

### 16 May 2022

Kia ora

### Your Official Information Act request, reference: GOV-017932

Thank you for your email of 14 April 2022, to Senior Media Advisor, asking for the following information:

(sic)..can I have a copy of the original report/review that this summary is drawn from please? ACC Futures' conference proceedings from last year refer to a recent review of the AEP scheme, so I presume that is the document the summary on your website is taken from.

Your request has been transferred to my team for a response under the Official Information Act 1982 (the Act).

### Accredited Employer Programme co-design document

Attached to this response is a file titled *AEP Co-design Vision*, that was created in October 2019, following a period of co-design with key stakeholders. This document is a summary of the feedback from people who participated in the co-design project that was part of the Accredited Employer Programme (AEP) review.

Some names have been withheld in this document under s9(2)(a) of the Act. This is necessary to protect the privacy of these individuals. In doing so, we have considered the public interest in making the information available and have determined that it does not outweigh the need to protect the privacy of these persons.

### AEP improvements are ongoing

In 2019, ACC, worker representatives, accredited employers, third-party administrators, industry associations, treatment providers, and other interested parties, co-designed a new vision for the AEP. The vision positioned the AEP for leaders of injury prevention and injury and claims management. The co-design project also identified opportunities to better realise the AEP's potential to improve workplace health and safety outcomes and reduce harm.

In June 2020, ACC shared the vision and the outcome of the co-design project with stakeholders via a summary on the Shape Your ACC website, <u>https://www.shapeyouracc.co.nz/</u>.

Implementing some aspects of the co-design vision requires changes to the '*Framework for the Accredited Employers Programme*' (the Framework) and which therefore requires a Ministerial public consultation on proposed changes. This consultation was delayed due to the impact of the COVID-19 pandemic on ACC's workload.

In 2021, further work was undertaken by ACC to refine the co-design vision into fully fleshed proposals ready for consultation. As MBIE advises the Minister for ACC on the Scheme's legislative framework and broader direction, MBIE have advised they would undertake this consultation on behalf of the Minister.

In the meantime, ACC has been working on implementing initial improvements to the AEP which focus on foundational, cost-effective changes to data and performance reporting.



In 2021, we introduced new data fields to the claims-related data which accredited employers provide ACC each month to allow ACC to survey a wider range of workers. Further changes to data fields are planned for later in 2022. These will capture additional information on claims, incapacity and review records. The revised data specification has been completed and we are now working with accredited employers and third-party administrators to assist them to make the appropriate changes in their systems.

This updated data collection will allow ACC to better understand how accredited employers are performing and provide more meaningful performance information back to them.

Going forward ACC will continue to consider feedback from all stakeholders and engage with stakeholders on improvements to the AEP.

**If you have questions about this response, please get in touch** You can email me at <u>GovernmentServices@acc.co.nz</u>.

If you are not happy with this response, you can also contact the Ombudsman via <u>info@ombudsman.parliament.nz</u> or by phoning 0800 802 602. Information about how to make a complaint is available at <u>www.ombudsman.parliament.nz</u>

Ngā mihi,

Sara Freitag Acting Manager Official Information Act Services Government Engagement & Support

# AEP A Co-designed Vision

15 October 2019

### Report prepared by:





# How to read this document

As the AEP is a complex programme we have designed this document to present the co-designed vision in stages, which you can easily find dependant on your interest.



If you want the detail of the model and the process...

### **Appendix 1: Features of the model**

Feature context Features matrix - worker perspective Features matrix - AE and TPA perspective Features matrix - ACC perspective Features matrix -

combined perspective Change on the horizon

**Detailed feature set** 

### **Appendix 2: Insights**

Worker outcomes and experience **Communication and relationships** 

**Operational issues** 

### **Appendix 3: Timeline**

The WSI journey so far The AEP journey so far

Introduction

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# **The Accredited Employers Programme (AEP)**

The Accredited Employers Programme (AEP) was developed to allow financially secure businesses to take on the role of ACC for workplace injury claims and rehabilitation, with the intention that businesses would provide a better experience for injured workers at lower cost and encourage workplaces to drive improvement of general workplace safety.

### How does it work?

ACC must ensure that the legislated objectives of the programme are met.

### Statutory objectives of the programme are:

- Promote injury prevention and rehabilitation.
- Reduce work-related personal injury claim costs and premiums.
- Provide benchmarks against which the extent and management of work-related claims can be measured.

### Overview of the Accredited Employers Programme

The Programme has been offered to large, financially secure employers since 2001 when the privatisation of work injury insurance ended.

Being an Accredited Employer (AE) means the AE promotes workplace injury prevention, manages workplace injury claims and rehabilitation and meets claims costs (depending on the product option selected).

The programme also enables the benchmarking of injury prevention and return to work performance.

### Who is involved?

Top 5 sectors (the most claims under programme management):

- Agriculture, forestry and fishing.
- Healthcare and social assistance.
- Manufacturing.
- Public administration and safety.
- Transport, postal and warehousing.

### Who participates?

Accredited Employers include large companies (including Air New Zealand and Fonterra), State-Owned Enterprises (including KiwiRail), Public Service departments (including the Ministry of Social Development), non-Public Service departments in the State Services (including New Zealand Police), Crown Agents (including 15 of the 20 district health boards), city and district councils, and non-profit organisations (including IHC New Zealand).

### What are the numbers?



of New Zealand's workforce





Maximum employer levy reduction



All work injury claims (2017/18)









AE portion of new year cost (2019/20)\*



ACC portion of new year cost (2019/20) funded through employer levies



Data from draft August Board Paper version 06b Appendix 3

\*New year cost for 2019/2020 is approximately \$192m. This is the amount required, along with interest earned, to pay immediate and future claims costs for all AEP workplace accidents occuring during the new year period.

## The intent of this project



### Introduction

In response to inconsistent worker experience in the Accredited Employers Programme (AEP), ACC wanted to better understand worker, customer and other stakeholder views on issues affecting the programme's success. ACC also wanted to understand the opportunities to better realise the programme's potential to improve workplace health and safety outcomes for the approximately 367,000 workers it covers.

In collaboration with ThinkPlace, ACC led and participated in a co-design process with workers and their representatives, AEs, TPAs and other stakeholders to identify pain points and opportunities for programme improvement.

The resulting conceptual model or vision for AEP addresses these pain points as well as programme issues identified by ACC, and by the Ministry of Business, Innovation and Employment (MBIE) in 2018.

This report details the co-design process, findings and outcomes. It also sets out, in the annex to the report, a proposed continuous delivery approach for implementing the conceptual model or vision, and a set of priority improvements for initial implementation.



### **Purpose of this work**

AEP allows Accredited Employers (AEs) to make entitlement decisions and deliver the prevention, rehabilitation and compensation obligations of the ACC scheme for employees injured at work. Impacting on 23% of the New Zealand workforce, it can play a key role in reducing workplace fatalities, serious injury and harm.

With this focus, we wanted to build on ACC's 2017 Workplace Safety Incentives Project workshops, which highlighted opportunities to improve AEP, and ACC's 2018 engagement with customers and other stakeholders about their issues with AEP.

We used co-design to test with customers, the draft conceptual model (the Target Operating Model-TOM) for a redesigned AEP, which ACC developed following the 2018 engagement work. We tested the TOM to understand what customers valued about it and what they considered could be further improved.

The co-design vision positions AEP as a programme for leaders of injury prevention and injury and claims management. It incentivises improved AE and TPA performance, and continuous and sustainable improvement in health, safety and wellbeing in New Zealand workplaces.

Co-design focussed on designing specific aspects of the programme-those that impact most on the experience of all parties involved and drive improved AE and TPA performance and behaviour.

- serious injuries
- return to work performance
- supporting governance

### Disclaimer

ACC will use the co-design insights to inform key improvements - no decisions have been made at the time of publication.

### **Our focus**

Specifically, co-design focussed on:

• strengthening worker engagement, participation and representation (WEPR) in the programme

• incentivising AEs to invest in health and safety to reduce harm by preventing workplace fatalities and

• strengthening the worker voice through all aspects of programme design and delivery

• improving injured worker experience and AE and TPA

• improving AEP eligibility requirements (Accreditation)

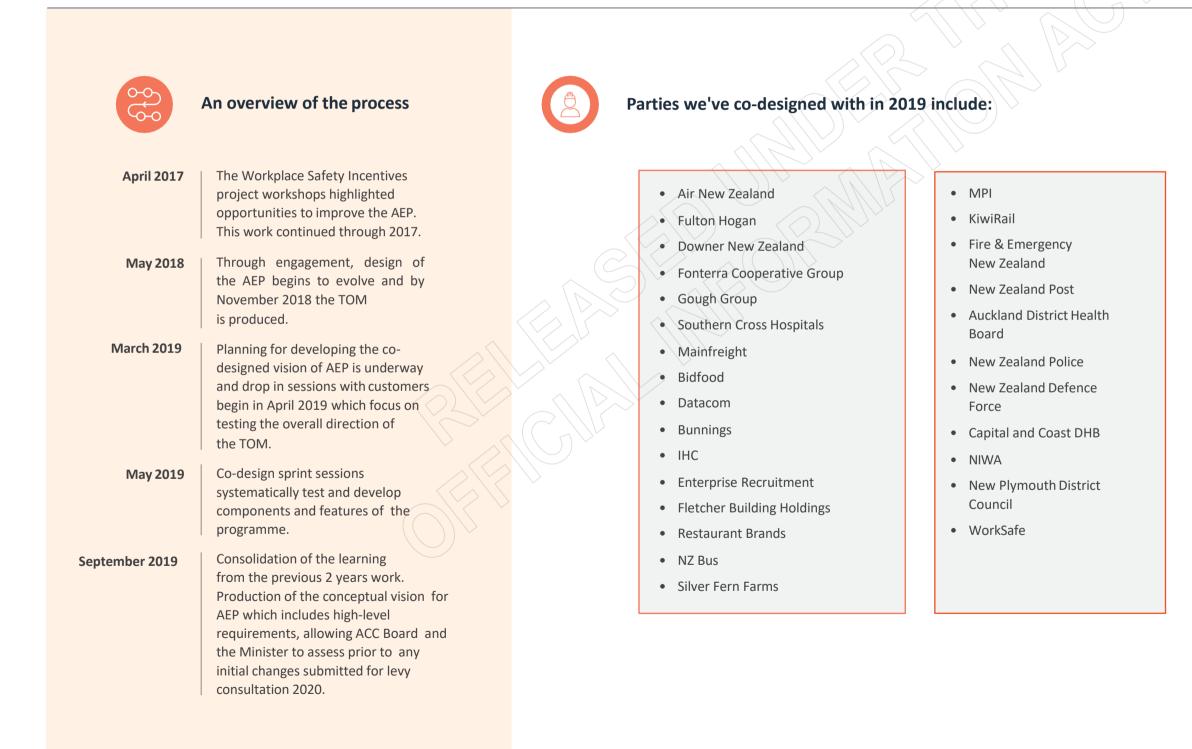
strengthening programme performance oversight and

improving third party administrator (TPA) performance

• improving complete data collection

# How we co-designed the vision

This vision of the programme is a result of two years of deep-dive design with a balanced group of customers and other stakeholders. The process was robust and comprehensive, using sound design methodologies, including: drop-ins, focus groups, one to one interviews, design sprints, and online consultation.



- AON
- WellNZ
- Gallagher Bassett
- New Zealand Council of Trade Unions
- HASANZ

# How we co-designed the vision



### **Co-design**

The co-design process involved extensive engagement with workers and their representatives, AEs, TPAs, treatment providers (providers), other stakeholders (such as auditors), and ACC staff to identify insights and opportunities for enhancement, and to test and refine the early redesign proposal.

Drop-in sessions took place in Auckland, Wellington and Christchurch as well as one-to-one focus group interviews. A wide range of user groups fed into the codesign sessions. The 2019 Safeguard Conference and the 2019 South General Practice Conference and Medical Exhibition were also used to access feedback, as was ACC's Accredited Employer Reference Group and Scheme Customer Advisory Panel.

Our consultation website (www.shapeyouracc.co.nz) and other portals enabled workers and their representatives, and other stakeholders who were not able to attend drop- ins, to also provide feedback.

The process provided a wealth of information, which will stand ACC in good stead for ongoing programme improvement.



### **Parallel design**

Alongside the co-design process the ACC project team worked internally to review and improve internal programme features which support the conceptual redesign. These programme support features are also included in this report.





<sup>1</sup>Safeguard OSH Solutions is a leading NZ occupational health and safety publication by Thomson Reuters. <sup>2</sup>Run by the New Zealand Medical Association.

<sup>3</sup>The Panel provides MBIE and ACC with insights about ACC services and policies.

Case for change



# Why change AEP

Under AEP, ACC delegates authority to make cover and entitlement decisions, and deliver the scheme prevention, rehabilitation and compensation obligations to AEs. Nevertheless, accountability for the decisions made and liability managed by AEs remains with ACC. Since it began in 2001 there have been several reviews of the programme, which identified issues, but no substantive improvements have been made to date, despite the programme covering 23% of the workforce and 15% of all work-related injury claims.

### It's a key ACC lever for workplace injury prevention

Our Economic Incentives Strategy identifies AEP as a mechanism to reduce incidence and severity of workplace related injuries, and to improve worker experience and achieve effective rehabilitation.

Improving AEP is ACC's most effective opportunity to influence workplace health and safety outcomes for the 367,000 workers covered by the Programme.

Despite available resourcing from levy discounts, claim rates (an indicator of health and safety performance) are similar to those of non-AEP employers.

### Business customers have made a strong call for change

AEs and TPAs have told us they want to improve health, safety and wellbeing for their workers including looking after them when they are injured. They want a more relevant audit process and they want better information from ACC on how to improve.

### There are some positives

The programme currently delivers better return to work outcomes for workers and lower compensation costs than for non-programme workers.

Some organisations are investing in health, safety, and wellbeing and are achieving positive outcomes for workers within the current programme. However this is possibly due to the commitment of the AE, and not to the current design of the programme.

### What are the known issues?

Reviews by ACC and MBIE have highlighted that there are issues with the programme:

### Workers are disengaged and dissatisfied

The satisfaction levels of AEP - TPA managed injured employees has been below 50% for three consecutive years.<sup>1</sup>

Return to work rates have been declining for five years but have improved recently (possibly due to recent AEP project engagements with AEs and TPAs highlighting the issue).

### **Operational inefficiencies**

Operational inefficiencies lead to high transaction costs for AEs, TPAs and ACC because of manual processes. The lack of readily available guidance material exacerbates the issue.

Operational inefficiencies include:

- the current audit-heavy approach to monitoring.
- a large number of ACC45s are sent by medical providers directly to ACC instead of the correct AE. Before forwarding to the correct AE, ACC must take time to manually match the ACC45.
- the process to link reactivated claims with original claim is inefficient because closed original claim files must be sourced from the correct AE, and are manually processed.

### Inability to monitor and report on programme performance

AEP data is incomplete and inconsistent, which increases administrative costs and prevents the benchmarking and monitoring necessary to identify and manage poor AE performance, and report on and compare AEP performance to wider scheme performance.

<sup>1</sup>Accredited employer and TPA survey - annual report 2018/2019

### Little incentive for to improve performance and innovate

The current framework is restrictive, giving ACC little leverage to drive improved injury prevention and claims management, and needs updating.

Incomplete data and compliance (not performance) based contracts makes managing performance difficult. The programme has a heavily compliance focused audit. This compliance focus gives ACC little leverage to drive innovation.

The data is insufficient to understand the reasons for poor worker experiences and low satisfaction particularly when claims are managed by TPAs.

# What's not working for those in AEP?

Some features of the programme have not functioned as intended and there are indications that some programme objectives are not being achieved. Injury management outcomes are not as positive as expected and worker satisfaction with claims management in the programme is low. These findings from engagement with workers, customers, stakeholders and ACC reflect the findings of the 2018 MBIE review of AEP.

### Pain points identified by workers, customers, stakeholders. and ACC



### Worker outcomes and experience

### Delivering inconsistent worker outcomes

The programme is not delivering consistent and positive outcomes for workers who are injured at work. This is evidenced by low worker satisfaction with the injury/claims/rehabilitation management process compared to claims managed by ACC.

### #2

#3

#1

### Inadequate worker representation across the programme

Workers don't always feel they have adequate opportunities to influence the work environment. They want the opportunity to raise issues and contribute to solutions in injury prevention and see real change.



### Leadership and capability

### AEs and TPAs feel it is difficult to develop claims and injury management capability

AEs and TPAs are expected to have capability in claims and injury management. As these skills are unique to ACC, AEs and TPAs find it difficult to develop capability in these areas without support from ACC.

### Tension between AEs saving money and providing appropriate care for their workers Some providers feel that AEs and TPAs don't always act in

the best interests of the worker. They see that AEs have a conflict of interest by trying to both save money and provide appropriate rehabilitation and return to work pathways for their workers.

### **Communication and relationships**

### Low worker voice due to power imbalance between employer and worker

Workers are aware of the influence their employer has on their career stability and advancement. Workers may not report when they disagree about the way their claim or their rehabilitation and return to work has been managed because of fears of the impact on their career. This

leads to worker voice potentially not being accurately or independently represented.

### #6

#5

### Inability for TPAs to meaningfully contribute to the programme's continuous improvement

TPAs have become an integral part of the programme but they find it difficult to effect change in a meaningful way.

# **#8**

**#9** 

#10

### \* See Appendix 2: Insights for the summary of insights across these four categories

### **Operational issues**

# Incomplete data to benchmark the programme and

Current data collected for the programme is incomplete and does not allow for effective benchmarking. As a result, ACC does not have the complete data set to respond effectively to poor AE performance.

### High administrative burden for all parties

For all parties, inefficient and manual processes lead to a high administrative burden.

### Highly prescriptive audit without continuous improvement mandate

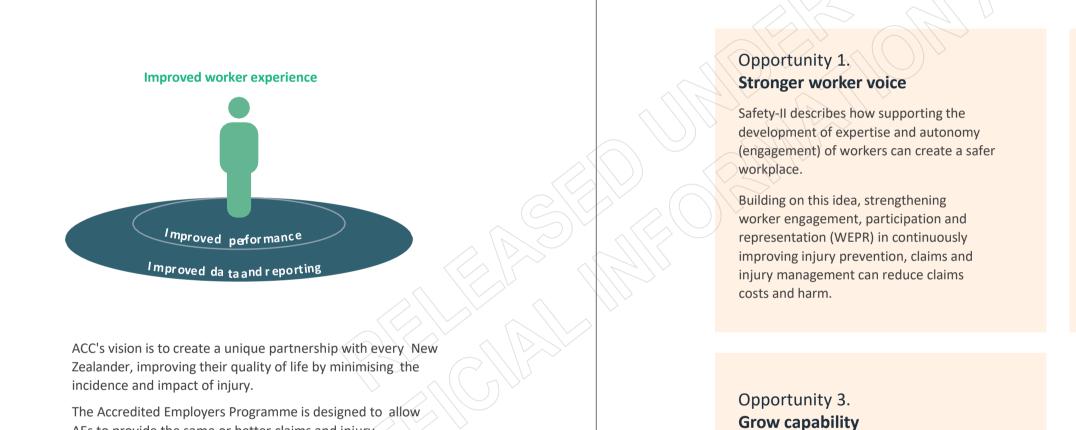
Audit standards and guidelines are very prescriptive and compliance-based, and Auditors are frustrated recommendations for improvement (especially for critical risks) aren't mandatory. The Workplace Safety Management Practices (WSMP) - based health and safety audit is no longer fit for purpose, nor does ACC need to hold responsibility for this standard.

### Frustrating and burdensome audit processes

There is frustration with the audit process. AEs find it inconsistent and tedious, identifying compliance rather than improvement as their motivator. Some referred to a 'gaming' attitude. TPAs feel they are audited multiple times per year because they support a once per year audit for each of their client AEs.

# **Opportunities**

By improving AEP we have the opportunity to grow health and safety leadership amongst accredited employers – keeping workers safer and better supported and influencing large-scale positive change for 23% of NZ's workforce. Building a culture of continuous improvement in injury prevention, claims management and rehabilitation and improving worker experience are key drivers of the programme improvements.



AEs to provide the same or better claims and injury management service as ACC.

Currently workers are experiencing inconsistency in their experience and outcomes of the programme. Improving the experience for workers provides the greatest opportunity to move the programme forward.

In order to improve the worker experience we need to lift performance of AEs and TPAs in the programme, to do this improving data and reporting is essential. People are equipped with the right skills and knowledge to effectively participate

• Lift capability for all parties involved in

and support AEP.

# Opportunity 2. **Drive continuous improvement**

Build a culture of continuous improvement and investment by:

- incentivising performance through a more holistic framework and;
- continuous monitoring and feedback, and;
- effectively using data to accurately depict and benchmark performance.

# **Benefits of change**

If we were to address all opportunities these are the potential benefits of the programme.





• Improved assurance that legislative objectives of the programme are being met.

- Improved injury prevention and rehabilitation.
- Improved data and operational process efficiencies.
- Programme benchmarking and improved performance monitoring and reporting.
- Greater assurance that AEs/TPAs can provide claims and injury management to the same standard as ACC.
- Increased business trust and partnership in injury
- Strengthened ability to respond to poor performance.
- Certainty of claims liability transferred to ACC, and reduced administration.

# How AEP might change

This Business Motivation Model supports the connection between strategy and change and articulates ACC's strategy for improving AEP by helping to identify the change needed to deliver the future vision.



Achieve better outcomes (health and safety, injury prevention and injury rehabilitation)

### Performance

Implement a robust system with tailored guidance based on performance

### Safer environments

Worker participation and engagement is central to the programme

# **Principles of the Co-designed Vision**

Identified through the co-design process, these principles guide the intent, overall design and future operation of the programme.

### Position AEP as a programme for leaders in claims and injury management

The model includes an expectation that organisations in the programme are leaders in all aspects of health, safety and wellbeing, including but not limited to claims management. Where relevant, performance should meet or exceed the standard set by ACC. The programme should not be solely perceived as a way to cut costs.

### Put worker wellbeing at the centre

One of the core goals of AEP is to promote a safer environment for workers, and a better experience when an injury occurs and a claim is made. To make sure the programme delivers better experiences and outcomes for workers, worker engagement, participation, and representation will be monitored and built into entry requirements and ongoing performance discussions.

# Use incentives to drive improved performance

Strong performance will be rewarded through access to greater levy discounts and more product or schedule options. Performance data will also be used to manage poor performers, with the ability to manage an organisation out of the programme if performance is below expectations and/or is not improving.

### Implement a holistic and outcomesfocused performance system

Move from transactional compliance to a performance outcomes focus. To support actionable discussions about performance ACC and AEs will need to have access to data that shows performance holistically. Expected performance outcomes will be set out in the contract and claims and injury management performance will be managed against this.

# Use certification for quality assurance

Accreditation will include a certification component to ensure that claims and injury management practices and processes meet expectations for participation in the programme. TPA claim management and injury management will also be formally quality assured through this process.

# Use the design of the programme to drive the performance behaviours you seek

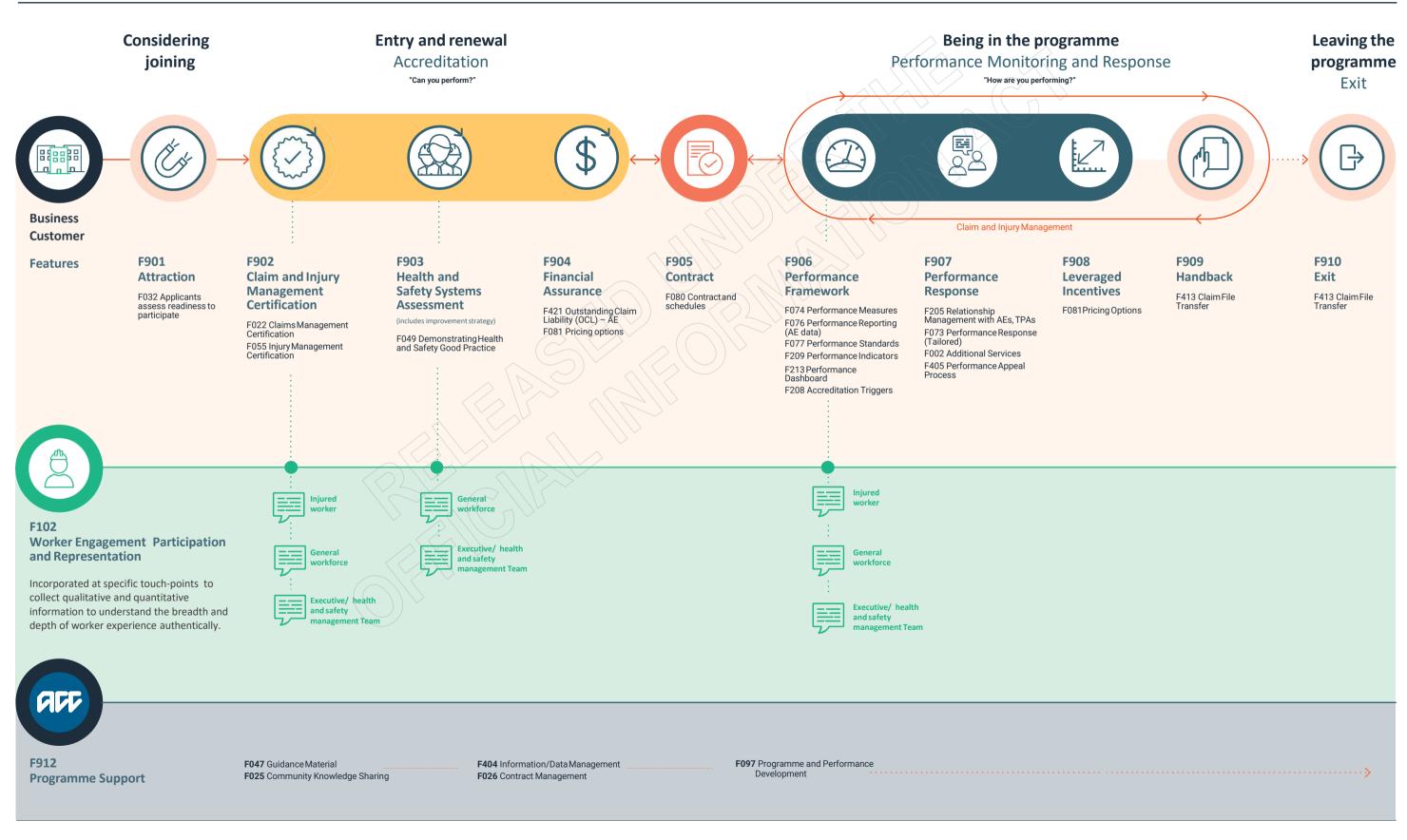
Consistently seek to improve the performance of the programme as a whole. Continuously improve the design of the programme to make it easy for organisations to demonstrate the right behaviours which should impact performance positively. Improving access to and use of data, providing guidance, and disseminating knowledge will be key features which drive these behaviours.

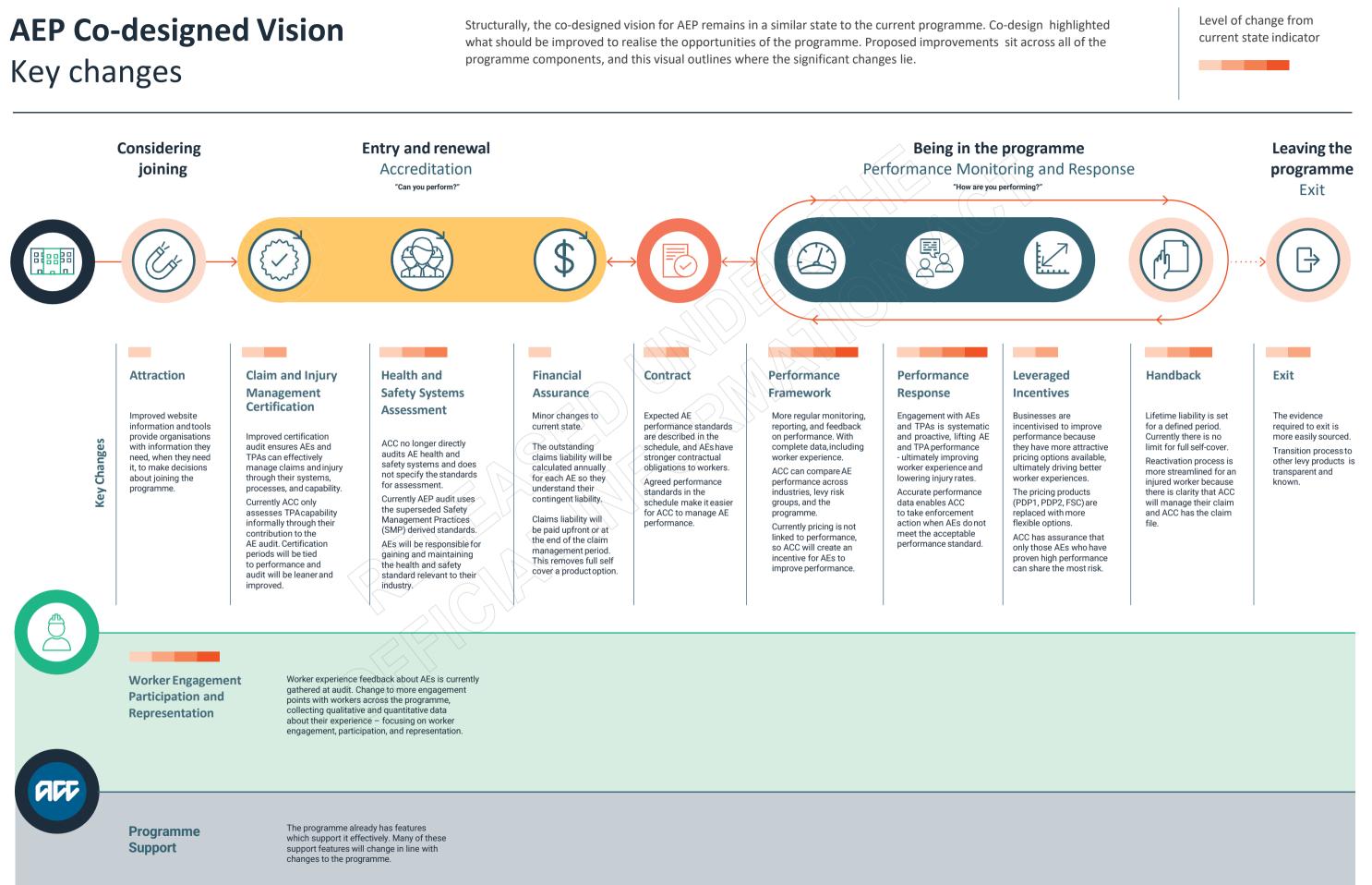
# Build a culture of continuous improvement

To support a culture of excellence in injury and claims management, injury prevention and health safety and wellbeing, there will be a focus on improving practice and performance through investment rather than just meeting minimum standards via an audit. Improvements should be clear. Worker engagement, participation, and representation should act as a key input to defining improvements.

# AEP Co-designed Vision Conceptual model

This illustrates the components and improvement features of the co-designed model and how they relate to one another. The model demonstrates AEPs alignment with the three pillars of health, safety and wellbeing; worker engagement, leadership and risk management. This is not a Business Process Model. Each component has features that describe what it will do and is assigned a number for tracking purposes. The conceptual model shows only new or improved features, as co-design focused on a subset of features of the existing programme where the greatest opportunity for improvement exists.





### **AEP A Co-designed Vision**

Components of the conceptual model





# **Worker Voice and Experience**

### Component

# F911 Worker Voice and **Experience**

Qualitative and quantitative information to understand the experience of workers when their employer is a member of AEP, across all aspects of the programme.

### **Changes from current state**

- Worker input is currently gathered solely at audit. Change to more engagement points with workers across the programme at all levels of an organisation, rather than just during a point-in-time audit.
- Introduce worker experience as a key component of performance monitoring and entry and renewal.
- Increased focus on worker engagement, participation, and representation at all points in the programme with an emphasis on ensuring systems, processes, and capability is evident at entry.

### **Benefits**

- Improved worker experience and satisfaction through workers directly engaging in creating improvements.
- Increased worker voice in some employer systems.
- Safer workplaces through supporting development of expertise and autonomy (engagement) of workers.

### **Benefits** continued

- •

### Implications

- systems.

Worker experience/voice	Pain points addressed (see page 11)	F	Features tha
Incorporated at specific touch-points to collect qualitative and quantitative information to understand the breadth and depth of worker experience authentically.	<ul> <li>#1 Delivering inconsistent worker outcomes.</li> <li>#2 Inadequate worker representation across the programme.</li> <li>#4 Tension between AEs saving money and providing appropriate care for their workers.</li> <li>#5 Low worker voice due to power imbalance between employer and worker.</li> <li>#7 Incomplete data to benchmark the programme and AEs.</li> </ul>	F102	Worker Engage
Requirements aligned to	Scale of change required to effectively deliver	-!	

Requirements aligned to	Scale of change required to effectively deliver
B3005, B4002, B4005.	Less change
	•

• Worker experience of AE performance is integrated with other measures to provide a more holistic view. This supports continuous performance in injury prevention, claims and injury management.

Increased transparency incentivises a lift in performance across the programme by making performance visible and known.

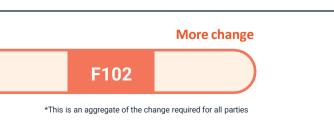
• AEs and TPAs may need to increase the data they collect, hold, and supply. There may also be an operational cost in implementing changes in response to data integration into their continuous improvement

• ACC system changes will be required for increased and improved worker voice and experience data collection, storage, and use.

• It will take time and effort to establish and benchmark performance measures that are meaningful, and appropriate.

### hat make up this component

gement Participation & Representation.





# How and where worker voice is measured Worker Voice and Experience

This framework describes ways in which worker experience could be collected and measured throughout the different stages of the programme. This is not an exhaustive list and will require further development.

	→ Claims and Injury Management Certification	→ Health and Safety Systems Assessment (for Accreditation)	$\rightarrow$
<b>Injured worker</b> ACC seeks to understand injured workers claims management, rehabilitation, and return to work experience.	<ul> <li>Qualitative, in-depth conversations to inform the assessment of the quality of injured worker experience. (F022, F055)</li> <li>Quantitative performance measures (data and information) specifically related to claimant outcomes. (F074)</li> <li>This measurement cannot be made at the first point of entry, but will be done at each point of certification renewal.</li> </ul>		•
General workforce (includes advocates, unions, worker representatives) ACC seeks to understand the level of engagement, participation and representation of the workforce.	<ul> <li>Face to face conversations with advocates and representatives.</li> <li>Response to worker opinion of employer readiness.</li> </ul>	• Evidence of workers being engaged in health and safety and wellbeing and continuous improvement. (F049)	•
<b>Executive and health safety and</b> <b>wellbeing management</b> ACC seeks to understand executive commitment to claim and injury management and health, safety and wellbeing performance, and that there is commitment to continuously improving in these areas. ACC also looks at the executive response to performance data and worker experience.	<ul> <li>Demonstrate knowledge and understanding of performance measures related to claim and injury management data. (F074)</li> <li>Demonstrate evidence of commitment to continuously improving injury management and claims management. (F022, F055)</li> </ul>	<ul> <li>Demonstrate evidence of commitment to continuously improving health, safety and wellbeing, injury management and claims management. (F049)</li> </ul>	•

### Performance Framework

Quantitative performance measures (data) specifically related to claimant outcomes. **(F074)** 

Providing immediate support **(F207)** to injured workers.

A survey of injured worker satisfaction.

Qualitative measures related to injury prevention and early intervention as part of continuous improvement. **(F074)** 

Ongoing evidence of workers being engaged in health, safety and wellbeing and continuous improvement. Including participating in committee s and are represented appropriately. **(F049)** 

Survey of advocates and worker representatives relating to Worker Experience, Participation and Representation (WEPR) interactions and experiences.

Performance measures related to injury prevention and early intervention, injury management data. (F074)

Executive response to performance that relates to experience of their workers.



### Component

## **F901** Attraction

Organisations interested in joining AEP find current information and use self-assessment tools to understand the requirements of AEP and determine their suitability to apply.

### **Changes from current state**

• Improved website information on requirements for accreditation and tools for self-assessment, rather than information being available inconsistently across channels.

### Benefits

- Organisations can find the information they need, when they need it, to make decisions about joining the programme.
- This makes the joining process transparent to potential AEs, and there is consistency throughout the process.

### Implications

Requirements aligned to	Pain points addressed (see page 11)	F	Features
B11001, B11003, B11006, B1008.	<b>#3</b> AEs and TPAs feel it is difficult to develop claims and injury management capability	F032	Applicant
	Scale of change required to effectively deliver		
	Less change	:	
	F032		

• Some further improvement to current content on the website as well as ongoing maintenance for ACC.

• Organisations are better prepared when applying.

### es that make up this component

ts-self assessing readiness to participate.

### More change



# **Claim and Injury Management Certification**

Entry and renewal Accreditation

### Component

# **F902 Claim and Injury Management Certification**

All AEs and TPAs will need to have their systems, processes, and capability to manage claims and manage injuries certified. AEs and TPAs will need to be certified for a defined period to manage all aspects of claim and injury management.

Recertification is required at the end of a defined period with the expectation that AEs act on recommendations and continuously improve, including improving their inclusion and use of worker experience.

### Changes from current state

- An updated certification audit that specifically checks claims and injury management systems, processes, and capability are in place and functional.
- Greater expectation on provision of evidence of AE and TPA personnel capability, leading to improved quality of claim and injury management.
- TPAs are certified to ensure they have systems, processes, and capability to effectively manage claims and injury. Currently ACC assesses TPA capability informally through their contribution to the AE audit.
- Certification periods are tied to performance e.g. high performance proves systems, processes, and capability are functioning well.

### **Benefits**

- claims management services.

### Implications

- claims management.

Worker experience/voice	Pain points addressed (see page 11)	<b>F</b> eatures th
<ul> <li>Injured Worker.</li> <li>General Workforce.</li> <li>Executive / Health and Safety Management.</li> </ul>	<ul> <li>#1 Delivering inconsistent worker outcomes.</li> <li>#2 Inadequate worker representation across the programme. #3 AEs and TPAs feel it is difficult to develop claims and injury management capability  #6 Inability for TPAs to meaningfully contribute to the programme's continuous improvement.  #8 High administrative burden for all parties.  #9 Highly prescriptive audit without continuous improvement mandate.  #10 Frustrating and burdensome audit processes.</li></ul>	F022 Claims Manage F055 Injury Manager
R Requirements aligned to	Scale of change required to effectively deliver	
B1004, B3001, B3002, B3003, B3004, B3005, B4001, B8003, B10007, B10003, C2002, C2017, C2018, C2011, C3003, C3010, C3004, C4002, C4003, C5001, C5007	Less change F022	F055

AEs and ACC have assurance that TPAs can provide effective injury and

With clear certification criteria and standards, all parties can proactively raise their claims and injury management capability.

• High performing AEs have effective systems, processes and capability, so they are able to focus resource on continuous improvement rather than on recertification.

• Workers contribute to the certification process, providing an additional view on AE and TPA capability and recent performance.

• ACC continues to own and maintain the standard around injury and

• ACC must assess and improve the current audit to create certification, including TPA specific certification.

• Some businesses may need to review their resourcing and capability for claim and injury management to maintain certification.

### that make up this component

gement Certification gement Certification

### More change



# Health and Safety Systems Assessment

Entry and renewal Accreditation

### Component

# **F903 Health and Safety Systems Assessment**

AEs demonstrate competency in the (internationally recognised) three pillars of health and safety: worker engagement, leadership, and risk management, and are continually improving by meeting a health and safety standard recognised by the relevant regulator.

### **Changes from current state**

- ACC no longer directly audits AE health and safety systems and processes. Currently AEP audit uses Safety Management Practices (SMP) derived standards, now superseded by other standards.
- AEs are responsible for gaining and maintaining the health and safety standard relevant to their industry and will no longer be able to use ACC's audit as evidence of having appropriate health and safety systems. in place.

### Benefits

- All parties are assured that AEs can provide a healthy and safe workplace that complies with Health and Safety at Work Act 2015.
- · Improved health, safety and wellbeing for workers and greater organisational injury prevention.

### Implications

- system investment.
- benchmarking information.

Worker experience/voice	Pain points addressed (see page 11)	F	Features t
<ul> <li>General workforce.</li> <li>Executive / Health and Safety Management.</li> </ul>	<ul> <li>#1 Delivering inconsistent worker outcomes.</li> <li>#2 Inadequate worker representation across the programme.</li> <li>#4 Tension between AEs saving money and providing appropriate care for their workers</li> <li>#5 Low worker voice due to power imbalance between employer and worker</li> <li>#9 Highly prescriptive audit without continuous improvement mandate.</li> </ul>	F049	Demonstrati
R Requirements aligned to	Scale of change required to effectively deliver	-	
B3005, B3006, B3008, B3009, B4001, B8003.	Less change	F	049

Some AEs will continue to use their current assessment, saving time and expense in this area. Those who do not use an equivalent assessment already, may need to make a significant financial and

• Responsibility for deciding equivalency sits outside of ACC.

• Organisations that rely on AEP accreditation level (primary, secondary, tertiary) for procurement and recruitment advantage can no longer use this. Improved performance reporting may mitigate this by providing

### that make up this component

iting Health and Safety Good Practice

### More change



# **Financial Strength Assurance**

Entry and renewal Accreditation

### Component

# **F904 Financial** Assurance

AEs financial strength is assessed annually ensuring they can meet their obligations to pay entitlements and manage the cost of claims.

### **Changes from current state**

- The outstanding claims liability will be calculated annually for each AE so they understand their contingent liability.
- Claims liability will be paid upfront or at the end of the claim management period. This removes full self cover as a product option.

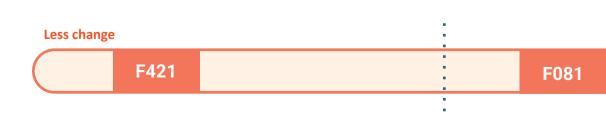
### **Benefits**

- AEs should know their outstanding claims liability and ideally include in their financial reporting.
- Limits the ongoing risk to an AE and ACC.

### Implications

- cost associated with this.

R Requirements aligned to	Pain points addressed (see page 11)	F	Features t
B2001, B2002, B11007, B12003, C13001, C13002, C13003, C14001, C14004, C7014, F1001.	<ul> <li>#7 Incomplete data to benchmark the programme and AEs.</li> <li>#8 High administrative burden for all parties.</li> </ul>	F081 F421	Pricing option Outstanding
	Scale of change required to effectively deliver		



• AEs will value their outstanding claims liability each year. There will be a

Removing the full self cover product options impact pricing.

### s that make up this component

ions ng Claim Liability (OCL) - AE

### More change



# **Contract**

### Component

R

# F905 Contract

The AEP contract and schedules set out the complete agreement between ACC and the AE. Changes to contract are via schedule variation.

### **Changes from current state**

- Expected AE performance standards are described in the schedule.
- AEs have stronger contractual obligations to workers.

### **Benefits**

- Agreed performance standards in the schedule make it easier for ACC to manage performance against contractual obligations.
- Performance expectations are clear and transparent for all parties.
- Improved worker experience and satisfaction as a result of increased engagement in health, safety and wellbeing.

### Implications

- ٠ renewal.
- obligations.

Requirements aligned to	<	Pain points addressed (see page 11)	<b>F</b> Features th
B2001, B8003, B10005, B12001.		<ul> <li>#1 Delivering inconsistent worker outcome.</li> <li>#2 Inadequate worker representation across the programme.</li> <li>#4 Tension between AEs saving money and providing appropriate care for workers.</li> <li>#7 Incomplete data to benchmark the programme and AEs.</li> <li>#8 High administrative burden for all parties.</li> <li>#9 Highly prescriptive audit without continuous improvement mandate.</li> </ul>	<b>F080</b> Contract and
		Scale of change required to effectively deliver	
		Less change	÷
		F080	

- ACC will need to review AE performance against the contractual agreement prior to preparing schedules each year.
- Improvement recommendations will be included in contract
- AEs and TPAs may be required to collect and store more information to demonstrate performance against contractual

### that make up this component

nd schedules

### More change



# **Performance Framework**

Being in the programme Performance Monitoring and Response

Component

# **F906** Performance Framework

The Performance Framework defines the standards, measures, and monitoring ACC uses to set clear performance expectations and outcomes for an AE. The desired outcome is for an AE to demonstrate health, safety and wellbeing leadership and to continuously improve.

### **Changes from current state**

- More regular monitoring, reporting, and feedback on performance. Currently the annual audit is the main mechanism for reporting.
- With complete data, ACC can compare AE performance across industries, levy risk groups, and the programme.
- Worker experience is included as a performance measurement.
- Pricing options are linked to performance, more attractive pricing options become available as performance increases. Performance is not currently linked to product selection (PDP1, PDP2, FSC).
- The programme clearly describes performance situations where extreme poor performance requires AEs to immediately re-certify or renew their Health and Safety System assessment, or risk being managed out of the programme.

### Benefits

• Performance data is made up of both data supplied by AEs as well as gathered by ACC through claims file checks and worker voice. This means AEs receive broader and more meaningful performance information from ACC than just returning AEs own data to them.

### **Benefits** continued

- injury management.
- continuously improve in response.

### Implications

- feedback data and information.
- discounts.

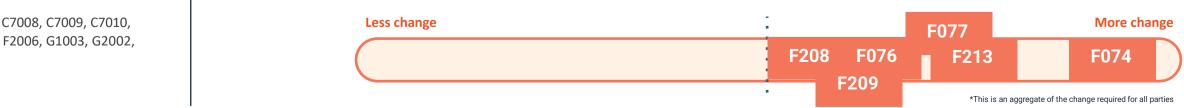
• The contract and schedule will need updating in line with the measures.

() Worker experience/voice	Pain points addressed (see page 11)	F	Features t
<ul> <li>Injured Worker.</li> <li>General Workforce.</li> <li>Executive/ Health and Safety Management.</li> </ul>	<ul> <li>#1 Delivering inconsistent worker outcomes.</li> <li>#2 Inadequate worker representation across the programme.</li> <li>#3 AEs and TPAs feel it is difficult to develop claims and injury management capability. #4 Tension between AEs saving money and providing appropriate care for their workers. #5 Low worker voice due to power imbalance between employer and worker.</li> <li>#6 Inability for TPAs to meaningfully contribute to the programme's continuous improvement.</li> <li>#7 Incomplete data to benchmark the programme and AEs.</li> <li>#9 Highly prescriptive audit without continuous improvement mandate.</li> <li>#10 Frustrating and burdensome audit processes their workers.</li> </ul>	F074 F076 F077 F209 F213 F208	Performance Performance Performance Performance Performance Accreditatior

### **Requirements aligned to**

B1009, B3001, C4003, C7007, C7008, C7009, C7010, C7011, C7013, C7015, C7016, F2006, G1003, G2002, G2004, G2005

### Scale of change required to effectively deliver



 ACC can track trends in performance and make sure AEs respond to feedback in a timely way, making sure workers experience a good standard of claims and

• ACC clearly defines what data AEs are required to supply and are measured on so AEs have clarity of expectations and continuously improve.

ACC can accurately report on the performance of the overall programme and

• More effort required from all parties to store, supply, analyse, report and

• Performance standards and measures must be developed and continuously reviewed for relevancy. This requires an initial research project to develop meaningful evidence-based performance standards and measures.

• Linking pricing options to performance means ACC must have clear performance standards and robust measures. There may be more reviews by AEs if they believe their assessed performance restricts them from greater

### that make up this component

ce Measures ce Reporting (AE data) ce Standards ce Indicators ce Dashboard on Triggers



# How we might measure performance

Being in the programme Performance Monitoring and Response

This framework describes how ACC might measure the performance of AEs across five performance categories. Enforcement indicators describe events or issues that may require ACC to respond. This is not an exhaustive list and will require further development.

Categories	→ Worker Experience of Claims and Injury Management	→ Claims Management	→ Injury Management	$\rightarrow$ Injury Prevention	→ Injury and Harm Trends
What ACC cares about	<ul> <li>Worker's claims management experience</li> <li>Worker's injury management experience</li> <li>Worker's injury prevention experience</li> <li>Claim experience quality (time, accuracy, quality)</li> <li>Quality of their injury management (appropriate and meaningful, responsive and well communicated, accurate and effective)</li> <li>Worker's learnings from the whole process and actions taken for improvement, personally and organisationally</li> <li>Union involvement and experience of the process</li> <li>Reviews and complaints</li> </ul>	<ul> <li>Quality of individual claim management</li> <li>Timeliness and responsiveness to making cover decision and paying entitlements</li> <li>Accuracy of cover decision and entitlement calculation</li> <li>Integrity of care (were actions, care, and entitlements appropriate and effective?)</li> <li>Appropriately skilled personnel</li> <li>Consistently incorrect cover decisions, calculation, and receipt of entitlements, and/or issues not rectified</li> </ul>	<ul> <li>Quality of injury management and rehabilitation processes</li> <li>Timeliness and responsiveness to creating rehabilitation plans and providing appropriate support</li> <li>Accuracy of rehabilitation plans and support</li> <li>Integrity of care (were actions and care taken appropriate and effective?)</li> <li>Appropriately skilled personnel</li> <li>Duration of claims</li> <li>Reactivated claims</li> <li>Trend in increasing number of injuries</li> <li>Negative trends, i.e. high numbers of reactivations due to short durations</li> </ul>	<ul> <li>AE commitment and focus on improvement of health and safety systems, and claims and injury management</li> <li>Identifying injury risks, and continuous improvement of injury prevention</li> <li>Leadership regarding injury prevention</li> <li>Strategy plans for improvement, including identified worker engagement, participation and representation (WEPR) action areas</li> <li>Demonstration of WEPR consultation</li> <li>Demonstration of activity to address their strategy and plan</li> <li>Demonstration of learning from improvement activity or actioning recommendations</li> </ul>	<ul> <li>Health and safety trends</li> <li>Number of injuries and near misses in the AE workplace</li> <li>Types of injuries</li> <li>Severity of injuries</li> <li>Reaggravation</li> <li>Significant increase in injury rates over short period of time</li> <li>Fatality</li> <li>Prosecutions, e.g. WorkSafe</li> </ul>
Enforcement indicators	<ul> <li>Bullying and coercion</li> <li>Extreme worker dissatisfaction</li> </ul>			<ul> <li>Failure to have an active Continuous Improvement Plan</li> </ul>	



# **Performance Response**

Being in the programme Performance Monitoring and Response

Component

# **F907** Performance Response

ACC engages with AEs in response to their performance. Responses vary in frequency and intensity: providing guidance and direction to lift performance and learn from high performers.

### **Changes from current state**

- Engagement is in response to current performance rather than point- (intime, annual audit and there are clear pathways for an appropriate person to engage with organisations.
- Engagement with AEs and TPAs is systematic and proactive. Currently engagement is largely in response to poor performance or through scheduled group events.
- Accurate performance data enables ACC to take enforcement and exit action when performance is low and AEs cannot meet the acceptable performance standard.

### **Benefits**

- performance.
- enable managed exits.

### Implications

F405

Requirements aligned to	Pain points addressed (see page 11)	F	Features tha
C2012, C8004, B9004	<ul> <li>#1 Delivering inconsistent worker outcomes.</li> <li>#2 Inadequate worker representation across the programme.</li> <li>#3 AEs and TPAs feel it is difficult to develop claims and injury management capability.</li> <li>#6 Inability for TPAs to meaningfully contribute to the programme's continuous improvement.</li> <li>#7 Incomplete data to benchmark the programme and AEs.</li> <li>#8 High administrative burden for all parties.</li> <li>#9 Highly prescriptive audit without continuous improvement mandate.</li> <li>#10 Frustrating and burdensome audit processes.</li> </ul>	F205 F073 F002 F405	Relationship Ma Performance Re Additional Servio Performance Ap
	Scale of change required to effectively deliver		
	Less change		



In response to guidance and direction AEs lift their performance, ultimately improving worker experience and lowering injury rates.

• A more collaborative engagement approach means good practice is shared with various parties in the programme, lifting overall

• ACC knows which AEs are not performing well and has evidence to

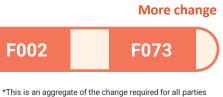
• Workers experience less incidence and impact of injury.

• ACC will need to mandate more intensive relationship engagement.

• It is likely that new capabilities will need to be developed in response to the changes in the engagement approach.

### hat make up this component

Management with AEs, TPAs Response rvices Appeal Process

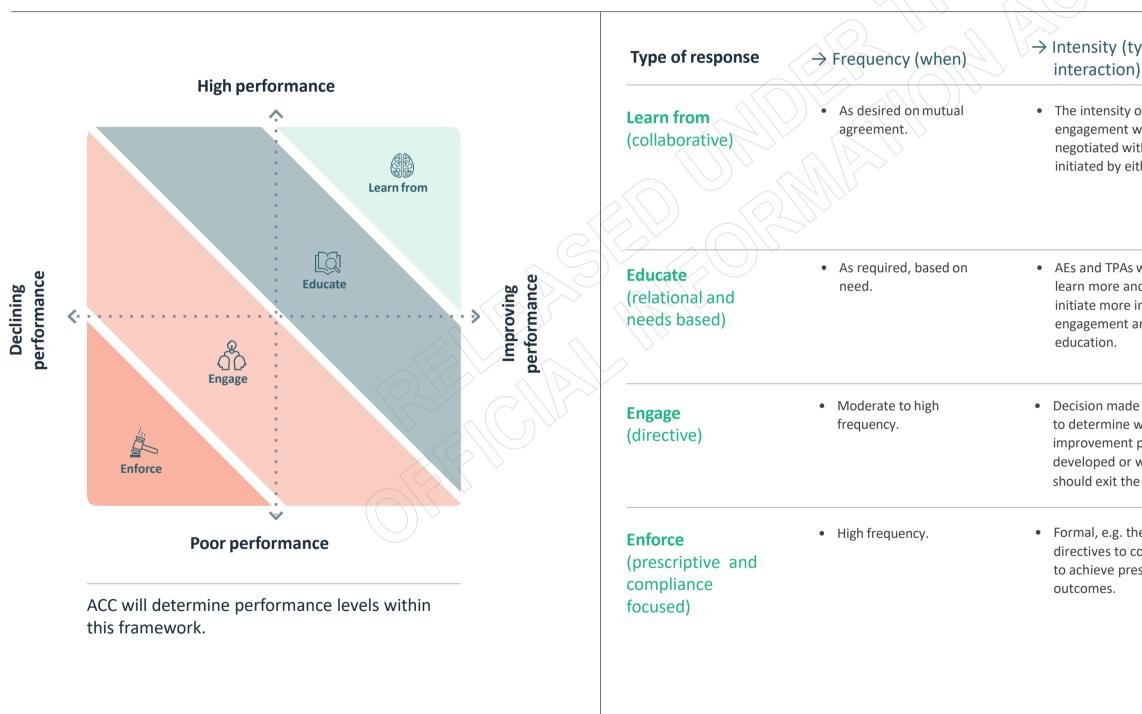




# **Performance Response matrix**

Being in the programme Performance Monitoring and Response

ACC will use a tailored performance response matrix to understand the most appropriate form of interaction, based on performance. Depending on AE performance the response from ACC will vary by frequency of interaction, intensity, and the level of AE executive contact needed.



type of n)	$\rightarrow$ Executive contact
v of this learning will be vith AEs and either party.	<ul> <li>Contact minimal or as desired, focused on learning from and celebrating good practice.</li> </ul>
s who want to and improve can a intense around	<ul> <li>Contact minimal or as required.</li> <li>Where the organisation has made the decision to improve capability.</li> </ul>
de with the AE whether an t plan is r whether AE ne programme.	• ACC checks there is executive ownership of issues.
there are comply with rescribed	<ul> <li>Required. Communication with CE/Board to inform them of the 'enforcement phase'. This requires a response from the CE/ Board and the involvement and ownership of Tier 2 Management in addressing the issue(s).</li> </ul>



# **Leveraged incentives**

Being in the programme Performance Monitoring and Response

### Component

# **F908** Leveraged incentives

A combination of performance and financial strength determines the pricing options available to an AE.

### **Changes from current state**

- The pricing products (PDP and FSC) are replaced with one product that has responsive and appropriate options.
- Improved performance opens up the pricing options available. Currently performance has little impact on pricing options.

### **Benefits**

- Organisations are incentivised to improve performance because they have more attractive pricing options available, this will drive better worker experiences.
- Strengthened ability for ACC to respond to poor performance.
- Strong performance is rewarded through access to more attractive pricing options.

### Implications

- they won't be taking on as much risk.
- greater discounts.

<b>R</b> Requirements aligned to	Pain points addressed (see page 11)	F	Features t
B2001, B11007, B12003, C13001, C13002, F1001	<ul> <li>#3 High administrative burden for all parties.</li> <li>#4 Tension between AEs saving money and providing appropriate care for their workers.</li> </ul>	F081	Pricing Optio
	Scale of change required to effectively deliver		
	Less change		

R

 Full Self Cover product is removed because lifetime liability is now for a defined period. This means AEs will have lower levy discounts because

• Linking pricing options to performance requires ACC to have clear performance standards and measures. There may be more reviews by AEs if they believe their assessed performance restricts them from

### that make up this component

tions

F081

### More change



# **Potential product/pricing options**

Being in the programme Performance Monitoring and Response

C	ustomer Profile		Accredi	ted Employer Progran	nme Pricing Components	
AEP Performance Monitoring Framework (Non-contestable metrics) New, Developing, Performing, Exceeding [WIP (work in progress)]		<b>Financial Health Strength</b> (Low, Medium, High) Assessment for sufficient financial resources to meet obligations for provision of entitlements and associated expenses (No change to current methodology)	Administration and service fees	Bulk funded health costs	Public health cost	Cover options

Pricing Matrix (Linked to Performance & Financial Strength)	Options (Selection	s may be limited based on Customer Pro	ofile – e.g. New Entrant, Renewing Mem	ber, etc)
Contract Period see Note 1	Open			
<b>Contract Period</b> (Levy Year) see Note 2	12 months			
Claim Management Period (CMP) see Note 2	12 months	24 months	36 months	48 months
Future Liability	None	For the Claims Management Period (annual valuation of liability required)		
Future Liability Payment Options	As part of the levy payment	When claims are handed back		
Reinsurance Options	Stop Loss Cover (for the Cover Period)	High Claims Cost Cover (for an event)		
Reinsurance Options Range	Range from 160%–250%	Employer may select from a choice of: \$250,000, \$500,000, \$750,000, \$1,000,000, \$1,500,000, \$2,000,000 or \$2,500,000		

Note 1: Terms (Including pricing and group membership) is reviewed and renewed every 12 months Note

2: Cover period and CMP cannot exceed 60 months in total (ACC Act - Part 6 Section 181)



# Handback Being in the programme Performance Monitoring and Response

### Component

# **F909 Handback**

Claim files and liability are handed back to ACC for ongoing management.

### **Changes from current state**

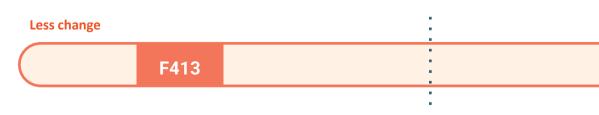
- Lifetime liability is set for a defined period. Currently there is no limit for full self-cover.
- All reactivated claims and financial responsibility after handback is the responsibility of ACC. Currently AEs who have chosen full self- cover must pay the invoice if the claim is reactivated.
- ACC receives all open and closed files at handback. AEs currently store closed claims files, presenting privacy issues and making reactivations. less streamlined.
- Electronic transfer of files. Currently this is a multi-step, highly manual process, involving AEs printing files, sending to ACC. ACC then manually scans files for electronic storage.

### **Benefits**

- . the claim file.

### Implications

<b>R</b> Requirements aligned to	Pain points addressed (see page 11)	F	Features th
C14005, C15005, G4005.	<ul> <li>#1 Delivering inconsistent worker outcomes.</li> <li>#4 Tension between AEs saving money and providing appropriate care for their workers.</li> <li>#7 Incomplete data to benchmark the programme and AEs.</li> <li>#8 High administrative burden for all parties.</li> </ul>	F413	Claim File Trans
	Scale of change required to effectively deliver		



• Files are more secure, and worker privacy is under greater protection.

Reactivation process is more streamlined for an injured worker because there is clarity that ACC will manage their claim and ACC has

• ACC has more surety about liability in the programme.

• No financial surprises for AEs on reactivation of claims.

• Processing handback may increase resource requirements; however a less manual process may free up resources in other areas.

• As part of handing back liability, it may be necessary to have independent actuaries determine ongoing claims liability. This would be an additional actuarial service and would need to be paid directly by AEs or if paid by ACC, be included in the administrative fee.

### that make up this component

ansfer

### More change



### Component

# **F910 Exit**

AEs exit the programme either by choice, or as the result of not meeting the obligations of the contract (including poor performance). All steps, calculations and the stand-down time period before re-entry into AEP are clearly documented. All claim files are handed back to ACC at exit. Documentation includes details on how the former AE will transition into the ACC scheme, e.g. into Experience Rating product.

### **Changes from current state**

- More evidence is available to enable ACC to manage the exit agreement. Currently incomplete data makes it difficult to provide. evidence to ACC Chief Executive of an AEs underperformance, so they can formally exit the AE from the programme.
- Decisions to exit AEs are based on non-contestable performance criteria; currently this is open to interpretation.
- The prospect of exit is clearly communicated to AEs. As few members are exited from the current programme, this may not be considered a real possibility for some underperforming AEs.

### **Benefits**

- manage contractual obligations.
- be appropriately assessed.

### Implications

- greater number of AEs are exited.
- changes to the programme.

<b>R</b> Requirements aligned to	Pain points addressed (see page 11)		F	Features the
C2010, C14005, C15005, G4005.	<ul> <li>#1 Delivering inconsistent worker outcomes.</li> <li>#7 Incomplete data to benchmark the programme and AEs.</li> <li>#8 High administrative burden for all parties.</li> </ul>		F413 Claim	Claim File Trans
	Scale of change required to effectively deliver			
	Less change	:		
		F413		
		:		
	COMMERCIAL IN CONFIDENCE			ThinkPlace in collab

Decision makers have access to robust non-contestable criteria to

• Workers in poor performing AEs have confidence their employer will

• Resource requirement to manage exits is difficult to estimate if a

There may be an initial spike in voluntary or managed exits related to

• AEs that exit may need to pay outstanding claims liability for the years they have been in the programme. This could place a great financial burden on some organisations (including public sector).

### that make up this component

ansfer

### More change



# **Programme Support**

Component

# F912 Programme Support

ACC activities, systems and processes to support AEP – a combination of AEP specific and ACC good practice.

### **Changes from current state**

- AEP becomes more integrated into ACCs strategic technological direction.
- Comprehensive guidance material, which is continuously reviewed and updated, and easily accessible for users.
- A large number of ACC45s are sent by medical providers directly to ACC instead of the correct AE. Before forwarding to the correct AE, ACC must. take time to manually match the ACC45.
- ACC claim number is used as the reference for the claim file. At present this can be difficult to link files as AEs may use their own claims identification numbering.
- Contract management is electronic, rather than paper based.

### **Benefits**

- supported by ACC.
- value activities.

### Implications

- manual.

Requirements aligned to	Pain points addressed (see page 11)	F	Features that
7, B8001, B8003, B11004, B11006, B12005, F2001, 7, G1004, G1006, G1001, G1008, G1002, G1003, 4	<ul> <li>#1 Delivering inconsistent worker outcomes.</li> <li>#3 AEs and TPAs feel it is difficult to develop claims and injury management capability.</li> <li>#6 Inability for TPAs to meaningfully contribute to the programme's continuous improvement.</li> <li>#7 Incomplete data to benchmark the programme and AEs</li> <li>#8 High administrative burden for all parties.</li> </ul>	F047 F025 F404 F026 F097	Guidance Materia Community Know Information/Data Contract Manager Programme and P

### Scale of change required to effectively deliver

The programme already has features which support it effectively. Many of these support features will change in line with changes to the programme.

B3007,

F2007,

G2004

• Streamlined processes that can be more easily

 More self-help guidance and tools available to AEs and TPAs means ACC resource can be focused on high

• More secure handling of individual claims information.

• The programme's effectiveness relies on the quality of these activities, systems, and processes so they need to be resourced appropriately.

• Specifically, if all ACC45s are registered in EOS, some system improvements will need to occur, or the process would need to be resourced if it remained partially

### at make up this component

rial owledge Sharing ta Management gement Performance Development

# Appendices



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#### Appendix 1: Features of the model

Feature context

Features matrix - worker perspective Features

matrix - AE and TPA perspective Features

matrix - ACC perspective Features matrix -

combined perspective Change on the horizon

**Detailed feature set** 

#### **Appendix 2: Insights**

Worker outcomes and experience Communication and relationships Leadership and capability Operational issues

#### **Appendix 3: Timeline**

The WSI journey so far The AEP journey so far

## **Appendix 1:** Features of the model



### **Feature context**

#### Why we describe features for AEP

The co-designed conceptual model shows what happens at each stage of the Accredited Employer Programme. The features describe how the programme operates. Each feature has a name and reference number.

#### How we got this feature set

High level user requirements were captured by the project team when the draft Target Operating Model was developed. The high level features describe how the programme meets the user requirements.

Starting with a large list of high level features, the project team organised the features into three groups:

- 1. Features that need to be interrogated through codesign to ensure the users test the features are fit for purpose and nothing important is missing.
- 2. Features that need more interrogation from an ACC perspective because they affect ACC systems and processes only.
- 3. Features that would largely remain the same and would not need further interrogation at this point.

The features in this vision are primarily from group one, with only those from group two included where they complete the description.

#### How we scored the features

Once co-design was complete and the interrogated features were well described and tested, the project team and ACC subject matter experts used a multi-criteria decision analysis (MCDA) process to create a hierarchy of features.

The analysis balanced the value of each feature to workers, AEP users, and ACC, against the cost, time and ease of implementation, providing a robust understanding of the value of the features against the effort to implement.

This table shows the criteria used to analyse features.

Strategic Assessment Factor	Assessment Factor Description	
AEP Worker Experience	The feature will improve worker experience quality, engagement, participation and repr 8 = comprehensively and significantly.	
AEP User Experience	The feature will improve direct AEP user exp comprehensively and significant.	
ACC Strategic Intentions Achievement	It will deliver programme effectiveness resu achieved (and accompanying benefits being 8 = will deliver effectively on all four outcon	
Innovation Assessment Factor		
Confidence	We and stakeholders can 'build' the feature we are confident to achieve it easily and we	
Cost	The feature is likely to be lower cost effectiv 8 = we expect it to be cheap and/or cost effective	
Time	The feature's 'build' and/or implementation 8 = we expect less than 12 months will be en 'build' and/or implement it.	

e (injury rates, claim and injury management presentation).

xperience (AEs and TPAs). 8 =

sulting in the AEP development outcomes being ng realised).

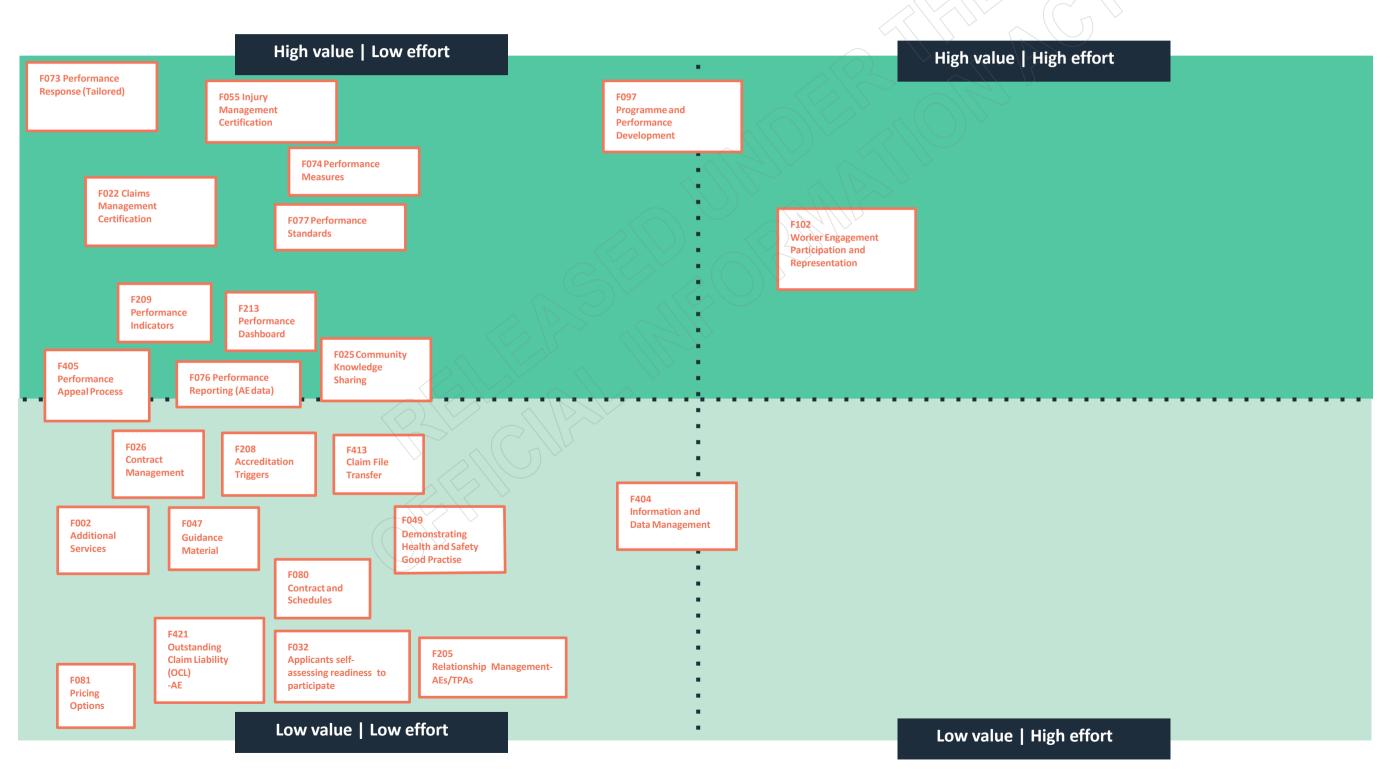
e and it will work. 8 = vell.

ive to 'build' and operationalise. ffective for all stakeholder types to achieve.

n time frame is likely to be short. enough time for all stakeholder types to

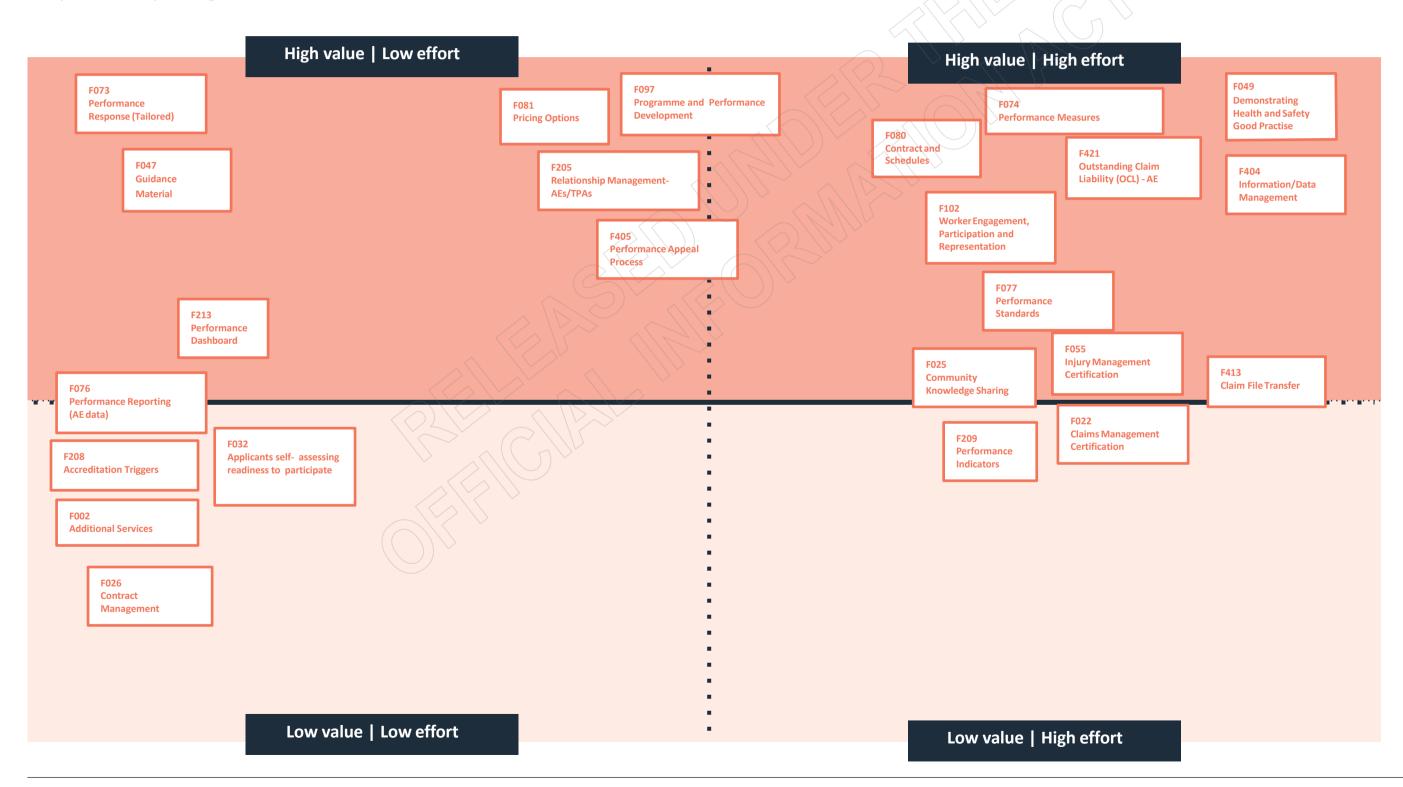
### Features matrix Worker perspective

The following graph shows the **worker perspective of value versus effort**. Ideally initial implementation focuses on low effort and high value features, however some features are so high value they are worth starting early even if they are high effort.



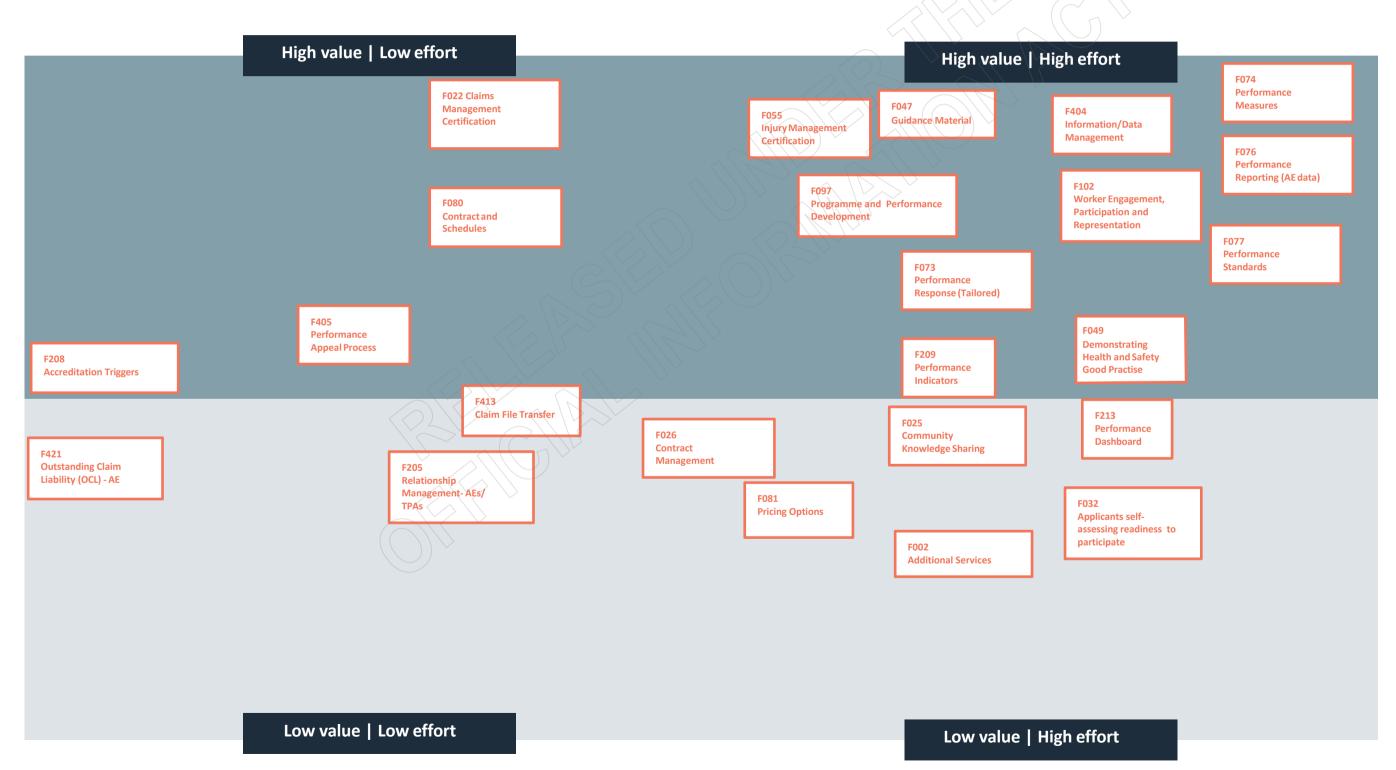
### **Features matrix** AE and TPA perspective

The following graph shows the **AE and TPA perspective of value versus effort**. Ideally initial implementation focuses on low effort and high value features, however some features are so high value they are worth starting early even if they are high effort.



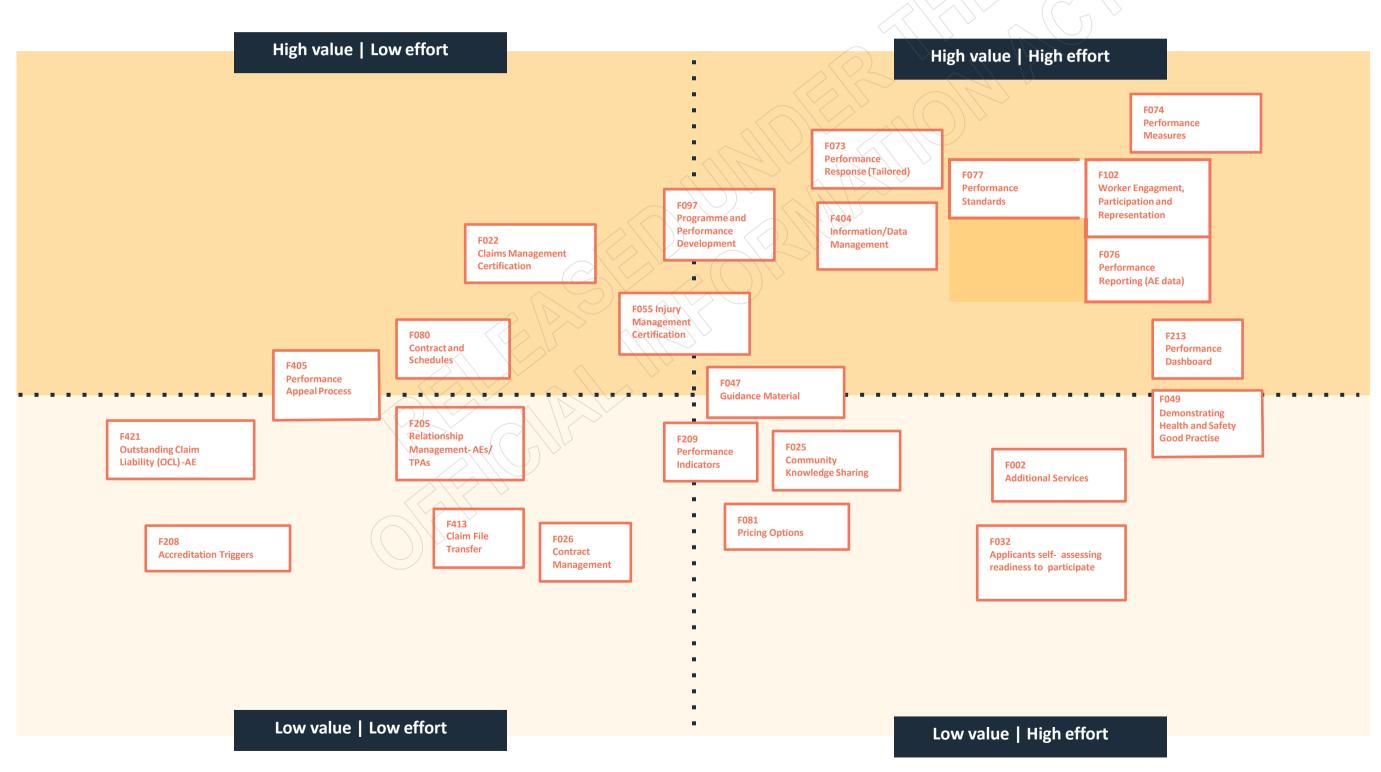
### **Features matrix** ACC perspective

The following graph shows the **ACC perspective of value versus effort**. Ideally initial implementation focuses on low effort and high value features, however some features are so high value they are worth starting early even if they are high effort.



### **Features matrix** Combined perspective

The following graph shows the **combined perspective of value versus effort**. Ideally initial implementation focuses on low effort and high value features, however some features are so high value they are worth starting early even if they are high effort.



/

### Change on the horizon

The Innovation Change Horizon<sup>™</sup> indicates the level of change required across a spectrum, from optimising what already exists, to the creation of entirely new value models. The Innovation Change Horizon<sup>™</sup> does not describe the time required to implement opportunities.

:	:		
Policie	s, services, systems and <u>that exist</u>	processes	Policies, services, system <u>don't e</u>
→ Optimising	→ Improving	→ Evolving	→ Inventing
<ul> <li>This space represents where the smallest amount of incremental change needs to occur.</li> <li>There is an opportunity to: <ul> <li>Fine-tune the areas of financial strength assessment, the management of claims that are handed back to ACC, and information privacy. These functions generally work well already, and we believe only need to be adapted slightly to fully align to the proposed model.</li> <li>Strengthen the handling, management, and distribution of information to AEs and to</li> </ul> </li> </ul>	<ul> <li>provide clearer expectations about what is required from members prior to a business applying.</li> <li>Reimagine and refocus how ACC delivers elements of the programme that have traditionally fallen within the audit process.</li> <li>Expect more from AEs around providing immediate support to injured workers.</li> <li>There is an opportunity to pull apart the product options available – and move away</li> </ul>	from the discrete product offerings that exist now, and open up a certain level of customisation to AEs who continually demonstrate encouraging performance.	This space represents where ACC needs to create new functions which do not exist already. These functions can still build on or relate value models that exist. There is an opportunity to: • Take a big step towards a data-driven programme. ACC to clearly set and manage expectations around the performance levels of programme members. This can allow ACC to create a future with greater transparency over member and programme performance, which in turn allows for better oversight and benefit realisation.

### ms and processes that exist

#### $\rightarrow$ Transforming

- Another opportunity in this space is fundamentally related to critical features that will allow for the setting of, and response to to performance expectations.
- There is also an opportunity for ACC to act as an activator of the system, explicitly enabling various parties to create connections, share their knowledge, and drive improvement.

Innovation Change Horizon<sup>™</sup> by ThinkPlace

### **Detailed feature set**

#### F002 Additional Services

#### What is this?

ACC can provide additional services to AEs and TPAs as part of the programme at a cost.

#### Why do we need it?

**₽**⊓

As the programme continuously improves, a decision may be made to offer services to AEs and TPAs which helps them increase performance. The cost of these services would need to be covered by the user.

#### Pain points addressed

3. Difficulty for AEs and TPAs to develop claims and injury management capability

6. Inability for TPAs to meaningfully contribute to the programme's continuous improvement

#### **F022** Claims Management Certification

#### What is this?

All AEs and TPAs need to have the systems, processes and capability to manage claims and are expected to act on recommendations and continuously improve. Certification will cover the key components of claims management (e.g. understanding legislation and handling complex claims). Recertification will occur at a minimum of 24 months.

#### Why do we need it?

To ensure that AEs or TPAs can provide timely and accurate claims management processes for workers, at a level of performance that is in line with ACCs expectations of Accredited Employers.

#### E D Pain points addressed

1. Delivering inconsistent worker outcomes

2.Inadequate worker representation across the programme

3.Difficulty for AEs and TPAs to develop claims and injury management capability

6. Inability for TPAs to meaningfully contribute to the programme's continuous improvement

8. High administrative burden for all parties

9. Highly prescriptive audit without continuous improvement mandate

10. Frustrating and burdensome audit processes

#### F025 Community Knowledge Sharing

#### What is this?

ACC will support and facilitate programme members to share knowledge and good practice.

#### Why do we need it?

To enable AEs and TPAs to increase their capability in claims and injury management, and to raise leadership and capability in the wider health and safety system. This is a practical way for organisations to continuously improve by sharing insights and to view health and safety and worker wellbeing as a priority.



- **Pain points addressed**
- 1. Delivering inconsistent worker outcomes
- 3. Difficulty for AEs and TPAs to develop claims and injury management capability

6. Inability for TPAs to meaningfully contribute to the programme's continuous improvement

8. High administrative burden for all parties

#### F026 ACC Contract Management

#### What is this?

Efficiently create, store, manage and cancel contracts and receive reminders of upcoming renewals and monitoring reviews.

#### Why do we need it?

Improve operational efficiency and streamline the contract and schedule variation processes.



#### Pain points addressed

8. High administrative burden for all parties

#### F032 Applicants Self-Assessing Readiness to Participate

#### What is this?

ACC will publish up-to-date information about the programme to increase transparency and give potential accredited employers clarity of their eligibility.

#### Why do we need it?

As organisations become aware of and interested in joining the Accredited Employer Programme (AEP), they should be able to selfassess their readiness to participate. Self-assessment means they can proactively make changes to their systems, processes, and capability in advance of contacting ACC.



#### Pain points addressed

3. AEs and TPAs feel it is difficult to develop claims and injury management capability

#### F047 Guidance Material

#### What is this?

Guidance material will be available for all stakeholders within the programme.

#### Why do we need it?

So that anyone participating in the programme can effectively do their job, and to provide transparency of the programme through providing up-to-date and easily accessible reference and guidance material.

#### $\square$ Pain points addressed

1. Delivering inconsistent worker outcomes

3. Difficulty for AEs and TPAs to develop claims and injury management capability

6. Inability for TPAs to meaningfully contribute to the programme's continuous improvement

#### F049 Demonstrating Health and Safety Good Practice

#### What is this?

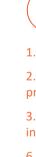
For a business to be an AE they need to demonstrate their competency in the (internationally recognised) three pillars of health and safety: worker engagement, leadership, and risk management. ACC also needs to see a commitment to continuously improving injury prevention.

#### Why do we need it?

To ensure that AEs can provide health and safety outcomes that positively meet the needs of workers.



9. Highly prescriptive audit without continuous improvement mandate



#### F055 Injury Management Certification

#### What is this?

All AEs and TPAs will have the systems, processes and capability to manage injuries and rehabilitation. Certification will cover the key components of injury management and prevention, will be a mix both descriptive and prescriptive (e.g. understanding cover and using data to influence injury prevention and management).

#### Why do we need it?

To ensure that AEs or TPAs can provide a positive and supportive process for workers after their injury and throughout their rehabilitation and return to work at a level of performance that is in line with ACCs expectations of Accredited Employers.

### 

- 1. Delivering inconsistent worker outcomes
- 2.Inadequate worker representation across the programme
- 3.Difficulty for AEs and TPAs to develop claims and injury management capability
- 6. Inability for TPAs to meaningfully contribute to the programme's continuous improvement
- 8. High administrative burden for all parties
- 9. Highly prescriptive audit without continuous improvement mandate
- 10. Frustrating and burdensome audit processes

#### **F073** Performance Response (Tailored)

#### What is this?

ACC will responsively engage with AEs depending on their performance, providing guidance to those who need it and learning from high performers. Responses will vary in frequency, type, intensity, and the need for contact with senior leadership.

#### Why do we need it?

So that a consistent and appropriate can be made in response to AE performance In the form of learning from, providing guidance or education, or enforcement.



#### Pain points addressed

1. Delivering inconsistent worker outcomes

2.Inadequate worker representation across the programme

3. Difficulty for AEs and TPAs to develop claims and injury management capability

6. Inability for TPAs to meaningfully contribute to the programme's continuous improvement

9. Highly prescriptive audit without continuous improvement mandate

#### **F074** Performance Measures

#### What is this?

The quality of AEs Performance will be measured across key categories: worker experience, staying safe, injury prevention and early intervention, claims management, and injury management. An example of a measure would be timeliness and consistency of claim decisions. An AE's commitment to continuous improvement will be measured by reviewing the progress against the organisation's Improvement Plan targets and objectives.

#### Why do we need it?

To provide clear measures of performance for ACC to assess the performance of AEs across all areas of health and safety practice, and ensure they are improving.

#### 町 Pain points addressed

1. Delivering inconsistent worker outcomes

2.Inadequate worker representation across the programme

7. Incomplete data to benchmark the programme and AEs

9. Highly prescriptive audit without continuous improvement mandate

10. Frustrating and burdensome audit processes

#### **F076** Performance Reporting (AE data)

#### What is this?

AEs will be required to provide digital evidence of their performance across the agreed measures. This data will be both qualitative and quantitative and the programme will give consideration to the way it is collected. ACC will provide benchmark reporting to AEs.

AEs are responsible for gaining and maintaining the health and safety standard relevant to their industry.

#### Why do we need it?

Complete data sets allow ACC to report on the performance of both the programme and of the AEs. Reporting provides information to AEs and stakeholders about performance and they are able to respond and improve their performance.

**₽**⊓ Pain points addressed

1. Delivering inconsistent worker outcomes

3. Difficulty for AEs and TPAs to develop claims and injury management capability

7. Incomplete data to benchmark the programme and AEs

9. Highly prescriptive audit without continuous improvement mandate



#### **F077** Performance Standards

#### What is this?

An AE must perform above a defined baseline. They will be assessed against targets that are reasonable and relevant to each performance measure. This feature will ensure that businesses perform at their best and enable better outcomes for workers.

#### Why do we need it?

By setting clear performance standards, AEs understand the level of performance that is required to be above the ACC baseline--providing a quality health and safety environment for their workers.

- 1. Delivering inconsistent worker outcomes
- 2.Inadequate worker representation across the programme
- 7. Incomplete data to benchmark the programme
- 9. Highly prescriptive audit without continuous improvement mandate
- 10. Frustrating and burdensome audit processes

#### **F080 Contract and Schedules**

#### What is this?

The contract and associated schedules will contain the details of the agreement between ACC and the AE. Contract schedule variations will document the ongoing changes to the agreement between ACC and the AE.

#### **F081** Pricing Options

#### What is this?

The combination of an AE's financial strength and their performance will determine the product pricing options available to them. Pricing options will be a matrix that limits lifetime liability.

#### Why do we need it?

To ensure that all parties have a clear agreement. The agreement sets out performance measures which must be met and ACC Is able to manage performance against it.



#### ) Pain points addressed

- 1. Delivering inconsistent worker outcomes
- 2.Inadequate worker representation across the programme
- 4. Tension between AEs saving money and
- providing appropriate care for their workers

7.Incomplete data to benchmark the programmeand AEs

8. High administrative burden for all parties

9. Highly prescriptive audit without continuous improvement mandate

#### Why do we need it?

To incentivise AEs to improve their performance and provide flexible pricing options that provide appropriate risk for the organisation.

#### Pain points addressed

3.AEs and TPAs feel it is difficult to develop claims and injury management capability

4. Tension between AEs saving money and providing appropriate care for their workers

#### F097 Programme Performance and Development

#### What is this?

ACC will review the performance of the AEP programme using baseline performance standards, and ensure continuous improvement of the programme.

#### Why do we need it?

To provide governance of the programme so it meets its statutory obligations as well as providing good outcomes for workers when they are injured. The programme must continuously improve both in outcomes and in meeting the needs of the programme's users.



#### ) Pain points addressed

1. Delivering inconsistent worker outcomes

7. Incomplete data to benchmark the programme and AEs

#### F102 Worker Engagement, Participation and Representation

#### What is this?

All AEs must have systems, processes and capability to engage workers in health and safety management, collect unbiased independent feedback from workers, and take action to make improvements. An example of an engagement method would be health and safety committees with effective worker participation. AEs will need to be able to assess broad, high-quality end-to-end worker outcomes – physical, emotional, and quality of process outcomes.

#### Why do we need it?

To ensure that workers are given the opportunity to contribute feedback and have an impact on health and safety management of their workplace.



- 1. Delivering inconsistent worker outcomes
- 2.Inadequate worker representation across the programme
- 4. Tension between AEs saving money and
- providing appropriate care for their workers
- 5.Low worker voice due to power imbalance between employer and worker
- 7. Incomplete data to benchmark the programme and AEs

#### **F205** Relationship Management - AEs/TPAs

#### What is this?

ACC will regularly engage and support AEs and TPAs. ACC will respond based on performance indicators and accreditation triggers.

#### **F208** Accreditation Triggers

#### What is this?

AEs will need to renew accreditation elements under certain circumstances.

#### Why do we need it?

So AEs and TPAs have a consistent relationship with the programme and have the guidance they need to increase performance.



#### Pain points addressed

3. Difficulty for AEs and TPAs to develop claims and injury management capability

6. Inability for TPAs to meaningfully contribute to the programme's continuous improvement

10. Frustrating and burdensome audit processes

#### Why do we need it?

To ensure that the organisation still meets the criteria of being an AE when significant change occurs that may change systems, processes, or capability in their organisation.

#### 町 Pain points addressed

1. Delivering inconsistent worker outcomes 9. Highly prescriptive audit without continuous

improvement mandate

#### **F209** Performance Indicators

#### What is this?

ACC monitors indicators of AE performance. The indicators will be clearly defined by ACC and will activate a pre-determined response.

#### Why do we need it?

To provide transparent and consistent responses to performance.

#### **₽**⊓ **Pain points addressed**

3. Difficulty for AEs and TPAs to develop claims and injury management capability

6.Inability for TPAs to meaningfully contribute to the programme's continuous improvement

7.Incomplete data to benchmark the programme and AEs

9. Highly prescriptive audit without continuous improvement mandate

#### F213 Performance Dashboard

#### What is this?

ACC will provide a dashboard to AEs which shows them how they are performing against previous years as well as against others e.g. the AE programme and industry.

#### Why do we need it?

- To give AEs an understanding of their
- performance compared to other AEs and
- increase motivation to lift their performance.



- 1. Delivering inconsistent worker outcomes
- 3. Difficulty for AEs and TPAs to develop claims and injury management capability
- 6. Inability for TPAs to meaningfully contribute to the programme's continuous improvement
- 7.Incomplete data to benchmark the programme and AEs
- 9. Highly prescriptive audit without continuous improvement mandate

#### F404 Information / Data Management

#### What is this?

Management of information / data, including: data specification, data collection and surveys, updating data, monitoring, information products (reports, dashboards), analytics, integration of quantitative and qualitative data, business rules, workflows (e.g. renewal notifications and task tracking) and information / data storage, data processes (including receiving ACC45s), financial products (billing, invoicing, debt and calculations).

#### Why do we need it?

Improved data collection, storage, analysis, and reporting to support performance monitoring of both the programme and AES. Complete data mans all parties understand performance levels (including worker voice) and can take action to raise performance.



#### Pain points addressed

- 1. Delivering inconsistent worker outcomes
- 3. Difficulty for AEs and TPAs to develop claims and injury management capability

7.Incomplete data to benchmark the programme and AEs

8. High administrative burden for all parties

#### F405 Performance Appeal Process

#### What is this?

A robust, documented and published process for an AE / TPA to dispute and resolve a performance monitoring result and response.

#### Why do we need it?

To have a transparent, consistent, and fair appeal process in case AEs or TPA disagrees with any accreditation, performance, or incentives-based decision ACC makes within the programme.

#### Pain points addressed

8. High administrative burden for all parties

#### F413 Claim File Transfer

#### What is this?

All open and closed claim files will handed back to ACC at the end of the claim management period or if the AE exits the programme. Individual sensitive and complex claims are handed back to ACC to manage as they arise. Once identified, any claims mistakenly managed by ACC will be passed to the correct AE.

#### Why do we need it?

ACC stores claims files appropriately, ensuring client data Is secure. Claims files are available If there Is a reactivation, so workers receive a more streamlined claims management process.



7.Incomplete data to benchmark the programme and AEs

8. High administrative burden for all parties

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### F421 Outstanding Claim Liability (OCL) - AE

#### What is this?

An annual valuation that calculates an AE's Outstanding Claim Liability (OCL) so an AE is informed of their liability.

#### Why do we need it?

To ensure they can budget to cover liabilities so there are no surprises.



#### Pain points addressed

7.Incomplete data to benchmark the programme and AEs

8. High administrative burden for all part\ies

Appendix 2: Insights



#### Worker outcome and experience



#### Workers

- Some workers feel pressured to return to work before they are ready, and are encouraged to use their organisations' doctor when they would rather make their own choice.
- Workers want their health providers and employer to give consistent or complimentary advice about their injury management, recovery, and return to work.
- Some workers told us they felt they had to prove that they were injured and that the injury occurred at work, and were frustrated when their honesty was called into question.
   Where an injury occurred (work or non-work) is generally irrelevant to a worker's recovery experience because that worker still needs to manage both a work and a home life.
- Where workers feel engaged at work, they are engaged in keeping themselves safe. Workers care about risks that affect them directly and have valuable on-the-ground experience, yet they often feel unable to influence their work environment. They want the opportunity to raise issues and contribute to solutions. Positive engagement is driven and reinforced when there is visible action following feedback.



#### ACC

- The Programme is not delivering consistent and positive outcomes for workers who are injured at work. This is evidenced by low worker satisfaction with the injury/claims/ rehabilitation management process compared to claims managed by ACC.
- Workplaces do not consistently include worker engagement, representation, and participation in risk management and activities relating to the prevention of injuries.

#### Accredited Employers

AEs want the programme to be flexible enough to recognise some of their organisational factors such as the age and stability of their workforce or locations. They also want performance measures to consider their industry.

#### Auditors

- Auditors see varying levels of commitment to health, safety and wellbeing and would value participation in the audit from every level, from management through to frontline. One suggestion was to use SafePlus self-assessment, which can allow workers at all levels to participate without the auditor needing to engage with every staff member.
- Auditors value the focus group elements of the current audit. Focus groups and site visits enable auditors to get a sense of whether the 'party line' matches the worker experience. They would value having greater remit to dive deeper to assess the real workplace experience (e.g. determining if people know how their role in health, safety and wellbeing has an impact on the workplace).



#### Providers

 Providers feel that AEs and TPAs don't always act in the best interests of the patient and their role of claim decision maker and injury manager presents a conflict of interest.



#### **Communication and relationships**



#### Workers

- A lack of independence in considering worker voice (e.g. through AEP audits, which allow employer presence) contributed to workers perceiving a power imbalance between them and their employer.
- Seemingly small factors (i.e. who manages their case) could have a big effect on the quality of worker experiences and outcomes. They have better experiences when they feel like they are treated like a person, and taken care of by a person (not a process).
- When a TPA is involved workers still want to have a connection with their work contact, for example someone they know and trust who won't be judgemental, and will act to support them.



#### ACC

The ongoing relationship between ACC and AEs is focused on audit and compliance rather than working together and continuously improving, and is also not tailored to maturity levels or performance.



#### **Accredited Employers**

- AEs have many people to connect with at ACC, and don't always know who to go to with which issue. ACC doesn't always communicate or communicate consistently with AE decision makers. AEs want more meaningful communication from ACC, encouraging improvement rather than a transactional relationship.
- AEs want to hear from their workers, and believe ACC should as well. It needs to be done in authentic ways and not just through a satisfaction survey. They want the programme to provide guidance for workers about their rights and obligations in AEP.

#### Providers

• Providers believe all parties have better outcomes when they have consistent relationships, and case managers understand the worker, the workforce, and the work. While providers see AE and TPA case manager turnover as inevitable, they believe that raising capability of all the contact people in the injured workers' journey would help speed up the process.



- Disconnection between TPAs, AEs, workers, providers, and ACC leads to communication breakdowns and a poor transfer of claims which can affect satisfaction with the claim management experience
- TPAs feel that they are not a valued part of AEP and find it difficult to effect change in a meaningful way, despite a desire to do so. They'd like more connection with ACC to be able to add more value.

ThinkPlace in collaboration with ACC



#### Leadership and capability



#### Workers

- Knowing that their employer is an Accredited Employer only becomes relevant when a need (such as an injury) arises. What matters most to workers is knowing what they can have (entitlements) and getting what they need as soon as possible. It is hard for workers to know what the 'right way' to recover is and whether entitlements are correct.
- When health, safety and wellbeing is ingrained it sets the foundation for a positive workplace culture.
   Many workers told us they lack understanding of good health, safety and wellbeing practices and what they need to do when injured. Tools to report may exist but it is culture that dictates whether these are used or are effective. Unspoken rules and behavioural norms can result in workers feeling pressured to 'get on with it' despite risks.



#### ACC

 AEs investment (funding toward resources, equipment, and leadership) in injury prevention does not appear to be reflective of the saving AEs get from levy discounts.



#### **Accredited Employers**

- AEs are motivated by the ability to increase reputation, a desire to be treated fairly, and see a return on their investment in health, safety and wellbeing. However, some AEs see time spent on health, safety and wellbeing improvement as time taken away from improving the bottom line.
- AEs don't know or understand how their performance compares to others in their industry. They want fair comparison to help them learn rather than to be judged against.
- Because claims and injury management is unique to ACC, AEs want support to help them develop capability. They'd like a capability framework that describes what good claims and injury management looks like for all people in the programme.
- Health, safety and wellbeing managers may not have the mandate/support, visibility, trust or knowledge to make meaningful improvements that could lower risk or costs.
- Some AEs and TPAs want ACC to facilitate more sector and industry learning sessions which they would contribute to. They would like to share success stories and case studies.

#### Auditors

- Auditors want to see a drive for continuous improvement: both on the audit by ACC and on AEs acting on recommendations from auditors.
   Auditors are frustrated with a lack of feedback from ACC.
- Currently, audit assesses process rather performance. Auditors want to see more meaningful participation recognised in the assessment, shifting organisations towards measuring performance to increase their maturity in health, safety, injury and claims management.



#### Third Party Administrators

 Because TPAs work closely with their contact people in the AE, TPAs need their contact people to have the right knowledge, communication skills and attitude to make good relationships. They need to be connected to their workforce and support their staff (people over dollars).



#### Providers

- AEs and TPAs need to understand health, safety, and rehabilitation to be able to trust and value health provider professional guidance. Providers believe that AE and TPA case managers need to go to work sites and shadow providers to understand the interventions as well as injuries.
- Providers often see the same injury come from the same workplace and know how a workplace could design to reduce injury in the first place, but they don't have access or authority to do this.



#### **Operational issues**



#### ACC

- Current programme data and analytics aren't sufficient to provide robust performance monitoring (both of AEP, and of AEs) and management of AEs – including the ability to identify and reward strong performance.
- Some aspects of the programme are inefficient and lead to high transaction costs, for all – for example time-intensive, manual, and repetitive processes.
- The current programme doesn't encourage or enforce continuous improvement in both injury prevention and claims and injury management performance.



#### **Accredited Employers**

- AEs say some processes in the programme require a lot of work that adds little value. They believe the current auditing system is inconsistent, tedious, unfair and open to be manipulated to their benefit. It doesn't reward or recognise businesses for the good things they do. They want the programme to give space for improvement and innovation.
- AEs highly value making cover decisions themselves and want visibility of what is going on for their workers. Some want to manage their processes and costs to provide greater worker support.
- AEs want a clear pathway for data to go to and from ACC. This would be beneficial for both AEs and their workers.
- Many AEs are confused by ACC's role, and that of WorkSafe. They want clarity of where ACC's role starts and ends and where the crossover with WorkSafe is.

#### Auditors

- Agreed assessment recommendations with AEs (especially for critical risks) aren't mandatory. Without a formal shared commitment to make improvements, auditors continually see organisations who complete the assessment but fail to make many (or any) changes from previous years.
- Auditors saw value in using equivalent standards for Health and Safety assessment. There is no single standard that covers all relevant bases for auditing.
- One of the strengths of the current audit is claims review. Auditors would like to see this element maintained or strengthened. Auditors expressed that measurements should be outcomesbased and meaningfully reflect the experience of workers over time, e.g. compare duration of claims with reactivated claims.
- Prescriptive audit requirements create arbitrary responses that do not feel reflective of the level of risk. Auditors noted that organisations could be performing well but prescriptive aspects of audit can cause a company to fail, despite extensive efforts by the audited company to manage relevant risks. There is no grey area between a

critical issue (fail/pass assessment) and recommendations (not mandatory).



#### Providers

- Invoicing of AEs can be very time consuming and burdensome.
   Providers often don't get: paid in a timely manner, paid correctly, and experience inconsistency of surcharge payments. Providers feel they are the ones who are left out of pocket if there is a dispute.
- Many providers don't know which organisations are in AEP, and most workers don't know they work for an AE. This means ACC45s don't always get sent to the AE or TPA. This delays when an AE learns an injury has occurred and workers accessing support from their AE.



#### **Third Party Administrators**

- ACC isn't managing AEs around provider payments. When AEs delay payment, it reflects badly on TPAs.
- The current audit tool isn't flexible, and doesn't allow service to be tailored to the individual.
- TPAs feel that they are audited every time an AE client is audited, and feel this is repetitive and inefficient, taking time away from the task of managing claims.

## Appendix 3: Timeline

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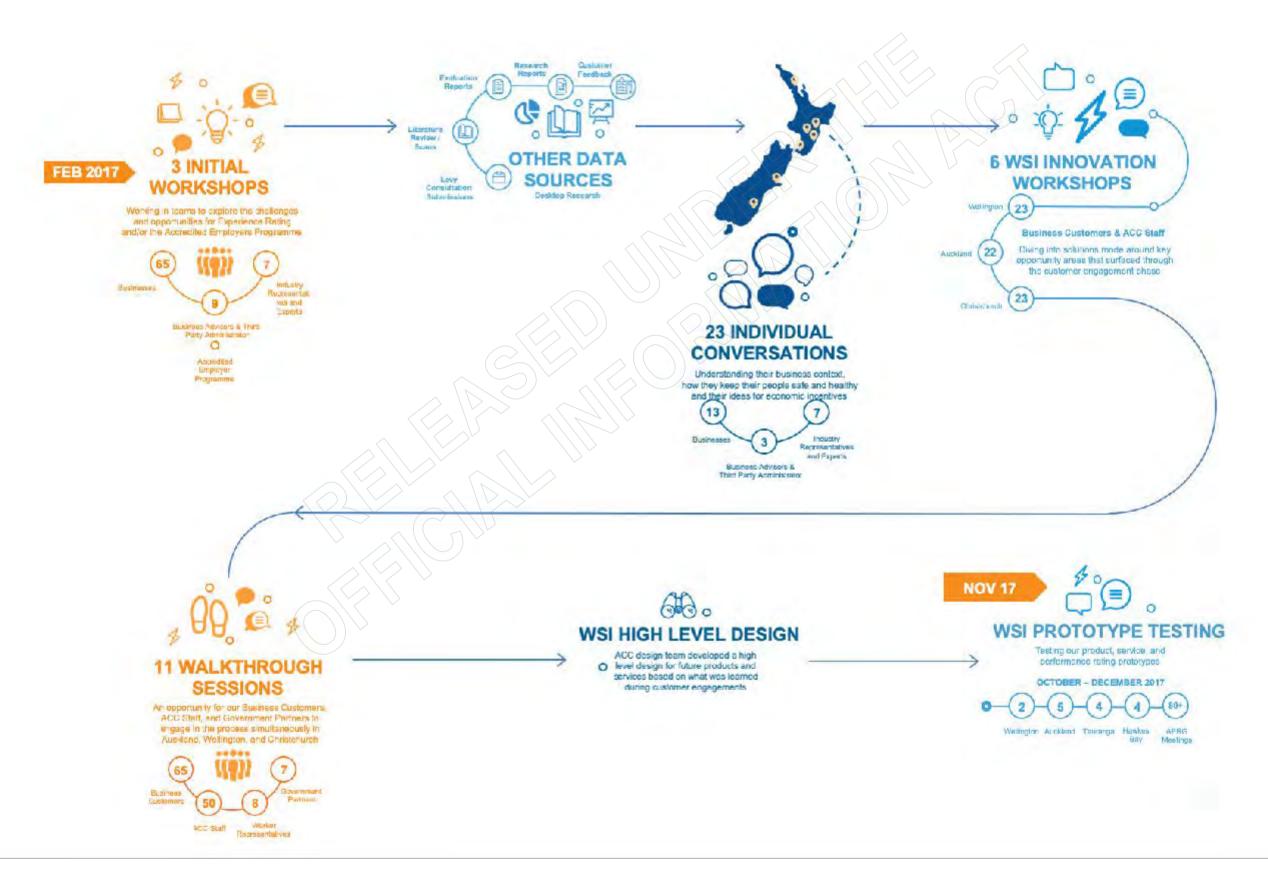
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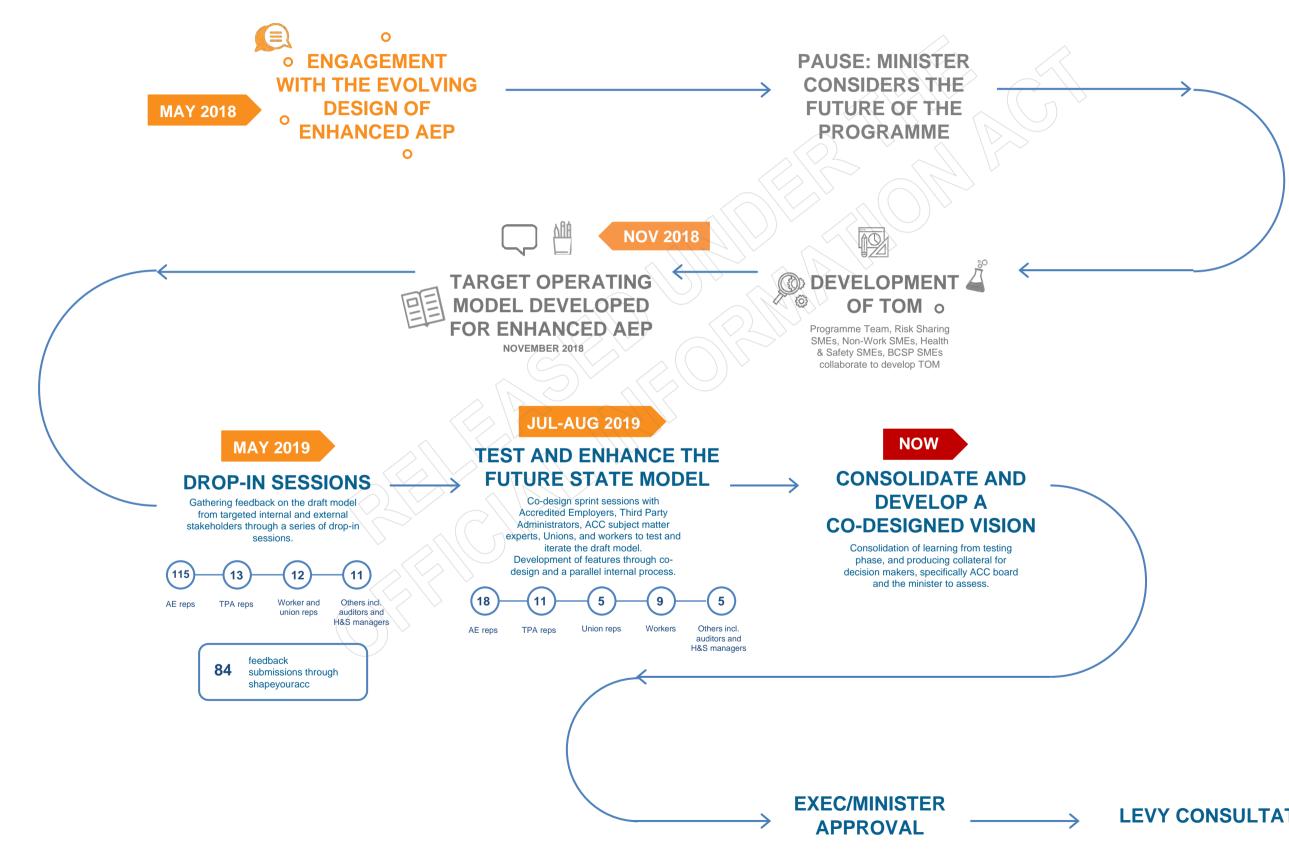
### The Workplace Safety Incentives Journey

The Workplace Safety Incentives project workshops highlighted opportunities to improve the AEP. This work continued through 2017.



### **The AEP Journey**

Through engagement, design of the AEP begins to evolve and by November 2018 the TOM was produced.



#### LEVY CONSULTATION