

Performance management program

For Queensland workers' compensation insurers

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Introduction

The legislation charges Q-COMP with responsibility to monitor both compliance and performance of insurers. The primary objective of this Performance Management Program is to promote standards of excellence in claims management and rehabilitation within the Queensland workers' compensation scheme and ensure optimal insurer compliance with the legislation. The program provides a framework that enables Q-COMP to monitor insurers with transparency, fairness, accountability, impartiality, and responsiveness.

This program represents a rigorous and comprehensive approach to compliance and performance monitoring with a single framework for *all* insurers.

The purpose of this document is to detail the Insurer Performance Management Program. The document is essentially in two parts:

- A summary of the key elements in the program including **what** happens, **how** it happens, **when** it happens and **who** is responsible for each element,
- Each element is referenced to a detailed document used by Q-COMP officers or insurers when actioning an element. The reference documents form the second part.

This document was first issued on 28th October 2003. Q-COMP reserves the right to revise or amend this program from time to time. Users should ensure they have a current version before relying on the document.



Insurer Performance Management Program



#	What we do	How we do it	When we do it
Our approach			
1	<p>Relationship Management</p> <p>Our fundamental approach is underpinned with the development of good working relationships with insurers based on transparency with regular and open communication.</p> <p>To provide sound, consistent service quality and service continuity to insurers, each insurer has been allocated a specific Insurer Advisor with responsibility for management of the licencing, compliance and performance monitoring program for their allocated insurers.</p>	<ul style="list-style-type: none"> • Insurer advisors will make at least monthly contact with each insurer, and more where there are particular issues. Contact will be primarily phone and email, with a face-to-face meeting at least annually • Individual insurer performance meeting • Insurer Forums on specific scheme-wide regulatory issues 	<p>Ongoing</p> <p>Annually</p> <p>As required</p>
2	<p>Self-insurer Prudential Supervision</p> <p>The legislation charges Q-COMP with prudential regulation of self-insurers.</p>	<ul style="list-style-type: none"> • Review the controlled entities and ensure all are covered by the licence • Review of self-insurer's annual reports to ensure workers' compensation liabilities are appropriately provisioned • Assessment of the valuation of the estimated claims liability submitted in the self-insurer's actuarial report: <ul style="list-style-type: none"> • is reasonable if over \$5m • complies with Actuaries of Australia Professional Standard 300 • complies with AASB1023/AAS26 • complies with Section 84(6) of Workers' Compensation and Rehabilitation Act 2003. • Adjust bank guarantee levels to take into account the current assessed total liabilities • Assessment of the self-insurer's long term financial viability • Ensure adequate reinsurance cover is in place 	<p>Annually</p> <p>Annually</p> <p>Annually</p> <p>Annually</p> <p>Ongoing</p> <p>Annually</p>





#	What we do	How we do it	When we do it
3	Self-insurer Licence Renewal		
3.1	Insurer applies at least 60 business days prior to expiration of licence.		
3.2	Actuarial report assessed	Assess reasonableness of all assessed liabilities	Prior to renewal recommendations
3.3	Bank guarantee assessed for adequacy	Review guarantee against current actuarial report	Prior to renewal recommendations
3.4	Reinsurance policy assessed for coverage and adequacy	Review policy against membership of group	Prior to renewal recommendations
3.5	Occupational Health & Safety performance assessment	Request current report from Workplace Health and Safety Queensland	Prior to renewal recommendations
3.6	Assess self-insurer's fitness & propriety (s75)	<ul style="list-style-type: none"> Financial viability assessment Assess adequacy of self-insurer's systems and resources for managing claims and rehabilitation Assess whether self-insurer has exercised its powers and performed its functions reasonably 	Prior to renewal recommendations
3.7	Assess the adequacy of workplace rehabilitation policies and procedures	<ul style="list-style-type: none"> Review of Insurer's Self-Assessment Report and Action Plan Site Audit - if necessary Data analysis Review of recent performance reports Review of complaints and matters recorded in the Issues Management Database 	Prior to renewal recommendations





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3.8	Assess claim management performance	<ul style="list-style-type: none"> • Review of Insurer's Self-Assessment Report and Action Plan • Site Audit - if necessary • Claims Data analysis for trends • Registration for claims staff • Review quality and frequency of supply of claims data to Q-COMP • Review of recent performance reports • Review of complaints and matters recorded in the Issues Management Database 	Prior to renewal recommendations
4	<p>Insurer Complaints Management</p> <p>Complaints made directly to insurers:</p> <p>Insurers are expected to have documented complaints management system that ideally complies with AS ISO 10002- 2006 Customer Satisfaction - Guidelines for complaints handling in organisations.</p>	<ul style="list-style-type: none"> • Each insurer must have implemented a complaints management system that ideally complies with AS ISO 10002- 2006 and applies to workers' compensation complaints • The complaints management system will be reviewed as a part of the self-assessment or Q-COMP audits 	Ongoing
5 5.1	<p>Issues Management</p> <p>Recording:</p> <p>Issues relating to insurer performance will mainly arise from audits, complaints and data analysis. Issues will be recorded in the Issues Management Database in accordance with the Q-COMP Issues Management Policy</p>	Using Issues Management Database software	As occurs





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5.2	<p>Issues Management Assessment and action: Given the complex nature of workers' compensation management there will always be complaints, compliance and performance issues. It is critical that we focus Q-COMP and insurer effort on the significant issues that impact on scheme wide performance or are potentially detrimental to injured workers.</p>	<p>Issues will be assessed by the relevant Insurer Advisor with input from other relevant staff and rated as either a Major or Minor issue.</p> <ul style="list-style-type: none">• Minor issues: the Insurer Advisor handles directly with the insurer's nominated representative and resolves the issue• Major issues: Issues with a scheme-wide impact or that may be of a significant detriment to a worker. The Insurer Advisor investigates the issue and discusses with the Executive Manager ISU. The Manager determines the strategy to achieve corrective action. Generally, the Insurer Advisor will seek resolution of the issue with the insurer's workers' compensation manager	As occurs





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5.3	<p>Issues Management Escalation of unresolved issues</p> <p>Almost all issues are resolved between the Insurer and their assigned Insurer Advisor. Unresolved issues will be escalated to promote resolution in a timely and efficient manner.</p>	<ul style="list-style-type: none"> Initially, unresolved issues will be escalated from the Insurer Advisor to the Executive Manager ISU. All unresolved issues will have been subject to written communication with the insurer prior to escalation. The Executive Manager ISU would communicate with the insurer's relevant Senior Officer to resolve the issue A decision will be made on whether to escalate a minor unresolved issue, or leave it unresolved and report it as an item in future performance reports Major issues remaining unresolved following Executive Manager ISU intervention, will be escalated to the CEO of Q-COMP who would communicate with the CEO of the insurer in an effort to resolve the issue. Major issues that remain unresolved following CEO intervention, may be submitted to the Q-COMP Board with recommendations for one or more of the following actions: <ol style="list-style-type: none"> further meeting with Senior Management from the Insurer, impose licence conditions if a self-insurer, legal action, non-renewal of licence under the "Fit and proper" provisions. Agreed actions to resolve escalated issues will be confirmed in writing and subject to monitoring by the Insurer Advisor 	<p>As occurs</p> <p>As occurs</p> <p>As occurs</p> <p>As occurs</p>
5.4	<p>Issues Management Reporting:</p> <p>Issues that are unresolved following Q-COMP intervention will be reported to the Q-COMP Board each month.</p> <p>Issue Management statistics and commentary will form a part of Insurer Performance Reporting</p>		<p>Monthly</p> <p>Monthly & Quarterly</p>





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6	<p>Rehabilitation Case Management Insurers are responsible for securing the rehabilitation and early return to suitable duties of workers who have an entitlement to compensation. Self-insurers have obligations for rehabilitation as both the insurer and the employer.</p> <p>Q-COMP recognises that the quality of insurer case management can directly impact rehabilitation outcomes. Q-COMP will monitor insurers rehabilitation performance.</p>	<ul style="list-style-type: none"> • Insurer self-assessment • Review of complaints and matters recorded in the Issues Management Database • Data analysis of Return-to-Work indicators • Following identification of rehabilitation issues Q-COMP may investigate using the following: <ul style="list-style-type: none"> • Discussion with key stakeholders in the issue • Q-COMP audits of the insurer and its accredited workplaces • Stakeholder interviews • Stakeholder surveys. 	<p>As required As required</p> <p>As required As required As required Monthly Monthly</p>
7	<p>Claims decision makers Insurers register claim decision makers with Q-COMP. Q-COMP monitors the performance of individual claims staff.</p>	<ul style="list-style-type: none"> • Monitor claims decisions following insurer data load • Monitor review outcomes for decisions that are set aside or varied. 	<p>Monthly Monthly</p>
8	<p>Data management & provision Insurers provide data to Q-COMP on a monthly basis in accordance with data specifications determined by Q-COMP. Data errors are reported back to the insurers for rectification.</p> <p>Data is utilised for State and National reporting via the National Data Set and Comparative Performance Monitoring.</p>	<ul style="list-style-type: none"> • Provide insurer access to Worker Injury and Payment Profiles • Insurers will submit claims data monthly • Monitor number of errors and the timeframes until rectification • Insurers will submit claims reconciliation data 	<p>As required Monthly Monthly Half yearly</p>





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Key tools			
9	<p>Statistical Analysis & Performance Reporting</p> <p>Insurers are expected to analyse their own data to determine key performance trends for their own analysis and action.</p> <p>Q-COMP will assess the interaction between <i>all</i> areas of Q-COMP and the insurer when compiling regular Performance Reports for insurers.</p>	<p>Each insurer will receive:</p> <ul style="list-style-type: none"> • Monthly validation report • Monthly statistical report • Notification of unusual trends or potential exceptions to legislative compliance • Performance risk profile showing the Insurer Advisors' judgment of the insurer's performance compared to other insurers • Comprehensive statistical report benchmarking each insurer against the scheme and where possible then industry. 	<p>Monthly Monthly Monthly</p> <p>Quarterly</p> <p>Annual in November</p>
10	<p>Self-Assessment Report and Improvement Action Plan</p> <p>Insurers will be expected to undertake a Self-Assessment audit and then provide a report to Q-COMP detailing the results with an action plan for rectification and continuous performance improvement.</p> <p>Q-COMP will assess the report and determine the need for any additional Q-COMP investigation and audit activity.</p> <p>It is anticipated that Q-COMP would only conduct its own audits if there were significant performance issues arising from the Self-Assessment Report, data analysis or complaints.</p>	<p>Other than in the year of licence renewal, insurers are to submit a self-assessment plan to Q-COMP as follows:</p> <ul style="list-style-type: none"> • For new insurers- annually following first licence renewal • For established insurers with good performance- mid term of licence period • As requested by Q-COMP • Q-COMP review the plan and negotiate any changes • Insurers implement the Self-Assessment Plan including their own audits. Self-assessment audits can be conducted by: <ul style="list-style-type: none"> • the insurer's internal audit unit, or • an external party agreed by Q-COMP • the self-insurer's workers' compensation unit (this option requires a Q-COMP verification audit) • Upon completion of the Self-Assessment process a written report including an improvement action plan is forwarded to Q-COMP signed off by the insurer's senior officer in Queensland and/or the superior of the licence manager in the State • Q-COMP Insurer Advisor will review the report and action plan and conduct any further investigations required to clarify compliance and performance • Q-COMP will monitor completion of the action plan. 	<p>The self-assessment plan and report timing is nominated by the Insurer Advisor for each year.</p> <p>WorkCover Queensland provide a public, comprehensive report to Parliament annually.</p>





#	What we do	How we do it	When we do it
11	<p>Q-COMP Audits Standard Q-COMP audits: Q-COMP will conduct a systems based audit of each self-insurer in the year prior to their licence renewal application.</p> <p>New Self-insurers will be subject to annual Q-COMP audits for the period of their first licence - 2 years.</p>	<ul style="list-style-type: none"> • Data analysis at Q-COMP • Document and site based audit against criteria in the <i>Insurer Performance Standards and Guidelines</i> document and against compliance with the Act and Regulations • Interview of key insurer staff • If necessary, interview supervisors and/or claimants to clarify issues 	<p>Prior to licence renewal</p> <p>After six months of new licence</p>
	<p>Q-COMP Audits Targeted Q-COMP audits: Q-COMP will conduct an audit if there are significant performance issues arising from the self-assessment report, data analysis or complaints. Q-COMP reserves the right to conduct audits at any time.</p>	<p>Either full system audit or specific audit of relevant components depending upon the performance issues identified.</p>	<p>As required</p>
12	<p>Stakeholder surveys Qualitative research may be required to explore issues identified from the Issues Management Database, data analysis or audits. Qualitative research is particularly useful when factual and reliable insight is required into stakeholder perception of insurer performance.</p>	<ul style="list-style-type: none"> • Mailed Questionnaires • Telephone surveys • Structured personal interviews <p>The best tool for the specific issue would be chosen.</p>	<p>As required</p> <p>As required</p> <p>As required</p>

