

STATISTICS, TRENDS, & DISTURBING FACTS

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EZ ATTORNEY MCLE.COM

PERRY J. CARPENTER DC QME

800-676-8127



STATISTICS, TRENDS, & DISTURBING FACTS IN CALIFORNIA WORKERS COMPENSATION

- Statistics (WCIRB):
 - Cumulative Trauma (CT) Injury Claims
 - PD Claims
 - Indemnity Costs
 - Medical Costs
- References:
 - WCIRB - The World of Cumulative Trauma
 - WCIRB - The State of the System (2021)

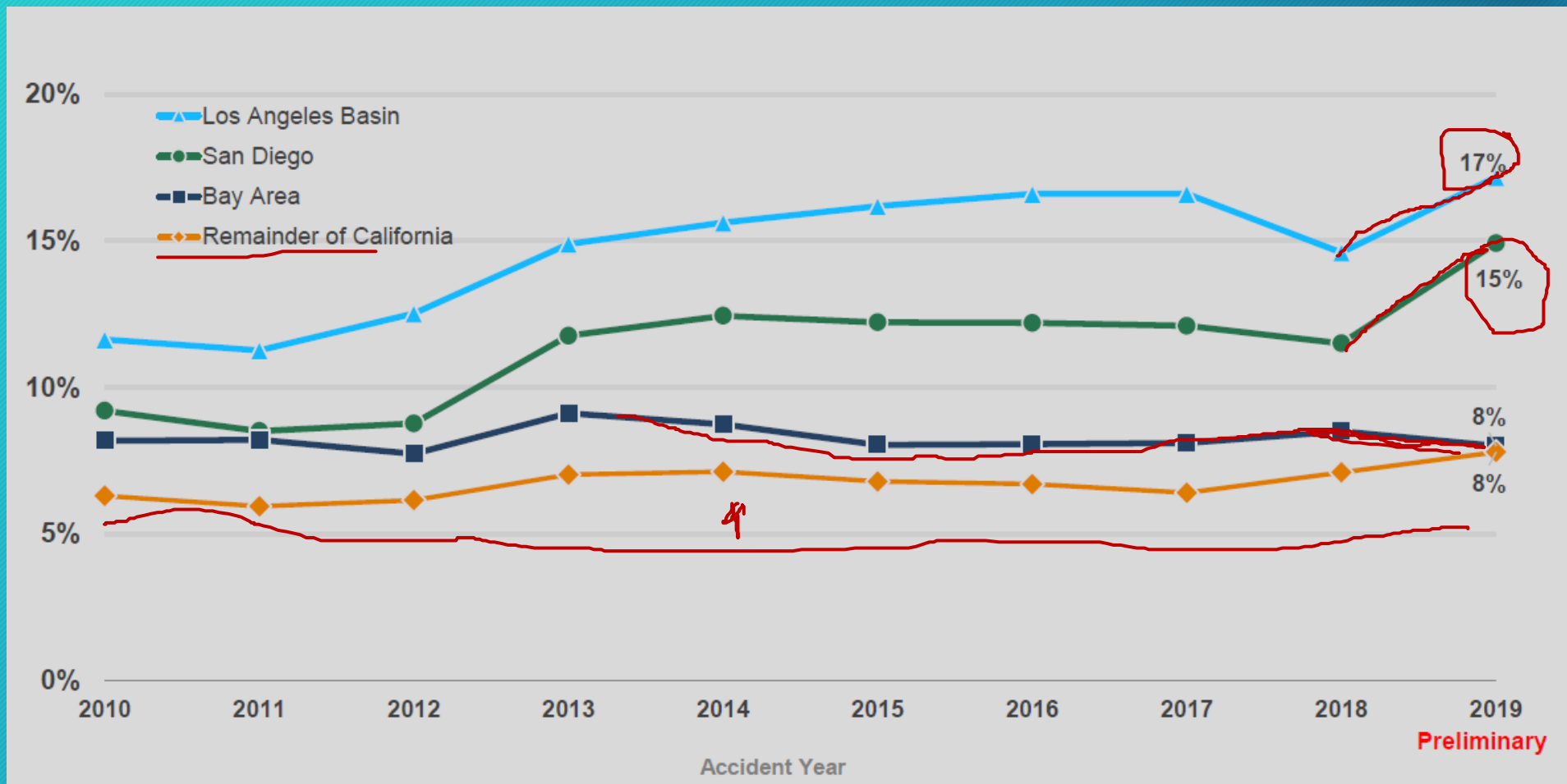


CUMULATIVE TRAUMA (CT) CLAIMS

- Cumulative Trauma Frequency Statistics (WCIRB):
 - CT claim rates have grown by 50% since 2008
 - The vast majority of CT claims are in the Los Angeles Basin (Los Angeles, Orange, San Bernardino, Ventura, and Riverside Counties) and San Diego regions, which now generate 75% of CT claims, but only 50% of other claims.
 - 40% of CT claims are filed following the termination of the employee.



Percent of Cumulative Trauma Claims by Region



CUMULATIVE TRAUMA (CT) AND THE QME

- Date of Injury for CT Claims
(Labor Code 5412: The date of injury in cases of occupational diseases or cumulative injuries is that date upon which 1) the employee first suffered disability therefrom and 2) either knew, or in the exercise of reasonable diligence should have known, that such disability was caused by his present or prior employment.



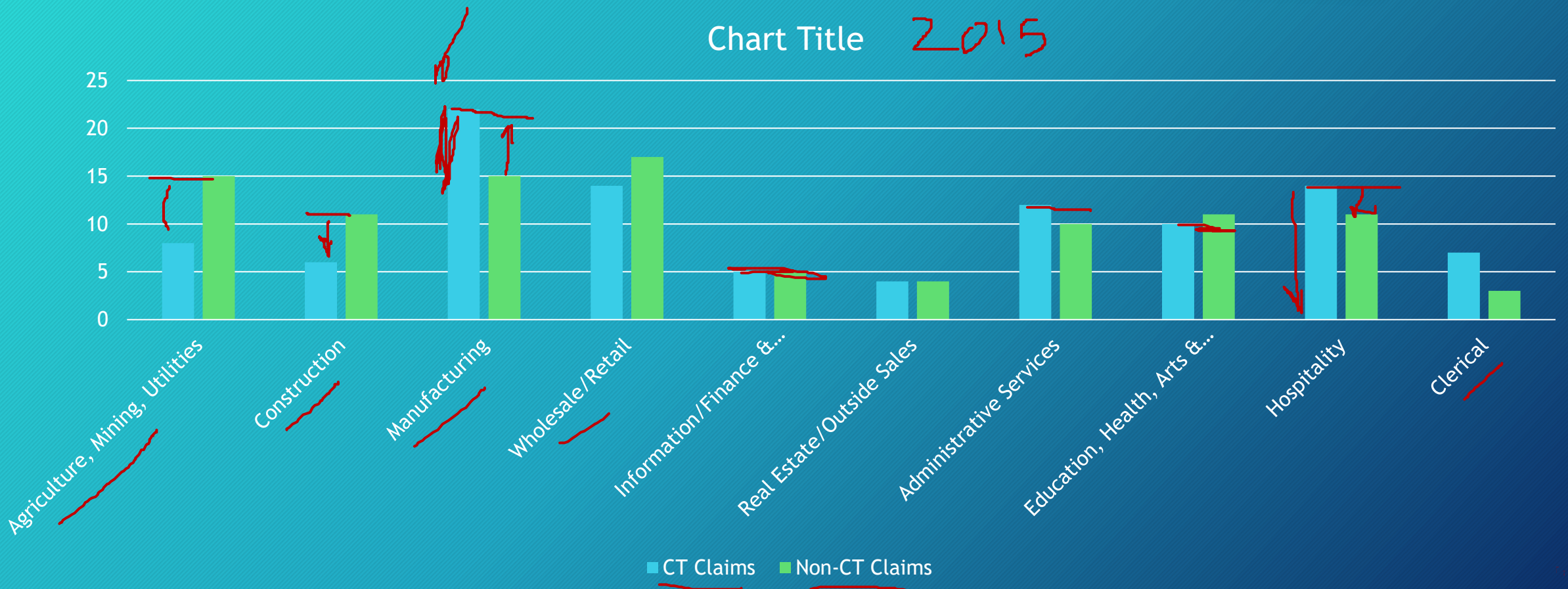
CUMULATIVE TRAUMA (CT) AND THE QME

- Cumulative Trauma Industry Statistics (WCIRB):
 - Recent CT claim growth is spread across many industries in the Los Angeles region, though the **Manufacturing** and **Hospitality** sectors have experienced the most significant growth rates.
 - CT claim growth in Southern California is concentrated in lower wage workers.
 - About 40% of recent CT claims are filed after the employee is terminated, about $\frac{3}{4}$ are initially denied in part or in whole, and about one quarter also involve an accompanying specific injury claim.



CUMULATIVE TRAUMA (CT) AND THE QME

Chart Title 2015



CUMULATIVE TRAUMA (CT) AND THE QME

- Statistics (WCIRB):
 - CT claim growth in Southern California is concentrated in lower wage workers.
 - In Los Angeles and San Diego, the ratio of CT claims has increased across all wage groups, but most significantly for claimants with average weekly wages below \$500.
 - In other regions of California the largest ratios of CT claims are for workers with weekly wages over \$1,000, though all wage groups are declining.

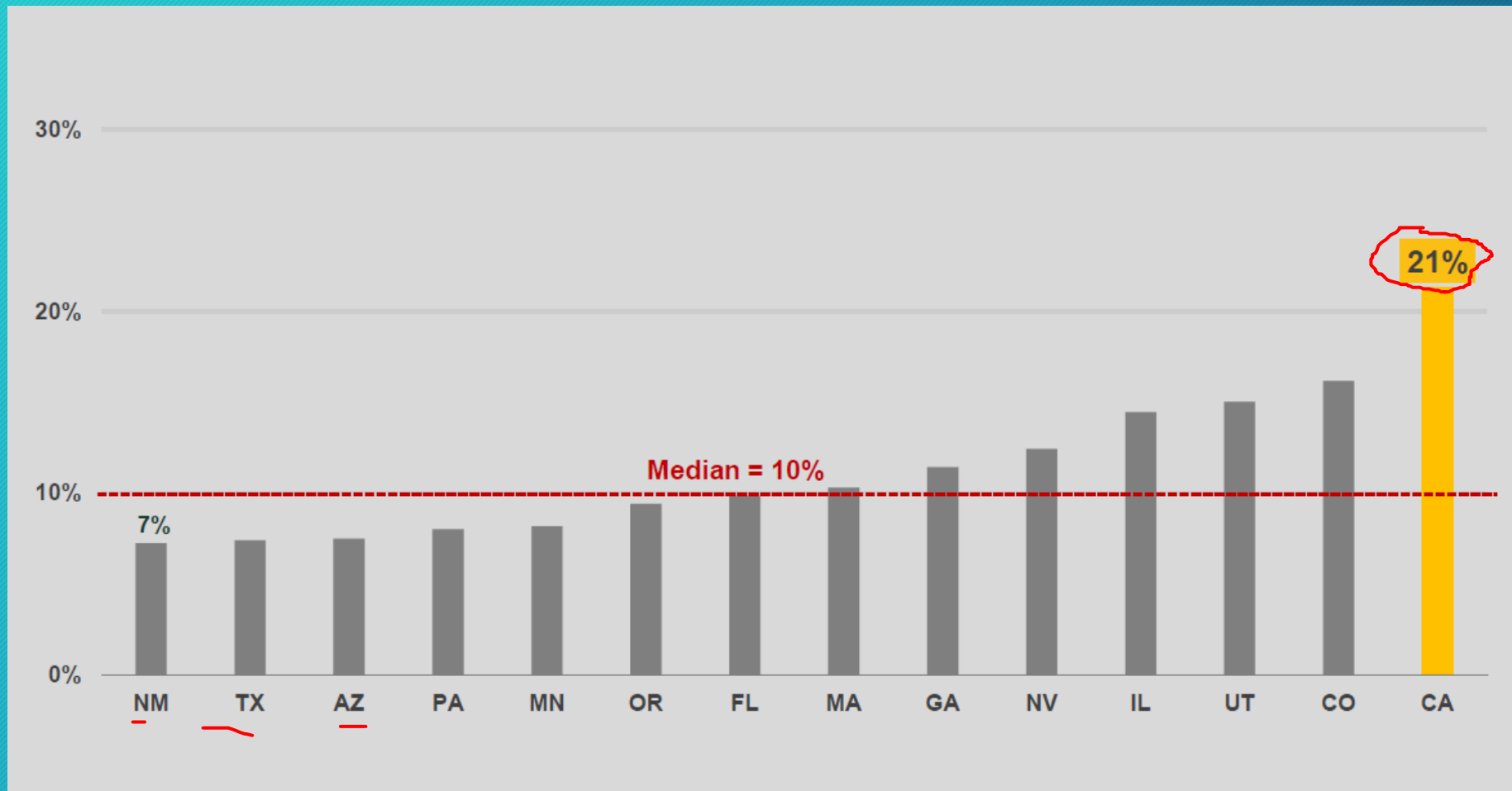


PERCENT OF CLAIMS UNREPORTED AT 12 MONTHS

- California has a very slow pattern of indemnity claim reporting at 12 months, with the proportion of claims **unreported** almost twice the comparison state median.
- A large proportion of the late reported claims in California involve CT injuries, many of which are filed following the employee's termination.



PERCENT OF CLAIMS UNREPORTED AT 12 MONTHS

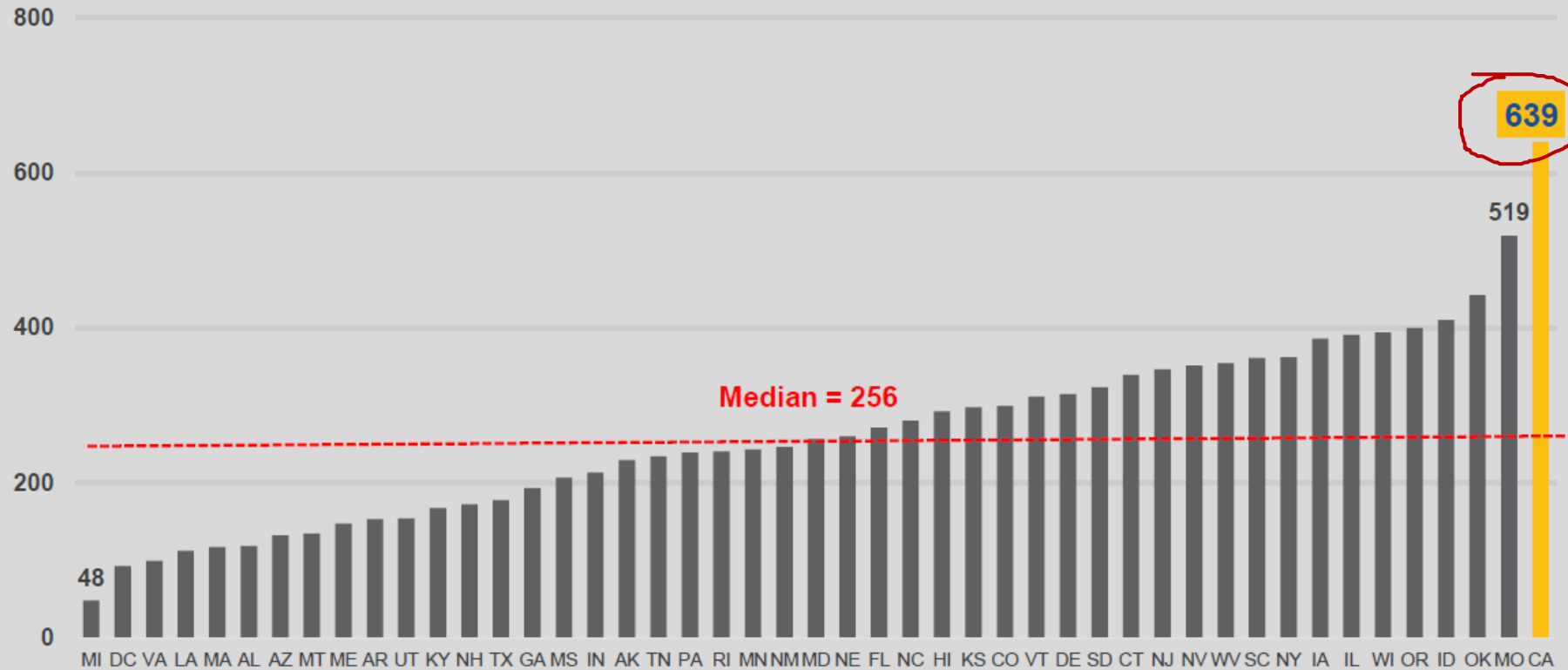


PERMANENT DISABILITY CLAIMS PER 100,000 EMPLOYEES

- PERMANENT DISABILITY STATISTICS
- California has *by far* the highest permanent partial disability claim frequency in the country, approximately two and a half times the countrywide media.
- California's high frequency is not driven by industrial mix, or the number of severe injuries, which are comparable to those from other lower frequency states.
- PD claim frequency is significantly higher in the Los Angeles Basin area than in the rest of the State.



PERMANENT DISABILITY CLAIMS PER 100,000 EMPLOYEES

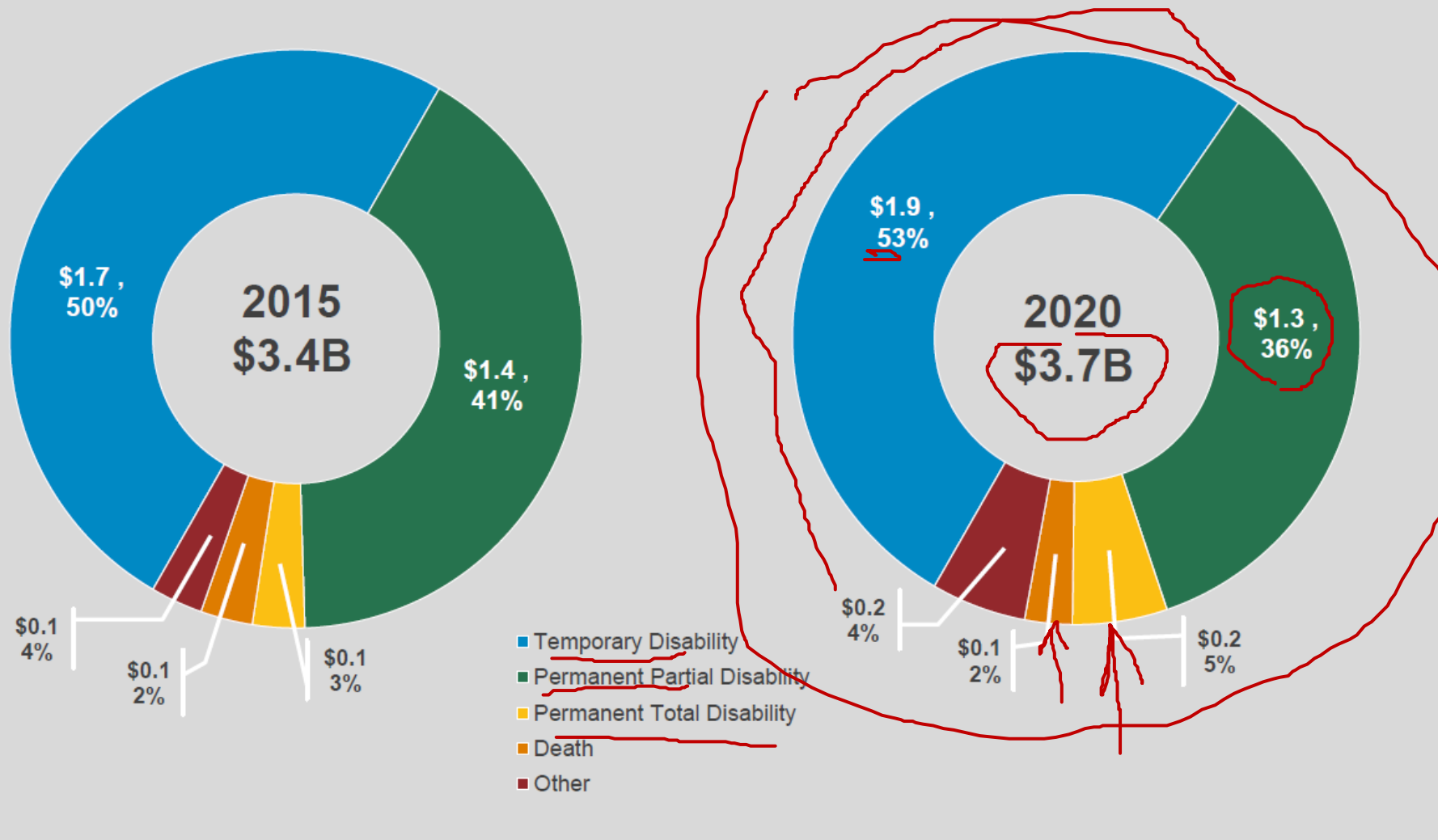


DISTRIBUTION OF PAID INDEMNITY BENEFITS

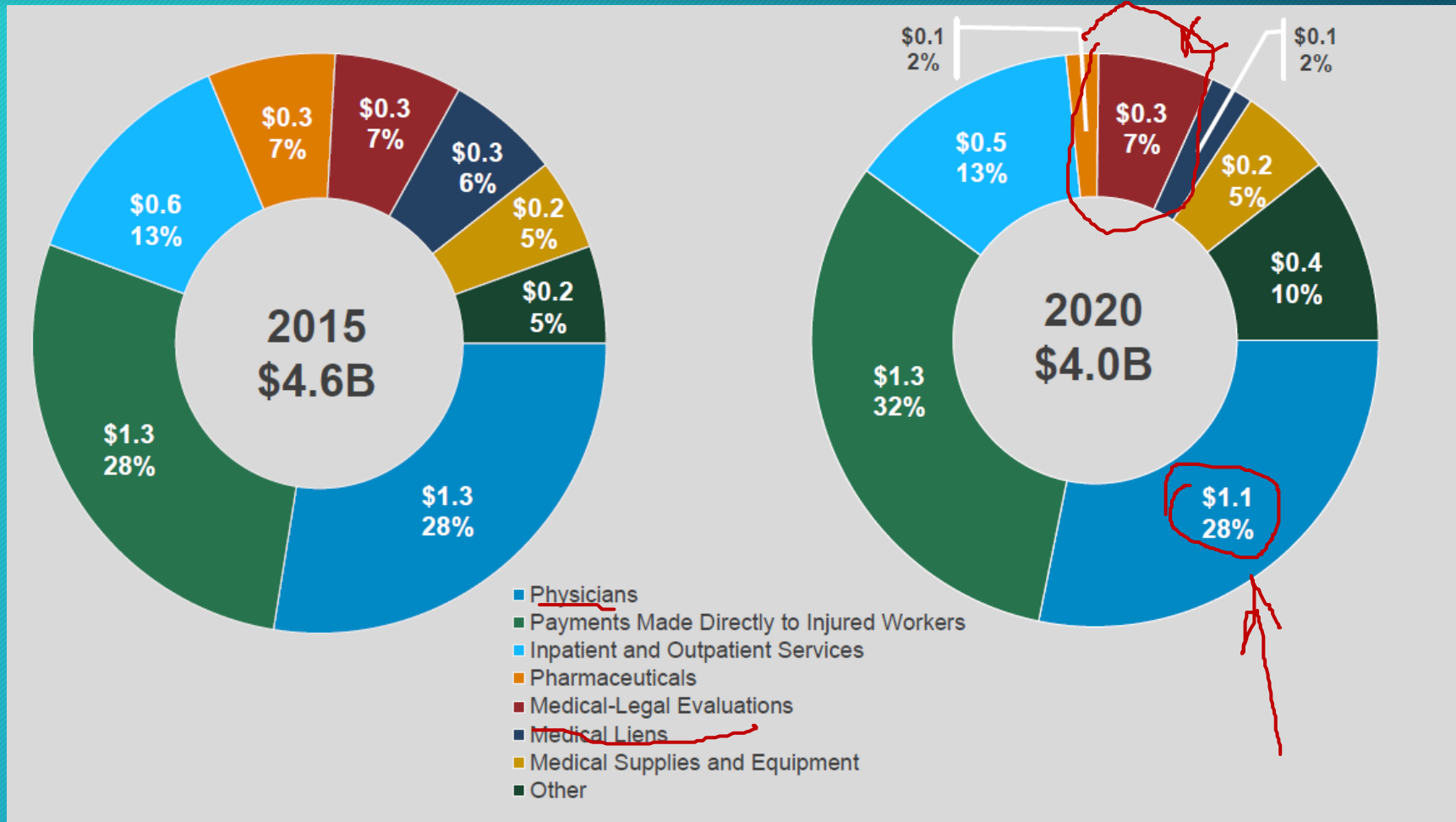
- **BENEFITS STATISTICS**
- Indemnity Benefits - security or protection against a loss or other financial burden.
- TD and Permanent Partial disability benefits comprise approximately 90% of indemnity benefits.
- The share of indemnity benefits for PPD decreased over the last five years as, unlike most other types of indemnity benefits, there are no annual cost of living adjustments.



DISTRIBUTION OF PAID INDEMNITY BENEFITS



DISTRIBUTION OF PAID MEDICAL BENEFITS



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