



IRIS Regional Score Cards use subsets of accident year (AY) 2005-2015 claims data from CWCI's Industry Research Information System (IRIS) database to measure and analyze various aspects of claims experience within 8 regions of California. Score Cards for each region will be released over the next few months, and each will profile claimant characteristics and show distributions of claims within the region broken out by industry sector; premium size; claim type; common "nature" and "cause" of injury categories; and primary diagnoses. Several exhibits, including the percentage of claims with PD payments at 3 years post injury; attorney involvement rates; claim closure rates; 2014 prescription drug distributions; breakdowns of medical development by Fee Schedule Section at 12 and 24 months; medical network utilization rates; notice and treatment time lags; and 12-, 24- and 36-month loss development compare results for the region against all other regions, and in many cases also show statewide results, providing a wealth of detailed data not only on claims within the region, but within all of California.

The first Score Card in the series focuses on claims filed by residents of the largest county in the state, Los Angeles County, an area that has gained a reputation as a highly litigious, high-cost workers' compensation environment. The Score Card notes that a quarter of all California workers' compensation claims are filed by L.A. County residents, while benefit payments on those claims account for nearly 32% of total workers' compensation paid losses in the state.

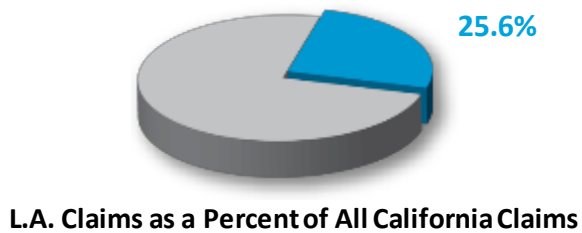
A list of the exhibits included in the Score card is provided below. Click the title to go directly to an exhibit.

Interactive Table of Contents	
Regional Claim and Payment Distributions	2
L.A. County Claims as a Percent of All California Claims by Accident Year	2
Claim Distribution by Premium Size	2
Injured Worker Profile	3
Distribution by Industry Sector	3
Cause of Injury	4
Nature of Injury	4
Claim and Payment Distributions by Diagnosis	5
Claim and Payment Distributions by Claim Type (Med-Only, TD, PD, Death)	6
Median and Average Notice and Treatment Time Lags	7
Average Claim Duration (Closed and Resolved Claims)	8
Claim Closure Rates by Claim Type at 24 Months Post Injury	8
Attorney Involvement Rates for Indemnity (TD & PD) Claims	9
Attorney Involvement Rates for PD Claims ≥ 36 Months Old	9
Permanent Disability Rates at 36 Months Post Injury	10
Average Number of Visits and Average Amounts Paid at 12 and 24 Months by Fee Schedule Section	11
PPO/MPN Utilization	12
Regional Distribution of Claims with Sleep Studies, Nerve Conduction Tests, and MRIs/Diagnostic Tests	13
Loss Development at 12, 24, and 36 Months Post Injury	14
Regional Distribution of Prescription Drugs by Drug Category (CY 2014 Prescriptions)	15
Regional Distribution of Prescription Drug Payments by Drug Category (CY 2014 Prescriptions)	15
Top 20 Prescription Drugs by Volume (CY 2014 Prescriptions)	16
Top 20 Prescription Drugs by Total Payments (CY 2014 Prescriptions)	17



Regional Claim and Payment Distributions

AY 2005 – AY 2015 Claims



Region	% of Claims	% of Payments
Los Angeles County	25.6%	31.9%
Inland Empire	19.0%	21.0%
Valleys	18.1%	15.0%
Bay Area	17.5%	15.4%
San Diego	8.1%	6.2%
Central Coast	6.7%	6.3%
North Counties	3.3%	2.5%
Sierras	1.7%	1.7%
Grand Total	100.0%	100.0%

This score card series analyzes California workers' comp claims data that has been grouped into eight geographic regions based on the injured workers' residence. Each score card contains accident year (AY) 2005 through 2015 claims data compiled from CWCI's Industry Research Information System (IRIS) database, plus IRIS data on prescription drugs filled in calendar year 2014, and sleep studies, MRIs/diagnostic tests, and nerve conduction studies from calendar years 2013 through 2015. This first score card focuses on claims filed by workers from Los Angeles County, which is home to 10.1 million people and 28% of the California workforce. For the 11-year period covered by the score card, the IRIS database captured data on 485,827 claims from L.A. County residents, which was more than 1/4 of the nearly 1.9 million claims in the score card sample and nearly 32% of the \$29.5 billion in benefits paid on those claims.

Los Angeles County Claims as a Percent of All California Claims by Accident Year

AY 2005 - 2015

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
L.A. County	24.7%	24.9%	25.5%	25.7%	26.0%	26.1%	26.4%	26.7%	26.7%	26.0%	24.2%
All Other	75.3%	75.1%	74.5%	74.3%	74.0%	73.9%	73.6%	73.3%	73.3%	74.0%	75.8%

From AY 2005-2015, L.A. residents consistently accounted for about 1/4 of all California work injury claims.

Claim Distribution by Premium Size

AY 2005 – 2015 Claims

	Under \$1,000	\$1,000 to \$9,999	\$10,000 to \$49,999	\$50,000 to \$99,999	\$100,000 to \$499,999	\$500,000 to \$999,999	Over \$1,000,000
L.A. County	2.1%	9.4%	18.1%	11.6%	30.1%	10.2%	18.6%
Other Regions	1.8%	9.3%	19.2%	12.2%	30.4%	10.0%	17.0%

The distribution of insured claims by premium size in L. A. County tracks fairly closely to the distribution for other regions, though the percentage of L.A. claims against employers with less than \$500,000 in annual premium is slightly smaller, while the percentage of claims against employers with premium of \$500,000 or more is slightly higher.

**Injured Worker Profile**

AY 2005 – AY 2015 Claims

	L.A. County	All Other	Statewide
Average Age	39.2	38.0	38.3
Average Tenure	5.2	4.4	4.6
Gender			
% Male	62.3%	64.0%	63.5%
% Female	37.7%	36.0%	36.5%
% of Claims			
Statewide	25.6%	74.4%	100.0%
% of Calif WC Translation Services*	25.8%	74.2%	100.0%

* CY 2013-2015 service dates only. Translation services identified by procedure code.

Injured workers from L.A. County tend to be slightly older and have slightly more job tenure at the time of injury than injured workers from other parts of the state. From AY 2005 through 2015, the average age of an injured worker from Los Angeles was 39.2 years vs. 38.0 years for claimants from the rest of the state, and their average job tenure at the time of injury was longer (5.2 years vs. 4.4 years for the rest of the state). Females represented a slightly higher share of the Los Angeles claimants (37.7% vs. 36.0% for other regions), though that proportion was lower than in the Bay Area and San Diego. Injured workers who do not speak English may use a translator during medical services. From 2013 through 2015, 25.8% of all the translation services used in the California workers' compensation system were for L.A. County residents, which is about the same proportion of all claims that came from the region during this period.

Distribution by Industry Sector

L.A. County vs. All Other (AY 2005-2015 Claims)

Industry	L.A. County	All Other	Statewide
Manufacturing	17.3%	11.5%	13.0%
Health Care	12.9%	12.1%	12.3%
Retail Trade	10.4%	12.3%	11.8%
Hotel and Food Services	9.6%	8.4%	8.7%
Clerical Workers	8.5%	6.8%	7.2%
Transportation & Warehousing	7.4%	5.2%	5.7%
Construction	7.1%	11.5%	10.4%
Wholesale Trade	6.2%	4.0%	4.6%
All Other	20.5%	28.3%	26.3%
Grand Total	100.0%	100.0%	100.0%

The manufacturing sector accounts for the largest share of claims in Los Angeles County, and the concentration of manufacturing jobs in the L.A. region make claims from this sector more prevalent than in other parts of the state. Similarly, the percentage of L.A. claims coming from the hotel and food service, healthcare, clerical workers, transportation and warehousing, and wholesale trade sectors are all higher than in other regions of the state, all of which reflects the workforce in Los Angeles County. In contrast, claims from the retail trade, construction and agricultural sectors comprise a much smaller proportion of the L.A. claims compared to other regions of the state.



Cause of Injury

Claim Distributions for L.A. County, All Other Regions and Statewide (AY 2005 – 2015 Claims)

Cause of Injury	Percent of Claims		
	L.A. County	All Other Regions	Statewide
Strain/Injury: Lifting	10.6%	10.7%	10.7%
Strain/Injury: Not Otherwise Classified (NOC)	8.4%	9.1%	9.1%
Miscellaneous Cause: Other Injury (NOC)	5.8%	5.4%	5.4%
Fall/Slip: Miscellaneous	4.6%	4.8%	4.8%
Fall/Slip: On Same Level	4.2%	4.0%	4.1%
Struck/Injured by: Falling or Flying Object	4.4%	3.2%	4.1%
Miscellaneous Cumulative Injury (NOC)	4.3%	2.2%	2.7%
Strain/Injury: Pushing or Pulling	3.9%	4.0%	4.0%
Miscellaneous (Cut, Puncture, Scrape)	3.2%	3.3%	3.2%
Repetitive Motion(Carpal Tunnel Syndrome)	3.3%	3.0%	3.0%
All Other	47.3%	50.3%	48.9%

Causes of injury are similar in L.A. to other regions. About half of all claims did not cite a cause, but strains were the most commonly listed cause in all regions, with more than 10% of the injuries caused by strains from lifting, about 4% caused by pushing or pulling, and 8% to 9% caused by not otherwise classified strains. Slips and falls (either misc. or on the same level) were among the top 10 causes of injury, cited in about 9% of claims in L.A. and other regions. Misc. cumulative injuries not otherwise classified comprised 4.3% of L.A. claims, nearly twice the percentage in other regions.

Nature of Injury

Claim Distributions for L.A. County, All Other Regions and Statewide (AY 2005 – 2015 Claims)

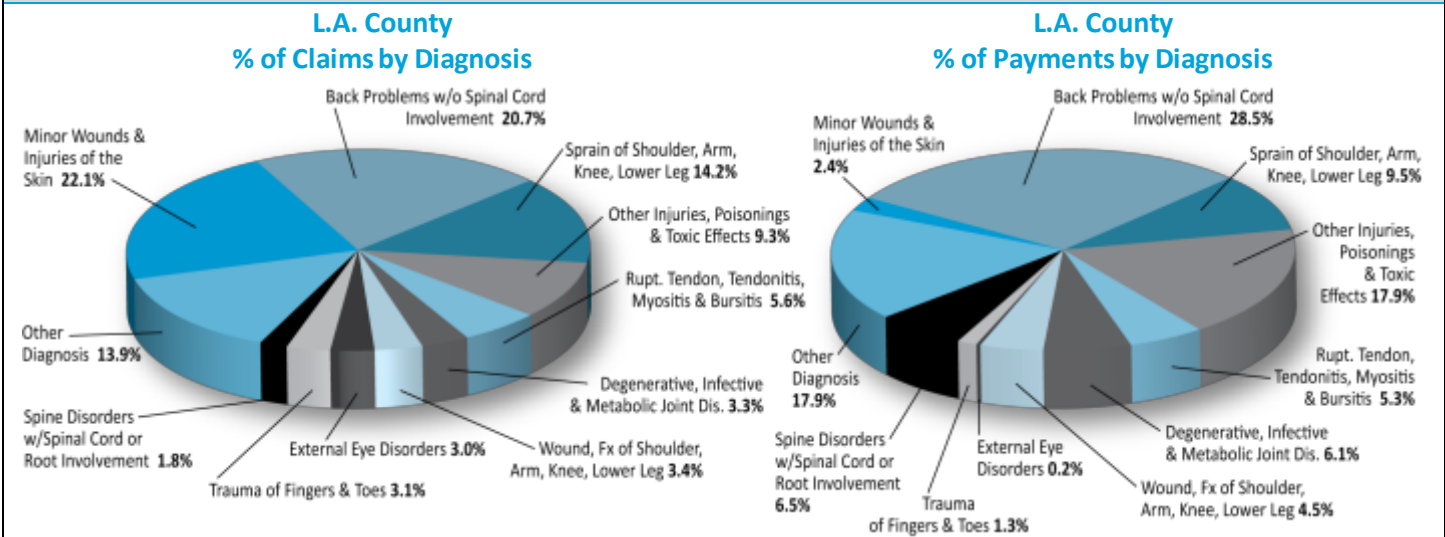
Nature of Injury	Percent of Claims		
	L.A. County	All Other Regions	Statewide
Strain	26.8%	29.6%	28.9%
Laceration	11.7%	12.6%	12.4%
All Other, Not Otherwise Classified (NOC)	10.6%	9.9%	10.0%
Contusion	10.4%	10.0%	10.1%
Sprain	9.6%	9.5%	9.5%
All Other Cumulative Injuries	6.3%	4.5%	4.9%
Puncture	3.1%	3.7%	3.6%
Fracture	3.0%	3.6%	3.4%
Foreign Body	2.2%	2.9%	2.8%
Inflammation	2.2%	2.3%	2.3%
All Other	14.1%	11.4%	12.1%

Strains are the top nature of injury statewide and in L.A. County, but in L.A. they represent 26.8% of all claims -- 2.8 percentage points below the rate in other regions. Otherwise the biggest difference between L.A. and other regions is in "All Other Cumulative Injuries" which are 6.3% of L.A. claims vs. 4.5% of claims in other regions. Several categories involving specific injuries (lacerations, punctures, fractures) have a smaller share of claims in L.A. than in other regions.



Claim and Payment Distributions by Diagnosis

Claim and Payment Distributions for AY 2005-2015 Claims



		L.A. County		All Other Regions		Statewide	
		% of Claims	% of Total Paid	% of Claims	% of Total Paid	% of Claims	% of Total Paid
	Minor Wounds & Injuries to the Skin	21.8%	2.4%	22.7%	2.5%	22.4%	2.4%
	Medical Back Problems w/o Spinal Cord Involvement	20.7%	28.5%	19.6%	25.4%	19.8%	26.3%
	Sprain Of Shoulder, Arm, Knee, Lower Leg	14.2%	9.5%	14.0%	9.1%	14.1%	9.2%
	Other Injuries, Poisonings & Toxic Effects	9.3%	17.9%	6.3%	9.1%	7.0%	11.9%
	Ruptured Tendon, Tendonitis, Myositis & Bursitis	5.6%	5.3%	5.6%	7.3%	5.6%	6.7%
	Degenerative, Infective & Metabolic Joint Disorders	3.3%	6.1%	4.2%	9.6%	4.0%	8.5%
	Wound, Fracture of Shoulder, Arm, Knee, Lower Leg	3.4%	4.5%	3.9%	6.4%	3.7%	5.8%
	External Eye Disorders	3.0%	0.2%	3.7%	0.2%	3.6%	0.2%
	Trauma of Fingers & Toes	3.1%	1.3%	2.9%	1.5%	3.0%	1.4%
	Spine Disorders w/ Spinal Cord or Root Involvement	1.8%	6.5%	1.6%	7.9%	1.6%	7.5%
	Other Diagnosis	13.9%	17.9%	15.5%	21.0%	15.2%	20.1%

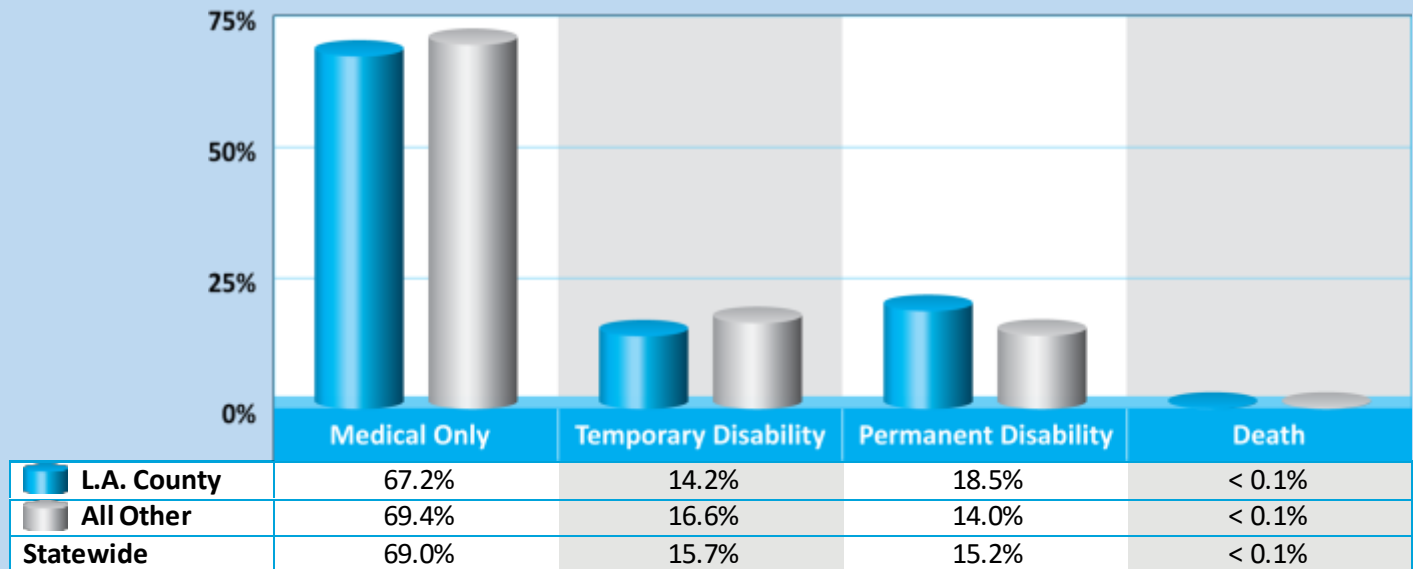
The most common diagnoses associated with work injury claims in Los Angeles County are minor wounds and injuries to the skin, and medical back problems without spinal cord involvement. Each of these diagnostic categories accounts for around 1/5 of the L.A. claims, similar to the proportion noted for claims from other regions and statewide. The biggest disparity in the diagnostic distribution is in the nebulous category of "other injuries, poisonings and toxic effects," many of which fall into vague, nonspecific nature of injury categories such as "all other cumulative injuries," "all other injuries not otherwise classified," and "multiple physical injuries only." These diagnoses are more prevalent in Los Angeles County than in all other regions, representing 9.3% of the claims and 17.9% of the payments in Los Angeles vs. 6.3% of the claims and 9.1% of the payments in the rest of the state. Claims involving back problems without spinal cord involvement (typical sprain and strain injuries) consume the greatest share of total loss costs in L.A. County (28.5%), compared to 25.4% in all other regions and 26.3% statewide.



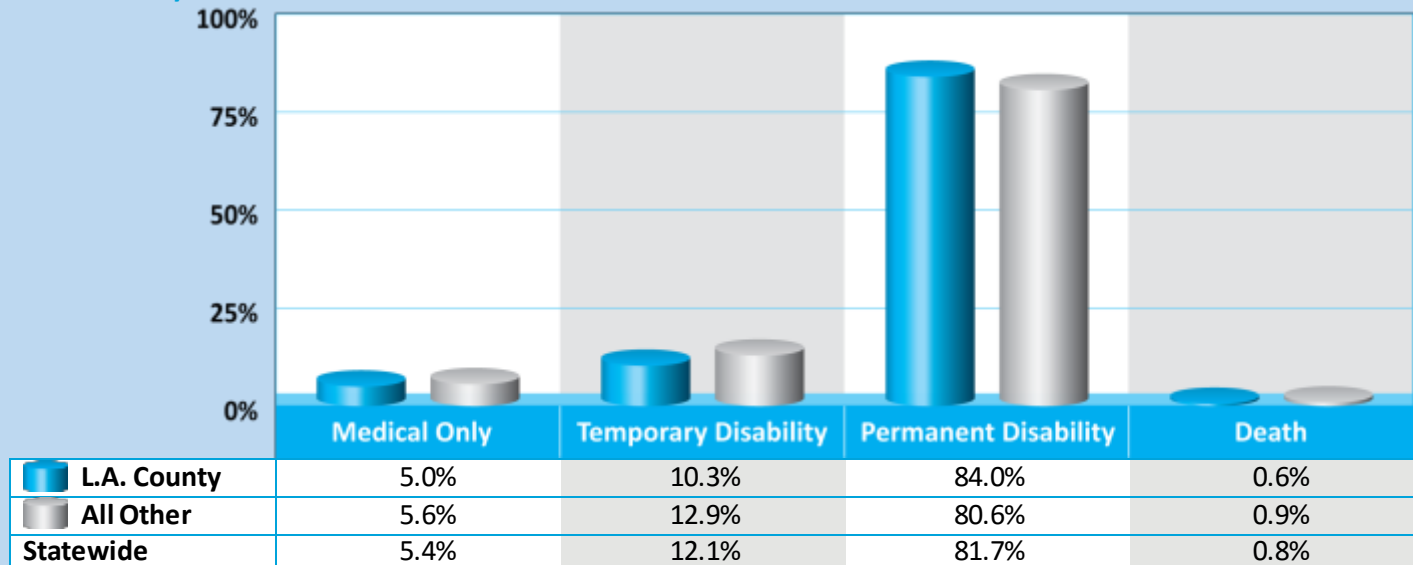
Claim and Payment Distribution by Claim Type (Med-Only, TD, PD, Death)

L.A. County vs. All Other Regions (AY 2005 – AY 2015 Claims)

Percent of Claims



Percent of Payments



The distribution by claim type shows medical-only and TD claims comprised a smaller share of L.A. County claims compared to the rest of the state and to the statewide result, while more expensive PD claims accounted for a significantly higher share of the L.A. claims: 18.5% vs. 14.0% for other parts of the state and 15.2% statewide. As a result, PD cases consumed a relatively high proportion of L.A. County claim payments over the 11-year span – 84 cents out of every dollar paid vs. 80.6 cents in other parts of the state and 81.7 cents statewide. On the other hand, TD cases accounted for a smaller percentage of paid losses – 10.3% of L.A. claim payments vs. 12.9% for claims from other parts of California, and 12.1% on all California claims.



Median and Average Notice and Treatment Time Lags

Date of Injury to Employer Notice, Carrier Notice & First Treatment: L.A. County vs. All Other Regions (AY 2005 vs. 2013)

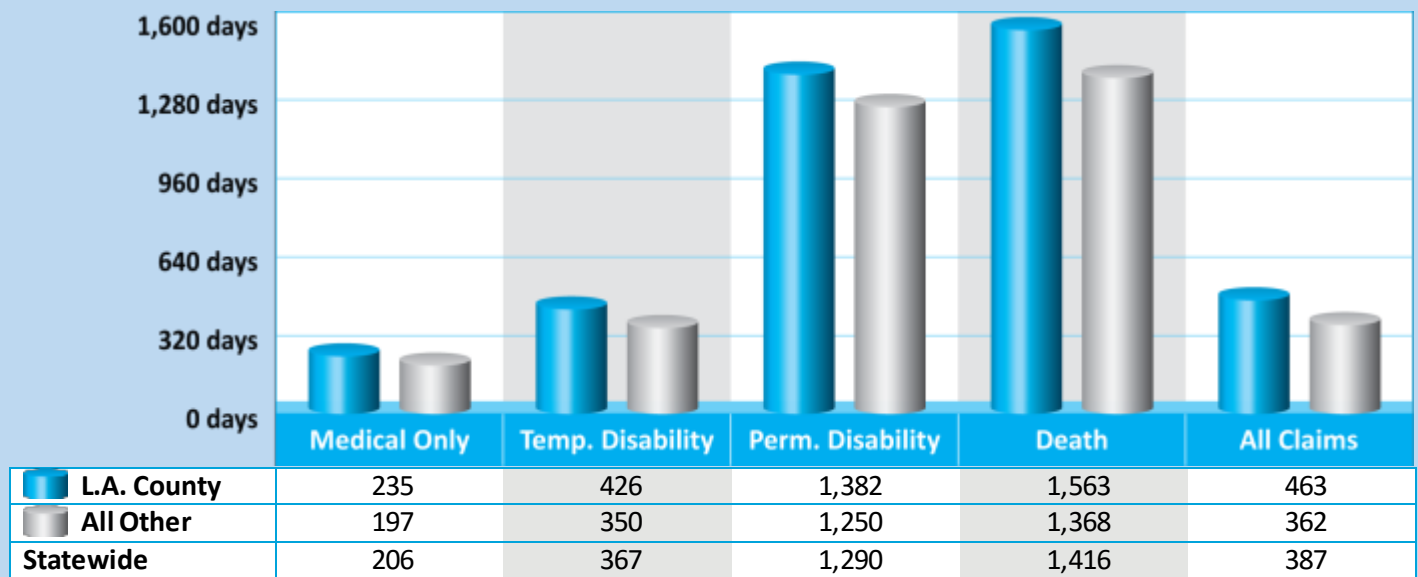
		AY 2005		AY 2013	
		Median Number of Days	Average Number of Days	Median Number of Days	Average Number of Days
Employer Notification	L.A. County	1.0	19.8	1.0	27.1
	All Other Regions	1.0	9.9	1.0	8.9
	Statewide	1.0	12.1	1.0	12.0
Carrier Notification	L.A. County	8.0	53.4	10.0	55.1
	All Other Regions	8.0	31.0	6.0	23.2
	Statewide	8.0	36.0	6.0	32.6
Time to First Treatment	L.A. County	1.0	38.0	2.0	50.4
	All Other Regions	1.0	25.6	1.0	29.3
	Statewide	1.0	29.4	1.0	35.1

The table above shows the time lags between the date of injury and the employer notice, carrier notice, and initial treatment for AY 2005 and AY 2013 claims from L.A. County, other regions, and statewide. The median is the midpoint in a series of numbers – the point at which half the values are greater than amount shown, and half are less. For L.A. County claims from AY 2005 and AY 2013, the median time to employer notice was 1 day, matching the median for all other regions and statewide. The median time to carrier notice for L.A. claims, however, worsened from 8 days to 10 days between AY 2005 and AY 2013, which ran counter to the trend in other regions, where the median improved from 8 days to 6 days over the same period. The median time to first treatment for L.A. claims also worsened, increasing from 1 to 2 days, even though there was no change in the median time to first treatment for other regions or for all California claims.

Among L.A. County claims there is an even larger spread between the average and the median time lags between the injury date and each of these 3 benchmarks. This shows that the time lags are highly skewed by outlier claims in which notifications or treatment were delayed for long periods. Notably, among L.A. claims, the average time lag between the injury date and employer notification, and between the injury date and initial treatment both worsened between AY 2005 and AY 2013, while the average number of days to carrier notification showed little change, remaining at nearly 2 months (53.4 days in AY 2005 vs. 55.1 days in AY 2013). The average time lags for AY 2013 claims from L.A. County stand in stark contrast to claims from other regions, as on average it takes 3 times as long for the employer to be notified of the injury (8.9 days vs. 27.1 days); nearly 2.4 times as long for the carrier to be notified (23.2 days vs. 55.1 days); and 1.7 times as long for treatment to begin (29.3 days vs. 35.1 days).


Average Claim Duration

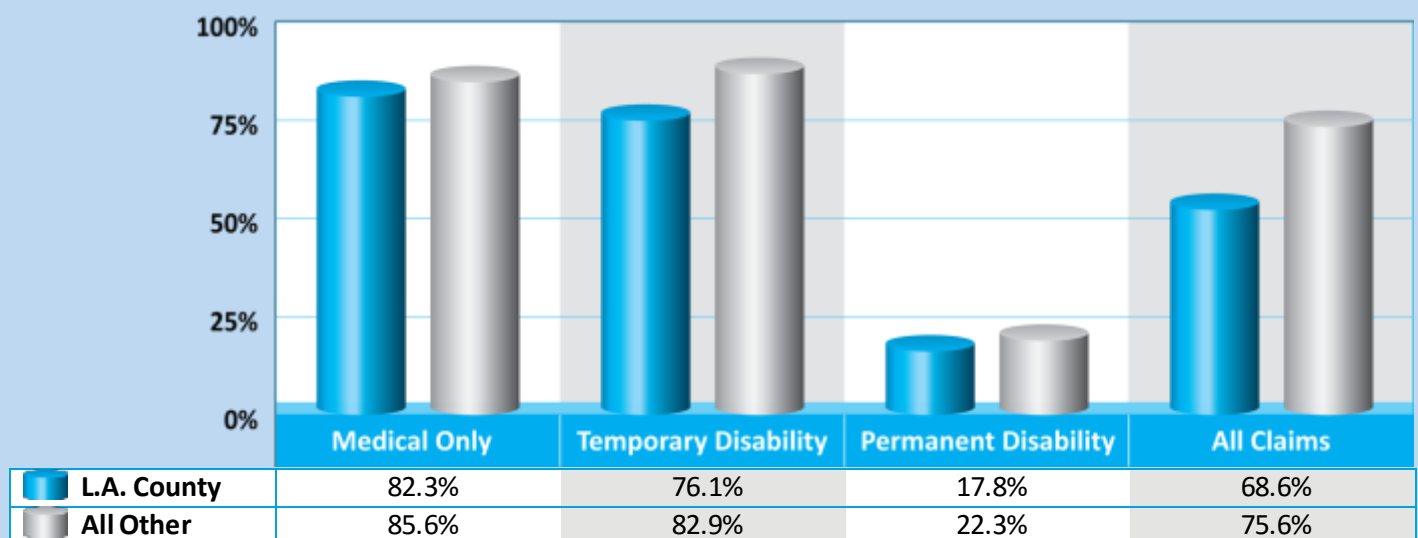
Average Number of Days (AY 2005-2015 Closed & Resolved Claims)



Across all claim types, L.A. claims have longer than average claim durations. Overall, AY 2005-2015 claims filed by L.A. County residents averaged 463 days from the claim filing to the case closure, more than 3 months longer than the average for other regions and 2-1/2 months longer than the statewide average. The greater number of claims, heavy volume of liens at the Appeals Board, higher prevalence of CT claims, higher volume and duration of treatment and higher levels of attorney involvement are all likely contributors to longer claim durations in Los Angeles.

Claim Closure Rates by Claim Type at 24 Months Post Injury

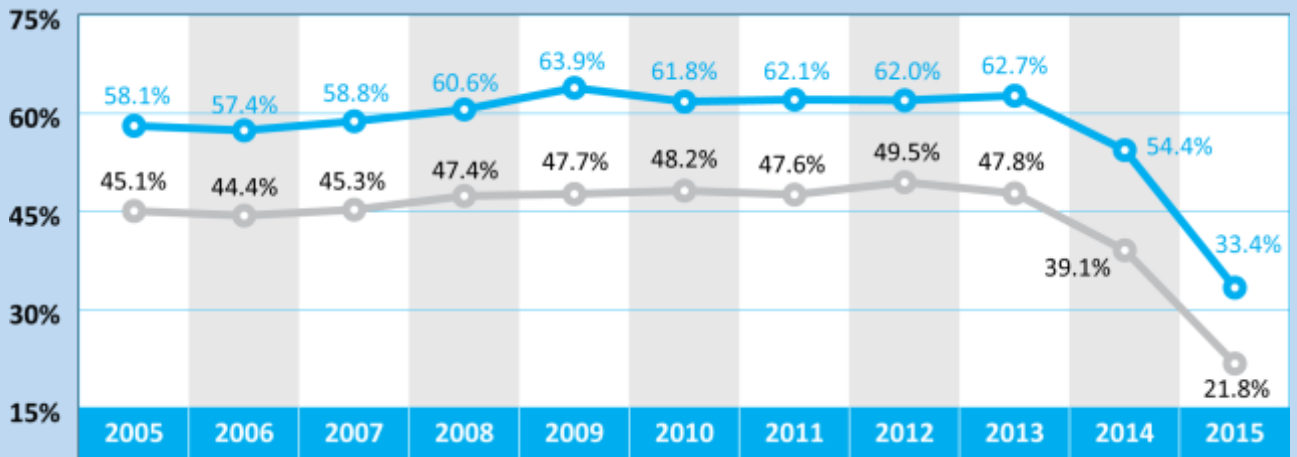
L.A. County vs. All Other Regions (AY 2005 – AY 2013 Claims)



At 24 months, the overall claim closure rate of 68.6% for L.A. County claims is below the 75.6% closure rate for other regions. The disparity may be due to a number of factors, including the mix of injuries, as L.A. claims are more likely to involve cumulative and non-specific injuries; higher levels of attorney involvement; and a greater percentage of claims involving PD. Even among medical-only claims, however, the claim closure rate in L.A. is below that of other regions.


Attorney Involvement Rates for Indemnity (TD & PD) Claims

L.A. County vs. All Other Regions (AY 2005 – AY 2015 Claims)

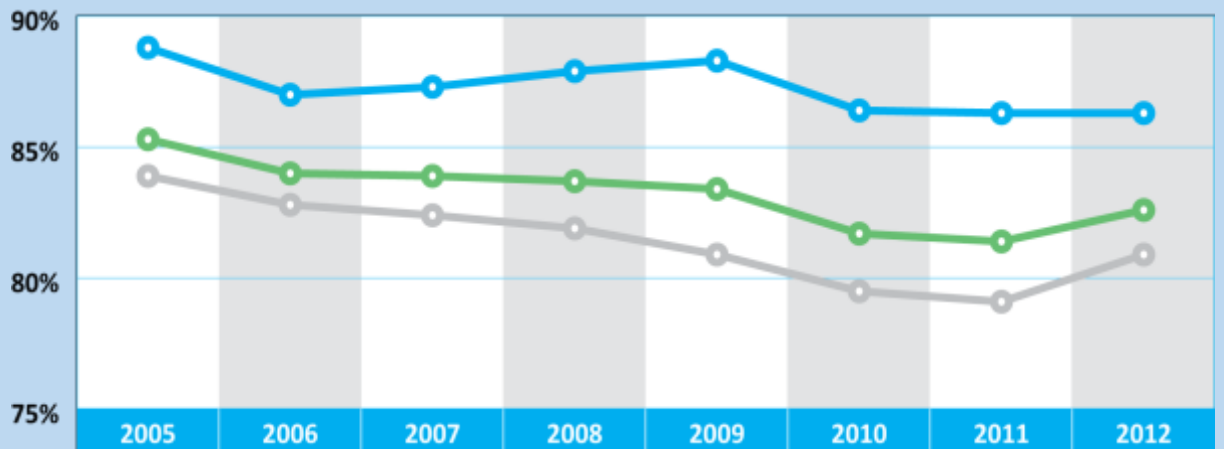


L.A. County	AY 2005 – AY 2015 Average	58.8%
Other Regions	AY 2005 – AY 2015 Average	45.0%
Statewide	AY 2005 – AY 2015 Average	48.8%

Statewide, attorney involvement rates for AY 2005–AY 2015 indemnity claims averaged 48.8%, with rates for single accident years ranging from 23.0% in AY 2015 (where the data is least developed) to 53.5% for AY 2012 claims. But, as shown above, during that 11-year span, attorney involvement rates on indemnity claims from L.A. averaged 58.8%, with rates for single accident years ranging from 11.6 to 16.2 percentage points above the rates for other regions.

Attorney Involvement Rates on PD Claims ≥ 36 Months Old

L.A. County vs. All Other Regions (AY 2005 – AY 2012 Claims)



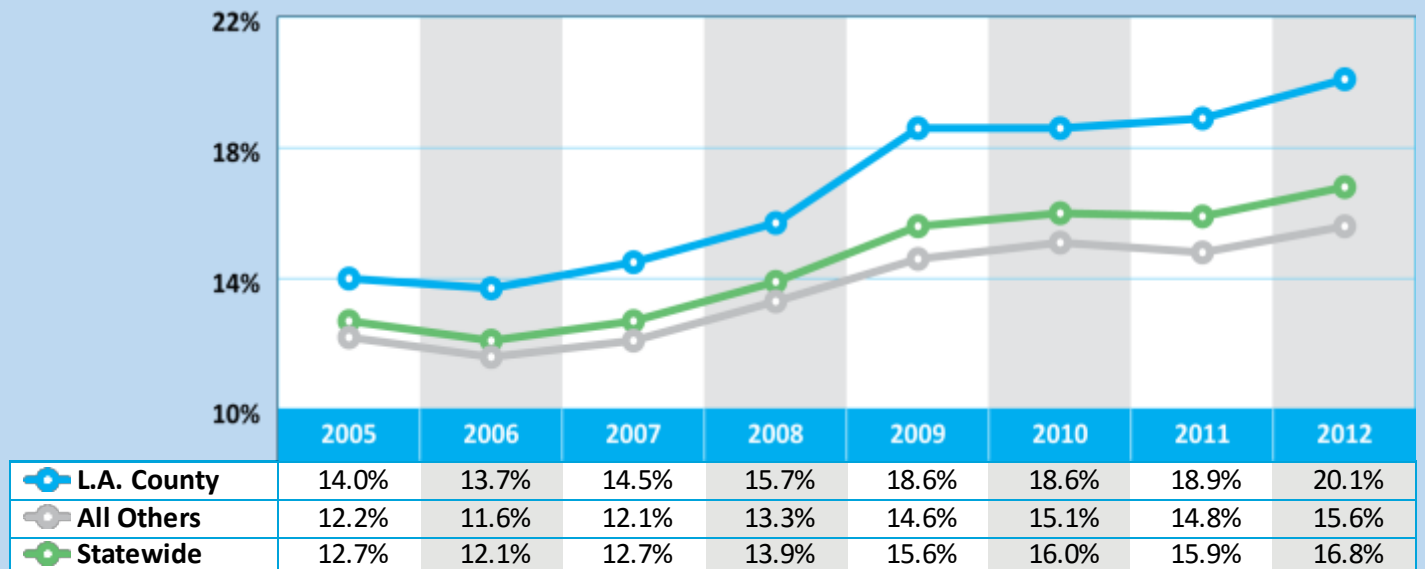
L.A. County	88.8%	87.0%	87.3%	87.9%	88.3%	86.4%	86.3%	86.3%
All Other	83.9%	82.8%	82.4%	81.9%	80.9%	79.5%	79.1%	80.9%
Statewide	85.3%	84.0%	83.9%	83.7%	83.4%	81.7%	81.4%	82.6%

PD claims are the most complex and frequently litigated claims, though attorney involvement often does not begin until well after the injury date. The exhibit above shows attorney involvement rates for AY 2005–AY 2012 PD claims that were at least 36 months old, which ranged from about 4 to 7 percentage points higher for L.A. County claims than for claims from other regions, so the high level of attorney involvement in the L.A. region has consistently pushed the statewide litigation rate up.



Permanent Disability Rates at 36 Months Post Injury

AY 2005 – AY 2012 Claims



The percentage of claims with a PD award at 3 years post injury has been consistently higher for L.A. claims than for claims from other regions, though in both cases the percentage of claims with PD at the 3-year benchmark declined immediately after adoption of the 2005 PD rating schedule, then began to trend up beginning with AY 2007 claims. By AY 2012, more than 20% of L.A. claims and 15.6% of claims from other regions had PD payments at 3 years post injury. Among factors that may have led to this increase in claims with PD were several court rulings handed down during this period (Almaraz/Guzman, Ogilvie) which allowed PD in cases where previously there had been none.



Average Number of Visits & Average Amounts Paid at 12 & 24 Months by Fee Schedule Section

AY 2005-2013 Indemnity Claims, L.A. County vs. All Other Regions and Statewide

Visits at 12 Months

Region	E/M	Surgery	Radiology	Medicine	PT	Chiro
L.A. County	8.6	1.1	2.2	1.6	9.8	1.1
All Other	8.8	1.1	2.1	1.0	8.4	0.9
Grand Total	8.8	1.1	2.1	1.1	8.8	1.0

Paid at 12 Months

Region	E/M	Surgery	Radiology	Medicine	PT	Chiro
L.A. County	\$959	\$1,157	\$552	\$387	\$808	\$41
All Other	\$906	\$1,292	\$436	\$197	\$660	\$35
Grand Total	\$919	\$1,258	\$465	\$244	\$697	\$36

Visits at 24 Months

Region	E/M	Surgery	Radiology	Medicine	PT	Chiro
LA	11.3	1.4	2.8	2.4	12.5	1.4
All Other	11.3	1.4	2.6	1.4	10.5	1.2
Grand Total	11.3	1.4	2.6	1.6	11.0	1.2

Paid at 24 Months

Region	E/M	Surgery	Radiology	Medicine	PT	Chiro
LA	\$1,273	\$1,664	\$759	\$636	\$1,035	\$52
All Other	\$1,171	\$1,757	\$557	\$325	\$838	\$43
Grand Total	\$1,196	\$1,733	\$607	\$403	\$887	\$45

The breakdown of the average number of first-year visits on indemnity claim for different types of medical services shows that compared to the rest of the state, L.A. County claims involve a slightly lower number of evaluation and management visits, the same number of surgery visits, but slightly more visits for radiology and chiropractic care, and significantly more visits for physical therapy and medicine section services, which include cardiovascular, nerve and muscle testing, psychiatric testing and psychotherapy, physician-administered drugs and biologicals and ophthalmology. Except for surgery services, average first-year payments for all of these service categories are higher on the L.A. County claims than on claims from other regions, reflecting not only the number of visits, but the number of services per visit, and the types of services rendered.

The results at 24 months post injury are similar, though at that point the average number of evaluation and management visits is the same on the L.A. County claims as in other regions. The average amounts paid per claim are again higher for all service categories except for surgery, with the most significant differences being in the average amounts paid for Radiology, Physical Therapy, and most notably, Medicine Section services, where total payments average \$636 at the 2-year benchmark, nearly double the \$325 average for the rest of the state.



PPO/MPN Utilization – 1st Year Visits

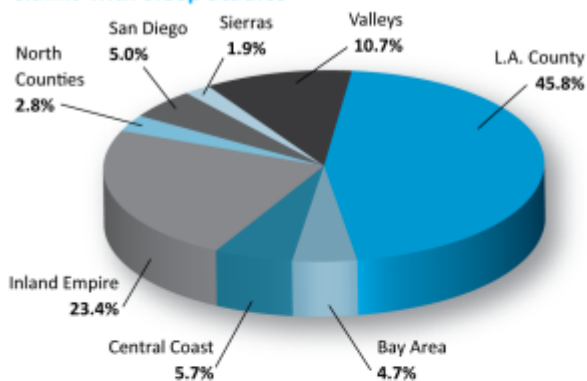
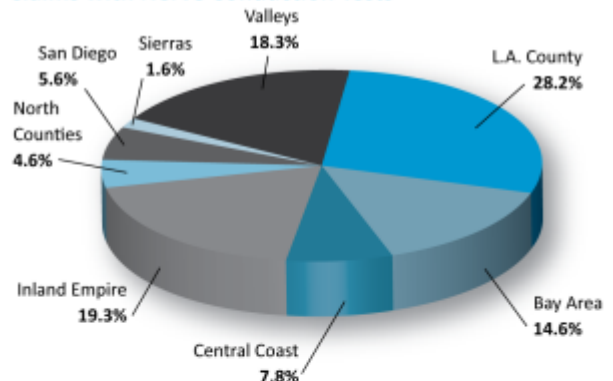
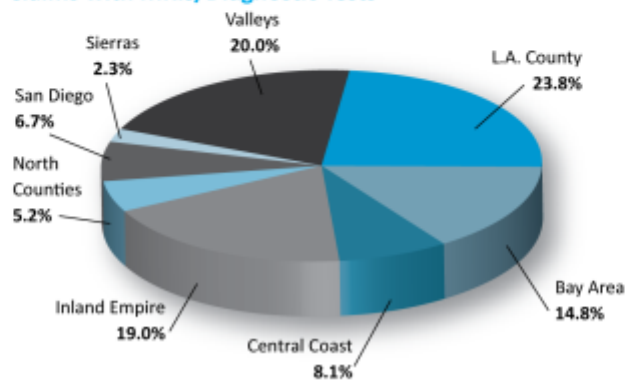
Network Utilization by Type of Service – L.A. County vs. All Other

Type of Service		2005 – 2009	2010 – 2015
E/M	L.A. County	77.5%	88.9%
	All Other	80.0%	87.8%
Surgery	L.A. County	69.0%	79.2%
	All Other	71.7%	77.8%
Radiology	L.A. County	69.1%	79.0%
	All Other	67.9%	78.6%
Medicine Section	L.A. County	64.9%	72.6%
	All Other	69.6%	78.7%
Physical Therapy	L.A. County	62.6%	74.6%
	All Other	63.3%	78.7%
Chiropractic Manipulation	L.A. County	47.6%	73.0%
	All Other	60.5%	81.8%
Total Visits	L.A. County	69.2%	80.7%
	All Other	71.8%	82.7%

Comparing AY 2005-2009 treatment data at 12-months post injury and across all diagnostic categories to similar data from AY 2010-2015 shows the growth in the use of network providers, which surged after MPNs were introduced in 2005. As MPNs evolved, network utilization grew from 71.8% in 2005-2009 to 82.7% in 2010-2015, though overall, the use of network providers in L.A. has remained slightly below the network utilization rate for other regions. Network utilization, however, varies by the type of treatment rendered, with the 2010-2015 figures showing that the highest rates in L.A. and elsewhere were for evaluation and management services (office visits), while the use of network providers in Los Angeles was lowest for chiropractic manipulation (73%), which was well below the 81.8% network utilization rate for chiropractic care in the rest of the state.

Regional Distribution of Claims with Sleep Studies, Nerve Conduction Tests, & MRIs/Diagnostic Tests

CY 2013 – CY 2015

Claims with Sleep Studies

Claims with Nerve Conduction Tests

Claims with MRIs/Diagnostic Tests


Sleep studies, MRIs and diagnostic tests, and nerve conduction tests have been associated with high-cost workers' comp claims. While L.A. County accounted for 25.7% of all CY 2013 through 2015 claims, it accounted for 45.8% of the sleep studies conducted on injured workers. Furthermore, claims from L.A. County, combined with those from the neighboring Inland Empire (which had 19.1% of all work injury claims), accounted for 69.2% of the sleep studies in California workers' compensation during that 3-year span.

The use of nerve conduction tests was also disproportionately high among the L.A. County claims, though to a much less significant degree than was the case for sleep studies, as 28.2% of the nerve conduction testing involved L.A. County residents.

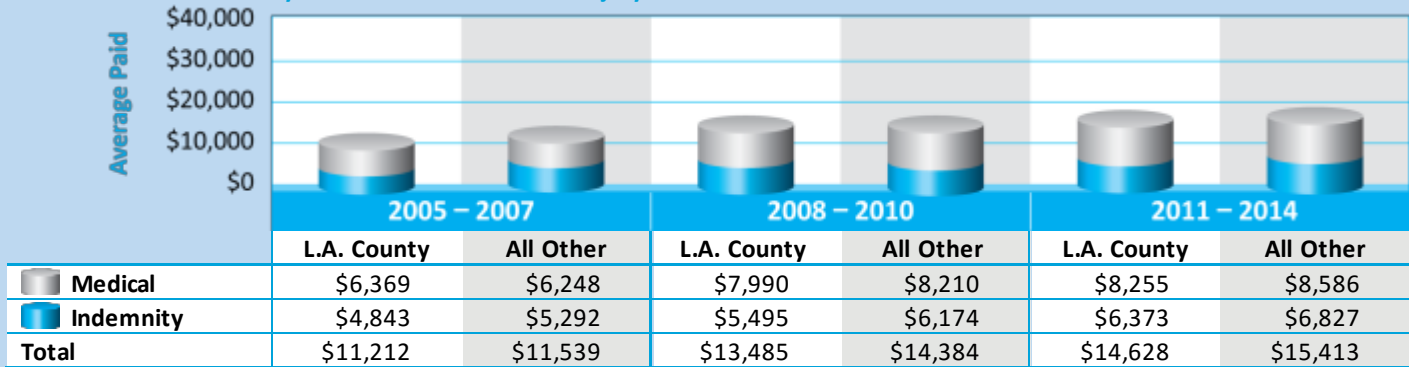
In contrast, L.A. County residents accounted for just 23.8% of the workers' compensation MRIs and diagnostic tests – nearly 2 percentage points below their share of all claims -- indicating that the use of these procedures is more widespread and evenly dispersed across the state.



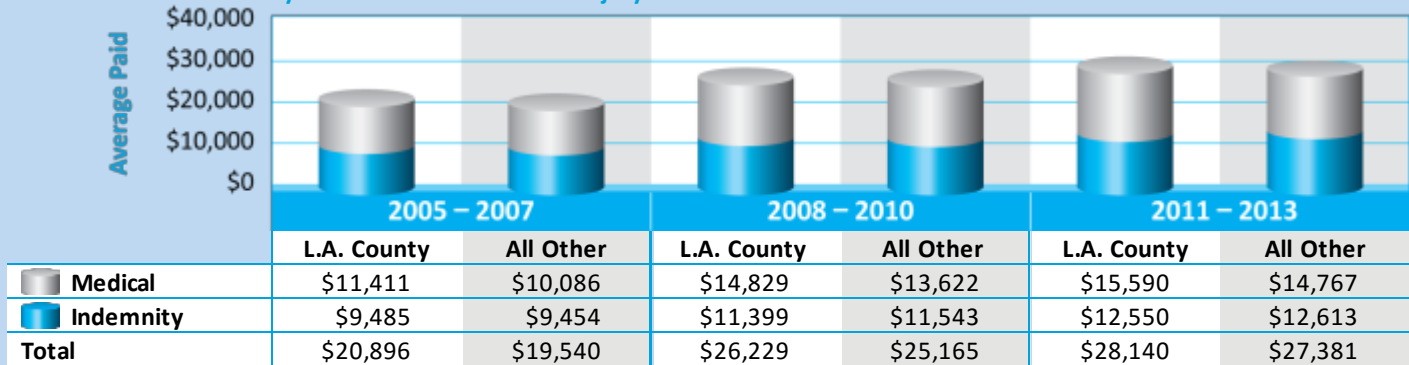
Loss Development at 12, 24 and 36 Months

Average Paid, AY05-07, AY 08-10, AY 11-14 Indemnity Claims – L.A. County Vs. All Other

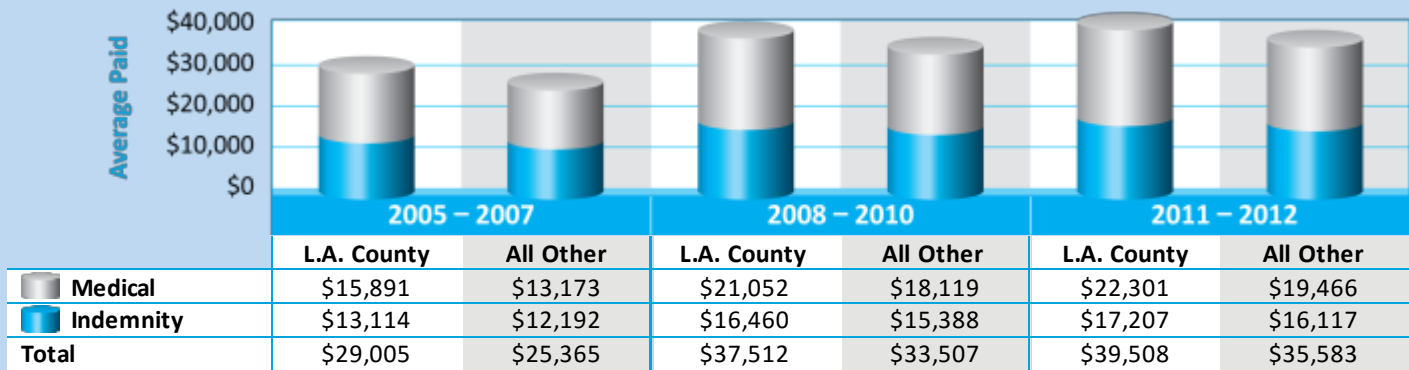
AY 2005 – 2014 Indemnity Claims – 12 Months Post Injury



AY 2005 – 2013 Indemnity Claims – 24 Months Post Injury



AY 2005 – 2012 Indemnity Claims – 36 Months Post Injury



Comparing average 1st-year payments on indemnity claims shows L.A. claim costs are consistently lower than in other areas, which may reflect longer delays in reporting and more CT claims, where payments don't begin until well after the injury date. At 24 months, average payments on L.A. claims exceed those in other regions, and at 36 months both medical and indemnity payments are higher on L.A. claims. For example, medical payments at 36 months on AY 2011-2012 claims averaged \$22,301 in L.A., 14.6% above the \$19,466 average for other regions, while average 36-month indemnity payments in L.A. were \$17,207 for AY 2011-2012 claims, 6.8% above the \$16,117 average for other regions. Data on long-term growth in paid losses shows average paid medical at 36 months on L.A. claims rose 40.3% from \$15,891 on AY 2005-2007 claims to \$22,301 on AY 2011-2012 claims, which was less than the growth in paid medical in other regions, which increased 47.8% from \$13,173 on AY 2005-2007 claims to \$19,466 on AY 2011-2012 claims. The growth in average paid indemnity at 36 months also was slightly less on L.A. claims, where the average increased 31.2% from \$13,114 in AY 2005-2007 to \$17,207 on AY 2011-2012 claims while in the rest of the state average paid indemnity increased 32.2% from \$12,192 on AY 2005-2007 claims to \$16,117 on AY 2011-2012 claims. Thus, even though paid losses on L.A. claims remain higher than in other regions, the gap has narrowed in recent years.



Regional Distribution of Prescription Drugs by Drug Category

CY 2014 L.A. County v. All Other and Statewide

	L.A. County	All Other Regions	Statewide
Analgesics - Opioid	22.0%	28.8%	27.4%
Analgesics - Anti-Inflammatory	19.2%	18.5%	19.0%
Ulcer Drugs	10.6%	5.9%	6.9%
Musculoskeletal Therapy Agents	10.0%	9.2%	9.4%
Dermatologicals	6.3%	4.7%	5.0%
Anticonvulsants	5.5%	7.3%	6.8%
Antidepressants	5.1%	6.6%	6.2%
All Other	21.2%	19.0%	19.3%

To examine how different types of drugs that are prescribed to injured workers varies by region, the individual drugs identified in the 2014 prescription data were grouped into 8 drug categories, then prescription drug distributions by drug category were determined for each region. Opioid analgesics were the top workers' compensation drug category in L.A. County, other regions, and statewide, though opioids represented a significantly smaller share of the drugs dispensed to injured workers in L.A. County than in other regions (22% vs. 28.8%). Anticonvulsants and antidepressants also accounted for a smaller share of the L.A. County prescriptions, while anti-inflammatory analgesics, ulcer drugs, musculoskeletal therapy agents, and dermatologicals all accounted for a higher percentage of the workers' compensation prescriptions in L.A. County than in other regions.

Regional Distribution of Prescription Drug Payments by Drug Category

CY 2014 L.A. County v. All Other and Statewide

	L.A. County	All Other Regions	Statewide
Analgesics - Opioid	15.9%	28.5%	25.9%
Analgesics - Anti-Inflammatory	20.6%	13.5%	14.9%
Ulcer Drugs	12.5%	7.4%	8.7%
Musculoskeletal Therapy Agents	6.3%	5.1%	5.4%
Dermatologicals	16.6%	9.7%	11.1%
Anticonvulsants	4.6%	7.4%	6.7%
Antidepressants	3.8%	6.9%	6.1%
All Other	19.7%	21.5%	21.2%

Given the regional variation in the types of drugs dispensed to injured workers, there is also significant regional variation in the percentage of overall drug spend among the major drug categories. Unlike the rest of the state, where opioids accounted for 28.5% of 2014 workers' comp prescription drug payments, in L.A. County, opioids represented only 15.9% of the 2014 prescription payments, ranking third in terms of overall expenditures, as a much higher share of the L.A. County drug spend goes toward analgesic anti-inflammatories and dermatologicals. Payments for ulcer drugs and musculoskeletal therapy agents also represent a higher proportion of the total drug spend in L.A. County, while the percentage going toward anticonvulsants and antidepressants is less than in other regions.



Top 20 Prescription Drugs by Volume

L.A. County vs. Other Regions (Calendar Year 2014)

Generic Name	Common Name	% of Total Prescription Payments		
		L.A. County	Other Regions	Statewide
Hydrocodone-Acetaminophen	Vicodin	11.6%	15.4%	14.7%
Omeprazole	Prilosec	7.7%	3.8%	4.6%
Naprosyn	Aleve	6.3%	4.9%	5.2%
Ibuprofen	Advil	5.0%	6.2%	5.9%
Tramadol	Ultram	4.9%	4.5%	4.6%
Cyclobenzaprine	Flexeril	4.7%	4.0%	4.1%
Gabapentin	Neurontin	3.4%	4.3%	4.1%
Zolpidem	Ambien	1.9%	1.5%	1.6%
Nabumetone	Relafen	1.9%	1.6%	1.6%
Diclofenac	Voltaren	1.9%	2.4%	2.3%
Lidocaine	Lidocaine	1.9%	1.9%	1.9%
Menthol	Menthol	1.6%	0.7%	0.9%
Orphenadrine	Norflex	1.5%	0.7%	0.9%
Tramadol-Acetaminophen	Ultracet	1.4%	1.1%	1.1%
Carisoprodol	Soma	1.4%	1.3%	1.3%
Meloxicam	Mobic	1.2%	1.2%	1.2%
Flurbiprofen	Ansaid	1.1%	0.2%	0.4%
Tizanidine	Zanaflex	1.1%	1.4%	1.3%
Acetaminophen w/ Codeine	Tylenol w/Codeine	1.0%	0.7%	0.8%
Duloxetine	Cymbalta	0.9%	1.8%	1.6%
Top 20		62.4%	59.6%	60.1%

Generic drugs were grouped with their brand equivalents to identify the most commonly prescribed drugs and associated payments in calendar year 2014. There were some notable differences in the distribution of the top 20 drugs dispensed on L.A. County claims compared to claims from other parts of California. The opioid combination drug Hydrocodone-Acetaminophen (Vicodin) topped the list of most prescribed drugs in L.A. County and in other regions, but it represented only about 1 in 9 prescriptions in L.A. County vs. about 1 in 7 prescriptions in other parts of California. The antacid Omeprazole accounted for 7.7 percent of the L.A. County prescriptions, which was twice the percentage noted in other regions of the state, while the nonsteroidal anti-inflammatory drug Naprosyn was the third most prescribed drug in L.A. County, representing 6.3% of the L.A. prescriptions vs. 4.9% in other parts of the state. Other drugs that were far more prevalent in L.A. County than in other parts of the state included Menthol, frequently used in topical rubs; the muscle relaxant Orphenadrine; and the NSAID Flurbiprofen, which is often dispensed in compounded creams.



Top 20 Prescription Drugs by Total Payments

L.A. County vs. Other Regions (Calendar Year 2014)

Generic Name	Common Name	% of Total Prescription Payments		
		L.A. County	Other Regions	Statewide
Omeprazole	Prilosec	9.1%	4.4%	5.5%
Flurbiprofen	Ansaid	8.6%	1.9%	3.2%
Lidocaine	Lidocaine	5.9%	5.3%	5.5%
Menthol	Menthol	5.1%	1.0%	1.8%
Tramadol	Ultram	4.6%	3.1%	3.5%
Hydrocodone-Acetaminophen	Vicodin	4.4%	7.1%	6.5%
Cyclobenzaprine	Flexeril	3.5%	2.1%	2.4%
Capsaicin	Capsaicin	3.4%	0.9%	1.4%
Naprosyn	Aleve	3.1%	2.4%	2.6%
Ketoprofen	Ketoprofen	2.6%	0.8%	1.1%
Oxycodone	Oxycontin	2.3%	5.9%	5.0%
Pregabalin	Lyrica	2.2%	4.6%	4.0%
Diclofenac	Voltaren	1.9%	3.0%	2.8%
Duloxetine	Cymbalta	1.8%	3.7%	3.3%
Celebrex	Celebrex	1.8%	4.5%	3.9%
Gabapentin	Neurontin	1.8%	2.3%	2.1%
Ibuprofen	Advil	1.4%	1.6%	1.6%
Pantoprazole	Protonix	1.0%	1.4%	1.4%
Oxycodone w/ Acetaminophen	Endocet/Percocet	1.0%	2.7%	2.3%
Fentanyl	Fentanyl	0.9%	2.6%	2.3%
Top 20		66.3%	61.3%	62.3%

The distribution of the prescription drug dollar for L.A. County claims also reveals major differences. Both opioids and NSAIDs can cause digestive problems, so the antacid Omeprazole was the number one drug in terms of prescription payments, with 9.1% of the prescription drug dollars on L.A. claims from AY 2014 -- more than twice the percentage noted in other regions. Flurbiprofen ranked second, accounting for 8.6% of the prescription drug dollars in L.A., more than 4 times the proportion noted in other parts of California, while several other common compound drug ingredients also accounted for a high percentage of the prescription drug spend on L.A. County claims compared to other regions. These included Lidocaine; Menthol; Capsaicin; and Ketoprofen; all of which made L.A. County's top 10 prescription drugs in terms of total dollars paid, though only Lidocaine made the top 10 list in other regions. With more than a quarter of L.A. County prescription drug dollars going toward these products, the proportion of total drug spend going toward opioids such as tramadol, hydrocodone with acetaminophen, oxycodone, oxycodone with acetaminophen, and fentanyl was significantly lower in L.A. than in other regions.

IRIS Injury Score Cards are based on Industry Research Information System data, compiled and maintained by the California Workers' Compensation Institute, 1333 Broadway, Suite 510, Oakland CA 94612, (510) 251-9470, www.cwci.org.

About CWCI: The California Workers' Compensation Institute, incorporated in 1964, is a private, non-profit organization of insurers and self-insured employers conducting and communicating research and analyses to improve the California workers' compensation system.

Issue 01-16, August 2016. © 2016 California Workers' Compensation Institute. All rights reserved.