

Workers Compensation

44th Annual Statistical Report

Fiscal Year 2018

Division



KANSAS DEPARTMENT OF LABOR

Workers Compensation Division 44th Annual Statistical Report Fiscal Year 2018

January 2019

Delía García, Interim Secretary of Labor
Jose Castillo, Acting Director of Workers Compensation

For more information contact:

Kansas Department of Labor
Workers Compensation Division
Technology and Statistics Unit

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

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.

ACKNOWLEDGEMENTS

This 44th Annual Statistical Report would not have been possible without the dedication and resourcefulness of the following people and organizations:

KANSAS DEPARTMENT OF LABOR

Delía García, Interim Secretary
Brett Flachsbarth, Deputy Secretary

Workers Compensation Division

Jose Castillo, Acting Director
Kristi Schmidt, Public Service Administrator
David Sprick, Administrator, Operations Section

Technology and Statistics Unit

Robert Soria, Research Analyst and Principal Author
Alex McLellan, Research Analyst
Georgia Rogers, Research Analyst
Jessica Webb, Research Analyst

Additional support:

Dane Curtis, Management Analyst

Cover design:

Shirley Hastings
Workers Compensation Division

Editing and marketing:

Communications Division

Washburn University

Statistical Consultation:

Dr. Ron Wasserstein, Professor of Statistics



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Message from the Acting Secretary of Labor

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

In Fiscal Year (FY) 2018, the division processed 11,512 applications for hearings. The business section issued 138 self-insurance permits to employers. The compliance section established 541 employer contacts. The fraud and abuse unit collected \$204,850.42 in restitution and civil penalties. In addition, the ombudsman section answered information requests from 10,280 parties and the research unit responded to more than 39,000 requests for workers compensation histories.

We continue to utilize 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.

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 <https://www.dol.ks.gov/WC/employers/coverage-and-compliance-section/verify-coverage>. 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 Workers Compensation Division at KDOL.wc@ks.gov

Sincerely,

Delía García
Acting 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 1920's and the Commission of Labor and Industry in the 1930's. 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 (AWW), 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, 2018, the maximum weekly benefit one could receive would be \$645. The actual amount a worker receives is the lesser of two amounts: either two-thirds of the worker's gross AWW 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, 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
July 1, 2017-June 30, 2018	\$631
July 1, 2018-June 30, 2019	\$645

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 total 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 \$100,000. Burial expenses up to \$10,000 also are covered.

Section 1

Administrative Profile of the Kansas Division of Workers Compensation FY 2018

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.

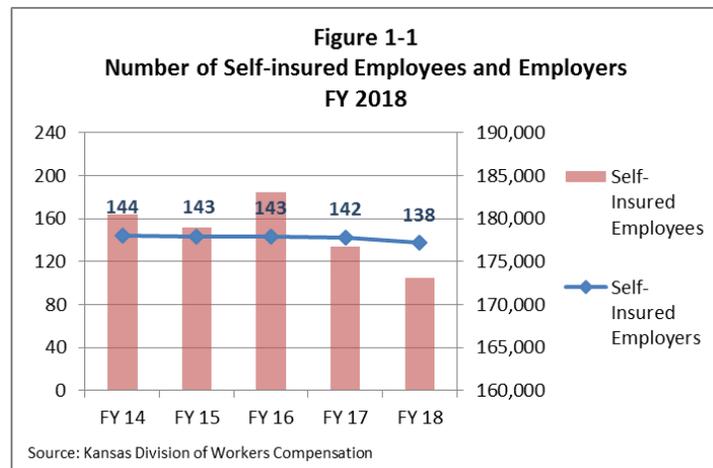
Quick Facts

Assessments Collected to Finance 2019

- \$389,019,343 reported losses paid in CY 2017
- \$10,853,591 assessments collected in FY 2018
- Current assessment factor is .0279
- 791 carriers, pools and self-insurers reported to the division

Self Insurance

- Four employers’ new applications approved
- Eight 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

- 6,834 employers researched
- 541 employers contacted for no proof of coverage with 186 of these referred to the fraud unit for investigation
- 84 employers obtained coverage; 111 employers provided proof of coverage or explanation for exemption; and 543 employers provided renewed certificates of coverage

Data Entry

- 3,802 employers created and 916 updated in database

Social Security Verification

- 1,930 claimants created and 8,347 updated in database

Research

- 29,997 EDI accidents; 1274 elections; and 181 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 130 self-insured employers
- EDI received a total of 108,731 reports at an acceptance rate of 93 percent
- 46,991 EDI first reports of injury were filed
- Approximately 30 insurance carriers use the XML transaction process for EDI data transmission
- Software development for the new Online System for Claims Administration Research/Regulation (OSCAR) began in the second quarter FY 2017 and continued through FY 2018. OSCAR go live is scheduled for November 2018.

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

- 183 decisions issued.
- 206 applications for review received.
- 205 dispositions generated including dismissals and settlements.

Visit the Board's website at: <https://www.dol.ks.gov/WC/courts/appeals-board>.

Legal Section

Administrative Law Judges

Objective

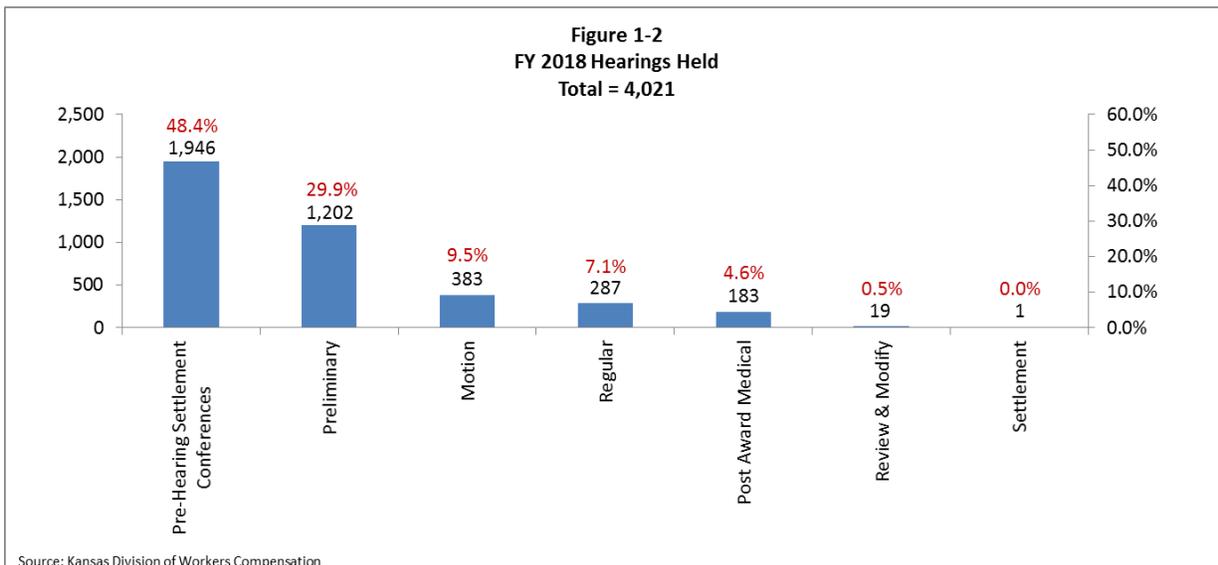
Hold hearings and issue decisions in contested workers compensation claims.

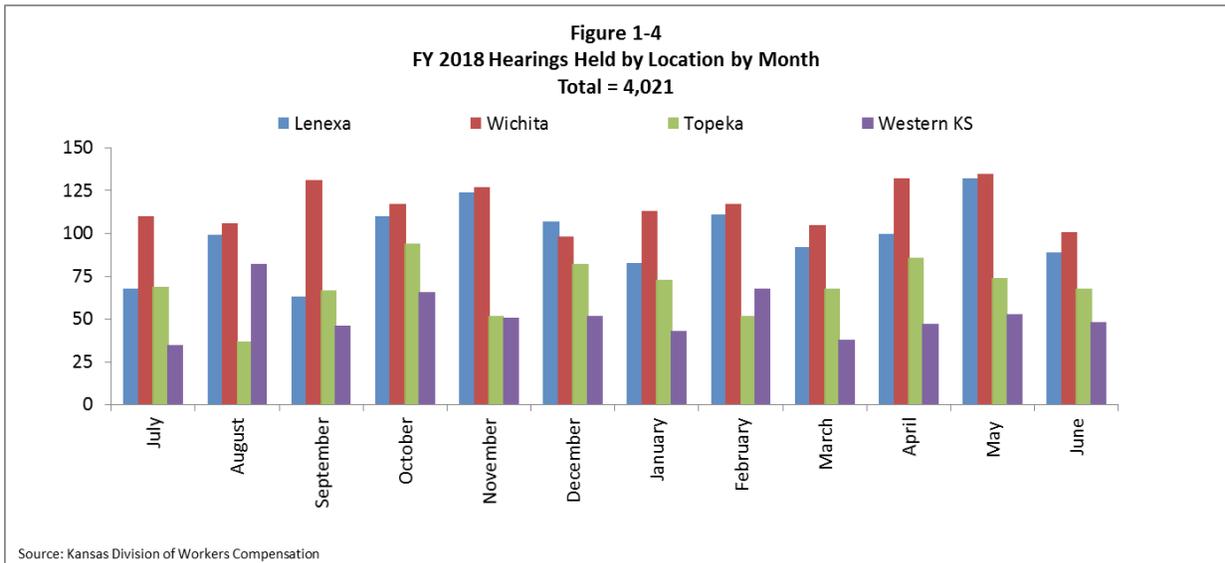
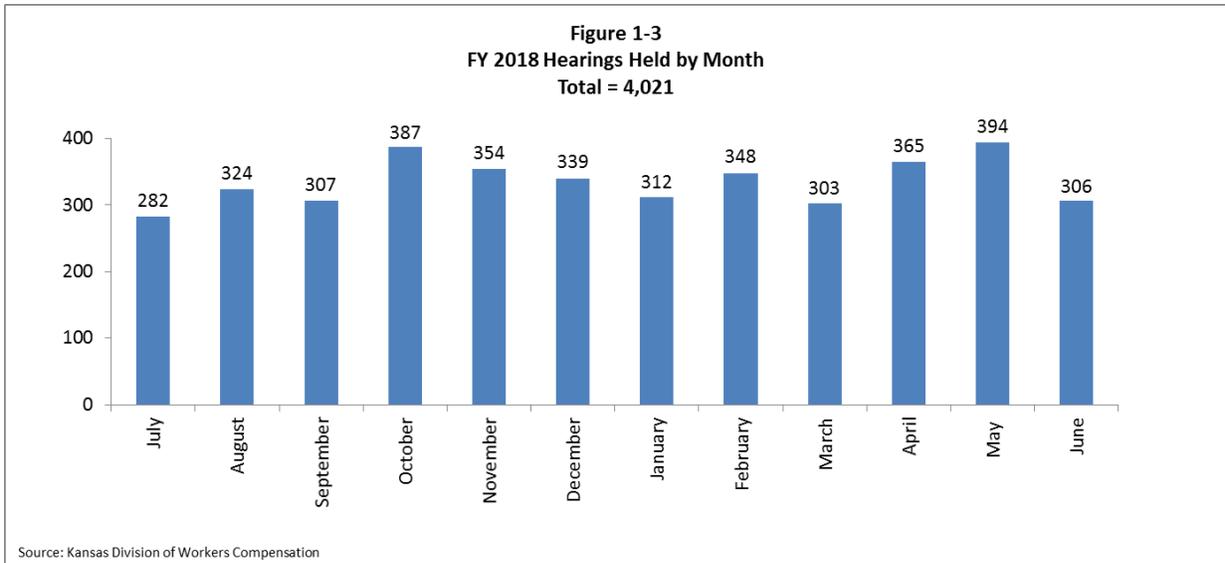
Tasks

- 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, Russell, Pittsburg and Westmoreland.

Quick Facts

- 4,021 total hearings held by regular ALJs; 48 percent were pre-hearing settlement conferences (see Figure 1-3)
- May 2018 ranked the highest month for hearings with a total of 394 (see Figure 1-4); 44 percent were pre-hearing settlement conferences, 31 percent were preliminary hearings and 7 percent were regular hearings (see Table 1-1)
- October 2017 ranked 2nd highest month for hearings with 387 (see Figure 1-4); 46 percent were pre-hearing settlement conferences, 26 percent were preliminary hearings and 9 percent were regular hearings (see Table 1-1)
- Wichita held the most hearings with 1,392, followed closely by Lenexa with 1,178 (see Figure 1-5 for hearings held by location per month)
- 4,956 total settlement hearings held by special ALJs of which 2,498 were docketed cases and 2,458 were undocketed cases





**Table 1-1
Administrative Law Judges Monthly Case Report
by Hearing Type FY 2018**

Month	Hearing Type							Total
	Preliminary	Motion	Regular	Settlement	Pre-Hearing Settlement Conferences	Review & Modify	Post- Award Medical	
July	85	22	22	0	141	0	12	282
August	95	29	15	0	169	2	14	324
September	103	32	25	0	135	2	10	307
October	103	38	36	0	180	3	27	387
November	106	41	26	0	167	0	14	354
December	78	48	23	0	178	1	11	339
January	100	23	20	1	151	3	14	312
February	103	31	16	0	187	1	10	348
March	90	28	20	0	144	1	20	303
April	114	24	34	0	176	3	14	365
May	125	43	30	0	177	2	17	394
June	100	24	20	0	141	1	20	306
Total	1,202	383	287	1	1,946	19	183	4,021

Source: Kansas Division of Workers Compensation

Table 1-2 combines information from Table 1-1 and Figure 1-4 and displays the monthly case load by hearing type for each hearing location.

**Table 1-2
Administrative Law Judges Monthly Case Report FY 2018**

Location	Hearing Type	Month												Total
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
Lenexa	Preliminary	25	25	25	17	29	22	26	26	23	32	38	28	316
	Motion	3	4	4	9	6	6	4	2	7	2	8	2	57
	Regular	6	9	9	11	19	16	13	11	14	6	12	6	132
	Pre-Hearing Settlement													
	Conferences	33	57	25	71	69	60	38	72	47	58	71	46	647
	Review and Modify	0	1	0	0	0	0	0	0	0	0	1	0	2
	Post-Award Medical	1	3	0	2	1	3	2	0	1	2	2	7	24
	Settlements	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		68	99	63	110	124	107	83	111	92	100	132	89	1,178
Topeka	Preliminary	19	15	21	22	20	21	30	26	25	27	35	30	291
	Motion	8	3	8	11	7	9	5	5	4	14	3	6	83
	Regular	5	5	3	17	10	12	4	0	4	13	8	6	87
	Pre-Hearing Settlement													
	Conferences	35	11	31	32	13	39	27	21	27	28	24	22	310
	Review and Modify	0	0	2	0	0	1	2	0	0	2	0	1	8
	Post-Award Medical	2	3	2	12	2	0	5	0	8	2	4	3	43
	Settlements	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		69	37	67	94	52	82	73	52	68	86	74	68	822
Western Kansas ¹	Preliminary	10	25	9	22	7	10	10	17	9	10	11	9	149
	Motion	3	4	0	8	2	2	5	6	4	6	6	2	48
	Regular	3	9	6	7	4	5	1	4	4	1	9	6	59
	Pre-Hearing Settlement													
	Conferences	19	38	31	24	37	34	27	35	18	29	27	27	346
	Review and Modify	0	1	0	0	0	0	0	0	0	0	0	0	1
	Post-Award Medical	0	5	0	5	1	1	0	6	3	1	0	4	26
	Settlements	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		35	82	46	66	51	52	43	68	38	47	53	48	629
Wichita	Preliminary	31	30	48	42	50	25	34	34	33	45	41	33	446
	Motion	8	4	13	8	11	6	6	3	5	12	13	10	99
	Regular	8	6	14	3	8	15	5	16	6	4	14	6	105
	Pre-Hearing Settlement													
	Conferences	54	63	48	53	48	45	59	59	52	61	55	46	643
	Review and Modify	0	0	0	3	0	0	1	1	1	1	1	0	8
	Post-Award Medical	9	3	8	8	10	7	7	4	8	9	11	6	90
	Settlements	0	0	0	0	0	0	1	0	0	0	0	0	1
Total		110	106	131	117	127	98	113	117	105	132	135	101	1,392
Grand Total		282	324	307	387	354	339	312	348	303	365	394	306	4,021

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 2018**

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	9	64.3%	1.0%	5	35.7%	0.5%	14	1.5%
Change Physician	6	35.3%	0.7%	11	64.7%	1.2%	17	1.8%
Additional Medical	60	60.0%	6.5%	40	40.0%	4.4%	100	10.9%
Preliminary Temporary Total & Medical	713	90.5%	77.6%	75	9.5%	8.2%	788	85.7%
Temporary Total	104	83.9%	11.3%	20	16.1%	2.2%	124	13.5%
Medical	459	93.5%	49.9%	32	6.5%	3.5%	491	53.4%
Temporary Total & Medical	139	85.8%	15.1%	23	14.2%	2.5%	162	17.6%
Temporary Total, not Medical	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Medical, not Temporary Total	11	100.0%	1.2%	0	0.0%	0.0%	11	1.2%
Total Preliminary Orders*	788	85.7%	85.7%	131	14.3%	14.3%	919	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

- 445 total referrals received (see Table 1-4 on the following page for a breakdown by referral type)
- 443 total cases investigated of which 393 were compliance cases and 52 were fraud/abuse cases

Prosecutions

- 51 cases referred for administrative charges

Collections

- \$287,699.71 assessed in fines and restitution
- \$204,850.42* total collected with \$6700.00 in fraud and abuse fines (K.S.A 44-5,120), \$198,150.42 in compliance fines (K.S.A. 44-532 & 44-557); of the total collected \$5130.50 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 2018**

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)	22
Refusing to pay compensation as and when due: K.S.A. 44-5,120(d)(18)	6
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)	3
Refusing to pay any order awarding compensation: K.S.A 44-5,120 (d)(19)	3
Failing to maintain workers compensation insurance when required: K.S.A. 44-532 (d)	207
Employers duty to report accidents: K.S.A. 44-557	186
All other fraudulent and abusive practices	18
Total	445

Source: Kansas Division of Workers Compensation

Fraud Hotline

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

Fraud E-mail Address

KDOL.WCfraud@ks.gov

Public Resource Section

Ombudsman

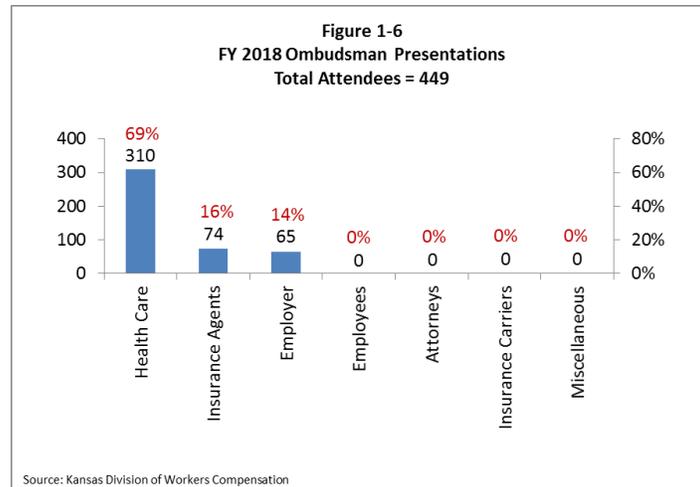
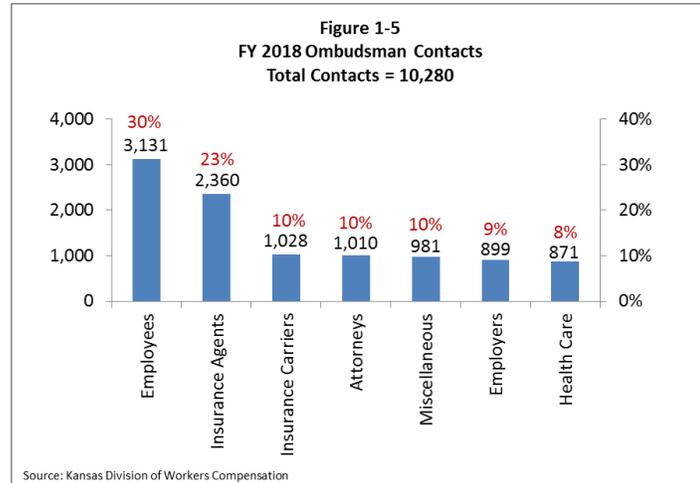
Objective

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 provide 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.

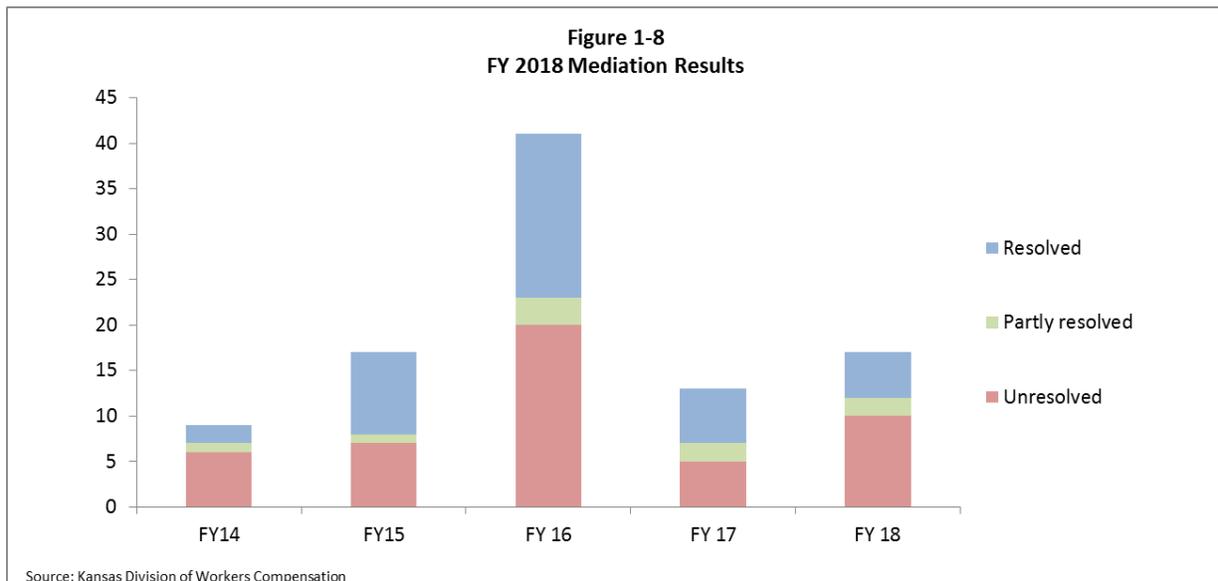
Quick Facts

- 17 total mediations held in FY 2018. See Table 1-5 and Figure 1-7 for a breakdown of the results of these mediations

**Table 1-5
FY 2018 Mediation Results**

	FY14	FY15	FY 16	FY 17	FY 18
Resolved	2	9	18	6	5
Partly resolved	1	1	3	2	2
Unresolved	6	7	20	5	10
Total Held	9	17	41	13	17

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 promotions
- Prepare and submit continuing education applications
- Issue credits and maintain continuing education credits awarded for a five-year period.

Quick Facts

- 44th Annual Workers Compensation Seminar was held at the Overland Park Convention Center on September 25 & 26, 2018.
- There were a total of 478 registered attendees
- There were three levels of corporate sponsorship:
 - Six companies contributed at the gold level
 - 20 at the silver level and 10 at the bronze level
- 86 companies exhibited
- Continuing education credits were issued to:
 - 208 Kansas and Missouri Attorneys
 - 71 Kansas Nurses (APRN, RN or LPN)
 - 40 Certified Case Managers
- Additional assistance was provided to 33 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

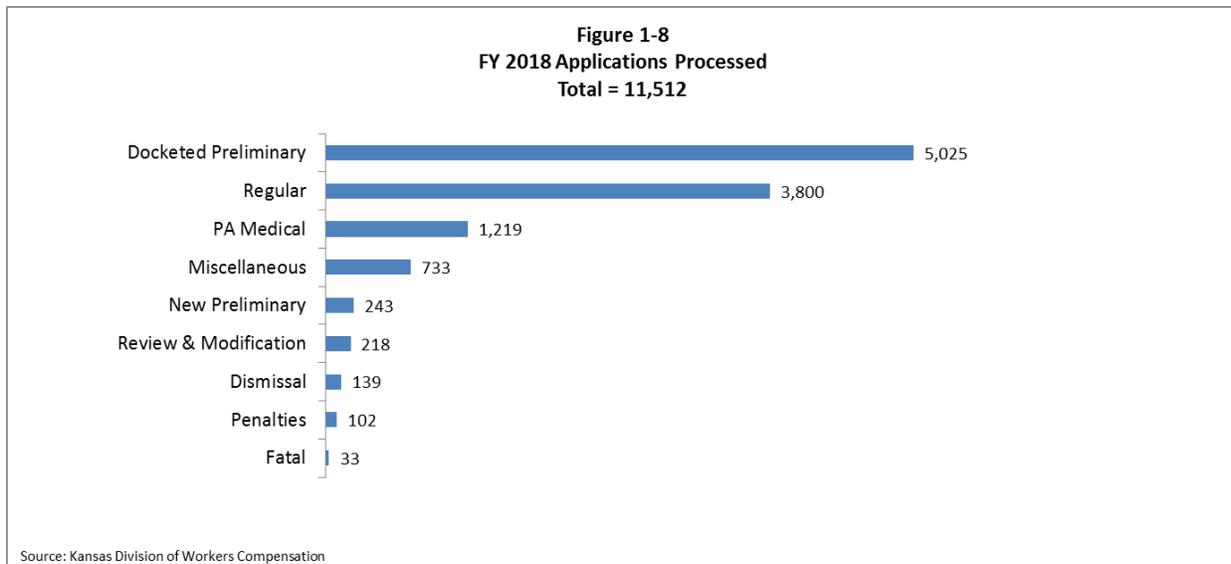
Process all applications and motions for hearing. Create official claimant docket for records.

Tasks

- Enter application for hearing into database and assign an ALJ.
- Generate and send notices of hearing to involved parties.
- Enter employer request for records into database and transfer them to archives.
- Manage attorney address files in the database.

Quick Facts

- 11,512 total applications processed including 5,268 preliminary hearing applications (see Figure 1-8 for a breakdown of types of applications)
- 3,843 contacts received and/or initiated which includes instructions to file applications, providing docketed information and clarifying information
- Docket preparation for Lorax project



Public Resource Section

Research

Objective

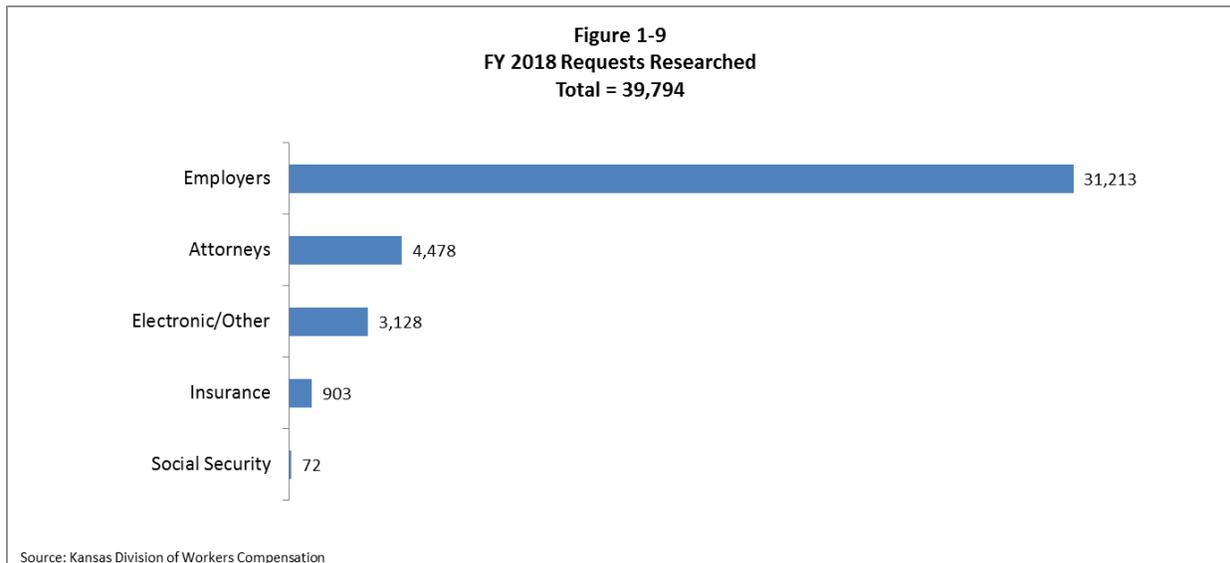
Conduct research on all requests for records regarding prior claim information.

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 transfer to archives.

Quick Facts

- 39,794 total requests for records researched (see Figure 1-9 for a breakdown of types of requests researched)
- Docket preparation for Lorax project
- 6,240 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 (ISH) 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. Downsizing, mergers, acquisitions and divestitures, all of which remained stable this year compared to previous years. However staff assignment changes increased due to numerous retirements.

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. System improvement is an on-going process.

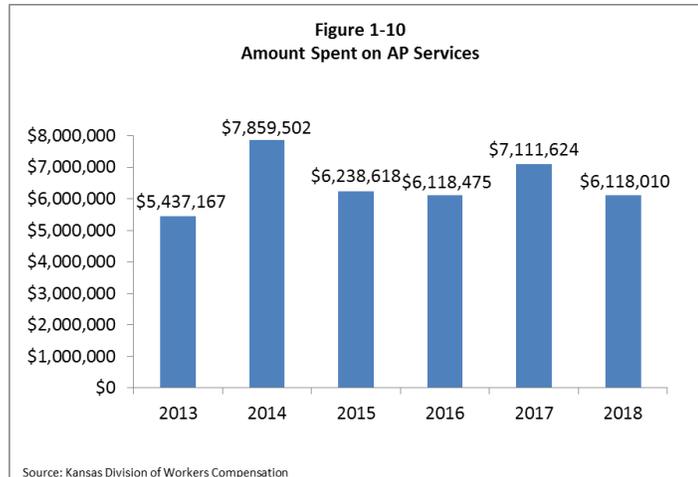
² In 2005 to 2006, the Industrial Safety and Health (ISH) Section of the Division of Workers Compensation became a stand-alone division under the Kansas Department of Labor. ISH continued to administer the provisions of K.S.A. 44-5,104 (the accident prevention statute) until the early spring of 2015,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

Tasks

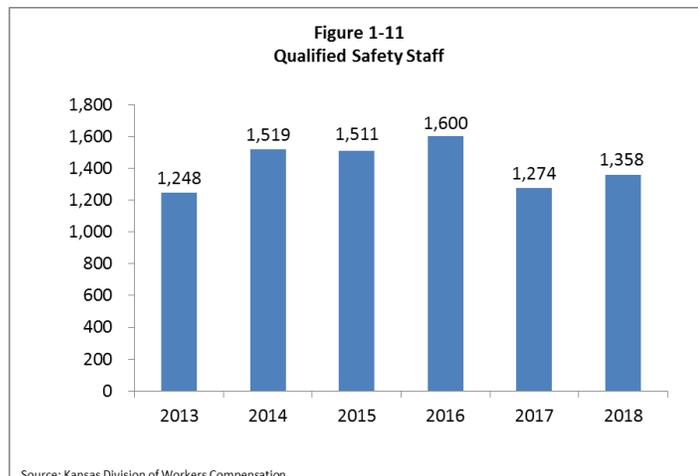
- Maintain list of insurers having current certificate to write workers compensation insurance in Kansas.
- Send annual reminder notice to insurers regarding the reporting requirement.
- Monitor reporting to identify non-responders.
- Furnish list of non-responders to the Commissioner of Insurance.
- Provide information to ISH 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 ISH and Workers Compensation.
- Maintain up-to-date content of AP reporting instructions.
- Maintain proper functioning of online AP administrative and public reporting sites, as well as make quality improvements, through interaction with KDOL’s IT division.

Quick Facts

- 434 insurance companies and group-funded self-insurance plans reported in FY 2018. All companies were in compliance.
- Total amount spent on AP services decreased 14 percent in FY 2017 and was 5.7 percent below the average amounts spent from Fiscal Years 2013 through 2017 (see Figure 1-10)

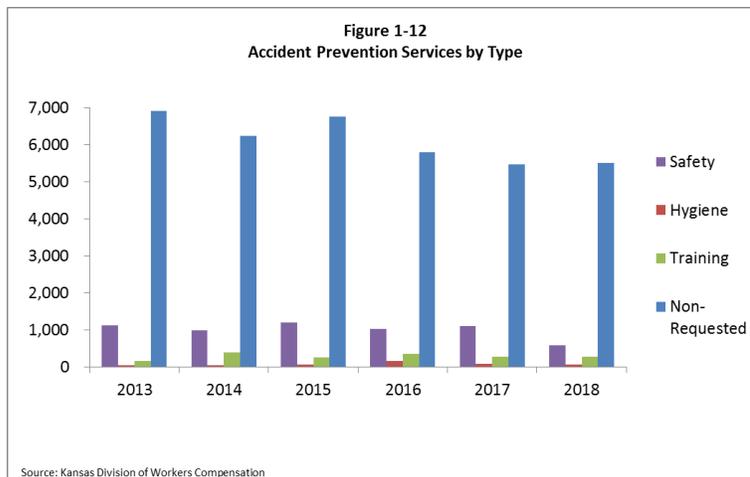


- Number of qualified safety staff increased 6 percent from FY 2017 and decreased 4 percent over the FY 2013-2017 average indicating a slight overall decline of staffing in the AP programs (see Figure 1-11)



Quick Facts continued

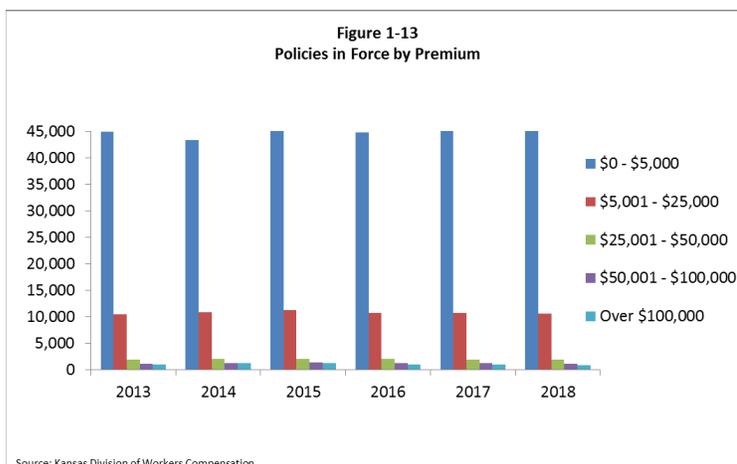
- Number of services requested by employers decreased 37 percent in FY 2018 with no change in the FY 2013-2017 average (see Figure 1-12 and Table 1-6).
- Number of services provided but not requested by employers decreased 1 percent in FY 2018 and down 15 percent from the FY 2013-2017 average (see Figure 1-12 and Table 1-6).
- Total services provided decreased 7 percent from FY 2018 and down 19 percent for the FY 2013-2017 average (see Figure 1-12 and Table 1-6).
- Policies in force increased 2 percent in FY 2018 and increased 6 percent over the FY 2013-2017 average (see Figure 1-13 and Table 1-7).
- Total FY premiums written decreased 9 percent in FY 2018 and decreased 6 percent for the FY 2013-2017 average (see Figure 1-14 and Table 1-8).
- Total FY direct losses incurred decreased 7 percent in FY 2017 and increased 2 percent for the FY 2013-2017 average (see Figure 1-15 and Table 1-9).
- The premiums written to direct losses incurred ratio remained at about three to one (see Figure 1-16 and Table 1-10).



**Table 1-6
FY 2018 Accident Prevention Services by Type**

	Requested			Non-requested	Total
	Safety	Hygiene	Training		
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
FY 17	1,107	80	269	5,467	6,923
FY 18	57	66	279	5,509	6,433

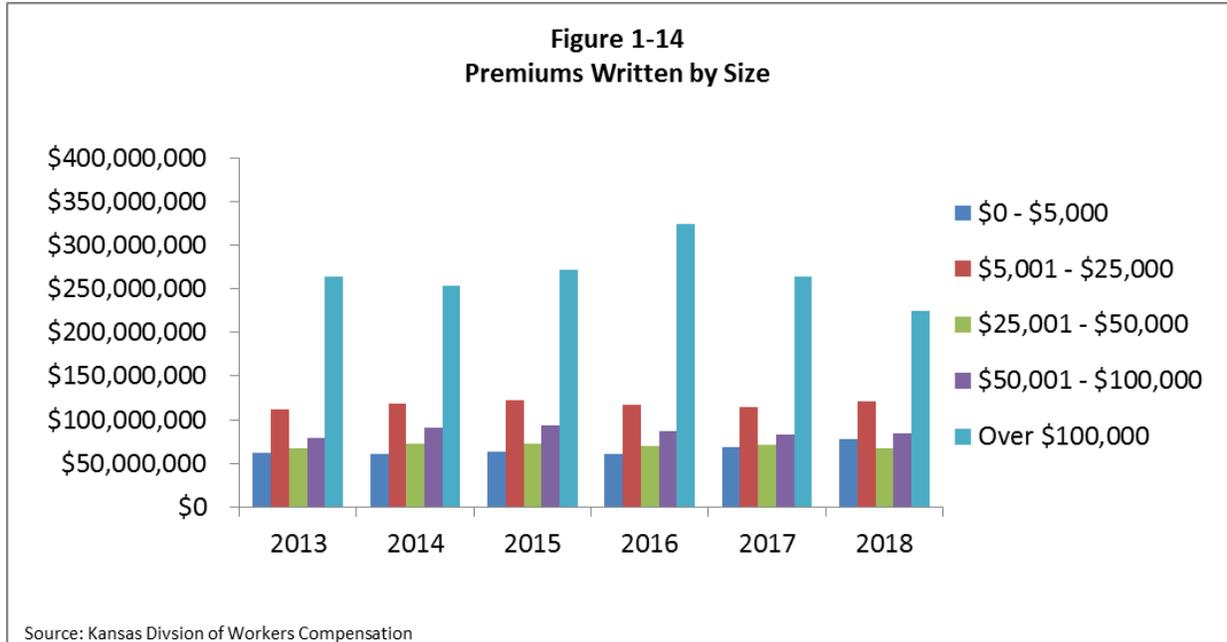
Source: Kansas Division of Workers Compensation



**Table 1-7
FY 2018 Policies in Force by Premium**

Premium	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
\$0 - \$5,000	44,922	43,347	45,551	44,788	47,808	49,854
\$5,001 - \$25,000	10,450	10,787	11,239	10,702	10,723	10,521
\$25,001 - \$50,000	1,914	2,042	2,075	1,988	1,866	1,901
\$50,001 - \$100,000	1,124	1,290	1,328	1,254	1,213	1,156
Over \$100,000	974	1,206	1,205	995	902	868

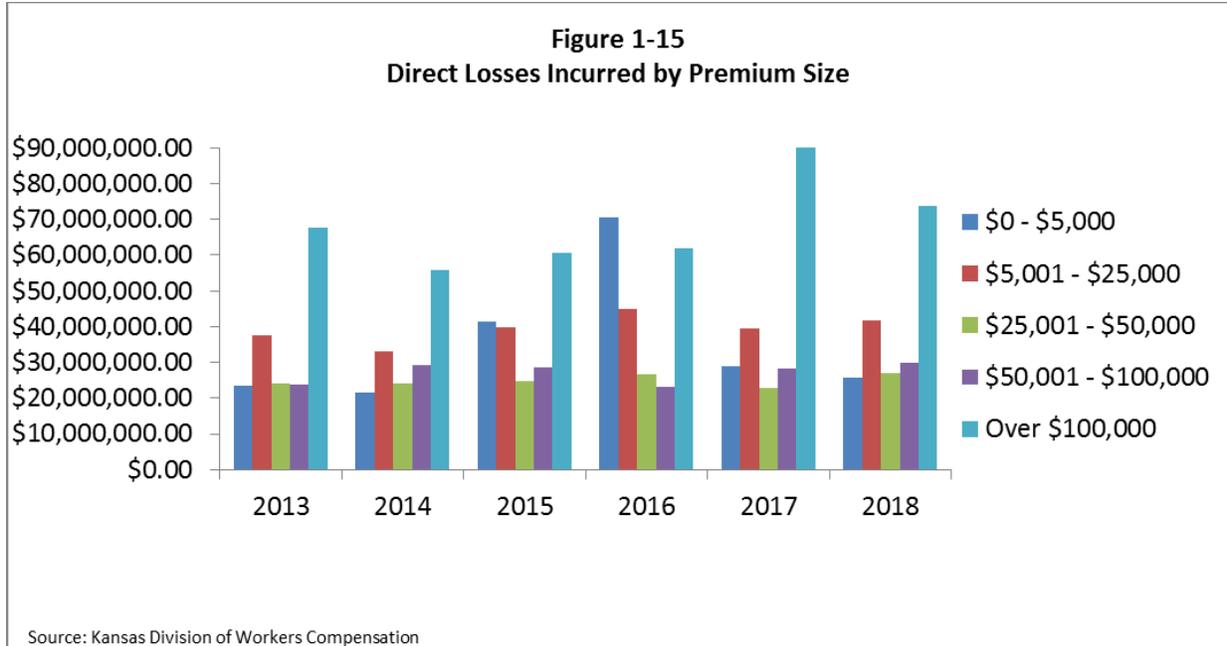
Source: Kansas Division of Workers Compensation



**Table 1-8
FY 2018 Premiums Written by Size**

Premium	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
\$0 - \$5,000	\$62,508,094	\$60,864,676	\$63,304,025	\$61,305,674	\$68,350,765	\$77,723,910
\$5,001 - \$25,000	\$111,460,201	\$118,054,620	\$122,948,706	\$117,707,052	\$114,038,738	\$121,290,491
\$25,001 - \$50,000	\$67,258,702	\$72,384,906	\$73,128,571	\$70,191,254	\$70,949,566	\$67,079,430
\$50,001 - \$100,000	\$79,131,223	\$91,317,025	\$94,051,310	\$87,227,532	\$83,133,403	\$83,938,877
Over \$100,000	\$263,620,726	\$253,543,257	\$272,022,133	\$324,993,710	\$264,385,221	\$224,872,763

Source: Kansas Division of Workers Compensation



**Table 1-9
FY 2018 Direct Losses Incurred by Premium Size**

Premium	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
\$0 - \$5,000	\$23,583,371	\$21,591,641	\$41,281,908	\$70,408,311	\$28,948,507	\$25,580,576
\$5,001 - \$25,000	\$37,435,037	\$33,211,514	\$39,897,628	\$44,803,768	\$39,443,663	\$41,760,009
\$25,001 - \$50,000	\$24,273,491	\$24,164,114	\$24,753,407	\$26,580,221	\$22,836,680	\$26,891,907
\$50,001 - \$100,000	\$23,873,623	\$29,283,058	\$28,701,665	\$23,049,541	\$28,163,391	\$29,838,462
Over \$100,000	\$67,648,040	\$55,859,587	\$60,771,099	\$62,015,403	\$92,192,966	\$73,705,824

Source: Kansas Division of Workers Compensation

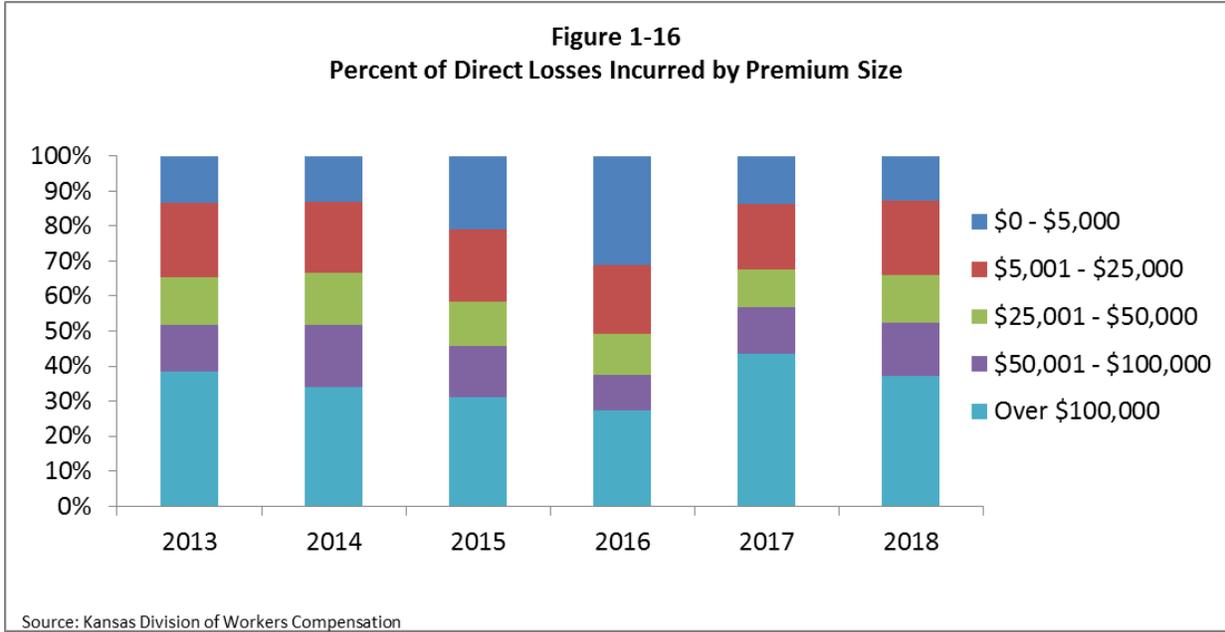


Table 1-10
FY 2018 Percent of Direct Losses Incurred
by Premium Size

Premium	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
\$0 - \$5,000	13.3%	13.2%	21.1%	31.0%	13.7%	12.9%
\$5,001 - \$25,000	21.2%	20.2%	20.4%	19.7%	18.6%	21.1%
\$25,001 - \$50,000	13.7%	14.7%	12.7%	11.7%	10.8%	13.6%
\$50,001 - \$100,000	13.5%	17.8%	14.7%	10.2%	13.3%	15.1%
Over \$100,000	38.3%	34.0%	31.1%	27.3%	43.6%	37.3%

Source: Kansas Division of Workers Compensation

Section 2

Occupational Injuries and Illnesses in Kansas FY 2018

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 2018 (July 1, 2017 up to and including June 30, 2018). 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 2009 to FY 2018.

- There were 45,837 total occupational injuries and illnesses reported to the Division of Workers Compensation during FY 2018. The FY 2018 total reflects all accidents occurring during the year, including fatalities, and represents a decrease of 914 reported injuries and illnesses, or a 2.0 percent decrease, from the previous year's total.
- From another perspective, 126 employees per day were either injured or killed on the job in Kansas last fiscal year.
- The average annual decrease between FY 2009 and FY 2018 of the total occupational injuries and illnesses reported is 3.5 percent and the overall decrease is 27 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 3.3 in FY 2018. This was a decrease by 2.3 percent from last fiscal year.
- The average annual decrease between FY 2009 and FY 2018 of the incidence rate per 100 FTE for total occupational injuries and illnesses is 3.8 percent and the overall decrease is 29 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 2009 - FY 2018

Fiscal Year	Total	Annual Change	Avg Annual Change	Total Change
			-3.46%	-27.39%
FY 09	63,130			
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%		
FY 17	46,751	-2.75%		
FY 18	45,837	-1.96%		

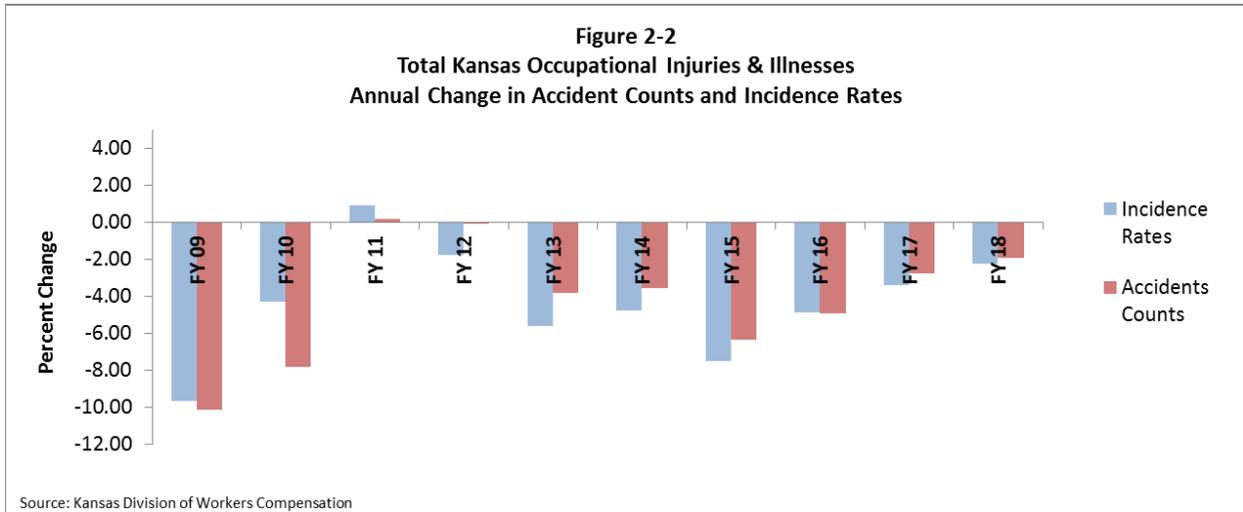
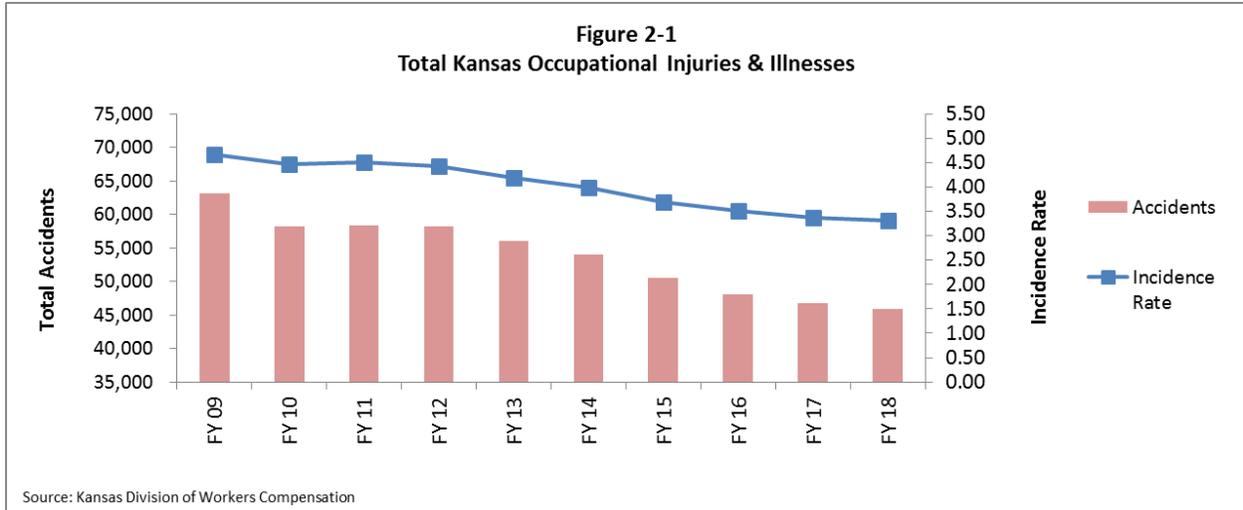
Source: Kansas Division of Workers Compensation

Table 2-2
Total Kansas Occupational Injuries and Illnesses
Incidence Rate* FY 2009 - FY 2018

Fiscal Year	Total	Annual Change	Avg Annual Change	Total Change
			-3.75%	-29.26%
FY 09	4.67			
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%		
FY 17	3.38	-3.43%		
FY 18	3.30	-2.26%		

*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 2009 to FY 2018 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 increased in FY 2018 by 29 percent from the previous year (to 54 from 42 reported deaths) and were less than the 10-year average of 47 reported deaths (see Table 2-3).
- The average annual increase between FY 2009 and FY 2018 of workplace fatalities reported is 9.0 percent with an overall increase of 59 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 2018 was .0039 which is an increase of 29.7 percent from the previous year and is less than the average of .0035 since FY 2009. The average annual increase was 9.2 percent between FY 2009 and FY 2018 (see Table 2-4).

Table 2-3
Kansas Fatal Occupational Injuries and Illnesses
FY 2009 - FY 2018

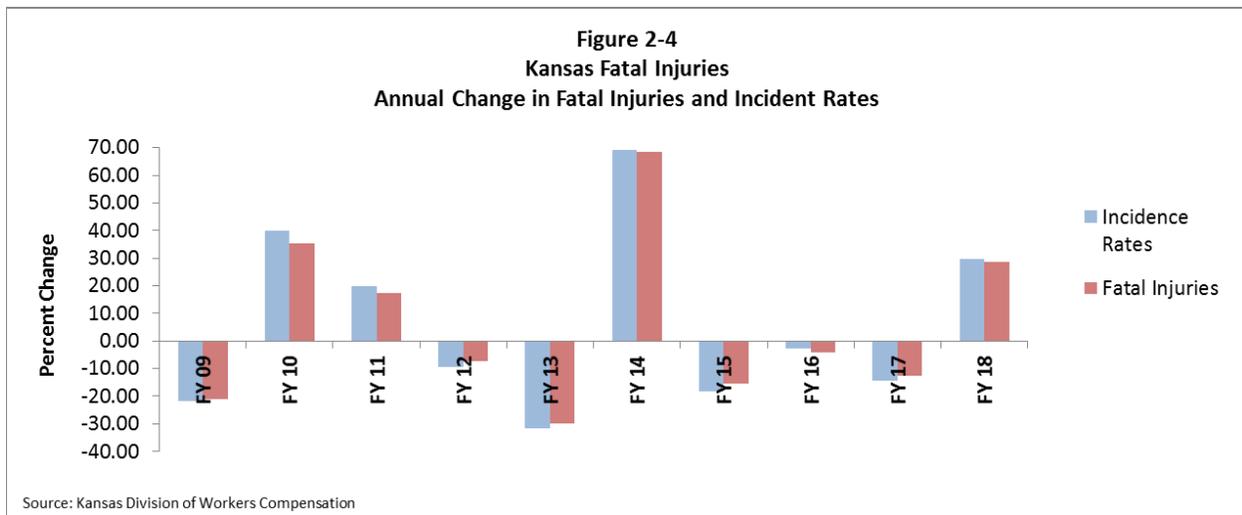
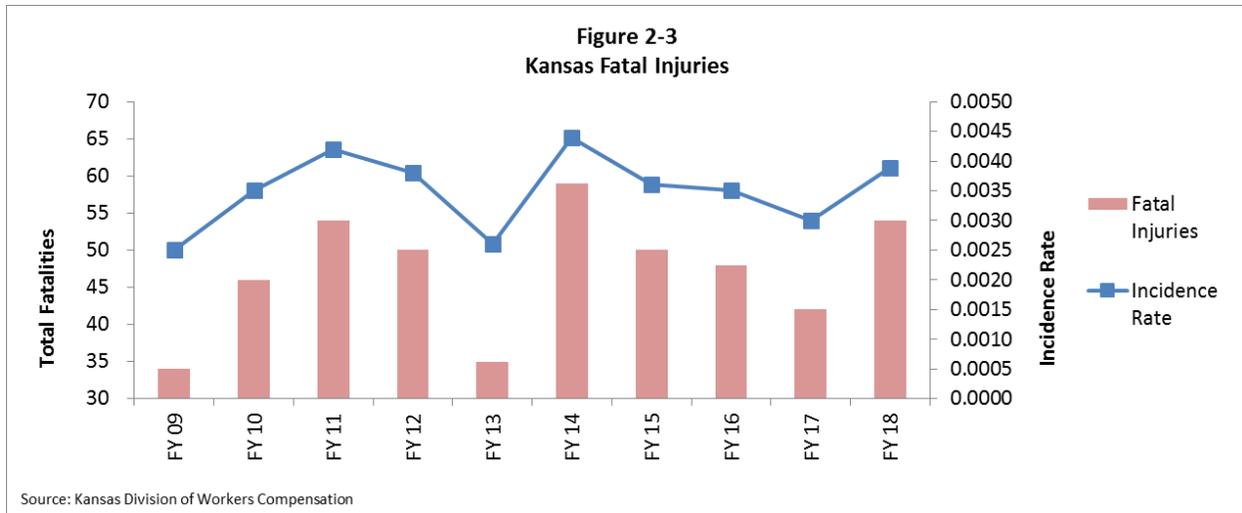
Fiscal Year	Total	Annual Change	Avg Annual Change	Total Change
			8.96%	58.82%
FY 09	34			
FY 10	46	35.29%		
FY 11	54	17.39%		
FY 12	50	-7.41%		
FY 13	35	-30.00%		
FY 14	59	68.57%		
FY 15	50	-15.25%		
FY 16	48	-4.00%		
FY 17	42	-12.50%		
FY 18	54	28.57%		

Source: Kansas Division of Workers Compensation

Table 2-4
Kansas Fatal Occupational Injuries and Illnesses
Incidence Rate* FY 2009 - FY 2018

Fiscal Year	Total	Annual Change	Avg Annual Change	Total Change
			9.18%	55.67%
FY 09	0.0025			
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%		
FY 17	0.0030	-14.29%		
FY 18	0.0039	29.73%		

*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 Analysis

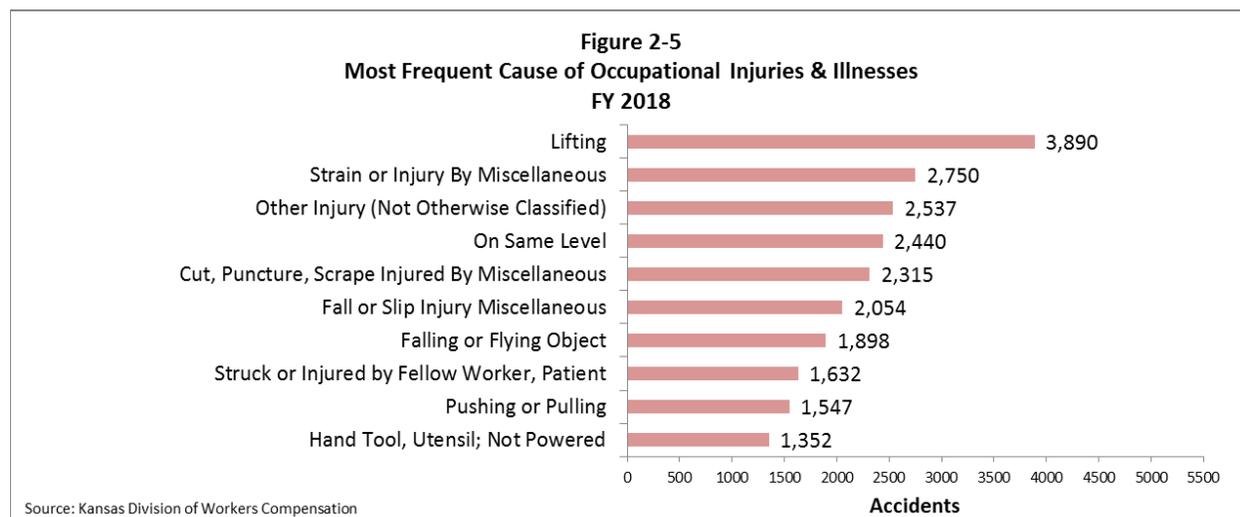
- The physical act of lifting is the most frequent cause of workplace injuries, accounting for 3,890 or 8.5 percent of the total occupational injuries and illnesses for FY 2018 (see Figure 2-5).
- Strain or injury by miscellaneous and other injury are the second and third most frequent causes of workplace injuries accounting for 2,750 and 2,537, respectively, of the total occupational injuries and illnesses for FY 2018 (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 2018.

**Table 2-5
Most Frequent Cause of Injury by Rank
FY 2014 - FY 2018**

Cause
Lifting
Strain or Injury By Miscellaneous
On Same Level
Fall or Slip Injury Miscellaneous
Other Injury (Not Otherwise Classified)
Cut, Puncture, Scrape Injured By Miscellaneous
Falling or Flying Object
Pushing or Pulling
Struck or Injured by Fellow Worker, Patient
Struck By or 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 2014 to FY 2018. Lifting and strain or injury by miscellaneous are the first and second most frequent causes of workplace injury, respectively, during this five-year period.



Nature Analysis

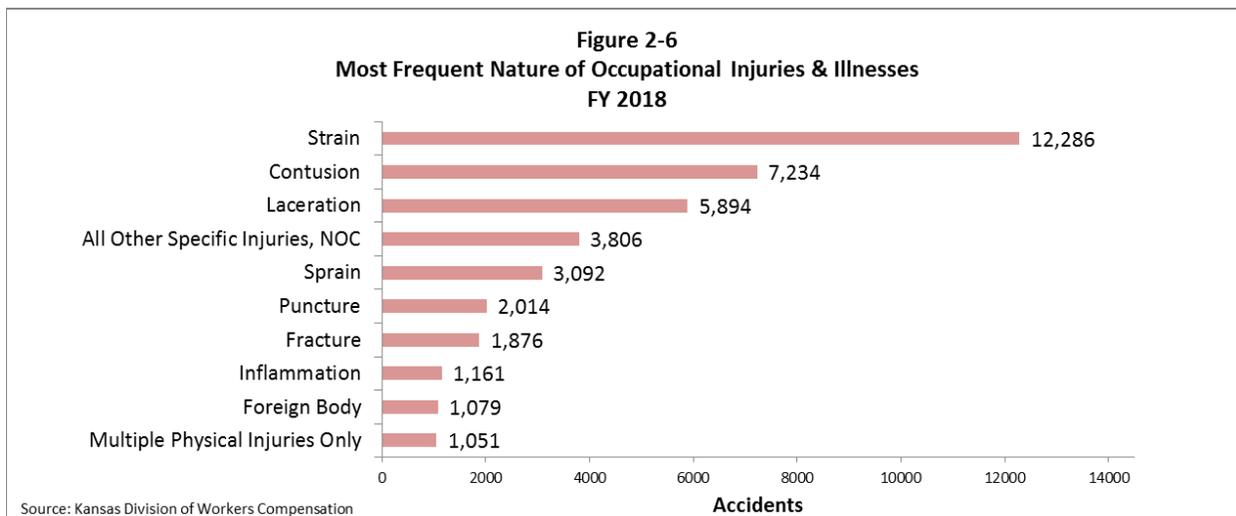
- Strain injuries are the most frequent nature of workplace injuries accounting for 12,286 or 26.8 percent of the total occupational injuries and illnesses for FY 2018 (see Figure 2-6).
- Contusions and lacerations are the second and third most frequent nature of workplace injuries accounting for 7,234 and 5,894, respectively, of the total occupational injuries and illnesses for FY 2018 (see Figure 2-6).
- The top ten most frequent nature of workplace injuries listed in Figure 2-6 account for 86.2 percent of the total occupational injuries and illnesses for FY 2018.

**Table 2-6
Most Frequent Nature of Injury by Rank
FY 2014 - FY 2018**

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

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 2014 to FY 2018. Strains were the most frequent cause of workplace injury during this five-year trend which also held true in FY 2018 as shown in Figure 2-6.



Body Member Affected Analysis

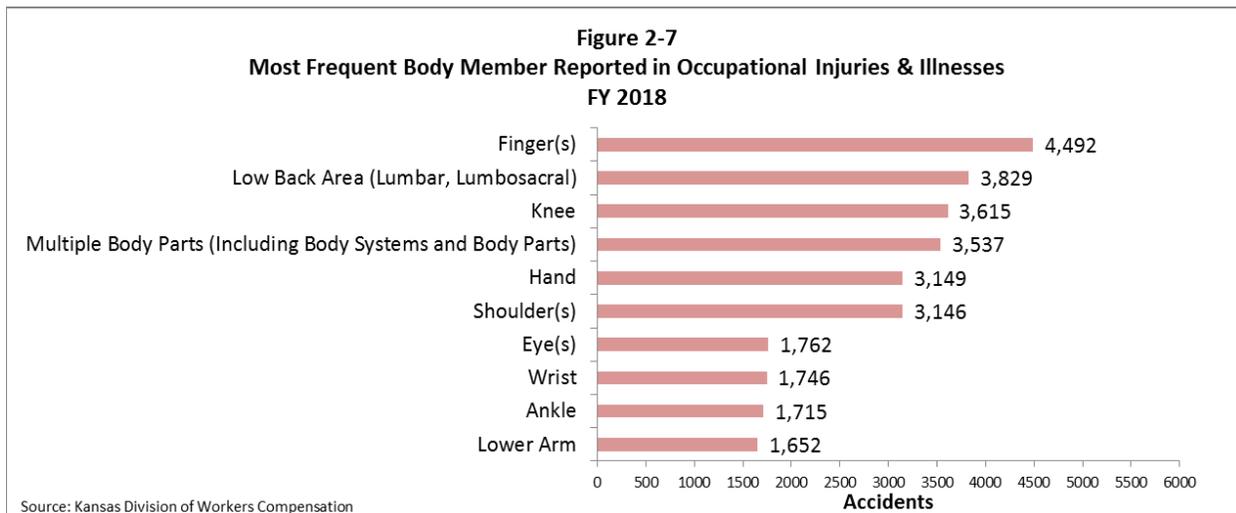
- Workplace injuries involving fingers constitute the greatest number of reported accidents for FY 2018, accounting for 4,492 or 9.8 percent of the total occupational injuries or illnesses (see Figure 2-7).
- Low back area (lumbar, lumbosacral) and knee are the second and third most frequently reported body member injured, accounting for 3,829 and 3,615, respectively, of the total occupational injuries and illnesses for FY 2018 (see Figure 2-7).
- The top ten most frequently injured body members listed in Figure 2-7 account for 62.5 percent of the total occupational injuries and illnesses for FY 2018.

**Table 2-7
Most Frequent Body Member Injured by Rank
FY 2014 - FY 2018**

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

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 2014 to FY 2018. Fingers, low back area (lumbar, lumbosacral) and knee are the first, second and third most injured body member, respectively, during this five-year trend.



County Analysis

- Table 2-8 lists the 10 Kansas counties reporting the greatest number of occupational injuries and illnesses in FY 2018. As expected, counties with the largest population totals report the greatest number of workplace accidents.
- Johnson County, part of metropolitan Kansas City, includes the second and fifth largest cities in Kansas (Overland Park and Olathe, respectively) and reported the most cases (see Table 2-8).
- Kansas’ largest city, Wichita, is located in Sedgwick County which 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 64.3 percent of all occupational injuries and illnesses in Kansas for FY 2018.
- 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 7.21 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 2018**

County	Accidents
Johnson	8,518
Sedgwick	8,109
Wyandotte	4,084
Shawnee	3,069
Douglas	1,325
Reno	1,150
Riley	1,091
Finney	1,058
Other State	1,050
Saline	1,036

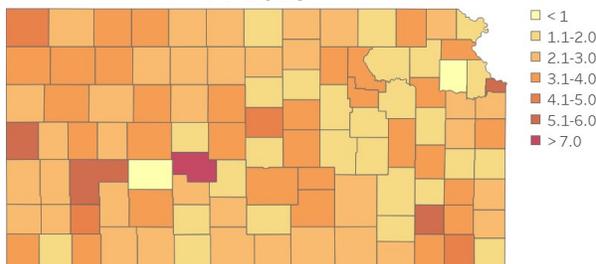
Source: Kansas Division of Workers Compensation

**Table 2-9
Counties Reporting Greatest Number of
Accidents per 100 Workers
FY 2018**

County	Accidents per 100 Workers
Pawnee	7.21
Wyandotte	5.54
Finney	5.33
Greeley	5.29
Wilson	5.05
Ellsworth	4.98
Labette	4.28
Haskell	4.14
Cheyenne	4.11
Reno	3.99

Source: Kansas Division of Workers Compensation

**Figure 2-8
Accidents per 100 Workers
FY 2018**



Source: Kansas Division of Workers Compensation

NAICS Industry Subsector Analysis

- The educational services industry subsector ranked first in reported accidents for FY 2018, accounting for 3,881 or 8.5 percent of the total occupational injuries or illnesses (see Table 2-10).
- Executive, legislative, and other general government support and hospitals are the second and third most frequently reported industry subsectors for injuries, accounting for 3,105 and 2,498, respectively, of the total occupational injuries and illnesses for FY 2018 (see Table 2-10).
- The top ten most frequently reported industry subsectors for workplace injuries listed in Table 2-10 account for 49 percent of the total occupational injuries and illnesses for FY 2018.

**Table 2-10
Most Frequent Industry Subsector* Reported
in Occupational Injuries and Illnesses
FY 2018**

Industry Subsector	Accidents
Educational Services	3,881
Executive, Legislative, and Other General Government Support	3,105
Hospitals	2,498
Nursing and Residential Care Facilities	2,201
Food Services and Drinking Places	2,113
Administrative and Support Services	2,090
Administration of Human Resource Programs	2,055
Specialty Trade Contractors	1,787
Transportation Equipment Manufacturing	1,461
Food Manufacturing	1,460

*2012 NAICS standard

Source: Kansas Division of Workers Compensation

Section 3

Workers Compensation Claims Statistics CY 2017

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 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 1, 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 2018.

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

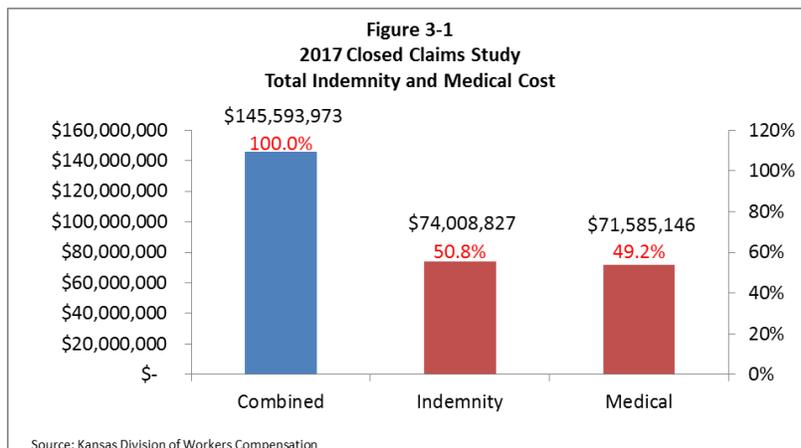
Figure 3-1 provides a high level view of overall closed claims cost for CY 2017 and the portions of the total indemnity and medical costs that contribute to the combined cost. Figure 3-2 shows the total median costs.

Median vs. Mean

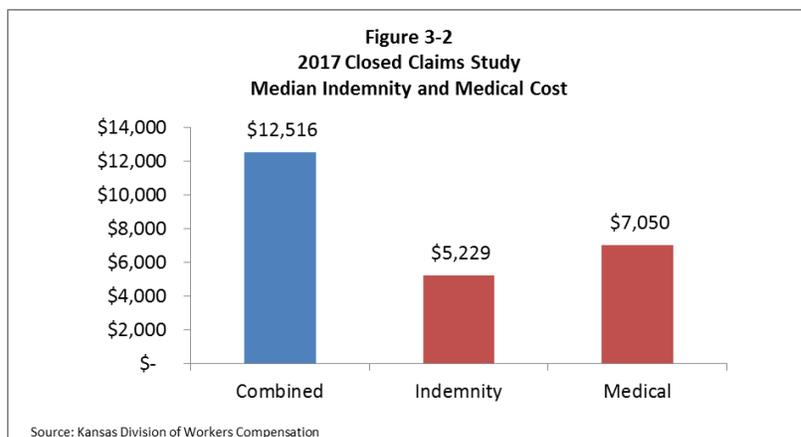
The median is used to describe a typical value of a data set rather than the mean or average. Past closed claims analysis has shown a small number of high cost claims skews the calculation of average costs higher. The calculation for median is immune to skewed data. For this study going forward, the 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 2017 is 5,786.

- The total combined cost for closed claims in CY 2017 was \$145,593,973. Total indemnity and medical costs made up 50.8 and 49.2 percent of the combined cost, respectively (see Figure 3-1).



- The median combined cost of \$12,516 was the cost of a typical claim that occurred in CY 2017. The median indemnity and medical costs were \$5,229 and \$7,050, 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 2017. 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 2017 is 5,626.
- 54 percent of total indemnity costs were paid through lump sum payments for CY 2017.

- Temporary Total Disability (TTD) claims were the most common type of claim (3,986) and had the highest total indemnity cost (\$21,852,499) for CY 2017. However, its median indemnity cost of \$2,259 was the second lowest median cost (see Table 3-1).
- The median indemnity cost of \$157,274 for death claims was the highest median cost for CY 2017 (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 \$157,274 for death claims and \$4,752 for permanent total disability claims (see Table 3-1).

Table 3-1
2017 Closed Claims Study
Total and Median Indemnity Costs by Benefit Type

Benefit Type	Total	Median	Occurrences
Death	\$2,679,716	\$157,274	18
Permanent Total Disability	\$584,964	\$4,752	31
Scheduled Permanent Partial	\$14,905,433	\$6,788	1,420
Unscheduled Permanent Partial	\$7,966,600	\$10,408	433
Temporary Total	\$21,852,499	\$2,259	3,986
Temporary Partial	\$947,226	\$749	559
Lump Sum Settlement (Unspecified)	\$20,536,239	\$7,580	1,455

Source: Kansas Division of Workers Compensation

- Scheduled permanent partial claims had the largest amount of indemnity paid by lump sum with \$9,873,732 and the second largest portion of indemnity paid by lump sum accounting for 66 percent of its total indemnity costs (see Figure 3-2).

Table 3-2
2017 Closed Claims Study
Total Indemnity Lump Sum Portion by Benefit Type

Benefit Type	Total Indemnity	Lump Sum Portion	% of Total Indemnity
Death	\$2,679,716	\$500,000	18.7%
Permanent Total Disability	\$584,964	\$239,981	41.0%
Scheduled Permanent Partial	\$14,905,433	\$9,873,732	66.2%
Unscheduled Permanent Partial	\$7,966,600	\$5,845,922	73.4%
Temporary Total	\$21,852,499	\$364,791	1.7%
Temporary Partial	\$947,226	\$9,233	1.0%

Source: Kansas Division of Workers Compensation

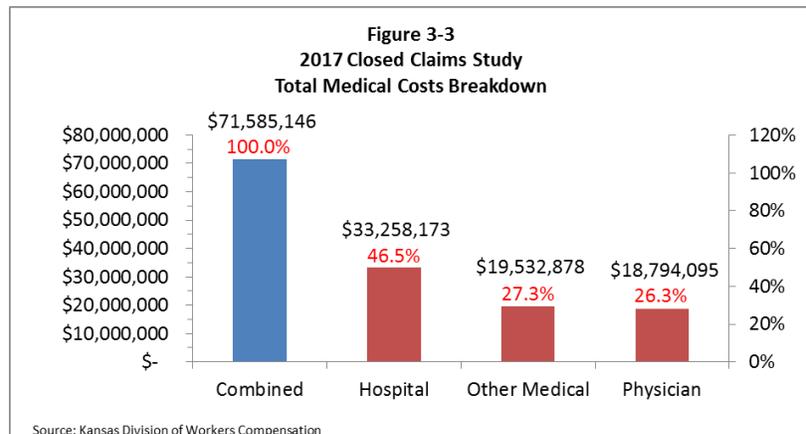
Closed Claims Medical Costs

Medical Portion of Claims Costs

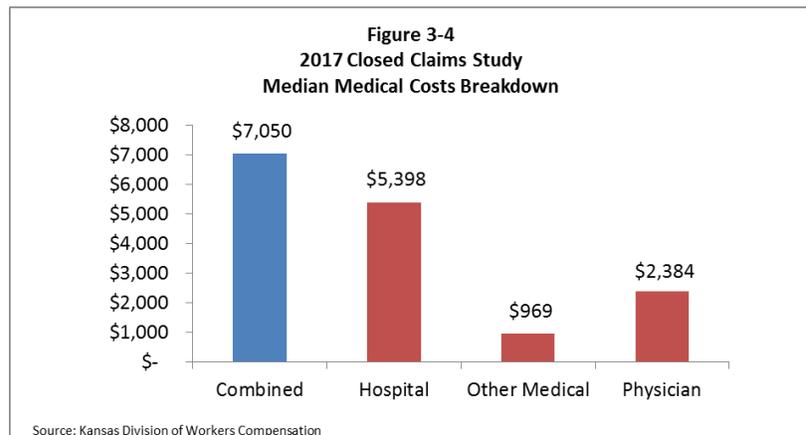
Figure 3-3 provides a breakdown of the total medical cost into three categories (hospital, other medical and physician) for a better understanding of how these factors contributed to overall medical costs for CY 2017. Figure 3-4 shows the median medical costs breakdown.

- The total number of closed claims reporting medical payments for CY 2017 is 4,973.

- Total medical cost paid in CY 2017 was \$71,585,146. Payments associated with hospital costs made up the largest portion of the total medical cost at 47 percent. Other medical and physician costs combined to make up the remaining 53 percent of the total medical cost (see Figure 3-3).



- The median total medical cost of \$7,050 was the typical cost of medical treatment for a claim in CY 2017. Hospital costs had the highest median cost of \$5,398 followed by other medical and physician costs with \$969 and \$2,384, 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 2017 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 70 percent of all claims cost and 71 percent of total number of injuries reported with payment for CY 2017.
- Shoulders were the most frequent part of body injured (861) and had the highest total claims cost (\$24,966,874); total indemnity (\$12,370,203) and total medical costs (\$12,596,671) for CY 2017 (see Table 3-3).

- Injuries involving multiple body parts (including body systems and body parts) had the second highest total claims cost (\$17,900,758) in CY 2017. However, it was the fourth highest reported part of body injured with 450 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 (\$17,026,563) in CY 2017 (see Table 3-3). However, its median total cost of claim was \$10,431 compared to \$24,664 for injuries involving shoulder(s), \$17,756 for injuries involving multiple body parts and \$13,149 for injuries involving knees (see Table 3-4). Injuries involving the low back area had 12 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
2017 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)	\$24,966,874	\$12,370,203	\$12,596,671	861
Multiple Body Parts (Including Body Systems and Body Parts)	\$17,900,758	\$8,785,939	\$9,114,820	450
Low Back Area (Lumbar, Lumbosacral)	\$17,026,563	\$10,741,819	\$6,284,744	570
Knee	\$14,077,075	\$6,933,995	\$7,143,079	683
Hand	\$5,213,340	\$2,498,632	\$2,714,708	278
Wrist	\$4,899,696	\$2,473,048	\$2,426,648	282
Finger(s)	\$4,702,364	\$2,141,939	\$2,560,425	390
Ankle	\$4,526,708	\$2,207,705	\$2,319,002	248
Lower Leg	\$4,087,233	\$1,466,915	\$2,620,318	137
Lower Arm	\$3,924,187	\$1,938,918	\$1,985,270	171

Source: Kansas Division of Workers Compensation

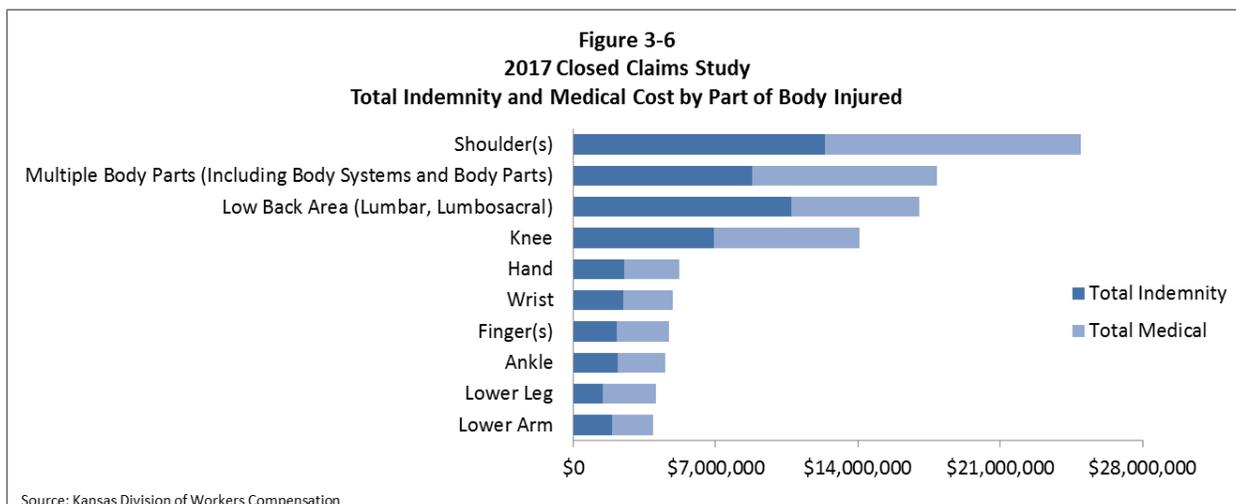
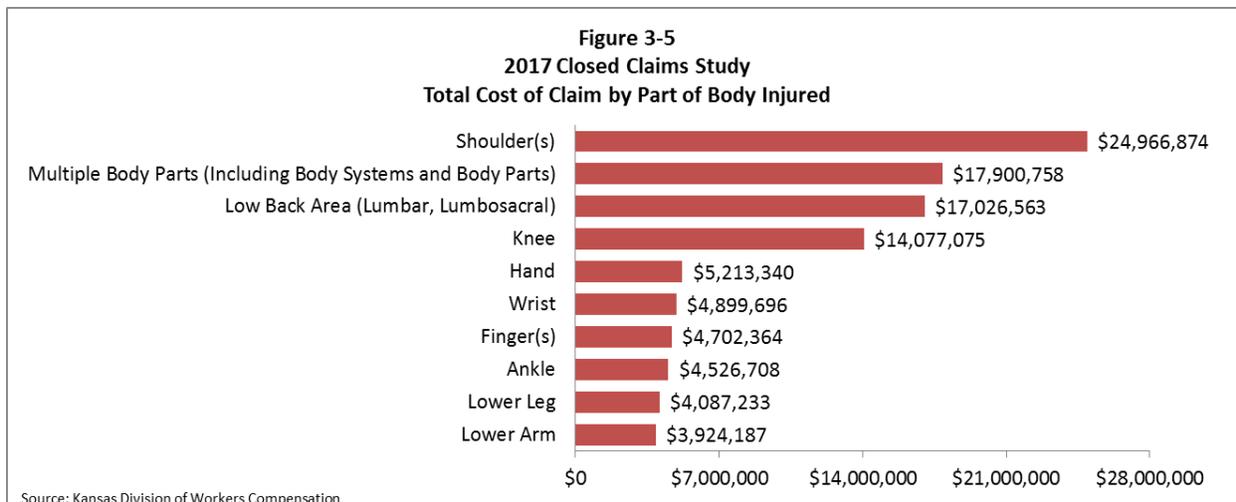


Table 3-4
2017 Closed Claims Study
Median Claim Costs with Median Indemnity and Medical Portion
by Part of Body Injured

Part of Body	Median Cost	Median Indemnity	Median Medical	Occurrences
Shoulder(s)	\$24,664	\$9,875	\$14,611	861
Multiple Body Parts (Including Body Systems and Body Parts)	\$17,756	\$9,003	\$8,372	450
Low Back Area (Lumbar, Lumbosacral)	\$10,431	\$5,372	\$3,400	570
Knee	\$13,149	\$4,968	\$8,406	683
Hand	\$9,955	\$4,076	\$5,582	278
Wrist	\$12,248	\$4,889	\$8,018	282
Finger(s)	\$7,096	\$2,217	\$4,653	390
Ankle	\$7,267	\$3,612	\$2,899	248
Lower Leg	\$11,289	\$3,690	\$7,952	137
Lower Arm	\$14,010	\$6,484	\$7,190	171

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 2017 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 88 percent of all claims cost and 87 percent of total number of injuries reported with payment for CY 2017.
- Strain injuries were the most frequent nature of injury reported (2,184) and had the highest total claims cost (\$49,035,080); total indemnity cost (\$26,992,353) and total medical costs (\$22,042,727) for CY 2017 (see Table 3-5).

- Fractures had the second highest overall claims cost of \$21,591,605 and the second highest occurrence of injuries with 704 for CY 2017 (see Table 3-5).
- All other injuries, NOC had the third highest overall claims cost of \$13,408,104 for CY 2017 (see Table 3-5). However, it was the fifth most frequent nature of injury with 397 occurrences. These injuries had ten claims with total costs over \$150,000 including one claim with a total claim cost of \$625,360.
- Contusion injuries were the third most frequent nature of injury reported (514) for CY 2017 (see Table 3-5). However, it had the fourth highest overall claims cost of \$9,990,678 because half of the total claims cost reported were less than \$9,373 which suppressed its overall claims cost (see Table 3-6).
- Dislocation injuries had the fifth highest median total cost of claim (\$23,336) and the second highest median medical cost (\$29,792) for CY 2017 which pushed its overall claims cost of \$5,339,694 to seventh highest despite only 134 injuries reported (see Tables 3-5 and 3-6).

**Table 3-5
2017 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	\$49,035,080	\$26,992,353	\$22,042,727	2,051
Fracture	\$21,591,605	\$9,557,321	\$12,034,285	704
All Other Specific Injuries, NOC	\$13,408,104	\$6,658,510	\$6,749,593	397
Contusion	\$9,990,678	\$5,402,186	\$4,588,492	514
Sprain	\$9,395,254	\$4,817,764	\$4,577,490	468
Multiple Physical Injuries Only	\$6,729,149	\$3,040,098	\$3,689,051	134
Dislocation	\$5,339,694	\$2,700,585	\$2,639,109	134
Inflammation	\$4,593,958	\$2,451,011	\$2,142,947	191
Laceration	\$4,167,393	\$1,732,655	\$2,434,739	282
Burn	\$3,280,801	\$1,052,371	\$2,228,430	87

Source: Kansas Division of Workers Compensation

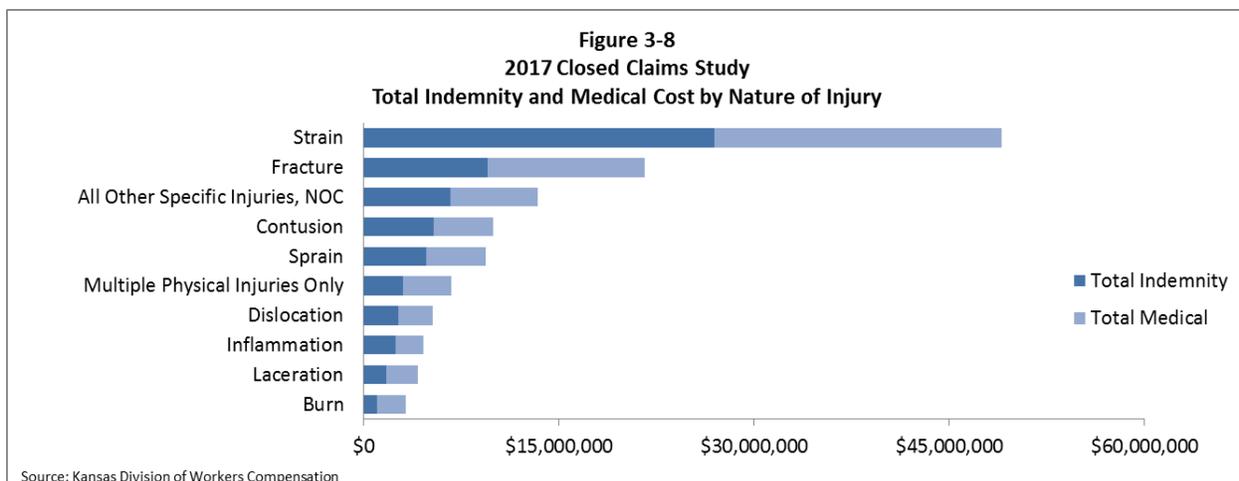


Table 3-6
2017 Closed Claims Study
Median Claim Costs with Median Indemnity and Medical Portion
by Nature of Injury

Nature of Injury	Median Cost	Median Indemnity	Median Medical	Occurrences
Strain	\$12,902	\$6,000	\$6,160	2,051
Fracture	\$14,368	\$5,906	\$9,165	704
All Other Specific Injuries, NOC	\$17,753	\$7,706	\$9,477	397
Contusion	\$9,373	\$4,196	\$4,489	514
Sprain	\$10,037	\$5,048	\$5,609	468
Multiple Physical Injuries Only	\$15,470	\$8,259	\$7,243	134
Dislocation	\$29,792	\$10,394	\$15,853	134
Inflammation	\$15,541	\$6,779	\$8,422	191
Laceration	\$7,837	\$2,107	\$5,438	282
Burn	\$5,235	\$1,424	\$5,052	87

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 2017 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 57 percent of total number of injuries reported with payment for CY 2017.
- Injuries caused by lifting were the most frequently reported (720) and had the highest total claims cost (\$18,528,433) with total indemnity costs of \$9,835,381 and total medical costs of \$8,693,052 despite its relatively low median cost of claim of \$13,358 for

CY 2017 (see Tables 3-7 and 3-8). Lifting injuries had 14 claims with total costs greater than \$175,000. 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 fall, slip, or trip, NOC and strain or injury by, NOC had the second and third highest cost of claim of \$9,251,680 and \$9,233,449, respectively, for CY 2017 (see Table 3-7).
- Coincidentally, fall, slip, or trip, NOC and strain or injury by, NOC were also the third and second most frequently reported injuries with 384 and 431, respectively, for CY 2017 (see Table 3-7).

**Table 3-7
2017 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	\$18,528,433	\$9,835,381	\$8,693,052	720
Fall, Slip or Trip, NOC	\$9,251,680	\$4,727,176	\$4,524,504	384
Strain or Injury By, NOC	\$9,233,449	\$4,854,229	\$4,379,220	431
Fall, Slip or Trip on Same Level	\$8,827,079	\$4,152,696	\$4,674,383	336
Repetitive Motion	\$8,804,951	\$5,072,900	\$3,732,051	315
Fall, Slip or Trip from Different Level (Elevation)	\$8,540,270	\$4,757,730	\$3,782,540	209
Pushing or Pulling	\$7,666,524	\$4,043,114	\$3,623,410	338
Falling or Flying Object	\$6,135,870	\$2,900,710	\$3,235,160	195
Fall, Slip or Trip From Ladder or Scaffolding	\$5,917,409	\$2,518,030	\$3,399,378	139
Other - Miscellaneous, NOC	\$4,141,133	\$2,267,361	\$1,873,772	194

Source: Kansas Division of Workers Compensation

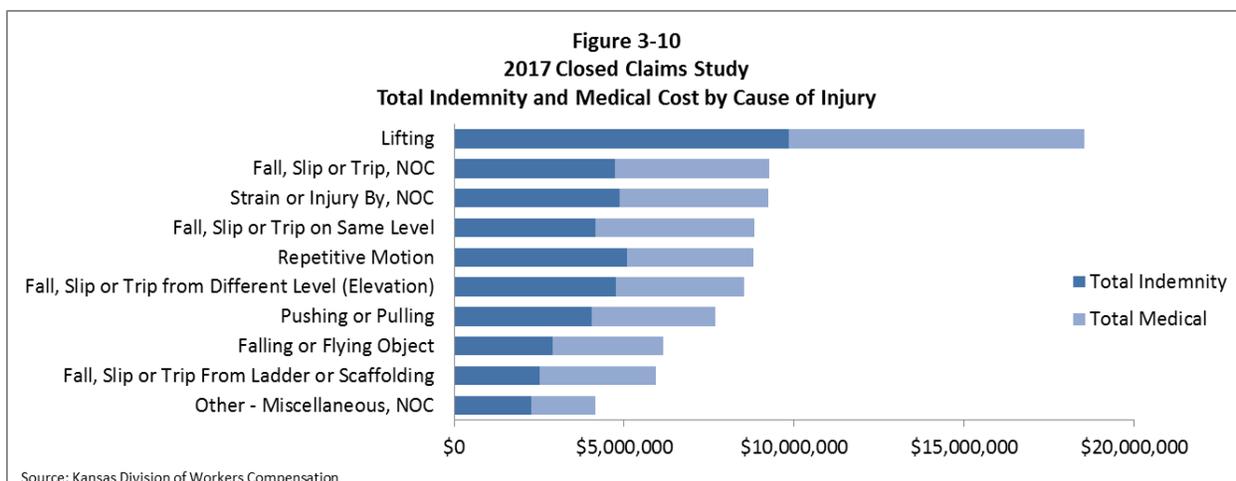
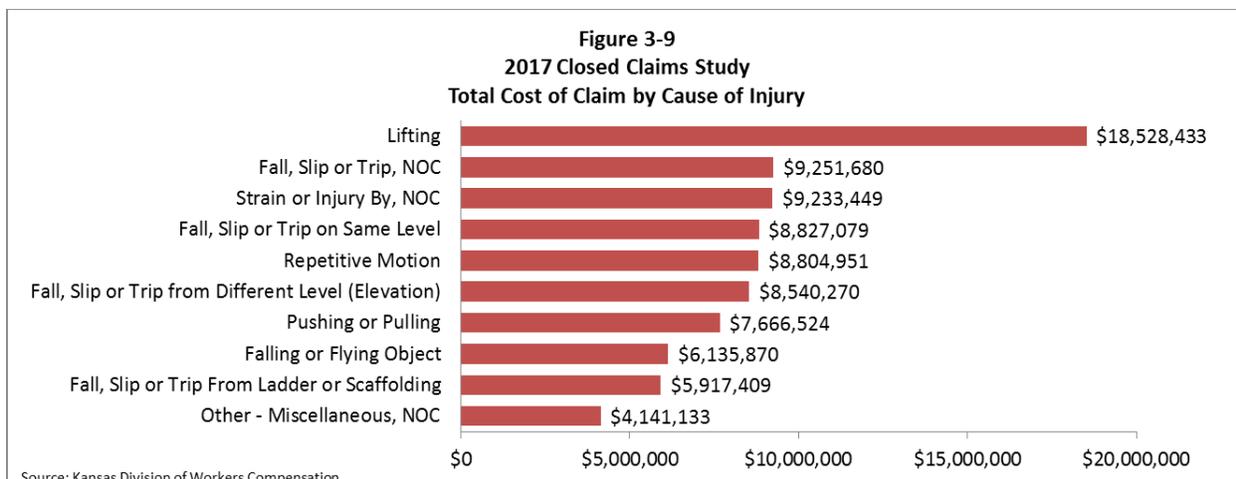


Table 3-8
2017 Closed Claims Study
Median Claim Costs with Median Indemnity and Medical Portion
by Cause of Injury

Cause of Injury	Median Cost	Median Indemnity	Median Medical	Occurrences
Lifting	\$13,358	\$5,555	\$7,569	720
Fall, Slip or Trip, NOC	\$14,354	\$6,591	\$8,327	384
Strain or Injury By, NOC	\$12,374	\$4,965	\$7,867	431
Fall, Slip or Trip on Same Level	\$15,385	\$6,130	\$7,323	336
Repetitive Motion	\$17,643	\$10,000	\$7,623	315
Fall, Slip or Trip from Different Level (Elevation)	\$18,965	\$9,370	\$9,570	209
Pushing or Pulling	\$13,861	\$6,034	\$7,254	338
Falling or Flying Object	\$9,128	\$4,062	\$4,831	195
Fall, Slip or Trip From Ladder or Scaffolding	\$14,990	\$6,277	\$13,864	139
Other - Miscellaneous, NOC	\$12,175	\$5,000	\$7,467	194

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 2017 closed claims study.

- The typical duration for a claim that closed in CY 2017 was 406 days. The shortest claim duration was 16 days and the longest was 5,786 days (see Table 3-9)
- For CY 2017, a typical claim took three 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 20 days for CY 2017 (see Table 3-9).
- When a claimant required medical treatment for their workplace injury, the typical time needed for medical recovery was 223 days for CY 2017 (see Table 3-9).

**Table 3-9
2017 Closed Claims Study
Time Intervals***

	Min	Max	Median	Count
Claim Duration	16	8,092	406	5,786
Time Away from Work	1	1,378	20	1,352
Time for Medical Recovery	0	33,083	223	2,937
Time Taken to Notify Insurer	0	1,932	3	5,779
Time Taken for Insurer to Issue First Payment	0	4,419	18	3,477

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 2017. 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 \$12,277 for CY 2017. In contrast, for claims not involving a claimant attorney, the median indemnity cost was only \$4,411 (see Table 3-10).
- For claims involving a claimant attorney, the median medical cost was \$9,571 for CY 2017. In contrast, for claims not involving a claimant attorney, the median medical cost was only \$6,672 (see Table 3-10).
- For claims involving a claimant attorney, the median lump sum cost was \$10,000 for CY 2017. In contrast, for claims not involving a claimant attorney, the median lump sum cost was only \$7,500 (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 \$1,036 for those 2,228 claims that reported such an expense for CY 2017. Meanwhile, the typical claimant legal expense was \$5,171 for those 50 claims that itemized such an expense. The total costs for employer and claimant legal expenses were \$6,088,312 and \$703,572, respectively (see Table 3-11).

Table 3-10
2017 Closed Claims Study
Claims Cost Associated with Claimant Attorney Involvement

	Indemnity		Medical		Lump Sum	
	Median	Occurrences	Median	Occurrences	Median	Occurrences
Claimant Attorney Involved	\$12,277	740	\$9,571	706	\$10,000	560
No Claimant Attorney	\$4,411	4,886	\$6,672	4,267	\$7,500	2,259
All Cases	\$5,229	5,626	\$7,050	4,973	\$7,800	2,819

Source: Kansas Division of Workers Compensation

Table 3-11
2017 Closed Claims Study
Legal Expenses Associated with Claim

	Employer Legal Expense	Claimant Legal Expense
Total	\$6,088,312	\$703,572
Median	\$1,036	\$5,171
Occurrences	2,228	50

Source: Kansas Division of Workers Compensation

Appendix A

**Technical Notes:
Occupational Injuries and Illnesses
Incidence Rates**

and

**Closed Claims Study
Distribution Analysis**

Occupational Injuries and Illnesses Incidence Rates

Bureau of Labor Statistics (BLS) Survey of Occupational Injuries and Illnesses:

BLS, with the help of the state agencies, selects a non-proportional stratified probability sample of employment establishments and mails them questionnaires. Employers are instructed to record all nonfatal employee injury 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 (LMIS) 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 Injuries and Illnesses 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.