

Better outcomes for injured New Zealanders than ill ones

March 18 2013

New Zealanders who fall ill experience significantly worse financial and work outcomes than those with a comparable injury, according to new University of Otago research.

Dr Sue McAllister of the Department of Preventive and [Social Medicine](#) led the research for her PhD, conducting a comparative study of 109 people under the age of 65 years who had a stroke and compared their outcomes with 429 people who had a similarly debilitating injury.

The study, which is newly published in the international journal *Social Science & Medicine*, is the first to compare socio-economic consequences of different financial supports after illness or injury in New Zealand.

People with an injury, covered by the Accident Compensation Corporation (ACC), are entitled to up to 80% of their weekly wages while recovering, plus treatment and rehabilitation supports. In contrast, those who have an illness receive treatment costs but no compensation for lost wages beyond limited means-tested benefits.

Study participants were followed up for one year to determine if their outcomes (personal income, income sufficiency to meet everyday needs, standard of living and paid employment) were similar. The two groups in the study were similar (through matching) in age, sex, and functional ability soon after the stroke or injury, so the differences in outcomes found are unlikely to be caused by differences between the two health conditions.

"We found that the median personal income declined by 60% over 12 months for the Stroke Group compared to only a 13% decline in the Injury Group. The proportion of the Stroke Group reporting a low standard of living and insufficient income to meet everyday needs was greater than the Injury Group, after 12 months," Dr McAllister says.

Surprisingly, a significantly greater proportion of the Injury Group (79%) was back at work after 12 months compared to the Stroke Group (49%), she says.

"This is likely due to active support for return to work by ACC which was not available to the Stroke Group."

Dr McAllister says a decline in socio-economic status after an illness has consequences not only on the individual themselves, but also on their family.

"The decline can also contribute to a downward spiral into poverty and ill health, therefore identifying ways to mitigate this decline is important.

"Our results show that the extra financial and return-to-work support, available through New Zealand's ACC scheme, are likely to be the main factors associated with these outcomes." says Dr McAllister.

She says the findings have implications for welfare policies.

"They suggest we need to give greater attention to rehabilitate people to return to work and independence after an illness such as a [stroke](#), and to provide adequate financial support during the rehabilitation time to protect against decline in socio-economic status."

Dr McAllister says the original recommendation made in the 1967 Woodhouse Report was for both illness and injury to become part of an

ACC-type scheme.

"This never occurred and the apparent unfairness of this situation has been subject to considerable controversy over the years. Our study suggests that these concerns are indeed well-founded," she says.

More information: McAllister, S., et al. Do different types of financial support after illness or injury affect socio-economic outcomes? A natural experiment in New Zealand, *Social Science and Medicine*.
[dx.doi.org/10.1016/j.socscimed.2013.02.041](https://doi.org/10.1016/j.socscimed.2013.02.041)

Provided by University of Otago

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