

Vocational rehabilitation statistical update July 2022

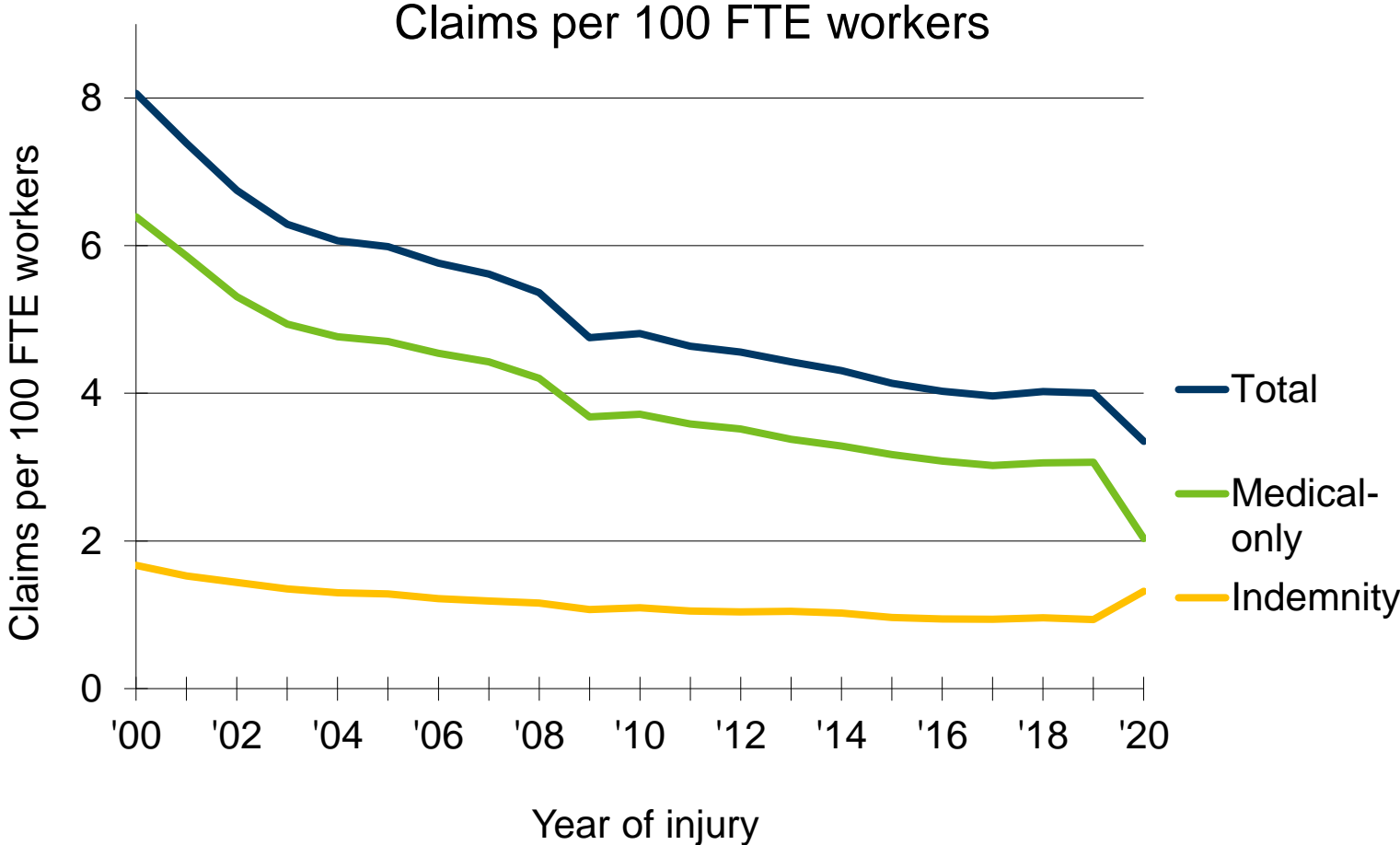
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A brief note about development and reporting periods

- Most of these values are estimates using a development technique that adjusts current measurements with the average percentage of growth in claims from preceding years.
 - For example, if we measure that average duration increases 10% during the next 7 years, a measurement of 10 months in 2020 means the developed duration for 2020 would be 11 months.
- Measurements based on injury years are developed for 10 years; plan closure year measures are developed for seven years.
- Plan closure years start in October and end in September of the year number.
 - This keeps years consistent with qualified rehabilitation consultant (QRC) hourly rate changes and many other aspects of workers' compensation statutes and allows full use of the available data.

Workers' compensation system overview

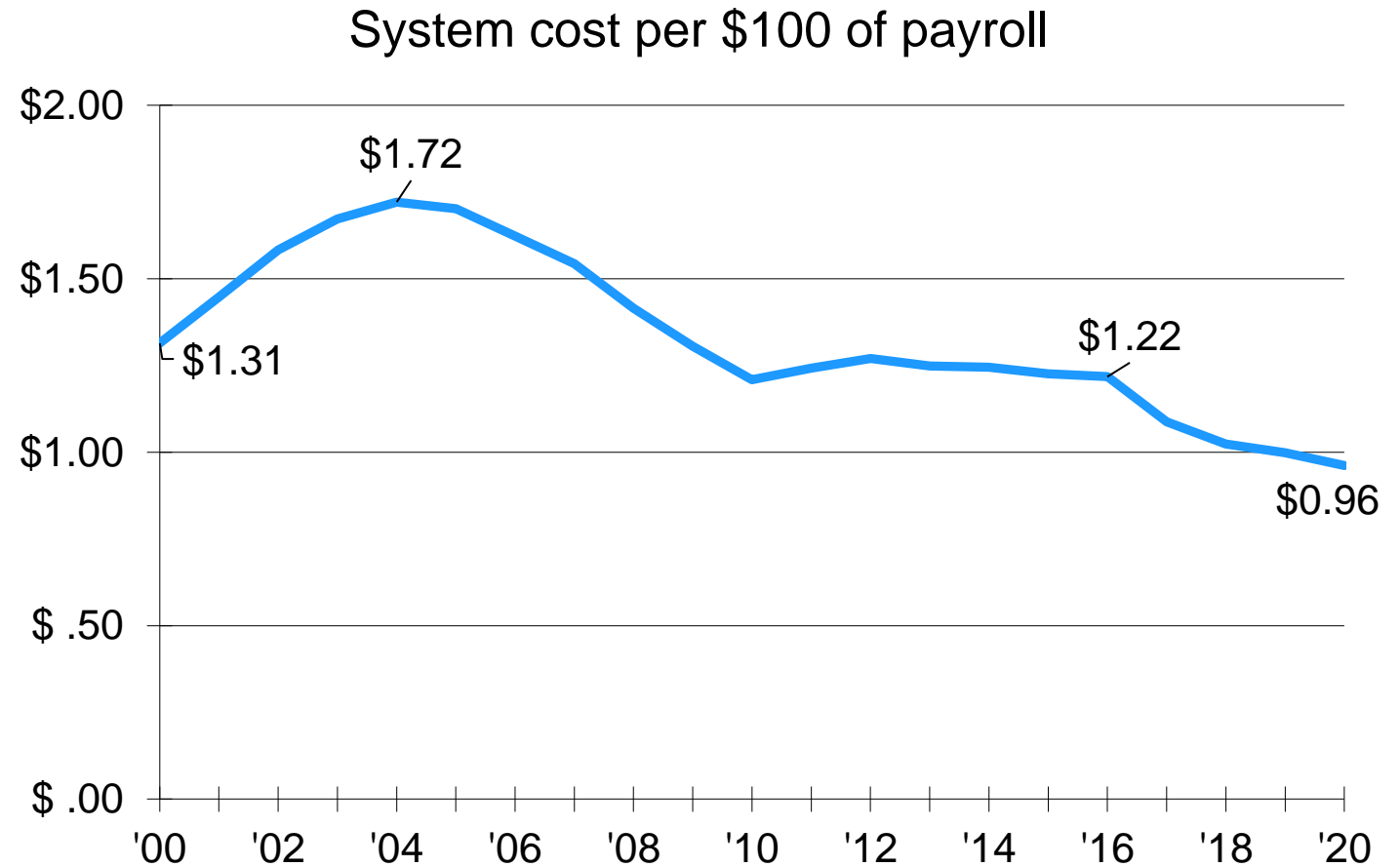
Decreasing claims rates, large COVID-19 effect in 2020



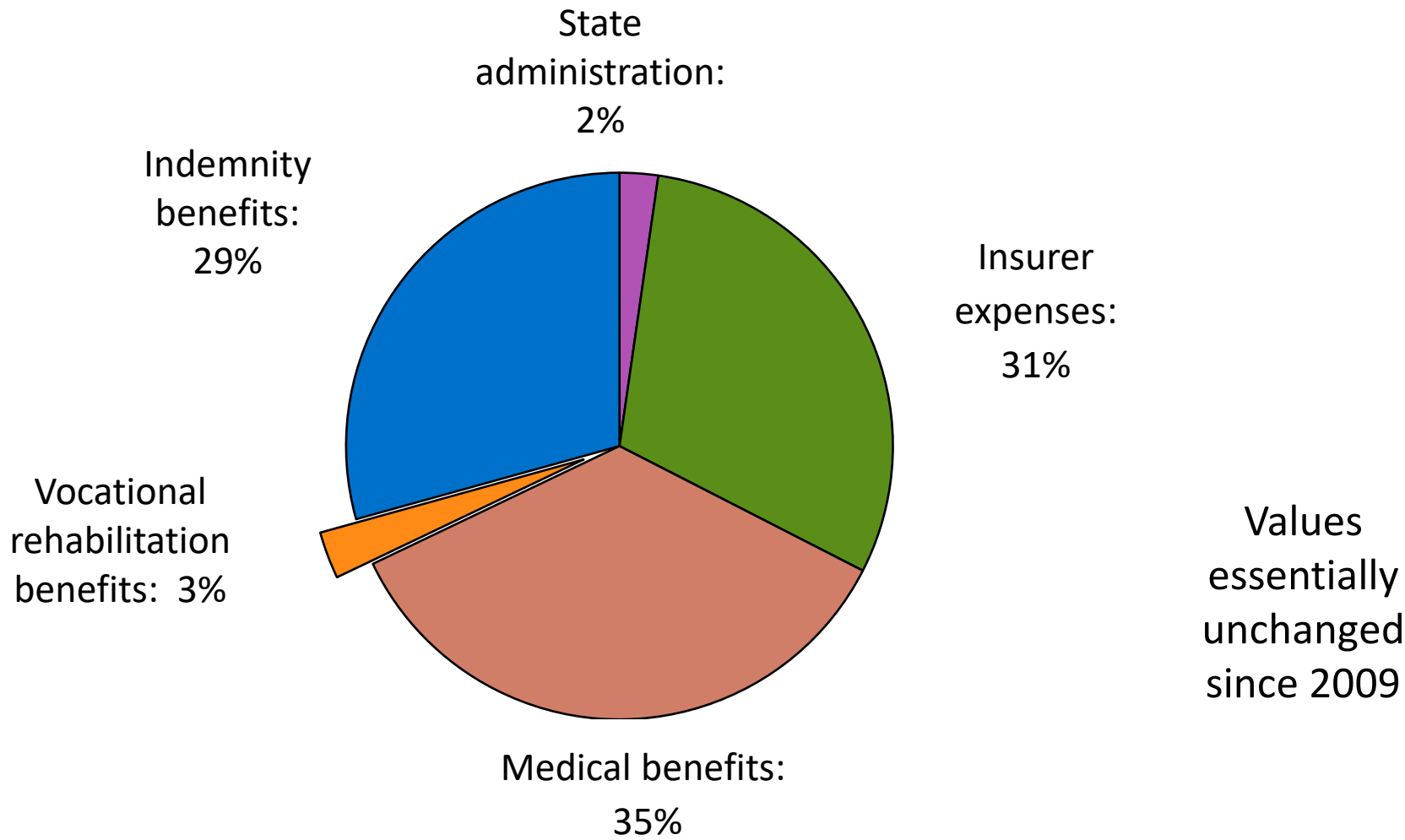
- COVID-19 affected 2020 claim rates
- 42% decrease in indemnity claims rate from 2000 to 2019
- 52% decrease in medical-only claims rate from 2000 to 2019

System cost started declining relative to payroll in 2017

Drop in costs relative to payroll starting in 2017 caused by payroll increase with steady benefit payments

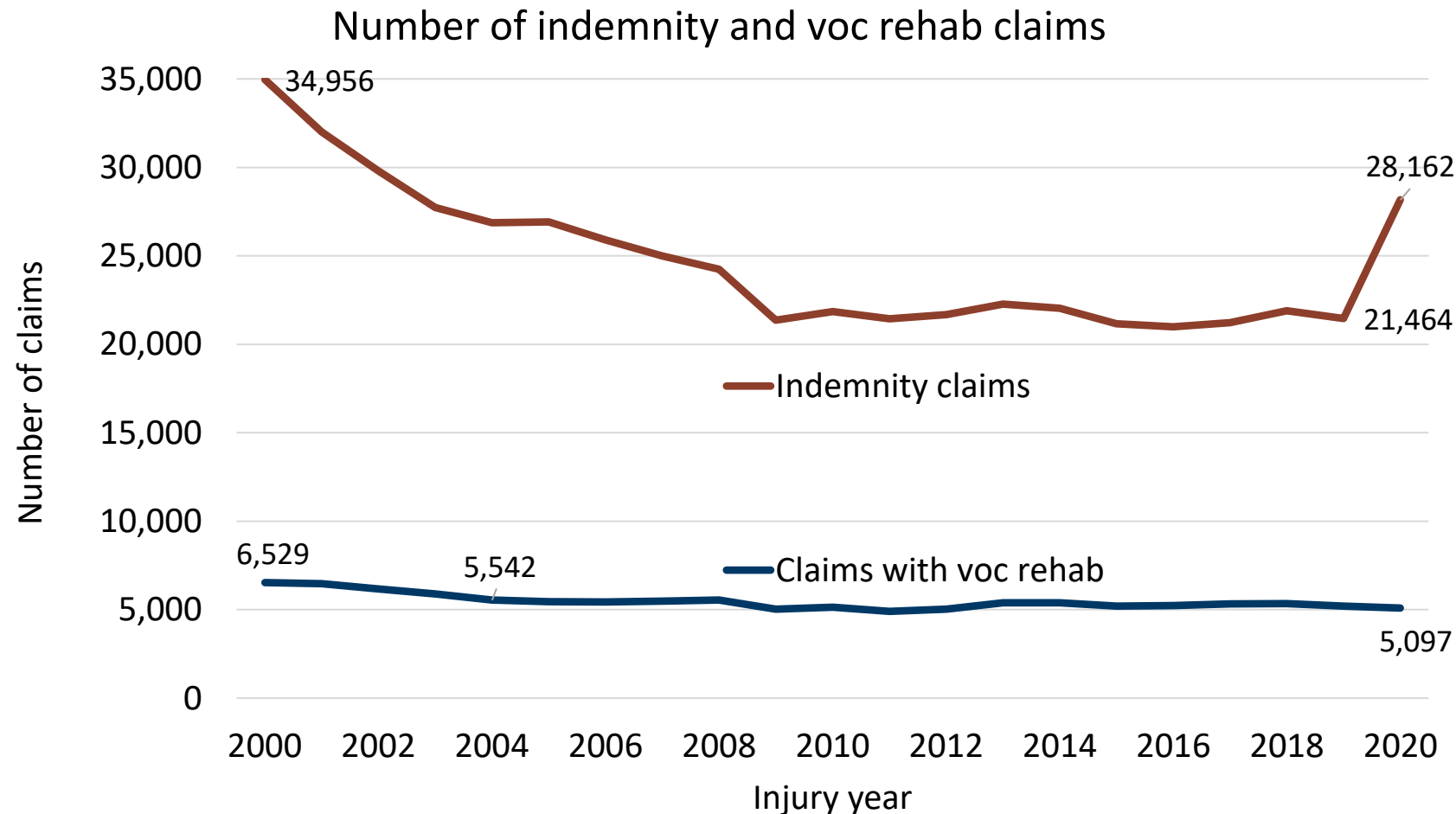


Medical benefits are the largest expense (2019 values)



Vocational rehabilitation use

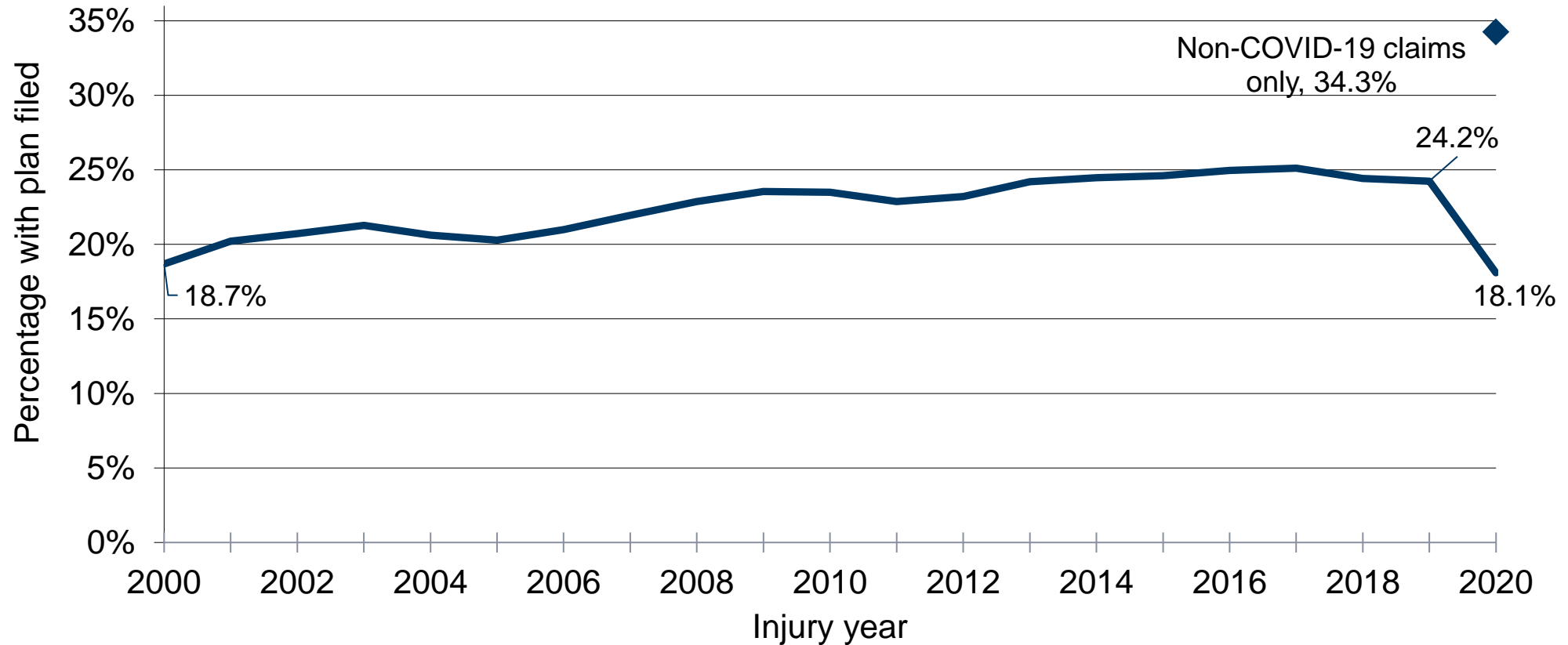
Consistent numbers of indemnity claims from 2009 to 2019, voc rehab numbers between 4,900 and 5,500 since 2004



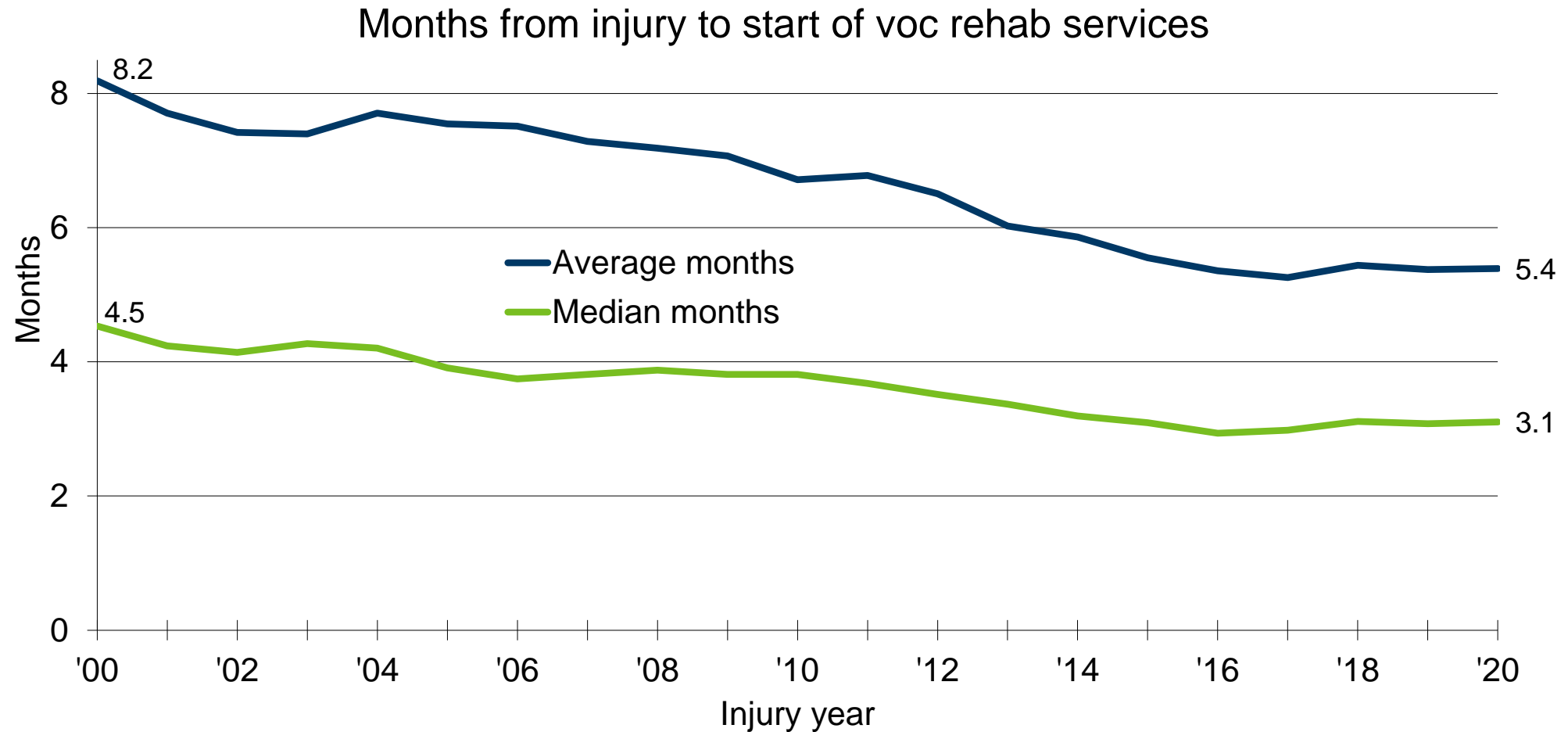
- 14,500 COVID-19 claims in 2020, 52% of all indemnity
- only 120 COVID-19 claims used voc rehab

Percentage of indemnity claims receiving vocational rehabilitation peaked at 25% in 2017

Use of vocational rehabilitation services

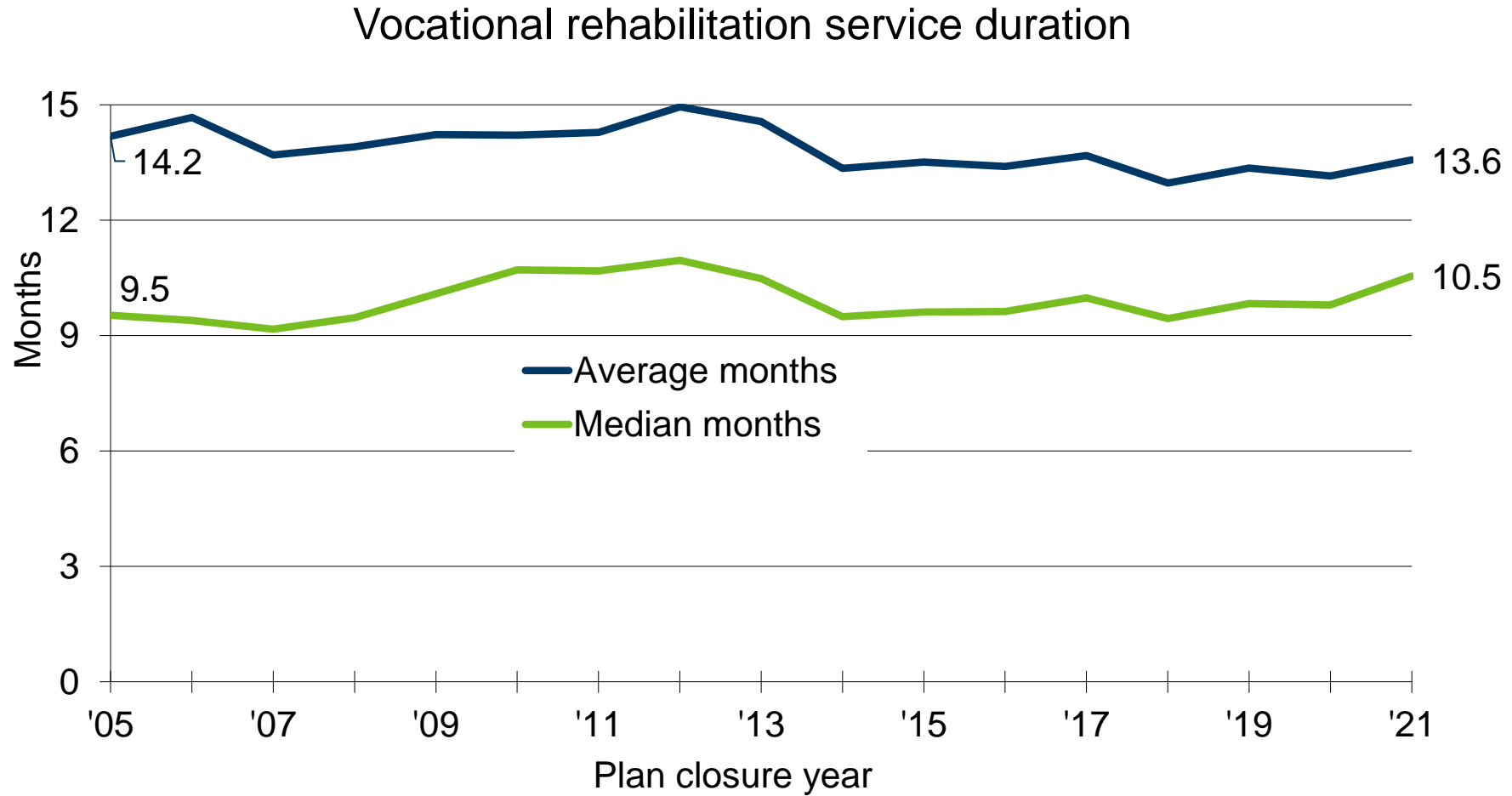


Average start of vocational rehabilitation for 2020 injured workers is 84 days sooner than in 2000

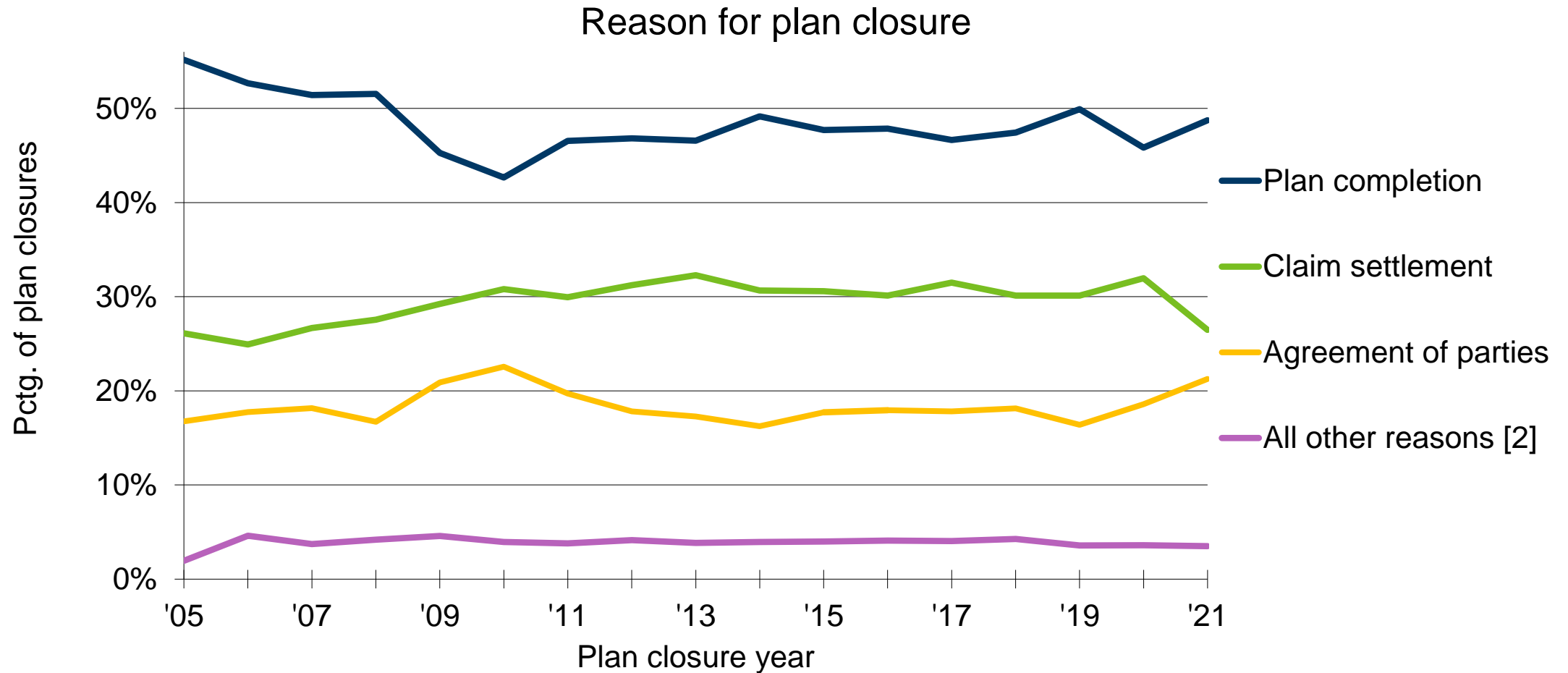


Plan closure and cost

Average duration of services decreased by 1 month since 2013; COVID-19 likely affected 2021 results

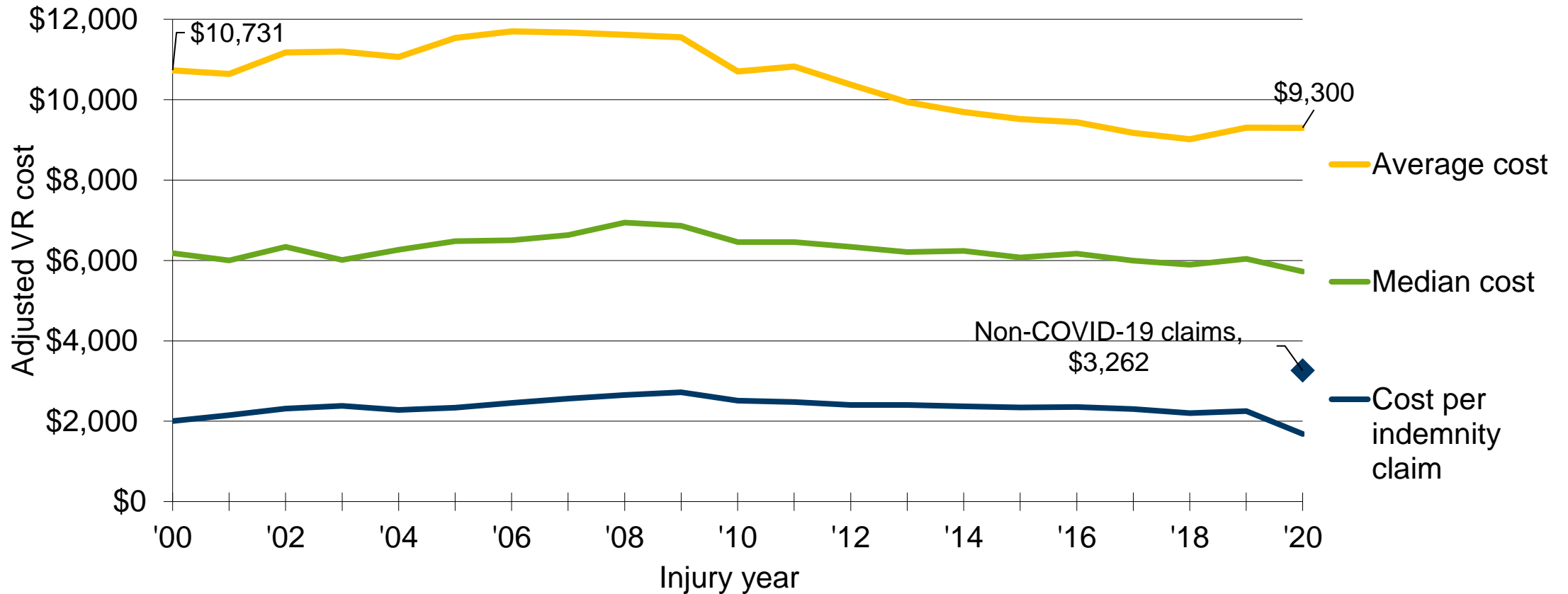


Settlement closures decreased and agreement closures increased in 2021



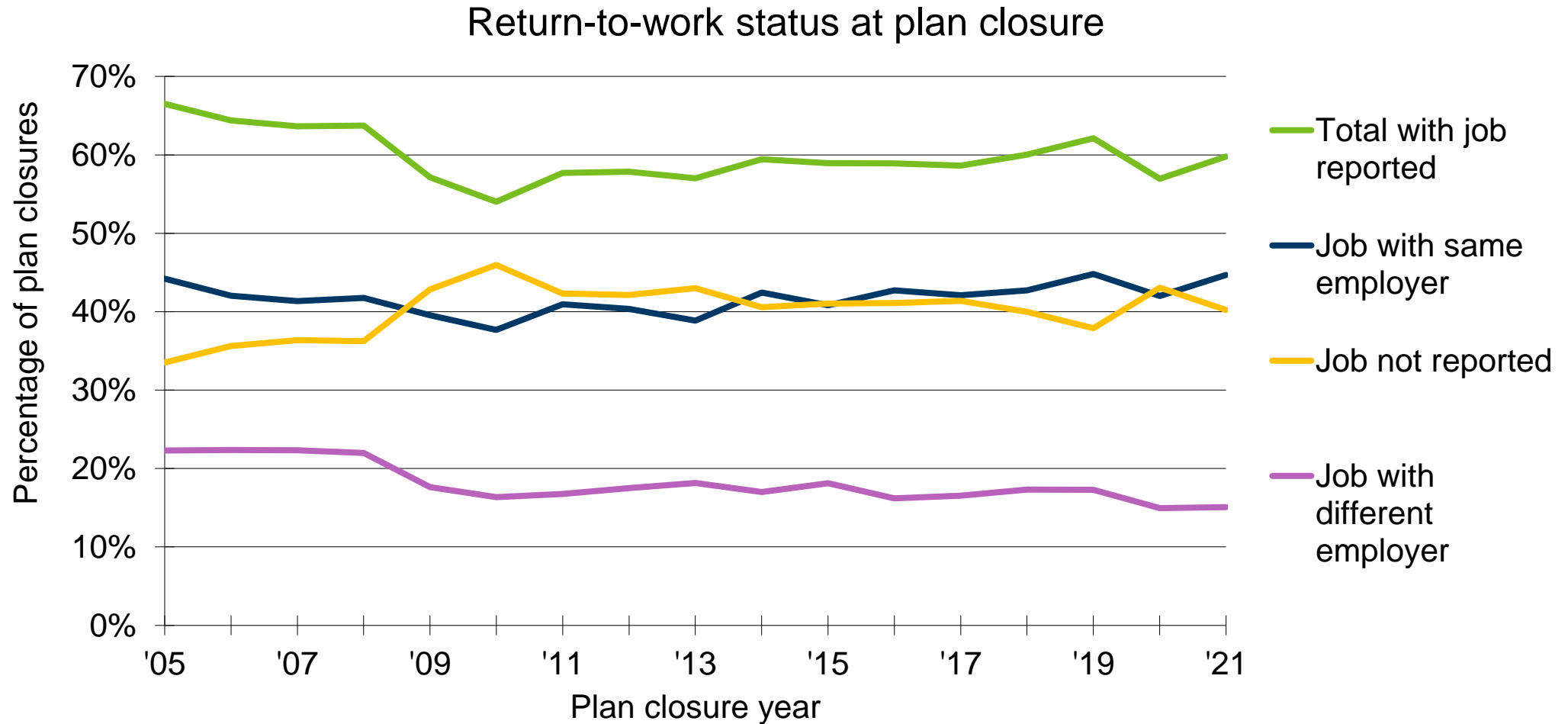
Average costs for vocational rehabilitation services, adjusted for wage levels, decreased by \$300 since 2016

Adjusted cost of vocational rehabilitation services



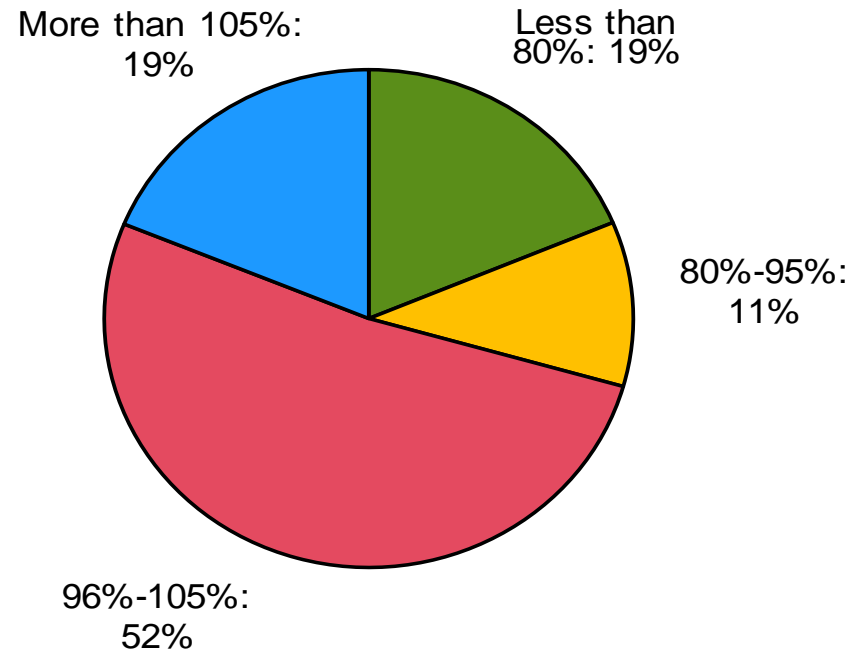
Return-to-work at plan closure

Decrease in employed worker outcomes in 2020, rebound in 2021

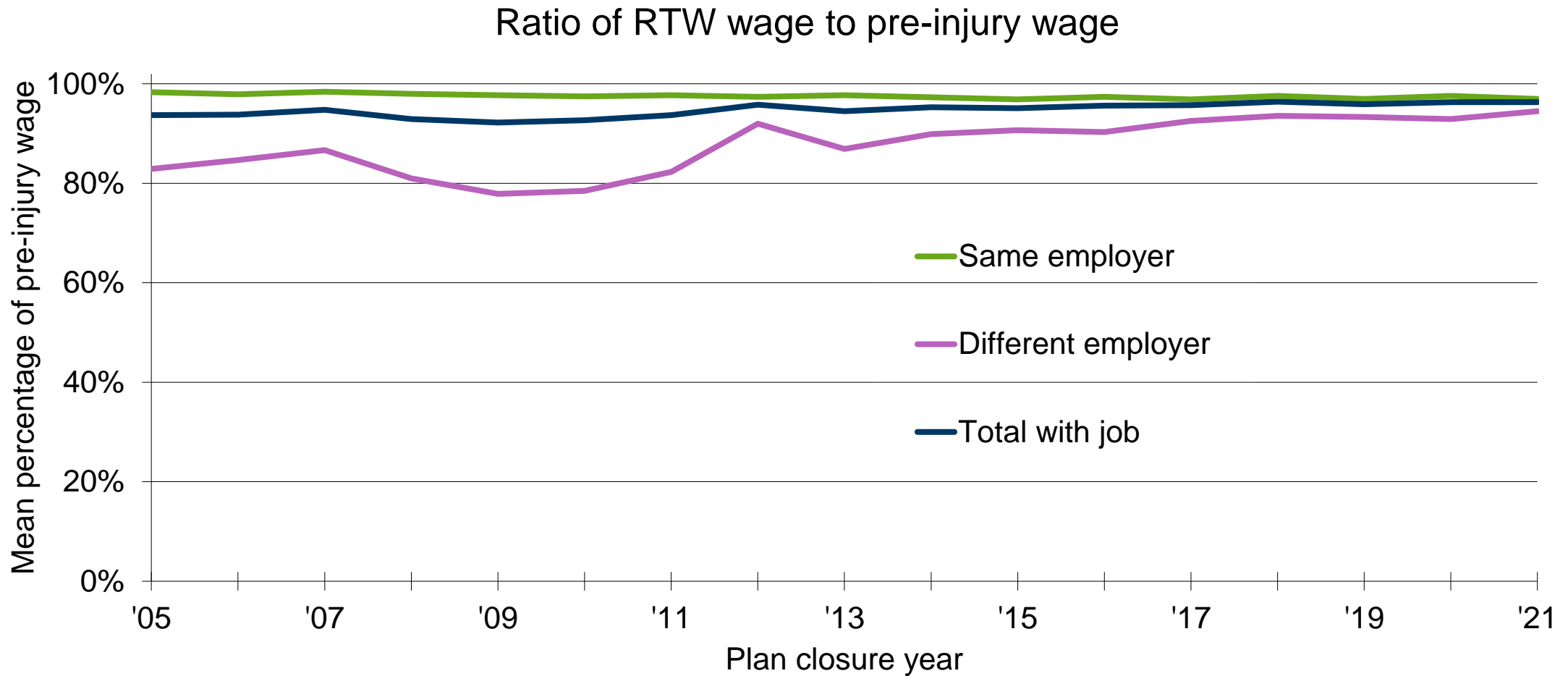


Half the workers have return-to-work wages at or near their pre-injury wage

Ratio of RTW wage to pre-injury wage, plans closed 2019-2021



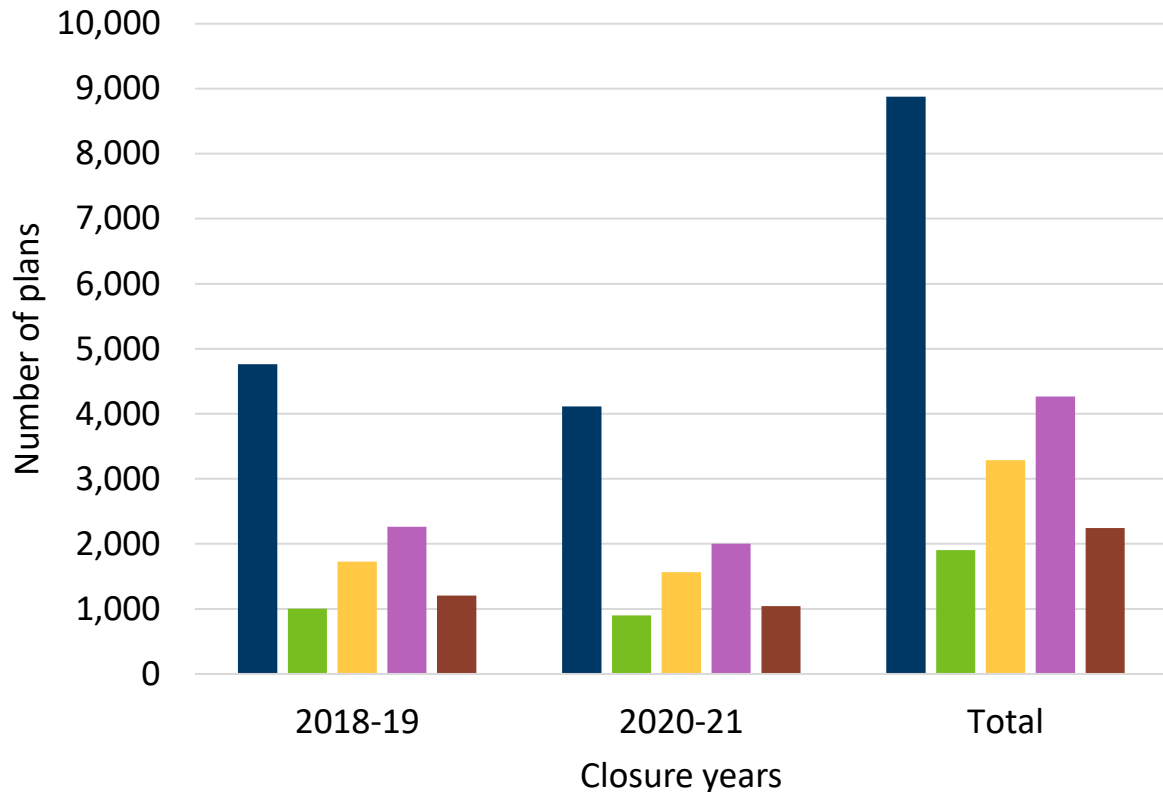
Average wage ratio for workers at new employers increased to 95%



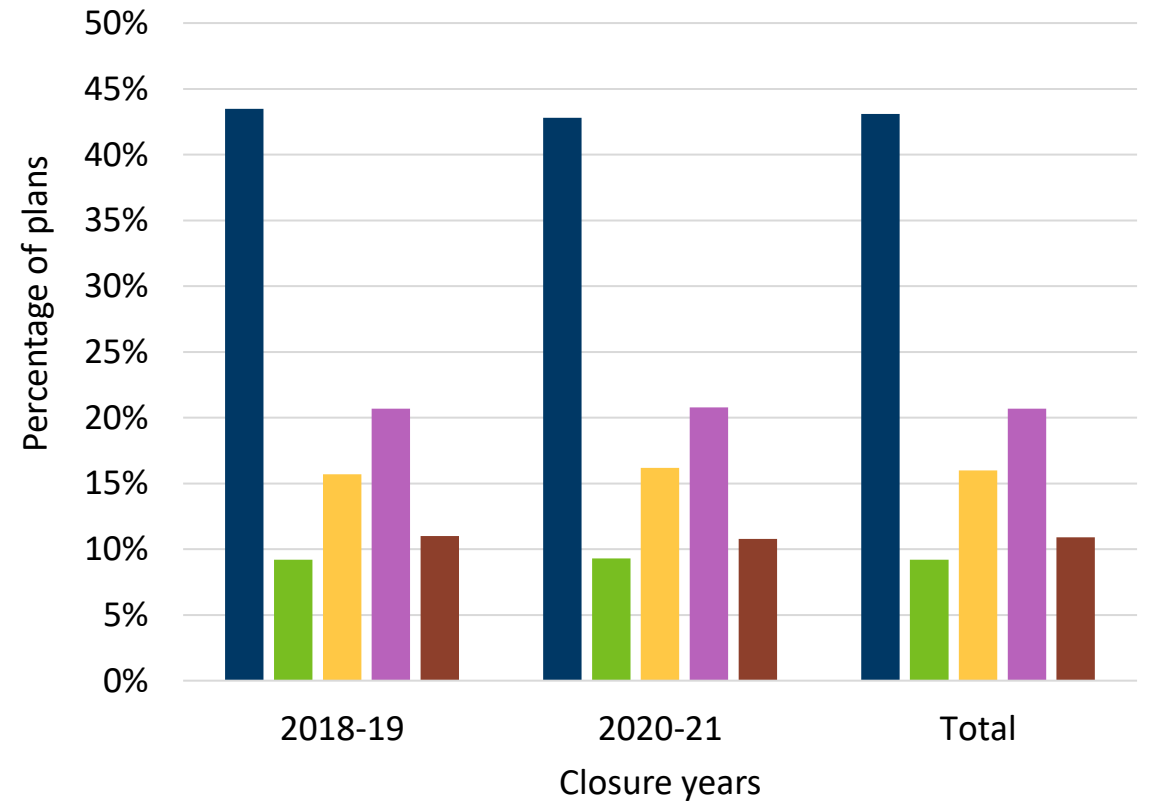
How timing of the start of vocational rehabilitation affects outcomes

No differences by closure year, 25,600 total closures; 43% of VR services start within 80 days of injury

Number of cases by days to start of VR



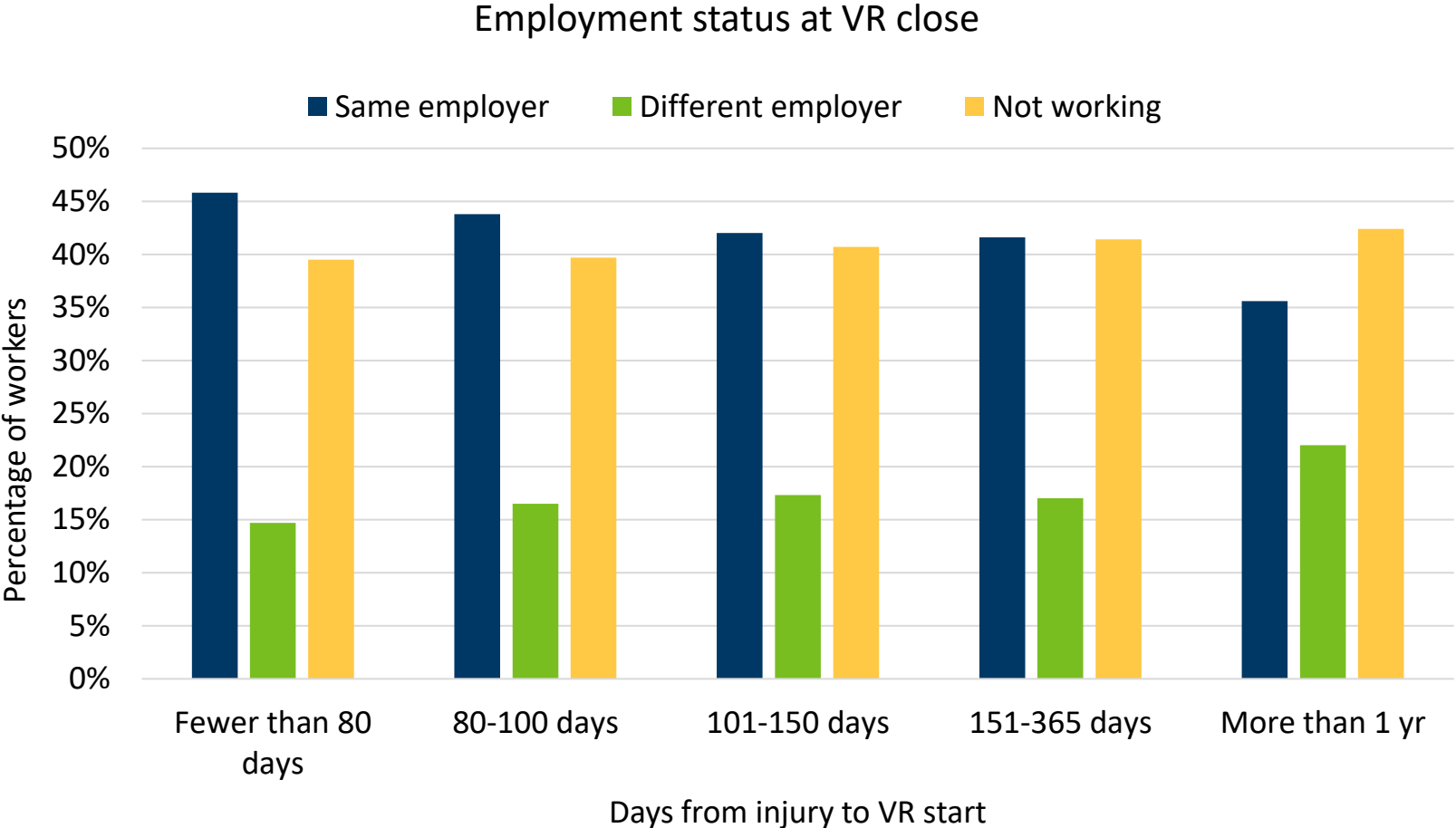
Percentage of cases by days to start of VR



■ Fewer than 80 days ■ 80-100 days ■ 101-150 days ■ 150-365 days ■ More than 1 yr

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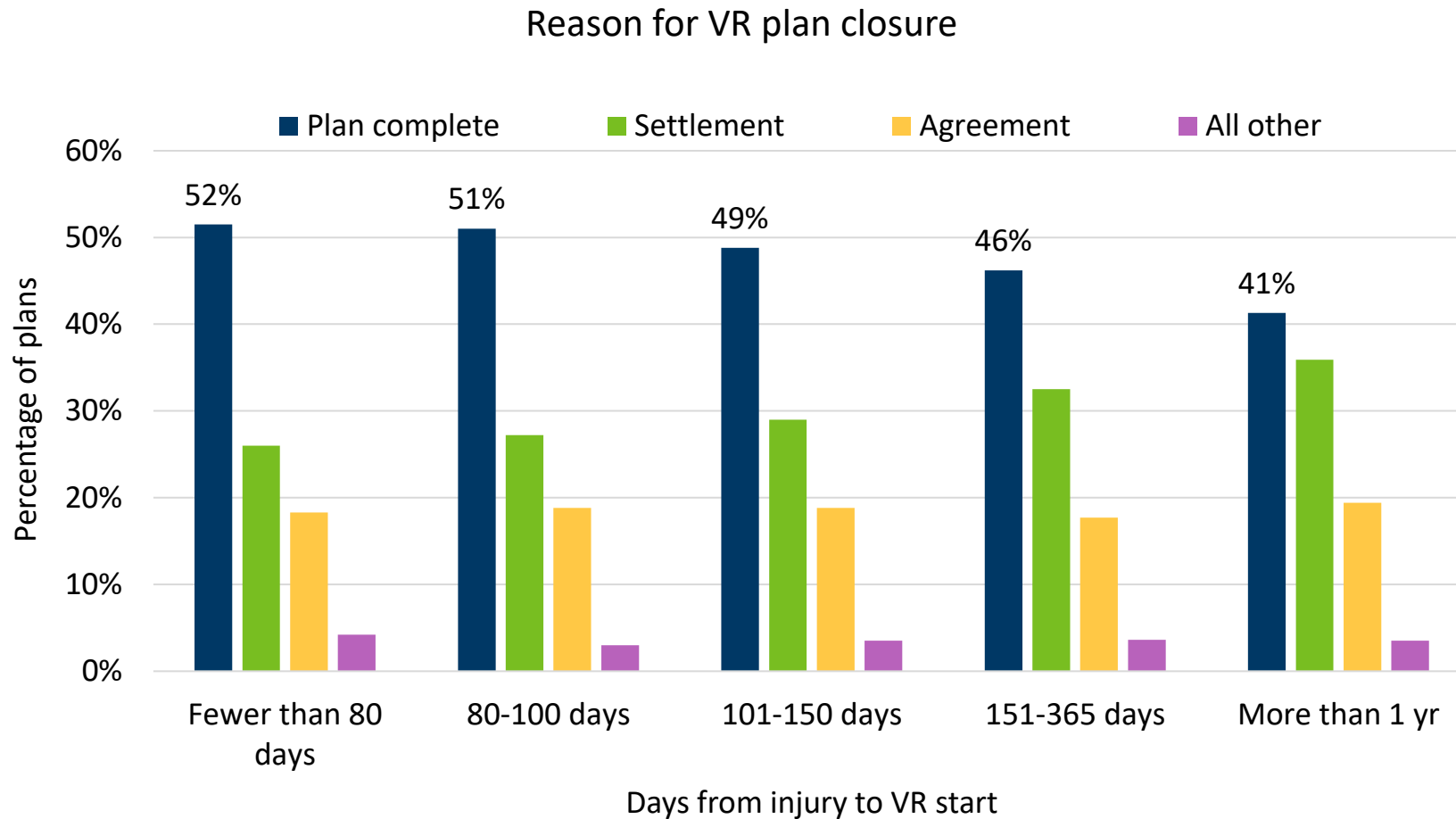
Employment shifts slightly with increasing time to VR start



As the time to start VR increases:

- returning to the same employer decreases;
- returning to a different employer increases;
- closing the plan without employment increases.

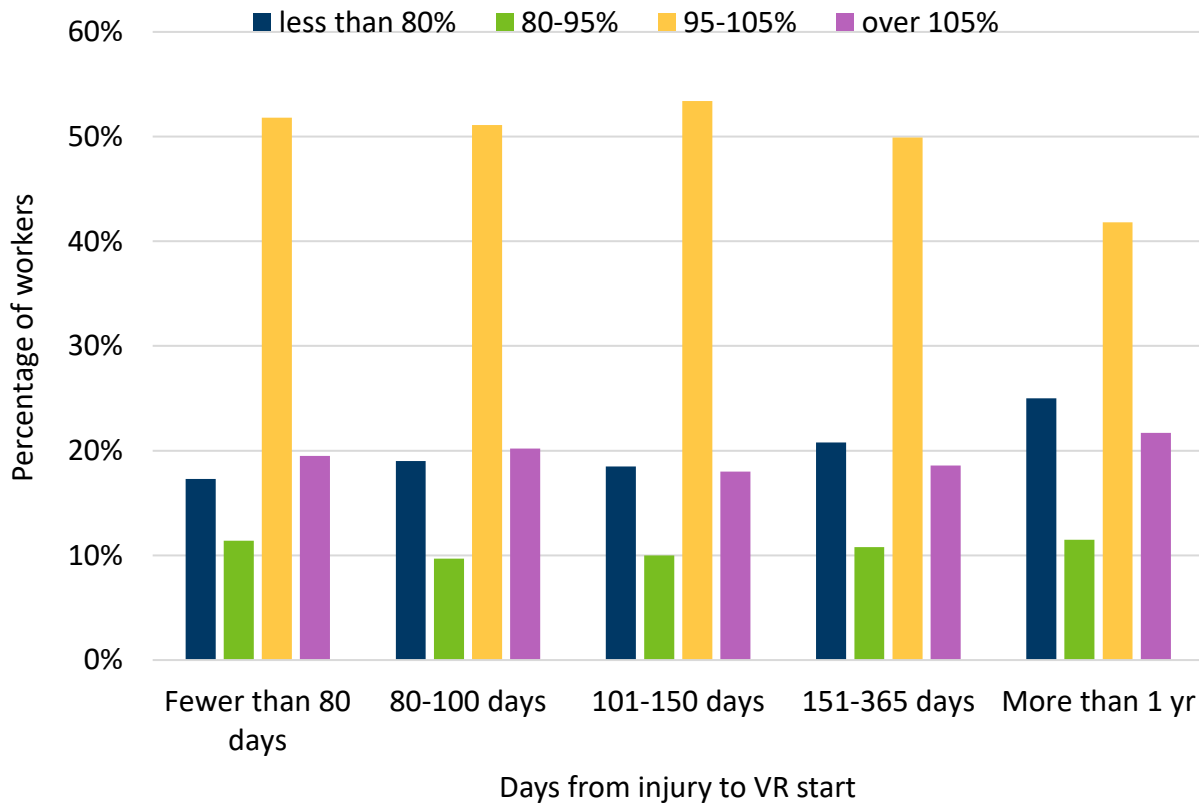
Completions decrease and settlements increase with duration from injury to VR start



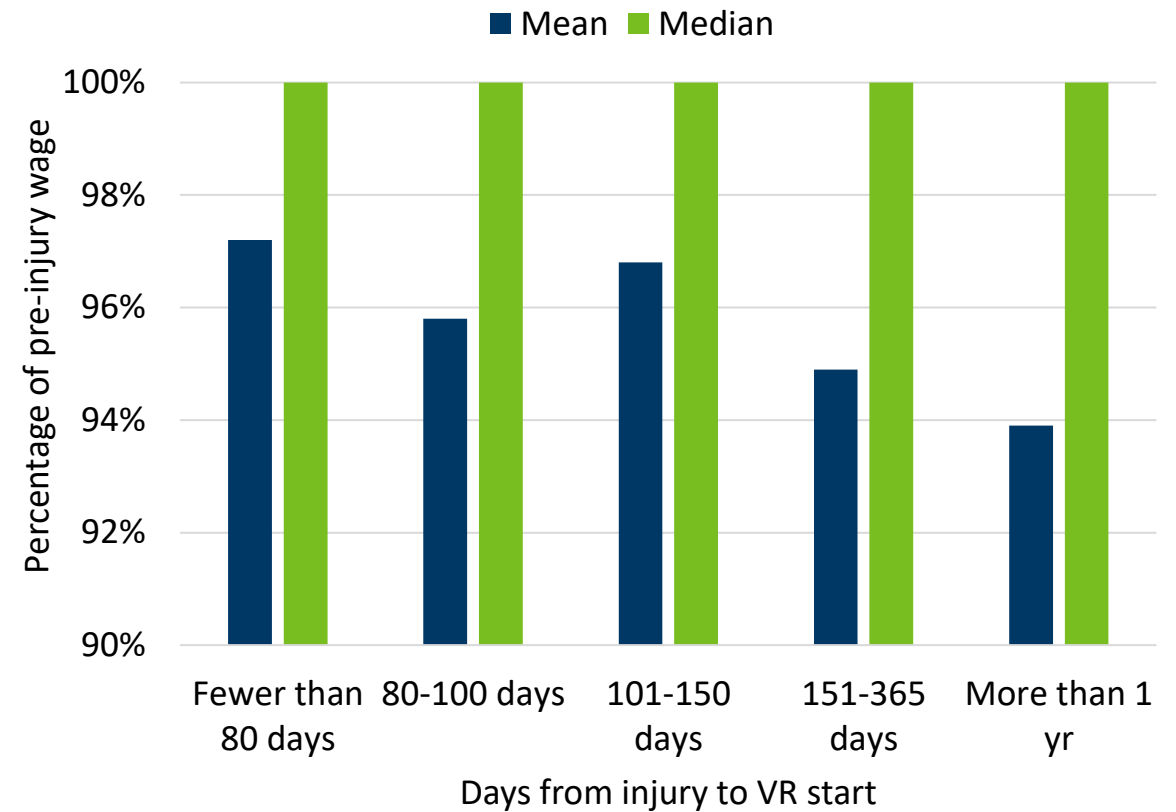
- No change for other closure reasons.
- Similar pattern to employment status.

Small variations in percentage of pre-injury wage paid at return to work for VR starting within one year of injury

Percentage of pre-injury wage at RTW

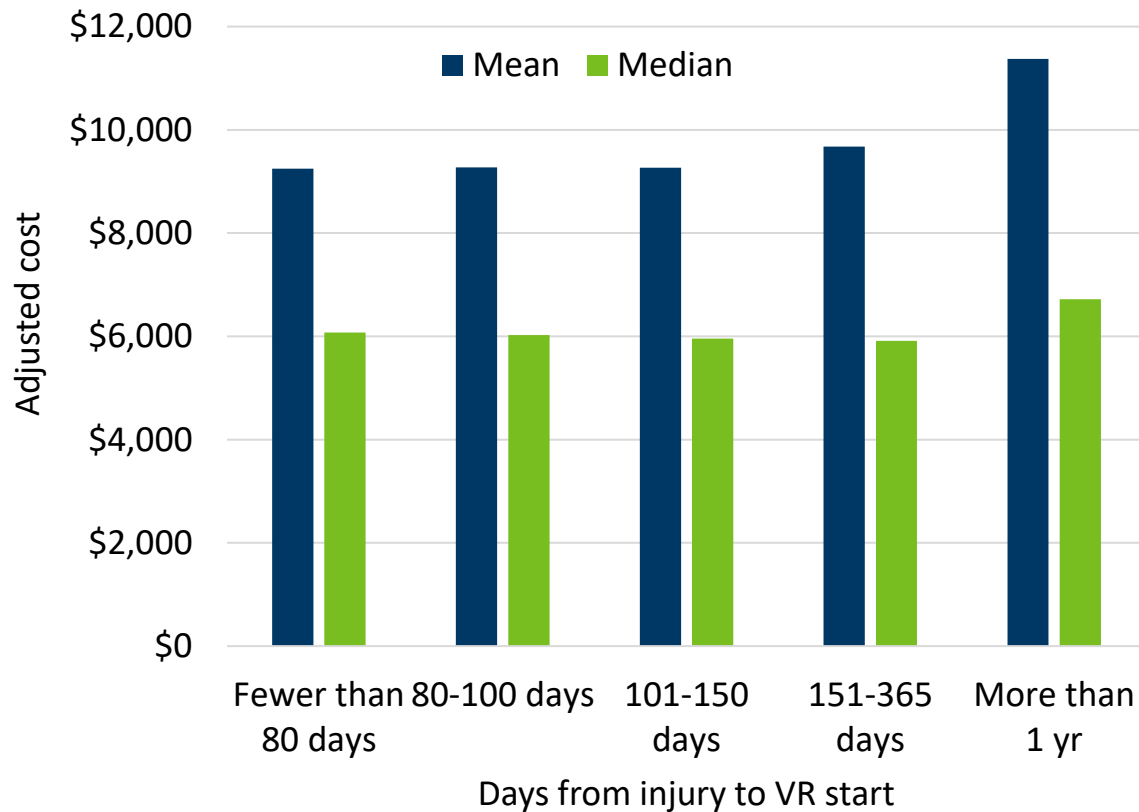


Wage recovery at return to work

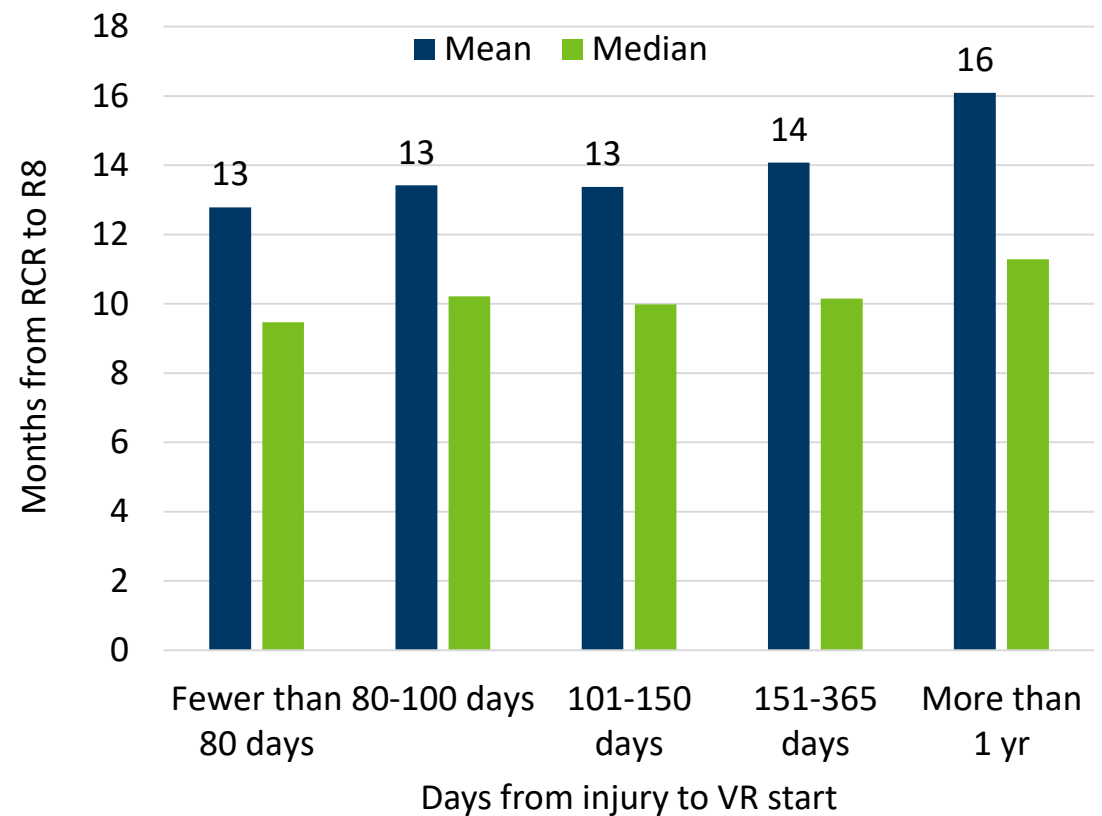


Only slight increases in cost and duration for VR starting within one year of injury

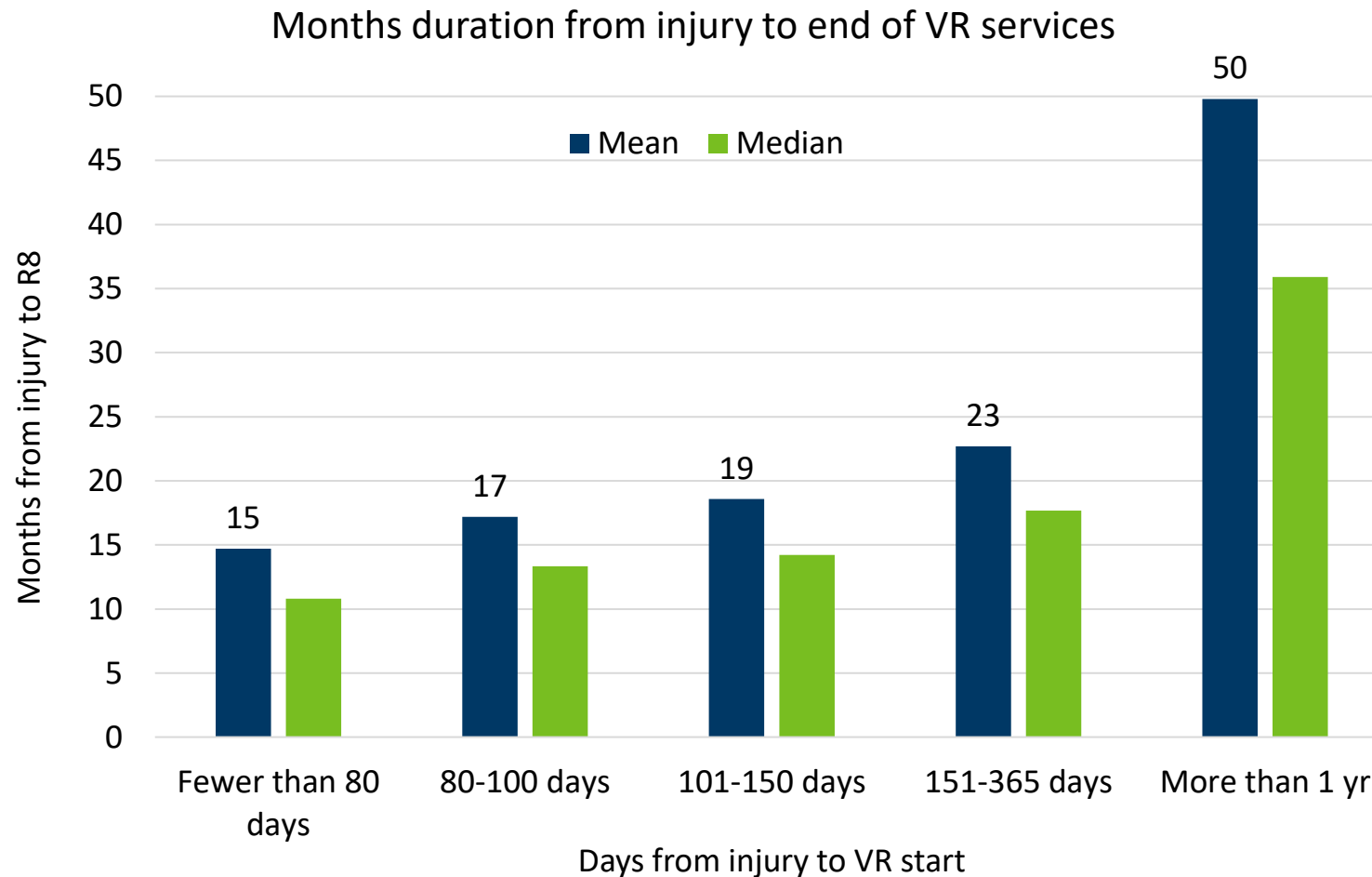
Inflation-adjusted cost of VR services



Months duration of VR services



Workers who start VR services sooner end VR services sooner



- With little change in duration, timing of VR start predicts timing of plan closure.
- Medians follow same pattern as means.

Thank you
The full system report will be available in a few months.