

DEPARTMENT OF WORKERS' CLAIMS UPDATE



Robert L. Swisher, Commissioner

Interim Joint Committee on
Economic Development and Workforce Investment
October 3, 2019

OVERVIEW

- ❖ NCCI Advisory Loss Cost Filing—overall decrease of 9.0%
- ❖ Special Fund assessment
- ❖ Claims filings
- ❖ House Bill 2 update:
 - Pharmaceutical formulary
 - Medical treatment guidelines
 - CWP evaluation program
- ❖ Drawing board:
 - Hearing site relocation project
 - Pharmacy fee schedule
 - Telemedicine regulation
 - 2020 physician fee schedule

NCCI Advisory Loss Cost Filing

- ❖ National Council on Compensation Insurance
- ❖ Loss cost (reflecting indemnity and medical benefits) based on policy years 2016 and 2017
- ❖ Report to Commissioner of the Department of Insurance
- ❖ Advisory loss cost filing used by insurance carriers for reference in determining workers' compensation insurance rates
- ❖ Proposed overall average voluntary loss cost level change of -9.0%
 - Increase of 6.2% for surface coal mining
 - Increase of 5.5% for underground coal mining
- ❖ 2018: -10.8% 2017: -4.6% 2016: -5.0%

2020 Special Fund Assessment

- ❖ The assessment rate is established by the Kentucky Workers' Compensation Funding Commission as a funding source for:
 - The Special Fund
 - The Uninsured Employers Fund
 - The Kentucky Labor Cabinet
- ❖ 2020 rate: 6.41%; no additional assessment on coal employers; no additional assessment on severed coal
 - 2019 rate: 6.41% with additional 2% assessment for coal employers and \$.02 per ton of severed coal
 - 2017 and 2018 rates: 6.29% with additional 14% for coal employers and \$.15 per ton of severed coal

Claims Filings

❖ 2019 (through August 31): 2,602 (annualized = 3,903)

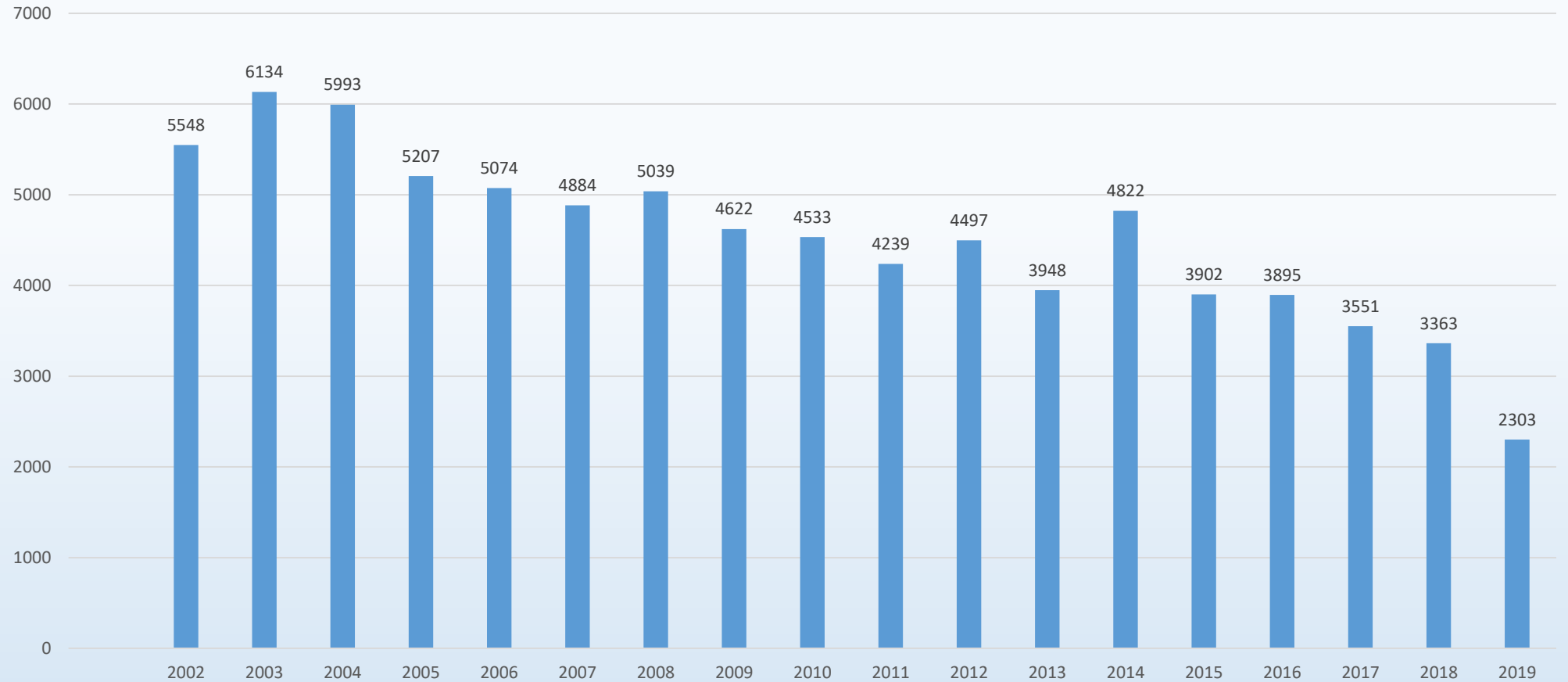
- Injury: 2,303
- Occupational disease: 24
- CWP: 108
- Hearing loss: 167

❖ 2018: 4,047

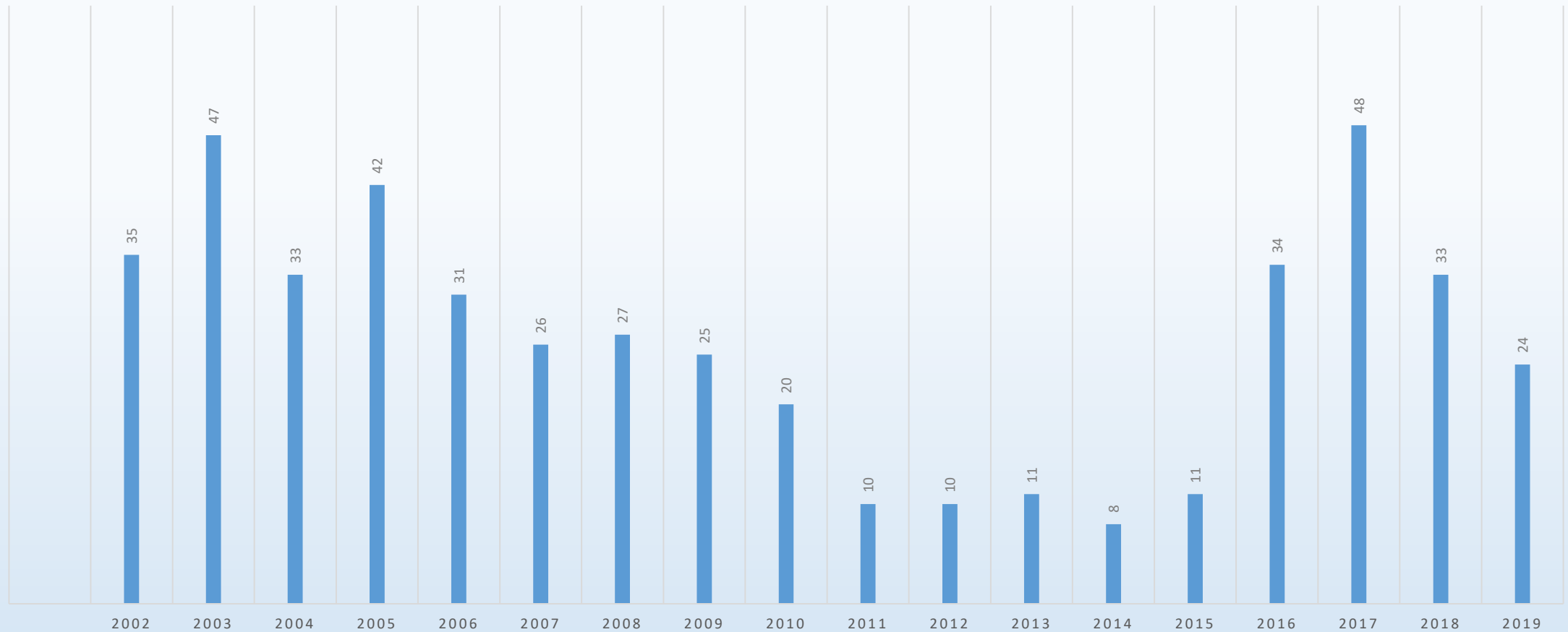
❖ 2017: 4,539

❖ 2016: 5,503

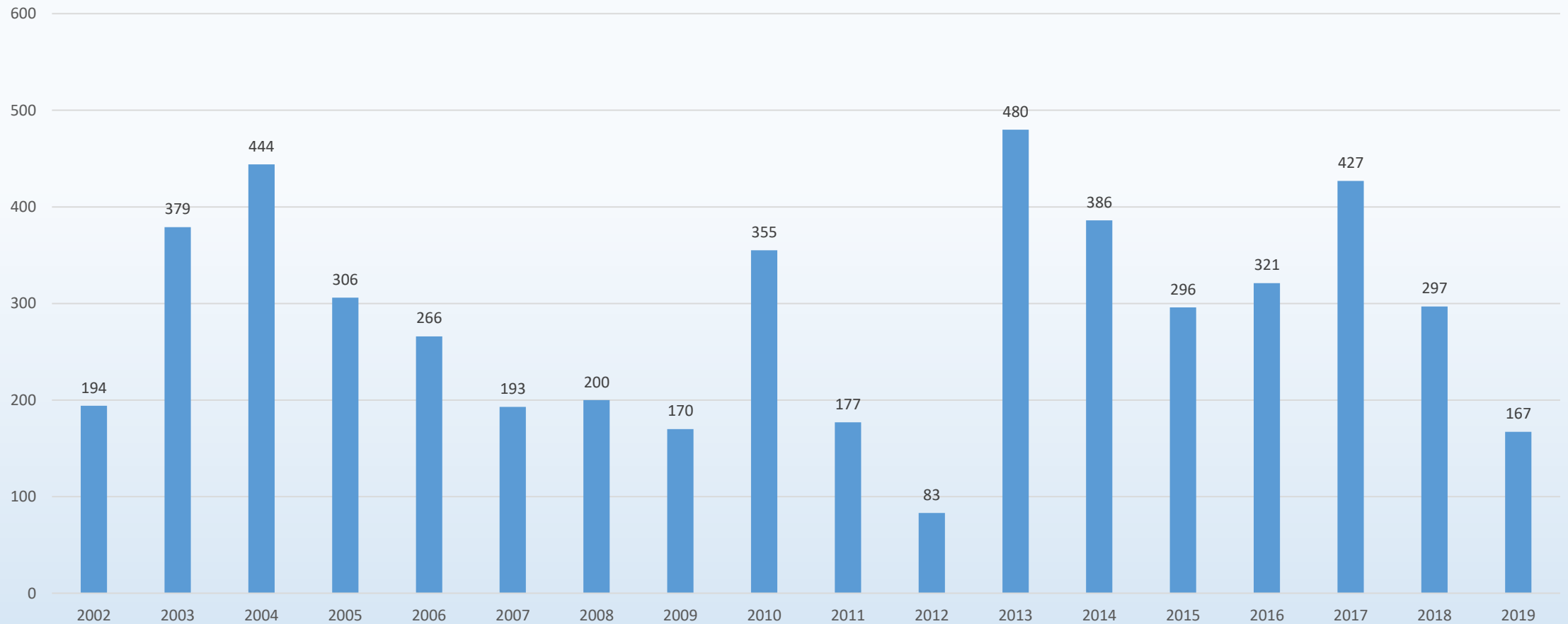
'Injury' Claims by Calendar Year (2002-8/31/19)



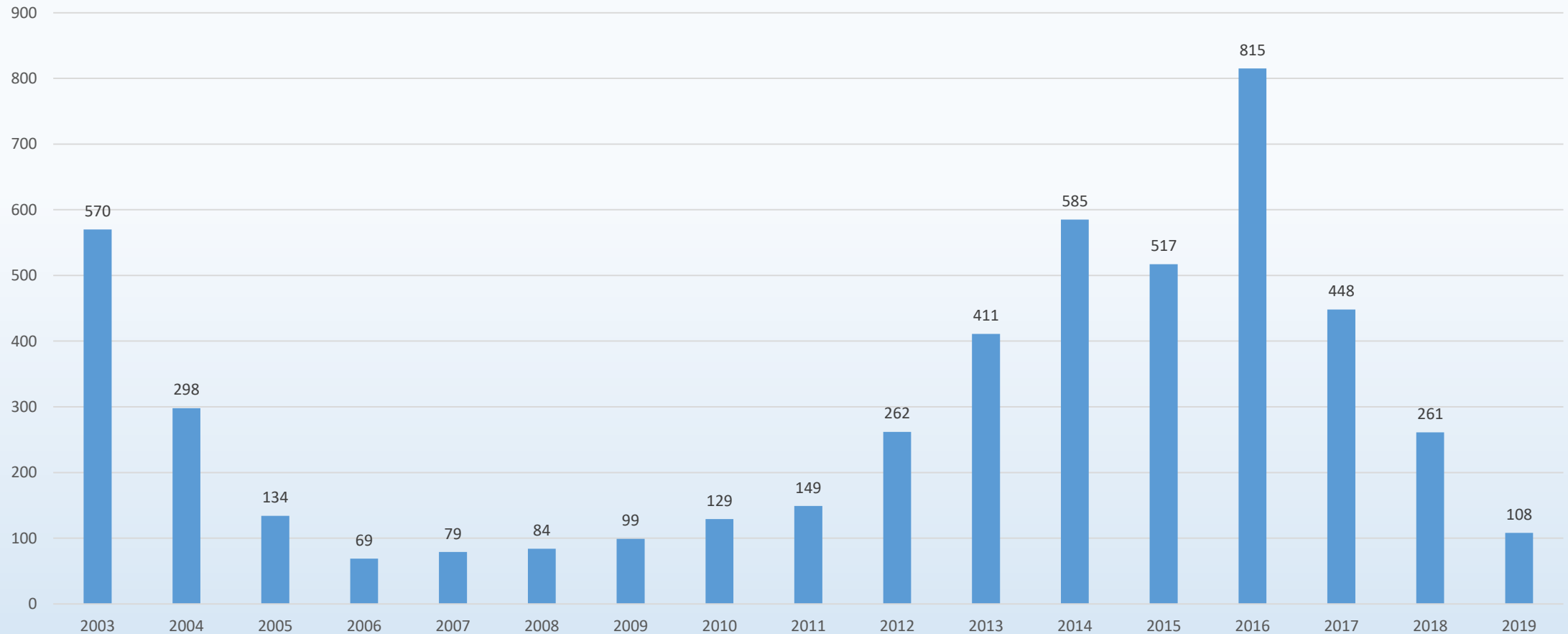
Occupational Disease Claims by Calendar Year (2002-8/31/19)



Hearing Loss Claims by Calendar Year (2002-8/31/19)



CWP Claims Filed by Calendar Year (2002-8/31/19)



House Bill 2 update

- ❖ Pharmaceutical formulary: Adopted ODG formulary effective July 1, 2019 for post-2018 injuries and January 1, 2020 for pre-2019 injuries.
 - 803 KAR 25:270
- ❖ Medical treatment guidelines: Adopted ODG treatment guidelines; proposed effective date is July 1, 2020; Public hearing November 21.
 - 803 KAR 25:260
- ❖ CWP evaluation program: DWC contracted with two qualified physicians to perform evaluations required by KRS 342.316.
 - 211 claims filed since July 14, 2018;
 - Evaluations are currently being performed within 60 days of claim filing;
 - No backlog.

Drawing Board

- ❖ Hearing site relocation project
- ❖ Pharmacy fee schedule
- ❖ Telemedicine regulation
- ❖ 2020 physician fee schedule