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BULLETIN

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A new CWCI Regional Score Card profiling job injury claims filed by workers from the Sierras finds that more than half of the claims in the region involve workers employed in just 4 industries; 3 diagnoses that represent 4% of the region's claims account for 20% of the loss payments; the region has the highest percentage of temporary disability claims in the state, but permanent disability claims are less prevalent; and despite relatively low attorney involvement rates and short claim durations, over the past decade the Sierras have had some of the fastest growing claim costs in the state.

The Sierra Score Card is the eighth and final installment of CWCI's Regional Score Card series, which focuses on subsets of data from its Industry Research Information System (IRIS) database. The Sierra Score Card examines data from 32,000 claims from accident years (AY) 2005-2015 filed by residents of the 11-county region that runs from the foothills of the Gold Country east to the Tahoe Basin and along the mountainous eastern flank of the state from Sierra County south to Inyo County, and compares the results to those from 1.85 million claims from other parts of the state. Medical and indemnity benefit payments on the Sierra claims totaled more than $500 million over the 11-year study period, and during that span the region accounted for 1.7% of all California workers' compensation claims and 1.7% of paid losses. The concentrated job market in this rural region is evident, as workers from the construction, retail trade, healthcare, and hotel and food service sectors filed 55% of the claims in the Sierras, while manufacturing, clerical, agricultural and wholesale trade workers represented a much smaller share of claims in this region than in the rest of the state.

Males filed 64.9% of the claims in the region, slightly above the 63.5% share noted in the rest of the state, and at the time of injury, injured workers from the Sierras had an average age of 38.4 years, which tracks with the average for injured workers from other regions, though their average job tenure was shorter: 4.0 years vs.4.6 years for injured workers from the rest of the state. Small employers are more prevalent in the Sierras, so 42% of claims in the region were made against employers paying less than $50,000 in annual premium (vs. 30% of claims from other regions), and just 14.1% of the Sierra claims were made against employers with policies of $1 million or more (vs. 17.4% of claims from other regions).

The mix of claims by nature and cause of injury was similar in the Sierras to other regions, with strains and lacerations topping the list, though fractures represented a slightly higher share of the claims in the region, as did injuries caused by non-powered hand tools and objects being lifted or handled; while sprains, contusions, and "all other, not otherwise classified" injuries represented a slightly smaller share. As in other regions, the four most common diagnostic categories among Sierra claims were minor wounds and skin injuries; medical back problems without spinal cord involvement (back strains and sprains); shoulder, arm, knee or lower leg sprains; and other injuries, poisonings and toxic effects; though each of these diagnoses comprised a smaller share of the claims in the Sierras than in other parts of California, so together they represented 57.8% of the Sierra claims vs. 63.6% of claims from other regions. Likewise, claims with these four diagnoses accounted for just 36.3% of paid losses in the Sierras vs. 50.2% in the rest of the state.

Other top 10 diagnoses that comprised a relatively high share of the Sierra claims included shoulder, arm, knee and lower leg wounds and fractures (5.4% vs. 3.7% elsewhere); degenerative, infective and metabolic joint disorders (5.2% vs. 4.0%); and vaccination/ prophylaxis or history of disease -- primarily screenings for harmful exposures (3.2% vs. 1.4%). Together claims with these 3 diagnoses accounted for 21.0% of paid losses in the Sierras compared to 15.3% in the other regions. Also of note, 3 diagnoses not on the top 10 list, but which can be among the most serious and expensive work injuries, were more prevalent in the Sierras than elsewhere: spine disorders with spinal cord or root involvement; head and spinal injuries without spinal cord involvement; and cranial/peripheral nerve disorders. Although together, these 3 diagnoses accounted for only 4.0% of the Sierra claims (vs. 3.1% elsewhere), they consumed 20% of the paid losses in the region (vs. 13.0% in the rest of the state), underscoring just how much of a cost driver they are in the Sierras.

The mix of claims by claim type also differed in the Sierras from other parts of the state, as 19.3% of the Sierra claims were TD cases compared to 15.9% of the claims in other regions; while only 12.9% of Sierra claims resulted in permanent disability (PD), which was 2.3 percentage points below the proportion in the rest of California and the second lowest level among the 8 regions of the state (only the Central Valley had a lower proportion of PD claims). The distribution of loss payments by claim type was also different in the Sierras, which had a smaller share of paid losses going toward medical-only (4.8% vs. 5.4%) and PD claims (79.8% vs. 81.7%), and a larger share going toward temporary disability (14.3% vs. 12.0%) and death claims (1.1% vs. 0.8%).

Another major difference between Sierra claims and those from other regions was the relatively low level of attorney involvement. Among AY 2005-2015 lost-time cases filed by Sierra residents, only 36.3% involved an attorney, which was 12.7 percentage points less than in other regions and the lowest attorney involvement rate in the state. Similarly the attorney involvement rate for PD claims that were at least three years old (AY 2005–AY 2012 claims) ranged from 3.3 to 11.5 percentage points less in the Sierras than elsewhere, with litigation rates within that 8-year span ranging from a low of 70.1% for AY 2011 claims to a high of 80.7% for AY 2007 claims.

Data on average paid losses and loss development for indemnity claims show that over the past decade average indemnity paid at 12 and 24 months post injury has been higher for Sierra claims than for claims from other regions, which may be partly due to the shorter time lags to the initiation of TD and fewer cumulative trauma claims. In contrast, average 36-month indemnity payments on Sierra claims were slightly below the rest of the state from AY 2005-AY 2010, but then increased sharply in AY 2011-2012, jumping ahead of the average for other regions by 9.1%. Comparing paid medical losses at different levels of development shows that for AY 2005-2007 claims average medical payments were less in the Sierras than in other parts of California at 12, 24 and 36 months, but results were mixed for more recent accident years. Among factors noted in the Score Card that may have affected amounts and timing of the Sierra claim payments:

- a high proportion of claims from construction workers (1 in 6 claims in the Sierras vs. 1 in 10 claims elsewhere);
- the mix of injuries, with a high percentage of specific injury claims, including spinal disorders with spinal cord involvement, which accounted for 2.0% of claims in the region, but 10.2% of paid losses;
- shorter time lags to initial treatment (an average of 21.2 days in AY 2013 vs. 35.0 days elsewhere), which along with less attorney involvement, suggests fewer initial disputes and a higher proportion of accepted claims;
- fewer medical treatment visits, and differences in the amounts paid for medical services, with higher average amounts paid for surgery, but lower average amounts paid for all other types of medical services;
- shorter claim durations, which averaged 12.9% less in the Sierras than in other regions (338 vs. 388 days);
- a disproportionately low number of lien claims (the Sierras had 1.7% of all California workers' comp claims, but only 0.6% of the claims with lien payments).

A review of the most developed loss data (average paid at 36 months) across accident years shows average payments on Sierra claims increased 52.2% from $24,337 on AY 2005-2007 claims to $37,031 for AY 2011-2012 claims, far outpacing the 38.2% growth in average loss payments in other regions, which rose from $25,766 to $35,617. This increase may in part reflect a shift in the relatively small Sierra job market, most notably the growth in construction jobs as the region rebounded from the 2007-2009 recession. Breaking the payments down by benefit type shows average 36-month paid indemnity on Sierra claims rose 45% to $19,509 on AY 2011-2012 claims, well ahead of the growth in other regions, where average 36-month indemnity payments rose 31.2% to $16,063. Meanwhile, average paid medical in the Sierras grew even faster, increasing 59.2% to $19,509, while in other regions average paid medical rose 44.6% to $19,554.

Data on 2014 prescription drugs dispensed to injured workers shows opioids were the leading drug category in the Sierras, accounting for 30.8% of the prescriptions (vs. 27.3% in other regions) and nearly 32.5% of the total drug spend (vs. 25.7% elsewhere). The list of the top individual drugs based on volume shows hydrocodone with acetaminophen (Vicodin) accounted for 1 out of 6 workers' comp prescriptions in the region (vs. 1 out of 7 in other areas); though three other opioids, tramadol, oxycodone with acetaminophen (Percocet), and oxycodone also were on the top 10 list. Vicodin, oxycodone, and Percocet, along with morphine and fentanyl, also were among the top 10 in terms of total drug spend in the Sierras, together consuming just under a quarter of the total prescription dollars in the region.

More details and graphics are available in the Sierra Claims Score Card, which CWCI members and subscribers may access, along with the Score Cards for the other seven regions of the state, in the Research section at www.cwci.org.

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