



**Workers' Compensation  
CLAIM FOR COMPENSATION**

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# **COVID-19 in the California Workers' Compensation System: A study of COVID-19 claims and presumptions under Senate Bill 1159**

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Compensation



# California Created Rebuttable Presumptions Covering COVID-19

- Temporary presumption for most employees working outside the home established by Executive Order N-62-60 (signed 5/6/2020)
- SB 1159 (enacted 9/17/2020) codified temporary presumption and created two new presumptions moving forward:
  - LC 3212.87 (*Frontline worker* presumption)
    - Health care and public safety workers
  - LC 3212.88 (*Outbreak* presumption)
    - All others working outside home in outbreak period
    - Outbreak = 4 cases (smaller employers) or 4% of workers (larger employers) at job site within 14 days

# SB 1159 Included Other Changes to Benefits, Reporting, Claim Timelines

- Approved cases receive full WC benefits, but with two changes to temporary disability (TD)
  - Three-day waiting period eliminated
  - Requirement that workers exhaust special pandemic sick leave (state or federal) before TD
- Shortened timelines for claim denial
  - 30 days for frontline worker presumption
  - 45 days for outbreak presumption
- Employers must report positive tests to claims administrators for outbreak tracking

# We Used a Mixed-Methods Approach to Address Research Goals

- Qualitative: Key informant interviews with
  - Workers who contracted COVID-19 and inquired about or who used WC for a COVID-19 claim
  - Public health officials
  - claims administrators
  - Employers from frontline, outbreak industries
- Quantitative:
  - Analyzed WCIS claims data extracted August 2021
  - Described claim rates, outcomes, and costs
    - by presumption section
    - by occupation/industry
- Study informed by two Technical Advisory Group meetings

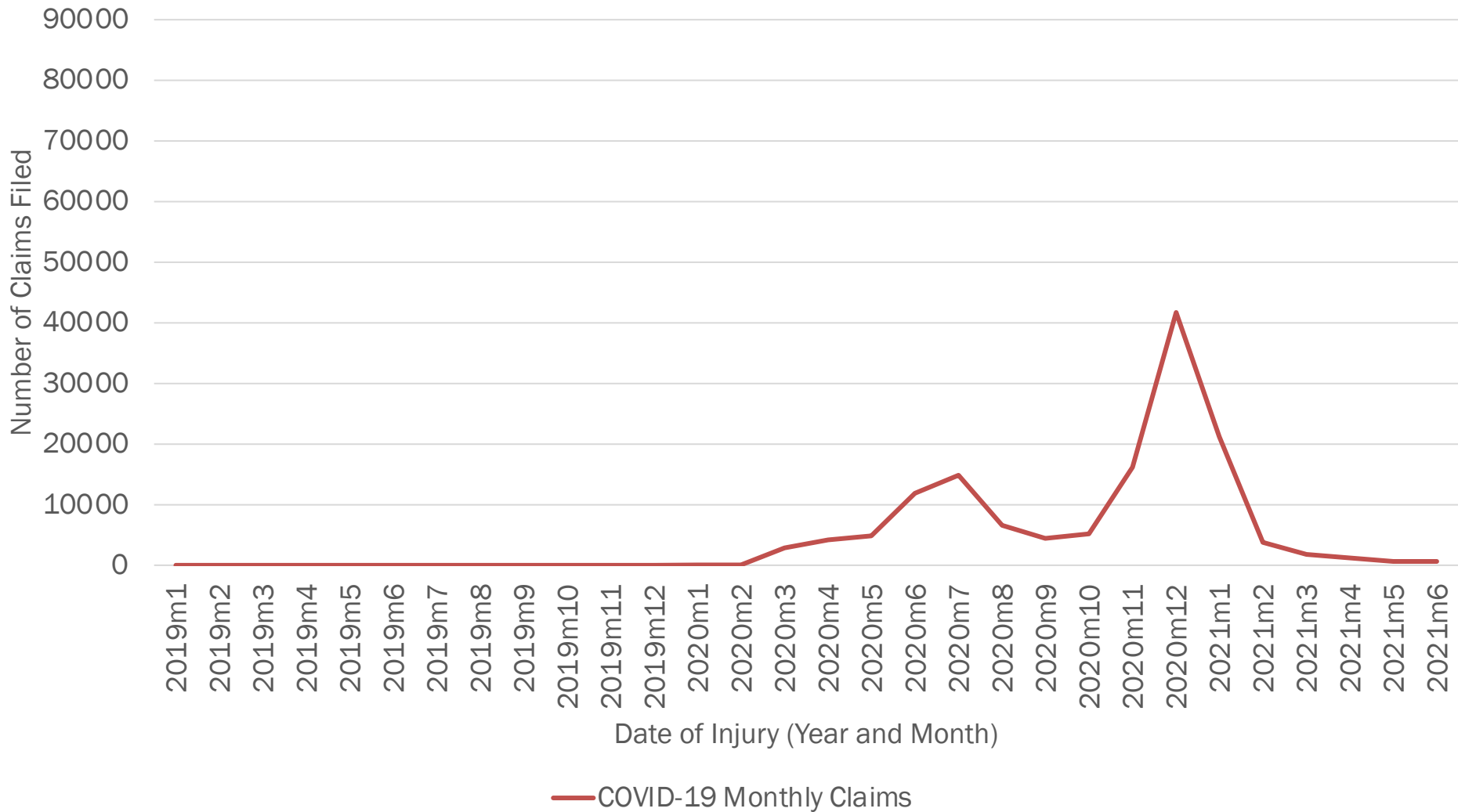
# Outline for Presentation of Findings

- Describe COVID-19 Claims, Outcomes and Costs
- Examine Factors that Affected *Workers* concerning COVID-19 Claims
- Examine Factors that Affected *Employers* concerning COVID-19 Claims
- Conclusions and Policy Implications

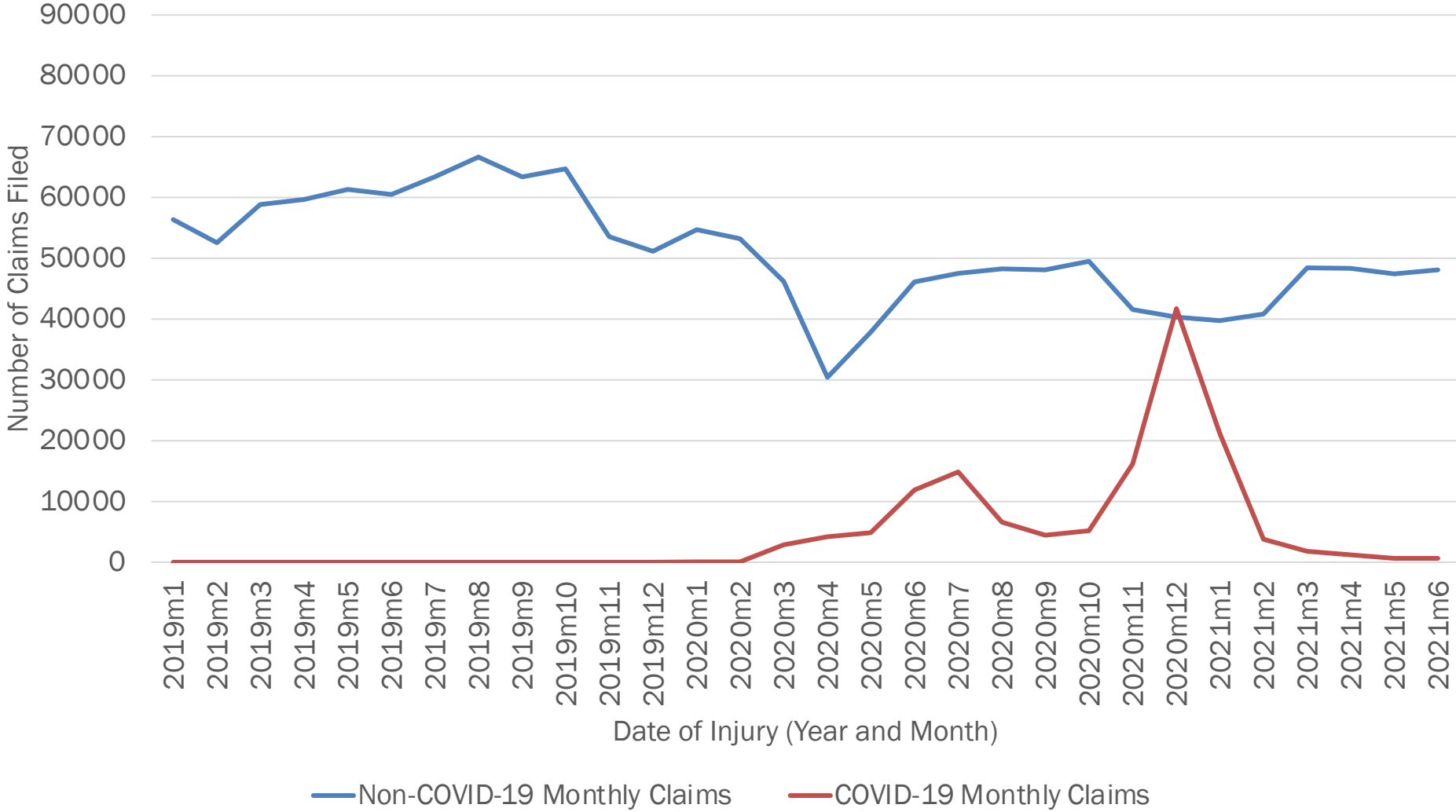
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# COVID-19 Claim Volumes Reflected Case Surges, Peaking in December 2020

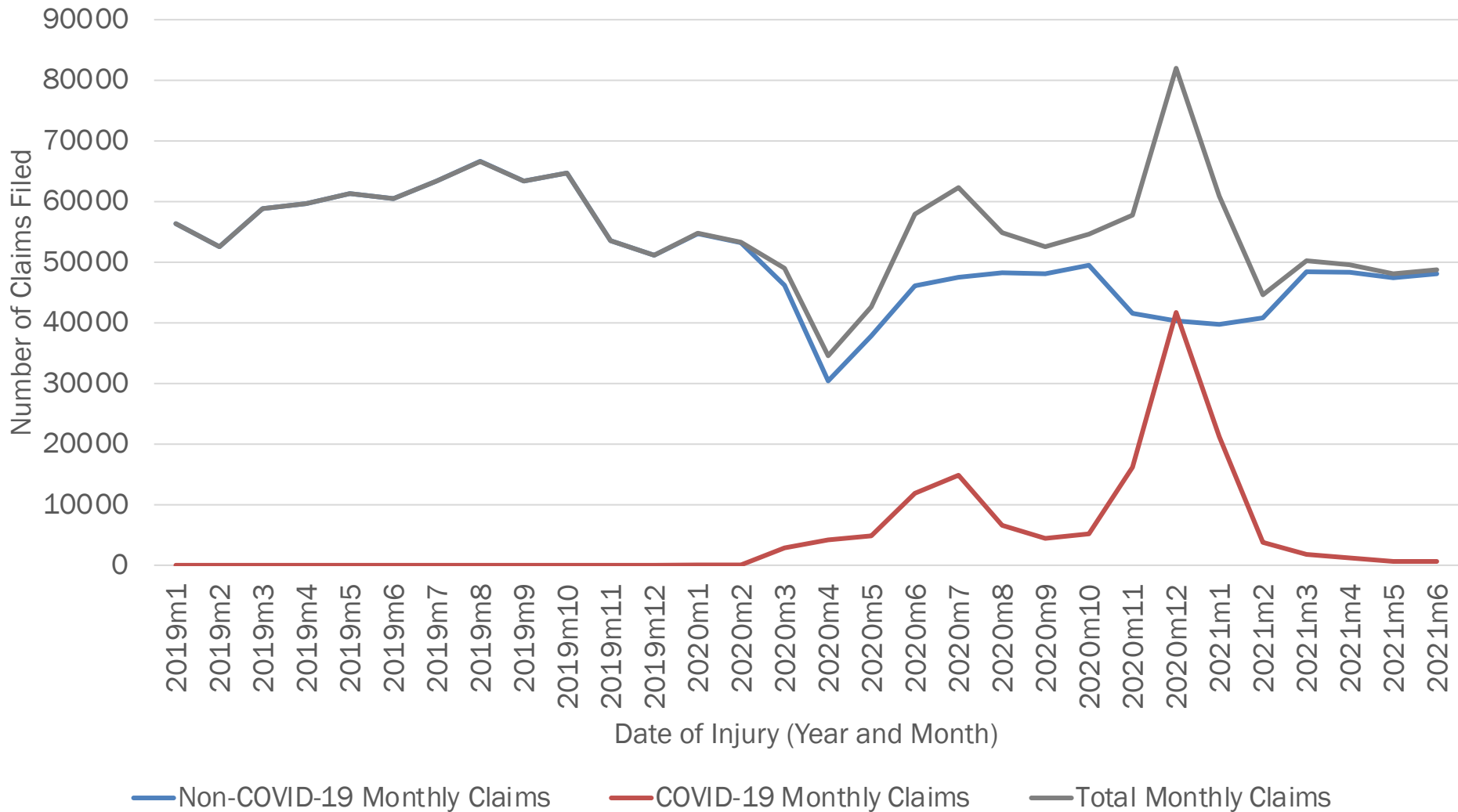


# Non-COVID-19 Claim Volumes Remain Below Pre-COVID-19 Levels

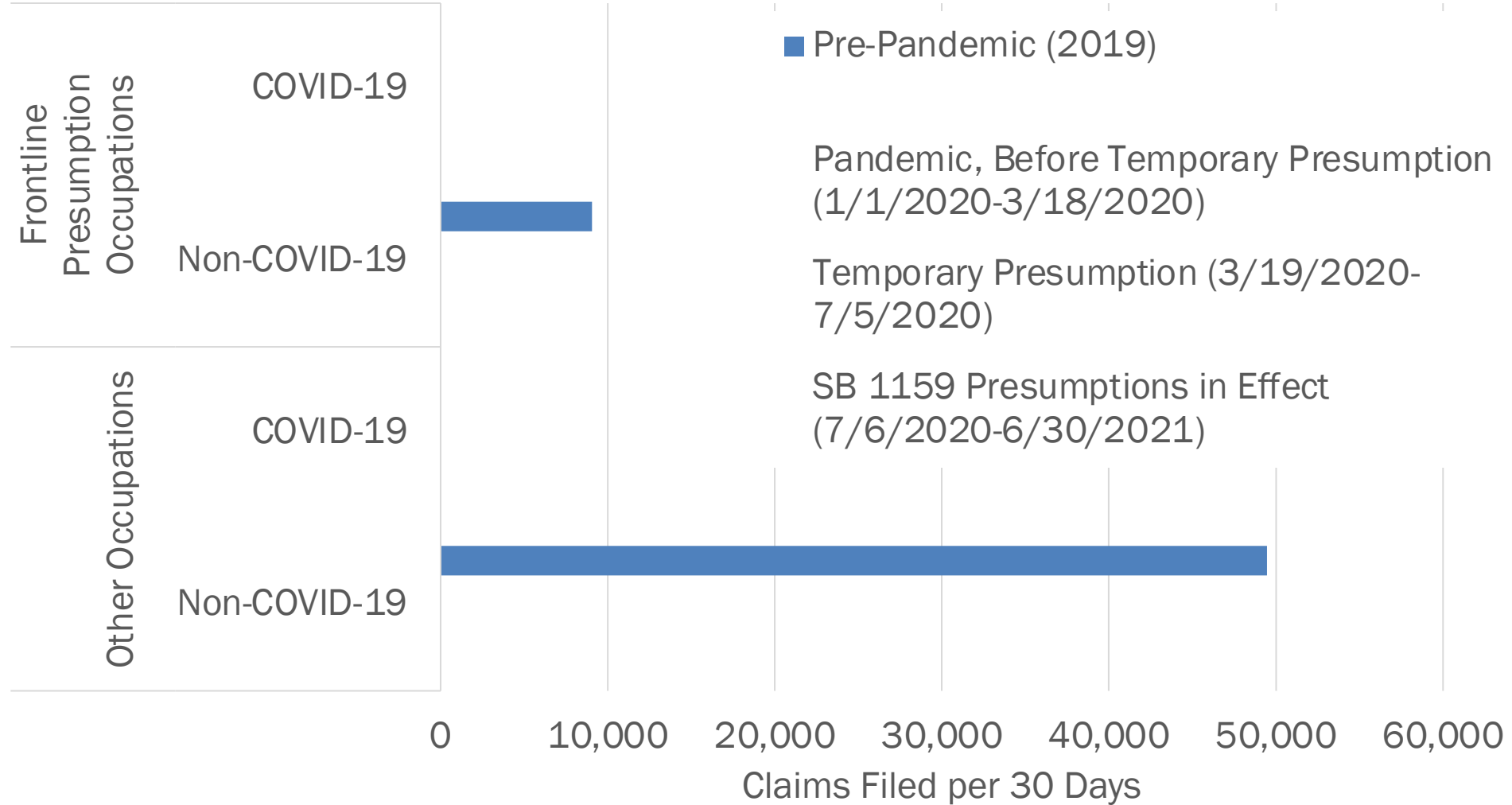




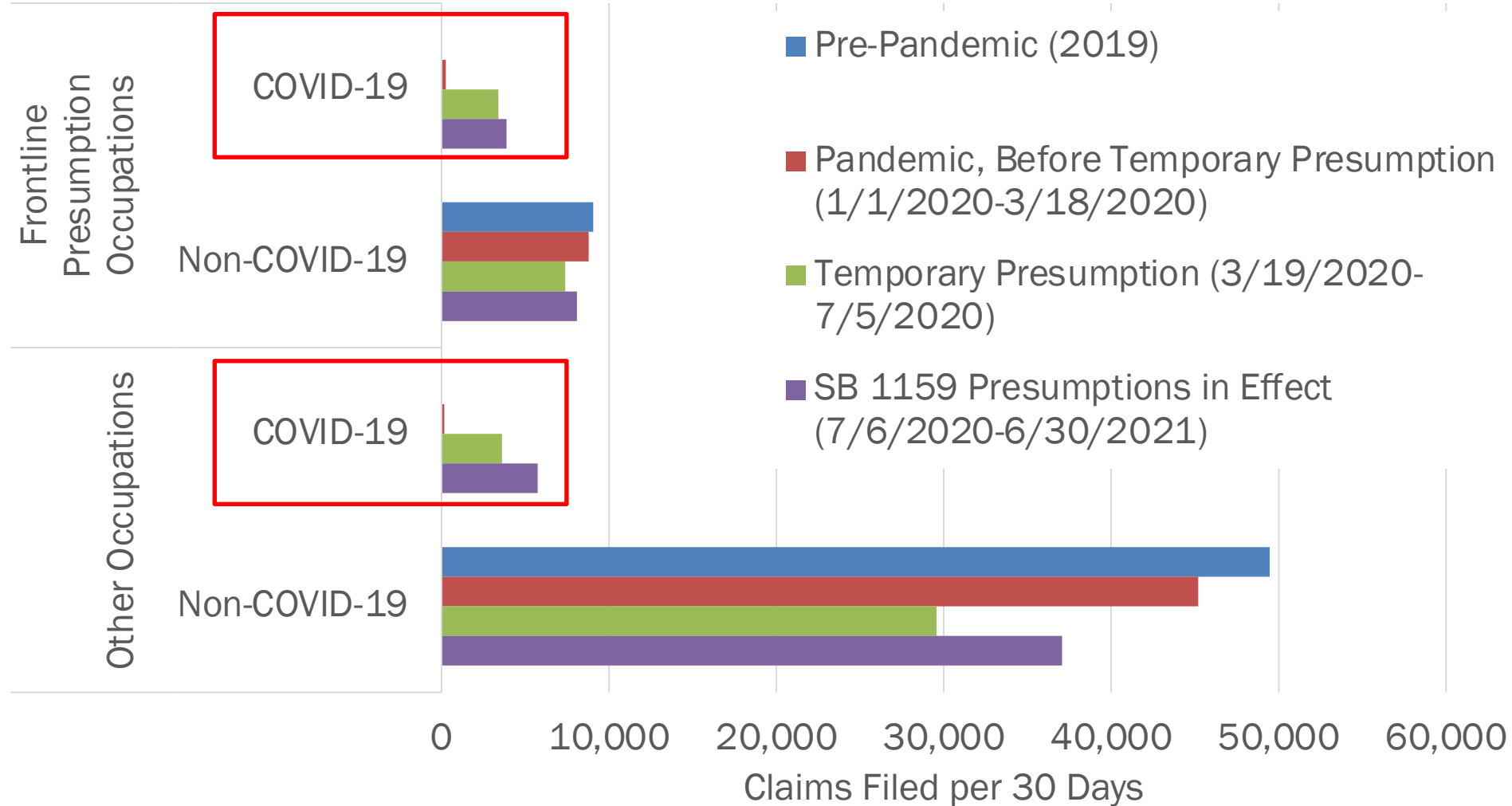
# Total Claim Volume Highly Volatile Due to COVID-19 Case Surges



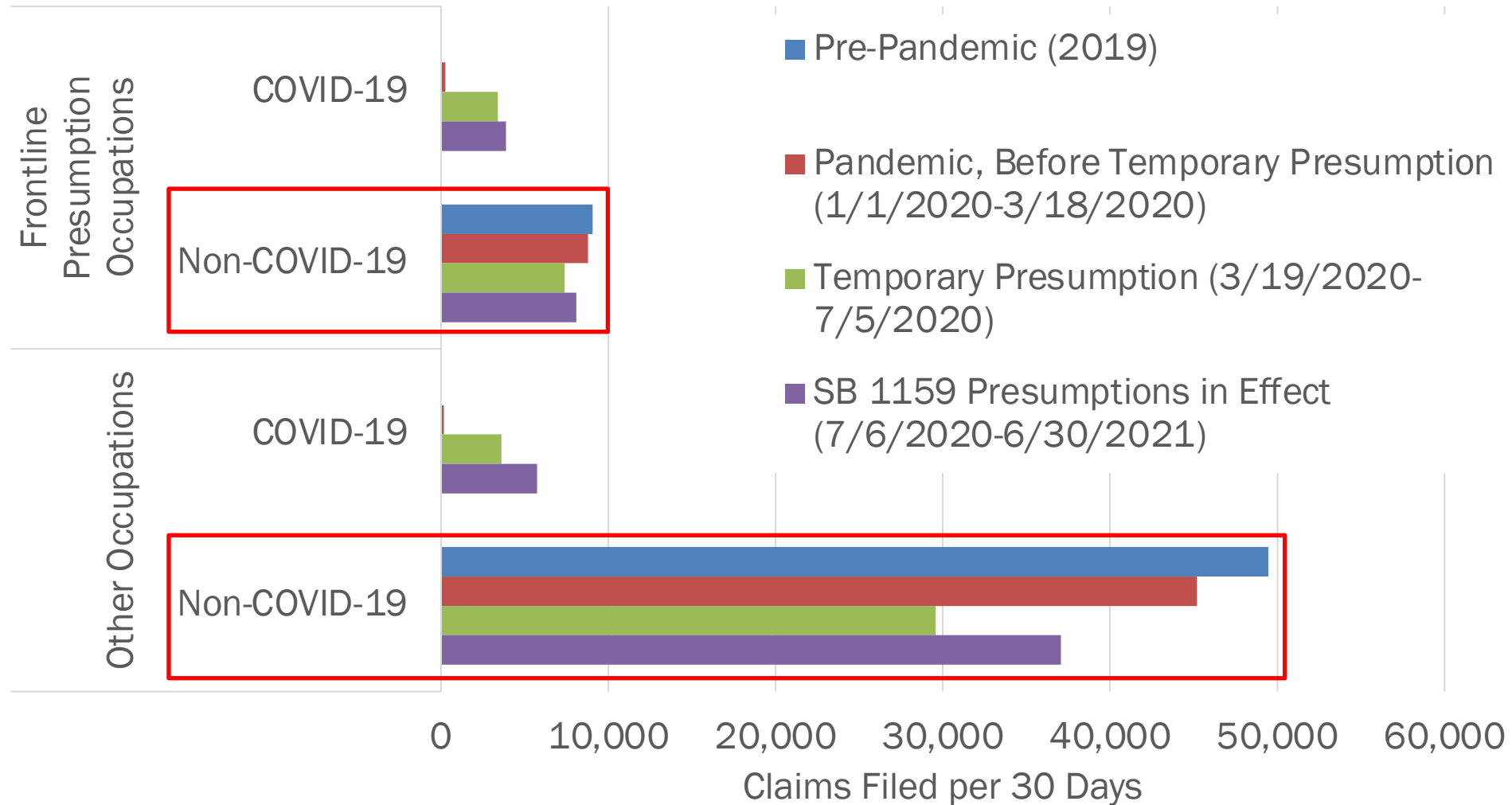
# Frontline Presumption Workers Filed About 15% of Claims Before Pandemic



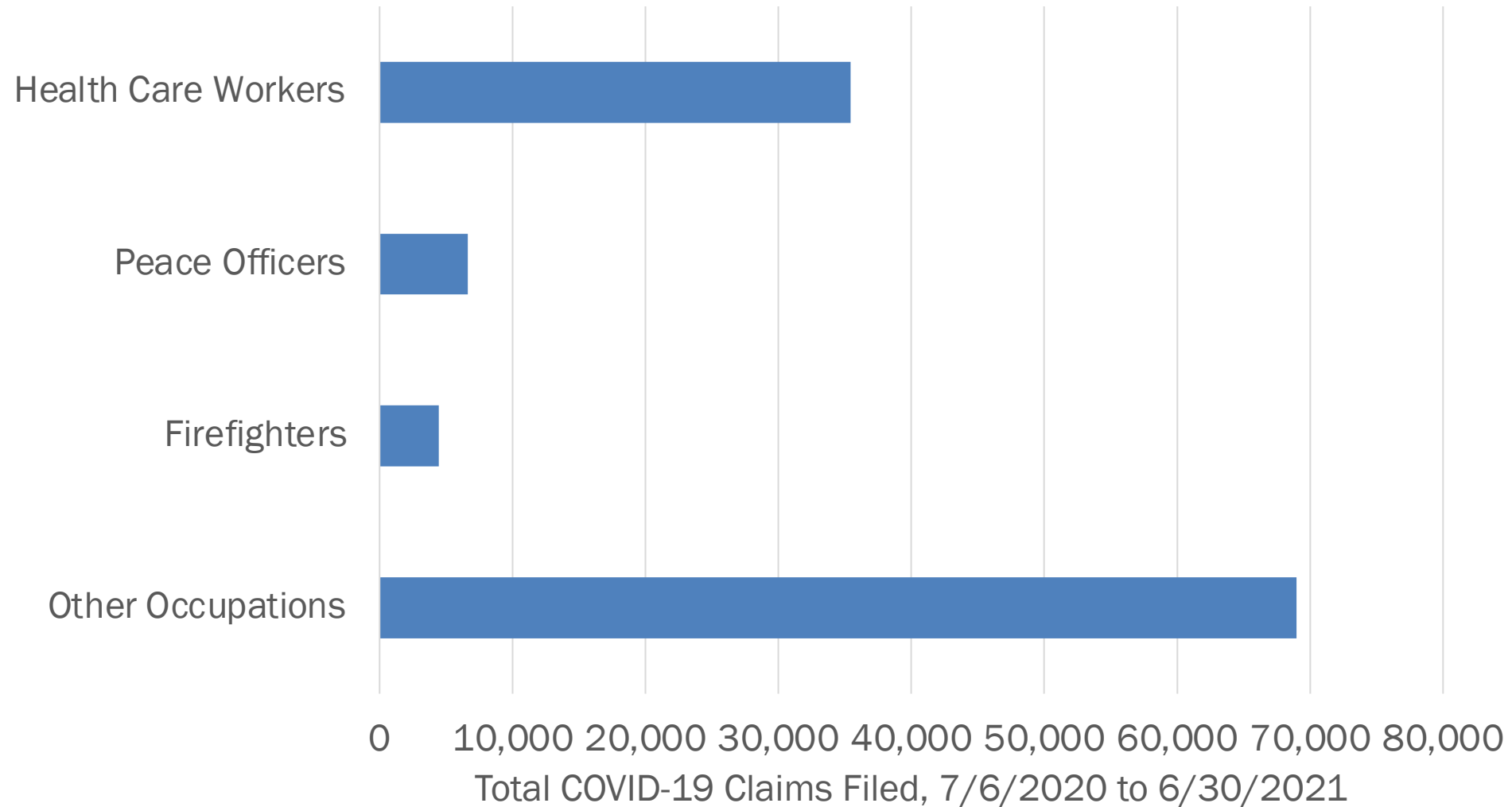
# Frontline Presumption Workers Filed 42% of COVID Claims Through July 2021



# Non-COVID-19 Claim Volumes Dropped Sharply for Workers in Other Occupations



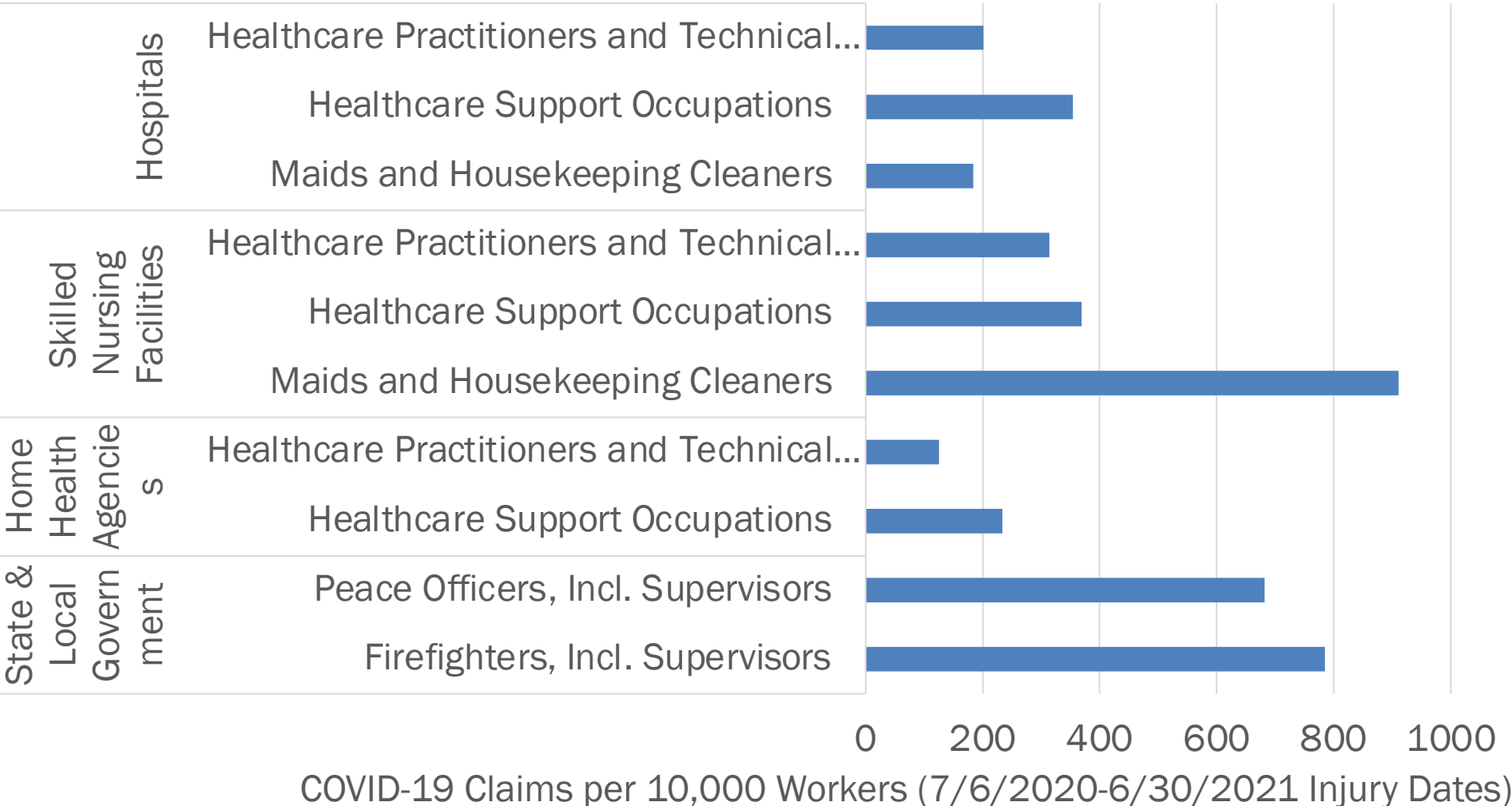
# Most Frontline Presumption COVID-19 Claims Filed by Health Care Workers



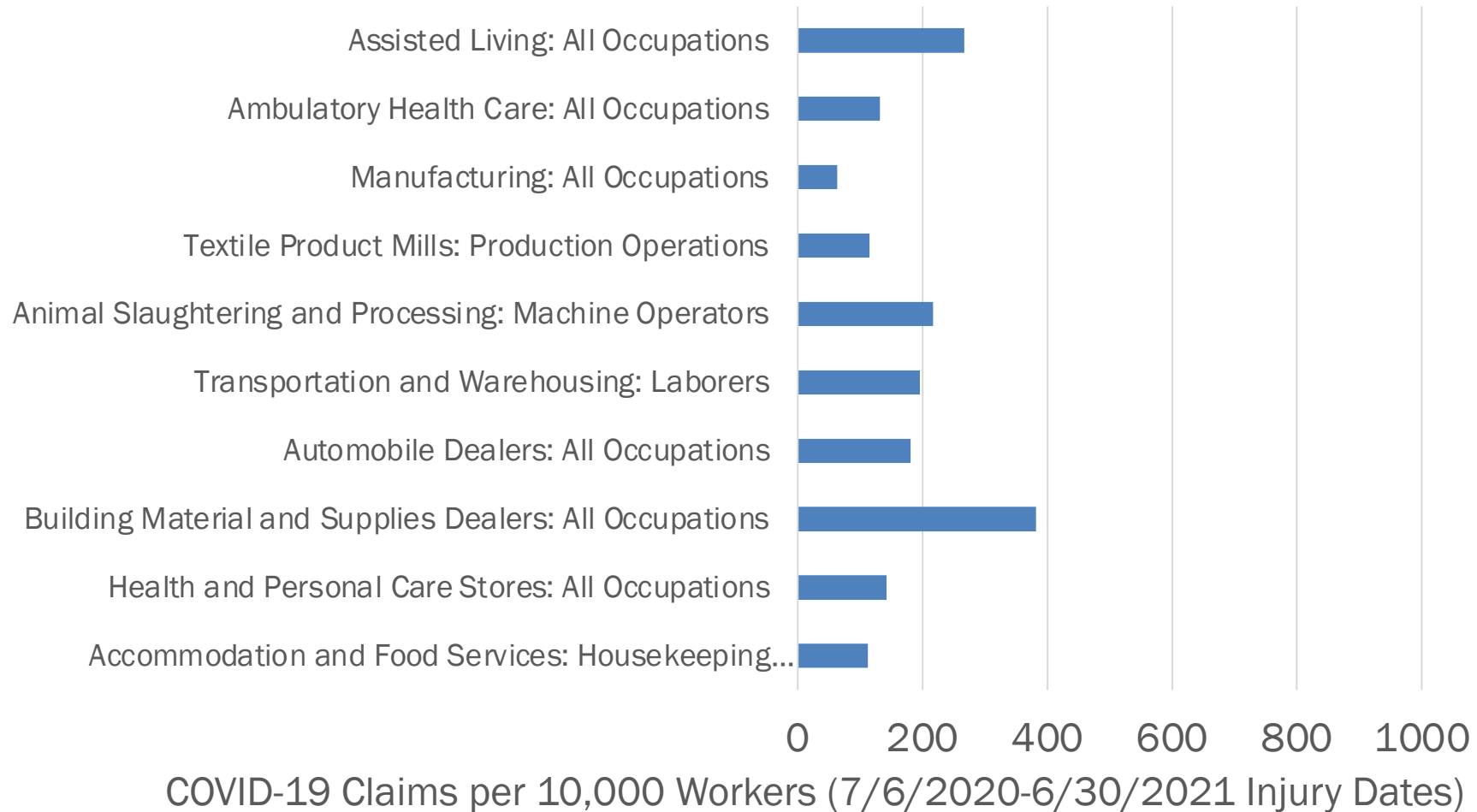
# Industry-Average Claim Rates Generally Lower Outside Health Care, Public Safety



# Claim Rates Were High Across Frontline Presumption Occupations

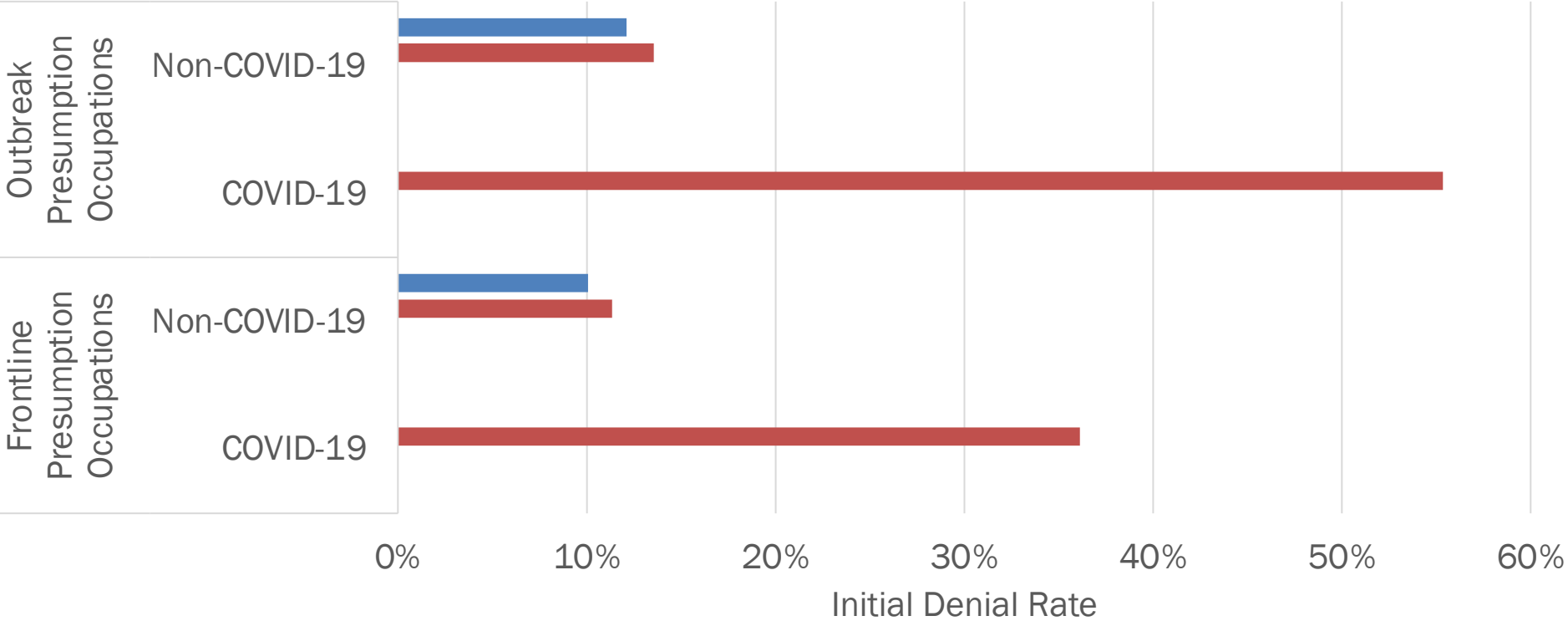


# But Some Industries, Occupations Not Covered by Frontline Presumption Had Very High COVID-19 Claim Rates



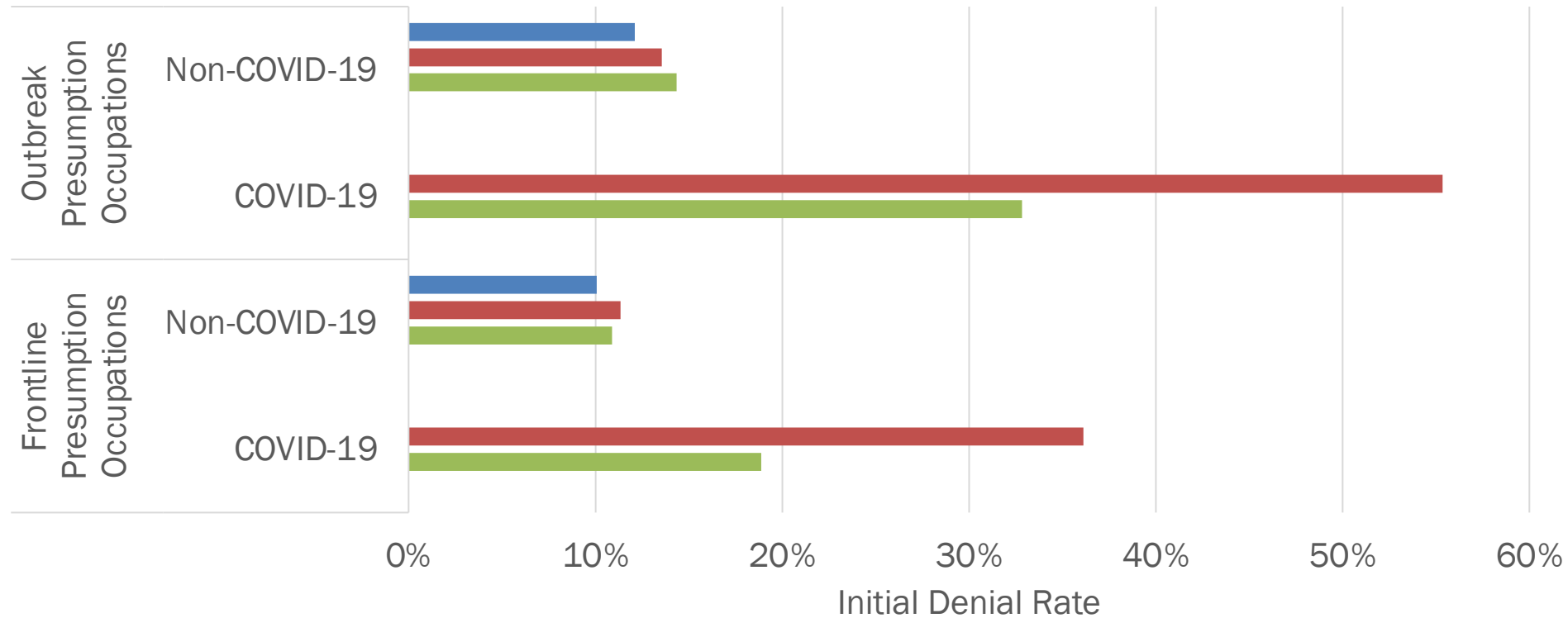


# Initial Denial Rates for COVID Claims Very High Before Presumptions



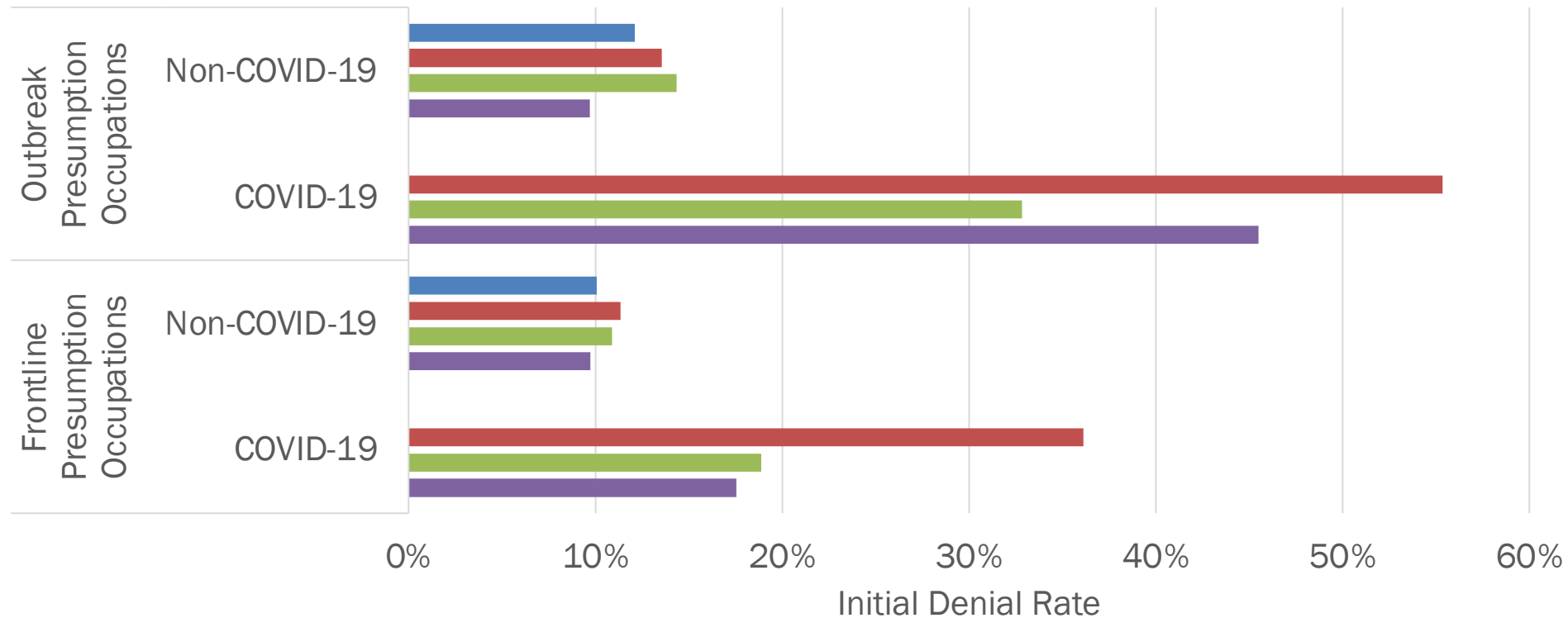
- Pre-Pandemic (2019)
- Pandemic, Before Temporary Presumption (1/1/2020-3/18/2020)
- Temporary Presumption (3/19/2020-7/5/2020)
- SB 1159 Presumptions in Effect (7/6/2020-6/30/2021)

# Denial Rates Fell During Temporary Presumption (3/19/2020-7/5/2020)



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- Pandemic, Before Temporary Presumption (1/1/2020-3/18/2020)
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# Denial Rates for Other Occupations Were Higher Under Outbreak Presumption

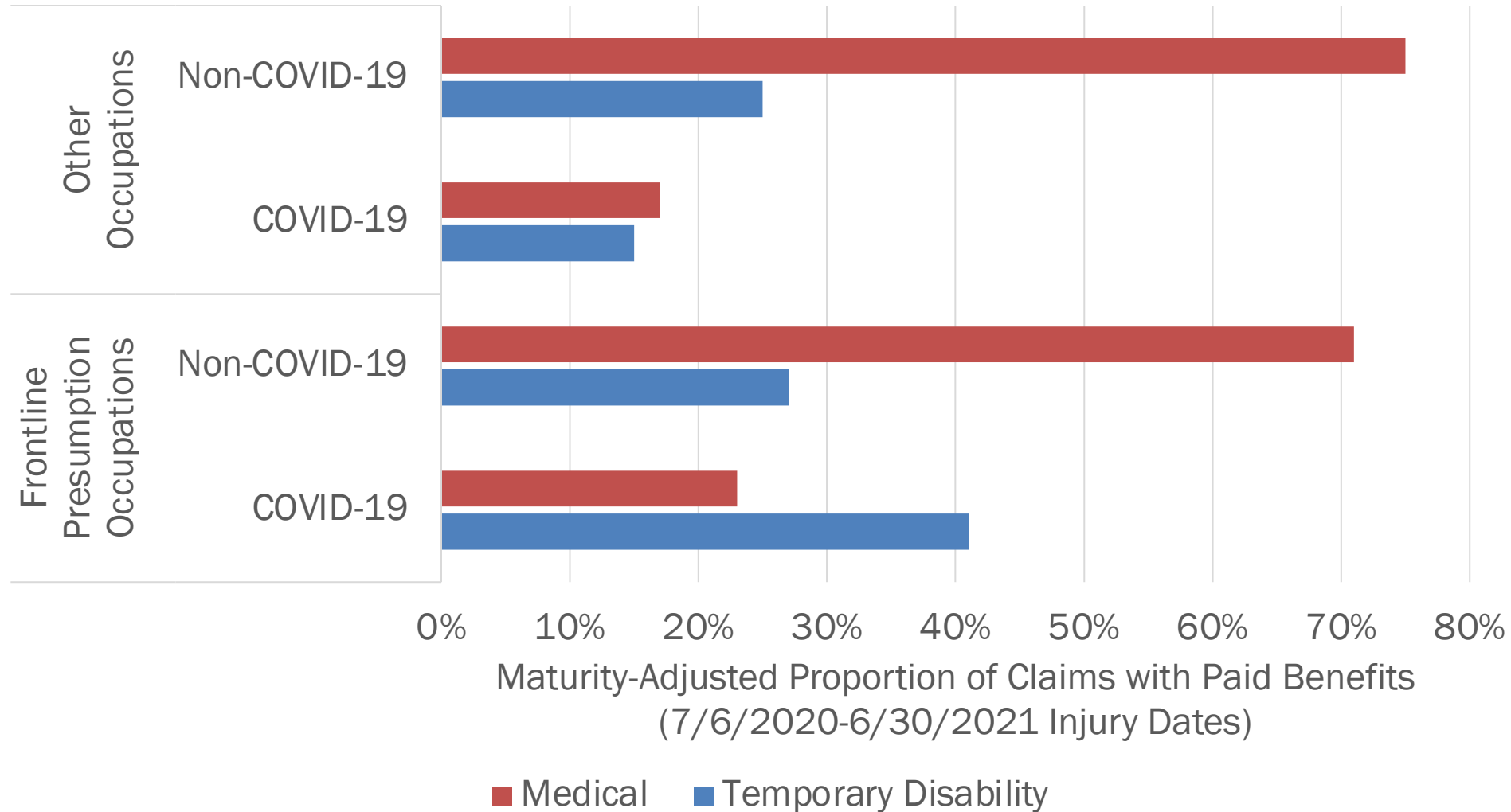


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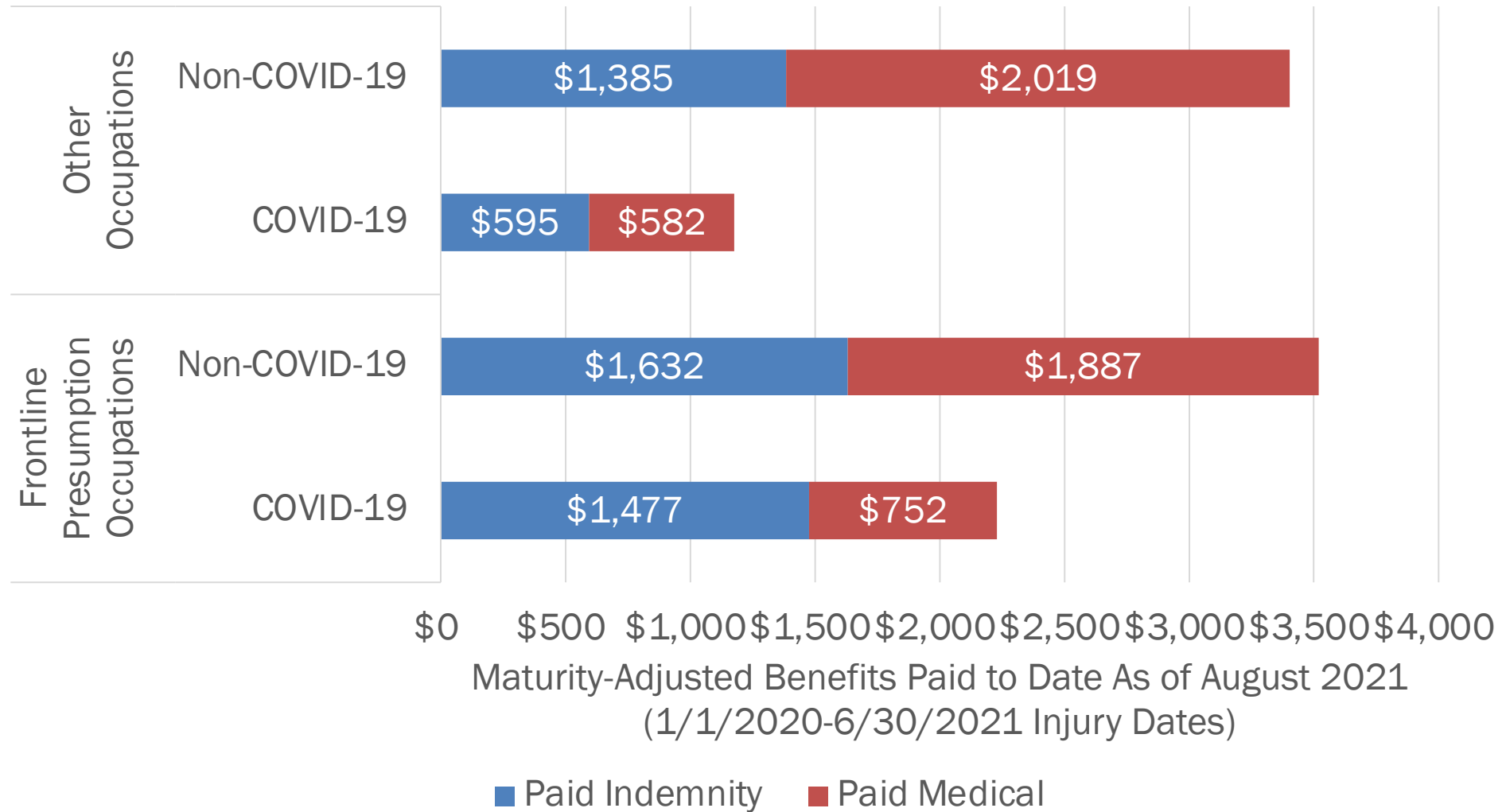
# COVID-19 Claim Denial Rates Must Be Interpreted With Caution, However

- Presumptions may not be applicable in many of the cases we examined:
  - Don't know if worker had positive PCR test
  - Don't know if job site had outbreak
- Data from CWCI indicate many claims opened mistakenly after COVID-19 cases reported to claims administrators
- Data shared by a public-sector entity indicates near-universal acceptance of claims with positive PCR test

# COVID-19 Claims Had Different Patterns of Benefit Receipt from Non-COVID-19 Claims



# Paid Benefits to Date on COVID-19 Claims Are Lower than on Non-COVID-19 Claims



# State and Federal Response to COVID-19 Affected Workers, Influenced WC Claiming

- Universal access to medical care for COVID-19
- For insured workers, insurers:
  - Covered COVID-19 medical care copays and deductibles
  - Waived out-of-pocket costs if hospitalized
  - However, cost-sharing waivers largely expired by fall of 2021
- For uninsured workers, HRSA (federal agency) paid providers for COVID-19 care

# Stakeholders Reported State and Federal Response Led to Fewer Medical Bills Submitted to WC

- COVID-19 response reduced workers' need for WC payment for minor medical care
  - As no costs were incurred
- Workers still needed WC coverage for payment of non-minor medical care
  - Medical care/bills were filed for hospitalizations or prolonged symptoms
- Claims were filed for COVID-19 fatality
- WCIS data indicated large percentage of claims with no medical bills



# Several Other Factors Affected Worker's Decision to File COVID-19 WC Claim

- Needing over 80 hours of paid leave
  - As required by SB1159 employee had to exhaust other COVID-19 paid leave first
- Figuring out if COVID-19 would be covered by WC
  - Common questions were:
    - Was I exposed at work?
    - Am I a frontline worker? Does presumption apply?
    - Need for positive COVID-19 test?
    - What is a workplace outbreak?
- Understanding what documentation/evidence was needed for claim
- Some workers afraid of retaliation

# Federal and State COVID-19 Paid Leave Policies

## Affected Employers, Mainly HR Functions

- Most indicated implementing COVID-19 paid leave was easy, managed largely by payroll
- Some noted significant changes to policies and practices
  - Primarily for coordination between payroll and employee health or WC
- Most incurred costs
  - Updated HR systems and hired more staff
  - Needed staff for compliance, coordination between departments, and new policy implementation

# Related Policies AB 685 and Cal/OSHA ETS Affected Employer Data and Reporting Tasks

- Most discussed administrative burden related to COVID-19 data collection and reporting
  - Some had existing tracking systems, most did not
  - Needed to create new systems and coordinate between departments to gain needed information
- Many raised confusion about reporting rules
- Concerns about preserving employee privacy when notifying employees of exposures

# Employers and Claims Administrators Made Changes to Handle COVID-19 Claims

- Reassigned staff, hired staff
- Changed processes and workflow to gather evidence needed for COVID-19 claims
  - Such as a positive test, an employee interview, other workplace information
- Most noted it was difficult to document whether worker was exposed at work or not, required more intense investigation

# Shorter Timelines Affected Process and Possibly Outcomes

- From WCIS data, COVID-19 claims were:
  - Denied much faster (than non-COVID-19 claims)
  - Had speedier processing in frontline industries (than non-frontline industries)
- Interviews raised that shortened timelines did not necessarily help workers, as access to medical care was universal
- Shorter timelines pushed claims administrators
  - They accepted more claims, as disproving COVID-19 claims is hard

# Conclusions and Policy Implications

- COVID-19 surges and claim volumes made overall claim volumes volatile
- Worker COVID-19 claim filing influenced by Federal and State policy context
- Processing timelines were challenging for claims administrators and may have led to lower denials
  - But claims administrators adapted to unique aspects of COVID-19 claims investigation
- Benefits paid to date were modest for COVID-19 claims, due to large volumes of denied and low-severity claims

# Many Important Questions Could Not Be Addressed, Call for Further Research

- What non-WC benefits did workers with COVID-19 use?
- How have claim filing and costs to WC change as other state/federal benefits are withdrawn?
- How will long-COVID be handled in WC system?
  - PD benefits?
  - Medical treatment?
  - Death?
- Were vulnerable workers able to access WC?

