



# COVID-19 Trends in the California Workers' Compensation System

Out Front Ideas  
September 21, 2021

**Alex Swedlow, President  
California Workers' Compensation Institute  
Oakland, California**

## California to United States Outcomes

California Feb 8, 2021:

Infections: 3,346,340

Deaths: 44,150

California Sept 14, 2021:

Infections: 4,372,806 (+31%)

Deaths: 66,813 (+51%)



As a Percent of U.S. Cases

Infections: 10.7%

Deaths: 10.0%

## California's Working Population to Workers' Compensation Claims

California Working Age Feb 8, 2021:

Infections: 2,610,145

Deaths: 11,479

California Working Age Sept 14, 2021:

Infections: 3,423,907 (+31%)

Deaths: 20,713 (+80%)



As a Percent of California Cases

Infections: 78.0%

Deaths: 26.0%

## California's Working Population to Workers' Compensation Claims

California Working Age Feb 8, 2021:

Infections: 2,610,145

Deaths: 11,479

California Workers' Comp (Feb 8, 2021):

Infections: 123,740

Deaths: 640



California Working Age Sept 14, 2021:

Infections: 3,423,907 (+31%)

Deaths: 20,713 (+80%)

California Workers' Comp (Sept 7, 2021):

Infections: 157,891 (+28%)

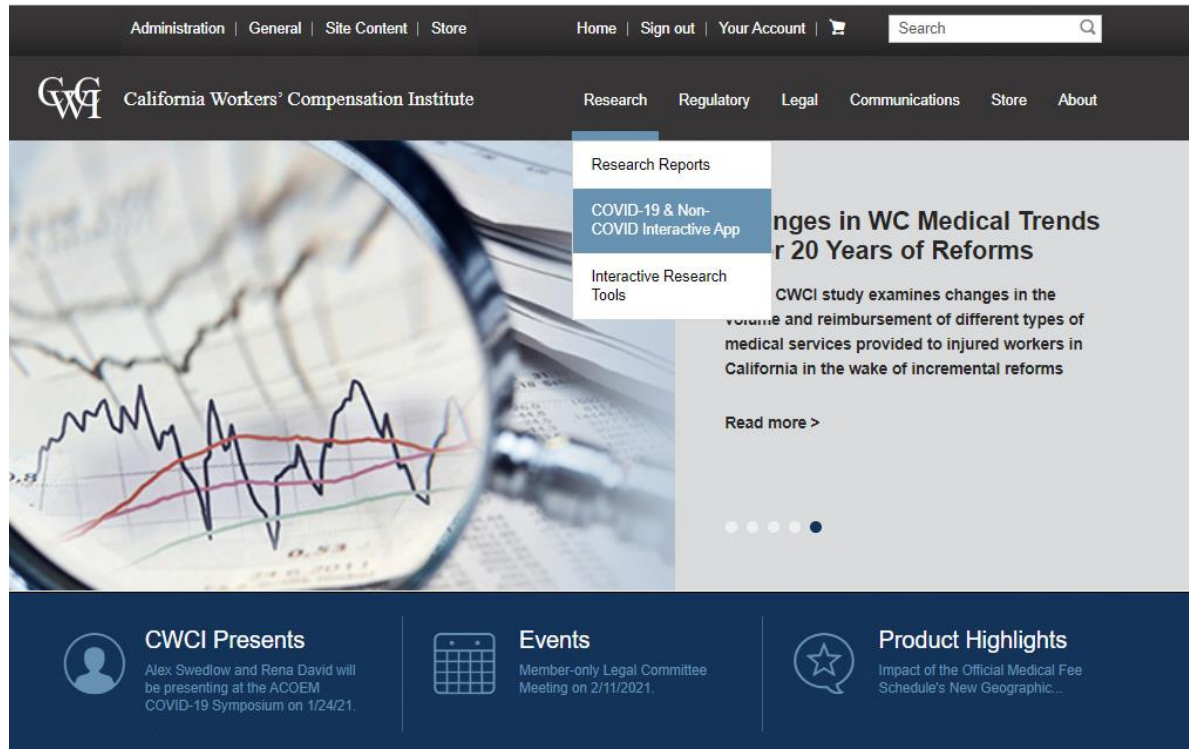
Deaths: 1,096 (+71%)

As a Percent of CA Working Age Cases:

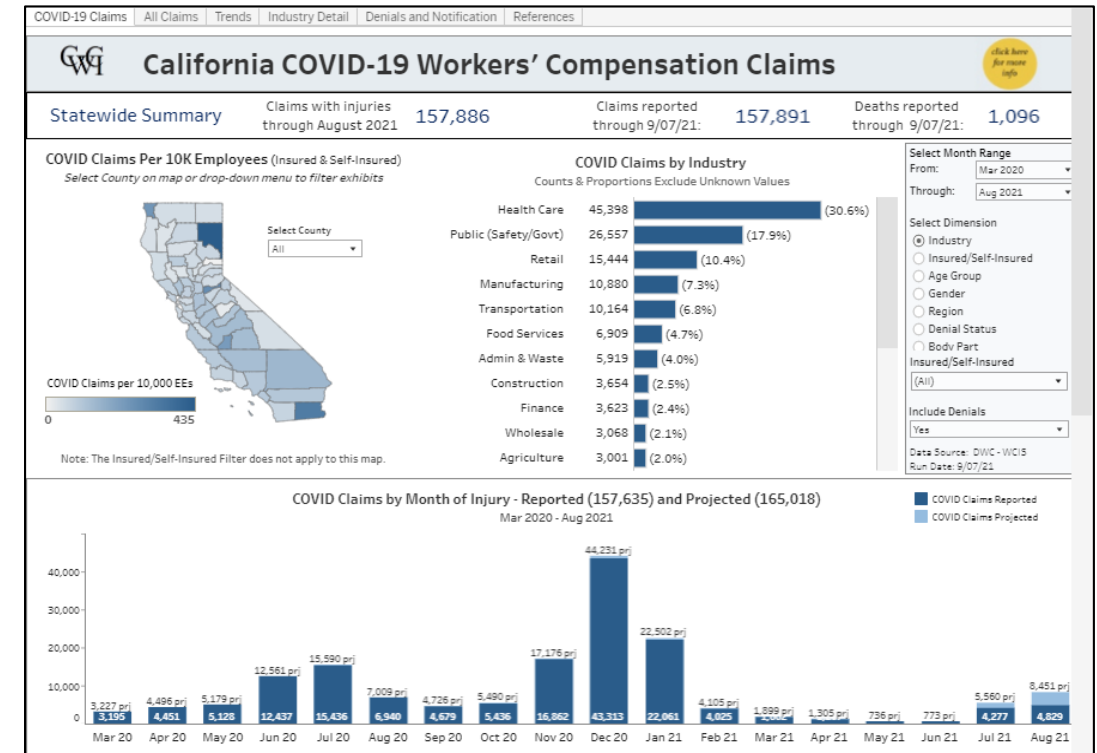
Infections: 4.6%

Deaths: 5.3%

## Interactive Application



[www.cwci.org](http://www.cwci.org)



[www.cwci.org/CV19claims.html](http://www.cwci.org/CV19claims.html)

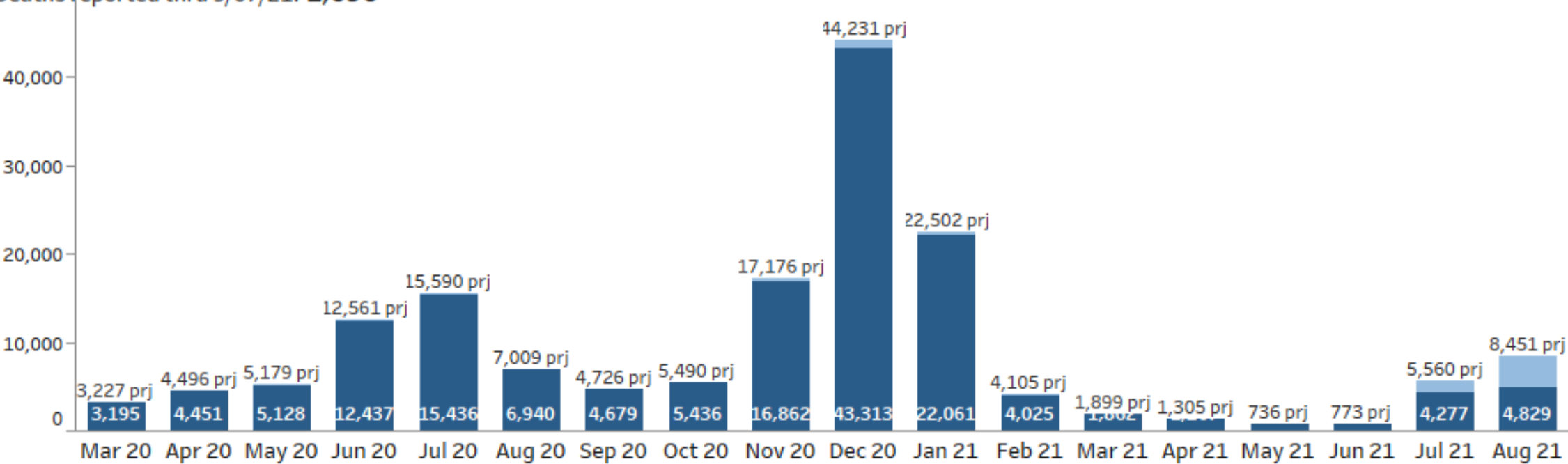
Data Source: DWC/WCIS, BLS, CWCI

## COVID-19 Claims by Month of Injury

### COVID Claims by Month of Injury

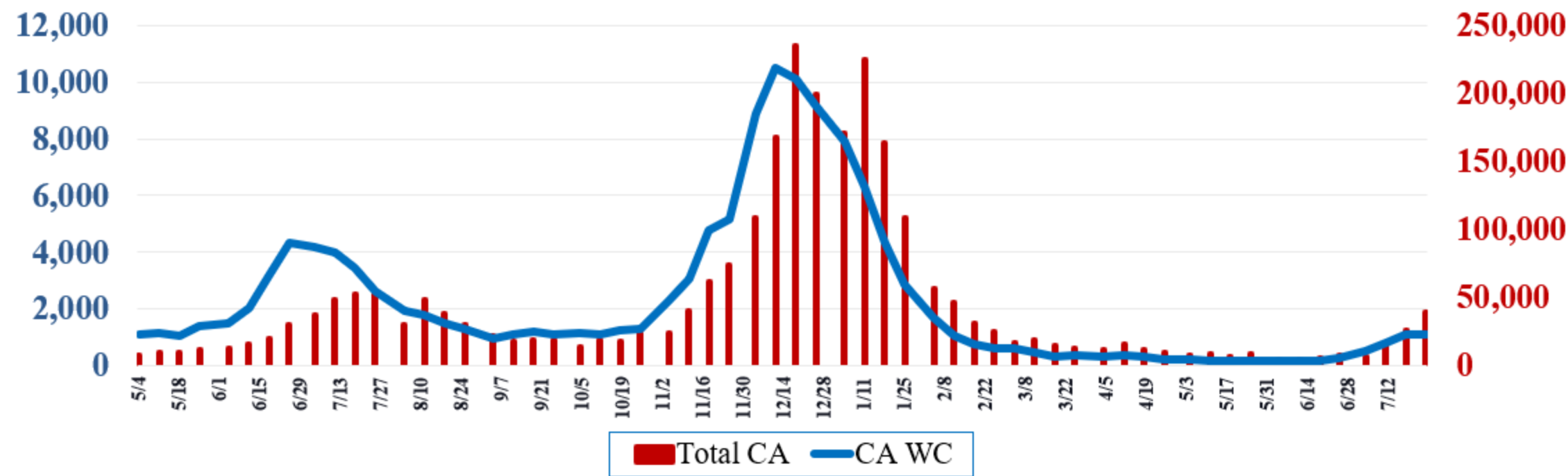
Reported Mar 2020 - August 2021 claims: **157,635**  
Projected Ultimate Mar 2020 - August 2021 claims: **165,018**  
Deaths reported thru 9/07/21: **1,096**

COVID Claims Reported  
COVID Claims Projected

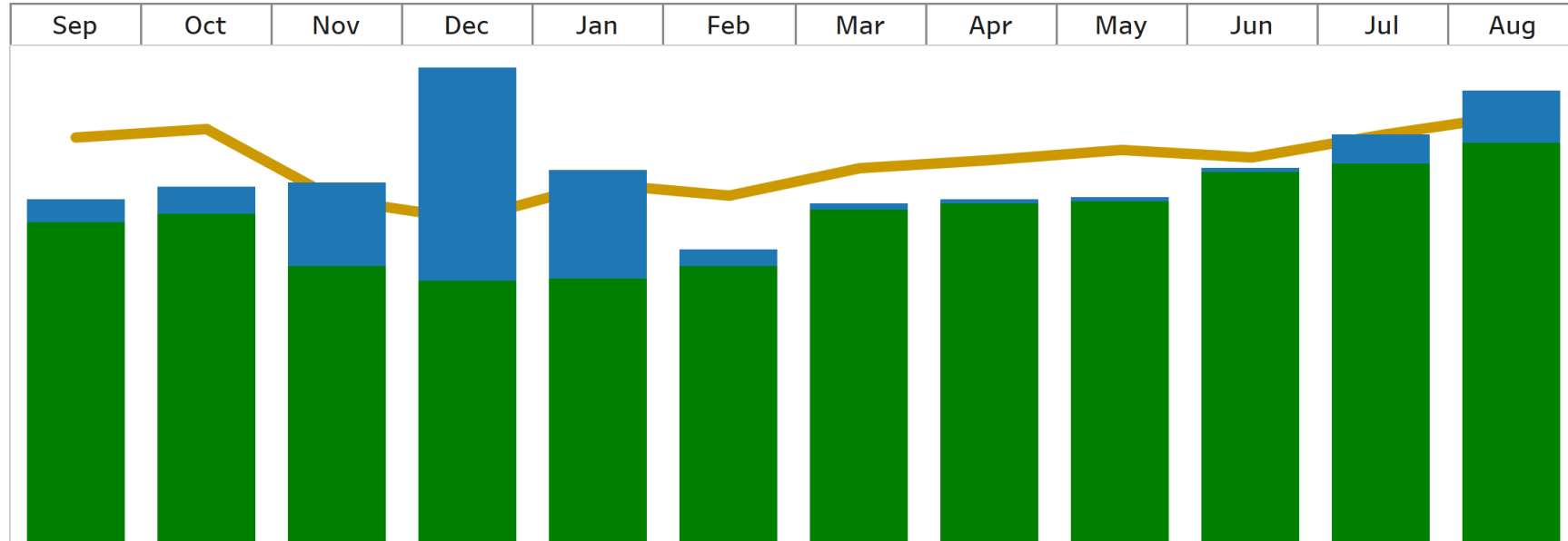


## California COVID-19 Claims: General Population & Workers' Comp

COVID Claims: May – July 2021



## Claims by Type September 2020 – August 2021 Compared to Pre-Pandemic Counts (Excluding Denials)



	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Total
Pandemic: Sep '20 to Aug '21	60,284	45,725	47,365	48,032	63,286	49,619	39,186	45,330	45,859	46,084	49,876	54,433	595,079
Pre-Pandemic	57,123	54,168	55,292	45,829	43,259	47,963	46,403	50,072	51,155	52,505	51,503	54,532	609,804
Diff (Pandemic/Pre-Pandemic)	6%	-16%	-14%	5%	46%	3%	-16%	-9%	-10%	-12%	-3%	0%	-2%
Diff - Non-COVID Only	-7%	-21%	-20%	-19%	-19%	-27%	-21%	-12%	-12%	-13%	-4%	-7%	-15%
Percent COVID	11.8%	6.8%	7.2%	23.1%	44.9%	29.2%	6.1%	2.3%	1.4%	0.9%	1.0%	7.1%	12.8%

## Timeliness of Reporting

### Percent of Claims by ER Notification Month

Days = ER Notification - DOI

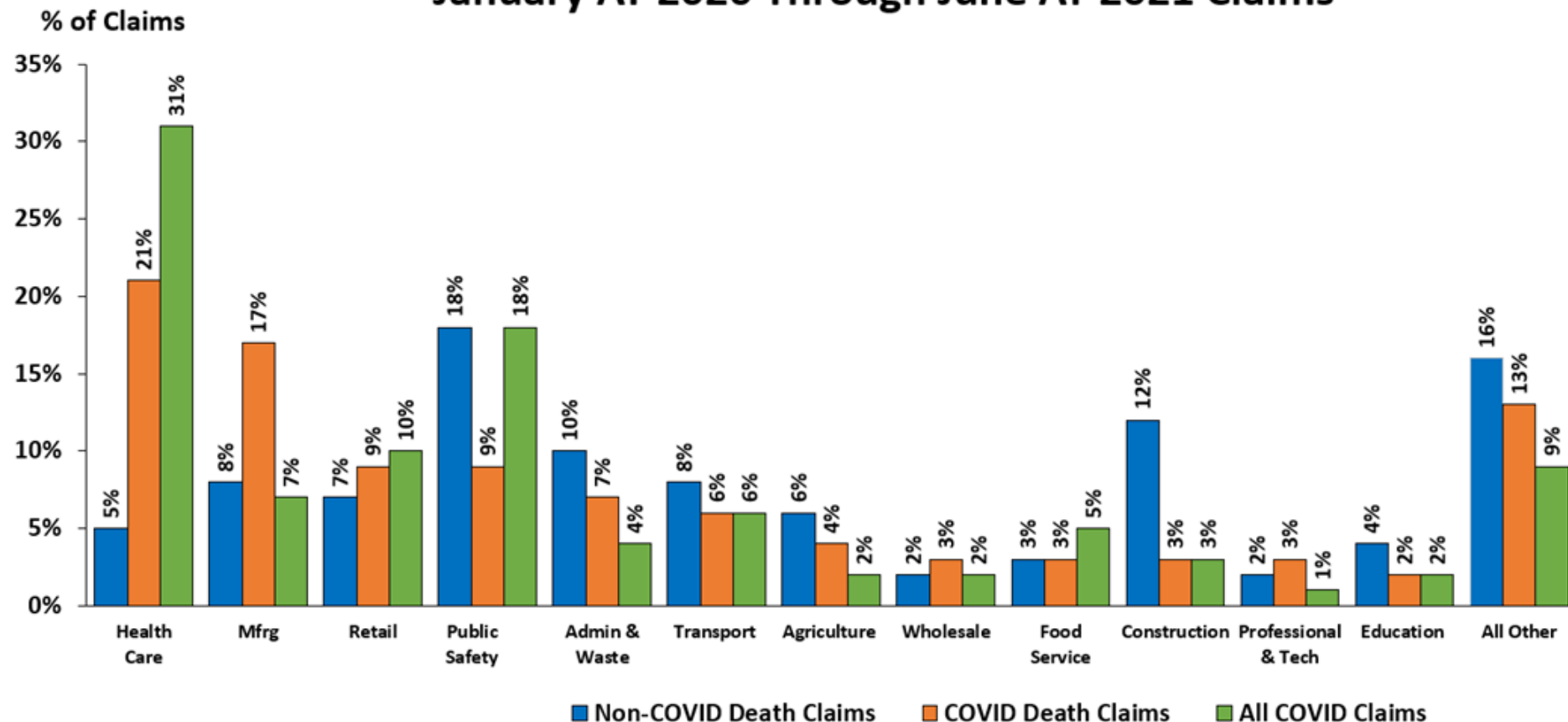


	April 2020	May 2020	June 2020	July 2020	Aug 2020	Sept 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	April 2021	May 2021	June 2021
COVID-14 Days	88%	85%	92%	88%	84%	85%	90%	96%	95%	86%	73%	71%	74%	65%	68%
Non-COVID-14 Days	93%	92%	92%	90%	90%	91%	91%	91%	91%	89%	90%	91%	91%	91%	91%
COVID-30 Days	98%	93%	96%	97%	93%	91%	94%	98%	99%	95%	83%	77%	79%	70%	72%
Non-COVID-30 Days	97%	96%	95%	94%	94%	94%	94%	94%	94%	93%	93%	94%	95%	95%	94%

## California Workers' Comp COVID-19 Death Claim Trends & Characteristics



### Claim Distributions by Industry Non-COVID Death Claims, COVID Death Claims, and All COVID Claims January AY 2020 Through June AY 2021 Claims

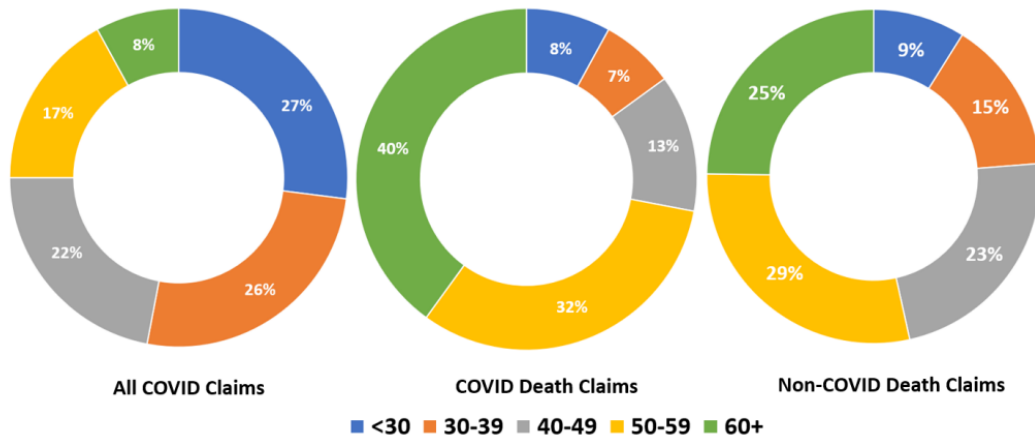


Source: DWC Workers' Compensation Information System

## California Workers' Comp COVID-19 Death Claim Trends & Characteristics



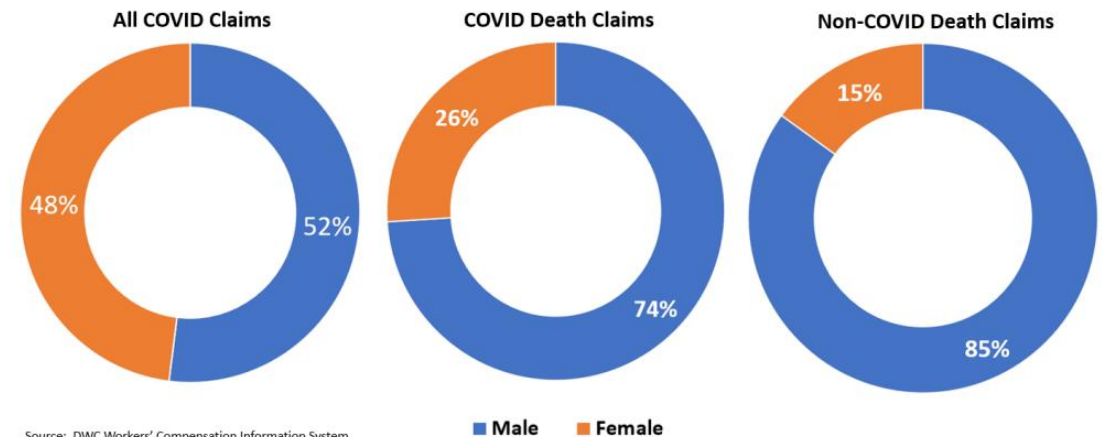
### Age



Pcnt of 50+ Year Old Fatalities:

- Non-COVID: 54%
- COVID: 72%

### Gender

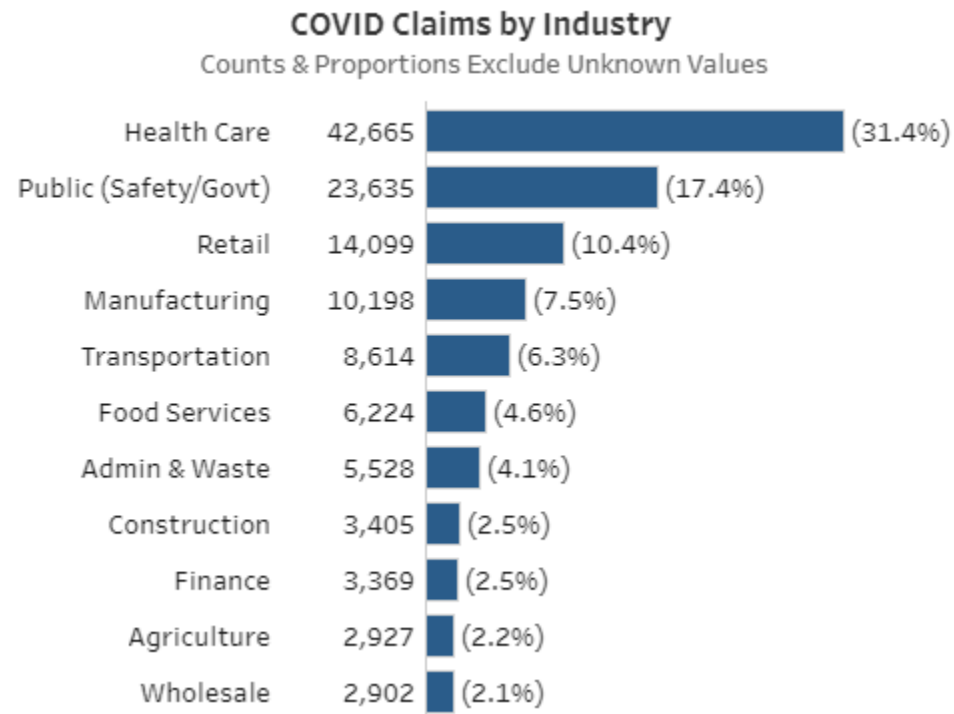


Higher proportion of female COVID fatalities than Non-COVID fatalities

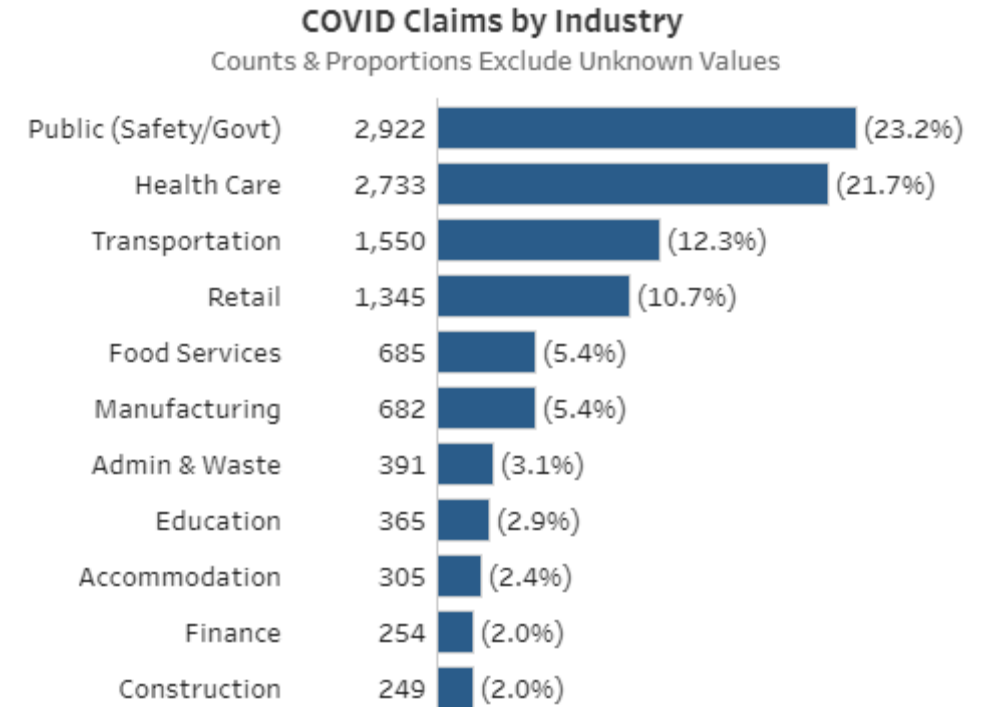
# COVID-19 Reported Claims by Industry

## Changes in Infections by Industry

March '20 – Feb '21

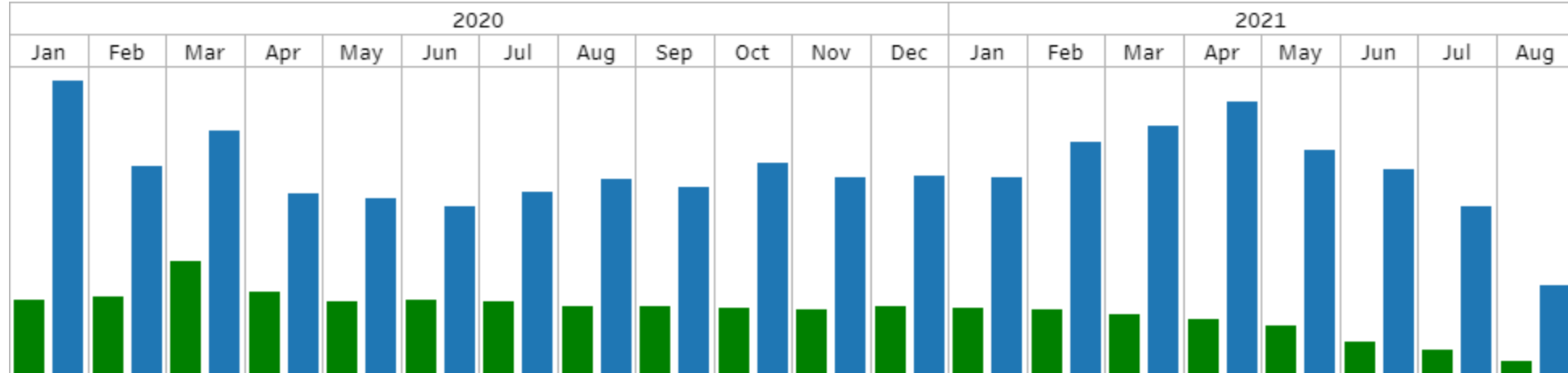


March '21 – August '21



- Health Care dropped from 31% to 23% of COVID claims
- First Responders increased from 17% to 123%
- Transportation doubled from 6% to 12%

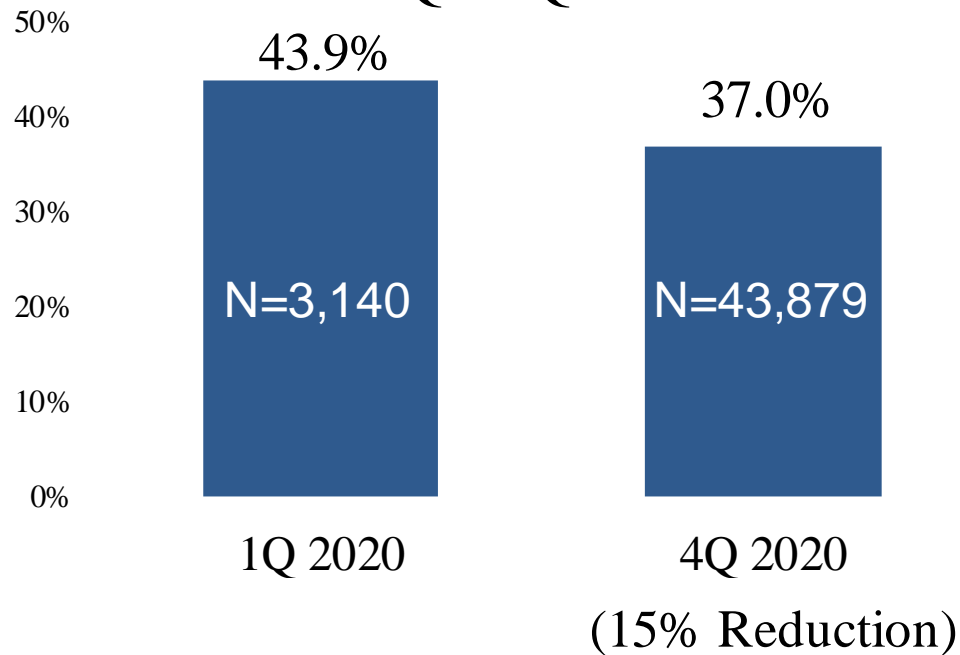
## Percent Denied COVID vs Non-COVID (Insured & Self-Insured)



Percent Denied

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020 Non-COVID	13.5%	14.0%	20.5%	14.9%	13.2%	13.4%	13.3%	12.4%	12.2%	11.9%	11.7%	12.2%
2020 COVID	53.1%	37.6%	44.1%	32.6%	31.7%	30.4%	32.9%	35.4%	33.9%	38.2%	35.5%	35.8%
2021 Non-COVID	11.8%	11.7%	10.8%	10.0%	8.7%	5.9%	4.3%	2.2%				
2021 COVID	35.7%	42.0%	44.9%	49.3%	40.7%	37.2%	30.2%	16.1%				

## Percent of Denied COVID-19 Reported Claims Q1 v. Q4 2020



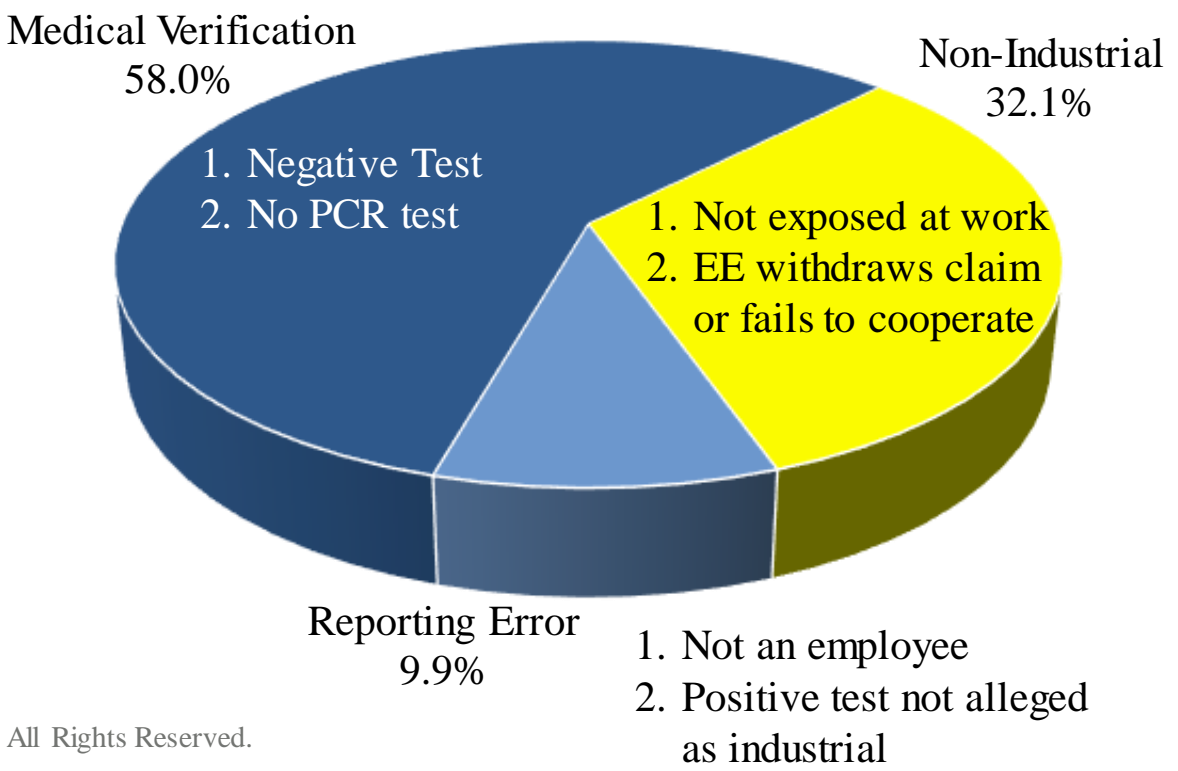
## Denial rate inputs

- COVID-19 is a societal pandemic
  - >19 in 20 of California's infected working age population did not report an industrial cause
- Other factors
  - Essential employees
  - Presumptions
  - Outbreaks
  - Shelter-in-place
  - Investigation
  - Reporting requirements

Source: DWC/WCIS; CWCI COVID-19 App

## Survey of Denial Reasons

- 4<sup>th</sup> Q 2020 reported COVID-19 claims
  - 20 Insurance Carriers (61%)
  - 13 Public and Private Self-Insureds (39%)
- N= 6,717 (65% of all 4<sup>th</sup> Q denials)

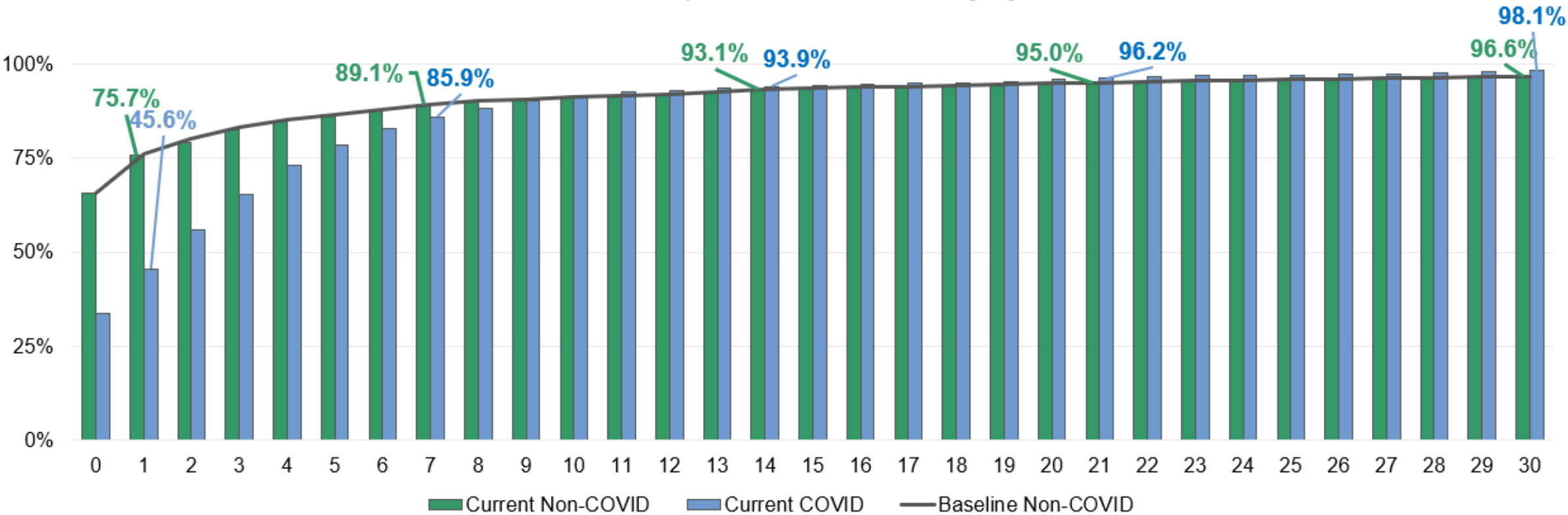


Comparing COVID-19 and Non-COVID Denial Rates:	
<ul style="list-style-type: none"><li>• Medical Verification and Reporting Errors are unique to COVID-19</li><li>• Non-Industrial is comparable to Non-COVID denied claims</li></ul>	
4 <sup>th</sup> Q 2020 Denial Rate:	37.0%
	X
Non-Industrial Rate:	<u>32.1%</u>
Adjusted Rate:	11.8%
2019 Non-COVID Denial Rate:	11.6%

## Days from Injury to Employer Notice

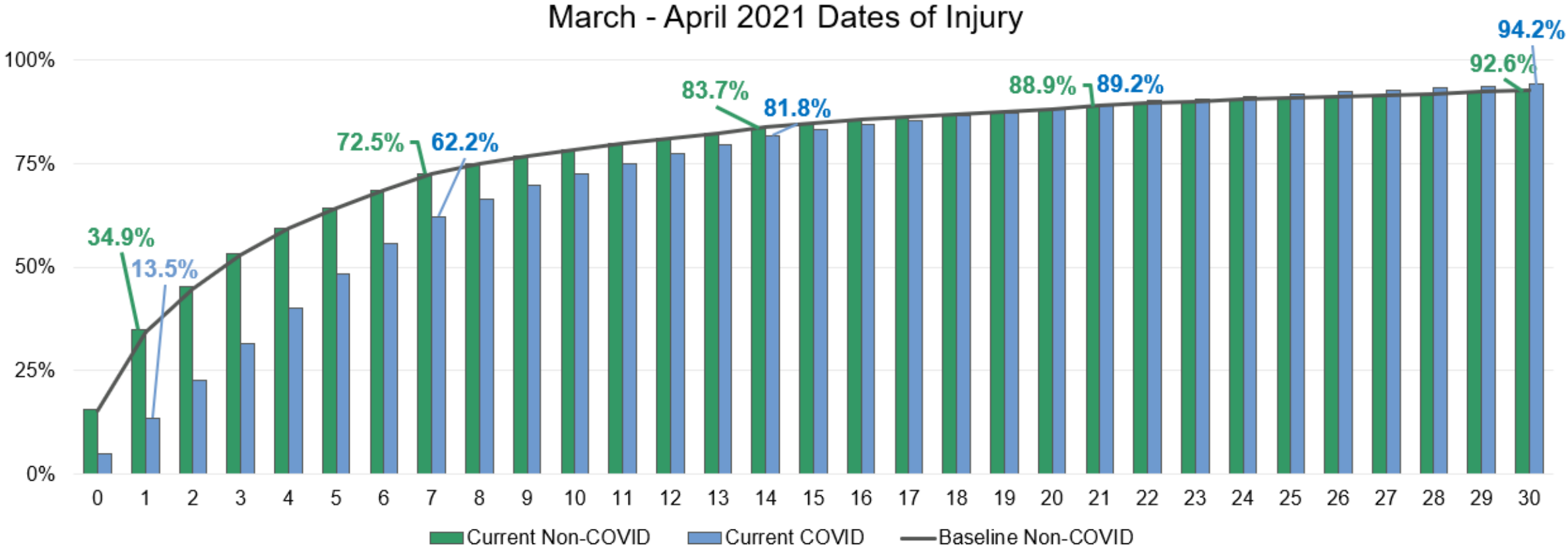
Claims Reported to Carrier within 90 Days of Injury

March - April 2021 Dates of Injury



## Days from Injury to Claims Administrator Notice

Claims Reported to Carrier within 90 Days of Injury



## Professional Services Provided in First 3 Months of Treatment For COVID Claims with the Service for Pandemic Period

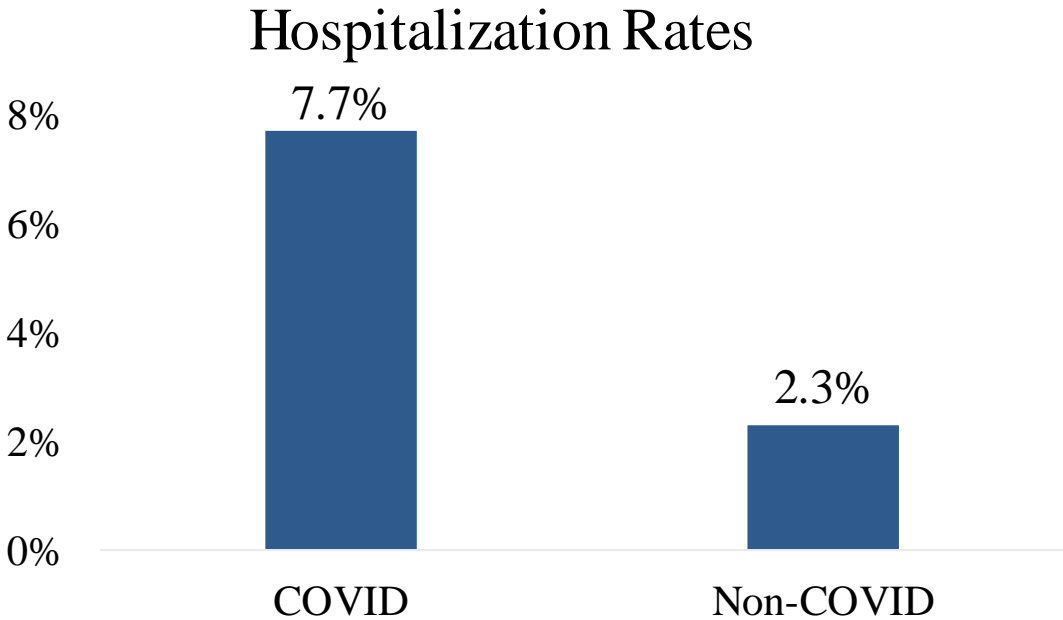
Professional Services	COVID Visits/Days	Non-COVID Visits/Days
Evaluation & Management	4.0	4.1
Physical Medicine	6.9	6.4
Major Surgery	1.0	1.3
Minor Surgery	3.4	1.3
MRI/CT/PET	1.3	1.2
Laboratory	1.4	1.3
X-Ray	2.3	1.3
Diagnostic Test & Measurement	1.8	1.3
Injection	1.5	1.2
Psych	3.6	2.9

## COVID-19 Payments and Services Including Hospitalizations

Fee Schedule Section	Percent Paid	Percent Services
Inpatient	80.0%	15.7%
Evaluation & Management	8.3%	36.9%
Ambulance	2.8%	0.6%
Physical Medicine	2.6%	6.1%
Other Medical	1.7%	6.6%
Special Services / Reports	1.5%	13.9%
Home Health	1.3%	2.6%
Laboratory	0.7%	9.2%
Radiology	0.6%	6.9%
Surgery	0.4%	1.3%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Data: Claims with Medical Treatment

DOI Mar – Oct 2020



### COVID Inpatient Costs and Length of Stay

	Average	Min	Median	Max
Payment	\$70,317	\$3,803	\$29,355	\$751,002
Length of Stay	13	1	8	113

## Safety National client base by industry



**23%** Public Entity



**16%** Healthcare



**13%** Retail /Restaurant



**12%** K-12 Schools



**9%** Manufacturing



**4%** Higher Education



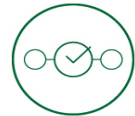
**4%** Services



**3%** Transportation

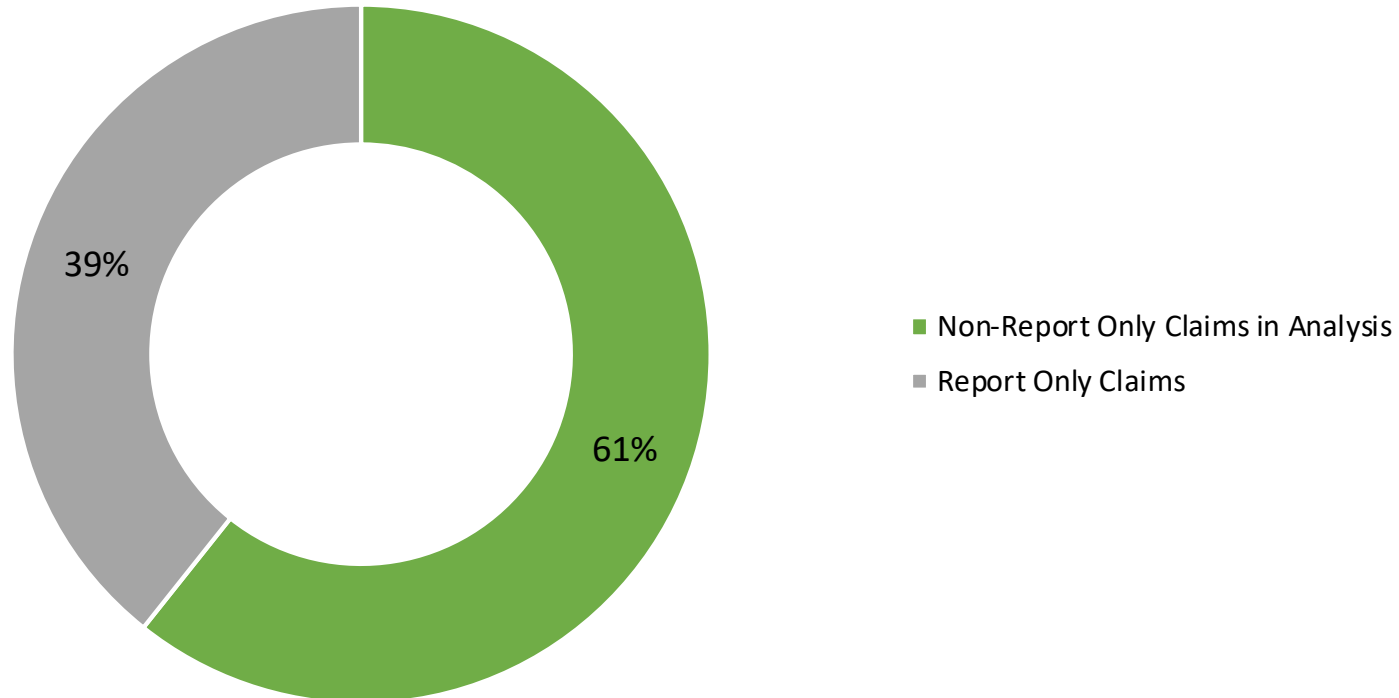


**3%** Wholesale



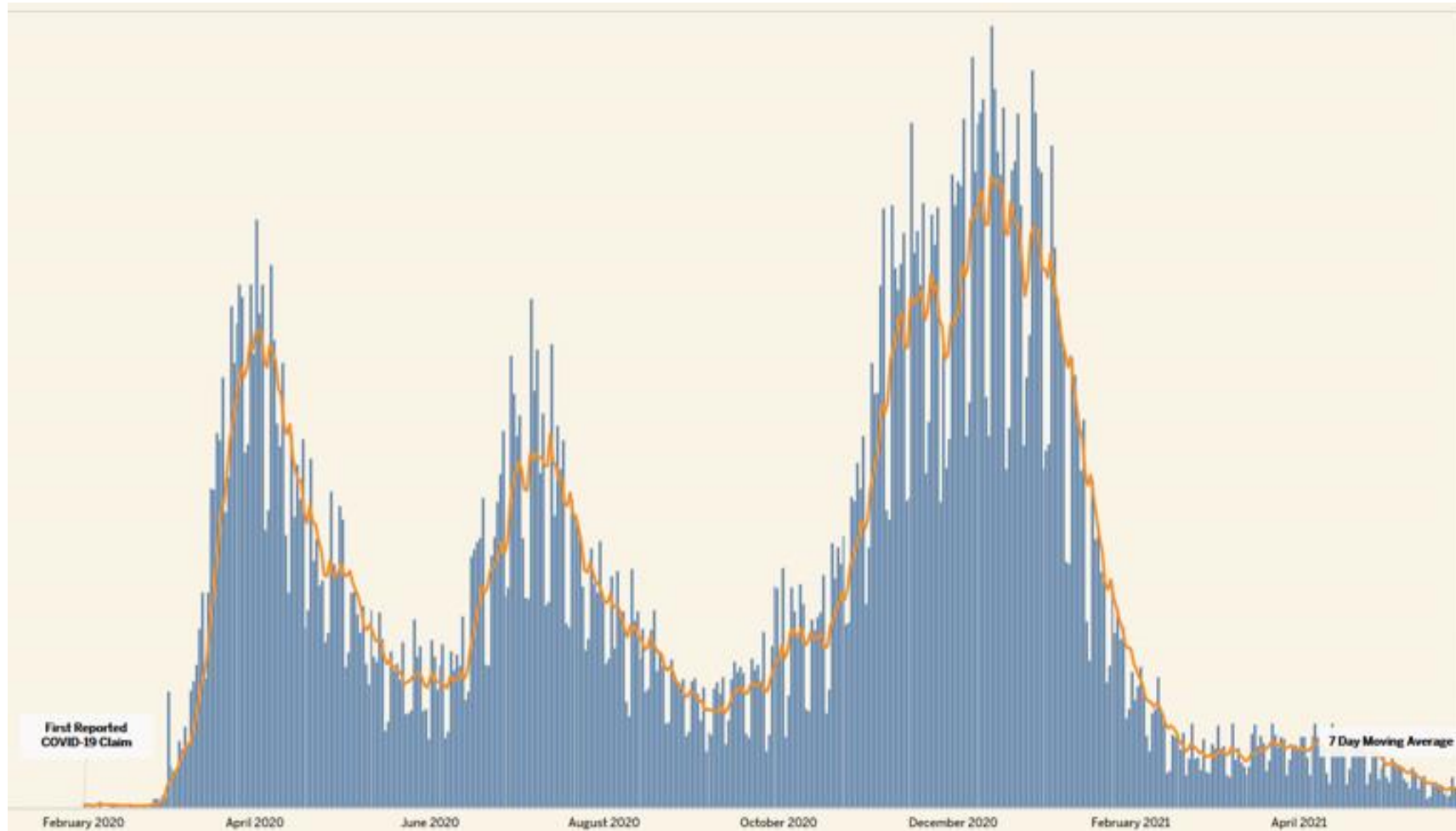
**13%** Other

# Non-Report Only Claims in Analysis



**All the stats on the remaining exhibits focus on Non-Report Only Claims in Analysis**

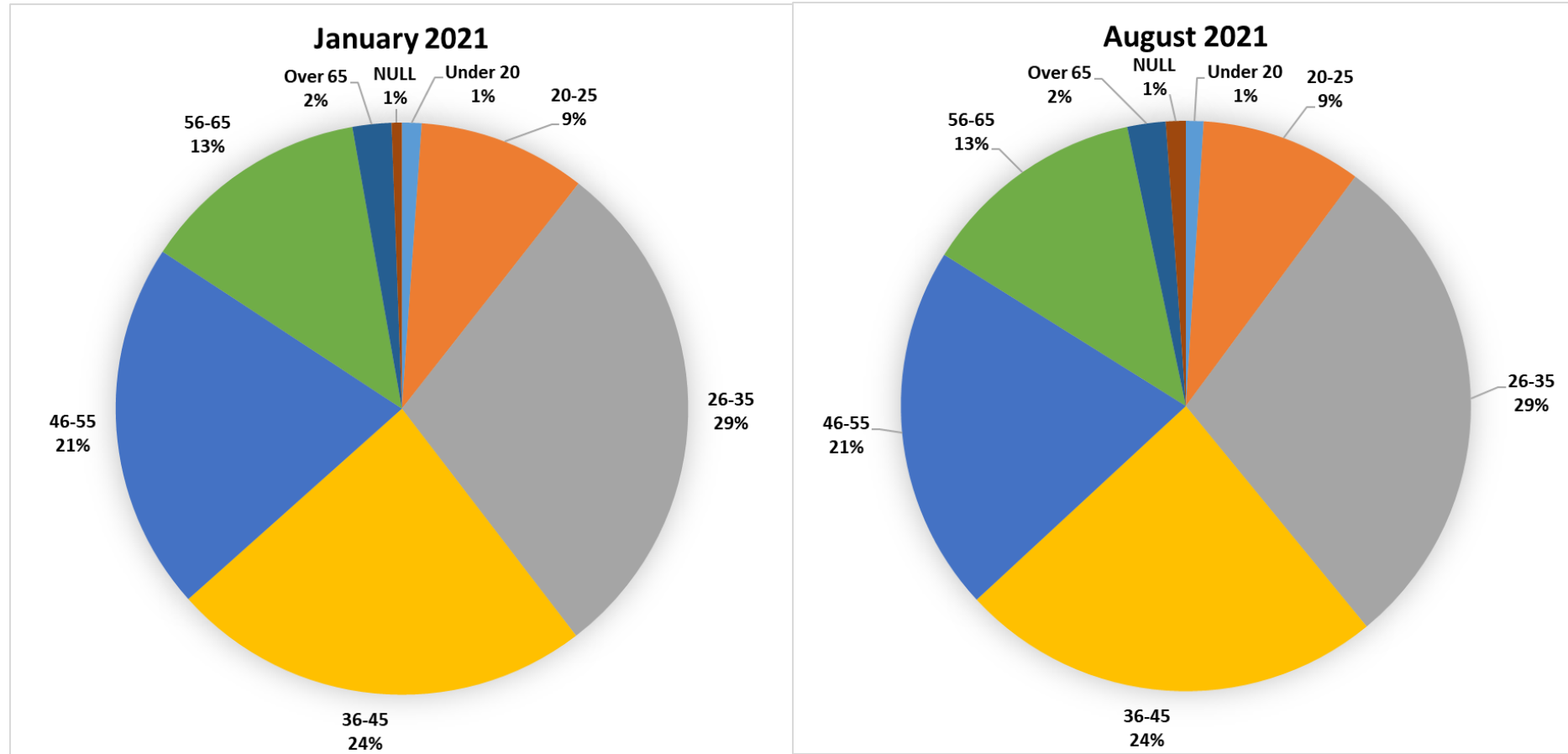
# Safety National COVID-19 Claims Reported by Date of Loss



# COVID Claims By Age



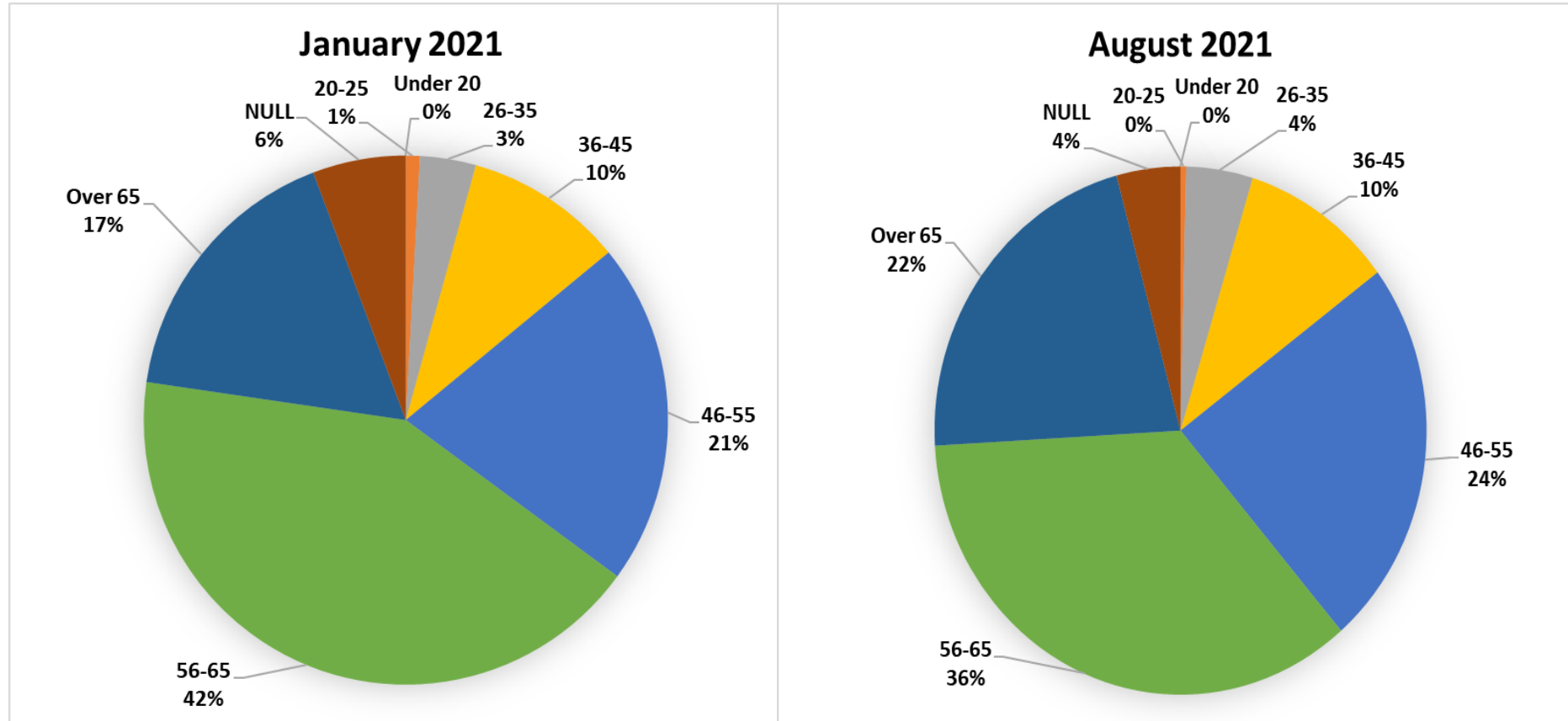
No change noted in the age range of claims by percent of total



# COVID Death Claims by Age



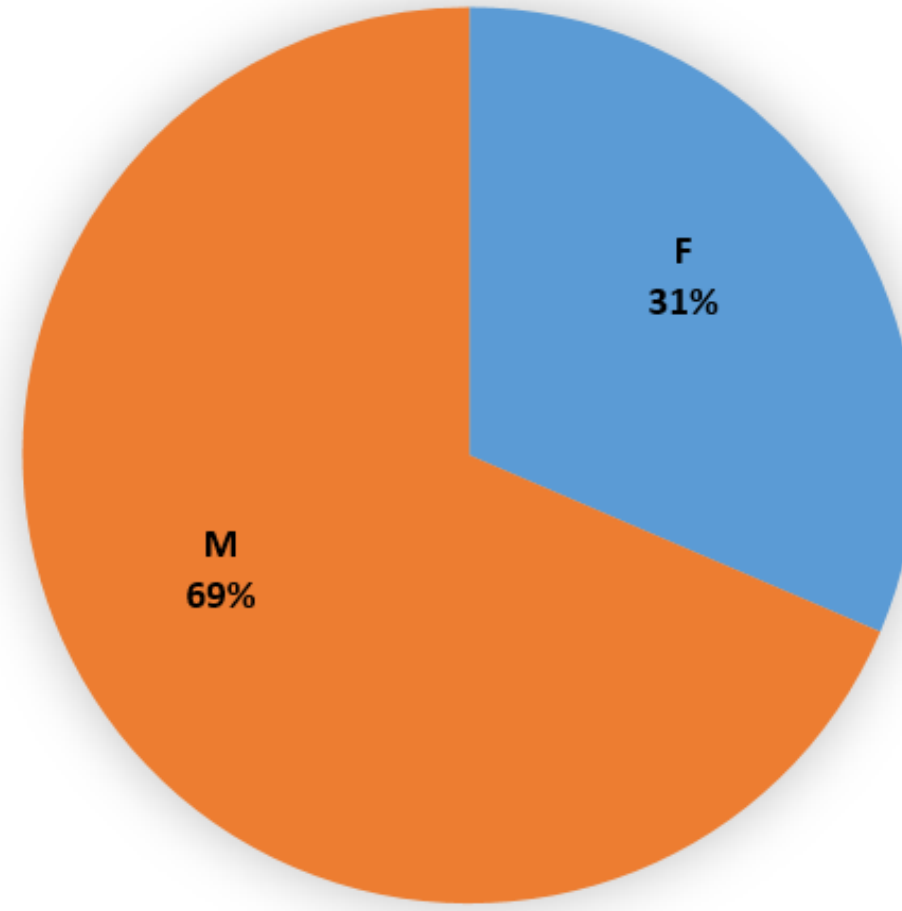
Death Claims increased in the area of over 65 as well as 46-55.



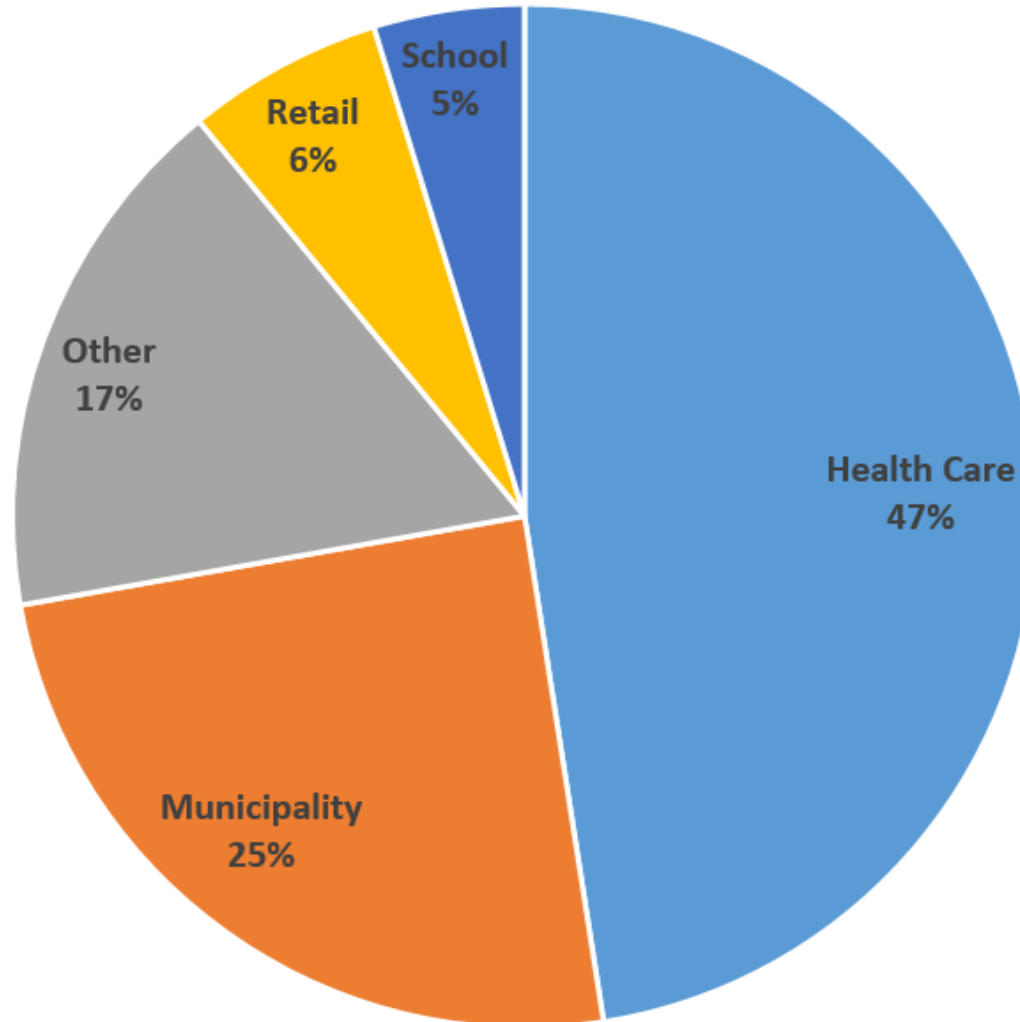
# COVID Death Claims by Gender



68% of Death claims are male, up from 61% in January 2021.



# Death Claims by Industry



Decrease in healthcare claims to 48% of total from 51% reported in the health care industry previously

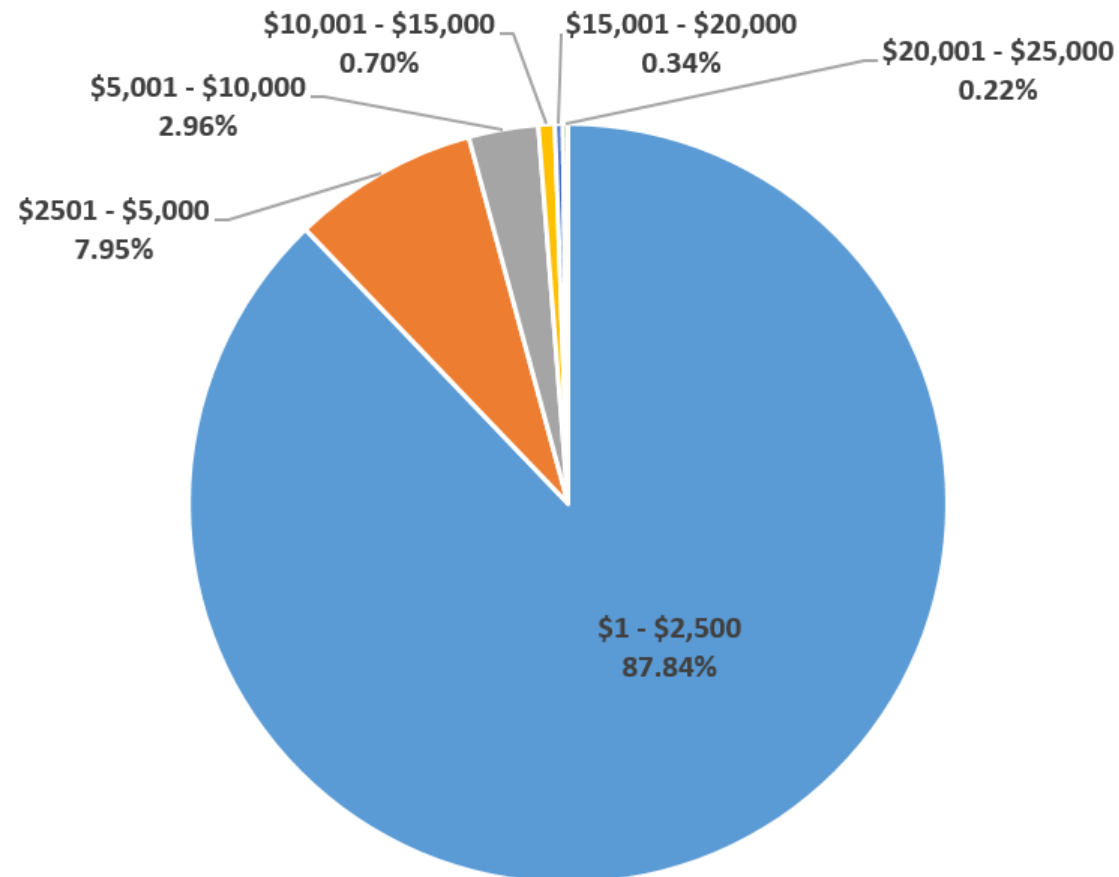
On average deaths occurred within 33 days of the DOL reported

Death claims increased from 0.36% of COVID Claims to 0.60% from January to July

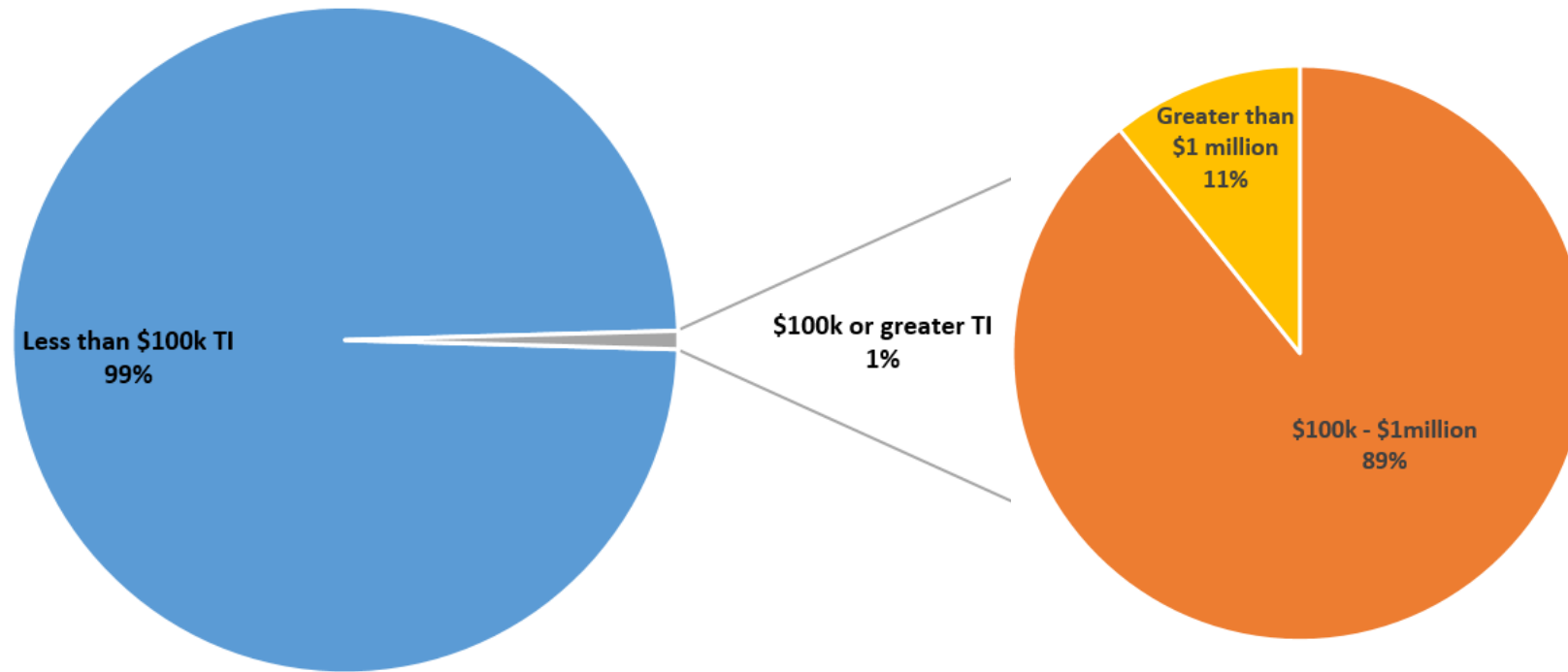
# Cost Range Percent of Claims



99% of the closed claims as of July 2021 had TI between \$1 - \$25,000



# COVID Claims Over \$100k

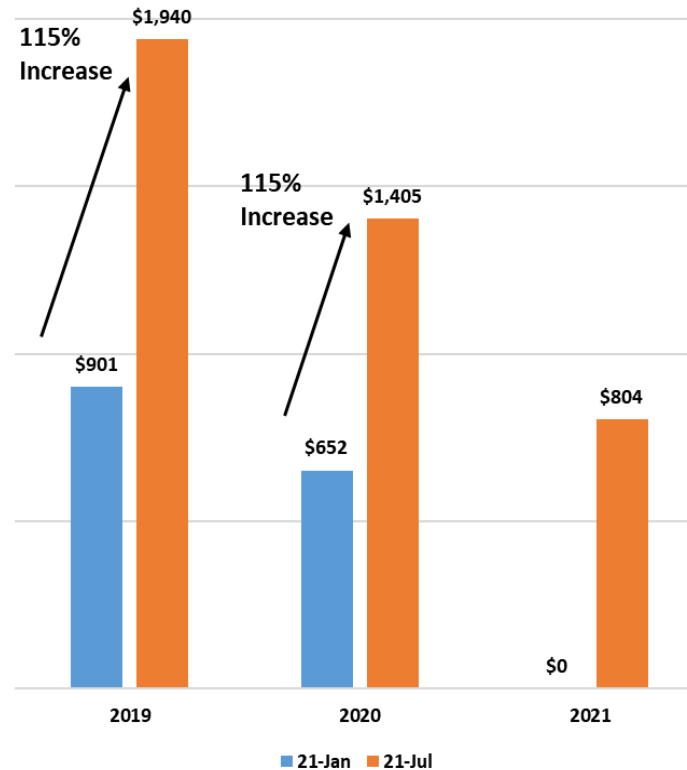


# Average Incurred- COVID Claims

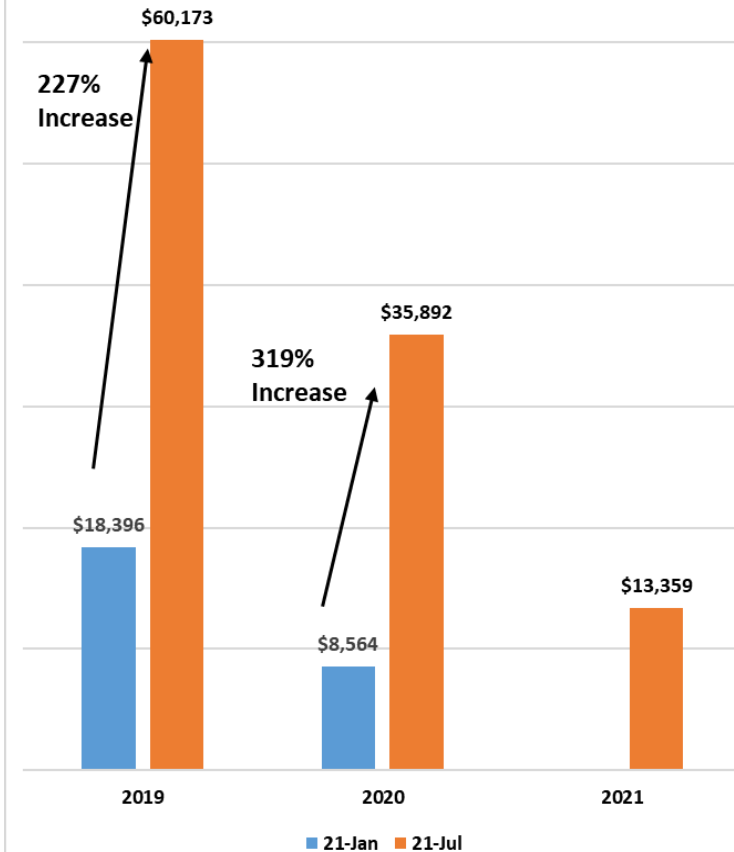


6% of the open claims were previously closed and reopened

### Closed Average Incurred Per Claim



### Open/Reopen Average Incurred Per Claim





Last February I provided details on 4 healthcare workers with ground-up exposure over \$2million on each claim.

Four municipality claims with exposure over \$1million:

- 57 year old firefighter with prolonged ventilation. He has significant lung issues and an exacerbation of an underlying heart condition (\$3million inc)
  - 70 year old jailer who passed away (\$2.2million inc)
  - 48 year old police officer who passed away (\$1.8million inc)
  - 43 year old police officer who passed away (\$1.9million inc)
- 
- Handful of cases where a lung transplant has either occurred, they are on a waiting list, or the person does not qualify at this time. Projected cost of transplants range between \$1.2 and \$2million.

## Client base by industry



## — Sedgwick Covid-19 insights : P&C

109,641

COVID-19 WC claims reported  
Top States: CA, TX, MI, FL  
Top Industries: Healthcare, Public Sector, Retail

7.4%

of COVID-19 claims are open

90.4%

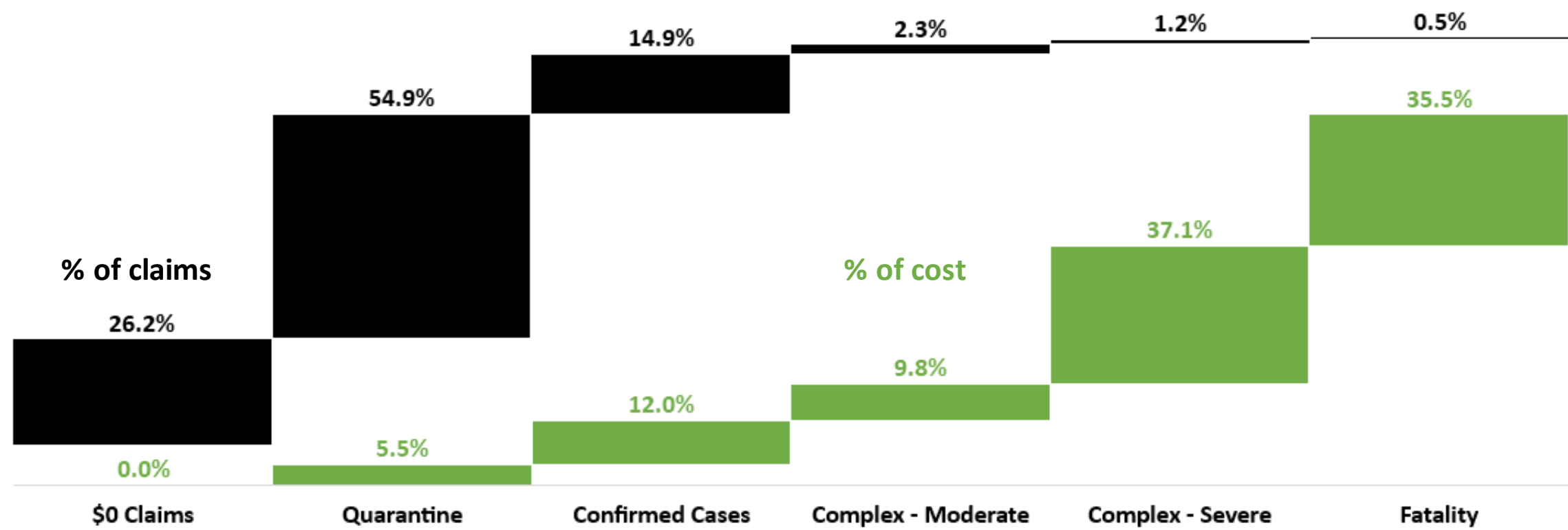
of COVID-19 claims closed with average paid less than \$2500

1.4%

of COVID-19 claims are litigated

- COVID-19 claim average incurred is 75% lower than Non COVID-19 claims
- COVID-19 claim average duration is 33% shorter than Non COVID-19 claims
- COVID-19 claims are evenly distributed across all age groups
- 46% of COVID-19 claims are in the healthcare industry

— Sedgwick Covid-19 insights: WC Cost Model



## — Sedgwick Covid-19 insight: Workforce Absence

**2.09M** Workforce absence COVID-19 cases reported

- **LOA: (85%)**
- **STD: (14%)**
- **ADA: (1%)**

**5.4%** of COVID-19 LoA cases were denied

**46.0%** of COVID-19 LOA cases are within Retail

- **37% of cases are within Office & Manufacturing**

- STD COVID-19 average cost is 29% lower than Non COVID-19 cost
- STD COVID-19 average duration is 65% shorter than Non COVID-19 cases
- CA had more than 2x as many COVID-19 LOA cases than any other state during the prior 19 months
- Denial rates for STD cases where about the same for COVID-19 and non COVID-19 cases