

# VICTORIAN INJURED WORKER OUTCOMES STUDY 2 PREDICTORS AND OUTCOMES OF LONGER TERM CLAIMS



## SUMMARY OF RESEARCH FINDINGS

*This research summary provides an overview of a research project completed through the Institute for Safety, Compensation and Recovery Research (ISCRR). For more information, visit the ISCRR website at [www.iscrr.com.au](http://www.iscrr.com.au)*

While the majority of injured workers recover and return to work following treatment, a small proportion of injured workers' claims continue and become long-term (defined as a recovery period of more than 52 weeks). Long-term claims are associated with poorer outcomes for injured workers (e.g. termination), the workers' compensation system (e.g. increased costs) and society (e.g. disability). This study aimed to identify predictors of long-term claims within compensation system processes that may impede recovery and return to work for injured workers.

### WHAT WAS DONE IN THIS STUDY?

This study examined standard workers' compensation claims with a first incapacity date between January 2007 and December 2012, where wage replacement had been received. Demographic, injury, payment and treatment data were extracted from the Victorian Compensation Research Database (CRD), held by the Institute for Safety Compensation and Recovery Research (ISCRR). Claims data were removed from the sample if the injured worker returned to work within the first 52 weeks of the claim, or if the claim was terminated for non-return to work factors (such as failed return to work and fraudulence). A total of 80,322 claims were included in this analysis.

- Non-modifiable factors examined included individual demographic (e.g. age, sex), occupational (e.g. physical demands, organisation size) and injury-related factors, as well as socio-economic and regional status of the injured workers' households.
- Modifiable factors addressed in this study related to time taken to process a claim, and were grouped by major stages in the claim process (reporting, employer submission, first wage replacement and access to healthcare).
- Long-term outcomes were focused on four recorded outcome characteristics: the injured worker did not return to work and continued to receive wage replacement for a period of two-and-a-half years; the claim was terminated between one year and two-and-a-half years of wage replacement; the injured worker returned to work; and the claim ended in other outcomes, which included where the current claim status was unknown, or where the claim had been terminated for reasons not related to return to work.

### WHAT WAS FOUND?

#### ***Non-modifiable factors associated with 52 weeks of wage replacement***

- Individual factors of the injured worker, such as age (older), sex (female) and education (lower skilled)
- Demographic factors such as greater relative socio-economic disadvantage and living in remote areas
- Employer factors, such as industry (construction), size (small or medium workplaces), or work requirements (occupations that require higher physical strength)
- Injury type, such as spinal cord injuries or mental diseases.

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### ***Potentially modifiable factors associated with reaching 52 weeks of wage replacement***

- Prolonged compensation reporting times increased the likelihood of accumulating 52 weeks of wage replacement.
- Prolonged processing and payment times and a period of 31 days and greater were associated with an increased likelihood of accumulating 52 weeks of wage replacement, a trend that continued to increase with time.
- A period of 31 days or more between date eligible for compensation and first payment received was associated with reaching 52 weeks of wage replacement.
- A period of 31 days or more between incapacity date and date health services were first accessed was associated with reaching 52 weeks of wage replacement.
- As the combination and accumulation of payment delays increased, the odds of accumulating 52 weeks of wage replacement also increased.
- When adjusting for non-modifiable confounders (such as age, occupation and socio-demographic/economic factors), the likelihood of reaching 52 weeks of wage replacement did not change this pattern of results at any of the time points.

### ***Claim outcome over the following 18 months and associated variables***

Among long-term claims, successful return to work was rare. Of the injured workers who had at least 52 weeks of wage replacement, only 5.2% had a claim status that indicated they had returned to work. Conversely, 28.2% went on to receive wage replacement for two-and-a-half years, and over a third (36.5%) had a claim status that indicated their claim was terminated for reasons not related to returning to work. The outcome of remaining cases was classified as 'unknown' (usually because the claim had been re-opened) or 'other'.

- Variables associated with reaching 130 weeks of wage replacement included: age (older); sex (female); greater socio-economic disadvantage; working in a small to medium workplace; working in construction; and intracranial, spinal cord or mental injuries.
- Variables associated with termination of claims included: age (younger), lower skilled workers, incapacity starting after 2010 and traumatic musculoskeletal injuries.

## **WHAT ARE THE IMPLICATIONS OF THE FINDINGS?**

- Time taken to process a claim and access health services was an important modifiable factor that was associated with a claim becoming prolonged, and was potentially preventable via interventions targeting different factors at different stages in the claims process.
- Females and older workers, compared to males and younger workers, were more likely to have long-term claims and may benefit from tailored interventions aimed at reducing the number and impact of long-term claims.
- Occupational skills and levels of socio-economic disadvantage were associated with longer term claims and providing timely wage replacement may address these disparities.

## **PROJECT OVERVIEW**

**Project title** Victorian Injured Worker Outcomes Study 2 (ISCR Project 146)

**Themes** Client outcomes, claims process, traumatic brain injury, spinal cord injury, mental illness

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