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BULLETIN

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CWCI has launched a new, interactive data tool that allows users to examine data on COVID-19 and non-COVID-19 claims in the California workers' compensation system. The first iteration of the tool, built as an online application, posted today and is available to the public. It uses data on California workers' comp claims with dates of injury between January 1 and June 30 of 2019 and 2020, compiled from DWC's Workers' Compensation Information System (WCIS), the Bureau of Labor Statistics, and CWCI's Industry Research Information System. CWCI will expand the tool as more data on claim type and cost are released, but the first iteration offers four areas of analysis, separated by tabs:

- **2020 COVID-19 Claims Data**: Data on 12 different claim characteristics, including the injured worker's county of residence, industry, demographics (age and gender), injury description (body part, nature of injury, cause of injury), payor type (insured and self-insured), and the number and rate of claim denials. Unadjusted data show the number of claims reported to the DWC for specific time frames; adjusted results provide estimates of the final number of claims for that period after accounting for the time lag that exists in COVID-19 claim reporting.
- **2019-2020 California WC Claims**: Data on the 12 different claim characteristics from AY 2019 and AY 2020 (YTD) COVID-19 and Non-COVID-19 claims. This tab allows users to compare results from both years and analyze the declining number of California workers' compensation claims in 2020.
- **Trends**: Total claim volume by month which can be used to track the growth of COVID and Non-COVID claims over time, with filters to determine the growth trends for specific industries and regions.
- **Breakouts:** Additional COVID-19 and Non-COVID-19 claim metrics on denial rates, nested combinations of industry/region/age groups, and the top industry class codes for the various industry sectors.

A separate reference tab and footnotes provide additional detail on the data and the methods used to construct the application, including the method used to develop claim count projections accounting for lags in reporting.

The data app shows that as of July 6, 2020 there were 14,487 COVID-19 California workers' compensation claims reported to the DWC, though that figure includes claims that were still under investigation or that had been denied. Of those 14,487 cases, 66 were death claims. The application derives more detailed data on claims volume, incidence, denials, and other characteristics for the first six months of the accident year from the 14,470 COVID-19 claims reported to WCIS as of July 6, 2020. Although the AY June data is newer and less developed, claim volume has increased steadily over the first six months of this year, so the 4,438 COVID-19 claims currently reported for June represent 30.6% of the total reported for AY 2020 – by far the highest number of claims so far this year. Because of omissions and delays in the reporting of COVID-19 claims, in addition to the raw claim counts from the WCIS data, the application also projects ultimate COVID-19 claim counts for each month using claim development factors from the 2019 WCIS claims data.

The mix of COVID-19 claims by industry has shifted since claim volume began to surge in March, but the health care and public safety/government sectors have consistently accounted for the majority of COVID-19 claims. Health care workers filed 42.8% of the claims reported in the first 6 months of AY 2020, which was 2-1/2 times the 16.2% of the claims that came from the public safety/government sector, which includes police and firefighters. Rounding out the top five industries based on COVID-19 claim volume were retail trade (7.9%), manufacturing (5.4%), and transportation (3.8%).

The regional breakdown of the COVID-19 claim volume for the first half of AY 2020 shows Los Angeles County residents had the highest number of COVID-19 claims (5,115 claims or 35.6% of the claims recorded through June), or nearly 1-1/2 times their share of Non-COVID-19 claims during this period. Among other regions, the Orange County/Inland Empire region had 3,261 COVID-19 claims (22.5% of the statewide total); the 9-county San Francisco Bay Area had 2,374 (16.4%); the Central Valley, stretching from Kern County in the south to Butte County in the North, had 2,014 (13.9%); San Diego had 678 (6.8%); the Central Coast had 275 (2.7%); and the North Counties/Sierras had 98 (1%). The heat map's breakout of COVID-19 claim rates per 10,000 employees by county show Imperial County, the agricultural region east of San Diego, where more than 80% of the residents are Hispanic, had by far the highest COVID-19 claim rate in the state in the first half of 2020: 72.1 claims per 10,000 employees, which was nearly triple the rate for Kings County, which ranked second with a rate of 24.5 claims per 10,000 workers, and well ahead of three other agricultural counties, Tulare (17.2), Napa (14.0) and Glenn (13.4), all of which had higher COVID-19 rates than Los Angeles County (12.9).

The interactive application also features a tab with data from all 339,796 California workers' compensation claims from the first half of AY 2019 (all of which were non-COVID-19 claims) and allows users to compare those results to the data from all 241,969 claims from the first six months of AY 2020. The data screen under this tab allows users to include or exclude the 14,470 COVID-19 claims from the 2020 data set in order to quantify the impact that the COVID claims have had on workers' compensation system so far this year. Users also can isolate results for insured vs. self-insured claims; choose to include or exclude denied claims from the data set, and in order to assess and compare trends, results can be broken out by month for the first half of AY 2019 or the first half of AY 2020, with the AY 2020 claims data including both the volume of claims reported through June, and the projected ultimate number of claims for the first six months of the year after applying the WCIS claim development factors. This tab also allows users to view changes in the total claim distributions by industry; age group; gender; region; denied vs. not denied; injured body part; cause of injury; and nature of injury. Here, for example, users can quantify the shift in the mix of claims by industry since COVID-19 claims have entered the system, with the health care sector increasing to 13.9% of all claims in the first half of AY 2020 (up from 11.1% in the first half of AY 2019), the retail sector increasing to 13.2% (vs. 12.2% a year earlier), and the public safety/ government sector increasing to 11.3% of the AY 2020 claims (up from 9.9% in AY 2019). Likewise, data on the cause of injury show the emergence of the new category "pandemic," which was not even a cause of injury category in 2019, cited in 6% of all claims from January through June of 2020, while similarly, "COVID-19," which was nonexistent as a nature of injury category in 2019, was cited as the nature of the work injury in 6% of all AY 2020 claims.

The application also reveals sharp fluctuations in the claim denial rate for all California workers' compensation claims since the pandemic hit. The overall claim denial rate declined from 12.2% in the first half of 2019 to 9.0% in the first half of this year, though the monthly results for 2020 show significant variation; starting with a denial rate of 10.4% in January and 9.9% in February, then jumping to 12.3% in March, coinciding with the sudden, sharp increase in the number of COVID-19 claims. The March surge in COVID-19 claims helped fuel the increase in the overall denial rate, as CWCI's May 2020 analysis of 1,077 COVID-19 claims filed in the first four months of this year found that 35% had been denied, as 7 out of every 10 workers whose claims were denied tested negative for the virus, with the balance of the denials made after it was found that the employee had not been exposed at work, or for reasons that included the lack of a diagnosis, lack of symptoms, or that the employee had been working at home or refused to take a COVID-19 test.

March also marked a significant change for the California economy and a major shift in working conditions as the pandemic took hold. On March 19, Governor Newsom issued Executive-Order-N-33-20, mandating the statewide stay-at-home order for "non-essential" workers. In the aftermath, millions of workers were laid off, furloughed, or began working from home. That was followed on May 6 by Executive Order N-62-20, which created a disputable presumption of compensability for COVID-19 as it relates to California workers directed by their employers to work outside the home. That order applied to work performed on or after March 19 and ran through July 5. At the same time, the Executive Order reduced the time frame for insurers to determine the compensability of COVID-19 claims from 90 days to 30 days from the filing of a Claim Form. With much of the state's workforce suddenly sidelined or working from home, and many of the COVID-19 claims rebuttably presumed to be compensable, the denial rate for all workers' comp claims fell to 9.2% in April, 6.6% in May and 4.0% in June. Data from the application's "Breakout" tab also details the distribution of employee job class codes among insured employers by industry, which will allow users to track any shift toward Clerical Class Code 8810 (clerical office employee) that has taken place since the shelter in place order took effect and many employees began working from home.

The Institute will continue to update and add new features to the COVID-19 Data Tool as new data becomes available. In the meantime, the application can be accessed from the CWCI website here.

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