



BULLETIN

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CWCI's latest Industry Research Information System (IRIS) Regional Score Card finds that job injury claims from the nine northernmost counties of the state offer a very different picture of California workers' compensation experience than most other parts of the state. The data show most of the claims from the Northern Counties are filed by men in blue-collar jobs, a high proportion of which are in high-risk industries, so although the region's workers comprise just 1.1 percent of the statewide work force, they account for 3.3 percent of all California claims and 2.2 percent of the paid losses.

The Institute data on claims from the Northern Counties is the seventh installment of its IRIS Regional Score Card series, which reviews accident year (AY) 2005-2015 claims data for eight distinct regions of the state. The latest Score Card analyses data on nearly 63,000 California workers' compensation claims filed by workers living in Del Norte, Humboldt, Lassen, Modoc, Plumas, Shasta, Siskiyou, Tehama and Trinity Counties – the sparsely populated, heavily forested region that stretches 300 miles across the northern tier of the state from the Pacific Coast along the Oregon border to Nevada – and compares those results to data from more than 1.8 million claims from other parts of the state. During the 11 years covered by the Score Card, claims by workers living in the Northern Counties ranged from 2.7 percent to 3.9 percent of all California workers' compensation claims, and medical and indemnity loss payments on those claims totaled \$738 million. Agricultural workers, including those involved in ranching, forestry, fishing and hunting – accounted for nearly a quarter of all claims from the region (four times the proportion noted for the rest of the state), followed by claims by construction workers, who filed 13.5 percent of the claims (vs. 10.3 percent of claims from other regions); and retail workers who accounted for 11.6 percent of the region's claims, similar to the 11.8 percent share noted elsewhere. Claims from the manufacturing and health care sectors represented about 1 in 10 claims from the Northern Counties, but those proportions were less than in the rest of the state, as were the proportions for all other major industry sectors.

The demographic profile for injured workers from the Northern Counties shows their average age at the time of injury was 37.7 years, slightly younger than the average of 38.4 years for all other claimants, and their average job tenure at injury was 4.0 years versus 4.7 years for injured workers from other regions. Most notable among the demographic differences, men accounted for 70.6 percent of claims from the Northern Counties, which was 7.3 percentage points higher than the percentage for the rest of the state and the highest level noted among all regions of California. In addition, there were fewer large employers in the regions, so a higher proportion of the claims were made against smaller employers, with almost half of the claims in the Northern Counties filed against employers that paid less than \$100,000 in annual premium, compared to less than 42 percent of claims from other parts of California. Data on the regional mix of workers' compensation translation services from 2013 through 2015 show that 3.1 percent of those services involved workers from the Northern Counties, which was slightly below the 3.3 percent of all claims came from the region.

Strains due to lifting or not otherwise classified activities were the top "nature of injury" category, which was similar to other regions, but a higher share of claims in the region cited miscellaneous causes that involved not otherwise classified injuries; falls and slips; animals or insects (which were more than twice as prevalent as in the rest of the state) and foreign bodies in the eye. Strains represented a relatively large share of the Northern County claims, as did many of the "nature of injury" categories for specific injuries (e.g., foreign bodies, punctures, lacerations, and fractures), which likely reflects the high proportion of blue collar jobs in the region. Among the common diagnostic categories, minor wounds and injuries to the skin topped the list in the Northern Counties, followed by medical back problems without spinal cord involvement, and shoulder, arm, knee or lower leg sprains; though in the Northern Counties these three diagnostic groups comprised just over half (50.7 percent) of the claims and 32.5 percent of the loss payments vs. 56.5 percent of the claims and 38.1 percent of paid losses elsewhere. Degenerative, infective and metabolic joint disorders represented a larger share of the Northern Counties' claims (6.6 percent vs. 3.9 percent), and 14.9 percent of the loss dollars vs. just 8.3 percent elsewhere. The distribution by claim type shows that over the 11-year study period medical-only claims represented 67.4 percent of all claims from the North Counties, 1.5 percentage points below the proportion noted in other parts of California, while permanent disability (PD) claims represented just 13.2 percent of the claims from the region, 2 percentage points below

the level in the rest of the state. On the other hand, temporary disability (TD) claims accounted for a much bigger share of the claims -- 19.2 percent vs. 15.9 percent elsewhere. The breakdown of paid losses by claim type shows med-only claims accounted for 5.3 cents out of every claim dollar in the North Counties, about the same as the 5.4 cents noted in other regions, but PD claims consumed a relatively low 78.2 cents of every paid loss dollar in the North Counties -- 3.6 percentage points below the 81.8 percent noted elsewhere. Payments on TD claims, however, accounted for 14.9 percent of paid losses in the region compared to 12 percent in other areas, and death claims, while still less than 0.1% of the claims, consumed 1.6 percent of Northern Counties' loss payments -- twice the proportion noted in the rest of the state.

Just under 40 percent of all AY 2005-2015 indemnity claims from the Northern Counties involved attorneys, which was nearly 10 percentage points below the attorney involvement rate for the rest of the state. Although most PD claims involve attorneys, in the Northern Counties, the attorney involvement rate for AY 2005 -- AY 2012 PD claims that were at least 36 months old also was below that of other regions in 7 out of those 8 years, ranging from 72.9 percent to 84.8 percent during that time frame, compared to a range of 81.9 percent to 85.4 percent in other parts of California.

The paid loss and loss development data show that the average amounts paid on claims from the Northern Counties were less than in other parts of the state at 12, 24 and 36 months post injury across the entire 11-year study period. Average amounts paid for indemnity were less across all years and all levels of claim development, while average amounts paid for medical benefits were less in all cases except for first-year payments on AY 2011-2014 claims, which were 2.3 percent higher. The lower average paid amounts track with several other Score Card findings, including the significantly shorter notification and treatment time lags for claims in the Northern Counties, the high percentage of specific injuries, the lower incidence of PD claims, the lower attorney involvement rates, fewer medical visits -- most notably for Medicine Section services, the small proportion of claims with lien payments, and shorter claim durations across all claim types. Comparing average 36-month payments across accident years, however, shows that while total paid losses per claim have been consistently lower in the Northern Counties, they have grown at a faster rate, increasing 45.2 percent from \$20,993 for AY 2005-2007 claims to \$30,490 for AY 2011-2012 claims, while average loss payments in other regions increased 38.0 percent from \$25,964 to \$35,833 over the same period. Medical payments fueled much of that growth, increasing 55.1 percent in the Northern Counties vs. 44.3 percent elsewhere, though average 36-month indemnity payments on the claims from the Northern Counties also showed significant growth, climbing 34.4 percent to \$13,498 on AY 2011-2012 claims, outpacing the 31.1 percent growth rate in other regions, where average 36-month indemnity payments rose to \$16,187.

The breakdown of medical visits by type of medical service show the types of care rendered to injured workers from the Northern Counties was distinctly different from other regions. At 12 and 24 months post injury, lost-time claims in the Northern Counties averaged about the same number of visits for surgery and radiology, but they involved fewer visits for evaluation and management, Medicine Section services (i.e., cardiovascular tests, psychological tests and psychotherapy, and physician-administered drugs), physical therapy, and chiropractic manipulation. Except for surgery payments, the average 12- and 24-month payments for medical services on indemnity claims in the Northern Counties were less than in the rest of the state across 6 key treatment categories, which may not only reflect fewer visits, but fewer services per visit, a different mix of services rendered, and differences in the availability of lower rates offered through network providers. Data on prescription drugs dispensed in 2014 also revealed differences between the claims from the Northern Counties and other regions. Most notably, opioid painkillers accounted for a higher share of the workers' comp prescriptions in the Northern Counties, accounting for 30.7 percent of all prescriptions in the region compared to 27.2 percent in the rest of the state, and they represented 31 percent of the total drug spend vs. 25.5 percent elsewhere. Vicodin, tramadol, oxycodone and percocet were all among the top 10 drugs dispensed in the region, though the number one drug in terms of total drug spend was the anti-inflammatory celecoxib, which accounted for nearly 9.7 percent of the prescription drug payments in the region, 2.7 times the proportion noted in the rest of the state.

The Northern Counties Score Card includes more detailed data on claims experience within this region. CWCI members and subscribers may access this and other Score Cards in the Research section at www.cwci.org. The series will conclude next month with a review of claims from the 11-county Sierra Region, which encompasses much of California's Gold Country and the mountainous areas that border Nevada from north of Lake Tahoe south all the way to Death Valley.

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