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DEPARTMENT OF HEALTH AND HUMAN SERVICES

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October 23, 2014

NH INSURANCE DEPARTMENT
2014 OCT 29 AM 11:43

Commissioner Roger Sevigny
New Hampshire Insurance Department
21 South Fruit Street, Suite 14
Concord, NH 03301

Re: Commission to Recommend Reforms to Reduce Workers' Compensation Medical Costs

Dear Commissioner Sevigny,

I am writing on behalf of the NH Occupational Health Surveillance Program (OHSP) in the Division of Public Health Services to inform you of some research we've conducted that may support the issue of under-reporting and under-recording to the workers' compensation system among NH's workers.

The NH Occupational Health Surveillance Program is funded by the Centers for Disease Control and Prevention, National Institute for Occupational Safety and Health (NIOSH) and is tasked with monitoring the health status of the state's workers through surveillance of work related injuries and illnesses. In addition to activities based on analysis of a set of core occupational health indicators (such as work related fatalities, work related hospitalizations, burns, amputations, and occupational poisonings), part of our work involves conducting in-depth studies utilizing existing data sources to learn more about the magnitude of work related injuries and illnesses in the state. Studies of this nature increase our knowledge on a variety of issues, including the conditions or factors contributing to a work related injury or illness, and the parameters of care through the healthcare system.

One cannot have a discussion about workers' compensation costs without including discussion of under-reporting and under-recording of work related injuries and illnesses. While workplace safety has improved and injury and illness rates have generally decreased over the past 10 years, work related injuries and illnesses are chronically under-reported, as noted by the Government Accounting Office in a 2008 report.ⁱ A number of studies have documented that the current system to derive national estimates for work related injuries and illnesses undercount both chronic conditions and acute injuries.ⁱⁱ In addition, there are important barriers to reporting work related injuries and illnesses, including, confusion over what is reportable; employees preferring paid sick time over WC/Lost Work Time; fear of job loss; language barriers; and misdiagnosis.ⁱⁱⁱ

I'd like to bring your attention two New Hampshire studies that focused on under-reporting of work related events. The first was conducted in 2008 and used the 2008 NH Behavioral Risk Factor Surveillance System

(BRFSS) to estimate the number of work-related injuries with associated payer for that injury (see attached data brief). The NH BRFSS is part of a national, state-based system of telephone health surveys, conducted annually by all States, the District of Columbia, and three U.S. Territories, with support from the Centers for Disease Control and Prevention (CDC). It is a survey of adults aged 18 or older not residing in group quarters or institutions. States have the option of adding questions to the end of the state BRFSS questionnaire. For the first time, the 2008 NH BRFSS survey included questions about workplace injury and payment for related treatment. The questions were intended to measure the prevalence of workplace injuries serious enough to require medical advice or treatment during the previous 12 months and the source of payment for treatment.

Findings from the 2008 study indicated that nearly 5 percent of respondents reported they had been injured at work in the past 12 months seriously enough to require medical advice or treatment. When asked about the payment source for their injury or illness, (workers who were likely eligible for workers' compensation benefits), about half (54%) reported their treatment was paid all, or in part, by workers' compensation. The remaining injured workers reported their treatment was paid for by private or government insurance (25%) or by other means (21%). These results are commensurate with the 2007 study of 10 states where the proportion of self-reported work-injured persons for whom medical treatment was paid by workers' compensation insurance ranged from 47% in Texas to 77% in Kentucky (median: 61%).^{iv}

A follow up study (not yet published) utilizing NH 2012-2013 BRFSS data (asking the same questions) indicates that out of a total of 122 respondents who work for wages, 55.2% reported that workers' compensation paid for all or some of their medical expenses, while the remaining injured workers reported their treatment was paid for by private or government insurance (17.3%) or by other means (15.5%). Due to the small numbers involved and some of the respondents indicating "not sure or other," these figures are not statistically significant; however they seem to follow the same trend we discovered utilizing the 2008 BRFSS data.

A second study (not published) utilizing poison center call data (Northern New England Poison Center managed by the Maine Medical Center and covers all of Maine, New Hampshire and Vermont) and hospital discharge data (inpatient and outpatient from 26 acute care hospitals within New Hampshire) suggests inaccurate documentation of work related events in the hospital discharge data. In this study, we linked poison center cases where a call was initiated by a healthcare provider with the same case in the hospital discharge data. It was established that the case in the poison center database was in fact a call about a work related exposure. In-depth analysis showed that, while the case started out as an occupational poisoning case in the poison center database, it did not result in final coding as a work related event in the hospital discharge data. The following are two examples of this:

- a) Poison center narrative describes a case where a can of expanding foam exploded and the foam entered the patient's eyes. Hospital discharge documentation indicated "foreign body accidentally entering the eye and adnexa" and "acute; serious conjunctivitis, except viral," with no mention that it was a work exposure that caused the effects and no documentation of workers' compensation as payer.
- b) Poison center narrative describes a chemical burn from exposure to hydraulic cement at work. Upon discharge, documentation indicated "accident caused by; caustic and corrosive substances, burning by: acid [any kind], ammonia, caustic oven cleaner or other substance, corrosive substance, lye, vitriol, and burn; unspecified degree; single digit [finger (nail)] other than thumb." Again, no mention of the substance that had entered the body and caused the adverse effects and no documentation of workers' compensation as payer.

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In a further break-down of the linked poison center - emergency department data set, through the use of ICD-9 codes^v, external injury cause codes, and analysis of billing information, we learned that 27% of the cases that originated as an occupational poisoning in the poison center data did not result in documentation as a work related event where workers' compensation was payer in the hospital discharge data. This study requires further research to better understand the magnitude of under-recording of work related events in the hospital inpatient database.

I encourage you to explore these issues further during your Commission meetings. A key source of information on workers' compensation from a surveillance perspective can be found at the NIOSH Center for Workers' Compensation Studies (CWCS) website: <http://www.cdc.gov/niosh/topics/workercomp/cwcs/>.

I remain available to answer any questions the Commission members may have.

Sincerely,



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ⁱ HIDDEN TRAGEDY: UNDERREPORTING OF WORKPLACE INJURIES AND ILLNESSES. Hearing before the Committee on Education and Labor, U.S. House of Representatives, Washington, D.C. June 19, 2008
<http://www.gpo.gov/fdsys/pkg/CHRG-110hrg42881/pdf/CHRG-110hrg42881.pdf>

ⁱⁱ Reference for more information: Rosenman, K., et al. How Much Work-Related Injury and Illness is Missed By the Current National Surveillance System? JOEM, Volume 48, Number 4, April 2006.

ⁱⁱⁱ Azaroff et al. Occupational injury and illness surveillance: conceptual filters explain underreporting. Am J Public Health. 2002;92:1421

^{iv} Centers for Disease Control and Prevention. Proportion of Workers Who Were Work-Injured and Payment by Workers' Compensation System---10 States, 2007. Morbidity and Mortality Weekly Report. 2010 July 30; 59(29): 897-900. Available at: http://www.cdc.gov/mmwr/preview/mmwrhtml/mm5929a1.htm?s_cid=mm5929a1_w.

^v International Classification of Disease, Ninth Revision, Clinical Modification



Using the 2008 NH Behavioral Risk Factor Surveillance System (BRFSS) to estimate the number of work-related injuries with associated payer

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Introduction

Work-related injuries are a major cause of morbidity in the United States. The Bureau of Labor Statistics (BLS) reported the rate of nonfatal workplace injuries and illnesses among private industry employers at 3.6 cases per 100 full-time equivalent (FTE) workers in 2009. This was a decline from 3.9 cases in 2008 and 4.2 cases in 2007.¹ Despite this decline, many studies have suggested that these numbers are underestimates because many injured workers do not file for workers' compensation when injured at work. For example, Rosenman et al. found the estimates of work-related injuries and illnesses in Michigan to be three times greater than the official estimate derived from the BLS annual survey.² Azaroff et al discuss the various filters applied to disclosure of work-related injury and illness.³ These include fear of retaliation where workers who report health problems or injuries to their supervisor may risk disciplinary action, denial of overtime or promotional opportunities, stigmatization, harassment, or even job loss.³ Other factors include lack of knowledge of the workers' compensation system and administrative obstacles that discourage injured workers from completing the claim filing process.⁴

2008 NH Behavioral Risk Factor Surveillance System (BRFSS)

For the first time, the 2008 NH BRFSS survey included questions about workplace injury and payment for related treatment. The questions were intended to measure the prevalence of workplace injuries serious enough to require medical advice or treatment during the previous 12 months and the source of payment for treatment. The NH BRFSS is part of a national, state-based system of tele-

phone health surveys, conducted annually by all States, the District of Columbia, and three U.S. Territories, with support from the Centers for Disease Control and Prevention (CDC). It is a survey of adults aged 18 or older not residing in group quarters or institutions. States have the option of adding questions to the end of the state BRFSS questionnaire. The injury and workers' compensation questions were part of the New Hampshire state added questions for 2008. (See Appendix for questions).

Results

In 2008, 6,892 adults were interviewed for the NH BRFSS survey. The workplace injury questions were asked of adults reporting they were employed for wages at some time in the previous 12 months (3,735 respondents).

Data collected for self-employed workers were excluded from all analyses because self-employed workers usually are not required to have workers' compensation insurance.

Nearly 5 percent of workers reported they had been injured at work in the past 12 months seriously enough to require medical advice or treatment. These numbers are consistent with the BRFSS results reported by 10 other states in 2007 (California, Connecticut, Kentucky, Massachusetts, Michigan, New Jersey, New York, Oregon, Texas, and Washington) with the proportion of workers who were injured at work during the preceding 12 months ranging from 4.0 to 6.9 percent (Kentucky and New York, respectively).⁵

In our study, the prevalence of injury was significantly

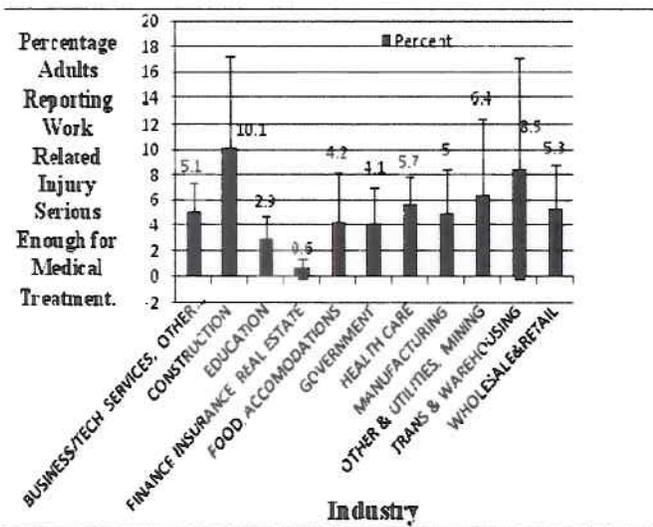


Fig. 1: Percent of adults reporting injury at work by Industry

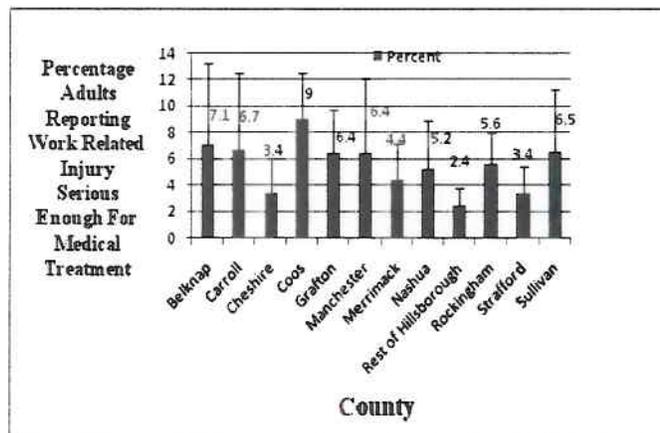


Fig. 2: Percent of adults reporting injury at work by County.

higher among males than females. Prevalence was lower among those with a college degree or more compared to those with less than a high school diploma; and those with incomes of \$50,000 or more compared to those with incomes of \$25,000 to less than \$50,000. Work-related injury was more prevalent among individuals between the ages of 25-34 years, 35-44 years, and 45-54 years (6.3%, 5.7%, and 5.1%, respectively).

A majority of workers with an injury were likely eligible for workers' compensation benefits. About half (54%) reported their treatment was paid all, or in part, by workers' compensation. The remaining injured workers reported their treatment was paid for by private or government insurance (25%) or by other means (21%). Due to the small number of respondents reporting on payment for treatment, the resulting estimates may be unstable.

Table 1: Percent of adults reporting they were injured at work in the past year seriously enough to require medical advice or treatment, 2008 NH BRFSS.

Characteristics	Percentage(%)	95% Confidence Interval
New Hampshire Adults	4.9	3.9 - 5.9
Age		
18 to 24	3.0	0.0 - 6.2
25 to 34	6.3	3.4 - 9.1
35 to 44	5.7	3.6 - 7.8
45 to 54	5.1	3.3 - 6.9
55 to 64	3.9	2.3 - 5.4
65 or older	3.8	1.6 - 6.0
Education		
Less than HS or GED	14.0	5.2 - 22.8
HS or GED	6.5	4.0 - 9.1
Some college or tech school	6.8	4.6 - 9.1
College grad (4 years or more)	2.3	1.4 - 3.2
Income		
Less than \$25,000	6.2	2.7 - 9.8
Less than \$50,000	7.8	5.1 - 10.4
\$50,000 or more	4.1	2.9 - 5.2
Sex		
Male	6.0	4.3 - 7.7
Females	3.8	2.9 - 4.7
Marital status		
Married	4.4	3.3 - 5.5
Other marital status	5.9	4.0 - 7.9

Discussion

While respondents employed for wages are likely to be covered by the New Hampshire workers' compensation system, our study estimated that, only about half of those employed for wages and injured seriously enough to require medical treatment had some or all of their medical treatment paid for by workers' compensation. This represents a substantial financial burden falling on private and public insurers as well as on individual families paying for costs out of pocket.

The highest prevalence of injury was in the construction and warehouse industries. While this is not surprising given the nature of this work, future education and prevention programs may be of benefit in these areas. Workplace injury can be prevented if steps are taken to reduce hazards.

Study Limitations

The results of our study are based on self-reported injury and may be subject to under- or over-reporting by respondents. For example, some respondents may not be aware that their injury was work-related (for example, back pain). Second, the questions did not ask about illnesses, only about injuries serious enough to require medical care. These issues likely resulted in an underestimate of workplace related health conditions. Third, the study was limited by small numbers of respondents employed for wages and reporting injury.

Recommendations

Our findings provide insight into the burden of work place injuries in New Hampshire and the magnitude of under-reporting of workers' compensation claims. In the future, questions should be expanded to include work-related illness as well as injury and to estimate all injuries, not only those requiring medical treatment. Questions should also be asked over two or more years to increase the number of respondents available for analysis.

References:

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Appendix

Respondents reporting they were: employed for wages, self-employed, out of work for less than 1 year, a homemaker, a student, retired, or unable to work, were asked:

“We would like to know if you have worked in the last year. During the past twelve months, have you been employed for any period of time, part time, full time or self-employed?”

If the respondent answered either employed (for wages or self employed): they were asked follow – up questions regarding workplace injury. This study was based on the following follow-up questions:

“What kind of business or industry do you work in?”

The options included: Agriculture, fishing, hunting; Business and technical services; Construction; Education; Finance, Insurance, ; Real Estate; Food Service; Government (local, state, federal); Health care; Manufacturing; Other Service Industry; Transportation and warehousing; Utilities or mining; Wholesale or retail sales; Accommodations (hotel, motel).

“During the past 12 months, that is since one year before today’s date, were you injured seriously enough while performing your job that you got medical advice or treatment?”

If the response was yes then the respondents were asked about the method of payment for their treatment:

“For your most recent work-related injury, who paid for your treatment?”

The options were worker’s compensation paid all; worker’s compensation paid some but denied some; my health insurance; (Note: Can also be spouse’s or domestic partner’s insurance); Medicare or Medicaid; you or your family - out of pocket; your employer without a worker’s compensation claim; or who will pay is still in process or not resolved.

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