

CompScope report shows Minnesota's relative standing

By Brian Zaidman, Research and Statistics

In January, the Workers' Compensation Research Institute (WCRI) released its most recent study of Minnesota's workers' compensation system, *Benchmarks for Minnesota, CompScope™ 11th edition*. The study looks at indemnity and medical benefits, vocational rehabilitation and claims expenses,



comparing Minnesota's statistics with those from 15 other states. This article presents a few of the comparisons concerning indemnity benefits. Email the DLI Research and Statistics unit at dli.research@state.mn.us if you'd like to receive the full report.

WCRI is a nonprofit organization based in Cambridge, Mass., that conducts research about workers' compensation policy issues. Its *CompScope* project uses claims data directly from insurers and self-insured employers to provide statistics comparable across states.

For most measures, only claims with more than seven days of lost time are compared (because waiting periods vary among states) and these claims are adjusted for injury and industry mix and wages. The *CompScope* database for Minnesota represents 57 percent of the claims. (A full presentation of the methodology is available in the report.)

The *CompScope* statistics are not comparable with those in the Department of Labor and Industry's *Minnesota Workers' Compensation System Report* because of the adjustments used by WCRI to make the statistics comparable between states and because WCRI does not develop the claims to a high maturity. The statistics in the current *CompScope* report focus on claims from October 2007 through September 2008, evaluated as of March 2009 (called 2008/09 claims) and



claims from October 2005 through September 2006, evaluated as of March 2009 (called 2006/09 claims).

The report shows that compared to the other 15 states studied, Minnesota's claims on average receive their first benefit payments sooner, receive indemnity benefits for less time, have lower total indemnity payments and lower benefit-delivery expenses. This article compares Minnesota's results with those for the median of the 16 states studied.¹

¹The median is the point where half the states are above and half are below. With 16 states, it is the halfway point between the eighth- and ninth-ranked states.

CompScope report, continues ...

For all 2008/09 claims (medical only and lost-time claims), WCRI found that for Minnesota:

- total cost per claim was 25 percent below the median; and
- the percentage of claims with more than seven days of lost time was 19 percent below the median.



For 2008/09 claims with more than seven days of lost time, WCRI found that for Minnesota:

- average total cost per claim was 15 percent below the median;
- average indemnity benefits were 24 percent below the median;
- average temporary disability payments were 21 percent below the median;
- average permanent partial disability and lump-sum payments were 19 percent below the median; and
- the average duration of temporary disability was 21 percent below the median.

For all 2006/09 claims (medical only and lost-time claims), WCRI found that for Minnesota:

- total cost per claim was 29 percent below the median; and
- the percentage of claims with more than seven days of lost time was 19 percent below the median.



For 2006/09 claims with more than seven days of lost time, WCRI found that for Minnesota:

- average total cost per claim was 6 percent below the median;
- average indemnity benefits were 24 percent below the median;
- average temporary disability payments were 10 percent below the median;
- average permanent partial disability and lump-sum payments were 3 percent below the median; and
- the average duration of temporary disability was 11 percent below the median.