

## Accident Compensation Corporation February 2020 Integrated Change Investment Portfolio Progress Update

### Proposal

1. This paper updates Cabinet on the Accident Compensation Corporation's *Shaping Our Future* programme between June 2019 and January 2020, and next steps.

### Executive Summary

2. The *Shaping our Future* programme - a strategy delivering change to improve customers' outcomes and experience, and improve overall trust and confidence in the Accident Compensation Corporation (ACC) – continues to be implemented by ACC through the Integrated Change Investment Portfolio (ICIP)<sup>1</sup>. In response to what customers and stakeholders have told ACC, it is redesigning its services to put clients at the centre of everything it does and is committed to creating a more transparent, modern, and efficient organisation.
3. Overall ICIP is progressing well and key implementation targets continue to be met.
4. Under ICIP, ACC is working on several initiatives to support improved service experience and outcomes for the following groups:
  - **Customers:** shifting from a claim to a customer focus. ACC is changing how it works and streamlining its processes and systems to make it easier for customers to get the support they need;
  - **Providers:** continuing to trust providers to make the right clinical decisions for their patients; and
  - **Business Customers:** making it quicker and easier for businesses to deal with ACC, with greater online and mobile capability.
5. Since the last Cabinet update, ACC has successfully implemented several significant ICIP initiatives:
  - the tools and processes to support the nationwide roll-out of Next Generation Case Management (NGCM) across two thousand frontline ACC staff went live in November;
  - the roll-out of the first of five tranches of NGCM at ACC's Southern Hub in Dunedin and related regional sites, completed in January 2020;
  - movement of the first five of 11 client entitlements and payments into the new client payment system;

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<sup>1</sup> Since July 2018, the Integrated Change Investment Portfolio (ICIP) has been the primary mechanism to deliver *Shaping Our Future*. ICIP provides a single portfolio for major organisational changes that can be effectively governed and delivered [CAB-18-MIN-0036 refers].

- delivery of the new analytics platform, providing reporting and analytical tools that improve ACC's access to, and use of information; and
  - refinement and implementation of a continuous delivery model, using agile methodologies.
6. Through the successful roll-out of initiatives between June 2019 and January 2020, ACC is seeing benefits delivered to its customers, staff and stakeholders. Overall measures of client trust and satisfaction have remained at high levels<sup>2</sup> during a period of intensive change, which is a positive identifier of ACC's success in rolling-out its change programme.
  7. The expected overall cost for ICIP remains the same since the last update. ICIP is fully funded by ACC reserves and will not require additional government investment or an increase in levies. The budget remains at \$669 million. Of this, \$441 million has been spent as at 31 December 2019, with \$228 million (including unreleased contingency of \$63 million) available for the next three years. A cost forecast for ICIP is attached as Appendix 1.
  8. The benefits profile and overall Net Present Value (NPV) for ICIP have not changed significantly since April 2019, at \$300 million. ACC will continue to monitor and ensure appropriate support and attention is given to realising these.
  9. ACC will review the benefits profile in the first half of 2020 and I will update Cabinet in the next six-monthly report-back.
  10. ACC continues to assess the overall portfolio risk rating, which has reduced from high to medium due to the successful implementation of recent changes and the reduction of interdependency risk. Close monitoring of risk continues across the portfolio.
  11. Over the next six months, ACC will continue to make improvements to customer experience through the continued nationwide rollout of NGCM, the continued movement of entitlements into the new payments system, and through the Health Sector Strategy (HSS) by working with providers on pilots to commission for outcomes and support customers to recover more quickly from injury.

## Key updates since June 2019

### *Improving the customer experience*

12. ACC is delivering three initiatives in parallel that address different aspects of customer experience: NGCM, Client Payments project, and MyACC.

### *Next Generation Case Management*

13. ACC's case management approach is being transformed through NGCM, enabling ACC to engage with customers in ways that add the most value to their recovery. The new model gives customers greater control over their own recovery and directs more targeted support to those who need it most. Simplified, efficient and automated processes enable ACC staff to spend more time on high quality conversations and decision-making with customers, and less time on administrative tasks.
14. NGCM was tested at 'Launch Pad' trial sites over a two-year period to August 2019. During this time, trial sites managed approximately 35,000 claims. The trial demonstrated substantial improvements to customer satisfaction results, return to work outcomes, clinical and technical guidance response times and engagement of ACC staff when compared with business as usual processes.
15. NGCM went live with the first set of tools and processes at the 'Launch Pad' sites in August 2019 and the tranche 1 Southern hub in Dunedin, Invercargill, Timaru and Alexandra sites in September 2019, with a further technology drop to support the new ways of working in November 2019. The roll-out of tranche 1 was successfully completed in January 2020.

<sup>2</sup> ACC's Net Trust Score has remained between +23 to +28 during the change process. Net Trust is measured from -100 to +100.

16. Approximately 25 percent of ACC frontline staff are now using NGCM, managing approximately 4,000 claims. The next tranche of sites will go live in February 2020, with all ACC sites working under the new NGCM model by August 2020.
17. Changes to technology and processes across ACC, and the 'Launch Pad' and Southern sites were completed in January 2020. ACC expects to see NGCM benefits realised in the coming months and I will share these with the Committee at the next six-monthly report-back.

#### *Client Payments*

18. ACC continues to migrate client payment information into its new client payments system, Eos, from its outdated and increasingly unsupportable payment system, Pathway. This project is intended to simplify processes, increase payment accuracy by reducing annual inputs, and enable ACC's employees to work in a faster, more responsive way.
19. The Client Payments project is being carried out over four years in three phases, due to the complexity, size and scope of the entitlements being moved into Eos and the importance of this functionality to ACC clients.
20. Phase one was successfully implemented in May 2019, moving the calculation and payment of new and simple weekly compensation payments into Eos. Over half of the current weekly compensation entitlements (approximately 16,000) are now being paid from Eos.
21. Phase two of the Client Payments project is being delivered in three releases as follows:
  - release A: delivered in November 2019, moving the payment of accidental death entitlements, and other selected weekly compensation exception cases into Eos including fatal weekly compensation, childcare payments, survivor grants and funeral grants, including a Ministry of Justice top up payment where appropriate;
  - release B: is due to be implemented in April 2020, moving lump sum and independence allowance payments, and remaining client entitlements from Pathway into Eos; and
  - release C: is due to be implemented in late 2020, further digitally enabling client payment processes for ACC clients including improvements to client reimbursements and integration with MyACC and MyACC for Business, our online customer platforms.
22. The third and final Phase of the project is the data migration and decommissioning of Pathway. The data migration of entitlements is running alongside phases one and two and is on track to be completed in the latter part of 2020.
23. Within Phase 3, data from the decommissioned Pathway system will be archived in a usable state to allow ACC to access the information if required and this system will be retired by June 2021.

#### *MyACC for customers*

24. MyACC is an online service (available on desktop and mobile devices) that allows ACC customers to view and update their claim information, and apply for entitlements such as weekly compensation, reimbursements, or home help. MyACC encourages customers to be more actively involved in managing their injuries, enabling ACC to focus its time and resources on those who need more support, as reflected in NGCM design.
25. ACC will continue to roll out MyACC to new customers in conjunction with NGCM roll-out throughout 2019/20.

#### *Continuous delivery model*

26. ACC has been trialling agile methodologies as a way of better integrating and managing change across the business to meet delivery needs. This new way of working (Continuous Delivery) will enable ACC to prioritise its investment and organise work and resources around the needs of its customers.

27. In July 2019, four projects<sup>3</sup> were selected to pilot Continuous Delivery, along with a team dedicated to building ACC's capability to operate in an agile environment. These initiatives have involved testing, adapting and refining the approach before it is extended to more of the organisation in a progressive way and at an appropriate pace.
28. During 2020 this way of working will start to be adopted by other teams within ACC.

#### *Using the new business analytics platform – Analytics Continuous Delivery*

29. The new business analytics platform will provide the reporting and analytical tools to improve ACC's access to, and use of, data. The base platform was successfully delivered under Analytics 2.0 project in August 2019. ACC will progressively transition to the new platform in early 2020.
30. This platform will help inform decision-making on injury prevention investment, customer rehabilitation and return to work outcomes, costs of delivery, and understanding customer service experience.
31. Initial cases will focus on proactive fraud, waste and abuse detection, using the power of the platform and data held by ACC. This ultimately involves real-time data matching of weekly compensation information with Inland Revenue, ensuring ACC customers are not overpaid and required to make repayments to ACC at a later date.
32. Regular reporting flows will be automated and will provide self-service access to performance data and analytical tools. ACC aims to make better use of data to identify where it can refine and improve its services, ultimately contributing to better outcomes for customers.

#### **Cross-government collaboration**

33. ACC is working with the Ministry of Health, the Ministry of Social Development, Inland Revenue, the Government Chief Digital Officer (GCDO), and the Government's Chief Privacy Officer<sup>4</sup>. This collaboration is essential to deliver ICIP. ACC has also met with Inland Revenue regarding lessons learned from Inland Revenue's successful transformation programme.
34. ACC continues to ensure that a privacy by design approach is followed in all elements of ICIP, as well as across its broader business. We have completed privacy impact assessments for the NGCM model and the technology components that support it. The Office of the Privacy Commissioner has been briefed on changes, and we will continue to do so as other elements of the ICIP are deployed.
35. ACC is working with several agencies, including StatsNZ, the New Zealand Transport Agency, WorkSafe and the Ministry of Health on data sharing initiatives to support how it operates. Sharing information and working towards better interoperability of data helps ACC and these agencies to deliver better customer experiences and outcomes, and makes it easier to design interactions that are more seamless, integrated, automated, timely and of better quality.
36. An example is the development of the business case for a national Health Information Platform led by the Ministry of Health (MoH). Specific areas of common interest and benefit have been identified for ACC and MoH, and the people both agencies deliver services to, particularly related to the use of common technology platforms and use of data. ACC fully supports the objectives and capabilities proposed.
37. ACC has increased its contribution to the government open data environment. There are now thirteen data releases published on the ACC and data.govt website, the all-of-government data publishing platform, these include:

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<sup>3</sup> The four change initiatives using our ACC's Agile Continuous Delivery approach are Ngā Tapuwae Kōrero (the continuous delivery phase of Juno, including Experience Rating), Digital Channels, Microsoft 365 and the Data and Analytics Release Train.

<sup>4</sup> ACC is collaborating with the Ministry of Health on the Health Sector Strategy; the Ministry of Social Development on best-practice case management and return-to-work approaches; Inland Revenue on systems integration to support faster weekly compensation payments for customers' and levy collection for businesses; the Government Chief Digital Officer (GCDO) on government digital priorities, and the Government's Chief Privacy Officer

- OIA releases which include data;
- Christmas injury statistics;
- Easter injury statistics; and
- Treatment injury data.

## Focus for the next six months

38. ACC is scheduled to continue delivering service improvements for customers over the next six months through the following ICIP projects.

### *Next Generation Case Management*

39. Roll-out of tranches two to five across the country are planned to be completed by August 2020.
40. ACC's phased approach to implementation will help to support performance during roll-out as regions will be able to serve as back-ups to each other. This approach is intended to support staff engagement, and manage any operational risks to performance should they begin to emerge.

### *Client Payments – phase two*

41. Under phase two of the Client Payments project, ACC will continue the transfer of the calculation and payment of all customer entitlements from Pathway, to Eos, with final releases due to be completed in April and December 2020.

### *Health Sector Strategy*

42. The HSS defines how ACC works as a part of the broader health sector from now and into the future. Under the HSS, ACC is focusing on collaboration and partnership with providers and other healthcare organisations<sup>5</sup> to support customers to recover more quickly and effectively from injury. The benefits of this approach will be:
- faster recovery and improved rehabilitation outcomes for customers;
  - reduced pressure on healthcare and increased efficiency of ACC's health spend (through improved treatment pathways that get customers to the right treatment providers earlier); and
  - improved provider trust and confidence through involvement in shaping delivery models.
43. In August, a new Board Advisory Committee was established to ensure that the HSS is strongly focused on leveraging ACC's role in the broader health system to improve customer outcomes and increase value for money. The Board Advisory Committee combines ACC and external experience and expertise from the public and private healthcare sector, with a strong clinical lens to advise ACC on the design and implementation of the HSS. The external members of the Board Advisory Committee have a diverse range of experience in areas including healthcare, research, business, law and governance.
44. The cornerstone of the HSS is to progress outcomes-based purchasing and to ensure value is at the heart of all health services delivered to ACC's customers. This will improve clinical outcomes, reduce any unnecessary treatment, and make treatment a more seamless experience for customers. A key dependency for delivering benefits, and for the overall success of the HSS, is ACC's health providers, and therefore ensuring effective relationships is an important focus of the programme.
45. An important focus for ACC, including the HSS, is improving access and outcomes for Māori. In 2017, ACC partnered with What Ever It Takes, a Home and Community Support Services provider to deliver a two-year pilot to support seriously injured Māori clients. The pilot tested a Whānau Ora approach to care, with the goal of improving outcomes for Māori clients by gaining a better

<sup>5</sup> Primary care providers, specialists, home care services, District Health Boards, Ministry of Health, Health Quality and Safety Commission, colleges and other clinical bodies.

understanding of the difficulties faced when dealing with a serious and life-changing injury. The pilot has now finished, and the Evaluation report is being finalised with considerations made to how learnings can be applied.

46. Over the next six months the HSS will focus on delivery of four ICIP-funded initiatives that are demonstrating the potential to deliver significant benefits:
- **Escalated care pathways (ECP)** – ACC and providers are working together to improve health outcomes for customers. Following the success of a pilot for customers with knee injuries which resulted in a reduction in overall treatment time for customers and faster return-to-work, with commensurate reduced weekly compensation costs including a post-surgical weekly compensation reduction of an average of four weeks, and an estimated additional one week (minimum) per customer reduction in pre-surgery weekly compensation, ACC has co-designed with some providers a commissioning for outcomes approach. This will enable ACC to expand the pilot to shoulder, knee and spine customers using a coordinated, multi-disciplinary care pathway for complex musculoskeletal injuries. This will enable innovation and reduce customer treatment delays and determine customer readiness for surgery, and a focus on monitoring activity towards the achievement of targeted outcomes rather than the traditional fee for service approach. Given the scale and scope of the model, a Stop/Go evaluation and decision point has been included after the first 18 months of the [four year] contract. Ensuring equitable access and outcomes for Māori is an important focus of ECP and Māori representation is a contractual obligation at all levels of governance to ensure that the project's ambitions are met. Each consortium will also provide a navigator function to address specific cultural needs and then work with clinicians to tailor a pathway for the customer.
  - **Primary care** [High Tech Imaging] - This pilot is shifting treatment decisions on access to high-tech imaging to primary care providers rather than specialists. Early results show improved access by Māori and Pasifika customers, and reduced costs (through fewer specialist referrals and increase in non-surgical interventions). The next phase is under consideration, pending extended care pathway linkages.
  - **Non-acute rehabilitation** – This is testing outcomes-based purchasing, shifting from care models that provide incentives for longer hospital stays to models focused on providing appropriate rehabilitation within a community setting. The non-acute rehabilitation pilot has been developed with District Health Boards (DHB) and is also expected to reduce demand on their rehabilitation beds. The test and learn phase is continuing with the initial pilot with three DHBs. The funding model, case mix and outcomes frameworks are being refined as the test progresses. ACC expects to progressively rollout non-acute rehabilitation to all DHBs from the third quarter of 2020.
  - **Integrated home and community support services** [previously known as Home and community support services] – This is testing outcomes-based purchasing, shifting from care models that provide incentives for longer hospital stays to models focused on keeping customers independent. The test phase went live in March 2019 with an integrated fee for service contract whilst final testing for the assessment and pricing model is completed. Work is well advanced on the outcomes, assessment, case mix/case weight model, including consideration of the cultural requirements of any new model.
47. The use of outcome-based purchasing models is new to the New Zealand healthcare system, and close monitoring of the performance of these initiatives will be required to confirm that expected benefit profiles are achieved. This will inform the timing and nature of further initiatives that will be required to realise the overall projected benefit profile of the HSS.

## ICIP benefits and costs

48. ACC is making significant capital investment in technology and new ways of working as part of ICIP, which is intended to improve customers' experiences and generate financial benefits:
- *more effective case management* – targeted to result in customers recovering faster and returning to work an average of 5.5 days sooner, equating to an annual \$30 million weekly compensation cost reduction by 2025/26;
  - *reduced pressure and expenditure on healthcare* – working alongside providers to rehabilitate customers faster and more effectively and reduce pressure on health services through the HSS. This is targeted to generate an annual \$75 million benefit by 2025/26;
  - *improved productivity for ACC* – by 2023/24 managing an increased workload from an overall claim per resource of 532 up to 600 through system and process improvements, and avoided future cost; and
  - *improving New Zealanders' trust and confidence in ACC and improving operational resilience.*
49. The expected overall cost for ICIP remains at \$669 million. This will be fully funded by ACC reserves and will not require additional government investment or an increase in levies to fund:
- Costs are comprised of a forecast spend of \$630 million, based on current information, and \$39 million for yet to be planned initiatives.
  - \$441 million has been spent as at December 2019, with \$228 million (including unreleased contingency of \$63 million) available for the next three years<sup>6</sup>.
  - The expected overall NPV for the period to 2030 has not changed significantly from the previously estimated \$300 million. ACC will continue to monitor and ensure appropriate support and attention is given to realising these.
  - Benefits delivery and the overall NPV will be reviewed in the first half of 2020 and a further update provided in the next six-monthly report-back.

## Portfolio risk, monitoring and assurance arrangements

### *Portfolio risk*

50. The GCDO and Treasury have noted the findings of independent reviews performed by Ernst & Young that indicate delivery risks for ICIP. The GCDO and Treasury have noted that the level of risk, and actions being taken by ACC to mitigate them, reflect the scale of the portfolio. The overall portfolio risk-rating has reduced from high to medium due to the successful implementation of recent changes and the reduction of interdependency risk.
51. ACC continues to focus on maturing its capacity and capability to support the transition to a continuous delivery model, ensuring investment decisions align with the strategic priorities for ACC and realising the value of the ICIP investment.
52. Appendix 2 summarises the key risks associated with the ICIP and the management response for each.

### *Monitoring and assurance arrangements*

53. ACC regularly refreshes its ICIP Assurance Plan. The GCDO and Treasury note the level of assurance over ICIP and meet monthly with ACC to review progress.

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<sup>6</sup> Further details on ICIP investment, net cashflow, costs and benefits are detailed in Appendices 1, 2 and 3.

54. Independent quality assurance and internal assurance have been delivered to plan to date. ACC will continue to update me via its quarterly reports, which are publicly available.

## Consultation

55. The GCDO, Treasury and the Ministry of Business, Innovation and Employment were consulted on this paper. The Department of the Prime Minister and Cabinet, the Department of Internal Affairs, Inland Revenue, and the Ministries of Health and Social Development have been informed.

## Human Rights Implications

56. The proposals in this paper have no human rights implications.

## Legislative Implications

57. The proposals in this paper do not require any changes to legislation.

## Regulatory Impact Analysis

58. The proposals in this paper do not require a Regulatory Impact Statement.

## Gender Implications

59. The proposals in this paper have no gender implications.

## Disability Perspective

60. ICIP will result in improved service delivery for New Zealanders with injury-related disabilities.

## Proactive Release

61. I propose to proactively release this Cabinet paper, subject to redactions as appropriate under the Official Information Act 1982.

## Recommendations

The Minister for ACC recommends that the Government Administration and Expenditure Review Committee:

1. **Note** that in the period June 2019 – January 2020, ACC has achieved key milestones that will improve the customer service experience, through:
  - 1.1 the roll-out of the first tranche of NGCM to the Hamilton and Hastings 'Launch Pad' and Southern region sites;
  - 1.2 the roll-out of enhanced technology in support of ACC's new model;
  - 1.3 the first roll-out of Client Payments phase two, which moves the payment of accidental death entitlements and other selected weekly compensation exception cases to the new client payments system, Eos;
  - 1.4 delivery of the new analytics platform; and
  - 1.5 refinement and implementation of a continuous delivery model to better integrate and manage change across the business.
- 2 **Note** over the next six months under ICIP, ACC will continue to make improvements to the customer experience through continued nationwide roll-out of a new case management model, enhancements to core systems and continuing to work with providers on pilots to support customers to recover more quickly from injury.

- 3 **Note** that the expected overall cost for ICIP remains the same since the last update. The approved budget for ICIP remains at \$669 million, with \$228 million (including \$63 million unreleased contingency for uncertainties) available for the next three years.
- 4 **Note** the expected overall NPV for the period to 2030 has not changed significantly from the previously estimated \$300 million. Benefits delivery and overall NPV will be reviewed in the first half of 2020 and included in the next six-monthly report-back.
- 5 **Note** I will update Cabinet on ACC's progress with ICIP in six months' time.

Authorised for lodgement

**Hon Iain Lees-Galloway**

**Minister for ACC**

Proactively released by the Minister for ACC

## Appendix 1: ICIP cost forecast as at 31 December 2019

Investments to 2022 (\$m)	Transformation Programme (2015 Cost Estimates)	Current Management Forecast (Life Time)	ICIP Baseline (Life Time) as approved through ICIP Cabinet Paper June 2018		
			Base Cost Estimate	Contingency	Total
Juno	\$46	\$92	\$93		\$93
Client Payments	\$66	\$85	\$75	\$50	\$125
Claims Front End Establishment	\$10	\$19	\$17	\$3	\$20
Analytics	\$13	\$33	\$15	\$10	\$25
Channels	\$32	\$44	\$47		\$47
MFP replacement	\$24	\$31	\$31	\$20	\$51
Programme Management	\$34	\$53	\$53		\$53
Other Transformation	\$55	\$44	\$44		\$44
Other Contingency	\$40			\$15	\$15
<b>Total</b>	<b>\$320</b>	<b>\$401</b>	<b>\$375</b>	<b>\$98</b>	<b>\$473</b>
Next Generation Case Management		\$73	\$38	\$20	\$58
Health Services strategy		\$34	\$30		\$30
Channel – continuous improvement		\$30	\$30		\$30
Eos upgrades – 8.8		\$29	\$30	\$10	\$40
9.x					
Other Change Initiatives		\$63	\$38		\$38
<b>Total</b>	<b>\$320</b>	<b>\$630</b>	<b>\$541</b>	<b>\$128</b>	<b>\$669</b>

## Appendix 2: ICIP risks and management responses

Key risk	Management actions under way
<p>Risk that ACC fails to effectively identify and/or realise the short and long-term value and benefits of ACC's investment.</p>	<ul style="list-style-type: none"> <li>• To increase focus on outcomes, benefits and key performance indicators, the following actions are underway: refreshed approach to the annual portfolio planning process; embedding and refining the quarterly review; and planning cycle for Continuous Delivery.</li> </ul>
<p>Risk that investment decisions may not effectively align with ACCs Enterprise Integrated Roadmap resulting in a complex environment which impairs future innovation and drives higher cost to operate.</p>	<ul style="list-style-type: none"> <li>• Develop and implement Architecture and Design governance model to deliver cross-functional business led governance that is aligned to the change agenda.</li> <li>• Mature Enterprise Integrated Roadmap, highlighting sequencing and cross functional needs, across all areas of ACC's business to inform design decisions.</li> <li>• Implementation of Application Portfolio Management to evaluate health and alignment of applications as an input for investment decisions.</li> </ul>
<p>Risk that the required change delivery capacity and/or capability is not available to support the transition to a continuous delivery model, impacting quality of change and engagement in the transformation of delivery approach.</p>	<ul style="list-style-type: none"> <li>• Demand for transition to the Continuous Delivery model is being reviewed and prioritised by the governance board.</li> <li>• A review of portfolio management capability to support a multi-model delivery model is underway.</li> </ul>

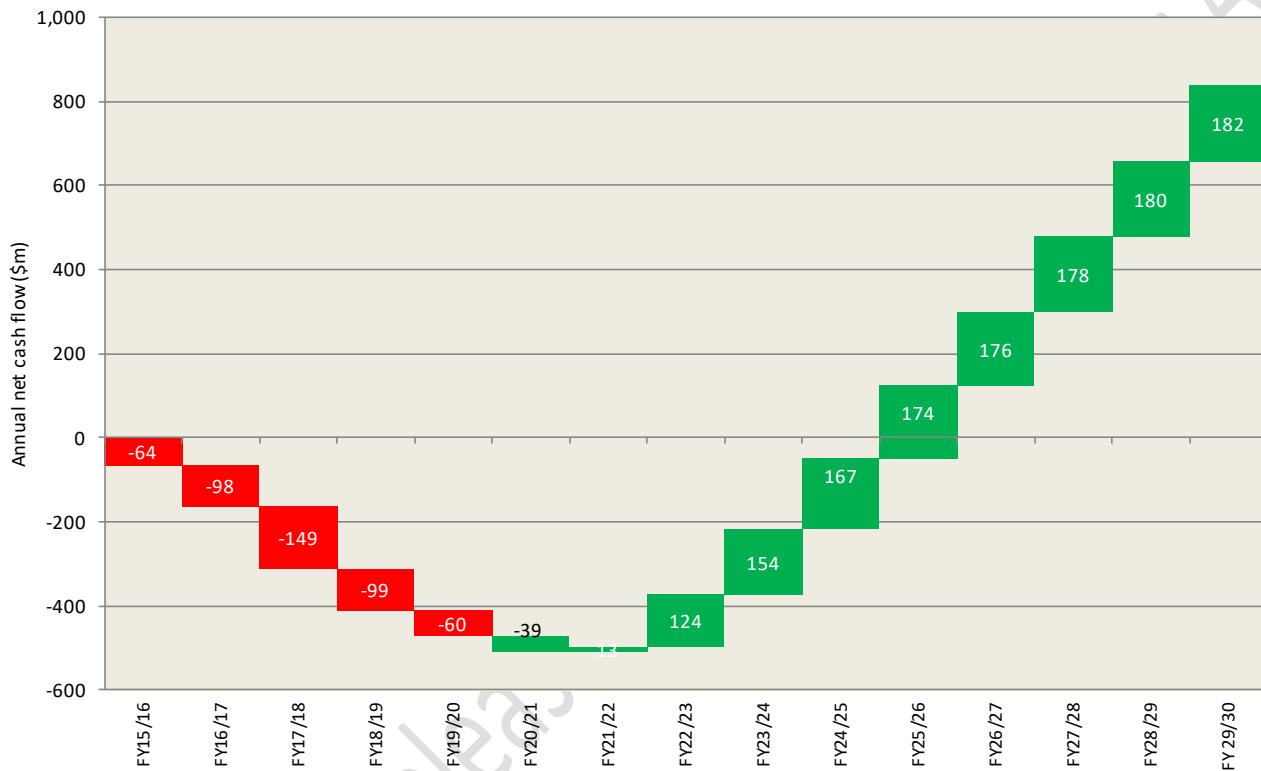
Proactively released by the Ministry of Health

### Appendix 3: Incremental net cash flow profile as at 31 December 2019

The following chart depicts the ICIP annual incremental net cash flow profile, based on the ICIP cost and benefit estimates as at December 2019. Negative values reflect a net cash cost and positive values reflect a net cash benefit in any one year. A cumulative break-even position is achieved in the year ending 30 June 2026.

Benefits delivery continues to be monitored in terms of i) the impact of changes to ICIP implementation; and ii) identifying additional ICIP benefits.

ICIP Incremental Net Cash Flow Profile



Proactively released

ACC

#### Appendix 4: ICIP annual financial benefits to FY2029/30

Financial Benefits as at 2030 (\$m)	June 2019 Update		December 2019 Update	
	2030 benefit estimates	annual estimates Notes	2030 benefit estimates	annual estimates Notes
<b>Resource productivity</b>  Baseline: 532 Claims per resource	\$61m	Based on 623 claims per resource by 2023/24	\$49m	Based on 600 claims per resource by 2023/24
<b>Return to work rates</b>  Reduce number of weekly compensation days paid from Claims Front End, NGCM, Health Services Strategy	\$35m	Based on 5.5-day reduction by 2023/24	\$37m	Based on 5.5-day reduction by 2023/24
<b>Health care costs</b>  Reduction in treatment expenditure from rollout of current Proof of Concept trials	\$75m	Based on a \$75m p.a. reduction in health expenditure by 2025/26	\$75m	Based on a \$75m p.a. reduction in health expenditure by 2025/26
<b>Other financial benefits</b>	\$43m	Based on other savings across vocational rehab, OCL and cash claims, IRD levy collection, levy cash flow, debt management and postage	\$43m	Based on other savings across vocational rehab, OCL and cash claims, IRD levy collection, levy cash flow, debt management and postage
<i>Sub Total – Gross benefits</i>	<i>\$214m</i>		<i>\$204m</i>	
Less: recurring costs	-\$24m		-\$21m	
<i>Total</i>	<i>\$190m</i>		<i>\$183m</i>	

Note: The overall NPV remains consistent with the previous update, this includes some new benefit areas as well as a shift in timing of realisation for other areas. Financial benefits and the NPV will be reviewed in the first half of 2020 and reported upon in the next six-monthly report-back.