

2020 Annual Report



Workers' Disability Compensation Agency



Gretchen Whitmer, Governor
State of Michigan

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Department of Labor and Economic Opportunity

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Workers' Disability Compensation Agency

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Overview

Prior to the initial enactment of workers' compensation law in Michigan in 1912, there were few social safety nets or other insurance programs to protect the worker or their dependents. A worker who was injured in the course of his or her employment could sue the employer in a civil or "tort" action. Court action was the same remedy available to



any person injured under other circumstances. Pursuing a civil action for tort remedy such as negligence, however, has certain problems. It requires the worker prove that the injury occurred because the employer was negligent. The employer could then assert one or more of three important defenses: (1) that the worker was also negligent, (2) that the worker knew of the dangers involved and "assumed the risk," or (3) that the injury occurred because of the negligence of a "fellow employee." Under this system it was very difficult and costly for workers to recover against their employers. If they did win, however, they could receive damages similar to other civil actions such as non-economic losses (pain and suffering, loss of consortium) with little means for the employer to predict the outcome.

In 1912 Michigan, with the rise of industrialization and developments in tort law, along with most other states, adopted a Workmen's Compensation Act. The new remedy was essentially a "no-fault" system under which a worker no longer had to prove negligence on the part of the employer, and the employer's three indicated defenses were eliminated. The intent of the new law was to require an employer to compensate a worker for any injury suffered on the job without regard to questions of fault.

With its passage, the workers' compensation law became Michigan's first "tort reform" legislation. In exchange for the simplified burden of proof and elimination of the common law tort defenses indicated above, injured workers are now entitled only to (1) certain wage loss benefits, (2) medical treatment subject to cost containment rules, and (3) limited vocational rehabilitation services. Recovery under workers' compensation is limited to these three areas, no matter how serious the injury. There is no pain and suffering compensation. There are no jury trials.

The cases are adjudicated by the appointed Workers' Compensation Board of Magistrates and the first level of appeal is to another appointed body, the Workers' Disability Compensation Appeals Commission. Beyond the administrative adjudication, appeals to the Court of Appeals and Supreme Court are only by leave granted. Employers are protected from most other injury claims by employees since the benefits under the Workers' Disability Compensation Act are deemed to be the employee's "exclusive remedy."

Nearly all employers in Michigan are covered by workers' compensation. This includes both public and private employers. In fact, when talking about workers' compensation, it is easier to discuss the exceptions. There are a few classes of workers who are covered by federal laws and are not covered by the Workers' Disability Compensation Act of Michigan. Employees of the federal government (such as postal workers, employees at a veteran's administration hospital, or members of the armed forces) are covered by federal laws. People who work on interstate railroads are covered by the Federal Employers Liability Act. Seamen on navigable waters are covered by the Merchant Marine Act of 1920, and people loading and unloading vessels are covered by the Longshoremen's and Harbor Workers' Compensation Act. Virtually all other workers and employers are subject to Michigan's law.

Certain very small employers are exempt. If a private employer has three or more employees at any one time or employs one or more workers for 35 or more hours per week for 13 or more weeks, the employer is subject to the Workers' Disability Compensation Act (Section 115). Larger financially sound employers may be approved as self-insurers and smaller employers in like industries may be approved for participation in one the Agency approved group self-insurer programs. Special arrangements may be approved for major construction projects to allow for single coverage of all employees on a specific site.

2020 Highlights

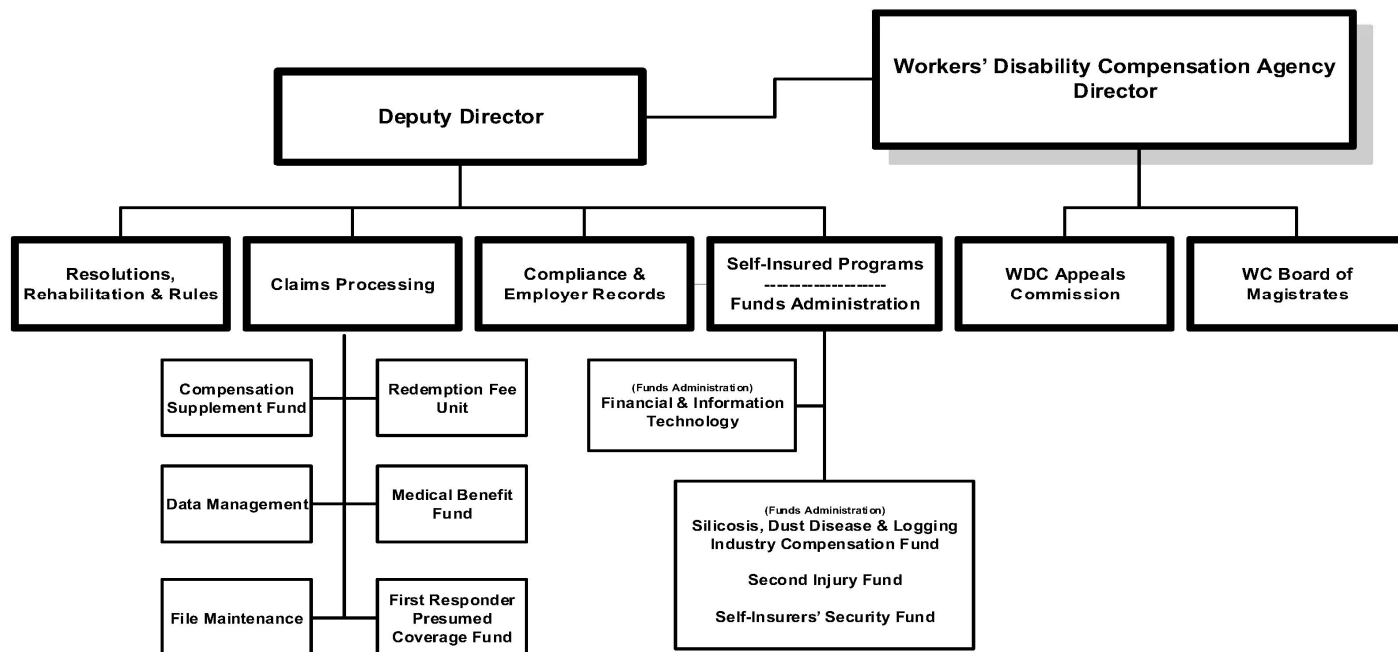
- Use of the word “unprecedented” more frequently than ever before.
- Adjusted agency operations to maintain functioning while in the midst of the Covid-19 Pandemic.
- Maintained statutorily mandated processes and high level of customer service while over 90% of the staff participated in remote work.
- Installed new dictation software for the Board of Magistrates substantially reducing operational costs.
- Established emergency rule creating presumption facilitating proof of work relationship for first response employees making claims for workers’ disability compensation benefits as a result of COVID-19 exposure while performing job duties.
- Updated digital court reporting system and installed video conferencing software to facilitate handling contested claims through use of electronic conferencing for all matters before the magistrates including trials.
- Implemented secure electronic document filing.
- Participated in development of LEO departmental re-opening plans.
- Continued development of “WORCS 2.0,” the replacement for the antiquated agency data system.
- Continued updates to the Agency general rules, health care services rules and creation of new rule sets for the Board of Magistrates and Appeals Commission in light of the executive reorganization of the adjudication process for Workers’ Disability Compensation cases.
- Passage of both the Lawful Sports Betting Act and the Lawful Internet Gaming Act which can provide limited funding for the First Responder Presumed Coverage fund.

What to look for in 2021

- Expansion of electronic filing.
- Increased use of video conferencing technology for virtual hearings of contested cases.
- Implementation of WORCS 2.0 data system.
- Safe return of staff to on-site working.
- Safe re-opening of hearing sites for in-person hearings.
- Legislative action to expand the eligibility for benefits from the First Responder Presumed Coverage fund to include fire/crash rescue officers, part-time paid on-call and volunteer firefighters and an addition ovarian, breast and non HPV cervical cancers.

Organization Chart

Workers' Disability Compensation Agency



How to Contact Us

The agency is located at:

Michigan Dept. of Labor and Economic Opportunity
Workers' Disability Compensation Agency
2501 Woodlake Circle
Okemos, Michigan 48864

The mailing address is:

Michigan Dept. of Labor and Economic Opportunity
Workers' Disability Compensation Agency
P.O. Box 30016
Lansing, Michigan 48909

Telephone (toll free): 888-396-5041

Website address: www.michigan.gov/wdca

Administration

The mission of the Workers' Disability Compensation Agency is to efficiently administer the Workers' Disability Compensation Act of Michigan and provide prompt, courteous and impartial service to all customers.

Workers' compensation is the system used to provide wage replacement, medical, and rehabilitation benefits to workers who suffer a work-related injury. Unlike some states that operate a fund for payment of benefits, the State of Michigan does not ordinarily pay workers' compensation benefits. Most employers in Michigan purchase an insurance policy from a private insurance company or they are authorized to operate as self-insurers.

Nearly all employers in Michigan are subject to the Workers' Disability Compensation Act. The law requires that every covered employer must provide some way of assuring that benefits are paid to its workers if they become injured while on the job. Most employers do this by purchasing an insurance policy from a private insurance company.

Goals:

- ◆ Ensure that employees that have suffered a work-related injury or occupational disease are provided correct wage loss replacement, medical and vocational rehabilitation services during periods of disability, and that the benefits are paid timely and accurately.
- ◆ In conjunction with the participants in the system, provide leadership to ensure more efficient regulation and delivery of workers' compensation benefits.
- ◆ Coordinate with the WC Board of Magistrates and WDC Appeals Commission on the handling of contested claims through their informal and formal dispute resolution process for employers, insurance carriers, injured workers, and health care providers.
- ◆ Monitor compliance with the agency's Health Care Services Rules (cost containment fees) to ensure that the cost of providing health care services to injured workers remains reasonable and that injured workers have access to quality health care statewide.
- ◆ Monitor the financial position of all individual and group self-insurers to ensure their ability to meet future payment of benefits on a timely basis.
- ◆ Maintain a historical insurance coverage record system for the more than 295,318 active employers subject to the Workers' Disability Compensation Act.
- ◆ Monitor and enforce employers' compliance with the requirements for insurance coverage.
- ◆ Maintain agency records in accord with statutory requirements and in compliance with state general archive requirements.

The Workers' Disability Compensation Agency website contains a variety of information, forms, documents and statistics regarding the agency and its functions. The address is www.michigan.gov/wdca.

Claims Processing

The Claims Processing Division maintains a current and historical claims/case records system. Its objective is to ensure that employees that have suffered work related injuries are provided correct wage loss replacement and that both voluntary claims and litigated cases are processed in a timely manner.

This division performs a variety of functions relating to workers' compensation claims. The program is broken down into six major sections:

- ❖ ***Compensation Supplement Fund*** - The Compensation Supplement Fund was established to provide a cost-of-living adjustment to workers who were injured between 9/1/65 and 12/31/79. The staff reviews and processes all applications for reimbursement submitted by insurers and self-insurers on a quarterly basis. In 2020, the Compensation Supplement Fund reimbursed insurers and self-insurers \$1,157,940.07 for supplemental benefits paid on 630 claims.
- ❖ ***Data Management*** - The Data Management section is responsible for reviewing, evaluating and data entering all claims forms required by the statute. The staff also manually audits all opinions, orders and voluntary pay agreements as well as certain forms that cannot be audited by the system. In 2020, the staff data entered 94,481 claims forms.
- ❖ ***File Maintenance*** - The File Maintenance staff prepares all agency mail for scanning or digital imaging (which includes automatic date stamping). The preparation includes opening, sorting, screening, downloading through File Transfer Service (FTS) and matching agency forms and correspondence. In addition, this section is responsible for scanning all agency mail. In 2020, the section processed 443,511 forms and correspondence relating to claim, case and insurance records. This section is also responsible for housing and maintaining workers' compensation cases that are in open payment status. In addition, the staff prepares closed files for Records Center and recalls them when necessary. In 2020, approximately 5,666 claims/cases were retired.

- ❖ ***First Responder Presumed Coverage Fund (FRPCF)*** - The First Responder Presumed Coverage Fund (FRPCF) is a fund that became legislative law effective January 14, 2015. The FRPCF was created to examine, audit and determine the presumptive cancer coverage of injured full-time fire fighters and their eligibility for benefit payments as provided in Sections 418.405 and 418.315 of the Workers' Disability Compensation Act.

In accordance with the provisions outlined in Section 418.405 of the WDCA, in order to submit an application for wage loss and/or medical benefits, the employee must be a member of a fully paid fire department or public fire authority and be compensated on a full-time basis; have been employed for 60 months or more in the active service of the department or public fire authority; must be diagnosed with any respiratory tract, bladder, skin, brain, kidney, blood, thyroid, testicular, prostate or lymphatic cancer; must be employed in the active service of the department or public fire authority at the time the cancer manifests itself, and be exposed to the hazards incidental to fire suppression, rescue or emergency medical services in the performance of his or her work related duties; and the employee must first apply for and do all things necessary to qualify for any pension benefits to which he or she may be entitled to. The FRPCF will expend or make payment of benefits from the fund only for the purpose for paying claims as prescribed and authorized under Sections 418.405(2) and 418.405(7).

The First Responders Presumed Coverage Fund received 8 new applications for benefits in 2020. Total benefits paid by the Fund from January 1, 2020 through December 31, 2020 totaled \$379,039.22.

- ❖ ***Medical Benefits Fund*** - The Medical Benefits Fund was established to reimburse insurance carriers that continue to pay medical benefits awarded an injured employee while the magistrate's decision is appealed. If case results in the award being affirmed, the carrier will provide all medical benefits due under the provisions of the award, less any benefits already provided for. If the award is overturned, the carrier will be reimbursed from the Medical Benefits Fund for the amount of expenses incurred providing the medical benefits during the appeal process. Medical benefits will be provided as of the date of the award and will continue until final determination of the appeal or for a shorter period if specified in the award.
- ❖ ***Redemption Fees/FOIA/Subpoena/Human Resources/Finance/Budget*** - This section is responsible for auditing and collecting all redemption fees. In 2020, \$772,800 in Redemption Fees was collected. This section also processes all FOIA and Subpoena requests for the agency. In 2020 the agency received 2,130 FOIA requests and 1,537 Subpoena requests. This unit also handle human resource functions, finance and budget requests.

Compliance and Employer Records

The Compliance and Employer Records Division works to ensure that all employers subject to the Michigan Workers' Disability Compensation Act have complied with the requirements by securing workers' compensation coverage either through a policy of insurance or through approved self-insured authority.

The division maintains the current and historical record system for over 295,318 employers. This includes coverage records on self-insurers, employers with insurance, and employers who have excluded themselves from the Act. In addition, this division has the responsibility to enforce employers' compliance with insurance requirements of the statute.

The major objectives of this program are:

- To keep an accurate insurance coverage record;
- To identify the responsible insurance carriers for employers listed on applications for mediation or hearing;
- To communicate with those employers who fail to maintain insurance coverage, using the civil process to enforce such compliance if the employer fails to comply even after being advised of the requirements of the statute by division staff.

Since 1983, workers' compensation insurance premiums in Michigan have been set in the marketplace. This means that different insurance companies charge different premiums. Research done by the insurance commissioner suggests that employers should "shop around" for the best deal on insurance. All workers' compensation insurance policies provide the same coverage. However, some cost more than others and some companies provide more services than others. Employers should shop for the best price and the most service from their workers' compensation insurance company.

In addition, the agency has been penalizing employers when they allow their workers' compensation coverage to lapse. To date, the agency has collected approximately 5 million in fines as a result of these lapses in coverage.

Self-Insured Programs

The Workers' Disability Compensation Act permits employers to request authority to self-insure and assume responsibility for direct payment of benefits to injured workers. The Act also permits providers of claims adjusting, underwriting and loss control services to apply and be approved by the agency to provide these services to approved self-insurers.

Two types of self-insured authority are permitted by the Act. Individual employers may be approved as self-insurers or, two or more employers in the same industry may apply for group self-insured authority. Statutory requirements, administrative rules and agency policy require annual renewal applications and various monitoring and approval tasks throughout the year.

Self-Insured Programs conducts initial regulatory reviews on employer self-insured applications and in the formation of group self-insured programs; provides guidance through the approval, formation, and review process; and issues decisions that detail the required security and exposure limiting devices based on statutory authority and the agency's established policy. Initial and annual regulatory reviews are also conducted on service company applications. The staff works to resolve all issues and disputes generated by self-insured employers by telephone, informal meetings and through the formal hearing process. The division also provides information to the public relevant to self-insured concepts and notifies self-insured employers and other interested parties of changes in the statute, administrative rules, and departmental policy.

This division also provides final approval for distributions of surplus funds not needed to pay claims or administrative expenses to members of approved group self-insured programs. This process requires the review and assessment of documents provided in support of the specific request made by the group programs. Surplus return authorizations range between \$70,000,000 and \$80,000,000 on average annually. These are funds returned to the members of the various groups, pursuant to the bylaws and operating procedures, reducing the cost of their workers' compensation program in Michigan and therefore reducing their overall business costs.

Resolutions, Rehabilitation and Rules (R3)

The R3 Division performs a wide variety of functions mandated in sections 418.315 and 418.319 of the Workers' Disability Compensation Act of 1969, as amended. These sections are essential to keeping injury-related medical care costs in Michigan among the lowest in the country and overseeing the application of vocational rehabilitation services to Michigan's injured workers.

Health Care Services (HCS) functions include: (1) Rule Development, Review and Revision, (2) Evaluation, (3) Carrier Review & Data Reporting, and (4) Information and Education. Here is a brief summary of each category:

♦ *Rule Development, Review and Revision* - The Act and the Workers' Compensation Health Care Services Rules identify policies for coverage and reimbursement to health care providers. Health care trends and policies are researched and developed by staff and Health Care Services (HCS) Advisory Committee members in accordance with nationally recognized standards of practice and reimbursement methodologies. Practitioner reimbursement is based upon resource-based relative value scale (RBRVS).

♦ *Evaluation* - The evaluation process consists of compiling carrier data and analyzing charges, payments, health care procedures and medical diagnosis along with direct feedback from employers, healthcare providers, employee reps and payors during bi-monthly advisory committee meetings. The results of the feedback and data analysis are used to decide reimbursement levels, utilization parameters, and rules updates. Provider and carrier compliance is also monitored through the case samples and billing reports provided by these parties upon request or as a function of the mediation process.

♦ *Carrier's Review Certification & Data Reporting* - The healthcare services online reporting system allows for web-based submission of a carrier's professional healthcare review program application and annual medical payment report as required by HCS Rules. The system emails an annual filing reminder to the carriers and service companies and has significantly decreased both staff and customer hours used for filing and processing of paperwork. A carrier's professional review process is certified by staff to assure that appropriate medical review criteria are utilized according to rule requirements. Carriers must also attest that professional review staff are licensed and certified as required by Workers' Compensation Health Care Services Rules.

♦ *Information and Education* - The R3 team responds to numerous telephone and written inquiries for assistance, ranging from legislative constituent concerns, clarification of statute and rules, and assistance in resolving differences between carriers and providers. Team members provide educational seminars regarding the application of the rules, billing procedures, carrier and provider responsibilities and statutory rights.

The Vocational Rehabilitation division provides oversight of vocational services for Michigan's injured workers, as well as review and approval of vocational rehabilitation service providers, and informal dispute resolution. When there are disputes, the vocational hearing process begins with an application for mediation or hearing submitted to the Agency by any party. The director can refer the

dispute to one of his/her representatives to conduct an initial vocational rehabilitation hearing. The goal of this initial, informal hearing is to facilitate a voluntary agreement between the parties regarding the appropriate course of vocational rehabilitation for the injured worker. If the parties cannot reach an agreement, the director will hold a formal hearing, and a record will be made.

Another key segment of the R3 Team is the contested case division, which handles contested/litigated case processing functions for the Agency. In 2020, this division administered close to 15,000 case file actions, including the processing of case openings, closings, redemption orders, and magistrate dispositions.

The R3 Team provides Alternative Dispute Resolution (i.e. Mediation) services on specified statutory, vocational, and health care cases in an effort to resolve issues between the parties prior to scheduling on the trial docket. In 2020, over 1,700 mediation hearings were held. Dispute resolution services are consistently able to resolve 96% of health care disputes, and 36% of statutory dispute issues annually.

A customer service 1-800 line, provides callers such as claimants, insurance adjusters, attorneys, and others, direct phone contact with an R3 and/or Agency team member. The agency's 800-line received 11,000 calls during 2020.

Finally, the R3 Team manages the rule promulgation process for all Agency divisions, which includes rule updates, additions, or rescissions as necessary. This past year rules sets were updated for the Workers' Disability Compensation Agency General Rules, the Workers' Disability Compensation Commission General Rules, the Workers' Disability Compensation Agency Board of Magistrates General Rules, and the Health Care Services Ruleset.

Funds Administration

The Funds Administration Division consists of the Second Injury Fund; the Silicosis, Dust Disease and Logging Industry Compensation Fund; and the Self-Insurers' Security Fund. The Funds, created in Chapter 5 of the Workers' Disability Compensation Act, are managed by a board of trustees. The board is made up of two trustees that are appointed by the Governor with the advice and consent of the Senate. The first represents employers authorized to act as self-insurers in Michigan and the second represents the insurance industry. The third trustee is the director of the Workers' Disability Compensation Agency.

The Funds Administration is 100% funded by insurers who write workers' compensation policies in the state of Michigan, and employers who self-insure their workers' compensation risk. These assessments cover all benefits paid and all administrative costs incurred by the Funds Administration.

During 2020 the Funds Administration handled 1,116 cases and ended the calendar year with 1,066 open files. Detailed information regarding the Funds Administration can be found in the Funds Administration Overview located on the Workers' Disability Compensation Agency's web site at www.michigan.gov/wdca.

Workers' Compensation Board of Magistrates

Section 213 of Public Act 103 of 1985 authorizes the Workers' Compensation Board of Magistrates. By statute, the Board of Magistrates originally consisted of 30 members appointed by the Governor and confirmed by the Senate, and responsible for hearing and deciding contested cases filed after March 31, 1986.

In 2011, the Board of Magistrates was transferred to the Michigan Office of Administrative Hearings and Rules until 2019 when Executive Order 2019-13 created the Workers' Compensation Board of Magistrates transferring the Board back to the Workers' Disability Compensation Agency (WDCA). The Workers' Compensation Board of Magistrates remains an independent agency with oversight by the WDCA.

Each magistrate must be a licensed attorney in Michigan, and either pass an exam or have five years of experience in workers' compensation. A magistrate cannot be reappointed after serving a total of 12 years.

Magistrates decide claims at the formal hearing level of the contested claims process of the workers' compensation system. All resolutions require a formal written order or opinion with findings of fact and conclusions of law. Parties to a decision may stipulate to modify or correct a decision within 30 days.

Additionally, the board is responsible for hearing any dispute meeting the requirements for the Small Claims Division established under Section 841 of Public Act 103 of 1985. The magistrates must also approve the settlement of Workers' Compensation claims by conducting Redemption hearings.

Workers' Disability Compensation Appeals Commission

The Workers' Disability Compensation Appeals Commission was created by Executive Order 2019-13 within the Workers' Disability Compensation Agency. Its mission is to judiciously serve Michigan's employees, employers, and insurers by expeditiously addressing and impartially resolving appeals of disputed decisions by the Board of Magistrates and the Director involving workers' compensation benefits.

Commissioners are appointed by the governor, with advice and consent from the Senate. All current commissioners have extensive experience handling workers' compensation appeals.

The Commission's review of a magistrate's decision is limited. It can only reverse a magistrate's findings of fact if those findings are not supported by competent, material, and substantial evidence based upon a review of the entire record. The Commission can fully review any legal findings a magistrate may make. Only findings specifically appealed can be reviewed. Opinions are available from a link on the [Commission's website](#).

Parties who do not agree with an opinion rendered by the Appeals Commission may seek an appeal to the Michigan Court of Appeals, and later the Michigan Supreme Court. However, such an appeal is not automatic; a court must grant "leave" to appeal before they will consider a case.

During 2020, the Commission authorized electronic filing via the Michigan Transfer File Service ("FTS"). In addition to reviewing appeals and rendering opinions and orders, it began work on new administrative rules. Operations were significantly affected by COVID-19, which resulted in the commissioners and staff largely working remotely, communicating via telephone, email, and virtual meetings in order to accomplish their work. This will continue into 2021.

The Commission is located at:

Workers' Disability Compensation Appeals Commission
525 West Allegan Street, Atrium Level, North Tower
Lansing, MI 48933

The mailing address is:

Workers' Disability Compensation Appeals Commission
P.O. Box 30468
Lansing, MI 48909

Other Important Information:

Phone: 517-284-9312
Fax: 517-284-5391
Email: LEO-WDCAC@michigan.gov
Website: michigan.gov/wdcac
FTS Mailbox: WCMIWDCAC

Statistics & Charts

**MI DEPT OF LABOR AND ECONOMIC OPPORTUNITY
WORKERS' DISABILITY COMPENSATION AGENCY
State Average Weekly Wage Chart**

Page 1 of 2

| Year | SAWW | 90% of SAWW (Maximum) | 2/3 of SAWW* | 50% of SAWW (Minimum Benefit for Death Cases) | 25% of SAWW (Minimum Benefit for Specific Loss and T&P) |
|-------------|-------------|----------------------------------|---------------------|--|--|
| 2021 | 1083.33 | 975.00 | 722.22 | 541.67 | 270.83 |
| 2020 | 1037.10 | 934.00 | 691.40 | 518.55 | 259.28 |
| 2019 | 1022.92 | 921.00 | 681.95 | 511.46 | 255.73 |
| 2018 | 999.31 | 900.00 | 666.21 | 499.66 | 249.83 |
| 2017 | 965.62 | 870.00 | 643.75 | 482.81 | 241.41 |
| 2016 | 935.00 | 842.00 | 623.33 | 467.50 | 233.75 |
| 2015 | 910.71 | 820.00 | 607.14 | 455.36 | 227.68 |
| 2014 | 893.44 | 805.00 | 595.63 | 446.72 | 223.36 |
| 2013 | 886.56 | 798.00 | 591.04 | 443.28 | 221.64 |
| 2012 | 860.34 | 775.00 | 573.56 | 430.17 | 215.09 |
| 2011 | 823.35 | 742.00 | 548.90 | 411.68 | 205.84 |
| 2010 | 828.73 | 746.00 | 552.49 | 414.37 | 207.18 |
| 2009 | 834.79 | 752.00 | 556.53 | 417.40 | 208.70 |
| 2008 | 820.04 | 739.00 | 546.69 | 410.02 | 205.01 |
| 2007 | 803.17 | 723.00 | 535.45 | 401.59 | 200.79 |
| 2006 | 784.31 | 706.00 | 522.87 | 392.16 | 196.08 |
| 2005 | 765.12 | 689.00 | 510.08 | 382.56 | 191.28 |
| 2004 | 744.49 | 671.00 | 496.33 | 372.25 | 186.12 |
| 2003 | 724.96 | 653.00 | 483.31 | 362.48 | 181.24 |
| 2002 | 715.11 | 644.00 | 476.74 | 357.56 | 178.78 |
| 2001 | 714.46 | 644.00 | 476.31 | 357.23 | 178.62 |
| 2000 | 678.23 | 611.00 | 452.15 | 339.12 | 169.56 |
| 1999 | 644.06 | 580.00 | 429.37 | 322.03 | 161.02 |
| 1998 | 614.10 | 553.00 | 409.40 | 307.05 | 153.53 |
| 1997 | 591.18 | 533.00 | 394.12 | 295.59 | 147.80 |
| 1996 | 581.39 | 524.00 | 387.59 | 290.70 | 145.35 |
| 1995 | 554.22 | 499.00 | 369.48 | 277.11 | 138.56 |
| 1994 | 527.29 | 475.00 | 351.53 | 263.65 | 131.82 |
| 1993 | 506.80 | 457.00 | 337.87 | 253.40 | 126.70 |
| 1992 | 489.01 | 441.00 | 326.01 | 244.51 | 122.25 |
| 1991 | 477.40 | 430.00 | 318.27 | 238.70 | 119.35 |
| 1990 | 474.22 | 427.00 | 316.15 | 237.11 | 118.56 |
| 1989 | 454.15 | 409.00 | 302.77 | 227.08 | 113.54 |
| 1988 | 440.77 | 397.00 | 293.85 | 220.39 | 110.19 |
| 1987 | 433.91 | 391.00 | 289.27 | 216.96 | 108.48 |
| 1986 | 414.70 | 374.00 | 276.47 | 207.35 | 103.68 |

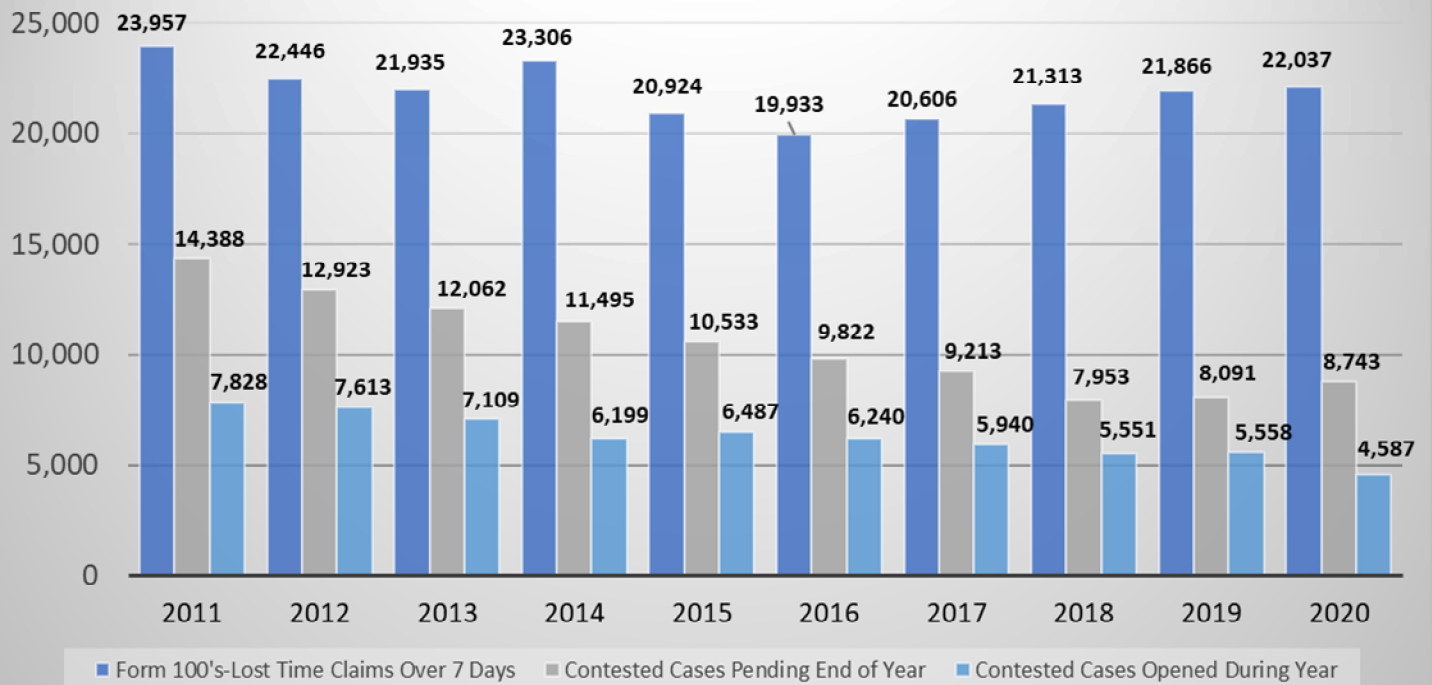
*Discontinued fringe benefits may not be used to raise the weekly benefits above this amount.
Attorney fees may not be based on a benefit rate higher than this amount.

**MI Dept of Labor and Economic Opportunity
WORKERS' DISABILITY COMPENSATION AGENCY
State Average Weekly Wage**

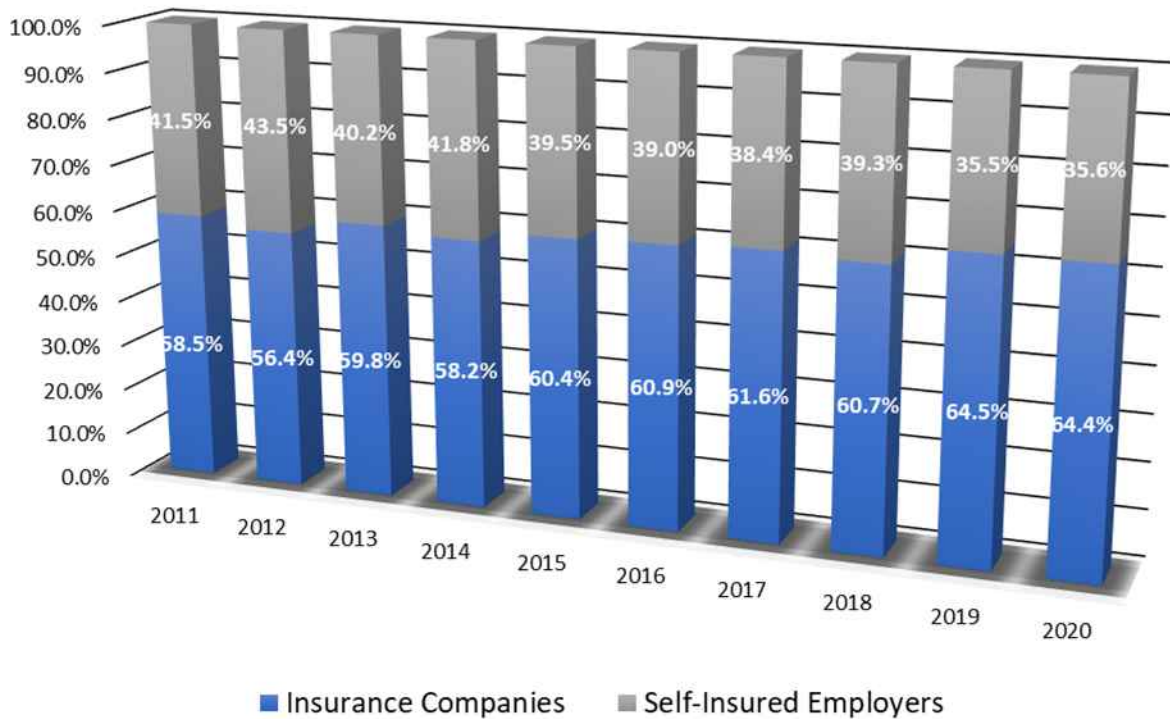
| Year | SAWW | 90% of SAWW (Maximum) | 2/3 of SAWW* | 50% of SAWW (Minimum Benefit for Death Cases) | 25% of SAWW (Minimum Benefit for Specific |
|-------------|-------------|----------------------------------|---------------------|--|--|
| 1985 | 397.48 | 358.00 | 264.99 | 198.74 | 99.37 |
| 1984 | 370.65 | 334.00 | 247.10 | 185.33 | 92.66 |
| 1983 | 358.89 | 324.00 | 239.26 | 179.45 | 89.72 |
| 1982 | 340.45 | 307.00 | 226.97 | 170.23 | 85.11 |

*Discontinued fringe benefits may not be used to raise the weekly benefits above this amount. Attorney fees may not be based on a benefit rate higher than this amount.

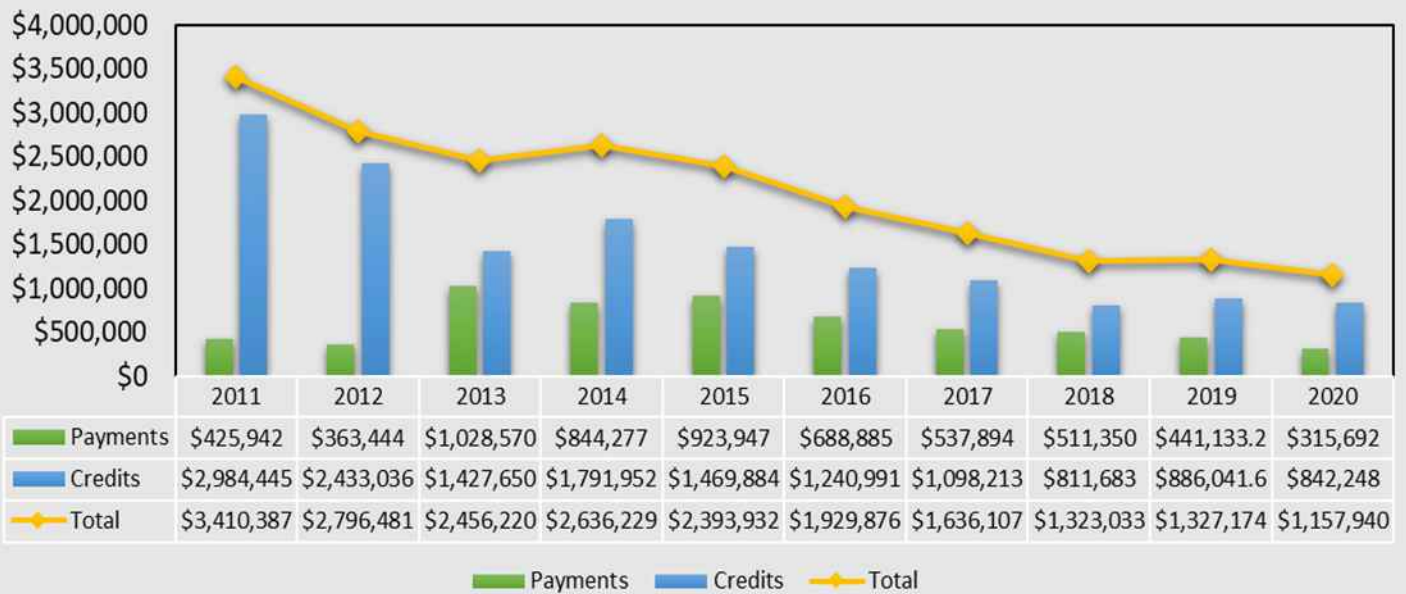
Claims/Case Trends



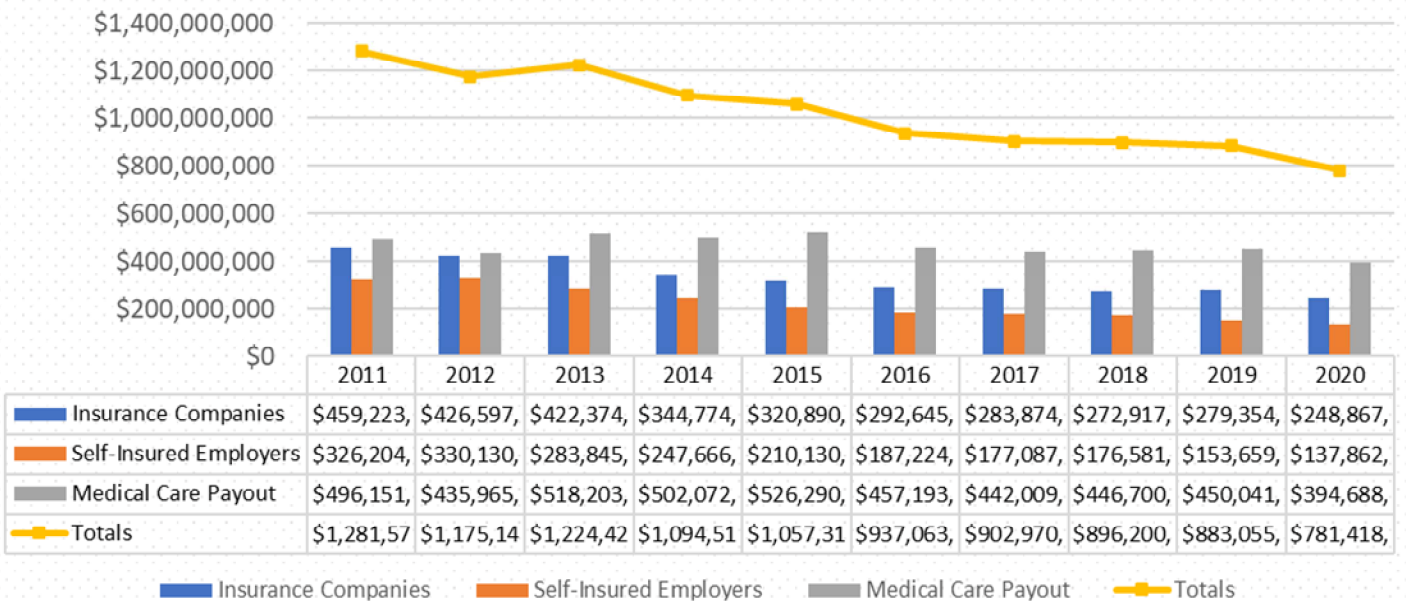
Indemnity Payments



Compensation Supplement Fund Reimbursements



Payout in Workers' Compensation Benefits and Medical Care



Magistrate Case Disposition Chart

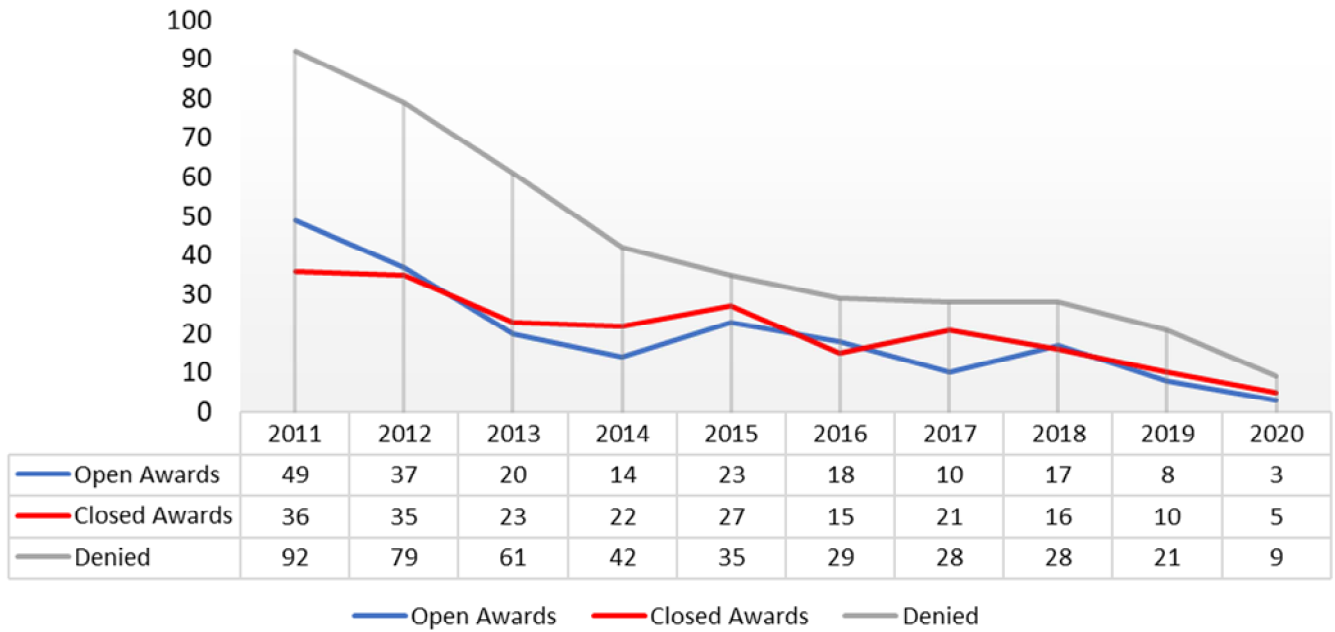
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Redemptions | 6,816 | 7,446 | 6,786 | 6,180 | 5,486 | 4,936 | 4,579 | 4,429 | 3,821 | 2,801 |
| Opinions** | 248 | 209 | 169 | 119 | 118 | 96 | 96 | 105 | 58 | 28 |
| Other Dispositions | 2,142 | 2,403 | 2,018 | 1,800 | 1,929 | 1,718 | 1,588 | 2,027 | 1,326 | 2,376 |
| Total | 9,206 | 10,058 | 8,973 | 8,099 | 7,533 | 6,750 | 6,263 | 6,561 | 5,205 | 5,205 |

** Includes granted open, granted closed, denied and miscellaneous opinions

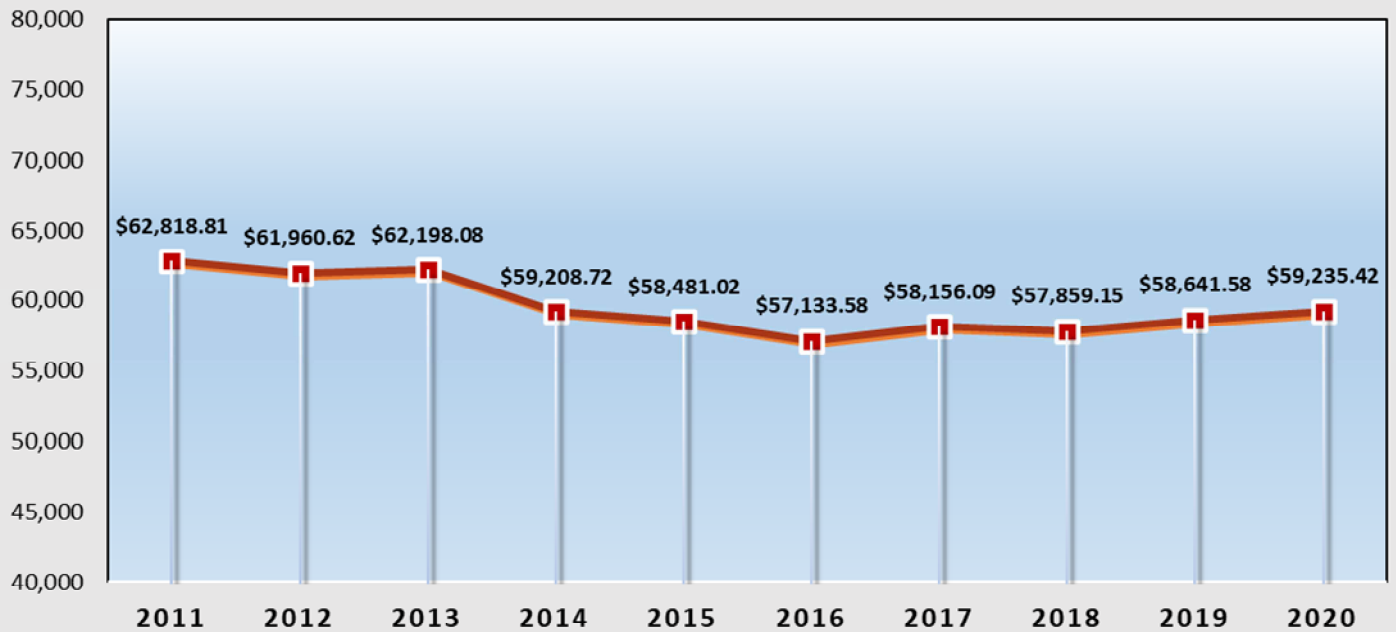
Magistrate Aged Case Disposition Chart

| | 2011* | 2012* | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|-----------------------|---------------|---------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|
| 0 - 12 Months | 6,383 | 6,325 | 5,899 | 5,618 | 5,042 | 4,753 | 4,614 | 4,345 | 4,514 | 3,713 |
| 13 – 18 Months | 2,337 | 1,952 | 2,054 | 1,868 | 1,757 | 1,617 | 1,473 | 1,483 | 1,398 | 1,679 |
| 19 – 24 Months | 2,300 | 1,212 | 1,204 | 1,140 | 1,072 | 884 | 837 | 852 | 827 | 1,288 |
| Over 24 Months | 2,355 | 2,732 | 2,316 | 2,323 | 2,166 | 2,110 | 1,734 | 878 | 1,023 | 1,724 |
| Total | 13,375 | 12,221 | 11,473 | 10,949 | 10,037 | 9,364 | 8,658 | 7,558 | 7,762 | 8,404 |

Workers' Compensation Trends



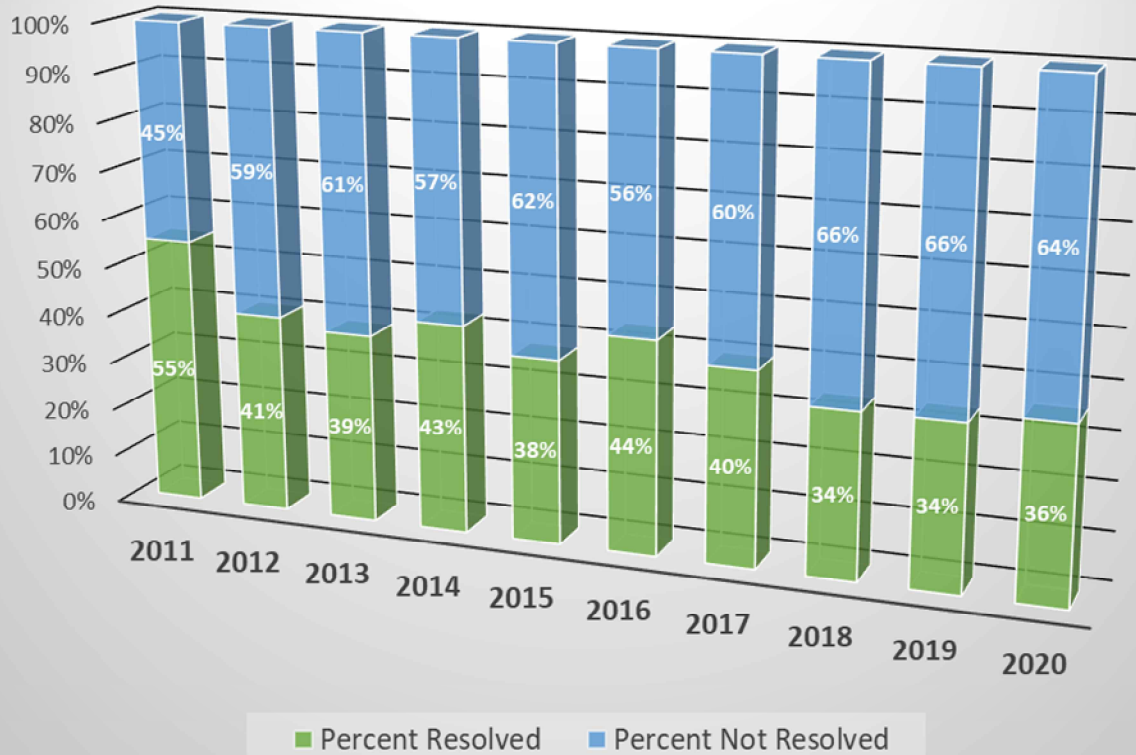
Average Redemption Amounts



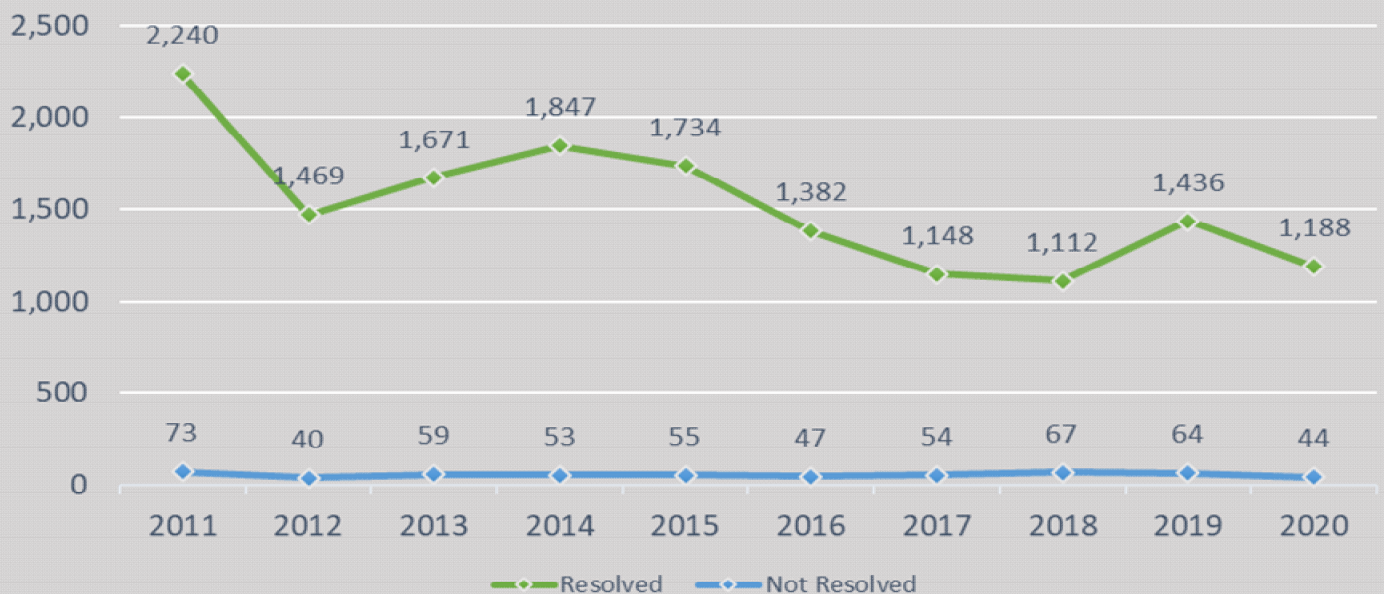
Mediation Dispositions

(Not Including VR & Health Care Rule Hearings)

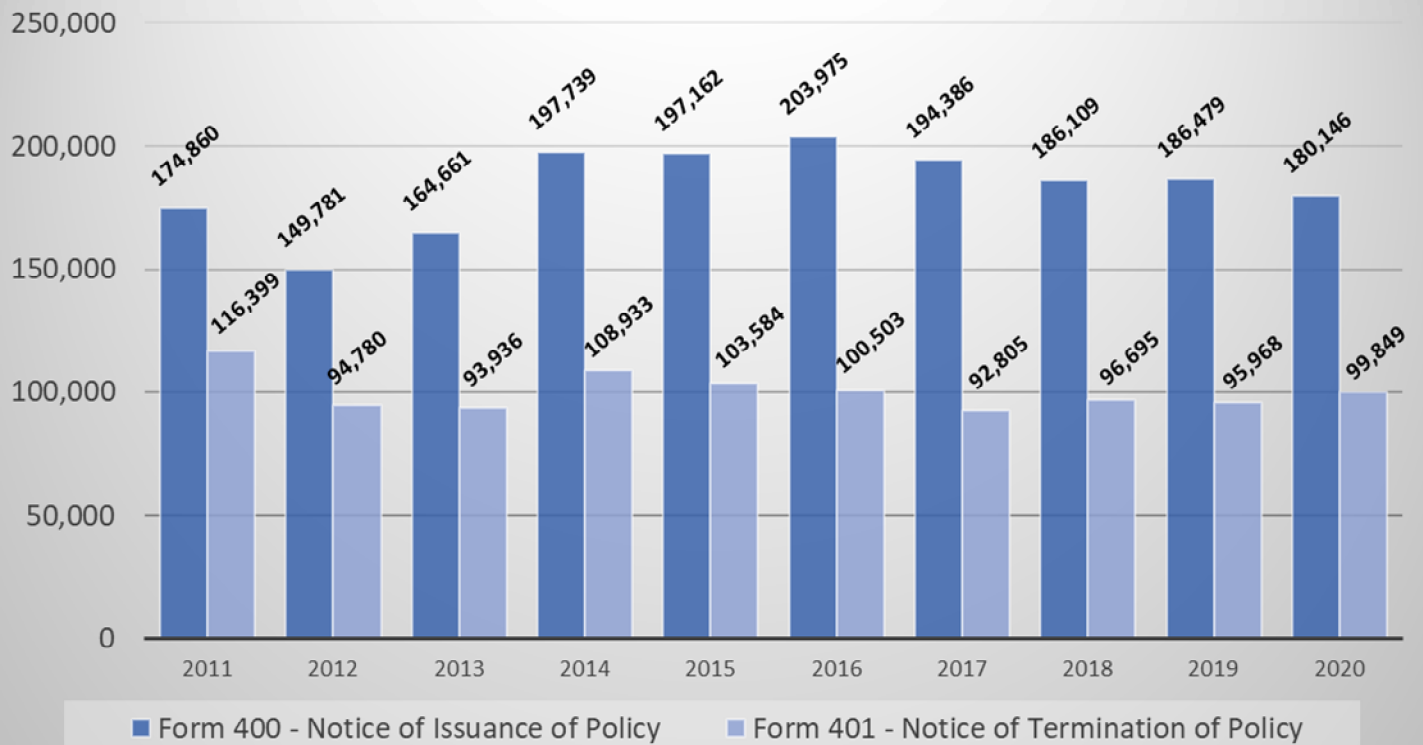
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------------|-------|-------|------|------|------|------|------|------|------|------|
| Resolved | 1,324 | 704 | 447 | 508 | 429 | 475 | 379 | 306 | 293 | 195 |
| Not Resolved | 1,089 | 1,006 | 690 | 687 | 692 | 593 | 564 | 606 | 559 | 343 |



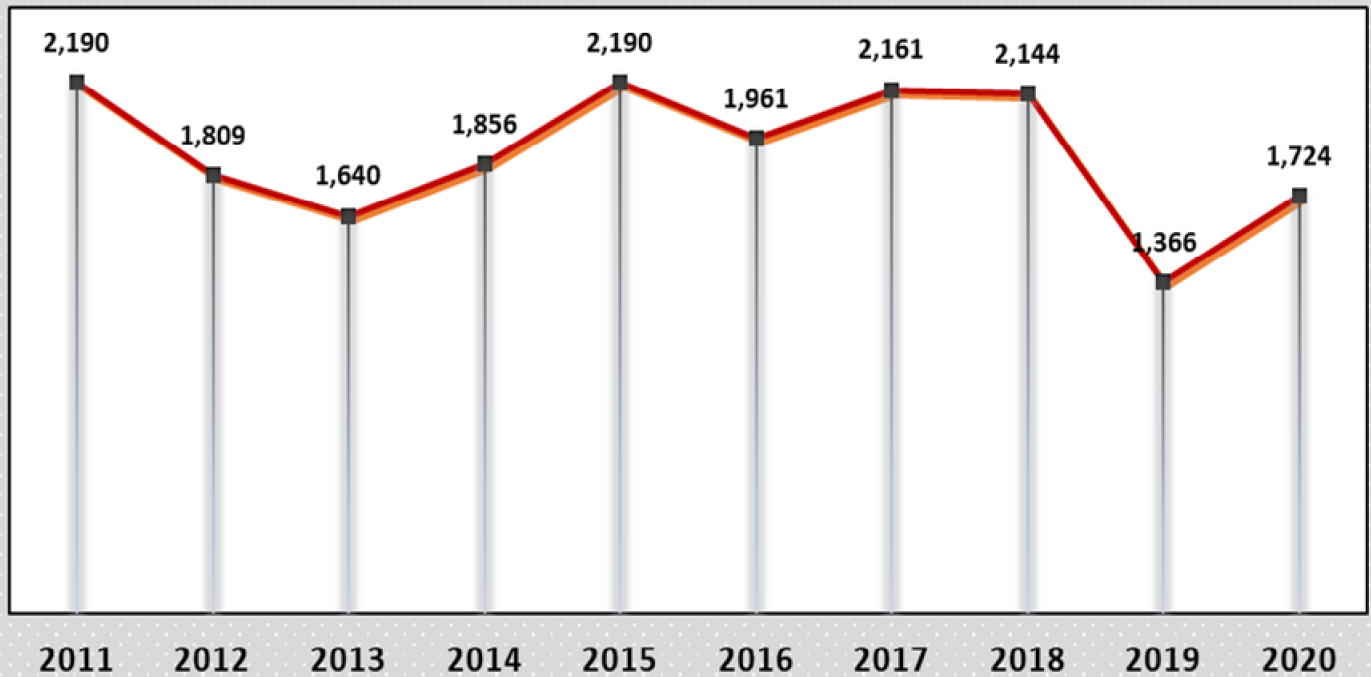
Health Care Hearing Dispositions



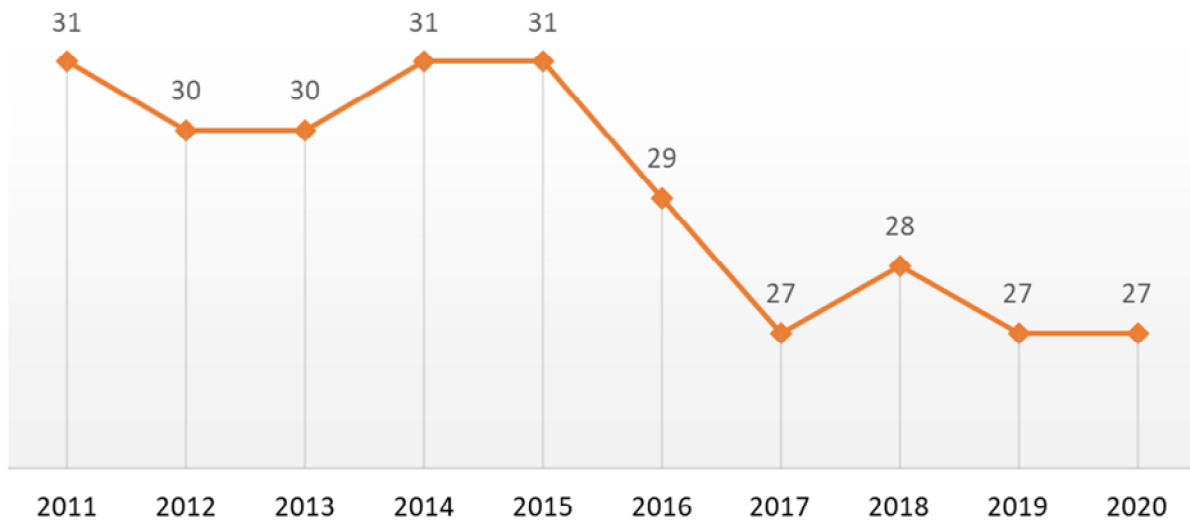
Forms 400 & 401 Received



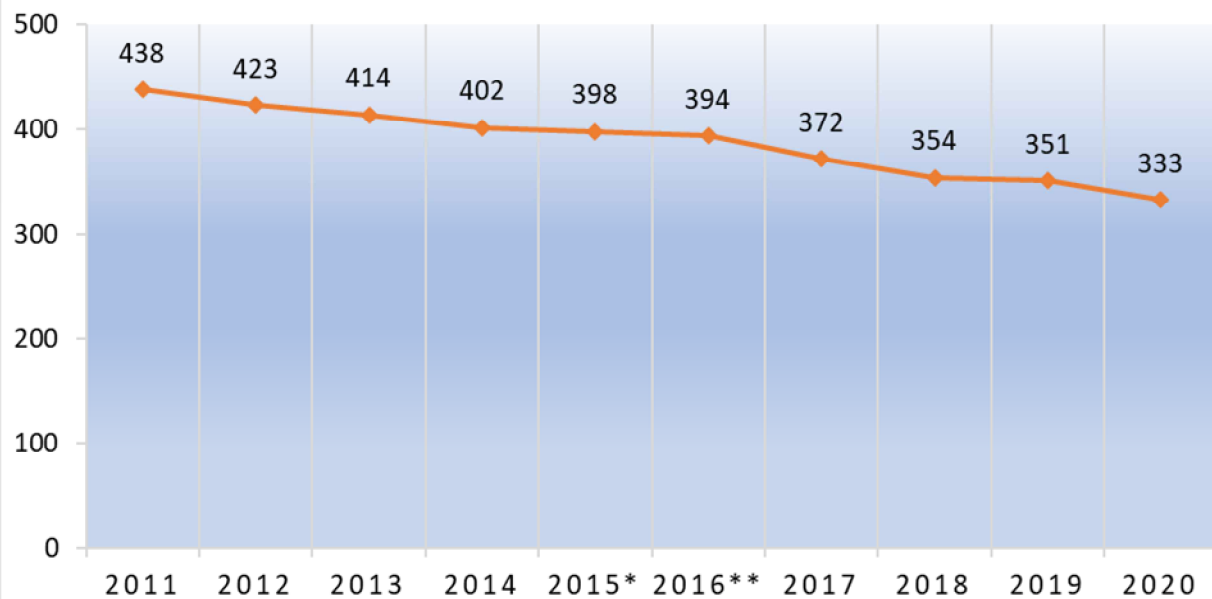
Exclusion Forms Processed



Number of Approved Self-Insured Groups



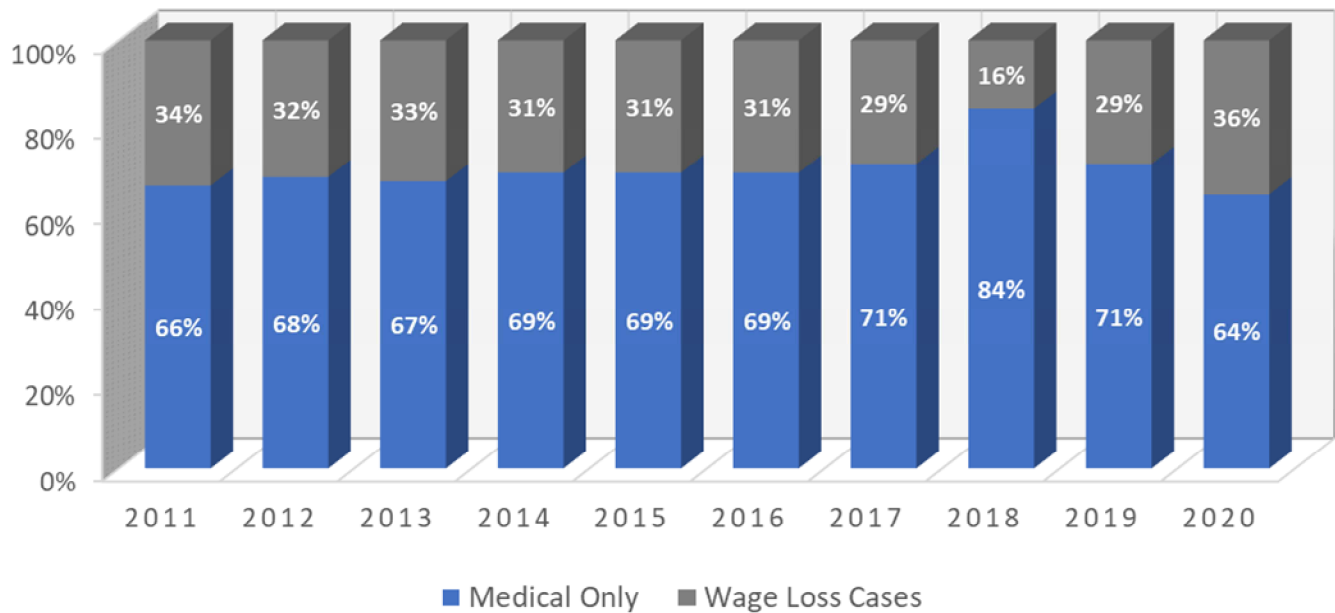
Number of Approved Individual Self-Insured Employers



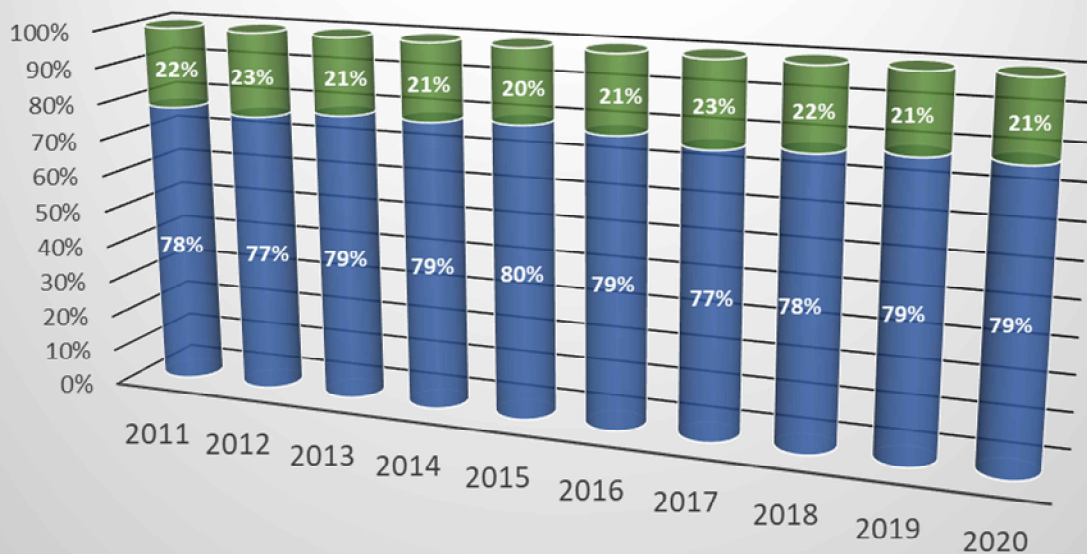
*The 398 individual self-insurers noted in 2015 have 1,182 approved subsidiary and affiliated companies as additional self-insurers under their various authorities.

**The 394 individual self-insurers noted in 2016 have 1,159 approved subsidiary and affiliated companies as additional self-insurers under their various authorities.

Workers' Compensation Cases - By Case Type



Health Care Costs - Percent Paid by Case Type



■ Medical Paid on Wage Loss Cases ■ Medical Paid on Medical Only Cases

Workers' Disability Compensation Agency Annual Health Care Costs 2011-2020

| WORKERS' DISABILITY COMPENSATION AGENCY | | | | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | JAN - DEC | JAN - DEC | JAN - DEC | JAN - DEC | JAN - DEC | JAN - DEC | JAN - DEC | JAN - DEC | JAN - DEC | JAN - DEC |
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| MEDICAL PAID ON MEDICAL ONLY CASES | | | | | | | | | | |
| Number of Cases | 142,326 | 117,511 | 140,579 | 134,635 | 127,901 | 125,669 | 119,365 | 253,602 | 123,171 | 92,953 |
| Amount Paid | \$110,022,307 | \$99,961,450 | \$106,347,745 | \$107,648,726 | \$103,998,692 | \$97,735,771 | \$102,562,089 | \$97,830,022 | \$94,695,373 | \$83,075,585 |
| Cost/Case | \$773 | \$851 | \$756 | \$800 | \$813 | \$778 | \$859 | \$386 | \$769 | \$894 |
| % of Total Cases | 66% | 68% | 67% | 69% | 69% | 69% | 71% | 84% | 71% | 64% |
| % of Total Cost | 22% | 23% | 21% | 21% | 20% | 21% | 23% | 22% | 21% | 21% |
| MEDICAL PAID ON WAGE LOSS CASES | | | | | | | | | | |
| Number of Cases | 71,879 | 56,453 | 70,119 | 60,558 | 57,901 | 55,226 | 48,098 | 47,650 | 49,506 | 52,129 |
| Amount Paid | \$386,128,711 | \$336,004,353 | \$411,855,639 | \$394,423,454 | \$422,291,723 | \$359,457,972 | \$339,447,079 | \$348,870,830 | \$355,346,373 | \$311,613,263 |
| Cost/Case | \$5,372 | \$5,952 | \$5,874 | \$6,513 | \$7,293 | \$6,509 | \$7,057 | \$7,322 | \$7,178 | \$5,978 |
| % of Total Cases | 34% | 32% | 33% | 31% | 31% | 31% | 29% | 16% | 29% | 36% |
| % of Total Cost | 78% | 77% | 79% | 79% | 80% | 79% | 77% | 78% | 79% | 79% |
| TOTAL | | | | | | | | | | |
| Total Number of Cases | 214,205 | 173,964 | 210,698 | 195,193 | 185,802 | 180,895 | 167,463 | 301,252 | 172,677 | 145,082 |
| Amount Paid | \$496,151,018 | \$435,965,803 | \$518,203,384 | \$502,072,179 | \$526,290,415 | \$457,193,743 | \$442,009,167 | \$446,700,852 | \$450,041,746 | \$394,688,848 |
| Cost/Case | \$2,316 | \$2,506 | \$2,459 | \$2,572 | \$2,833 | \$2,527 | \$2,639 | \$1,483 | \$2,606 | \$2,720 |
| | | | | | | | | | | |
| Average medical only per company reporting >\$0: | \$151,917 | \$152,866 | \$152,046 | \$145,895 | \$140,425 | \$150,628 | \$151,440 | \$142,614 | \$128,799 | |
| Average medical on wage loss cases per co. reporting >\$0: | \$483,460 | \$558,276 | \$517,616 | \$544,973 | \$476,103 | \$467,009 | \$526,200 | \$494,911 | \$443,262 | |

FIGURES REPRESENT PAYMENTS MADE IN ANY GIVEN ANNUAL REPORT PERIOD

2020 numbers represent 99% of carriers reporting.

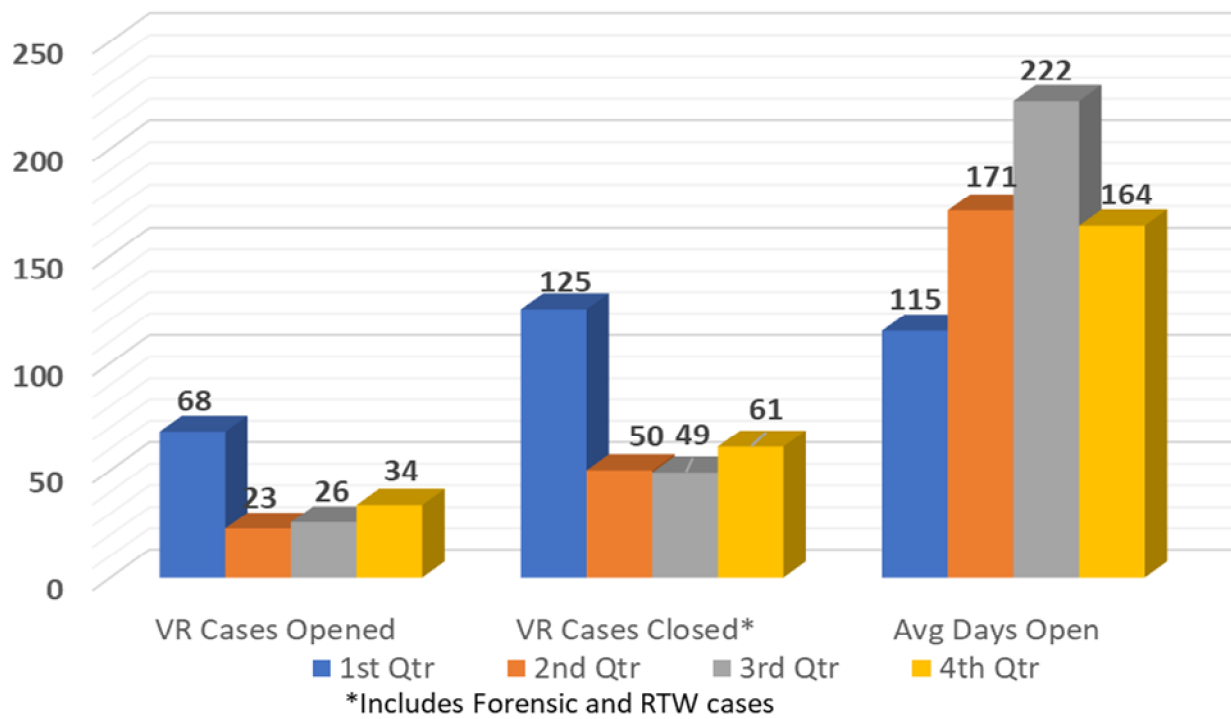
Historical Health Care Costs by Insurance Type

| | Medical Only Counts | Medical Paid on Medical Only cases | Wage Loss Case Count | Medical paid on Wage Loss cases only | Total all Cases | Total Paid all cases |
|---------------------------------|---------------------|------------------------------------|----------------------|--------------------------------------|-----------------|----------------------|
| TOTALS (BY TYPE) 2020 | | | | | | |
| GROUP SELF- INSURERS | 9,533 | \$6,987,666 | 4,672 | \$29,096,113 | 14,205 | \$36,083,779 |
| INSURANCE COMPANY | 57,229 | \$56,774,483 | 32,631 | \$215,080,340 | 89,860 | \$271,854,823 |
| INDIVIDUAL SELF-INSURERS | 26,191 | \$19,313,436 | 14,734 | \$66,722,305 | 40,925 | \$86,035,741 |
| STATUTORY FUNDS | | | 92 | \$714,506 | 92 | \$714,506 |
| TOTALS (BY COLUMN) | 92,953 | \$83,075,585 | 52,129 | \$311,613,263 | 145,082 | \$394,688,848 |

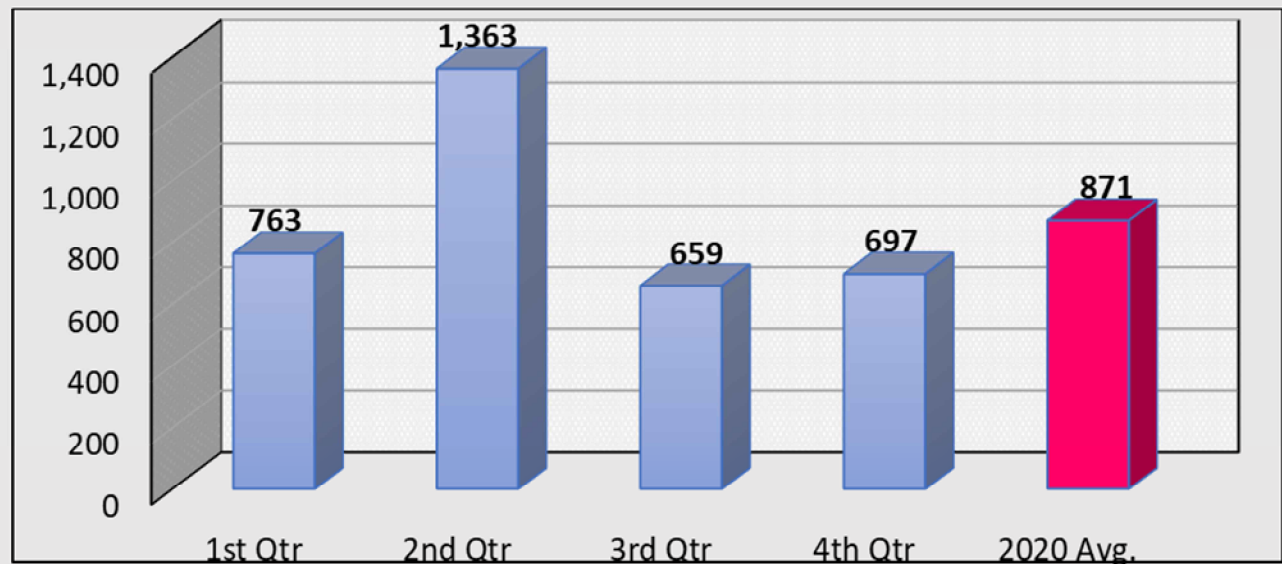
| | Medical Only Counts | Medical Paid | Wage Loss Case Count | Wage Loss Paid | Total Cases | Total Paid |
|------------------------------|---------------------|---------------------|----------------------|----------------------|----------------|----------------------|
| TOTALS (BY TYPE) 2019 | | | | | | |
| GROUP SELF-INSURERS | 12,670 | \$8,659,874 | 3,640 | \$26,326,837 | 16,310 | \$34,986,711 |
| INSURANCE COMPANY | 73,295 | \$62,988,387 | 32,161 | \$249,860,250 | 105,456 | \$312,848,637 |
| INDIVIDUAL SELF-INSURERS | 37,206 | \$23,047,112 | 13,601 | \$78,294,954 | 50,807 | \$101,342,066 |
| STATUTORY FUNDS | | | 104 | \$864,332 | 104 | \$864,332 |
| TOTALS (BY COLUMN) | 123,171 | \$94,695,373 | 49,506 | \$355,346,373 | 172,677 | \$450,041,746 |

| | Medical Only Counts | Medical Paid | Wage Loss Case Count | Wage Loss Paid | Total Cases | Total Paid |
|------------------------------|---------------------|---------------------|----------------------|----------------------|----------------|----------------------|
| TOTALS (BY TYPE) 2018 | | | | | | |
| GROUP SELF-INSURERS | 13,170 | \$8,457,785 | 3,914 | \$26,541,027 | 17,084 | \$34,998,812 |
| INSURANCE COMPANY | 74,150 | \$67,017,472 | 30,258 | \$242,534,286 | 104,408 | \$309,551,758 |
| INDIVIDUAL SELF-INSURERS | 166,282 | \$22,354,765 | 13,402 | \$78,939,755 | 179,684 | \$101,294,520 |
| STATUTORY FUNDS | | | 76 | \$855,762 | 76 | \$855,762 |
| TOTALS (BY COLUMN) | 253,602 | \$97,830,022 | 47,650 | \$348,870,830 | 301,252 | \$446,700,852 |

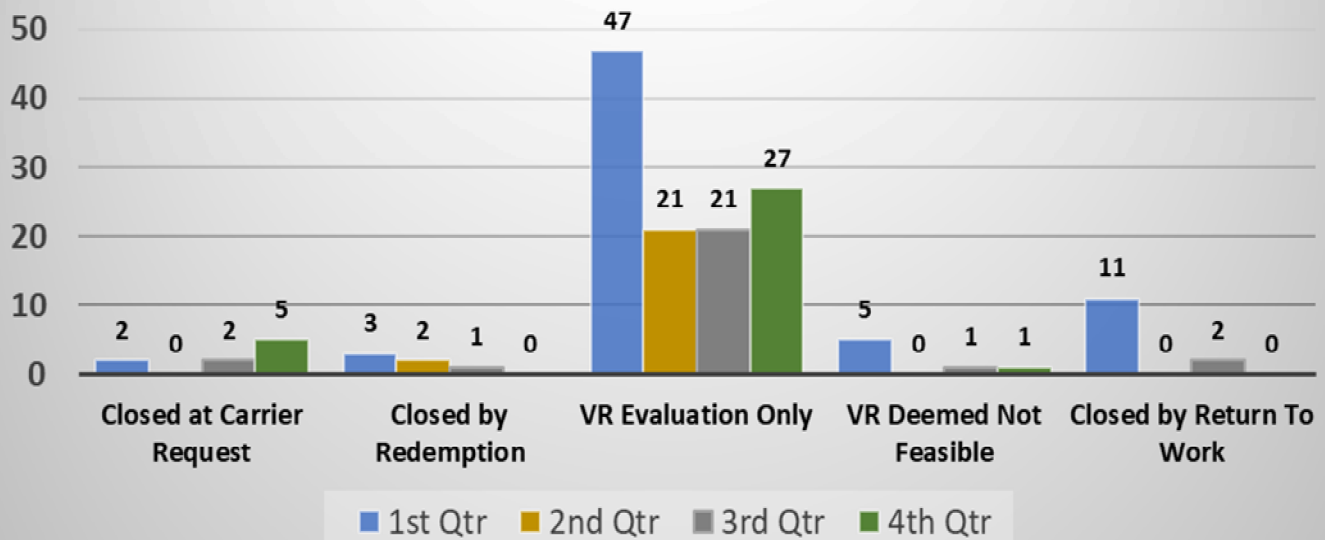
2020 Vocational Rehabilitation Case Activity



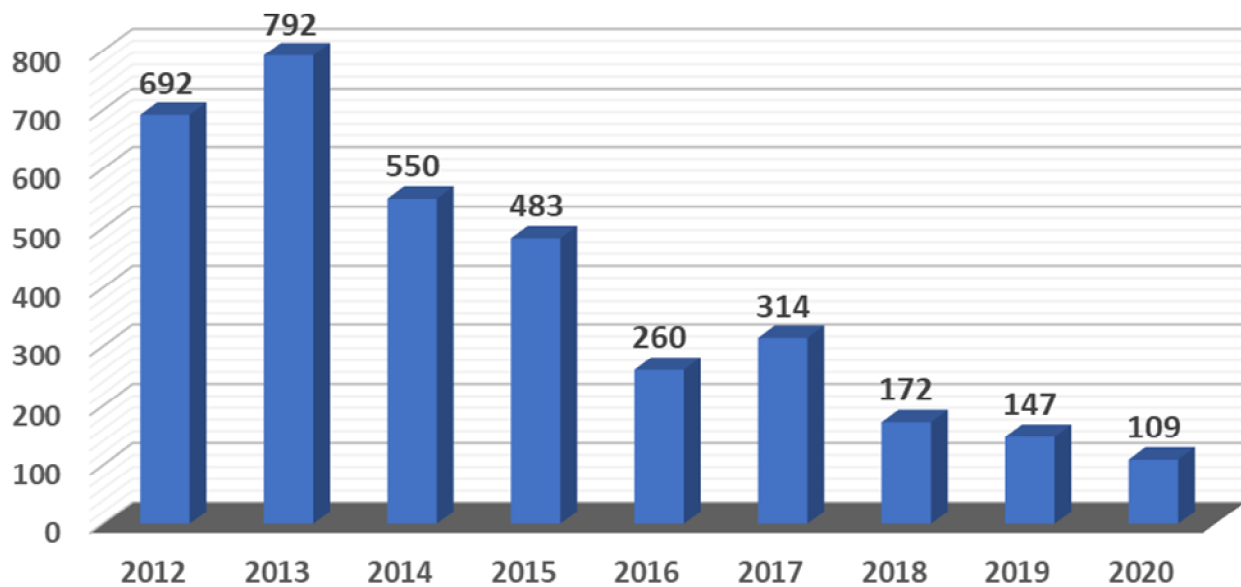
Average Number of Days From Injury to Referral for Vocational Rehabilitation Services 2020



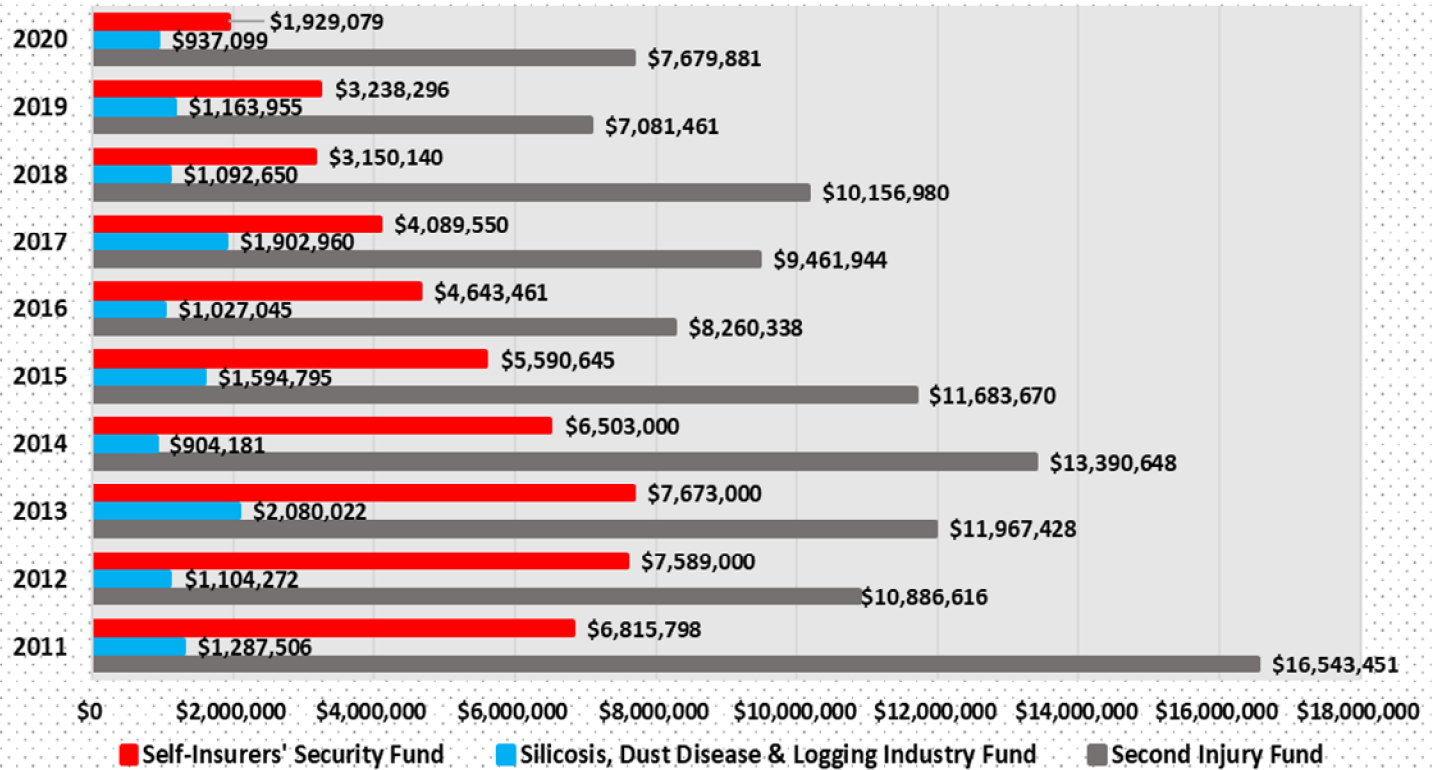
2020 Vocational Rehabilitation Case Closures



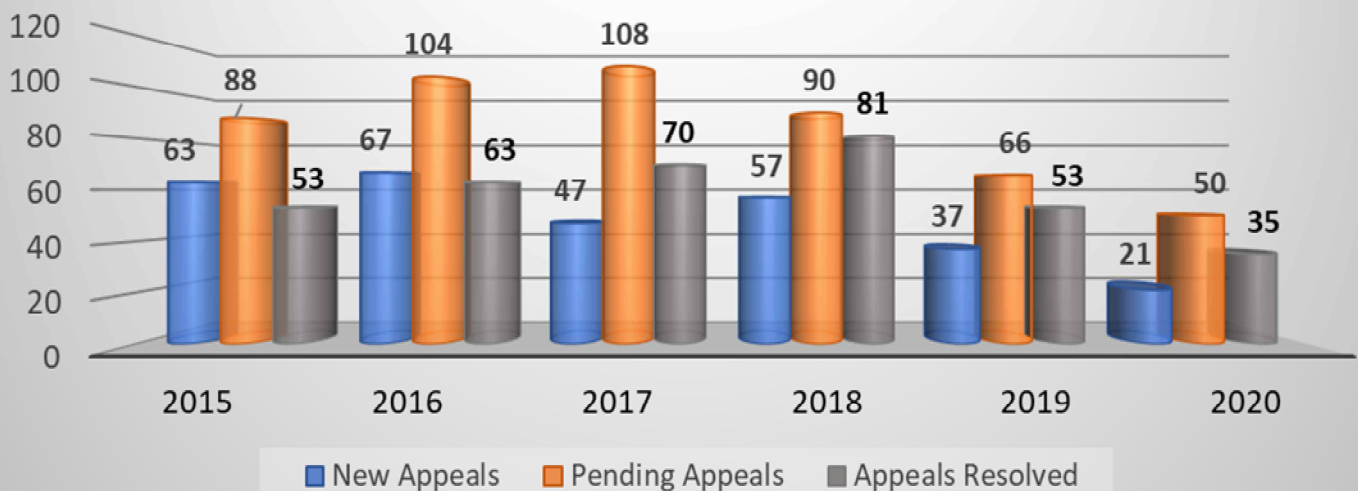
Annual Wage Earning Capacity (WEC) Evaluation Activity



Funds Administration Assessments



Workers' Disability Compensation Appeals Commission Appeal Trends



Information/Publications Available on our Website

Most Frequently Requested

- Calculation Program
- Michigan Workers' Disability Compensation Forms (Most Forms)
- Weekly Benefit Rate Books (2006 – 2021)
- Workers' Disability Compensation Act & Administrative Rules
(Printed copies available from Institute of Continuing Legal Education at www.icle.org)

General Information/Publications

- Annual Reports (2012 – 2020)
- Employer Insurance Requirements (Booklet)
- Funds Administration Overview
- Summary of Your Rights and Responsibilities Under Workers' Disability Compensation (Pamphlet)
- Vocational Rehabilitation for Injured Workers (Pamphlet)

Associated Workers' Compensation Listings

- Approved Vocational Rehabilitation Facilities
- Individual Self-Insured Employer List
- Self-Insured Group List
- Service Company List

Litigation Information

- Board of Magistrates Opinions
- Workers' Disability Compensation Appeal Commission Opinions

Website address: www.michigan.gov/wdca
Request forms at: 888-396-5041