

Saturday, October 3, 2015

## **ACC looking beyond direct cost of injury**

The Accident Compensation Corporation (ACC) is looking beyond the direct costs and effects of injury when considering how to achieve the best outcome for clients. While this more holistic approach might require a greater up-front investment, ACC believes it will be better for clients and more economic for New Zealand as a whole in the long run.

Speaking to pain medicine specialists on Friday (October 2) at the Faculty of Pain Medicine's Spring Meeting in Queenstown, ACC's Nic Johnson, Category Manager – Vocational and Pain Services, outlined the work being undertaken and the significant overall costs of trauma for New Zealand society.

The annual cost of injury to the New Zealand economy is over \$10 billion. In the 2014/15 financial year, ACC received 1.8 million new injury claims and spent \$1.9 billion on health services.

"These are very significant costs. The impact of pain just adds to the trauma people with injuries are going through and severely limits their ability to get back into the workforce, thereby creating further cost to employers, the general economy and, most importantly, adding to the financial and emotional effects on family/whanau," he said.

"While we should be seeking to prevent injuries in the first instance, in the event of an accident, we must provide support in a way that delivers the best possible outcomes for clients."

Mr Johnson says ACC is redesigning its health and support services and his team is leading the redesign of ACC's pain management services.

"An injury can be life-changing for the individual and have a significant effect on the family. We need to bring families into the discussion. They can make a huge difference to the client's recovery."

In looking beyond the direct costs, Mr Johnson highlighted some critical areas:

- Workforce participation - \$4.8 billion in lost earnings for those who retire early due to spinal disorder.
- Retirement wealth – those who retire early due to back problems had 95 per cent fewer income-producing assets than those who did not.
- Caregivers – 672 million hours of unpaid/informal care worth an estimated 10.8 billion per annum.

- Employers – the experience rating system can result in a modification to levy rates of between +75 per cent to -50 per cent.
- Health loss – musculoskeletal injuries collectively account for 9.1 per cent of health loss in New Zealand. Injuries are the fifth leading cause of health loss accounting for 8 per cent of the total disability adjusted life years.
- Family/whanau – grief and mourning, even for non-fatal injuries, can be significant.

He said ACC initiatives aimed at reducing the direct and indirect effects of trauma include injury prevention, health benefits of work, a rehabilitation roadmap that guides the redevelopment of ACC's services to better meet the needs of clients and providers, a response to traumatic brain injury and spinal cord impairment, and redesigning support services.

ENDS

- **For more information or to request interviews, please contact ANZCA NZ Communications Manager Susan Ewart on +64 274 152 815 or [sewart@anzca.org.nz](mailto:sewart@anzca.org.nz). Follow us on Twitter [@ANZCA](https://twitter.com/ANZCA).**