

Commercial: In Confidence

Office of the Minister for ACC

Chair, Cabinet Government Administration and Expenditure Review Committee

## **Accident Compensation Corporation March 2021 Integrated Change Investment Portfolio Progress Update**

### **Proposal**

1. This paper updates Cabinet on the Accident Compensation Corporation's (ACC) *Shaping Our Future* programme between February 2020 and December 2020, and next steps.

### **Executive Summary**

2. In 2013, ACC received feedback from over 5,500 New Zealanders, including 1,400 staff, that its processes were becoming increasingly complex and were tailored to meet the needs of ACC, rather than its clients. New Zealanders wanted ACC to be more responsive and transparent, and easier to deal with.
3. The *Shaping our Future* programme is a strategy to redesign ACC's systems to address those issues, delivering change to improve clients' outcomes and experience and improve trust and confidence in ACC. The programme is implemented through ACC's Integrated Change Investment Portfolio (ICIP).<sup>1</sup>
4. ICIP is fully funded by ACC. The latest cost forecast is \$619 million, against the original budget of \$669 million<sup>2</sup>. Of this, \$499 million has been spent as at 31 December 2020, with \$120 million available for the next one and half years. A cost forecast for ICIP is attached as Appendix 1.
5. ACC's key target for the *Shaping our Future* programme is to achieve a Net Present Value (NPV) of \$300 million by 2030. This means that the value of the benefits of the initiatives delivered through ICIP will exceed their costs by at least \$300 million by 2030, a significant financial benefit for the programme.
6. Since the last Cabinet update, ACC has successfully implemented several significant ICIP initiatives:
  - the roll-out of ACC's new approach to case management, Next Generation Case Management (NGCM), across all ACC sites was completed in September 2020;
  - phase two of ACC's Client Payments project was completed in September 2020, with processing functionality for all payment types now moved to its new client payment system, Eos;

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<sup>1</sup> ICIP is a group of programmes and projects within ACC that together make up its investment in the changes required to achieve its *Shaping our Future* objectives.

<sup>2</sup> A \$50 million reduction to the previous budget of \$669 million.

- further services were rolled out to ACC's online portal, MyACC, for clients and businesses, including for those affected by COVID-19; and
  - ACC expanded its Continuous Delivery model, which uses agile methodologies to drive continuous improvement to its systems.
7. Pre-COVID-19, early monitoring results suggested that ICIP initiatives may be driving better outcomes for clients by improving recovery timeframes, increasing client trust and confidence in ACC, and reducing payment times.
  8. However, ACC continued to face challenges supporting injured New Zealanders to return to work, using resources efficiently and improving the performance of the providers of services to its clients. Those challenges are a threat to ACC's ability to realise benefits from ICIP initiatives.
  9. COVID-19 then impacted the timing of the delivery of benefits through ICIP by delaying the rollout of ICIP initiatives and reducing claim numbers. ACC's performance against its benefits targets between February and December 2020 indicates that COVID-19 has contributed to a delay in achieving its target of \$300 million NPV to 2031, one year longer than projected. However, as part of its response to COVID-19 ACC has made a \$50 million reduction in the overall ICIP forecast spend.
  10. Over the next 12 months, ACC will support its staff to embed its new way of working, streamline the NGCM model to maximise intended outcomes, make enhancements to core systems, complete the Client Payments project and work with providers to support clients to recover faster from injury.

## **Key updates since February 2020**

### ***Improving the client experience***

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

### ***Next Generation Case Management***

12. NGCM is the first redesign of ACC's case management model in 20 years. It represents a unique opportunity for ACC to focus its resource where it can have the greatest impact, achieve greater consistency across claims and evolve as an organisation in response to the changing environment it operates in. The new model gives clients greater control over their own recovery and directs more targeted support to those who need it most. Simplified and automated processes enable ACC staff to spend more time interacting with clients and less time on administrative tasks.
13. Roll out of the new model began in August 2019 and was due for completion in August 2020. Adjustments were made to the roll out schedule to accommodate a number of unexpected events, including the Whakaari White Island volcanic eruption and COVID-19. Full roll out was completed in September 2020.
14. Despite the external impacts on timeframes and claims volume, early monitoring suggests that NGCM may be delivering some positive results. That

is particularly the case in the areas of recovery timeframe and client Net Trust Score, where outcomes for claims that started in NGCM are better than mixed-model claims<sup>3</sup>.

- **Client recovery** for new claims that started in NGCM is at an average of 47.08 days. Average recovery timeframe for all claims (in NGCM and BAU) is 93.9 days.
- **Vocational rehabilitation utilisation** for claims that started in NGCM is at an average of 11.1 percent, compared to all claims (in NGCM and BAU) with an average of 30.6 percent.<sup>4</sup> In December 2019, these were 19.4 and 34.5 percent, showing a further positive shift since wider implementation of the new model.
- **Client satisfaction** ACC's robust client relationship (trust) and interaction (satisfaction) measures have seen significant improvement. The level of trust with the public, injured clients and businesses continues to improve, as well as client satisfaction levels. Quarter 2 for the 2020/21 financial year is the first quarter in which all survey clients were under the new case management model. The Net Trust Score for Clients in Q2 is +28 against the end-of-year target of +26.<sup>5</sup>

### *Client Payments*

15. The Client Payments project involves migrating client payment information from ACC's old client payments system, Pathway, to its new system, Eos. The project is being carried out over four years in three phases, due to its complexity and the importance of this functionality to ACC clients.
16. This project is intended to simplify processes, increase payment accuracy by reducing manual inputs, and enable ACC to work faster and be more responsive.
17. Phase one was successfully implemented in May 2019, moving the calculation and payment of new and simple weekly compensation payments from Pathway into Eos. Phase two of the project was completed in two parts:
  - In November 2019, the payment of accidental death entitlements and other selected weekly compensation exception cases moved into Eos.
  - In May 2020, ACC completed the migration, ensuring Eos processing functionality for all payment types.

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<sup>3</sup> Claims registered prior to implementation of NGCM. Mixed-model claims began in ACC's old claim management model and have since been migrated to the new model.

<sup>4</sup> Vocational rehabilitation services support clients back to work independence using tools and techniques that allow them to remain at work while they recover from an injury, find new work or recover to the point they can start working again. Vocational rehabilitation utilisation is a measure of the percentage of clients receiving weekly compensation who are referred to vocational rehabilitation services. Through NGCM, ACC aims to tailor the support provided to clients better and reduce the use of vocational rehabilitation services as not all clients will require those services as part of their recovery plan.

<sup>5</sup> The Net Trust Score (NTS) survey asks respondents to rate their trust and confidence in ACC on a scale of 0-10. Results are calculated by subtracting the percentage of detractors (people who answer between 0-6) from the percentage of promoters (people who answer 9 or 10). The range of results can vary from -100 to +100. ACC surveys quarterly and has annual agreed NTS targets set across each customer group (Business Customer, Client, Māori, and Provider). A score of +50-80 is typically considered very good or outstanding; +30-40 is universally seen as good, and anything above +20 is favourable.

18. Through this project, ACC has seen a reduction in the time between a payment request and payment of weekly compensation from 2.86 days at the end of December 2019, to 2.60 days at the end of December 2020.

### *MyACC*

19. The MyACC online platform for clients was launched in February 2019 to enable some ACC clients to self-manage their recovery, accessing their own claim information and interacting with ACC at their convenience. Over 51,000 clients were registered for MyACC as at September 2020. Roll out of MyACC is now complete and ACC is seeing an increase in uptake by new clients.
20. Several new features were rolled out to MyACC in 2020 including:
- **How are you coping guide:** allows ACC to gauge how an Enabled Recovery<sup>6</sup> client's recovery is progressing and whether direct intervention is necessary.
  - **Rights and Responsibilities declaration:** over 40,000 ACC clients<sup>7</sup> have now confirmed their Rights and Responsibilities through MyACC instead of completing and sending in a manual form.
  - **Medical Certificate upload:** allows clients to upload their medical certificate through MyACC, reducing potential wait times for weekly compensation payments.
  - **Pre-employment check:** removes manual processing and reduces wait times for potential employees and prospective employers from two weeks to 10 minutes.
21. ACC's business clients have increasingly used MyACC for Business throughout 2020. ACC's COVID-19 response saw a significant increase in online usage by business clients, and a number of features to support businesses impacted by COVID-19 have been released. One such feature enabled clients to update their liable earnings in light of COVID-19, reducing the need for future reassessments and payment of credit interest.
22. In the 2020/21 financial year, development of features including Employer Reimbursement Agreements, a programme for verifying information in emails and a chat function will continue on MyACC and MyACC for Business.

### *Health Sector Strategy*

23. Ninety-three percent of ACC's clients only interact with ACC through the services they receive from providers. ACC's Health Sector Strategy aims to incentivise providers to collaborate more effectively to deliver integrated

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<sup>6</sup> Enabled Recovery clients primarily manage their own recovery through MyACC. Enabled Recovery clients generally require little direct support from ACC due to the simplicity of their injury. For example, an office worker with a sprain who doesn't require weekly compensation but may need use of taxis to and from work. Enabled Recovery clients can access help and make requests for support 24/7.

<sup>7</sup> ACC clients who are receiving weekly compensation or who are on a rehabilitation plan are required to complete a rights & responsibilities declaration to confirm they are aware of their rights when dealing with ACC, and their responsibilities to ensure ACC can continue providing necessary supports.

services and shift to funding models and measures that recognise value, rather than volume, of care delivered.

24. ACC continues to monitor and develop its approach to this work through its Health Outcomes Framework. The framework includes indicators to assess how ACC is delivering against agreed client outcomes. A draft framework has been tested with key stakeholders, and sector engagement was completed in June 2020. It will be progressively embedded over the coming years as the required data is collected and analysed.
25. ACC is committed to improving equity of health outcomes for Māori. This is driven through a kaupapa Māori commissioning framework and kaupapa Māori services to support Māori survivors of sexual violence and with serious injuries. Those services include Rongoā, traditional Māori medicine involving herbal medicines, physical techniques like massage, and spiritual healing.
26. ACC continues to deliver the HSS through:
  - **Escalated Care Pathways (ECP)** – ACC has developed an ‘ECP pathway’, which involves getting all the providers who will work with a person who suffers a complex musculoskeletal injury over the lifetime of their injury together to determine the best way to care for them.
  - Population shifts in weekly compensation have impacted on the delivery of projected benefits from ECP. However, the first two evaluation cycles identified efficiencies and improved client experience. At 30 November 2020, there were 1,489 clients in ECP.
  - **Non-Acute Rehabilitation (NAR)** – aims to reduce the incidence and severity of falls and fall-related injuries for older people, and improve the management of older people throughout their care journey. ACC is working with three DHBs to test its funding model for NAR and to develop outcomes frameworks for the services they provide. Contract changes to reflect this new approach were released to the market in December 2020.
  - **HSS Technology Delivery stream** - will allow ACC to maintain current operational commitments while developing a technology platform that can better respond to the future needs of ACC and the sector. Mapping of ACC’s technology and business process landscape has recently been completed along with initial analysis of different options for the platform.

#### *Continuous Delivery model*

27. As part of ICIP, ACC has transitioned seven delivery streams to 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) enables ACC to prioritise its investment and organise work and resources around strategic priorities focussed on the needs of its clients.
28. ACC’s Continuous Delivery model also includes Lean Portfolio Management (LPM). Under LPM, ACC is trialling a quarterly review process that will look back at performance metrics against targets, bring any insights or learnings

from the change work completed in the last quarter, look at these in the context of ACC's strategy and any external environment factors, and use this to enable the Executive Team to review and confirm or change priorities.

### ICIP costs and benefits

29. ICIP is fully funded by ACC. The expected overall cost for ICIP is \$619 million, comprised of a forecast spend of \$591 million and \$28 million for pipeline initiatives. \$499 million has been spent as at 31 December 2020, with \$120 million (including \$11 million contingency) available for the next 18 months.<sup>8</sup>
30. ACC's key target for ICIP is to achieve a Net Present Value of \$300 million by 2030. NPV is a calculation of the future monetary costs and benefits of a collections of initiatives over time (benefits minus costs), expressed in the present value of cash. A positive NPV indicates that, over time, the financial benefits that flow from ICIP initiatives will be greater than their overall costs.
31. To achieve its NPV target, ACC's ICIP initiatives aim to improve client experiences and generate these benefits:
  - *more effective case management* – clients will recover faster and return to work an average of 5.5 days sooner, equating to an annual \$30 million reduction in weekly compensation costs by 2024/25;
  - *reduced pressure and expenditure on healthcare* – ACC will work with providers to rehabilitate clients faster and more effectively and reduce pressure on health services through the HSS, generating a \$75 million per year benefit by 2025/26;
  - *improved productivity for ACC* – by 2024/25, ACC aims to increase productivity so that the number of claims it processes per staff member (overall claim per resource) is up from 532 to a targeted 604; and
  - *improving New Zealanders' trust and confidence in ACC and improving operational resilience.*
32. ACC has made good progress on delivering ICIP initiatives. However, while ACC is beginning to see some outcomes and benefits, it is still in the early stages of embedding the successfully delivered ICIP initiatives, and some initiatives are yet to be fully delivered. It is expected that in the coming 12 months, as delivered initiatives are embedded, ACC will begin to see a truer picture of the benefits being delivered through ICIP and be able to respond appropriately to any areas that are not seeing benefits realised as planned.
33. Further, due to the impacts of COVID-19 and other unexpected challenges, there are areas where benefit delivery is not tracking to the original plan.

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<sup>8</sup> Further details on ICIP investment, net cashflow, costs and benefits are detailed in Appendices 1, 2 and 3.

34. Challenges are being seen in the following areas:

*Rehabilitation performance (Weekly compensation days paid)*

- Rehabilitation performance is lower than anticipated. This is driven by both higher than expected volume of new weekly compensation claims and clients staying on the Scheme longer than expected.
- ACC's ability to rehabilitate clients effectively was also affected by the inability of providers to see clients face-to-face during alert levels three and four. Alert level restrictions have delayed access to primary and secondary care, and elective surgery.

*Resource efficiency*

- Planned reductions to the number of full time equivalent staff at ACC have been delayed to allow for ICIP changes to be fully embedded.
- Claims volume projections for the short to medium term have reduced in comparison to previous years.
- Anticipated productivity benefits have been adversely impacted due to ACC staff dealing with the roll out of NGCM at the same time as managing the disruption of changing alert levels.

*Provider Performance (Health Sector Strategy)*

- Additional time has been required to co-design, test, learn and iterate new outcome-based purchasing models, in partnership with the health sector.
- Roll out of ECP, High Tech Imaging<sup>9</sup> and Integrated Home and Community Support Services<sup>10</sup> were delayed and the feasibility of other initiatives in the short to medium term was reduced.

*Debt Expenses*

- Bad debts are uncollectible invoices that are being recognised as expenses. ACC's expense account (bad debt) includes the actual amount from unpaid overdue invoices plus an estimate of invoices that are unlikely to be paid based on previous experiences (historical data) and the current economic scenario.
- ACC is now projecting an increase in bad debt in 2020, 2021 and 2022, due to the impact of the effects of COVID-19 on business clients' ability to pay their levy invoices. Note, however, that current information suggests that actual tracking of bad debt is lower than forecast.

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<sup>9</sup> This pilot is shifting treatment decisions on access to high-tech imaging to primary care providers rather than specialists eg a GP can refer a client for an MRI scan without the need for a specialist referral.

<sup>10</sup> This initiative is testing outcomes-based purchasing, shifting from care models that provide incentives for longer hospital stays to models focused on keeping customers independent.

### *Delivery of key benefit enabling initiatives*

- The rollout schedule for key projects and initiatives was affected. The schedule and approach to the rollout of the NGCM project was adjusted, and HSS initiatives were assessed and re-phased where needed.
35. ACC has, however, minimised the impact of these challenges by completing several key initiatives without drawing down on contingency funding, and transferring others to business as usual. It is continuing to explore opportunities to realise benefits from existing ICIP initiatives that were not originally anticipated, but have emerged as the initiatives are rolled out.
  36. In the light of the above, ACC's re-forecast is that it will reach its NPV benefits target by 2031 (one year longer than prior projections). Any future lockdowns may impact this realisation target.
  37. ACC has engaged its external auditor EY, to conduct an independent portfolio review to provide an update on the organisation's performance against the original time, cost, and benefit baselines, including the performance and projection of key benefit streams. This will be completed by early 2021.
  38. I intend to provide Cabinet with a fuller report on ACC's cost and benefit profile in my next report-back.

### **Cross-government collaboration**

39. ACC is working with agencies on data sharing initiatives. For example, ACC is a part of a consortium<sup>11</sup> of agencies working to accurately quantify the number of people who were injured or died on New Zealand roads in 2018 and 2019. By combining data sets from the participating agencies, accurate statistics can be produced that help to inform injury prevention initiatives and health care needs by estimating road accidents and patient care pathways.
40. ACC and the Ministry of Health have been collaborating on Digital Identity<sup>12</sup>, shared Datasets<sup>13</sup> and the Salesforce platform<sup>14</sup>, and toward solutions to Locum registration challenges. Locum registration challenges have made it difficult for ACC and the Ministry of Health to make accurate payments and send information to the right place, as the record of a health professional temporarily working at a specific facility for a given time is often inaccurate.
41. ACC has increased its contribution to the government open data environment. There are now 34 data releases published on the ACC and data.govt website, the all-of-government data publishing platform.

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<sup>11</sup> The consortium is made up of ACC, the New Zealand Transport Agency, New Zealand Police, Health, the National Trauma Network, St Johns/Wellington Free and Health Quality and Safety Commission.

<sup>12</sup> Digital identity is proof of who you are in a digital channel, product or service context. Improving ACC's digital identity capabilities at a health sector level, and potentially sharing it with DHBs, will help resolve common challenges and deliver better services.

<sup>13</sup> Shared datasets in this context is the ability for ACC and the Ministry of Health to safely provide access to selected internal data sets using shared cloud platforms, with all privacy requirements in place.

<sup>14</sup> Salesforce is a digital platform used by ACC to engage with customers and partners, including the Ministry of Health/DHBs.

## Next steps

42. ACC will continue delivering service improvements for clients over the next 12 months through the following ICIP projects.

### *Next Generation Case Management*

43. ACC will continue to support teams as they embed the new ways of working under NGCM and streamline the model to maximise the intended outcomes.

### *Client Payments phase three*

44. All payments will be migrated to Eos by the end of October 2020. Pathway will be decommissioned in the first half of 2021.

### *Health Sector Strategy*

45. 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 benefits are achieved. This will inform the timing and nature of further initiatives that will be required to realise the overall projected benefits of the HSS. ACC will continue to trial and test the benefits of a new way of working with providers to support quicker and more effective recovery for clients.
46. Over the next twelve months the following will be completed in order to support the HSS:
  - ACC will seek proposals from Māori enterprises and Māori businesses across New Zealand to deliver kaupapa Māori pathways for survivors of sexual violence and clients with serious injuries in the 2021/2022 financial year.
  - Work to embed the first iteration of the Health Outcome Framework into ACC processes will continue.
  - ACC will look for opportunities to collaborate across government to deliver better value of care for clients, including through the Health and Disability System Review.

### *Corporate Enterprise Resource Planning*

47. The Corporate Enterprise Resource Planning (ERP) project is being completed through ICIP and aims to replace outdated back office systems. Components of the ERP are:
  - **Finance** – Moving the Financial Management Information Systems solution from on-premise<sup>15</sup> to a cloud-based system and introducing a new accounting hub.

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<sup>15</sup> ACC's FMIS solution sits within the Unisys data centre which is closing in 2022.

- **Talent** – Transitioning to a cloud-based system will facilitate more effective management of personnel costs, which are a large portion of ACC’s operating costs.
  - **Procurement** – ACC will implement a user friendly and efficient purchasing system for staff. This will make it easier for both new and existing suppliers to work with ACC and improve financial controls.
48. The project is early in its lifecycle with requirements recently understood and the Software Product choice (Oracle) made via a closed Request for Proposals process. An implementation and support partner (Deloitte) has also been selected. Detailed planning with Oracle, ACC and Deloitte has commenced with delivery targeted for 2021/22.

### **Portfolio risk, monitoring and assurance arrangements**

#### *Portfolio risk*

49. Portfolio risks have been updated and endorsed by ACC’s Enterprise Change Authority<sup>16</sup> with the overall portfolio risk remaining stable at medium.

#### *Monitoring and assurance arrangement*

50. ACC regularly refreshes its ICIP Assurance Plan. Independent quality assurance and internal assurance have been delivered to plan to date. ACC will continue to update me on its monitoring and assurance practices in its quarterly reports, which are publicly available.

### **Consultation**

51. The GCDO, Treasury and 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**

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

### **Legislative Implications**

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

### **Regulatory Impact Analysis**

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

### **Gender Implications**

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

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<sup>16</sup> The Enterprise Change Authority oversees the Enterprise Change Portfolio (ECP) to ensure it provides clarity of focus and priorities in support of delivering ACC’s strategy and strategic outcomes and manage ACC’s investment in change to deliver to the ECP.

## Disability Perspective

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

## Proactive Release

57. 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 Cabinet Government Administration and Expenditure Review Committee:

1. **Note** the current spend forecast for ICIP is \$619 million, with \$120 million (including a contingency of \$11 million for uncertainties) available for the next one and a half years.
2. **Note** that as part of its response to the impacts of COVID-19 on ICIP, ACC made a \$50 million reduction in the overall ICIP forecast spend.
3. **Note** that in the period February 2020 – December 2020, ACC has achieved key milestones that will improve the client service experience:
  - the roll-out of ACC's new approach to case management, Next Generation Case Management (NGCM), across all ACC sites was completed in September 2020;
  - phase two of ACC's Client Payments project was completed in September 2020, with processing functionality for all payment types now moved from its old payment system, Pathway, to its new system, Eos;
  - further services were rolled out to ACC's online portal, MyACC, for clients and businesses, including for those affected by COVID-19
  - some Health Sector Strategy initiatives were delivered, including Escalated Care Pathways and Non-Acute Rehabilitation; and
  - ACC expanded its Continuous Delivery model, which uses agile methodologies to drive continuous improvement to its systems.
4. **Note** that over the next 12 months, ACC will continue to support its staff to embed its new way of working, make enhancements to core IT and payment systems and work with providers to achieve targets in its Health Sector Strategy in order to support clients to recover more quickly from injury.
5. **Note** that ongoing issues with rehabilitation performance, using resources efficiently and improving the performance of service providers and the impacts of COVID-19 mean that there may be a one-year delay in achieving the \$300 million Net Present Value target for ICIP.

6. **Note** I will update Cabinet on ACC's progress with ICIP in 12 months' time.

Authorised for lodgement

**Hon Carmel Sepuloni**

**Minister for ACC**

PROACTIVELY RELEASED BY  
THE MINISTER FOR ACC

## Appendix 1: ICIP cost forecast as at 31 December 2020

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	\$21	\$17	\$3	\$20
Analytics	\$13	\$33	\$15	\$10	\$25
Channels	\$32	\$42	\$47		\$47
MFP replacement	\$24	\$40	\$31	\$20	\$51
Programme Management	\$34	\$53	\$53		\$53
Other Transformation	\$55	\$44	\$44		\$44
Other Contingency	\$40	\$11		\$15	\$15
<b>Total</b>	<b>\$320</b>	<b>\$421</b>	<b>\$375</b>	<b>\$98</b>	<b>\$473</b>
<b>Additional ICIP initiatives:</b>					
Next Generation Case Management		\$74	\$38	\$20	\$58
Health Services strategy		\$38	\$30		\$30
Channel – continuous improvement		\$31	\$30		\$30
Eos upgrades – 8.8		\$29	\$30	\$10	\$40
9.x					
Other Change Initiatives		\$26	\$38		\$38
<b>Total</b>		<b>\$619</b>	<b>\$541</b>	<b>\$128</b>	<b>\$669</b>

## Appendix 2: ICIP annual financial benefits to FY2029/30

**Note** that current performance against the planned benefits, (including the impact of COVID-19) indicates some delay in achieving the \$300 million Net Present Value, (NPV), and ACC has developed responses to mitigate the delay of benefits delivery.

As part of its response, ACC has made a \$50 million reduction in the overall ICIP spend.

ACC's re-forecast is that it will reach targets by 2031 (one year longer than prior projections). These responses do not require additional ICIP investment and are designed to achieve the \$300 million NPV target by 2031. Benefits delivery and overall NPV will be updated in the next report-back.

Financial Benefits as at 2030 (\$m)	December 2019 Update		March 2021 Update	
	2030 annual benefit estimates	Notes	2030 annual benefit estimates	Notes
<b>Resource productivity</b> Baseline: 532 Claims per resource	\$49m	Based on 600 claims per resource by 2023/24	\$50m	Based on 604 claims per resource by 2024/25
<b>Return to work rates</b> Reduce number of weekly compensation days paid from Claims Front End, NGCM, Health Services Strategy	\$37m	Based on 5.5-day reduction by 2023/24	\$39m	Based on 5.5-day reduction by 2024/25
<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 data collection, levy cash flow, debt management and postage	\$68m	Based on other savings across vocational rehab, OCL and cash claims, IRD cost, levy cash flow, debt management and resource mix efficiency
<i>Sub Total – Gross benefits</i>	<i>\$204m</i>		<i>\$232m</i>	
Less: recurring costs	-\$21m		-\$23m	
<i>Total</i>	<i>\$183m</i>		<i>\$209m</i>	