

The Dismantling of Workers' Comp

By Michael Grabell, ProPublica

Insult to Injury



<https://www.youtube.com/watch?v=viT4VTuuZqI>

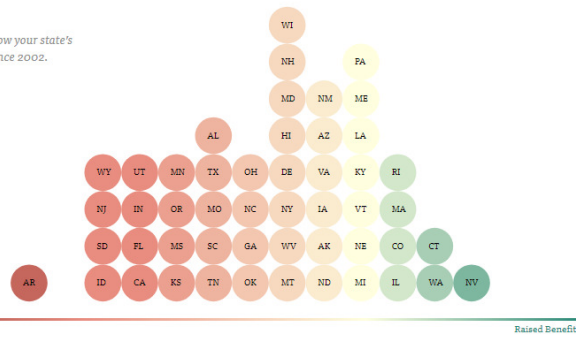
The Trend

33 States Have Cut Benefits or Made it Harder to Qualify. Here's Where They Stood in 2002

Graphic by [Yue Qiu](#) and [Michael Grabel](#)

This chart tracks the movement of states during the recent wave of workers' comp reforms. Since 2002, many states have cut benefits, becoming increasingly more red.

← →
Move or swipe back and forth to see how your state's workers' comp system has changed since 2002.



Cut Benefits Raised Benefits

Workers' Compensation Reforms by State
Explore the full interactive for details of workers' comp reforms in each state, as well as sources.

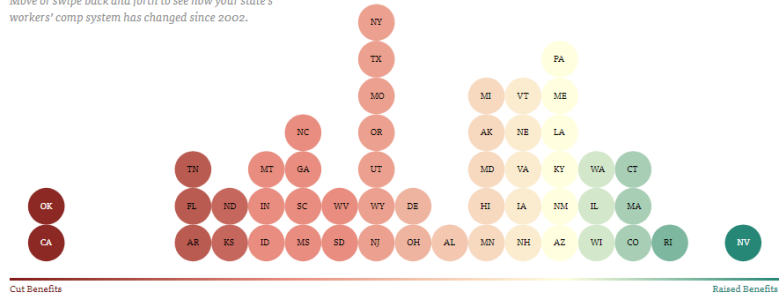


33 States Have Cut Benefits or Made it Harder to Qualify. Here's Where They Stood in 2014

Graphic by [Yue Qiu](#) and [Michael Grabel](#)

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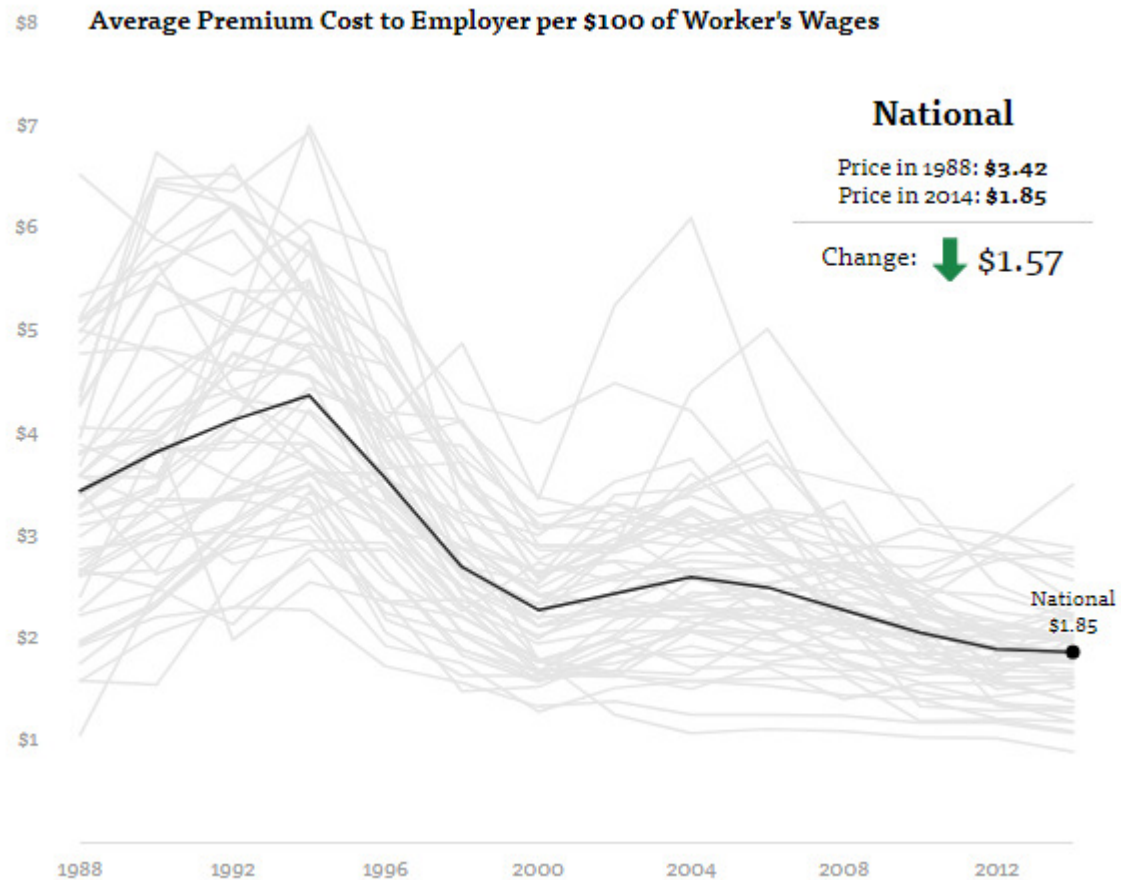
Cut Benefits Raised Benefits

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Since 2003, legislators in 33 states have passed workers' comp laws that reduce benefits, create hurdles to getting medical care or make it more difficult for those with certain injuries and diseases to qualify for them. Florida has cut benefits to its most severely disabled workers by 65 percent since 1994.

Workers' Comp Rates are at 25-Year Low



22 states now set arbitrary time limits on injured workers' temporary wage benefits — even if workers haven't recovered. Other capped wage replacement.

After John Coffell hurt his back at an Oklahoma tire plant, his wages dropped so dramatically that he and his family were evicted from their home.

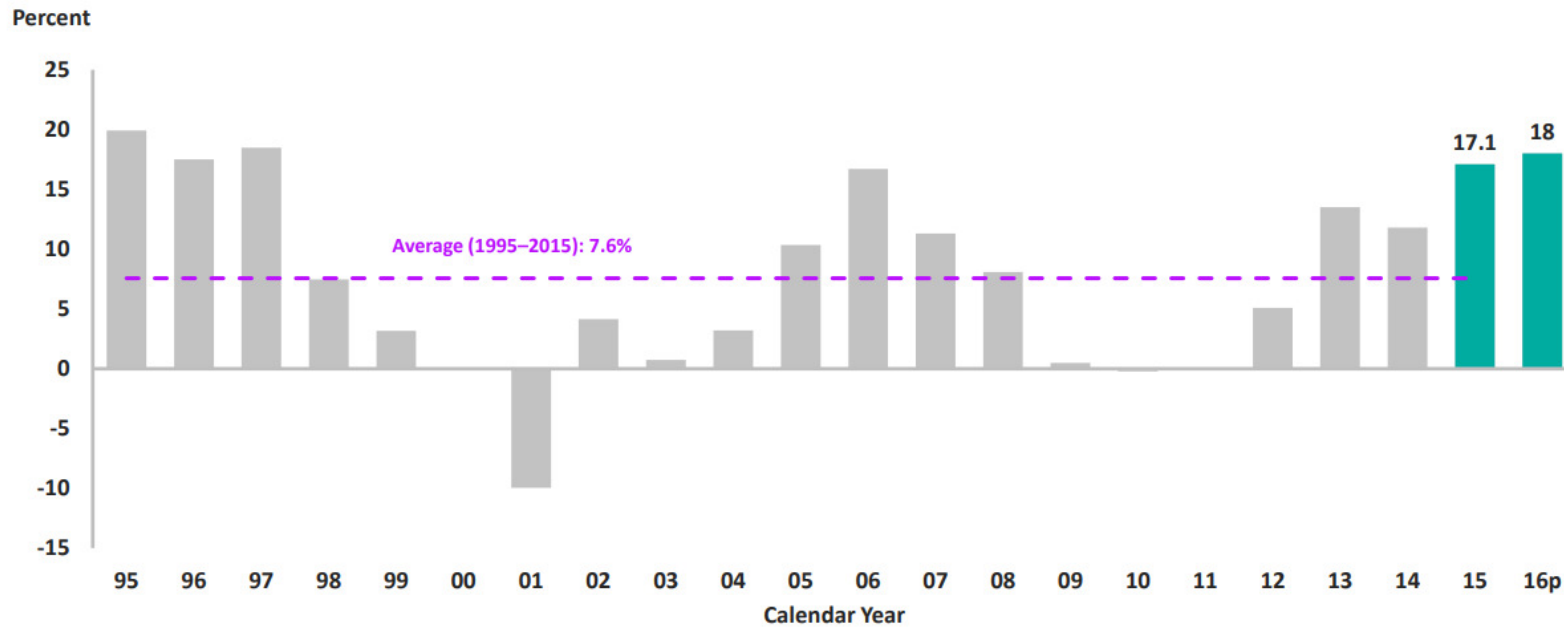
Employers and insurers increasingly control medical decisions, such as whether an injured worker needs surgery. 37 states now restrict some injured workers' ability to choose their own doctors.

In California, insurers can now reopen old cases and deny medical care based on the opinions of doctors who never see the patient and don't even have to be licensed in the state. Joel Ramirez, who was paralyzed in a warehouse accident, had his home health aide taken away, leaving him to sit in his own feces for up to eight hours.

Workers' Comp Insurance Financial Performance

WC Pretax Operating Gain

Private Carriers



p Preliminary

Source: NAIC's Annual Statement data

Operating Gain equals 1.00 minus (Combined Ratio less Investment Gain on Insurance Transactions and Other Income)

2013 adjusted to exclude a material realized gain resulting from a single company transaction that involved corporate restructuring; unadjusted value is 17.7

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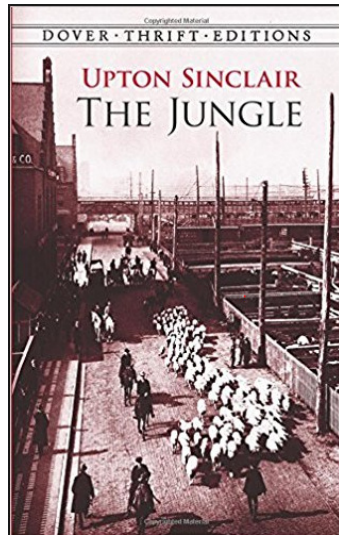
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AIS
2017

Who's Paying?

- Workers' comp covered less than a third of injured workers' medical costs and lost earnings in 2007 and government programs like Social Security, Medicare and Medicaid have shelled out about \$30 billion to fill part of the gap. The rest came from regular health and disability insurance or out of workers' pockets. - J. Paul Leigh, a health economist at the University of California, Davis
- “The annual cost of workplace injuries to Medicare and Social Security Disability Insurance is roughly \$33 billion.” – Robert Reville, RAND, and Robert Schoeni, University of Michigan, 2003/2004
- “The cost to the SSDI program is substantial: each annual cohort of workers with these lost-time work injuries who become SSDI recipients increases SSDI expenditures by roughly \$12 billion, and adding Medicare costs nearly doubles this amount.” – Paul O’Leary, Social Security Administration, Seth Seabury, RAND, Les Boden, Boston University, et. al., 2014

History of Workers' Comp



Ancient Origins



A Tale of Two Arms

Jeremy Lewis

Age: 27

Residence: Northeast Alabama

Wife, two children

Fell into a machine at Pilgrim's Pride

Left arm amputation

Compensation: \$45,000

Josh Potter

Age: 25

Residence: Northwest Georgia

Wife, two children

Fell under machine at auto supplier

Left arm amputation

Compensation: >\$740,000 over 50 years

How Much is Your Arm Worth?



Opt Out Movement

Many of the nation's biggest retail, trucking, health care and food companies are now pushing bills to let companies opt out of state workers' comp laws — and write their own rules. TX, OK, TN, SC, NC, GA, MS, WV, WI

<https://projects.propublica.org/graphics/workcomp-company>

Texas plans

- [McDonald's](#) doesn't cover carpal tunnel syndrome. [Brookdale Senior Living](#), the nation's largest chain of assisted living facilities, doesn't cover most bacterial infections. [Taco Bell](#) can accompany injured workers to doctors' appointments and [Sears](#) can deny benefits if workers don't report injuries by the end of their shifts.
- [Costco](#) pays only \$15,000 to workers who lose a finger while its rival [Walmart](#) pays \$25,000.
- Unlike traditional workers' comp, which guarantees lifetime medical care, the Texas plans cut off treatment after about two years. They don't pay compensation for most permanent disabilities and strictly limit payouts for deaths and catastrophic injuries.
- The list of what the plans don't cover runs for pages. They typically won't pay for wheelchair vans, exposure to asbestos, silica dust or mold, assaults unless the employee is defending "an employer's business or property," chiropractors or any more than 75 home health care visits. [Costco](#) won't cover external hearing aids costing more than \$600. The cheapest external hearing aid Costco sells? [\\$900](#).

Unauthorized Immigrants

- In Florida, nearly 800 workers have been charged with workers' comp fraud for filing for workers' comp or getting a job with a false Social Security number. After Nixon Arias suffered a back injury at work, his doctor recommended surgery. Six days later, his employer's insurance company suddenly discovered the Social Security number he'd been using was false. Instead of getting treatment, Arias was arrested and deported to Honduras.



“All of this because somebody got hurt at work”



Impressive entertainment at Prime Health Services event in #NOLA #NWCDConf



8:36 PM - 30 Nov 2016

@dfwrims @RIMSHouston @RIMSorg
CHAMPAGNE ANYONE? #Rims2017 opening reception!



6:49 PM - 23 Apr 2017

Michael Grabell

917-512-0217

michael.grabell@propublica.org

*Signal or WhatsApp: 347-573-3030