

September 2009 Union update on the ACC Partnership Programme (AEP)



NEW ZEALAND COUNCIL OF TRADE UNIONS
Te Kauae Kaimahi

This quarterly newsletter is for Union officials, Delegates, H&S reps who are involved with the ACC Partnership Programme (AEP). The newsletter will provide information on ACC news and operational changes relating to the programme. The content of this newsletter includes:

1. Government ACC stock-take announced
2. Union training and information resources on the AEP
3. Regional Joint Employer/Union/ACC Partnership Programme meetings
4. Guidelines for employee participation in the audit process
5. ACC's review of the AEP audit methodology
6. Union Issues-Transfer of liabilities
7. Better @ Work Programme

Government ACC stock-take announced

ACC Minister Nick Smith has announced that an ACC stock-take will begin this month. The Minister says the purpose of the stock-take is to analyse how the scheme could be improved and how financial savings could be made.

Why an ACC stock-take?

Nationals 2008 election manifesto indicated their intention to reform/privatise ACC. The Government cites "ballooning" ACC expenses as the reason for the 'stock-take'. The CTU, Labour and Green Party ACC opposition spokespeople, independent ACC commentators and the former ACC Board have all challenged the Government's claims of a financial 'blow out.' The former Board of ACC wrote a letter to the ACC Minister challenging the accusations and showed that the majority of the increase in ACC liabilities came from the drop in the anticipated rates of return on ACC's investments, along with changes to actuarial accounting standards.

This view was supported by Actuary Jonathon Eriksen of Eriksen & Associates said;

"All this talk of liabilities being blown out is complete nonsense. It's ill-founded and smacks of scaremongering..."

Q. Is ACC more expensive than other workers compensation schemes?

A. NO. A recent Price Waterhouse Coopers report compared ACC workers compensation costs with the Australian systems. It found the cost of ACC per \$100 of earnings is significantly higher in Australia than here.

What will the Government's ACC stock-take look at?

The stock-take will include investigating the possibility of employers managing non-work injuries, contracting out claims and rehabilitation management to the private sector and changes to ACC legislation.

Should employers manage non-work injuries?

The management of injuries by the employer is already a feature of the ACC Accredited Employer Programme (AEP). The AEP allows employer to 'step into the shoes' of ACC and manage the treatment, compensation and return to work of a person who suffers a work injury. 316,000 people are employed by accredited employers and 85% of those employers contract out the claims handling and return to work functions to a third party provider (TPA).

Do employers (or their third party providers) provide better services to injured workers than ACC?

Research NZ did a comparison of return to work outcomes and claimant satisfaction between claims managed by AE's/TPA's and ACC. The research found,

"ACC would appear to have a better performing service delivery model than the Accredited Employer programme based on claimant satisfaction feedback".-Research NZ, 2008

The same research found the sustainable return to work rates are similar between AE's and ACC. However injuries managed by third party providers had an earlier return to work rate than both ACC and Accredited Employers. Unfortunately whilst TPA's return people to work faster it was less sustainable indicating people were returned to work before they were ready and were subsequently reinjured.

The research from the Accredited Employer Programme show that injured employees prefer to have their claim and return to work managed by ACC than by a third party provider.

The CTU opposes the Government's 'stock-take' to allow employers (or their third party providers) to manage non-work as well as work injuries.

2. Union training and resources on the ACC

The 2008 review of the Partnership Programme recommended the development of training for union delegates and health and safety representatives to support their understanding of rehabilitation and claims management processes and their roles in these processes.

The CTU and ACC have developed a training outline for joint employer/employee rep training this is currently being consulted on by employers and unions.

The programme will be split into four sections:

- 1. Code of claimant's rights** – includes introducing the concepts of working together, acting in fairness, effective relationships, engagement, etc
- 2. Cover and entitlements** – minimum levels (legislation) of what is/isn't covered, common areas of dispute/misunderstanding, etc
- 3. Helping employees get back to work** – rehabilitation, return to work, separating injury management from employment issues, etc
- 4. Complaints process** – breakdown in relationships, disputed decisions, problem solving, resolving conflict, etc.

Initial consultation will conclude in September 09 and an update will be provided at the October regional joint employer/union/ ACC regional meetings.

Claimant handbook update

The AEP review recommended the tripartite development of an claimant handbook to inform claimants about their ACC entitlements within the Accredited Employer Programme and to support effective management of injury and rehabilitation.

The document is at final draft stage and will be available to unions by November 09.

3. Regional joint employer/employee/ACC Partnership Programme meetings-

Meetings are open to all accredited employers, third party administrators, and NZCTU affiliated Unions

ACC, the NZCTU, and employers will be given equal speaking time at meetings to discuss issues, ideas relating to the programme.

The agenda for the October meetings is being finalised however the workshop component will discuss the "transfer of liability issue". Please see **Union issues" next page for information regarding this issue**

Try and ensure your union is represented, this is a good opportunity for unions, employers and ACC to meet and discuss issues that affect workers employed by companies in the programme.

Meeting dates and venues are across the page.

Auckland	Tuesday, 6 October, 10.00am -1.00pm	Waipuna Hotel and Conference Centre, Waipuna Road
Wellington	Thursday 8 October, 10.00am -1.00pm	Wellesley Hotel, Maginnity Street
Christchurch	Friday 9 October 10.00am-1.00pm	Copthorne Hotel Commodore, 449 Memorial Avenue
Southern-Dunedin	Friday 16 October Reference Group 10.00am - 1.00pm Technical Session 1.30pm – 3.30pm	Mercure Dunedin Leisure Lodge Duke Street Dunedin

4. Employee participation in the entry and audit renewal processes under the AEP

Guidelines are currently being developed by the Tripartite Advisory Forum to improve union and employee participation in the Partnership Programme (PP) application process, annual renewal process (specifically the self assessment), and the injury management process.

Recommendations include a requirement for the employer to provide ACC when applying to be part of the programme and at annual renewal with a written description of their agreed employee participation system detailing how employers, and employee reps will engage in respect to the requirements of the AEP Framework, e.g. Injury Prevention; Injury Management, the self assessment audit.

Other recommendations include amend the ACC753 ACC Partnership Programme Renewal Form to expand the Employee Representative Declaration to allow for sign-off by union official(s) or other union nominated representatives.

ACC have asked for feedback on these recommendations by 13th September 09. For a copy of the recommendations email tinam@nzctu.org.nz

5. ACC's review of the partnership programme audit methodology

The 2008 review of the Partnership Programme identified the issue of the current PP audit system being focused on the establishment of systems rather than on quality outcomes.

An ACC Auckland working group has been working on developing a **more outcome-focused approach**. **Four working groups have been reviewing the following aspects of the audit,**

Topics for review
Strengthening the workplace observation portion of the audit, including auditor training and more information about hazards being made available to auditors
Considering a points system to replace the current yes/no tick box approach of the audit standard
Strengthening the self-assessment process including guidelines for self-assessments in on "how to" for involving employees.
Focus groups, consensus groups- including looking at different models of focus groups and developing guidelines on the make up of focus groups

Union representatives on the four working groups include, Tina Mclvor- CTU and Fritz Drissner- EPMU. Final recommendations for changes to the audit methodology are due to occur in April 2010.

6. Workers Issue- Work or non work injury- who covers?

Who provides compensation when there is a dispute over coverage? There is sometimes protracted debate between the employer and ACC or between two accredited employers on who is responsible for managing a claim. Whilst the parties are in dispute the injured person is without cover or entitlement.

An agreed process for resolving the transfer of liability issue is being considered by a working group of ACC, CTU and Accredited Employer reps. The October regional meetings will run a workshop on the issue. Scenarios of where the transfer of liability issue occurs will be presented at the forums. Participants will be encouraged to discuss possible solutions to the issue and comment on the work of the working group.

7. ACC Better @Work programme

Background-

The Better@Work pilot project was launched in Taupo in March 2009. This project is run by ACC and the Lake Taupo Primary Health Organisation who have employed a Better@Work Coordinator. The coordinator will make contact with injured workers 2 – 5 days after their appointment with their GP. The idea is the Better@Work coordinator will facilitate the worker's return-to-work by acting as a broker between the doctor and the employer.

Update-

Up to four PHOs will now be invited to participate in an extension of the Better@Work prototype. This is to enable a trial of the Better@Work coordinator in areas where employers could be widely geographically spread and co-ordination may not be as straightforward as with the Taupo prototype.

An evaluation is starting on the Taupo prototype including qualitative and quantitative processes with injured workers, employers, doctors and others involved.

Concerns were raised by unions regarding the incentive payments made to GP's. Unions raised the issue of a conflict of interest between earning the incentive and the needs of the patient (i.e. that the incentive payment would encourage GP's to return workers to work when it was not in their best interests). The GP's have now agreed that money made by way of the incentive will be set aside and used for health initiatives in the PHO community. This use of the funds should remove the conflict of interest concern and the incentive is time limited. The incentive for Taupo ends after three years on the basis that the practice will then be imbedded in the PHO and will no longer be needed.

Two public meetings about Better@Work will occur per year. Contact Tina Mclvor at tinam@nzctu.org.nz.

Further information on the AEP including CTU background information including a list of current accredited employers, go to the CTU website

<http://worksafereps.org.nz/partnershipprogramme>

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