

National Business Group on Health

EMPAQ[®]

DATA DICTIONARY

Workers' Compensation



EMPAQ[®]
Employer Measures of Productivity, Absence and Quality™

EMPAQ[®] Workers' Compensation (WC) Metrics

| Metric | Calculation |
|---|--|
| Annual Claim Incidence per 100 FTEs | $= \frac{\text{Total Number of New WC Indemnity Claims} + \text{Total Number of New WC Medical-Only Claims}}{\text{Total Number of FTEs Covered for WC}} \times 100$ |
| Cost per Active Claim | $= \frac{\text{Total Active Claim Costs}}{\text{Total Number of Active WC Claims}}$ |
| Cost per Closed Claim | $= \frac{\text{Total Cost of Closed Claims}}{\text{Total Number of Closed Claims}}$ |
| Cost per FTE | $= \frac{\text{Total Active Claim Costs}}{\text{Total Number of FTEs Covered for WC}}$ |
| Indemnity Claim Incidence per 100 FTEs | $= \frac{\text{Total Number of New WC Indemnity Claims}}{\text{Total Number of FTEs Covered for WC}} \times 100$ |
| Indemnity Costs per Closed Claim | $= \frac{\text{Total Indemnity Costs of Closed Indemnity Claims}}{\text{Total Number of Closed Indemnity Claims}}$ |
| Indemnity Costs per FTE | $= \frac{\text{Total Indemnity Costs for Indemnity Claims}}{\text{Total Number of FTEs Covered for WC}}$ |

EMPAQ® Workers' Compensation Metrics (continued)

| Metric | Calculation |
|---|---|
| Indemnity Costs for Indemnity Claims | $= \frac{\text{Total Indemnity Costs for Indemnity Claims}}{\text{Total Number of Active WC Indemnity Claims}}$ |
| Indemnity Related Medical Costs per Closed Claim | $= \frac{\text{Total Medical Costs of Closed Indemnity Claims}}{\text{Total Number of Closed Indemnity Claims}}$ |
| Indemnity Related Medical Costs per 100 FTEs | $= \frac{\text{Total Medical Costs for Indemnity Claims}}{\text{Total Number of FTEs Covered for WC}} \times 100$ |
| Lost TTD Workdays per 100 FTEs | $= \frac{\text{Total Number of Lost Workdays for TTD Claims}}{\text{Total Number of FTEs Covered for WC}} \times 100$ |
| Lost TTD Workdays per Closed TTD Claim | $= \frac{\text{Total Number of Lost Workdays from Date of Injury for Closed TTD Claims}}{\text{Total Number of Closed TTD Claims}}$ |
| Medical Costs for Indemnity Claims | $= \frac{\text{Total Medical Costs for Indemnity Claims}}{\text{Total Number of Active WC Indemnity Claims}}$ |
| Medical Costs for Medical-Only Claims | $= \frac{\text{Total Medical Costs for Medical-Only Claims}}{\text{Total Number of Active WC Medical-Only Claims}}$ |

EMPAQ[®] Workers' Compensation Metrics (continued)

| Metric | Calculation |
|--|---|
| Medical-Only Claim Incidence per FTE | = $\frac{\text{Total Number of New WC Medical-Only Claims}}{\text{Total Number of FTEs Covered for WC}}$ |
| Medical-Only Costs per Closed Claim | = $\frac{\text{Total Medical Costs for Closed Medical-Only Claims}}{\text{Total Number of Closed Medical-Only Claims}}$ |
| Medical-Only Costs per FTE | = $\frac{\text{Total Medical Costs for Medical-Only Claims}}{\text{Total Number of FTEs Covered for WC}}$ |
| New Indemnity Claim Percentage | = $\frac{\text{Total Number of New WC Indemnity Claims}}{\text{Total Number of New WC Indemnity Claims} + \text{Total Number of New WC Medical-Only Claims}}$ |
| Return-to-Work (RTW) Claim Percentage | = $\frac{\text{Total Number of Claims on RTW Transitional Duty}}{\text{Total Number of Active TTD Claims}}$ |
| Return-to-Work (RTW) Transitional Workdays Percentage | = $\frac{\text{Total Number of Transitional Duty Workdays}}{\text{Total Number of Lost Workdays for TTD Claims}}$ |

Definitions: Cost per FTE

Total Number of FTEs Covered for WC: The total number of U.S.-based full-time equivalent (FTE) employees covered by Workers' Compensation, even if they do not work a standard 8-hour workday. The definition of FTE accounts for the variety of employee types within a company, including part-time workers, those who job share, those with over-time, and those who no longer work for a company.

To calculate the number of FTEs, divide the total number of hours worked by FTEs covered for WC by the number of hours in a standard work year or 2,080 hours.

Total Indemnity Costs for Indemnity Claims: The sum of the indemnity payments made during the reporting period for Workers' Compensation active indemnity claims.

Indemnity costs include wage replacement benefit payments (TTD, TPD, PTD, and PPD) under each state's statutory regulations during the reporting period (and not over the life of the claim). Costs for vocational rehabilitation (VR) and death benefits are included; however, supplemental STD payments and settlement costs are not included.

Total Medical Costs for Indemnity Claims: The total dollar amount paid for the medical payments of active indemnity claims (i.e., claims that had lost time) during the reporting period. If the employee has returned to work and is still receiving medical payments, those payments should be included as well.

Includes claims receiving the following types of indemnity-related payments: wage replacement (TTD, TPD, PTD, and PPD), vocational rehabilitation (VR), and death benefits.

Total Medical Costs for Medical-Only Claims: The sum of the medical payment costs paid during the reporting period for Workers' Compensation active medical-only claims (i.e., claims that had no lost work time.)

Definitions: Claim Incidence

Total Number of New WC Indemnity Claims: The number of newly incurred and approved indemnity (wage-replacement) claims for the reporting period.

Include those claims that were:

- Approved
- Opened and closed during the current period; or
- Opened in the current period, and continued into the subsequent period.
- Cover the following "Indemnity-related" benefits: all Wage replacement costs (Temporary Total Disability, Temporary Partial Disability, Permanent Total Disability, and Permanent Partial Disability), vocational rehabilitation, and death benefits.

Do not include denied and pended claims, nor "incidence only" claims (where there was no reported lost time and no reported payments).

Total Number of New WC Medical-Only Claims: The number of newly incurred and approved Workers' Compensation claims for payment of medical-only benefits during the reporting period.

Include those claims that closed during the reporting period and those that closed in a subsequent period.

Do not include denied and pended claims, nor "incidence only" claims (where there was no reported lost time and no reported payments).

Definitions: Cost per Active Claim

Total Active Claim Costs: Total of all active claim payments paid out during the reporting period (medical payments from medical-only claims PLUS indemnity-related payments from indemnity claims PLUS medical payments from indemnity claims). This includes all claims that were ever active, even for those opened in prior years and/or continuing into the future.

Include the following payments:

- Workers' Compensation indemnity income (i.e., wage replacement) payments;
- Workers' Compensation death benefit payments;
- Workers' Compensation indemnity-related medical payments;
- Workers' Compensation medical-only (payments for cases with no lost time);
- Workers' Compensation settlement costs; and
- Workers' Compensation expense payments associated with the individual claim (i.e., vocational rehab, legal, transcription fees, or investigative fees).

Total Number of Active WC Indemnity Claims: Total number of active Workers' Compensation indemnity claims that received a payment during the reporting period, regardless of when the claim was initially incurred or opened. If a WC claim received an indemnity payment at any time in the claim cycle, it is considered an indemnity claim even if only medical benefits were paid during the reporting period.

Include claims that cover the following "Indemnity-related" benefits: all Wage replacement costs (Temporary Total Disability, Temporary Partial Disability, Permanent Total Disability, and Permanent Partial Disability), vocational rehabilitation, and death benefits.

Do not include denied and pended claims, nor "incidence only" claims (where there was no reported lost time and no reported payments).

Total Number of Active WC Medical-Only Claims: Total number of active Workers' Compensation claims for which only medical benefits were paid during the reporting period. These claims include those, which have never received an indemnity payment, regardless of when the claim was initially incurred or opened

Do not include denied and pended claims, nor "incidence only" claims (where there was no reported lost time and no reported payments).

Total Number of Active WC Claims: Total of all claims that were "ever active" (eligible for payments and where injury was incurred) during the reporting period. This number is the total of all active indemnity and medical-only claims.

- Exclude all denied or pended WC claims.
- Include all claims that were active in the time period, including those that opened in a previous period and/or continued into a following period.

Total Number of Active TTD Claims: The number of ever active Workers' Compensation claims for which temporary total disability (TTD) benefits were paid during the reporting period, regardless of date incurred or closed.

Do not include denied and pended claims, nor "incidence only" claims (where there was no reported lost time and no reported payments).

Definitions: Cost per Closed Claim

Total Costs of Closed Claims: The total cost for claims closed during the reporting period, including all costs that were incurred throughout the life of a claim (even for claims opened in a previous reporting period.)

This cost will capture all costs incurred from the date of injury through the closure of the claim, including:

- Workers' Compensation indemnity income (i.e., wage replacement) payments;
- Workers' Compensation death benefit payments;
- Workers' Compensation indemnity-related medical payments;
- Workers' Compensation medical-only (payments for cases with no lost time);
- Workers' Compensation settlement costs; and
- Workers' Compensation expense payments (such as fees for transcriptions and outside investigators, legal costs not related to settlement, etc.)

Total Number of Closed Claims: The total number of claims closed during the reporting period based on closed claim date, including all claim categories, regardless of when the claim was initially opened (e.g., even if they were opened in a previous period.)

Do not include denied and pended claims, nor "incidence only" claims (where there was no reported lost time and no reported payments).

Total Indemnity Costs of Closed Indemnity Claims: The dollar amount paid for all indemnity-related payments of Workers' Compensation claims that closed in the reporting period, regardless of the year paid. Also includes the following types of indemnity-related claims payments: wage replacement (for TTD, TPD, PTD, or PPD), vocational rehabilitation, and death benefits.

Total Medical Costs of Closed Indemnity Claims: The sum of the medical payments made during the life of the claim for indemnity claims closed during the reporting period, regardless of the year paid. Includes medical payments associated with claims receiving the following types of indemnity-related payments: wage replacement (for TTD, TPD, PTD, and PPD), vocational rehabilitation, and death benefits.

Total Number of Closed Indemnity Claims: The number of Workers' Compensation indemnity claims that closed during the reporting period, regardless of when the claim was initially opened. If a WC claim received an indemnity payment at any time in the claim cycle, it is considered an indemnity claim.

Includes claims receiving the following types of indemnity-related payments: wage replacement (including TTD, TPD, PTD, PPD), vocational rehabilitation, and death benefits. Do not include denied and pended claims, nor "incidence only" claims (where there was no reported lost time and no reported payments).

Total Medical Costs of Closed Medical-Only Claims: The sum of the medical payments made during the life of the claim for Workers' Compensation medical-only claims closed during the reporting period, regardless of the year paid.

Total Number of Closed Medical-Only Claims: The number of Workers' Compensation claims closed during the reporting period (and for which only medical benefits were paid during the life of the claim), regardless of when the claim was initially incurred or opened. Do not include denied and pended claims, nor "incidence only" claims (where there was no reported lost time and no reported payments).

WC Settlement Costs: The additional costs negotiated to resolve or "settle" a Workers' Compensation claim.

Definitions: Lost Time

Total Number of Lost Workdays for TTD Claims: The total number of lost workdays associated with all temporary total disability (TTD) claims during the reporting period. If there is an elimination period required before the TTD benefits are payable, exclude the elimination period days in the count.

If the STD plan supplements the statutory Workers' Compensation wage replacement benefits, then include the following:

- Lost workdays should only be counted once as Workers' Compensation days.
- If an employee has an approved Workers' Compensation indemnity claim that is supplemented by STD benefits, the lost workdays should only be attributed to the Workers' Compensation claim.
- If the Workers' Compensation claim is closed, but the individual continues to receive STD benefits, the STD workdays incurred after the claim closes would be counted as STD lost workdays.

Total Number of Lost Workdays from Date of Injury for Closed TTD Claims: The total of all lost temporary total disability (TTD) workdays for claims closed during the reporting period based on closed claim date. Include all lost workdays from the date of injury (regardless of year incurred) through the date the claim closed.

Total Number of Closed TTD Claims: The number of closed Workers' Compensation claims for which temporary total disability (TTD) benefits were paid during the reporting period based on closed claim date, regardless of when the claim was initially opened. Do not include denied and pended claims.

Definitions: Return-to-Work (RTW)

Total Number of Claims on RTW Transitional Duty: The number of temporary total disability (TTD) claims where an employee has returned to work (RTW) in a reduced-hours or restricted capacity. This includes anyone who returned to work on transitional duty from a TTD claim anytime in the reporting period, irrespective of the claim origination date.

Exclude claims where an employee returned to work in a prior period, but the employee is still on restricted duty in the current reporting period.

Include any claims in the following categories:

- Full-Time, Restricted, Permanent
- Full-Time, Restricted, Temporary
- Reduced Hours, Restricted, Permanent
- Reduced Hours, Restricted, Temporary

Total Number of Transitional Duty Workdays: The total number of transitional workdays during the reporting period associated with active temporary total disability (TTD) claim when an employee returns to work in a "transitional capacity" (any case in which an employee who has returned to work in any capacity other than full-time, unrestricted).

Include claims that were closed in a prior period, with the employee still on restricted duty in the current reporting period.

For transitional duty workdays that involve reduced hours, count each partial day as one day in the total.

Other Helpful Definitions

Active Claim: Synonymous with Open Claim—Refers to a claim which has not been settled, with an expectation that further payments will be made.

The following categories are available for Active Claims in the reporting period:

- Claims incurred in the prior period, and paid and closed in current period;
- Opened and closed during the current period;
- Opened in the current period, and continued into the subsequent period; and
- Opened in the prior period, remained active in current period, and continued into the subsequent period.

Active claims do not include denied and pended claims, nor "incidence only" claims (where there was no reported lost time and no reported payments).

Approved Claim: The claims that have been reviewed for benefit determination and payments have been approved under the plan provisions.

Closed Claim: The claims that have been closed during the reporting period based on either a full return to work or an expiration of benefits. A Closed Claim means that there are no more payments to be made under the plan provisions. Excludes denied and pended claims.

Indemnity Claims: This refers to work-related injuries or illnesses involving missed work time. Costs include both medical care and wage replacement. Note: A claim may start out as medical-only (the employee did not initially miss work) and later become an Indemnity Claim if the employee has lost time due to the work-related illness/injury. Once an employee loses time from work, the claim is classified as an Indemnity Claim. Within the category of Indemnity Claims, there are four different types of lost time claims.

- Temporary Total Disability (TTD)
- Temporary Partial Disability (TPD)
- Permanent Total Disability (PTD)
- Permanent Partial Disability (PPD)

Medical-Only Claims: This refers to work-related injuries or illnesses involving no lost work days during the life of the claim. Medical care constitutes the primary costs.

New Claim: This refers to a newly received claim that has been reported for the determination of benefits under the plan provisions during the reporting period. New Claims are opened when:

- The employee has not previously experienced a recorded injury or illness of the same type that affects the same part of the body; or
- The employee previously experienced a recorded injury or illness of the same type that affected the same part of the body but had recovered.

Return to Work (RTW): A claimant returns to the company in partial duty, temporary duty or full-time, regular job. The claimant is no longer fully disabled and unable to perform some duty/job at the work location. Once an employee has returned to work in some capacity, chances are good that the Workers' Compensation/disability benefits will eventually end.

Temporary Total Disability (TTD): A type of Workers' Compensation indemnity claim in which the worker is completely disabled for a temporary period of time.