Australian Government
Department of Veterans' Affairs

DVA's claims process diagnostic

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[redacted]

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They reflect general insights and may present potential options for consideration based on currently available information, but do not contain all of the information needed to determine a future course of action.

The insights and concepts included in these materials are still being validated.

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Executive summary (1/4)

Reducing the claims backlog for veterans is a key priority for the Minister of Veterans' Affairs and Departmental leadership. The goal is to eliminate the backlog by December 2023 (funding to support this due to expire in July 2023). The initiatives outlined in this report offer a path to eliminate the backlog by December 2023 and increase processing capacity by 2.4x through deploying 6 existing and 11 new initiatives. To eliminate the backlog on a more rapid trajectory by June 2023, DVA faces a choice between (a) accelerating 4 initiatives and deploying 4 further ideas or (b) deploying 73 additional FTEs

As of December 2021, 54k claims are on hand – 17k claims are being processed and 37k exceed the current claims processing capacity and represent the backlog

- The 54k claims on hand are spread across seven claim types, and the majority are concentrated in MRCA-IL and tri-Act categories. 59% of claims are likely to be determined under MRCA-IL, and 11% under DRCA IL. The remaining 30% are split across remaining claim types. The majority of tri-Act claims are likely to be determined under MRCA-IL
- Serving and transitioning members of Defence represent a substantial cohort of the IL backlog, at ~61% of MRCA and DRCA IL claims on-hand; these members also represent ~46% of MRCA and DRCA PI claims on-hand

This backlog has been created by DVA's claims processing being unable to keep up with rapidly growing claim demand

- Total claims across all types have exceeded forecast projections, growing by 48% p.a. between June 2019 and July 2021. This has been primarily driven by:
  - An increase in the number of veterans making claims: lodgements under MRCA IL and DRCA IL grew at 13% p.a. and 14% p.a. respectively since 2019. Increased claims are associated with an increase in claims from recent theatres of war, such as Afghanistan, and veteran centric reform efforts to simplify and digitise the claims process
  - An increase in the number of claims lodged per client in MRCA-IL, which grew by 7% p.a. since 2019
  - MRCA and DRCA IL claims giving rise to permanent impairment (PI) claims: 58% of accepted MRCA IL claims precipitate a corresponding PI claim (63% of which are lodged within one month of IL acceptance), and 2.22 DRCA PI claims are lodged for every DRCA IL claim accepted
- The number of deployed full time equivalents (FTEs) has been significantly lower than required to process incoming claims (by ~133 FTEs - 40% of what was required - in the six months to August 2021). Although the number of FTEs has increased by 36% over the last five months, capacity is 23-40% lower than that required to clear the backlog by June 2023 based on previous Departmental modelling
- Under standard conditions, new delegate staff require a minimum of six months training before becoming fully proficient. Remote working has further impacted the typical speed of upskilling. As of December 2021, more than 25% of claims processing staff are in training

Executive summary (2/4)

In addition to the current 37k backlog, future projected inflow of claims means that a further 122-125k claims will need to be determined or allocated to delegates to reach a zero backlog by June 2023. Additional claims are expected from two primary sources:

- An influx of MRCA-PI claims, which are generated from the processing of the MRCA-IL claims
- Ongoing claims inflow, which has exhibited a wide variation in growth rate across the past three years in response to several drivers, including operational cadence and veteran centric reform. Demand growth varies substantially across claim types; MRCA-IL, dual-Act, and tri-Act claims growth has tapered off in the last 12 months, while Veterans' Entitlements Act 1986 disability pensions (VEA DP) and DRCA IL claims growth has increased, possibly due to eligible cohorts reaching retirement age

To identify potential initiatives to eliminate the backlog, a range of analyses and consultations, including delegate and global expert interviews, engagement with veterans and their families, peak body consultation, detailed process review, case sampling and workforce analysis, were conducted. This identified the following issues:

- Six major pain points are evident across DVA's claims process, with delegates being allocated incomplete claim applications being a primary driver of bottlenecks in claim processing; this results in time spent waiting to obtain adequate information, particularly from external medical providers
  - Veterans face difficulty in accessing and compiling the medical evidence needed in support of a claim, with some veterans reporting resistance from doctors to take on DVA clients. Furthermore veterans report issues with empathy, respect and trust when engaging with the Department – some veterans have to re-tell their story repeatedly, to the point that they feel scrutinised
  - Overall veteran satisfaction with the claims process has been shown to be driven by timeliness of claims allocation and determinations, complexity of claims lodgement and assessment (linked to the complexity of the legislation), and insufficient communications on claims progressing
- A further 13 sub-step process pain points across all claim types (after a claim is allocated to a delegate) were evident from interviews with 25 delegates across four locations, covering seven claim types and 70+ forms

Based on these analyses and consultations, 37 discrete ideas – in addition to those the DVA has in-train – were identified to help potentially eliminate the backlog. Of these, 11 have been prioritised based on feasibility and expected impact

- Prioritised initiatives fall into two groups:
  - **Five initiatives within DVA's current budget and resourcing**:
    1. Instituting lean management practices
    2. Dynamic FTE reallocation across claim types
    3. Establishing tiger teams rapidly to process complete claims
    4. Directing non-claims processing work away from delegates, and
    5. Minimising submission of conditions with low acceptance rates

Executive summary (3/4)

- **Six initiatives requiring government approval, such as budget or legislation**:
  1. Supporting veterans to submit complete claim applications through a concierge function
  2. Expanding non-liability healthcare,
  3. Developing guidance and digital forms for external medical providers,
  4. Revise claims management approach for serving members,
  5. Expanding computer-supported decision making, and
  6. Reviewing SOP diagnostic protocols

- The remaining additional 26 ideas could further address the reduction in the claims backlog. These initiatives were not prioritised given they involve significant legislative changes, would be complex to implement, and have limited immediate backlog impact potential or high likelihood of having an impact after June 2023:
  - These could be further examined to accelerate backlog clearance and to improve veteran experience, with consideration for the expected impact, the requirements of external alignment, and delivery timelines
  - These additional ideas may also help make the claims process to be more sustainable in the long term as well as improve overall veteran experience

To model the impact of the prioritised initiatives on the backlog, a range of FTE and initiative scenarios have been considered – based on the baseline scenario, implementing all 6 in-train and prioritised 11 initiatives would eliminate the backlog by December 2023

- Delivery of in-train initiatives alone may succeed in clearing the existing backlog of 37k claims as of December 2021 by November 2022; however, with new claim inflow and conversion of IL claims to PI, the backlog is expected to remain at ~30k claims in December 2023 without further action
- Implementation of all six in-train initiatives and the prioritised 11 initiatives with forecast FTEs is expected to increase DVA's claims processing capacity by 2.4 times and reduce the claim volume above DVA processing capacity to zero by December 2023. Under this scenario the backlog would still remain at ~9k claims by June 2023

To eliminate the remaining 9k claims backlog by June 2023, DVA faces a choice between (a) implementing 4 additional ideas and accelerating delivery of 4 initiatives or (b) deploying additional 73 FTEs

- Option (a) - Acceleration and expansion of 4 of the 11 prioritised initiatives – specifically working with shared IT service providers to accelerate the delivery of computer supported decision making, expand digitisation of forms, and deploy lean management practices to realise the benefits of reduced shrinkage. The delivery of PI category reviews for serving members of Defence could also be pulled forward *AND* deployment of one idea within DVA's control – extending refusal to deal (the DVA's method of closing idle claims) with DRCA-IL claims to those over 500 days old *AND* deployment of three ideas that will require additional budget, legislation or systems changes – applying SOPs to DRCA claims in order to realise cross Act training efficiencies, automate the acceptance of IL claims in the backlog as a one-off action, and creating a determination module in the integrated support hub (ISH) to reduce delegate effort in writing determinations *OR*
- Option (b) - DVA could consider an additional scale up of FTEs. Adding 73 FTEs in June 2022 would eliminate the backlog by the end of June 2023, assuming the full realisation of the 11 prioritised initiatives (an additional 190 FTE would be required to clear the backlog by June 2023 assuming no implementation of new initiatives)

Executive summary (4/4)

Initiative implementation will require early decision making and delivery on an ambitious timetable as well as a significant investment in delivery capabilities, engagement and coordination across multiple Departments/Agencies, and a robust performance management and tracking framework

- DVA faces an ambitious series of decision steps and delivery milestones, starting from December 2021
- To successfully meet these milestones, DVA could consider taking additional action to aid and de-risk initiative delivery:
  - Establishing a delivery unit could support an already stretched CBD division and drive initiative progress by supporting initiative owners to build initiative implementation plans, track initiative performance against KPIs, intervene when initiatives are not delivering as expected and establishing a continuous improvement loop to add initiatives to the pipeline
  - Early engagement with Central Agencies and Services Australia could unlock required budget and system change capacity respectively to ensure work packages are funded and scheduled
  - Establishing a set of reporting enablers of operational excellence could also improve oversight and tracking of initiative delivery (e.g., reporting on time to complete and tracking shrinkage)

DVA is following a 4 step process to reduce the claims backlog

Focus of engagement Out of scope

Sprint 1 **Sprint 2** Where we are today

Diagnose problem

- Project expected momentum case for claims backlog including quantifying the impact of current and planned initiatives
- Diagnose drivers of current performance across claims process by claim type
- Identify challenges and highlight potential opportunities to improve veteran experience through the claims journey
- Identify challenges and highlight potential opportunities to improve staff experience of processing

Define initiatives

- Define an exhaustive intervention lever set
- Define and size initiatives to reduce and eliminate backlogs
- Quantify the expected impact of initiatives and their aggregate effect on the claims backlog

Prioritise and sequence

- Create integrated plan of action with a phased approach from 3 to 24 months
- Outline future state veteran experience based on planned or expected initiatives

Set up and implement

- Establish a delivery engine to track initiative delivery and outcomes at a leadership level
- Build implementation plans for each initiative, including major milestones and key performance indicators (KPIs) to be measured
- Ongoing tracking of initiative performance against KPIs
- Intervention for initiatives which are not delivering the outcomes expected
- Establish an ongoing continuous improvement loop to add new initiatives to the pipeline

Scope of this report

Objectives

The objectives of this work were to

1. Diagnose drivers of current performance across the claims process by claim type
2. Identify the most impactful opportunities to reduce and eliminate backlogs
3. Create an integrated plan of action for FY22 with a phased approach over a 3 to 24 month period
4. Highlight potential opportunities to improve veteran experience throughout the claims journey

Content in this report

1. **Drivers of current state**
   Historic workforce supply and claims demand balance over time
2. **Process and experience pain points**
   Pain points identified across the claims investigation process and veteran experience
3. **Initiatives to address the backlog**
   In-train and prioritised initiatives to address the claims backlog and management of future demand
4. **Projection of backlog clearance**
   Projection of possible future backlog clearance scenarios based on initiative implementation and demand
5. **Options to eliminate the backlog**
   Additional ideas to reach zero claims in the backlog by June 2023
6. **Implementation roadmap**
   Milestones and KPIs by initiative over a 3-24 month timeframe
7. **Appendices**
   Context, value, and implementation roadmaps for prioritised initiatives, details on 26 ideas not prioritised

   Process map breakdowns by claim types to surface and contextualise pain points

   Insights on veterans and staff experience to inform impact on initiatives and ideas to improve claims processing

   Supporting documentation for the Pilot Initiatives Model detailing underlying assumptions including demand, logic, and management of interactions between initiatives

   Example model outputs and sensitivity analysis

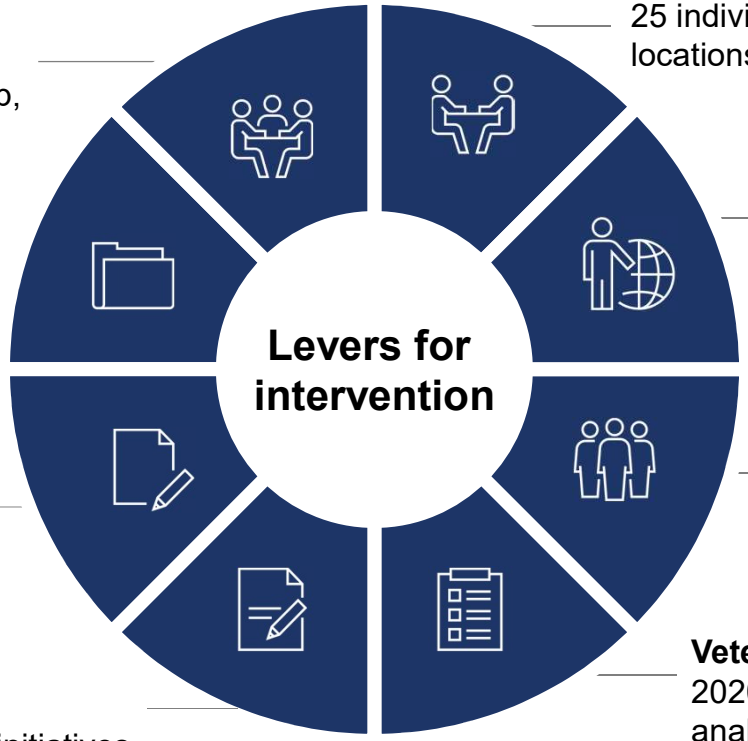
Basis of our perspective

Veteran engagement
Workshops with three veteran peak bodies (Young Veterans, Female Veterans and Families, ESORT), the Multi-Act Working Group, discussions with two veterans' families, 36 pieces of correspondence received from the Minister's Office, Regional RSL office

Case sampling
Interrogated 174 historical claims in detail

Claims and workforce analysis
Analysis of 4 years of claims data using advanced analytics

Momentum case development
Incorporating in-train and potential initiatives



Delegate interviews
25 individual delegate interviews across 4 locations

Global experts
13 global experts in claims processing and veteran experience

Staff experience analysis
2020-2021 staff experience survey

Veteran experience survey analysis
2020-2021 client engagement survey analysis

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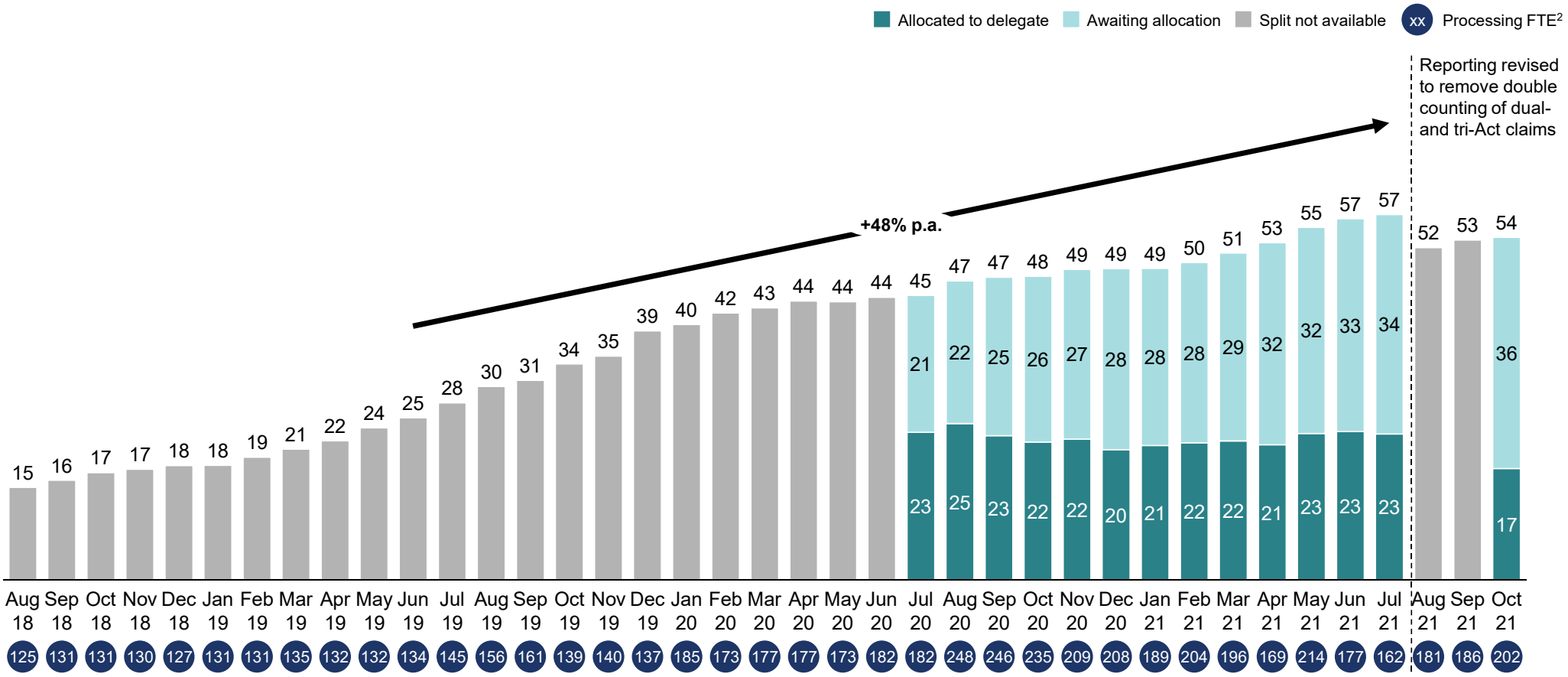
Total claims on hand grew by 48% p.a., between 2019 and 2021, which has increased the number of claims awaiting allocation

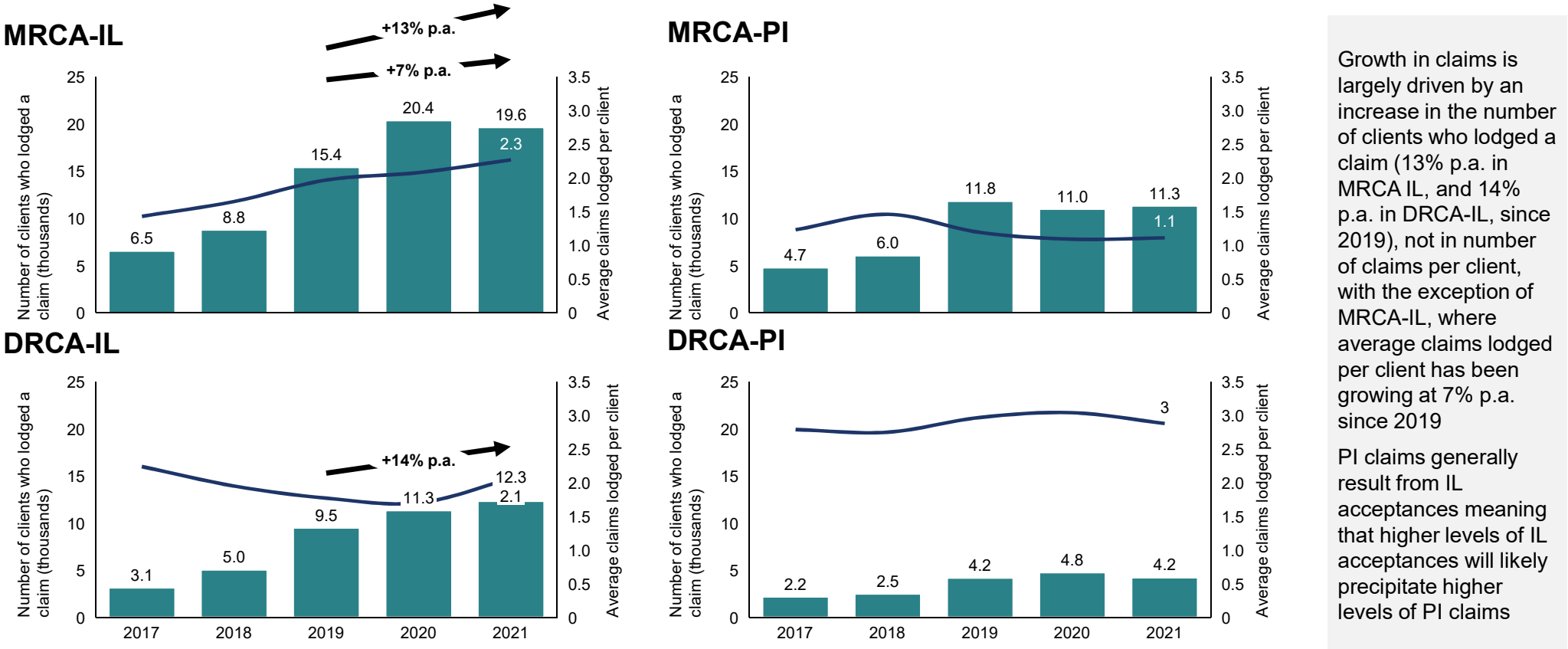
Total claims on hand, thousands[1]



1. Includes MRCA-IL, DRCA-IL, MCRA-PI, DRCA-PI, VEA-DP
2. Client Benefits National Summary used up to and including Jul 21 – processing FTEs reported, Forecasting Report used for Aug 21 onwards – total FTEs reported

Source: August 2021 Client Benefits National Summary; Weekly Report 07-11-2021

IL claim lodgements have been increasing, while growth in PI claims lodgement has plateaued



Growth in claims is largely driven by an increase in the number of clients who lodged a claim (13% p.a. in MRCA IL, and 14% p.a. in DRCA-IL, since 2019), not in number of claims per client, with the exception of MRCA-IL, where average claims lodged per client has been growing at 7% p.a. since 2019

PI claims generally result from IL acceptances meaning that higher levels of IL acceptances will likely precipitate higher levels of PI claims

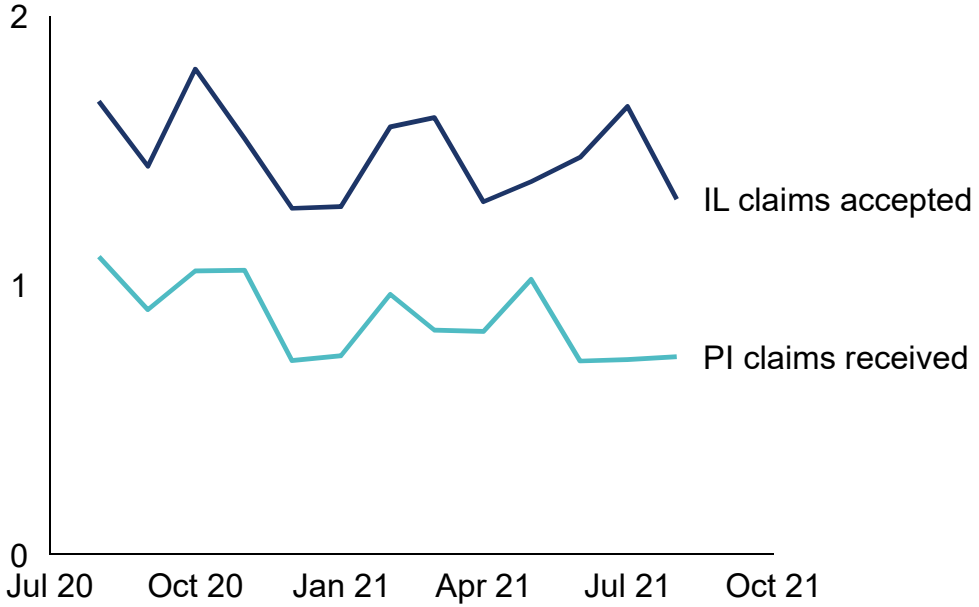
Source: DVA Data and Insights Branch, October 2021

58% of MRCA IL claims precipitate a corresponding PI claim, with 2.22 DRCA PI claims lodged per DRCA IL claim

MRCA and DRCA PI claims can be forecast as a function of IL claims received

MRCA

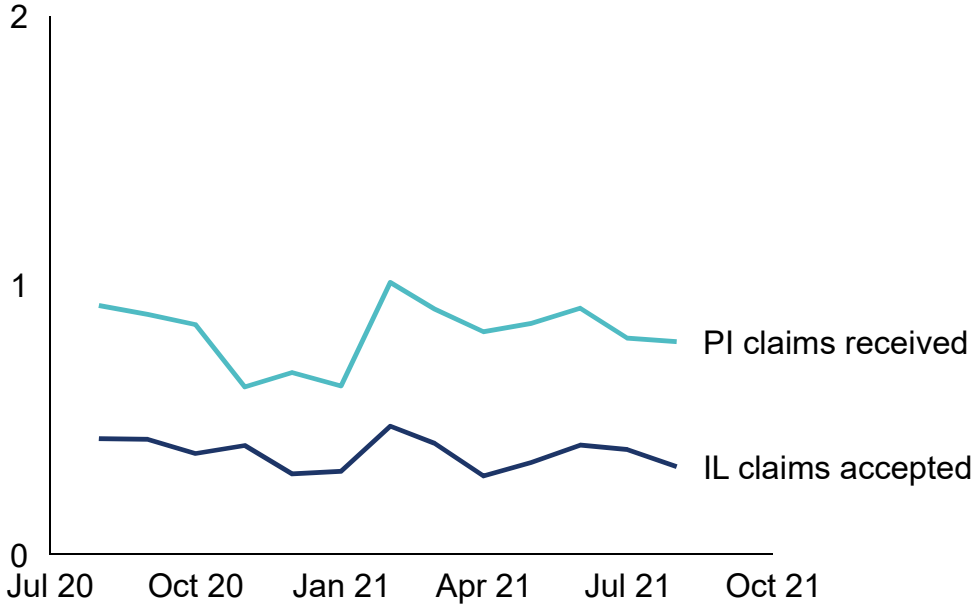
Claims accepted and net receivals per month, k



	12-month average	Last 3-month average
Ratio of PI claims received to IL claims accepted	0.58	0.49
	Current assumption	

DRCA

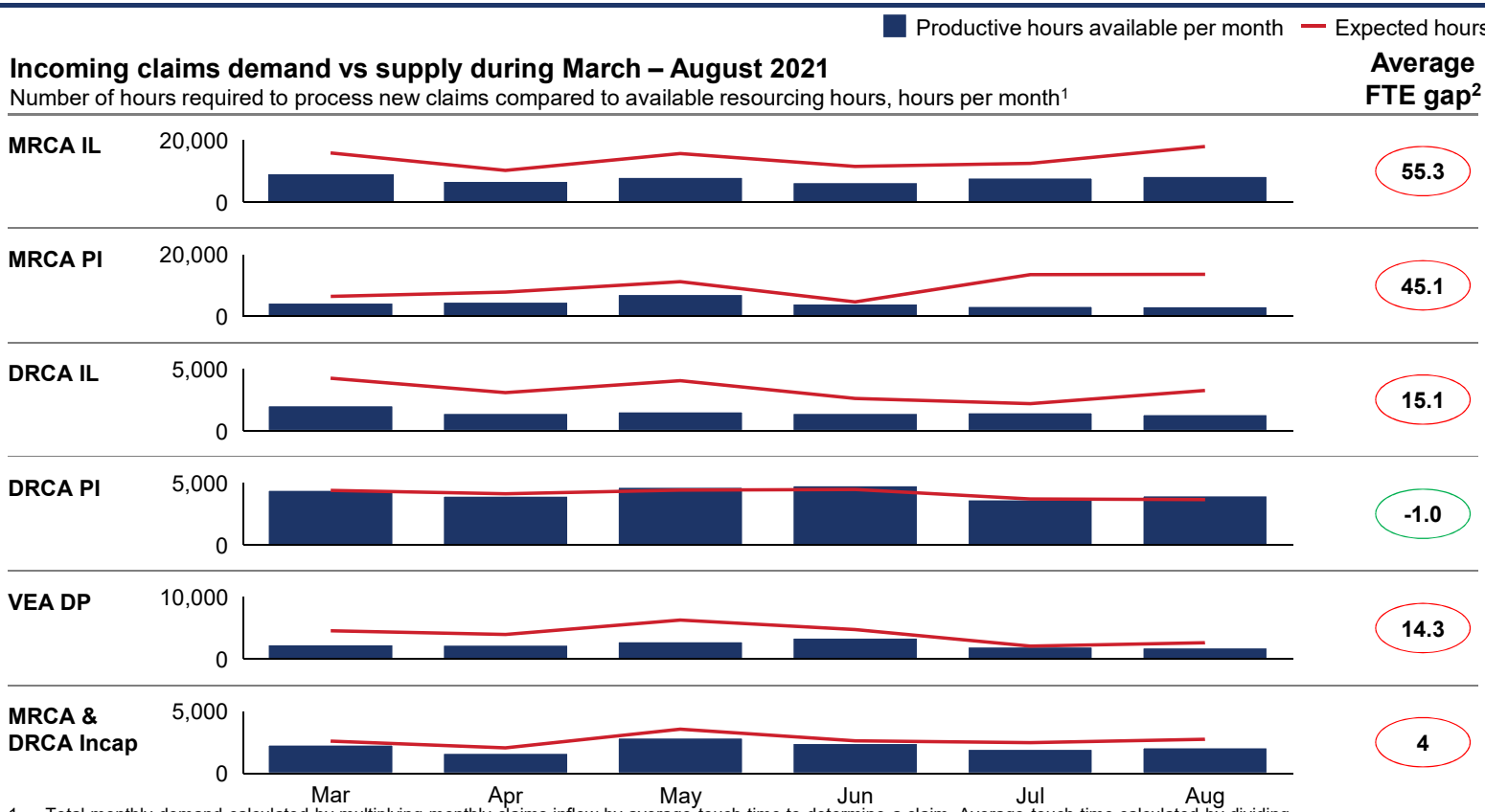
Claims accepted and net receivals per month, k



	12-month average	Last 3-month average
Ratio of PI claims received to IL claims accepted	2.22	2.25
	Current assumption	

Source: DVA Client Benefits National Summary report (August 2021),

A gap of 133 FTEs mean inflows of claims have been consistently higher than delegates' capacity to process claims



1. Total monthly demand calculated by multiplying monthly claims inflow by average touch time to determine a claim. Average touch time calculated by dividing an FTE's weekly productive hours by reported determination rates by claim type, assuming a 7.5 hour working day and 80% productivity rate. Total monthly supply of productive hours calculated by multiplying number of FTEs by claim type by productive hours, assuming 18.75 working days per month a 7.5 hour working day and 80% productivity rate.
2. Average FTE gap is calculated by taking the difference between the demand for and supply of productive hours and dividing by the number of productive hours per FTE per month, assuming 18.75 working days per month a 7.5 hour working day and 80% productivity rate.

Source: Client Benefits National Summary data, August 2021

There has been an overall FTE gap of ~133 FTEs across claim types in the six months to August 2021

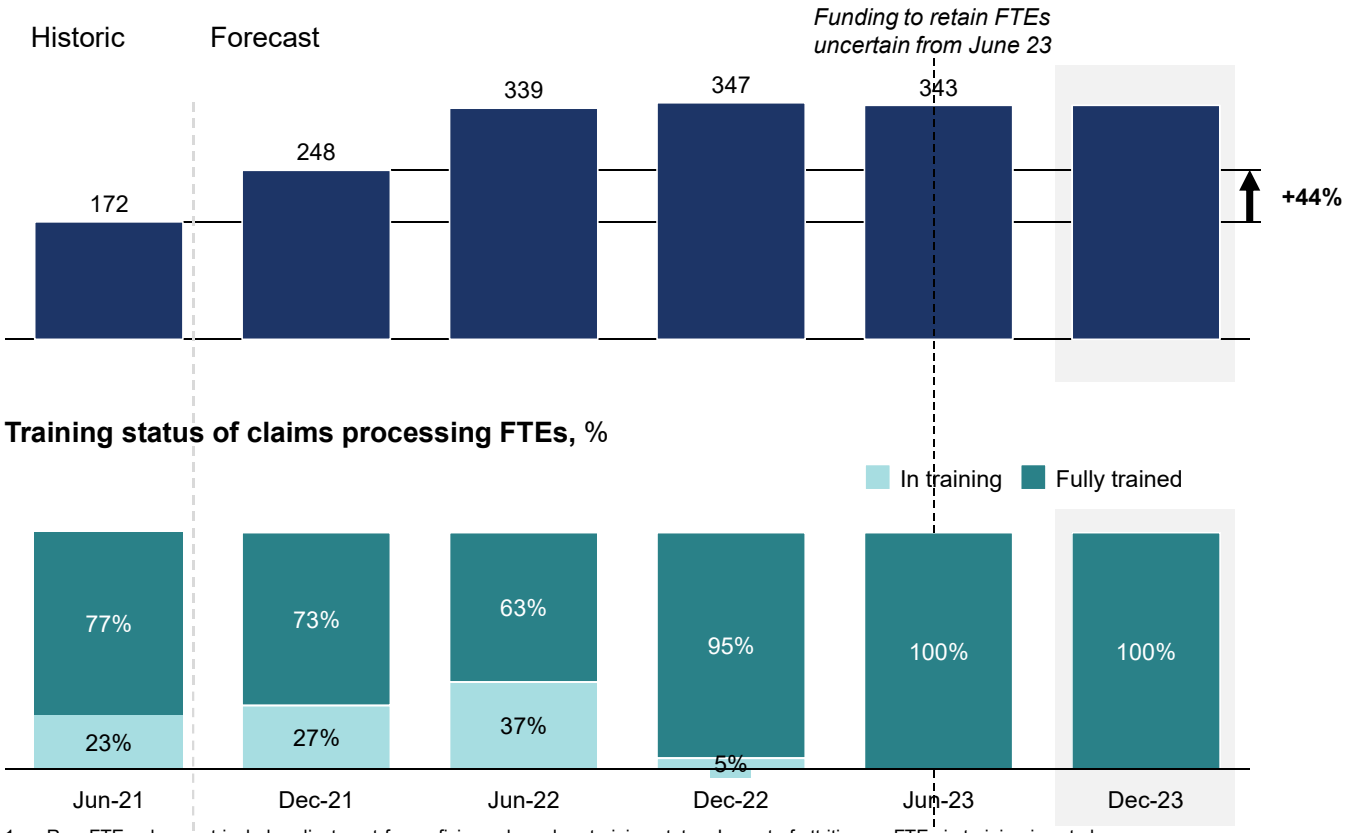
MRCA IL and PI have been the most significantly understaffed claim types and required ~100 additional FTEs to maintain steady state

DRCA PI was the only claim type with staffing balanced to demand sufficient to clear incoming claims and prevent backlog from building up in the six months to August 2021

Given tight staffing structure across all claim types DVA has had no option to change deployment of staff to match incoming demand, requiring cross-Act training

DVA have used additional funding to scale claims processing FTEs over the past 5 months to increase processing capacity by 36%, taking training into account

Claims processing FTEs across MRCA-IL, MRCA-PI, DRCA-IL, DRCA-PI, VEA-DP, dual- and tri-Act, # FTEs[1]



1. Raw FTEs, does not include adjustment for proficiency based on training status. Impact of attrition on FTEs in training is not shown.
2. Shrinkage is the proportion of an FTEs paid time that is unproductive. 28% figure is based on calculated historic observations.

Source: Email from Victoria Benz 1 December 2021; Forecasting Report November 2021,

Key takeaways

DVA has scaled its processing FTEs by 36% over the past five months using additional funding from central government, increasing the estimated processing capacity from 172 to 235 FTEs in the period June to October 2021

Processing FTEs are forecast to hit 248 in December 21, an increase of 44% from June 2021

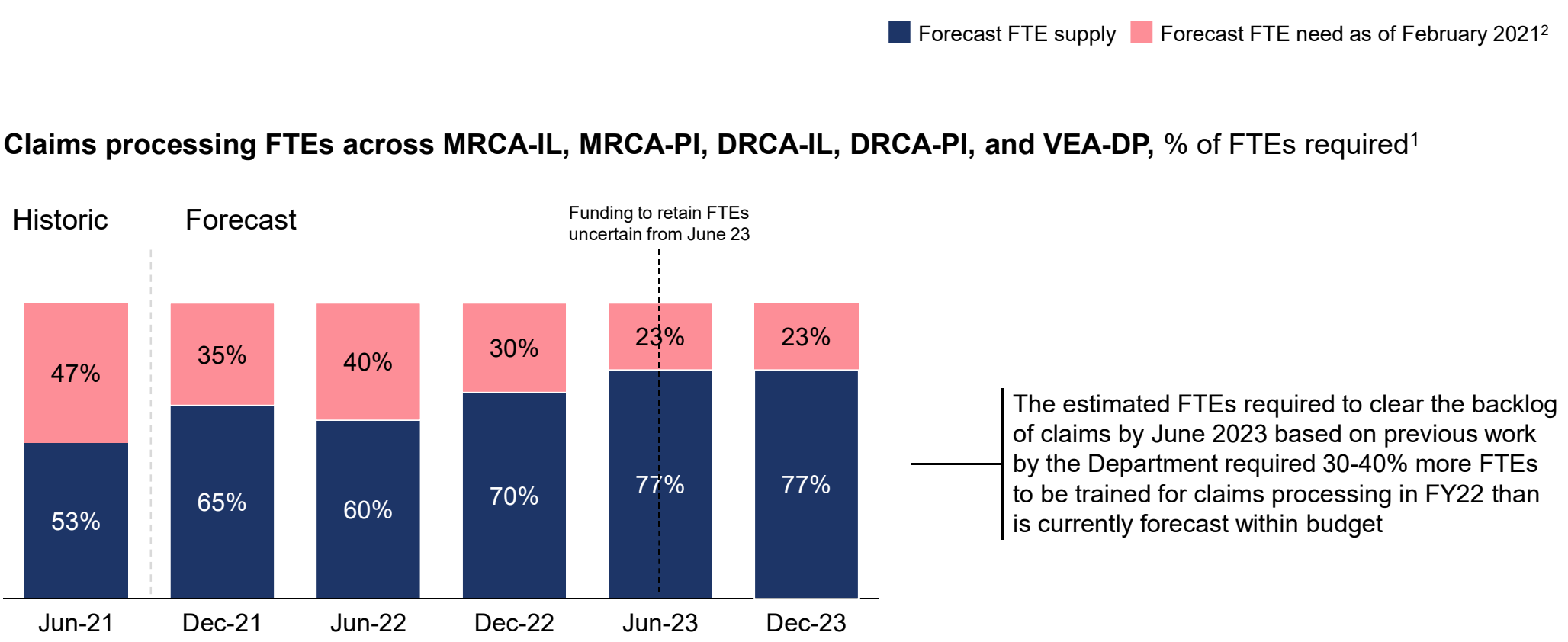
An increased onboarding of new-trainees means that number of processing FTEs will continue to increase as trainees gain proficiency, subsequently increasing estimated processing capacity to 328 FTEs by March 2022

Definitions

Processing FTE does not include reductions for proficiency and shrinkage[2], typically ~28% shrinkage based on historic observations

Fully trained delegates are those who have been employed for over six months and are expected to be at 100% proficiency

Forecast FTE scale up is 23-40% lower than that estimated to be required by Departmental modelling to clear the backlog by June 2023



1. Includes adjustment for proficiency based on training status
2. Forecast available on an annualised basis only, assumed to be constant across financial years

Source: DDM Model 02-11-20, Forecasting Report November 2021, discussion with DVA stakeholders 1 December 2021

The majority of claims exceeding DVA's processing capacity are concentrated in MRCA-IL and tri-Act

<1% of claims on hand | >1% and <50% of claims on hand | >50% of claims on hand

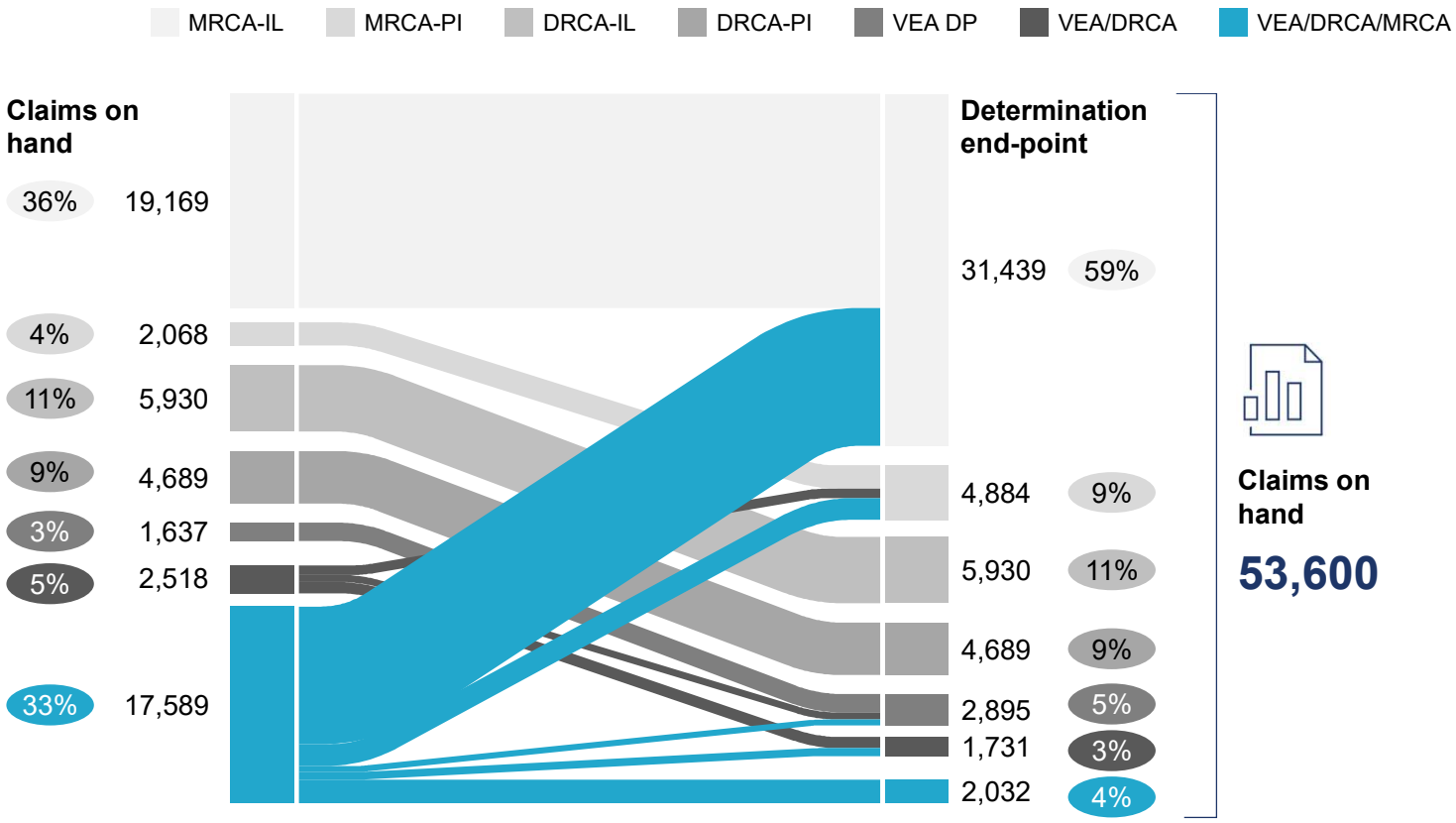
Distribution of claims on hand across process steps by claim type
Number of claims on hand; October 2021

		Claims on hand across process steps						
Claim types		**Registration and screening**	**Unallocated queue**	**Defence information requests**	**Internal medical advisers**	**External medical advisers**	**Determination**	**Total claims on hand**
MRCA	Initial Liability		14,622	4,547				19,169
	Permanent Impairment		2,653	3,277				5,930
	Incapacity		NA	NA				*NA*
DRCA	Initial Liability	NA	1,514	554				2,068
	Permanent Impairment		1,124	3,565				4,689
	Incapacity		NA	NA				*NA*
VEA	Disability Pension		1,250	387				1,637
	War Widows		NA	NA				*NA*
DRCA/VEA dual-Act claims			1,023	1,495				2,518
MRCA/DRCA/VEA tri-Act claims			13,975	3,614				17,589
Sub totals			36,161	17,439				53,600
Delta to previous reporting structure			(0%)	(-25%)				(-10%)

Source: Forecast report received from Victoria Benz on 17/11/2021

Tri-Act claims are likely to be determined under MRCA-IL

Comparison of claims on hand in October 21 and their determination end points



1. A claim that is tri-act service eligible is defined by the claimant veteran's period of service, rather than the specific Acts under which the veteran has claimed compensation at receival

Source: DVA Pilot Initiatives model; DVA claims and FTE forecasting report, 17 Nov 2021; data on migration and withdrawals provided by Victoria Benz on 18 Nov 2021

Key insights

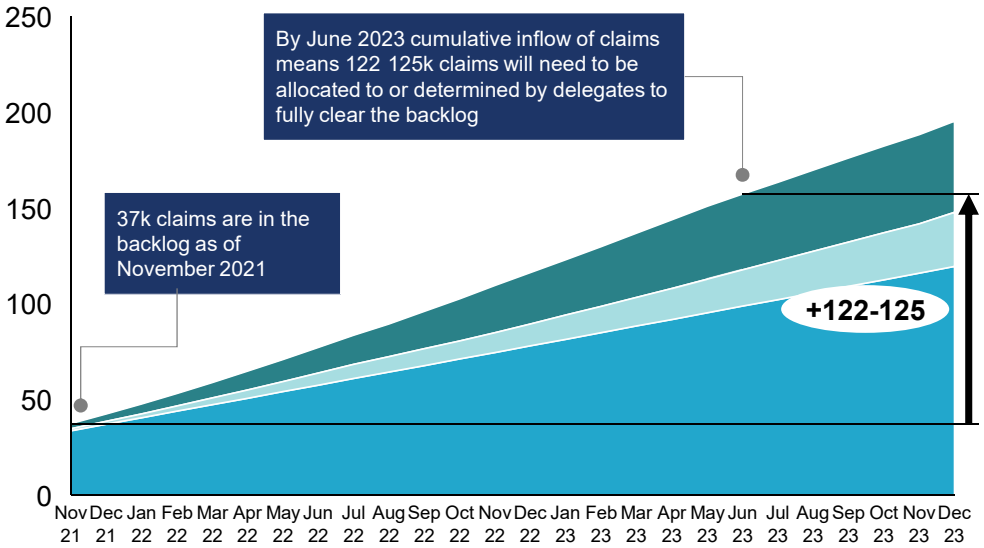
- Claims received under a single Act are **almost always processed under the same Act**
- **70% of tri-Act service eligible claims[1] are determined under MRCA** with only 12% remaining "truly" tri-Act at determination
- The **pilot initiatives model allocates claims to the Act under which they will be determined**, as this **best represents the effort and resources required** to process a given claim

In addition to the 37k backlog, future inflow of claims means DVA will need to process a further 122-125k claims to reach a zero backlog by June 2023

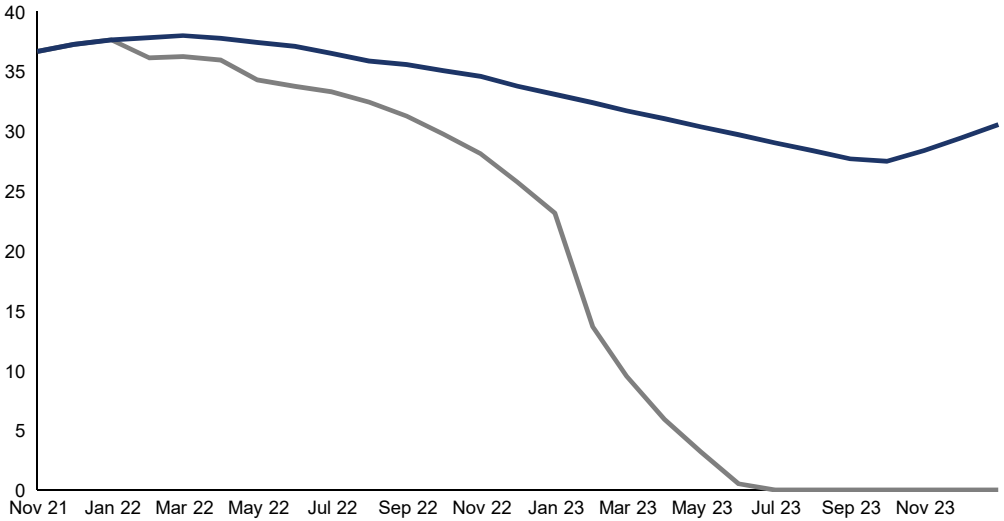
MRCA PI
All other claim types
DRCA PI

Projected backlog in a 'do no more scenario'
Reduction in backlog 'by June 2023 scenario'

Starting backlog and cumulative net claim inflow[1]**,**
Cumulative claims received, thousand



Backlog of claims over time,
Claims on hand above processing capacity, thousand



1. Cumulative net claims refers to the cumulative total inflow of claims (excluding claims that are withdrawn) over time starting from November 2021

Assumptions for migration of multi-act claims: starting multi-act claims on hand and claims received are migrated to the claim type in the backlog aligned to the processing FTE that will ultimately determine these claims; based on observed migration in the months of Aug-Oct 2021, for tri-act claims, 70% migrate to MRCA IL, 11% to DRCA IL, 3% to VEA DP, 4% to VEA/DRCA, and 12% remain tri-act. For VEA/DRCA claims, 34% migrate to DRCA IL, 25% to VEA DP, and 40% remain dual-act. The un-migrated number of tri-act claims is defined by eligibility owing to period of service, not acts under which claims are actually submitted

Demand assumptions: All figures are in net claims, i.e. subtracting withdrawals. Net PI lodgements demand is assumed to be a fixed ratio to IL acceptances under the same act, set to the average ratio observed over the past 12 months in Client Benefits National Summary data – these are 58% for MRCA PI, and 222% for DRCA PI. Net IL and DP claims received per month begins at the 3-month average observed claims received for Aug-Oct 2021; these are 2503 claims per month for MRCA IL, 368 for DRCA IL, 249 for VEA DP, 124 for VEA/DRCA, and 140 for VEA/DRCA/MRCA. These are assumed to grow 1.5% for MRCA IL and VEA DP, 10% for DRCA IL, and 0% for VEA/DRCA and VEA/DRCA/MRCA.

Supply assumptions: For the dark blue line (current FTE), FTE are assumed to stay constant at 186 FTE, as reported for September 2021. Forecast FTE provided by DVA is adjusted to align with observed actual processing FTE in Client Benefits National Summary data and therefore includes shrinkage due to delegates in training, leave, mixed benefits processing (28% shrinkage). Projections of forecast FTE assume 343 FTEs remain deployed until December 2023 (i.e., after current funding expires in June 2023). FTE are reallocated between claim types by initiatives in lines featuring prioritised initiatives. Time to complete a given claim is assumed equal to the value implied from average determinations and average allocated claims in Aug-Sep 2021, ranging from 95 days (VEA/DRCA) to 214 days (DRCA IL). Touch time is equal to the value implied from average determinations in Aug-Sep 2021 and assumed time available to a delegate per month (21.25 days x 7.5 hours per day), ranging from 3.4h (DRCA PI) to 14.4h (VEA/DRCA/MRCA). Determination rates are calculated from assumed available delegate hours for processing and touch time per claim.

Source: DVA Pilot Initiatives model; DVA claims and FTE forecasting report, 17 Nov 2021; Data on migration and withdrawals provided by Victoria Benz on 18 Nov 2021; bottom-up evaluation of 150 sample claims for touch time and time to complete; August 2021 DVA Client Benefits National Summary Data for FTE shrinkage

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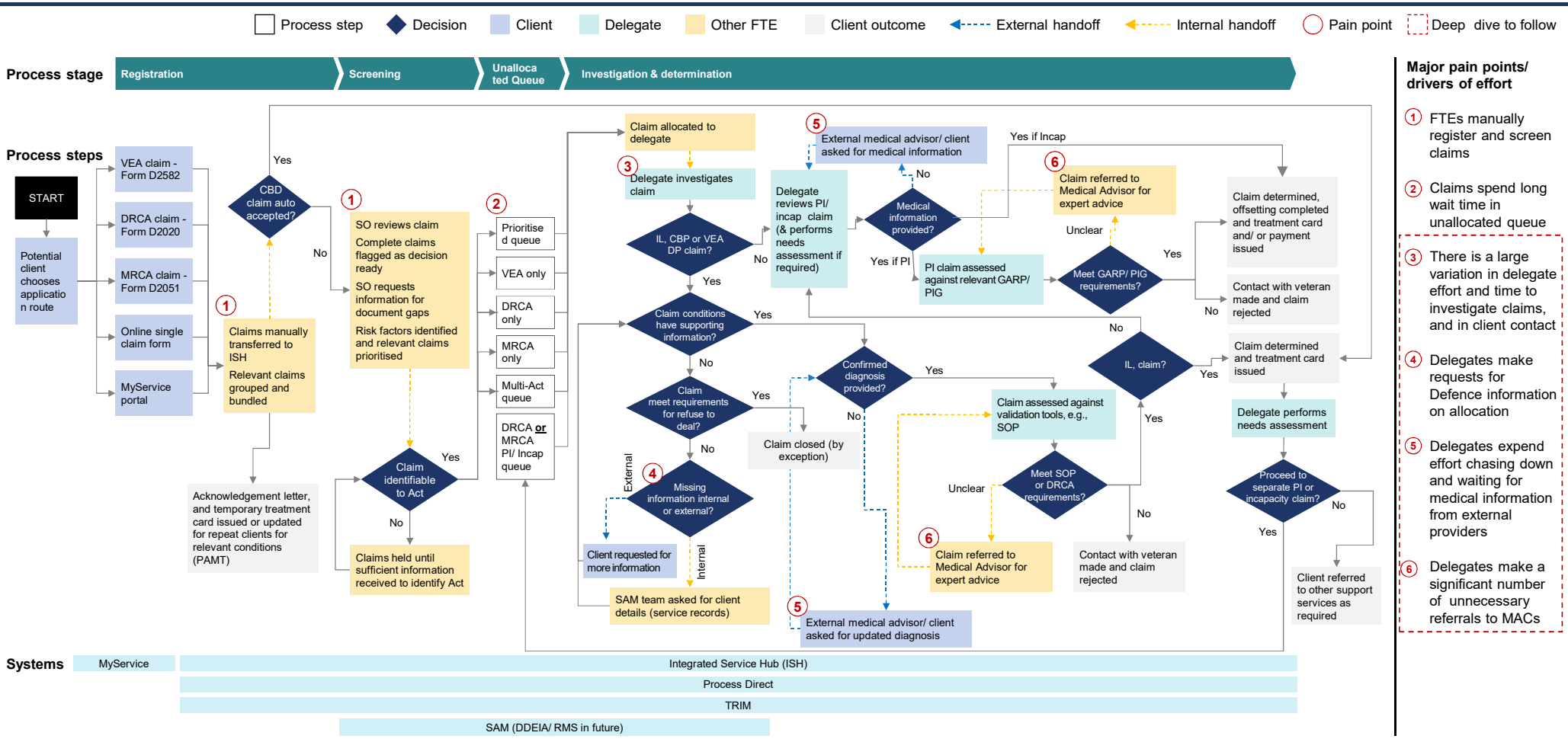
Six major pain points are evident across the claims investigation process



Major pain points/ drivers of effort

1. FTEs manually register and screen claims
2. Claims spend long wait time in unallocated queue
3. There is a large variation in delegate effort and time to investigate claims, and in client contact
4. Delegates make requests for Defence information on allocation
5. Delegates expend effort chasing down and waiting for medical information from external providers
6. Delegates make a significant number of unnecessary referrals to MACs

Source: DVA stakeholder interviews

Engagement with delegates has identified a further 13 process sub-step pain points across claim types post claim allocation

Macro and micro pain points post allocation to delegate

Macro pain point	Micro pain point	Claim type						
		MRCA IL	DRCA IL	MRCA PI	DRCA PI	VEA DP	MRCA CBP	DRCA CBP
(3) **There is** a large variation in delegate effort and time to investigate claims, and in **client contact**	(A) **Screening team does not undertake basic claim validity checks** (e.g., client identity checks, form accuracy, checking whether form is signed, etc.) leading to wasted delegate effort and increased wait times as the client is contacted for information	✓	✓	✓	✓	✓	✓	✓
	(B) **Lack of SOPs under DRCA means delegate has less guidance on judging claims,** resulting in strong reliance on referrals to MACs to aid in claim decision making		✓					✓
	(C) **Delegate can issue large volume of forms at multiple points across IL and PI process steps** as claim progresses through different stages and new information requirements transpire					✓	✓	✓
	(D) **There is no system to prevent allocation of PI claims to delegates where the client has undetermined IL claims in progress**[1]; this can lead to multiple whole of body assessments in quick succession that could be combined			✓				
	(E) **Delegates must determine liability for conditions that become aggravated or evolve into new conditions** between acceptance of IL and consideration of PI claim before proceeding with PI claim			✓	✓		✓	✓
	(F) **Post investigation, delegates expend effort collating investigation content to** populate a determination letter that could be automated	✓	✓	✓	✓	✓	✓	✓
	(G) **Delegates must manually input offsetting outcomes into ISH**				✓			✓
	(H) **Accepted claims can sit in limbo if client does not respond to offer letter;** DRCA has no option to employ refuse to deal to cancel claims				✓			✓
(4) **Delegates make requests for Defence information on allocation**	(I) **Comprehensive set of information from Defence may not be requested** prior to allocation; delegate must make multiple requests for additional/ updated information types if required delaying claims processing	✓	✓	✓	✓	✓	✓	✓
(5) **Delegates expend effort chasing down and waiting for medical information from external providers**	(J) **Four high use forms do not reliably facilitate collection of diagnostic information** required for delegate to confirm diagnosis (D9287, D2049, Psychology Assessment request form, and Claimant report)	✓	✓	✓		✓	✓	✓
	(K) **There are no standard forms in ISH that can used for DRCA PI claims,** requiring delegates to spend ~20 mins per claim creating and tailoring letters and medical assessment forms to issue to clients				✓			✓
(6) **Delegates make significant number of unnecessary referrals to MACs**	(L) **Limited availability of 'MACs on demand' prevent delegates from making quick enquiries of SMEs,** resulting in unnecessary referrals with long wait times	✓	✓	✓	✓	✓	✓	✓
	(M) **Delegates send all claims to MACs to assess non-SOP conditions and perform GARP assessments** leading to delays in processing	✓		✓		✓	✓	

Source: Interviews with Delegates, 17-26 November 2021

Veteran engagement has identified five veteran experience pain point themes across the end-to-end claims experience

Pain points were identified through development of process maps for four personas with support from the Department

Pain points were validated through engagement with three veteran peak bodies (Young Veterans, Female Veterans and Families, ESORT) at workshops, the Multi-Act Working Group, discussion with 2 veteran's families, and the Regional RSL office

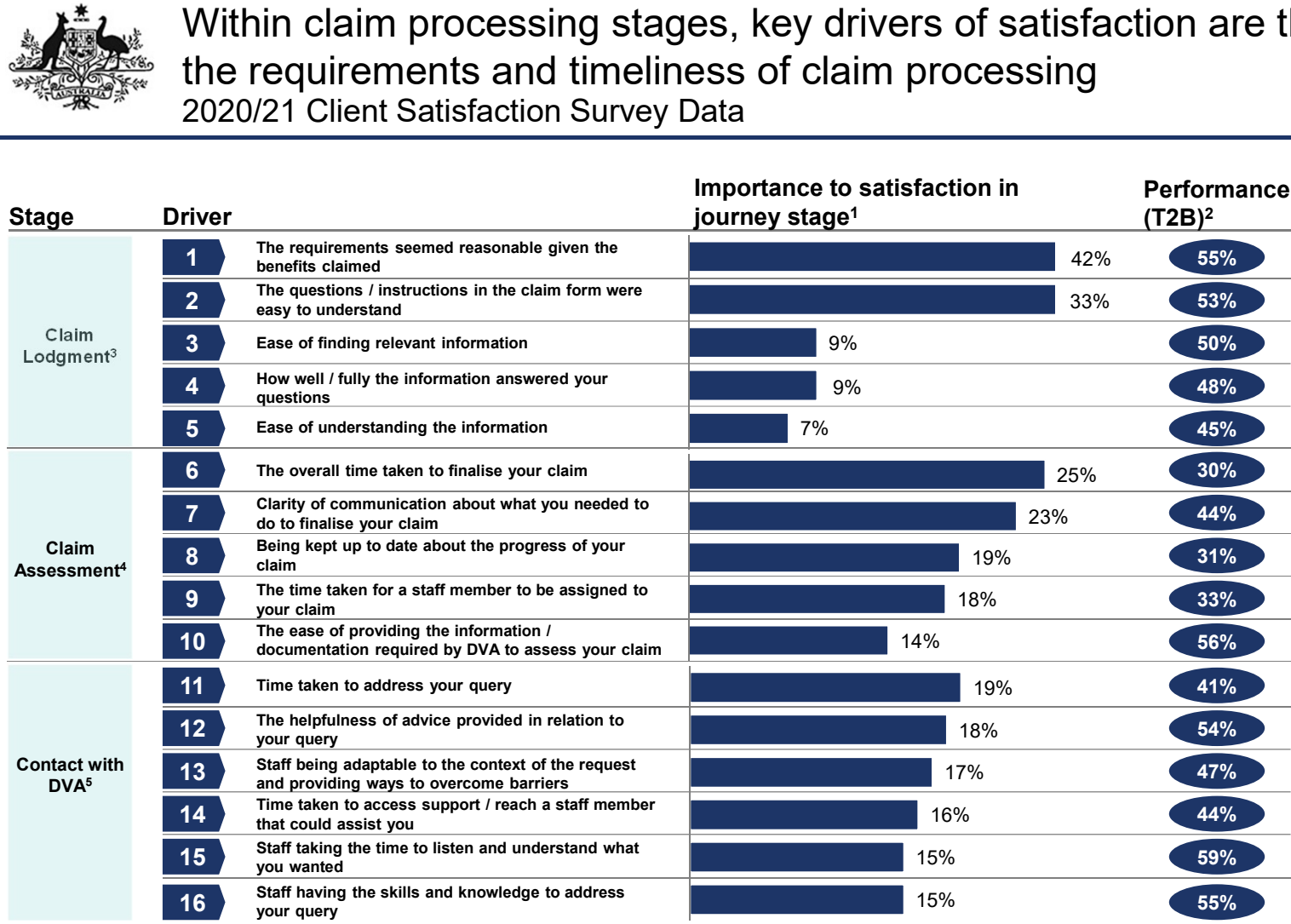
Root cause for claims backlog and veteran experience | Root cause to veteran experience only

Veteran pain point theme	Description	Veteran quote	Potential root causes
1 **Timeliness of claim allocation and determination**	Veterans experience long wait times before their claim is allocated to a delegate. Large backlog of claims combined with 'holdups' when documentation is unsuitable sees unsatisfactory wait time for claim determination.	"It's taken me eight years, and I still don't have an answer." "DVA gives me twenty eight days to respond and it takes them six months to get back to me."	Simple screening and investigation processes are manual Many claims remain incomplete when allocated to a delegate Deployment of processing FTEs does not match the effort required to determine new claims
2 **Complexity of claims lodgement and assessment**	Multiple entry points across multiple acts and confusing documentation requirements make it difficult for a veteran to lodge a claim. Once allocated to a delegate, some veterans are unsure what they need to do to finalise their claim.	"There's a fundamental problem with a process that requires an advocate to navigate"	Act complexity 30,000 liability claims accepted under three acts Adherence to lore processes are perceived as unchangeable due to legislative requirements, which leads to a hesitancy to change Limited education from DVA on claim processes, support, eligibility
3 **Lack of access to required material**	Veterans have limited direct access to material required by delegates to process claims, requiring veterans to attempt to collate claim information leaving veterans feeling drained. Added complexity comes from some doctors' resistance to take on DVA clients	"It did not make sense to them that they could be so injured that Defence was discharging them, yet somehow not enough to have their claims easily accepted by DVA"	Difficulty in obtaining client details / records from Defence High number of unnecessary referrals to MACs Complexity of client service record and SOP / GARPs drives difficulty identifying appropriate Act to use to resolve claim
4 **Insufficient communication on claim progression**	Little communication from claims assessors and no ability to track or manage their claim has veterans feeling uninformed. Veterans want transparency around expected wait times, why wait times are extended, and to what stage of the process their claim has progressed.	"… [there is] no way for a veteran to be informed of where their claims are in the queue as there is no point of contact for the veteran to reach out to … This is not how [DVA] should treat clients or customers … "	Current state IT architecture unable to link SVOP platform claim updates to MyService Limited upfront communication on typical claims journey Wait times are variable and can't be estimated upfront
5 **Lack of compassion, empathy, respect, and trust for veterans**	Veterans perceive their interactions with DVA to lack trust and an understanding of military service. Some veterans have to retell their story repeatedly, to the point where they feel scrutinised. Reflecting on past experiences can be retraumatising for some.	"If you haven't got a mental issue before dealing with DVA, you certainly will by the time you finish. Dealing with DVA is a potential suicide risk"	High levels of independent verification given the levels of fraud in comparison to DVA compensation and support spend Most delegates do not feel adequately trained in trauma-informed practice to ensure that people can access support even in acute crises or when displaying heightened behaviour

Source: 2019 Productivity Commission Report, DVA Claims processing deep dive, July 2021, Mental health impacts of compensation claim assessment processes on claimants and their families, September 2019, 2020-21 Client Benefits Client Satisfaction Survey data, Budget and efficiency review DVA, Dec 2020, Client Interactions with DVA Staff Challenges and Ideas – TED report, 2020, Preliminary Interim Report, Interim National Commissioner for Defence and Veteran Suicide Prevention, June 2021, Interviews with internal DVA stakeholders, October 2021

Within claim processing stages, key drivers of satisfaction are the complexity of the requirements and timeliness of claim processing

2020/21 Client Satisfaction Survey Data



Key Findings

The **key driver of success** for satisfaction in the claims **lodgement** process is that the **requirements seem reasonable and easy to understand, which drives ~75% of satisfaction**

The **key drivers of success** for satisfaction in the claims **assessment** process is the **overall time it takes to finalise a claim and the clarity of communication about what you needed to do to finalise your claim**

The drivers of "Experience of the assessment of your claim" are same as those for "Making a benefits program claim" experience

The **key drivers of success** for satisfaction in contact with DVA is fairly equal across the board. In saying this, the most important is the **time taken to address your query.**

1.JRW Analysis 2.Top two box. Represents the percentage of survey respondents who answer "very satisfied" or "satisfied" 3. N = 2382, R^2 = 0.47 4. N = 2385, R^2 = 0.76 5. N = 166 R^2 = 0.86

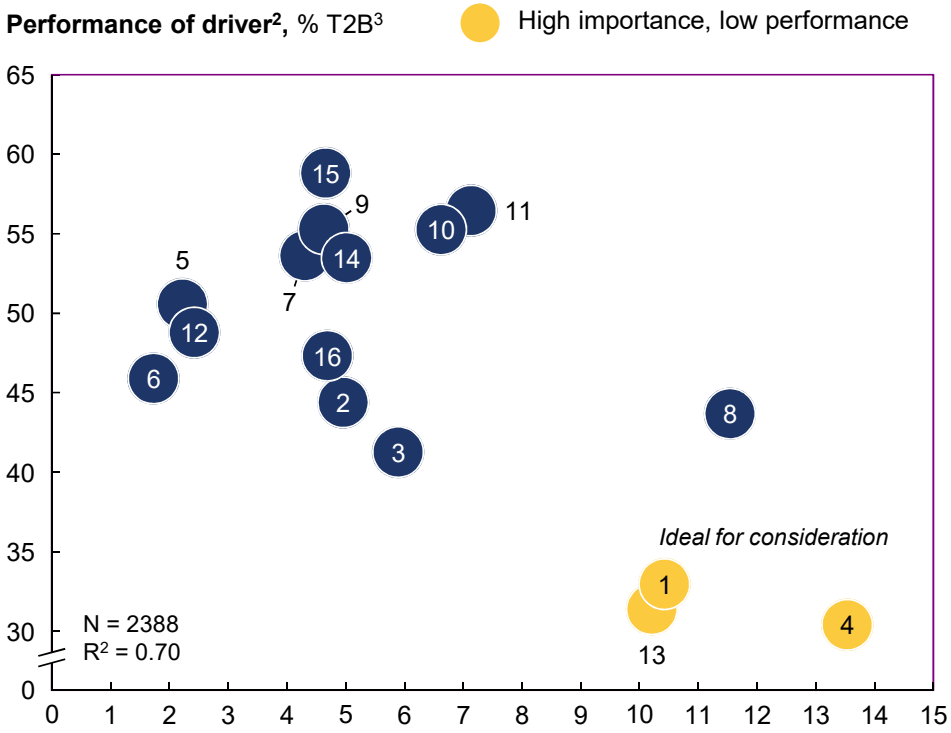
Source: DVA CBPSS Full year 2020-21 Unit Record data

Overall satisfaction is mainly driven by time taken to finalise a claim and transparency in communication

Veteran Success Drivers

A: Timeliness of claim allocation and determination	1	The time taken for a staff member to be assigned to your claim
	2	Time taken to access support / reach a staff member who could assist you
	3	Time taken to address your query
	4	The overall time taken to finalise your claim
B: Complexity of claims lodgement and assessment	5	Ease of finding relevant information
	6	Ease of understanding the information
	7	The questions / instructions in the claim form were easy to understand
	8	Clarity of communication about what you needed to do to finalise your claim
	9	Staff having the skills and knowledge to address your query
	10	The requirements seemed reasonable given the benefits claimed
C: Difficulty accessing medical evidence needed to support a claim	11	The ease of providing the information / documentation required by DVA to assess your claim
	12	How well / fully the information answered your questions
D: Insufficient communication on claim progression	13	Being kept up to date about the progress of your claim
	14	The helpfulness of advice provided in relation to your query
E: Lack of compassion, empathy, respect and trust in veterans	15	Staff taking the time to listen and understand what you wanted
	16	Staff being adaptable to the context of the request and providing ways to overcome barriers

Relative importance of veteran success drivers on the overall veteran experience with DVA[1]



Key Learnings

Drivers that have high importance and low performance present an opportunity for DVA to improve the veteran experience. These drivers are:

- The overall time taken to finalise the claim
- The time taken for a staff member to be assigned to your claim
- Being kept up to date about the progress of your claim
- Clarity of communication about what you need to do to finalise your claim

1. JRW (Johnsons Relative Weights) Analysis
2. Survey q34. Now considering your overall experience, how satisfied were you with your experience of making a [benefits program] claim?
3. Top two box measurement. Represents the percentage of survey respondents who answer “very satisfied” or “satisfied”

Source: DVA CBPSS Full year 2020-21 Unit Record data

Contents

DVA already has six in-train or planned initiatives that are expected to improve claims processing

On track | Some risks | Impact veteran experience

Category	Initiative	Description	Lever addressed	Level of maturity	Status	Veteran Experience	Estimated impact (add'l # of claims processed p.a.)
Process	Reduce referrals to MACs	Develop a protocol, roles and responsibilities manual, and training materials to reduce the incidence of MAC referrals	26 Improve training	Implemented			~3700 claims[2]
	Expansion of screening in MRCA IL	Deployment of APS to identify information gaps in the MRCA IL unallocated queue and submission of requests for information to increase proportion of complete claims allocated to delegates to reduce handoffs	6 Conduct parallel processing of steps 10 Only add complete claims to queue	Implemented			~1700 claims[3]
	Pilot case management approach in MRCA IL	Provide administrative support to Delegates to obtain medical information for allocated claims enabling better targeting of investigating effort	10 Only add complete claims to queue 24 Increase productive hours available per person	Planned			~1730 claims[4]
Policy	Simplify approach to identifying date of clinical onset	Clarify the concept of date of clinical onset under the MRCA and VEA, and inform claims processing staff of the simplified approach to be taken in certain circumstances	12 Simplify claim requirements	Planned			~1760 claims[5]
Systems	Letter functionality in ISH	Minimise the level of manual intervention required by delegates and to pre-populate MRCA, DRCA and Incap decline letters with data entered elsewhere in systems	20 Automate process steps	Planned			~1730 claims[7]
People	Increase resourcing levels	Recruit additional processing FTEs to investigate and determine claims	23 Increase staff numbers	Implemented			30 35k claims[1]

1.Calculation based on addition of 136.1 FTEs by March 2022 compared to September 2021 with an average monthly determination rate between 16 and 28 depending on claim type, discounted for tenure and productivity. Assumes FTEs are fungible across claim types
2.Calculation based on assumption of reducing MAC referral rates down to 40-50% of claims across claim types. This is expected to realise ~9k hours of investigation effort p.a. across claim types that can be diverted to determining claims. The number of additional claims calculated by dividing this realised effort by average touch time to determine each claim type
3.Calculation based on expectation that FTEs will retrieve medical information for 70% of the 10-15% of claims in the unallocated queue with no medical information on file yielding ~200 hours of released investigation effort p.a. that can be diverted to additional determinations
4.Calculation assumes that 5-10% of investigation effort across 80% of 16 MRCA IL delegates caseload can be delegated to administrative FTEs yielding ~600 hours of effort p.a. that can be diverted to additional determinations
5.Calculation assumes that investigatory effort for the 5% of claims involving a second request to an external medical provider that required validation of the date of onset can be eliminated. This is expected to yield ~700 hours for investigating and determining other claims
6.Calculation assumes delegates can save 2-3 mins of effort per MRCA IL and PI claims that are closed (rejected), saving ~300 hours p.a. that can be diverted to claims processing

Source: CBD Implementation Plan, DVA EOP records; Note: Only includes initiatives that will impact processing or backlog clearance. Excludes all complete initiatives

There are 31 process efficiency levers that could be employed to improve processing further (1/2)

In-train ✓ Prioritised ✓

Potential set of levers to employ via initiatives to reduce claims backlog					Model drivers that levers impact: Disposal rate	Model drivers that levers impact: Total time to complete	Model drivers that levers impact: Claim inflow	Levers addressed by current initiatives
What levers are available to address drivers of effort and process pain points?	A: Process optimise process efficiency	Streamline processes	1	Adopt lean approach to claims processing	✓	✓		
			2	Prioritise complete claims for processing	✓	✓		✓
			3	Standardise claim / diagnoses forms /letters	✓	✓		✓
			4	Standardise handoffs between process steps		✓		
			5	Screen / triage claims upfront to direct claims to appropriate stream for processing	✓	✓		✓
			6	Conduct parallel processing of steps, where possible		✓		✓
			7	Reduce inbound client contact	✓			
			8	Optimise quality control to reduce re-work, improve quality and reduce appeals	✓	✓	✓	
		Increase completeness and likely eligibility of submitted claims	9	Tailor support to increase submission of complete claims without missing information	✓	✓	✓	✓ ✓
			10	Only add complete claims to queue	✓			✓
			11	Improve understanding of eligibility and acceptance requirements			✓	
	B: Policy reform policies to reduce claim load	Reduce processing complexity	12	Simplify claim requirements (i.e., information required, criteria claim must meet, etc.)	✓	✓	✓	✓ ✓
			13	Start clock on claims when they have complete set of information on file		✓		
		Reduce claim number	14	Automatically offer liability for commonly claimed conditions with high acceptance	✓	✓	✓	✓
			15	Break the link between IL and PI claims	✓		✓	
			16	Extend ‘refuse to deal’ threshold for inactive claims (i.e., cancel inactive claims)	✓		✓	

There are 31 process efficiency levers that could be employed to improve processing further (2/2)

In-train Prioritised

Potential set of levers to employ via initiatives to reduce claims backlog					Model drivers that levers impact: FTE productivity	Model drivers that levers impact: Total time to complete	Model drivers that levers impact: Claim inflow	Levers addressed by current initiatives
What are the range of levers available to address drivers of effort/ process pain points?	C: Systems automate / digitise process steps	Enhance digitisation	17	Encourage switch from paper based applications to digital channels		✓	✓	
			18	Expand delegate digitised access to client information		✓		✓ ✓
		Automate/ digitise back-end processes	19	Link, integrate and rationalise processing systems		✓		✓
			20	Automate process steps	✓	✓		✓
			21	Leverage AI to support claims triaging	✓	✓		
			22	Utilise computer-supported decision making	✓	✓		✓
	D: People optimise workforce	Increase total working hours	23	Increase staff number, including employees, contractors, and secondees from other agencies	✓	✓		✓
			24	Increase productive hours available per person	✓	✓		
			25	Reduce shrinkage to increase productivity and throughput	✓	✓		✓
		Increase efficiency of FTEs: Increase capability	26	Improve training	✓	✓		✓
			27	Reduce variability in processing rates (e.g., by claim type, geography, etc.)	✓	✓		✓
		Increase efficiency of FTEs: Improve performance	28	Improve performance management (dashboard with daily check ins and check outs)	✓			✓
			29	Leverage rewards and recognition to incentivise individual employee productivity	✓			
		Increase efficiency of FTEs: Optimise deployment	30	Segment and optimise task allocation (top performers handle more complex cases)	✓			
			31	Enable data analysis to benchmark FTE performance	✓			

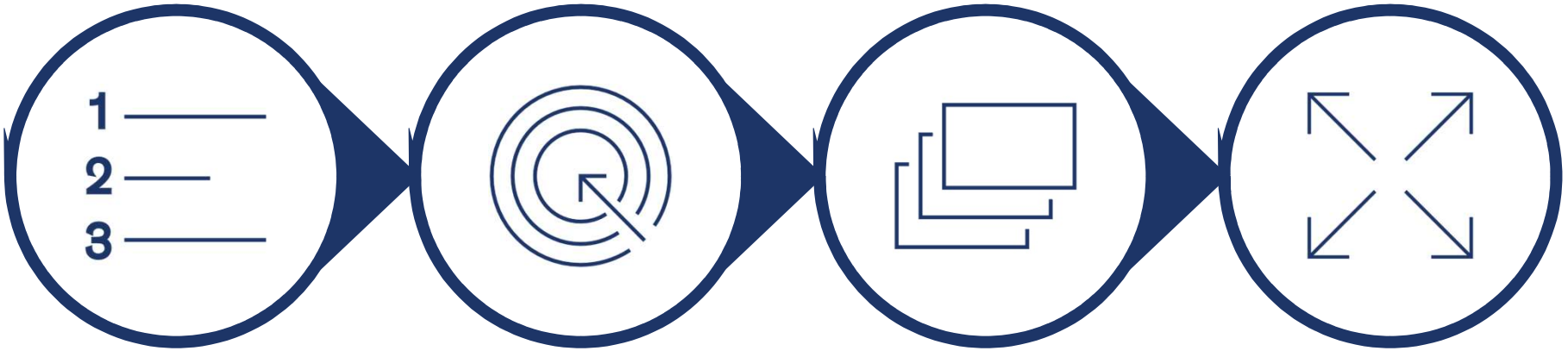
Additional experience levers offer DVA the opportunity to improve veterans' experience whilst implementing process improvements to reduce the backlog

Addressed in process efficiency levers | Veteran experience lever

Stage of claim process	Short term levers to better the veteran experience	Longer term levers to better veteran the experience
1. Discovery	Abundant and easy to access information through sources veterans are familiar with	Establish an early relationship with the veteran so when and if they need help, they know where to go
	Clear signposting as to where to start the claim	Proactive approach to providing support to veterans to help them better understand their entitlements
	Greater education from DVA on the multiple supports available to them and the use of the MyService application to submit DVA claims	
2. Lodgement	Standardise claim/ diagnoses forms	Only add complete claims to queue
	Tailor support to increase submission of complete claims/ missing information	Improve understanding of eligibility and acceptance requirements
	Clearer information upfront on MyService on what a typical claims journey looks like	Automatically offer liability for commonly claimed conditions with high acceptance
	Empower and train advocacy groups to submit claims correctly in the first instance	Less reliance on advocates to know if their claim is filled in correctly and complete
		Auto fill information in forms across the department and from other government organisations
3. Assessment	Prioritise complete claims for processing	Simplify claim requirements (i.e., information required, criteria claim must meet, etc.)
	Expand delegate digitised access to client information	Use artificial intelligence to support claim decision making
	Standardise handoffs between process steps	Transparency for veterans across the whole claims process on progress and expected wait time, available at their fingertips
	Segment and optimise task allocation (top performers handle more complex cases)	Tailored and personalised approach to client service beyond those identified by Triage and Connect
	Improve training regime/ processing manuals and handbooks to provide consistency when dealing with DVA staff	Internally connected DVA systems for staff to access up to date client information across DVA business areas
	Staff who understand the nuances of military service and how elements of DVA business support other outcomes for support, including the complexities of mental health issues	Shift the mindset from veterans from DVA are trying to find any reason to reject my claim to DVA is trying to empower me to have my claim accepted
	Clarity of communication on what a veteran needs to do finalise their claim	
4. Determination	Clarity of communication as to why a claim was rejected	Optimise quality control to reduce re-work, improve quality and reduce appeals
	Clearer next steps veteran could take to appeal their rejected condition	Automate decision support for claims
5. Review/ post-claim	Educate delegates about the full suite of DVA services and support available to veterans	Tailored and empathetic approach to unsuccessful claims to mitigate distress caused
	Targeted material to veterans on other support available to them beyond compensation	Support veterans and their families and be more focused on wellness and ability (not illness and disability)
	Empower staff to be able to take the time to listen to veterans and understand what they wanted when they contact a delegate	

Source: 2020-21 Client Benefits Client Satisfaction Survey data, APS Employee Employee Census 2021 Results, Client Benefits Division, DVA internal stakeholder consultations, 2019 DVA Productivity Commission Report, TED Team Veteran McKinsey Comments Document, CBD VCR Implementation Plan, 2020 Budget and Efficiency Review, VCR Project Lighthouse Discovery Pack, July 2016, McKinsey Veteran interviews, October 2020, Preliminary Interim Report, Interim National Commissioner for Defence and Veteran Suicide Prevention, June 2021

Using the pain point analysis and set of levers, ideas were identified and prioritised for analysis and implementation



>60 ideas generated through three key sources

1. Detailed process mapping
2. DVA SME and global claims processing experts
3. Veteran engagement

Ideas consolidated to ~40 and a high level estimation made of impact on time to process and/or the backlog, and feasibility of implementation

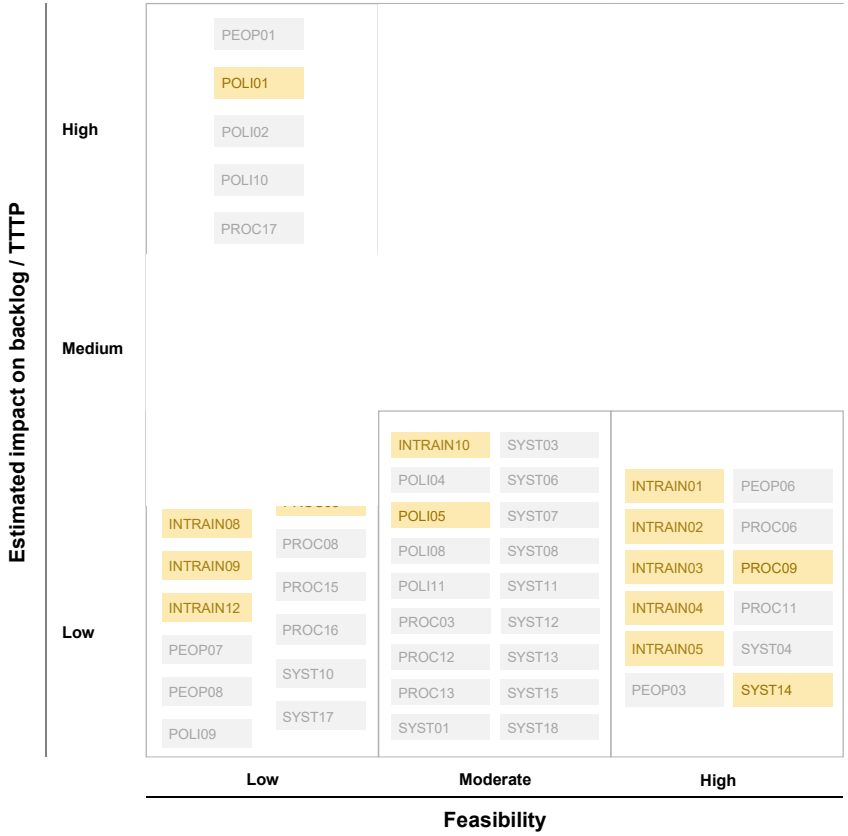
11 ideas developed into initiatives and prioritised for analysis based on estimated magnitude of impact

Remaining 26 ideas were grouped for later consideration

In addition to the 6 in-train and 11 new initiatives, 26 ideas have been explored to help clear the remaining backlog and reduce time to process

Full list of potential initiatives and ideas

Existing/ Prioritised initiative



Initiative #	Initiative
INTRAIN08	Strengthen the role of team leaders and senior delegates
INTRAIN12	Increase resourcing levels
PEOP01	Establish regional processing hubs
PEOP02	Improve delegate productivity through the institution of lean management practices
PEOP03	Collect and utilise workforce performance metrics
PEOP04	Reallocate FTE by claim type
PEOP05	Establish tiger team for completing MRCA IL claims
PEOP06	Triage claims for processing
PEOP07	Introduce targeted capability building of low performing delegates
PEOP08	Incentivise performance through reprofiling APS levels
POLI01	Extend non-liability healthcare conditions
POLI02	Automate initial liability for high volume claims in backlog
POLI03	Review SOP diagnostic protocols
POLI04	Align PIG and GARP to streamline claims investigations across Acts
POLI05	Better manage incoming claims from serving members of Defence
POLI06	Partner with external organisations to adopt best practices
POLI07	Establish fee schedule to accelerate turnaround of external medical reports
POLI08	Extend 'refuse to deal'
POLI12	Harmonise legislation across VEA, DRCA & MRCA
POLI09	Review SOP factors to aid delegate decision making
POLI10	Break link between IL and PI for serving member

Initiative #	Initiative
POLI11	Reduce need to conduct full IL investigations for new conditions resulting from aggravated determined conditions identified in PI claims
INTRAIN01	Expansion of screening in MRCA IL
INTRAIN02	Pilot case management approach in MRCA IL
INTRAIN03	Reduce referrals to MACs
INTRAIN05	Simplify approach to identifying date of clinical onset
INTRAIN09	Reconfigure the Incapacity claims processing
INTRAIN11	Single National Allocation Model
PROC01	Fast track complete claims
PROC02	Support clients to submit completed claims
PROC03	Auto-capture liability for serving veterans prior to transition
PROC05	Develop guidance and digital forms for External Medical Providers
PROC06	Identify advocates who submit full claims
PROC11	Phase out paper claims
PROC08	Prevent allocation of incomplete claims
PROC09	Direct non-claims processing work to coordinated support team
PROC12	Geographically combine benefits processing
PROC13	Prevent allocation of MRCA PI claims, where client has an undetermined MRCA IL claim
PROC15	Review DVA letters for tone and messaging
PROC16	Acceptance of general medical forms
PROC17	Automate acceptance of compensation claims on KPI due date
INTRAIN04	Letter functionality

Initiative #	Initiative
INTRAIN06	Automation of bundling of conditions in ISH
INTRAIN07	Compensation (ISH) Improvements
INTRAIN10	Establish DDEIE/ RMS
SYST01	Centralise inbound client contact
SYST02	Expand computer-supported decision making
SYST03	Leverage computer-supported decision making
SYST04	Nudge clients using MyService
SYST05	Reconfigure MyService digital logic
SYST06	Only accept submission of completed claims in MyService
SYST07	Launch online concierge functionality in MyService
SYST08	Automate registration and screening processes
SYST10	Improve guidance to delegates on claims processing via Operational Blueprint
SYST11	Launch claims tracking software for delegates
SYST12	Establish combined benefits processing module for delegates
SYST13	Digitise diagnosis forms
SYST14	Notify clients of acceptance rates for low acceptance conditions
SYST15	Set up digital tracker of claims status on MyService
SYST16	Create determination module in ISH
SYST17	Enable ISH to automatically update claim offsetting outcomes
SYST18	Recommend clients to submit combined claims for conditions that are likely to co-occur and be accepted to be added to the same claim

Source: Long list of initiatives generated via interviews with DVA stakeholders between 27 September – 3 December 2021. Multiple similar non-prioritised ideas have been consolidated into final set of 26 ideas for consideration post engagement.

11 initiatives have been prioritised based on expected impact

Impact of initiatives and extent to which initiatives are within DVA's control

Note modelling scenarios as listed on page 39

Estimated sizing (conservative) | Estimated sizing (optimistic) | Impacts veteran experience | Not used in modelling scenarios

Category	Initiative number	Initiative (initial perspective, details subject to change)	Estimated impact on current backlog, # claims, thousands[1]	Focus of impact	Veteran experience	Change required Conservative case	Optimistic case
Process	PROC02	Support clients to submit completed claims	11.08	Future demand		Budget & system change	Budget & system change
	PROC05	Develop guidance and digital forms for External Medical Provider	0.17	Future demand		Budget & system change	N/A[7]
	PROC09	Direct non-claims processing work to complex case team	2.14	Backlog / future demand		DVA only	N/A[7]
Policy	POLI01	Extend non-liability healthcare conditions	0.10	Future demand		Gov't decision, budget & system change	N/A[7]
	POLI03	Review SOP diagnostic protocols	0.11	Future demand		Gov't decision	N/A[7]
	POLI05	Revise claims management approach for serving members[4]	1.06	Future demand		N/A[6]	Commissioner approvals, Defence approvals
Systems	SYST02	Expand computer-supported decision making	3.51	Future demand		Budget & system change	Gov't decision, budget & system change
	SYST14	Notify clients of acceptance rates for low acceptance conditions	0	Future demand		DVA only	N/A[7]
People	PEOP02	Improve delegate productivity through the institution of lean management practices	6.38 – 0.47	Backlog / future demand		DVA only	DVA only
	PEOP04	Reallocate FTE by claim type	10.53 – 1.50	Backlog / future demand		DVA only	DVA only
	PEOP05	Establish tiger team for complete MRCA IL claims	0.12 – 0.43	Backlog / future demand[5]		DVA only	DVA only

1. For all claim types
I2. bid
3. Initiative, or pain points addressed by this initiative, raised during veteran engagement sessions with Young Veterans, Women and Families, and/or ESORT 8-10 November 2021
4. Backlog impact on MRCA and DRCA PI claims only
5. In the conservative case of the tiger team, only backlog claims impacted
6. Given the number of approvals required outside of DVA's control for this initiative, no conservative case exists
7. Aggressive initiative case not required

The full set of initiatives and ideas offer DVA routes to fix process and veteran experience pain points (1/2)

Process pain points and corresponding initiative fixes

Major process pain point	Sub process pain point	Initiatives/ ideas in place to solve pain point?		
		In-train	Prioritised	Long list
① **FTEs manually register and screen claims**		✓		✓
② **Claims spend long wait time in unallocated queue**		✓	✓	✓
③ **There is large effort and variance in Delegate time to investigate claims & client contact**	Ⓐ **Screening team do not undertake basic claim validity checks** (e.g., client identity checks, form accuracy, checking whether form is signed, etc.) leading to wasted Delegate effort and wait times as the client is contacted for information		✓	✓
	Ⓑ **Lack of SOPs under DRCA mean Delegate has less guidance on judging claims** resulting in strong reliance on referrals to MACs to aid on claim decision making			✓
	Ⓒ **Delegate can issue large volume of forms at multiple points across IL and PI process steps** as claim progresses through different stages and new information requirements transpire		✓	
	Ⓓ **There is no system to prevent allocation of PI claims Delegates where the client has undetermined IL claims in progress**[1]; this can lead to multiple whole of body assessments in quick succession that could be combined			✓
	Ⓔ **Delegates must determine liability for conditions that become aggravated/ evolve into new conditions** between acceptance of IL and consideration of PI claim before proceeding with PI claim			✓
	Ⓕ **Post investigation Delegates expend effort collating investigation content** populate determination letter that could be automated			✓
	Ⓖ **Delegates must manually input offsetting outcomes into ISH**			✓
	Ⓗ **Accepted claims can sit in limbo if client does not respond to offer letter;** DRCA has no option to employ refuse to deal to cancel claims			✓
④ **Delegates make requests for Defence information on allocation**	Ⓘ **Comprehensive set of information from Defence may not be requested** prior to allocation; delegate must make multiple requests for additional/ updated information types if required delaying claims processing	✓		
⑤ **Delegates expend effort chasing and waiting for medical information from external providers**	Ⓙ **4 high use forms do not reliably facilitate collection of diagnostic information** required for delegate to confirm diagnosis (D9287, D2049, Psychology Assessment request form)		✓	
	Ⓚ **There are no standard forms in ISH that can used for DRCA PI claims,** requiring Delegates to spend ~20 mins per claim creating and tailoring letters and medical assessment forms to issue to clients		✓	
⑥ **Delegates make significant number of unnecessary referrals to MACs**	Ⓛ **Limited availability of 'MACs on demand' prevent Delegates from making quick enquiries of SMEs,** resulting in unnecessary referrals with long wait times	✓		
	Ⓜ **Delegates send all claims to MACs to assess non-SOP conditions and perform GARP assessments** leading to delays in processing	✓		

The full set of initiatives and ideas offer DVA routes to address process pain points and drivers of veteran experience (2/2)

Experience drivers and corresponding initiative fixes

Veteran experience pain points	Veteran success driver	Initiatives/ ideas in place to solve driver?		
		In-train	Prioritised	Long list
Ⓐ Timeliness of claim allocation and determination	① The time taken for staff member to be assigned to your claim	✓	✓	✓
	② Time taken to access support / reach a staff member that could assist you		✓	✓
	③ Time taken to address your query			✓
	④ The overall time taken to finalise your claim	✓	✓	✓
Ⓑ Complexity of claims lodgment and assessment	⑤ Ease of finding relevant information		✓	✓
	⑥ Ease of understanding the information		✓	✓
	⑦ The questions / instructions in the claim form were easy to understand		✓	✓
	⑧ Clarity of communication about what you needed to do to finalise your claim	✓	✓	✓
	⑨ Staff having the skills and knowledge to address your query	✓	✓	✓
	⑩ The requirements seemed reasonable given the benefits claimed		✓	✓
Ⓒ Difficulty accessing medical evidence needed to support a claim	⑪ The ease of providing the information / documentation required by DVA to assess your claim			✓
	⑫ How well / fully the information answered your questions		✓	
Ⓓ Insufficient communication on claims progression	⑬ Being kept up to date about the progress of your claim			✓
	⑭ The helpfulness of advice provided in relation to your query		✓	
Ⓔ Lack of compassion, empathy, respect and trust in veterans	⑮ Staff taking the time to listen and understand what you wanted		✓	✓
	⑯ Staff being adaptable to the context of the request and providing ways to overcome barriers	✓	✓	

Contents

We investigated a range of scenarios to determine the future momentum case of demand/supply and options to eliminate the backlog

Description of modelling scenarios

Initiative scenario	Assumed FTE	Initiatives on
A **No initiatives**	Current FTE	None
B **Forecast FTE only**	Forecast FTE	None
C **In-train initiatives**	Forecast FTE	6 in-train initiatives only
D **In train with extra FTE, Jun 23 clearance**	Forecast FTE + additional FTE to clear backlog by Jun 23	6 in-train initiatives only
E **In train with extra FTE, Dec 23 clearance**	Forecast FTE + additional FTE to clear backlog by Dec 23	6 in-train initiatives only
F **In train and initiatives within DVA control**[1]	Forecast FTE + reallocation and retraining	6 in train initiatives + 5 prioritised initiatives not requiring new policy/ budget changes
G **In train and initiatives requiring external approval**[1]	Forecast FTE + reallocation and retraining	6 in train initiatives + 11 prioritised initiatives
H **In train and initiatives requiring external approval, Jun 23 clearance**[1]	Forecast FTE + optimistic reallocation + additional FTE to clear backlog by Jun 23	6 in train initiatives + 11 prioritised initiatives
I **In train and initiatives requiring external approval, Dec 23 clearance**[1]	Forecast FTE + optimistic reallocation + additional FTE to clear backlog by Dec 23	6 in train initiatives + 11 prioritised initiatives
J **In train and initiatives requiring external approval (expanded / at accelerated pace) plus additional ideas**[1]	Forecast FTE + optimistic reallocation (including accelerated training from alignment of SOP factors)	6 in train initiatives + 11 prioritised initiatives (with 4 expanded or at accelerated pace) + 5 ideas

1. Uses optimistic case to model impact (see page 10)

All initiative scenarios are applied to a range of demand assumptions

1. **No new claims inflow**
2. **No new IL claims inflow plus conversions of IL to PI**
3. **Low growth in claims**
4. **Baseline growth in claims**
5. **High growth in claims**

In train initiatives may succeed in clearing the existing backlog, but handling inflow of new claims will require further initiatives

Detail to follow

A — No initiatives, current FTE

C — 6 in-train initiatives only, including forecast FTE

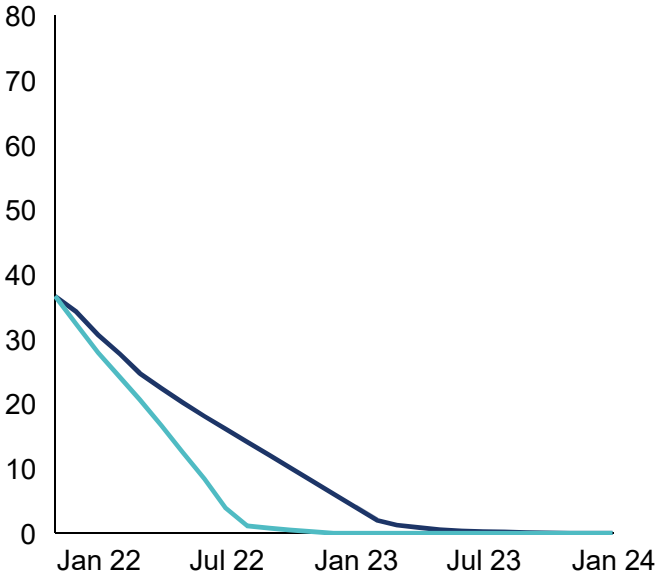
F — 6 in-train + 5 prioritised initiatives with no policy/ budget change

G — 6 in-train + 11 prioritised initiatives

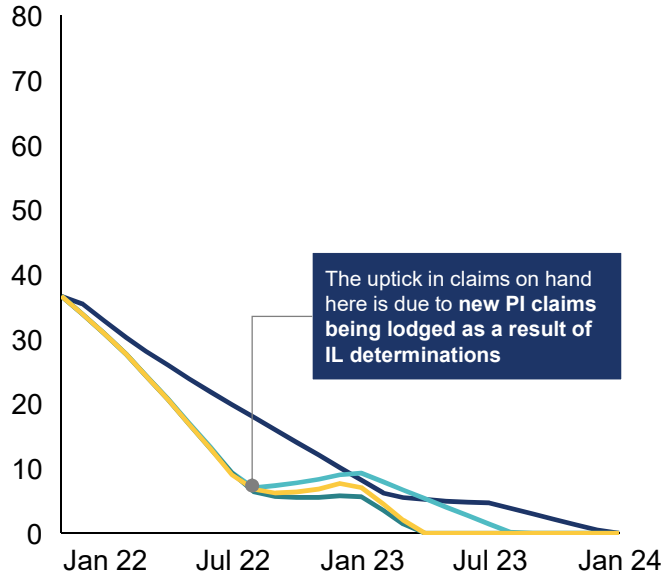
Backlog for MRCA IL, MRCA PI, DRCA IL, DRCA PI, VEA DP, dual-act, and tri-act claims, various scenarios

Claims on hand above processing capacity, thousand

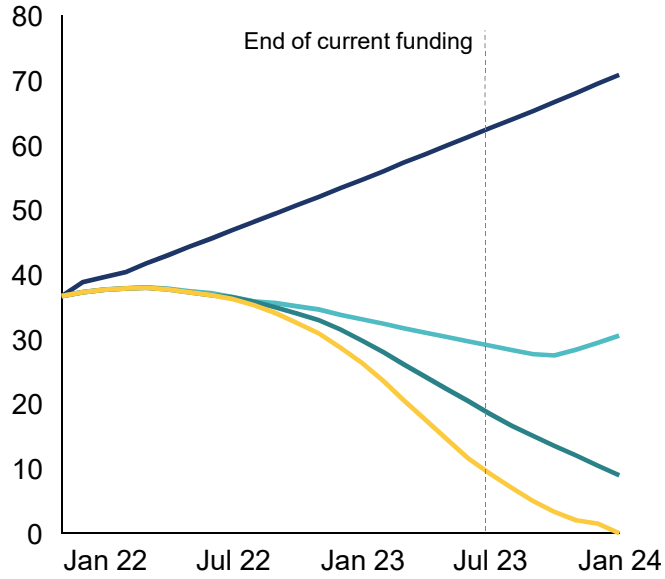
1 No new claims inflow (existing backlog only)



2 Growth in PI claims from IL determinations only



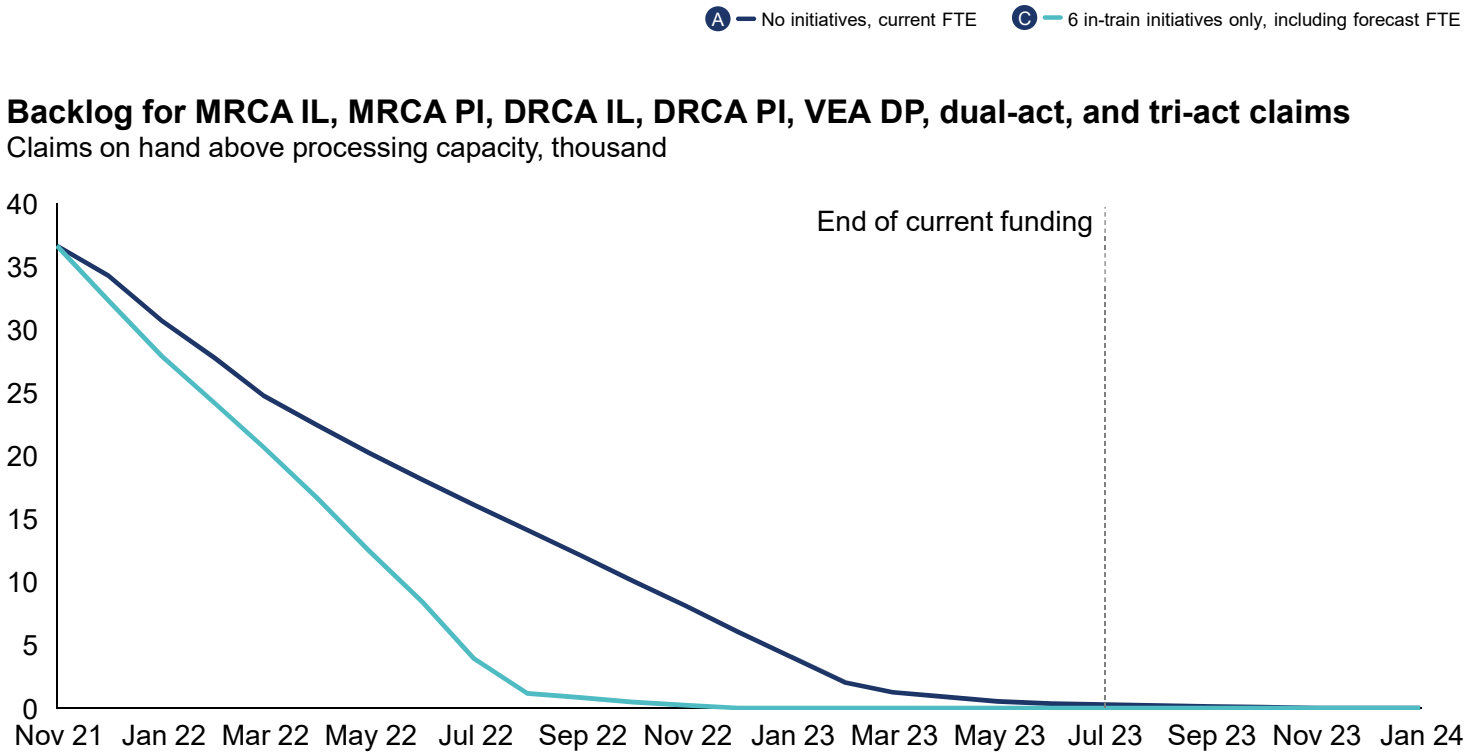
3 Baseline demand growth



Assumptions for migration of multi-act claims: starting multi-act claims on hand and claims received are migrated to the claim type in the backlog aligned to the processing FTE that will ultimately determine these claims; based on observed migration in the months of Aug-Oct 2021, for tri-act claims, 70% migrate to MRCA IL, 11% to DRCA IL, 3% to VEA DP, 4% to VEA/DRCA, and 12% remain tri-act. For VEA/DRCA claims, 34% migrate to DRCA IL, 25% to VEA DP, and 40% remain dual-act. The un-migrated number of tri-act claims is defined by eligibility owing to period of service, not acts under which claims are actually submitted
Demand assumptions: All figures are in net claims, i.e. subtracting withdrawals. In the left-hand side chart (no new claims), zero new net claims demand is assumed. In the middle and right-hand side charts, net PI lodgements demand is assumed to be a fixed ratio to IL acceptances under the same act, set to the average ratio observed over the past 12 months in Client Benefits National Summary data – these are 58% for MRCA PI, and 222% for DRCA PI. No additional new claims demand (other than for PI) is assumed for the middle chart. In the right-hand side chart only, net IL and DP claims received per month begins at the 3-month average observed claims received for Aug-Oct 2021; these are 2503 claims per month for MRCA IL, 368 for DRCA IL, 249 for VEA DP, 124 for VEA/DRCA, and 140 for VEA/DRCA/MRCA. These are assumed to grow 1.5% for MRCA IL and VEA DP, 10% for DRCA IL, and 0% for VEA/DRCA and VEA/DRCA/MRCA.
Supply assumptions: For the dark blue line (current FTE), FTE are assumed to stay constant at 186 FTE, as reported for September 2021. Forecast FTE provided by DVA is adjusted to align with observed actual processing FTE in Client Benefits National Summary data and therefore includes shrinkage due to delegates in training, leave, mixed benefits processing (28% shrinkage). Projections of forecast FTE assume 343 FTEs remain deployed until December 2023 (i.e., after current funding expires in June 2023). FTE are reallocated between claim types by initiatives in lines featuring prioritised initiatives. Time to complete a given claim is assumed equal to the value implied from average determinations and average allocated claims in Aug-Sep 2021, ranging from 95 days (VEA/DRCA) to 214 days (DRCA IL). Touch time is equal to the value implied from average determinations in Aug-Sep 2021 and assumed time available to a delegate per month (21.25 days x 7.5 hours per day), ranging from 3.4h (DRCA PI) to 14.4h (VEA/DRCA/MRCA). Determination rates are calculated from assumed available delegate hours for processing and touch time per claim.

Source: DVA Pilot Initiatives model; DVA claims and FTE forecasting report, 17 Nov 2021; Data on migration and withdrawals provided by Victoria Benz on 18 Nov 2021; bottom-up evaluation of 150 sample claims for touch time and time to complete; August 2021 DVA Client Benefits National Summary Data for FTE shrinkage

1: Without new claim inflow, in-train initiatives could bring forward clearance of the backlog by six months



Assumptions for migration of multi-act claims: starting multi-act claims on hand and claims received are migrated to the claim type in the backlog aligned to the processing FTE that will ultimately determine these claims; based on observed migration in the months of Aug-Oct 2021, for tri-act claims, 70% migrate to MRCA IL, 11% to DRCA IL, 3% to VEA DP, 4% to VEA/DRCA, and 12% remain tri-act. For VEA/DRCA claims, 34% migrate to DRCA IL, 25% to VEA DP, and 40% remain dual-act. The un-migrated number of tri-act claims is defined by eligibility owing to period of service, not acts under which claims are actually submitted
Demand assumptions: All figures are in net claims, i.e. subtracting withdrawals. In this scenario, zero new net claims demand is assumed.
Supply assumptions: For the dark blue line (current FTE), FTE are assumed to stay constant at 186 FTE, as reported for September 2021. Forecast FTE provided by DVA is adjusted to align with observed actual processing FTE in Client Benefits National Summary data and therefore includes shrinkage due to delegates in training, leave, mixed benefits processing (28% shrinkage). Projections of forecast FTE assume 343 FTEs remain deployed until December 2023 (i.e., after current funding expires in June 2023). Time to complete a given claim is assumed equal to the value implied from average determinations and average allocated claims in Aug-Sep 2021, ranging from 95 days (VEA/DRCA) to 214 days (DRCA IL). Touch time is equal to the value implied from average determinations in Aug-Sep 2021 and assumed time available to a delegate per month (21.25 days x 7.5 hours per day), ranging from 3.4h (DRCA PI) to 14.4h (VEA/DRCA/MRCA). Determination rates are calculated from assumed available delegate hours for processing and touch time per claim.

Source: DVA Pilot Initiatives model; DVA claims and FTE forecasting report, 17 Nov 2021; Data on migration and withdrawals provided by Victoria Benz on 18 Nov 2021; bottom-up evaluation of 150 sample claims for touch time and time to complete; August 2021 DVA Client Benefits National Summary Data for FTE shrinkage

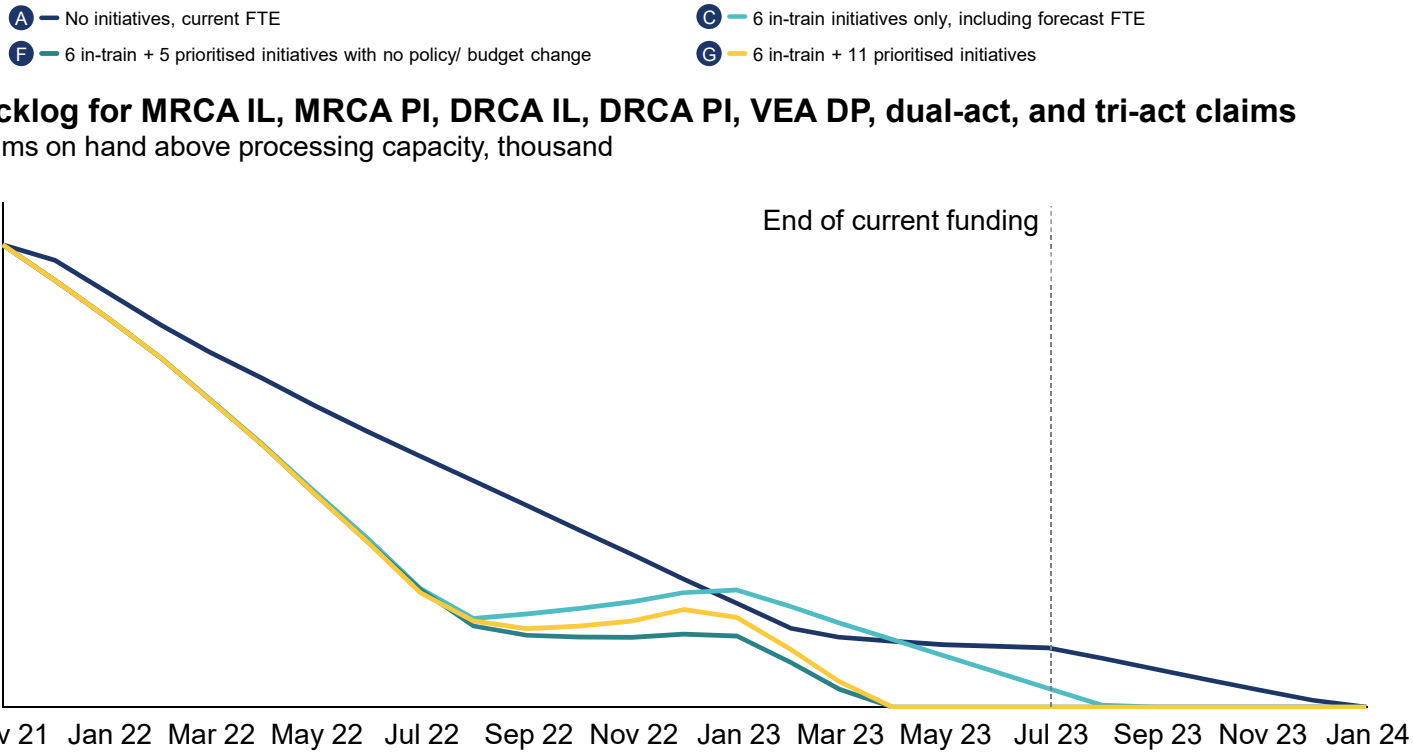
Detailed insights

- Assuming no new claims were lodged, even current FTE could clear the number of claims equal to the current existing backlog by Oct 23, with forecast FTE bringing this forward to Nov 22
- In reality, many new claims lodged over this time period could be prioritised over claims in the existing backlog, and thus this projection may not reflect the true time to clearance of all existing claims

Major assumptions

- Reported multi-act claims on hand and claims received are “migrated” to the claim type that they will be determined under
- Net claims inflow is zero (therefore chart shows clearance of backlog as at Nov 21)
- Current and forecast FTE is adjusted down by 28% of projection to align with observed shrinkage
- Processing capacity is a function of time to complete, determination rate, and FTE, starting at a total of ~17.0k claims and ~33.5k claims under forecast FTE, assuming no other changes

2: An increase in PI claims is expected to follow clearance of the existing IL backlog, slowing overall backlog clearance



Assumptions for migration of multi-act claims: starting multi-act claims on hand and claims received are migrated to the claim type in the backlog aligned to the processing FTE that will ultimately determine these claims; based on observed migration in the months of Aug-Oct 2021, for tri-act claims, 70% migrate to MRCA IL, 11% to DRCA IL, 3% to VEA DP, 4% to VEA/DRCA, and 12% remain tri-act. For VEA/DRCA claims, 34% migrate to DRCA IL, 25% to VEA DP, and 40% remain dual-act. The un-migrated number of tri-act claims is defined by eligibility owing to period of service, not acts under which claims are actually submitted
Demand assumptions: All figures are in net claims, i.e. subtracting withdrawals. In this scenario, net PI lodgements demand is assumed to be a fixed ratio to IL acceptances under the same act, set to the average ratio observed over the past 12 months in Client Benefits National Summary data – these are 58% for MRCA PI, and 222% for DRCA PI. No additional claims demand is assumed.
Supply assumptions: For the dark blue line (current FTE), FTE are assumed to stay constant at 186 FTE, as reported for September 2021. Forecast FTE provided by DVA is adjusted to align with observed actual processing FTE in Client Benefits National Summary data and therefore includes shrinkage due to delegates in training, leave, mixed benefits processing (28% shrinkage). Projections of forecast FTE assume 343 FTEs remain deployed until December 2023 (i.e., after current funding expires in June 2023). FTE are reallocated between claim types by initiatives in lines featuring prioritised initiatives. Time to complete a given claim is assumed equal to the value implied from average determinations and average allocated claims in Aug-Sep 2021, ranging from 95 days (VEA/DRCA) to 214 days (DRCA IL). Touch time is equal to the value implied from average determinations in Aug-Sep 2021 and assumed time available to a delegate per month (21.25 days x 7.5 hours per day), ranging from 3.4h (DRCA PI) to 14.4h (VEA/DRCA/MRCA). Determination rates are calculated from assumed available delegate hours for processing and touch time per claim.

Source: DVA Pilot Initiatives model; DVA claims and FTE forecasting report, 17 Nov 2021; Data on migration and withdrawals provided by Victoria Benz on 18 Nov 2021; bottom-up evaluation of 150 sample claims for touch time and time to complete; August 2021 DVA Client Benefits National Summary Data for FTE shrinkage

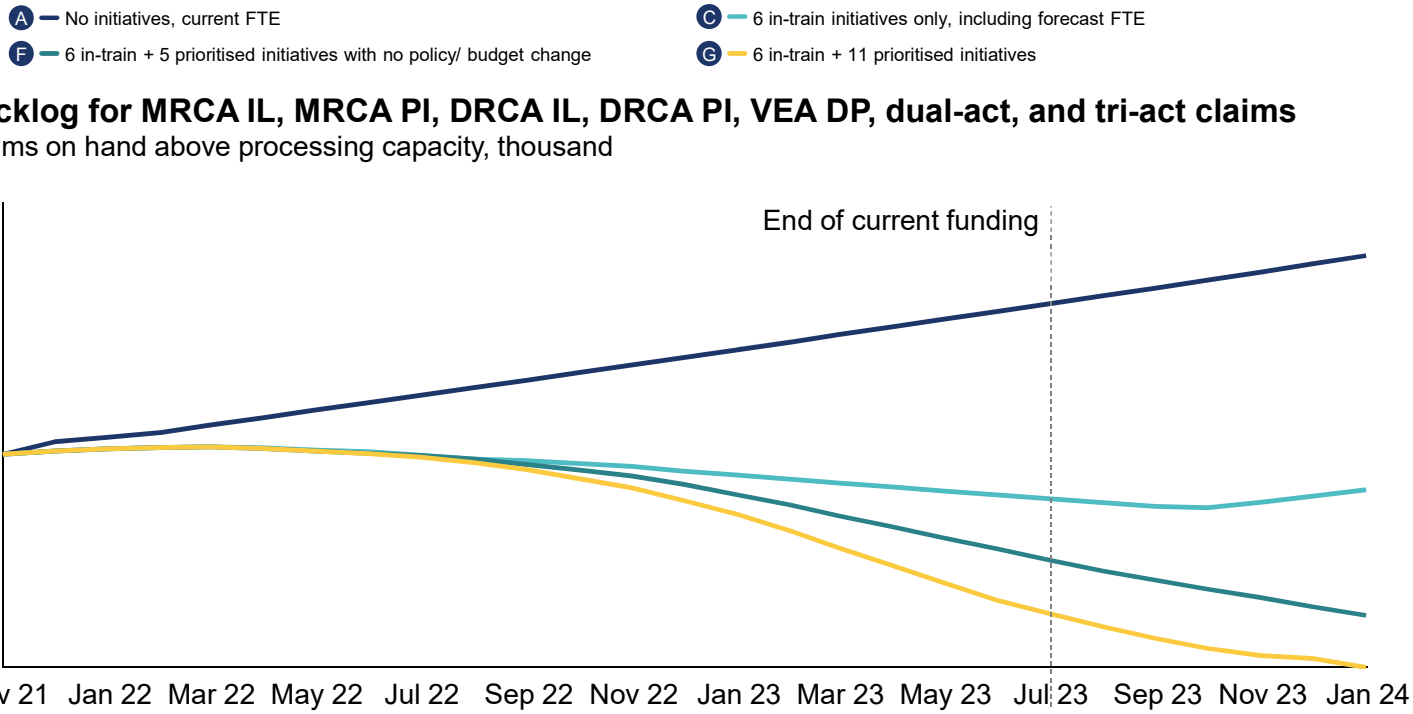
Detailed insights

- A subset of IL claims, when determined, will precipitate corresponding PI claims; including these PI claims in the forecast pushes the time to clear the backlog under current FTE to Dec 23 and with in-train initiatives to Aug 23
- Adding the 6 prioritised initiatives (conservatively sized) within DVA's control brings projected clearance of the existing backlog, including PI claims, to Mar 23
- Adding all 11 prioritised initiatives (optimistically sized), including those requiring external approval, has no further effect on projected clearance in this scenario, with zero backlog forecast for Mar 23

Major assumptions

- Reported multi-act claims on hand and claims received are "migrated" to the claim type that they will be determined under
- The ratio of forecast PI lodgements to IL acceptances is fixed at the 12-month historical average ratio
- Net inflow for IL claims is zero
- Forecast FTE is adjusted down by 28% of projection to align with observed shrinkage
- Processing capacity is a function of time to complete, determination rate, and FTE, starting at a total of ~17.0k claims and ~33.5k claims under forecast FTE, assuming no other changes

3: In addition to an inflow of PI claims, new claim inflow is a major determinant of the ability to clear the backlog



Backlog for MRCA IL, MRCA PI, DRCA IL, DRCA PI, VEA DP, dual-act, and tri-act claims
Claims on hand above processing capacity, thousand

Assumptions for migration of multi-act claims: starting multi-act claims on hand and claims received are migrated to the claim type in the backlog aligned to the processing FTE that will ultimately determine these claims; based on observed migration in the months of Aug-Oct 2021, for tri-act claims, 70% migrate to MRCA IL, 11% to DRCA IL, 3% to VEA DP, 4% to VEA/DRCA, and 12% remain tri-act. For VEA/DRCA claims, 34% migrate to DRCA IL, 25% to VEA DP, and 40% remain dual-act. The un-migrated number of tri-act claims is defined by eligibility owing to period of service, not acts under which claims are actually submitted
Demand assumptions: All figures are in net claims, i.e. subtracting withdrawals. Net PI lodgements demand is assumed to be a fixed ratio to IL acceptances under the same act, set to the average ratio observed over the past 12 months in Client Benefits National Summary data – these are 58% for MRCA PI, and 222% for DRCA PI. Net IL and DP claims received per month begins at the 3-month average observed claims received for Aug-Oct 2021; these are 2503 claims per month for MRCA IL, 368 for DRCA IL, 249 for VEA DP, 124 for VEA/DRCA, and 140 for VEA/DRCA/MRCA. These are assumed to grow 1.5% for MRCA IL and VEA DP, 10% for DRCA IL, and 0% for VEA/DRCA and VEA/DRCA/MRCA.
Supply assumptions: For the dark blue line (current FTE), FTE are assumed to stay constant at 186 FTE, as reported for September 2021. Forecast FTE provided by DVA is adjusted to align with observed actual processing FTE in Client Benefits National Summary data and therefore includes shrinkage due to delegates in training, leave, mixed benefits processing (28% shrinkage). Projections of forecast FTE assume 343 FTEs remain deployed until December 2023 (i.e., after current funding expires in June 2023). FTE are reallocated between claim types by initiatives in lines featuring prioritised initiatives. Time to complete a given claim is assumed equal to the value implied from average determinations and average allocated claims in Aug-Sep 2021, ranging from 95 days (VEA/DRCA) to 214 days (DRCA IL). Touch time is equal to the value implied from average determinations in Aug-Sep 2021 and assumed time available to a delegate per month (21.25 days x 7.5 hours per day), ranging from 3.4h (DRCA PI) to 14.4h (VEA/DRCA/MRCA). Determination rates are calculated from assumed available delegate hours for processing and touch time per claim.

Source: DVA Pilot Initiatives model; DVA claims and FTE forecasting report, 17 Nov 2021; Data on migration and withdrawals provided by Victoria Benz on 18 Nov 2021; bottom-up evaluation of 150 sample claims for touch time and time to complete; August 2021 DVA Client Benefits National Summary Data for FTE shrinkage

Detailed insights

- In reality, additional net demand inflows will make it difficult to clear the backlog within two years; only implementation of all 6 in-train initiatives and 11 prioritised initiatives will clear the backlog by Dec 23
- The largest swing factor in clearance rate is the number and assignment of FTEs. Dynamic FTE reallocation alone (conservatively sized) may remove up to ~7600 claims from the overall backlog by Dec 23 relative to the current FTE forecast
- The greatest impact of FTE reallocation may only be realised where other initiatives effectively “free up” FTEs for reallocation, for example by automating the processing of a subset of claims

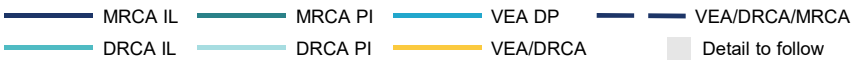
Major assumptions

- Reported multi-act claims on hand and claims received are “migrated” to the claim type that they will be determined under
- The ratio of forecast PI lodgements to IL acceptances is fixed at the 12-month historical average ratio
- Net claims received per month begins at the 3-month historical average value for Aug-Oct 21 and grows by a fixed percentage depending on claim type
- Forecast FTE is adjusted down by 28% of projection to align with observed shrinkage
- Processing capacity is a function of time to complete, determination rate, and FTE, starting at a total of ~17.0k claims and ~33.5k claims under forecast FTE, assuming no other changes

In a high demand scenario, even with all initiatives turned on DVA can expect ~10k in the backlog in December 2023

Comparison of backlog by claim type across scenarios (Claims on hand above processing capacity[1], k)

WORKING DRAFT ONLY – SUBJECT TO FURTHER DISCUSSION & INPUT



C 6 in-train initiatives only, including forecast FTE

F 6 in-train + 5 prioritised initiatives with no policy/ budget change

G 6 in-train + 11 prioritised initiatives

High demand

Growth in claims received p.a.

MRCA IL	+22.7%
DRCA IL	+18.7%
VEA DP	+1.6%
VEA/DRCA	+21.2%
VEA/DRCA/MRCA	+0.0%

Baseline growth

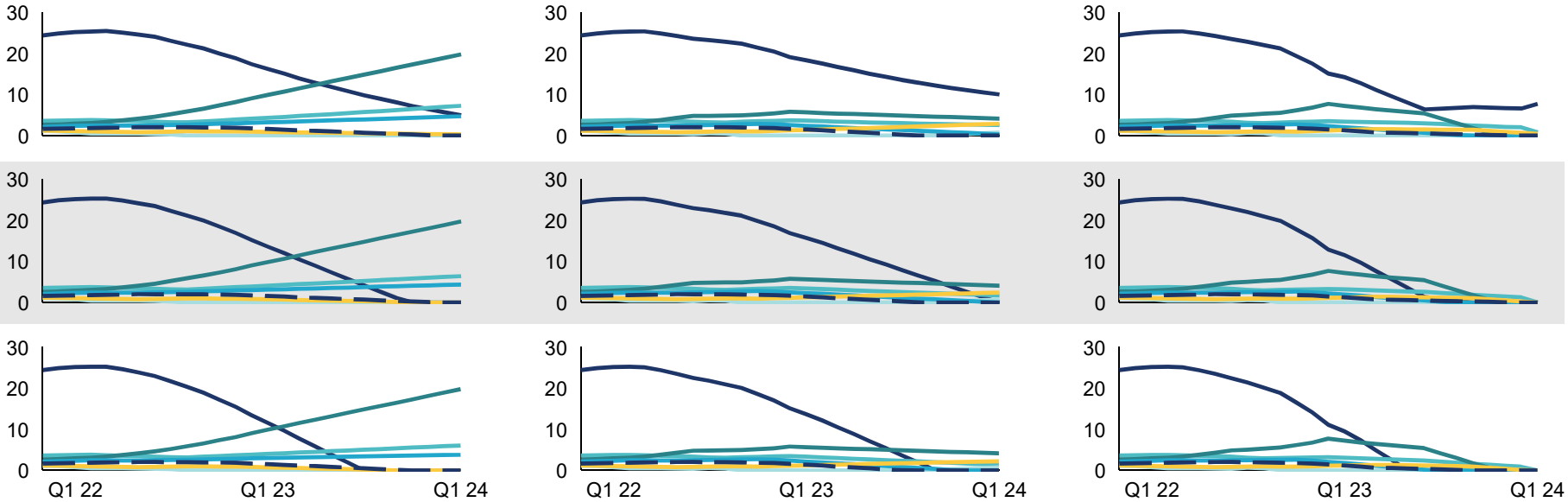
Growth in claims received p.a.

MRCA IL	+1.5%
DRCA IL	+10.0%
VEA DP	+1.5%
VEA/DRCA	+0.0%
VEA/DRCA/MRCA	+0.0%

Low demand

Growth in claims received p.a.

MRCA IL	-10.1%
DRCA IL	+10.0%
VEA DP	-8.9%
VEA/DRCA	-4.4%
VEA/DRCA/MRCA	-9.3%



1. For MRCA IL, MRCA PI, DRCA IL, DRCA PI, VEA DP, dual-act, and tri-act claims

Assumptions for migration of multi-act claims: starting multi-act claims on hand and claims received are migrated to the claim type in the backlog aligned to the processing FTE that will ultimately determine these claims; based on observed migration in the months of Aug-Oct 2021, for tri-act claims, 70% migrate to MRCA IL, 11% to DRCA IL, 3% to VEA DP, 4% to VEA/DRCA, and 12% remain tri-act. For VEA/DRCA claims, 34% migrate to DRCA IL, 25% to VEA DP, and 40% remain dual-act. The un-migrated number of tri-act claims is defined by eligibility owing to period of service, not acts under which claims are actually submitted

Demand assumptions: for IL and DP claims received per month begins at the 3-month average observed claims received for Aug-Oct 2021; these are 2503 claims per month for MRCA IL, 368 for DRCA IL, 249 for VEA DP, 124 for VEA/DRCA, and 140 for VEA/DRCA/MRCA. Demand for PI lodgements is assumed to be a fixed ratio to demand for IL acceptances under the same act equal to the average ratio observed over the past 12 months in Client Benefits National Summary data – these are 58% for MRCA PI, and 222% for DRCA PI. The growth rates (low/base/high) are -10.1%/1.5%/22.7% for MRCA IL, 10.0%/10.0%/18.7% for DRCA IL, -8.9%/1.5%/-1.6% for VEA DP, -4.4%/0%/21.2% for VEA/DRCA, and -9.3%/0%/0% VEA/DRCA/MRCA

Supply assumptions: Forecast FTE provided by DVA is adjusted to align with observed actual processing FTE in Client Benefits National Summary data and therefore includes shrinkage due to delegates in training, leave, mixed benefits processing (28% shrinkage). Projections of forecast FTE assume 343 FTEs remain deployed until December 2023 (i.e., after current funding expires in June 2023). FTE are reallocated between claim types by initiatives in charts featuring prioritised initiatives. Time to complete a given claim is assumed equal to the value implied from average determinations and average allocated claims in Aug-Sep 2021, ranging from 95 days (VEA/DRCA) to 214 days (DRCA IL). Touch time is equal to the value implied from average determinations in Aug-Sep 2021 and assumed time available to a delegate per month (21.25 days x 7.5 hours per day), ranging from 3.4h (DRCA PI) to 14.4h (VEA/DRCA/MRCA). Determination rates are calculated from assumed available delegate hours for processing and touch time per claim.

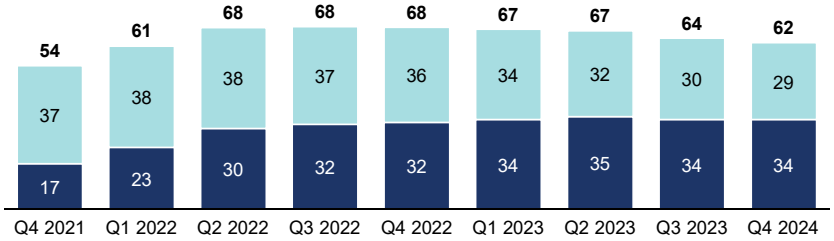
Source: DVA Pilot Initiatives model; DVA claims and FTE forecasting report, 17 Nov 2021; data on migration and withdrawals provided by Victoria Benz on 18 Nov 2021; bottom-up evaluation of 150 sample claims for touch time and time to complete; August 2021 DVA Client Benefits National Summary Data for FTE shrinkage

In-train and priority initiatives are expected both to decrease total claims on hand and increase processing capacity

Claims on hand above processing capacity
Processing capacity

B No initiatives, forecast FTE

Total claims on hand and processing capacity[1,2], thousand

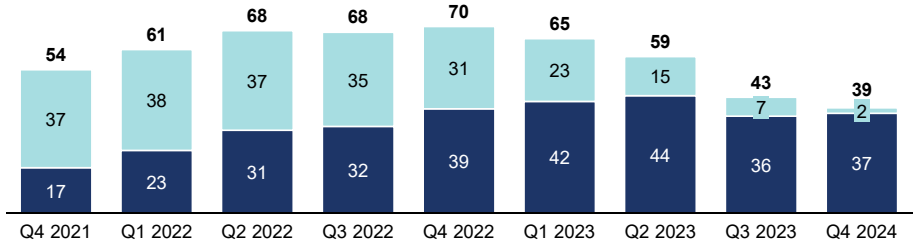


Processing capacity per FTE (number of claims)

MRCA IL	156	178	184	178	178	178	184	178	178
DRCA IL	214	229	237	229	229	229	237	229	229
MRCA PI	77	108	112	108	108	108	112	108	108
DRCA PI	174	194	200	194	194	194	200	194	194
VEA DP	114	108	111	108	108	108	111	108	108
VEA/DRCA	34	33	34	33	33	33	34	33	33
VEA/DRCA/MRCA	58	54	55	54	54	54	55	54	54

F 6 in-train + 5 prioritised initiatives with no policy/ budget change

Total claims on hand and processing capacity[1,2], thousand



Processing capacity per FTE (number of claims)

156	183	193	261	279	307	333	322	322
214	238	247	288	301	305	319	308	308
77	109	113	112	114	116	120	116	116
174	194	201	200	205	207	216	209	209
114	110	113	131	135	135	140	135	135
34	33	34	37	38	38	39	38	38
58	54	56	59	63	66	70	68	68

1. For MRCA IL, MRCA PI, DRCA IL, DRCA PI, VEA DP, dual-act, and tri-act claims; 2. Processing capacity assumed to be the product of average time to complete and the determination rate in total claims per month for each claim type, where baseline time to complete is a function of historical allocated claims and determination rates

Assumptions for migration of multi-act claims: starting multi-act claims on hand and claims received are migrated to the claim type in the backlog aligned to the processing FTE that will ultimately determine these claims; based on observed migration in the months of Aug-Oct 2021, for tri-act claims, 70% migrate to MRCA IL, 11% to DRCA IL, 3% to VEA DP, 4% to VEA/DRCA, and 12% remain tri-act. For VEA/DRCA claims, 34% migrate to DRCA IL, 25% to VEA DP, and 40% remain dual-act. The un-migrated number of tri-act claims is defined by eligibility owing to period of service, not acts under which claims are actually submitted

Demand assumptions: for IL and DP claims received per month begins at the 3-month average observed claims received for Aug-Oct 2021; these are 2503 claims per month for MRCA IL, 368 for DRCA IL, 249 for VEA DP, 124 for VEA/DRCA, and 140 for VEA/DRCA/MRCA. Demand for PI lodgements is assumed to be a fixed ratio to demand for IL acceptances under the same act equal to the average ratio observed over the past 12 months in Client Benefits National Summary data – these are 58% for MRCA PI, and 222% for DRCA PI. The growth rates (low/base/high) are -10.1%/1.5%/22.7% for MRCA IL, 10.0%/10.0%/18.7% for DRCA IL, -8.9%/1.5%/-1.6% for VEA DP, -4.4%/0%/21.2% for VEA/DRCA, and -9.3%/0%/0% VEA/DRCA/MRCA

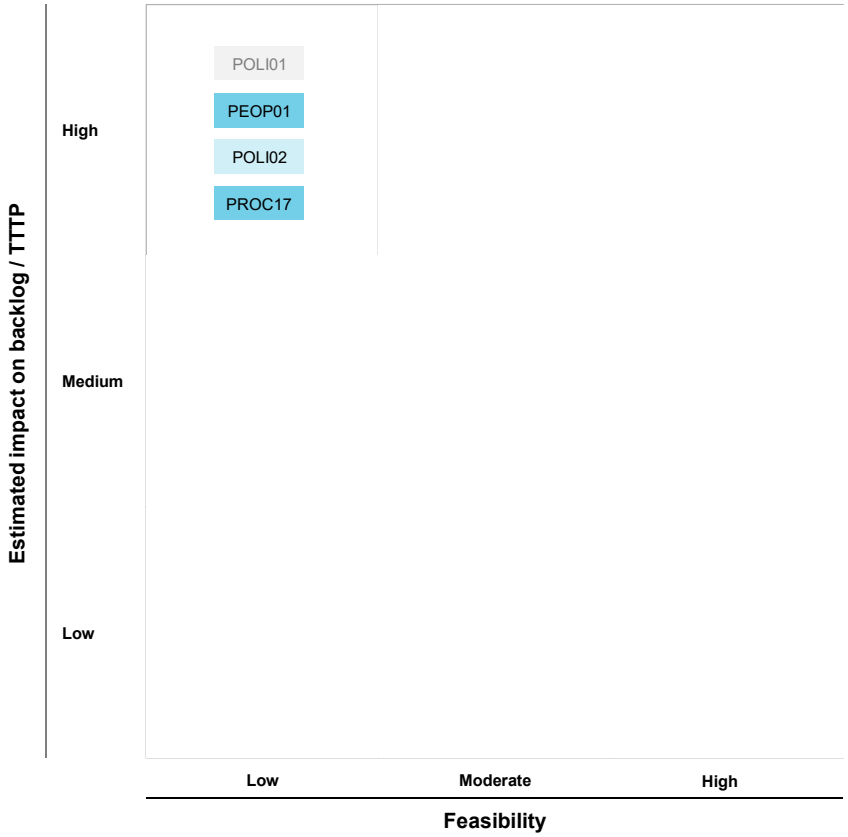
Supply assumptions: Forecast FTE provided by DVA is adjusted to align with observed actual processing FTE in Client Benefits National Summary data and therefore includes shrinkage due to delegates in training, leave, mixed benefits processing (28% shrinkage). Projections of forecast FTE assume 343 FTEs remain deployed until December 2023 (i.e., after current funding expires in June 2023). FTE are reallocated between claim types by initiatives in charts featuring prioritised initiatives. Time to complete a given claim is assumed equal to the value implied from average determinations and average allocated claims in Aug-Sep 2021, ranging from 95 days (VEA/DRCA) to 214 days (DRCA IL). Touch time is equal to the value implied from average determinations in Aug-Sep 2021 and assumed time available to a delegate per month (21.25 days x 7.5 hours per day), ranging from 3.4h (DRCA PI) to 14.4h (VEA/DRCA/MRCA). Determination rates are calculated from assumed available delegate hours for processing and touch time per claim.

Source: DVA Pilot Initiatives model; DVA claims and FTE forecasting report, 17 Nov 2021; data on migration and withdrawals provided by Victoria Benz on 18 Nov 2021; bottom-up evaluation of 79 sample claims for touch time and time to complete; August 2021 DVA Client Benefits National Summary Data for FTE shrinkage

Contents

There are 26 additional ideas to explore to help clear the backlog sooner or decrease time to process

Prioritised initiative | Ideas within 2 years | Ideas beyond 2 years



	Initiative #	Initiative	DVA only	Budget required	Legisla-tion	Systems change
Could be delivered within 2 years	PEOP06	Triage complete claims for processing	✓			
	POLI06	Partner with external organisations to adopt best practices	✓			
	PROC06	Identify advocates who submit complete claims	✓			
	PROC11	Phase out paper claims	✓			
	PEOP08	Incentivise performance through reprofiling APS levels	✓			
	POLI08	Extend 'refuse to deal'	✓			
	PROC13	Prevent allocation of MRCA PI claims, where client has an undetermined MRCA IL claim	✓			
	POLI02	Automate Initial Liability for high volume claims in backlog		✓	✓	✓
	POLI07	Establish fee schedule to accelerate turnaround of external medical reports	✓	✓		
	PROC15	Review DVA letters for tone and messaging		✓		✓
	SYST01	Centralise inbound client contact		✓		✓
	SYST18	Recommend conditions that are likely to co-occur and be accepted to be added to the same claim	✓	✓		
Could require longer than 2 year delivery horizon	PEOP01	Establish regional processing hubs		✓		✓
	POLI04	Align PIG and GARP to streamline claims investigations across Acts		✓	✓	✓
	POLI09	Review SOP factors to aid delegate decision making			✓	✓
	POLI11	Reduce need to conduct full IL investigations for new conditions resulting from aggravated determined conditions identified in PI claims		✓	✓	✓
	POLI12	Harmonise legislation across VEA, DRCA & MRCA		✓	✓	✓
	PROC03	Auto-capture liability for serving veterans		✓	✓	✓
	PROC17	Automate acceptance of compensation claims on KPI due date		✓	✓	✓
	SYST08	Automate registration and screening		✓		✓
	SYST10	Improve guidance to delegates on claims processing via Operational Blueprint		✓		✓
	SYST11	Launch claims tracking software for delegates		✓		✓
	SYST12	Establish combined benefits processing module for delegates		✓		✓
	SYST15	Set up digital tracker of claims status on MyService		✓		✓
	SYST16	Create determination module in ISH		✓		✓
	SYST17	Enable ISH to automatically update claim offsetting outcomes		✓		✓

Source: Long list of initiatives generated via interviews with DVA stakeholders between 27 September – 3 December 2021. Multiple similar non-prioritised ideas have been consolidated into final set of 26 ideas for consideration post engagement.

Additional ideas to clear the backlog have been sequenced based on whether they are within DVA's control, or could be delivered within two years

XX Ideas included as potential options to clear the backlog by June 2023

	Initiatives identified and prioritised in this sprint	**Additional ideas for immediate implementation** alongside 11 prioritised initiatives Ideas are fully within DVA's control and could be funded within BAU budgets	**Ideas that could be delivered within 2 years** that require additional budget, policy change/ legislation and/ or major systems changes	**Ideas with longer than 2 year delivery timescales** that require additional budget, policy change/ legislation and/ or major systems changes Ideas primarily seek to automate & digitise claims processing steps or artefacts delegates use to investigate claims
Descrip-tion				
Initiatives / ideas to include in horizon	• PEOP02: Improve delegate productivity through the institution of lean management practices • PEOP04: Reallocate FTE by claim type • PEOP05: Establish tiger team for complete MRCA IL claims • POLI01: Extend non-liability healthcare conditions • POLI03: Review SOP diagnostic protocols • POLI05: Better manage incoming claims from serving members of Defence • PROC02: Support clients to submit completed claims • PROC05: Develop guidance and digital forms for External Medical Providers • PROC09: Direct non-claims processing work to coordinated support team • SYST02: Expand eligibility for computer-supported decision making • SYST14: Notify clients of acceptance rates for low acceptance conditions	• PEOP06: Triage complex claims for processing • PEOP08: Incentivise performance through reprofiling APS levels • POLI06: Partner with external organisations to adopt best practices • POLI08: Extend 'refuse to deal' to idle claims • PROC06: Identify advocates who submit complete claims • PROC11: Phase out paper claims • PROC13: Prevent allocation of MRCA PI claims, where client has an undetermined MRCA IL claim	• POLI02: Automate Initial Liability for high volume claims in backlog • POLI07: Establish fee schedule to accelerate turnaround of external medical reports • PROC15: Review DVA letters for tone and messaging • SYST01: Centralise inbound client contact • SYS18: Recommend conditions that are likely to co-occur and be accepted to be added to the same claim	• PEOP01: Establish regional processing hubs • POLI04: Align PIG and GARP to streamline claims investigations across Acts • POLI09: Review SOP factors to aid delegate decision making • POLI11: Reduce need to conduct full IL investigations for new conditions resulting from aggravated determined conditions identified in PI claims • POLI12: Harmonise legislation across VEA, DRCA & MRCA • PROC03: Auto-capture liability for serving veterans • PROC17: Automate acceptance of compensation claims on KPI due date • SYST08: Automate registration and screening • SYST10: Improve guidance to delegates on claims processing via Operational Blueprint • SYST11: Launch claims tracking software for delegates • SYST12: Establish combined benefits processing module for delegates • SYST15: Set up digital tracker of claims status on MyService • SYST16: Create determination module in ISH • SYST17: Enable ISH to automatically update claim offsetting outcomes

Source: Long list of initiatives generated via interviews with DVA stakeholders between 27 September – 3 December 2021. Multiple similar non-prioritised ideas have been consolidated into final set of 26 ideas for consideration post engagement.

The DVA could elect to accelerate prioritised initiatives and implement additional ideas to clear the remaining backlog by June 2023

Ideas and high level expected impact aimed at eliminating backlog by June 2023

Options for DVA	Description	Included initiatives/ ideas	High level sizing of potential additional impact on claims processed, thousands[1]	What you would need to believe to see idea delivered
Accelerate/ expand prioritised initiatives	Enhance impact of proposed initiatives by: • Acceleration of key delivery milestones • Expand breadth or scope of initiatives	PEOP02: Lean management – estimate reduction in shrinkage achieved through lean management[2]	3 2	DVA can get an accurate measure of shrinkage, and this could be reduced by 7%, as per public sector benchmarks
		POLI05: Defence – begin requirement of serving member PI category review 6 months earlier[3]	2 1	With ministerial push, Commissioner and Defence approval could be achieved earlier
		PROC05: Digitise forms – bring forward delivery of digital forms by 1 year[4]	<1	DVA could secure budget and deliver systems changes by January 2023
		SYST02: CSDM – bring forward delivery of computer supported decision making for all STP/ Streamlined conditions by 6 months months[5]	<1	DVA could secure budget and deliver systems changes by June 2022
Ideas that could be delivered within 2 years	Actively deploy identified incremental process fixes	POLI08: Extend refuse to deal – close claims on hand in DRCA where client has not responded to offer letter[6]	1 1	DVA could expand use of existing powers to claims over 500 days old with no client response
	Chose to deploy ideas that will require policy changes/ legislation, additional budget and/or systems changes	PEOP04: Reallocation of FTEs – Apply SOPs to DRCA claims in January 2023 and realise training efficiency gains[7]	10 7	DVA could achieve legislation could change by September 2022 and can reduce time to cross train delegates by 50%
		POLI02: Auto accept IL claims in backlog[8]	5 3	DVA would auto accept conditions with 85% acceptance rates and achieves legislation change to enable this by June 2022
		SYST16: Create determination module in ISH - pre-populate determination letters for delegates[9]	3 2	ISH system upgrade could be deployed by January 2023

Initiatives/ ideas presented here represent those that would most likely aid DVA in clearing the remaining backlog as of June 2023

Initiatives/ ideas are all independent of each other, with DVA able to select which and when to deploy initiatives as opposed to deploying more FTEs

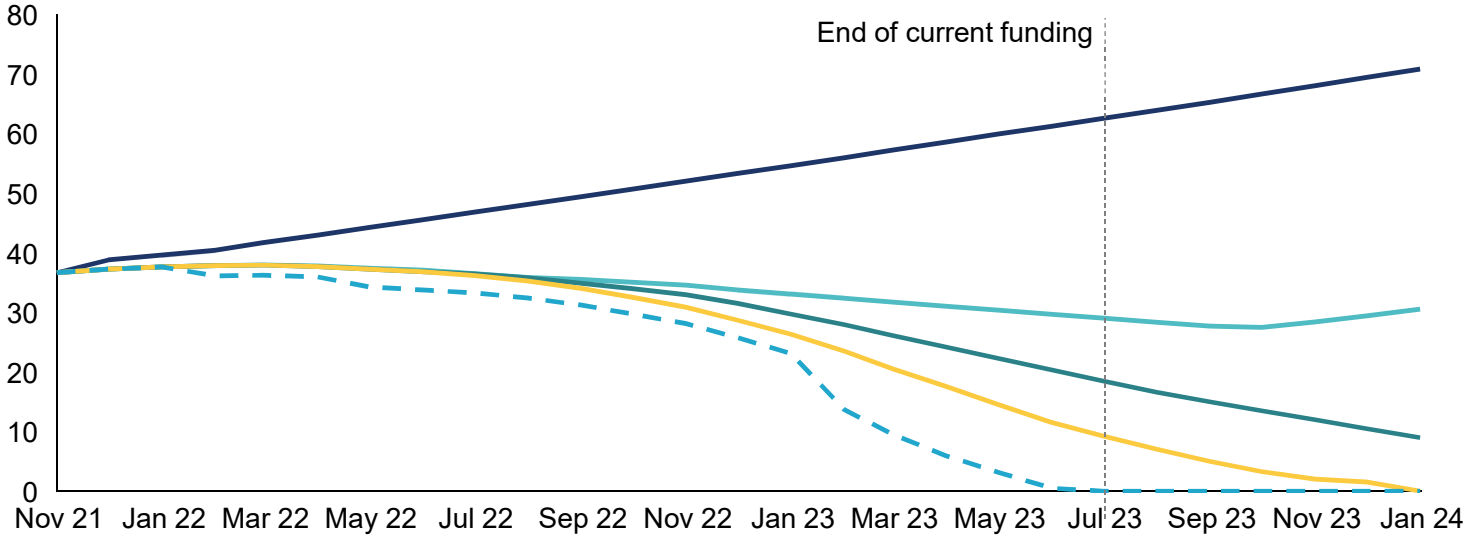
1. Sizings presented here represent the difference (additional) impact on the backlog compared to the optimistic cases for existing initiatives for MRCA-IL only. Does not reflect additional demand inflows e.g., PI claims generated from accelerated determination of IL claims. Sizings are not cumulative, based on high level estimated and should be considered as indicative only.
2. Calculation assumes 7p.p reduction in shrinkage from 0% in April 22 to 100% in April 23 with linear ramp up for all claim types
3. Same sizing as previous with bringing forward milestones by 6 months with 0% ramp up in Jan 23 to 100% in April 23 with linear ramp up
4. Calculation assumes digital forms deployed from January 2023
5. Assumes CBDM extended to all STP/ Streamlined conditions from June 2022
6. Assumes DRCA PI claims over 500 days are eligible for refuse to deal, while delegates waits for client to respond to offer
7. Assumes standardising SOPs across all Acts will reduce delegate cross-Act training requirements by 50%
8. Assumes all single condition claims for conditions with historical acceptance rates of above 85% are automatically accepted
9. Assumes delegate can automatically populate Determination letter, reducing Determination stage touch time to 10 mins across claims

It may be possible to eliminate the claims backlog by June 2023 by accelerating and implementing these initiatives

- A — No initiatives, current FTE
- C — 6 in-train initiatives only, including forecast FTE
- F — 6 in-train + 5 prioritised initiatives with no policy/ budget change
- G — 6 in-train + 11 prioritised initiatives
- J — Stretch case: 6 in-train + 11 prioritised initiatives of which 4 accelerated + 4 additional ideas

Backlog for MRCA IL, MRCA PI, DRCA IL, DRCA PI, VEA DP, dual-act, and tri-act claims

Claims on hand above processing capacity, thousand



Assumptions for migration of multi-act claims: starting multi-act claims on hand and claims received are migrated to the claim type in the backlog aligned to the processing FTE that will ultimately determine these claims; based on observed migration in the months of Aug-Oct 2021, for tri-act claims, 70% migrate to MRCA IL, 11% to DRCA IL, 3% to VEA DP, 4% to VEA/DRCA, and 12% remain tri-act. For VEA/DRCA claims, 34% migrate to DRCA IL, 25% to VEA DP, and 40% remain dual-act. The un-migrated number of tri-act claims is defined by eligibility owing to period of service, not acts under which claims are actually submitted

Demand assumptions: All figures are in net claims, i.e. subtracting withdrawals. Net PI lodgements demand is assumed to be a fixed ratio to IL acceptances under the same act, set to the average ratio observed over the past 12 months in Client Benefits National Summary data – these are 58% for MRCA PI, and 222% for DRCA PI. Net IL and DP claims received per month begins at the 3-month average observed claims received for Aug-Oct 2021; these are 2503 claims per month for MRCA IL, 368 for DRCA IL, 249 for VEA DP, 124 for VEA/DRCA, and 140 for VEA/DRCA/MRCA. These are assumed to grow 1.5% for MRCA IL and VEA DP, 10% for DRCA IL, and 0% for VEA/DRCA and VEA/DRCA/MRCA.

Supply assumptions: For the dark blue line (current FTE), FTE are assumed to stay constant at 186 FTE, as reported for September 2021. Forecast FTE provided by DVA is adjusted to align with observed actual processing FTE in Client Benefits National Summary data and therefore includes shrinkage due to delegates in training, leave, mixed benefits processing (28% shrinkage). Projections of forecast FTE assume 343 FTEs remain deployed until December 2023 (i.e., after current funding expires in June 2023). FTE are reallocated between claim types by initiatives in lines featuring prioritised initiatives. Time to complete a given claim is assumed equal to the value implied from average determinations and average allocated claims in Aug-Sep 2021, ranging from 95 days (VEA/DRCA) to 214 days (DRCA IL). Touch time is equal to the value implied from average determinations in Aug-Sep 2021 and assumed time available to a delegate per month (21.25 days x 7.5 hours per day), ranging from 3.4h (DRCA PI) to 14.4h (VEA/DRCA/MRCA). Determination rates are calculated from assumed available delegate hours for processing and touch time per claim.

Source: DVA Pilot Initiatives model; DVA claims and FTE forecasting report, 17 Nov 2021; Data on migration and withdrawals provided by Victoria Benz on 18 Nov 2021; bottom-up evaluation of 150 sample claims for touch time and time to complete; August 2021 DVA Client Benefits National Summary Data for FTE shrinkage

Detailed insights

- In order to eliminate claims on hand above processing capacity by Jun 23, DVA would need to adopt an ambitious strategy to accelerate and expand prioritised initiatives and introduce several other ideas
- Accelerated and expanded initiatives include improving lean management, bringing forward serving member PI claim review, accelerating form digitisation, and bringing forward computer-supported decision making
- Other ideas include increasing available working hours, closing non-respondent claims in DRCA, aligning SOP factors between MRCA and DRCA IL (to enable faster FTE retraining), automated acceptance of IL claims, and creating a determination module in ISH

Major assumptions

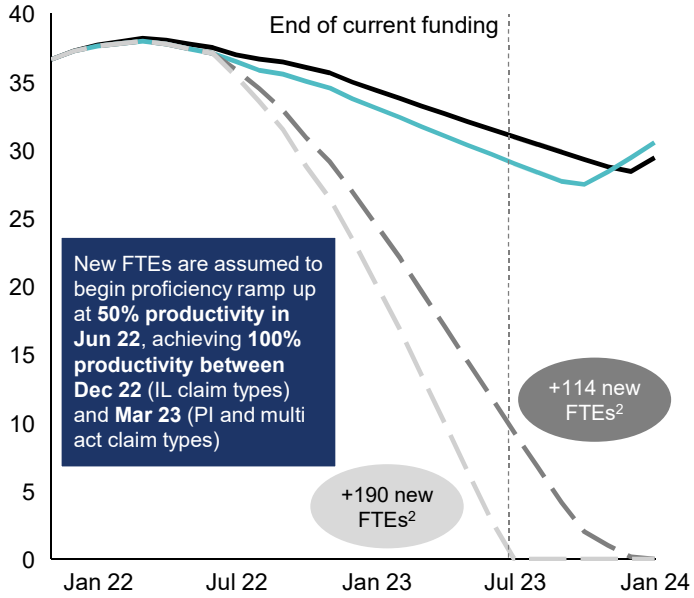
- Reported multi-act claims on hand and claims received are “migrated” to the claim type that they will be determined under
- The ratio of forecast PI lodgements to IL acceptances is fixed at the 12-month historical average ratio
- Net claims received per month begins at the 3-month historical average value for Aug-Oct 21 and grows by a fixed percentage depending on claim type
- Forecast FTE is adjusted down by 28% of projection to align with observed shrinkage
- Processing capacity is a function of time to complete, determination rate, and FTE, starting at a total of ~17.0k claims and ~33.5k claims under forecast FTE, assuming no other changes

Alternatively, the Department could choose to further increase resourcing by 73 FTEs to clear the backlog by June 2023

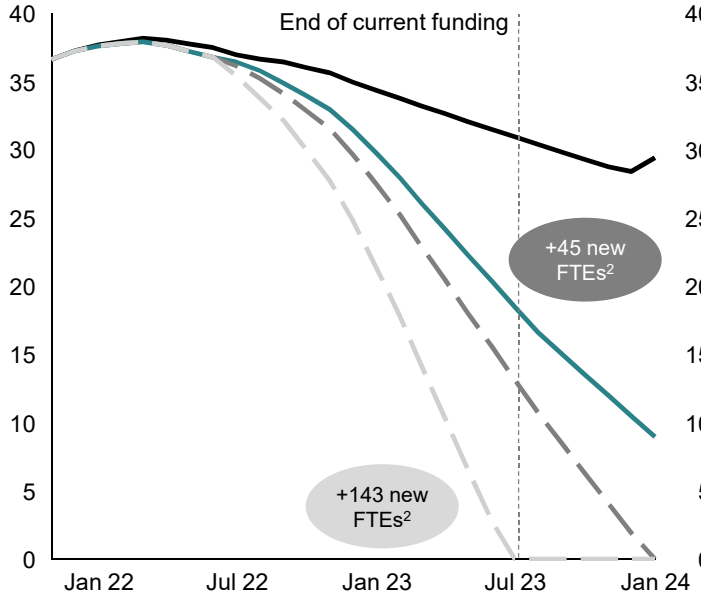
Claims on hand above processing capacity under baseline growth demand case[1], thousand

B — No initiatives, forecast FTE
F — 6 in-train + 6 prioritised initiatives with no policy/ budget change
C — 6 in-train initiatives only, including forecast FTE
G — 6 in-train + 11 prioritised initiatives
Adding FTEs required to clear the backlog by Dec 23
Adding FTEs required to clear the backlog by Jun 23

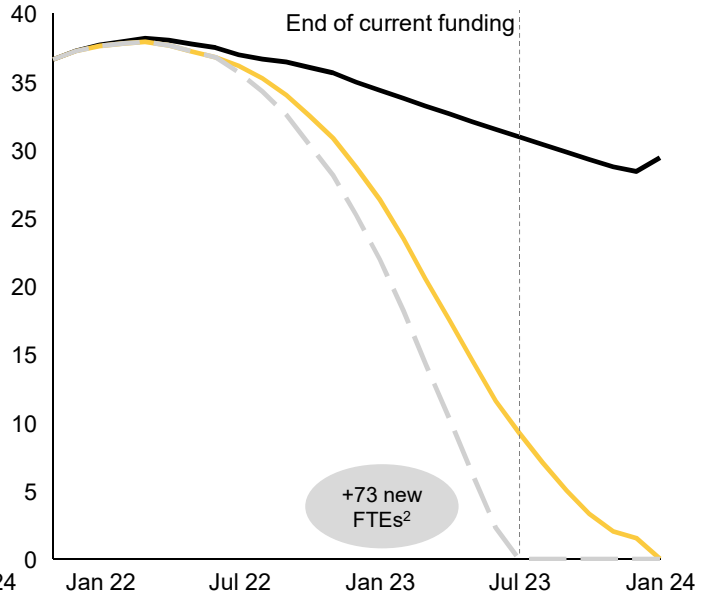
C 6 in-train initiatives only, including forecast FTE



F 6 in-train initiatives + 6 prioritised initiatives within DVA control



G 6 in-train initiative + 11 prioritised initiatives



1. For MRCA IL, MRCA PI, DRCA IL, DRCA PI, VEA DP, dual-act, and tri-act claims; 2. FTE figures include effects of shrinkage, i.e. this is the number of processing FTE required when shrinkage is accounted for

Assumptions for migration of multi-act claims: starting multi-act claims on hand and claims received are migrated to the claim type in the backlog aligned to the processing FTE that will ultimately determine these claims; based on observed migration in the months of Aug-Oct 2021, for tri-act claims, 70% migrate to MRCA IL, 11% to DRCA IL, 3% to VEA DP, 4% to VEA/DRCA, and 12% remain tri-act. For VEA/DRCA claims, 34% migrate to DRCA IL, 25% to VEA DP, and 40% remain dual-act. The un-migrated number of tri-act claims is defined by eligibility owing to period of service, not acts under which claims are actually submitted

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Supply assumptions: Forecast FTE provided by DVA is adjusted to align with observed actual processing FTE in Client Benefits National Summary data and therefore includes shrinkage due to delegates in training, leave, mixed benefits processing (28% shrinkage). Projections of forecast FTE assume 343 FTEs remain deployed until December 2023 (i.e., after current funding expires in June 2023). FTE are reallocated between claim types by initiatives in charts featuring prioritised initiatives. Time to complete a given claim is assumed equal to the value implied from average determinations and average allocated claims in Aug-Sep 2021, ranging from 95 days (VEA/DRCA) to 214 days (DRCA IL). Touch time is equal to the value implied from average determinations in Aug-Sep 2021 and assumed time available to a delegate per month (21.25 days x 7.5 hours per day), ranging from 3.4h (DRCA PI) to 14.4h (VEA/DRCA/MRCA). Determination rates are calculated from assumed available delegate hours for processing and touch time per claim.

Source: DVA Pilot Initiatives model; DVA claims and FTE forecasting report, 17 Nov 2021; data on migration and withdrawals provided by Victoria Benz on 18 Nov 2021; bottom-up evaluation of 150 sample claims for touch time and time to complete; August 2021 DVA Client Benefits National Summary Data for FTE shrinkage

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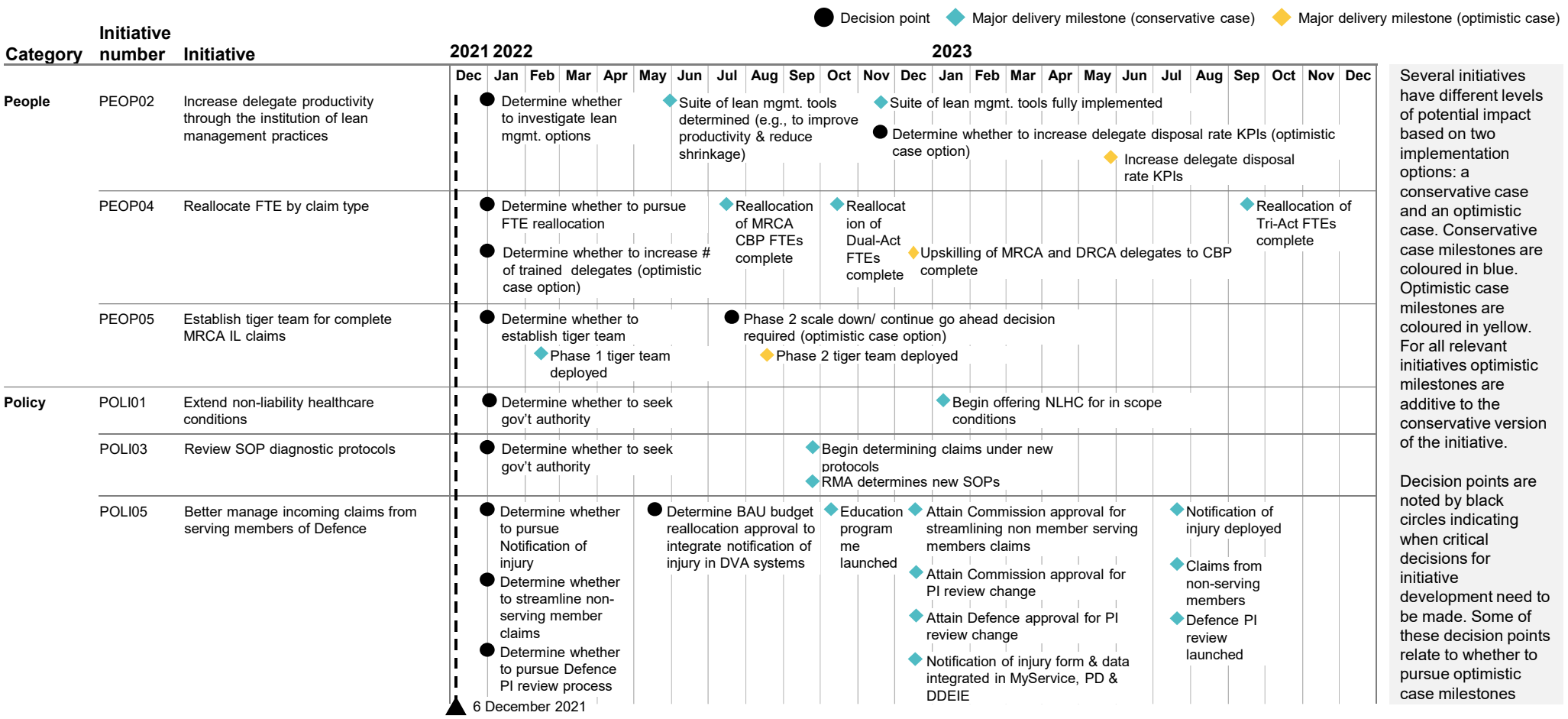
Potential roadmap to deliver new initiatives (1/2)

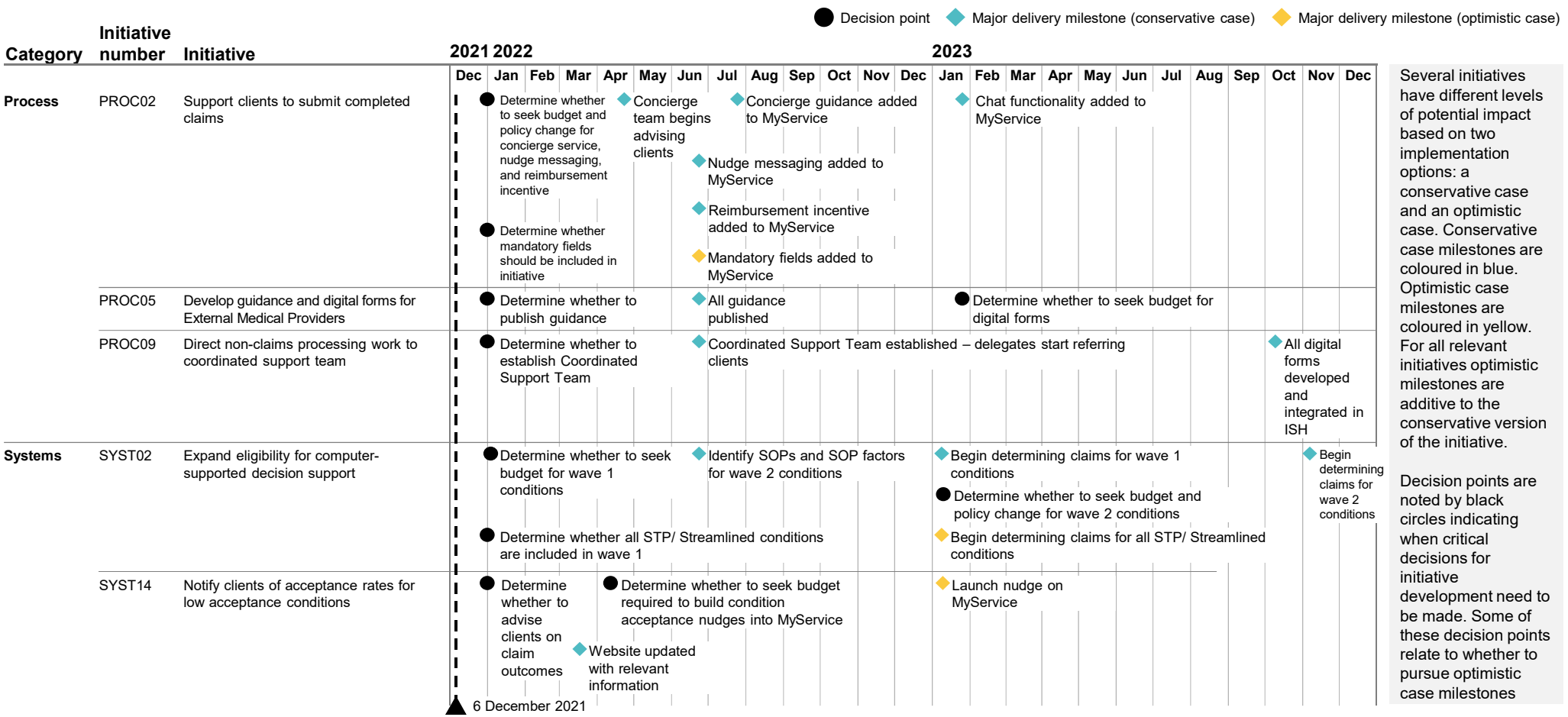


Several initiatives have different levels of potential impact based on two implementation options: a conservative case and an optimistic case. Conservative case milestones are coloured in blue. Optimistic case milestones are coloured in yellow. For all relevant initiatives optimistic milestones are additive to the conservative version of the initiative.

Decision points are noted by black circles indicating when critical decisions for initiative development need to be made. Some of these decision points relate to whether to pursue optimistic case milestones

Sources: Decision and delivery milestones timeline developed from individual initiative milestone plans, co-developed with DVA stakeholders (1 November – 3 December 2021)

Potential roadmap to deliver new initiatives (2/2)



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DVA will need to mitigate certain risks in order to deliver full set of initiatives at the proposed timeframes

Deep dive on next page

Major risks to delivery of initiatives	Potential options to mitigate risks

1 **Limited capacity of Client Benefits Division to execute initiatives** of the scale required both simultaneously and alongside other packages of work	• **Establish transformation office** with mandate to oversee, direct support to, and track implementation of initiatives:
	  • A transformation office could relieve pressure on initiative owners by providing direct problem solving support and access to resources to initiative owners
	  • Operating on a regular cadence of check ins with initiative owners could ensure the transformation office has early oversight of risk milestones, enabling early action to mitigate delays to initiative delivery

2 **Ability to secure support of PM&C and Services Australia** to fund and schedule required work packages to implement initiatives	• **Make decisions on initiative development by January** to enable time to proposals for March budget • **Engage early with Services Australia** to discuss options for delivery of work packages • **Review current VCR schedule of work** and prioritise work packages across VCR and new initiatives to ensure the optimal sequence of delivery of the most impactful work packages
3 **Limited ability to oversee and manage impact of initiatives on backlog clearance** driven by lack of existing reports and tracked metrics that measure the variables initiatives are targeting, preventing course correction in real time where it may be required	• **Establish a set of reporting enablers of operational excellence** to improve oversight and tracking of initiative delivery**:** • Newly reported metrics could track variables on claim investigation outcomes (e.g., time to complete) and variables that initiatives target (e.g., shrinkage)

Source: Based on interviews with DVA stakeholders, October- November 2021

Potential reporting enablers of operational excellence

Reporting enabler	Reasoning
Report mean Total Time To Process rather than median	Median TTTP skews towards claims that are prioritised and thus yields shorter times compared to averages; as the backlog is cleared, the proportion of previously de-prioritised claims determined will increase, and reporting averages will yield a smaller increase in TTTP than reporting medians
Track and report average time to complete/ assigned time to process	Time to complete measures the true processing efficiency, and would assist in the identification and troubleshooting of bottlenecks
Track and report average time in queue	Tracking average queue time allows for the business to identify if changes to total time to process are driven by a change in demand or a change in processing efficiency; increases in demand with no change in processing capacity will yield a longer average queue time
Track shrinkage	Currently, only shrinkage due to leave is tracked; tracking other forms of shrinkage such as tech outages and non-processing time would enable the DVA to identify opportunities to improve efficiency across processing centres and share best practices
Report rolling average migration of claims from receival Act(s) to determination Act(s)	Since eligibility for a given Act is determined after claim lodgement, the Act under which a claims is determined drives processing effort more than the Act under which a claim is received; tracking migration could thus enable the business to allocate processing FTE to the claim types for which the most processing effort is required instead of the claim types for which the greatest inflow is reported

Source: Interviews with DVA staff; interviews with global lean management experts; August 2021 DVA Client Benefits National Summary Data

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Appendices

1. Drivers of the current state
2. Process and experience pain points
3. Initiatives to address the backlog
4. Projection of backlog clearance
5. Additional ideas to bring forward backlog clearance
6. Implementation roadmap
7. Appendices
   - **Prioritised initiatives and supporting material**
   - Further ideas for claims processing
   - Detailed process breakdown
   - Insights on veteran and staff experience
   - Pilot Initiatives Model supporting material
   - Example model outputs and sensitivity analysis

Prioritised initiatives to follow

Initiative number	Description
PROC02	Support clients to submit completed claims
PROC05	Develop guidance and digital medical forms for External Medical Providers
PROC09	Direct non-claims processing work to complex case team
POLI01	Extend non-liability healthcare conditions
POLI03	Review SOP diagnostic protocols
POLI05	Revaluate the role of Defence for claims processing
SYST02	Expand computer-supported decision making
SYST14	Notify clients of acceptance rates for low acceptance conditions
PEOP02	Institute Lean management practices
PEOP04	Reallocation of FTE by claim type
PEOP05	Establish tiger team for complete MRCA IL claims

PROC02 – Support clients to submit complete claim applications

Initiative sponsor Vicki Rundle **Initiative owner** Michael Harper

Description

Support clients to submit complete claim applications via three key elements:
- Provide concierge service, via call centre, MyService guidance, and online chat function to advise veterans/ advocates on preparing IL and VEA DP claims
- Utilise nudges on MyService about specific claim requirements and processing times for complete applications,
- Incentivise submission of diagnoses by offering to reimburse costs

There is also an option to use mandatory fields in MyService to ensure clients provide all necessary information

Context and assumptions

- It is estimated that ~95% of claims are submitted without required details to process claims[1], while 30-80% of claims require referrals for further information once allocated to a delegate[2]
- Claims submitted by advocates are generally more 'complete', suggesting that when a client is advised on making a claim, claim quality improves facilitating a more efficient investigation[3]
- Initiative expects reduction in investigation time from 5-50%, with greatest benefit seen in MRCA IL, given conditions are more recent and should have better quality information[4]
- Initiative assumes that nudges will successfully influence ~8% of clients to submit complete applications[5], with reimbursement achieving a ~7% uplift[6], with concierge service increasing complete applications by ~90%[7]
- Should DVA opt to mandate submission of complete claims, we could expect ~12% to require follow up[8]

Implementation

Milestones	Owner	Start	Complete
Complete claim application defined, and published on website & MyService	Michael Harper	Dec 21	Jan 22
Concierge team established: hiring and training of APS4 concierge FTE completed, procedures/ documentation/ scripts prepared, and pilot launched	Michael Harper	Jan 22	Mar 22
Telephone line established and concierge service launched	Michael Harper	Mar 22	Apr 22
Nudge messaging added to MyService	Michael Harper	Mar 22	Jun 22
Reimbursement notice added to MyService	Michael Harper	Mar 22	Jun 22
Guidance notes on filling in forms added to MyService	Michael Harper	Feb 22	Jul 23
Chat bot functionality added to MyService	Michael Harper	Jul 22	Jan 23

Net impact over time		Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23
Backlog[9]	# claims/qr	0	-1159	-4792	-8742	-11075	-6855	-2,655	0
TTTC[10]	days	0.0	-9.1	-9.1	-9.1	-9.1	-9.1	-9.1	-9.1

Costs[11]

Non-FTE
- Front end changes to MyService: ~$1-4 m (depending on level of ambition)

FTE
- Ongoing call centre FTEs: ~4-7 FTEs3
- Project teams for each initiative

Risks

Risks	Mitigations
• Excessive take up of reimbursement incentive leads to large outlays	• Agree with Dept of Finance the conditions for incentive prior to launch
• Guidance from concierge team/ chat bot seen as official advice on the merits of a claim	• Use disclaimers in interactions with clients, particularly that the concierge team will not investigate claims
• ESOs scale back efforts in response to concierge team	• Co-develop service with ESOs to leverage synergies

Dependencies

Initiatives	Third parties
• Reduced time to process from point of registration dependent on stand up of tiger team (Initiative PEOP05)	• DVA screening team • Services Australia • PM&C (for budget) • ESO's informed of service and distinction with their role

1. Interview with [redacted] 23 Nov 2021 2. DVA sample claims analysis, Oct-Nov 2021
3. Interviews with DVA stakeholders, 15-25 November 2021
4. Ibid 5. Interview with CX expert, 18 Nov 2021
6. Interview with Sydney based delegates, via Victoria Benz, 23 Nov 2021
7. Interview with service operations expert, 25 Nov 2021
8. Statistic based on same of 1,162 claims classed as complete, that still required follow up requests (DVA internal research, November 2021)

9. Model outputs for MRCA IL only, 26 November: calculation assumes initiative includes 3x elements: concierge service, MyService nudges and a diagnosis reimbursement incentive applied to MRCA IL, DRCA IL and VEA DP claims. Calculation assumes that concierge service impacts ~25% of claims with an uplift in complete claim applications of ~90%; MyService nudges impact 100% of claims submitted via MyService with an uplift in complete claim applications of ~8%; Similarly the reimbursement incentive will cover 100% of claims, with an expected uplift in complete claim applications of ~7%. Complete claim applications are expected to reduce delegate touch time by 5-10% for investigation time, 10-50% for client contact time, 10-50% for referral to external medical provider time, and 95% for referral to Defence for MRCA IL claims only. Reductions in referrals to Defence touch time have been assumed to be 0% for VEA DP and DRCA IL claims given expected long length of time between service and claim. Calculation takes base demand forecast for claim inflow.
10. Provided for MRCA IL only 11. Costs are estimates only and need to be validated with Finance

PROC05 – Develop guidance and digital medical forms for External Medical Providers

Initiative sponsor Vicki Rundle **Initiative owner** Luke Brown

Description

Digitise medical forms and questionnaires and provide integrated and written guidance for external medical providers (GPs and specialists) on form requirements for claimed conditions.

Context and assumptions

- Initiative aims to reduce delegate investigation time by ~2%, time spent referring claims to External Medical Providers by 2-5%, and referral rates of claims to MACs by ~5%[1]
- Initiative will be split into two phases: phase 1 will focus on producing guidance notes, first for IL claims and later for PI claims; phase 2 will see delivery of digitised forms, first for IL, and then for PI. It is expected that use of digital forms will achieve 3 times the level of impact of provision of guidance notes themselves

Implementation

Milestones	Owner	Start date	Completion date
Guidance notes produced and syndicated for IL claims	Luke Brown	January 2022	June 2022
Guidance notes produced and syndicated for PI claims	Luke Brown	March 2022	August 2022
Communications and capability building offered to EMPs	Luke Brown	April 2022	August 2022
All IL forms reviewed and categorised into those requiring redesign and/ or digitisation	Luke Brown	June 2022	August 2022
Privacy impact assessment for IL claims completed	Luke Brown	August 2022	Sept 2022
All PI forms reviewed and categorised into those requiring redesign and/ or digitisation	Luke Brown	June 2022	Sept 2022
Privacy impact assessment for PI claims completed	Luke Brown	Sept 2022	Oct 2022
IL forms developed and integrated into ISH	Luke Brown	Sept 2022	Sept 2023
PI forms developed and integrated into ISH	Luke Brown	Oct 2022	Oct 2023

Net impact over time		Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23
Backlog[2]	**# claims/qtr.**	0	-2	-20	-52	-83	-115	-146	0
TTTC[3]	**days**	0	-0.1	-0.4	-0.5	-0.5	-0.5	-0.5	-1.8

Costs[4]

Non-FTE

- **$3-5 million Services Australia service charge** to build forms, update MyService and integrate forms into ISH

FTE

- **Total of 2.25 FTE dedicated to initiative over two years**, covering project manager, business analyst, claims and medical advisors and technical solution architect

Risks

Major Risks	Mitigations
• GPs and specialists do not use guidance notes	• Launch comms and cap. building campaign to grow awareness
• Services Australia IT capacity constraints delay forms	• Time work package with other initiatives to leverage cross benefits
• Delegates do not realise time savings from use of forms	• Provide training to delegates on new form utilisation

Dependencies

Initiatives	Third parties
• PROC02: Support clients to submit completed claims – initiative will benefit strongly from uplift of claims with medical information prior to allocation	• Services Australia WPIT programme • DVA MyService and ISH product owners

1. Interviews with delegates, 18-19 November 2021.
2. Model outputs for MRCA IL only, 2 December 2021: Calculation assumes a 2% reduction in delegate investigation time, a 2-5% reduction in interpreting medical evidence and a 5% reduction in referrals to EMPs across all claim types
3. Only includes MRCA IL claims
4. Costs are estimates only and need to be validated with Finance

PROC09 – Direct non-claims processing work to Coordinated Support team

Initiative sponsor Vicki Rundle **Initiative owner** Luke Brown

Description

Reduce delegate activity providing case management support to clients, by formally delegating responsibility for client case management to Coordinated Client Support Team. Clients would be referred to new team as their primary contact point for claim enquiries once delegate is waiting for return of requested information

Context and assumptions

- Current open door policy means that clients have unrestricted access to delegates as their claim progresses, reportedly this generates significant disruption for delegates, particularly around providing claim status updates while waiting for information to be returned[1]
- Initiative assumes that this activity takes up 10-15% of a delegates client contact time, and that that time can be delegated to a new coordinated client support team, enabling delegates to process additional claims[2]

Implementation

Milestones	Owner	Start date	Completion date
Attain sign off from DVA leadership for initiative, and agree budget proposal	Luke Brown	December 2022	January 2022
Develop revised roles and responsibilities for delegates and Coordinated Support Team	Luke Brown	January 2022	March 2022
Develop training materials for delegates and Coordinated Support Team	Luke Brown	January 2022	March 2022
Define updated handoff processes between teams and clients	Luke Brown	April 2022	April 2022
Establish team – hire staff and implement necessary resources	Leonie Nowland	April 2022	June 2022
Begin referral process of clients to the team	Luke Brown	June 2022	Ongoing

Net impact over time		Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23
Backlog[3]	**# claims/qr**	0	-32	-345	-798	-1,245	-1,693	-2,141	0
TTTC[4]	**days**	0	0	0	0	0	0	0	0

Costs[5]

Non-FTE

- N/A – no system changes required

FTE

- 0.5 FTEs to set up initiative over 6 months
- 14x FTEs on ongoing basis to staff Coordinated Support team

Risks

Major Risks	Mitigations
• Delegates miss out on client relevant information	• Provide training for Coordinate support team to pass relevant info to delegates
• Coordinated client team take on advocacy role for clients	• Define clear roles and responsibilities and hand off- content
• Potential for veterans to interpret initiative as an attempt to cut them off from decision makers	• Maintain transparency around claims process and when delegates will interact with clients

Dependencies

Initiatives	Third parties
• PROC02 Support clients to submit complete claims	• Coordinated client support branch
• PROC05 Digitise forms	• Use of administered funding (TBC)

1.Interview with Sydney based delegates, 20 October 2021
2.Based on assumptions provided by DVA Stakeholders, 4-5 November 2021
3.Model outputs for MRCA IL only, 26 November 2021: Calculation assumes all claim types are in scope for initiative, with a potential ~10% reduction in client contact time available for MRCA & DRCA claims, and a ~15% reduction for VEA DP claims, on a per claim basis. Original client contact time estimates have been derived from the sample claims analysis conducted by DVA between October and November 2021.
4.Shown for MRCA IL only
5.Costs are estimates only and need to be validated with Finance

POLI01 – Extend non-liability healthcare conditions

Initiative sponsor Vicki Rundle **Initiative owner** [redacted]

Description

Extend the number of conditions for which non-liability healthcare is provided on a preloaded white card, conditions would be covered across all Acts (MRCA, DRCA & VEA)

Context and assumptions

- For NLHC conditions, DVA currently pays for treatment for mental health conditions without accepting these conditions were service-related for clients with 1 day of continuous full-time service
- Initiative assumes 9 PAMT conditions will move to NLHC in January 2023; Acute injury conditions have been excluded to reduce risk of enabling access to incorrect treatments, given high error rates in injury diagnoses[1]
- Initiative expects reduction in demand of 4% by December 2023, following differences in claim volumes for mental health and associated conditions following addition of mental health conditions to NLHC in 2017[2]

Implementation

Milestones	Owner	Start date	Completion date
Attain sign off for agreed set of conditions/ cohorts to be included in initiative from DVA leadership	[redacted]	Dec 2021	Mar 2022
New Policy Proposal submitted	[redacted]	Dec 2021	Oct 2022
MYEFO/ Budget decision made	[redacted]	Oct 2022	Nov 2022
Legislative instruments tabled	[redacted]	Nov 2022	Jan 2023
ISH and other DVA systems and guidance updated for conditions added to NLHC	[redacted]	Nov 2022	Jan 2023
Issuing/ auto updating white cards for new set of conditions delivered	[redacted]	Jan 2023	Ongoing

1. Advice from DVA CMO, 17 November 2021
2. See footnote 2 on next page
3. Milestones assume no Autumn budget in 2022
4. Model outputs for MRCA IL only, 2 December 2021: Calculation of impact on inflow of demand assumes a 4% reduction in demand for in scope conditions by December 2023, with a linear ramp up from January 2023
5. Shown for MRCA IL only
6. Costs are estimates only and need to be validated with Finance

Net impact over time		Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23
Backlog[4]	**# claims/qr**	0	0	0	0	-11	-37	-79	0
TTTC[5]	**days**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Costs[6]

Non-FTE

- ~$2.5m in IT costs
- ~$68m in treatment costs over forward estimates

FTE

- 1.5-2 FTE to manage initiative
- 8-10 FTEs for set up phase after budget approval, with 10 FTEs required for BAU phase

Risks

Major Risks	Mitigations
• DVA does not realise a reduction in incoming claims over time	• Monitor inflow of claim rates to determine size of issue
• Provision of NLHC leads to additional usage of treatment options	• Monitor use of DVA provided treatment to determine and report on level of additional use
• Proposal amended through budget process	• Highlight preferred option in policy proposal

Dependencies

Initiatives

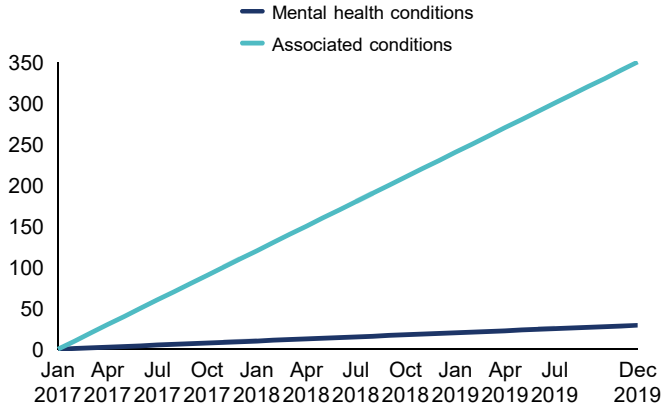
- POLI03 Review SOP diagnostic requirements
- SYST02 Expand computer-supported decision making

Third parties

- Services Australia WPIT programme

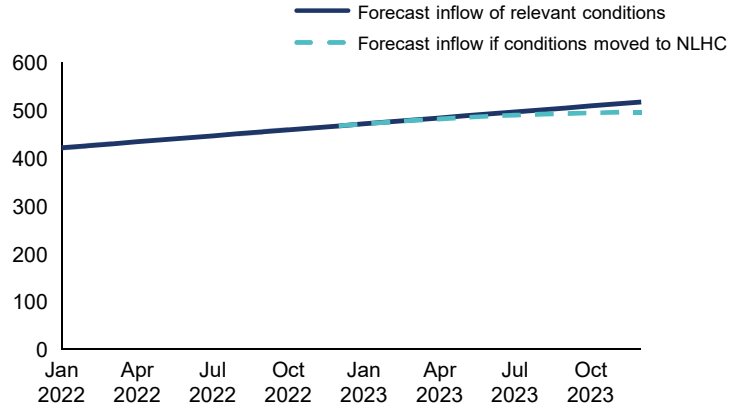
POLI01 DVA could reduce demand by ~20 claims per month by shifting conditions to NLHC

Average inflow of claims post addition of mental health conditions to NLHC, # of conditions[1]



- **All mental health conditions were transferred to NLHC in 2017**, with claim trend data suggesting claim demand for these mental health conditions increased at lower rate for NLHC conditions compared to correlated conditions
- **The difference in rate of increase can be used to predict changes to future inflow of potential NLHC conditions**

Projected inflow of claims for potential set of NLHC conditions under and excluded from NLHC criteria, # of conditions[2]



- **By Dec 2023, DVA could see a reduction in demand of 4%** (~20 claims per month) for new conditions transferred to NLHC in January 2023
- **However to be confident of a demand reduction, it is likely that additional mechanisms will be required** to reduce claim inflow, e.g., comms campaign and capability building of Advocates and Veteran Groups

Potential high volume conditions for consideration for NLHC[3]

Tinnitus
Sensorineural hearing loss
Lumbar spondylosis
Osteoarthritis
Shin splints
Plantar fasciitis
Rotator cuff syndrome
Thoracic spondylosis
Chondromalacia patella

1. Trendline shows average increase in claims submitted for relevant mental conditions between 2017 and 2019, dates chosen to control for Veteran outreach campaigns, which added 100,000 to client base
2. Forecast inflow of claims for 9 current PAMT conditions that could transfer to NLHC from January 2023. The projection for future inflow for these 9 conditions (assuming conditions do not transfer to NLHC) calculated using historical growth in claims for relevant conditions for last 4 years and using this growth rate to forecast claim inflows to December 2023. The projection for inflow of claims for these conditions (assuming they do transfer to NLHC from January 2023) is determined by applying a scaling factor derived from the difference in growth rates between mental health conditions transferred to NLHC in 2017 and claims for closely correlated conditions post 2017 (see graph on left hand side of page).
3. Assessment based on volume of conditions and would need to be validated by CMO

POLI03 – Review SOP diagnostic protocols

Initiative sponsor Vicki Rundle **Initiative owner** Luke Brown

Description

Enable delegates to make determinations for Lumber Spondylosis & Osteoarthritis conditions without the need for diagnostic imaging evidence for clients over the age of 45.

Context and assumptions

- DVA accepted 6,190 claims for Lumber Spondylosis and Osteoarthritis in FY21[1]; the diagnostic requirements for these conditions presently require medical imaging evidence for all clients, which DVA reports as beyond what compensation focussed medicine could require for low risk clients[2]
- Initiative aims to reduce requesting medical evidence cycle time by 5-10%, due to delegates no longer requesting imaging evidence from Specialists, with an associated ~5% reduction in delegate investigation time (the initiative is expected to achieve a negligible reduction in the proportion of claims requiring referral to external medical providers)[3]

Implementation

Milestones	Owner	Start date	Completion date
Determine whether to submit policy proposal and attain sign off for proposed conditions from DVA leadership	Luke Brown	December 2021	January 2022
Attain RMA agreement to remove medical imaging requirements	Luke Brown	January 2022	February 2022
RMA updates SOP diagnostic protocols for relevant conditions	Luke Brown	March 2022	Sept 2022
Update CLIK with new diagnostic requirements	Luke Brown	Sept 2022	October 2022
Deliver training to delegates on updated requirements	Luke Brown	Sept 2022	October 2022
Begin determining claims without requiring imaging evidence	Luke Brown	Sept 2022	Ongoing

1. DVA FY21 Annual Report, forthcoming
2. Interview with Fletcher Davies, 17 November 2021
3. Interviews with delegates and DVA stakeholders, 18-24 November 2021
4. Model outputs for MRCA IL only, 26 November 2021: Calculation assumes that initiative applies to single condition MRCA IL and VEA DP claims for Lumber Spondylosis and Osteoarthritis for clients aged over 45. Calculation assumes that the future inflow of claims for these conditions continues based on historical growth rates for the past 4 years, with cycle times for requests to external medical providers expected to reduce by ~5% for MRCA IL and ~10% for VEA DP, and delegate touch time for making requests of external medical providers reducing by 5% and 1% respectively
5. Shown for MRCA IL claims only
6. Costs are estimates only and need to be validated with Finance

Net impact over time		Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23
Backlog[4]	**# claims/qr**	0	-11	-29	-49	-69	-88	-108	0
TTTC[5]	**days**	0.0	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7

Costs[6]

Non-FTE

- N/A – no system changes required

FTE

- **1X EL1** for 4 months to project manage initiative
- **1x APS 6** for 1 month to run training

Risks

Major Risks	Mitigations
• DVA accepts claims for misdiagnosed conditions	• Only apply change to segment of clients with high acceptance rates
• RMA refuses to amend diagnostic protocols	• Engage early with RMA to co-develop solution
• Delegates continue to request medical imaging evidence	• Provide training to delegates on updated requirements

Dependencies

Initiatives

- POLI02 Extend Non-liability healthcare
- SYST02 Expand computer-supported decision making

Third parties

- RMA

POLI05 – Revise claims management approach for serving members

Initiative sponsor: Vicki Rundle **Initiative owner:** Victoria Benz

Description

Initiative encompasses three options to provide transitioning and ex-serving veterans access to timely DVA support. This includes introducing notification of injury and exposure to DVA for all serving members, prioritising the allocation and processing of claims from non-serving members and requiring that lodgement of a PI claim from a serving member triggers a medical and military employment category review via Defence.

Context and assumptions

- 41.3% of incoming IL claims are from transitioning members and 18.9% of claims are from serving members[1]
- Of a subset of 3,869 PI claims on hand, 46% are from currently serving and transitioning members[2]
- PI claim review of serving members ensures the most appropriate cohort of serving members will still receive payout
- MyService can be utilised for the submission of notification of injury and exposure and can be forwarded instantaneously to Defence. Assumes data can be stored in PD against client record and forwarded to Defence through DDEIE. Assumes that ISH can pull information from client record when a claim is submitted
- No legislative changes required, commissioner submission would be required for the prioritised processing of claims from non-serving members and the lodgement of a PI claim from a serving member triggering an employment category review. However, no amendment or additional budget required to accept notification of injury/exposure

Implementation

Milestones	Owner	Start date	Completion date
1. Conduct external stakeholder workshops - Defence	TED team	February 2022	March 2022
2. Begin consultations with Defence to align on risks etc.	TBC	February 2022	March 2022
3. Commissioners approval for new claims prioritisation	Victoria Benz	February 2022	March 2022
4. Begin prioritising claims from non-serving members	Victoria Benz	March 2022	March 2022
5. Commissioners approval for serving member PI review	Victoria Benz	April 2022	December 2022
6. Approvals from Defence for PI review. Set sunset period	TBC	April 2022	December 2022
7. Align Defence on MEC information sharing approach	TBC	July 2022	December 2022
8. New MyService (& PD) build and financing approved	Victoria Benz	July 2022	October 2022
9. Complete form design and integrate into MyService	Victoria Benz	October 2022	October 2024
10. Launch education program on notification of injury and PI review for serving members in partnership with Defence	TBC	October 2022	July 2023
11. Serving member category review requirement begins	Victoria Benz	July 2023	July 2023

Net impact over time		Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23
Backlog[3]	**# claims/qtr.**	0	0	0	0	0	0	-529	-1057
TTC	**days**	0	0	0	0	0	0	0	0

Costs

Non-FTE

- MyService build for notification of injury and exposure forms

FTE

- FTE required to process notification of injury and exposure

Risks

Risks	Mitigations
1) DVA inherits duty of care for serving members when notification is submitted	Notifications are instantaneously forward to Defence when received
2) Authority and privacy issues in holding records of individuals where no claims have been lodged.	Appropriate alignment form Defence and DVA on the use and purpose of holding personal information
3) Increased interim volume PI claims when sunset period introduced	Modelling of long term backlog reduction against short term impact
4) Serving members incentivised to transition earlier	Early alignment with Defence on risks to implement strategies to limit transitions
5) Perceived inequity between historical, current and future serving members	Appropriate stakeholder consultations and education milestones

Dependencies

Initiatives

- DDEIE build

Third parties

- Defence approvals
- Commissioner approvals
- Services Australia build

1. Analysis of 26,915 claims in the MRCA IL holding bays received 19/11/21, where 16,576 are from serving members, meaning 38.4% of MRCA IL claims are from ex-service members. Assuming that the 6,700 forecasted transitioning members from Defence in FY 20/21 from JTA Synch meeting by Defence, submit 1.4 MRC IL claims per year, from number of claimants data received from DVA Data and Insights Branch, 22 Nov 2021, meaning 41.3% of MRCA IL claims are from transitioning members. 2. DVA internal analysis of on hand PI caseload, received 23/11/2021 3. Impact on MRCA and DRCA PI shown. Assumes that of the current 46% of PI claims received by serving members some will be disincentivised to submit due to the category review. Assumes the 1,200 discharged members from Defence in FY20-21, sourced from JTA Synch meeting by Defence, received 29/11/21, will not delay submission of their claims. For a high level sizing approach then assume that of those claims that are not from transitioning members, 50% will be disincentives to submit a claim. This number is proxy and will need to be defined further as the initiative develops. Initiative sizing also assumes that no behaviour change in regards to the submission of MRCA and DRCA IL claims in a 24 month period.

SYST02 – Expand computer-supported decision making

Initiative sponsor Vicki Rundle **Initiative owner** Luke Brown

Description

Expand the number of conditions covered by computer-supported decision making (CBDM) over two waves: (i) to claims for 15 currently streamlined/ STP conditions that have straightforward diagnoses and a clear date of onset, and (ii) 6 additional conditions with historically high acceptance rates

Context and assumptions

- Conditions have been selected based on their suitability for automated decision making and bias towards diseases and away from injuries, as service cannot readily be used to demonstrate that an injury event occurred and the diagnostic error rate for injuries is significant[1]
- Initiative assumes only claims submitted via MyService will be subject to CBDM, with MyService determining claims at the same historical acceptance rate on a per condition basis; Initiative also expects to reduce claim investigation time for multi-condition claims that include a CBDM condition by ~15 mins per claim[2]

Implementation

Milestones	Owner	Start date	Completion date
Determine wave 1 conditions and attain sign off from DVA leadership	Luke Brown	Dec 2021	Dec 2021
Attain funding for update to MyService and ISH (wave 1)	Luke Brown	May 2022	May 2022
Implement system changes in MyService/ ISH (wave 1)	Luke Brown	May 2022	Dec 2022
Begin determining claims for wave 1 conditions	Luke Brown	Jan 2022	Ongoing
Identify SOPs and factors for wave 2 conditions and attain sign off from DVA leadership	Luke Brown	Dec 2022	Feb 2023
Attain funding for update to MyService and ISH (wave 2)	Luke Brown	May 2023	May 2023
Implement system changes in MyService/ ISH (wave 2)	Luke Brown	May 2023	Sept 2023
Begin determining claims for wave 2 conditions	Luke Brown	Nov 2023	Ongoing

1. Email from Fletcher Davies, 17 November 2021
2. Interview with Natasha Cole, 18 November 2021
3. Model outputs for MRCA IL only, 2 December 2021: see footnotes 1 and 2 on next page
4. Shown for MRAC IL only
5. Costs are estimates only and need to be validated with Finance

Net impact over time		Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23
Backlog[3]	# claims/qr	0	0	0	0	-1315	-2830	-2,655	0
TTTC[4]	days	0	0	0	0	0	0	0	0

Costs[5]

Non-FTE

- $1-2 million for IT system changes

FTE

- 0.5 FTE (Policy, Business and CMO) for 3x months
- 1 FTE project manager for project lifetime

Risks

Major Risks	Mitigations
• Scheduling work packages with Services Australia	• Convene prioritisation discussion across integrated master schedule
• Government does not fund work packages	• Include conditions in current costing exercise
• MyService erroneously determines claims	• Audit CBDM outcomes and update rules in MyService to reduce errors

Dependencies

Initiatives

- POLI02 Extend Non-liability healthcare
- PEOP05 Establish Tiger Team for complete MRCA IL claims

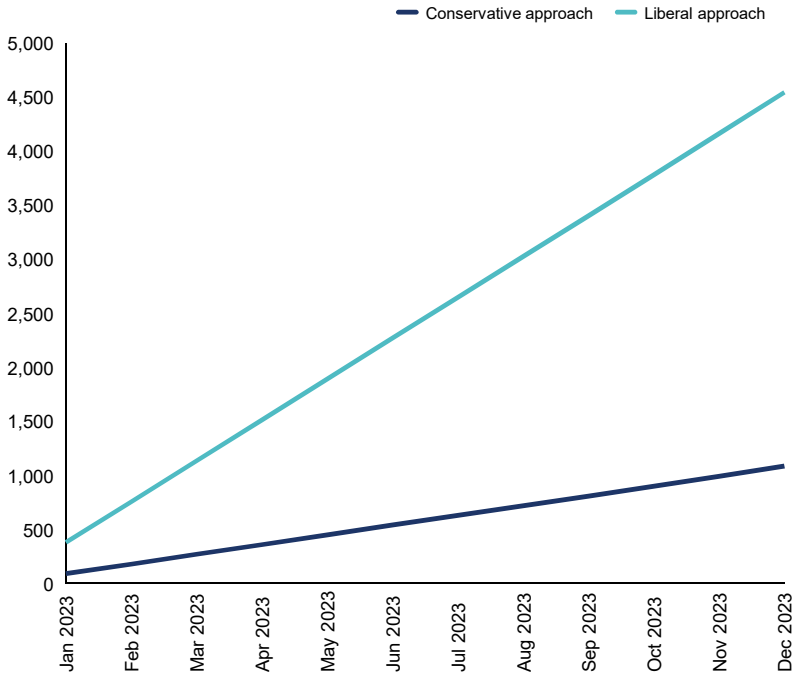
Third parties

- PM&C
- Services Australia

SYST02 Taking a conservative approach to expanding computer-supported decision making reduces risk, but leaves value on the table

Coition partially included in conservative approach Condition included in conservative approach

Projected number of claims determined by computer-supported decision making, # of claims[1,2]



Included conditions

	Conditions (by volume)	Acceptance rate (excl. withdrawals)	Included in conservative approach
Wave 1	Tinnitus	98%	
	Sensorineural hearing loss	96%	
	Lumbar spondylosis	90%	◌
	Osteoarthritis	88%	◌
	Posttraumatic stress disorder	84%	✓
	Rotator cuff syndrome	92%	
	Non-melatonic malignant neoplasm of the skin	90%	
	Chondramalacia patella	90%	
	Intervertebral disc prolapse	91%	
	Labral tear	96%	
	Anxiety disorder	90%	✓
	Acute Meniscal tear of the knee	92%	
	Tinea	95%	
	Thoracic spondylosis	90%	◌
	Achilles tendonitis or bursitis	89%	✓
	Patellar tendinopathy	97%	✓
	Femoroacetabular impingement syndrome	94%	
	Pterygium	92%	
	Acute articular tear	96%	
	Joint instability	98%	
	Seborrheic keratosis	54%	
	Otitic barotrauma	100%	
	Pinguecula	100%	
	Sinus barotrauma	100%	
	Malignant neoplasm of the eye	80%	
	External burn	100%	
Wave 2	Lateral epicondylitis	85%	✓
	Olecranon bursitis	90%	✓
	Prepatellar bursitis	100%	✓
	Other bursitis of knee	96%	✓
	Primary coxarthrosis, bilateral	100%	✓
	Senile cataract, unspecified	100%	✓

DVA could expect to reduce claims allocated to delegates by 1000 claims by December 2023 through taking a conservative approach to expanding CBDM by an additional 21 conditions

However, **DVA could automatically determine 3x more claims** (amounting to 4,500 claims in total), by including all STP/ Streamlined conditions in CBDM

There is also opportunity to accelerate impact by bringing forward delivery of CBDM for extended set of conditions from January 2023

Taking a conservative approach would reduce the level of risk that DVA takes on:

- In a small July analysis, errors were found in 5% of CBDM claims[3]
- Provisional results from a recent audit found 34 errors in 75 claims, though it is not year clear that these errors would lead to an overturn of any determination made[4]

1. Conservative approach assumes a subset of 15 STP/ Streamlined conditions are included in CBDM from January 2022 with an additional 6 non STP/ Streamlined conditions coming online in November 2023. Calculation forecasts monthly inflow of single condition claims based on inflow of claims for relevant conditions over the past 4 years, discounted by the proportion of claims that are submitted via MyService. Historical acceptance rates by condition type have been used to calculate the proportion of claims that are automatically determined using CBDM, assuming a 5% error rate in automatic determinations, based on internal DVA research. Calculation excludes STP/ Streamlined conditions already determined using CBDM.
2. Calculation for the liberal approach makes the same assumptions as the conservative approach, but assumes all STP/ Streamlined conditions that are not currently determined using CBDM transfer to CBDM from January 2022
3. DVA Internal Report in computer-supported Decision Making, July 2021
4. Email from Luke Brown, 24 November 2021

SYST14 – Notify clients of acceptance rates for low acceptance conditions

Initiative sponsor TBD **Initiative owner** TBD

Description

Nudge claimants with upfront, factual information on conditions that have historically low acceptance rates given the relatively lower probability that the condition is connected to service. This would aim to increase transparency on the likelihood of claim acceptance and educate clients on information required to maximise the probability that their claim would be accepted. Initially this information would be displayed on an existing page on the DVA website, followed a nudge in MyService when a claim is submitted with one of the in-scope conditions. Together, these can minimise submission of claims containing conditions that are unlikely be accepted as well as appropriately manage expectations.

Context and assumptions

- Historically certain conditions are less likely to be accepted, with the bottom 20 conditions have acceptance rate ranging between 1% to 14%[1].
- These claims are typically not of high volume where only 478 DRCA and MRCA IL single condition claims for the targeted conditions have been lodged since 2018[1]
- Assumes the nudge would have an effectiveness of 8.1% reduction in incoming DRCA IL and MRCA IL claims[2]

Implementation

Milestones	Owner	Start date	Completion date
1. Iterate and finalise the in scope condition list	TBD	December 2021	March 2022
2. Develop communication strategy to inform the clients, veteran community, advocates, MPs, Senators, etc. of proposed changes	TBD	December 2021	March 2022
3. External stakeholder consultations (clients, veterans, etc.)	TBD	December 2021	March 2022
4. Develop website language and receive approvals from risk and legal. Launch on existing page of top-20 accepted conditions	TBD	February 2022	March 2022
5. Develop nudge language and complete user testing. Determine if desired impact achieved and impact on veteran experience	TBD	February 2022	May 2022
6. Create MyService update requirements for Services Australia	TBD	March 2022	May 2022
7. Attain sign off for changes and updated costings from DVA leadership. MyService update budget approved	TBD	April 2022	May 2022
8. Schedule MyService updates with Services Australia	TBD	May 2022	June 2022
9. Launch new nudge language on MyService	TBD	July 2022	January 2023

Net impact over time		Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23
Backlog[3]	**# claims/qr**	0	0	0	0	0	0	0	0
TTC	**days**	0	0	0	0	0	0	0	0

Costs

Non-FTE	FTE
• Front end changes to the DVA website (minimal cost) • Front end changes to MyService	• User experience designers • Resources and effort from legal, designers, TED team and IT

Risks

Risks	Mitigations
1) Reputational risk associated with transparency	Build website and nudge language alongside risk and legal team
2) Delegate bias	Maintain delegate integrity to ensure claim outcome is not predetermined
3) Clients not receiving entitled benefits	Clients still encouraged to apply if they are able to source the appropriate evidence that condition related to service
4) Impact on veteran wellbeing	Extensive stakeholder consultations

Dependencies

Initiatives	Third parties
• PROC02 - synergies in MyService build to be utilised between initiatives	• MyService upgrade dependent on government budget and Services Australia

1. Source: DVA internal MRCA and DRCA combined claim data, extracted by Data and Insights Branch on 26 October 2021. String matching techniques utilised to understand the number of claims per conditions submitted. 2. The average effect of a nudge in two US government Nudge Units 3. Effect on MRCA IL claims only. Proportion of target condition claims from 2018 to 2021 427 out of 319430 MRCA and DRCA IL claims, sourced from Internal DVA dataset called combined claims processing, received 26/10/2021, multiplied by the projection of DRCA and MRCA IL claims from the DVA initiative model build, multiplied by the effectiveness of the nudge at 8%

SYST14 20 conditions that have the lowest acceptance rates, are accepted in <15% of submissions

Condition	Acceptance rate, %	Total claims, #
Presbyopia	1.1%	89
Hypermetropia	1.7%	60
Myopia	2.0%	151
Hyperplasia of prostate	3.9%	51
Fibromyalgia	4.5%	88
Malignant neoplasm, testis, unspecified	7.1%	56
Parkinson's disease	7.4%	95
Migraine, unspecified	7.9%	189
Malignant neoplasm of prostate	8.4%	323
Other migraine	8.8%	80
Juvenile osteochondrosis of spine	9.0%	134
Congenital spondylolisthesis	9.1%	66
Astigmatism	9.7%	113
Ganglion	10.8%	610
Diaphragmatic hernia without obstruction or gangrene	12.1%	224
Degeneration of macula and posterior pole	12.5%	72
Cardiomyopathy, unspecified	12.7%	55
Seborrhoeic dermatitis, unspecified	13.4%	97
Malignant neoplasm, colon, unspecified	13.8%	58
Rheumatoid arthritis, unspecified	14.3%	70

Source: DVA internal MRCA and DRCA combined claim data, extracted by Data and Insights Branch on 26 October 2021. String matching techniques utilised to understand the number of claims submitted claiming for these conditions in in total. This number is expected to be higher due to client spelling mistakes when condition is submitted not captured. Acceptance rates percentages utilise the stated determination condition for those accepted and rejected claims as well as the total MRCA and DRCA IL claims for the period as 193,938 and125,492 respectively.

PEOP02 – Increase delegate productivity through the institution of lean management practices

Initiative sponsor: Vicki Rundle **Initiative owner:** Michael Harper

Description

Lean management is a 'way of working for Leaders'. Instituting these practices involves embedding methodical approaches within delegate teams to develop a consistent operational mindset. Currently, this involves deploying practices targeted at productivity to complement and extend the impact expected from the empowering excellence program. This is expected to uplift determination rates of low performing delegates. In addition, DVA could look to decrease levels of shrinkage through lean management. With further diagnosis and understanding what performance metrics matter most to DVA, target dimensions should be adopted to anchor the design of lean management approaches.

Context and assumptions

- Nation-wide capability building methods for delegates post induction are based on the Service Delivery Learning and Development Pathway. This training pathway is largely focussed on technical skills
- The empowering excellence (EE) program is a training program for CBD APS6 Team Leaders. Module 2 (introduction to operating rhythm) is expected to build and encourage high performing teams by incorporating empowering excellence habits such as setting targets, tracking progress, regular team stand-ups etc.[1]
- Initial diagnosis shows variability in productivity between delegates by up to 250%[2] and components of shrinkage that are greater than the Enterprise agreement by 4%[3]. There is insufficient granularity in data to determine delegate shrinkage
- Assumes determination rates of delegates in the bottom two quartiles can be uplifted to the KPI in 12 months

Implementation

Milestones	Owner	Start date	Completion date
1. Monitor and diagnose shrinkage levels within DVA	Michael Harper	December 2021	February 2022
2. Determine what performance metrics matter most to DVA	Michael Harper	December 2021	February 2022
3. Lean management tools and practice design	Michael Harper	February 2022	May 2022
4. Commence team leader forums to align with EE	[redacted]	[redacted]ebruary 2022	Ongoing
5. Commence EE Module 1 – Mindset	[redacted]	March 2022	April 2022
6. Commence EE Module 2 – Operating rhythm	[redacted]	[redacted]March 2022	May 2022
7. Implement and execute lean management routines of leaders designed to improve chosen metrics	Michael Harper	May 2022	November 2022
8. Monitor & analyse performance against metrics	Michael Harper	May 2022	Ongoing
9. Determine if delegate KPIs should be increased	Michael Harper	December 2022	January 2023

Net impact over time[2]

		Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23
Backlog	**# claims/qtr.**	0	-257	-1006	-2355	-4269	-6384	-2655	0
TTC	**days**	0	0	0	0	0	0	0	0

Costs

Non-FTE

- Additional training tools and resources above EE requirements

FTE

- Training facilitators, Services Australia[1], >2 FTE
- 1 FTE change coach per leader[4]

Risks

Risks	Mitigations
1. Opportunity cost of resources relative to other initiatives	Deploy a number of pilot sized lean management practices and measure the impact relative to size of the pilot
2. Limited behavioural shift by tenured team leaders and delegates	Institute best practice change management approaches. Deploy additional incentives and requirements to adopt new practices
3. Behavioural change results in a less veteran centric approach	Lean management practices ensure quality of client interactions are maintained with additional techniques to ensure interactions are necessary and productive

Dependencies

Initiatives

- N/A

Third parties

- On-board and retain an appropriate training facilitator from Services Australia

1. DVA executive reporting placemat – Develop and implement a national leadership and coaching training program for CBD APS6 Team Leaders - MONTHLY SENIOR EXECUTIVE UPDATE 2. Determination rates received from Determinations by delegate by claim type for Compensation Payments and Processing Branch, data request, Peter King, 21 October 2021 and follow up 5th November KPIs received from DVA Claims process: Forecast Report, as at end August 2021 and assuming 20 working days per month. Sizing assumes the average determination rates of delegates in the bottom two quartiles of performance are uplifted to the KPIs within a 12 month period linearly 3. Annual leave, long service leave, other planned leave and unallocated leave data retrieved from internal DVA CBD APS staff 2019 to 2021 October data set, received 19/11/2021. Enterprise agreement expected shrinkage from from DVA Enterprise Agreement 2019-2022 4. Global lean management expert

PEOP02 Determination rates of fully trained delegates can vary by up to ~250% within claim types

Determination rate per day <1 1-2 >2

Average determinations per day by fully trained delegates by claim type[1]

	MRCA IL	MRCA PI	MRCA CBP	DRCA IL	DRCA PI	DRCA CBP	VEA	VEA/DRCA	VEA/DRCA/ MRCA
Top quartile	2.41	1.26	1.65	Could not be calculated; number of delegates too small	2.08	2.29	Could not be calculated; number of delegates too small	1.84	Could not be calculated; number of delegates too small
Second quartile	1.44	1.04	1.36		1.74	1.47		1.65	
Third quartile	1.13	0.90	1.15		1.62	1.18		1.52	
Bottom quartile	0.64	0.62	0.69		1.36	0.89		1.27	
% difference between top and bottom quartile	278%	103%	138%		53%	156%		45%	
# of fully trained delegates									
KPI									
Median	1.30	0.95	1.28	1.00	1.68	1.47	1.47	1.54	1.10

1. Calculations based on daily FTE determination rates reported by non-trainee delegates within the Compensation Processing and Payments Branch of DVA across September 2021 in all locations. Determination rates take into account delegate management and mentoring activities, and only take into account delegate time dedicated to processing claims.
2. KPI data is unavailable. Assuming a 60% split in MRCA/DRCA IL KPI and 40% split of MRCA/DRCA PI KPI
3. KPI data is unavailable. Assuming the KPI is the average of the KPIs for DRCA IL and VEA claims
4. KPI data is unavailable. Not required for further analysis given the number of delegates too small to expect an uplift in determination rates

Source: Determination rates received from Determinations by delegate by claim type for Compensation Payments and Processing Branch, data request, Peter King, 21 October 2021 and follow up 5th November. KPIs received from DVA Claims process: Forecast Report, as at end August 2021 and assuming 21 working days per month.

PEOP02 By utilising lean management practices DVA could better identify the drivers of performance on the delegate level

Hypothesised drivers of productivity variability	Hypothesis	Initial analysis of Perth data (37 delegates total)[1, 2]
External factors	Determination rates vary by delegate on a month to month basis due to external factors e.g. mental health fluctuations	Performance of 37 delegates in a given month is not correlated with the next
Role type	Determination rates vary by role in a way that is unrelated to true claims processing capacity	Average determination rates are lower for 6 senior delegates & 2 team leaders and higher for 4 mentors compared to 20 regular delegates
Contract type	Determination rates of APS delegates are higher then labour hire delegates	No data available to test hypothesis with Perth data as only 3 labour hire delegates
APS level	Determination rates of APS 6 delegates are higher than APS 5 delegates	Average determination rate of APS6 greater than APS across 25 delegates. Only have 7 data points for APS6 so no conclusion drawn
Tenure in role	Determination rates of more tenured delegates are greater than less tenured delegates	Performance in the month of September is not correlated with tenure of delegate across 25 delegates

Next steps as aligned with lean management practices

Following best practice, during initiative implementation DVA should aim to align on:

- The drivers of productivity variance between months, roles, APS vs labour hire, and APS level and tenure for all locations (as in the example data set from Perth)
- A clearer understanding of the variance in onboarding training, capability building, leadership supervision, and performance dialogues with delegates between locations

In the lean management practice design phase, DVA could look to leverage the following to decrease the variance of determination rates and achieve the uplift of determination rates of the bottom two quartiles to that of the KPIs:

- Team huddles – with active performance dialogues included
- Standard work
- Business unit process confirmations

Details to follow

1. Source: Determinations by delegate by claim type for Compensation Payments and Processing Branch in Perth, internal DVA data set received 21/10/21 and follow up 24/11/21. Follow up data includes insights into the tenure and status of the delegate from some extrapolation for productivity purposes only 2. Given the limited amount of data points when utilising Perth data only, analysis is subject to change

PEOP02 DVA could leverage lean management practices to deliver impact beyond the empowering excellence program (1/2)

✳ DVA focus moving forward ✓ Fully developed and instilled within delegates in empowering excellence ✓ Developed to some extent within empowering excellence

Deployment lens	Category of tool	Ideal state and principles	Covered in Empowering Excellence?	Applicable to develop further within DVA?
Process efficiency	**Standard work**	▪ **Ideal state:** All delegates consistently follow the current best practice, are proud and comfortable in delivering the best client satisfaction, and continuously contribute to improving processes and standards ▪ Free the delegates' focus from basic tasks to allow optimal service to the customer and the freedom to improve the process for future interactions		✳
	5S	▪ **Ideal state:** Offices look consistent across the company and better than any other. They have a great working environment: safe, secure, ergonomically optimal, cost-effective, and professional, because it improves customers' experience and reduces costs to them ▪ Allow all to complete their work with ease and in the most efficient manner		
	Visual Management	▪ **Ideal state:** For every critical claims process, there are appropriate visuals in place that delegates and team leaders have created themselves ▪ Know that receiving visual signals is the easiest way for people to assimilate information and act upon it	✓	
Performance management	**Metrics**	▪ **Ideal state:** Every delegate understands how the team's performance impacts the client; everyone understands the state of their performance at all times; all work toward identifying areas for opportunity ▪ Create transparency to allow for identification of outliers to improve process or management	✓	✳
	Daily Huddles	▪ **Ideal state:** Every delegate participates in a daily huddle where they walk away with clear priorities for the day, full understanding of the key opportunities from the day before, and best practices to better serve the client information flows quickly up and down the organisation ▪ Increase employee engagement through involvement in root-cause problem solving sessions, closer and consistent interaction, and reduced barriers between tiers	✓	✳
	Root cause problem-solving	▪ **Ideal state:** Every employee spends time problem solving and driving continuous improvement, beginning at the local level; opportunities are escalated and resolved across organisation quickly ▪ Continuously identify, resolve and share opportunities at all levels of the busines		✳
	Coaching plans	▪ **Ideal state:** Plans are updated continually; every delegate receives the right coaching for their development needs ▪ Improve transparency of performance and identify outliers ▪ Support development using process confirmations and skills matrices as inputs for coaching plan	✓	✳

Source: DVA executive reporting placemat – Develop and implement a national leadership and coaching training program for CBD APS6 Team Leaders - MONTHLY SENIOR EXECUTIVE UPDATE, DVA Empowering Excellence participant workbook, Introduction to operating rhythm, Team analysis & consultations with global lean management experts

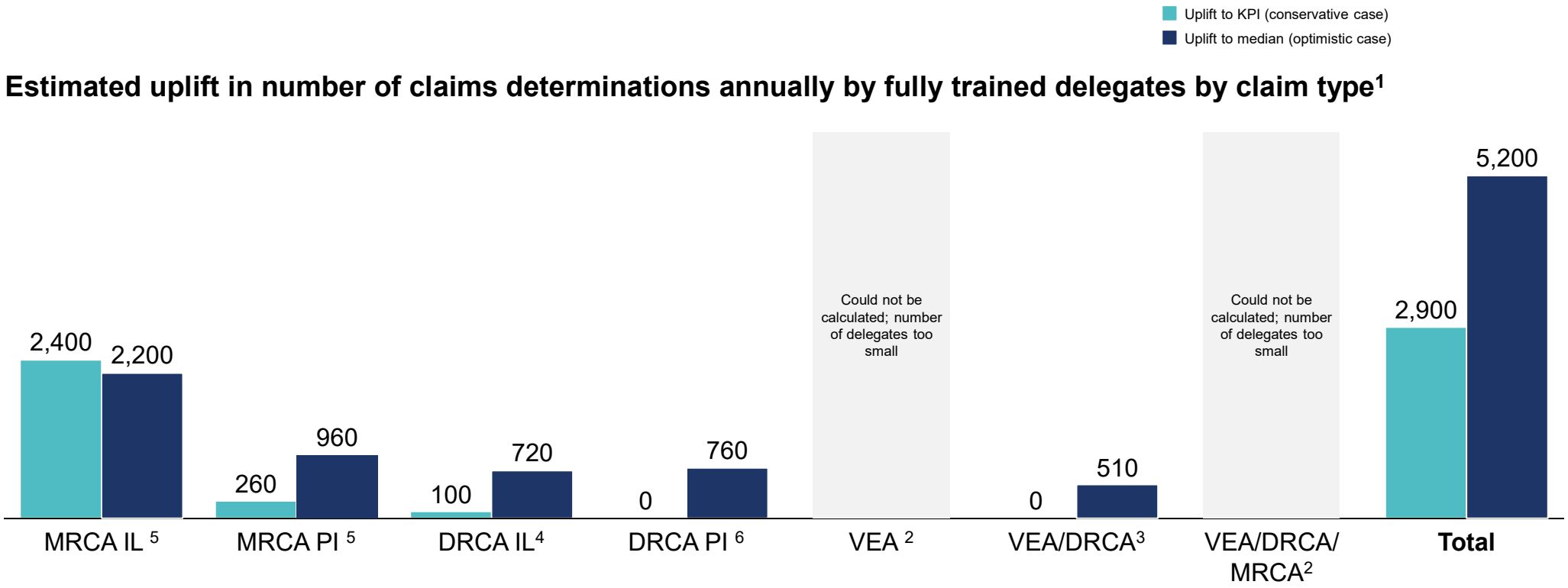
PEOP02 DVA could leverage lean management practices to deliver impact beyond the empowering excellence program (2/2)

DVA focus moving forward | Fully developed and instilled within delegates in empowering excellence | Developed to some extent within empowering excellence

Deployment lens	Category of tool	Ideal state and principles	Covered in Empowering Excellence?	Applicable to develop further within DVA?
Organisation and skills	**Frontline process confirmations**	▪ **Ideal state:** Delegates receive as much coaching as they are able to absorb; everyone conducts process confirmations, and the company captures every improvement opportunity ▪ Maintain standards and identify opportunities for continuous improvement		
	Business unit process confirmations	▪ **Ideal state:** All leaders of the company understand what is going on in all their claims processing locations. Delegates are proud to show their progress and development to these leaders; communication and coaching always takes place on how to better serve the client ▪ Efficiently leverage leader knowledge and expertise to encourage and coach areas of opportunity		✳
	DILO/WILO (Day/Week In the Life Of)	▪ **Ideal state:** Delegates spends as much time as possible to work efficiently on value-added activities for customers ▪ Increase transparency for the delegates and team leaders into how their manager spends their day so that they can help that person achieve their value-add goals ▪ Produce insight into how one can spend more time on value-added activities and what has historically prevented them from doing so		✳
	Skills matrix	▪ **Ideal state:** Team leader and delegates can identify relevant development goals; front line continuously receives the coaching they need, and work towards their goals ▪ Improve transparency of performance and required skills and support development and coaching	✓	✳
Mindset and behaviours	**Long term philosophy**	▪ **Ideal state:** The journey to continuous improvement is forever ▪ Where you want to go to is well defined and held by all levels. Target conditions are set to achieve short-term goals that work towards the ideal state		✳
	Right process produces right result	▪ **Ideal state**: Continuous and efficient flow of working brings continuous flow of opportunities to surface ▪ The hero is not the one who makes the target of the day - it is the person that uses the right process and works to continuously improve that process		
	Inefficiency	▪ **Ideal State:** Eliminate source of inefficiency by reducing variability and inflexibility ▪ Examples: Delegates using shortcuts instead of clicking many times on pages to navigate, A high performing delegate should be consistently processing more complex claims, reduced delegate rework form writing manual notes from client calls on paper and then retyping them into the database		✳

Source: DVA executive reporting placemat – Develop and implement a national leadership and coaching training program for CBD APS6 Team Leaders - MONTHLY SENIOR EXECUTIVE UPDATE, DVA Empowering Excellence participant workbook, Introduction to operating rhythm, Team analysis & consultations with global lean management experts

PEOP02 Impact of this initiative can be sized through the uplift of determination rates to KPIs or median in benefit types



1. Calculations based on daily FTE determination rates reported by non-trainee delegates within the Compensation Processing and Payments Branch of DVA across September 2021 in all locations. Determination rates take into account Delegate management and mentoring activities, and only take into account delegate time dedicated to processing claims. Determination dates of the bottom two quartiles of delegates are assumed to be uplifted
2. Number of delegates in claim type too small to assume uplift in determinations
3. KPI data is unavailable. Assuming the KPI is the average of the KPIs for DRCA IL and VEA claims
4. Determination rate uplift of DRCA IL delegates assumed to be that of DRCA CBP delegates given the majority of delegates assigned to DRCA IL in the model build are DRCA CBP delegates
5. 60% of MRCA CBP delegates assumed to see determination rate uplift of MRCA IL delegates and 40% of MRCA PI delegates
6. 40% of DRCA CBP delegates assumed to experience same determination rate uplift as DRCA PI delegates

PEOP02 Monitoring shrinkage could unlock increased productivity of delegates with an additional 5,600 claims determined from the backlog at June 2023

Shrinkage category	Shrinkage reported in FY20-21 % total time[1, 2, 3]			Specific observations
	Benchmark	Enterprise Agreement	Reported	
Planned Leave	14	18	15[4]	• Reported levels of shrinkage due to planned leave are currently below that stated in the Enterprise Agreement (EA), but not observable for labour hire staff. Planned leave could be lower due to COVID
Unplanned Leave	0	0	4[4]	• Reported levels of shrinkage due to unplanned leave are currently above that stated in the EA, but not observable for labour hire staff
Breaks	4	12	Insufficient data	• EA describes that all CBD staff should work between 8.30am -12.30pm and 1.30pm - 5.00pm (i.e., 12% of FTE)[2]
Learning & Development	4	2	Insufficient data	• Current DVA data measures L&D shrinkage as low as 0.2%[5], which appears to be significantly under valued compared to 2% shrinkage (5 days) as stated in the EA
Meetings & Huddles	4	N/A	4-5[5]	• Anecdotal evidence across delegates in Perth, Melbourne and Sydney suggests that delegate shrinkage (non-team leader) varies between 4-5% for meetings & huddles[6]
Technology Outages	0	N/A	Insufficient data	• Shrinkage due to CBD wide outages is in the order of 0-1%[6]. Delegate reports suggest shrinkage due to NBN failures when working from home varies between 0-20%[4]
Temporary Roles	0	N/A	Insufficient data	• Workplace planning data shows the number of FTE within CBD working in temporary roles each year (28.20% in 21-YTD) and the average time spent acting in these roles (136.8 days in 21-YTD)[7]
Total	26	32	Insufficient data	• Shrinkage allocation in the EA is 6.p.p above best practice benchmarks • Insufficient granularity of data to determine DVA's current levels of shrinkage

Key takeaways

- Shrinkage could be a key productivity lever for delegates
- DVA does not capture shrinkage data at a role level (i.e., delegate, team leader)
- According to available data, there are opportunities to increase productivity by reducing shrinkage by 2 to 7 p.p.[8] through the institution of lean management practices

Cross-cutting opportunities

- DVA could look to centralise and standardise reporting of time worked by contract type as the DVA EA is only applicable for APS staff (63% of delegate workforce)[9]
- DVA could look to monitor delegate time spent in breaks, L&D activities, meetings & huddles and temporary roles to better understand shrinkage experienced across the division
- DVA could look refine their understanding of shrinkage due to technology outages on the delegate level as they transition towards a hybrid work environment

1. Assumes baseline 250 work days a year (260 busines days a year with 8 public holidays and employees provided with paid time off for the 2 working days between Christmas and New Year with no deduction from leave credits), internal DVA email, 27 October 2021
2. DVA EA shrinkage allowance sources from DVA Enterprise Agreement 2019-2022
3. Benchmark shrinkage allowance sourced from best practice in US call centre environments
4. Annual leave, long service leave, other planned leave and unallocated leave data retrieved from internal DVA CBD APS staff 2019 to 2021 October data set, received 19/11/2021. This data includes all staff in the CBD division beyond just delegates
5. Time spent on L&D in 2021 from DVA internal data extract labelled Royal Commission, received 18/11/2021
6. DVA data request to Melbourne, Sydney and Perth Branch Owners, in regards to time spent in meetings and huddles as well as refinement of the technology outages data, received 24/11/2021 and 25/11/2021
7. Internal DVA workforce reporting data set, % of FTE spending time in temporary roles and the average duration of time spent in role, received 24/11/21
8. Public sector lean transformation benchmarks with consideration of contractor staff in workforce, global lean management experts
9. As at 1 November 2021, DVA internal workforce analysis data, received 1/12/21. Change between months

PEOP04 – Reallocate FTEs by claim type

Initiative sponsor: Vicki Rundle **Initiative owner:** Peter King

Description

Dynamically reallocate delegates across different claim types to ensure deployment of FTEs is optimised to match incoming demand when other initiatives are in train. There are multiple scenarios of these reallocations. Information presented here is for the reallocation when all initiatives optimised for June 2023 backlog clearance are in train.

Context and assumptions

- Assumes CBP delegates can act with IL and PI roles, dual-Act delegates can act within DRCA IL and VEA DP roles and tri-Act delegates can act within MRCA IL, DRCA IL and VEA DP roles
- Assumes that these multi-Act trained delegates and CBP delegates can switch between benefit types instantaneously between months, where geographic location is not taken into consideration
- When retraining is required, an assumed 50% productivity drop is observed for the first three months, 75% productivity is observed for the following three months before recovering to full productivity. 1 in 4 FTE is assumed to be a trainer, with a 100% productivity drop in the first 3 months, 50% in the following three months before recovering to full productivity

Implementation

Milestones	Owner	Start date	Completion date
1. Receive approval from appropriate Branch and Divisional leadership	Peter King	January 2022	February 2022
2. Reallocate 14.40 CBP FTE from MRCA IL to MRCA P	Branch owners	June 2022	June 2022
3. Upskill 50.4 MRCA IL delegates to MRCA CBP (acting in PI)	Branch owners	June 2022	December 2022
3. Upskill 7.9 DRCA PI delegate to DRCA CBP (acting in IL)	Branch owners	June 2022	December 2022
4. Reallocate 22 Dual-Act delegates to VEA DP	Branch owners	October 2022	November 2022
6. Reallocate 17.9 Tri-Act delegates to Dual-Act delegates	Branch owners	March 2023	March 2023
5. Upskill 15.2 MRCA IL delegates to DRCA IL	Branch owners	June 2023	December 2023

Net impact over time[1]		Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23
Backlog	# claims/qtr.	0	850	3390	6162	9735	7916	3949	0
TTC	days	0	0	0	0	0	0	0	0

Costs

Non-FTE

- Any additional tools and resources to retrain and support delegates when switching between claim types

FTE

- Trainer and delegate FTE productivity lost whilst during the 6 month training period

Risks

Risks	Mitigations
1. Inappropriate reallocation of FTE	Upskill as many delegates to dual-Act, tri-Act and CBP to ensure workforce is flexible as possible. Continuously update modelling as new claims demand data is received.
2. Split of CBP effort between claim types not finely controllable	Design schedules for split effort for CBP delegates and review periodically

Dependencies

Initiatives

- The modelling of the optimum reallocation of FTE is under the assumption that all other initiatives are in train

Third parties

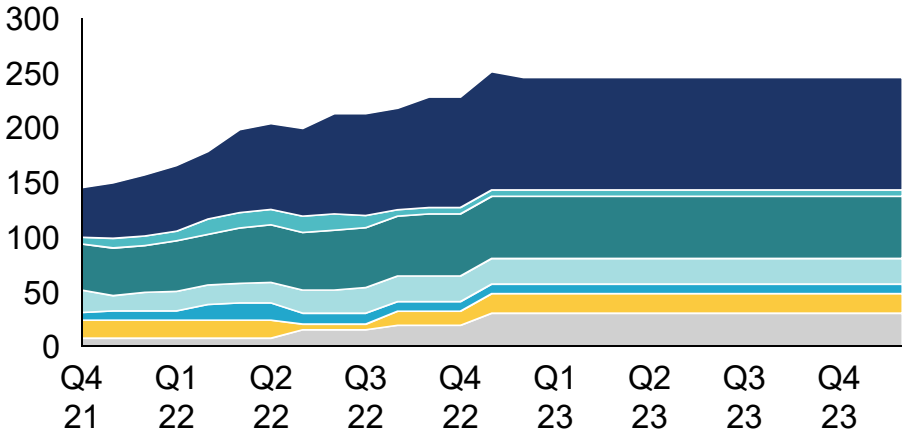
- N/A

1. Current and planned forecast FTE numbers received from DVA claims benefits processing forecast report, as at October 2021 and adjusted for shrinkage by comparison to actuals from August 2021 Client Benefits National Summary data. Reallocation uses the DVA Initiative model build to forecast the number of claims received within each benefit type. The ability to reallocate FTE assumes CBP delegates can act with IL and PI roles, dual-Act delegates can act within DRCA IL and VEA DP roles and tri-Act delegates can act within MRCA IL, DRCA IL and VEA DP roles without retraining.

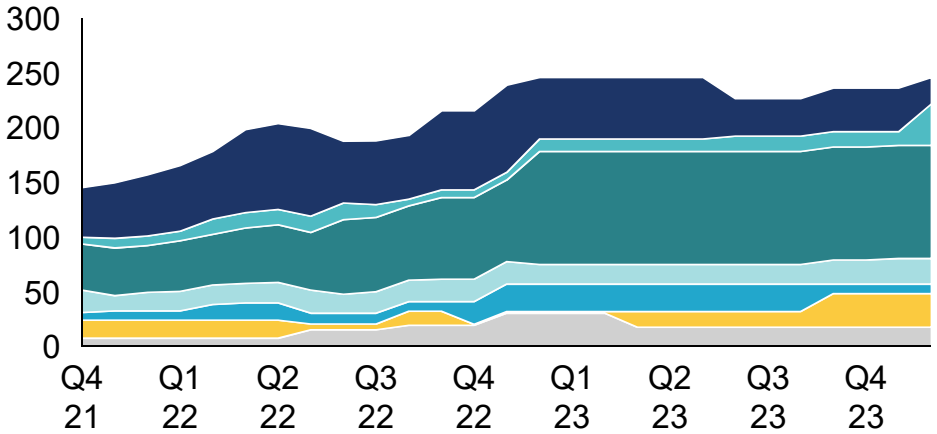
PEOP04 DVA can better maximise their forecasted workforce capacity to act across multiple claim types to match demand

MRCA IL | DRCA IL | MRCA PI | DRCA PI | VEA DP | VEA/DRCA | VEA/DRCA/MRCA

Current allocation of FTEs across claim types[1], # of FTEs



Optimal allocation of FTEs to match demand[2], # of FTEs



Key Takeaways:

Reallocating FTEs dynamically across claim types means that DVA can determine an additional ~30,000 of claims from the backlog at June 2023 when all other initiatives are in train (initiatives to optimise June 2023 backlog clearance)

To achieve this, DVA need to:

- Reallocate 14.40 MRCA IL Combined Benefits Processing FTE to dedicated MRCA PI, assuming 100% realised in June 2022
- Reallocate 22.0 DRCA/VEA Dual-Act FTE to VEA DP, assuming ramp up of 75% efficiency in October 22 and 100% in November 22
- Upskill 50.4 MRCA IL FTE to MRCA CBP (acting in MRCA PI), assuming 50% efficiency in June 22, 75% efficiency in September 22, and 100% realised in December 22
- Upskill 7.9 DRCA PI FTE to DRCA IL, assuming 50% efficiency in June 22, 75% efficiency in September 22, and 100% realised in December 22; these FTE are then rotated back onto DRCA PI starting in September 23 with 100% realisation in November 23
- Upskill 45.2 MRCA IL FTE to DRCA IL, assuming 50% efficiency in June 23, 75% efficiency in September 23, and 100% realised in December 23
- Reallocate 17.9 VEA/DRCA/MRCA FTE to VEA/DRCA, assumed 100% realised in March 23

Note: 1. Current and planned forecast FTE numbers received from DVA claims benefits processing forecast report, as at October 2021 and adjusted for shrinkage by comparison to actuals from August 2021 Client Benefits National Summary data. 2. Reallocation uses the DVA Initiative model build to forecast the number of claims received within each benefit type. The ability to reallocate FTE assumes CBP delegates can act with IL and PI roles, dual-Act delegates can act within DRCA IL and VEA DP roles and tri-Act delegates can act within MRCA IL, DRCA IL and VEA DP roles without retraining

PEOP05 – Establish tiger team to process complete MRCA IL claims

Initiative sponsor: Vicki Rundle **Initiative owner:** Michael Harper

Description

Establish a new tiger team of eight newly trained MRCA IL delegates in Melbourne to rapidly process complete MRCA IL claims for non-serving members. This will be completed in two phases, where the first looks to complete decision-ready MRCA IL claims in the backlog. The second phase will look at retaining a scaled back team on an ongoing basis to deal with incoming decision-ready claims.

Context and assumptions

- Claims are flagged as complete at screening stage, but not streamlined for processing, unless claim is used as a training tool. They are generally quicker to process as it removes the need for delegates to issue requests for information and lowers probability the claim will be referred externally.
- From a sample claims analysis of incoming claims in May, approximately 6% of incoming MRCA IL claims are complete[1]. As of 26/10/21, there are ~19,000 MRCA IL claims in the backlog[2]
- Assumes 8 FTE currently in training will be upskilled and ready for deployment by Jan 2022. Assumes they will be able to dispose of complete MRCA IL claims at a rate of 45 determinations per month[3]

Implementation

Milestones	Owner	Start date	Completion date
1. Internal stakeholder risk consultations	Michael Harper	December 2021	January 2022
2. External stakeholder inequity consultations	Michael Harper	December 2021	January 2022
3. Refine number of MRCA IL claims in backlog	[redacted]	December 2021	January 2022
4. Confirmation of FTE allocation	Michael Harper	January 2022	February 2022
5. Allocated FTE complete MRCA training	Michael Harper	October 2021	January 2022
6. Preparation of screening team to streamline claims	[redacted]	January 2022	February 2022
7. Phase one Tiger team deployed	Michael Harper	February 2022	February 2022
8. Progress check on backlog clearance	[redacted]	July 2022	August 2022
9. Internal stakeholder consultations	[redacted]	July 2022	August 2022
10. Phase two tiger team deployed	Michael Harper	July 2022	August 2022
11. Progress check on incoming claims clearance	[redacted]	February 2022	February 2023

Net impact over time[3]		Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	Q4-23
Backlog	# claims/qtr.	-182	-367	-428	-428	-428	-428	-428	0
TTC	days	-3.5	-1.8	0	0	0	0	0	0

Costs

Non-FTE

- N/A

FTE

- Additional screening team effort

Risks

Risks	Mitigations
1. Perceived inequity	No change to prioritisation of clients based on need through other channels.
2. Older less complex claims not determined in appropriate time frame	Ensure that the regular MRCA IL team continues to allocate claims to delegates on a basis of time spent waiting in the queue
3. Increased error rates	Option to increase quality assurance methods
4. Behaviour change to adverse decisions	Month-to-month monitoring and quarterly check ups for bias towards adverse decisions

Dependencies

Initiatives

- PROC02: Support clients to submit completed claims – increases incoming decision ready claims for the tiger team to process

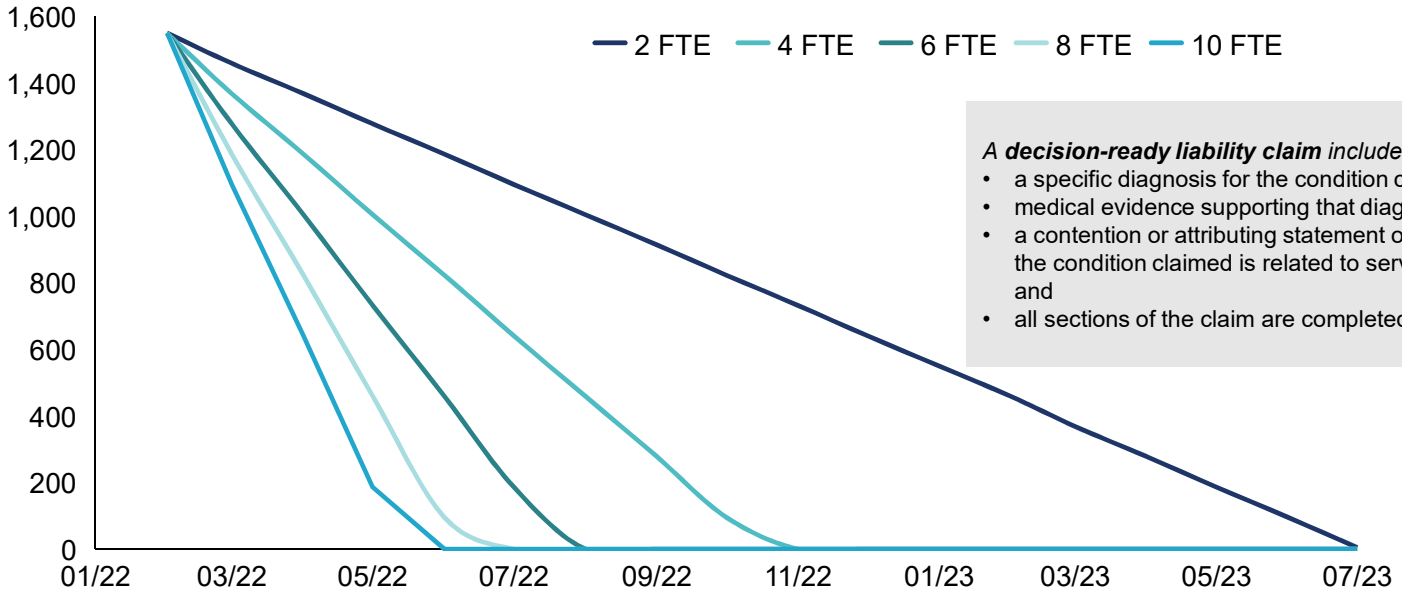
Third parties

- Screening team able to determine complete claims to a point of accuracy that delegates don't spend time checking that referral may or may not be required

1. 20,700 claims screened between July 2021 to date, 1319 (6.3%) were flagged as 'decision ready' by a screening officer, internal DVA email received 18/11/21 2. Source: Internal DVA dataset called combined claims processing, snapshot of the backlog as at 26/10/2021, received 3.For MRCA IL claims only. Assumes a 50% reduction in the client contact time and a 95% reduction in the number of claims deferred to Defence and external MAs (including a buffer for when screening team sometimes wrongly assumes a claim is complete). Comparing the number of minutes required to process a complete MRCA IL claims compared to an incomplete one (Source: Bottom up analysis of 150 sample claims) this proportion of 57.92% is divided by the KPI of a regular MRCA IL delegate of 28 claims per month (Source: DVA Claims processing report, as at October 2021), to calculate that the determination rate of a tiger team delegate is 45 claims per month.

PEOP05: An 8 person MRCA IL tiger team could determine decision-ready MRCA IL claims in the backlog within six months

Number of decision-ready MRCA IL claims in the backlog assuming deployment of a tiger team of difference sizes in February 2022[1,2]



*A **decision-ready liability claim** includes;*
- a specific diagnosis for the condition claimed;
- medical evidence supporting that diagnosis;
- a contention or attributing statement on how the condition claimed is related to service; and
- all sections of the claim are completed.

FTE required to maintain future demand of decision-ready MRCA-IL claims

Incoming MRCA IL claims[3]	Number of FTE required to determine incoming complete claims, #, [4]
1-year CAGR scenario	2-3 delegates
Zero CAGR scenario	3 delegates
2-year CAGR case	3-4 delegates

1. Assuming 6% of claims in the MRCA IL backlog as at 2/22 are decision-ready claims. 6% assumption of 20,700 claims screened between July 2021 to date, 1319 (6.3%) were flagged as 'decision ready' by a screening officer, internal DVA email 18/11/21. DVA Pilot Initiatives Model Build build assumes 25,827 MRCA IL claims in the backlog as at 2/22 when the tiger team is to be deployed.
2. Assuming a determination rate of 45 claims per month per FTE in the tiger team. DVA Sample Claims Analysis, 15-19 October 2021, shows that there is a 58% difference in touch time required by MRCA IL delegates to disposed decision-ready versus incomplete claims. Applying this reduction in touch time to the KPI of a MRCA IL delegates of 28 claims per month, as per the Forecast Report, as at end August 2021, and the assumption that a MRCA IL delegate has 6% of their incoming claims decision-ready, 45 claims per month was determined.
3. DVA Pilot Initiatives Model Build using three different demand growth scenarios as stated
4. Assuming 6% of incoming MRCA IL claims are decision ready as per DVA Pilot Initiatives Model Build. as above, assuming 45 determinations claims per month per FTE in the tiger team.

Potential conservative case KPIs to track over next 24 months for initiatives (1/2)

ILLUSTRATIVE

Initiative in planning/ ended | Initiative in ramp up phase | Initiative fully implemented

Initiative	Initiative	Proposed KPI	Unit	Run rate value	Expected KPI values Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	New/ existing	Leading/ lagging?	Rationale for tracking KPI
PEOP02	Increase delegate productivity through the institution of lean management practices	% uplift in determination rates of the bottom performing quartile of delegates from a baseline of September 2021, MRCA IL	% uplift in # claims/day	109%	0%	9%	36%	64%	91%	109%	109%	109%	New	Lagging	KPI demonstrates the productivity uplift we expect for low performing delegates due to the implementation of lean management practices
		% uplift in determination rates of the bottom performing quartile of delegates from a baseline of September 2021, MRCA PI	% uplift in # claims/day	23%	0%	2%	8%	14%	19%	23%	23%	23%			
		% uplift in determination rates of the bottom performing quartile of delegates from a baseline of September 2021, DRCA I[1]	% uplift in # claims/day	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC			
		% uplift in determination rates of the bottom performing quartile of delegates from a baseline of September 2021, DRCA PI[2]	% uplift in # claims/day	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC			
		% uplift in determination rates of the bottom performing quartile of delegates from a baseline of September 2021, VEA DP[2]	% uplift in # claims/day	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC			
		% uplift in determination rates of the bottom performing quartile of delegates from a baseline of September 2021, Dual-Act[2]	% uplift in # claims/day	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC			
		% uplift in determination rates of the bottom performing quartile of delegates from a baseline of September 2021, Tri-Act	% uplift in # claims/day	24%	0%	2%	8%	14%	20%	24%	24%	24%			
PEOP04	Reallocate FTEs by claim type	Growth rate of MRCA IL and MRCA PI claims on hand	% Growth in #claims	N/A	-1%	-2%	-4%	-6%	-8%	-10%	5%	4%	New	Lagging	KPI demonstrates the effectiveness of the reallocation of FTE to ensure the total number of claims in the backlog is reduced, not just within specific claim types
		Growth rate of DRCA IL and DRCA PI claims on hand	% Growth in #claims	N/A	-3%	-7%	5%	5%	4%	4%	3%	3%			
		Proportion of FTEs that are fully trained across more than one benefit type	% of FTE	N/A	31%	20%	25%	29%	31%	31%	31%	31%	Existing	Leading	KPI demonstrates one of the key drivers of clearing the backlog, the ability of delegates to act across more than one claim type to help match incoming demand
		# complete MRCA IL claims disposed by the entire tiger team, per month	# claims/month	1080	720	1080	0	0	0	0	0	0	New	Lagging	KPI demonstrates the ability of tiger team delegates to clear complete MRCA IL claims from the backlog against their estimated determination rate
POLI01	Extend NLHC conditions	# of claims for new NLHC conditions	# of conditions	500	430	440	450	470	480	490	490	500	New	Lagging	KPI aims to track the reduced inflow of claims as a result of moving some conditions to NLHC. KPI values track expected level of decreased demand over two year time horizon. KPI values are rounded to nearest 10.

1.KPI for DRCA IL is TBC given current data constraints to measure lower quartile productivity rates. Once new delegates are trained DVA should calculate productivity by quartile to generate baseline and KPI targets
2.KPI for DRCA PI and VEA DP not provided given delegates with productivity rates in lowest quartile already outperform KPI. Once initiative has determined new KPIs by claim type a new baseline and initiative KPIs should be determined

Potential conservative case KPIs to track over next 24 months for initiatives (2/2)

ILLUSTRATIVE

Initiative in planning/ ended | Initiative in ramp up phase | Initiative fully implemented

Initiative	Initiative	Proposed KPI	Unit	Run rate value	Expected KPI values Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	New/ existing	Leading/ lagging?	Rationale for tracking KPI
POLI03	Review SOP diagnostic protocols	Cycle time for claims for relevant conditions referred to External Medical Providers under MRCA IL	# of days	77	81	81	78	77	77	77	77	77	New	Lagging	KPI shows direct impact of initiative by showing change in cycle time for requests to external medical providers for in scope claims as a result of reducing the diagnostic requirements
		Cycle time for claims for relevant conditions referred to External Medical Providers under VEA DP	# of days	40	42	42	41	40	40	40	40	40	New	Lagging	KPI shows direct impact of initiative by showing change in cycle time for requests to external medical providers for in scope claims as a result of reducing the diagnostic requirements
PROC02	Support clients to submit completed claims	% of MRCA IL, DRCA IL and VEA DP claims using concierge service	% of claims	25%	0%	19%	19%	19%	24%	24%	24%	24%	New	Leading	KPI demonstrates whether concierge service is being utilised by clients to expected levels ahead of claim submission. Where utilisation is low, DVA can take action to improve awareness and accessibility to boost initiative effectiveness.
		# of clients submitting reimbursement requests for diagnoses at point of claim lodgement	# of clients	7%	0	166	166	166	208	208	208	208	New	Lagging	KPI indicates whether the incentive to submit diagnosis/ medical assessment material at claim lodgement is encouraging clients to submit diagnoses
		% of MRCA IL, DRCA IL and VEA DP claims being flagged as decision ready by screening team	% of claims	30%	6%	25%	25%	25%	31%	31%	31%	31%	New	Lagging	KPI demonstrates likely impact of initiative on claim completeness; effective support for clients to submit complete claims should see consequent uplift in the proportion of claims classed as decision ready at screening stage
PROC05	Develop guidance and digital forms for External Medical Providers	% of providers sent guidance	% of providers	100%	0%	0%	60%	100%	100%	100%	100%	100%	New	Leading	KPI indicates extent to which guidance notes are being utilised by GPs/ Specialists to complete diagnosis/ assessment forms (when compared to volume of claim inflow)
		% of requests for medical information completed manually	% of claims	20%	100%	100%	100%	100%	100%	100%	100%	20%	New	Lagging	KPI indicates how successful DVA has been in shifting providers to using digital forms to return requested medical information for claims
PROC09	Direct non-claims processing work to coordinated support team	# of clients using Coordinated Client Support team services per month	# of clients	6150	0	1600	6100	6150	6150	6150	6150	6150	Existing	Leading	KPI indicates level of take up of service to check status of claims, and indicates effectiveness of initiative at redirecting required effort to deal with enquiries away from delegates
		% of delegate time spent on case management activities	% of time	2%	10%	8%	2%	2%	2%	2%	2%	2%	New	Lagging	KPI demonstrates effectiveness of initiative at freeing up delegates enabling more time dedicated to processing claims
SYST02	Expand computer-supported decision making	% of in-scope claims determined in MyService	# of claims	95%	0%	0%	0%	0%	91%	91%	91%	95%	New	Lagging	KPI demonstrates effectiveness of initiative by tracking % of claims that do not require delegate investigation effort
SYST14	Notify clients of acceptance rates for low acceptance conditions	% reduction of single condition MRCA/DRCA IL claims containing in scope conditions	# of claims	8%	0.00%	0.00%	4.05%	4.05%	8.10%	8.10%	8.10%	8.10%	New	Lagging	KPI demonstrates the effectiveness of the initiative to reduce the submission of claims that are unlikely to be accepted

Potential optimistic case KPIs to track over next 24 months for initiatives

Initiative in planning/ ended | Initiative in ramp up phase | Initiative fully implemented

Initiative	Initiative	Proposed KPI	Unit	Run rate value	Expected KPI values Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	New/ existing	Leading/ lagging?	Rationale for tracking KPI
PEOP02	Increase delegate productivity through the institution of lean management practices	% uplift in determination rates of the bottom performing quartile of delegates from a baseline of September 2021, MRCA IL	% uplift in # claims/day	103%	0%	9%	35%	61%	86%	103%	103%	103%	New	Lagging	KPI demonstrates the productivity uplift we expect for low performing delegates due to the implementation of lean management practices
		% uplift in determination rates of the bottom performing quartile of delegates from a baseline of September 2021, MRCA PI	% uplift in # claims/day	53%	0%	4%	18%	31%	44%	53%	53%	53%			
		% uplift in determination rates of the bottom performing quartile of delegates from a baseline of September 2021, DRCA IL[1]	% uplift in # claims/day	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC			
		% uplift in determination rates of the bottom performing quartile of delegates from a baseline of September 2021, DRCA PI	% uplift in # claims/day	24%	0%	2%	8%	14%	20%	24%	24%	24%			
		% uplift in determination rates of the bottom performing quartile of delegates from a baseline of September 2021, VEA DP	% uplift in # claims/day	18%	0%	2%	6%	11%	15%	18%	18%	18%			
		% uplift in determination rates of the bottom performing quartile of delegates from a baseline of September 2021, Dual-Act	% uplift in # claims/day	21%	0%	2%	7%	12%	18%	21%	21%	21%			
		% uplift in determination rates of the bottom performing quartile of delegates from a baseline of September 2021, Tri-Act	% uplift in # claims/day	10%	0%	1%	3%	6%	8%	10%	10%	10%			
PEOP04	Reallocate FTE by claim type	Growth rate of MRCA IL and MRCA PI claims on hand	% Growth in #claims	N/A	-1%	-2%	-5%	-8%	-16%	-26%	-33%	-100%	New	Lagging	KPI demonstrates the effectiveness of the reallocation of FTE to ensure the total number of claims in the backlog is reduced, not just within specific claim types
		Growth rate of DRCA IL and DRCA PI claims on hand	% Growth in #claims	N/A	-3%	0%	1%	-4%	-4%	-7%	-12%	-58%			
		Proportion FTE that are fully cross trained across more than one benefit type	% of FTE	N/A		20%	25%	29%	50%	50%	50%	56%	Existing	Leading	KPI demonstrates one of the key drivers of clearing the backlog, the ability of delegates to act across more than one claim type to help match incoming demand
PEOP05	Establish a tiger team for complete MRCA IL claims	# complete MRCA IL claims disposed by the entire tiger team, per month	# claims/month	1080	720	1080	990	810	810	810	810	810	Existing	Lagging	KPI demonstrates the ability of tiger team delegates to clear complete MRCA IL claims from the backlog against their estimated determination rate
POLI05	Revise claims management approach for serving members	% Reduction in incoming MRCA/DRCA PI claims from serving members of Defence	% of the incoming claims from serving member	37	0	0	0	0	0	0	18.5	37	New	Lagging	KPI demonstrates the impact of the initiative and whether serving members of Defence have been disincentivised to submit PI claims due to the requirement that that lodgement of a PI claim from a serving member triggers a medical and military employment category review via Defence.
PROC02	Support clients to submit completed claims	% of MRCA IL, DRCA IL and VEA DP claims being flagged as decision ready by screening team	% of claims	80%	6%	82%	82%	82%	82%	82%	82%	82%	New	Lagging	KPI demonstrates likely impact of initiative on claim completeness; effective support for clients to submit complete claims should see consequent uplift in the proportion of claims classed as decision ready at screening stage
SYST02	Expand computer-supported decis on making	% of in-scope claims determined in MyService	# of claims	95%	0%	0%	0%	0%	94%	94%	94%	95%	New	Lagging	KPI demonstrates effectiveness of initiative by tracking % of claims that do not require delegate investigation effort

1.KPI for DRCA IL is TBC given current data constraints to measure lower quartile productivity rates. Once new delegates are trained DVA should calculate productivity by quartile to generate baseline and KPI targets

Appendices

1. Drivers of the current state
2. Process and experience pain points
3. Initiatives to address the backlog
4. Projection of backlog clearance
5. Additional ideas to bring forward backlog clearance
6. Implementation roadmap
7. Appendices

- Prioritised initiatives and supporting material
- **Further ideas for claims processing**
- Detailed process breakdown
- Insights on veteran and staff experience
- Pilot Initiatives Model supporting material
- Example model outputs and sensitivity analysis

43 existing initiatives, new initiatives and new ideas have been identified to help clear the backlog or decrease time to process (1/6)

Lever	Initiative number	Initiative combined with	Initiative	Description	Estimated speed to impact	Estimated impact on backlog / TTTP	Feasibility	Prioritised for analysis?
People	INTRAIN08		Strengthen the role of team leaders and senior delegates	Establish a Senior Delegate forum and Business Improvement Working Group to support delegates and improve leadership and management capacity	<6 months	Nil (Enabler)	High	Existing
	INTRAIN12		Increase resourcing levels	Recruit additional processing FTEs to investigate and determine claims	<6 months	High	Moderate	Existing
	PEOP01		Establish regional processing hubs	Consolidate current claim processing workforce into regional hubs to standardise claims processing and benefit from cross-function efficiencies	24 months +	High	Low	Not prioritised
	PEOP02		Improve delegate productivity through the institution of lean management practices	Part A involves embedding methodical approaches within delegate teams to develop a consistent operational mindset. By deploying lean management practices beyond what is in-train through the operational excellence program, uplifting the determination rates of low performing delegates is expected on the divisional level. Part B looks to empower DVA to become a claims processing centre through methods to reduce shrinkage experienced by delegates. These methods are expected to bring shrinkage towards a level of 32%, the shrinkage stated in the DVA enterprise agreement	12-18 months	Medium	High	Prioritised
	PEOP03	PEOP02	Collect and utilise workforce performance metrics	Extend measurement of key workforce productivity metrics (e.g. processing rates, shrinkage, etc.) and use outputs to improve team accountability and develop a continuous improvement culture	< 6 months	Low	High	Not prioritised
	PEOP04		Reallocate FTE by claim type	Dynamically reallocate delegates across different claim types to ensure deployment of FTEs is optimised to match incoming demand and backlog reduction. At the macro level, it is expected that ~20 IL delegates can be reallocated to other PI claim types from mid to late 2022.	12-18 months	High	Medium	Prioritised
	PEOP05		Establish tiger team for complete MRCA IL claims	Establish a new tiger team of 8 newly training MRCA IL delegates to rapidly process complete MRCA IL claims for non-serving members. This will be completed in two phases where the initial looks to complete decision ready MRCA IL claims in the backlog. The second phase will look retain a scaled back team on an ongoing basis to deal with incoming decision ready claims.	12-18 months	Medium	High	Prioritised
	PEOP06		Triage claims for processing	Streamline allocation of complex claims to more experienced delegates	12 - 18 months	Low	High	Not prioritised
	PEOP07	PEOP02	Introduce targeted capability building of low performing delegates	Introduce training programme to improve processing rate of delegates with determination rates in the bottom two quartiles whilst maintaining correct decision making from a quality assurance perspective	12 - 18 months	Medium	Medium	Not prioritised
	PEOP08		Incentivise performance through reprofiling APS levels	Lifting APS levels of top performing delegates	24 months +	Low	Low	Not prioritised

43 existing initiatives, new initiatives and new ideas have been identified to help clear the backlog or decrease time to process (2/6)

Lever	Initiative number	Initiative combined with	Initiative	Description	Estimated speed to impact	Estimated impact on backlog / TTTP	Feasibility	Prioritised for analysis?
Policy	POLI01		Extend non-liability healthcare conditions	Extend the amount of conditions for which non-liability healthcare is provided on a preloaded white card. Initially, these conditions are to be assumed as those tinnitus and hearing loss.	12 - 18 months	High	Low	Prioritised
	POLI02		Automate Initial Liability for high volume claims in backlog	As a one off for claims in the backlog, automatically accept IL claims for high volume claims with high acceptance rates. To safeguard this not increasing the total claims on hand, a policy would need to be put in place to ensure that there is no automatic onflow to PI. For this initiative you assume the condition exists and is related to service so that you auto accept claims for a set risk tolerance without any investigation	24 months +	High	Low	Not prioritised
	POLI03		Review SOP diagnostic protocols	Relax SOP diagnostic protocols for Lumber spondylosis & Osteoarthritis to not require diagnostic imaging for those claiming over the age of 35. This brings diagnosis in line with normal clinical practice	12 - 18 months	Moderate	Medium	Prioritised
	POLI04		Align PIG and GARP to streamline claims investigations across Acts	Standardise PIG and GARP requirements across three Acts to simplify claims processing to break silos of delegates dedicated to one Act and enable more efficient deployment of PI resources across claim-types (i.e., reduce need for cross-Act training)	24 months +	Low	Medium	Not prioritised
	POLI05		Better manage incoming claims from serving members of Defence	Reinforce the role of Defence in providing medical treatment for current serving members and ensure efficient processing of claims from non-serving veterans through three avenues 1) introduce notification of injury / exposure to DVA for serving and non-serving veterans, 2) prioritise the allocation and processing of claims from non-serving members 3) defer the payment of PI compensation of serving members to the time of transition.	12 - 18 months	Moderate	Low	Prioritised
	POLI06		Partner with external organisations to adopt best practices	Partner with external organisations to cross-fertilise best practices e.g. private health insurance, ComCare, etc.	12 - 18 months	Moderate	Medium	Not prioritised
	POLI07		Establish fee schedule to accelerate turnaround of external medical reports	Reduce the time taken to gather medical evidence from external providers through increasing their pay rate	12 - 18 months	Moderate	Low	Not prioritised
	POLI08		Extend 'refuse to deal'	Close idle claims after specified time period of inactivity following a set number of touchpoints with client	12 - 18 months	Low	Medium	Not prioritised
	POLI12		Harmonise legislation across VEA, DRCA & MRCA	Reduce confusions for clients, their families and dependents as well as delegates surrounding the three Acts through harmonisation under one. This includes harmonising the standards of proof	24 months +	Low	Low	Not prioritised
	POLI09		Review SOP factors to aid delegate decision making	Relax SOP factor for high volume claims with high acceptance levels	24 months +	Low	Low	Not prioritised
	POLI10	POLI05	Break link between IL and PI for serving member	Potentially legislative change to stop at IL for serving members	24 months +	High	Low	Not prioritised
	POLI11		Reduce need to conduct full IL investigations for new conditions resulting from aggravated determined conditions identified in PI claims	Create list of conditions that can be fast-tracked through IL process where they come to light during the course of a PI claim. Conditions in question would be those where the condition is a direct consequence of an already determined condition. The aim is to reduce a handoff and delay in progressing a PI claim while IL is investigated.	12 - 18 months	Low	Medium	Not prioritised

43 existing initiatives, new initiatives and new ideas have been identified to help clear the backlog or decrease time to process(3/6)

Lever	Initiative number	Initiative combined with	Initiative	Description	Estimated speed to impact	Estimated impact on backlog / TTTP	Feasibility	Prioritised for analysis?
Process	INTRAIN01		Expansion of screening in MRCA IL	Deployment of APS to identify information gaps in the MRCA IL unallocated queue and submit requests for information to increase proportion of complete claims allocated to delegates to reduce handoffs	<6 months	Low	High	Existing
	INTRAIN02		Pilot case management approach in MRCA IL	Provide administrative support to delegates to obtain medical information for allocated claims enabling better targeting of investigating effort	<6 months	Low	High	Existing
	INTRAIN03		Reduce referrals to MACs	Develop a protocols, roles and responsibilities manual and training materials to reduce the incidence of MAC referrals	<6 months	Low	High	Existing
	INTRAIN05		Simplify approach to identifying date of clinical onset	Clarify the concept of date of clinical onset under the MRCA and VEA, and inform claims processing staff of the simplified approach to be taken in certain circumstances	<6 months	Low	High	Existing
	INTRAIN09		Reconfigure the Incapacity claims processing	Trial a model of activity based processing to enable a team of delegates to manage a claim rather than a single delegate who has ongoing relationship with the veteran	<6 months	Nil (Enabler)	High	Existing
	INTRAIN11		Single National Allocation Model	Establish new national allocation team to manage holding bays (unallocated queues), allocating work based on rules to delegates level	<6 months	Nil (Enabler)	High	Existing
	PROC01	PEOP05	Fast track complete claims	Identify 'complete application' claims at screening process and prioritise claims for allocation to delegates to incentivise clients to submit complete claims	< 6 months	High	Medium	Not prioritised
	PROC02		Support clients to submit completed claims	Support clients to submit completed claims with three key steps: (i) Enable through education on requirements via a centralised concierge call centre function that provides advice and support to veterans and advocates on IL and VEA DP claims (e.g., call centre receives inbound calls, with veterans who call 1800 VETERAN receiving warm handoff to this specialist concierge team), (ii) Encourage through nudges in MyService and financial remuneration of all diagnostic tests (including retrospectively for rejected claims), (iii) Based off success of these initiatives, consider incentivising veterans to submit complete claims by publicising the tiger team that fast tracks complete claims (also consider 'stopping the clock' on TTTP for claims with incomplete information)	12 months +	Moderate	Medium	Prioritised
	PROC03		Auto-capture liability for serving veterans prior to transition	Automatically transition veteran service records and medical information from Defence to DVA when veterans leave service to automatically capture liability for conditions by DVA negating need for new veterans to make liability applications	12 months +	Low	Medium	Not prioritised
	PROC05	SYST13	Develop guidance and digital forms for External Medical Providers	Digitise all medical forms with functionality to auto-populate ISH and provide pdf and form-integrated guidance for external medical providers (EMPs) (i.e., GPs and specialists) on information requirements for claimed conditions (e.g., use of condition terminology, causation and date of onset). Form should be a cloud based solution (rather than API), with dynamic options based on the inputs of doctors. Where possible, form should be sent out at claim lodgement rather than waiting until screening/ allocation to delegate.	18-24 months	Low	Low	Prioritised

43 existing initiatives, new initiatives and new ideas have been identified to help clear the backlog or decrease time to process(4/6)

Lever	Initiative number	Initiative combined with	Initiative	Description	Estimated speed to impact	Estimated impact on backlog / TTTP	Feasibility	Prioritised for analysis?
Process	PROC06		Establish preferred advocate list	Establish and publish list of preferred volunteer advocates identified via processing efficiency of submitted claims, and prioritise submitted claims for allocation to delegate to incentivise use of advocates who submit complete/ quality claims	6-12 months	Low	High	Not prioritised
	PROC11	Deprioritised as of Steerco, 15 November	Phase out paper claims	Phase out acceptance of paper-based claims for all clients and advocates, re-directing applications to MyService. Ability to submit paper based claims would only be retained for clients who specially request them.	12-18 months	Low	High	Not prioritised
	PROC08	PROC02	Prevent allocation of incomplete claims	Hold incomplete claims from being added to queue to prevent delegates chasing down information	6-12 months	Low	Moderate	Not prioritised
	PROC09		Direct non-claims processing work to coordinated support team	Reduce delegate activity providing case management support to clients, by formally delegating responsibility for client case management to client support team	< 6 months	Low	High	Prioritised
	PROC12	PEOP01	Geographically combine benefits processing	Shift all combined benefits processing to a single geographic location to simplify allocation of claims where client has indicated request for claim to progress to PI when claiming for initial liability.	12-18 months	Low	Medium	Not prioritised
	PROC13		Prevent allocation of MRCA PI claims, where client has an undetermined MRCA IL claim	Amend current approach to Grouping claims to ensure all live IL claims are determined before moving onto consideration of PI, to ensure all potential conditions are included in the MRCA all of body assessment. Exceptions should be made for priority claims.	12-18 months	Low	Medium	Not prioritised
	PROC15		Review DVA letters for tone and messaging	Undertake a review of all DVA letters to improve CX outcomes across tone and message clarity. Initiative should improve CX outcomes and reduce inbound contact from clients who do not understand/ misinterpret letter content	6-12 months	Low	Medium	Not prioritised
	PROC16	POLI09	Acceptance of general medical forms	Scope possibility of accepting non-DVA form returns from GPs/ Specialists, without requiring inputs of information using DVA forms. This initiative would improve CX by reducing pressure on clients and GPs/Specialists to fill in multiple forms, and reduce TTTP by accepting receipt of information immediately available from clients rather than requiring delegates to request information on DVA forms.	6-12 months	Low	Low	Not prioritised
	PROC17		Automate acceptance of compensation claims on KPI due date	Automate acceptance of claims for compensation on KPI due date, irrespective of claim investigation status. This initiative would ensure DVA KPIs were met, and reduce delegate investigation time, but introduce high levels of risk in terms of accepting claims that should be rejected.	18 months +	High	Low	Not prioritised

43 existing initiatives, new initiatives and new ideas have been identified to help clear the backlog or decrease time to process(5/6)

Lever	Initiative number	Initiative combined with	Initiative	Description	Estimated speed to impact	Estimated impact on backlog / TTTP	Feasibility	Prioritised for analysis?
Systems	INTRAIN04		Letter functionality	Minimise the level of manual intervention required by delegates and to pre-populate MRCA, DRCA and Incap decline letters with data entered elsewhere in systems	<6 months	Low	High	Existing
	INTRAIN06		Automation of bundling of conditions in ISH	Automating the bundling of claims for single conditions that are submitted by the same client in a 24 hour period	<6 months	Low (N.B., initiative not included in model calculation given it does not directly affect any model variable and expected impact is small)	High	Existing
	INTRAIN07		Compensation (ISH) Improvements	Introduce task functionality in ISH to enable requests for information to be made for incapacity payment information and lifestyle assessments in MyService	<6 months	Nil (Enabler)	High	Existing
	INTRAIN10		Establish DDEIE/ RMS	Provide delegates with extended and near real-time access to digitally available DoD information on veteran service records, HR records and medical records	<6 months	Low	Moderate	Existing
	SYST01		Centralise inbound client contact	Prevent clients from initiating direct contact with delegates through centralising contact channels (e.g., via 1800 VETERAN)	12-18 months	Moderate	Low	Not prioritised
	SYST02		Expand computer-supported decision making	Expand the number of conditions covered by computer-supported decision making to all single condition streamlined/ STP claims that have straightforward diagnoses and a clear date of onset	12-18 months	High	High	Prioritised
	SYST03	SYST08	Remove manual data entry from computer-supported decision making process	Accelerate removing manual data entry for computer-supported decisions from MyService into ISH. Automatic bundling is happening already and should be completed by FY22. However, full automation has not been planned yet	12-18 months	Low	Moderate	Not prioritised
	SYST04	PROC02	Nudge clients using MyService	Nudge clients to provide diagnosis in claim submission (e.g., prompt "Your application is only 80% complete. If you can fill out the attached medical diagnosis form, your application is likely to be completed x3 faster"). Consider publishing statistics on average TTTP like 'VA Canada' does in order to manage veteran expectations	12-18 months	Low	High	Not prioritised
	SYST05	PROC02	Reconfigure MyService digital logic	Reconfigure digital logic in MyService to encourage complete claims (e.g., have a 'shopping cart' style of claims submission, or have some fields automatically filled out from previous claims)	18-24 months	High	Moderate	Not prioritised
	SYST06	PROC02	Only accept submission of completed claims in MyService	Only allow submission of claims with all fields filled out, including a full medical diagnosis. Note a legislative change would not be required as paper claims may still be submitted with incomplete medical diagnosis. May also decrease intake of new claims, which may be mitigated through other initiatives improving veteran support	12-18 months	Moderate	Low	Not prioritised
	SYST07	PROC02	Launch online concierge functionality in MyService	Launch online concierge functionality such as informational pop-out blurbs that appear if an applicant hovers over a field for a long period of time, or an online chat functionality for assisting with filling out applications	12-18 months	Low	Moderate	Not prioritised

43 existing initiatives, new initiatives and new ideas have been identified to help clear the backlog or decrease time to process(6/6)

Lever	Initiative number	Initiative combined with	Initiative	Description	Estimated speed to impact	Estimated impact on backlog / TTTP	Feasibility	Prioritised for analysis?
Systems	SYST08		Automate registration and screening processes	Fully automate the registration and screening process steps	12-18 months	Moderate	Low	Not prioritised
	SYST10		Improve guidance to delegates on claims processing via Operational Blueprint	Establish a DVA version of Service Australia's 'Operational Blueprint' to improve access to decision making tools for delegates (currently provided by CLIK and SharePoint)	12-18 months	Low	Low	Not prioritised
	SYST11		Launch claims tracking software for delegates	Establish a digital claims tracking software to support delegates with their work processes (delegates currently all develop their own approach to managing the claims they are allocated)	12-18 months	Low	Moderate	Not prioritised
	SYST12		Establish combined benefits processing module for delegates	Establish a module in ISH for combined benefits processing/ multi-Act claims and missing claim types (e.g., Death claims) to remove need for training in multiple ISH modules	6-12 months	Low	Moderate	Not prioritised
	SYST13	PROC05	Digitise diagnosis forms	Digitise medical forms and questionnaires to maximise the potential for first time return of required medical information from referrals to GPs and specialists.	12-18 months	Low	Moderate	Not prioritised
	SYST14		Minimise submission of conditions that are unlikely to be accepted	Prompt claimants upfront when entering conditions that their condition is unlikely to be accepted. This can minimise submission of conditions that are unlikely be accepted, and manage expectations, which increases veteran experience. Initiative also serves to increase understanding in the veteran community of the DVA claims process and the requirement that a condition generally needs to be caused by service	6-12 months	Low	High	Prioritised
	SYST15		Set up digital tracker of claims status on MyService	Communicate status of claims with client over MyService to reduce delegate distraction. Include providing more detailed information on MyService such as 'waiting on defence' or 'waiting on veteran' instead of just 'under investigation'	12-18 months	Low	Moderate	Not prioritised
	SYST16		Create determination module in ISH	Create new module in ISH to pre-populate determination letter for delegate. Module would draw on notes and system inputs across investigation process to populate determination letters with full rationale for decision, and save delegate time in collating and writing up information.	12-18 months	Medium	Low	Not prioritised
	SYST17		Enable ISH to automatically update claim offsetting outcomes	Integrate offsetting software into ISH so that offsetting team can update claim details, and cease manual upload of offsetting outcomes by delegates	12-18 months	Low	Low	Not prioritised
	SYST18		Recommend clients to submit combined claims for conditions that are likely to co-occur and be accepted to be added to the same claim	Apply analytics to consolidate multiple claims and provide a holistic view/service for the veteran/family. Recommend client to consider conditions that are likely to occur with existing condition, and be accepted together to be added to the same claim	12-18 months	Low	Moderate	Not prioritised

Appendices

1. Drivers of the current state
2. Process and experience pain points
3. Initiatives to address the backlog
4. Projection of backlog clearance
5. Additional ideas to bring forward backlog clearance
6. Implementation roadmap
7. Appendices

- Prioritised initiatives and supporting material
- Further ideas for claims processing
- **Detailed process breakdown**
- Insights on veteran and staff experience
- Pilot Initiatives Model supporting material
- Example model outputs and sensitivity analysis

Our approach to developing a detailed breakdown of process and experience pain points

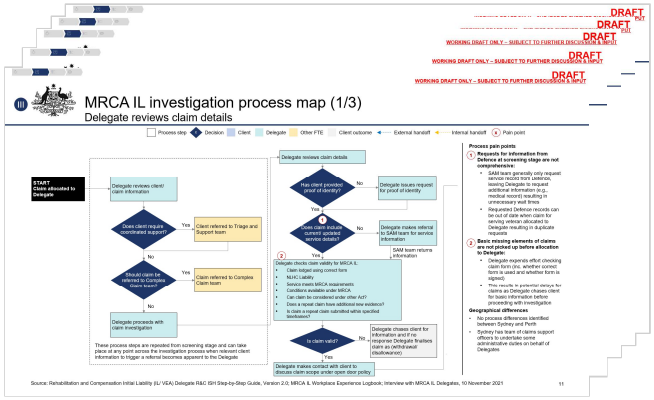
Inputs and outcomes of our overall and deep dive process mapping exercises

We have investigated/ interviewed …

- Claim types
- Delegates over 10 sessions
- RSLs, families and peak bodies
- Process manuals
- Process steps
- Forms
- Offices across Australia

… and identified pain points…

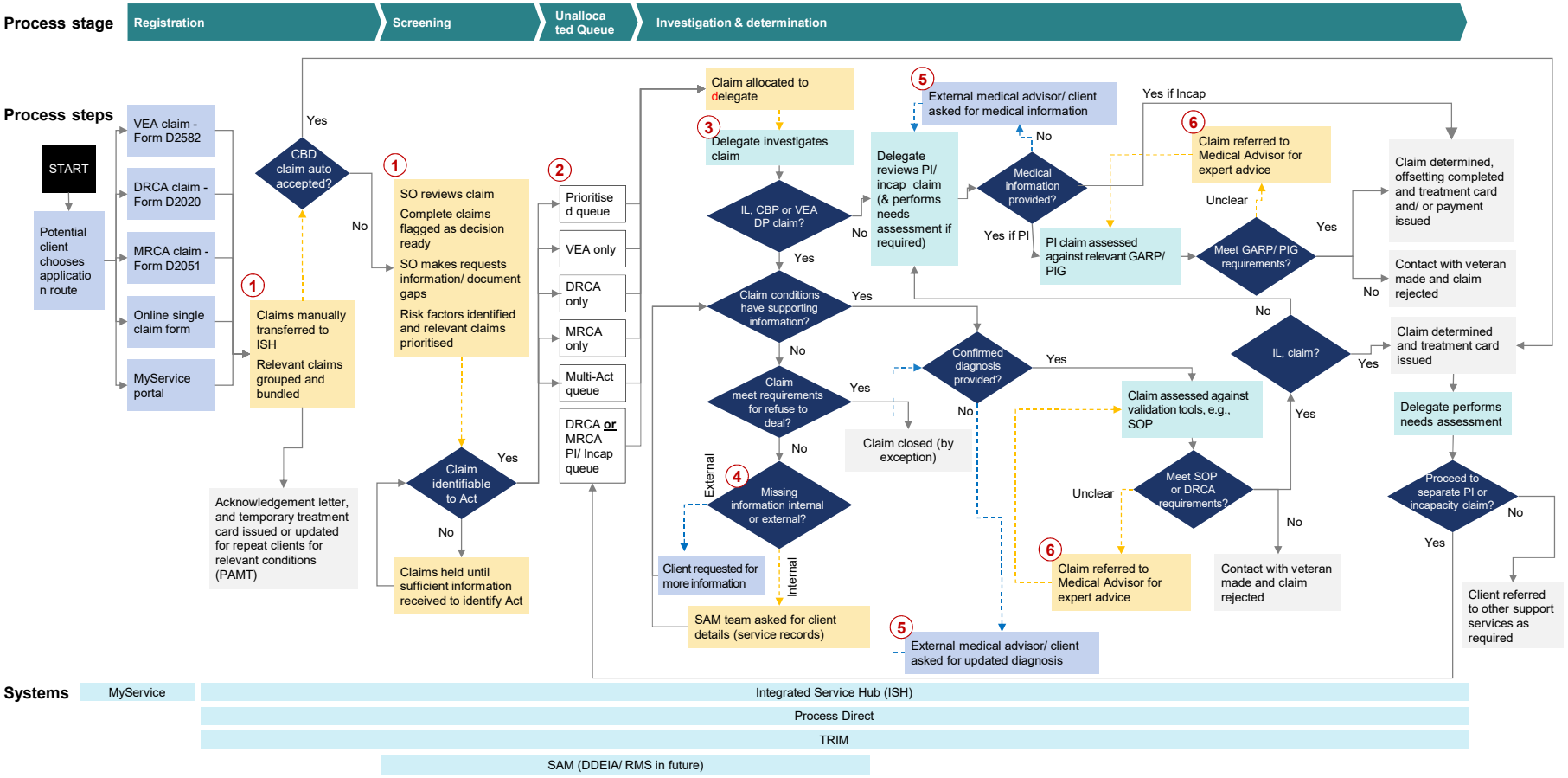
- Macro pain points
- Sub-step process pain points



…to be addressed by…

- 7 Existing initiatives
- 12 New prioritised initiatives
- 20+ Additional ideas for DVA to consider

6 macro pain points have been identified across the claims investigation process



Major pain points/ drivers of effort

1. FTEs manually register and screen claims
2. Claims spend long wait time in unallocated queue
3. There is a large variation in delegate effort and time to investigate claims, and in client contact
4. Delegates make requests for Defence information on allocation
5. Delegates expend effort chasing and waiting for medical information from external providers
6. Delegates make significant number of unnecessary referrals to MACs

Source: DVA stakeholder interviews

13 process step pain points across claim types contribute to the 4 major pain points post allocation to a delegate

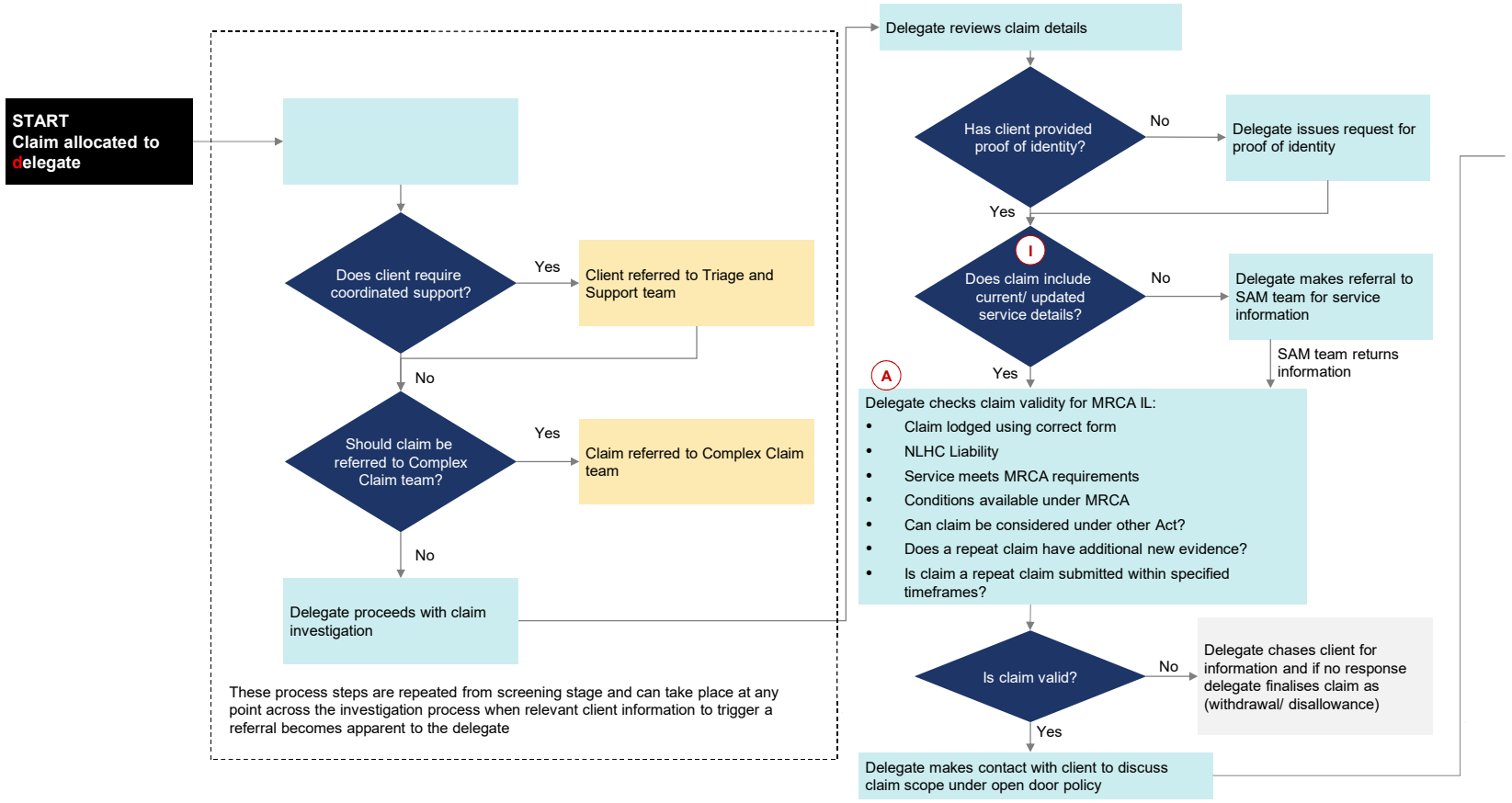
Macro and micro pain points post allocation to delegate

Major pain point	Sub process step pain point	Claim type							Initiatives/ ideas in place to solve pain point?		
		MRCA IL	DRCA IL	MRCA PI	DRCA PI	VEA DP	MRCA CBP	DRCA CBP	In-train	Prioritised	Long list
(3) There is a large variation in delegate effort and time to investigate claims, and in client contact	(A) **Screening teams do not undertake basic claim validity checks** (e.g., client identity checks, form accuracy, checking whether form is signed, etc.) leading to wasted delegate effort and wait times as the client is contacted for information	✓	✓	✓	✓	✓	✓	✓		●	●
	(B) **Lack of SOPs under DRCA means delegate has less guidance on judging claims** resulting in strong reliance on referrals to MACs to aid on claim decision making		✓					✓			●
	(C) **Delegate can issue large volume of forms at multiple points across IL and PI process steps** as claim progresses through different stages and new information requirements transpire					✓	✓	✓		●	
	(D) **There is no system to prevent allocation of PI claims to delegates where the client has undetermined IL claims in progress**[1]; this can lead to multiple whole of body assessments in quick succession that could be combined			✓							●
	(E) **Delegates must determine liability for conditions that become aggravated/ evolve into new conditions** between acceptance of IL and consideration of PI claim before proceeding with PI claim			✓	✓		✓	✓			●
	(F) **Post investigation delegates expend effort collating investigation content** populate determination letter that could be automated	✓	✓	✓	✓	✓	✓	✓			●
	(G) **Delegates must manually input offsetting outcomes into ISH**				✓			✓			●
	(H) **Accepted claims can sit in limbo if client does not respond to offer letter;** DRCA has no option to employ refuse to deal to cancel claims				✓			✓			●
(4) **Delegates make requests for Defence information on allocation**	(I) **Comprehensive set of information from Defence may not be requested** prior to allocation; delegate must make multiple requests for additional/ updated information types if required delaying claims processing	✓	✓	✓	✓	✓	✓	✓	●		
(5) **Delegates expend effort chasing and waiting for medical information from external providers**	(J) **4 high use forms do not reliably facilitate collection of diagnostic information** required for delegate to confirm diagnosis (D9287, D2049, Psychology Assessment request form & Claimant report	✓	✓	✓		✓	✓	✓		●	
	(K) **There are no standard forms in ISH that can used for DRCA PI claims,** requiring delegates to spend ~20 mins per claim creating and tailoring letters and medical assessment forms to issue to clients				✓			✓		●	
(6) **Delegates make significant number of unnecessary referrals to MACs**	(L) **Limited availability of 'MACs on demand' prevent delegates from making quick enquiries of SMEs,** resulting in unnecessary referrals with long wait times	✓	✓	✓	✓	✓	✓	✓	●		
	(M) **Delegates send all claims to MACs to assess non-SOP conditions and perform GARP assessments** leading to delays in processing	✓		✓		✓	✓		●		

Source: Interviews with delegates, 17-26 November 2021

MRCA IL investigation process map (1/3)

Delegate reviews claim details



Process pain points

(I) Requests for information from Defence at screening stage are not comprehensive:

- SAM team generally only request service record from Defence, leaving delegate to request additional information (e.g., medical record) resulting in unnecessary wait times
- Requested Defence records can be out of date when claim for serving veteran allocated to delegate resulting in duplicate requests

(A) Basic missing elements of claims are not picked up before allocation to delegate:

- Delegate expends effort checking claim form (incl. whether correct form is used and whether form is signed)
- This results in potential delays for claims as delegate chases client for basic information before proceeding with investigation

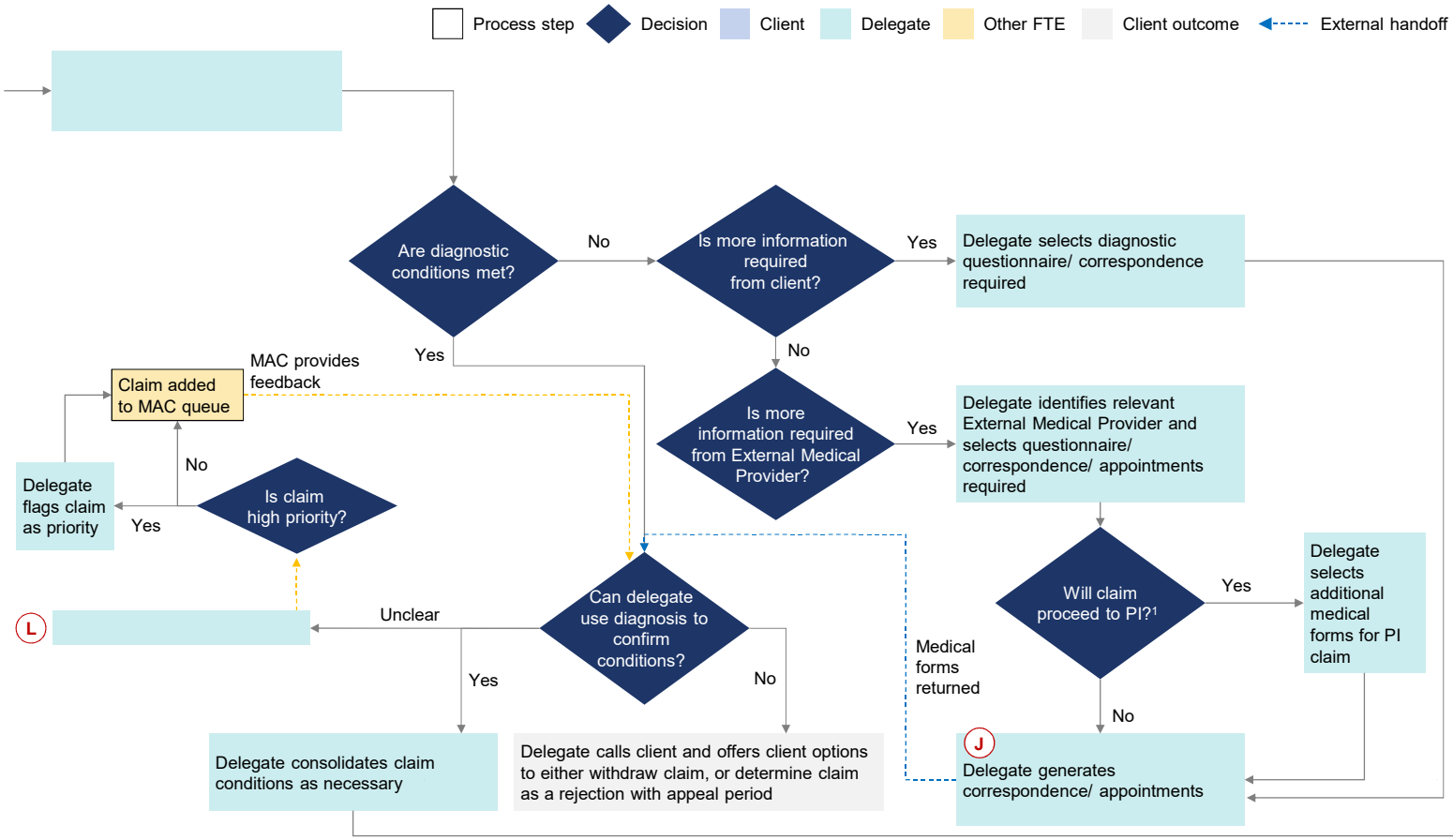
Geographical differences

- No process differences identified between Sydney and Perth
- Sydney has team of claims support officers to undertake some administrative duties on behalf of delegates

Source: Rehabilitation and Compensation Initial Liability (IL/ VEA) Delegate R&C ISH Step-by-Step Guide, Version 2.0; MRCA IL Workplace Experience Logbook; Interview with MRCA IL delegates, 10 November 2021

MRCA IL investigation process map (2/3)

Delegate investigates diagnosis



Process pain points

J **4 high use forms do not reliably facilitate collection of diagnostic information** required for Delegate to confirm diagnosis:

- D9287 Diagnosis Form
- D2049 Injury or Disease details sheet
- Psychology Assessment request form
- Claimant report (for non STP/ Streamlined conditions)

L **Limited availability of 'MACs on demand' prevent Delegates from making quick enquiries of these SMEs,** resulting in unnecessary referrals with long wait times

Geographical differences

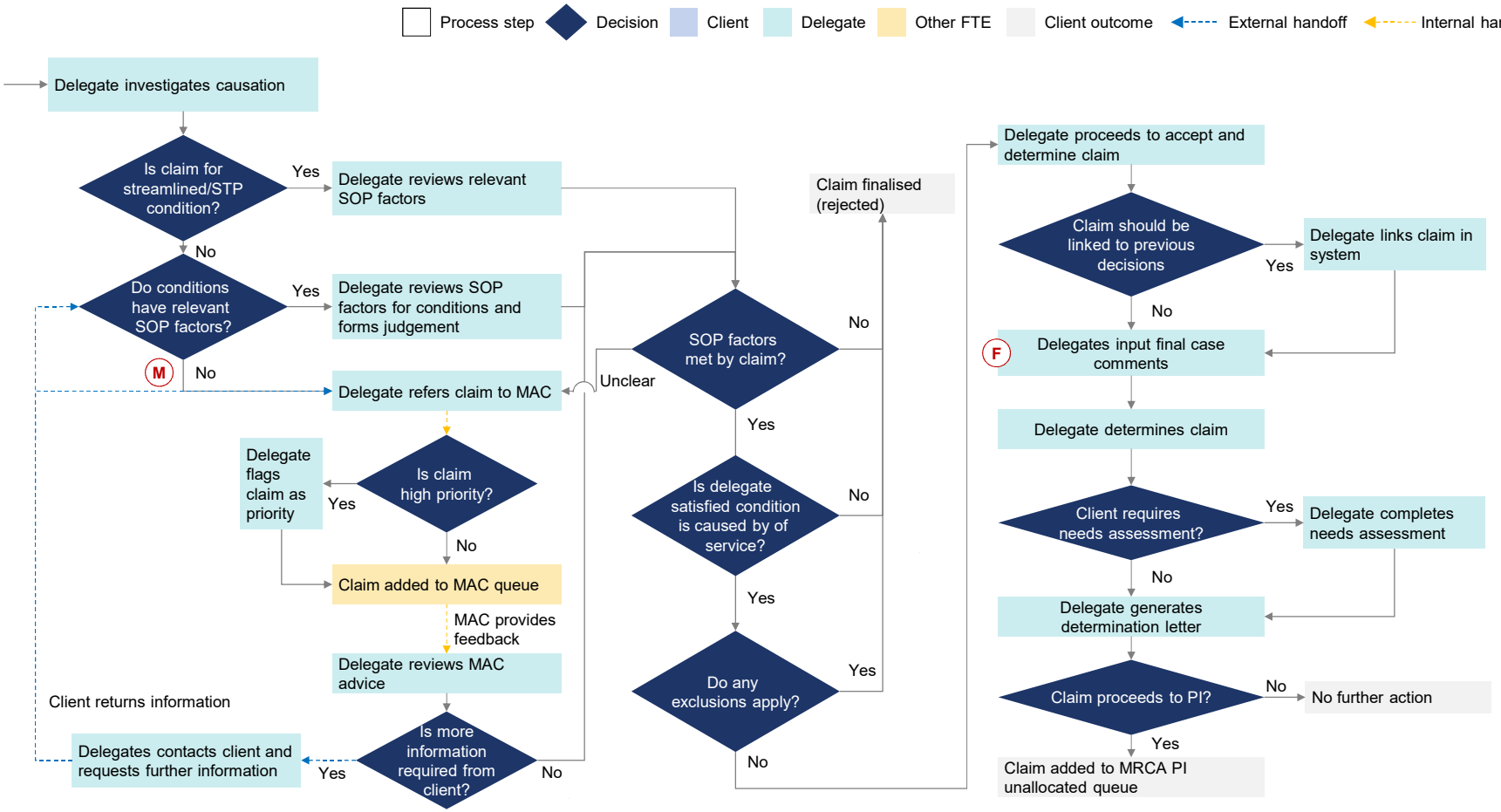
- No process differences identified between Sydney and Perth

1. Request for PI related material will only be made if client informs the Delegate they wish to proceed to a PI claim
2. Delegates will also confer with team leaders, colleagues and other medical staff in addition to MACs to interpret and understand returned diagnostic material

Source: Rehabilitation and Compensation Initial Liability (IL/ VEA) Delegate R&C ISH Step-by-Step Guide, Version 2.0; MRCA IL Workplace Experience Logbook; Interview with MRCA IL Delegates, 10 November 2021

MRCA IL investigation process map (3/3)

Delegate investigates causation



Process pain points

M Delegates rely on MACs to judge claims for non-SOP conditions:

- Delegates automatically refer claims to MACs without attempting to form judgement and thereby save claim cycle time

F Delegates face significant administrative burden in writing up determinations

- Populating determination letter is not automated, requiring delegate to review process decisions across map to build determination narrative

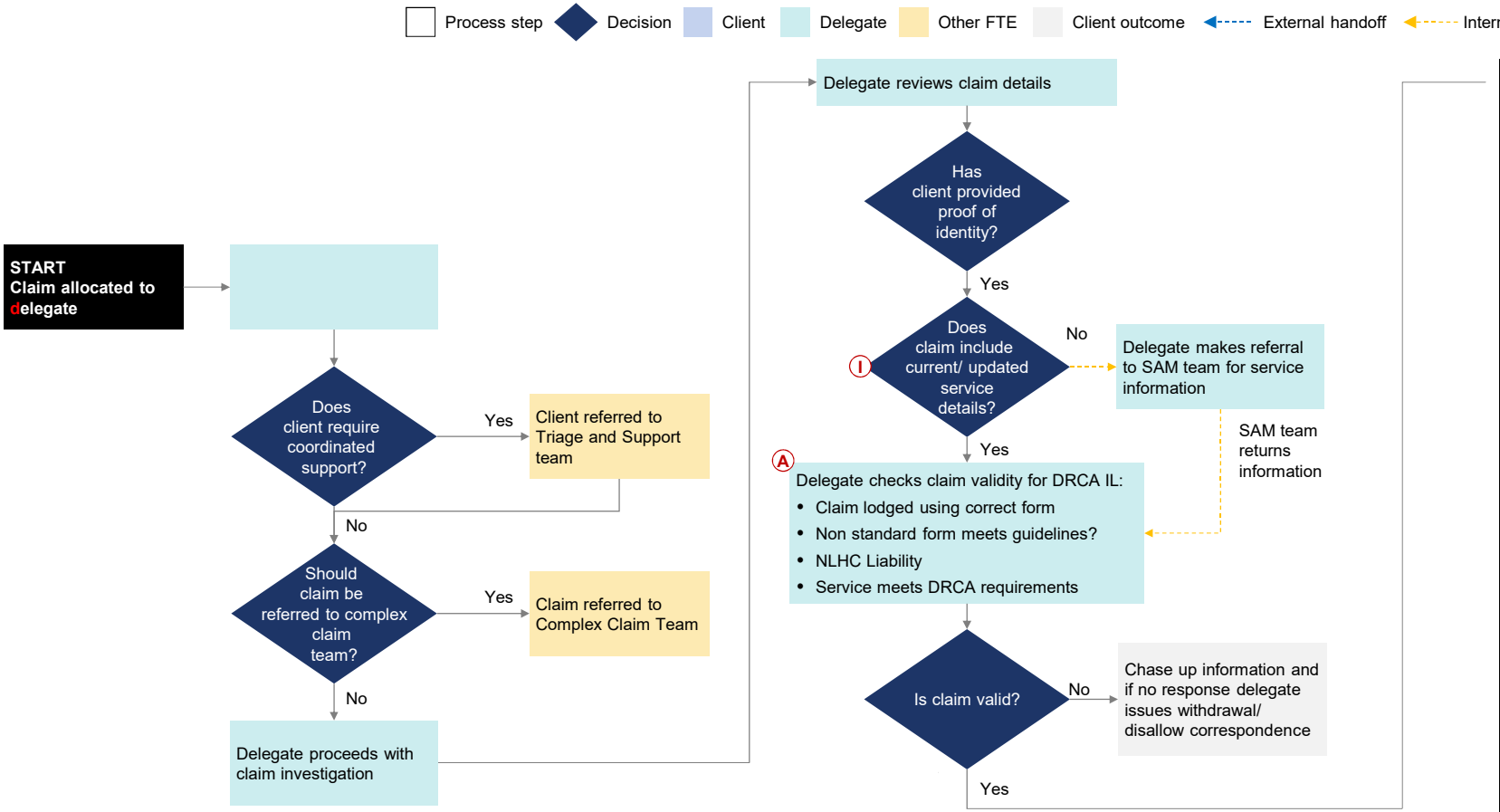
Geographical differences

- No process differences identified between Sydney and Perth
- Sydney delegates report a greater bias to refer claims to MACs for judgement given historical management practices

Source: Rehabilitation and Compensation Initial Liability (IL/ VEA) Delegate R&C ISH Step-by-Step Guide, Version 2.0; MRCA IL Workplace Experience Logbook; Interview with MRCA IL delegates, 10 November 2021

DRCA IL investigation process map (1/3)

Delegate reviews claim details



Process pain points

I Requests for information from Defence at screening stage are not comprehensive:

- SAM team generally only request service record from Defence, leaving delegate to request additional information (e.g., medical record) resulting in unnecessary wait times
- Requested Defence records can be out of date when claim for serving veteran allocated to delegate resulting in duplicate requests

I Delegates must make multiple requests for Service related information for the same client:

- Delegates must make separate claims for medical, personnel, reserve training days, psychology files etc.

A Basic missing elements of claims are not picked up before allocation to delegate:

- Delegate expends effort checking claim form (incl. whether correct form is used and whether form is signed)
- This results in potential delays for claims as delegate chases client for basic information before proceeding with investigation

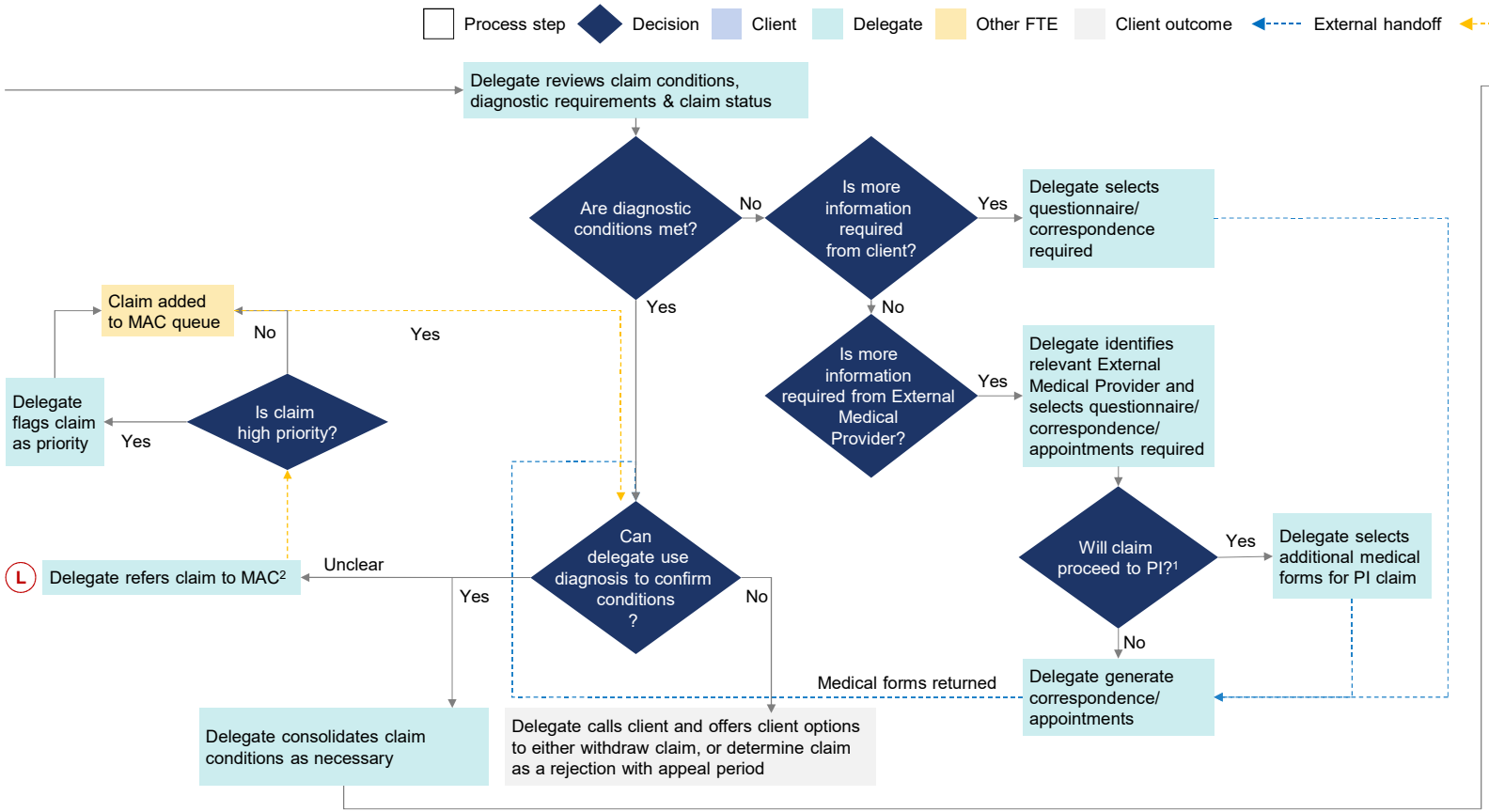
Geographical differences

- No process differences identified between different locations

Source: Rehabilitation and Compensation Initial Liability (IL/ VEA) Delegate R&C ISH Step-by-Step Guide, Version 2.0; DRCA IL Workplace Experience Logbook; Interview with DRCA IL delegates, 10 November 2021

DRCA IL investigation process map (2/3)

Delegate investigates diagnosis



Process pain points

- L **Limited availability of 'MACs on demand' prevent delegates from making quick enquiries of these SMEs,** resulting in unnecessary referrals with long wait times

Geographical differences

- No process differences identified between different locations
- Delegates anecdotally report greater MAC availability of Melbourne

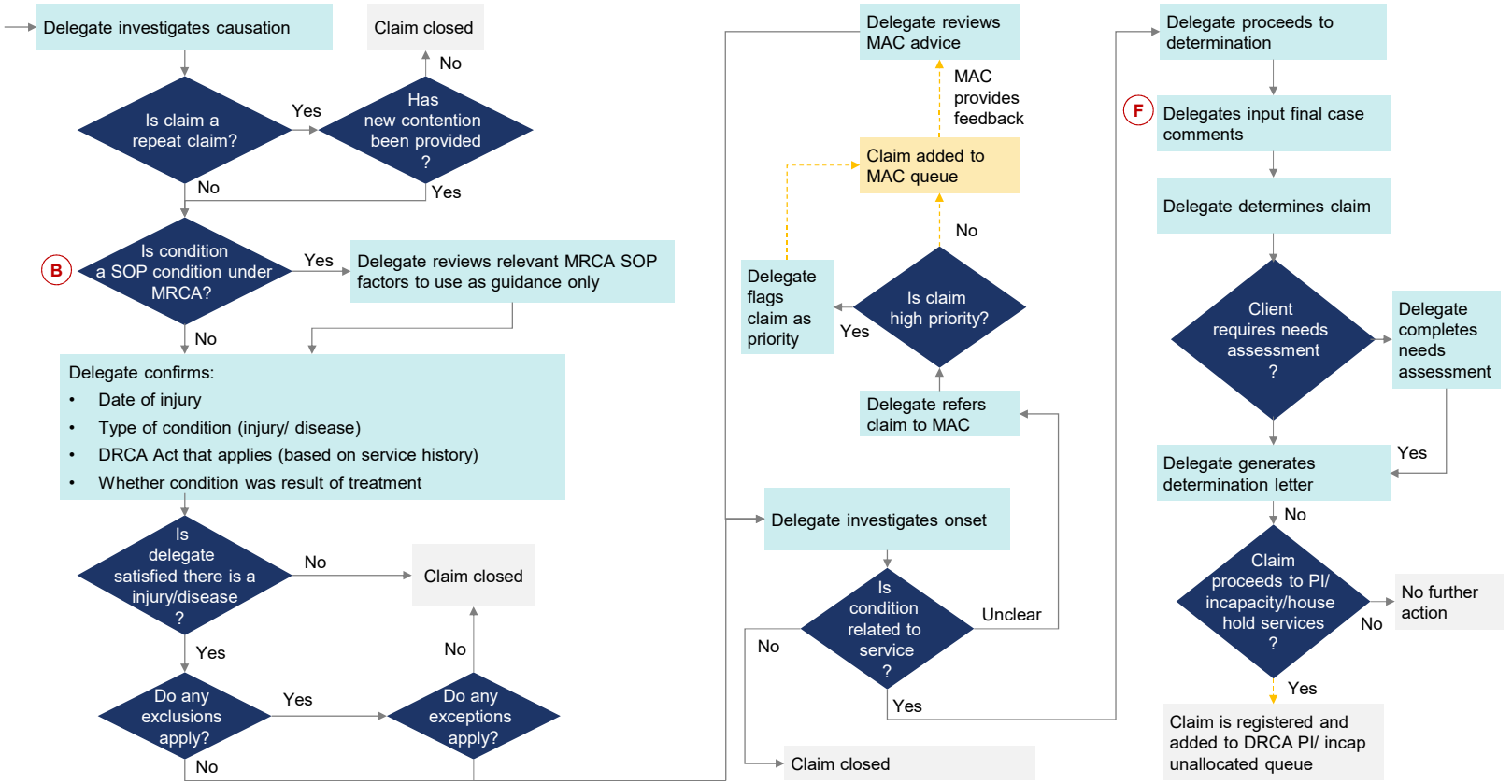
1. Request for PI related material will only be made if client informs the delegate they wish to proceed to a PI claim
2. Delegates will also confer with team leaders, colleagues and other medical staff in addition to MACs to interpret and understand returned diagnostic material

Source: Rehabilitation and Compensation Initial Liability (IL/ VEA) Delegate R&C ISH Step-by-Step Guide, Version 2.0; DRCA IL Workplace Experience Logbook; Interview with DRCA IL delegates, 10 November 2021

DRCA IL investigation process map (3/3)

Delegate investigates causation

Process step | Decision | Client | Delegate | Other FTE | Client outcome | External handoff | Internal handoff | Pain point



Process pain points

B Lack of SOPs under DRCA means Delegate has less guidance on judging claims:

- This lack of guidance can incentivise use of MACs

F Delegates face significant administrative burden in writing up determinations

- Populating determination letter is not automated requiring delegate to review process decisions across map to build determination narrative

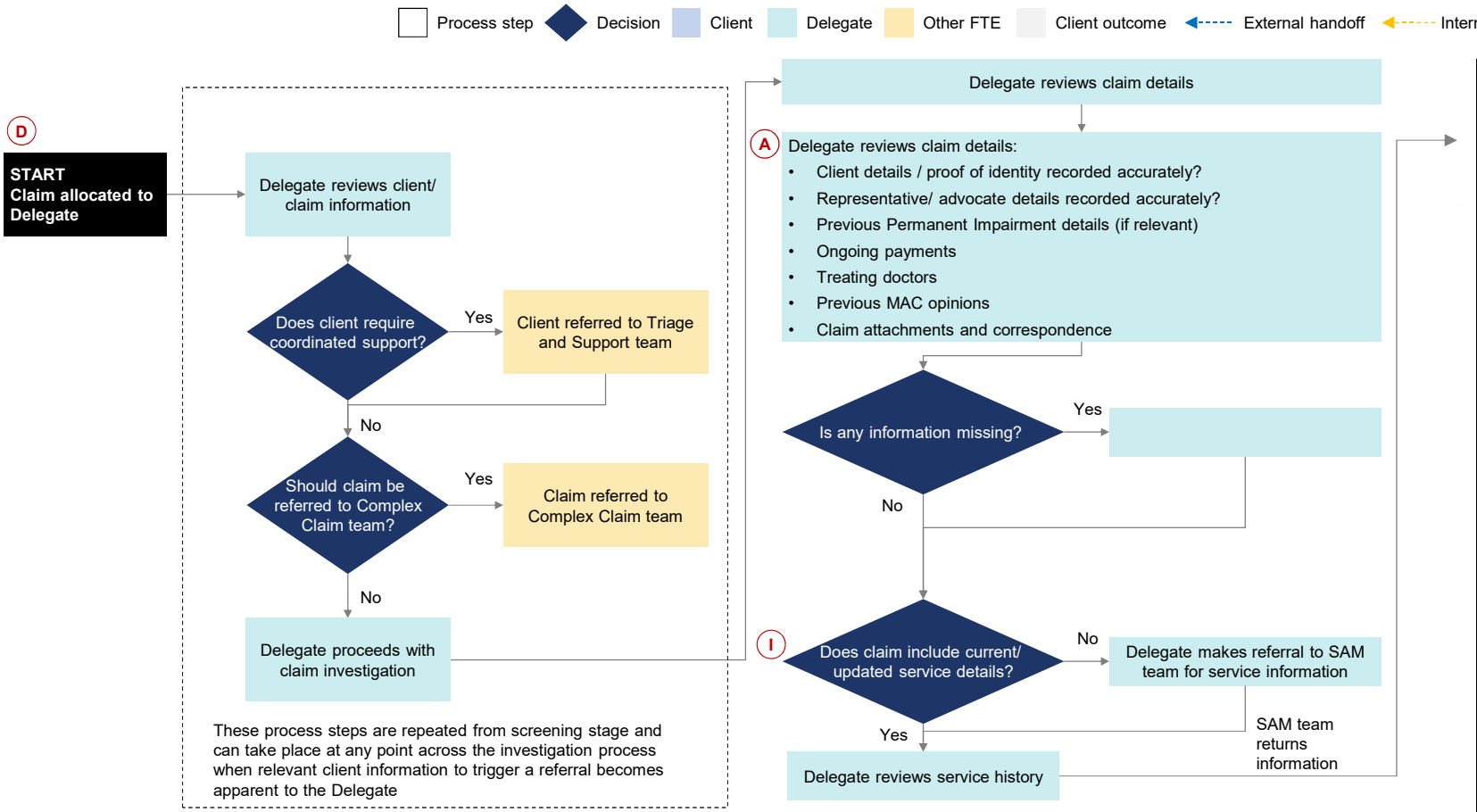
Geographical differences

- No process differences identified between different locations
- Delegates anecdotally report greater MAC availability of Melbourne

Source: Rehabilitation and Compensation Initial Liability (IL/ VEA) Delegate R&C ISH Step-by-Step Guide, Version 2.0; DRCA IL Workplace Experience Logbook; Interview with DRCA IL delegates, 10 November 2021

MRCA PI investigation process map (1/3)

Delegate reviews claim details



Process pain points

D **There is no system to prevent allocation of PI claims Delegates where the client has undetermined IL claims in progress**[1]; this can lead to multiple whole of body assessments in quick succession that could be combined

A **Basic missing elements of claims are not picked up before allocation to Delegate:**

- Delegate expends effort checking claim form (incl. whether correct form is used and whether form is signed)
- This results in potential delays for claims as Delegate chases client for basic information before proceeding with investigation

I **Requests for information from Defence at screening stage are not comprehensive:**

- SAM team generally only request service record from Defence, leaving Delegate to request additional information (e.g., medical record) resulting in unnecessary wait times
- Requested Defence records can be out of date when claim for serving veteran allocated to Delegate resulting in duplicate requests

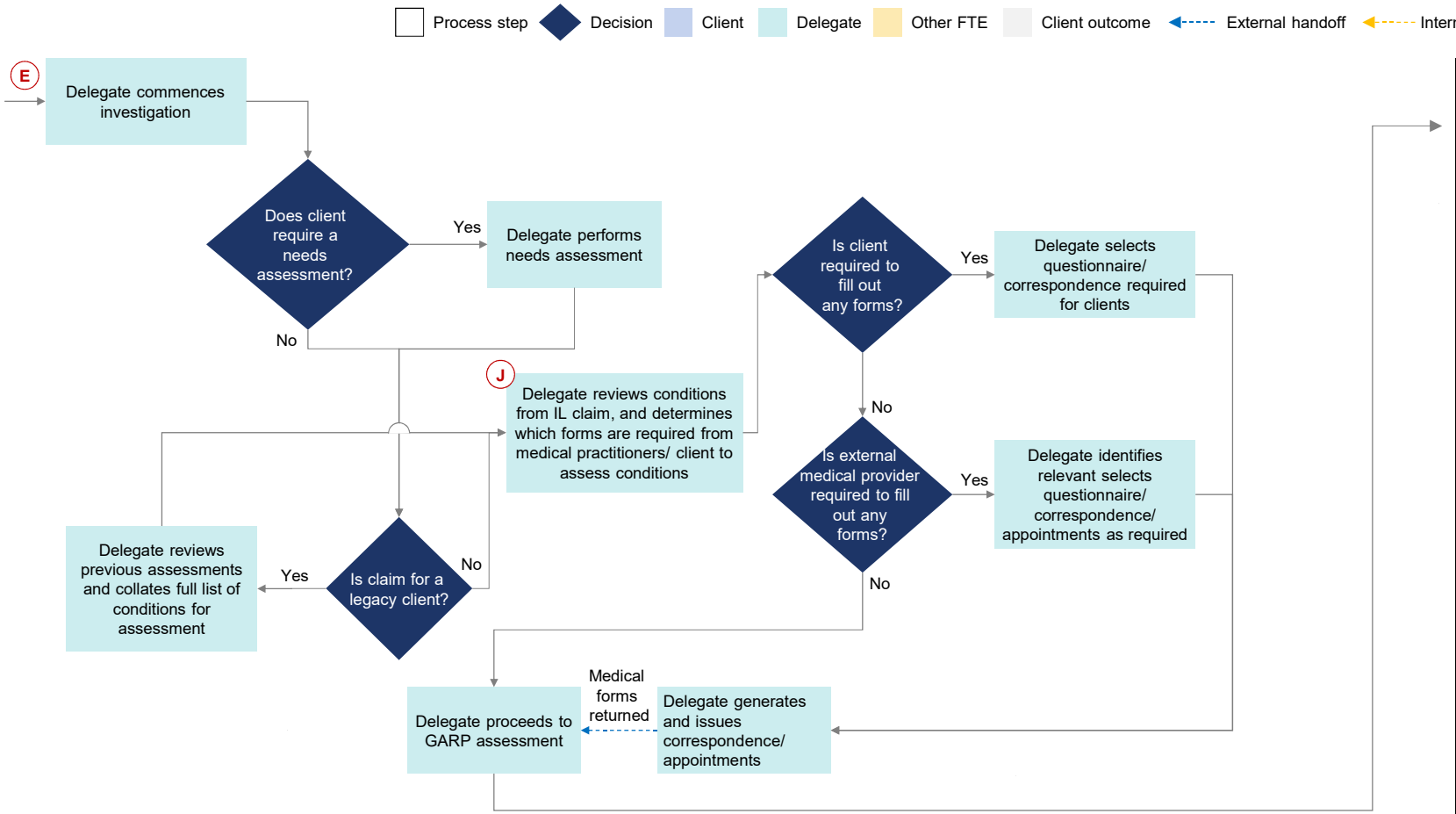
Geographical differences

- No process differences identified across offices

Source: Rehabilitation and Compensation MRCA PI Delegate R&C ISH Step-by-Step Guide, Version 4.1; MRCA PI Workplace Experience Logbook; Interview with MRCA PI delegates, 16 November 2021

MRCA PI investigation process map (2/3)

Delegate commences claim investigation



Process pain points

- (E) **Delegates must determine liability for conditions that become aggravated/ evolve into new conditions** between acceptance of IL and consideration of PI claim before proceeding with PI claim
- (J) **4 high use forms do not reliably facilitate collection of diagnostic information** required for Delegate to confirm diagnosis:
  - D9287 Diagnosis Form
  - D2049 Injury or Disease details sheet
  - Psychology Assessment request form
  - Claimant report (for non STP/ Streamlined conditions)

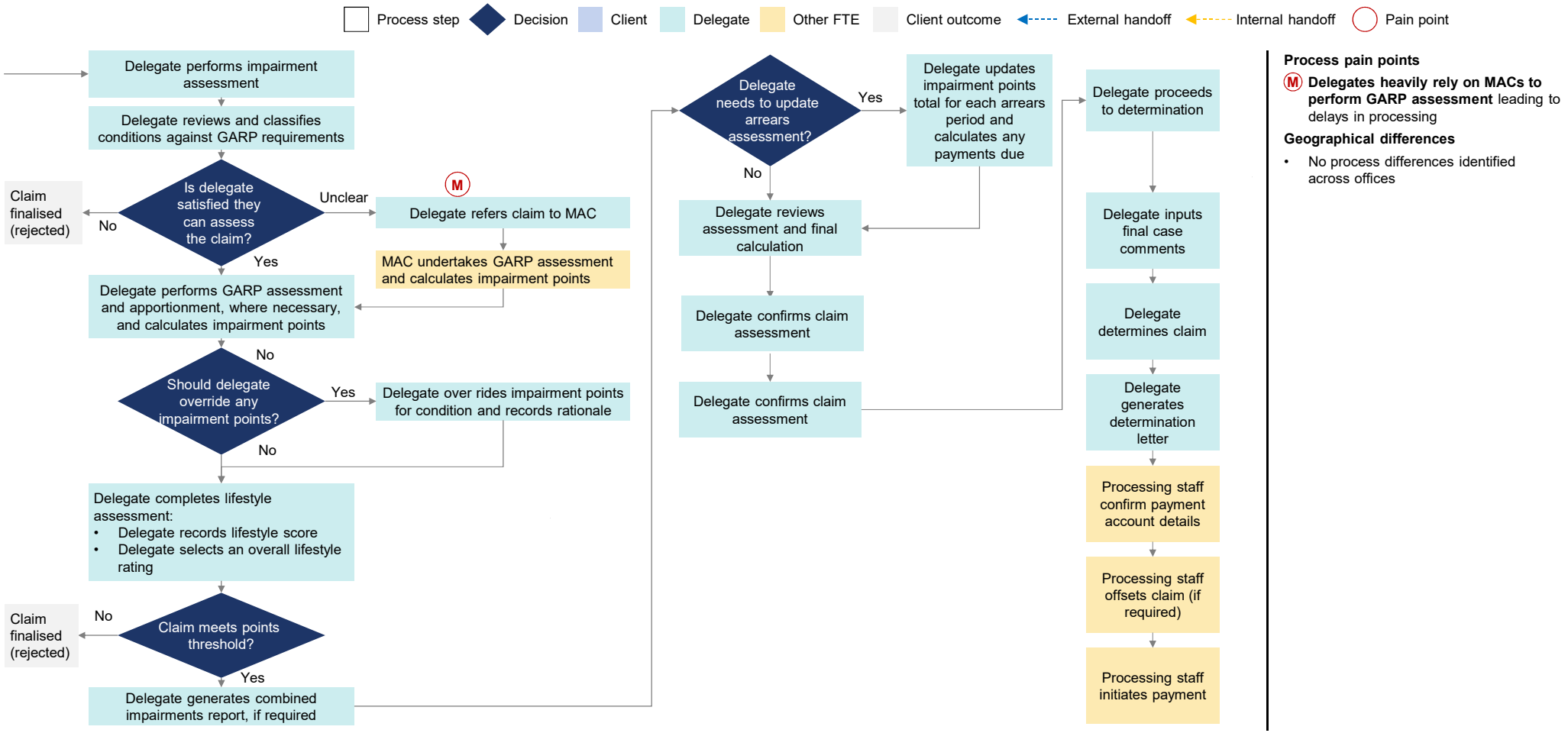
Geographical differences

- No process differences identified across offices

Source: Rehabilitation and Compensation MRCA PI Delegate R&C ISH Step-by-Step Guide, Version 4.1; MRCA PI Workplace Experience Logbook; Interview with MRCA PI delegates, 16 November 2021

MRCA PI investigation process map (3/3)

Delegate undertakes impairment assessment and finalises claim



Process pain points

Ⓜ **Delegates heavily rely on MACs to perform GARP assessment** leading to delays in processing

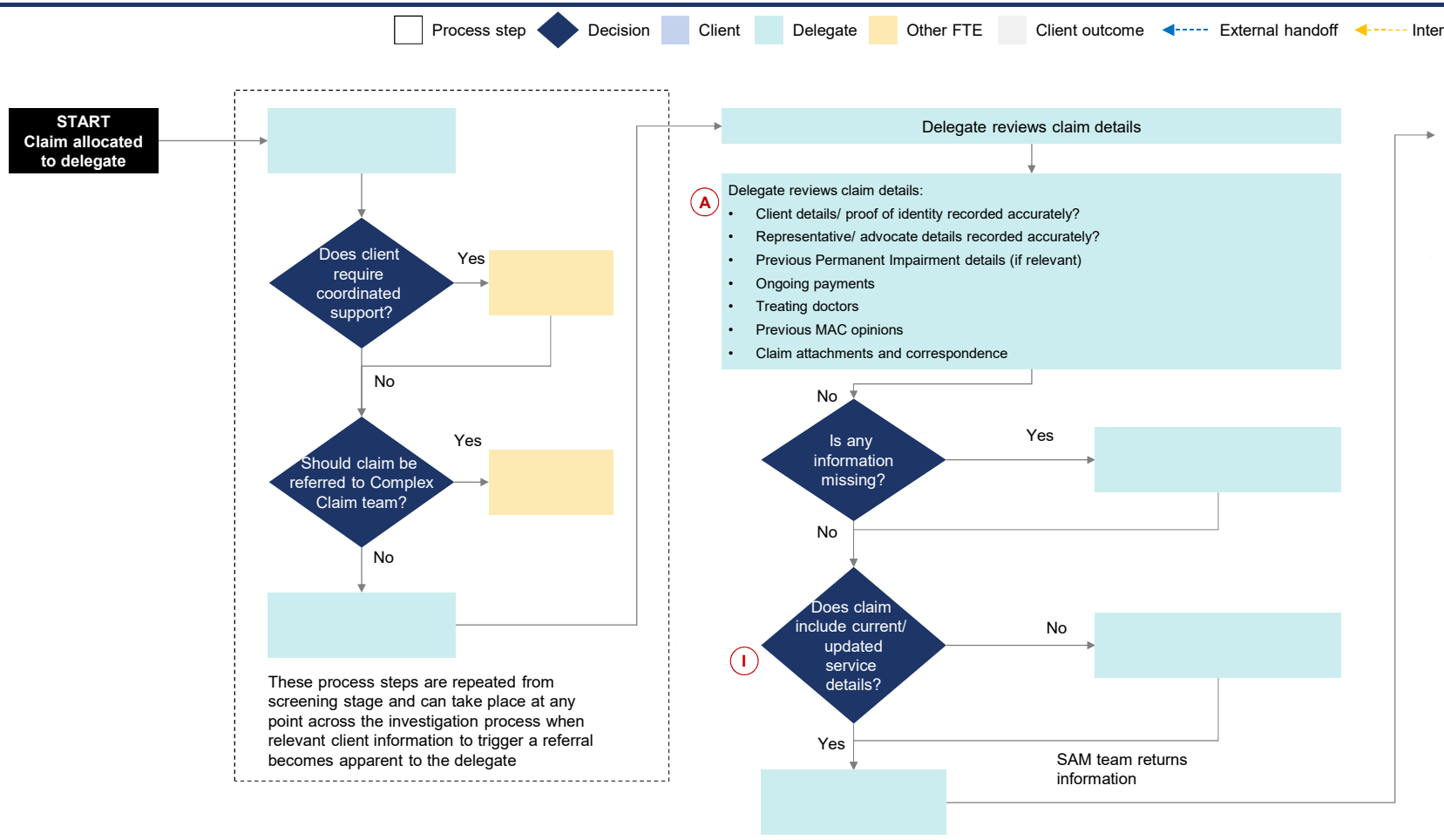
Geographical differences

- No process differences identified across offices

Source: Rehabilitation and Compensation MRCA PI Delegate R&C ISH Step-by-Step Guide, Version 4.1; MRCA PI Workplace Experience Logbook; Interview with MRCA PI delegates, 16 November 2021

DRCA PI investigation process map (1/3)

Delegate reviews claim details



Process pain points

Ⓐ **Basic missing elements of claims are not picked up before allocation to delegate:**

- Delegate expends effort checking claim form (incl. whether correct form is used and whether form is signed)
- This results in potential delays for claims as delegate chases client for basic information before proceeding with investigation

Ⓘ **Requests for information from Defence at screening stage are not comprehensive:**

- SAM team generally only request service record from Defence, leaving delegate to request additional information (e.g., medical record) resulting in unnecessary wait times
- Requested Defence records can be out of date when claim for serving veteran allocated to delegate resulting in duplicate requests

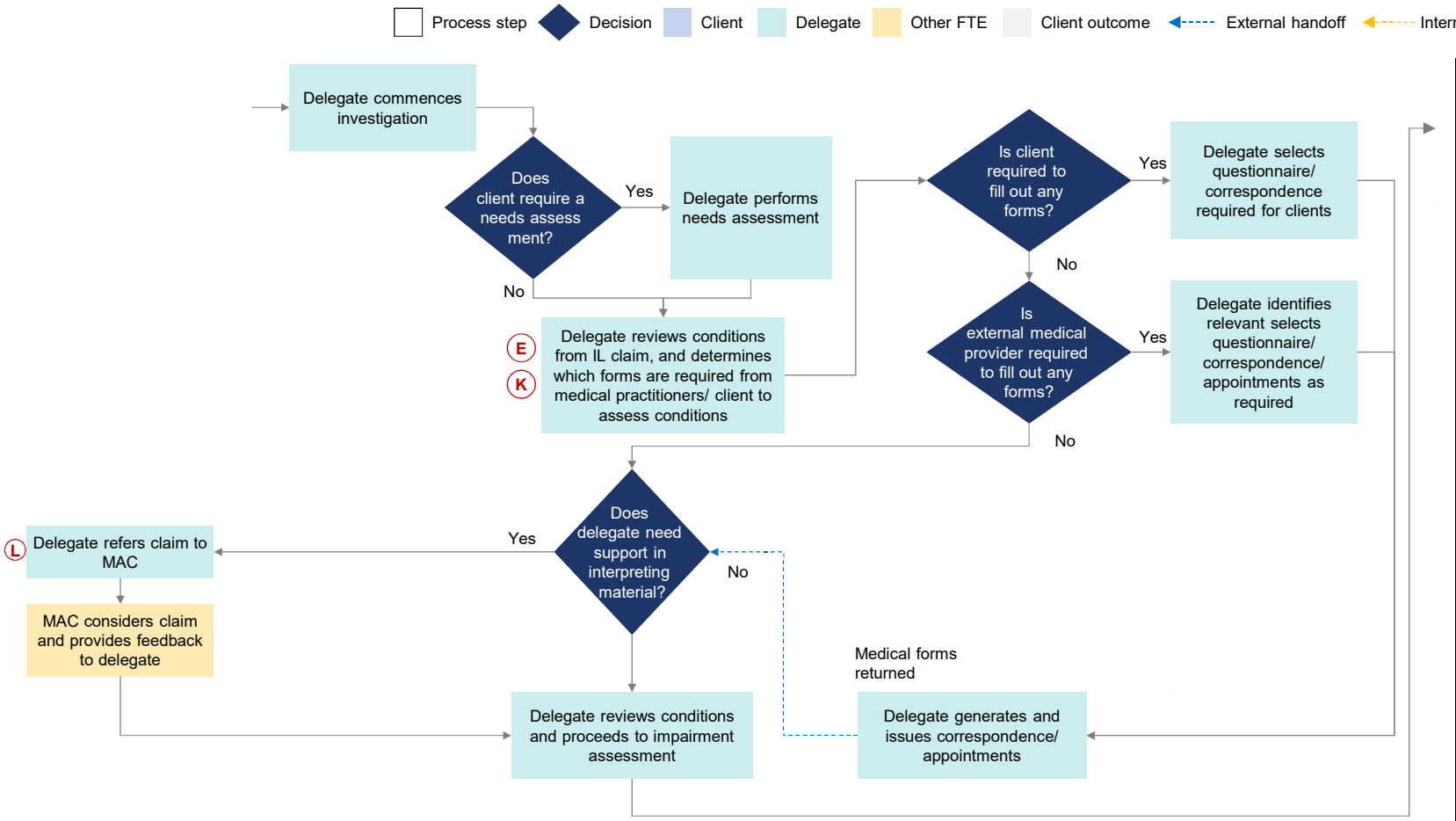
Geographical differences

- No process differences identified between different locations

Source: Rehabilitation and Compensation Initial Liability DRCA PI Delegate, R&C ISH Step-by-Step Guide, Version 7.1; DRCA PI Workplace Experience Logbook; Interview with DRCA PI delegates, 17 November 2021

DRCA PI investigation process map (2/3)

Delegate commences claim investigation



Process pain points

- (E) **Delegates must determine liability for conditions that become aggravated/ evolve into new conditions** between acceptance of IL and consideration of PI claim before proceeding with PI claim
- (K) **There are no standard forms in ISH that can used for DRCA PI claims,** requiring delegates to spend ~20 mins per claim creating and tailoring letters and medical assessment forms to issue to clients
- (L) **Limited availability of 'MACs on demand' prevent delegates from making quick enquiries of these SMEs,** resulting in unnecessary referrals with long wait times

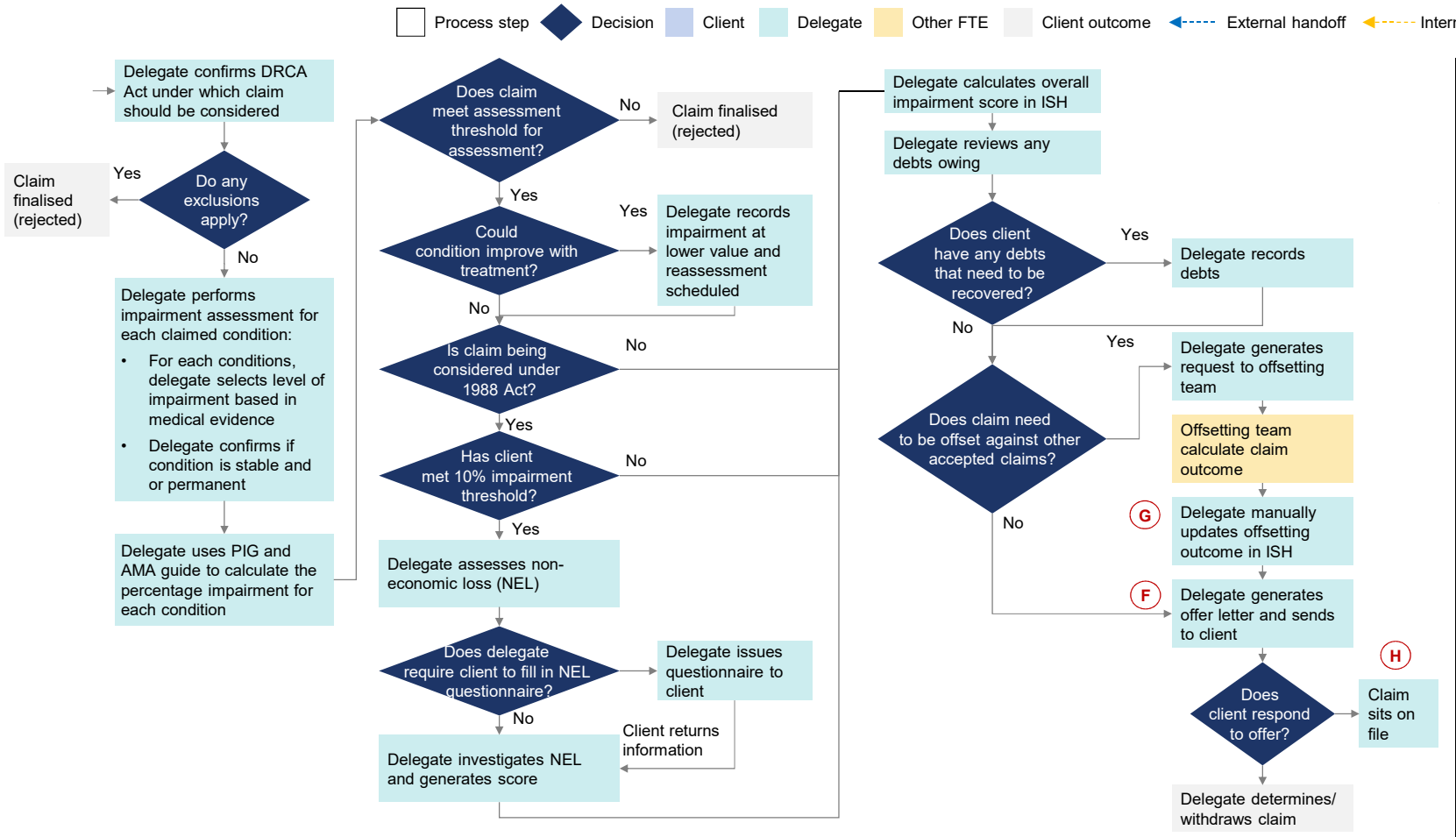
Geographical differences

- No process differences identified between different locations

Source: Rehabilitation and Compensation Initial Liability DRCA PI Delegate, R&C ISH Step-by-Step Guide, Version 7.1; DRCA PI Workplace Experience Logbook; Interview with DRCA PI delegates, 17 November 2021

DRCA PI investigation process map (3/3)

Delegate commences impairment assessment



Process pain points

- **G** **Delegates must manually input offsetting outcomes into ISH** when claim is returned from offsetting team
- **F** **Delegates face significant administrative burden in writing up determinations**
  - Populating determination letter is not automated requiring delegate to review process decisions across map to build determination narrative
- ◯ **Accepted claims can sit in limbo if client does not respond to offer letter;** DRCA has no option to employ refuse to deal to cancel claims

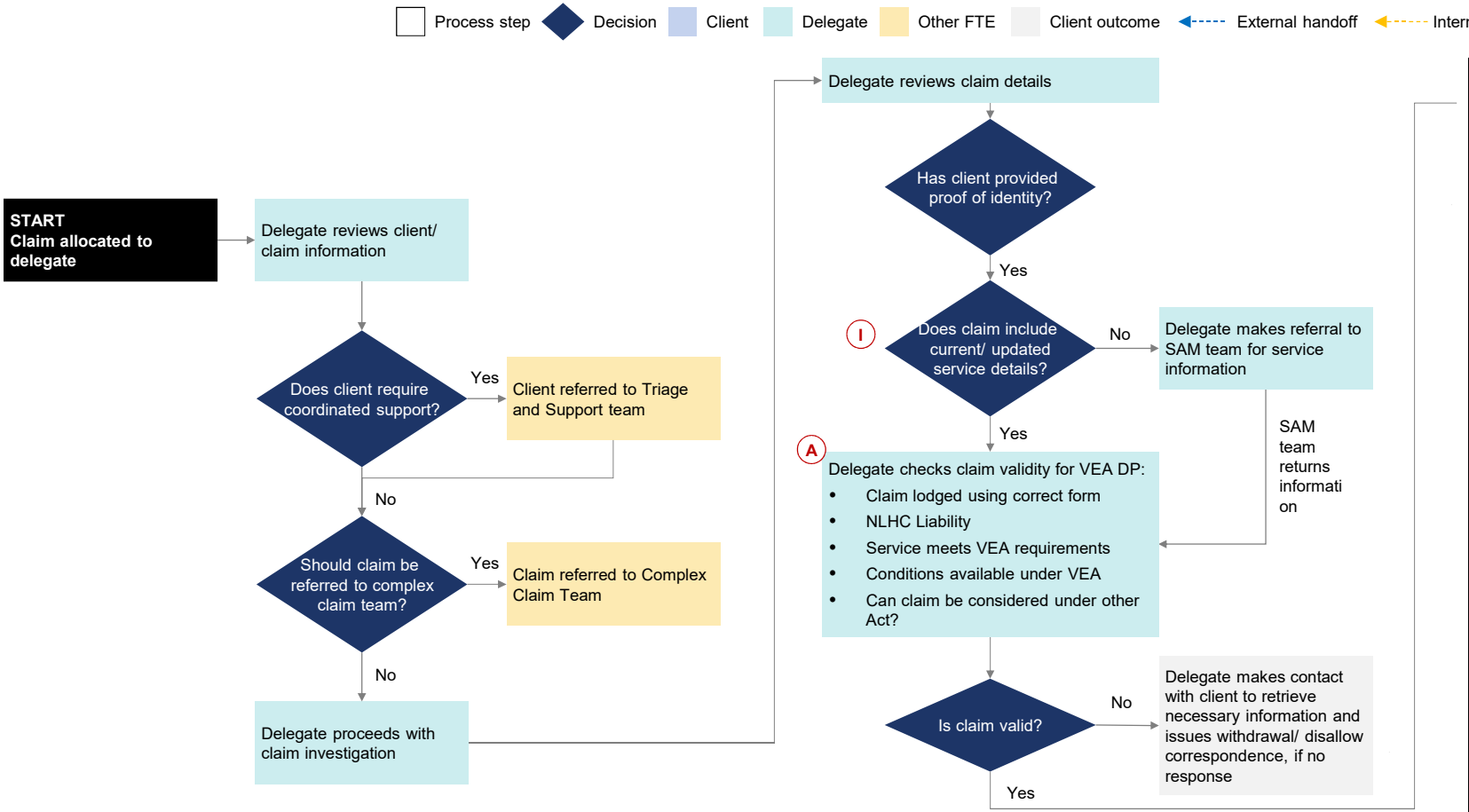
Geographical differences

- No process differences identified between different locations

Source: Rehabilitation and Compensation Initial Liability DRCA PI Delegate, R&C ISH Step-by-Step Guide, Version 7.1; DRCA PI Workplace Experience Logbook; Interview with DRCA PI delegates, 17 November 2021

VEA DP investigation process map (1/4)

Delegate reviews claim details



Process pain points

(I) Requests for information from Defence at screening stage are not comprehensive:

- SAM team generally only request service record from Defence, leaving Delegate to request additional information (e.g., medical record) resulting in unnecessary wait times
- Requested Defence records can be out of date when claim for serving veteran allocated to Delegate resulting in duplicate requests

(A) Basic missing elements of claims are not picked up before allocation to Delegate:

- Delegate expends effort checking claim form (incl. whether correct form is used and whether form is signed)
- This results in potential delays for claims as Delegate chases client for basic information before proceeding with investigation

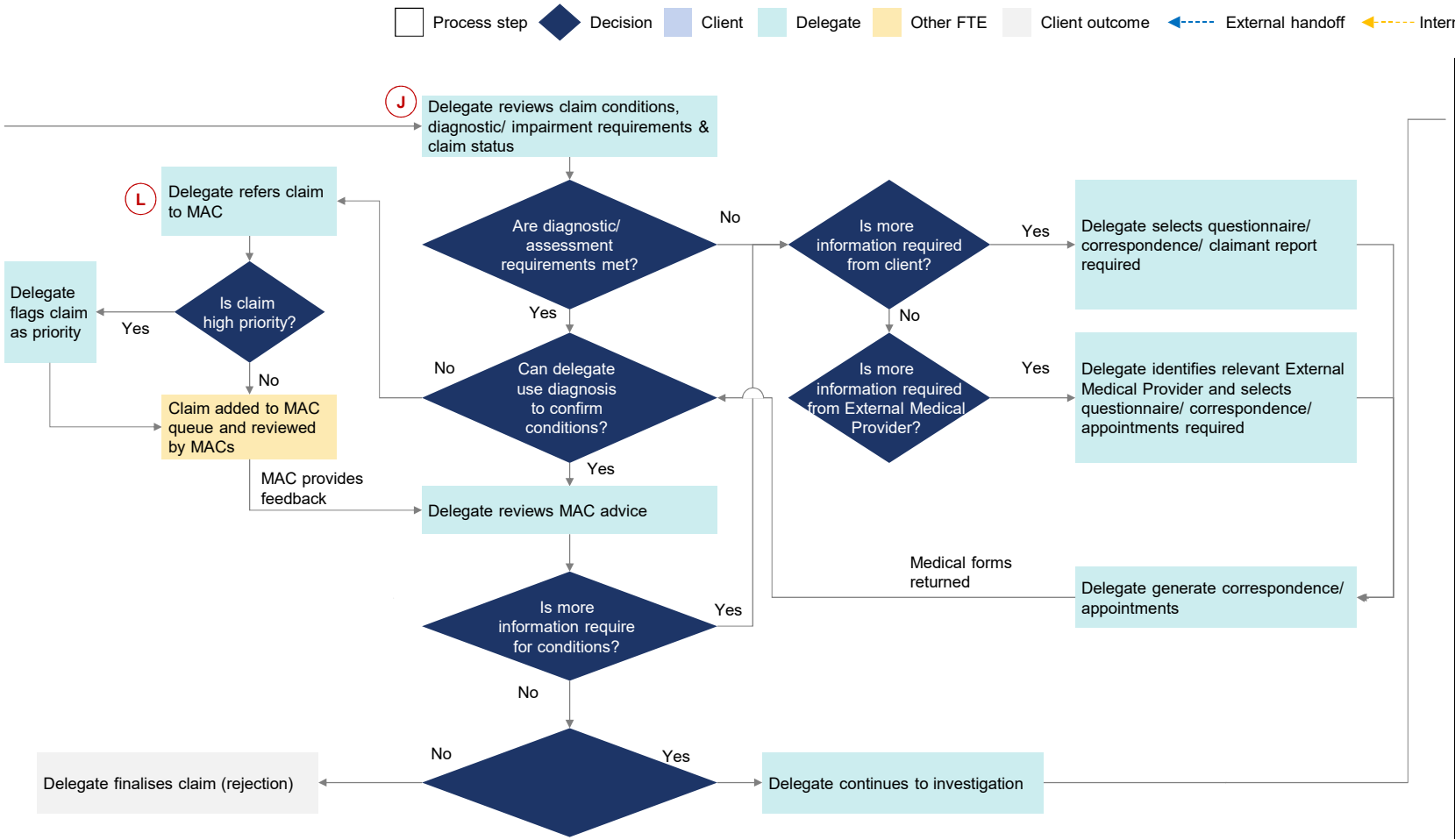
Geographical differences

- No process differences identified between offices

Source: Rehabilitation and Compensation Initial Liability (IL/ VEA) Delegate R&C ISH Step-by-Step Guide, Version 2.0; VEA DP Workplace Experience Logbook; Interview with VEA DP delegates, 11 November 2021

VEA DP investigation process map (2/4)

Delegate investigates diagnosis



Process pain points

J **4 high use forms do not reliably facilitate collection of diagnostic information** required for delegate to confirm diagnosis:

- D9287 Diagnosis Form
- D2049 Injury or Disease details sheet
- Psychology Assessment request form
- Claimant report (for non STP/ Streamlined conditions)

L **Limited availability of 'MACs on demand' prevent delegates from making quick enquiries of these SMEs,** resulting in unnecessary referrals with long wait times

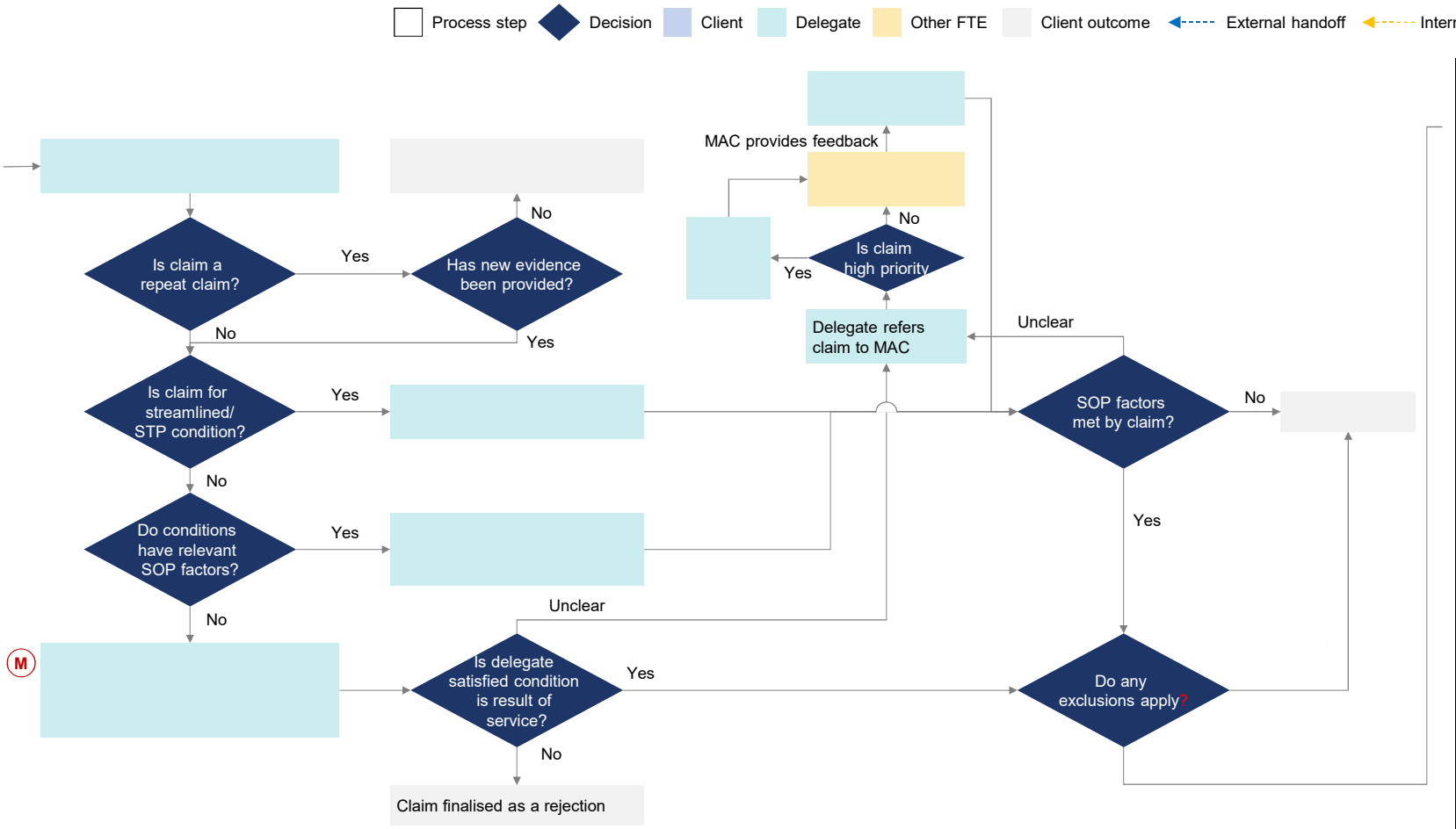
Geographical differences

- No process differences identified between offices

Source: Rehabilitation and Compensation Initial Liability (IL/ VEA) Delegate R&C ISH Step-by-Step Guide, Version 2.0; VEA DP Workplace Experience Logbook; Interview with VEA DP delegates, 11 November 2021

VEA DP investigation process map (3/4)

Delegate investigates causation



Process pain points

Ⓜ **Delegates rely on MACs to judge claims for non-SOP conditions:**

- Delegates automatically refer claims to MACs without attempting to form judgement and thereby save claim cycle time

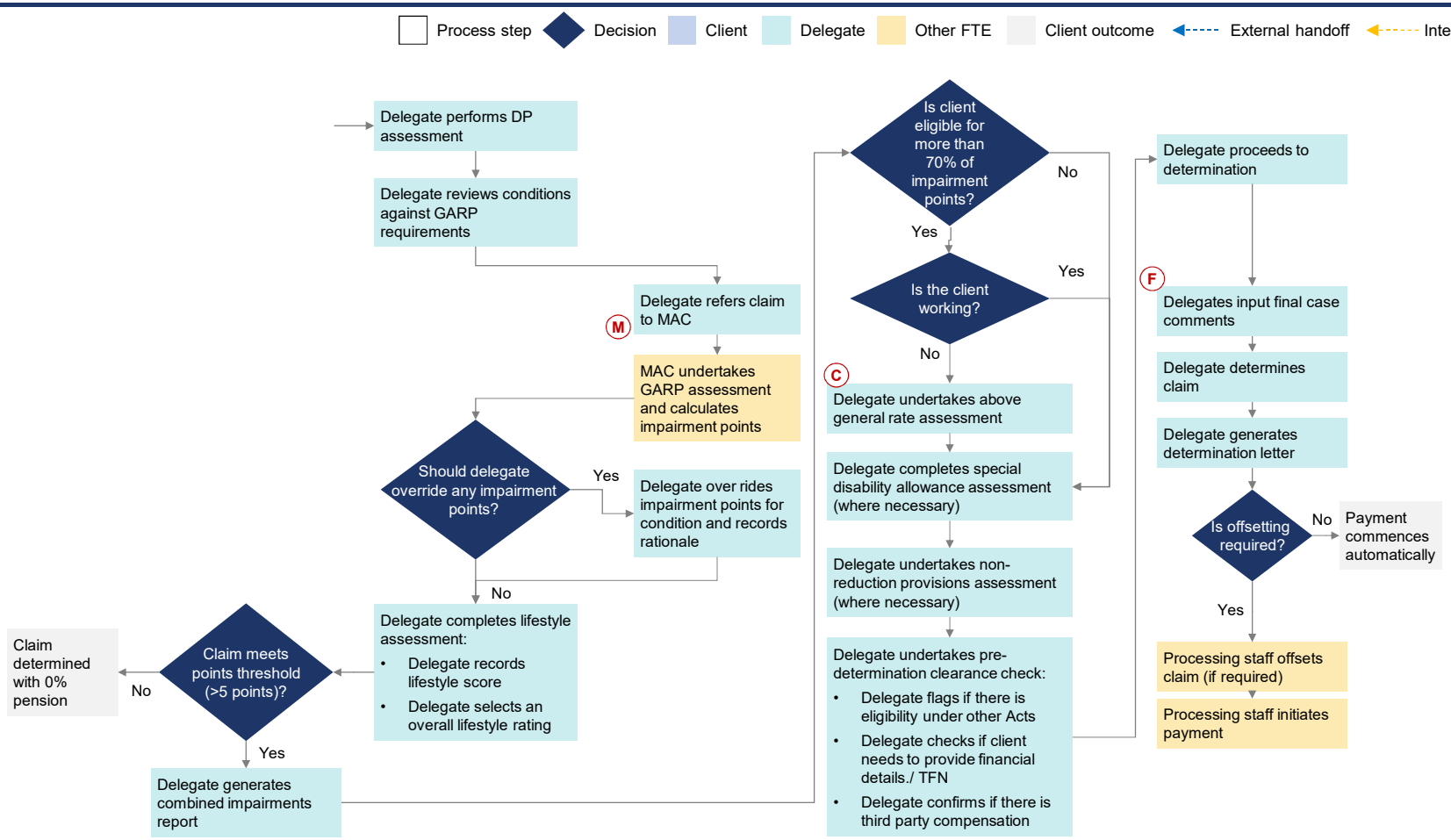
Geographical differences

- No process differences identified between offices

Source: Rehabilitation and Compensation Initial Liability (IL/ VEA) Delegate R&C ISH Step-by-Step Guide, Version 2.0; VEA DP Workplace Experience Logbook; Interview with VEA DP delegates, 11 November 2021

VEA DP investigation process map (4/4)

Delegate undertakes impairment assessment and finalises claim



Process pain points

- (M) **Delegates send all claims to MACs to perform GARP assessment** leading to delays in processing
- (C) **Delegate can issue large volume of forms at multiple points across VEA DP process** as claim progresses through different stages and new information requirements transpire:
  - Above generate rate assessment post GARP assessment is particularly time consuming requiring assessment of ability to work right at the end of the DP process
- (F) **Delegates face significant administrative burden in writing up determinations**
  - Populating determination letter is not automated requiring delegate to review process decisions across map to build determination narrative

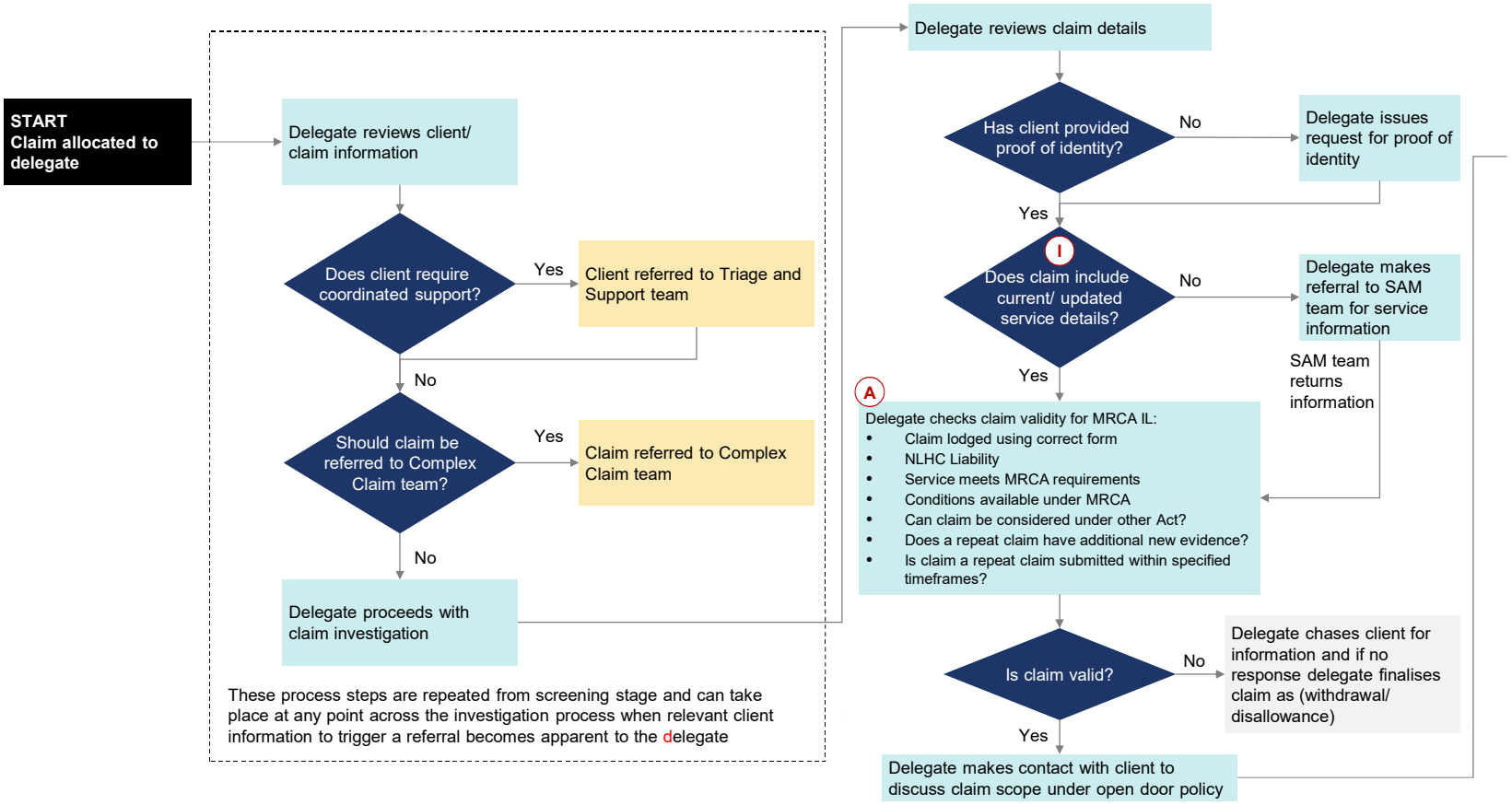
Geographical differences

- No process differences identified between offices

Source: Rehabilitation and Compensation Initial Liability (IL/ VEA) Delegate R&C ISH Step-by-Step Guide, Version 2.0; VEA DP Workplace Experience Logbook; Interview with VEA DP delegates, 11 November 2021

MRCA CBP investigation process map (1/5)

Delegate reviews claim details



Process pain points

Ⓘ **Requests for information from Defence at screening stage are not comprehensive:**

- SAM team generally only request service record from Defence, leaving delegate to request additional information (e.g., medical record) resulting in unnecessary wait times
- Requested Defence records can be out of date when claim for serving veteran allocated to delegate resulting in duplicate requests

Ⓐ **Basic missing elements of claims are not picked up before allocation to delegate:**

- Delegate expends effort checking claim form (incl. whether correct form is used and whether form is signed)
- This results in potential delays for claims as delegate chases client for basic information before proceeding with investigation

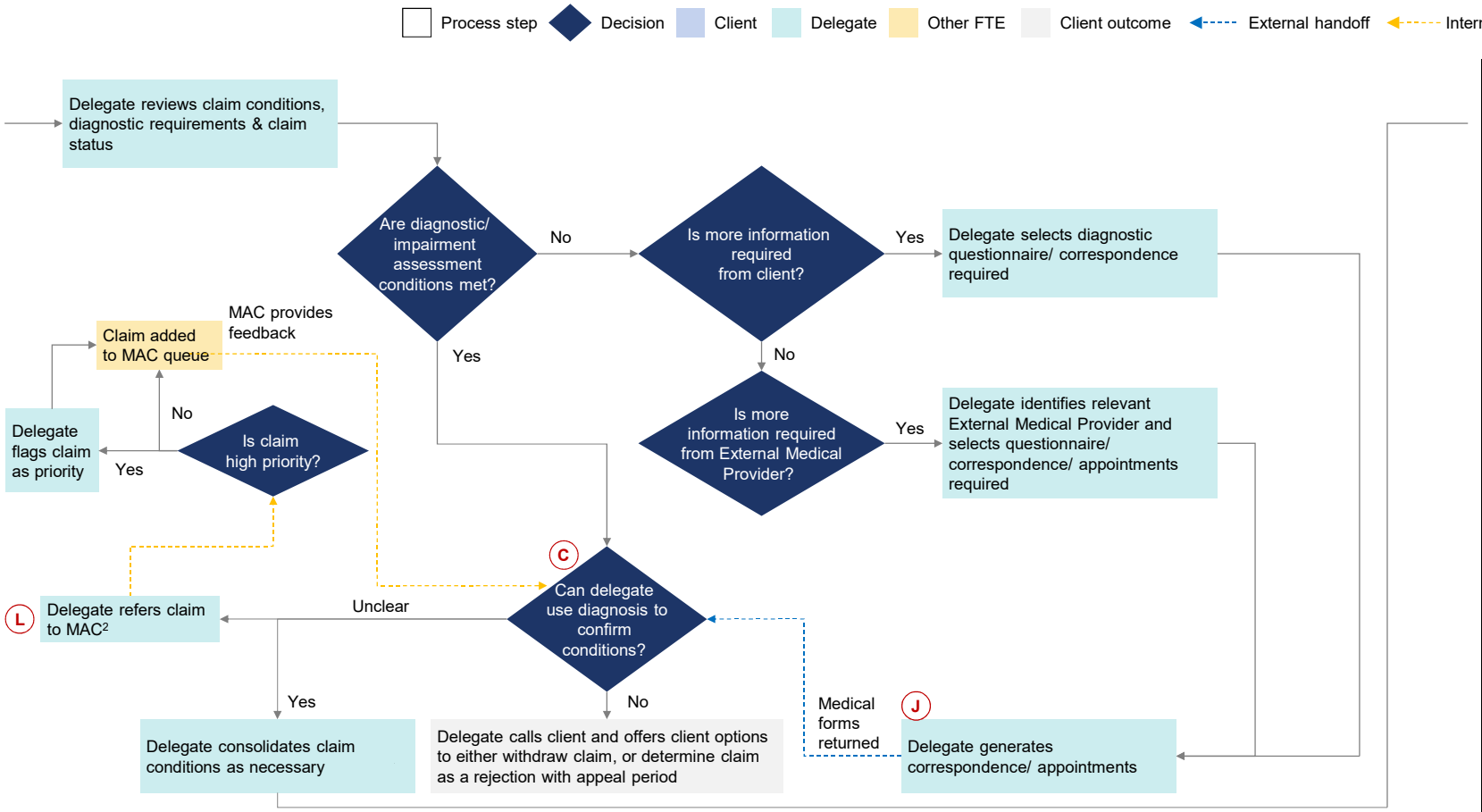
Geographical differences

- No process differences identified between Sydney and Perth
- Sydney has team of claims support officers to undertake some administrative duties on behalf of delegates

Source: Rehabilitation and Compensation Initial Liability (IL/ VEA) Delegate R&C ISH Step-by-Step Guide, Version 2.0; MRCA IL Workplace Experience Logbook; Rehabilitation and Compensation MRCA PI delegate R&C ISH Step-by-Step Guide, Version 4.1; MRCA PI Workplace Experience Logbook; Interview with MRCA CBP delegates, 19 November 2021

MRCA CBP investigation process map (2/5)

Delegate investigates diagnosis



Process pain points

- (J) **4 high use forms do not reliably facilitate collection of diagnostic information** required for delegate to confirm diagnosis:
  - D9287 Diagnosis Form
  - D2049 Injury or Disease details sheet
  - Psychology Assessment request form
  - Claimant report (for non STP/ Streamlined conditions)
- (L) **Limited availability of 'MACs on demand' prevent delegates from making quick enquiries of these SMEs,** resulting in unnecessary referrals with long wait times
- (C) **Delegate can issue large volume of forms at multiple points across VEA DP process** as claim progresses through different stages and new information requirements transpire:
  - **Until delegate has a diagnosis, it might not be appropriate to issue impairment assessment forms** to GPs/ Specialists leading to delays in processing the PI claim

Geographical differences

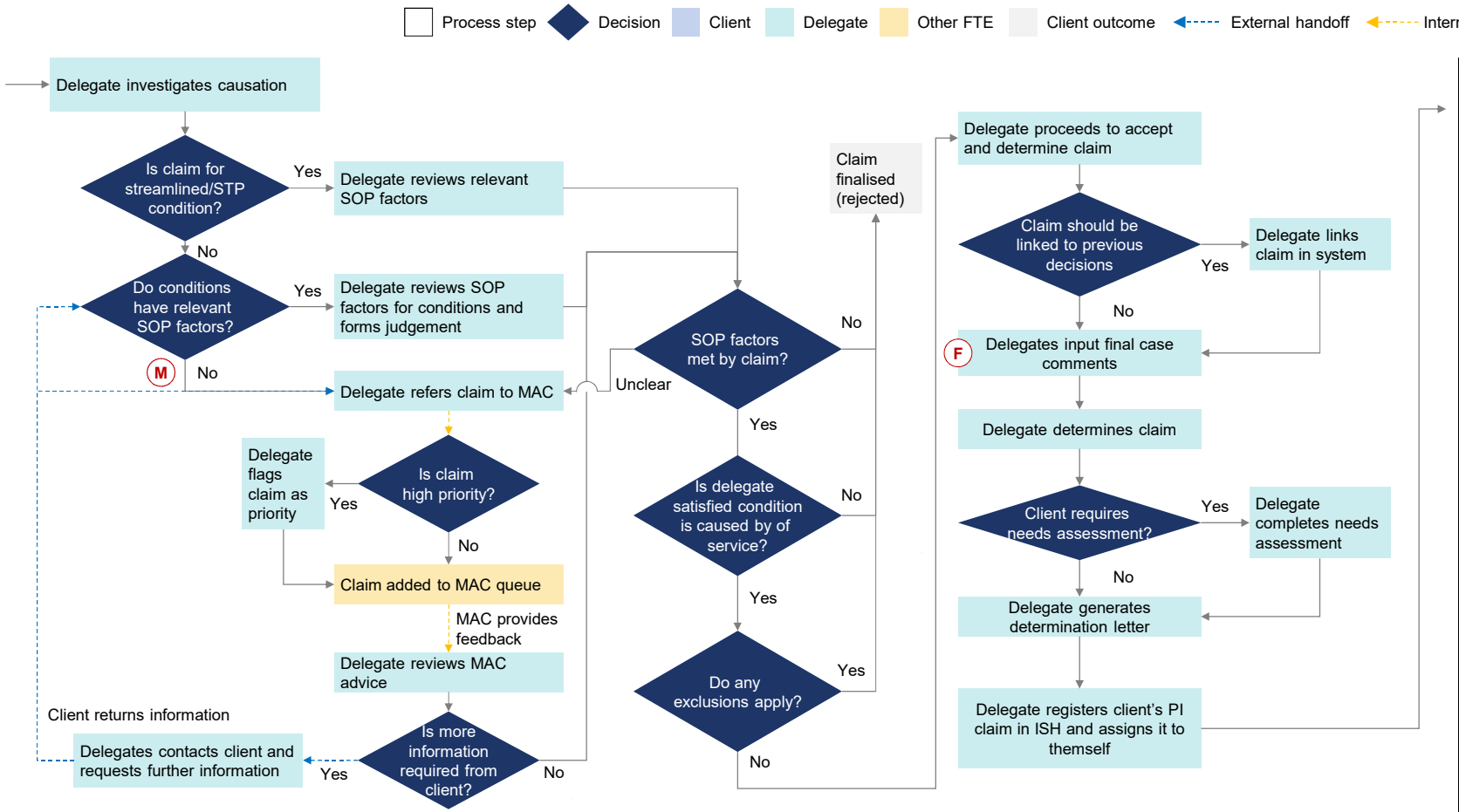
- No process differences identified between Sydney and Perth

1. Request for PI related material will only be made if client informs the delegate they wish to proceed to a PI claim
2. Delegates will also confer with team leaders, colleagues and other medical staff in addition to MACs to interpret and understand returned diagnostic material

Source: Rehabilitation and Compensation Initial Liability (IL/ VEA) Delegate R&C ISH Step-by-Step Guide, Version 2.0; MRCA IL Workplace Experience Logbook; Rehabilitation and Compensation MRCA PI delegate R&C ISH Step-by-Step Guide, Version 4.1; MRCA PI Workplace Experience Logbook; Interview with MRCA CBP delegates, 19 November 2021

MRCA CBP investigation process map (3/5)

Delegate investigates causation for liability



Process pain points

M Delegates rely on MACs to judge claims for non-SOP conditions:

- Delegates automatically refer claims to MACs without attempting to form judgement and thereby save claim cycle time

F Delegates face significant administrative burden in writing up determinations

- Populating determination letter is not automated requiring delegate to review process decisions across map to build determination narrative

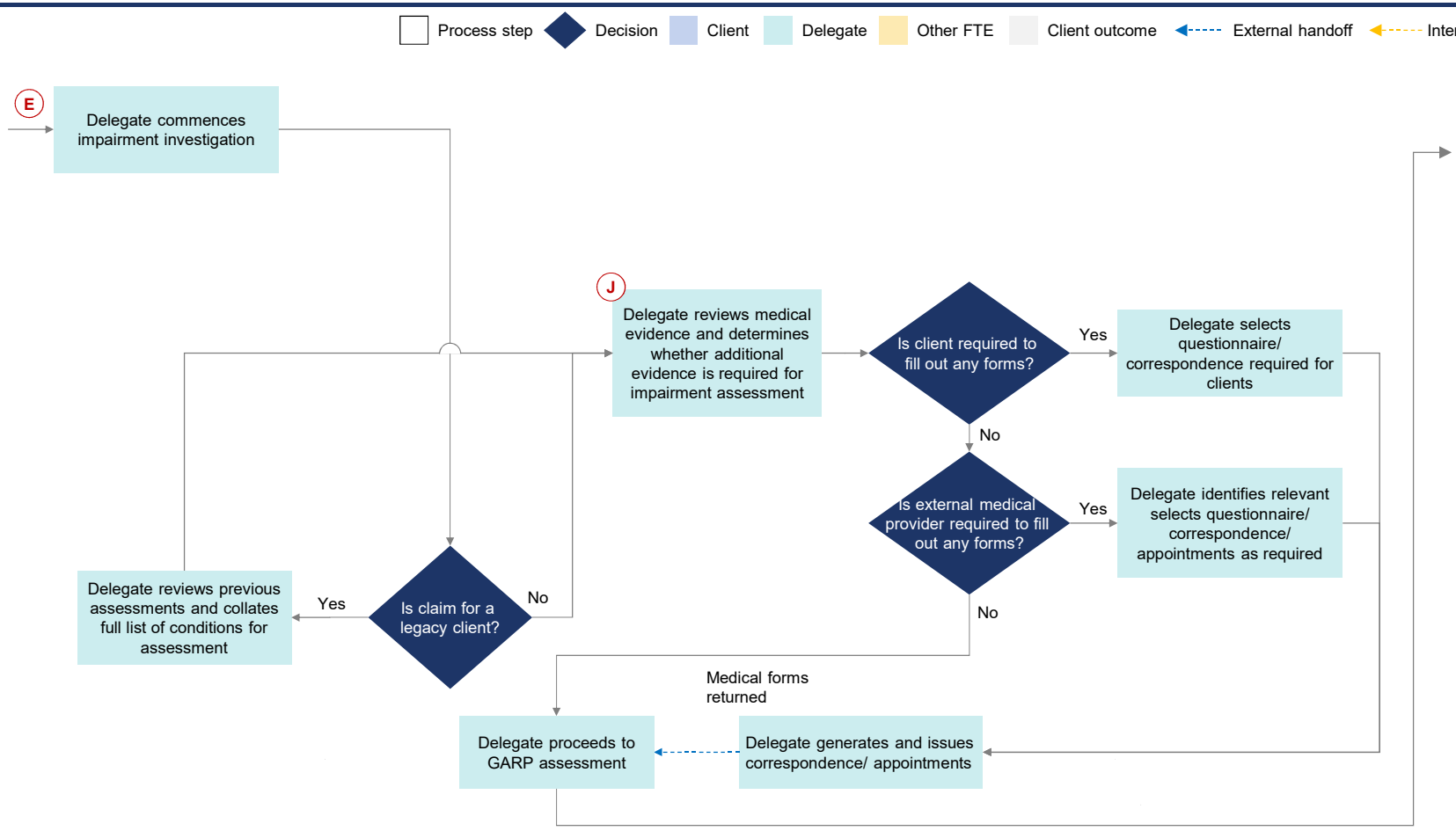
Geographical differences

- No process differences identified between Sydney and Perth
- Sydney delegates report a greater bias to refer claims to MACs for judgement given historical management practices

Source: Rehabilitation and Compensation Initial Liability (IL/ VEA) Delegate R&C ISH Step-by-Step Guide, Version 2.0; MRCA IL Workplace Experience Logbook; Rehabilitation and Compensation MRCA PI delegate R&C ISH Step-by-Step Guide, Version 4.1; MRCA PI Workplace Experience Logbook; Interview with MRCA CBP delegates, 19 November 2021

MRCA CBP investigation process map (4/5)

Delegate commences impairment investigation



Process pain points

(E) **Delegates must determine liability for conditions that become aggravated/ evolve into new conditions** between acceptance of IL and consideration of PI claim before proceeding with PI claim

(J) **4 high use forms do not reliably facilitate collection of diagnostic information** required for delegate to confirm diagnosis:

- D9287 Diagnosis Form
- D2049 Injury or Disease details sheet
- Psychology Assessment request form
- Claimant report (for non STP/ Streamlined conditions)

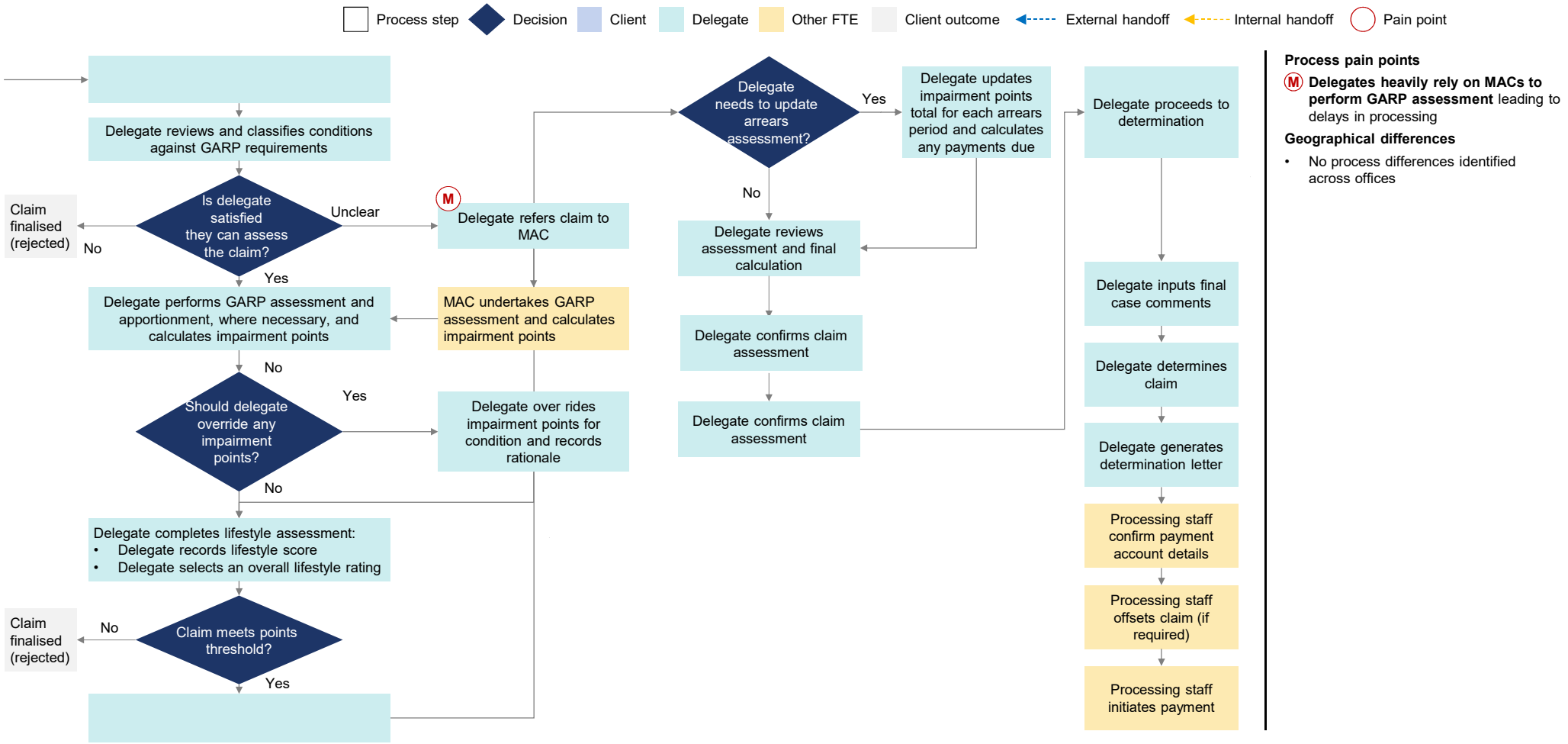
Geographical differences

- No process differences identified across offices

Source: Rehabilitation and Compensation Initial Liability (IL/ VEA) Delegate R&C ISH Step-by-Step Guide, Version 2.0; MRCA IL Workplace Experience Logbook; Rehabilitation and Compensation MRCA PI delegate R&C ISH Step-by-Step Guide, Version 4.1; MRCA PI Workplace Experience Logbook; Interview with MRCA CBP delegates, 19 November 2021

MRCA CBP investigation process map (5/5)

Delegate undertakes impairment assessment and finalises claim



Process pain points

Ⓜ **Delegates heavily rely on MACs to perform GARP assessment** leading to delays in processing

Geographical differences

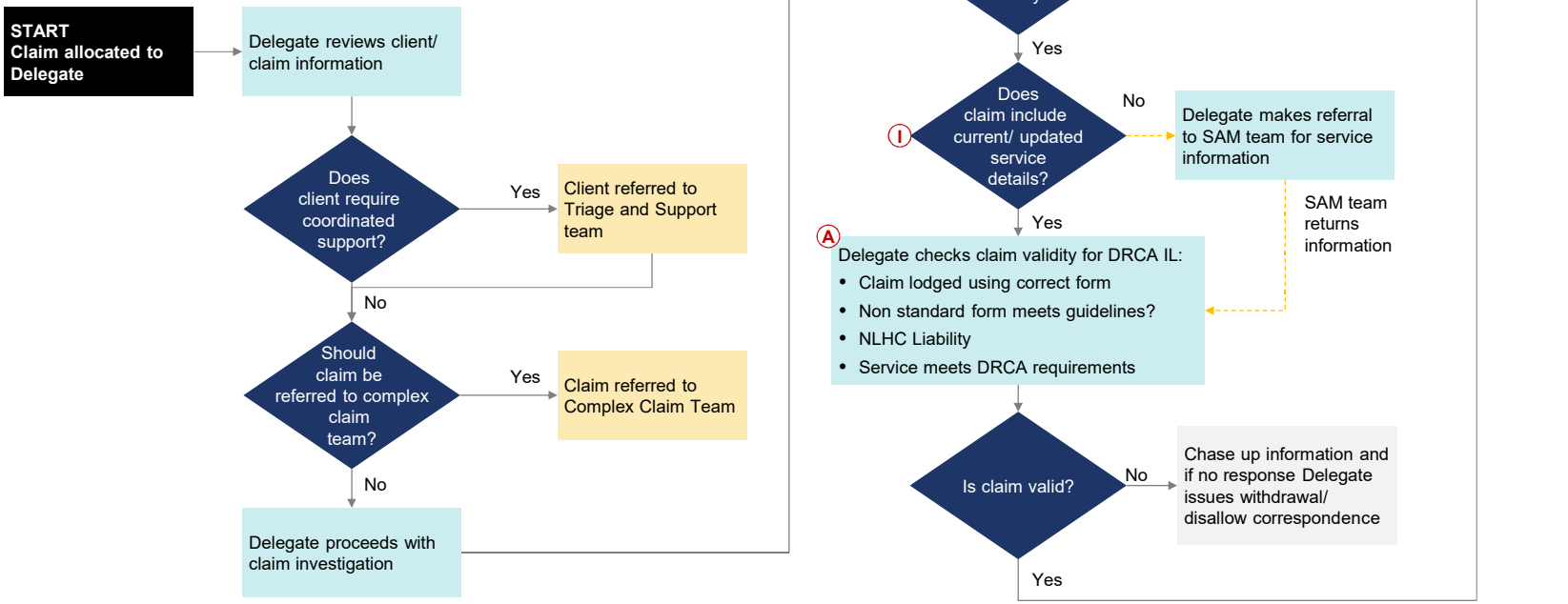
- No process differences identified across offices

Source: Rehabilitation and Compensation Initial Liability (IL/ VEA) Delegate R&C ISH Step-by-Step Guide, Version 2.0; MRCA IL Workplace Experience Logbook; Rehabilitation and Compensation MRCA PI delegate R&C ISH Step-by-Step Guide, Version 4.1; MRCA PI Workplace Experience Logbook; Interview with MRCA CBP delegates, 19 November 2021

DRCA CBP investigation process map (1/5)

Delegate reviews claim details

Process step | Decision | Client | Delegate | Other FTE | Client outcome | External handoff | Internal handoff | Pain point



Process pain points

I Requests for information from Defence at screening stage are not comprehensive:

- SAM team generally only request service record from Defence, leaving Delegate to request additional information (e.g., medical record) resulting in unnecessary wait times
- Requested Defence records can be out of date when claim for serving veteran allocated to Delegate resulting in duplicate requests

I Delegates must make multiple requests for Service related information for the same client:

- Delegates must make separate claims for medical, personnel, reserve training days, psychology files etc.

A Basic missing elements of claims are not picked up before allocation to Delegate:

- Delegate expends effort checking claim form (incl. whether correct form is used and whether form is signed)
- This results in potential delays for claims as Delegate chases client for basic information before proceeding with investigation

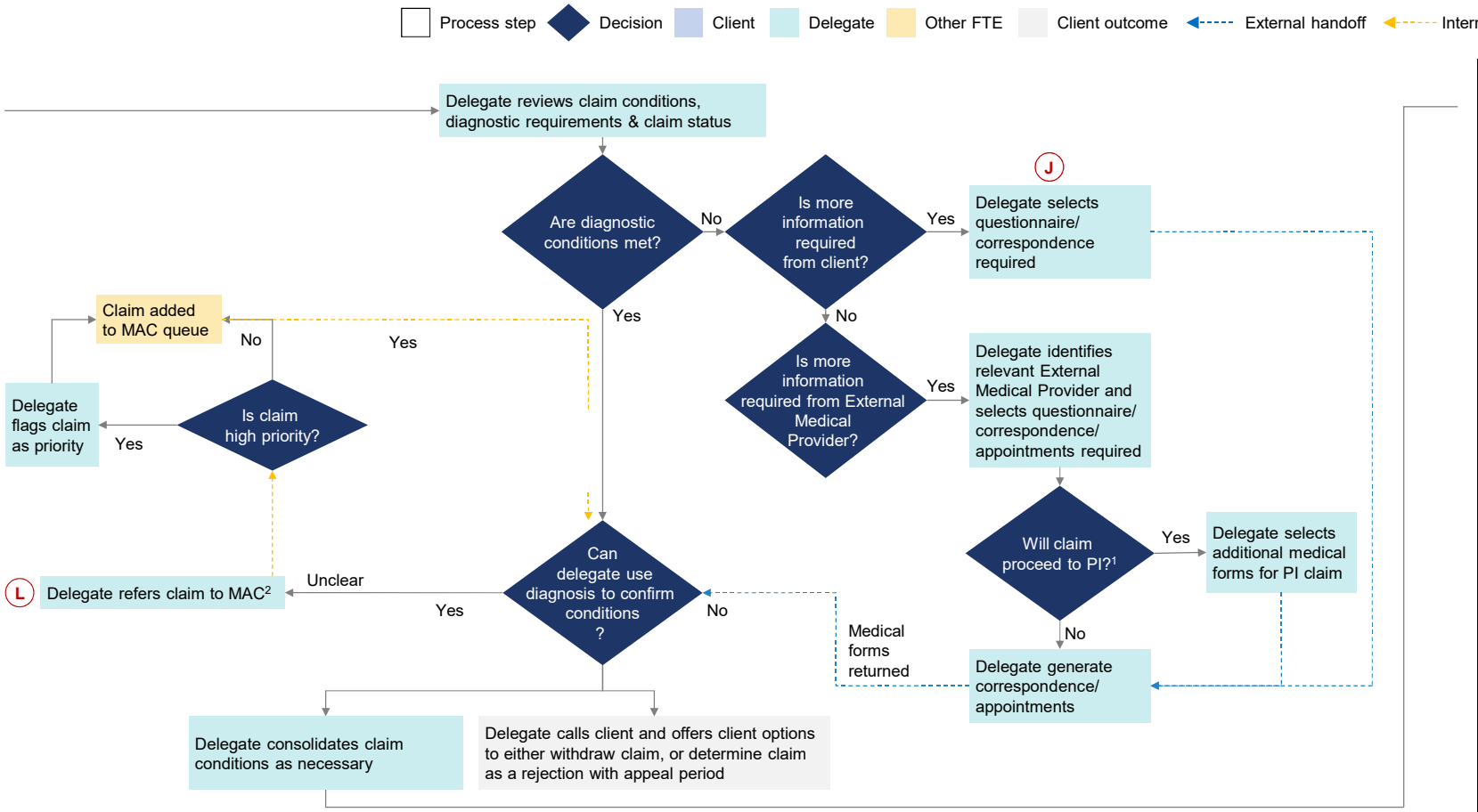
Geographical differences

- No process differences identified between different locations

Source: Rehabilitation and Compensation Initial Liability (IL/ VEA) Delegate R&C ISH Step-by-Step Guide, Version 2.0; DRCA IL Workplace Experience Logbook; Rehabilitation and Compensation MRCA PI delegate R&C ISH Step-by-Step Guide, Version 4.1; MRCA PI Workplace Experience Logbook; Interview with MRCA CBP delegates, 18 November 2021

DRCA CBP investigation process map (2/5)

Delegate investigates diagnosis



Process pain points

J **4 high use forms do not reliably facilitate collection of diagnostic information** required for delegate to confirm diagnosis:

- D9287 Diagnosis Form
- D2049 Injury or Disease details sheet
- Psychology Assessment request form
- Claimant report (for non STP/ Streamlined conditions)

L **Limited availability of 'MACs on demand' prevent delegates from making quick enquiries of these SMEs,** resulting in unnecessary referrals with long wait times

Geographical differences

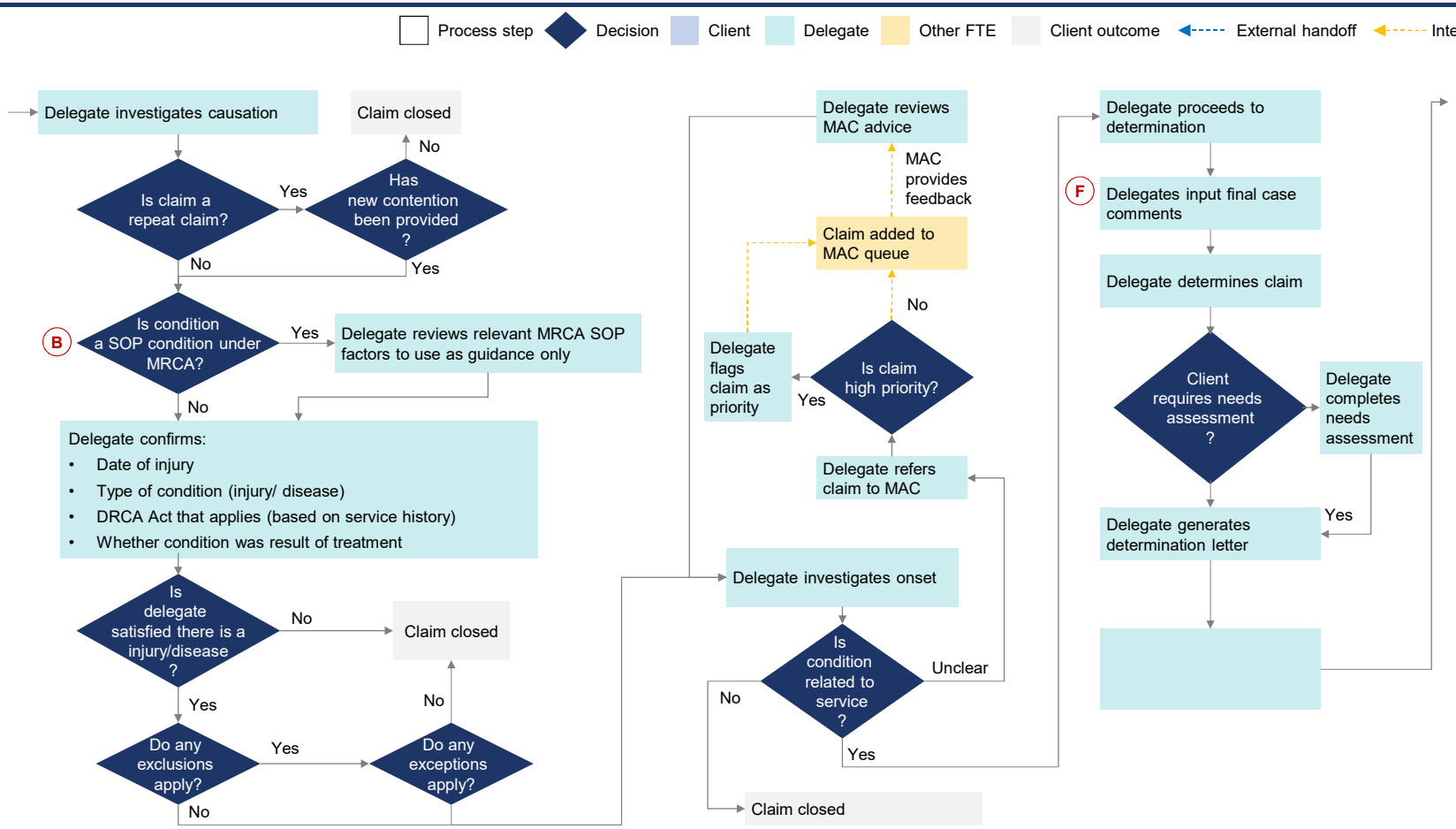
- No process differences identified between different locations
- Delegates anecdotally report greater MAC availability of Melbourne

1. Request for PI related material will only be made if client informs the Delegate they wish to proceed to a PI claim
2. Delegates will also confer with team leaders, colleagues and other medical staff in addition to MACs to interpret and understand returned diagnostic material

Source: Rehabilitation and Compensation Initial Liability (IL/ VEA) Delegate R&C ISH Step-by-Step Guide, Version 2.0; DRCA IL Workplace Experience Logbook; Rehabilitation and Compensation MRCA PI delegate R&C ISH Step-by-Step Guide, Version 4.1; MRCA PI Workplace Experience Logbook; Interview with MRCA CBP delegates, 18 November 2021

DRCA CBP investigation process map (3/5)

Delegate investigates causation for liability



Process pain points

B Lack of SOPs under DRCA means delegate has less guidance on judging claims:

- This lack of guidance can incentivise use of MACs

F Delegates face significant administrative burden in writing up determinations

- Populating determination letter is not automated requiring delegate to review process decisions across map to build determination narrative

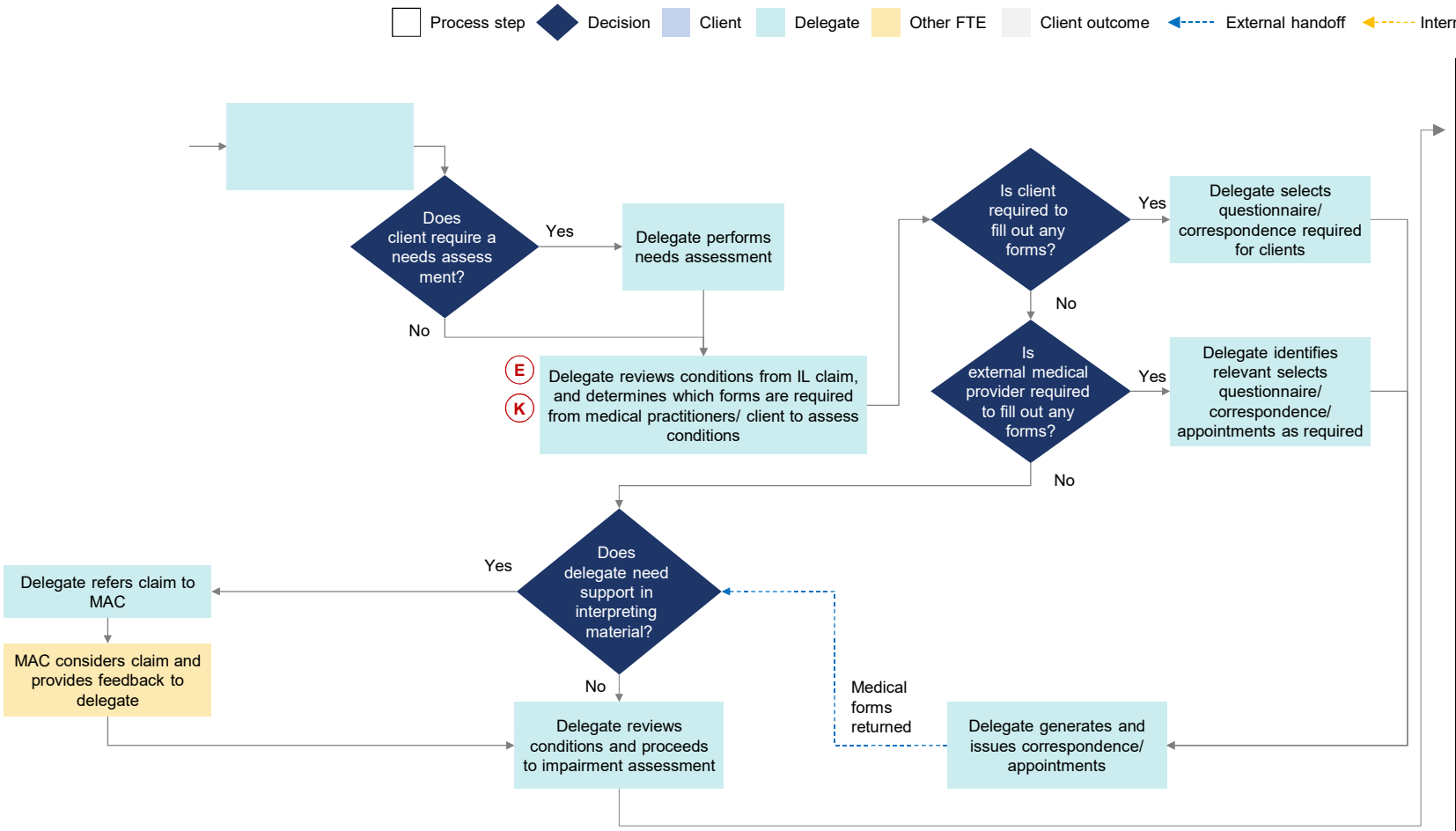
Geographical differences

- No process differences identified between different locations
- Delegates anecdotally report greater MAC availability of Melbourne

Source: Rehabilitation and Compensation Initial Liability (IL/ VEA) Delegate R&C ISH Step-by-Step Guide, Version 2.0; DRCA IL Workplace Experience Logbook; Rehabilitation and Compensation MRCA PI delegate R&C ISH Step-by-Step Guide, Version 4.1; MRCA PI Workplace Experience Logbook; Interview with MRCA CBP delegates, 18 November 2021

DRCA CBP investigation process map (4/5)

Delegate commences claim investigation



Process pain points

- (E) **Delegates must determine liability for conditions that become aggravated/ evolve into new conditions** between acceptance of IL and consideration of PI claim before proceeding with PI claim
- (K) **There are no standard forms in ISH that can used for DRCA PI claims,** requiring delegates to spend ~20 mins per claim creating and tailoring letters and medical assessment forms to issue to clients

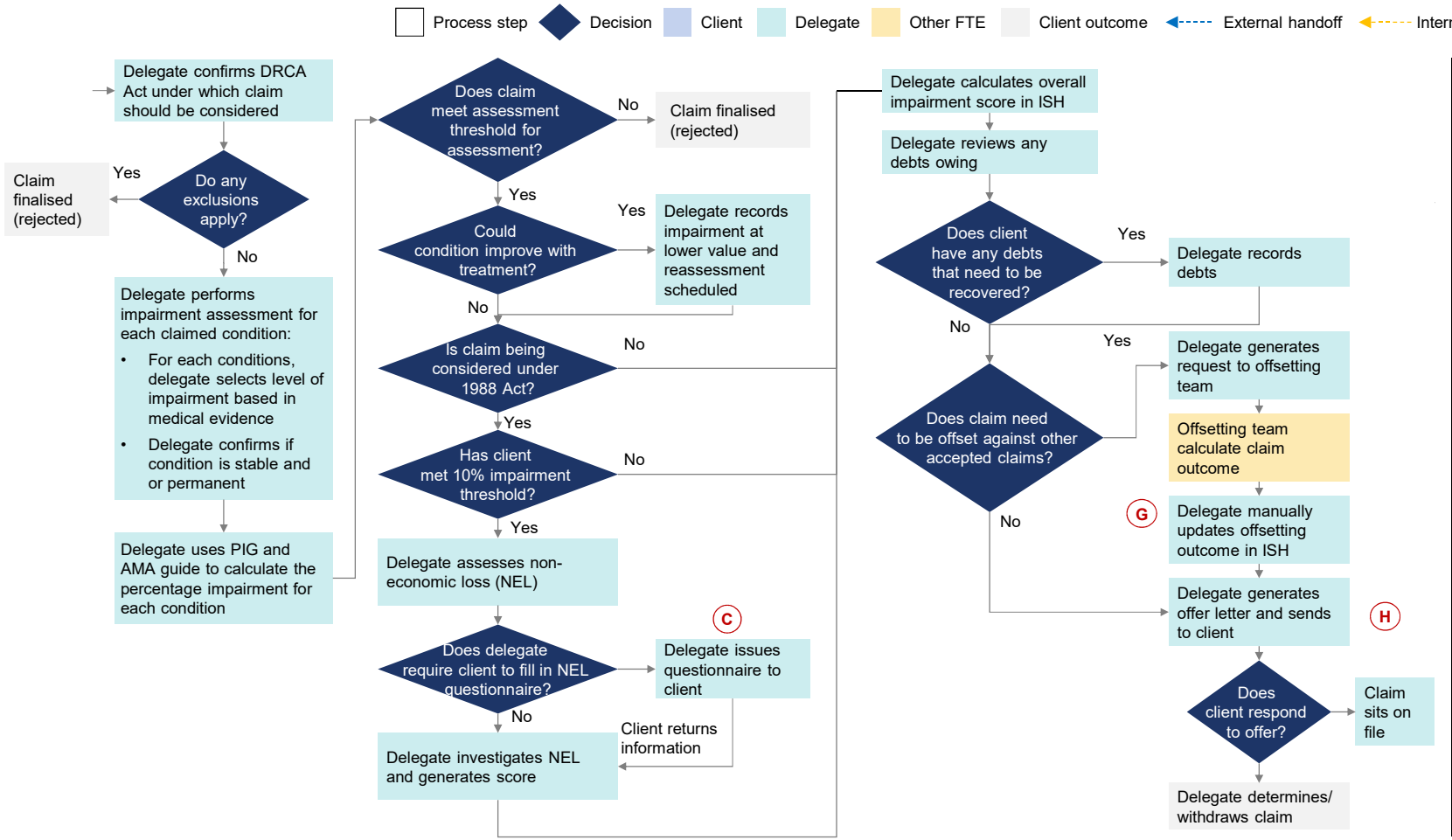
Geographical differences

- No process differences identified between different locations

Source: Rehabilitation and Compensation Initial Liability (IL/ VEA) Delegate R&C ISH Step-by-Step Guide, Version 2.0; DRCA IL Workplace Experience Logbook; Rehabilitation and Compensation MRCA PI delegate R&C ISH Step-by-Step Guide, Version 4.1; MRCA PI Workplace Experience Logbook; Interview with MRCA CBP delegates, 18 November 2021

DRCA CBP investigation process map (5/5)

Delegate commences impairment assessment



Process pain points

- (C) **Delegate can issue large volume of forms at multiple points across VEA DP process** as claim progresses through different stages and new information requirements transpire
- (G) **Delegates must manually input offsetting outcomes into ISH** when claim is returned from offsetting team
- (H) **Accepted claims can sit in limbo if client does not respond to offer letter;** DRCA has no option to employ refuse to deal to cancel claims

Geographical differences

- No process differences identified between different locations

Source: Rehabilitation and Compensation Initial Liability (IL/ VEA) Delegate R&C ISH Step-by-Step Guide, Version 2.0; DRCA IL Workplace Experience Logbook; Rehabilitation and Compensation MRCA PI delegate R&C ISH Step-by-Step Guide, Version 4.1; MRCA PI Workplace Experience Logbook; Interview with MRCA CBP delegates, 18 November 2021

Delegates have identified pain points across processes (1/2)

Perspective from breakdown of MRCA IL & PI, DRCA IL & PI and VEA DP claims

Claim type	Process pain points	Potential opportunities to solve pain points	Initiatives in place to solve pain point?		
			Existing	Prioritised	Long list
MRCA-IL	**Screening teams do not undertake basic claim validity checks** (e.g., client identity checks, form accuracy, checking whether form is signed, etc.) leading to wasted delegate effort and wait times as the client is contacted for information	Shift all claim validity checks to screening team Prevent submission of incomplete/ invalid claims		✓	✓
	Comprehensive set of information may not be requested from Defence prior to allocation; delegate must make multiple requests for additional/ updated information types if required delaying claims processing	Enable delegate access to Defence information systems Change SAM team processes to request all available client information prior to allocation	✓		
	Four high use forms do not reliably facilitate collection of diagnostic information required for delegate to confirm diagnosis (D9287, D2049, Psychology Assessment request form & Claimant report	Digitise forms and provide guidance material to GPs/ Specialists to ensure responses include required information		✓	
	Limited availability of 'MACs on demand' prevent delegates from making quick enquiries of SMEs, resulting in unnecessary referrals with long wait times	Deploy MACs to provide ad hoc support to answer delegate enquiries Provide training to delegates to reduce reliance on MAC advice	✓		
	Post investigation delegates expend effort collating investigation content populate determination letter that could be automated	Establish new module in ISH to auto-populate determination letters			✓
DRCA-IL	As MRCA-IL, and **Lack of SOPs under DRCA means delegate has less guidance on judging claims** resulting in strong reliance on referrals to MACs to aid on claim decision making	Standardise use of SOPs and GARPs across all claim types			✓
VEA-DP	As MRCA-IL, and **Delegate can issue large volume of forms at multiple points across VEA DP process** as claim progresses through different stages and new information requirements transpire: • Above generate rate assessment post GARP assessment is particularly time consuming requiring assessment of ability to work right at the end of the DP process	Digitise forms and provide guidance material to GPs/ Specialists to ensure responses include required information Consolidate required forms and review issue schedule to ensure forms are sent to clients at optimised point in process		✓	
	Delegates send all claims to MACs to perform GARP assessment leading to delays in processing	Improve delegate training on conducting GARP assessments to reduce rate of referrals	✓		

Source: Interviews with delegates, 17-26 November 2021

Delegates have identified pain points across processes (2/2)

Perspective from breakdown of MRCA IL & PI, DRCA IL & PI and VEA DP claims

Claim type	Process pain points	Potential opportunities to solve pain points	Initiatives in place to solve pain point?		
			Existing	Prioritised	Long list
MRCA-PI	**Delegates must determine liability for conditions that become aggravated/ evolve into new conditions** between acceptance of IL and consideration of PI claim before proceeding with PI claim	Enable PI delegates to accept liability for conditions that are noted aggravations of the original condition accepted			✓
	There is no system to prevent allocation of PI claims delegates where the client has undetermined IL claims in progress[1]; this can lead to multiple whole of body assessments in quick succession that could be combined	Amend approach to Grouping claims to ensure IL claims move together for PI assessment (except for prioritised clients)			✓
DRCA-PI	As in MRCA IL, **delegates must determine liability for conditions that become aggravated/ evolve into new conditions** between acceptance of IL and consideration of PI claim before proceeding with PI claim	Enable PI delegates to accept liability for conditions that are noted aggravations of the original condition accepted			✓
	There are no standard forms in ISH that can used for DRCA PI claims, requiring delegates to spend ~20 mins per claim creating and tailoring letters and medical assessment forms to issue to clients	Digitise and improve form design and guidance material to ensure responses include required information		✓	
	Delegates must manually input offsetting outcomes into ISH	Integrate ISH with offsetting system			✓
	Accepted claims can sit in limbo if client does not respond to offer letter; DRCA has no option to employ refuse to deal to cancel claims	Extend use of refuse to deal			✓

1. Combined benefits processing approach in MRCA IL prevents this issue for that process method as delegate can select and assign all claims to themselves to process, negating need to wait for an IL determination.

Source: Interviews with delegates, 17-26 November 2021

Reported touch time across process steps (1/2)

Proportional distribution of FTE claim processing touch time across each process step[1,2]

Claim not allocated to delegate | Claim allocated to delegate | Proportion of total time to complete (%) | <5 | 5-10 | 11-15 | >15 | Pain point

Sampling data based on 174 claims across claim types

			Not allocated to delegate			Not allocated to delegate						Average time to process in mins (FY20-21)[5]
			Registration	Screening	Queue	Investigation	Client contact time[3]	Defence	Medical	MAC[3]	Determination[4]	
MRCA	Initial Liability	Proportion of time pre and post allocation	10%			90%						282
		Proportion of time post allocation				19%	28%	11%	16%	11%	16%	
	Permanent Impairment	Proportion of time pre and post allocation	10%			90%						578
		Proportion of time post allocation				22%	24%	0%	25%	10%	19%	
MRCA & DRCA	Incapacity	Proportion of time pre and post allocation	30%			70%						584
		Proportion of time post allocation				-	-	-	-	-	-	

Major pain points/ drivers of effort:

(2) Claims spend long wait time in unallocated queue

(3) There is a large variation in delegate effort and time to investigate claims, and in client contact

(4) Delegates make re-requests for Defence information on allocation

(5) Delegates expend effort chasing and waiting for medical information from external providers

(6) Delegates make significant number of unnecessary referrals to MACs

1. Proportion of time pre and post allocation calculated based on mean average of time spent by claim pre and post allocation to delegate. Time in mins for each step calculated based on reported time for each relevant process step as recorded by DVA staff who analysed each claim type. Calculations for mean average time based on number of claims that recorded a data point for the relevant process step. Where data on each discrete 'request for information' step was absent from the claim, it has been assumed the claim was not referred or more information was not requested. 52% of claims had complete information for all steps, excluding referral steps.
2. Proportion of time post allocation calculated using same method, using allocation to determination as a base.
3. Client contact time was not recorded in claims analysis, this estimate comes from interviews with 2 Sydney based delegates
4. Includes needs assessment and offsetting, where relevant for the claim type, where these activities were recorded before determination date
5. Average time to process calculated from DVA statistics for FY21, using average weekly FTE productivity data, assuming 5 day week with 7.5 productive hours per day and 80% productivity rate

Source: DVA Sample Claims Analysis across 174 claims, 15 Oct - 12 Nov 2021

Reported touch time across process steps (2/2)

Proportional distribution of FTE claim processing touch time across each process step[1,2]

Claim not allocated to delegate | Claim allocated to delegate | Proportion of total time to complete (%) | <5 | 5-10 | 11-15 | >15 | Pain point

Sampling data based on 174 claims across claim types

			Not allocated to delegate			Not allocated to delegate						Average time to process in mins (FY20-21)[5]
			Registration	Screening	Queue	Investigation	Client contact time[3] (②)	Defence (③)	Medical (④)	MAC[3] (⑤)	Determination[4] (⑥)	
DRCA	Initial Liability	Proportion of time pre and post allocation	20%			80%						317
		Proportion of time post allocation				24%	28%	7%	14%	10%	16%	
	Permanent Impairment	Proportion of time pre and post allocation	0%			100%						275
		Proportion of time post allocation				19%	27%	6%	24%	0%	24%	
VEA	Disability Pension	Proportion of time pre and post allocation	10%			90%						405
		Proportion of time post allocation				20%	30%	9%	17%	13%	12%	

Major pain points/ drivers of effort:

② Claims spend long wait time in unallocated queue

③ There is a large variation in delegate effort and time to investigate claims, and in client contact

④ Delegates make re-requests for Defence information on allocation

⑤ Delegates expend effort chasing and waiting for medical information from external providers

⑥ Delegates make significant number of unnecessary referrals to MACs

1. Proportion of time pre and post allocation calculated based on mean average of time spent by claim pre and post allocation to delegate. Time in mins for each step calculated based on reported time for each relevant process step as recorded by DVA staff who analysed each claim type. Calculations for mean average time based on number of claims that recorded a data point for the relevant process step. Where data on each discrete 'request for information' step was absent from the claim, it has been assumed the claim was not referred or more information was not requested. 52% of claims had complete information for all steps, excluding referral steps.
2. Proportion of time post allocation calculated using same method, using allocation to determination as a base.
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4. Includes needs assessment and offsetting, where relevant for the claim type, where these activities were recorded before determination date
5. Average time to process calculated from DVA statistics for FY21, using average weekly FTE productivity data, assuming 5 day week with 7.5 productive hours per day and 80% productivity rate

Source: DVA Sample Claims Analysis across 174 claims, 15 Oct - 12 Nov 2021

Reported cycle time across process steps (1/2)

Proportion of time in days average claim sits at each process step[1,2]

Claim not allocated to delegate | Claim allocated to delegate | Proportion of total time to complete (%) | <5 | 5-10 | 11-15 | >15 | Pain point

Sampling data based on 174 claims across claim types

Claim type			Registration	Screening	(2) Unallocated queue	(3) Investigation: (4) Defence	(3) Investigation: (5) Medical	(3) Investigation: (6) MAC[3]	Determination[4]	Median days to determine (FY20-21)[5]
MRCA	Initial Liability	Proportion of time pre and post allocation	60%			40%				214
		Proportion of time post allocation				13%	34%	6%	1%	
	Permanent Impairment	Proportion of time pre and post allocation	20%			80%				275
		Proportion of time post allocation				0%	35%	2%	1%	
MRCA & DRCA	Incapacity	Proportion of time pre and post allocation	10%			90%				35
		Proportion of time post allocation				-	-	-	-	

Major pain points/ drivers of effort:

(2) Claims spend long wait time in unallocated queue

(3) There is a large variation in delegate effort and time to investigate claims, and in client contact

(4) Delegates make re-requests for Defence information on allocation

(5) Delegates expend effort chasing and waiting for medical information from external providers

(6) Delegates make significant number of unnecessary referrals to MACs

1.Proportion of time pre and post allocation calculated based on mean average of time spent by claim pre and post allocation to delegate. Time in days for each step calculated based on start date of relevant process step and start date of next process step or determination in each claim as recorded by DVA staff, analysed for each claim type. Calculations for mean average time based on number of claims that recorded a data point for the relevant process step. Where data on each discrete 'request for information' step was absent from the claim, it has been assumed the claim was not referred or more information was not requested. 52% of claims had complete information for all steps, excluding referral steps.
2.Proportion of time post allocation calculated using same method, using allocation to determination as a base. Percentages do not sum to 100% due to rounding and fact that investigation time is excluded.
3.October 2021 wait time is ~16 weeks.
4.Includes needs assessment and offsetting, where relevant for the claim type, where these activities were recorded before determination date.
5.DVA reported figure – CBD National Summary data, August 2021

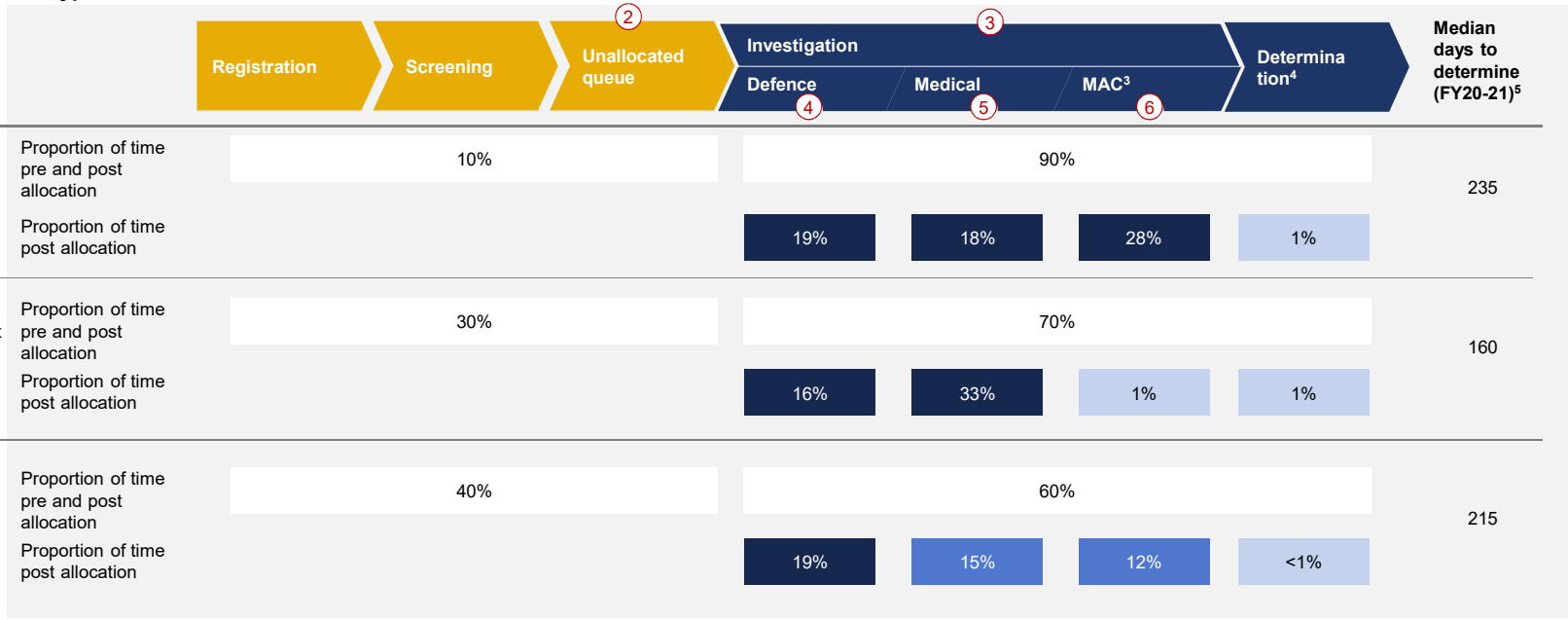
Source: DVA Sample Claims Analysis across 174 claims, 15 Oct - 12 Nov 2021

Reported cycle time across process steps (2/2)

Proportion of time in days average claim sits at each process step[1,2]

Claim not allocated to delegate | Claim allocated to delegate | Proportion of total time to complete (%) | <5 | 5-10 | 11-15 | >15 | Pain point

Sampling data based on 174 claims across claim types



Major pain points/ drivers of effort:

2. Claims spend long wait time in unallocated queue
3. There is a large variation in delegate effort and time to investigate claims, and in client contact
4. Delegates make re-requests for Defence information on allocation
5. Delegates expend effort chasing and waiting for medical information from external providers
6. Delegates make significant number of unnecessary referrals to MACs

1.Proportion of time pre and post allocation calculated based on mean average of time spent by claim pre and post allocation to delegate. Time in days for each step calculated based on start date of relevant process step and start date of next process step or determination in each claim as recorded by DVA staff, analysed for each claim type. Calculations for mean average time based on number of claims that recorded a data point for the relevant process step. Where data on each discrete 'request for information' step was absent from the claim, it has been assumed the claim was not referred or more information was not requested. 52% of claims had complete information for all steps, excluding referral steps.
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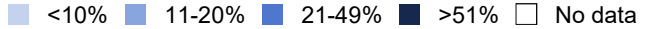
5.DVA reported figure – CBD National Summary data, August 2021

Source: DVA Sample Claims Analysis across 174 claims, 15 Oct - 12 Nov 2021

The majority of claims request medical information and majority MRCA IL and PI are referred to MAC

Sampling data based on 174 claims across claim types



Rates of referral for more information by claim type

Claim type		Request for information (Defence)	Request for information (Medical)	Referral to MAC
MRCA	Initial Liability	38%*	29%	61%
	Permanent Impairment	0%	67%*	33%*
	Incapacity	20%	60%	10%
DRCA	Initial Liability	52%	40%	44%
	Permanent Impairment	13%	80%*	7%*
	Incapacity	Combined with MRCA Incapacity		
VEA	Disability Pension	61%	78%	72%
	War widow claim	-		

* Referral rates revised down in Sprint #1. Rates reflected here are those derived from analysis of expanded set of 174 claims, noting that rates based on number of claims by claim type that recorded a data point for the relevant process step.

Source: DVA Sample Claims Analysis across 174 claims, 15 Oct - 12 Nov 2021

Appendices

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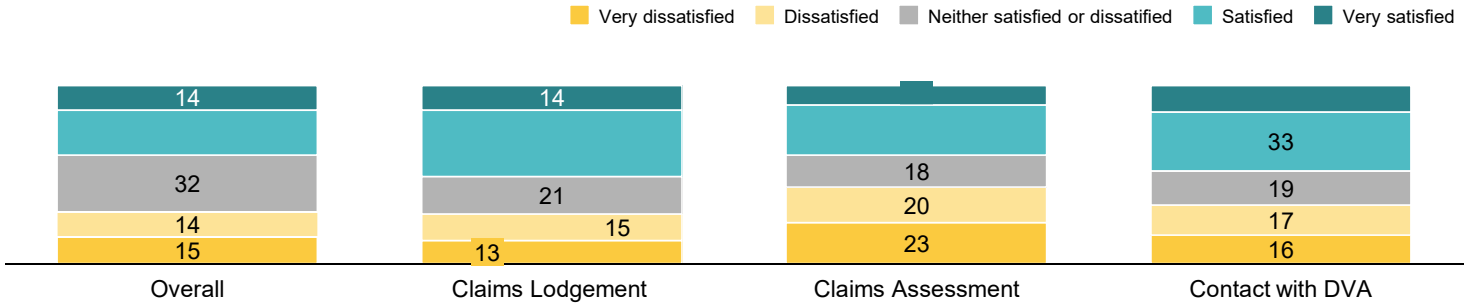
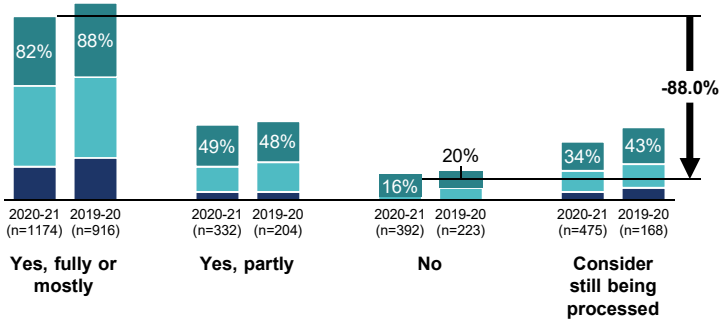
Veteran who received the outcome they wanted are largely satisfied, as are those that took less than 6 months

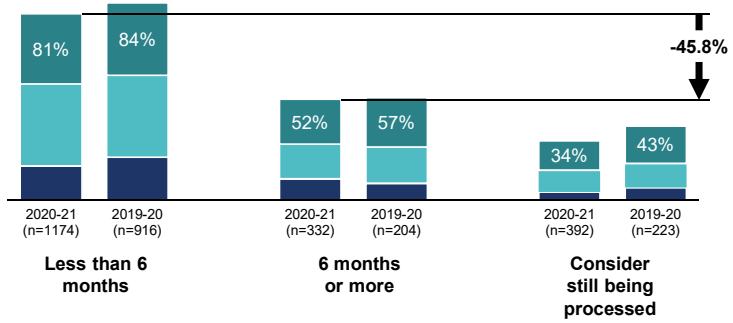
Veteran satisfaction with each step of the veteran claim execution



Overall satisfaction by whether clients **received the outcome they wanted**



Overall Satisfaction by the **perceived time taken to process claim**



Source: Department of Veterans' Affairs 2020-21 Client Benefits Client Satisfaction Survey Report Final

What we already know

From the Client Satisfaction Survey we know that clients are **most satisfied with the claims lodgement step** and least satisfied with the claims assessment step

We can identify how overall satisfaction varies by claim type, and some of the characteristics of those who have lower satisfaction (e.g., younger claimants, higher processing time)

Across all benefit types the overall time taken to finalise a claim is one of the top drivers of satisfaction

Top five drivers of overall Veteran satisfaction, by benefit type

1 Top ranked driver X Rank of driver (2-5) Key driver of client satisfaction

	MRCA/DRCA	Income support and allowance	Disability support	War Widowers and dependents	Funeral benefits
Overall time taken to address your claim	1	1	1	1	2
The ease of providing the information / documentation required by DVA to assess your claim	2	2	5	3	3
Clarity of communication about what you needed to do to finalise your claim	5		2	2	
Being kept up to date about the progress of your claim	4	3	4	5	1
The time taken for a staff member to be assigned to your claim	3	4			5
The requirements seemed reasonable given the benefits claimed		5	3		
Staff being adaptable to the context of the request and providing ways to overcome barriers				4	
Staff taking the time to listen and understand what you wanted					4
Time taken to access support / reach a staff member that could assist you					

Source: DVA CBPSS Full year 2020-21 Unit Record data

Key Findings

Across all benefit types DVA has significant opportunity to better overall client satisfaction **by decreasing the overall time to finalise claims.**

Other drivers with higher potential feasibility for action include:

- **The ease of providing the information / documentation required by DVA to assess your claim**
- **Being kept up to date about the progress of your claim**

Like veterans, DVA staff also experience different pain points across the claims journey

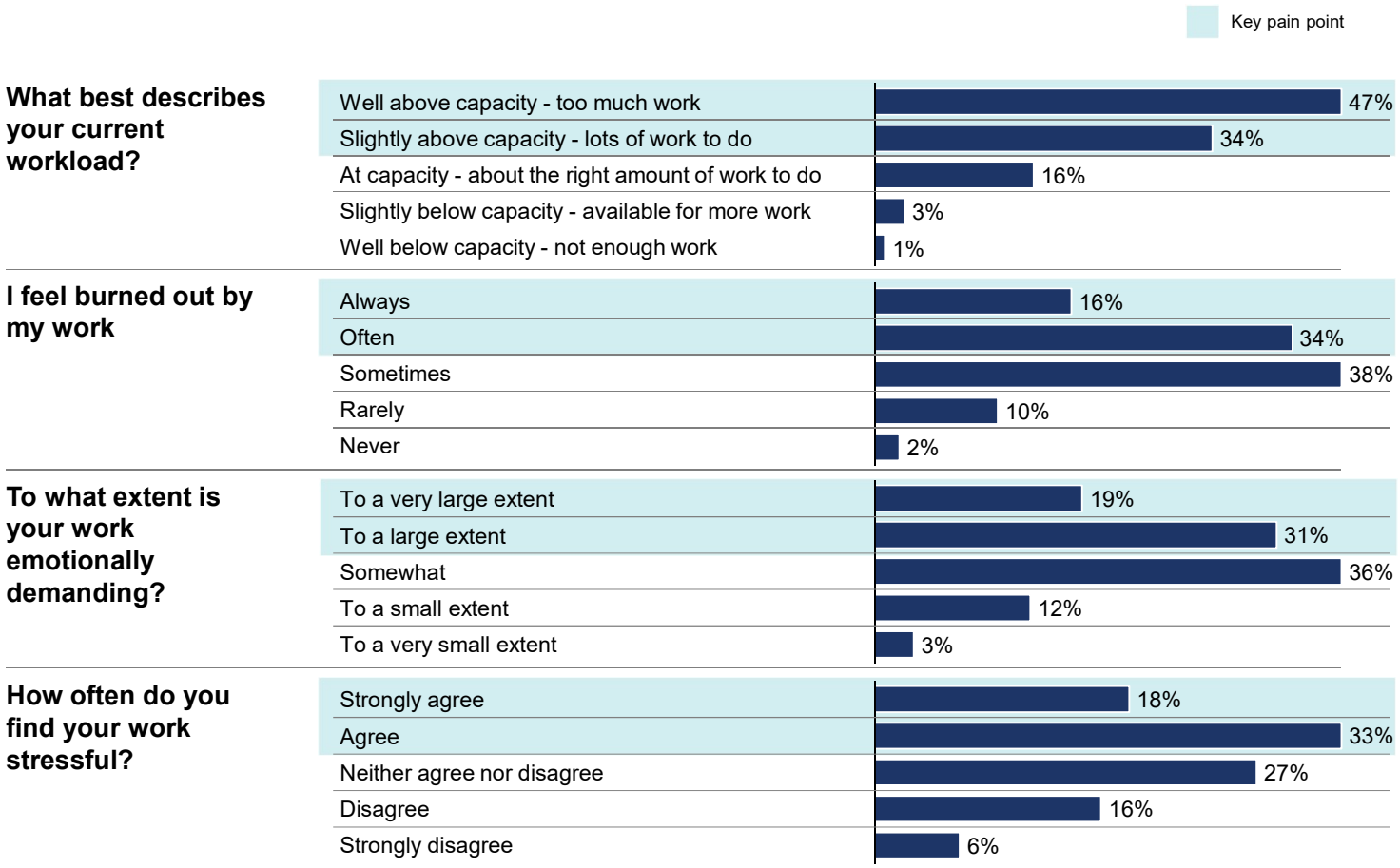
Key pain point discussed across multiple DVA internal stakeholders and resources

Theme	Description	Examples		
Non user-friendly IT systems	System constraints affect staff's ability to provide a seamless experience for clients	Delegates have to use five different systems to process a claim that "don't talk to each other" (Process Direct, Trim, Click, MyService, ISH)	**Multiple manual work arounds because the DVA systems are very limited in their functionality**	System access request issues for new starters, (e.g. VIEW, CADET, DEFCARE).
Incomplete claims	Time spent chasing up required information and documents for a claim to be accepted	**MyService will allow submission of incomplete claims. 60 70% of claims include no diagnosis material**	Minimal or no details in relation to why a claim has been flagged as a priority and the type of priority	DVA uses specific condition labels to grant claims that GPs do not necessarily use - resulting in confusion at the GP and delegate level
		Given the policy complexity, GPs do not necessarily have the expertise to respond to some of the delegates' requests. This creates delays, possible supplementary reports, or a completely new medical specialist appointment		
Complexity of legislation	Time and effort spent navigating complex claims that cut across multiple Acts	Transitional cases of those clients who have service over two or three Acts have many layers of complexity	Inefficient processing due to the complexity of the Acts, delegates have to establish the client's Service first as this dictates how they investigate. They can't ask for upfront information as they may not be sure what SoP to apply (if required at all)	
Time lost on unrelated tasks	Time spent responding to calls and emails that are unrelated to claims processing	**Answering enquiries relating to information that is already publicly available on the DVA website**	Time lost handling complaints from clients, specifically around wait times	
Limited mental health training	Limited training in trauma-informed practice to ensure interactions are productive and safe	Most delegates do not feel adequately trained to process the claims of clients with mental health issues		
Limited information sharing	Limited information received about a veteran when they are assigned to a new delegate	**Limited data sharing across government agencies sees delegates chasing information that should already be known by Defence**	Although all ROC should be in TRIM and in the ISH case, this is not always the case	
Challenging working environment	Increasing workload demands provides challenging environment to deliver excellent customer service	Delegates can be subject to abusive language when claims have been rejected or when long wait times are received	Delegates have identified a number of ESOs who are "difficult to work with" as they place them under undue pressure	For some delegates, hearing negative sentiment about their workplace in the media can be disheartening
		Some delegates are stressed and burnt out from their high case load and pressure to 'get claims off their desk'		

Source: APS Employee Employee Census 2021 Results, Client Benefits Division, DVA internal stakeholder consultations, 2019 DVA Productivity Commission Report

70% of DVA employees report high workloads and the majority report some degree of burnout and stress

APS Employee Census 10 May-11 June 2021 Results, Client Benefits Division



Source: APS Employee Census 10 May-11 June 2021 Results, Client Benefits Division

Note survey run prior to public announcement on additional funding

Key Points

With the backlog of claims growing exponentially, **81% of employees perceives their workload to be above their capacity**

Over 50% of staff felt burnt out by their work and find their work stressful

50% of staff describe their work as emotionally draining

Relevance to CX

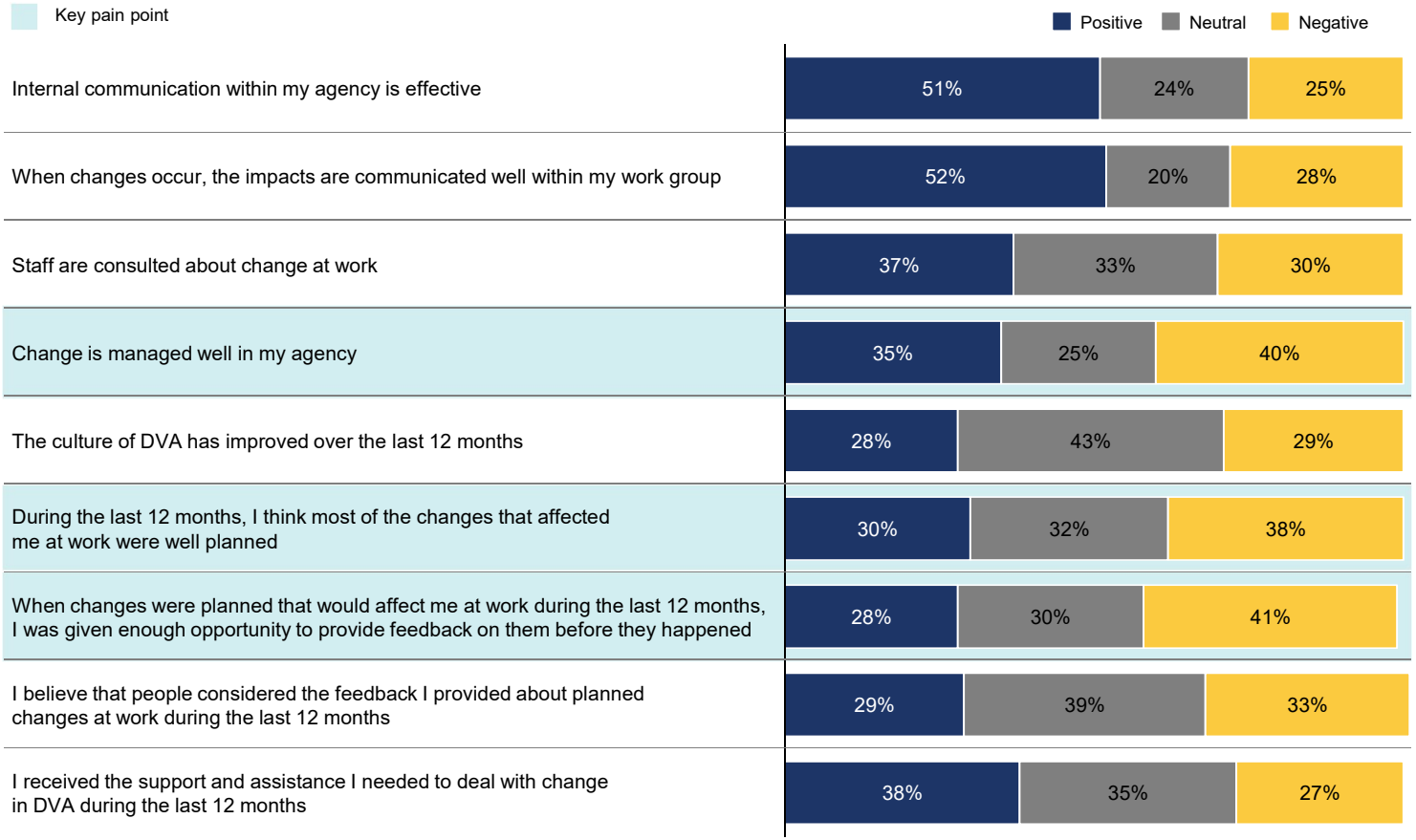
When working conditions are poor, there is risk of a breakdown of empathetic and effective communication with veterans.

Employees who are stressed and burnout out are likely to see productivity decreases and increased error rates when processing claims

Investing in CX-related initiatives will see limited impact without a motivated workforce to execute it

DVA staff report pains points around communication and change

APS Employee Census 10 May-11 June 2021 Results, Client Benefits Division



Source: APS Employee Census 10 May-11 June 2021 Results, Client Benefits Division

Note survey run prior to public announcement on additional funding

Key Points

Overall, lack of effective change management presents as a common theme for DVA staff

40% of staff do not think that change is well managed within DVA

Only 30% of staff agree that changes during the past 12 months were well planned and only 28% were able to give feedback

Relevance to CX

To deliver customer service excellence, everyone from management to the frontline need to be aligned on a compelling common purpose.

If the vision is not clear, it is hard to convince staff to go the extra mile for a positive client experience

Sustaining effective CX change will be hard when the guiding coalition does not effectively engage with DVA staff

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We are modelling demand and DVA capacity to process claims as well as sizing the effects of initiatives and their inherent risks

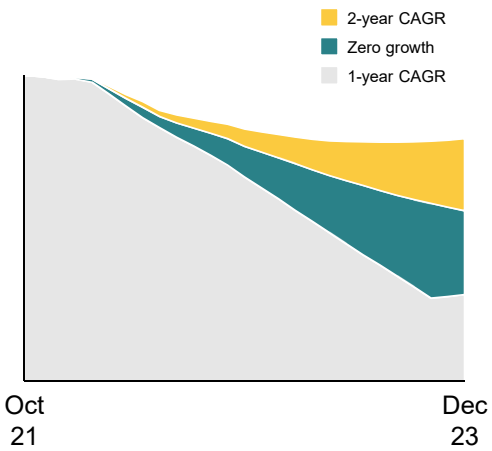
FIGURES FOR ILLUSTRATION ONLY

1 Estimate demand

Using historic growth rates for number of clients and net claims submitted per client for the past 1-2 years

Effect of demand case on claims backlog

Unallocated net claims on hand, k

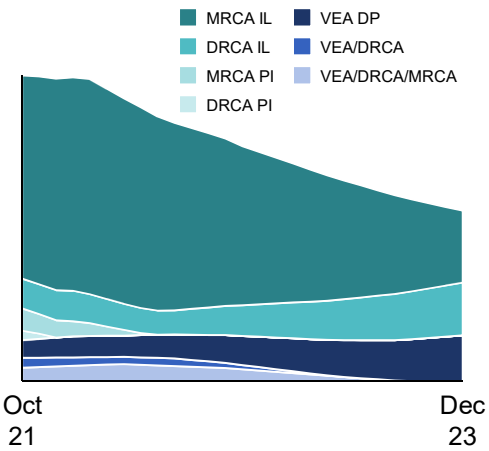


2 Build momentum case by claim type

Accounting for claims determined under different Acts to which they were registered, apply historic determination rates per delegate and forecast FTE numbers

Size of claims backlog by claim type, zero growth case

Unallocated net claims on hand, k

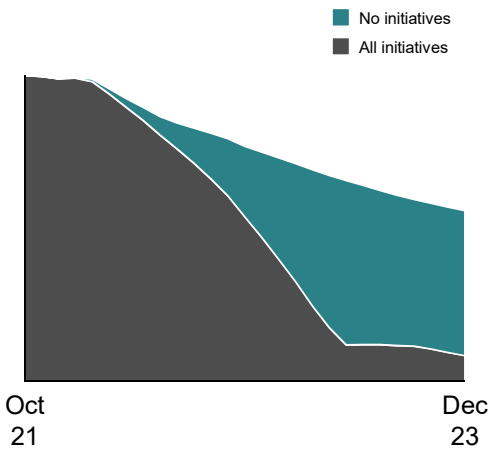


3 Size impact of initiatives

Summing the impact they are anticipated to have at every point in time for every claim type and variable

Effect of initiatives on the backlog, zero growth case

Unallocated net claims on hand, k

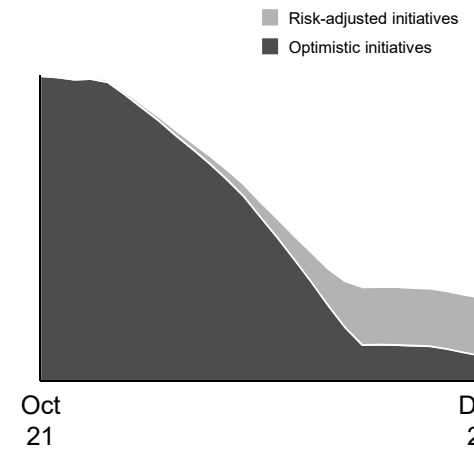


4 Risk adjust initiatives for implementation

Adjust total impact of initiatives to account for constructive and destructive interference and conservative and optimistic sizings

Range of uncertainty for effect of initiatives on the backlog

Unallocated net claims on hand, k



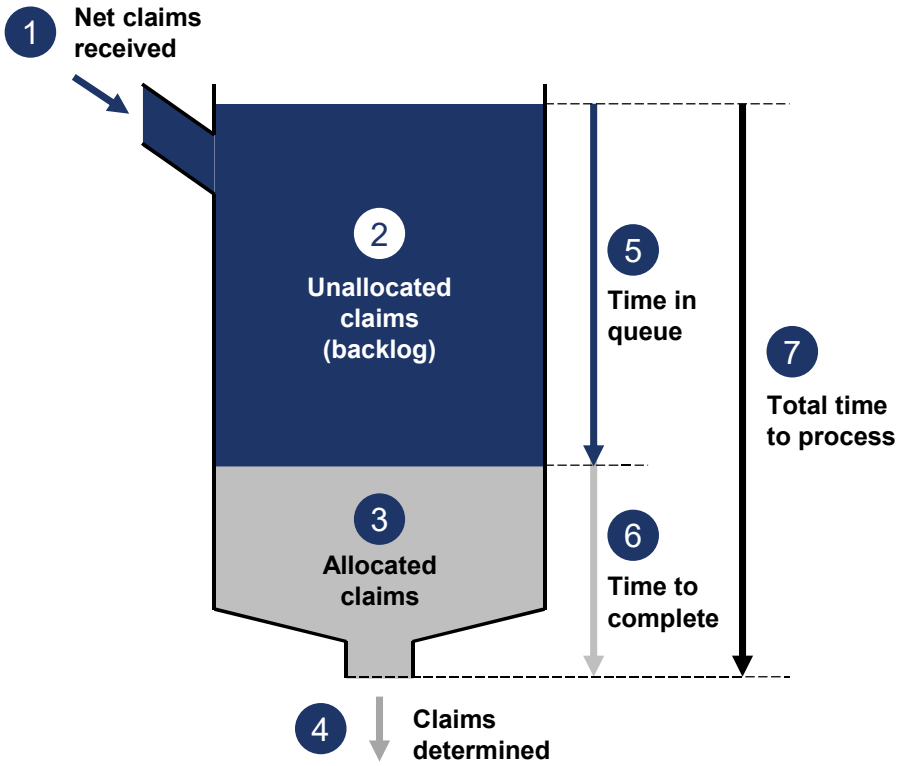
Source: DVA Pilot Initiatives model; DVA claims and FTE forecasting report, 17 Nov 2021; data on migration and withdrawals provided by Victoria Benz on 18 Nov 2021; bottom-up evaluation of 150 sample claims for touch time and time to complete; August 2021 DVA Client Benefits National Summary Data for FTE shrinkage

Net demand growth assumptions for MRCA IL, DRCA IL, VEA DP, dual-act, and tri-act claims

	Low demand	Base case	High demand	Explanation of base case
MRCA IL	-10.1% *FY20-21 CAGR*	1.5% *Client aligned*	22.7% *FY19-21 CAGR*	• Growth in FY17-20 largely due to Veteran Centric Reform with critical mass of claimants estimated to be reached post-reform • Increase in demand expected with increased process efficiency
DRCA IL	10% *Client aligned*	10% *Client aligned*	18.1% *FY19-21 CAGR*	• FY19-21 and FY20-21 CAGR has been stable ~18% partially driven by VCR and DRCA being 'easier' to claim, client observations suggest slowing of demand
VEA DP	-8.9% *FY19-21 CAGR*	1.5% *Client aligned*	1.6% *FY20-21 CAGR*	• Possible recent growth driven by cohort reaching retirement which could be expected to continue
VEA/DRCA	-4.4% *FY20-21 CAGR*	0% *Client aligned*	21.2% *FY19-21 CAGR*	• FY20-21 CAGR suggests a slowing of demand, possibly driven by an aging cohort but recent growth in dual-Act demand suggests conservative base required
VEA/DRCA/MRCA	-9.3% *FY19-21 CAGR*	0% *Client aligned*	0% *Client aligned*	• FY19-21 and FY20-21 CAGR varies from -9.3% to -32.7% respectively, possibly driven by an aging cohort but variation in dual-Act demand suggests conservative base required

Source: Claims per client and number of claimants data provided by DVA Data and Insights Branch on 22 Nov 2021; interviews with Victoria Benz, Natasha Cole, Jason Howden, [redacted] on 25 Nov 2021

Pilot initiative model conceptual overview



1. **Inflow to the backlog is modelled as net claims received**, which is the total number of claims received per month **minus any withdrawals** from the registration and screening process[1]; in the model these claims are **apportioned to the claim types they will ultimately be determined under**, as opposed to the nominal claim type at receival[2]

2. The number of unallocated claims in the backlog is a **key output of the model**; it is calculated as a **function of net in- and outflows** to total claims on hand in a given month **minus the capacity of the organisation to allocate claims** at the end of that month

3. The number of claims allocated at a given point in time is defined by the **processing capacity** of the organisation, equal to **total determinations per month multiplied by time to complete** - this approach accounts for the possibility for **parallel processing** while a claim is out on referral and not being actively worked on by a delegate[3]

4. Claims determined is a function the **actual working time taken for delegate to complete a given claim** (or "touch time"), the **working hours available** to a delegate, and the **number of FTE** available for processing[4]

5. Queue time is the **time taken for a claim to be allocated to a delegate after being received**; this is a function of the **number of unallocated claims and the determination rate** of claims

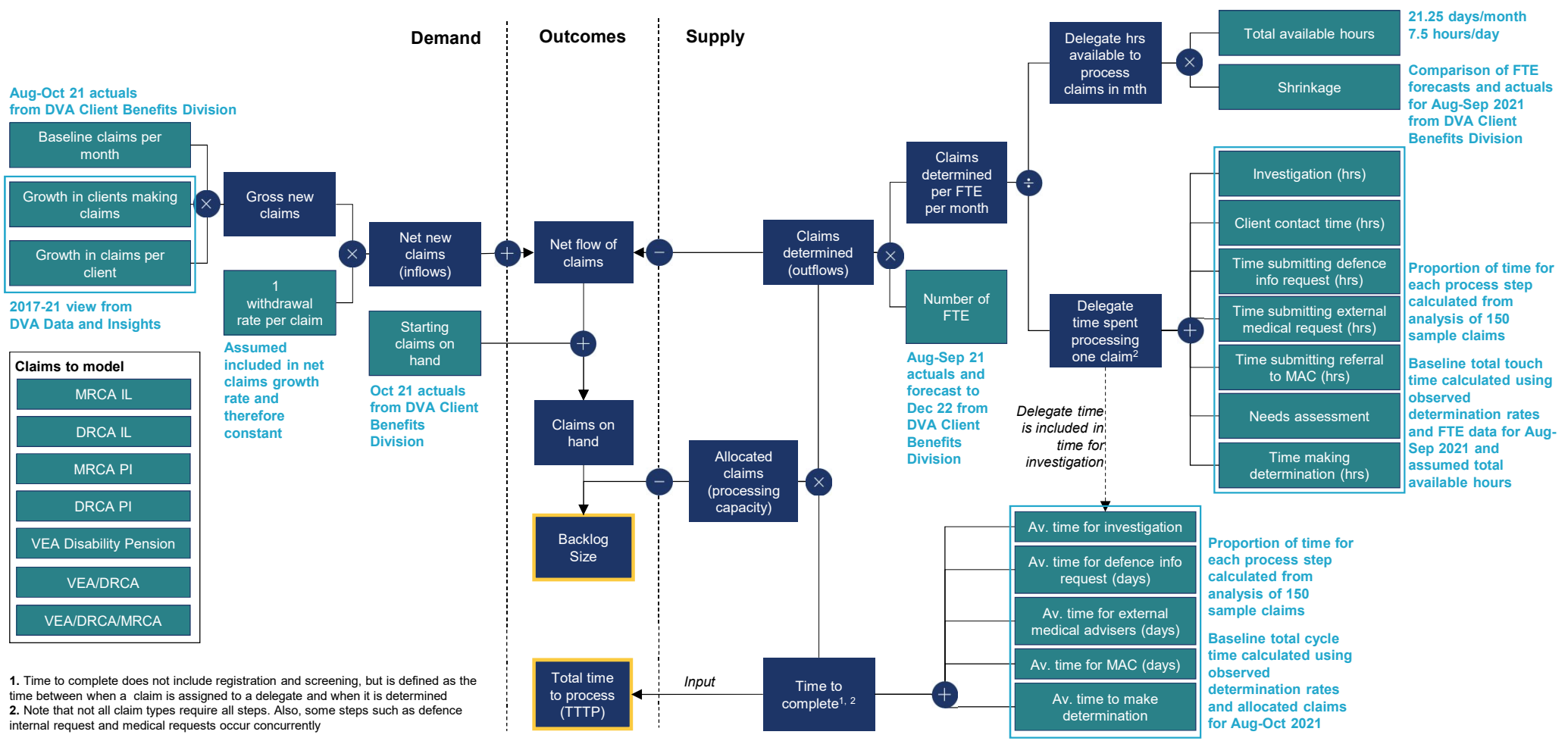
6. Time to complete is **the total time taken from allocation to determination for a claim**. It is a **function of the complexity of a claim**, including the number and time taken for referrals to Defence, external medicals advisors and MAC

7. Total time to process is total **time taken for a claim to be determined from the point it is received**; it is the sum of queue time and time to complete

1. Average net claims per month are derived from actuals for months of Aug-Oct 2021 and grown by a fixed rate depending on the selected scenario; **2.** Re-allocation of multi-act claims to the claim types under which they are determined is via a fixed ratio calculated by comparing the acts under which claims were received and the acts under which the same claims were later determined over Aug-Oct 2021; **3.** Baseline time to complete is calculated from actual allocated claim volumes and determination rates for months of Aug-Sep 2021; **4.** Baseline touch time is calculated from actual determination rates per FTE and assumed available delegate hours per month (21.25 days x 7.5 hours per day) for months of Aug-Sep 2021

Source: DVA Pilot Initiatives model; DVA claims and FTE forecasting report, 17 Nov 2021; data on migration and withdrawals provided by Victoria Benz on 18 Nov 2021; bottom-up evaluation of 150 sample claims for touch time and time to complete; August 2021 DVA Client Benefits National Summary Data for FTE shrinkage

Initiatives are sized based on their impact on model drivers



1. Time to complete does not include registration and screening, but is defined as the time between when a claim is assigned to a delegate and when it is determined
2. Note that not all claim types require all steps. Also, some steps such as defence internal request and medical requests occur concurrently

Source: DVA Pilot Initiatives model; DVA claims and FTE forecasting report, 17 Nov 2021; data on migration and withdrawals provided by Victoria Benz on 18 Nov 2021; bottom-up evaluation of 150 sample claims for touch time and time to complete; August 2021 DVA Client Benefits National Summary Data for FTE shrinkage

Pilot initiative model calculation flow

	Variable	Calculation method
Inputs	**FTE**	Total FTE from Client Benefits National Summary data taken to be true value (includes shrinkage from proficiency, mixed benefits processing, leave, and other causes on non-productivity); distribution by claim type taken from forecast provided by Victoria Benz
	Net IL claims received	For IL, DP, and multi-act, Assumed to be average from past three months of data, "migrated" from the claim type(s) under which the claim is lodged to the Act under which it is likely to be determined
	Touch time (hands-on processing time for a delegate to process a claim)	Total touch time per claim = Total determinations per month / total available working hours per month Total available working hours per month = known FTE (Aug-Sep 21 actuals) x 21.25 working days per month x 7.5 working hours per day Touch time for a given process step is disaggregated according to the split of touch time and proportion of claims requiring a given process step generated by analysis of 150 sample claims
	Time to Complete (process time from allocation to a delegate to determination)	Time to complete = total allocated claims / claims determined per month Cycle time for a given process step is disaggregated according to the split of cycle time and proportion of claims requiring a given process step generated by analysis of 150 sample claims
Inter mediates	**Determination rate**	Determination rate = determination rate per FTE x known FTE Determination rate per FTE = (assumed) total available working hours per month / total touch time per claim
	Net PI claims received	PI claims received = IL determinations x IL acceptance rate x net PI receivals per IL acceptance (rates are 12-month historical average from Client Benefits National Summary data)
	Allocated claims on hand (processing capacity)	Processing capacity = Allocated claims on hand = time to complete x determination rate
Outputs	**Total claims on hand**	Total claims on hand = previous months claims on hand + net claims received – claims determined
	Unallocated claims on hand (backlog)	Unallocated claims = total clams on hand – allocated claims
	Queue time	Queue time = total unallocated claims / claims determined per month
	Total Time To Process	Total time to process = Time to complete + queue time This calculation method yields an *average* time, which differs greatly from the *median* reported times

Source: DVA Pilot Initiatives model; DVA claims and FTE forecasting report, 17 Nov 2021; data on migration and withdrawals provided by Victoria Benz on 18 Nov 2021; bottom-up evaluation of 150 sample claims for touch time and time to complete; August 2021 DVA Client Benefits National Summary Data for FTE shrinkage

Comparison of Total Time To Process and age of claims on hand

Pilot initiatives model TTTP
Days

Aug 21 actual claims on hand / determination rate

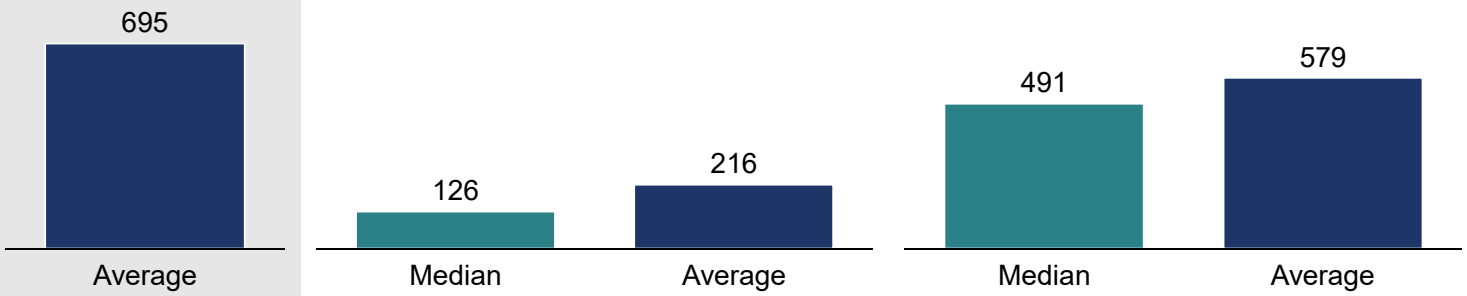
Aug 21 Total Time To Process[1]
Days

Time from registration to determination for claims determined in Aug 21

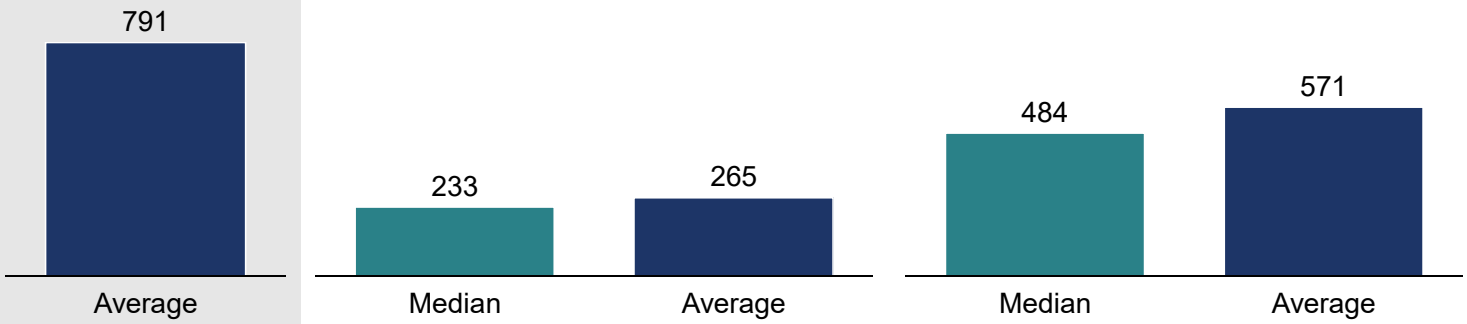
Age of claims on hand[1]
Days

Days elapsed since registration for claims not yet disposed at 26 Oct 21

MRCA IL



DRCA IL



1. From Claims Combined data; 2. Defined as subset of claims that have no determination date

Source: DVA Pilot Initiatives model; DVA Client Benefits National Summary (August 2021); Claims combined data from DVA Data and Insights received 26 Oct 21

Key insights

- Observed **averages always exceed median** values, owing to a **long tail of non-priority claims** with very long processing times
- Reported Total Time To Process is **only for claims determined**, meaning that claims on hand that are not being processed are not considered in this measure, making it **skewed towards shorter processing times**
- The pilot initiatives model **does not account for prioritisation of claims**; the average TTTP calculated in the model is **what would occur if all claims were treated equally** and thus is much longer than reported values, approaching the average age of claims on hand

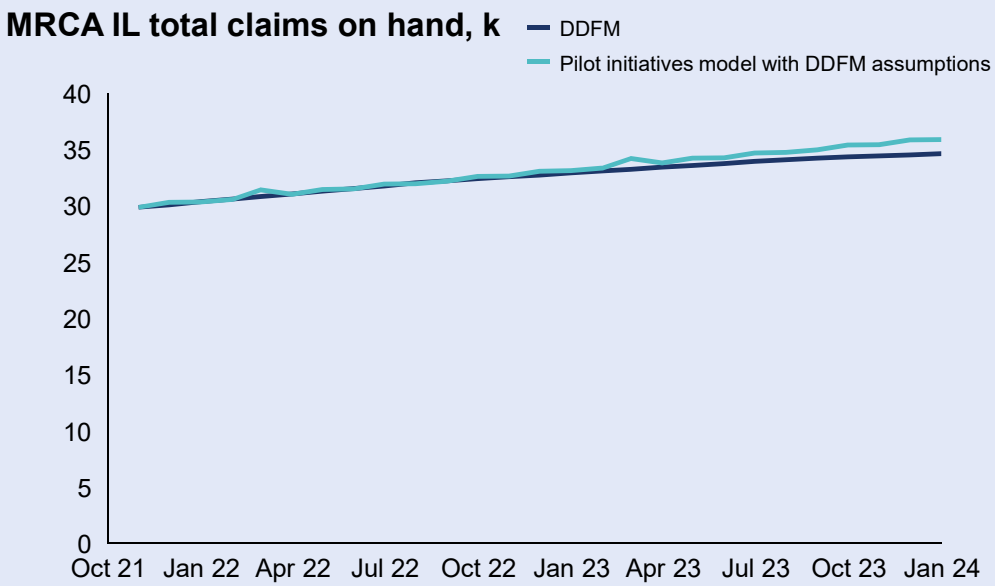
Comparing MRCA IL between the DDFM and pilot initiatives model

Assumptions and inputs for MRCA IL

Variable	DDFM (central case)	Pilot initiatives (base case)
Demand growth rate[1], % p.a.	0%	1.5%
Claim inflows starting point[2], claims per month	3,815	2,503
Total claims on hand beginning ~Nov 2021[3], claims	30,065	31,439
Time to complete[4], days	51	144
MRCA IL to PI conversion rates[5], lodgements to lodgements	34%	52%
Processing FTE[6], #	71.5	41.2-102.8
FTE shrinkage[7], %	0%	28%

Alignment of models

When the DDFM assumptions are input into the Pilot initiatives model, the predicted trends for total claims on hand under MRCA IL align very closely



Explanation of differences: 1. Both aligned to client expectations; pilot initiative model assumption is conservative based on understanding that MRCA IL claims volume likely to pick up again as backlog is cleared and claimants lodge repeat claims; **2.** DDFM is 1-year historical average of gross claims aligned to old reporting structure, pilot initiative model is 3-month historical average of net claims with claims "migrated" to their determination end-points aligned to new reporting structure; **3.** Both are forecast numbers – differences due to compounding of differing demand and supply assumptions; **4.** DDFM inputs are based on regression analysis of Total Time To Process, pilot initiatives model is a calculation of average time based on allocated claims and determination rate; **5.** DDFM is ratio of gross claims to gross claims (i.e. including claims that are withdrawn), pilot initiatives model is ratio of net claims to net claims (not including claims that are withdrawn); **6.** DDFM assumed current FTE, pilot initiatives model uses forecast FTE provided by Victoria Benz; **7.** DDFM includes only productivity losses due to proficiency, pilot initiatives model calculates shrinkage based on differences between reported processing FTE and forecast FTE without shrinkage assumptions

Source: DVA DDFM from 18 Oct 2021; Source: DVA Pilot Initiatives model; DVA claims and FTE forecasting report, 17 Nov 2021; data on migration and withdrawals provided by Victoria Benz on 18 Nov 2021; bottom-up evaluation of 79 sample claims for touch time and time to complete; August 2021 DVA Client Benefits National Summary Data for FTE shrinkage

Quantitative implications of initiative interactions

Initiatives	Type of interaction	Proposed intervention	Reasoning
PROC02 Support clients to submit completed claims **PROC05** Develop guidance and digital forms for external medical providers	Destructive	If PROC02 on, PROC05 has no effect	Complete claims reduces need for referrals; guidance and digital forms thus redundant
PROC02 Support clients to submit complete claims **SYST02** Expand computer-supported decision making	Constructive	If PROC02 on, SYST02 effect grows by ~5%	95% of claims can already be processed with CBD; complete claims could only improve this to 100%
PROC02 Support clients to submit complete claims **PEOP05** Establish tiger team for complete MRCA IL claims	Constructive	If PROC02 on, PEOP05 effect is zero after 6 months of implementation	Assuming tiger team not capacity constrained, impact would grow by the same proportion as the increase in complete claims
PROC05 Develop guidance and digital forms for external medical providers **PEOP05** Establish tiger team for complete MRCA IL claims	Constructive	If PROC05 on, PEOP05 impact grows by proportion of complete claims added	Assuming tiger team not capacity constrained, impact would grow by the same proportion as the increase in complete claims
POLI01 Extend non-liability healthcare conditions **SYST14** Notify clients of acceptance rates for low acceptance conditions	Destructive	None	SYST14 impact is zero claims

Source: analysis resulting from interviews with DVA initiative owners

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Example model outputs: key variables for MRCA IL (Aug 21-Dec 23) (1/2)

Outputs reported for scenario G[1] and baseline growth in claims[2]

			Actuals	Fore-cast													
Year	**2021**	**2021**	**2021**	**2021**	**2021**	**2022**	**2022**	**2022**	**2022**	**2022**	**2022**	**2022**	**2022**	**2022**	**2022**	**2022**	**2022**
Month	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
Demand																	
Net claims received	2,671.50	2,597.40	2,239.80	2,502.90	2,504.90	2,507.00	2,509.10	2,511.10	2,513.20	2,515.30	2,517.30	2,519.40	2,521.50	2,523.60	2,525.60	2,527.70	2,529.80
Supply																	
# of FTEs, per month	41.2	42.4	45.3	50.7	55.9	60	62	75.8	78.5	80.4	56.6	58.1	58.1	72.3	72.3	79.5	56.4
# of claims above processing capacity, per month	22,095.10	22,693.90	24,372.10	24,864.30	25,142.20	25,256.90	25,191.50	24,586.00	23,825.00	22,928.30	22,056.40	20,981.60	19,924.60	17,836.60	15,655.60	12,889.90	11,583.80
# of allocated claims on hand, per month	7,364.90	7,780.20	7,066.60	9,561.90	10,232.50	10,992.20	12,669.50	13,964.80	15,139.00	15,246.40	14,789.90	15,178.20	15,320.60	20,401.10	20,150.30	23,418.10	16,422.60
# of determinations, per month	1,455.00	1,752.50	1,402.00	2,010.70	2,227.00	2,392.30	2,574.40	3,116.70	3,274.20	3,412.00	3,389.20	3,594.20	3,578.50	4,611.50	4,706.60	5,293.50	3,835.90
Estimated queue time	470.8	388.5	538.9	371	350	327.3	274	244.5	218.3	208.3	195.2	181	172.6	116	103.1	73.1	93.6
Estimated TTTP	627.7	521.7	695.1	513.6	492.4	469.7	411.8	383.4	357	346.8	326.1	311.9	305.3	248.8	235.8	205.8	226.3

1. Scenario G assumes deployment of all in-train initiatives and 11 prioritised initiatives, including forecast FTE and reallocation of FTEs between claim types over time
2. Baseline growth in claims assumes a 1.5% CAGR in net demand for MRCA IL

Assumptions for migration of multi-act claims: starting multi-act claims on hand and claims received are migrated to the claim type in the backlog aligned to the processing FTE that will ultimately determine these claims; based on observed migration in the months of Aug-Oct 2021, for tri-act claims, 70% migrate to MRCA IL, 11% to DRCA IL, 3% to VEA DP, 4% to VEA/DRCA, and 12% remain tri-act. For VEA/DRCA claims, 34% migrate to DRCA IL, 25% to VEA DP, and 40% remain dual-act. The un-migrated number of tri-act claims is defined by eligibility owing to period of service, not acts under which claims are actually submitted

Demand assumptions: for IL and DP claims received per month begins at the 3-month average observed claims received for Aug-Oct 2021; these are 2503 claims per month for MRCA IL, 368 for DRCA IL, 249 for VEA DP, 124 for VEA/DRCA, and 140 for VEA/DRCA/MRCA. Demand for PI lodgements is assumed to be a fixed ratio to demand for IL acceptances under the same act equal to the average ratio observed over the past 12 months in Client Benefits National Summary data – these are 58% for MRCA PI, and 222% for DRCA PI. The growth rates (low/base/high) are -10.1%/1.5%/22.7% for MRCA IL, 10.0%/10.0%/18.7% for DRCA IL, -8.9%/1.5%/-1.6% for VEA DP, -4.4%/0%/21.2% for VEA/DRCA, and -9.3%/0%/0% VEA/DRCA/MRCA

Supply assumptions: Forecast FTE provided by DVA is adjusted to align with observed actual processing FTE in Client Benefits National Summary data and therefore includes shrinkage due to delegates in training, leave, mixed benefits processing (28% shrinkage). Projections of forecast FTE assume 343 FTEs remain deployed until December 2023 (i.e., after current funding expires in June 2023). FTE are reallocated between claim types by initiatives in charts featuring prioritised initiatives. Time to complete a given claim is assumed equal to the value implied from average determinations and average allocated claims in Aug-Sep 2021, ranging from 95 days (VEA/DRCA) to 214 days (DRCA IL). Touch time is equal to the value implied from average determinations in Aug-Sep 2021 and assumed time available to a delegate per month (21.25 days x 7.5 hours per day), ranging from 3.4h (DRCA PI) to 14.4h (VEA/DRCA/MRCA). Determination rates are calculated from assumed available delegate hours for processing and touch time per claim.

Source: DVA Pilot Initiatives model; DVA claims and FTE forecasting report, 17 Nov 2021; data on migration and withdrawals provided by Victoria Benz on 18 Nov 2021; bottom-up evaluation of 150 sample claims for touch time and time to complete; August 2021 DVA Client Benefits National Summary Data for FTE shrinkage

Example model outputs: key variables for MRCA IL (Aug 21-Dec 23) (2/2)

Outputs reported for scenario G[1] and baseline growth in claims[2]

Year	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023
Month	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
Demand												
Net claims received	2,531.90	2,534.00	2,536.10	2,538.20	2,540.30	2,542.40	2,544.50	2,546.60	2,548.70	2,550.80	2,553.00	2,555.10
Supply												
# of FTEs, per month	56.4	56.4	56.4	56.4	56.4	34.3	34.3	34.3	39.8	39.8	39.8	24
# of claims above processing capacity, per month	9,680.70	7,672.20	5,565.30	3,458.80	1,352.60	903.9	455.5	7.5	-	-	-	-
# of allocated claims on hand, per month	17,281.80	19,634.30	18,157.10	18,762.30	18,157.10	11,431.40	11,062.60	11,062.60	12,409.60	11,120.20	10,682.50	5,471.50
# of determinations, per month	4,036.60	4,142.30	4,241.10	4,241.10	4,241.10	2,584.00	2,584.00	2,584.00	2,998.30	2,998.30	2,998.30	1,804.20
Estimated queue time	74.3	51.9	40.7	24.5	9.9	10.5	5.5	0.1	-	-	-	-
Estimated TTTP	207.1	184.6	173.4	157.2	142.6	143.2	138.2	132.8	132.7	132.7	132.7	132.7

1. Scenario G assumes deployment of all in-train initiatives and 11 prioritised initiatives, including forecast FTE and reallocation of FTEs between claim types over time
2. Baseline growth in claims assumes a 1.5% CAGR in net demand for MRCA IL

Assumptions for migration of multi-act claims: starting multi-act claims on hand and claims received are migrated to the claim type in the backlog aligned to the processing FTE that will ultimately determine these claims; based on observed migration in the months of Aug-Oct 2021, for tri-act claims, 70% migrate to MRCA IL, 11% to DRCA IL, 3% to VEA DP, 4% to VEA/DRCA, and 12% remain tri-act. For VEA/DRCA claims, 34% migrate to DRCA IL, 25% to VEA DP, and 40% remain dual-act. The un-migrated number of tri-act claims is defined by eligibility owing to period of service, not acts under which claims are actually submitted

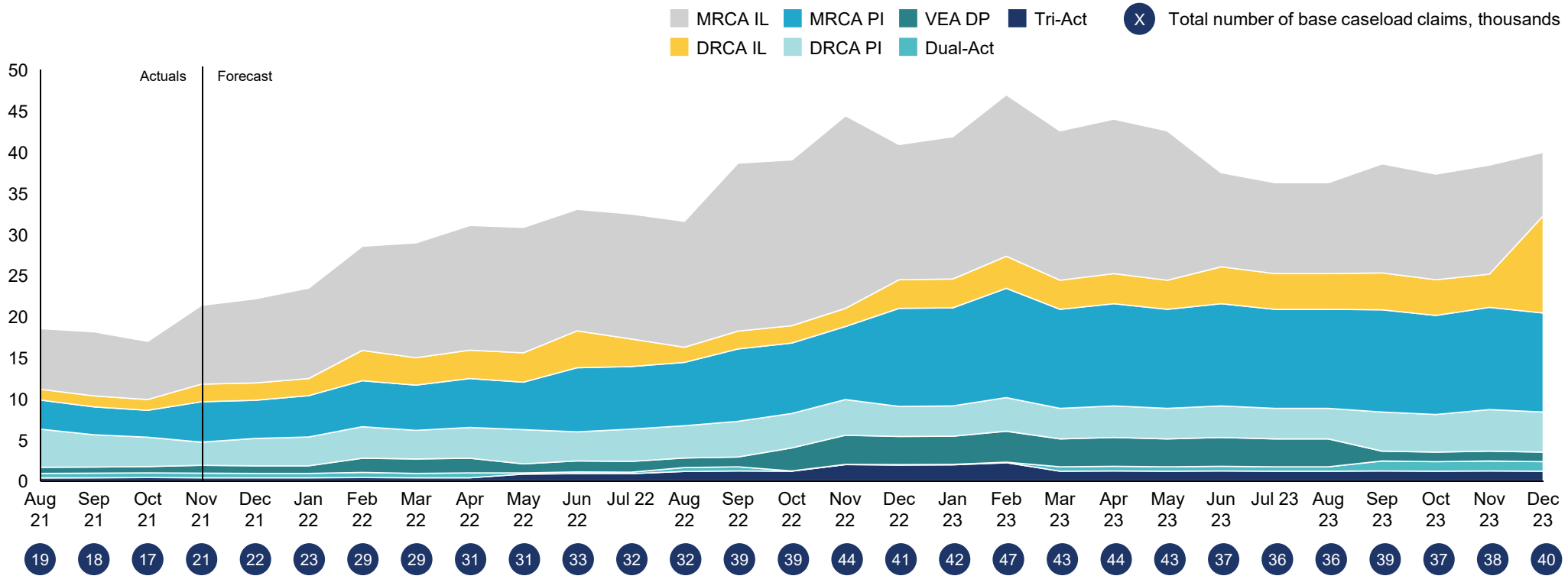
Demand assumptions: for IL and DP claims received per month begins at the 3-month average observed claims received for Aug-Oct 2021; these are 2503 claims per month for MRCA IL, 368 for DRCA IL, 249 for VEA DP, 124 for VEA/DRCA, and 140 for VEA/DRCA/MRCA. Demand for PI lodgements is assumed to be a fixed ratio to demand for IL acceptances under the same act equal to the average ratio observed over the past 12 months in Client Benefits National Summary data – these are 58% for MRCA PI, and 222% for DRCA PI. The growth rates (low/base/high) are -10.1%/1.5%/22.7% for MRCA IL, 10.0%/10.0%/18.7% for DRCA IL, -8.9%/1.5%/-1.6% for VEA DP, -4.4%/0%/21.2% for VEA/DRCA, and -9.3%/0%/0% VEA/DRCA/MRCA

Supply assumptions: Forecast FTE provided by DVA is adjusted to align with observed actual processing FTE in Client Benefits National Summary data and therefore includes shrinkage due to delegates in training, leave, mixed benefits processing (28% shrinkage). Projections of forecast FTE assume 343 FTEs remain deployed until December 2023 (i.e., after current funding expires in June 2023). FTE are reallocated between claim types by initiatives in charts featuring prioritised initiatives. Time to complete a given claim is assumed equal to the value implied from average determinations and average allocated claims in Aug-Sep 2021, ranging from 95 days (VEA/DRCA) to 214 days (DRCA IL). Touch time is equal to the value implied from average determinations in Aug-Sep 2021 and assumed time available to a delegate per month (21.25 days x 7.5 hours per day), ranging from 3.4h (DRCA PI) to 14.4h (VEA/DRCA/MRCA). Determination rates are calculated from assumed available delegate hours for processing and touch time per claim.

Source: DVA Pilot Initiatives model; DVA claims and FTE forecasting report, 17 Nov 2021; data on migration and withdrawals provided by Victoria Benz on 18 Nov 2021; bottom-up evaluation of 150 sample claims for touch time and time to complete; August 2021 DVA Client Benefits National Summary Data for FTE shrinkage

Example model outputs: Base caseload over time

Total FTE processing capacity reported for scenario G[1] and baseline growth in claims[2]



1. Scenario G assumes deployment of all in-train initiatives and 11 prioritised initiatives, including forecast FTE and reallocation of FTEs between claim types over time
2. Baseline growth in net demand (CAGR) assumptions: MRCA IL +1.5%; DRCA IL +10.0%; VEA DP +1.5%; VEA/DRCA +0.0%; VEA/DRCA/MRCA +0.0%

Assumptions for migration of multi-act claims: starting multi-act claims on hand and claims received are migrated to the claim type in the backlog aligned to the processing FTE that will ultimately determine these claims; based on observed migration in the months of Aug-Oct 2021, for tri-act claims, 70% migrate to MRCA IL, 11% to DRCA IL, 3% to VEA DP, 4% to VEA/DRCA, and 12% remain tri-act. For VEA/DRCA claims, 34% migrate to DRCA IL, 25% to VEA DP, and 40% remain dual-act. The un-migrated number of tri-act claims is defined by eligibility owing to period of service, not acts under which claims are actually submitted

Demand assumptions: for IL and DP claims received per month begins at the 3-month average observed claims received for Aug-Oct 2021; these are 2503 claims per month for MRCA IL, 368 for DRCA IL, 249 for VEA DP, 124 for VEA/DRCA, and 140 for VEA/DRCA/MRCA. Demand for PI lodgements is assumed to be a fixed ratio to demand for IL acceptances under the same act equal to the average ratio observed over the past 12 months in Client Benefits National Summary data – these are 58% for MRCA PI, and 222% for DRCA PI. The growth rates (low/base/high) are -10.1%/1.5%/22.7% for MRCA IL, 10.0%/10.0%/18.7% for DRCA IL, -8.9%/1.5%/-1.6% for VEA DP, -4.4%/0%/21.2% for VEA/DRCA, and -9.3%/0%/0% VEA/DRCA/MRCA

Supply assumptions: Forecast FTE provided by DVA is adjusted to align with observed actual processing FTE in Client Benefits National Summary data and therefore includes shrinkage due to delegates in training, leave, mixed benefits processing (28% shrinkage). Projections of forecast FTE assume 343 FTEs remain deployed until December 2023 (i.e., after current funding expires in June 2023). FTE are reallocated between claim types by initiatives in charts featuring prioritised initiatives. Time to complete a given claim is assumed equal to the value implied from average determinations and average allocated claims in Aug-Sep 2021, ranging from 95 days (VEA/DRCA) to 214 days (DRCA IL). Touch time is equal to the value implied from average determinations in Aug-Sep 2021 and assumed time available to a delegate per month (21.25 days x 7.5 hours per day), ranging from 3.4h (DRCA PI) to 14.4h (VEA/DRCA/MRCA). Determination rates are calculated from assumed available delegate hours for processing and touch time per claim.

Source: DVA Pilot Initiatives model; DVA claims and FTE forecasting report, 17 Nov 2021; data on migration and withdrawals provided by Victoria Benz on 18 Nov 2021; bottom-up evaluation of 150 sample claims for touch time and time to complete; August 2021 DVA Client Benefits National Summary Data for FTE shrinkage

Expected backlog in June and December 2023, and additional FTEs required to clear the backlog by June 2023

Outcomes for different modelling scenarios across low, base and high demand assumptions

				Remaining claims in backlog June 2023, different demand cases, thousand			**Remaining claims in backlog December 2023,** different demand cases, thousand			**Additional FTE required to clear backlog by June 2023,** different demand cases, thousand		
	Initiative scenario	**Assumed FTE**	**Initiatives on**	**Low**	**Base**	**High**	**Low**	**Base**	**High**	**Low**	**Base**	**High**
C	**In-train initiatives**	Forecast FTE	6 in-train initiatives only	23,855	29,010	35,511	29,543	30,554	36,864	154	190	236
F	**In train and initiatives within DVA control**	Forecast FTE + reallocation and retraining	6 in-train + 5 prioritised initiatives with no policy/ budget change	13,310	18,511	25,012	8,347	8,964	20,517	103	143	181
G	**In train and initiatives requiring external approval**	Forecast FTE + reallocation and retraining	6 in train initiatives + 11 prioritised initiatives	7,605	9,278	15,778	0	0	9,144	54	73	109
J	**In train and initiatives requiring external approval (expanded / at accelerated pace) plus additional ideas**	Forecast FTE + optimistic reallocation (including accelerated training from alignment of SOP factors)	6 in train initiatives + 11 prioritised initiatives (with 4 expanded or at accelerated pace) + 4 ideas	0	0	3,813	0	0	0	0	0	11

Source: August 2021 Client Benefits National Summary; Weekly Report 07-11-2021, DVA Pilot Initiative Model Build. DVA claims and FTE forecasting report, 17 Nov 2021; Data on migration and withdrawals provided by Victoria Benz on 18 Nov 2021; bottom-up evaluation of 150 sample claims for touch time and time to complete; August 2021 DVA Client Benefits National Summary Data for FTE shrinkage.

Assumptions for migration of multi-act claims: starting multi-act claims on hand and claims received are migrated to the claim type in the backlog aligned to the processing FTE that will ultimately determine these claims; based on observed migration in the months of Aug-Oct 2021, for tri-act claims, 70% migrate to MRCA IL, 11% to DRCA IL, 3% to VEA DP, 4% to VEA/DRCA, and 12% remain tri-act. For VEA/DRCA claims, 34% migrate to DRCA IL, 25% to VEA DP, and 40% remain dual-act. The un-migrated number of tri-act claims is defined by eligibility owing to period of service, not acts under which claims are actually submitted

Demand assumptions: All figures are in net claims, i.e. subtracting withdrawals. Net PI lodgements demand is assumed to be a fixed ratio to IL acceptances under the same act, set to the average ratio observed over the past 12 months in Client Benefits National Summary data – these are 58% for MRCA PI, and 222% for DRCA PI. Net IL and DP claims received per month begins at the 3-month average observed claims received for Aug-Oct 2021; these are 2503 claims per month for MRCA IL, 368 for DRCA IL, 249 for VEA DP, 124 for VEA/DRCA, and 140 for VEA/DRCA/MRCA. These are assumed to grow 1.5% for MRCA IL and VEA DP, 10% for DRCA IL, and 0% for VEA/DRCA and VEA/DRCA/MRCA.

Supply assumptions: For the dark blue line (current FTE), FTE are assumed to stay constant at 186 FTE, as reported for September 2021. Forecast FTE provided by DVA is adjusted to align with observed actual processing FTE in Client Benefits National Summary data and therefore includes shrinkage due to delegates in training, leave, mixed benefits processing (28% shrinkage). Projections of forecast FTE assume 343 FTEs remain deployed until December 2023 (i.e., after current funding expires in June 2023). FTE are reallocated between claim types by initiatives in lines featuring prioritised initiatives. Time to complete a given claim is assumed equal to the value implied from average determinations and average allocated claims in Aug-Sep 2021, ranging from 95 days (VEA/DRCA) to 214 days (DRCA IL). Touch time is equal to the value implied from average determinations in Aug-Sep 2021 and assumed time available to a delegate per month (21.25 days x 7.5 hours per day), ranging from 3.4h (DRCA PI) to 14.4h (VEA/DRCA/MRCA). Determination rates are calculated from assumed available delegate hours for processing and touch time per claim.