

## Supplement to Attachments 1 & 3: Medical cost and utilization trends

Claims consist of injuries from January 1st of the injury year (DOI year) through December 31st. All services provided within one year (365 days) of the injury are used in the analysis.

Figures are derived from insurers (notably SAIF and the Liberty Mutual group) that have reported billing data which has a high degree of correlation to the claims system. These insurers have reported billing data that matches 90 percent or more of the ADCs listed on the claims system as accepted by the insurers.

<b>All claims</b>	1999	2000	2001	2002	2003	Growth rate*
Distribution of claims	114,301	112,782	105,219	99,401	92,729	-5.4%
Total Medical Payments	\$155,583,052	\$169,882,074	\$171,739,125	\$181,144,060	\$183,315,433	3.9%
Avg. medical payments per claim	\$1,361	\$1,506	\$1,632	\$1,822	\$1,977	9.4%
Median medical payments per claim	\$315	\$344	\$402	\$463	\$501	12.3%
Avg. number of visits per claim	6.0	6.3	6.8	7.2	7.3	5.3%
Avg. number of services per claim	18.6	20.2	21.8	23.8	24.8	7.4%
Avg. number of services per visit	3.1	3.2	3.2	3.3	3.4	2.2%
Avg. payment per visit	\$218	\$231	\$245	\$263	\$281	6.4%
Avg. payment per service	\$69	\$73	\$77	\$80	\$84	4.8%

<b>ANCs</b>	1999	2000	2001	2002	2003	Growth rate*
Distribution of claims	88,658	87,378	81,620	76,800	71,403	-5.6%
Total Medical Payments	\$45,215,580	\$49,543,326	\$51,502,220	\$53,222,400	\$53,909,265	4.2%
Avg. medical payments per claim	\$510	\$567	\$631	\$693	\$755	9.8%
Median medical payments per claim	\$255	\$273	\$308	\$345	\$378	10.2%
Avg. number of visits per claim	3.3	3.5	3.6	3.8	3.7	3.1%
Avg. number of services per claim	9.6	10.5	10.8	11.4	11.8	5.1%
Avg. number of services per visit	2.9	3.0	3.0	3.0	3.2	2.0%
Avg. payment per visit	\$152	\$163	\$174	\$184	\$207	7.3%
Avg. payment per service	\$52	\$55	\$59	\$61	\$65	5.2%

<b>ADCs</b>	1999	2000	2001	2002	2003	Growth rate*
Distribution of claims	25,643	25,404	23,599	22,601	21,326	-4.9%
Total Medical Payments	\$110,367,472	\$120,338,748	\$120,236,905	\$127,921,660	\$129,406,168	3.8%
Avg. medical payments per claim	\$4,304	\$4,737	\$5,095	\$5,662	\$6,115	8.8%
Median medical payments per claim	\$1,844	\$2,081	\$2,299	\$2,602	\$2,929	11.5%
Avg. number of visits per claim	16.0	16.7	17.3	18.0	18.7	3.9%
Avg. number of services per claim	52.8	55.1	57.1	61.2	65.5	5.3%
Avg. number of services per visit	3.3	3.3	3.3	3.4	3.5	1.5%
Avg. payment per visit	\$269	\$283	\$294	\$315	\$328	5.0%
Avg. payment per service	\$81	\$85	\$89	\$92	\$95	3.9%

\* The growth rate calculation uses the log-linear least square method.

Methodology: For each claim in the sample, the total medical payments, total number of visits (number of individual days a service was provided), and the total number of services are calculated. Also, the number of services per visit (number of services/number of visits), payments per visit (total payments/number of visits), and the payments per service (total payments/number of services) are calculated. Then an average for all the claims in each injury year is calculated.

## Supplement to Attachment 5: Average cost figures for ADCs, by year of closure (1990 - 2004)

### Medical Costs

Year	Number of Claims	Medical Costs	Average Medical Costs	Percent Change Average Medical Costs	3-Year Average Percent Change in Medical Costs
1990	43,333	\$ 206,455,444	\$ 4,764	15.0%	10.8%
1991	36,711	\$ 176,896,738	\$ 4,819	1.2%	10.5%
1992	32,983	\$ 154,349,561	\$ 4,680	-2.9%	4.4%
1993	32,426	\$ 155,221,455	\$ 4,787	2.3%	0.2%
1994	32,819	\$ 149,245,653	\$ 4,548	-5.0%	-1.9%
1995	32,891	\$ 152,909,889	\$ 4,649	2.2%	-0.2%
1996	30,195	\$ 142,757,626	\$ 4,728	1.7%	-0.4%
1997	28,795	\$ 132,627,738	\$ 4,606	-2.6%	0.4%
1998	28,096	\$ 140,970,174	\$ 5,017	8.9%	2.7%
1999	26,537	\$ 141,976,203	\$ 5,350	6.6%	4.3%
2000	25,662	\$ 141,636,210	\$ 5,519	3.2%	6.2%
2001	25,305	\$ 153,434,537	\$ 6,063	9.9%	6.6%
2002	23,975	\$ 160,426,186	\$ 6,691	10.4%	7.8%
2003	22,571	\$ 158,619,193	\$ 7,028	5.0%	8.4%
2004	22,632	\$ 178,481,100	\$ 7,886	12.2%	9.2%
1997-2004 Growth Rate <sup>1</sup>	-3.7%	3.7%	7.4%	---	

### Time Loss Days and Costs

Year	Number of Claims	Average Time Loss Days	Time Loss Costs	Average Time Loss Costs	Percent Change Average Time Loss Costs	Percent Change Average Time Loss Costs
1990	43,333	98	\$ 180,494,864	\$ 4,165	5.0%	3.6%
1991	36,711	89	\$ 148,337,654	\$ 4,041	-3.0%	4.2%
1992	32,983	80	\$ 123,054,286	\$ 3,731	-7.7%	-1.9%
1993	32,426	74	\$ 114,030,989	\$ 3,517	-5.7%	-5.5%
1994	32,819	68	\$ 108,309,421	\$ 3,300	-6.2%	-6.5%
1995	32,891	64	\$ 104,567,298	\$ 3,179	-3.7%	-5.2%
1996	30,195	60	\$ 90,157,619	\$ 2,986	-6.1%	-5.3%
1997	28,795	56	\$ 83,870,094	\$ 2,913	-2.4%	-4.1%
1998	28,096	57	\$ 86,481,498	\$ 3,078	5.7%	-1.0%
1999	26,537	57	\$ 85,097,025	\$ 3,207	4.2%	2.5%
2000	25,662	54	\$ 80,439,021	\$ 3,135	-2.2%	2.5%
2001	25,305	58	\$ 90,418,593	\$ 3,573	14.0%	5.3%
2002	23,975	61	\$ 90,973,914	\$ 3,795	6.2%	6.0%
2003	22,571	60	\$ 85,729,393	\$ 3,798	0.1%	6.8%
2004	22,632	62	\$ 92,205,168	\$ 4,074	7.3%	4.5%
1997-2004 Growth Rate <sup>1</sup>	-3.7%	1.5%	1.1%	4.8%	---	---

### Net PPD Costs

Year	Number of Claims	Net PPD Costs	Average Net PPD Costs	Percent Change Average Net PPD Costs	3-Year Average Percent Change in Net PPD Costs
1990	43,333	\$ 53,759,738	\$ 1,241	-4.2%	8.3%
1991	36,711	\$ 43,760,024	\$ 1,192	-3.9%	9.4%
1992	32,983	\$ 46,207,061	\$ 1,401	17.5%	3.1%
1993	32,426	\$ 48,841,077	\$ 1,506	7.5%	7.0%
1994	32,819	\$ 49,994,981	\$ 1,523	1.1%	8.7%
1995	32,891	\$ 50,896,529	\$ 1,547	1.6%	3.4%
1996	30,195	\$ 51,163,974	\$ 1,694	9.5%	4.1%
1997	28,795	\$ 48,914,914	\$ 1,699	0.3%	3.8%
1998	28,096	\$ 47,992,356	\$ 1,708	0.5%	3.4%
1999	26,537	\$ 46,352,771	\$ 1,747	2.3%	1.0%
2000	25,662	\$ 46,920,205	\$ 1,828	4.6%	2.5%
2001	25,305	\$ 51,684,213	\$ 2,042	11.7%	6.2%
2002	23,975	\$ 50,963,496	\$ 2,126	4.1%	6.8%
2003	22,571	\$ 51,465,666	\$ 2,280	7.2%	7.7%
2004	22,632	\$ 53,722,216	\$ 2,374	4.1%	5.2%
1997-2004 Growth Rate <sup>1</sup>	-3.7%	1.7%	5.3%	---	

### Total Costs

Year	Number of Claims	Total Costs	Average Total Costs	Percent Change Average Total Costs	Percent Change Average Time Loss Costs
1990	43,333	\$ 440,710,046	\$ 10,170	8.1%	7.2%
1991	36,711	\$ 368,994,416	\$ 10,051	-1.2%	7.6%
1992	32,983	\$ 323,610,908	\$ 9,811	-2.4%	1.5%
1993	32,426	\$ 318,093,521	\$ 9,810	0.0%	-1.2%
1994	32,819	\$ 307,550,055	\$ 9,371	-4.5%	-2.3%
1995	32,891	\$ 308,373,716	\$ 9,376	0.1%	-1.5%
1996	30,195	\$ 284,079,219	\$ 9,408	0.3%	-1.4%
1997	28,795	\$ 265,412,746	\$ 9,217	-2.0%	-0.5%
1998	28,096	\$ 275,444,028	\$ 9,804	6.4%	1.6%
1999	26,537	\$ 273,425,999	\$ 10,304	5.1%	3.1%
2000	25,662	\$ 268,995,436	\$ 10,482	1.7%	4.4%
2001	25,305	\$ 295,537,343	\$ 11,679	11.4%	6.1%
2002	23,975	\$ 302,363,596	\$ 12,612	8.0%	7.0%
2003	22,571	\$ 295,814,252	\$ 13,106	3.9%	7.8%
2004	22,632	\$ 324,408,484	\$ 14,334	9.4%	7.1%
1997-2004 Growth Rate <sup>1</sup>	-3.7%	2.6%	6.3%	---	---

<sup>1</sup> The growth rate calculation uses the log-linear least squares method.

Note: Disabling claims with CDAs are not included in this analysis. Review of CDA claims shows that they have much higher (2-3 times) medical costs. However, since no medical costs or time-loss costs are reported to the department, we are unable to include them in this analysis. Costs exclude PTD and fatal indemnity; vocational assistance; medical-only claim costs; settlements; time loss paid prior to claim denial and prior to settlement where claim was never closed; and compensation modified on appeal. Average PPD costs are calculated across all claims determined, rather than claims with PPD.

# Supplement to Attachment 6: Component Medical Costs of claims by select provider types <sup>1</sup>

Claims by Date of Injury - Costs During First Year after Injury Date  
(Category data is taken from the quality sample of claims)

**1999-2003 CPI Growth Rate**  
All Items: 2.4%  
Medical Services<sup>3</sup>: 4.6%

<b>Claims (quality sample)</b>					<b>Physical Therapist</b>				
DOI year	1999	2003	1999-2003 change	1999-2003 growth rate *	DOI year	1999	2003	1999-2003 change	1999-2003 growth rate *
Number of Claims	77,412	63,140	-14,272	-5.7%	Number of claims	7,104	6,958	-146	-0.9%
Avg. med. payments per claim	\$1,312	\$2,050	\$738	11.5%	Avg. med. payments per claim	\$1,082	\$1,484	\$402	7.7%
Total med. costs (from sample)	\$101,582,779	\$129,428,815	\$27,846,036	5.8%	Total Costs	\$7,686,593	\$10,324,387	\$2,637,794	6.8%
Percent of all med. costs	100.0%	100.0%	100.0%		Percent of all med. costs	7.6%	8.0%	9.5%	
<b>Medical Doctor</b>					<b>Occupational Therapist</b>				
DOI year	1999	2003	1999-2003 change	1999-2003 growth rate *	DOI year	1999	2003	1999-2003 change	1999-2003 growth rate *
Number of claims	52,263	46,595	-5,668	-3.7%	Number of claims	695	520	-175	-8.9%
Avg. med. payments per claim	\$647	\$938	\$290	9.7%	Avg. med. payments per claim	\$796	\$1,139	\$343	7.9%
Total Costs	\$33,829,906	\$43,695,807	\$9,865,901	6.0%	Total Costs	\$552,968	\$592,279	\$39,311	-1.0%
Percent of all med. costs	33.3%	33.8%	35.4%		Percent of all med. costs	0.5%	0.5%	0.1%	
<b>Pharmacy <sup>2</sup></b>					<b>Osteopath</b>				
DOI year	1999	2003	1999-2003 change	1999-2003 growth rate *	DOI year	1999	2003	1999-2003 change	1999-2003 growth rate *
Number of claims	5,574	7,654	2,080	9.7%	Number of claims	2,200	1,806	-394	-5.0%
Avg. med. payments per claim	\$128	\$200	\$72	10.1%	Avg. med. payments per claim	\$289	\$479	\$190	11.6%
Total Costs	\$715,307	\$1,534,091	\$818,784	19.8%	Total Costs	\$635,601	\$865,498	\$229,897	6.6%
Percent of all med. costs	0.7%	1.2%	2.9%		Percent of all med. costs	0.6%	0.7%	0.8%	
<b>Chiropractor</b>					<b>Hospital Outpatient</b>				
DOI year	1999	2003	1999-2003 change	1999-2003 growth rate *	DOI year	1999	2003	1999-2003 change	1999-2003 growth rate *
Number of claims	4,398	3,792	-606	-4.4%	Number of claims	39,844	32,318	-7,526	-5.6%
Avg. med. payments per claim	\$729	\$1,008	\$279	7.6%	Avg. med. payments per claim	\$657	\$1,023	\$366	11.3%
Total Costs	\$3,206,829	\$3,822,072	\$615,243	3.2%	Total Costs	\$26,185,484	\$33,075,396	\$6,889,912	5.8%
Percent of all med. costs	3.2%	3.0%	2.2%		Percent of all med. costs	25.8%	25.6%	24.7%	
<b>Radiologist</b>					<b>Hospital Inpatient</b>				
DOI year	1999	2003	1999-2003 change	1999-2003 growth rate *	DOI year	1999	2003	1999-2003 change	1999-2003 growth rate *
Number of claims	16,958	17,222	264	0.2%	Number of claims	1,281	940	-341	-8.2%
Avg. med. payments per claim	\$234	\$304	\$70	6.6%	Avg. med. payments per claim	\$8,510	\$14,668	\$6,158	13.6%
Total Costs	\$3,964,306	\$5,228,835	\$1,264,529	6.8%	Total Costs	\$10,900,871	\$13,787,785	\$2,886,914	5.4%
Percent of all ADC med. costs	3.9%	4.0%	4.5%		Percent of all med. costs	10.7%	10.7%	10.4%	
<b>Medical Supplies</b>					<b>Remaining Medical Providers</b>				
DOI year	1999	2003	1999-2003 change	1999-2003 growth rate *	DOI year	1999	2003	1999-2003 change	1999-2003 growth rate *
Number of claims	2,045	1,720	-325	-4.3%	Number of claims	31,114	23,167	-7,947	-7.9%
Avg. med. payments per claim	\$337	\$534	\$197	12.6%	Avg. med. payments per claim	\$425	\$673	\$248	12.2%
Total Costs	\$688,736	\$918,029	\$229,293	8.3%	Total Costs	\$13,216,178	\$15,584,636	\$2,368,458	4.3%
Percent of all med. costs	0.7%	0.7%	0.8%		Percent of all med. costs	13.0%	12.0%	8.5%	

The highlighted value represents each components' share of 1999-2003 growth in total medical costs related to provider type categories (see note 1). If the highlighted value is higher than the component's 2003 share of total costs, then the component has an above-average contribution to total cost growth.

<sup>1</sup> Provider type definitions are based upon Bulletin 220 medical billing data reporting requirements (OAR 436-009-0030 - Appendix A - Provider Types).

<sup>2</sup> It should be noted that a significant portion of pharmacy payments may be borne by the injured worker prior to claim acceptance. Insurer reimbursements to workers are not reported to the department in medical billing data; therefore, the 1.3% share is a known estimate. Other department models suggest that the actual share is approximately 6% of ADC medical costs.

<sup>3</sup> The inflation rate is the 1999 to 2003 annual growth rate in the Medical Services component of the Consumer Price Index, Urban Wage Earners and Clerical Workers as published by the Bureau of Labor

\* The growth rate calculation uses the log-linear least squares method.

# Supplement to Attachment 7: Component medical costs for all claims by select medical fee schedule service categories <sup>1</sup>

Claims by Date of Injury - Costs During First Year after Injury Date

(Category data is taken from the quality sample of workers' compensation claims)

**1999-2003 CPI Growth Rate**  
 All Items: 2.4%  
 Medical Services<sup>3</sup>: 4.6%

<u>All claims (quality sample)</u>			1999-2003	1999-2003
	DOI year	1999	2003	change
Total med. costs (from sample)	\$77,481,108	\$96,171,049	18,689,941	5.1%
Percent of all med. costs	100.0%	100.0%	100.0%	

<u>Anesthesia</u>			1999-2003	1999-2003
	DOI year	1999	2003	change
Number of claims	4,003	4,189	186	1.1%
Avg. med. payments per claim	\$605	\$712	\$107	3.1%
Total Costs	\$2,422,750	\$2,982,075	\$559,325	4.1%
Percent of all med. costs	3.1%	3.1%	3.0%	

<u>Medicine</u>			1999-2003	1999-2003
	DOI year	1999	2003	change
Number of claims	26,888	24,522	-2,366	-2.8%
Avg. med. payments per claim	\$243	\$230	-\$13	-1.1%
Total Costs	\$6,544,715	\$5,682,459	-\$862,256	-3.8%
Percent of all med. costs	8.4%	5.9%	-4.6%	

<u>Surgery</u>			1999-2003	1999-2003
	DOI year	1999	2003	change
Number of claims	20,166	20,614	448	0.0%
Avg. med. payments per claim	\$752	\$911	\$159	5.2%
Total Costs	\$15,169,046	\$18,922,620	\$3,753,574	5.3%
Percent of all med. costs	19.6%	19.7%	20.1%	

<u>Physical Medicine</u>			1999-2003	1999-2003
	DOI year	1999	2003	change
Number of claims	15,088	15,755	667	0.6%
Avg. med. payments per claim	\$903	\$1,326	\$423	9.8%
Total Costs	\$13,624,954	\$21,026,189	\$7,401,235	10.5%
Percent of all med. costs	17.6%	21.9%	39.6%	

<u>Radiology</u>			1999-2003	1999-2003
	DOI year	1999	2003	change
Number of claims	32,010	28,737	-3,273	-3.1%
Avg. med. payments per claim	\$384	\$560	\$176	10.7%
Total Costs	\$12,292,088	\$16,159,959	\$3,867,871	6.6%
Percent of all med. costs	15.9%	16.8%	20.7%	

<u>Evaluation and Management</u>			1999-2003	1999-2003
	DOI year	1999	2003	change
Number of claims	61,717	57,407	-4,310	-2.4%
Avg. med. payments per claim	\$241	\$352	\$111	9.5%
Total Costs	\$14,860,834	\$20,298,560	\$5,437,726	7.2%
Percent of all med. costs	19.2%	21.1%	29.1%	

<u>Lab &amp; Pathology</u>			1999-2003	1999-2003
	DOI year	1999	2003	change
Number of claims	10,674	5,488	-5,186	-18.3%
Avg. med. payments per claim	\$689	\$944	\$255	9.6%
Total Costs	\$7,352,457	\$5,167,481	-\$2,184,976	-8.8%
Percent of all med. costs	9.5%	5.4%	-11.7%	

<u>Oregon Specific Codes (OSCs)</u>			1999-2003	1999-2003
	DOI year	1999	2003	change
Number of claims	9,897	8,864	-1,033	-3.3%
Avg. med. payments per claim	\$527	\$666	\$139	6.3%
Total Costs	\$5,214,264	\$5,931,706	\$717,442	3.1%
Percent of all med. costs	6.7%	6.2%	3.8%	

The highlighted value represents each components' share of total 1999-2003 growth in medical costs related to medical fee schedule service categories. If the highlighted value is higher than the component's 2003 share of total costs, then the component has an above-average contribution to total cost growth.

<sup>1</sup> Medical fee schedule service categories based upon Division 009 Rules determining how medical provider fees are to be calculated (OAR 436-009-0040(4)).

<sup>2</sup> It should be noted that a significant portion of pharmacy payments may be borne by the injured worker prior to claim acceptance. Insurer reimbursements to workers are not reported to the department in medical billing data; therefore, the 1.3% share is a known estimate. Other department models suggest that the actual share is approximately 6% of ADC medical costs.

<sup>3</sup> The inflation rate is the 1999 to 2003 annual growth rate in the Medical Services component of the Consumer Price Index, Urban Wage Earners and Clerical Workers as published by the Bureau of Labor Statistics.

\* The growth rate calculation uses the log-linear least squares method.

**Supplement to Attachment 8: Average cost figures for ADCs with 158 days or more before first closure, enrolled vs non-enrolled (1997-2004)\***

**Non-enrolled ADCs with 158 or more days till first closure**

**Year and Claim Counts**

Year	Number of Claims
1997	11,574
1998	8,748
1999	7,654
2000	6,867
2001	7,228
2002	6,916
2003	6,151
2004	5,968
Growth Rate <sup>1</sup>	-5.8%

**Medical Costs**

Medical Costs	Average Medical Costs	Percent Change Average Medical Costs
\$ 74,256,662	\$ 6,416	---
\$ 62,397,754	\$ 7,133	11.2%
\$ 60,731,436	\$ 7,935	11.2%
\$ 55,191,136	\$ 8,037	1.3%
\$ 58,020,433	\$ 8,027	-0.1%
\$ 65,885,170	\$ 9,526	18.7%
\$ 59,601,847	\$ 9,690	1.7%
\$ 63,649,291	\$ 10,665	10.1%
0.2%	5.9%	---

**Time Loss Days and Costs**

Average Time Loss Days	Time Loss Costs	Average Time Loss Costs	Percent Change Average Time Loss Costs
75	\$ 44,742,238	\$ 3,866	---
81	\$ 37,660,445	\$ 4,305	11.4%
79	\$ 34,108,666	\$ 4,456	3.5%
74	\$ 30,167,160	\$ 4,393	-1.4%
76	\$ 33,865,828	\$ 4,685	6.6%
81	\$ 35,259,707	\$ 5,098	8.8%
80	\$ 31,571,680	\$ 5,133	0.7%
82	\$ 32,462,020	\$ 5,439	6.0%
0.1%	-1.9%	3.9%	---

**Net PPD Costs**

Net PPD Costs	Average Net PPD Costs	Percent Change Average Net PPD Costs
\$ 37,877,358	\$ 3,273	---
\$ 29,394,162	\$ 3,360	2.7%
\$ 25,746,549	\$ 3,364	0.1%
\$ 23,787,964	\$ 3,464	3.0%
\$ 25,374,142	\$ 3,511	1.4%
\$ 26,172,857	\$ 3,784	7.8%
\$ 25,467,796	\$ 4,140	9.4%
\$ 24,291,845	\$ 4,070	-1.7%
-1.7%	4.0%	---

**MCO-enrolled ADCs with 158 or more days till first closure**

**Year and Claim Counts**

Year	Number of Claims
1997	556
1998	3,408
1999	3,987
2000	4,262
2001	4,167
2002	3,723
2003	3,844
2004	4,030
Growth Rate <sup>1</sup>	1.1%

**Medical Costs**

Medical Costs	Average Medical Costs	Percent Change Average Medical Costs
\$ 4,856,967	\$ 8,736	---
\$ 19,671,773	\$ 5,772	-33.9%
\$ 26,802,404	\$ 6,722	16.5%
\$ 32,395,646	\$ 7,601	13.1%
\$ 37,043,426	\$ 8,890	17.0%
\$ 36,142,916	\$ 9,708	9.2%
\$ 38,075,503	\$ 9,905	2.0%
\$ 46,986,972	\$ 11,659	17.7%
12.4%	11.3%	---

**Time Loss Days and Costs**

Average Time Loss Days	Time Loss Costs	Average Time Loss Costs	Percent Change Average Time Loss Costs
106	\$ 3,197,131	\$ 5,750	---
63	\$ 11,622,135	\$ 3,410	-40.7%
70	\$ 15,029,145	\$ 3,770	10.6%
73	\$ 17,395,234	\$ 4,081	8.2%
80	\$ 20,031,638	\$ 4,807	17.8%
88	\$ 20,245,224	\$ 5,438	13.1%
87	\$ 20,695,990	\$ 5,384	-1.0%
91	\$ 23,293,785	\$ 5,780	7.4%
6.8%	11.2%	10.1%	---

**Net PPD Costs**

Net PPD Costs	Average Net PPD Costs	Percent Change Average Net PPD Costs
\$ 2,725,254	\$ 4,902	---
\$ 10,114,963	\$ 2,968	-39.5%
\$ 12,967,811	\$ 3,253	9.6%
\$ 15,147,196	\$ 3,554	9.3%
\$ 16,935,389	\$ 4,064	14.4%
\$ 15,499,875	\$ 4,163	2.4%
\$ 16,476,167	\$ 4,286	3.0%
\$ 19,303,007	\$ 4,790	11.8%
8.8%	7.7%	---

\* Analysis has determined that the median time from date of injury to first closure for closed ADCs reported to the department is 158 days. The upper half of the ADCs, those open 158 days or more, are presumably those with more severe injuries.

<sup>1</sup> The growth rate calculation uses the log-linear least squares method. Since only preliminary data is available for 1997, growth rate figures are calculated with 1998 - 2004 data.

Note: Disabling claims with CDAs are not included in this analysis. Review of CDA claims shows that they have much higher (2-3 times) medical costs. However, since no medical costs or time-loss costs are reported to the department, we are unable to include them in this analysis. Costs exclude PTD and fatal indemnity; vocational assistance; medical-only claim costs; settlements; time loss paid prior to claim denial and prior to settlement where claim was never closed; and compensation modified on appeal. Average PPD costs are calculated across all claims determined, rather than claims with PPD. Claim duration is the number of days from injury date to the latest closure date.