ACC Forum

Accredited Employer Scheme

A Providers Perspective

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August 2011
ACC – Tax, Welfare or Insurance?

Employer Perspective
A tax we must pay – no choice – no flexibility – no ownership

Employee Perspective
My entitlement – I have these entitlements & rights

My Perspective
Insurance scheme delivered like a welfare benefit
WorkAon Experience

Managing AEP claims since July 2000
122,000 claims
14,000 claims (11%) declined
500,000 treatment invoice payments
17,000 claims (17%) lost time
$7,200 average cost (8 weeks)
650 decisions challenged
Accredited Employer Programme (AEP)

Self Insurance Option for Large Employers

• Financially incentivised
• High standards of care & rehabilitation for employees

Resource Intensive

Same Entitlements as ACC or Better

Higher standards of protection for employee rights
Why Employers Join the AEP

Risk Management Decision
Potential Savings vrs Risk of Cost Blow-out
Reduce Absenteeism (work injuries)
Reinforce risk management/safety culture

Why have 50 employers pulled out of the AEP?
Risk + Compliance outweighed benefits
Does the AEP Work?

Stocktake showed AEP resulted in:

- 12% fewer claims
- 15% lower costs
- Greater engagement by employers in workplace rehabilitation
- Earlier return to work

WorkAon

$7,200 average cost (8 weeks) vrs ACC $25,000 (29 weeks)
Why AEP Works

Financial incentives linked to performance
Direct opportunity to influence rehabilitation
Management accountability for costs
Immediate response to serious injuries
More face to face involvement
employee/employer/rehab
Focus on injury costs changes safety behaviour
Concerns

Regulators focus on process rather than outcomes

Status quo
- Reinforces current perceptions
- Limits innovation & improvement

Change stymied for wrong reasons