



BULLETIN

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A CWCI analysis of 41,000 cumulative trauma (CT) claims and 608,000 non-CT claims that received workers' comp benefits between 2005 and 2013 finds that the CT cases were far more likely to come from the Los Angeles Basin; had twice the attorney involvement rate of non-CT claims; involved a higher percentage of injuries to multiple body parts and mental disorders; were most prevalent in the manufacturing sector; had 53 percent higher average claim costs; and workers claiming CTs were 10 times more likely to claim other injuries.

Cumulative traumas are physical or mental injuries that arise over time from repetitive stress, motion, or exposures rather than from a specific event or accident. Earlier this year, the Workers' Compensation Insurance Rating Bureau reported that CT claims as a percentage of California workers' compensation lost time cases had more than doubled over the past decade, climbing to about 18 percent of all indemnity cases in 2015. Because CT claims have become a significant cost driver in the system, CWCI initiated a study to gain a better understanding of where these claims come from, identify characteristics and factors contributing to the rapid growth in CT claims, and to compare average medical and indemnity benefits for CT and non-CT claims.

Using data on claims obtained from CWCI's Industry Research Information System (IRIS) database, the authors compared claim characteristics of CT claims to those of non-CT claims, including the workers' average age, gender, earnings, and job tenure; the mix of claims by employer premium, industry and region; the type and nature of injury; notification lag times; level of attorney involvement; presence of indemnity payments; presence of a compensability dispute; and whether or not the injured worker had filed any additional claims.

For the geographic comparison, the ZIP code from each injured worker's residence was used to link the claims to specific regions of the state. This showed that workers living in the L.A. Basin (Los Angeles, Orange, San Bernardino and Riverside Counties) accounted for nearly 55.8 percent of the CT claims in the sample vs. only 36.5 percent of the non-CT claims. The demographic data revealed that a higher proportion of the CT claims were filed by older workers, while younger workers accounted for a higher percentage of the non-CT claims, and at the time of injury the average age of workers filing CT claims was 5.2 years older than the average for those who filed non-CT claims (42.4 years vs. 37.2 years). Similarly, the average tenure of employees filing CT claims was 5.8 years, nearly twice the 3.1 year average for those filing non-CT claims. Manufacturing workers accounted for more CT claims than any other industry sector (18 percent vs. 11.9 percent of the non-CT claims), while construction workers had the second most CT claims (about 13.7 percent of the total, though that was well below the 19.8 percent of non-CT claims that came from this sector. Health care, hotel and food services and agriculture rounded out the top 5 industries for CT claims, though notably, only 7.4 percent of the CT claims were filed by agriculture workers compared to 12.8 percent of the non-CT claims.

Unlike specific injuries which result from a single event or accident, the date of injury assigned to a CT claim may be based on the date of first treatment, the date of disability, the date of employer notification, or the last day that the workers' compensation policy was in effect. These factors, coupled with a one-year statute of limitations for filing a CT claim, mean that in many cases, employers and claim administrators are not notified of a CT injury until well after the reported date of injury. Among CT claims in the study sample, it took an average of 215 days from the injury date to the employer notice (vs. 12 days for the non-CT claims), while the average lag time from the injury date to the claims administrator notification was 258 days (vs. 27 days for the non-CT claims). Such delays often lead to disputes over the compensability of the injury and attorney involvement.

The distribution by medical condition found that about 1 in 4 CT cases claimed injuries to multiple body parts/systems, which was more than 3 times the proportion noted for non-CT claims; while 5.7 percent of the CT claims were for mental disorders, or more than 7 times the proportion found in the non-CT claims. The study also found that compensability disputes were most common among mental disorder claims, where more than 54 percent of the CT claims and 42 percent of the non-CT claims were disputed. At the same time, however, dispute rates between CT and non-CT claims differed significantly across all injury categories, with dispute rates for CT claims being 3 times more prevalent for claims involving multiple body parts and systems; 6 times more prevalent for shoulder, wrist or hand injuries, and nearly 8 times more prevalent for low back injuries. In addition, in more than 30 percent of the CT claims the injured worker filed at least one other related work injury claim against the same employer, whereas only 3 percent of the non-CT that involved more than a single injury.

The level of attorney involvement was also much higher among the CT claims, with an overall attorney involvement rate of 80 percent for all CT claims (including med-only cases), which was four times the rate for non-CT claims. Limiting the analysis to lost-time cases, the study found the attorney involvement rate among the CT claims was nearly twice that of non-CT claims (91 percent vs. 46 percent). Breaking those results out by region across the 9-year span of the study showed that the level of attorney involvement has been consistently higher in the Los Angeles Basin than in other parts of the state, with attorney involvement rates on lost-time claims for CT injuries filed by residents of the L.A. Basin ranging from 82.1 percent to 92.3 percent, while in the rest of the state, attorney involvement rates on CT indemnity claims ranged from 64.1 percent to 73.8 percent. Furthermore, the authors found that in the L.A. Basin, CT claims as a proportion of all attorney involvement claims more than doubled from 19 percent in 2005 to 40.4 percent in 2013, while in other regions CT claims grew at a slower pace, increasing from 12.4 percent to 19.3 percent of all litigated claims.

Because CT claims were significantly more prevalent and had a much higher level of attorney involvement in the L.A. Basin than in other regions, the authors used two different case-matching models to gauge the effect of these factors on CT claim costs. The first model, which matched the claim samples on all claimant variables except the effects of attorney involvement and region on the non-CT claims, found that the average cost of CT claims was 53 percent higher than the average for non-CT claims (\$73,830 vs. \$48,312). When region and attorney involvement were included in the matched sample, however, the cost difference narrowed to only a 2.1 percent difference in the average medical and indemnity benefits between the CT and non-CT claims (\$68,797 for CT claims vs. \$70,245 for non-CT claims), and the only significant difference was in the average expenses paid, with the CT claims averaging \$3,665 vs. \$2,802 for the non-CT claims. Similarly, comparing average CT and non-CT costs for each of the 9 years studied showed that when the impact of attorney involvement and regional variation were excluded, the estimated payments on CT claims averaged \$16,000 to \$29,000 more than non-CT claims; but when attorney involvement and regional variation were factored in for the non-CT claims, the differences in average payments between CT and non-CT claims largely evaporated. This result confirms the strong association between attorney involvement and the regional variation in the L.A. Basin and the higher costs of the CT claims in the study sample.

The Institute has released the results of the CT study, including additional analyses and graphics in a CWCI Research Note, "Cumulative Trauma in California Workers' Compensation." The report is available to the public for \$22 from the Institute's online store (www.cwci.org/store.html) or can be downloaded by CWCI members and Research subscribers who log in to the Research section of the Institute website www.cwci.org/research.html.

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