Workers’ Compensation 2017
STRENGTHS
WEAKNESSES
OPPORTUNITIES
THREATS
STRENGTHS
3.4 Fatalities per 100,000 workers

3.0 Recordable cases per 100 workers

1.6 Days away from work, job transfer, or restriction cases per 100 workers
1,153,490 Days-away-from-work in 2015

8 Median days-away-from work in 2015
132.7 Million Covered Workers in 2014
Median rate for workers’ compensation coverage in 2016:

- California: $3.24
- North Dakota: $0.89

Total: $4.13
<table>
<thead>
<tr>
<th>State</th>
<th>% of Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois</td>
<td>122%</td>
</tr>
<tr>
<td>Indiana</td>
<td>57%</td>
</tr>
<tr>
<td>Iowa</td>
<td>101%</td>
</tr>
<tr>
<td>Kansas</td>
<td>77%</td>
</tr>
<tr>
<td>Michigan</td>
<td>85%</td>
</tr>
<tr>
<td>Minnesota</td>
<td>104%</td>
</tr>
<tr>
<td>Missouri</td>
<td>104%</td>
</tr>
<tr>
<td>Nebraska</td>
<td>91%</td>
</tr>
<tr>
<td>North Dakota</td>
<td>48%</td>
</tr>
<tr>
<td>Ohio</td>
<td>79%</td>
</tr>
<tr>
<td>South Dakota</td>
<td>91%</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>112%</td>
</tr>
</tbody>
</table>
Biopsychosocial Model
STRENGTHS

• Declining fatality/injury rates
• Declining severity
• Expanded coverage
• Solvent
• Biopsychosocial claims model
• Other strengths?
WEAKNESSES
Workers’ compensation forms used across the US

3,417
Castellanos vs. Next Door Company
Westphal vs. City of St. Petersburg
Protz vs. WCAB
Torres vs. Seaboard Foods
Vasquez vs. Dilliards
Rodriquez vs. Brand West/NM Uninsured Employers Fund
Parker vs. Webster County Coal
“workers’ compensation is about medical care. Without a commitment to ensuring patients get the right medical care, we are failing them.”

~ Joseph Paduda, IAIABC Perspectives, July 2016

16 # of States with Medical Directors (Full/Part Time)
400,000 open insurance positions by 2020.
1983: 20.1% US Wage & Salary Workers Represented by a Union

2016: 10.7% US Wage & Salary Workers Represented by a Union
Insult to Injury: America’s Vanishing Worker Protections

IT’S TIME TO FIX THE BROKEN WORKERS’ COMPENSATION SYSTEM

Pathway to Poverty
WEAKNESSES

• Highly regulated/complex
• Aging workforce
• Constitutional attacks
• Lack of medical policy expertise
• Diminished voice of labor
• Poor public image
• Other weaknesses?
OPPORTUNITIES
The up-and-down history of Fed interest rates

The central bank’s benchmark interest rate has hovered near zero since 2009. On Wednesday, the Federal Reserve raised the rate to between 0.75% and 1%, kicking off a cycle of steadier tightening.

Note: Dec. 2008, 2015 and 2016 hikes chart the top of the Fed's targeted range.
Source: Federal Reserve

THE WASHINGTON POST
April 2017 State Coincident Indexes: Three-Month Change

Source: Federal Reserve Bank of Philadelphia
OPPORTUNITY

Sensors
Lasers, radars and cameras detect objects in all directions.

Interior
Designed for riding, not for driving.

Electric batteries
To power the vehicle.

Rounded shape
Maximizes sensor field of view.

Computer
Designed specifically for self-driving.

Back-up systems
For steering, braking, computing and more.

IAIABC
Find Information. Connect People.
OPPORTUNITIES

• Economic growth
• Technology/innovation
• Advancements in medicine
• Data. Data. Data.
• Other opportunities?
THREATS
The Fate of the Affordable Care Act

- NO CHANGE
- REPEAL
- AMEND
- REPLACE
20 to 30 million

People in alternative work arrangements in the US in 2014.
Today has been cancelled due lack of interest
THREATS

• Healthcare uncertainty
• Changing employment relationships
• Politics
• Lack of knowledge
• Other threats?
What does workers’ compensation have to address to respond positively in the future?