

Commercial: In Confidence

Office of the Minister for ACC

Chair, Cabinet Government Administration and Expenditure Review Committee

Accident Compensation Corporation October 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 January and June 2021, 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; 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).¹
4. ICIP is fully funded by ACC. The latest cost forecast is \$619 million, against the original budget of \$669 million.² Of this, \$524 million has been spent as at 30 June 2021, with \$95 million available for the next 12 months. A cost forecast for ICIP is attached as Appendix 1.
5. ACC's financial 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. At 30 June 2021, ACC has successfully delivered a number of key ICIP initiatives including the Client Payments project³ and MyACC⁴, and is working to embed these across the organisation in order to realise benefits to both ACC and its clients. Next Generation Case Management (NGCM)⁵ has generally been successful, however higher-than-expected claims growth has impacted workloads and response times.
7. Through the roll-out of key ICIP initiatives, ACC is beginning to see several measures tracking ahead of, or improving towards forecast, including an improvement in client and business customer trust and confidence and improved resource efficiency. However, the two key benefit areas that continue to be challenging are (1) reducing weekly compensation days paid and (2) cost savings from the Health Sector

¹ ICIP is the group of programmes and projects within ACC that make up its investment in the changes required to achieve its Shaping Our Future objectives.

² A \$50 million reduction to the previous budget of \$669 million was made in response to the challenges presented by COVID-19.

³ **Client Payments** project involved the decommissioning of ACC's legacy payment system 'Pathway' and shifting client payment information and ability to its case management system 'Eos'.

⁴ **MyACC** is an online platform that enables some clients to self-manage their recovery, accessing their own claim information and interacting with ACC at their convenience.

⁵ **NGCM** is ACC's first redesign of its claims management model in 20 years.

Strategy. Additionally, employment market competition has the potential to delay the completion of the remaining ICIP projects into FY 2022/23.

8. ACC is working to mitigate these challenges through a range of strategies. It is increasing its focus on rehabilitation initiatives to support clients' return to independence, including by: working to improve claim management practices through supporting frontline teams identify and prioritise 'at risk' claims; and refining its One Front Door approach, which channels all client calls to its Customer Contact Centre. ACC is also working with providers to expand Escalated Care Pathway services, which will increase referrals and drive cost savings from the Health Sector Strategy.
9. ACC's current forecast (as at June 2021) is that it will reach its NPV target by 2031, one year longer than original projections. This is consistent with the update I gave to Cabinet in March 2021. The implementation of ICIP is due to be completed in mid-2022. I will provide Cabinet with a further update in 12 months' time.

Key updates since December 2020

10. Since my last update to Cabinet in March 2021 [GOV-21-MIN-0010 refers], covering February to December 2020, ACC has continued to successfully deliver key initiatives including the Health Sector Strategy proofs of concepts and Corporate Enterprise Resource Planning. ACC has also delivered further service improvements through the platforms already delivered by ICIP⁶.

Health Sector Strategy

11. The Health Sector Strategy aims to improve rehabilitation outcomes for clients and fundamentally change the way ACC works within the health sector. Key focuses of the Health Sector Strategy are to:
 - build a better understanding of both injury and non-injury determinants of health to enable ACC to commission services that are more impactful for clients' recovery
 - support providers to work better together and to improve interactions between providers and ACC
 - improve identification of when a client's recovery may be on or off track by tracking patient-reported outcome measures, and
 - improve equity of health outcomes for Māori and develop new services with Māori, that provide choice for Māori.
12. A cornerstone of the Health Sector Strategy is incentivising providers to improve customer value by commissioning for the outcomes they deliver to clients, not just the services they provide. It aims to achieve three core outcomes of: improved client rehabilitation; higher trust and confidence in ACC, and efficient management of ACC's healthcare spend.
13. Delivering better outcomes requires an all of health system approach. ACC, and the rest of the health system, share an increasing number of complex patients and a limited workforce. Analysis of client needs and service spend indicates that, without further intervention, client recovery rates will continue to erode, and health spend will continue to grow. The health reform offers a significant opportunity for ACC to work differently across the health system to ensure ACC is positioned to lead, influence, and improve health outcomes and return people to work.

⁶ Including Next Generation Claims Management, Heartbeat and MyACC.

14. ACC continues to deliver the Health Sector Strategy through the proofs of concepts that were funded by ICIP:
- **Escalated Care Pathways (ECP)** is for clients who have suffered a specific complex back, shoulder, or knee injury. Following referral from primary care, ECP brings together an inter-disciplinary team of providers who determine the best way to care for the client over the lifetime of an injury. While ECP is generating savings in weekly compensation through faster recovery, reductions in the costs associated with re-injury, and avoidance of surgery for clients who have completed the service, lower than expected client volumes⁷ have impacted on the overall benefits to date.
 - **Non-Acute Rehabilitation** provides inpatient and community-based rehabilitation and support to return ACC clients to their pre-injury functioning or maximum independence. This proof of concept aims to reduce the incidence and severity of falls and fall-related injuries for older people and improve the rehabilitation of older people throughout their care journey. ACC is working with a number of District Health Boards to implement the service and is engaging with other District Health Boards to understand their readiness and needs.
 - **General Practitioner Referred Magnetic Resonance Imaging** allows ACC clients with qualifying knee, lumbar spine, or cervical spine injuries to be directly referred for an MRI by GPs, removing the need for them to visit a specialist before they can access an MRI. This reduces the time to diagnosis (by 11 days)⁸ and supports clients' recovery back to work. Piloting of this service found positive client and provider experiences, including a statistically significant 0.9 percent increase in access by Pasifika clients - 2.6 percent for the Auckland region. Following this, ACC offered this service to all 30 primary health organisations (PHOs) in November 2020. As at June 2021, ACC had contracts with four lead PHOs (which cover 16 PHOs across New Zealand) and another 4 PHOs had notified ACC of their intention to join.
 - **Integrated Home and Community Support** introduced a standardised assessment and case-mix funding model⁹ that enables providers to be more flexible in how they use funding to meet client needs. At the same time, it allows ACC to control financial risk and promote efficiencies. With most suppliers experiencing a sharp decrease in demand due to COVID-19 restrictions, the project adopted a phased implementation to ensure the model is sustainable without compromising client outcomes. For low-complexity clients (Phase 1 case-mix), suppliers have reported they are able to be more flexible and innovative with the way in which they deliver services to clients.
15. More recently, through the Health Sector Strategy, ACC has enabled electronic transfer of medical notes via secure portal in response to feedback from the general practice sector. In the first week of August 2021 there were 928 transfers to ACC. This is expected to increase to approximately 70,000 transfers annually. Previously, all medical notes were sent manually and had to be uploaded to the claim file by

⁷ Client volumes have been impacted by COVID-19 which has seen fewer than anticipated injuries and added difficulties in implementation (eg IT set ups) and engaging with primary care providers. ACC is exploring ways to increase volumes through expansion of the service.

⁸ As at 30 June 2021.

⁹ The case-mix funding model classifies clients into groups that are similar in care needs so that the costs of services and supports required within each group are similar.

ACC. This advancement reduces the administrative burden on general practices and expedites the timeframes in which ACC receives medical notes, from 10 to 4.5 working days, on average.

Corporate Enterprise Resource Planning

16. The Corporate Enterprise Resource Planning project aims to replace three outdated back office systems:
 - **Finance** – moving the financial management information system from on-premise¹⁰ to a cloud-based system and introducing a new accounting hub.
 - **Talent** – transitioning to a cloud-based system to facilitate more effective management of personnel costs – which accounts for a large portion of ACC's operating costs.
 - **Procurement** – implementing 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.
17. The project is now in its 'build and delivery' phase, with releases planned for September 2021 and March 2022. To manage risks associated with this large implementation, ACC has engaged with Inland Revenue, Customs, and the Department of Internal Affairs to learn from their completion of similar programmes.

Continuous evolution of service

Listening to customers

18. **Heartbeat** is ACC's main method for collecting feedback from clients at key points of their recovery journey. Heartbeat enables ACC to seek real-time feedback so it can make improvements quickly, making it more responsive and adaptable to clients' needs. Since launching Heartbeat in June 2018, ACC has received 62,422 responses from clients¹¹: 75 percent of these were satisfied with their interaction; 9 percent were neutral; and 16 percent were dissatisfied.
19. Heartbeat has been expanded to include providers interacting with ACC clients with sensitive claims, and feedback from clients on receiving home and community support services, entitlement decisions, and the review process. ACC is working on expanding Heartbeat to include clients with serious injury indicators, adding a new 'transitions key moment survey' to gather feedback on the client's experience of moving between client recovery teams, and a new key moment survey for business customers regarding their interactions with ACC's client recovery teams.
20. A 'Client Experience Check-in' initiative has also been introduced, following a successful pilot in 2020. A predictive model is used to identify clients tracking towards a poor service outcome, and prompts staff to make contact to address concerns. To date the model has demonstrated positive results in terms of resolving issues, with only 1.7 percent of contacts resulting in complaint¹².

¹⁰ ACC's Financial Management Information System solution sits within the Unisys data centre which is closing in 2022.

¹¹ Heartbeat does not provide customer performance measures, instead client feedback is used in real-time to resolve client issues or to inform changes to systems and processes.

¹² This is consistent with the effect size observed in the trial in 2020, so we have an indication that this initiative is performing as expected.

Evolving ACC's case management model

21. Next Generation Case Management (NGCM) is the first significant change ACC has made to its claims management system for over 20 years. The implementation has generally been a success, with client satisfaction levels now improving.
22. However, as is expected with such large-scale changes, challenges have presented in a number of areas; call volumes have increased significantly and timeliness in response to emails, mostly from providers, has also been impacted.
23. To address these issues and ensure a more consistent customer experience, ACC introduced the following in May 2021:
 - **One Front Door** channels all clients' calls to ACC to the Customer Contact Centre, to ensure a single common point of entry to address inconsistent interaction experiences and long call wait times, and enable ACC's front-line teams to focus support on client outcomes and recovery.
 - **Straight-through processing** of simple equipment requests reduces administrative costs and improves timeliness of response to clients.
 - **Recovery Support Optimisation** improves the way claims advice is sought and provided from internal advisory teams, such as Clinical Services, Technical Services, Payments, Practice Mentors, and the Privacy Team.
 - **Automated electronic ACC18 routing** reduces manual handing of claims documents by recovery administrators.
 - **Chatbot for MyACC** enables customers to resolve 95 percent of their queries without needing to call ACC.
24. The roll-out of NGCM has also led to challenges with ACC staff workload pressures, which are discussed in detail in paragraph [40] below.

Cross agency collaboration

25. To extend the value of its ICIP investments, ACC is working closely with the Ministry of Health on provider payments and IT advances including the adoption of Application Programming Interface services, digital identity in health (along with the Department of Internal Affairs), and sharing Microsoft 365 experiences gained in the rollout of these services (along with New Zealand Police). ACC is also working closely with the Ministry of Social Development on how to better transition clients between the two agencies.

ICIP costs and benefits

26. ICIP is fully funded by ACC. The expected overall cost for ICIP is \$619 million, comprised of a forecast spend of \$607 million and \$12 million for pipeline initiatives. \$524 million has been spent as at 30 June 2021, with \$95 million (including \$12 million contingency) available for the next 12 months.¹³
27. ACC's key financial target for ICIP is to achieve a Net Present Value (NPV) of \$300 million by 2030. NPV is a calculation of the future monetary costs and benefits of a collection of initiatives over time (benefits minus costs), expressed in the present

¹³ Further details on ICIP investment, net cashflow, costs and benefits are detailed in Appendices 1, 2 and 3.

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.

28. To achieve its NPV target, ACC's ICIP initiatives aim to improve client experiences and generate the following benefits: more effective case management that delivers improved client experience and outcomes, reduced pressure and expenditure on healthcare, improved productivity and operational resilience for ACC, and improving New Zealanders' trust and confidence in ACC.
29. Overall, ACC's current forecast, (as at June 2021) is that it will reach its NPV target by 2031 (one year longer than original projections); this is consistent with the update I gave to Cabinet in March 2021.
30. Benefit performance has been favourable across the following areas:

Client and Business Customer trust and confidence (measured using the Net Trust Score¹⁴ method)

31. Client and business customer trust and confidence has met the ACC Service Agreement expectations for the quarter ending June 2021. This measure has shown a notable improvement from when tracking started in FY2015/16: from a starting score of +15 for clients, to the latest result of +25; and from -34 to -17 for business customers.

Levy optimisation

32. By providing better information and improved communication with levy payers, ACC has reduced bulk invoicing process time from 6-9 months to 2 months. Optimised levy collection allows ACC to invest earlier and increase returns on investment, improving affordability of the Scheme.
33. A concerted effort to correct addresses has been made to help ensure invoices can be delivered to business customers, with 3,800 business addresses updated between January – March 2020.

Fraud, waste, and abuse¹⁵ detection (Analytics)

34. In FY 2020/21, ACC has exceeded its ICIP benefits target of \$16 million for fraud, waste and abuse detection initiatives, achieving benefits realisation of \$20 million. ACC's ability to detect and intervene in fraud, waste, and abuse cases has reduced unnecessary costs to ACC, improving the integrity and sustainability of the Scheme.

Resource efficiency

35. Resource efficiency measures the number of claims processed per resource¹⁶. Resource efficiency is tracking ahead of target life to date (life to date actual is \$0.9m ahead of the March 2021 update target of -\$1.6million), as claims per resource have improved from 474 in June 2020 to 556 in June 2021.
36. Overall performance of this measure has been impacted by COVID-19 with reduced new claim registrations during lock-down. New claim registrations returned to pre-COVID levels in during FY 2020/21, resulting in improved resource efficiency

¹⁴ Net Trust Score (NTS) surveys Clients, Business Customers and Providers on a quarterly basis. It is an internationally recognised method of measuring client trust and confidence and provides ACC with valuable insight into how its clients perceive it.

¹⁵ **Fraud** – any unlawful act or omission made with an intent to gain advantage for yourself or another.

Waste – any careless act or omission that results in an advantage contrary to policy, practice or procedure.

Abuse - any negligent act or omission that results in an advantage for yourself or another through abuse of policy, practice or procedure.

¹⁶ 'Resource' includes – FTE, (full time equivalent staff members) and contractors at ACC.

results. With this measure being heavily influenced by claims volumes, future COVID lockdown events will likely have an impact.

Vocational Rehabilitation¹⁷

37. Through NGCM, ACC has improved tailoring of vocational rehabilitation support for injured clients. As planned, this has resulted in reduced vocational rehabilitation referrals, with associated cost savings performing well.

Client Payments¹⁸

38. In May 2021, ACC decommissioned its legacy payments system, successfully completing the Client Payments project. The new payments system has brought positive changes for both clients and employers. ACC can now instantly obtain clients' earnings information from Inland Revenue, improving the timeliness of payments which previously relied on earning certificates to be submitted by employers. The new functionality allows arrears or underpayments to be paid to clients within an hour, providing greater financial support following an injury.

Challenges

39. ACC is responding to challenges experienced in the following areas:

Workload pressures

40. While the implementation of NGCM has largely been successful, as noted in paragraph [22], ACC acknowledges there have been challenges with rolling out a change of this size and scale. Higher-than-expected claims growth (10.8 percent compared with 4 percent planned growth) and ACC's transition approach during the final stages of implementation, coupled with external factors such as the COVID lockdowns and sustained periods of working from home, have impacted staff workloads and responsiveness to customers, and put ACC staff under pressure.
41. ACC continues to refine the way it supports its customers and people. Initiatives include increasing its front-line resourcing, undertaking forward recruitment in targeted areas and prioritising the automation of tasks to ensure staff can focus on supporting client rehabilitation. ACC is also increasing the number of roles that support frontline staff, building an improved workforce management system to better match work with capability and encouraging people to take wellbeing leave¹⁹.

Rehabilitation performance (average weekly compensation days paid)

42. Rehabilitation performance continues to track behind the original ICIP target. It finished the 2020/21 year slightly below the forecasted position²⁰ due to a range of factors including COVID-19, health constraints, age and clinical pathway changes.
43. There is a continued focus on rehabilitation initiatives to support clients' return to independence. This includes further development of how frontline teams identify and prioritise 'at risk' claims, as part of general claim management practices.

¹⁷ ACC is taking a more targeted approach to Vocational Rehabilitation by offering this service to clients who will get value from it, rather than applying a broad-brush approach. This ensures ACC is providing necessary and appropriate levels of support to clients and reduces unnecessary referrals.

¹⁸ Client Payments project involved the decommissioning of ACC's legacy payment system 'Pathway' and shifting client payment information and ability to its case management system 'Eos'.

¹⁹ ACC has offered an additional two days paid 'wellbeing leave' over the next 12 months. This leave is over and above sick leave and annual leave.

²⁰ Rehabilitation performance benefits target and realisation is outlined in Appendix 3.

44. Additionally, as the One Front Door approach is refined, and other incremental improvements are made, ACC expects capacity to increase. This will allow staff to proactively drive rehabilitation outcomes, leading to a quicker return to independence for ACC clients.

Provider Performance (Health Sector Strategy)

45. Implementation of the Health Sector Strategy is beginning to show results through health care providers collaborating more effectively to deliver integrated services, following the roll-out of the key initiatives outlined in paragraph [14] above.
46. Despite challenges with fewer clients passing through Escalated Care Pathways than expected, early results indicate recovery outcomes are improving. Savings to date are tracking well ahead of the 15 percent reduction target for exited clients, with a five percent re-injury rate which equates to savings of \$0.4 million.
47. ACC is actively working with providers to help implement plans for increasing referral volumes, including the option for an ACC referral programme. Providers have previously been responsible for referring clients into Escalated Care Pathways. Increased referrals will mean more clients on Escalated Care Pathways and drive greater claims cost savings and a reduction in weekly compensation days paid.

Provider trust and confidence (measured using the Net Trust Score method)

48. Provider trust and confidence is performing below expectations for the quarter ending June 2021. This is driven by declines in trust for General Practitioners, Specialists and Physiotherapists.
49. ACC has worked with providers to understand what is driving the decline. It is working with them to address key challenges such as short term rehabilitation performance and the appropriate scaling of activity under the Health Sector Strategy.

Employment market competition

50. Competition to employ staff with key project skills and knowledge is growing across private and public sectors as the availability of project work exceeds the availability of skilled staff.
51. This market competition has the potential to delay the completion of remaining ICIP projects into FY 2022/23²¹. ACC is working to better understand the potential and overall impacts of possible delivery delays, and create mitigations where possible. However at this time, ACC does not expect this to have an impact on the total cost of delivery, which remains within forecast. As the potential impact is unknown at this stage, I will update Cabinet on this matter in 12 months' time.

Next steps

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

Eos decoupling

53. ACC's claims management system, Eos, is large and complex. In order to simplify Eos and its functionalities, ACC is working to break it down into smaller and more usable components that complete specific actions (decoupling).²² By doing this, ACC can make changes to smaller parts of the system, when updates to these decoupled

²¹ Originally scheduled for completion in the FY 2021/22.

²² Decoupling is completed by creating a new version of a specific function from Eos and once tested and approved, decommission the original function in Eos, thereby slowly reducing the size and complexity of Eos.

components are required, which results in reduced risk and less effort required to implement necessary changes.

Health Sector Strategy

54. ACC will continue to build on original proofs of concepts that will focus on:
- designing further integrated pathways of care for clients with moderate to high complexity injuries in high need areas, with an initial focus on concussion
 - developing enabling technologies on the client relationship management platform to make ACC's systems more client centric and help ACC and the system to facilitate early and appropriate referral to services. There will be a significant focus on using the platform to enable data sharing with the sector
 - standardising needs assessment processes for equipment provision and removing steps from ACC's decision-making process to improve client journeys
 - partnering with the sector via an innovation fund to rapidly trial new clinical innovations and pathways for high value cohorts
 - rolling out the provider hub, which is a modern online self-service hub, to replace a number of online services, including claim and invoice submission, and
 - looking for opportunities, through the health reform, to increase the depth and breadth of the Health Sector Strategy.

ACC's Corporate Enterprise Resource Planning

55. As outlined in paragraph [15], the Corporate Enterprise Resource Planning project aims to replace outdated back office systems. The project is now in its build and delivery phase, with two releases planned in September 2021 and March 2022.

Portfolio risk, monitoring and assurance arrangements

Portfolio risk

56. Portfolio risks are reviewed and updated quarterly to the ACC Executive and ACC Board, with the overall portfolio risk remaining stable at medium.

Monitoring and assurance arrangement

57. 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.
58. ACC additionally obtains independent portfolio reviews on performance against the original time, cost and benefits for ICIP. The most recent review was completed by EY in February 2021. Areas for ACC's consideration from EYs report include: monitoring performance against budget, scope and quality expectations for remaining delivery, using evidence based data to inform prioritisation of initiatives for delivery, and focus on activities that deliver long-term value, while balancing activities that will deliver short-term value, when prioritising work.

Consultation

59. The 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, Government Chief Digital Officer, the Ministries of Health and Social Development, Inland Revenue, the New Zealand Police and New Zealand Customs have been informed.

Financial Implications

60. The expected overall cost for ICIP is \$619 million, comprised of a forecast spend of \$607 million and \$12 million for pipeline initiatives. \$524 million has been spent as at 30 June 2021, with \$95 million (including \$12 million contingency) available for the next 12 months.
61. ICIP is tracking below the original budget of \$669 million; and is fully funded by ACC reserves and will not require additional government investment or an increase in levies.

Human Rights Implications

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

Legislative Implications

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

Regulatory Impact Analysis

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

Population Implications

65. The proposals in this paper have no gender implications. ICIP will result in improved service delivery for New Zealanders with injury-related disabilities.

Proactive Release

66. 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 \$95 million (including a contingency of \$12 million for uncertainties) available for the next 12 months
2. **note** that ACC has successfully delivered a number of key initiatives that address different aspects of client experience, and is beginning to realise benefits through the embedding of these initiatives
3. **note** that as expected when rolling out a change of this size and scale, challenges have presented in a number of areas
4. **note** that ACC acknowledges these challenges and is working to mitigate their impacts by further developing its new and existing ICIP initiatives, increasing staff numbers and working closely with providers to expand and enhance services
5. **note** that over the next 12 months, ACC will continue to 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, and

6. **note** that implementation of ICIP is due to be completed in mid-2022 and I will update Cabinet on the roll-up of 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 30 June 2021

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	\$12		\$15	\$15
Total	\$320	\$423	\$375	\$98	\$473
Additional ICIP initiatives:					
Next Generation Case Management		\$74	\$38	\$20	\$58
Health Services strategy		\$35	\$30		\$30
Channel – continuous improvement		\$30	\$30		\$30
Eos upgrades – 8.8 & 9.x		\$22	\$30	\$10	\$40
Other Change Initiatives		\$37	\$38		\$38
Total		\$619	\$541	\$128	\$669

Appendix 2: ICIP annual financial benefit forecast for 2030

Note as per the March 2021 update [GOV-21-MIN-0010 refers], current performance against the planned benefits indicates some delay in achieving the \$300 million Net Present Value, (NPV). ACC's current forecast is that it will reach targets by 2031 (one year longer than original projections).

ICIP annual financial benefits as at 2030 (\$m)	March 2021 Update		June 2021 Update	
	2030 annual benefit estimates	Notes	2030 annual benefit estimates	Notes
Resource productivity Baseline: 532 Claims per resource	\$50m	Based on 604 claims per resource by 2024/25	\$46m	Based on 597 claims per resource by 2025/26
Return to work rates Reduce number of weekly compensation days paid from Claims Front End, NGCM, Health Services Strategy	\$39m	Based on 5.5-day reduction by 2024/25	\$40m	Based on 5.5-day reduction by 2028/29
Health care costs 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 2026/27
Other financial benefits	\$68m	Based on other savings across vocational rehab, OCL and cash claims, IRD fees, levy cash flow, debt management and resource mix efficiency	\$85m	Based on other savings across vocational rehab, OCL and cash claims, IR fees, levy cash flow, debt management and resource mix efficiency
<i>Sub Total – Gross benefits</i>	\$232m		\$246m	
Less: recurring costs	-\$23m		-\$26m	
<i>Total</i>	\$209m		\$220m	

Appendix 3: ICIP benefit realisation

ICIP benefit realisation Life to Date (FY15 to FY21) performed above the March 2021 update estimates:

ICIP Financial Benefits Realisation as at 2021 (\$m)	June 2021 Update		
	Life to Date Realised Benefits	Life to Date Target (March 2021 update)	Variance
Resource productivity Increase productivity of staff	-\$0.7m	-\$1.6m	\$0.9m
Return to work rates Reduce number of weekly compensation days paid	-\$89.5m	-\$88.6m	-\$0.9m
Health care costs Reduction in treatment expenditure from rollout of current Proof of Concept trials	\$27.4m	\$29.5m	-\$2.1m
Other financial benefits Vocational rehab, OCL and cash claims, IR cost, levy cash flow, debt management and resource mix efficiency	\$98.1m	\$71.4m	\$26.7m
<i>Total</i>	<i>\$35.3m</i>	<i>\$10.7m</i>	<i>\$24.6m</i>