

SIRA

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# Healthcare costs and outcomes in the workers compensation and CTP schemes

SIRA quarterly dashboard report for the quarter ending 30 June 2022

# Contents of this report

This report provides analysis of healthcare costs and outcomes in the workers compensation and motor accidents insurance (CTP) schemes to the financial quarter ending 30 June 2022.

The report is segmented into four sections:

**Section 1** – Summary, and overall trends in quarterly healthcare costs to 30 June 2022  
– workers compensation and 2017 MAIA CTP schemes

**Section 2** - Quarterly healthcare data update to 30 June 2022 – workers compensation scheme

**Section 3** - Quarterly healthcare data update to 30 June 2022 – 2017 MAIA CTP scheme

**Section 4** – Drivers of healthcare expenditure for the 12 months to 30 June 2022  
– workers compensation and 2017 MAIA CTP schemes

# Definition of 'healthcare' used in this report

Within this report, healthcare encompasses the following services only:

Medical & investigation services

Allied health services

Surgery

Hospital services – public & private

Diagnostic & therapeutic procedures, nuclear medicine, radiation, ultrasound, MRI etc

Care – domestic, personal and nursing

Ambulance services

Aids & appliances

Pharmaceutical services

Dental related services

# Section 1

Summary and overall trends in quarterly healthcare costs to  
30 June 2022

– Workers compensation and 2017 MAIA CTP schemes

# Summary of key observations for Section 1

## Workers compensation

Healthcare expenditure in the workers compensation scheme for the June 2022 quarter totalled \$269M across 90,622 claims. This is relatively consistent with healthcare expenditure over the previous three quarters.

Overall, healthcare expenditure for the 12-month period ending June 2022 decreased by 4% compared with the previous 12-months. This may be accounted for by reductions in high-cost services of hospital and surgery over this 12-month period, and the impact of the COVID-19 Delta variant.

Allied health and professional medical attendances demonstrated continued expenditure growth through COVID-related restrictions of the June 2020 and September 2021 quarters. However, for the period of the December 2021 through to June 2022 quarters, there has been a relative plateau in expenditure. For allied health this has largely been due to reductions in physiotherapy utilisation and, for professional medical attendances, reductions in general practitioner utilisation.

## CTP (2017 MAIA scheme only)

Healthcare expenditure in the 2017 MAIA CTP scheme for the June 2022 quarter totalled \$33.2M across 9,481 claims.

Overall, healthcare expenditure for the 12-month period ending June 2022 decreased by 11% compared with the previous 12-months.

Reductions in quarterly healthcare costs correspond with reduced claim lodgement through this 12-month period and the impact of the COVID-19 Delta variant.

Reductions in allied health, medical attendances, surgical and hospital utilisation contribute significantly to the reductions noted in expenditure.

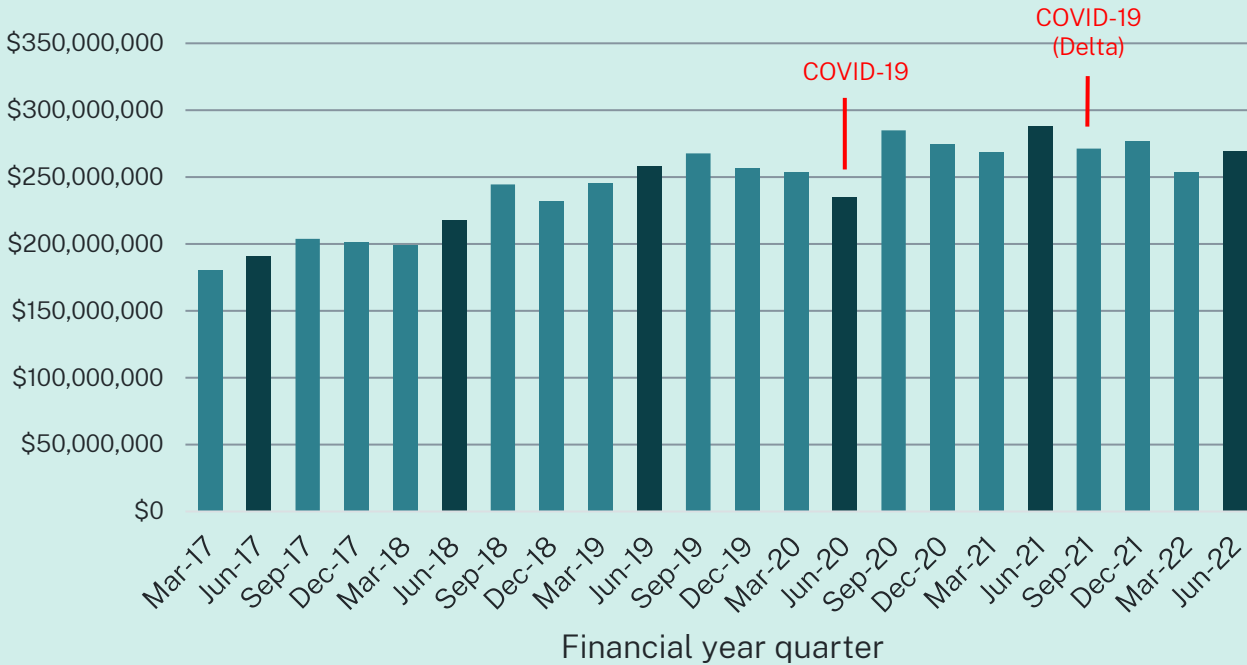
The 2017 MAIA scheme continues to mature. It is challenging to draw conclusions on healthcare trends until the scheme reaches a steady state.

Healthcare delivered under the 1999 MACA CTP scheme is not included in this report.

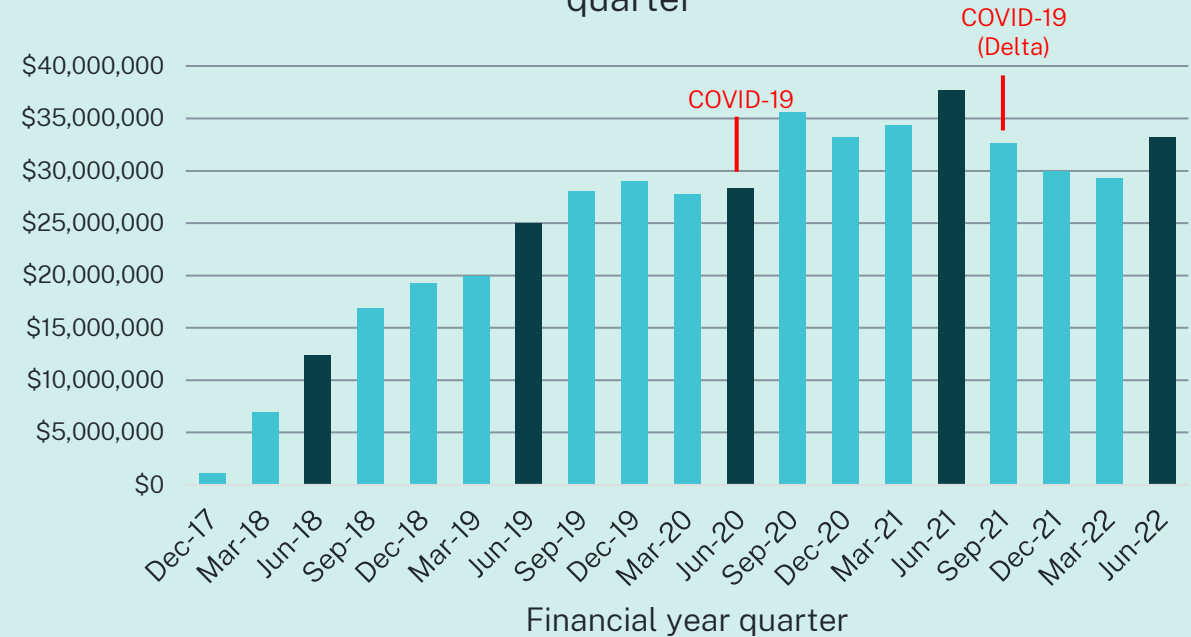
Note: Analysis is using data collected up to 30 September 2022. The data for the most recent quarters has not fully developed and will mature with successive reports. Differences between successive service quarters will be impacted by seasonality of service provision and must be taken into consideration when comparing quarter to quarter.

# Trends in healthcare expenditure

WC healthcare expenditure by service quarter



2017 MAIA CTP healthcare expenditure by service quarter



Healthcare expenditure for the workers compensation (WC) scheme totalled \$1.07 billion for the 12 months to 30 June 2022. This represents a decrease of 4% compared with the previous 12 months.

Healthcare expenditure for the 2017 MAIA CTP scheme totalled \$125.1 million for the same 12 month period. This represents a decrease of 11.18% compared with the previous 12 months. The CTP scheme demonstrates reductions in quarterly healthcare costs from September 2021 to March 2022 quarters following the COVID-19 Delta variant. This corresponds with reduced claim lodgement through the September 2021 quarter. The June 2022 quarter demonstrates a return to positive growth from the previous quarter.

Note: Analysis is using data collected up to 30 September 2022. The data for the most recent quarters has not fully developed and will continue to mature with successive reports.

## Section 2

Quarterly healthcare data update to 30 June 2022

- Workers compensation scheme

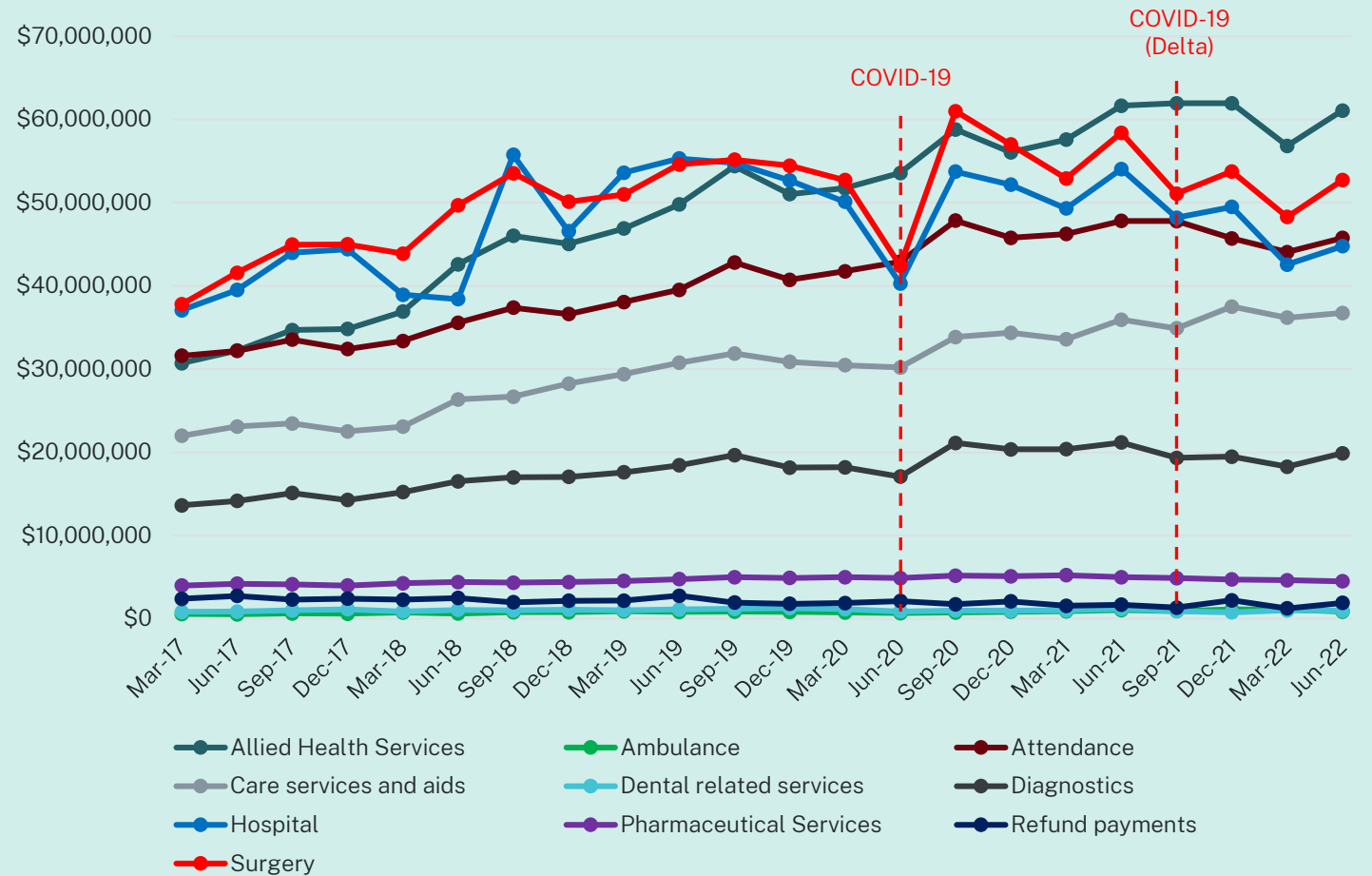
# Expenditure by service group - workers compensation

Reductions in quarterly hospital and surgical costs are noted in both the June 2020 and September 2021 quarters coinciding with COVID-19 related restrictions. Increases are seen following easing of these restrictions. Surgery and hospital demonstrate a general reduction in expenditure for the December 2021 to June 2022 quarters.

Reduced expenditure is seen in both allied health and professional medical attendances in the December 2021 and March 2022 quarters, largely driven by reductions in physiotherapy utilisation and G.P professional attendances. A return to positive growth in spend for these services is seen in the June 2022 quarter.

Care services and aids demonstrates continued increase in expenditure over time. This is driven by increases in personal care, domestic assistance, and hearing aids.

WC expenditure by service group per financial quarter



Note: Analysis is using data collected up to 30 September 2022. The data for the most recent quarters has not fully developed and will continue to mature with successive reports.



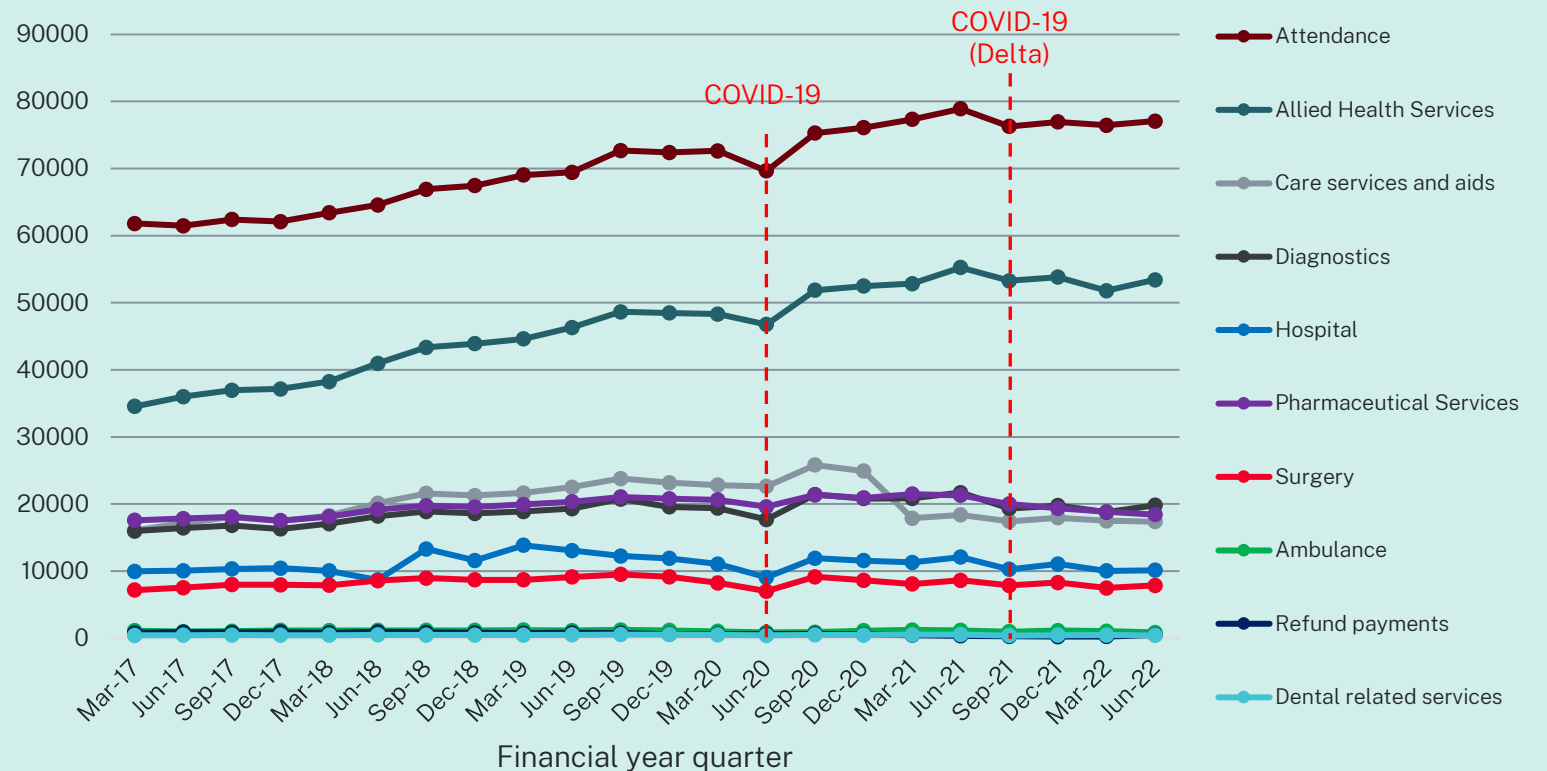
# Number of claims receiving healthcare services by service group - workers compensation

Steady growth was seen in the number of claims receiving professional medical attendances and allied health following the COVID-19 impacted June 2020 quarter. This was followed by a reduction in the September 2021 quarter, likely impacted by the COVID-19 Delta variant, and a relative plateau in claims accessing these services for the 9 months to June 2022.

Most other healthcare service groups also show a reduction in the number of claims accessing their services for the September 2021 quarter (impacted by the COVID-19 Delta variant).

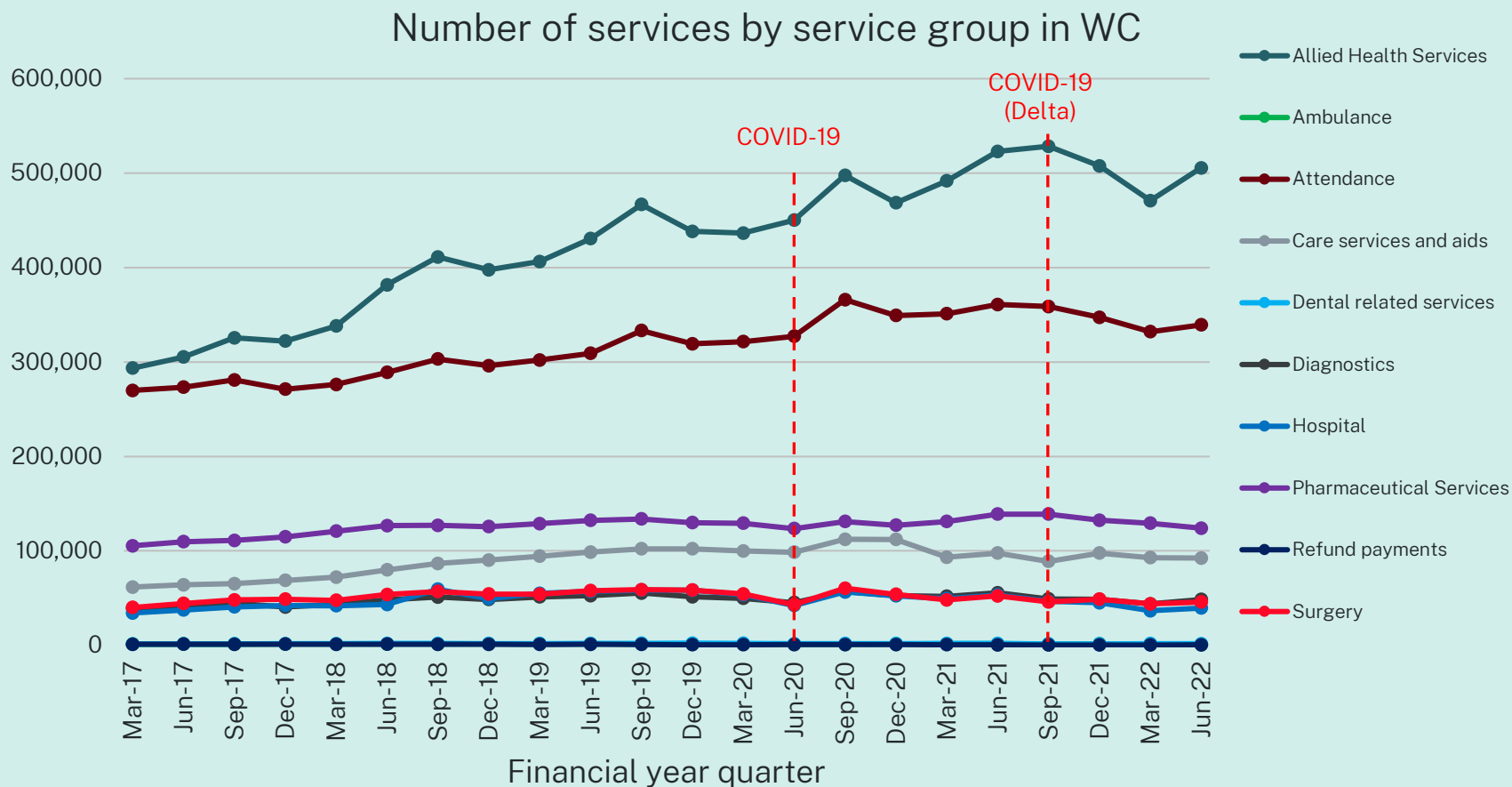
Hospital and surgery both demonstrate slight increases in the December 2021 quarter which aligns with easing of COVID related restrictions, and then slight reductions in claim numbers for the March and June 2022 quarters.

Number of WC claims accessing healthcare service groups per FY service quarter



Note: Analysis is using data collected up to 30 September 2022. The data for the most recent quarters has not fully developed and will continue to mature with successive reports.

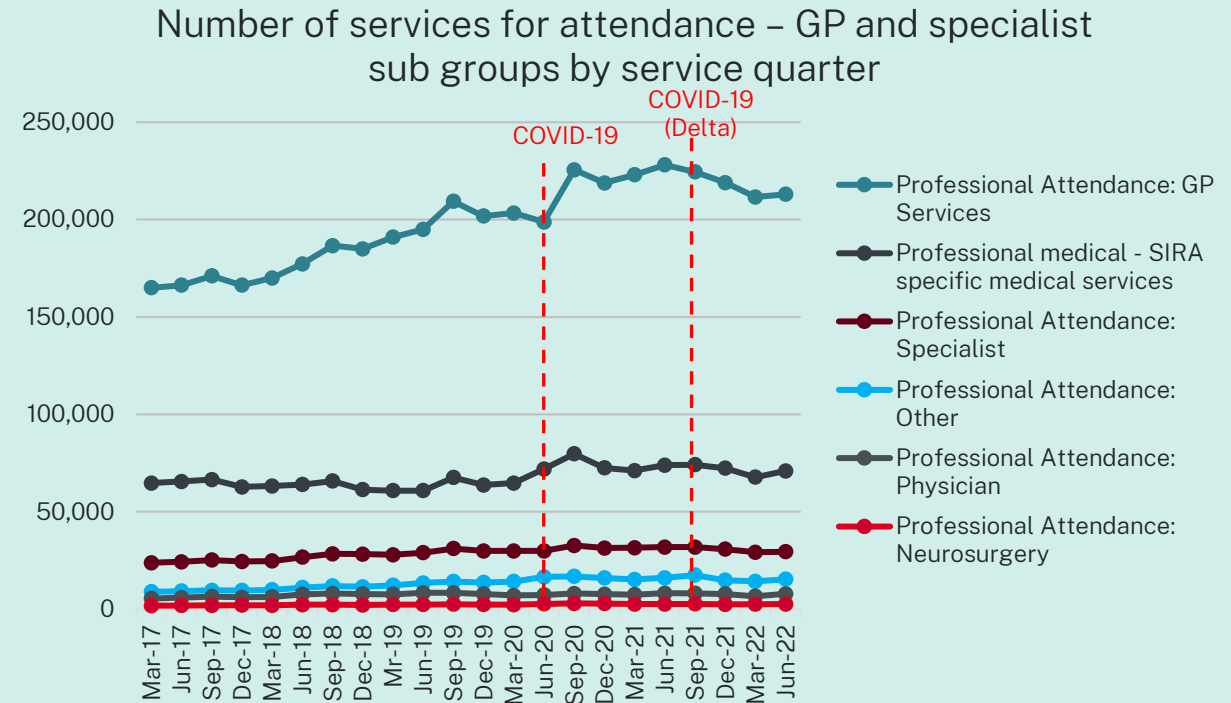
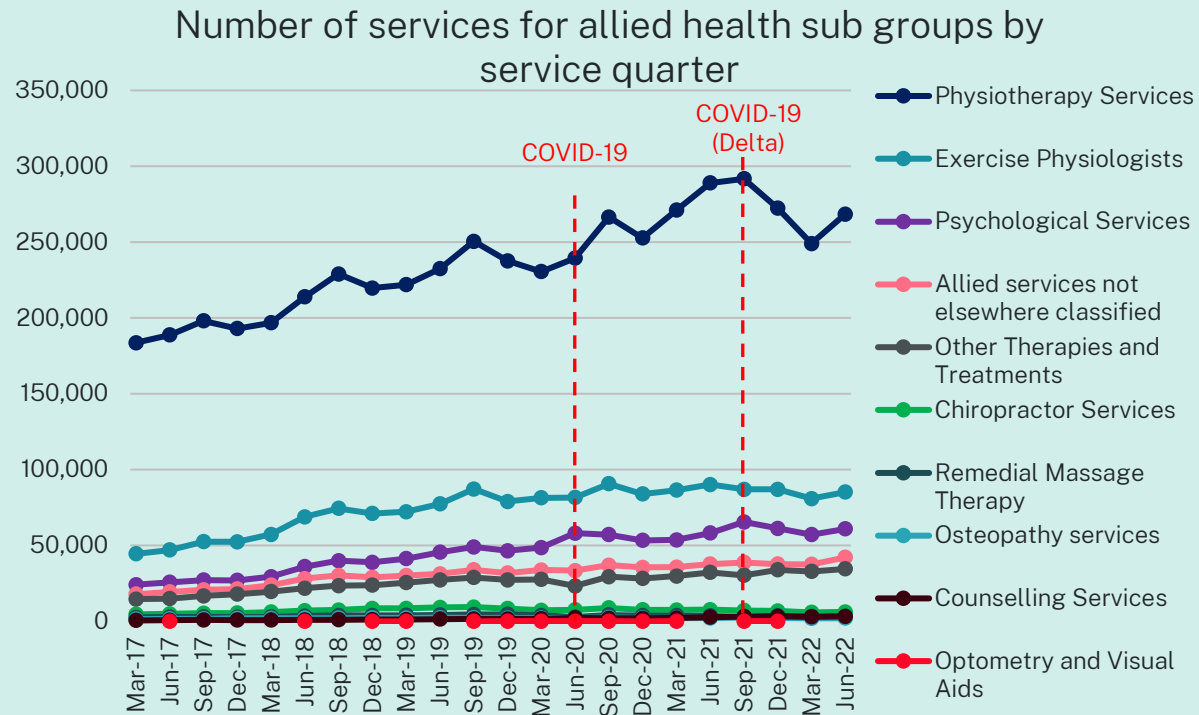
# Number of healthcare services by service group - workers compensation



Most healthcare service groups show a reduction in the number of services for the December 2021 and March 2022 quarters. This is most noted for allied health and professional attendances. Analysis of service sub-groups informs the drivers of these reductions relates to physiotherapy services and general practitioner professional attendances.

Hospital, surgery, and diagnostics demonstrate very similar trends in the numbers of services per quarter, all impacted by COVID related restrictions, with increases after easing of restrictions and stabilising thereafter.

# Number of healthcare services by service sub-group - workers compensation

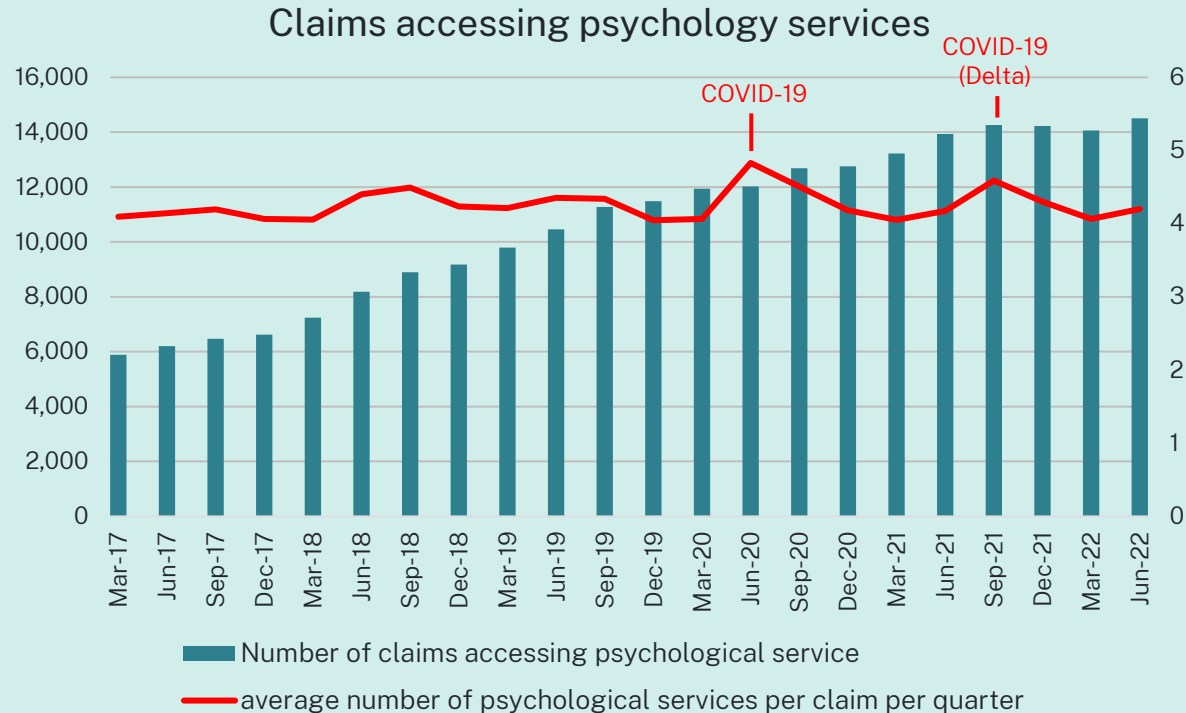


Physiotherapy, having been the main driver of increasing allied health utilisation over time, demonstrates significant reductions in number of services for the December 2021 and March 2022 quarters. Smaller reductions were also noted in Exercise Physiology and Psychological services for the same period. A subsequent increase is noted in the number of services in the June 2022 quarter.

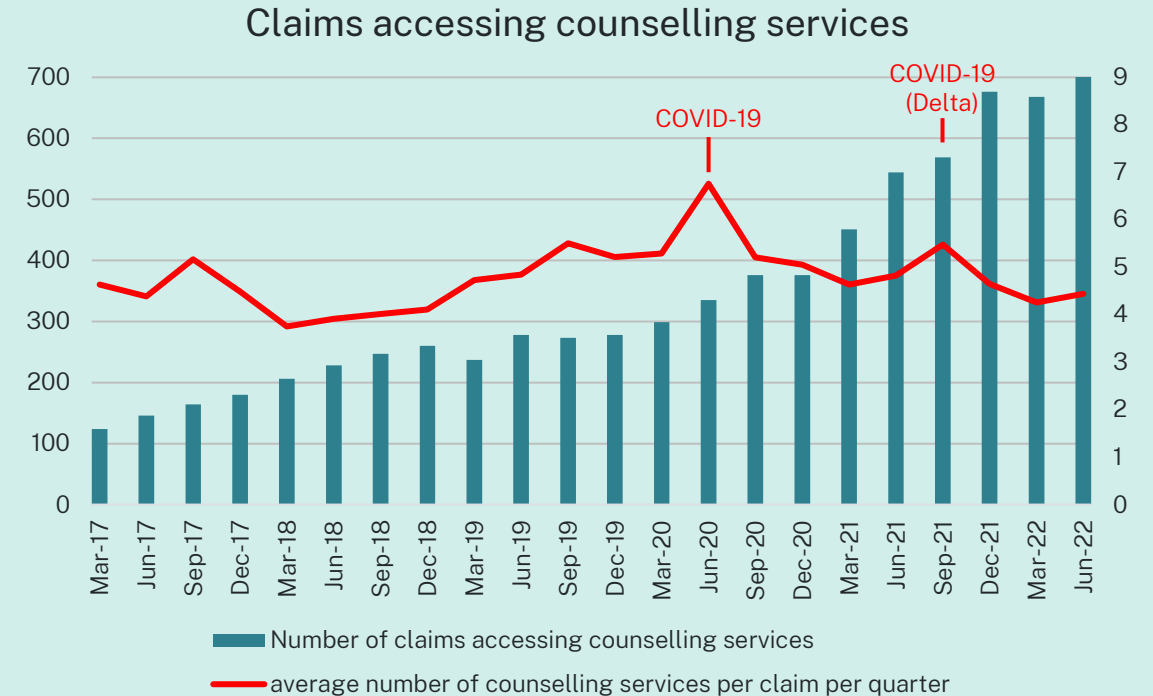
General practitioner (GP) attendances demonstrate a slight but steady reduction in the number of services for the December 2021 and March 2022 quarters following the COVID-19 Delta variant. A slight increase in service numbers is seen in the June 2022 quarter. Specialist, physician and neurosurgical attendances demonstrate slight reductions in utilisation after the COVID impacted September 2021 quarter.

Note: Analysis is using data collected up to 30 September 2022. The data for the most recent quarters has not fully developed and will continue to mature with successive reports.

# Psychology and counselling – number of claims and average services per claim – workers compensation



After a consistent increase in the number of claims accessing psychological services since March 2017, there has been a generalised plateau in claim numbers over the most recent 12-month period. The average number of services per claim per quarter increases during both COVID-19 impacted quarters, with a return to a relatively steady quarterly averages after these periods.



Claims accessing counselling services has continued to grow in recent quarters. As with psychological services, the average number of counselling services experiences peaks during COVID impacted quarters.

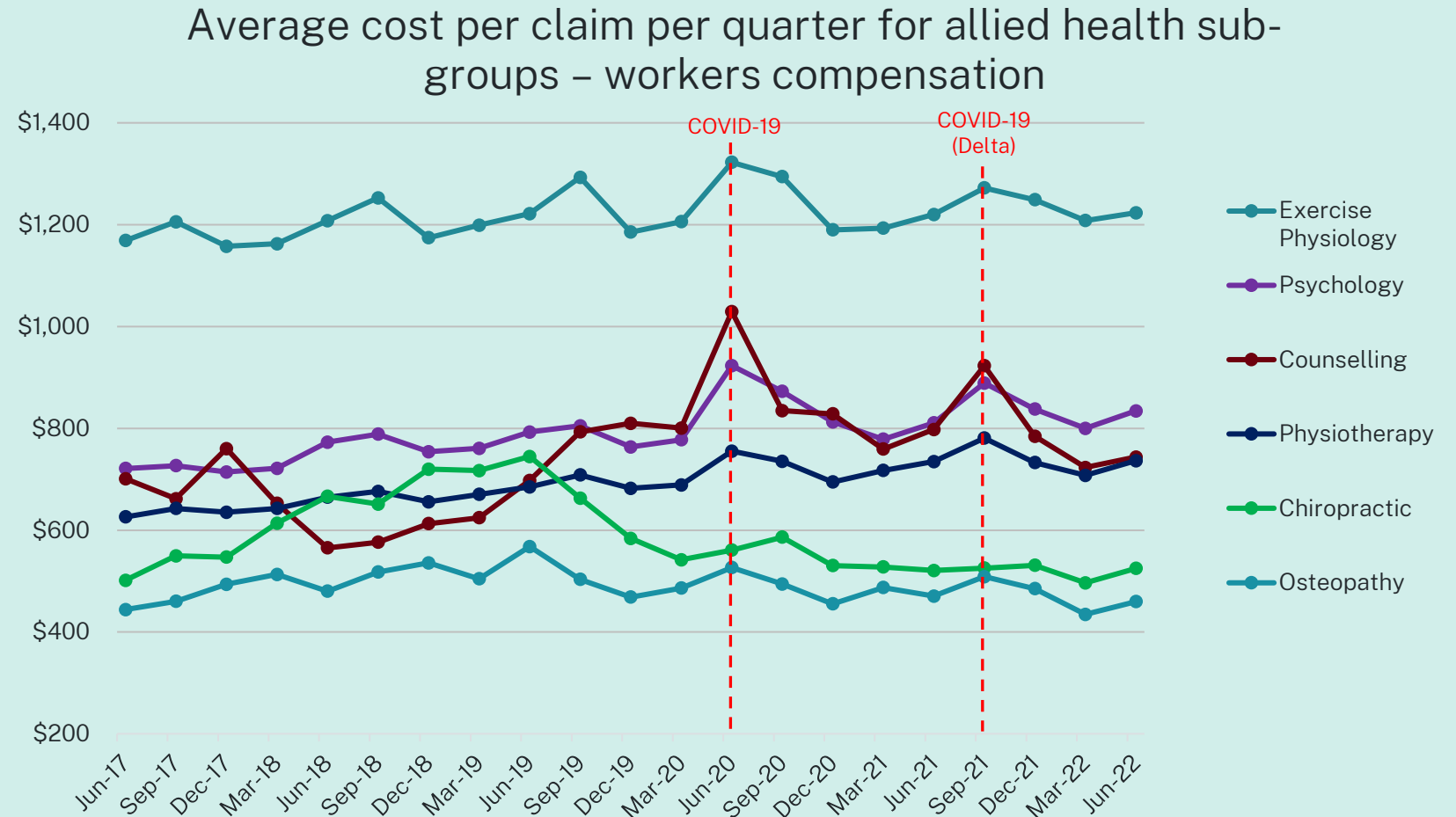
Note: Analysis is using data collected up to 30 September 2022. The data for the most recent quarters has not fully developed and will continue to mature with successive reports.

# Average cost per claim per quarter for allied health sub-groups - workers compensation

Most allied health services demonstrated an increase in the average cost per claim during the COVID impacted June 2020 and September 2021 quarters. Psychology and Counselling services demonstrated the greatest increase during these quarters.

Outside COVID impacted quarters;

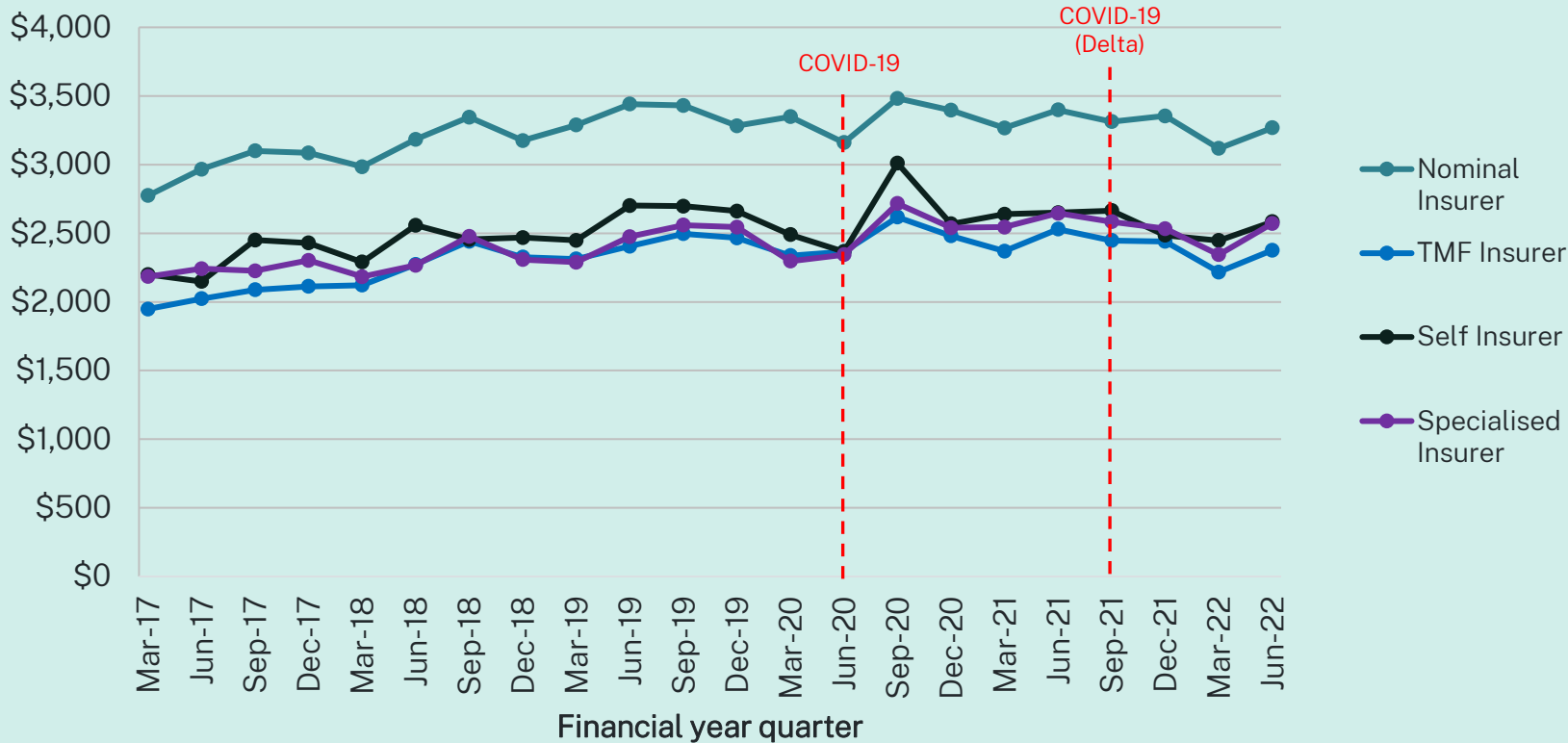
- Exercise Physiology has a higher average cost per claim per quarter across all service quarters
- Psychology and Physiotherapy services show steady increases in average cost per claim per quarter over time
- Counselling services show greater variability over time
- Osteopathy and Chiropractic services demonstrate slight decreases over time



Note: Analysis is using data collected up to 30 September 2022. The data for the most recent quarters has not fully developed and will continue to mature with successive reports.

# Average cost of healthcare per claim per quarter by insurer type - workers compensation

Average healthcare cost (nominal) per claim per quarter by WC insurer group



A spike in average healthcare costs per claim is seen in the September 2020 quarter, most likely due to delivery of postponed higher cost healthcare services such as surgery and hospital services following the COVID impacted June 2020 quarter.

After this spike, trends in average healthcare costs per claim per quarter vary across insurers. However, a higher average cost appears to be maintained leading into the September 2021 quarter.

The September 2021 quarter (impacted by the COVID-19 Delta variant) demonstrates a slight reduction. Most insurers show a continued reduction in average costs per claim for the December 2021 and March 2022 quarters. All insurers then demonstrate an increase in average costs per claim in the June 2022 quarter.

No adjustment for case mix has been included with these figures.

Note: Analysis is using data collected up to 30 September 2022. The data for the most recent quarters has not fully developed and will continue to mature with successive reports.

# Section 3

Quarterly healthcare data update to 30 June 2022

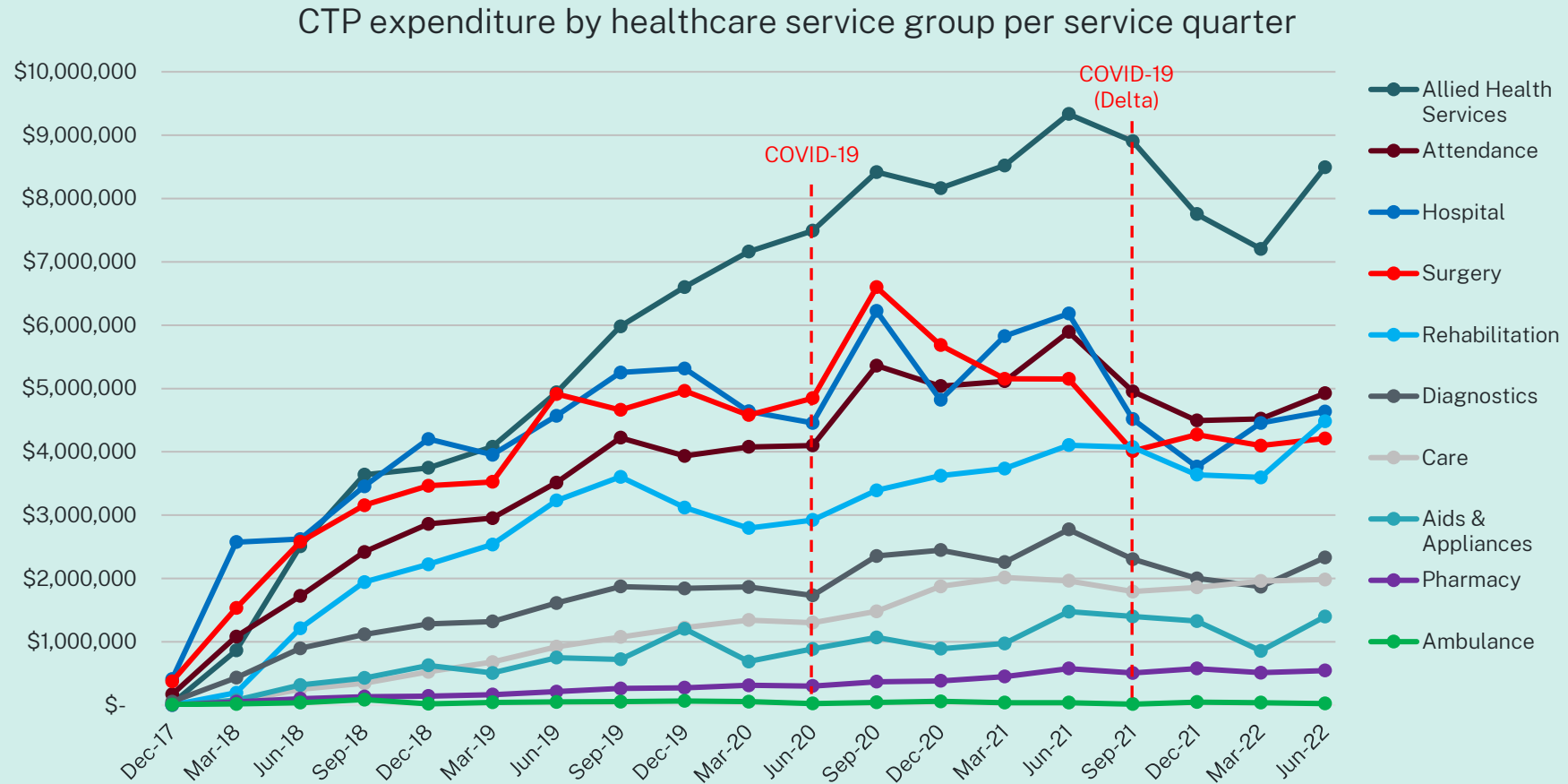
- 2017 MAIA CTP scheme

# Expenditure by service group – 2017 MAIA CTP scheme

Healthcare expenditure has increased at varying rates across healthcare service groups since commencement of the 2017 MAIA CTP scheme.

Allied health expenditure demonstrated strong growth up to June 2021. Marked reduction is then seen in the COVID impacted September 2021 and subsequent two (2) quarters.

Surgery, hospital and medical attendances show steady growth up to the COVID impacted quarter of June 2020. Thereafter, these services demonstrate varied expenditure each quarter, likely impacted by the implementation and easing of COVID related restrictions to healthcare and road utilisation.



Note: Analysis is using data collected up to 30 September 2022. The data for the most recent quarters has not fully developed and will continue to mature with successive reports.



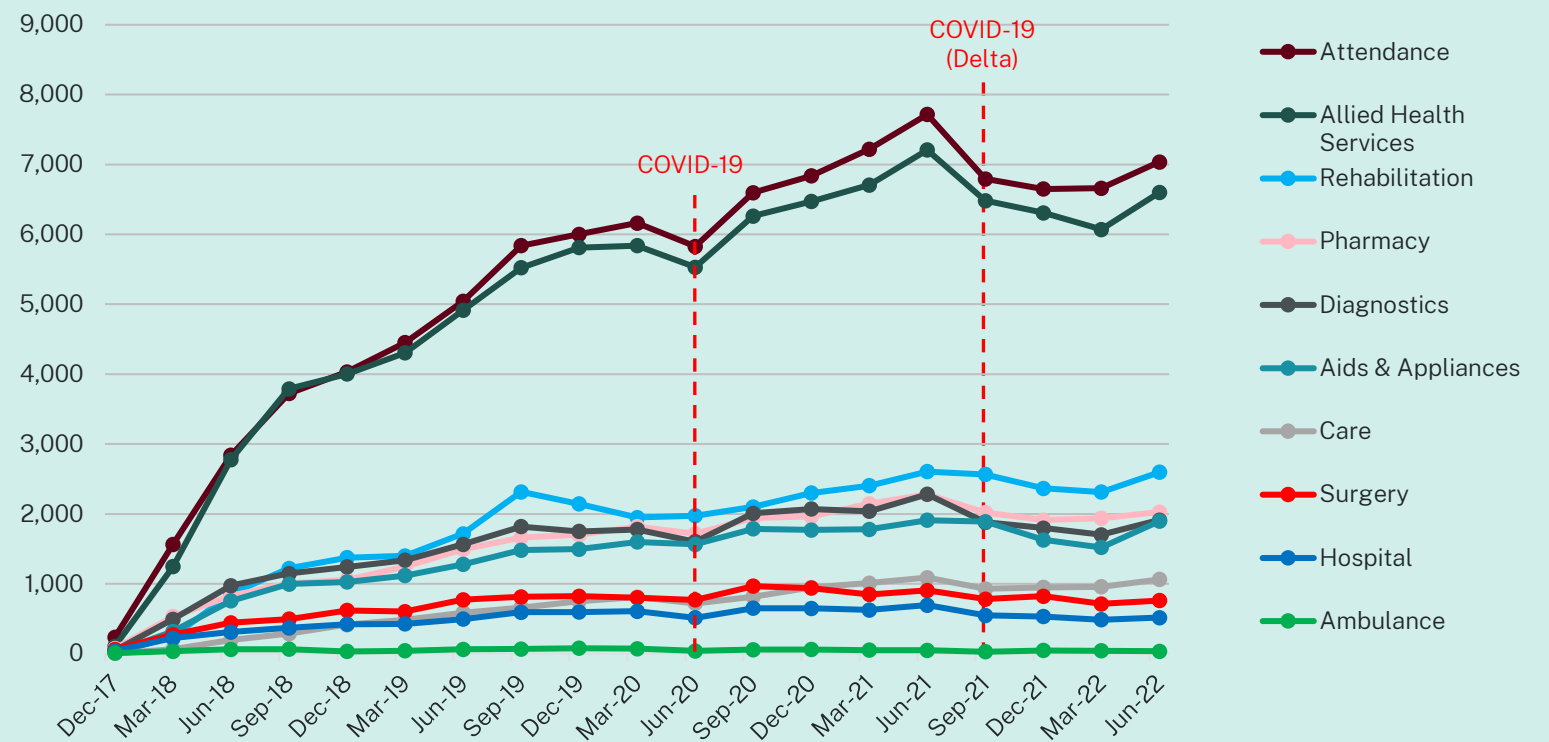
# Number of claims receiving healthcare services by service group – 2017 MAIA CTP scheme

Claim numbers accessing medical attendance and allied health services demonstrate the strongest positive growth of all healthcare services through to the June 2021 quarter. Slight reductions are noted in the COVID impacted June 2020 quarter. Significant reductions are noted in the September 2021 to March 2022 quarters, demonstrating impact of the COVID-19 Delta variant.

The number of claims accessing other healthcare services demonstrate steady growth since the commencement of the 2017 MAIA CTP scheme. Slight reductions are again noted in the COVID impacted September 2021 quarter through to the March 2022 quarter.

All healthcare services demonstrate a return to positive growth in claim numbers in the June 2022 quarter.

Number of CTP claims accessing healthcare service groups by service quarter



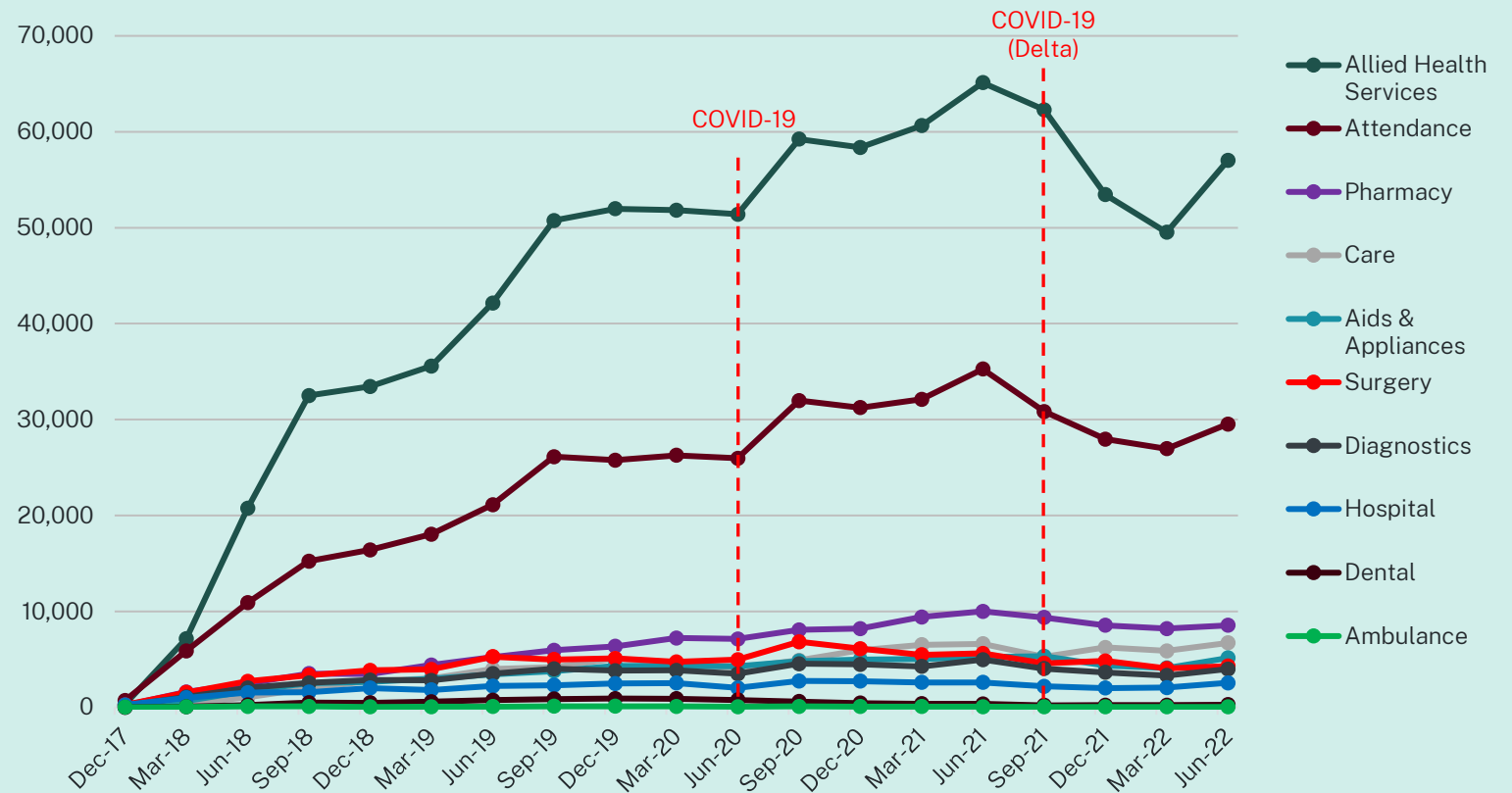
Note: Analysis is using data collected up to 30 September 2022. The data for the most recent quarters has not fully developed and will continue to mature with successive reports.

# Number of healthcare services by service group - 2017 MAIA CTP scheme

Allied health and professional medical attendances both show strong growth in utilisation after commencement of the 2017 MAIA CTP scheme through to the June 2021 quarter. Significant reductions in the number of these healthcare services per quarter is seen from the September 2021 through to the March 2022 quarters, coinciding with the COVID-19 Delta variant.

Other service groups demonstrate slow but steady increases in utilisation over time, with less variability than allied health and professional medical attendances. Some small variations are noted with the application and easing of COVID-related restrictions.

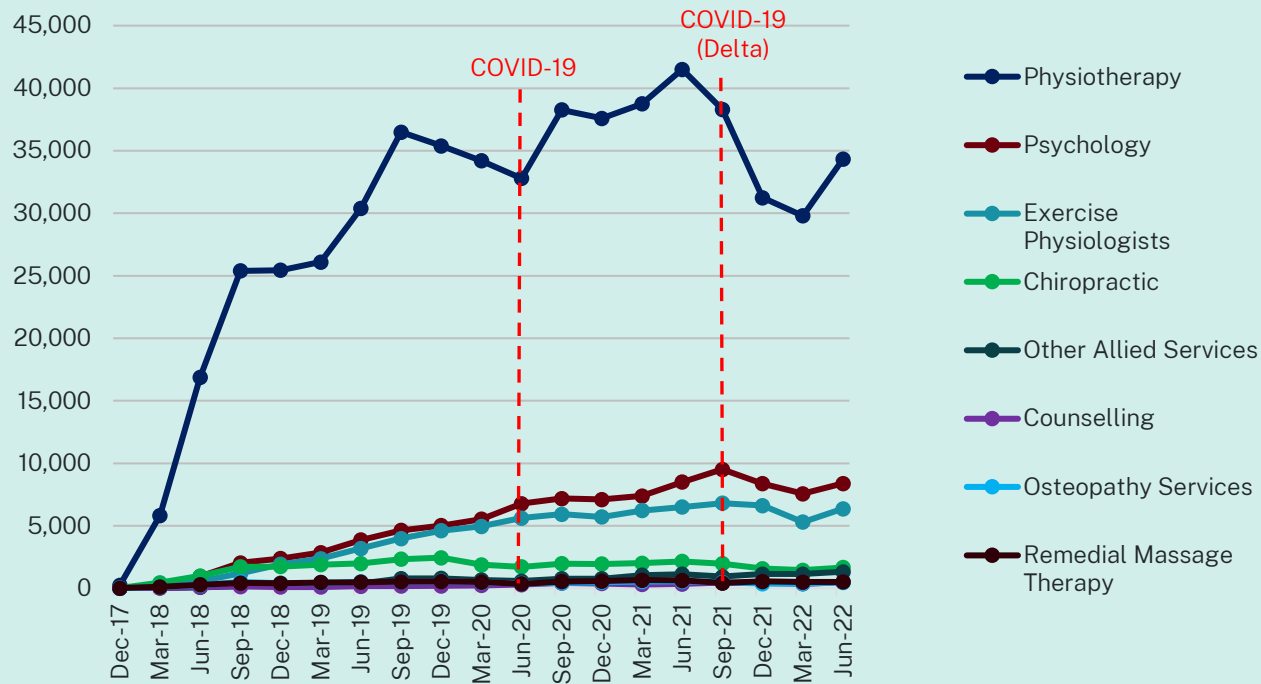
## Number of healthcare services by service group - CTP scheme



Note: Analysis is using data collected up to 30 September 2022. The data for the most recent quarters has not fully developed and will continue to mature with successive reports.

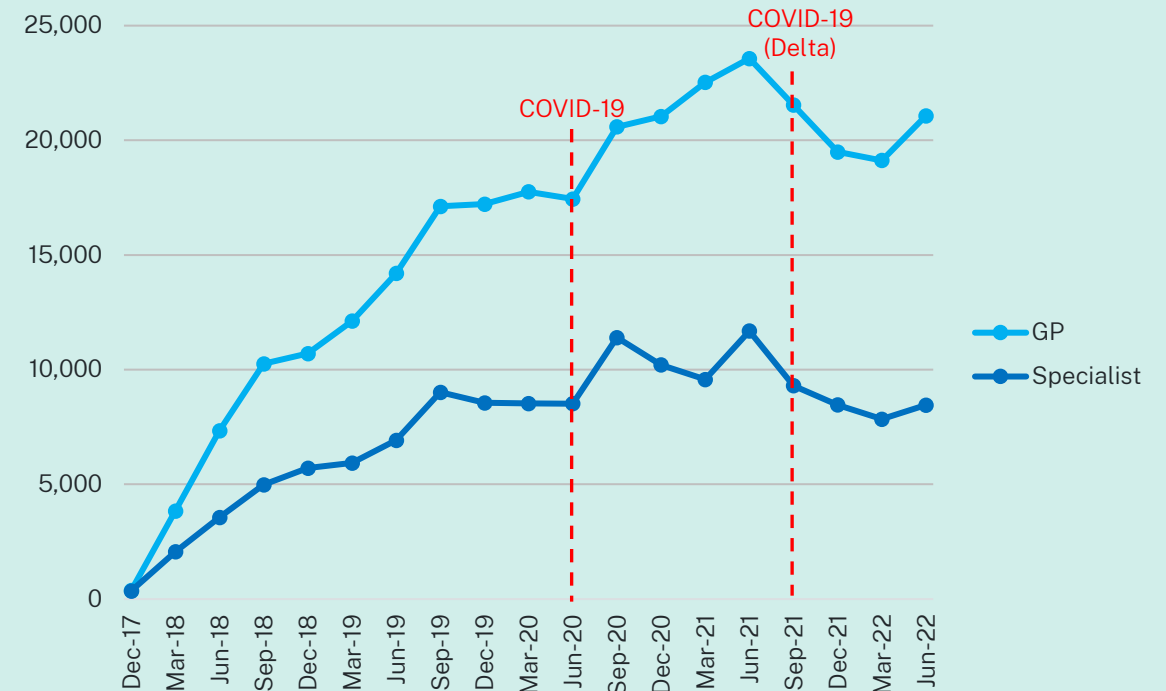
# Number of healthcare services by service sub-group – 2017 MAIA CTP scheme

## Number of services for allied health subgroups by service quarter



Physiotherapy is established as the most utilised allied healthcare service subgroup in the CTP scheme, followed by psychology and exercise physiology. Significant reductions in physiotherapy utilisation is noted for the COVID impacted September 2021 quarter through to the March 2022 quarter. Positive growth in utilisation is seen for the June 2022 quarter.

## Number of services for professional attendance – GP and Specialist



GP and specialist consultations show steady increases in utilisation after commencement of the 2017 MAIA scheme. The number of GP and Specialist services experienced reductions in the COVID impacted September 2021 quarter, through to the March 2022 quarter. A return to positive growth is seen again in the June 2022 quarter.

Note: Analysis is using data collected up to 30 September 2022. The data for the most recent quarters has not fully developed and will continue to mature with successive reports.

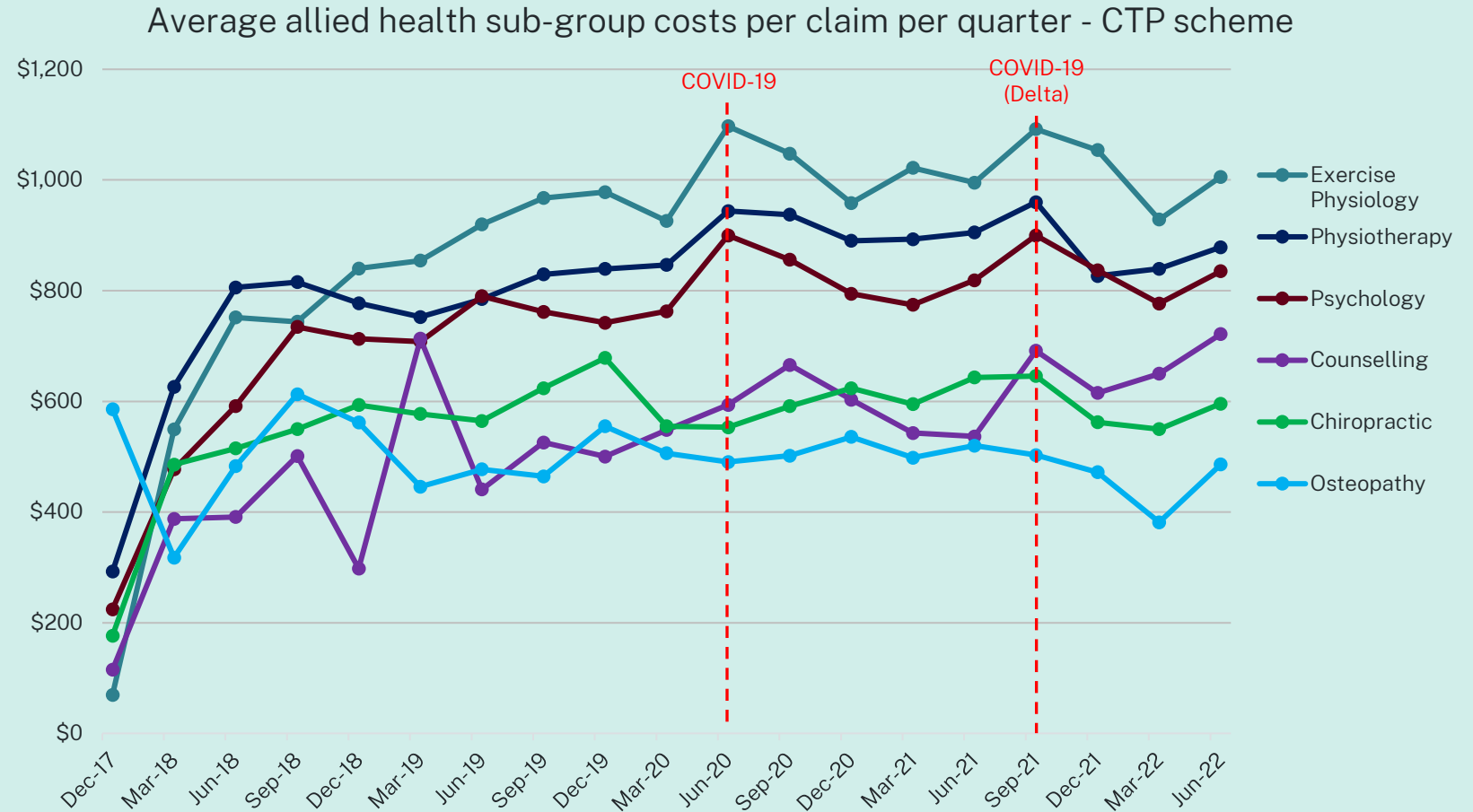
# Average allied health sub-group cost per claim per financial year quarter - 2017 MAIA CTP scheme

For the December 2018 quarter through to the June 2022 quarter, exercise physiology demonstrates the highest average cost per claim per quarter across allied health service sub-groups. This is followed by physiotherapy and psychological services. These three sub-groups displayed substantial increases in average costs per claim during the COVID impacted quarters of June 2020 and September 2021.

Counselling services demonstrate more variability in average costs per claim per quarter. However, more recent quarters demonstrate increases in average costs.

Chiropractic and osteopathy services remain relatively stable with respect to average costs per claim per quarter.

As the 2017 MAIA scheme continues to mature, subsequent dashboards will provide additional insights on average costs per claim per quarter.



Note: Analysis is using data collected up to 30 September 2022. The data for the most recent quarters has not fully developed and will continue to mature with successive reports.

## Section 4

Drivers of healthcare expenditure for the 12 months to  
30 June 2022

- Workers compensation and 2017 MAIA CTP schemes

# Drivers of healthcare expenditure for the 12 months to 30 June 2022

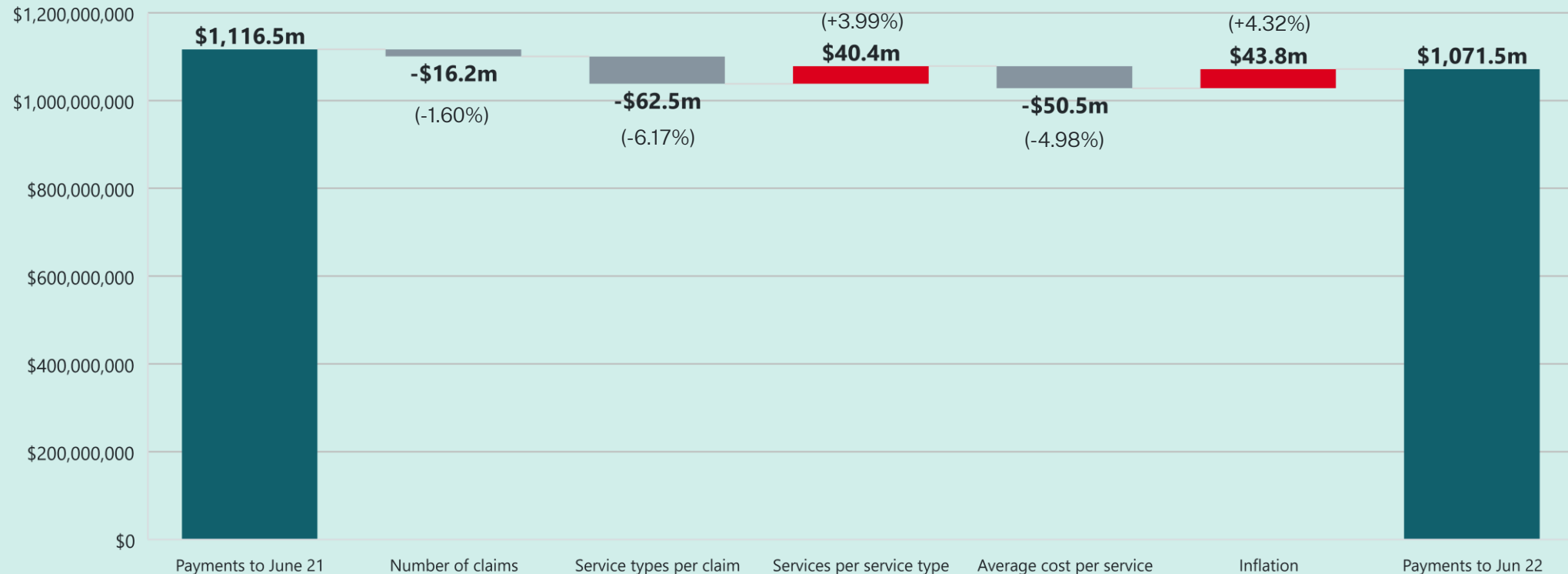
The following graphs provide analysis of cost drivers in healthcare over the twelve-month period from 1 July 2021 to 30 June 2022 compared to the period 1 July 2020 to 30 June 2021. This is not a comparison of financial years.

The cost driver analysis apportions the change in total healthcare expenditure between the consecutive periods to:

- Change in healthcare claims (across all service types)
- Number of different healthcare service types per claim
- Number of healthcare services per healthcare service type
- Change in the average unit cost of each healthcare service
- Impact of inflation

Consideration must be made when comparing the following graphs to drivers of healthcare expenditure graphs in previous reports as they may cover overlapping time periods.

# Drivers of workers compensation healthcare expenditure for the 12 months to 30 June 2022

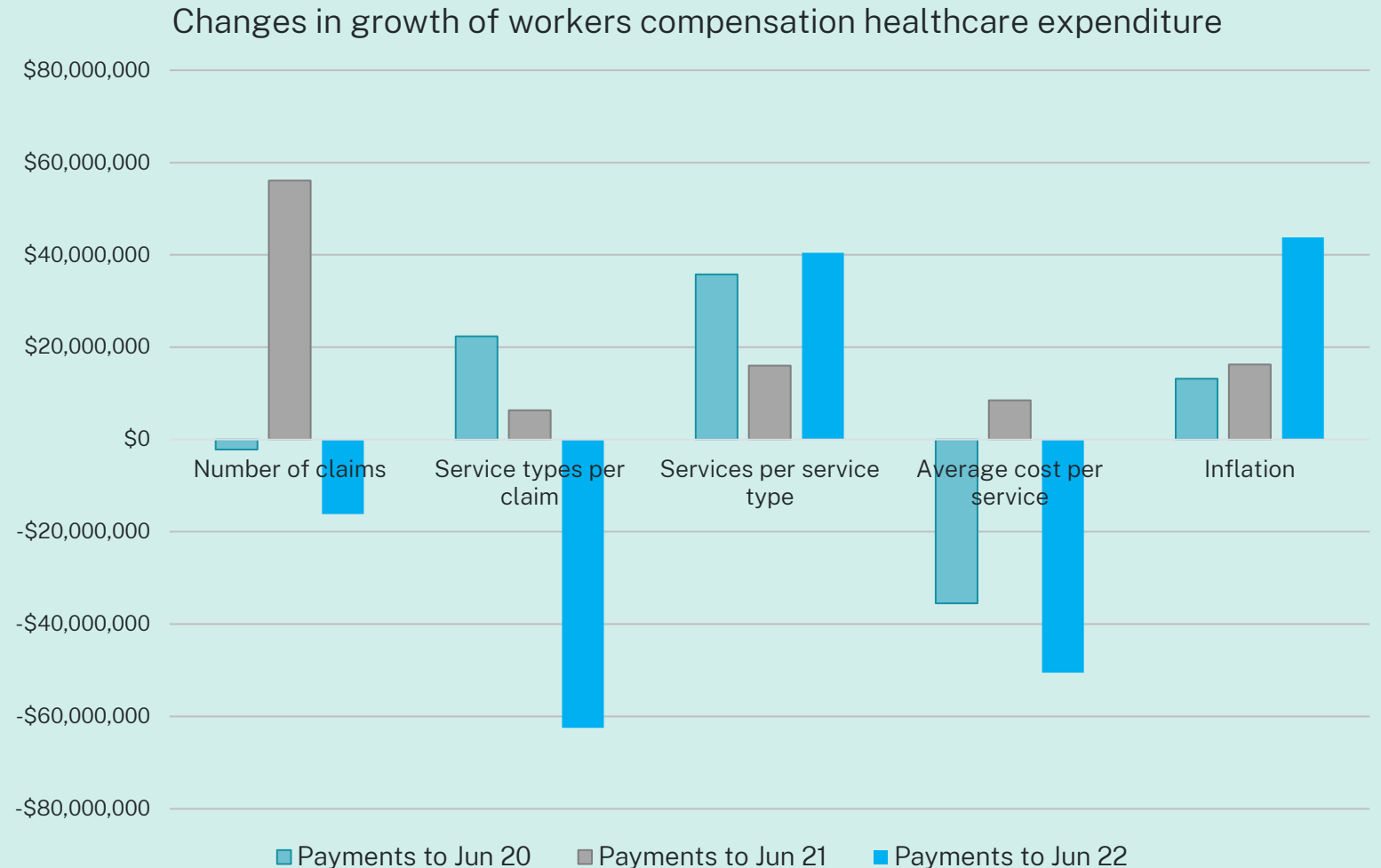


Healthcare expenditure in the workers compensation scheme reduced by 4% in the 12 months to June 2022 compared with the previous 12 month period. This reduction was driven primarily by a reduction in the service types per claim (-6.17%) and the average cost per service (-4.98%). The COVID impacted September 2021 quarter would have contributed to the reductions in these drivers, particularly hospital and surgical healthcare services.

(see Appendix 1 for more information on how to interpret this chart)

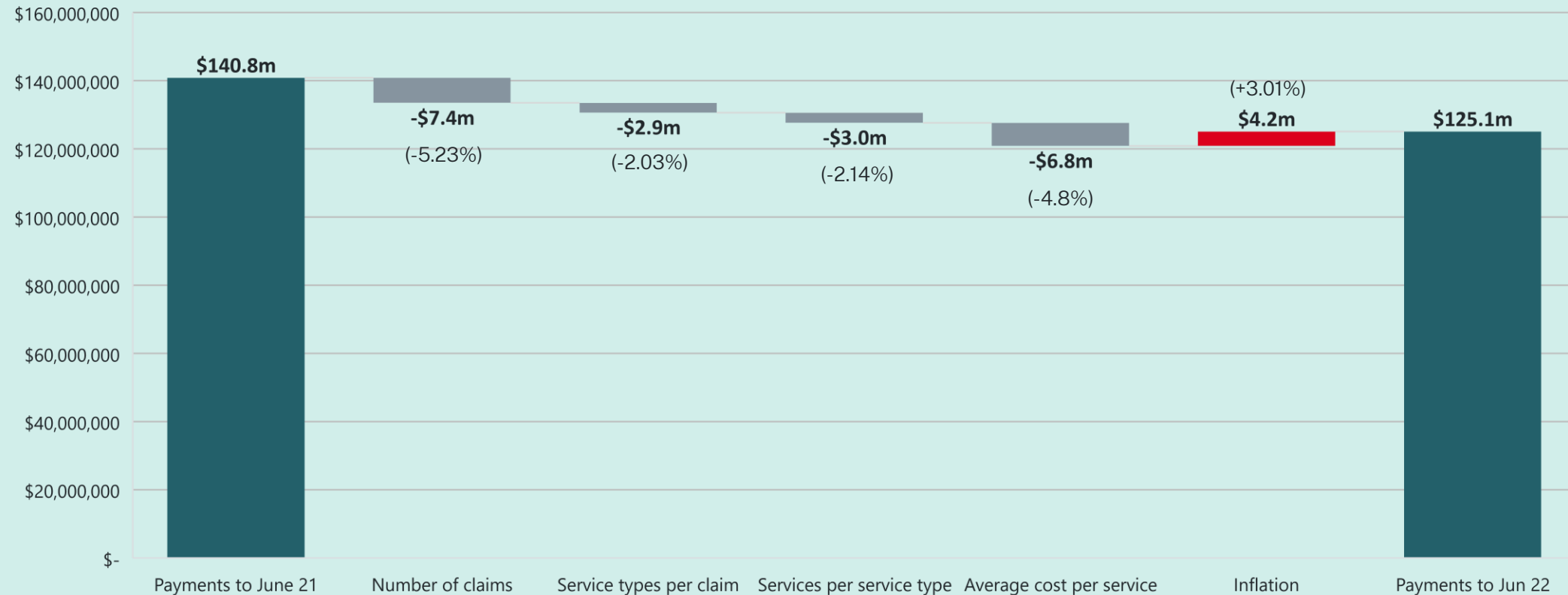
# Drivers of workers compensation healthcare expenditure for the three years ending 30 June 2022

- 12 months to June 2020** – Healthcare utilisation (number of *service types per claim* and the number of *services per service type*) were the main positive drivers of healthcare expenditure. However, *average cost per service* was a negative driver, reflecting reductions in high costs services of hospital and surgery seen in the COVID-impacted June 2020 quarter. The *number of claims* was a small negative driver.
- 12 months to June 2021** – All drivers demonstrated positive cost impacts for this 12 month period with the *number of claims* the most significant. *Average cost per claim* returned as a positive cost driver, noting this 12 months to June 2021 was not impacted by COVID-related restrictions to hospital and surgical services.
- 12 months to June 2022** – This 12 month period was impacted by the COVID-19 Delta variant in the September 2021 quarter. The *number of claims* was a negative driver of growth in healthcare costs, as was the *average cost per service*. For healthcare utilisation it is interesting to note the *service types per claim* was a strong negative driver, however, the actual *services per service type* was a positive driver. This indicates that while the number of different service types per claim had reduced, the number of actual services delivered for those service types increased.
- Inflation** continues to positively contribute to healthcare expenditure growth across all periods, more noted in the 12 months to June 2022.





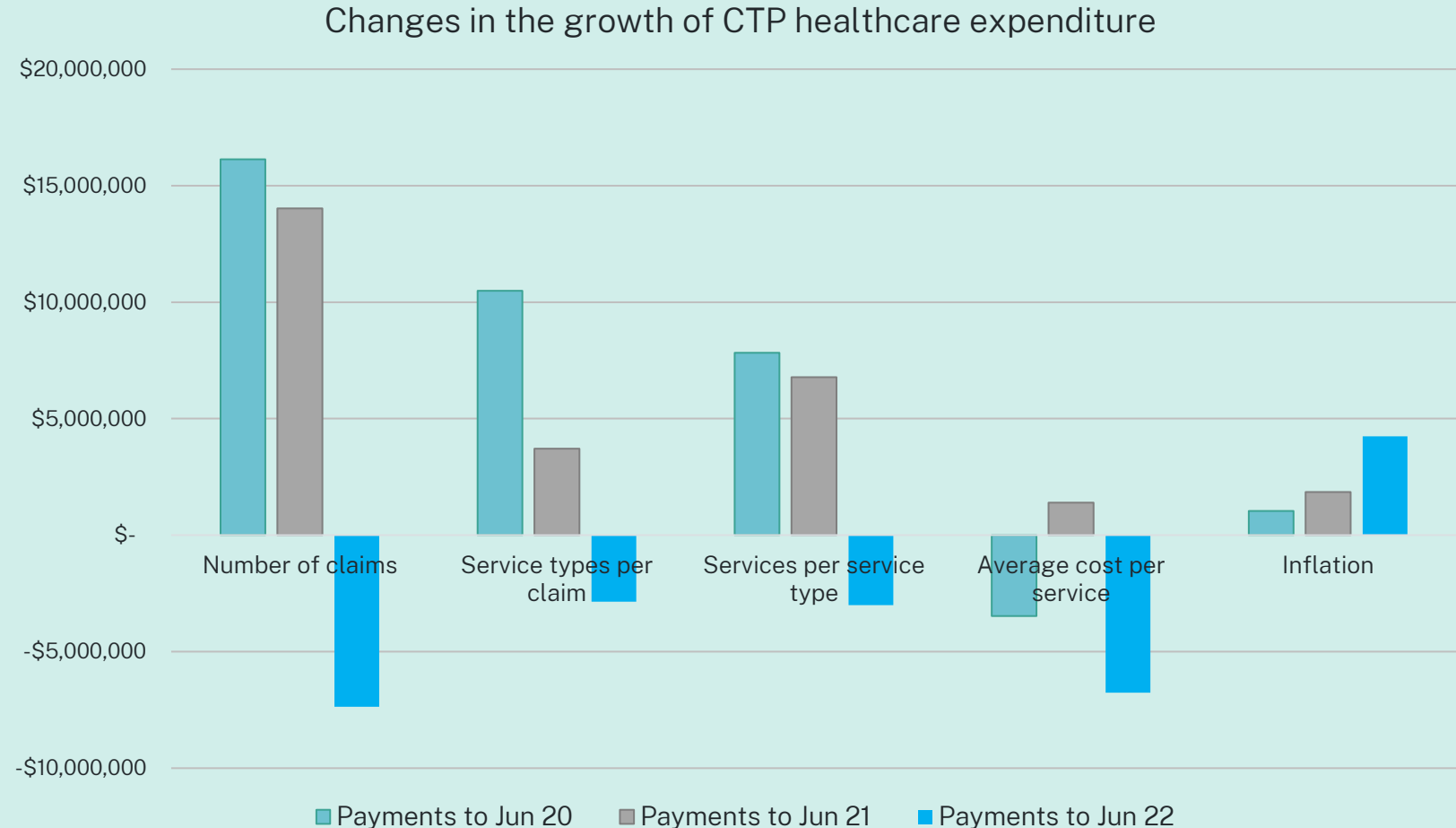
# Drivers of 2017 MAIA CTP scheme healthcare expenditure for the 12 months to 30 June 2022



Healthcare expenditure in the 2017 MAIA CTP scheme decreased by 11.2% in the 12 months to June 2022 compared with the previous 12 month period. This has been driven by decreases in the number of claims, service utilisation (service types per claim and number of services per service type) and the average cost per claim. Inflation was a positive driver for the 12 month period.

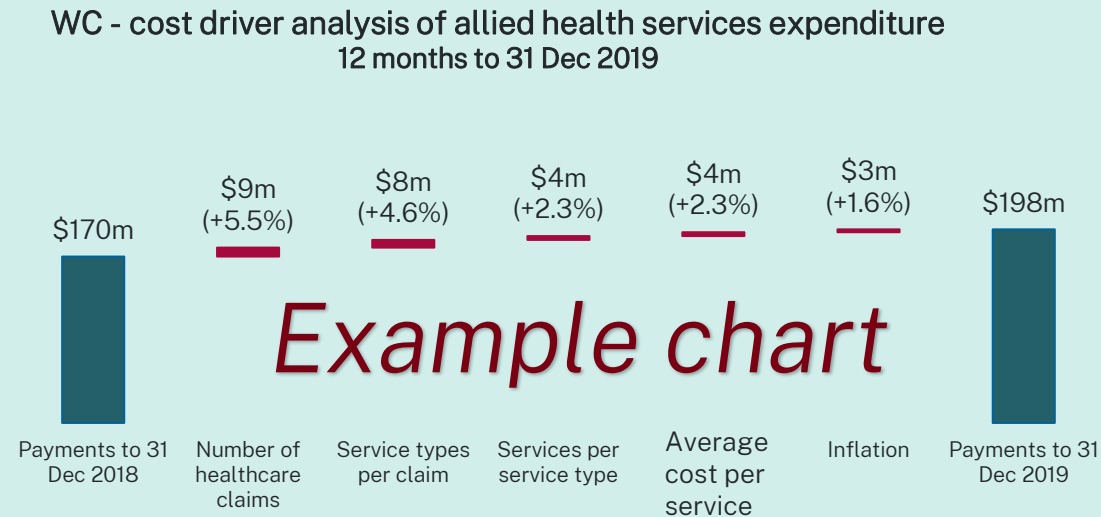
# Drivers of 2017 MAIA CTP scheme healthcare expenditure for the three years ending 30 June 2022

- 12 months to June 2020** – The number of claims, and healthcare utilisation (healthcare service types per claim, and number of services per service type) were negative drivers, reflecting the impact of COVID restrictions in the September 2021 quarter. Average cost per service was also a strong negative driver reflecting
- 12 months to June 2021** – all drivers of healthcare expenditure in the CTP scheme contributed to positive growth for the 12 months to June 2021, particularly the *number of claims*, and service utilisation (comprising of the number of *service types per claim* and the number of *services per service type*).
- 12 months to June 2022** – All cost drivers demonstrate negative growth, particularly the *number of claims* and *average cost per service*. This reflects the impact of the COVID-19 Delta variant with reduced road use, resultant reduction in claims, and reduced utilisation of high cost .



# Appendix 1:

## How to interpret the drivers of WC healthcare costs waterfall chart



- **Change in the number of claims** – Difference between the number of claims receiving any in-scope healthcare service between years. This is indicative of the propensity for claimants to access any of the in-scope medical treatments in the given year.
- **Change in service utilisation, comprising:**
  - **Number of different service types per claim** – For a given claim, this refers to the different number of service types utilised during the year, where a service type refers to a medical sub-category. This component reflects any changes in the breadth of services accessed by claimants and the resulting expenditure impact.
  - **Number of services provided per service type** – For a given claim, this refers to the number of services that are provided to the claimant for each service type during the year (i.e. the volume of services).
- **Change in average cost of each service** – Differences in the average cost for each medical payment in the year. This component is impacted by many factors including service complexity, changes of the fee schedule year-on-year, and providers charging prices above the fee schedule.
- **Impact of inflation** – Inflation is assumed to follow the Australian Consumer Price Index. This does not contribute to the levels of superimposed inflation.

Percentages shown are the impact relative to the starting payments

# Glossary

Term	Definition
Days to treatment	The number of days between when the claim was first reported to the insurer (taken as date entered into system for WC and date of lodgement for CTP) and when the first service was provided to the claimant.
Healthcare spend	The total cost of payments made on behalf of a claimant for healthcare related services provided in a period. All figures are nominal unless specified otherwise.
Insurer Type/Group (WC only)	A categorisation of the insurers in the WC scheme.
Number of healthcare claims	The total number of claims with at least one healthcare related transaction in the period (i.e. during the year or in the quarter)
Number of services	The total number of healthcare transactions in the period, excluding negative payments and reversals
Service date	Date of treatment. If this date is unknown, the transaction date is used instead.
SIRA specific medical services	A set of payment codes developed by SIRA for specific medical services in addition to services found in the AMA Fees List and relevant to NSW personal injury schemes. SIRA specific services includes SIRA certificate of capacity, report writing and case conferencing, among others.
Service type / Service sub-group	A categorisation of the type of healthcare service. Details and examples of each service types provided on the next page.

# Glossary

Service type	Definition	Example sub-groups
Allied health services	Services provided by trained healthcare professionals who are not doctors, dentists or nurses (e.g. physio, chiropractic, acupuncture etc.)	Chiropractic, Exercise Physiology, Physiotherapy, Psychological Services, Remedial Massage Therapy
Ambulance	Emergency related services	Ambulance
Attendance	Medical and investigation services e.g. GP services and specialist consultations	GP, Specialist
Care	Provision of personal or domestic care	Domestic, Nursing, Personal
Diagnostics	Medical imaging, incl. X-ray, nuclear medicine, radiation, ultrasound, MRI etc.	Imaging
Hospital	Services, treatment and rehabilitation provided by private or public hospital services	Private Hospital Services, Public Hospital Services
Surgery	Any services related to surgeries incl. anaesthesia and assistance at operations	Anaesthesia, Specialist
Dental	Services provided by a dental practitioner.	Dental and Dental Prothesis
Pharmacy	Pharmaceutical services including prescription medicines and non-prescription medicines such as analgesics and Chinese herbal medicine, as directed by a medical practitioner.	-
Refund payments	Includes payments to health funds for medical expenses payable under a claim and payments to Medicare Australia. Includes a payment to a worker following deduction of money owed to Medicare Australia from an advanced payment.	-

