



An Emerging Issue for Workers Compensation— Aging Baby Boomers and a Growing Long-Term Care Industry

Presented by
Tanya Restrepo

CAS Ratemaking Seminar WC-4
Key Drivers of Workers Compensation Costs—Economic Perspectives
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Key Findings

- The long-term care industry is a growing industry with above-average total losses per worker
- Frequency for all long-term care industries is above average
- Severity is below average to average
- Back strains due to lifting are even more common in long-term care than for other industries
- The long-term care industry has significant exposure to injuries due to assaults by patients

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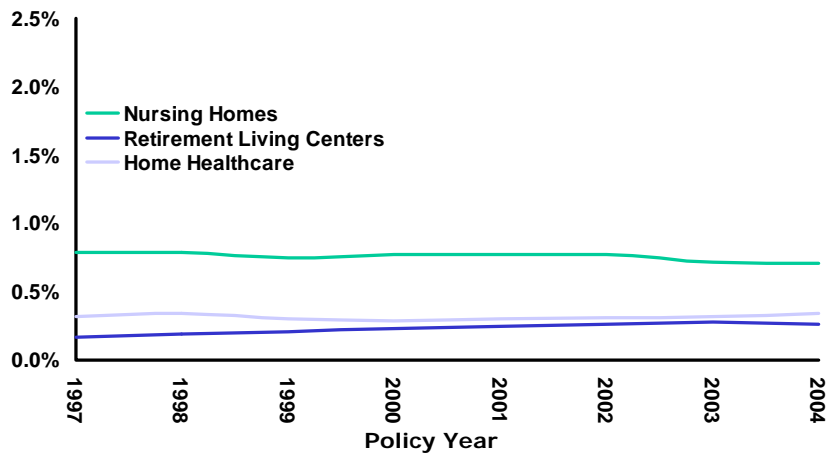
What's Included in Long-Term Care

- Nursing home facilities
 - Usually more of an “institutional-type” environment and residents require more medical care
- Retirement living centers
 - Usually more of a “home-type” environment and residents require less medical care
- Home healthcare services
 - Healthcare services in homes of patients such as giving medications, intravenous therapy and injections, wound care, checking vital signs, and giving physical therapy treatments

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Each Long-Term Care Category Makes Up Less Than 1% of Total Payroll



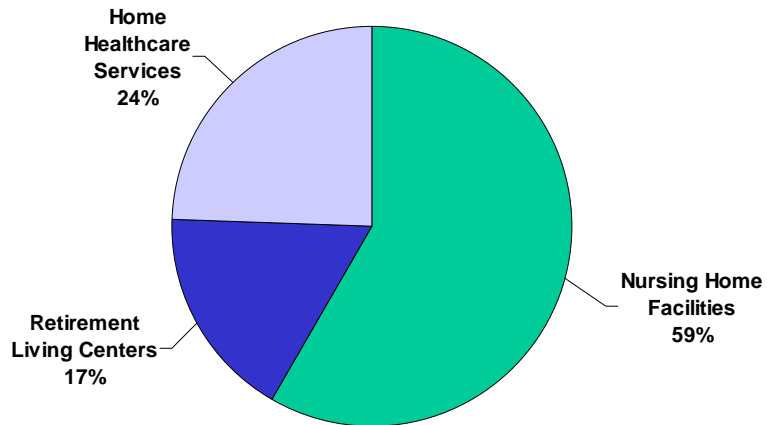
Source: NCCI's Integrated Database, Policy Years 1997-2004

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Composition of the Long-Term Care Industry

Exposure for NCCI States, 1996-2004



Source: NCCI's Integrated Database, Policy Years 1996-2004

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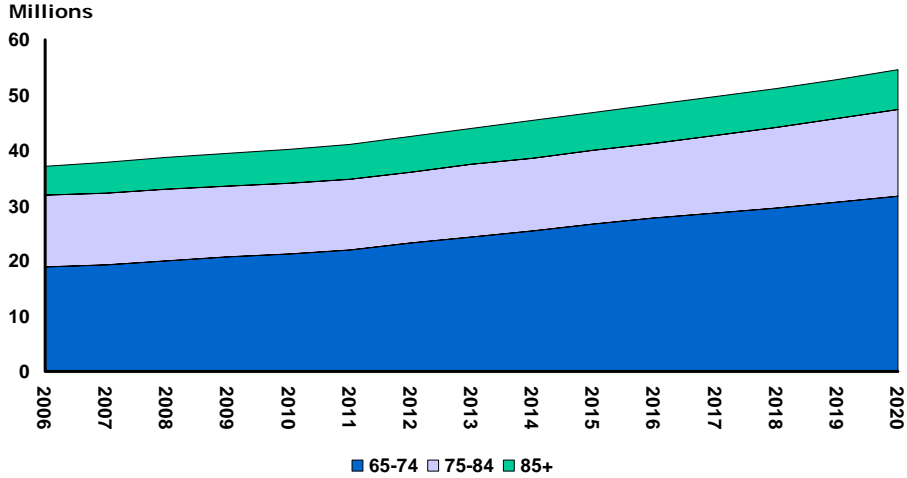
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Strong Growth Is Forecast for Long-Term Care

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The Population 65 and Older Is Projected to Grow by 17 Million



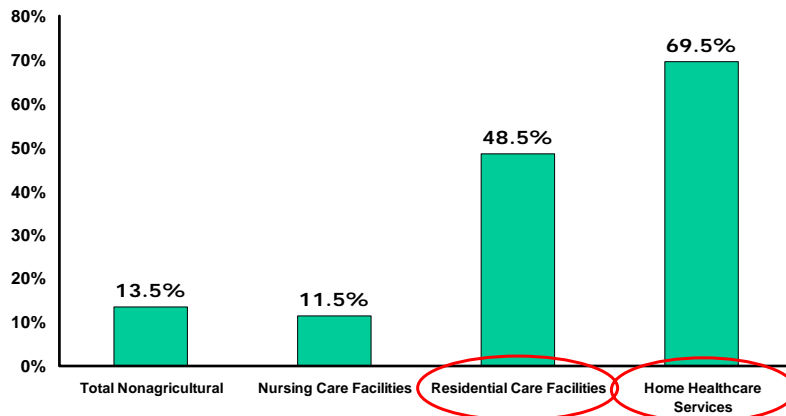
Source: US Census Bureau, Calendar Years 2006-2020, Population in Millions by Age Cohort 65 and Older

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Employment Forecasts for Home Healthcare and Residential Care Facilities Are Significantly Above Average

2004-2014

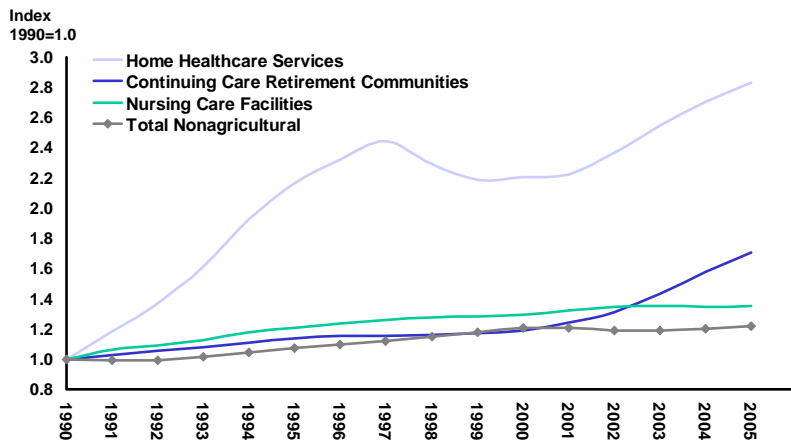


Source: U.S. Bureau of Labor Statistics, Calendar Years 2004-2014, Employment Growth Forecasts for Long-Term Care Industry Sectors

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Employment Growth in Home Healthcare Services Has Far Surpassed Other Health Care Industries Since 1990



Source: U.S. Bureau of Labor Statistics, Calendar Years 1990-2005

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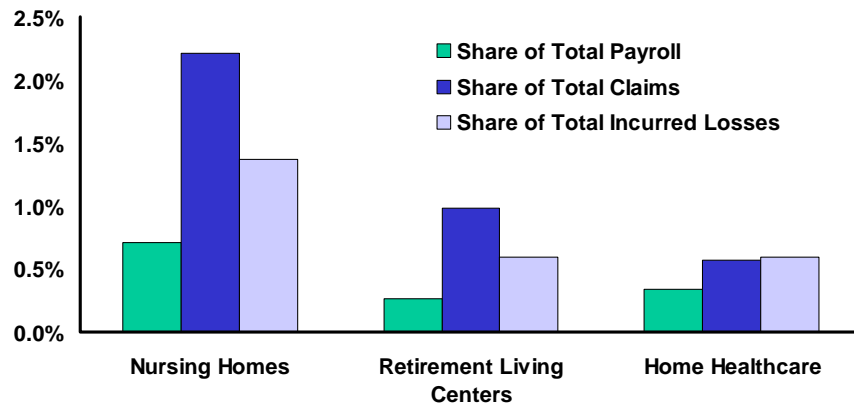
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Long-Term Care Claims Characteristics

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All Three Long-Term Care Industries Composed a Larger Share of Claims and Losses Than That of Exposure in 2004



Source: NCCI's Integrated Database, Accident Year 2004 for claims and total incurred dollars, Policy Year 2004 for payroll, 2nd report

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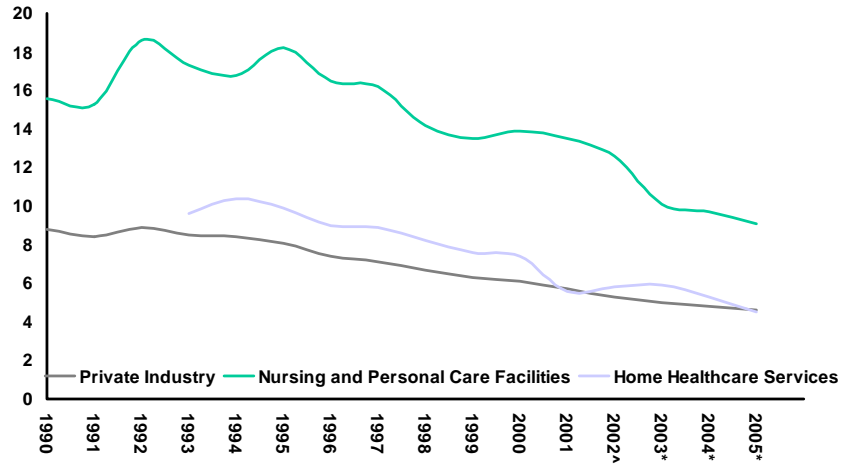
Frequency is Above Average in Long-Term Care

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Incidence Rates for Total Cases Are Above Average in Long-Term Care Industries

(Per 100 Full-Time Equivalent Workers)



Source: U.S. Bureau of Labor Statistics, Calendar Years 1990-2005
^a Not comparable to previous years due to change in category definitions
^{*} Not comparable to previous years due to change to NAICS

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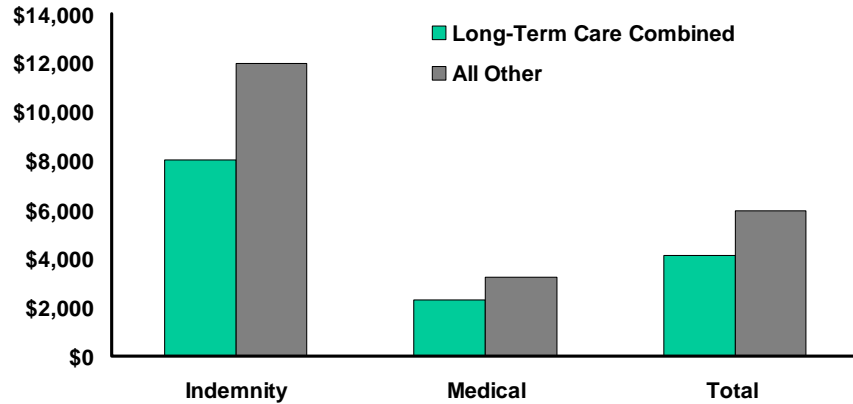
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Severity is Below Average in Long-Term Care Industries

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Average Severity in Long-Term Care Is Below All Other Industries

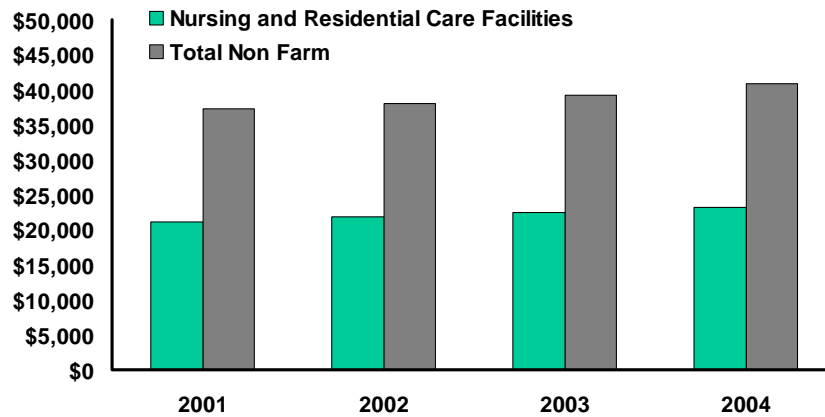


Source: NCCI's Integrated Database, Accident Years 1997-2004, Average Incurred Severity at 2nd Report

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Indemnity Severity Is Likely Below Average Due to Below Average Annual Wages



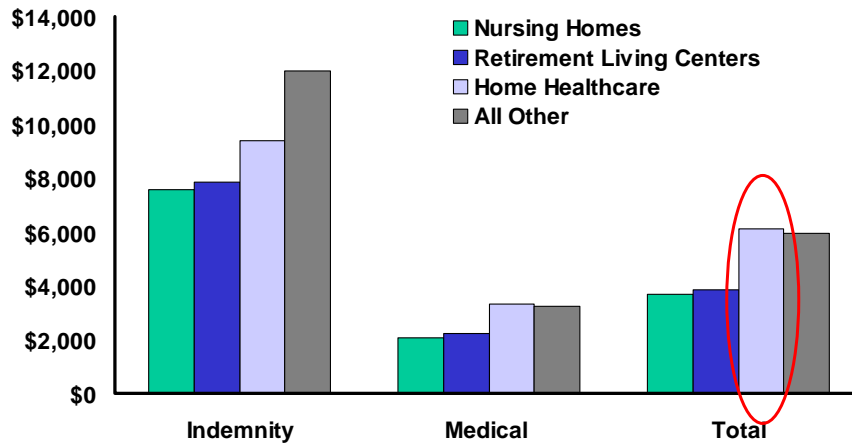
Source: U.S. Bureau of Labor Statistics and U.S. Bureau of Economic Analysis, Calendar Years 2001-2004

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Total Average Severity is Below Average for Nursing Homes and Retirement Living Centers, But About Average for Home Healthcare

1997-2004

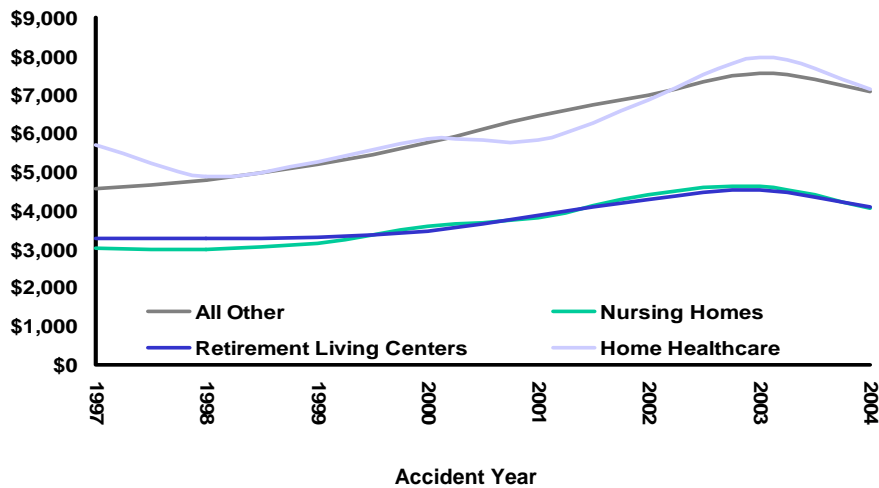


Source: NCCI's Integrated Database, Accident Years 1997-2004, Average Incurred Severity at 2nd Report

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Within Long-Term Care, Average Total Incurred Severity Is Highest for Home Healthcare

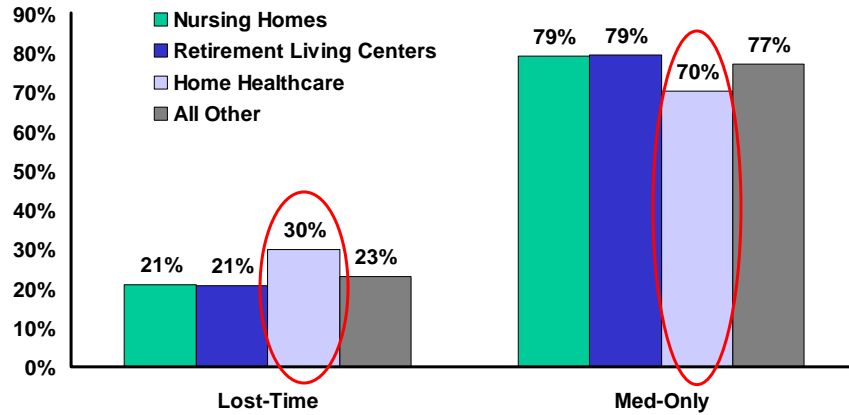


Source: NCCI's Integrated Database, Accident Years 1997-2004, Average Total Incurred Severity at 2nd Report

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Home Healthcare Has a Higher Share of Lost-Time Claims



Source: NCCI's Integrated Database, Accident Years 1997-2004, Lost-Time vs. Medical-Only Claim Shares

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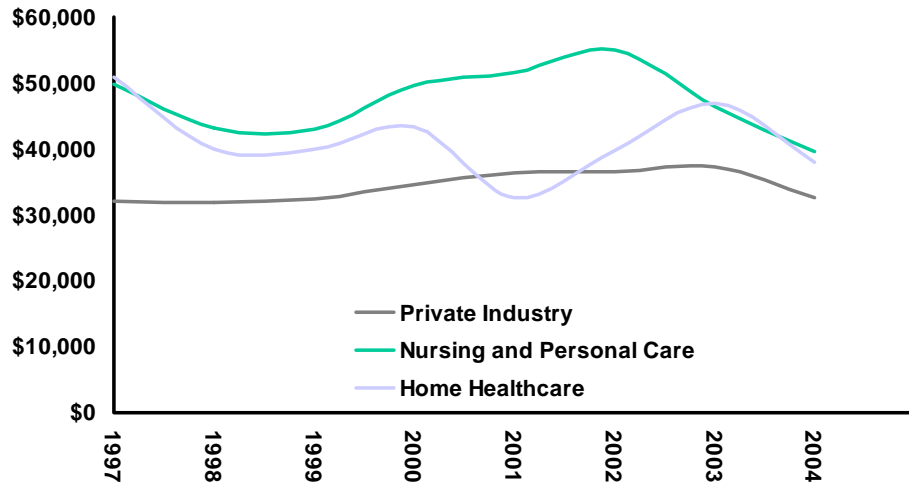
Total Losses per Worker Are Generally Above Average in Long-Term Care Industries

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Both Long-Term Care Industries Are Generally Above Average in Terms of Total Loss Costs

Total Losses Per 100 Full-Time Equivalent Workers



Source: NCCI's Integrated Database and U.S. Bureau of Labor Statistics

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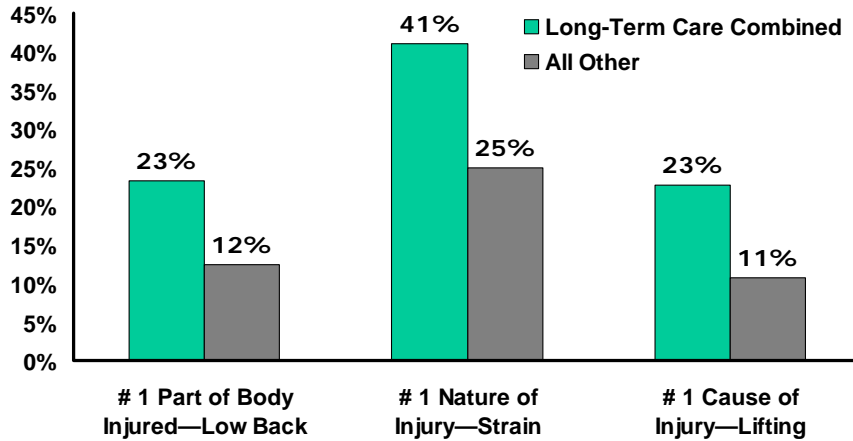
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Back Strains Due to Lifting Are Much More Common in Long-Term Care

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Back Strains Due to Lifting Are the Leading Injury for Workers Compensation Claims, But Are Much More Common in Long-Term Care



Source: NCCI's Integrated Database, Accident Years 1997–2004, Shares of Claims for the Most Common Part of Body, Nature of Injury, and Cause of Injury Categories

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Back Injuries Are #1 for Long-Term Care and All Other, but Twice the Share in LTC

Upper Arm, Shoulder, and Upper Back Are in the Top 10 in LTC

Rank	Long-Term Care Combined Top 10	Share of Claims	All Other Top 10	Share of Claims
1	TRUNK: LOW BACK AREA (INCLUDING: LUMBAR AND LUMBOSACRAL)	23.30	TRUNK: LOW BACK AREA (INCLUDING: LUMBAR AND LUMBOSACRAL)	12.43
2	MULTIPLE BODY PARTS: MULTIPLE BODY PARTS	10.96	UPPER EXTREMITIES: FINGER(S)	10.69
3	UPPER EXTREMITIES: FINGER(S)	6.62	MULTIPLE BODY PARTS: MULTIPLE BODY PARTS	7.92
4	LOWER EXTREMITIES: KNEE	5.70	UPPER EXTREMITIES: HAND	6.82
5	UPPER EXTREMITIES: WRIST	4.64	HEAD: EYE(S)	5.75
6	UPPER EXTREMITIES: HAND	4.24	LOWER EXTREMITIES: KNEE	5.59
7	UPPER EXTREMITIES: UPPER ARM (INCLUDING: CLAVICLE AND SCAPULA)	3.57	UPPER EXTREMITIES: WRIST	4.42
8	UPPER EXTREMITIES: SHOULDER(S)	3.36	LOWER EXTREMITIES: ANKLE	3.49
9	UPPER EXTREMITIES: LOWER ARM	2.90	LOWER EXTREMITIES: FOOT	3.07
10	TRUNK: UPPER BACK AREA (THORACIC AREA)	2.70	UPPER EXTREMITIES: LOWER ARM	2.99
Top 10 Total		67.99		63.17

Source: NCCI's Integrated Database, Accident Years 1997–2004, Top 10 Shares of Claims by Part of Body Injured
Part-of-body codes in bold are ones that are different between the two lists (long-term care combined and all other).

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The Top 10 Nature-of-Injury Codes Are Very Similar Between LTC Combined and All Other, but Strain Is Much More Common

Rank	Long-Term Care Combined Top 10	Share of Claims	All Other Top 10	Share of Claims
1	SPECIFIC INJURY: STRAIN	41.06	SPECIFIC INJURY: STRAIN	24.94
2	SPECIFIC INJURY: CONTUSION	12.40	SPECIFIC INJURY: LACERATION	15.16
3	SPECIFIC INJURY: SPRAIN	10.07	SPECIFIC INJURY: CONTUSION	13.07
4	SPECIFIC INJURY: LACERATION	5.86	SPECIFIC INJURY: SPRAIN	7.96
5	SPECIFIC INJURY: PUNCTURE	4.38	SPECIFIC INJURY: FOREIGN BODY	3.93
6	SPECIFIC INJURY: BURN	1.88	SPECIFIC INJURY: FRACTURE	3.92
7	SPECIFIC INJURY: INFLAMMATION	1.86	SPECIFIC INJURY: PUNCTURE	3.23
8	SPECIFIC INJURY: FRACTURE	1.73	SPECIFIC INJURY: INFLAMMATION	2.48
9	SPECIFIC INJURY: FOREIGN BODY	1.09	SPECIFIC INJURY: BURN	2.29
10	MULTIPLE INJURIES: MULTIPLE PHYSICAL INJURIES ONLY	0.86	OCCUPATIONAL DISEASE OR CUMULATIVE INJURY: ALL OTHER CUMULATIVE INJURIES, NOC	1.07
Top 10 Total		81.19		78.05

Source: NCCI's Integrated Database, Accident Years 1997–2004, Top 10 Shares of Claims by Nature of Injury
Nature-of-injury codes in bold are ones that are different between the two lists (long-term care combined and all other).

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Lifting Is #1 for Long-Term Care and All Other, but Twice the Share in LTC

Assaults, Holding and Carrying, and Falls Due to Spills Are in the Top 10 in LTC

Rank	Long-Term Care Combined Top 10	Share of Claims	All Other Top 10	Share of Claims
1	STRAIN OR INJURY BY: LIFTING	22.65	STRAIN OR INJURY BY: LIFTING	10.74
2	STRAIN OR INJURY BY: STRAIN OR INJURY BY, NOC	6.67	STRAIN OR INJURY BY: STRAIN OR INJURY BY, NOC	5.12
3	STRAIN OR INJURY BY: HOLDING OR CARRYING	4.64	FALL OR SLIP INJURY: FALL, SLIP OR TRIP, NOC	4.00
4	FALL OR SLIP INJURY: FALL, SLIP OR TRIP, NOC	4.64	STRUCK OR INJURED BY: FALLING OR FLYING OBJECT	3.95
5	STRAIN OR INJURY BY: PUSHING OR PULLING	4.50	CUT, PUNCTURE, SCRAPE INJURED BY: CAUGHT, PUNCTURE, SCRAPE, NOC	3.86
6	STRUCK OR INJURED BY: FELLOW WORKER, PATIENT	4.38	MISCELLANEOUS CAUSES: FOREIGN MATTER (BODY) IN EYE(S)	3.61
7	FALL OR SLIP INJURY: ON SAME LEVEL	4.01	FALL OR SLIP INJURY: ON SAME LEVEL	3.57
8	FALL OR SLIP INJURY: FROM LIQUID OR GREASE SPILLS	3.72	STRAIN OR INJURY BY: PUSHING OR PULLING	3.49
9	CUT, PUNCTURE, SCRAPE INJURED BY: CAUGHT, PUNCTURE, SCRAPE, NOC	2.86	CUT, PUNCTURE, SCRAPE INJURED BY: HAND TOOL, UTENSIL, NOT POWERED	2.93
10	STRUCK OR INJURED BY: STRUCK OR INJURED, NOC	2.41	STRIKING AGAINST OR STEPPING ON: STRIKING AGAINST OR STEPPING ON, NOC	2.48
Top 10 Total		60.48		43.75

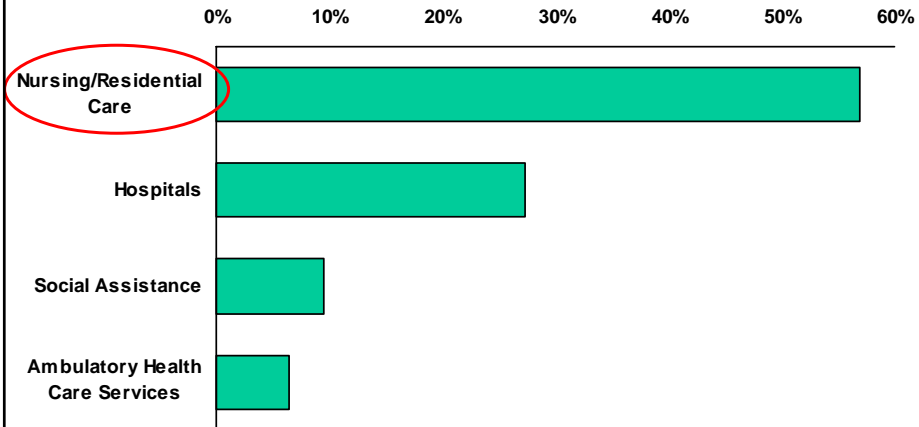
Source: NCCI's Integrated Database, Accident Years 1997–2004, Top 10 Shares of Claims by Cause of Injury
Cause-of-injury codes in bold are ones that are different between the two lists (long-term care combined and all other).

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Within the Healthcare Industry, Most Workplace Assaults Occur in Nursing-Related Facilities

Share of Healthcare-Related LWT Assaults by Persons, 2004



Source: U.S. Bureau of Labor Statistics

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Vehicle Injuries—More Common in Home Healthcare

Rank	Nursing Home Workers	Share of Claims	Retirement Living Center Workers	Share of Claims	Home Healthcare Workers	Share of Claims
1	STRAIN OR INJURY BY: LIFTING	24.63	STRAIN OR INJURY BY: LIFTING	18.30	STRAIN OR INJURY BY: LIFTING	19.82
2	STRAIN OR INJURY BY: STRAIN OR INJURY BY, NOC	6.44	STRAIN OR INJURY BY: STRAIN OR INJURY BY, NOC	6.61	STRAIN OR INJURY BY: STRAIN OR INJURY BY, NOC	7.72
3	STRUCK OR INJURED BY: FELLOW WORKER, PATIENT	5.12	STRAIN OR INJURY BY: HOLDING OR CARRYING	4.84	FALL OR SLIP INJURY: FALL, SLIP OR TRIP, NOC	5.80
4	STRAIN OR INJURY BY: HOLDING OR CARRYING	5.05	FALL OR SLIP INJURY: ON SAME LEVEL	4.72	FALL OR SLIP INJURY: ON SAME LEVEL	4.57
5	STRAIN OR INJURY BY: PUSHING OR PULLING	4.88	FALL OR SLIP INJURY: FALL, SLIP OR TRIP, NOC	4.50	MOTOR VEHICLE: COLLISION OR SIDESWIPE WITH ANOTHER VEHICLE	3.87
6	FALL OR SLIP INJURY: FALL, SLIP OR TRIP, NOC	4.40	FALL OR SLIP INJURY: FROM LIQUID OR GREASE SPILLS	4.06	STRAIN OR INJURY BY: PUSHING OR PULLING	3.87
7	FALL OR SLIP INJURY: FROM LIQUID OR GREASE SPILLS	4.06	STRAIN OR INJURY BY: PUSHING OR PULLING	3.70	STRAIN OR INJURY BY: HOLDING OR CARRYING	2.72
8	FALL OR SLIP INJURY: ON SAME LEVEL	3.66	STRUCK OR INJURED BY: FELLOW WORKER, PATIENT	3.57	CUT, PUNCTURE, SCRAPE INJURED BY: CAUGHT, PUNCTURE, SCRAPE, NOC	2.62
9	CUT, PUNCTURE, SCRAPE INJURED BY: CAUGHT, PUNCTURE, SCRAPE, NOC	2.85	CUT, PUNCTURE, SCRAPE INJURED BY: CAUGHT, PUNCTURE, SCRAPE, NOC	3.09	STRIKING AGAINST OR STEPPING ON: STRIKING AGAINST OR STEPPING ON, NOC	2.58
10	STRUCK OR INJURED BY: STRUCK OR INJURED, NOC	2.64	CUT, PUNCTURE, SCRAPE INJURED BY: HAND TOOL, UTENSIL, NOT POWERED	2.87	STRUCK OR INJURED BY: FELLOW WORKER, PATIENT	2.34
Top 10 Total		63.73		56.26		55.91

Source: NCCI's Integrated Database, Accident Years 1997–2004
Cause-of-injury codes in bold are ones that do not appear in either of the other two lists.

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Vehicle Injuries—More Common in Home Healthcare

Rank	Nursing Home Workers	Share of Incurred Dollars	Retirement Living Center Workers	Share of Incurred Dollars	Home Healthcare Workers	Share of Incurred Dollars
1	STRAIN OR INJURY BY: LIFTING	29.16	STRAIN OR INJURY BY: LIFTING	23.23	STRAIN OR INJURY BY: LIFTING	22.53
2	STRAIN OR INJURY BY: STRAIN OR INJURY BY, NOC	7.12	STRAIN OR INJURY BY: STRAIN OR INJURY BY, NOC	8.63	FALL OR SLIP INJURY: FALL, SLIP OR TRIP, NOC	8.14
3	FALL OR SLIP INJURY: FALL, SLIP OR TRIP, NOC	6.23	FALL OR SLIP INJURY: ON SAME LEVEL	7.29	STRAIN OR INJURY BY: STRAIN OR INJURY BY, NOC	7.82
4	FALL OR SLIP INJURY: FROM LIQUID OR GREASE SPILLS	5.87	FALL OR SLIP INJURY: FALL, SLIP OR TRIP, NOC	7.27	MOTOR VEHICLE: COLLISION OR SIDESWIPE WITH ANOTHER VEHICLE	7.29
5	FALL OR SLIP INJURY: ON SAME LEVEL	5.84	FALL OR SLIP INJURY: FROM LIQUID OR GREASE SPILLS	5.36	FALL OR SLIP INJURY: ON SAME LEVEL	5.34
6	STRAIN OR INJURY BY: PUSHING OR PULLING	5.70	STRAIN OR INJURY BY: HOLDING OR CARRYING	5.09	STRAIN OR INJURY BY: PUSHING OR PULLING	4.42
7	STRAIN OR INJURY BY: HOLDING OR CARRYING	5.52	STRAIN OR INJURY BY: PUSHING OR PULLING	4.46	MOTOR VEHICLE: MOTOR VEHICLE, NOC	3.83
8	STRUCK OR INJURED BY: FELLOW WORKER, PATIENT	3.83	STRUCK OR INJURED BY: FELLOW WORKER, PATIENT	3.54	STRAIN OR INJURY BY: HOLDING OR CARRYING	3.11
9	STRUCK OR INJURED BY: STRUCK OR INJURED, NOC	1.55	FALL OR SLIP INJURY: SLIPPED, DID NOT FALL	1.42	FALL OR SLIP INJURY: FROM LIQUID OR GREASE SPILLS	2.29
10	STRAIN OR INJURY BY: JUMPING	1.36	STRAIN OR INJURY BY: REACHING	1.35	MOTOR VEHICLE: VEHICLE UPSET	2.24
Top 10 Total		72.18		67.64		67.01

Source: NCCI's Integrated Database, Accident Years 1997–2004, Top 10 Shares of Claims by Cause of Injury
Cause-of-injury codes in bold are ones that do not appear in either of the other two lists.

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Key Findings

- The long-term care industry is a growing industry with above-average total losses per worker
- Frequency for all long-term care industries is above average
- Severity is below average to average
- Back strains due to lifting are even more common in long-term care than for other industries
- The long-term care industry has significant exposure to injuries due to assaults by patients

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