

Looking forward

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Focus of today's presentation

- Moving ACC into a sustainable future
- New approach to buying and managing services
- What this means for occupational therapy

ACC 18 months ago

- \$12.8 billion deficit and growing
- Costs spiralling out of control
- Falling rehabilitation performance
- Unsustainable

ACC today

- Costs being brought under control
- Most key indicators improving
- Taken \$6 billion off the deficit
- On track to be “fully funded” by 2019, i.e. assets equal to liabilities
- Dramatic turnaround

Key elements of the transition

- Sticking to our legislation
 - Only helping those actually covered by the Act
 - fairer for ACC levy payers, shouldn't pay for non-accidents
- Improving our rehabilitation performance
 - Early triage and intervention
 - “Better at Work”
- Better value health purchasing
 - New procurement strategy
 - Move towards an Outcome focussed
 - Better monitoring and reporting

Health Risks of Not Working

- Equals 10 packets of cigarettes/day (Ross, 1995)
- Suicide
 - in young men 6+ months out of work up 40 fold (Wessely, 2004)
 - 6 times higher in long term out of work (Bartley et al, 2005)
- Health risk/life expectancy impact more than many “killer” diseases (Waddell & Aylward, 2005)
- Greater risk than the most dangerous jobs e.g. construction/North Sea (Aylward, 2007)

New strategic approach to procurement

- Align supplier performance targets with ACC business needs
- Enable effective and efficient interaction with suppliers
- Proactively manage supplier markets to meet business needs
- Invest in procurement capability development

New procurement structure

- Creation of a new Claims Management Health Procurement (CMHP) function
 - responsibility for health procurement
 - senior management accountability
 - closer alignment between CMHP and branches
 - focus on fewer programmes which buy value for clients and ACC
- Strategic sourcing and supplier management
 - Simplification/consolidation of services
 - Optimisation of supplier numbers
 - Collaborative supplier relationships for levy payers, providers and clients
 - Value for money

Category management

- Category Management framework developed for communities of interest
- Category Managers responsible for:
 - End to end procurement process (identifying business need, market analysis and approach, contract management, supplier relationship management)
 - On-going performance of their category
- Collaboration with branches
- Balance between subject matter/commercial expertise

Category management (continued)

Benefits of new approach

- Related services managed together
- Clear accountability for performance
- Strategic overview and planning
- Operational management
- Strong communications with key stakeholders

An example: vocational rehabilitation



What	How
Limited market	Engaged with market, set expectations around provider numbers and capability
Simpler service	Consolidated into four services: Stay at Work (at different levels), Work readiness service, Stand Alone Workplace Assessment, Job brokerage
Outcome focused	Client outcomes established at outset Packaged services aligned to outcomes Job brokerage outcome payment
Measurable	KPIs that measure success; feedback reporting
Relationship based	Better branch/provider relationships based on service/performance feedback
Urgent	Speed of delivery important

How are we working to improve our own performance?

Upping our game - New KPI Framework 2010-2011

- A quality focussed 'Performance Monitoring and Coaching' framework was developed to for the 2010-2011 performance year. The new framework aims to:
 - improve individual staff performance,
 - improve the standard of stakeholder communication and raise service standards,
 - ensure that there is consistency across Rehabilitation Services Service Delivery Model,
 - Prevent unnecessary disputes.

Making contact with branches more effective

- Focal point for suppliers
- Feedback loop to Category Managers
- Communication driven by Area Leaders, Branch Managers, Team Leaders
- Mandate to get out and about – so contact them as needed
- Relationship and Performance Managers will continue to play a key role in communication/performance monitoring

Monitoring

All services are actively monitored for compliance to the legislation and ACC's Policy and Processes

- Case Management
- Payments Processing
- Relationship Managers
- Category Managers
- Clinical Reviewers
- Formal processes

Where does OT fit in the picture?

- OT activity is predominantly embedded into contracts
- Currently seeing 37% increase year on year for Regulated invoicing
- We consider number of claims and growth rate
- We seek to understand the picture and the relevance

So in summary...

- **What does all this change mean for you?**
- Impact is real but possibly indirect
 - Clear, consistent strategic direction
 - Rationalised and more coherent service purchasing consistent with strategy
 - Stronger performance monitoring
 - Better communications (at category and branch levels)
 - Better feedback on service issues from branches to category manager



PREVENTION. CARE. RECOVERY.

Te Kaporeihana Āwhina Hunga Whara

Thank you

**And have a very enjoyable and
successful conference**