Australian Government

Department of Veterans' Affairs

Final Report
Recommendation 3 – Improving the administration of the claims system

March – June 2024

Final Report – Improving the administration of the claims system

The Royal Commission into Defence and Veteran Suicide 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 the improvements to the administration of the Department of Veterans' Affairs (DVA) compensation claims system which have been implemented as recommended in the Royal Commission's Interim Report (Recommendation 3).

Improvements delivered under this recommendation also implemented 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 the 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**.

Final Report – 30 June 2024

DVA has published four quarterly reports on improving the claims administration system. These can be found on the **DVA website**.

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

- **Efficiency improvements** such as claims screening teams to 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 as at *30 June 2024:*

Stream	Work Program	Status as at 30 June 2024	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	**Partially completed** DVA identified a suitable lean management tool (Coachable) to improve delegate productivity by optimising workflow and built the capability in-house. Coachable was successfully delivered and the tool is now in use. DVA is considering next steps regarding broader roll-out opportunities.	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. 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	**Partially completed** The redesign of medical forms has been completed and the forms are now in use. In total 210 forms were consolidated into 86 forms, with an overall reduction of 658 pages to 184 pages. DVA is expecting to have completed an exploration of digital transmission options by the end of October 2024.	Streamlines medical evidence from medical providers. Makes it easier for medical providers to complete the forms and return them for faster decision making.

Stream	Work Program	Status as at 30 June 2024	Benefit
	Optimising use of medical advisors and transparency of decision making	**Partially completed** Developed the Best Use of Medical Advisers guide. Implemented standard national procedures for requesting Medical Advisers Compensation (MAC) advice, and a national MAC queue. Provided additional medical concepts training for delegates. Developed additional supports for delegates and Claim Support Officers (CSOs), such as the Medical Impairment Classification tool, and CSO accreditation. DVA internal clinical advice workflow management system IRBS (intelligent referral and booking system) to be upgraded to support processing of non-R&C ISH claims. Reporting dashboard was implemented to support analysis of IRBS data.	Improved timeliness of responses to veterans with reduced referrals for medical advice.
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**	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. *Note: the system cannot reject a claim. If there is not enough evidence to approve the claim, it is allocated to a delegate.*

Stream	Work Program	Status as at 30 June 2024	Benefit
	Pilot the Veteran Card in the MyGov digital wallet	**Completed**	A digital card makes it easier for veterans when accessing health services as the digital card can show recent updates to conditions unlike a physical card which requires reprinting.
	Consolidation of combined benefits processing	**Completed**	Reduces the amount of handovers 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.
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	**Completed**	The Roadmap identifies a clear path to modernising DVA's ICT systems to achieve the desired future state. 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.