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Dear Sir/Madam

The Australian Psychological Society (APS) welcomes the opportunity to provide a submission to the State Insurance Regulation Authority of NSW (SIRA) consultation around its Health Outcomes Framework.

The APS is the largest professional organisation for psychologists in Australia representing over 24,000 members. Many of those members deliver psychological services to injured workers and motor vehicle accident survivors with treatment entitlements under Federal, state or territory workers compensation and accident schemes as sole providers or members of a service provider entity.

The submission that follows is based on feedback sought from those members. It addresses the consultation questions where relevant to psychology and member feedback.

Yours sincerely

Zena Burgess FAPS FAICD
Chief Executive Officer

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The Australian Psychological Society Limited
ABN 23 000 543 788

APS submission to the Health Outcomes Framework consultation

The APS is pleased to provide a submission to this important Consultation. At this stage, it, however, offers only brief comment to the Consultation on the bases that it neither has the specialist knowledge nor capacity to provide detailed responses to each of the Consultation Questions, it previously provided a detailed submission to SIRA's consultation 2019 around the Regulatory Requirements for Health Care Arrangements and the results of that earlier consultation have clearly informed the development of the Framework.

Consultation question 1: How can the health outcomes framework be most effectively used to improve health outcomes and the value of healthcare expenditure?

The APS notes that (as described in the Consultation Paper) the objectives of the Health Outcomes Framework (the Framework) are to:

- Ensure that persons injured in the workplace or in motor accidents have access to treatment that will assist in their recovery
- Promote efficiency, effectiveness and viability of the schemes and
- Minimise cost to the community of workplace injuries and injuries arising from motor accidents.
-

It also observes that (as described in the consultation paper) the legislative purposes of SIRA's personal injury scheme hinge upon the provision of health care that provides for:

- Timely access to appropriate healthcare (i.e., right care, right place at the right time)
- Delivery of healthcare that is high quality and safe
- Evidence based care pathways and clinical frameworks
- Improved patient outcomes (e.g., improved health-related quality of life, improved physical function, improved mental health outcomes, etc.)
- Integrated care across patient settings and multidisciplinary providers and
- Increased health literacy to support informed and evidence-based patient choice for care.

The APS recognises the importance of the Framework's objectives and legislative purposes which underpin it to the implementation of value-based care within the schemes SIRA oversees. It believes that the Framework can readily be used to guide the implementation and translation of the evidence based practice (EBP) that is integral to value-based care.

It re-iterates its earlier feedback to SIRA that the inability to achieve the timely, efficient and effective implementation and translation of best practice psychological interventions to the issues of injured workers and RTA-affected members of the public (hereafter referred to as claimants) is a significant gap that compromises the delivery of effective psychological interventions within SIRA-oversighted schemes.

It offers additional feedback to this Consultation by emphasising the importance of applying the same scrutiny to the roles of Employers and Insurers who have a significant role in facilitating the delivery of psychological interventions the will enhance claimant wellbeing.

Consultation question 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?

The APS believes it is in the interests of all scheme participants to advance the vision of value-based care in the schemes SIRA oversees. It is equally of the opinion, however, that the benefits of values based care will only be materialised where each such party demonstrate its commitment to the advancement of SIRA's vision, as exemplified in the following types of undertaking.

Insurers demonstrate their commitment to value based care - so that decision-making around claims relating to psychological injuries unmistakably is client-centric and characterised by timeliness, procedural fairness and sustainability. It is known that claims involving psychological injuries are more difficult to administer and likely to become complex compared to physical injury claims[1]. This is especially the case where those claims possess certain features; including, the existence of:

1. Ongoing pain conditions attributable to the causal event and particularly the actions of others (e.g., in inappropriate work practices).
2. Insurer failure to promptly approve best practice interventions (ranging from allied health treatments through pharmacotherapy to surgery) for the conditions involved.
3. Prejudicial Insurer (i.e., case manager) misconceptions around mental health.
4. Claimant perception(s) that their employer and/or Insurer do not adequately care for them.
5. A prevailing organisational climate[2] before, during and after injury that failed promote workplace health and wellbeing.
6. The claimant is a first responder or in and employment group at risk for exposure to potentially potential traumatising events (PTEs) (e.g., child protection workers, public sector mental health professionals and hospital emergency department staff) and white collar occupations and
7. An event involving horror, disgust human malevolence or negligence.

Such characteristics typically generate or maintain a sense of injustice that motivates anger and psychological distress in injured workers around what happened, who allowed it to happen and who failed to respond to their needs post an injury they neither sought nor caused. This powerful sense of wrong and the restorative justice required to address it is common in trauma-exposed vocations (like first responders and ADF members) and amply documented in research and treatment literature pertaining to them (e.g., in the position papers, advices and guidelines described by Phoenix Australia). It leads to worker and disgruntlement and anger, which in turn creates or exacerbates mental health problems and results in poorer treatment and claim outcomes. All of this is poorly understood at Insurer level and the APS is strongly of the needs to be specifically addressed with them by SIRA.

Health practitioners unequivocally assume the critical role they have to play in the provision of value based care - through the implementation of EBP (and especially evidence-based psychology interventions on psychology claims). Robust evidence and abundant guidelines support the implementation of evidence-based treatments. Despite

[1] See the 2016 and 2019 Inquiries into WorkSafe Victoria by the Victorian Ombudsman.

[2] Cotton, P. (2014). Workplace psychological health and wellbeing: An overview of key trends. InPsych: The Bulletin of the Australian Psychological Society Ltd, 36(6), 9.

this, the uptake of EBP remains low in compensable systems; for example, despite the existence of appropriate general protocols and manuals (see Foa, Rothbaum & Rauch, 2019), it is estimated that only 25% of practitioners offer imaginal exposure as a treatment to PTSD sufferers (see Becker, Zayfert & Anderson, 2004; McLean & Foa, 2013 and Olatunji, Deacon & Abramowitz, 2009). Because of this, too many claimants miss out on best-practice psychological remedies for their injuries.

To reiterate the APS's previous observations, SIRA will do well to employ a range of mechanisms with the capacity to influence service provider willingness and capacity to work more effectively with claimants via best practice. These include:

1. Facilitating earlier provision of EBP to claimants. An early intervention approach to managing workers claims is essential where there is an accepted primary or secondary injury mental health condition.
2. Providing mental health literacy materials early in the history of a claim to all stakeholders (including referrers, treaters, claimants, their families, carers and significant others and industrial bodies) and
3. Educating primary health providers and other referrers as to what constitutes sound psychological practice[3]. At a minimum, this will target the most common psychological conditions (i.e., anxiety, mood and stress disorders that occur in the schemes under SIRA's oversight

Claimants are better-enabled to seek early effective treatment - through the provision of advice about the nature of evidence based practice, the requisite skills of competent providers and the early support of employers and Insurers for claimants obtaining that assistance.

Employers, Insurers and SIRA seek to better-understand why psychological injuries are increasingly occurring in the workplace - through the application of independent, targeted third party research. Following on from that enhanced understanding, it will then be critical for the three parties to work together to reduce the occurrence of those injuries through the optimal application of workplace policies and practices which prevent the development of workplace psychological injuries.

This will inevitably require collaboration between all parties and implementation and translation of research findings in partnership involving SIRA, employers, Insurers and expert bodies and professional associations, including the APS.

Consultation question 5: Are there areas where you believe SIRA should focus its implementation efforts to best promote achievement of value-based care?

The APS foresees several critical opportunities to best promote the achievement of value based care. Foremost among them is the need to:

- utilise funding and other - education and training, supervision and CPD (e.g., via scheme sponsored master classes of peer acknowledged field leaders in the implementation of EBP) - incentives to drive practice change among practitioners
- develop unambiguous plain statements of expectations for the funding of treatment services that have all-party endorsement and

[3] For example by reference to the Clinical Framework for and critical practice guidelines - such as the Australian Guidelines on the treatment of Acute Stress Disorder and PTSD (Phoenix, 2020) and the Clinical Guidelines on the Diagnosis and Treatment of PTSD in Emergency Service Workers (in NSW) (Harvey, Devilly, Forbes, Glozier, McFarlane, Phillips & Bryant, 2015).

- associated expressions of interest for acceptance as a service deliverer related to those statements and identify cohorts of claimants with potential to become complex cases on the basis of research which - by referring to published reviews of those risk factors.

There is demonstrable evidence that the actions of Insurers have hitherto hindered the achievement of best practice case management in compensation schemes. The difficulty of obtaining change in Insurer behaviour has been demonstrated in Victoria where, previously observed by the APS, the Victorian Ombudsman's (2016) *Investigation into the Management of Complex Workers Compensation Claims and WorkSafe oversight* observed the:

- Existence of unnecessary and unprincipled claim disputation that was doomed to failure
- prejudicial (via ignoring or omitting) and selective use of evidence from Independent Medical Examiners (IMEs) in decision making that suggested fishing expeditions in the face of overwhelming evidence contrary to the opinions obtained
- use of leading questions by agents to obtain preferred answers from IMEs, thus rendering them non-independent and
- more-than-occasional description by claimants that the Insurer's behaviour was bullying.

A second Ombudsman Inquiry into complex claims and Agent Behaviour in WorkSafe (*WorkSafe 2. Follow up investigation into the management of complex workers compensation claims*) in 2019, reinforced that, while some improvement had occurred in the operation of WorkSafe Victoria (WSV), there our ongoing problems requiring "wholesale changes to the system"' if better outcomes are to be achieved in relation to complex (psychological) claims.

Thus, the Ombudsman observed that there continues to the "gaming" by Insurers through the selective use of advice sought and received (e.g., information provided by treaters, IMEs and medical panels) and excessive use of, often unnecessary, IMEs. She also noted that the behaviour of Occupational Rehabilitation Consultants (ORCs) is at times at variance with claimant-empathic decision making by Agents (Insurers).

While those investigations clearly pertain to a different jurisdiction, their relevance to the Schemes under SIRA's oversight was made clear in the recent adverse ABC/Sydney Morning Herald "investigation" of the operation of SIRA. This was subsequently was borne out by comment received from APS members who reported claimants were regularly pressured by ORCs for unrealistic RTW dates and that, by way of influence,

> *Often their payments are delayed or denied. This often adds psychological stress and requires legal advice. Some clients feel pushed out of the system because it is too stressful. Others are unable or too ill to negotiate the pressured WorkCover process.*

The APS believes that the role and impact of IMEs and ORCs require careful deliberation by SIRA and Insurers in New South Wales as part of the (above referred to) desirability of them demonstrating pragmatic commitment to the implementation of value based care.

Another specific concern for the APS relates to the actions of Insurer case managers with the schemes under SRIAs oversight. This is was again well-illustrated by APS member feedback following the ABC/Sydney Morning Herald "investigation". It indicated that

The Case Manager role appears conflicted. It is unclear whether it represents the client, the employer or SIRA. This undermines the client's and psychologist's trust in the system. Who is the client? This leads to conflicted outcome goals.

Clients often complain that Case Managers place undue pressures on them to return to work. Often their payments are delayed or denied. This often adds psychological stress and requires legal advice. Some clients feel pushed out of the system because it is too stressful. Others are unable or too ill to negotiate the pressured process.

SIRA Case Managers do not accept that recovery pathways for trauma affected clients cannot be predicted and that relapses and setbacks to recovery are common in this cohort of clients.

The APS believes the objectives of the Framework will not be achieved without a workforce that is demonstrably capable of supporting the delivery of best within the schemes under SIRA's oversight. This requirement has previously been emphasised by the APS in relationship to practitioners. As it noted, it is vital that Insurers, and SIRA, as oversighting authority, can confidently identify practitioners with demonstrated expertise in the use of EBP for the psychological conditions which commonly occur in the schemes concerned.

The APS is well aware of, and recommends that SIRA reviews, important developments in other jurisdictions for their utility within the Schemes under SIRA's aegis. These include the Victorian Government's work around the:

- Creation of a Centre of Excellence for the treatment of First Responders
- Development of Specialist Network of Clinicians for Department of Health and Human Services and
- Introduction of a provisional payments model for injured First Responders with workplace injury claims by WorkSafe.

The APS believes, however, that the development of an appropriate workforce of sufficient size and capacity, relative to demand, is the ultimate solution to the problems confronting SIRA. It emphasises, however, that this workforce need applies not only to the practitioner domains, but also to those of the employer and Insurer. This is critical given, Australian research of the experience of and perception about the RTW process is particularly relevant to workers with workplace-related mental health injuries. Compared to workers with other injury types, they are twice as likely to report a negative experience with their employer and 75% of such workers expressed concern about the claim/RTW process (Sheehan et al., 2018a, 2018b).

It accepts that that is a complicated issue that will require input from scheme oversight bodies, Insurers, expert bodies and peak professional associations. It also acknowledges that this will take significant time and effort, but that it is important that this work commence as soon as possible.

Consultation question 6: Do you have any comments on the implementation plan?
As noted previously, the APS has put it to SIRA argued that what is required to address the scheme deficiency confronting it is the application of robust implementation mechanisms, including oversight and quality assurance processes and elegant, yet robust outcome measurement.

The APS is very pleased to note the three “horizons” nominated for involved in the implementation of the Framework. It sees the timeframes, objectives priority actions as having great merit while making clear the complexity of what is required to improve the performance of the schemes under SIRA’s oversight.

It has previously identified the lack of data that has existed for describing the problems and the potential solutions for the problems in the schemes involved. It sees the use of reporting dashboard as an innovative and “open” mechanism for enabling change, looks forward to viewing the outputs of the SIRA dashboard and to the opportunity to consult around it again.

Final comment

The APS appreciates the opportunity to submit to this important Consultation. It again commends SIRA on the development of its Health Outcomes Framework.

It is the APS’s strong opinion, however, that the Framework will only successfully address the issues which have hitherto been shown to be inherent in the system if it is effectively implemented and supported in partnership with all stakeholders. This not only includes employers, Insurers and practitioners, but, inevitably, expert policy and research bodies peak professional bodies.

Accordingly, the APS emphasises its willingness to partner with SIRA and expert policy and research bodies to address the knowledge, practice and cultural problems known to exist across the schemes for which SIRA has oversight. It wishes SIRA well in its desire to drive practice informed by the science of implementation so that claimants are better assisted to recover from their injuries.

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