

SIRA

Healthcare costs and outcomes in the workers compensation and CTP schemes

SIRA quarterly dashboard report for the quarter ending 31 March 2022

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 3, financial year 2022 (quarter ending 31 March 2022).

The report is segmented into three sections:

Section 1 – Summary, and overall trends in quarterly healthcare costs to Quarter 3, financial year 2022
– workers compensation and 2017 MAIA CTP schemes

Section 2 - Quarterly healthcare data update to Quarter 3, financial year 2022
– workers compensation scheme

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

FY2022 – Q4	FY2022 – Q1	FY2022 – Q2	FY2022 – Q3
1 Apr – 30 June 2021	1 Jul – 30 Sept 2021	1 Oct – 31 Dec 2021	1 Jan – 31 Mar 2022

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 3 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 Q3 of financial year (FY) 2022 totalled \$235M across 88.69k claims. This represents a reduction in quarterly healthcare spend compared with the previous three quarters.

Despite this reduction, healthcare expenditure for the 12-month period ending Q3 of FY 2022 increased by 0.85% compared with the previous 12 months.

Allied health expenditure continued to grow despite any potential impact from the COVID-19 delta variant. For the 12 months to March 2022 allied health expenditure increased by 6.20%, driven primarily by more claims accessing allied health services and increases in the number of allied health services.

FY2022 – Q4	FY2022 – Q1	FY2022 – Q2	FY2022 – Q3
1 Apr – 30 June 2021	1 Jul – 30 Sept 2021	1 Oct – 31 Dec 2021	1 Jan – 31 Mar 2022

CTP (2017 MAIA scheme only)

Healthcare expenditure in the 2017 MAIA CTP scheme for Q3 of financial year (FY) 2022 totalled \$27.4M across 8.75k claims.

Reductions in quarterly healthcare costs are seen across FY2022-Q1 (coinciding with the COVID-19 delta variant), continuing in Q2 and Q3 of FY2022.

The reductions in quarterly healthcare costs correspond with reduced claim lodgement through those periods.

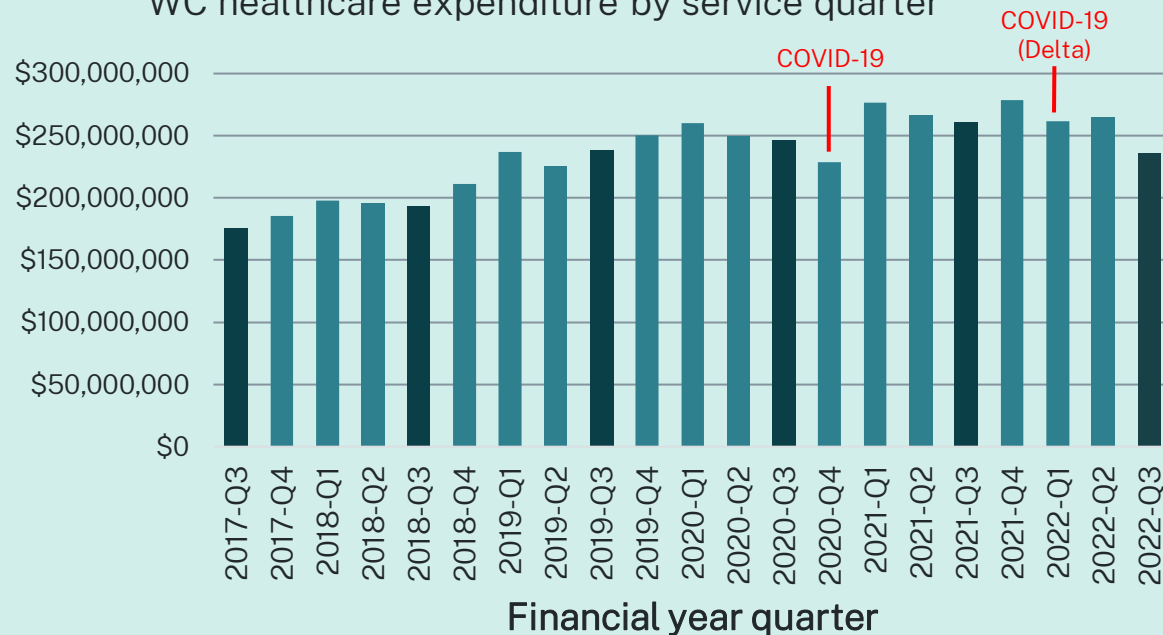
The 2017 MAIA scheme continues to mature. It is challenging to draw conclusions on healthcare trends until the scheme reaches a steady state.

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

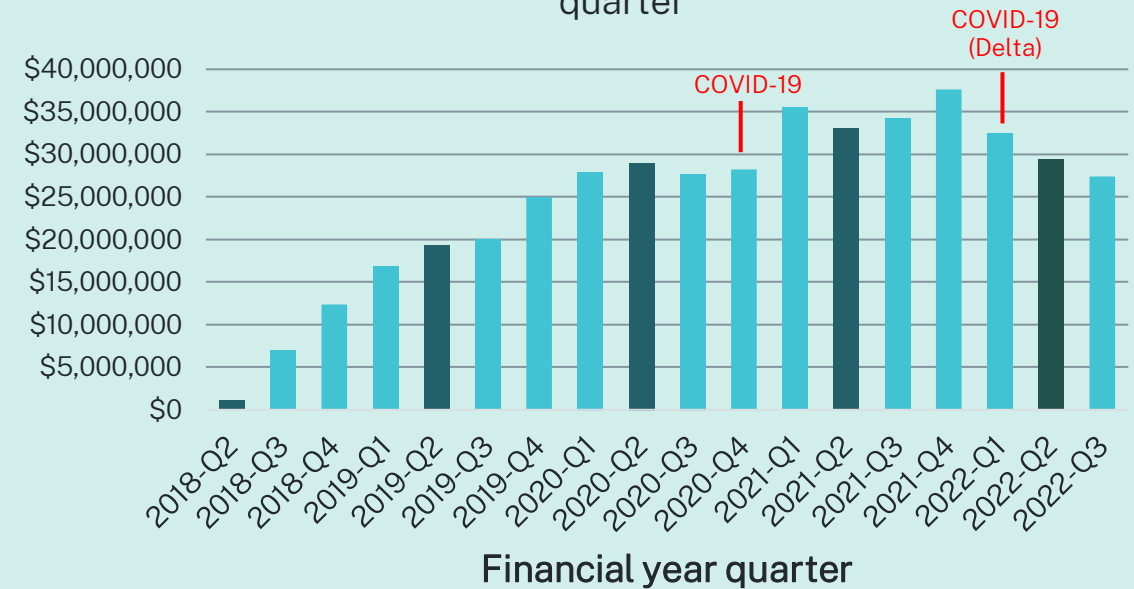
Note: Analysis is using data collected up to 30 June 2022. The data for the most recent quarters has not fully developed and will mature with successive reports. Differences between successive service quarters will be impacted by seasonality of service provision and must be taken into consideration when 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 \$1.04 billion for the 12 months to 31 March 2022. This represents an increase of 0.85% compared with the previous 12 months. Overall, the WC scheme demonstrates continued growth in health care expenditure despite the intermittent impacts of COVID-19. A reduction in quarterly healthcare costs is seen in FY2022-Q3. Future healthcare dashboards will help inform if this reduction is maintained in subsequent quarters.

Healthcare expenditure for the 2017 MAIA CTP scheme totalled \$126.8 million for the same 12 month period, a decrease of 3.17%. The CTP scheme demonstrates successive reductions in quarterly healthcare costs from FY2022-Q1 following the COVID-19 Delta variant. This corresponds with reduced claim lodgement through the FY2022-Q1 quarter.

Healthcare expenditure for the 2017 MAIA CTP scheme continues to grow as the scheme matures.

FY2022 – Q4	FY2022 – Q1	FY2022 – Q2	FY2022 – Q3
1 Apr – 30 June 2021	1 Jul – 30 Sept 2021	1 Oct – 31 Dec 2021	1 Jan – 31 Mar 2022

Note: Analysis is using data collected up to 30 June 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 3
Financial Year 2022

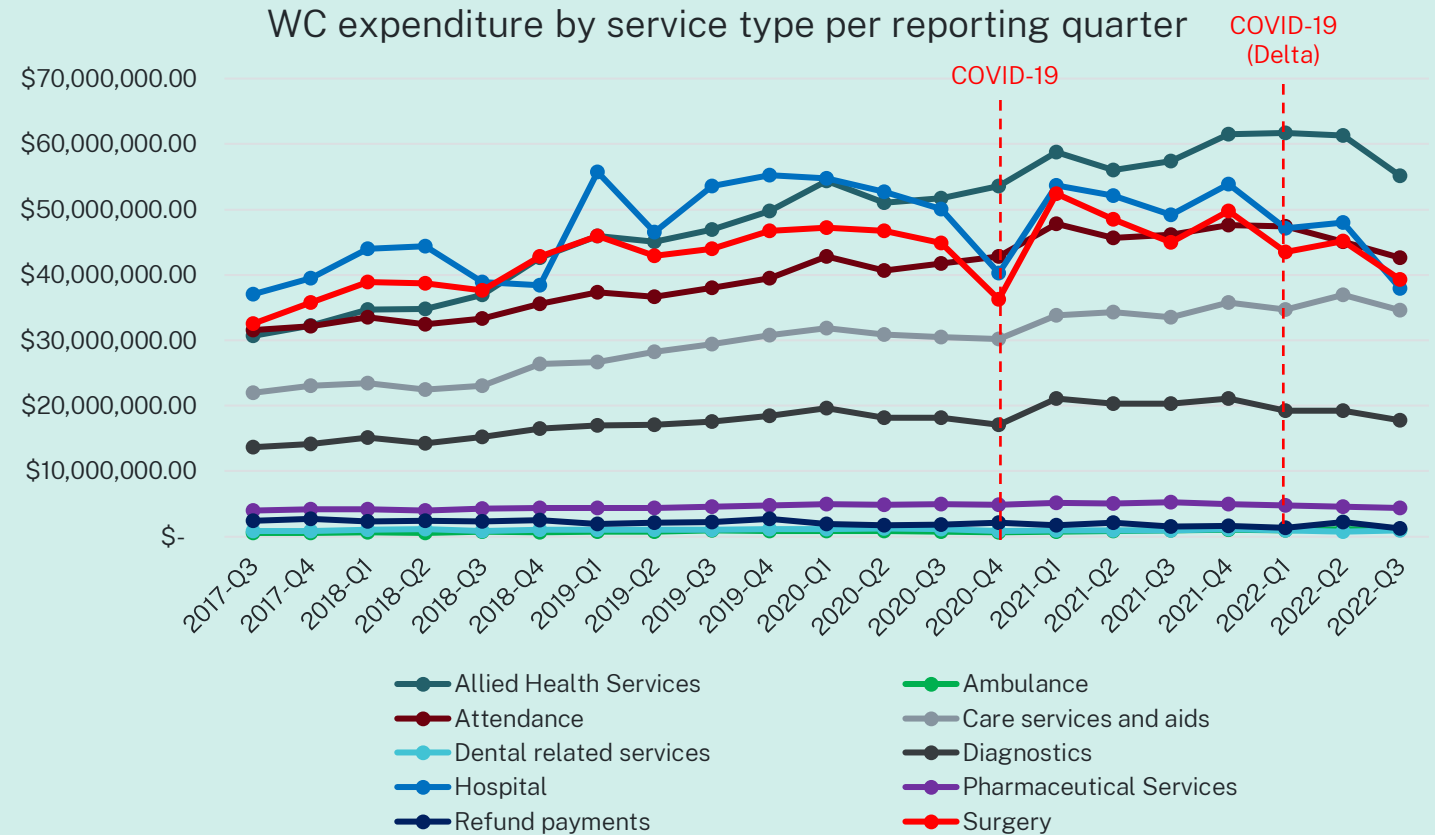
- Workers compensation scheme

Workers compensation expenditure by service type

Reductions in quarterly hospital and surgical costs are demonstrated in FY2020-Q4 and FY2022-Q1 coinciding with COVID-19 related restrictions. Increases are seen following the easing of these restrictions, more so in FY2021-Q1.

Most other healthcare service types demonstrate a general upward trend over time, with reductions noted in FY2022-Q3, particularly for allied health and professional medical attendances.

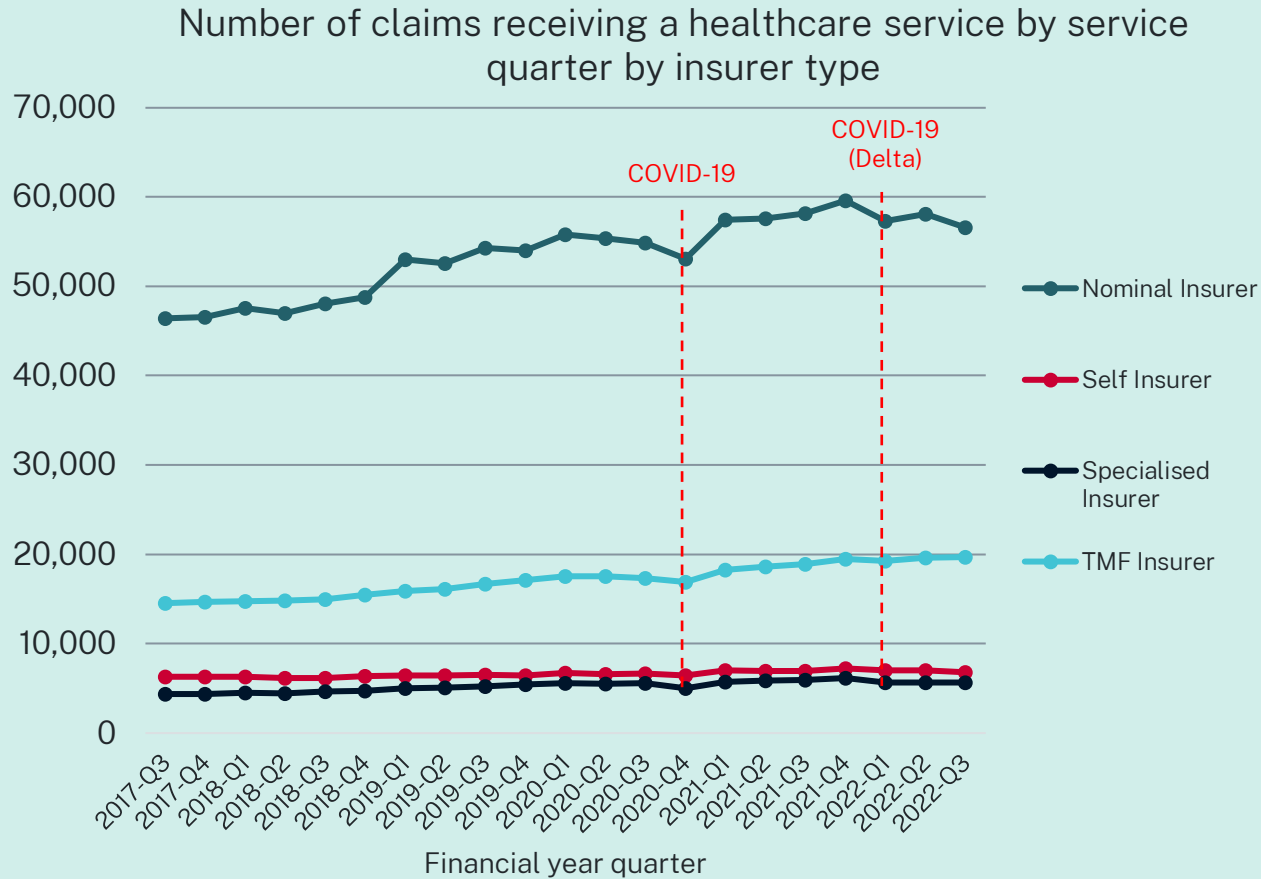
Subsequent healthcare dashboards, with additional data maturity for this reporting quarter, will assist in determining if this reduction is maintained.



FY2022 – Q4	FY2022 – Q1	FY2022 – Q2	FY2022 – Q3
1 Apr – 30 June 2021	1 Jul – 30 Sept 2021	1 Oct – 31 Dec 2021	1 Jan – 31 Mar 2022

Note: Analysis is using data collected up to 30 June 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



All workers compensation insurer types demonstrated steady growth in the number of claims receiving healthcare services following the initial COVID-19 restrictions of FY2020-Q4.

A reduction in claim numbers accessing healthcare services is seen with all insurer types in FY2022-Q1, coinciding with the COVID-19 Delta variant.

FY2022-Q2 data, demonstrates an increase in claim numbers receiving healthcare services following the COVID-19 Delta variant.

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

FY2022 – Q4	FY2022 – Q1	FY2022 – Q2	FY2022 – Q3
1 Apr – 30 June 2021	1 Jul – 30 Sept 2021	1 Oct – 31 Dec 2021	1 Jan – 31 Mar 2022

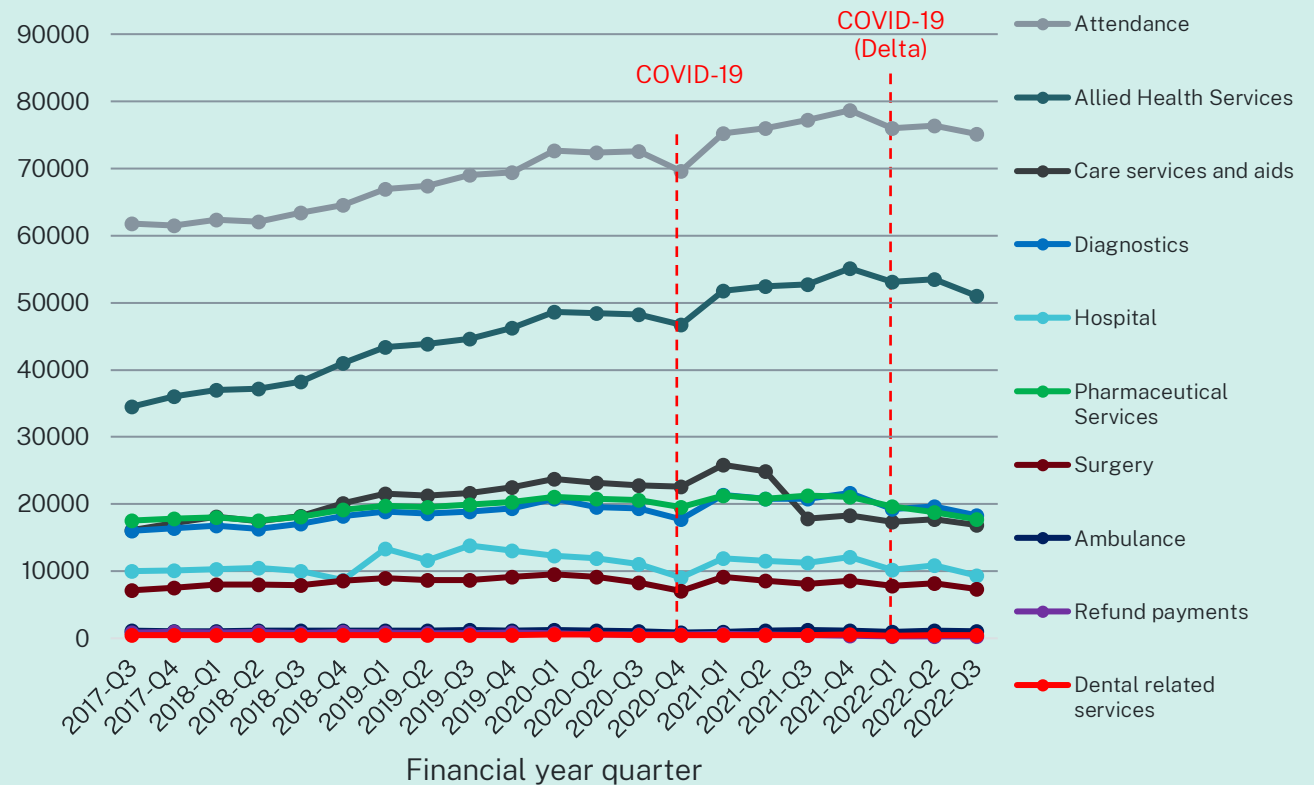
The number of workers compensation claims receiving healthcare services by service group

Steady growth was seen in the number of claims receiving professional medical attendances and allied health following the COVID-19 impacted FY 2020-Q4. This reduced during FY 2022-Q1, likely impacted by the COVID-19 Delta variant, and, when compared with FY2021, remains at a lower relative level for Q2 and Q3 of FY 2022.

Most other healthcare service groups also show a reduction in the number of claim receiving their services for FY 2022-Q1 (impacted by the COVID-19 Delta variant), and for the following Q2 and Q3 of FY 2022.

Hospital and surgery, however, demonstrate slight increases in Q2-FY2022, following the easing of restrictions, and then reductions in claim numbers again for FY2022-Q3.

Number of WC claims accessing healthcare service groups by service quarter

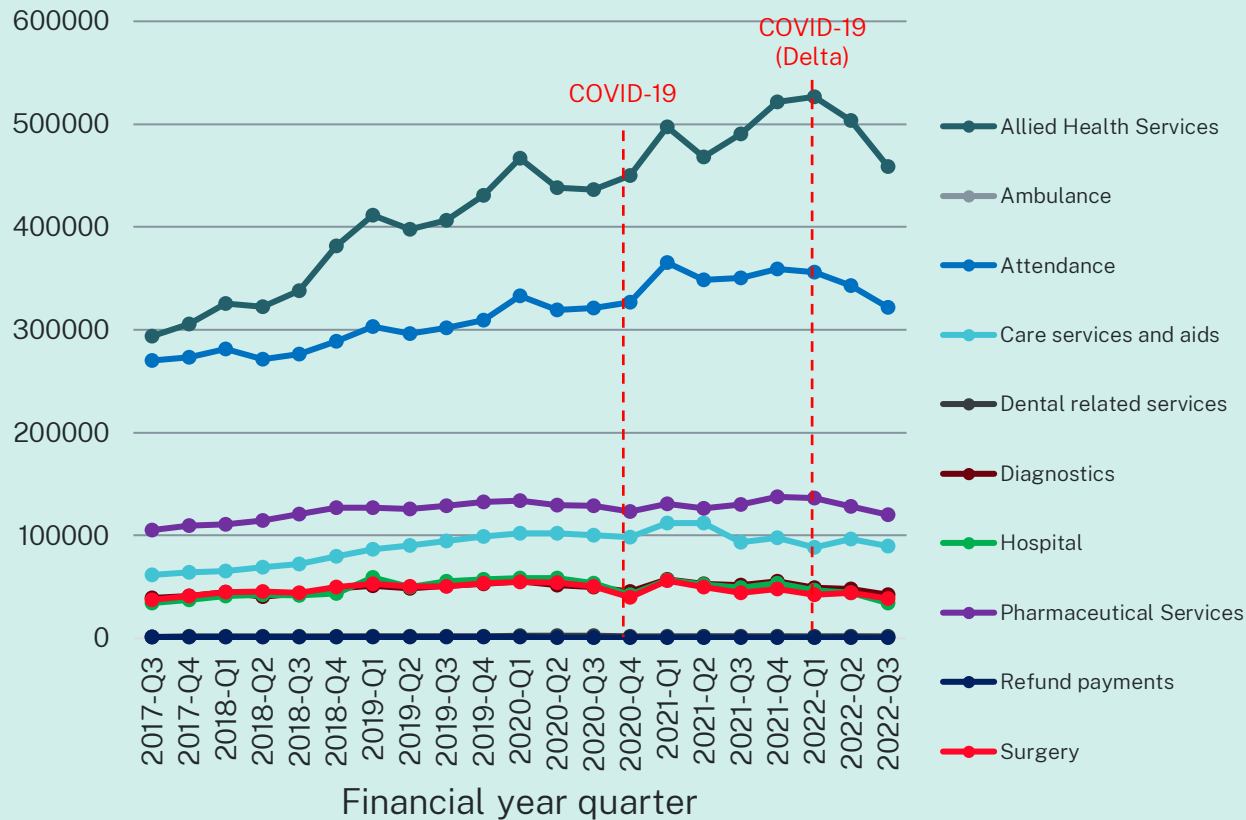


Note: Analysis is using data collected up to 30 June 2022. The data for the most recent quarters has not fully developed and will continue to mature with successive reports.

FY2022 – Q4	FY2022 – Q1	FY2022 – Q2	FY2022 – Q3
1 Apr – 30 June 2021	1 Jul – 30 Sept 2021	1 Oct – 31 Dec 2021	1 Jan – 31 Mar 2022

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

Number of services by service group in WC



The number of healthcare services shows a reduction across most healthcare service groups for FY2022 Q2 and Q3, with Care services and aids the exception.

The recent reductions are most noted with allied health services and professional attendances. An analysis of service sub-groups informs the drivers of these reductions is related to physiotherapy services and general practitioner professional attendances.

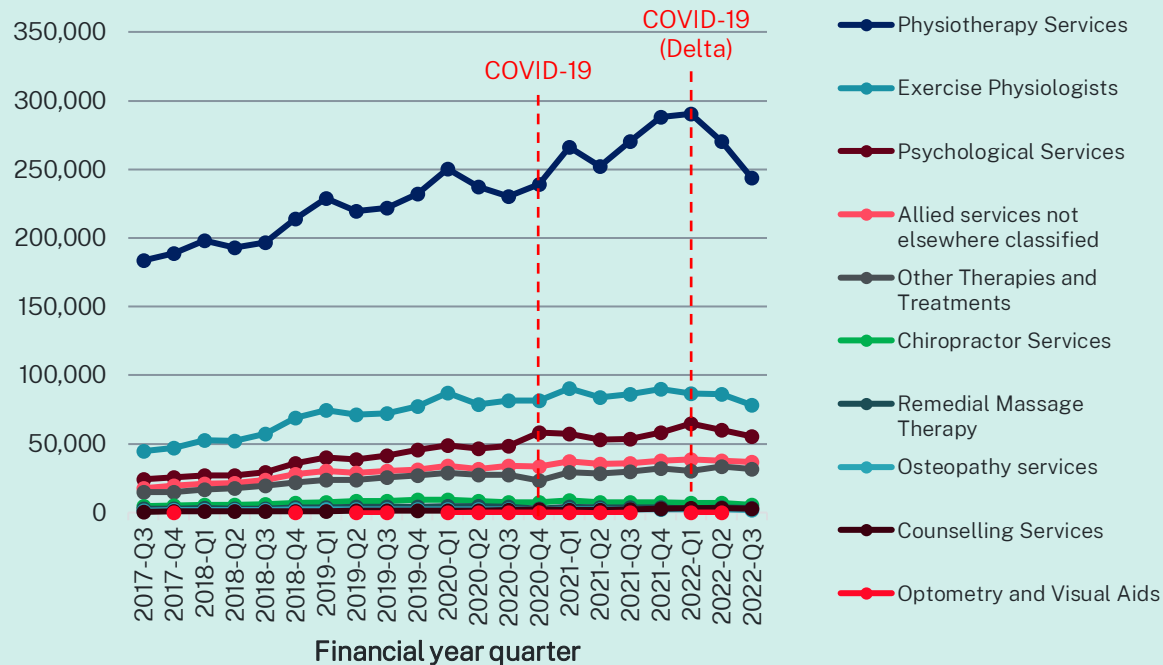
Hospital, surgery, and diagnostics demonstrate very similar trends in the numbers of services per quarter, all impacted by COVID related restrictions, but recovering and remaining relatively static thereafter.

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

FY2022 – Q4	FY2022 – Q1	FY2022 – Q2	FY2022 – Q3
1 Apr – 30 June 2021	1 Jul – 30 Sept 2021	1 Oct – 31 Dec 2021	1 Jan – 31 Mar 2022

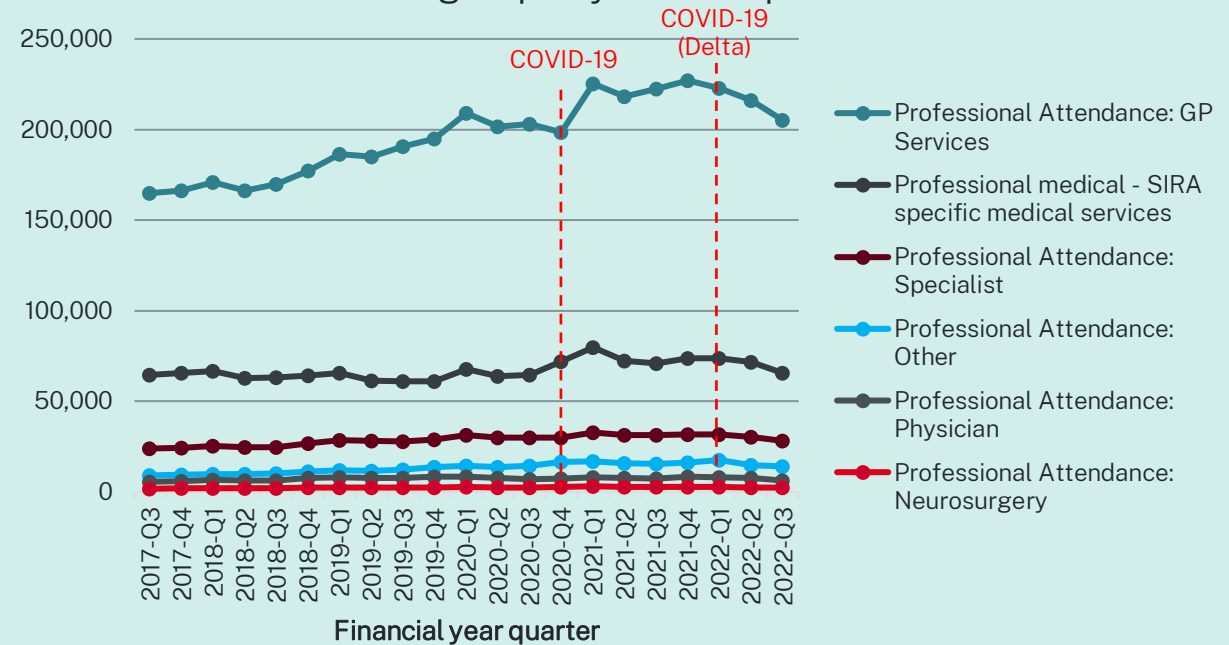
Trends in the number of services by service sub-group for workers compensation claims

Number of services for allied health sub groups by service quarter



Physiotherapy, having been the prominent driver of increased allied health utilisation previously, demonstrates reductions in the number of services for FY2022 Q2 and Q3.

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



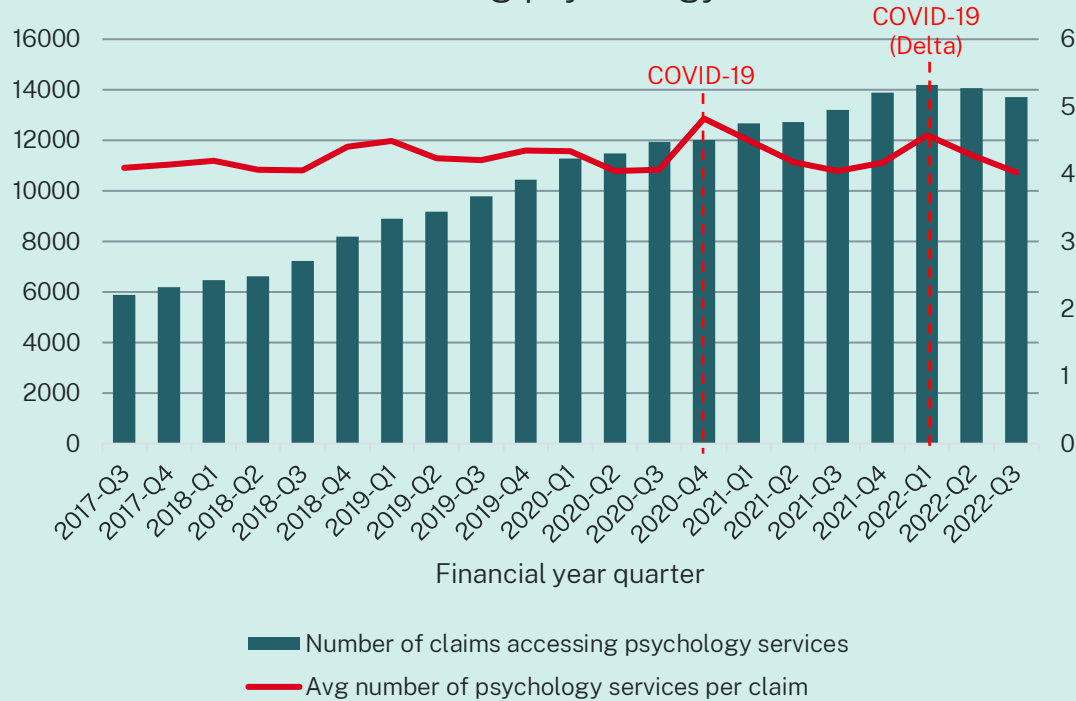
General practitioner (GP) attendances demonstrate a reduction in number of services for FY2022 Q2 and Q3 after previously being the main driver of professional attendance utilisation.

FY2022 – Q4	FY2022 – Q1	FY2022 – Q2	FY2022 – Q3
1 Apr – 30 June 2021	1 Jul – 30 Sept 2021	1 Oct – 31 Dec 2021	1 Jan – 31 Mar 2022

Note: Analysis is using data collected up to 30 June 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

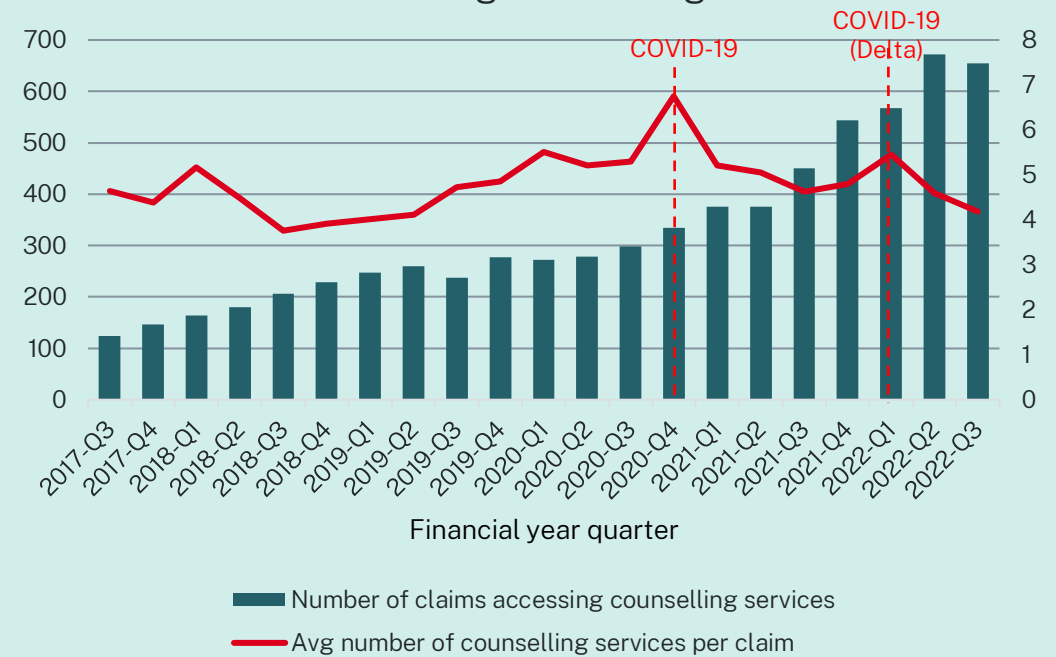
Claims accessing psychology services



The number of 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.

FY2022 – Q4	FY2022 – Q1	FY2022 – Q2	FY2022 – Q3
1 Apr – 30 June 2021	1 Jul – 30 Sept 2021	1 Oct – 31 Dec 2021	1 Jan – 31 Mar 2022

Claims accessing counselling services

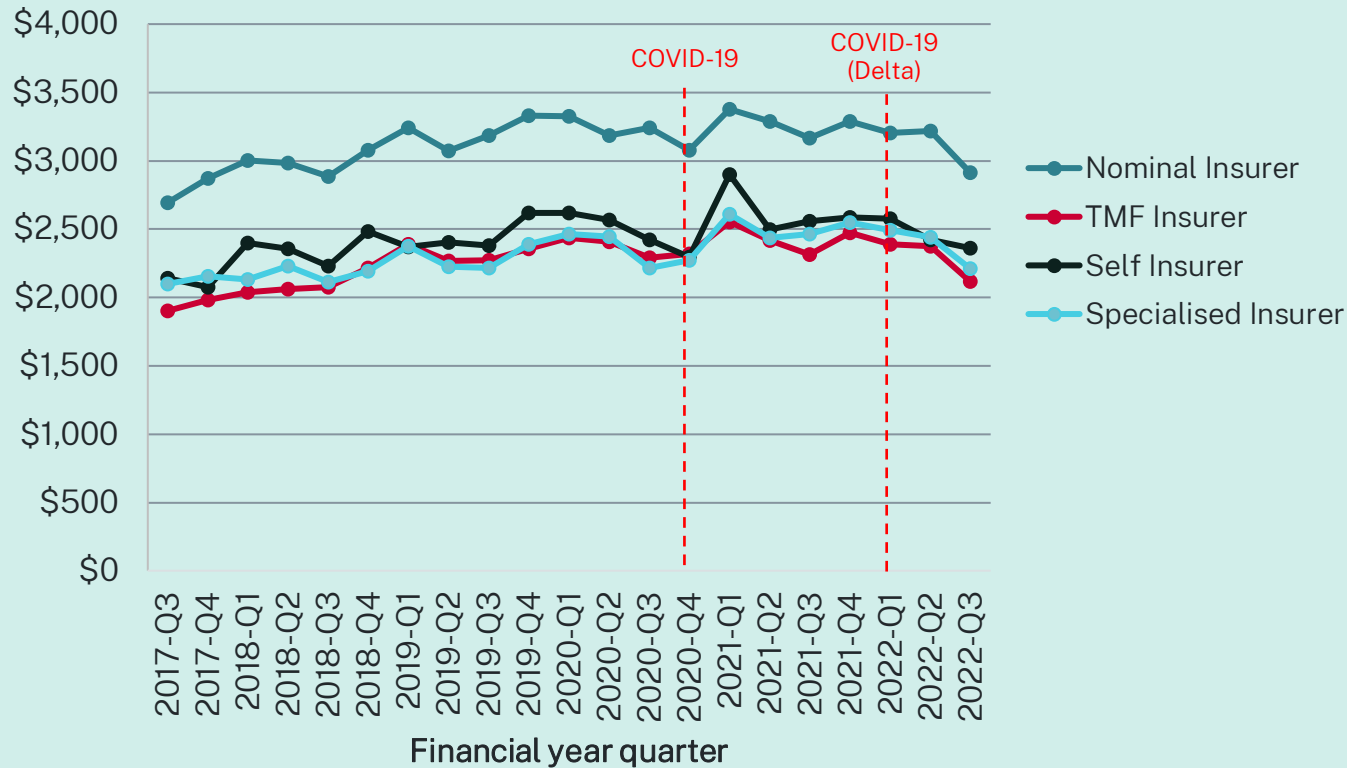


Claims accessing counselling services on a quarterly basis has continued to grow in recent quarters.

Note: Analysis is using data collected up to 30 June 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

Average healthcare cost (nominal) per claim by insurer group



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

Trends in average healthcare costs per claim per financial quarter are varied across all insurers following this spike. However, a higher average cost appears to be maintained in the quarters leading to FY2022-Q1.

Following FY2022-Q1 (impacted by the COVID-19 Delta variant) all insurers demonstrate an overall reduction in average healthcare cost per claim. Data maturity with subsequent healthcare dashboards will help understand if this reduction will be maintained.

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

FY2022 – Q4	FY2022 – Q1	FY2022 – Q2	FY2022 – Q3
1 Apr – 30 June 2021	1 Jul – 30 Sept 2021	1 Oct – 31 Dec 2021	1 Jan – 31 Mar 2022

Note: Analysis is using data collected up to 30 June 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

The average number of healthcare services per claim increased gradually across all insurers from FY2017-Q3 to FY2018-Q4.

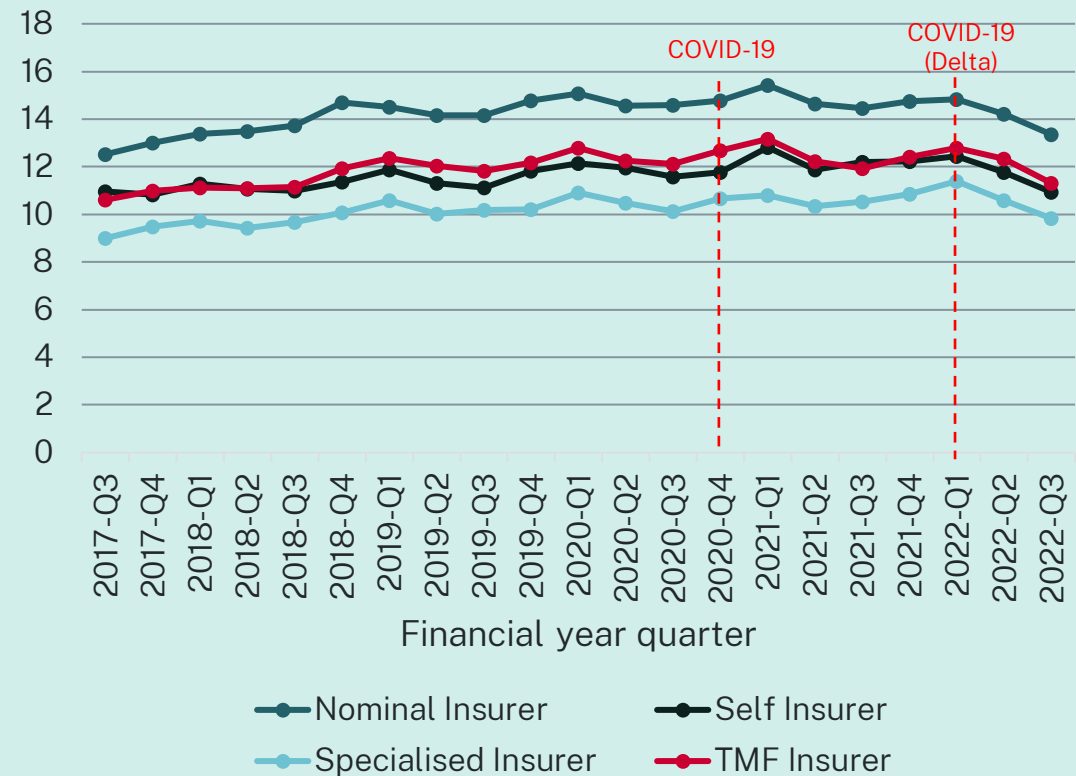
Since then this appears to have flattened to a new higher average number of healthcare services per claim per quarter, with some minor seasonal variations.

An further increase is seen in the average number of healthcare services per claim in FY2021-Q1 (most likely attributed to easing of COVID-19 restrictions, allowing access to postponed services).

For the 6 months following FY2022-Q1 (COVID-19 Delta variant) average number of healthcare services per claim has reduced across all insurers. Subsequent healthcare quarterly dashboard reports will demonstrate if this reduction is maintained.

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

Average number of healthcare services per claim



FY2022 – Q4	FY2022 – Q1	FY2022 – Q2	FY2022 – Q3
1 Apr – 30 June 2021	1 Jul – 30 Sept 2021	1 Oct – 31 Dec 2021	1 Jan – 31 Mar 2022

Note: Analysis is using data collected up to 30 June 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 March 2022

- Workers compensation and 2017 MAIA CTP schemes

Drivers of healthcare expenditure for the 12 months to 31 March 2022

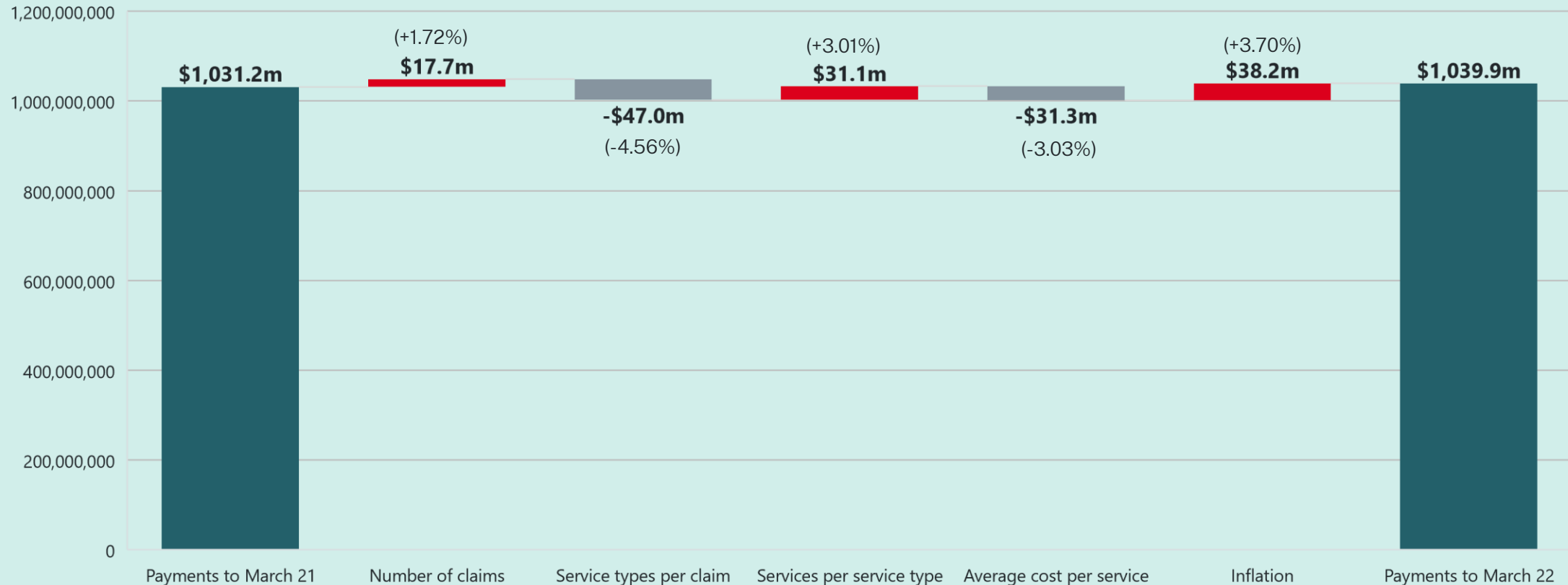
The following graphs provide analysis of cost drivers in healthcare over the twelve-month period from 1 April 2021 to 31 March 2022 compared to the period 1 April 2020 to 31 March 2021. This is not a comparison of financial years.

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 31 March 2022



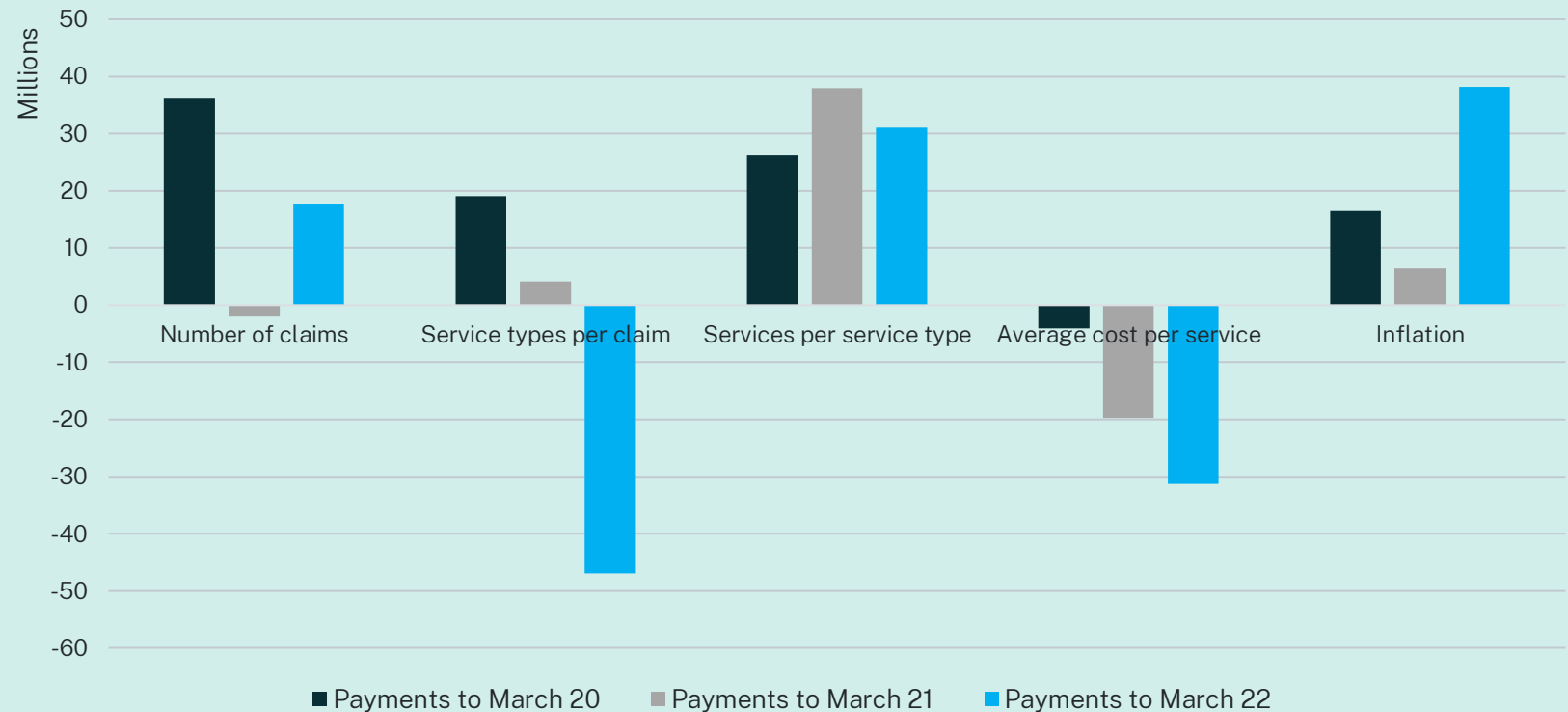
Healthcare expenditure in the workers compensation scheme grew 0.85% in the 12 months to March 2022 compared with the previous 12 month period. This has been driven primarily by increases in the number of services per healthcare service type (+ 3.01%), the number of claims accessing in-scope healthcare services (+1.72%), and inflationary change (+3.70%). 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)

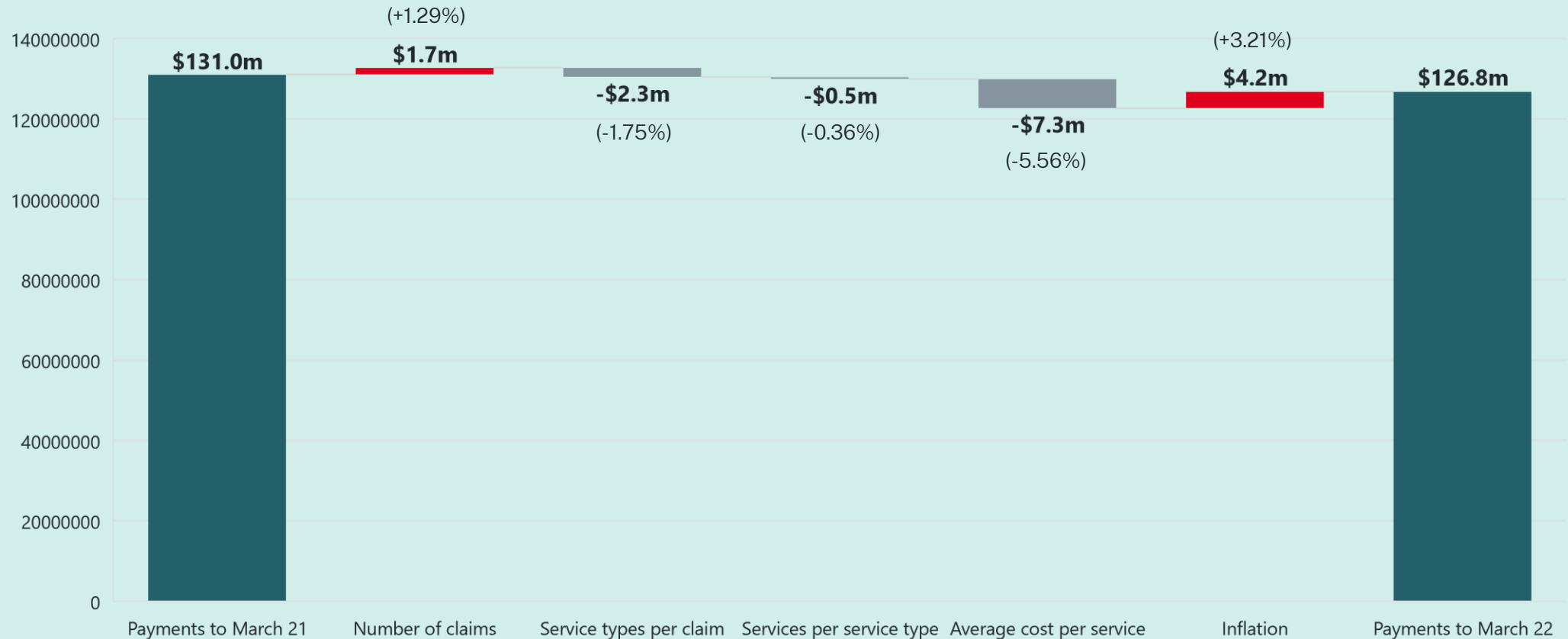
Drivers of workers compensation healthcare expenditure for the last three years ending 31 March 2022

- 12 months to Mar 2020** – all drivers of healthcare expenditure contributed to positive growth when compared with the previous 12-month period, except for the average cost per service. Of the drivers of positive healthcare growth the *number of claims*, and service utilisation (comprising of the number of *service types per claim* and the number of *services per service type*) were the main contributors.
- 12 months to Mar 2021** – 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 Mar 2022** – the *number of claims* has returned as a positive driver of growth in healthcare expenditure. While the *number of service types per claim* was a negative driver, the *number of services per service type* remained as a strong positive driver. *Average cost per service* was still a strong negative driver, reflecting the potential impact of reductions in high-cost services of hospital and surgery due to the COVID-19 Delta variant.
- Inflation** continues to contribute to healthcare expenditure growth across all periods, more notably in the 12 months to March 2022.

Changes in growth of workers compensation healthcare expenditure



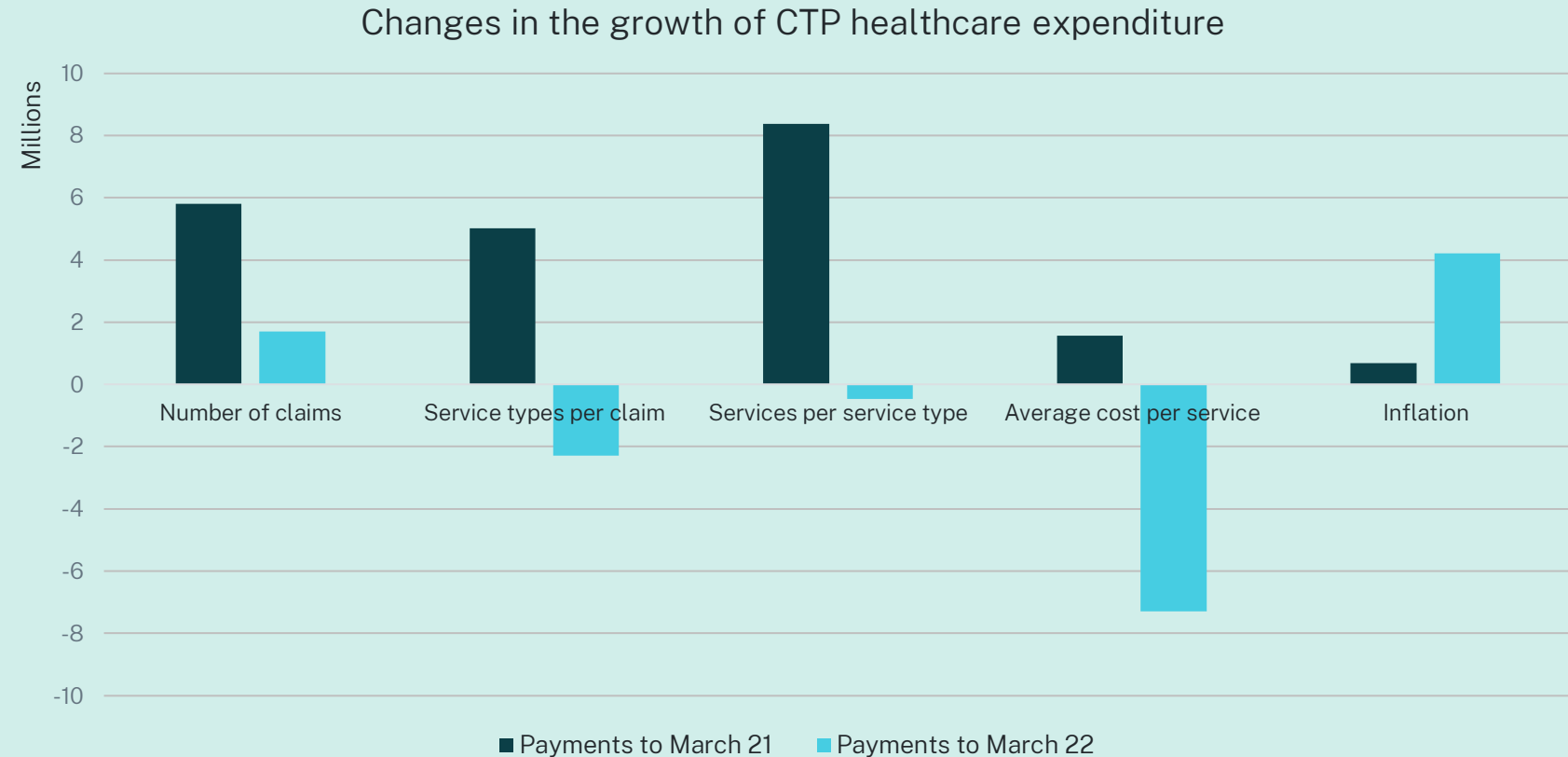
Drivers of 2017 MAIA CTP scheme healthcare expenditure for the 12 months to 31 March 2022



Healthcare expenditure in the 2017 MAIA CTP scheme decreased by 3.17% in the 12 months to March 2022 compared with the previous 12 month period. This has been driven by decreases in the number of services per healthcare service type, number of services per claim and the average cost per healthcare service. The number of claims accessing in-scope healthcare services and inflationary change were positive drivers for the 12 month period.

Drivers of 2017 MAIA CTP scheme healthcare expenditure for the last two years ending 31 March 2022

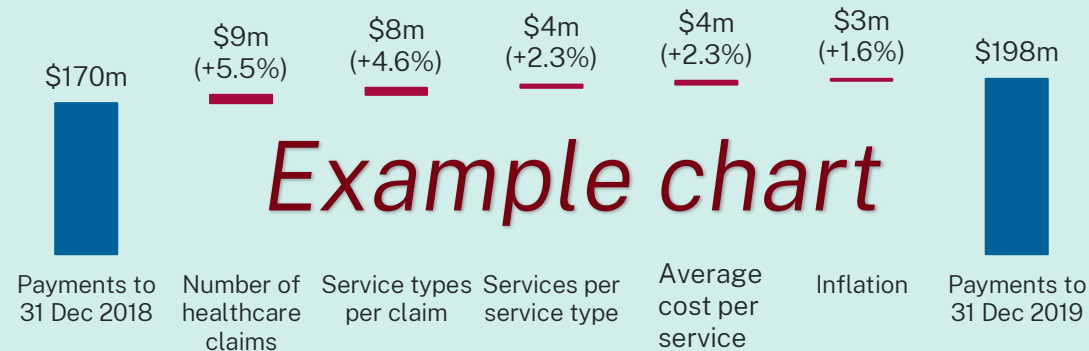
- **12 months to Mar 2021** – all drivers of healthcare expenditure in the CTP scheme contributed to positive growth for the 12 months to March 2021, particularly the *number of claims*, and service utilisation (comprising of the number of *service types per claim* and the number of *services per service type*).
- **12 months to Mar 2022** – the number of claims and inflation contributed to positive growth in healthcare expenditure for the 12 months ending March 2022. All other drivers represented negative growth, particularly *average cost per service*, potentially reflecting the impact of reductions in road utilisation due to the impacts of COVID-19, and the subsequent reduction in high-cost services of hospital and surgery.



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.	-

