



MICHIGAN DEPARTMENT OF
**LABOR & ECONOMIC
OPPORTUNITY**

**Workers
Disability
Compensation
Agency**

Jack A. Nolish, Director

M.S.I.A. Summer Meeting 2024



Bahle Farms Golf Course, Suttons Bay, MI

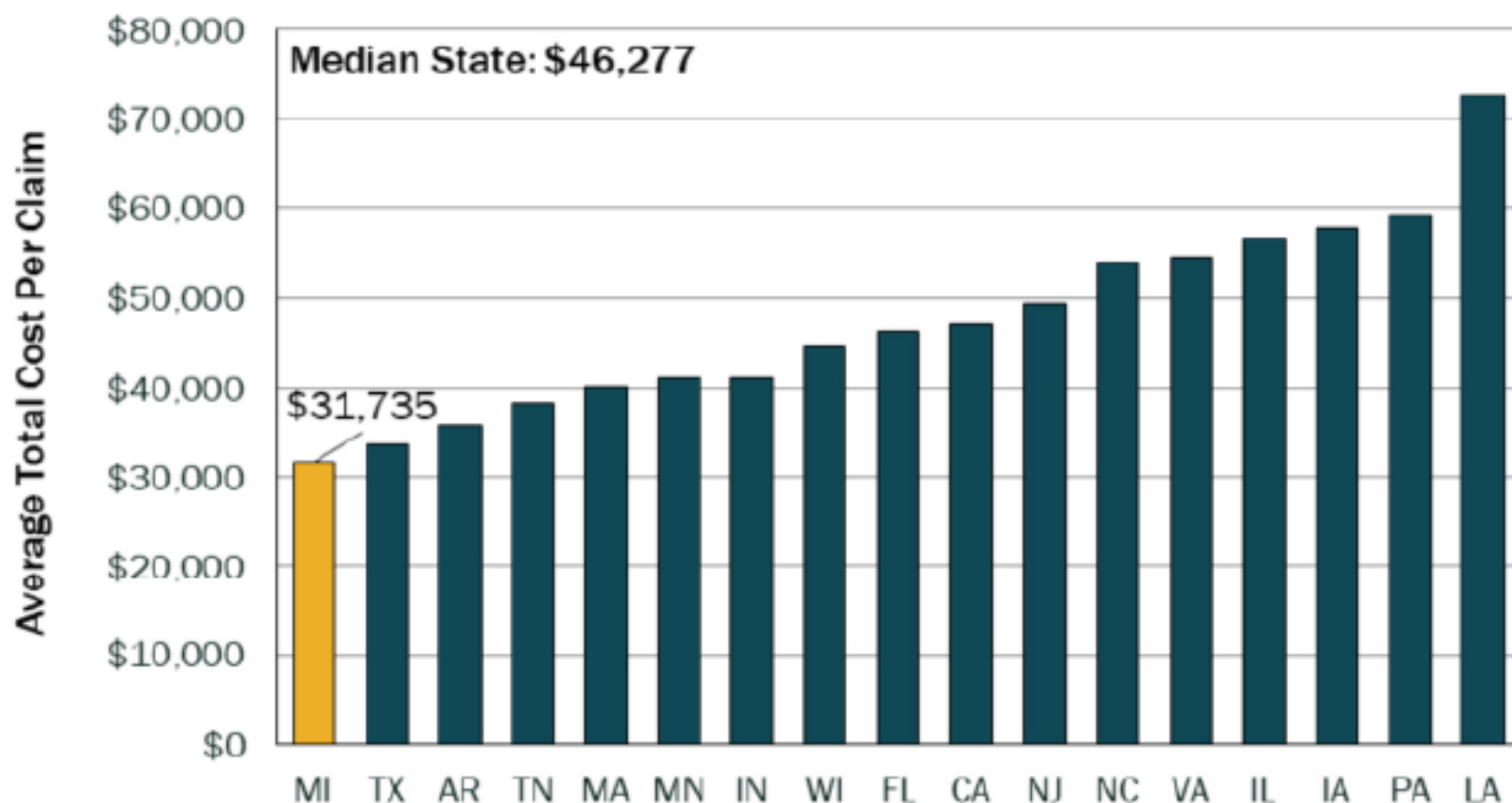


Major Findings For Michigan From CompScope™ Benchmarks, 24th Edition

- MI total costs/claim mostly stable since 2017; 7 percent increase in 2022/23 reflects growth in all key components
- Indemnity benefits/claim increased 6 percent in 2022/23, following moderate growth 2017–2021
- Medical payments/claim increased 8 percent in 2022/23, following decreases 2019–2021
 - Increase in prices paid for professional services likely contributed to growth in 2022; reflects, in part, fee schedule change
- MI total costs/claim lowest of the study states, reflecting lower payments/claim in Michigan for all 3 key components

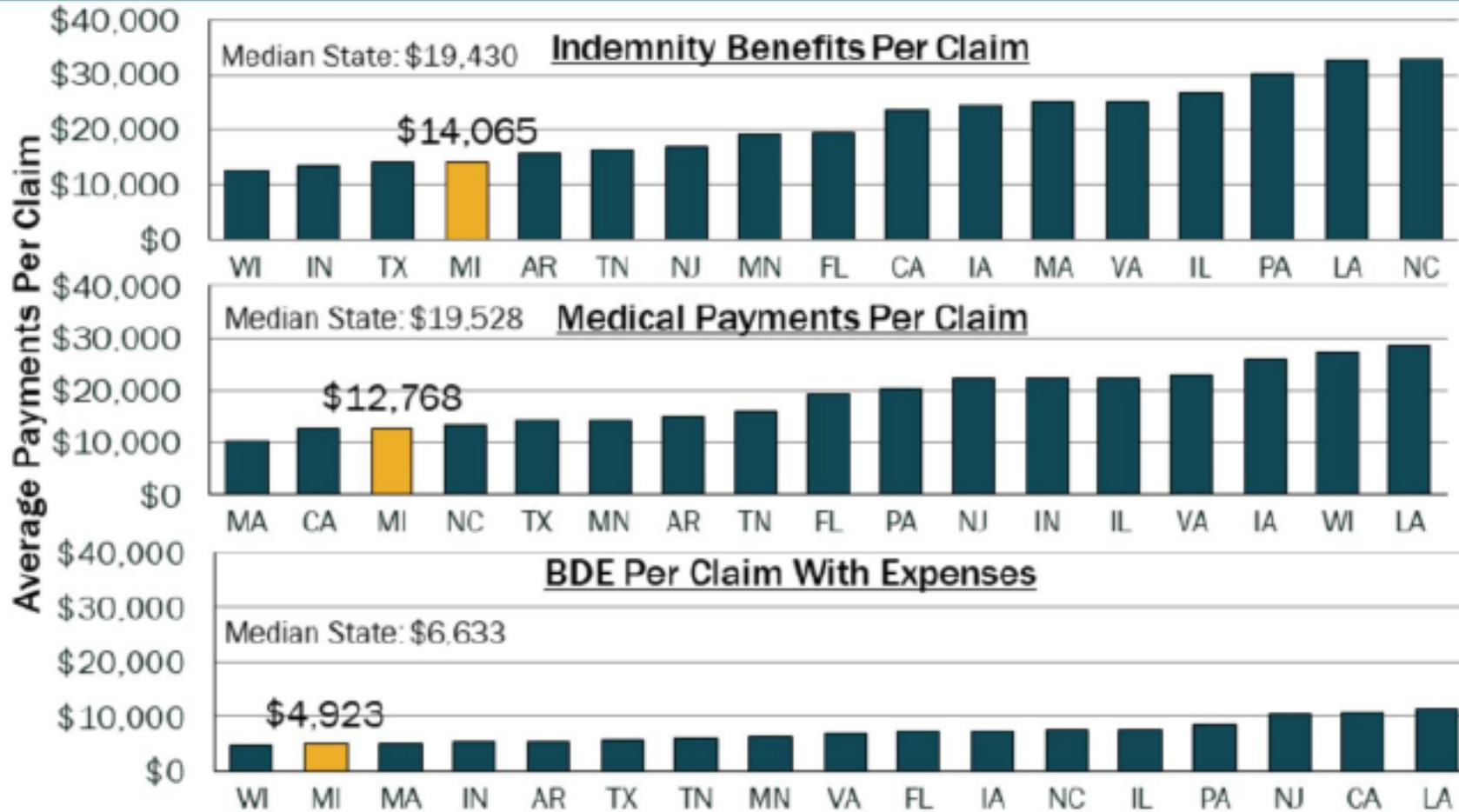
Note: Total costs per claim and their components are based on non-COVID-19 claims with more than seven days of lost time.

Michigan Total Costs Per Claim Lowest Of 17 Study States



2020/23 Non-COVID-19 Claims With >7 Days Of Lost Time, Adjusted For Injury/Industry Mix And Wages

Indemnity, Medical, & Benefit Delivery Expenses Per Claim Lower In MI Compared With Other States



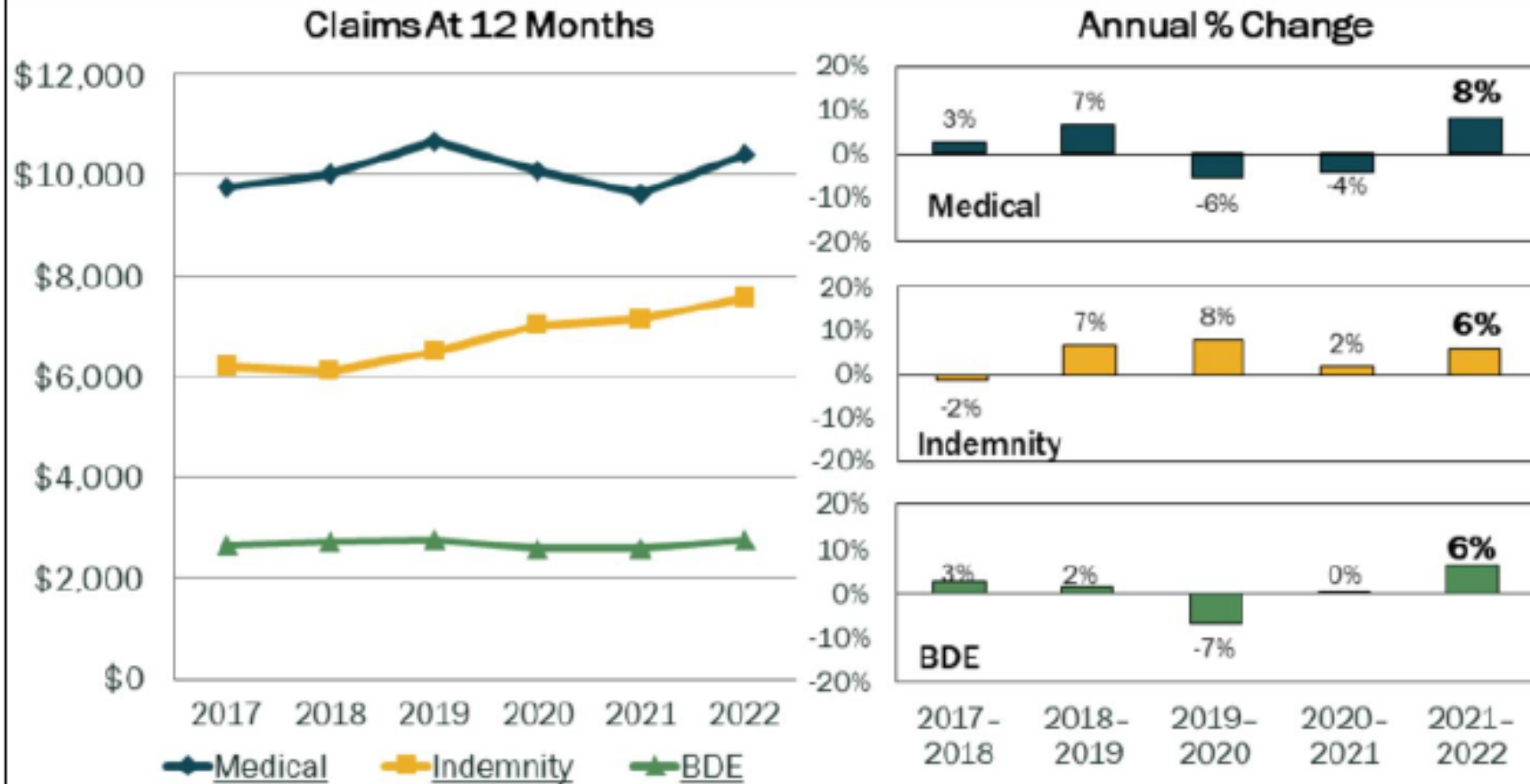
2020/23 Non-COVID-19 Claims With >7 Days Of Lost Time. Indemnity benefits are adjusted for injury/industry mix and wages. Other measures are adjusted for injury/industry mix.

For 2020/23 claims, Michigan was lower compared with other states for all key components. Indemnity benefits per claim were 28 percent lower than the 17-state median, medical payments per claim were 35 percent lower than the median, and benefit delivery expenses per claim with such expenses were 26 percent lower than the median.

Recent Indemnity Trends May Reflect Changing Economic Conditions, Including Pandemic Disruptions

- Pre-pandemic
 - After peaking around 14% during the Great Recession, MI's unemployment rate decreased to under 4% in the months leading up to the COVID-19 pandemic
- COVID-19 pandemic and subsequent recovery:
 - MI unemployment rate increased rapidly at beginning of pandemic to nearly 23% in April 2020
 - Fully recovered to pre-pandemic levels by May 2023
 - Labor force participation rate remained below pre-pandemic levels through July 2023
 - By September 2023, the number of MI employees was 1% higher than pre-pandemic
- Labor market changes
 - Rapid increase in MI job openings in 2021

Increase In MI Total Costs Per Claim In 2021/22 Reflects Increases In All 3 Underlying Components

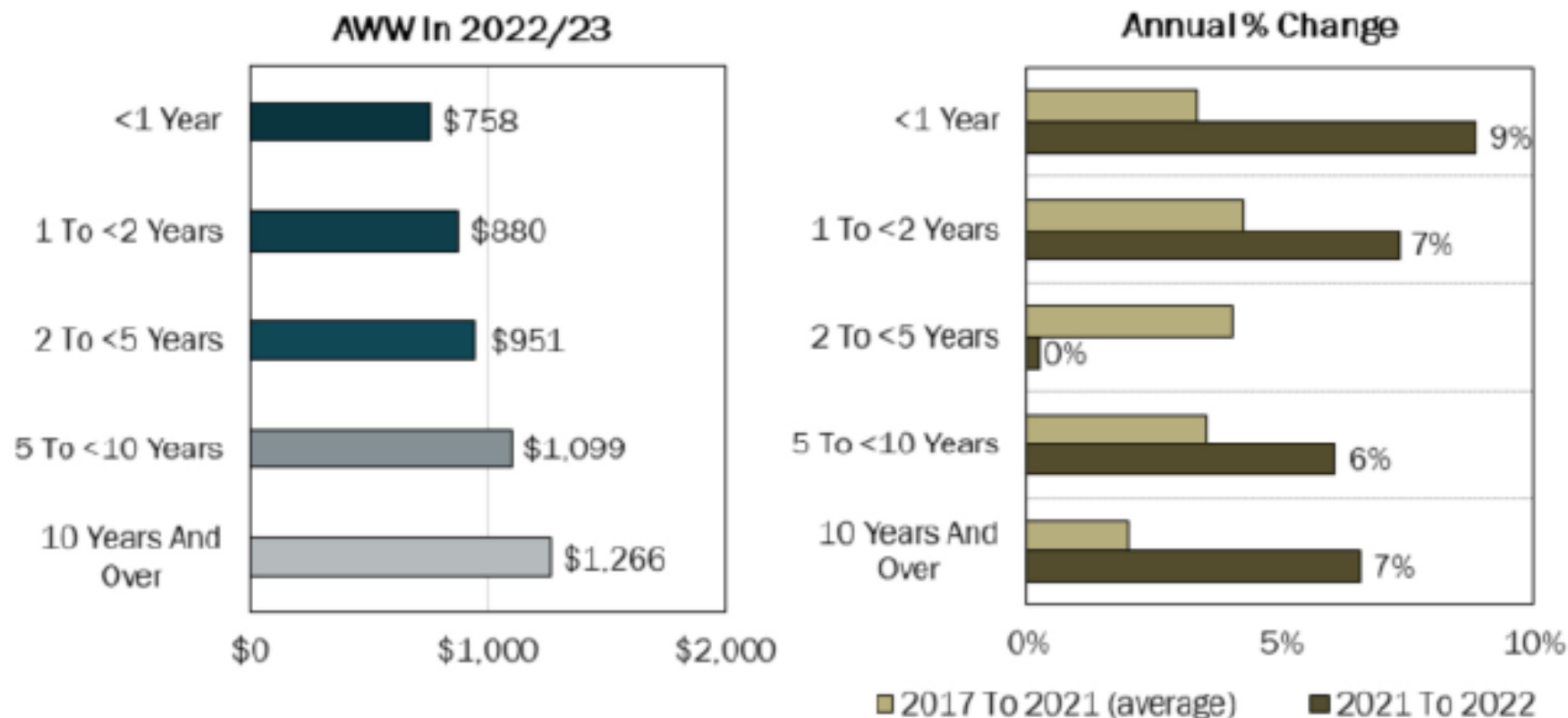


Non-COVID-19 Claims With >7 Days Of Lost Time At 12 Months Of Experience. Not Adjusted For Injury/Industry Mix And Wages

BDE=Benefit Delivery Expense

Wages Increased Across Most Job Tenure Categories In 2022 In Michigan

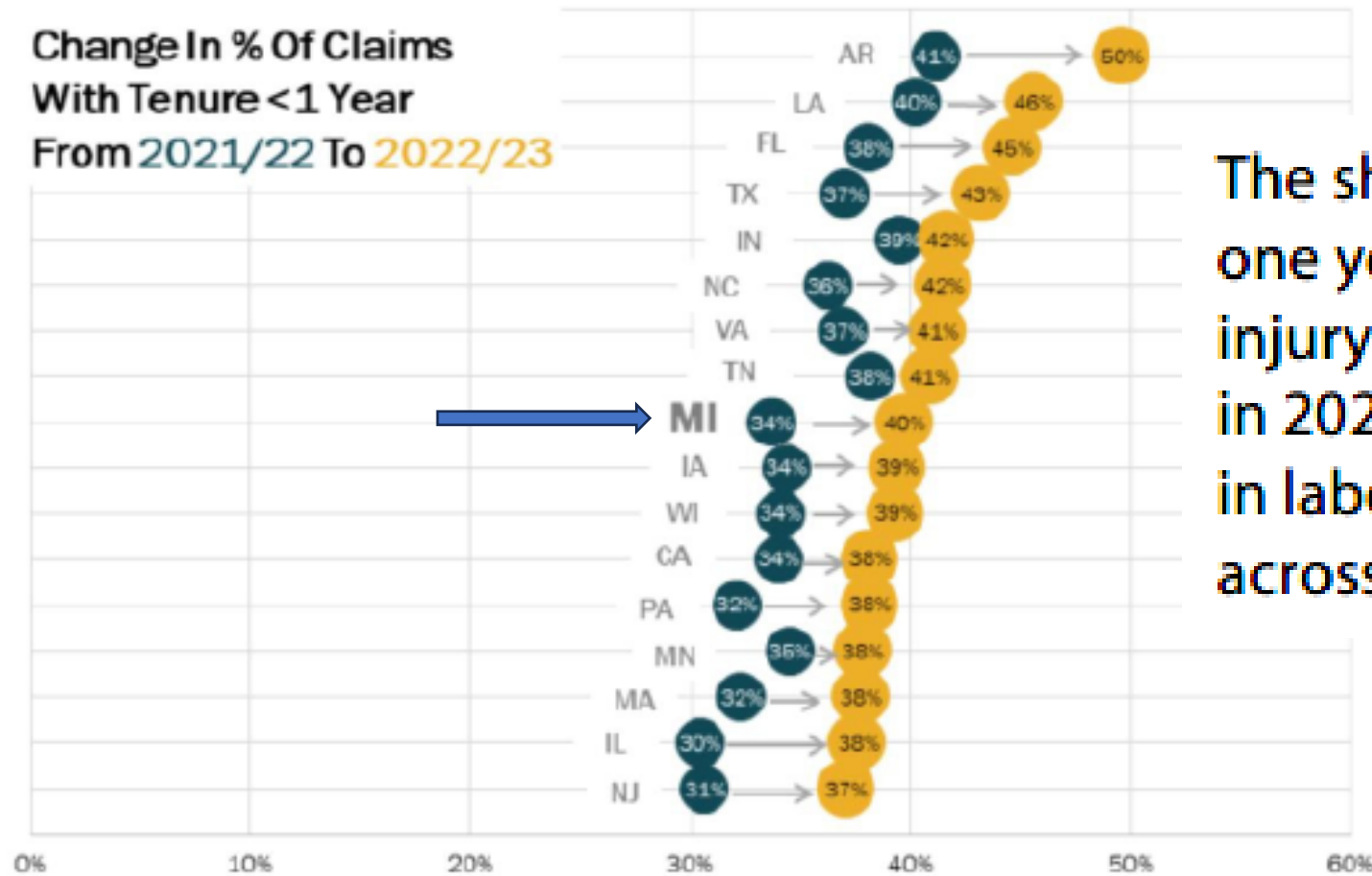
AWW Of Workers With Injuries By Job Tenure At Time Of Injury In MI



Non-COVID-19 Claims With >7 Days Of Lost Time, Not Adjusted For Injury/Industry Mix

Newly-Hired Workers Increasingly Contributed To Share Of Work Injuries Across States In 2022

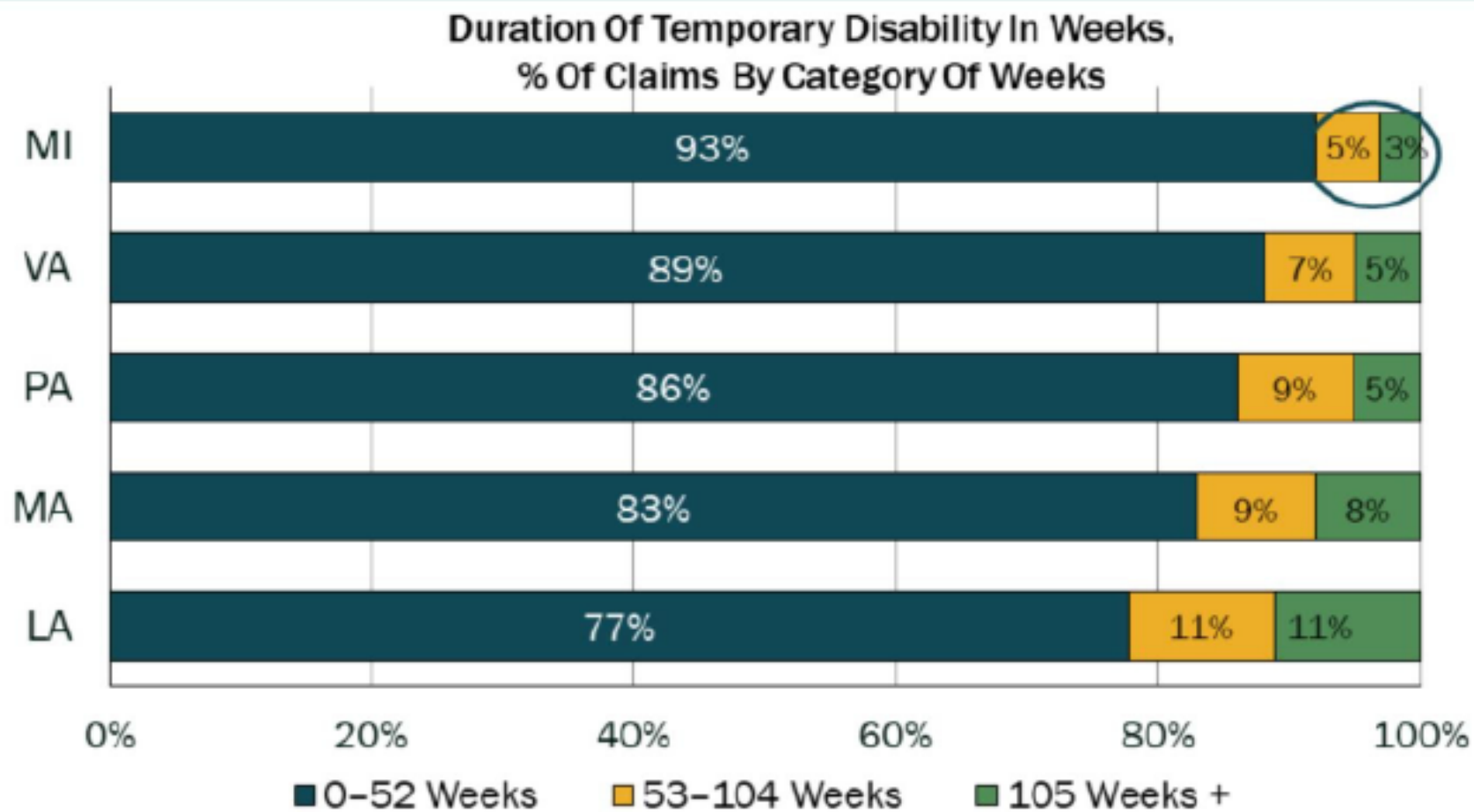
Change In % Of Claims With Tenure <1 Year From 2021/22 To 2022/23



The share of workers with less than one year of tenure at the time of injury increased across study states in 2022/23. This suggests that shifts in labor demand were observed across all states.

Non-COVID-19 Claims With >7 Days Of Lost Time At 12 Months Of Experience, Not Adjusted For Injury/Industry Mix And Wages

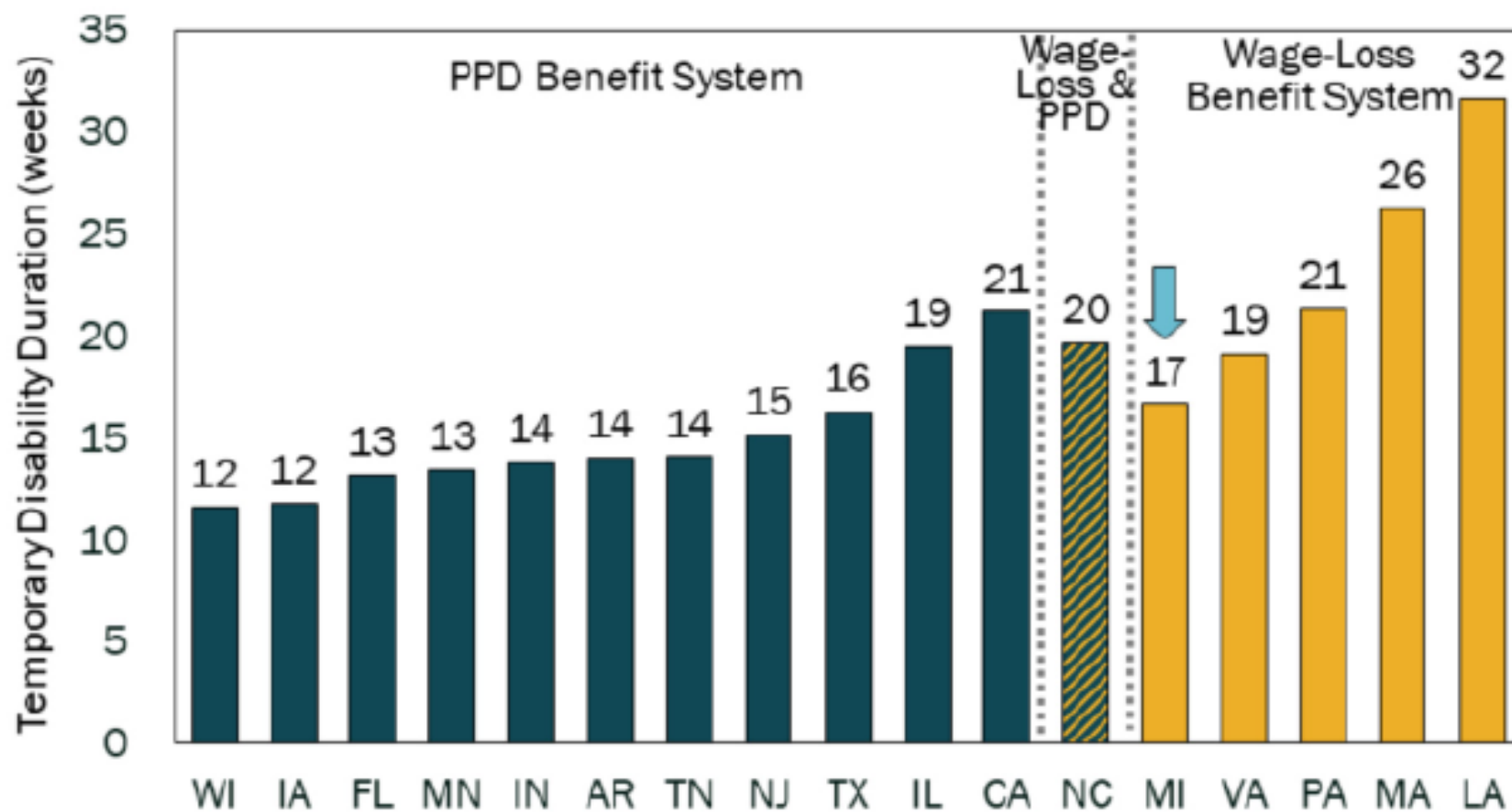
MI Had A Smaller Share Of Claims With Longer TD Duration Compared With Other Wage-Loss States



2020/23 Non-COVID-19 Claims With >7 Days Of Lost Time, Adjusted For Injury/Industry Mix And Wages

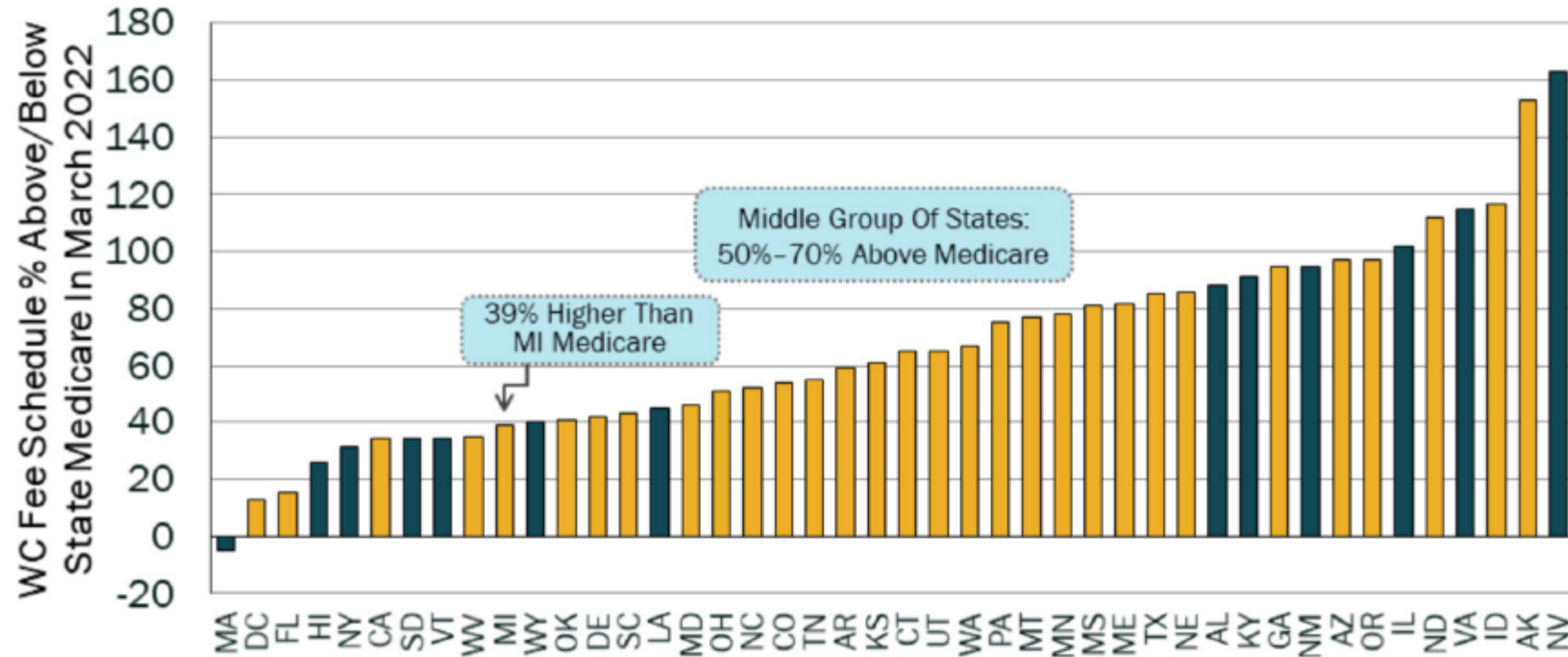
Note: Percentages shown reflect rounding.

Temporary Disability Duration In Michigan Shorter Than In All Other Wage-Loss States



2020/23 Non-COVID-19 Claims With >7 Days Of Lost Time, Adjusted For Injury/Industry Mix And Wages

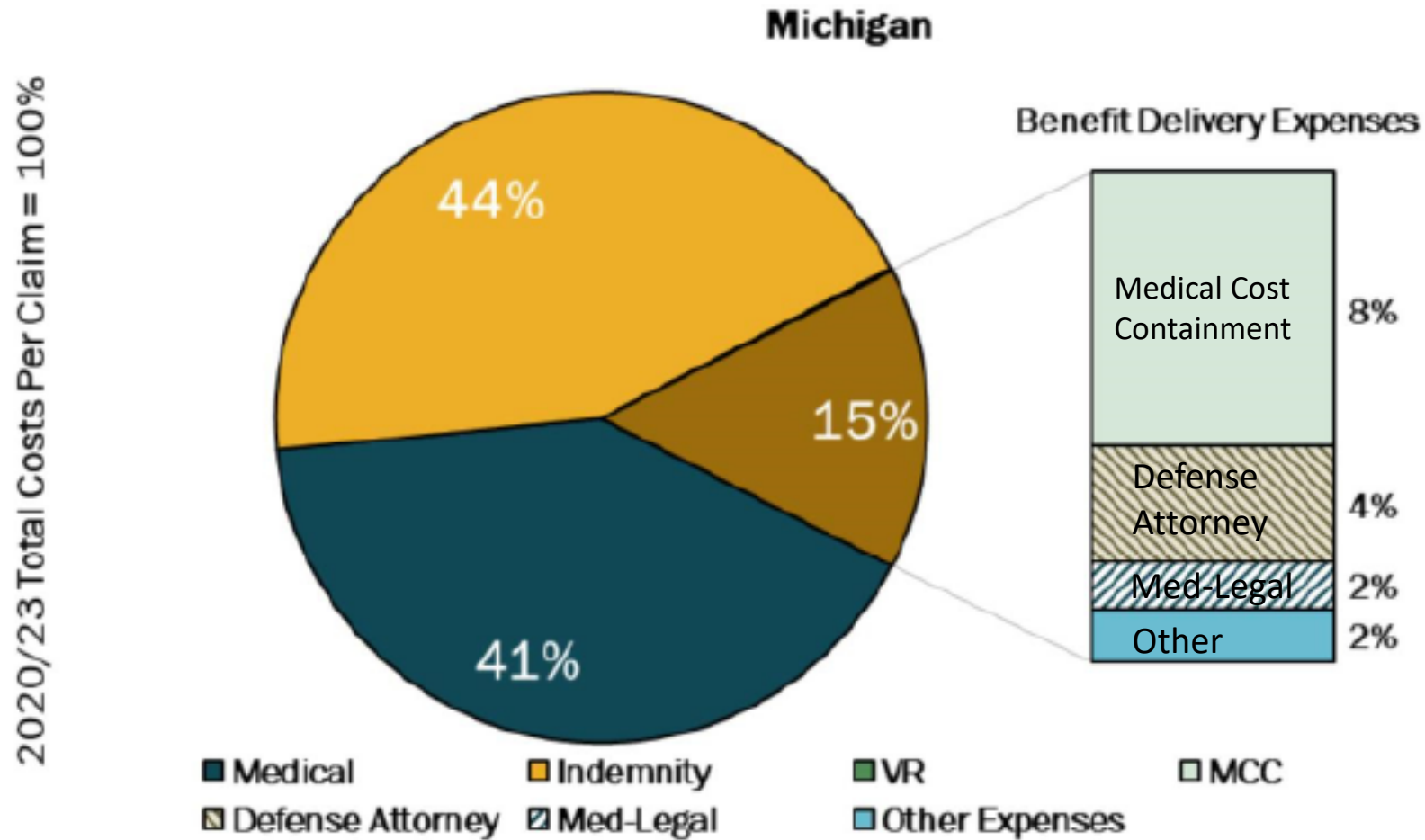
MI Fee Schedule For Professional Services (As % Above Medicare) Lower Than Many States



.RBRVS: Resource-based relative value scale.
 ■ All Other Types Of FS ■ FS Largely Based On RBRVS (Medicare)

Source: *Designing Workers' Compensation Medical Fee Schedules, 2022* (2022)

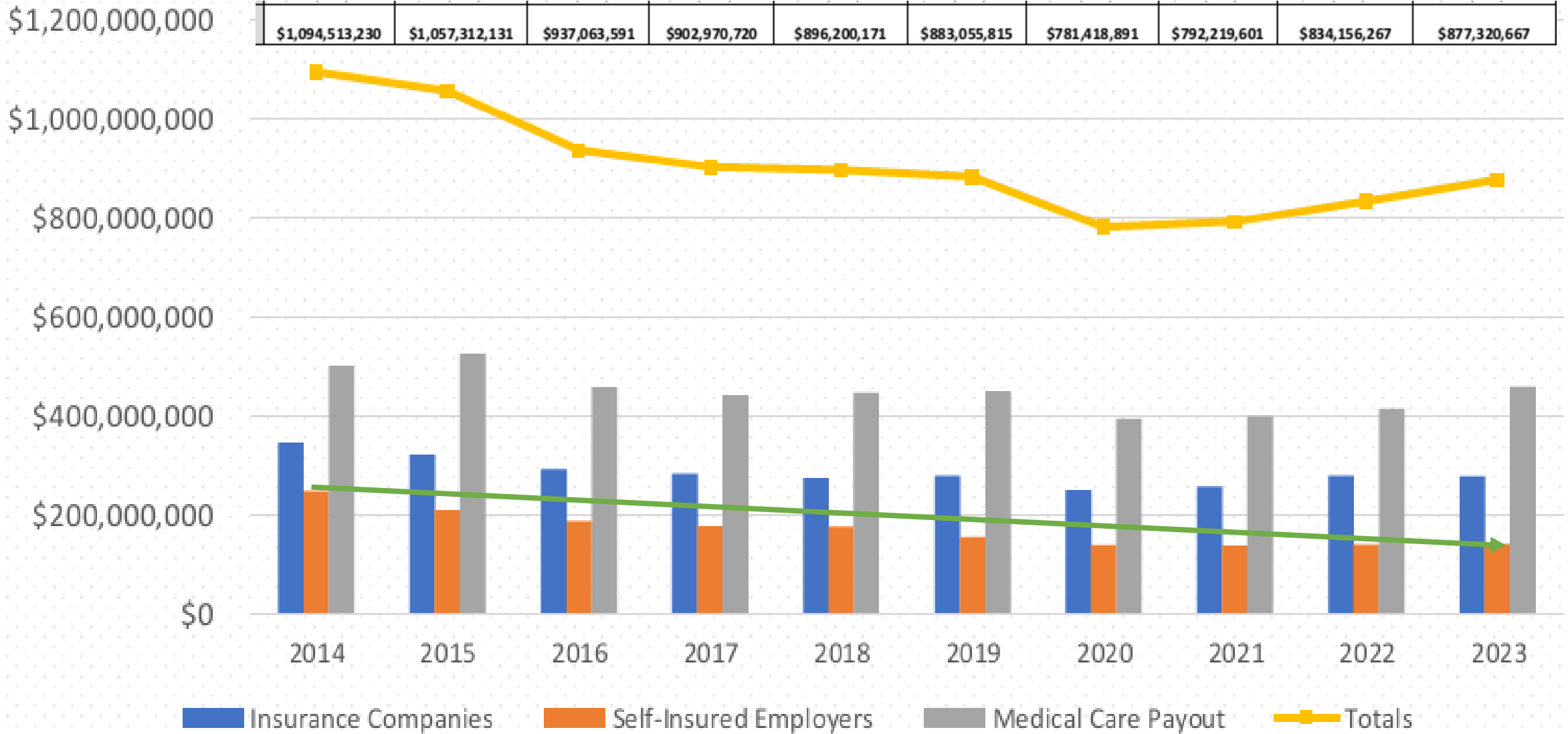
Medical Payments Accounted For 44% Of Total Costs/Claim In MI; Indemnity Represented 41%



2020/23 Non-COVID-19 Claims With >7 Days Of Lost Time. Not adjusted for injury/industry mix or wages.

Payout in Workers' Compensation Benefits and Medical Care

\$1,094,513,230	\$1,057,312,131	\$937,063,591	\$902,970,720	\$896,200,171	\$883,055,815	\$781,418,891	\$792,219,601	\$834,156,267	\$877,320,667
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State Average Weekly Wage Chart

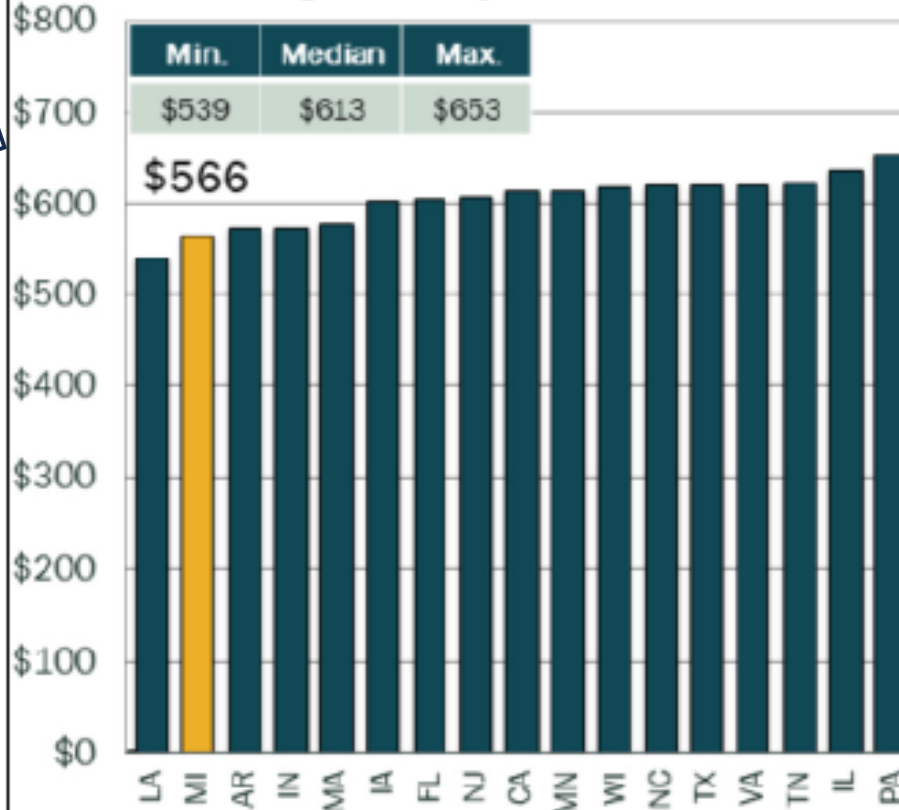
Year	SAWW	90% of SAWW (Maximum)	2/3 of SAWW*	50% of SAWW (Minimum Benefit for Death Cases)	25% of SAWW (Minimum Benefit for Specific Loss and T&P)
2024	1259.91	1134.00	839.94	629.96	314.98
2023	1216.18	1095.00	810.79	608.09	304.05
2022	1163.79	1048.00	775.86	581.90	290.95
2021	1083.33	975.00	722.22	541.67	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

TTD Benefit Rate In Michigan Lower Than Typical; Reflects State's Benefit Structure

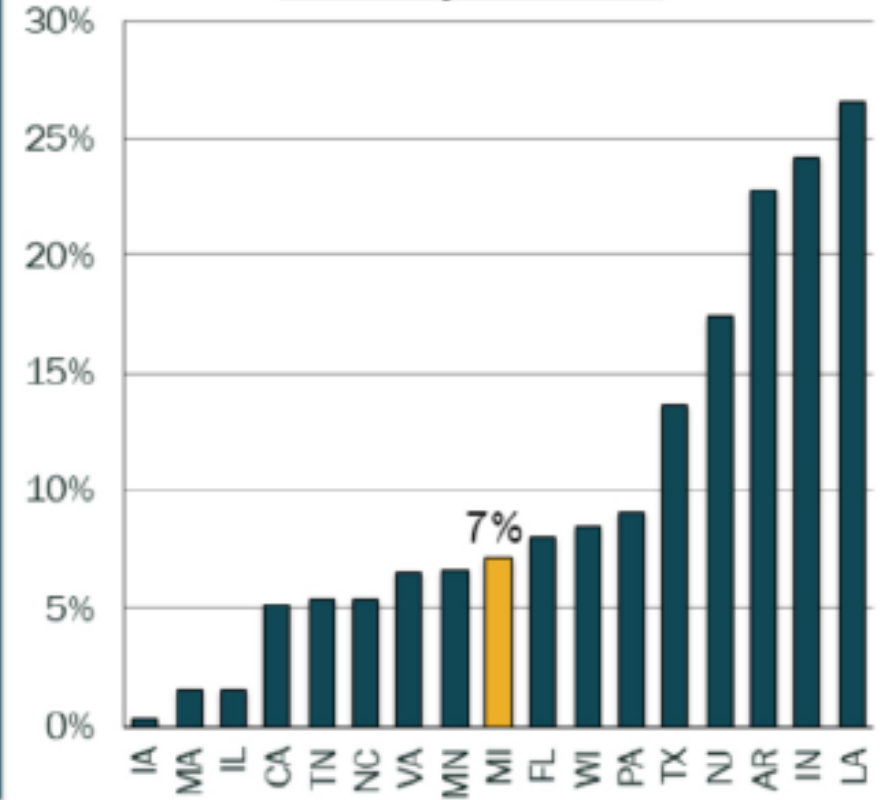
\$29,432/year

100% of the annual federal poverty level for a 4-person household in Michigan = **\$31,200**

Average Weekly TTD Benefit Rate



% Of Claims With Benefits Limited By Statutory Maximum



2022/23 Non-COVID-19 Claims With >7 Days Of Lost Time, Adjusted For Injury/Industry Mix
The average weekly TTD benefit rate is adjusted for wages.

Compensation Supplemental Fund		
Dates of Injury:	9/16/1965-12/26/1979	
Age Range:	65-106	Avg: 84
Number of Recipients: 412	CSF Rate	CSF Amount
Averages:	\$122.45	\$35.12
Base Rate Range:	\$37.91	\$185.00

Figure 1. ALICE Household Survival Budget and Federal Poverty Level, Michigan, 2021

	Federal Poverty Level <i>Census income thresholds that vary by household size but not geography to determine who is in poverty</i>	ALICE Household Survival Budget <i>The cost of the essentials needed to live and work in the modern economy, by household type and location</i>
Family of Four		
Monthly Total	\$2,208	\$4,918
Annual Total	\$26,500	\$59,016
Percent Change, 2019–2021	3%	8%
Single Adult		
Monthly Total	\$1,073	\$2,161
Annual Total	\$12,880	\$25,932
Percent Change, 2019–2021	3%	12%

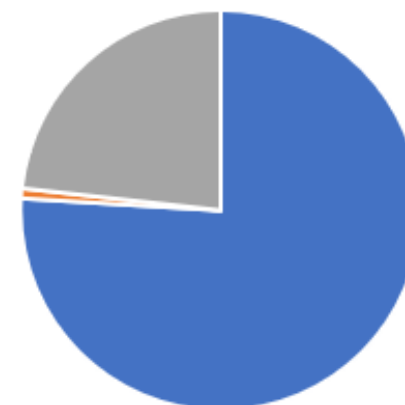
ALICE: Asset Limited, Income Constrained, Employed

2014



■ Redemptions ■ Opinions ■ Other Dispositions

2023



■ Redemptions ■ Opinions ■ Other Dispositions

Magistrate Case Disposition Chart

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Redemptions	6,180	5,486	4,936	4,579	4,429	3,821	2,801	2,845	3,405	3,030
Opinions**	119	118	96	96	105	58	28	10	53	32
Other Dispositions	1,800	1,929	1,718	1,588	2,027	1,326	870	951	1,119	927
Total	8,099	7,533	6,750	6,263	6,561	5,205	3,699	3,806	4,577	3,989

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

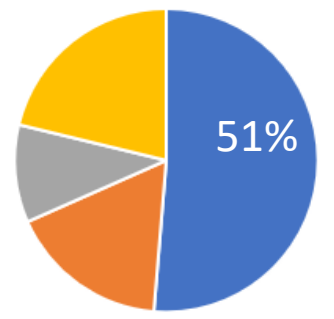
51%

32%

Magistrate Aged Case Disposition Chart

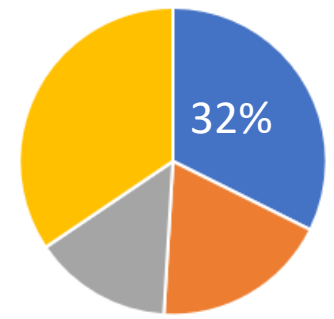
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
0 - 12 Months	5,618	5,042	4,753	4,614	4,345	4,514	3,713	3,678	3,499	2,182
13 – 18 Months	1,868	1,757	1,617	1,473	1,483	1,398	1,679	1,435	1,328	1,255
19 – 24 Months	1,140	1,072	884	837	852	827	1,288	1,058	1,032	986
Over 24 Months	2,323	2,166	2,110	1,734	878	1,023	1,724	2,565	2,399	2,323
Total Docket Load	10,949	10,037	9,364	8,658	7,558	7,762	8,404	8,736	8,258	6,746

2014



■ 0-12 months ■ 13-18 months ■ 19-24 months ■ Over 24 Months

2023



■ 0-12 months ■ 13-18 months ■ 19-24 months ■ Over 24 Months

**MI DEPT OF LABOR AND ECONOMIC OPPORTUNITY
WORKERS' DISABILITY COMPENSATION AGENCY
Aged Cases Pending Final Dispositions**

Site Totals (Z04)
Effective 5/24/2024

Site	Over 24 Months	19 - 24 Months	13 - 18 Months	00 - 12 Months	Total Pending	% Over 12 Months
010 BARAGA	5	1	3	10	19	47
005 DETROIT	1116	413	443	1147	3119	63
006 ESCANABA	8	6	3	22	39	44
008 GAYLORD	28	16	14	61	119	49
009 GRAND RAPIDS	169	104	151	496	920	46
013 KALAMAZOO	114	61	75	248	498	50
014 OKEMOS	325	134	209	536	1204	55
019 PONTIAC	337	142	163	441	1083	59
021 SAGINAW	175	70	104	267	616	57
022 SAULT STE. MARIE	9	3	3	16	31	48
024 TRAVERSE CITY	20	12	18	49	99	51
Totals	2306	962	1186	3293	7747	57



A few words from the Chair:

**Do not
hesitate
to
mediate!**

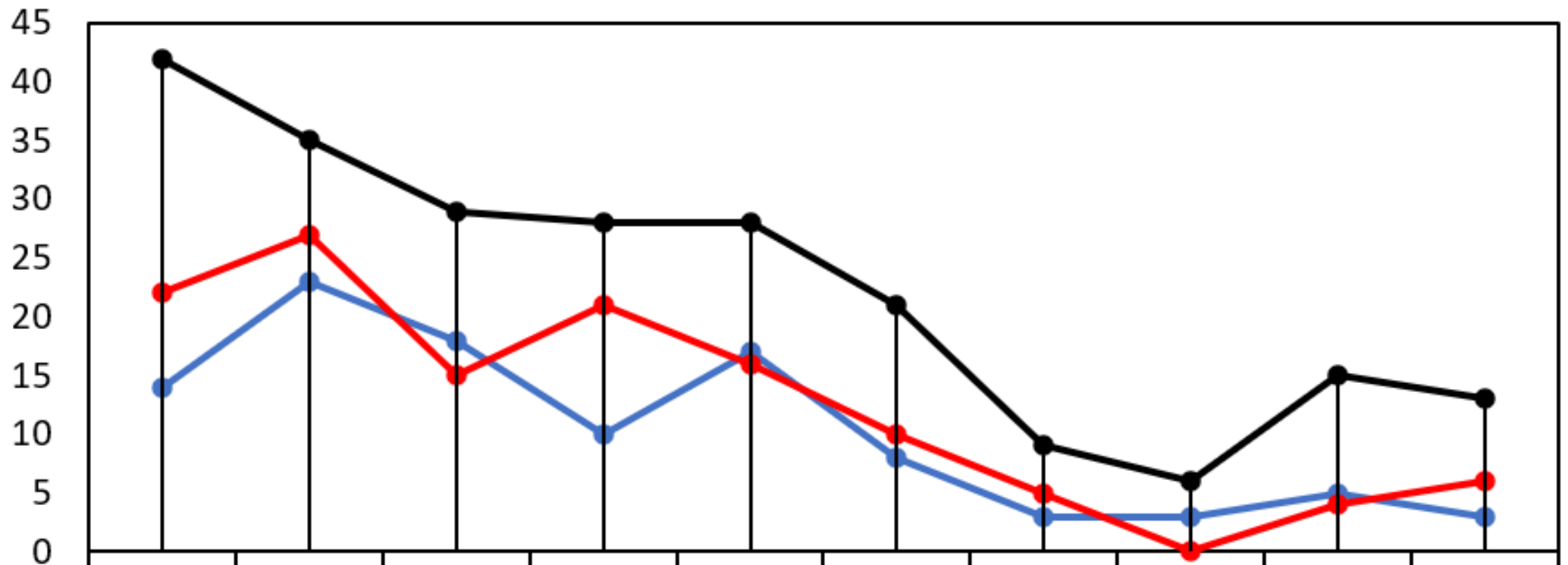
MI DEPT OF LABOR AND ECONOMIC OPPORTUNITY
WORKERS' DISABILITY COMPENSATION AGENCY
Magistrate Disposition Statistics
For Calendar Year 2023

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
OPINION/ORDERS	85	69	74	31	29	30	43	48	47	53	43	32	584
GRANTED OPEN					1	1		1		1		1	5
GRANTED CLOSED	1	1		1	1						1	1	6
DENIED	2			4		2	1	1	1		1	1	13
MISC OPINIONS (W/104)	5		2	1			1		1				10
VOLUNTARY PMT	35	28	34	23	18	25	36	42	32	44	30	23	370
WITHDRAWN/DISM	42	37	35	1	5	1	3	2	7	4	6	3	146
MISC ORDERS (W/104)		3	3	1	4	1	2	2	6	4	5	3	34
REDEMPTIONS	240	266	275	249	269	231	212	277	225	266	234	289	3,033
APPROVED (W/104)	239	266	275	249	269	231	212	277	225	266	234	289	3,032
APPROVED (W/O 104)	1												1
HEALTH CARE	2		2	2	3								9
WITHDRAWN/DISM	2		2	2	3								9
ADVANCE PAYMENTS			1	2	3								6
APPROVED			1										1
WITHDRAWN/DISM				2	3								5
MISC ORDERS (W/O 104)		1			1		1		1		1		5
TOTAL DISPOSITIONS	327	336	352	284	305	261	256	325	273	319	278	321	3,637

**MI DEPT OF LABOR AND ECONOMIC OPPORTUNITY
WORKERS' DISABILITY COMPENSATION AGENCY
Magistrate Disposition Statistics
For Calendar Year 2024**

	JAN	FEB	MAR	APR	MAY	TOTAL
OPINION/ORDERS	110	58	70	122	83	443
GRANTED OPEN		1	1	4	2	8
GRANTED CLOSED		1		1		2
DENIED	1	1		2	1	5
MISC OPINIONS (W/104)	1			4		5
VOLUNTARY PMT	46	24	36	53	35	194
WITHDRAWN/DISM	60	31	31	55	42	219
MISC ORDERS (W/104)	2		2	3	3	10
REDEMPTIONS	173	204	256	204	150	987
APPROVED (W/104)	173	204	256	204	150	987
MISC ORDERS (W/O 104)	1					1
TOTAL DISPOSITIONS	284	262	326	326	233	1,431

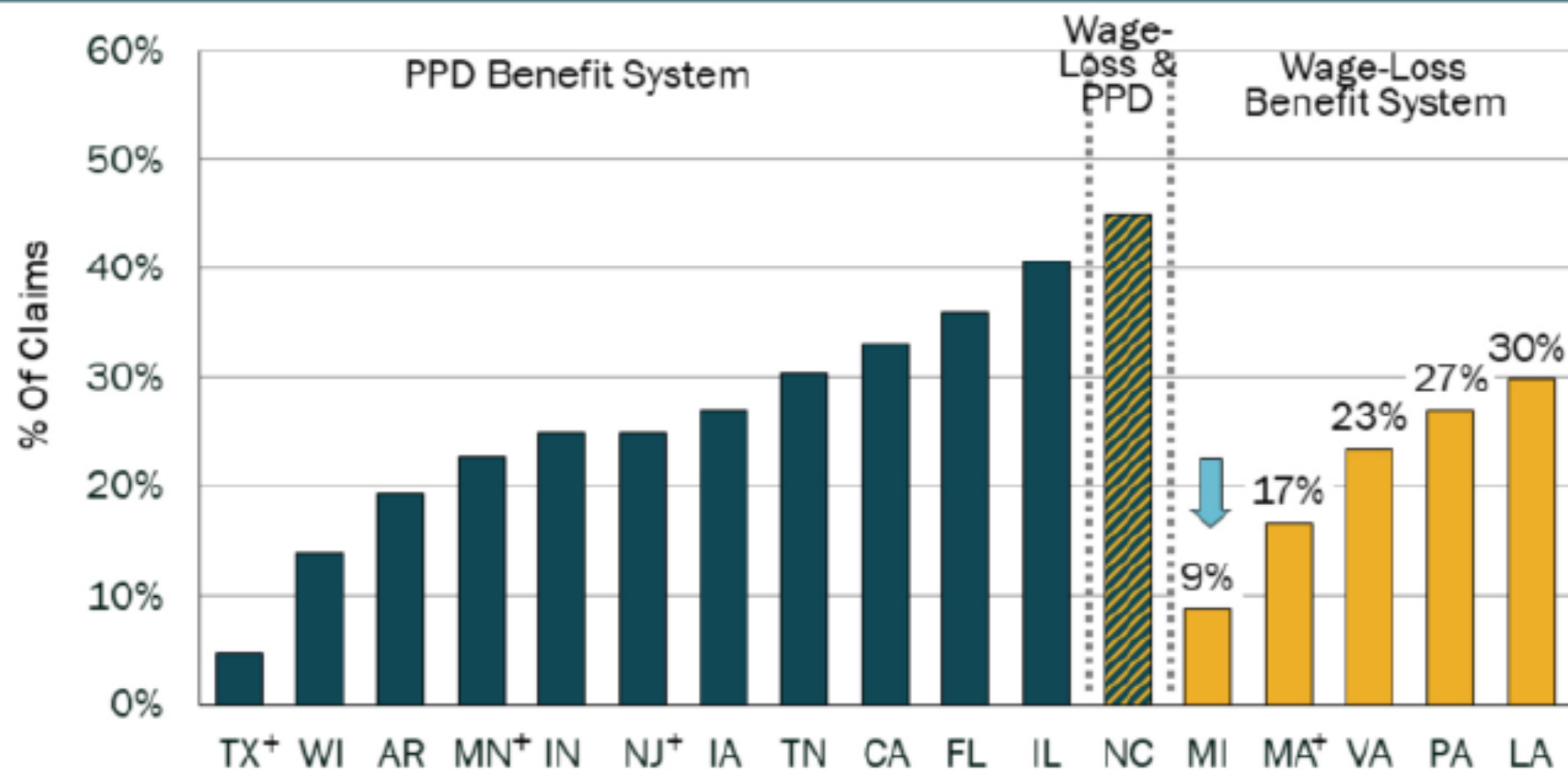
Workers' Compensation Trends



● Open Awards	14	23	18	10	17	8	3	3	5	3
● Closed Awards	22	27	15	21	16	10	5	0	4	6
● Denied	42	35	29	28	28	21	9	6	15	13

● Open Awards
 ● Closed Awards
 ● Denied

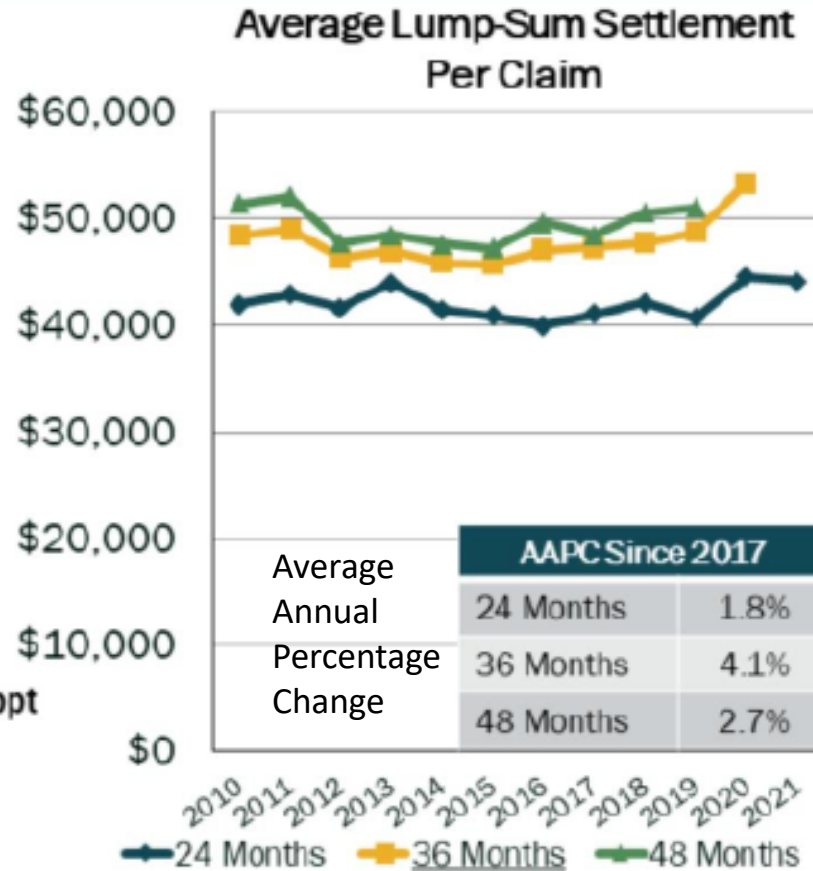
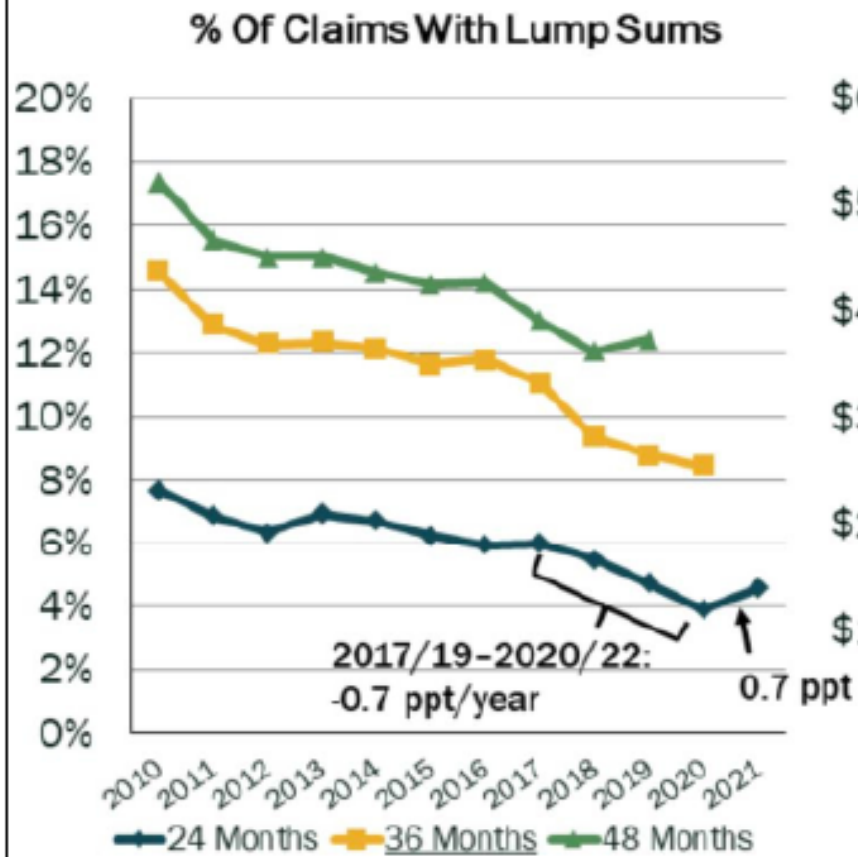
Workers Injured In Michigan Less Likely To Receive Lump-Sum Settlements



+ No/Little Lump Sum Of Future Medical

2020/23 Non-COVID-19 Claims With Lump-Sum Payments As % Of Claims With >7 Days Of Lost Time.
Adjusted For Injury/Industry Mix And Wages

% Of Claims With Lump Sums In MI Increased In 2021/23; Pmts. Increased 2-4%/Year Since 2017



Average Annual Percentage Change	AAPC Since 2017	
	24 Months	1.8%
36 Months	4.1%	
48 Months	2.7%	

Non-COVID-19 Claims With >7 Days Of Lost Time, Not Adjusted For Injury/Industry Mix And Wages

The percentage of claims with lump-sum settlements has increased in the most recent claim year for 24-month and 48-month claims, a shift from the decreases in the measure over earlier years. Those decreases may reflect pandemic and non-pandemic-related factors, including delays in medical treatment and the claims process. However, decreases in this measure began before the start of the pandemic.

The recent increases in the percentage of 24-month and 48-month claims with lump sums may reflect the beginning of a return to pre-pandemic conditions in the economic and medical sectors as the pandemic's impact lessens over time.

The average lump-sum payment per claim has increased 2 to 4 percent per year since 2017 in Michigan.

Somewhat Larger % Of Smaller Settlements In MI Compared With Average Of Wage-Loss States

Percentage Distribution Of Lump-Sum Settlements

Settlement Amount	Michigan	5 Wage-Loss State Average
≤\$10,000	26%	21%
>\$10,000 But ≤ \$20,000	19%	18%
>\$20,000 But ≤ \$50,000	20%	25%
>\$50,000 But ≤ \$100,000	19%	21%
>\$100,000 But ≤ \$150,000	9%	8%
>\$150,000	7%	7%

2020/23 Non-COVID-19 Claims With >7 Days Of Lost Time With Lump-Sum Settlements, Adjusted For Injury/Industry Mix And Wages. Percentages shown may not total 100 because of rounding.

Average Redemption Amounts

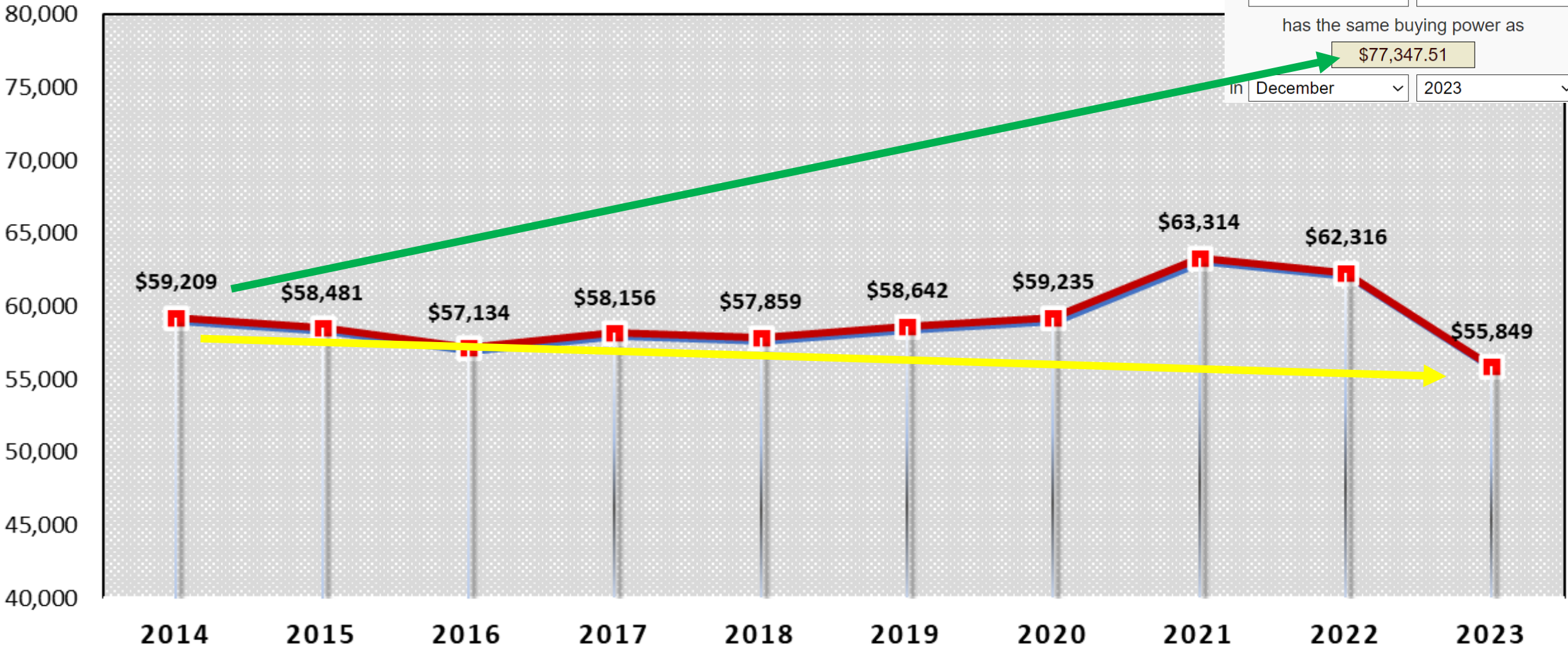
CPI Inflation Calculator

\$

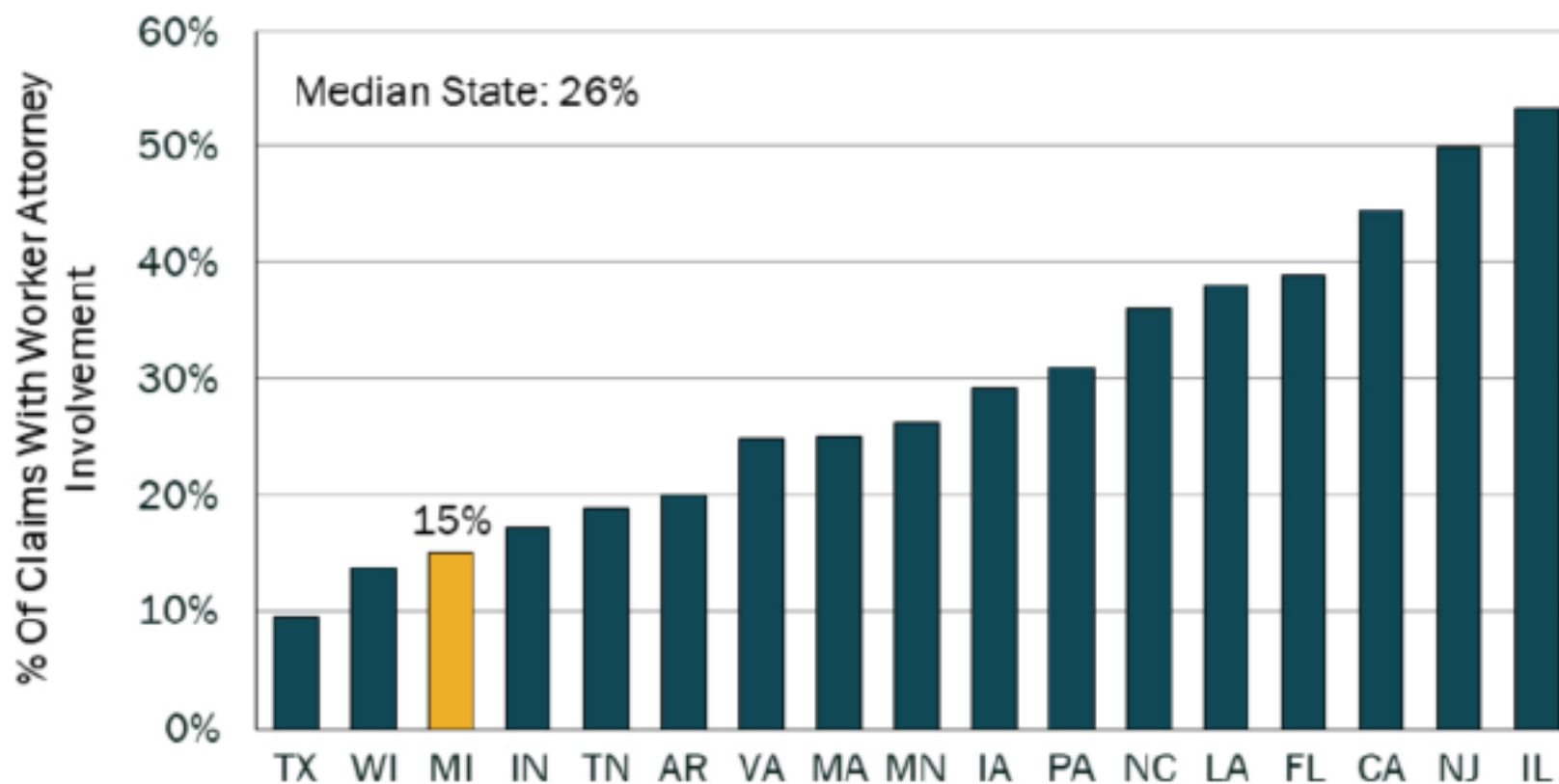
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Worker Attorney Involvement Lower In Michigan Compared With Other Study States



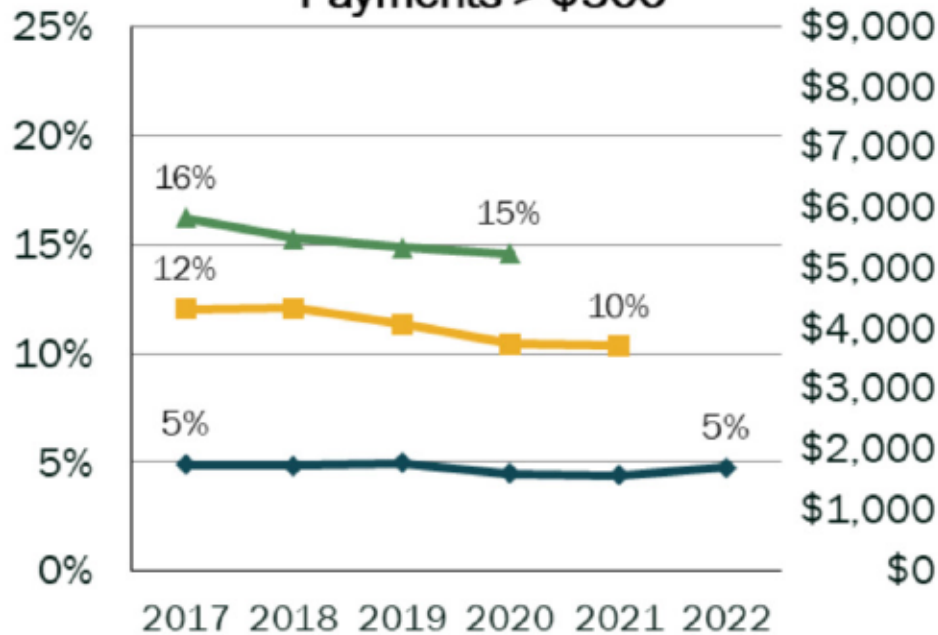
2020/23 Non-COVID-19 Claims With >7 Days Of Lost Time, Adjusted For Injury/Industry Mix

Small Decreases In Defense Attorney Involvement In MI Since 2017; Payments Mostly Stable

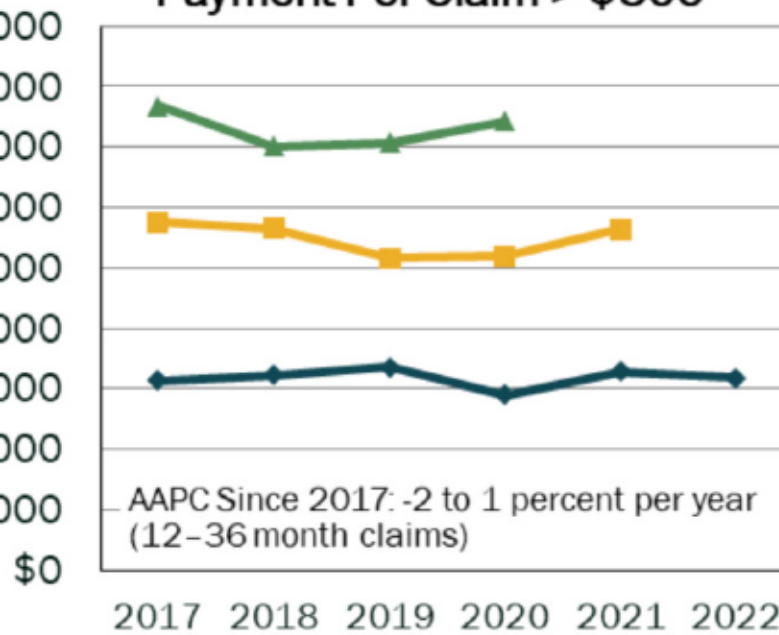
The percentage of 24-month and 36-month claims with defense attorney payments greater than \$500 has decreased in Michigan since 2017, which may, in part, be related to the decrease in the percentage of claims with lump-sum settlements over that period.

The average defense attorney payment per claim has changed little overall in Michigan since 2017.

% Of Claims With Defense Attorney Payments > \$500



Average Defense Attorney Payment Per Claim > \$500



AAPC Since 2017: -2 to 1 percent per year (12-36 month claims)

12 Months 24 Months 36 Months

12 Months 24 Months 36 Months

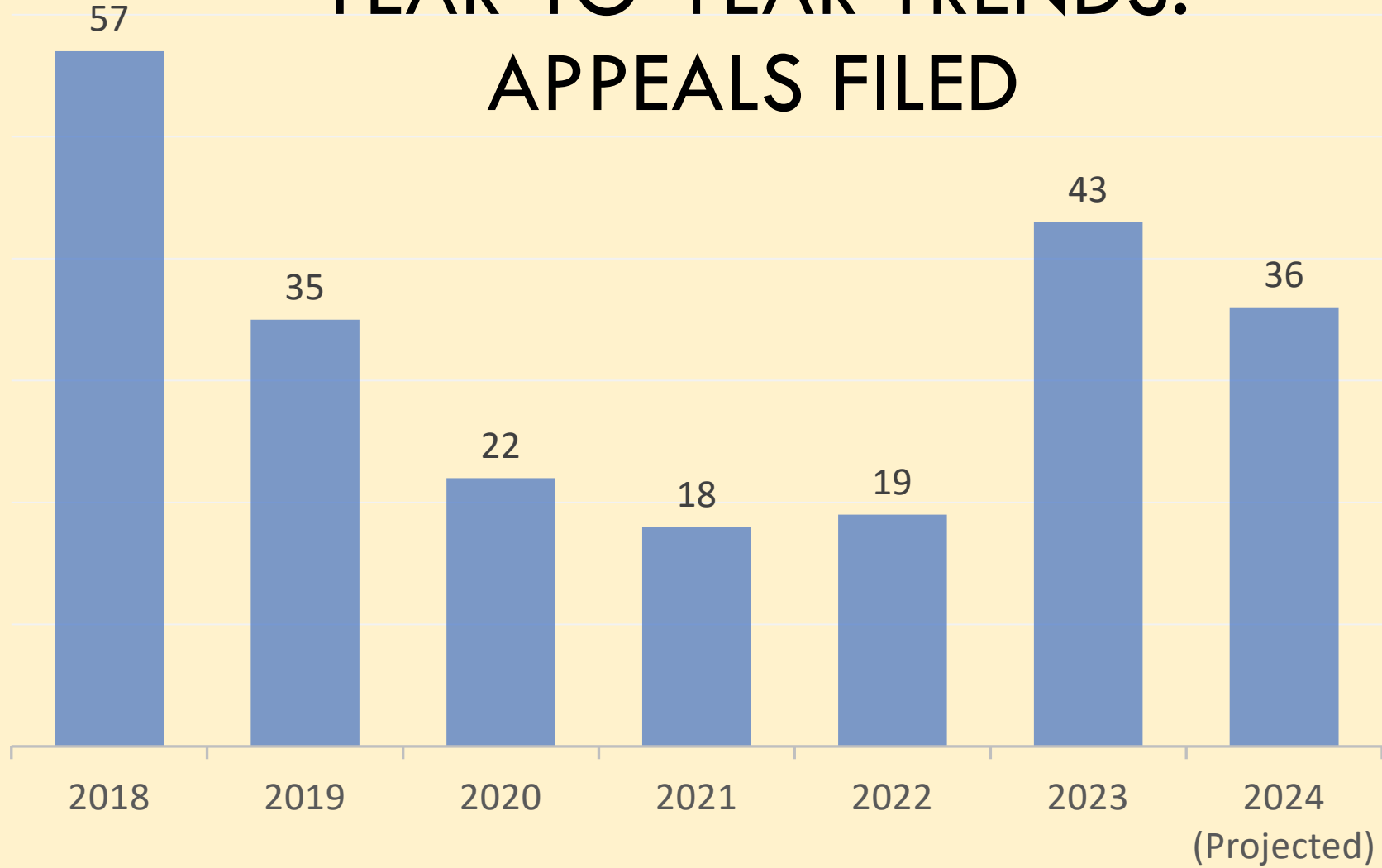
Non-COVID-19 Claims With >7 Days Of Lost Time, Not Adjusted For Injury/Industry Mix

APPEALS CURRENTLY PENDING

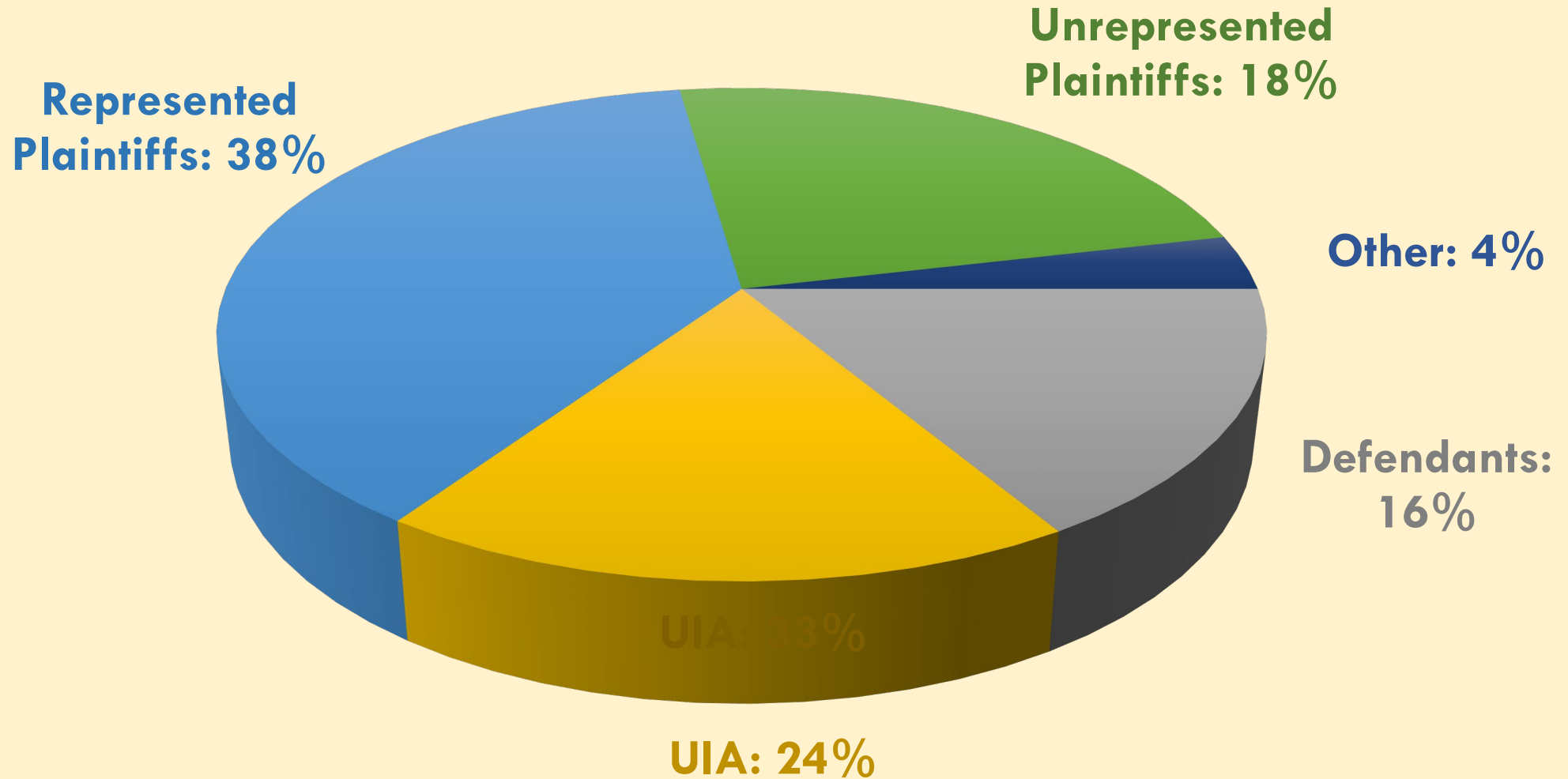
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YEAR-TO-YEAR TRENDS: APPEALS FILED



APPEALS CURRENTLY PENDING BY FILER



Executive Order No. 2024-2 January 17, 2024

4. Amendment to Executive Order No. 2019-13

(a) Section 4(b) of Executive Order No. 2019-13 is rescinded and replaced with the following:

(1) The Workers' Disability Compensation Appeals Commission will include three members appointed by the governor with the advice and consent of the senate. The Workers' Disability Compensation Appeals Commission shall act by the vote of two or more members. **If the Workers' Disability**

Compensation Appeals Commission does not have the vote of two or more members to decide a case because a member cannot participate due to a conflict under section 4(g) or for any other reason, the director of the Workers' Disability Compensation Agency or the director's designated representative shall randomly assign a member of the Workers' Compensation Board of Magistrates who is not subject to disqualification in that case to participate in the case and cast a vote upon a review of the record. In the event that two members of the Workers' Disability Compensation Appeals Commission cannot participate in a case because of a conflict under section 4(g) or for any other reason, the director of the Workers' Disability Compensation Agency or the director's designated representative shall randomly assign two members of the Workers' Compensation Board of Magistrates who are not subject to disqualification in that case to participate in the case and cast votes upon a review of the record.

Members of the Workers' Disability Compensation Appeals Commission must be appointed for a term of four years. A member may continue to serve until a successor is appointed and qualified. A vacancy occurring before the expiration of a term will be filled in the same manner as the original appointment for the remainder of the term.

Jack A. Nolish, Director

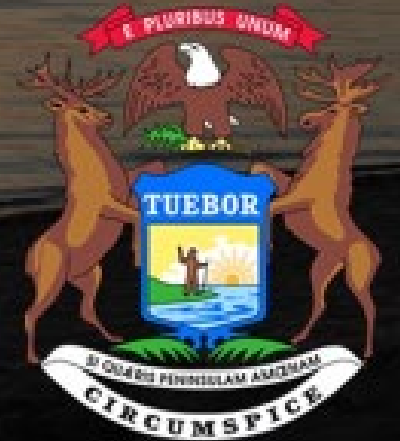
Office: 517-284-0532

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1-888-396-5041



MICHIGAN DEPARTMENT OF
**LABOR & ECONOMIC
OPPORTUNITY**