

SIRA

Healthcare costs and outcomes in the workers compensation and CTP schemes

SIRA quarterly dashboard report for the quarter ending 31 December 2021

Contents of this report

This report provides analysis of healthcare costs and outcomes in the workers compensation and motor accidents insurance (CTP) schemes up to Quarter 2, financial year 2022 (quarter ending 31 December 2021).

The report has three sections:

Section 1 – Summary and overall trends in quarterly healthcare costs to quarter 2, financial year 2022 (workers compensation and 2017 MAIA CTP schemes)

Section 2 - Quarterly healthcare data update to quarter 2, financial year 2022 (workers compensation scheme)

Section 3 – Drivers of healthcare expenditure for the 12 months to quarter 2, financial year 2022 (workers compensation and 2017 MAIA CTP schemes)

FY2021 - Q3	FY2021 - Q4	FY2022 - Q1	FY2022 - Q2
1 Jan - 31 Mar 2021	1 Apr – 30 June 2021	1 July – 30 Sept 2021	1 Oct – 31 Dec 2021

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 quarter 2, financial year 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 Q2 of financial year (FY) 2022 totalled \$264.6M across 90.44k claims.
- Quarterly healthcare expenditure increased for the 12-month period following the COVID-19 impacted Q4 FY2020 at a level greater than all historical quarters.
- Q1 FY2022 experienced a reduction in healthcare expenditure which coincides with the impact of the COVID-19 delta variant in NSW. This reduction was limited to this quarter with healthcare expenditure increasing in Q2 FY2022.
- Allied health expenditure continued to grow despite any potential impact from the COVID-19 delta variant. For the 12 months to December 2021 allied health expenditure increased by 9.97%, driven primarily by more claims accessing allied health services and increases in the number of allied health services.

CTP (2017 MAIA scheme only)

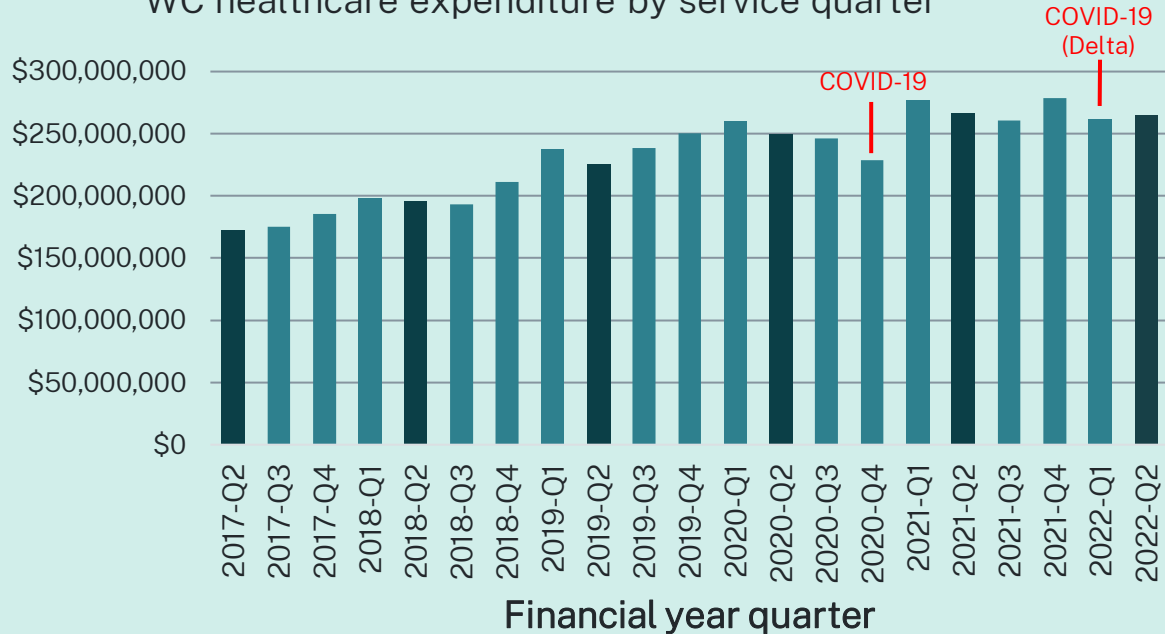
- Healthcare expenditure in the 2017 MAIA CTP scheme for Q2 of financial year (FY) 2022 totalled \$28.08m across 8.85k claims.
- Q1 FY2022 experienced a reduction in healthcare expenditure which coincides with the impact of the COVID-19 delta variant in NSW.
- Q2 2022 demonstrates a further reduction in spend corresponding with reduced claim lodgement through that quarter.
- 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.

FY2021-Q3	FY2021-Q4	FY2022-Q1	FY2022-Q2
1 Jan - 31 Mar 2021	1 Apr - 30 June 2021	1 July - 30 Sept 2021	1 Oct - 31 Dec 2021

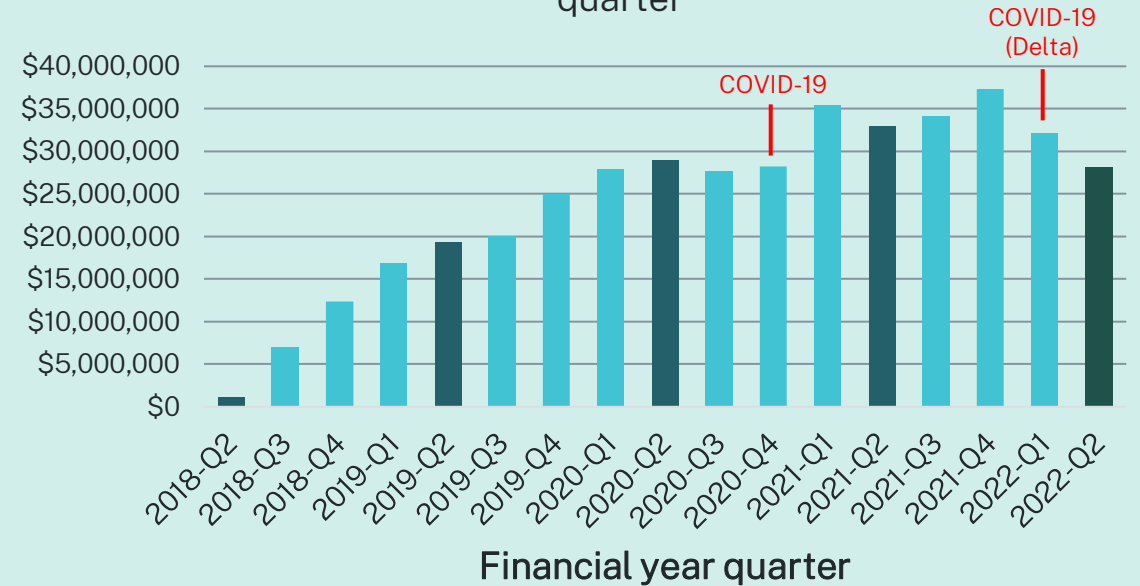
Note: Analysis is using data collected up to 31 March 2022. The data for the most recent quarters has not fully developed and will continue to mature with successive reports. Differences between successive service quarters will be impacted by seasonality of service provision and this must be taken into 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 \$1.065 billion for the 12 months to 31 December 2021, an increase of 4.75% compared with the previous 12 month period. Overall, the WC scheme demonstrates continued growth in healthcare expenditure despite the intermittent impacts of COVID-19.

Healthcare expenditure for the 2017 MAIA CTP scheme totalled \$131.5 million for the same 12 month period, an increase of 5.93%. Healthcare expenditure for the 2017 MAIA CTP scheme continues to grow as the scheme matures.

Both schemes experienced a reduction in healthcare spend for Q1-FY2022, coinciding with the impact of the COVID-19 Delta variant restrictions. Healthcare spend in the WC scheme demonstrates an increase in FY2022-Q2. The CTP scheme, however, demonstrates a further reduction in spend in FY2022-Q2, corresponding with reduced claim lodgement through the FY2022-Q1 quarter.

FY2021-Q3	FY2021-Q4	FY2022-Q1	FY2022-Q2
1 Jan - 31 Mar 2021	1 Apr - 30 June 2021	1 July - 30 Sept 2021	1 Oct - 31 Dec 2021

Note: Analysis is using data collected up to 31 March 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 quarter 2,
financial year 2022

(workers compensation scheme)

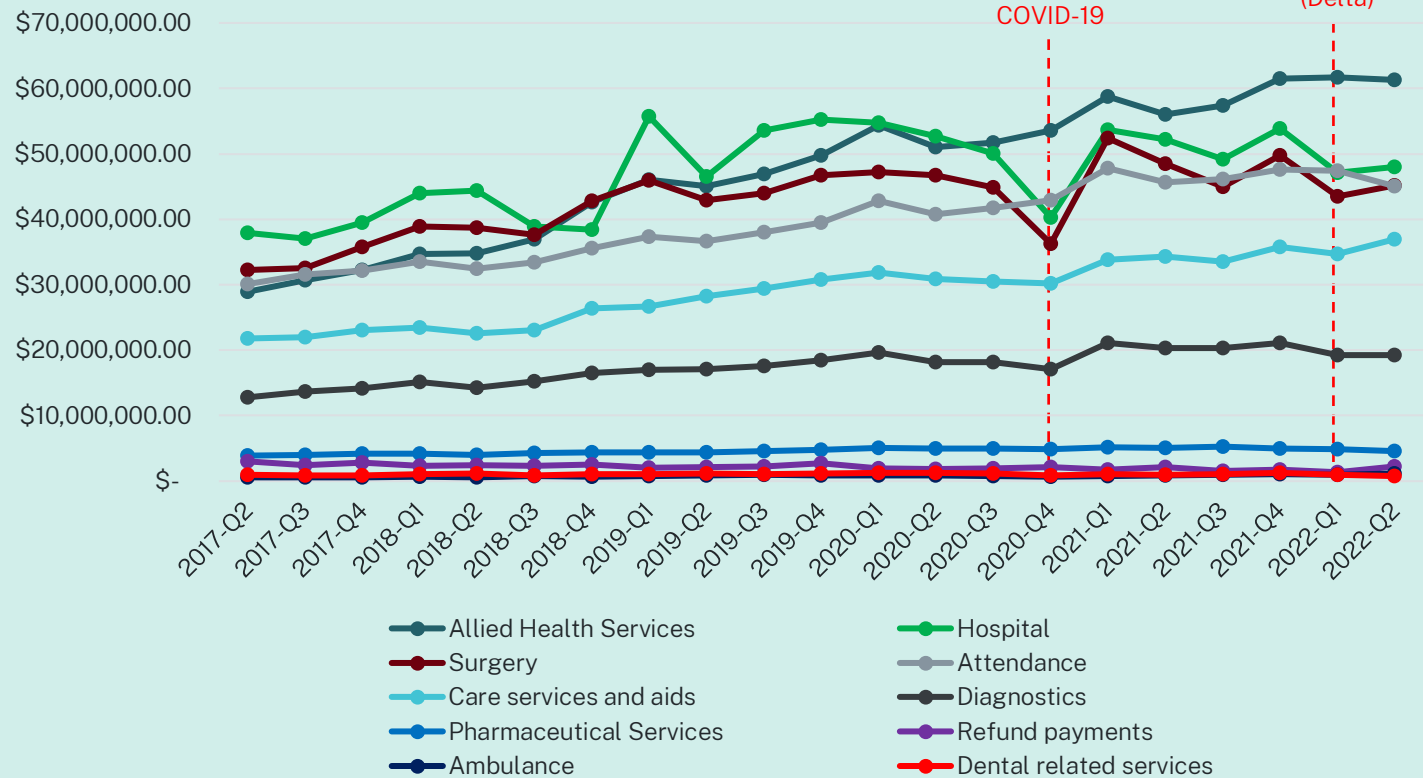
Workers compensation expenditure, by service type

Reductions in hospital and surgical costs are demonstrated in FY2020-Q4 and FY2022-Q1 as a result of COVID-19 related restrictions. Increases are seen following the easing of COVID-19 related restrictions, more so in FY2021-Q1 data.

While FY 2022-Q2 data is not fully developed, it does demonstrate an increase in hospital and surgical costs following the impact of the COVID-19 Delta variant restrictions on access to services. Subsequent dashboards will further demonstrate this increase as data development is fully realised.

Most other healthcare service types continue to trend upwards and demonstrate annual seasonality in costs. Allied health demonstrates the most significant cost growth over other healthcare service types.

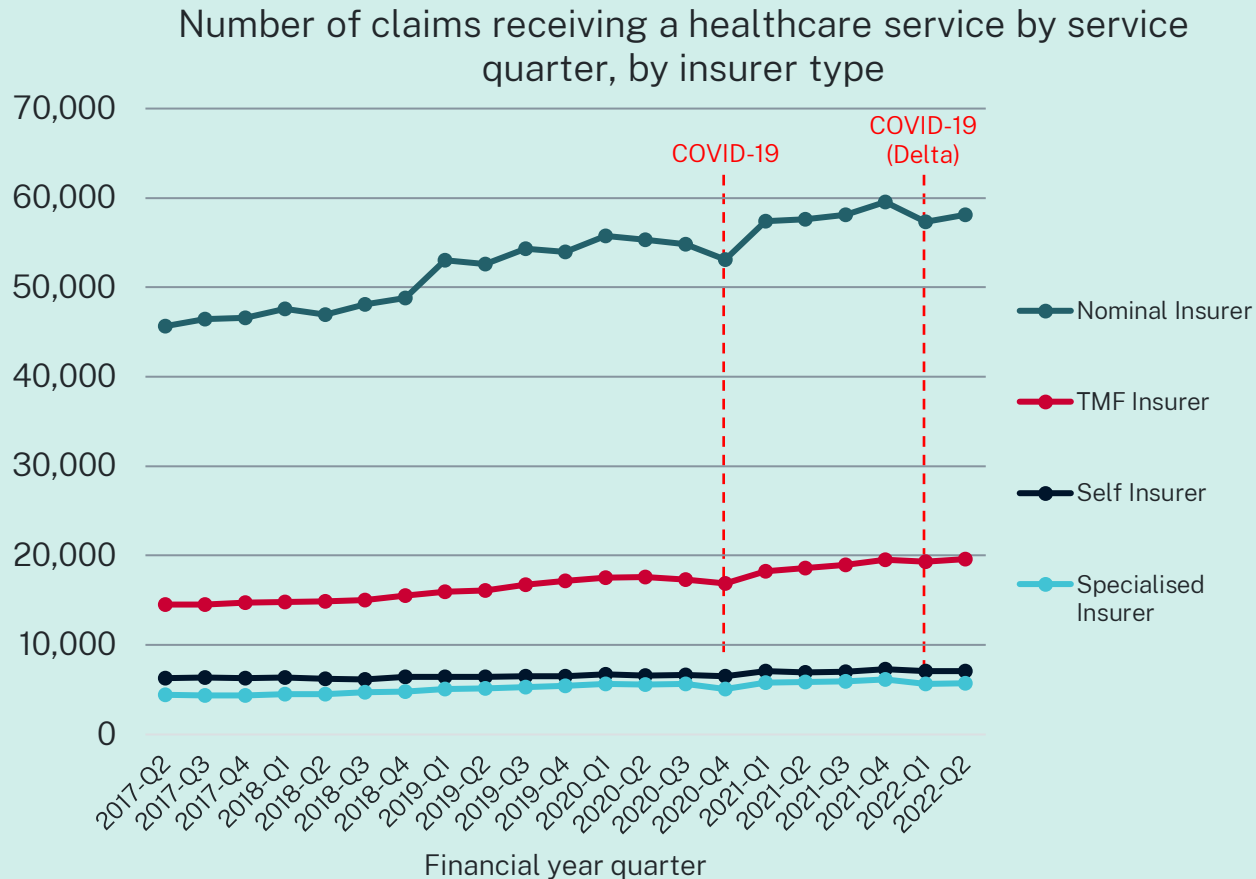
WC expenditure by service type per reporting quarter



FY2021-Q3	FY2021-Q4	FY2022-Q1	FY2022-Q2
1 Jan - 31 Mar 2021	1 Apr - 30 June 2021	1 July - 30 Sept 2021	1 Oct - 31 Dec 2021

Note: Analysis is using data collected up to 31 March 2022. The data for the most recent quarters has not fully developed and will continue to mature with successive reports.

Trends in the number of workers compensation claims receiving healthcare services, by insurer type



In the 12 months following the impact of COVID-19 in FY 2020-Q4, all workers compensation insurer types demonstrate steady growth in the number of claims receiving healthcare services. For each quarter in this 12 month period every insurer type reported quarterly claim numbers accessing healthcare services above historical pre-COVID-19 levels. This growth was less significant for self and specialised insurers.

All insurer types experienced a reduction in claim numbers accessing healthcare services in FY2022-Q1, coinciding with the COVID-19 Delta variant restrictions. FY 2022-Q2 data, while still not fully developed, demonstrates an increase in claim numbers receiving healthcare services.

Note: Analysis is using data collected up to 31 March 2022. The data for the most recent quarters has not fully developed and will continue to mature with successive reports.

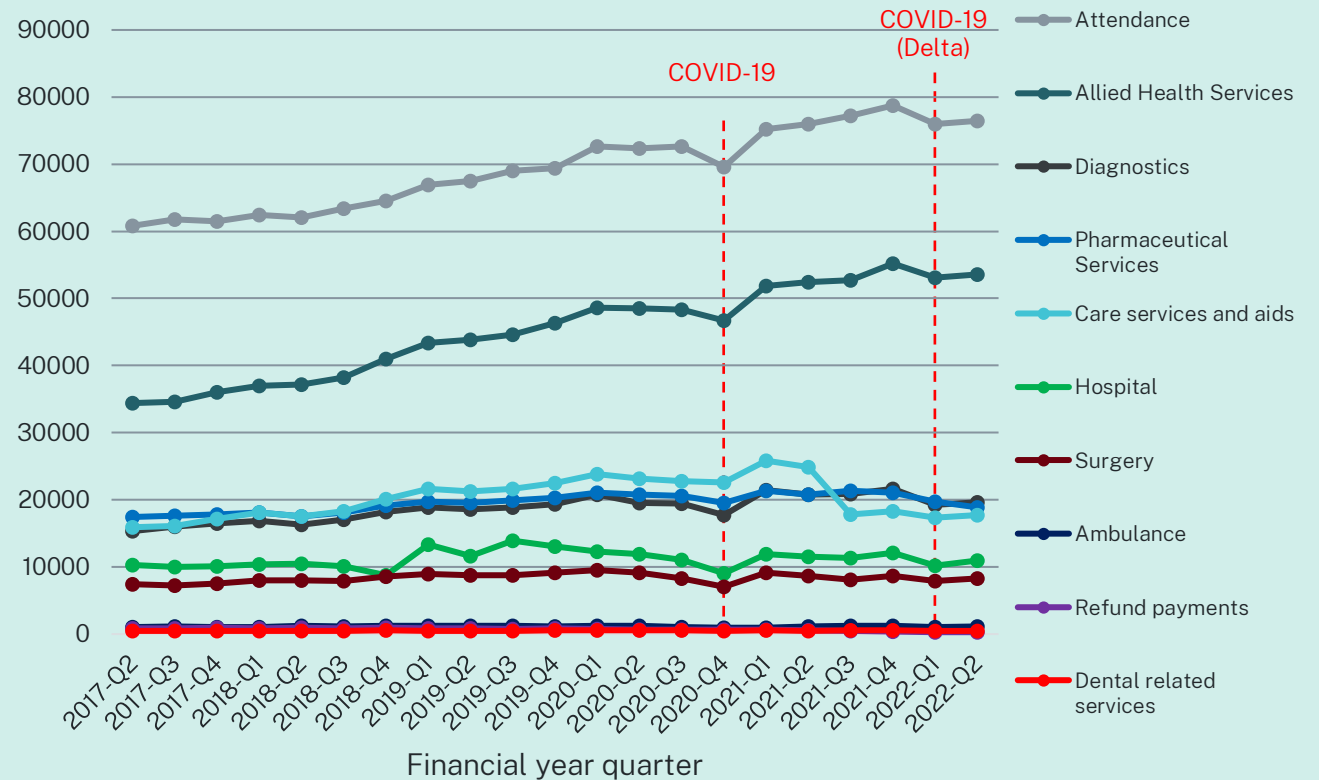
FY2021-Q3	FY2021-Q4	FY2022-Q1	FY2022-Q2
1 Jan - 31 Mar 2021	1 Apr - 30 June 2021	1 July - 30 Sept 2021	1 Oct - 31 Dec 2021

The number of workers compensation claims receiving healthcare services, by service group

An increase in the number of claims accessing most healthcare services is seen following the COVID-impacted FY 2020-Q4. While most levelled out after this increase, professional medical attendances and allied health both experienced strong growth in the number of claims accessing their services.

All service groups show a reduction in claim numbers for FY 2022-Q1, coinciding with the COVID-19 Delta variant impact. FY2022-Q2 demonstrates a subsequent increase. The next published report is expected to show even higher growth for FY2022-Q2, as data develops.

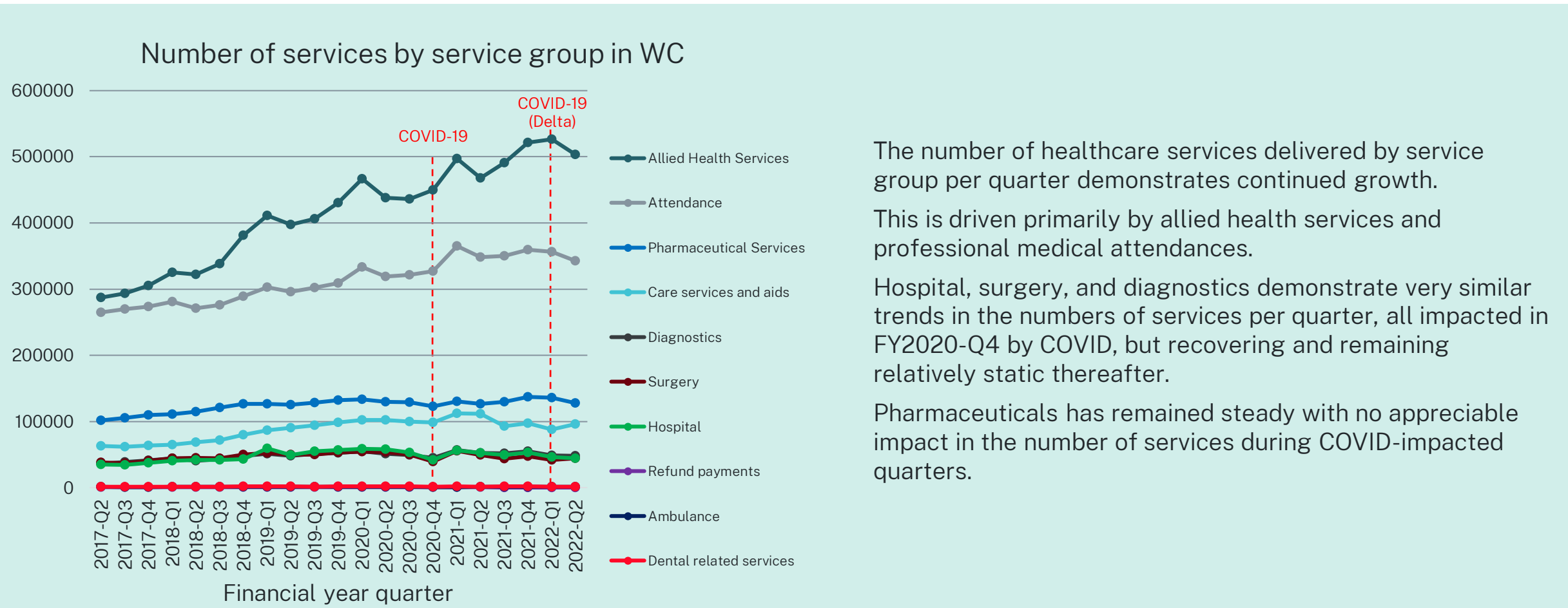
Number of WC claims accessing healthcare service groups by service quarter



FY2021-Q3	FY2021-Q4	FY2022-Q1	FY2022-Q2
1 Jan - 31 Mar 2021	1 Apr - 30 June 2021	1 July - 30 Sept 2021	1 Oct - 31 Dec 2021

Note: Analysis is using data collected up to 31 March 2022. The data for the most recent quarters has not fully developed and will continue to mature with successive reports.

Trends in the number of healthcare services by service group for workers compensation claims



The number of healthcare services delivered by service group per quarter demonstrates continued growth.

This is driven primarily by allied health services and professional medical attendances.

Hospital, surgery, and diagnostics demonstrate very similar trends in the numbers of services per quarter, all impacted in FY2020-Q4 by COVID, but recovering and remaining relatively static thereafter.

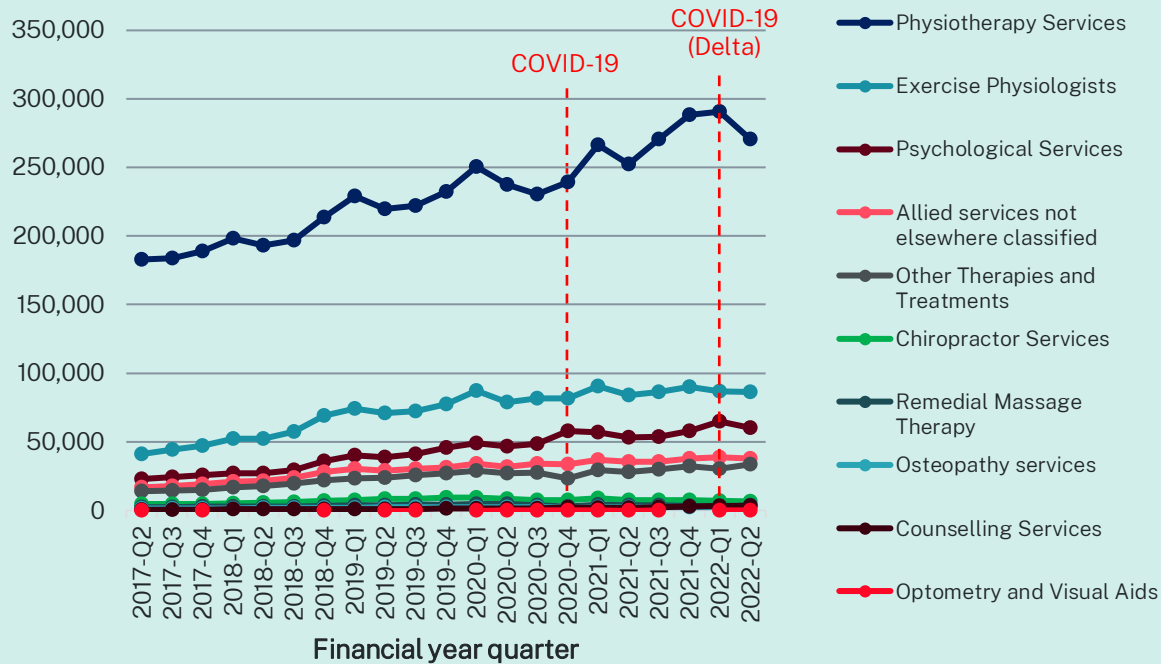
Pharmaceuticals has remained steady with no appreciable impact in the number of services during COVID-impacted quarters.

Note: Analysis is using data collected up to 31 March 2022. The data for the most recent quarters has not fully developed and will continue to mature with successive reports.

FY2021-Q3	FY2021-Q4	FY2022-Q1	FY2022-Q2
1 Jan - 31 Mar 2021	1 Apr - 30 June 2021	1 July - 30 Sept 2021	1 Oct - 31 Dec 2021

Trends in the number of services by service sub-group for workers compensation claims

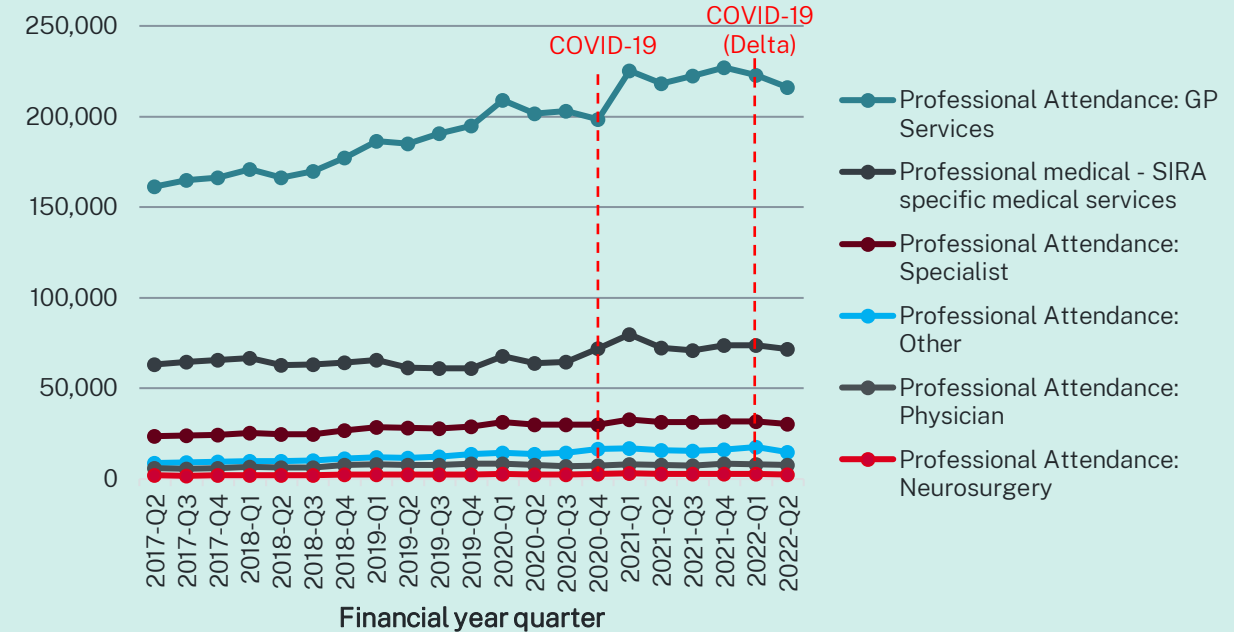
Number of services for allied health sub groups by service quarter



There is an ongoing upward trend in all allied health subgroups to FY2022-Q1 with intermittent impacts related to COVID-19.

FY2021-Q3	FY2021-Q4	FY2022-Q1	FY2022-Q2
1 Jan - 31 Mar 2021	1 Apr - 30 June 2021	1 July - 30 Sept 2021	1 Oct - 31 Dec 2021

Number of services for attendance – GP and specialist sub groups by service quarter

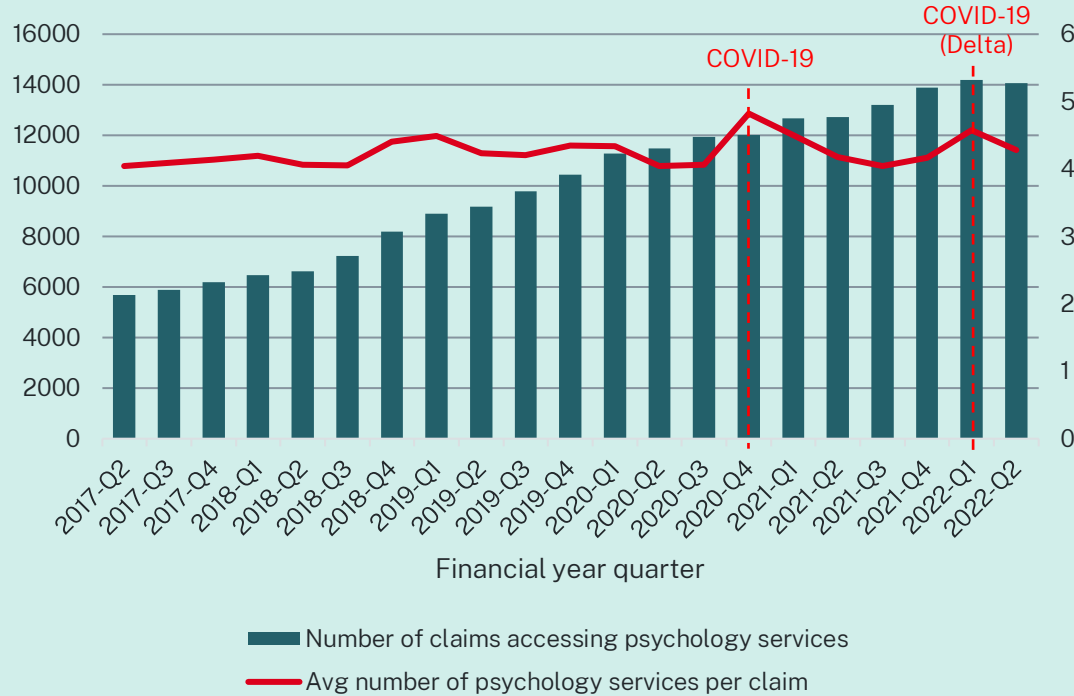


General practitioner (GP) attendances and SIRA specific medical services (e.g. certification, report writing, case conferencing) were primary drivers for the increase in medical attendances.

Note: Analysis is using data collected up to 31 March 2022. The data for the most recent quarters has not fully developed and will continue to mature with successive reports.

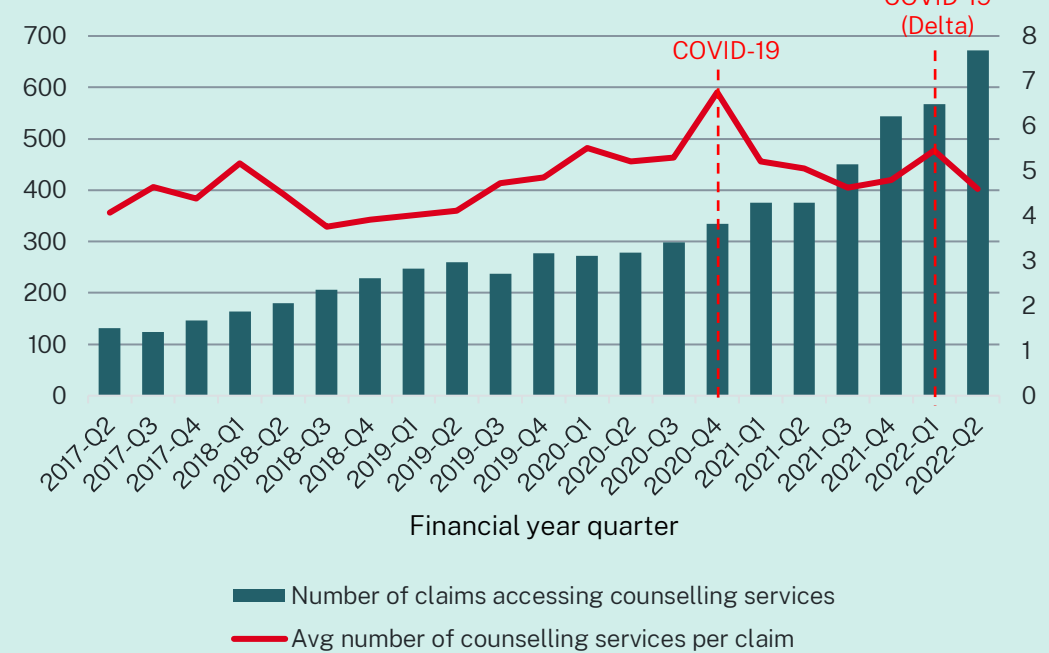
Psychology and counselling – trends in number of workers compensation claims accessing services and average services per claim

Claims accessing psychology services



Claims accessing psychological services continues to grow. The average number of services per claim per quarter demonstrates an increase during both COVID-19 impacted quarters, but has remained relatively steady otherwise.

Claims accessing counselling services



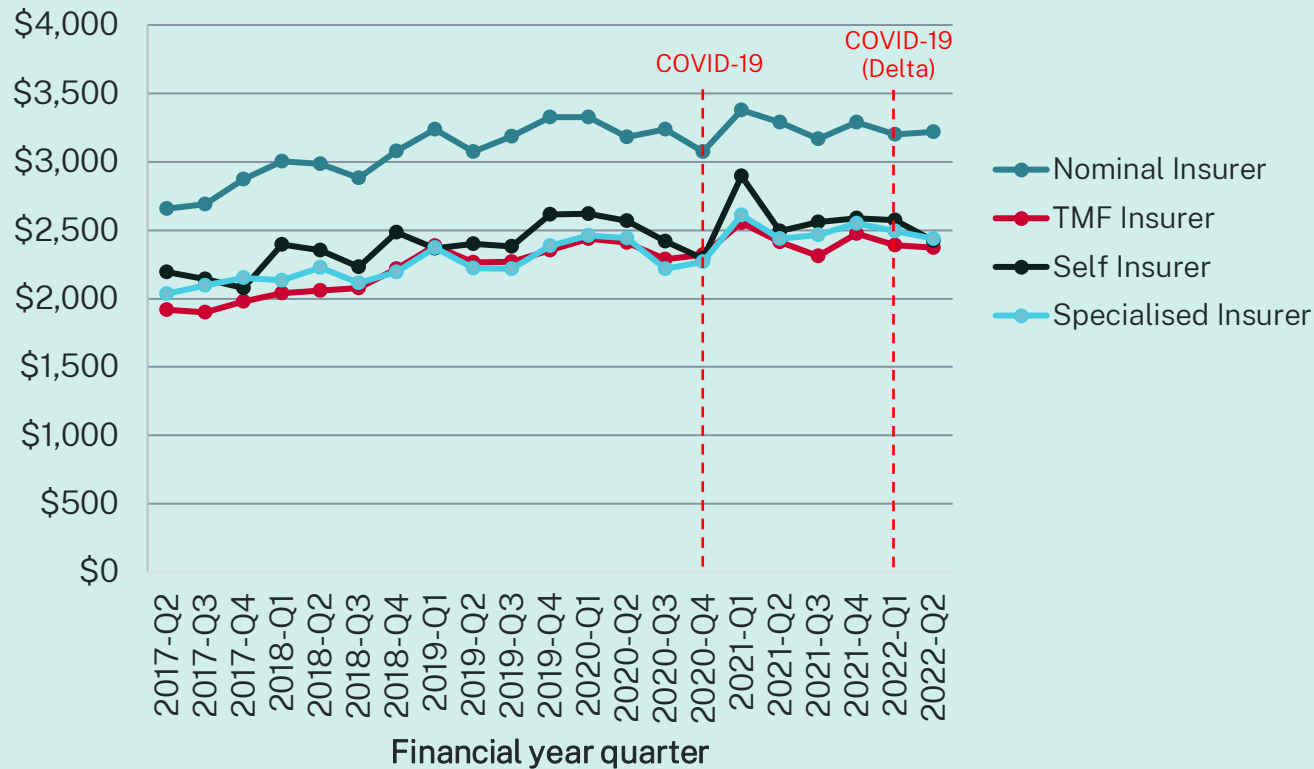
Claims accessing counselling services on a quarterly basis has continued to grow in recent quarters.

FY2021-Q3	FY2021-Q4	FY2022-Q1	FY2022-Q2
1 Jan - 31 Mar 2021	1 Apr - 30 June 2021	1 July - 30 Sept 2021	1 Oct - 31 Dec 2021

Note: Analysis is using data collected up to 31 March 2022. The most recent quarter's data may not have fully developed and will continue to mature with successive reports.

Average cost of healthcare per claim in the workers compensation scheme by insurer type

Average healthcare cost (nominal) per claim by insurer group



A spike in average healthcare spend per claim is seen in FY2021-Q1, most likely a result of access to postponed higher cost healthcare such as surgery and hospital services.

All insurers demonstrate a gradual increase in average healthcare costs per claim across successive financial years.

Trends in average healthcare costs per claim are varied across insurers after this spike, however a higher average cost appears to be maintained.

No adjustment for case mix has been made for these figures.

FY2021-Q3	FY2021-Q4	FY2022-Q1	FY2022-Q2
1 Jan - 31 Mar 2021	1 Apr - 30 June 2021	1 July - 30 Sept 2021	1 Oct - 31 Dec 2021

Note: Analysis is using data collected up to 31 March 2022. The most recent quarter's data may not have fully developed and will continue to mature with successive reports.

Average number of healthcare services per claim in the workers compensation scheme by insurer type

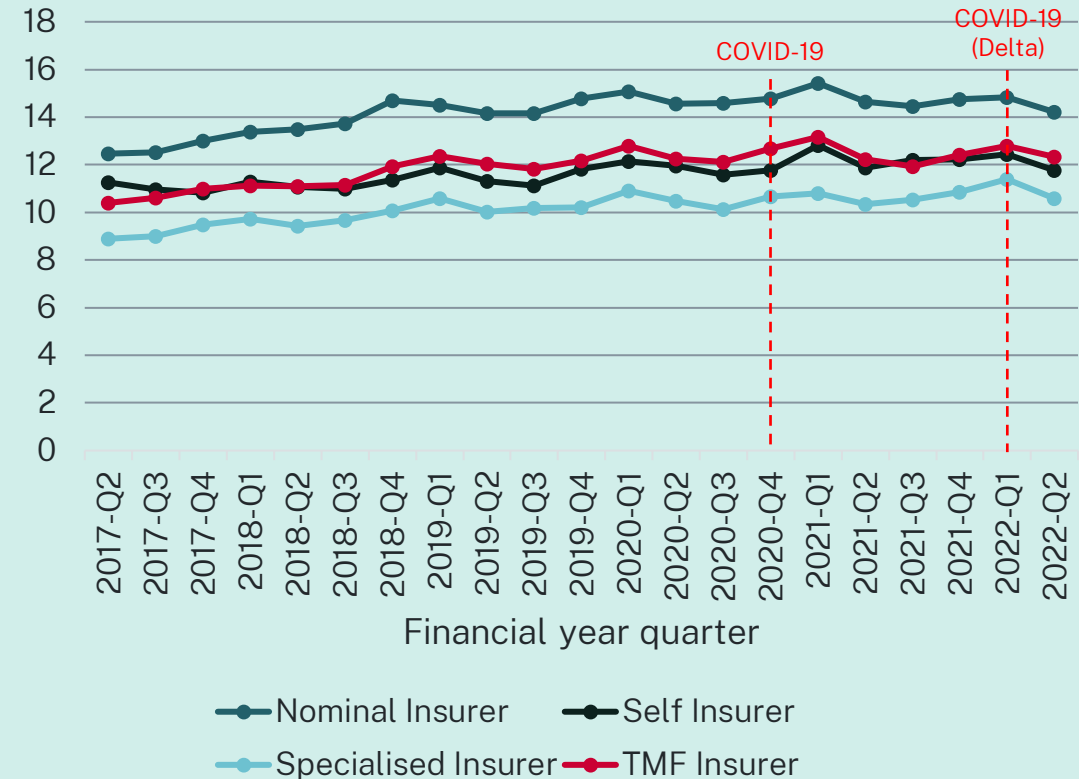
The number of healthcare services per claim increased gradually across all insurers from Q2 2017 to Q4 2018.

Since then this appears to have flattened to a new higher average number of healthcare services per claim per quarter, with some minor seasonal variations.

The increase seen in Q1 FY2021 is most likely attributable to the easing of COVID-19 restrictions allowing access to postponed services, and the increase in psychological and counselling services.

No adjustment for case mix has been made in this graph.

Average number of healthcare services per claim



FY2021-Q3	FY2021-Q4	FY2022-Q1	FY2022-Q2
1 Jan - 31 Mar 2021	1 Apr - 30 June 2021	1 July - 30 Sept 2021	1 Oct - 31 Dec 2021

Note: Analysis is using data collected up to 31 March 2022. The most recent quarter's data may not have fully developed and will continue to mature with successive reports.

Section 3

Drivers of healthcare expenditure for the 12 months to
31 December 2021

(workers compensation and 2017 MAIA CTP schemes)

Drivers of healthcare expenditure for the 12 months to 31 December 2021

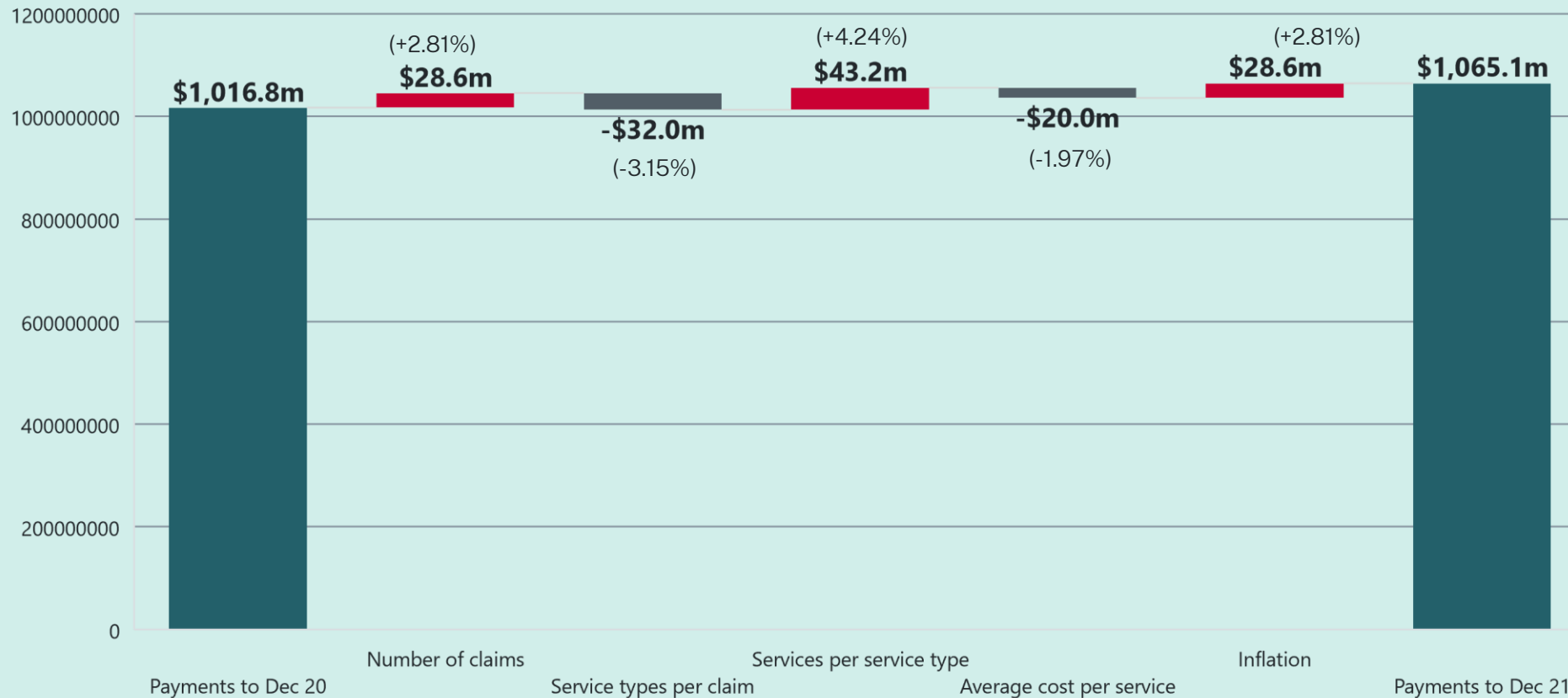
The following graphs provide analysis of cost drivers in healthcare over the twelve-month period from 1 January 2021 to 31 December 2021 compared to the period 1 January 2020 to 31 December 2020. This is not a comparison of financial years.

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 December 2021

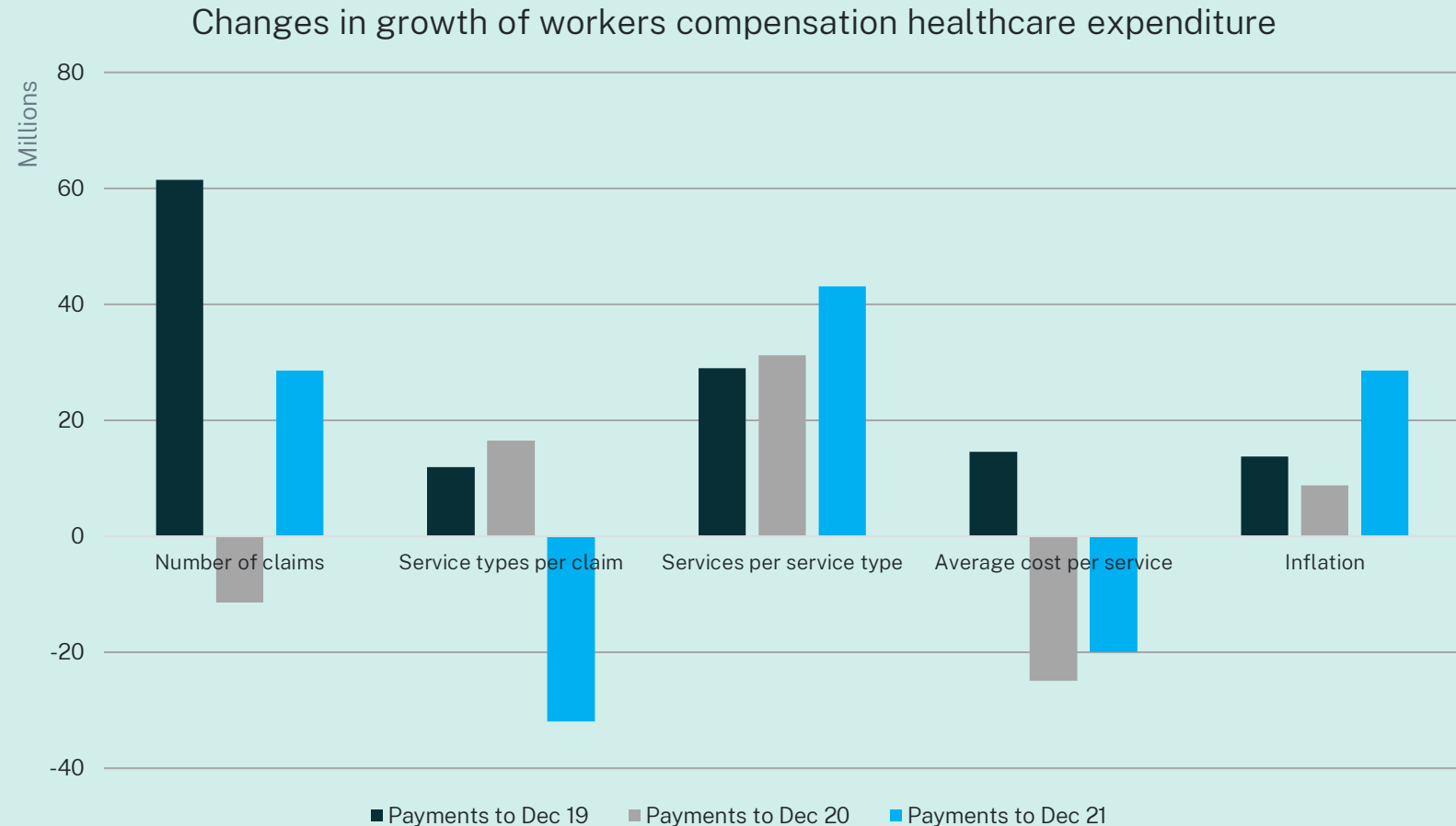


Healthcare expenditure in the workers compensation scheme grew 4.75% in the 12 months to December 2021 compared with the previous 12 month period. This has been driven primarily by increases in the number of services per healthcare service type, the number of claims accessing in-scope healthcare services, and inflationary change. The service types per claim and the average cost per healthcare service were negative drivers for the 12 month period.

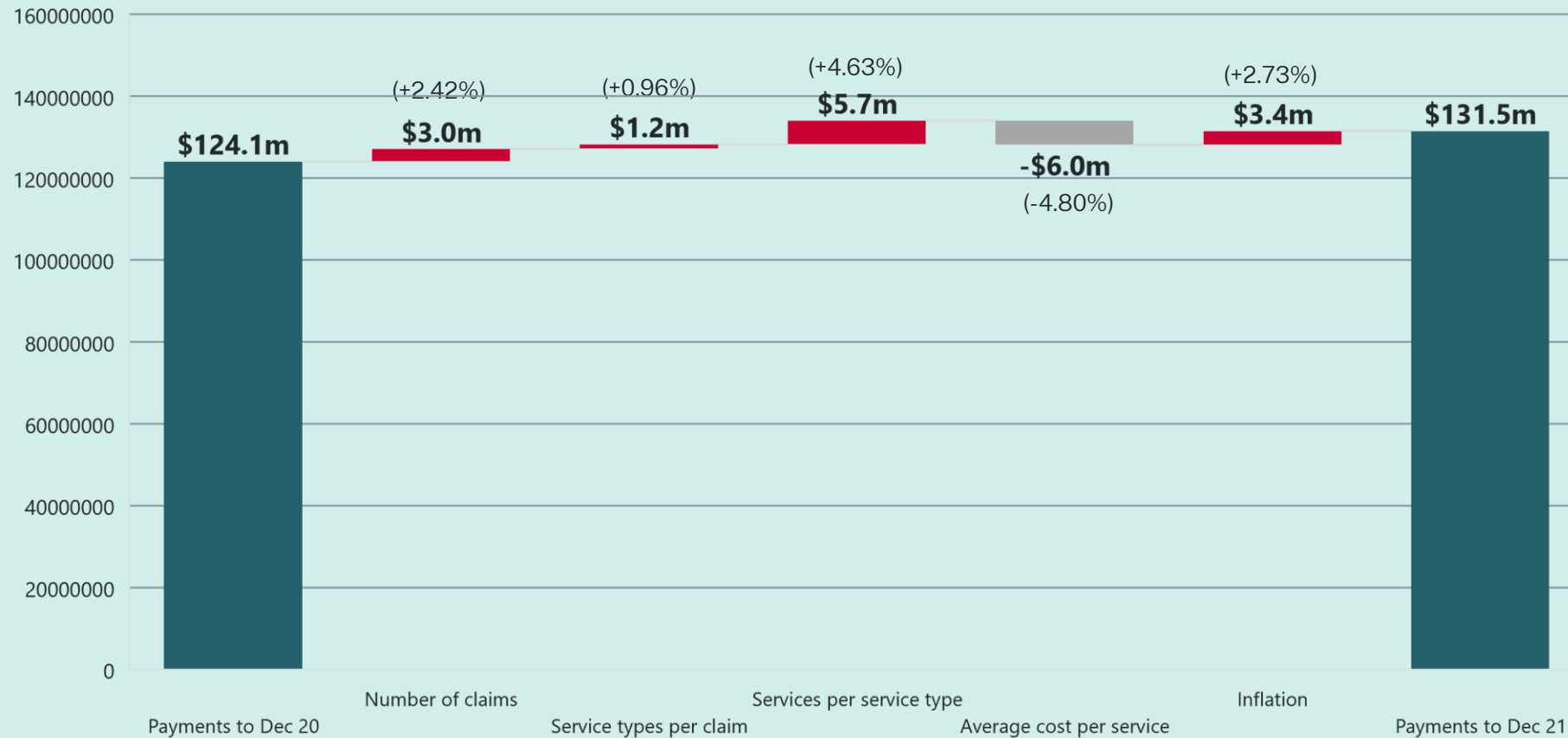
(see Appendix 1 for more information on how to interpret this chart)

Drivers of workers compensation healthcare expenditure for the last three years ending 31 December 2021

- **12 months to Dec 2019** – all drivers of healthcare expenditure contributed to positive growth when compared with the previous 12-month period, 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 Dec 2020** – the main driver was utilisation (number of *service types per claim* and the number of *services per service type*). The *number of claims* was a small negative driver. *Average cost per service* was a significant negative driver, reflecting the potential impact of the reductions in high-cost services of hospital and surgery due to COVID-19
- **12 months to Dec 2021** – the *number of claims* has returned as a positive driver of healthcare expenditure. While the *number of service types per claim* was a negative driver, the *number of services per service type* remained (as part of service utilisation) a strong positive driver. *Average cost per service* was still a negative driver, but not as significant as the previous 12 month period, indicating a return of higher cost services (i.e. surgery and hospital).
- **Inflation** continues to contribute to healthcare expenditure growth across all periods, more so in the 12 months to December 2021.



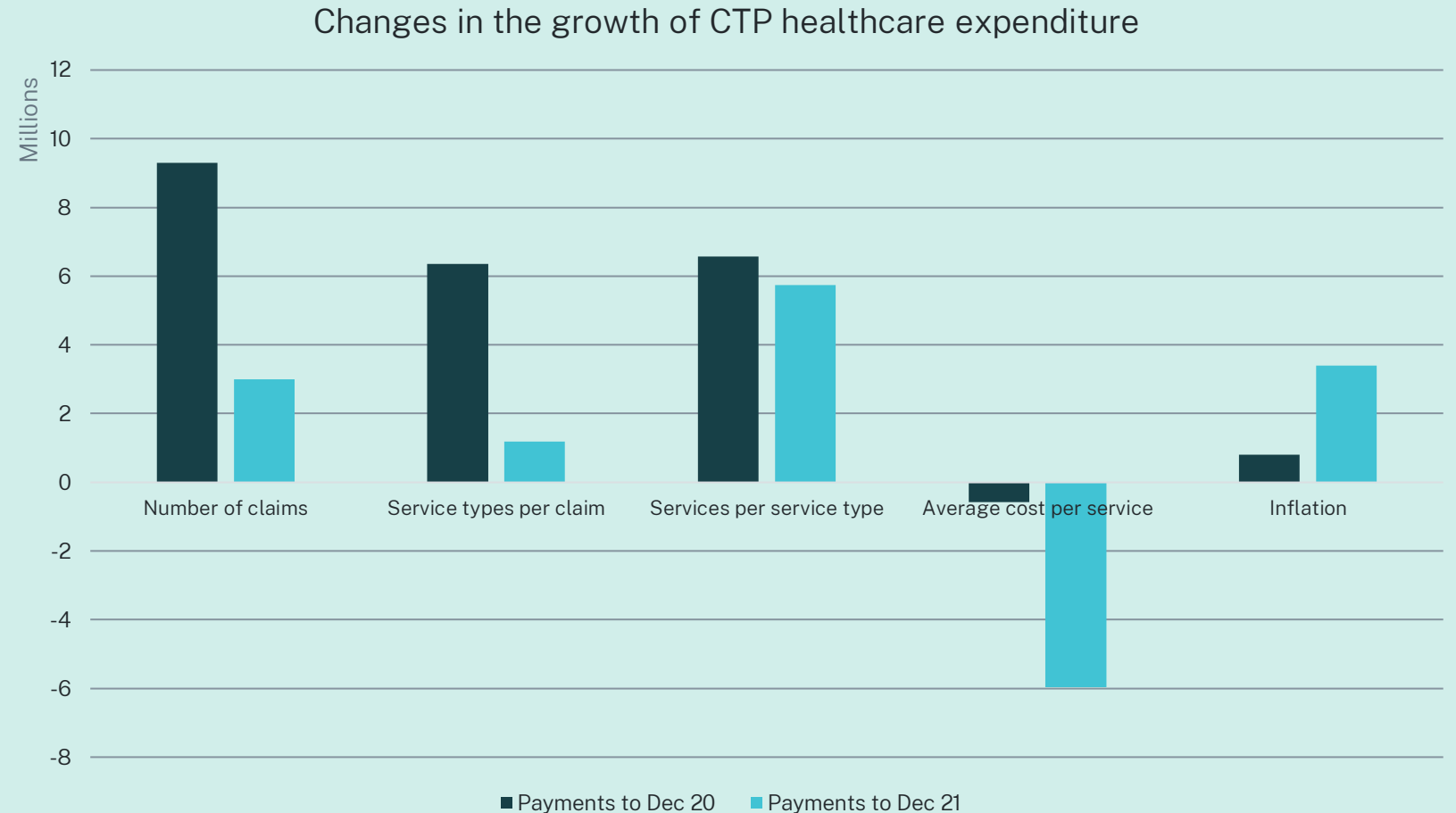
Drivers of 2017 MAIA CTP scheme healthcare expenditure for the 12 months to 31 December 2021



Healthcare expenditure in the 2017 MAIA CTP scheme grew 5.93% in the 12 months to December 2021 compared with the previous 12 month period. This has been driven by increases in the number of services per healthcare service type, the number of claims accessing in-scope healthcare services, and inflationary change. The average cost per healthcare service was a negative driver for the 12 month period.

Drivers of 2017 MAIA CTP scheme healthcare expenditure for the last two years ending 31 December 2021

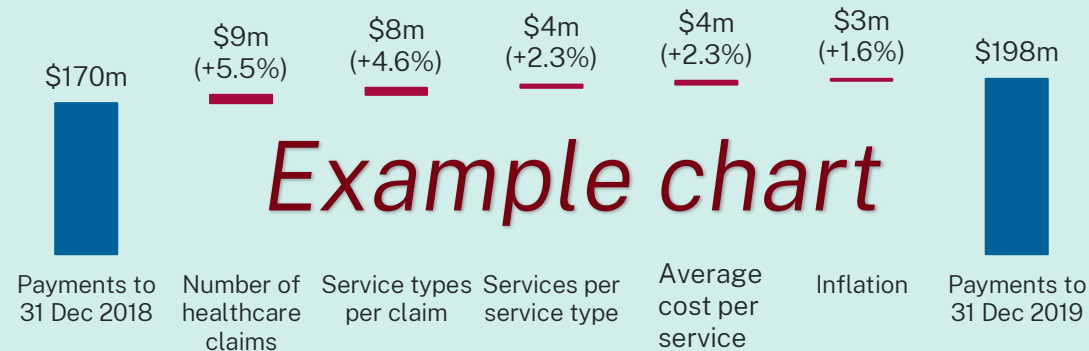
- **12 months to Dec 2020** – all drivers of healthcare expenditure in the CTP scheme contributed to positive growth for the 12 months to Dec 2020, particularly the *number of claims*, and service utilisation (comprising of the number of *service types per claim* and the number of *services per service type*).
- **12 months to Dec 2021** – the main drivers of healthcare expenditure were the number of healthcare services per service type, and the number of claims. *Average cost per service* was a negative driver, potentially reflecting the impact of reductions in high-cost services of hospital and surgery due to COVID-19 restrictions.
- **Inflation** has contributed to positive healthcare expenditure growth across both periods, more so in the 12 months to December 2021.



Appendix 1:

How to interpret the drivers of WC healthcare costs waterfall chart

WC - cost driver analysis of allied health services expenditure
12 months to 31 Dec 2019



- **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 the when 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.	-

