### Value-based care in the WC and CTP schemes

At the heart of the framework is a vision for healthcare within the personal injury schemes which SIRA regulates. This vision drives how success is viewed and measured in respect of the key health outcomes. The vision is:

“The WC and CTP schemes regulated by SIRA deliver value-based care to injured persons covered by the schemes.”

Figure 1 outlines SIRA’s legislated purpose in relation to personal injury schemes and the ways in which a value-based approach to healthcare supports the legislated mandate.

Figure 1 – Legislative purpose of SIRA’s personal injury schemes



The definition of value-based healthcare used in the framework is consistent with the principles and definitions as set out by the NSW Ministry of Health<sup>i</sup>. This includes the four essentials of value known as the Quadruple Aim<sup>ii</sup> for delivery of healthcare that improves:

- health outcomes that matter to patients
- experiences of receiving care
- experiences of providing care
- effectiveness and efficiency of care.

These concepts are embedded in the framework.

## Purpose of the framework

The framework sets out the outcomes to be achieved for the healthcare that is provided to injured persons<sup>iii</sup> within the WC and MAIA CTP schemes (ie, the 2017 CTP scheme, established under the *Motor Accident Injuries Act 2017*).

The framework supports the achievement of the vision for healthcare by specifying how success will be defined and measured.

The framework will provide a transparent and systematic approach to monitoring and reporting on the healthcare provided within the WC and CTP schemes, and the progress towards achieving SIRA's legislative objectives as they relate to the delivery of healthcare.

As regulator of these personal injury schemes and through its legislative functions, SIRA plays a core role in driving health outcomes for injured persons. The framework is therefore also intended to support the processes and mechanisms which enable SIRA to:

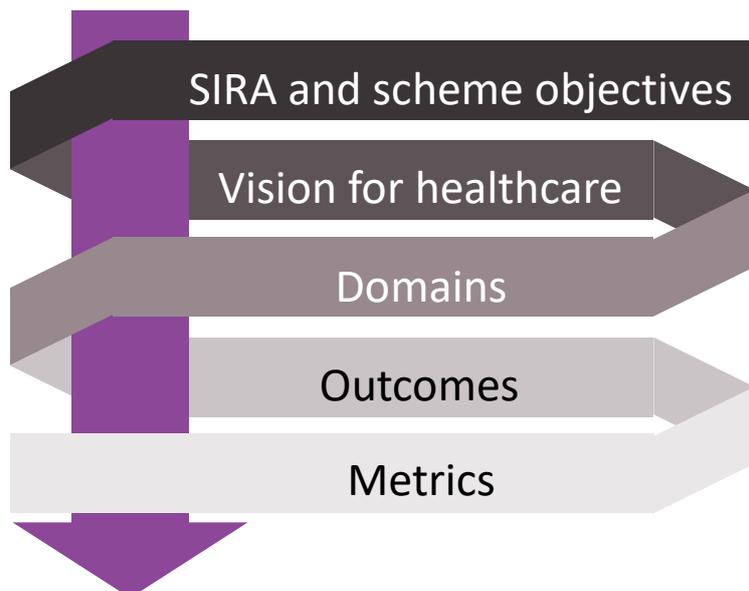
- support insurers to provide injured persons with value-based care
- provide information to injured persons to promote informed choice
- promote improved practice by clinicians
- measure population health associated with scheme improvements in health and experience of participants
- gather information to support supervision activity and policy.

## The framework

The framework starts with SIRA's objectives for the schemes, which provide context for **our vision for healthcare**. The vision for healthcare is divided into outcome **domains**, each containing a set of broadly related health **outcomes** defining what success looks like. Individual **metrics** provide quantitative measures of progress against each of these individual outcomes.

This framework is depicted in Figure 2.

Figure 2 - The Health Outcomes Framework



### Domains

Domains are the headline or principal areas into which the individual outcomes fall. They represent the key dimensions of the vision for healthcare in the WC and CTP schemes.

### Outcomes

Outcomes are statements that reflect what success looks like in terms of driving towards value-based healthcare in SIRA-regulated personal injury schemes.

### Metrics

Metrics are measurable quantities by which progress towards the outcomes can be assessed. They represent the extent to which the outcomes have been or are being achieved, providing a measure of success.

These components of the framework are supported by:

- **Guiding principles** - the framework provides a statement of the vision for healthcare in WC and CTP, and the purpose of the framework
- **Domains and outcome statements** - the framework provides an approach for understanding health and experience outcomes for injured persons and other key stakeholders
- **Measurement** - the framework provides a set of indicators for how outcomes are measured and a baseline of current health outcomes performance
- **Maturity journey** - the framework provides an implementation plan for measuring and driving future health outcomes improvement.

## Who will the framework apply to?

The framework applies to participants in the schemes who commission or provide healthcare services ie insurers and their agents, employers, and health providers.

The framework will provide direction to SIRA in its role of regulator and will guide how SIRA regulates the schemes in relation to healthcare for claimants.

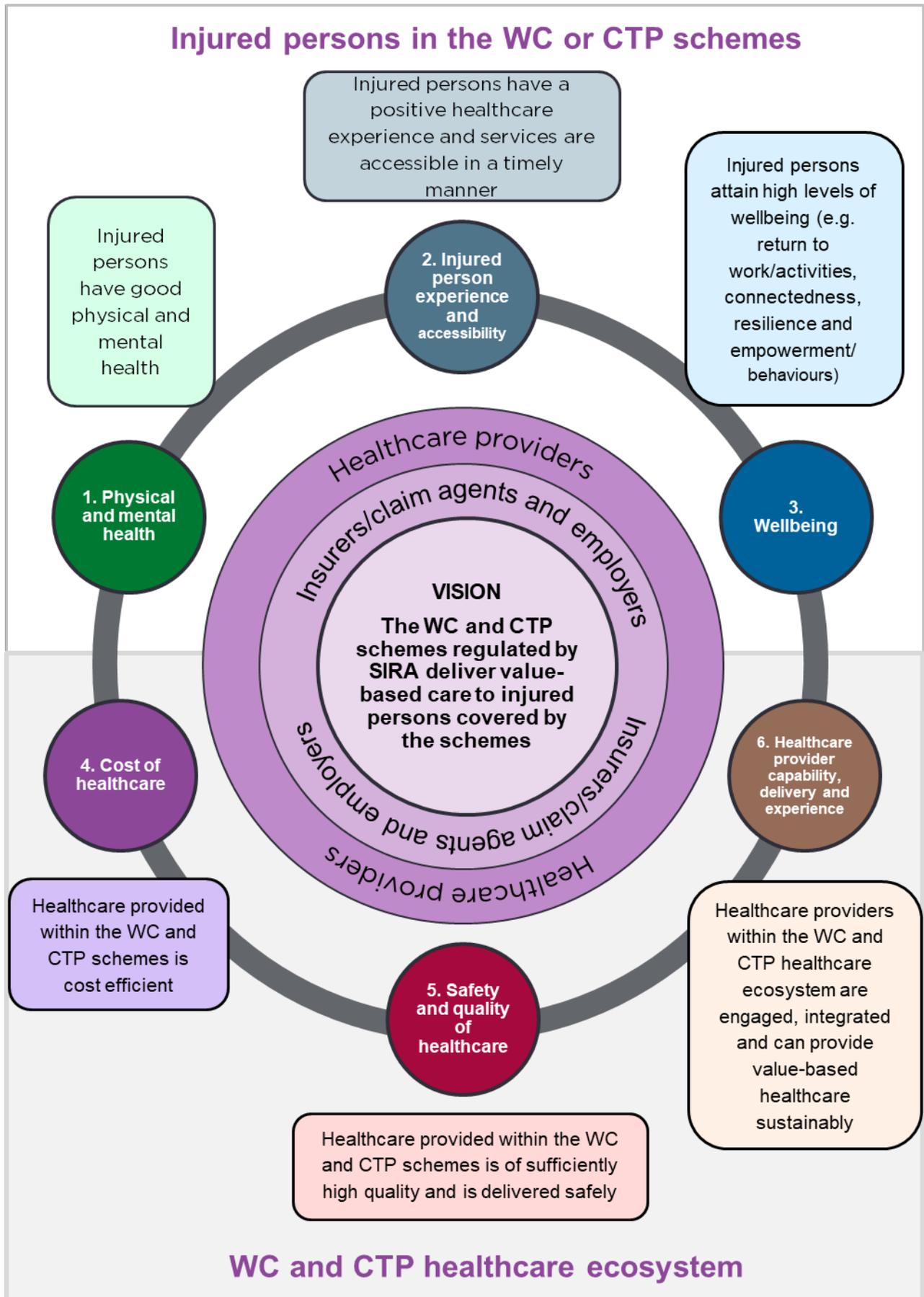
## 4. Defining and measuring success

### What are the domains?

In the framework, success is defined through clearly articulated healthcare outcomes that are organised into six domains.

Each of these domains addresses a key dimension of achieving the vision of value-based healthcare. The domains have been broadly divided between those pertaining directly to the injured person, and those to the wider healthcare ecosystem. An overview of the framework is shown in Figure 3.

Figure 3 - Outline of framework and domains



The six domains reflect the areas in which SIRA will measure outcomes for assessing progress towards this vision.

Each of the six domains deals with a specific area of health-related outcomes:

1. **Physical and mental health** – injured persons have good physical and mental health
2. **Injured person experience and accessibility** – injured persons have a positive healthcare experience and services are accessible in a timely manner
3. **Wellbeing** – injured persons attain high levels of wellbeing (e.g. return to work/activities, connectedness, resilience and empowerment/behaviours)
4. **Cost of healthcare** – healthcare provided within the WC and CTP schemes is cost efficient
5. **Safety and quality of healthcare** – healthcare provided within the WC and CTP schemes is of sufficiently high quality and is delivered safely
6. **Healthcare provider capability, delivery and experience** – healthcare providers within the the WC and CTP healthcare ecosystem are engaged, integrated and are able to provide value-based healthcare sustainably

## What are the desired health outcomes?

Within each of the domains, the health outcomes framework defines a set of outcomes that collectively present a view of what success looks like in relation to achieving that aspect of SIRA's vision for healthcare.

These outcomes reflect the desired changes in the status, functioning and experience of injured persons and other elements of the WC and CTP healthcare ecosystem as a result of interactions within the schemes.

Defining these outcomes will also support planning, evaluation and response activities. This helps enable greater clarity of objectives and improved transparency and accountability, contributing to more effective supervision and regulation.

Figure 4 provides an overview of the outcomes across the six domains, presenting each outcome as a short outcome statement, accompanied by a longer description expanding on the intended meaning.

**Figure 4 – Summary of outcomes to be achieved**

<p><b>1. Physical and mental health</b></p> <p>Injured persons have good physical and mental health</p> 	<p><b>1.1 Physical health is improved or maintained</b></p> <p>The physical health of injured persons in the WC and CTP schemes is improved to or maintained at a level that supports return to work/activities and is tailored to the nature and extent of injury</p> <p><b>1.2 Mental health is improved or maintained</b></p> <p>The mental health of injured persons in the WC and CTP schemes is improved or maintained at a level that supports return to work/activities and is tailored to the nature and extent of injury</p> <p><b>1.3 Towards zero harmful dependence on treatment and care</b></p> <p>Harmful dependency of injured persons on treatment and care, including harmful substances and unnecessary treatment and care, is effectively minimised or avoided</p>
<p><b>2. Injured person experience and accessibility</b></p> <p>Injured persons have a positive healthcare experience and services are accessible in a timely manner</p> 	<p><b>2.1 Injured persons and their families/carers are satisfied with treatment and care processes, including dispute resolution, and experience</b></p> <p>Injured persons and their families/carers feel satisfied with the end-to-end processes around receiving treatment and care including dispute resolution and their experiences with healthcare services</p> <p><b>2.2 Cost of healthcare services is aligned with market rates for industry peers</b></p> <p>Injured persons in the WC and CTP schemes can access timely evidence-based treatment and to navigate appropriate services across the continuum of integrated health services</p> <p><b>2.3 Level of healthcare services provided is appropriate</b></p> <p>Healthcare services and their provision are inclusive and respond to choice, culture, identity, circumstances and goals of the individual</p> <p><b>2.4 Healthcare is integrated and transitions of care are facilitated effectively</b></p> <p>Healthcare for injured persons is integrated across the continuum of need. Transitions between types of care/disciplines are effectively facilitated to enable continuity of care</p>
<p><b>3. Wellbeing</b></p> <p>Injured persons attain high levels of wellbeing (e.g. return to work/ activities, connectedness, resilience and empowerment/ behaviours)</p> 	<p><b>3.1 Injured persons return to work/activities in a timely manner</b></p> <p>Injured persons in the WC and CTP schemes achieve recovery milestones and return to work/activities is attained in a timely manner</p> <p><b>3.2 Injured persons are empowered to return to work/activities</b></p> <p>Injured persons in the WC and CTP schemes are personally empowered, actively engaged and are effectively supported by insurers/claim agents and employers in pursuing return to work/activities. This includes influencing behaviours that may impact effective engagement in the return to work/activities process</p> <p><b>3.3 Social engagement, resilience and connectedness is maintained</b></p> <p>Injured persons maintain feelings of connectedness, engagement and participation in social activities and community. Injured persons demonstrate resilience meaning they are better able to cope and adapt effectively to changes in their circumstances</p>

## 4. Cost of healthcare

Healthcare provided within SIRA's schemes is cost efficient



### 4.1 Healthcare provided within the WC and CTP schemes is cost efficient

Healthcare services are delivered for maximum impact, enabling efficiencies in resource allocation. Efficiency is enabled by the level of healthcare resources utilised and the mix of health services provided, and changes in the costs of healthcare support desired health outcomes.

### 4.2 Cost of healthcare services is aligned with market rates for industry peers

The cost of healthcare services within the WC and CTP healthcare ecosystem is aligned with market rates for industry peers, relative to the level of quality and health outcomes being sought

### 4.3 Level of healthcare services provided is appropriate

The level of healthcare services provided to support recovery and health outcomes is appropriate e.g. no over-servicing and in line with relevant benchmarks, guidelines and/or frameworks. Reduced leakage in the system

## 5. Safety and quality of healthcare

Healthcare provided within the WC and CTP schemes is of high quality and is delivered safely



### 5.1 Healthcare delivered is of high quality

The quality of healthcare delivered in the WC and CTP schemes achieves the desired health outcomes for injured persons (e.g. is effective and evidence-based) and is at least comparable to that of other health systems

### 5.2 Low value treatment and care is minimised

Treatment and care provided in the WC and CTP schemes reflect evidence-based practice so that healthcare services considered to offer little to no benefit are discouraged and/or avoided

### 5.3 Treatment and care match the needs of injured persons

Treatment and care delivered in the WC and CTP schemes match the needs of the injured persons so that underservicing is minimised or avoided

### 5.4 Timely adoption of new evidence-based treatment and care options

New and innovative evidence-based treatment and care options are adopted in a timely manner for the treatment of injured persons where they enable effective and safe achievement of desired health outcomes

### 5.5 Towards zero serious incidents/adverse events

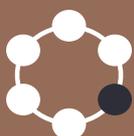
The occurrence of serious incidents and preventable adverse events during the delivery of healthcare to injured persons is minimised or avoided

### 5.6 Information is collected and used to drive healthcare activities

Information and data is collected, reported and used efficiently and effectively to drive and support healthcare activities within the WC and CTP schemes (in accordance with applicable legislation)

## 6. Healthcare provider capability, delivery and experience

Healthcare providers within the WC and CTP healthcare ecosystem are engaged, integrated and provide value-based healthcare sustainably



### 6.1 High quality healthcare providers are attracted and retained

The WC and CTP schemes can attract and retain healthcare providers that best support the provision of value-based health services for all injured persons, including in regional areas and other markets with low numbers of providers

### 6.2 Clinician and staff wellbeing, development, and engagement is improved or maintained

The wellbeing and development of clinicians and staff of healthcare providers is managed by insurers/claim agents and employers and influenced by SIRA, empowering and enabling them to deliver optimal health outcomes for injured persons

### 6.3 Providers integrate and collaborate

Healthcare providers within the WC and CTP schemes integrate and collaborate to achieve value-based healthcare outcomes for injured persons e.g. shared care plans

### 6.4 Healthcare providers are capable and exhibit desirable behaviours

The WC and CTP health ecosystem supports having healthcare providers that are capable and exhibit values consistent with the objectives of the schemes by approving suitable providers in the WC schemes and referring undesirable provider behaviour within the CTP scheme to healthcare regulators

## What are the metrics?

The framework aims to measure success through a series of quantifiable metrics that reflect the extent to which the outcomes have been or are being achieved. As the health outcomes framework is still under development, not all aspects of the health outcomes are readily quantifiable at this stage.

An implementation plan for the health outcomes framework and the development of the metrics is provided in Section 5 below.

The metrics that will be included within the framework will change over time as the framework and data availability evolve.

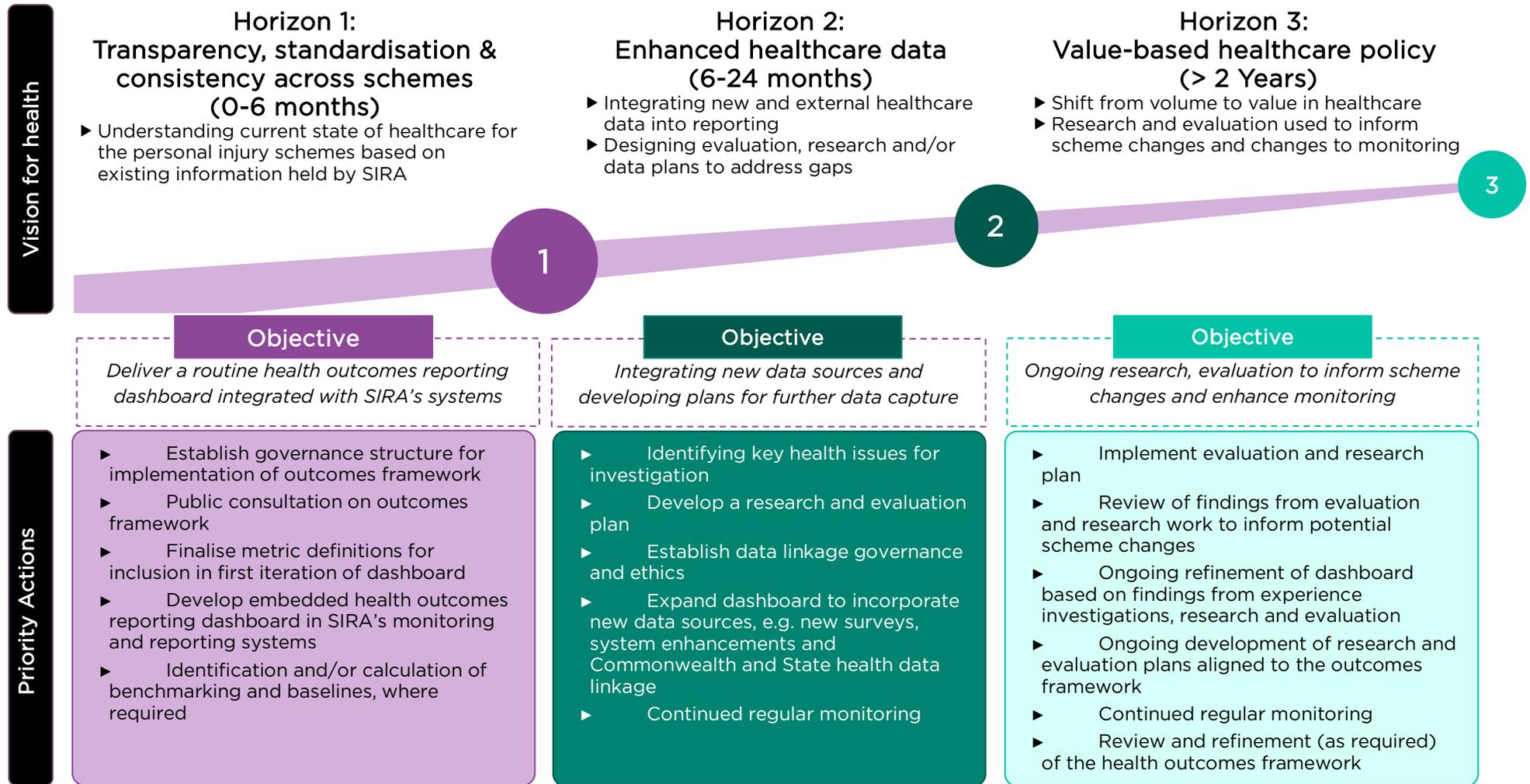
## 5. Implementation plan for the framework

Defining the health outcomes framework is the first step towards achieving the vision for healthcare within the WC and CTP schemes.

The framework also provides a basis for which incremental activities and changes can be made to progress towards the long-term vision of providing value-based care.

Figure 5 outlines three future horizons under which activities will be taken to support the transformation of evaluation, monitoring and regulation of healthcare within the schemes. For each horizon, the figure outlines the vision for healthcare, the objective, and the key actions to be taken to achieve this objective.

Figure 5 – Implementing the health outcomes framework



In the short term (Horizon 1: 0 – 6 months), understanding of the current state of health outcomes will be improved by providing transparency and consistency in the reporting of health outcomes across the personal injury schemes. This is enabled through the development of the first iteration of a regular reporting dashboard.

In the mid-term (Horizon 2: 6 – 24 months), enhanced monitoring and understanding of healthcare outcomes will be achieved through the integration of new and external data sources into SIRA's systems and by designing further evaluation, research or data collection to address existing gaps. In the long term (Horizon 3: > 2 years), a shift towards value-based healthcare can be achieved through an ongoing process of research, evaluation and monitoring. WC and CTP scheme participants will be engaged across each horizon, with consideration given to the implications of the healthcare transformation journey on each of the schemes.

The implementation of metrics into the regular reporting dashboard will also follow a phased approach. In Horizon 1, metrics that already have data sources or a comparable pre-existing metric are expected to be included in the dashboard. Horizon 2 expands the dashboard by including metrics that require data from sources that will be ready in the medium-term, including surveys that are currently being implemented, system enhancements and Commonwealth and state health data. Metrics to be included in Horizon 3 include those requiring data sources ready in the long-term, and any new metrics that may arise from non-regular experience investigations, research and evaluation being performed as part of Horizon 2.

It is planned that each metric to be used under the health outcomes framework can be categorised into one of the following four classifications:

1. **Regular monitoring:** where a metric is expected to be captured and reported on at regular time intervals, such as monthly, quarterly, or yearly intervals. Because of the consistent nature of their reporting, these metrics can be presented in a reporting dashboard to allow for monitoring of outcomes.
2. **Experience investigation:** Metrics that enable a deep dive into a more specific topic or trend deemed to be of high priority at the time of investigation. The metrics are more suited to ad-hoc or semi-frequent collection and reporting.
3. **Evaluation:** metrics to be used to understand the impact of a change to services, processes or policy and assess if it is in line with expectations or desired outcomes. Metrics may be collected and reported on at key intervals over a defined evaluation period (for example over a 3-year evaluation period data may be collected at key points in time). Longer term evaluation may require data and metrics to be collected at regular but longer-term intervals (for example every third year).
4. **Research:** metrics used to investigate new trends or to test hypotheses. Research relates to exploratory analysis as part of a defined project which may include one off data collection.

As SIRA continues to enhance its data collections and regulatory reporting, the reporting dashboard will be further developed and refined. Similarly, as SIRA and scheme participants increases their understanding of the underlying dynamics and

behaviours that impact healthcare within the personal injury schemes, health outcomes framework and reporting will be enhanced.

## 6. Conclusion and questions for feedback

The outcomes framework will:

- establish a framework for driving value-based healthcare in the WC and CTP schemes
- set expectations about how this vision will be progressed
- specify how progress will be measured.

The framework will improve the collection and analysis of data on health outcomes in the schemes and will enable SIRA to determine whether the schemes are achieving value for money in their healthcare expenditure, as well as providing insights to improve health outcomes for injured people.

We would appreciate your feedback on the health outcomes framework outlined in this paper.

Specifically, we are interested in your responses to the following questions:

1. How can the health outcomes framework be most effectively used to improve health outcomes and the value of healthcare expenditure?
2. (For scheme participants) Is the outcomes framework useful to you/your organisation in clarifying the vision and direction for healthcare in the WC and CTP schemes?
3. (For scheme participants) Will the outcomes framework influence your approach to healthcare in WC and/or CTP? And if so, when and how?
4. What can WC and CTP scheme participants (insurers, health practitioners, claimants, employers) do to help advance the vision of value-based care in the schemes?
5. Are there areas where you believe SIRA should focus its implementation efforts to best promote achievement of value-based care?
6. Do you have any comments on the implementation plan?

You can make your submissions at our online portal at <https://www.sira.nsw.gov.au/consultations>

## Endnotes

---

<sup>i</sup> NSW Ministry of Health (2019), *Value based healthcare* (<https://www.health.nsw.gov.au/Value>)

<sup>ii</sup> An extension of the Institute for Healthcare Improvement's Triple Aim (<http://www.ihl.org/Engage/Initiatives/TripleAim>)

#### Disclaimer

This publication may contain information that relates to the regulation of workers compensation insurance, motor accident third party (CTP) insurance and home building compensation in NSW. It may include details of some of your obligations under the various schemes that the State Insurance Regulatory Authority (SIRA) administers.

However to ensure you comply with your legal obligations you must refer to the appropriate legislation as currently in force. Up to date legislation can be found at the NSW Legislation website [legislation.nsw.gov.au](http://legislation.nsw.gov.au)

This publication does not represent a comprehensive statement of the law as it applies to particular problems or to individuals, or as a substitute for legal advice. You should seek independent legal advice if you need assistance on the application of the law to your situation.

This material may be displayed, printed and reproduced without amendment for personal, in-house or non-commercial use.

State Insurance Regulatory Authority, Level 6, McKell Building, 2-24 Rawson Place, Sydney NSW 2000

Phone: 13 10 50

Website [www.sira.nsw.gov.au](http://www.sira.nsw.gov.au)

Catalogue no. SIRA09103 | ISBN 978-0-7347-4642-9 © State Insurance Regulatory Authority NSW 0720