



Accident
Compensation
Corporation:
Using a case
management
approach to
rehabilitation



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Auditor-General's overview

At some time in their lives, many New Zealanders will seek help from the Accident Compensation Corporation (ACC) to restore their health, independence, and participation in the community after an injury.

ACC uses a case management approach to help it to assess a person's treatment and rehabilitation needs after an injury and to help it plan and provide for those needs.

The theme for my Office's 2013/14 work programme is *Service delivery*. As part of that theme, my staff audited cases that were managed in ACC's local offices. We looked at those claims (which add up to about 4% of ACC's 1.7 million claims each year) because they can involve the most expensive injuries and injuries that have a substantial permanent effect on people's lives (for example, traumatic brain or spinal injuries). More than 40,000 New Zealanders have one of these claims at any point in time.

As part of rehabilitating people, ACC is expected to work with them to ensure that they "receive the highest practicable standard of service and fairness". The Code of ACC Claimants' Rights sets out what is expected of ACC.

As well as being fair to people with injuries, ACC has to be fair to the people who pay levies and tax that support ACC. It can be a difficult balance, and ACC has to carry out its functions in a way that is cost-effective and efficient. ACC continues to face the challenge of being fair to levy payers, taxpayers, and people who have been injured.

ACC needs to make changes to its case management systems and processes. It is committed to making these changes.

A person's rehabilitation depends on the knowledge a case manager has and the decisions that they make supported by ACC's systems and information. ACC needs to set out the standard possible treatment and rehabilitation steps for a given injury, based on scientific evidence, in its information systems – to ensure that all people in similar circumstances receive consistent and effective treatment and rehabilitation. To perform well, staff need to have good systems, knowledge, information, advice, and guidance.

ACC has an internal quality review and coaching tool. It needs to use this tool better – or an equivalent – to understand whether it provides the highest practicable standard of service and fairness.

In particular, ACC needs to review how adequate and appropriate its case management services are for relatively long-term clients with complex needs who do not meet the serious injury criteria.

ACC could more actively manage the transfer of clients between it and other public entities to reduce the potential for people to miss out on services they are entitled to and to ensure that people are appropriately prepared for transfer to another public entity.

ACC needs to learn better from the complaints that it receives. We looked at this matter in our recent report *Accident Compensation Corporation: How it deals with complaints*.

Although ACC needs to make more changes to its case management systems and processes, it has already started improving how it deals with people.

ACC has appointed a Chief Customer Officer (responsible for continuously improving ACC customers' experiences of ACC) to its Executive Team and has partnered with the Auckland University of Technology to offer specialist training in case management.

ACC is improving its extensive collection of forms, letters, and information sheets. These are its main means of communicating with people. ACC has a range of projects that are meant to support services that focus more on customers.

ACC accepts our audit findings and intends to address our recommendations as part of its *Shaping Our Future* initiative. I thank ACC for this commitment.

I thank those members of the public who shared their stories and views about ACC with my Office. I acknowledge that, for some of the people we spoke with, sharing those stories was not easy because of their complexity, sensitivity, and history.

In some instances, people had negative experiences of ACC. It is not my Office's role to resolve individual people's problems with ACC. However, we can look at how effectively and efficiently ACC's case management approach works for people collectively, with a view to highlighting where improvements can be made.

I appreciate and acknowledge the help of Colmar Brunton with the interview work that contributed to this report, the Ministry of Social Development for seconding a senior staff member to our audit team, and the ACC staff who gave generously of their time and views.



Lyn Provost
Controller and Auditor-General

28 October 2014

Our recommendations

We recommend that the Accident Compensation Corporation:

1. set out the standard possible treatment and rehabilitation steps for a given injury, based on scientific evidence, in the information systems that its case managers use – to ensure that all claimants in similar circumstances receive consistent and effective treatment and rehabilitation, based on proven treatment and rehabilitation pathways;
2. strengthen the overall approach and tools that it uses to guide, monitor, review, and manage the quality of its case management services – to ensure that people consistently receive treatment and rehabilitation services of the highest practicable standard and fairness in line with the requirements of the Code of ACC Claimants' Rights;
3. review the adequacy and appropriateness of its case management services for relatively long-term clients with complex needs who do not meet the serious injury criteria, and improve those services where necessary so that people receive the highest practicable standard of service and fairness; and
4. more actively manage the transfer of clients between it and other public entities to reduce the potential for people to miss out on services they are entitled to and to ensure that people are appropriately prepared for transfer to another public entity.

1

Introduction

As the human face of ACC ... Case Managers are vitally important, as they set the tone of the relationship [with the claimant] and have the potential to set and to continue to manage clients' expectations of ACC's services throughout the ACC journey.

(Research New Zealand, *Understanding Clients' Expectations of ACC*, 2012)

1.1 The theme of our Office's work programme for 2013/14 was *Service delivery*. As part of this theme, we decided to look at how the Accident Compensation Corporation (ACC) and the Ministry of Social Development manage cases and complaints. In August this year, we published our reports on how these two public entities deal with complaints.¹ This report, the third in the series, looks at how ACC uses case management.

1.2 In this Part, we describe:

- the role of ACC;
- how ACC uses case management;
- our expectations of how ACC uses case management;
- how we carried out our audit;
- what we audited; and
- what we did not audit.

The role of the Accident Compensation Corporation

1.3 New Zealand's accident compensation scheme (the scheme) has been running since 1974. It provides no-fault compensation for all New Zealand residents and visitors who have suffered an accidental injury.

1.4 ACC is the Crown entity set up to manage the scheme. ACC's role is to manage the scheme to deliver rehabilitation services to people in a financially sustainable way.

1.5 ACC receives injury claims and co-ordinates the help that people get to return to everyday life as soon as possible. For people who are employed when they are injured, ACC pays weekly compensation to compensate them for the loss of income while they are not working. To pay for treatment and services, ACC collects levies from businesses, motor vehicle owners, and employees. ACC refers to the people it rehabilitates and compensates (claimants), levy payers, and providers of treatment and rehabilitation services collectively as "customers".

1.6 The Injury Prevention, Rehabilitation, and Compensation (Code of ACC Claimants' Rights) Notice 2002 (the Code) was introduced in 2003. The Code sets out how ACC should work with people to ensure that they receive the highest practicable standard of service and fairness from ACC (see Appendix 1).

- 1.7 ACC must ensure that people are rehabilitated and compensated for any losses from personal injury in keeping with their statutory entitlements. ACC must do this cost-effectively and in a way that promotes administrative efficiency.
- 1.8 ACC has to maintain a focus on claimants and ensure that they get what they are entitled to under the scheme, while at the same time effectively managing the current administration and claims costs, and future costs, of the scheme.
- 1.9 However, it is clear that long-term cost management should not be achieved at the expense of quality. A Minister for ACC has said: “Financial stability can only be delivered in the middle and long term through the provision of quality service to claimants and levy payers.”²
- 1.10 In 2012/13, ACC received about 1.7 million claims and spent about \$2.7 billion on treatment, rehabilitation, and compensation. The cost of handling all claims was \$331 million. ACC has about 3000 staff, of which about 1700 are frontline staff in 25 local offices throughout the country. ACC reported client satisfaction of 68% in its 2013 annual report.³
- 1.11 We looked at the claims that ACC’s local offices manage as cases. Although these claims are a small proportion of ACC’s total claims (about 4% of the 1.7 million claims that ACC gets every year), they involve injuries that can have substantial permanent effects on people’s lives (for example, traumatic brain or spinal injuries) and the most expensive injuries.

Approach to managing claims

- 1.12 Simple claims are managed in short-term claims centres (which are separate from local offices). These claims are expected to be resolved in fewer than 70 days. Our audit does not cover these claims.
- 1.13 Staff at ACC’s local offices manage longer-term, more complex claims. These claims are managed using “case management streams”. Our audit covers these claims by looking at each stream.
- 1.14 “Front-end” case managers manage most claims. This is the first case management stream that our audit covers.
- 1.15 Claims that have been with ACC for more than 912 days are assigned to Recover Independence Service (RIS) case managers. This is the second case management stream that our audit covers.

² Minister for ACC’s 2013/14 letter of expectations.

³ ACC measures client satisfaction using the Common Measurements Tool. “The Common Measurements Tool is a set of survey questions and scales that allows State Services agencies to measure client satisfaction and identify service delivery improvements for service users. By using a common set of questions, agencies are able to compare their performance with other State Services agencies, with the Kiwis Count national survey and also measure how they are progressing over time.” See the State Services Commission’s website at www.ssc.govt.nz.

- 1.16 At the time of our audit, ACC had plans to reduce the entry threshold for the RIS stream to 365 days. This could mean that people in this stream get earlier focused support and that ACC could better manage the long-term cost of some of their claims.
- 1.17 Serious Injury Service (SIS) case managers manage people with serious life-long injuries.⁴ Their claims have to meet specific criteria to enter the SIS stream. This is the third case management stream that our audit covers.
- 1.18 Local offices manage the RIS and SIS streams, although not all offices have these streams.
- 1.19 At the start of the claims process, service needs assessors use a scripted telephone call to work out whether a person should be directed to a short-term claims centre or a local office. People are generally managed in the SIS stream after the hospital treating them has contacted ACC.
- 1.20 As well as the streams based at local offices, ACC has some centrally managed case management streams. The centrally managed streams include a sensitive claims unit and a remote claims unit.⁵ The case management processes, supporting infrastructure, and practices in these units are similar to case management in local offices. We have not audited these services in detail, but our general findings about case management also apply to centrally managed streams.
- 1.21 When a claim has been assigned to a case manager, the case manager should consider all information about the claim. The case manager then creates an individual rehabilitation plan with the injured person's input. During the week ending 28 June 2014, 87.4% of ACC's active case-managed claims that were more than 13 weeks in duration had an individual rehabilitation plan.
- 1.22 We use the term "case manager" to include all case management staff. For example, in the SIS stream, "support co-ordinators" and "service co-ordinators" manage claims. For the purposes of this report, we refer to them as case managers.

4 ACC considers that a person has a serious injury if they have a significant (usually permanent) impairment or loss of function. The person's injuries must meet a set of clinical criteria to be considered a serious injury, but in general consist of these types of injury: moderate to severe traumatic brain injury, spinal cord injury, or other catastrophic injury (such as multiple amputations or burns to more than 50% of the body).

5 A sensitive claim is a claim that arises from sexual abuse or sexual assault. The remote claims unit manages claims for people who ACC has determined are most appropriately managed at a distance rather than in person.

Our expectations

- 1.23 We expected that ACC would:
- use case management to rehabilitate injured people effectively and efficiently; and
 - deliver services to the highest practicable standard of service and fairness, in line with the requirements of the Code.
- 1.24 We expected ACC to:
- have based its case management approach and the design of its case management system on sound evidence (we provide our assessment of this in Part 2);
 - have the right staff and systems to deliver rehabilitation services focused on claimants (we provide our assessment of this in Part 3);
 - effectively and efficiently deliver rehabilitation services that meet its claimants' needs (we provide our assessment of this in Part 4); and
 - use performance information to improve its service delivery (we provide our assessment of this in Part 5).

How we carried out our audit

- 1.25 To carry out our audit, we:
- interviewed staff at ACC's head office in Wellington;
 - visited and interviewed staff at eight ACC local offices;⁶
 - reviewed and analysed more than 100 documents, including change management plans, engagement surveys, performance information, customer satisfaction information, and outcome information;
 - met representatives from ACC's Older Persons Advisory Group;
 - met the chairperson of the ACC Advocates and Representatives Group;
 - reviewed a small, random sample of 30 claimant files from the case management streams and the offices we visited;
 - got information about ACC's case management costs; and
 - got information about case managers' caseloads.
- 1.26 We asked Colmar Brunton to carry out 10 in-depth interviews with claimants to hear about their experiences of ACC. These people were randomly selected from the local offices we visited during our fieldwork. Colmar Brunton also interviewed 23 claimants who had previously contacted our Office about ACC.

⁶ The eight local offices were Hamilton (for a preliminary visit), Christchurch, Greymouth, Porirua, Henderson, Counties Manukau, North Harbour, and Whangarei. We chose these to cover a range of rural and urban locations, big and small offices, and different economic conditions (because this affects the availability of work).

- 1.27 Appendix 2 sets out interviewees' suggestions about how ACC can improve its case management services. It is important to recognise that these suggestions have been collected through in-depth qualitative interviews and are not necessarily representative of all claimants.
- 1.28 Where it was relevant to case management, we have also used information from Colmar Brunton's survey of, and interviews with, claimants who have complained to ACC.

What we audited

- 1.29 Our audit included cases that were managed in ACC's local offices (sometimes referred to as "front-end" case management), claims in the RIS stream, and claims in the SIS stream. We looked at those claims because they can involve the most expensive injuries and injuries that have a substantial permanent effect on people's lives.

What we did not audit

- 1.30 We did not look at ACC's short-term claims centres and accredited employers' management of claims.
- 1.31 We did not look at how ACC determined cover (whether ACC covers a person's injury) or at ACC's injury prevention activities. A separate review process is available to claimants who disagree with ACC's decisions about whether ACC will cover their injury. These claimants can apply for a review of ACC's decision, in which an independent party looks at whether ACC made the right decision.

An evidence-based approach to case management

- 2.1 In this Part, we set out our assessment of the extent to which ACC has a clear, evidence-based approach to how it manages cases.
- 2.2 Using evidence to help design and operate its case management system should ensure that ACC uses treatment, and rehabilitation pathways that are known to be effective in certain circumstances.⁷

Summary of our findings

- 2.3 ACC manages cases in a clear, evidence-based way. However, it could use the evidence much better to steer work flow and to help staff manage cases.
- 2.4 ACC has clear and comprehensive policy, process, and procedural information about how it approaches case management.
- 2.5 ACC has researched ways to treat and rehabilitate people. It has sought the views of its claimants and providers to find out what works well, but could better integrate this evidence – especially evidence from New Zealand – into its systems.
- 2.6 ACC recognises the need to more strongly focus on claimants when managing cases. It has made some progress with this through its *Client Service Optimisation* projects, but has yet to fully integrate that approach into how it manages cases.
- 2.7 ACC is improving its approach to understanding rehabilitation outcomes for its clients and is working with providers of rehabilitation and treatment services to strengthen this approach.

Streaming of case management

- 2.8 ACC has a relatively intensive case management approach, which is based on directing people to the case management stream most appropriate to their needs.

What do case managers do?

- 2.9 ACC told us that “case management describes a claimant relationship that is collaborative in nature” and that case management helps to assess “individual need and circumstance in which those needs arise”, so that ACC and claimants can plan, put into practice, co-ordinate, and monitor the services required to meet claimants’ injury-related needs and “support the clients’ restoration of their independence or optimal resumption of their roles within family/whanau, community, work and wider society”.
- 2.10 Case management is the approach that ACC uses to help assess a person’s treatment and rehabilitation needs, and to help plan and provide treatment and rehabilitation to meet those needs.

⁷ A pathway describes what treatment and rehabilitation services a claimant needs and what order those services should be provided in.

- 2.11 There is a continuum of possible case management approaches. At one end of the continuum are heavy caseloads that require a case manager to exercise little judgement (with a focus on transactions). Cases at this end of the continuum usually have a relatively low average cost. At the other end of the continuum are light caseloads that require a case manager to exercise a lot of judgement (with a focus on relationships with claimants). Cases at the latter end of the continuum usually have a relatively high average cost. In the case management streams that we looked at, ACC's approach is more closely in line with the latter situation.
- 2.12 Case managers, together with the injured person and with advice from internal and external specialist advisors, work out the treatment, rehabilitation, and support steps that are required to return the injured person to employment or independence.
- 2.13 Case managers identify and enter the tasks needed to complete these steps in ACC's case management system, which is known as Eos. This is a manual process and defines the work for that case manager for that injured person.
- 2.14 Case managers record actual work performed as a "contact". This could be a record of a phone call or a copy of a sent letter. We looked at several files that had more than 700 "contacts" recorded in them. Although ACC refers to work performed as "contacts", not all of the work actually involves contact with a claimant.
- 2.15 If a task involves seeking specialist advice or committing ACC resources (providing an "entitlement"), case managers are generally required to complete the relevant ACC form or letter. ACC relies heavily on standard forms and letters to manage access to entitlements.
- 2.16 Entitlements provided for under section 69 of the Accident Compensation Corporation Act 2001 are:
- (a) rehabilitation, comprising treatment, social rehabilitation, and vocational rehabilitation;
 - (b) first week compensation;
 - (c) weekly compensation;
 - (d) lump sum compensation for permanent impairment; and
 - (e) funeral grants, survivors' grants, weekly compensation for the spouse or partner, children and other dependants of a deceased claimant, and child care payments.

- 2.17 ACC has about 1700 case managers supporting about 41,500 claimants at any one time. Figure 1 sets out the number of case managers and active claims by case management stream. Figure 1 also shows the average number of minutes a week a case manager works on an active claim. This ranges from about 20 minutes a week for RIS cases to about 90 minutes a week for front-end cases.

Figure 1
Number of case managers and active claims, by case management stream

Case management stream	Number of full-time equivalent staff	Number of active claims*	Minutes each week**
Front-end	1435.5	25,428	95
Recover Independence Service	152.6	11,817	22
Serious Injury Service	136.0	4,251	54
Total	1724.1	41,496	

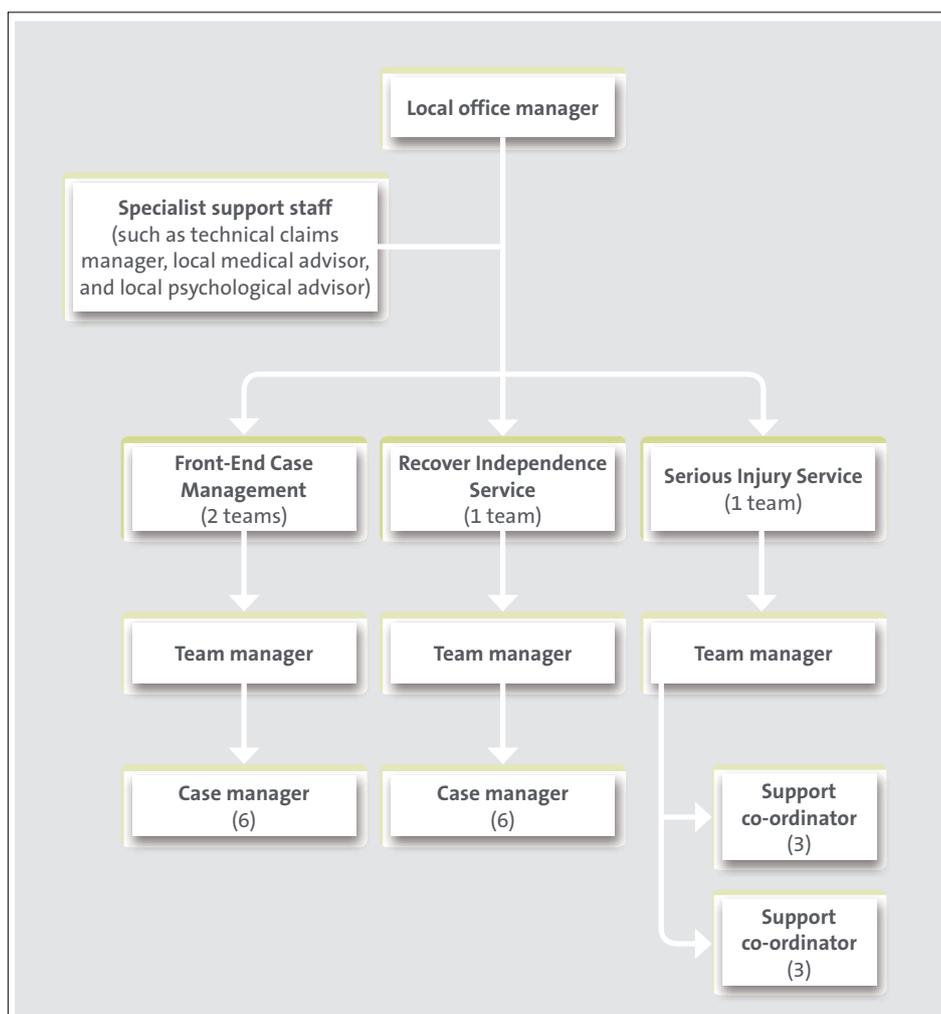
*Number of active claims is as at 7 June 2014.

** Average number of minutes for each active claim each week for each case manager. This assumes that a case manager has 70% of a work week available for case management (leave, training, and so on make up the remaining 30%).

Source: Staff numbers, claims, and caseload information from ACC. Minutes each week is our analysis.

- 2.18 The average number of minutes spent on each claim in the RIS stream is relatively low when compared to the front-end and SIS streams. This suggests that some RIS claimants do not have contact with ACC for long periods of time.
- 2.19 Averaged throughout all ACC local offices, the ratio of full-time equivalent staff to managers is about six to one. The team manager focuses on team management, leadership, coaching, and managing team members' development needs. Figure 2 shows the structure of a typical ACC local office.

Figure 2
Typical structure of a local office



ACC's recent approach

- 2.20 ACC aims to treat all claimants, employers, and providers as customers. ACC needs to balance the rights of all customers while focusing on the needs of claimants.
- 2.21 An external review, customer feedback, and government expectations have led to ACC trying to deliver better customer service and improve outcomes for claimants as part of its case management approach.

- 2.22 The focus on quality customer service is intended to improve trust and confidence in ACC and to get better outcomes for the claimant, while keeping the scheme affordable.
- 2.23 In 2013, ACC launched *Client Service Optimisation*. This is a set of projects that aims to improve people's experiences with ACC, rehabilitation outcomes, and the efficiency of the claims process. This set of projects is the basis of the case management streams that ACC uses (see paragraphs 1.12-1.22).
- 2.24 ACC has a significant change programme under way called *Shaping Our Future*, which is meant to result in ACC working in a more customer-led way. ACC intends the programme to result in ACC delivering better services to claimants and, in doing so, to reduce administrative costs through avoiding extra work required to manage poor quality. ACC told us that external feedback helped it prepare *Shaping Our Future*.

Using forms and letters to manage access to entitlements

- 2.25 ACC comprehensively and clearly records its case management process, procedural information, and delegations. However, ACC relies heavily on standard letters and forms to manage access to entitlements.

Recording the technical aspects of the approach

- 2.26 ACC has an internal online resource called CHIPS that frontline staff can refer to. CHIPS lists all guidance, policies, and procedures relating to case management and ACC's claims. For example, there is guidance on what claimant-focused case management looks like and the steps a case manager should take to assess a person's rehabilitation needs to help them return to work. In our view, the information recorded in CHIPS is generally of good quality and abundant.
- 2.27 We looked at the guidance material in three of the eight collections of information in CHIPS. This was material about treatment and rehabilitation, claimant management, and claims management. There were 88 separate policy documents and 68 separate process documents in these three collections, as well as 135 other documents.
- 2.28 We looked at ACC's records of the delegations that case managers hold – the limits on the services that they can refer claimants to and the money that they can commit ACC to. We found that the delegations were comprehensive and clearly recorded. This included information on who (expressed in terms of roles within ACC) a case manager is required to consult when exercising specific delegations.

- 2.29 Case managers supporting front-end and RIS streams have the same delegations. The staff who provide case management support to claimants in the SIS stream largely have the same delegations, although some SIS stream case managers can also:
- approve residential rehabilitation up to 270 days for each admission for people with a traumatic brain injury;
 - approve non-acute in-patient rehabilitation up to three weeks; and
 - work out eligibility for weekly compensation (based on incapacity).
- 2.30 Team managers for front-end, RIS, and SIS streams generally have similar delegations to staff in their teams, but with higher thresholds in terms of quantity and/or cost.
- 2.31 Where discretion can be exercised, the delegations manual clearly defines the scope for decision-making. CHIPS includes guidance on how and when to apply discretion.
- 2.32 In our view, the delegations appeared appropriate to support a streamed case management approach.
- Recording the approach's softer aspects**
- 2.33 ACC has clearly recorded the “softer” aspects of its case management approach. These include the customer service that case managers are expected to show when managing a case. Guidance outlining this customer service, put in place in 2003, is intended to be in line with the Code.
- 2.34 Customer focus is a core competency and skill required of all staff. ACC requires all its staff to:
- put people first, injuries second;
 - tell the truth and keep promises;
 - help people to receive their entitlements;
 - behave professionally in every respect;
 - set up working relationships with claimants and colleagues that enhance claimants’ self-esteem;
 - be sensitive to culture, values, and beliefs;
 - make decisions based on facts, not assumption, bias, or prejudice; and
 - communicate in a clear, simple, and helpful way to minimise the potential for misunderstanding.
- 2.35 ACC’s set of service standards highlight the minimum service that frontline staff should provide when working with claimants. The service standards focus on communicating effectively, professionally, and in a timely way.

Knowledge supporting the approach

- 2.36 ACC knows a lot about the treatment and rehabilitation approaches that work well, from a clinical and claimant perspective. However, ACC could better integrate the available evidence into tools and procedures it uses to manage claims.
- 2.37 ACC has comprehensively researched rehabilitation practices to inform its policies, procedures, and interventions. It keeps up to date with international research on rehabilitation. ACC evaluates the effectiveness of health interventions and produces summaries of clinical best practice for providers.
- 2.38 International research has shown that work is good for most people's health and well-being.⁸ Returning to work provides a person with a sense of fulfilment. Social interactions at work benefit a person's psychological well-being. A person's loss of earnings is minimised when they return to work sooner. This research underlies ACC's approach.
- 2.39 ACC is working to improve guidance for frontline staff on suitable rehabilitation time frames. Predictive modelling can identify which people are more likely to require rehabilitation and active case management. ACC uses data to calculate a range of claim durations. ACC staff told us that, as part of *Shaping Our Future*, ACC envisages that it will prepare treatment and clinical pathways based on New Zealand evidence.
- 2.40 In Part 5, we discuss ACC's case management performance information, including the claimant experience. In short, ACC knows what works well for its claimants and what does not.

8 For example, the Royal Australasian College of Physicians, Australasian Faculty of Occupational and Environmental Medicine (2010), *Position Statement on Realising the Health Benefits of Work*, Sydney and Black D-C. (2008), *Working for a healthier tomorrow: Dame Carol Black's review of the health of Britain's working age population*, The Stationery Office, Norwich.

3

Case management capability and capacity

Each day you will be faced with the challenge of utilising your knowledge and networks to produce the best possible outcomes, while working within your core guidelines ... We offer full training and value staff through ongoing development and support.

(ACC Case Manager position advertisement, July 2014)

- 3.1 In this Part, we set out our assessment of ACC's case management capability and capacity – its staff and systems.
- 3.2 Capability refers to having the right staff with the right skills and behaviour, equipped with the appropriate tools and knowledge.
- 3.3 Capacity refers to having enough of the appropriate capability in the right place at the right time.

Summary of our findings

- 3.4 ACC has the capability and capacity in place to manage cases. However, its systems and processes need to better support the delivery of a fair service that focuses on claimants.
- 3.5 ACC knows what competencies, skills, and experience case managers need to have. However, specialist training in case management is limited. ACC has begun a project to make specialist case management training available to case managers.
- 3.6 In general, case managers are passionate about their jobs and strongly committed to serving claimants. However, they see some systems and processes as barriers to delivering good service. Case managers also have to do a lot of administrative work.
- 3.7 Case managers often ask colleagues for advice about processes instead of consulting ACC's policies, procedures, and reference material. Some staff find the material difficult to access.
- 3.8 Communication problems are at the centre of many complaints about ACC. ACC is working to improve its forms, letters, and information sheets and provide case managers with more guidance about talking with claimants.
- 3.9 Case managers' caseloads vary widely. ACC has pragmatic practices in place to manage caseload peaks, but heavy caseloads can negatively affect the customer experience.

Staff skills and training

- 3.10 ACC knows what skills and experience case managers need. However, specialist training in case management has been limited. ACC has introduced a programme to provide specialist training to case managers.
- 3.11 Case managers have to use good judgement to make decisions that are appropriate to each person's needs and circumstances. Technical skills can be taught, but it is also important to have the necessary "softer" skills, such as empathy and the ability to communicate. As one staff member told us, a good case manager is "someone who wants to do the job for the right reasons".
- 3.12 ACC expects case managers to focus on claimants and to reach a customer focus competency of level 2, with level 4 being the highest competency. Gaining this competency means:
- establishing and maintaining effective relationships with claimants and gaining their trust and respect;
 - being available, especially when claimants are going through a difficult period;
 - being dedicated to meeting claimants' expectations and requirements;
 - giving detailed reasons for providing or declining services in a way that maintains positive relationships;
 - handling difficult customers tactfully and with respect;
 - taking proactive steps to ensure the privacy of claimants' information; and
 - making suggestions for process improvements.
- 3.13 ACC has an organisation-wide induction process for new staff, which is a mix of e-learning modules, "buddying", self-study, and training workshops. Workshops cover specific topics, such as introductions to weekly compensation and best practice. There is a corporate orientation day.
- 3.14 Six trainers deliver specific training to frontline staff.
- 3.15 Staff turnover rates in some offices affects the delivery of training. The frequent change in staff increases the demand for training.
- 3.16 ACC has partnered with Auckland University of Technology to develop undergraduate and postgraduate qualifications in case management tailored to ACC's needs. The undergraduate qualification includes papers in rehabilitation management, dispute resolution and advocacy, and dealing with complex case management. Postgraduate papers are offered in vocational rehabilitation and advanced case management practice.

- 3.17 Offering specialist training is a positive step in ensuring that case managers have the right knowledge and skills.
- 3.18 A new manager's induction programme and qualifications in leadership and management are also planned.

Support available to staff

- 3.19 A variety of support is available to case managers to make good decisions. However, case managers use and access specialist advice and support to varying extents. Evidence could be better integrated into case management tools and systems to help case managers to follow evidence-based treatment and rehabilitation pathways. Tools for coaching staff are not used consistently. ACC needs to strengthen its case management quality review tools to help staff to deliver the highest practicable standard of service and fairness.
- 3.20 To perform well, staff need to have good systems, knowledge, information, advice, and guidance.

Advice and guidance

- 3.21 Case managers have access to internal specialist advice, policies, guidelines, and peer and managerial support, to help them make good decisions.
- 3.22 We found inconsistencies in how teams and offices use specialist advice. Some case managers appear to use these resources more than others. This use depends in part on the case manager's own experience and a claimant's particular needs and circumstances.
- 3.23 Staff have access to a range of specialist advisors at a local, regional, and national level. This range includes, but is not limited to:
 - local medical advisors;
 - local psychological advisors;
 - cultural advice teams;
 - technical claims managers;
 - serious injury regional advisors; and
 - the serious injury national panel.
- 3.24 ACC has raised questions about the quality of its clinical advice. The clinical advice model is fragmented, which can lead to inconsistent decision-making. We were told that delays in getting specialist clinical advice can make case management services less timely.

- 3.25 ACC has created a central pool of specialist advice that it can call on to improve the consistency and availability of clinical advice to its staff. In our view, moving to manage specialist advisors (such as medical and psychological advisors) as a collective – rather than local – resource is a sensible approach. This should help to improve case managers’ access to specialist advice and potentially improve the timeliness and consistency of advice.

Systems and processes

- 3.26 Case managers rely heavily on Eos, ACC’s case management system. As in many work places, relying heavily on an information system means that work is disrupted when the system stops working, including for system upgrades. We experienced system disruptions during our review of claims files in Eos.
- 3.27 Because case managers enter tasks manually in Eos, an evidence-based framework within Eos does not guide their decisions. Case managers are expected to consult policies, procedures, and reference material stored in CHIPS to work out the appropriate tasks and to use the relevant ACC form or letter for those tasks.
- 3.28 The information in CHIPS is comprehensive – and, in our view, good quality – but there is a lot of it, and it could be made easier to search. Many staff we spoke to found it difficult to access and find the information in CHIPS.⁹
- 3.29 Because of practical challenges using CHIPS, case managers often draw on their experience or advice from peers instead of referring to ACC’s policies or best practice guidance. This risks having inconsistent decision-making and variable claimant experiences, which is something claimants have told us that they experience. This variability in experience is consistent with our audit evidence, as well as the information gathered from interviews with claimants. We describe claimants’ experiences further in Parts 4 and 5.

Recommendation 1

We recommend that the Accident Compensation Corporation set out the possible standard treatment and rehabilitation steps for a given injury, based on scientific evidence, in the information systems that its case managers use – to ensure that all claimants in similar circumstances receive consistent and effective treatment and rehabilitation, based on proven treatment and rehabilitation pathways.

9 Case managers have to be familiar with about 80 provider contracts, as well as ACC’s policies and procedures.

- 3.30 If ACC addresses this recommendation well, case managers' approaches to claimants in similar circumstances should vary less. It is important, though, that the treatment and rehabilitation pathways built into any existing or new information systems do not become formulaic but are flexible enough to adapt to a person's needs and circumstances. Some flexibility is an important feature of an effective case management approach.
- 3.31 ACC plans to better integrate treatment and rehabilitation pathways into its case management systems as part of *Shaping Our Future*.
- 3.32 ACC is working to further enhance the CHIPS search functions to help case managers to more easily access its procedural and practice information. This is to reduce the risk of case managers doing what they or their colleagues have always done instead of using ACC's relatively good quality procedural and practice information.

Quality management and coaching tool

- 3.33 Using a set of best practice principles, ACC regularly assesses how well case managers engage customers. This is referred to as a Customer Engagement Appraisal. For ACC, customers include claimants, employers, and providers. In 2013/14, Customer Engagement Appraisals replaced ACC's existing case management quality review tools.
- 3.34 Customer Engagement Appraisals are used to measure how well case managers interact and engage with claimants, and plan and arrange rehabilitation for those claimants. Managers use Customer Engagement Appraisals as a coaching tool to encourage case managers to view case management from a claimant's perspective. Customer Engagement Appraisals are in line with aspects of the Code.
- 3.35 A Customer Engagement Appraisal results in the case manager being assigned to one of three outcome bands:
- expert;
 - competent; or
 - developing.
- 3.36 In the Customer Engagement Appraisal process, managers review a file and, where possible, seek comments from the claimant, employer, or provider associated with that case. In 2013/14, ACC expected a Customer Engagement Appraisal to be carried out once a fortnight for each case manager. In our analysis of a sample of 36 Customer Engagement Appraisal reviews, we found that the majority had no record of feedback from claimants, employers, or providers.

- 3.37 One of four performance advisors – who are independent of the local office and experienced in case management practice – later assesses some of the Customer Engagement Appraisals (between 2% and 4% in the offices we visited). In our view, performance advisors could have a more consistent approach to their reviews of Customer Engagement Appraisals.
- 3.38 Managers can choose which claims to appraise. This raises a risk of bias because managers could be inclined to assess a claim that has been managed well. A review of a sample of each manager’s completed Customer Engagement Appraisals reduces this risk.
- 3.39 There is evidence of the results of Customer Engagement Appraisal reviews being relayed to the managers carrying out the Customer Engagement Appraisals. However, some staff felt that it was not a valuable process because getting good assessments told them nothing new about the claimant or about how to improve their own practices.
- 3.40 As well as Customer Engagement Appraisal reviews, a risk-based compliance check is also carried out. ACC considers this administration checklist, which has been in place since October 2013, to be part of its “Network’s First Line of Defence activity”. The checklist includes items about weekly compensation, social rehabilitation, and documents. Six claims reviewers carry out these checks.
- 3.41 ACC is working to improve the Customer Engagement Appraisal and compliance check processes. This could include a more random selection of claims, regularly completing the stakeholder contact component of Customer Engagement Appraisals, more consistent reviewing of completed Customer Engagement Appraisals, and continuing efforts to introduce a risk basis to the frequency of Customer Engagement Appraisals and compliance checks. In our view, it is sensible for ACC to improve quality assurance.
- 3.42 We are aware that ACC is working on a wider case management quality review framework. The framework is intended to cover the end-to-end case management process and support quality measurement, including the stages involving case management. The framework was not finalised when we did our audit work.

Recommendation 2

We recommend that the Accident Compensation Corporation strengthen the overall approach and tools that it uses to guide, monitor, review, and manage the quality of its case management services – to ensure that people consistently receive treatment and rehabilitation services of the highest practicable standard and fairness in line with the requirements of the Code of ACC Claimants’ Rights.

- 3.43 If ACC addresses this recommendation well, claimants should experience improved services that are more in keeping with the Code. Better quality management should give ACC earlier and more accurate information on those aspects of its case management service delivery that might prevent claimants from receiving a consistent service that is fair and of the highest practicable standard.

Pastoral care

- 3.44 At times, case management can be challenging because of the amount of contact with claimants and because the decisions case managers make can affect claimants’ lives in important ways. These are in addition to the normal stressors that people experience in their workplaces and private lives.
- 3.45 Case managers have access to an employee assistance programme and, on request, can access psychological support in the form of professional supervision. Flexible working arrangements are also available to staff.

Allocating work and caseloads

- 3.46 Case managers’ caseloads vary widely. ACC has pragmatic practices in place to manage caseload peaks, but sometimes caseloads can negatively affect the claimant experience.
- 3.47 Combined caseloads are different between case management streams, reflecting the different intensities of case management. Figure 3 shows the average number of cases by case management stream for the local offices we visited. Caseloads varied significantly between the offices we visited, even within a case management stream. In some serious injury teams, caseloads were grouped into several types: employment, child and youth, and building independence.

Figure 3
Average number of cases for each case manager, by case management stream, in local offices we visited

	Front-end	Recover Independence Service	Serious Injury Service
Christchurch	60.0	48.8	55.3
Counties Manukau	64.6	69.6	47.7
North Harbour	61.1	48.1	43.7
Whangarei	84.8	48.2	44.9
Porirua	44.6	N/A	37.2
Henderson	66.7	N/A	41.8
Greymouth	47.4	N/A	N/A

Note: We have calculated caseloads using the combination of active and inactive claims at the local offices we visited. Although some claims are considered to be inactive, they can involve a lot of work for a case manager – for example, preparing for a review hearing.

N/A indicates that stream is not managed in that office – other offices manage the claims.

- 3.48 Although we saw no single approach to allocating caseloads to case managers, work was generally allocated on the basis of staff experience and workload.
- 3.49 From our visits to local offices, it was clear that newer staff generally receive fewer cases to begin with, with caseloads increasing as they gain experience.
- 3.50 Local office managers and team managers have used practical ways to manage peaks in workloads. For example, teams share work. In at least one region, staff “float” between offices to help ease workload peaks. Some team managers carry a small caseload.
- 3.51 Despite these approaches, sometimes high workloads mean that case managers have to focus on ensuring that weekly compensation is paid. Being proactive with claimants is a lower priority, and there can be less attention to detail when recording notes. In this sense, workload peaks can negatively affect a claimant’s experience of ACC.
- 3.52 Many case managers told us that they felt they were busy. They gave several reasons for this:
- Their roles include a lot of administrative work. (We agree.) For example, when a new case manager takes over a claimant’s file, they put together a file summary, which is a manual process. One of the summaries we saw was a 33-page document.

- Checking that information sent to and from providers refers only to the relevant claimant takes a lot of time, especially for large files of several hundred pages.
 - Unplanned staff leave and staff turnover can affect productivity. We were often told it takes at least one year for a new case manager to get up to speed with the role.
- 3.53 In offices with high staff turnover, experienced staff might also suffer from “buddy fatigue” because of the need to keep “buddying” new staff as well as maintain heavier-than-normal caseloads.
- 3.54 Workloads and stress can affect staff morale, which can lead to staff turnover, which also affects morale. As at 1 July 2013, staff turnover at ACC’s local offices ranged from 0% to 50%. Although the average staff turnover rate in ACC’s local offices has been falling since 2011, one of the offices we visited had an annual turnover rate of 25%. (These staff turnover rates include all staff in the local offices.)
- 3.55 ACC continues to improve its local and regional case management work capacity and work allocation planning, to reduce the risks of isolated peaks of workloads that could negatively affect customer experience and to ensure that enough resources are available to cover routine commitments, such as training, leave, induction, and case management.
- 3.56 We discussed with ACC its overall approach to working out the total number of case managers required. It was not clear to us whether ACC used an organisation-wide model to inform this decision, beyond historical practice. We were told about individual offices needing to present business cases for extra case management resources, rather than relying on any established resourcing metric or comparison with other offices.

Communicating with claimants

- 3.57 ACC has recognised the need to improve its communication with claimants – in particular, the need to improve the tone of its written communications and use less jargon.
- 3.58 Communication is an integral part of providing good customer service, and it greatly affects the claimant experience. A case manager has to communicate effectively with a person, including that person’s family, whānau, employer, assessors, service providers, and colleagues.
- 3.59 The Code encourages a positive relationship between ACC and its claimants that is built on mutual trust, respect, understanding, and participation. Achieving a

positive relationship on these bases requires good communication. The following extract from a Research New Zealand report reinforces this message (we have added the emphasis):

*Frontline staff who stand out establish trusting relationships with their clients. They are described as compassionate, respectful and **great communicators**. They are thought to do their jobs well; looking after the best interests of both their clients and ACC.¹⁰*

- 3.60 Frontline staff are expected to:
- set up and maintain effective relationships with claimants;
 - gain claimants' trust and respect;
 - do what they said they would do;
 - explain their reasons for providing or declining services in a way that maintains positive relationships; and
 - handle difficult customers tactfully and respectfully.
- 3.61 One of the main reasons for claimants being dissatisfied with ACC is poor communication. Most of the complaints that ACC receives under the Code are about communication.
- 3.62 ACC has known for some time that it needs to improve its communication with claimants. Our evidence confirms this. This evidence includes:
- our reviews of ACC files;
 - ACC's client satisfaction survey results;
 - complaints that ACC received;
 - ACC's identifying the need for its Forms, Letters, and Information Sheets project to reduce the jargon used in, and improve the tone of, many ACC documents; and
 - comments from the claimants we interviewed.
- 3.63 ACC relies heavily on template letters and forms as its main way of communicating with claimants. Because of their style, these may not always encourage effective communication.
- 3.64 When we reviewed files, we saw examples of ACC sending several letters to one claimant on the same day and a set of letters over a few days. All the letters were about different aspects of the same claim.
- 3.65 We observed that ACC could much better link the information in its written communication to aspects of a person's individual rehabilitation plan.

- 3.66 When responding to ACC's client surveys, some claimants said that case managers did not always explain the reasons for their decisions and that case managers were sometimes impersonal and rude. Our interviews with ACC claimants are consistent with these comments.
- 3.67 Appendix 2 lists the improvements in communication that claimants told us they wanted.

Serving claimants

- 3.68 ACC and its staff generally have a strong commitment to serving claimants, but ACC has identified the need for a stronger focus on the needs of claimants.
- 3.69 ACC has identified the need to focus more on the needs of claimants. ACC's information about complaints shows considerable room for ACC to increase the proportion of complaints about fairness and service quality that are resolved in favour of ACC. We discussed ACC's focus on clients in paragraphs 2.20-2.24.

Putting case management into practice

- 4.1 In this Part, we set out our assessment of how effectively and efficiently ACC has put into practice claimant-focused rehabilitation services using case management.
- 4.2 If ACC has put claimant-focused rehabilitation services into practice effectively and efficiently, people will be supported with the appropriate treatment and rehabilitation services to return to work and/or independence as soon as is appropriate. The cost of those services and any associated weekly compensation will be reasonable in the circumstances.

Summary of our findings

- 4.3 ACC does not consistently deliver a claimant-focused service but elements of good practice underlie its services, such as using a claimant segmentation approach. Some claimants in the RIS stream have a more negative experience of ACC's services than other claimants. ACC could make changes to reduce the cost of case management.
- 4.4 ACC has used standard ways to make case management services accessible to eligible claimants. It has interpreters available, uses cultural advisors, has documents in many languages, and employs staff with a wide range of backgrounds. However, ACC needs to make its documents more accessible. It is working to achieve this.
- 4.5 ACC does not provide its documents in formats such as braille or large print for the visually impaired.
- 4.6 Day to day, case managers do not work directly with other agencies to actively manage each person's transfer between agencies.
- 4.7 ACC has high-level agreements with other government agencies to share information and funding.
- 4.8 ACC should continue to look for opportunities to make its case management services more cost-effective.

Accessibility of services

- 4.9 ACC has used standard ways to make case management services accessible. It has interpreters available, uses cultural advisors, has documents in many languages, and employs staff with a wide range of backgrounds. However, it needs to make its documents more readable.

- 4.10 ACC offers versions of its main documents, such as information sheets, in a range of languages, such as te reo Māori, English, Samoan, Tongan, Chinese, Korean, and Hindi, and has a process to ensure that these are translated appropriately. Telephone-based translation services are also available.
- 4.11 ACC does not provide its documents in formats such as braille or large print for the visually impaired.
- 4.12 ACC provides a deaf community fax facility and a dedicated email address for the hearing impaired.
- 4.13 A remote interpreting service is available to claimants with impaired hearing who have limited face-to-face access to New Zealand Sign Language interpreters. This service uses a web camera and video link to connect an offsite interpreter to a meeting between a case manager and a claimant. This service is available in the Whangarei, Whanganui, Gisborne, and Invercargill offices.
- 4.14 ACC has a website tailored to claimants with a disability caused by serious injury. It has information on the types of support available to these claimants and links to other useful information.
- 4.15 Access to health services is difficult in many rural areas. ACC told us that some temporary solutions are in place to make its services more available in rural areas. Examples provided to us were:
- Since 2010, providers of specialist clinical services have been able to invoice ACC for the time and cost of travelling to see ACC claimants in remote areas, such as Central Otago.
 - ACC issued a contract variation in May 2014 that allows providers of vocational rehabilitation services to invoice ACC for travel (time and distance, above a certain threshold) to better support service delivery to people in remote areas.
- 4.16 ACC is aware that some of its documents are overly technical and not focused on the needs of claimants in terms of jargon, tone, and style. We note that ACC's Forms, Letters, and Information Sheets project is designed to significantly improve its forms, letters, and information sheets. This project uses guidelines (referred to as *Tone of Voice* guidelines by ACC) to improve ACC's documents.
- 4.17 We suggest that ACC continue to make its extensive set of standard letters, forms, and information sheets more readable. This includes ensuring that the documents, where appropriate, sufficiently explain the reasons for ACC's decisions.

- 4.18 We note that ACC's website does not comply with the Government's web standards (which are not mandatory) or the World Wide Web consortium's web accessibility initiative standards.

Good practice

- 4.19 International research has identified that, when put into practice effectively, case management can improve the experiences of users and carers, and support better care outcomes.
- 4.20 ACC's case management has features that some research has found support successful case management outcomes.¹¹ These include case managers:
- being accountable for an individual claimant;
 - having access to specialist (internal and external) clinical expertise;
 - focusing on one case management stream; and
 - having access to information systems that support communication and data that can be used for quality improvement.
- 4.21 The international research identified other features that are important for successful case management outcomes, including appropriate caseloads and joined-up services. We comment on how well ACC follows these practices in paragraphs 3.46-3.56 and 4.61-4.66.

Delivering services inconsistently

- 4.22 People can expect different service experiences if services are organised around their individual needs and circumstances. However, the inconsistency we have observed and that ACC claimants have told us about appears to exceed the routine flexibility that might be expected in the use of case management.
- 4.23 Despite elements of good practice, ACC's case management practice is inconsistent in some respects. We observed, directly or indirectly:
- case management streams, locations, and teams focusing to different extents on the needs of claimants;
 - inconsistencies in case managers' communication and engagement style and frequency;
 - inconsistencies in how case managers use ACC's online procedural and policy guidance, and variations in decision-making;
 - inconsistencies in using and checking Customer Engagement Appraisals; and

¹¹ Ross S, Curry N, and Goodwin N (2011), *Case management – What it is and how it can best be implemented*, The King's Fund, page 1.

- opportunities to improve outcomes for longer-term claimants with complex needs who are not managed in the serious injury case management stream, and inconsistencies in the way this group was case managed.
- 4.24 ACC has also identified that different offices apply its medical assessment policy differently.
- 4.25 ACC claimants told us of inconsistencies in ACC’s case management services. Colmar Brunton summarised these comments by saying that “Generally, the ACC case manager experience can best be described as inconsistent.” Interviewees consider that the quality of service that case managers provide varies significantly depending on the case manager assigned to the claimant.
- 4.26 Case managers’ different approaches to accessibility, empathy, and tailored communication have a significant influence on how people perceive ACC’s case management.
- 4.27 These differing experiences, along with inconsistencies in the intensity of case management between case management streams, result in people having four broad types of reaction to ACC’s case management practice. Figure 4 describes these different reactions.

Figure 4
How claimants feel about their case management experience



Source: Interviews with ACC claimants.

- 4.28 Figure 4 could be a useful tool for ACC to help inform effective communication and case management more generally between different claimants and case management streams.
- 4.29 Information from ACC quarterly case management survey results, research information that ACC commissioned, and ACC's complaints information shows that RIS claimants appear to feature disproportionately in complaints and report more negative experiences with ACC than others. The findings from the qualitative research that we commissioned are consistent with this evidence.
- 4.30 ACC can have a large and permanent effect on these claimants' lives – some have multiple and complex needs requiring long-time support from ACC. These claimants' claims are relatively expensive. There is a higher risk of damage to ACC's reputation if things go wrong. In our view, ACC should better understand how well it is delivering case management services to these claimants and make any improvements that are possible.

Recommendation 3

We recommend that the Accident Compensation Corporation review the adequacy and appropriateness of its case management services for relatively long-term clients with complex needs who do not meet the serious injury criteria, and improve those services where necessary so that people receive the highest practical standard of service and fairness.

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- 4.31 Any review should look at how ACC communicates information about entitlements and obligations, how it communicates its understanding of people's individual circumstances, and how specialist assessments (both medical and vocational) are used. The specialist assessment process causes stress and anxiety for some long-term claimants.
- 4.32 At the time of our audit, ACC was reducing the number of days' threshold for becoming an RIS claimant.
- 4.33 In August 2014, when we were drafting this report, ACC told us that it had established a new senior management role of Strategy Manager, Serious Injury. ACC indicated that, along with work on serious injury, it expected that the strategy manager would investigate how ACC can better meet the needs of claimants with serious and/or complex injuries who do not meet the serious injury criteria, but who could benefit from additional case management expertise. This role appears to be in keeping with Recommendation 3.

- 4.34 During our audit, ACC changed its executive team structure. This included introducing the role of the Chief Customer Officer. This role is responsible for continuously improving customers' experiences of ACC.

Assessors' independence

- 4.35 ACC is taking a number of steps to reduce the risk of perceived or actual lack of independence in the assessment process.
- 4.36 ACC has recognised that there is potential for a perceived bias in the way it chooses medical providers for the assessment process. ACC's Medical Assessments External Reference Group has identified problems with the transparency of ACC's decision-making, the perceived lack of assessor independence, and the possible bias of choosing only assessors who deliver the results that ACC wants.
- 4.37 The ACC claimants we interviewed made suggestions about how ACC could improve the use, conduct, and explanation of specialist assessments. These include medical, rehabilitation, and vocational assessments used to inform judgements about whether claimants are capable of returning to work or to independence. Appendix 2 lists the improvements in ACC's assessments that claimants told us they wanted.
- 4.38 The assessments are professional judgements by people who are not ACC staff. Carrying out the assessments requires specialist skills, and the workforce available to carry out the assessments is limited.¹²
- 4.39 The assessments inform judgements about whether people are capable of returning to work or to independence. Because assessments can have a significant effect on people's lives, they can be contentious. In the end, the judgements can determine whether a person will continue to receive weekly compensation from ACC. These assessments are particularly important to long-term claimants who might eventually return to independence.
- 4.40 It is not surprising that concerns have been raised about a lack of independence in the assessment process, because:
- assessments can have a critical effect on a person;
 - a limited workforce is available to carry out the assessments, which suggests that some of the workforce receives significant income from ACC, and there is a risk that relying on that income affects their independence;
 - ACC does not communicate well with some claimants about the purpose and conduct of the assessments (we saw a few examples of this in our file review);

¹² The main assessments that ACC buys are initial medical assessments (which work out whether a client is fit for work or not), vocational independence medical assessments (which work out whether a client can work for 30 or more hours a week in jobs identified as suitable), and medical case reviews (which are one-off assessments used to work out cover, entitlement, or incapacity).

- some claimants undergo repeated multiple assessments;¹³ and
 - a return to independence for people can involve a significant reduction in income.
- 4.41 ACC has recognised that negative perceptions about the independence of assessors has significantly affected public trust and confidence in ACC. ACC’s Medical Assessments External Reference Group has identified that “fairness is the key aspect of quality” in terms of assessments.
- 4.42 These concerns have resulted in ACC taking steps last year and this year to reduce the risk of perceived or actual lack of independence in the assessment process. These include:
- analysing the patterns of referral to specialist assessors;
 - piloting a “panel” approach to assessments;¹⁴
 - reviewing the quality of assessments and working with providers where necessary to improve the quality;
 - researching claimants’ perspectives;
 - preparing guidelines for case managers to help with discussions with claimants about specialist assessments; and
 - working with providers to understand how the number of providers willing to perform the assessment work could be increased.
- 4.43 In interviews with ACC staff, we were told that, in the past, the opportunity for people to choose an assessor might not have been explained clearly. We looked at ACC’s operational policy about how much choice about assessor was offered to people. The policy was changed in late 2009 from giving people a list of assessment providers to choose from to requiring a person to use an assessment provider that ACC chooses.
- 4.44 If a person has a genuine and reasonable concern with the provider that ACC chooses, under the new policy, the person will be offered a choice of one or two alternative providers.
- 4.45 The new policy requires ACC to ensure that referrals are spread as evenly as possible to each provider. It also requires how referrals are distributed to providers to be monitored. We have seen examples of this monitoring.

13 We saw a few examples of these in our file reviews. For example, in one of the complex files we reviewed, a client had a workplace assessment, an initial occupational assessment, an initial medical assessment, a specialist medical assessment, another initial medical assessment, a functional capacity evaluation, a vocational independence occupational assessment, an assessment by an orthopaedic surgeon, and a further planned initial medical assessment.

14 The panels are expected to improve transparency of the assessment processes and raise confidence in the assessments. The success of the pilot project had not been evaluated at the time of our audit.

- 4.46 The criteria that ACC uses to choose an assessor are the same that it uses to work out whether a person has a genuine and reasonable concern about the assessor that ACC chooses. The criteria are:
- the provider’s competency;
 - the provider’s location;
 - needs of the claimant;
 - cultural considerations; and
 - cost-effectiveness.
- 4.47 The 2009 policy does reduce choice, but it still gives claimants the right to object. Claimants also have the right to review. Giving claimants the right to object is one aspect of ensuring assessor independence. But ACC also needs to continue the steps (of the nature that we outlined in paragraph 4.42) that it is taking to reduce the risks of perceived or actual lack of independence in the assessment process. This is because assessor independence remains a topical issue, which can affect trust and confidence in ACC.

Managing expectations

- 4.48 ACC should do more to inform people earlier about cover, entitlements, potential treatment and rehabilitation pathways, and its expectations of people.

Initial written contact

- 4.49 ACC’s first written contact with most people is an automated initial cover acceptance letter. ACC sends this letter after the person has received initial treatment for their injury from a provider of treatment services, such as a general practitioner, a physiotherapist, or an emergency department at a public hospital.
- 4.50 The version of the letter in use during our audit did not tell the claimant what injury ACC had paid to treat, who the treatment provider was, or what the next steps, if any, might be. In our view, leaving out this information is not good practice in terms of establishing a positive relationship and keeping people fully informed about which of their injuries ACC covers.
- 4.51 It is important that the letter is clear that, although ACC is confirming **cover** of an injury, it is not confirming **entitlements** for that injury – that is, the specific subsequent services and/or payments that a person can receive for that injury. It would also be helpful if the letter could give claimants some indication of what those entitlements might be. Without this information, the person is left with no guidance on whether they will have further contact with ACC, what ACC expects them to do, or what ACC might provide them with.

- 4.52 Omitting injury and treatment provider information could cause confusion when people have multiple injuries and/or multiple claims. For example, we reviewed some ACC files where people had more than 20 claims each.
- 4.53 Omitting injury and treatment provider information also could result in people expecting that ACC will automatically pay for further treatment and rehabilitation associated with an unspecified injury, when this might not be so.
- 4.54 The content of the letter has been the subject of much discussion within ACC. There are considerable practical, and potentially expensive, challenges in amending the letter to include accurate injury and provider information. Improvements to the tone of the letter have been recommended as a first step of ACC's Forms, Letters, and Information Sheets project, but there appears to be little enthusiasm for the more comprehensive system and business process changes that would be required to fundamentally improve the letter.

Support needs assessment

- 4.55 For some people, the next step will be a phone call from ACC to make an initial support needs assessment. The phone call's main purpose is to help ACC allocate the person to the appropriate case management stream. In our view, the information exchange is largely in one direction – from the person to ACC.
- 4.56 As part of the support needs assessment conversation, ACC tells the person that their claim will be allocated to a "case owner". The case owner will consider and confirm any entitlements, and will continue ACC's conversations with them. The person receives no indication of time frames for further communication from ACC, who the case owner might be, or the case management stream they are being assigned to. The lack of this information provides no certainty about any next steps.
- 4.57 We suggest that ACC consider using the support needs assessment to better inform people's expectations and obligations, as well as collect information.

Protecting and using information

- 4.58 We did not look in detail at privacy of personal information as part of our audit, but we did receive comments about privacy in our interviews with claimants. Appendix 2 lists the changes that claimants who we interviewed told us they wanted in how ACC manages personal information.
- 4.59 It was clear from our fieldwork that case managers are well aware of the importance of maintaining privacy. It was also clear that ACC's responses to its previous large-scale privacy breaches have been extensive and have affected day-to-day case management practice.

- 4.60 ACC intends that *Shaping Our Future* will help it to better protect and manage personal information.

Working with other agencies

- 4.61 Because of people's many needs and the potential for several agencies to be involved in supporting those needs, people might "fall between the cracks" if agencies do not work effectively with each other.
- 4.62 At an organisational level, ACC has agreed to collaborate with government agencies and interagency groups, including the Ministry of Social Development, Inland Revenue Department, Ministry of Health, and former Department of Labour (now part of the Ministry of Business, Innovation and Employment). The agreements with these organisations involve a mixture of sharing information and knowledge and funding.
- 4.63 These agreements can mean that some case managers take part in meetings with other agencies, but – day to day – case managers do not work directly with other agencies to actively manage each person's transfer between agencies.
- 4.64 Although case managers do not actively manage a claimant's transfer to another agency, some case managers help some of their claimants prepare to move from weekly compensation to a state-funded benefit, by providing support such as budgeting advice. Case managers refer people who are able to return to work to Work and Income and, with the person's consent, provide information on suitable work choices to Work and Income. There is a form for this purpose. It is not clear to us to what extent that form is used. We did not see this form used in any of the files we reviewed.
- 4.65 People who might transfer from ACC to the Ministry of Social Development include those who reach the eligible age for national superannuation. It also includes those who have been assessed as being vocationally independent, but who are unemployed at the end of their ACC entitlements. Between 5% and 15% of ACC's long-term claimants go on to receive a benefit from the Ministry of Social Development.
- 4.66 In our view, ACC should work more actively with other agencies, particularly the Ministry of Social Development, to manage the transfer of people between ACC and other public entities.

Recommendation 4

We recommend that the Accident Compensation Corporation more actively manage the transfer of clients between it and other public entities to reduce the potential for people to miss out on services they are entitled to and to ensure that people are appropriately prepared for transfer to another public entity.

- 4.67 There are clear expectations in the Accident Compensation Act 2001 about what happens if, for whatever reason, a person inappropriately receives a social security benefit and an ACC payment for the same period. Money paid inappropriately is to be recovered. In 2013/14, ACC had overpaid nearly \$4 million that people were not able to repay immediately. This is a relatively small amount in terms of the \$2.7 billion that ACC spends each year on treatment, rehabilitation, and compensation.

Case management costs

- 4.68 ACC tracks overall costs of handling claims as a percentage of total claims expenditure, and, more generally, the percentage of its total expenditure paid directly to claimants or for services to claimants.
- 4.69 ACC could make some changes to potentially reduce case management costs. ACC anticipates gains in claims-handling productivity and cost savings resulting from its *Shaping Our Future* change programme.

Direct case management costs

- 4.70 ACC reports that claims-handling costs were 12.5% of its total claims expenditure in 2012/13. This covers all claims, including those that ACC's short-term claims centres manage, which were outside the scope of our audit. This performance was against a forecast of 12.1% for 2012/13.
- 4.71 We have estimated, using information that ACC provided for the last week in June for each of the years from 2011/12 to 2013/14, that direct management costs for the claims that our audit covers are about 9%-11% of total expenditure on those claims.¹⁵
- 4.72 ACC provided information to us about the direct case management costs for the case management streams that our audit covers (see Figure 5). These costs range from \$156.7 million in 2011/12 to \$171.3 million in 2013/14 (excluding GST). Figure 5 shows a breakdown of these costs for case management streams for 2012/13.

¹⁵ ACC has defined direct case management costs as including salaries and wages, employer superannuation contribution, annual leave, sick leave, and specified overhead costs.

Figure 5
Total annual direct case management costs, 2012/13

	Front-end	Recover Independence Service	Serious Injury Service	Total direct costs
Salaries*	\$96.8 million	\$12.7 million	\$10.9 million	\$120.4 million
Claims network overheads	\$38.3 million	\$0.5 million	\$0.7 million	\$39.5 million
Total direct costs**	\$135.1 million	\$13.2 million	\$11.6 million	\$159.9 million

* Salary costs include the cost of salaries and wages, employer superannuation contribution, annual leave, and sick leave.

** Excluding GST.

Source: ACC.

- 4.73 As well as these direct costs, there are is a further \$24.6 million in 2012/13 in salary costs of other staff supporting ACC’s Claims Management Group, which includes case managers.

Cost savings

- 4.74 ACC anticipates gains in claims-handling productivity and cost savings resulting from *Shaping Our Future*: “The reduction in cost is driven by the need for fewer interactions with happier clients, fewer complaints, and a more engaged and productive workforce.” Anticipated savings in terms of reduced weekly compensation costs through quicker return to work are also a factor.
- 4.75 To achieve the anticipated cost savings, ACC expects to make a large capital investment, mainly in information technology. This is reflected in a capital budget of \$109 million for 2014/15 compared with capital expenditure in previous financial years of about \$50 million or less a year.
- 4.76 Although ACC is not a provider of insurance¹⁶ and the ACC scheme is unique, the most obvious source of comparative cost information is other workers’ compensation schemes and insurance companies, including those providing services related to accident insurance. Because of the commercial nature of insurance companies, the latter information is not readily available to us. The value of comparisons with other workers’ compensation schemes is limited by differences in the funding and nature of each scheme.
- 4.77 However, we consider it important for ACC to continue to look at how much it costs to handle claims, including the costs of case management, against whatever comparative metrics are available and to keep looking for ways to be more efficient.

- 4.78 ACC gave us information from a consultant from 2010 that suggested that ACC's costs were satisfactory to good when compared with the comparative cost information available at that time.
- 4.79 However, ACC could improve some aspects that could reduce case management costs. These are:
- better integrating evidence in ACC's information systems;
 - improving how it manages quality;
 - having better performance information about case management streams (in particular the RIS stream); and
 - reducing case managers' entering information manually and duplicating information.

5

Measuring case management performance

- 5.1 In this Part, we set out our assessment of the extent to which ACC uses performance information to improve the effectiveness and efficiency of its case management services, including for those claimants who experience greater than usual barriers when using ACC's services.

Summary of our findings

- 5.2 ACC has extensive performance information that is used to inform thinking about its future, but ACC has been slow to make specific service design and delivery changes in response to some of the information. ACC needs to be better informed about how well it is meeting its case management expectations.
- 5.3 ACC has clear performance expectations in terms of the outcomes of case management, the experience of claimants, the behaviour of case managers, and the policies and processes that case managers are to follow, but it needs to be better informed about how well it meets its expectations.
- 5.4 ACC gives less attention to how its different case management streams perform than how its teams, offices, and regions perform.
- 5.5 ACC has extensive customer satisfaction and other customer feedback information, including detailed and robust improvement suggestions from a consumer perspective.
- 5.6 ACC has an accurate perspective of its customers' experiences of ACC.
- 5.7 ACC has room to further use its extensive performance and customer experience information to improve service delivery and design, particularly for longer-term claimants with complex needs who do not reach the serious injury thresholds.

Setting performance expectations

- 5.8 ACC has clearly recorded its expectations for the results of case management.
- 5.9 The overall outcome that ACC is seeking to achieve from case management is more effective rehabilitation of injured people. ACC sees effective rehabilitation services as those that deliver quality and cost-effective services that achieve appropriate outcomes.
- 5.10 Figures 6 and 7 describe ACC's case management expectations for the organisation, local offices, and case managers.
- 5.11 The main expectation of case managers is about how well they engage with claimants. However, the main expectations of local offices involve claim duration measures.

- 5.12 ACC should use a more balanced set of performance expectations and measures at all levels because the actions of case, team, and local office managers all influence cost and customer experience. One ACC staff member described the balance that was required as staff needing to “think like a client but act like an owner”.
- 5.13 A more balanced set of key performance measures might include both a claimant focus and some form of cost indicator as minimum. Some form of complexity indicator could also be a useful measure to include.
- 5.14 Without a more balanced set of performance measures, there is the risk that single measures could drive unintended behaviour. For example, case managers can perform highly against their performance measure of engaging well with people by concentrating on less complex, shorter-term, or otherwise easier cases. However, doing this could mean that an office performs poorly on its duration measures and that overall costs are higher than they should be.

Figure 6
Expectations for case management at an organisation level

	Organisation-wide expectations		
	Functional expectations	Claimant satisfaction expectations	Claimant experience expectations
Sources	Statement of Intent 2013-2016		Code of ACC Claimants' Rights
Expectations	<p>The average duration of weekly compensation days paid in the first 365 days is reduced to 84.6 days.</p> <p>The percentage of National Serious Injury Service goals achieved or exceeded increases to at least 71%.*</p>	At least 68% of claimants are satisfied or very satisfied with the overall quality of service delivery.	<p>Claimants have the right to:</p> <ul style="list-style-type: none"> • be treated with dignity and respect; • be treated fairly, and have their views considered; • have their culture, values, and beliefs respected; • have a support person or persons; • be effectively communicated with; • be fully informed; • have their privacy respected; and • complain if they choose to do so.

* In 2012/13, ACC achieved or exceeded 69.9% of National Serious Injury Service goals.

Figure 7
ACC’s expectations for case management by local offices and case managers

	Local office and case manager expectations		
	Local office manager expectations	Case manager expectations	Customer Engagement Appraisal expectations
Sources	Claims Management Network Performance Objectives 2013-2014		Customer Engagement Appraisal
Expectations	<p>The local office manager:</p> <ul style="list-style-type: none"> • reduces the average duration of weekly compensation days paid in the first 365 days; • maintains the percentage of claimants receiving weekly compensation entitlements who have been rehabilitated within 70 days; • maintains the percentage of claimants receiving weekly compensation entitlements who have been rehabilitated within 273 days; • achieves 365-day net entry target; • achieves 912-day net entry target; • increases the percentage of National Serious Injury Service goals attained as achieved or exceeded – target 71%; and • attains a local office average of “meets rating” or better for Customer Engagement Appraisals. 	<p>The case manager:</p> <ul style="list-style-type: none"> • attains an average of “meets rating” or better for Customer Engagement Appraisals; • has Individual Rehabilitation Plans for 90% of claims; and • completes the return to work indicator. 	<p>The case manager:</p> <ul style="list-style-type: none"> • understands claimant circumstances; • addresses gaps or unclear information; • proactively engages with relevant stakeholders; • communicates with the stakeholders regarding entitlements, decisions, complaints, and reviews; • sets realistic expectations and communicates responsibilities to relevant stakeholders; • involves the claimant in the entitlement and rehabilitation decision-making process; • records the agreed rehabilitation planning and decision-making, and whether this is likely to achieve the agreed outcome; • implements the agreed rehabilitation/ support actions; and • monitors that planned rehabilitation/ support is on track.

- 5.15 Care needs to be applied when having duration and other performance metrics at the level of an individual staff member, because of the potential effect of anomalous claims – such as a complex and large claim – on assessing an individual’s performance. As one staff member told us, “complexity and duration generally run hand in hand”. Such factors need to be taken into account when considering duration and cost metrics.
- 5.16 ACC has a case complexity indicator that it uses mainly to work out the case management stream that a claim should be assigned to. That indicator, or a similar indicator, could be used more for performance measurement.
- 5.17 As part of advice to the ACC Board about *Shaping Our Future*, it has been recognised that ACC’s key performance indicators need to be more in line with expected claimant outcomes.
- 5.18 ACC has clearly recorded the policies and procedures that it expects case managers to follow and the competencies and behaviour that it requires of case managers. The policies, procedures, and required competencies emphasise effective communication and take into account cultural considerations.

Measuring how well expectations become reality

- 5.19 ACC gives less attention to how its different case management streams perform than how its teams, offices, and regions perform. ACC needs to understand better how well it is achieving the results it expects from case management, including the results achieved by each of the case management streams.
- 5.20 ACC measures its performance in rehabilitating people in line with the expectations set out in Figures 6 and 7. It measures:
- how many people who have returned to work after an injury remain employed after a set amount of time;
 - claimant satisfaction;
 - the percentage of individual rehabilitation goals achieved for seriously injured people;
 - the number of days compensation is paid before people return to work or independence, and;
 - the number of long-term claimants who are rehabilitated.
- 5.21 As well as these measures, ACC is moving to having more of an outcome focus expected of its contracted providers of treatment and rehabilitation services. This involves providers being required to understand the outcomes they are achieving for ACC claimants. For example, providers are required to carry out their own claimant satisfaction surveys.

- 5.22 This set of measures provides an indication of what ACC is achieving for its claimants. However, the measures are not necessarily enough for ACC to know how effectively it is rehabilitating claimants in each of its case management streams.
- 5.23 The main ways ACC assesses case management performance are:
- performance management monitoring and appraisals;
 - Customer Engagement Appraisals, with performance advisors (four full-time employees) reviewing the appraisals;
 - claims reviewers (six full-time employees) checking claims;
 - routine organisational performance reporting – this involves a combination of weekly, monthly, and quarterly reporting of progress against the Claims Management Network’s performance objectives;
 - internal audits; and
 - external consultancy advice (as required).
- 5.24 These methods and/or our observations have shown:
- inconsistency in practice between case managers, including the extent to which they use ACC’s online procedural and policy guidance, variations in discretionary decision-making, and difference in the type and style of interactions with people;
 - inconsistency in the use and checking of Customer Engagement Appraisals – ACC’s main case management quality assurance tool;
 - that the case management system might not work as well for people with complex needs and long periods of incapacity, who do not reach the threshold for serious injury, as it does for other claimants; and
 - that, historically, the system has not worked well for people with sensitive claims, but ACC is improving its services for people with sensitive claims as part of its *Assist* project.
- 5.25 Each year, ACC measures the level of staff engagement with their work and the organisation (by office). The level of engagement in offices varies. This is in line with the observations we made during our visits to offices. There is merit in ACC looking at the engagement of staff in the case management streams.
- 5.26 Local offices sometimes do not have the capacity to assign all people with claims of more than 912 days to the RIS stream. It is not clear how widespread this practice is. Because ACC relies on claim duration to identify RIS claimants, it is measuring some claimants as part of the RIS stream when they are being managed in other streams.

Measuring customer and claimant satisfaction

5.27 ACC has extensive information about customer and claimant experience and expectations. It is now using that information to inform future improvements.

Customer satisfaction

5.28 Customer satisfaction “is a valuable performance measure as a complement and cross-check on performance measures that use other types of information”.¹⁷

5.29 ACC gets relatively detailed information about customer satisfaction on a quarterly basis. The sample size for this survey was increased to 3000 from the July to September 2013 quarter to allow reporting at a local office level. Information from the quarterly satisfaction surveying is available to all offices through a portal referred to as “The Hive”.

5.30 Since 2011, there have been periods with relatively low customer satisfaction compared with ACC’s target (see Figure 8).

Figure 8

Customer satisfaction rates, by quarter and against target, 2011 to 2014

Quarter	Target*	Below target	Above target
July – September 2011	70%		✓
October – December 2011		✓	
January – March 2012			✓
April – June 2012		✓	
July – September 2012	72%	✓	
October – December 2012		✓	
January – March 2013		✓	
April – June 2013			✓
July – September 2013	68%		✓
October – December 2013			✓
January – March 2014			✓
April – June 2014			✓

* Percentage of customers satisfied or very satisfied with the overall quality of ACC’s service delivery.
Source: ACC.

17 James, O (2010), *End user satisfaction as a performance measure for public service*, paper for the National Audit Office, University of Exeter, page 3.

- 5.31 In general, there is no significant correlation between demographic groups, and trust and confidence in ACC.
- 5.32 ACC is concerned about its relatively low overall level of customer satisfaction and has acknowledged that the level needs to improve. ACC's *Client Service Optimisation* and *Shaping Our Future* programmes are intended to support improvements in customer satisfaction.
- 5.33 We have been told that there are unique challenges in Christchurch in terms of understanding what ACC does, because many immigrants with limited knowledge of ACC have arrived in Christchurch to take part in rebuilding work after the earthquakes.
- 5.34 Another source of information about customer experience is the stakeholder conversations performed as part of the Customer Engagement Appraisal process. However, it was evident from the reviews of the Customer Engagement Appraisals that these conversations had not been regularly carried out. (We looked at a sample of 36 Customer Engagement Appraisal reviews.)
- 5.35 We spoke with ACC staff, who had mixed views about how useful they found stakeholder engagement as part of the Customer Engagement Appraisal process. Some told us that the process provided useful information – one staff member told us that “speaking with clients is absolute gold” – while others told us that the process did not provide them with information that was not already known.

Claimant satisfaction

- 5.36 As well as general customer satisfaction data, ACC has significant additional information about people's experience with its services. In summary, this information (mainly from 2013) shows that:
- claimants who believe that the outcome of their receiving ACC services (including services that ACC-funded providers deliver) has been favourable to them are relatively satisfied; and
 - longer-term claimants with ongoing and unresolved problems are relatively dissatisfied.
- 5.37 Specifically:
- RIS claimants are less satisfied than short-term claim claimants or front-end claimants managed in local offices.
 - SIS claimants have high levels of satisfaction, with some evidence of very good service, but claimants' historical grievances or unresolved problems can affect their perceptions of that service.

- People with a treatment injury (an injury resulting from medical or surgical treatment) with straightforward claims that were accepted have higher levels of satisfaction, but there are lower levels of satisfaction for claimants with moderate or complex claims whose claims were declined.
- Some claimants who had a medical assessment perceive bias in how ACC chooses providers. Clients have lower levels of trust and confidence in ACC after a medical assessment than before an assessment.
- Vocational rehabilitation claimants rated providers of this service positively on a range of service attributes, with claimants who had returned to work and who felt ready to do so rating providers more highly than those who had returned to work but did not feel ready to do so, or those who had not returned to work.

5.38 ACC has carried out research into the experiences of people receiving social rehabilitation and the differences in experience with ACC between people in paid employment and those not in paid employment.

5.39 In 2006, ACC analysed claimant satisfaction data by ethnicity and found little difference in how satisfied Māori and non-Māori claimants were with ACC. ACC has commissioned research on the attitudes and behaviour of Māori accessing ACC's services.

5.40 ACC has carried out or commissioned ethnic-specific studies of injuries among Asian people and the accessibility of ACC services to Pacific people.

Claimant expectations

5.41 In 2012, ACC commissioned a thorough piece of research on claimants' expectations. In short, the research found that:

- People whose expectations were met were more likely to be people with relatively minor injuries, people whose treatment and rehabilitation go to plan, and people who get back to their pre-injury functioning quickly.
- People whose expectations were not met were more likely to be longer-term claimants with ongoing and unresolved treatment problems.

5.42 The research found that people expect to be:

- informed well in advance of any changes to cover;
- fully informed and consulted about treatment and rehabilitation decisions; and
- proactively informed about, and provided with, appropriate entitlements and supports.

- 5.43 The research also identified people’s perspectives of good case managers. These case managers are:
- described as compassionate, respectful, and great communicators;
 - thought to look after the best interest of the claimant; and
 - good at establishing trusting relationships with claimants.
- 5.44 These are very similar expectations to what ACC claimants told us about their expectations of case managers. Appendix 2 lists what people told us that they expected from case managers.
- 5.45 These expectations are similar to what serious injury claimants told ACC in 2013 about their expectations of ACC. Some general expectations included that ACC:
- communicates well;
 - provides enough and detailed information;
 - proactively manages cases;
 - treats claimants as individuals;
 - focuses on claimants during rehabilitation; and
 - has professional staff.
- 5.46 Some expectations more specific to serious injury included that ACC:
- involves family and support people;
 - makes contact when the person is able to think, and process and recall information and conversations; and
 - uses a buddy or mentoring systems at significant points during the claimant’s ACC journey.
- 5.47 Good communication and good information are threads common to all of these sources of information. ACC says that the most commonly breached aspects of the Code are the right to effective communication and the right to be fully informed.
- 5.48 ACC has received advice that suggests that socio-economic, ethnic, and geographic groups differ little in their expectations of ACC.
- Customer improvement suggestions**
- 5.49 ACC has set up four groups to get a “customer” perspective on how it manages claims. ACC considers a “customer” to be a claimant, a levy payer, or a provider of health or rehabilitation services.

- 5.50 The four groups are:
- Consumer Outlook Group, which focuses on the biggest problems for ACC's consumers;
 - Older Persons Advisory Group, which focuses on problems for ACC's older claimants;
 - Serious Injury Advisory Group, which focuses on problems for ACC's seriously injured claimants; and
 - Advocates and Representatives, which focuses on policy and strategy matters.
- 5.51 The groups expect that ACC will formally respond to their recommendations. The groups have made recommendations to ACC during 2013 and 2014 on several topics, including:
- medical assessments;
 - claimants managing themselves;
 - vocational independence;
 - improving forms, leaflets, and information sheets;
 - planning for discharges;
 - disputes and decision-making;
 - elective services; and
 - use of codes to record primary health care interventions.
- 5.52 In our view, the recommendations that the groups made appear to be well informed, thorough, and focused on improvement. It is important that ACC continues to give the recommendations due consideration to show that it is committed to having stronger focus on the needs of customers.¹⁸
- 5.53 The people we interviewed suggested several ways to improve ACC services, including how it uses case management to deliver those services. Appendix 2 provides details about those suggestions.

Complaints

- 5.54 Complaints are a source of information about customer satisfaction, experience, and expectations. Our August 2014 report on how ACC manages complaints looks at how ACC uses information about complaints.¹⁹ We found that ACC did not learn from complaints to the extent that we had expected.

¹⁸ We have excluded recommendations about government policy from our comments.

¹⁹ *Accident Compensation Corporation: How it deals with complaints*, available on our website at www.oag.govt.nz.

Using information to improve case management

- 5.55 Except for information about complaints, ACC uses information about performance and customer experiences to improve service delivery and design. However, it could use that information more, particularly for people with complex needs who do not reach the serious injury threshold.
- 5.56 Evidence suggests that ACC is using Customer Engagement Appraisal results as feedback to case managers and managers. However, ACC is not fully using the opportunity that the Customer Engagement Appraisal process offers to routinely collect customers' comments.
- 5.57 ACC is moving to using more customer satisfaction and experience information to improve the design of its practices. An example of where claimant guidance has been used to inform the development of an initiative is with the claimant self-managing pilot project for people with serious injuries.²⁰
- 5.58 Evidence about customer satisfaction and trust, as well as other evidence information, has been a main determinant in ACC's *Shaping Our Future* change programme. An important purpose of that programme is to make ACC's services focus more strongly on customers.
- 5.59 It is also important to note that introducing new information technology, a critical element of *Shaping Our Future*, does not automatically bring better results. We see better results when technology gives people the power to work differently.²¹
- 5.60 To ensure that ACC makes improvements, and to ensure that there is a return on ACC's substantial investment in consultants' reviews and advice over several years, it is critical that change projects are put into practice well and economically.
- 5.61 Because of the anticipated scale, complexity, and cost of the projects, putting them into practice successfully will be critical and challenging. ACC has identified that it will need to carefully manage the risks, particularly to *Shaping Our Future*.
- 5.62 Figure 9 lists the important change and improvement projects that we have identified as highly relevant to ACC's case management services. ACC needs to manage all of the projects effectively and economically.

20 This pilot project involves giving a budget to some serious injury clients, which they can directly manage themselves rather than ACC having to approve expenditure on individual items.

21 See our June 2012 report, *Realising benefits from six public sector technology projects*, available on our website at www.oag.govt.nz.

Figure 9
Change and improvement projects and their relationship to case management

Projects	Intended contribution to improved case management
<i>Client Service Optimisation</i>	To support case management, better matched to individual claimant need through streaming of claimants; and to improve ACC's internal and external clinical services and reduce fragmentation of those services.
<i>Forms, Letters, and Information Sheets</i>	To improve the readability of ACC's forms, letters, and information sheets that case managers use.
<i>Privacy</i>	To complete implementation of the recommendations from an independent 2012 review, ultimately to protect claimant information.
<i>Assist</i>	To improve service delivery to claimants with sensitive claims.
<i>Academy</i>	To help with the availability to case managers of specialist training in case management.
<i>Shaping Our Future</i>	To improve consistency of customer service delivery and customer experience, better link evidence to rehabilitation pathways for individual claimants, improve administrative practices, and add a more self-service-like service delivery channel.

Appendix 1: Excerpt from the Code of ACC Claimants' Rights

The eight rights of claimants, with ACC's corresponding obligations, are as follows.

Part 2: Rights and obligations of this Code	
Right	
1	<p>You have the right to be treated with dignity and respect.</p> <ul style="list-style-type: none"> a) We will treat you with dignity and respect. b) We will treat you with honesty and courtesy. c) We will recognise that you may be under physical, emotional, social, or financial strain.
2	<p>You have the right to be treated fairly, and to have your views considered.</p> <ul style="list-style-type: none"> a) We will treat you fairly. b) We will listen to you and consider your views. c) We will take into account, and be responsive to, any impairment you may have.
3	<p>You have the right to have your culture, values, and beliefs respected.</p> <ul style="list-style-type: none"> a) We will be respectful of, and responsive to, the culture, values, and beliefs of Māori. b) We will be respectful of, and responsive to, all cultures, values, and beliefs.
4	<p>You have the right to a support person or persons.</p> <ul style="list-style-type: none"> a) We will welcome you and your support person(s) provided that the safety of all involved can be assured.
5	<p>You have the right to effective communication.</p> <ul style="list-style-type: none"> a) We will communicate with you openly, honestly, and effectively. b) We will respond to your questions and requests in a timely manner. c) We will provide you with an interpreter when necessary and reasonably practicable. d) We will provide information in a form which you can access, and in a timely manner.
6	<p>You have the right to be fully informed.</p> <ul style="list-style-type: none"> a) We will provide information on how to make a claim for cover and entitlements. b) We will keep you fully informed. c) We will provide you with full and correct information about your claim, entitlements, obligations, and responsibilities. d) We will inform you if your entitlements change. e) We will give you information about how we provide services, and how to access them. f) We will discuss expected time frames with you. g) We will inform you of your review and appeal rights under the Act.

7	<p>You have the right to have your privacy respected.</p> <ul style="list-style-type: none">a) We will respect your privacy.b) We will comply with all relevant legislation relating to privacy.c) We will give you access to your information, in accordance with legislation.
8	<p>You have the right to complain.</p> <ul style="list-style-type: none">a) We will work with you to address problems and concerns.b) We will inform you about options available for resolving problems and concerns.c) We will inform you about the complaints process, and the normal time frames for dealing with complaints.

Appendix 2: Claimants' suggestions for improvements

The ACC claimants we spoke with shared their perceptions of ACC's case management process, their perceived experiences of ACC's service delivery, and their perceptions of improvements that ACC could make to improve case management and service delivery more generally.

We are grateful for the help of these claimants and their willingness to speak with us.

This Appendix describes the improvements that these claimants have suggested.

We provide this information in the interests of transparency and supporting service improvement. Perceptions are important because they influence how claimants behave and how they think about, and respond to, ACC's services. Perceptions also influence how claimants describe ACC to other people.

Suggestions about changing policy fall outside our mandate to comment on.

It is important to note that the information in this Appendix is based on in-depth qualitative interviews and is not necessarily representative of all claimants.

We acknowledge Colmar Brunton's help in interviewing ACC claimants on behalf of our Office.

Area for improvement	Specific changes suggested
Assessments	<ul style="list-style-type: none"> • are carried out by independent assessors who are focused on the claimant's best interests; • are accurate, tailored, and result in effective support; • (for vocational assessments) provide realistic occupational choices; • involve the claimant being fully informed about the role of the assessment and what the claimant is being assessed on; • always involve an assessor meeting a claimant and, therefore, are not based solely on a claimant's records; and • are not as frequent, particularly for claimants with conditions that do not change.
Case managers	<ul style="list-style-type: none"> • greater continuity of case managers who know a claimant's history, or improved handovers between case managers; • case managers who are upfront, honest, empathetic, supportive, and genuinely interested in a claimant's case; • case managers who do not focus on disempowering a claimant; • case managers who listen to treatment providers' recommendations and take these into consideration; • improved understanding of complex injuries (for example, head injuries and chronic pain); and • recognising that an injury can affect a whole family and not just the claimant, and that the family may also need support.

Communication	<ul style="list-style-type: none"> • ensure that claimants are fully informed about their entitlements, how to access those entitlements, ACC's processes and systems, ACC's rationale for decisions, and ACC's rationale for repeated assessments; • ensure that claimants receive consistent information about entitlements; • less generic communications tailored to claimants' individual circumstances; and • ensure that a range of communication channels are available, including a face-to-face option.
Claimant information	<ul style="list-style-type: none"> • ensure that information is correctly filed – especially for claimants with multiple claim numbers – and that claimants with multiple claim numbers have a master file; • ensure that claimants have access to all their records and information; • ensure that records are accurate; • ensure that information about decisions/outcomes is transparent; and • ensure that claimants have the opportunity to correct inaccuracies.
Legislation and governance	<ul style="list-style-type: none"> • increase accountability by appointing an ACC Ombudsman or independent board to review ACC's practices.
Organisational culture	<ul style="list-style-type: none"> • change the culture so that it is not focused on disentitlement, but is instead claimant-focused; and • ensure that a claimant-focused culture permeates ACC.
Reviews and appeals	<ul style="list-style-type: none"> • ensure that the review process is independent by appointing a review body outside ACC that is not accountable to it; and • ensure that the appeal process is independent and allows time for claimants to respond to evidence against them.

Publications by the Auditor-General

Other publications issued by the Auditor-General recently have been:

- Challenges facing licensing trusts
- Annual Report 2013/14
- Ashburton District Council: Allegations of conflicts of interest affecting decisions on a second bridge
- New Zealand Transport Agency: Maintaining and renewing the state highway network – follow-up report
- From auditor to soldier – stories of the men who served
- Accident Compensation Corporation: How it deals with complaints
- Ministry of Social Development: How it deals with complaints
- State-owned enterprises: Results of the 2012/13 audits
- Public entities' progress in implementing the Auditor-General's recommendations 2014
- The Auditor-General's strategic intentions 2014/15 to 2017/18
- Annual Plan 2014/15
- Setting up Central Agencies Shared Services
- Watercare Services Limited: Review of service performance
- Local government: Results of the 2012/13 audits
- Inquiry into the Plumbers, Gasfitters, and Drainlayers Board: Follow-up report
- Reflections from our audits: *Our future needs – is the public sector ready?*
- Health sector: Results of the 2012/13 audits

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