

Some Workers Compensation Basics Response to Customer Review Panel Request for Information

Definitions

Workers Compensation has three possible components of costs: Medical, Time Loss Pay, and Ordinance Pay. Each of these is defined below.

Medical Claims are claims to pay for the employee's medical costs (doctor's visits, cost of medical procedures, physical therapy, etc.)

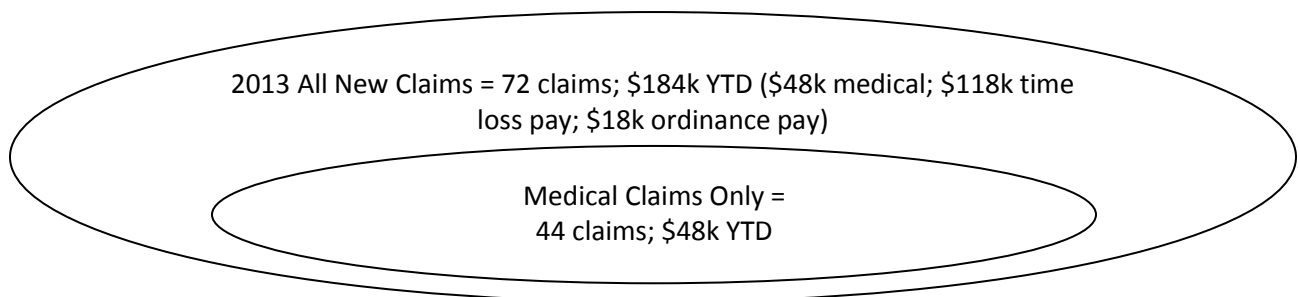
Time Loss Pay, also called **Provisional Pay/State Pay**, is received with an employee is injured on the job and has obtained medical certification that he or she is unable to work. The first three days of time loss are charged as sick leave; remaining days are charged as time loss pay (if the employee is absent for more than 14 days, the first three days are changed from sick leave to time loss pay).

Time loss pay is a percentage of the employee's wages based upon family status and number of dependents at the time of injury. A single worker with no dependent children receives 60% of their gross monthly wage. An additional 5% is added for a spouse; an additional 2% is added for each dependent child, up to five children.

Ordinance Pay, per Seattle Municipal Code 4.44.020, gives benefited employees (not temporary employees) on time loss pay an additional pay increment such that total pay received is 80% of gross salary. This remains in effect for up to 2088 hours (261 days) – after that, if the employee is still off work, he or she reverts back to time loss pay only.

Illustration of the Three Cost Components at SPU in 2013

The Figure below shows new claims at SPU in 2013, from January 1 through July 31. Year-to-date, there are 72 new claims – 44 are medical only; 28 include time loss pay. There are no new claims in 2013 that had time loss pay but not ordinance pay.



Five Years of Workers Compensation Data at Seattle Public Utilities

Information Type	2008	2009	2010	2011	2012
# Claims					
# New Claims	129	118	150	122	134
Costs					
Medical Claims Costs only	\$ 82,218	\$ 76,327	\$73,957	\$ 104,621	\$ 98,289
Time Loss Claims Costs	\$ 654,204	\$ 836,975	\$832,752	\$ 626,493	\$ 466,999
Total Medical + Time Loss Costs	\$ 1,067,125	\$ 1,387,636	\$1,471,927	\$ 1,258,556	\$ 1,342,019
Total Cost of all claims	\$1,149,343	\$1,463,963	\$1,545,884	1,363,117	232,308

Comparisons with Seattle City Light

Metric	Seattle Public Utilities	Seattle City Light
% of Employees with Workers Comp Claim in 2012	9%	9%
% of Claims with Time Loss in 2012	50%	65%
Average Cost of Medical Only Claims, 2008-2012	\$1,974	\$1,337
Average Cost of Time Loss Claims, 2008-2012	\$52,406	41,873
Average Annual Workers Comp Costs per Employee, 2008-2012	13,974	32,684

Work Underway in SPU

SPU staff in the Risk and Quality Assurance Division are assessing SPU's Worker's Compensation program, including roles and responsibilities, business processes, benchmarking, and data analysis. This work will be completed mid-year 2014.