



# 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
<b>Source:</b> 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?**

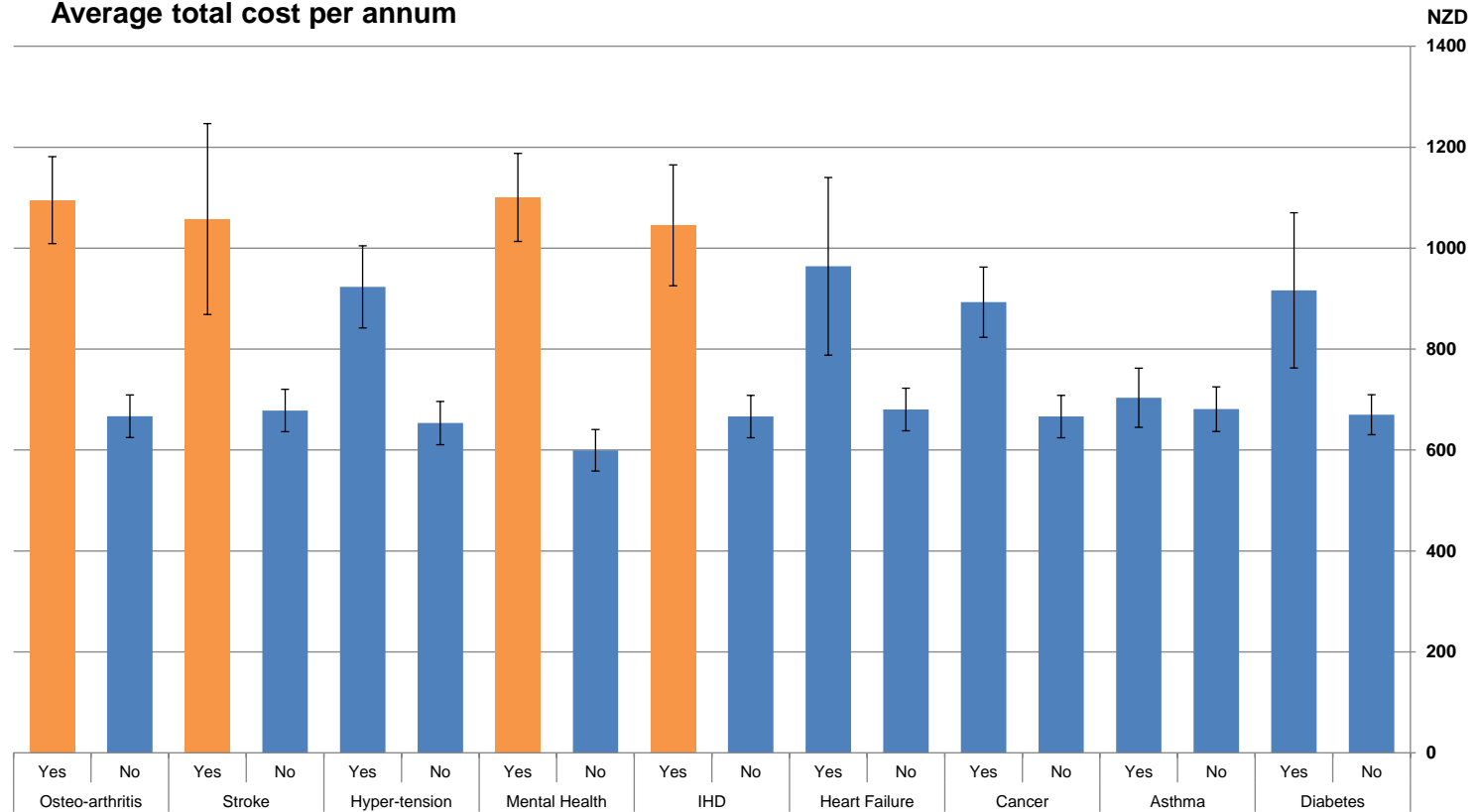
# One or more chronic health conditions

- ▶ 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