

# Repeat workers' compensation claims in Victoria, Australia

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Presentation to Institute for Work and Health, Toronto, Ontario, Canada.  
Tuesday 22<sup>nd</sup> February 2011.

# Acknowledgements

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- ISCRR, Monash University
  - A/Prof Alex Collie, Chief Research Officer
  - Dr Rasa Ruseckaite, Research Fellow
  - Dr Adam Vogel, Research Fellow
  - Mr Andrew Brion, Data Manager
- WorkSafe Victoria
  - Mr Robert Cameron, Manager, Business Performance Management
  - Mr Peter McKee, Lead Analyst
  - Ms Susan Tinley, Statistical Analyst
- Transport Accident Commission
  - Mr David Gifford, Executive Manager, Business Intelligence
  - Mr David Attwood, Senior Manager, Claims Research
  - Mr Garth O'Brien, Senior Research Analyst
  - Mr Gary Windbolt, Senior Research Analyst

Background

# Workers' compensation in Australia

- 11 jurisdictions:
  - 6 states, 2 territories, 3 federal
- Substantial differences between jurisdictions:
  - System structure & administration
  - Eligibility / employer excess
  - Injury definition
  - Incapacity benefits
  - Permanent impairment thresholds & entitlements
  - Access to common law
  - Dispute resolution processes
  - Coverage of 'journey' claims
- For example (employer excess)
  - NSW = 1 week
  - VIC = 10 days / \$564 medical costs
  - QLD = \$740
  - WA = None
  - SA = 14 calendar days per worker per year
  - TAS = 1 week / \$200 other costs
  - NT = 1 day
  - Comcare = None

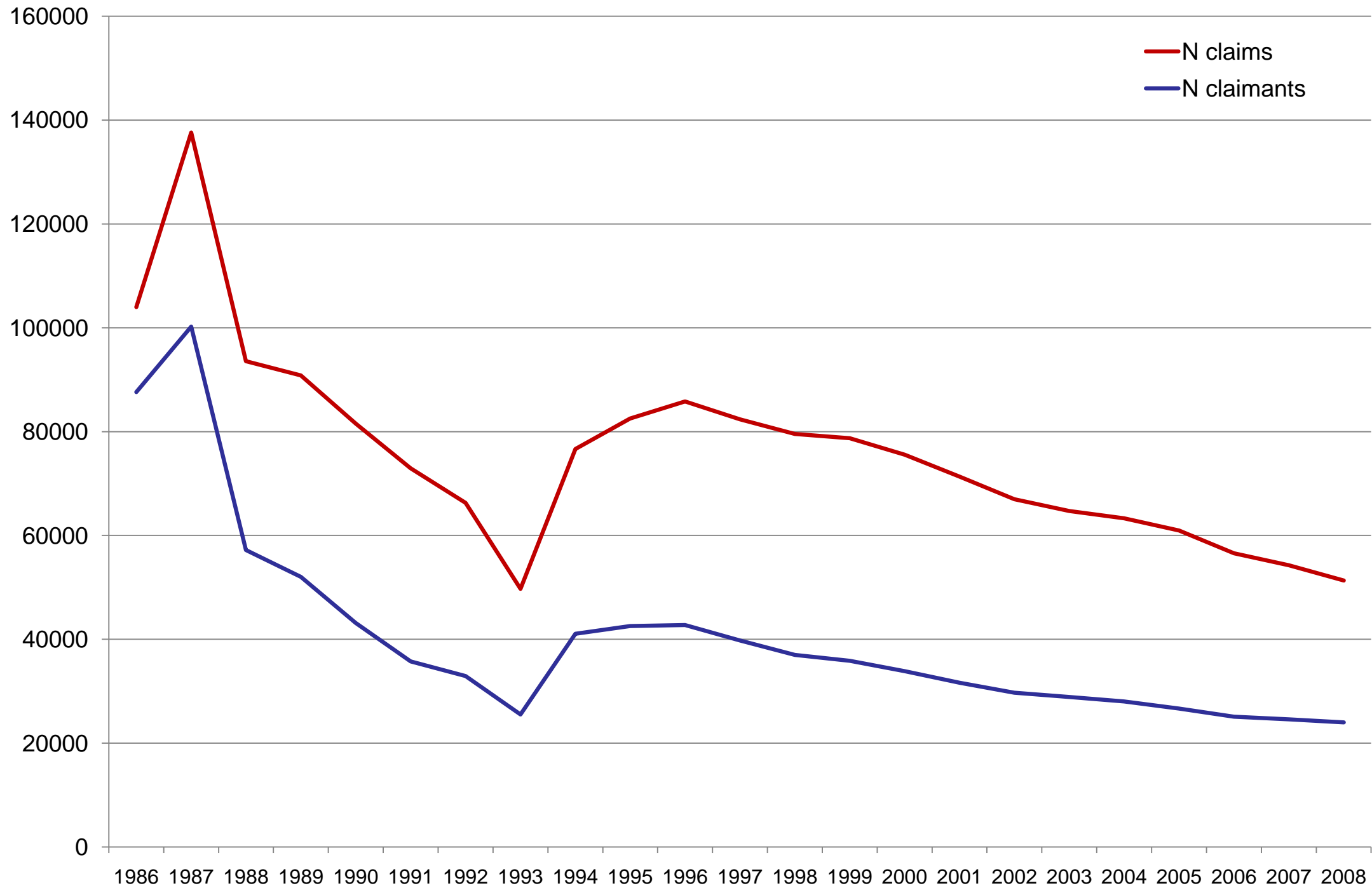


# Workers' compensation in Victoria

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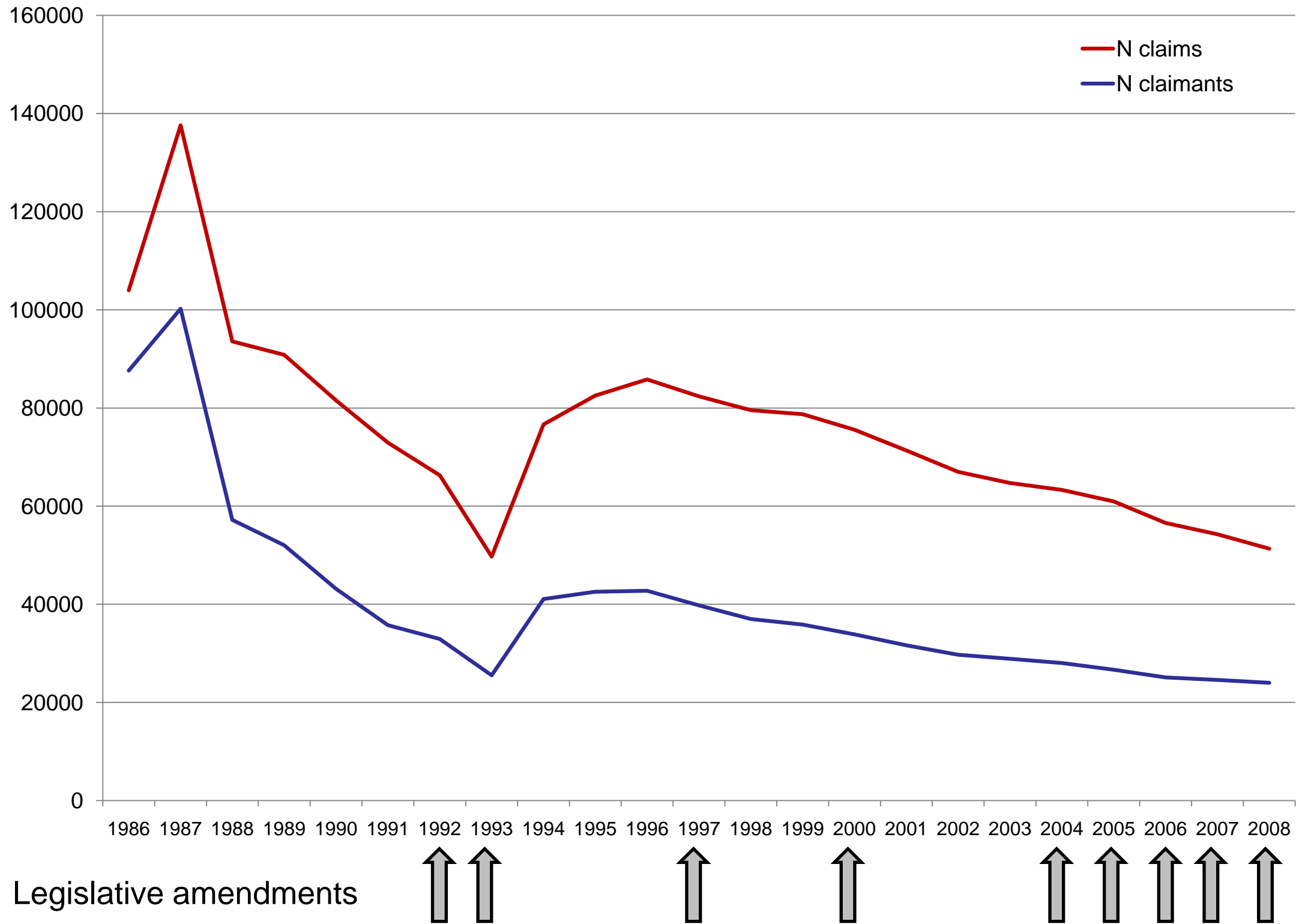
- Current legislation established in 1985 (Accident Compensation Act) but has been modified often.
- For example - access to common law benefits
  - 1992 (restricted to seriously injured workers); 1997 (removed); 2000 (reinstated for seriously injured workers)
- Working population ~ 2.8 million (~ 85% coverage by Victorian WorkCover Authority - VWA)
- VWA responsible for policy and premium. Six private insurers manage claims.
- Current employer excess = 10 days incapacity or first \$564 medical costs
- Incapacity benefits:
  - 95% pre-injury earnings for first 13 weeks. Max \$1250 per week.
  - 75% pre-injury earnings from 13 to 130 weeks (less capacity to earn). Max \$1250 per week.
  - Beyond 130 weeks must demonstrate permanent incapacity.
- Medical benefits = reasonable costs (no limit)
- Return to work:
  - Return to work coordinator mandatory if payroll > \$1M
  - Employer must provide worker with same or similar job (12 month time limit)
  - Financial incentive scheme for employers to hire injured workers

# N claims and claimants 1986 to 2008



Source: ISCRR Compensation Research Database

# N claims and claimants 1986 to 2008



# Compensation Research Database (CRD)

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- De-identified, secure database located at Monash University
- Workers' compensation administrative data
  - 1 Jan 1986 to 31 Dec 2009
  - ~1.8 million claims from 950,000 claimants
- Transport accident compensation administrative data
  - 1 Jan 1987 to 31 Dec 2009
  - ~450,000 claims
- Steering committee of WorkSafe, TAC and University representatives oversees project
  - Research direction and data management policies (security, access etc...)
- Establishment:
  - Initial data received in tranches Sept 2009 to July 2010
  - Minimum dataset defined July 2010
  - Data dictionary developed July 2010
  - Further data to be added in future



# CRD – workers' compensation data

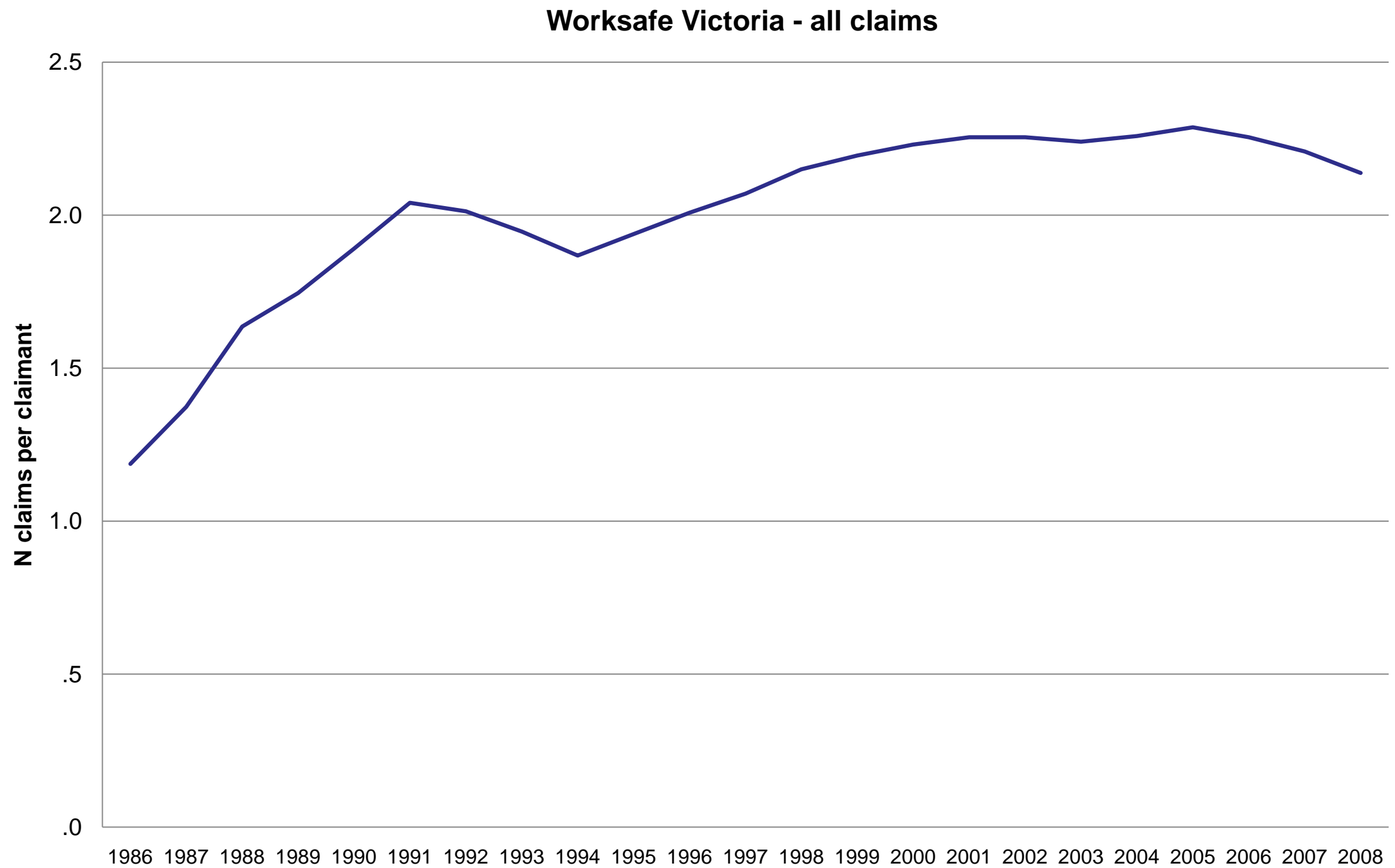
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<b>Data Category</b>	<b>Variable</b>
Worker	Unique identifier, Gender, Age at injury, Postcode at injury, Occupation at injury (ANZSCO), Type of employment, Weekly earnings prior to injury, Hours worked prior to injury
Injury / Disease	Nature of injury (TOOCS v2), Mechanism of injury, Agency of injury, Bodily location of injury, disability type (TP, TT, PP)
Employer / Workplace	Current industry (ANZSIC), Industry at injury, Current employer, Current workplace, Employer size, Type of legal entity
Claim	Date of lodgement, first day of incapacity, last day of incapacity, n days incapacity paid, claim status (open, closed), lodged by (employer, worker), medical only claim, self-insured claim (y/n), date returned to work.
Benefit payments	Total cost of claim, Incapacity benefits, Impairment benefits, Medical and like (and subcategories - eg, psychology, physiotherapy), Lump sum payments, Other benefits (legal services etc).
Treatment / Service	To be added in next update

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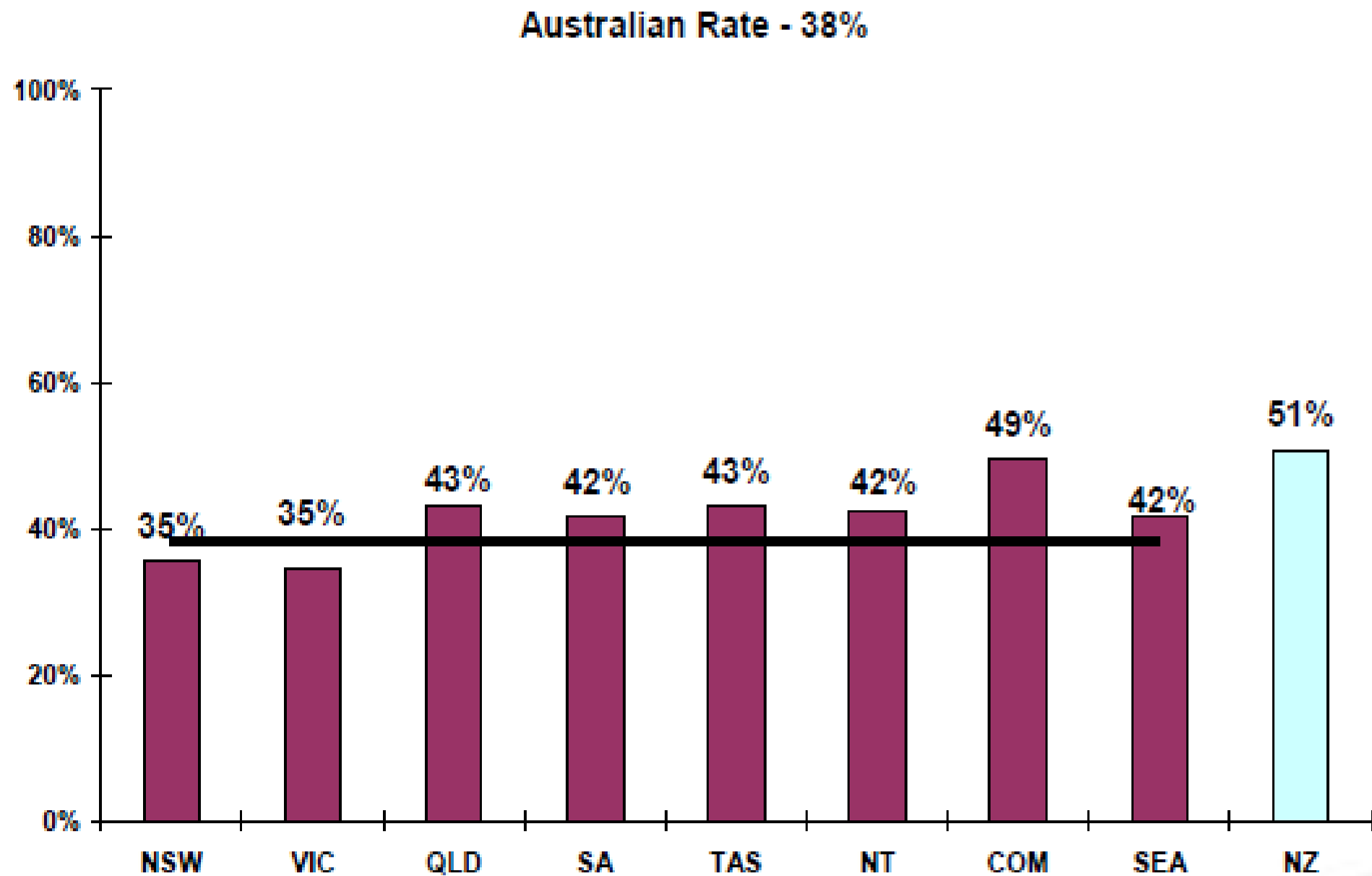
**Repeat claims**

# Some observations



Source: ISCRR Compensation Research Database

# Some observations (cont'd)



38% of Australian workers receiving compensation report making a previous claim.

Source: Australian & New Zealand RTW Monitor (2009/10).

# Some observations (cont'd)

## QUANTITATIVE RESEARCH

### Second WCB Claims: Who Is At Risk?

Nicola M. Cherry, MD, PhD, Fortune Sithole, PhD, Jeremy R. Beach, MD, Igor Burstyn, PhD

#### ABSTRACT

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**Objectives:** Many workers with one Workers' Compensation Board (WCB) claim make further claims. If the characteristics of the job, initial injury or worker were predictive of an early second claim, interventions at the time of return to work after the first claim might be effective in reducing the burden of work-related injury. This report explores the characteristic of those who make a second claim.

**Methods:** Records of all Alberta WCB claims from January 1, 1995, to December 31, 2004, for individuals 18 to <66 years old were reviewed. For each individual's first claim, sex and age of claimant, type of injury, type of accident, occupation, industry, an indicator of company size, and industry claim rate were extracted, as well as the date of any second claim. The likelihood of second claim and mean time to second claim were estimated. Multivariate analyses were performed using Cox regression.

**Results:** 1,047,828 claims were identified from 490,230 individuals. Of these, 49.2% had at least two claims. In the multivariate model a reduced time to second claim was associated with male sex, younger age and some types of injury and accident. Machining trades were at highest risk of early second claim (hazard ratio [HR] 2.54 compared with administration), and of the industry sectors manufacturing was at highest risk (HR 1.37 compared with business, personal and professional services).

**Conclusion:** Some caution is needed in interpreting these data as they may be affected by under-reporting and job changes between claims. Nonetheless, they suggest that there remains room for interventions to reduce the considerable differences in risk of a second claim among workers, jobs and industries.

**Key words:** Work-related; occupational; WCB claim; risk factor

La traduction du résumé se trouve à la fin de l'article.

*Can J Public Health* 2010;101(Suppl.1):S53-S57.

# Rationale

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- Occupational injury prevention initiatives are strongly influenced by analysis of workers' compensation data.
- It appears that 40% - 50% of workers' compensation claims are repeat claims.
- Vast majority of analysis in this area treats the claim as a discrete event.
- Very limited (no) understanding of:
  - Risk factors for repeat claims.
  - Costs of repeat claims.
  - Disability associated with repeat claims.

# Objectives

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1. Describe factors associated with repeat workers' compensation claims and time between repeat claims.
2. Compare costs and disability arising in workers with single and multiple claims.

# Data

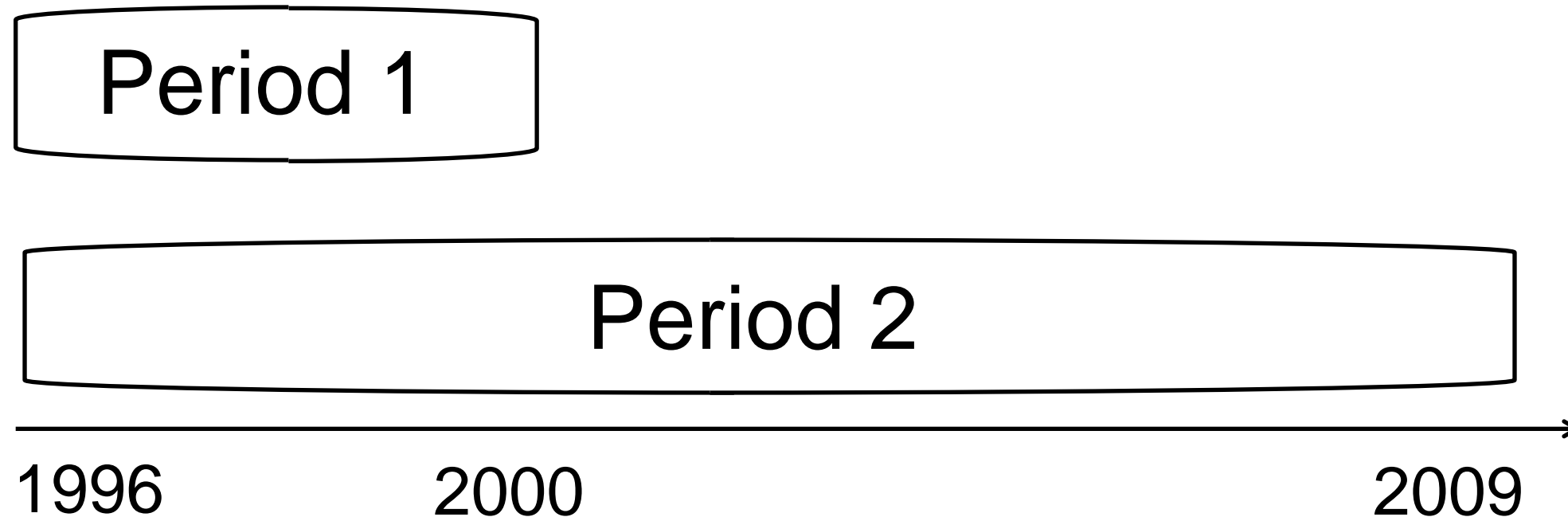
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- ISCRR Compensation Research Database
  - Workers' compensation dataset
- Participants
  - Victorian workers > 14 years of age
- Claim inclusion criteria:
  - First claim lodged 1<sup>st</sup> Jan 1996 to 31<sup>st</sup> Dec 2000
  - First claim accepted
  - Second claim lodged 1<sup>st</sup> Jan 1996 to 31<sup>st</sup> Dec 2009
  - Second claim accepted
- Claim exclusion criteria:
  - First claims for occupational disease
  - Any third and subsequent claims



# Data

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Period 1 = all injury claims included in dataset

Period 2 = all second claims from those who lodged a claim in period 1 included in dataset

# Data analysis

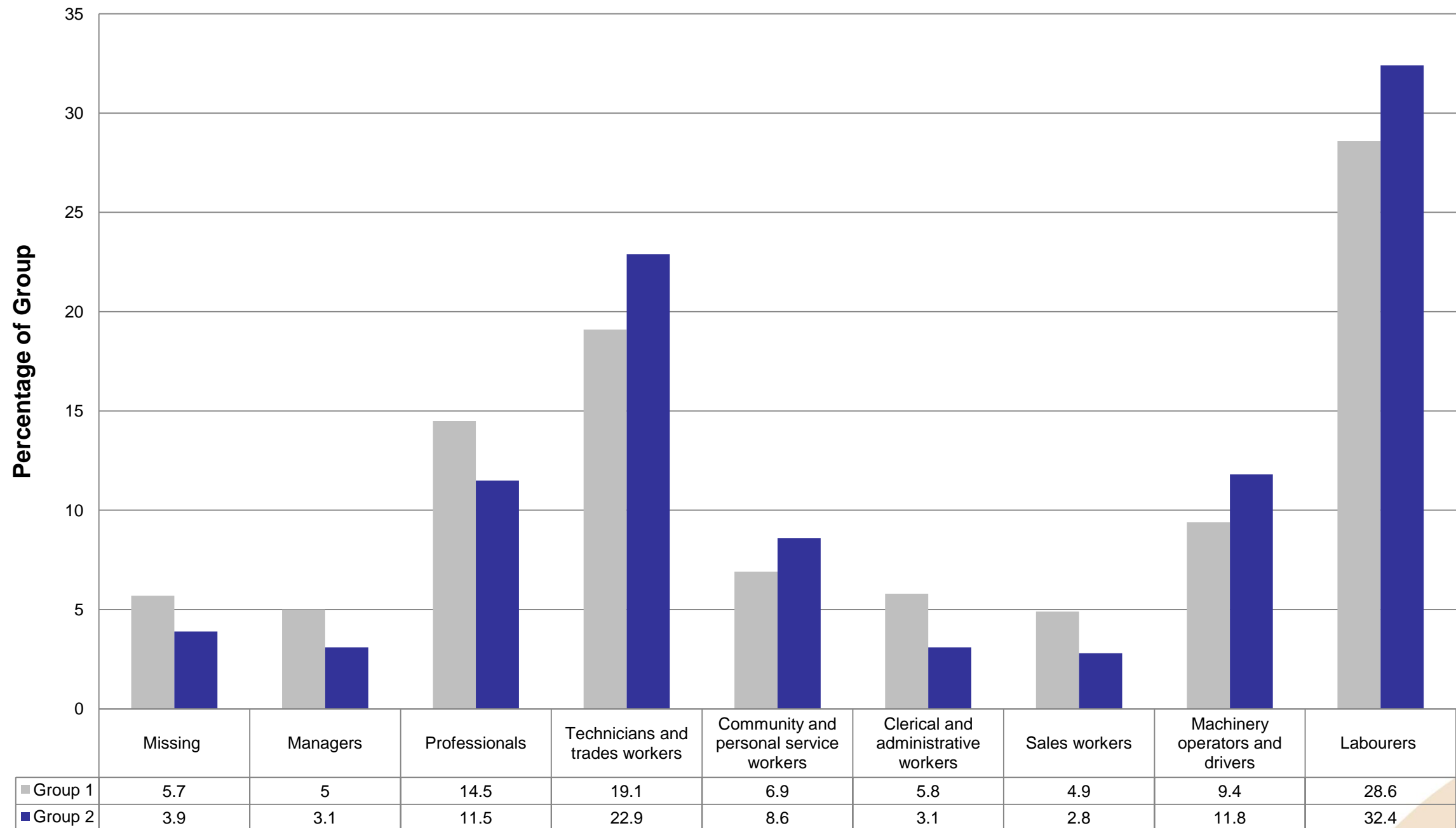
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- Define two groups:
  1. Single claim
  2. Multiple claims
- Descriptive analysis
  - Compare groups by age, gender, industry and occupation
- Descriptive analysis of first and second claims in Group 2:
  - % second claims injury vs disease
  - by type of affliction & bodily location
  - by occupation & industry
  - by employer & workplace location
- Cox proportional hazards model to compare impact of these factors on time between claims
- T-tests to compare costs and disability (days incapacity for work) associated with initial and repeat claims.

# Results

	<b>Group 1</b>	<b>Group 2</b>	
	<b>Single claim</b>	<b>Multiple claims</b>	<b>p</b>
N (%) participants	107,388 (63%)	62,760 (37%)	
Gender			
N (%) Female	38,432 (35.8%)	17,523 (27.9%)	< 0.001
N (%) Male	62,880 (58.6%)	42,877 (68.3%)	< 0.001
N (%) missing	6,076 (5.7%)	2,360 (3.8%)	< 0.001
Mean (SD) age in years at time of first claim	35.1 (12.3)	34.5 (11.4)	< 0.001
Second claim			
N (%) occupational injury	-	49,474 (78.8%)	
N (%) occupational disease	-	13,286 (21.2%)	

# Occupation at first claim



Note: all group differences are statistically significant

# Repeat claims by nature and location of affliction

Category*	N (%) of participants	Mean $\pm$ SD days between claims	HR [95% CI]
Same affliction / Same bodily location	11,586 (18.5%)	725 $\pm$ 807	1
Same affliction / Different bodily location	12,658 (20.2%)	866 $\pm$ 893	.81 [.79 - .83]
Different affliction / Same bodily location	9,907 (15.8%)	1,331 $\pm$ 1,143	.55 [.53 - .57]
Different affliction / Different bodily location	28,609 (45.5%)	1,248 $\pm$ 1,123	.59 [.58 - .61]
Total	62,760	1,088 $\pm$ 1,057	

\* Coded using the Type of Occurrence Classification System (TOOCS) version 2

# Repeat claims by occupation and industry

Category*	N (%) of participants	Mean $\pm$ SD days between claims	HR [95% CI]
Same industry / Same occupation	24,168 (38.5%)	927 $\pm$ 964	1
Same industry / Different occupation	22,794 (36.3%)	925 $\pm$ 949	.86 [.85 - .88]
Different industry / Same occupation	4,474 (7.1%)	1,662 $\pm$ 1,149	.94 [.91 - .97]
Different industry / Different occupation	8,696 (13.9%)	1,764 $\pm$ 1,166	.82 [.80 - .85]
Missing	2,628 (4.2%)		
Total	62,760	1,088 $\pm$ 1,057	

\* Coded using the Australian New Zealand Standard Classification of Occupations (ANZSCO) and the Australian New Zealand Standard Industry Classification (ANZSIC)

# Repeat claims by employer and workplace location

Category*	N (%) of participants	Mean $\pm$ SD days between claims	HR [95% CI]
Same workplace location / Same employer	34,626 (55.2%)	666 $\pm$ 757	1
Different workplace location / Same employer	6,508 (10.4%)	1,181 $\pm$ 1,031	.56 [.55 - .58]
Different workplace location / Different employer	21,626 (34.4%)	1,736 $\pm$ 1,139	.41 [.39 - .41]
Total	62,760	1,088 $\pm$ 1,057	

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# Benefits and work disability

Impact	Group 1	Group 2		Sig*
	(N=107,388)	Initial claim	Repeat claim	
Mean $\pm$ std total cost per claim	\$16,731 $\pm$ \$87,011	\$8,813 $\pm$ \$50,938	\$13,147 $\pm$ \$65,100	a,b,c
Mean $\pm$ std cost of weekly compensation paid	\$5,249 $\pm$ \$30,877	\$2,631 $\pm$ \$18,501	\$4,875 $\pm$ \$27,204	a,c
Mean $\pm$ std cost of medical and like services paid	\$3,447 $\pm$ \$29,128	\$2,034 $\pm$ \$9,996	\$2,886 $\pm$ \$13,025	a,b,c
Mean $\pm$ std days of incapacity for work	67 $\pm$ 278	42 $\pm$ 196	66 $\pm$ 244	a,c

Note:

a = Group 1 significantly different to Group 2 (initial claim)

b = Group 1 significantly different to Group 2 (repeat claim)

c = Group 2 (initial claim) significantly different to Group 2 (repeat claim)

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# Summary

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- 37% of initial claimants filed a repeat claim
  - Consistent with self-report data from telephone survey (35%)
- Repeat claimants:
  - Younger at time of first claim
  - Greater proportion of men
  - Greater proportion of 'blue collar' occupations
- 4 in 5 repeat claims for subsequent injury
- Mean time between claims ~ 3 years
  - Significantly less where employment and injury characteristics of claimants had not changed
- 65.6% of repeat claims made while working for same employer as initial claim
- Costs of initial claim less than repeat claim
- Work disability associated with initial claim less than repeat claim

# However...

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- A proportion of work-place injuries do not appear on workers' compensation datasets (Driscoll & Hendrie, 2002).
- WorkSafe Victoria does not have population coverage of workers in Victoria.
- Claim acceptance requires 10 days incapacity for work in Victoria.
- Psychological and social conditions are less likely to be claimed under workers' compensation than physical conditions (Collie et al, in press).
- Therefore:
  - Some workers with initial claims will have had subsequent injuries that were not covered by WorkSafe Victoria.
  - Some workers will have had initial injuries in another jurisdiction, or minor injuries, prior to their first accepted claim in Victoria.
  - Some workers will have psychological and social conditions subsequent to an initial claim that does not appear on the database.

# Conclusions & Next steps

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- Repeat claims are:
  - common.
  - expensive.
  - associated with substantial work disability.
- There is a substantial opportunity to reduce the social, health and economic burden of workplace injury by preventing re-injury in workers with a single claim:
  - 24.3% file a second claim while working for the same employer
  - 2 years from first to second claim
- Further investigation of risk factors for repeat claims is necessary and warranted. We are now looking at:
  - employer factors
  - worker factors
  - claim factors
  - combinations of the above



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