Accident Compensation Corporation
Vocational Rehabilitation Service Design
Information and Discussion Document

Deadline for feedback

5.00pm, 15 December 2010

Contents

1. Purpose

This document provides the following information to the vocational rehabilitation sector on:

- Current views on ACC's Vocational Rehabilitation (VR) services
- the proposed design for the future vocational rehabilitation services
- the proposed procurement strategy.

ACC seeks feedback from the vocational rehabilitation sector on the proposed redesign of its VR Services.

Please read this document, then let us know what you think – whether you agree or disagree with our proposals and if you have any ideas or suggestions for improvement.

Simply complete the online survey at:

https://www.surveymonkey.com/s/vocrehabconsultation

By **5.00pm, 15 December 2010**.

2. Background Information

2.1. Vocational rehabilitation services review

This review was established to strategically review ACC's suite of vocational rehabilitation services to identify opportunities to:

1. Redesign the services to meet the needs of clients in each segment group of ACC's Service Delivery Model (SDM) – refer to Section 3.
2. Simplify the suite of VR services to ensure they are easily understood by both ACC client service staff and providers.
3. Establish purchasing arrangements that align with the principles of ACC's Purchasing Framework, especially the principle that services will be relationship-based – see Appendix 1 for an explanation of ACC's Purchasing Framework.

2.2. What has informed the review?

The review has been extensive with multiple inputs as described in the table below.

Table 1 - review inputs

Input	Description
Legislation	Accident Compensation Act 2001 with particular reference to vocational rehabilitation sections
Policy	ACC Operational Policies
Service schedules	Vocational rehabilitation service schedules including number and type of services, requirements of vendors and providers Related service development documents since 1999
Data	Claims volumes – trend analysis and forecasting Rehabilitation rates Vocational rehabilitation spend by SDM stream Spend against budget Spend by vendor Spend by client Geographic coverage by vendor
Literature review	Vocational Rehabilitation Literature Review ACC Research Review
Consultation	External reference group[1] Focus group meetings with external stakeholders ACC's Rehabilitation Liaison Group ACC Steering committee ACC Working group ACC staff

[1] Refer appendix 2 for a list of members

2.3. Key findings of the review

The purpose of VR and ACC's responsibilities in providing it are set out in the Accident Compensation Act 2001. The purpose of vocational rehabilitation is defined as:

> to help a claimant to, as appropriate,—
>
> - maintain employment; or
> - obtain employment; or
> - regain or acquire vocational independence[2]

The Act requires that VR services are agreed to by ACC, specified in an individual rehabilitation plan (IRP) — this is not mandatory where maintain employment is the goal — and ACC must be satisfied that the rehabilitation is:

- likely to achieve its purpose, and
- appropriate in the circumstances, and
- cost effective, and
- provided for the minimum period necessary to achieve its purpose.

A clear understanding is required of ACC's legislative requirements and how provider practices and expectations when providing VR services can better align.

Current service design

The front end VR services were recently redesigned to better reflect the "stay at work" practice. Further improvements could be made to these services to meet the VR requirements of this client group, consistent with principles for good rehabilitation as identified in the literature review section of this document.

Some other VR services are outdated and don't allow consistent alignment with ACC's client segments established by the SDM or with evidence based vocational rehabilitation principles. A full list of current services can be found in appendix 3.

Opportunities for improvement identified include:

- urgent effort is needed to prevent unnecessary time off work.
- assessments need to:
  - better identify the client's barriers to vocational rehabilitation;
  - inform the vocational rehabilitation recommendations, and/or subsequent discussions or case conferences with case managers
- the capability of employers to support return to work (RTW) needs building.

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[2] Vocational independence is defined as the claimant's capacity to engage in work-

(a) for which he or she is suited by reason of experience, education, or training, or any combination of those things; and

(b) for 30 hours or more a week.

- clarification is required regarding:
    - the roles and responsibilities of stakeholders in the vocational rehabilitation process;
    - ACC's obligations; and
    - the level of VR support to be provided to complete the VR plan.
- ACC needs to clearly communicate ACC's requirements, including documentation, to VR providers, to satisfy the legislative requirements for successful completion of the vocational independence process.
- services need to better integrate to be holistic and avoid a siloed approach
- the service design needs to allow claims managers to be efficient with purchasing the required components of services to match the individual client needs, particularly with more complex cases.
- the interface between ACC staff, VR providers and disability providers needs active management.

Service utilisation

In the last financial year ACC spent $42.3m on VR services which were purchased from more than 500 vendors through 15 service specifications[3]. That year 29,000 clients used one or more VR services.

The analysis showed that 126 VR service vendors supplied 81% of the total volume of services and that this percentage was above 70% across all geographical regions except Gisborne, West Coast and Canterbury.

Service outcomes

By reviewing the rehabilitation rates[4] before and after the introduction of contracted VR services, it is difficult to find clear evidence of:

- how effective the services are overall
- which services make the greatest difference for which client group
- which vendors perform best in achieving the desired outcomes

The outcomes of VR vendors are unclear and ACC has limited ability to monitor and track results.

Current purchasing arrangements

Current purchasing arrangements are perceived as out of date. Services are output based rather than outcome based. Vendors have indicated that there are threats to their viability under the current arrangements.

A challenge for vendors is to fit a business model with ACC's VR requirements. This is due to a diverse range of needs, uncertain and fluctuating referral volumes and the need to meet ACC's requirements (right level of service at a reasonable price to meet vocational rehabilitation needs).

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[3] A list of the current services is in Appendix 3

[4] Rehabilitation rates are measured as proportions of clients who return to work or otherwise become independent of ACC entitlements within a defined period from their injury.

2.4. Literature review

The following findings regarding good rehabilitation practice have been distilled from the literature[5]:

- Recovery from injury is best achieved at work — participation in work aids recovery.
- Employers have a key role in facilitating "stay at work" and "return to work" for their injured workers.
- The effectiveness of services depends on communication and coordination between all the key stakeholders, especially the injured worker, health and rehabilitation providers, employers and those responsible for planning and managing the rehabilitation programme (e.g. ACC staff, key workers).
- Services should be:
    - flexible and tailored to the individual,
    - based upon assessed needs and an agreed rehabilitation plan, and
    - commenced as soon as possible and completed within the shortest practicable time.
- Clients may need, as appropriate[6]:
    - physical conditioning
    - psychological screening and interventions
    - mechanisms to screen & address psychosocial barriers to rehabilitation
    - work accommodation (ergonomics, hours, task restriction, access)
    - employer/supervisor/work team training
    - emphasis on work-based interventions
    - vocational elements such as training, skill development, job search support
    - use of interdisciplinary and multimodal approaches
    - consideration of co-morbidities related to the injury
    - compensation and financial incentives for employees and employers
    - certification practices regarding fitness for work
- Services should be integrated as part of the injured worker's overall treatment and/or rehabilitation.
- Early intervention is necessary to assist injured workers to regain independence, including identifying those who require more structured VR services.
- There should be an appropriate infrastructure in place to support reliable and consistent service provision for injured workers, employers and other relevant parties.
- Where a client has a significant/severe impairment, they may require intensive initial supports with intermittent supports thereafter to keep the job. When their needs change, intensive supports may need to be reactivated for a period of time.

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[5] A full list of literature reviewed is found in Appendix 4.

Discussion

1. Are you in agreement with the findings identified?
2. Are there other literature findings that need to be included?
3. Provide information or references that support the inclusion of any additional findings

3. Proposed Vocational Rehabilitation Service Design

3.1. Vocational rehabilitation services philosophy

The primary goal of ACC's VR services is to ensure the cost-effective delivery of programmes that help workers return to work safely and quickly or meet the goal of employment participation following an injury. This goal is supported by the literature review (refer to previous section). ACC's purpose, therefore, is to make available a range of programmes that help injured workers to remain at work or return quickly, help them to obtain alternative employment or reach an appropriate level of vocational independence should returning to their pre-injury work not be possible.

The vocational rehabilitation services support the following principles:

- Recovery from injury is aided by and best achieved at work. Employers therefore have a key role in facilitating workplace based rehabilitation for their injured workers.
- Early intervention leads to faster recovery
- Identification and removal of barriers to return-to-work is essential
- Meeting client needs may involve working with a number of key stakeholders
- Client solutions are based on partnerships
- Fragmentation of rehabilitation delivery should be minimised

These principles underpin many but not all current VR services.

3.2. Client groups

The above principles apply to all ACC clients. However there are groups of clients that require a more specialised and alternative approach to their rehabilitation, applying not only the above principles but other rehabilitation principles to support RTW.

Most clients return to work quickly and require no assistance or only a short term minor intervention such as arranging temporary adjusted duties with an employer to ensure a safe RTW. Other clients return to normal duties over an extended period and may need longer term support.

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[6] In the ACC context, ACC may only contribute where needs are attributable to the covered personal injury.

Clients who are unable to return to their pre-injury job are likely to require more support to help them identify, prepare for and obtain suitable alternative employment. These clients will require a more extended range of services to meet their vocational rehabilitation needs.

Clients who have not returned to work for extended periods following their injury have specialised needs and will require different approaches. These clients are managed by ACC's Recover Independence Service (RIS).

ACC has some client groups that are characterised by significant/severe impairments. These are typically people who have sustained moderate/severe traumatic brain injury, spinal cord injury, multiple amputation, severe burns or blindness. These claims are managed within ACC's National Serious Injury Service (NSIS). When compared with general population statistics, this client group is over-represented by people who, in addition to their impairment, have higher levels of other barriers to employment[7]:

- they are younger when injured
- they have less work experience and history to draw upon
- they have lower levels of educational attainment
- they have higher levels of other barriers including literacy and numeracy
- they have higher rates of pre-injury employment in unskilled, semi-skilled or manual jobs
- they frequently experience lengthy and prolonged periods of unemployment post-injury

For clients with significant/severe impairments supported by NSIS, ACC adopts a blend of the social model of disability and a strengths-based practice where:

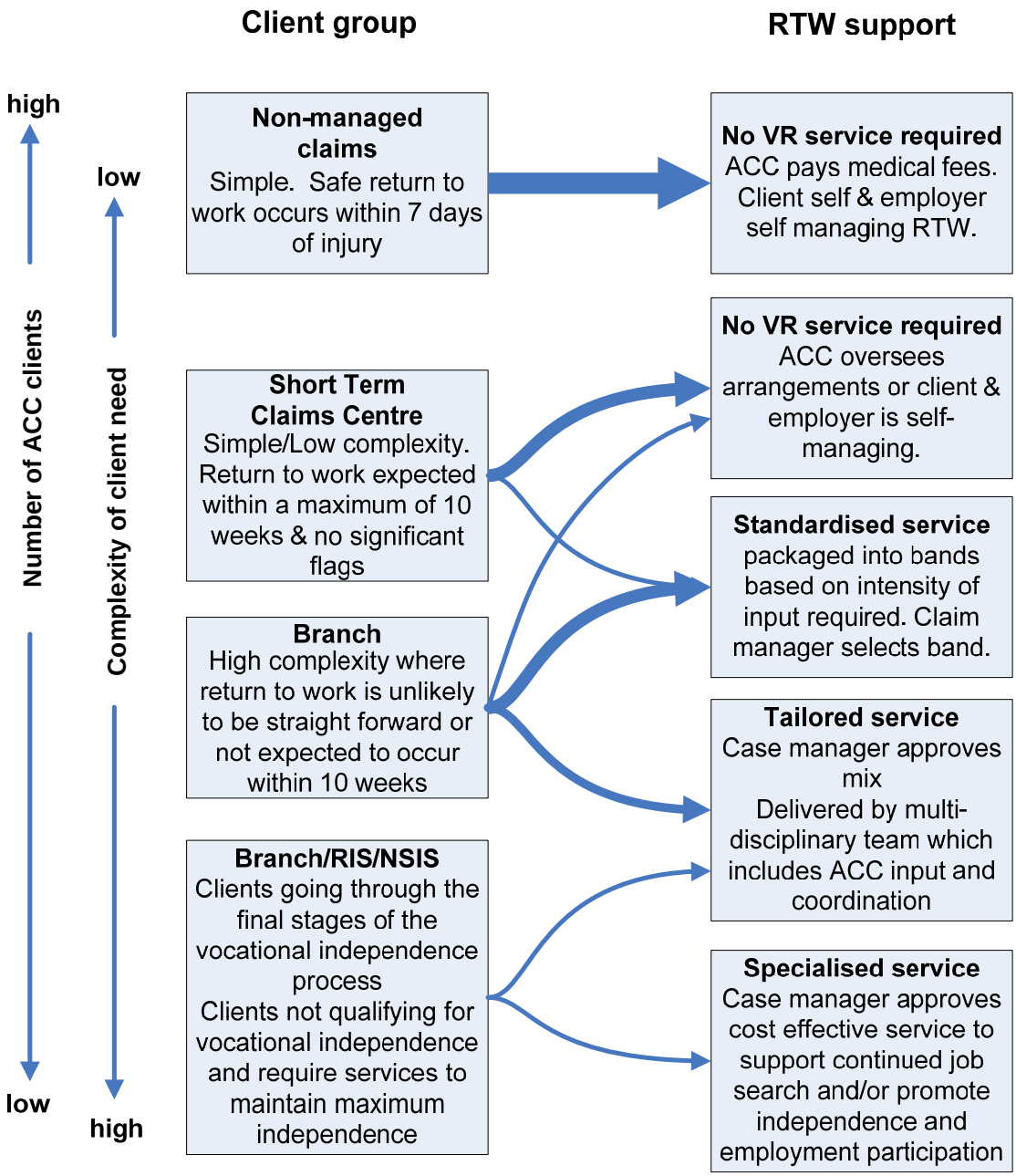
- The desired expectation and outcome is sustainable employment participation, not necessarily vocational independence
- Open employment, rather than 'sheltered employment', is the required employment context. This provides benefits in terms of higher wages, greater job satisfaction, delivers a closer match to career preferences, increases client autonomy and empowerment, and reduces stereotypical and discriminatory attitudes
- 'Place then train', rather than 'train then place', is the required approach to planning and supports
- Many of these clients require a specialist approach to achieve employment participation. This is characterised by multiple supports over an extended period of time
- Early intervention is essential: Planning for employment participation begins in the in-patient setting and in the school environment for adolescents
- Services must have demonstrated competency in delivering individualised supports within the workplace. These supports are delivered along a continuum that develops capacity and capability in the naturally occurring support networks within the workplace
- All supports required by a client must be fully integrated and operate collaboratively. This includes all aspects of social rehabilitation, vocational rehabilitation, the supports that the

[7] Note: There are clients within NSIS who have sustained a significant impairment but have few or none of these other barriers. e.g., a person with paraplegia recently injured who can return to their pre-injury employment. For these clients, a vocational outcome could be achieved by using 'mainstream' services described elsewhere in this paper.

client and their natural support networks bring, what exists within the school or workplace, and what is available within the wider community.

Figure 1 is a diagrammatic representation of ACC's key client groups described above.

Figure 1 Relationship of the SDM to Vocational Rehabilitation Services



Discussion

4. Are you in agreement with the principles identified for vocational rehabilitation?
5. Are there other principles that need to be included?

3.3. Vocational rehabilitation services design

The following key objectives have been identified:

1. Ensure VR services are fully aligned with the principles on delivering the benefits of workplace based rehabilitation and ACC's legislation
2. Redesign the services to meet the needs of clients in each segment of ACC's Service Delivery Model
3. Simplify the suite of VR services to ensure they are easily understood by both ACC client service staff and providers
4. Establish purchasing arrangements that consider and apply the principles of ACC's Purchasing Framework, especially the principle that services will be relationship-based – see Appendix 1 for an explanation of ACC's Purchasing Framework.

ACC's Service Delivery Model (SDM) allocates claims to segments through a screening process based on their support needs: simple, low, high complexity or long-term maintenance. Each segment is identified by the level of support and services the client is likely to require to achieve their expected rehabilitation outcome. A diagram of the relationship between the service delivery model and the proposed vocational services is contained in Figure 1.

A related consideration is a monitoring framework that measures client outcomes and quality and timeliness of the services received by clients.

Discussion

6. Are you in agreement with the key objectives identified for vocational rehabilitation services?
7. Are there other key objectives that should be considered?

3.4. Proposed service structure

Alignment of the vocational rehabilitation services to the SDM will occur by providing services that are either standardised or tailored. Determination of which approach is required will match the SDM and be based on the complexity of the client's needs as identified by ACC staff.

- **Standardised:** where pre-costed packages of service are purchased for clients who have few injury-related obstacles (including psycho-social flags) and are therefore likely to return to employment in a timely manner with the appropriate levels of support from a vocational services provider. Providers can deliver the service goals according to their own plans and client needs.
- **Tailored:** where selected services are purchased for clients who have numerous injury-related obstacles (including psychosocial flags) that require more intensive coordinated

rehabilitation in order to return them to employment or work readiness; or have highly complex needs requiring specialist services.

A description of each service element will be included in the service schedule for vocational rehabilitation services.

Aligned to the SDM the standardised approach will best suit low complexity claims and the less complex Branch claims. The tailored approach will provide a high level of flexibility within each service band for the highly complex clients and enable ACC case managers to purchase and the vendors to deliver services that are individualised.

The tables below describe the proposed service structure for standardised and tailored services. They detail the roles of ACC and the VR vendor in relation to clients at different service band levels, outlining how claims would be managed, what kinds of services would be delivered and the expected outcome for the client.

Table 2: No VR services required

The following groups of clients will need no VR services as they are either self-managing or require only the assistance available from ACC's Short Term Claims Centres.

Client	ACC role	Vendor role	Client outcome
Returned to work within 7 days. No vocationally focussed intervention.	Accept cover Pay entitlement	Nil	Client **returns to work** within 7 days of injury without any vocational service intervention
Not returned to work within 7 days or certified with greater than 7 days off work. Screened by Triage Manager or Case Coordinator, who identifies necessary time off work but few flags to indicate the need for Case Management. **For example:** Client on track for return to work within a couple of days having already contacted their employer and made arrangements **(simple)** Client on track for return to work with no barriers apart from medically necessary time off work. Medical certificate expires in a few more days before able to safely return **(low complexity)**	Screening and confirmation of fast recovery and early return to work. Case Coordinator ensures client and employer have arranged return to work and there are no barriers to returning in the near future (i.e. client and employer are 'on track'). May provide simple (in house) service contacting the client, employer, GP as appropriate to ensure timely return to work, including correct medical certification status.	Nil	Client **returns to work** as soon as possible, consistent with Medical Disability Advisor (MDA) optimum timeframe and medical certification status. No vocational service intervention. May be fit for selected work within an acceptable timeframe or fully fit.

Table 3: Standard Service Band 1

These claims are managed by ACC's Short Term Claims Centres or Branches

Description of Client	ACC core role	Vendor core role	Client outcome
Flag or risk factor identified by Triage Manager/Case Coordinator –may prevent or delay return to work as planned but manageable with a short intervention. **For example:** Client has suffered a soft tissue injury; employer is reluctant for them to return to work before completely healed.	Determines an early intervention service is needed Determines no significant risk requiring case management Referral to a vendor aimed at a basic fast recovery & early return to work.	Helps the client and employer develop a return to work plan based on early and safe return to work. May include contacting the GP as appropriate to ensure timely return to work, including correct medical certification status.	Client **returns to work** according to their return to work plan which is consistent with MDA optimum duration.

Table 4: Standard Service Band 2

These claims are managed by ACC's Short Term Claims Centres or Branches

Description of client	ACC core role	Vendor core role	Client outcome
Longer rehabilitation intervention is required, few barriers to returning to work identified and expected to return to work within 10 weeks. **For example:** A well motivated client who has suffered a wrist fracture. They work as a typist in a call centre and have a supportive employer who is able to offer some modified duties. The wrist fracture is healing as expected.	Determines ongoing vocational rehabilitation service is needed but few flags indicating no need for case management. Determines no significant risk preventing the client returning to work. Referral to a vendor aimed at supporting client and employer to ensure recovery & safe return to work. Maintains good contact with the vendor and clients to ensure everything remains on track. (Vendor communication may be by phone and email)	Works with the client, employer and GP to achieve recovery at work (fit for selected work and fully fit for work) within 10 weeks. Undertakes work based assessment, develops return to work plan, modifies the environment, addresses any flags, and liaises with employer as necessary. Highlights any additional risks not previously identified to enable onward referral to a Branch if indicated (e.g. employer cannot provide modified duties). Functional/psychosocial services (e.g. exercise strengthening programme, psychological pain management)	Client **returns to work** as soon as possible to recover at work and is fully fit having resumed usual work within a maximum period of 10 weeks.

Table 5: Standard Service Band 3

These claims are managed by ACC's Branches.

Description of client	ACC core role	Vendor core role	Client outcome
Expected to return to work with current employer. Several flags indicate more intensive management and services required to achieve successful RTW outcome. Appropriate interventions required to address functional, psycho-social and/or employment barriers. **For example**: Client has some functional limitations and several psychosocial flags, resulting in few suitable work duty options. Employer unwilling to have employee return to work until they are fully fit. The client is distressed about their current situation and the GP predicts a prolonged period of incapacity.	Identifies significant barriers to rehabilitation. Meets the client, contacts their employer and GP. Determines there is a risk preventing the client returning to work if not intensively managed. Determines a vocational rehabilitation assessment or service is needed, including service elements. May develop an IRP. Refers to a vendor, aimed at staged recovery, returning to work where barriers are actively addressed. Receives reports from vendor and liaises with vendor and client as necessary to ensure plans are implemented and progress is satisfactory.	Works with the client to achieve recovery at work (fit for selected work or fully fit for work) having addressed barriers identified through assessment processes within 12 weeks of referral. Undertakes work based assessment, develops return to work plan, modifies the environment, liaises with employer, puts services in place or negotiates modified or alternative duties to address barriers as necessary. Maintains client's work ethic, self esteem, physical fitness and strength. Functional/psychosocial services (e.g. exercise strengthening programme, psychological pain management) Ongoing liaison with the case manager including reporting as specified.	Client **returns to work** as soon as possible to recover at work and is fully fit for work having resumed usual work within a maximum period of 12 weeks.

Table 6: Standard Service Band 4 ACC Branch Managed

Description of client	ACC core role	Vendor core role	Client outcome
Expected to return to work with current employer with appropriate interventions in place as either physical or psychosocial or employer barriers have been identified. They may be unable to return to pre-injury employment due to the nature of their injury. **For example:** A builder who is recovering from a shoulder injury who is keen to return to work, but the injury is significant, curtailing his ability to lift or swing a hammer. Intensive physical therapy to strengthen muscles and improve range of movement is the agreed first choice to give him every chance of returning to work. His employer is happy to wait for him to return to work.	Identifies significant barriers to rehabilitation which may impact on the ability of the client to return to their current employment. Meets the client, contacts employer and GP and/or specialist. Determines there is a high risk of the client not returning to work if the client is not intensively managed. Determines a vocational rehabilitation service is needed. Commissions IOA and IMA. Develops an IRP. Refers to a vendor with the aim of enabling a staged recovery; returning to work where barriers are actively addressed and alternative employment avenues are explored should the client be unable to return to their pre-injury work. Meets the vendor, client and other stakeholders as necessary to ensure plans are coordinated and implemented and progress is satisfactory.	Works with the client to achieve recovery at work (fit for selected work or fully fit for work) having addressed barriers identified through assessment processes within 12 weeks of referral, or has determined all efforts to return to current employment have been explored. Undertakes work based assessment, develops return to work plan, modifies the environment in consultation with the employer, puts services or strategies in place; negotiates modified or alternative duties to address barriers as necessary. Maintains client's work orientation, using strategies to assist the progressive restoration of client's functional capacity for work tasks. Undertakes functional capacity evaluation, delivers an appropriate programme if the barrier is physical. Psychosocial screening and programme delivery if barrier is psychosocial. Functional/psychosocial services (e.g. exercise strengthening programme, psychological pain management) Using the IOA, IMA and the goals in the IRP, considers options with the client for alternative employment. May require a short work trial, short training and skill development.	Client **returns to work** as soon as possible to recover at work, having addressed identified barriers and resumed work within a maximum period of 12 weeks. Is working towards fully fit for work if full duties have not been resumed. Client has been **readied for alternative employment** should returning to current employment not be possible or sustainable.

Table 7: Standard Service Band 5 ACC Branch Managed Tailored Service

Description of client	ACC core role	Vendor core role	Client outcome
Unable to return to pre-injury employment due to the nature of their injury preventing this. **For example:** • A client who is able to switch employment from a highly physically demanding job to a sedentary job if they receive support. • A client who may require longer term retraining or skill development to achieve work readiness.	Identifies the client will not return to their current employment. Meets with the client. Determines a VR service is needed. Commissions IOA and IMA. Develops an IRP. Refers to a vendor or vendors to provide a range of coordinated and individualised rehabilitation services aimed at return to work in alternative employment. Meets with the vendor(s) and client and other stakeholders as necessary to agree a RTW plan. Meets with the vendor(s) and client and other stakeholders as necessary to ensure plans are coordinated and implemented and progress is satisfactory.	Using the IOA and IMA and IRP goals, considers alternative employment options with the client. Maintains a work brokerage/ job search focus. Develops a return to work plan. Identifies retraining and skill development needs for preferred alternative employment organises them. Creates linkages to local job markets. Helps prepare the client for job search (e.g. CV, interview techniques, personal presentation, and description of their prior employment and injury limitations). Understands the functional and psychological requirements of jobs; helps the client apply for employment. Maintains client's work ethic/physical fitness. Functional/psychosocial services (e.g. exercise strengthening programme, psychological pain management) Considers alternative work options with the client, having assessed the client's capacity and capability via work trials with other employers or voluntary organisations. Assists with work based assessment to ensure new work environment is set up correctly.	Client **returns to work (alternative employment)** as soon as possible, recovering at work having addressed identified barriers. Is fully fit for work having started new employment within a maximum period of 16 weeks; or w**ork readiness has been achieved.** No job is found but the client is now ready for assessment for vocational independence.

Table 8: Standard Service Band 6 ACC Branch Managed Tailored Service

Description of client	ACC core role	Vendor core role	Client outcome
Their injury or its consequences precludes return to former employment (e.g. exacerbation of psychological issues, pre-existing medical condition compounds injury effects). Need intensive effort to achieve the best client outcome. Clients will fall into one of four categories: Pre-vocational independence – requires intensive services to obtain or get ready for alternative employment. Post vocational independence – decision and continued support is provided to help the client obtain employment or retain readiness whilst they exit the scheme. Clients who do not qualify for vocational independence – as they cannot work 30 hours a week and require support to maintain maximum independence and reduce liability to ACC through abatement or preventing a decline in independence. For example a client with a significant injury where long term rehabilitation with multiple milestones may eventually lead to return to limited work. Serious injury clients – require a holistic approach where employment is one aspect of a client's life and will not be sustained or obtained without full integration with social rehabilitation supports and engagement of natural supports.	Identifies that the client will not return to their current full time employment. Meets with the client. Determines that a vocational rehabilitation service is needed which focuses on new employment options. Commissions an IOA and an IMA. Develops an IRP. Refers to a vendor to explore alternative employment avenues and ensure maximum rehabilitation is achieved for work readiness. Meets with the vendor and client and other stakeholders as necessary to ensure plans are coordinated and implemented and progress is satisfactory. Timeframes for achieving outcomes will be highly individualised as agreed to by the case manager.	Maintains or develops the client's work ethic, self esteem, physical fitness and strength. Has specialist knowledge of complex injuries (e.g. brain, spinal cord) and psychological impacts from co-morbidities (e.g. mental illness, drug and alcohol abuse). Functional/psychosocial services (e.g. exercise strengthening programme, psychological pain management) Using the IOA and IMA and the goals set in the IRP, considers a range of options with the client for alternative employment. This is based on an assessment of the clients capacity and capability, which has included a work trial where practicable with other employers or voluntary/not for profit organisations. Assists in preparing the client for job coaching, job search (e.g. CV, interview techniques, personal presentation, description of their prior employment and injury limitations). Assists the client to actively obtain employment within their capability (as developed) and capacity. May include job networks, job placement, Ministry of Social Development. Facilitates supported employment opportunities for clients with a disability.	The client starts alternative employment; or the client exits the ACC scheme having completed the vocational independence process; or The client is a long term maintenance client who is achieving milestones for employment participation or maintaining maximum independence which is cost effective to ACC

ACC will endeavor to obtain the best match between the client's VR needs and the VR service band, so clients may enter the VR service at any level or band. Clients may also be transferred within bands based on a change in their needs or where further information has identified a barrier or risk to returning to work. (This is expected to be minimal).

Discussion

8. What benefits do you see in the proposed service structure compared to the current service structure?
9. List the risks or difficulties you see in the proposed service structure
10. What changes would be needed to address any risks or difficulties identified?
11. Where a client requires other (non-VR) services concurrently with vocational rehabilitation services, what information sharing or joint processes needs to occur?

3.5. Measuring performance within the service structure

Effective and transparent measurement of vendor performance is essential to monitoring the success of ACC's VR services. To enable this, ACC will establish clear and measurable Key Performance Indicators (KPIs) for each of the proposed service bands. It is proposed that basic measures be considered in the first instance such as:

- time to rehabilitate – expected time versus actual time – the time component might be further broken down into subsets such as response time to referral, branch response times to vendor requests and actual rehabilitation time
- quality of rehabilitation measured in % claims re-opened within a certain time frame
- cost to rehabilitate – actual versus median of cohort, or actual versus vendor estimate
- utilisation of medical/rehabilitation objective assessment tools as appropriate for function, depression, yellow and black flags, kinesiophobia etc

Discussion

12. Are the proposed performance measures appropriate?

3.6. Service element overview

The table below details the service elements for each band. The service elements that would be contracted by Case Coordinators or Case Managers are listed, and the shading indicates the level of complexity of services, which is consistent with the service structure previously described.

Table 9: Service elements

- **BAND 1**
- Face-to-face coordination between client and employer, and liaison with GP / specialist to enable the client to plan and implement a progressive return to usual work hours and duties.
- Visit to the workplace to assess the suitability of the environment for resuming work or undertaking alternative duties
- Identification and management of obstacles/flags to RTW
- Short written report provided
- **BAND 2**
- Written return to work plan
- Worksite visits, monitoring progress and troubleshooting
- Modification of the work environment and approach to managing work tasks including assessing equipment requirements, fitting and trialling the use of equipment
- Support the maintenance of a relationship between client and the workplace
- Functional and/or psychosocial services
- **BAND 3** (includes Band 2 as applicable)
- Goal setting with the client and employer; monitoring achievement against goals
- Work task, functional, physical fitness and strengthening self management programme
- Psychological techniques to improve client's coping strategies, promote adaptation to injury and its consequences, anxiety management
- Assessment and management of pain related disability factors
- Education on safe work practices
- **BAND 4** (includes Bands 2 and 3 as applicable)
- Identification and monitoring of alternative activities to maintain work ethic
- Functional Capacity Assessment
- **BAND 5** (includes Bands 3 and 4 as applicable)
- Preparation for alternative employment options (e.g. curriculum vitae development, job interview techniques, work trials, job search support)
- Training specific to identified employment options (including literacy development, communication skills)
- Tertiary Education Commission funded programmes
- Voluntary work programmes
- Skill development specific to identified job options
- Job placement services
- Job Clubs (selected clients participate in facilitated group work to learn return to work strategies)
- Close liaison between all stakeholders
- Specialised early intervention and community intervention (e.g. spinal cord, brain injuries, pain syndromes)
- **BAND 6** (includes Bands 4 and 5 as applicable)
- Negotiated alternative (individually tailored programme) to obtain employment that is not otherwise available
- **ASSESSMENTS**
- Assessment of Medical Capability for Occupational Alternatives
- Assessment of Occupational Alternatives

Discussion

13. Are the service elements outlined in Table 9 appropriate for the client descriptions described in section 3.4?

14. Are there other key service elements that should be included?

3.7. Assessments

Assessment ranges from the immediate appraisal and follow through of the initial RTW services to the complex and prescribed criteria for initial occupational assessment (IOA), initial medical assessment (IMA) and vocational independence (VI) process.

An assessment of a client's vocational rehabilitation needs consists of an IOA to identify the types of work that may be appropriate for the client and an IMA to determine whether the types of work identified in the IOA are or are likely to be medically sustainable for the client.

Types of work available in New Zealand and suitable for the client are taken into consideration within the assessment.

Assessments need to:

- Clearly identify barriers to RTW
- Document the rationale for the assessment findings, and
- Provide guidance to ACC claims managers on how to address the barriers within ACC's legislative framework
- Integrate with other assessments where a holistic approach is required

In more complex situations there may also be a need for early engagement of specialist occupational physicians or other suitable specialists to address the need for specialist assessment of fitness for work and identification of barriers at an earlier stage than the IMA.

This suggests that improvements could be made to ensure that the above requirements are met.

Discussion

15. How could occupational and medical assessors best work with ACC to improve assessment services?

3.8. Roles and responsibilities

The proposed redesign of VR services provides ACC and the VR sector with an opportunity to re-tune how ACC and the sector work together. Clarification is required for all parties involved in the vocational rehabilitation process to ensure there is understanding of what is required of each party including their capabilities to deliver an effective service by working together towards the common goal of meeting client needs.

3.9. Process for VR services capability development

ACC wishes to contract with vendors who can meet standard performance measures and expected outcomes. It is acknowledged that this will take some time to achieve and requires a new focus for both ACC and vendors.

In the first instance it is anticipated that:

- vendors will provide information on the outcomes they are achieving
- ACC will develop capability to analyse outcome reporting and present aggregate views to

support performance discussions

- ACC will increasingly engage with vendors over their performance and ways for improving this to meet ACC requirements
- mechanisms will be developed to respond to vendor performance results e.g. increased autonomy to approve services that meet ACC's VR requirements.

3.10. Procurement strategy

ACC proposes to move away from highly specified contracts for service towards a more flexible purchasing approach that will drive service innovation and positive results.

To achieve this, ACC will apply the principles of its Purchasing Framework to deliver value for money, in particular placing emphasis on developing closer relationships with a sustainable nationwide pool of expert and experienced vendors who ideally are able to provide a continuum of VR services that meet the full needs of ACC and its clients.

Other considerations include the breadth of service provision, scale of operation, financial sustainability and the need to contract separately with highly specialised services who can work within a social model of disability to meet NSIS client needs.

4. Contracting for services

This part of the discussion document reviews the characteristics required of vendors delivering services to ACC, and the factors to be considered in identifying requirements.

4.1. Vendor characteristics and capability

Vendors providing services to ACC will require a range of providers with various qualifications and skill sets:

- vocational rehabilitation /employment consultants with specialist skills in working with employers and employees to maintain employment; knowledge of progressive rehabilitation and goal setting; knowledge of occupations where people have physical, psychological or skill set limitations; ability to work with people with a range of complex circumstances; work brokerage skills; ability to work within an interdisciplinary team. Knowledge of local employer networks and experience in successful job placement.
- allied health professionals (occupational therapists, physiotherapists, speech language therapists) with specialist skills in occupational health and vocational rehabilitation; management of pain and improving functional abilities; ability to work within an interdisciplinary team.
- nurses with specialist skills in occupational health and mental health; ability to work within an interdisciplinary team.
- occupational health physicians or musculoskeletal physicians who can support an interdisciplinary team approach.
- psychologists that understand the importance of orientating their clients goals to RTW and workplace rehabilitation; ability to work within an interdisciplinary team.

Ideally vendors will employ the expertise they require and have linkages with highly specialised services (e.g. literacy development; learning to drive or gain a license; gaining a qualification) and disability support services that may be additionally contracted by ACC in accordance with the agreed return to work plan and IRP. In rural areas and in specific situations where it is not possible to employ staff, vendors may need to contract the expertise they require.

Vendors need to be able to:

- work using a rehabilitation framework (e.g. using International Classification of Functioning (ICF), biopsychosocial model).
- appropriately screen to ensure return to work needs have been identified and options considered whereby the client enters return to work services at the right support area and Band level that supports implementation of the IRP.
- align with ACC legislative drivers demonstrating a thorough understanding of the Accident Compensation Act 2001 and how this applies to responsibilities for vocational rehabilitation as described in the Act.
- work effectively with the case manager, client, employers and natural client supports through the vocational independence process. This requires the provision of a well documented comprehensive rehabilitation service that implements the requirements of the IRP where injury-related barriers have been addressed to enable the client to maintain or obtain employment or regain or acquire vocational independence.

Note those vendors working with NSIS clients need to have core skills of onsite job coaching that supported employment provides where work place natural supports and employer support is developed.

Discussion

16. Has ACC identified the correct vendor characteristics and capability requirements?

4.2. Vendor market configuration

A sufficient number of vendors are required to deliver services across New Zealand taking into account provider qualifications and local area needs.

Vendors need to be able to provide the continuum of services required[8] as this has a number of advantages including:

- vendor sustainability (receiving referrals across the continuum as this offers vendors economies of scale with an ability to maintain an interdisciplinary team who regularly work together)

[8] There are likely to be some level 5 and 6 services where specialism is required and so may need to operate as stand-alone services.

- vendor expertise (vendors who can provide complex services are likely to do a better job of providing less complex services)
- continuity for clients (in the event that a client needs to receive more complex services after having received less complex services, they already have a relationship with the vendor that can build on services already delivered)
- strong relationships within the sector (will be better able to develop good relationships with ACC, employers, volunteer organisations, training organisations, health professionals in their community etc)

ACC has listened to the sector on this issue and acknowledges its concern. In response, it proposes a move away from widespread and dispersed vendors towards a market model with fewer, but more capable and better resourced, vendors able to manage a diverse range of referrals (and displaying the vendor characteristics set out above).

Issues related to the criteria needed to be set in determining the configuration of the market include, among other matters, the:

- volume of injuries in the populations to be covered
- nature of the injuries in the populations to be covered
- demographic profile of the populations to be covered
- ability of vendors to service rural and urban populations
- ability of vendors to meet service parameters, such as client travel to treatment times
- specialist capability of vendors

Taking these matters into consideration, it is proposed that ACC will select by a tender process an appropriate number of vendors who can deliver a comprehensive range of services to clients and work very closely with ACC on meeting client needs.

Discussion

17. Do you agree vendors should be able to provide the range of services required across the full continuum?
18. What does ACC need to consider to ensure the proposed service structure can be put into operation?
19. What would you need to enable your organisation to work within this service structure?

4.3. Equity of referral distribution

Consideration needs to be given to the relationship between equitable referral distribution and vendor selection – a concern that has been raised by the sector.

This work is currently under way and includes building closer working relationships within ACC and with vendors.

4.4. Performance based purchasing

A key element of ACC's Purchasing Framework is moving from prescriptive inputs to performance based services, which is the direction ACC will progressively take in relation to VR services. The first priority of ACC will be to establish fair market prices for services delivered under the VR services model. This process will involve vendors working with ACC to provide and review financial information related to services delivered.

Performance based purchasing will bring with it changes in the way ACC will work with vendors – from prescription to a flexible range of service options. Performance monitoring against client outcomes will be established; for example outcomes such as increases in employment participation rates, durability measures, increases in client productivity and the impact on other ACC funded supports for NSIS clients.

It may be possible to introduce incentives for vendors who are able to be responsive to referrals where there is a sense of urgency to work with the client and other stakeholders to return the client to work as soon as possible and for that employment situation to prove sustainable.

Discussion

20. Is this approach to purchasing appropriate?

21. Do you support performance based purchasing?

4.5. Pricing

It is proposed that pricing will initially be based on predicted time and other inputs required to deliver services within each band, current volumes and costs. During the first year of the contract an open book process will occur with vendors. This will establish the actual costs incurred and the relationship between costs and volumes. This will inform a pricing review that will fix bands of services and package prices.

Individually tailored services would be priced based on the case manager raising a purchase order for a particular service not otherwise contracted for and for the vocational vendor based on a fee for service where the case manager agrees a number of hours at an hourly rate.

Discussion

22. Do you support paying for services as packages rather than as single elements?

4.6. Forecasting claim volumes

ACC has gathered information on current service utilisation to use as a basis for forecasting the volume of clients in each band under the proposed model. It should be noted, however, that it is difficult to forecast claim numbers in the current environment. The volume of claims is variable, and in recent years ACC has experienced a decline in numbers. ACC is currently working on projections of claim volumes and service usage and this work is expected to be completed in December. This will enable more robust modelling of claim volumes under the new service model outlined in this paper. Indicative volumes will be available in January 2011.

5. Procurement

Once feedback from the sector on ACC's proposed way forward has been analysed and factored into final service design, a formal procurement process will be followed. An outline of preliminary details is as follows:

Table 10: Estimated procurement timeline

Estimated Timeline	Activity
Late January	Feedback to vocational sector and key consumer groups with information also available to a wider audience on the ACC website
Early February 2011	A request for information/expression of interest will be uploaded onto GETS to give current or future vendors the opportunity to provide feedback on how they would configure themselves to provide vocational services under the new model.
March 2011	Information from the request for information/expression of interest will inform the development of the services schedule.
April 2011	A request for proposals will be loaded onto GETS.
Mid-July 2011 – December 2011	Following evaluation of the request for proposals, awards will be made with go-live dates for new contracts. Expiry of existing contracts will be aligned to the successful vendor's timeframes for ensuring their organisation is ready to provide the required services under the new model. It is anticipated that some vendors may be ready to provide services by July 2011 whilst others may require up to six months before their contract will commence.

Discussion

23. Is the indicative timeframe and process for purchasing services realistic to achieve the scope of change in the proposal?

Please remember to complete your feedback electronically by logging on to: https://www.surveymonkey.com/s/vocrehabconsultation

Appendix 1: ACC's Health Purchasing Framework

What is it?

The Health Purchasing Framework aims to provide clear and consistent criteria to guide what specific services will be purchased, how services are to be developed and delivered and how ACC will develop future provider relationships.

It is designed to provide guidance to:

- ACC vendors/providers on our approach to purchasing.
- Service, Programme and Procurement Managers and other relevant staff as to how they can put into effect the purchasing framework.

Principles

The overarching principles are:

- Purchasing will be "**Relationship based**" where the funder / provider relationship must reflect the nature of the service and the market.
- Purchasing will be "**Value driven**" where services' health and rehabilitation benefits should exceed their costs.
- Purchasing will be "**Outcome based**" service specification; purchasing and delivery must be aimed at improving *injured worker*s outcomes. It must also promote access for all.
- Purchasing will ensure "Purchaser/provider accountability, development and education" – "**Accountability specified**".
- The purchasing approach will be chosen taking into account of service risks and efficiency risks for value for money outcomes – "**Risk adjusted**".
- Purchasing will aim to ensure services are delivered for *injured worker*s on the rehabilitation pathway at the "**Right time**". Access standards to a service must consider the broader impacts on *injured worker* outcomes, ACC's wider entitlement costs, and society's broader injury rehabilitation and support costs.

Purchasing arrangements need to balance the principles in their purchasing decisions and clarify any trade-offs made against principles. There will be competing challenges in purchasing and in any purchasing process each priority will need to be weighed up against the other to determine what the final priorities will be.

The Purchasing Framework is not a formula. It is a guideline for the things one should be considering when planning for services and entering into purchasing arrangements. It poses the questions but does not give the answers.

Appendix 2: Vocational Rehabilitation External Reference Group

Professional Body Representatives	
Dave McKissock, Career Development Association of NZ	Managing Director, Southern Directionz
Jan Henry, NZ Nurses Organisation	Rehabilitation Nurse / Director, Integrated Partners in Health
Jo Williams, Occupational Health Physiotherapy Group	Occupational Health Physiotherapist, Body Lab
Katherine Mennie, NZ Association of Occupational Therapists	Occupational Therapist, Co-Motion
Karen McLeay, Physiotherapy New Zealand	Executive Director, Physiotherapy New Zealand
Contracted Providers	
Garth Munro	Managing Director, Southern Rehabilitation Institute
Grant Cleland	Chief Executive, Workbridge
Maureen Bray	Managing Director, @lpha Consultants
Mariann Fairbairn	Co-Director, Active Rehab Ltd
Employers Representative	
Carrie Murdoch	Manager, Education, Skills and Trade, BusinessNZ
Workers Representative	
Karen Fletcher	Health and Safety Organiser, NZ Council of Trade Unions - Te Kauae Kaimahi

Appendix 3: Current contracted VR services

Service	Number of Vendors	Current Expiry Date	Brief Description
Better at Work (B@W)	4	30/06/12	Overall purpose is to support injured workers to recover at work through improving the certification of time off work. This is accompanied by the more intensive management of injured workers by general practice during their recovery at work. This service is currently being piloted by 5 PHOs.
Stay at Work (SAW)	150	31/10/2011	An early intervention service that enables a client to safely recover from injury while participating in employment to the fullest extent possible. There are three stages related to complexity of the client's need – also includes workplace assessments.
Employment Maintenance Programmes (EMP)	56	31/10/10	Aimed at maintaining the client's pre-injury employment, to develop work readiness and prevent the development of barriers for a return to work when there are no alternative duties available in the client's pre injury workplace.
Initial Occupational Assessment (IOA)		31/05/11	The purpose of the assessment is to identify suitable work options for clients, taking into account their education, experience, earnings prior to incapacity and transferable skills. The report to the case manager is used to inform rehabilitation planning.
Initial Medical Assessment (IMA)		31/7/2015	The purpose of this assessment is to review the suitable job types identified in the occupational assessment and t o provide advice to ACC about whether these job types are medically sustainable and to provide ACC with recommendations for rehabilitation. The report to the case manager is used to inform rehabilitation planning.
Work Preparation Programmes WPP)	44	31/07/11	The aim is to prepare the client for the work types identified in the Initial Occupational Assessment and Initial Medical Assessment. It is a structured programme of vocational, physical activity and psychological interventions designed to prepare the client for alternative employment.
Work Ready Programme (WRP)	53	30/09/11	Aimed at assisting clients to be ready for full time employment by: testing the suitability of the job options identified in the IOA and IMA , re-establishing work routines, orientating the client to a specific work type.
Physical Fitness for Work and Independence (PFWI) programme	218	31/10/11	It is an exercise and cardiovascular programme incorporating education and self management principles. Objectives are: the client achieves functional independence and can apply the programme to their everyday lives.

Service	Number of Vendors	Current Expiry Date	Brief Description
Functional Capacity Evaluation (FCE)	37	31/07/11	Provides snapshot baseline information about a client's ability to safely and reliably sustain specific tasks. It can help to match specific capability to work types. The report to the case manager is used to inform rehabilitation planning.
Vocational Independence Occupational Assessment (VIOA)	75	31/05/11	The purpose of this assessment is to provide an occupational assessment report for ACC of clients' suitability for work types by reason of experience, education or training, or any combination of those things. The report to the case manager is used to inform rehabilitation planning and decision-making about whether vocational independence has been achieved..
Vocational Independence Medical Assessment (VIMA)	62	31/7/2015	The purpose of this assessment is to provide ACC with a medical report about whether rehabilitation is complete and whether the referred client has the capacity to work 35 hours or more per week in the suitable job types identified in the VIOA. The report to the case manager is used to inform rehabilitation planning and decision-making about whether vocational independence has been achieved.
Transitional Job Search (TJS)	50	31/10/11	The purpose of this programme is to assist clients into paid and permanent employment..
Spinal Injury Vocational Services (SIVS)		01/11/2010	Early intervention to enable spinally injured clients to return to work. To support return, to gain and/or facilitate self employment.
Supported Employment (SES)	18	31/0711	To enable individuals with significant disabilities find and sustain employment in a competitive employment market for a minimum of five (5) hours per week.
School to Work (SW)	3	11/10/11	To provide a coordinated set of school and non-school based activities to support and transition clients (aged 16 years and over), with complex and/or challenging needs, and/or physical disabilities from school to work and community life.
In addition to these contracted services ACC has been trialling other approaches to vocational rehabilitation services such as Obtain Employment (ceased on October 2011) and Fit for Work currently operating in the lower South Island. These approaches are consistent with the proposal outlined in this paper. The learnings from the Obtain Employment service trial have informed the development of proposals in this paper.			

Appendix 4: Literature Review references

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