

THE WEBINAR WILL BEGIN SHORTLY

OUT FR→NT IDEAS

02.16.2021

COVID Claims Development: Workers' Compensation & Beyond

Hosted by
Kimberly
and Mark



Kimberly George

*Global Head,
Product Development
& Innovation*

SEDGWICK



Mark Walls

*VP Communications
& Strategic Analysis*

SAFETY NATIONAL



COVID Claims Development: Workers' Compensation & Beyond



Teresa Bartlett

Senior Medical Officer

SEDGWICK



Max Koonce

Claims Officer

SEDGWICK



Tim Stanger

*Vice President –
Partner Relations*

SAFETY NATIONAL



Alex Swedlow

President

CALIFORNIA
WORKERS'
COMPENSATION
INSTITUTE

LONG-TERM EFFECTS OF COVID-19

Vaccine

COUGH

Blood Clots

Mutations

PNEUMONIA

Immunity

Loss of Taste

Brain Fog

Depression

PTSD

Joint Pain

Muscle Pain

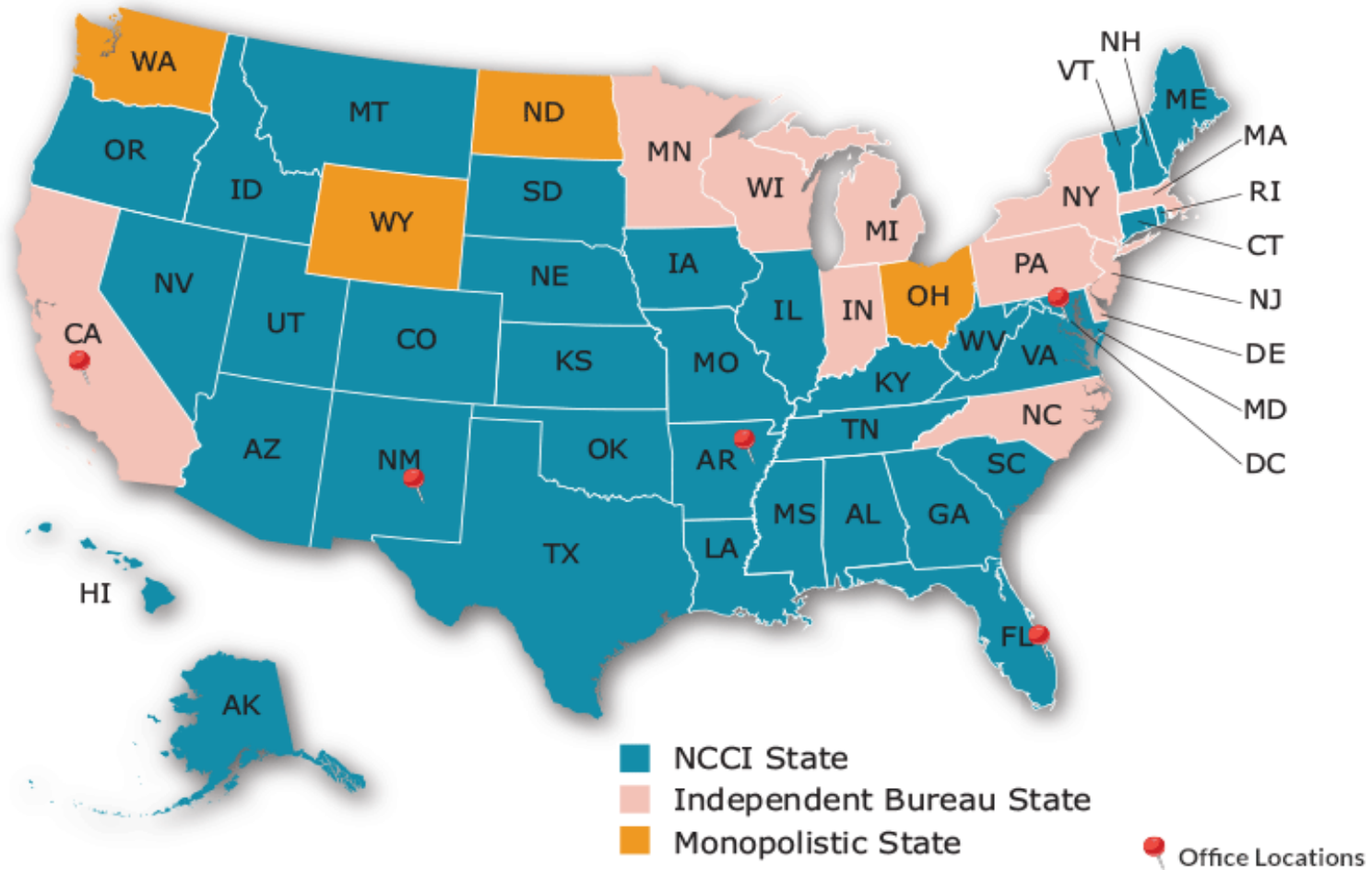
Shortness of Breath

FATIGUE

WORKERS
COMPENSATION
DATA



NCCI states and the independent bureaus



Largest industries by employment

Rank	Industry	2019 Employment
1	Elementary and secondary schools; local	7,457,000
2	Local Government, Excluding Education and Hospitals	5,890,000
3	Full-Service Restaurants	5,535,000
4	General medical and surgical hospitals; private	4,779,500
5	General Merchandise Stores	3,043,300
6	Temporary Help Services	2,948,300
7	Grocery and specialty food stores	2,915,000
8	Offices of Physicians	2,672,000
9	Management of Companies and Enterprises	2,427,400
10	State Government, Excluding Education and Hospitals	2,305,600
11	Federal Government, Excluding Postal Service	2,226,700
12	Computer Systems Design and Rel Services	2,202,200
13	Colleges, universities, and professional schools; state	2,104,200
14	Credit intermediation and related activities (5221,3)	2,077,400
15	Services for the Elderly and Disabled	1,965,900
16	Colleges, universities, and professional schools; private	1,790,400
17	Real Estate	1,718,100
18	Nursing Care Facilities	1,598,400
19	Management & Technical Consulting Svc	1,531,100
20	Truck Transportation	1,531,000

COVID data from multiple sources





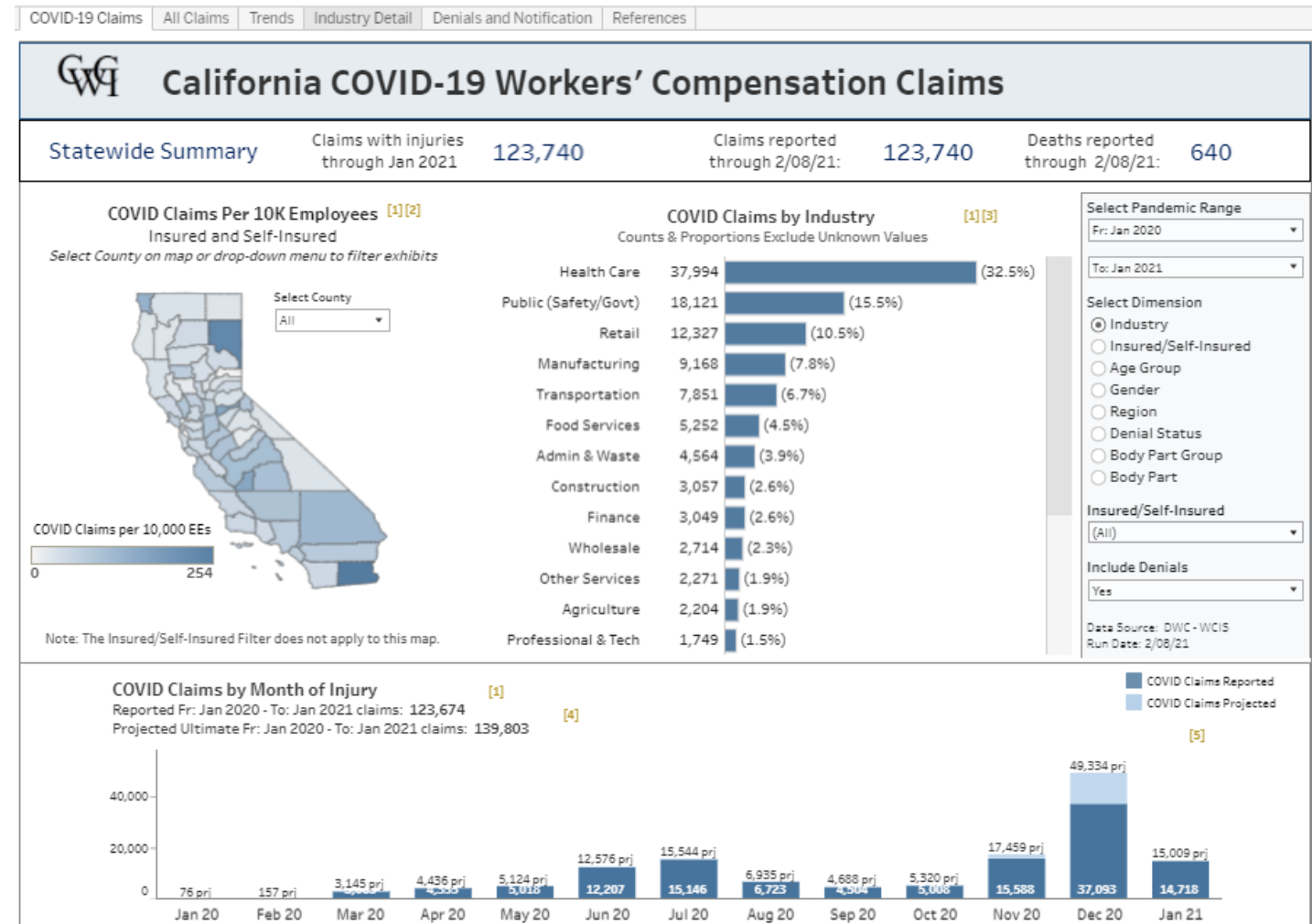
COVID-19 Trends in the California Workers' Compensation System

Out Front Ideas
February 16, 2021

**Alex Swedlow, President
California Workers' Compensation Institute
Oakland, California**

COVID-19 Related Research:

- Industry Readiness
 - History of Presumptions
 - Early Adjudication of COVID-19
 - Leveraging Telemedicine
- Legislation and Regulations
 - SB 1159 & AB 685 Webinars
- On-Line Application



Essential Elements for COVID-19 Modeling:

- Infection Rate
- Symptom/Asymptomatic Rates
- Hospital Admissions
- Intensive Care Admissions
- Mortality Rate
- Cost per Claim

Essential Elements for COVID-19 Modeling:

- Infection Rate
- Symptom/Asymptomatic Rates
- Hospital Admissions
- Intensive Care Admissions
- Mortality Rate
- Cost per Claim

COVID-19 Cost Model References			
Estimated Impact of COVID-19 on the California Workers' Compensation System in 2020			
Total System Costs: \$6,707M		Model Parameters:	
California Workforce Covered Under Presumption: 8.24M		Percent of 18.7M CA Workers Covered Under Presumption (See Ref #1) (44% (Est. Non-Sheltered))	
Moderate to Severe Symptoms out of Total with COVID-19 Infection		Percent of Covered Workers with COVID-19 Infection (See Ref #2) (4.7% (Mid Estimate))	
193,720 with Symptoms 387,440 with COVID-19 Infection		Percent with COVID-19 infection that have symptoms (See Ref #3) (50% (Mid Estimate))	
Hospitalized for COVID with or without ICU		Percent with symptoms that are hospitalized (See Ref #4) (20.3% (Mid Estimate))	
39,281		Percent of Hospitalizations with ICU (See Ref #4) (22.9% (Mid Estimate))	
Hospitalized for COVID with ICU		Mortality rate for workers with symptoms (See Ref #4) (0.9% (Age Adj for CA - 4-28-20))	
8,996			
Mortality			
1,676			
Population		Medical Treatment and Mortality	
CA Workers covered under presumption	8,24M	Treatment w/o Hospitalization	154,439
Covered workers with COVID-19 infection	387,440	Admitted to Hospital	39,281
Covered workers with COVID-19 infection but no symptoms	193,720	Hospitalized without ICU	30,285
Covered workers with COVID-19 infection and symptoms	193,720	Hospitalized with ICU	8,996
		Mortality	1,676
		System-Wide Costs (See Reference #5)	
		Workers with treatment without hospitalization	\$757M
		Workers hospitalized without ICU	\$3,272M
		Workers hospitalized with ICU	\$2,035M
		Death	\$643M
		Total System Costs	\$6,707M

- Early indices were unpredictable
- Result: Extreme projection range on claims and cost

World-wide Outcomes

As of February 8, 2021

World-wide:

Infections: 105,805,951

Deaths: 2,312,278



Data Source: WHO

United States to World-wide Outcomes

As of February 8, 2021

United States:

Infections: 26,654,965

Deaths: 458,544

As a Percent of World-wide Covid-19 Cases

Infections: 25.2%

Deaths: 19.8%



Data Source: WHO

California to United States Outcomes

As of February 8, 2021

California:

Infections: 3,346,340

Deaths: 44,150

As a Percent of U.S. Cases

Infections: 12.6%

Deaths: 9.6%



Data Source: WHO, CA.gov

California's Working Population to Workers' Compensation Claims

As of February 8, 2021

California Working Age:

Infections: 2,610,145

Deaths: 11,479

As a Percent of California Cases

Infections: 78.0%

Deaths: 26.0%



Data Source: WHO, CA.gov, CWCI/DWC

California's Working Population to Workers' Compensation Claims

As of February 8, 2021

California Working Age:

Infections: 2,610,145

Deaths: 11,479

As a Percent of California Cases

Infections: 78.0%

Deaths: 26.0%



California Workers' Comp:

Infections: 123,740

Deaths: 640

As a Percent of CA Working Age Cases:

Infections: 4.7%

Deaths: 5.6%

Data Source: WHO, CA.gov, CWCI/DWC

SB 1159 (Hill) – Rebuttable Presumption of Compensability

- First Tier: Codification of Governor's Executive Order
- Second Tier: First responders, front line healthcare, and COVID custodians:
- Third Tier: Defining Outbreaks

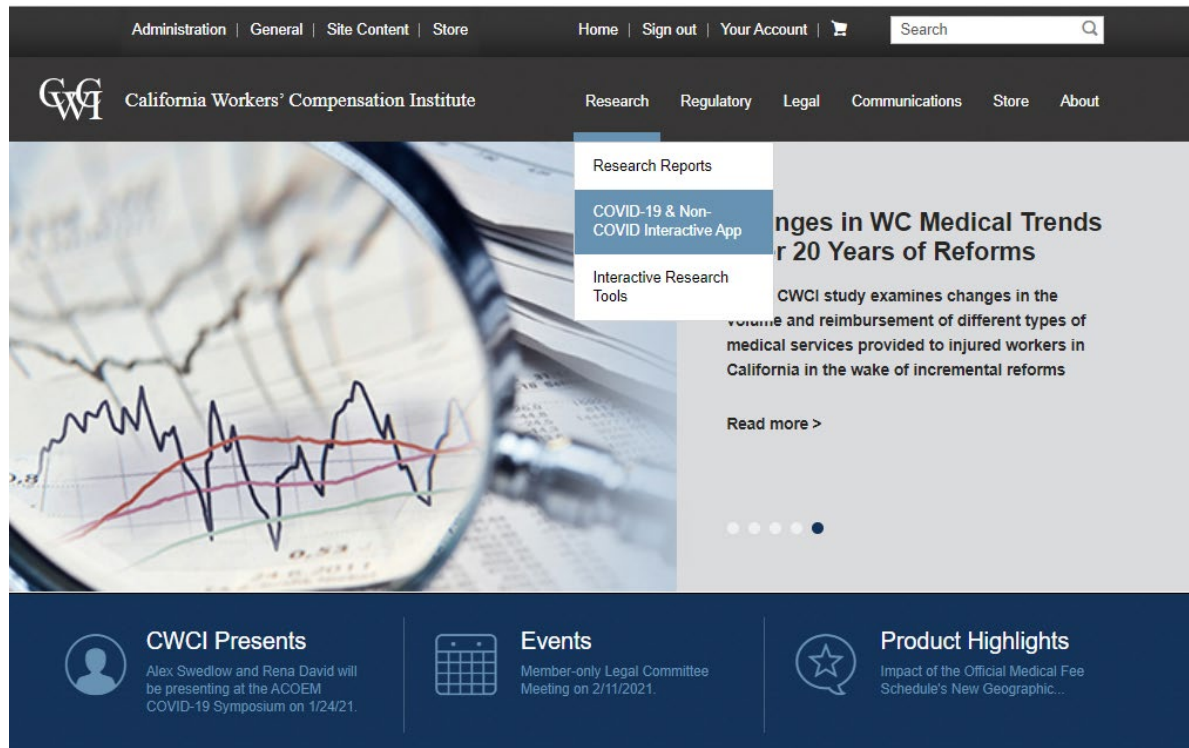
AB 685 (Reyes) – COVID-19 Notification to Employees

Requires public and private employers, within 1 business day, to notify employees in writing of any **potential** exposure to COVID-19

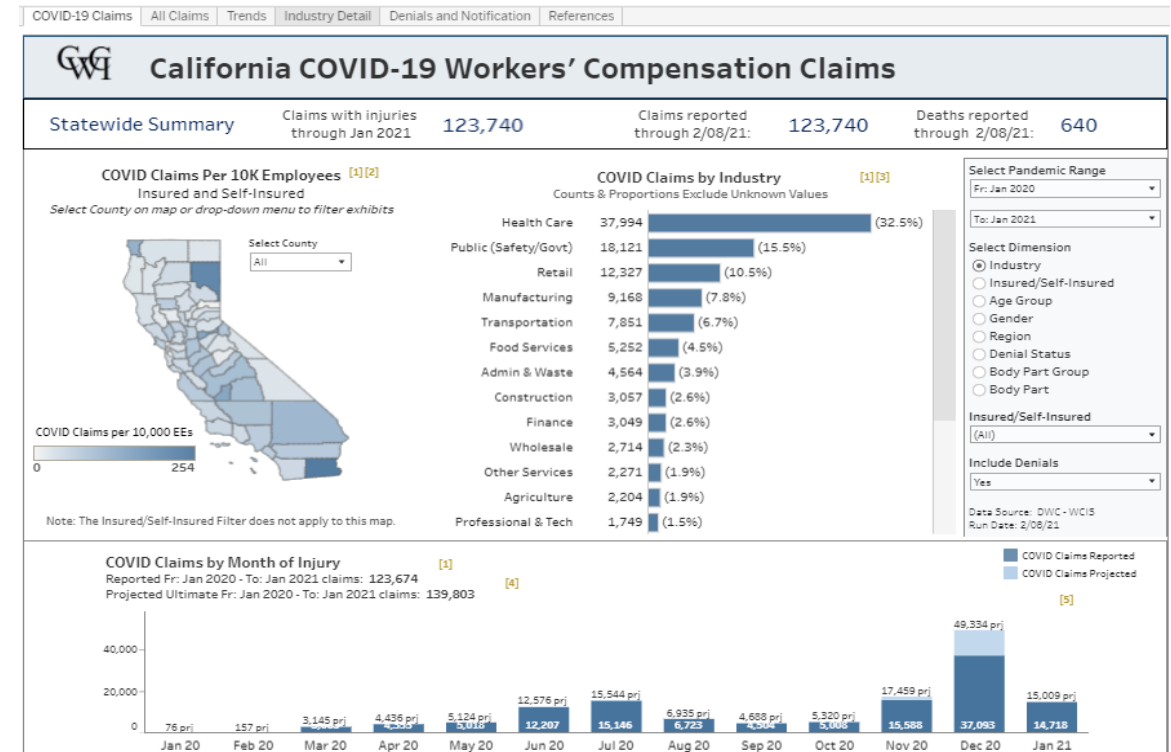
Cal-OSHA Emergency Regulations

- Create written COVID Prevention Program
- Encourages masks, social distancing, quarantines, and rapid notification to employees and local health authorities on exposures

Interactive Application



www.cwci.org

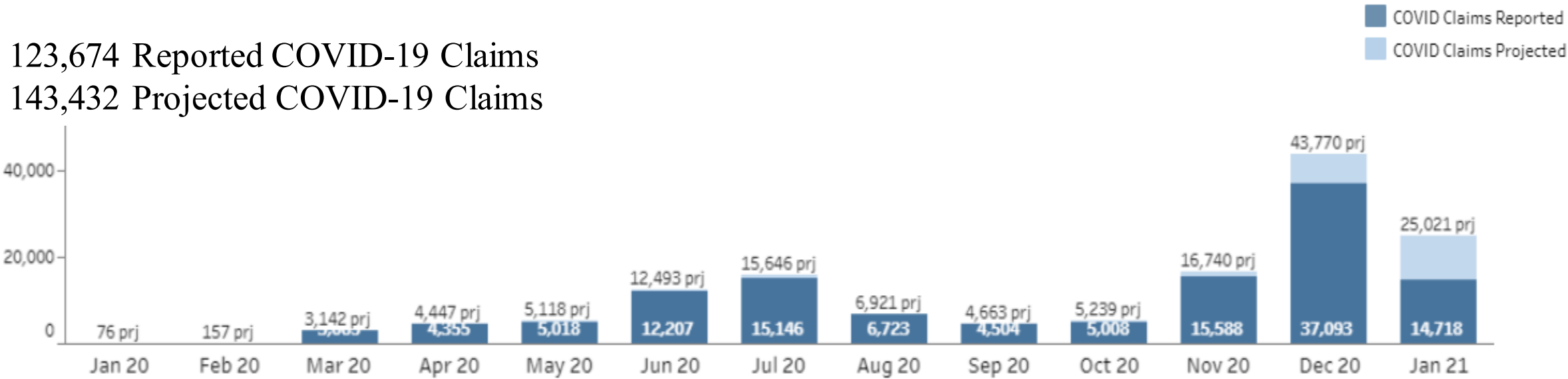


www.cwci.org/CV19claims.html

Data Source: DWC/WCIS, BLS, CWCI

COVID Claims by Month of Injury – January 2020 – January 2021

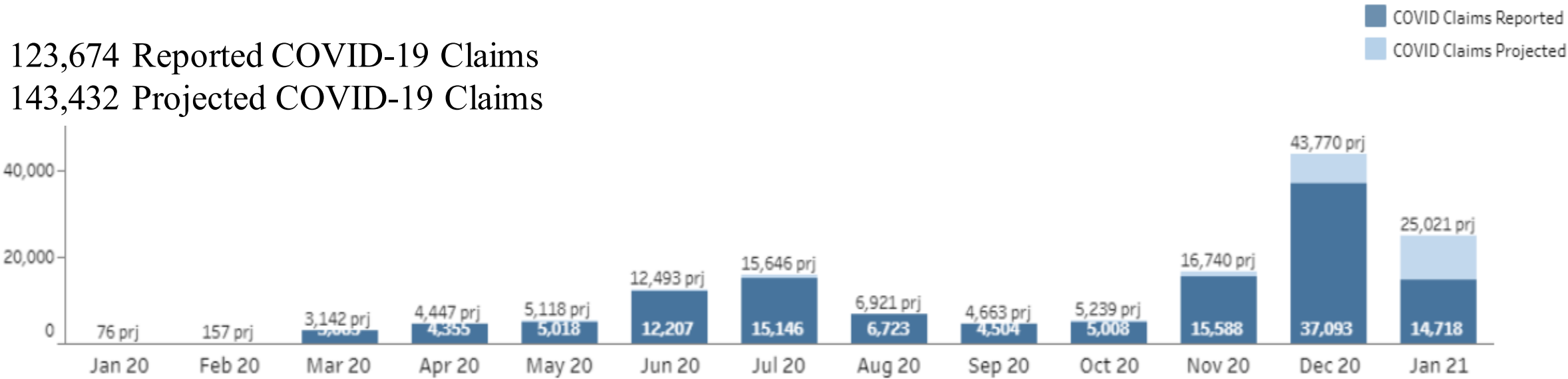
123,674 Reported COVID-19 Claims
143,432 Projected COVID-19 Claims



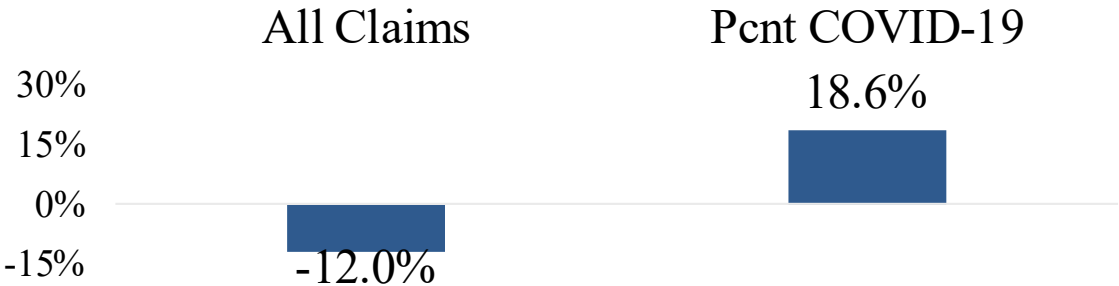
Source: CWCI 2021

COVID Claims by Month of Injury – January 2020 – January 2021

123,674 Reported COVID-19 Claims
143,432 Projected COVID-19 Claims



Reported Claims Reported March 2020 – January 2021

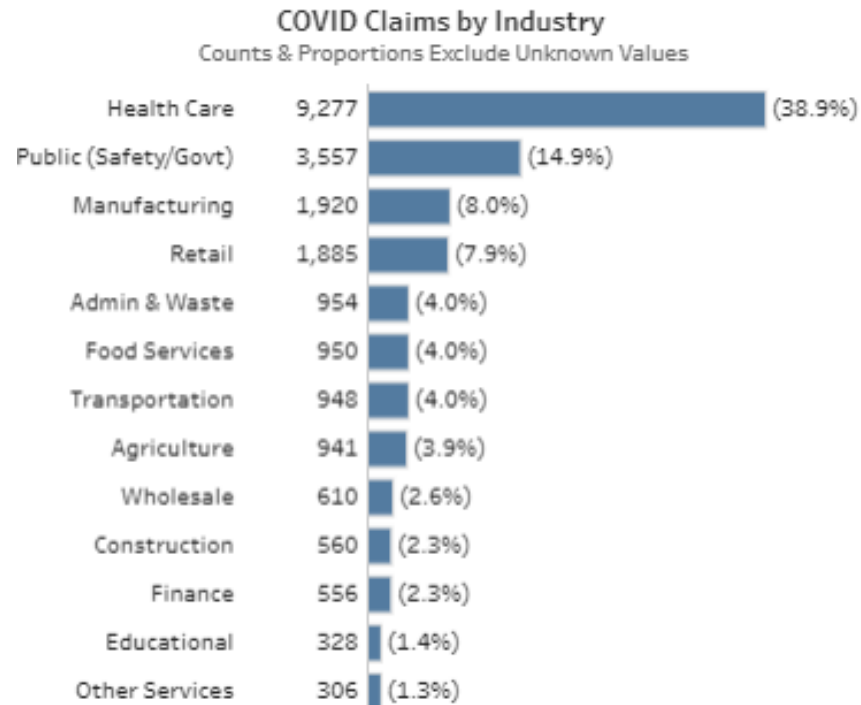


Source: CWCI 2021

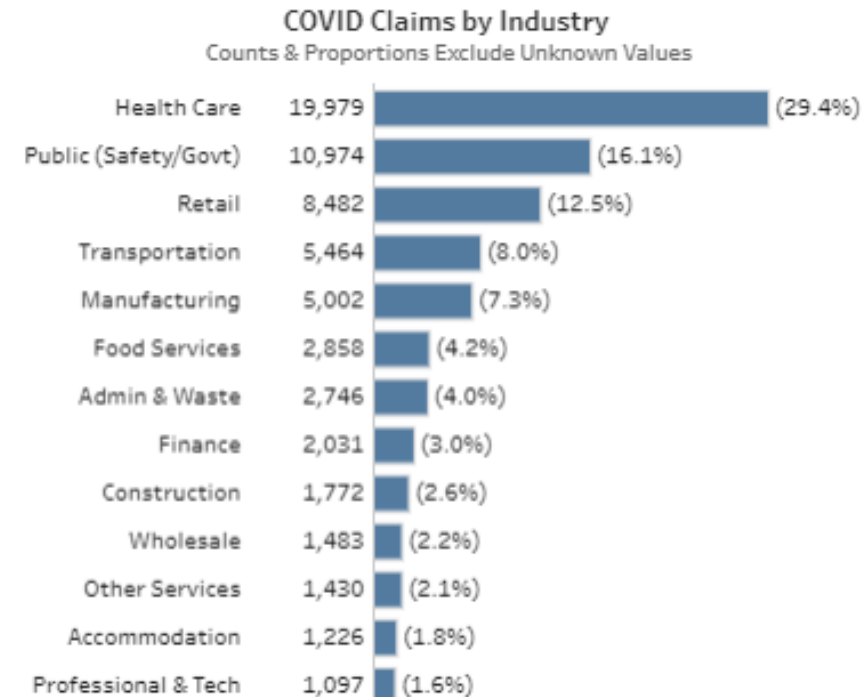
COVID-19 Reported Claims by Industry

Changes in Infections from Early Pandemic to Current Period by Industry

January '20 – June '20



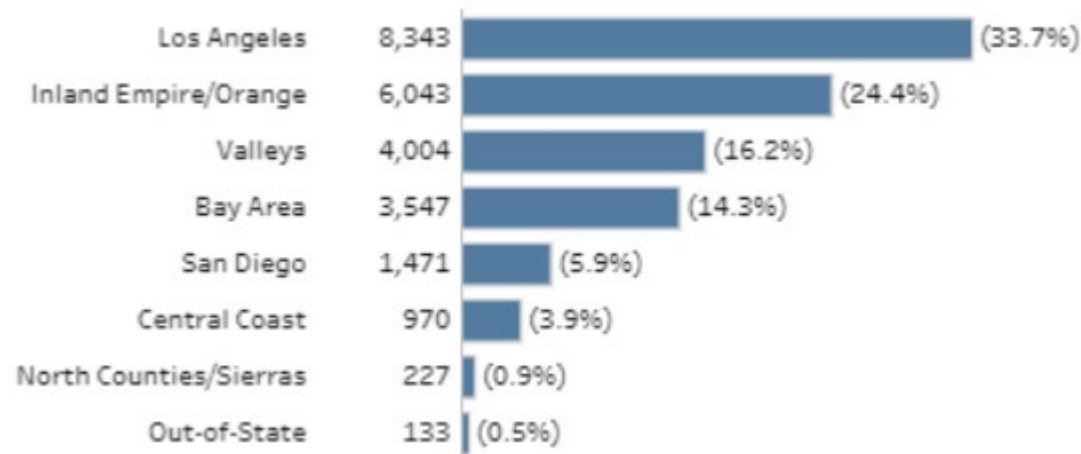
October '20 – January '21



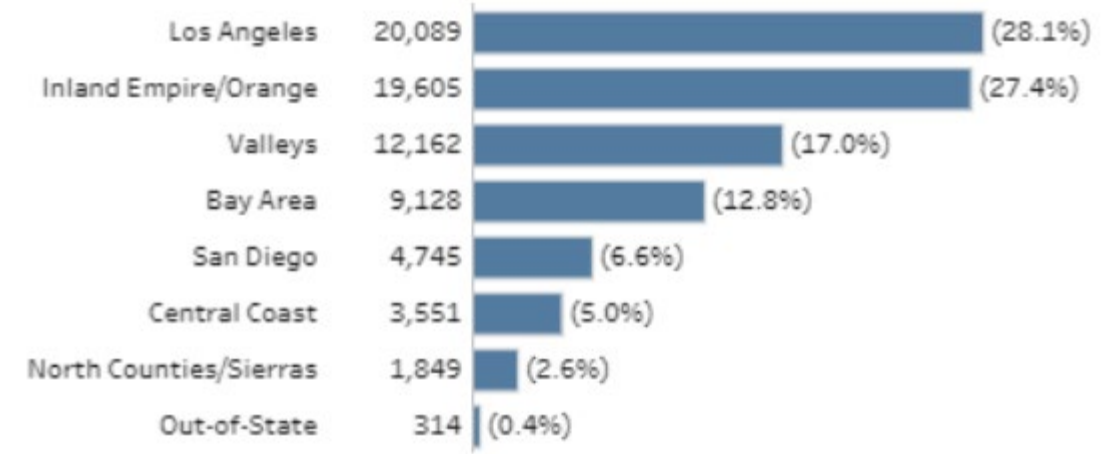
- Health Care dropped from 39.0% to 29% of COVID claims
- Share of claims for First Responders had minimal change from 15% to 16%
- Transportation doubled from 4.0% to 8%

Changes in Infections from Early Pandemic to Current Period by Region

Early COVID-19 Reported Claims by Region
(January '20 – June '20)



Current COVID Reported Claims by Region
(October '20 – January '21)



- Regional reported infections have been relatively stable throughout pandemic
- Los Angeles and Orange make up over 55% of reported COVID-19 claims

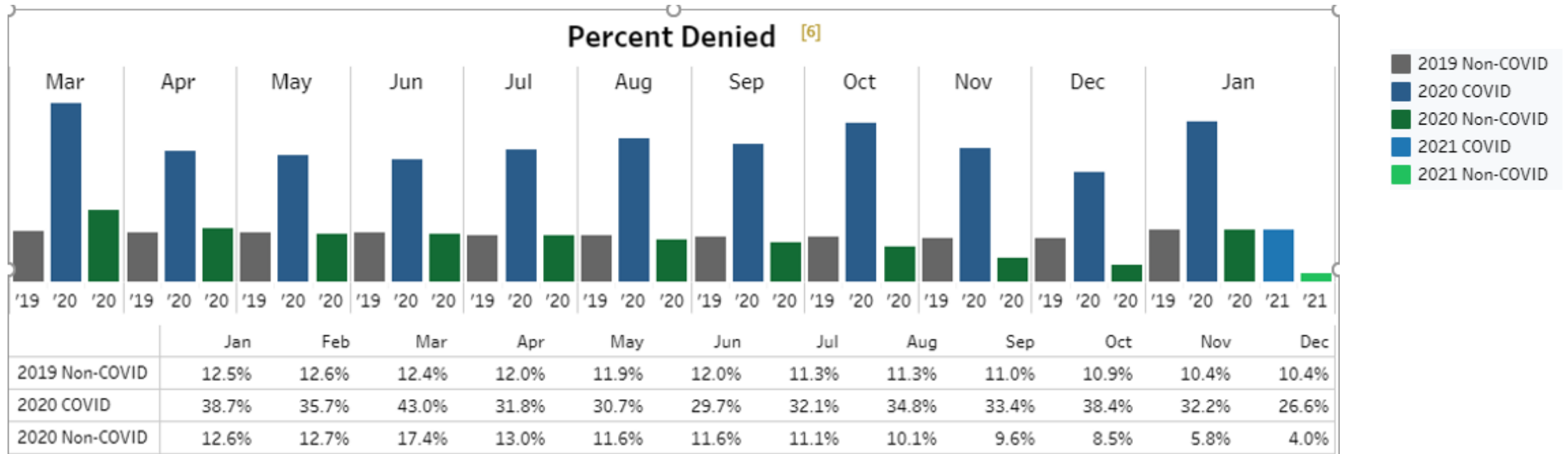
2020 COVID vs Non-COVID Reported Claims between March 2020 – January 2021

Employee Class		Non-COVID	COVID	Net Difference (Non-COVID vs COVID)	
8829	Skilled Nursing Facilities	19.0%	29.1%		10.1%
8834	Physicians' Practices/Outpatient Clinics	17.3%	18.8%		1.6%
9070	Residential Care Facilities–elderly	14.2%	15.7%		1.5%
9085	Residential Care–development disabled	2.1%	3.1%		1.0%
7332	Ambulance Services	2.2%	2.7%		0.6%
8810	Clerical Office Employees	4.1%	3.9%	-0.2%	
8823	Residential Care Facilities for Children	2.3%	1.1%	-1.2%	
8804	Substance Use Disorder Recovery Hom..	2.5%	1.1%	-1.4%	
9059	Day Care Centers	3.0%	1.2%	-1.8%	
8827	Home Care Services	7.7%	4.8%	-2.8%	
9043	Hospitals	20.7%	17.3%	-3.4%	
8839	Dentists/Dental Surgeons	5.0%	1.1%	-3.9%	

- Skilled Nursing Facilities a significantly higher share of COVID-19 reported claims
- Physicians Practices had higher shares of COVID vs non-COVID claims in recent months

Source: CWCI 2021

Denied COVID and Non-COVID Reported Claims



- Non-COVID claims generally have 90 days to adjudicate – denial rates are similar for 2019 and 2020
- COVID-19 reported claims have between 30 and 90 days to adjudicate
 - Early denial rates (March-April 2020) was 35.5%
 - Current denial rates (June '20 – January '21) was 28.0%
- New study underway to examine adjudication decisions

Safety National client base by industry



23% Public Entity



4% Higher Education



16% Healthcare



4% Services



13% Retail /Restaurant



3% Transportation



12% K-12 Schools



3% Wholesale

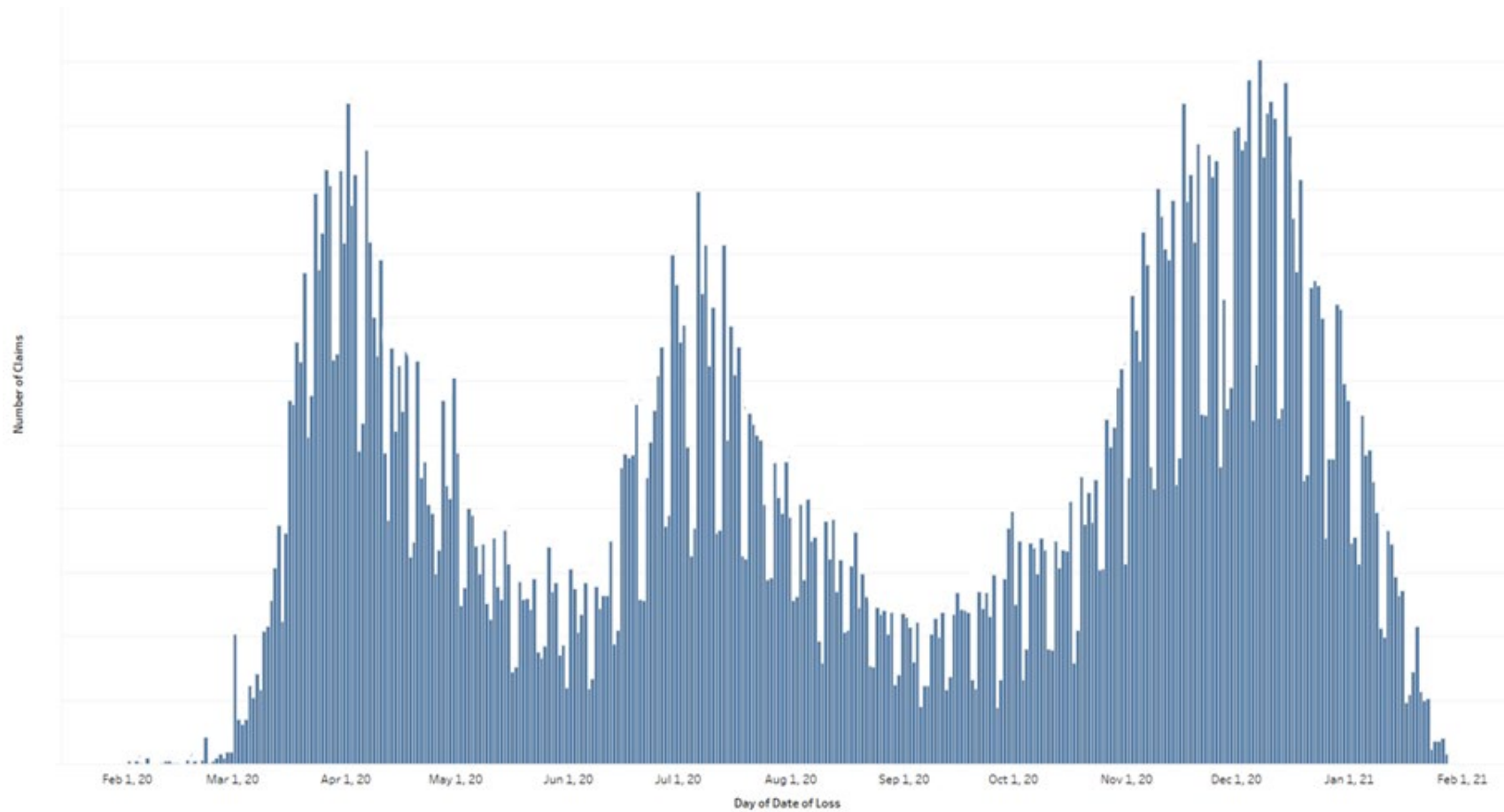


9% Manufacturing



13% Other

Safety National COVID claims frequency by date



Safety National Claims by age

Claim Metrics by Age Band

Age Band	Percentage of Total	Average Incurred
Null	0.58%	\$14,890
Under 20	1.11%	\$1,207
20-25	9.48%	\$2,084
26-30	14.34%	\$2,627
31-35	14.67%	\$3,380
36-40	12.71%	\$4,286
41-45	11.10%	\$5,880
46-50	11.18%	\$6,830
51-55	9.66%	\$7,807
56-60	7.88%	\$11,052
61-65	2.19%	\$21,917
Greater than 65	5.10%	\$11,754
Grand Total	100.00%	\$5,830

1. Average Incurred is for claims with at least \$1 in Gross Incurred
2. Claim Count includes incident and record only claims.

Safety National COVID death claims

Age/Sex

- 63% of the claimants were 56 or older
- 43% of the claimants were between 56 to 66 years old
- 61% of the claimants were male

Industry

- 51% reported in the health care industry
- 22% reported in the municipality industry
- 15% all other
- 7% retail
- 5% School

Safety National COVID claims over \$2 million incurred

- Healthcare worker
 - Reaction to the Covid19 infection resulted in renal shut-down, brain injury from a high fever and eventually quadriplegia.
- Healthcare worker
 - Extensive life-saving treatment (Extracorporeal membrane oxygenation “ECMO”).
Eventual death.
- Healthcare worker
 - Double lung transplant
- Healthcare worker
 - 11 week ICU stay and complications with treatment

Client base by industry



COVID19

The Future



THANK Y→U

Sponsored by:

