Workers’ Compensation Self-Insurance

Consultation
September 2016 – January 2017
Overview

The Worker’s Compensation Self-Insurance Project (WCSIP) aims to investigate moving to a self-insurance model.

Applying for self-insurance requires an extensive amount of planning and a systematic approach to improving work health and safety (WHS) in the workplace.

These improvements include a large scale design to improve our Safety Management Systems.
Key Benefits

• Advanced safety culture where all staff and supervisors are diligent about keeping ANU a safe place to work.
• Improved safety performance resulting in direct financial benefits by way of premium reductions.
• Closer and more productive relationships with injured workers.
• Better understanding of the end to end claims process allowing for more efficient processes to be put in place to help injured workers.
• Reduced indirect costs associated with injuries and time away from work.
Self-Insurance Application Scope

The application process can be broken down into six components. (Figure 1.0)

Figure 1.0
Six components of the self-insurance application.
What is Self-Insurance?

- A self-insurance licence allows the University to accept liability to pay compensation as per the Safety Rehabilitation and Compensation Act 1988 as well as manage workers’ compensation claims.
- Instead of paying an annual fee to Comcare, the University would pay for the costs of claims as they occur over the course of the year.
- The licence will give ANU the capacity to improve the efficiency and effectiveness of the claims approval process, which will allow injured employees to proceed promptly with their rehabilitation and injury management plans.
ANU Comcare Premium - $ per annum

- $2,693,200
- $3,292,752
- $4,175,176
- $7,347,437
- $11,055,125
- $9,884,321
- $9,310,063

Claims Management Administration

- ANU will engage an external management provider.
- They will be an independent authority to determine claims.
- Reconsiderations will also be reviewed by an objective third party.
- There will be a service level agreement established to monitor efficiency and effectiveness of the process.
Australian Postal Corporation

- The University intends to use the Australian Postal Corporation (Australia Post) for claims management.
- Australia Post has successfully self-insured and self-administered its own claims and other commonwealth authorities for over 30 years.
- Utilising Australia Post with a self-insurance licence will allow the University to establish service level agreements.
- Australia Post will be able to provide resources to create closer and more productive relationships with staff injured at work.
- Australia Post will use the ANU brand, style and logos when managing our claims.
Proposed Claims Management Changes

- Improved safety performance.
- More efficient response time and approvals.
- A more personalised claims management service.
- Greater flexibility for supporting injury management.
- Better meeting needs of injury prevention and rehabilitation.
## Benefits Comparison Table
Comcare vs Self-Insurance

<table>
<thead>
<tr>
<th>Benefits/entitlements</th>
<th>Comcare</th>
<th>Self-Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekly incapacity payments</td>
<td><em>Weeks:</em> 1-45: 100% 46-52: 75%</td>
<td><em>Weeks:</em> 1-45: 100% 46-52: 75%</td>
</tr>
<tr>
<td>Timely approval of treatment</td>
<td>At Comcare’s discretion</td>
<td>Ability to set clear parameters in the new service level agreement</td>
</tr>
<tr>
<td>Reasonable medical, hospital and other costs</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>General response time(s)</td>
<td>At Comcare’s discretion</td>
<td>Ability to set timeframe in new service level agreement</td>
</tr>
<tr>
<td>Rehabilitation and return to work</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Injury Management</td>
<td>At Comcare’s discretion</td>
<td>Increased flexibility to manage claims to suit the individual and University</td>
</tr>
<tr>
<td>Journey claim</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Response to enquires and/or requests</td>
<td>28 days</td>
<td>2 days</td>
</tr>
<tr>
<td>Permanent impairment</td>
<td>10% or greater</td>
<td>10% or greater</td>
</tr>
<tr>
<td>Common Law</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Transitional to Self-Insurance Timeline

The University plans to apply for a Self-Insurance Licence in December 2016.

Under the Safety, Rehabilitation and Compensation Act 1988 (SRC Act)

Target date for implementation is 1 July 2017.

University wide consultation is now active through to 31 January 2017.
Maintaining Self-Insurance

• Each of the three systems needs to meet specific self-insurance criteria, identified in their respect audit tools.
• These criteria ensure the University maintains a high standard of quality with all three systems.
• For the first two years as a self-insurance licence holder the University with be audited annually.
Comments and Questions?

Thank You
Further feedback

- Feedback is encouraged during this consultation process.
- Via ‘Feedback’ button on self-insurance consultation page.
- Email selfinsurance@anu.edu.au
- FAQ’s will be published directly onto the self-insurance consultation webpage.
- Feedback/comments/questions will be captured in a feedback log.