

# ACC has made substantial progress on its *commitments* to become *more customer-centric*...

## *Next Generation Case Management*

- More proactive navigation of ACC processes and structures for those who need it
- Positioning ACC to identify and understand client needs before serious disputes arise
- More streamlined, better targeted support
- Responsive to clients with complex needs

## *Resolution Services*

- New centralised unit responsible for reviews and complaints management – aims to reduce the number of lodged reviews proceeding to formal review, by facilitating early resolution
- Impartial assessment of the decline decision, and engagement with client and ACC decision-maker
- Removes original case owner from administrative review of decisions

## *Whāia te Tika*

- Focus on removing persistent barriers for Māori accessing the scheme
- Frontline staff are developing capability to affirm and fulfil Māori expectations for engagement
- Explicit focus on addressing drivers of inequitable outcomes – including ACC's decision-making

*And others*

...effective advocacy will allow us to *build on* and *safeguard* these gains, and...

### *Effective advocacy can:*

- Support enhanced customer-centricity by providing our customers – who may have highly complex lives – with choice in how they engage with ACC
- Work effectively in tandem with NGCM, with insights from advocacy helping refine the effectiveness of NGCM and vice-versa
- Help maintain accountability and trust with New Zealanders as we implement change.

### *Effective advocacy can:*

- Address concerns raised by ACC clients about the need for **independent** advocacy – particularly among those who aren't yet comfortable or confident to seek help from services within ACC
- Enhance confidence in our internal Resolution Services by showing that we offer genuine choices in how to seek help
- Equip our clients to **engage more effectively with ACC themselves**.

### *Effective advocacy can:*

- Empower Māori clients to comfortably engage with and respond to ACC – on their own terms and in ways that don't conflict with their culture and values.
- Directly support two of three focus areas of Whāia Te Tika – **Te Arotahi Kiritaki** (customer focus) and **Whakawhanaketia te Kaha** (developing capability).

Under the provisions of the Official Information Act 1982, certain information in the following pages has been withheld. The relevant sections of the Act are noted on each area.

...deliver on the Government's priorities.

## Why advocacy? Why now?

Effective advocacy should ensure clients get the right advice at the right time, and don't "fall through the cracks".

Research undertaken with our clients provided crucial insights into what effective advocacy can achieve.

### An effective advocacy service can provide...

#### Simplicity

- Quick, simple, accessible support to overcome existing barriers.
- Advocacy that quickly gets to the heart of client needs – including clients with literacy challenges, poor computer skills, or other high needs
- Expertise and relationships to find solutions with speed and accuracy.

#### Quality

- A better option for clients who currently seek help from private advocates, sometimes at extreme cost
- Clear quality and conduct expectations attached to funding
- A free, quality-assured option in all areas of NZ.

#### Efficiency

- Faster resolution of issues than is achievable by ACC and the client alone (as evidenced in Community Law case studies by NZIER)<sup>1</sup>
- Improved sharing/access to crucial information for both ACC and the client
- Support that enhances clients' ability to engage productively with ACC.

#### Trust

- Targeted support for Māori and other groups who experience persistent disadvantage in accessing entitlements, resulting in loss of trust in ACC
- Advocates who are perceived to be independent may be a more trustworthy source of advice for these clients.

"I don't want to talk to my case manager because she works for ACC. My friend told me CMs get a bonus when you return to work."

"We didn't know what to ask for, so we had to improvise."

"To facilitate contact...when I'm too upset. You hear something completely different when you're upset."

"I had no help after my operation. My landlady had to change the bandages, and I got an infection...I didn't want to bother my doctor."

"People are afraid they might say something wrong [to ACC] to cut their entitlements."

"you can only fight so many battles when you're sick."

"Some people don't have the ability to communicate their needs."

"I was driving around high on meds because I didn't know I was entitled to transport... It's hard to find information if you're not computer literate."

Our clients told us they need advocacy because...

There are a range of possible options for implementing an effective advocacy service. Regardless of the model selected, however, service specifications must consider:

**Expertise** – ensuring that advocates have a comprehensive knowledge of ACC and its processes

**Independence** – ensuring that the service is seen to be independent, even with ACC as a funder

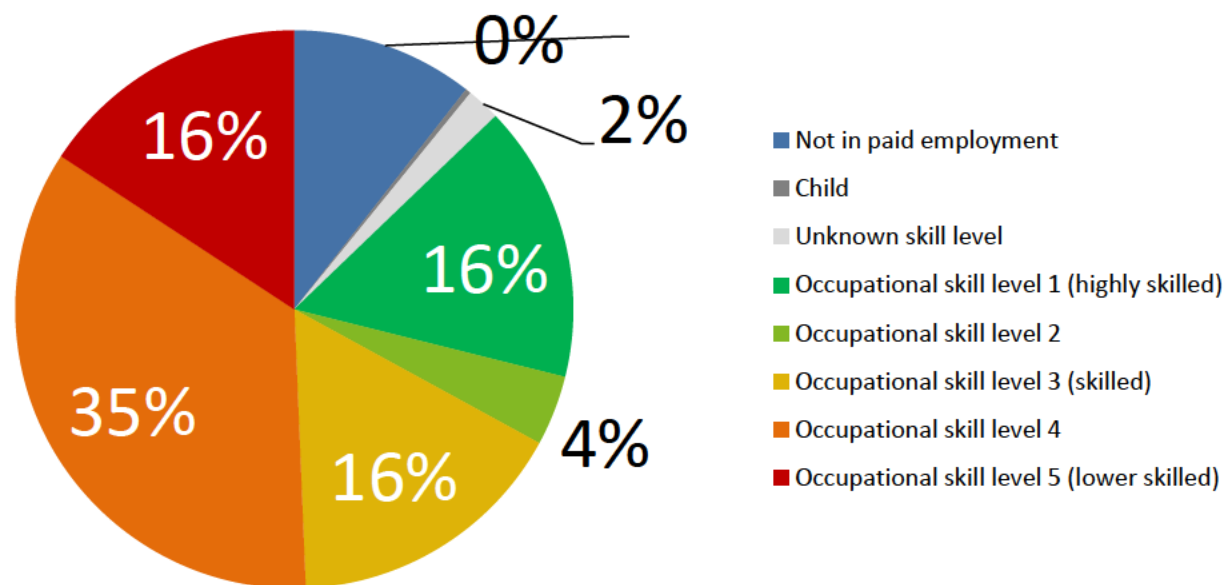
**Managing demand** – ensuring that advocates will empower clients to confidently self-advocate where possible, and focus effort where there is genuine need for extra support.

# Who can benefit from advocacy?

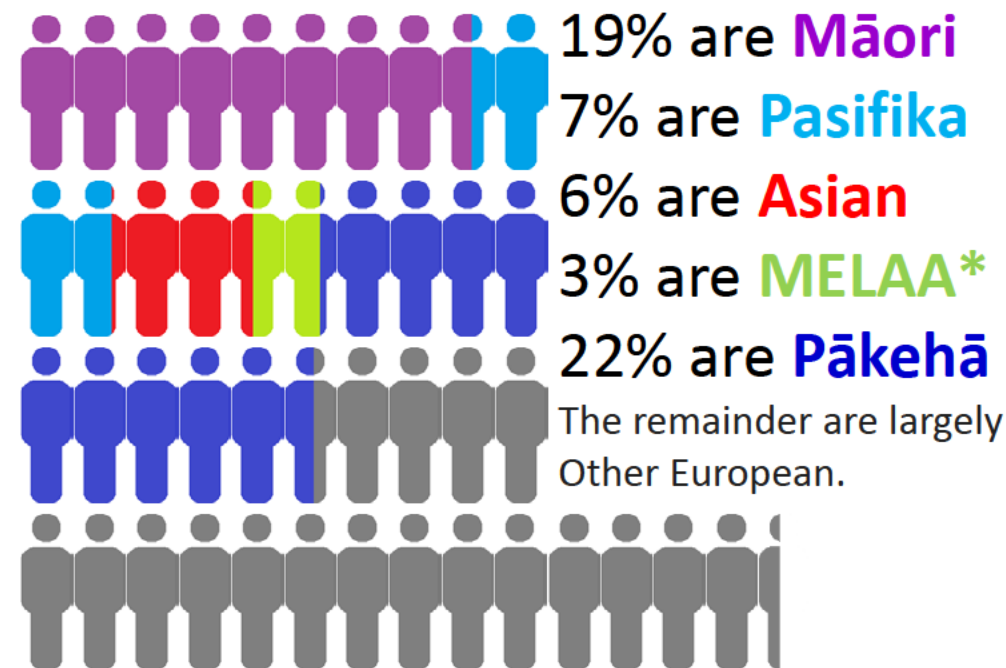
Recent Workplace Injury Advocacy Service (WIAS) users' data gives important insights into the type of clients who see value in seeking independent advice. Note that this data does not include those clients who could have benefited from advice, but did not seek it.

## Indicative occupational skill levels

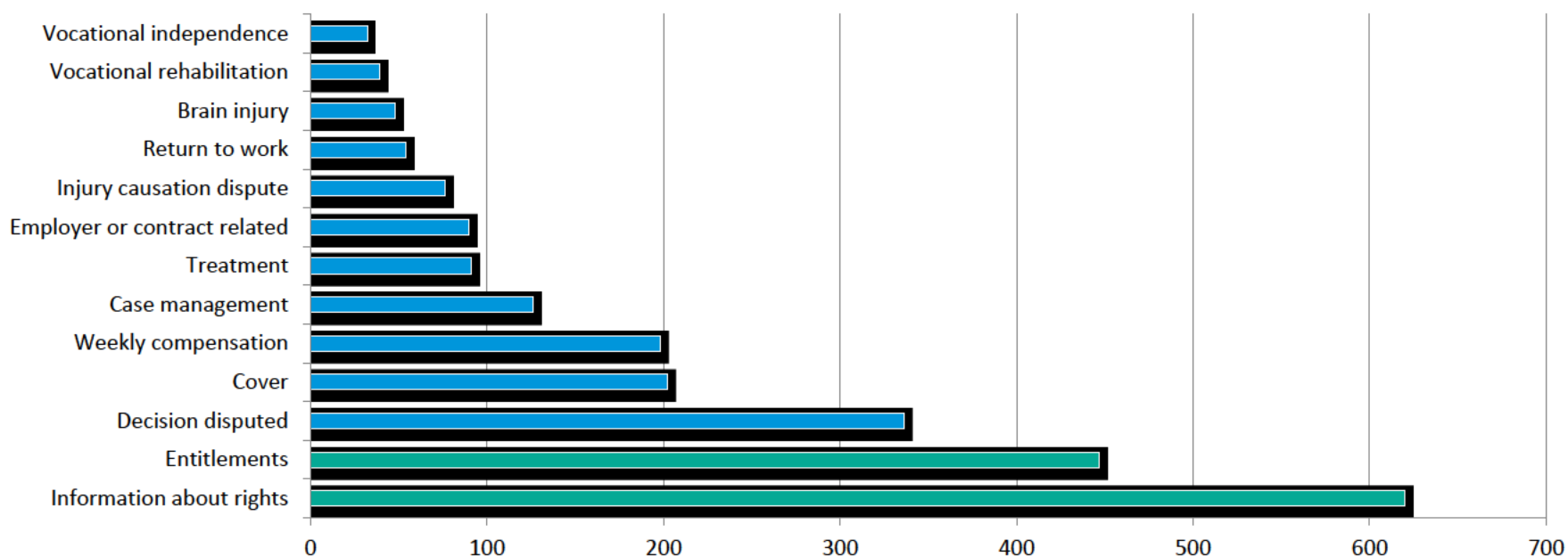
Over half of employed WIAS clients are estimated to be in the lowest two occupational skill levels. In the general population, this group makes up just 30% of employed people.



## Self-reported ethnicity



## Type of query received



The bulk of ACC clients contacting WIAS want help with **rights when dealing with ACC and entitlements**. This is reflected in the fact that about 84% of cases are resolved in under 30 working days.

For many of the types of clients who seek help from WIAS, straightforward advice from an independent source may be enough to help them move forward confidently in their relationship with ACC.

Sources: Statistics New Zealand Labour Market Statistics, June 2017.  
 2017 WIAS quarterly reports to September (three reports). Clients may report more than one ethnicity and query type.  
 \*MELAA: Middle Eastern, Latin American and African

# ACC has a range of options to resource advocacy services...

## 1. (DISCARDED) Increase funding to existing advocacy service

### Why?

- WIAS has extensive **expertise** in dealing with ACC advocacy issues, and can likely **manage demand** effectively.
- High perceived **independence** from ACC
- Demonstrated service to low-skilled workers, Māori, and migrant and ethnic minority groups who may have complex needs.
- Additional funding and promotion may enable WIAS to reach more clients.

### But...

- Unlikely to fulfil stakeholder expectations – not what clients have told us they need.
- Tends to attract workplace-injured clients, and may not appeal to others.
- Service provision varies between regions.

**This option is not feasible, as the current contract expires soon.** ACC will need to go to market to fill this contract, making option 1 practically similar to option 3, if WIAS is included in the new contract.

## 2. (DISCARDED) Directly appoint an existing service to provide advocacy

### Why?

- Allows ACC to select a service already known to have **expertise** in providing advocacy-type services.
- “Brand recognition” of existing trusted services may reassure clients of their **independence** despite ACC funding.
- Enables earlier delivery of an advocacy service, as the time involved in running a full procurement process will be avoided.
- Can set expectations for **managing demand**.

### But...

- likely to be unsatisfactory stakeholders including the advocacy sector, who will expect ACC to engage with them on an open and fair basis if a contract is offered.

**This option was not considered, as an open procurement process is required to establish a new service in compliance with the NZ Government Rules of Sourcing.**

## 3. Contract for new advocacy service/s

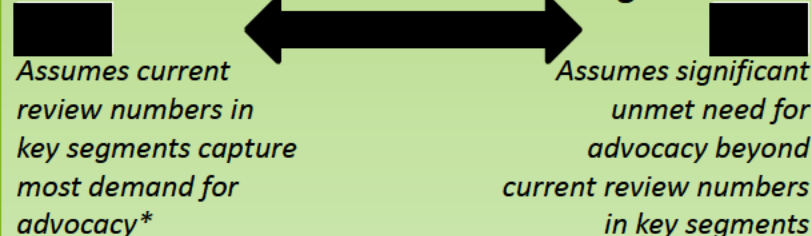
### Why?

- Range of contracting options – could seek sole nationwide provider, or combination of providers (potentially including WIAS).
- Can set strong requirements for accessibility, **expertise, managing demand**, and provision of key customer insights and feedback.
- Open procurement takes time, but provides certainty that the selected provider/s can deliver the service ACC envisions.
- Use of existing service/s may reassure clients of their **independence** despite ACC funding.

### This option covers a range of possibilities...

- A range of options exist regarding the nature and size of the contract to be offered.
- ACC may choose to promote the service/s proactively to all clients; or promote reactively to specific clients, possibly alongside stronger promotion of Resolution Services.
- Aspects of service design will not be finalised until ACC is able to test feasibility with the market.
- Difficulty of estimating demand for a new service means ACC can choose to take a generous or conservative approach (see appendix for detail):

**Low estimate:** Redacted under s9(2)(i) **High estimate:**



**Additional considerations:** ACC may wish to consider planning a two-year post-implementation review of this option to assess continuing service need following NGCM and other changes.

## 4. Create a new “one-stop shop” advocacy entity

### Why?

- Allows service to be tailored “from the ground up” to cater to the specific advocacy needs of ACC clients from pre-lodgement to post-review.
- Appropriate measures to ensure advocates’ **expertise** and ability to **manage demand** can be built into the design of the entity.
- **Independence** of an entity created by ACC may be questioned.
- This design was favoured by participants in the advocacy service co-design workshops.

### But...

- Substantial additional work (and time) is required to design and deliver this option.
- Services already exist which can deliver an effective advocacy service within a shorter timeframe.

### Additional considerations:

- Over the longer term, other government agencies with a need for advocacy could be included in this model.
- Option 3 could be selected as an interim measure, with a view to reconsidering Option 4 in future if there is cross-government interest.

**...the options available to ACC carry varying costs, benefits, risks and practical implications.**

Issue	Contract for a new advocacy service (low cost, reactive promotion)	Contract for a new advocacy service (high cost, active promotion)	Create “one-stop shop” advocacy entity	No increase in investment (status quo)
<i>Stakeholder and Ministerial expectations met</i>				
<i>Client needs (simplicity, quality, efficiency, trust) fully met</i>				
<i>Ability to manage quality of advocates</i>				
<i>Equity of access (incl. acceptability of service to Māori clients)</i>	 some clients in need may not be aware of service			
<i>Service design considerations (expertise, independence, managing demand)</i>		 may not manage demand	 may not manage demand	
<i>Cost of implementation</i>				
<i>Timeliness of implementation</i>				n/a

Green = mostly or completely fulfilled; orange = partially fulfilled; red = not fulfilled.

# Appendix – costings for Option 3, contract for new advocacy service/s

Unless marked otherwise redactions made under S9(2)(i).

Initial analysis suggests uptake of a nationwide advocacy service could range from 4,360 cases up to 11,730 cases per annum (compared to about 1,000 a year currently). However, these numbers may not be realised.

ACC currently pays WIAS  $\$9(2)(b)(ii)$  per case. However, they do not offer the full range of services that clients and advocates have told us are needed (e.g. face-to-face discussion as required). Cost estimates therefore assume an average cost of  $\$$  per case.\*

Effective advocacy is likely to reduce costs currently incurred in unnecessary reviews. The average cost of a FairWay review (excluding costs to ACC from administrative review) is around  $\$9(2)(b)(ii)$  – 5.7 times the expected average cost of advocacy assistance.

**Every instance of advocacy which avoids a full review represents a cost saving to ACC.**

Low-cost scenario ( $\$$  million):

High-cost scenario ( $\$$  million):

Claim/client type	Cases per year	Assumptions
Vulnerable clients with active claims	30-60	5-10% of vulnerable clients use advocacy services within a year. Assumption: many vulnerable clients have connections with existing support services.
Complex and long-term claims	30-50	3-5% of clients with complex or long-term claims use advocacy services within a year. Assumption: clients with longstanding or complex disputes may prefer to choose non-ACC-funded services.
Cover declines	1,640—2,730	3-5% of people declined cover will use advocacy services within a year. Assumption: there is little need beyond the 3% of decline decisions currently reviewed.
Elective surgery declines	940-1410	10-15% of people declined elective surgery will use advocacy services within a year. Assumption: these clients are more likely to consult their surgeon than an advocate. (Currently 25% of elective surgery decline decisions are reviewed).
Weekly compensation declines	240-350	10-15% of people declined weekly compensation will use advocacy services within a year. Assumption: there is little to no need beyond the 14% of WC declines currently reviewed.
Other claim types	1,480	0.5% of all other decline decisions (current disputed decision rate) will result in people using advocacy.
Total	4,360-6,080	4,360 cases x $\$$ average cost = $\$$ 6,080 cases x $\$$ average cost = $\$$ m

Claim/client type	Cases per year	Assumptions
Vulnerable clients with active claims	110	20% of vulnerable clients with an active claim use advocacy services within a year.
Complex and long-term claims	210	20% of clients with complex or long-term claims use advocacy services within a year.
Cover declines	5,460	10% of people declined cover will use advocacy services within a year. Assumption: the 3% of cover decline decisions currently reviewed are not the full picture.
Elective surgery declines	3,760	40% of people declined elective surgery will use advocacy services within a year. Assumption: the 25% of elective surgery decline decisions currently reviewed are not the full picture.
Weekly compensation declines	710	30% of people declined weekly compensation will use advocacy services within a year. Assumption: the 14% of WC declines currently reviewed are not the full picture.
Other claim types	1,480	0.5% of all other decline decisions (current disputed decision rate) will result in people using advocacy services.
Total	11,730	11,730 cases x $\$$ average cost = $\$$

**Note that these costs are for service provision only, and do not include any costs associated with service promotion.**

This estimate cannot yet account for the impacts of ACC initiatives including Next Generation Case Management and the new Resolution Services, which can be reasonably expected to reduce demand for advocacy services over time.

\*For comparison, the advocacy service for Utilities Disputes spends \$400 on average per case, and does not have a face-to-face component (Sapere Research Group (2015). *Understanding the value of the Electricity and Gas Complaints Commissioner.*)