



CALIFORNIA WORKERS'
COMPENSATION INSTITUTE

CWCI

Research Highlights

Commission on Health and Safety
and Workers' Compensation

September 15, 2023

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www.cwci.org

About CWCI

- Established in 1964;
- Private, nonprofit organization of insurers licensed to write workers' compensation in California, as well as public and private self-insured employers;
- Primary functions are to collect and analyze claims data to improve benefit delivery to injured workers, identify systemwide trends, and address key issues of interest to the workers' compensation community and public policymakers;
- Senior Staff of highly experienced experts;
- Dedicated to improving the California workers' compensation system through:
 - ✓ Education
 - ✓ Information
 - ✓ Research

Areas of Research

- Benefit Development
- Medical Treatment and Pharmacy Trends
- Access to Care
- Industry and Regional Variation
- Cumulative Trauma
- Models of Proposed and Enacted Statutes and Regulations
- COVID-19
- On-line Applications

Commentary

- Rules and Regulations
- Significant Court Decisions
- Amicus and Moot Court



Agenda

- COVID and Non-COVID Claims Interactive Application
- Cumulative Trauma
- Medical-Legal Fee Schedule / QMEs

Interactive Application – COVID and Non-COVID Claims

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California Workers' Compensation Institute

Research Regulatory Legal Communications Store About

Research Reports

COVID-19 & Non-COVID Interactive App

Interactive Research Tools

Independent Medical Review

Decisions: 2015 Through June 2021

... latest analysis of IMR activity and ... shows the decline in the number of ... independent medical reviews continued in the ... half of 2021

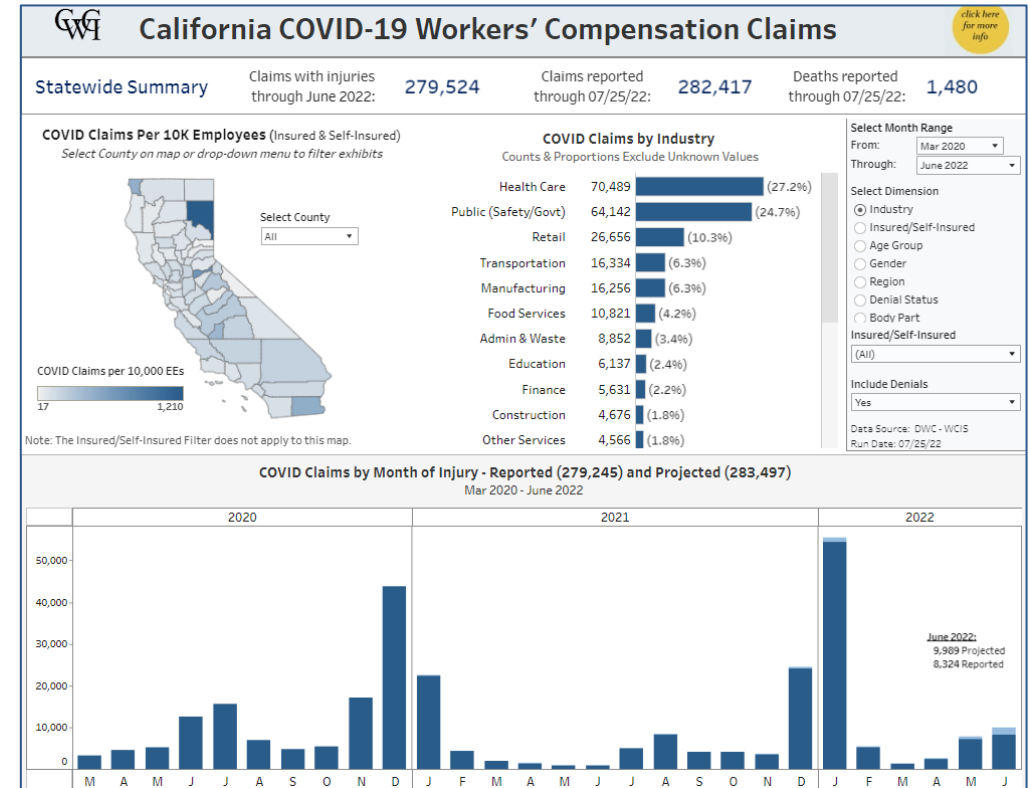
Read more >

CWCI Presents
Ellen will be presenting on two panels for the CSIMS Annual Meeting Oct 21-24.

Events
Member-only CWCI Legal Committee's meeting on 11/4.

Product Highlights
California Workers' Compensation Inpatient Hospitalization...

www.cwci.org



California's Working (18-65) Population to Workers' Compensation Claims

As of August 21, 2023

California Working Age:

Infections: 9,687,336
Deaths: 32,409

Percent of California Cases:

Infections: 78.3%
Deaths: 31.0%



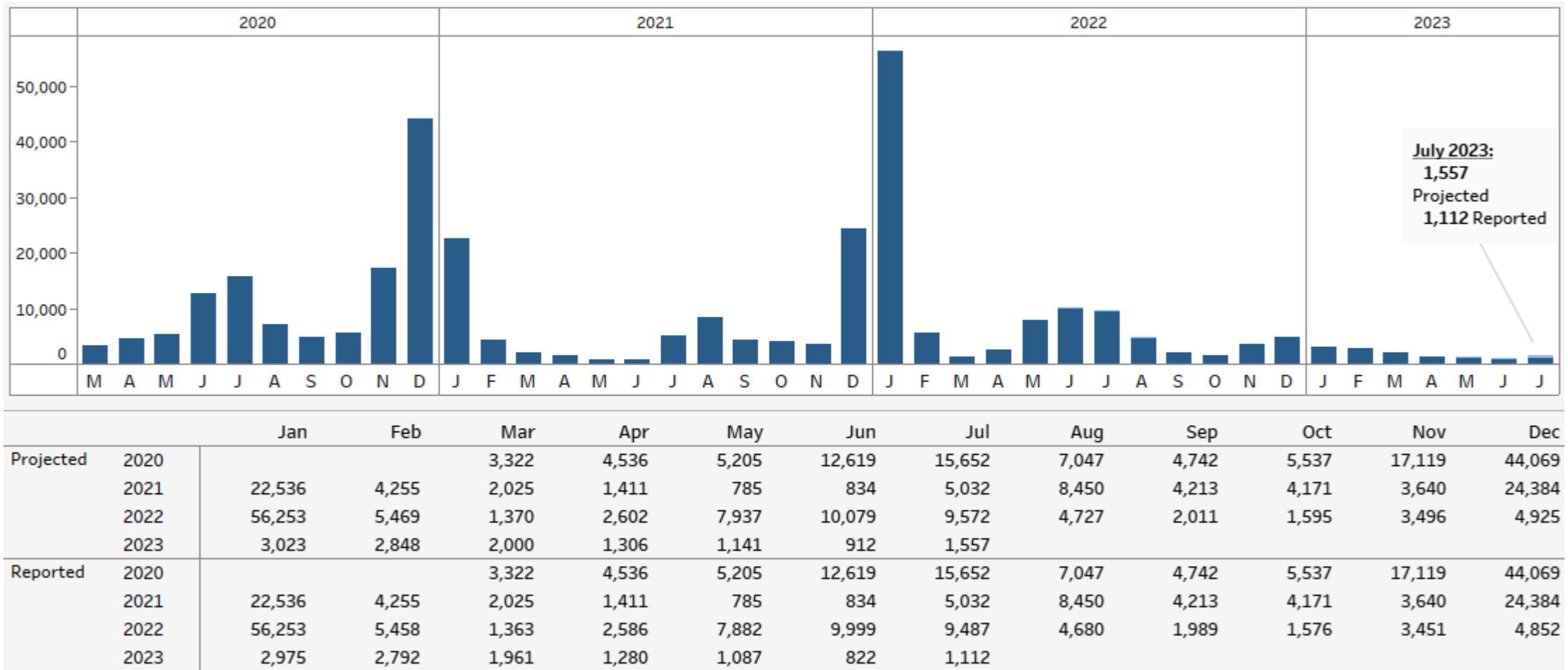
California Workers' Comp:

Claims: 323,992
Deaths: 1,666

Percent of CA Working Age Cases:

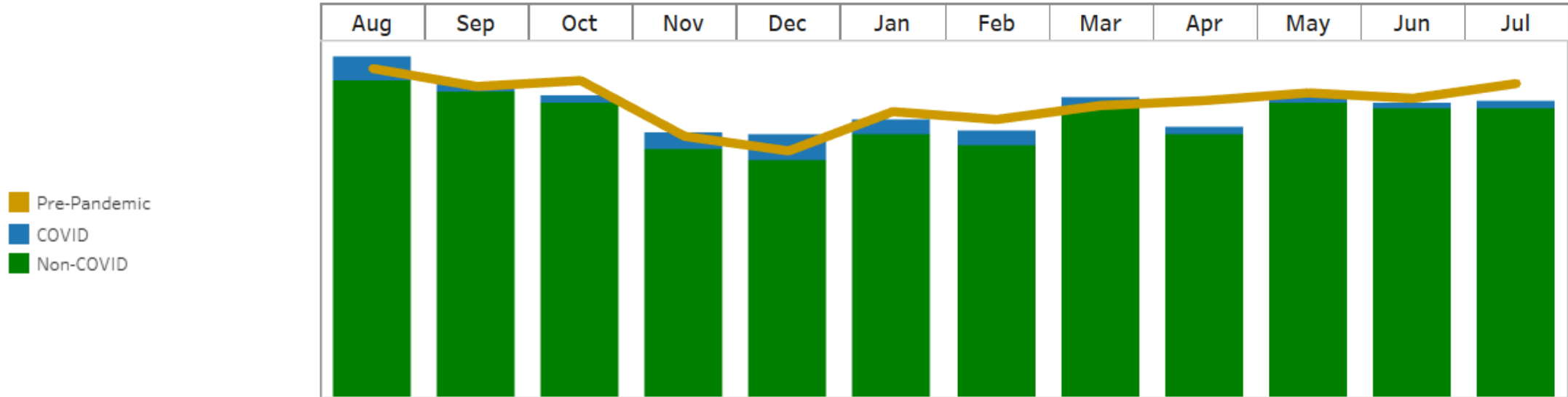
Claims: 3.3%
Deaths: 5.1%

COVID-19 Claims by Month of Injury



■ COVID Claims Reported
■ COVID Claims Projected

Projected Claims August 2022 – July 2023 Compared to Pre-Pandemic Counts (Insured & Self-Insured Claims)



	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Total
Pandemic: August 22 to July 23	66,504	61,647	59,040	51,856	51,238	54,265	51,984	58,566	52,727	58,514	57,395	57,906	681,643
Pre-Pandemic	64,367	60,876	62,031	51,135	48,282	55,952	54,425	57,149	58,114	59,622	58,552	61,447	691,952
Diff (Pandemic/Pre-Pandemic)	3%	1%	-5%	1%	6%	-3%	-4%	2%	-9%	-2%	-2%	-6%	-1%
Diff Non-COVID (Pandemic/Pre-Pandemic)	-4%	-2%	-7%	-5%	-4%	-8%	-10%	-1%	-12%	-4%	-4%	-8%	-6%
Percent COVID Projected	7.1%	3.3%	2.7%	6.7%	9.6%	5.6%	5.5%	3.4%	2.5%	2.0%	1.6%	2.7%	4.3%

Industry Distribution – Non-COVID Claims

January-July of Each Year (Sorted by 2023)

<u>Industry Sector</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Retail	12%	13%	14%	13%	13%
Health Care	11%	12%	11%	11%	11%
Manufacturing	10%	11%	11%	9%	9%
Public (Safety/Govt)	8%	9%	9%	9%	9%
Admin & Waste	9%	9%	9%	9%	8%
Education	7%	5%	4%	7%	7%
Food Services	6%	5%	6%	6%	6%
Transportation	6%	7%	8%	7%	6%
Construction	5%	5%	5%	5%	4%
Wholesale	3%	3%	3%	4%	4%
Agriculture	4%	4%	4%	3%	3%
Professional & Tech	3%	3%	3%	3%	3%
Other Services	3%	3%	2%	2%	3%
Arts & Rec	2%	2%	2%	2%	3%
Accommodation	2%	2%	1%	2%	2%

Distributions have generally returned to 2019 levels

Source: DWC – WCIS as of 8/21/23

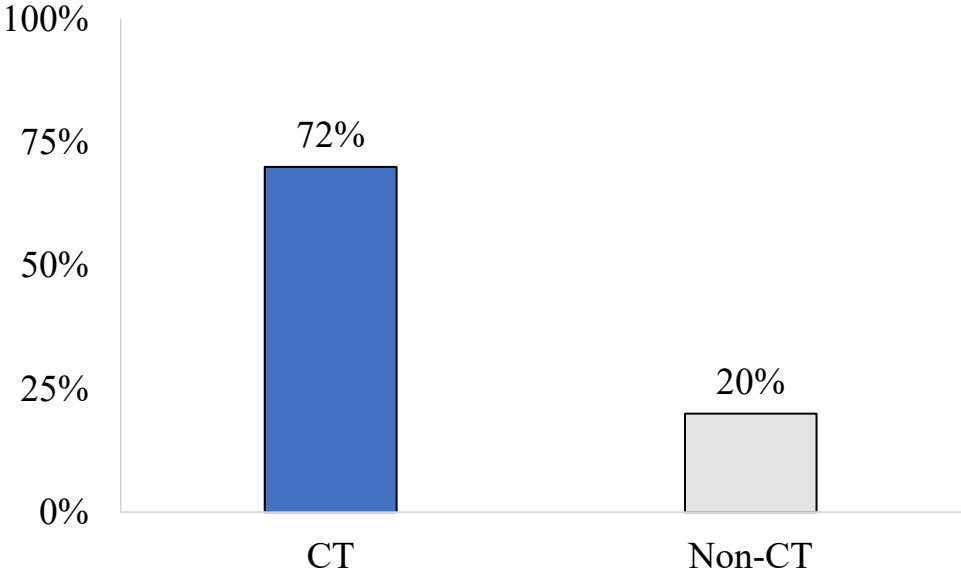
Cumulative Trauma Study

Study Objectives

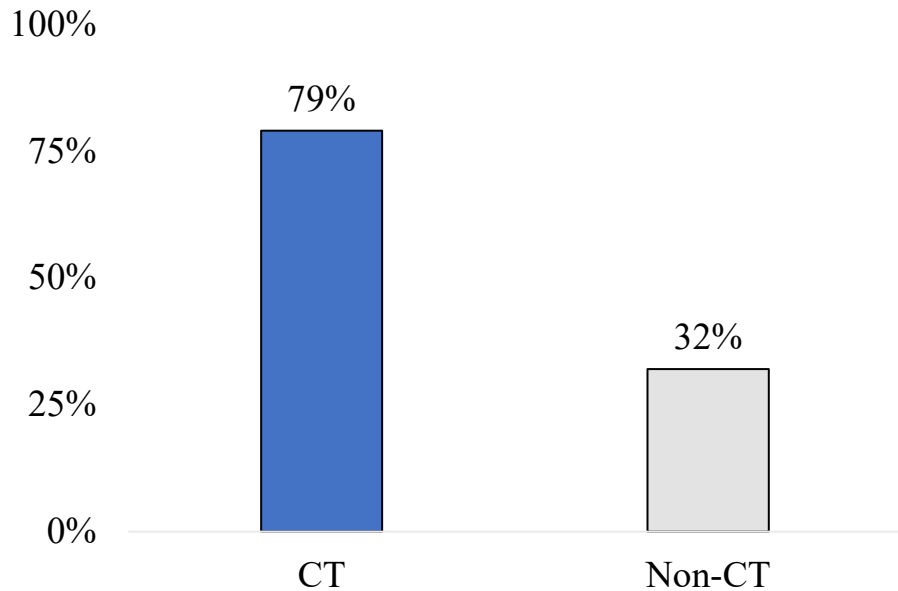
- Identify claim characteristics associated with the proportions of CT claims (2018-2021)
 - Characteristics of the injured workers (*e.g.*, age and industry)
 - External factors such as geographic region and attorney involvement
- Examine recent trends in the proportion of CT claims within the California workers' compensation system (2010-2021)

Litigation Rates

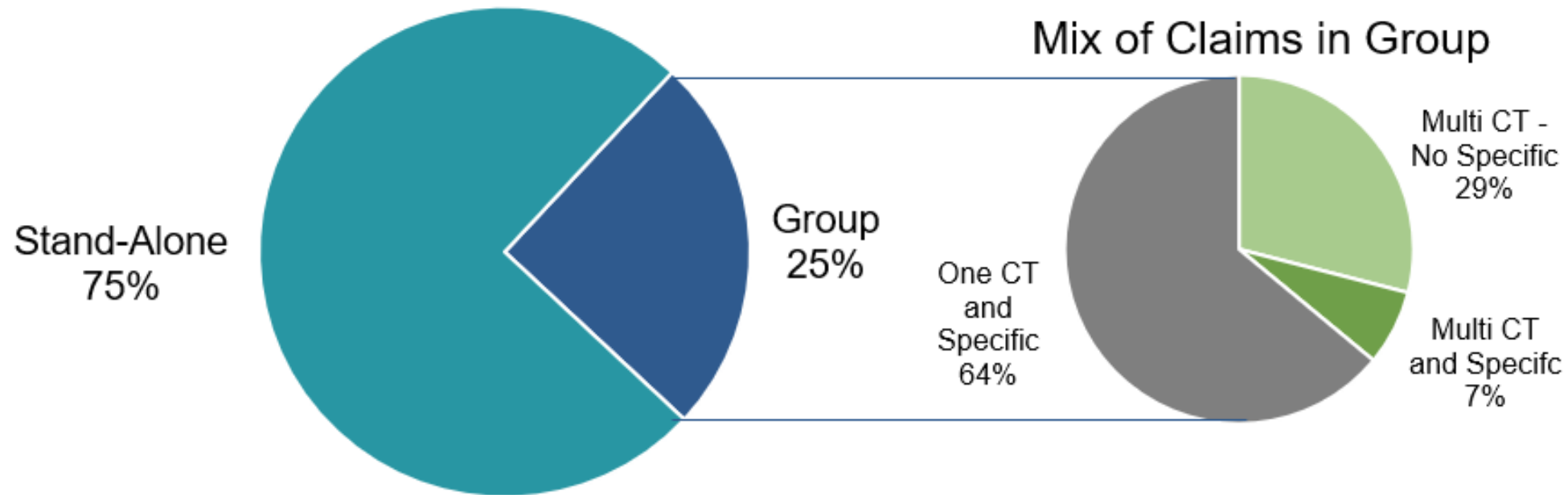
Percent Litigated



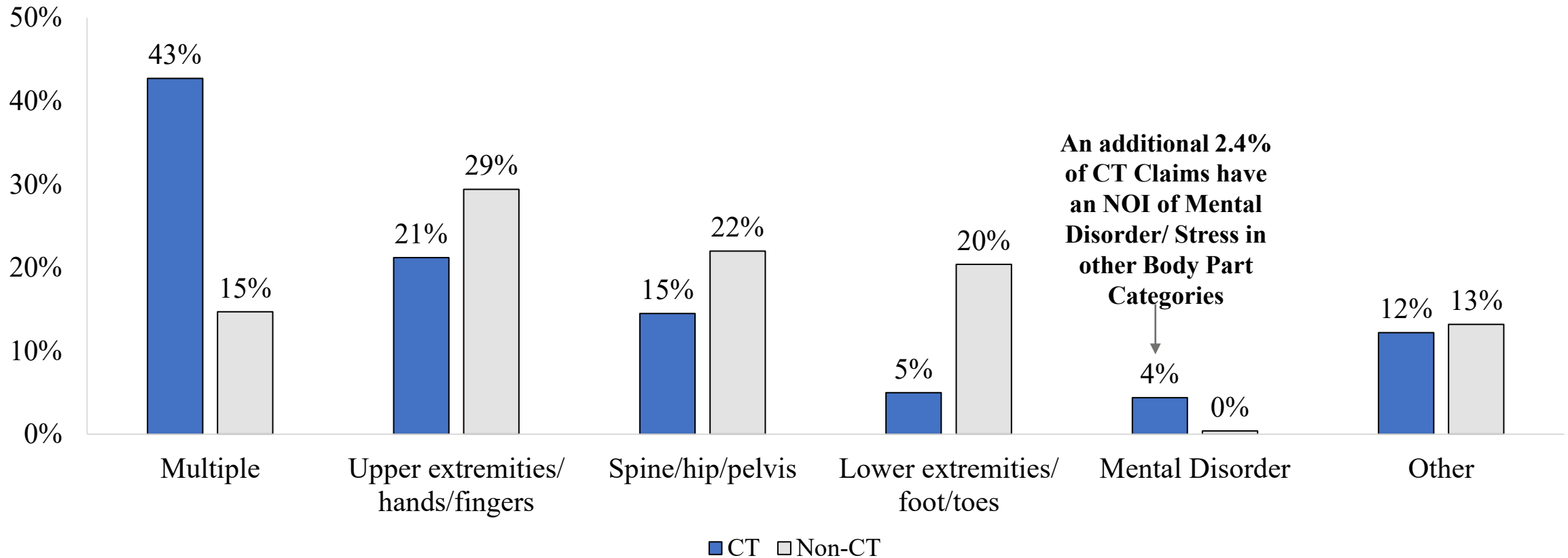
Percent of Litigated Claims with Initial Reporting by Attorney (Application First Notice)



CT Claims: Stand-Alone vs Overlapping with Other Claims



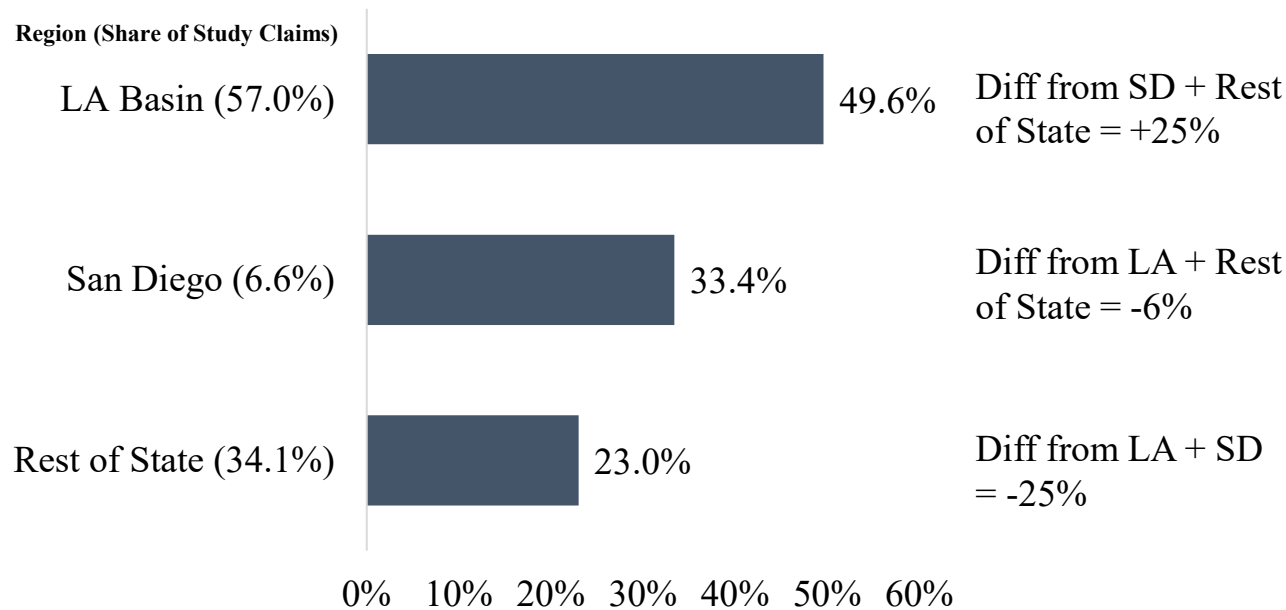
Distribution of Claims by Body Part



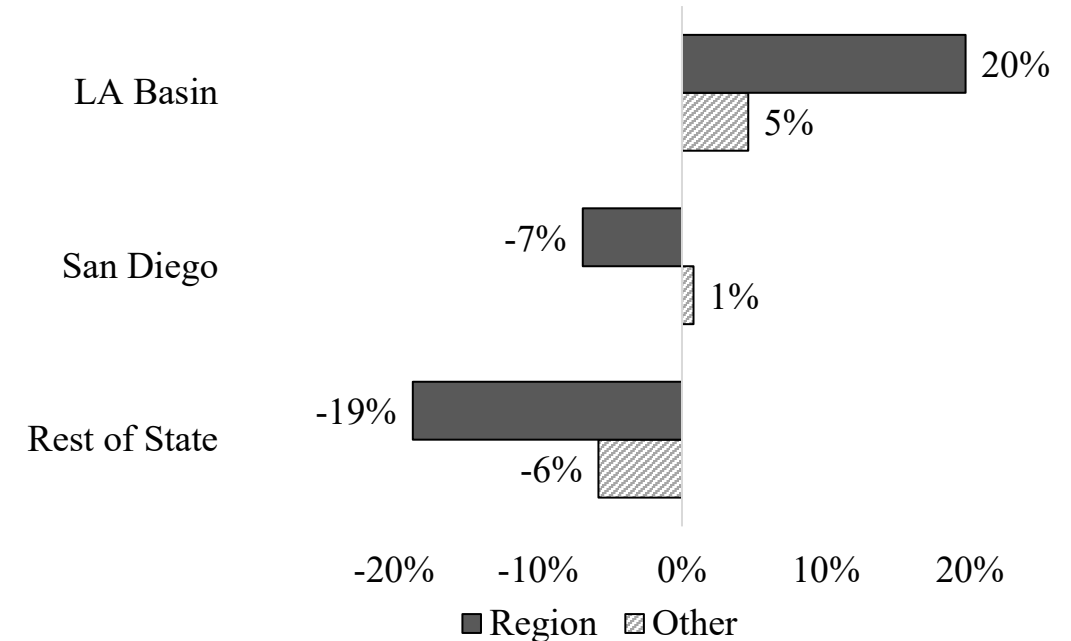
CT claims are more likely to be classified as involving multiple body parts than non-CT claims

Region: CT as a Percent of Litigated Claims

Percent CT By Region
(Notice Years 2018-2021)



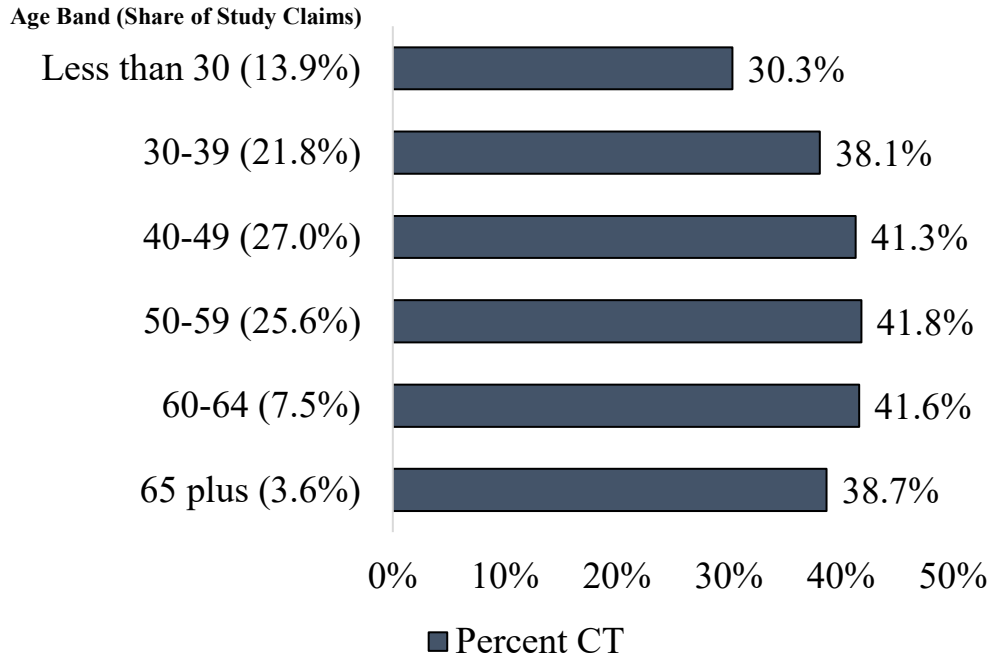
Regression Results
PPT Difference from Average of Other Regions
Explained by Region vs Other Factors



- There are large variations in the LA Basin (LA, Orange, San Bernardino, Riverside, and Imperial Counties) compared to San Diego and the Rest of the State
- Regression results show that region is the predominant reason for the differences compared to other factors

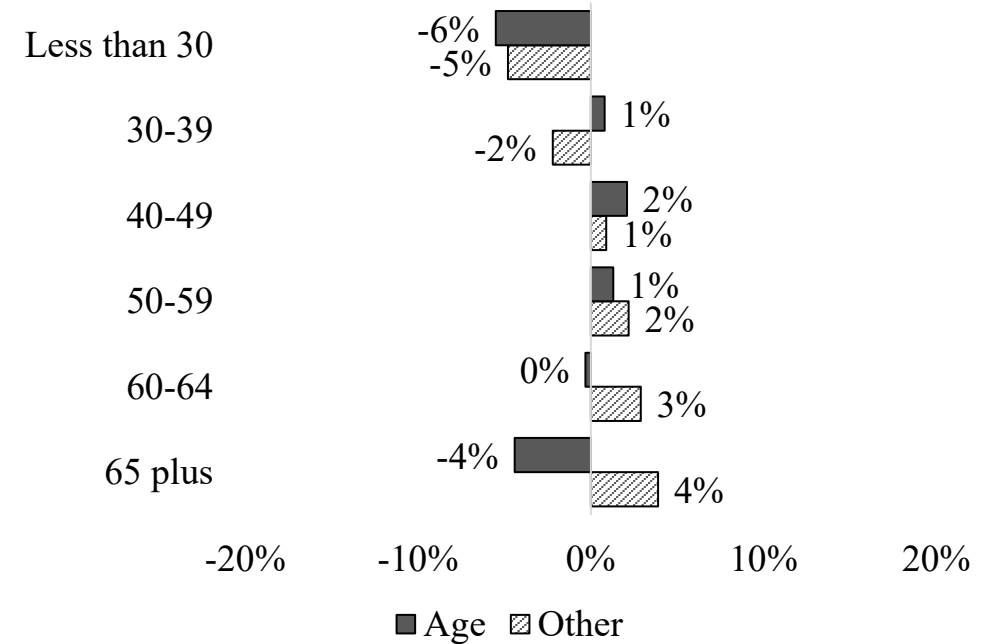
Age: CT as a Percent of Litigated Claims

Percent CT By Age Band



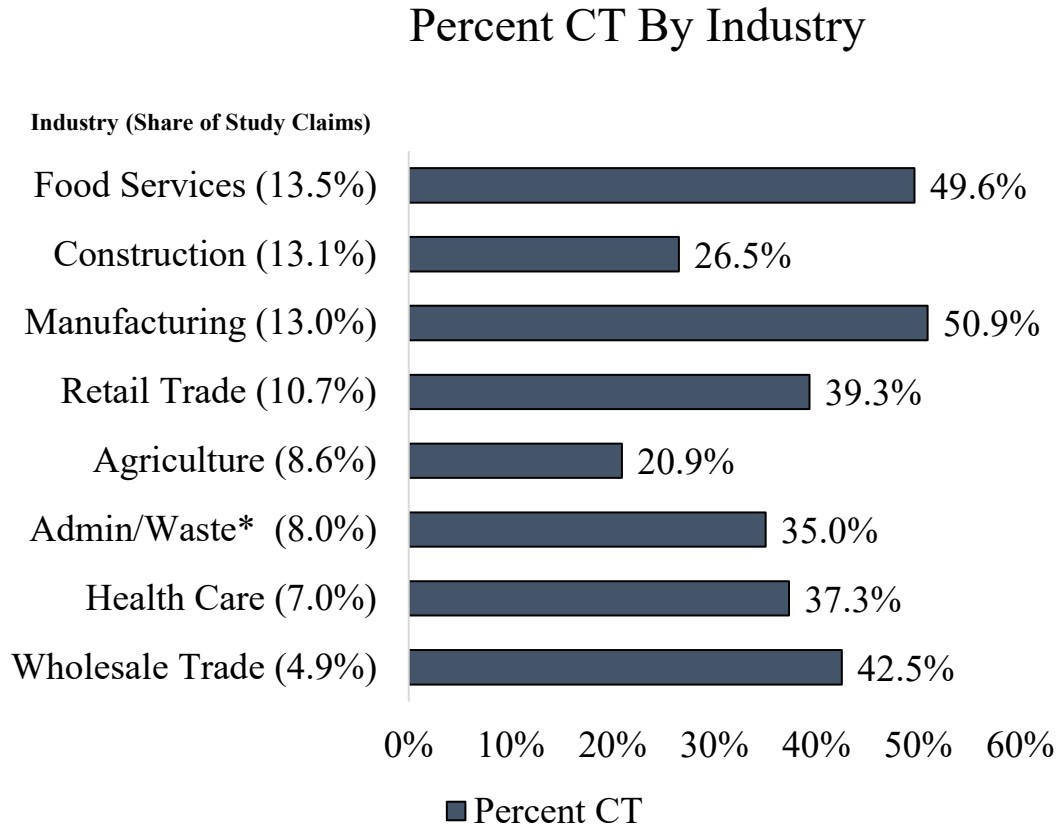
Regression Results

PPT Difference from Average of Other Age Bands Explained by Age Band vs Other Factors

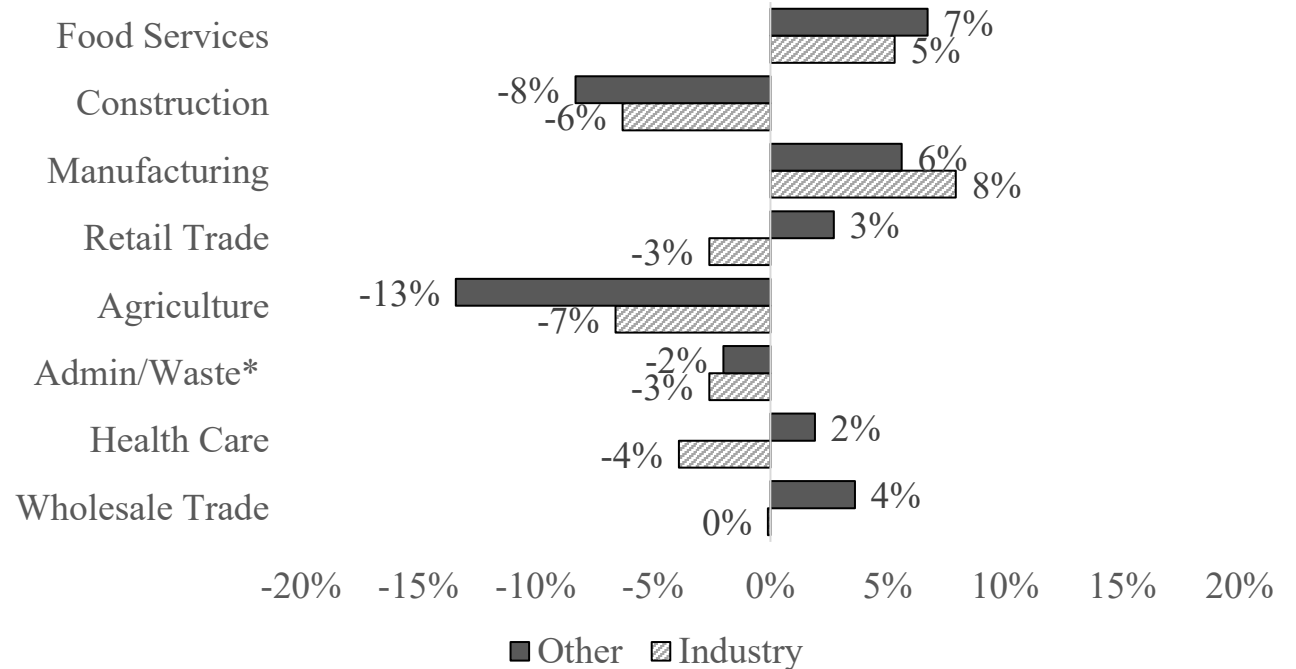


- The age at injury for 36% of CT claims was under 40
- Regression results show that Age has the largest influence on differences in the under 30 and over 65 plus age groups and moderate influence for ages 40-59 compared to other factors

Top Industries: CT as a Percent of Litigated Claims



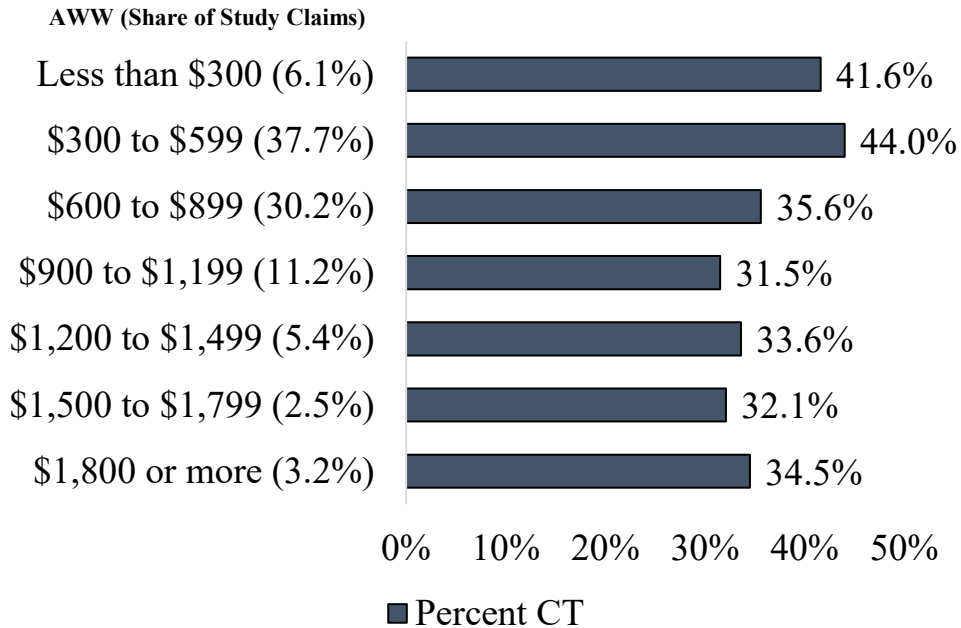
Regression Results
PPT Difference from Average of Other Industries Explained by Industry vs Other Factors



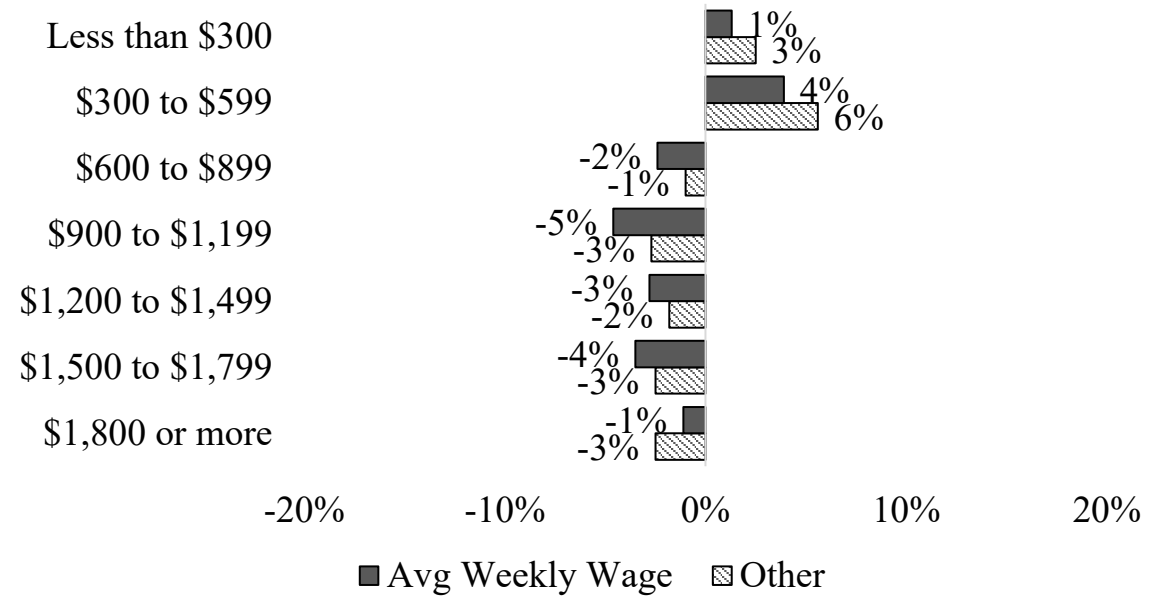
- Food Services and Manufacturing have high rates of CT with similar influence of Industry and other factors
- Agriculture and Construction have lower than average share of CT claims

Average Weekly Wage: CT as a Percent of Litigated Claims

Percent CT By Average Weekly Wage (AWW)

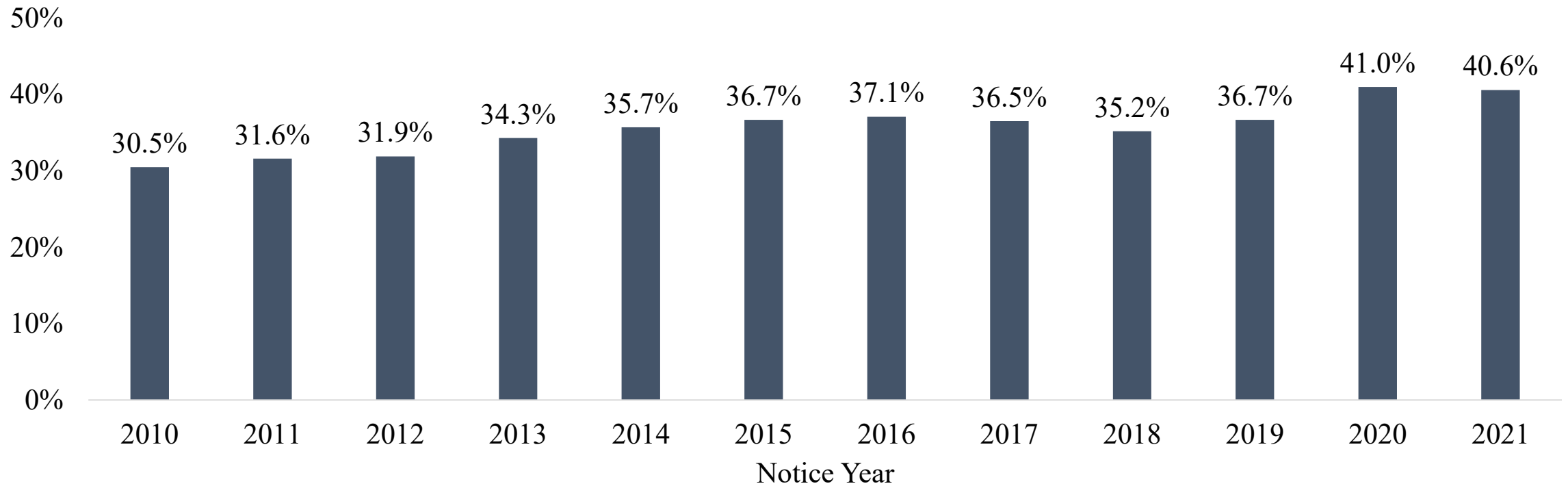


Regression Results
PPT Difference from Average of Other AWW Categories
Explained by AWW vs Other Factors



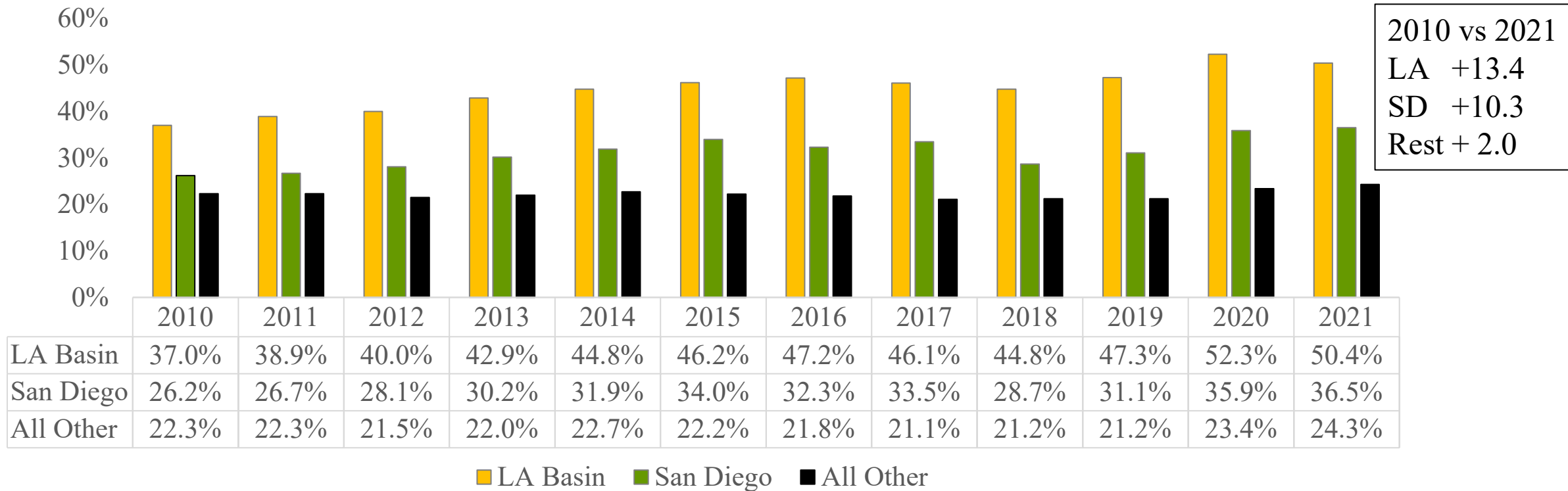
Lower wage workers have higher shares of CT claims with the differences explained comparably by wage and other factors

CT as a Percent of Litigated Claims



CT claims as a percent of litigated claims peaked in 2020 for the State as a whole


CT as Percent of Litigated Claims By Region



The increase in the share of CT claims over time was driven by LA and San Diego and not the other parts of the State

Results from July 2022 Study (Update Pending)



 California Workers' Compensation Institute

Research Update

An Early Look at the Impact of the New Med-Legal Fee Schedule
Stacy L. Jones, M.A. July 2022*

Executive Summary

Medical-legal evaluations and their associated reports serve an important function in the California workers' compensation system, offering expert medical opinion to resolve medical disputes. Efficient and timely resolution of medical issues allows a case to move forward and a worker with a claimed injury to have their claim equitably resolved. Building on previous research on this topic, this study assesses the initial impact of changes to the reimbursement rules and fees that were implemented April 1, 2021. Key findings include:

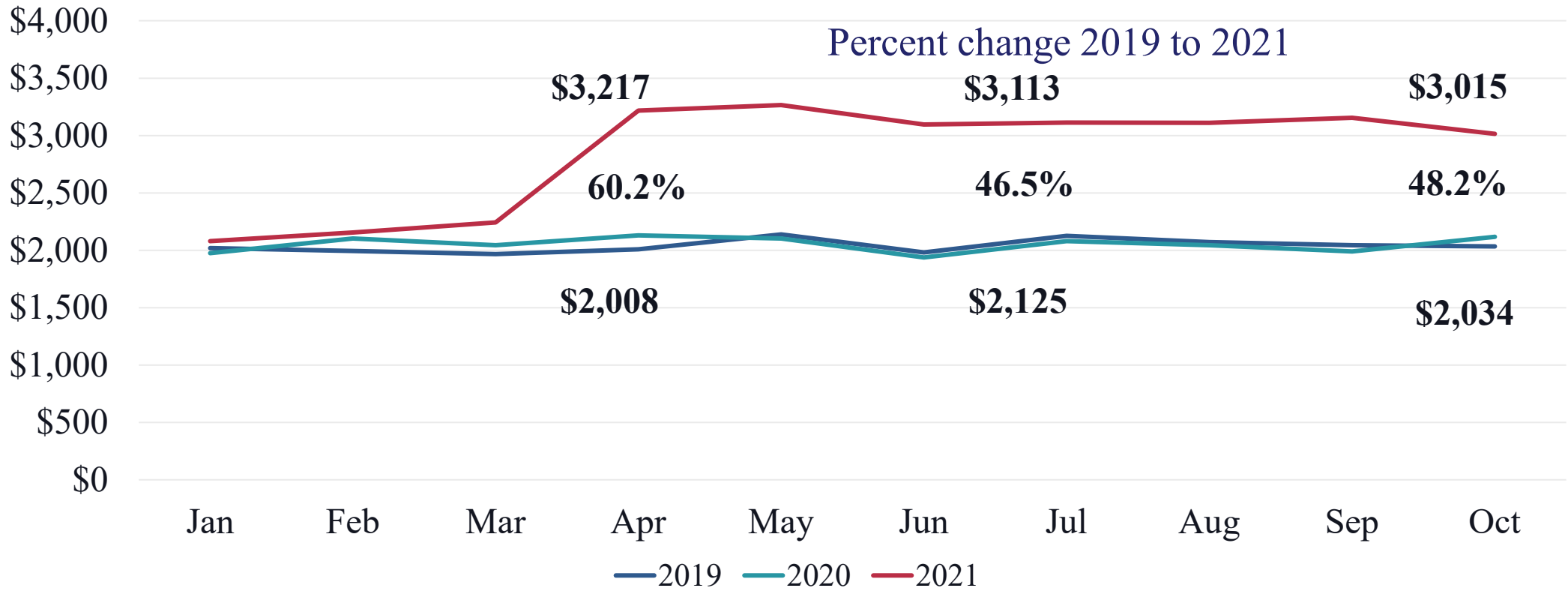
- Compared to the same time period in 2019, the average payment for a comprehensive evaluation that includes a face-to-face examination of the injured worker increased by 52.9 percent.
- The average payment for supplemental evaluation reports increased by 39.1 percent when comparing service payments from 2019 to those from 2021.
- The new per-page record review fee added, on average, \$1,917 to the base fee for comprehensive evaluations, \$1,410 to the base fee for follow-up evaluations, and \$1,437 to the base fee for supplemental evaluation reports.
- Physicians specializing in orthopedic surgery provided 53 percent of the medical-legal services during 2021 – internal medicine physicians were a distant second providing 9 percent of the services.
- The average number of reports varies with the age of the claim with injuries between 2000 – 2014 having 9 reports per claim and more recent, less developed claims from 2017 – 2021 ranging from 1.1 to 4.2 reports.
- 211 new physicians joined the pool of certified Qualified Medical Evaluators (QMEs) in 2021, while only 18 physicians became inactive, resulting in 2,554 active evaluators, a 3 percent increase from 2020 but a 1 percent decrease from 2019.
- The median number of service locations per QME increased from three in 2019 to four in 2021, with 36.9 percent of the QMEs registering 10 or more locations in 2021.

Medical-Legal Fee Schedule

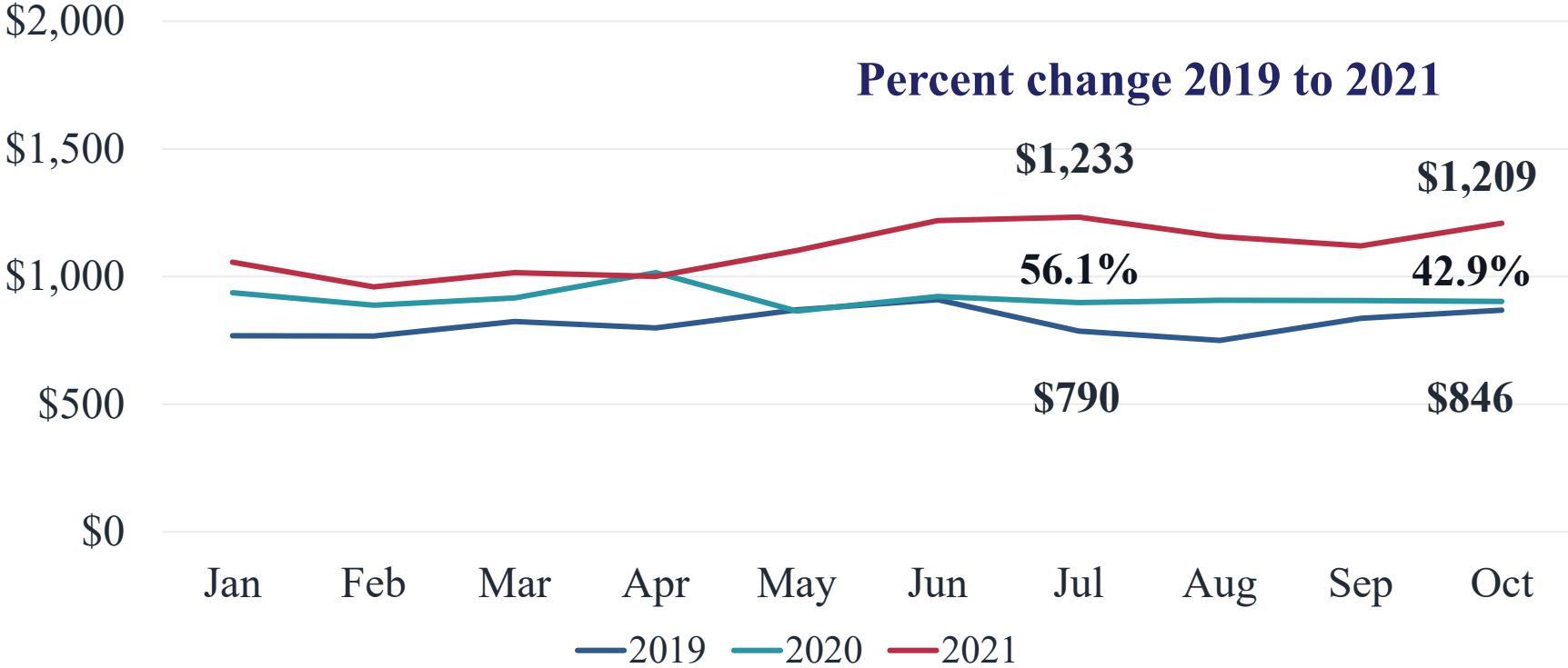


2006 MLFS	2021 MLFS
Missed Appointment	
ML100 - "does not imply compensation is necessarily owed"	ML200 - flat fee of \$503.75
Comprehensive Medical-Legal Evaluations (involves face-to-face examination)	
ML102 - flat fee of \$625	ML201 - flat fee of \$2,015 plus \$3.00 per page for records exceeding 200 pages
ML103 - flat fee of \$937.50	
ML104 - \$62.50/15 minutes (\$250/hour)	
Follow-up Medical-Legal Evaluations (involves face-to-face examination)	
ML101 - \$62.50/15 minutes	ML202 - flat fee of \$1,316.25 plus \$3.00 per page for records exceeding 200 pages
Supplemental Evaluation Report (no face-to-face examination)	
ML106 - \$62.50/15 minutes	ML203 - flat fee of \$650 plus \$3.00 per page for records exceeding 50 pages
Medical-Legal Testimony	
ML105 - \$62.50/15 minutes (\$250/hour)	ML204 - \$455/hour
Review of Sub Rosa Recordings	
Not separately paid	ML205 - \$325/hour
Per Page Record Review	
Not separately paid	MLPRR - \$3.00/page

Average Paid by Month for Comprehensive Evaluations (ML102, ML103, ML104, ML201)



Average Paid Supplemental Reports by Service Month (ML106 and ML203)



Prior to April 2021 payment was time-based

- \$62.50/15 minute increments

New schedule

- Flat fee of \$650
- Add-on of \$3.00 pp for records in excess of 50 pages

New fee effective for services **requested** on or after April 1, 2021

Per Page Record Reviews for Additional Pages*

Service Type	Percent w/ MLPRR	Median Pages	Avg Pages	Max Pages	Median Paid	Avg Paid	Max Paid
Comprehensive w/ MLPRR	40.1%	273	639	13,412	\$819	\$1,917	\$40,236
Follow-up w/ MLPRR	25.0%	204	470	6,697	\$612	\$1,410	\$20,091
Supplemental w/ MLPRR	30.3%	162	479	17,538	\$486	\$1,437	\$52,614
MLPRR Only		233	665	7,436	\$699	\$1,995	\$22,308

*All values are reflective of the MLPRR codes only and do not include base pages or flat fees for underlying service type.

Claims with Medical-Legal Service During 2021 by Accident Year	
AY	Pct Claims
2000-2014	9.2%
2015	3.6%
2016	5.4%
2017	8.5%
2018	14.7%
2019	27.6%
2020	26.8%
2021	4.2%

Distribution of Certified QME Specialists by Calendar Year

The Goal



QME Population Change			
	2019	2020	2021
Active	2,571	2,489	2,554
Inactivated	143	158	18
Added	N/A	77	211

2019 to 2020: **-3.2%**
 2020 to 2021: **+2.6%**
 2019 to 2021: **-0.7%**

QME Specialty Mix - Calendar Year Comparison			
	2019	2020	2021
Chiropractic	19.1%	18.8%	18.1%
Orthopedic Surgery	16.9%	16.5%	16.6%
Psychology	14.4%	14.1%	13.2%
Spine	9.9%	11.8%	11.6%
Psychiatry	6.5%	6.1%	6.0%
Internal Medicine	5.1%	4.9%	4.9%
Hand	4.0%	3.9%	3.9%
Physical Medicine & Rehab	3.7%	3.5%	3.7%
Pain Medicine	3.7%	3.4%	4.1%
Neurology	2.3%	2.5%	2.6%
Top Ten Total	85.6%	85.5%	84.6%



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Questions?

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