

Long term work disability: What happens after workers' compensation ends?

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Organisations

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- Sax Institute (Data storage)
- Commonwealth Department of Health (Data Provision)
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- Department of Health, NSW Government (Data Provision)

Disclaimer

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For more information



Study Protocol

Data linkage

Lane TJ, Berecki-Gisolf J, Iles R, Smith PM, Collie A. [The impact of long-term workers' compensation benefit cessation on welfare and health service use: protocol for a longitudinal controlled data linkage study](#). International journal of population data science. 2021;6(1):1419.

Report 1

Social Security Payments

Collie A, Griffiths D, Di Donato M, Gray S, Lane TJ, Iles R, Smith PM & Berecki-Gisolf J. [Receipt of Centrelink payments after long duration workers' compensation claims: Transitions Study Report 1](#). Melbourne, Australia: Healthy Working Lives Research Group, School of Public Health and Preventive Medicine, Monash University; 2021.

Report 2

Hospital Admissions

Griffiths D, Di Donato M, Gray S, Lane TJ, Iles R, Smith PM, Berecki-Gisolf J & Collie A. [Hospital admissions and emergency department presentations after long duration workers' compensation claims: Transitions Study Report 2](#). Melbourne, Australia: Healthy Working Lives Research Group, School of Public Health and Preventive Medicine, Monash University; 2022.

Report 3

Health Service Use

Di Donato M, Griffiths D, Gray S, Lane TJ, Iles R, Smith PM, Berecki-Gisolf J & Collie A. [Health service use after long periods of workers' compensation: Transitions Study Report 3](#). Melbourne, Australia: Healthy Working Lives Research Group, School of Public Health and Preventive Medicine, Monash University; 2022.

Two main sources of income support for work disability in Australia

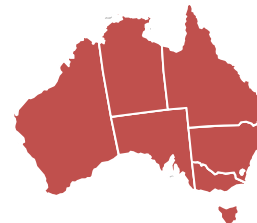


Workers' Compensation



- 11 different systems (all slightly different)
- ~93% labour force coverage / 13 million people
- Eligibility based on employment and injury work-relatedness
- Funded by employer premiums
- Main benefits
 - Wage replacement
 - Treatment and Rehabilitation

Social Security



- Single national system
- Population coverage
- Eligibility based on income, assets +- assessed work capacity and impairment
- Funded by taxation revenue
- Many different benefit types, including:
 - Unemployment (known as JobSeeker)
 - Disability Support Pension
 - Aged Pension

Income support in workers' compensation



Some statistics

- AUD \$5.99 billion expenditure in 2020/21.
- 55% of total system expenditure.
- In most systems, benefits are time-limited.
- Most people have short periods of income support (weeks to months) and return to work.

Long duration claims

- In Australia ~12% of people account for ~70% of income support payments.
- Associated with, and may contribute to:
 - poorer health including mental health.
 - lower quality of life.
 - financial stress
 - changes in social relationships
 - reduced employment prospects

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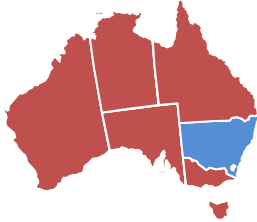
What happens when workers' compensation income benefits stop?



- Limited evidence internationally.
- Studies in the USA suggest people with workers compensation claims are more likely to apply for or receive social security disability insurance (Chibnall et al, 2006; O'Leary et al, 2012; Guo & Burton, 2012).
- A study in Canada showed that 24% of workers injured in 1991 received social security benefits between 1990 and 1997, compared to 10% of a matched community group (Hertzman et al, 1999)
- No Australian studies.
- Limited person-level data.
- No direct measurement of transition between workers' compensation and social security systems.
- Most evidence from 20th century.

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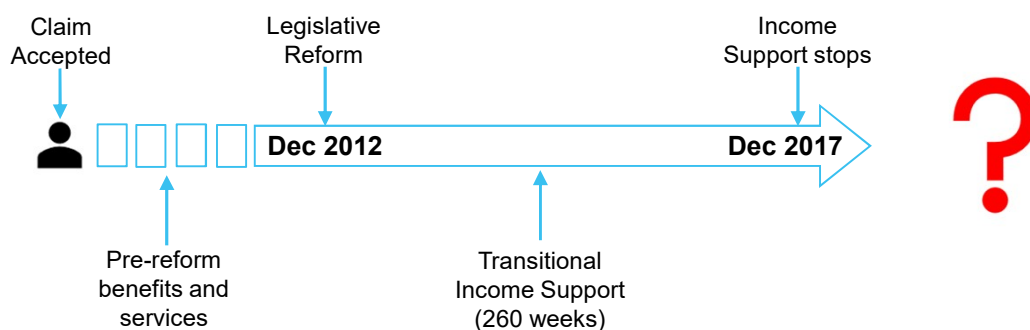
New South Wales 2012 workers' compensation system reform



- Australia's largest state by population and labour force
- 2011 -> Projected a AUD\$4.1 billion unfunded liability
- 2012 -> Workers Compensation Legislation Amendment Act
- Major system reform that tightened eligibility and changed access to benefits and funding for services (CollieA, et al. Occ Enviro Med 2020;77:32-39.)
- Section 39 of the Act capped income support **at 260 weeks (5 years)** maximum duration for majority of workers.
- This meant that at December 2017 income support stopped for ~4,000 workers with very long duration claims (5 years or longer).

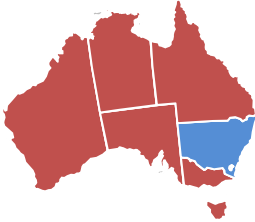
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New South Wales 2012 workers' compensation system reform



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Research questions



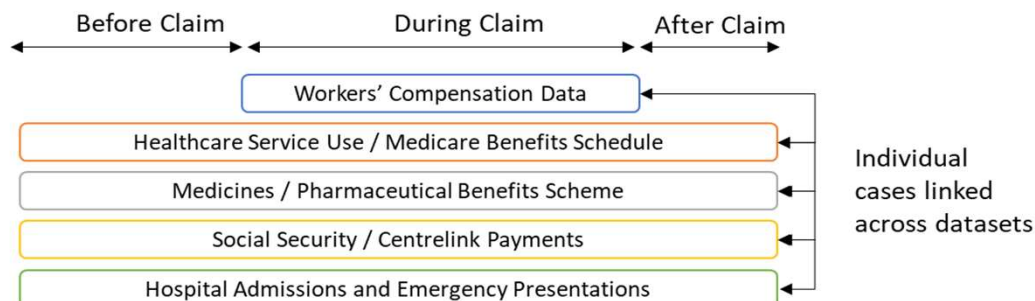
What happens to workers with long duration workers' compensation claims when their workers' compensation benefits stop?

- What proportion of people transition to the Australian social security system?
- What sorts of social security benefits do those people receive?
- What personal, social, health related factors are associated with transitions to social security benefits?
- Does healthcare service use change after income support stops? If so, does this vary by the type of healthcare?
- Does the funding of healthcare (i.e., who pays) for workers change when their income support stops?

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Data linkage

Linking data across state and national health and income support datasets



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Study groups

Section 39 Group

- Age 18-67 years at end of income support
- Accepted workers' comp claim lodged after July 1989 and closed between 26 Sept 2017 and 30 Jun 2018
- 260+ weeks of income support payment

Injured Control Group

- Age 18-67 years at end of income support
- Accepted workers' comp claim lodged after July 1989 and closed by June 2018
- 104+ weeks of income support payments
- Not a member of Section 39 group

Community Control Group

- Age 18-67 years at 25 Dec 2017
- Residents of New South Wales
- Matched to Section 39 group on age, sex & residential location
- Not a member of the other 2 groups.

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Study outcomes

Social Security Payments

Unemployment benefits

Disability Support Pension

Aged Pension, Carers Pension

Other payments

Hospital Services

Admitted episodes

Emergency Department presentations

Healthcare Services

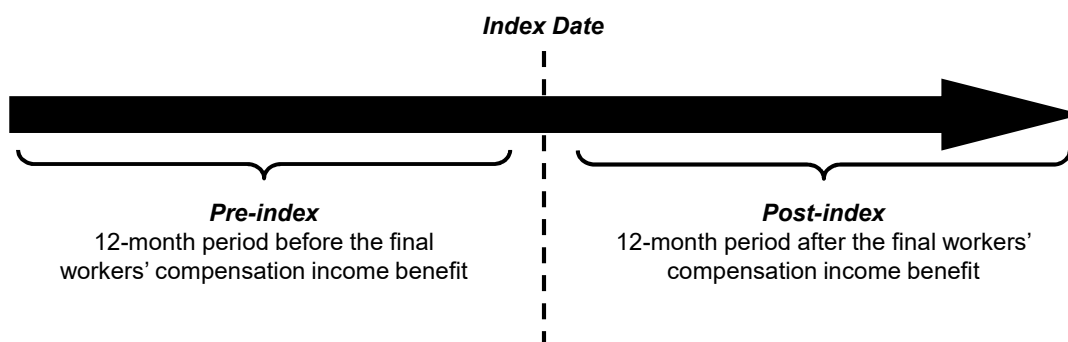
General Practice

Physical Therapy

Psychological Therapy

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Study periods



Note: the Community Control group was assigned an index date of 25 December 2017 (coinciding with S39)

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Results

Linkage Rates

- Workers compensation -> Social Security = 97%
- Workers compensation -> Hospital & Emergency Data = 84-91%
- Workers compensation -> Healthcare data = 95%

Sample Size

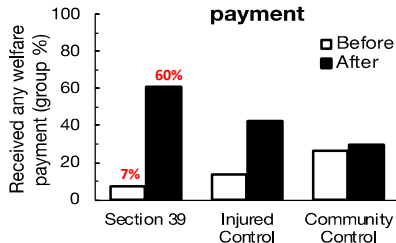
- Varies depending on outcome
- Section 39 Group N = ~2,800
- Injured Control Group N = ~2,800 to 3,800
- Community Control Group N = ~10,000

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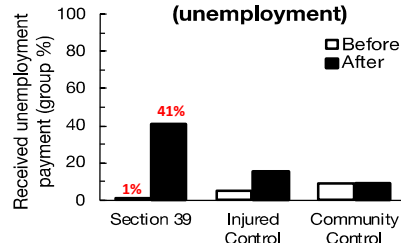
Results: Social Security Payments



Any income support welfare payment

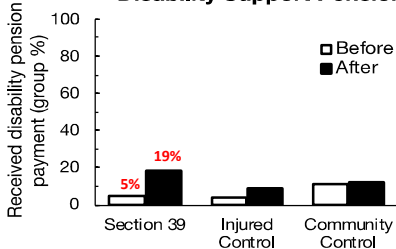


Newstart Allowance (unemployment)

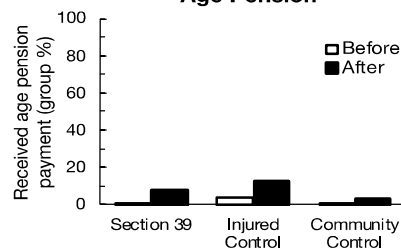


Adjusted Odds Ratios
 Section 39 v Community Control
 Any Payment = 25.0 [20.7-30.1]
 Unemployment = 80.2 [54.8-117.5]
 Disability Pension = 4.1 [3.5,4.8]

Disability Support Pension



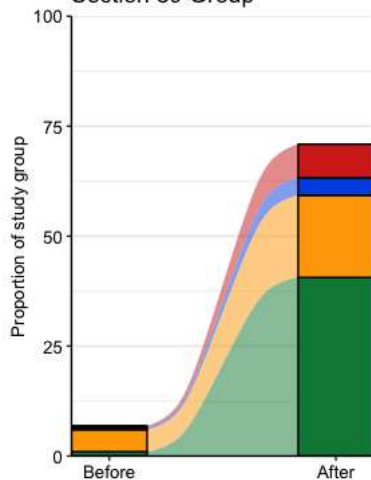
Age Pension



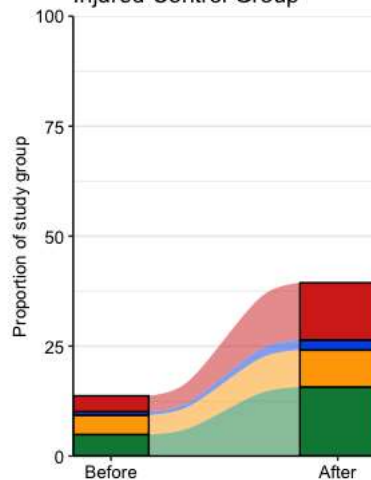
Results: Social Security Payments



Section 39 Group



Injured Control Group



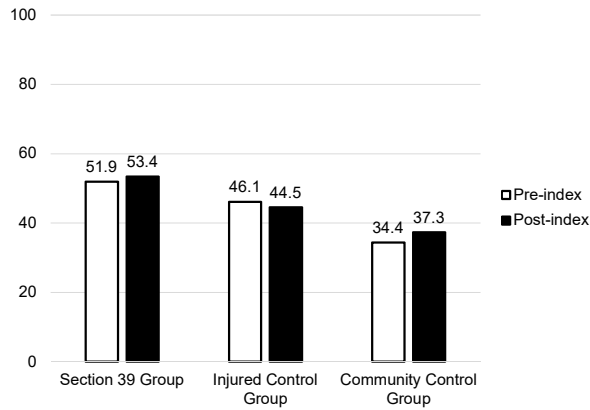
Centrelink Payment Type

- Aged Pension
- Carer Payment
- Disability Support Pension
- Newstart Allowance

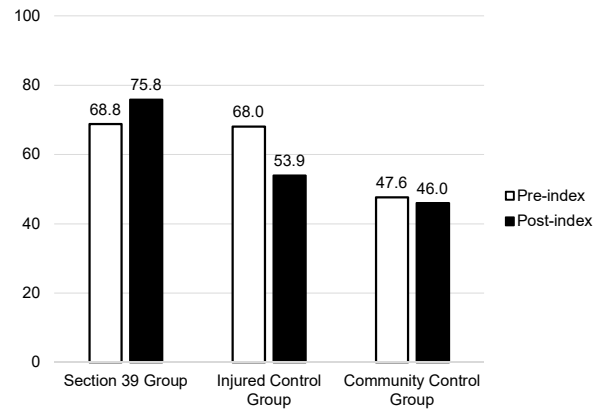
Results: Hospital Service Use



Number of Emergency Department Presentations per 100 people



Number of Hospital Admissions per 100 people

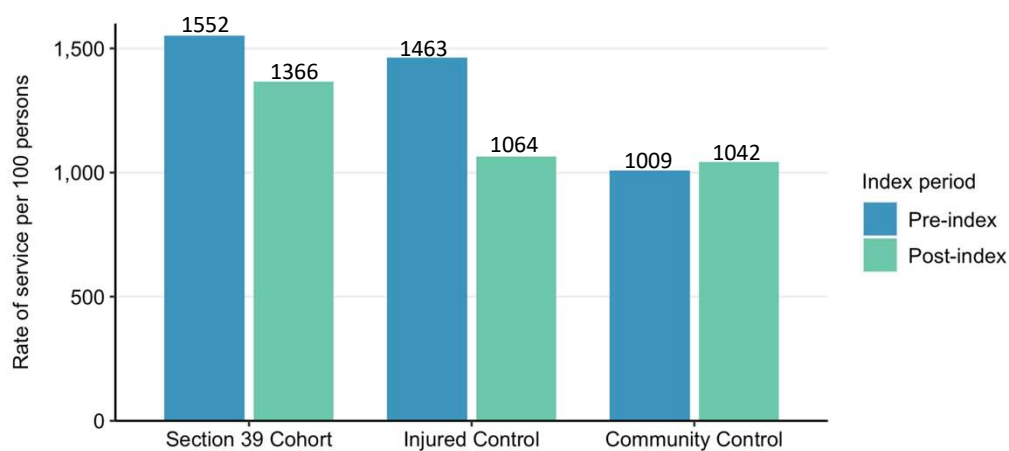


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Results: General Practitioner services



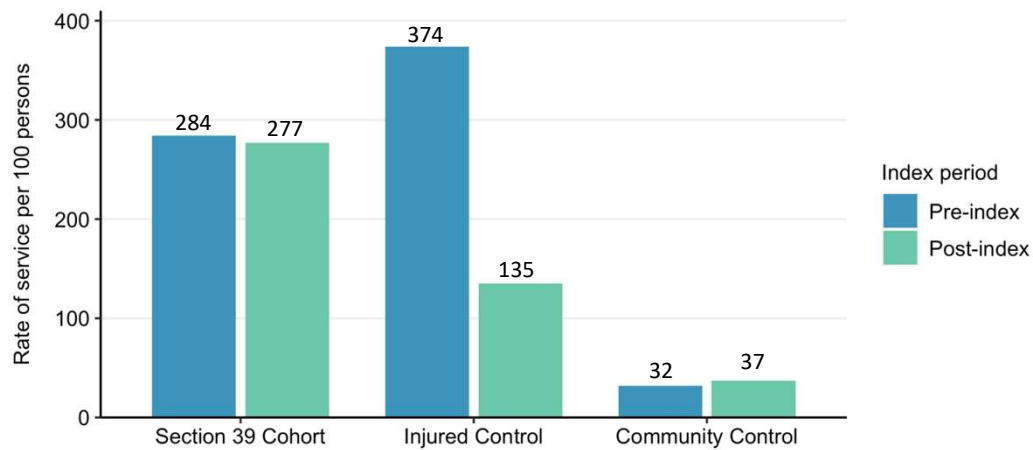
Rate of General Practitioner services per 100 people



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Results: Physical Therapy Services

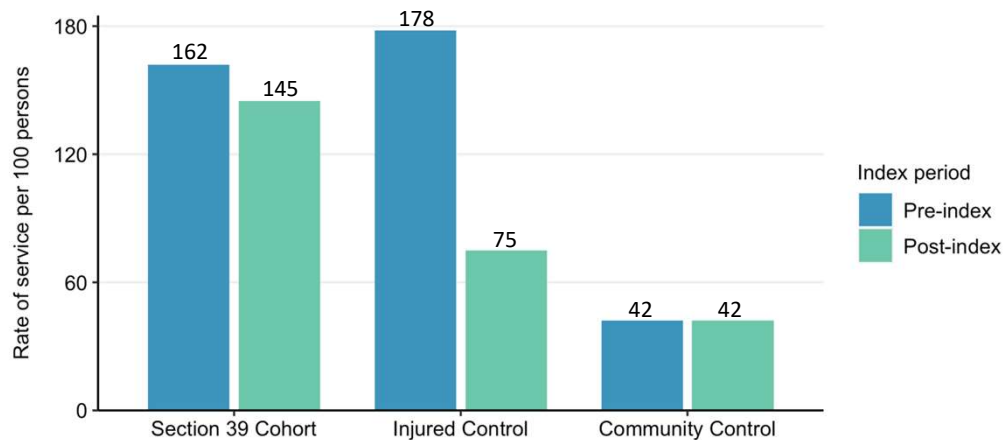
Rate of Physical Therapy Health services per 100 people



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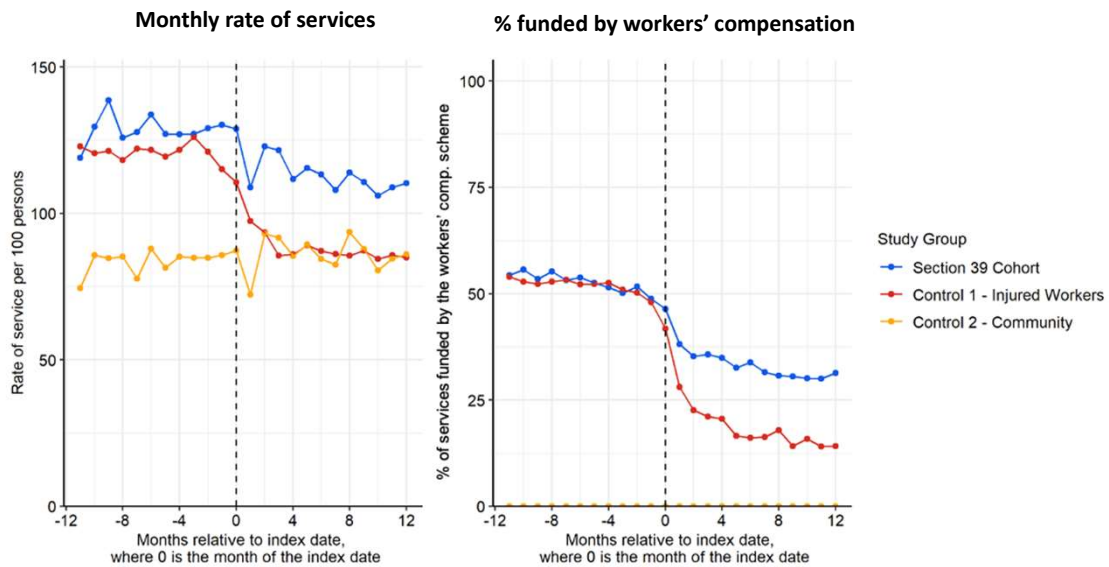
Results: Psychological Therapy Services

Rate of Psychological Therapy services per 100 people



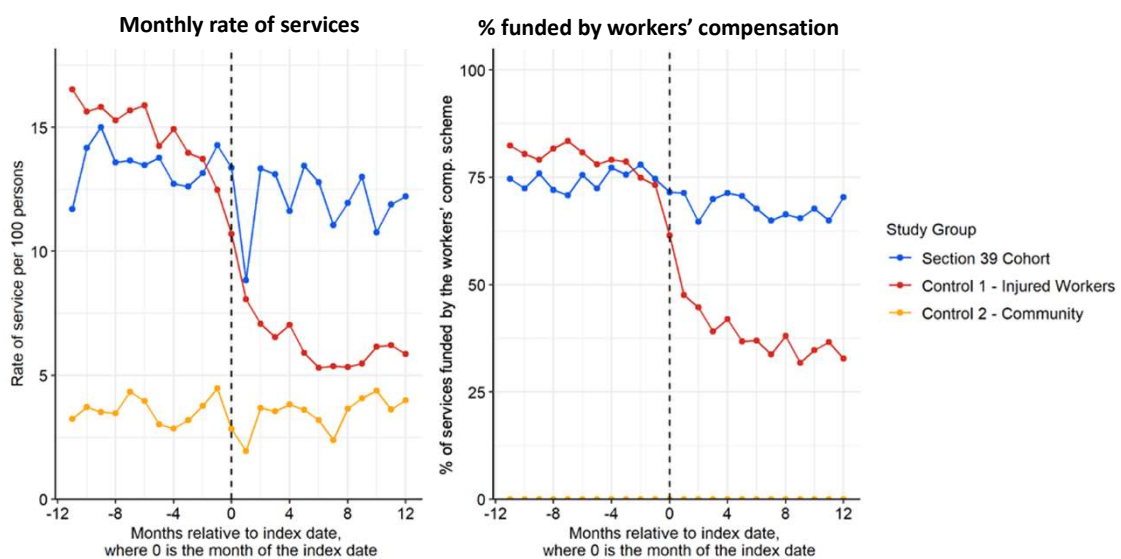
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Results: General Practitioner Services



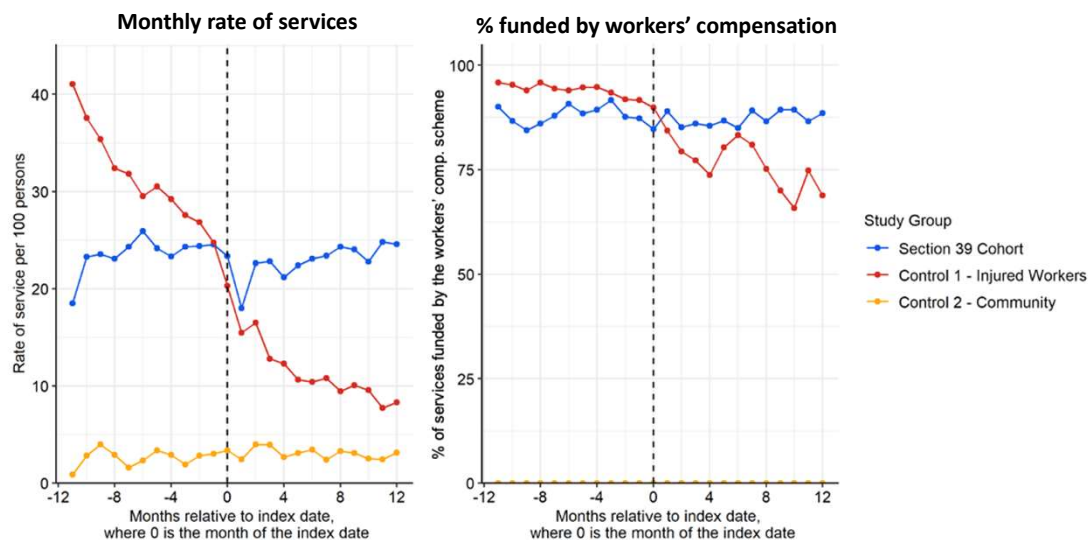
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Results: Physical Therapy services



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Results: Psychological Therapy services



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Main findings

- Cessation of workers' compensation income support benefits for people in New South Wales with very long term claims under the Section 39 legislative amendment led to:
 - A transition of most affected people to the Australian social security system for income support, most notably to the unemployment benefit and the disability support pension.
 - Policy effect
 - Reduction in the rate of General Practitioner services.
 - Reduced requirements for medical certification
 - Recovery? OR lack of awareness of ongoing eligibility
 - Reduction in the proportion of General Practitioner services funded by workers' compensation.
 - Easier to access GP services via Medicare system
 - Reduced requirements for medical certification

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Other findings

- **The injured control group (2 years claim duration):**
 - Higher odds of transition to social security payments after income support ends
 - ? some are still off work
 - Large reduction in rates of General Practitioner, Physical Therapy and Psychological Therapy services in the year after income support ends
 - ? recovery / benefits of work

- **Workers with long duration claims:**
 - More likely to be admitted to hospital and attend an emergency department than community controls, both before and after end of income support.
 - ? reflects generally worse health

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Implications

- Seemingly separate systems of social protection are connected by the people accessing them.
- Policy shifts in one system have flow-on impacts to other systems.
- Future policy changes need to consider these impacts, and the health and economic impacts of between system transitions for people with long duration claims, including for example
 - the administrative and health burden of transitions
 - drop in income and access to healthcare

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Strengths and Limitations

- Large sample with very long time series (only some data analysed in this presentation)
- Inclusion of a matched community control group.
- Linked data can answer a range of questions about workers' compensation schemes that are not able to otherwise be addressed.
- Data include multiple sociodemographic variables not normally captured by workers' compensation, such as home ownership status and partner status (not shown but included in analysis).
- Effective use of existing datasets – limiting the burden on participants.
- Lack of clinical data and patient reported outcomes.
- Linkage currently takes a lot of time and resources to achieve and thus findings are delayed.
- Australia's social protection system is unique and findings may not be transferable.

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Reference List

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