

TAL Submission to the Productivity Commission Draft Report: *Mental Health* (October 2019)

Commentary on the value life insurers can add to the mental health sector

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Benefits of life insurance in the **TAL** mental health sector

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1. About TAL

TAL is a leading Australian life insurance specialist that has been protecting people, not things, for 150 years. We currently protect around 4.5 million people and from 1 December 2019, this has grown to over 5.5 million Australians.

TAL's business model embodies a fundamental principle: that Australians should have choice in how they access life insurance, reflecting their individual needs and preferences. That means we ensure our customers can access cover in the way they choose, on their terms. Therefore, TAL provides life insurance through advisers, directly to customers, through alliance partners or through superannuation funds.

TAL has a holistic view of health which incorporates physical, mental and financial health, because they all need to be in balance to live a healthy and full life. We want to help our customers live their best lives through good health and we do that through two key areas.

1. **TAL Health Sense** – a simple and rewarding program that supports our customers across all stages of prevention – primary, secondary and tertiary. Through this program we encourage customers to take the right health action and provide a fair value exchange to incentivise those customers who undertake evidence based and health community recognised preventative measures.
2. **TAL Health Connect** – helping customers during time of claim by doing whatever it takes to get them to their best possible state of health. We do this by offering a personalised approach, by tailoring support to the specific condition and psychosocial factors of the individual.

TAL regards itself as influential in the customers' health journey and would like to have a stronger support role in every health interaction for each of its customers.

Appendix A includes the TAL Contribution report for 2018/2019 which provides a more in-depth view of TAL, its culture, people and business.

2. Productivity Commission: Mental Health

2.1 The Social and Economic Benefits of Improving Mental Health

This submission provides TAL's response to the Productivity Commission's Draft Report: *Mental Health* (October 2019) (**Draft Report**) and outlines specific areas where life insurers, and particularly TAL, could play a key role in assisting the mental health community and its related stakeholders to implement some of the draft recommendations contained in the Draft Report.

The Productivity Commission released an Issues Paper in January 2019: *Social and Economic Benefits of Improving Mental Health* (the **Issues Paper**) regarding its inquiry into the impacts of mental health in Australia. It sought submissions and comments on that report.

The scope of the inquiry was to:

- *examine the effect of supporting mental health on economic and social participation, productivity and the Australian economy;*
- *examine how sectors beyond health, including education, employment, social services, housing and justice, can contribute to improving mental health and economic participation and productivity;*
- *examine the effectiveness of current programs and initiatives across all jurisdictions to improve mental health, suicide prevention and participation, including by governments, employers and professional groups;*
- *assess whether the current investment in mental health is delivering value for money and the best outcomes for individuals, their families, society and the economy;*
- *draw on domestic and international policies and experience, where appropriate; and*
- *develop a framework to measure and report the outcomes of mental health policies and investment on participation, productivity and economic growth over the long term.*

The Issues Paper was comprehensive in its inclusion of the many stakeholders involved in the mental health community, including carers, medical professionals, people suffering mental health conditions, service providers, funders, community workers, support services, employers and workers compensation funds. The life insurance industry was not called out in the Issues Paper as one of the key mental health stakeholders in the Issues Paper. TAL considers that life insurers are an integral part of the mental health community, especially considering the life insurance industry contributes significantly to people with mental health conditions including paying out \$809 million in the 12 months ending June 2018 to approximately 8,500 people experiencing mental ill- health¹.

The Financial Services Council (**FSC**) lodged its submission to the Issues Paper on 14 June 2019 on behalf of its life insurance members, which highlighted the key role that life insurers play in supporting a person living with mental illness to return to health. The FSC submission outlined the resources it can offer, including the variety of support programs and initiatives and extensive data collection that can be provided in respect to mental illness.

TAL is supportive of the FSC's submission and believes that life insurers can play a much larger role together with the health community, regarding prevention, intervention and support for people with mental health conditions.

¹ FSC Submission dated 14 June 2019 to the Productivity Commission *Social and Economic Benefits of Improving Mental Health* Issues Paper.

We note that the Draft Report mentions the life insurance industry and its regulators in the following draft recommendations relating to awareness of mental illness in the insurance sector. The relevant recommendations, summarised below, are:

1) Draft Recommendation 20.2:

- a. The FSC should update Standard 21 *Mental Health Education Program and Training* in consultation with a national consumer and carer organisation to expand coverage to all employees of insurers, publish data on compliance with the Standard and extend the Standard to superannuation funds and financial advisory groups;
- b. ASIC should evaluate the effectiveness of industry Codes of Practice and standards relating to mental health; and
- c. The Office of the Australian Information Commissioner should assess the protocols for insurers accessing clinical records and if they offer sufficient protections.

2) Draft Recommendation 24.6:

- a. The Australian Government should permit life insurers to fund mental health treatments for income protection customers on a discretionary basis; and
- b. ASIC should work with the life insurance industry on the preconditions for this to occur.

The life insurance industry and the mental health community are strongly aligned in outcome as both groups want to see the patient/customer return to their best health in an appropriate, efficient and sustainable manner. Mental health conditions are often linked to poor financial health² and given the broad understanding and data that life insurers acquire from their customers, there is true value in life insurers being part of both the prevention and treatment support panel for any person experiencing or at risk of a mental health condition.

TAL would support the inclusion of life insurers in broader discussions regarding prevention, research, health services support and therapy, including cost and payment gaps. TAL has ongoing insights into risk evaluation, rehabilitation support, data (health, occupational, financial and demographic) across 5.5 million Australians. If we could aid in the support of a truly patient/customer focused solution to mental health conditions, the value exchange could be beneficial to customers/patients, life insurers, the health community and health services options.

TAL believes it can provide significant value to Government and the mental health community by optimising the health of all Australians through:

- the provision of data relating to risk factors, claims trends, return to work;
- connecting its customers to accredited and evidenced based services;
- financial support through current and innovative products to relieve the reliance on Government services;
- provision of mental health education to 5.5 million Australians; and
- insights from mental health research projects.

² <https://headtohealth.gov.au/meaningful-life/feeling-safe-stable-and-secure/finances> [Accessed 10 December 2019].

3. Response to the Draft Report

3.1 Support for a coordinated mental health service

One of the consistent themes throughout the Draft Report is the need for a co-ordinated approach, not only between various support areas, including psychosocial support, housing services, the justice system, workplaces and social security, but also across the various care pathways, funding and governance mechanisms related to mental health conditions.

Life insurers have the opportunity to support the co-ordination in many of these areas given that they are generally part of their customers' entire health journey both when healthy and ill or injured.

Specific areas where life insurers could assist and link mental healthcare co-ordination programs include:

- a. Direction of customers when on claim through approved single mental health care pathways including assistance with the navigation of online platforms such as the HealthPathways portal model;
- b. Development, guidance and coordination of mental health care support services that extend beyond health care services both when on claim (e.g. TAL Health Connect) and through TAL specific mental health condition prevention programs (e.g. TAL Health Sense);
- c. Direction to appropriate evidence-based clinician supported online treatment options for customers requiring low intensity care through claims support programs (e.g. TAL Health Connect) as well as mental health condition prevention programs (e.g. TAL Health Services);
- d. Early detection of the various physical and mental health condition comorbidities associated with individual mental health conditions through our claims process. TAL can alert the primary treating physician to these single care plans that include these comorbid conditions;
- e. Care coordinators to include life insurers in addition to consumers, their carers, clinicians (or clinical coordinator) and providers from other sectors, to establish the types of services needed and provide access to those services;
- f. Providing support to GP's through education, in connecting to the approved and accredited mental health care pathway including online mental health services and allied health services;
- g. Guiding and connecting customers at time of claim through educating their GP to the appropriate accredited stepped care model and to then guide support access to the right level of care that is timely and culturally appropriate (Draft recommendation 5.9);
- h. Monitoring referral and usage of appropriate services and mental healthcare pathways in addition to assisting in measuring and monitoring outcomes, through additional data collection (Draft Recommendation 5.2);
- i. Monitoring and reporting outcomes of the Link-me Trial through additional data collection points during the claims process;
- j. Guiding and advising customers to alternative referral models or providers (Draft Recommendation 5.8);
- k. Support the integration and use of supported online treatments into the stepped care model through connecting customers with mental ill health or mild to moderate symptoms to recommended and accredited low intensity services through online links and education (e.g. TAL Health Connect) (Draft Recommendation 6.1);
- l. Support assistance phone lines by directing customers and their carers to these services through TAL Health Connect (Draft Recommendation 10.1);
- m. Facilitate the collaboration between service providers to support improved service delivery and customer benefit through linking multiple providers (with consent) identified during the claims process to ensure a coordinated care plan;

- n. Directing service providers through education to online navigation platforms that offer information on the pathways in the mental health system (Draft Recommendation 10.2); and
- o. Directing customers with moderate and severe mental illnesses through education and online links to the availability of recognised single care plans and across multiple clinical providers (Draft Recommendation 10.3).

Many life insurers already play a role in connecting or directing their customers to various support programs that are available, including coordination of information across multiple providers. Including life insurers as a key stakeholder in development of the coordinated approach to mental healthcare pathways can assist in implementing the Draft Recommendations outlined above.

3.2 Data provision and support

Life insurers collect many datasets throughout the customer journey, including demographic, medical, occupational and financial. Depending on the distribution channel and underwriting approach, this data can be collected for a significant section of customers and can be used to assess the customers' health journey from wellness to ill-health (and in some cases return to wellness). Life insurers may already have this data or could start to collect specific data which could be of value in building out, monitoring and maintaining a more coordinated and efficient system for managing mental healthcare.

Areas where life insurers may be able to assist with data provision or collection include:

- a. mental health condition comorbidities associated with an individual mental health condition;
- b. overall direct financial cost of mental illness (including loss of income and inability to ever work again i.e. income protection and total and permanent disability claims);
- c. monitoring, reporting and evaluation of various mental healthcare reforms;
- d. digital health records in order to facilitate improved customer experience through greater data sharing; and
- e. suicide and mental health condition prevention programs to assist with Information Request 22.1.

We also note that the Draft Report seeks information that life insurers would be able to provide, namely:

- f. availability of underutilised datasets (Information Request 25.1);
- g. additional indicators to be considered to monitor progress against Contributing Life Outcomes (Information Request 25.2); and
- h. data sharing mechanisms to support monitoring (Information Request 25.3).

Life insurers are also able to provide data directly related to various recommendations outlined in the Draft Report:

- i. successful return to work outcomes (evaluating the effectiveness of MBS-rebated psychological therapy (Psychological Therapy Services and Focused Psychological Strategies, including trialling additional sessions (Draft Recommendation 5.4);
- j. strategy to fill current data gaps (Draft Recommendation 25.2);
- k. data linkage strategy for mental health data (Draft Recommendation 25.1); and
- l. monitoring and reporting outcomes for customers and carers of mental healthcare pathways (Draft Recommendation 25.4).

3.3 Support for prevention strategies

Life insurers, like healthcare providers, want their customers to be healthy and as such are supportive of evidence-based prevention strategies. For example, the TAL Health Sense program is aimed at rewarding customers for taking preventative health screening and testing.

TAL is passionate about reducing mental illness and suicide and understands the vital role early intervention and prevention play. Specific areas that life insurers and TAL could provide support include:

- a. prevention and early intervention for mental illness and suicide attempts and could assist in this reform area by building out targeted prevention programs in collaboration with recognised mental health organisations and clinical groups;
- b. TAL has a strong interest in reducing mental illness and suicide in the under 25-year age group and would welcome collaboration with groups such as Orygen in order to look at joint targeted intervention and support programs;
- c. insights into certain targeted prevention programs that it has already initiated in certain industries;
- d. the role that businesses play in maintaining mental wellness in employees as well as identifying mental illness to provide early intervention strategies i.e. initiatives such as mandatory people leader mental health training, a holistic employee wellness program addressing mental, physical and financial health;
- e. Life insurers should be included in any Mental Health and Suicide Prevention Agreement (Draft Recommendation 22.1); and
- f. Provision of data regarding inability to work across a broader range of causative factors other than pure workplace related triggers currently referenced i.e. workers compensation.

3.4 Support for return to work and wellness programs

Most life insurers are signatories of the Health Benefits of Good Work (<https://www.racp.edu.au/docs/default-source/advocacy-library/realising-the-health-benefits-of-work.pdf>) and as such realise the value of ensuring that customers who have medical conditions, and in particular mental health conditions, are supported and provided with support programs to assist with returning to the workplace. Most life insurers will work with the customer, their service providers, employers and carers in reviewing options to return to health and work.

As such, life insurers are well placed to support many of the recommendations in the Draft Report including:

- a. graded return to work programs that could assist in the development of initiatives referred to in Reform area 4;
- b. TAL is a firm supporter of Draft Recommendation 24.6 which would allow life insurers to:
 - play a greater role in returning customers to good health and work;
 - fund support for those that do not seek effective treatment due to financial constraints;
 - fund on a discretionary basis step-up and step-down payment gaps in Better Access. Life insurers are currently precluded from funding psychological or psychiatric treatment and have previously argued that these legislative prohibitions be removed. This would clearly support the benefits of good health, wellbeing and the benefits of participating in society and work;
 - further trialling of psychological therapy sessions beyond the additional 10 sessions where required, as noted in the Draft Report;
 - participate in reforming the funding and commissioning of mental healthcare services and supports; and
 - funding of online treatment provisions and psychological consultations by videoconference (Draft Recommendation 5.7). TAL sees great value in this service, especially for Australians with mental health conditions in more remote areas.
- c. Provision of educational material and incentives for the return to stable employment for those with mental health conditions;

- d. TAL is committed to working with the health community to promote online therapy, provide tailored programs to first line responders (in particular Draft Recommendation 16.1), and assist navigation of healthcare pathways and care coordination support. TAL looks to position itself as a connector for peer workforce support as well as carer support (a key priority for TAL).
- e. Improving peoples experience with services beyond the health system and in particular navigation of the financial supports that may be available;
- f. TAL already recognises the value of connecting those customers on claim with those with lived experience (through our CORA program and inclusion of those with lived experience in our Mental Health Action Group);
- g. Active participation in Draft Finding 26.1 (Modelled benefits of some key proposed reforms);
- h. Extension of Draft Recommendation 19.4 to include working with life insurers where appropriate to ensure continuity of funding, clinical treatment and support services where customers have combined insurance under these two insurance models; and
- i. Participation in the Mental Health Innovation Fund as noted in Draft Recommendation 24.4.

3.5 Opportunities for life insurance

There are opportunities for life insurers to align with mental healthcare models, criteria and services in order to provide a more effective, cost efficient and improved outcome for Australians with mental health conditions. In order for this to occur, life insurers need to be engaged and included in many of the discussions regarding criteria, funding, access and outcome.

Some of these opportunities include:

- a. Alignment of severity criteria for payment and support between interdependent supporting mechanisms: namely, life insurance, notably disability benefits, and the NDIS;
- b. Skilled life insurance claims assessors who specialise in mental health conditions can be regarded as part of the extended health professional network /community helping people improve their mental health and addressing any physical comorbidities they may have. This could be an important part of the National Mental Health Workforce strategy (Draft Recommendation 11.1);
- c. Alignment of life insurance product criteria by adding the recommended mental health diagnostic instrument to the job seeker classification instrument and supplementing the employment services assessment with a personal and social performance measure as per Draft Recommendation 14.1;
- d. Life insurers already cover the episodic nature of mental health conditions in Income Protection products that allow multiple claims and full and partial disability and could provide insights into this model to other income support systems in Australia;
- e. Improve access to life insurance for younger Australians with mental health conditions by educating members on the new legislation for Protecting Your Super and Putting Members Interest First reforms. These reforms have impacted access that all working Australians had to life insurance cover through superannuation without underwriting. There is a difference between underwritten and default cover from a pricing and cross subsidisation perspective. Many individuals who have a history of mental health conditions cannot obtain cover without exclusions or loadings through the retail or voluntary cover (underwritten) business. Life insurers have an opportunity to improve education of Australians with mental health conditions regarding their ability to obtain cover;

- f. Enable continued access to psychosocial support through working with the NDIS to ensure optimised outcomes (Draft Recommendation 12.2);
- g. Improved awareness of mental illness in the insurance sector (Draft Recommendation 20.2) – especially differentiation by specific mental health condition;
- h. Inclusion in a national strategy that integrates services and supports delivery of health and non-health sectors (Draft Recommendation 22.2); and
- i. Support and assistance with routine national health surveys of mental health (Draft Recommendation 25.2).

4. Conclusion – Reforms to support mental health

With increased reliance on disability support pensions, Centrelink and other government financial support mechanisms, life insurers can play a valuable role in ensuring that Australians are financially protected should they require time off work due to a mental health condition.

While some of the work has already begun with the Draft Report including life insurance and its regulators, we believe life insurers can offer more value. TAL would like to be engaged and have greater alignment with certain Government initiatives and respectfully request that the Productivity Commission consider at a broad level the following:

4.1 Legislation review

- Work with life insurers to assess current NDIS covered conditions and definitions so as to allow or facilitate any gaps in payments by NDIS to be covered by life insurers;
- Modify superannuation law to allow for:
 - Greater flexibility in life insurance product design within superannuation such as duration-based income protection products, partial TPD payments, and flexibility of payments based on financial need between lump sum and monthly income payments;
 - Provide the ability to apply premium discounts for good management of mental health and mental health conditions which may include services not currently permitted under SIS definitions.

4.2 Alignment of government and life insurance initiatives

- Align life insurance and government initiatives for mental health condition prevention resulting in amplification and scaling of these initiatives:
 - **Primary prevention** – prevention of mental health conditions through good mental health practices, diet and exercise programs;
 - **Secondary prevention** - early detection of mental health conditions through government aligned and university endorsed predictive models;
 - **Tertiary prevention** – good management of mental health problems and issues at an early stage to reduce progression to a mental health disorder and reduction in pathologisation of normal mood swings currently required in order to access support;
- Work with Government to highlight the importance of life insurance and understanding of benefits that are available leading to an earlier notification of customers with a mental health condition that requires time off work. This could assist in earlier intervention and an optimised and more sustainable return to good health and well-being;
- Allow greater access to life insurance products through engagement and involvement in research initiatives. This could be through combining an updated National Health Survey and life insurance data analytics to assess predictive factors for time off work and condition recurrence related to mental health conditions, so as to allow for greater insurance access (underwriting and product design) for both working and non-working Australians.
- Post recovery support – there is minimal support for those who have 'recovered' from a mental health condition. Life insurers could assist Government in building out and supporting these tertiary prevention services.

4.3 Life insurers ability to connect customers to government initiatives

- Work with Government to identify correct mental health services access based on diagnosed mental health conditions. Life insurers are in a position to connect their customers at their time of need through these specific pathways, thereby optimising prevention and support initiatives as well as creating greater data insights and health-care system cost efficiencies. This includes all services through public and private health funding as well as workers' compensation services.
- Due to actuarial analysis which life insurers undertake as core business, life insurers often identify comorbid conditions at an earlier stage than the health community. We can provide support for management of comorbid physical conditions associated with a primary mental health condition, in particular, BMI and cardiovascular disease management.
- Share data insights relating to:
 - predictive risk factors;
 - suicide or self-harm red flags;
 - treatment compliance and efficacy;
 - durations off work;
 - recurrence of mental health conditions;
 - propensity for a secondary mental health condition with a primary physical condition;
 - impact of financial incentives for recovery;
 - financial gaps in mental health services;
 - carer impacts as well as provide insights back to the Government regarding successful outcomes of accredited health initiatives and programs.
- Early Identification of suicide risk red flags across the various areas of the customer journey and provide referral to accredited government support programs.

Feel free to contact Dr Sally Phillips, General Manager, Health Services, TAL
you have any questions on our submission.

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