The background of the cover features a close-up of a sunflower's yellow petals on the right side, and a circular stained glass dome structure on the left side, set against a dark blue background.

Workers Compensation 42nd Annual Statistical Report

Fiscal Year 2016



KANSAS DEPARTMENT OF LABOR

Division of Workers Compensation 42nd Annual Statistical Report Fiscal Year 2016

January 2017

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Kansas Department of Labor Mission Statement

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.

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Message from the Secretary of Labor

We are happy to present an annual review of data from the previous fiscal and calendar year for our Worker's Compensation Division.

In Fiscal Year (FY) 2016, the division processed 12,041 applications for hearings. The business section issued 143 self-insurance permits to employers. The compliance section established 773 employer contacts. This year, the fraud and abuse unit collected \$225,088.08 in restitution and civil penalties. In addition, the ombudsman section answered information requests from 19,795 parties and the research unit responded to more than 43,000 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 190 trading partners submitting data on behalf of more than 600 insurance carriers and self-insured employers. During FY 2016, 99 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 FY 2016 with selection of a vendor. The implementation phase is planned to begin 1st quarter of 2017. 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.

If there are any questions or suggestions on how we can serve you better, please feel free to contact the Worker's Compensation Division at wc@dol.ks.gov.

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, 2016, the maximum weekly benefit one could receive would be \$627. 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, 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
July 1, 2016-June 30, 2017	\$627
 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.

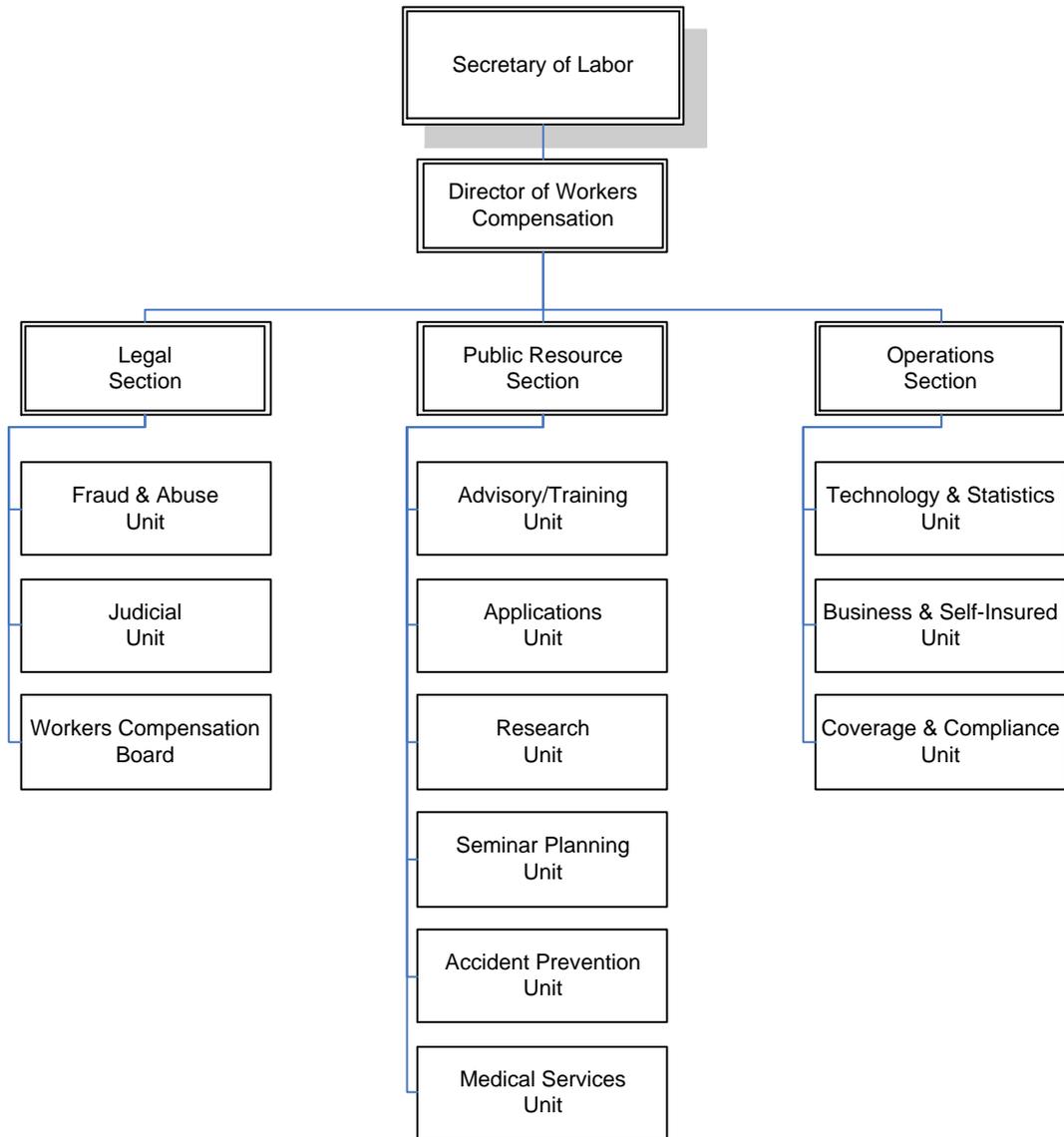
Permanent Partial General Disability is paid when the employee sustains permanent partial disability not specifically covered by the schedule. Compensation is based on the percentage of disability remaining after recovery and is limited to 415 weeks.

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 2016

**Figure 1-1
Organizational Chart
Kansas Department of Labor
Division of Workers Compensation
FY 2016**



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.

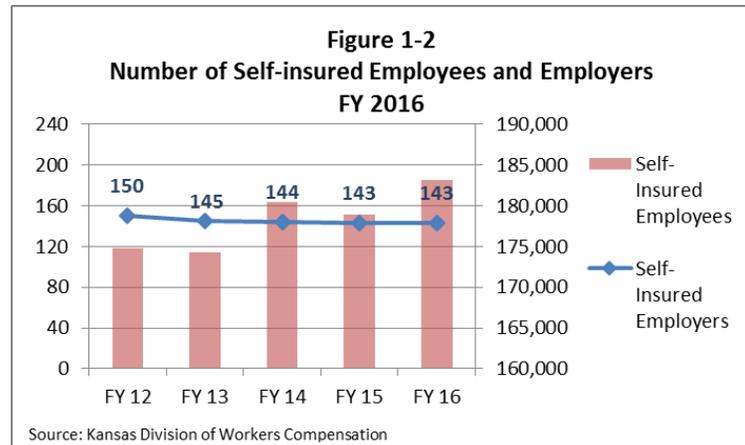
Quick Facts

Assessments Collected to Finance 2017

- \$418,138,780 reported losses paid in CY 2015
- \$11,657,125 assessments collected in FY 2016
- Current assessment factor is .0279
- 783 carriers, pools and self-insurers reported to the division

Self Insurance

- Three employers’ new applications approved
- Three 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.

Notification of a non-compliant employer is received via a report received from National Council on Compensation Insurance (NCCI) that shows employers who have cancelled coverage, outside referrals, in-house referrals and other State agency referrals.

Tasks

- Administer and enforce 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 research and resolve incomplete information.
- EDI trading partner compliance
- NCCI proof of coverage timely reporting compliance.

Quick Facts

Coverage and Compliance

- 25,759 employers researched
- 773 employers contacted for no proof of coverage with 388 of these referred to the fraud unit for investigation
- 143 employers obtained coverage; 581 employers provided proof of coverage or explanation for exemption; and 978 employers provided renewed certificates of coverage

Data Entry

- 3,069 employers created and 12,939 updated in database

Social Security Verification

- 18,610 claimants created and 111,067 updated in database

Research

- 38,892 EDI accidents; 668 elections; and 233 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 assist 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 190 trading partners utilized EDI to send reports on behalf of more than 500 insurance carriers and 140 self-insured employers
- EDI received a total of 163,902 reports at an acceptance rate of 83%
- 51,081 EDI first reports of injury were filed
- Developed and implemented a pilot XML transaction process for EDI data transmission
- Planning phase for the Kansas workers compensation digitization project continued in FY 2016 with the development of requirements and a request for proposal; will be completed in FY 2017 with the vendor interview process and selection of vendor

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

- 242 decisions issued
- 259 applications for review received
- 288 dispositions generated including dismissals and settlements

Visit the Board's website at: <http://www.dol.ks.gov/WorkComp/AboutBoard.aspx>.

Legal Section

Administrative Law Judges

Objective

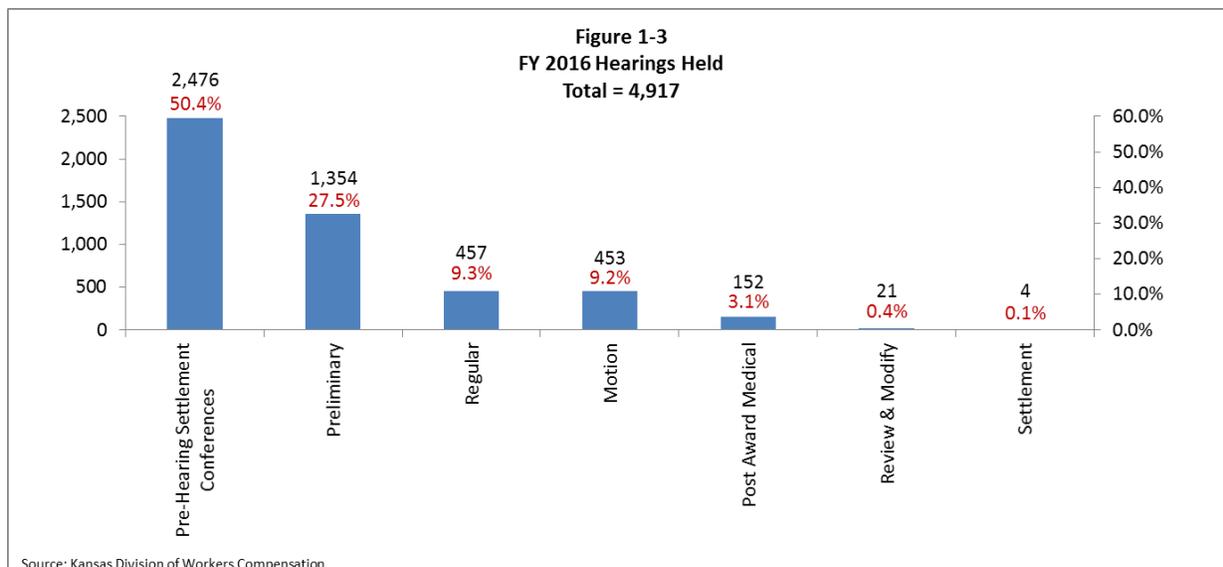
Hold hearings and issue decisions in contested workers compensation claims.

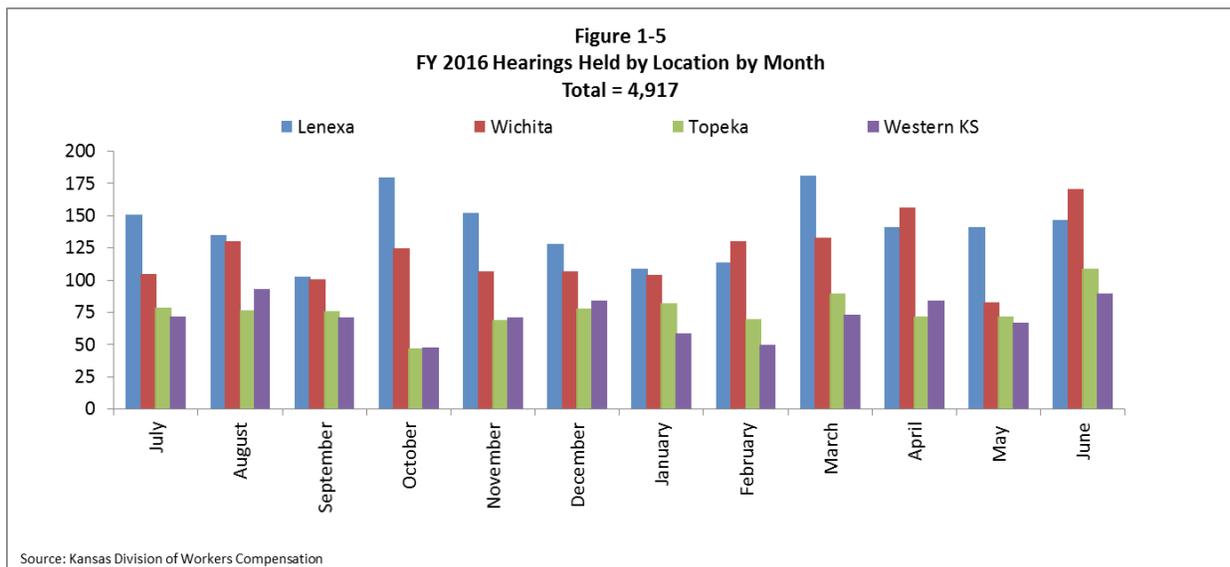
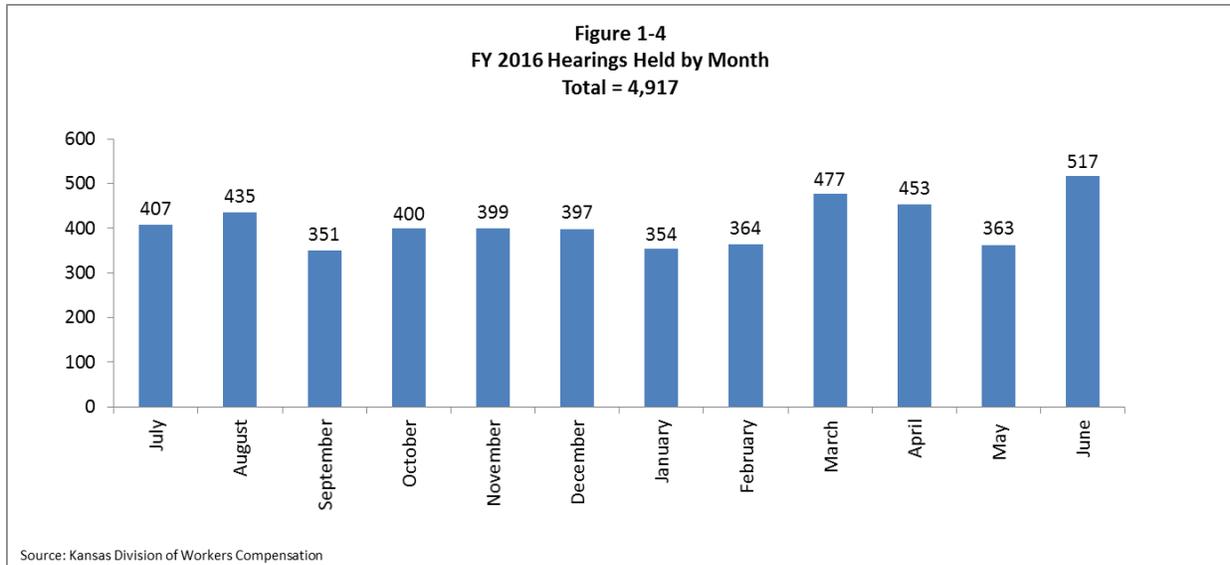
Tasks

- 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

- 4,917 total hearings held by regular ALJs; 50 percent were pre-hearing settlement conferences (see Figure 1-3)
- June 2016 ranked the highest month for hearings with a total of 517 (see Figure 1-4); 45 percent were pre-hearing settlement conferences, 31 percent were preliminary hearings and 13 percent were regular hearings (see Table 1-1).
- March 2016 ranked 2nd highest month for hearings with 477 (see Figure 1-4); 51 percent were pre-hearing settlement conferences, 25 percent were preliminary hearings and 6 percent were regular hearings (see Table 1-1).
- Lenexa held the most hearings with 1,682, followed closely by Wichita with 1,452 (see Figure 1-5 for hearings held by location per month)
- 5,311 total settlement hearings held by special ALJs of which 2,891 were docketed cases and 2,420 were undocketed cases





**Table 1-1
Administrative Law Judges Monthly Case Report
by Hearing Type FY 2016**

Month	Hearing Type							Total
	Preliminary	Motion	Regular	Settlement	Pre-Hearing Settlement Conferences	Review & Modify	Post- Award Medical	
July	113	42	29	0	211	2	10	407
August	101	35	45	0	243	2	9	435
September	108	35	41	1	149	2	15	351
October	88	25	40	0	230	1	16	400
November	104	41	37	1	209	0	7	399
December	127	28	29	1	197	2	13	397
January	91	46	39	0	171	0	7	354
February	101	23	36	0	191	1	12	364
March	119	60	29	0	241	8	20	477
April	156	46	33	1	199	2	16	453
May	88	25	34	0	204	1	11	363
June	158	47	65	0	231	0	16	517
Total	1,354	453	457	4	2,476	21	152	4,917

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 2016**

Location	Hearing Type	Month												Total
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Lenexa	Preliminary	41	22	30	31	32	48	34	24	38	38	35	35	408
	Motion	16	11	8	9	26	9	13	10	18	11	11	18	160
	Regular	6	7	6	16	7	4	7	11	3	10	11	11	99
	Pre-Hearing Settlement Conferences	87	91	57	114	87	64	54	69	115	76	84	82	980
	Review and Modify	1	1	1	0	0	1	0	0	1	0	0	0	5
	Post-Award Medical Settlements	0	3	1	10	0	1	1	0	6	5	0	1	28
		0	0	0	0	0	1	0	0	0	1	0	0	2
	Total		151	135	103	180	152	128	109	114	181	141	141	147
Topeka	Preliminary	19	24	21	16	18	28	18	19	27	30	16	33	269
	Motion	14	5	6	5	4	10	9	6	16	4	6	12	97
	Regular	10	15	19	10	14	7	12	5	11	7	13	22	145
	Pre-Hearing Settlement Conferences	36	30	28	16	31	28	41	38	34	28	35	39	384
	Review and Modify	0	1	0	0	0	0	0	0	0	0	0	0	1
	Post-Award Medical Settlements	0	2	2	0	2	5	2	2	2	3	2	3	25
		0	0	0	0	0	0	0	0	0	0	0	0	0
	Total		79	77	76	47	69	78	82	70	90	72	72	109
Western Kansas ¹	Preliminary	23	20	20	10	21	28	13	10	13	23	15	27	223
	Motion	2	10	9	7	6	6	11	3	8	15	5	8	90
	Regular	7	7	6	3	4	10	7	10	6	7	5	11	83
	Pre-Hearing Settlement Conferences	35	53	28	27	36	38	26	27	34	39	40	40	423
	Review and Modify	0	0	1	0	0	0	0	0	7	0	0	0	8
	Post-Award Medical Settlements	5	3	7	1	3	2	2	0	5	0	2	4	34
		0	0	0	0	1	0	0	0	0	0	0	0	1
	Total		72	93	71	48	71	84	59	50	73	84	67	90
Wichita	Preliminary	30	35	37	31	33	23	26	48	41	65	22	63	454
	Motion	10	9	12	4	5	3	13	4	18	16	3	9	106
	Regular	6	16	10	11	12	8	13	10	9	9	5	21	130
	Pre-Hearing Settlement Conferences	53	69	36	73	55	67	50	57	58	56	45	70	689
	Review and Modify	1	0	0	1	0	1	0	1	0	2	1	0	7
	Post-Award Medical Settlements	5	1	5	5	2	5	2	10	7	8	7	8	65
		0	0	1	0	0	0	0	0	0	0	0	0	1
	Total		105	130	101	125	107	107	104	130	133	156	83	171
Grand Total		407	435	351	400	399	397	354	364	477	453	363	517	4,917

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 2016**

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	18	72.0%	1.8%	7	28.0%	0.7%	25	2.5%
Change Physician	2	16.7%	0.2%	10	83.3%	1.0%	12	1.2%
Additional Medical	61	54.0%	6.1%	52	46.0%	5.2%	113	11.4%
Preliminary Temporary Total & Medical	737	87.2%	74.1%	108	12.8%	10.9%	845	84.9%
Temporary Total	99	78.6%	9.9%	27	21.4%	2.7%	126	12.7%
Medical	437	91.0%	43.9%	43	9.0%	4.3%	480	48.2%
Temporary Total & Medical	184	82.9%	18.5%	38	17.1%	3.8%	222	22.3%
Temporary Total, not Medical	3	100.0%	0.3%	n/a	n/a	n/a	3	0.3%
Medical, not Temporary Total	14	100.0%	1.4%	n/a	n/a	n/a	14	1.4%
Total Preliminary Orders*	818	82.2%	82.2%	177	17.8%	17.8%	995	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 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

- 566 total referrals received (see Table 1-4 on the following page for a breakdown by referral type)
- 562 total cases investigated of which 508 were compliance cases and 58 were fraud/abuse cases

Prosecutions

- 44 cases referred for administrative charges

Collections

- \$205,408.40 assessed in fines and restitution
- \$225,088.08* total collected with \$11,871.38 in fraud and abuse fines (K.S.A 44-5,120), \$213,216.70 in compliance fines (K.S.A. 44-532 & 44-557); of the total collected \$3,300.00 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 2016**

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)	31
Refusing to pay compensation as and when due: K.S.A. 44-5,120(d)(18)	7
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)	7
Failing to confirm medical compensation benefits coverage to any person or facility providing medical treatment to a claimant if a clear and legitimate dispute does not exist as to the liability of the insurance carrier, self-insured employer or group-funded self-insurance plan: K.S.A. 44-5,120 (d)(15)	2
Refusing to pay any order awarding compensation: K.S.A 44-5,120 (d)(19)	2
Failing to maintain workers compensation insurance when required: K.S.A. 44-532 (d)	417
Employers duty to report accidents: K.S.A. 44-557	91
All other fraudulent and abusive practices	9
Total	566

Source: Kansas Division of Workers Compensation

Fraud Hotline
 (800)-332-0353 24 hrs/day
 (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

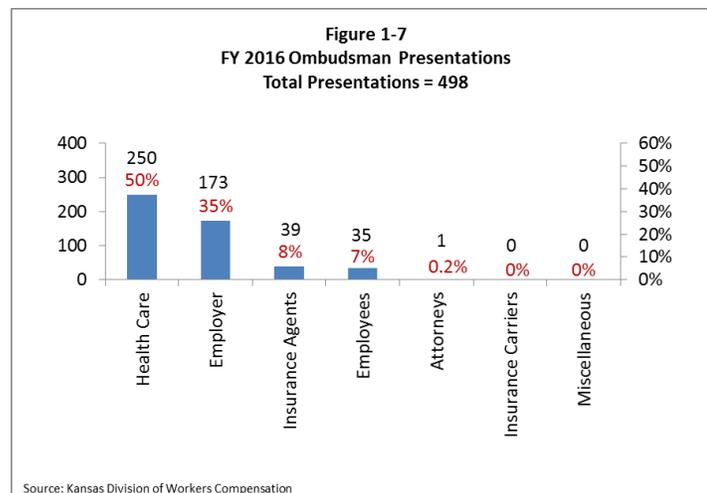
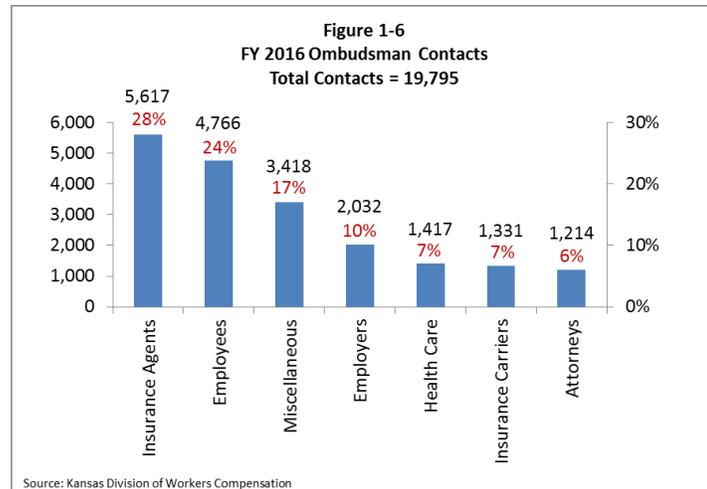
Objective

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.

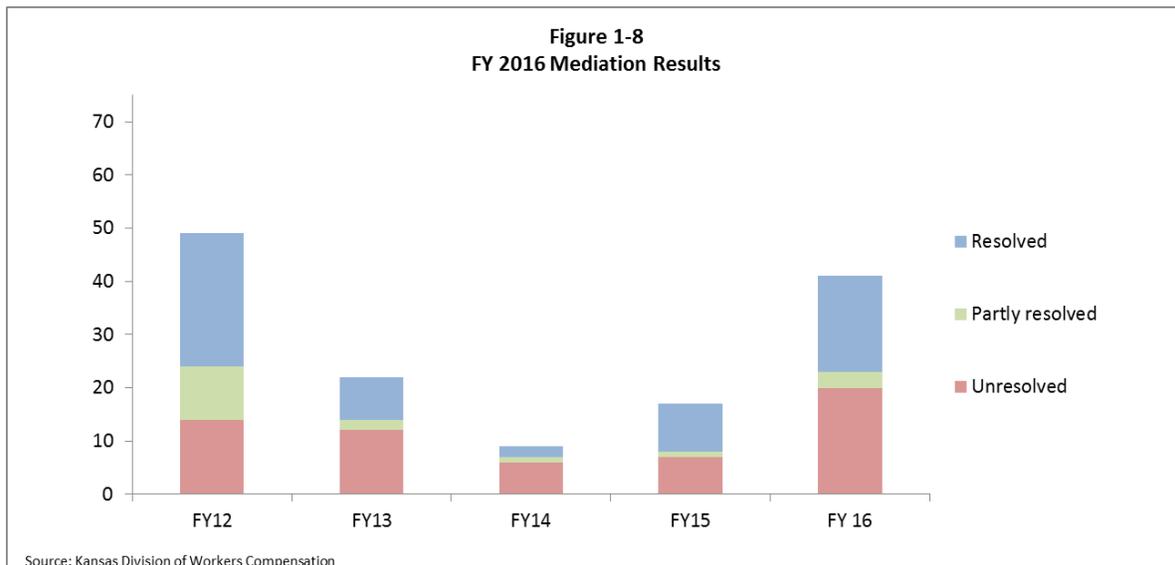
Quick Facts

- 15 average mediation contacts per week were made in FY 2016
- 41 total mediations held in FY 2016. See Table 1-5 and Figure 1-8 for a breakdown of the results of these mediations

**Table 1-5
FY 2016 Mediation Results**

	FY12	FY13	FY14	FY 15	FY 16
Resolved	25	8	2	9	20
Partly resolved	10	2	1	1	3
Unresolved	14	12	6	7	18
Total Held	49	22	9	17	41

Source: Kansas Division of Workers Compensation



Public Resource Section

Seminar Planning

Objective

Produce an education-based event to share information about legislative and procedural changes, updates to forms and publications, requirements in electronic reporting, advancements made in the field of medicine and other workers compensation-based information.

Note: Annual Workers Compensation Seminar is funded by sponsor contributions, exhibitor and attendee fees. They are not supported by taxpayer dollars.

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

- 42nd Annual Workers Compensation Seminar was held at the Overland Park Convention Center on September 27 and 28, 2016
- The seminar hosted a total of 535 attendees
- There were two levels of corporate sponsorship:
 - 11 companies contributed at the gold level
 - 39 contributed at the silver level
- 89 companies exhibited
- Continuing education credits were issued to:
 - 218 attorneys
 - 76 nurses
 - 41 certified case managers
- Additional assistance was provided to 20 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

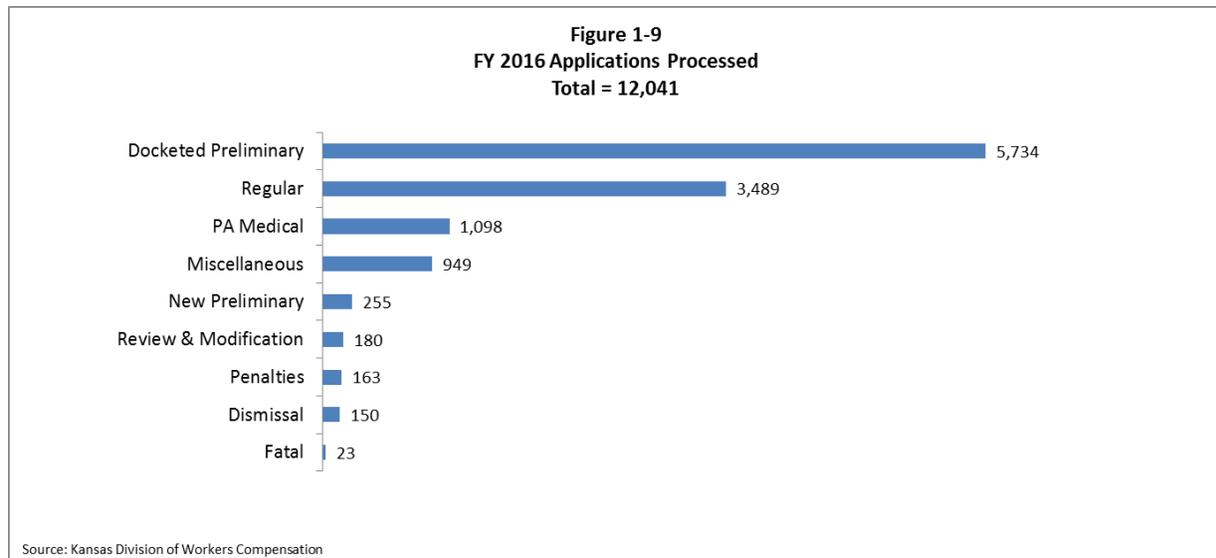
Process all applications and motions for hearing. Create official claimant docket for records.

Tasks

- Enter application for hearing into database and assigns an ALJ.
- Generate and send 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

- 12,041 total applications processed including 5,989 preliminary hearing applications (see Figure 1-9 for a breakdown of types of applications)
- 5,060 contacts received and/or initiated which includes instructions to file applications, providing docketed information and clarifying information
- 12,356 employer requests entered and archived



Public Resource Section

Research

Objective

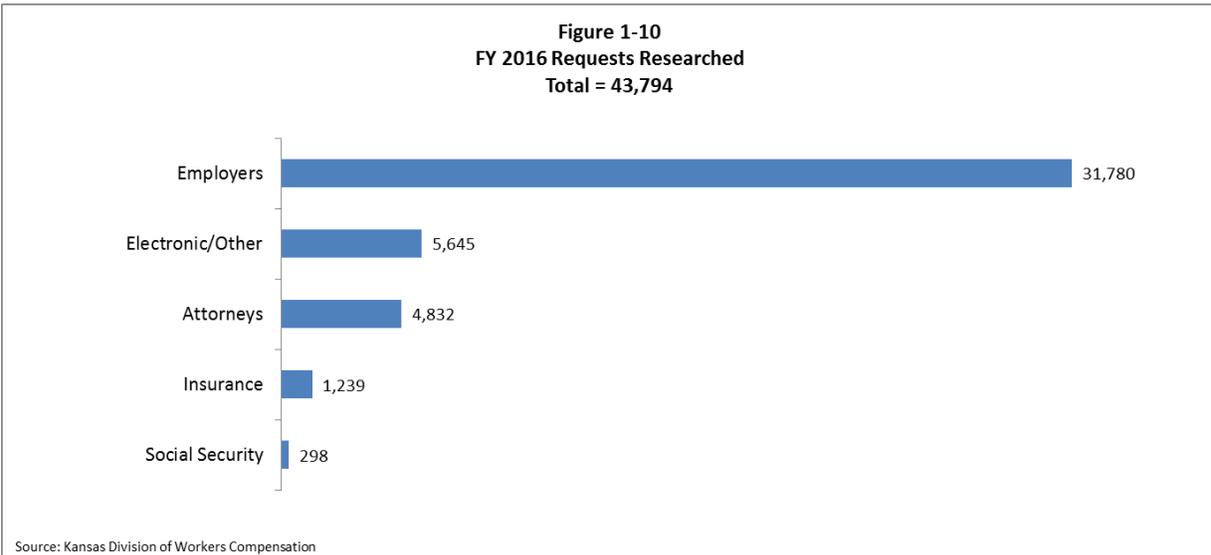
Conduct research on all requests for records regarding prior claim information.

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

- 43,794 total requests for records researched (see Figure 1-10 for a breakdown of types of requests researched)
- 4,618 images scanned: 1,732 election forms and 2,886 undocketed settlements, final receipts and joint petitions
- 6,698 awards, settlements, joint petitions and final receipts entered into the database



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 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.

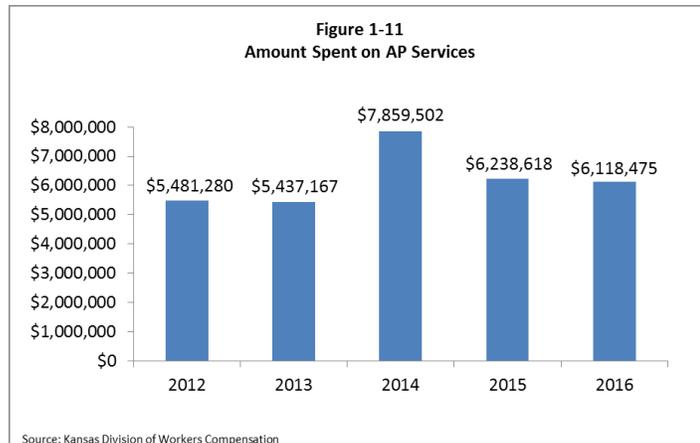
² In 2005 to 2006, the Industrial Safety and Health (ISH) Section of the Division of Workers Compensation became a stand-alone division under the Kansas Department of Labor. ISH continued to administer the provisions of K.S.A. 44-5,104 (the accident prevention statute) until the early spring of 2015,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

Tasks

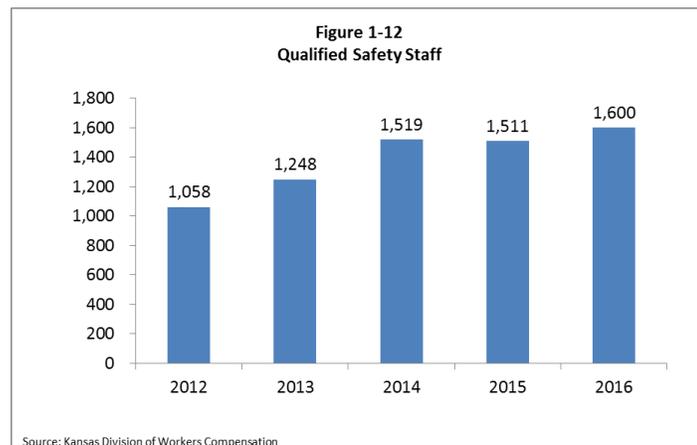
- Maintain list of insurers having current certificate to write workers compensation insurance in Kansas.
- Send annual reminder notice to insurers regarding the reporting requirement.
- Monitor reporting to identify non-responders.
- Furnish list of non-responders to the Commissioner of Insurance.
- 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

- All companies were in compliance for reporting in FY 2016.
- Total amount spent on AP services was down 2% from FY 2015, but still nearly the same average amounts spent from Fiscal Years 2012 through 2015 (see Figure 1-11)

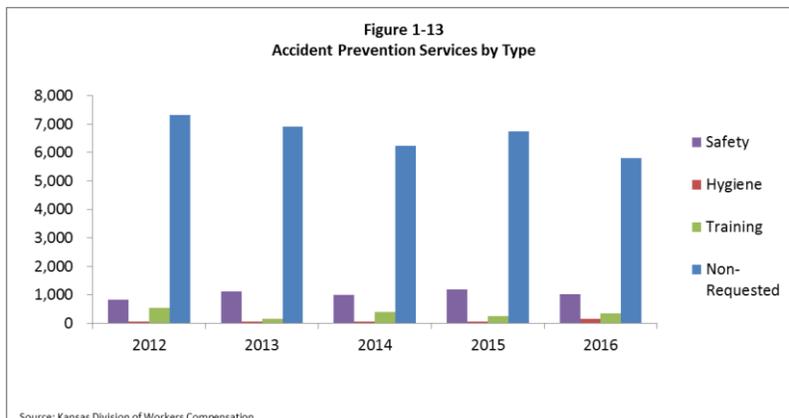


- Number of qualified safety staff was up six percent from 2015, and up 20% over the 2012-2015 average, indicating staffing in the AP programs remains strong (see Figure 1-12)



Quick Facts continued

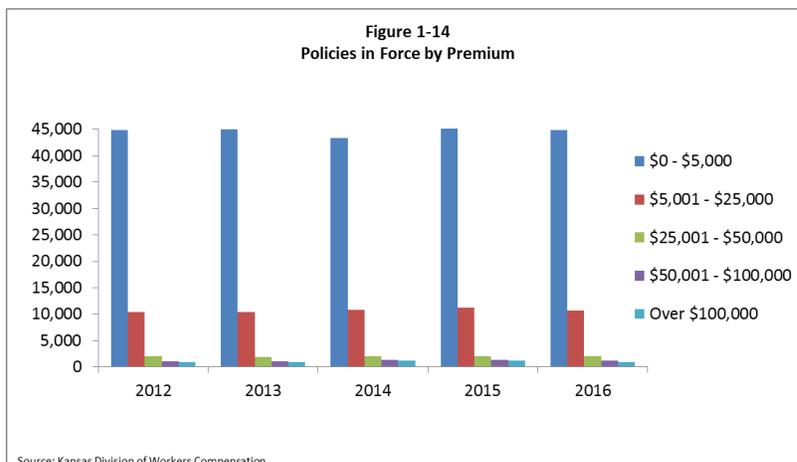
- Number of services requested by employers was up two percent over 2015 and up 8% over the 2012-2015 average (see Figure 1-13 and Table 1-6).
- Number of services provided but not requested by employers was down 14% over 2015 and down 15% from the 2012-2015 average (see Figure 1-13 and Table 1-6).
- Total services provided were down 15% from 2015 and down 11% over the 2012-2015 average (see Figure 1-13 and Table 1-6).
- Policies in force were down three percent from 2015 and up 0.05% over the 2012-2015 average (see Figure 1-14 and Table 1-7).
- Total FY premiums written were up six percent from 2015 and up five percent over the 2012-2015 average (see Figure 1-15 and Table 1-8).
- Total FY direct losses incurred were up 16% from 2015 and up two 16% from the 2012-2015 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 2016 Accident Prevention Services by Type**

	Requested			Non-requested	Total
	Safety	Hygiene	Training		
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
FY 16	1,025	157	353	5,798	7,333

Source: Kansas Division of Workers Compensation

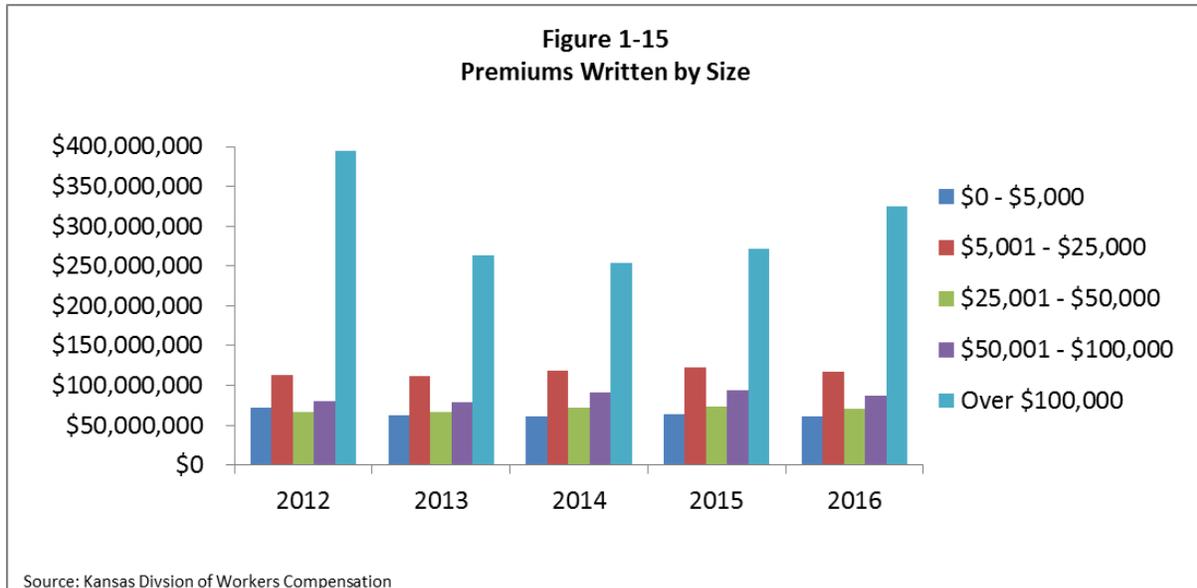


Source: Kansas Division of Workers Compensation

**Table 1-7
FY 2016 Policies in Force by Premium**

Premium	FY 12	FY 13	FY 14	FY 15	FY 16
\$0 - \$5,000	44,894	44,922	43,347	45,551	44,788
\$5,001 - \$25,000	10,437	10,450	10,787	11,239	10,702
\$25,001 - \$50,000	1,966	1,914	2,042	2,075	1,988
\$50,001 - \$100,000	1,132	1,124	1,290	1,328	1,254
Over \$100,000	897	974	1,206	1,205	995

Source: Kansas Division of Workers Compensation



**Table 1-8
FY 2016 Premiums Written by Size**

Premium	FY 12	FY 13	FY 14	FY 15	FY 16
\$0 - \$5,000	\$72,635,602	\$62,508,094	\$60,864,676	\$63,304,025	\$61,305,674
\$5,001 - \$25,000	\$112,468,221	\$111,460,201	\$118,054,620	\$122,948,706	\$117,707,052
\$25,001 - \$50,000	\$66,933,280	\$67,258,702	\$72,384,906	\$73,128,571	\$70,191,254
\$50,001 - \$100,000	\$79,747,076	\$79,131,223	\$91,317,025	\$94,051,310	\$87,227,532
Over \$100,000	\$394,274,050	\$263,620,726	\$253,543,257	\$272,022,133	\$324,993,710

Source: Kansas Division of Workers Compensation

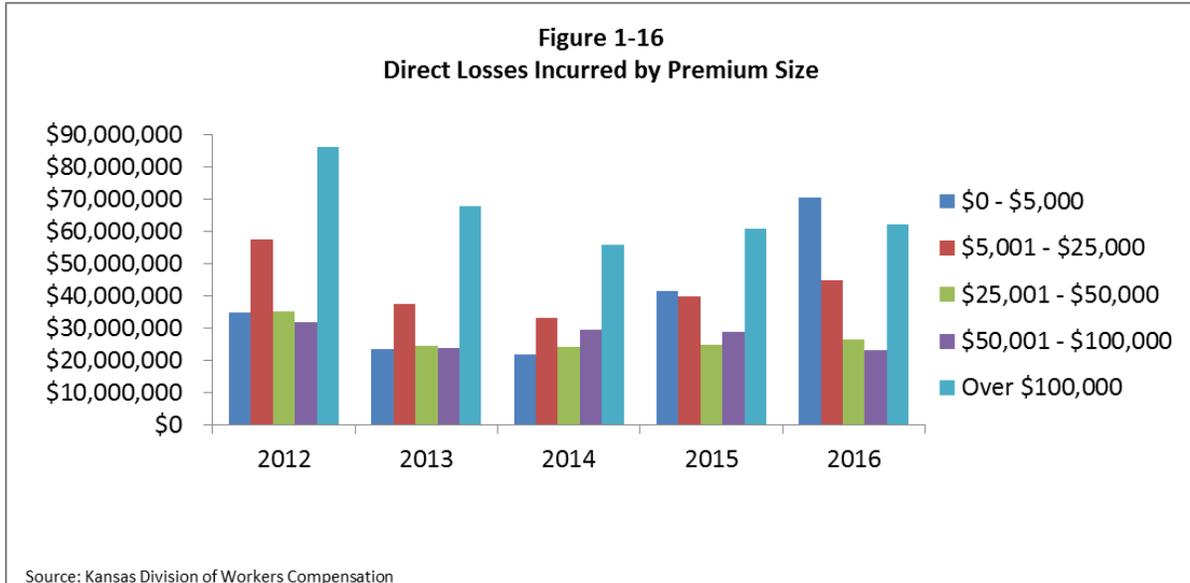


Table 1-9
FY 2016 Direct Losses Incurred by Premium Size

Premium	FY 12	FY 13	FY 14	FY 15	FY 16
\$0 - \$5,000	\$34,702,258	\$23,583,371	\$21,591,641	\$41,281,908	\$70,408,311
\$5,001 - \$25,000	\$57,309,377	\$37,435,037	\$33,211,514	\$39,897,628	\$44,803,768
\$25,001 - \$50,000	\$35,091,510	\$24,273,491	\$24,164,114	\$24,753,407	\$26,580,221
\$50,001 - \$100,000	\$31,720,026	\$23,873,623	\$29,283,058	\$28,701,665	\$23,049,541
Over \$100,000	\$86,213,335	\$67,648,040	\$55,859,587	\$60,771,099	\$62,015,403

Source: Kansas Division of Workers Compensation

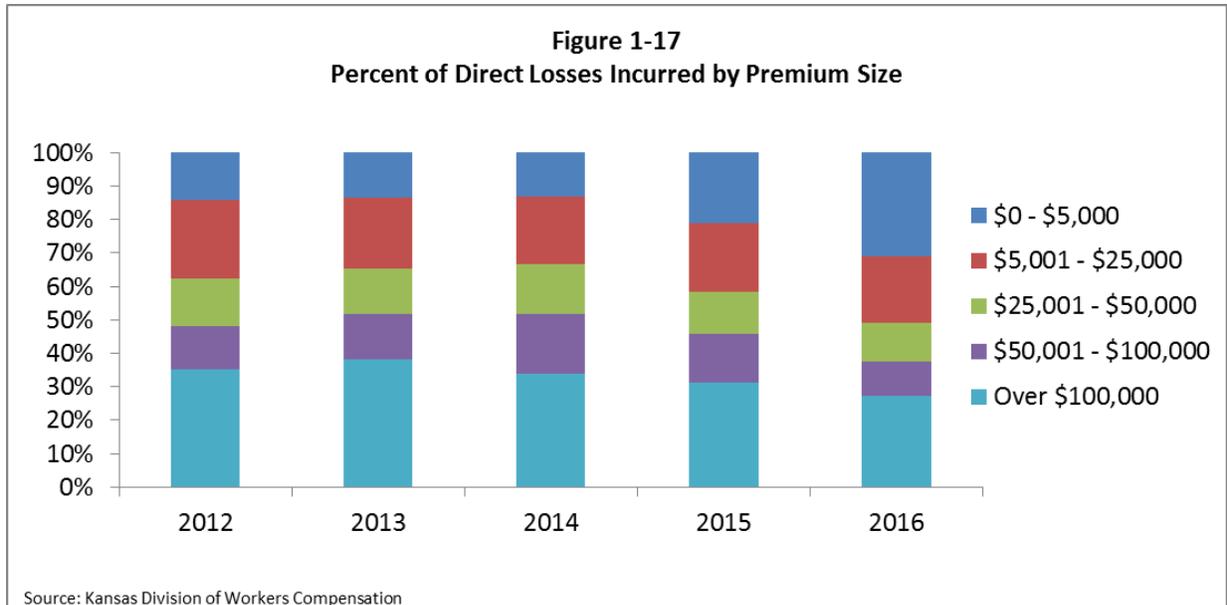


Table 1-10
FY 2016 Percent of Direct Losses Incurred
by Premium Size

Premium	FY 12	FY 13	FY 14	FY 15	FY 16
\$0 - \$5,000	14.2%	13.3%	13.2%	21.1%	31.0%
\$5,001 - \$25,000	23.4%	21.2%	20.2%	20.4%	19.7%
\$25,001 - \$50,000	14.3%	13.7%	14.7%	12.7%	11.7%
\$50,001 - \$100,000	12.9%	13.5%	17.8%	14.7%	10.2%
Over \$100,000	35.2%	38.3%	34.0%	31.1%	27.3%

Source: Kansas Division of Workers Compensation

Section 2

Occupational Injuries and Illnesses in Kansas FY 2016

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 2016 (July 1, 2015 up to and including June 30, 2016). 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 2007 to FY 2016.

- There were 48,075 total occupational injuries and illnesses reported to the Division of Workers Compensation during FY 2016. The FY 2016 total reflects all accidents occurring during the year, including fatalities, and represents a decrease of 2,463 reported injuries and illnesses, or a 4.9 percent decrease, from the previous year's total.
- From another perspective, 132 employees per day were either injured or killed on the job in Kansas last fiscal year.
- The average annual decrease between FY 2007 and FY 2016 of the total occupational injuries and illnesses reported is 3.9 percent and the overall decrease is 31 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 (FTE) workers 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 FTE workers in the private and public sectors in Kansas was 3.5 in FY 2016. This was a decrease by 5 percent from last fiscal year.
- The average annual decrease between FY 2007 and FY 2016 of the incidence rate per 100 FTE for total occupational injuries and illnesses is 4.1 percent and the overall decrease is 32 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 2007 - FY 2016

Fiscal Year	Total	Annual Change	Avg	
			Annual Change	Total Change
			-3.90%	-30.54%
FY 07	69,211			
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%		
FY 16	48,075	-4.93%		

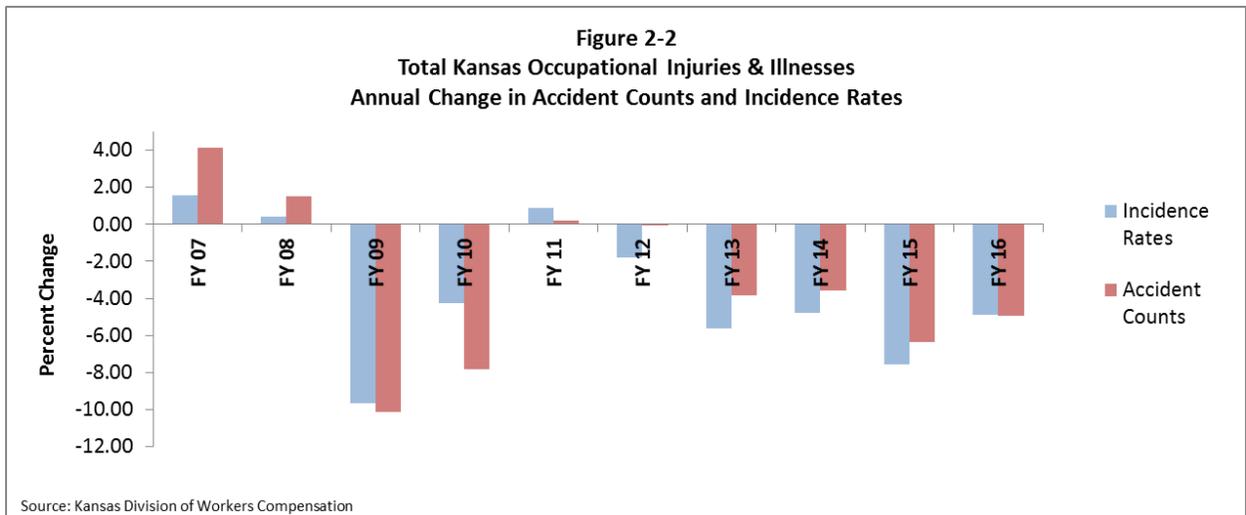
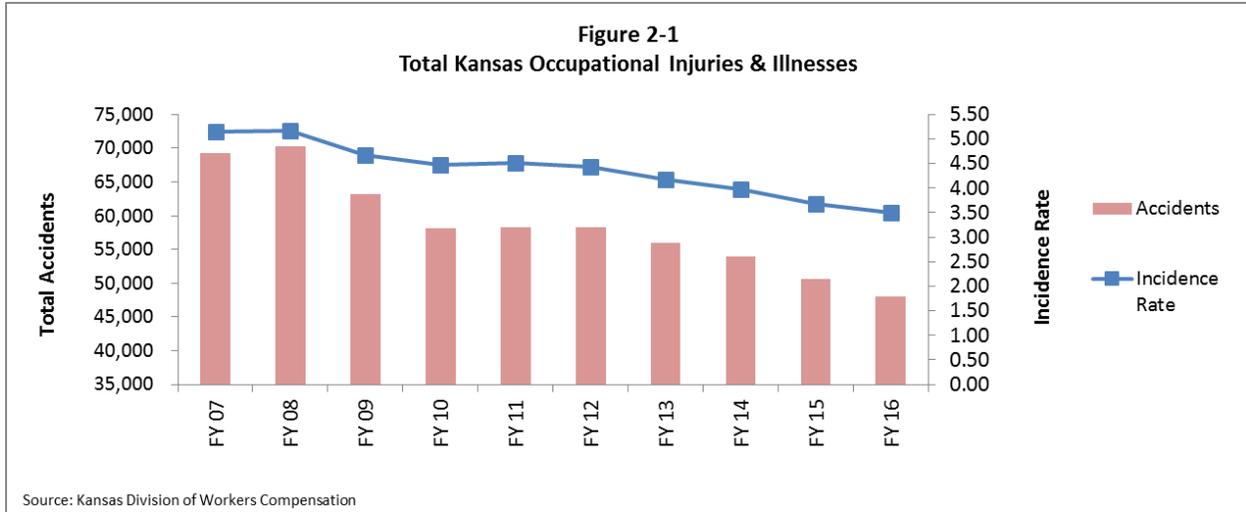
Source: Kansas Division of Workers Compensation

Table 2-2
Total Kansas Occupational Injuries and Illnesses
Incidence Rate* FY 2007 - FY 2016

Fiscal Year	Total	Annual Change	Avg	
			Annual Change	Total Change
			-4.14%	-32.04%
FY 07	5.15			
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%		
FY 16	3.50	-4.89%		

*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 2007 to FY 2016 while Table 2-4 shows the fatality incidence rate per 100 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 2016 by 4 percent from the previous year (to 48 from 50 reported deaths) and were more than the 10-year average of 47 reported deaths (see Table 2-3).
- The average annual increase between FY 2007 and FY 2016 of workplace fatalities reported is 3.5 percent with an overall decrease of 2 percent 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 2016 was .0035 which is a decrease of 2.8 percent from the previous year and is the same as the average of .0035 since FY 2007. The average annual increase was 3.8 percent between FY 2007 and FY 2016 (see Table 2-4).

Table 2-3
Kansas Fatal Occupational Injuries and Illnesses
FY 2007 - FY 2016

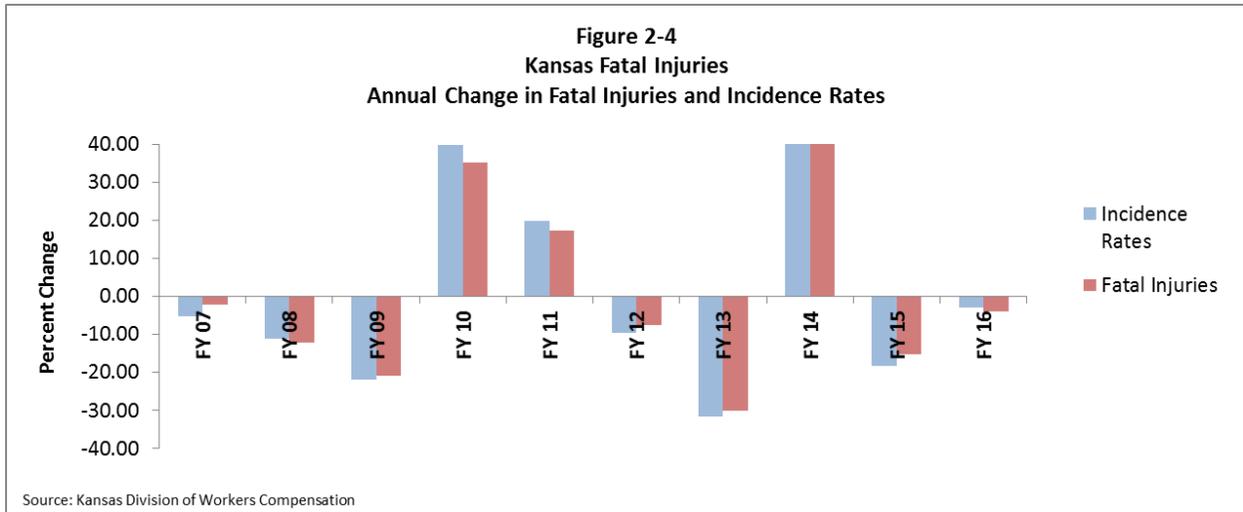
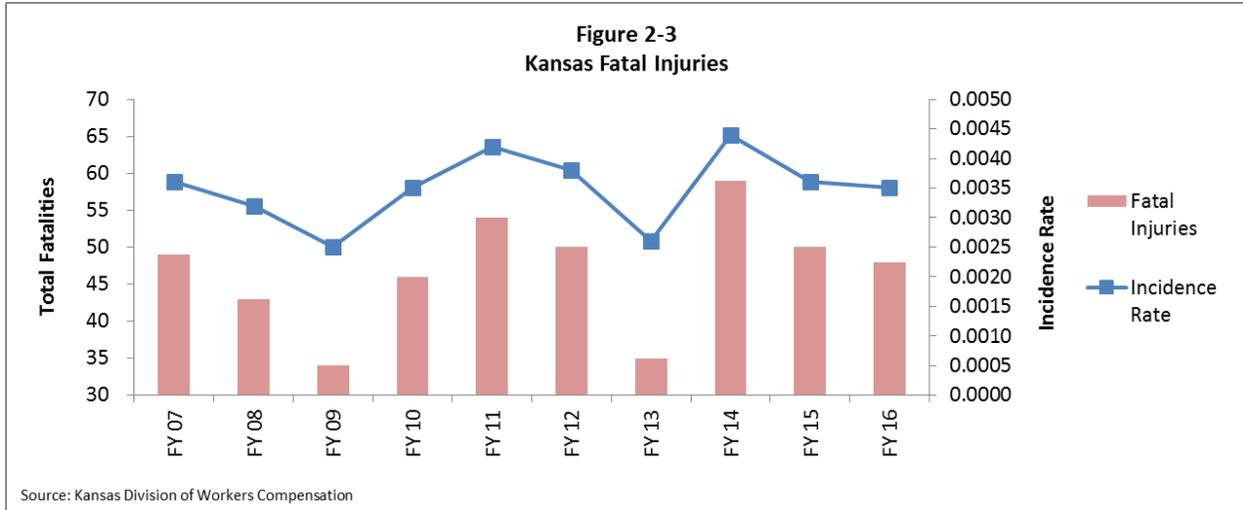
Fiscal Year	Total	Annual Change	Avg	
			Annual Change	Total Change
			3.49%	-2.04%
FY 07	49			
FY 08	43	-12.24%		
FY 09	34	-20.93%		
FY 10	46	35.29%		
FY 11	54	17.39%		
FY 12	50	-7.41%		
FY 13	35	-30.00%		
FY 14	59	68.57%		
FY 15	50	-15.25%		
FY 16	48	-4.00%		

Source: Kansas Division of Workers Compensation

Table 2-4
Kansas Fatal Occupational Injuries and Illnesses
Incidence Rate* FY 2007 - FY 2016

Fiscal Year	Total	Annual Change	Avg	
			Annual Change	Total Change
			3.80%	-2.78%
FY 07	0.0036			
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%		
FY 16	0.0035	-2.78%		

*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

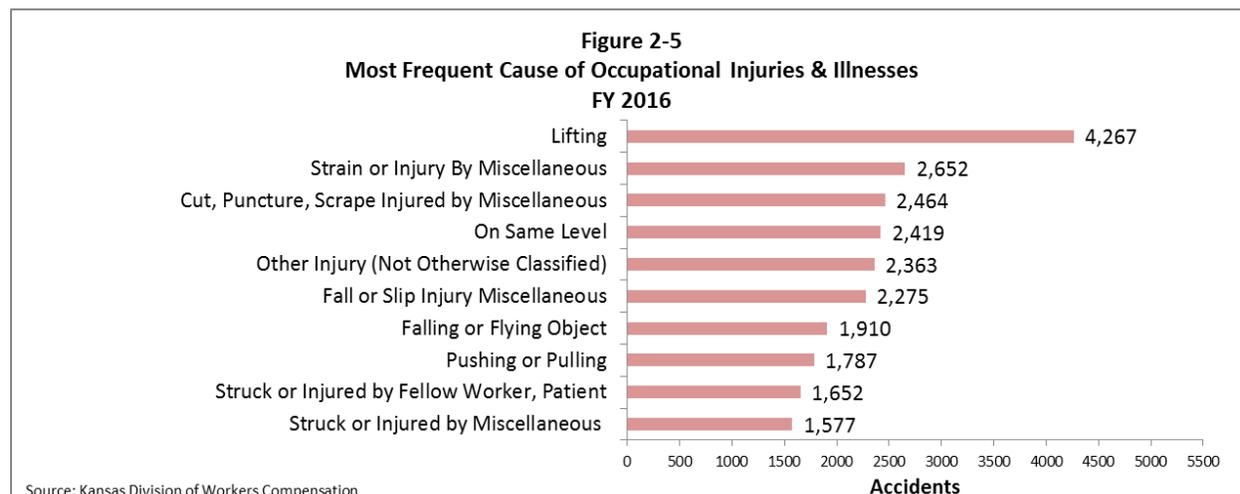
- The physical act of lifting is the most frequent cause of workplace injuries, accounting for 4,267 or 9 percent of the total occupational injuries and illnesses for FY 2016 (see Figure 2-5).
- Strain or injury by miscellaneous and cut, puncture, scrape injured by miscellaneous are the second and third most frequent causes of workplace injuries accounting for 2,652 and 2,464, respectively, of the total occupational injuries and illnesses for FY 2016 (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 2016.

Table 2-5
Most Frequent Cause of Injury by Rank
FY 2012 - FY 2016

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 above shows a five-year trend of most frequent causes, by rank, of occupational injuries or illnesses from FY 2012 to FY 2016. Lifting and fall or slip injury miscellaneous are the first and second most frequent causes of workplace injury, respectively, during this five-year period.



Nature of Occupational Injury and Illness

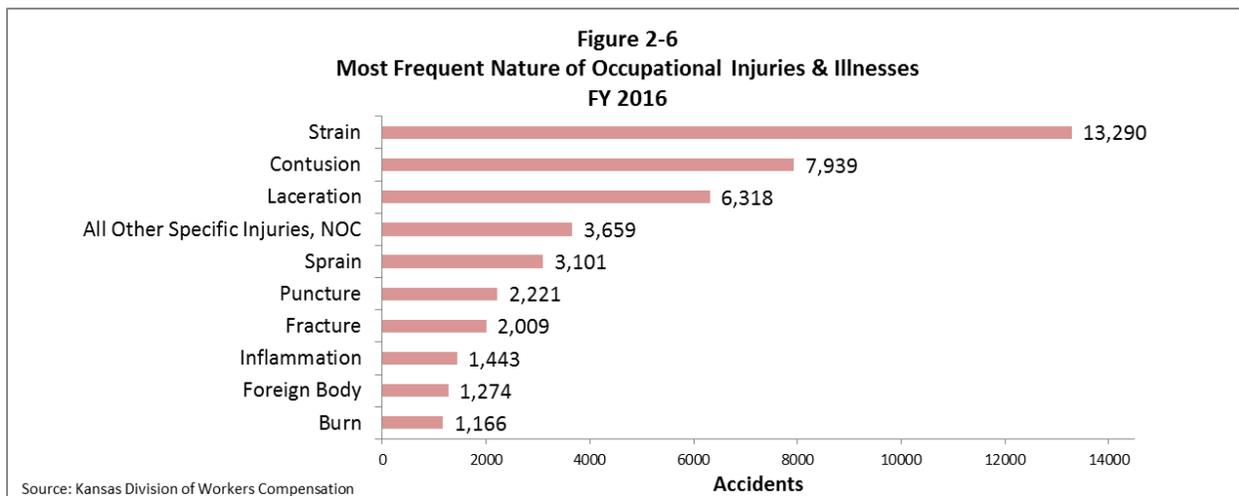
- Strain injuries are the most frequent nature of workplace injuries accounting for 13,290 or 27.6 percent of the total occupational injuries and illnesses for FY 2016 (see Figure 2-6).
- Contusions and lacerations are the second and third most frequent nature of workplace injuries accounting for 7,939 and 6,318, respectively, of the total occupational injuries and illnesses for FY 2016 (see Figure 2-6).
- The top ten most frequent nature of workplace injuries listed in Figure 2-6 account for 88.2 percent of the total occupational injuries and illnesses for FY 2016.

**Table 2-6
Most Frequent Nature of Injury by Rank
FY 2012 - FY 2016**

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

Source: Kansas Division of Workers Compensation

- Table 2-6 above shows a five-year trend of most frequent nature, by rank, of occupational injuries or illnesses from FY 2012 to FY 2016. Strains were the most frequent cause of workplace injury during this five-year trend which also held true in FY 2016 as shown in Figure 2-6.



Body Member Associated with Occupational Injury and Illness

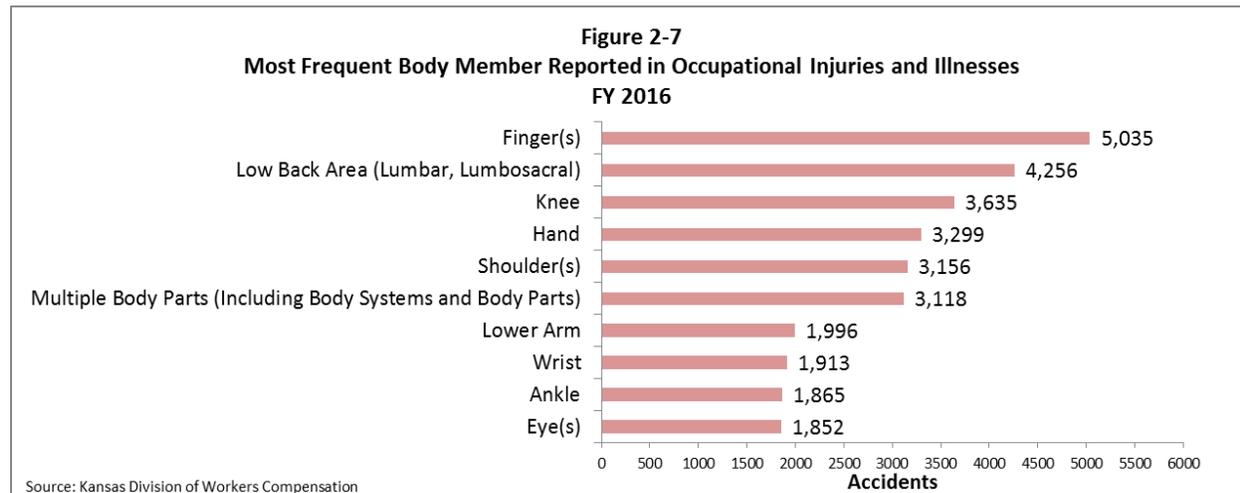
- Workplace injuries involving fingers constitute the greatest number of reported accidents for FY 2016, accounting for 5,035 or 10.5 percent of the total occupational injuries or illnesses (see Figure 2-7).
- Low back area (lumbar, lumbosacral) and knee are the second and third most frequently reported body member injured, accounting for 4,256 and 3,635, respectively, of the total occupational injuries and illnesses for FY 2016 (see Figure 2-7).
- The top ten most frequently injured body members listed in Figure 2-7 account for 62.7 percent of the total occupational injuries and illnesses for FY 2016.

**Table 2-7
Most Frequent Body Member Injured by Rank
FY 2012 - FY 2016**

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 above shows a five-year trend of most frequently injured body member, by rank, reported in workplace accidents from FY 2012 to FY 2016. Fingers, low back area (lumbar, lumbosacral) 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.



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 2016. 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 64.4 percent of all occupational injuries and illnesses in Kansas for FY 2016.
- 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 10.83 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 2016

County	Accidents
Sedgwick	8,363
Johnson	7,864
Wyandotte	3,950
Shawnee	3,306
Douglas	1,552
Finney	1,290
Riley	1,199
Reno	1,161
Other State	1,154
Saline	1,133

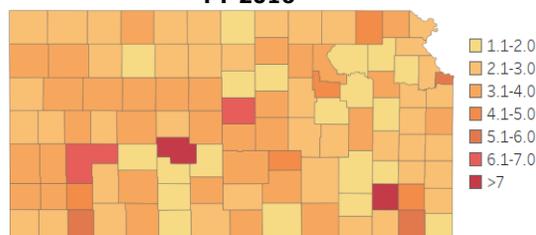
Source: Kansas Division of Workers Compensation

Table 2-9
Counties Reporting Greatest Number of Accidents per 100 Workers
FY 2016

County	Accidents per 100 Workers
Pawnee	10.83
Wilson	8.46
Ellsworth	6.95
Finney	6.58
Wyandotte	5.47
Seward	5.08
Labette	5.04
Harvey	4.70
Haskell	4.43
Nemaha	4.15

Source: Kansas Division of Workers Compensation

Figure 2-8
Accidents per
FY 2016



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 2016, accounting for 4,305 or 9.0 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 3,753 and 2,674, respectively, of the total occupational injuries and illnesses for FY 2016 (see Table 2-10).
- The top ten most frequently reported industry subsectors for workplace injuries listed in Table 2-10 account for 51 percent of the total occupational injuries and illnesses for FY 2016.

**Table 2-10
Most Frequent Industry Subsector* Reported
in Occupational Injuries and Illnesses
FY 2016**

Industry Subsector	Accidents
Educational Services	4,305
Executive, Legislative, and Other General Government Support	3,753
Administration of Human Resource Programs	2,674
Hospitals	2,563
Nursing and Residential Care Facilities	2,154
Food Services and Drinking Places	2,031
Specialty Trade Contractors	1,917
Administrative and Support Services	1,846
Food Manufacturing	1,699
General Merchandise Stores	1,423

*2012 NAICS standard
Source: Kansas Division of Workers Compensation

Section 3

Workers Compensation Claims Statistics CY 2015

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

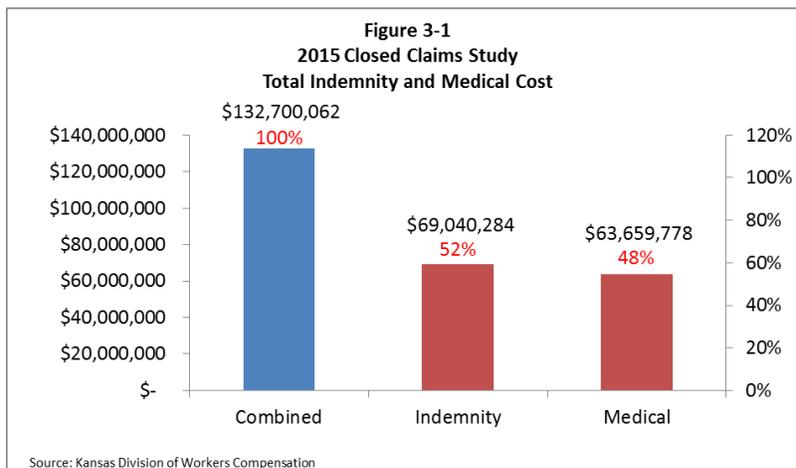
Figure 3-1 provides a high level view of overall closed claims cost for CY 2015 and the portion total indemnity and medical costs contribute to the combined cost. Figure 3-2 shows the total median costs.

Median vs. Mean

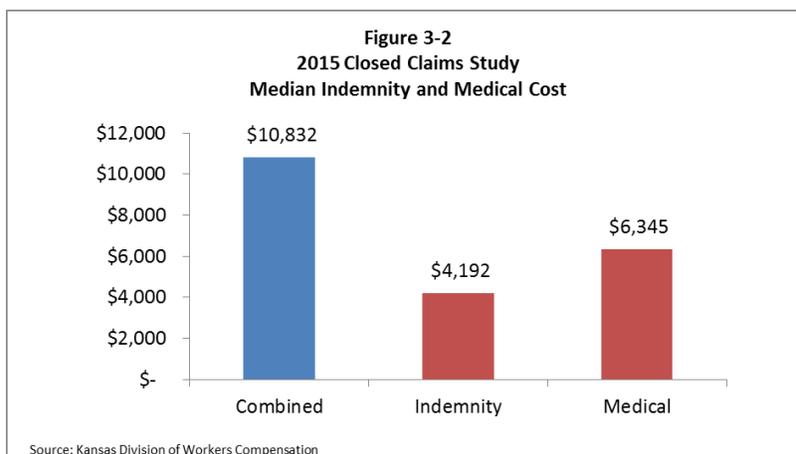
The median is used to describe a typical value of a data set rather than the mean or average. Past closed claims analysis has shown a small number of high cost claims skews the calculation of average costs higher. The calculation for median is immune to skewed data. For this study going forward, the 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 2015 is 5,787.

- The total combined cost for closed claims in CY 2015 was \$132,700,062. Total indemnity and medical costs made up 52 and 48 percent of the combined cost, respectively (see Figure 3-1).



- The median combined cost of \$10,832 was the cost of a typical claim that occurred in CY 2015. The median indemnity and medical costs were \$4,192 and \$6,345, 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 2015. 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 2015 is 5,705.
- 56 percent of total indemnity costs were paid through lump sum payments for CY 2015.

- Temporary total disability (TTD) claims were the most common type of claim (4,237) and had the highest total indemnity cost (\$20,449,789) for CY 2015. However, its median indemnity cost of \$1,650 was the second lowest median cost (see Table 3-1).
- The median indemnity cost of \$32,500 for death claims was the highest median cost for CY 2015 (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 \$32,500 for death claims and \$6,269 for permanent total disability claims (see Table 3-1).

Table 3-1
2015 Closed Claims Study
Total and Median Indemnity Costs by Benefit Type

Benefit Type	Total	Median	Occurrences
Death	\$1,668,220	\$32,500	17
Permanent Total Disability	\$318,317	\$6,269	18
Scheduled Permanent Partial	\$14,017,501	\$7,801	1,201
Unscheduled Permanent Partial	\$6,593,475	\$13,000	317
Temporary Total	\$20,449,789	\$1,650	4,237
Temporary Partial	\$905,679	\$657	566
Lump Sum Settlement (Unspecified)	\$20,801,073	\$9,000	1,326

Source: Kansas Division of Workers Compensation

- Scheduled permanent partial claims had the largest amount of indemnity paid by lump sum with \$8,429,196 and the largest portion of indemnity paid by lump sum accounting for 74 percent of its total indemnity costs (see Figure 3-2).

Table 3-2
2015 Closed Claims Study
Total Indemnity Lump Sum Portion by Benefit Type

Benefit Type	Total Indemnity	Lump Sum Portion	% of Total Indemnity
Death	\$1,668,220	\$133,599	8%
Permanent Total Disability	\$318,317	\$5,870	2%
Scheduled Permanent Partial	\$14,017,501	\$8,429,196	60%
Unscheduled Permanent Partial	\$6,593,475	\$4,895,964	74%
Temporary Total	\$20,449,789	\$1,115,289	5%
Temporary Partial	\$905,679	\$2,752	0%

Source: Kansas Division of Workers Compensation

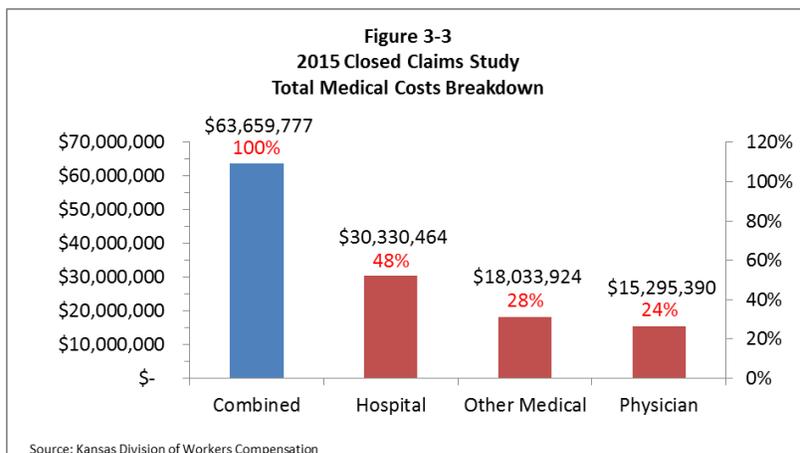
Closed Claims Medical Costs

Medical Portion of Claims Costs

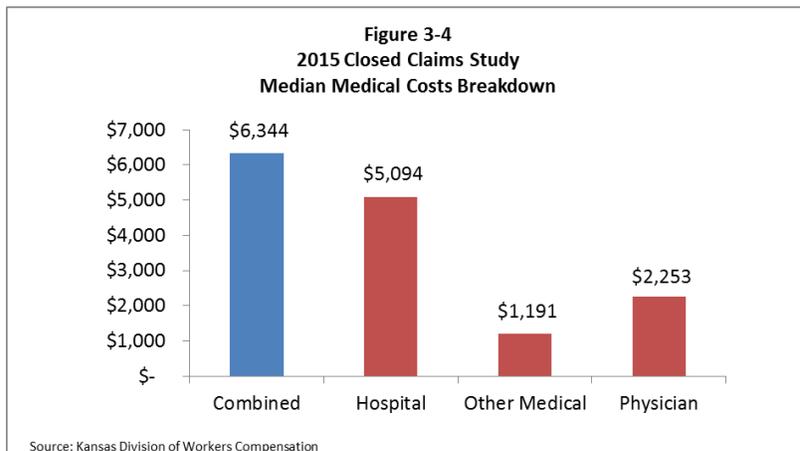
Figure 3-3 provides a breakdown of the total medical cost into three categories (hospital, other medical and physician) for a better understanding of how these factors contributed to overall medical costs for CY 2015. Figure 3-4 shows the median medical costs breakdown.

- The total number of closed claims reporting medical payments for CY 2015 is 5,030.

- Total medical cost paid in CY 2015 was \$63,659,777. Payments associated with hospital costs made up the largest portion of the total medical cost at 48 percent. Other medical and physician costs combined to make up the remaining 52 percent of the total medical cost (see Figure 3-3).



- The median total medical cost of \$6,344 was the typical cost of medical treatment for a claim in CY 2015. Hospital costs had the highest median cost of \$5,094 followed by other medical and physician costs with \$1,191 and \$2,253, 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 2015 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 74 percent of all claims cost and 70 percent of total number of injuries reported with payment for CY 2015.
- Shoulders were the most frequent part of body injured (770) and had the highest total claims cost (\$25,174,404); total indemnity (\$12,275,076) and total medical costs (\$12,899,328) for CY 2015 (see Table 3-3).

- Injuries involving multiple body parts (including body systems and body parts) had the second highest total claims cost (\$18,046,866) in CY 2015. However, it was the fourth highest reported part of body injured with 487 occurrences (see Table 3-3). These injuries were associated with some of the highest total claims costs including six claims with total costs over \$300,000.
- Injuries involving the low back area (lumbar, lumbosacral) had the third highest total claims cost (\$16,902,651) in CY 2015 (see Table 3-3). However, its median total cost of claim was \$8,844 compared to \$23,038 for injuries involving shoulder(s), \$13,429 for injuries involving multiple body parts and \$10,754 for injuries involving knees (see Table 3-4). Injuries involving the low back area had seven claims with total costs over \$200,000 which pushed its total claims cost to third highest despite the relatively lower median total cost of claim.

Table 3-3
2015 Closed Claims Study
Total Claim Costs with Total Indemnity and Medical Portion
by Part of Body Injured

Part of Body	Total Cost	Total		Occurrences
		Indemnity	Total Medical	
Shoulder(s)	\$25,174,404	\$12,275,076	\$12,899,328	770
Multiple Body Parts (Including Body Systems and Body Parts)	\$18,046,866	\$9,439,677	\$8,607,189	487
Low Back Area (Lumbar, Lumbosacral)	\$16,902,651	\$10,038,251	\$6,864,400	634
Knee	\$12,632,359	\$6,202,117	\$6,430,242	729
Wrist	\$5,506,079	\$3,047,807	\$2,458,273	268
Hand	\$4,967,052	\$2,867,435	\$2,099,617	299
Finger(s)	\$4,327,712	\$1,771,564	\$2,556,149	369
Ankle	\$3,871,218	\$1,876,047	\$1,995,171	248
Upper Arm	\$3,222,920	\$1,721,260	\$1,501,660	118
Elbow	\$2,952,567	\$1,625,525	\$1,327,042	135

Source: Kansas Division of Workers Compensation

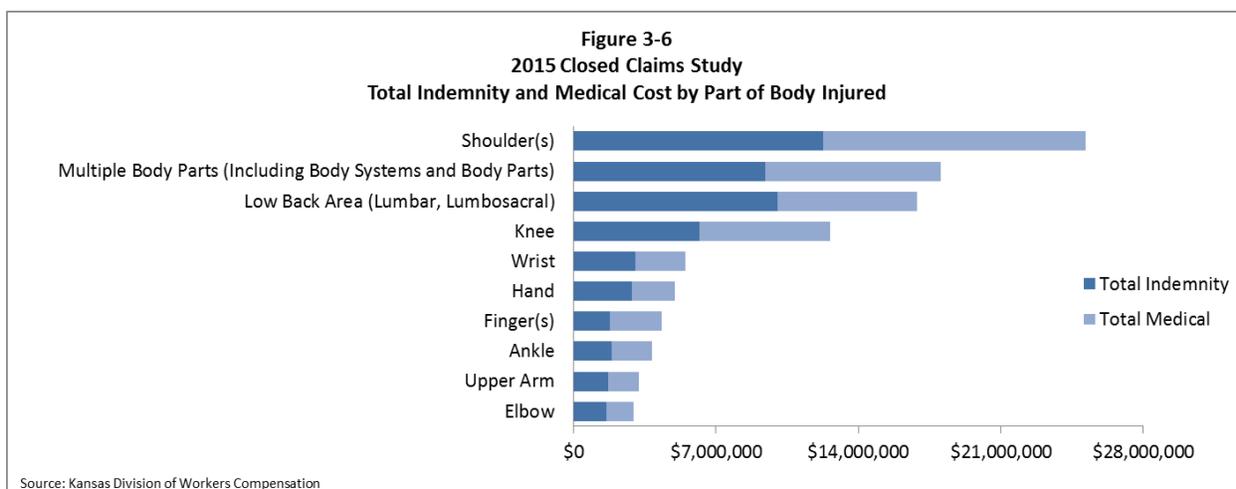
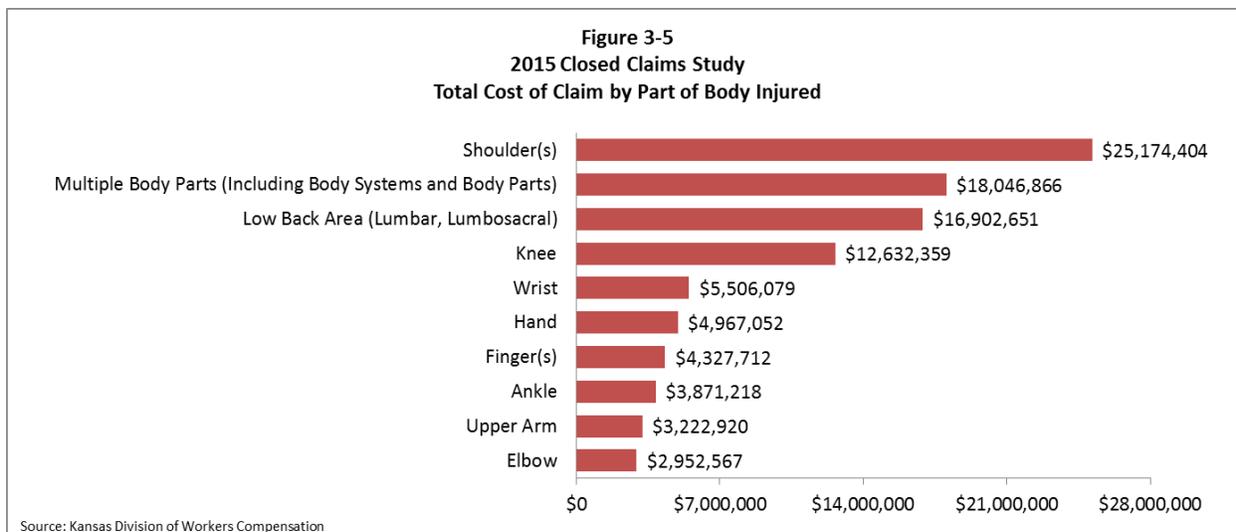


Table 3-4
2015 Closed Claims Study
Median Claim Costs with Median Indemnity and Medical Portion
by Part of Body Injured

Part of Body	Median Cost	Median Indemnity	Median Medical	Occurrences
Shoulder(s)	\$23,038	\$9,745	\$12,816	770
Multiple Body Parts (Including Body Systems and Body Parts)	\$13,429	\$5,093	\$6,213	487
Low Back Area (Lumbar, Lumbosacral)	\$8,844	\$5,000	\$3,529	634
Knee	\$10,754	\$4,000	\$7,526	729
Wrist	\$12,519	\$5,000	\$7,033	268
Hand	\$8,285	\$3,455	\$5,233	299
Finger(s)	\$7,400	\$1,998	\$5,458	369
Ankle	\$7,165	\$3,146	\$3,910	248
Upper Arm	\$18,696	\$8,300	\$11,886	118
Elbow	\$14,664	\$4,298	\$7,190	135

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 2015 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 89 percent of all claims cost and 88 percent of total number of injuries reported with payment for CY 2015.
- Strain injuries were the most frequent nature of injury reported (2,180) and had the highest total claims cost (\$51,804,087); total indemnity cost (\$27,105,977) and total medical costs (\$24,698,110) for CY 2015 (see Table 3-5).

- Fractures had the second highest overall claims cost of \$16,443,883 and the second highest occurrence of injuries with 692 for CY 2015 (see Table 3-5).
- All other injuries, NOC had the third highest overall claims cost of \$9,957,938 for CY 2015 (see Table 3-5). However, it was the fifth most frequent nature of injury with 409 occurrences. These injuries had 12 claims with total costs over \$100,000 including the tenth highest total claim cost of \$332,981.
- Contusion injuries were the third most frequent nature of injury reported (524) for CY 2015 (see Table 3-5). However, it had the fifth highest overall claims cost of \$9,178,275 because half of the total claims cost reported were less than \$6,866 which suppressed its overall claims cost (see Table 3-6).
- Rupture injuries had the fourth highest median total cost of claim (\$31,293) and the third highest median indemnity cost (\$19,153) for CY 2015 which pushed its overall claims cost of \$3,563,022 to eighth highest despite only 79 injuries reported (see Tables 3-5 and 3-6).

**Table 3-5
2015 Closed Claims Study
Total Claim Costs with Total Indemnity and Medical Portion
by Nature of Injury**

Nature of Injury	Total Cost	Total		Occurrences
		Indemnity	Total Medical	
Strain	\$51,804,087	\$27,105,977	\$24,698,110	2,180
Fracture	\$16,443,883	\$6,879,707	\$9,564,177	692
All Other Specific Injuries, NOC	\$9,957,938	\$5,262,213	\$4,695,726	409
Sprain	\$9,845,347	\$5,628,913	\$4,216,434	501
Contusion	\$9,178,275	\$5,315,351	\$3,862,924	524
Multiple Physical Injuries Only	\$8,009,294	\$4,618,060	\$3,391,234	177
Laceration	\$4,334,062	\$1,791,198	\$2,542,865	275
Rupture	\$3,563,022	\$1,923,215	\$1,639,807	79
Inflammation	\$2,782,455	\$1,637,831	\$1,144,624	164
Carpal Tunnel Syndrome	\$2,636,475	\$1,749,232	\$887,243	88

Source: Kansas Division of Workers Compensation

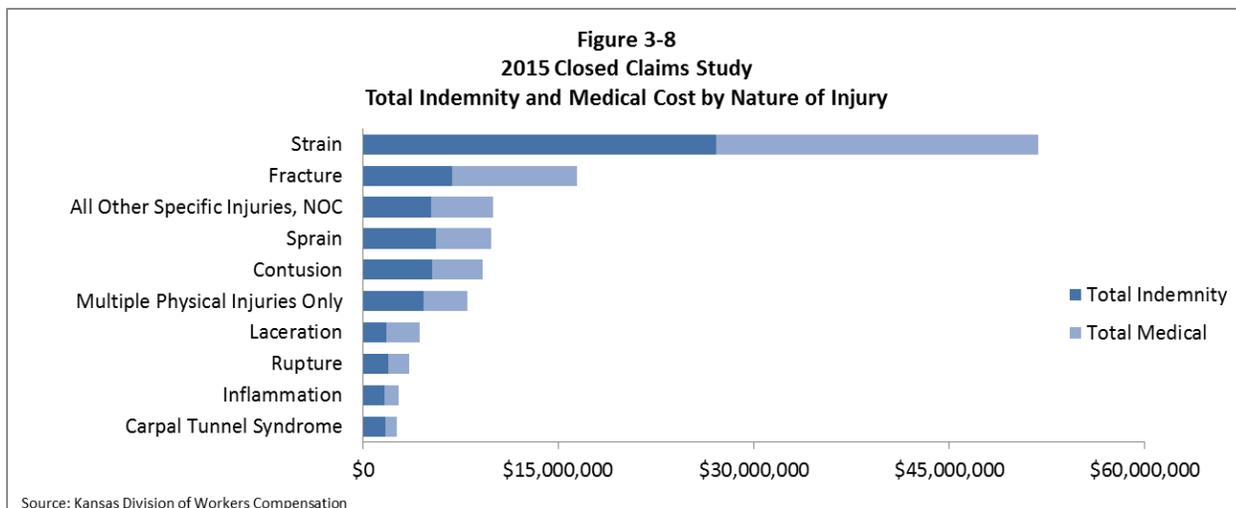
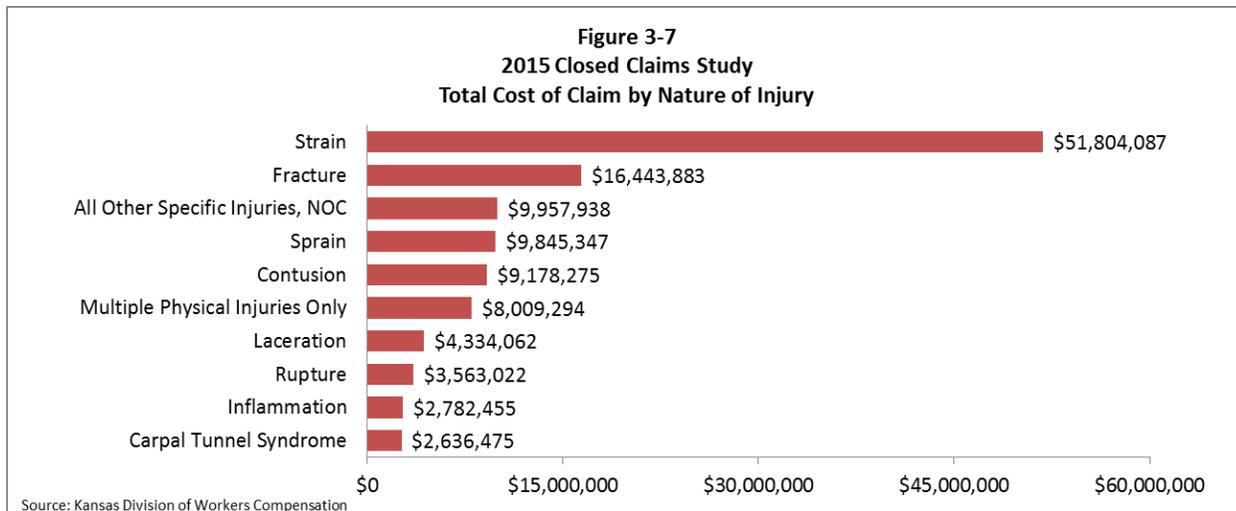


Table 3-6
2015 Closed Claims Study
Median Claim Costs with Median Indemnity and Medical Portion
by Nature of Injury

Nature of Injury	Median Cost	Median Indemnity	Median Medical	Occurrences
Strain	\$11,658	\$5,018	\$6,016	2,180
Fracture	\$11,805	\$3,674	\$8,295	692
All Other Specific Injuries, NOC	\$13,421	\$6,272	\$8,008	409
Sprain	\$10,920	\$4,752	\$6,457	501
Contusion	\$6,295	\$2,500	\$3,439	524
Multiple Physical Injuries Only	\$13,822	\$6,452	\$7,041	177
Laceration	\$6,866	\$1,624	\$6,048	275
Rupture	\$31,293	\$16,030	\$19,153	79
Inflammation	\$9,247	\$4,140	\$4,420	164
Carpal Tunnel Syndrome	\$22,744	\$13,621	\$9,139	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 2015 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 60 percent of all claims cost and 60 percent of total number of injuries reported with payment for CY 2015.
- Injuries caused by lifting were the most frequently reported (795) and had the highest total claims cost (\$17,321,849) with total indemnity costs of \$9,299,112 and total medical costs of \$8,022,737 despite its relatively low median cost of

claim of \$10,452 for CY 2015 (see Tables 3-7 and 3-8). Lifting injuries had eight claims with total costs greater than \$150,000. 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 strain or injury by, NOC and pushing or pulling had the second and third highest cost of claim of \$9,244,864 and \$9,118,881, respectively, for CY 2015 (see Table 3-7).
- Coincidentally, strain or injury by, NOC and pushing or pulling were also the second and fourth most frequently reported injuries with 429 and 356, respectively, for CY 2015 (see Table 3-7).

**Table 3-7
2015 Closed Claims Study
Total Claim Costs with Total Indemnity and Medical Portion
by Cause of Injury**

Cause of Injury	Total Cost	Total Indemnity	Total Medical	Occurrences
Lifting	\$17,321,849	\$9,299,112	\$8,022,737	795
Strain or Injury By, NOC	\$9,244,864	\$4,958,470	\$4,286,394	429
Pushing or Pulling	\$9,118,881	\$5,015,247	\$4,103,634	356
Repetitive Motion	\$8,762,427	\$5,588,297	\$3,174,130	346
Fall, Slip or Trip on Same Level	\$7,309,728	\$3,623,508	\$3,686,220	363
Fall, Slip or Trip, NOC	\$7,140,245	\$3,238,580	\$3,901,665	344
Fall, Slip or Trip from Different Level (Elevation)	\$6,141,601	\$2,756,889	\$3,384,711	217
Fall, Slip or Trip on Ice or Snow	\$5,453,705	\$2,404,068	\$3,049,637	178
Falling or Flying Object	\$5,376,645	\$2,936,504	\$2,440,140	202
Other - Miscellaneous, NOC	\$4,308,941	\$2,552,601	\$1,756,339	214

Source: Kansas Division of Workers Compensation

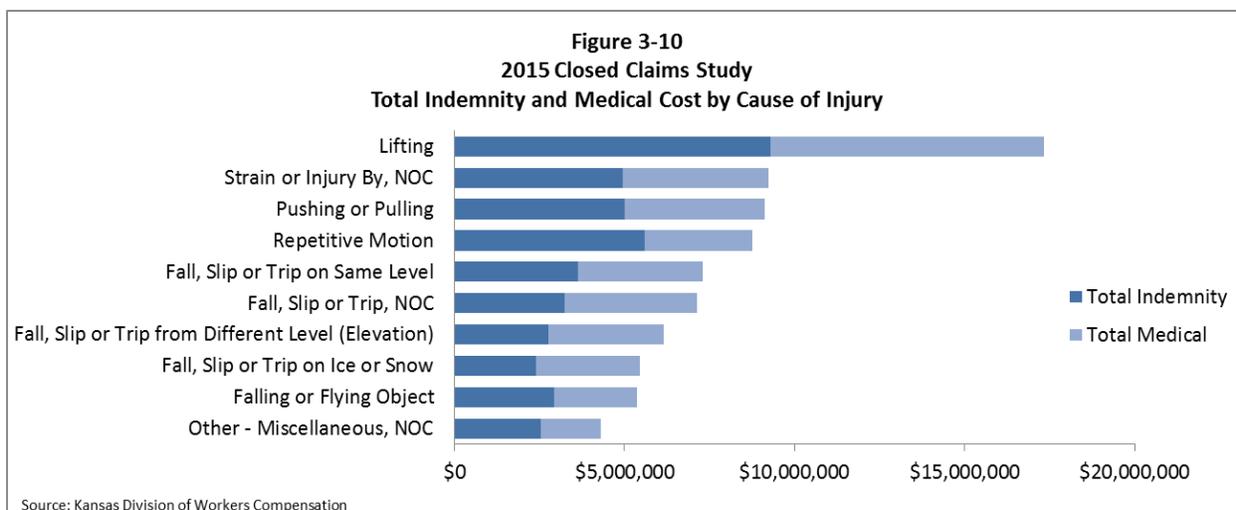
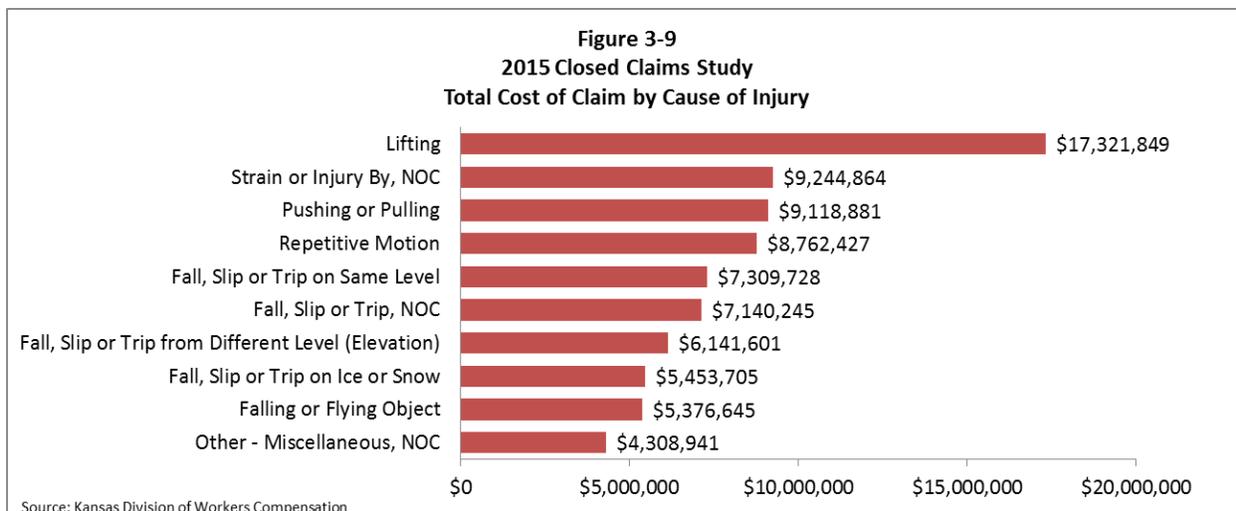


Table 3-8
2015 Closed Claims Study
Median Claim Costs with Median Indemnity and Medical Portion
by Cause of Injury

Cause of Injury	Median Cost	Median Indemnity	Median Medical	Occurrences
Lifting	\$10,452	\$3,789	\$5,889	795
Strain or Injury By, NOC	\$10,982	\$4,321	\$6,433	429
Pushing or Pulling	\$11,929	\$5,162	\$8,744	356
Repetitive Motion	\$16,441	\$10,170	\$6,894	346
Fall, Slip or Trip on Same Level	\$12,838	\$5,000	\$6,903	363
Fall, Slip or Trip, NOC	\$7,861	\$3,059	\$6,073	344
Fall, Slip or Trip from Different Level (Elevation)	\$13,780	\$4,297	\$9,002	217
Fall, Slip or Trip on Ice or Snow	\$20,279	\$7,379	\$11,491	178
Falling or Flying Object	\$7,212	\$3,419	\$4,453	202
Other - Miscellaneous, NOC	\$10,412	\$5,296	\$5,228	214

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 2015 closed claims study.

- The typical duration for a claim that closed in CY 2015 was 434 days. The shortest claim duration was 16 days and the longest was 13,265 days (see Table 3-9)
- For CY 2015, a typical claim took three days following an accident for an insurer to be notified and 19 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 21 days for CY 2015 (see Table 3-9).
- When a claimant required medical treatment for their workplace injury, the typical time needed for medical recovery was 225 days for CY 2015 (see Table 3-9).

**Table 3-9
2015 Closed Claims Study
Time Intervals***

	Min	Max	Median	Count
Claim Duration	16	13,265	434	5,844
Time Away from Work	1	1,578	21	1,219
Time for Medical Recovery	0	9,377	225	2,689
Time Taken to Notify Insurer	0	5,290	3	5,830
Time Taken for Insurer to Issue First Payment	0	3,625	19	2,540

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 2015. 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 \$13,069 for CY 2015. In contrast, for claims not involving a claimant attorney, the median indemnity cost was only \$3,526 (see Table 3-10).
- For claims involving a claimant attorney, the median medical cost was \$8,337 for CY 2015. In contrast, for claims not involving a claimant attorney, the median medical cost was only \$6,043 (see Table 3-10).

- For claims involving a claimant attorney, the median lump sum cost was \$11,828 for CY 2015. In contrast, for claims not involving a claimant attorney, the median lump sum cost was only \$8,788 (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 \$1,554 for those 1,933 claims that reported such an expense for CY 2015. Meanwhile, the typical claimant legal expense was \$5,099 for those 48 claims that itemized such an expense. The total costs for employer and claimant legal expenses were \$5,764,397 and \$334,131, respectively (see Table 3-11).

Table 3-10
2015 Closed Claims Study
Claims Cost Associated with Claimant Attorney Involvement

	Indemnity		Medical		Lump Sum	
	Median	Occurrences	Median	Occurrences	Median	Occurrences
Claimant Attorney Involved	\$13,069	490	\$8,337	468	\$11,828	353
No Claimant Attorney	\$3,526	5,215	\$6,043	4,562	\$8,788	2,155
All Cases	\$4,192	5,705	\$6,344	5,030	\$9,398	2,508

Source: Kansas Division of Workers Compensation

Table 3-11
2015 Closed Claims Study
Legal Expenses Associated with Claim

	Employer Legal Expense	Claimant Legal Expense
Total	\$5,764,397	\$334,131
Median	\$1,554	\$5,099
Occurrences	1,933	48

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 (DSLRL) 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.