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

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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

Number of Claims Filed
Date of Injury (Year and Month)
COVID-19 Monthly Claims
Non-COVID-19 Claim Volumes Remain Below Pre-COVID-19 Levels

**Graph:**
- **X-axis:** Date of Injury (Year and Month)
- **Y-axis:** Number of Claims Filed
- **Data:**
  - Non-COVID-19 Monthly Claims
  - COVID-19 Monthly Claims

The graph shows the number of claims filed over time, with non-COVID-19 claims remaining 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

<table>
<thead>
<tr>
<th>Frontline Presumption Occupations</th>
<th>Claims Filed per 30 Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>COVID-19</td>
<td>Pre-Pandemic (2019)</td>
</tr>
<tr>
<td>Non-COVID-19</td>
<td>Pandemic, Before Temporary Presumption (1/1/2020-3/18/2020)</td>
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<td>Temporary Presumption (3/19/2020-7/5/2020)</td>
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<td>SB 1159 Presumptions in Effect (7/6/2020-6/30/2021)</td>
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<table>
<thead>
<tr>
<th>Other Occupations</th>
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<tr>
<td>COVID-19</td>
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Frontline Presumption Workers Filed 42% of COVID Claims Through July 2021

- **Frontline Presumption Occupations**
  - COVID-19
  - Non-COVID-19

- **Other Occupations**
  - COVID-19
  - Non-COVID-19

**Claims Filed per 30 Days**

- **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)**

Frontline Presumption Workers Filed 42% of COVID Claims Through July 2021.
Non-COVID-19 Claim Volumes Dropped Sharply for Workers in Other Occupations

- Frontline Presumption Occupations
  - COVID-19
  - Non-COVID-19
- Other Occupations
  - COVID-19
  - Non-COVID-19

- Claims Filed per 30 Days
  - 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)

- Non-COVID-19 Claim Volumes Dropped Sharply for Workers in Other Occupations
Most Frontline Presumption COVID-19 Claims Filed by Health Care Workers

- Health Care Workers
- Peace Officers
- Firefighters
- Other Occupations

Total COVID-19 Claims Filed, 7/6/2020 to 6/30/2021
Industry-Average Claim Rates Generally Lower Outside Health Care, Public Safety

- Agriculture, Forestry, Fishing and Hunting...
- Construction (23)
- Manufacturing (31--33)
- Wholesale Trade (42)
- Retail Trade (44--45)
- Transportation and Warehousing (48--49)
- Finance and Insurance (52)
- Health care and Social Assistance (62)
- Accommodation and Food Services (72)
- State and Local Government

COVID-19 Claims per 10,000 Workers (7/6/2020-6/30/2021 Injury Dates)
Claim Rates Were High Across Frontline Presumption Occupations

<table>
<thead>
<tr>
<th>Hospitals</th>
<th>Healthcare Practitioners and Technical...</th>
<th>200</th>
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<tbody>
<tr>
<td></td>
<td>Healthcare Support Occupations</td>
<td>400</td>
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<tr>
<td></td>
<td>Maids and Housekeeping Cleaners</td>
<td>600</td>
</tr>
<tr>
<td>Skilled Nursing Facilities</td>
<td>Healthcare Practitioners and Technical...</td>
<td>800</td>
</tr>
<tr>
<td></td>
<td>Healthcare Support Occupations</td>
<td>1000</td>
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<td></td>
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<tr>
<td>State &amp; Local Government</td>
<td>Peace Officers, Incl. Supervisors</td>
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<tr>
<td></td>
<td>Firefighters, Incl. Supervisors</td>
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</tbody>
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COVID-19 Claims per 10,000 Workers (7/6/2020-6/30/2021 Injury Dates)
But Some Industries, Occupations Not Covered by Frontline Presumption Had Very High COVID-19 Claim Rates

- Assisted Living: All Occupations
- Ambulatory Health Care: All Occupations
- Manufacturing: All Occupations
- Textile Product Mills: Production Operations
- Animal Slaughtering and Processing: Machine Operators
- Transportation and Warehousing: Laborers
- Automobile Dealers: All Occupations
- Building Material and Supplies Dealers: All Occupations
- Health and Personal Care Stores: All Occupations
- Accommodation and Food Services: Housekeeping...

COVID-19 Claims per 10,000 Workers (7/6/2020-6/30/2021 Injury Dates)
Initial Denial Rates for COVID Claims Very High Before Presumptions

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<td>COVID-19</td>
<td></td>
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<td></td>
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Denial Rates Fell During Temporary Presumption (3/19/2020-7/5/2020)

- 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 for Other Occupations Were Higher Under Outbreak Presumption

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<tbody>
<tr>
<td>Pre-Pandemic (2019)</td>
<td>Blue</td>
<td>Purple</td>
<td>Blue</td>
<td>Purple</td>
</tr>
<tr>
<td>Pandemic, Before Temporary Presumption (1/1/2020-3/18/2020)</td>
<td>Red</td>
<td>Yellow</td>
<td>Red</td>
<td>Yellow</td>
</tr>
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<td>Temporary Presumption (3/19/2020-7/5/2020)</td>
<td>Green</td>
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Initial Denial Rate
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

- **Other Occupations**
  - Non-COVID-19
  - COVID-19

- **Frontline Presumption Occupations**
  - Non-COVID-19
  - COVID-19

Maturity-Adjusted Proportion of Claims with Paid Benefits (7/6/2020-6/30/2021 Injury Dates)

- **Medical**
- **Temporary Disability**
Paid Benefits to Date on COVID-19 Claims Are Lower than on Non-COVID-19 Claims

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<thead>
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<th>COVID-19</th>
<th>Non-COVID-19</th>
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<td>Frontline Presumption</td>
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<tr>
<td>COVID-19</td>
<td>$1,477</td>
<td>$1,887</td>
</tr>
<tr>
<td>Non-COVID-19</td>
<td>$1,632</td>
<td>$2,019</td>
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<tr>
<td>Other Occupations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>COVID-19</td>
<td>$595</td>
<td>$582</td>
</tr>
<tr>
<td>Non-COVID-19</td>
<td>$1,385</td>
<td>$2,019</td>
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Maturity-Adjusted Benefits Paid to Date As of August 2021
(1/1/2020-6/30/2021 Injury Dates)

- Paid Indemnity
- Paid Medical
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?