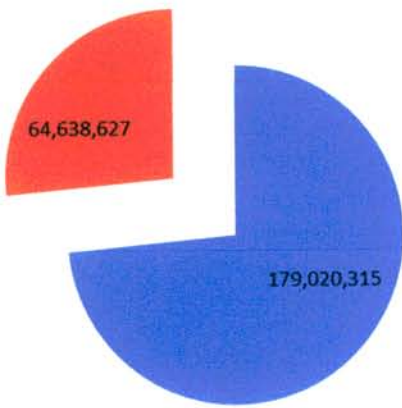


# WORKERS' COMPENSATION 2009 ANNUAL REPORT

A total of \$243.7 million was paid in workers' compensation benefits during calendar year 2009. This is an increase of .3% from 2008's total of \$243.0 million.

Of this amount, \$179.1 million, 73.5%, was paid by market-insured employers, and \$64.6 million,

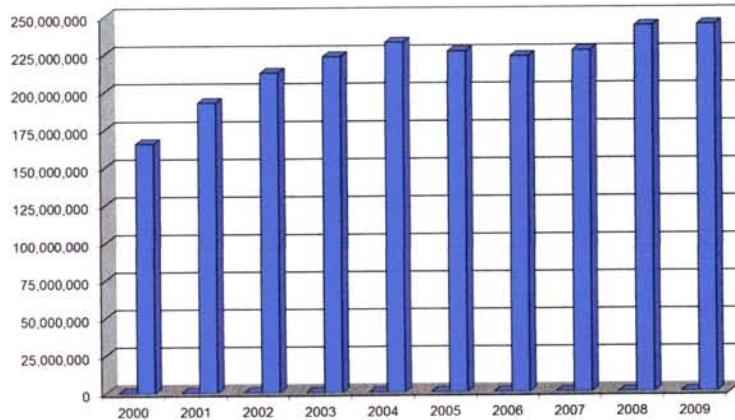


■ INSURERS ■ SELF-INSUREDS

## MEDICAL BENEFITS

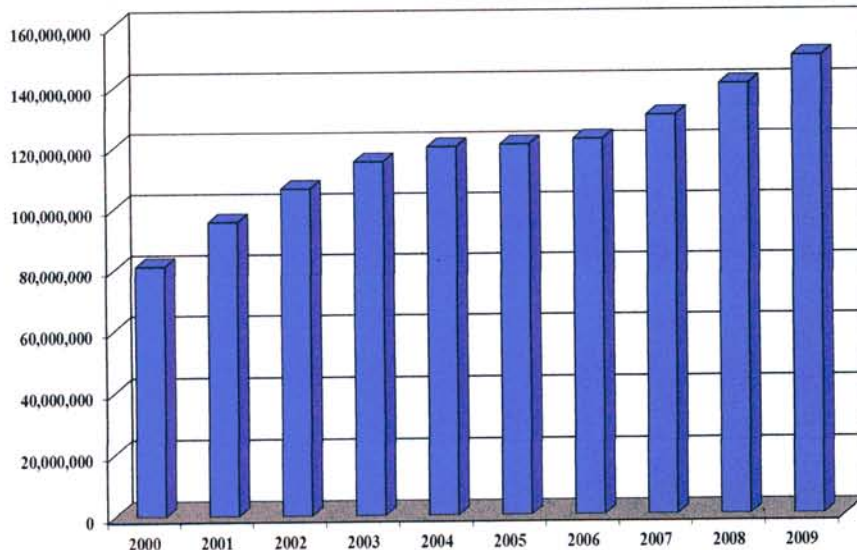
In 2009, medical benefits totaled \$149.7 million, up 6.4% from \$140.7 million in 2008. Medical benefits were 61.4% of total benefits paid in 2009, compared to 57.9% of total benefits paid in 2008.

Total Compensation Payments



26.5%, was paid by self-insured employers. This compares to \$181.2 million, 74.6%, paid by market-insured employers, and \$61.8 million, 25.4%, paid by self-insured employers in 2008.

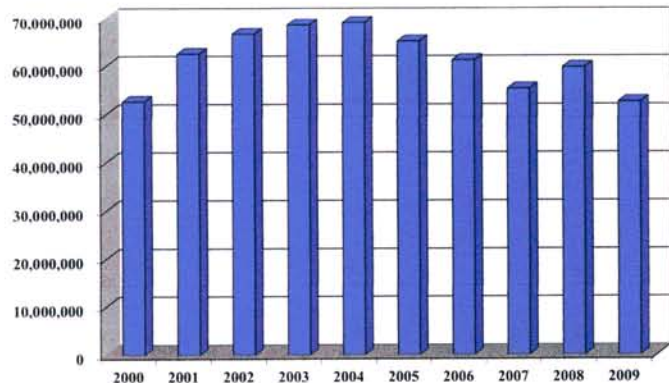
Medical Payments



**INDEMNITY BENEFITS**

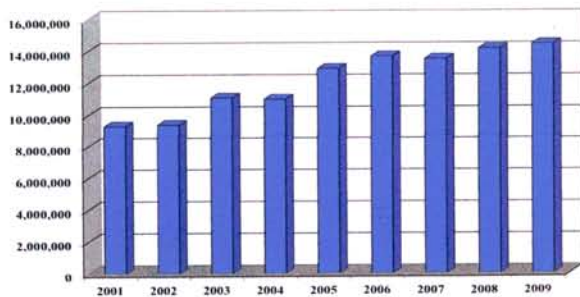
For calendar year 2009 indemnity benefits (TTD, TPD, PPI, and PTD) totaled \$52.5 million, down 12.0% from \$59.7 million in 2008. TTD benefits decreased 8.4%, from \$32.9 million to \$30.1 million; TPD benefits decreased 11.1%, from \$1.2 million to \$1.1 million; PPI benefits decreased 13.4%, from \$17.6 million to \$15.2 million; and PTD benefits decreased 24.1% from \$8.0 million to \$6.1 million.

Indemnity Payments



**LEGAL EXPENSES**

Legal Payments



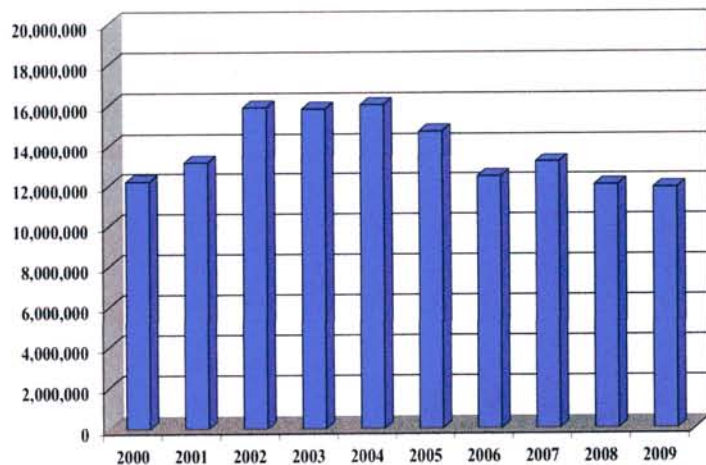
Legal expenses increased 6.7%, to \$15.4 million in 2009 from \$14.4 million in 2008. Employee attorney fees increased 22.3%, from \$4.0 million to \$5.0 million; employer attorney fees increased 4.1%, from \$8.6 million to \$9.0 million; and litigation costs decreased 16.6%, from \$1.8 million to \$1.5 million.

**REEMPLOYMENT BENEFITS**

Reemployment benefit payments decreased 1.2% in 2009, to \$11.9 million from \$12.0 million in 2008.

Compensation paid while under rehabilitation, 041(k) benefits, decreased 7.2%, from \$7.5 million in 2008 to \$6.9 million in 2009. Employee evaluation costs increased 26.6%, from \$1.2 million to \$1.6 million. Rehabilitation specialist fees decreased 34.3%, from \$594,775 to \$390,851. Plan development costs decreased 15.8%, from \$1.8 million to \$1.5 million. Plan monitoring fees increased 102.9%, from \$411,281 to \$834,412. Job dislocation benefits, 041(g), increased 23.8%, from \$530,729 to \$656,860.

Rehab Payments

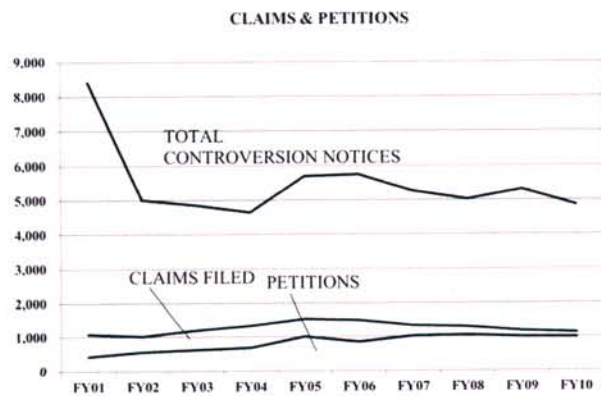
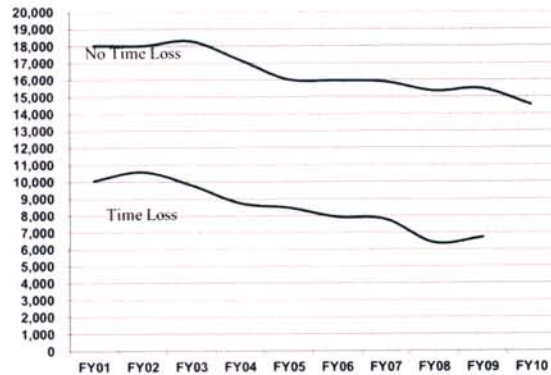


**ANALYSIS OF WORKERS' COMP CLAIMS**



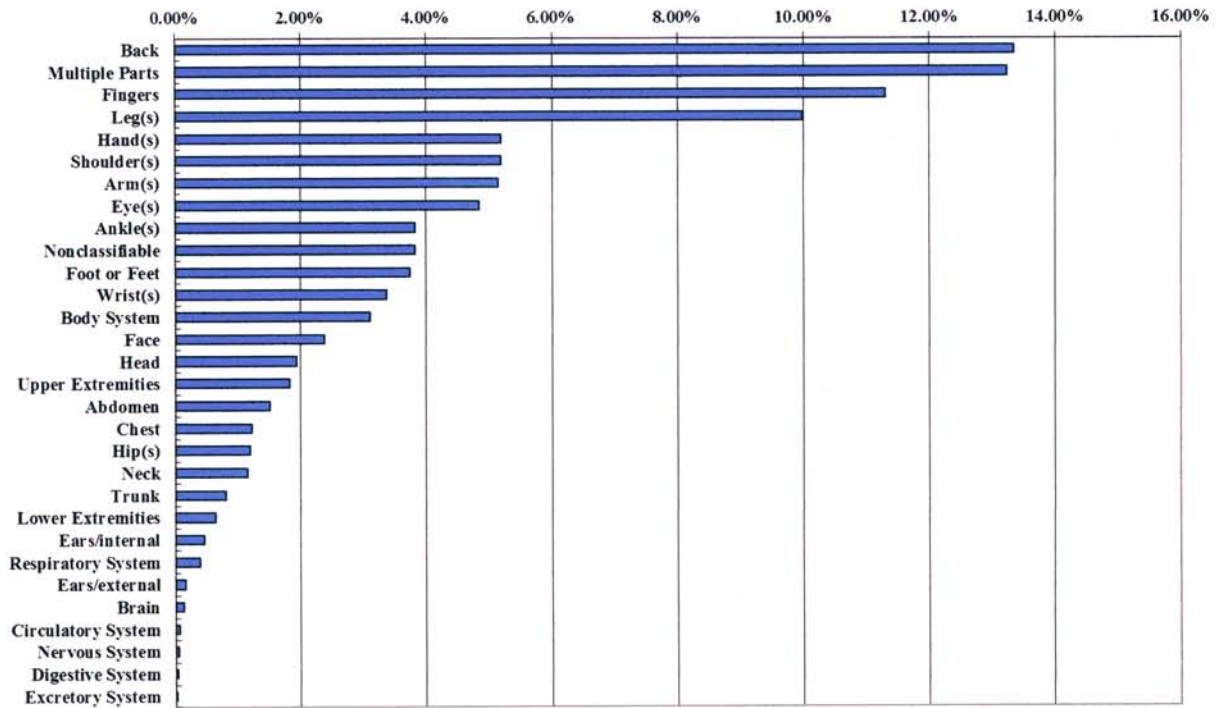
In FY10, the number of reports of injury and occupational illness submitted to the Workers' Compensation Division declined 10.0%, from 21,454 in FY09 to 19,321 in FY10.

Of the case files set up by the Division in FY10, 12,974 cases, 67.1%, were no-time-loss cases; 6,293 cases, 32.6%, were time-loss cases; 24 cases, .12%, were fatalities, and 30 cases, .16%, were jurisdictional claims.



In FY10, the number of claims filed increased 15.7%, from 1,122 in FY09 to 1,298 in FY10. The number of petitions filed decreased 24.0%, from 975 to 741. The total number of controversion notices filed decreased 11.9%, from 4,857 to 4,278, and the total number of cases controverted in FY10 decreased 12.3%, from 3,619 cases to 3,174 cases.

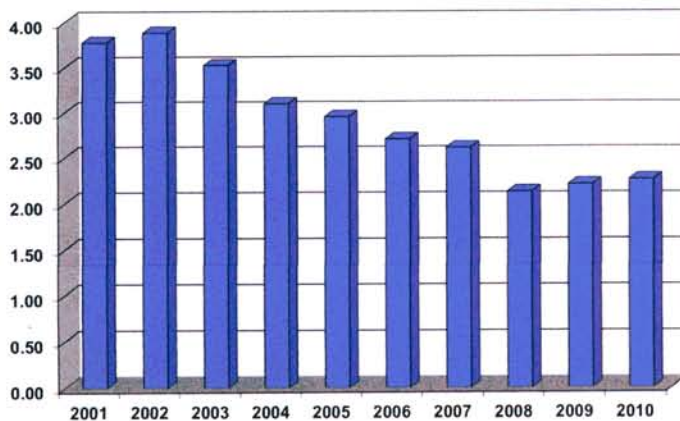
### Body Part Injured



Top 10 Injuries by Body Part Injured

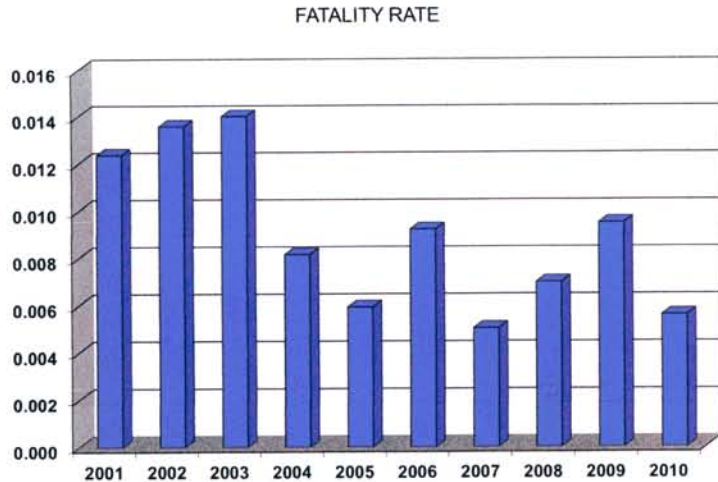
- |  |                                     |
|--|-------------------------------------|
| 1. back injuries (12.9%)               | 6. shoulder injuries (4.9%)         |
| 2. multiple body part injuries (12.1%) | 7. arm injuries (4.8%)              |
| 3. finger injuries (12.0%)             | 8. eye injuries (4.5%)              |
| 4. leg injuries (10.2%)                | 9. ankle injuries (3.9%).           |
| 5. hand injuries (5.4%)                | 10. nonclassifiable injuries (3.6%) |

### TIME LOSS RATE



Based on Department of Labor & Workforce Development, Research and Analysis Section data, total average employment in 2009 was estimated at 321,200 up 1.6% from 322,100 in 2008. Excluding federal employees, the number of workers covered under the Alaska Workers' Compensation Act in 2009 would be approximately 304,200.

Using the number of time-loss claims established by the Workers' Compensation Division, the time loss rate per 100 employees in 2009 was 2.26, up 2.7% from a loss rate of 2.20 in 2008.



Using the number of fatalities established by the Workers' Compensation Division, the fatality rate per 100 employees in 2009 was .006, down 40.0% from a fatality rate of .010 in 2008.

**OTHER**

The top twenty insurers/self-insured employers paid \$166.5 million, or 68.3% of total workers' compensation benefits paid in 2009. This compares to \$164.9 million or 67.8% in 2008.

The top five insurers/self-insured employers by benefits paid in 2009 were Alaska National Insurance Co. at \$34.7 million, State of Alaska at \$21.7 million, Commerce & Industry Ins. Co. at \$13.8 million, Liberty Northwest Insurance Co. at \$12.7 million, and Liberty Insurance Corp. at \$9.0 million.

For the most recent statistical year available, calendar year 2008, the Division of Insurance reported 186 insurance companies authorized to write workers' compensation insurance in Alaska, with direct premiums written totaling \$284.8 million. This compares to 184 admitted insurers writing \$323.1 million in direct premiums in calendar year 2007. Of direct premiums written in 2008, three companies wrote 49.4% of the policies. Alaska National Insurance Co. had 30.8% of the market share, Liberty Northwest Insurance Co had 9.8% of the market share, and Commerce & Industry Insurance Co. (AIG) had 8.8% of the market.

In calendar year 2009, workers' compensation premium rates decreased 4.8%, compared to a decrease of 10.9% in 2008. Premiums for calendar year 2010 declined 10.3%, and premiums for calendar year 2011 declined 2.5%. Despite five consecutive years of rate reductions, Alaska continues to have one of the highest premium rates in the country.

During calendar year 2009, there were no new notices of rehabilitation or liquidation for admitted Alaskan workers' compensation insurers.

**ATTACHMENTS**

2010 Oregon Workers' Compensation Premium Rate Ranking Summary

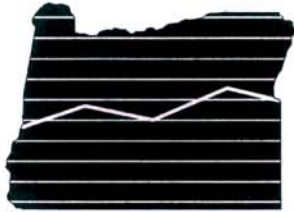
Courtesy Oregon Department of Consumer & Business Services

Select Data from NCCI 2010 Alaska State Advisory Forum

Courtesy National Council on Compensation Insurance

Select Data from *Benchmarks for Designing Workers' Compensation Medical Fee Schedules: 2009*

Courtesy Workers' Compensation Research Institute



# 2010 Oregon Workers' Compensation Premium Rate Ranking Summary

Department of Consumer and Business Services

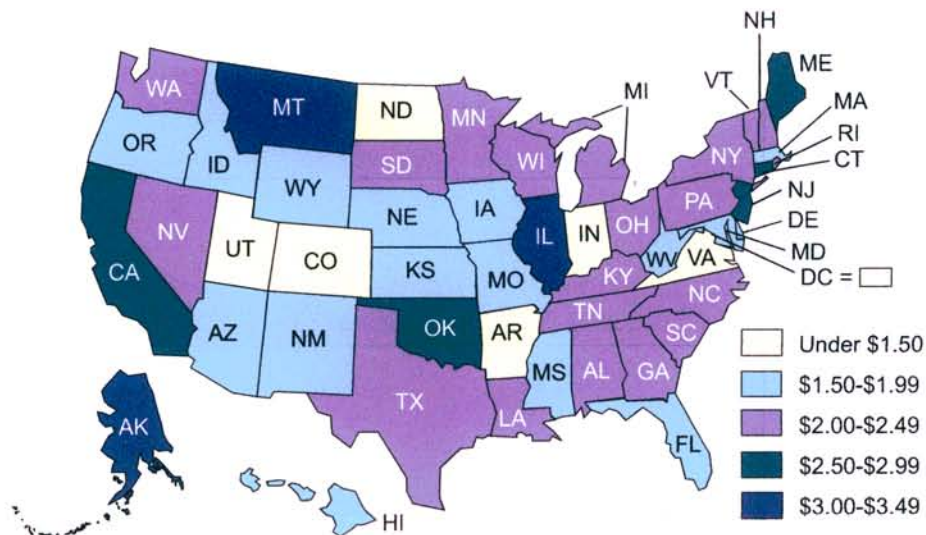
October 2010

By [Jay Dotter](#) and [Mike Manley](#)

Oregon employers in the voluntary market pay, on average, the 41st highest workers' compensation premium rates in the nation. Oregon rates are 17 percent below those of the median state in the study.

Premium rate indices are calculated based on data from 51 jurisdictions, for rates in effect as of Jan. 1, 2010. Oregon's premium rate index is \$1.69 per \$100 of payroll, or 83 percent of the national median. National premium rate indices range from a low of \$1.02 in North Dakota to a high of \$3.33 in Montana. The 2010 median value is \$2.04, which is a drop of 10 percent from the \$2.26 median of the 2008 study. Three jurisdictions have an index rate in the \$3.00 to \$3.49 range; five are in the \$2.50 to \$2.99 range; 20 are in the \$2.00 to \$2.49 range; 16 are in the \$1.50 to \$1.99 range; and seven have indices under \$1.50.

**Figure 1. 2010 Workers' compensation premium index rates**



**Table 1. Oregon's ranking in the top 10 classifications**

Occupation	Ranking
Clerical office employees NOC	45
Salespersons - outside	48
College: professional employees and clerical	39
Physician and clerical	42
Restaurant NOC	40
Store: retail, NOC	41
Hospital: professional employees	36
Automobile service/repair center and drivers	34
Trucking: NOC - all employees and drivers	28
Health care employees - retirement, nursing, convalescent	21

This study used classification codes from the National Council on Compensation Insurance (NCCI). Of approximately 450 active classes in Oregon, 50 were selected based on relative importance as measured by share of losses in Oregon. To control for differences in industry distributions, each state's rates were weighted by 2004-2006 Oregon payroll to obtain an average manual rate for that state. Listed in Table 1 are Oregon's rankings in the top 10 of the 50 classifications used.

**Table 2 (on the back) contains the premium rate ranking for all 51 jurisdictions.**

**Table 2. Workers' compensation premium rate ranking**

2010 Ranking	2008 Ranking	State	Index Rate	Percent of study median	Effective Date
1	2	Montana	3.33	163%	July 1, 2009
2	1	Alaska	3.10	152%	Jan. 1, 2010
3	10	Illinois	3.05	149%	Jan. 1, 2010
4	9	Oklahoma	2.87	141%	11/1/09 state fund, 1/1/10 private
5	13	California	2.68	131%	Jan. 1, 2010
6	20	Connecticut	2.55	125%	Jan. 1, 2010
7	16	New Jersey	2.53	124%	Jan. 1, 2010
8	5	Maine	2.52	123%	Jan. 1, 2010
10	14	New Hampshire	2.45	120%	Jan. 1, 2010
10	8	Alabama	2.45	120%	March 1, 2009
12	17	Texas	2.38	117%	May 1, 2009
12	12	South Carolina	2.38	117%	July 1, 2009
13	19	New York	2.34	115%	Oct. 1, 2009
14	15	Pennsylvania	2.32	114%	April 1, 2009
15	7	Kentucky	2.29	112%	Oct. 1, 2009
16	24	Minnesota	2.27	111%	Jan. 1, 2010
17	3	Ohio	2.24	110%	July 1, 2009
18	4	Vermont	2.22	109%	April 1, 2009
19	34	Wisconsin	2.21	108%	Oct. 1, 2009
20	21	Tennessee	2.19	108%	Nov. 4, 2009
21	18	Nevada	2.13	104%	March 2, 2009
23	32	Michigan	2.12	104%	Jan. 1, 2009
23	22	North Carolina	2.12	104%	April 1, 2009
24	25	Georgia	2.08	102%	July 1, 2009
25	11	Louisiana	2.06	101%	Oct. 1, 2009
26	38	Washington	2.04	100%	Jan. 1, 2010
28	36	South Dakota	2.02	99%	July 1, 2009
28	26	Rhode Island	2.02	99%	Jan. 1, 2010
29	34	Idaho	1.98	97%	Jan. 1, 2010
30	32	Nebraska	1.97	97%	Feb. 1, 2009
31	24	Mississippi	1.96	96%	March 1, 2009
32	32	New Mexico	1.91	94%	Jan. 1, 2010
33	28	Missouri	1.90	93%	Jan. 1, 2010
34	7	Delaware	1.85	91%	Dec. 1, 2009
35	41	West Virginia	1.84	90%	Nov. 1, 2009
36	41	Iowa	1.82	89%	Jan. 1, 2010
37	37	Wyoming	1.79	88%	Jan. 1, 2010
38	45	Arizona	1.71	84%	Jan. 1, 2010
40	36	Hawaii	1.70	83%	Jan. 1, 2010
40	28	Florida	1.70	83%	Jan. 1, 2010
<b>41</b>	<b>39</b>	<b>OREGON</b>	<b>1.69</b>	<b>83%</b>	<b>Jan. 1, 2010</b>
42	44	Maryland	1.63	80%	Jan. 1, 2010
43	42	Kansas	1.55	76%	Jan. 1, 2010
44	49	Massachusetts	1.54	75%	Sept. 1, 2008
45	46	Utah	1.46	71%	Dec. 1, 2009
47	43	Colorado	1.39	68%	Jan. 1, 2010
47	48	Virginia	1.39	68%	April 1, 2009
48	29	District of Columbia	1.32	65%	Nov. 1, 2009
49	47	Arkansas	1.18	58%	July 1, 2009
50	50	Indiana	1.16	57%	Jan. 1, 2010
51	51	North Dakota	1.02	50%	July 1, 2009

Notes: Starting with the 2008 study, when two or more states' Index Rate values are the same, they are assigned the same ranking. The index rates reflect adjustments for the characteristics of each individual state's residual market. Rates vary by classification and insurer in each state. Actual cost to an employer can be adjusted by the employer's experience rating, premium discount, retrospective rating, and dividends. [Link to previous reports and summaries.](#)

Employers can reduce their workers' compensation rates through accident prevention, safety training, and by helping injured workers return to work quickly.

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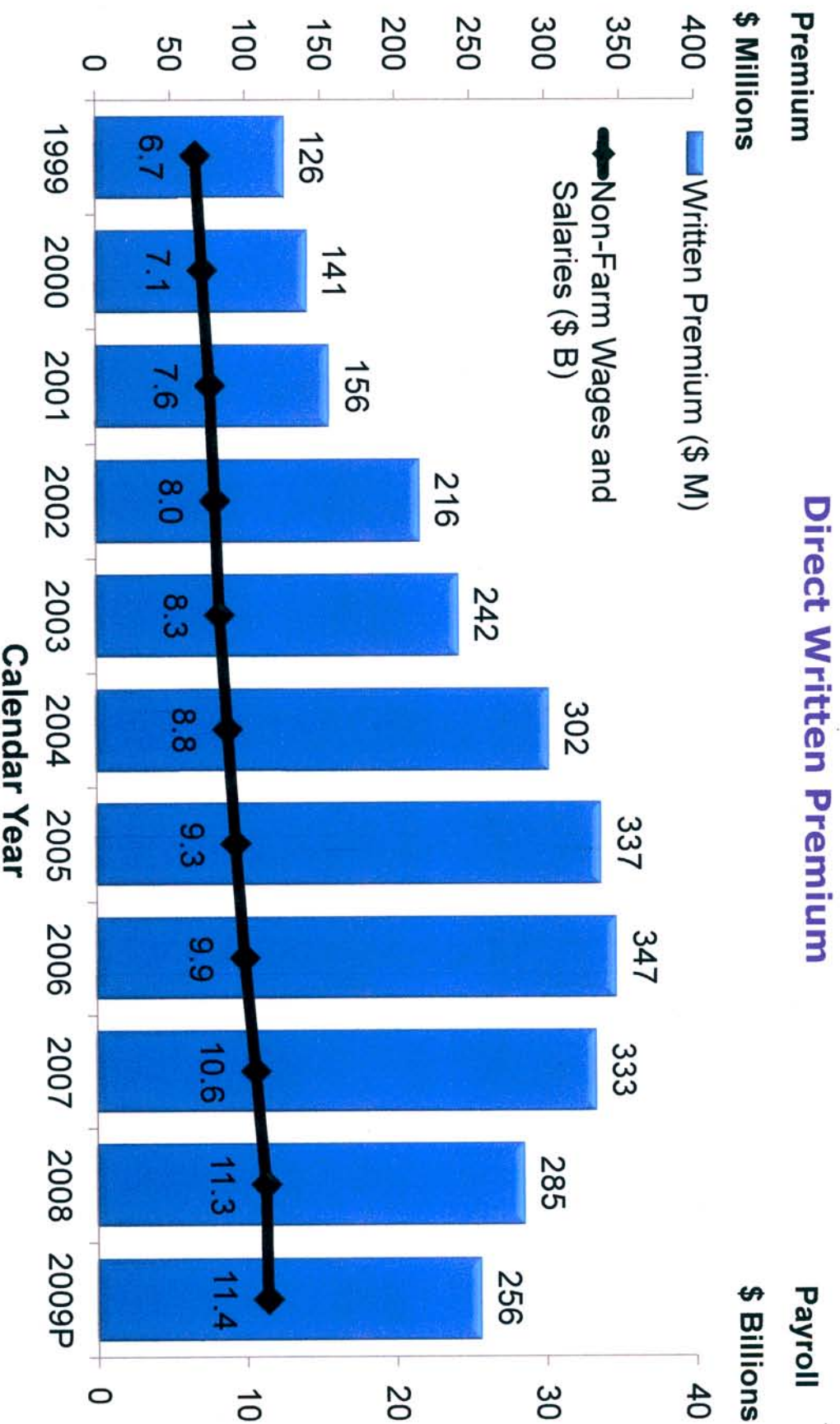
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# Alaska's Workers Compensation Premium Volume



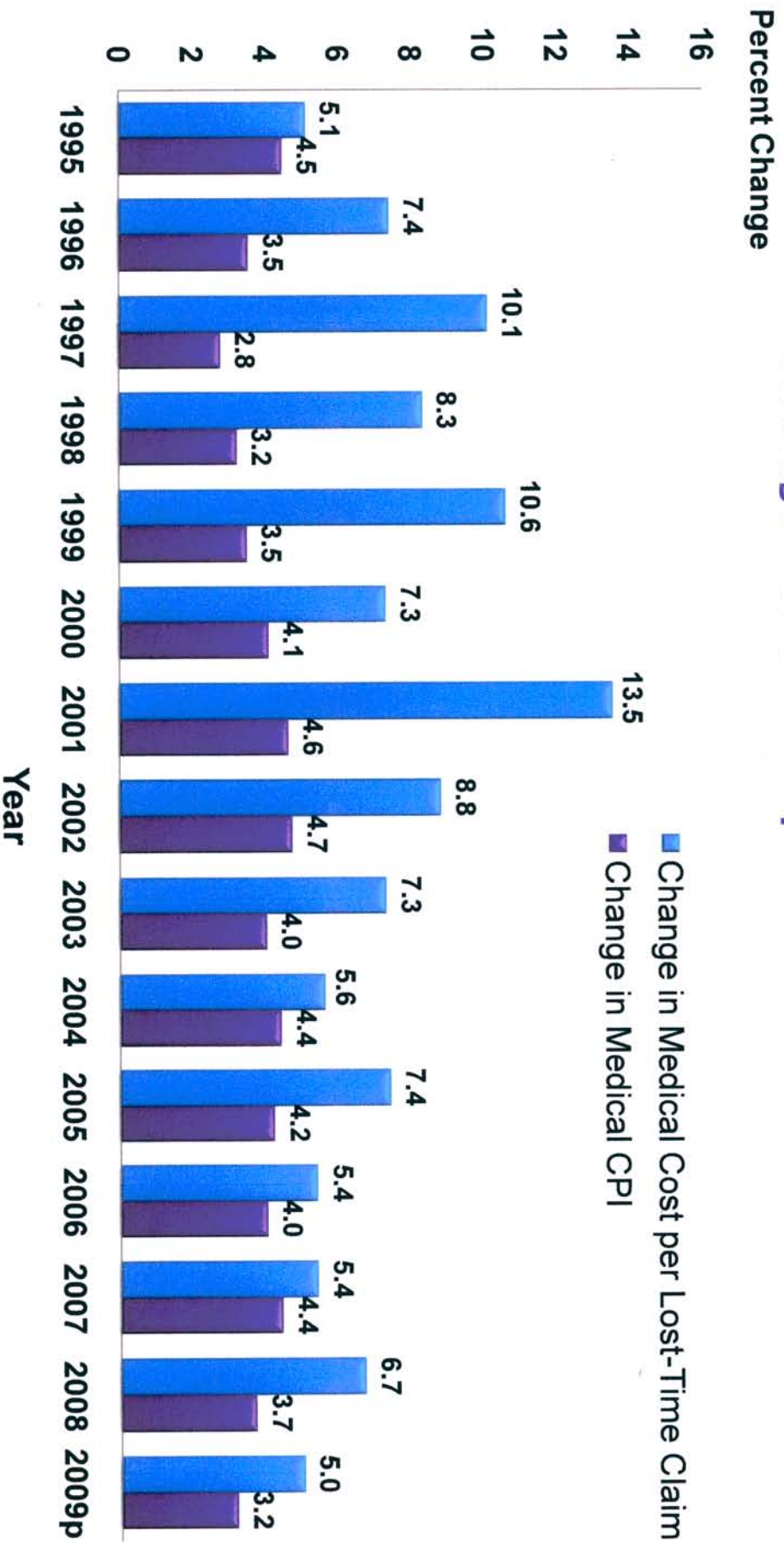
P Preliminary

Source: NAIC Annual Statement data  
Bureau of Economic Analysis: Nonfarm Wages and Salaries

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# Countrywide WC Medical Severity Is Still Growing Faster Than the Medical CPI

## Average Medical Cost per Lost-Time Claim



Medical severity 2009p: Preliminary based on data valued as of 12/31/09

Medical severity 1995-2008: Based on data through 12/31/08, developed to ultimate

Based on the states where NCCI provides ratemaking services, including state funds; excludes high deductible policies

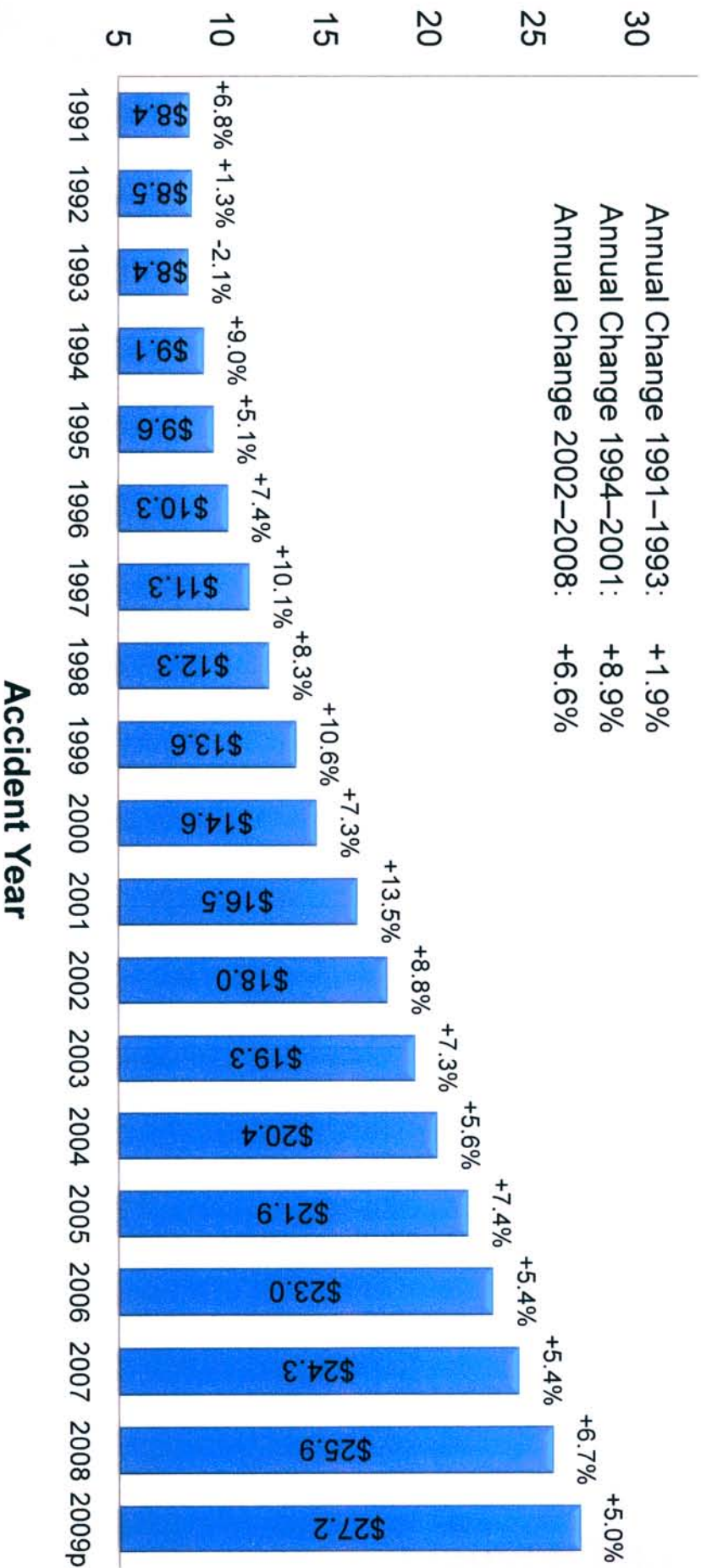
Source: Medical CPI—All states, Economy.com; Accident Year medical severity—NCCI states, NCCI

# Countrywide Workers Compensation Medical Claim Cost Trends

Medical

Average Medical Cost per Lost-Time Claim

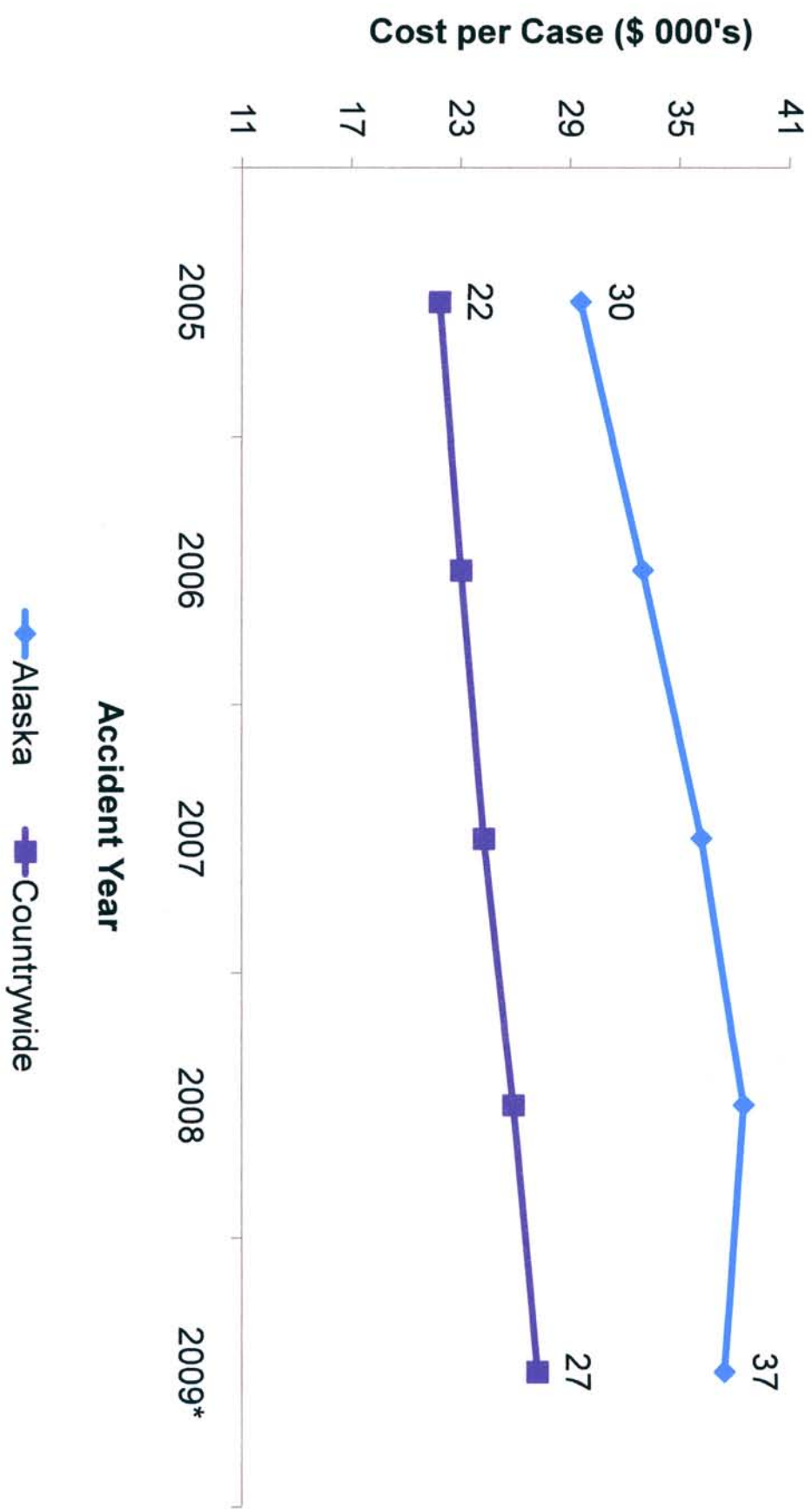
Claim Cost (000s)



2009p: Preliminary based on data valued as of 12/31/09  
1991–2008: Based on data through 12/31/08, developed to ultimate  
Based on the states where NCCI provides ratemaking services, including state funds  
Excludes high deductible policies



# Alaska Medical Average Cost per Case vs. Countrywide

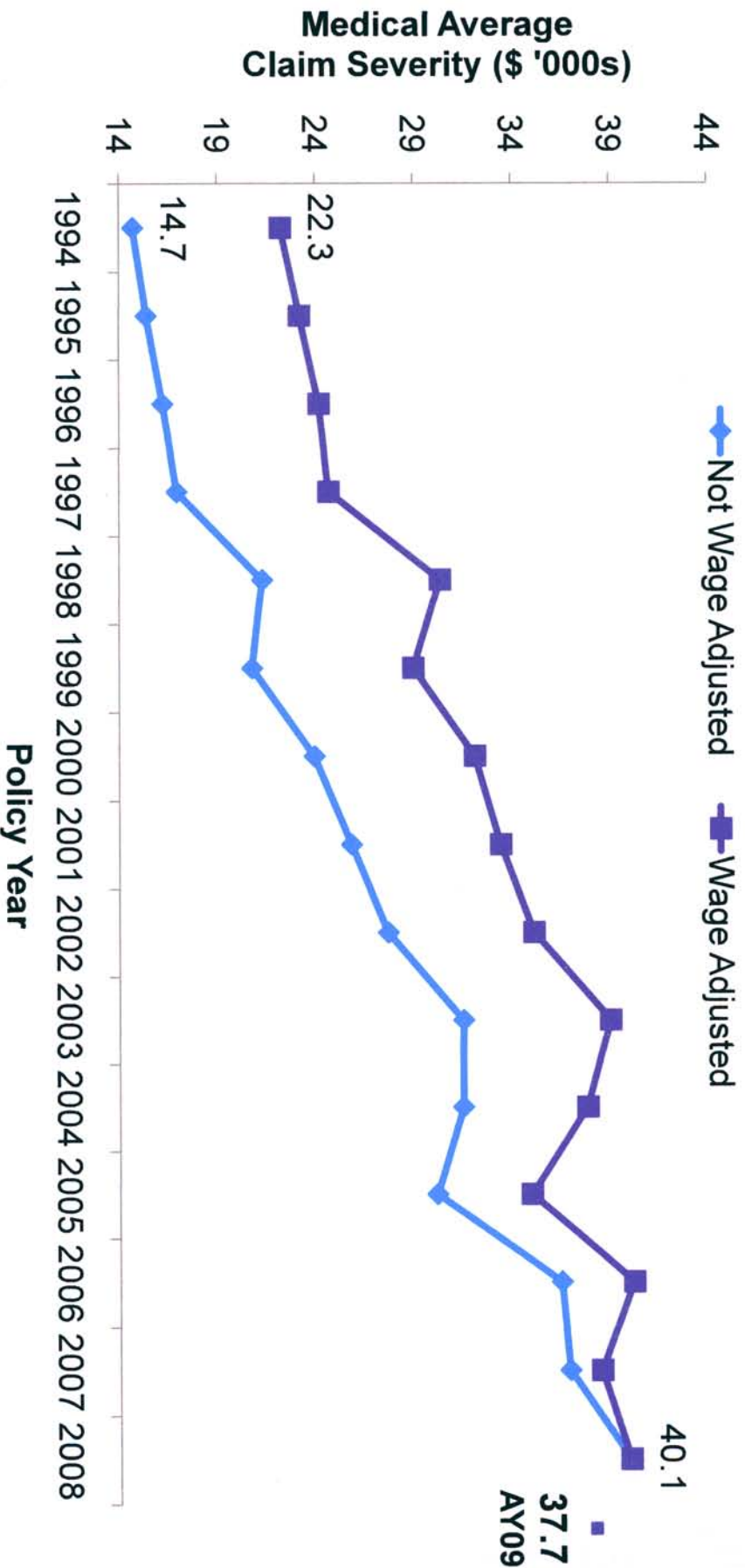


\* Countrywide figure is preliminary  
Source: NCCI financial data valued as of 12/31/08 and 12/31/09

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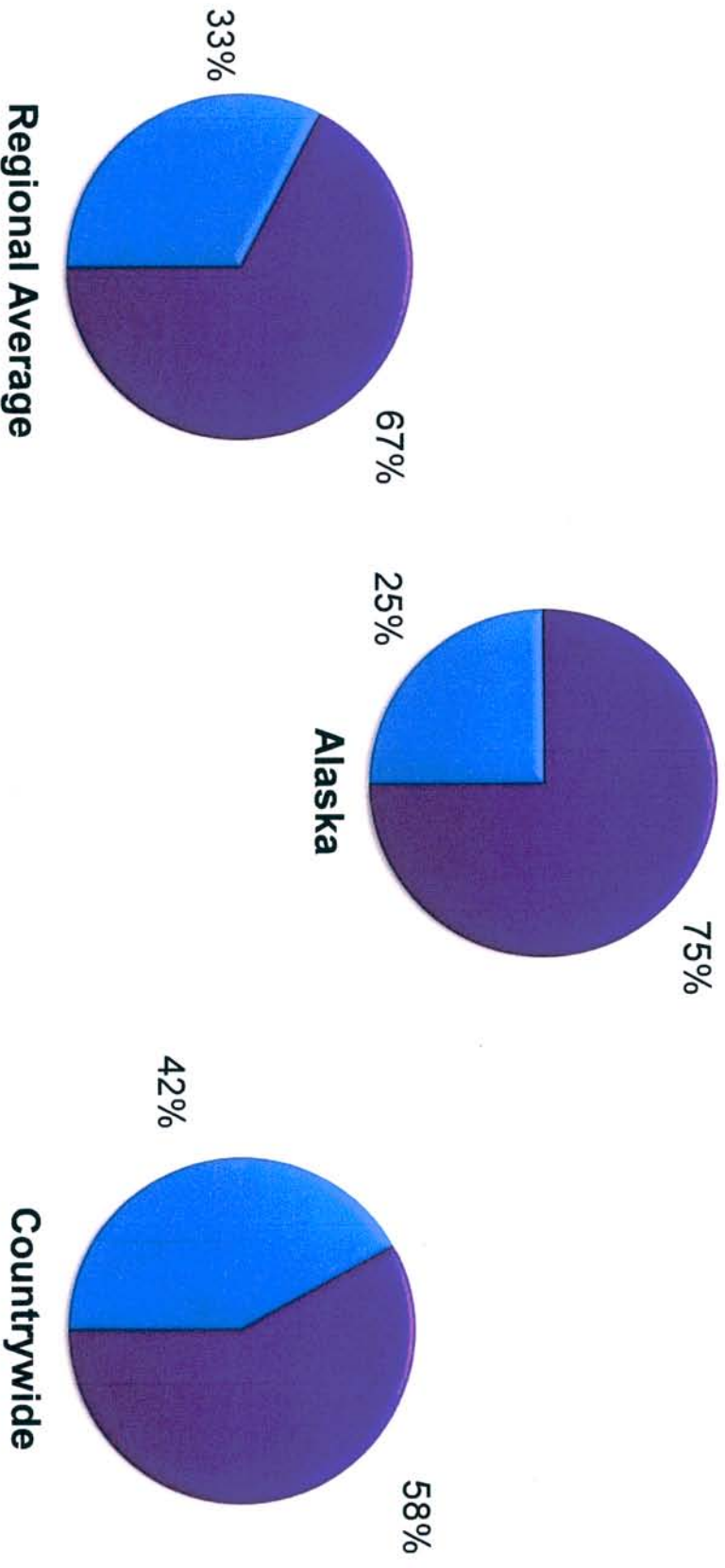
# Alaska's Average Medical Severity



Based on NCCI's financial data for lost-time claims at current benefit level and developed to ultimate

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# Medical Benefits Constitute the Majority of Total Benefit Costs in Alaska

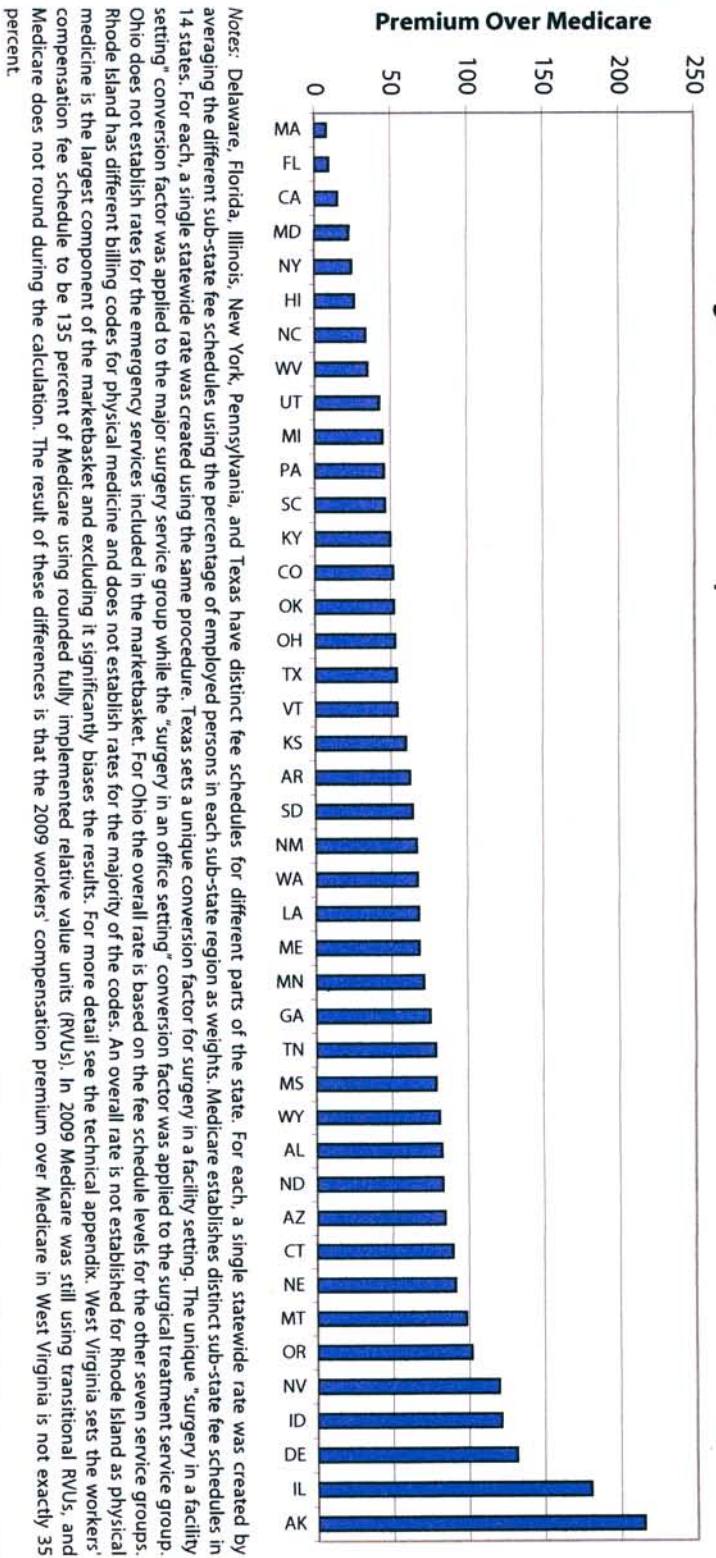


■ Indemnity   ■ Medical

Regional states are AZ, MT, NM, and OR

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**Figure 1 Workers' Compensation Premium Over Medicare, December 2009**



**Table 1 Workers' Compensation Premium Over Medicare, December 2009**

State	Overall	ER Services	E&M	Major Radiology	Minor Radiology	Neuro. Testing	Physical Medicine	Major Surgery	Surgical Treatment
Alabama	82	28	8	74	205	59	67	313	33
Alaska	215	164	92	318	408	369	153	488	272
Arizona	84	102	30	99	133	140	61	240	58
Arkansas	62	29	34	131	129	35	34	115	103
California	15	26	-7	8	27	18	20	77	-27
Colorado	52	119	34	79	58	69	23	139	29
Connecticut	89	72	42	118	127	142	26	314	92
Delaware <sup>a</sup>	131	168	41	156	246	132	95	362	176
Florida <sup>a</sup>	9	4	6	-14	10	14	1	37	49
Georgia	75	37	38	134	133	55	36	194	85
Hawaii	26	106	16	-2	45	58	17	82	33
Idaho	121	91	97	181	175	114	37	323	157
Illinois <sup>a</sup>	180	219	54	214	280	259	125	504	213
Kansas	59	21	24	86	83	74	29	143	166
Kentucky	50	24	24	44	41	44	38	133	95
Louisiana	68	75	28	103	105	67	74	116	29
Maine	68	51	52	74	70	91	66	81	107
Maryland	23	17	17	19	19	18	17	55	22
Massachusetts	8	-4	-20	6	3	7	-20	151	10
Michigan	45	44	44	49	50	42	44	46	36
Minnesota	71	105	53	114	112	75	53	122	34
Mississippi	79	34	40	96	89	87	73	168	85
Montana	98	88	95	112	108	103	94	99	102
Nebraska	91	34	32	165	164	70	50	232	164
Nevada	119	107	28	224	186	85	80	345	66
New Mexico	66	57	25	107	116	79	48	148	85
New York <sup>a</sup>	24	46	-27	36	104	94	1	169	-5
North Carolina	34	32	-4	71	75	20	4	143	68
North Dakota	83	79	84	60	97	91	83	91	91
Ohio <sup>b</sup>	52	n/c	40	41	41	41	40	119	69
Oklahoma	52	42	15	90	64	82	23	145	113
Oregon	101	85	84	98	98	116	88	156	149
Pennsylvania <sup>a</sup>	45	24	8	69	72	42	38	129	35
Rhode Island <sup>c</sup>	n/c	54	13	87	140	57	n/c	289	54
South Carolina	46	31	34	50	48	30	45	71	64
South Dakota	64	100	27	118	89	57	46	173	-1
Tennessee	78	111	69	71	111	69	29	186	174
Texas <sup>a,d</sup>	54	49	49	49	49	49	49	86	49
Utah	43	29	33	60	58	35	33	66	61
Vermont	54	51	21	39	98	86	37	166	71
Washington	67	70	70	70	71	71	59	70	70
West Virginia <sup>e</sup>	35	35	36	36	37	31	36	34	27
Wyoming	81	110	35	157	122	94	45	221	24

Note: Positive numbers in this table reflect a percentage above the Medicare fee schedule levels for a state and negative numbers in this table reflect a percentage below the Medicare fee schedule levels for a state.

<sup>a</sup> Delaware, Florida, Illinois, New York, Pennsylvania, and Texas have distinct fee schedules for different parts of the state. For each, a single statewide rate was created by averaging the different sub-state fee schedules using the percentage of employed persons in each sub-state region as weights. Medicare establishes distinct sub-state fee schedules in 14 states. For each, a single statewide rate was created using the same procedure.

<sup>b</sup> Ohio does not establish rates for the emergency services included in the marketbasket. For Ohio the overall rate is based on the fee schedule levels for the other seven service groups. For more detail see the technical appendix.

<sup>c</sup> Rhode Island has different billing codes for physical medicine and does not establish rates for the majority of the codes. An overall rate is not established for Rhode Island as physical medicine is the largest component of the marketbasket and excluding it significantly biases the results. For more detail see the technical appendix.

<sup>d</sup> Texas sets a unique conversion factor for surgery in a facility setting. Surgeries in a facility setting are likely to be a more invasive procedures similar to those in the major surgery service group, thus the unique "surgery in a facility setting" conversion factor was applied to the major surgery service group. The "surgery in an office setting" conversion factor was applied to the surgical treatment service group.

<sup>e</sup> West Virginia sets the workers' compensation fee schedule to be 135 percent of Medicare using rounded fully implemented RVUs. In 2009 Medicare was still using transitional RVUs, and Medicare does not round during the calculation. The result of these differences is that the 2009 workers' compensation premium over Medicare in West Virginia is not exactly 35 percent.

Key: E&M: evaluation and management; ER: emergency; n/c: not comparable; Neuro.: neurological; RVU: relative value unit.



**Table 2 Workers' Compensation Fee Schedule Rates for Eight Commonly Billed Procedures, December 2009**

State	ER Services	E&M	Major Radiology	Minor Radiology	Neuro. Testing	Physical Medicine	Major Surgery	Surgical Treatment
	CPT 99283	CPT 99213	CPT 72148	CPT 73030	CPT 95904	CPT 97110	CPT 29826	CPT 20610
Alabama	\$87	\$61	\$805	\$84	\$50	\$44	\$2669	\$62
Alaska	\$249	\$149	\$2846	\$228	\$257	\$97	\$4747	\$304
Arizona	\$137	\$76	\$1127	\$70	\$106	\$41	\$2448	\$101
Arkansas	\$74	\$76	\$1012	\$56	\$54	\$35	\$1188	\$137
California	\$87	\$57	\$640	\$53	\$65	\$33	\$1483	\$46
Colorado	\$145	\$79	\$959	\$47	\$76	\$28	\$1429	\$56
Connecticut	\$119	\$96	\$1363	\$90	\$125	\$35	\$2946	\$139
Delaware: New Castle County <sup>a</sup>	\$189	\$79	\$1688	\$139	\$88	\$50	\$3709	\$183
Florida: Dade & Monroe Counties <sup>a</sup>	\$72	\$70	\$516	\$39	\$60	\$32	\$1036	\$110
Georgia	\$83	\$83	\$1177	\$66	\$69	\$38	\$1797	\$105
Hawaii	\$154	\$74	\$778	\$50	\$81	\$37	\$919	\$97
Idaho	\$112	\$114	\$1282	\$70	\$88	\$37	\$2424	\$173
Illinois: Chicago <sup>a</sup>	\$211	\$102	\$1626	\$148	\$184	\$68	\$4214	\$227
Kansas	\$78	\$66	\$901	\$51	\$76	\$34	\$1390	\$147
Kentucky	\$76	\$69	\$671	\$39	\$61	\$36	\$1209	\$149
Louisiana	\$114	\$68	\$1051	\$61	\$64	\$43	\$1687	\$92
Maine	\$98	\$83	\$907	\$52	\$88	\$44	\$1083	\$110
Maryland	\$72	\$73	\$639	\$36	\$55	\$33	\$978	\$84
Massachusetts	\$61	\$49	\$655	\$35	\$57	\$23	\$2131	\$77
Michigan	\$91	\$89	\$773	\$43	\$64	\$42	\$930	\$105
Minnesota	\$132	\$85	\$1135	\$64	\$71	\$39	\$1550	\$96
Mississippi	\$81	\$79	\$933	\$52	\$81	\$45	\$1606	\$91
Montana	\$111	\$111	\$957	\$54	\$84	\$51	\$1127	\$127
Nebraska	\$78	\$76	\$1242	\$70	\$72	\$39	\$1895	\$141
Nevada	\$142	\$77	\$1818	\$89	\$86	\$43	\$2811	\$110
New Mexico	\$107	\$67	\$1015	\$65	\$75	\$36	\$1611	\$111
New York: Manhattan, Bronx, & Queens <sup>a</sup>	\$113	\$49	\$912	\$95	\$106	\$34	\$2448	\$57
North Carolina	\$86	\$51	\$894	\$52	\$46	\$25	\$1608	\$86
North Dakota	\$104	\$104	\$701	\$50	\$78	\$48	\$1053	\$118
Ohio <sup>b</sup>	n/c	\$84	\$710	\$40	\$62	\$39	\$1356	\$96
Oklahoma	\$92	\$63	\$890	\$44	\$78	\$30	\$1843	\$76
Oregon	\$110	\$110	\$997	\$56	\$96	\$51	\$1493	\$168
Pennsylvania: Philadelphia <sup>a</sup>	\$90	\$65	\$988	\$57	\$57	\$34	\$1792	\$85
Rhode Island <sup>c</sup>	\$110	\$75	\$945	\$89	\$65	n/c	\$3189	\$123
South Carolina	\$85	\$72	\$750	\$43	\$53	\$38	\$1087	\$95
South Dakota	\$129	\$70	\$1023	\$50	\$64	\$32	\$1513	\$59
Tennessee	\$125	\$98	\$796	\$56	\$71	\$37	\$1668	\$187
Texas: Dallas <sup>a,d</sup>	\$92	\$92	\$793	\$44	\$69	\$42	\$1181	\$105
Utah	\$78	\$78	\$777	\$43	\$59	\$36	\$1002	\$113
Vermont	\$99	\$67	\$722	\$63	\$88	\$46	\$1955	\$122
Washington	\$103	\$105	\$895	\$50	\$79	\$48	\$1039	\$118
West Virginia	\$81	\$78	\$613	\$35	\$53	\$36	\$799	\$89
Wyoming	\$138	\$75	\$1208	\$59	\$79	\$32	\$1851	\$72
Range: Lowest to Highest	\$61-\$249	\$49-\$149	\$516-\$2846	\$35-\$228	\$46-\$257	\$23-\$97	\$799-\$4747	\$46-\$304
Range: Second Lowest to Second Highest	\$72-\$211	\$49-\$114	\$613-\$1818	\$35-\$148	\$50-\$184	\$25-\$68	\$919-\$4214	\$56-\$227

<sup>a</sup> Delaware, Florida, Illinois, New York, Pennsylvania, and Texas have distinct fee schedules for different parts of the state. For each, the fee schedule amount for only one sub-state region is shown.

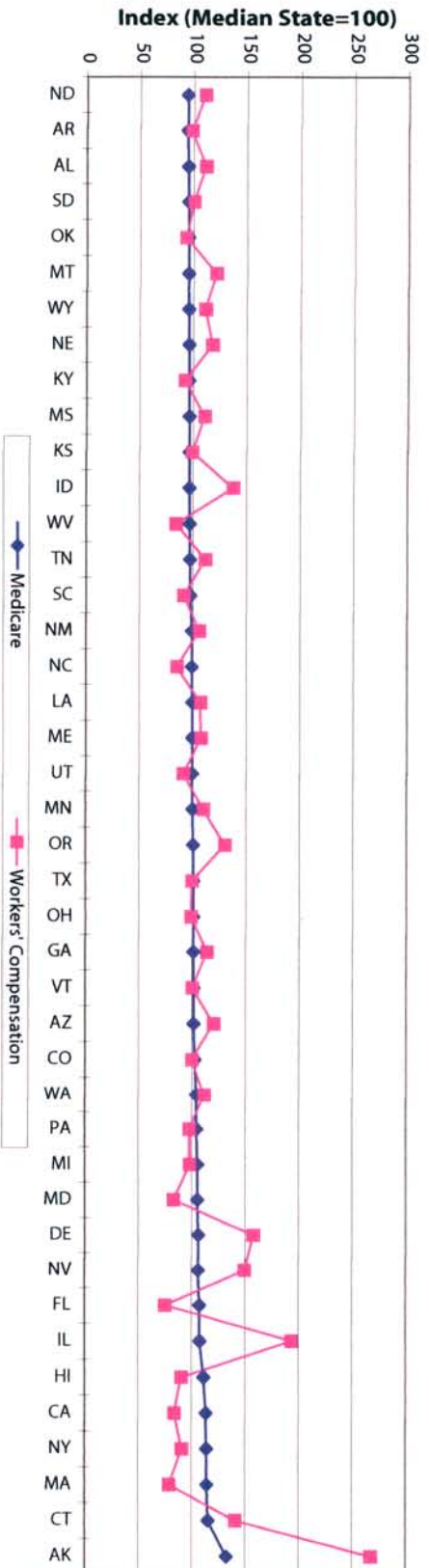
<sup>b</sup> Ohio does not establish rates for the emergency services included in the marketbasket. Therefore a rate for 99283 is not listed in the Ohio workers' compensation fee schedule.

<sup>c</sup> Rhode Island has different billing codes for physical medicine and does not establish rates for the majority of the codes. Therefore a rate for 97110 is not listed in the Rhode Island workers' compensation fee schedule.

<sup>d</sup> Texas sets a unique conversion factor for surgery in a facility setting. Surgeries in a facility setting are likely to be a more invasive procedures similar to those in the major surgery service group, thus the unique "surgery in a facility setting" conversion factor was applied to the major surgery service group. The "surgery in an office setting" conversion factor was applied to the surgical treatment service group.

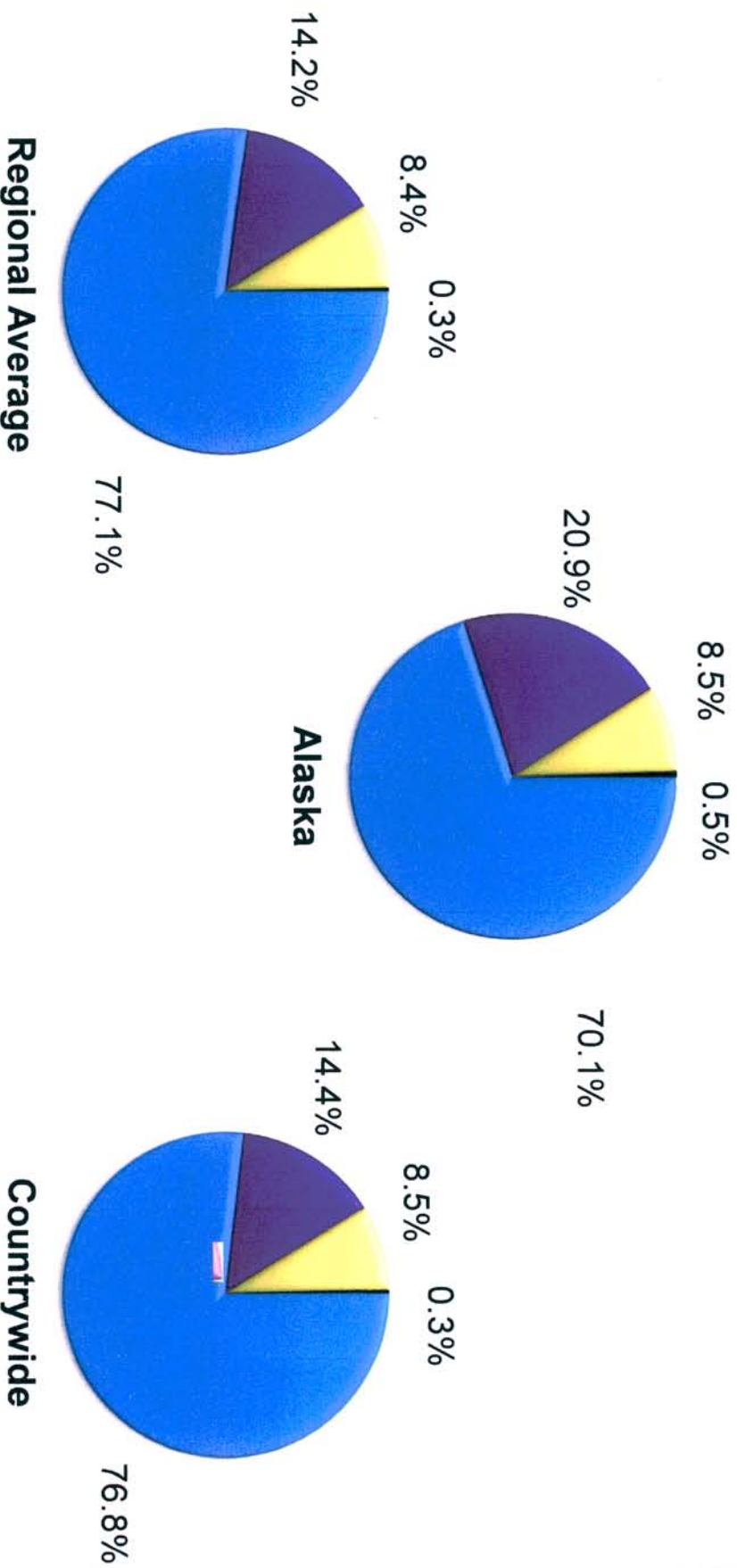
Key: CPT: Current Procedural Terminology; E&M: evaluation and management; ER: emergency; MRI: magnetic resonance imaging; n/c: not comparable; Neuro.: neurological; 99283: Emergency department visit, moderate severity; 99213: Established patient office visit, low-moderate severity, 15 min; 72148: MRI, spinal canal & contents, lumbar, without contrast material; 73030: Radiologic exam, complete, minimum of two views; 95904: Nerve conduction, each nerve—any/all sites, sensory; 97110: Therapeutic procedure, one or more areas, 15 min exercises each; 29826: Arthroscopy shoulder surgery, decompression of subacromial space; 20610: Arthrocentesis, major joint or bursa.

**Figure 10 Workers' Compensation Fee Schedule Index Compared to Provider Expense Index, December 2009**



Notes: Delaware, Florida, Illinois, New York, Pennsylvania, and Texas have distinct fee schedules for different parts of the state. For each, a single statewide rate was created by averaging the different sub-state fee schedules using the percentage of employed persons in each sub-state region as weights. Medicare establishes distinct sub-state fee schedules in 14 states. For each, a single statewide rate was created using the same procedure. Ohio does not establish rates for the emergency services included in the marketbasket. For Ohio the overall rate is based on the fee schedule levels for the other seven service groups. Rhode Island has different billing codes for physical medicine and does not establish rates for the majority of the codes. An over all rate is not established for Rhode Island as physical medicine is the largest component of the marketbasket and excluding it significantly biases the results. For more detail see the technical appendix. The provider expense index is based on Medicare's resource-based relative value scale (RBRVS) which reflects the provider's cost to produce goods.

# Alaska's Distribution of Claims by Injury Type

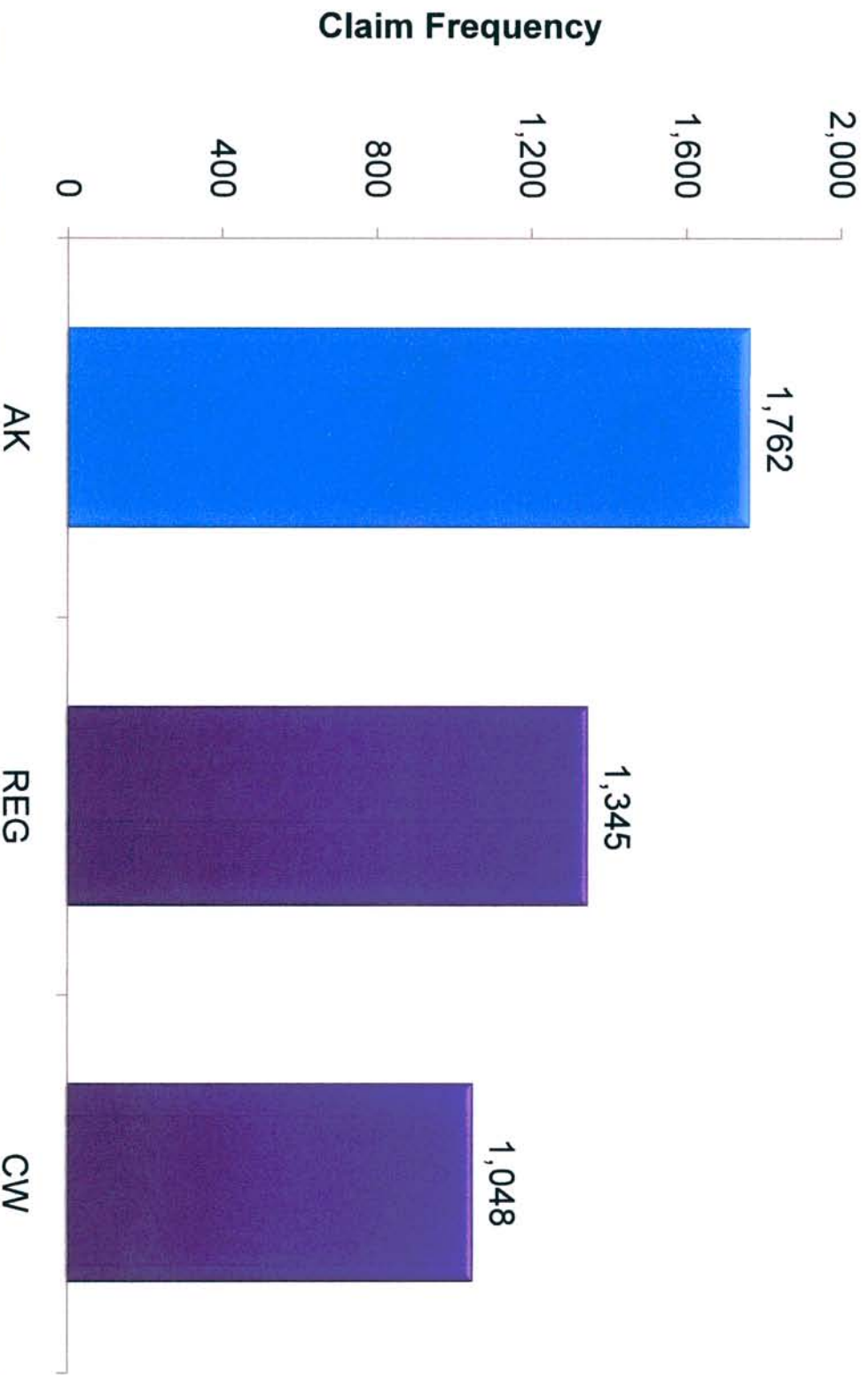


■ Medical Only 
 ■ Temporary Total 
 ■ Permanent Partial 
 ■ Permanent Total/Fatal

Regional states are AZ, MT, NM and OR  
Based on NCCI's *Statistical Plan* data

# Alaska's Average Lost-Time Claim Frequency

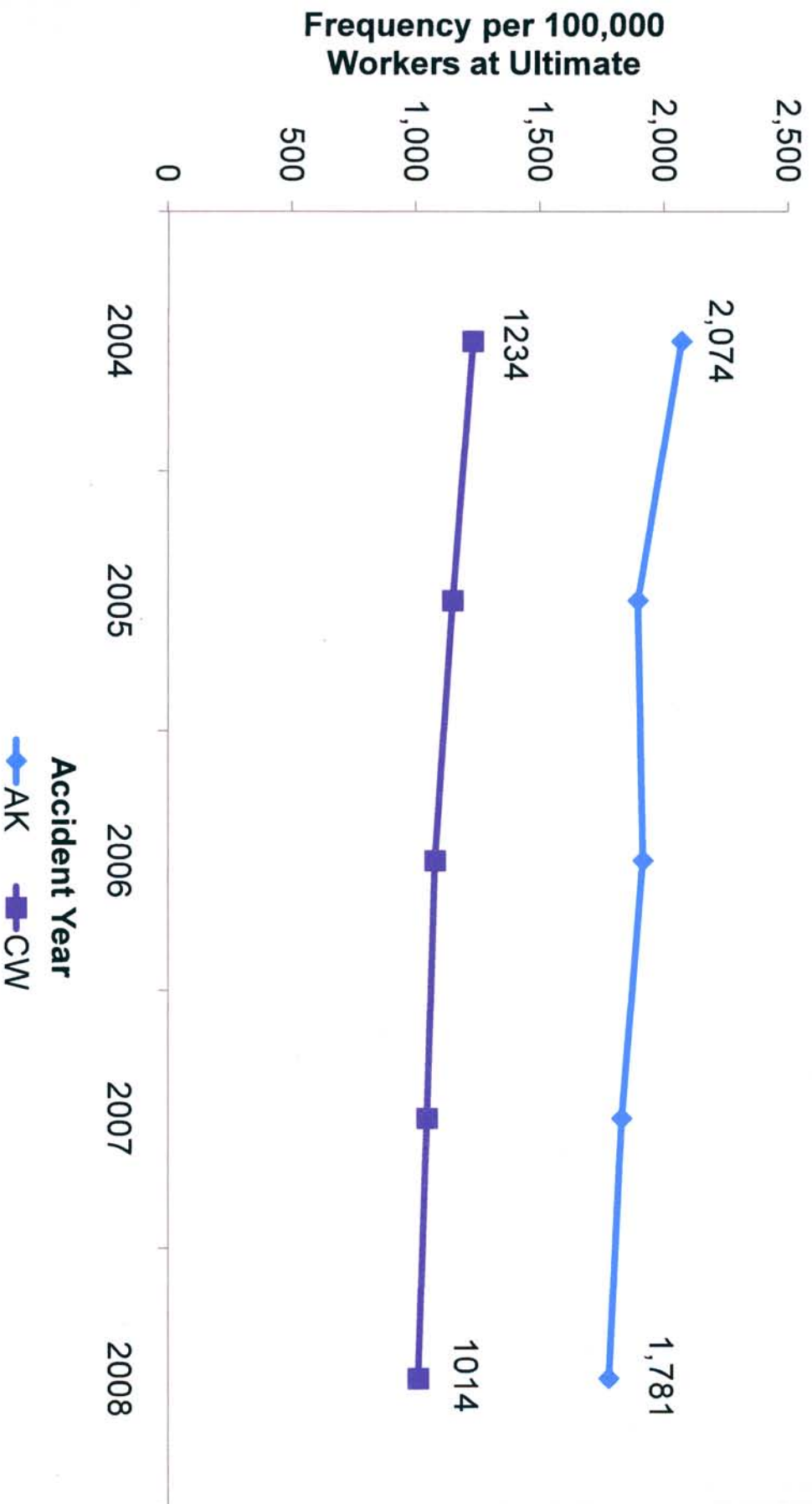
Frequency per 100,000 Workers—Lost-Time Claims



Regional states are AZ, MT, NM, and OR  
Based on NCCI's *Statistical Plan* data

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# Alaska Claim Frequency

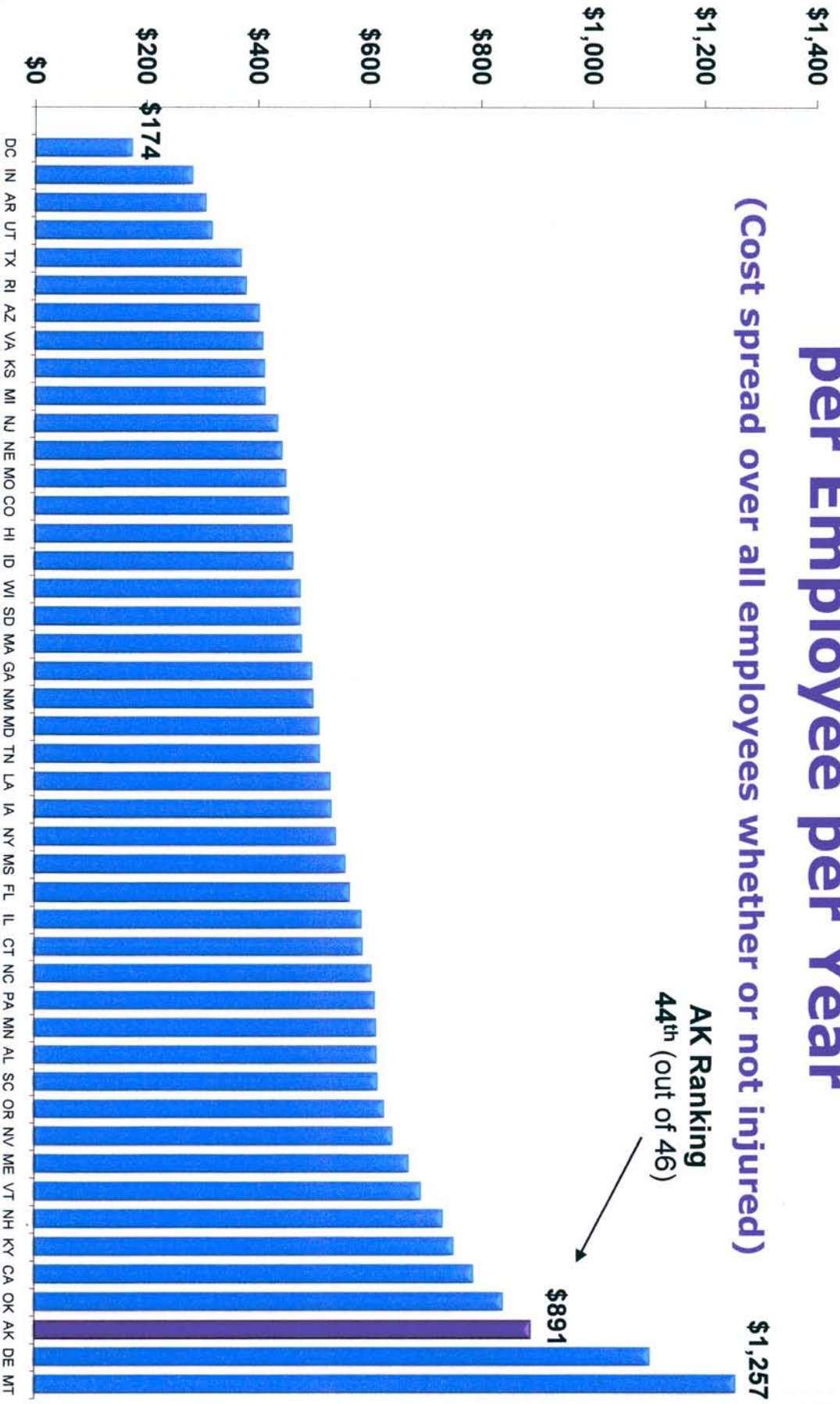


Based on NCCI's financial data  
Frequency of lost-time claims

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# Actual Average Total Benefits per Employee per Year

(Cost spread over all employees whether or not injured)



Source: NCCI's *Statistical Plan* data at first report for policies effective in 2004 and 2005

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