

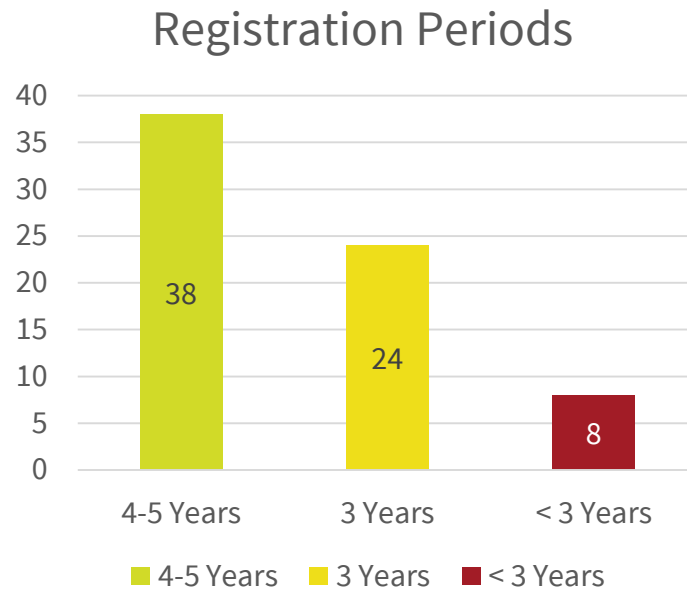
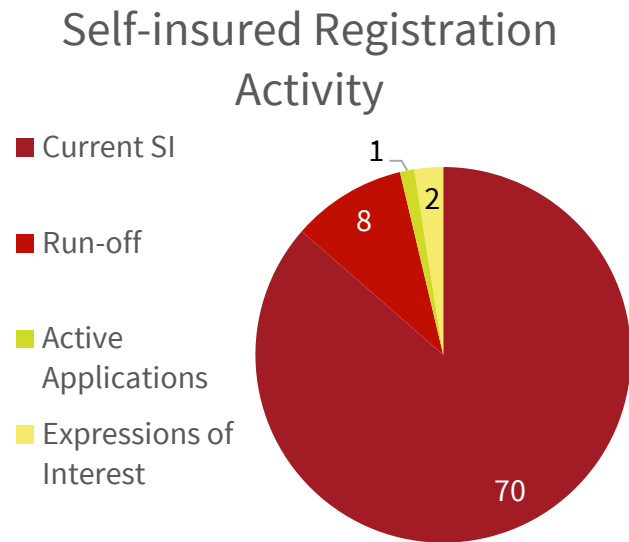


SISA Update

Rob Cordiner, CEO RTWSA

Friday, 8 December 2017

Private Self-insurance profile (at 31 October 2017)



Self-insured Activity

Regulatory framework

- Implemented - *Code of conduct for self-insured employers - Version 12*
- Developed -
 - *Guideline for Self-insured Employer Actuary Reports and Financial Guarantees*
 - *Guide to the Valuation of Liability Transfer Payments*
- Revised - Self-insurance information available on RTWSA website

FY 17/18 Regulatory Activities

- New applications ~ Estimate 3 - 4
- Run-offs to be finalised ~ Estimate 5
- Registration renewals ~ 21 programmed for completion

Future

- Revision to the EDI Technical Specification and streamlining of EDI reporting
- Introduction of automated lump sum search process



Self-insured EDI and Lump Sum Search

- New Electronic Data Interchange (EDI) process due to be implemented in **January 2018**. Self-insurers will have 3 months to change to the new process.
- Information Sessions held on 17 and 20 November - 65 attendees.
- The revised draft technical specification was released on 1 December.

- Automated lump sum search will enable self-insurers to search for the details of previous lump sum payments held by RTWSA.
- Will be significantly more efficient than current manual request and search process.
- Expected implementation **April 2018**.



Enforcement update for 2017 calendar year

Employer Regulation

- 90 investigations to date
- 66 completed
- 58 compliant
- 8 non-compliant



Remedies

Investigations

commenced

- 42 benefit fraud investigations
- 17 employer investigations
- 3 provider investigations



**4 matters prosecuted
resulted in convictions
recorded in 2017**



Update on significant legal decisions



Permission to appeal to the Supreme Court has been granted for the cases of:

- *Rudduck and Karpathakis*
- *Mitchell and Preedy*
- *Li* – RTWSA joining as employer is Dept of Health and Ageing

Permission to appeal has been requested for the cases of:

- *Brealey and Rullo*

Supreme Court decision received in the case of *Watkins*.



Legal Decision Impact

- Some critical SAET Full Bench decisions interpret the RTW Act in a significantly different way to the current basis of the average premium rate and Scheme cost assumptions.
- For example, the actuarial costing on the Mitchell decision if it is upheld by the Supreme Court:

Scenario	Break Even Premium \$M	Break Even Premium % of wages	Claims Liability Increase
Low impact	+\$42M	+0.16%	+\$166M
Medium impact	+\$92M	+0.35%	+\$367M
High impact	+\$	+0.58%	+\$570M



Legal Decision Impact

- The Supreme Court has heard the case of Robinson, which concerns the application of the Federal Minimum Wage when a worker has a prior redemption which reduces their entitlement to income support.
- The Court requested written submissions on whether it should review the Lloyd/Ryan line of cases, which establishes how a redemption agreement impacts a worker's subsequent claims.
- Although submissions from both RTWSA and Robinson's Counsel did not support this review, the Court has posed further written questions, which will be argued at a hearing on 22 December.
- Any change to the line of authorities that determine how subsequent claims are treated if a prior redemption exists is a significant risk to both RTWSA and self-insurers.



*Provider Regulation
Update – Julia Oakley*

Provider Regulation Highlights

- **Work Capacity Certificate** is the only valid certification – doctors must use this certificate in one of 3 available formats (2 electronic, 1 paper).
- Exploring regulatory solutions for improved management of hearing loss services that will benefit injured workers and the scheme. **Draft Audiology Fee Schedule and Policy** is currently out for consultation.
- **Second Opinion Pharmacy Service** pilot January 2018, intended to optimise worker's medications, particularly drugs of dependence.



