



# Impact of Workplace Rehabilitation Providers

Analysis of claims data

September 2021



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# Background and scope

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## Scope

- ▶ EY has been working with SIRA to understand the role and impact of Workplace Rehabilitation Providers (WRP) on the NSW workers compensation system
- ▶ The work has consisted of a number of phases including:
  - ▶ A data scan to understand the data captured on WRP and the quantum and areas of spend
  - ▶ Developing a series of claims cohorts to understand the different types of claims to which WRP are being appointed
  - ▶ A series of one-way analyses and more complex data analytics to understand the impacts of WRP on RTW rates and claims costs

## Data

- ▶ The results from this analysis are based on the claims data submitted to SIRA. There are a number of limitations with this data that impact the outcomes of the analysis. These limitations include:
  - ▶ There is no injury severity indicator in the data and therefore difficult to compare like for like claims
  - ▶ There are a large number of factors that could be impacting on the effectiveness of the WRP that are not captured in the data (especially socio-economic factors)
  - ▶ There is no way of recognising if a claim would or would not have benefitted from having a WRP appointed

# Summary of key findings

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## Initial data scan

- ▶ Approximately 15% of all claims receive a WRP payment. Between 15,000 and 20,000 claims per quarter receive a WRP payment
- ▶ The average WRP payment per claim is approximately
- ▶ The majority of the WRP spend occurs when the WRP is appointed 13 weeks after the date of accident

## Claim cohorts

- ▶ 59% of all claims with more than 50 days off work have received a WRP payment
- ▶ 60% of all claims that have a first year medical spend of greater than \$5,000 have received a WRP payment
- ▶ The average number of days to the first WRP payment is currently close to 100

## Statistical analysis

- ▶ For claims between 6 months and 24 months time lost, the appointment of a WRP improves the RTW outcome (relative to those claims that do not have a WRP appointed)
- ▶ The one way analysis also showed that factors such as claimant age, occupation type and size of employer **did not appear** to impact the effectiveness of the WRP
- ▶ Other factors such as injury type, number of days of work and total medical cost in the first 12 months **did appear** to impact the effectiveness of the WRP
- ▶ The more advanced statistical model (after controlling for other variables) shows that timely appointment of WRP (within the first 8 weeks) can improve RTW by 3% to 5%
- ▶ Similarly, the GLM model shows that appointing a WRP early in the claims process can result in total claims costs savings of between 4% and 9%
- ▶ The impact of WRP on psychological injury claims is materially more than physical injury claims

# Split of current WRP Spend

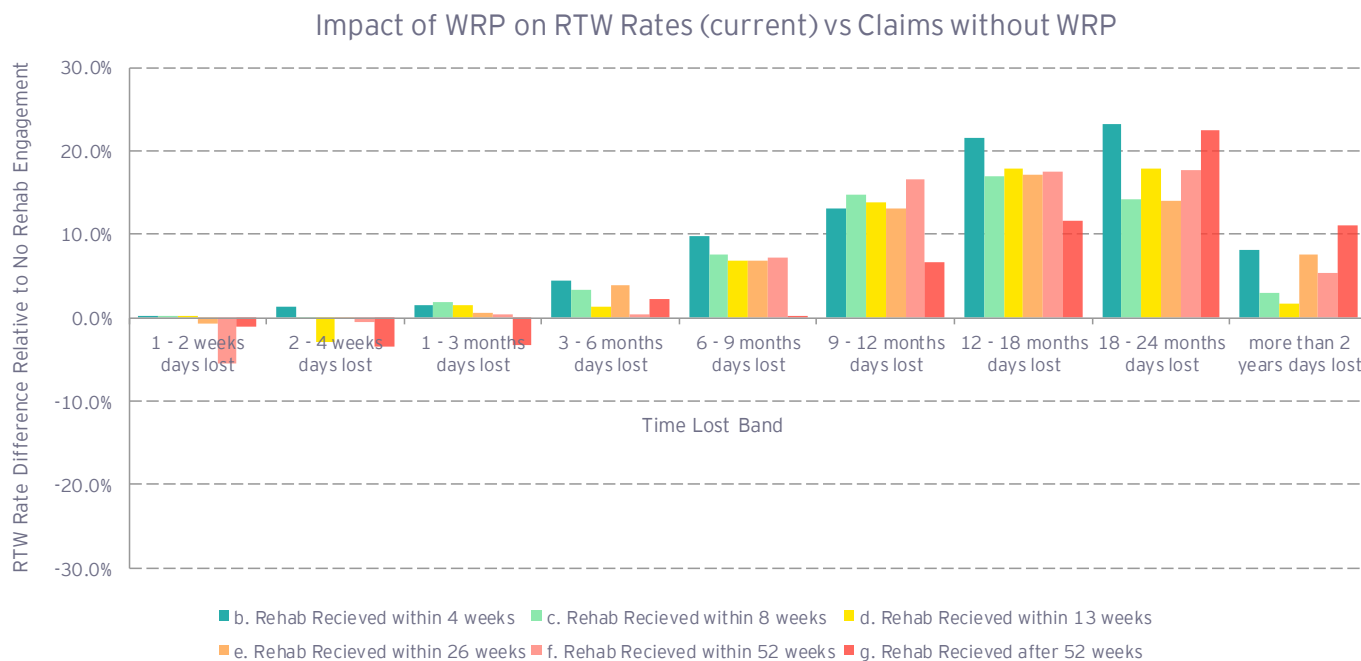
		Days off work: less than 50 days		Days off work: more than 50 days	
		First year medical: <\$10k	First year medical: >\$10k	First year medical: <\$10k	First year medical: >\$10k
Non-psychological injury	Received rehab within 13 weeks	\$4.7m	\$8.7m	\$10.0m	\$25.0m
	Received rehab after 13 weeks	\$32.3m	\$25.4m	\$39.7m	\$87.1m
Psychological injury	Received rehab within 13 weeks	\$1.2m	\$0.1m	\$5.9m	\$1.0m
	Received rehab after 13 weeks	\$2.8m	\$0.2m	\$12.1m	\$2.6m

- ▶ This analysis of WRP spend shows where the majority of spend is occurring
- ▶ The key takeaway is that the majority of spend is occurring when the WRP is appointed more than 13 weeks after the accident date
- ▶ The RTW analysis shows that outcomes are considerably poorer the later that the WRP is appointed

# WRP's impact on RTW rate

key message: early WRP engagement on moderately complex claims shows improvement in RTW

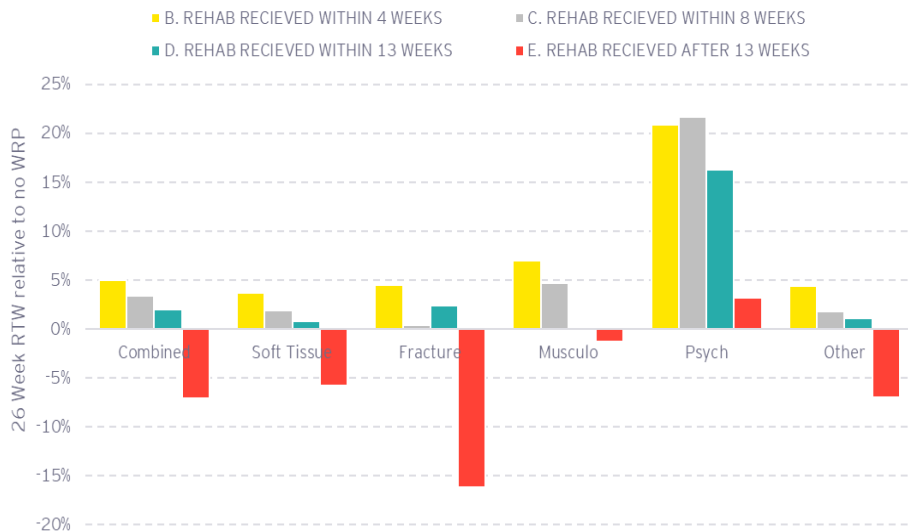
- ▶ This graph shows the difference in RTW rate when WRP is engaged relative to when WRP is not engaged (a positive number represents better RTW rate achieved in comparison to no WRP and vice versa).
- ▶ The use of WRP on claims with less than 3 months days lost have shown very similar current RTW rate to that of claims without WRP engagement. This is potentially because these claims are less complex and will RTW regardless.
- ▶ The benefit of using WRP in RTW rate starts to become more evident on moderately complex claims that have days lost over 3 months - demonstrating ~10% better RTW rates for claims with days lost over 9 months. The benefit of early WRP within 4 weeks is also quite evident across these time lost bands (demonstrated by the teal bar being higher than others).
- ▶ While there is still benefit of WRP for more complex claims that receives weekly benefit for more than 2 years, however, that benefit is less evident.



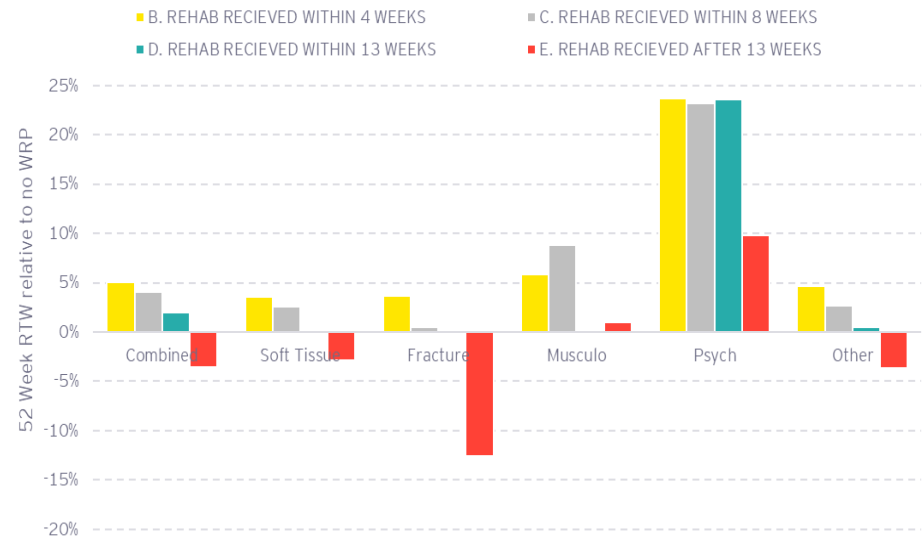
# Impact of WRP on RTW by injury type

- ▶ The following two graphs show the modelled 26 week (left) and 52 week (right) RTW rate when a WRP is engaged at different point in time relative to no WRP engagement. A positive number indicates better RTW performances in comparison to no WRP and vice versa.
- ▶ Consistent with previous findings, early WRP engagement (before 13 weeks from the date of injury) generally improves the RTW rate by up to 5% in comparison to no WRP.
- ▶ By injury type, WRP has a much larger impact on psychological claims (both primary and secondary) and can improve RTW by 20% when engaged early. Once again this improvement is **not evident** when the WRP is engaged late.
- ▶ There appears to be little difference between different physical injury types.

26 Week RTW Relativity (relative to no WRP engagement)



52 Week RTW Relativity (relative to no WRP engagement)



# Scope and Reliances and Limitations

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- ▶ The work has consisted of a number of phases including:
  - ▶ A data scan to understand the data captured on WRP and the quantum and areas of spend (see appendix 1)
  - ▶ Developing a series of claims cohorts to understand the different types of claims to which WRP are being appointed
  - ▶ A series of one-way analyses and more complex generalise linear models (GLM) to understand the impacts of WRP on RTW rates and claims costs
  - ▶ Comparing the return to work outcomes and whole of claim cost differences based on if and when workplace rehabilitation services are utilised
  - ▶ Identifying other predictors of favourable outcomes from the use of workplace rehabilitation services that may support SIRA in its development of guidelines for the use of workplace rehabilitation services

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