

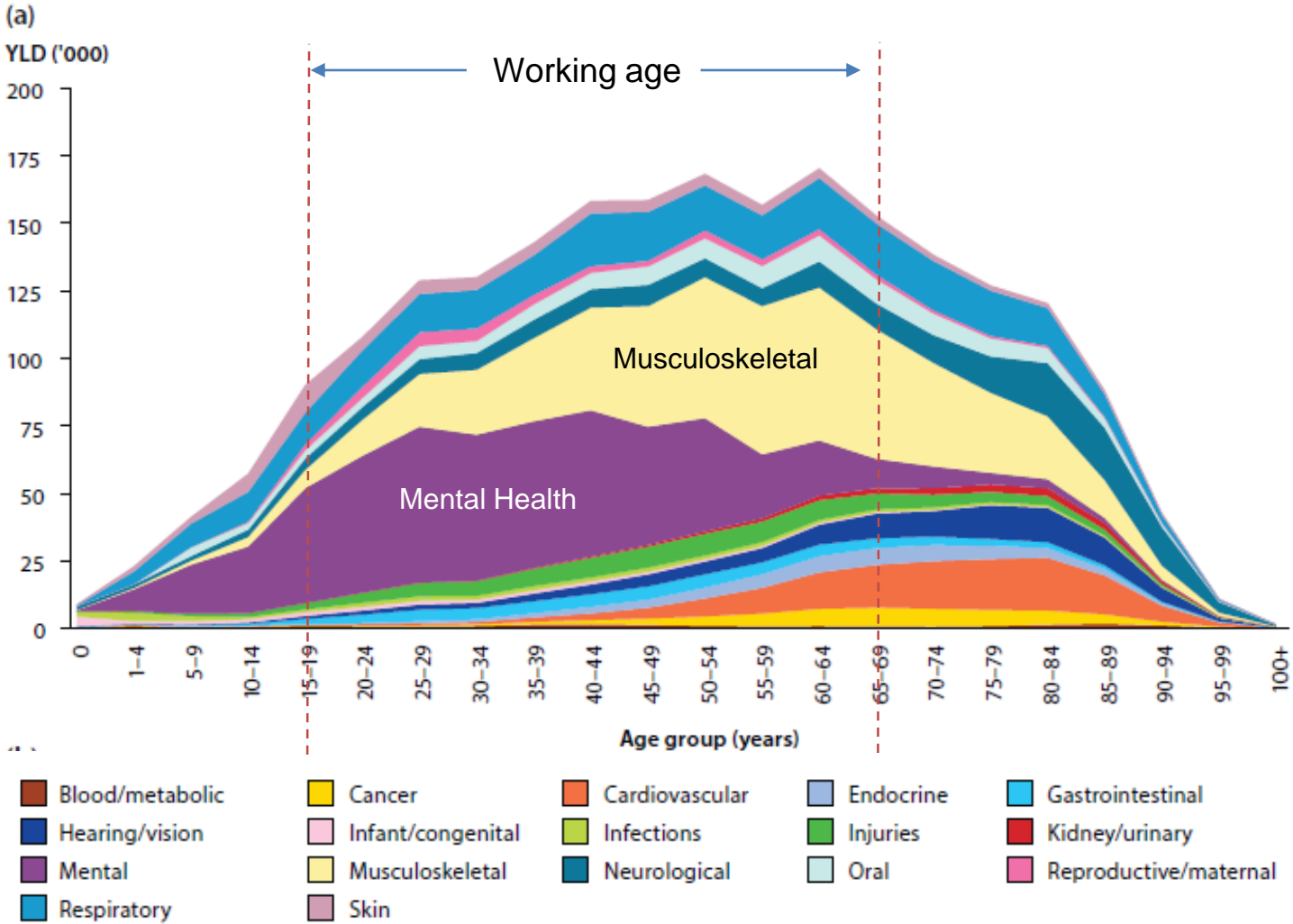
# The COMPARE project: Evaluating the impact of workers' compensation policy in Australia using quasi-experimental methods.

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# Burden of disease in Australia's working age population.



## Labour market, work injury and disease in Australia

- Approx 70% working age people are employed.
- Of these, >90% are covered by workers' compensation insurance.
- There were ~532,000 work-related injuries in 2014/15 (1 per minute)<sup>2</sup>
- There were 242,000 workers' compensation claims in 2014/15 (1 per 2 minutes)<sup>3</sup>
- Work injury has an estimated economic cost of \$61.8 billion or 4.1% of GDP<sup>4</sup>

1. Australian Institute of Health and Welfare (2016); 2. Australian Bureau of Statistics (2015); 3. Lane T et al (2016); 4. SafeWork Australia (2015).



Eleven major workers' compensation systems

Policy variation between systems regarding eligibility, income support, healthcare, dispute processes etc...

Regular changes in policy and practice within systems (legislation, regulation, treatment payment policy, practice).

Two sources of national data:

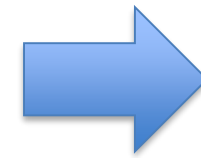
1. A national minimum database of workers' compensation data with a long time series.
2. A national return to work survey of injured workers covering all workers compensation jurisdictions.

➤ A natural experiment!

- Compensation Policy And Return to work Effectiveness (COMPARE) study.
- National comparative effectiveness study of the impact of workers' compensation policy on return to work (RTW) following work-related injury.
- Objectives
  1. Identify policy settings that have positive or negative impacts on return to work and time lost from work in Australians who make workers' compensation claims.
  2. Develop a government/research collaboration that enables transfer of knowledge between researchers, policy agencies, employers and workers.

# Features of our research design

1. Use real-world, population level data.
2. Use system relevant outcomes.
3. Identify and evaluate major policy events.
4. Use robust, quasi-experimental methods.
5. Engage with policy agencies throughout.
6. Logical progression of analyses (“slow build”).



Intent = influence  
future policy choices

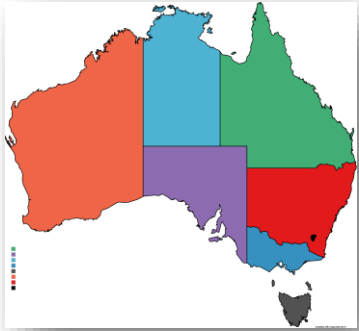
## National Dataset of Compensation Statistics

- Administrative (claims) data
- 2003/4 to 2016/17
- 4,363,267 cases
- 9 major workers' compensation schemes
- Standardised coding for type of condition, occupation, industry.
- Updated annually
- Longitudinal

## National Return to Work Survey

- Self-report (survey) data
- 2013, 2014, 2016 & 2018
- 19,225 cases @ ~4 to 24 months post claim
- 9 major workers' compensation schemes
- Standardised coding for type of condition and industry
- Conducted bi-annually
- Cross-sectional

# Comparison between jurisdictions suggests that policy variation is important



Standardised national cohort of claims with min 10 days time loss (N=95,655).

Cox regression adjusted for worker, job and workplace factors + jurisdiction.

Outcome = duration of time loss.

> State/territory of claim is significant predictor of time loss duration.

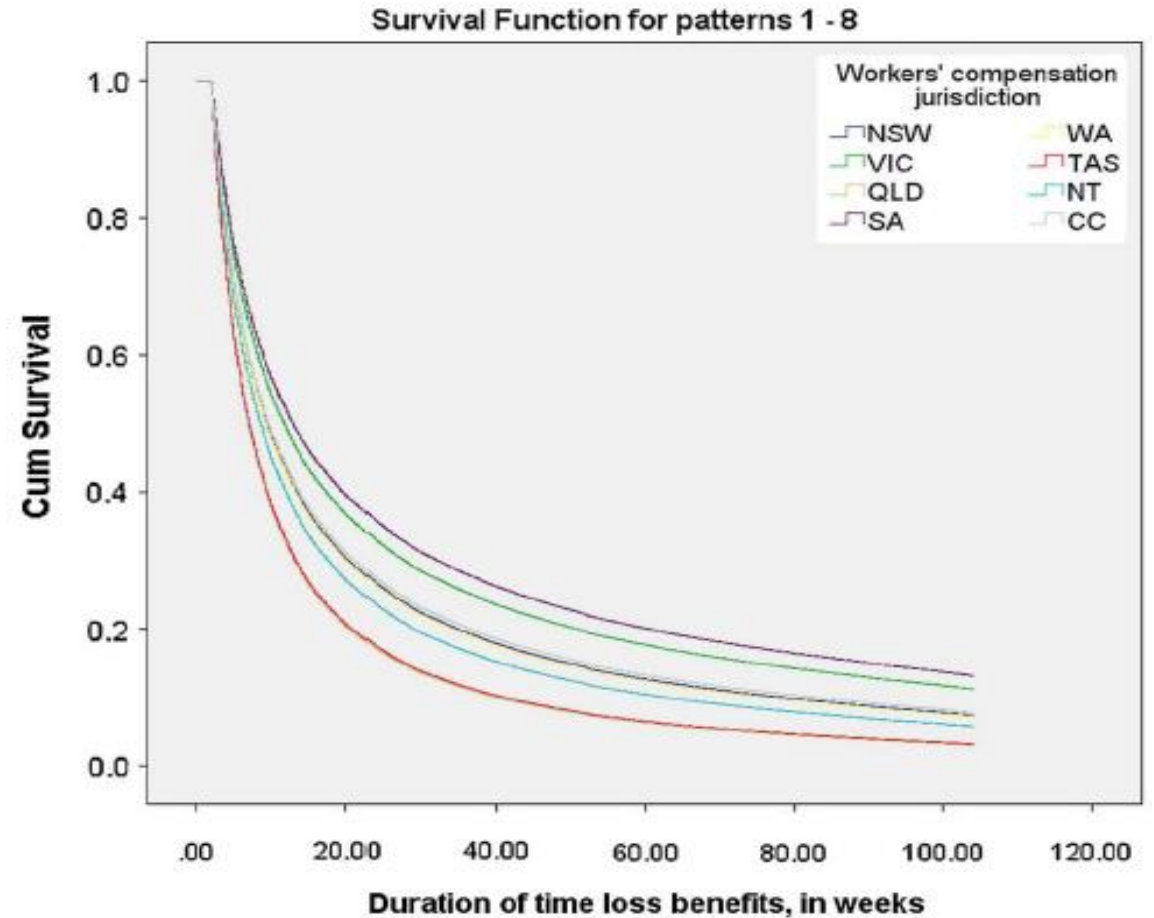


Figure 1 Adjusted survival plots for duration of time loss (weeks) by jurisdiction.

# Assessing the impact of legislative change on worker outcomes



## New South Wales 2012

- Restricted eligibility
- Limited benefit generosity
- Some groups exempt



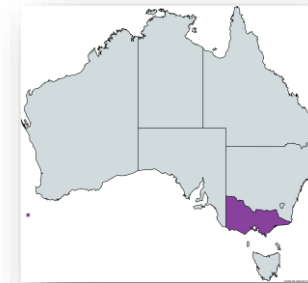
## Tasmania 2010

- New return to work model
- Increased benefit generosity



## South Australia 2009 & Tasmania 2010

- Employer incentives to lodge claims quickly



## Victoria 2010

- Increased benefit generosity



# Employer incentives to report injury quickly

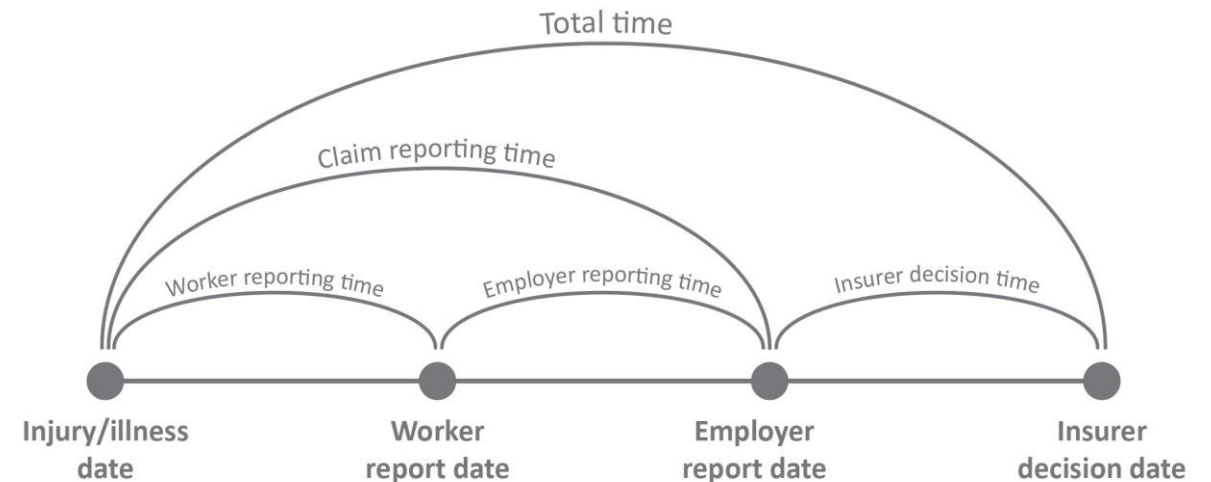
## South Australia

- January 2009
- 2 days to report
- Rebate on employer excess (first two weeks of compensated time loss)

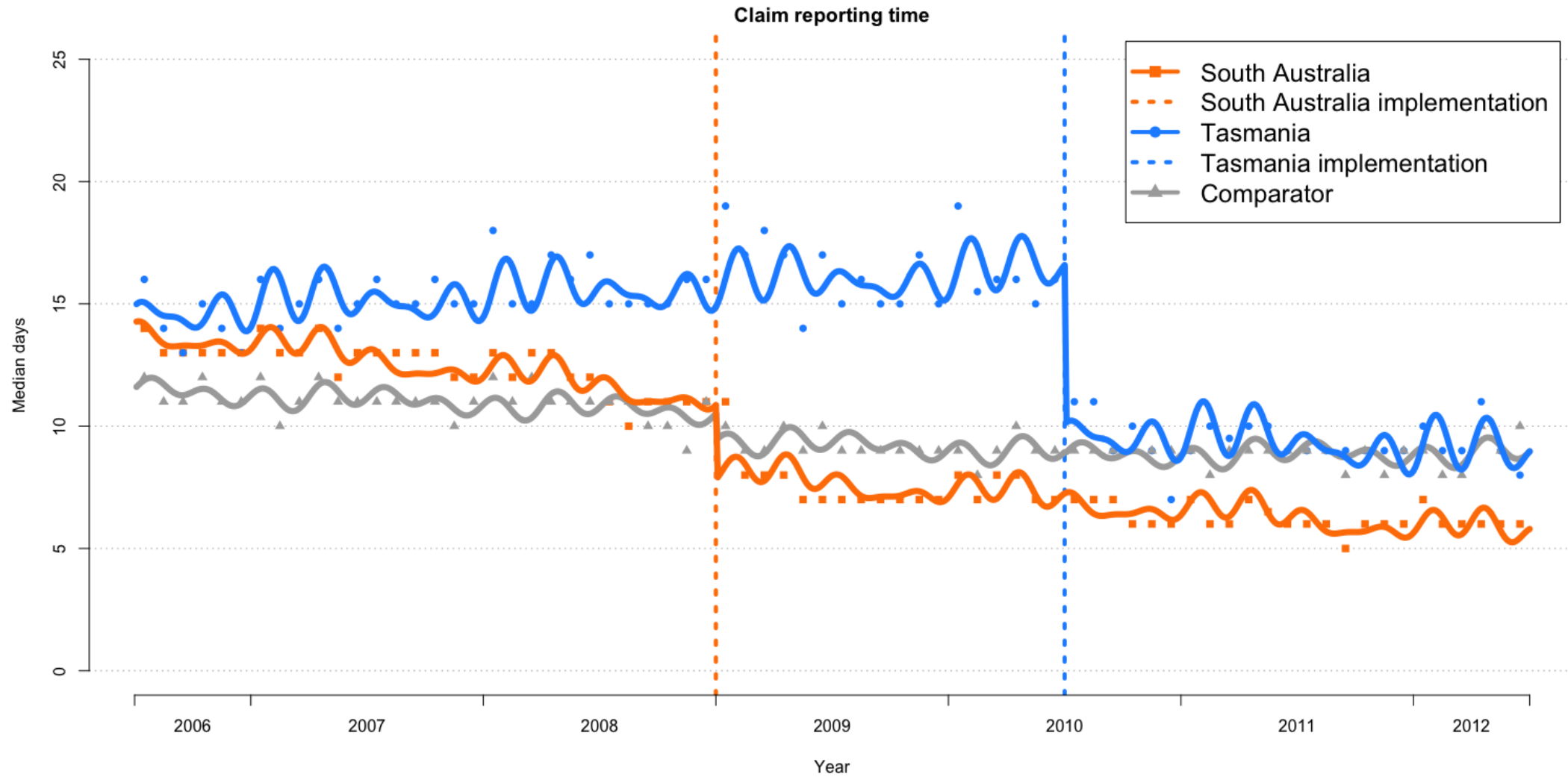


## Tasmania

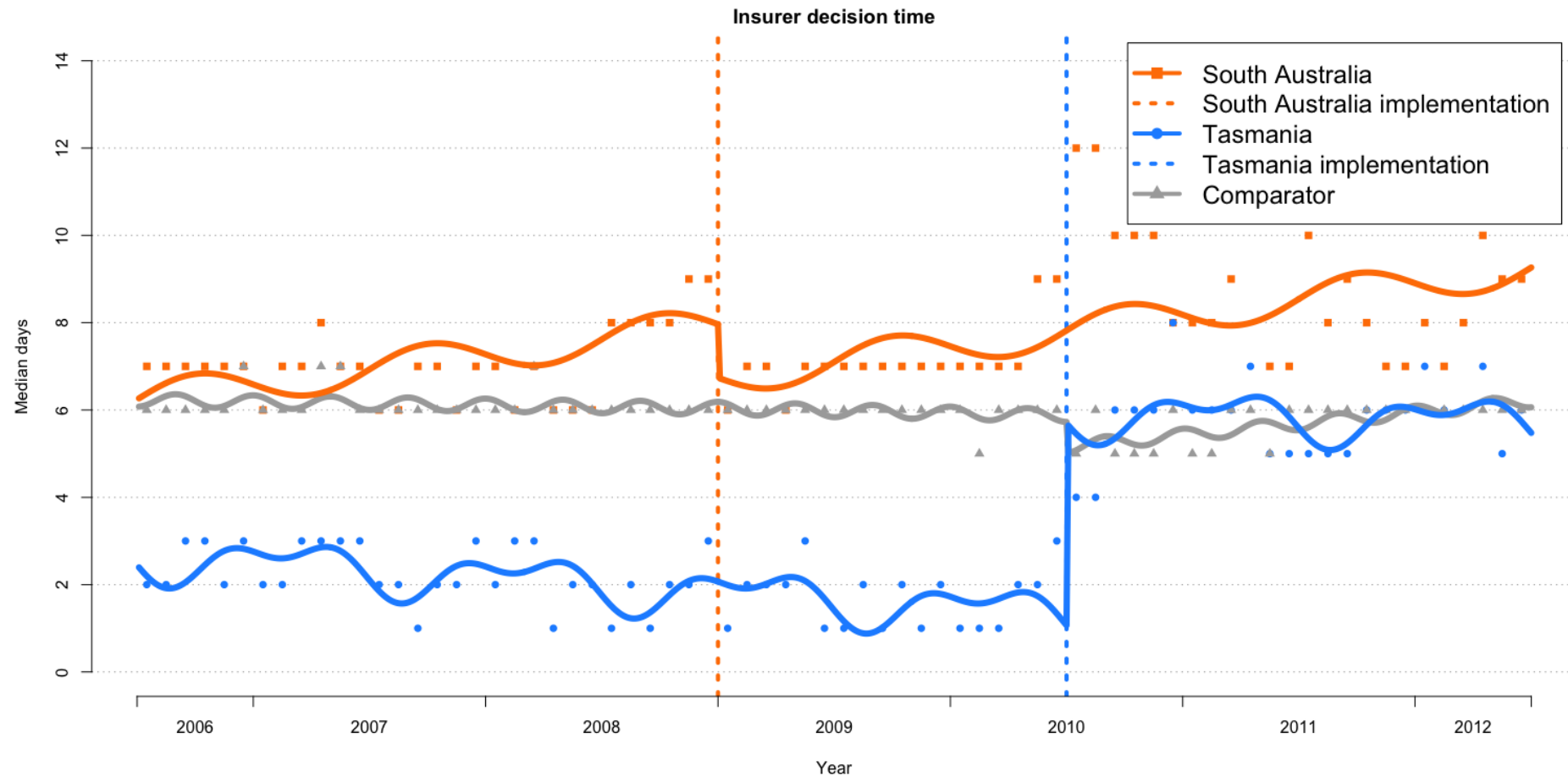
- July 2010
- 3 days to report
- Penalty incentive (wage replacement costs for each day late)



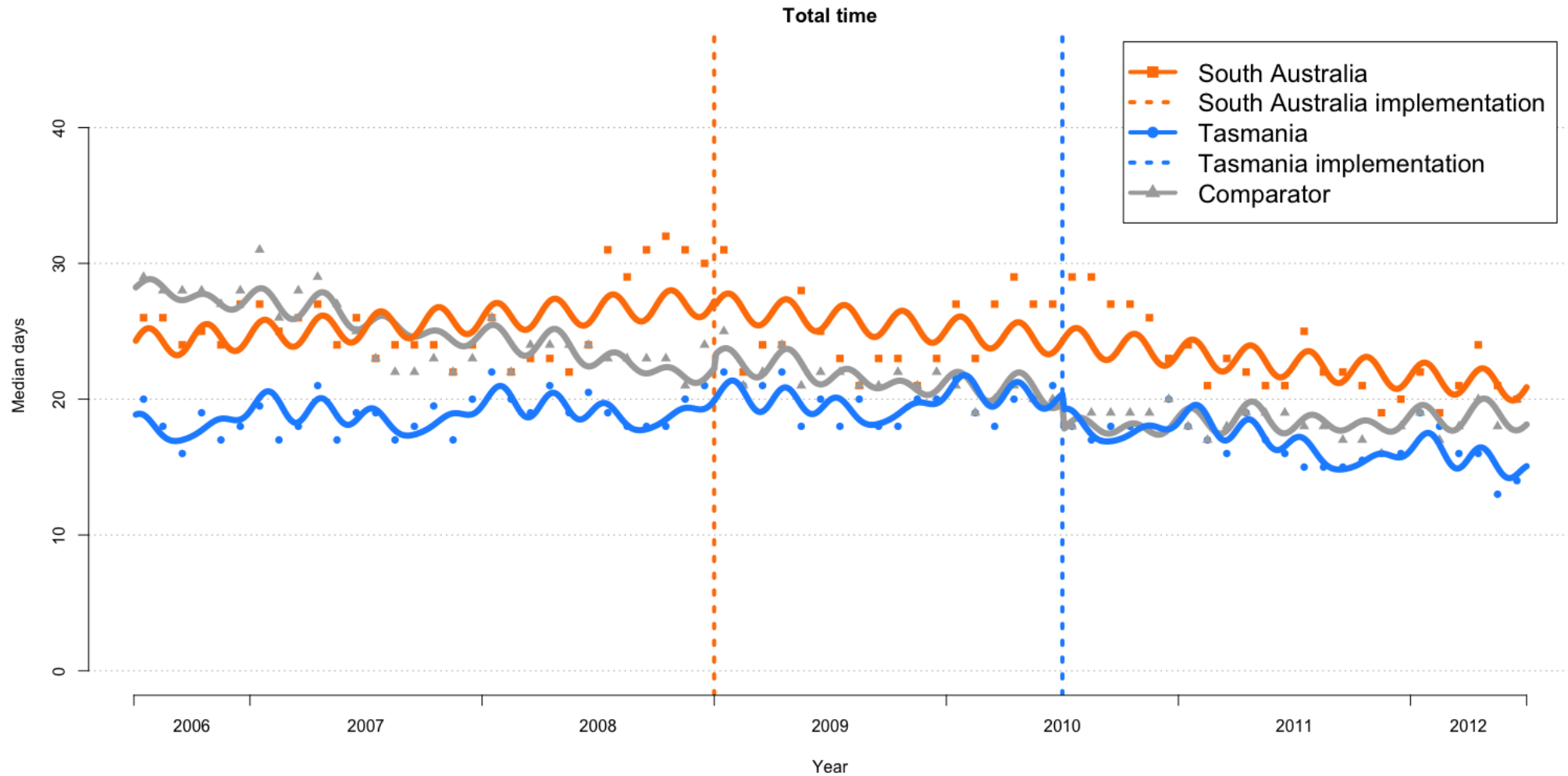
# Claim reporting time



# Insurer decision making time



# Total claim lodgement time



# Limiting eligibility for compensation to improve scheme financial sustainability

## New South Wales

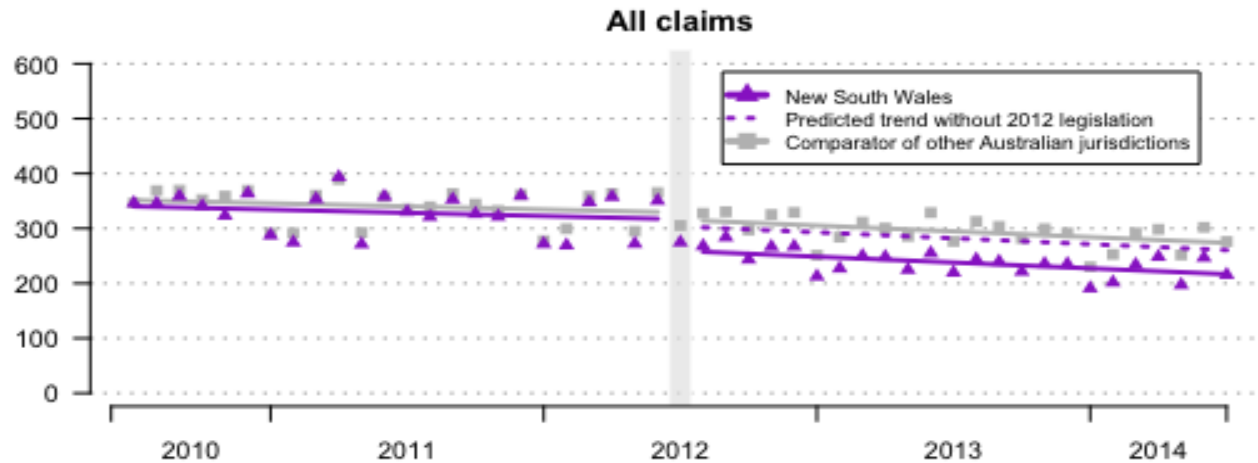
- Effective date 19 June 2012



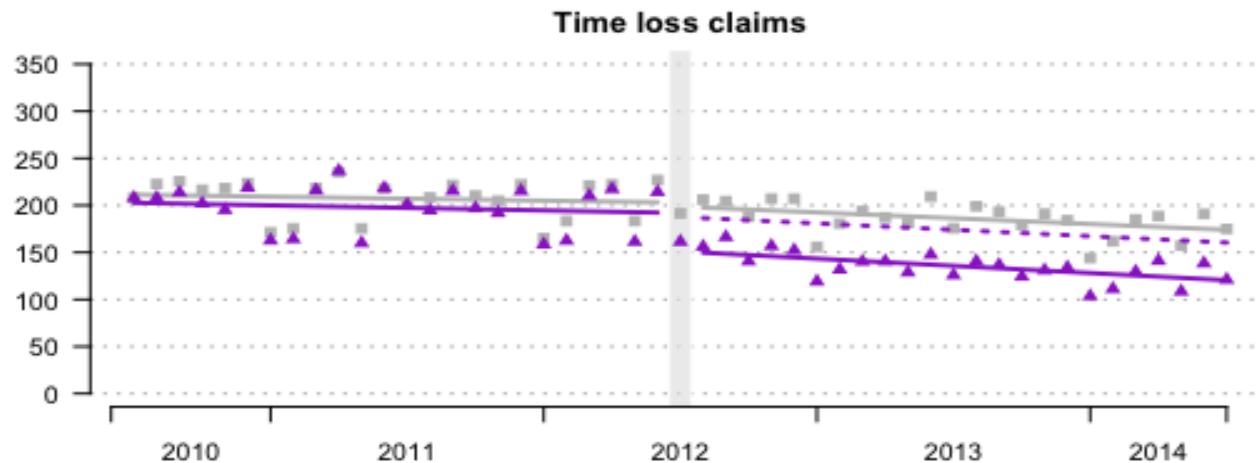
## Summary of changes to eligibility

- Claims for disease & mental ill health only compensable if employment was the main contributing factor.
- Journey claims (travel to and from work) require real and substantive connection between employment and accident/injury.
- Firefighters, Paramedics, Police and Coal Miners were exempted.

# Rate of claims per 100,000 workers (whole state)

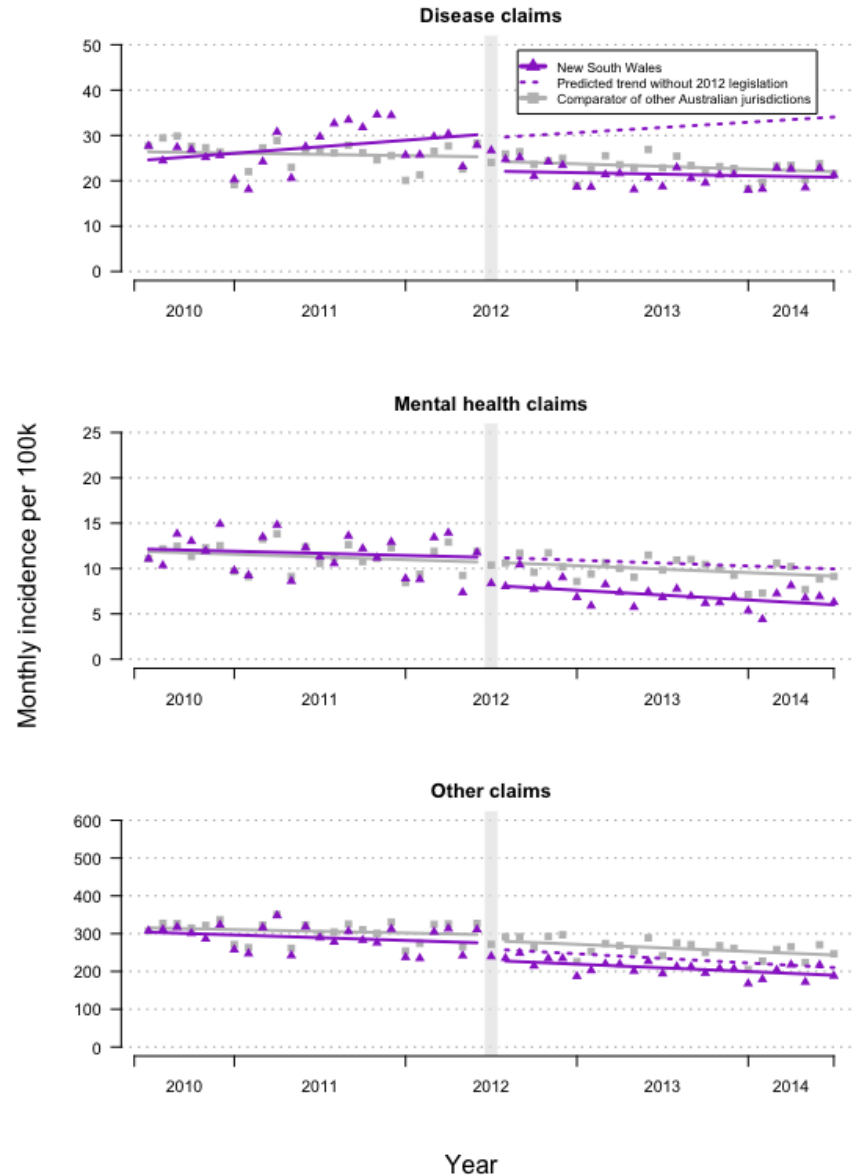


- Reduction in monthly claim incidence of 44.2 per 100,000 workers.
- Equivalent to a 14.6% reduction.



- Reduction in monthly claim incidence of 36.5 per 100,000 workers.
- Equivalent to a 19.6% reduction.

# Rate of claims per 100,000 workers (by condition)

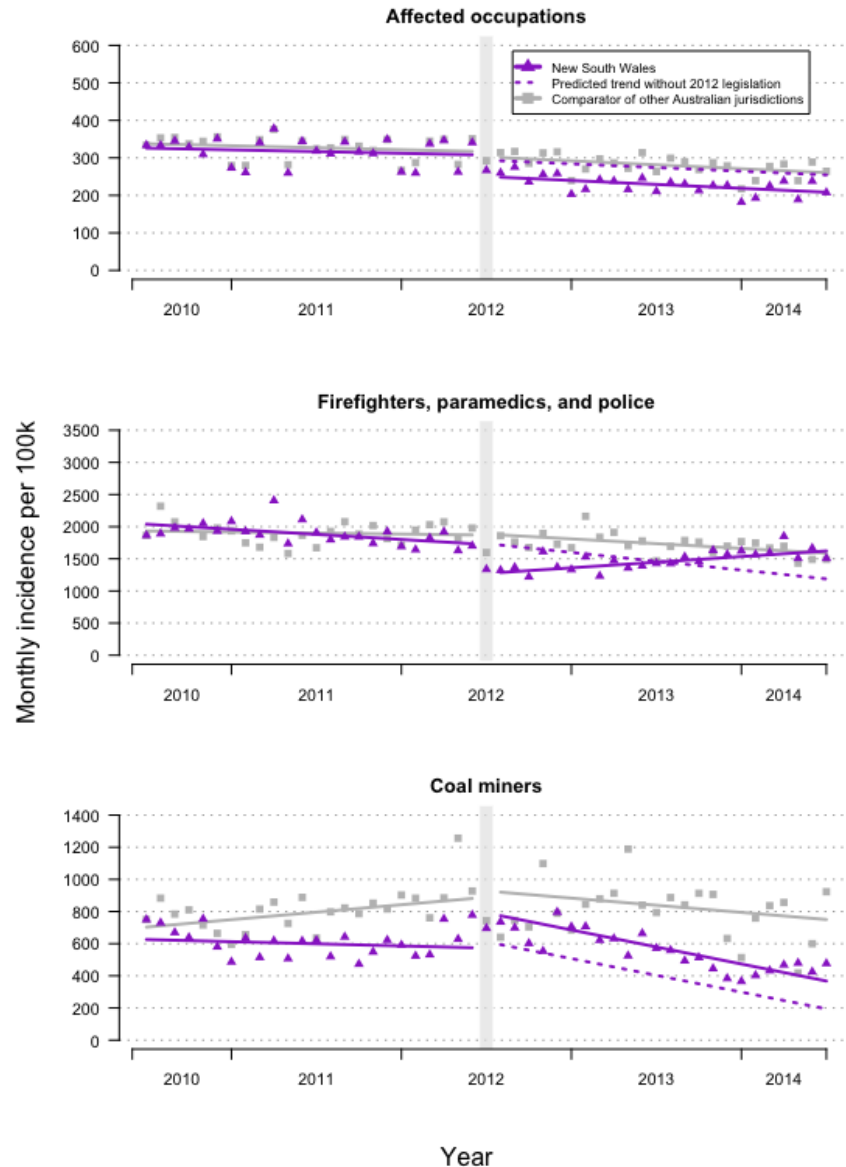


• 25.7% reduction in disease claims

• 27.9% reduction in mental illness claims

• 11.4% reduction in traumatic and musculoskeletal claims

# Rate of claims per 100,000 workers (by occupation)



- 14.9% reduction in affected occupations

- 24.7% reduction in first responders followed by long-term trend increase

- 30.1% increase in coal miners who were exempted from the policy change



- Engaged at all stages of research
  - Funding, data provision, identifying priorities for analysis, interpretation of findings
- Multi-sector
  - Regulatory authorities, employer representatives, trade unions
- Formal and informal engagement
  - 3 to 4 meetings per annum, many more conversations in between

- Work-related injury and disease is a substantial public health issue.
- Workers' compensation is the primary means via which Australian governments seek to support and rehabilitate injured and ill workers.
- Australia has a complex workers' compensation policy environment, and policy changes occur regularly.
- The COMPARE project is establishing an evidence base to support future policy design.
- Major next steps (1) Further policy evaluation using existing data (2) Extend database to allow examination of quality of health care.

## **Funding**

The COMPARE Project is supported by funding from (1) WorkSafe Victoria through the Institute for Safety Compensation and Recovery Research; and (2) Safe Work Australia.

## **Data**

The data used in the COMPARE Project is provided by (1) Comcare and by the following organisations via SafeWork Australia: (2) WorkSafe Victoria (3) WorkCover Tasmania (4) WorkCover WA (5) ReturnToWork SA, (6) State Insurance Regulatory Authority of NSW (7) Office of Industrial Relations, QLD Govt (8) ACT Government and (9) NT WorkSafe.

## **Advisory Group**

The project advisory group includes representatives from the above organisations plus (1) the Australian Industry Group; and (2) the Australian Council of Trade Unions.

## **Collaborators**

The project has academic collaborators from the University of British Columbia in Vancouver, Canada; the Institute of Work and Health in Toronto, Canada; and the University of Melbourne.