



Australian Government
Department of Veterans' Affairs

Quarterly Report

Recommendation 3 – Improving the administration of the claims system

October – December 2023

Quarterly Report – Improving the administration of the claims system

The Royal Commission into Defence and Veteran Suicide has recommended urgent action to eliminate the claims backlog and make improvements to the claims administration system. This is detailed in their Interim Report, delivered on 11 August 2022, which can be found on the [Royal Commission into Defence and Veteran Suicide website](#).

This report outlines progress towards implementing improvements to the administration of the Department of Veterans' Affairs (DVA) compensation claims system as recommended in the Royal Commission's Interim Report (Recommendation 3).

Improvements progressed under this recommendation will also implement a number of the 11 priority initiatives from the diagnostic review of the DVA's claims processing system completed by McKinsey & Company in December 2021. The full diagnostic review is available on DVA's website: [Government Reports | Department of Veterans' Affairs \(dva.gov.au\)](#)

Recommendation 3

Recommendation 3 of the Interim Report of the Royal Commission into Defence and Veteran Suicide states:

The Australian Government should improve the administration of the Department of Veterans' Affairs (DVA) claims system by 1 July 2024. The changes pursued should aim to improve veterans' experience of the claims system, remove complexity from the system and enhance efficiency in claims processing.

To this end:

DVA, having taken account of the advice received from McKinsey & Company and other relevant sources, should advise the Australian Government about potential measures it could include within a program of work aimed at improving the administration of the claims system.

- The Australian Government and DVA should decide upon the improvement measures to be undertaken within the program of work.
- The Australian Government should provide DVA, and any other relevant agencies, with the resources needed to implement the agreed program of work. The allocation of these resources to DVA should not be offset by reductions in other resourcing of DVA.
- The Australian Government should seek passage of any legislative amendments required to implement the agreed program of work.
- DVA, and any other relevant agencies, should implement the program of work by 1 July 2024.
- DVA should publicly report on progress towards implementing the program of work on a quarterly basis.
- DVA should publicly report on the expected benefit of each measure included within the program of work, and, once implemented, report on the degree to which each benefit has been realised.

Australian Government Response

The Australian Government agrees to this recommendation. The response states:

The Government recognises that some veterans and families do not have a good experience accessing support they deserve.

The Government will consider ways to improve the veterans' experience of the claims system, remove complexity and enhance efficiency in supporting veterans and families navigating the veteran support system.

Measures to improve the claims system will be considered by Government, along with any necessary legislative amendments.

The Government notes that work is already underway in response to this recommendation, taking into account the recommendations of McKinsey & Company's claims process diagnostic to improve the administration of the claims system.

The overall benefits of the implementation of the work program will be demonstrated in the efficiencies reported as noted in the response to [Recommendation 2](#) above.

Progress Update – 1 October 2023 to 31 December 2023

To date, DVA has published two quarterly reports on improving the claims administration system. These can be found on the [DVA website](#).

DVA's program of work for Recommendation 3 is organised into three overarching streams:

- **Efficiency improvements** such as claims screening teams that will reduce times taken to process claims
- **Improvements to the claims experience** such as proactive communications with clients to support the transparency of the claims process
- **Preparing for the future** by undertaking discovery processes for future ICT ecosystem, including ongoing improvements to the MyService portal

The table below outlines improvements related to the program of work, and associated benefits, completed from 1 October 2023 to 31 December 2023:

Stream	Agreed Work Program	Status update as at 31 December 2023	Benefit
Efficiency improvements	Digitisation of client records	Completed	Streamlined departmental records management makes it easier for DVA to access client information.
	Claims processing workflow optimisation	In Progress DVA has identified a suitable lean management tool to improve delegate productivity by optimising workflow and is building the capability in-house.	Optimising productivity of workforce will create a more efficient service for veterans.
	Automated incapacity review	Completed	Improved experience for veterans who can now complete a simple questionnaire online and improves the efficiency when processing annual reviews.
	Claims Bundling	Completed	One claim will display to the veteran in MyService. Automatic bundling of claims will reduce the need to manually bundle claims in the system.
	Redesign of medical forms and exploration of digital transmission options for medical practitioners electronic	Partially completed <i>Package Two</i> consolidated 20 forms into 8 forms with an overall reduction in pages from 56 to 22. This package was released 8 December 2023. <i>Package Three</i> is undergoing internal consultation processes. External consultation is expected to commence in early 2024.	Streamlines medical evidence from medical providers. Makes it easier for medical providers to complete the forms and return them for faster decision making.
	Optimising use of medical advisors and transparency of decision making	In Progress DVA continues to monitor the use of Medical Advisers by Delegates and Claims Support Officers. Efforts to provide additional support and training packages to Claims Support Officers is underway.	Improved timeliness of responses to veterans with reduced referrals for medical advice.

Stream	Agreed Work Program	Status update as at 31 December 2023	Benefit
Improvements to the claims experience	Guided messaging enhancements to MyService that will inform and prompt the user as they progress through the claiming process	Completed In October 2023, improvements were made in MyService to provide additional messaging throughout the claim process, to support veterans to understand what information is required for their claim.	Improves claims processing efficiency and helps veterans understand the information required to submit complete claims.
	Expansion of computer-based decisions within MyService from 7 to 15 accepted conditions	Completed	Immediate acceptance of certain conditions when threshold criteria is met, removing the need for manual processing. <i>Note: the system cannot reject a claim. If there's not enough evidence to approve the claim, it gets allocated to a human delegate.</i>
	Pilot the Veteran Card in the MyGov digital wallet	In Progress DVA continues to work with Services Australia to enable the release of the veteran card in the MyGov digital wallet.	A digital card makes it easier for veterans when accessing health services.
	Consolidation of combined benefits processing	Completed	Reduces the number of hand-overs between delegates and the requirement for veterans to re-tell their story.
	Enhance screening teams and claims support group	Completed	Ensures the claim is complete and investigation-ready when allocated to a delegate, increasing efficiency of claims processing.

Stream	Agreed Work Program	Status update as at 31 December 2023	Benefit
Preparations for the future	Undertake discovery processes and development of a Digital Resilience Roadmap for DVA's future ICT ecosystem and how this will evolve over time to meet the changing needs of the veteran community and legislation underpinning the veteran support system	<p>Completed</p> <p>DVA developed a Digital Resilience Roadmap which outlines the long-term plan to modernise ICT systems to provide an improved experience for veterans and families and greater efficiencies for staff.</p> <p>DVA commenced implementation of this roadmap with investment in a new financial management system that will ensure reliable and timely payments to veterans, families and providers.</p>	<p>The Roadmap identifies a clear path to modernising DVA's ICT systems to achieve the desired future state.</p> <p>The Roadmap will ensure investment in ICT is strategic and targeted to support the department to meet the current and future needs of veterans and their families.</p>

The next quarterly report will provide an update as at **31 March 2024**.

