



Identifying strategies to reduce disputation in the Victorian workers' compensation scheme

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Abbreviations

WSV	WorkSafe Victoria
BWA	BehaviourWorks Australia

Executive Summary

The aim of this project was to identify testable strategies to improve workers' compensation claims management and reduce the number of claims requiring dispute resolution. The BehaviourWorks Forum approach of evidence review and stakeholder dialogue was used to address this aim.

A briefing document synthesised relevant published research and reports from a rapid literature review with information from a series of one-on-one and group consultations with relevant stakeholders. These data were used to develop a model depicting the behavioural and other influences on claims management within the Victorian workers' compensation scheme. This model illustrates the complexity of the system arising from the interactions between multiple stakeholders, regulations and guidelines.

A day-long stakeholder dialogue was held on 12 February 2016. Twenty people participated and were sent the briefing document in advance. The dialogue focused on the identification of strategies to reduce claims disputation within the Victorian workers' compensation scheme. The dominant theme in discussion was 'getting on the same page.' Strategies to improve processes and reduce disputation focused on optimising communication and information resources through:

- Early triage to identify and address known predictors of poor outcome following workplace injury;
- Use of case conferencing and mobile claims agents to break down silos that hamper stakeholder communication and optimal management of injured workers;
- Harmonising information resources that are clear, non-bureaucratic and delivered through a range of channels consistent with contemporary information dissemination; and
- Altering tone and content of standard letters and other communication such as telephone contact

Mapping of potential strategies to identified issues revealed that:

- Case conferencing and harmonising of information resources were the strategies with highest potential impact, as each of these addressed three key issues;
- The issue of 'poor quality and / or timeliness of communication' was the most frequently addressed by potential improvement strategies, with 9 potential improvement strategies relevant to this issue;
- Other issues frequently addressed were 'failure to communicate information' (6 relevant strategies) and 'transparency' (5).

Purpose

To identify testable strategies to improve workers' compensation claims management in order to reduce the number of claims entering dispute resolution processes.

Rationale

Workers' compensation insurance schemes are well-established in Australia and are legislated and managed at the level of Australian States and Territories. Whilst the trajectory of workplace deaths and claims is generally positive nationally, there are challenges in optimising claims management and worker satisfaction.

Work Safe Victoria (WSV) is the regulator for the Victorian workers' compensation system. The Victorian system is a compulsory hybrid no-fault / common law insurance scheme designed to provide worker entitlements and insure employers against the financial and other impacts of work-related injury and illness. Subject to eligibility requirements being met, compensation is payable regardless of whether the worker or employer was at fault, and where injury is serious and the employer is at fault there is access to common law entitlements. A panel of insurance and claims management agents administer work-related injury claims under contract to WSV as the regulator of the scheme.

According to the latest data from the national Safe Work Australia report, the rate of disputation in the Victorian scheme was 12.7% of all claims in the year 2013 - 2014. Although relatively high in comparison to other states and territories, comparison of dispute rates across jurisdictions should be treated with caution due to a range of differences, including in scheme design and types of decisions that can be appealed.

In addition to causing stress and associated health impacts to workers and other stakeholders, dispute processes impose considerable financial impost on the scheme. Recognising these negative impacts, WSV seeks to reduce the number of claims entering dispute resolution processes, acknowledging the need to strike a balance between approvals (universal approvals would prove financially challenging) and (appropriate) rejections.

Key research questions

In response to this challenge, the Institute for Safety Compensation and Recovery Research (ISCR) requested that BehaviourWorks Australia undertake a Forum which aimed to identify testable strategies to improve workers' compensation claims management in order to reduce the number of claims entering dispute processes. Three progressively focused questions were framed to address this aim:

1. What are the influences on claims management in the Victorian workers' compensation system?

2. What are key issues within the Victorian workers' compensation system that need to be addressed to improve the claims process?
3. What strategies could be used to address identified challenges and in doing so, reduce the level of disputation?

Methods

The Forum approach, an established method of promoting evidence-informed practice change, involves four key activities:

1. Defining a major challenge through consultation with key stakeholders to understand the issues and complexities (see key research questions above)
2. Gathering from published literature and further consultation the information necessary to properly consider the challenge, and presenting this in a *briefing document*
3. Convening a *structured stakeholder dialogue* to connect the information from the briefing document with the people representing key stakeholder groups who can make change happen; and
4. Reporting outcomes through a *dialogue summary* and related academic publications and briefing the organisations and individuals who can effect change about their role in developed strategies.¹²

Briefing Document Rapid Review

Consistent with this established methodology, a rapid review was employed to identify published literature pertaining to workers' compensation claims management. Rapid reviews are an emerging method of efficiently synthesising research evidence in health policy and other settings where a broad overview of research evidence is required in a short timeframe. Unlike traditional systematic literature reviews (which take 12 – 18 months), rapid reviews focus on synthesised research evidence or (if this is not available) high-quality or recent primary studies. A limitation of rapid reviews is that more comprehensive review approaches undertaken over longer time periods may elucidate further information and insights, which could influence review content, interpretation and conclusions. The rapid review findings should be interpreted with this caveat in mind.

The primary aim of this rapid review was to identify systematic reviews that either evaluated the effectiveness of strategies to optimise claims decision-making within compensation systems or explored the claims management experience from the perspective of key stakeholder groups (for example claimants, claims managers, health professionals, lawyers). Systematic searching was undertaken across four research databases covering the year 2011 to the date of searching (January 2016). Relevant reports were also procured.

Briefing Document Preliminary Stakeholder Consultation

The rapid review was supplemented by consultation with claims agents, WSV staff, employee representatives and experts on workers' compensation within and outside

of Victoria to gain a preliminary understanding of issues within the system. This comprised two focus groups and four individual interviews with 18 participants: staff from across the 5 claims management agencies (N=11); representatives from unions representing various workplaces sectors (N=4); WSV representatives (N=2) and a senior representative involved in the New South Wales compensation system (N=1), who was interviewed to frame the Victorian experience in a wider context.

Focus groups were semi-structured, allowing the interviewers to explore emerging themes as well as salient issues in relation to understanding the Victorian workers' compensation claims management system, key influencers on claims decision making and challenges in the scheme from the perspective of key stakeholders. Interview questions encompassed stakeholder roles, experiences/perspectives on the challenges within the current claims system and potential change strategies. All focus groups and interviews were digitally audio-recorded, transcribed verbatim, anonymised and stored securely. All participants provided written informed consent to be interviewed (Monash University human ethics committee approval number: CF15/4508 - 2015001955). Interview transcripts were coded and analysed thematically using a computer-assisted qualitative data analysis software program (NVivo10, QSR International Pty Ltd 2014). Direct quotations from interview transcripts are used to illustrate key themes. The participants and their stakeholder categories (i.e. role and responsibilities) were de-identified.

Structured Stakeholder Dialogue

A day-long stakeholder dialogue was held on 12 February 2016 to identify testable strategies to improve workers' compensation claims management and reduce the number of claims requiring dispute resolution. Twenty people participated representing key stakeholder groups in the Victorian workers' compensation scheme – WSV, claims agents, employers, employer representative bodies, unions, dispute resolution organisations, healthcare clinicians and researchers. The dialogue included interstate participation to reflect on the discussion in a wider context. The dialogue focused on the identification of key issues within the Victorian workers' compensation scheme and how these could be addressed. All dialogue participants were sent a briefing document report outlining the findings of the rapid review and preliminary stakeholder consultation.

Research/review Findings

1. What are the influences on claims management in the Victorian workers' compensation system? Results of stakeholder consultation and literature searching were used to develop a model depicting the behavioural and other influences on claims management within the Victorian workers' compensation scheme. This model illustrated the complexity of the system arising from the interactions between multiple stakeholders, regulations and guidelines. The model was designed to visualise factors that can be targeted by improvement strategies and how these strategies are postulated to work and their potential effect on other components of the system. The model was used as a guide to discussions at the structured stakeholder dialogue.

2. What are key issues within the Victorian workers' compensation system that need to be addressed to improve the claims process? Findings from the literature highlighted the adverse influence of workers' compensation claims management processes on the psychosocial and mental health of claimants. The impact of lack of knowledge of workers' compensation law and rights on scheme access and outcomes, especially in immigrant populations, was also highlighted in the literature. Qualitative consultation with key stakeholder groups within the Victorian workers' compensation system strongly reflected these two key themes from the worldwide literature, and identified information needs; financial drivers; skills and knowledge of key stakeholders including claims agents, health practitioners and employers; and organisational culture as other key themes reflecting challenges in the system.

3. What strategies could be used to address identified challenges? Most of the identified reviews and literature focused on the experience of the workers' compensation system, rather than interventions to improve claims management. The one review that did focus on interventions targeted healthcare reporting of work-related injury and reported that educational materials, educational meetings, or a combination of the two do not considerably increase the reporting of occupational diseases, but that use of a reminder message on the legal obligation to report might provide some positive results. Although less robust than reviews for informing change strategies, some interventions were described in primary studies. These focused on use of clinical practice guidelines; general practitioner (GP) certification and practice; workplace injury prevention; multifaceted and population-level initiatives; efforts to enhance skills and knowledge of case managers; and management of traumatic death claims. Again, these strategies were consistent with the findings of locally-focused qualitative consultation. It is acknowledged that more detailed systematic review of primary studies would identify further primary studies, however this was beyond the scope and timelines of this project.

The dominant theme in discussion of key issues in the system during the day-long stakeholder dialogue was 'getting on the same page.' Four key shortcomings in the present system were discussed:

- Failure to communicate information
- Poor quality and timeliness of communication
- Variable communication skills and ability amongst claims agents
- Inadequate information resources

Specific instances where lack of communication had driven disputes were identified and discussed by participants. For example, it was identified that employee groups and those involved in dispute resolution processes were unaware of the extent to which claims agents review claims and alter claim responses. This led to the false belief that there was no point in challenging initial claims decisions, therefore potentially driving workers into disputation.

Other themes of discussion were 'transparency' regarding claims management processes and outcomes and 'the hidden system' which highlighted that for a range of reasons including lack of awareness, perceived system complexity, job insecurity and fear of stigmatisation, a number of workplace injuries do not enter the Victorian workers' compensation system.

The importance of robust and meaningful outcome measurement and return to meaningful (as opposed to any) work were also emphasised. Data from a thought exercise conducted prior to discussion (“If you could change one thing...”) was consistent with the dominant themes of discussion.

Discussion, conclusions and implications

This project applied a Forum approach to the challenge of identifying strategies to reduce disputation in the Victorian workers’ compensation scheme.

Literature review and preliminary consultation rendered a draft model of the multiple stakeholders and interactions within this complex system. Many of the issues identified in this phase pertained to complex areas, for example organisational culture and psychosocial and mental health, either as a work-related condition or a result of the compensation system experience. This implies that at least some of the interventions addressing these issues will reflect this complexity. Two important caveats need to be emphasised in interpreting the findings of this phase. First, the rapid literature review and qualitative consultations were conducted over a short time period and therefore, more detailed exploration may alter interpretation by generating additional data and insights. Second, because most claims are not subject to disputation there is potential that positive aspects of the workers’ compensation scheme are under-sampled.

Consistent with the Forum approach, these findings were circulated to 20 people representing key stakeholders in the workers’ compensation system in advance of a day-long, structured stakeholder dialogue. The dominant theme in discussion - ‘getting on the same page’ – spawned a range of potential strategies that could contribute to disputation reduction within the Victorian workers’ compensation system:

- Early triage to identify and address known predictors of poor outcome following workplace injury:
- Case conferencing and mobile claims agents to break down silos that hamper both communication between stakeholders and optimal management of injured workers;
- Harmonised information resources that are clear, non-bureaucratic and delivered through a range of channels consistent with contemporary information dissemination
- Altering tone and content of standard letters and other communication such as telephone contact

Following the structured stakeholder dialogue, all identified strategies were mapped to the key issue themes that resulted from deliberations (Table 1).

Table 1: Key issues in the WSV system mapped to identified change strategies

Issue Theme	Change strategy (Bold = major theme)
<p>“Getting on the same page”</p> <p><i>Failure to communicate information</i></p>	<p>Support with / reimbursement of administration</p> <p>Reduce administrative burden, or ‘red tape’</p> <p>Broaden communication media e.g. telephone call to GP</p> <p>Simplify process of obtaining information</p> <p>Case conferencing and mobile claims agents to enhance engagement between stakeholders</p> <p>Alter content and tone of standard letters</p> <p>Alter content and tone of telephone communication</p>
<p><i>Poor quality and / or timeliness of communication</i></p>	<p>Enhance IME process and quality</p> <p>Provisional liability</p>
<p><i>Variable communication skills and ability amongst claims agents</i></p>	<p>Enhance skills of agent workforce</p> <p>Reduce high turnover of agents e.g. more attractive role, salary</p>
<p><i>Inadequate information resources</i></p>	<p>Harmonised information resources (generic and tailored to specific stakeholder groups)</p>
<p>“Transparency”</p>	<p>Diversify resource channels e.g. webinar, email</p>
<p>“The hidden system”</p>	<p>Early Triage</p> <p>Determine and use outcome measures relevant to key stakeholder groups, especially workers</p> <p>Purposeful / meaningful (as opposed to any) return to work</p> <p>Customer-focused claims process design</p>

This mapping revealed that:

- Case conferencing and harmonising of information resources were the strategies with highest potential impact, as each of these addressed three key issues;

- The issue of ‘poor quality and / or timeliness of communication’ was the most frequently addressed by potential improvement strategies, with 9 potential improvement strategies relevant to this issue;
- Other issues frequently addressed were ‘failure to communicate information’ (6 relevant strategies) and ‘transparency’ (5).

Potential impact, use of the research/review and recommendations

This project illustrated the complexity of the Victorian workers’ compensation system, described the range of issues that could be addressed to reduce disputation and elucidated multiple strategies to address these issues. These strategies range from relatively simple communication interventions to long-term cultural change programs, for example enhancing skills within the claims agent workforce.

Given the complexity of the Victorian workers’ compensation system, no one strategy can address all of the identified issues – a suite of responses that collectively and synergistically address all issues will be required. It will therefore be necessary to prioritise the identified strategies against available resources and organisational strategic intent. A robust monitoring and evaluation framework will also be critical, given the interaction between strategies and the multiple stakeholders and potential outputs and outcomes.

More detailed project information and findings are contained in the accompanying briefing document and stakeholder dialogue reports.