

Workers' Compensation: The Occupational Safety and Health Perspective

Summit County Safety Council

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Why workers' compensation?

- Why not
- Living with the alternative
- 100 years in the making
- Still evolving

Keeping it simple...

- Replacement of income
- Rehabilitation of injured workers
- Prevention of accidents
- Cost allocation

Prevention is key...

Division of Safety and Hygiene

BWC's DSH is tasked with elevating occupational safety and health as well as prevention of workplace accidents and injuries in Ohio's workplaces.

- Employers will protect their most valuable asset: Their Employees
- Lower premiums
- Attract new businesses
- Economic prosperity
- Lower unemployment
- Healthy society

The big picture: OHIO

- Seventh/eighth largest state:
 - Population
 - Economy
- Third in manufacturing

The Privilege:

- Fifth underwriter of WC in the nation
- Largest WC state fund

The Responsibility

- Best in class_{PERIOD}

Best in class_{PERIOD}

SERVICE

SIMPLICITY

SAVINGS

- Vision
- High caliber programs, services, people
- Beyond expectations
- Better relationships, feedback and continuous improvements

What is Next? OSHA and beyond

PREVENTION

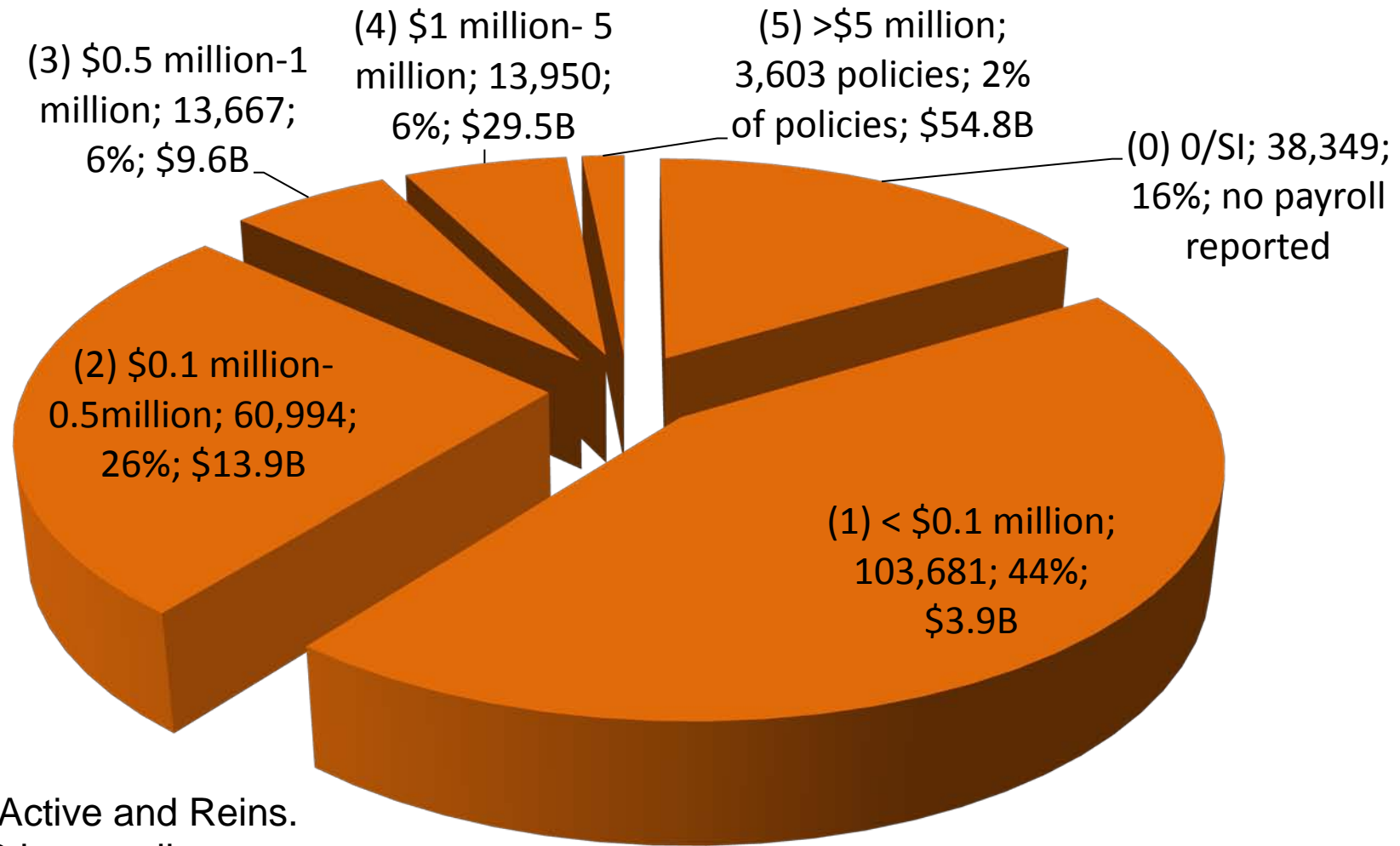
- Regulations are good start
- Solutions that work
- Safety is everybody's business
- Safety everywhere

Always ahead of the curve...

Proactive...

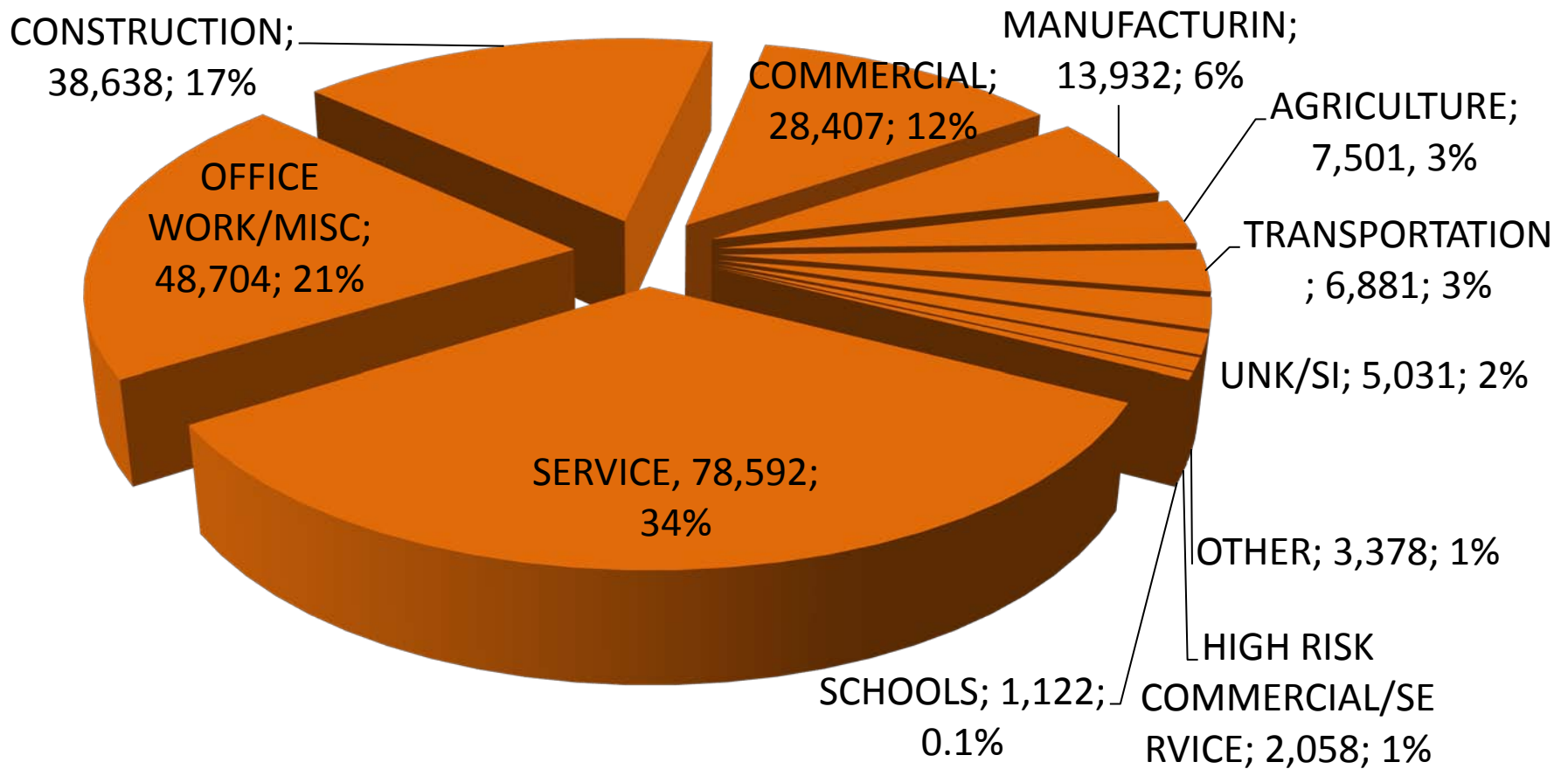
**PREVENTION
is a Standard
for Living**

Distribution of all active policies by size



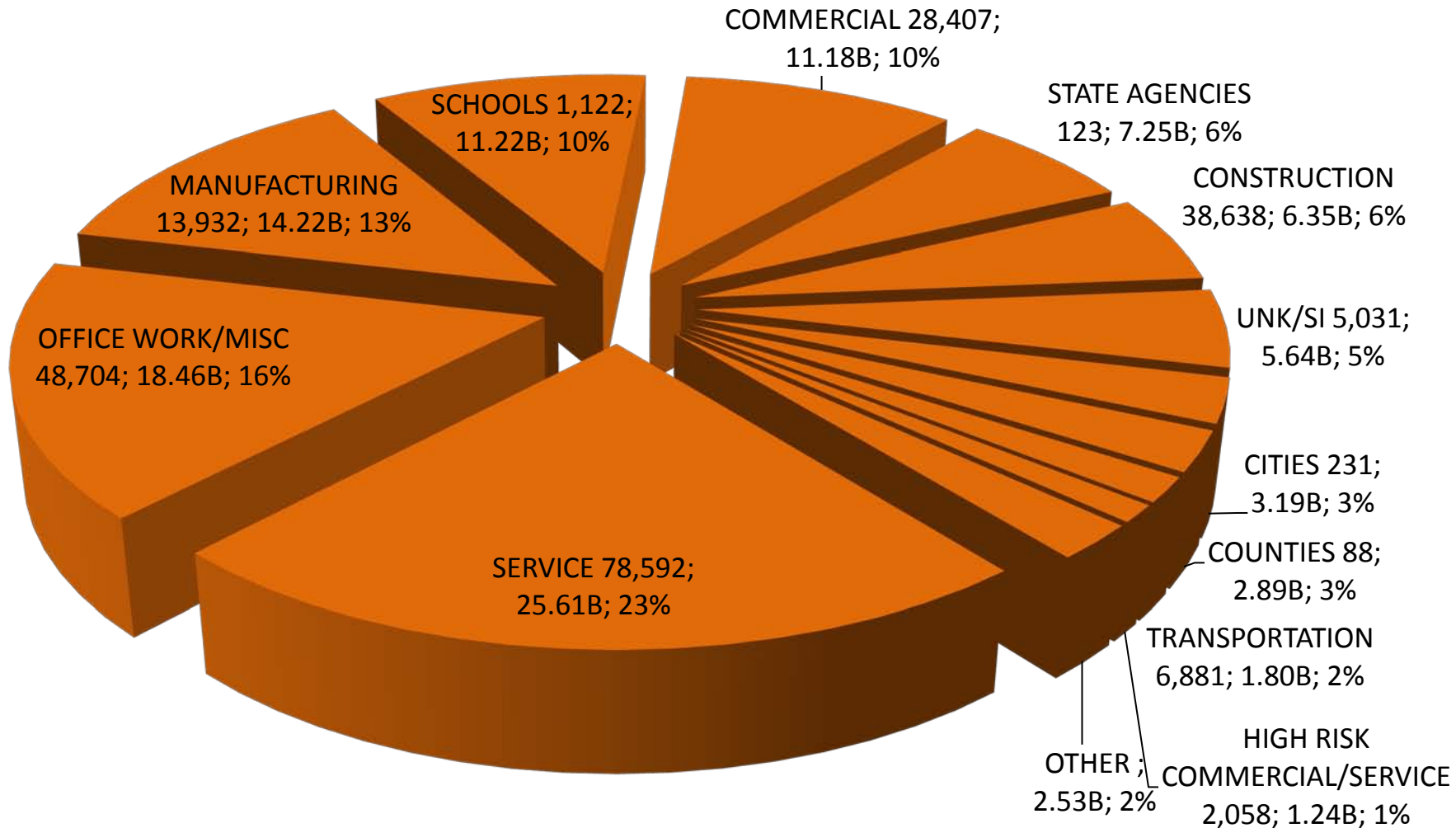
234,244 Active and Reins.
\$ 111.5 B in payroll

Distribution of all active policies by industry



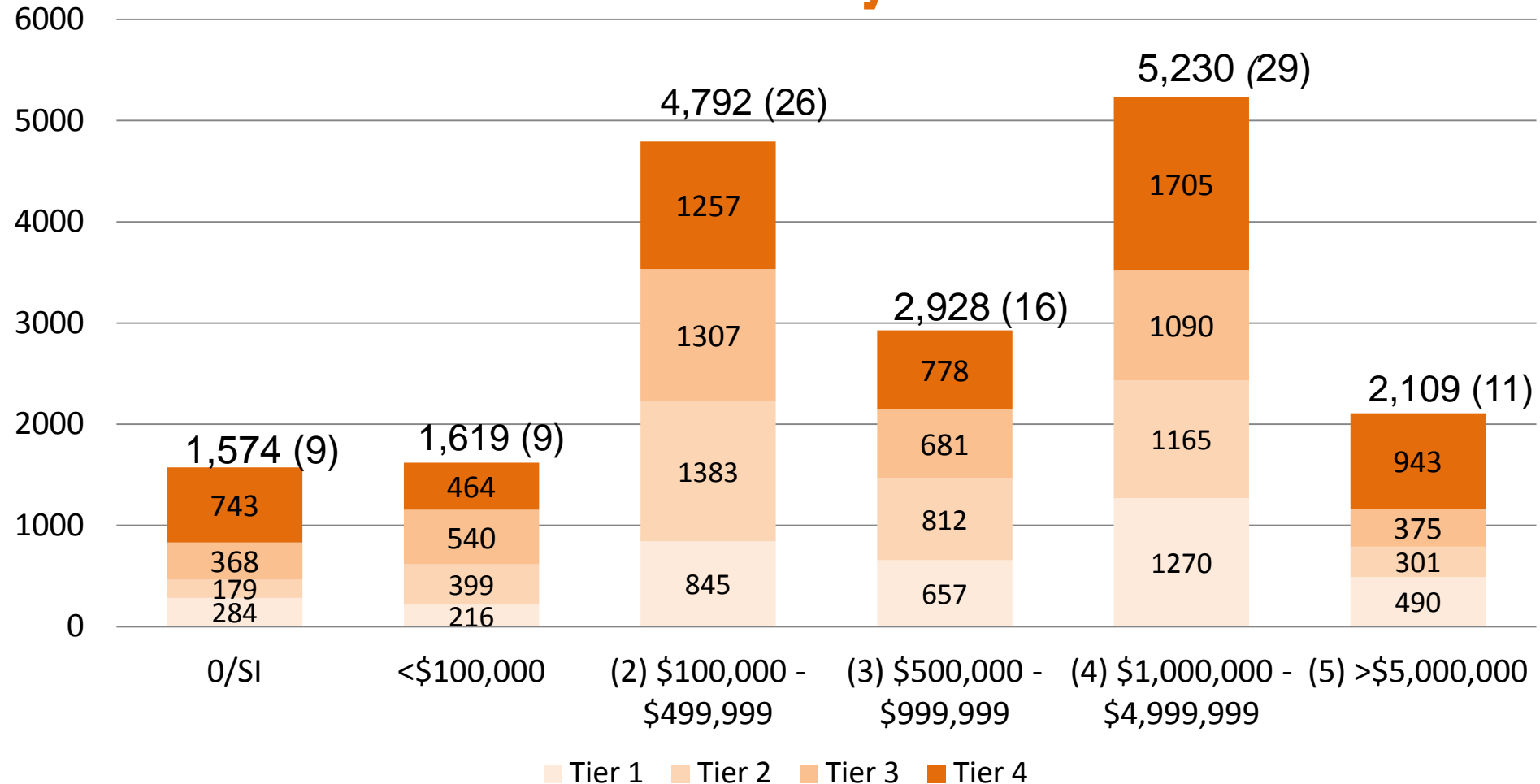
234,244 Active and Reins.

Distribution of payroll by industry



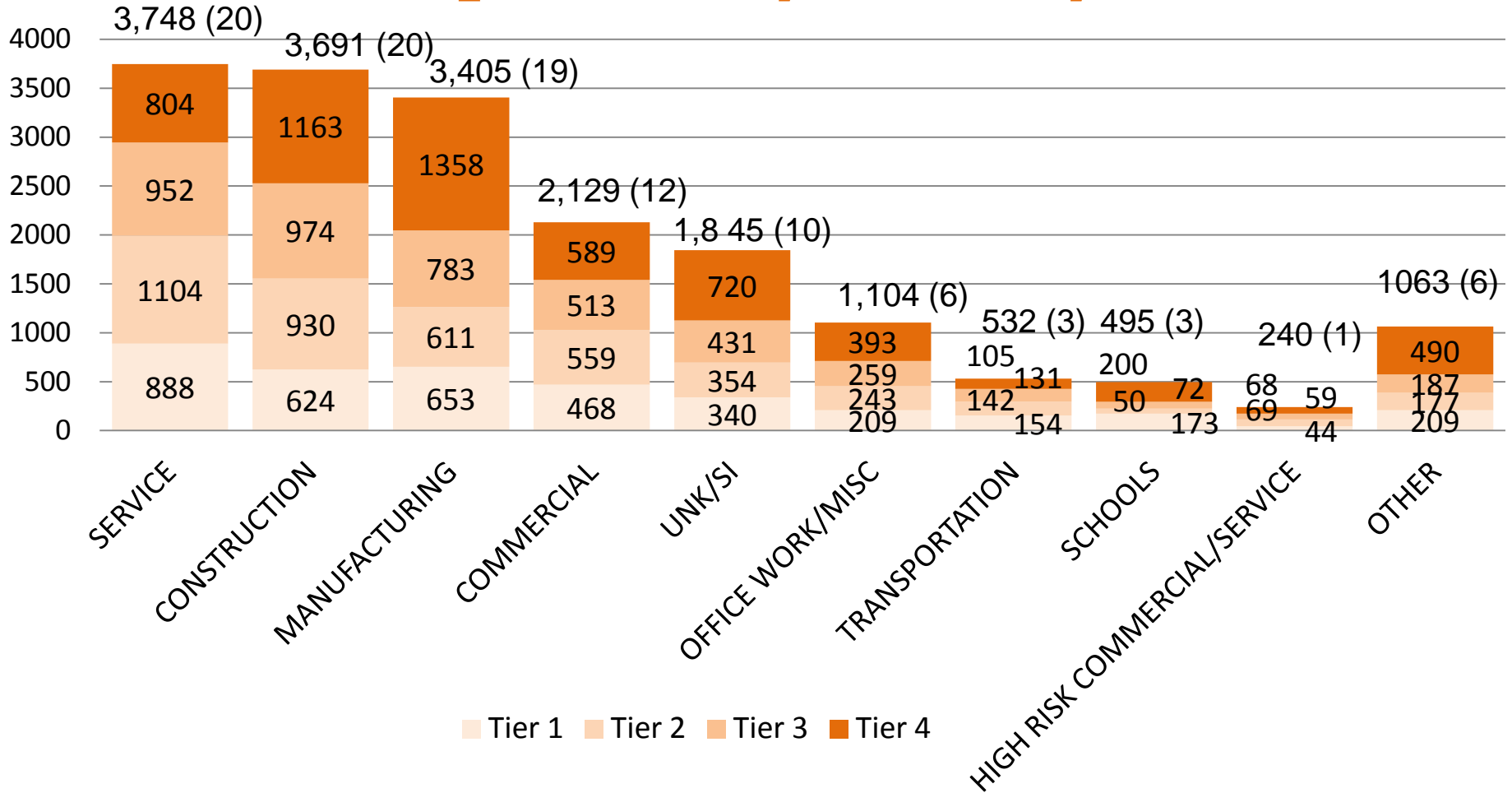
OTHER includes; Villages, Special Districts except Transit Authorities, Hospitals, Public Works Relief Employers, Transit Authorities, Contract Coverage., Utility, Townships, Agriculture and Extraction

Serviced Policies by size and tier*



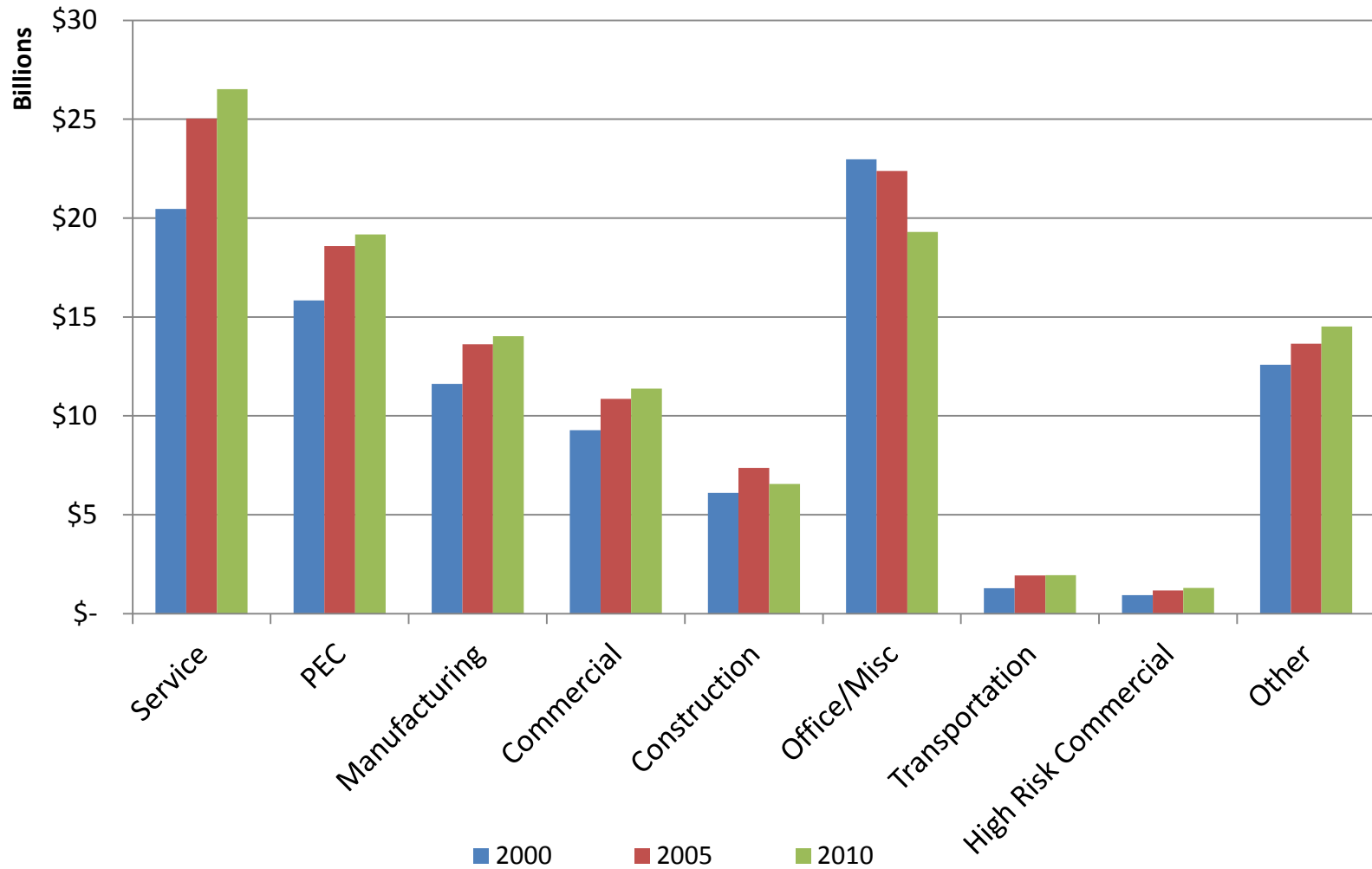
*Tier 1=Councils, Tier 2= Congress; online course; Tier3=In-class course; video rental; virtual consultation, Tier4= On-site consulting; safety grants; on-site training; reports. 18252 Unique policies.

Serviced policies by industry and tier*

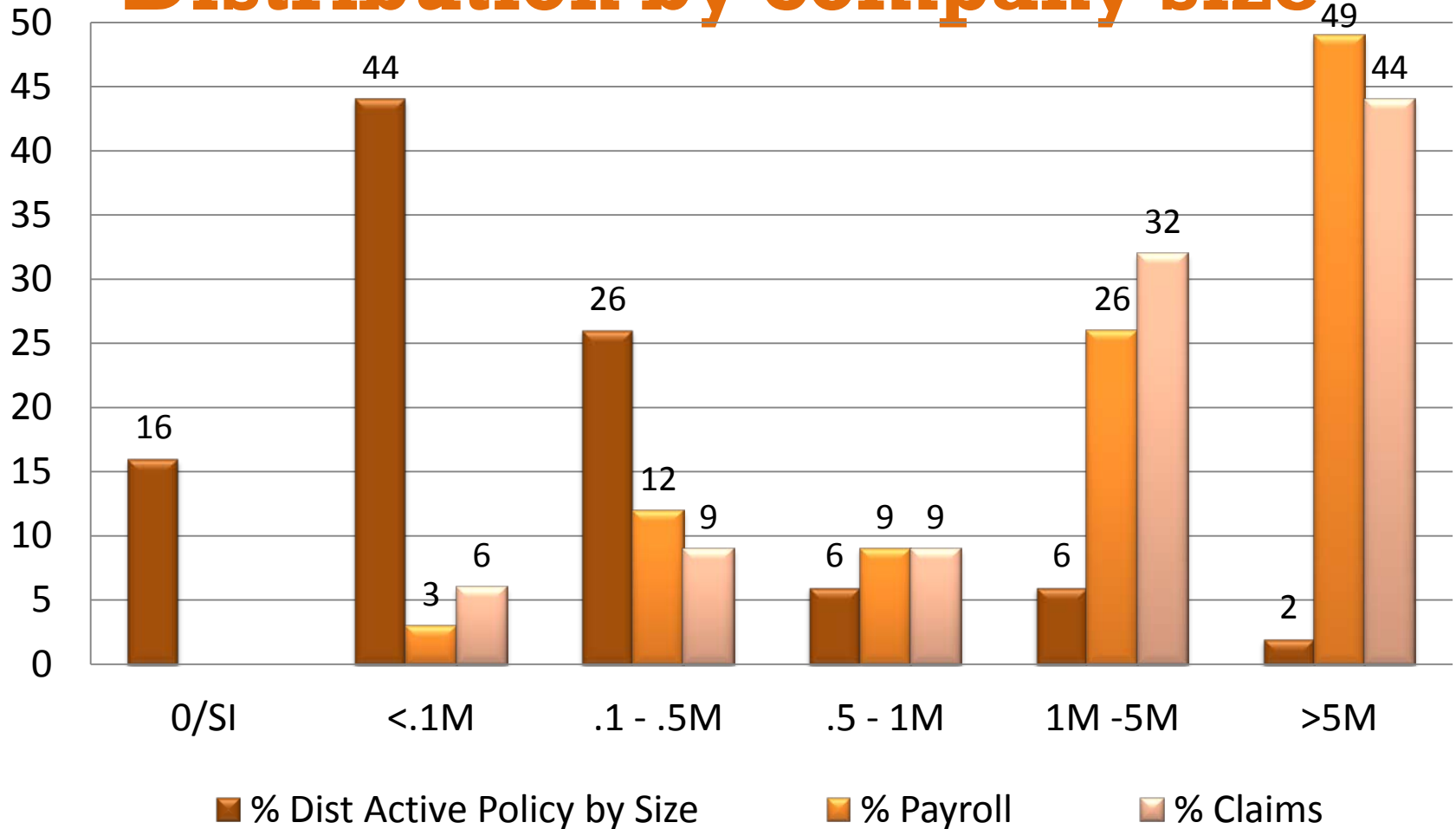


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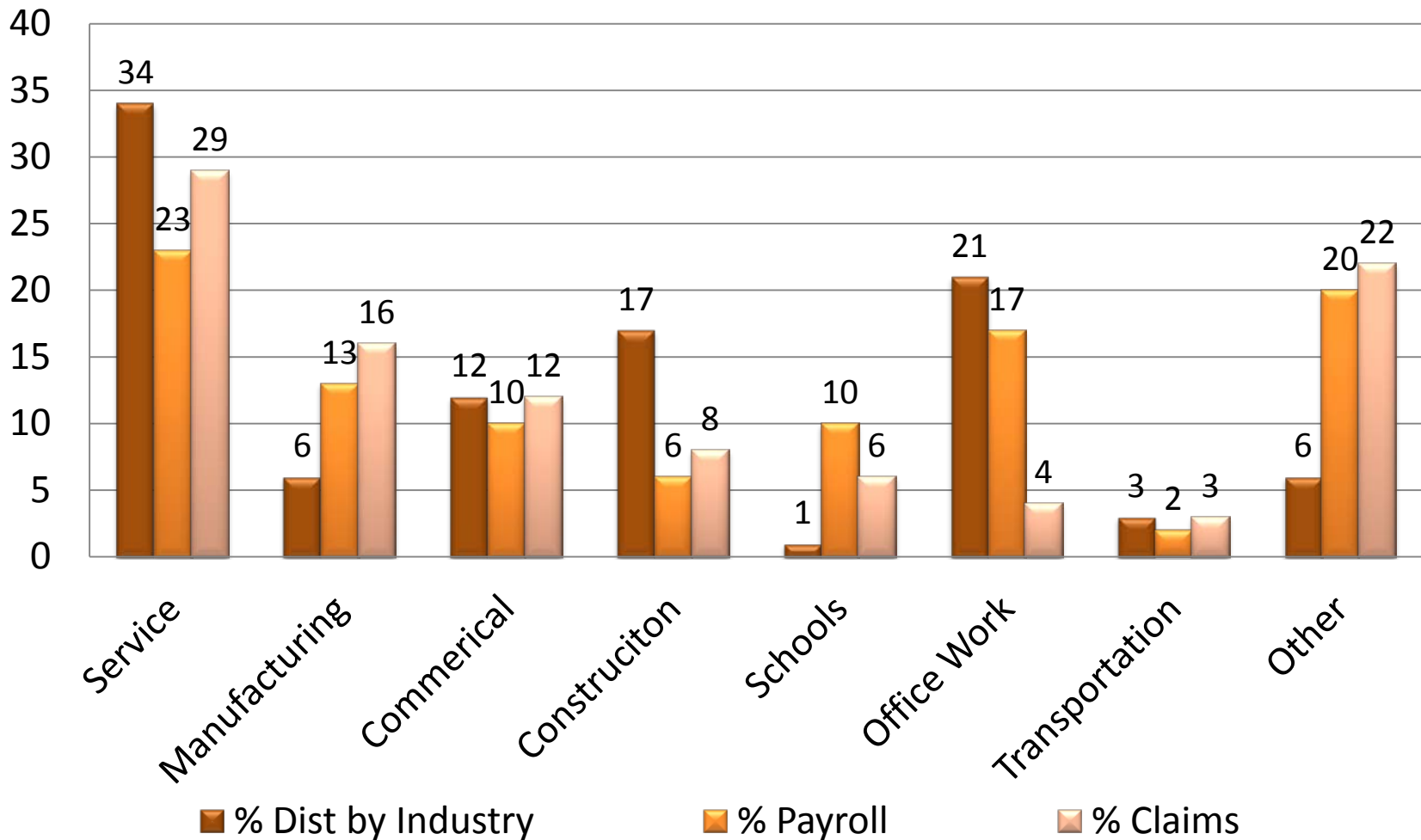
Payroll by Industry Over Time



Distribution by company size

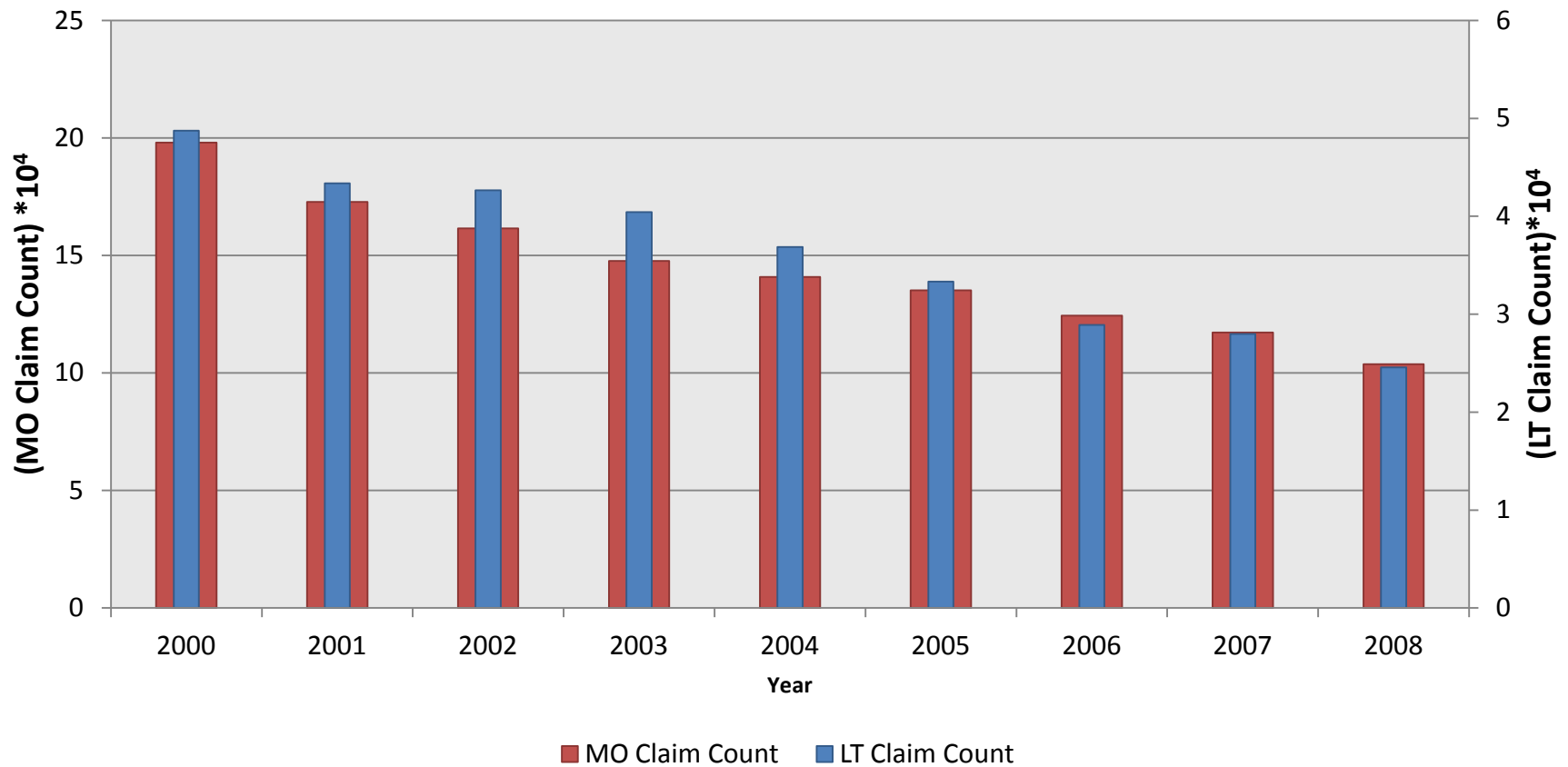


Distribution by industry type



Severity of claims

LT & MO Claim Count (2000-08)



Severity of Claims

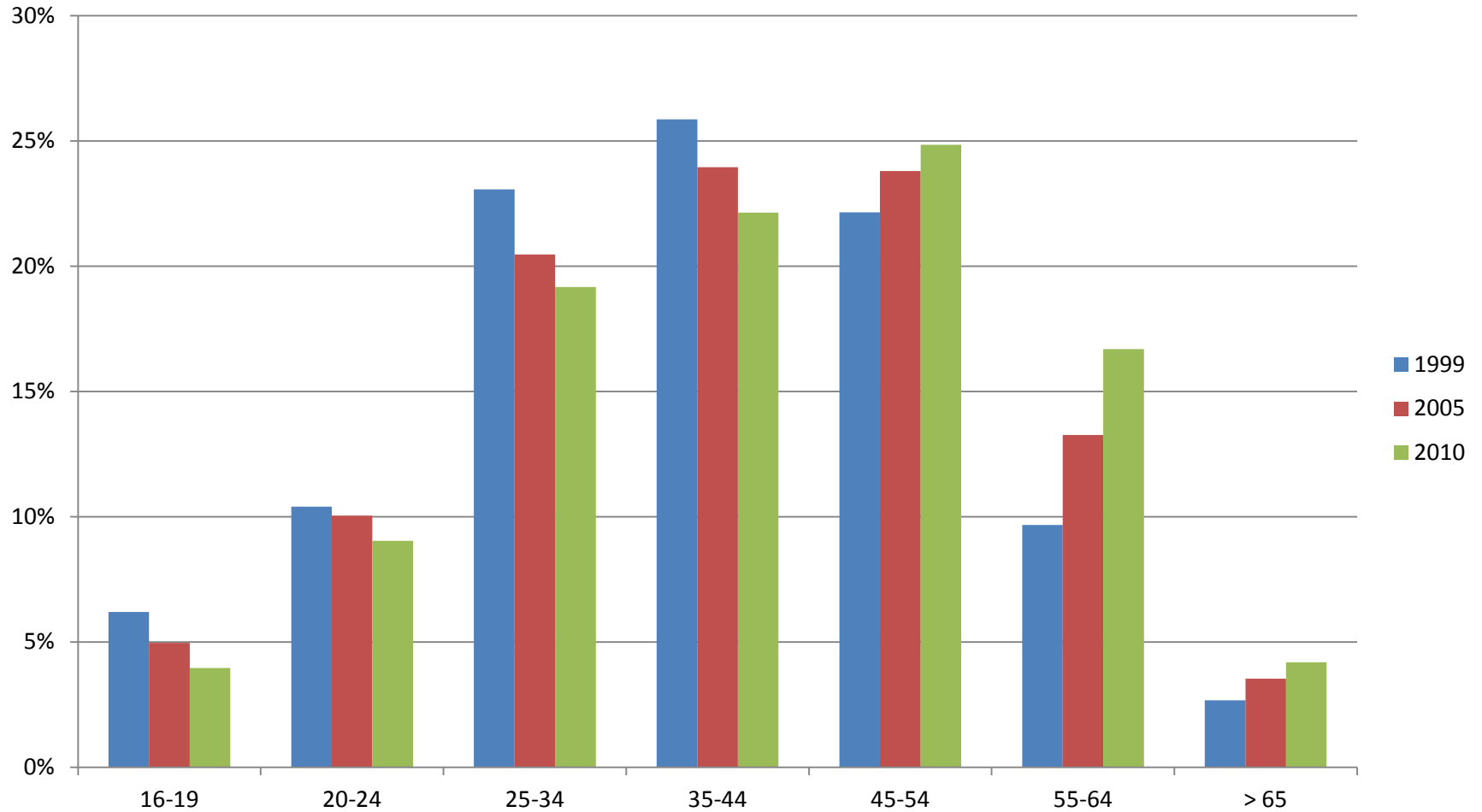
Description of selected ICD9 codes

<i>Optimal RTW ICD9 Code</i>	<i>ICD9 Code Description</i>	<i>Claim Count</i>	<i>Claim Count Rank</i>	<i>Total Cost</i>	<i>Total Cost Rank</i>	<i>Average Cost/claim</i>
722.1	Lumbar Disc Displacement	16042	21	\$928,183,543	1	\$57,860
840.4	Sprain Rotator Cuff	13372	26	\$570,401,618	3	\$42,656
836	Meniscus of knee current	11329	29	\$426,785,494	4	\$37,672

Decreasing Claim Count Rank between 2000-2008

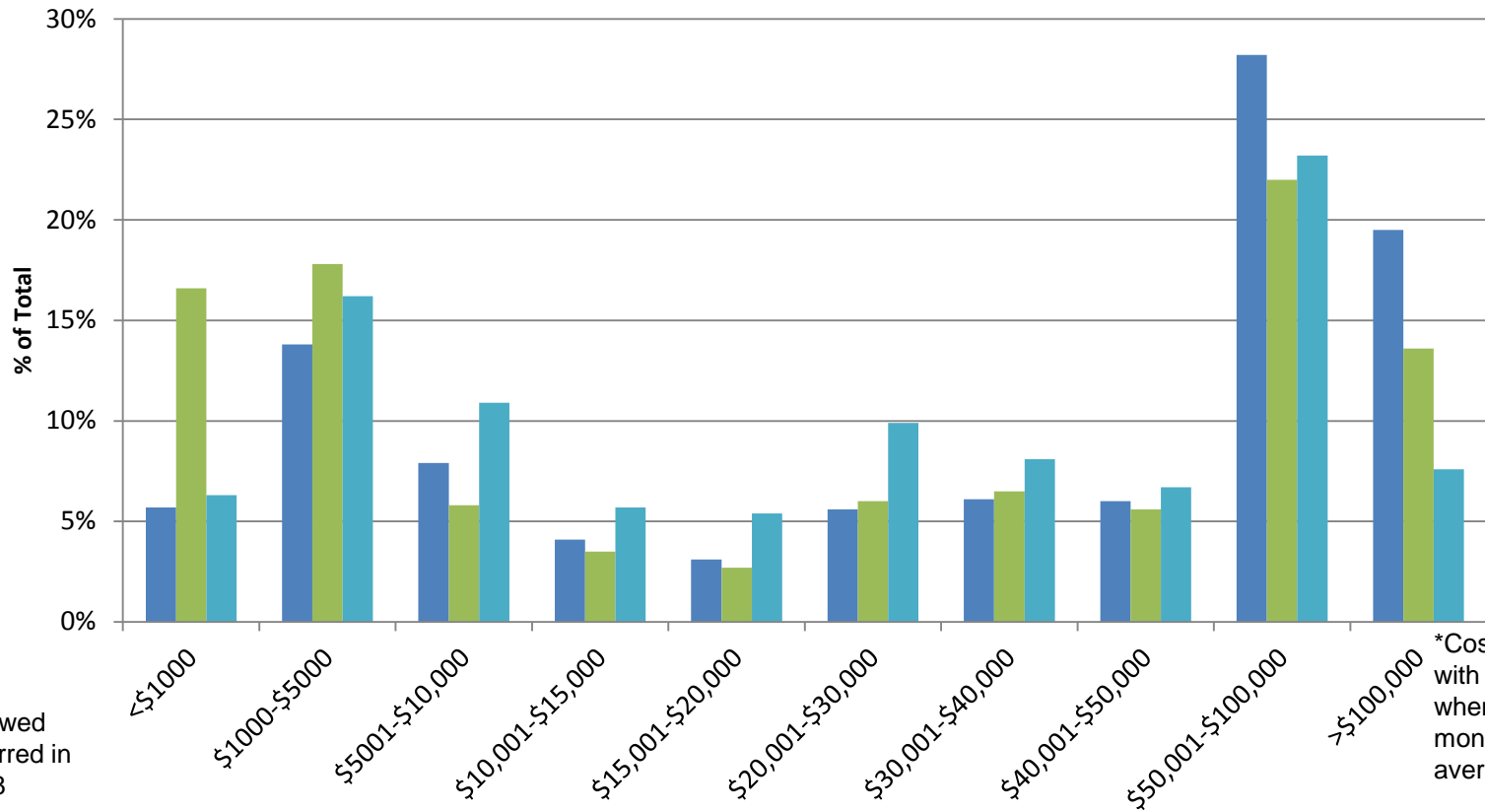
<i>Optimal RTW ICD9 Code</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>
722.1	23	21	20	20	20	20	22	21	21
840.4	32	28	27	26	24	24	24	23	22
836	40	33	32	28	29	29	28	24	25

Ohio Workforce Aging Trends



2000-2008 Cost Distribution of Various Injuries

Cost Distribution of Lumbar Disc Displacement, Sprain Rotator Cuff and Tear Medial Meniscus*

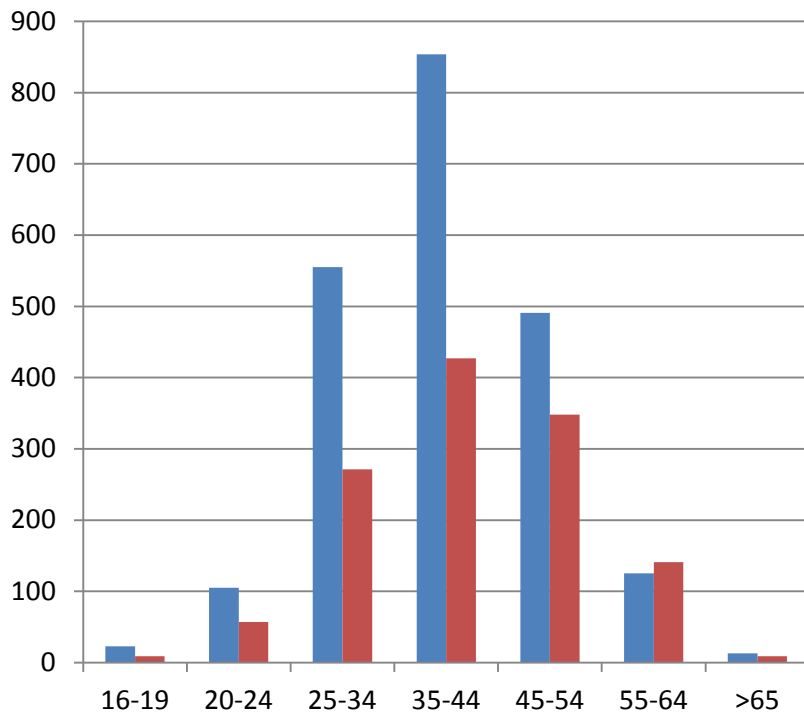


*Costs assessed with reserve and when claims are 12 months old on average

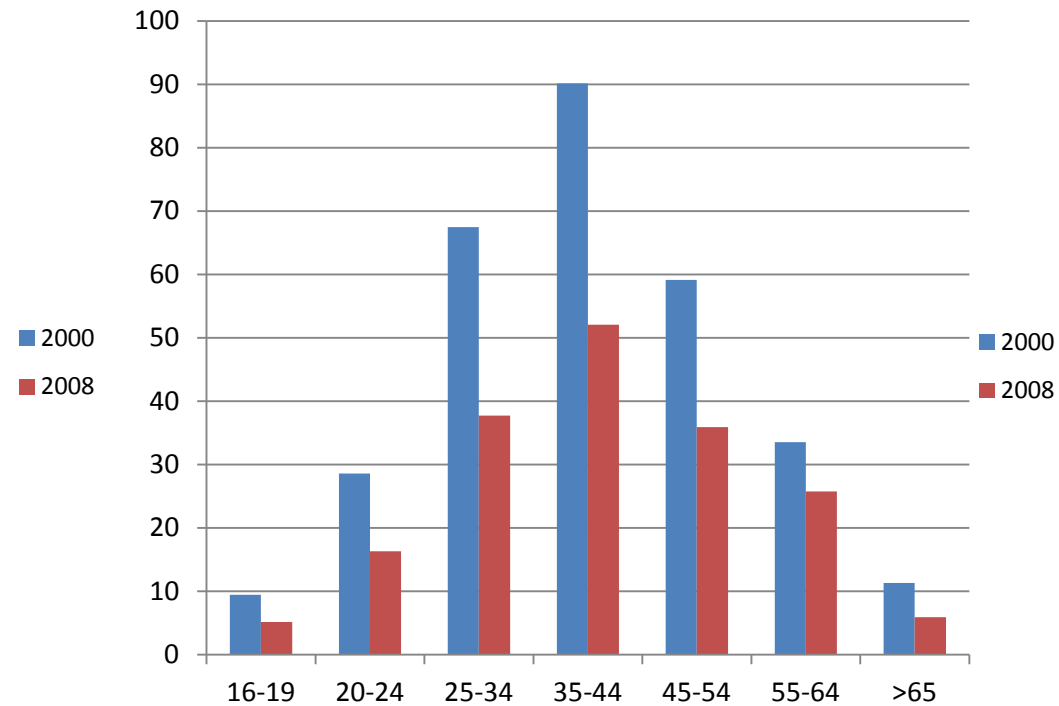
*Includes all allowed claims that occurred in years 2000-2008

2000-2008 Distribution of Lumbar Disc Displacement by Age

2000-2008 Total Lumbar Disc Displacement

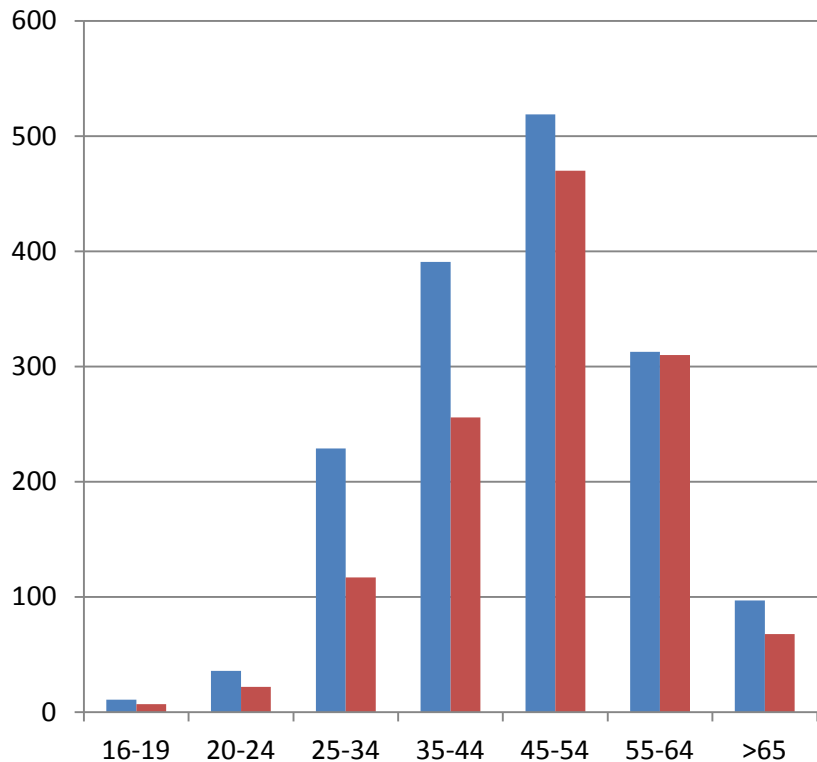


2000-2008 Lumbar Disc Displacement per 100,000 Employees

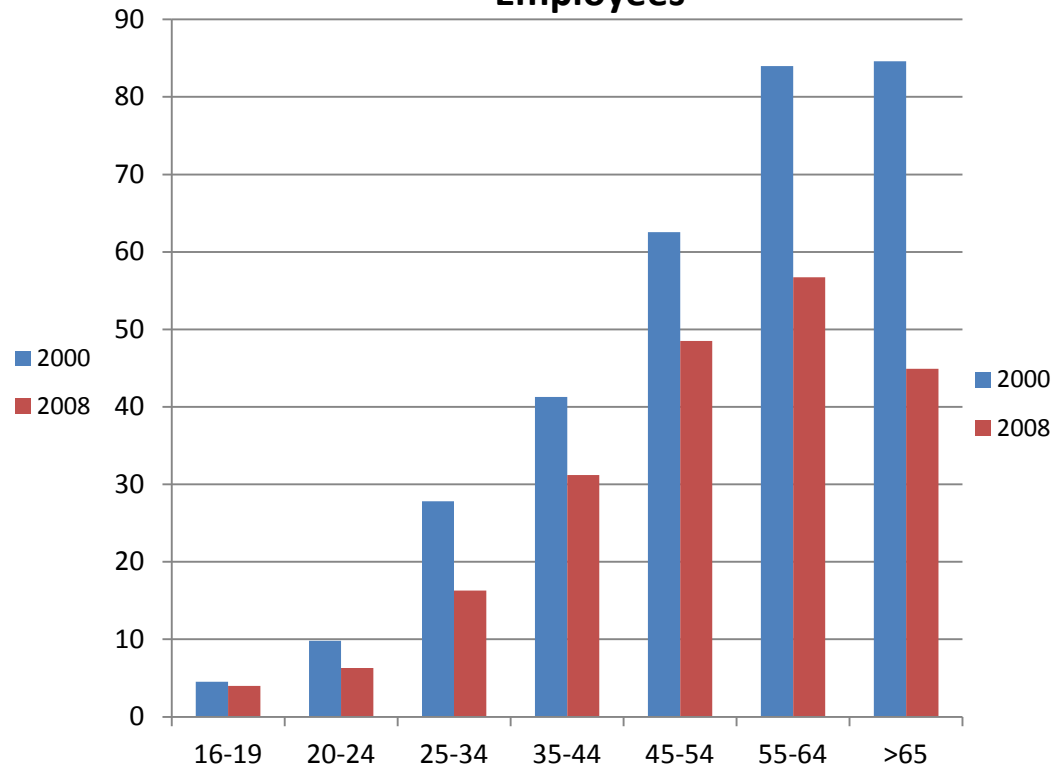


2000-2008 Distribution of Sprain Rotator Cuff by Age

2000-2008 Total Sprain Rotator Cuff

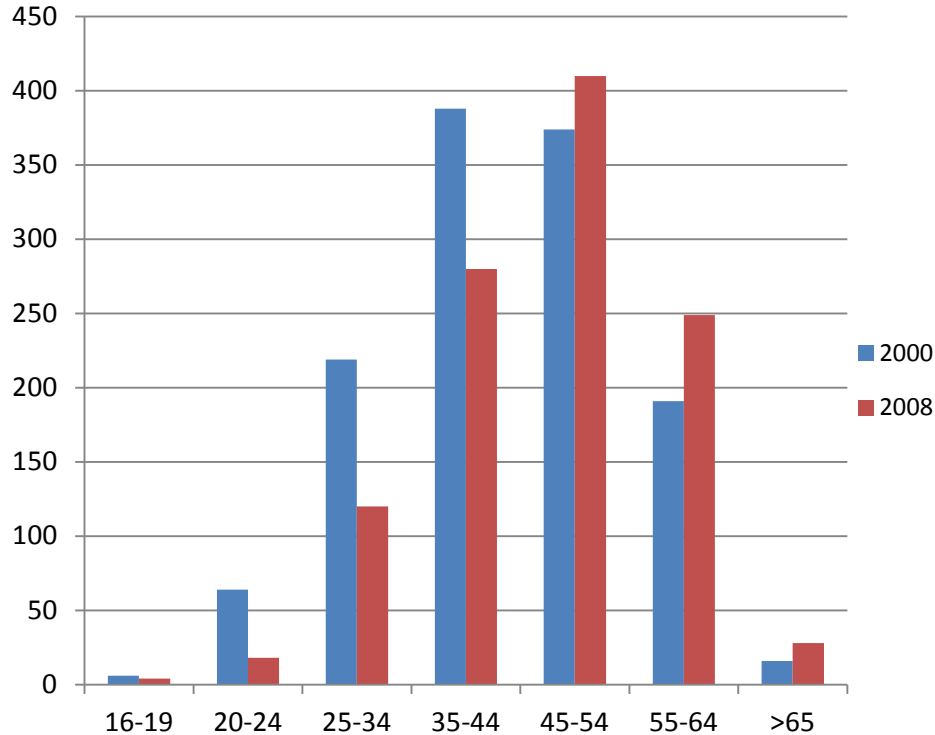


2000-2008 Sprain Rotator Cuff per 100,000 Employees

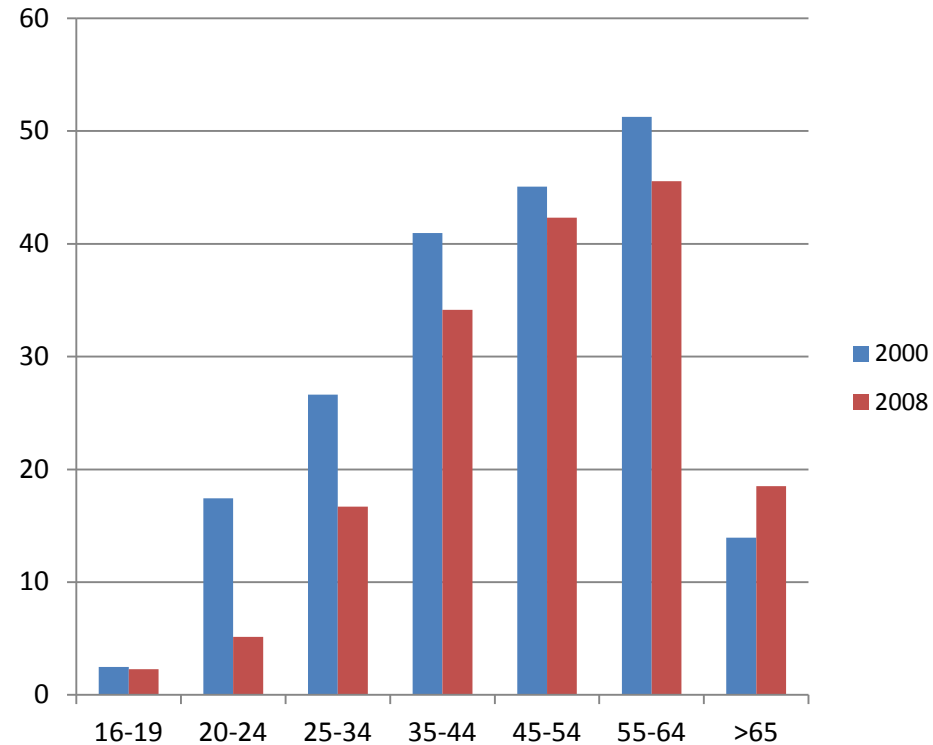


2000-2008 Distribution of Tear Medial Meniscus by Age

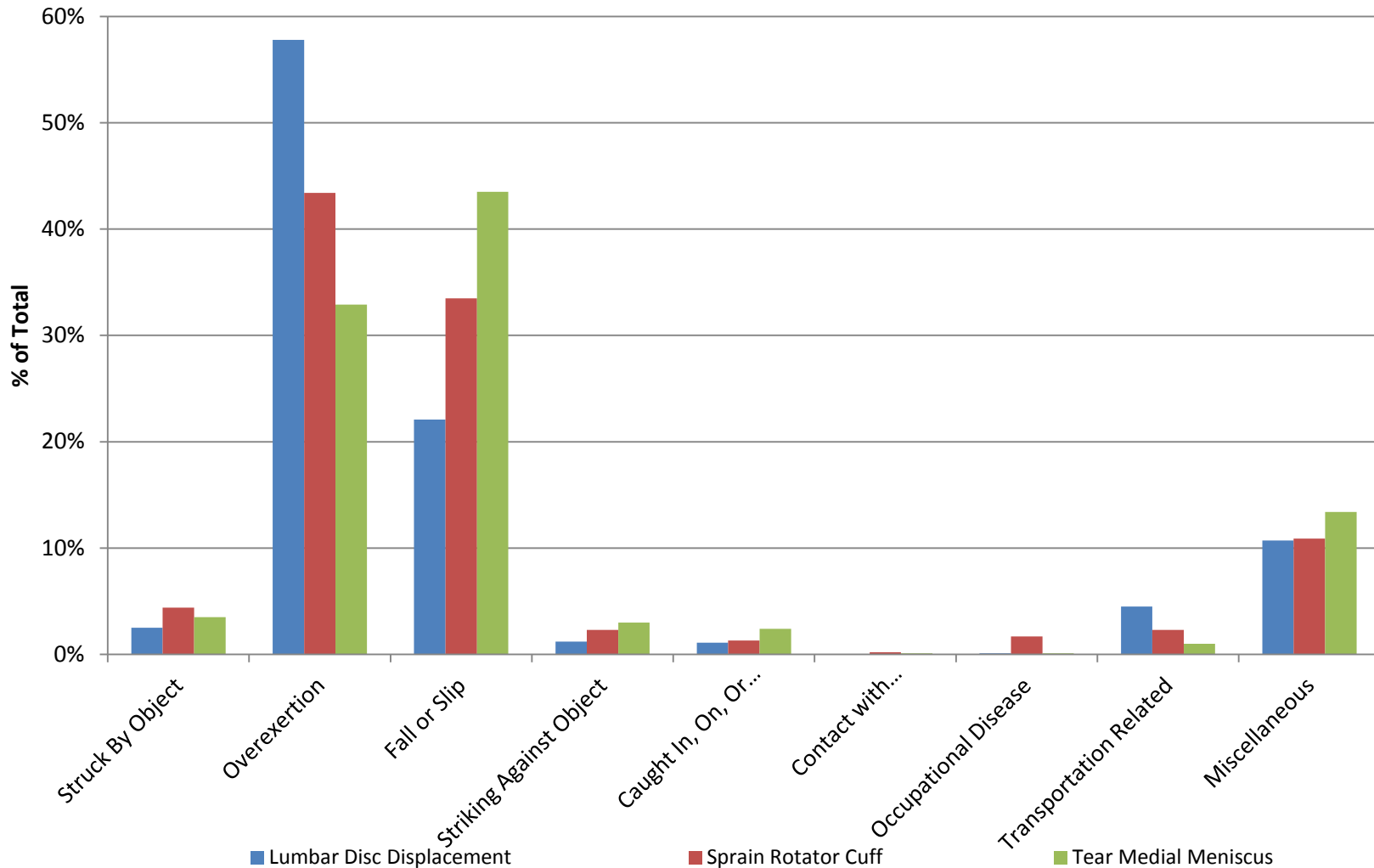
2000-2008 Total Tear Medial Meniscus



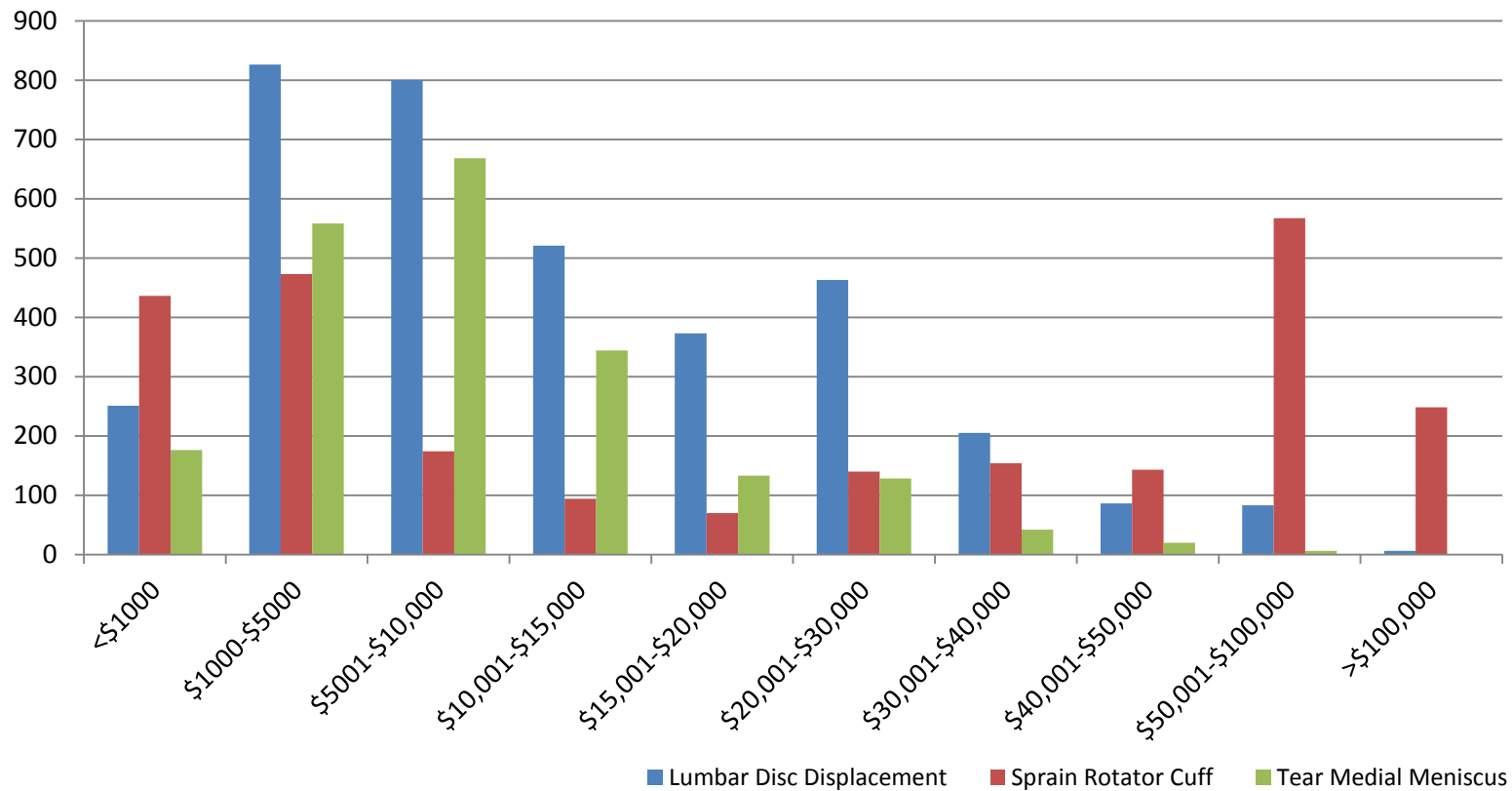
2000-2008 Tear Medial Meniscus per 100,000 Employees



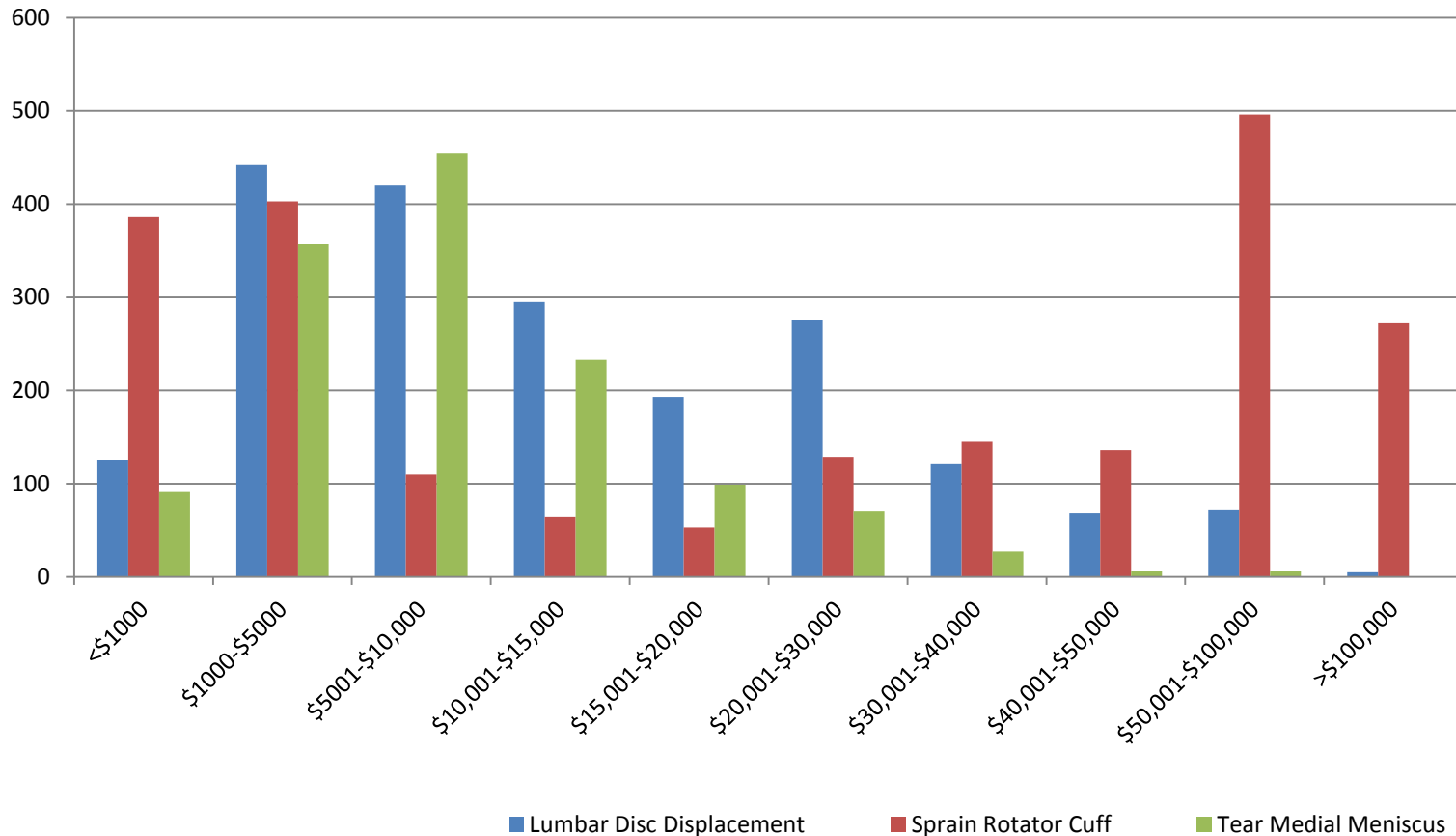
2007-2008 Claim Type Distribution by Causation



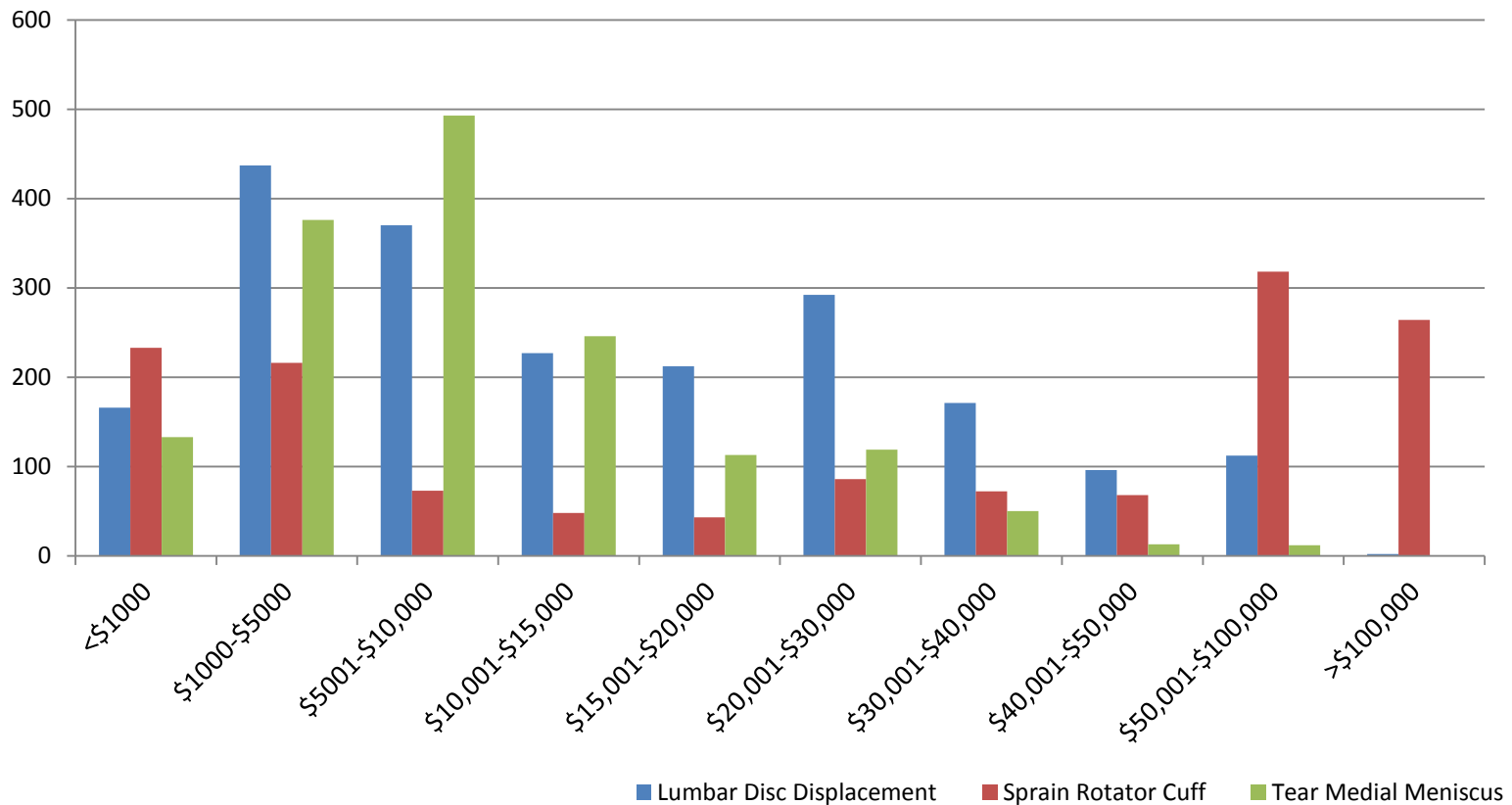
2000-2008 Cost Distribution in Service Industry



2000-2008 Cost Distribution in Manufacturing

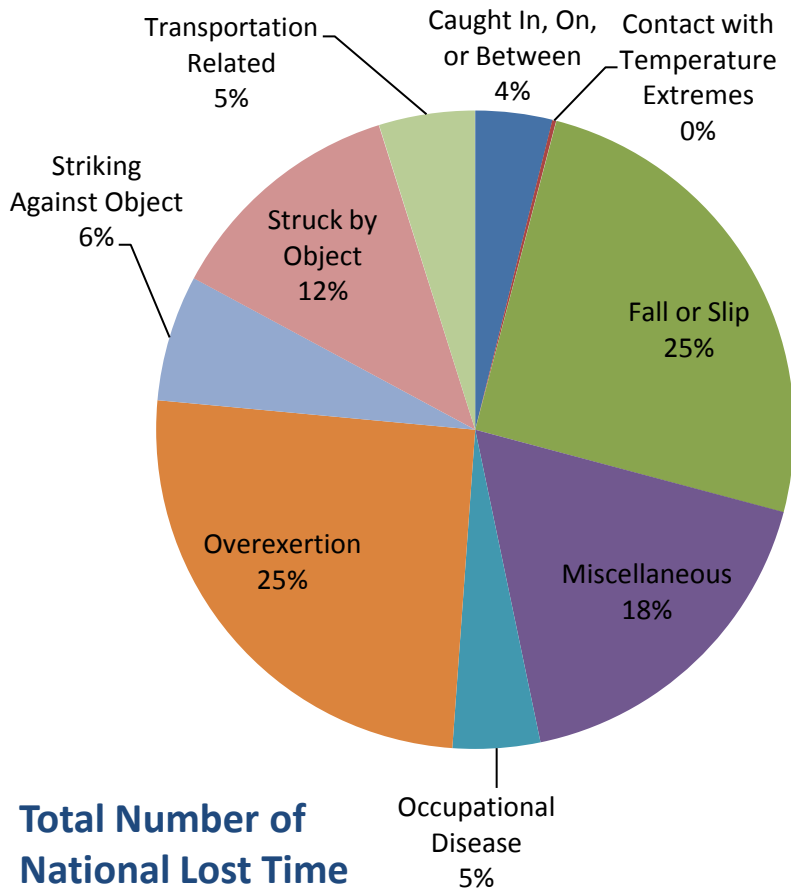


2000-2008 Cost Distribution in Construction



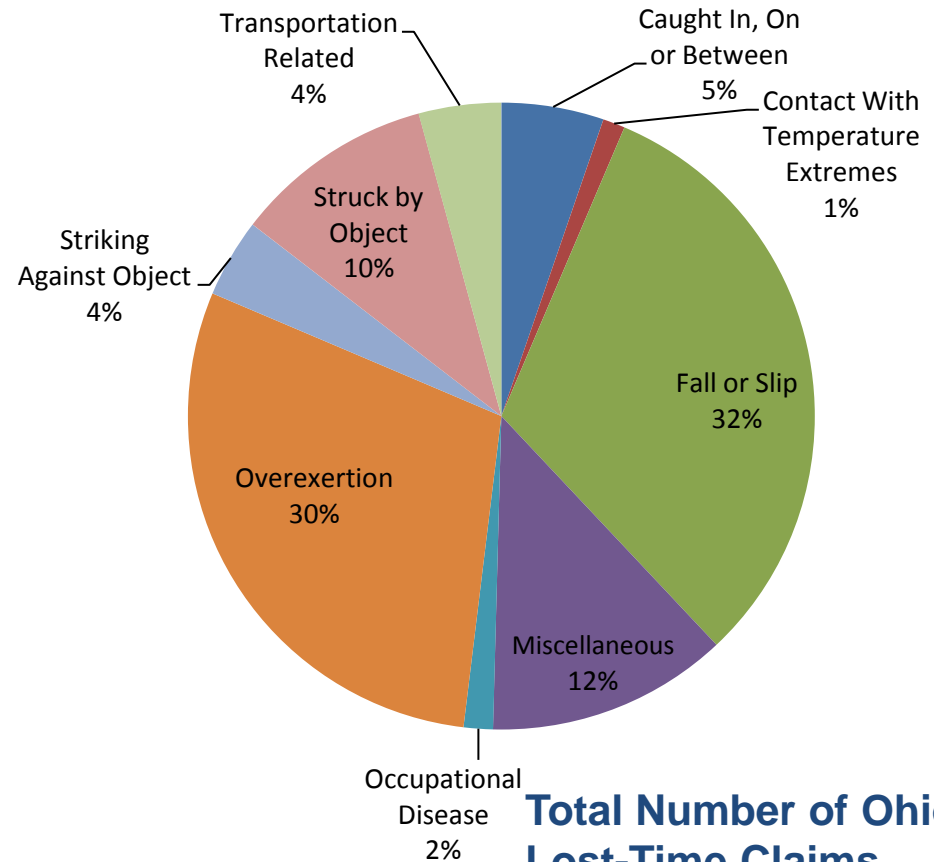
Causation Information for LT Claims

2009 National Lost Time Claims



Total Number of National Lost Time Claims = 1,238,500

2010 Ohio Lost Time Claims

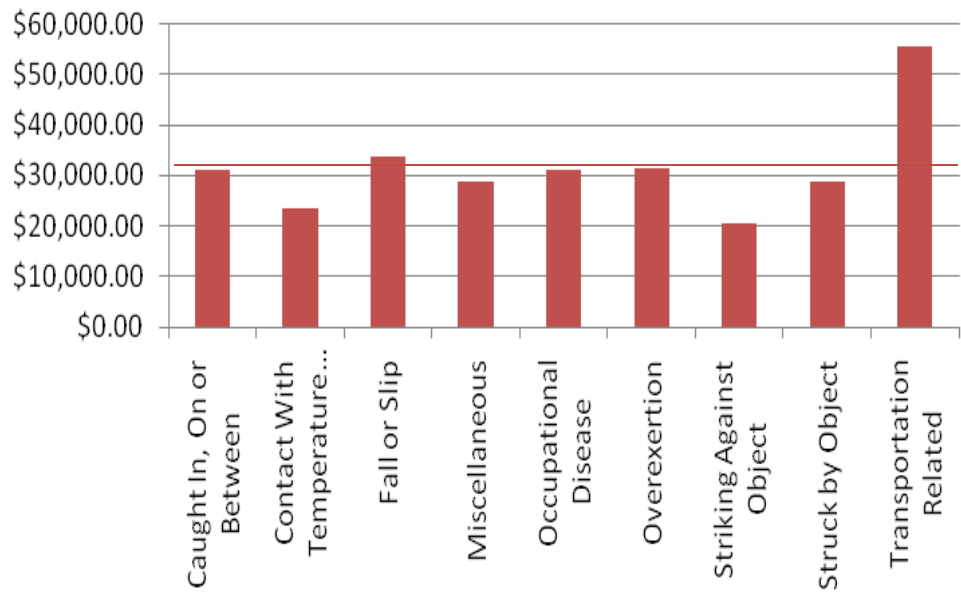


Total Number of Ohio Lost-Time Claims Coded = 15,367

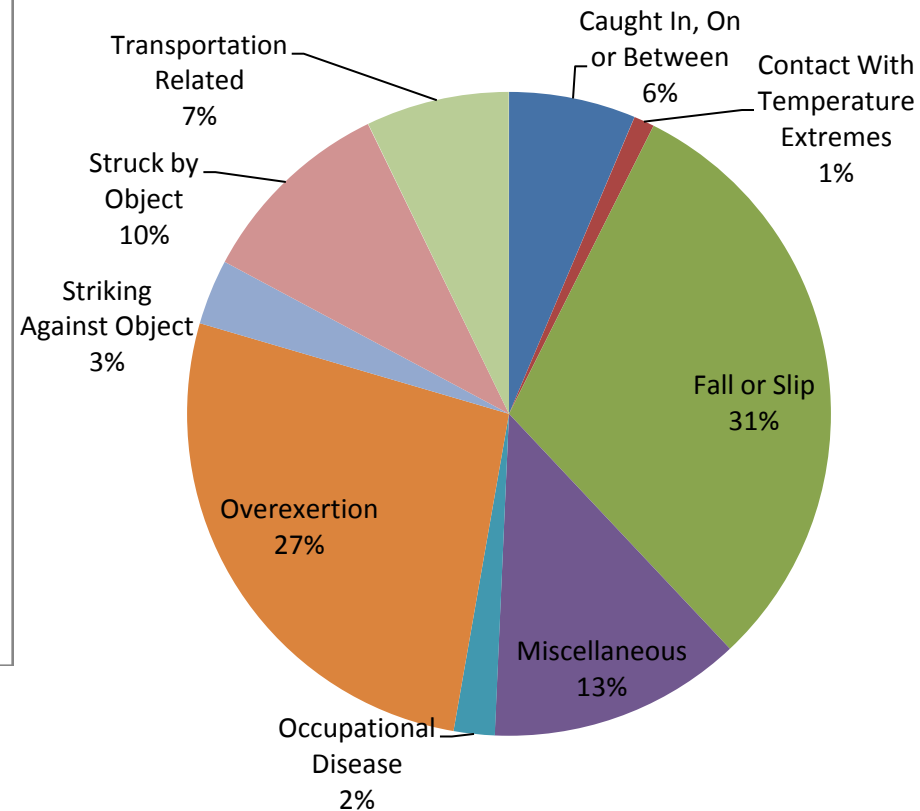
2007 Cost Analysis

Lost Time Claims

2007 Avg. Claim Cost *

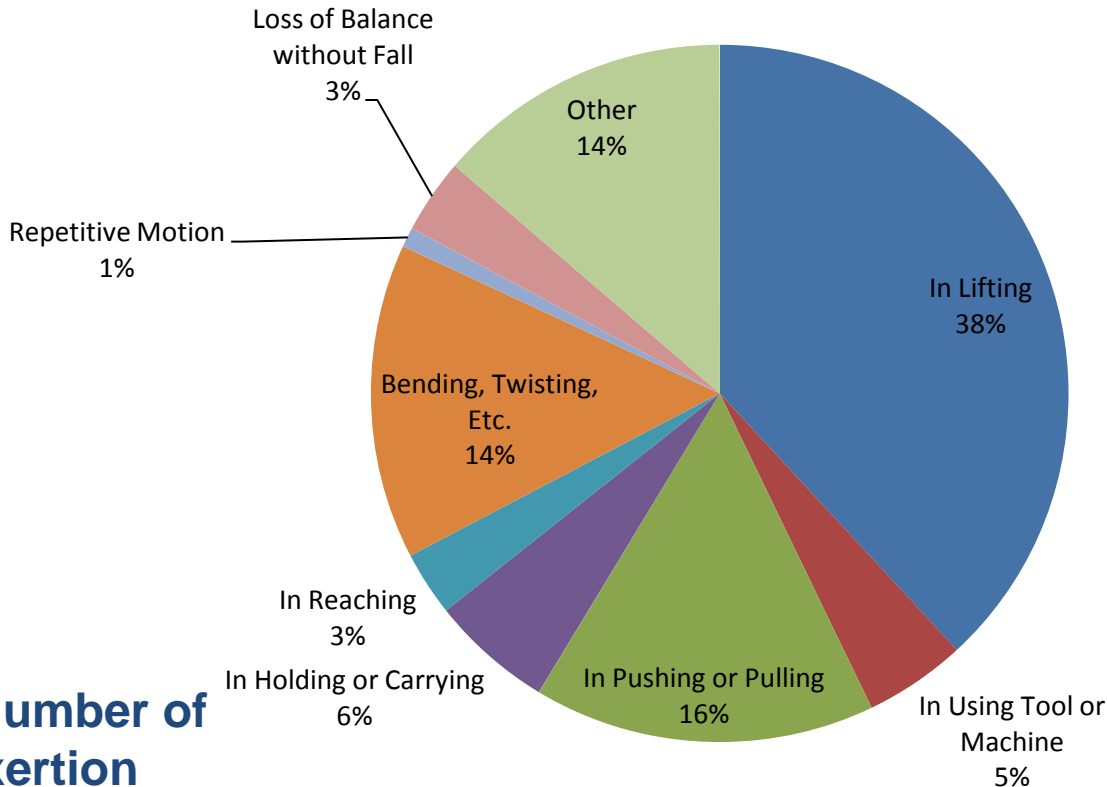


2007 Percent of Total Cost



* Includes reserves

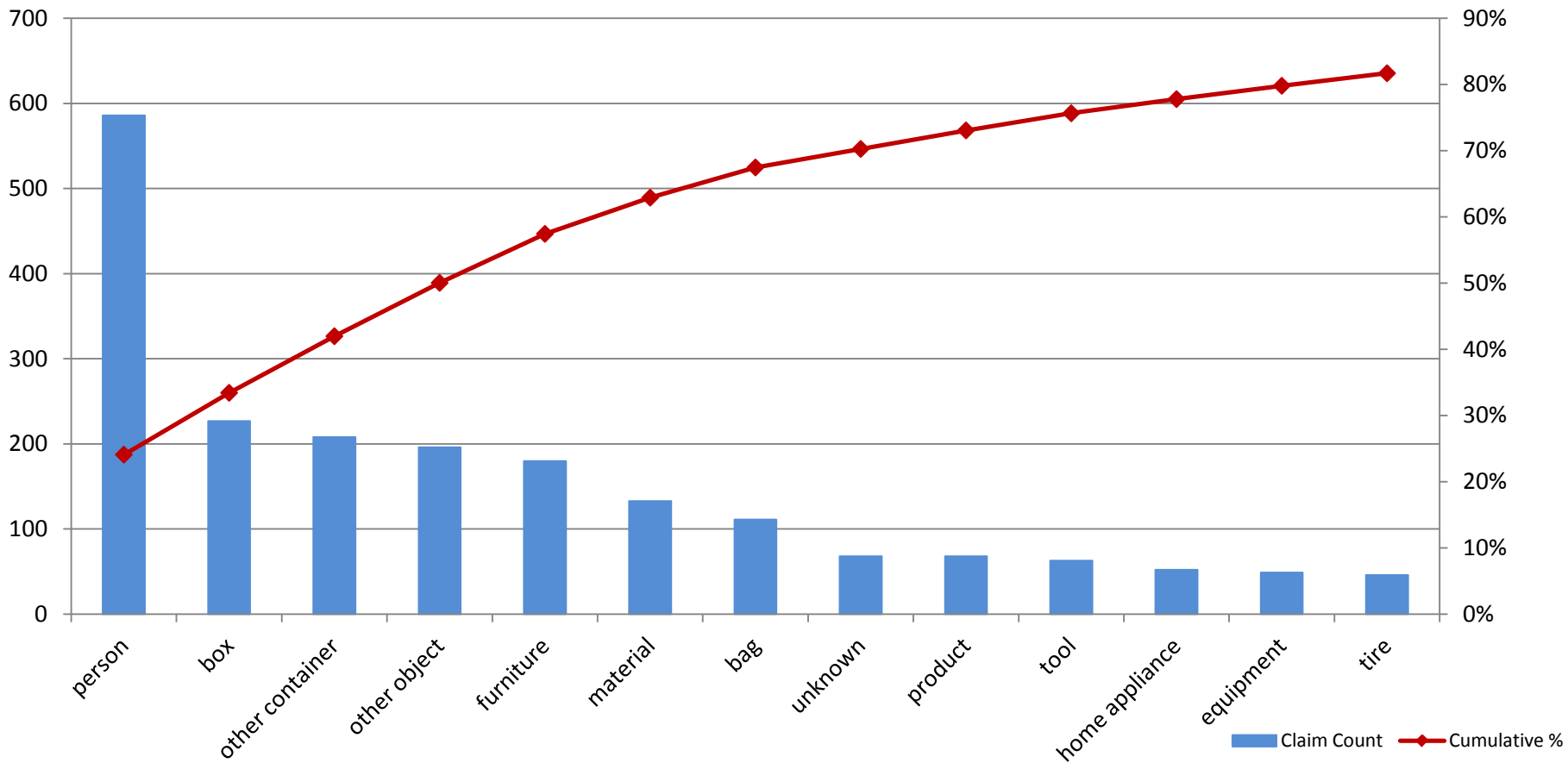
Overexertion Injuries by Subtopic



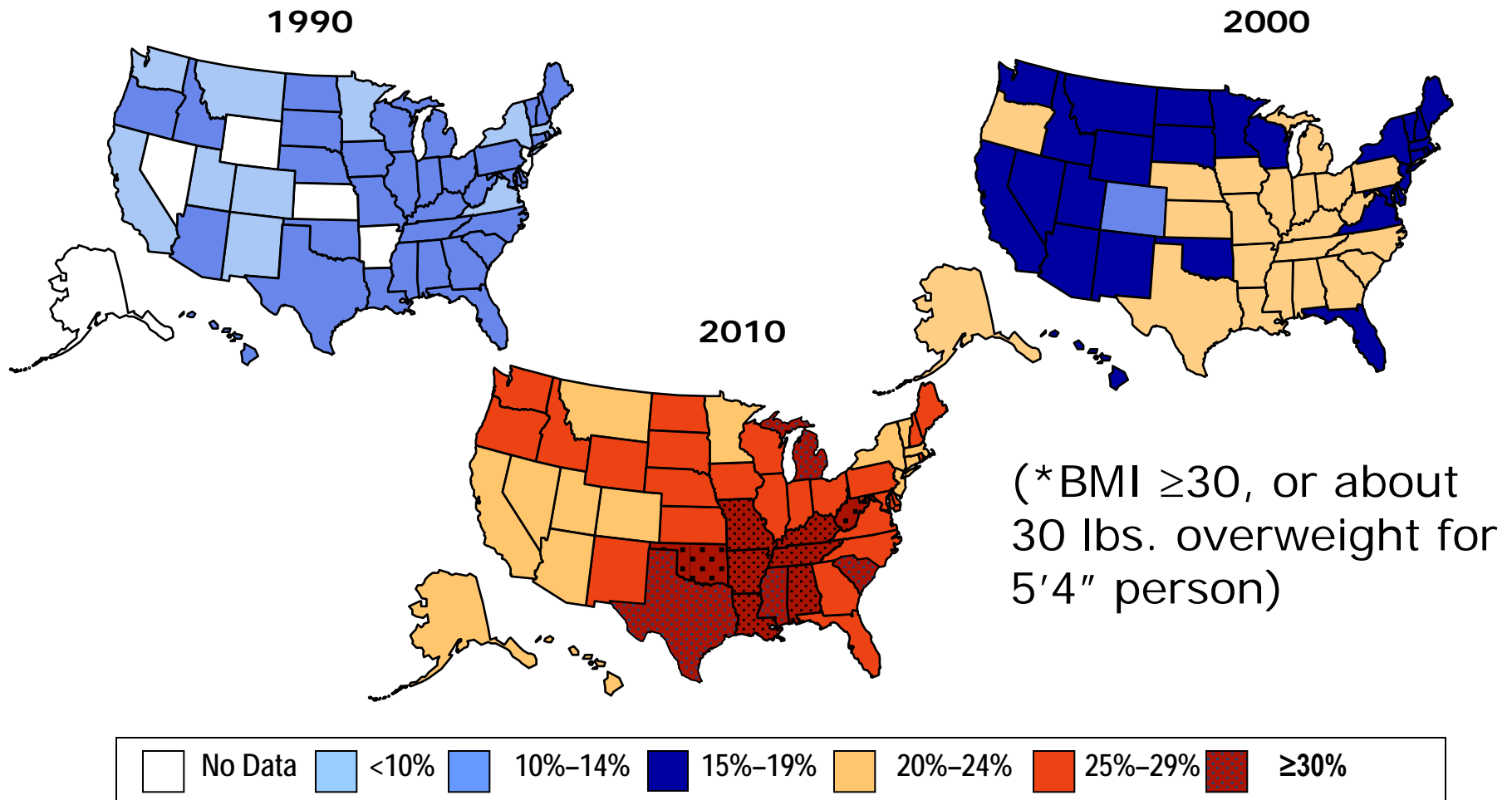
Total Number of Overexertion Claims = 6,379

2010 Overexertion Injuries in Lifting

What is being lifted?

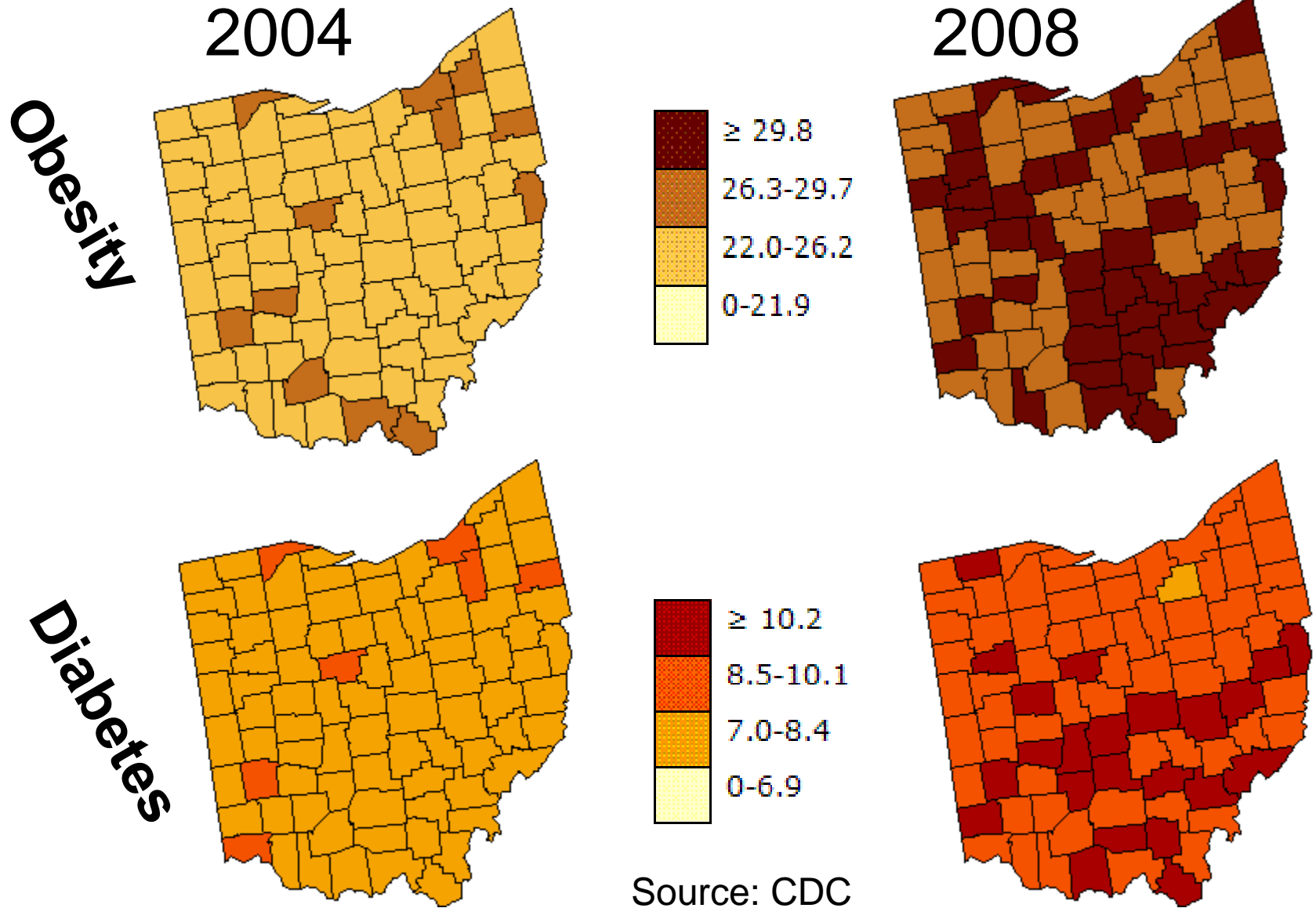


Obesity Trends among U.S. Adults



Source: CDC

Trends among Ohio Adults



WC Cost: Obesity & Aging Effects

Weight Category	BMI	Claims*	Lost Days*	Medical Cost (\$)*	Indemnity Cost (\$)*
Underweight	<18.5	5.5	41.9	\$7,109	\$3,924
Rec. Weight	18.5 – 24.9	5.8	14.2	\$7,503	\$5,396
Overweight	25 – 29.9	7.1	60.2	\$13,338	\$13,569
Obese (Class I)	30 – 34.9	8.8	75.2	\$19,661	\$23,633
Obese (Class II)	35 – 39.9	10.8	117.8	\$23,373	\$34,293
Obese (Class III)	≥40	11.7	186.6	\$51,091	\$59,178

Age Group (yrs)	Claims*	Lost Days*	Medical Cost (\$)*	Indemnity Cost (\$)*
15-34	7.4	35.3	\$9,810	\$7,820
35-54	7.3	53.7	\$15,578	\$17,517
>55	7.0	100.5	\$20,443	\$23,991

*Cum. per 100 FTEs over the 7-yr study period

Source: Ostbye et. al. Obesity and Workers' Compensation. *Arch Intern Med.* 2007; 167(8).

Obesity and WC

- Increased rate for filing claims (1.5 to 2)
- Increased time away from work (3 to 13)
- Increased cost of a claim (2.8 to 11)

The answer: Wellness programs

- ROI (1-6.5)
- Less healthcare cost
- Less WC cost
- Less absenteeism

This is the beginning

The challenges:

- Escalating costs
- Health of the workforce; obesity and aging

The answer:

Understanding

- Cost drivers
- Bending the curve

**PREVENTION
is a Standard
for Living**

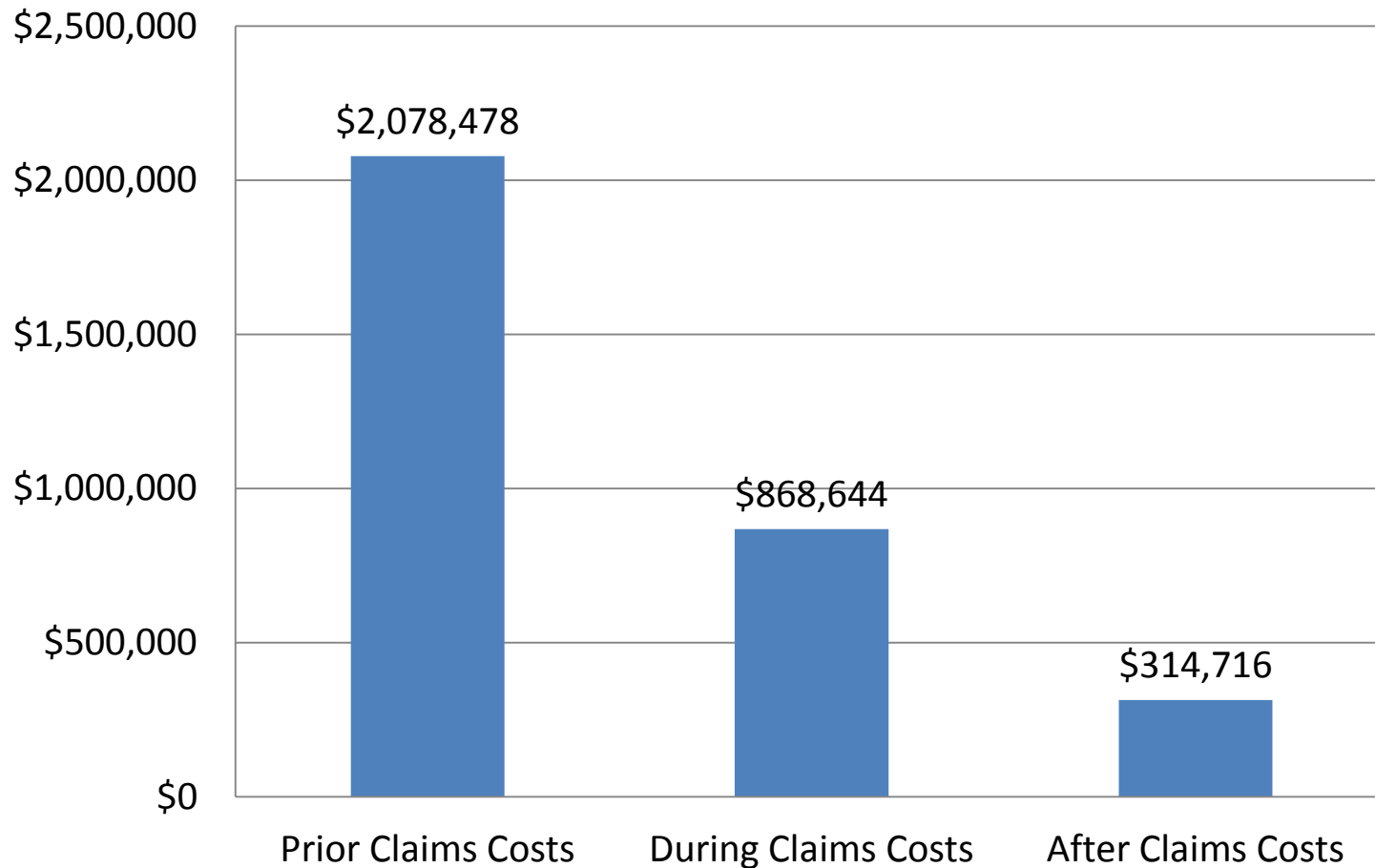
A wholesome approach to OSH

What is happening

- BWC-NIOSH Partnership
- WRT Research
- Incorporating wellness with OSH
- Share and disperse information with customers and partners
- Market sector research in manufacturing, healthcare, agriculture, and trucking

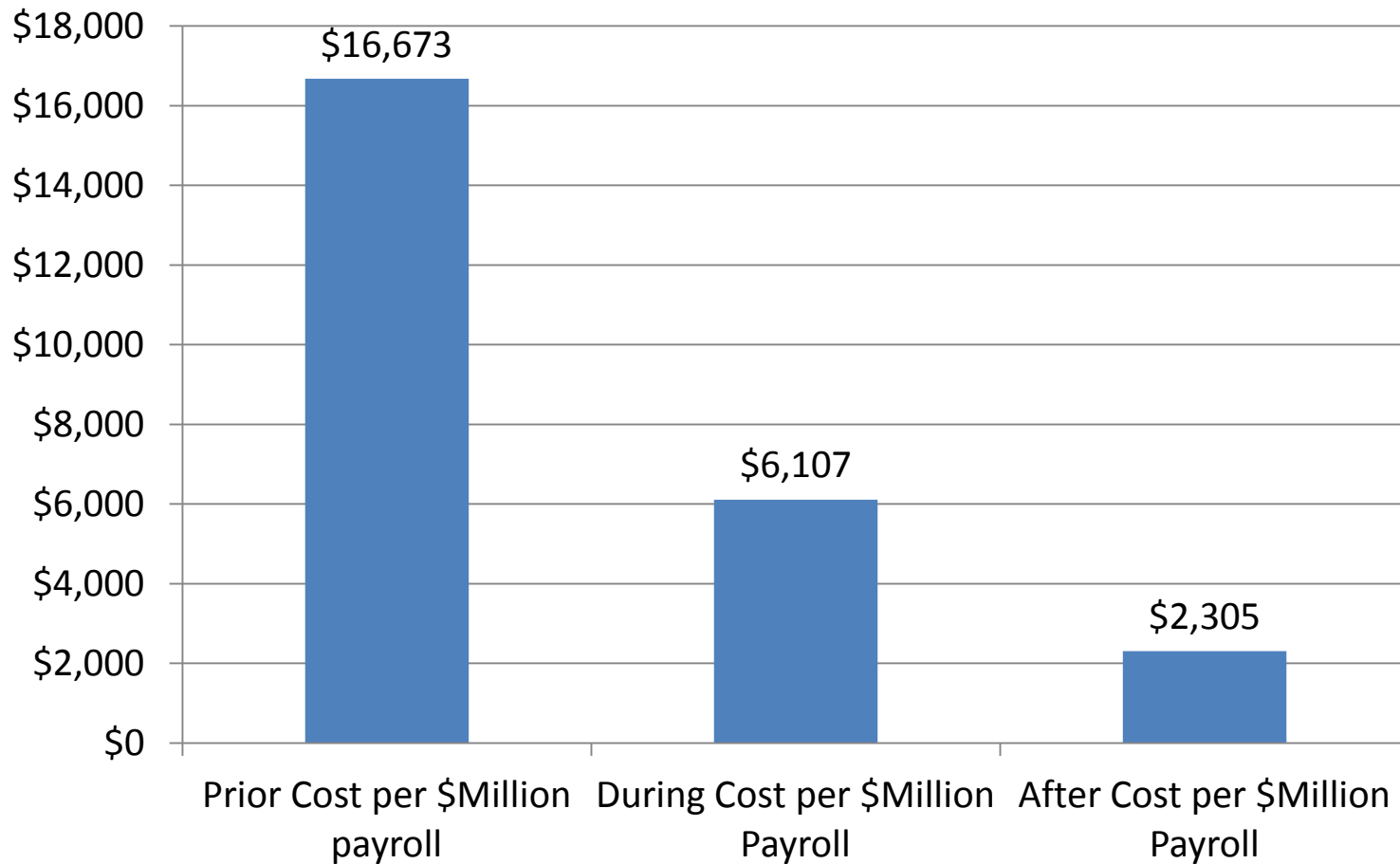


Experience of SHARP companies



16 employers, 85% reduction in overall claims cost

Experience of SHARP companies



16 employers, 86% reduction in overall claims cost per \$1Million Payroll