



Monetary cost of trauma to ACC

Injury Conference 2018

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“Good health is not something we can buy. However, it can be an extremely valuable savings account.”

- Anne Wilson Schaef

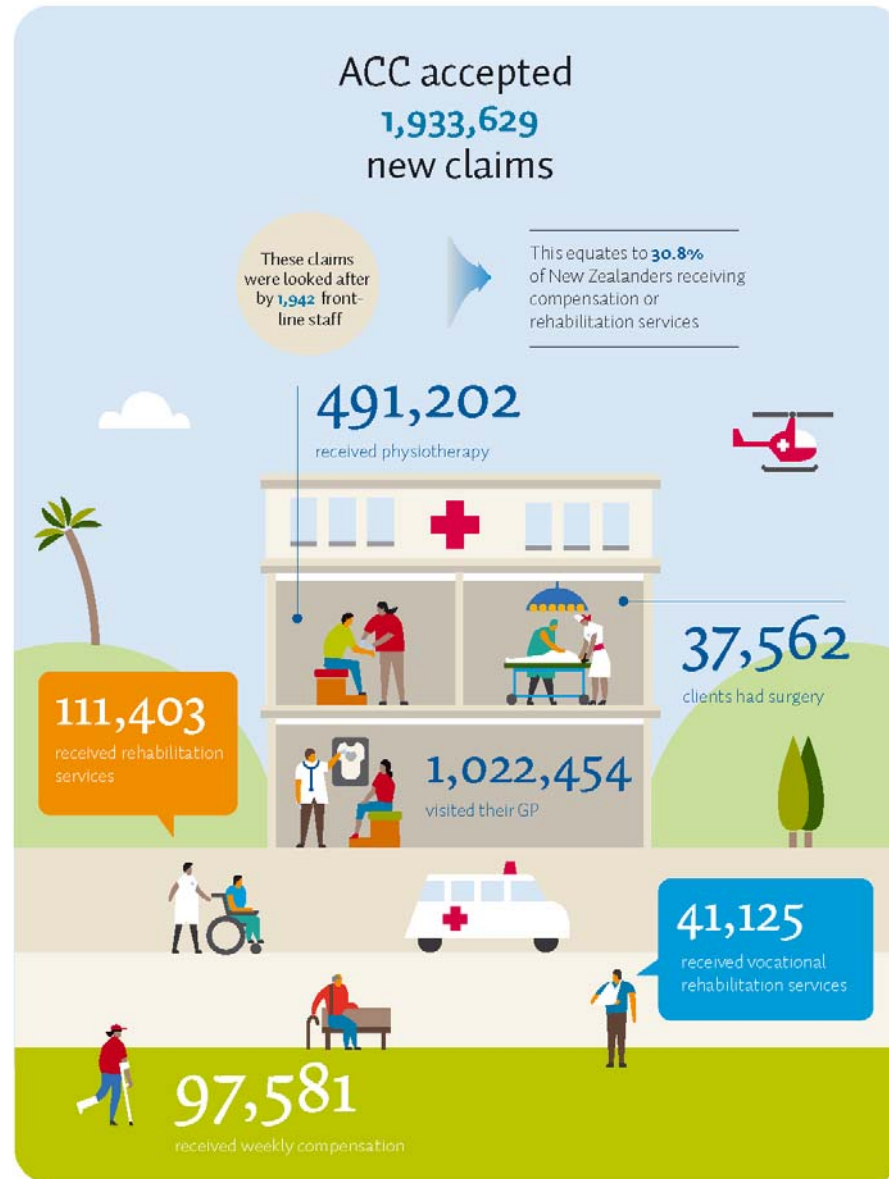
Our vision

ACC creates a unique partnership
with every New Zealander,
improving their quality of life
by minimising the incidence
and impact of injury.

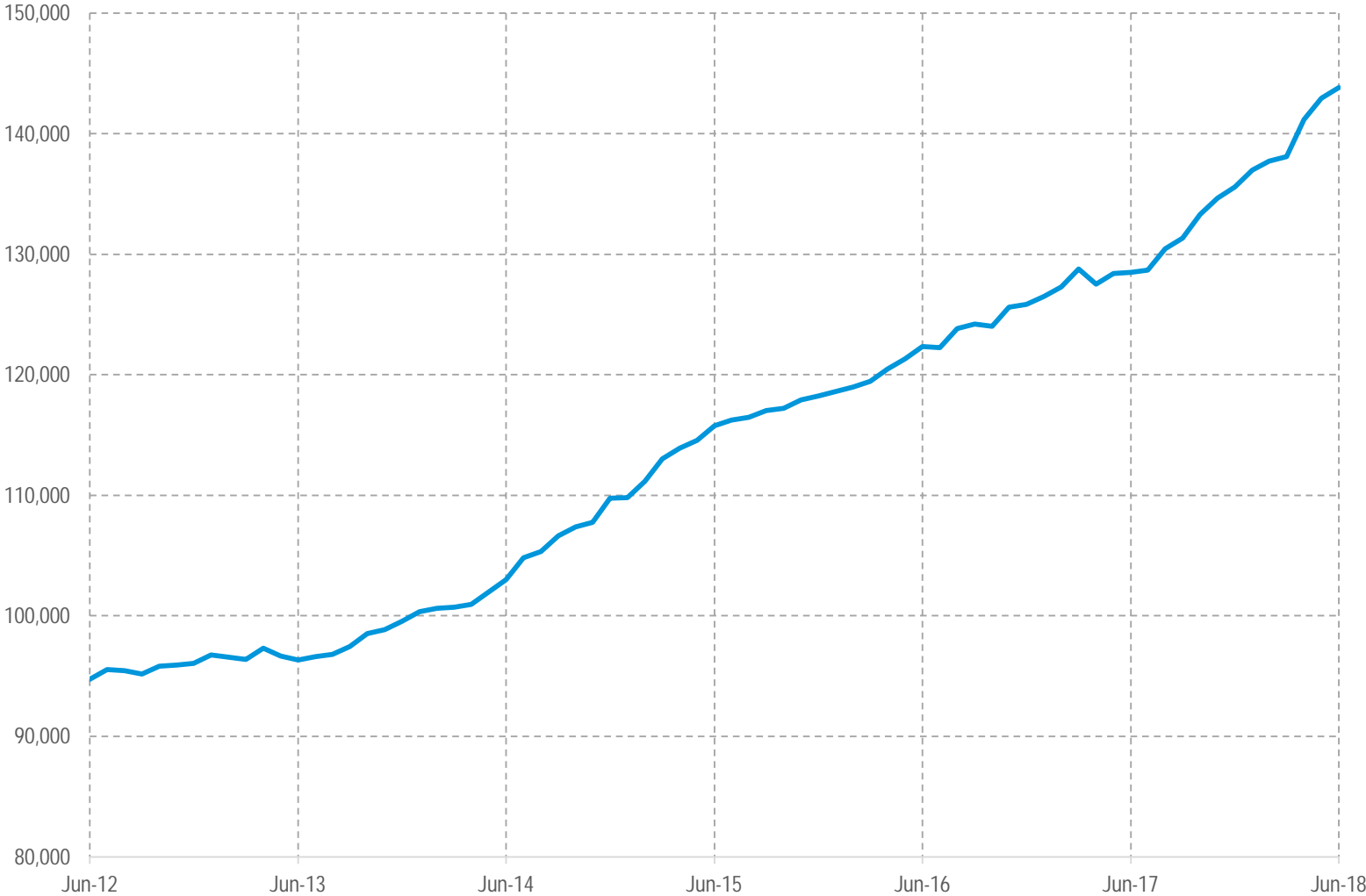
Purpose of the Scheme



ACC by the numbers



Growth in new entitlement claims



Where do injuries occur in NZ?



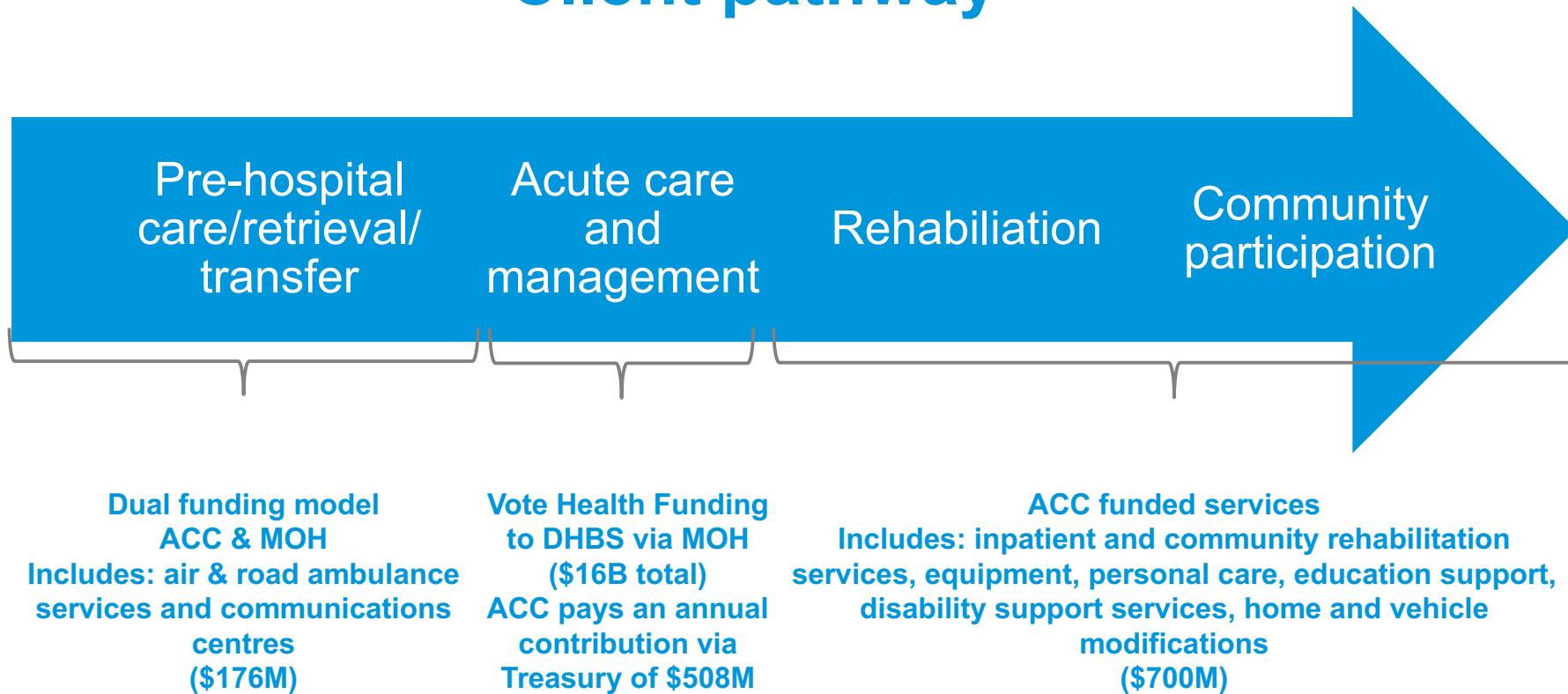
Serious injury

Setting	2012	2013	2014	2015	2016
Home	36	33	47	46	34
Road	89	67	82	93	75
Sport	12	28	27	30	23
Treatment Injury	22	54	47	41	28
Work	20	13	15	9	13
Community or Other	44	45	59	60	48
TOTAL	223	240	277	279	221

New Zealand Trauma Pathway



Client pathway



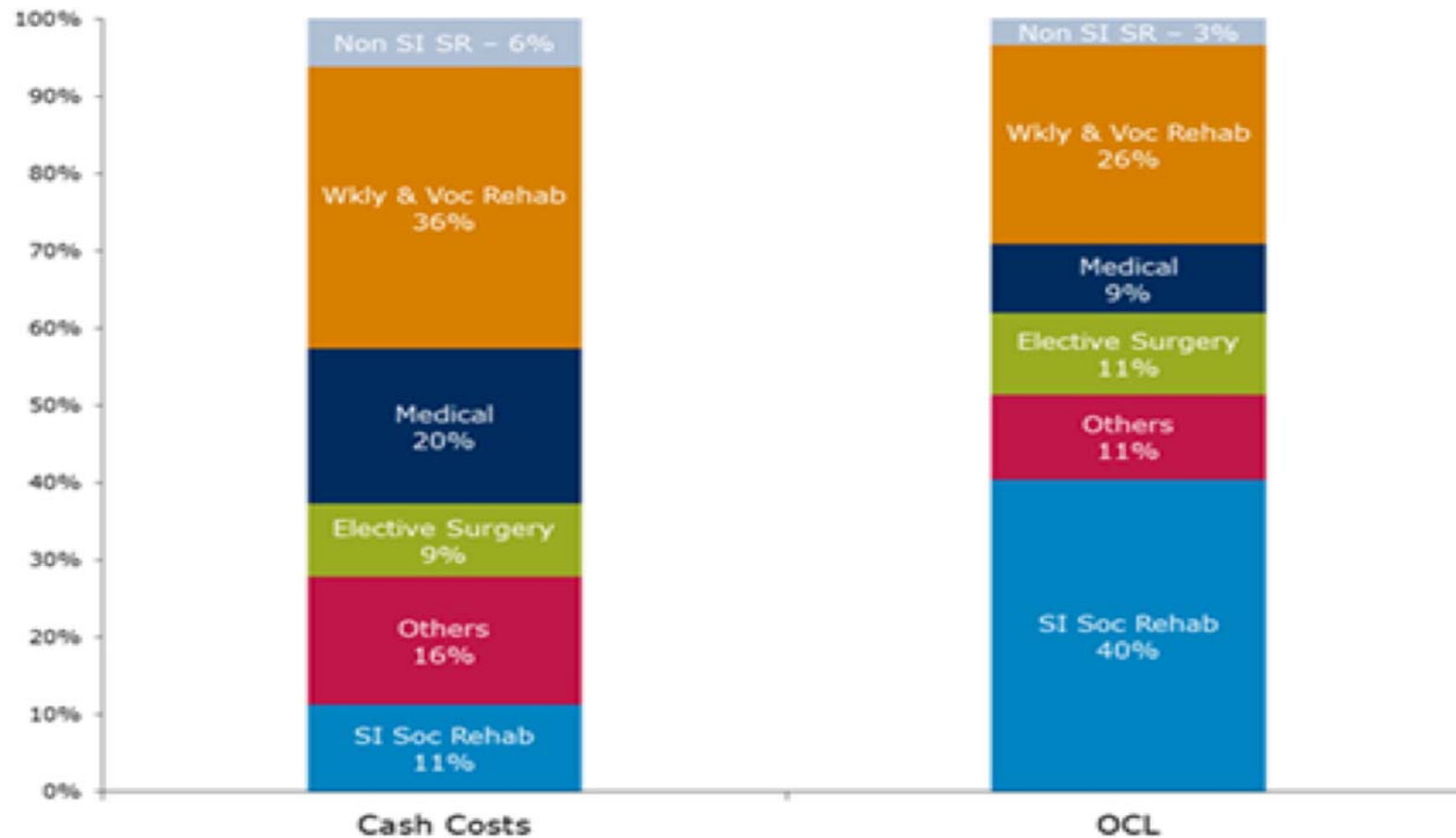
A woman with dark hair, smiling, is the central focus. She is wearing a dark blue quilted vest over a black long-sleeved shirt. The background is a harbor scene with several boats on the water and mountains in the distance under a cloudy sky.

The cost of injury in New Zealand

The Cost of Injury



In 2017, ACC's annual cash claims costs totalled \$3.7B.
Outstanding claims liability was calculated to be \$37.7B



The Cost of Injury (2)



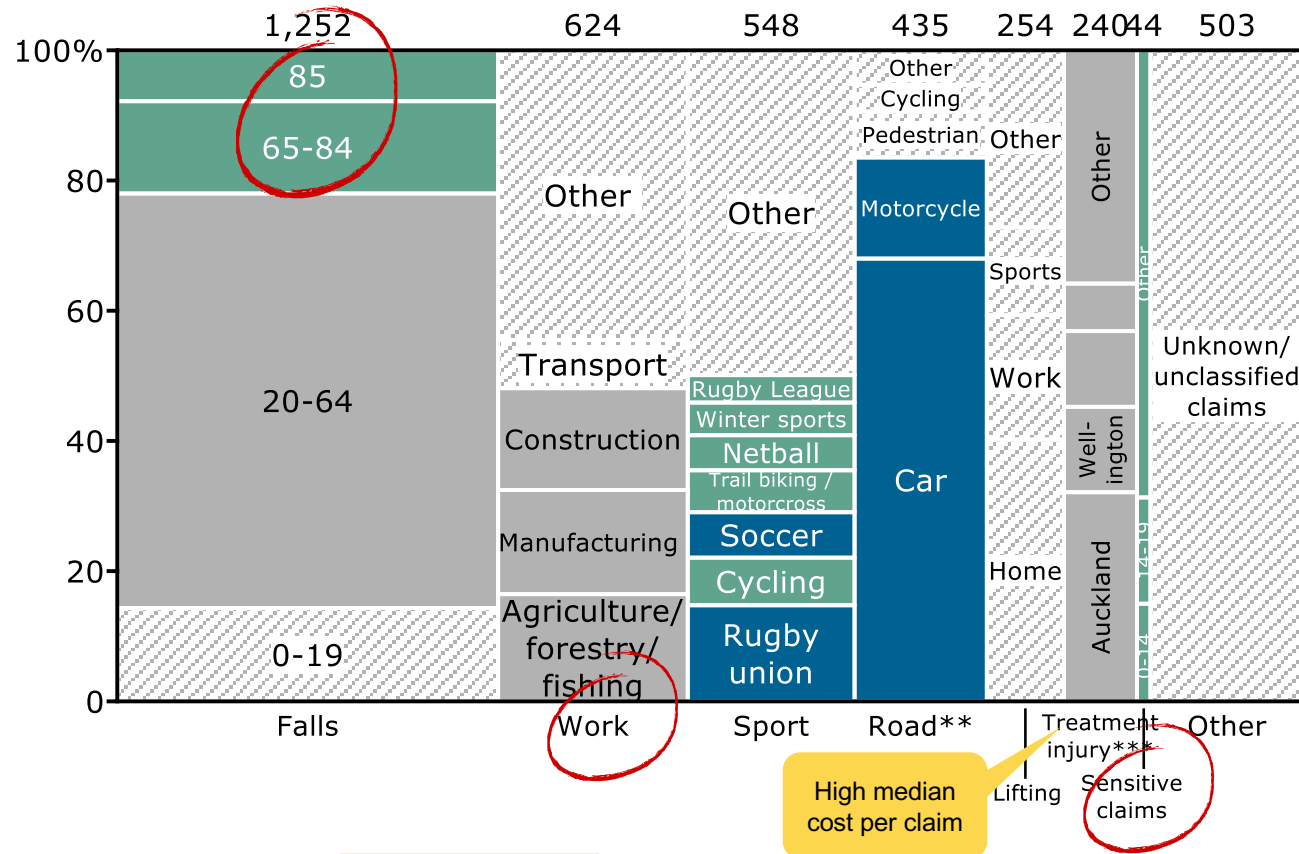
Average life time cost							
Age injured at	High Level Tetraplegic	Low Level Tetraplegic	Paraplegic	Severe Brain Injury	Moderate Brain Injury	Comparable Diagnosis	Incomplete Spinal Injury
00 - 05	94.4m	24.6m	19.8m	37.8m	18.5m	11.4m	10.9m
06 - 16	26.4m	16.1m	8.1m	14.6m	5.9m	5.7m	6.5m
17 - 30	20.1m	9.7m	4.5m	10.3m	3.5m	3.2m	3.5m
31 - 45	11.4m	7.2m	3.2m	5.0m	1.7m	3.5m	2.0m
46 - 64	6.1m	4.3m	2.2m	2.2m	1.3m	1.5m	1.1m
65+	2.9m	2.1m	1.1m	0.9m	0.8m	1.0m	0.6m
Average Liability (excl risk margin)							
Age injured at	High Level Tetraplegic	Low Level Tetraplegic	Paraplegic	Severe Brain Injury	Moderate Brain Injury	Comparable Diagnosis	Incomplete Spinal Injury
00 - 05	24.4m	6.6m	4.8m	9.5m	4.2m	2.8m	2.7m
06 - 16	9.4m	6.4m	2.3m	4.4m	1.9m	1.4m	1.9m
17 - 30	7.9m	3.9m	1.7m	3.7m	1.4m	1.3m	1.3m
31 - 45	5.4m	3.2m	1.4m	2.3m	0.8m	1.7m	0.9m
46 - 64	3.3m	2.1m	1.0m	1.2m	0.6m	0.8m	0.5m
65+	1.5m	1.1m	0.4m	0.5m	0.3m	0.5m	0.3m

Priority areas



Lifetime costs incurred in 2012

Total = \$3,900M*



PRIORITY FOCUS AREAS

- 1 Falls
- 2 Work
- 3 Priority sports
- 4 Road
- 5 Treatment injury
- 6 Sensitive claims



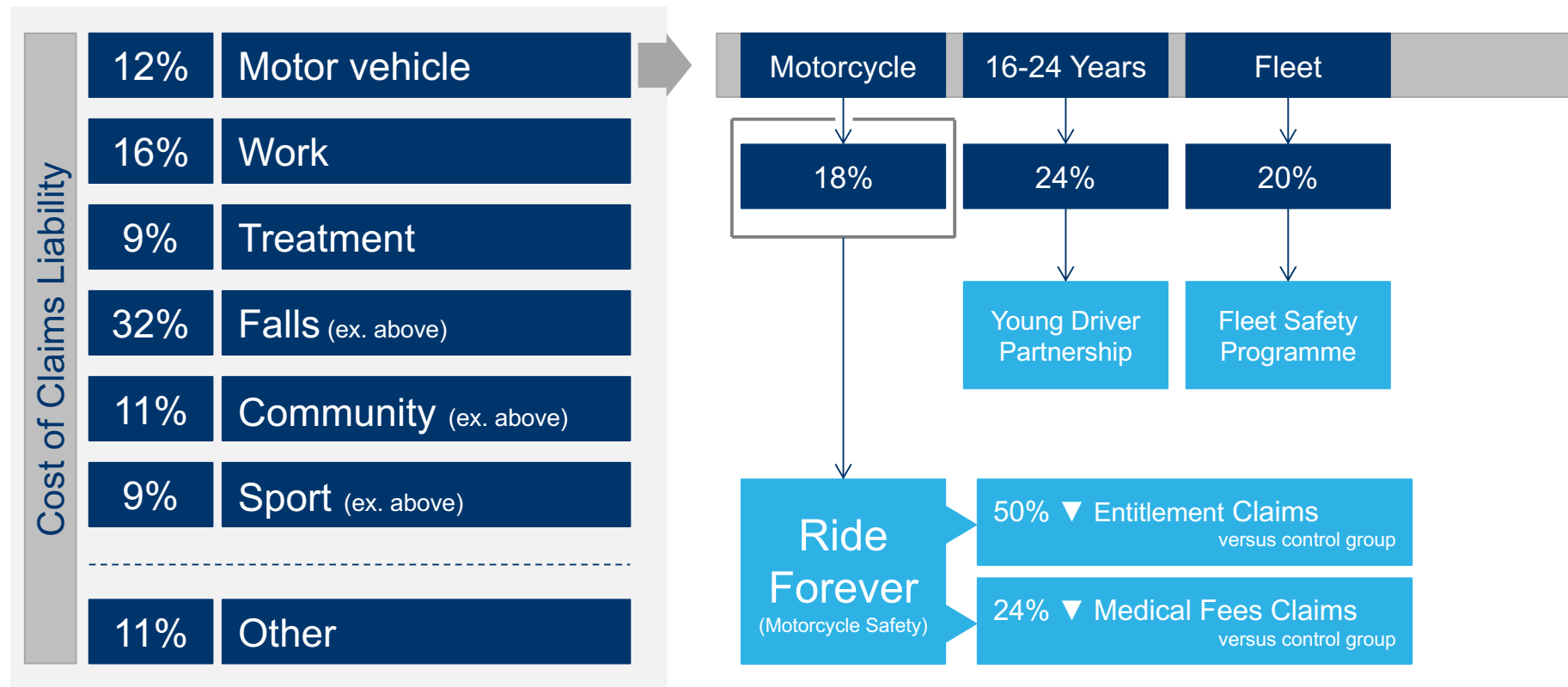
Note: Lifetime costs (estimate in today's dollars the cost of treatment of that customer's injury till they no longer required treatment); Product FTE and spend allocated to focus areas; *Includes overlapping costs of ~\$710M; **NZ Police data indicates that driver error, alcohol and speed are the three largest contributing factors to road accidents; ***Regions with the highest claim rate per capita: 1) Nelson 2) Taranaki 3) Hawkes Bay 4) Wellington and 5) Bay of Plenty
 Source: ACC Claims Database

ACC apply an investment approach

This means:

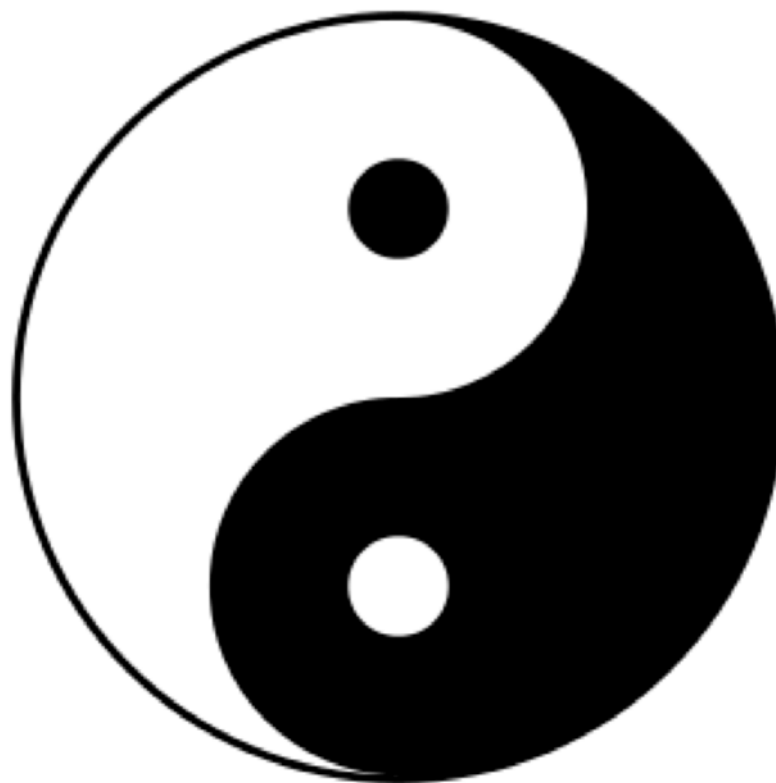
- Targeting investment to those areas where the biggest impact can be made
- Identifying opportunities to leverage common approaches across multiple domains

User-focused approach



$$\text{Value} = \frac{\text{Outcomes}}{\text{Cost}}$$

Providers and funders



It is unrealistic to expect providers to improve quality or reduce spending if the payment system does not provide **adequate financial support** for their efforts.

AND

It is unrealistic to expect purchasers to pay more or differently without assurances that **quality will be improved, spending will be lower, or both.**

Harold Miller – CEO, CHQPR

Thank you

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