



PREVENTION. CARE. RECOVERY.

Te Kaporeihana Awhina Hunga Whara

Driving better client outcomes in today's economic climate

The big picture

- Significant changes since last year
- Serious impacts on world economy
- New Zealand's economy is rapidly weakening
- We're seeing the largest drop in actual business activity since 1974
- Unemployment expected to reach 7.5% by 2011
- Both the public and private sector are affected

ACC's challenge - rising costs

- Claims increased 4% in 2007/08 vs 1.2% population growth
- Complexity of claims has increased – age, co-morbidities (obesity, diabetes)
- Rising healthcare costs – claims paid increased 11%pa since 2004 vs cost of living increases of 1.8% (2005-08)
- Investment income declined in 2008
- Impact on levies

Clear Government priorities

“A more focused, efficient and productive state sector that delivers services differently and more cost effectively.”

Implications for ACC

During 2009, we must focus on

- Safeguarding the scheme for all New Zealanders
- Ensuring the scheme is fit for the future
- Driving Value for Money in everything we do
- Working smarter with our partners to deliver affordable, quality-based outcomes for New Zealand and New Zealanders
- Maintaining stakeholder satisfaction

Working smarter

During 2009, we will actively pursue key initiatives:

- Re-structuring how we manage more complex claims – our service delivery model
- Re-structuring how we buy the services required to manage claims – our health purchasing framework
- Delivering affordable, quality-based outcomes for New Zealand and New Zealanders – our outcome focus
- A strong focus on workplace rehabilitation – our Better at Work services

Better claim management

Service delivery model manages claims in four key groups based on complexity, with early expert streaming (triage):

- **Simple** - medical fees or short period of incapacity
- **Low** – need ACC services, no significant barriers to rehabilitation
- **High** – need more intensive ACC support and service co-ordination
- **Long term maintenance** – long-term liability

Benefits

- Expert classification of claims via triage
- Recognition of, and fast action on, barriers to rehabilitation
- Early activation of rehabilitation interventions
- Lower claim durations, less cost
- Better client outcomes

Purchasing framework

The new purchasing framework changes the way ACC buys services to meet claims

Basic principles are:

- Relationship Based
- Value driven
- Outcome based
- Risk based
- Accountability & development
- Timeliness



Better at Work

- International research shows that clients recover more effectively in the workplace
 - Faster recovery
 - Fewer psycho-social issues
 - Less social isolation
 - Economic benefits for client
 - Employer retains skilled staff
- Better at Work-type services designed to enable workplace rehabilitation successfully introduced overseas

Better at Work

- Focus on partnering with clients, employers and rehabilitation providers to make that happen
- Rehabilitation plans will be activated quickly, service delivered quickly
- Under the new service delivery model, Better at Work plans for low complexity claims developed by rehabilitation providers, not ACC staff

Better at Work

- Service initiatives under way in:
 - Taupo (service activated in a PHO environment - March onwards)
 - Riccarton (service activated by an occupational health nurse – ongoing)
 - Counties Manukau (service activated by ACC expert triage - ongoing)

The year ahead

- Clear instructions from the Government to deliver value for money
- Pressures on ACC identified early last year
- Programme of activity addresses claim management, health purchasing, workplace rehabilitation
- To achieve this, will need strong and enduring relationships with providers