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BULLETIN

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CWCI's latest update to our Regional Data Application provides detailed data on AY 2007 through 2017 claims valued at the end of 2017, allowing members to identify and quantify regional differences and trends in claimant demographics, benefit mix, average payments, attorney involvement, claim closure rates, and employer & carrier notification either for a specific accident year or for a specific period.

As an example, the Institute recently used the application to compare post-SB 863 (AY 2013 – AY 2017) data from over a quarter million indemnity claims, more than half of which came from three distinct metropolitan regions of the state: Los Angeles County (28.7 percent of the claims in the data set); the 9-county San Francisco Bay Area (18.4 percent of the claims); and San Diego County (7.0 percent of the claims). The results, summarized in the table below, quantify key aspects of post-reform workers' compensation experience in each region, while the aggregated data from all eight regions included in the application provide an updated snapshot of statewide results for each metric.

AY 2013-AY 2017 Indemnity Claims Experience a/o 12/31/17: L.A. Co., S.F. Bay Area, S.D. Co. & Statewide

WC Metric	L.A. Co.	S.F. Bay Area	San Diego Co.	All Regions
Avg Age of Claimant (years)	43.7	43.6	42.8	42.9
% of Claims by Females	40.5%	37.7%	41.2%	37.5%
Avg Tenure at Injury (years)	7.2	6.8	5.2	6.2
Avg # of TD Days	59	66	57	63
% Closed a/o 12/31/17	66.1%	70.0%	73.9%	69.2%
Atty Involvement Rate	59.5%	36.3%	46.5%	48.5%
% w/TD Only a/o 12/31/17	50.5%	67.8%	59.3%	59.1%
% w/PD a/o 12/31/17	49.5%	32.2%	40.7%	40.9%
Avg Days to Employer Notice	30	12	16	19
Avg Days to Carrier Notice	47	19	28	32
Avg Medical Paid (w/MCC) a/o 12/31/17	$17,547	$14,530	$14,833	$16,113
Avg Indemnity Paid a/o 12/31/17	$17,085	$16,948	$13,840	$16,123
Avg TD Paid a/o 12/31/17	$ 9,287	$11,650	$ 8,172	$ 9,638
Avg PD Paid a/o 12/31/17	$ 6,101	$ 4,247	$ 4,437	$ 5,131
Avg Expense Paid a/o 12/31/17	$ 3,849	$ 2,057	$ 2,343	$ 2,881
Avg Benefit Paid a/o 12/31/17	$34,631	$31,478	$28,673	$32,236
Avg Total Paid/Claim a/o 12/31/17	$38,480	$33,535	$31,016	$35,117
% of all Calif Claims (all sectors)	28.7%	18.4%	7.0%	100.0%
% of Calif Construction Claims	20.4%	21.3%	8.1%	100.0%
% of Calif Mfg Claims	33.7%	15.7%	5.0%	100.0%
% of Calif Health Care Claims	30.7%	20.3%	8.8%	100.0%
% of Calif Transportation Claims	29.1%	26.3%	4.4%	100.0%
% of Calif Retail Claims	25.3%	18.4%	7.2%	100.0%
% of Calif Admin/Clerical Claims	30.6%	19.8%	8.8%	100.0%
% of Calif Agriculture Claims	2.8%	2.9%	2.9%	100.0%
% of Calif Food Service Claims	34.6%	17.7%	12.1%	100.0%

Source: IRIS Database, V19B

Among the demographic differences, the average age of San Diego County claimants was slightly less than the average for injured workers from Los Angeles County and the Bay Area; San Diego had the highest proportion of female claimants in the state (41.2 percent), closely followed by Los Angeles County, where 40.5 percent of the indemnity claims were filed by women; Los Angeles County injured workers averaged 7.2 years on the job at the time of injury, 1.0 years more than the statewide average and the highest average tenure in the state.

It is well known that litigation is widespread in Los Angeles, but the Regional Application provides an updated look at exactly how much more prevalent it is, noting that among indemnity claims from the past five years, the attorney involvement rate in Los Angeles County was 59.5 percent – 11.0 percentage points higher than the statewide rate, 13.0 percentage points higher than in San Diego County, and 23.2 percentage points higher than in the Bay Area.

Among the post-SB 863 (AY 2013 – AY 2017) indemnity claims, average payments were highest in Los Angeles County for each metric except temporary disability (TD), which was higher in the Bay Area, due at least in part to a greater number of TD days per claim, but likely reflecting higher average wages as well. The Bay Area also had a much higher percentage of indemnity claims that involved TD payments but no permanent disability (67.8 percent in the Bay Area vs. 50.5 percent in Los Angeles County and 59.3 percent in San Diego County), while Los Angeles County had more PD cases, longer time lags between the injury and employer and carrier notice, and a lower claim closure rate, suggesting the continued high prevalence of cumulative trauma claims in the region compared to other parts of California. Overall, during the five-year post-reform period, total payments on open and closed indemnity claims – including benefit and expense payments -- averaged $38,480 in Los Angeles County, which was 9.6 percent higher than the statewide average of $35,117; 14.7 percent higher than the $33,535 average for the Bay Area; and 24.1 percent higher than the average for San Diego County.

The breakdown by payment category shows the average paid for medical treatment, drugs, durable medical equipment, medical-legal expenses, and medical cost containment expenses on indemnity claims from Los Angeles County was $17,547, 20.8 percent higher than in the Bay Area, 18.3 percent higher than in San Diego County, and 8.9 percent higher than the statewide average. In contrast, indemnity payments, (TD, PD, supplemental job displacement benefits, and death benefits) on the Los Angeles County claims averaged $17,085, which was only 0.8 percent more than in the Bay Area, but 6.0 percent more than the statewide average and 23.4 percent more than the average for claims from San Diego County. At the same time, expense payments (allocated loss adjustment expenses including attorney and TPA fees, bill review and UR expense, investigations, and penalties, but excluding medical cost containment) averaged $3,849 on the Los Angeles County claims, 87.1 percent more than in the Bay Area, 64.3 percent more than in San Diego, and 33.6 percent more than the statewide average.

Claim distributions for the top eight industry sectors show that while Los Angeles County accounted for 28.7 percent of all claims in the Regional Application dataset, it had an even higher share of food service, manufacturing, health care, and administrative/clerical claims – indicating to some extent the regional differences in the California workforce. The industry data also show that while the Bay Area accounted for 18.4 percent of all indemnity claims, it represented a notably higher share of claims from the transportation, construction, and health care sectors; while San Diego, which had 7.0 percent of the indemnity claims in the state, accounted for a higher share of claims from the food service, health care, administrative/clerical, and construction sectors.

CWCI continually updates and analyzes regional data compiled from our IRIS data contributors. The next update will include claims & payment data through June 2018. In the meantime, CWCI members can access the latest regional data and graphics by logging on to www.cwci.org and clicking the Interactive Research Tools button from the dropdown menu under the Research tab on the home page. A brief video tutorial is also posted to guide members on how to use the application.

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