

Workers Compensation Claims and Policy Services

DATE

2005

Schedule 1 – Business Model

Nominal Insurer

And

«CoName»

TABLE OF CONTENTS

1	INTRODUCTION	3
2	BUSINESS MODEL REQUIREMENTS.....	3
3	BUSINESS MODEL OBLIGATIONS.....	4
4	BUSINESS MODEL REPORT.....	4
5	REQUIREMENTS FOR CORE COMPETENCIES.....	4

Schedule 1 – Business Model

1 INTRODUCTION

- 1.1 **(About this Schedule)** This Schedule defines the Business Model that the Scheme Agent must use to provide the Services and to achieve Scheme Outcomes.
- 1.2 **(Glossary)** For the meaning of defined terms used in this Schedule, refer to Schedule 14 (Glossary).
- 1.3 **(Obligations)** The obligations in this Schedule are in addition to the other parts of the Deed.
- 1.4 **(Attachment)** The Scheme Agent's Business Model is attached to this Schedule (Attachment A), including the Key Subcontractor Register (Attachment B).

2 BUSINESS MODEL REQUIREMENTS

- 2.1 **(Viability)** The Nominal Insurer seeks an integrated, efficient, effective and viable Business Model under which the Scheme Agent will conduct the Services.
- 2.2 **(Importance)** The Scheme Agent's Business Model is of significant importance to the Nominal Insurer to ensure:
 - (a) the Scheme Agent adopts a planned and controlled approach to achieving Scheme Outcomes and Scheme Objectives;
 - (b) the Scheme Agent demonstrates a recognition of the different requirements and needs of Employers and Workers in the delivery of Services; and
 - (c) that the legislative framework and the Scheme Objectives and Scheme Outcomes are evident in the strategic and operational day-to-day performance.
- 2.3 **(Strategies)** The Business Model must depict the high-level strategies and key elements as specified in this Schedule and must ensure:
 - (a) the Scheme Agent is focused on Scheme Outcomes;
 - (b) Services are delivered in accordance with the Deed; and
 - (c) the Core Competencies (Section 5) underpin the Business Model and are embedded in day-to-day operations.
- 2.4 **(Underpinned)** The Business Model will be underpinned by systems, practices and procedures that the Scheme Agent will implement as part of the Deed.
- 2.5 **(Implementation)** The implementation of the Business Model will commence from Transition Commencement Date and be fully completed in accordance with the first Annual Services Plan by no later than 31 December 2006.

Schedule 1 – Business Model

3 BUSINESS MODEL OBLIGATIONS

- 3.1 The Scheme Agent must:
- (a) **(Establish)** Establish and maintain the Business Model Approved by the Nominal Insurer;
 - (b) **(Deliver)** Deliver the Services, in particular the Scheme Services, for the Nominal Insurer, in accordance with the Business Model; and
 - (c) **(Monitor)** Monitor, evaluate and continuously improve the Business Model.

4 BUSINESS MODEL REPORT

- 4.1 **(Provide)** The Scheme Agent must provide the Nominal Insurer with a Business Model Report as part of the Annual Review. The report should comment on the Scheme Agents performance relative to the previous year's Business Model strategies and objectives. The report should provide a critical analysis of the Business Model and describe the impact on next year's Business Model. The report should also include general comment on the following information:
- (a) performance of processes and procedures used to deliver the KPIs;
 - (b) significant changes to the strategies specified in the Approved Business Model;
 - (c) significant changes in infrastructure specified in the Approved Business Model including:
 - (i) Personnel numbers estimated for the next twelve month period; and
 - (ii) automation of key processes and facility locations planned for the next twelve Months.
 - (d) significant changes in sourcing strategy specified in the Approved Business Model (ie. Third Party Service Providers, Key Subcontractors); and
 - (e) a statement as to the minimum and maximum number of Claims and Outstanding liability the Scheme Agent is capable of managing for the coming year.

5 REQUIREMENTS FOR CORE COMPETENCIES

5.1 OVERVIEW

- 5.1.1 Core Competencies are the essential elements of the Scheme Agent's Business Model that are required to support the delivery of the Services.

5.2 CASE MANAGEMENT

- 5.2.1 The Scheme Agent's obligations in the provision of Case Management are that it must provide a coordinated approach that integrates both Injury management and Claims Management to achieve a planned outcome. Case Management focuses on optimising the maximum functional capacity of Workers in a cost effective way to return to gainful employment through removing persistent barriers to RTW where possible. In cases where RTW is not possible, the Scheme Agent must either provide certainty to the Worker about ongoing Benefits or assist the Worker in exiting the Scheme.

Schedule 1 – Business Model

5.2.2 The Scheme Agent's Case Management model must:

- (a) (**Scheme Agent approach**) Ensure a holistic, individual and cost effective approach for Workers and Employers;
- (b) (**Injury Management Program**) Ensure that the Case Management approach is in accordance with the Scheme Agent's Injury Management Plan;
- (c) (**Primary contact**) Provide a suitably qualified individual who is the primary contact and principal decision maker accountable for the Claim outcome;
- (d) (**Partnership**) Promote a working partnership between the Case Manager, Worker, Employer and Third Party Service Providers and communicates and coordinates Case Management to achieve planned outcomes for each Claim; and
- (e) (**Review**) Ensure that regular reviews of the performance of Case Management are undertaken in accordance with the Scheme Agent's quality management framework (Section 5.8).

5.3 Sound Decision Making

The Scheme Agent's obligation's in the provision of sound decision making in delivering the Services are that decisions must be made, giving consideration to all available information, in a manner free of preference or prejudice and with the outcome for Workers, Employers and stakeholders considered.

5.3.1 Utilise a decision making model

The Scheme Agent must, at a minimum:

- (a) (**Model**) Utilise a decision making model that includes methods that:
 - (i) identify the need for a decision;
 - (ii) are evidence based;
 - (iii) consider all the implications of the decision on the relevant Employers, Workers and stakeholders, including cost benefit, risk assessment and alternatives;
 - (iv) ensure decisions are made and communicated within defined time frames; and
 - (v) identify escalation points in the management of decisions requiring higher authority levels or for decisions that may be contentious.
- (b) (**Documentation**) Ensure decisions that are material, or that may impact Scheme Outcomes, are documented and include references to any available information that influenced the basis of the decision, the options considered, the reason for the decision and the expected outcomes;
- (c) (**Communication**) Ensure decisions, and the information upon which the decision was made, are communicated to all affected parties in a timely, transparent and consistent manner;
- (d) (**Non acceptance**) Ensure decisions not accepted by an affected party, or their representative, are proactively managed through the Scheme Agent's Complaints and disputes management model (Section 5.5); and

Schedule 1 – Business Model

- (e) **(Review)** Ensure that regular reviews of the performance of the sound decision making model are undertaken, in accordance with the Scheme Agent's quality management framework (Section 5.8).

5.4 Customer Service

The Scheme Agent's obligation in the provision of customer service is that it must meet Worker and Employer needs in the delivery of Services. The Scheme Agent must utilise an effective customer service and communication framework that will assist the Scheme Agent to build stakeholder relationships, Worker and Employer satisfaction, and to ensure Workers and Employers understand their obligations.

5.4.1 Utilise a customer service and communication framework

The Scheme Agent must utilise a customer service and communication framework that, at a minimum:

- (a) **(Standards)** Describes the service standards that will be applied to all Workers, Employers and Third Party Service Providers;
- (b) **(Customer needs)** Enables the recognition, accommodation and management of Workers' and Employers' cultural, literacy, language and any other special needs;
- (c) **(Means of communications)** Offers appropriate mediums for both inbound and outbound communications to accommodate the varying needs of Workers and Employers;
- (d) **(Communication practices)** Utilises communication practices where the impact of communications upon Workers and Employers are always considered and, as a result, delivered appropriately. The practices should include:
 - (i) relevant time-frames for necessary actions;
 - (ii) clear communication of decisions and provision of details for methods of dispute resolution and/or escalation processes;
 - (iii) the use of accurate, clear and plain English; and
 - (iv) the use of the Unique Identifier in all correspondence.
- (e) **(Track communications)** Ensures that relevant communications with stakeholders can be noted, identified and accessed when required;
- (f) **(Contact details)** Ensures Workers' and Employers' contact details are recorded, accessible when required, and current; and
- (g) **(Review)** Ensures that regular reviews of the performance of the customer service and communication framework are undertaken, in accordance with the Scheme Agent's quality management framework (Section 5.8).

5.4.2 Assess and ensure customer satisfaction

The Scheme Agent must, at a minimum:

- (a) **(Assess customer satisfaction)** Conduct regular, at least annual, assessment of Employers and Workers satisfaction;
- (b) **(Track customer satisfaction)** Record and track the results of customer satisfaction assessments in accordance with the Scheme Agent's quality

Schedule 1 – Business Model

management framework (Section 5.8), and develop and implement strategies to mitigate any issues identified as a result of the assessments; and

- (c) **(Content)** Incorporate Nominal Insurer survey criteria, if required.

5.5 **Complaints and disputes Management**

The Scheme Agent's obligation in the provision of Complaints and disputes management is that it must have a system that identifies Complaints and disputes early in order to manage each Complaint and dispute to a timely and cost effective resolution.

5.5.1 **Provide a Complaints and disputes management model**

The Scheme Agent must, at a minimum:

- (a) **(Utilise)** Utilise a Complaints and disputes management model and ensure that the model addresses, at a minimum, AS4269-1995 'Complaints' handling;
- (b) **(Document)** Operate a Complaints and disputes recording process that:
 - (i) identifies Complaints and disputes by the Unique Identifier; and
 - (ii) enables timely access to documentation.
- (c) **(Cooperation)** Ensure that full cooperation is given in relation to:
 - (i) Nominal Insurer procedures when a Complaint or dispute has been made to the Nominal Insurer or its Personnel; or
 - (ii) WCC procedures, when a dispute has been lodged with the WCC.
- (d) **(Review)** Ensure that regular reviews of Complaints and disputes are undertaken in accordance with the Scheme Agent's quality management framework (Section 5.8).

5.6 **Data quality management**

- 5.6.1 The Scheme Agent's obligation in the provision of data quality management is the capture and utilisation of accurate, complete and timely data.

The Scheme Agent must:

- (a) **(Collection)** Ensure appropriate data collection processes are in place that allow for the timely, accurate, and complete collection of data.
- (b) **(Monitor)** Monitor data quality to ensure data is being captured consistently, accurately and completely.
- (c) **(Translate)** Implement controls to ensure the accurate translation of information to data, to support the delivery of Services.
- (d) **(Review)** Ensure that regular reviews of data quality management are undertaken, in accordance with the Scheme Agent's quality management framework (Section 5.8).

5.7 **Performance Management**

The Scheme Agent's obligations in the provision of Performance Management are that it must undertake regular planning, effective measurement and analysis to enable its performance to be evaluated.

Schedule 1 – Business Model

5.7.1 Undertake regular business planning

The Scheme Agent must undertake regular planning that forecasts and evaluates the level of Scheme Agent achievement against Scheme Outcomes, Quarterly Performance Fee Targets and Incentive Fee Targets, Services and the KPIs.

5.7.2 Conduct performance measurement and analysis

The Scheme Agent must, at a minimum:

- (a) (**Measurement framework**) Utilise a framework for performance measurement that evaluates the Scheme Agent's achievement against plans;
- (b) (**Track**) Select, collect, align and integrate data and information for tracking operational performance and overall Scheme Agent performance towards Scheme Outcomes, Quarterly Fee Targets and Incentive Fee Targets, Services and KPIs;
- (c) (**Analyse**) Analyse data and information to determine the Scheme Agent's performance;
- (d) (**Strategic Decision Making**) Use the analysis of the Information to support operational and strategic decision-making;
- (e) (**Report**) Establish and utilise necessary reports to communicate results of the performance measurement framework to the Nominal Insurer; and
- (f) (**Review**) Ensure that regular reviews of Performance Management are undertaken, in accordance with the Scheme Agent's quality management framework (Section 5.8).

5.8 Quality management

The Scheme Agent's obligation in the provision of quality management is that it must maintain a quality management framework that ensures the quality of delivery of the Scheme Services, and identifies and mitigates deficiencies in the Business Model.

5.8.1 Utilise a quality management framework

The Scheme Agent must, at a minimum:

- (a) (**Documented procedures**) Operate a quality management framework that incorporates documented procedures to ensure consistent delivery of the Scheme Agent's Business Model;
- (b) (**Methodology**) Ensure that the quality management framework is consistent with a recognised quality management methodology and incorporates, at a minimum:
 - (i) the development of a quality management plan;
 - (ii) quality control;
 - (iii) quality assurance; and
 - (iv) quality improvement.

Schedule 1 – Business Model

5.8.2 Ensure continuous improvement of Service delivery

The Scheme Agent must, at a minimum:

- (a) **(Reviews)** Conduct periodic systematic reviews that:
 - (i) assess the Scheme Agent's Business Model using the quality management framework (Section 5.8) to identify performance gaps in the Service delivery requiring improvement; and
 - (ii) develops and implements mitigation or development strategies where gaps or opportunities have been identified.
- (b) **(Recorded history)** Record and retain the history of the results of such reviews, and the recommendations; and
- (c) **(Tracking)** Track the implementation of each recommendation, recording its progress and its achievement-in-full date.

Schedule 1 – Business Model

Attachment A – Business Model

Individual plan will be inserted here.