2024 Annual Report

MICHIGAN DEPARTMENT OF
LABOR & ECONOMIC
OPPORTUNITY

WORKERS' DISABILITY
COMPENSATION AGENCY

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State of Michigan

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Overview

As a member of the Department of Labor and Economic Opportunity (LEO), Labor Division, the mission of the Workers' Disability Compensation Agency is to efficiently administer the Workers' Disability Compensation Act (WDCA) by providing prompt, courteous, and impartial service to all customers. While striving to fulfill this mission, the agency is mindful of the 2015 statement by President Barack Obama: *If you work hard in America, you have the right to a safe workplace. And if you get hurt on the job, or become disabled or unemployed, you should still be able to keep food on the table.*

Prior to the 1912 enactment of the WDCA, there were few social safety nets or insurance programs protecting injured workers or their surviving dependents. A worker who was injured in the course of their employment could sue the employer in a civil or "tort" action in a state court available to any injured person. However, such actions against the employer can have complex proof problems and are frequently lengthy, costly and have uncertain outcomes. Cases brought in civil courts require the injured worker to prove that the injury occurred due to the employer's negligence. The employer could then defeat the case by asserting one or more of three "common law" 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 prevail against their employers. If they did win, however, they could receive damages for economic loss such as lost past, present and future wages and medical costs, and non-economic losses such as pain and suffering, and loss of consortium. The employer faced an uncertain and unlimited risk that was generally not covered by any insurance.

With the rise of industrialization and developments in tort law, in 1912, along with most other states, Michigan adopted the WDCA which became Michigan's first "no-fault" system. Under this law, workers exchanged their right to bring a suit in the civil courts for adjudication in a non-jury administrative hearing system that did not require proof of employer negligence. The law also eliminated the employer's three common law defenses. Rather than tort damages, the act provided: (1) certain wage loss benefits, (2) medical treatment subject to cost containment rules, and (3) limited vocational rehabilitation services. Recovery under the workers' compensation act is limited to these three areas, no matter how serious the injury. There is no additional compensation for pain and suffering. The weekly wage loss benefit rate is fixed as of

the date of injury and, with some very narrow exceptions, does not change for the full duration of the claim. However, following a series of judicial interpretations and legislative actions, coupled with significant increases in the cost of living over time, the balance of employer/employee interests that the “grand bargain” was supposed to provide has tipped against injured workers and their survivors. Legislation that was introduced in 2024 to address these issues was not enacted.

For purposes of being covered by the Act and thereby eligible for benefits, the definition of employee is very broad under the WDCA: Every person in the service of another, under any contract of hire, express or implied, including aliens; a person regularly employed on a full-time basis by his or her spouse having specified hours of employment at a specified rate of pay; working members of partnerships receiving wages from the partnership irrespective of profits; a person insured for whom and to the extent premiums are paid based on wages, earnings, or profits; and minors, who shall be considered the same as and have the same power to contract as adult employees.

Likewise, nearly all employers in Michigan are covered by the WDCA. This includes both public and private employers. 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).

In fact, when addressing workers’ compensation insurance coverage requirements, it is easier to discuss the exceptions. Certain very small employers are exempt. Independent contractors are not covered. There are a few classes of workers who are covered by federal laws and are not covered by the WDCA:

- 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,
- People loading and unloading vessels are covered by the Longshoremen’s and Harbor Workers’ Compensation Act.

Virtually all other workers and their employers are subject to Michigan’s law, meaning the employer must have appropriate workers’ compensation insurance or, if the employer is a larger, financially sound employer, it may be approved as a self-insurer, and smaller employers in similar industries may be approved for participation in one of the Agency approved group self-insurer programs. In addition, special arrangements may be approved for major construction projects to allow for single coverage of all employees on a specific site.

If a worker's claim for benefits is contested by the employer/carrier, it can be filed as a case that will be adjudicated by a member of the Workers' Disability Compensation Board of Magistrates. Once an informal, administrative hearing, the burden of proving an entitlement to benefits at trial has become increasingly complex and costly. There are no jury trials. After the magistrate renders a decision, there is a right of appeal to the Workers' Disability Compensation Appeals Commission. Members of both the Board and the Commission are appointed by the Governor. Beyond the administrative adjudication, appeals to the Michigan Court of Appeals and Supreme Court are only by leave granted. Employers are immune 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." There are exceptions to that rule, but they are difficult to prove.

2024 Highlights

1. Benefits and Costs

Overall claim costs for Michigan employers, carriers and self-insurers continued to be very low compared to other states. These low costs help provide a competitive advantage for Michigan employers. For many years, the Michigan WDCA has been a member of the Workers Compensation Research Institute along with 17 other states that reflect a cross section of all types of employment. The states include Arkansas, California, Delaware, Florida, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Michigan, Minnesota, New Jersey, North Carolina, Pennsylvania, Texas, Virginia, and Wisconsin. As reported in the Workers' Compensation Research Institute's annual report, *CompScope™ Benchmarks for Michigan*, 2025 Edition, Terence Cawley, WCRI Waltham MA, page 5:

TOTAL COSTS PER CLAIM AMONG LOWEST OF THE STUDY STATES; ALL KEY COST COMPONENTS LOWER

- Among claims with more than seven days of lost time, the **average total cost per claim** in Michigan was the second lowest of the 18 study states for 2021 claims at 36 months of experience. Michigan was lower compared with the other study states for all three key cost components-indemnity benefits, medical payments, and benefit delivery expenses-for 2021/2024 claims with more than seven days of lost time.

- The **lower-than-typical indemnity benefits per claim** in Michigan reflect shorter duration of temporary disability (among the states with wage-loss benefit systems) and less frequent lump-sum settlements. For 2021/2024 claims, workers injured in Michigan received temporary total disability (TTD) benefits for an average of 15 weeks, making Michigan the lowest of the wage-loss states. (*emphasis added*) Several system features and processes in Michigan, including a culture of return to work and the processes for terminating TTD benefits, may have contributed to the shorter duration of temporary disability. Another important factor contributing to the lower indemnity benefits per claim in Michigan was a lower average weekly TTD benefit rate, which reflects Michigan's approach to paying temporary disability benefits.

- **Medical payments per claim** in Michigan were 32 percent lower than the 18-state median for 2021/2024 claims with more than seven days of lost time. According to CompScope™ Medical Benchmarks for Michigan, 25th Edition, the lower medical payments per claim in Michigan for 2022/2023 claims resulted largely from lower-than-typical prices paid for medical services (Monnin-Browder and Cawley, 2024). The lower prices paid in Michigan reflect price regulation.

2. Agency Administration:

- Since the WORCS2 data system became operational and independent of the old state "main frame" on May 22, 2023, WDCA has continued working with computer programmers and other experts from the Department of Technology, Management and Budget to implement additional phases of the project. The project has resulted

in significant mainframe cost reduction, enhanced data analysis and other savings. The development of the next phases of the implementation continues.

- First started at the outset of the pandemic, remote and hybrid work by most agency staff has continued while successfully maintaining agency operations. The success of the remote work option has also enabled the agency to recruit new staff, reduce costs and bring operations more in line with modern work environments.

- The project to upgrade security at the hearing sites continued with installation of improved security locks, facility relocation and other enhancements.

- The amendments to the Christopher R. Slezak First Responder Presumed Coverage Fund in the later months of 2022, has resulted in an increase in claims providing benefits related to an expanded range of cancers presumed to be work related for additional categories of first responders. Funding for the program is provided by the legislature designating revenue from both the Lawful Sports Betting Act and the Lawful Internet Gaming Act.

- The agency continued to promote the use of the state's secure electronic document filing (FTS) for WDCA filings.

What to look for in 2025

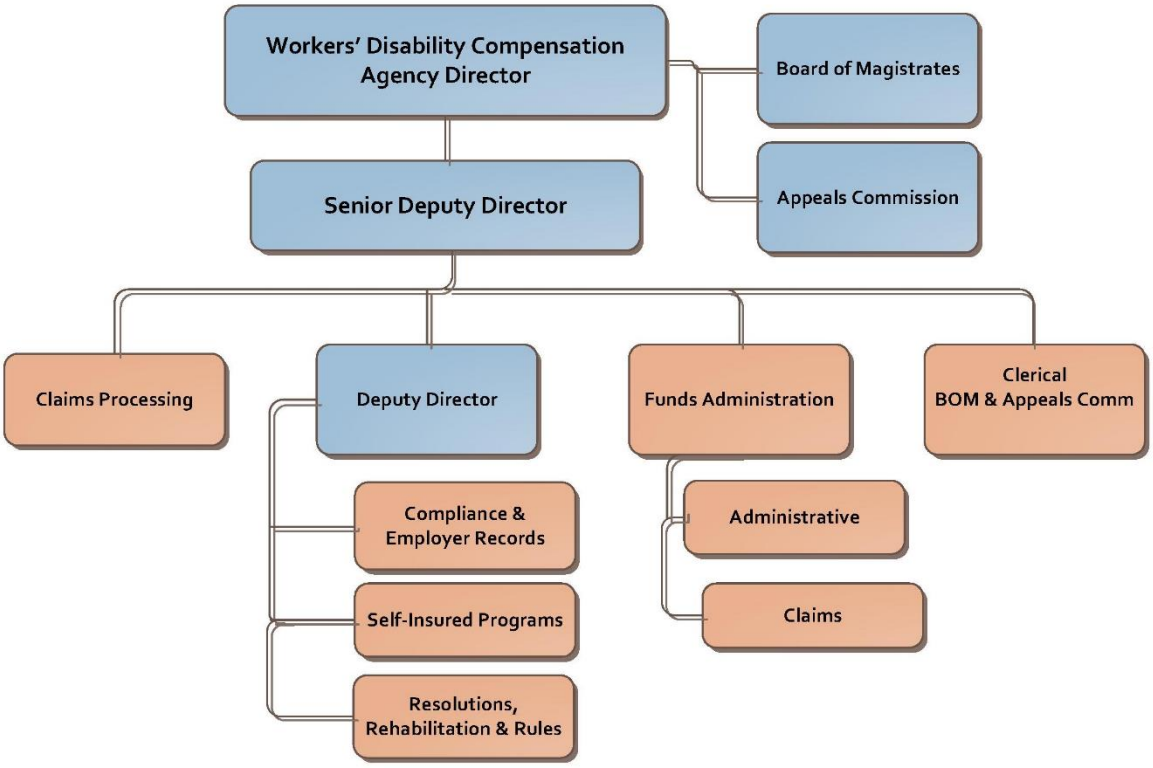
- Further expansion of electronic filing, known as "EDI," electronic data interchange, providing direct computer to computer filing of insurance coverage and statutory claims reporting potentially eliminating the need to process thousands of pieces of paper.

- Continuing remote and hybrid work options where appropriate and in accord with agency administrative efficiency.

- Continued in-person hearings at all hearing sites consistent with state and federal COVID-19 pandemic guidelines.

- Continued implementation of hearing site security measures including lobby guards, equipment upgrades, and facility reconstruction as needed.

Organization Chart



How to Contact Us

Telephone (toll free): 888-396-5041
Website address: www.michigan.gov/wdca

The agency is located at:

Michigan Dept. of Labor and Economic Opportunity
Workers' Disability Compensation Agency
2501 Woodlake Circle, Suite 115
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

Administration

The Michigan Workers' Disability Compensation Act is the statutory basis used to provide wage replacement, medical, and rehabilitation benefits to workers who suffer a work-related injury. In pursuit of its mission, the Workers' Disability Compensation Agency strives to efficiently administer the act by providing prompt, courteous and impartial service to all customers.

Nearly all employers in Michigan are subject to the Workers' Disability Compensation Act. The law requires that every covered employer must provide an approved means of assuring that benefits will be paid to its workers if they become injured while on the job. Unlike some states that operate a fund for payment of benefits, other than claims by state employees, the State of Michigan does not ordinarily directly pay workers' compensation benefits. Most employers in Michigan purchase an insurance policy from a state authorized private insurance company or they are authorized by the agency to operate as individual or group self-insurers. Agency enforcement of this obligation on all covered employers assures that Michigan employers have a level competitive environment.

Goals:

- Ensure that employees that have suffered a work-related injury or occupational disease are provided with timely and correct weekly wage loss replacement, as well as reasonable and necessary medical and vocational rehabilitation services.
- Provide leadership, in conjunction with the participants in the system (workers, employers and care providers), to promote more efficient regulation and delivery of workers' compensation benefits.
- Coordinate with the WDC Board of Magistrates and WDC Appeals Commission in the handling of contested claims through their informal and dispute resolution process, and adjudication of claims 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 complete insurance coverage record system for 319,389 active employers subject to the Workers' Disability Compensation Act in accord with

statutory requirements and to assure compliance with state general archive requirements.

- Monitor and enforce employers' compliance with the requirements for insurance coverage to make sure that business can be done on a "level playing field" that does not permit non-compliant employers to gain a competitive advantage by avoiding costs of coverage.

The Workers' Disability Compensation Agency website contains a variety of useful 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 the following 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. Staff members review and process all applications for reimbursement submitted by insurers and self-insurers on a quarterly basis. In 2024, the Compensation Supplement Fund reimbursed insurers and self-insurers a total of $288,407.37 for supplemental benefits paid on behalf of 358 claimants. Additionally, there is an anticipated $335,726.48 in reimbursement requests for 2024 for which filings have not been received or are currently in the process of being filed. It should be noted that due to a computer data interface issue, 10 quarters of anticipated tax credits for one major employer have not been received.

- ***Data Management/File Maintenance –*** This section is responsible for reviewing, evaluating and data entering all claims forms required by the statute. Staff manually audit all opinions, orders and voluntary pay agreements as well as certain forms that cannot be audited by the system. This section also prepares all agency mail for scanning or digital imaging (which includes automatic date stamping). The preparation includes opening, sorting, screening, and downloading through File Transfer Service (FTS) and matching agency forms and correspondence. In 2024, the section processed 581,043 forms and correspondence relating to claim, case and insurance records. This section also houses and maintains workers' compensation cases that are in open payment status. The staff prepares closed files for Records Center and recalls them when necessary. In 2024, approximately 5,538 claims/cases were retired.

  Christopher R. Slezak First Responder Presumed Coverage Fund (SFRPCF) - The FRPCF became effective January 14, 2015. The SFRPCF was created to provide benefit payments as provided in Sections 418.405 and 418.315 of the Workers' Disability Compensation Act to eligible fire fighters who suffer from certain specified cancers.

  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 SFRPCF 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).

In November 2021, PA2021, 117 & 129 were enacted renaming the fund to the "Christopher R. Slezak First Responder Presumed Coverage Fund." The eligibility for benefits provided by the fund was expanded to include fire/crash rescue officers, part-time paid on-call and volunteer firefighters. Ovarian, breast and non HPVC cervical cancers were added to the list of diagnosed illnesses presumed to be work-related. The changes took effect January 1, 2022.

The First Responders Presumed Coverage Fund received 38 new applications for benefits in 2024. The Fund is presently paying wage loss and/or medical benefits for 100 cancer victims. Total benefits paid by the Fund from January 1, 2024 through December 31, 2024 totaled $4,781,239.41.

- ***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 2024, $612,200 in Redemption Fees were collected. This section also processes all FOIA and Subpoena requests for the agency. In 2024 the agency received 3,051 FOIA requests and 1,741 Subpoena requests. This unit also handles the Agency's 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 319,389 employers. This includes coverage records on individual and group 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 and serve 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. Typically, annual surplus return authorizations range between $75,000,000 and $85,000,000. 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 including case openings, closings, redemption orders, magistrate dispositions and forms processing.

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 2024, over 1,500 mediation hearings were held. Dispute resolution services are consistently able to resolve 94% of health care disputes, and 23% 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 staff fielded 8,408 calls during 2024.

Finally, the R3 Team manages the rule promulgation process for all Agency divisions, which includes rule updates, additions, or rescissions as necessary. In 2024, the Health Care Services Ruleset is being updated as they are annually.

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 2024 the Funds Administration handled 1,053 cases and ended the calendar year with 887 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 creation of the Board of Magistrates. Currently the Board has 14 Magistrates that decide disputes regarding Workers' Compensation throughout the entire state of Michigan. In-person hearings are conducted at six locations around the state. Some hearings are conducted using video conference. The Board of Magistrates is an independent agency with administrative oversight by the Workers' Disability Compensation Agency.

Section 213 (2) provides that Magistrates are appointed by the Governor and confirmed by the Senate. Magistrates must be members of the Michigan State Bar in good standing and have practiced for at least five (5) years. Magistrates serve four (4) year terms and may be reappointed.

The Magistrates decide all contested issues of Workers' Compensation cases. These include disputes over disability questions, weekly benefit entitlement, benefit calculations, and appropriate medical care.

The plaintiff must prove their claim by preponderance of the evidence. Special proof requirements apply to aggravations, mental disabilities, and conditions of the aging process.

Trials in Workers' Compensation are slightly less formal than in some other court circumstances -- nonetheless they are conducted on the record and the Rules of Evidence are used as a guide. There are some technical items that must be proven which can make things nearly impossible without an attorney.

Over the last twenty (20) years, the Board of Magistrates has developed a mediation process. This is an open discussion by the parties with a Magistrate not assigned to try the case, to completely consider all possible arguments and evidence. All parties are invited to make use of this free and efficient process. Both lawyers and lay persons can get a full set of answers from an actual Magistrate to try to craft a fair result without the need and expense of an actual formal trial. Mediations speed up resolutions of complex cases without the cost, formality, and uncertainty of trial. The Board of Magistrates mediates close to 2,000 cases each year and this process resolves around 95% of all disputes.

Mediation is an easily available process for claimants, attorneys, adjustors, and employers. A mediating Magistrate will spend significant face-to-face time with individuals who have questions regarding Workers' Compensation. Cases of any size and complexity can be mediated. The Board of Magistrates recognizes that Workers' Compensation questions can involve very emotional situations, and the magistrates will spend whatever time is necessary to try and reach a fair result.

If a formal trial is required, the trial Magistrate will listen to witness testimony presented live or by deposition; consider all appropriate arguments and any other evidence that was admitted into the record. All resolutions at trial require a formal written Order or Opinion with Findings of Fact and Conclusions of Law. Parties may stipulate to request a limited opinion for special legal questions. Formal Decisions may be corrected within thirty (30) days if the parties stipulate. The Board of Magistrates must also approve all final settlements referred to as a Redemption of Liability for Workers' Compensation claims. The Redemption must be approved at a hearing where the magistrate will consider the summary statements by the attorneys, any statements offered by claimants or defendants, and review the medical records to be sure the process has reached a fair result as required by statute.

Workers' Disability Compensation Appeals Commission

The Workers' Disability Compensation Appeals Commission (WDCAC) was created by Executive Order 2019-13, as amended by Executive Order 2024-2. Its goal 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.

There are three commissioners, all of whom are licensed attorneys, appointed by the governor. Each current commissioner has decades of experience with workers' compensation appeals from varying perspectives.

The Commission reviews a magistrate's decision to determine if the findings of fact are supported by competent, material, and substantial evidence, and whether there have been any legal mistakes. Only findings specifically appealed are reviewed. The Commission must produce a written opinion and order explaining the reasons for the decisions they reach, and their opinions are available for review at https://adms.apps.lara.state.mi.us/appellatecommission/opinionsearch.

Parties who do not agree with an opinion rendered by the 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.

The commissioners collaborate on all decisions, working both face-to-face in the office and remotely. While this process can be time-consuming, it serves to create a consistent body of opinions that readers can rely upon when bringing or defending against future claims.

The WDCAC is located at:

Workers' Disability Compensation Appeals Commission
2501 Woodlake Circle, Suite 115
Okemos, MI 48864

The mailing address is:

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

Other Important Information:

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Website: michigan.gov/wdcac
FTS Mailbox: WCMIWDCAC

Statistics & Charts

The agency's new data system, WORCS 2, became operational in mid-2023. The enhanced data analysis capabilities of the new system provide more accurate data than the old but does generate reports with slightly different data parameters than its predecessor. Consequently, comparison between similar looking data gathered pre-2023 and data gathered from the new system may show some inconsistencies. We look forward to more accurate data going forward, enhancing our ability to assess various trends in claims, insurance coverage and other data.

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

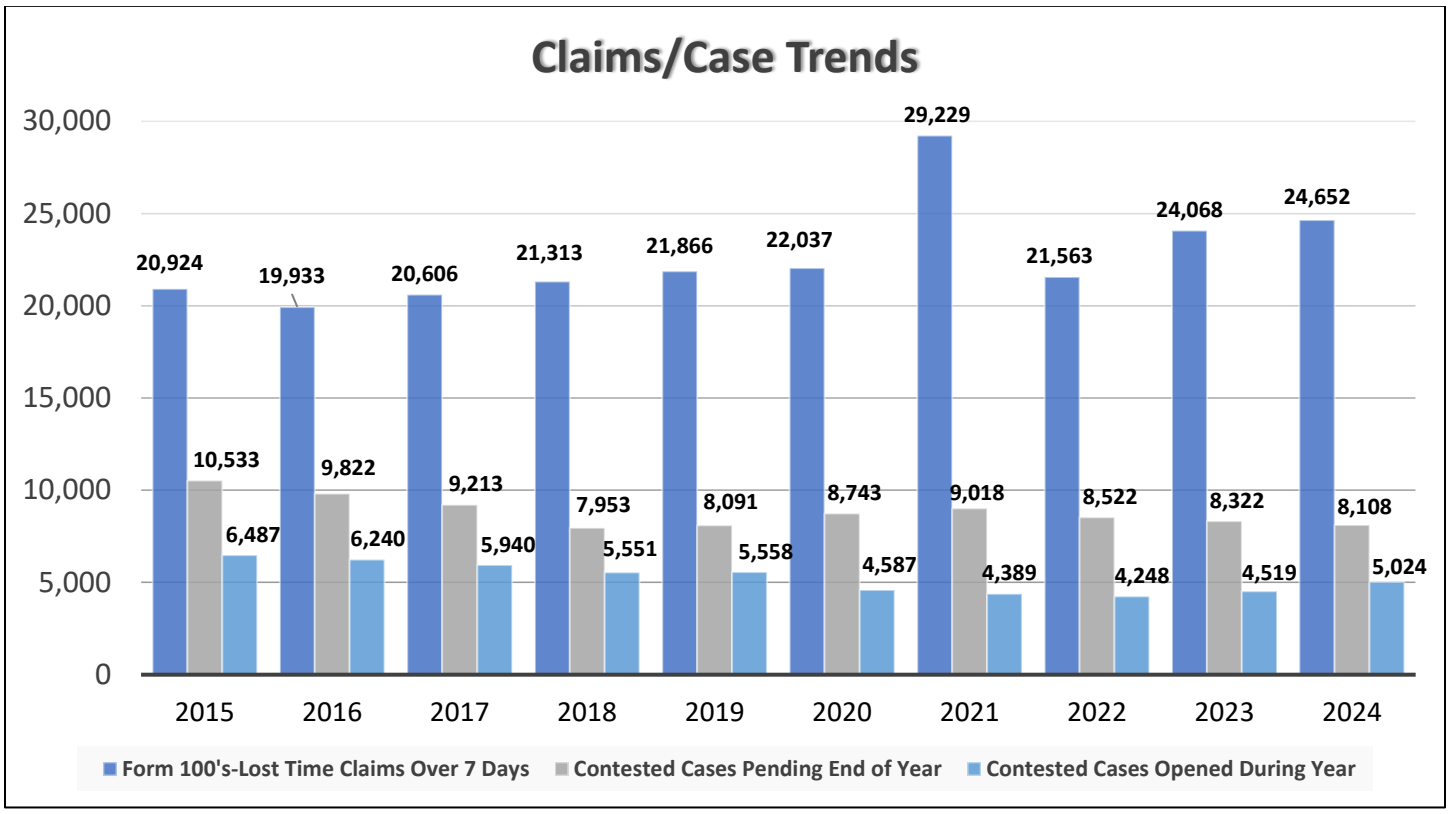
Year	SAWW	90% of SAWW (Maximum)	2/3 of SAWW*	50% of SAWW (Minimum Benefit for Death Cases)	25% of SAWW (Minimum Benefit for Specific Loss and T&P)
2025	1292.23	1164.00	861.49	646.12	323.06
2024	1259.91	1134.00	839.94	629.96	314.98
2023	1216.18	1095.00	810.79	608.09	304.05
2022	1163.79	1048.00	775.86	581.90	290.95
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

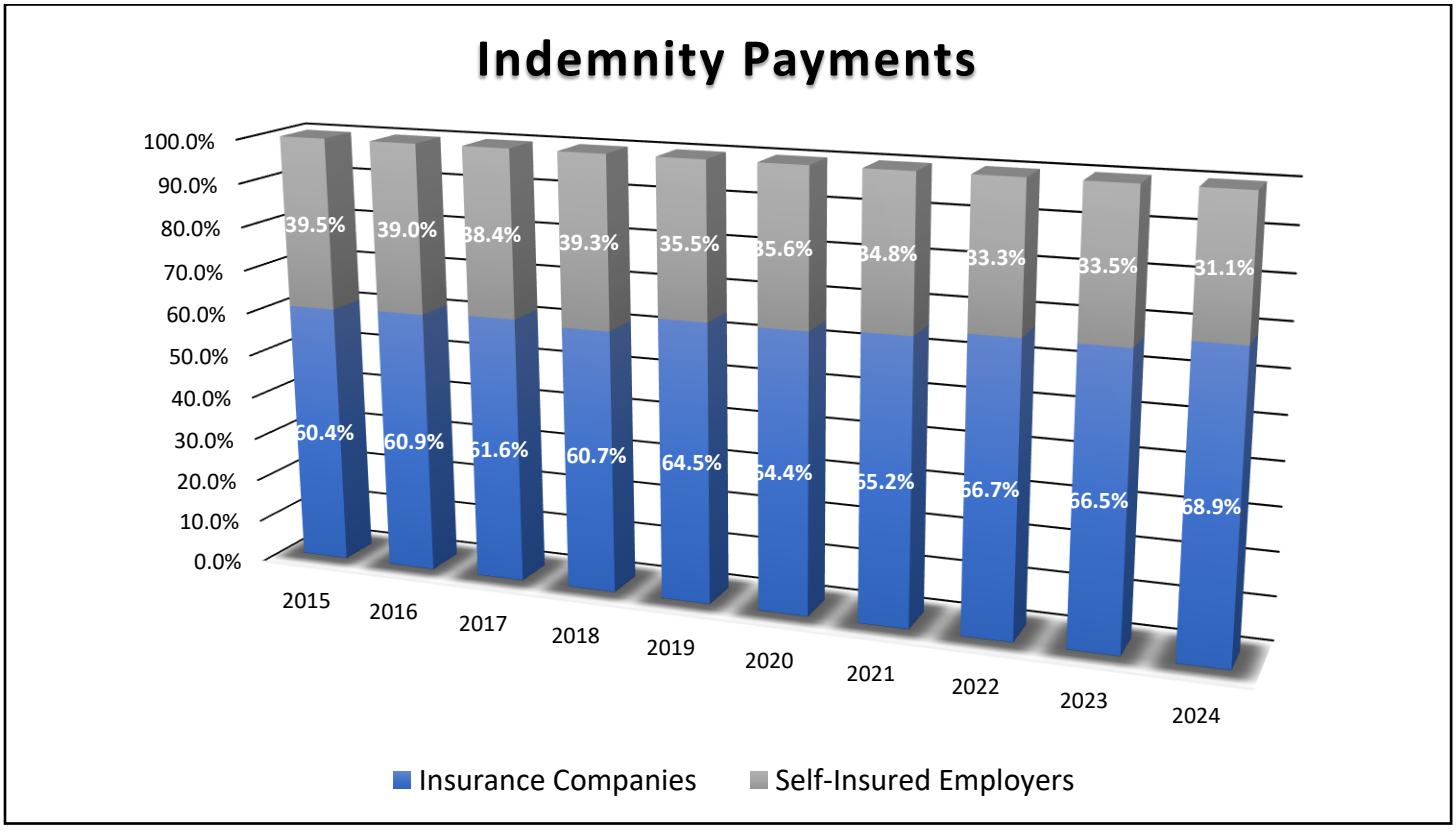
*Discontinued fringe benefits may not be used to raise the weekly benefits above this amount.
Attorney fees may not be based on a benefit rate higher than this amount.

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

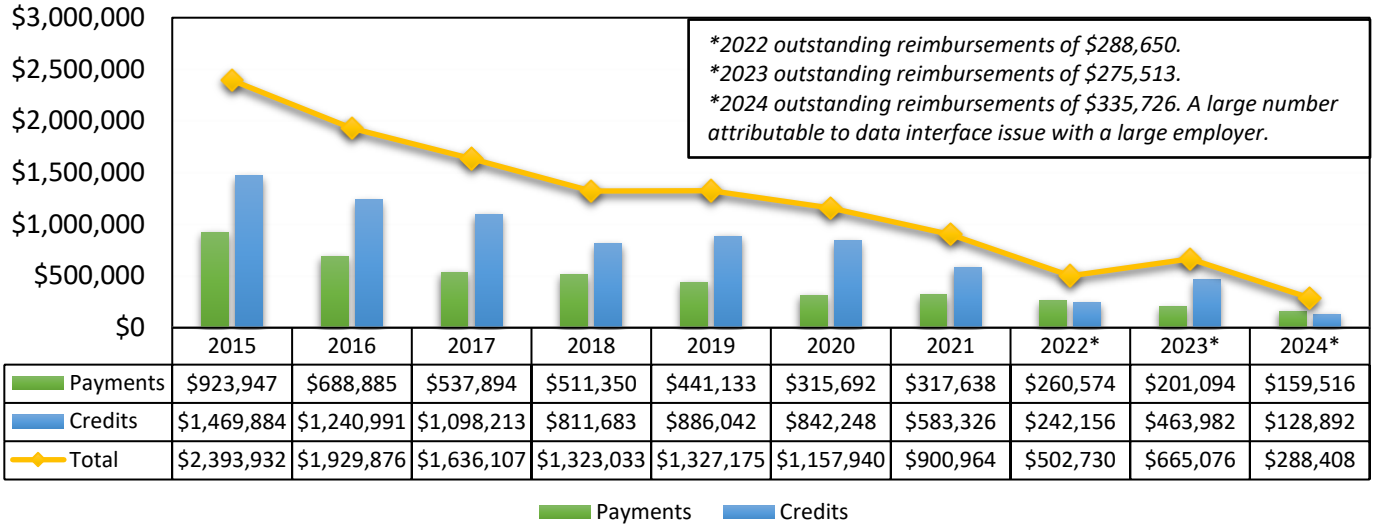
Year	SAWW	90% of SAWW (Maximum)	2/3 of SAWW*	50% of SAWW (Minimum Benefit for Death Cases)	25% of SAWW (Minimum Benefit for Specific Loss and T&P)
1989	454.15	409.00	302.77	227.08	113.54
1988	440.77	397.00	293.85	220.39	110.19
1987	433.91	391.00	289.27	216.96	108.48
1986	414.70	374.00	276.47	207.35	103.68
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
30,000
25,000
20,000
15,000
10,000
5,000
0
20,924
10,533
6,487
19,933
9,822
6,240
20,606
9,213
5,940
21,313
7,953
5,551
21,866
8,091
5,558
22,037
8,743
4,587
29,229
9,018
4,389
21,563
8,522
4,248
24,068
8,322
4,519
24,652
8,108
5,024
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
Form 100's-Lost Time Claims Over 7 Days
Contested Cases Pending End of Year
Contested Cases Opened During Year

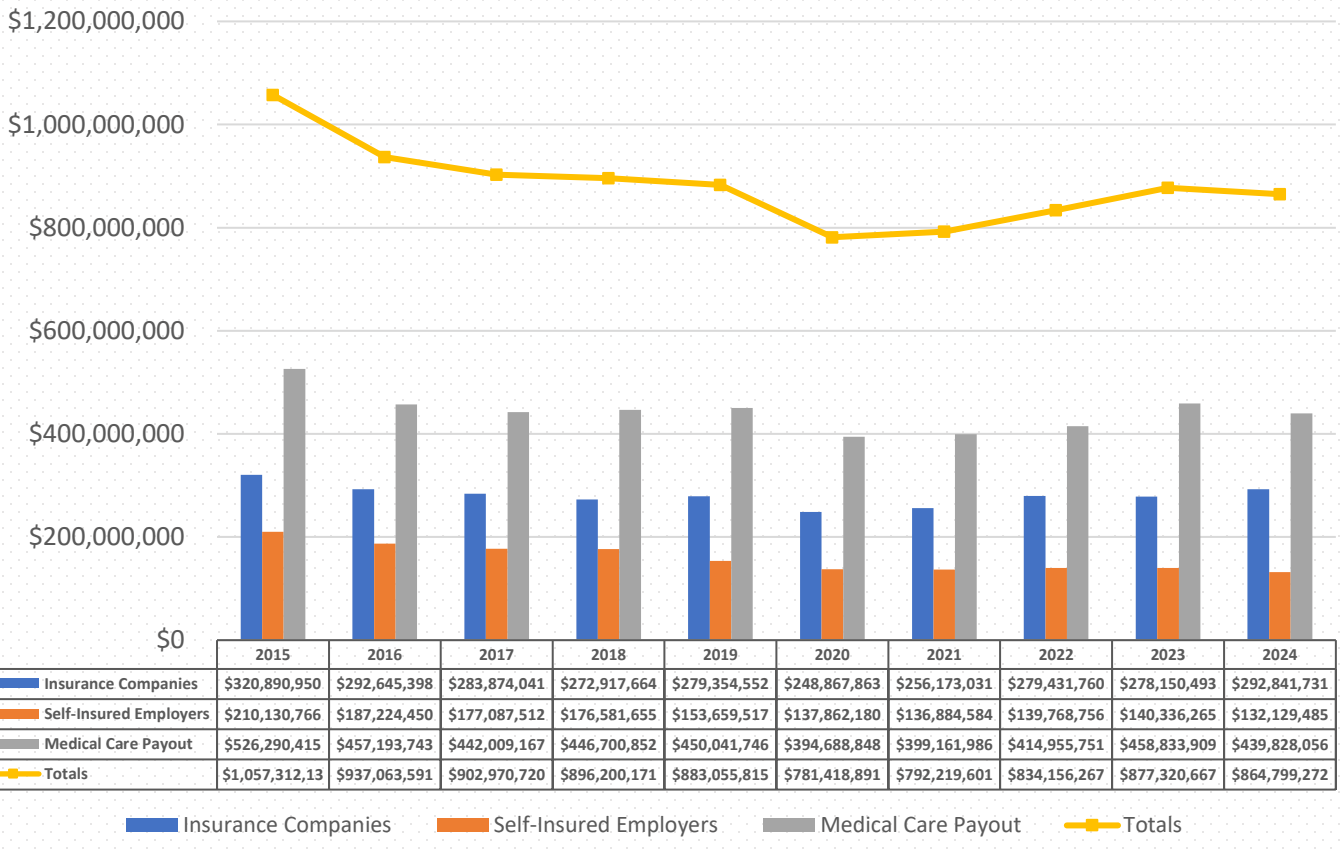

Indemnity Payments
100.0%
90.0%
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
39.5%
39.0%
38.4%
39.3%
35.5%
35.6%
34.8%
33.3%
33.5%
31.1%
60.4%
60.9%
61.6%
60.7%
64.5%
64.4%
65.2%
66.7%
66.5%
68.9%
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
Insurance Companies
Self-Insured Employers

Compensation Supplement Fund Reimbursements



	2015	2016	2017	2018	2019	2020	2021	2022*	2023*	2024*
Payments	$923,947	$688,885	$537,894	$511,350	$441,133	$315,692	$317,638	$260,574	$201,094	$159,516
Credits	$1,469,884	$1,240,991	$1,098,213	$811,683	$886,042	$842,248	$583,326	$242,156	$463,982	$128,892
Total	$2,393,932	$1,929,876	$1,636,107	$1,323,033	$1,327,175	$1,157,940	$900,964	$502,730	$665,076	$288,408

Payout in Workers' Compensation Benefits and Medical Care



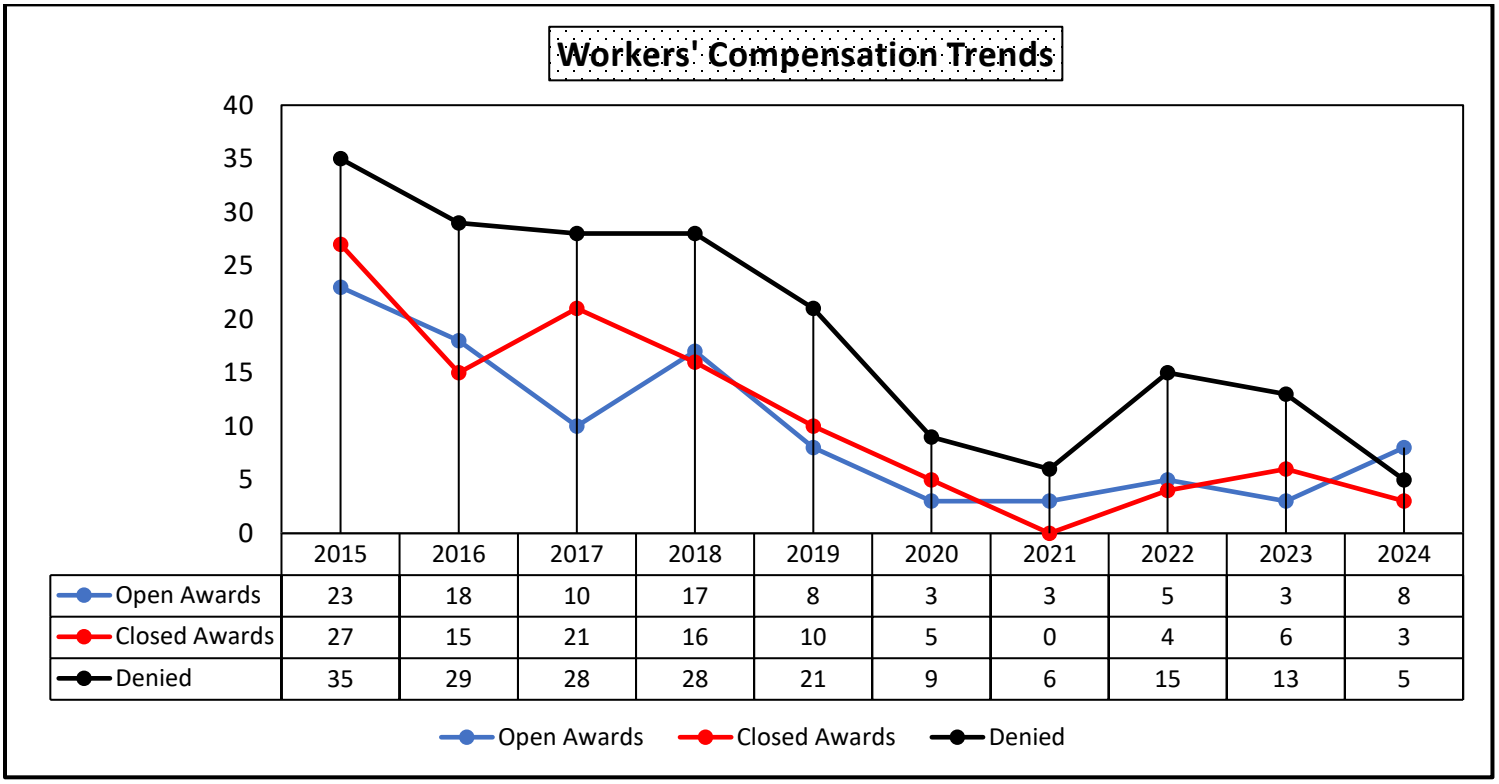
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Insurance Companies	$320,890,950	$292,645,398	$283,874,041	$272,917,664	$279,354,552	$248,867,863	$256,173,031	$279,431,760	$278,150,493	$292,841,731
Self-Insured Employers	$210,130,766	$187,224,450	$177,087,512	$176,581,655	$153,659,517	$137,862,180	$136,884,584	$139,768,756	$140,336,265	$132,129,485
Medical Care Payout	$526,290,415	$457,193,743	$442,009,167	$446,700,852	$450,041,746	$394,688,848	$399,161,986	$414,955,751	$458,833,909	$439,828,056
Totals	$1,057,312,13	$937,063,591	$902,970,720	$896,200,171	$883,055,815	$781,418,891	$792,219,601	$834,156,267	$877,320,667	$864,799,272

Magistrate Case Dispositions										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Redemptions	5,486	4,936	4,579	4,429	3,821	2,801	2,845	3,405	3,029	2,955
Opinions**	118	96	96	105	58	28	10	53	32	19
Other Dispositions	1,929	1,718	1,588	2,027	1,326	870	951	1,119	945	937
Total	**7,533**	**6,750**	**6,263**	**6,561**	**5,205**	**3,699**	**3,806**	**4,577**	**4,006**	**3,911**

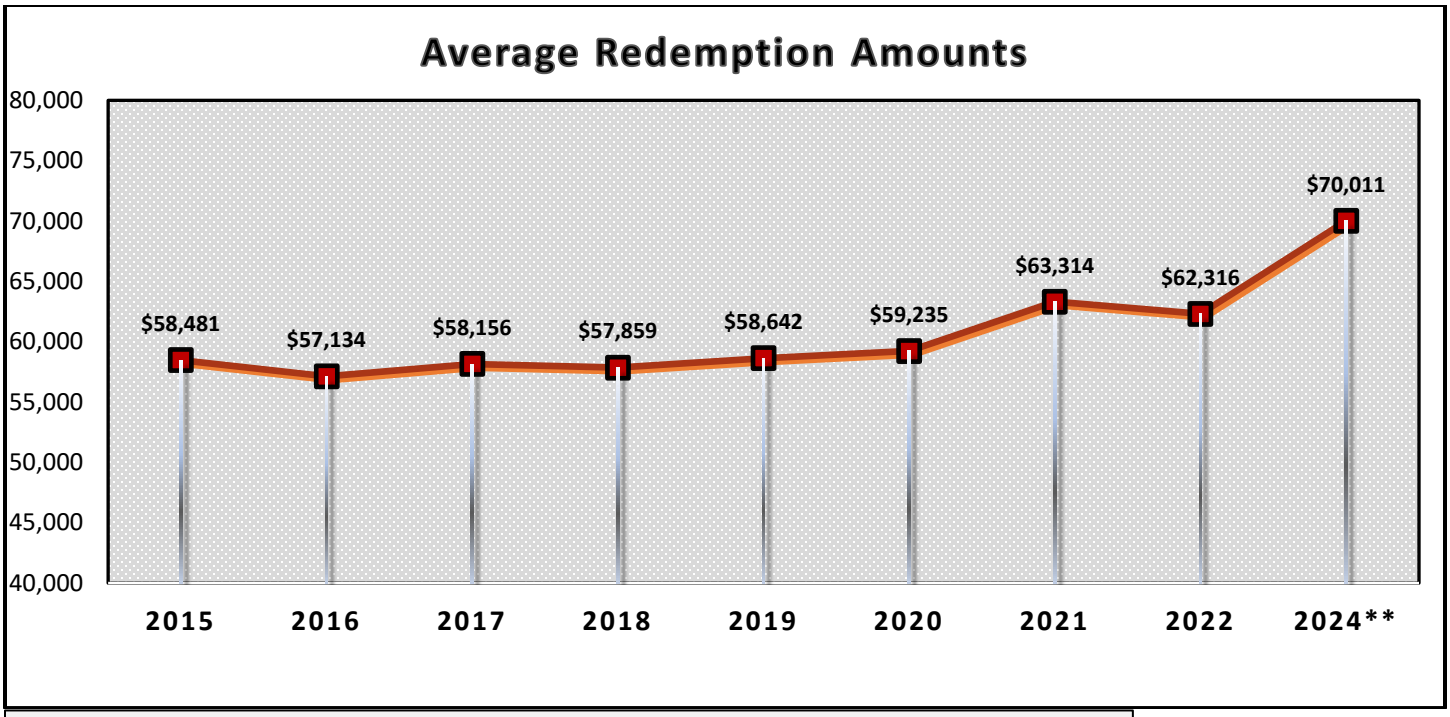
** Includes granted open, granted closed, denied and miscellaneous opinions

Magistrate Pending Aged Cases										
	2015	2016	2017	2018	2019	2020	2021	2022	2023*	2024
0 - 12 Months	5,042	4,753	4,614	4,345	4,514	3,713	3,678	3,499	----	3,264
13 – 18 Months	1,757	1,617	1,473	1,483	1,398	1,679	1,435	1,328	----	1,245
19 – 24 Months	1,072	884	837	852	827	1,288	1,058	1,032	----	1,031
Over 24 Months	2,166	2,110	1,734	878	1,023	1,724	2,565	2,399	----	2,505
Total Docket Load	**10,037**	**9,364**	**8,658**	**7,558**	**7,762**	**8,404**	**8,736**	**8,258**	----	**8,045**

** 2023 data undergoing quality review.*



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Open Awards	23	18	10	17	8	3	3	5	3	8
Closed Awards	27	15	21	16	10	5	0	4	6	3
Denied	35	29	28	28	21	9	6	15	13	5

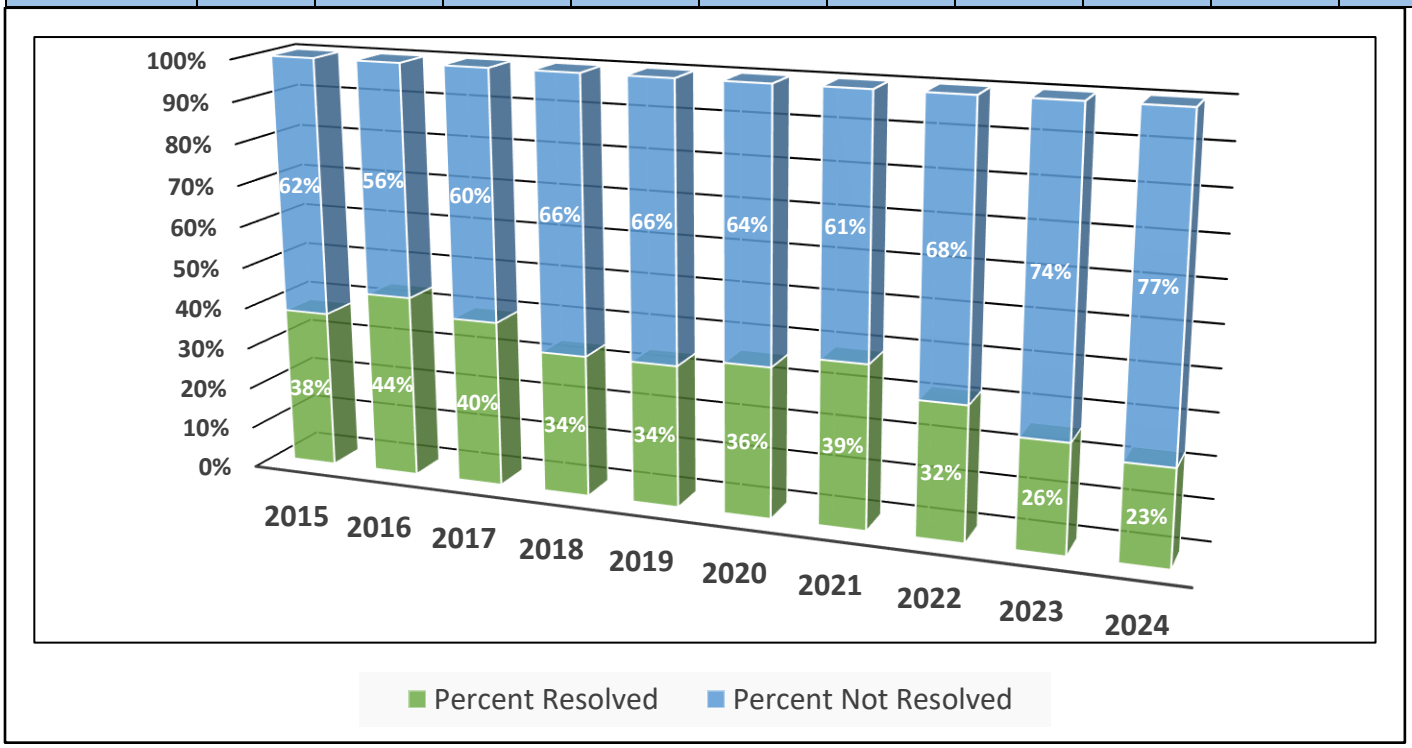


*2023: Data undergoing quality review.
**2024: Two redemptions, $2.2 & $1.1m, increased average from $68,882 to $70,011.

Mediation Dispositions

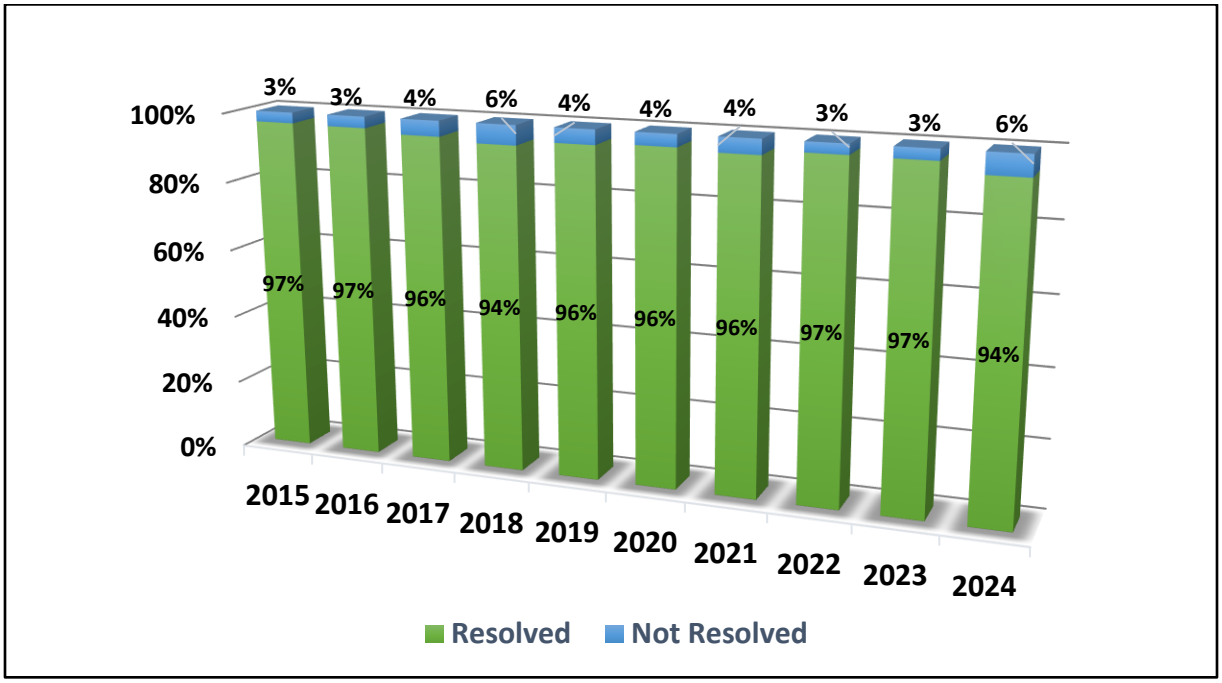
(Not Including VR & Health Care Rule Hearings)

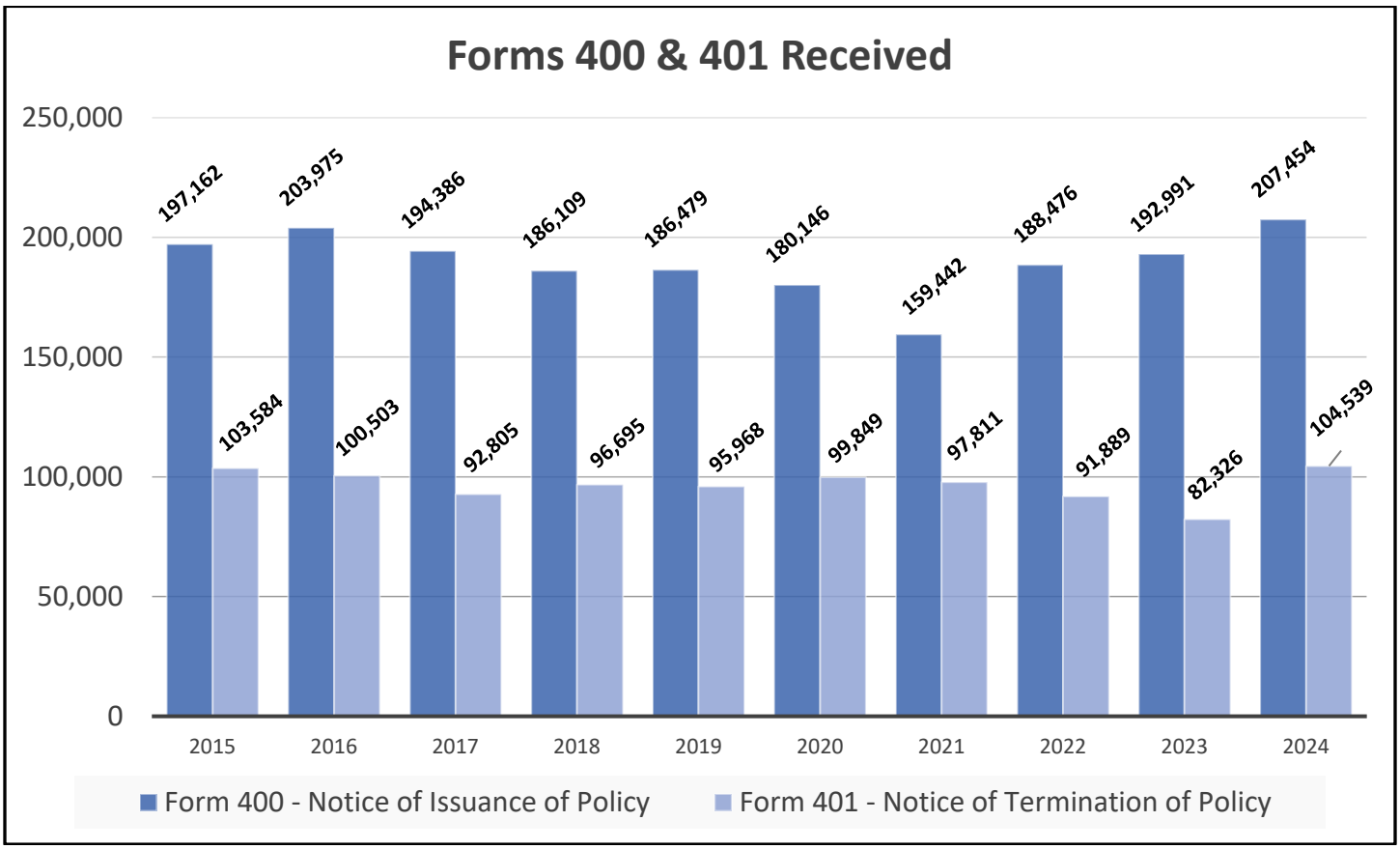
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Resolved	429	475	379	306	293	195	268	227	147	145
Not Resolved	692	593	564	606	559	343	420	475	415	498

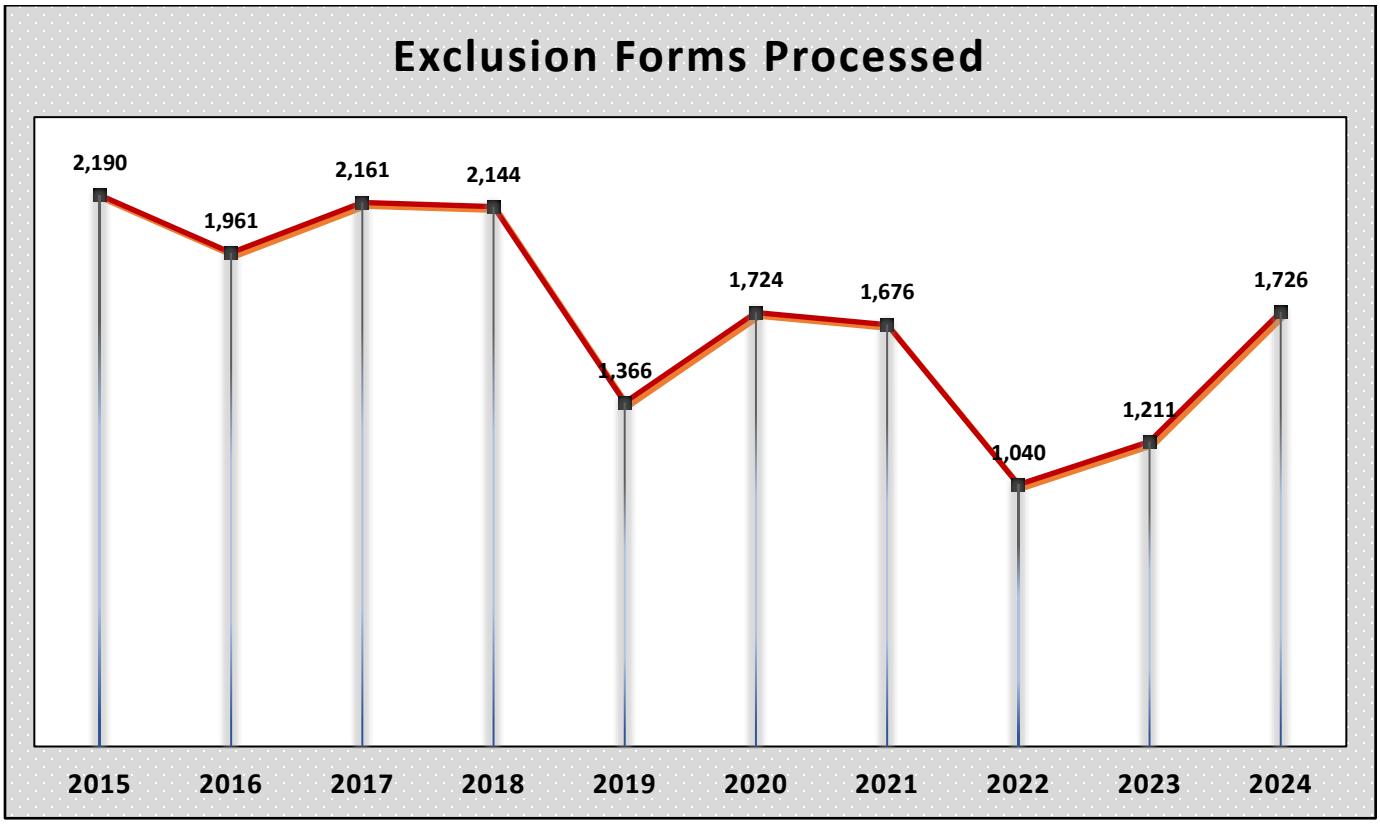


Health Care Dispositions

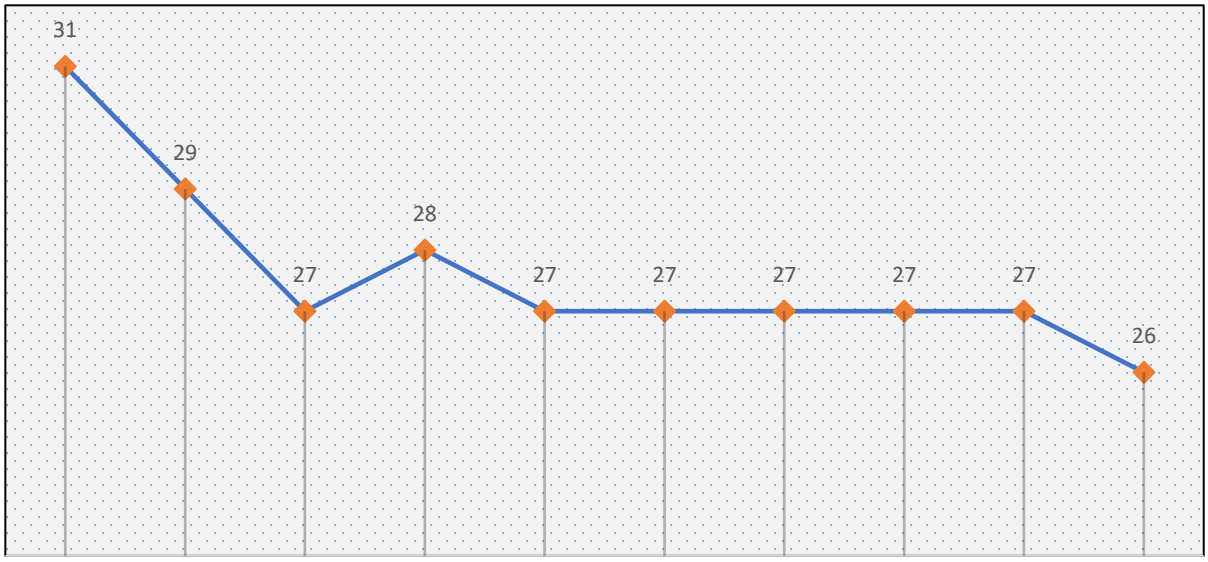
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Resolved	1,734	1,382	1,148	1,112	1,436	1,188	974	856	743	833
Not Resolved	55	47	54	67	64	44	44	26	24	53



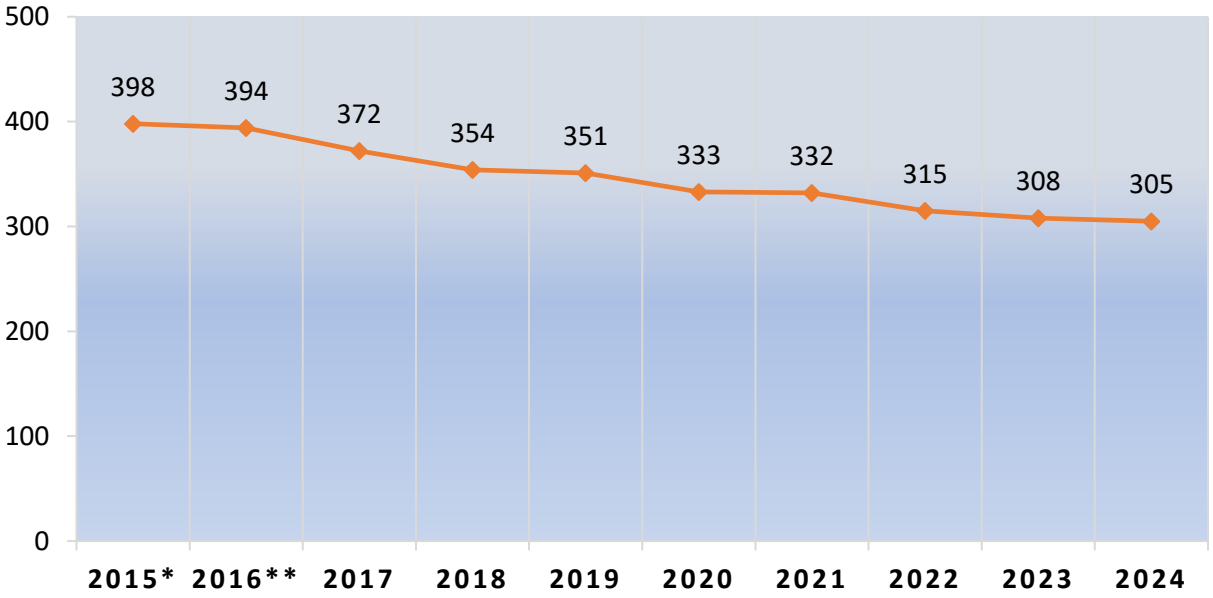

Forms 400 & 401 Received
250,000
200,000
150,000
100,000
50,000
0
197,162
203,975
194,386
186,109
186,479
180,146
159,442
188,476
192,991
207,454
103,584
100,503
92,805
96,695
95,968
99,849
97,811
91,889
82,326
104,539
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
Form 400 - Notice of Issuance of Policy
Form 401 - Notice of Termination of Policy


Exclusion Forms Processed
2,190
1,961
2,161
2,144
1,366
1,724
1,676
1,040
1,211
1,726
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024

Number of Approved Self-Insured Groups

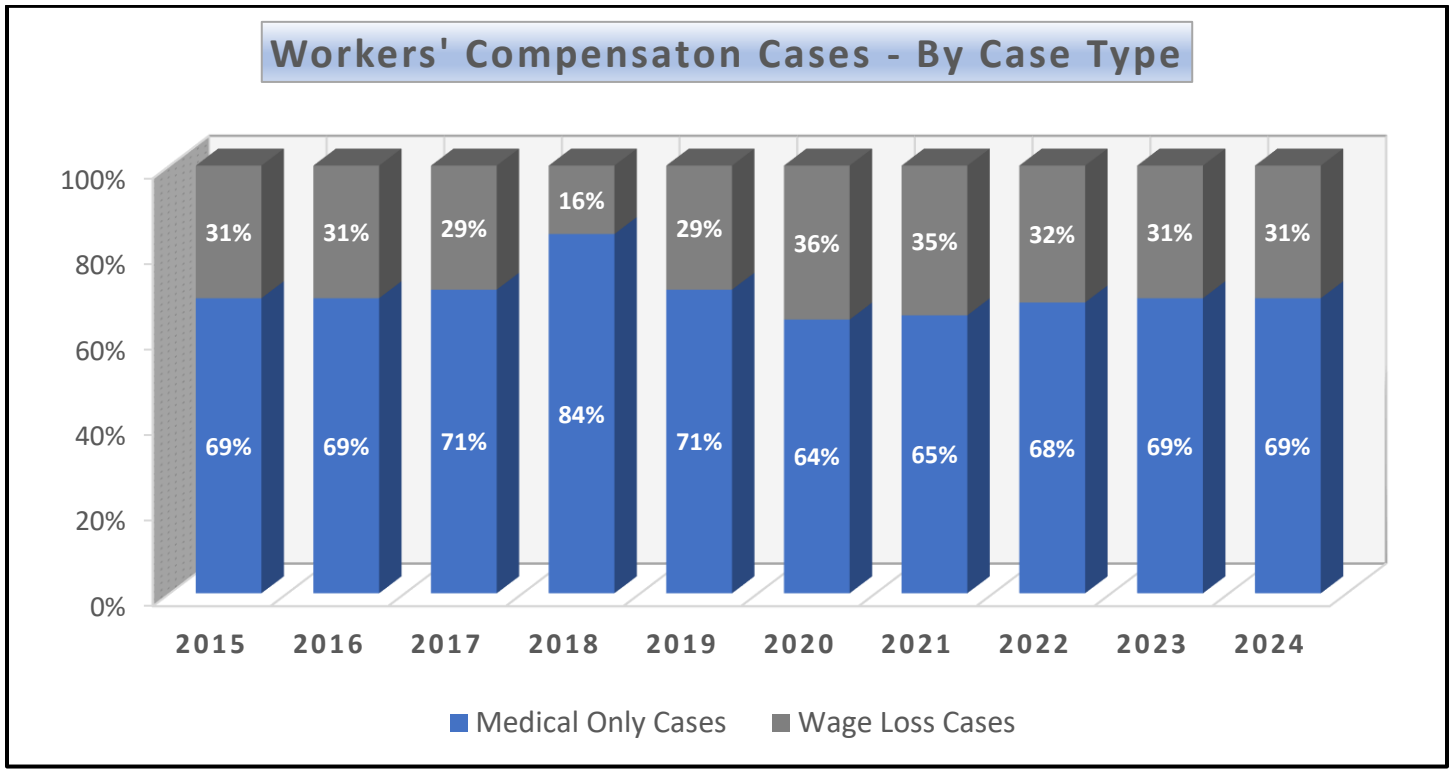


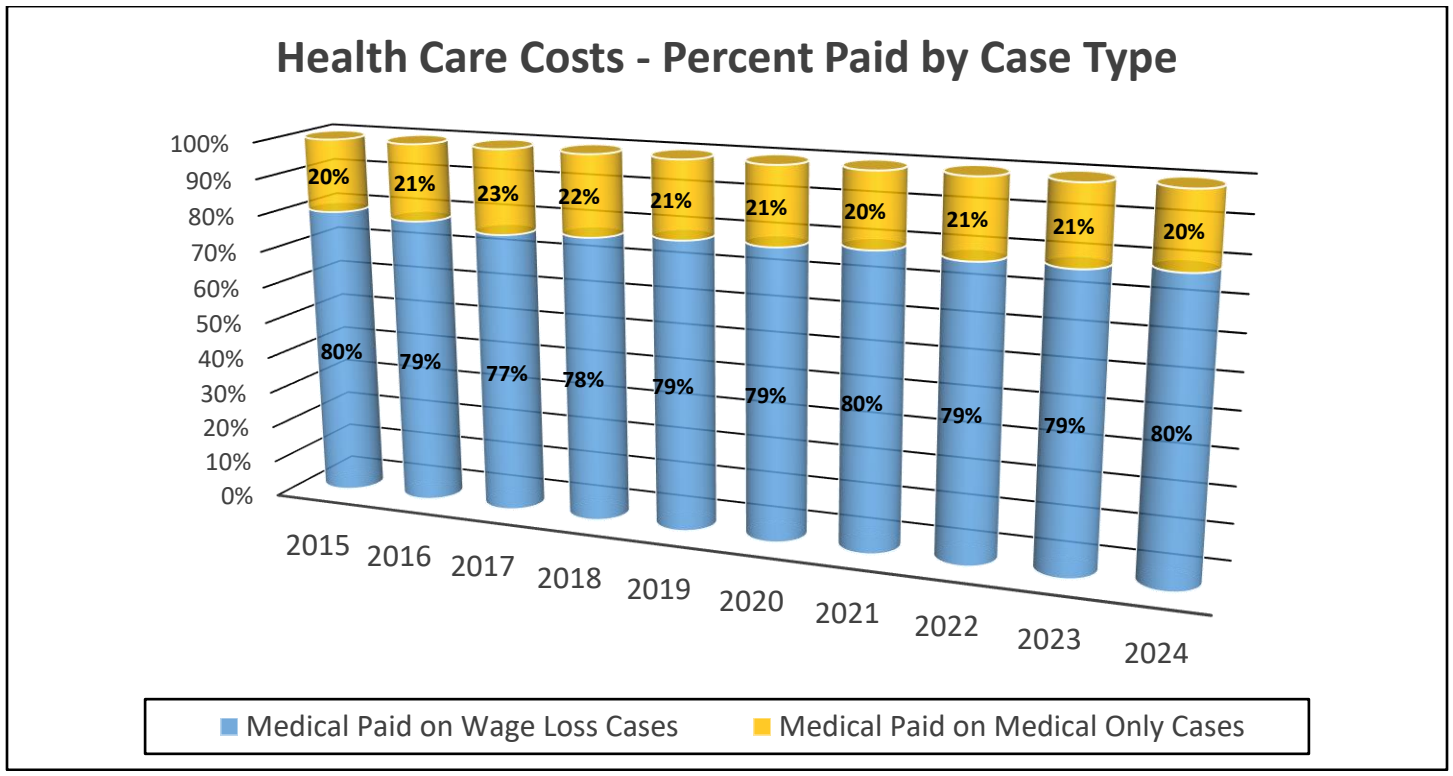
Number of Approved Individual Self-Insured Employers



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

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


Workers' Compensaton Cases - By Case Type
100%
80%
60%
40%
20%
0%
31%
31%
29%
16%
29%
36%
35%
32%
31%
31%
69%
69%
71%
84%
71%
64%
65%
68%
69%
69%
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
Medical Only Cases
Wage Loss Cases


Health Care Costs - Percent Paid by Case Type
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
20%
21%
23%
22%
21%
21%
20%
21%
21%
20%
80%
79%
77%
78%
79%
79%
80%
79%
79%
80%
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
Medical Paid on Wage Loss Cases
Medical Paid on Medical Only Cases

	WORKERS' DISABILITY COMPENSATION AGENCY ANNUAL HEALTH CARE COSTS 2015-2024									
	JAN - DEC	JAN - DEC	JAN - DEC	JAN - DEC	JAN - DEC	JAN - DEC	JAN - DEC	JAN - DEC	JAN-DEC	JAN-DEC
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
MEDICAL ONLY										
Number of Cases	127,901	125,669	119,365	253,602	123,171	92,953	87,110	90,874	94,662	93,143
Amount Paid	$103,998,692	$97,735,771	$102,562,089	$97,830,022	$94,695,373	$83,075,585	$ 79,138,474	$86,847,169	$95,345,137	$ 88,587,480
Cost/Case	$813	$778	$859	$386	$769	$894	$908	$ 955	$1,007	$951
% of Total Cases	69%	69%	71%	84%	71%	64%	65%	68%	69%	69%
% of Total Cost	20%	21%	23%	22%	21%	21%	20%	21%	21%	20%
MEDICAL PAID ON WAGE LOSS CASES										
Number of Cases	57,901	55,226	48,098	47,650	49,506	52,129	47,556	43,187	42,614	42,066
Amount Paid	$422,291,723	$359,457,972	$339,447,079	$348,870,830	$355,346,373	$311,613,263	$320,023,512	$328,108,582	$363,488,772	$ 351,240,576
Cost/Case	$7,293	$6,509	$7,057	$7,322	$7,178	$5,978	$6,729	$7,597	$8,529	$ 8,349
% of Total Cases	31%	31%	29%	16%	29%	36%	35%	32%	31%	31%
% of Total Cost	80%	79%	77%	78%	79%	79%	80%	79%	79%	80%
TOTAL										
Total Number of Cases	185,802	180,895	167,463	301,252	172,677	145,082	134,666	134,061	137,276	135,209
Amount Paid	$526,290,415	$457,193,743	$442,009,167	$446,700,852	$450,041,746	$394,688,848	$399,161,986	$414,955,751	$458,833,909	$ 439,828,056
Cost/Case	$2,833	$2,527	$2,639	$1,483	$2,606	$2,720	$2,964	$ 3,095	$3,342	$ 3,252
Average Medical Only per company reporting >$0:	$145,895	$140,425	$150,628	$151,440	$142,614	$128,799	$121,192	$137,199	$152,797	$144,045
Average Medical on Wage Loss Cases per company reporting >$0: ()	$544,973	$476,103	$467,009	$526,200	$494,911	$443,262	$457,176	$468,727	$553,255	$532,990

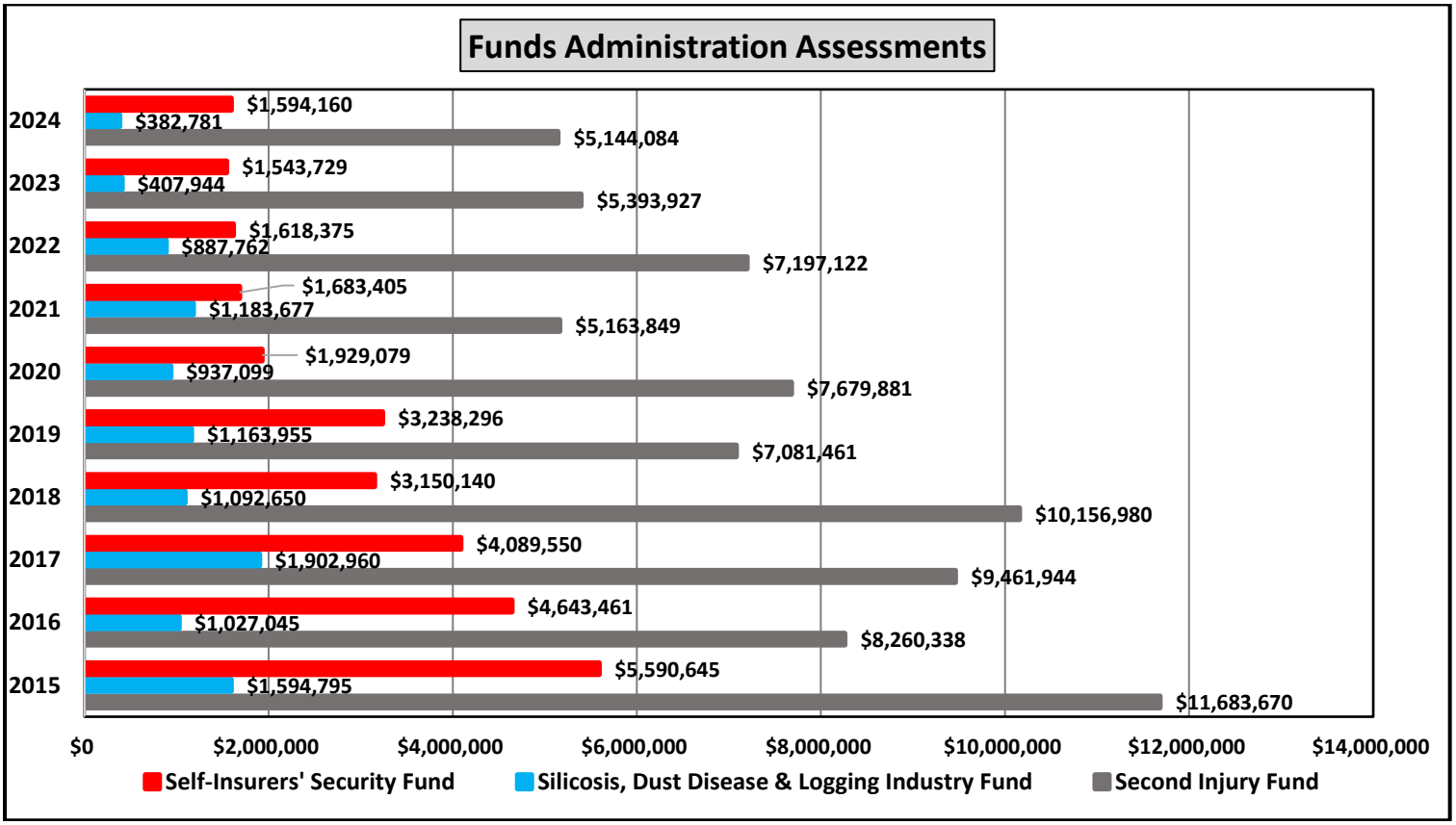
FIGURES REPRESENT PAYMENTS MADE IN ANY GIVEN ANNUAL REPORT PERIOD

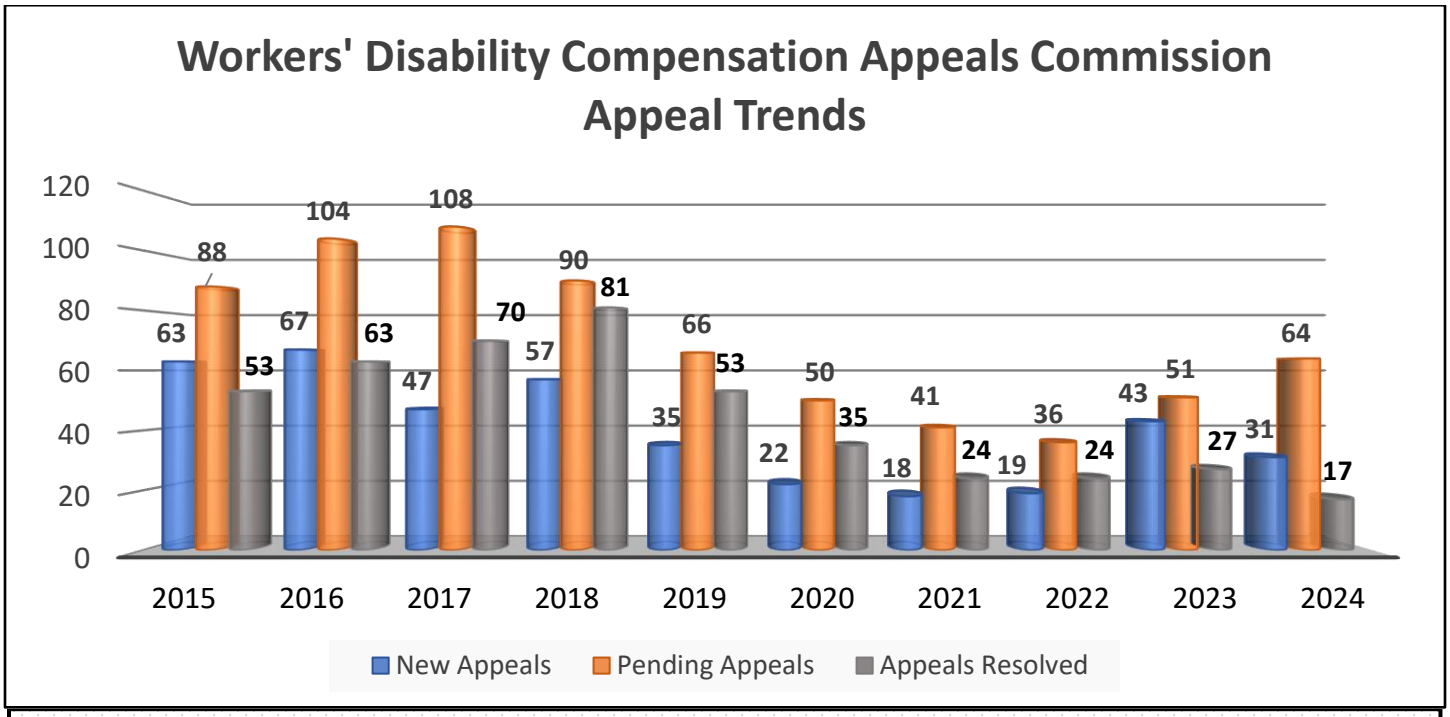
2024 numbers represent 99.6% of carriers reporting.

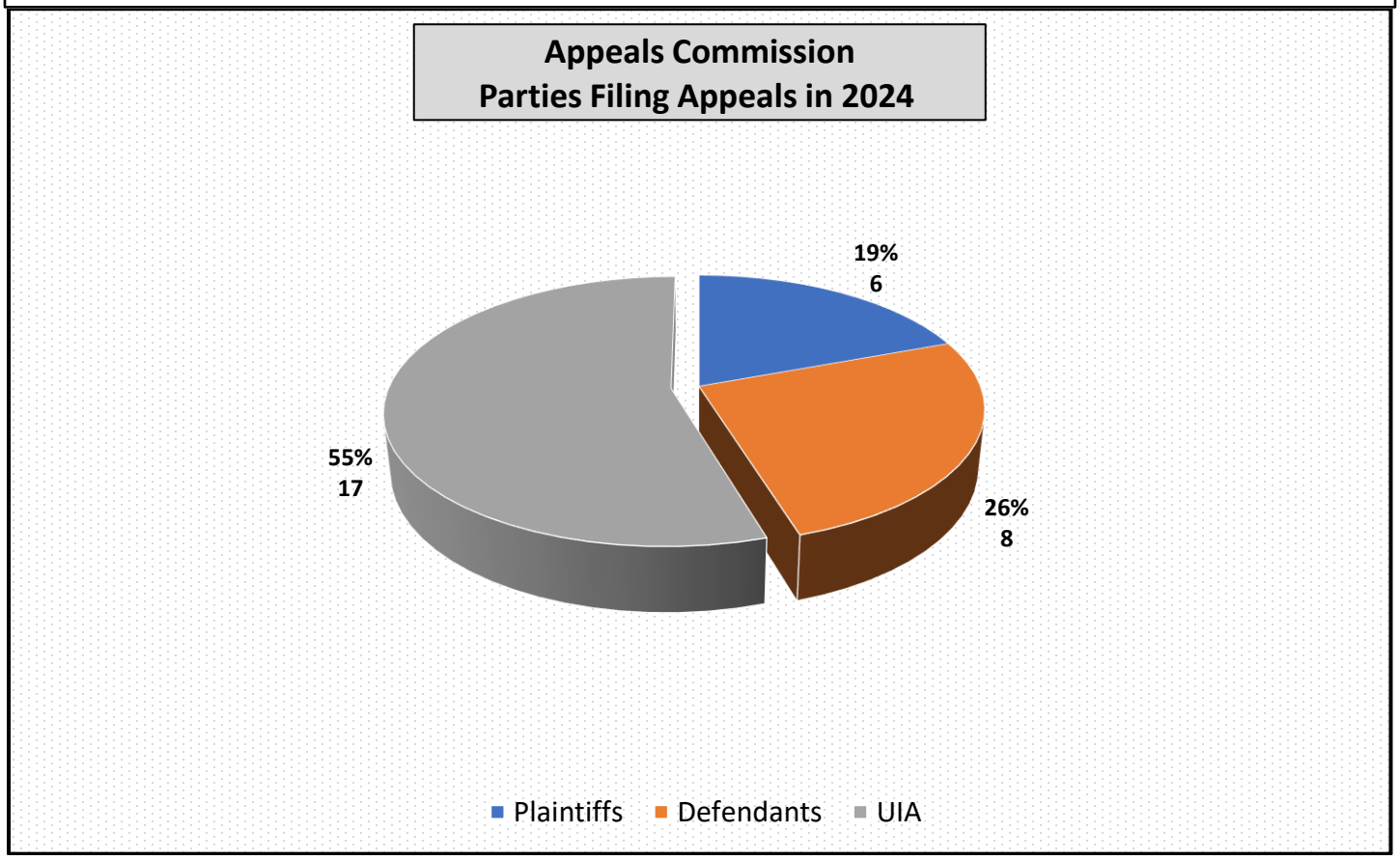
TOTALS (BY TYPE) 2024	Medical Only Counts	Medical Paid on Medical Only cases	Wage Loss Case Count	Medical paid on Wage Loss cases only	Total all Cases	Total Paid all cases
GROUP SELF- INSURERS	10,878	$8,824,293	3,433	$22,320,361	14,311	$31,144,654
INSURANCE COMPANY	56,422	$55,343,748	28,386	$244,605,006	84,808	$299,948,755
INDIVIDUAL SELF-INSURERS	25,785	$22,083,756	10,147	$81,908,079	35,932	$103,991,835
STATUTORY FUNDS	58	$2,335,683	100	$2,407,130	158	$4,742,813
TOTALS (BY COLUMN)	93,143	$88,587,480	42,066	$351,240,576	135,209	$439,828,056

TOTALS (BY TYPE) 2023	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
GROUP SELF- INSURERS	10,688	$9,109,734	3,358	$25,926,940	14,046	$35,036,674
INSURANCE COMPANY	59,024	$61,682,218	28,229	$262,941,218	87,253	$324,623,436
INDIVIDUAL SELF-INSURERS	24,908	$23,089,512	10,933	$72,860,874	35,841	$95,950,386
STATUTORY FUNDS	42	$1,463,673	94	$1,759,741	136	$3,223,414
TOTALS (BY COLUMN)	94,662	$95,345,137	42,614	$363,488,773	137,276	$458,833,910

TOTALS (BY TYPE) 2022	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
GROUP SELF- INSURERS	10,237	$8,510,245	3,230	$22,204,234	13,467	$30,714,479
INSURANCE COMPANY	54,077	$54,329,383	28,536	$231,319,145	82,613	$285,648,527
INDIVIDUAL SELF-INSURERS	26,538	$23,563,968	11,326	$73,521,306	37,864	$97,085,274
STATUTORY FUNDS	22	$443,573	95	$1,063,898	117	$1,507,471
TOTALS (BY COLUMN)	90,874	$86,847,169	43,187	$328,108,583	134,061	$414,955,751


Funds Administration Assessments
2024
$1,594,160
$382,781
$5,144,084
2023
$1,543,729
$407,944
$5,393,927
2022
$1,618,375
$887,762
$7,197,122
2021
$1,683,405
$1,183,677
$5,163,849
2020
$1,929,079
$937,099
$7,679,881
2019
$3,238,296
$1,163,955
$7,081,461
2018
$3,150,140
$1,092,650
$10,156,980
2017
$4,089,550
$1,902,960
$9,461,944
2016
$4,643,461
$1,027,045
$8,260,338
2015
$5,590,645
$1,594,795
$11,683,670
$0
$2,000,000
$4,000,000
$6,000,000
$8,000,000
$10,000,000
$12,000,000
$14,000,000
Self-Insurers' Security Fund
Silicosis, Dust Disease & Logging Industry Fund
Second Injury Fund


Workers' Disability Compensation Appeals Commission
Appeal Trends
120
100
80
60
40
20
0
63
88
53
67
104
63
47
108
70
57
90
81
35
66
53
22
50
35
18
41
24
19
36
24
43
51
27
31
64
17
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
New Appeals
Pending Appeals
Appeals Resolved


Appeals Commission
Parties Filing Appeals in 2024
19%
6
26%
8
55%
17
Plaintiffs
Defendants
UIA

Information/Publications Available on our Website

Most Frequently Accessed

- Insurance coverage look-up for businesses
- Forms (claims, litigation, employer)
- Frequently Asked Questions
- Calculation Program
- Health Care Services Fees and Manuals

General Information/Publications

- Annual Reports (2022 – 2024)
- 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