

Workers Compensation Claims and Policy Services

DATE

2005

Schedule 5 – KPIs

Nominal Insurer

And

«CoName»

Schedule 5 – KPIs

1 INTRODUCTION

- 1.1 **(About this Schedule)** This Schedule details the Key Performance Indicators (KPIs) the Scheme Agent is required to meet or exceed in performing its obligations under the Deed.
- 1.2 **(Purpose)** The purpose of this Schedule is to specify the agreed level of performance for the delivery of the Services through documented KPIs.
- 1.3 **(Glossary)** For the meaning of defined terms used in this Schedule, refer to Schedule 14 (Glossary).
- 1.4 **(Data element names and codes)** The data element names and codes contained in the Scheme Services KPI table (eg Date of claim screening (2.2.29)) are defined in the Claims Technical Manual in the Operational Document Set.
- 1.5 **(Obligations)** The obligations in this Schedule are in addition to other parts of the Deed.
- 1.6 **(Reporting)** KPI reports must be submitted to the Nominal Insurer within ten Business Days of the end of each Month.

1.7 Linkages to other Schedules

This Schedule links to the following Schedules:

- (a) Schedule 1 – Business Model;
- (b) Schedule 2 – Scheme Services; and
- (c) Schedule 4 – Commercial Management Framework;
 - (i) Attachment B – Annual Services Plan
 - (ii) Attachment C – Reports
 - (iii) Attachment D – Performance Management Strategy

2 Note For Calculating KPIs

- 2.1 **(Measurement time)** Where performance is measured in time, the measure of a Business Day means a 'clear' Business Day. For example, if a Claim is notified for Triage at 1.00pm on Wednesday, and Triage is completed by 5.00pm on Friday, the KPI is met.
- 2.2 **(Preparation of plans)** Where a plan has to be prepared, it must be complete and comply with the obligations under the Deed.
- 2.3 **(Accurate payments)** Where a payment is to be made, it must be accurate and due.
- 2.4 **(Sampling)** A simple random sampling method should be used that ensures a minimum 95% confidence level. The sample should include a cross section of the base if the base includes more than one cohort.
- 2.5 **(KPI Standard Progression)** Where a KPI standard percentage progresses from year one of contract to after year one of contract, for the absence of doubt, year one of contract is the period from the earlier of Scheme Services Commencement Date and 1 January 2006 to 31 December 2006 and after year one of contract is for any period on and from 1 January 2007.
- 2.6 **(Calculations)** Where a KPI standard is expressed as a percentage any formula for calculating the KPI should be converted to a percentage by multiplying the result of the formula by 100.

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3 Scheme Services

3.1 **(Performance measures)** The tables below define the agreed performance service levels for the provision of the Services outlined in Schedule 2 (Scheme Services). These performance measures will form part of the reporting process.

Service	KPI Standard	Frequency	Responsibility	Formula
1. Conduct Triage (Schedule 2, Section 2.2.2 (c))	90% Notifications triaged within two Business Days	Monthly	Scheme Agent	<p># of Notifications triaged within two Business Days / # of Notifications received</p> <p>The Scheme Agent is to define the performance measurement methodology it will adopt, including details of the sampling method rationale. [Note – all Scheme Agent defined performance measurement methodologies will have to be Approved by the Nominal Insurer].</p>
2. Conduct Initial Assessment (Schedule 2, Section 2.2.3 (f))	85% of Notifications screened and assessed within five Business Days following Notification	Monthly	Scheme Agent	<p># of Notifications screened and assessed by the fifth Business Day / # of Notifications received</p> <p>Data elements to be used – Date of claim screening (2.2.29) Claim screening action code (2.2.30) with code values of 01, 02, 03 / Liability status date (2.2.4) and Liability status code (2.2.9) code values 01, 02, 08, 09, 11</p> <p>Note – Date of claim screening compared to the Liability status date must be ≤ five Business Days</p> <p>This KPI calculation is to be performed using 100% of Notifications received between the first Business Day of the Month and the last Business Day of the Month.</p>

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Service	KPI Standard	Frequency	Responsibility	Formula
3. Conduct Initial Assessment (Schedule 2, Section 2.2.3 (f))	95% of Notifications screened and assessed within ten Business Days following Notification	Monthly	Scheme Agent	<p># of Notifications screened and assessed within ten Business Days / # of Notification received</p> <p>Data elements to be used - Date of claim screening (2.2.29) with Claim screening action code (2.2.30) with code values of 01, 02, 03 / Liability status date (2.2.4) with Liability status code (2.2.9) with code values 01, 02, 08, 09, 11 Note - Date of claim screening compared to the Liability status date must be ≤ ten Business Days</p> <p>This KPI calculation is to be performed using 100% of Notifications received between the first Business Day of the Month and the last Business Day of the Month.</p>
4. Assess Provisional Liability (Schedule 2, Section 2.2.4 (a))	95% of assessments for Provisional Liability occur within 7 Business Days.	Monthly	Scheme Agent	<p># of assessments for Provisional Liability / # of Notifications received</p> <p>Data elements to be used - Liability status date (2.2.4) and Liability status code (2.2.9) with code values 02, 08, 09, 11</p> <p>Note – Performance is to be measured when: a) The date the Liability status code 01 is changed to code 02, 08, 09 or 11 compared to the initial Liability status date is ≤ seven Business Days or b) b) where the initial Liability status code is entered as 02, 08, 09 or 11 on the initial Liability status date</p> <p>This KPI calculation is to be performed using 100% of Notifications received between the first Business Day of the Month and the last Business Day of the Month.</p>

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Service	KPI Standard	Frequency	Responsibility	Formula
5. Manage the Claim (Schedule 2, Section 2..2.5 (b))	85% of Claims where an IMP is required by the Law will have a Claims strategy, including appropriate goals and action plan, prepared and communicated to the Worker and the Employer by the twentieth Business Day following Notification.	Monthly	Scheme Agent	<p># of IMPs prepared within the timeframe / # of IMPs required</p> <p>Date of claim screening (2.2.29) with Claim screening action code (2.2.30) with code value 04 / Significant injury date (2.1.55)</p> <p>Note –Date of claim screening compared to the Significant injury date must be ≤ twenty Business Days</p> <p>This KPI calculation is to be performed using 100% of Claims identified as significant Injury between the first Business Day of the Month and the last Business Day of the Month.</p>
6. Manage the Claim (Schedule 2, Section 2..2.5 (b))	95% of Claims where an IMP is required by the Law will have a Claims strategy, including appropriate goals and action plan, prepared and communicated to the Worker and the Employer by the thirtieth Business Day following Notification.	Monthly	Scheme Agent	<p># of IMPs prepared within the timeframe / # of IMPs required</p> <p>Date of claim screening (2.2.29) with Claim screening action code (2.2.30) with code value 04 / Significant injury date (2.1.55)</p> <p>Note –Date of claim screening compared to the Significant injury date must be ≤ thirty Business Days</p> <p>This KPI calculation is to be performed using 100% of Claims identified as significant Injury between the first Business Day of the Month and the last Business Day of the Month.</p>

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Service	KPI Standard	Frequency	Responsibility	Formula
7. Conduct reviews in accordance with review schedule in the CMP/IMP (Schedule 2, Section 2.2.5 (i))	85% of reviews occur within five Business Days of the date recorded in the review schedule identified in the CMP/IMP.	Monthly	Scheme Agent	<p># of reviews conducted within the timeframe / # of reviews scheduled</p> <p>The Scheme Agent is to define the performance measurement methodology it will adopt, including details of the sampling method rationale. Note – all Scheme Agent defined performance measurement methodologies will have to be Approved by the Nominal Insurer.</p>
8. Conduct reviews in accordance with review schedule in the CMP/IMP (Schedule 2, Section 2.2.5 (i))	95% of reviews occur within ten Business Days of the date recorded in the review schedule identified in the CMP/IMP.	Monthly	Scheme Agent	<p># of reviews conducted within the timeframe / # of reviews Scheduled</p> <p>The Scheme Agent is to define the performance measurement methodology it will adopt, including details of the sampling method rationale. Note – all Scheme Agent defined performance measurement methodologies will have to be Approved by the Nominal Insurer.</p>
9. Weekly compensation payments (Schedule 2, Section 2.2.10 (d))	<p>Year one of contract - 90% of all continuing weekly compensation payments due to Workers and Employers are made within five Business Days after the date the payment was due to be made.</p> <p>After year one of contract - 95% of all continuing weekly compensation payments due to Workers and Employers are made within five Business Days after the date the payment was due to be made.</p>	Monthly	Scheme Agent	<p># of weekly compensation payments made / # of weekly compensation payments due to be made</p> <p>Note – weekly compensation payments made compared to the weekly compensation payments due to be made must be \leq five Business Days</p> <p>The Scheme Agent is to define the performance measurement methodology it will adopt, including details of the sampling method rationale. Note – all Scheme Agent defined performance measurement methodologies will have to be Approved by the Nominal Insurer.</p>

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Service	KPI Standard	Frequency	Responsibility	Formula
10. Weekly compensation payments (Schedule 2, Section 2.2.10 (d))	Year one of contract - 95% of all continuing weekly compensation payments due to Workers and Employers are made within ten Business Days after the date the payment was due to be made.	Monthly	Scheme Agent	<p># of weekly compensation payments made / # of weekly compensation payments due to be made</p> <p>Note – weekly compensation payments made compared to the weekly compensation payments due to be made must be ≤ ten Business Days</p> <p>The Scheme Agent is to define the performance measurement methodology it will adopt, including details of the sampling method rationale. Note – all Scheme Agent defined performance measurement methodologies will have to be Approved by the Nominal Insurer.</p>
11. Third Party Service Provider payments (Schedule 2, Section 2.5 (e))	<p>Year one of contract - 90% of all payments to Third Party Service Provider are paid according to the relevant fee schedules</p> <p>After year one of contract - 95% of all payments to Third Party Service Provider are paid according to the relevant fee schedules</p>	Monthly	Scheme Agent	<p># of payments processed according to the relevant fee schedule / # of payments processed for services with a relevant fee schedule</p> <p>Note – this measures payment accuracy according to the relevant fee schedules</p> <p>The Scheme Agent is to define the performance measurement methodology it will adopt, including details of the sampling method rationale. Note – all Scheme Agent defined performance measurement methodologies will have to be Approved by the Nominal Insurer.</p>
12. Submit accurate Data Elements (Schedule 2, Section 3.5.1(b))	No more than 1% of the Claim and Policy record data set is to include outstanding suspect error	Monthly	Nominal Insurer	Total number of Claims and/or Policy records held in the CDR for the Scheme Agent with suspected errors/ total number of Claims and/or Policy records held in the CDR for the Scheme Agent
13. Submit accurate Data Elements (Schedule 2, Section 3.5.1(b))	Each data submission is 99% free of fatal error and 98% free of suspect errors	Each submission	Nominal Insurer	<p>Measure 1 - Total number of Claims and/or Policy records in a submission without fatal errors/ total number of Claims and/or Policy records in a submission</p> <p>Measure 2 - Total number of Claims and/or Policy records in a submission without suspect errors/ total number of Claims and/or Policy records in a submission</p>

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Service	KPI Standard	Frequency	Responsibility	Formula
14. Determine Premiums (Schedule 2, Section 2.1.2 (b))	95% correct Premium calculated (CP)	Quarterly	Scheme Agent	<p> $CP = (WICC\% + PCC\% + PPC\%) / 3$ </p> <p> WICC% = number sampled correct / number sampled </p> <p> PPC% = $100 \times [Correct\ Premium\ Pool\ (\\$) - Absolute\ Error\ (\\$)] / Correct\ Premium\ Pool\ (\\$)$ </p> <p> <i>Definition - Absolute Error is the difference between the correct Premium that should have been charged compared to the actual Premium charged. Absolute means either a positive or negative error demonstrated as a total error. E.g. The addition of two errors, -\$2,000 and \$3,000 will have a total absolute value of \$5,000.</i> </p> <p> The Scheme Agent is to define the Performance Measurement methodology it will adopt, including details of the sampling method rationale. Note – all Scheme Agent defined performance measurement methodologies will have to be Approved by the Nominal Insurer. </p> <p> The sample for this measure will: </p> <ul style="list-style-type: none"> • include no more than 10% of Policies issued to Category B Employers; • exclude Policies with WIC class 970000 private households employing staff, WIC class 771110 residential strata schemes and Policies with a basic tariff Premium \$2000 or less at the commencement date of the period of insurance.

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Service	KPI Standard	Frequency	Responsibility	Formula
15. Collect Premium and Premium related debts (Schedule 2, Section 2.1.3 (b))	98% of Net written Premium and Premium related debts collected	Quarterly	Scheme Agent	<p>CCR% = 100* NCC / (GWP+GLPF)</p> <p>Where:</p> <p>CCR% is the cash collected metric.</p> <p>NCC is the net cash collected derived as follows:</p> <p>NCC = (7.1.6a+7.1.6b) – (7.1.6c+7.1.6d+7.1.6e+7.1.6f+7.1.6g) where 7.1.6a, 7.1.6b, 7.1.6c, 7.1.6d, 7.1.6e, 7.1.6f and 7.1.6g have the same meaning as noted in the Financial Reporting manual in the Operational Document Set.</p> <p>GWP [Form 7.1.1] is gross written Premium processed and has the same meaning as noted in the Financial Reporting manual in the Operational Document Set.</p> <p>GLPF [Form 7.1.3A] is gross late payment fees and has the same meaning as noted in the Financial Reporting manual in the Operational Document Set.</p>

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4 Business Model

4.1 (**Performance measures**) The table below defines the agreed performance service levels for monitoring the performance of the Business Model. These performance measures will form part of the reporting process.

Service	KPI Minimum Standard	Frequency	Responsibility	Formula
16. Business Model KPI 1	Scheme Agent to specify in response to Schedule 1			Scheme Agent to specify in response to Schedule 1
17. Business Model KPI 2	Scheme Agent to specify in response to Schedule 1			Scheme Agent to specify in response to Schedule 1
18. Business Model KPI 3	Scheme Agent to specify in response to Schedule 1			Scheme Agent to specify in response to Schedule 1
19. Business Model KPI 4	Scheme Agent to specify in response to Schedule 1			Scheme Agent to specify in response to Schedule 1
20. Business Model KPI 5	Scheme Agent to specify in response to Schedule 1			Scheme Agent to specify in response to Schedule 1
21. Business Model KPI 6	Scheme Agent to specify in response to Schedule 1			Scheme Agent to specify in response to Schedule 1

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5 File Transfer KPIs

5.1 **(Performance measures)** The table below defines the agreed performance service levels for the provision of File Transfers in accordance with the File Transfer rules in the Operational Document Set.

Service	KPI	Formula
Transfer of Policy Complete file preparation review	100% of Policies identified for transfer within seven Business Days from receipt of extract list	# of Policies prepared for transfer / # of Policies in batch extract list
Receipt of Policy Conduct file receipt review	100% of Policies reviewed within fifteen Business Days from receipt of files	# of Policies reviewed / # of Policies transferred.
Transfer of Claims Complete file preparation review	100% of Claims identified for transfer within fourteen Business Days from receipt of extract list	# of Claims prepared for transfer / # of Claims in batch extract list
Receipt of Claims Conduct file receipt review	100% of Claims reviewed within fifteen Business Days from receipt of files	# of Claims reviewed / # of Claims transferred.