

**KANSAS DEPARTMENT OF
HUMAN RESOURCES**

**Kansas Division of Workers Compensation
27th Annual Statistical Report
Fiscal Year 2001**

February 2002

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ACKNOWLEDGEMENTS

This 27th Annual Report would not have been possible without the dedication and resourcefulness of the following people and organizations:

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WASHBURN UNIVERSITY

Statistical Consultation:

Dr. Ron Wasserstein, Professor of Statistics

Special thanks are due to the carriers, group pools, and self-insured entities that were asked to participate in the call for data that allowed the Division to include information in the section on open & closed claims in Kansas.

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MESSAGE FROM THE DIRECTOR

Since my appointment as Director of the Division of Workers Compensation in August 1995, I have been pleased to be involved in many different projects and activities to make the administration of workers compensation both more efficient and effective. This administration has stressed quality management in our efforts to accomplish major improvements and update the present workers compensation system.

This annual report contains information on the Division's operations by section for the past fiscal year, tables of data on the incidence of workplace injuries and illnesses, insurance industry premiums and losses for Kansas, fraud & abuse activity, and revenue and operating expenditures for the Kansas Workers Compensation Fund. The report also contains the results of a major statistical study on open & closed claims. The report, however, does not cover all aspects of what happens in the Division nor is it intended to do so, although all of those elements are important.

The Division processed 92,248 accident and disease reports, 13,174 applications for hearings, and 3,548 employer elections. The Business section issued 250 self-insurance permits to employers, including 27 to new applicants. The Compliance section established more than 7,200 employer contacts. The Fraud & Abuse section referred an increased number of cases for criminal prosecution across the state, resulting in restitution by several defendants. The Industrial Safety & Health section conducted 1,182 inspections, consultations, and audits to assist employers in creating safer work environments for Kansas workers; the Boiler Safety unit conducted 3,964 inspections. In addition, the Ombudsman section provided information to 28,746 parties during the fiscal year.

The Research section responded to more than 37,000 requests for workers compensation histories. The Technology & Statistics section managed the construction of a new database system to replace the mainframe applications, issued a Request for Proposal asking that qualified vendors respond with a system design plan and cost estimate for the Division's electronic data interchange (EDI) program, published an annual statistical report and a new supplement of the Workers Compensation book of laws and regulations, and added features to our Web site to improve this means of providing information to our customers. The Division hosted three seminars on workers compensation and industrial safety topics during FY2001.

I thank all of the employees of the Division of Workers Compensation for the hard work, dedication, and loyalty that they exhibit on a daily basis. I also thank the Secretary of Human Resources, Mr. Richard E. Beyer, for his continued support. The Division continues to receive valuable insight from business and labor, legal counsel, the insurance industry, and health care providers on ways to improve the Kansas workers compensation system. Your assistance and guidance are always welcome. Finally, on behalf of the entire Division, I would like to express my sympathies to all the families of the victims of the terrorist attacks that occurred in New York and Washington, D.C. last fall.

Sincerely,



Philip S. Harness, Director
KDHR Workers Compensation Division

INTRODUCTION

The Kansas Legislature enacted the state's first law governing workers compensation, as a no-fault system, more than nine decades ago, in 1911. Although many significant changes to its provisions have been made since then, the basic premise and purpose of that law have remained much the same. The premise is that those injured in industrial accidents should be compensated regardless of who is at fault. The purpose is to provide protection to the injured employee through employer safety efforts, medical treatment, and partial compensation for lost income.¹

Until 1939, the responsibility for administering the workers compensation law resided with a "workmen's compensation commissioner" whose authority extended from a series of public commissions under to whom the position reported, including the Public Safety Commission in the 1920s and the Commission of Labor and Industry in the 1930s. In 1939 the Kansas Legislature created, and transferred jurisdiction over workers compensation to, a stand-alone agency named the Office of the Workmen's Compensation Commissioner. In 1961, the legislature reorganized the office again, into the Office of the Director of Workers Compensation; this office subsequently became a Division under the Department of Human Resources. Today's Division of Workers Compensation, while having grown and having undergone considerable organizational changes, is essentially the same agency created in 1939.

The current workers compensation law covers all employers in Kansas, regardless of the number of employees or the kind of work they do, with two exceptions: those employers engaged in agricultural pursuits; and any employer during a given calendar year who has an estimated payroll less than \$20,000 for that year, unless the employer is a subcontractor. The State of Kansas pays no workers compensation benefits to injured workers unless they are state employees. Private employers pay all benefits owed to their injured workers, either directly from the employer's own resources, or indirectly through another party. While most covered employers obtain insurance from private carriers or group pools, provisions in the law establish criteria for certain employers to become self-insured. Potentially eligible employers must apply for approval from the Director of Workers Compensation. Criteria include continuous operation for at least five years, a minimum level of after-tax earnings, and a minimum debt/equity ratio. The Kansas Insurance Department approves the formation of group-funded self-insurance pools and determines whether an employer qualifies for membership in a pool.

¹ Madison v. Key Work Clothes, 182 Kan. 186, 192, 318 P. 2d 991 (1957).

BENEFITS INFORMATION

COMPENSATION

Kansas's workers compensation law requires that an employer or its insurance carrier pay an injured employee two-thirds of the employee's gross average weekly wage up to the amount of the applicable maximum benefits listed below. To find the appropriate maximum, look in the schedule below for the range of dates that would contain the date of injury, and then go to the right to find the maximum dollar amount of the benefit. For example, if the date of injury were August 21, 1993, the maximum weekly benefit one could receive would be \$313. The actual amount one receives is the lesser of two amounts: either two-thirds of one's gross average weekly wage; or, the maximum in effect at the date of the injury. This effective maximum does not change over the life of one's claim, even though the maximum benefit level for each new 12-month interval usually increases by a small amount.

Maximum Compensation Schedule

Date of Injury	Maximum Benefit
July 1, 1992-June 30, 1993	\$299
July 1, 1993-June 30, 1994	\$313
July 1, 1994-June 30, 1995	\$319
July 1, 1995-June 30, 1996	\$326
July 1, 1996-June 30, 1997	\$338
July 1, 1997-June 30, 1998	\$351
July 1, 1998-June 30, 1999	\$366
July 1, 1999-June 30, 2000	\$383
July 1, 2000-June 30, 2001	\$401
July 1, 2001-June 30, 2002	\$417
Current Weekly Minimum:	\$25

MEDICAL

A person injured on the job is entitled to all medical treatment that may be needed to cure or relieve the effects of the injury. Under the law, the employer has the right to choose the treating physician. If the worker seeks treatment from a doctor not authorized or agreed upon by the employer, the insurance company is only liable up to \$500 toward such medical bills. The employee does have the right to apply to the Director of Workers Compensation for a change of doctor. An injured worker is generally entitled to mileage reimbursement for trips to see a physician for distances in excess of five miles for the round trip. The injured worker generally can also obtain reimbursement if transportation must be hired. Weekly compensation is payable at the above applicable rate for the duration of the disability. In no case can such payments exceed a total of \$125,000 for permanent total or \$100,000 for permanent partial or temporary disability.

BENEFITS INFORMATION

CATEGORIES OF DISABILITY COMPENSATION BENEFITS

Temporary Total Disability is paid when the employee, due to an injury, is unable to engage in any type of substantial and gainful employment. Benefits are paid for the duration of the disability.

Permanent Total Disability is paid when the employee, due to an injury, has been rendered completely and permanently incapable of engaging in any type of substantial and gainful employment. The loss of both eyes, both hands, both arms, both feet, or both legs, and any combination thereof, in the absence of proof to the contrary, shall also constitute a permanent total disability. Substantially total paralysis, or incurable imbecility or insanity, resulting from injury independent of all other causes, shall also constitute permanent total disability.

Permanent Partial Scheduled Disability is paid when the employee sustains complete or partial loss of use of a body part, such as an arm, due to a job-related injury. Compensation is limited to a percentage of the scheduled number of weeks.

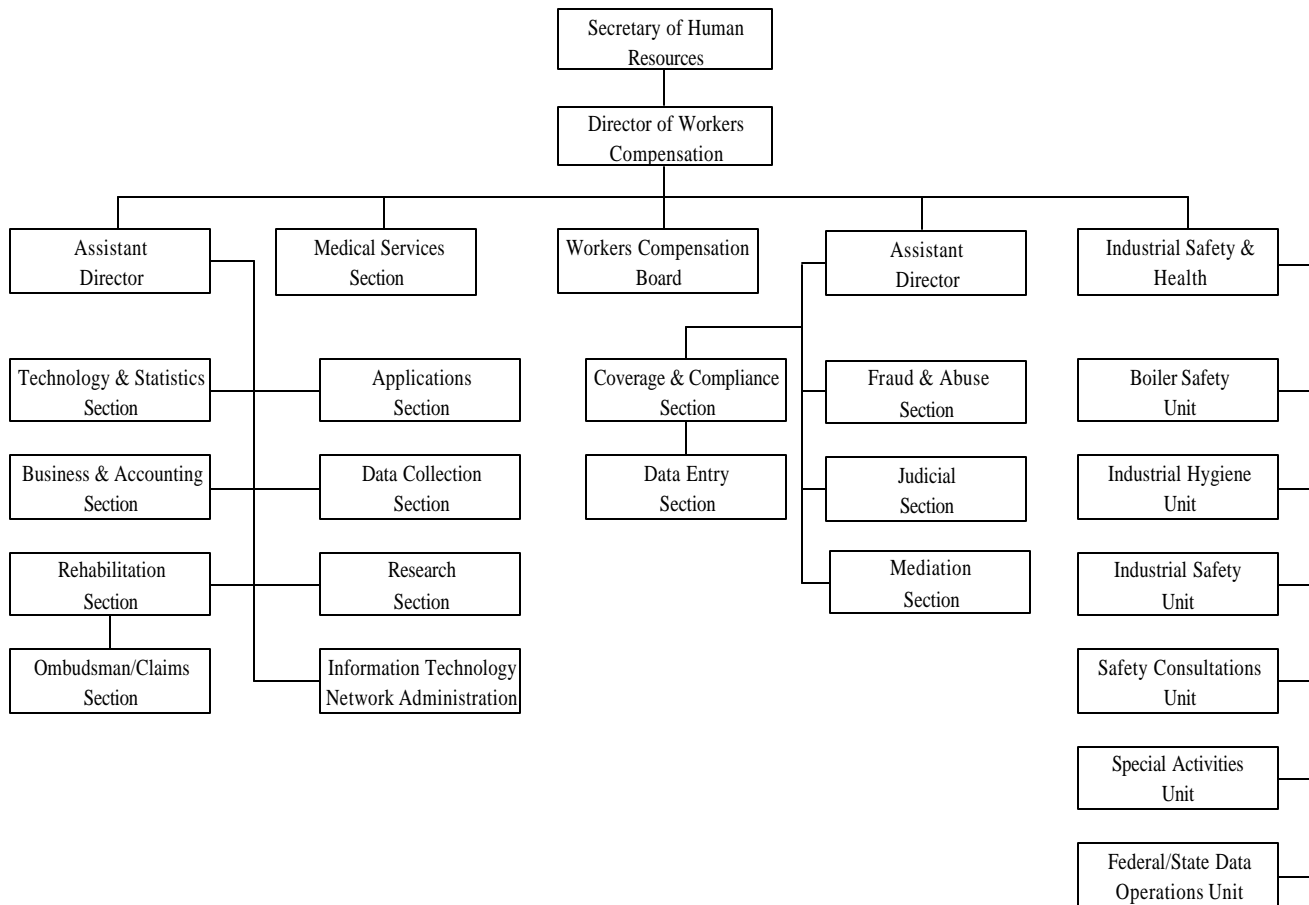
Permanent Partial General Disability is paid when the employee sustains permanent partial disability not specifically covered by the schedule. Compensation is based on the percentage of disability remaining after recovery and is limited to 415 weeks.

Survivors' Benefits of \$250,000 are paid to an employee's surviving spouse and dependent children if death occurs as a result of injury. If there is no surviving spouse or dependents the legal heirs are entitled to \$25,000. Burial expenses up to \$5,000 are also covered.

PERSONNEL DIRECTORY

Name/Office	Address/Floor	Tele phone No.
Philip Harness, Director	800 SW Jackson, 7th Floor	(785) 296-4000
Assistant Director		
Kenneth Hursh	7 th Floor	(785) 296-4000
Administrative Law Judges		
Brad Avery	Lower Level	(785) 296-7012
Bryce Bendict	Lower Level	(785) 296-7012
Pamela Fuller	Garden City	(316) 275-0414
Robert Foerschler	Overland Park	(913) 642-7650
Steven Howard	Overland Park	(913) 642-7650
Julie Sample	Overland Park	(913) 642-7650
Bruce Moore	Salina	(785) 827-0724
John Clark	Wichita	(316) 264-0220
Jon Frobish	Wichita	(316) 264-0220
Nelsonna Potts -Barnes	Wichita	(316) 264-0220
Workers Compensation Appeals Board		
Gary Korte (Chair)	14 th Floor	(785) 296-6694
Self Insurance		
Tom Bradley	6 th Floor	(785) 296-3606
Coverage & Compliance		
Don Palmer	6 th Floor	(785) 296-6767
Fraud & Abuse Investigation		
Ezra Ginzburg (Asst Atty General)	8 th Floor	(785) 296-6392
Mediation		
Jose Castillo	7 th Floor	(785) 296-0848
Medical Services		
Terry Tracy MD	10 th Floor	(785) 296-0846
Ombudsman/Claims Advisory		
Richard Thomas	7 th Floor	(785) 296-2996
Rehabilitation		
Richard Thomas	7 th Floor	(785) 296-2996
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Boiler Safety Unit		
Don Jenkins	512 SW 6 th Avenue	(785) 296-4589
Industrial Hygiene Unit		
Helen Cook	White City	(785) 349-2536
Industrial Safety Unit		
Marvin Dinkel	512 SW 6 th Avenue	(785) 296-6326
Federal/State Data Operations Unit		
Gary Johnson	512 SW 6 th Avenue	(785) 296-2251
Safety Consultations Unit		
Gil Samuels	El Dorado	(316) 320-1784
Special Activities Unit		
Paul Kosmala	512 SW 6 th Avenue	(785) 296-4386

Organizational Chart Kansas Department of Human Resources DIVISION OF WORKERS COMPENSATION



Section 1

Administrative Profile of the Kansas Division of Workers Compensation

BUSINESS & ACCOUNTING SECTION

PRIMARY FUNCTIONS

- **Review** and approve or disapprove applications of individual employers requesting to become self-insured. Also, annually review existing permits to decide if a company still meets the criteria to be self-insured in the state of Kansas, pursuant to K.S.A. 44-532 and K.A.R. 54-14-4.
- **Collect** and tabulate information needed to issue assessments against insurance carriers, group pools, and self-insured employers to generate sufficient fees to support the Division, as mandated by K.S.A. 74-712 through 74-719.
- **Prepare** the budget annually within established deadlines and monitor monthly expenditures.
- **Order** equipment and supplies as needed to maintain the operations and efficiency of more than 100 employees in Topeka and in four regional offices.
- **Sell** workers compensation law books and medical fee schedules to the public.

ACCOMPLISHMENTS

- **Assessed** and collected fees from 933 insurance carriers, group pools, and individual self-insured employers.
- **Approved** the renewal of a net 250 permits, approved 27 new applicants, and processed 17 cancellations.

OBJECTIVES

- **Consult** with self-insured companies in order to improve and simplify the application process.
- **Complete** the annual budget preparation prior to the established due dates.
- **Complete** a financial report containing review and analysis of all banks issuing letters of credit to self-insured companies.

BUSINESS & ACCOUNTING SECTION

Table 1-1

ASSESSMENTS COLLECTED DURING CALENDAR YEAR 2000	
Reported losses paid in calendar year 2000	\$324,311,473
Current assessment factor	0.02790
Assessments collected during calendar year 2000	\$9,048,290
Number of carriers and self-insurers reporting	933
ESTIMATED EXPENDITURES TO ADMINISTER THE WORKERS COMPENSATION ACT FOR FY2002	
Salaries and Wages (Division excluding Industrial Safety & Health)	\$4,907,672
Contractual Services (communication, printing, rent, maintenance, travel)	\$1,316,203
Commodities (general office supplies)	\$92,445
Capital Outlay (furniture, equipment, books)	<u>\$275,000</u>
Subtotal	\$6,591,320
Salaries and Operating Expenses (Industrial Safety & Health, KDHR)	\$632,844
Allocated Overhead and Data Processing Support (KDHR)	\$1,300,000
Assessments Paid to General Fund, Dept. of Administration	<u>\$200,000</u>
Subtotal	\$2,132,844
Total Estimated FY2002 Expenditures	\$8,724,164
<p>The State of Kansas operates on a fiscal year that begins July 1 each year and ends on June 30 of the following named year. The law requires our Division to annually remit 20 percent (not to exceed \$200,000), of all collected monies, to the Department of Administration in payment of services extended to us by them. The Division also pays an annual assessment to the Department of Human Resources, based on services provided.</p>	

Table 1-2

SELF-INSURANCE SUMMARY						
	FY01	FY00	FY99	FY98	FY97	FY96
Employers' New Applications Approved	27	21	13	17	26	20
Canceled Permits	17	24	27	37	29	42
Qualified Employers	250	240	243	257	277	280
Group-Funded Pools in Force	15	15	15	16	23	23

INDUSTRIAL SAFETY & HEALTH SECTION

PRIMARY FUNCTIONS

- *21(d) CONSULTATION*: **offers** assistance to private sector employers in safety and health program evaluations. Consultants offer advice in the recognition, evaluation, and control of hazards in the workplace. Assistance with program initiation and development is available. Training, both formal and informal, is performed in all areas of safety and health. All services are at no cost to the client.
- *PUBLIC SECTOR COMPLIANCE*: **monitors** the public sector--cities, counties, state agencies, and school districts--by performing compliance audits under KSA 44-636. Occupational hazards are identified and program elements are assessed. Hazards must be abated within 60 days. Investigations of employee complaints, near misses and fatalities are also conducted.
- *ACCIDENT PREVENTION*: **evaluates** insurance companies to ensure that they are offering safety and health services to their insureds as required by law. The quality and quantity of these services are evaluated by trained consultants by directly reviewing insurance company records. An annual report is completed each year and forwarded to the insurance commissioner.
- *BOILER SAFETY INSPECTIONS*: **performs** periodic state-certified regular and special inspections of all boilers--private and public--as required by law. Boiler safety has a high priority as indicated under KSA 44-913 et seq. Boiler and pressure vessel manufacturers and repair firms are monitored. All new installations of pressure vessels in the state are inspected. Boiler safety has a high priority. The boiler program is fee funded.
- *STATE WORKPLACE HEALTH & SAFETY*: **directs** the establishment of health and safety programs in state agencies. Trained consultants perform inspections to identify hazards and assess program elements. Training is provided on a variety of occupational subjects from construction safety to office ergonomics. Employee complaints and accident investigations are also performed.
- *SAFETY & HEALTH CONFERENCE COMMITTEE*: **plans** and organizes the annual Kansas Safety & Health conference to bring industrial, academic, vendor, and government safety representatives together. The conference is self-supporting and seeks to address the relevant safety issues in a variety of workshops and presentations.

ACCOMPLISHMENTS

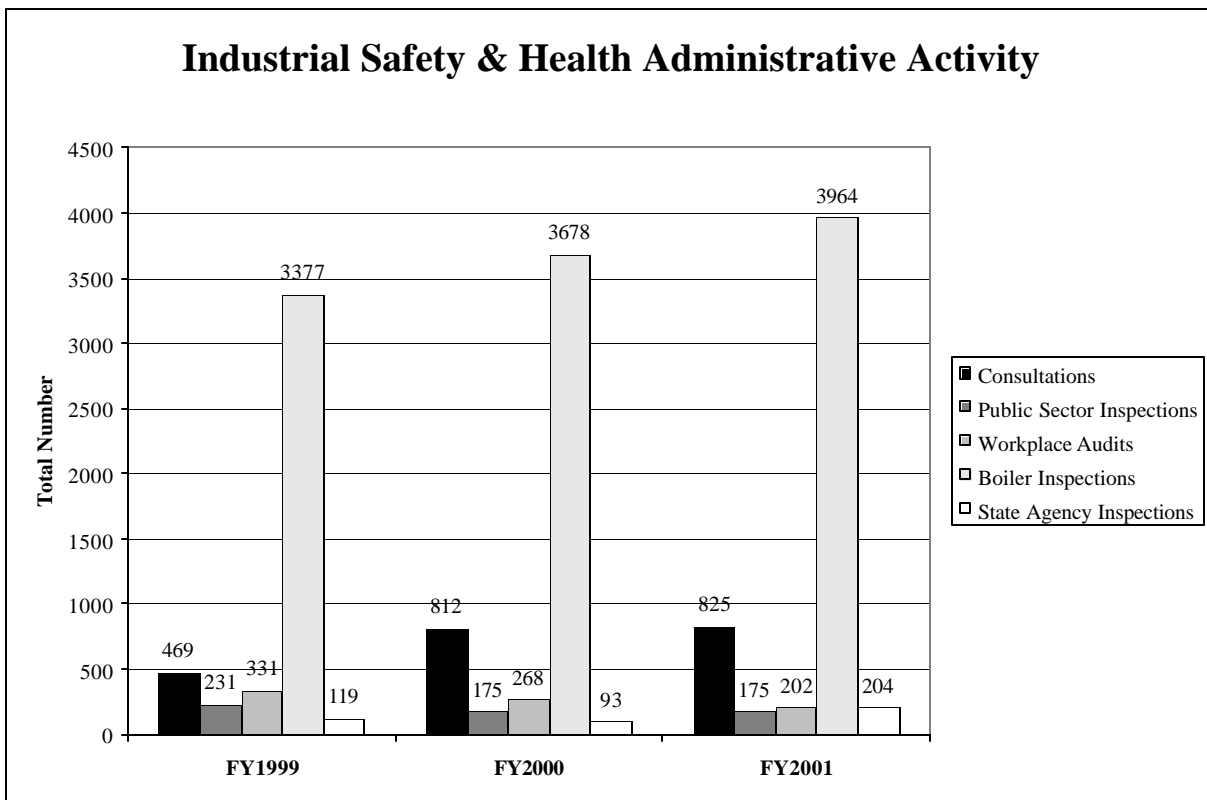
- **Performed** 825 consultations over the most recent evaluation period; 4,120 hazards were identified, and 2,676 were classified as serious and were corrected.
- **Performed** public sector inspections in 155 cities, counties, school districts, and other establishments; 1,008 discrepancies were identified and corrected. 22 employee complaints were assessed and 3 public sector fatalities were investigated. More than 6,500 public sector employees were impacted by these inspections.
- **Audited** 202 workplaces with 15,096 employees under Accident Prevention. There were 1,540 types of hazards identified. Of the 134 insurance companies doing business in Kansas during FY2001, 132 reported that \$6,616,043 had been spent on accident prevention services for Kansas employers. This included 10,534 inspections, 194 industrial hygiene studies, and 950 training programs.
- **Conducted** 3,964 boiler inspections during FY2001 which resulted in \$317,440 in inspection fees. Additionally, sixteen shop reviews and 30 special inspections were conducted which brought in \$9,245 and \$13,971 respectively. The state general fund received 20 percent of these funds or \$48,291 from these funds. During this year, nearly 10,000 certificates were issued.
- **Performed** 204 inspections of state agencies with 8,233 affected employees. During the course of these inspections, 1,872 hazards were identified and abated.
- **Hosted** 383 attendees at the 51st Annual Safety and Health Conference in Wichita, Kansas.

INDUSTRIAL SAFETY & HEALTH SECTION

OBJECTIVES

- **Complete** 600-800 consultations under the 21(d) Consultation Program.
- **Perform** 200 compliance visits of cities, counties, and school districts. Respond to all public sector complaints and perform investigations of all fatalities and near misses.
- **Increase** the number of Accident Prevention audits to 400 and offer assistance to insurance carriers for improving the quality of safety and health services through an internship program.
- **Establish** health and safety programs in two state agencies with properly trained personnel.
- **Conduct** 3,400 boiler inspections, issue 10,000 certificates, and inspect all new boiler and pressure vessel installations in the state.

Figure 1-1



JUDICIAL SECTION

PRIMARY FUNCTIONS

- **Provide** timely hearings in contested workers compensation claims.
- **Issue** a written decision within five days of the preliminary hearing.
- **Issue** an award following the regular hearing within 30 days of submission of the evidence.

ACCOMPLISHMENTS

- **Continued** to provide technical training for several administrative law judges at the National Judicial College.
- **Continued** to effectively manage significant caseloads with a large number of preliminary, regular and post-award hearings.
- **Continued** implementation of a uniform policy for scheduling and holding preliminary or motion hearings within 21 days of the request for hearing.
- **Continued** educational outreach to the public about the workers compensation laws and fostered better understanding of the workers compensation judicial procedure. This was accomplished by several administrative law judges accepting public speaking invitations.
- **Continued** management training for all administrative law judges to assist in the efficient operation of each regional office.

OBJECTIVES

- **Continue** to upgrade the section's information processing technology and to help the administrative law judge research, and to assist their staff in meeting production and record retention requirements.
- **Provide** additional training for the judicial section staff in order to efficiently accomplish the primary functions of the section.
- **Implement** a meeting schedule for the administrative law judges to discuss methods to enact systemic change in order to continue to provide timely hearings and decisions.
- **Increase** outreach programs to educate the public and eliminate myths concerning the workers compensation judicial process.
- **Continue** to provide additional technical training for the administrative law judges at judicial colleges.
- **Continue** having offices test new software applications to assist and improve performance of judicial duties.

JUDICIAL SECTION

**Table 1-3
ADMINISTRATIVE LAW JUDGES' CASE ACTIVITY**

Cases Assigned	6,749
Awards	414
Agreed Awards	561
Preliminary Hearing Held	1,984
Regular Hearing Held	701
Settlement Hearing Held	290
Motion Hearing Held	327
Post-Award Hearing Held	39
Pre-Hearing Settlement Conference Held	4,208
Case to Inactive Status	3,273
Case Reinstated	564
Cases Submitted for Decision	378
Preliminary Awards Granted	1,555
Temporary Total & Medical	438
Temporary Total	201
Medical	579
Preliminary Order	337
Preliminary Awards Denied	218
Temporary Total & Medical	122
Medical	84
Additional Medical	12
Miscellaneous Orders	5,462
Orders to Inactive Docket	3,273
Settlement of Cases Set for Hearing	4,608
Settlement of Cases Not Set for Hearing	3,847

Source: Kansas Division of Workers Compensation

WORKERS COMPENSATION APPEALS BOARD

PRIMARY FUNCTIONS

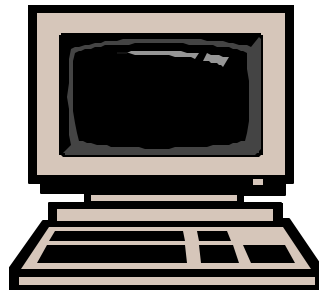
- **Responsible** for providing de novo review of administrative law judge decisions appealed in workers compensation matters.
- **Responsible** for deciding all appeals from a final order or award. Jurisdiction of preliminary hearing appeals is limited to certain issues.
- **Responsible** for insuring that decisions are made in compliance with existing workers compensation laws and regulations.

ACCOMPLISHMENTS

- **Reduced** the amount of time required from appeal to decision.
- **Issued** 525 decisions involving both awards and orders during the period July 1, 2000, through June 30, 2001. The board received 616 total appeals during this period of time. The total dismissals were 67.
- **Continue** to maintain and update the *Workers Compensation Appeals Board Index of Decisions Web site*. The *Index* is a quick reference and research tool supplementing the Division of Workers Compensation web site by accessing select Board decisions. The Web address is: www.wcboard.hr.state.ks.us. The *Index* is broken out into three separate sections. The *Keyword Index* and *Table of Contents* sections contain workers compensation topics that are each assigned a subsection number. Once a topic and corresponding subsection number are picked users can go to the *Case Summaries* section, which contains summaries of relevant Board decisions arranged by subsection numbers. The site includes a search engine and among other choices, allows users to: 1) calculate days/weeks when figuring awards, 2) look up frequently asked questions (FAQs), and 3) convert case names into docket numbers to access the full-text version of the Board's decisions.

OBJECTIVES

- **Continue** to work with the Director's office to implement rules and regulations that will simplify the appeal process and reduce the time between the filing of the application for review and the decision by the Board.
- **Continue** to reduce the time between the appeal and the Board's written decision.



Visit the Workers Compensation
Appeals Board Web site at:
www.wcboard.hr.state.ks.us

FRAUD & ABUSE SECTION

PRIMARY FUNCTIONS

- **Created** to combat fraudulent activities by claimants and to prevent abusive practices by respondents.
- **Investigates** alleged violations of the Workers Compensation Act. If a violation of the Act is discovered, the section attempts to pursue administrative remedies when appropriate. In certain cases, the section may ask county or district attorneys to file criminal charges.
- **Reports** other criminal activities discovered through its investigations. When appropriate, this section turns cases over to the Kansas Bureau of Investigation, Kansas Insurance Department or appropriate Federal & State authorities.
- **Works** with the Division's Compliance section to ensure that Kansas employers maintain the proper amount of workers compensation insurance as prescribed by law.

ACCOMPLISHMENTS

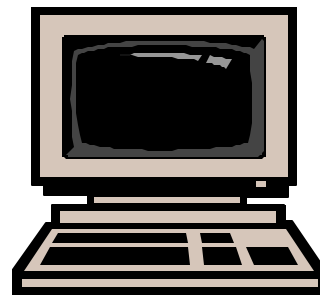
- **Investigated** more than 1,000 alleged fraudulent or abusive acts.
- **Filed** numerous administrative actions. Many of these resulted in restitution paid to the victims, or fines paid to the Division.
- **Conducted** investigations that resulted in an increase during FY2001 in the number of criminal cases filed by county or district attorneys around the state. Disposition in many of these cases resulted in restitution by the defendant, and in some cases jail or probation time as well.

OBJECTIVES

- **Continue** high standards of investigation and ensure the continued prosecution of criminal activity.
- **Encourage** County and District Attorneys to file more criminal proceedings against those who violate the Workers Compensation Act.
- **Continue** the positive working relationship that this section has with other law enforcement agencies as well as other sections of the Division.
- **Continue** educational programs designed to explain what workers compensation fraud is, what its costs are, and how to combat it.



FRAUD HOTLINE
1-800-332-0353 24hrs/day
1-785-296-6392 8:00-5:00



FRAUD E-MAIL ADDRESS
wcfraud@hr.state.ks.us

APPLICATIONS SECTION

PRIMARY FUNCTION

- **Processing** applications for hearings, including the creation of the physical docket file and the coding of information for entry into the Web-based database, which generates notices to all parties involved with each case.

ACCOMPLISHMENTS

- **Processed** each preliminary hearing application in three or less days. There were 6,946 preliminary hearing applications and 6,228 applications for a regular hearing during FY2001. Assignment of an administrative law judge was made for each case, and notices were printed for all parties involved. There were 54 applications for a surviving spouse or dependent hearing filed with this unit. A total of 2,307 “miscellaneous” applications were processed by the unit and include all applications for amendments, review and modification, penalties, insolvent impleading, corrections, post-award medical, and returned notices.

OBJECTIVES

- **Continue** to provide outstanding service to both internal and external customers.
- **Develop** a plant to implement an imaging system to process accident reports and other documents in the Division.

COVERAGE & COMPLIANCE SECTION

PRIMARY FUNCTIONS

There are currently two Units within the Coverage & Compliance Section. They include the following:

- **Compliance** - Ensure all employers doing business in Kansas are in compliance with and aware of their responsibilities regarding the Workers Compensation Act. Enforce proof of coverage and compliance requirements.
- **Accident Reporting** - Research and confirm illegible, incorrect or incomplete information received on accident report forms and prepare the corrected information for further processing.

ACCOMPLISHMENTS

- **Compliance** - Established more than 7,214 contacts regarding proof of coverage. Of these, 704 were required to obtain new coverage and 1,069 were starting new businesses in Kansas that this section investigated. Enforcement efforts ensured the employee a safe and protected work environment. In doing so, it generated more than \$1,260,000 in additional premiums for the insurance industry.
- **Accident Reporting** - A keen eye for detail enabled the Accident Reporting Unit to research, confirm, and process more than 1,590 illegible, incorrect, or incomplete accident reports.

OBJECTIVES

- **Expand** the Coverage & Compliance Section to meet the growing need of the business community.
- **Establish** electronic data reporting between NCCI and Contributions and develop a plan to improve the processing of accident reports.
- **Maintain** cooperation between various state and national entities.

DATA COLLECTION SECTION

PRIMARY FUNCTIONS

- **Reviews** awards, settlements, and final receipt and releases of liability data of amounts paid for temporary total and permanent partial disability, attorney fees, and medical costs. This unit prepares all cases, which are being sent to the Court of Appeals, for mailing.

ACCOMPLISHMENTS

- **Collected** information on dollar amounts, type of payments made, body part being compensated, percent of disability rating, and attorney fees; information was collected from 377 awards, 560 agreed awards, 8,495 settlements, 69 joint petition and stipulations, and approximately 161 final receipt and release of liabilities. Court reporter fee information was also collected.

OBJECTIVES

- **Continue** to provide outstanding service to customers in and out of the Division.
- **Develop** a plan to implement an imaging system to process accident reports and other documents in the Division.

DATA ENTRY SECTION

PRIMARY FUNCTIONS

- **Codes** and enters data into a computerized database, from all accident reports filed with the Division.
- **Data Entry** - Assure all accident reports received are accurately coded and keyed into the Web-based database system in a timely fashion.

ACCOMPLISHMENTS

- **Coded** and entered into the mainframe computer 92,248 accident and disease reports during this fiscal year. Codes provide information such as body part, cause, nature, and source of the injury. Carrier and employer information is also gathered from accident reports filed. The reports entered also generate labels for letters to the injured workers, answering questions about benefits and procedures. Statistics for the annual statistical report are made available from the information on the accident reports.
- **Data Entry** - Diligent effort put forth by the three Data Entry staff ensure the accident reports are accurately coded and keyed. Future statistics and all accident reporting information is based on the exceptional coding and keying skill of the Data Entry staff.

OBJECTIVES

- **Code** and enter all accident reports within three days of receipt in the office.
- **Continue** to provide outstanding service to customers in and out of the Division.
- **Develop** a plan to implement an imaging system to process accident reports and other documents in the Division.

MEDIATION SECTION

PRIMARY FUNCTIONS

- **Provide** parties a means of resolving disputes in an informal and non-adversarial atmosphere.
- **Assist** parties in resolving their disputes.
- **Provide** mediation conferences in a timely manner.

ACCOMPLISHMENTS

- **Maintained** a mediation process that is user friendly and responsive to our customers' needs.
- **Conducted** mediation conferences in a timely manner (within seven days or as requested by the parties).
- **Provided** educational training to insurance carriers on the benefits of using the mediation process as a means of resolving disputes.

OBJECTIVES

- **Educate** the public on the benefits of using mediation as a means of resolving disputes.
- **Increase** the use of the mediation process.
- **Provide** cost savings to the workers compensation system by reducing the number of issues being litigated.
- **Implement** video conferencing technology within the mediation process.

MEDICAL SERVICES SECTION

PRIMARY FUNCTIONS

- **Administration** of the medical fee schedule. The schedule of maximum fees is to be current, reasonable, and fair. Revision of the schedule is required, as necessary, every two years, in order to promote health care cost containment, yet insure the availability of necessary treatment and care for injured employees.
- **Administration** of plans for both utilization review and peer review of health care services.
- **Act** as a liaison between health care providers, attorneys, employers, employees, and insurance carriers or self-insured businesses.

ACCOMPLISHMENTS

- **Completion** of a new medical fee schedule revision, while retaining the conversion factors and relative value units with appropriate modifications. Issuance of the revised schedule is planned for December 1, 2001.
- **Refinement** of a Diagnosis Related Group (DRG) based prospective payment system for hospital inpatient services. The payment system was developed as a cooperative effort between the Division and the Kansas Hospital Association, utilizing a steering committee with representation from the health care and business communities.
- **Refinement** of the present Workers Compensation health care database development, with quarterly updates to remain current with plans for related cost containment.
- **Implementation and refinement** of regulations for hearings in Workers Compensation cases which involve health care utilization review and/or peer review.
- **Formation and implementation** of a new cooperative plan for an extended health care database system utilizing resources of both the Kansas Division of Workers Compensation and the Kansas Department of Health and Environment.

OBJECTIVES

- **Develop**, during the next several years, an Ambulatory Patient Group (APG) based prospective payment system for hospital outpatient services. This system would utilize experience from the APG-based system recently implemented by Medicare as a new payment system.
- **Implement** legislative proposals requiring that hospital data be submitted to the Division of Workers Compensation for expanded database development. This database will be utilized in future revisions of the medical fee schedule.
- **Implementation** of an updated CD-ROM version of the new medical fee schedule, planned for late 2001 or early 2002.

OMBUDSMAN/CLAIMS ADVISORY SECTION

PRIMARY FUNCTIONS

- **Assist** injured workers, employers, and other parties to protect their rights under the workers compensation act.
- **To provide** technical assistance to all parties on workers compensation.
- **Assist** unrepresented claimants in obtaining a hearing, mediation or appeal.

ACCOMPLISHMENTS

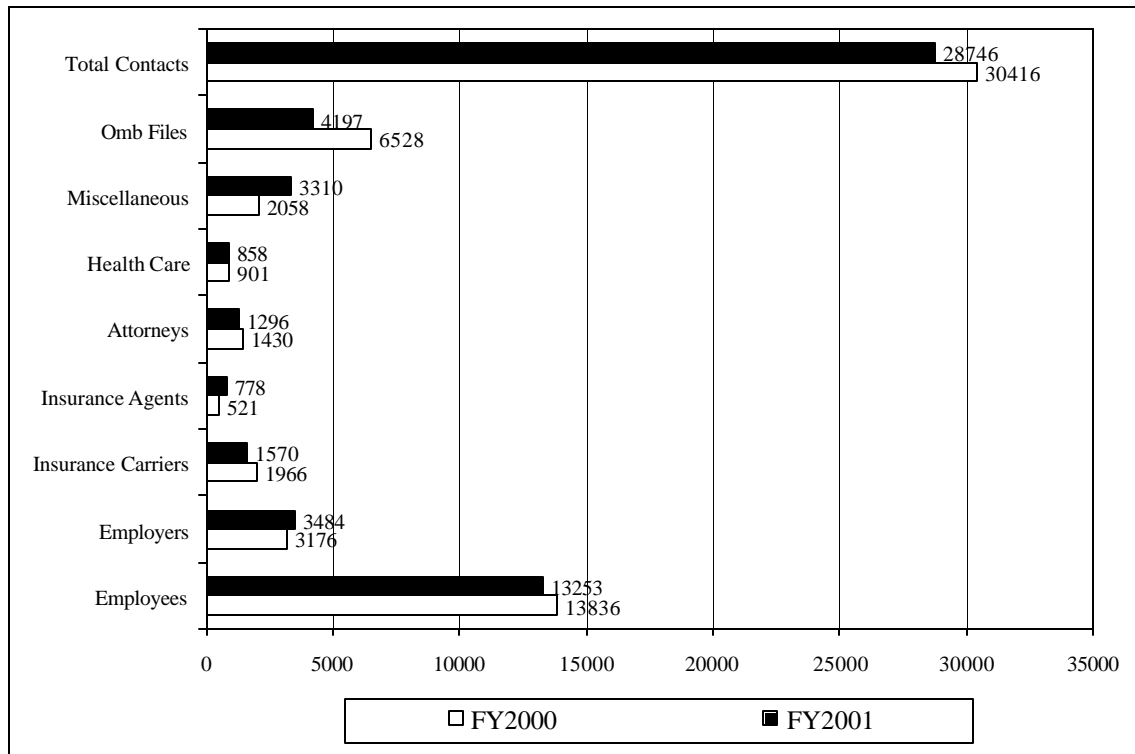
- **Provided** a point of contact for all parties to clarify issues and obtain information.
- **Handled** contacts included general information, specific issues regarding reported and unreported accidents, and site visits to employers.
- **Provided** educational opportunities for several employers and insurance groups, including employers in the assigned risk pool.
- **Increased** public awareness of resources for parties needing presentations of workers compensation.
- **Provided** technical assistance to employers through on-site visits and training.
- **Established** a set of protocols and guidelines for services to employers.

OBJECTIVES

- **Increase** employer contacts by providing more training to employer groups and making more on-site visits to employers who need assistance.
- **Increase** the section's ability to initiate contact with injured workers to see if appropriate information is being received as required by statute.
- **Increase** public awareness of the availability of ombudsmen assistance in alternative dispute resolution.
- **Develop** a reporting system to track number and types of individuals reached by presentations and on-site visits.

OMBUDSMAN/CLAIMS ADVISORY SECTION

**Figure 1-2
FY2000-FY2001 OMBUDSMAN CONTACTS**



REHABILITATION SECTION

PRIMARY FUNCTIONS

- **Coordinates** vocational rehabilitation services for injured workers when the insurance company/employer elects to provide services.
- **Refers** injured workers to the Division of Rehabilitation Services, in the Kansas Department of Social and Rehabilitation Services, when the insurance company/employer elects not to provide services.
- **Monitors** the effectiveness of both private and public vocational rehabilitation services for injured Kansas workers.
- **Provides** technical assistance for private and public vocational rehabilitation providers by telephone and personal visits.

ACCOMPLISHMENTS

- **Received** 983 medical management referrals with 677 closures. There were 153 vocational rehabilitation referrals with 141 closures during FY2001. At the end of FY2001, there were 47 active rehabilitation cases. There were 893 medical management cases active with the Division at the end of FY2001. There were a total of 30 injured workers returned to work.
- **Informed** 215 injured workers of vocational options available through the private and/or public sector vocational services. At the end of FY2001, 97 of these referrals were in rehabilitation plans and 6 were successfully employed. These referrals were made to Kansas Rehabilitation Services and out of state vocational rehabilitation agencies.
- **Provided** technical assistance for Kansas Division of Rehabilitation Services staff members through presentation and individual consultation.
- **Researched** vocational rehabilitation services for 41 out of state residents and referred them to appropriate programs.
- **Consulted** with insurance providers, employers, and attorneys about individual cases and appropriate vocational option/services.
- **Established** a close working relationship with a major Kansas employer assisting the return to work using vocational plans for returning to the same employer.

OBJECTIVES

- **Increase** public awareness of the vocational assistance available through the Rehabilitation Section.
- **Continue** to educate insurance providers, employers, attorneys, and injured workers of the options and resources available through vocational rehabilitation.
- **Increase** the provision of information to all parties and coordinate informational resources with the Ombudsman section.
- **Increase** referrals to various vocational service options.

RESEARCH SECTION

PRIMARY FUNCTION

- **Searches** through computerized and hard copy files for the workers compensation histories of injured workers, to provide copies of documents to appropriate parties.

ACCOMPLISHMENTS

- **Responded** to more than 37,000 requests from attorneys, insurance carriers, and employers for workers compensation claimant histories.

OBJECTIVES

- Keep turnaround time for research requests to within four days.
- Continue to provide outstanding service to customers in and out of the Division.

Table 1-4
FY2001 Requests for Information from the Research Section

Month	Attorneys	Insurance Company	Walk-ins	Social Security	Employers	Kansas Insurance Dept	Misc.	Total
July	643	212	10	1	1720	74	0	2660
August	714	281	5	4	2166	5	0	3175
September	742	238	1	4	1931	5	0	2921
October	797	241	4	1	1962	6	0	3011
November	747	230	0	2	1858	6	0	2843
December	606	239	1	2	1532	6	0	2386
January	811	287	3	0	1924	10	0	3035
February	730	311	3	0	2078	2	0	3124
March	835	398	1	0	2261	7	0	3502
April	795	303	2	2	1946	3	0	3051
May	845	367	1	5	3007	6	0	4231
June	833	324	1	0	2696	0	0	3854
Total Requests For Year	9098	3431	32	21	25081	130	0	37793
Average Requests Per Day	36.25	13.67	0.13	0.08	99.92	0.52	0.00	150.57

TECHNOLOGY & STATISTICS SECTION

PRIMARY FUNCTIONS

- **Responsible** for working with a database developer to implement the transition from a mainframe system for Workers Compensation to a Web-based, client-server system.
- **Responsible** for research studies mandated by statute, including studies of closed claims and the effectiveness of the Workers Compensation Act. The section performs program evaluations as requested, including design of survey instruments, data collection, statistical analysis, and reporting. It responds to individual research requests from internal and external customers.
- **Responsible** for providing workers compensation information to the public and legislature through an annual statistical report, periodic Division newsletter, Internet Web site, and outcome reports from research studies/evaluations. The staff maintains a database of information on work-related accidents in Kansas.

ACCOMPLISHMENTS

- **Reviewed** the proposals received from vendors for client server system design, planning and cost estimates, in association with staff in the DHR Information Systems unit. The contract was awarded in November 2000.
- **Participated** with the selected vendor in identifying screens and reports needed for the Division, based on the feasibility report from 1999. The unit also arranged meetings between the vendor and Division supervisors to ensure business needs were addressed.
- **Published** the annual report for the Division, containing statistical data on closed claims derived from a recent sample of insurers.
- **Published** a new edition of the Workers Compensation book of law and regulations.
- **Processed** medical fee data received from insurance carriers and self-insured employers.
- **Completed** many specialized research projects in response to external customer inquiries.
- **Continued** to add to and improve the agency's Web site, including the Spanish Web page, and made all Division forms available.

OBJECTIVES

- **Complete** in partnership with a database vendor the migration of the Workers Compensation mainframe database to a Web-enabled, client-server environment.
- **Publish** and distribute an annual statistical report to more than 900 interested parties.
- **Continue** to conduct statistical searches and prepare reports for internal and external customers.
- **Continue** to accept accident reports electronically and start a three-year plan for increasing the number of insurance carriers, group pools, and self-insured employers submitting their accident reports electronically. The section will continue to participate in a national project to decide standards for electronic reporting of accidents.
- **Continue** to collect medical fee data to help the Medical Fee section in analyzing appropriateness of the medical fee schedule. Technology & Statistics staff is preparing to implement a system to monitor compliance, and ensure reporting as prescribed by law.

Section 2

Incidence of Workplace Injury & Illness in Kansas

The state of Kansas has a compelling interest in the safety, health & productivity of its workforce. An important aspect of that commitment is the Division's daily monitoring of the workplace environment and periodic analysis of the incidence and severity of occupational injuries & illnesses within the state. Every year the Division publishes its decision support data for the Legislature and interested parties. In the first part of this section we report on many aspects of occupational injuries & illnesses in the state of Kansas for fiscal year 2001- including the causes, nature & source, industries & counties in which they occur and the body member implicated in the reported injuries & illnesses. Next, we briefly discuss the widely reported private industry injury incidence rates published by the federal Bureau of Labor Statistics (BLS) of the United States Department of Labor and the Kansas Department of Health & Environment (KDHE) and compare & contrast our calculated incidence rates for "non-federal" employment in the state of Kansas for the last ten fiscal years with those of BLS.

Occupational Injuries & Illnesses in Kansas

Kansas classifies nonfatal occupational injuries, according to severity, as "no time lost," "time lost," and "hospitalized." "Time lost" injuries are those that "incapacitate the person injured from labor or service for more than the remainder of the day, shift or turn." "No time lost" injuries are defined as those in which the employee did not miss work beyond the remainder of the day, shift or turn. Injuries requiring "hospitalization" are reported as well as workplace injuries & illness resulting in death ("fatal"). In other words, the most severe types of occupational injury or illness are classified as "fatal" while the least severe are reported as "no time lost" cases. Table 2-1 contains the aggregate totals (by severity) of Kansas's occupational injuries & illnesses for the last ten fiscal years.

- There were 87,969 occupational injuries & illnesses reported to the Division of Workers Compensation during FY2001. The FY2001 total, including fatalities, represents a decrease of slightly less than 1,000 reported injuries & illnesses or a 1.1 percent decrease from last year's total.
- From another perspective 241 employees per day were either injured or killed on the job in Kansas last fiscal year.
- Workplace fatalities, the most severe type of injury, decreased 25 percent from the previous year and the number of reported deaths (52) was below the ten-year average of 62 reported cases.
- The 67,578 "no time lost" injuries & illnesses reported constitute 77 percent of all reported injuries & illnesses. "No time lost" injuries are down 5 percent from the previous year's numbers.
- "Time lost" injuries & illnesses totaled 17,687, a 25 percent increase (an increase of 3,640) from the previous year but considerably less than the reported totals from FY1992-FY1995.
- Injuries & illnesses that required hospitalization (2,652) were down 22 percent from last fiscal year.

One limitation of reported aggregate totals is that they do not account for year-to-year changes in the workforce population. Perhaps the least sophisticated benchmark statistic for comparing year-to-year totals without controlling for workforce population increases would be to calculate the percentage of total injuries & illnesses that resulted in "no time lost," "time lost," "hospitalization" and in fatality. The rationale being that the state has an interest in knowing what percentage of total injuries & illnesses constitute the range of severity that either disrupt labor participation or that result in death.

- In FY2001 77 percent of total injuries & illnesses classified as "no time lost," down just over 3 percent from the ten-year high in FY2000 (80 percent).

- The data in Table 2-2 show that the percentage of “no time lost” injuries, the least severe of the four categories, as a percentage of total injuries has increased by over 23 percent from FY1992.
- “Time lost” injuries account for roughly 20 percent of total injuries in FY2001 and this constitutes a decrease of over 24 percent from FY1992.
- As a percentage of total injuries and illnesses over the past ten fiscal years “no time lost” cases have increased by 23 percent while “time lost” injuries have decreased by over 24 percent.
- Workplace fatalities have historically accounted for less than 1/10,000 of a percent of total injuries & illnesses.
- The percentage of “hospitalization” cases has historically hovered between two and five percent of total injuries with the notable exception of FY1998 (24 percent) & FY1999 (27 percent). The explanation for the sudden spike in “hospitalization” cases is due to administrative error in the coding of data at the point of entry into the Division’s mainframe.

Below we discuss the incidence rate per 100 full-time equivalent workers in order to do a fair year-to-year comparison.

**Table 2-1
Kansas Total Occupational Injuries & Illnesses By Severity
FY1992-FY2001**

Fiscal Year	No Time Lost	Time Lost	Hospitalized	Fatal	Total Inj/Ill
2001	67,578	17,687	2,652	52	87,969
2000	71,440	14,047	3,409	70	88,966
1999	64,121	6,256	25,829	68	96,274
1998	68,218	7,457	24,218	63	99,956
1997	75,795	19,004	5,658	71	100,528
1996	66,860	24,979	2,721	67	94,627
1995	58,510	47,537	2,813	70	108,930
1994	51,954	49,104	2,422	57	103,537
1993	55,269	46,331	2,242	49	103,891
1992	48,140	40,385	2,072	54	90,651

Source: Kansas Division of Workers Compensation

**Table 2-2
Severity of Injury & Illness as Percentage of Total Injuries & Illnesses
FY1992-FY2001**

Fiscal Year	No Time Lost	Time Lost	Hospitalized	Fatal	Total Inj/Ill
2001	0.768	0.201	0.030	0.000591	87,969
2000	0.803	0.158	0.038	0.000787	88,966
1999	0.666	0.065	0.268	0.000706	96,274
1998	0.682	0.075	0.242	0.000630	99,956
1997	0.754	0.189	0.056	0.000706	100,528
1996	0.707	0.264	0.029	0.000708	94,627
1995	0.537	0.436	0.026	0.000643	108,930
1994	0.502	0.474	0.023	0.000551	103,537
1993	0.532	0.446	0.022	0.000472	103,891
1992	0.531	0.445	0.023	0.000596	90,651

Source: Kansas Division of Workers Compensation

Occupational Injuries & Illnesses by County

- As expected, counties with the largest population totals report the greatest number of occupational injuries & illnesses (see Table 2-3).
- Kansas's largest city, Wichita, is located in Sedgwick County, which reported the most number of cases.
- Johnson County, part of metropolitan Kansas City, includes the second and fifth largest cities in Kansas (Overland Park and Olathe respectively) and reported the second largest number of total injuries & illnesses.
- 72 percent of the total injuries & illnesses reported in Sedgwick County & 75 percent of total cases from Johnson County resulted in no time lost from work. Shawnee County, which includes the capital of Topeka, had the third largest number of reported total cases.

The aggregate totals for all Kansas counties are listed in Table 2-15.

Table 2-3
Counties Reporting Greatest Number of Total Injuries & Illnesses FY2001

County	No time Lost	Time Lost	Hospitalized	Fatal	Total Inj/Ill
SEDGWICK	10,037	3,096	746	6	13,885
JOHNSON	10,039	3,013	280	4	13,336
SHAWNEE	4,762	1,253	180	5	6,200
UNKNOWN	4,968	931	216	6	6,121
WYANDOTTE	3,756	1,128	86	2	4,972
DOUGLAS	2,052	502	72		2,626
SALINE	2,201	385	26		2,612
RENO	1,679	414	45	1	2,139
MONTGOMERY	1,350	372	97		1,819
FINNEY	1,306	380	70	1	1,757

Source: Kansas Division of Workers Compensation

Source of Occupational Injury & Illness

- The most frequent source of both total occupational injuries & illnesses and "not time lost" cases are classified as "miscellaneous" (See Table 2-4).
- Interestingly enough, the most frequent source of "time lost" injuries is not classifiable by Division staff for a multitude of reasons.
- Boxes, barrels, containers and other employees continue to constitute a large source of total injuries & illnesses.

The aggregate totals for all types of sources of injury & illness are listed in Table 2-16.

Cause of Occupational Injury & Illness

- The physical act of lifting is the most frequent cause of occupational injury for “total injuries & illnesses,” “no time lost” & “time lost” cases (See Table 2-5).
- 25 percent of lifting injuries result in time lost for the injured worker while only 2 percent required hospitalization.
- Just over 11 percent of cumulative injuries require hospitalization, the highest percentage of any of the Division’s cause of injury categories.

The aggregate totals for all causes of injury & illness are listed in 2-17.

**Table 2-4
Most Frequent Source of Occupational Injuries & Illnesses (by Total Inj/III)
FY2001**

Source of Injury & Illness	No Time Lost	Time Lost	Hospitalized	Fatal	Total Inj/III
MISC.(EARPLUGS,SHEETROCK ETC)	6,852	1,356	208	4	8,420
BOXES,BARRELS,CONTAINERS,PKGS	4,242	1,385	105		5,732
PERSON, OTHER THAN INJURED	4,585	766	86		5,437
BODILY MOTION	2,747	895	52		3,694
NOT IN TABLE	54	3,138	450		3,642
FURNITURE, FIXTURES	2,731	611	60		3,402
METAL ITEMS, UNS	2,718	539	73	1	3,331
ICE, SNOW	2,473	550	58	1	3,082
NO EXPLANATION	2,278	536	75		2,889
FLOOR	2,162	531	65		2,758

Source: Kansas Division of Workers Compensation

**Table 2-5
Most Frequent Cause of Occupational Injuries & Illnesses (by Total Inj/III) FY2001**

Cause of Injuries & Illnesses	No Time Lost	Time Lost	Hospitalized	Fatal	Total Inj/III
LIFTING	6,888	2,415	193		9,496
OTHER INJURY (NOT CLASSIFIED)	6,851	1,487	271	6	8,615
ON SAME LEVEL	5,392	1,263	194	1	6,850
OBJECT BEING LIFTED OR HANDLED	4,096	1,120	128		5,344
HAND TOOL, UTENSIL; NOT POWERED	3,871	596	89		4,556
FALLING OR FLYING OBJECT	3,329	793	128	2	4,252
CUMULATIVE INJURY (NOT CLASSIFIED)	2,519	672	405	9	3,605
FOREIGN BODY IN EYE	3,076	463	49		3,588
REPETITIVE MOTION	2,784	632	50		3,466
PUSHING OR PULLING	2,521	798	70		3,389

Source: Kansas Division of Workers Compensation

Nature of Occupational Injury & Illness

- 15,957 reports of occupational injuries, or 18 percent, filed with the Division failed to include an explanation of the nature of the occupational injury or illness (See Table 2-6).
- Of the accident reports filed that did include an explanation strains and lacerations are the two most common types of injuries reported.
- 72 percent of the reported strains and over 82 percent of reported lacerations did not result in lost work time

The aggregate totals for all natures of injury & illness are listed in 2-18.

Table 2-6
Most Frequent Nature of Occupational Injuries & Illnesses (by Total Inj/Ill) FY2001

Nature of Illnesses & Injuries	No Time		Hospitalized	Fatal	Total Inj/III
	Lost	Time Lost			
NO EXPLANATION	12,690	2,805	450	12	15,957
STRAIN	9,529	3,387	249		13,165
LACERATION	9,978	1,795	316	1	12,090
ALL OTHER	8,980	2,774	216	4	11,974
CONTUSION	5,886	1,541	143		7,570
OTHER CUMULATIVE INJURIES	3,507	1,071	528	24	5,130
FOREIGN BODY	3,170	488	41		3,699
PUNCTURE	2,919	366	75	1	3,361
INFLAMMATION	2,545	539	46		3,130
SPRAIN	2,220	722	56	1	2,999

Source: Kansas Division of Workers Compensation

Body Member Associated with Occupational Injury & Illness

Table 2-7 lists the body member most frequently associated with reported occupational injuries & illnesses for FY2001.

- Injuries & illnesses involving multiple body parts constitute the greatest number of total reported cases.
- In cases where a single body part is implicated a worker's fingers is most often reported as the injured body member.
- Of cases involving fingers 82 percent result in no lost time while only 15 percent require time away from work. In contrast, 70 percent of injuries involving the low back are "no time lost" cases while just over 27 percent result in time lost for the worker

The aggregate totals for all body members associated with injury & illness are listed in 2-19.

**Table 2-7
Body Member Most Frequently Associated with Occupational
Injuries & Illnesses (by Total Inj/III) FY2001**

Body Member	No Time Lost	Time Lost	Hospitalized	Fatal	Total Inj/III
MULT. BODY PARTS	9,086	2,441	492	31	12,050
FINGER(S)	7,671	1,435	263		9,369
LOW BACK (LUMBAR)	5,770	2,237	154		8,161
MULT. UPPER EXTREMS.	4,199	977	205		5,381
KNEE	3,961	1,253	119	1	5,334
HAND	4,186	866	143		5,195
EYE(S)	4,260	724	89		5,073
WRIST	2,943	735	112		3,790
UPPER ARM	2,460	761	58		3,279
THUMB	2,551	432	80		3,063

Source: Kansas Division of Workers Compensation

Industries with Greatest Number of Total Occupational Injuries & Illnesses

Table 2-8 lists the industries in Kansas that reported the greatest number of total occupational injuries & illnesses to the Division of Workers Compensation over the past year.

- State and local public sector employment ranks first for FY2001, however, of the reported injuries & illnesses 81 percent were “no time lost” cases while only 15 percent constituted “time lost” cases and 2 percent required hospitalization.
- The health services industries reported the second largest number of total injuries & illnesses but 87 percent were no lost time cases while only 12 percent resulted in an interruption in employment.
- The third ranked industry, educational services, reported 4,242 less total cases than health services but had a similar percentage of “no time lost” injuries & illnesses (87 percent).
- Of the industries listed in Table 2-8 six- the public sector, health services, educational services, business services, eating & drinking places and general merchandising stores- are service oriented and tend to be more labor intensive than tradition manufacturing. We would expect that more injuries & illnesses would be associated with industries employing large numbers of Kansans and the top four ranked industries for FY2001 seem to confirm this preliminary observation.

The aggregate totals for all industries are listed in Table 2-20.

Table 2-8
Industries with Greatest Number of Total Occupational Injuries & Illnesses FY2001

Industry	No Time Lost	Time Lost	Hospitalized	Fatal	Total Inj/III
Executive, Legislative, and General Government	8,381	1,531	248	5	10,165
Health Services	8,007	1,067	150	1	9,225
Educational Services	4,342	556	84	1	4,983
Business Services	3,796	986	106	5	4,893
Transportation Equipment	2,899	1,396	538		4,833
Food and Kindred Products	3,730	936	112	2	4,780
Eating and Drinking Places	2,837	914	93		3,844
Construction - Special Trade Contractors	2,579	934	136	4	3,653
Motor Freight Transportation and Warehousing	2,161	1,133	97	6	3,397
General Merchandise Stores	1,335	933	201	2	2,471

Source: Kansas Division of Workers Compensation

Age and Gender Characteristics of Injured Workers

Tables 2-9 & 2-10 list the age and gender characteristics of injured workers for FY2001

- Men outnumber women in total occupational injuries & illnesses for FY2001 by 19,405 reported cases (see Table 2-9).
- However, as a percentage of total injuries men & women report a similar percentage of cases resulting in no lost time, 79 percent for women and 75 percent for men.
- The percentage of "time lost" cases for women numbered 18 percent while the percentage for men was slightly higher at 21 percent.
- Workers in their twenties (20,023) and thirties (20,612) report the greatest total number of injuries & illnesses to the Division of Workers Compensation for FY2001 (see Table 2-10).
- The 40-49 age stratum reported 19,559 injuries & illnesses, third most for the fiscal year.

Table 2-9
Occupational Injuries & Illnesses by Gender FY2001

Gender	No Time Lost	Time Lost	Hospitalized	Fatal	Total Inj/III
Female	27,133	6,213	868	4	34,218
Male	40,351	11,448	1,776	48	53,623
No Designation	94	26	8		128

Source: Kansas Division of Workers Compensation

**Table 2-10
Occupational Injuries & Illnesses by Age FY2001**

Age	No Time Lost	Time Lost	Hospitalized	Fatal	Total Inj/Ill
None					
Designated	7,026	1,594	214	9	8,843
19 & Under	3,309	934	137	1	4,381
20-29	15,296	4,108	612	7	20,023
30-39	15,714	4,294	595	9	20,612
40-49	15,043	3,909	595	12	19,559
50-59	8,635	2,231	349	8	11,223
60-69	2,132	498	107	3	2,740
70-79	324	100	34	3	461
80-89	35	11	8	0	54
90-99	64	8	1	0	73

Source: Kansas Division of Workers Compensation

Kansas Occupational Injury & Illness Incidence Rates

BLS Survey of Occupational Injuries and Illnesses

The Survey of Occupational Injuries and Illnesses is a Federal/State program administered by the United States Department of Labor's Bureau of Labor Statistics (BLS) and cooperating state agencies throughout the nation. In Kansas the cooperating state agency that helps administer the survey is the Department of Health & Environment (KDHE). The annual survey measures the incidence rates of workplace injuries and illnesses for the nation as a whole, for each participating state, as well as case and injured worker demographic data (see Appendix A).

"Total Lost Workday Cases" injuries & illnesses per 100 full-time workers is a statistic used to measure the incidence of injuries that meet the criterion of "lost workday." BLS defines a lost workday as "the number of workdays (consecutive or not) beyond the day of injury or onset of illness." This number includes both actual days away from work & employees assigned, due to the injury or illness, to restricted work activity¹ and is a proxy for measuring the severity of injury incurred by the employee. Its logical counterpart is "Cases Without Lost Workday Cases" which is defined as the obverse of injury resulting in time away from work or restricted work activity. It too is a proxy for measuring severity and would include any injury incurred that did not result in lost workdays or restricted activity. For example, if a Kansas employee were to cut their finger while preparing food and did not return for the rest of the day (presumably to receive medical treatment) but did return the following scheduled workday they would be designated as a "Case Without Lost Workday." In other words, no time is lost beyond the *day* of injury or onset of illness.

¹ Restricted work activity includes assigning an employee to another job on a temporary basis, less than full-time employment or a reduction in duties for the position of which the injury occurred.

While it is true that there is no absolute acceptable level of injury incidence, relatively speaking, the lower the rate of injury the better. An important question is how should the average Kansan interpret the “Total Injuries & Illnesses” incidence rate? For example, if the incidence rate for total injuries & illnesses for Kansas for any given year is 5.3 injuries per 100 full-time workers would it be reasonable to conclude that roughly 5 percent of full-time workers suffered some sort of occupational injury that year? We believe that this would be a fair interpretation provided that we assume each worker within this 5.3 percent was injured only once during the year under study. In other words, for every one hundred full-time private sector workers in Kansas there were 5.3 injuries reported that year for our hypothetical example. If consumers of this information would want to know what occupations in Kansas are more at risk for injury than others then the total injury & illness incidence rate would not provide that information. They would need to consult the industry cluster estimates of injury incidence provided annually by the Kansas Department of Health and Environment or the non-federal incidence rates reported in the Kansas Division of Workers Compensation Annual Statistical Report (see below).

Findings of the BLS Survey of Occupational Injuries and Illnesses

- BLS reported an incidence rate of 9.8 injuries & illnesses per 100 full-time workers for Kansas in 1994. That incidence rate dropped to a six-year low of 7.6 injuries & illnesses per 100 full-time workers in 1999, the most recent year of the survey (See Table 2-11).
- A six-year analysis of the “Total Injuries and Illnesses” incidence rate for the private sector in Kansas reveals a decrease in the frequency of occupational injury & illness every successive year (See Table 2-11). This is consistent with the national trend (yearly declines) in “Total Injury & Illness” incidence rates but Kansas still has a higher frequency of injuries than the national average for every year of the study.
- The “Total Lost Workday Cases” incidence rate for Kansas declines or remains level from 1994 (4.2 per 100 workers) to 1999 (3.6 per 100 workers). The Kansas numbers are slightly higher than the national average for each of the six years, which also has declined every year to a low of three lost workday injuries per 100 full-time workers.
- The “Lost Workday Cases with Days Away from Work” incidence rate for the Kansas private sector has dropped from 2.7 injuries & illnesses per 100 workers in 1994 to 1.9 per 100 workers in 1999 (Table 11). This trend in injuries resulting in days away from work mirrors what is occurring at the national level and is a good sign that the severity of the Kansas injuries are no greater than the national average.
- Figure 4 shows that the “Cases Without Lost Workdays” incidence rate in Kansas has declined from 5.6 injuries per 100 workers (1994) to 4 per 100 workers in 1999. Kansas has higher than average (national) rates for cases without lost workdays for every year of the study which indicates that a greater percentage of the state’s total injuries & illnesses do not result in days away from work or restricted work activity. In other words, Kansas has a greater frequency of the less severe type of occupational injuries & illnesses.
- The data in Table 2-11 show that the Kansas private sector has experienced a decrease in its occupational injury & illness incidence rates for all four major variables from 1994 to 1999.²
- The Kansas “Total Injuries & Illnesses” rate is down by 2.2 injuries & illnesses per 100 workers. Similarly, the national average for total injuries has decreased by 2.1 injuries & illnesses per 100 workers.
- “Total Lost Workday Cases” in Kansas has declined by 0.6 injuries & illnesses per 100 workers. The national average for the same incidence rate is down 0.8 injuries & illnesses.

² 1999 is the most recent incident rate data included at the time of the printing of this year’s report.

- Kansas “Lost Workday Cases with Days Away from Work” has remained fairly steady over the six-year period declining by only 0.8 injuries & illnesses per 100 workers. The national average for days away from work injuries and illnesses declined by 0.9 injuries over this same period.
- Finally, “Cases Without Lost Workdays” in Kansas are down by 1.6 injuries & illnesses per 100 workers from 1994 and the nation as a whole is experience a similar decline.

Table 2-11
Private Sector Kansas Occupational Injury & Illness Incidence Rate* 1994-1999

Year	Total Injuries & Illnesses*		Total Lost Workday Cases*		Lost Workday Cases with Days Away from Work*		Cases Without Lost Workdays*	
	National Average	Kansas	National Average	Kansas	National Average	Kansas	National Average	Kansas
1994	8.4	9.8	3.8	4.2	2.8	2.7	4.6	5.6
1995	8.1	9.7	3.6	4.2	2.5	2.5	4.4	5.5
1996	7.4	8.9	3.4	4	2.2	2.2	4.1	4.9
1997	7.1	8.6	3.3	4	2.1	2.1	3.8	4.6
1998	6.7	8.5	3.1	3.7	2	1.9	3.5	4.8
1999	6.3	7.6	3	3.6	1.9	1.9	3.3	4

Source: Bureau of Labor Statistics, U.S. Department of Labor

*Per 100 Full-time Equivalent Private Sector Workers

Non-Federal Occupational Injury & Illness Incidence Rate in Kansas

The Division of Workers Compensation does not directly participate in the BLS survey but is an active consumer of its information. The Division believes that the private sector incidence rates provided by BLS and KDHE help augment both our annual report and our statutory obligation to monitor the workplace injuries & illnesses in the state for health and safety purposes. However, the Division does believe that it can contribute to the discussion on workplace injury incidence rates in Kansas for several reasons. First, employers covered under the Workers Compensation Act are required to report all employee occupational injuries & illnesses to the Division within 28 days of the date of injury or onset of illness. The Division has aggregated and reported this data in its annual statistical report for many years but has never published its calculated rates of incidence per 100 full-time equivalent employees. For the first time this year we report our own calculated occupational injury incidence rates (see Appendix A for methodology). Second, the Division does have an institutional advantage, relative to BLS and KDHE in that we, by law, are able to collect data on the entire population of workplace injuries & illnesses. The Division also has the authority to collect injury data on state & local public sector employees.³ This is

³ Under its commerce power granted by the Federal Constitution, and as interpreted by the United States Supreme Court (See *U.S. v. Lopez*, 514 U.S. 558-559 (1995); “three broad categories of activity that Congress may regulate under its commerce power...Congress may regulate the use of the channels of interstate commerce...Congress is empowered to regulate and protect the instrumentalities of interstate commerce, or persons or things in interstate commerce, even though the threat may come only from intrastate activities...Congress’ commerce authority includes the power to regulate those activities having a substantial relation to interstate commerce,...i.e., those activities that substantially affect interstate commerce.”), the federal government can require employers to log all occupational injuries and illnesses and report them to BLS or OSHA. The Federal Constitution, however, does not

important because the state and local public sector workforce is one of the largest employers in Kansas and reports a significant percentage of the total workplace injuries & illnesses each year. Finally, it should be noted that the Division of Workers Compensation is able to publish its occupational injury statistics in a timelier manner than both BLS & KDHE. In this report we publish incidence rates for all employers covered under the Workers Compensation Act through fiscal year 2001 (up to and including June 30, 2001) whereas the most recent data available from BLS is through calendar year 1999 and from KDHE through calendar year 1998. We may be able to identify injury & illness trends more quickly and use this in-house information as a basis for targeting resources, through our Industrial Safety & Health Section, for injury prevention and/or safety education.

The BLS measures of “Total Lost Workday Cases” and “Cases Without Lost Workdays” are similar to measures reported by the Division of Workers Compensation in past annual statistical reports. Under the statute, employers are required to report to the Division:

[I]f the personal injuries which are sustained by such accidents, are sufficient wholly or partially to incapacitate the person injured from labor or service for more than the remainder of the day, shift or turn on which such injuries were sustained.⁴

The Division classifies nonfatal occupational injuries as “lost time,” “no lost time,” and “hospitalized.” “Lost time” injuries are those that “incapacitate the person injured from labor or service for more than the remainder of the day, shift or turn.” “No lost time” injuries are defined as those in which the employee did not miss work beyond the remainder of the day, shift or turn. Injuries requiring hospitalization are reported as well. All of the Division’s severity classifications are similar to the BLS variables in the Occupational Injuries & Illnesses Survey and are broad enough to describe the diversity of injuries within each category yet specific enough to discern substantive differences in severity. However, a year-to-year comparison between the BLS study and the Division’s data is difficult due to both the time lag in reporting by BLS/KDHE and the differing time frames of the studies.

Table 2-12 lists the Kansas non-fatal occupational injury & illness rate for the last ten fiscal years as calculated by the Division of Workers Compensation.⁵ See Figures 2-1, 2-2, 2-3 & 2-4 below.

- For “total injuries & illnesses” the incidence per 100 full-time equivalent workers (FTE hereafter) in the private and non-federal public sectors was 8.42 in FY1992. The incidence rate rose slightly to just above 9 injuries & illnesses per 100 FTE for the next three years (9.5 in FY1993, 9.26 in FY1994 & 9.43 in FY1995) and has slowly declined every year since to the rate of 6.6 total injuries & illnesses per 100 FTE in FY2001. Since the ten-year peak of 9.43 injuries & illnesses per 100 FTE in FY1995 the incidence rate has dropped 30 percent, or 2.83 per 100 FTE.
- The “time lost” injuries & illnesses incidence rate was 3.75 per 100 FTE in FY1992 and rose above 4 per 100 FTE from FY1993 through FY1995. The time lost rate dropped to 2.11 per 100 FTE in FY1996 and has been below 2 injuries & illnesses per 100 FTE ever since, a decrease of 70 percent from the peak rate in FY1994 to the most current rate for FY2001.⁶
- The “no time lost” injuries & illnesses incidence rate has been consistently between the range of 6.22 and 4.47 per 100 FTE for the past ten fiscal years. In FY2001 the incidence rate for “no

give Congress the authority to regulate the states (and its political subdivisions) as states and therefore, compel them to report the workplace injuries of state and local public servants to the Bureau of Labor Statistics.

⁴ K.S.A.44-557.

⁵ See Appendix A for details on how the Division calculated its incidence rates.

⁶ The incidence rates for FY1998 & FY1999 reflect coding difficulties at the point of entry to the Division’s database and not a dramatic decrease in the time lost rate. Time lost injuries were coded as “hospitalized” cases and this is reflected in the hospitalization rate for FY1998 & FY1999.

time lost” injuries & illnesses was 5.07 per 100 FTE, down 18 percent from the peak rate of 6.22 in FY1997.

Table 2-12
Kansas Non-Fatal Occupational Injury & Illness Incidence Rate* FY1992-FY2001

Year	Total Injuries & Illnesses*	No Time Lost Illnesses & Injuries*	Time Lost Injuries & Illnesses*	Injuries & Illnesses Requiring Hospitalization*
FY1992	8.42	4.47	3.75	0.19
FY1993	9.50	5.05	4.23	0.20
FY1994	9.26	4.65	4.39	0.22
FY1995	9.43	5.07	4.12	0.24
FY1996	8.00	5.65	2.11	0.23
FY1997	8.24	6.22	1.56	0.46
FY1998	7.90	5.39	0.59	1.91
FY1999	7.43	4.95	0.48	1.99
FY2000	6.79	5.45	1.07	0.26
FY2001	6.60	5.07	1.33	0.20

Source: Kansas Division of Workers Compensation, Kansas Labor Market Information Services

*Per 100 Full-time Equivalent Non-Federal Workers

Table 2-13 lists the injury incidence rate for industrial sectors in Kansas for FY2001.

- The construction sector had the highest incidence of total injuries & illnesses with 9.79 per 100 FTE while the lowest incidence rate, 2.17 per 100 FTE, was found in the finance, insurance and real estate sector.
- The second lowest incidence rate for total injuries was in the non-federal public sector (public administration) for FY2001 with 4.83 injuries & illnesses per 100 FTE.
- The “time lost” incidence rate is highest in the construction industry (2.41 per 100 FTE) with manufacturing a close second (2.20 per 100 FTE).
- Manufacturing reported the highest “no time lost” incidence rate for FY2001 (7.14 per 100 FTE) while construction had the second highest incidence rate, with 7.01 per 100 FTE.

Table 2-13
Kansas Industrial Sector Occupational Injury & Illness Incidence Rate FY2001**

Industrial Sector*	No Time		Total Inj/III
	Lost	Time Lost	
Wholesale Trade	4.13	1.33	5.61
Mining	5.53	2.01	8.04
Construction	7.01	2.41	9.79
Manufacturing	7.14	2.20	9.75
Transportation, Communications, Electric, Gas, and Sanitary Services	4.76	1.75	6.67
Retail Trade	3.59	1.30	5.08
Finance, Insurance and Real Estate	1.76	0.36	2.17
Services	5.86	1.00	6.99
Public Administration	3.98	0.72	4.83

Source: Kansas Division of Workers Compensation, Kansas Labor Market Information Services

* Industrial sector refers to the U.S. Department of Labor's Standard Industrial Code "major groupings"

** Per 100 Full-time Equivalent Non-Federal Workers

Table 2-14
Occupational Injury & Illness Incidence Rate*
for Selected Kansas Industries FY2001

Specific Industries of Interest	No Time		Total Inj/III
	Lost	Time Lost	
Oil & Gas	5.69	2.29	8.58
Meat Products	10.99	2.90	14.33
Grain Mill Products	5.95	1.62	7.67
Stone, Clay, Glass, and Concrete Products	7.63	1.68	9.53
Aircraft and Parts	4.11	2.49	7.69
Food and Kindred Products	11.10	2.79	14.23
Transportation Equipment	5.02	2.42	8.38
Machinery and Electrical Equipment	7.01	2.09	9.21

Source: Kansas Division of Workers Compensation, Kansas Labor Market Information Services

*Per 100 Full-time Equivalent Non-Federal Workers

In Table 2-14 the incidence of injury & illness is listed for selected Kansas industries of interest.

- The meat products industry had the highest incidence rate, of those calculated, for "total injuries & illnesses" for FY2001 (14.33 per 100 FTE) which was slightly higher than the rate for the food and kindred products industry (14.23 per 100 FTE).
- Of the industries listed, the grain mill products industry reported the lowest incidence of injury & illness per 100 FTE (7.67) for the total injuries severity category.
- It is interesting to note that the meat products & food and kindred products industries have the two highest rates of "no time lost" injuries & illnesses while both of their "time lost" incidence rates (2.9 & 2.79 respectively) are comparable to the other industries listed.

Table 2-15
Location (County) of Occupational Injuries & Illnesses
by Severity FY2001

Kansas County	No time Lost	Time Lost	Hospitalized	Fatal	Total Inj/III
ALLEN	308	72	9		389
ANDERSON	88	18	5		111
ATCHISON	468	158	7		633
BARBER	72	19	2		93
BARTON	684	156	14		854
BOURBON	381	119	9	2	511
BROWN	213	44	5		262
BUTLER	927	175	38	1	1,141
CHASE	33	6	2		41
CHAUTAUQUA	48	11	1		60
CHEROKEE	258	90	7		355
CHEYENNE	35	8			43
CLARK	69	9	4		82
CLAY	178	46	8		232
CLOUD	234	43	8		285
COFFEY	196	35	6		237
COMANCHE	36	23	4		63
COWLEY	934	216	21	1	1,172
CRAWFORD	913	150	22		1,085
DECATUR	92	12	8		112
DICKINSON	541	164	8		713
DONIPHAN	106	67	9		182
DOUGLAS	2,052	502	72		2,626
EDWARDS	70	19	7		96
ELK	41	8	6		55
ELLIS	613	149	18		780
ELLSWORTH	248	38	7		293
FINNEY	1,306	380	70	1	1,757
FORD	974	210	23	1	1,208
FRANKLIN	493	152	22		667
GEARY	877	243	22		1,142
GOVE	54	6	1	1	62
GRAHAM	46	13	1		60
GRANT	151	26	6	1	184
GRAY	83	20	3		106
GREELEY	28	9	2		39
GREENWOOD	116	20	7	1	144
HAMILTON	79	12	6		97
HARPER	190	42	4		236
HARVEY	631	145	22	1	799
HASKELL	81	15	7		103
HODGEMAN	37	8	1		46
JACKSON	585	51	16		652
JEFFERSON	156	60	4	1	221
JEWELL	48	7	2		57
JOHNSON	10,039	3,013	280	4	13,336
KEARNY	68	22	2		92
KINGMAN	120	25	5		150
KIOWA	53	16	3		72
LABETTE	863	182	9	1	1,055
LANE	39	10	2		51
LEAVENWORTH	822	254	32	1	1,109
LINCOLN	51	12	1		64
LABETTE	863	182	9	1	1,055
LANE	39	10	2		51
LEAVENWORTH	822	254	32	1	1,109

Source: Kansas Division of Workers Compensation

Table 2-15
Location (County) of Occupational Injuries & Illnesses
by Severity FY2001

Kansas County	No time Lost	Time Lost	Hospitalized	Fatal	Total Inj/III
LINCOLN	51	12	1		64
LINN	110	27	3		140
LOGAN	57	13	4		74
LYON	1,047	371	49	1	1,468
MARION	184	39	7		230
MARSHALL	309	66	7		382
MCPHERSON	741	215	23		979
MEADE	53	24	2	1	80
MIAMI	468	99	12		579
MITCHELL	104	35	3	1	143
MONTGOMERY	1,350	372	97		1,819
MORRIS	79	12	4		95
MORTON	115	44	6		165
NEMAHA	151	35	7		193
NEOSHO	601	124	18		743
NESS	43	20	1		64
NORTON	116	27	4		147
OSAGE	152	34	5		191
OSBORNE	107	25	1		133
OTHER STATE	1,257	405	79	5	1,746
OTTAWA	63	14	4		81
PAWNEE	280	53	6		339
PHILLIPS	83	20	1	1	105
POTTAWATOMIE	342	91	8	1	442
PRATT	220	60	11		291
RAWLINS	24	7	1		32
RENO	1,679	414	45	1	2,139
REPUBLIC	96	19	8		123
RICE	162	37	7		206
RILEY	1,211	293	27		1,531
ROOKS	155	28	4		187
RUSH	60	10	1	1	72
RUSSELL	158	29	2		189
SALINE	2,201	385	26		2,612
SCOTT	102	25	5		132
SEDGWICK	10,037	3,096	746	6	13,885
SEWARD	840	165	22	1	1,028
SHAWNEE	4,762	1,253	180	5	6,200
SHERIDAN	37	13	1		51
SHERMAN	138	44	2	1	185
SMITH	60	6	3		69
STAFFORD	79	16	4		99
STANTON	33	8	3		44
STEVENS	77	15	10		102
SUMNER	312	55	6		373
THOMAS	205	60	5		270
TREGO	55	12	2	1	70
UNKNOWN	4,968	931	216	6	6,121
WABAUNSEE	48	12	2		62
WALLACE	21	1	3		25
WASHINGTON	83	26	4		113
WICHITA	18	8	1		27
WILSON	299	52	7	1	359
WOODSON	42	4	1		47
WYANDOTTE	3,756	1,128	86	2	4,972

Source: Kansas Division of Workers Compensation

Table 2-16
Source of Occupational Injuries and Illnesses by Severity FY2001

Source of Injury & Illness	No Time Lost	Time Lost	Hospitalized	Fatal	Total Inj/Ill
AIR PRESSURE	45	1	2		48
AIRCRAFT	95	6	1	4	106
ANIMAL PRODUCTS	614	187	17		818
ANIMALS, INSECTS, ETC, UNS	1,283	186	41		1,510
BLOOD	212	3	4		219
BOAT OR SHIP	11	3	2		16
BODILY MOTION	2,747	895	52		3,694
BOILERS, PRESSURE VESSELS	1				1
BOTTLES, JUGS, FLASKS, ETC	166	24	3		193
BOXES, BARRELS, CONTAINERS, PKGS	4,242	1,385	105		5,732
BUILDINGS & STRUCTURES	1,695	374	44		2,113
CERAMIC ITEMS (BRICK, ETC)	86	16	1		103
CHEMICALS	1,261	191	49		1,501
CLOTHING, APPAREL, SHOES	164	49	5		218
COAL AND PETROLEUM PRODUCTS	152	44	8		204
COLD (ATMOSPHERIC, ENVIRO.)	19	2	1		22
CONVEYERS	206	72	11	1	290
DRUGS AND MEDICINES	39	6	1		46
EARTHMOVER & CONSTR. MACHINES	90	30	11	1	132
ELEC. APPARATUS (APPLIANCES)	941	206	46	2	1,195
FLAME, FIRE, SMOKE	139	14	9		162
FLOOR	2,162	531	65		2,758
FOOD PRODUCTS (COOKING OIL)	545	106	16	1	668
FUMES - (GAS, PAINT)	117	12	6		135
FURNITURE, FIXTURES	2,731	611	60		3,402
GLASS ITEMS (FIBERGLASS)	623	91	23		737
GROUND OUTDOORS	867	297	38	1	1,203
HAND TOOLS, NOT POWERED	1,840	284	52		2,176
HAND TOOLS, POWERED	1,183	261	41		1,485
HEAT, ENVIRONMENTAL	112	43	23		178
HEATING EQUIPMENT	103	17	4		124
HIGHWAY VEHICLES	296	148	35	1	480
HOISTING APPARATUS	276	79	14		369
ICE, SNOW	2,473	550	58	1	3,082
INFECTIOUS, PARASITIC AGENTS	287	14	14		315
KNIFE OR RAZOR	2,221	220	64		2,505
LADDERS	684	247	46		977
LIQUIDS (WATER, LIQUIDS NEC)	525	86	14		625
MACHINES, UNS	1,399	311	77		1,787
METAL CHIPS, SPLINTERS	986	140	12		1,138
METAL FASTENERS	868	132	28		1,028
METAL ITEMS, UNS	2,718	539	73	1	3,331
METAL PARTS (EXC. AUTO, UNASSEM)	72	24	2		98

Source: Kansas Division of Workers Compensation

Table 2-16
Source of Occupational Injuries and Illnesses by Severity FY2001

Source of Injury & Illness	No Time Lost	Time Lost	Hospitalized	Fatal	Total Inj/III
MINERAL ITEMS	701	179	31	1	912
MISC.(EARPLUGS,SHEETROCK ETC)	6,852	1,356	208	4	8,420
MULTIPLE SOURCES OF INJURY	1,397	292	76	3	1,768
NEEDLES	1,100	30	21		1,151
NO EXPLANATION	2,278	536	75		2,889
NOISE	32	2	1		35
NON POWERED HANDTRUCK,DOLLIES	1,080	267	36	2	1,385
NONCLASSIFIABLE	1	1			2
NOT IN TABLE	54	3,138	450		3,642
OFFICE MACHINES	891	105	13		1,009
OUTDOOR SIDEWALKS,PATHS,WALKS	425	118	18		561
PALLETS, SKIDS	625	150	21		796
PAPER AND PULP ITEMS	268	45	3		316
PARTICLES - UNIDENTIFIED	1,657	152	31		1,840
PERSON, INJURED	923	204	72	9	1,208
PERSON, OTHER THAN INJURED	4,585	766	86		5,437
PIPE AND FITTINGS	421	99	26		546
PIT	154	60	2		216
PLANT OR INDUSTRIAL VEHICLES	116	55	8		179
PLANTS, TREES, VEGETATION	528	125	16		669
PLASTIC ITEMS	208	44	3	1	256
POTS, PANS, DISHES, TRAYS	405	61	11		477
POWERED FORKLIFTS, STACKERS	330	93	9		432
PRINTING MACHINES	20		1		21
PUMPS/PRIME MOVERS (ENGINES)	189	48	16		253
RADIATING SUBSTANCE(SUN,XRAY)	11	5			16
RAIL VEHICLES (TRAIN)	26	4	8	1	39
RAMPS	80	26	4		110
RECREATION & ATHLETIC EQUIP.	220	35	6		261
ROOFS	30	18	2	1	51
RUBBER PRODUCTS	523	191	22		736
RUNWAYS, PLATFORMS	121	38	7		166
SAWS (NOT HAND TOOLS)	93	29	9		131
SCRAP,DEBRIS,WASTE MATERIALS	141	22	3		166
SHEARS, SLITTERS, SLICERS	448	64	12		524
STAIRS, STEPS INC. ESCALATORS	1,102	283	42		1,427
STEAM	82	19	3		104
STITCHING, SEWING MACHINES	34	7	1		42
STREET, ROAD	37	15			52
TEXTILE ITEMS	48	25	3		76
UNUSED	1				1
VEHICLES, UNS	1,408	388	104	17	1,917
WOOD ITEMS	513	131	12		656
WOOD ITEMS, NEC	124	24	2		150

Source: Kansas Division of Workers Compensation

Table 2-17
Cause of Occupational Injuries & Illnesses by Severity FY2001

Cause of Injuries & Illnesses	No Time Lost	Time Lost	Hospitalized	Fatal	Total Inj/III
ACID CHEMICALS	410	117	27		554
ANIMAL OR INSECT	1,083	159	25		1,267
BROKEN GLASS	410	70	15		495
BURN OR SCALD(HEAT/COLD EXPOSURE	987	160	52		1,199
CAUGHT IN OR BETWEEN MISCELLANEOUS	1,778	456	89	2	2,325
COLLISION WITH A FIXED OBJECT	76	23	6	1	106
COLLISION WITH ANOTHER VEHICLE	712	234	82	19	1,047
CONTACT WITH ELECTRIC CURRENT	143	23	19	2	187
CONTACT WITH HOT OBJECT	365	65	5		435
CRASH OF AIRPLANE			1	4	5
CUMULATIVE INJURY (NOT CLASSIFIED)	2,519	672	405	9	3,605
CUT,PUNCTURE,SCRAPE INJURY BY MISC	1,285	240	24		1,549
DUST, GASES, FUMES OR VAPORS	411	78	23		512
EXPLOSION OR FLARE BACK	36	13	3	1	53
FALL OR SLIP INJURY MISCELLANEOUS	2,347	831	63		3,241
FALLING OR FLYING OBJECT	3,329	793	128	2	4,252
FIRE OR FLAME	102	18	9		129
FOREIGN BODY IN EYE	3,076	463	49		3,588
FROM DIFFERENT LEVEL	1,482	490	89	1	2,062
FROM LIQUID OR GREASE SPILLS	1,180	341	20		1,541
HAND TOOL OR MACHINE IN USE	312	69	8		389
HAND TOOL, UTENSIL; NOT POWERED	3,871	596	89		4,556
HOLDING OR CARRYING	707	224	15		946
JUMPING	191	88	4		283
LADDER OR SCAFFOLDING	437	204	36		677
LIFTING	6,888	2,415	193		9,496
MACHINE OR MACHINERY	510	160	46		716
MOTOR VEHICLE	26	13	4	1	44
MOTOR VEHICLE MISCELLANEOUS	123	43	8		174
MOVING PARTS OF MACHINE	113	44	12		169
NO EXPLANATION		1			1
NOT IN TABLE	5	304	15		324
OBJECT BEING LIFTED OR HANDLED	4,096	1,120	128		5,344
OBJECT HANDLED	477	121	21		619
OBJECT HANDLED BY OTHERS	171	36	8		215
ON SAME LEVEL	5,392	1,263	194	1	6,850
OTHER INJURY (NOT CLASSIFIED)	6,851	1,487	271	6	8,615
POWERED HAND TOOL, APPLIANCE	645	246	33		924
PUSHING OR PULLING	2,521	798	70		3,389
RADIATION	4	3	1		8
REACHING	504	148	12		664
REPETITIVE MOTION	2,784	632	50		3,466
ROBBERY OR CRIMINAL ASSAULT	27	11	3		41
SANDING,SCRAPING,CLEANING	445	86	6		537
SLIPPED, DID NOT FALL	441	131	18		590
STATIONARY OBJECT	1,425	305	51	1	1,782
STEAM OR HOT FLUIDS	484	101	17		602
STEPPING ON SHARP OBJECT	227	41	7		275
STRAIN OR INJURY BY MISCELLANEOUS	1,532	676	37		2,245
STRIKING AGAINST/STEPPING ON MISC	1,484	392	13		1,889
STRUCK BY OR INJURED BY MISC	2,380	425	70		2,875
TEMPERATURE EXTREMES	102	39	15		156
USING TOOL OR MACHINE	298	103	25		426
VEHICLE UPSET	162	59	36	2	259
WELDING OPERATIONS	212	57	2		271

Source: Kansas Division of Workers Compensation

Table 2-18
Nature of Occupational Injuries & Illnesses by Severity FY2001

Nature of Illnesses & Injuries	No Time Lost	Time Lost	Hospitalized	Fatal	Total Inj/Ill
AIDS		7			7
ALL OTHER	8,980	2,774	216	4	11,974
AMPUTATION	48	36	22		106
AMPUTATION (BONE LOSS)	2	1			3
ANGINA PECTORIS	3				3
ASBESTOSIS	2	5			7
ASPHYXIATION	10	2			12
BURN	1,541	335	66	2	1,944
BYSSINOSIS	23	4	2		29
CANCER			1		1
CARPAL TUNNEL SYNDROME	409	95	13		517
CONCUSSION	85	42	12		139
CONTAGIOUS DISEASE	78	14	2		94
CONTUSION	5,886	1,541	143		7,570
CRUSHING	352	135	20		507
DERMATITIS	686	131	9		826
DISLOCATION	234	117	14		365
DUST DISEASE NOC	3	5	1		9
ELECTRIC SHOCK	95	19	12	2	128
ENUCLEATION	3	1			4
FOREIGN BODY	3,170	488	41		3,699
FRACTURE	1,414	778	227		2,419
FREEZING	12	2			14
HEARING LOSS(TRAUMATIC)	22	10			32
HEAT PROSTRATION	116	52	22		190
HERNIA	263	153	40		456
INFECTION	142	48	9		199
INFLAMMATION	2,545	539	46		3,130
LACERATION	9,978	1,795	316	1	12,090
LOSS OF HEARING	18	2			20
MENTAL DISORDER	2				2
MENTAL STRESS	23	10	2		35
MULTIPLE TYPES OF INJURY	3				3
MYOCARDIAL INFARCTION	15	7	18	4	44
NO EXPLANATION	12,690	2,805	450	12	15,957
NONCLASSIFIABLE	3	2			5
NOT IN TABLE	1	28	1		30
OTHER CUMULATIVE INJURIES	3,507	1,071	528	24	5,130
OTHER OCCU. DISEASE	13	5	1		19
POISONING-CHEMICAL	12	22	2		36
POISONING-METAL	8	1			9
PUNCTURE	2,919	366	75	1	3,361
RADIATION		1			1
RESPIRATORY DISORDERS	439	87	20	1	547
RUPTURE	40	28	7		75
SEVERANCE	14	9	6		29
SPRAIN	2,220	722	56	1	2,999
STRAIN	9,529	3,387	249		13,165
VASCULAR LOSS	5				5
VDT-RELATED DISEASE	1				1
VISION LOSS	14	5	3		22

Source: Kansas Division of Workers Compensation

Table 2-19
Body Member Reported in Occupational Injuries &
Illnesses by Severity FY2001

Body Member	No Time Lost	Time Lost	Hospitalized	Fatal	Total Inj/Ill
ANKLE	2,076	747	86		2,909
BRAIN	11	2	2		15
CHEST(RIBS/STERNUM)	903	275	38	2	1,218
DISC	63	45	3		111
EAR(S)	213	35	3		251
ELBOW	1,520	337	62		1,919
EYE(S)	4,260	724	89		5,073
FACIAL BONES	41	16	5		62
FACIAL SOFT TISSUE	864	101	19		984
FINGER(S)	7,671	1,435	263		9,369
FOOT	1,856	621	74		2,551
HAND	4,186	866	143		5,195
HEART	16	8	15	4	43
HIP	436	129	24		589
INTERNAL ORGANS	293	122	39		454
KNEE	3,961	1,253	119	1	5,334
LARYNX	3				3
LOW BACK (LUMBAR)	5,770	2,237	154		8,161
LOWER ARM	1,804	335	59		2,198
LOWER LEG	779	227	44		1,050
MOUTH	187	22	7		216
MULT. BODY PARTS	9,086	2,441	492	31	12,050
MULT. HEAD INJURY	644	104	21		769
MULT. INJURY	208	76	14		298
MULT. LOWER EXTREMS.	2,073	564	122	1	2,760
MULT. UPPER EXTREMS.	4,199	977	205		5,381
MULT.MEMBERS INJURED	1	2		1	4
MULTIPLE TRUNK	1,951	719	55		2,725
NO EXPLANATION	1,451	303	72	10	1,836
NONCLASSIFIABLE	1				1
NOSE	203	36	9		248
NOT IN TABLE	17	145	48		210
PELVIS	25	29	6		60
SACRUM AND COCCYX	45	19			64
SKULL	1,026	253	55	2	1,336
SOFT TISSUE	385	91	13		489
SPINAL CORD	10	7	2		19
TEETH	246	29	4		279
THIGH	269	85	10		364
THUMB	2,551	432	80		3,063
TOE(S)	464	149	13		626
TRACHEA	18	4	1		23
UPPER ARM	2,460	761	58		3,279
UPPER BACK AREA	375	184	11		570
VERTEBRAE	14	5	1		20
WRIST	2,943	735	112		3,790

Source: Kansas Division of Workers Compensation

Table 2-20
Industries Reporting Occupational Injuries & Illnesses by Severity FY2001

Industry	No Time Lost	Time Lost	Hospitalized	Fatal	Total Inj/Ill
Administration of Economic Programs	152	22	5	2	181
Administration of Environmental Quality and Housing Programs	28	6	1		35
Administration of Human Resource Programs	35	4	2		41
Agricultural Production-Crops	60	13	5	2	80
Agricultural Production-Livestock and Animal Specialties	388	105	29	2	524
Agricultural Services	390	114	37		541
Amusement and Recreation Services	748	85	21		854
Apparel and Accessory Stores	137	34	4		175
Apparel and Other Finished Products Made From Fabrics and Similar Materials	84	33			117
Automotive Dealers and Gasoline Service Stations	968	195	30	2	1,195
Automotive Repair, Services, and Parking	440	108	20		568
Building Construction - General Contractors and Operative Builder	1,282	422	56	2	1,762
Building Materials, Hardware, Garden Supply, and Mobile Home Dealers	621	158	55		834
Business Services	3,796	986	106	5	4,893
Chemicals and Allied Products	300	71	17		388
Coal Mining	2	1	1		4
Communications	444	109	4		557
Construction - Special Trade Contractors	2,579	934	136	4	3,653
Depository Institutions	181	29	9		219
Eating and Drinking Places	2,837	914	93		3,844
Educational Services	4,342	556	84	1	4,983
Electric, Gas, and Sanitary Services	1,104	176	17	2	1,299
Electronic and Other Electrical Equipment and Components, Except Computer Equipment	401	174	7		582
Engineering, Accounting, Research, Management, and Related Services	272	79	4		355
Executive, Legislative, and General Government, Except Finance	8,381	1,531	248	5	10,165
Fabricated Metal Products, Except Machinery and Transportation Equipment	1,141	198	22	1	1,362
Fishing, Hunting, And Trapping	9	3			12
Food and Kindred Products	3,730	936	112	2	4,780
Food Stores	1,743	481	49	1	2,274
Furniture and Fixtures	144	53	3		200
General Merchandise Stores	1,335	933	201	2	2,471
Health Services	8,007	1,067	150	1	9,225
Heavy Construction Other Than Building Construction - Contractors	750	232	41	2	1,025
Holding and Other Investment Offices	59	9	1		69
Home Furniture, Furnishings, and Equipment Stores	338	106	14		458
Hotels, Rooming Houses, Camps, and Other Lodging Places	321	96	14		431
Industrial and Commercial Machinery and Computer Equipment	1,836	493	25	2	2,356
Insurance Agents, Brokers, and Service	72	23	3	1	99
Insurance Carriers	245	25	4	1	275
Justice, Public Order, and Safety	106	23	3		132

Source: Kansas Division of Workers Compensation

Table 2-20 continued
Industries Reporting Occupational Injuries & Illnesses by Severity FY2001

Industry	No Time Lost	Time Lost	Hospitalized	Fatal	Total Inj/Ill
Leather and Leather Products	14	2			16
Legal Services	41	9	2		52
Local and Suburban Transit and Interurban Highway Passenger Transportation	75	33	5	1	114
Lumber and Wood Products, Except Furniture	443	177	18		638
Measuring, Analyzing, and Controlling Instruments; Photographic, Medical & Optical Goods	149	52	2		203
Membership Organizations	322	68	14		404
Mining and Quarrying of Nonmetallic Minerals, Except Fuels	66	11			77
Miscellaneous Manufacturing Industries	176	73	6		255
Miscellaneous Repair Services	293	58	11		362
Miscellaneous Retail	750	329	15	1	1,095
Motion Pictures	67	20	6		93
Motor Freight Transportation and Warehousing	2,161	1,133	97	6	3,397
Museums, Art Galleries, and Botanical and Zoological Gardens	21	1			22
National Security and International Affairs	2				2
Nonclassifiable Establishments	105	16	7		128
Nondepository Credit Institutions	48	5			53
Oil and Gas Extraction	336	135	35		506
Paper and Allied Products	375	86	9		470
Personal Services	246	70	2		318
Petroleum Refining and Related Industries	66	22	2		90
Pipelines, Except Natural Gas	33	6			39
Primary Metal Industries	667	145	8		820
Printing, Publishing, and Allied Industries	996	216	44		1,256
Private Households	57	16	1		74
Real Estate	512	130	14		656
Rubber and Miscellaneous Plastics Products	1,005	360	20		1,385
Security and Commodity Brokers, Dealers, Exchanges, and Services	24	11			35
Services, Not Elsewhere Classified	109	40	5		154
Social Services	1,526	270	26	1	1,823
Stone, Clay, Glass, and Concrete Products	519	114	15		648
Textile Mill Products	75	21	1		97
Tobacco Products	4	5			9
Transportation by Air	187	39	2		228
Transportation Equipment	2,899	1,396	538		4,833
Transportation Services	151	17	1		169
United States Postal Service	4	14			18
Water Transportation	1	4			5
Wholesale Trade - Durable Goods	1,651	463	51	1	2,166
Wholesale Trade - Nondurable Goods	1,594	583	62	2	2,241

Source: Kansas Division of Workers Compensation

Figure 2-1

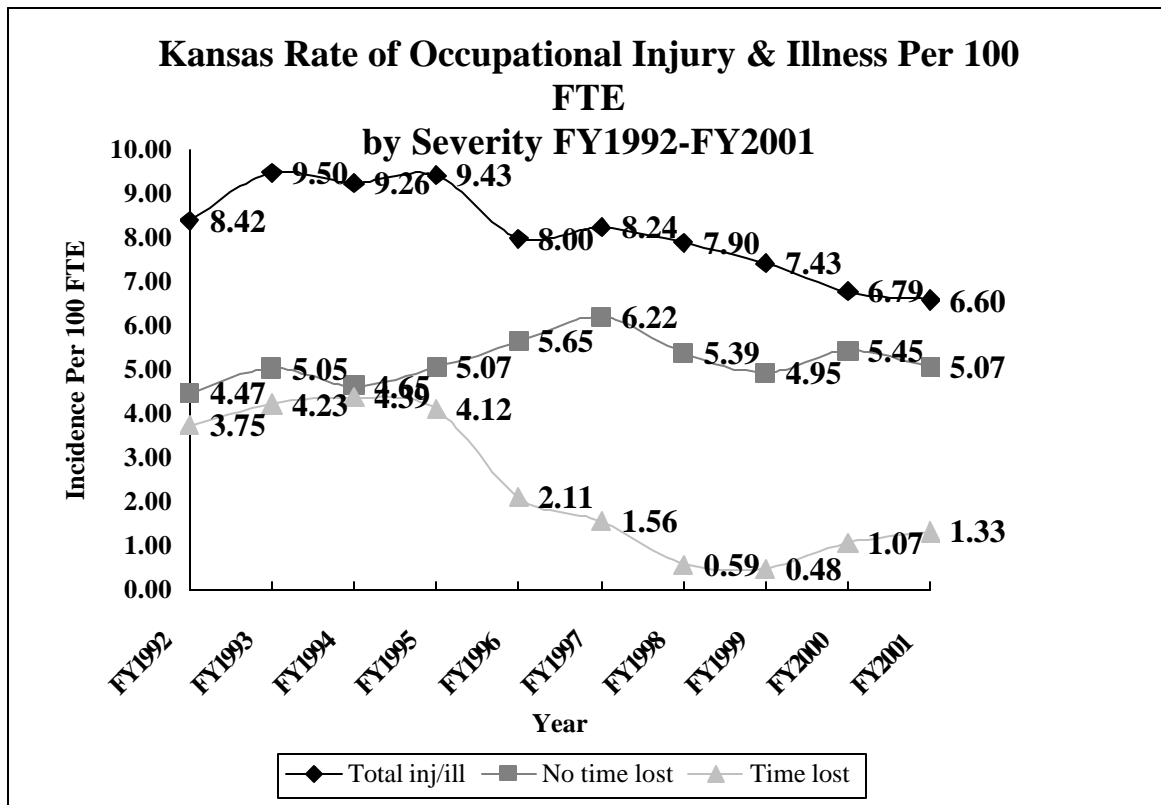


Figure 2-2

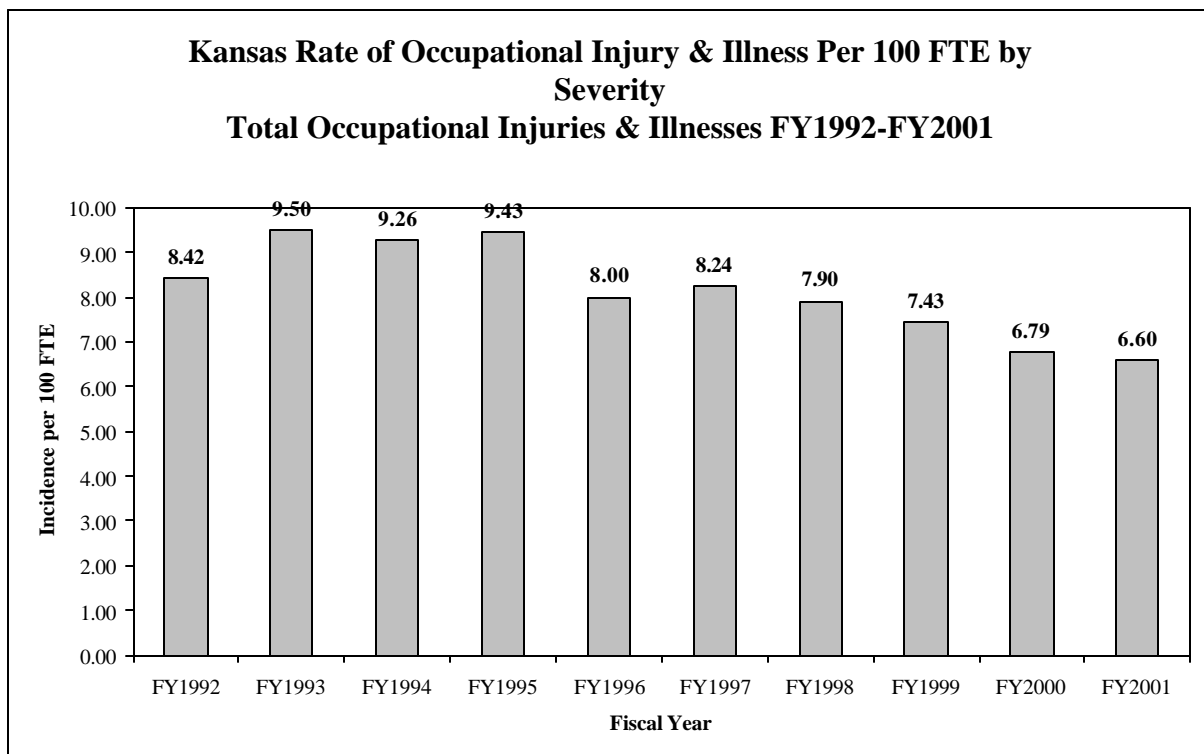


Figure 2-3

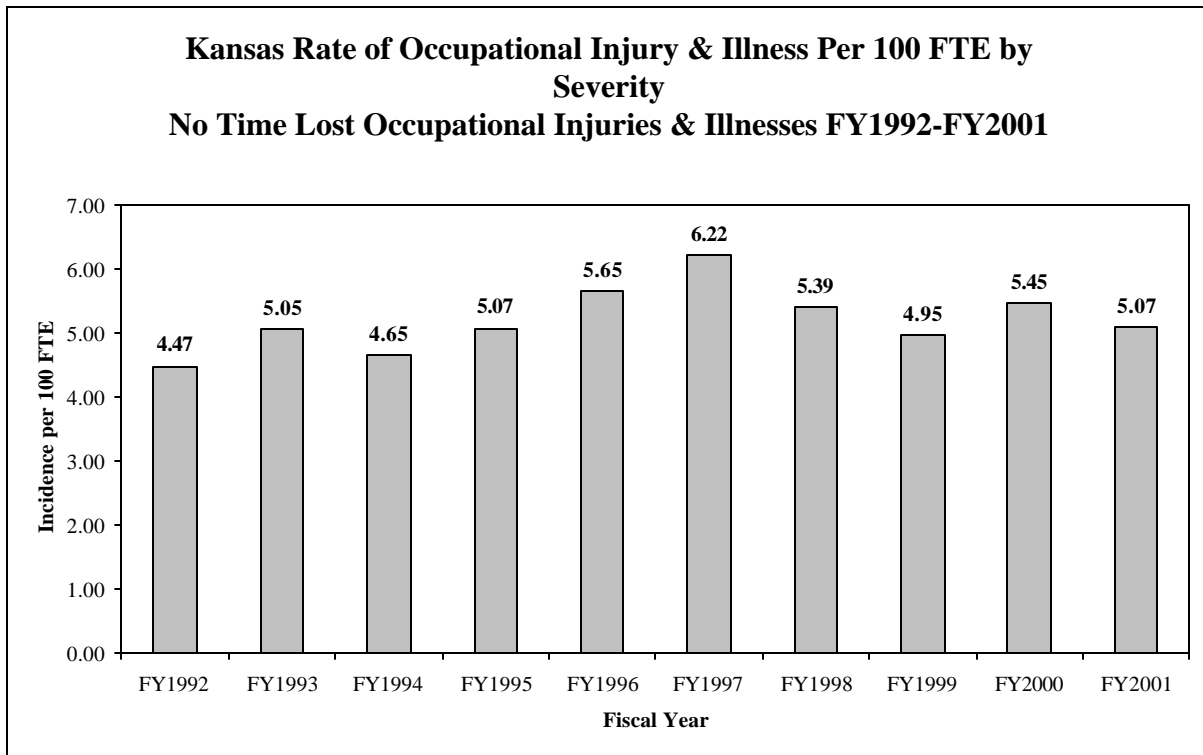
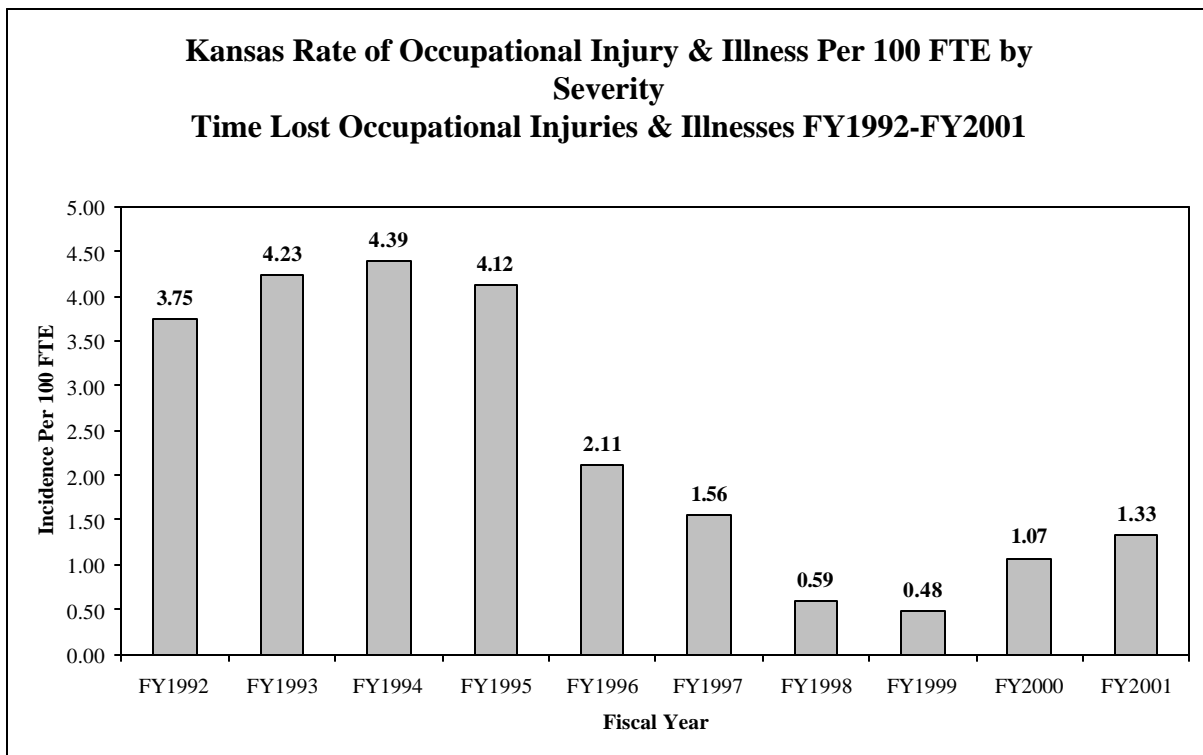


Figure 2-4



Section 3

Workers Compensation Claims Statistics

The Kansas Workers Compensation Fund

The Workers Compensation Fund is a guaranty fund that operates as a payer of last resort for injured workers in the state of Kansas. The fund is administered by the Commissioner of Insurance through the Kansas Insurance Department and makes workers compensation payments “[i]f an employer has no insurance to secure payment of compensation...and such employer is financially unable to pay compensation to an injured worker as required by the workers compensation act, or such employer cannot be located and required to pay such compensation.”¹ Tables 3-1, 3-2 & 3-3 lists the Workers Compensation Fund caseload, expenditures and receipts for FY1999-FY2001.

Table 3-1
WORKERS COMPENSATION FUND
CASE LOAD SCHEDULED

	FY2001	FY2000	FY1999
Total Number of Impleading	112	144	162
Total Number of Closed Cases	292	838	709

Source: Kansas Insurance Department

Table 3-2
WORKERS COMPENSATION FUND
EXPENDITURES ANALYSIS

	FY2001	% of Total	FY2000	% of Total	FY1999	% of Total
Disability Compensation	\$2,459,939	44.8	\$3,480,211	44.4	\$6,836,720	54.9
Work Assessment	\$23,302	0.4	\$28,445	0.4	\$65,983	0.5
Medical	\$631,814	11.5	\$600,249	7.6	\$632,903	5.1
Reimbursement to Insurance Companies [K.S.A. 44-569(a) & K.S.A.44-569]; lump sum and medical may be included	\$1,630,703	29.8	\$2,812,607	35.9	\$3,668,757	29.5
Attorney Fees	\$322,011	5.9	\$432,706	5.5	\$722,493	5.8
Court Costs, Deposition, Medical Reports, etc	\$42,277	0.8	\$66,826	0.9	\$97,054	0.8
Refunds	\$0	0.0	\$0	0.0	\$0	0.0
Other Operating Expense	\$370,565	6.8	\$417,621	5.3	\$419,817	3.4
Total Expenditures	\$ 5,480,611	100.0	\$7,838,665	100.0	\$12,443,727	100.0

Source: Kansas Insurance Department

¹ K.S.A. 44-532a.

Table 3-3

WORKERS COMPENSATION FUND
RECEIPTS ANALYSIS

	FY2001	% of Total	FY2000	% of Total	FY1999	% of Total
Assessment Receipts	\$3,163,438	10.8	\$9,073,818	26.9	\$8,346,272	22.7
Non-Dependent Death Receipt*	\$0	0.0	\$0	0.0	\$18,500	0.1
Misc. Reimbursements	\$72,200	0.1	\$306,162	0.9	\$157,195	0.4
Fines & Penalties	\$67,075	0.1	\$0	0.0	\$0	0.0
Total Receipts	\$3,302,713	11.0	\$9,379,980	27.8	\$8,521,967	23.2
Previous Year Carryover Balance	\$25,881,340	88.9	\$24,340,025	72.0	\$28,239,376	76.7
Cancelled Checks	\$84,360.82	0.1	\$58,257	0.2	\$30,623	0.1
Total Funds Available	\$29,268,414	100.0	\$33,778,262	100.0	\$36,791,966	100.0

Source: Kansas Insurance Department

*Non-Dependent death prior to 5-98

Workers Compensation Insurance Experience

The Kansas Insurance Department reports that the total direct paid losses for calendar year 2000 was \$170,366,708, an increase of only \$222,599 from the previous year (See Table 3-4). However, total paid losses has risen every year for the past 3 years but is still well below the 22-year peak of \$243,751,957 in 1991 (See Figure 3-1). Direct losses incurred for 2000 were \$159,226,348, a decrease of \$20,150,433 from 1999. Workers compensation written policies totaled \$271,480,320 while premiums earned were \$247,235,161. The losses paid to premiums earned ratio, as calculated by the Insurance Department, was 68.9 while the losses incurred to premiums written ratio was 64.4 for calendar year 2000.

Figure 3-1

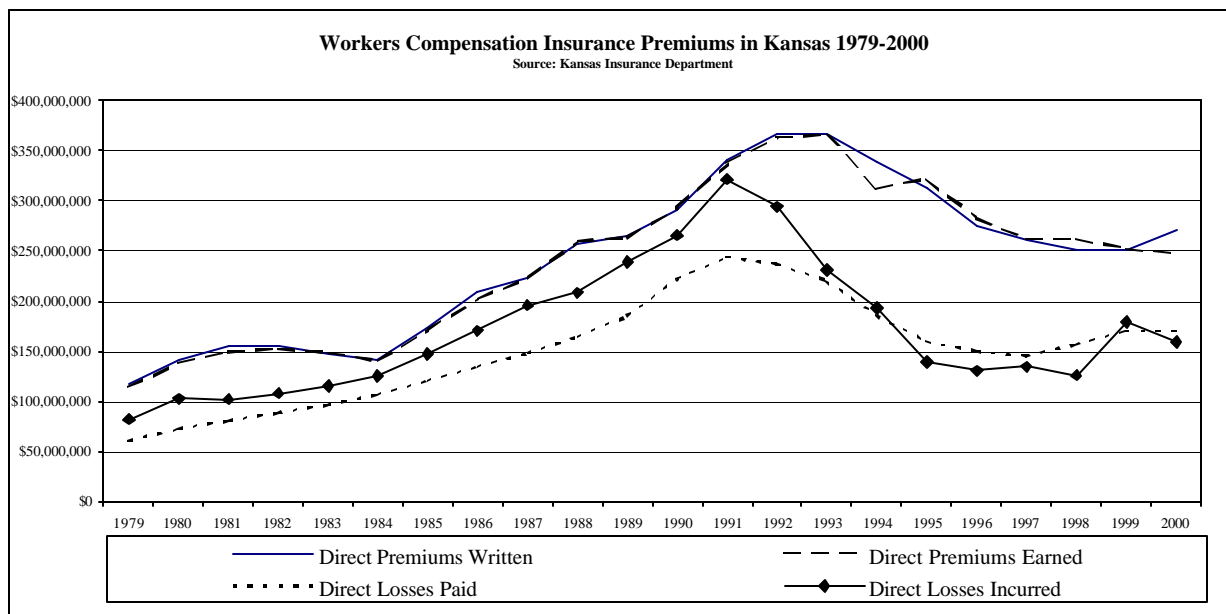


Table 3-4
WORKERS COMPENSATION INSURANCE EXPERIENCE
PREMIUMS

YEAR	DIRECT PREMIUMS WRITTEN	DIRECT PREMIUMS EARNED	DIRECT LOSSES PAID	DIRECT LOSSES INCURRED	LOSSES PAID TO PREMIUMS EARNED	LOSSES INCURRED TO PREMIUMS WRITTEN
1979	\$118,240,623	\$113,676,699	\$60,281,756	\$82,086,752	53.0	69.4
1980	\$141,189,216	\$138,145,343	\$72,697,056	\$102,896,246	52.6	72.9
1981	\$156,207,756	\$149,261,425	\$80,425,265	\$101,691,667	53.9	65.1
1982	\$154,944,245	\$152,315,135	\$88,345,714	\$107,979,341	58.0	69.7
1983	\$147,137,981	\$148,669,330	\$96,289,968	\$115,282,150	64.8	78.3
1984	\$141,097,428	\$140,223,325	\$106,701,375	\$125,520,390	76.1	89.0
1985	\$172,985,620	\$170,955,138	\$120,755,675	\$147,438,366	70.6	85.2
1986	\$208,167,277	\$202,033,619	\$134,554,116	\$170,153,475	66.6	81.7
1987	\$223,674,161	\$222,846,661	\$147,885,631	\$195,885,084	66.4	87.6
1988	\$257,039,527	\$259,548,305	\$164,553,813	\$208,332,654	63.4	81.1
1989	\$264,102,264	\$263,386,009	\$184,857,801	\$239,142,874	70.2	90.5
1990	\$291,804,714	\$293,048,038	\$222,309,953	\$265,726,660	75.9	91.1
1991	\$341,012,872	\$337,125,586	\$243,751,957	\$321,497,577	72.3	94.3
1992	\$366,672,022	\$363,578,560	\$236,878,948	\$293,894,584	65.2	80.2
1993	\$367,030,245	\$365,646,558	\$220,091,021	\$231,228,324	60.2	63.0
1994	\$338,173,750	\$312,116,539	\$185,502,395	\$192,914,048	59.4	57.0
1995	\$312,745,351	\$322,205,785	\$159,776,412	\$139,528,898	49.6	44.6
1996	\$274,014,862	\$282,897,458	\$149,616,189	\$130,595,593	52.9	47.7
1997	\$261,121,536	\$261,895,503	\$145,248,549	\$134,603,154	55.5	51.5
1998	\$250,588,819	\$261,594,835	\$156,594,835	\$126,164,370	59.9	50.3
1999	\$251,341,523	\$252,545,287	\$170,144,109	\$179,376,781	67.4	71.4
2000	\$271,480,320	\$247,235,161	\$170,366,708	\$159,226,348	68.9	64.4

Source: Kansas Insurance Department

The Kansas Open & Closed Claim Study

The Workers Compensation Act requires that employers (or their insurers) submit only a first report of injury to the Division. Not every injury, however, results in a claim by the injured worker for medical and/or indemnity compensation. Generally the Division becomes aware of a claim and obtains information that a given claim has closed, and about the costs and duration of that claim, through only two means. One occurs when that claim has been litigated through the Division's administrative law court system. The second occurs when a sample of insurers is required by statute to provide information to the Division.

To remedy this situation the Kansas Legislature has mandated that the Division of Workers Compensation "compile and publish statistics to determine the causation of compensable disabilities in the state of Kansas and compile and maintain a database of information on claim characteristics and costs related to open and closed claims, in order to determine the effectiveness of the workers compensation act

to provide adequate indemnity, medical and vocational rehabilitation compensation to injured workers and to return injured workers to remunerative employment."² The intent of this statutory mandate is that the Division should provide the legislature with information that it can use in deciding whether changes in the provisions of the Workers Compensation Act are needed and if so, to help formulate policy responses to identified problems with the program as presently administered.

The Division has typically responded to the first part of the legislature's mandate by publishing an annual (fiscal year) statistical report. For the last three years, however, the Division has met its obligation to the second part of the statutory mandate by conducting periodic surveys to collect claims data from insurance carriers. The expectation is that the scope of claims data collected will provide a foundation upon which to construct meaningful conclusions about the costs and factors involved in the workers compensation system in Kansas & identify trends in claims characteristics over time. The Open & Closed Claims (OCC) study is repeated on an annual basis using the first completed survey study as a baseline for comparison of successive samples.

The Division will continue to annually collect data from insurance carriers, group pools and self-insured entities for the purpose of meeting the legislative mandate. There are, at present, two likely means for collecting claims data. The first is to maintain the OCC research design. The second is to require electronic submittal of information through a national standard using electronic data interchange (EDI). The major insurance carriers already utilize this data transmittal process. Many, in fact, requested that the Division undertake the EDI process in order to forgo the sampling procedure currently in place. The Division is examining the feasibility of requiring data submittal through EDI for coverage providers.

The 2001 Open & Closed Claims Study

The 2001 Open & Closed Claim (OCC) Study marks the third consecutive year that the Division has collected claims data directly from a stratified random sample of insurance carriers, self-insured organizations and group-funded pools underwriting workers compensation in the state of Kansas. The following section summarizes the findings of the OCC for this past calendar year.

Highlights From The 2001 Closed Claims Study

- Of the 2,209 closed claims in the 2001 sample the mean total indemnity costs totaled \$6,531 (See Table 3-5 below). The median total indemnity costs for the same sample of closed claims was \$2,296, indicating that there were several claims with large indemnity payouts that skewed the mean indemnity costs higher than the median.
- The mean total medical costs for closed claims totaled \$7,109 (See Table 3-5 below). Out of this total, the mean hospital costs was \$4,315, mean total payments to physicians were \$2,282, and the mean costs listed as "other medical" was \$2,137. As with indemnity claims, the median claim total medical expense was only \$3,834, indicating the presence of several large medical claims that skewed the mean total costs higher than the median.
- The average lump sum settlement was \$9,412 (for the 613 claims that had a lump sum involved). See Table 3-5 below.
- For the 17 cases that reported vocational rehabilitation expenses, the mean incurred costs were \$1,150 and median costs were \$772 (See Table 3-5 below).

² K.S.A. 44-557a(a).

**Table 3-5
2001 Closed Claims Statistics**

	Mean	Median	Count
Total Indemnity	\$6,531	\$2,296	2,209
Total Incurred Vocational Rehab	\$1,150	\$772	17
Total Incurred Medical	\$7,109	\$3,834	2,209
Vocational Rehab Evaluation Expense Paid to Date	\$873	\$772	17
Vocational Rehab Maintenance Paid to Date	\$1,445	\$1,445	2
Vocational Rehab Education Paid to Date	\$1,820	\$1,820	1
Other Vocational Rehab Paid to Date	\$0	\$0	0
Hospital Costs Paid to Date	\$4,315	\$2,300	1,640
Total Payments to Physicians	\$2,282	\$1,352	2,122
Other Medical Paid to Date	\$2,137	\$683	1,771
Lump Sum Settlement	\$9,412	\$6,087	613

Source: Kansas Division of Workers Compensation

- The mean duration of a claim (from date disability began to the date given by the insurer as the date of closing) was 401 days. Half of the claims in this year's sample were closed within 295 days. See Table 3-6 below.
- It took an average of 18 days for an insurer to be notified following an accident, with half of all closed claims taking less than seven days. Insurers took an average of 52 days from the date disability began to make the first payment (but only 16 days for half of all claims). See Table 3-5 below.
- Claimants who lost time from work due to an injury and then returned to work at a later date on average lost 108 days of work, with half of the claimants losing only 51 days or less. See Table 3-5 below.

**Table 3-6
2001 Closed Claims
Time Intervals***

	Claim Duration	Time Taken to Notify Insurer	Time Taken for Insurer to Get First Payment	Time Off Work
Mean	401	18	52	108
Median	295	7	16	51
Count	1,642	2,209	1,642	1,472
Max	3,277	650	2,483	1,267
Min	12	0	1	1

Source: Kansas Division of Workers Compensation

*All time intervals listed are in days.

**Table 3-7
2001 Closed Claims
Percentage of Impairment**

Bracket	Count
1-9%	610
10-19%	269
20-29%	68
30-39%	22
40-49%	7
50-59%	6
60-69%	1
70-79%	1
80-89%	1
90-99%	1
100%	1
TOTAL	987

Source: Kansas Division of Workers Compensation

- Of the 987 claims listing a percentage of impairment of the injured worker greater than 0 percent, 879 claims had a percentage of impairment between 1 percent and 19 percent. See Table 3-6 above.
- Nearly 21 percent of the injured workers in the sample had secured the services of an attorney to handle their claim. The mean indemnity costs for claims involving an attorney (\$13,058) were nearly two and three-quarter times as much as claims without an attorney (\$4,800). See Table 3-7 below.
- Mean total medical costs for claims involving an attorney totaled \$10,348. For claims not involving attorneys Mean total medical costs were \$6,250. Mean lump sum settlements for claims involving attorneys (\$5,194) were more than two and a half times greater than for claims without attorneys (\$1,927). See Table 3-7 below.

**Table 3-8
2001 Closed Claims
Attorney Involvement with Claim**

	Count	Average Indemnity	Average Medical	Average Lump Sum
Claimant Attorney Involved	463	\$13,058	\$10,348	\$5,194
No Claimant Attorney	1,746	\$4,800	\$6,250	\$1,927
All Cases	2,209	\$6,531	\$7,109	\$2,612

Source: Kansas Division of Workers Compensation

- Mean employer legal expenses, for the 830 claims that had these expenses reported, totaled \$1,039 while mean claimant legal expenses was more than nearly three times as high at \$3,551. The respective medians for employer & claimant legal expenses associated with a claim were \$382 and \$2,466. The median claimant legal expense were nearly six and one half times as greater than the median employer legal expense. See Table 3-8 below.

**Table 3-9
2001 Closed Claims
Legal Expenses Associated with Claim**

	Employer's Legal Expenses	Claimant's Legal Expenses
Mean	\$1,039	\$3,551
Median	\$382	\$2,466
Count	830	101

Source: Kansas Division of Workers Compensation

**Table 3-10
2001 Closed Claims
Average Wage & Indemnity by Employer Payroll**

	Average of Average Weekly Wage	Average of Total Indemnity	Count of Return To Work	Total Cases in Each Category
\$0	\$454	\$2,283	61	61
\$1-100,000	\$465	\$4,030	143	537
\$100,001-\$1,000,000	\$419	\$7,855	448	590
\$1,000,001-\$10,000,000	\$426	\$7,427	513	594
Over \$10,000,000	\$444	\$7,206	356	427
Grand Total	\$438	\$6,531	1,521	2,209

Source: Kansas Division of Workers Compensation

- Injured workers in the 30-39 year-old age stratum had the greatest number of claims (615) in the sample, while claimants in the 40-49 year-old age stratum were a close second with 600. See Figure 3-2.
- Injured workers in the 50-59 year-old age stratum reported the highest mean indemnity costs (\$7,822), with those in the 40-49 year-old age stratum a close second at \$7,147. The 4 injured workers in the 80-89 year-old age stratum reported the highest mean medical expenses (\$8,694) but for age groupings with over 100 claims in the sample the 40-49 year-old age stratum had the highest mean medical costs at \$8,126. See Figure 3-3.
- Male claimants outnumbered female claimants by more than two-to-one in the sample but reported slightly lower mean indemnity costs (\$6,467 for male claimants and \$6,652 for female claimants) and slightly higher mean medical costs (\$7,151 for males and \$7,024 for females). See Figure 3-4.

- Lifting was the most frequent cause of injury resulting in a claim for this year's study. The mean indemnity costs for lifting injuries was \$6,491 and mean medical costs were \$6,277. See Figures 3-5 & 3-6.
- Repetitive motion injuries had the highest mean indemnity costs by cause of injury (\$8,143) while injuries caused by falling, slipping or tripping on the same level reported the highest mean medical costs (\$8,713). See Figure 3-6.
- 31 percent of the closed claims sample reported strains as the nature of the worker's injury. The second most common nature of injury was sprains followed by fractures. See Table 3-7. However, mean indemnity costs for cumulative injuries (\$11,900) and carpal tunnel syndrome claims (\$11,687) were the highest costs by nature of injury. See Figure 3-8.
- The most frequently injured major body region (which consist of all the body parts condensed down into much broader categories) was the upper extremities (arms, wrists, hands, elbow, etc.). Lower extremities were second with the back region the next most frequently reported injured body region. However, the highest mean indemnity costs for major body region were with claims involving an injured neck (\$9,264) while the highest mean medical costs were with claims involving multiple body parts (\$8,848). See Figures 3-9 and 3-10.
- The knee was the most frequently injured body part resulting in scheduled indemnity benefits but shoulder claims had the highest mean indemnity costs (\$7,103) and mean medical costs (\$8,158). See Figures 3-11 & 3-12.
- Injuries involving multiple body parts were the most often injured body part resulting in unscheduled indemnity benefit with the lower back area a close second. However, hip injuries had the highest mean indemnity (\$11,916) and mean medical costs (\$13,301) for all unscheduled body part claims. See Figures 3-13 & 3-14.
- Temporary total disability (TTD) claims constituted 81 percent of all closed claims in the sample had a mean of \$3,255 for indemnity costs. However unscheduled permanent partial injuries had the highest non-fatal mean indemnity costs with \$11,807. The highest mean indemnity payout by type was \$18,933 for death benefits but this was a function of the small number of claims of this type (n=3) used in the calculation of the mean. See Figures 3-15 & 3-16.
- Carpal tunnel syndrome injuries had mean indemnity costs of \$11,687 and mean total medical costs of \$6,845. All other cumulative injuries had mean indemnity costs of \$11,900 and mean medical costs of \$9,042. See Figures 3-17.

Highlights From The 2001 Open Claims Study

- Due to the dynamic and continually evolving nature of medical and indemnity payments for claims not yet closed (open claims) no meaningful statistics on costs could be reported. Claim costs for medical, indemnity, vocational rehabilitation and other expenses are discussed in the sections on closed claims.
- Lifting was the most frequent cause of injury reported for claims still open in 2001. See Figure 3-18 below.
- The most frequent nature of injury for open claims were strains with sprains a distance second. See Figure 3-19 below.
- Again this year, the upper extremities were the most injured body region for our open claims sample. See Figure 3-20 below.
- The most frequently injured scheduled body part was the knee with the wrist a close second. See Figure 3-21 below.
- The most frequently injured unscheduled body part for our open claims was the low back area with multiple body parts a close second. See Figure 3-22 below.

Figure 3-2

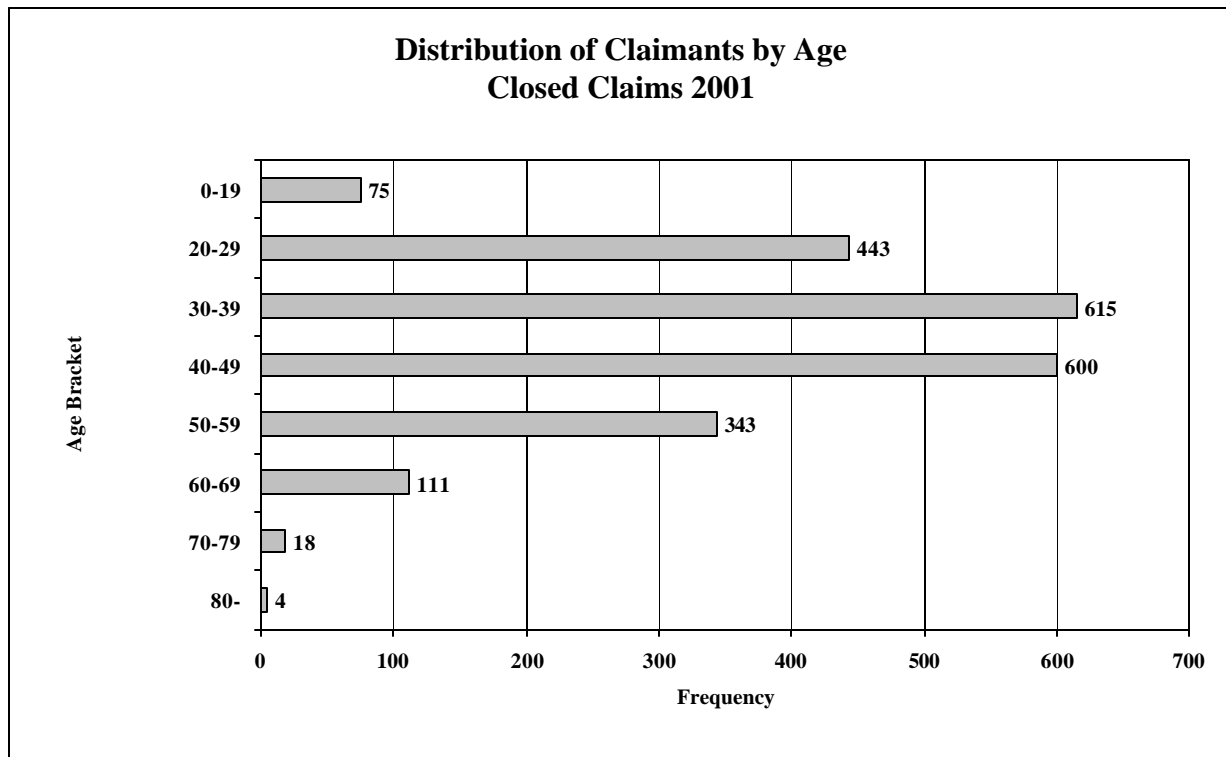


Figure 3-3

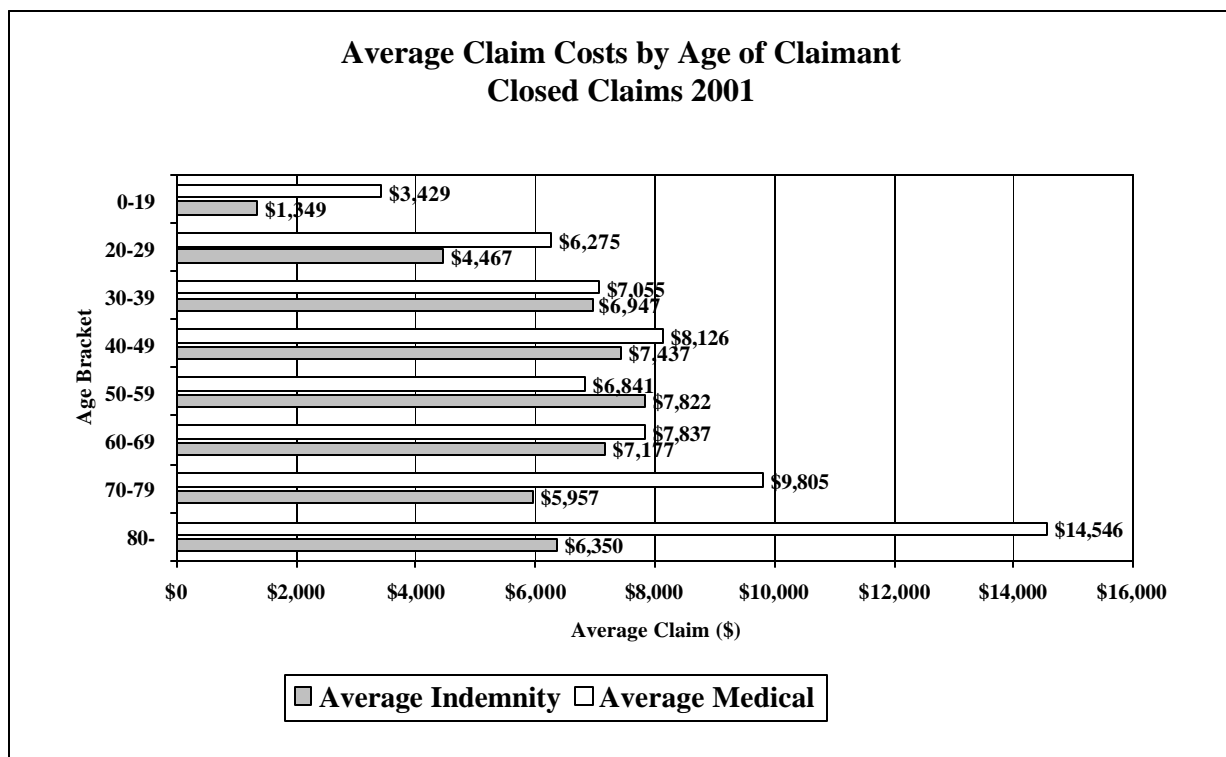


Figure 3-4

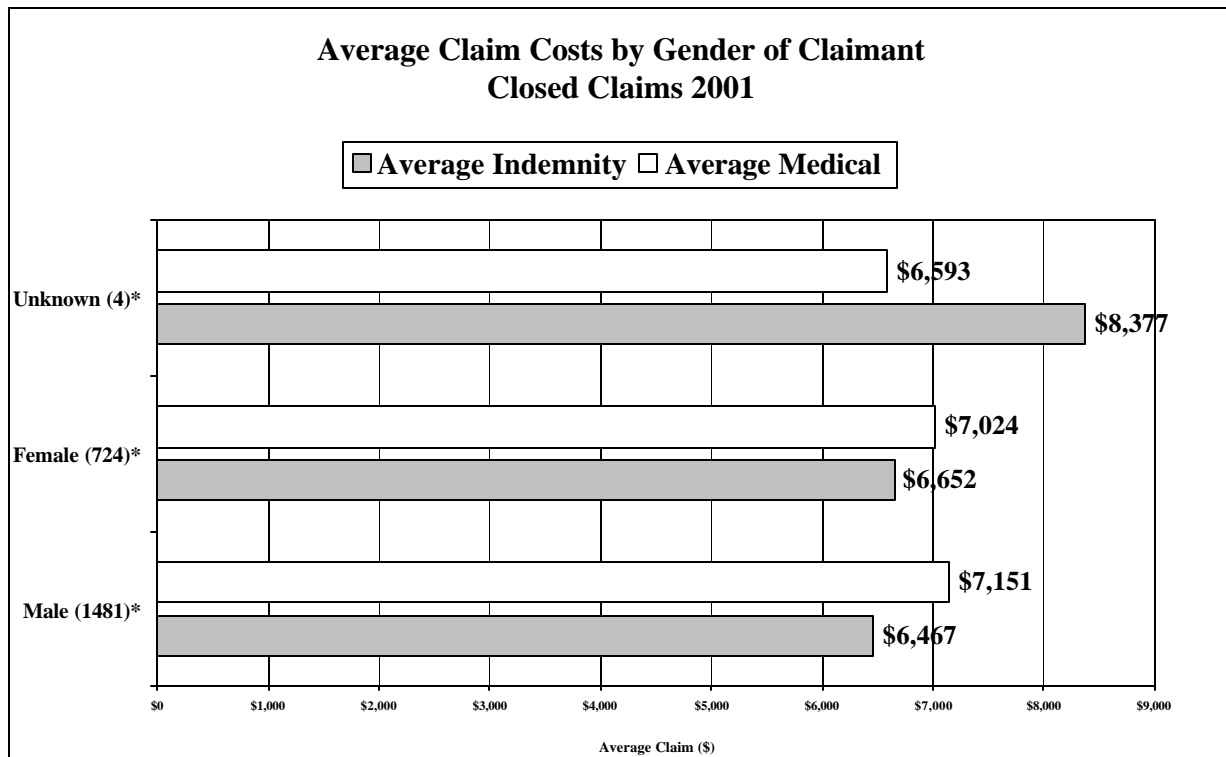


Figure 3-5

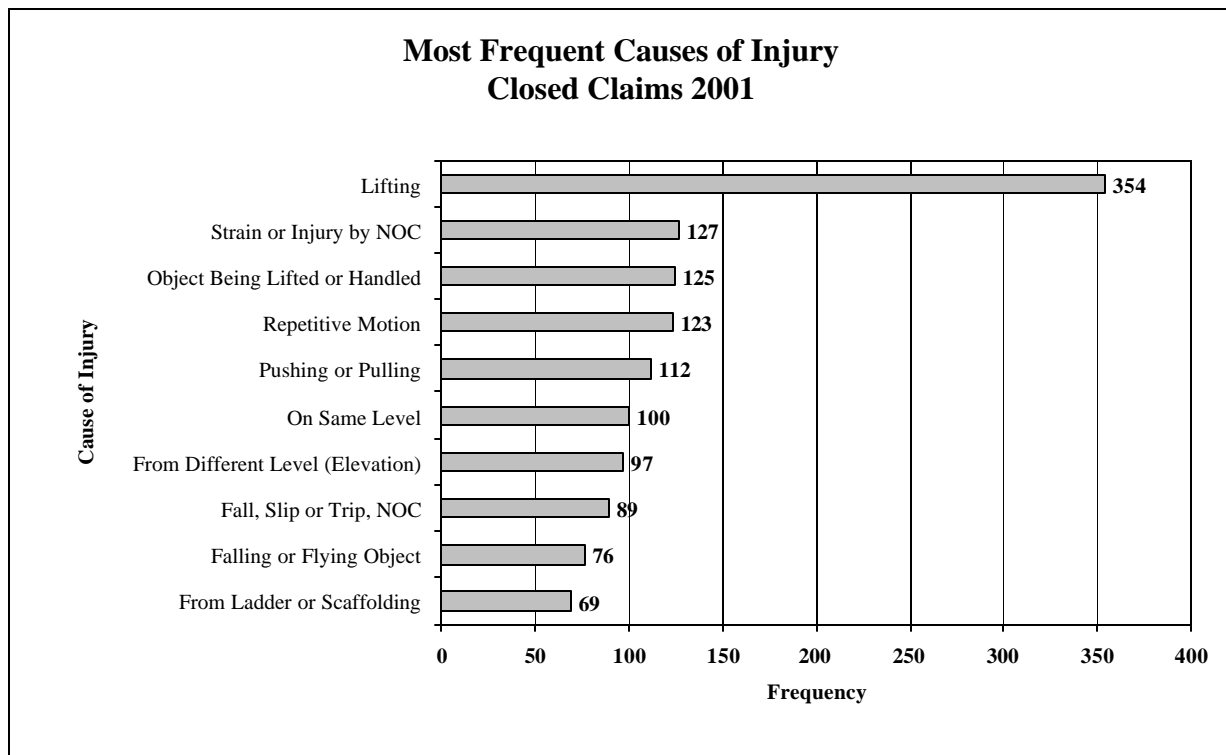


Figure 3-6

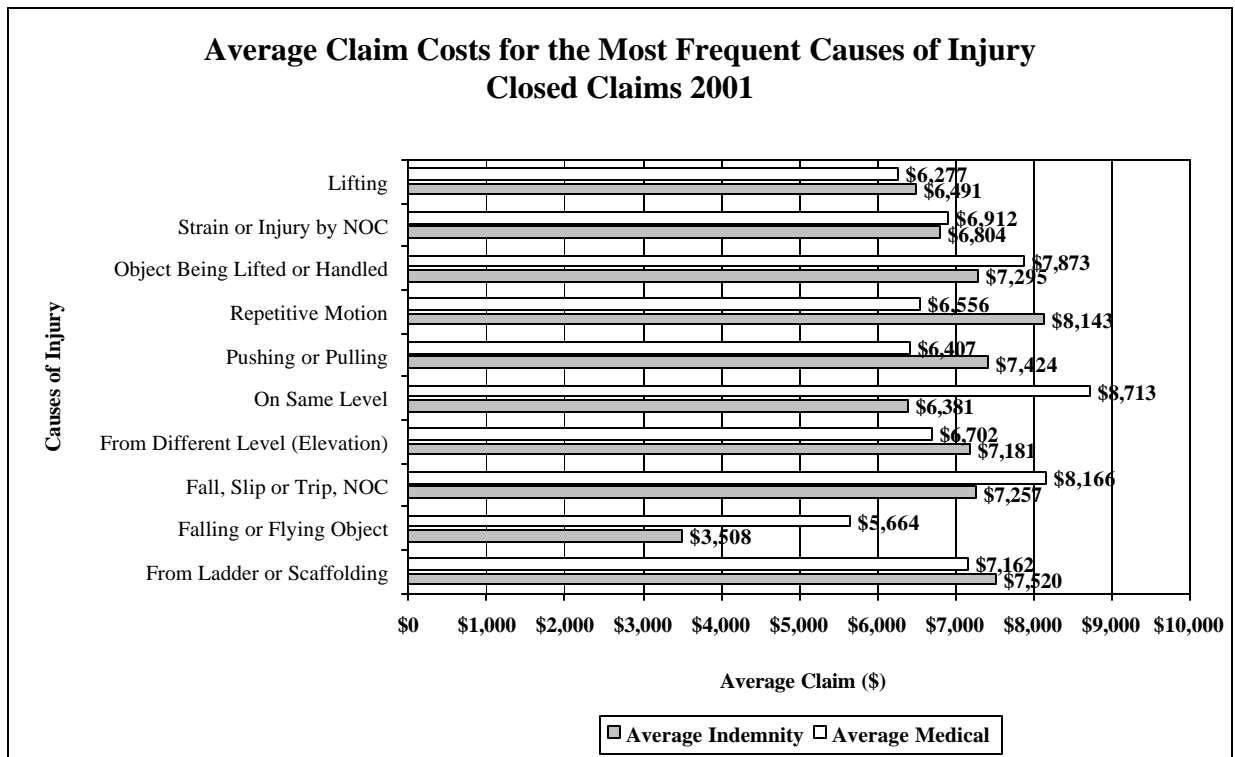


Figure 3-7

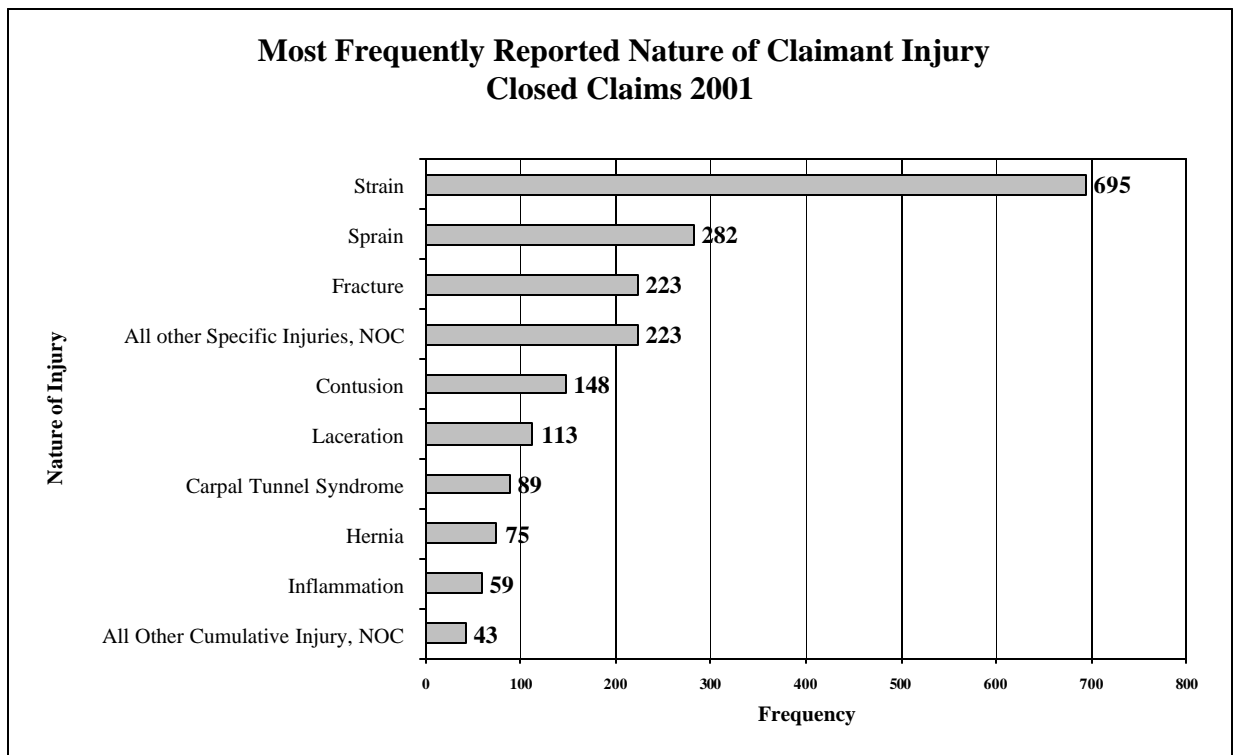


Figure 3-8

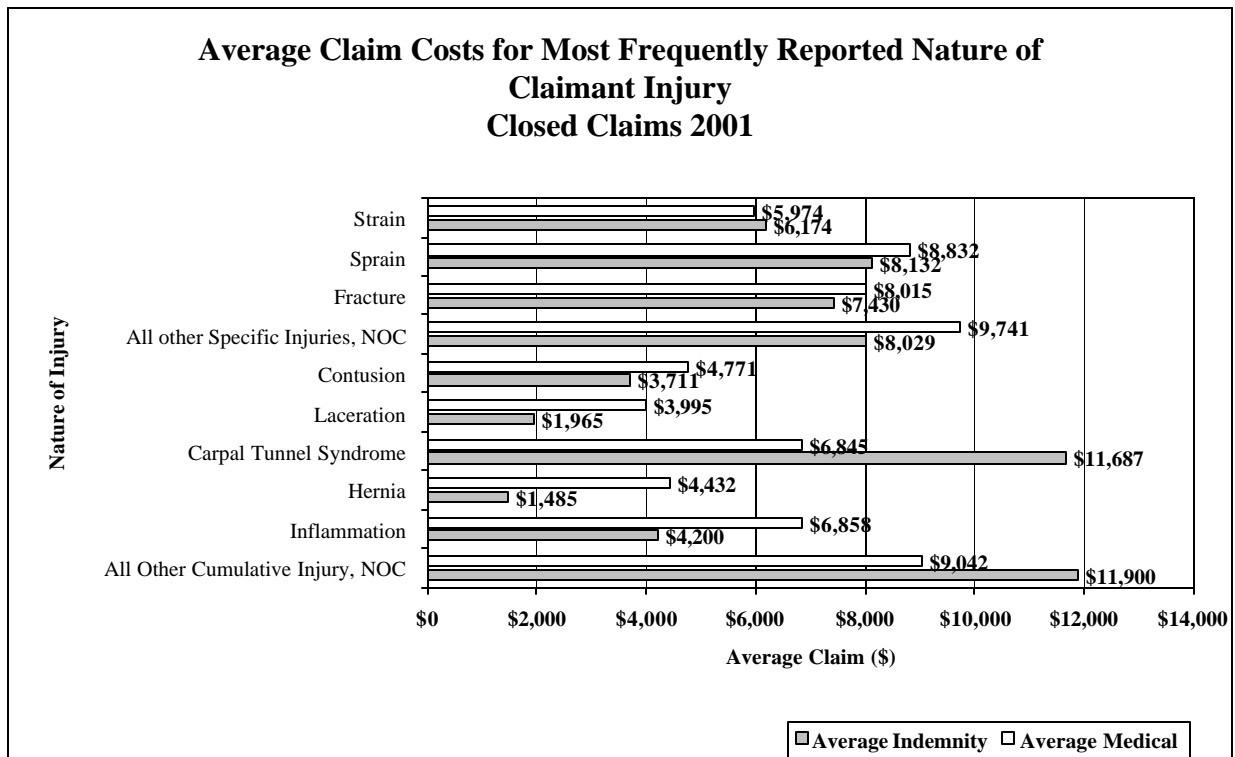


Figure 3-9

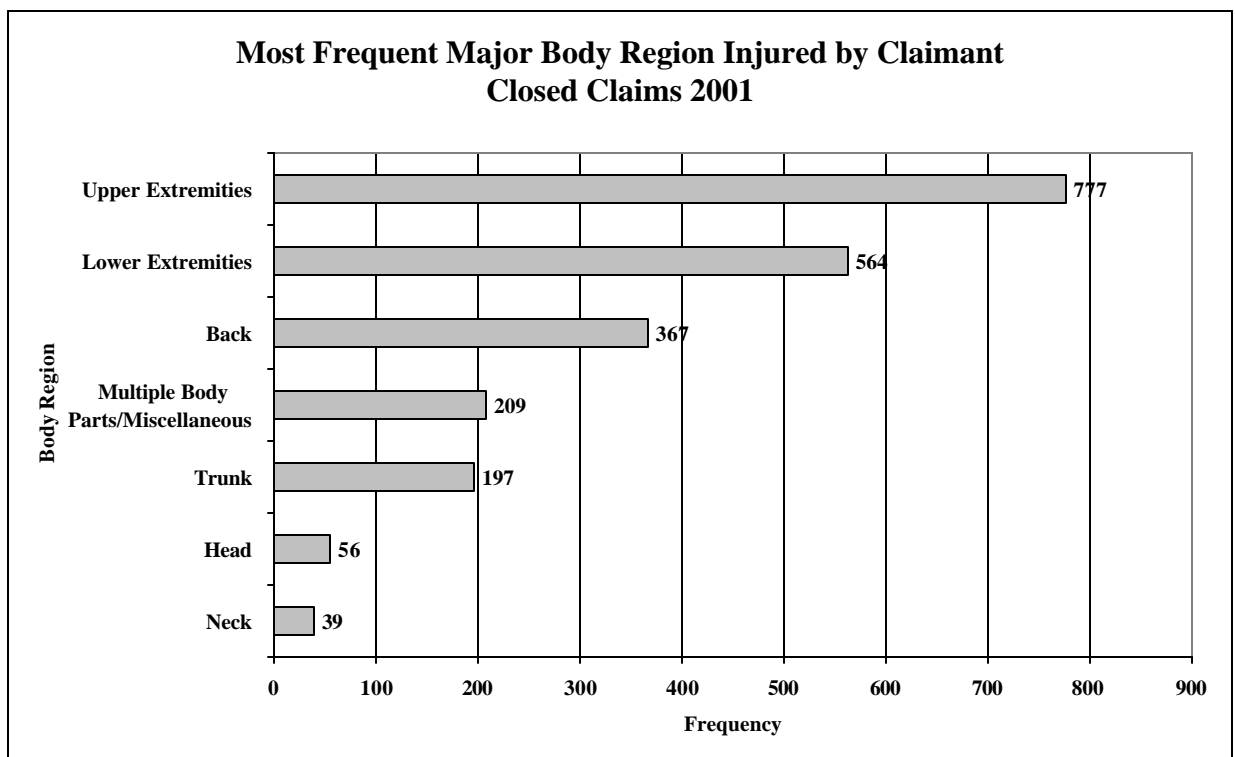


Figure 3-10

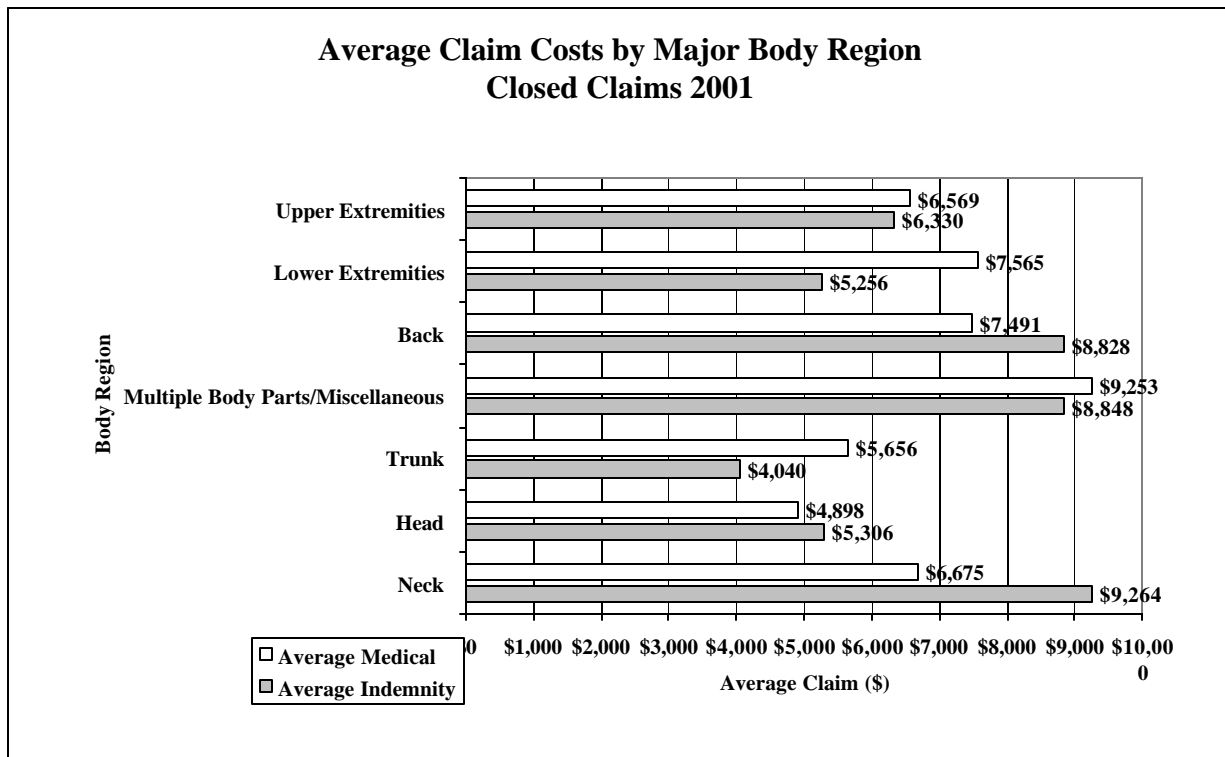


Figure 3-11

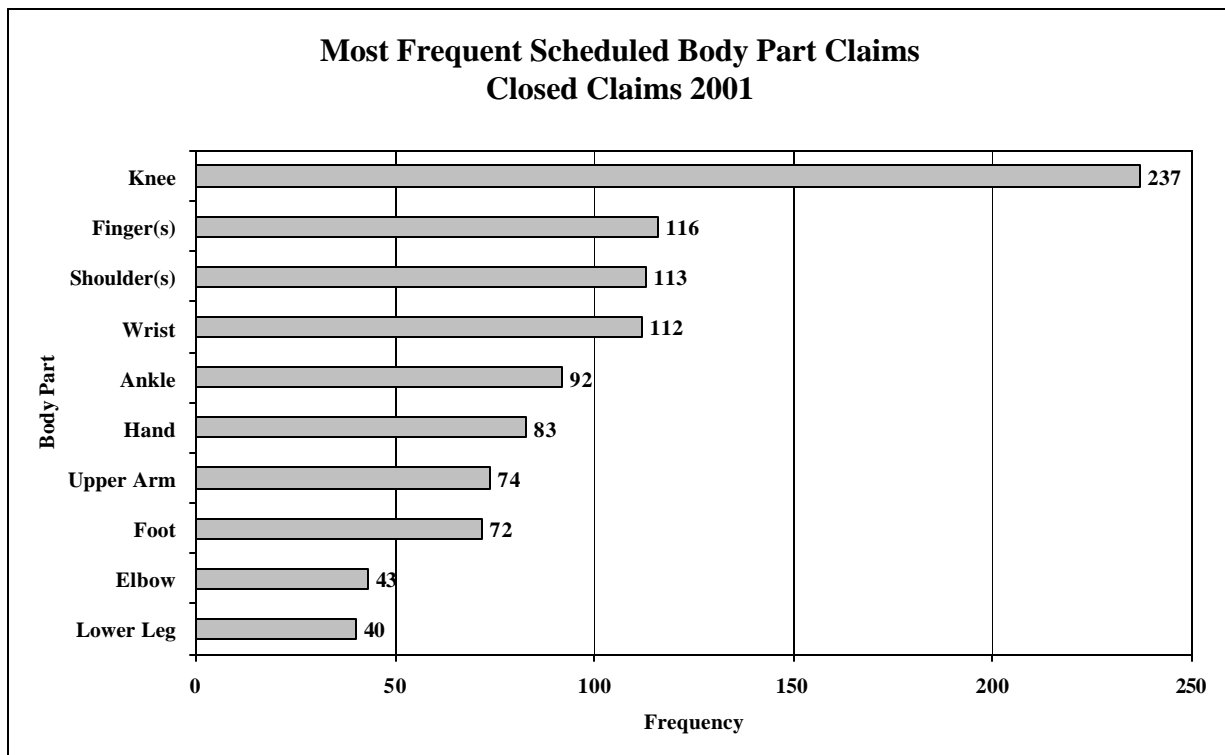


Figure 3-12

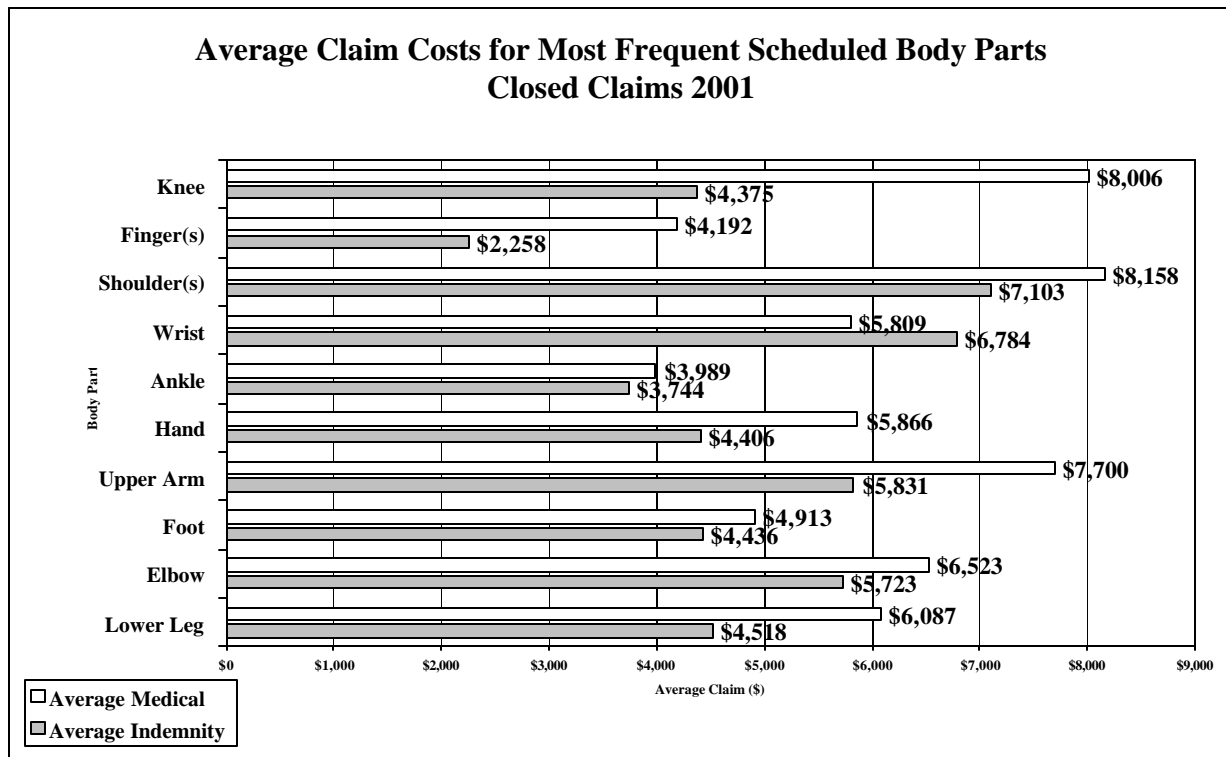


Figure 3-13

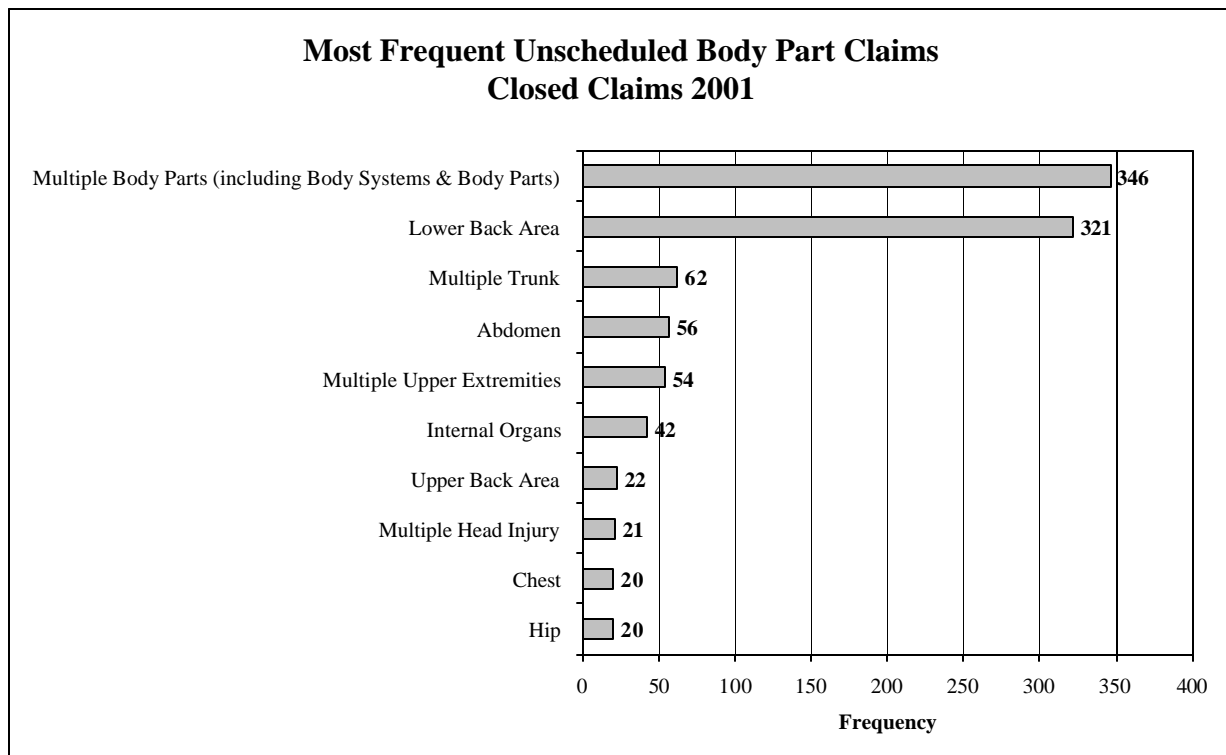


Figure 3-14

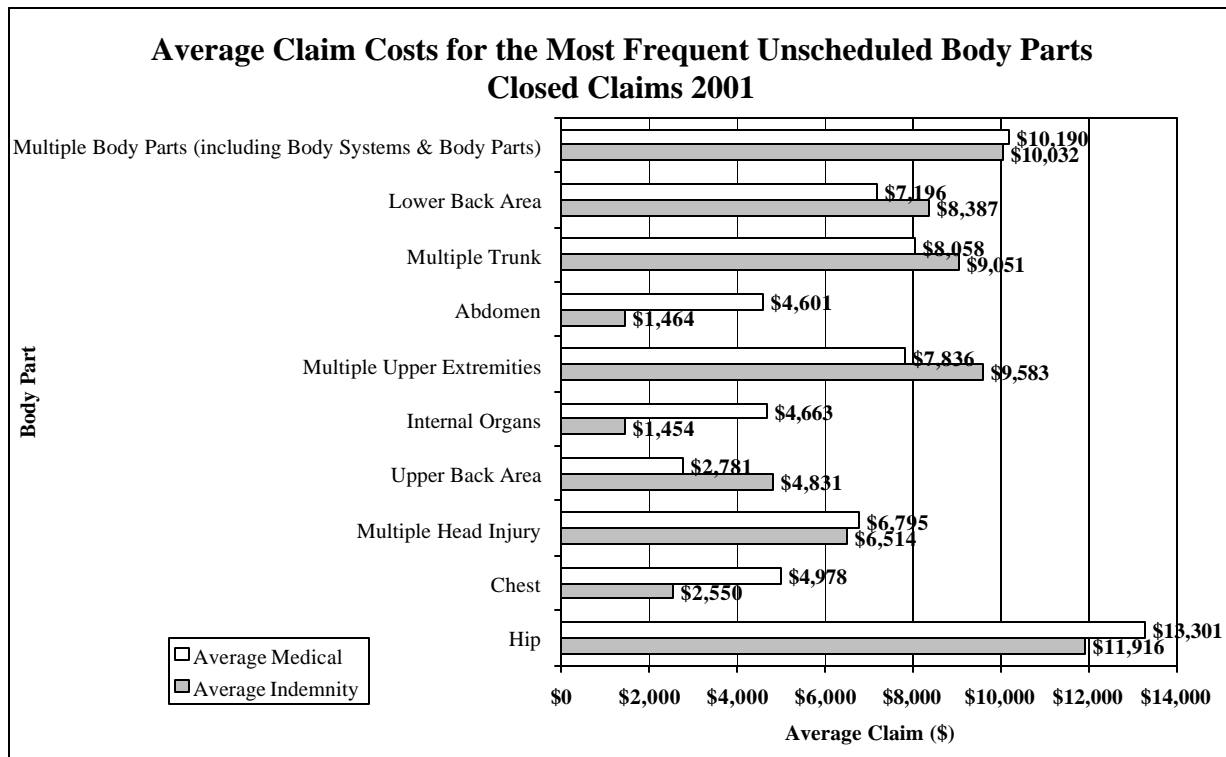


Figure 3-15

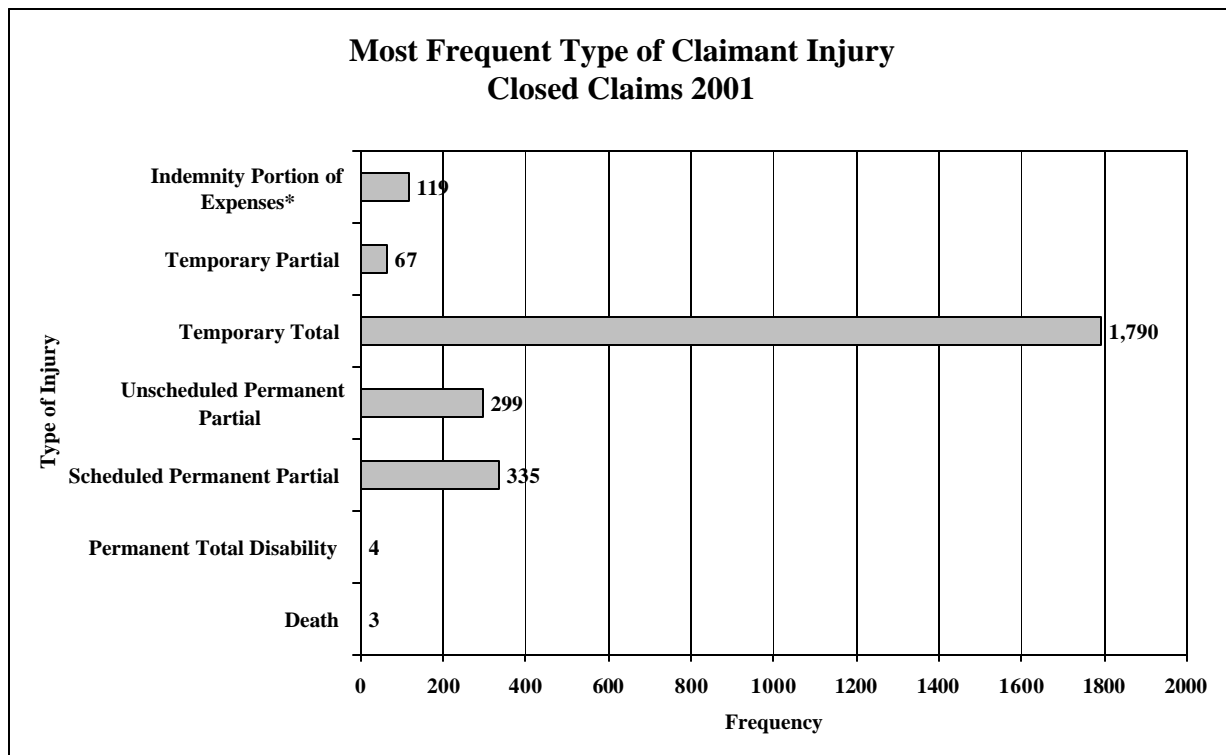


Figure 3-16

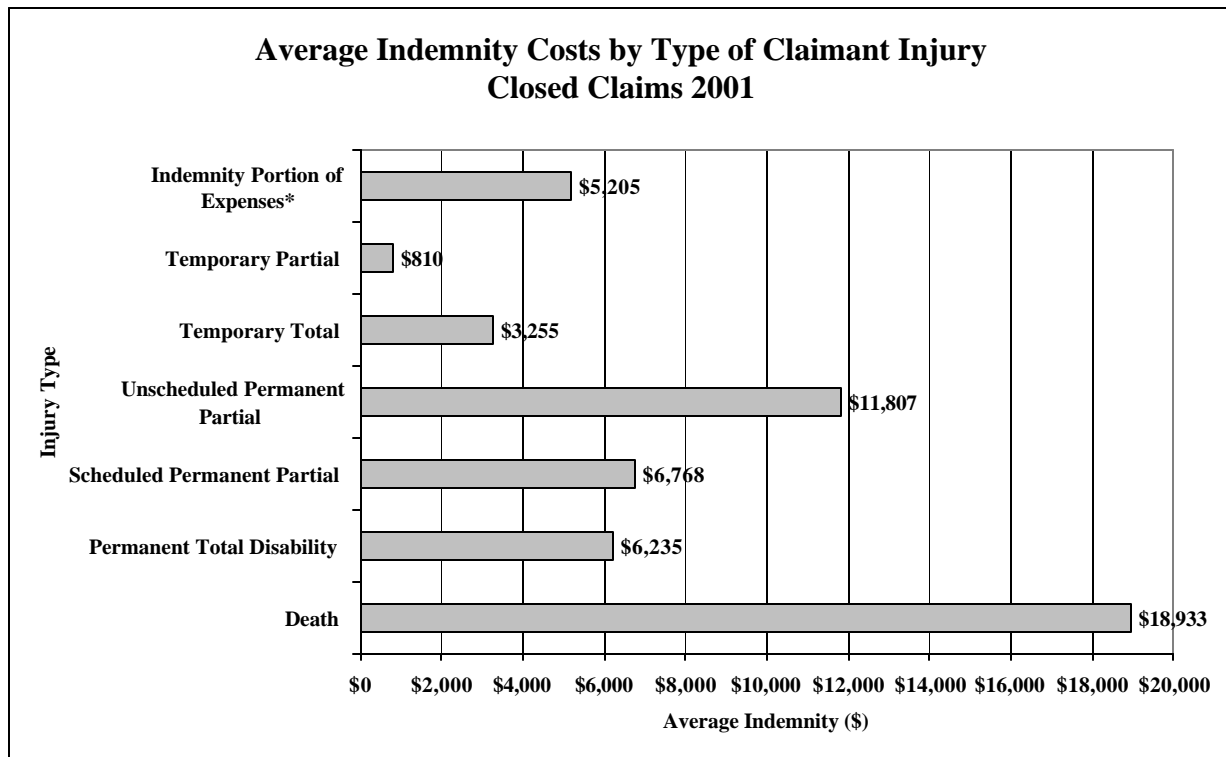


Figure 3-17

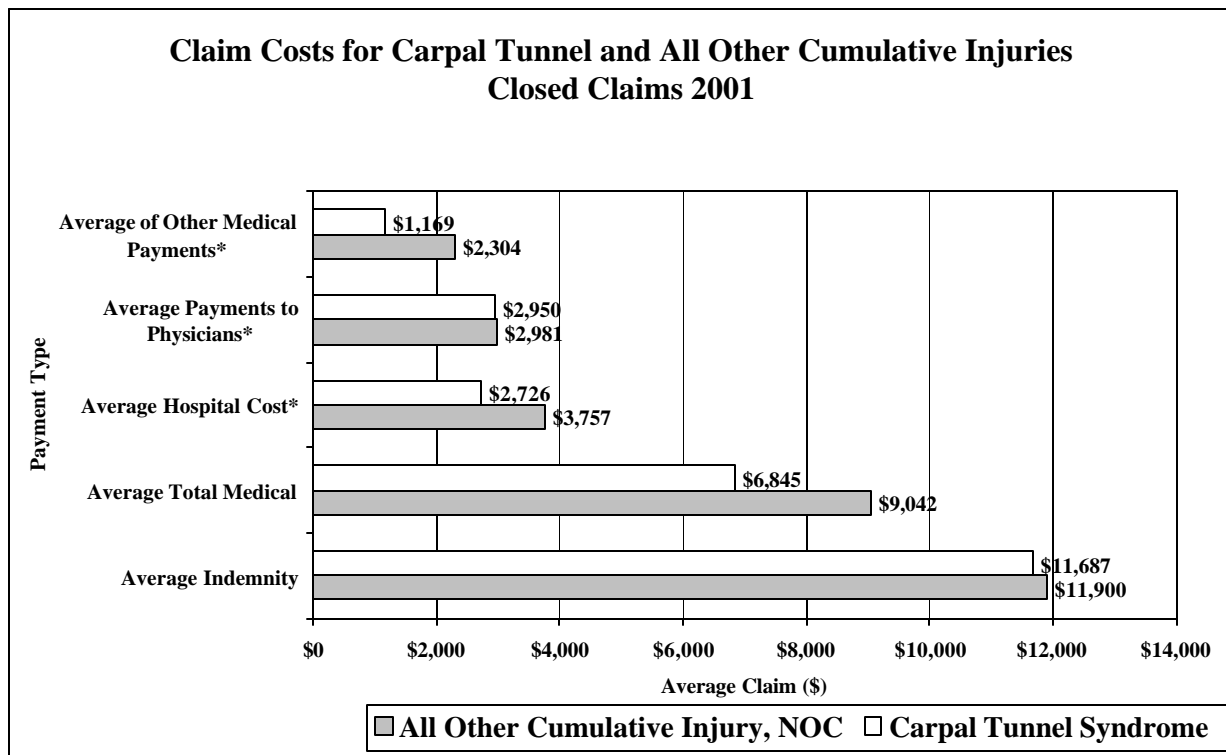


Figure 3-18

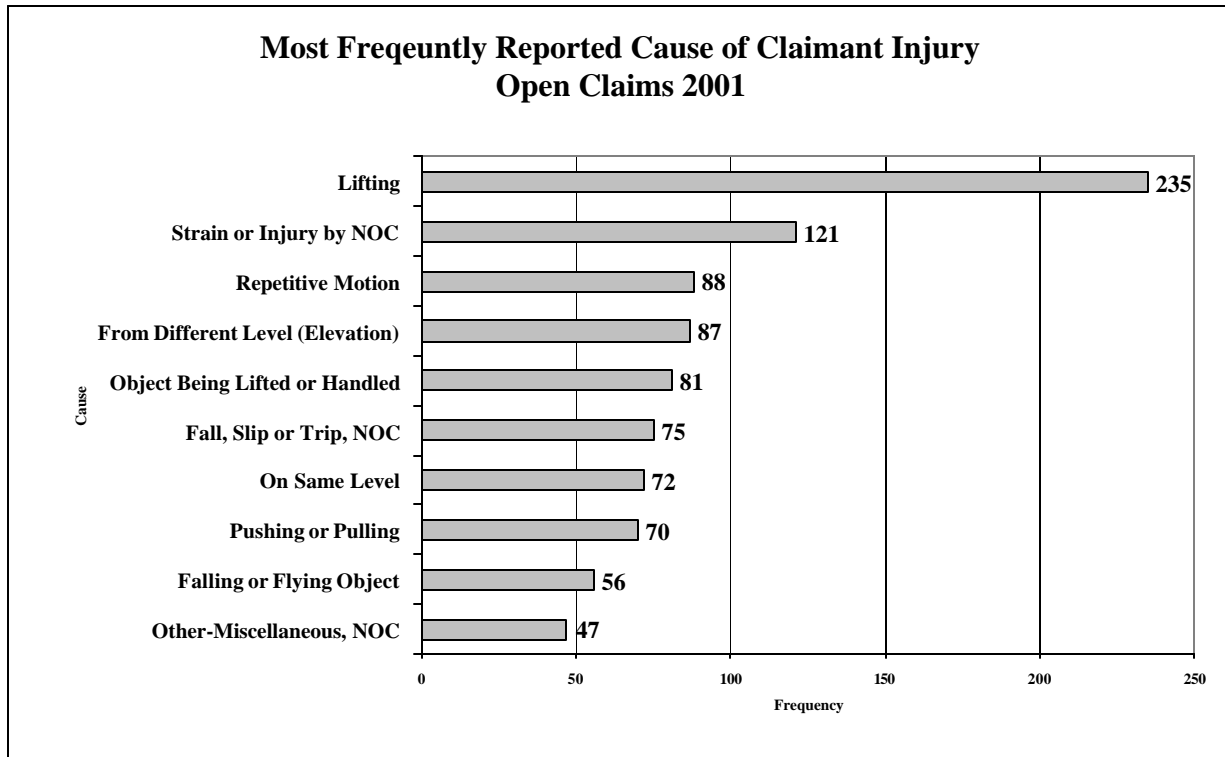


Figure 3-19

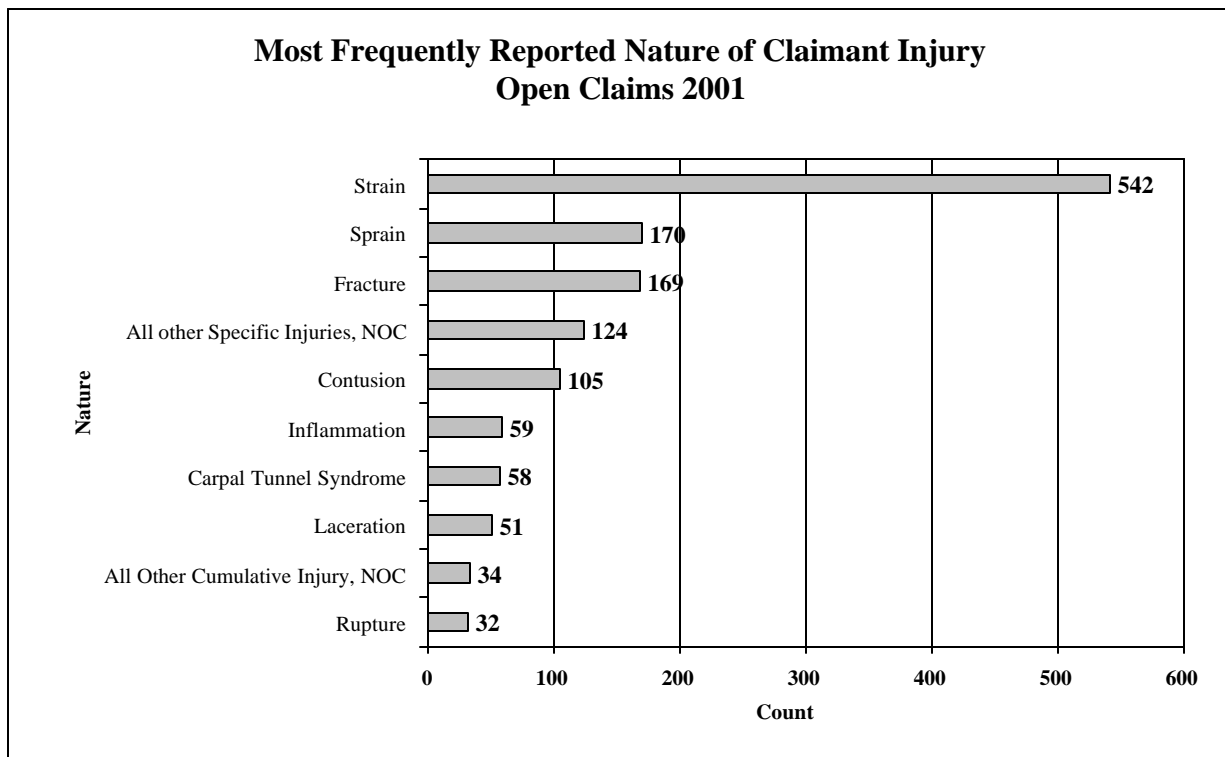


Figure 3-20

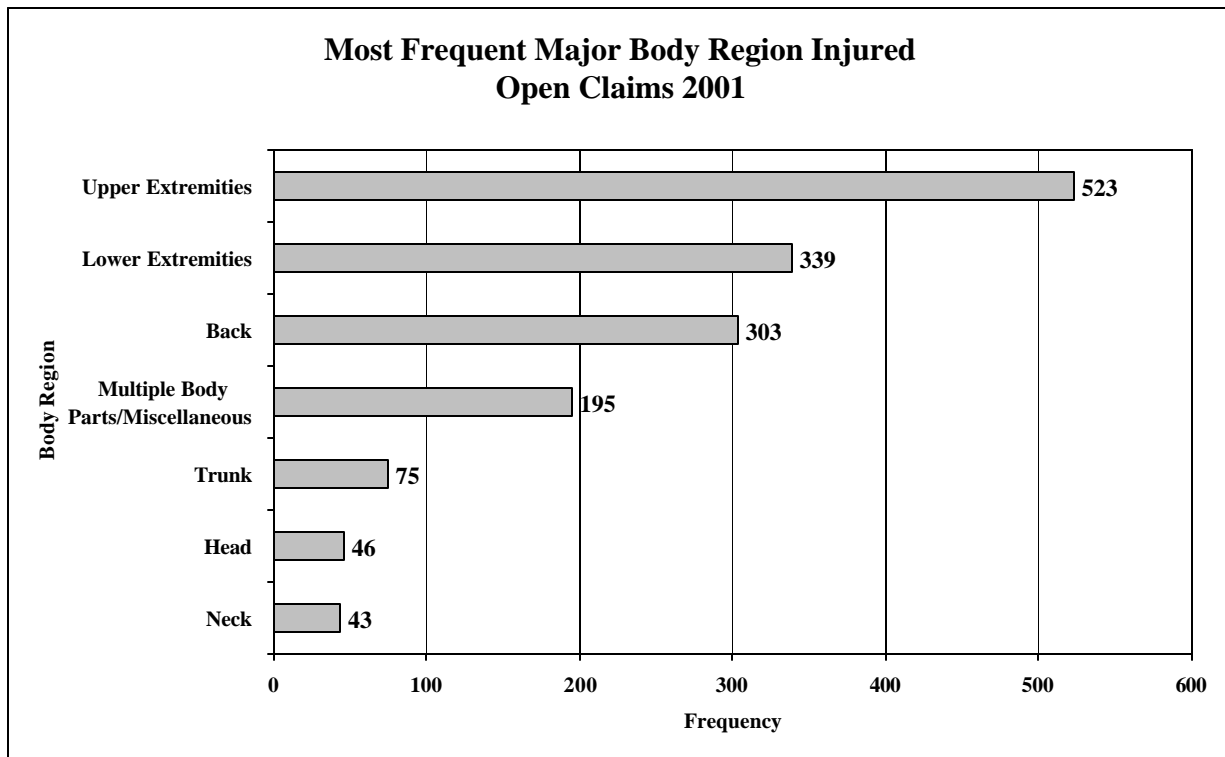


Figure 3-21

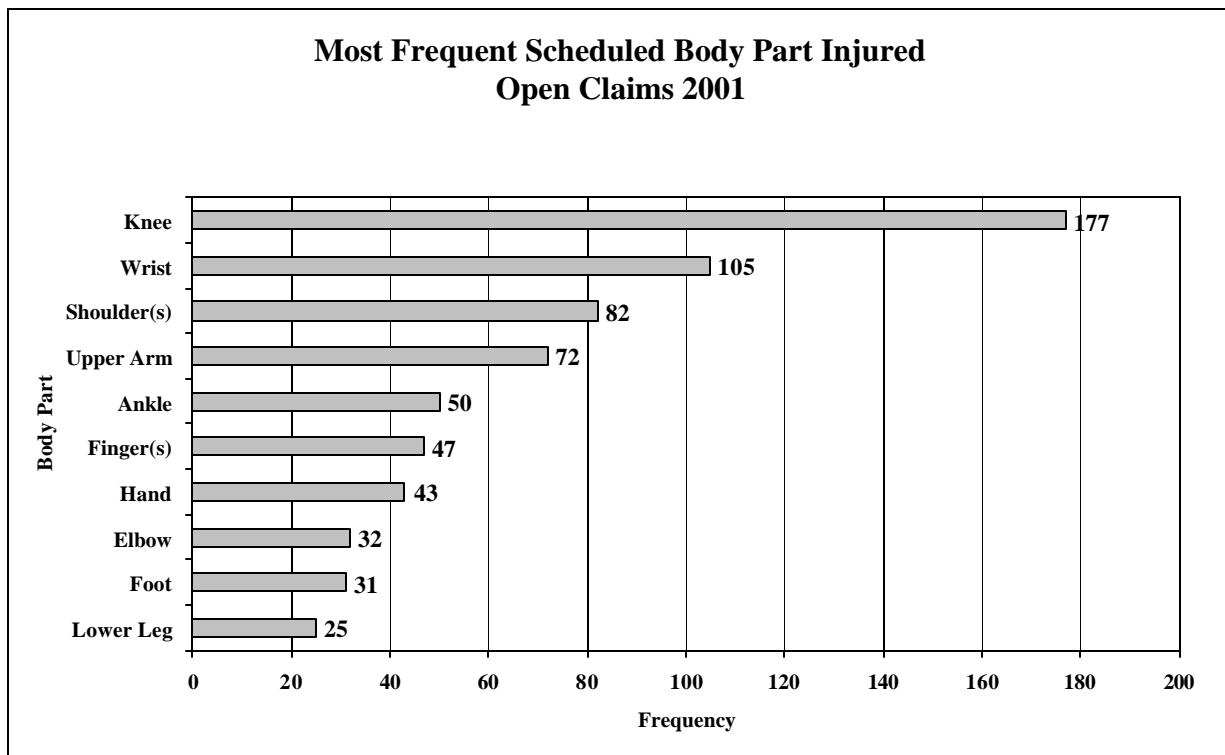
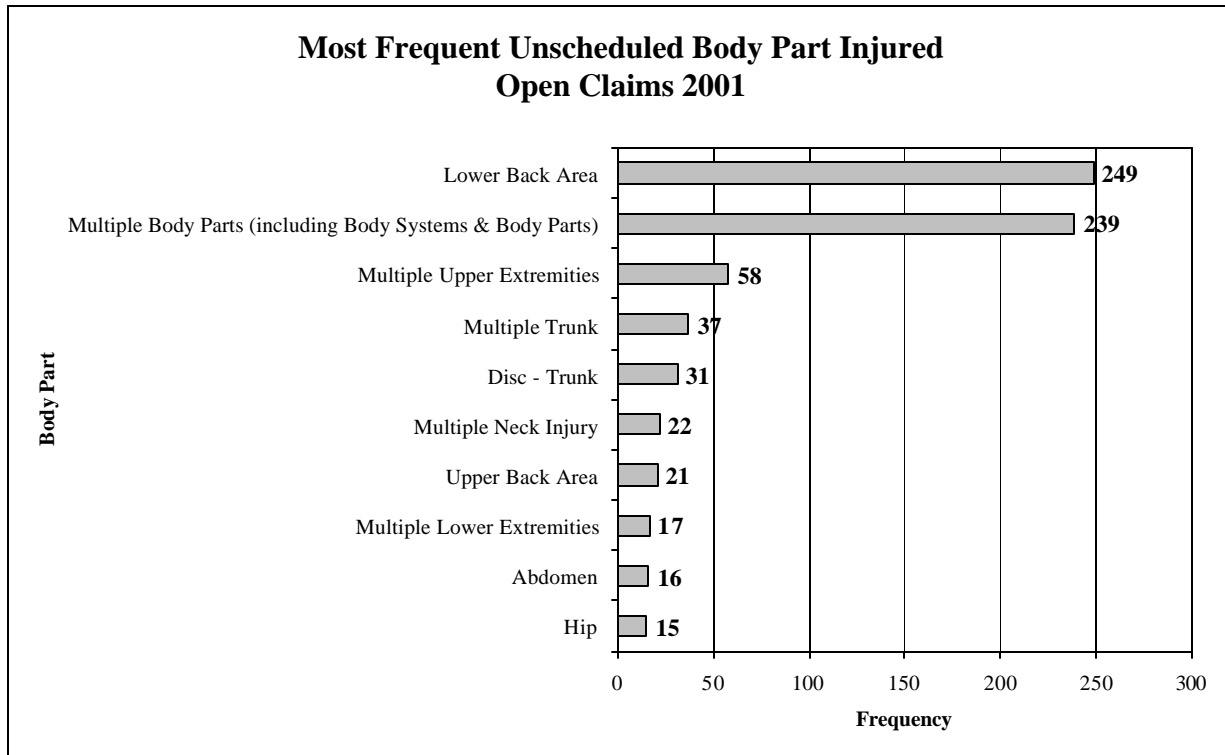


Figure 3-22



A Comparative Analysis of Indemnity & Medical Claim Costs

Mean total indemnity costs have declined in Kansas for the third consecutive year. The average indemnity paid per claim in 2001 was down nearly 10 percent (\$704) from the previous year's average and nearly 18 percent from 1999, the first year of the Open & Closed Claims Study (See Table 3-10 below). However, mean total incurred medical costs have risen for the third consecutive year. The average total medical costs for claims in 2001 were \$7,109, which constituted a 3.4 percent increase from 2000 and a 21 percent increase from 1999 (See Table 3-10 below).

Table 3-11
Closed Claims Statistics 1999-2001
Mean Costs

	2001	2000	1999
Mean Total Indemnity	\$6,531	\$7,235	\$7,933
Mean Total Incurred Vocational Rehab	\$1,150	\$1,267	\$1,010
Mean Total Incurred Medical	\$7,109	\$6,873	\$5,859
Mean Vocational Rehab Evaluation Expense Paid to Date	\$873	\$913	\$1,037
Mean Vocational Rehab Maintenance Paid to Date	\$1,445	\$2,705	\$616
Mean Vocational Rehab Education Paid to Date	\$1,820	\$5,616	\$0
Mean Other Vocational Rehab Paid to Date	\$0	\$3,885	\$1,850
Mean Hospital Costs Paid to Date	\$4,315	\$4,215	\$3,613
Mean Total Payments to Physicians	\$2,282	\$2,770	\$2,039
Mean Other Medical Paid to Date	\$2,137	\$1,604	\$1,777
Mean Lump Sum Settlement	\$9,412	\$11,105	\$12,258

Source: Kansas Division of Workers Compensation

The median total costs for both medical and indemnity for each of the past three years has been significantly lower than the reported means, an indication that extremely costly indemnity & medical payments are pulling the mean upward in a positive direction. This is sometimes referred to as an inflated mean. Median total indemnity dropped 28 percent from 1999 (\$2923) to 2000 (\$2,115) but has risen 8.5 percent over the past year to \$2,296 (See Table 3-11 below). Median total medical costs for 2001 were \$3,834, a 15 percent increase from last year (\$3,342) and a 56 percent increase from 1999 levels. See Figures 3-24, 3-25, 2-26 & 3-27 below for visual representations of the median and mean figures for all claim costs for 1999-2001.

Table 3-12
Closed Claims Statistics 1999-2001
Median Costs

	2001	2000	1999
Median Total Indemnity	\$2,296	\$2,115	\$2,923
Median Total Incurred Vocational Rehab	\$772	\$335	\$353
Median Total Incurred Medical	\$3,834	\$3,342	\$2,451
Median Vocational Rehab Evaluation Expense Paid to Date	\$772	\$290	\$584
Median Vocational Rehab Maintenance Paid to Date	\$1,445	\$2,705	\$172
Median Vocational Rehab Education Paid to Date	\$1,820	\$5,616	\$0
Median Other Vocational Rehab Paid to Date	\$0	\$3,885	\$1,860
Median Hospital Costs Paid to Date	\$2,300	\$2,052	\$1,661
Median Total Payments to Physicians	\$1,352	\$1,369	\$1,042
Median Other Medical Paid to Date	\$683	\$557	\$518
Median Lump Sum Settlement	\$6,087	\$7,000	\$7,142

Source: Kansas Division of Workers Compensation

Average Claim Costs: The Mean or the Median?

Over the past three years the Division has reported both the mean and median total indemnity & medical costs of claims in the OCC study. Which measure, the mean or the median, is a better statistical indication of the typical or average costs associated with workers compensation claims? Means and medians are both measures of central tendency that are used to summarize a body of data. Many times the term “average” is used instead of either mean or median but these two measures are not the same and should not be treated the same. Technically, the mean is the arithmetic average of all the data points in a sample. The median is simply the midpoint value (50th percentile) of the distribution, half of all values are above it and half are below it. In a perfectly normally distributed sample the median and mean claim cost would be the same value. For each of the last three years, however, the closed claim sample distributions for both total indemnity & total medical paid have been positively skewed. In a positively skewed sample the median will be lower in value than the mean for a simple reason: every observation is used to calculate the value of the mean but not every value is used to calculate the median. Because of this extreme values, or outliers, will have a “disproportionate influence on the mean and may thus affect how well the mean represents the data.”³ This is not necessarily the case with a sample median. The median is a more resistant measure than the mean because it is relatively unaffected by (or resistant to) outlier values and thus, less likely to be distorted by high cost claims. The histograms below (Figure 3-23 & 3-24) are a graphical summary of the distribution of both total indemnity & total medical claim costs samples for the 2001 OCC study. Compared to the normal distribution, the classic bell curve, the distribution of both total medical & indemnity costs are skewed to the right. After three years of analyzing claims data the Division has concluded that the distribution of total medical & total indemnity costs in Kansas is not normally distributed and therefore, the median may be a more appropriate measure of central tendency for summarizing the closed claims data.

³ Kenneth J. Meier & Jeffrey L. Brudney, *Applied Statistics for Public Administration* 4th Edition (Ft. Worth, TX: Harcourt Brace Publishers); 25.

Figure 3-23

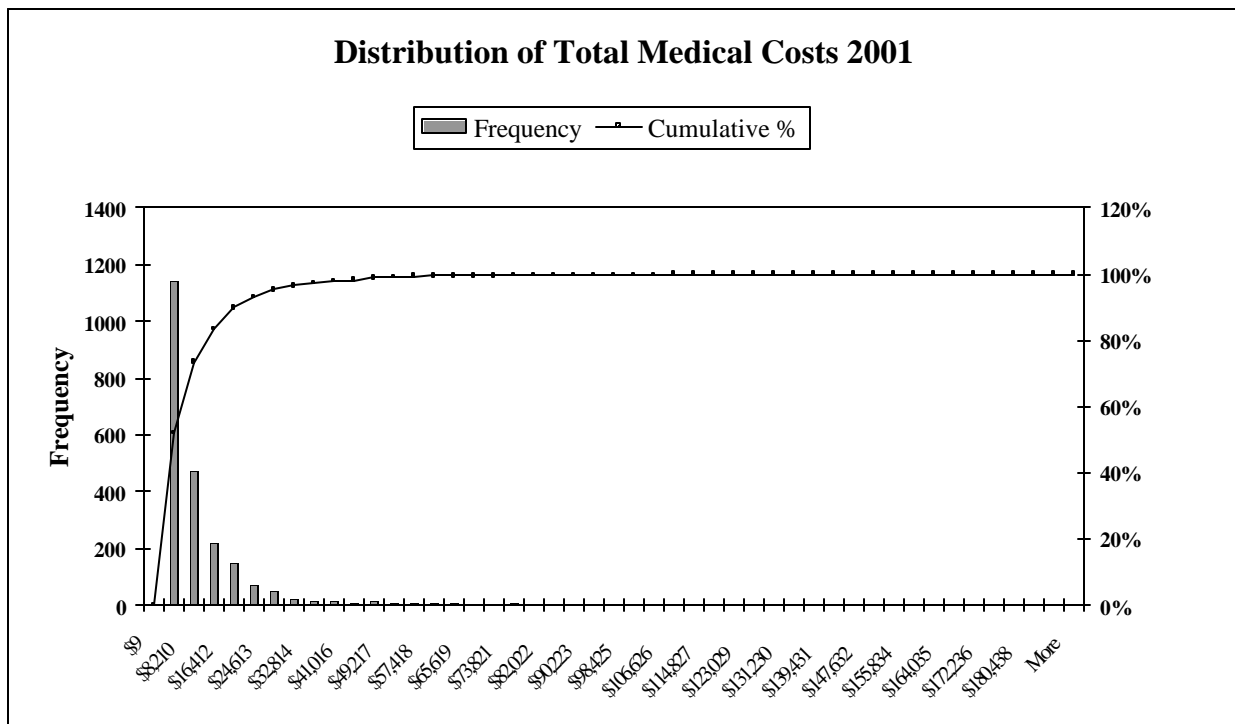


Figure 3-24

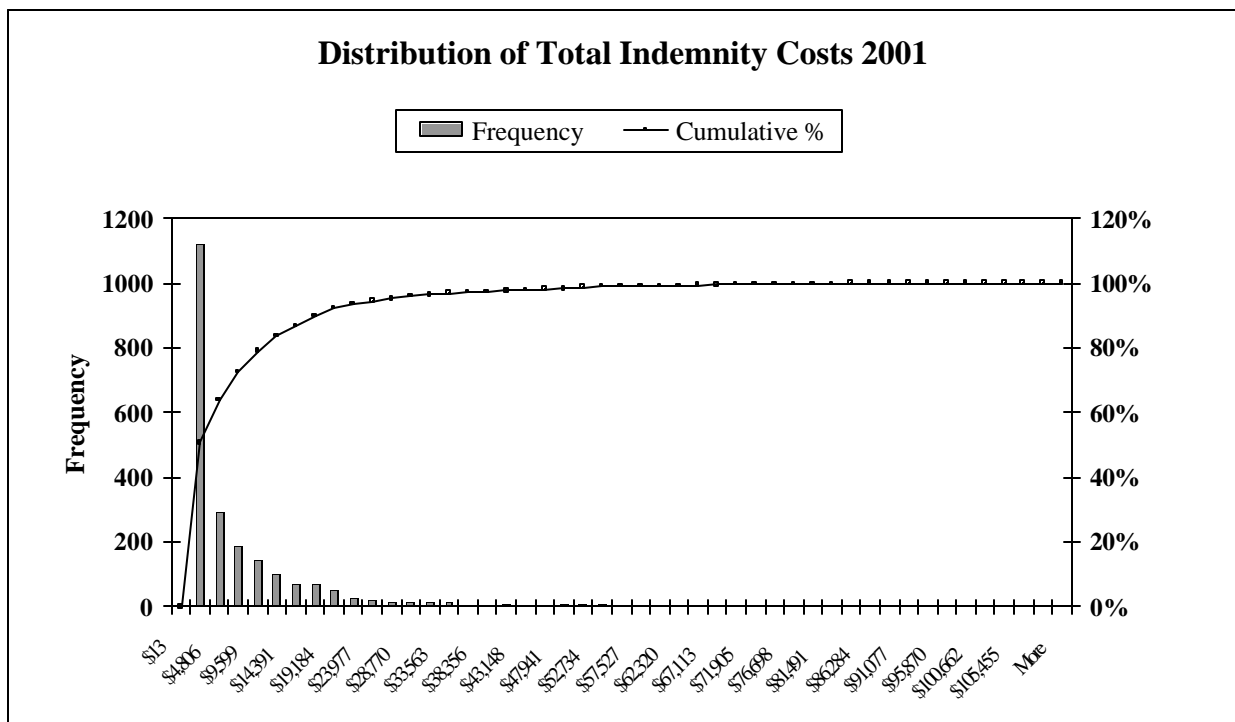


Figure 3-25

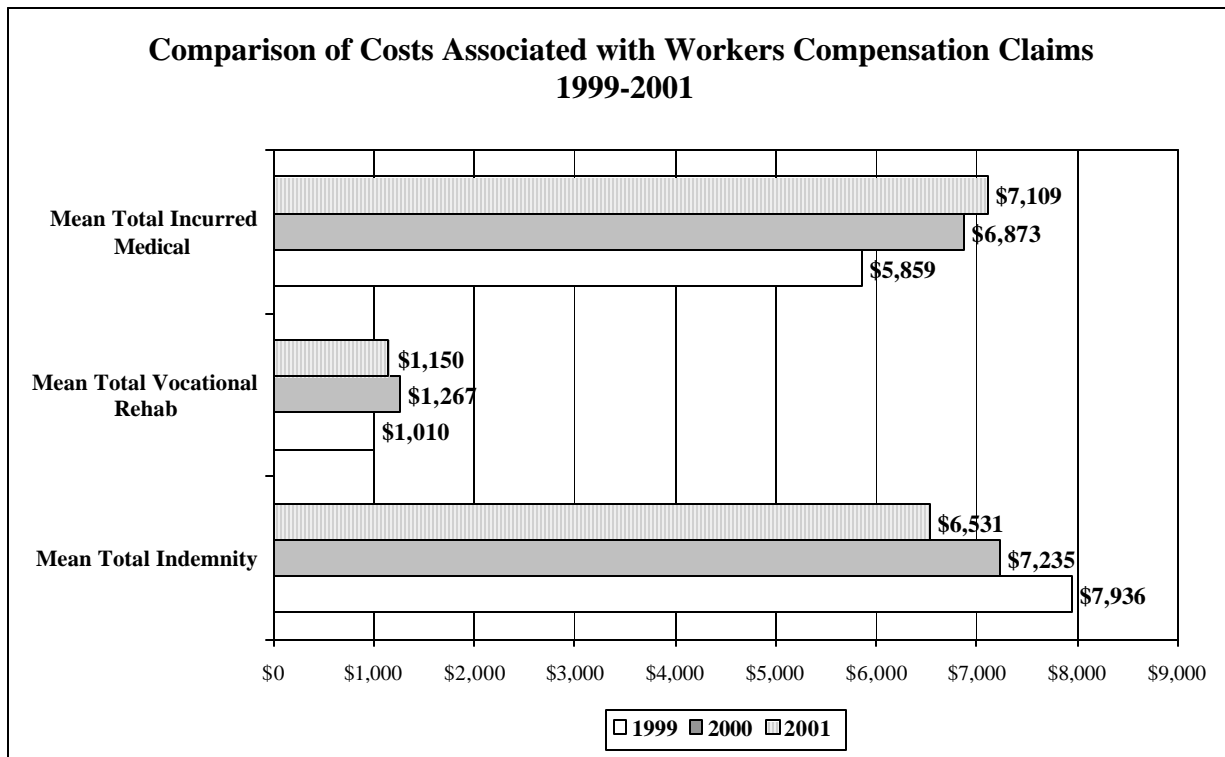


Figure 3-26

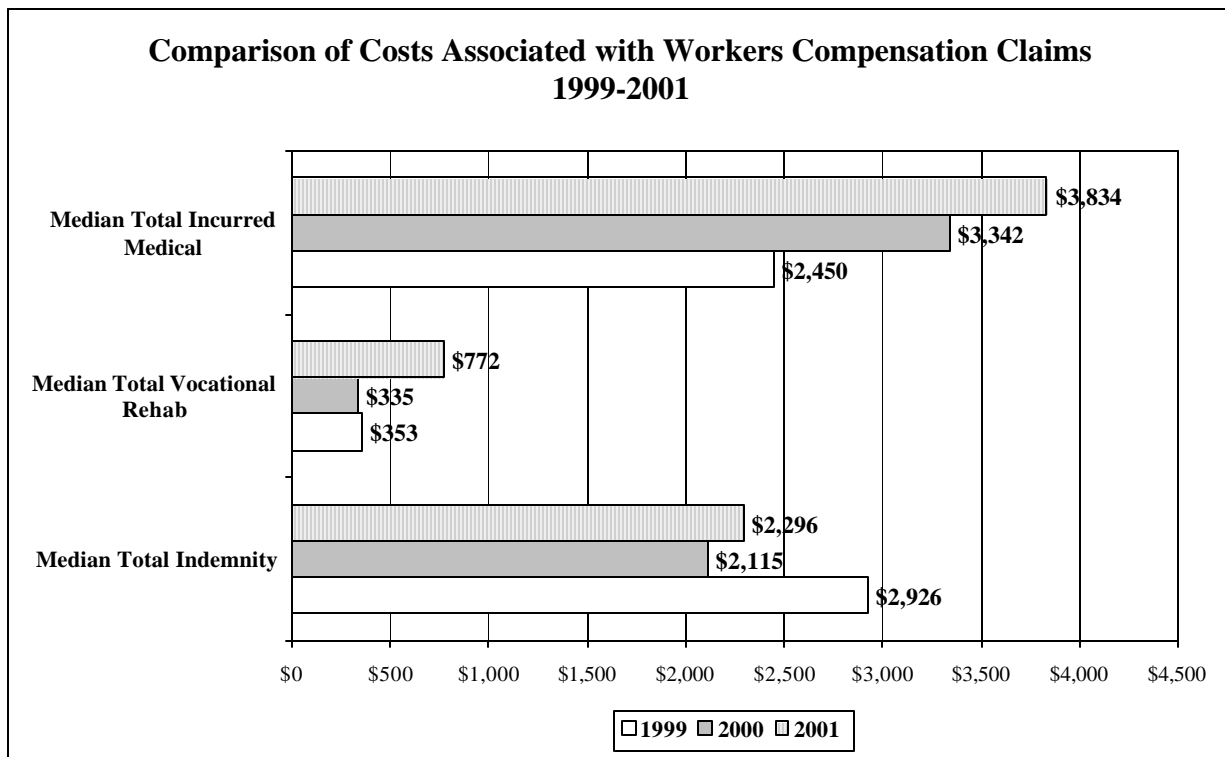


Figure 3-27

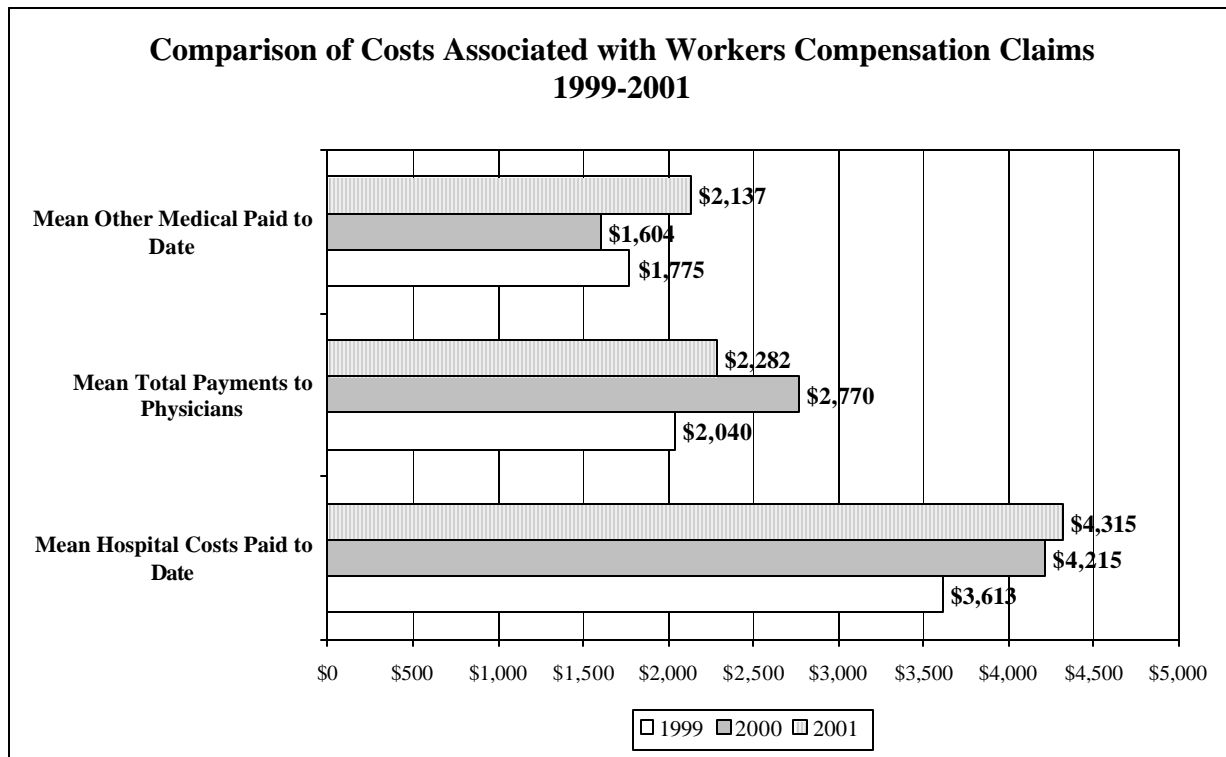
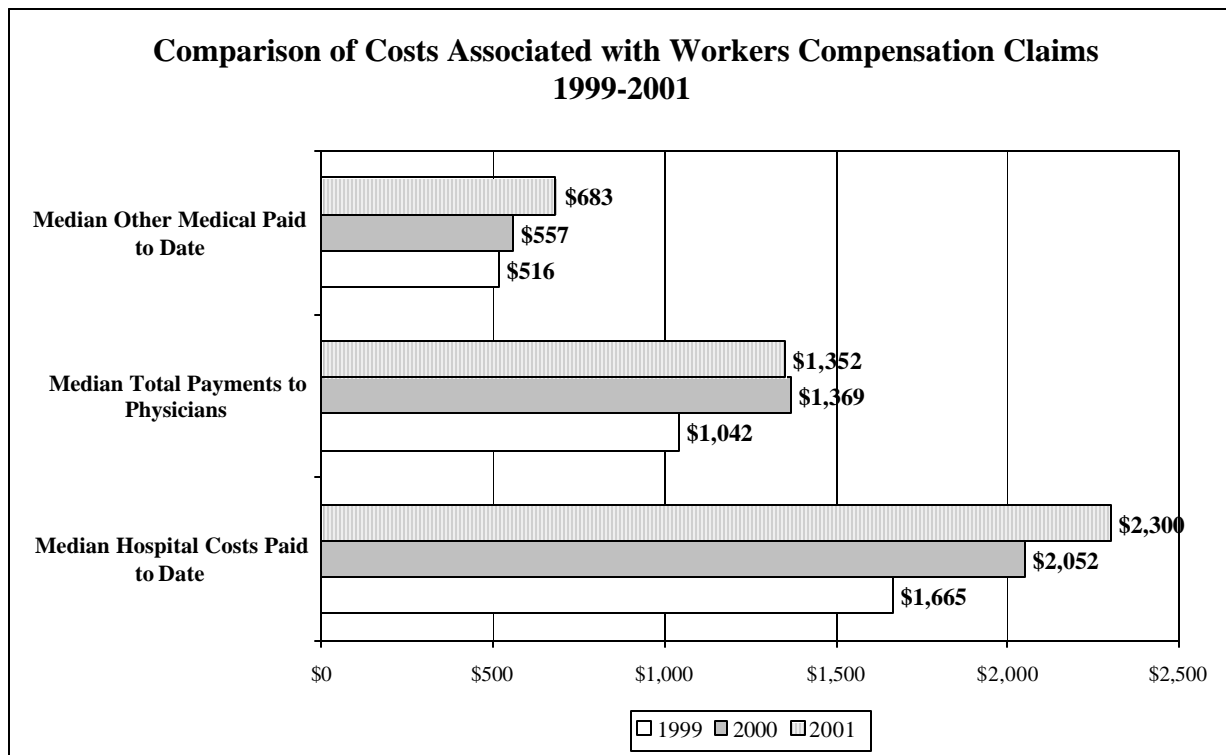


Figure 3-28



Section 4

Workers Compensation Fraud and Abuse

Introduction

The Workers Compensation Fraud & Abuse Investigation Unit was established in 1994. Staffing for the Unit comprises an Assistant Attorney General, who acts as the Unit’s manager, three investigators and one clerical person. The Unit’s responsibilities includes identifying potential fraud & abuse by investigating allegations of wrongdoing that are referred to the Unit and taking legal action when evidence gathered in the investigations indicates possible wrongdoing. In addition, the Unit sanctions employers who fail to file accident reports as required by K.S.A. 44-557. The Unit is dedicated to the investigation and prosecution of suspected workers compensation fraud, however the Unit also has directed its attention to the education of the public and the insurance industry. Also the Unit has filed cases against employers who have failed to file accident reports as required by K.S.A. 44-557.

Fraud in the workers compensation system may occur at any level involving employees, employers, insurance carriers, self-insured entities, attorneys, physicians and others who attempt to obtain or deny workers compensation benefits in a fraudulent manner. K.S.A. 44-5,120 lists 21 acts that constitute fraud and or abuse of the workers compensation system. K.S.A. 44-5,125 makes some acts a felony crime. The Fraud & Abuse Unit of the Division of Workers Compensation set a record this past year, as the data in this section will evidence.

- This year the Fraud & Abuse Unit collected the most in restitution and civil penalties ever. The Fraud & Abuse Unit has stepped up prosecution of workers compensation fraud violators. Not only is prosecution up, but enforcement of the judgment, i.e. collection of fines, penalties, and restitution has significantly increased.
- During 2001, the Fraud & Abuse Unit performed 199 investigations of those individuals, self-insured entities and employers who were alleged to have violated the Kansas Workers Compensation act. The Unit has provided Kansans with an aggressive program to fight fraud in the workers compensation system. Also in 2001, the Unit pursued employers who failed to file accident reports as required by K.S.A. 44-557.

The Unit performs a vital service in helping reduce and punish workers compensation fraud violators and insures compliance with other relevant workers compensation laws in Kansas. However, this is not enough. The direct involvement of all Kansans is required to send the message that fraud will not be tolerated in Kansas.

Table 4-1

Overview of Fraud & Abuse Unit Activity	
Civil Cases Filed	37
Criminal Cases Filed	2
Fines & Restitution Ordered	\$202,465.09
Moneys Collected	\$77,768.56

Source: Kansas Division of Workers Compensation

Referrals

Information Received by the Unit

The Fraud & Abuse Unit receives information on alleged fraud violators by phone, fax, e-mail, regular mail or a submission from one of the other sections of the Division of Workers Compensation. Allegations of fraud & abuse are designated as a referral. This referral is reviewed by the Assistant Attorney General to determine if sufficient information is evident to warrant an investigation. If there is sufficient information, the case is given to an investigator for investigation. If insufficient information exists, the matter is either returned to the complaining party for further information or if that is not possible, then the referral is recorded but no investigation commences.

Reporting Fraud

Table 4-1 below indicates who reports allegations of fraud to the Unit. As noted, reports come in from all persons within the workers compensation system.

**Table 4-2
Who is Reporting Fraud?**

Fraud Reporting	Percent of Total
Persons Claiming Benefits	12%
Employers Subject to Workers Compensation Requirements	8%
Insurance Companies	22%
Renderers of Medical Care	1%
Attorneys	13%
Anonymous	10%
In-House	23%
Other	11%

Source: Kansas Division of Workers Compensation

Referrals by Location

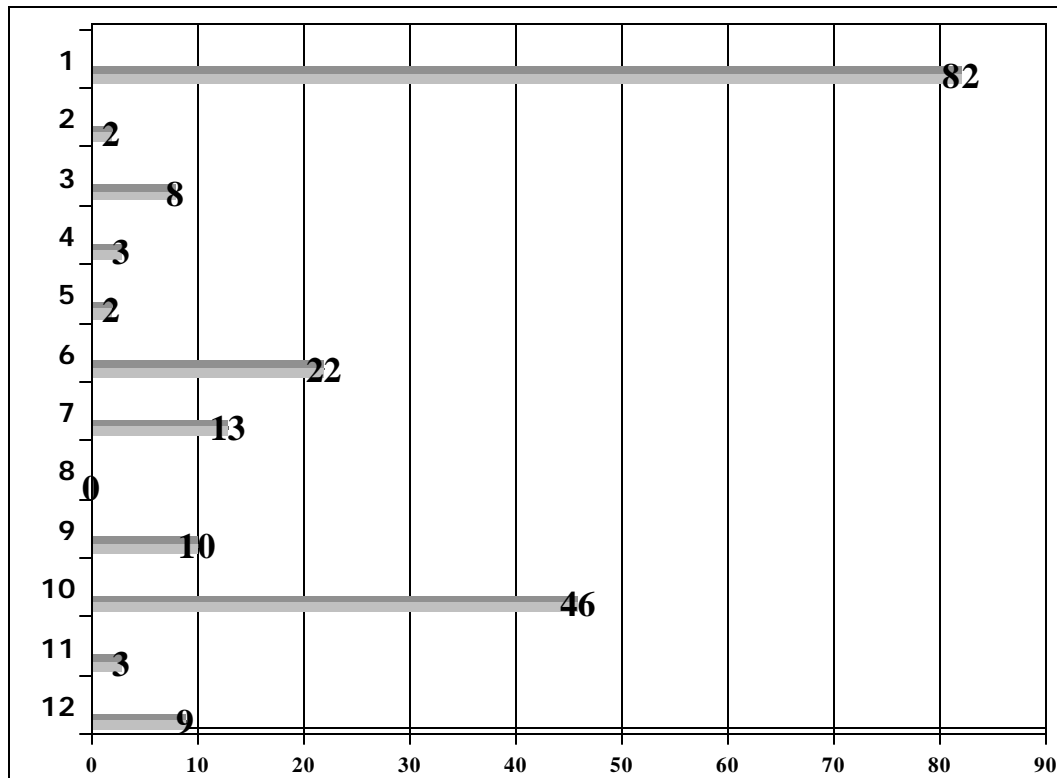
The Fraud & Abuse Unit records the location of the referrals by the county in which the fraud allegedly occurred. Figure 4-1 lists the number of referrals received from each county.

- Of the 199 referrals, (123) or 61.8 percent came from Sedgwick, Wyandotte, Johnson and Shawnee. Out of the 105 counties in Kansas, 60 percent or 63 counties did not have any reported referrals.

Types of Fraud

The Unit classifies the type of fraud reported as it relates to the fraud & abuse statutes as well as the compliance statutes. Figure 4-2 lists the types of fraud reported to the Unit over the past year.

Figure 4-2
NUMBER OF FRAUD CASES REPORTED



KEY FOR FIGURE 4-2

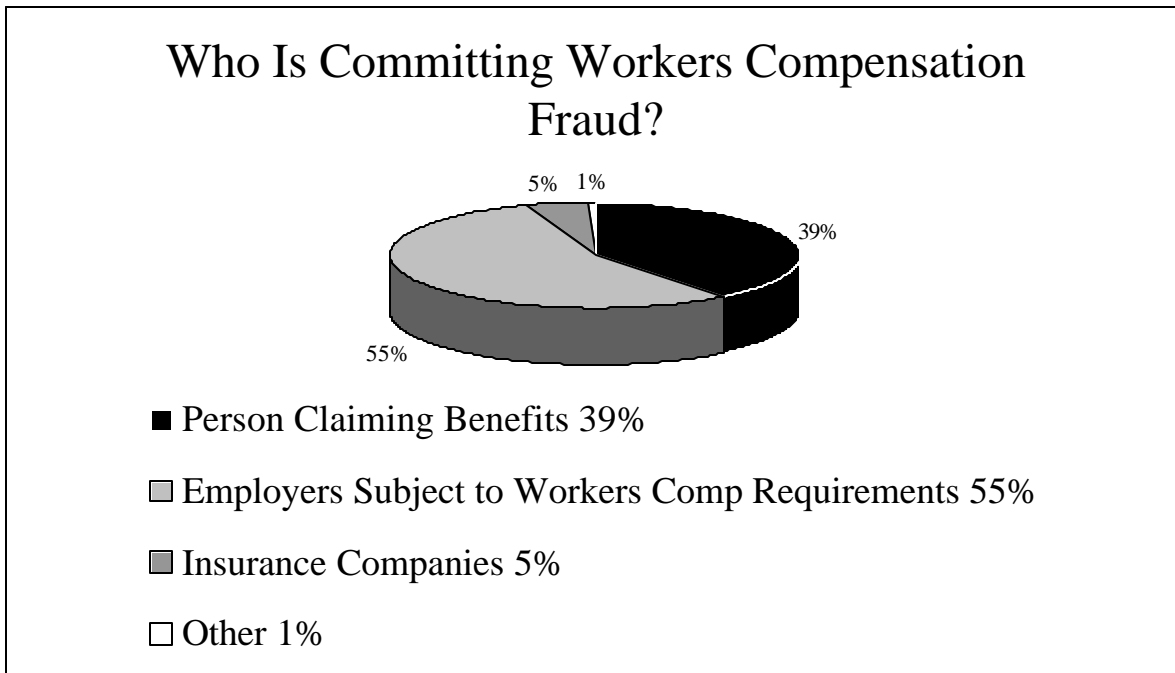
1. Obtaining or denying benefits by making false statements either orally or written, K.S.A. 44-5, 120 (D)(4).
2. Misrepresenting provisions of the Act to an employee, employer, or medical provider, K.S.A. 44-5, 120 (D)(11).
3. Failure to confirm benefits to anyone providing treatment to a claimant, K.S.A. 44-5, 120 (D)(15).
4. Failure to initiate or reinstate compensation when due, K.S.A. 44-5, 120 (D)(16).
5. Misrepresenting the reason for changing compensation, K.S.A. 44-5, 120 (D)(17).
6. Refusing to pay compensation as and when due, K.S.A. 44-5, 120 (D)(18).
7. Refusing to pay any order awarding compensation, K.S.A. 44-5, 120 (D)(19).
8. Refusing to timely file reports or records, K.S.A. 44-5, 120 (D)(20).
9. Receiving TTD or PTD benefits while working, K.S.A. 44-5, 125 (D).
10. Failure to maintain workers compensation insurance when required, K.S.A. 44-532 (c).
11. Collecting fees outside the medical fee schedule, K.S.A. 44-510 (D).
12. All other Fraud and Abusive Practices.

Type of Violators

Figure 4-3 below indicates the alleged violators of the fraud & abuse statute.

- Of the 199 referrals for the year, claimants were indicated in 78, employers 110, insurance entities 10, renderers of medical care 0, attorneys 0, and others 1. The chart below indicates the percentages for each.

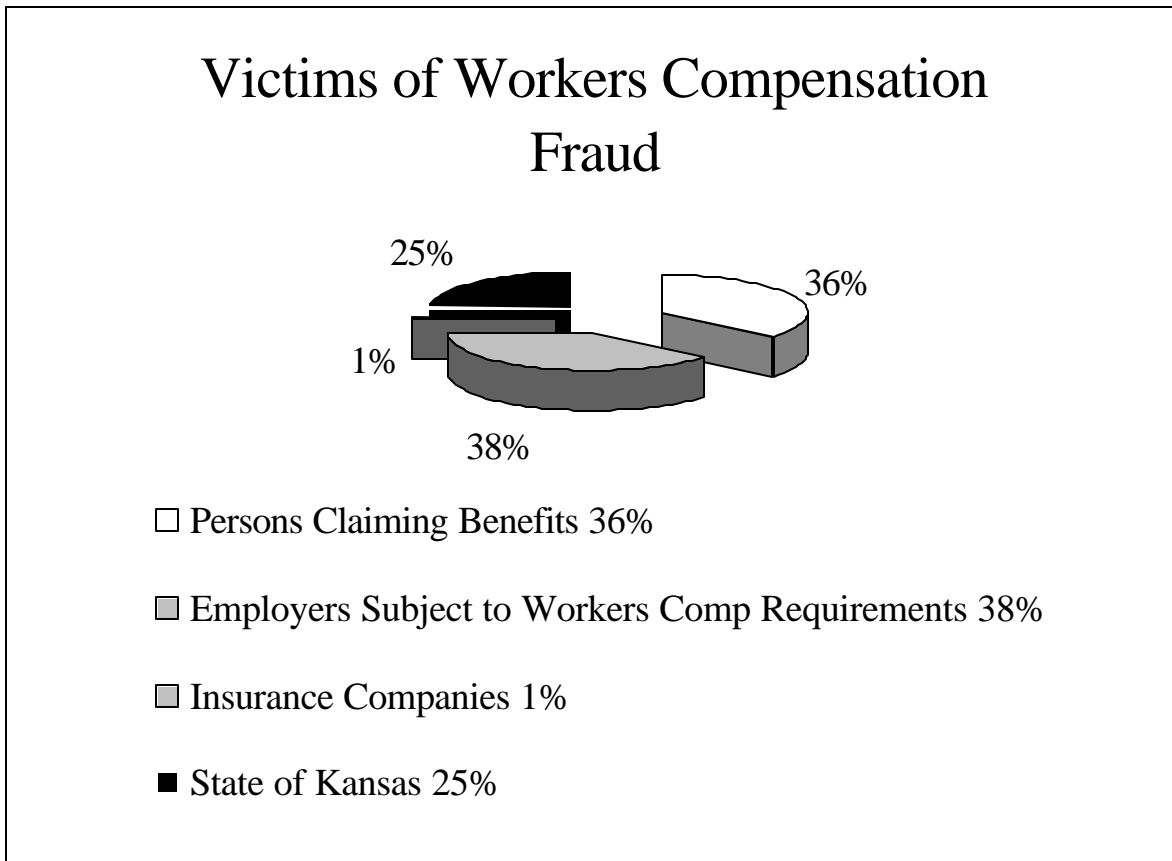
Figure 4-3



Fraud Victims

Figure 4-5 below indicates who is the potential victim of the fraud being perpetrated. Of the 199 referrals for the year, claimants were indicated in 72, employers 77, insurance entities 1, renderers of medical care 0, and the State of Kansas (Workers Compensation Fund or compliance) 49. The chart indicates the percentages for each.

Figure 4-4



Investigations

The Fraud Unit has three full time investigators. These investigators are not law enforcement officers, however, they perform almost identical investigative duties as sworn law enforcement. The investigation process includes activities such as interviewing witnesses, collecting evidence, forming liaisons with law enforcement groups as well as special fraud investigation units within the insurance industry and testifying in administrative and criminal actions.

- Of the 199 referrals received by the Unit, 188 were fully investigated.

Once an investigation is complete, the investigator will prepare an investigative summary for the Assistant Attorney General to review. Criminal or administrative action commences if the Assistant Attorney General determines there is sufficient information to sustain the burden of proof in either a criminal or administrative action.

If the information indicates an insurance company as the alleged fraud violator, that information is referred to the Kansas Insurance Department for review. Per Kansas’s law, the Kansas Insurance Department has authority to bring a fraud and/or abusive practice violation against insurance companies.

- Of the 199 referrals, 13 were referred to the Kansas Insurance Department for investigation.

If the information developed is insufficient to sustain the burden of proof in any action, the case is closed with no further action to be taken.

- The average time for an investigation was 61 days. The Assistant Attorney General made a decision to prosecute, refer or close the file within an average of 7 days.

Prosecution

The Unit is authorized to initiate criminal or administrative action against individuals and entities that appear to have committed fraud or abuse of the workers compensation system. The Unit has been extremely aggressive in this area. Civil actions are broken out into compliance and fraud actions.

- Criminal cases were filed in Johnson and Seward Counties.

**Table 4-4
Number of Cases**

Civil	
Fraud	20
Compliance	17
Criminal	2
Total	39

Source: Kansas Division of Workers Compensation

Collections

This year the Unit has devoted serious effort to collection of fines, penalties and restitution. During either a criminal or administrative action, a penalty, fine, or restitution is requested but not necessarily ordered by the judge or hearing officer. The chart below shows the request that was made by the Unit and what was actually ordered and collected.

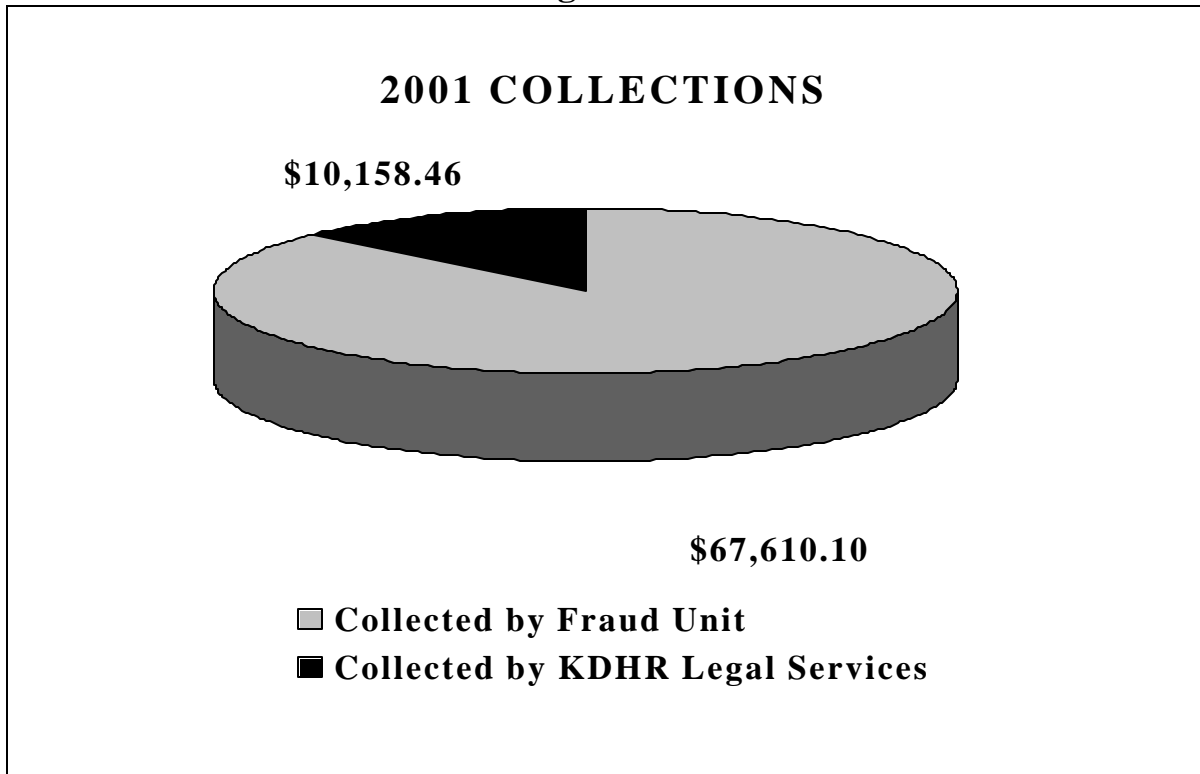
**Table 4-5
Fraud & Abuse Collections**

Amount Requested	Amount Ordered	Amount Collected
\$420,596.17	\$202,465.09	\$77,768.56

Source: Kansas Division of Workers Compensation

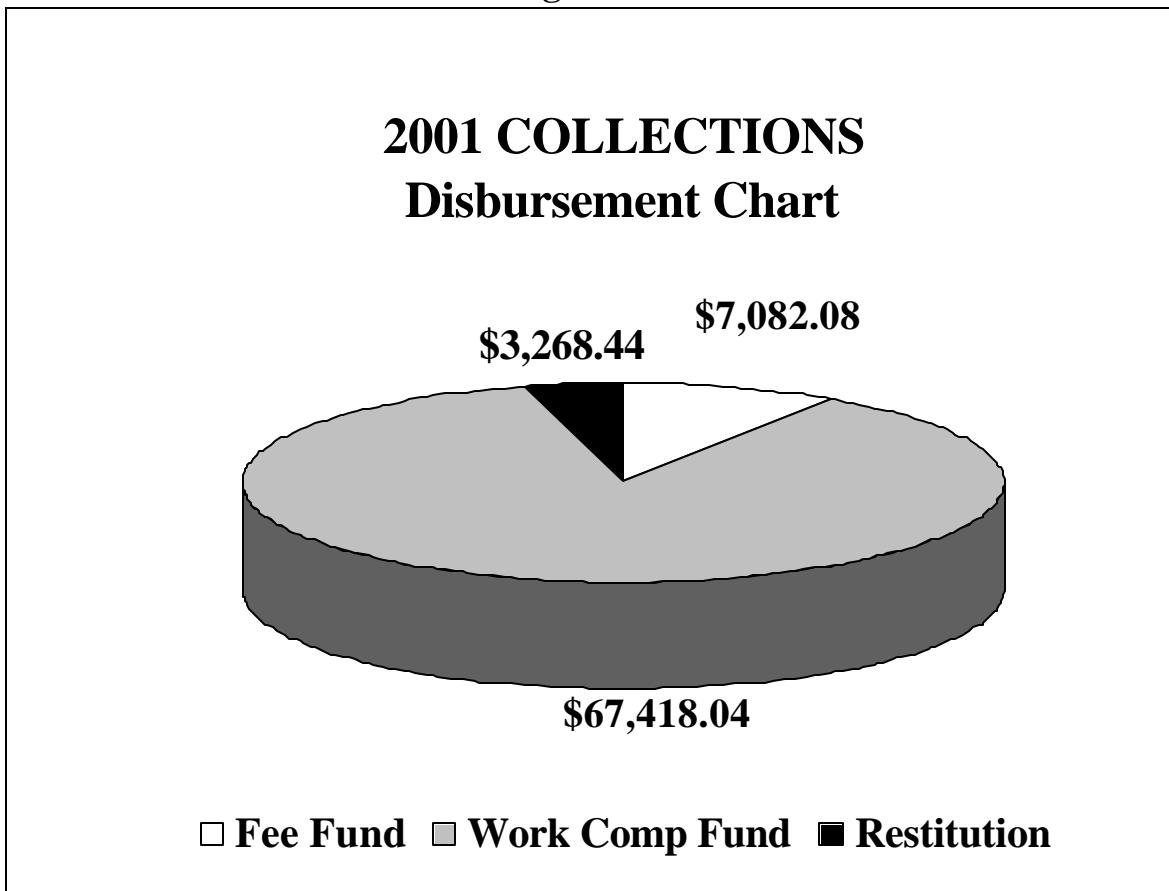
The Unit makes every attempt to collect the funds due and owed to the Unit without any assistance. However in some instances the Legal Services Division of the Kansas Department of Human Resources is used to file collection action. Figure 4-6 below indicates the amount collected by each agency.

Figure 4-5



Once the money is received, by law it must be deposited in the appropriate fund. Figure 4-7 shows the breakdown of which fund receives the money collected. Restitution is money that is returned to the victim of the fraud.

Figure 4-6



Conclusion

The Division of Workers Compensation Fraud & Abuse Unit is and will continue aggressively investigating and prosecuting workers compensation violators. If you wish to report an employer failing to comply with the Workers Compensation Act, fraud or just have questions for the Unit, please do not hesitate to contact the Division.

Appendix A

Technical Notes:

**Occupational Injury & Illness Incidence Rates and
Open & Closed Claims Study**

Occupational Injury & Illness Incidence Rates

BLS Survey of Occupational Injuries and Illnesses: BLS, with the help of the state agencies, selects a non-proportional stratified probability sample of employment establishments and mails them questionnaires. Employers are instructed to record all nonfatal employee injury & illness incidents, number of days away from work for each recorded injury/illness, the number of employee hours worked and the establishment's average employment. Participants in the annual survey consist of employers who maintain Occupational Safety and Health Administration (OSHA) records on employee injuries & illnesses on a regular basis under federal law and smaller employers who are exempt from OSHA record keeping requirements. The data collection process differs for the former and the latter. The former are mailed a questionnaire in February, following the survey year, and are asked to transfer from their records all injuries and illnesses incurred as well as demographic and hours worked data. The latter, exempt employers (fewer than 11 employees and those designated as "low-hazard industries" by OSHA), are notified in December of the prior year (contacted in December of 1999 to record injuries for the 2000 survey) that they have been chosen to participate in the survey and must keep records of all employee injuries. The participating state agencies are responsible for collecting data from employers within their jurisdiction and for submitting these questionnaires to BLS for analysis. The BLS uses its incidence rates as a benchmark by which to compare the frequency of injuries & illnesses occurring within jurisdictions, industries or specific occupations for a calendar year. The variable "Total Injuries & Illnesses per 100 Full-time workers" (the most widely quoted measure) is calculated as follows:

Formula: $IR = (N/EH) \times 200,000$

IR= Incidence Rate

N= Total number of occupational injuries & illnesses

EH= Total hours worked by all private industry employees during the calendar year

200,000= Base for 100 equivalent full-time workers- 40 hrs per and 50 weeks per year

Kansas Occupational Injury & Illness Incidence Rates: The Division collects data on the entire population of workplace injuries & illnesses in the state of Kansas for FY2001 through its first report of injury form and stores it in its relational database. Every employer covered under the Workers Compensation Act that has workplace injuries must submit first reports of injury. The severity of each occupational accident or illness & the industrial classification code are mandatory data elements that must be reported by employers to the state. The Division's analysts utilized the BLS statistical formula (see above) to calculate the incidence of injury for each severity classification for Kansas non-federal employment hours for the past ten fiscal years. Data used in the calculation of incidence rates was obtained from the Kansas Labor Market Information Services & Division databases.

Kansas Open & Closed Claim (OCC) Study Methodology

The following is a description of the methodology used by the Technology and Statistics section of the Division for the 2001 Open & Closed Claim (OCC) Study.

Sample Design: For both reasons of efficiency & effectiveness the Division consulted with a Washburn University professor of statistics on the OCC sample design. The Division decided to sample the population of Kansas's workers compensation claims for several reasons. To collect data from the entire population of claims for a calendar year is impractical (resulting in very large data sets), extremely expensive and labor-intensive especially since Division researchers can randomly sample the population and make valid inferences about its characteristics using reliable & credible statistical tools.

Since the OCC has been in existence the Division has utilized a two-stage type of probability sample design referred to as “stratified” or as it is formally known as “disproportionate stratified sampling.” Unlike a simple random design, in which each of the total sampling units have an equal probability of being selected, the stratified sample design ensures that different groups within the population will be adequately represented in the sample to increase the accuracy of the parameter estimations. While the strata or subsets will tend to be more homogeneous than the population of claims as a whole, once combined, the resulting sample will be reasonably representative of the entire population (heterogeneous) of claims. The goal of simple random sample designs is to ensure that each element in the population has an equal chance of being selected for the study. However, this is not an option for the OCC study since the Division must have a large enough sample size in order to do statistical inference. Carriers with higher paid losses tend to have elements in the claims population with a greater amount of variation and therefore, we sampled a larger percentage of these carriers in order to ensure that our sample is representative of the larger population.

The study team estimated that sampling approximately 35-40 insurance carriers, pools and self-insured organizations, could obtain a statistically significant sample. The sampling method is as follows. The population is first stratified according to paid losses (the variable that the Division uses to stratify the carrier and self-insured population is percent of total paid losses for all workers compensation claims in the state of Kansas). Next, within each stratum, the Division selects carriers that will be asked to randomly select from their database claims that meet the OCC study criteria by utilizing a random number generator to select study participants from all listed carriers and self-insured within each range (each carrier had equal chance of being selected). In consultation with our statistician, the OCC study selects all of the carriers and self-insured that have 2 percent or more (top strata) of total paid losses. For the remaining stratum the Division utilizes different sampling fractions (“disproportionate stratified sampling” design). From the second stratum (1 percent to <2 percent of paid losses) we randomly select 50 percent of carriers, for the third (.5 percent to <1 percent) 25 percent are randomly selected and for the fourth (.25 percent to <. 5 percent) and fifth (.10 to <. 25 percent) strata the Division randomly selects 10 percent for inclusion in the study. Technically, the bottom two strata could be combined if so desired since the number of claims within each is considerably less than the upper strata.

Data Collection: The organizations included in the study were then asked by the Division to randomly sample from their database 200 or less (if they do not have 200) claims for the specified calendar year. The sample was to be taken from each entity’s pool of claims including both medical and indemnity payments. Each claim in the sample was also required to have been open at least one day during the period of January 1, 2000 to December 31, 2000. The expected sample size of open and closed claims was approximately 4725 random claims.

The Division secured permission from the National Council on Compensation Insurance to print and use the Detailed Claim Information (DCI) survey instrument in order to create data definitions and structure for the Kansas Open & Closed Claim Study survey. DCI is a national standard for reporting comprehensive claim data from insurance carriers. Adhering to the DCI structure, programmers in the Kansas Department of Human Resources created two software packages to assist reporting entities. One package was a manual entry system; the other application allowed a text file to be imported electronically. Both products included editing limitations on inputs to certain data fields. In addition, the Division’s analysts performed data scrubbing on the data sets to ensure that accurate aggregate statistics were reported to the Legislature.

To assist reporting organizations in understanding data requirements and use of the new software, the Division sponsored informational meetings in Topeka, Kansas in January 2001. Following distribution of both software products, reporting entities were asked to provide data by August 15, 2001 on the complete

history of their sample of claims. In addition, the Division asked that information on charges paid for certain types of services are reported quarterly for claims remaining open within the sample group.

Response Rate : Non-response bias is always a threat to the accuracy of a sample because non-responders may differ significantly from survey respondents. In order to assess whether the OCC sample suffered from non-response bias the Division assumed that claims reported by the carriers in the sample (those reporting less than the required 200) were, in fact, all of their claims for the year 2000. For carriers that did not submit data, and for purposes of calculating the non-response rate, we estimated the total number of claims not reported by comparing the number of submitted claims from carriers in the study with similar paid losses within the same stratum. The total number of claim records the Division received was 3,733 out of an estimated 4,725 sampling units. Using a standard formula ($R=1[n-r/r]$) the Division's analysts calculated a response rate at 79 percent and a non-response rate of 21 percent. The Division, in consultation with our statistician, concluded that the sample did not suffer from systematic non-response bias.