

Annual update:

Minnesota Workers' Compensation System Report highlights

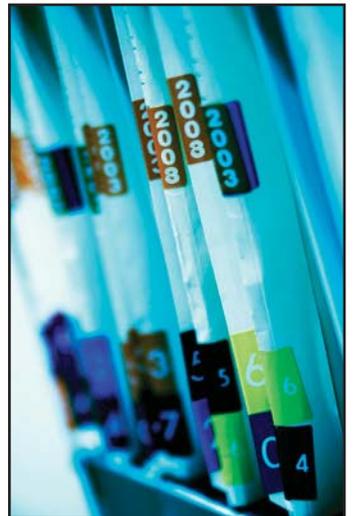
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The Department of Labor and Industry has just released its 2007 *Minnesota Workers' Compensation System Report*, available online at www.dli.mn.gov/Research.asp.¹

The report, part of an annual series, presents data from 1997 through 2007 about several aspects of Minnesota's workers' compensation system: claims, benefits and costs; vocational rehabilitation; and disputes and dispute resolution. The purpose of the report is to describe statistically the current status and direction of workers' compensation in Minnesota and to offer explanations where possible for recent developments. The report also presents workers' compensation medical cost data from a major insurer to provide insight into current medical cost issues.

Some report findings

- The claim rate fell continually from 1997 through 2006.
- Workers' compensation system cost has fluctuated mildly relative to payroll since 1997, with a somewhat lower value for 2007 than for 1997.
- Adjusted for wage growth, average medical benefits per insured claim rose rapidly between 1997 and 2003, but more slowly from 2003 to 2006. Indemnity benefits per claim² rose through 2002, but were stable from that point until 2006.
- Relative to payroll, medical benefits have risen since 1997 while indemnity benefits have fallen, reflecting the net effect of the falling claim rate and higher benefits per claim.
- The increase in indemnity benefits per claim is due primarily to increasing benefit duration and increases in the frequency and amounts of stipulated benefits.
- The vocational rehabilitation participation rate increased between 1997 and 2007, and average cost per participant rose from 1998 to 2007 (adjusting for average wage growth).
- The dispute rate rose substantially from 1997 to 2007.
- According to data from a large insurer, outpatient facility services contributed the largest portion (among all service groups) of the overall medical cost increase from 1997 to 2007, and service and provider groups not subject to the fee schedule showed the largest increases in cost per unit of service.



¹ The report is also available by calling (651) 284-5025. For alternative formats, call 1-800-342-5354 or TTY at (651) 297-4198.

² Indemnity benefits are monetary benefits paid to the injured worker.