



Australian Government

Comcare

DELEGATED CLAIMS MANAGEMENT ARRANGEMENTS

An overview of the delegated claims management arrangements for interested agencies

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INTRODUCTION TO THE DELEGATED CLAIMS MANAGEMENT ARRANGEMENTS

This document provides an overview of the delegated claims management arrangements. It assists agencies to understand the claims service options available and to consider which options are appropriate for their agency.

The new service options involve eligible agencies playing a greater role in managing their workers' compensation claims. Agencies who take up a new service option are referred to as participating agencies.

Who is eligible for the new service options?

- > Only non-corporate Commonwealth entities as defined under the *Public Governance, Performance and Accountability Act 2013* can apply for the new service options.¹
- > Agencies who operate under portfolio arrangements (that do not individually pay a premium to Comcare) are not eligible for new service options at this time.

Key points about the new service options

- > The new claims service options are not mandatory and do not involve amendment to the *Safety, Rehabilitation and Compensation Act 1988* (SRC Act) or Comcare's role in managing liabilities and setting premiums for agencies.
- > Comcare's Chief Executive Officer (CEO) can only delegate claims management responsibilities to Commonwealth officers in agencies (agency delegates) not to the agency itself. The delegation cannot be further delegated.
- > Comcare's claims management system, Pracsys, must be used regardless of the service option chosen.

GUIDING PRINCIPLES OF THE NEW SERVICE OPTIONS

- > Comcare powers are exercised in compliance with relevant legislation and in particular the SRC Act.
- > Claims management services are provided in the most effective and efficient way.
- > Claims management across the scheme supports the achievement of Comcare's Corporate Plan objectives.
- > Comcare maintains its scheme management role and its access to, use and analysis of claims and associated data.
- > Comcare is consistent in its approach in monitoring claims management across the scheme.

¹ The [Department of Finance](#) maintains the list of non-corporate Commonwealth entities.

DEFINING RESPONSIBILITIES—AGENCY DELEGATE, CLAIMS MANAGER AND PARTICIPATING AGENCY

Agency delegate

An agency delegate is granted powers and functions under the SRC Act from Comcare's CEO. The agency delegate's key function is to make accurate and timely decisions on claims for compensation made under the SRC Act.

Claims manager

The claims manager supports the agency delegate to make determinations, process entitlements and work collaboratively with rehabilitation case managers to coordinate an employee's rehabilitation. The claims manager's responsibilities include receipt and registration of a claim, support for initial determination of liability and the ongoing management of a claim.

Under the delegated claims management arrangements, a claims manager may be Comcare, a service provider or participating agency staff.

Participating agency

The participating agency is responsible for ensuring that there is appropriate resourcing, processes and procedures in place to support agency delegates and that claims management is efficient and effective.

KEY DOCUMENTS

The following documents are referred to throughout this overview.

Delegation instrument and conditions of delegation

The delegation instrument details the powers and functions that Comcare's CEO delegates to agency delegates in the participating agency. The conditions of delegation describe the obligations on these officers and the participating agency to ensure that the delegation is exercised effectively.

Compliance and performance monitoring framework

The compliance and performance monitoring framework sets out how Comcare will monitor the new service options to achieve the guiding principles set out above.

Business processes

The business processes are detailed instructions on the interactions between the participating agency, service provider (if appropriate) and Comcare. Participating agencies are provided with the business processes during their transition to a new service option.

WHAT FUNCTIONS, POWERS AND CLAIMS MANAGEMENT ACTIVITIES ARE DELEGATED UNDER THE NEW SERVICE OPTIONS?

The functions, powers and claims management activities include:

- > receipt and registration of a claim
- > initial claims determinations and reconsiderations
- > ongoing claims management (including incapacity, medical expenses and other payments)
- > arranging medical examinations
- > assessing and determining liability on permanent impairment and death claims
- > complaints management
- > claim closure
- > instructing officer roles on AAT matters.

The following functions and powers are not delegated:

- > undertaking third party recoveries
- > write-offs and waivers
- > fraud investigation
- > responding to information requests (including section 59 of the SRC Act)
- > procurement of external legal providers for use in AAT matters
- > management of higher court appeals.

THE SERVICE OPTIONS

OVERVIEW OF THE SERVICE OPTIONS AVAILABLE

Comcare has three claims management service options available to eligible agencies.

1. Agency delegates and Comcare as the claims manager

Participating agency staff are agency delegates and Comcare staff remain the claims manager for the agency's claims. A service level agreement is put in place between Comcare and the participating agency.

2. Agency delegates and a service provider as the claims manager

Participating agency staff are agency delegates and a service provider is assigned to manage the agency's claims.

Comcare assigns and contract manages the service provider. Participating agencies will have a direct relationship with service providers on operational matters, however all contract approvals and performance management is completed by Comcare.

3. Agency delegates with agency claims management

Participating agency staff are agency delegates supported by claims managers also from the participating agency. A contract is put in place between the participating agency and Comcare.

WHICH SERVICE OPTION IS RIGHT FOR MY AGENCY?

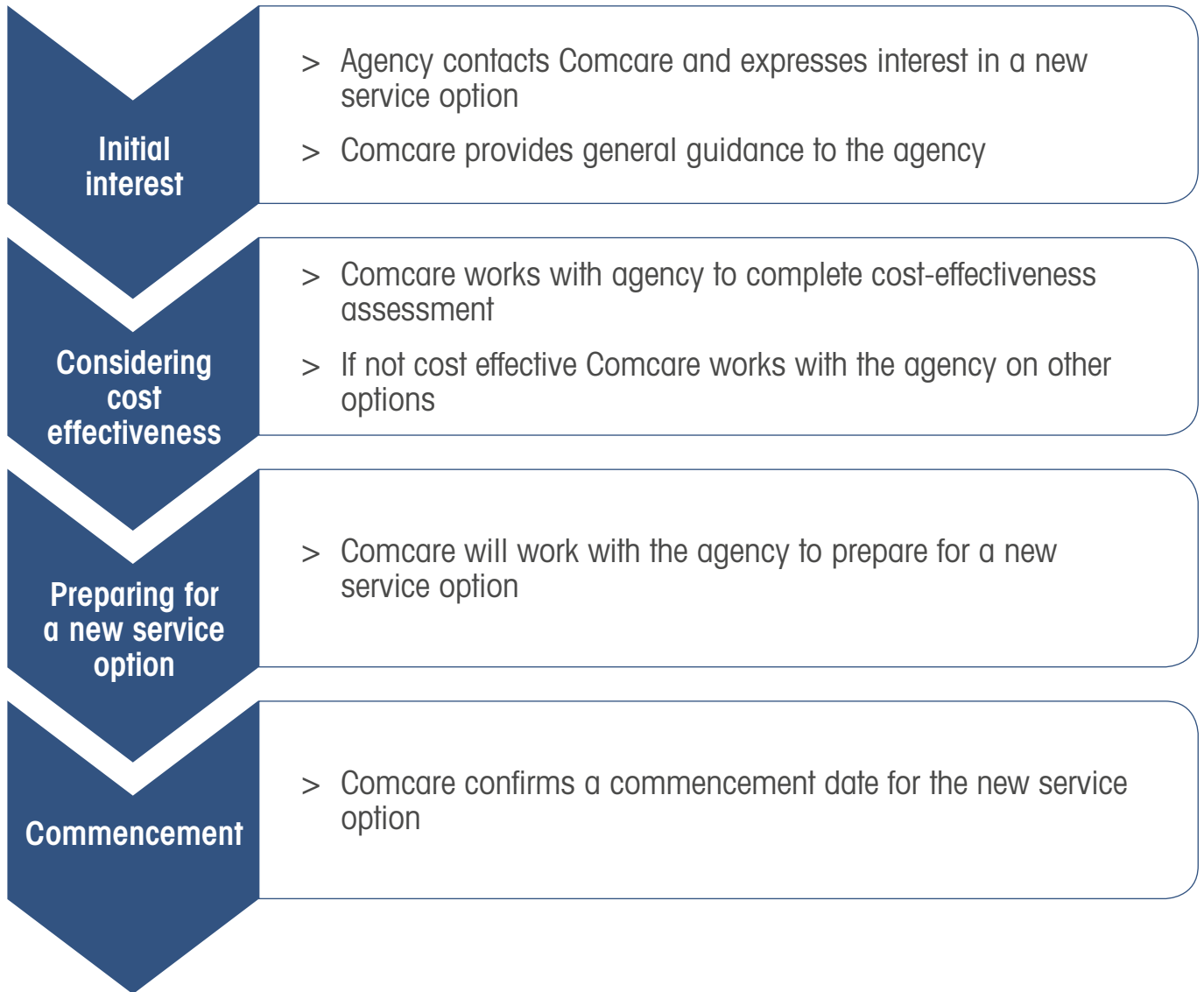
Comcare will assist interested agencies to consider the most appropriate service option for their agency. Comcare will work with agencies to complete a cost-effectiveness assessment. A delegated claims service offering must be cost-effective for Comcare to move an agency to this service offering.

Common considerations include:

- > claims numbers
- > premium rate
- > internal resourcing
- > management commitment.

ENQUIRING ABOUT AND PREPARING FOR A NEW SERVICE OPTION

OVERVIEW OF THE PROCESS



INITIAL INTEREST

If you are interested in an alternative claims management arrangement you can email dcsteam@comcare.gov.au.

A member of Comcare’s Delegated Claims Services team will be in contact with you to discuss your enquiry.

CONSIDERING COST EFFECTIVENESS

Comcare will work with the agency to assess the cost effectiveness of the different service options. The following process applies:



What information will Comcare provide?

- > Claims performance information
- > Claims management costs
- > Claims management system costs
- > Costs relating to engagement of a service provider (if applicable)
- > Transition costs
- > Monitoring costs

PREPARING FOR A NEW SERVICE OPTION

OVERVIEW OF PROCESS

Before moving to a new service option an agency must:

1. Provide evidence of consultation—the agency must consult with its employees on the intent to move to a new service option.
2. Certify cost effectiveness—the Agency Head must be satisfied that the service option they seek is cost effective for the agency.
3. Demonstrate capacity and capability—the agency must have the capacity and capability to undertake effective and efficient claims management.

Further information on each criterion is provided below.

Timeframes

Comcare will inform the participating agencies of the expected timeframes for the preparation process. The commencement date for an agency to enter into a new service offering will depend on Comcare and the claims manager's transition arrangements.

1. EVIDENCE OF CONSULTATION

When preparing for a new service option, an agency must provide evidence that they have consulted appropriately with their employees and employee representatives on their intent to change claims management arrangements.

The standard for this consultation is that the agency should provide interested parties with appropriate information on the proposed changes and give the parties an opportunity to provide feedback to the agency. Comcare will require evidence of this consultation.

Consultation with employees must cover:

- > detail of the service option the agency is applying for
- > agency's reasons for moving to a new service option
- > broad outline of the process for applying for a new service option and likely timeframe
- > assurance that employees' rights and obligations under the SRC Act will not be affected by the change in service options
- > details of how to provide feedback to the agency
- > evidence of how the agency has responded to any feedback received.

2. COST EFFECTIVENESS

Following the consideration of cost effectiveness (above), and for the new service option to progress, the Agency Head of the relevant agency must certify that the claims service option they seek is cost effective for that agency. Evidence of this certification is required.

3. CAPACITY AND CAPABILITY TO EFFECTIVELY AND EFFICIENTLY MANAGE CLAIMS

Prior to delegating claims management powers and functions, Comcare's CEO must be satisfied that the eligible agency has the appropriate processes, procedures and resources to manage claims efficiently and effectively.

General requirements for all service options

All eligible agencies seeking to move to a new service option, must provide the following information to demonstrate the agency's capacity and capability to manage claims effectively:

- > the structure for the agency's claims delegation function
- > a proposed resourcing plan for the claims delegation function
- > anticipated caseloads for the agency delegates.

Comcare will review this information and work with the agency should any issues arise.

Comcare/service provider as claims manager

Eligible agencies seeking to move to a service option with Comcare or a service provider as the claims manager are not required to provide additional information on capability and capacity during the preparation stage.

Comcare's claims management team or the service provider will work with the agency as part of transitioning in to ensure that the agency and the agency delegates have the appropriate capacity and capability to effectively manage claims. Comcare will oversight this process.

Managing claims in-house

Additional to the general requirements above, an agency seeking to manage claims in-house (without the assistance of a service provider or Comcare) will be required to provide additional evidence, including:

- > a claims management model (including the policies, procedures, standard letters and proposed caseloads for claims managers)
- > a key personnel plan (including number, qualifications and experience of staff)
- > a business continuity plan
- > a data security and protection plan
- > an audit and quality assurance plan.

Comcare will undertake a review of the agency's capacity and capability to manage claims. The cost of this review is charged to the agency as part of the delegated claims arrangements.

ISSUES WITH MEETING REQUIREMENTS

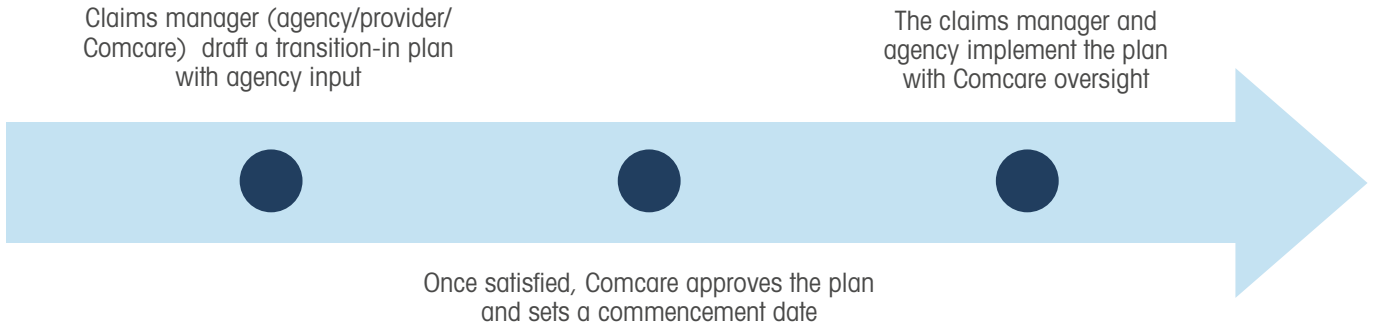
Comcare will work with the agency to address any issues identified during the preparation process. This could include providing additional time to demonstrate the capacity to effectively manage claims or working with the agency to explore other service options.

COMMUNICATION OF DECISION

Comcare will inform an agency of the outcome of its application in writing. Normally this communication will come from the Comcare CEO to the Agency Head.

COMMENCING A NEW SERVICE OPTION

Should the agency's application be approved, a claims management transition-in plan will be required. The plan provides assurance that there will be continuity of claims management services and payments to employees. It is also a useful tool to ensure that the agency, Comcare and the service provider (if applicable) are clear on roles and responsibilities, key milestones and timeframes. The following process will be applied:



Timeframes

The timeframes for transition to a new service option depend on several factors, including the option chosen (in-house claims management generally takes longer than Comcare or service provider), the readiness of the agency, and the size of the agency's claims portfolio.

In approving the transition-in plan, Comcare will confirm the commencement date with the agency.

COMCARE RESPONSIBILITIES

Comcare is responsible for the following activities as part of the participating agency's transition to a new service option.

Assigning an Agency Contact

Comcare will assign an Agency Contact from its Delegated Claims Services team to assist participating agencies to transition into the new service option. This Agency Contact will also support the participating agencies as part of the ongoing arrangements.

Drafting a delegation instrument and conditions of delegation

Comcare will draft a delegation instrument and conditions of delegation to reflect the new arrangements.

Assignment of a service provider (if required)

Comcare has procured the services of multiple claims management service providers. Where claims management by a service provider is the chosen option, Comcare will assign a service provider to the participating agency.

The factors that Comcare will consider when assigning a service provider include the performance and cost of the service providers, each service provider's claims management model and the claims portfolio of the participating agency.

Communication with employees with open claims (if required)

Existing claimants of the participating agency whose claims are open will be notified by Comcare of the new service arrangements and the intended commencement date.

Organising access to the claims management system

Comcare will work with the participating agency to provide access to Pracsys, Comcare's claims management system.

The requirements to access Comcare's claims management system include:

- > a Windows 7 Operating System or above
- > access to Comcare's URL
- > internet speed of ADSL2 or better
- > the ability to access Citrix Receiver software.

Organising system and capability training

Comcare will work with the participating agency to arrange claims management system and SRC Act training for agency delegates. Training will be provided to an agreed number of agency delegates free of charge. Training of additional staff will incur a cost.

NOTE: For in-house claims management an agency must ensure their staff are appropriately trained in the SRC Act. This training may be provided by Comcare (at a cost) or, where approved by Comcare, by a third-party provider or in-house.

Provision of business processes

Comcare will provide business processes to participating agencies during the transition-in period. These business processes detail the interactions between Comcare, the participating agency and the claims manager (Comcare, service provider or in-house). The business processes include instructions on document management, payment processing, instructing officer arrangements and managing freedom of information and other requests.

GENERAL AGENCY RESPONSIBILITIES

The following agency responsibilities apply regardless of the service option chosen:

Communication with employees and employee representatives

During the transition-in phase, participating agencies will be required to provide evidence of notifying employees and employee representatives of the new service arrangements and their commencement date.

Availability of agency delegates for training

Participating agencies must ensure that their agency delegates are available for training on the SRC Act and Comcare's claims management system. Participating agencies will only be provided with access to the claims management system once this training has been completed. Details on the required training will be provided during the transition-in phase.

Preparing for access to the Comcare claims management system

The participating agency must ensure that it can meet the requirements of Comcare's claims management system. Your Agency Contact will work with you should any issues arise.

Other responsibilities

The participating agency and its delegates may also be required to fulfil other responsibilities detailed in the transition-in plan.

RESPONSIBILITIES WHERE COMCARE/THE SERVICE PROVIDER ARE THE CLAIMS MANAGER

Comcare/service provider responsibilities

Overview

The claims manager (Comcare/the service provider) is responsible for managing the transition-in process. Comcare/the service provider will work with the participating agency to understand the agency's needs, ensure the roles and responsibilities are clear and that Comcare/the service provider and agency are ready to deliver claims management services.

Key deliverables

Comcare/the service provider is responsible for several key deliverables during the transition-in period. Comcare/the service provider will work with the participating agency when developing these deliverables. The deliverables include:

- > developing the transition-in plan and schedule (including the approach to systems, data management, reporting and testing)
- > an agency transition-in guide (defines roles and responsibilities and information needed from the participating agency)
- > resourcing and risk management plan.

AGENCY AS CLAIMS MANAGER RESPONSIBILITIES

Overview

A participating agency approved by Comcare to use agency resources to manage claims has additional transition-in responsibilities.

Key deliverables

A participating agency must produce the following key deliverables as part of transitioning to in-house arrangements:

- > a transition-in plan and schedule
- > a resourcing and risk management plan for the transition period.

COMCARE APPROVAL OF TRANSITION-IN

Regardless of the claims service option chosen, Comcare must review and accept the finalised transition-in plan before a new service option commences.

As part of accepting the transition-in plan Comcare will confirm the commencement date of the new arrangements with the participating agency.

ONGOING ENGAGEMENT AND MONITORING OF NEW SERVICE OPTIONS

Comcare's Delegated Claims Services team is responsible for the management of the delegated claims management arrangements and monitoring the performance of participating agencies and service providers. The Agency Contact will work with you to ensure that the requirements under the delegated claims management arrangements are clear.

CLAIMS MANAGER ENGAGEMENT

The Delegated Claims Services team is responsible for contract management and performance monitoring of providers. However, the participating agency and the claims manager will engage directly on operational matters. The specific arrangements for how the participating agency and the claims manager will interact depend on the service option chosen and is set out in the contract/ statement of requirement or service level agreement. These arrangements include:

1. The claims manager nominating an Agency Services Customer Contact as the key contact for the participating agency (excluding in-house option).
2. Regular meetings between the claims manager and participating agency.
3. Defined contact points for the claim manager's engagement with the agency delegate and the agency's rehabilitation case manager.

MANAGING SERVICE PROVIDER PERFORMANCE ISSUES

The participating agency should work directly with the service providers' claims managers on operational issues as they occur. Should significant or systemic issues arise, the participating agency should escalate these issues to the Agency Services Customer Contact.

If the participating agency is not satisfied with the response from the service provider, the agency should escalate the issue to their Comcare Agency Contact. The Agency Contact will investigate the issue and resolve any performance issues under the contract. Performance of contract management will also provide an opportunity for agencies to provide feedback.

MANAGING PARTICIPATING AGENCY PERFORMANCE ISSUES

Comcare is responsible for monitoring participating agency performance and managing issues. The *Compliance and performance monitoring framework* details Comcare's approach to managing performance. The framework covers:

- > how participating agencies demonstrate compliance with the conditions of delegation
- > the performance measures and targets that apply for participating agencies
- > Comcare's approach to addressing performance issues

A participating agency will receive a copy of the Compliance and performance monitoring framework when enquiring about a new service option. Comcare's Agency Contact will discuss the framework and its application with your agency.

Auditing, quality assurance and continuous improvement

Comcare may conduct an audit to assess performance under the delegated claims management arrangements or address performance concerns. For more information on auditing refer to the *Compliance and performance monitoring framework*.

External review in first year of new arrangements

An external review of the participating agency's claims management arrangements will occur during the agency's first year in a new service option. Comcare will arrange for this review to be conducted.

The purpose of this review is to ensure that the guiding principles of the delegated claims management arrangements are being met, specifically that delegated powers are being exercised in accordance with legislation and that claims management arrangements are effective and efficient. A review will generally focus on assessing claims management files but may address other issues should scheme or agency level issues be identified. For more information on the potential scope of a review, see the Compliance and Performance Monitoring Framework.

Ongoing auditing arrangements

As part of transition to a new service option, the claims manager will produce a Quality Management Plan that details the approach to quality assurance and auditing for the claims manager and the participating agency. The participating agency is required to support the claims manager to deliver the objectives of this plan.

Additional to the quality assurance and auditing arrangements that the participating agency has in place, Comcare may conduct an audit of the arrangements at any time.

Audit tools

Comcare's claims management audit tool is used to assess claims management performance and identify areas for improvement. Depending on the scope of the audit/review different areas of the audit tool may be assessed. Your Agency Contact will confirm the scope of any review with you.

Dispute resolution process

A participating agency should contact their Agency Contact to raise any concerns with Comcare's management of the delegated claims management arrangements.

Premium arrangements

Comcare's premium model remains the same under the new service options. A [guide to Comcare's premium model](#) is available.

KEY PLANS AND REPORTS

The following reporting arrangements apply to the new service options:

Product name	Purpose	Who produces the product?	Who receives the product?	Frequency
Agency Services Plan	Document the approach to delivering claims management services in the coming year	Claims manager (Comcare, service provider or in-house)	Comcare and the participating agency	Annually
Agency Certification	Certification of compliance with the conditions of delegation	Participating agency	Comcare	Annually
Agency Claims Report	Detail the participating agency's performance against the Compliance and Performance Monitoring Framework	Comcare	Participating agency	Monthly
Agency Performance Report	Detail the claims manager's performance for the agency including against service levels in the contract	Claims manager (Comcare, service provider or in-house)	Comcare and the participating agency	Monthly

PROCESSES AND TRAINING—CONTINUOUS IMPROVEMENT

A participating agency is responsible for maintaining and continually improving the processes, procedures and capability of staff under the delegated claims management arrangements.

Details of the participating agency's approach to revision of documents and refresher training must be included in the agency's Quality Management Plan.

EXTENSION OF DELEGATION

Delegations under the delegated claims management arrangements are granted for a set period. Should an agency and Comcare determine that the arrangements are proving effective, the delegation can be extended. Comcare's CEO is the decision-maker on extending the delegation.

TRANSITION OUT OF A SERVICE OPTION

A transition out may occur at the end of a delegation period or during the life of the delegation.

A participating agency may transition out of a service option for many reasons. These include:

- > that a different service option may be more effective and efficient
- > performance issues
- > the chosen service option is no longer cost effective.

Generally, a new service option will be implemented for four years to allow for an agency's performance to be assessed over a full premium cycle.

An agency transitioning out of a chosen service option will move to another claims service option offered by Comcare.

Transition out plan

A claims management transition out plan will be required to ensure continuity of claims management services and payments to employees.

The arrangements for the transition out plan are similar to those of transition in. The transition out plan is developed by the claims manager and must be approved and accepted by Comcare before the agency can move service options.

Key deliverables

- > Developing the transition out plan and schedule (including the approach to systems, data management, reporting and testing).
- > The appointment of a Transition-Out Manager and any other required resources.