



Workers Compensation 41st Annual Statistical Report

Fiscal Year 2015



KANSAS DEPARTMENT OF LABOR

Division of Workers Compensation 41st Annual Statistical Report Fiscal Year 2015

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**Lana Gordon, Secretary of Labor
Larry Karns, Director of Workers Compensation**

For More Information Contact:

**KANSAS DEPARTMENT OF LABOR
Division of Workers Compensation
Technology and Statistics Unit**

Robert Soria
401 SW Topeka Boulevard, Suite 2
Topeka, KS 66603-3105
(785) 296-4000 x2169
robert.soria@dol.ks.gov

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KANSAS DEPARTMENT OF LABOR

Lana Gordon, Secretary

Brad Burke, Deputy Secretary

Division of Workers Compensation

Larry Karns, Director

Kristi Schmidt, Public Service Administrator

David Sprick, Administrator, Operations Section

Carol Cast, Administrator, Public Resources Section

Alan Stanton, Public Service Executive

Technology and Statistics Unit

Robert Soria, Research Analyst and principal author

Justin Begaye, Research Analyst

Georgia Rogers, Research Analyst

Jessica Webb, Program Consultant

Cover design, editing and marketing:

Division of Communications

WASHBURN UNIVERSITY

Statistical Consultation:

Dr. Ron Wasserstein, Professor of Statistics

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**Please Note the Kansas Workers Compensation Closed Claims
Analysis for CY 2014 is Included**

The Closed Claim Study was suspended in CY 2013 due to the migration from the International Association of Industrial Accident Boards and Commissions (IAIABC) Electronic Data Interchange (EDI) Release 1 standard to Release 3. The migration was completed in January 2014 and we now have a complete one year's worth of data for analysis. This annual report contains the Kansas Closed Claims Analysis for CY 2014 located in Section 3.

MESSAGE FROM THE SECRETARY OF LABOR

Our mission at the Kansas Department of Labor is to assist in the prevention of economic insecurity through unemployment insurance and workers compensation, by providing a fair and efficient venue to exercise employer and employee rights, and by helping employers promote a safe work environment for their employees. This facilitates compliance with labor laws while enabling advancement of the economic well-being of the citizens of Kansas. Providing quality, timely services to those who are impacted by an injury in the workplace is very important to us. Each year these services are summarized into an annual report which presents the data from the previous fiscal and calendar year.

In Fiscal Year (FY) 2015, the division processed 13,341 applications for hearings. The business section issued 143 self-insurance permits to employers. The compliance section established 807 employer contacts. This year, the fraud and abuse unit collected \$315,251.45 in restitution and civil penalties. In addition, the ombudsman section answered information requests from 17,530 parties and the research unit responded to more than 41,000 requests for workers compensation histories.

We continue to pursue utilizing technology to make workers compensation claims easier for our customers to file and for us to process. The Electronic Data Interchange (EDI) which allows for electronic reporting of initial injuries and follow-up by insurers has more than 170 trading partners submitting data on behalf of more than 600 insurance carriers and self-insured employers. During FY 2015, 94 percent of all original accident reports were filed electronically.

In November 2014, Kansas workers compensation kicked off the planning phase of a comprehensive digitization project called DigiComp. The goal is to improve customer service by creating efficiencies throughout the workers compensation system by leveraging technology and analyzing our business processes. Planning continued through 2015 and will be completed in 2016. The implementation phase is planned to begin 4th quarter of 2016. For more information and updates on DigiComp, see the information online at <http://www.dol.ks.gov/WorkComp/DigiComp.aspx>.

Our Workers Compensation Division offers web-based services in the area of coverage verification. This allows external users to access coverage information through the Coverage Verification website at <http://www.dol.ks.gov/WorkComp/coververifi.aspx>. We will continue to update and utilize our website to make more information available to our customers.

We would like to know what sections of this report are most helpful to you and how we can best improve our services to you, our customer. Please email Workers Compensation at wc@dol.ks.gov with your feedback.

Sincerely,

Lana Gordon
Secretary, Department of Labor

INTRODUCTION

The Kansas Legislature enacted the state's first law governing workers compensation, as a no-fault system in 1911. Although many significant changes to its provisions have been made since then, the basic premise and purpose of the 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 to which 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 Labor.

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: employers engaged in agricultural pursuits and any employer who during a given calendar year has an estimated payroll less than \$20,000, 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 to use the self-insurance option 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 employers qualify for membership in a pool.

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

BENEFITS INFORMATION

COMPENSATION

Kansas' 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 using the list below, look for the range of dates that 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 was August 21, 2015, the maximum weekly benefit one could receive would be \$610. The actual amount a worker receives is the lesser of two amounts: either two-thirds of the worker'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, 2005-June 30, 2006	\$467
July 1, 2006-June 30, 2007	\$483
July 1, 2007-June 30, 2008	\$510
July 1, 2008-June 30, 2009	\$529
July 1, 2009-June 30, 2010	\$546
July 1, 2010-June 30, 2011	\$545
July 1, 2011-June 30, 2012	\$555
July 1, 2012-June 30, 2013	\$570
July 1, 2013-June 30, 2014	\$587
July 1, 2014-June 30, 2015	\$594
July 1, 2015-June 30, 2016	\$610
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 for a maximum of \$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 also can 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 \$155,000 for permanent total or \$130,000 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 also shall 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.

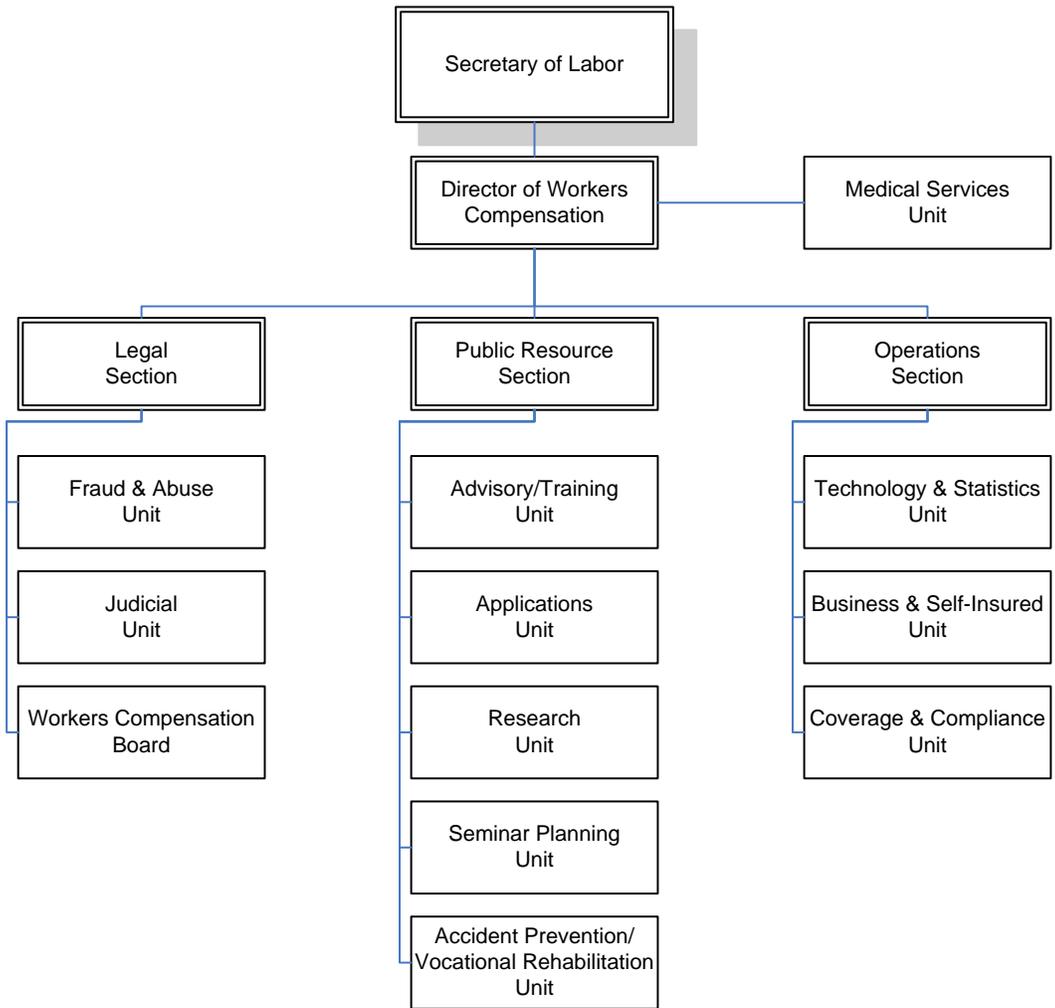
Permanent Partial General Disability is paid when the employee sustains permanent partial disability not specifically covered by the schedule. Compensation is based on the percentage of disability remaining after recovery and is limited to 415 weeks.

Survivors' Benefits of \$300,000 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 also are covered.

Section 1

Administrative Profile of the Kansas Division of Workers Compensation FY 2015

**Figure 1-1
Organizational Chart
Kansas Department of Labor
Division of Workers Compensation
FY 2015**



OPERATIONS SECTION

Business and Self-Insurance

Objective

Administer the state self-insurance program and manages the business operations of the division.

Tasks

- Conduct in-depth company and financial review of self-insured employers.
- Responsible for the assessment of workers compensation fees.
- Manage all assessment accounting, mathematical calculations, data accumulation and storage, voucher preparation, fee fund deposits, ordering and accounting for equipment and supplies for the division.
- Conduct registration for the annual division seminar.
- Prepare the annual division fiscal year budget.
- Sell the Workers Compensation Law Book and the Medical Fee Schedule.

Quick Facts

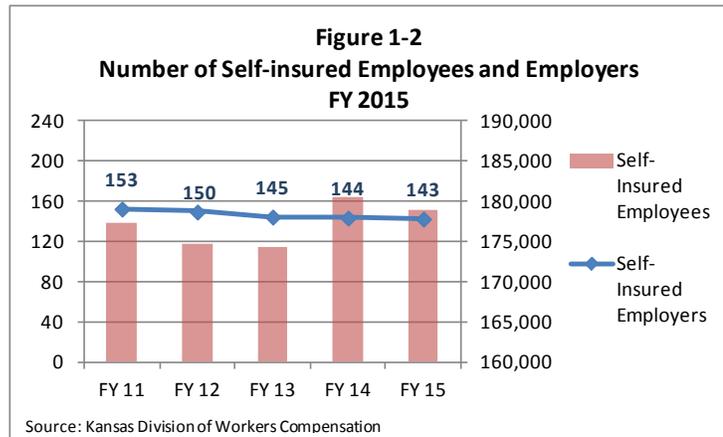
Assessments Collected to Finance 2016

- \$426,730,454 reported losses paid in CY 2014
- \$11,907,663* assessments collected in FY 2015
- Current assessment factor is .0279
- 790 carriers, pools and self-insurers reported to the division

* Previous year's outstanding balance collected this year included in collected total.

Self Insurance

- Four employers' new applications approved.
- Five permits cancelled.



OPERATIONS SECTION

Coverage and Compliance

Objective

Ensure all businesses in Kansas are aware of their responsibilities and in compliance with the Workers Compensation Act.

Tasks

- Administer and enforces mandated proof of coverage and compliance.
- Assure all accident reports are timely filed.
- Ensure all accident reports are properly processed and checked for complete information.
- Enter new and updated information into database.
- Verify Social Security numbers with Social Security Administration.
- Gather employer and carrier information from accident reports and quickly researches and resolves incomplete information.
- EDI trading partner compliance
- NCCI proof of coverage timely reporting compliance.

Quick Facts

Coverage and Compliance

- 27,866 employers researched
- 807 employers contacted for no proof of coverage with 364 of these referred to the fraud unit for investigation
- 114 employers obtained coverage, 312 employers provided proof of coverage or explanation for exemption and 797 employers provided renewed certificates of coverage

Data Entry

- 3,029 hard copy accident reports entered into database
- 8,642 employers created and 11,548 updated in database

Social Security Verification

- 2,842 claimants created and 30,312 updated in database

Research

- 28,892 EDI accidents, 853 elections and 280 dockets required additional research

OPERATIONS SECTION

Technology and Statistics

Objective

Deliver workers compensation information to the Kansas Department of Labor, the Legislature and the general public.

Tasks

- Administer the division's statutory Electronic Data Interchange (EDI) program.
- Implement EDI compliance and assists with regulatory functions of the division
- Provide training and support to EDI trading partners
- Publish annual statistical report and closed claim study.
- Coordinate with KDOL Information Technology Division to maintain and enhance the database and resolve operational database implementation issues.
- Maintain several data marts of Kansas workers compensation claims information on work-related accidents.
- Generate reports from research studies and evaluations.
- Respond to ad hoc research requests from internal and external customers.
- Manage content for the division Web pages on the KDOL website.

Quick Facts

- K.A.R. 51-9-17 mandated as of January 1, 2014, all first and subsequent reports of injuries to be reported electronically using KS EDI Release 3
- Migration to KS EDI Release 3 was completed by January 2014
- More than 170 trading partners utilized EDI to send reports on behalf of more than 500 insurance carriers and 140 self-insured employers
- EDI first reports of injury constituted 52,314 or 94 percent of all accident reports filed
- Developed and implemented a pilot XML transaction process for EDI data transmission
- Planning phase for the Kansas workers compensation digitization project kicked off in November 2014 and continued through 2015; will be completed in 2016 with the development of requirements and a request for proposal

LEGAL SECTION

Workers Compensation Appeals Board

Objective

The Board has jurisdiction to review appeals from all final orders and certain preliminary hearing orders entered by the state's ten administrative law judges and to review appeals from orders entered in utilization review proceedings.

Tasks

- Make timely decisions while maintaining consistency and fairness within the law.
- Review appeals from all final orders and certain preliminary hearing orders.
- Review appeals from orders entered in utilization review proceedings.
- Appeals of Board decisions are taken directly to the Kansas Court of Appeals.

Quick Facts

- 249 decisions issued
- 301 applications for review received
- 296 dispositions generated including dismissals and settlements

Visit the Board's website at: www.dol.ks.gov/WC/about_board.html.

LEGAL SECTION

Administrative Law Judges

Objective

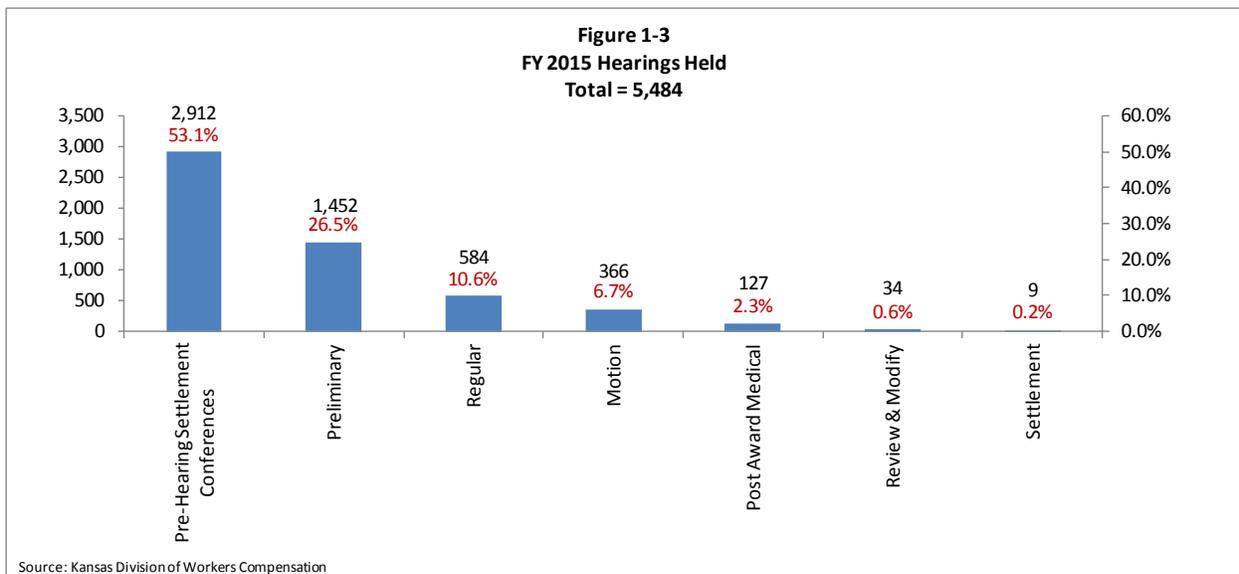
Hold hearings and issue decisions in contested workers compensation claims.

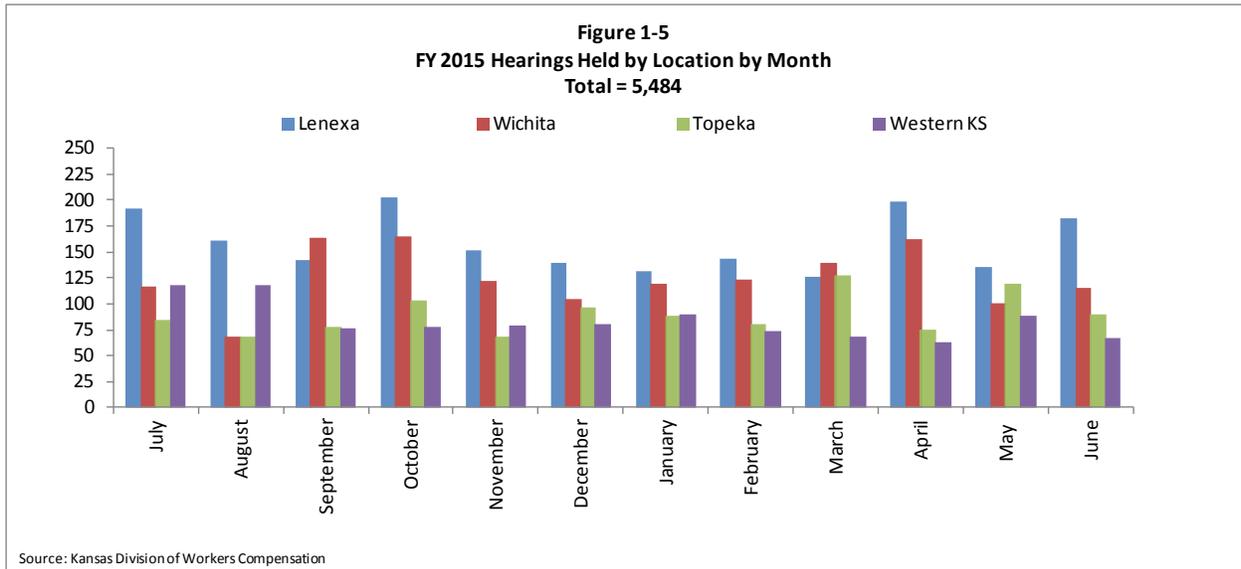
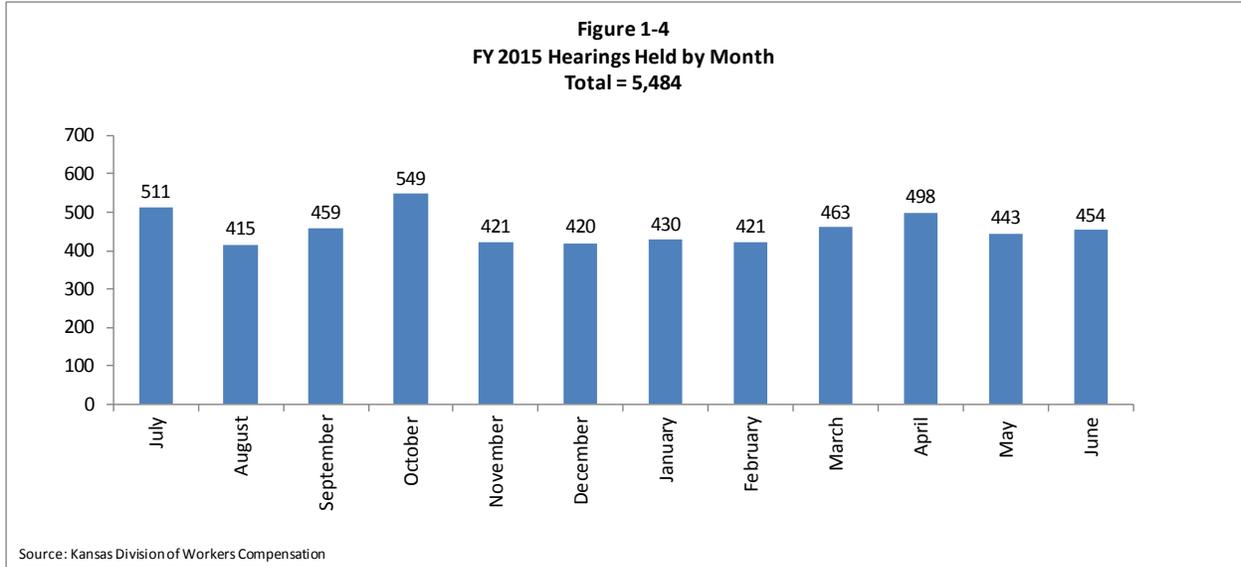
Tasks

- Employ 10 full-time administrative law judges (ALJs) to hold hearings and issue decisions.
- Employ special administrative law judges to hold settlement hearings and approve settlements.
- Hold hearings in five offices throughout the state: Garden City, Lenexa, Salina, Topeka and Wichita.
- Hold hearings as necessary in satellite locations including Cimarron, Ellsworth, Emporia, Great Bend, Hutchinson, Independence, Lawrence, Liberal, McPherson, Ottawa, Russell and Pittsburg.

Quick Facts

- 5,484 total hearings held by regular ALJs; 53 percent were pre-hearing settlement conferences (see Figure 1-3)
- October 2014 ranked the highest month for hearings with a total of 549 (see Figure 1-4); 56 percent were pre-hearing settlement conferences, 24 percent were preliminary hearings and 10 percent were regular hearings (see Table 1-1).
- July 2014 ranked 2nd highest month for hearings with 511 (see Figure 1-4); 54 percent were pre-hearing settlement conferences, 25 percent were preliminary hearings and 12 percent were regular hearings (see Table 1-1).
- Lenexa held the most hearings with 1,905, followed closely by Wichita with 1,499 (see Figure 1-5 for hearings held by location per month)
- 5,320 total settlement hearings held by special ALJs of which 2,901 were docketed cases and 2,419 were undocketed cases





**Table 1-1
Administrative Law Judges Monthly Case Report
by Hearing Type FY 2015**

Month	Hearing Type							Total
	Preliminary	Motion	Regular	Settlement	Pre-Hearing Settlement Conferences	Review & Modify	Post- Award Medical	
July	145	19	62	1	278	2	4	511
August	108	21	41	0	229	7	9	415
September	146	23	45	0	234	3	8	459
October	133	33	59	1	308	6	9	549
November	104	23	49	1	226	3	15	421
December	107	34	55	0	208	3	13	420
January	106	27	38	4	238	2	15	430
February	102	45	43	0	224	1	6	421
March	122	26	57	2	242	2	12	463
April	130	47	47	0	261	0	13	498
May	122	29	46	0	233	1	12	443
June	127	39	42	0	231	4	11	454
Total	1,452	366	584	9	2,912	34	127	5,484

Source: Kansas Division of Workers Compensation

Table 1-2 combines information from Table 1-1 and Figure 2-5 and displays the monthly case load by hearing type for each hearing location.

**Table 1-2
Administrative Law Judges Monthly Case Report FY 2015**

Location	Hearing Type	Month												Total
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Lenexa	Preliminary	64	40	33	48	41	47	33	29	31	52	34	53	505
	Motion	10	8	10	12	7	8	9	15	4	20	9	19	131
	Regular	19	16	11	17	15	13	5	5	8	13	5	2	129
	Pre-Hearing Settlement Conferences	97	92	87	119	82	67	85	94	83	109	86	105	1,106
	Review and Modify	1	3	0	4	0	0	0	0	0	0	0	1	9
	Post-Award Medical Settlements	1	2	1	3	6	4	0	1	0	4	1	2	25
		0	0	0	0	0	0	0	0	0	0	0	0	-
	Total		192	161	142	203	151	139	132	144	126	198	135	182
Topeka	Preliminary	23	14	29	20	17	23	22	18	36	18	39	19	278
	Motion	5	5	5	5	7	6	5	8	8	5	11	7	77
	Regular	18	5	12	19	10	24	11	12	23	14	18	17	183
	Pre-Hearing Settlement Conferences	36	42	30	55	33	42	45	39	53	38	49	45	507
	Review and Modify	1	0	0	2	1	0	0	0	2	0	0	0	6
	Post-Award Medical Settlements	1	2	2	1	0	2	2	3	5	0	3	2	23
		0	0	0	1	1	0	3	0	1	0	0	0	6
	Total		84	68	78	103	69	97	88	80	128	75	120	90
Western Kansas ¹	Preliminary	25	33	20	20	20	16	18	20	14	15	16	18	235
	Motion	4	6	3	2	1	8	3	9	4	9	3	7	59
	Regular	10	16	9	7	13	8	11	8	10	8	8	7	115
	Pre-Hearing Settlement Conferences	77	60	44	49	38	46	50	35	39	31	58	32	559
	Review and Modify	0	2	0	0	2	0	2	1	0	0	0	0	7
	Post-Award Medical Settlements	1	1	0	0	5	2	6	1	2	0	3	3	24
		1	0	0	0	0	0	0	0	0	0	0	0	1
	Total		118	118	76	78	79	80	90	74	69	63	88	67
Wichita	Preliminary	33	21	64	45	26	21	33	35	41	45	33	37	434
	Motion	0	2	5	14	8	12	10	13	10	13	6	6	99
	Regular	15	4	13	16	11	10	11	18	16	12	15	16	157
	Pre-Hearing Settlement Conferences	68	35	73	85	73	53	58	56	67	83	40	49	740
	Review and Modify	0	2	3	0	0	3	0	0	0	0	1	3	12
	Post-Award Medical Settlements	1	4	5	5	4	5	7	1	5	9	5	4	55
		0	0	0	0	0	0	1	0	1	0	0	0	2
	Total		117	68	163	165	122	104	120	123	140	162	100	115
Grand Total		511	415	459	549	421	420	430	421	463	498	443	454	5,484

¹ Garden City and Salina locations combined

Source: Kansas Division of Workers Compensation

Table 1-3 displays the Administrative Law Judge preliminary order activity. It represents requests by order type and whether each was denied or granted.

**Table 1-3
Administrative Law Judges Preliminary Order Activity FY 2015**

Preliminary Order	Granted			Denied			Total	
	No. of orders granted	% Granted	% Total Orders	No. of orders denied	% Denied	% Total Orders	No. of orders	% of Total Orders
Penalty	7	58.3%	0.7%	5	41.7%	0.5%	12	1.2%
Change Physician	1	10.0%	0.1%	9	90.0%	0.9%	10	1.0%
Additional Medical	53	53.0%	5.5%	47	47.0%	4.9%	100	10.4%
Preliminary Temporary Total & Medical	745	88.6%	77.4%	96	11.4%	10.0%	841	87.3%
Temporary Total	81	73.0%	8.4%	30	27.0%	3.1%	111	11.5%
Medical	490	93.2%	50.9%	36	6.8%	3.7%	526	54.6%
Temporary Total & Medical	153	83.6%	15.9%	30	16.4%	3.1%	183	19.0%
Temporary Total, not Medical	5	100.0%	0.5%	n/a	n/a	n/a	5	0.5%
Medical, not Temporary Total	16	100.0%	1.7%	n/a	n/a	n/a	16	1.7%
Total Preliminary Orders*	806	83.7%	83.7%	157	16.3%	16.3%	963	100.0%

*Does not include terminating orders.

Source: Kansas Division of Workers Compensation

LEGAL SECTION

Medical Services

Objective

The medical services section develops a fee schedule at least biennially that is reasonable, fair and sufficient to ensure availability of treatment for workers compensation clients. The section mediates concerns between providers and payers/employers and monitors medical issues relating to workers compensation.

Tasks

- Publish [*The Kansas Workers Compensation Schedule of Medical Fees*](#).
- Provide both administrative and developmental services for the medical fee schedule.
- Administer utilization and peer review programs.
- Act as a liaison for all parties involved in health care-related workers compensation issues.
- Work closely with the National Council on Compensation Insurance (NCCI) and provider communities to assure that payments to health care providers remain current, reasonable and fair.

LEGAL SECTION

Fraud and Abuse

Objective

To protect the employee, employer and insurance carrier from fraudulent and/or abusive acts and practices; ensure businesses within the state are compliant in maintaining workers compensation insurance coverage; and ensure the division receives reports of injury within the time period set by statute.

Tasks

- Review referrals or allegations of fraud or abuse to determine need to investigate these violations of the workers compensation laws, as set forth in K.S.A. 44-532, K.S.A. 44-557, K.S.A. 44-5,120 and K.S.A. 44-5,125.
- Refer allegations to another state or federal agency if the fraud and abuse unit lacks jurisdiction over the matter.
- Investigate referrals by interviewing witnesses and collecting evidence to eventually create and submit summaries to the assistant attorney general or the Kansas Insurance Department if the misconduct is on the part of an insurance agent or company.
- Initiate criminal or administrative action against individuals and entities.
- Testify in administrative and criminal actions.
- Form and maintain liaisons with law enforcement groups and special investigation units within the insurance industry.
- Collect fines or restitution requested by a judge or hearing officer.

Quick Facts

Referrals

- 495 total referrals received (see Table 1-4 on the following page for a breakdown by referral type)
- 489 total cases investigated of which 407 were compliance cases, 87 were fraud/abuse cases and two were criminal case

Prosecutions

- 57 cases referred for administrative charges
- One criminal case was prosecuted in Seward County

Collections

- \$430,737.61 assessed in fines and restitution
- \$315,251.45* total collected with \$17,859.97 in fraud and abuse fines (K.S.A 44-5,120), \$297,391.48 in compliance fines (K.S.A. 44-532 & 44-557); of the total collected \$3,229.05 went to restitution

* Money received as a result of compliance violations is deposited in the state treasury to the credit of the workers compensation fund. Money received as a result of fraud and failure to timely file accident reports is deposited in the state treasury and credited to the workers compensation fee fund.

**Table 1-4
Number of Fraud, Abuse and Compliance Cases Reported by Referral
FY 2015**

Type of Fraud, Abuse and Compliance Referrals	Total
Obtaining or denying benefits by making false statements either orally or written: K.S.A. 44-5,120 (d)(4)(A)	33
Refusing to pay compensation as and when due: K.S.A. 44-5,120(d)(18)	3
Obtaining or denying payments of workers compensation benefits for any person by misrepresenting or concealing a fact; K.S.A 44-5, 120(d)(4)(B)	3
Collecting from an employee, through a deduction from wages or a subsequent fee, any premium or other fee paid by the employer to obtain workers compensation insurance coverage K.S.A. 44-5,120 (d)(1)	3
Refusing or failing to make prompt delivery to the employee or legal beneficiary as a result of a settlement, agreement, order or award; K.S.A 44-5,120 (d)(10)	2
Failing to maintain workers compensation insurance when required: K.S.A. 44-532 (d)	407
Employers duty to report accidents: K.S.A. 44-557	29
All other fraudulent and abusive practices	15
Total	495

Source: Kansas Division of Workers Compensation

FRAUD HOTLINE

1-800-332-0353 24 hrs/day
1-785-296-4000 ext. 2174 (8:00 a.m.-5:00 p.m.)

FRAUD E-MAIL ADDRESS

wcfraud@dol.ks.gov

PUBLIC RESOURCE SECTION

Ombudsman

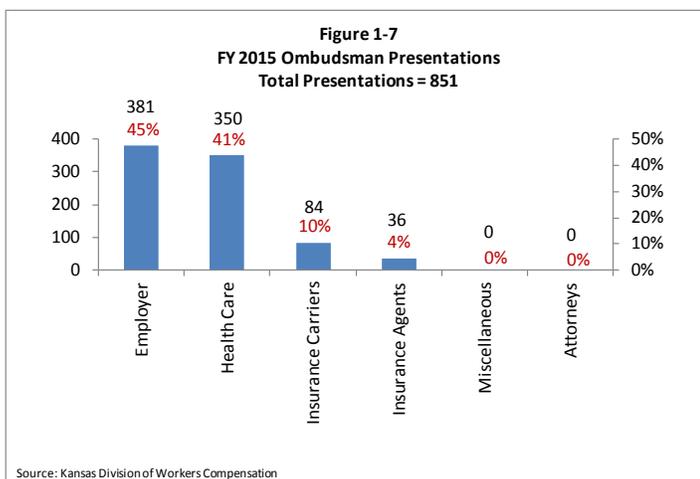
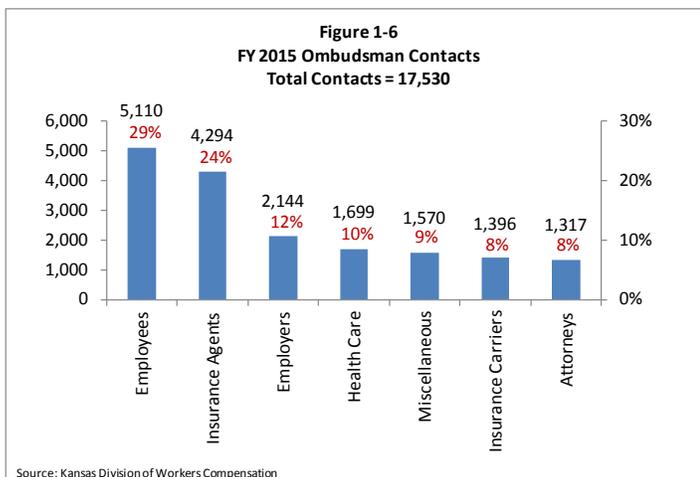
Objective

Assist injured workers, employers and other parties to protect their rights under the Workers Compensation Act.

Tasks

- Provide technical assistance to all parties on workers compensation issues.
- Assist unrepresented claimants in obtaining a hearing, mediation or appeal.
- Conduct presentations and provides training opportunities to interested parties.
- Utilize the Web to increase public awareness through online forms and coverage verification.

Quick Facts



PUBLIC RESOURCE SECTION

Mediation

Objective

Provide a means of resolving disputes in an informal, non-adversarial setting where parties make use of a neutral third party to facilitate their discussion.

Tasks

- Conduct mediation conferences in accordance with the Dispute Resolution Act.
- Mediators are approved by the director and are qualified pursuant to the Dispute Resolution Act.

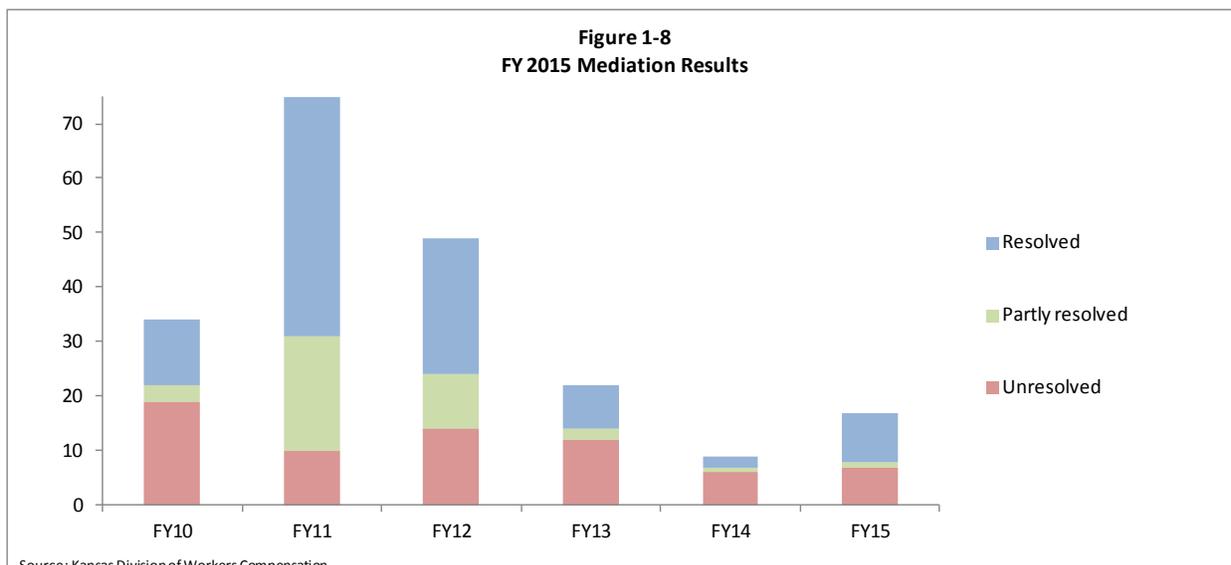
Quick Facts

- 15 average mediation contacts per week were made in FY 2015
- 17 total mediations held in FY 2015. See Table 1-5 and Figure 1-8 for a breakdown of the results of these mediations

**Table 1-5
FY 2015 Mediation Results**

	FY10	FY11	FY12	FY13	FY14	FY 15
Resolved	12	44	25	8	2	9
Partly resolved	3	21	10	2	1	1
Unresolved	19	10	14	12	6	7
Total Held	34	75	49	22	9	17

Source: Kansas Division of Workers Compensation



PUBLIC RESOURCE SECTION

Seminar Planning

Objective

Produce an education-based event to share information about Kansas workers compensation through formal and informal sessions.

Tasks

- Guide staff and external planning committee members to develop agenda and select presenters.
- Establish syllabus and learner objectives for each topic.
- Develop Web and printed promotion.
- Prepare and submit continuing education applications.
- Issue credits and maintains continuing education credits awarded for a five-year period.

Quick Facts

- 41st Annual Workers Compensation Seminar was held at the Overland Park Convention Center on September 29 & 30, 2015
- Seminar hosted a total of 625 attendees
- There were two levels of corporate sponsorship:
 - 13 companies contributed at the gold level
 - 39 contributed at the silver level
- 102 companies exhibited
- Continuing education credits were issued to:
 - 254 attorneys
 - 72 nurses
 - 35 certified case managers
- Additional assistance was provided to 25 licensed or certified attendees who required proof of attendance to file for continuing education credits that KDOL did not pre-approve

PUBLIC RESOURCE SECTION

Applications

Objective

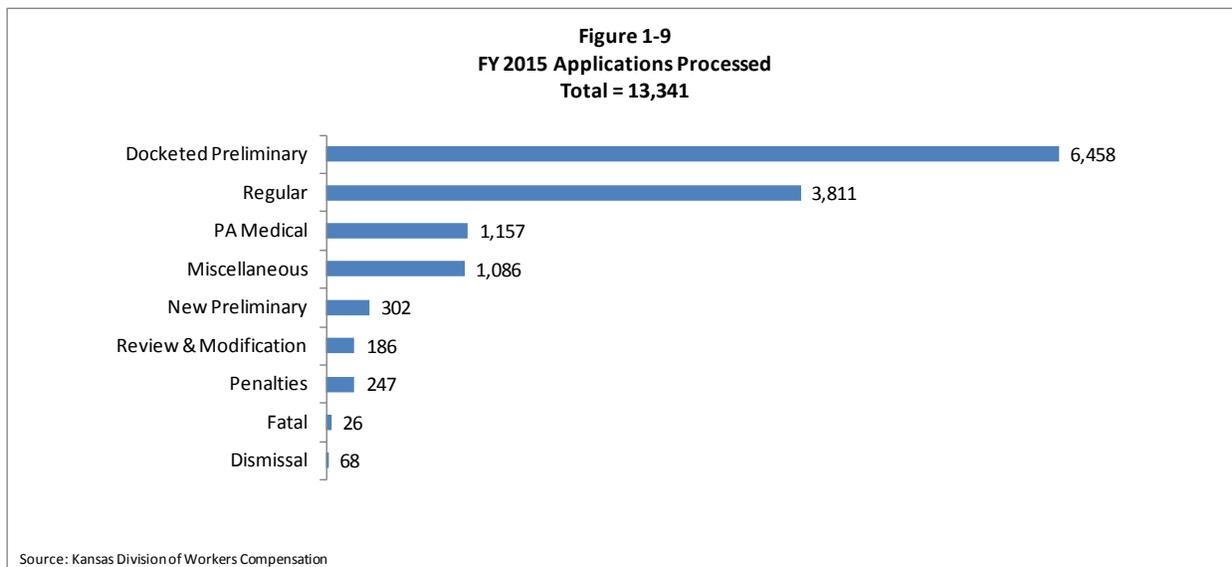
Process all applications and motions for hearing. Create official claimant docket for records.

Tasks

- Enter application for hearing into database and assigns an Administrative Law Judge.
- Generate and sends notices of hearing to involved parties.
- Enter employer request for records into database and transfers them to archives.
- Manage attorney address files in the database.

Quick Facts

- 13,341 total applications processed including 6,760 preliminary hearing applications (see Figure 1-9 for a breakdown of types of applications)
- 5,033 contacts received and/or initiated which includes instructions to file applications, providing docketed information and clarifying information
- 14,183 employer requests entered and archived



PUBLIC RESOURCE SECTION

Research

Objective

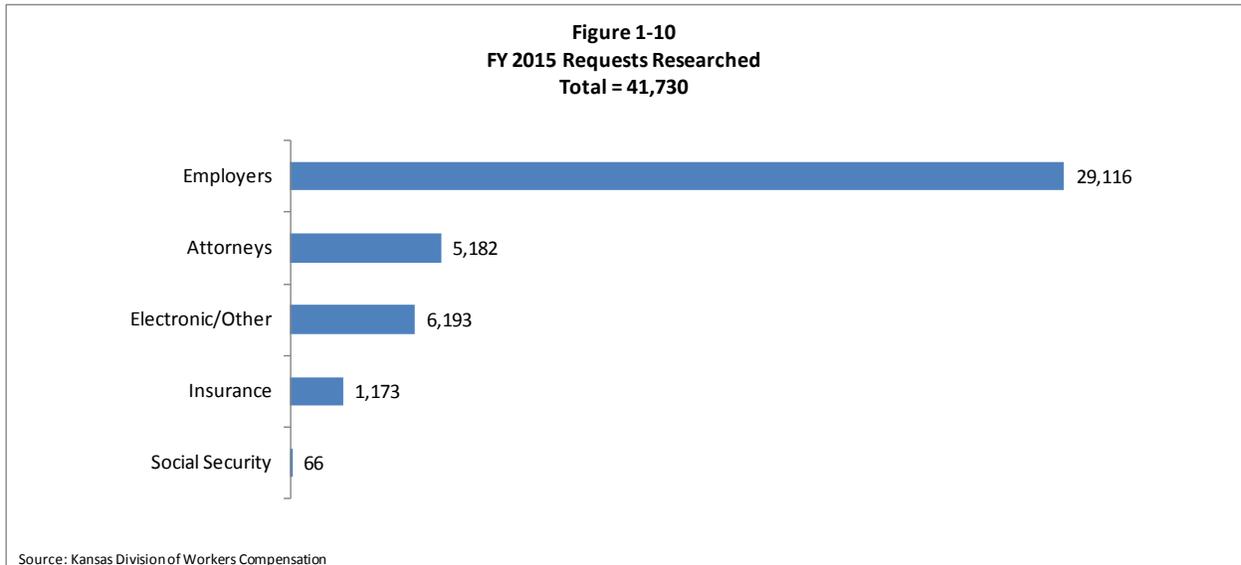
Conduct research on all requests for records regarding prior claim information.

Tasks

- Scan documents and upload research into database.
- Review and enter into database all awards, settlements, joint petitions and final receipts.
- Manage docketed claimant files and transfers to archives.

Quick Facts

- 41,730 total requests for records researched (see Figure 1-10 for a breakdown of types of requests researched)
- 7,786 images scanned: 3,166 accident reports, 1,724 election forms and 2,896 undocketed settlements, final receipts and joint petitions
- 7,414 awards, settlements, joint petitions and final receipts entered into the database



PUBLIC RESOURCE SECTION

Rehabilitation

Objective

Coordinate provision of vocational rehabilitation services to injured workers under the Kansas Workers Compensation Act.

Tasks

- Determine whether professionals and entities qualify to provide vocational rehabilitation services to injured workers based on ability to meet regulatory standards.
- Monitor services provided to injured workers.
- Review documentation submitted by qualified rehabilitation providers to determine the need for referral to other vocational programs and services.
- Provide technical assistance to qualified vocational rehabilitation providers.

Quick Facts

- 175 closure reports of medical management cases were received
- Of the medical management closures, 98 resulted in a return to work (RTW) with the time-of-injury employer
- Average medical case management cost for cases closed with a return to work was \$3,206; average cost for cases closed for all other reasons was \$3,489 (case cost data was available for 77 percent of cases closed)
- Documentation for the remaining (non-RTW) 77 medical management closures were reviewed to determine whether the claimants in those cases might be in need of vocational rehabilitation or community services
- Based on reports received, 35 claimants were selected to receive informational letters on vocational rehabilitation services

PUBLIC RESOURCE SECTION

Accident Prevention Program

Objective

Enforce the administrative provisions of K.S.A. 44-5,104.

Background

History

K.S.A. 44-5,104, part of the Kansas Workers Compensation Act, was passed in March 1993. It mandates that as a prerequisite for authority to provide workers compensation insurance coverage to Kansas employers, each insurance company or group-funded self-insurance plan is required to provide accident prevention programs upon request of the covered employer. The purpose of the program is to ensure all employers, especially the smaller employers, being provided workers compensation insurance are being provided safety and health services from their insurer.

The Accident Prevention (AP) Program was started in 1994 by the newly-created Industrial Safety and Health Section of the Kansas Division of Workers Compensation.² For several years, monitoring and data compilation were done by hand, a laborious process. In 2009, the program administrator at that time began working with the Information Technology (IT) division of the Kansas Department of Labor (KDOL) to design and develop an automated reporting and monitoring system. The team made the K-ISH 28 form interactive and ready for access online along with the accompanying Excel spreadsheet. A website was created for use by the AP administrator to access the database, monitor reporting by insurers, communicate with insurers by mass emailed notices, and compile data to provide information for annual reports to the Secretary of KDOL. This online reporting and

monitoring system formally launched in mid-2012. In 2015, administrative responsibility for this program was transferred to the Division of Workers Compensation.

Challenges

A continuing challenge with this program has been getting insurers to keep contact information updated in a timely manner so that emailed notices are delivered to the person in each company who is currently responsible for reporting to the state. With the downturn in the economy beginning in 2008, there has been an increase in downsizing, mergers, acquisitions and divestitures, all of which often impact company staffing assignments.

Successes

System automation has produced significant savings through ease of access to data and communication with insurers, resulting in increased productivity and more time for site inspections.

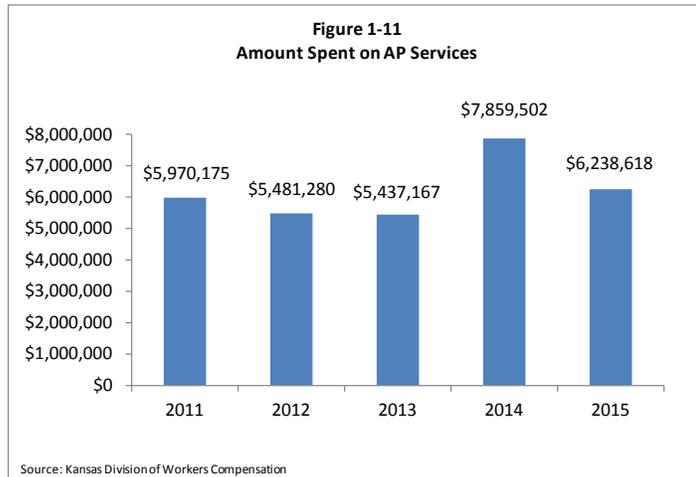
² In 2005 to 2006, the Industrial Safety and Health (ISH) Section of the Division of Workers Compensation became a stand-alone division under the Kansas Department of Labor. ISH continued to administer the provisions of K.S.A. 44-5,104 (the accident prevention statute) until the early spring of 2015, when responsibility for program administration came back under the Division of Workers Compensation.

Tasks

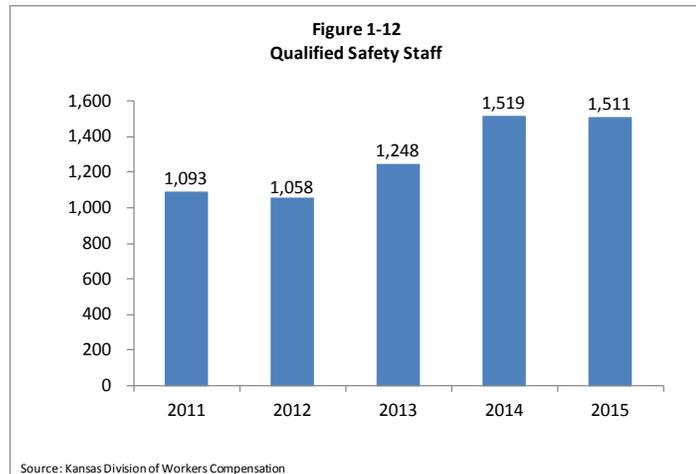
- Maintain list of insurers having current certificate to write workers compensation insurance in Kansas.
- Send annual reminder notice to insurers regarding the reporting requirement.
- Monitor reporting to identify non-responders.
- Furnish list of non-responders to the Commissioner of Insurance.
- Provide information to Industrial Safety and Health field safety representatives to facilitate appropriate selection of entities for premises and/or records inspection.
- Ensure that insurers are using properly qualified field safety staff.
- Submit annual report to the Directors of Industrial Safety and Health and Workers Compensation.
- Maintain up-to-date content of Accident Prevention reporting instructions.
- Maintain proper functioning of online Accident Prevention administrative and public reporting sites, as well as make quality improvements, through interaction with KDOL's IT division.

Quick Facts

- Number of non-responders for Fiscal Year (FY) 2015 was down 100%, from nearly 20 to zero
- Total amount spent on AP services was down 21% from FY 2014, but still nearly one percent higher than the average amounts spent from Fiscal Years 2011 through 2014 (see Figure 1-11)



- Number of qualified safety staff was down only one-half percent from 2014, but still up 23% over the 2011-2014 average, indicating staffing in the AP programs remains strong (see Figure 1-12)



Quick Facts continued

- Number of services requested by employers was up five percent over 2014 and 12% over the 2011-2014 average (see Figure 1-13 and Table 1-6).
- Number of services provided but not requested by employers was up eight percent over 2014 but down one percent from the 2011-2014 average (see Figure 1-13 and Table 1-6).
- Total services provided were up eight percent from 2014 and one-half percent over the 2011-2014 average (see Figure 1-13 and Table 1-6).
- Policies in force were up five percent from 2014 and six percent over the 2011-2014 average (see Figure 1-14 and Table 1-7).
- Total FY premiums written were up five percent from 2014 and up three percent over the 2011-2014 average (see Figure 1-15 and Table 1-8).
- Total FY direct losses incurred were up 19% from 2014 but down two percent from the 2011-2014 average (see Figure 1-16 and Table 1-9).
- The premiums written to direct losses incurred ratio remained at about three to one (see Figure 1-17 and Table 1-10).

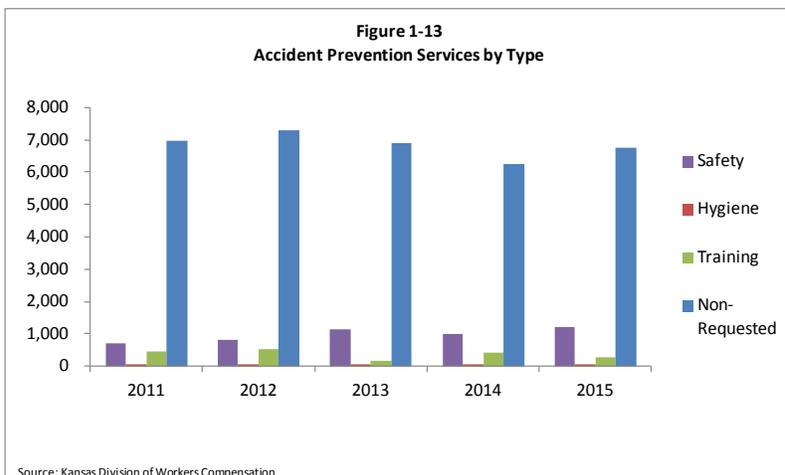


Table 1-6
FY 2015 Accident Prevention Services by Type

	Requested			Non-requested	Total
	Safety	Hygiene	Training		
FY 11	709	65	457	6,956	8,187
FY 12	820	60	534	7,313	8,727
FY 13	1,119	47	163	6,915	8,244
FY 14	994	49	399	6,235	7,677
FY 15	1,194	59	259	6,754	8,266

Source: Kansas Division of Workers Compensation

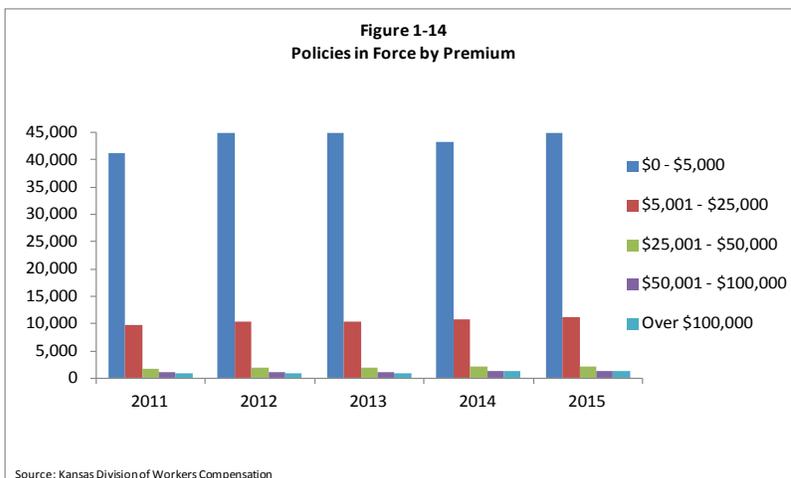
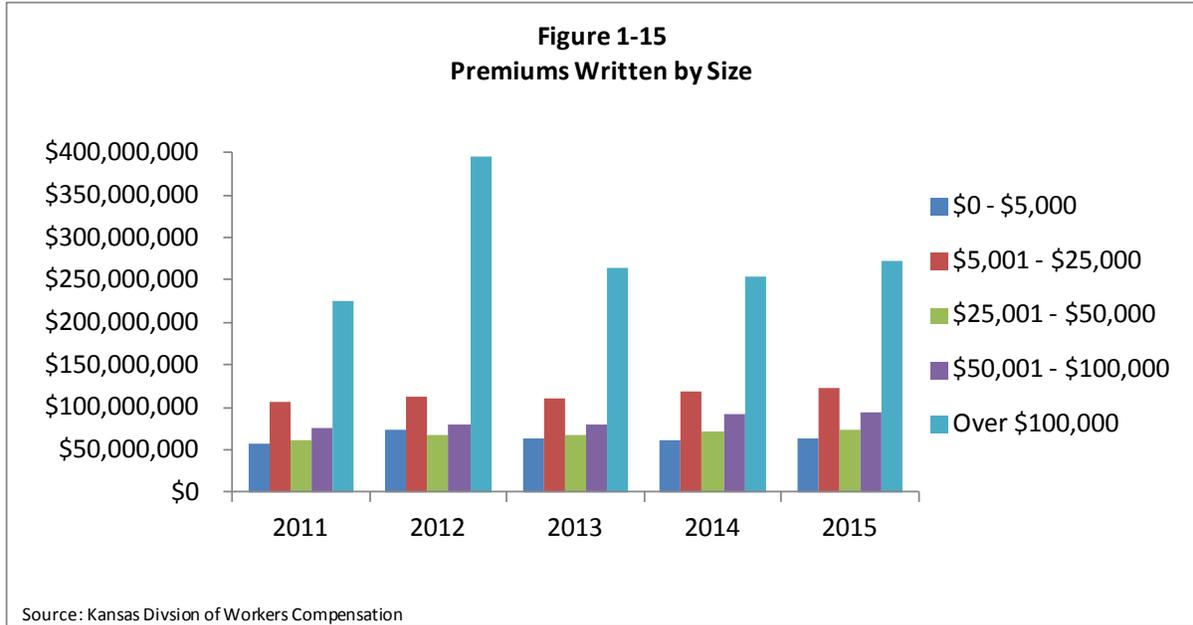


Table 1-7
FY 2015 Policies in Force by Premium

Premium	FY 11	FY 12	FY 13	FY 14	FY 15
\$0 - \$5,000	41,157	44,894	44,922	43,347	45,551
\$5,001 - \$25,000	9,732	10,437	10,450	10,787	11,239
\$25,001 - \$50,000	1,730	1,966	1,914	2,042	2,075
\$50,001 - \$100,000	1,082	1,132	1,124	1,290	1,328
Over \$100,000	890	897	974	1,206	1,205

Source: Kansas Division of Workers Compensation



**Table 1-8
FY 2015 Premiums Written by Size**

Premium	FY 11	FY 12	FY 13	FY 14	FY 15
\$0 - \$5,000	\$57,371,767	\$72,635,602	\$62,508,094	\$60,864,676	\$63,304,025
\$5,001 - \$25,000	\$106,225,693	\$112,468,221	\$111,460,201	\$118,054,620	\$122,948,706
\$25,001 - \$50,000	\$60,826,117	\$66,933,280	\$67,258,702	\$72,384,906	\$73,128,571
\$50,001 - \$100,000	\$75,363,296	\$79,747,076	\$79,131,223	\$91,317,025	\$94,051,310
Over \$100,000	\$225,523,009	\$394,274,050	\$263,620,726	\$253,543,257	\$272,022,133

Source: Kansas Division of Workers Compensation

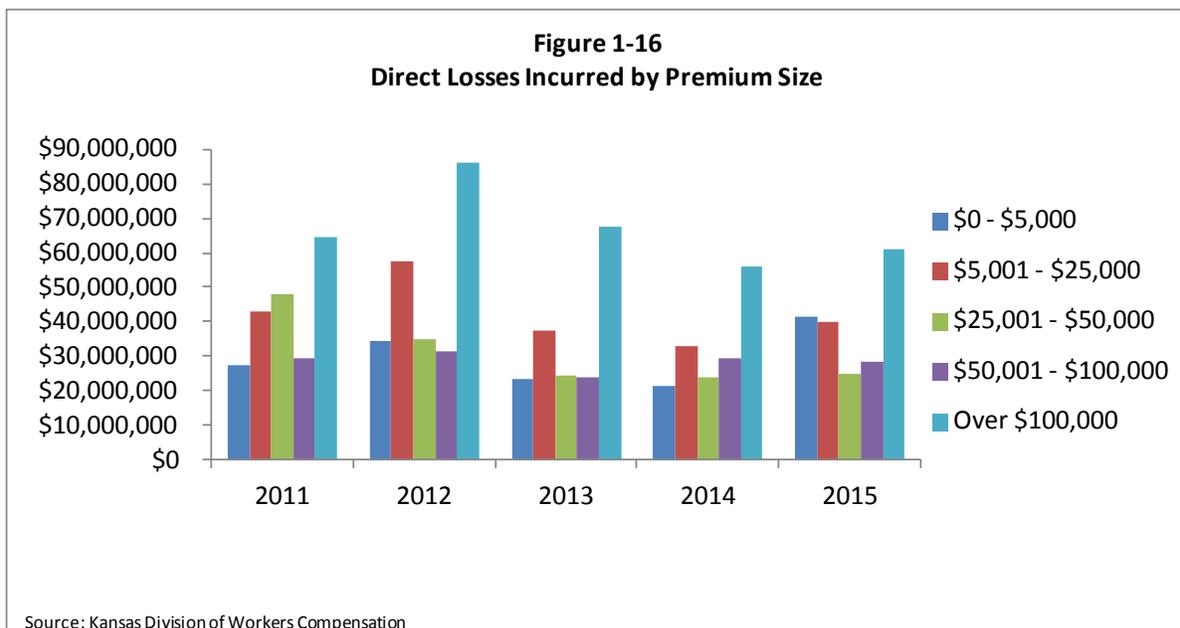


Table 1-9
FY 2015 Direct Losses Incurred by Premium Size

Premium	FY 11	FY 12	FY 13	FY 14	FY 15
\$0 - \$5,000	\$27,575,837	\$34,702,258	\$23,583,371	\$21,591,641	\$41,281,908
\$5,001 - \$25,000	\$43,122,547	\$57,309,377	\$37,435,037	\$33,211,514	\$39,897,628
\$25,001 - \$50,000	\$48,079,602	\$35,091,510	\$24,273,491	\$24,164,114	\$24,753,407
\$50,001 - \$100,000	\$29,266,197	\$31,720,026	\$23,873,623	\$29,283,058	\$28,701,665
Over \$100,000	\$64,439,762	\$86,213,335	\$67,648,040	\$55,859,587	\$60,771,099

Source: Kansas Division of Workers Compensation

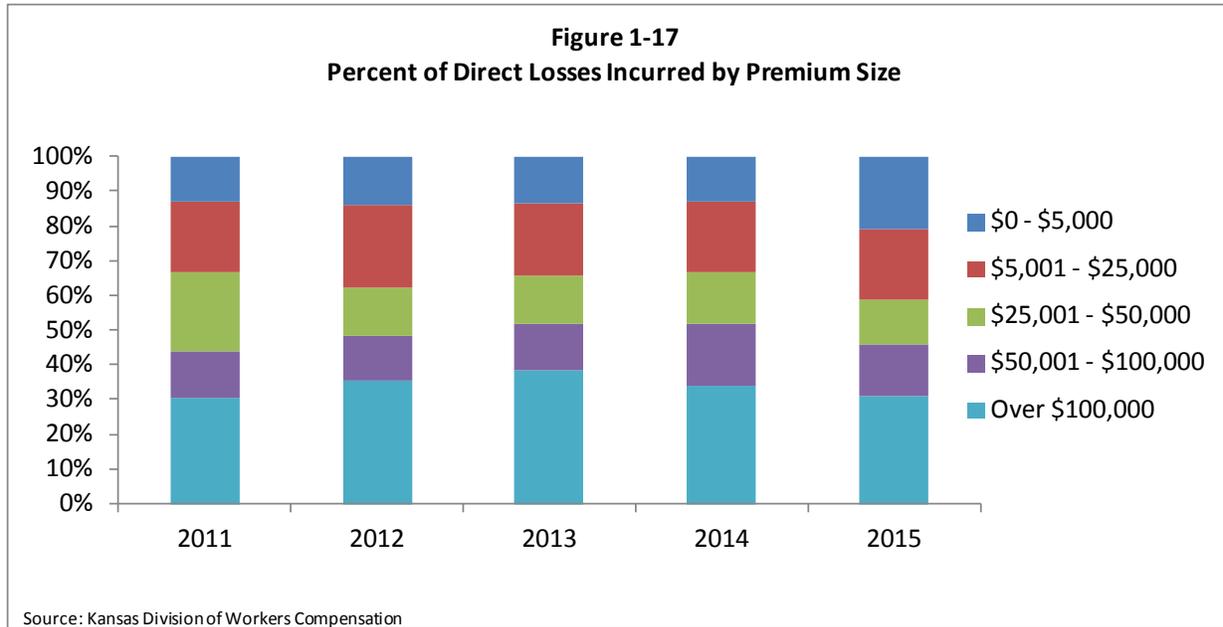


Table 1-10
FY 2015 Percent of Direct Losses Incurred
by Premium Size

Premium	FY 11	FY 12	FY 13	FY 14	FY 15
\$0 - \$5,000	13.0%	14.2%	13.3%	13.2%	21.1%
\$5,001 - \$25,000	20.3%	23.4%	21.2%	20.2%	20.4%
\$25,001 - \$50,000	22.6%	14.3%	13.7%	14.7%	12.7%
\$50,001 - \$100,000	13.8%	12.9%	13.5%	17.8%	14.7%
Over \$100,000	30.3%	35.2%	38.3%	34.0%	31.1%

Source: Kansas Division of Workers Compensation

Section 2

Occupational Injuries and Illnesses in Kansas FY 2015

Background

The State of Kansas has a compelling interest in the safety, health and 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 and illnesses within the state. Every year the division publishes its decision support data for the Legislature and interested parties in the form of this *Annual Statistical Report*.

This section provides statistics on occupational injuries for all employers covered under the Workers Compensation Act through Fiscal Year 2015 (July 1, 2015 up to and including June 30, 2015). This report includes the cause, nature, body member implicated, county location and industry of the reported injuries and illnesses.

Changes

With migration to the International Association of Industrial Accident Boards and Commissions (IAIABC) Electronic Data Interchange (EDI) Release 3 standard, Kansas now only accepts the North American Industry Classification System (NAICS) 2012 codes which are a shift away from previously using both the Standard Industrial Classification (SIC) and NAICS codes. In FY 2014, reporting occupational injuries by industry codes resumed as the coding has become standardized.

Reporting occupational injuries by severity changed in FY 2013 and going forward to coincide with the mandate to electronically report first and subsequent reports of injury

to the State of Kansas. This change will affect the reporting of time-lost and no time-lost injuries.

Electronic reporting of occupational injuries requires Kansas to use the IAIABC EDI Release 3 standards. This standard currently does not allow the flexibility to collect the data necessary to determine time-lost and no time-lost injuries. Therefore, these two severity categories can no longer be reported. However, occupational injuries resulting in fatalities still can be identified and will continue to be reported.

Data source

Employers covered under the Workers Compensation Act are required to report all employee occupational injuries and illnesses that "incapacitate the person injured from labor or service for more than the remainder of the day, shift or turn" to the Division of Workers Compensation within 28 days of the employer becoming aware of the injury or illness.

The division is able to collect data on the entire population of workplace injuries and illnesses in Kansas because it has the legal authority to collect injury data on state and local public sector employees in addition to the private sector.³ This is 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 and illnesses each year.

³ Under its commerce power granted by the United States Constitution, and as interpreted by the United States Supreme Court (See *U.S. v. Lopez*, 514 U.S. 558-559 (1995); "[there are] 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 and/or OSHA. The United States Constitution, however, does not 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.

Total Kansas Occupational Injuries and Illnesses

Aggregate total

Table 2-1 and Figure 2-1 show the aggregate totals of Kansas' occupational injuries and illnesses from FY 2006 to FY 2015.

- There were 50,568 total occupational injuries and illnesses reported to the Division of Workers Compensation during FY 2015. The FY 2015 total reflects all accidents occurring during the year, including fatalities, and represents a decrease of 3,429 reported injuries and illnesses, or a 6.4 percent decrease, from the previous year's total.
- From another perspective, 139 employees per day were either injured or killed on the job in Kansas last fiscal year.
- The average annual decrease between FY 2006 and FY 2015 of the total occupational injuries and illnesses reported is 2.9 percent and the overall decrease is 24 percent. Figure 2-2 shows the trend of annual changes in total accidents compared to incidence rates.

Incidence rate

One limit of reporting aggregate totals is they do not account for year-to-year changes in the Kansas workforce population. For a fair year-to-year comparison of occupational injury and illness behavior in Kansas, the division calculates its own occupational injury incidence rates (see Appendix A). The incidence rate per 100 full-time equivalent workers (FTE) is displayed in Table 2-2 and Figure 2-1. There is no absolute acceptable level of injury incidence. However, relatively speaking, the lower the rate of injury the better.

- The total occupational injuries and illnesses incidence per 100 full-time equivalent workers (FTE) in the private and public sectors in Kansas was 3.7 in FY 2015. This was a decrease by 7.5 percent from last fiscal year.
- The average annual decrease between FY 2006 and FY 2015 of the incidence rate per 100 full-time workers (FTE) for total occupational injuries and illnesses is 3.4 percent and the overall decrease is 27.4 percent. Figure 2-2 shows the trend of annual changes in total accidents compared to incidence rates.

Table 2-1
Total Kansas Occupational Injuries and Illnesses
FY 2006 - FY 2015

Fiscal Year	Total	Annual Change	Avg	
			Annual Change	Total Change
			-2.89%	-23.92%
FY 06	66,469			
FY 07	69,211	4.13%		
FY 08	70,263	1.52%		
FY 09	63,130	-10.15%		
FY 10	58,188	-7.83%		
FY 11	58,296	0.19%		
FY 12	58,252	-0.08%		
FY 13	56,009	-3.85%		
FY 14	53,997	-3.59%		
FY 15	50,568	-6.35%		

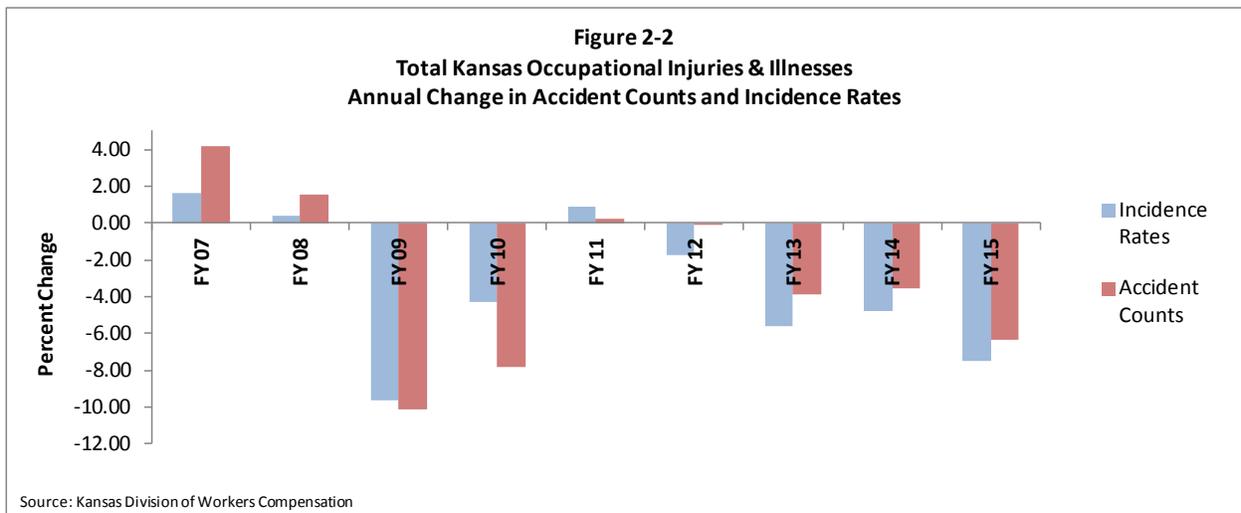
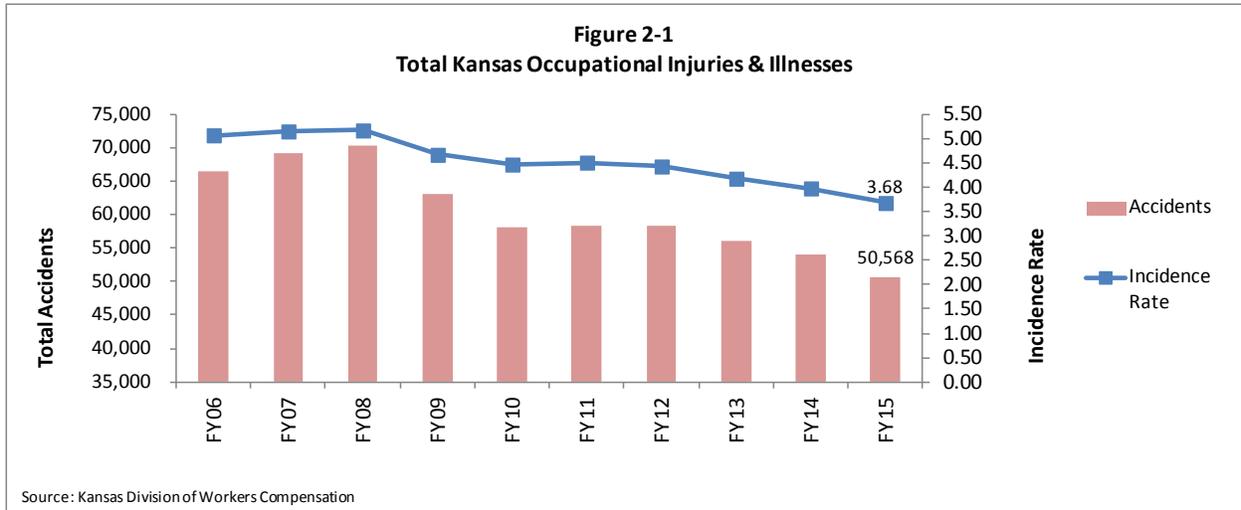
Source: Kansas Division of Workers Compensation

Table 2-2
Total Kansas Occupational Injuries and Illnesses
Incidence Rate* FY 2006 - FY 2015

Fiscal Year	Total	Annual Change	Avg	
			Annual Change	Total Change
			-3.43%	-27.42%
FY 06	5.07			
FY 07	5.15	1.58%		
FY 08	5.17	0.39%		
FY 09	4.67	-9.67%		
FY 10	4.47	-4.28%		
FY 11	4.51	0.89%		
FY 12	4.43	-1.77%		
FY 13	4.18	-5.64%		
FY 14	3.98	-4.78%		
FY 15	3.68	-7.54%		

*Per 100 Full-time Equivalent Non-Federal Workers

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



Kansas Fatal Occupational Injuries and Illnesses

Aggregate total and incidence rate

Data on workplace fatalities, the most severe type of injury, is summarized below. Table 2-3 shows the number of fatalities that occurred each year from FY 2006 to FY 2015 while Table 2-4 shows the fatality incidence rate per 100 full-time equivalent (FTE) workers over the same period. Figure 2-3 graphically shows the trend for both fatal injury totals and incidence rates.

- Workplace fatalities decreased in FY 2015 by 15 percent from the previous year (to 50 from 59 reported deaths) and were more than the 10-year average of 47 reported deaths (see Table 2-3).
- The average annual increase between FY 2006 and FY 2015 of workplace fatalities reported is 3.7 percent with no overall change during this time period (see Table 2-3). Figure 2-4 shows the trend of annual changes in fatal accidents compared to incidence rates.
- The fatality incidence rate for FY 2015 was .0036 which is a decrease of 18 percent from the previous year and is 2.9 percent above the average of .0035 since FY 2006. The average annual increase was 3.5 percent between FY 2006 and FY 2015 (see Table 2-4).

Table 2-3
Kansas Fatal Occupational Injuries and Illnesses
FY 2006 - FY 2015

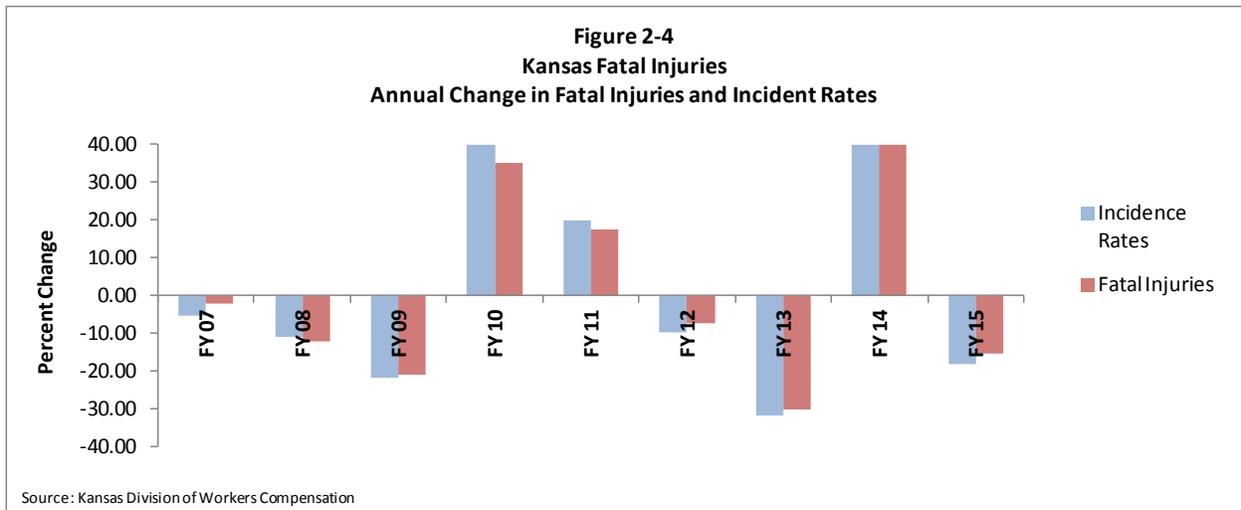
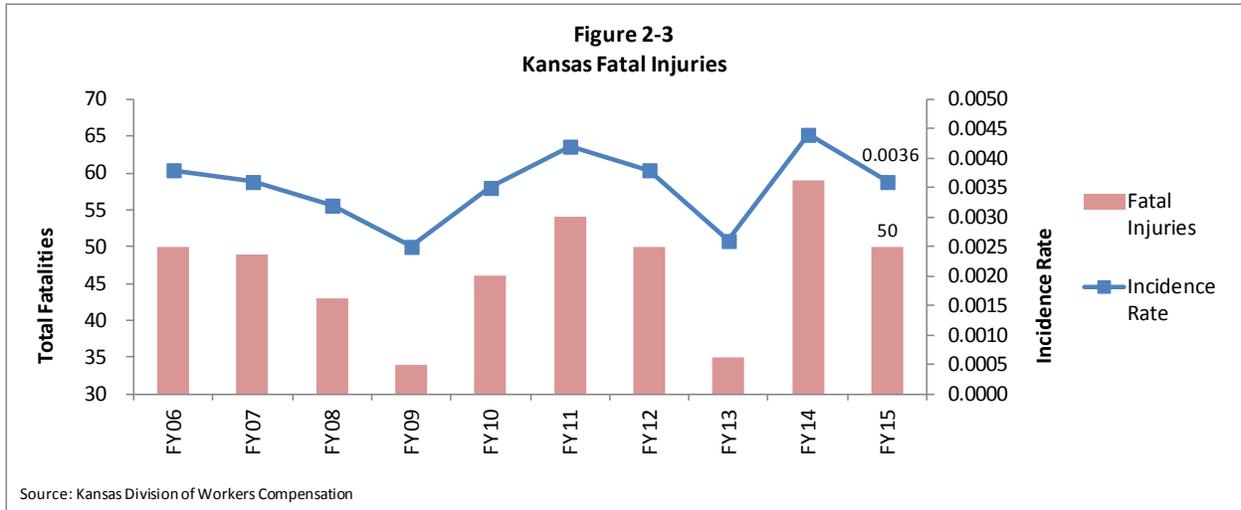
Fiscal Year	Total	Annual Change	Avg	
			Annual Change	Total Change
			3.71%	0.00%
FY 06	50			
FY 07	49	-2.00%		
FY 08	43	-12.24%		
FY 09	34	-20.93%		
FY 10	46	35.29%		
FY 11	54	17.39%		
FY 12	50	-7.41%		
FY 13	35	-30.00%		
FY 14	59	68.57%		
FY 15	50	-15.25%		

Source: Kansas Division of Workers Compensation

Table 2-4
Kansas Fatal Occupational Injuries and Illnesses
Incidence Rate* FY 2006 - FY 2015

Fiscal Year	Total	Annual Change	Avg	
			Annual Change	Total Change
			3.52%	-5.26%
FY 06	0.0038			
FY 07	0.0036	-5.26%		
FY 08	0.0032	-11.11%		
FY 09	0.0025	-21.88%		
FY 10	0.0035	40.00%		
FY 11	0.0042	20.00%		
FY 12	0.0038	-9.52%		
FY 13	0.0026	-31.58%		
FY 14	0.0044	69.23%		
FY 15	0.0036	-18.18%		

*Per 100 Full-time Equivalent Non-Federal Workers
Source: Kansas Division of Workers Compensation, Kansas Labor Market Information Services



Kansas Occupational Injuries and Illnesses Analysis

Introduction

To gain a better understanding and develop a more complete picture of Kansas occupational injuries and illnesses, a summary of various breakdowns can inform how injuries occur, what body parts are commonly affected, geographically where the workplace injuries took place and how industry subsectors contribute to workplace accidents.

Cause of Occupational Injury and Illness

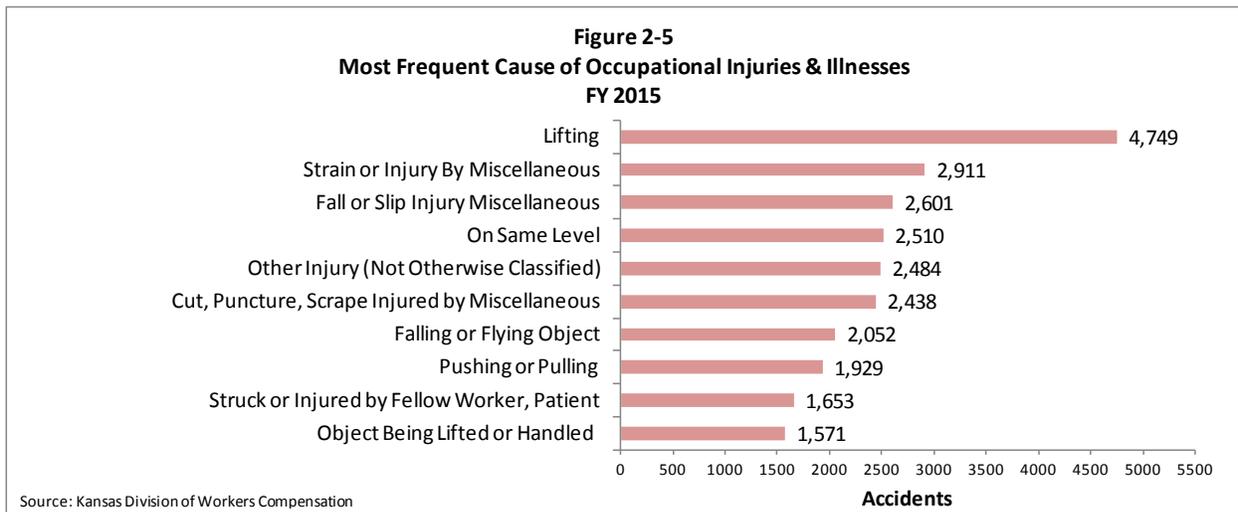
- The physical act of lifting is the most frequent cause of workplace injuries, accounting for 4,749 or 9 percent of the total occupational injuries and illnesses for FY 2015 (see Figure 2-5).
- Strain or injury by miscellaneous and fall or slip injury miscellaneous are the second and third most frequent cause of workplace injuries accounting for 2,911 and 2,601, respectively, of the total occupational injuries and illnesses for FY 2015 (see Figure 2-5).
- The top ten causes of workplace injuries listed in Figure 2-5 account for 49 percent of the total occupational injuries and illnesses for FY 2015.

Table 2-5
Most Frequent Cause of Injury by Rank
FY 2011 - FY 2015

Cause
Lifting
Fall or Slip Injury Miscellaneous
Strain or Injury By Miscellaneous
Falling or Flying Object
Other Injury (Not Otherwise Classified)
Struck or Injured by Fellow Worker, Patient
Object Being Lifted or Handled
Pushing or Pulling
On Same Level
Cut, Puncture, Scrape Injured By Miscellaneous

Source: Kansas Division of Workers Compensation

- Table 2-5 shows a five-year trend of most frequent causes, by rank, of occupational injuries or illnesses from FY 2011 to FY 2015. Lifting and fall or slip injury miscellaneous are the first and second most frequent cause of workplace injury, respectively, during this five-year period.



Nature of Occupational Injury and Illness

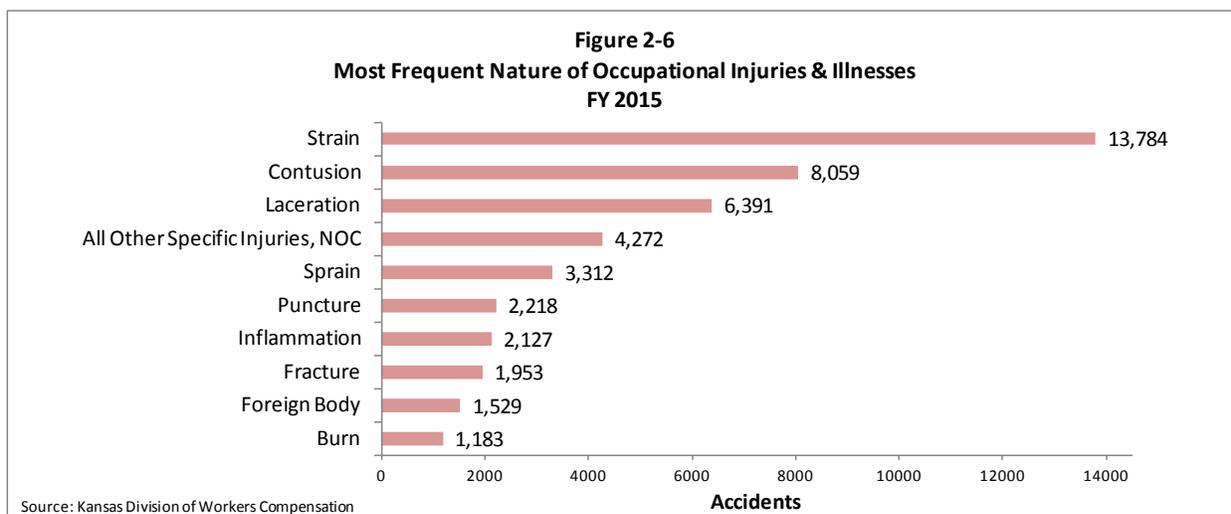
- Strain injuries are the most frequent nature of workplace injuries accounting for 13,784 or 27.3 percent of the total occupational injuries and illnesses for FY 2015 (see Figure 2-6).
- Contusions and lacerations are the second and third most frequent nature of workplace injuries accounting for 8,059 and 6,391, respectively, of the total occupational injuries and illnesses for FY 2015 (see Figure 2-6).
- The top ten most frequent nature of workplace injuries listed in Figure 2-6 account for 88.6 percent of the total occupational injuries and illnesses for FY 2015.

Table 2-6
Most Frequent Nature of Injury by Rank
FY 2011 - FY 2015

Nature
Strain
All Other Specific Injuries, NOC
Contusion
Sprain
Puncture
Fracture
Foreign Body
Multiple Physical Injuries Only
Inflammation
Burn

Source: Kansas Division of Workers Compensation

- Table 2-6 shows a five-year trend of most frequent nature, by rank, of occupational injuries or illnesses from FY 2011 to FY 2015. Strains were the most frequent cause of workplace injury during this five-year trend which also held true in FY 2015 as shown in Figure 2-6.



Body Member Associated with Occupational Injury and Illness

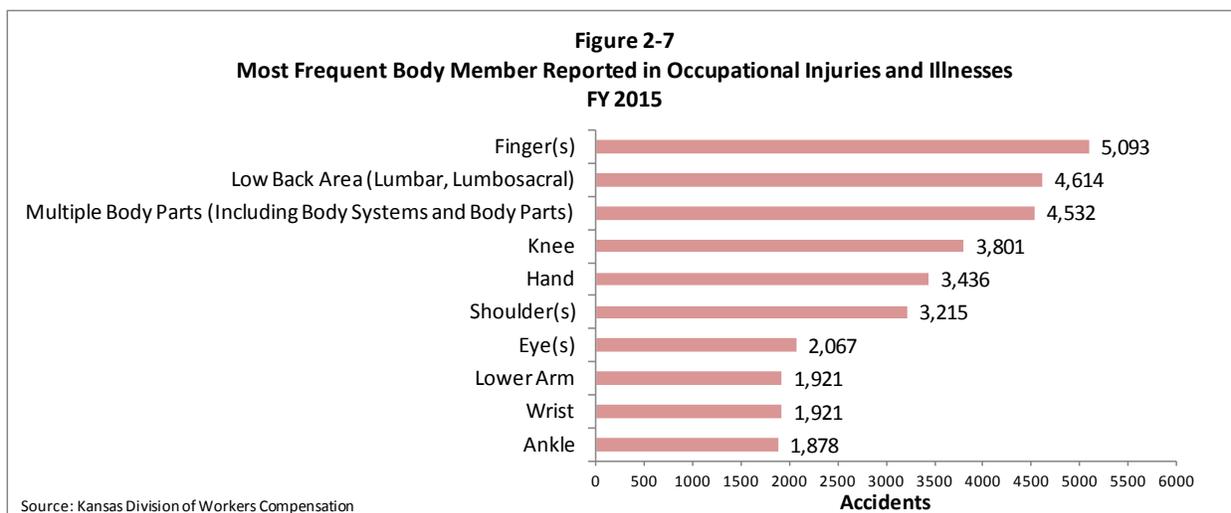
- Workplace injuries involving fingers constitute the greatest number of reported accidents for FY 2015, accounting for 5,093 or 10.1 percent of the total occupational injuries or illnesses (see Figure 2-7).
- Low back area (lumbar, lumbosacral) and multiple body parts (including body systems and body parts) are the second and third most frequently reported body member injured, accounting for 4,614 and 4,532, respectively, of the total occupational injuries and illnesses for FY 2015 (see Figure 2-7).
- The top ten most frequently injured body members listed in Figure 2-7 account for 64.2 percent of the total occupational injuries and illnesses for FY 2015.

**Table 2-7
Most Frequent Body Member Injured by Rank
FY 2011 - FY 2015**

Body Member
Finger(s)
Low Back Area (Lumbar, Lumbosacral)
Multiple Body Parts (Including Body Systems and Body Parts)
Knee
Hand
Shoulder(s)
Eye(s)
Wrist
Ankle
Lower Arm

Source: Kansas Division of Workers Compensation

- Table 2-7 shows a five-year trend of most frequently injured body member, by rank, reported in workplace accidents from FY 2011 to FY 2015. Fingers, low back area (lumbar, lumbrosacral) and multiple body parts (including body systems and body parts) are the first, second and third most injured body member, respectively, during this five-year trend which also held true in FY 2015 as shown in Figure 2-7.



Occupational Injuries and Illnesses by County

- Table 2-8 lists the 10 Kansas counties reporting the greatest number of occupational injuries and illnesses in FY 2015. As expected, counties with the largest population totals report the greatest number of workplace accidents.
- Kansas’ largest city, Wichita, is located in Sedgwick County which reported the most cases (see Table 2-8).
- 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 highest number of workplace accidents (see Table 2-8).
- The top ten counties reporting the most workplace accidents as shown in Table 2-8 account for 64.2 percent of all occupational injuries and illnesses in Kansas for FY 2015.
- For a better understanding of which Kansas counties report the greatest amount of workplace accidents relative to their population, Table 2-9 reports the number of accidents for every 100 workers in each county.
- Pawnee County reported the highest rate of occupational injuries and illnesses with 10.5 workplace accidents for every 100 workers (see Table 2-9).
- Figure 2-8 is a Kansas county map which illustrates the rate of workplace accidents per 100 workers. The darker the color the higher the workplace accident rate. Conversely, the lighter the color the lower the workplace accident rate.

**Table 2-8
Counties Reporting Greatest Number of Accidents
FY 2015**

County	Accidents
Sedgwick	8,679
Johnson	8,537
Wyandotte	3,848
Shawnee	3,597
Douglas	1,539
Other State	1,355
Riley	1,283
Reno	1,262
Saline	1,255
Finney	1,109

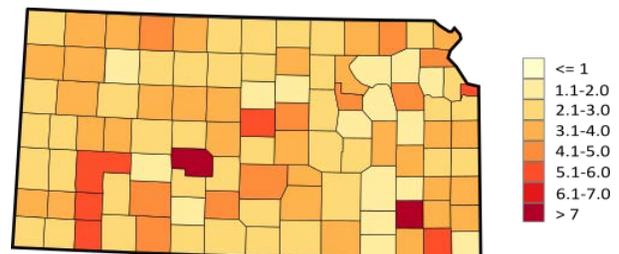
Source: Kansas Division of Workers Compensation

**Table 2-9
Counties Reporting Greatest Number of Accidents per 100 Workers
FY 2015**

County	Accidents per 100 Workers
Pawnee	10.45
Wilson	7.33
Seward	5.87
Ellsworth	5.73
Finney	5.62
Haskell	5.60
Wyandotte	5.42
Labette	5.30
Atchison	4.66
Norton	4.55

Source: Kansas Division of Workers Compensation

**Figure 2-8
Accidents per 100 Workers
FY 2015**



Source: Kansas Division of Workers Compensation

Occupational Injuries and Illnesses by NAICS Industry Subsector

- The educational services industry subsector ranked first in reported accidents for FY 2015, accounting for 4,621 or 9.1 percent of the total occupational injuries or illnesses (see Table 2-10).
- Executive, legislative, and other general government support and administration of human resource programs are the second and third most frequently reported industry subsectors for injuries, accounting for 3,503 and 2,851, respectively, of the total occupational injuries and illnesses for FY 2015 (see Table 2-10).
- The top ten most frequently reported industry subsectors for workplace injuries listed in Table 2-10 account for 49.8 percent of the total occupational injuries and illnesses for FY 2015.

**Table 2-10
Most Frequent Industry Subsector* Reported
in Occupational Injuries and Illnesses
FY 2015**

Industry Subsector	Accidents
Educational Services	4,621
Executive, Legislative, and Other General Government Support	3,503
Administration of Human Resource Programs	2,851
Nursing and Residential Care Facilities	2,302
Hospitals	2,187
Administrative and Support Services	2,165
Food Services and Drinking Places	2,153
Specialty Trade Contractors	1,996
Food Manufacturing	1,892
Professional, Scientific, and Technical Services	1,490

*2012 NAICS standard

Source: Kansas Division of Workers Compensation

Section 3

Workers Compensation Claims Statistics CY 2014

Background

The Workers Compensation Act requires that employers (or their insurers) submit 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 through the filing of subsequent reports of injury through the electronic data interchange (EDI) claims system which also includes claims litigated through the division's administrative law court system. Through EDI, the division obtains information that a given claim has closed as well as information about the costs and duration of that claim.

K.S.A. 44-557a(c) originally mandated that the Director of Workers Compensation "conduct studies of open and closed claims under the Workers Compensation Act" and seek advice in order to "make valid statistical conclusions as to the distributions of costs of workers compensation benefits." It was expected that data collected for the division's Open and Closed Claims Study would provide a foundation for meaningful statistical conclusions about costs and temporal characteristics of workers compensation claims in Kansas, and thus help identify trends in these claims characteristics. Due to the dynamic and continually evolving nature of medical and indemnity payments for open claims, no meaningful statistics on costs (including daily payments) could be reported and in 2003 the Legislature altered the statute to no longer obligate the division to collect data and report on open claims.

Changes

The division implemented EDI Release 3 from July 1, 2013 through January 1st, 2014 which mandated all accidents covered under the Workers Compensation Act to be reported through the EDI claims system. This eliminated the sampling of "non-EDI" carriers to submit their closed claims. The division now has access to all closed claims that are

mandated to be reported according to Kansas EDI requirements. Hence, analysis based on this data will provide a more accurate result of costs and temporal characteristics of workers compensation claims in Kansas.

Migration to Kansas EDI Release 3 created two drawbacks. First, we did not report a closed claims analysis for 2013 because this was a transitional year from Kansas EDI Release 1 to Release 3. A tiered implementation schedule was used which meant a portion of carriers were migrated to Release 3 while others were still in Release 1. To avoid a biased sample and overburden on carriers preparing for migration, we decided to suspend the closed claims study for 2013. Second, no closed claims trend data will be available for 2014. Closed claims analysis beginning in 2014 and going forward should not be compared to previous study years because the sampling base of the data has changed. Thus, comparing closed claims data prior to 2014 to data after 2014 would be statistically incongruent and may lead to inaccurate conclusions. Trend analysis will resume in 2015 with a comparison to 2014 and will build in future years.

Data source

The division now has access to all closed indemnity claims of accidents covered under the Workers Compensation Act. A claim is considered closed if "no further payments of any kind" are anticipated. When a claim closes, an EDI final report is to be sent to the division within five days of closing. The division looks at all final reports filed during the study year. For instance, the 2014 closed claims study contains data from all the final reports filed in 2014. The closed claim study excludes claims that were previously denied. Also excluded are claims that reopen in subsequent years if the claim was already included in a previous study year. This will eliminate duplicating data that was previously reported and artificially skewing data.

Closed Claims Total Costs

Total Cost of Claims

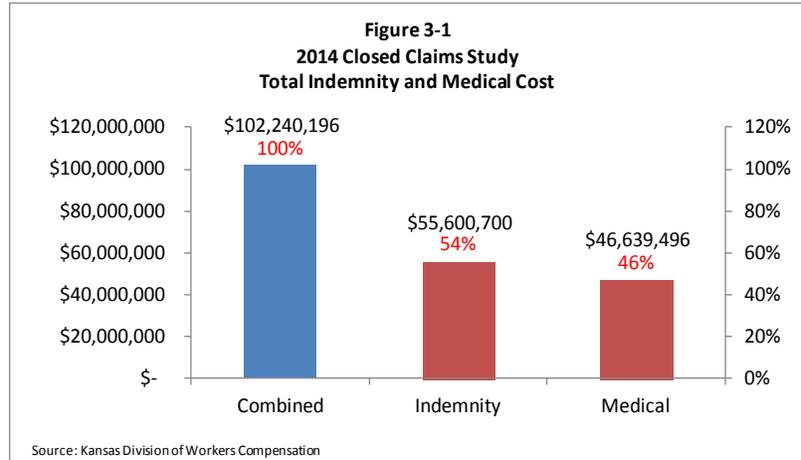
Figure 3-1 provides a high level view of overall closed claims cost for CY 2014 and the portion total indemnity and medical costs contribute to the combined cost. Figure 3-2 shows the total median costs.

Median vs. Mean

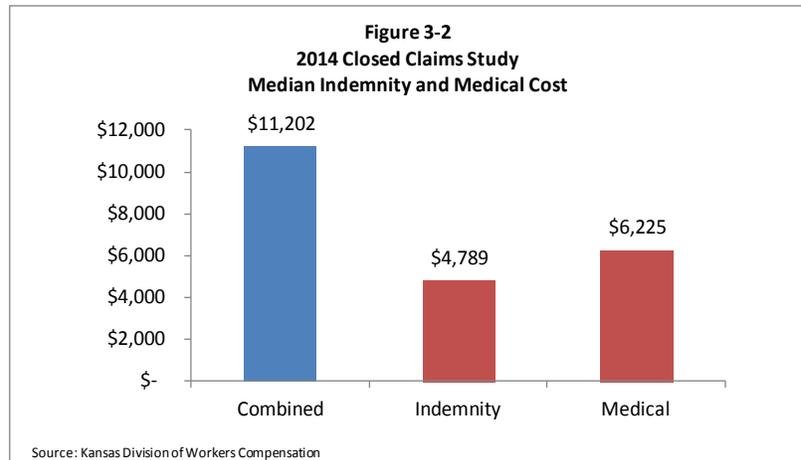
The median is used to describe a typical value of a data set rather than the mean or average. Past closed claims analysis has shown a small number of high cost claims skews the calculation of average costs higher. The calculation for median is immune to skewed data. For this study going forward, the median better represents the majority of the data and provides a better measure of a typical value we expect to see. For more details on using the median, see Appendix A.

- The total number of closed claims reported for CY 2014 is 4,451.

- The total combined cost for closed claims in CY 2014 was \$102,240,196. Total indemnity and medical costs made up 54 and 46 percent of the combined cost, respectively (see Figure 3-1).



- The median combined cost of \$11,202 was the cost of a typical claim that occurred in CY 2014. The median indemnity and medical costs were \$4,789 and \$6,225, respectively (see Figure 3-2).



Closed Claims Indemnity Costs

Indemnity Portion of Claims Costs

Table 3-1 provides a breakdown of total and median indemnity costs into benefit types for CY 2014. Table 3-2 separates the lump sum portion of indemnity costs by benefit type.

- The total number of closed claims reporting indemnity payments for CY 2014 is 4,306.
- 47 percent of total indemnity costs were paid through lump sum payments for CY 2014.

- Temporary total disability (TTD) claims were the most common type of claim (3,181) and had the highest total indemnity cost (\$14,625,640) for CY 2014. However, its median indemnity cost of \$1,715 was the second lowest median cost (see Table 3-1).
- The median indemnity cost of \$115,000 for death claims was the highest median cost for CY 2014 (see table 3-1).
- It is important to note even though death and permanent total disability claims have low probabilities of occurrence, they typically have high impact on costs as shown by their median costs of \$115,000 for death claims and \$8,625 for permanent total disability claims (see Table 3-1).

Table 3-1
2014 Closed Claims Study
Total and Median Indemnity Costs by Benefit Type

Benefit Type	Total	Median	Occurrences
Death	\$1,234,966	\$115,000	11
Permanent Total Disability	\$103,322	\$8,625	6
Scheduled Permanent Partial	\$13,784,186	\$8,584	1,038
Unscheduled Permanent Partial	\$11,080,667	\$15,623	495
Temporary Total	\$14,625,640	\$1,715	3,181
Temporary Partial	\$490,849	\$624	360
Lump Sum Settlement (Unspecified)	\$12,955,994	\$7,671	837

Source: Kansas Division of Workers Compensation

- Scheduled permanent partial claims had the largest amount of indemnity paid by lump sum with \$7,488,398 and the largest portion of indemnity paid by lump sum accounting for 54 percent of its total indemnity costs (see Figure 3-2).

Table 3-2
2014 Closed Claims Study
Total Indemnity Lump Sum Portion by Benefit Type

Benefit Type	Total Indemnity	Lump Sum Portion	% of Total Indemnity
Death	\$1,234,966	\$466,635	38%
Permanent Total Disability	\$103,322	\$19,751	19%
Scheduled Permanent Partial	\$13,784,186	\$7,488,398	54%
Unscheduled Permanent Partial	\$11,080,667	\$3,950,266	36%
Temporary Total	\$14,625,640	\$598,687	4%
Temporary Partial	\$490,849	\$9,455	2%

Source: Kansas Division of Workers Compensation

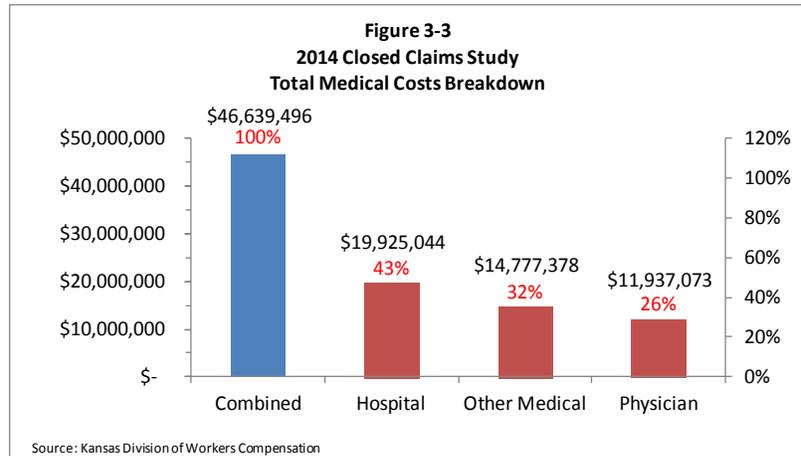
Closed Claims Medical Costs

Medical Portion of Claims Costs

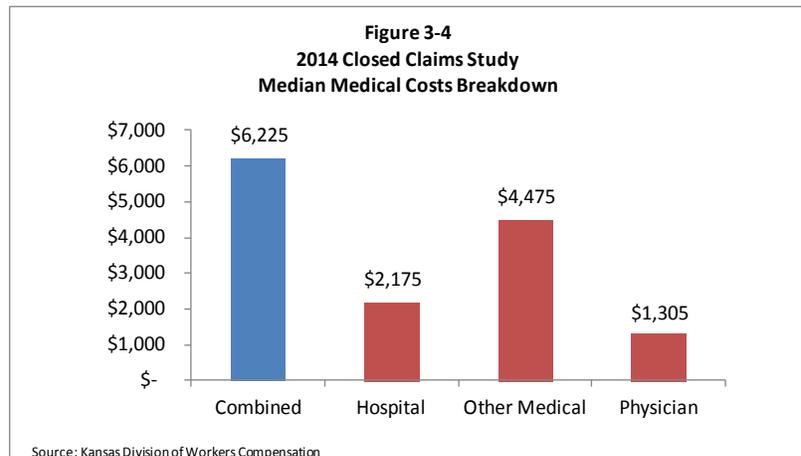
Figure 3-3 provides a breakdown of the total medical cost into three categories (hospital, other medical and physician) for a better understanding of how these factors contributed to overall medical costs for CY 2014. Figure 3-4 shows the median medical costs breakdown.

- The total number of closed claims reporting medical payments for CY 2014 is 3,828.

- Total medical cost paid in CY 2014 was \$46,639,496. Payments associated with hospital costs made up the largest portion of the total medical cost at 43 percent. Other medical and physician costs combined to make up the remaining 58 percent of the total medical cost (see Figure 3-3).



- The median total medical cost of \$6,225 was the typical cost of medical treatment for a claim in CY 2014. Other medical cost had the highest median cost of \$4,475 followed by hospital and physician costs with \$2,175 and \$1,305, respectively (see Figure 3-4).



Closed Claims Costs by Accident Characteristics

Closed Claims Costs by Part of Body Injured

Table 3-3 shows the ten highest overall cost of claims by part of body injured in CY 2014 and the associated total indemnity and medical costs along with the number of injuries that occurred. Table 3-4 shows the median total, indemnity and medical costs associated with part of body injured from Table 3-3. Figures 3-5 and 3-6 graphically display total cost of claim from Table 3-3 and a breakdown into total indemnity and medical costs by part of body injured.

- The ten highest total cost of claims by part of body injured listed in Table 3-3 account for 72 percent of all claims cost and 71 percent of total number of injuries reported with payment for CY 2014.
- Shoulders were the most frequent part of body injured (560) and had the highest total claims cost (\$16,950,111); total indemnity (\$9,367,698) and total medical costs (\$7,582,413) for CY 2014 (see Table 3-3).

- Injuries involving multiple body parts (including body systems and body parts) had the second highest total claims cost (\$13,245,333) in CY 2014. However, it was the fourth highest reported part of body injured with 405 occurrences (see Table 3-3). These injuries were associated with some of the highest total claims costs including four claims with total costs over \$350,000.
- Injuries involving the low back area (lumbar, lumbosacral) had the third highest total claims cost (\$11,554,125) in CY 2014 (see Table 3-3). However, its median total cost of claim was \$6,962 compared to \$22,325 for injuries involving shoulder(s), \$13,575 for injuries involving multiple body parts and \$12,813 (see Table 3-4). Injuries involving the low back area had nine claims with total costs over \$150,000 which pushed its total claims cost to third highest despite the relatively lower median total cost of claim.

**Table 3-3
2014 Closed Claims Study
Total Claim Costs with Total Indemnity and Medical Portion
by Part of Body Injured**

Part of Body	Total Cost	Total Indemnity	Total Medical	Occurrences
Shoulder(s)	\$16,950,111	\$9,367,698	\$7,582,413	560
Multiple Body Parts (Including Body Systems and Body Parts)	\$13,245,333	\$7,521,009	\$5,724,324	405
Low Back Area (Lumbar, Lumbosacral)	\$11,544,125	\$6,783,426	\$4,760,699	500
Knee	\$9,966,581	\$4,827,310	\$5,139,271	502
Hand	\$5,130,374	\$3,145,756	\$1,984,617	222
Wrist	\$5,112,968	\$3,060,498	\$2,052,470	223
Finger(s)	\$3,361,984	\$1,524,323	\$1,837,662	280
Ankle	\$3,184,519	\$1,723,909	\$1,460,611	190
Elbow	\$2,962,333	\$1,848,998	\$1,113,335	119
Lower Arm	\$2,523,754	\$1,370,926	\$1,152,828	126

Source: Kansas Division of Workers Compensation

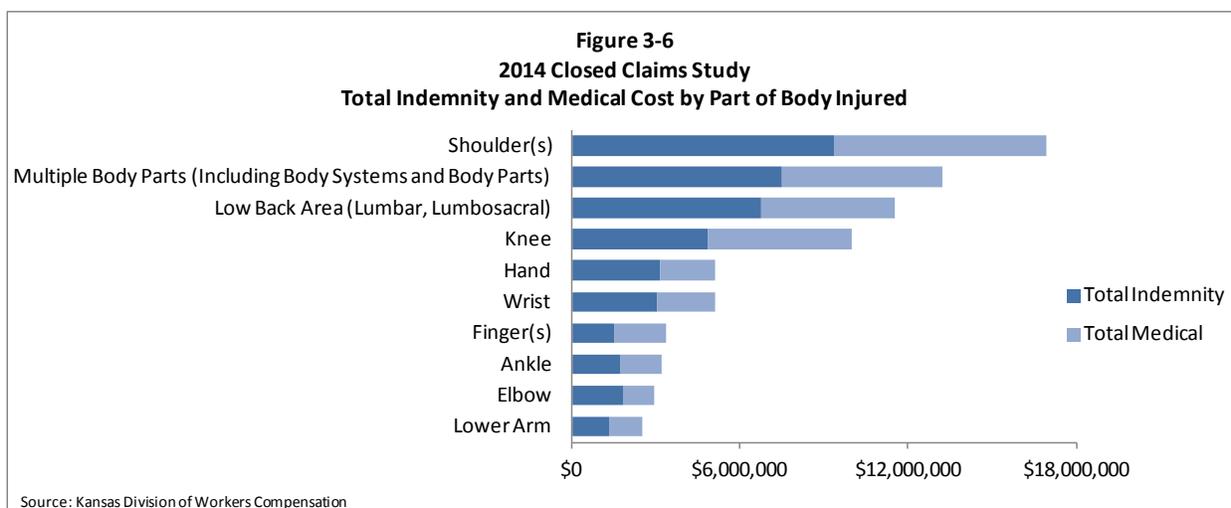
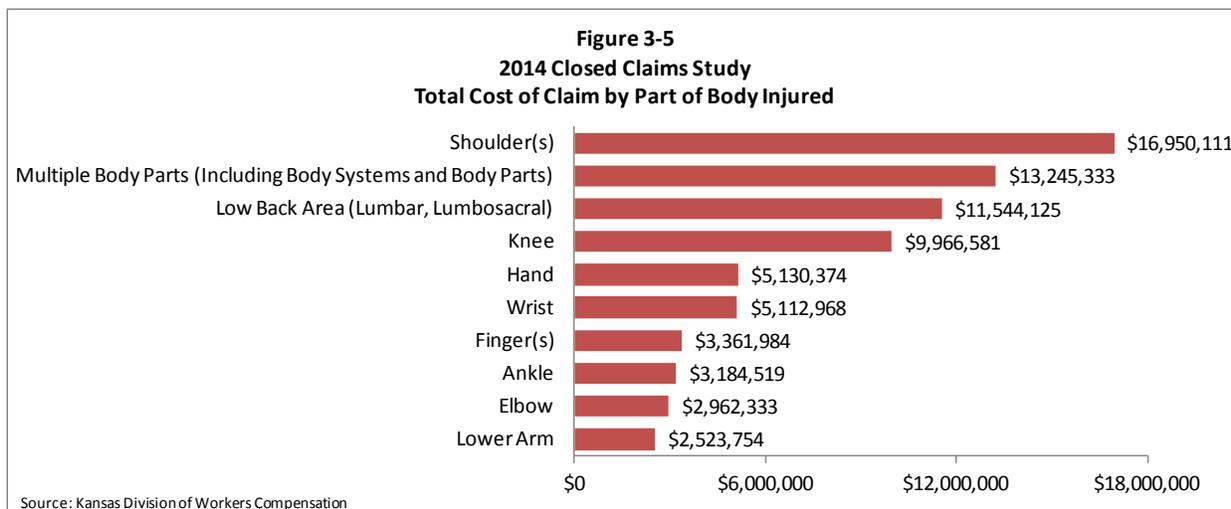


Table 3-4
2014 Closed Claims Study
Median Claim Costs with Median Indemnity and Medical Portion
by Part of Body Injured

Part of Body	Median Cost	Median Indemnity	Median Medical	Occurrences
Shoulder(s)	\$22,325	\$10,673	\$11,259	560
Multiple Body Parts (Including Body Systems and Body Parts)	\$13,575	\$7,054	\$5,989	405
Low Back Area (Lumbar, Lumbosacral)	\$6,962	\$3,083	\$3,387	500
Knee	\$12,813	\$5,000	\$8,129	502
Hand	\$13,566	\$6,148	\$7,644	222
Wrist	\$13,939	\$7,500	\$7,770	223
Finger(s)	\$7,057	\$2,770	\$4,721	280
Ankle	\$5,405	\$3,019	\$2,592	190
Elbow	\$15,137	\$7,155	\$7,717	119
Lower Arm	\$10,140	\$4,328	\$4,539	126

Source: Kansas Division of Workers Compensation

Closed Claims Costs by Nature of Injury

Table 3-5 shows the ten highest overall cost of claims by nature of injury in CY 2014 and the associated total indemnity and medical costs along with the number of injuries that occurred. Table 3-6 shows the median total, indemnity and medical costs by nature of injury listed in Table 3-5. Figures 3-7 and 3-8 graphically display total cost of claim from Table 3-5 and a breakdown into total indemnity and medical costs by nature of injury.

- The ten highest total cost of claims by nature of injury listed in Table 3-5 account for 91 percent of all claims cost and 89 percent of total number of injuries reported with payment for CY 2014.
- Strain injuries were the most frequent nature of injury reported (1,564) and had the highest total claims cost (\$37,011,905); total indemnity cost (\$21,164,584) and total medical costs (\$15,847,321) for CY 2014 (see Table 3-5).

- Fractures had the second highest overall claims cost of \$11,595,939 and the second highest occurrence of injuries with 474 for CY 2014 (see Table 3-5).
- All other injuries, NOC had the third highest overall claims cost of \$11,201,135 for CY 2014 (see Table 3-5). However, it was the fourth most frequent nature of injury with 400 occurrences. These injuries had 11 claims with total costs over \$150,000 including the seventh highest total claim cost of \$338,653.
- Contusion injuries were the third most frequent nature of injury reported (412) for CY 2014 (see Table 3-5). However, it had the fifth highest overall claims cost of \$7,232,943 because half of the total claims cost reported were less than \$6,610 which suppressed its overall claims cost (see Table 3-6).
- Carpal tunnel syndrome injuries had the third highest median total cost of claim (\$26,823) and the second highest median indemnity cost (\$17,926) for CY 2014 which pushed its overall claims cost of \$3,711,278 to seventh highest despite only 102 injuries reported (see Tables 3-5 and 3-6).

**Table 3-5
2014 Closed Claims Study
Total Claim Costs with Total Indemnity and Medical Portion
by Nature of Injury**

Nature of Injury	Total Cost	Total Indemnity	Total Medical	Occurrences
Strain	\$37,011,905	\$21,164,584	\$15,847,321	1,564
Fracture	\$11,595,939	\$4,883,812	\$6,712,127	474
All Other Specific Injuries, NOC	\$11,201,135	\$6,281,023	\$4,920,112	400
Sprain	\$8,342,451	\$5,128,775	\$3,213,676	379
Contusion	\$7,232,943	\$3,734,143	\$3,498,800	412
Multiple Physical Injuries Only	\$4,837,031	\$2,606,949	\$2,230,082	123
Carpal Tunnel Syndrome	\$3,711,278	\$2,420,881	\$1,290,397	102
Inflammation	\$3,248,664	\$2,050,070	\$1,198,594	163
Laceration	\$2,879,612	\$1,140,467	\$1,739,145	204
All Other Cumulative Injuries, NOC	\$2,792,048	\$1,771,208	\$1,020,840	88

Source: Kansas Division of Workers Compensation

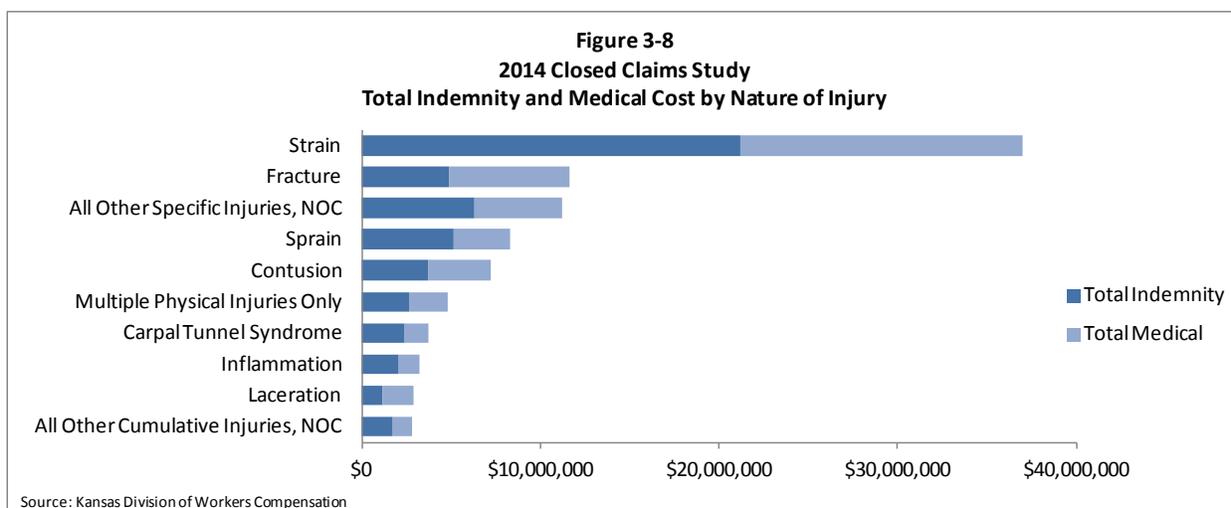
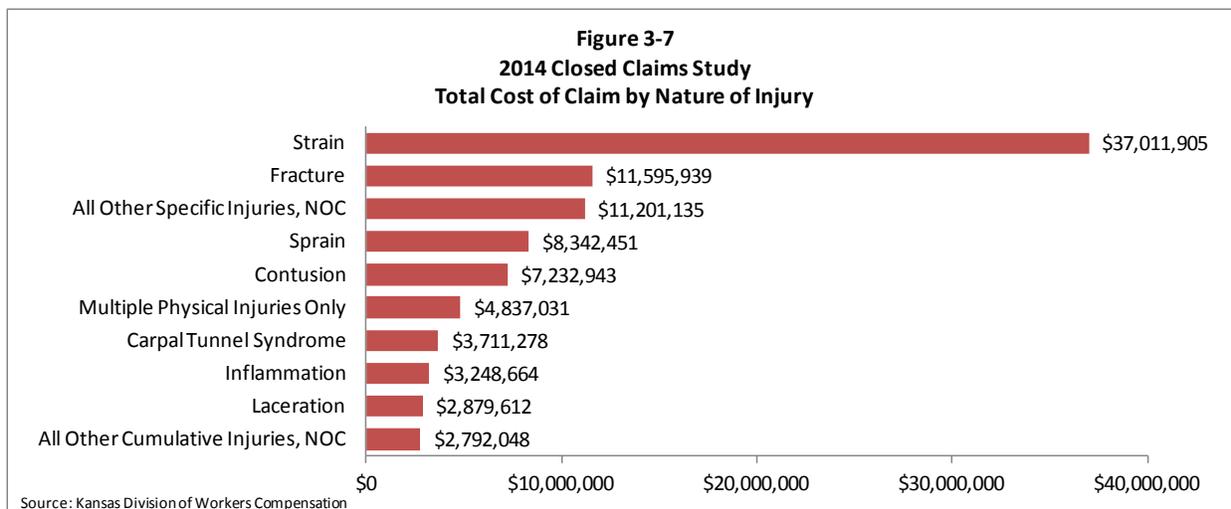


Table 3-6
2014 Closed Claims Study
Median Claim Costs with Median Indemnity and Medical Portion
by Nature of Injury

Nature of Injury	Median Cost	Median Indemnity	Median Medical	Occurrences
Strain	\$11,656	\$5,498	\$6,021	1,564
Fracture	\$10,154	\$3,903	\$6,087	474
All Other Specific Injuries, NOC	\$13,887	\$5,324	\$8,113	400
Sprain	\$12,277	\$6,264	\$4,909	379
Contusion	\$6,610	\$2,560	\$3,404	412
Multiple Physical Injuries Only	\$16,519	\$7,517	\$9,694	123
Carpal Tunnel Syndrome	\$26,823	\$17,926	\$9,062	102
Inflammation	\$12,211	\$6,055	\$5,941	163
Laceration	\$6,462	\$2,298	\$5,084	204
All Other Cumulative Injuries, NOC	\$20,491	\$11,400	\$10,174	88

Source: Kansas Division of Workers Compensation

Closed Claims Costs by Cause of Injury

Table 3-7 shows the ten highest overall cost of claims by cause of injury in CY 2014 and the associated total indemnity and medical costs along with the number of injuries that occurred. Table 3-8 shows the median total, indemnity and medical costs by cause of injury listed in Table 3-7. Figures 3-9 and 3-10 graphically display total cost of claim from Table 3-7 and a breakdown into total indemnity and medical costs by cause of injury.

- The ten highest total cost of claims by cause of injury listed in Table 3-7 account for 62 percent of all claims cost and 59 percent of total number of injuries reported with payment for CY 2014.
- Injuries caused by lifting were the most frequently reported (567) and had the highest total claims cost (\$11,422,219) with total indemnity costs of \$6,137,708 and total medical costs of \$5,304,510 despite its relatively low median cost of

claim of \$9,234 for CY 2014 (see Tables 3-7 and 3-8). Lifting injuries had three claims with total costs greater than \$200,000 including one for \$394,491 which was the fifth highest overall. These high total claim costs combined with the highest frequency of injury pushed lifting injuries to rank first in overall claim costs.

- Injuries caused by repetitive motion and strain or injury by, NOC had the second and third highest cost of claim of \$10,242,037 and \$8,429,292, respectively, for CY 2014 (see Table 3-7).
- Coincidentally, injuries caused by repetitive motion and strain or injury by, NOC were also the second and third most frequently reported injuries with 356 and 341, respectively, for CY 2014 (see Table 3-7).

**Table 3-7
2014 Closed Claims Study
Total Claim Costs with Total Indemnity and Medical Portion
by Cause of Injury**

Cause of Injury	Total Cost	Total		Occurrences
		Indemnity	Medical	
Lifting	\$11,442,219	\$6,137,708	\$5,304,510	567
Repetitive Motion	\$10,242,037	\$6,795,777	\$3,446,260	356
Strain or Injury By, NOC	\$8,429,292	\$5,232,583	\$3,196,709	341
Fall, Slip or Trip, NOC	\$6,798,668	\$3,655,884	\$3,142,784	285
Pusing or Pulling	\$6,518,369	\$3,782,649	\$2,735,721	265
Other - Miscellaneous, NOC	\$5,400,749	\$3,034,769	\$2,365,980	233
Fall, Slip or Trip from Different Level (Elevation)	\$4,527,475	\$1,928,301	\$2,599,174	135
Fall, Slip or Trip on Same Level	\$4,136,361	\$2,107,629	\$2,028,731	198
Fall, Slip or Trip on Ice or Snow	\$3,719,004	\$1,839,530	\$1,879,474	159
Fall, Slip or Trip from Ladder or Scaffolding	\$2,421,131	\$1,073,904	\$1,347,227	74

Source: Kansas Division of Workers Compensation

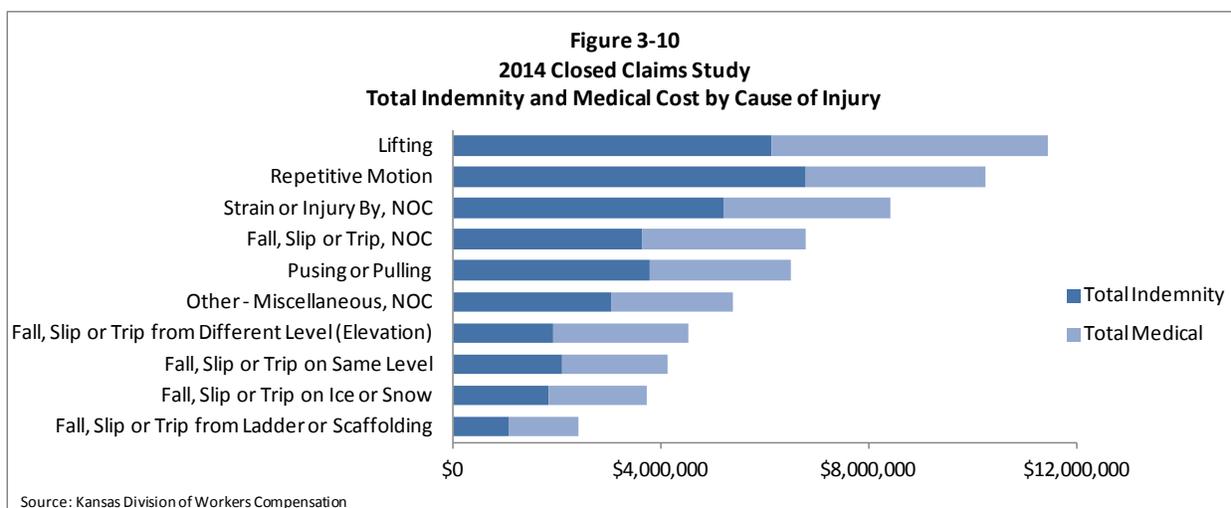
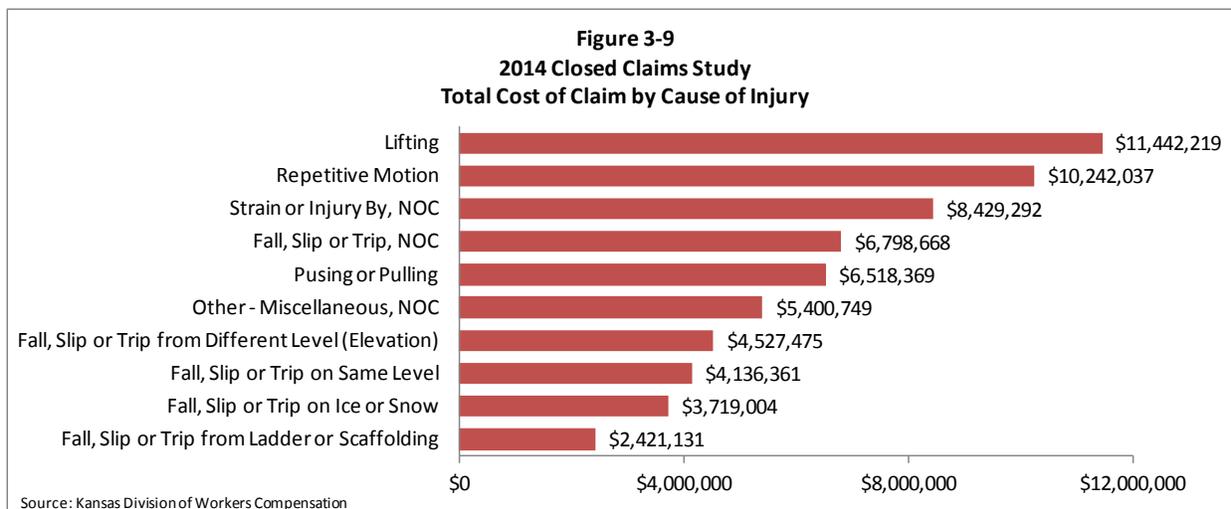


Table 3-8
2014 Closed Claims Study
Median Claim Costs with Median Indemnity and Medical Portion
by Cause of Injury

Cause of Injury	Median Cost	Median Indemnity	Median Medical	Occurrences
Lifting	\$9,234	\$3,180	\$4,999	567
Repetitive Motion	\$20,336	\$11,951	\$7,790	356
Strain or Injury By, NOC	\$13,886	\$7,308	\$6,061	341
Fall, Slip or Trip, NOC	\$11,896	\$5,152	\$6,138	285
Pusing or Pulling	\$12,204	\$5,796	\$5,195	265
Other - Miscellaneous, NOC	\$11,031	\$4,815	\$7,194	233
Fall, Slip or Trip from Different Level (Elevation)	\$11,860	\$4,009	\$9,943	135
Fall, Slip or Trip on Same Level	\$12,672	\$5,212	\$7,324	198
Fall, Slip or Trip on Ice or Snow	\$11,501	\$3,464	\$7,114	159
Fall, Slip or Trip from Ladder or Scaffolding	\$13,359	\$5,808	\$7,259	74

Source: Kansas Division of Workers Compensation

Temporal Characteristics of Closed Claims

Statistical Analysis of Temporal Characteristics of Closed Claims

Table 3-9 presents the five temporal categories and their corresponding statistics from the CY 2014 closed claims study.

- The typical duration for a claim that closed in CY 2014 was 427 days. The shortest claim duration was 18 days and the longest was 11,621 days (see Table 3-9)
- For CY 2014, a typical claim took four days following an accident for an insurer to be notified and 18 days from the date disability began for insurers to make the first payment to the claimant (see Table 3-9).
- When a claimant missed work due to workplace injury, the typical time away from work was 23 days for CY 2014 (see Table 3-9).
- When a claimant required medical treatment for their workplace injury, the typical time needed for medical recovery was 249 days for CY 2014 (see Table 3-9).

**Table 3-9
2014 Closed Claims Study
Time Intervals***

	Min	Max	Median	Count
Claim Duration	18	11,621	427	4,451
Time Away from Work	1	1,876	23	759
Time for Medical Recovery	0	3,790	249	2,167
Time Taken to Notify Insurer	0	8,672	4	4,441
Time Taken for Insurer to Issue First Payment	0	2,692	18	1,495

Source: Kansas Division of Workers Compensation

*All time intervals are in days

Costs Associated with Litigated Claims

Breakdown of closed claims costs associated with litigated claims

Table 3-10 shows indemnity, medical and lump sum settlement costs of closed claims by claimant attorney involvement for CY 2014. Table 3-11 displays the legal costs associated with litigated claims for the employer and claimant over the same time period.

- For claims involving a claimant attorney, the median indemnity cost was \$12,663 for CY 2014. In contrast, for claims not involving a claimant attorney, the median indemnity cost was only \$4,252 (see Table 3-10).
- For claims involving a claimant attorney, the median medical cost was \$8,674 for CY 2014. In contrast, for claims not involving a claimant attorney, the median medical cost was only \$5,990 (see Table 3-10).

- For claims involving a claimant attorney, the median lump sum cost was \$10,750 for CY 2014. In contrast, for claims not involving a claimant attorney, the median lump sum cost was only \$8,190 (see Table 3-10).
- It is important to note that these findings offer no statistical proof that involvement of an attorney results in greater indemnity or medical payments.
- The typical employer legal expense was \$1,541 for those 1,503 claims that reported such an expense for CY 2014. Meanwhile, the typical claimant legal expense was \$3,285 for those 49 claims that itemized such an expense. The total costs for employer and claimant legal expenses were \$4,151,911 and \$258,151, respectively (see Table 3-11).

**Table 3-10
2014 Closed Claims Study
Claims Cost Associated with Claimant Attorney Involvement**

	Indemnity		Medical		Lump Sum	
	Median	Occurrences	Median	Occurrences	Median	Occurrences
Claimant Attorney Involved	\$12,663	298	\$8,674	301	\$10,750	191
No Claimant Attorney	\$4,252	4,008	\$5,990	3,527	\$8,190	1,473
All Cases	\$4,789	4,306	\$6,225	3,828	\$8,500	1,664

Source: Kansas Division of Workers Compensation

**Table 3-11
2014 Closed Claims Study
Legal Expenses Associated with Claim**

	Employer Legal Expense	Claimant Legal Expense
Total	\$4,151,911	\$258,151
Median	\$1,541	\$3,285
Occurrences	1,503	49

Source: Kansas Division of Workers Compensation

Appendix A

**Technical Notes:
Occupational Injury and Illness
Incidence Rates**

and

**Closed Claims Study
Distribution Analysis**

Occupational Injury and Illness Incidence Rates

BLS Survey of Occupational Injuries and Illnesses: The Bureau of Labor Statistics (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 and 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 and illnesses on a regular basis under federal law and smaller employers who are exempt from OSHA record keeping requirements. The survey "excludes the self-employed; farms with fewer than 11 employees; private households; federal government agencies; and, for national estimates, employees in state and local government agencies."⁴ Some states are experimenting with collecting data from the public sector,⁵ but Kansas Labor Market Information Services does not currently do so.

The data collection process differs for the employers who maintain OSHA records on employee injuries and illnesses on a regular basis under federal law and those that are exempt from OSHA record keeping requirements. 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 (those with fewer than 11 employees and those designated as "low-hazard industries" by OSHA) are notified in December of the prior year (e.g., contacted in December of 2014 to record injuries for the 2015 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 to compare the frequency of injuries and illnesses occurring within jurisdictions, industries or specific occupations for a calendar year. The variable "Total Injuries and Illnesses per 100 full-time workers" is the most widely quoted incidence rate, and reflects the incidence rate of "total recordable cases." BLS defines "recordable cases" as follows:

Recordable cases include work-related injuries and illnesses that result in:

- Death
- Loss of consciousness
- Days away from work
- Restricted work activity or job transfer
- Medical treatment (beyond first aid)
- Significant work related injuries or illnesses that are diagnosed by a physician or other licensed health care professional. These include any work related case involving cancer, chronic irreversible disease, a fractured or cracked bone, or a punctured eardrum.

⁴ BLS, 2005 News Release: *Workplace Injuries and Illnesses in 2005*, <http://stats.bls.gov/news.release/pdf/osh.pdf>.

⁵ E.g., Christine Baker, *Trends in Occupational Injuries and Illnesses: USA and California*, IAIABC Journal, Vol. 44 No. 1, 151, 169 (Spring 2007) (explaining that the California Division of Labor Statistics and Research (DSLRS) surveys approximately 800 public sector employers).

- Additional criteria that can result in a recordable case include:
 - Any needlestick injury or cut from a sharp object that is contaminated with another person's blood or other potentially infectious material.
 - Any case requiring an employee to be medically removed under the requirements of an OSHA health standard.
 - Tuberculosis infection as evidenced by a positive skin test or diagnosis by a physician or other licensed health care professional after exposure to a known case of active tuberculosis.
 - An employee's hearing test (audiogram) reveals 1) that the employee has experienced a Standard Threshold Shift (STS) in hearing in one or both ears (averaged at 2000, 3000, and 4000 Hz) and 2) the employee's total hearing level is 25 decibels (dB) or more above the audiometric zero (also averaged at 2000, 3000, and 4000 Hz) in the same ear(s) as the STS.

The incidence rate is calculated as follows:

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

IR = Incidence Rate

N = total number of occupational injuries and/or illnesses

EH = total hours worked by all [private industry] employees during the calendar year

200,000 = Base for 100 full-time equivalent workers (working 40 hours per week, 50 weeks per year)⁶

Kansas Occupational Injury and Illness Incidence Rates: The division collects data on the entire population of workplace injuries and illnesses in the state of Kansas 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 division's analysts utilized the BLS statistical formula (see above) to calculate the incidence of injury for Kansas's non-federal employment hours. Injury and illness data was obtained from the Division of Workers Compensation, and the employment hour data used in the division's calculation of incidence rates was obtained from the Kansas Labor Market Information Services Division.

⁶ Bureau of Labor Statistics, *Occupational Safety and Health Definitions*, <http://stats.bls.gov/iif/oshdef.htm>.

Closed Claims Study Distribution Analysis

After 15 years of analyzing claims data, the division still maintains that distribution of medical and indemnity claim costs in Kansas are not normally distributed and, therefore, the median, rather than the mean (“average”), is the more appropriate measure of central tendency for summarizing closed claims costs data, since the median is relatively unaffected by high-cost outliers.

Statistical measures of dispersion, such as standard deviation or skewness, help explain how outliers “inflate” the mean for both claim costs and characteristics variables. For all years, the sample distributions for claim costs and temporal variables have been positively skewed, or right skewed. Compared to a normally distributed variable, in the shape of a bell curve, the distribution of claim costs (for both indemnity and all medical variables) are skewed right, with most of the claims bunched near the left wall of the histogram, while a relatively few claims extend the histogram out to the right giving it a long tail. Hence, we use the term right skewed or positively skewed, because the values in the tail extend the distribution into positive, not negative, values. Quantitative assessment of the skewness of a distribution can be calculated, but it must be assessed together with another measure - kurtosis, or the tendency of data to be distributed toward the ends or tails of the spread.

For a normally distributed variable, kurtosis would be close to zero.⁷ If kurtosis is less than zero, then the distribution is referred to as “light tailed,” but if greater than zero, it is described as “heavy tailed.” Since the distributions of all the study variables are asymmetrical (values cannot be less than zero), the kurtosis measures indicate that there are many outliers (high cost and large number of days) in the tails of the distribution of the study variables (kurtosis is much higher for some of the medical cost variables).

⁷ Actually, kurtosis of the normal distribution is three, but SAS software subtracts three from the calculation, so that the reference point becomes zero, a more intuitively appealing number in their estimation.