



Claims Administration Manual (CAM)

icare submission to SIRA



General comments regarding the introduction of the CAM

It is difficult to comment on the proposed CAM based on what has been disclosed to date about the intent and purpose. icare seeks greater clarification from SIRA around the intention of the CAM and why such an operational document needs to be prepared by a regulatory body.

It is important to preface that a CAM cannot be used to fix deficiencies in the legislation. Only amendments to the legislation and subordinate legislation, can right the acknowledged wrongs in the operation of the workers compensation system.

As recommended by the Legislative Council Standing Committee on Law and Justice in its first review of the workers compensation scheme, there are a number of inconsistencies in the workers compensation legislation that will, in the future, require the focus of the regulator to review, clarify, and develop. However, icare considers that issuing a CAM in the absence of amendment to the legislation is a sub-optimal approach to fixing these problems. A proper consideration of the legislation and its interaction with and relationship to a CAM is desirable, if not integral, to the efficient operation of the NSW workers compensation system now and in the future.

It is icare's submission that developing an overly prescriptive CAM without first addressing the deficiencies in the legislation is concerning and increases the risk that it will create confusion and inconsistencies in the system.

Further, the NSW Government has recently announced plans to reform the workers compensation dispute resolution system following an extensive review. The Minister for Finance, Services and Property has said that the proposed reforms are intended to improve the experience of injured workers by improving support services, simplifying claim processes and removing duplication.¹ The Minister has identified that some of the reforms are subject to legislation, which is expected to be introduced in late 2018. As such, developing and gazetting a CAM prior to the introduction of the legislative reforms proposed is premature, as the CAM would need to be modified and re-gazetted following any such legislative reform.

Secondary to the above facts is the need for SIRA to fully outline and communicate its regulatory framework and enforcement protocol. A well-defined regulatory framework is key in providing clarity for the efficient and effective functioning of the workers compensation system in NSW, ensuring the ongoing protection and appropriate conduct of all stakeholders.

Further information and guidance is required from SIRA as to how it believes the split between operational delivery and the regulation and policy development of the workers compensation system is served by the development of the proposed CAM. An approach that seeks to prevent systemic 'harms' versus a prescriptive enforcement of artificial time driven deadlines that do not correlate with the real-life experience of employers and workers merely creates bureaucracy and inefficiency/cost.

icare suggests there is a disconnect between the purposes of the CAM, and its use as an enforcement tool. SIRA needs to first develop and communicate its regulatory framework, and subsequently, if a CAM is still viewed as appropriate, how the CAM fits into and will be operationalised under this framework. In the absence of a regulatory framework, the development of a CAM only creates further confusion as the regulator's expectations of stakeholders and process of compliance/enforcement is unknown.

¹ <https://www.finance.nsw.gov.au/about-us/media-releases/new-dispute-resolution-process-workers-compensation>

The separation of powers between the Nominal Insurer, Regulator and SafeWork NSW under the *State Insurance and Care Governance Act 2015* was made in response to concerns about the inherent conflict of the former WorkCover NSW acting as both the Regulator and the Nominal Insurer.

icare therefore considers it important that any CAM produced by SIRA does not provide prescriptive and unrealistic deadlines that merely amplify the confusion and frustrations of the current system and is purely created for enforcement.

Any significant departures from the current claims service model (as developed by icare and implemented at the beginning of 2018) will have a detrimental financial and operational impact on icare and its service providers and agents. There has been a significant investment in bringing about the new claims service model and icare is concerned that there has been insufficient time to develop the learnings and improvements that the system offers to 86 per cent of the system participants. The proposed topics in the CAM do appear to focus mainly on claims processes and overlap a number of areas in which icare has implemented improved processes. Changes to these processes by way of a CAM will undermine the substantial amount of work, resources, and funding that has already been invested in improving the NSW workers compensation system.

As outlined in further detail in this submission, care must be taken to ensure that the proposed CAM is not overly prescriptive and inflexible. SIRA has suggested that the CAM will be designed as an enforceable guidance framework and would support SIRA in focusing on its statutory responsibilities in ensuring system outcomes². However, it is difficult to understand how the CAM could be used in such a manner by SIRA without it necessarily becoming a prescriptive document. Utilising the CAM for such a purpose does not give the users of the system enough scope to respond to the many variances in each individual claim and does not provide an agile enough platform for the proper and efficient exercise of icare or its agents' functions.

icare suggests that a supportive, outcomes focused CAM should:

- *Consolidate multiple points of legislation and guidelines*
- *Define how the CAM will be used for the purposes of compliance / enforcement*
- *Limit any enforcement activity to systemic breaches of the legislation (rather than narrowly enforcing "best practice" claims management as defined by a non-operating entity)*
- *Outline the end to end process of compliance and enforcement should SIRA have concerns regarding the claims management of a managing agent*
- *Outline the four-stage approach to compliance (assist, motivate, deter, sanction) as per the SIRA presentation to stakeholders on 18 April 2018*
- *Provide guidance on the "grey" areas of legislation; promote principles-based claims management practices; and use enforcement only as a last resort as per the NSW Guide for Better Regulation 2016.*

² The Claims Administration Manual (CAM): Introductory Forum presentation SIRA April 2018

icare's customer centred service delivery – background, approach, and the new Claims Service Model

With the commencement of the *State Insurance and Care Governance Act 2015*, icare was given the task of improving customer service and building a simpler, more transparent and supported claims experience for workers and employers. icare is a social insurer whose purpose is creating a positive impact for customers and the NSW community through a 'commercial mind, social heart' ethos and simplifying insurance for injured people and employers. icare exemplifies this ethos through its peoples' dedication to delivering high-quality, transparent and consistent customer experiences.

Human-centred design is embedded across every part of icare's business so it works from the customer's perspective, to radically improve the customer experience from point of injury to end of claim. To achieve this, icare has made a number of changes to the way claims are managed across the system.

On 1 January 2018, icare officially launched the new claims service model which aims to benefit the workers of NSW by:

- Ensuring fairer entitlements and provision of better care for the seriously injured.
- Getting people back to work for a faster, fuller recovery when they are able.
- Improving outcomes and the quality of lifetime care.
- Making sure the reforms go back into the system, keeping premiums at the right level.

As the single largest workers compensation insurer in NSW, we recognise we need to offer valuable propositions that meet our customers' evolving needs. icare's co-design approach utilises feedback from workers with an injury, employers, managing agents, service providers, brokers, as well as industry bodies, and includes a comprehensive review of international best practice in the target area. This important collaboration provides transparency and accountability in our operations.

icare has made significant investment in designing and developing claims handling models, structures, knowledge articles, technology and accompanying processes that embed the legislative framework to deliver a fair, effective and positive experience for the worker and employer by empowering those who deliver the service, namely case managers.

All elements of this redesign have been co-designed in conjunction with key stakeholders, such as workers, employers and service providers, with the aim of meeting and balancing the needs of each group. The approach taken has been to build an agile service model that:

- Responds to a rapid changing environment.
- Consistently meets customer needs.
- Evolves and aligns with innovating and emerging best practice.

icare believes it has an accountability to ensure these comply with the legislative framework and SIRA has a role to assist, motivate, deter, sanction but not prescribe the day-to-day activity required to deliver these services.

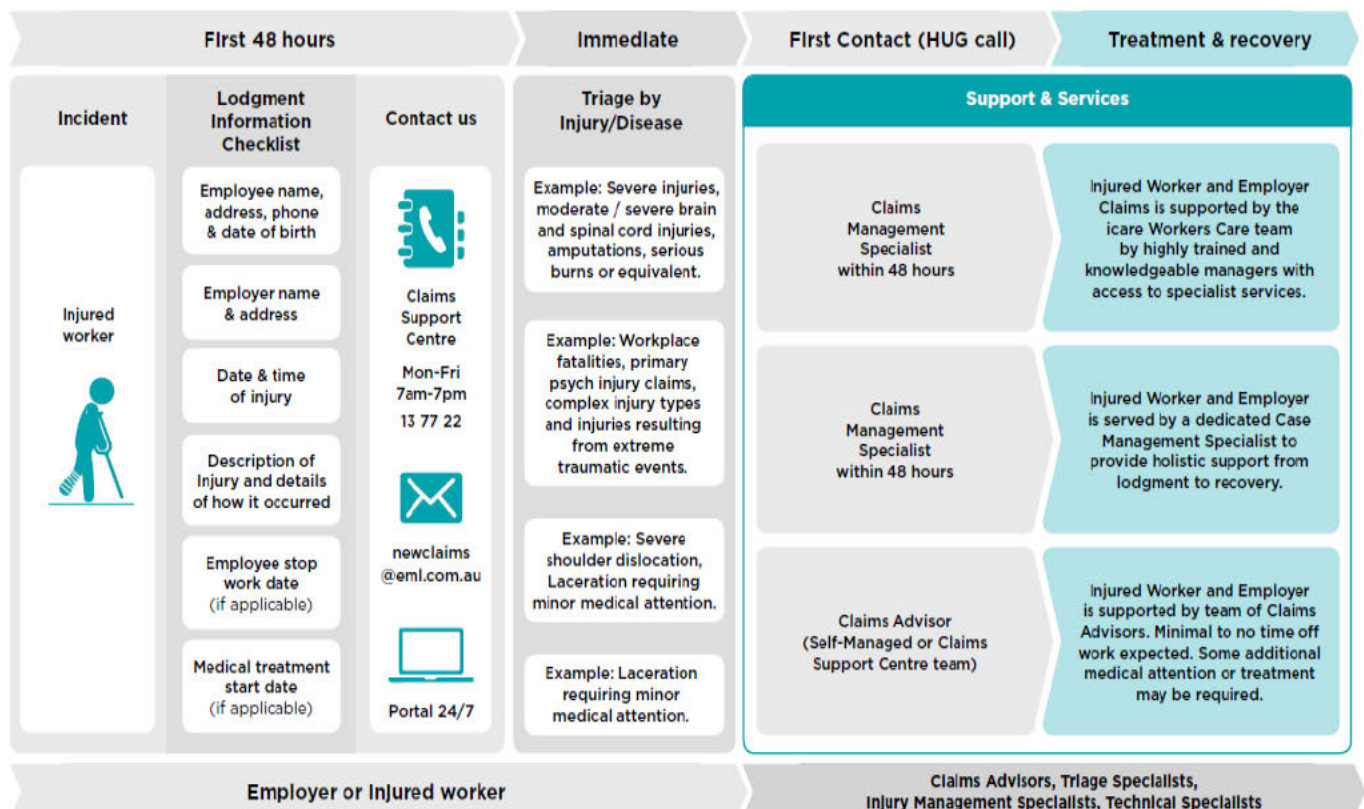
icare's claims Target Operating Model (TOM) is the practical realisation of this. The program includes joint teams between icare and EML who are responsible for delivering the TOM and will help realise the benefits of the overall human centred design service model. The TOM is a triaged based model using industry leading technology and approaches designed to segment claims into appropriate streams allowing for fast and appropriate handling of injuries and associated claims.

Significant effort has already been undertaken by icare and EML teams to develop the tools and resources to allow the successful operation of this model, with continuous improvement approaches to constantly align the model with current and emerging industry best practice.

The service model embeds all elements of the legislative framework, including key communication, timeframes and decision points. One of the main outcomes has been to create efficiency and consistency for case managers allowing greater focus on areas where they are needed most.

Over-arching work includes:

- Development of the Target Operating Model (TOM) – a triaged based model using industry leading technology and approaches designed to segment claims into appropriate streams allowing for fast and appropriate handling of injuries and associated claims.
- Development of enabling technology – significant investment in claims handling and management software systems to enable more efficient and accurate handling of claims. It will also enable streamlined self-service processing for claims requiring low touch. This allows greater case management focus on claims with needs for higher levels of support.
- Development of accompanying processes – process maps have been designed around the new operating model and the enabling technologies. The work includes process map design and testing in line with technology and practical examples using subject matter experts at icare and EML, as well as customer groups.
- Knowledge Articles and Training Modules – developed to accompany key systems and processes, detailing steps and approaches case managers need to take in handling claims, with a view of creating the most positive experience possible for customers. These items allow for development of case management competency and experience, also creating consistency of service delivery and claims management strategy across the industry.



icare has implemented a Net Promoter Score (NPS) to actively gauge client satisfaction and how well the organisation is delivering services and meeting the needs of its customers. According to the Australia NPS Industry Benchmarks 2017 Report collated by Customer Monitor, the NPS score for the insurance sector is -3 and for charities is +27. As at April 2018, the customer satisfaction score for Workers Insurance is +19, which has continued to improve since December 2017.

Two of the well-received innovative features so far with the new claims model are the online portal where employers, workers or their representatives can lodge their notification at a time that suits them; and the 'How You Going' (HUG) phone call that every injured worker receives within the first 24 hours after lodging their claim, regardless of the severity of their injury. The ability to lodge notifications and claims online has so far seen 66 per cent of claim lodgements made through the portal. As at May 2018, the service centre has handled over 143,000 inbound and outbound calls to injured workers and employers. Of these, over 32,000 HUG calls have been made.

icare is very aware that caring for the State's injured and vulnerable is not a 'one-size' fits all approach and that every customer is unique. icare supports their long-term care needs to improve quality of life, including helping people return to work where appropriate. icare's aspiration is to create the best possible outcome for every person and organisation it serves, delivered through a fair, respectful and empathetic experience that is focused on the person, not the process.

If a CAM were introduced, icare considers that its primary purpose should be to act as the baseline - outlining intent, purpose, and overarching principles - while referencing existing regulations, legislations, and guidelines. icare would expect that an agent's operations manual would complement and deliver on the intent detailed within the CAM, and vice versa. The CAM should not elaborate in areas where extensive work has been undertaken and proven to be effective. Consideration should be given to adopting the reference material already available in order to consolidate scheme knowledge and understanding.

Should the CAM prescribe the processes and procedures that managing agents must adhere to when managing claims, then they as administrators for the process will have little vested interest (and responsibility) for claims management. SIRA would then have overall accountability of workers compensation performance for NSW, which goes against the intent of the *State Insurance and Care Governance Act 2015*.

From an employer perspective, an enforceable CAM structure could provide the opportunity for a case manager to simply rely on a prescriptive set of tick boxes rather than participating in collaborative, innovative, agile case management. This approach then shifts the onus away from the employer to be involved in the case management process. icare is concerned that employers will see this as an adversarial shift, emphasising a compliance with guidelines rather than a focus on strategic return to work goals and human centred design outcomes.

icare further notes that section 192A(1) of the *Workers Compensation Act 1987* gives SIRA the power to prepare and publish a claims manual. This section does not give SIRA the power to dictate the administration of claims. Rather, section 192A(2) refers to the promotion of certain matters, for example prompt processing of claims.

icare strongly recommends that claims handling processes should be treated as out of scope by SIRA and not be included in the CAM, given this responsibility rests with the managing agent who is accountable for delivering the service.

Potential financial impact of introducing a CAM

Whenever regulation is amended or there is a substitute for regulation, the responsible agency needs to undertake a cost benefit analysis. icare has not been asked to provide any information on potential impacts to the Nominal Insurer or TMF schemes and has concerns that as an enforceable document, implementation costs for a CAM could be significant.

Should the CAM be prescriptive about managing agents' service delivery, there could be a material amount of system change required if the processes are removed from icare's claims service model.

There would be a further financial impact regarding the contract with managing agent, EML (outside of the cost of the IT effort that would be required) to undo the systems that have already been automated as part of the model, including:

- liability decisions on some minor straightforward claims (Empower & Guide segments);
- initial reserves on all claims;
- ongoing reserves on all claims except for claims attached to LPR policies;
- invoice processing, where the service matches SIRA pre-approval guidelines, authorised service requests, or ODG validated services payment processing, where invoices are OCR'd (Optical Character Recognition) and that data automatically ingested into the payment system to facilitate straight through processing (i.e. automated data entry);
- payment approval, with not all payments requiring a second level approval (for example only a random selection of payments will be sent for a second level approval, plus some targeted payments such as over a certain dollar value, where it exceeds the gazetted rates, or where certain triggers are activated); and
- some letters, such as liability decisions (provisional liability acceptance only), intention to close claim, change or claim handler etc.

Should the CAM be prescriptive about the way certain activities are to be performed, which in effect removes some of this automation, then FTE numbers at EML will be insufficient going forward. As an example, if the CAM mandates that the reserve needs to be manually reviewed and determined by a claims manager, then this creates a significant amount of additional administrative effort. Similarly, if there is a need to peer review every payment, then there would be a significant additional FTE requirement to be able to cater for this.

NSW is unlike other Australian workers compensation jurisdictions

The separation of powers between the regulator and Nominal Insurer was a deliberate attempt to delineate between regulation and operations. It is noted that the proposed CAM appears to follow the Victorian WorkSafe manual very closely. The WorkSafe manual is quite prescriptive in its content, and in some instances down to the level of specifying who, what and when. Although the implementation of a CAM may work well in states such as Victoria, doing so within NSW may undermine the intent of the *State Insurance and Care Governance Act 2015*, and may not suit the arrangements for NSW workers compensation.

The current NSW workers compensation system comprises several insurer groups which cater for the specific needs of their customers (TMF, self and specialised insurers and the Nominal Insurer). While some consistency is required across these managing agents, their differentiated operational practices are intended to address and manage claims in a way that best suits the circumstances for their claims, stakeholders and customers.

If introduced, the CAM should reinforce the minimum expectations SIRA has of all managing agents, and complement (rather than override) any best practice/ specific practices implemented by these agents. A prescriptive approach risks the flexibility achieved under the NSW service model and ability to adopt to changing circumstances, technologies, and processes.

Accessibility of the CAM

icare supports transparency in its operations for all stakeholders. However, it is considered that the level of detail should be tailored in accordance with the level of understanding required of the stakeholders. It is not clear whether the CAM would be accessible by the public, specifically workers, employers, lawyers and health practitioners. It is understood that case managers and managing agents will require greater familiarity with the claims journey when compared to other stakeholders such as brokers, medical and allied health professionals etc.

A 'one CAM fits all approach' may result in more confusion and misinterpretation for those stakeholders who are not intrinsically familiar with the claims journey and its various aspects. Certain components such as the calculation of PIAWE and work capacity are more aligned to managing agents and there is some concern around how this will be interpreted by those who are unfamiliar with its use. Workers for example, may be unable to understand the complexity of some processes with RTW strategies needing to be individualised to achieve best outcomes.

Furthermore, usability is as important as content. Given the CAM would be an online tool for claims administration, icare would be interested to learn what opportunities there will be for user testing and review prior to the CAM's release. Based on feedback from the managing agents, icare anticipates that the input from multiple case managers will be invaluable in informing and advising on the structure and content.

icare's perspective on best practice

Importance of innovation, improvement and striving for best practice

icare maintains that implementing standard practices and processes will limit managing agents' ability to devise their own 'best practice' and better ways of managing claims. This will potentially relieve them of their responsibilities and from "owning" their practices, meaning that over time all innovation/new solutions will become SIRA's responsibility and consequently accountability for results across the scheme.

While some consistency is important, a principles-based approach will allow for the development of best practice to emerge and encourage some market forces to determine what the best practices and solutions are. Best practice should be defined as the pursuit of undertaking something in a better way than how you did it yesterday and should not refer to a specific action, task or process. Implementing defined and non-negotiable processes will result in 'management of the process', rather than 'management of the claim and resulting outcome'. Implementing a standard process will mean the focus will be on adherence to timeframes and standards rather than on the individual customer's needs.

Examples of innovative practices developed by icare to meet the needs of specific claims cohorts, while remaining within the spirit and compliance of the legislation:

- Work Injury Screening and Early Intervention (WISE) – partnership between NSW Health, EML, University of Sydney and icare that focused on early intervention in relation to major at-risk musculoskeletal injuries. The intervention embraced a holistic approach involving close cooperation between the workplace, psychologists, nominated treating doctors and EML to address identified individual obstacles for return to work. Through identification of 'at risk' injured workers via a brief screening questionnaire shortly after their injury, and provision of timely and targeted return to work intervention, those who participated took an average of 30 days to return to pre-injury duties, compared to 64 days for those in the control condition.

- Medical Support Panel – pilot program to help case managers make faster decisions in relation to treatment requests and medical causation decisions. Given the success of the initiative, which reduced wait times for injured workers from an average of six weeks to an average of five days, icare has incorporated the Panel into the new claims model on a full-time basis.
- Triage/ differentiated claims management – the new claims model encourages differentiated claims management, whereby claims are managed in accordance the nature of the injury and needs of both the injured worker and employer. The more complex the claim, the more intensive the claims management approach. This ensures the right level of intervention and services are provided while empowering customers to achieve better outcomes
- Workers Care program for seriously injured workers – treatment and care is administered by icare while the managing agent administers other aspects of the claim. Flexible application of existing statutory requirements has enabled icare to develop and apply tools to meet the needs of workers with severe injuries more appropriately, such as My Plan, which meets the requirement to have an Injury Management Plan and at the same time supports person centred practice with workers with severe injuries.

NSW Guide to Better Regulation

Of further important note, the NSW Guide to Better Regulation supports that regulation should adopt an outcomes focused approach rather than being prescriptive. It advises that efficient firms respond by developing more innovative ways to operate and comply, and that leaving the path open for firms to choose how they achieve a certain outcome can also reduce the real cost of regulation³. This Guide supports both the NSW Government and icare's expectation that SIRA should act in a support role to enable the effective administration of the NSW workers compensation system. SIRA's prescription of best practice impacts icare's administration in the following ways:

- Cost of doing business – prescriptive regulation adds to cost of doing business because of constant and increased compliance monitoring, process review and redesign. Adding costs to both participants and the regulator, ultimately passes the cost back onto customers.
- Efficiency and effectiveness – prescription pushes participants into following processes and aiming for compliance rather than achieving objectives. This is important to icare as we need to tailor practices to meet the needs of differing customer cohorts and move away from the "One Size Fits All" approach, which does not result in improved outcomes. Any form of prescription does not lend itself to an environment where front line employees are empowered to respond to specific circumstances to appropriately manage a person's claim.
- Innovation – impacts on participants being innovative and adopting progressive practices for the good of the community they serve.

In the second half of 2017, SIRA issued an insurer claims management audit manual which measures compliance, best practice and data quality, in addition to a recent rollout of a self-insurer tiering model in which SIRA outlines what it considers acceptable standards. While icare recognises a need for compliance and supports improving customer outcomes and experience under the workers compensation system, anecdotal feedback from self and specialised insurers has been that the cost of compliance with regards to this form of prescriptive regulation has been difficult to maintain. icare would question the appropriateness of a further enforcement tool which appears will provide prescriptive end to end claims management directives and seems contrary to the NSW Government Guide for Better Regulation, without a clear understanding of the problem that SIRA is trying to resolve through an enforceable CAM.

³ NSW Guide to Better Regulation, October 2016, page 13

icare suggests that if SIRA prescribes what is “best practice” in respect of claims management, this goes against Government and icare expectations in terms of better regulation and will limit the entities operating in the NSW workers compensation system, including icare’s ability to be innovative and continue to drive continuous change and improvement for NSW customers.

Prescriptive process examples bringing about undesirable outcomes

The below are examples of when prescriptive processes have delivered either undesirable behaviours or outcomes. icare believes that over prescription can often affect the way stakeholders behave and work against the original intent.

- Work capacity – as previous guidelines mandated specific inclusions for work capacity decisions, workers received lengthy, confusing and heavily legislated letters which were often 14 pages long. The majority of decisions reviewed by the WIRO were also often overturned based on arbitrary errors in these letters, which created a negative impact on achieving appropriate claim outcomes.

Less prescriptive and clearer changes to SIRA’s guidelines enabled icare to create simpler processes. icare has since reduced work capacity letters to five pages or less and made the information clearly and easier for workers to understand. There has also been a significant reduction of decisions overturned at the WIRO.

The Legislative Council Standing Committee on Law and Justice report on the First Review of the Workers Compensation Scheme published in March 2017, acknowledged that:

- Section 43 of the Workers Compensation Act 1987 is highly prescriptive.
- The administrative review process for work capacity outlined in Section 44(1) of the Act and the guidelines enacted in support had, contrary to SIRA’s intent, caused more problems than they solved.
- The content and length of work capacity decisions described as “almost incomprehensible to most people” was driven by the legislative requirements and the amount of evidence required in support.

icare is concerned that the CAM will be counterproductive to icare’s initiatives intended to achieve better customer experience and return to work outcomes at an individual claim level (the Handbook and simplified notices) to address the issues raised at the Committee and result in reinforcement of onerous customer impacting process that does not align with the government policies of reducing red tape.

- Notification only and reasonable excuse – changes requiring employers to notify insurers of all claims, and the resulting processes requiring insurers to reasonably excuse Notification Only incidents, has caused several issues for workers and driven undesirable employer behaviour. Often, workers do not realise their employer has notified the insurer about an Incident Only event and are confused when they receive a letter stating their claim has been reasonably excused. Consequently, employers are not notifying insurers about claims they previously would have, which is against the intent of the changes in the first place.

The changes to the Guidelines for claiming workers compensation implemented by SIRA in respect of injury notifications requires managing agents to reasonably excuse provisional weekly payments where a worker has not made a claim for or requires weekly payments. icare maintains its position that the changes create an unnecessary adversarial scenario, before a worker even initiates a claim for workers compensation or time lost, and that contrary to SIRA’s intent, the changes are more likely to lead to under-reporting of workplace injuries, delayed access to workers compensation and return to work support and disputes.

A review of the Nominal Insurer's claims data confirms there has been limited variance in the volume of claims that have moved from notification to a claim following implementation of the Guidelines:

- Pre-guideline reforms: 18 per cent of injuries reported as 'notification only' moved from notification to claim.
- Post-guideline reforms: 16 per cent of injuries reported as 'notification only' moved from notification to claim.

icare maintains its position that these changes to the guidelines unnecessarily increases the administrative burden and overall cost of managing claims for no apparent benefit. icare has raised these issues with SIRA on a number of occasions.

- IME process – timeframes involved in organising IMEs can often delay the examination from taking place promptly. For example, mandating a 10-day timeframe for the worker to respond before action is taken for the IME only delays the case manager from making appropriate decisions on treatment. In the situation where the need for surgery is clear, these lengthy processes work detrimentally against the worker and employer. The introduction of the Medical Support Panel has somewhat addressed this area, showing how an innovative and flexible way of approaching a subject can improve outcomes.

The IME process is already subject to SIRA guidelines including the Independent Medical Examinations and Reports Guidelines 2012, the Workers Compensation Guidelines for the Evaluation of Permanent Impairment and Claiming Compensation Benefits Guideline.

The introduction of further prescription is unlikely to deliver an improved workers compensation claims experience for workers, employers and treating doctors. Rather, SIRA should focus on improving the quality of IMEs and their reporting in the Scheme.

- Exemptions for pre-approval of treatment – there is a general understanding based on the wording in the current application that workers are entitled to up to eight sessions of certain types of allied health treatment. This interpretation discourages active communication between the managing agent, treatment provider and worker. icare is trying to change this by utilising best practice / claims support tools to actively pre-approve treatment for workers, based on their injury type and recommendations from their doctor in the first few days following notification of their claim. This ensures that the pre-approvals are personalised to the worker's situation and could then potentially be used to help speed up access to treatment etc.

The exemptions from pre-approval could then be applied in certain instances such as delayed notifications / lack of response from the managing agent etc and would be the 'safeguard' rather than encouraging a one size fits most approach.

- Certificates of capacity – although the forms GPs are required to complete have become generic in nature (no distinction between Workers Insurance and CTP insurance other than a small identifier on the bottom of the form), the fields and information in them are still very prescriptive. This has led to GPs only providing what the form asks for and not elaborating if required.

A good example of this is the difference between a psychological versus physical injury. The form appears better suited for physical injuries, leading to valuable information for psychological claims being missed. This results in the delay of appropriate treatment and interactions while workers are referred for independent exams or while information is being followed up etc.

- Commutations – this example requires a great level of consideration, however there are several examples where injured workers, employers, and the Scheme would benefit from commuting a claim. The current rules around commutation are very rigid and inhibit the ability for many workers to go down this path. The restrictions imposed by Section 87EA of the Workers Compensation Act 1987 have significantly limited the ability of injured workers to exit the Scheme, even when it is agreed between the parties that this is the best outcome for an injured worker. Legislative reform expanding the current preconditions in appropriate circumstances (not a CAM) is required to allow more flexibility and choice.
- Other examples not necessarily tied to claims handling:
 - Mail – the requirement to send documentation by mail instead of electronically, is outdated and adds cost and delays into the claim process. icare's experience is that a significant number of customers request a copy of the mailed document to be emailed by preference.
 - Rehab – changes to premium modelling has resulted in extensive behavioural differences in rehabilitation services and the quality extracted from them. These behaviours come from managing agents, employers and providers. Consideration is to be given into the unforeseen / indirect impact of changes made within the workers compensation system. Such an example is evident in the exclusion of medical and rehabilitation costs from premium modelling. While the intent of the changes to premium modelling was to encourage timely and appropriate access to medical and rehabilitation services, this has not been the case with rehabilitation services.

A recent review of claims has indicated that in some cases, case managers and employers are no longer giving due consideration around the appropriateness of referral, quality of service provided or duration of service. As a result, rehabilitation costs continue to increase within the scheme, with no improvement in return to health or work outcomes.

Conclusion

icare would welcome further discussions on the proposed CAM and its intent. Our expectation from our ongoing consultation is for a principle-led process that will support the development of a mutual understanding on sustainable and effective options to support our common goal of delivering value to the citizens of NSW.

As mentioned previously, it is difficult for icare to comment on the proposed CAM based on what has been disclosed to date about the intent and purpose. icare is strongly of the opinion that developing an overly prescriptive CAM without first addressing the deficiencies in the legislation is concerning and increases the risk that it will create confusion and inconsistencies in the system.

icare would welcome further dialogue and consultation with SIRA about the proposed CAM and is keen to work closely with SIRA in this regard. icare has also looked at the proposed and focus topics and would be happy to share this information with SIRA if requested.