



How is ill health impacting your bottom line?

Dr John Wren, ACC

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Chronic health conditions (or co-morbidities)

- ▶ Asthma
- ▶ Chronic obstructive pulmonary disease (difficulty breathing, common lung disease)
- ▶ Ischaemic heart disease (lack of blood / oxygen supply to the heart)
- ▶ Heart failure
- ▶ Diabetes mellitus (inability of body to process / use food)
- ▶ Mental health conditions
- ▶ Cancer diagnosis
- ▶ Osteoarthritis
- ▶ Hypertension

'Dave'

- ▶ 50 year old man
- ▶ Has Type II diabetes
- ▶ Has more cuts and burns type injuries because he has lost some sensation in his extremities
- ▶ Treatment takes longer because of the loss of circulation, which adds recovery.



'Mike'

- ▶ 51 year old male
- ▶ Angina pains and other physical symptoms (over 12 month)



Health Literature



| Health co-morbidity (ICD-9-CM Chapter) | Rate Ratios* Injured/ Non-Injured *Adjusted for age, sex and place of residence * | |
|---|--|-----------|
| | Hospital Admissions | Physician |
| Source: Adapted from Cameron et al, 2005. Tables 4 and 5 respectively. | Claims per 1000 person years | |
| Mental Health disorders | 9.31 | 3.50 |
| Injury and poisonings | 3.68 | 2.72 |
| Blood diseases | 3.36 | 1.53 |
| Endocrine and metabolic | 2.79 | 1.38 |
| Musculoskeletal disorders | 2.61 | 1.76 |
| Nervous system diseases | 2.35 | 1.42 |
| Respiratory diseases | 1.98 | 1.38 |
| Circulatory diseases | 1.70 | 1.21 |

Impact of ill health seen by ACC



One or more chronic health conditions associated with :

- ▶ Greater risk of injury
- ▶ Longer to recover
- ▶ Longer to return to work
- ▶ Poorer work performance

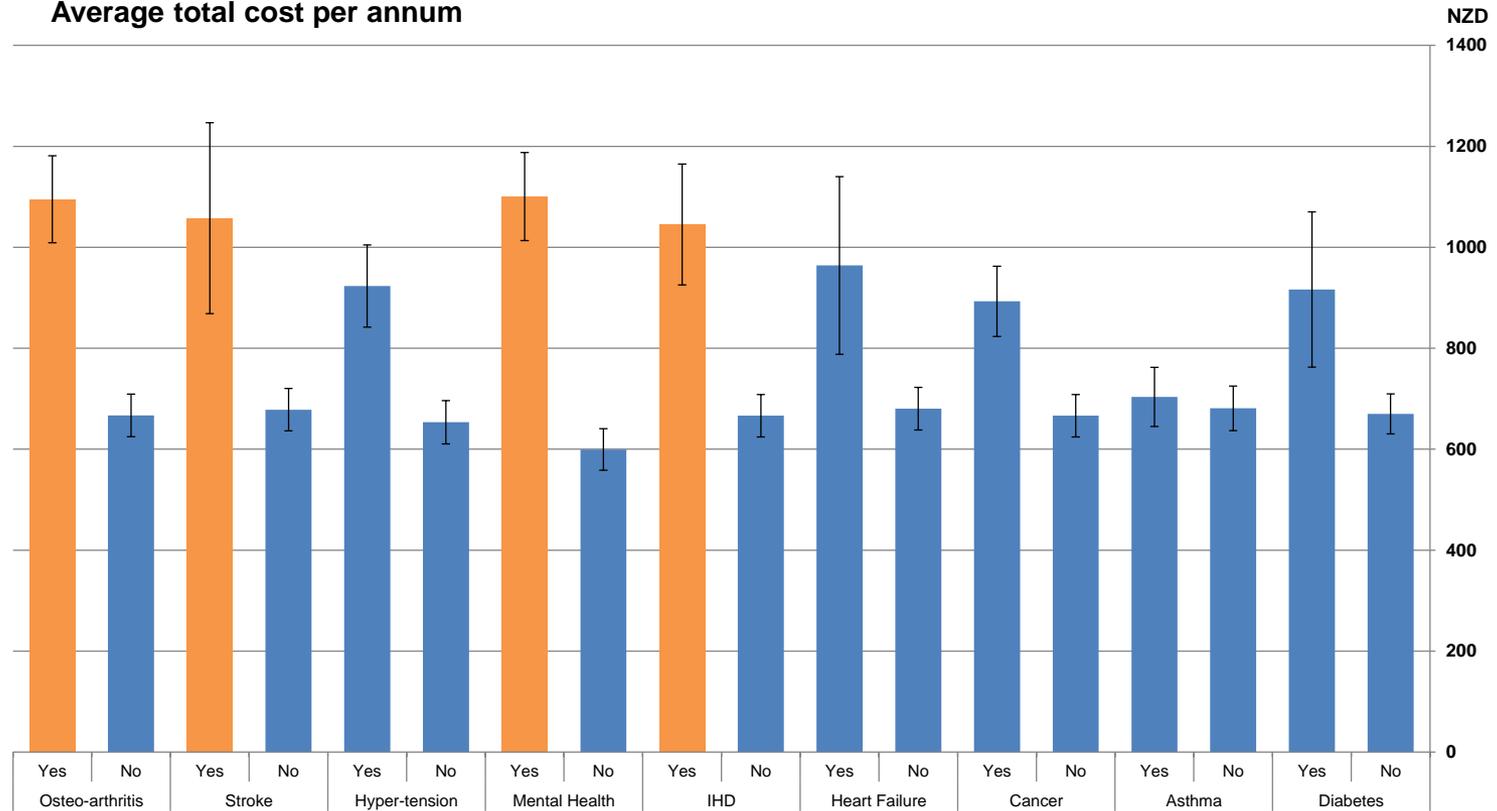
Can your business afford to suffer this extra loss?

One or more chronic health conditions

- ▶ 28% more claims
- ▶ 346% higher lump sum payments
- ▶ 59% higher medical treatment costs
- ▶ 39% more weekly compensation costs

Cost relativity

Average total cost per annum



Based on the analysis

10.7% Total Annual ACC Cost is attributable to presence of co-morbidities in the New Zealand population

\$276 million (NZD, 2011)

Conclusions

- ▶ Presence of a wide range of chronic health conditions in the population has a **real effect** on **injury** compensation treatment utilisation, volumes and costs, **work absences** and **productivity**
- ▶ The concern is the degree to which a range of chronic health conditions is occurring in younger population groups, and that more people are living with them for longer

How can you protect your bottom line?

- ▶ Provide a healthy workplace
- ▶ Support your workforce to make healthy lifestyle choices