



# BULLETIN

No. 17-03

February 15, 2017

CWCI's Regional Score Card on work injury claims filed by residents of California's Central Coast finds that nearly 1 in 4 claims in this region involve agricultural workers; a high percentage of the loss payments involve claims for joint pain and back problems; and though lost time and permanent disability (PD) claims are about as prevalent as in other regions, employers and claims administrators find out about the injuries and initiate treatment more quickly and overall claim durations average 36 days less than in other parts of the state.

The Central Coast Score Card is the sixth installment of CWCI's Regional Score Card series, which focuses on subsets of data from its Industry Research Information System (IRIS) database. The latest Score Card examines data from more than 127,000 workers' comp claims filed by residents of Ventura, Santa Barbara, San Luis Obispo, Monterey and Santa Cruz Counties for accident years 2005-2015, and compares those results to data from more than 1.7 million claims from other parts of the state. Medical and indemnity benefits on the Central Coast claims totaled \$1.86 billion, and the analysis found that during the 11-year span of the study, claims by Central Coast workers accounted for 6.7% of all California work injury claims and 6.3% of paid losses. The abundance of agricultural jobs in the region is evident, as more than 23% of all Central Coast claims involved agricultural workers – the second highest concentration of agricultural claims in the state, a higher percentage than in the Central Valley, and 4 times the proportion noted for all other regions combined.

The demographic profile of Central Coast injured workers shows their average age at injury was 37.7 years, slightly younger than the average of 38.4 years for other claimants, and their job tenure averaged 4.4 years vs. 4.6 years for injured workers from other regions. Males filed 64.1% of the claims in the region, about the same as the 63.5% share noted in the rest of the state, while 43.5% of claims in the region were made against employers that paid \$100,000 to \$999,000 in annual premium compared to 40.1% of claims from other regions, and just 15.7% of the Central Coast claims were made against employers with policies of \$1 million or more vs. 17.5% of claims from other regions.

The top nature of injury categories on the Central Coast were similar to other regions, with strains and lacerations topping the list, though punctures, foreign bodies and multiple physical injuries were all accounted for a slightly higher share of the Central Coast claims. As in the rest of the state, the leading causes of injury were strains due to lifting or not otherwise classified activities, though a slightly larger share of the Central Coast claims involved falls and injuries involving non-powered tools, which may reflect the high proportion of agricultural claims in the region. Also, as in other regions, the 3 most common diagnostic categories associated with Central Coast claims were minor wounds and injuries to the skin, medical back problems without spinal cord involvement (back strains and sprains), and shoulder, arm, knee, or lower leg sprains, which together accounted for more than half of the claims and more than a third of the claim payments. On the other hand, claims for degenerative, infective and metabolic joint disorders made up a larger share of the Central Coast claims (5.6% vs. 3.9% elsewhere) as well as a larger share of the loss payments (12.0% vs. 8.2%). Notably, spine disorders with spinal cord or root involvement, which can be among the most serious injuries, also accounted for a slightly higher proportion of the Central Coast claims, and because they often involve surgeries and extended recoveries, they accounted for 10% of the total losses on Central Coast claims vs. 7.3% of the loss payments in other parts of the state.

The mix of claims by claim type on the Central Coast was nearly identical to other regions, as med-only cases comprised 2/3 of the claims, temporary disability (TD) cases accounted for 1/6 of the claims, PD cases comprised just over 15%, and the balance consisted of handful of death cases that occurred over the 11-year study period. The distribution of payments by claim type also tracked with the rest of the state, as just over 5% of the paid losses in the region went toward med-only claims; almost 12% went toward TD claims; 82.3% went toward PD cases; and less than 1% went toward death claims.

The level of attorney involvement was slightly less on the Central Coast than in other regions of the state, with 47.1% of the AY 2005-2015 lost-time claims involving attorneys, compared to 48.9% for other regions. Similarly the attorney involvement rate for PD claims that were at least three years old ranged from 0.4 to 3.0 percentage points less on the Central Coast than in the rest of California, though in each of the eight accident years examined (2005 through 2012), the litigation rate on the Central Coast PD claims was 80% or above.

Average paid loss and loss development data on indemnity claims show that over the past decade, total loss payments per claim at 12, 24 and 36 months post injury have tended to be slightly higher on Central Coast claims than on claims from other regions. Much of that difference was due to higher indemnity payments, because with the exception of first-year indemnity payments on AY 2008-2010 claims, average paid indemnity was consistently higher on Central Coast claims than on claims from the rest of the state, while medical payments showed no consistent pattern, at times exceeding the average in other parts of the state, and at other times lagging behind that average. Among factors identified in the Score Card that may have affected the amounts paid on the Central Coast claims, and the timing of those payments:

- the speed at which PD claims close (23.5% of the Central Coast PD claims were closed at 24 months post injury vs. 20.7% of PD claims from the rest of the state, and a higher percentage of the Central Coast claims received PD earlier in the life of the claim);
- the high percentage of claims from agricultural workers and claimants receiving translation services, many of whom are lower paid workers facing greater financial pressure to settle their claims and return to work quickly;
- a much shorter time lag to initial treatment (an average of 23.6 days vs. an average of 35.9 days elsewhere), which suggests fewer initial disputes and a higher proportion of accepted claims;
- much narrower differentials between the average and median time lags for employer and carrier notifications and to first treatment, indicating that on the Central Coast the average time lags to these key events were less skewed by outlier claims in which the injury notifications and initial treatment were delayed for long periods.

A review of the most developed loss data (average payments at 36 months post injury) across accident years shows average losses Central Coast claims increased 37.0% from \$26,194 on AY 2005-2007 claims to \$35,874 for AY 2011-2012 claims, slightly less than the 38.7% growth in average loss payments in other regions, which increased from \$25,689 to \$35,625 over the same period. Breaking those payments down by benefit type shows average 36-month paid indemnity on the Central Coast claims rose 29.0% to \$16,759 on AY 2011-2012 claims -- slightly below the 31.7% growth in other regions, where average 36-month indemnity payments jumped to \$16,033. Medical payments were an even bigger cost driver, however, increasing 44.8% to \$19,115 on the Central Coast and 45.0% to \$19,592 in the rest of the state.

Comparing the types and volume of treatment provided on indemnity claims reveals a few notable differences between the Central Coast and other regions. For example, Central Coast claims averaged slightly more visits for evaluation and management (E/M) and for surgery services at 12 and 24 months post injury, as well as more visits for physical therapy (PT) and chiropractic care, though they had the same number of radiology visits and fewer visits for Medicine Section services (i.e., cardiovascular tests, psychological tests and psychotherapy, and physician-administered drugs). Average first-year payments on the Central Coast were lower for radiology, E/M and Medicine Section services, but higher for surgery, PT, and chiropractic care. At 24 months, average payments on Central Coast claims were less for radiology and medicine sections services, about the same for E/M and PT, slightly higher for chiropractic care, but more than 11% higher for surgery services. These payment differences may not only reflect differences in the number of visits, but in the number of services per visit, the mix of services rendered and the use of network discounts. A review of 2014 prescription drug data found that as in the rest of California, opioids accounted for more than 27% of the Central Coast workers' comp prescriptions, and nearly 28% of the region's total drug spend. The list of the top drugs based on total payments, however, found that 4 of the top 10 drugs on the Central Coast were opioids, with Vicodin, Oxycodone, Tramadol and Fentanyl accounting for 20 cents out of every dollar spent on prescription drugs in the region (vs. 17 cents out of every prescription dollar in the rest of the state). Antidepressants were also more heavily used on the Central Coast claims, accounting for 8.4% of the prescriptions vs. 6.1% elsewhere; and 9.3% of the total drug spend, vs. 5.9% elsewhere.

More details and graphics are available in the Central Coast Score Card. CWCI members and subscribers may access this Score Card, and those for Los Angeles, the Inland Empire/Orange County, the Central Valley, the Bay Area, and San Diego in the Research section at [www.cwci.org](http://www.cwci.org). The series continues next month with a look at claims from residents of the state's northernmost counties: Shasta, Del Norte, Humboldt, Lassen, Modoc, Plumas, Siskiyou, Tehama, and Trinity.

BY/

Copyright 2017 California Workers' Compensation Institute

CWCI members may log in to [www.cwci.org](http://www.cwci.org) to view Bulletins and Research Reports. Nonmembers with subscriptions may log in under Resources (subscriber files). Public information is also on the website and nonmembers may order Bulletin/Research subscriptions from the online store.