

Industry Profile: Healthcare

A comprehensive overview of the operational characteristics, workers' compensation claim costs and key cost drivers of the healthcare industry in California

February 2023

Executive Summary

- The healthcare industry is one of the largest in California, with over 48,000 workers' compensation policies, and has operations in five distinct healthcare segments that provide medical care (Physician Practices, Dental Offices, Hospitals, Nursing Facilities and Home Health Care). These segments generate 6% of all California workers' compensation insurance premiums.
- The advisory pure premium rates approved by the Insurance Commissioner for the healthcare industry are on average about 20% below the statewide average, driven by Physician Practices and Hospitals ([Chart 1.1](#)).
- Within the healthcare industry, the pure premium rates for Physician Practices and Dental Offices are relatively low, while those for Home Health Care and Nursing Facilities are higher ([Chart 1.2](#)). The differences in pure premium rates by segments are mainly driven by differences in average wage levels ([Chart 8](#)) and claim frequency—potentially related to higher risk exposure from hands-on physical assistance provided to patients ([Chart 11](#)).
- Hospitals experienced the largest reduction in payroll and the highest increase in indemnity claim frequency of all healthcare segments during the pandemic ([Charts 3](#) and [12](#)).
- Dental Offices have a much higher share of Cumulative Trauma claims than other healthcare segments, potentially driven by repetitive movements and long duration of dental procedures ([Chart 19](#)).
- The healthcare industry has the highest share (41%) of indemnity COVID-19 claims among all industries, more than four times the statewide average, as healthcare workers were on the front lines of COVID-19 patient care and had a higher risk exposure to COVID-19 infections ([Chart 20](#)).

Background

Healthcare Industry in California

The healthcare industry is a significant and growing part of California's economy and one of the largest sectors in the workers' compensation system. Its workers' compensation exposure covers a wide variety of occupations, ranging from physicians to nurses to home health aides with disparate average wages and levels of workers' compensation risks.



Impact of COVID-19 Pandemic on Healthcare Industry

The healthcare industry was hit hard by the COVID-19 pandemic as healthcare workers were on the front lines of COVID-19 patient care. The pandemic has put high stress on the healthcare workforce and impacted industry payroll and claim frequency.



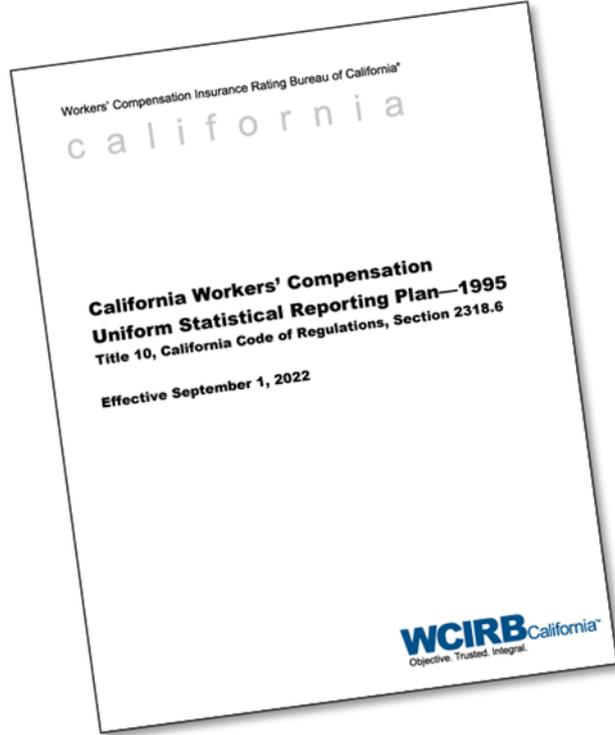
Segments of Healthcare Operations

In California's Standard Classification System, there are a number of classifications that encompass healthcare operations. In this report, the healthcare industry is categorized into five segments that provide medical care: Physician Practices, Dental Offices, Hospitals, Nursing Facilities and Home Health Care. These segments are defined based on the locations of the services provided.

The Physician Practices and Dental Offices segments provide outpatient medical services and comprise the majority of workers' compensation policies for the industry. The Hospitals segment includes both inpatient and outpatient services. The Nursing Facilities and Home Health Care segments may provide less medical care but more physical assistance in short-term and long-term patient care than other segments.



Classifications in the Healthcare Industry in California



Physician Practices

8834, *Physicians' Practices and Outpatient Clinics*



Dental Offices

8839, *Dental or Orthodontia Practices*



Hospitals

9043, *Hospitals*

8830, *Institutional Employees — hospitals, skilled nursing facilities, residential care facilities for adults or residential care facilities for the aged (operated by public agencies)*
7332, *Ambulance Services*



Nursing Facilities

8829, *Skilled Nursing Facilities; Convalescent Nursing Facilities*



Home Health Care

8827, *Home Care Services; Nursing Care*
8852, *Home Infusion Therapists*

Healthcare Industry in the California Workers' Compensation System – Basic Demographics

48,463
policies in 2020

4.9%

of statewide policies
in 2020

6.0%

of statewide pure
premium in 2020

6.1%

of all workers'
compensation payroll
in 2020

\$1.17

Average Advisory Pure
Premium Rate
effective 9/1/2022

30%

of Healthcare employees
work for self-insured
employers

vs.

22%

of statewide employees
work for self-insured
employers



Healthcare Industry Segments in the California Workers' Compensation System – Basic Demographics

Healthcare Segment	Payroll Share (PY2020)	Policy Share (PY2020)	Pure Premium Share (PY2020)	Share of Employees of Self-insured Employers	Wtd-Avg. Advisory PPR as of 9/1/22
 Physician Practices	50%	55%	25%	24%	\$0.61
 Dental Offices	10%	34%	5%	1%	\$0.66
 Hospitals	23%	2%	23%	51%	\$1.40
 Nursing Facilities	9%	2%	24%	16%	\$2.75
 Home Health Care	8%	7%	22%	16%	\$2.80
 Total	100%	100%	100%	30%	\$1.17

Insights

Physician Practices represent the largest segment in the healthcare industry, accounting for about one-half of industry payroll and 25% of industry pure premium.

Hospitals comprise 23% of industry payroll but only 2% of industry policies, as many insured hospitals are large. In contrast, Dental Offices tend to have a large share of small employers.

The shares of employees of self-insured employers vary significantly by segment. The overall share (30%) is higher than the statewide average (22%), driven by the prevalence of self-insured hospitals (51%).

Pure premium rates for Nursing Facilities and Home Health Care are more than four times those of Physician Practices and Dental Offices.

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Impact of COVID-19 Pandemic on the Healthcare Industry

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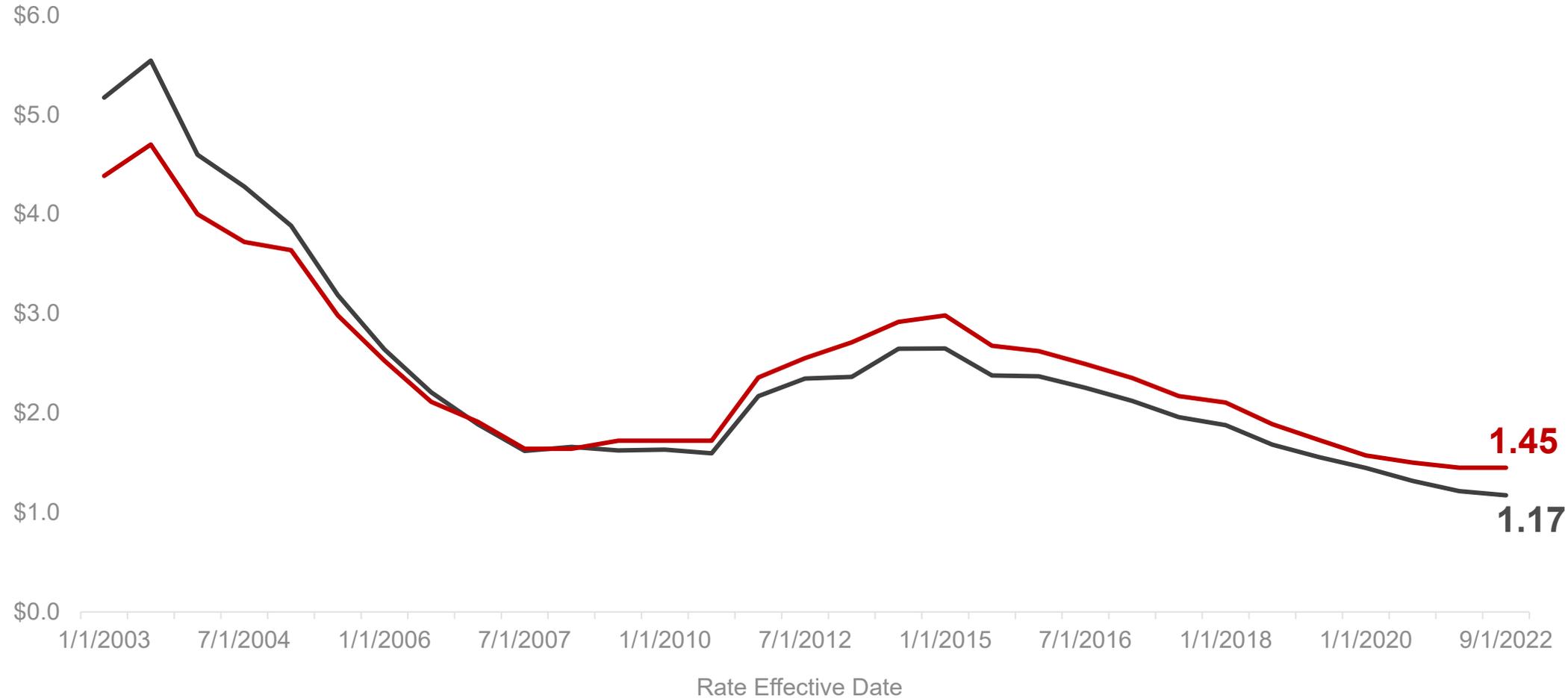
Demographics

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Chart 1.1: Historical Advisory Pure Premium Rates for Healthcare Industry vs. Statewide

Historical Advisory Pure Premium Rates (per \$100 of Payroll)

— Healthcare Industry — Statewide



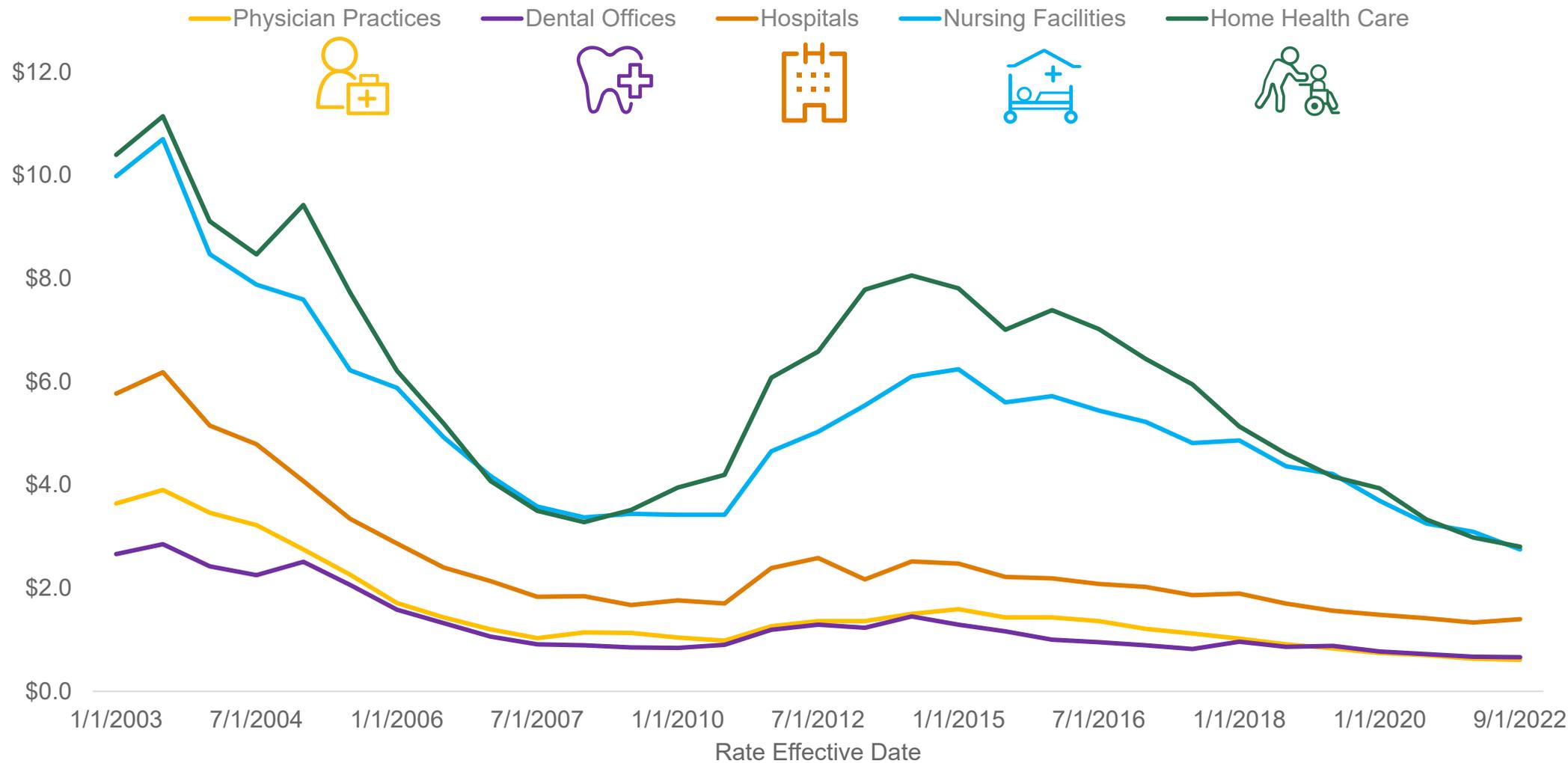
Insights

Overall, the average historical advisory pure premium rates (PPRs) for the healthcare industry have generally tracked closely with the statewide average and have been lower than the statewide average since 2009.

The industry average PPRs are largely driven by the two largest segments: Physician Practices and Hospitals.

Chart 1.2: Historical Advisory Pure Premium Rates for Healthcare Segments

Historical Advisory Pure Premium Rates (per \$100 of Payroll)



Insights

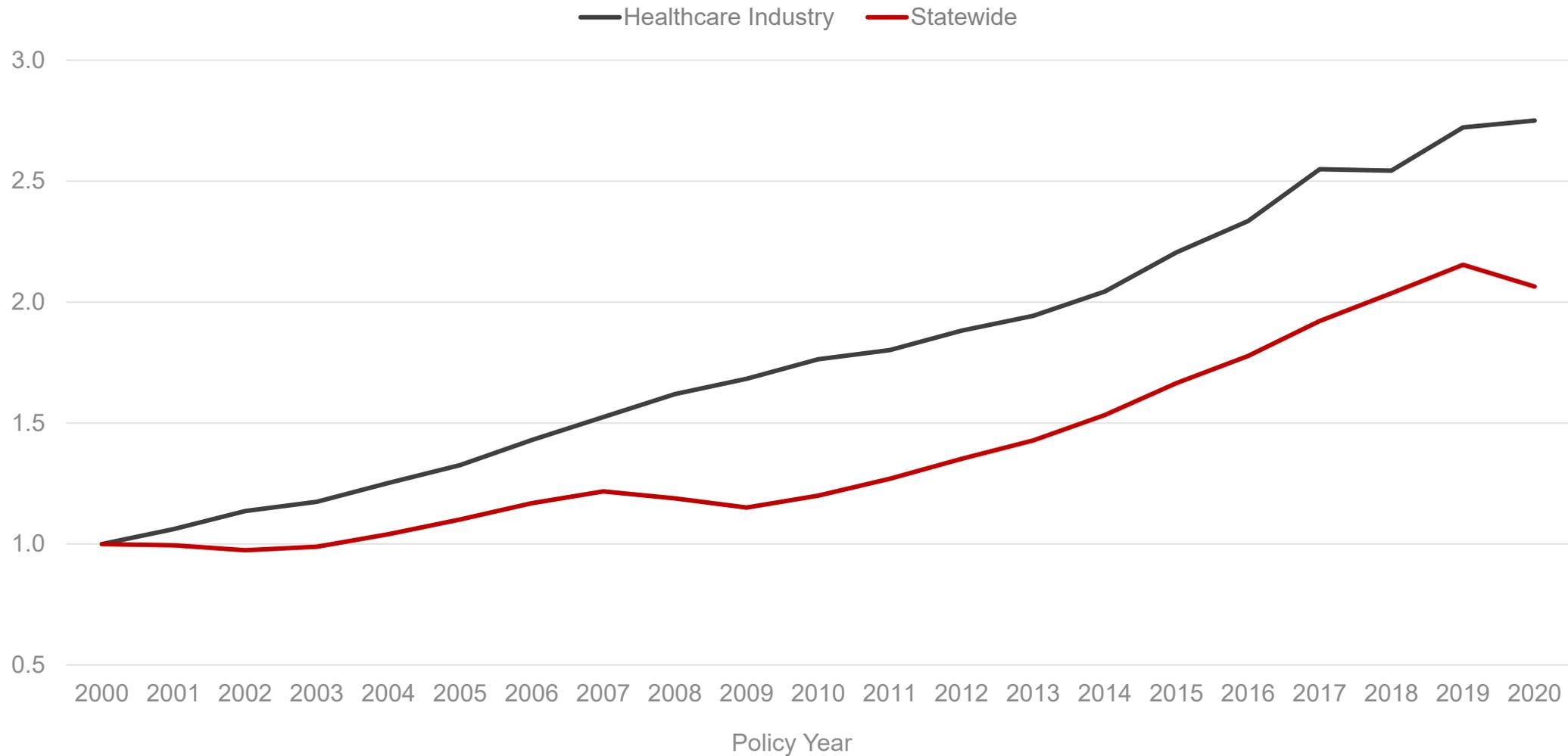
Home Health Care and Nursing Facilities have higher PPRs than other segments, potentially due to lower average wage levels and the higher level of hands-on physical assistance provided to patients ([Chart 8](#)).

Dental Offices and Physician Practices have lower PPRs than other segments.

The PPRs for Hospitals are double those of Dental Offices and Physician Practices, but only one-half of those for Home Health Care and Nursing Facilities. This is likely due to a mix of outpatient care and inpatient care including physical assistance, as well as the clerical operations that are included in the hospital classification.

Chart 2: Healthcare Industry vs. Statewide Payroll Trend Indexed to PY2000

Payroll Trend Indexed to PY2000 for Healthcare Industry vs. Statewide



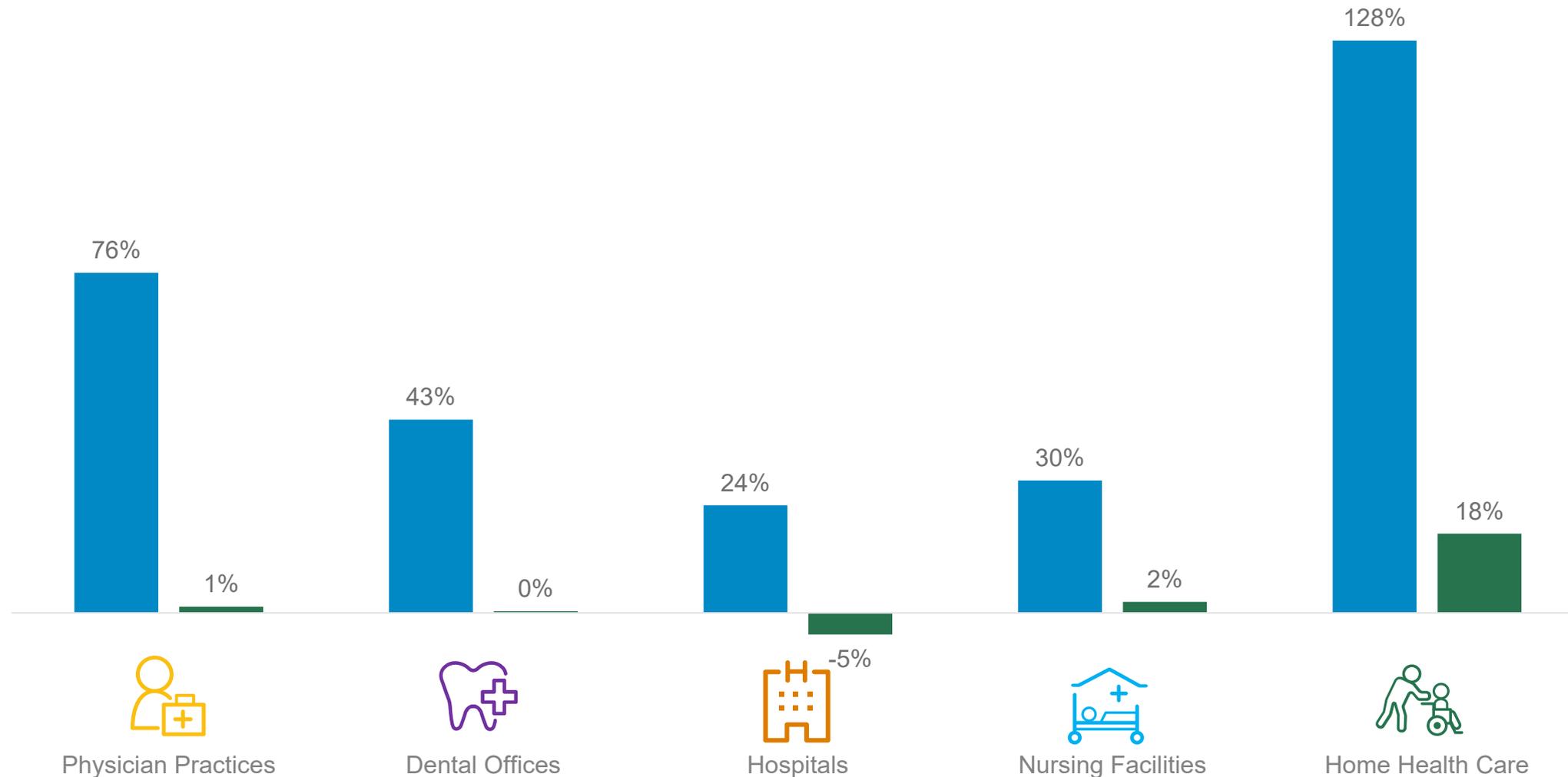
Insights

Historically, payroll for the healthcare industry has grown at a faster than average rate. In particular, when statewide payroll decreased during the great recession (2008-2009), the healthcare industry payroll continued to grow.

In PY2020, statewide payroll decreased by 4% due to the impacts of the pandemic. The healthcare industry, however, was less impacted with a modest increase (1%) in payroll.

Chart 3: Payroll Change for Healthcare Segments

■ PY2010 to PY2019 ■ PY2019 to PY2020



Insights

Home Health Care had the largest cumulative payroll increase from PY2010 to PY2019, driven by significant growth in the number of home health employers over the last decade (74%). In 2020, despite the pandemic, Home Health Care payroll growth accelerated.

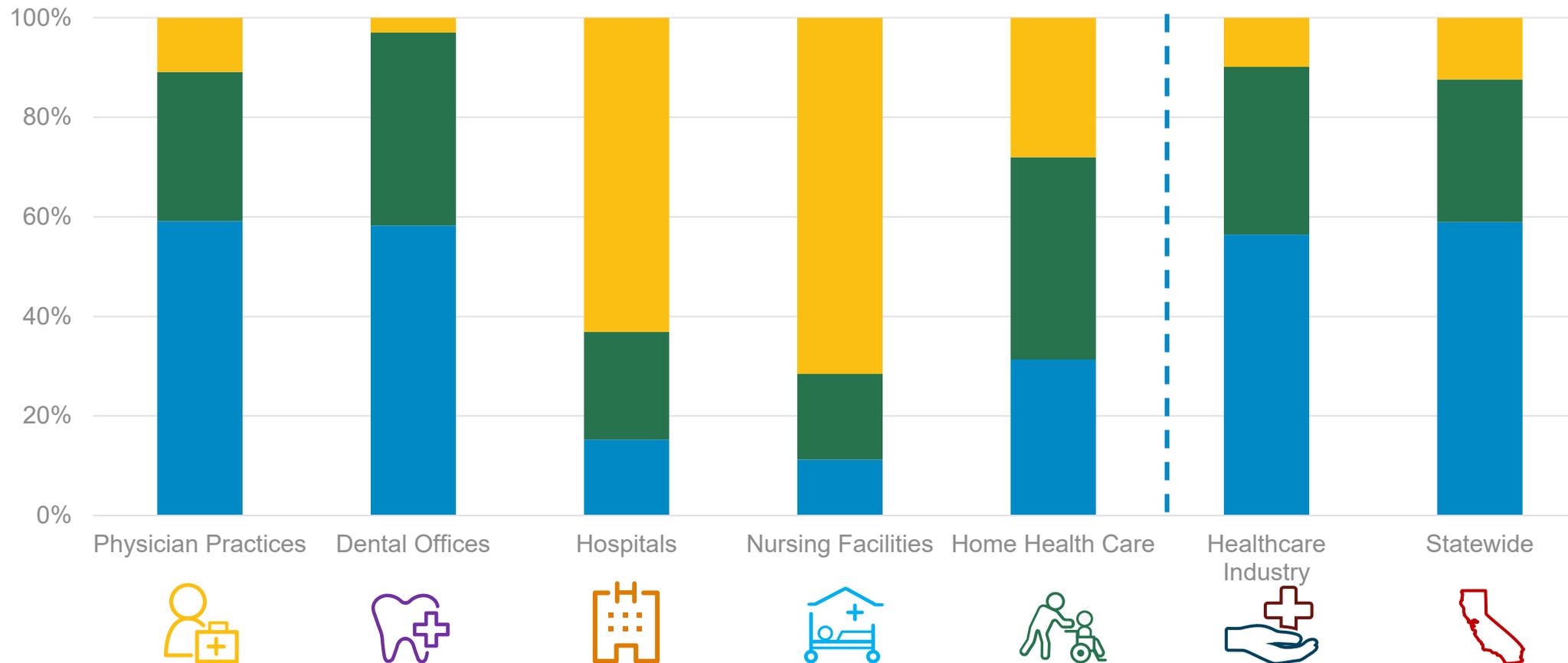
Hospitals is a relatively stable segment with the smallest cumulative payroll increase in the past decade. In 2020, Hospitals was the only healthcare segment for which payroll declined, reflecting larger impacts of the pandemic.

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Chart 4: Employer Distribution by Annual Payroll Size

Share of Employers by Annual Payroll Size
(PY 2015-2019)

■ Small (<\$200K) ■ Medium (\$200K-\$1M) ■ Large (>\$1M)



Insights

Overall, the distribution of healthcare industry employers by annual payroll size is comparable to the statewide average.

Physician Practices and Dental Offices have the highest share of small and medium-sized employers.

Hospitals and Nursing Facilities have the highest share of large employers. Many hospital employers tend to be part of a hospital group, including multiple affiliated facilities, and can grow large with hospital consolidations. Nursing facilities are often part of corporate chains.

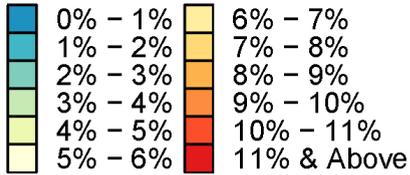
Chart 5: Payroll Share by Region for Healthcare Industry vs. Statewide

Insights

Like many other industries, the highest concentration of healthcare industry payroll is in the San Francisco Bay Area and Los Angeles Basin.

The differential between rural and urban area payroll shares is smaller for the healthcare industry than for other industries, potentially because residents and communities in rural areas may have a more similar level of demand for healthcare services as those in urban areas.

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- 01 - Yuba City/Redding/Far North
- 02 - Sonoma/Napa
- 03 - Sacramento
- 04 - Stockton/Modesto/Merced
- 05 - Fresno/Madera
- 06 - Bay Area
- 07 - Peninsula/Silicon Valley
- 08 - Santa Cruz/Monterey/Salinas
- 09 - SLO/Santa Barbara
- 10 - Bakersfield
- 11 - Tulare/Inyo
- 12 - Ventura
- 13 - Santa Monica/San Fernando Valley
- 14 - San Bernardino/West Riverside
- 15 - LA/Long Beach
- 16 - San Gabriel Valley/Pasadena
- 17 - Orange County
- 18 - Imperial/Riverside
- 19 - San Diego

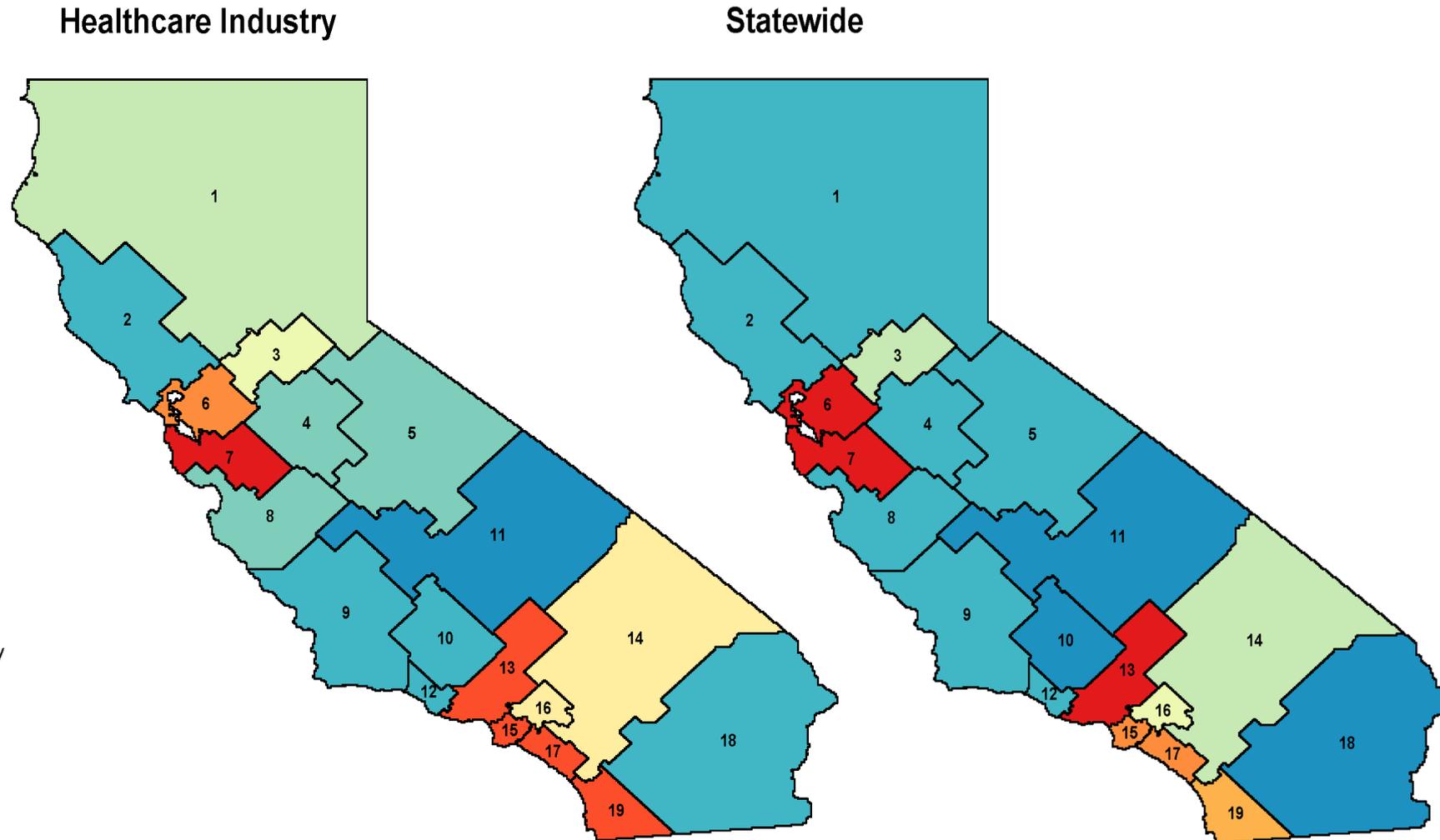
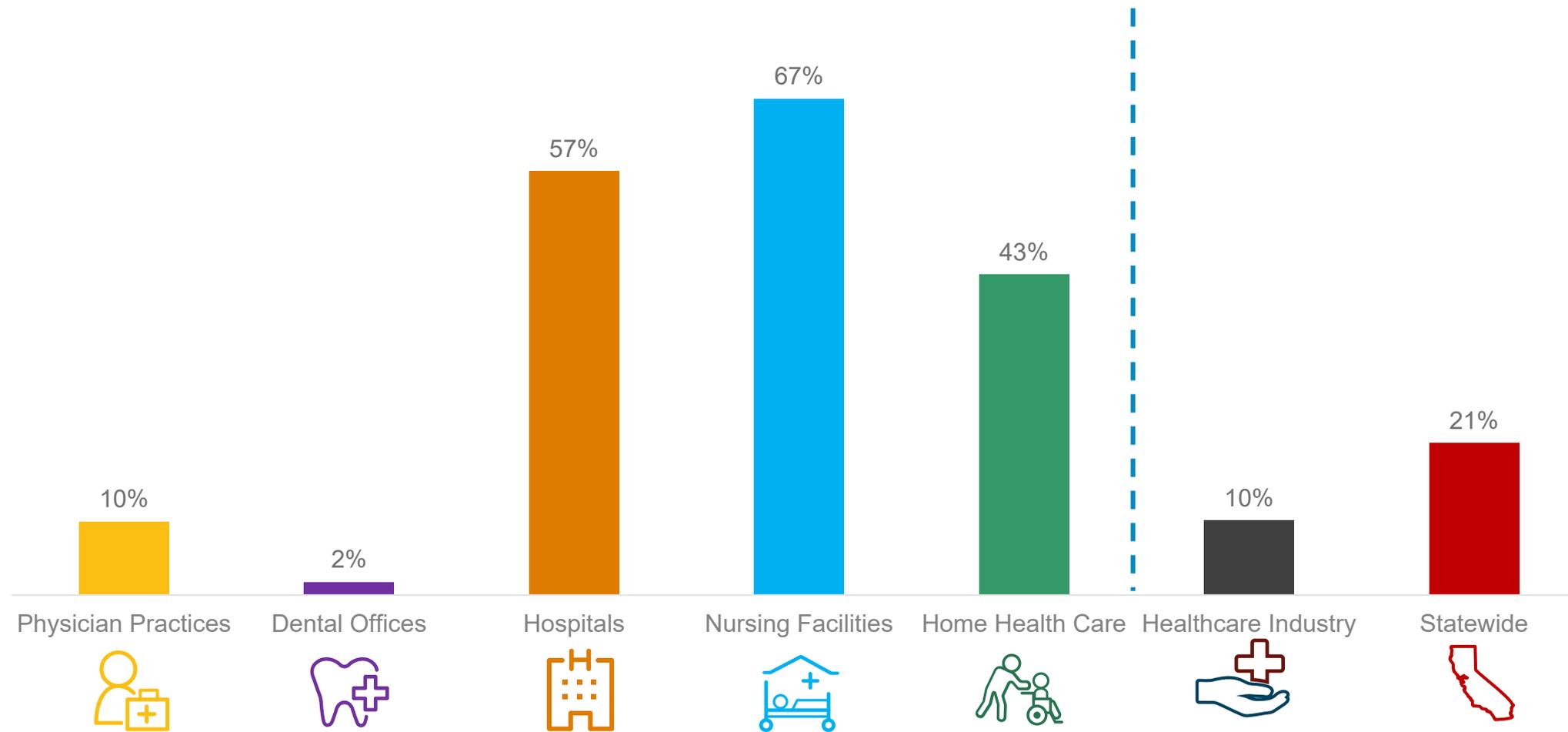


Chart 6: Share of X-Mod Eligible Employers

Share of X-Mod Eligible Employers
(PY2015-2019)

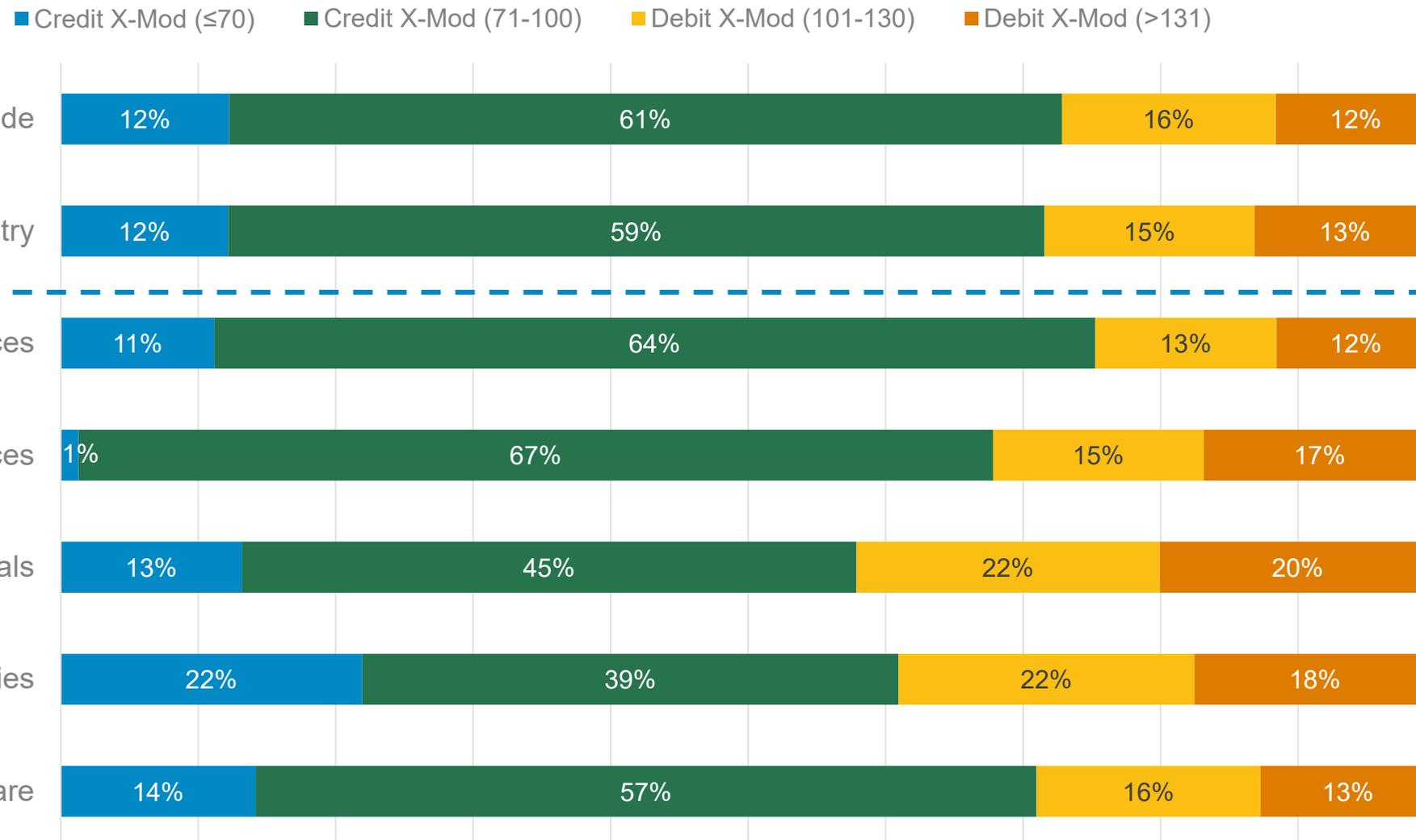


Insights

The share of X-Mod eligible employers in the healthcare industry is only one-half of the statewide average. This is mostly driven by the Physician Practices and Dental Offices segments, which have a high share of small and medium-sized employers ([Chart 4](#)) and low expected loss rates.

Nursing Facilities has the largest share of employers eligible for X-Mods, followed by the Hospitals and Home Health Care segments. This is mainly driven by the higher share of large employers ([Chart 4](#)) and relatively high expected loss rates in these segments.

Chart 7: Share of Eligible Employers by X-Mod Range



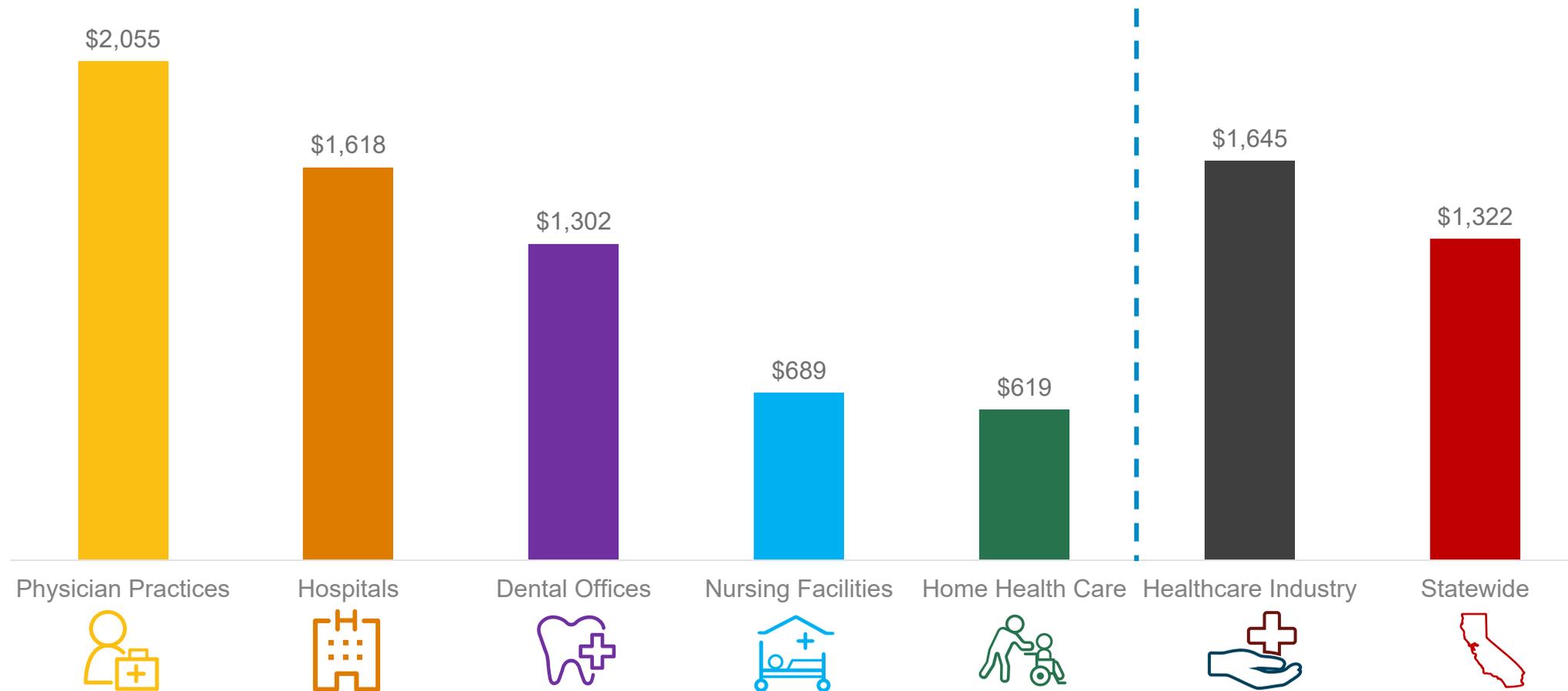
 **Insights**

The distribution of X-Mods in the healthcare industry is similar to the distribution of all X-Mods in the State.

Physician Practices has the highest share of employers with credit X-Mods, while Hospitals has the highest share of employers with debit X-Mods. The X-Mod pattern for Hospitals is mostly driven by medium-sized hospitals (\$200K to \$1M annual payroll), which tend to have higher average loss to payroll ratios ([Chart 16](#)).

Chart 8: Average Weekly Wages

Average Weekly Wages
(Calendar Year 2019)



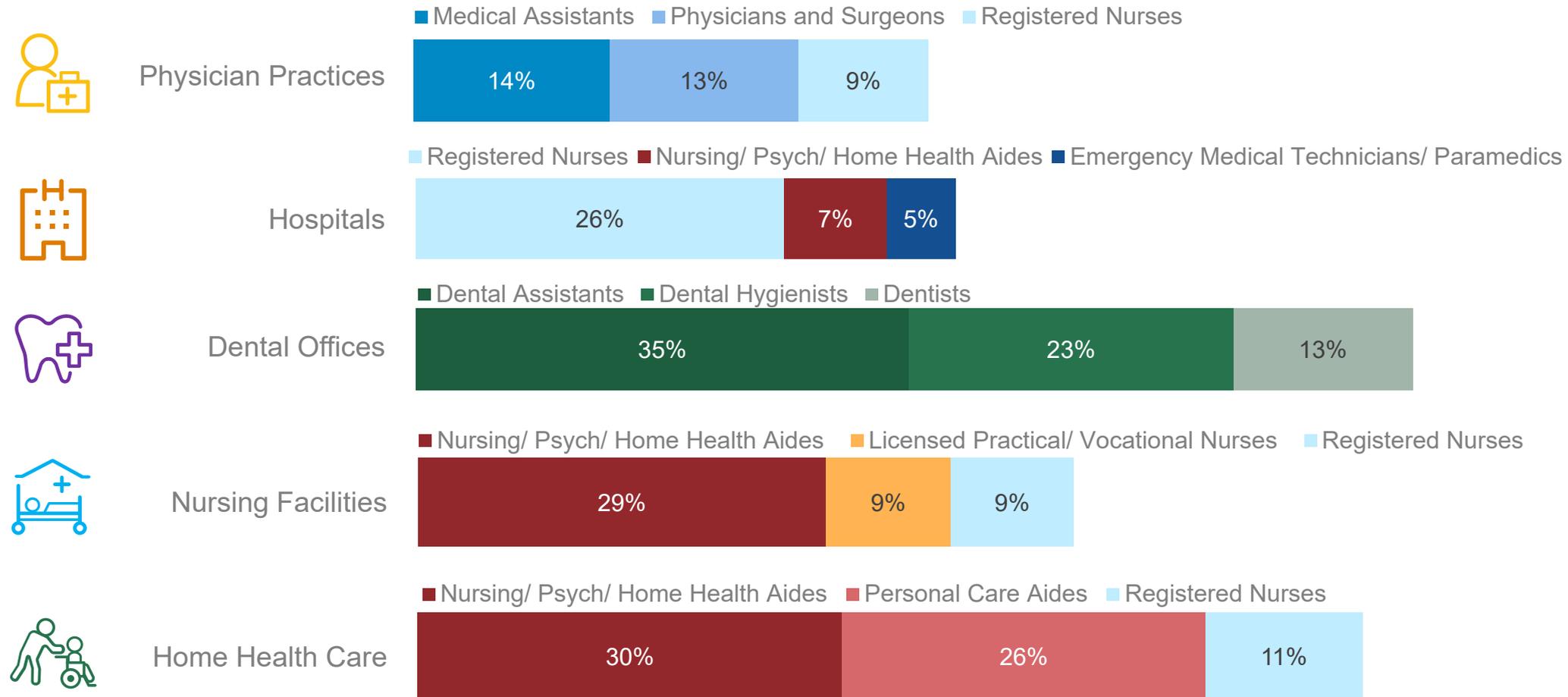
Insights

Healthcare workers tend to have a higher-than-average weekly wage.

Employees of physician practices, dental offices and hospitals have higher wages, mostly due to a large share of high wage occupations, such as physicians, surgeons, registered nurses and dentists ([Chart 9](#)).

A large share of relatively low wage workers of home health care and nursing facilities, such as care aides, leads to a much lower average weekly wage in these segments ([Chart 9](#)).

Chart 9: Leading Occupations by Share of Healthcare Segment Payroll



Insights

Nurses and care aides are the leading occupations for the Hospitals, Nursing Facilities and Home Health Care segments and typically provide hands-on physical assistance.

Doctors and medical support staff are the leading occupations for the Physician Practices and Dental Offices segments. Many physicians and dentists at small clinics own their business and may opt-out of workers' compensation coverage.

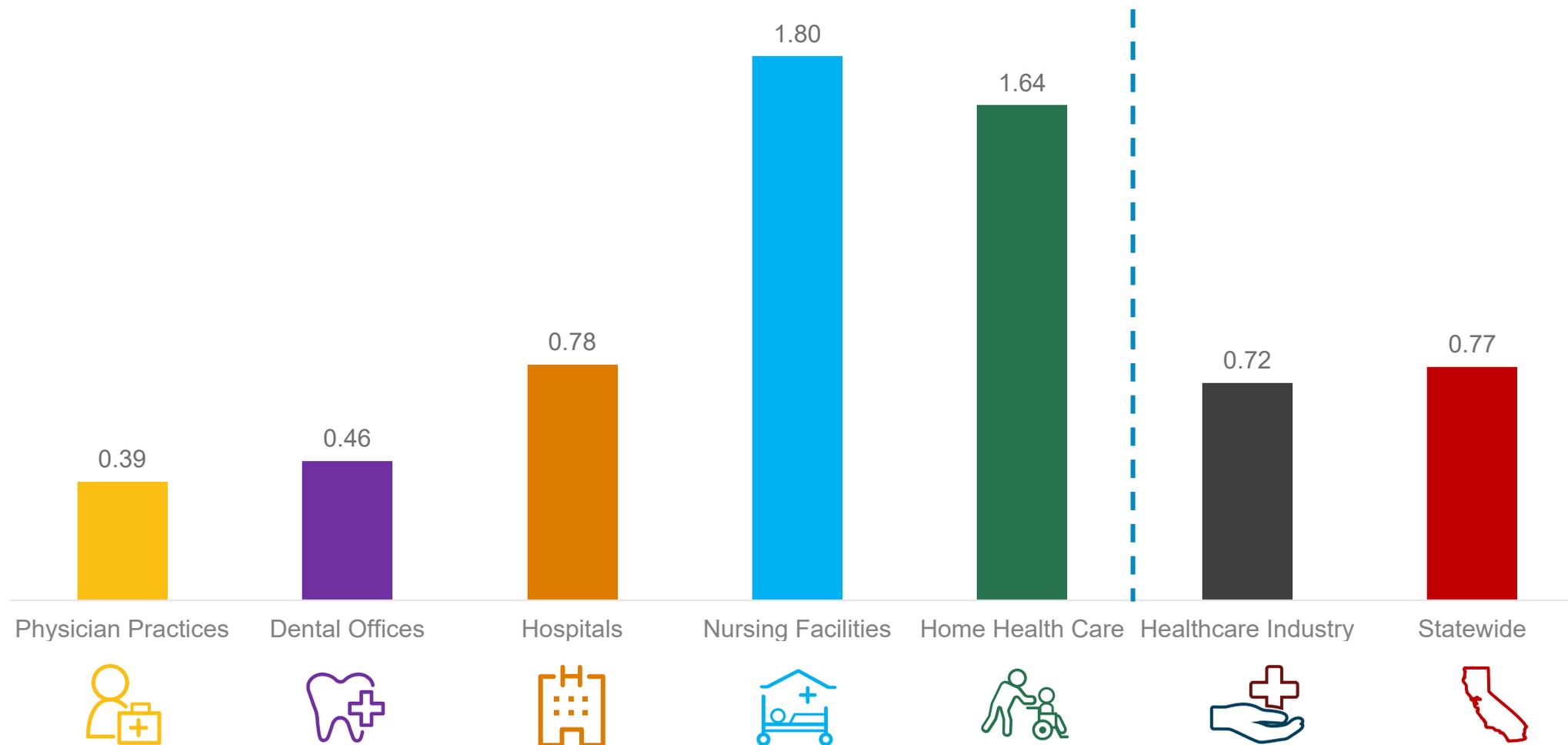


Loss and Payroll Experience

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Chart 10: Historical Capped Loss to Payroll Ratios

Capped Loss to Payroll Ratios
(PY2015-2019)



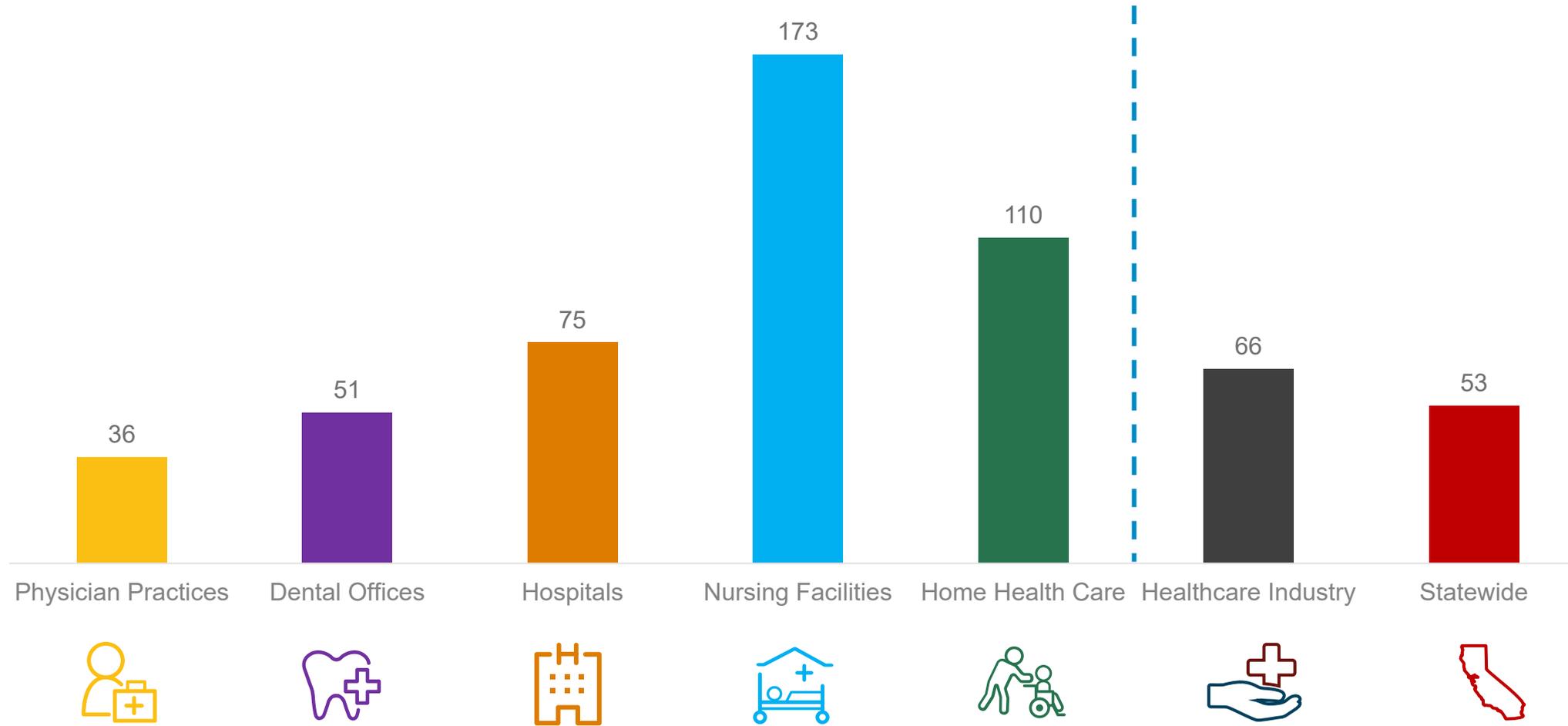
Insights

The loss to payroll ratio for the healthcare industry, which is similar to the statewide average, is largely driven by Physician Practices and Hospitals.

The Nursing Facilities and Home Health Care segments have the highest loss to payroll ratios, whereas Physician Practices and Dental Offices have the lowest loss to payroll ratios among all segments. The differentials in loss to payroll ratios are mainly driven by claim frequency ([Chart 11](#)). As discussed with respect to [Chart 1.2](#), the different risk exposure is potentially due to different levels of physical aid provided for each segment.

Chart 11: Total Claim Frequency

Total Claim Count per \$100 Million of Payroll
(PY2015-2019)



Insights

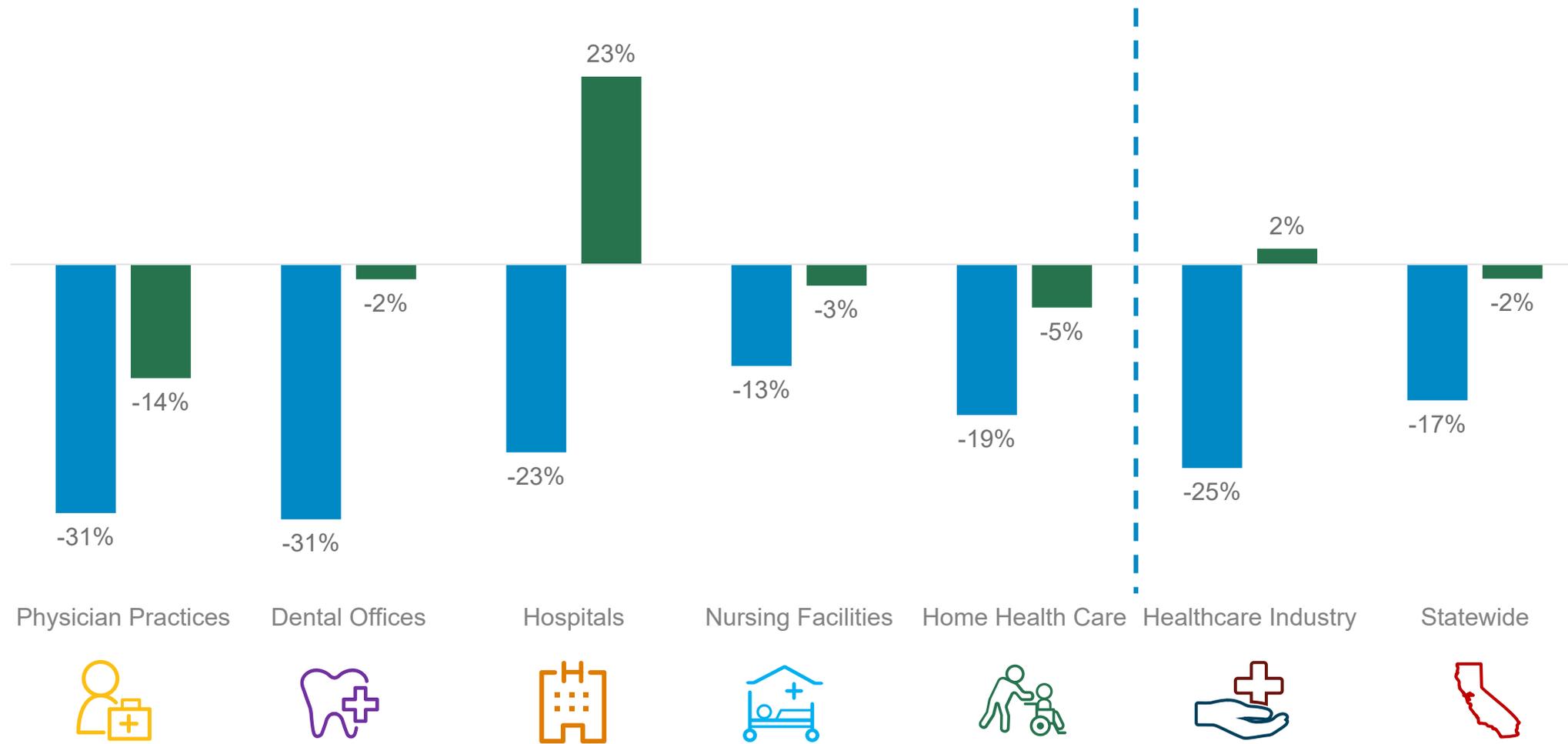
Overall, the healthcare industry has higher frequency and lower severity ([Chart 13](#)) than the statewide average.

Nursing Facilities has more than four times the frequency rate of Physician Practices. Some of this differential is driven by lower wages in the Nursing Facilities segment ([Chart 8](#)).

Chart 12: Change in Indemnity Claim Frequency per FTE

Change in Indemnity Claim Frequency per Full Time Equivalent (FTE)

■ PY2010 to PY2019 ■ PY2019 to PY2020



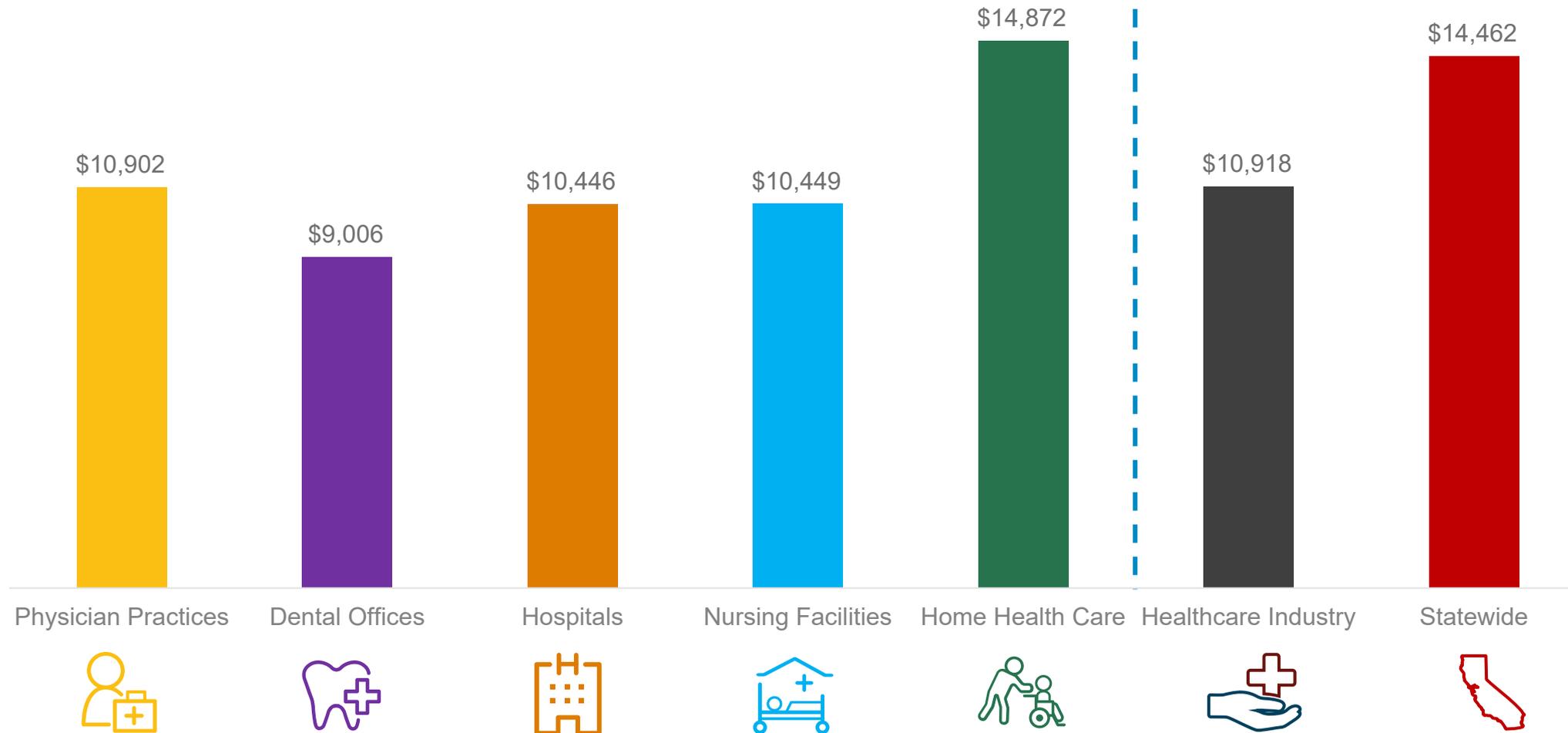
💡 Insights

The indemnity claim frequency for the healthcare industry declined at a greater-than-average rate over the last decade.

For Hospitals, the indemnity claim frequency, excluding COVID-19 claims, increased in the latest year, while frequency in other segments continued to drop. This is partly driven by a more significant shift in claim mix (medical-only relative to indemnity claims) for Hospitals.

Chart 13: Average Claim Severity

Average Claim Severity
(PY2015-2019)



Insights

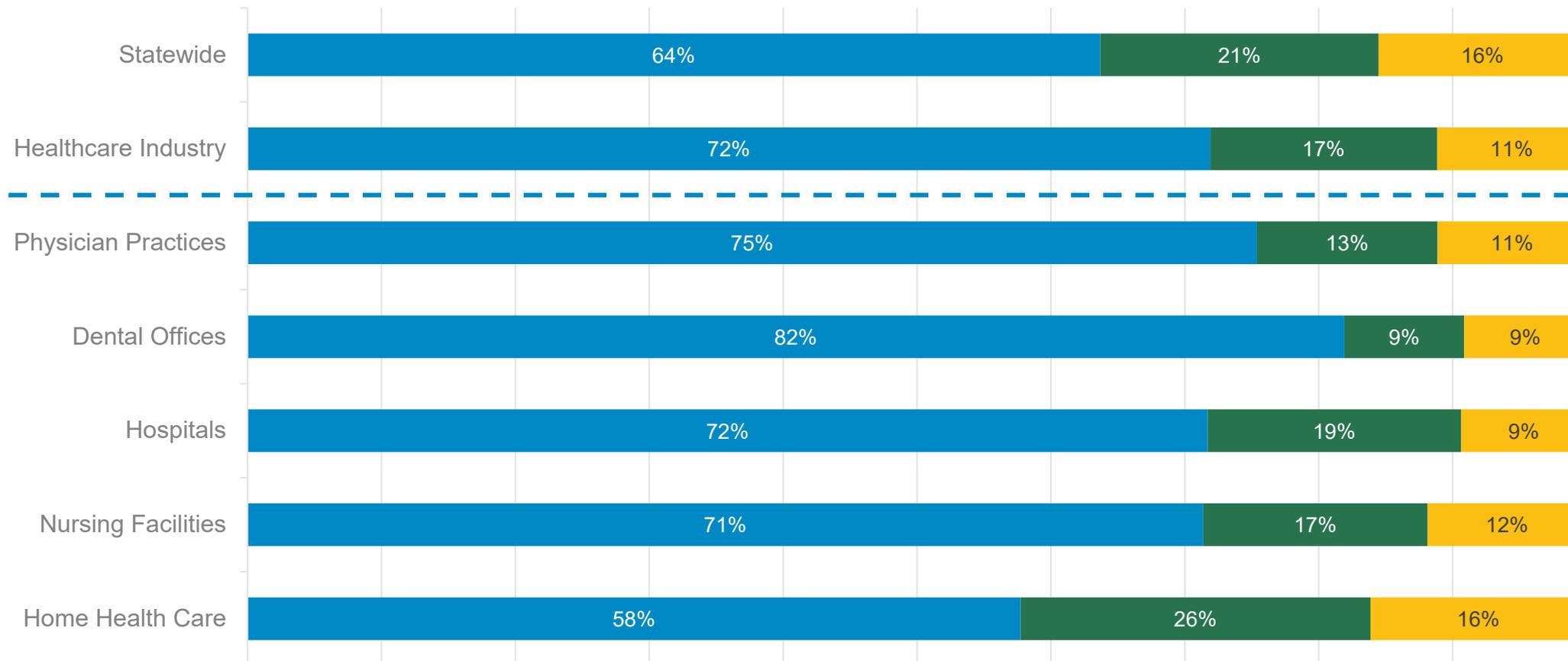
Overall, the healthcare industry has a lower-than-average claim severity, driven by the higher share of medical-only claims and the lower share of permanent disability claims ([Chart 14](#)).

The higher average claim severity for Home Health Care is due to the significantly higher share of indemnity claims ([Chart 14](#)).

Chart 14: Share of Claims by Injury Type

Share of Claims by Injury Type
(PY2015-2019)

■ Medical-Only ■ Temporary Disability Only ■ Permanent Disability and Death



Insights

Most healthcare segments have a higher-than-average share of medical-only claims and lower-than-average share of permanent disability and death claims.

Home Health Care has a higher share of indemnity claims as operations provided in this segment require more physical aid, such as lifting and moving patients, and helping with showers and personal care.

Dental Offices has the largest share of medical-only claims, which drives down the overall severity to the lowest among all segments ([Chart 13](#)).



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Chart 15: Indemnity Claim Frequency by Region Relative to Statewide Average for Healthcare Industry and Statewide

Insights

The indemnity claim frequency pattern by region for the healthcare industry is similar to the statewide pattern. After controlling for classification mix and wage level differences, the Los Angeles area continues to have one of the highest claim frequencies, while the Bay Area has the lowest claim frequency.

The healthcare industry has larger-than-average differentials in frequency across regions.

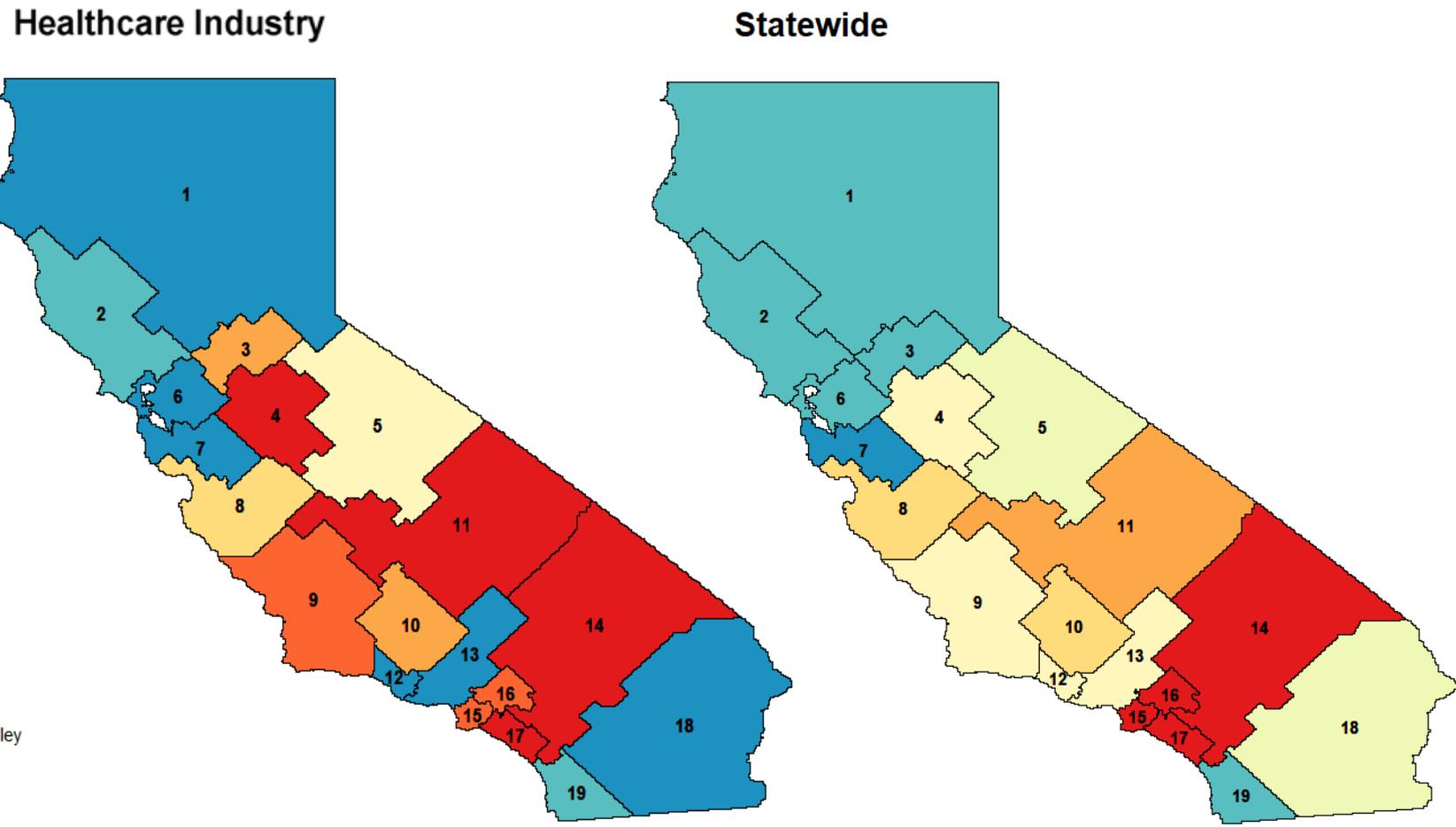
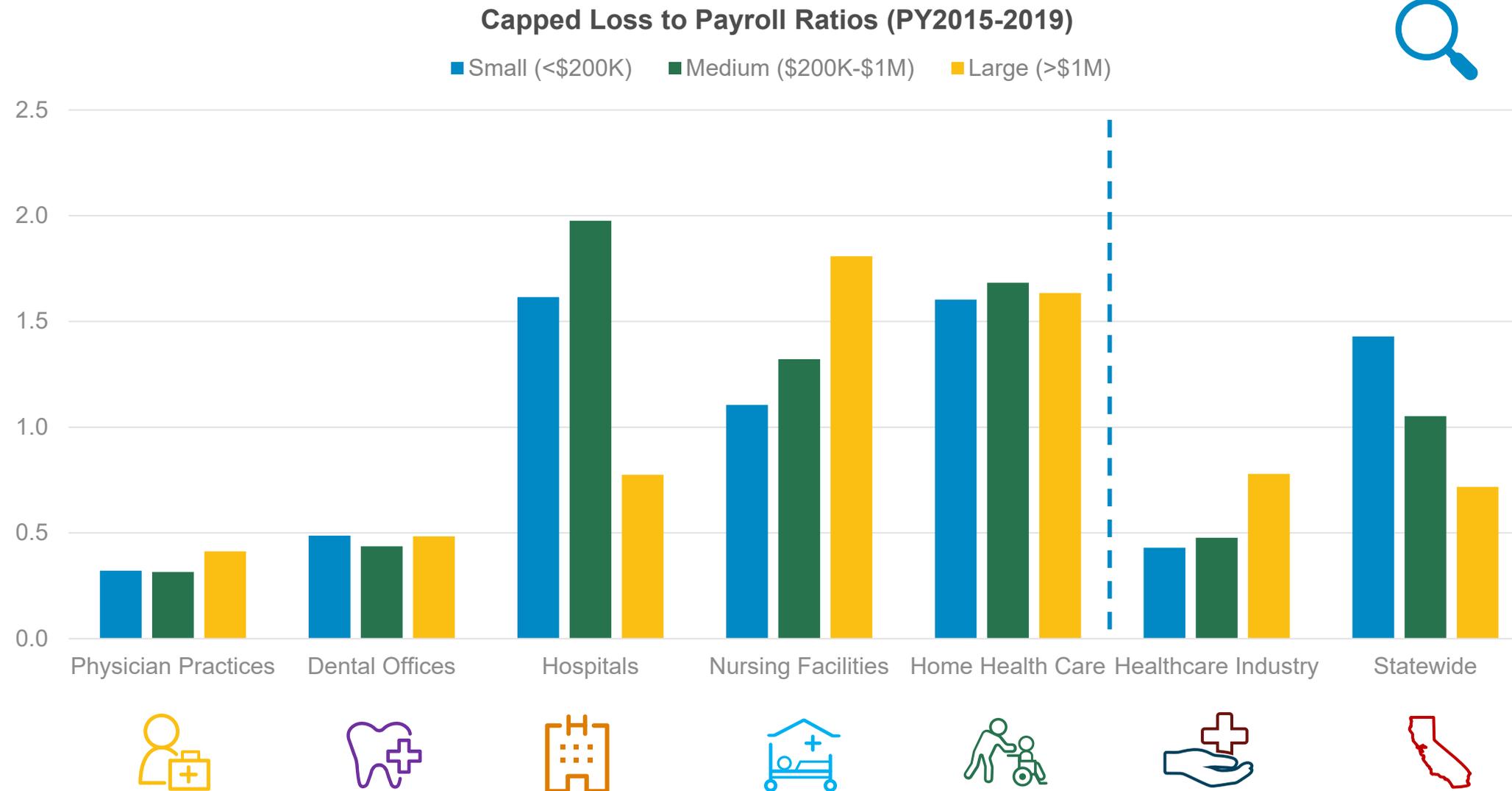


Chart 16: Capped Loss to Payroll Ratios by Employer Size



Insights

Overall, the loss to payroll ratio for the healthcare industry increases with employer size, largely driven by nursing facilities. This is the reverse of the statewide pattern in which larger employers tend to have lower loss to payroll ratios.

For Hospitals, small and medium-sized employers have significantly higher loss to payroll ratios than large employers.

The overall patterns are mostly driven by indemnity claim frequency differences by employer size ([Chart 17](#)).

Chart 17: Indemnity Claim Frequency by Employer Size

Indemnity Claim Count per \$100 Million of Payroll (PY2015-2019)

■ Small (<\$200K) ■ Medium (\$200K-\$1M) ■ Large (>\$1M)



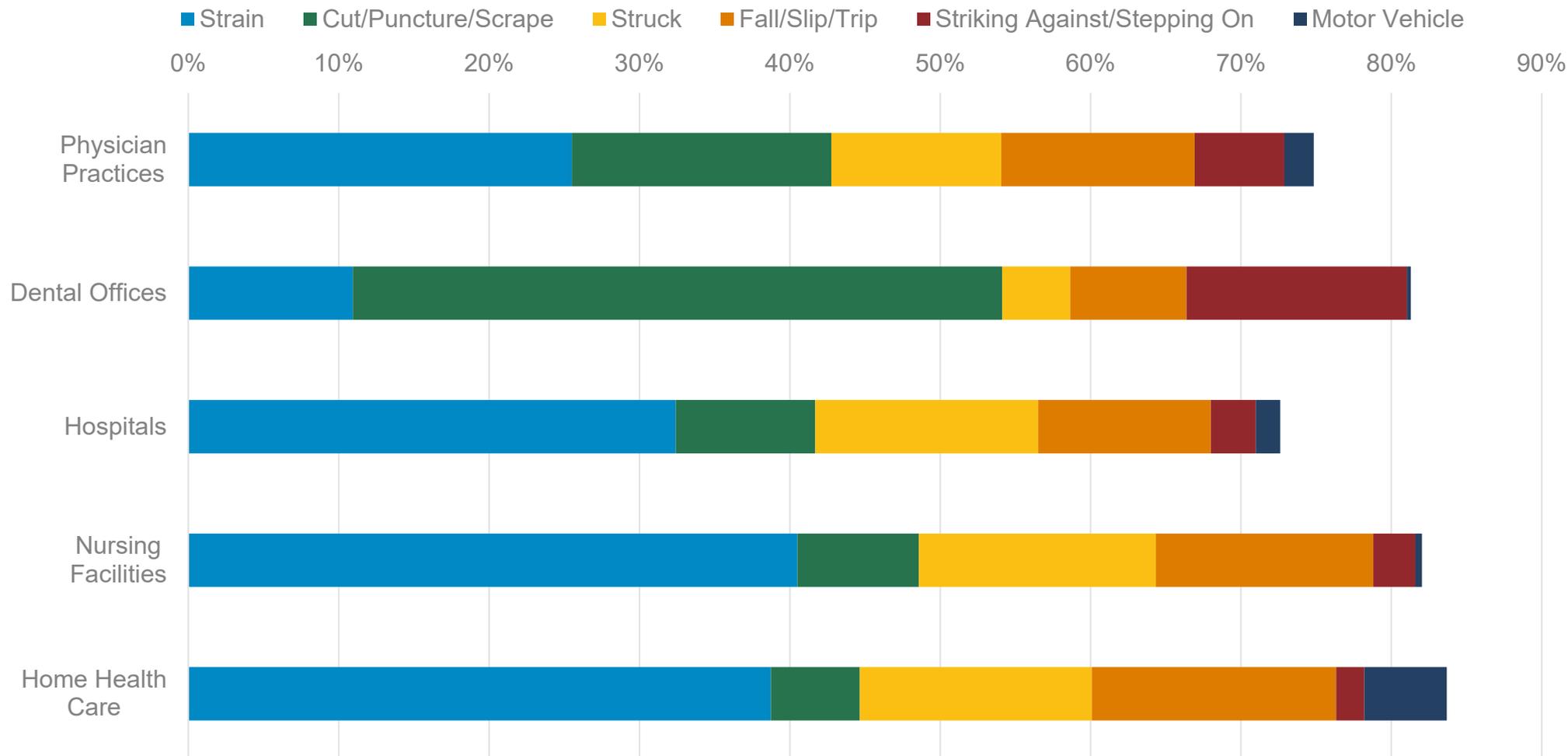
Insights

The indemnity claim frequency for the healthcare industry generally increases with employer size. The higher indemnity frequency for large medical facilities may be related to the different mix of medical services provided compared to smaller medical facilities.

For the Hospitals segment, the relatively high indemnity frequency for small and mid-size employers is partly driven by the loss and payroll experience of ambulance services.

Chart 18: Leading Causes of Injury for Healthcare Segments

Share of Claims by Leading Causes of Injury (PY2015-2019)



Insights

Dental Offices have the highest share of claims involving cut, puncture and scrape injuries, likely resulting from the use of dental instruments.

Nursing Facilities and Home Health Care have higher shares of claims involving strain, struck and fall injuries than Physician Practices, likely due to the higher level of physical assistance provided in those segments.

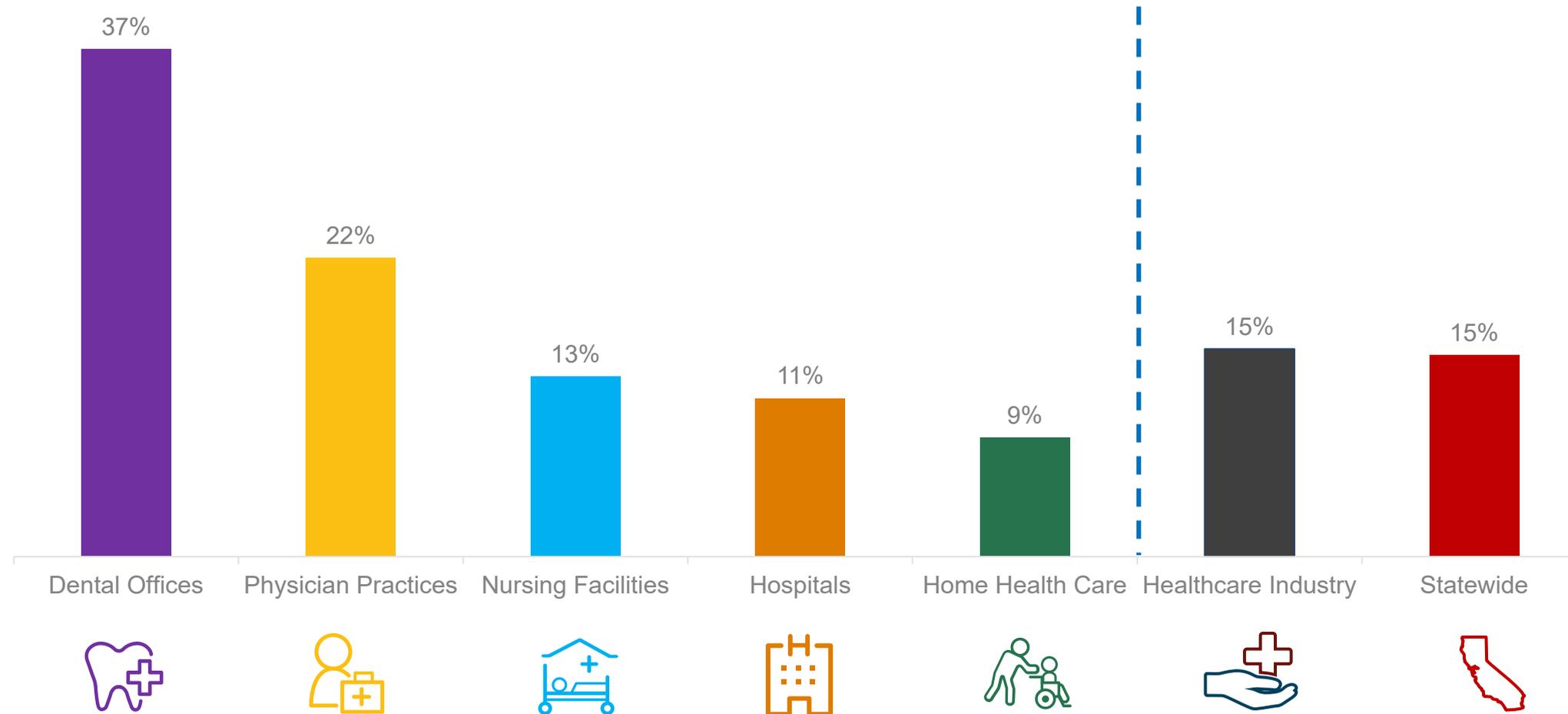
Home Health Care has the largest share of claims involving motor vehicle injuries as care providers often drive patients to doctor appointments and perform other driving duties for their patients.

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Chart 19: Indemnity Cumulative Trauma Claims

Share of Indemnity Claims involving Cumulative Trauma Injuries
(PY2015-2019)



Insights

The share of indemnity claims involving cumulative trauma (CT) injuries for the healthcare industry is similar to the statewide average.

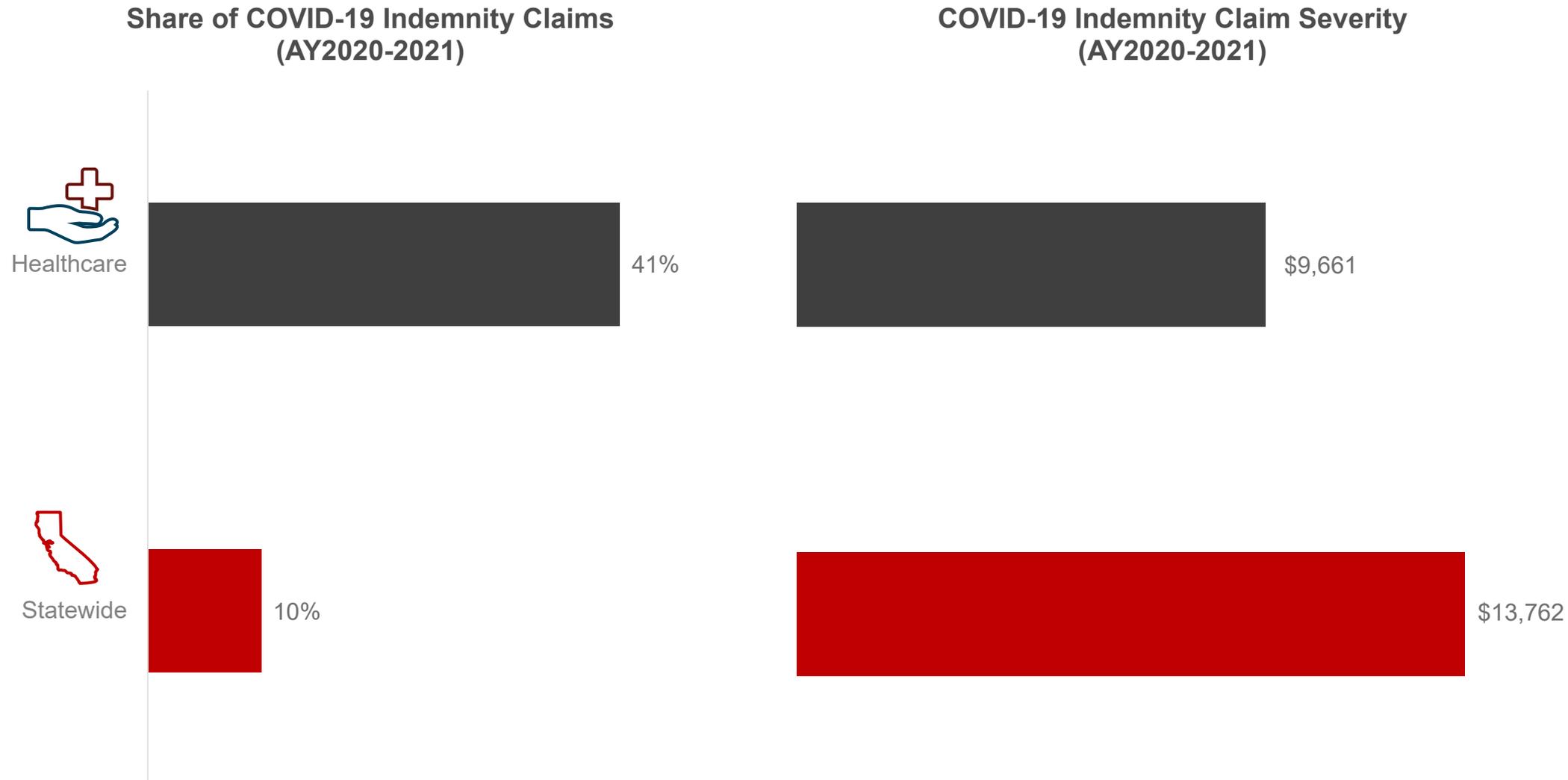
Dental Offices have a much higher share of CT claims than other healthcare segments. This may be related to the repetitive movement and long duration of dental procedures and a lower frequency of non-cumulative trauma claims.



Impact of COVID-19 Pandemic on the Healthcare Industry

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Chart 20: COVID-19 Indemnity Claim Share and Claim Severity for Healthcare Industry vs. Statewide



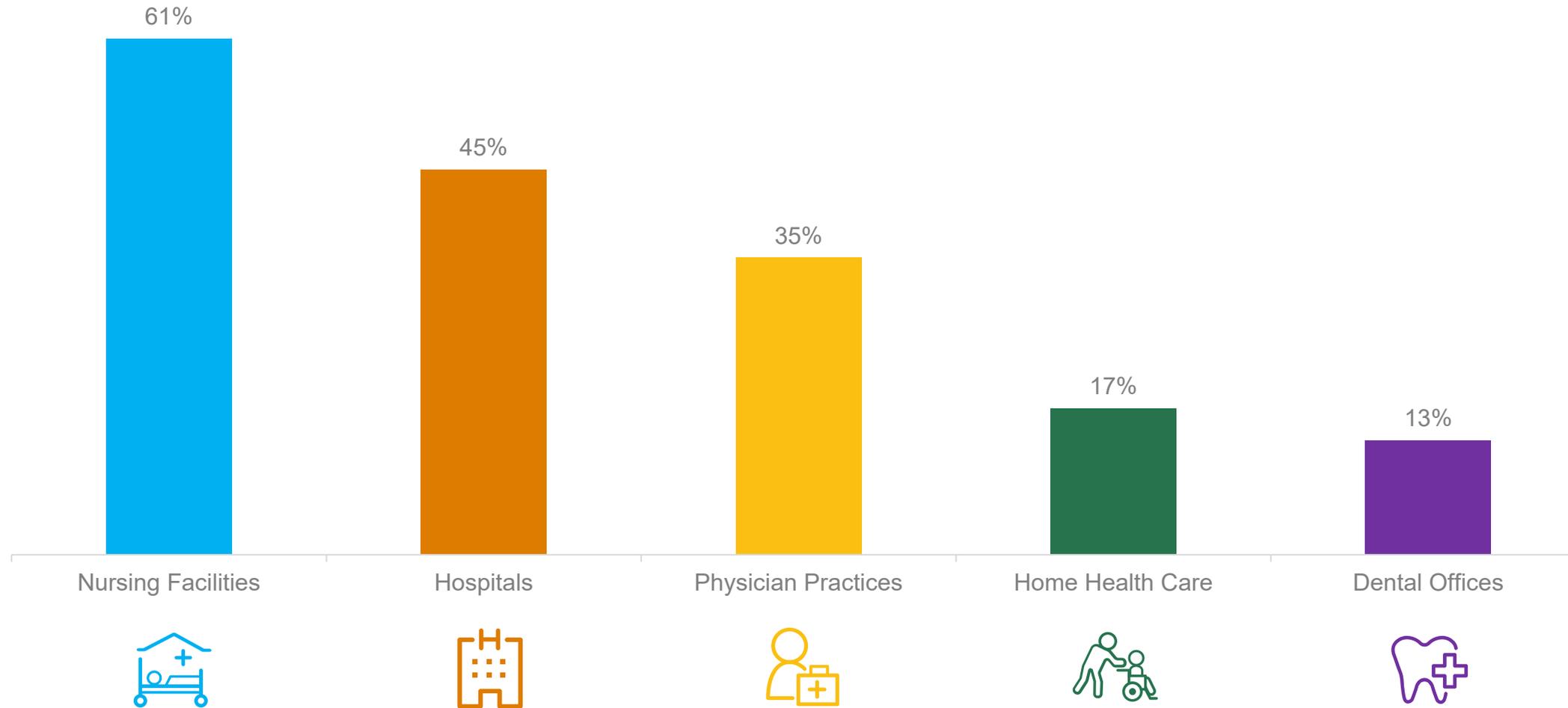
Insights

The healthcare industry has the highest share (41%) of indemnity COVID-19 claims, more than four times the statewide average. Healthcare workers have greater exposure to COVID-19 infection than workers in other industries.

The average incurred cost of a COVID-19 indemnity claim in the healthcare sector is about 30% lower than the statewide average. This may be due to a higher number of less severe COVID-19 infection claims being filed in the healthcare sector with more comprehensive testing protocols.

Chart 21: COVID-19 Indemnity Claim Share by Healthcare Segment

Share of COVID-19 Indemnity Claims by Healthcare Segment
 (AY2020-2021)



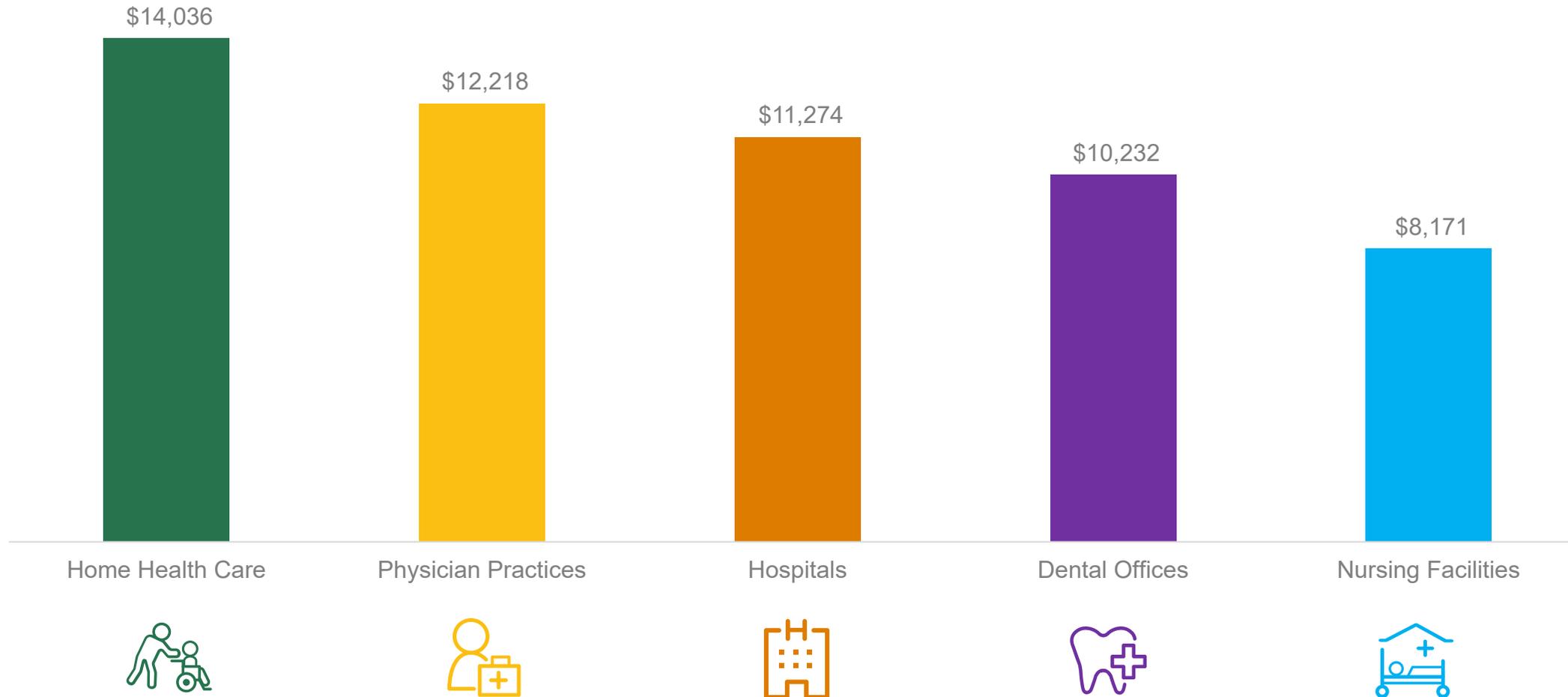
Insights

Among healthcare segments, Nursing Facilities have the highest share (61%) of indemnity COVID-19 claims, followed by Hospitals. It is likely that employees in these facilities have more contact with COVID-19 patients.

Dental Offices have the lowest share of indemnity COVID-19 claims, potentially related to suspension of operations during the early periods of the pandemic.

Chart 22: COVID-19 Claim Severity per Indemnity Claim by Healthcare Segment

COVID-19 Severity per Indemnity Claim by Healthcare Segment
 (AY2020-2021)



Insights

Healthcare segments with a lower share of COVID-19 indemnity claims (**Chart 21**) tend to have higher average severity.

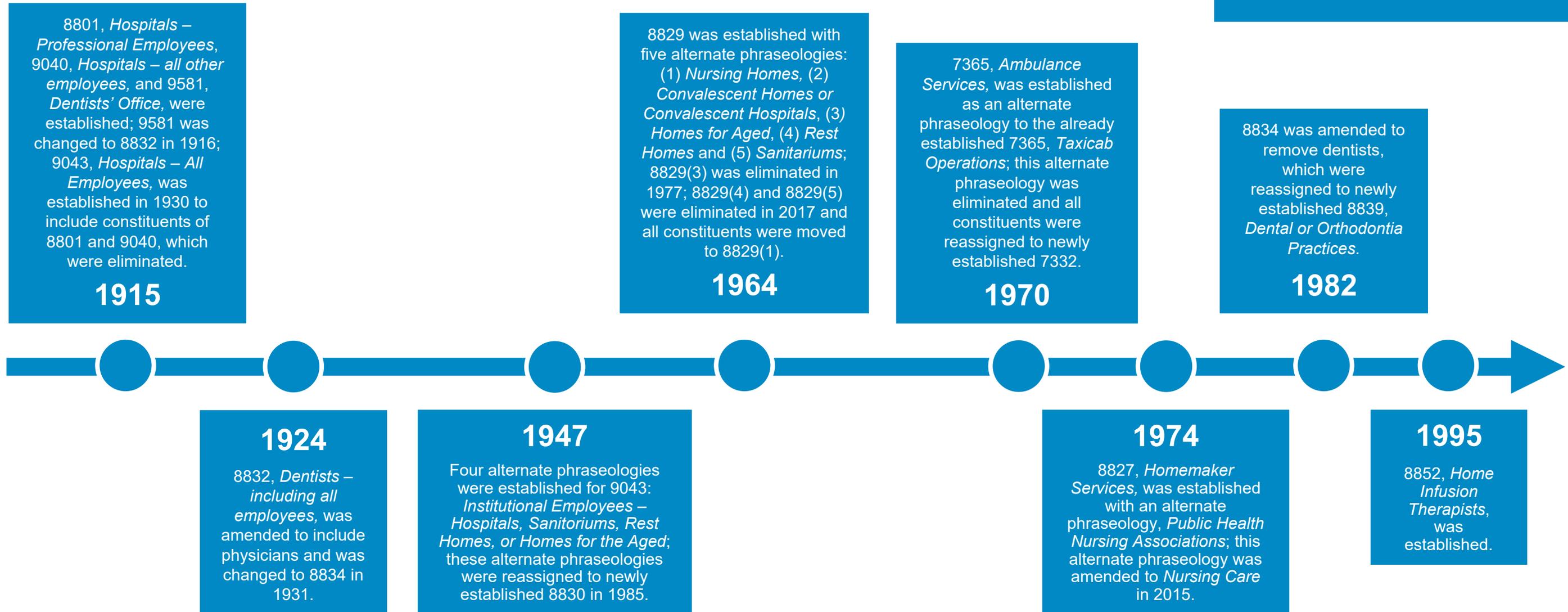
Nursing Facilities have the lowest average incurred cost for COVID-19 indemnity claims, partly driven by the high share of indemnity-only claims.

The Home Health Care segment has the highest average incurred cost for COVID-19 indemnity claims.



Appendix I – History of Classifications in the Healthcare Industry

Appendix I – History of Classifications in the Healthcare Industry



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Appendix II – Methodology and Data Source

Appendix II - Methodology and Data Source

Charts 1.1 and 1.2 - Historical Advisory Pure Premium Rates

- The average advisory pure premium rates for the healthcare industry are the weighted averages of the pure premium rates for all classifications in the industry based on the reported payroll in these classifications for policy year 2020.
- The advisory pure premium rates for each healthcare segment are the weighted average of the pure premium rates for all classifications in the industry segment based on the reported payroll in these classifications for policy year 2020.

Source: The advisory pure premium rates approved by the California Department of Insurance.

Chart 2 - Healthcare Industry vs. Statewide Payroll Trend Indexed to PY2000

- The payroll ratio for each policy year is calculated as the reported payroll for each policy year divided by the reported payroll for policy year 2000.

Source: WCIRB unit statistical report (USR) data at the first report level for policy years 2000 to 2019 and preliminary first report level for policy year 2020.

Chart 3 - Payroll Change for Healthcare Segments

- Payroll change from policy years 2010 to 2019 (or 2019 to 2020) is calculated as the reported payroll for policy year 2019 (or 2020) divided by the reported payroll for policy year 2010 (or 2019).

Source: WCIRB USR data evaluated at the first report level for policy years 2000 to 2019 and preliminary first report level for policy year 2020.

Chart 4 - Employer Distribution by Annual Payroll Size

- Employer payroll size is the average of each employer's total annual payroll over policy years 2015 to 2019. The share of employers is calculated as the number of employers in each employer payroll size interval divided by the total number of employers in the corresponding segment, healthcare industry or statewide.

Source: WCIRB USR data evaluated at the first report level for policy years 2015 to 2019.

Chart 5 - Payroll Share by Region for Healthcare Industry vs. Statewide

- Reported payroll is mapped to an employer's location based on the 2021 WCIRB Geo Study mapping.
- The regional share of payroll for the healthcare industry is calculated as the ratio of the payroll amount reported in each region in the healthcare industry to the statewide healthcare industry payroll.
- The regional share of payroll for the State is calculated as the ratio of the payroll amount reported in each region to the statewide payroll.

Source: WCIRB USR data evaluated at the latest report level for policy years 2015 to 2019 and 2021 WCIRB Geo Study.



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Appendix II - Methodology and Data Source

Chart 6 - Share of X-Mod Eligible Employers

- Experience modifications (also referred to as “X-Mods”) issued to employers are calculated in accordance with the California Workers’ Compensation Experience Rating Plan–1995 (Experience Rating Plan) approved by the Insurance Commissioner based on the USR data reported for the employer.
- An employer’s eligibility for an X-Mod is determined by the reported payroll for the experience period and the expected loss rate for each employer classification compared to a threshold adjusted each year for inflation.

Source: WCIRB USR payroll data as of first report level for policy years 2015 to 2019 and Experience Rating Plan.

Chart 7 - Share of Eligible Employers by X-Mod Range

- The share of employers by X-Mod value is calculated as the number of employers in each X-Mod range divided by all employers eligible for experience rating for the corresponding industry segment, the total healthcare industry and total statewide.

Source: WCIRB USR data evaluated at the latest report level for policy years 2015 to 2019 and Experience Rating Plan.

Chart 8 - Average Weekly Wages

- The weekly wage is estimated based on Occupational Employment Statistics Survey data collected by the Bureau of Labor Statistics (BLS) and the American Community Survey.
- The average wage for each healthcare segment (or industry) is calculated as the average wage of each classification weighted by the reported payroll for policy year 2019 of all classifications within each segment (or industry).

Source: The WCIRB’s 2021 Wage, Payroll and Exposure Report and WCIRB USR data evaluated at the first report level for policy year 2019.

Chart 9 - Leading Occupations by Share of Healthcare Segment Payroll

- Occupations are based on the 2018 Standard Occupational Classification System by BLS.
- The payroll share by occupation for each segment is calculated as the payroll share by occupation in each classification weighted by the reported payroll for policy year 2019 of all classifications within each segment.

Source: WCIRB 2021 Wage Cube and WCIRB USR data evaluated at the first report level for policy year 2019.



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Appendix II - Methodology and Data Source

Chart 10 - Historical Capped Loss to Payroll Ratios

- Loss to payroll ratios are calculated as the aggregate capped incurred losses from policy years 2015 to 2019 divided by the aggregate payroll during the same period. Incurred losses were capped at \$500,000 per claim. COVID-19 claims are excluded.

Source: WCIRB USR data evaluated at the latest report level for policy years 2015 to 2019.

Chart 11 - Total Claim Frequency

- Claim frequency is calculated as the total number of claims divided by payroll per \$100 million. COVID-19 claims are excluded.

Source: WCIRB USR data evaluated at the latest report level for policy years 2015 to 2019.

Chart 12 - Change in Indemnity Claim Frequency per FTE

- Indemnity claim frequency per Full Time Equivalent (FTE) is calculated as the total number of indemnity claims divided by the total number of full-time equivalent employees to adjust for wage differentials for each policy year.
- Change in indemnity claim frequency per FTE from policy years 2010 to 2019 (or 2019 to 2020) is calculated as indemnity claim frequency per FTE in policy year 2019 (or 2020) divided by that in policy year 2010 (or 2019). COVID-19 claims are excluded.

Source: WCIRB USR data evaluated at the first report level for policy years 2010 to 2020 and the WCIRB's 2022 Wage, Payroll and Exposure Report.

Chart 13 - Average Claim Severity

- Average claim severity is calculated as the ratio of total capped incurred losses to the total number of claims. Incurred losses are capped at \$500,000 per claim. COVID-19 claims are excluded.

Source: WCIRB USR data evaluated at the latest report level for policy years 2015 to 2019.

Chart 14 - Share of Claims by Injury Type

- The share of claims by injury type is calculated as the ratio of the number of claims in each reported injury type to all claims for each healthcare segment, healthcare industry and statewide. COVID-19 claims are excluded.

Source: WCIRB USR data evaluated at the latest report level for policy years 2015 to 2019.



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Appendix II - Methodology and Data Source

Chart 15 - Indemnity Claim Frequency by Region Relative to Statewide Average for Healthcare Industry and Statewide

- The indemnity claim frequency ratio for each region is calculated as the regional indemnity claim frequency divided by the statewide average for the healthcare industry and statewide (all classifications). COVID-19 claims are excluded.
- The frequency ratios are adjusted for classification mix and wage differences based on the expected industry (or statewide) frequencies developed at the classification level in WCIRB's 2022 Geo study.

Source: WCIRB USR data evaluated at the first report level for policy years 2013 to 2020 and **2022 WCIRB Geo Study**.

Chart 16 - Capped Loss to Payroll Ratios by Employer Size

- Employer size is the average of the employer's annual payroll over policy years 2015 to 2019.
- Loss to payroll ratios are calculated as the aggregate capped incurred losses from policy years 2015 to 2019 divided by the aggregate payroll during the same period for each employer size interval. Incurred losses were capped at \$500,000 per claim. COVID-19 claims are excluded.

Source: WCIRB USR data evaluated at the latest report levels for policy years 2015 to 2019.

Chart 17 - Indemnity Claim Frequency by Employer Size

- Employer size is determined as the average of the employer's annual payroll over policy years 2015 to 2019.
- Indemnity claim frequency is calculated as the ratio of the total number of indemnity claims to payroll per \$100 million for each employer size interval. COVID-19 claims are excluded.

Source: WCIRB USR data evaluated at the latest report levels for policy years 2015 to 2019.

Chart 18 - Leading Causes of Injury for Healthcare Segments

- Cause of injury categories are groupings of a more granular level of causes of injury reported for each claim on USRs.
- The share of claims is calculated as the ratio of the number of claims reported for each cause of injury category to the total number of claims within each healthcare segment. COVID-19 claims are excluded.

Source: WCIRB USR data evaluated at the latest report levels for policy years 2015 to 2019.



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Chart 19 – Indemnity Cumulative Trauma Claims

- Share of indemnity cumulative trauma claims is calculated as the ratio of the number of indemnity claims involving cumulative trauma injuries to the total number of indemnity claims. COVID-19 claims are excluded.

Source: WCIRB USR data evaluated at the latest report levels for policy years 2015 to 2019.

Chart 20 - COVID-19 Indemnity Claim Share and Claim Severity for Healthcare Industry vs. Statewide

- COVID-19 indemnity claims are defined as indemnity claims reported with Nature of Injury Code 83, Cause of Injury Code 83, or Catastrophe Number 12 and the date of injury on or after April 1, 2020.
- The COVID-19 indemnity claim share is calculated as the ratio of the number of COVID-19 indemnity claims to all indemnity claims for the healthcare Industry and statewide.
- Average claim severity is calculated as the ratio of total incurred losses for indemnity claims to the number of indemnity claims. Incurred losses are capped at \$500,000 per claim.

Source: WCIRB USR data evaluated at the first report level for accident years 2020 to 2021.

Chart 21 - COVID-19 Indemnity Claim Share by Healthcare Segment

- COVID-19 indemnity claims are defined as indemnity claims reported with Nature of Injury Code 83, Cause of Injury Code 83, or Catastrophe Number 12 reported and the date of injury on or after April 1, 2020.
- The COVID-19 indemnity claim share is calculated as the ratio of the number of COVID-19 indemnity claims to all indemnity claims for each healthcare segment.

Source: WCIRB USR data evaluated at the first report level for accident years 2020 to 2021.

Chart 22 - COVID-19 Claim Severity per Indemnity Claim by Healthcare Segment

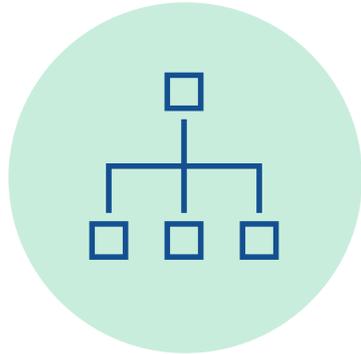
- COVID-19 indemnity claims are defined as indemnity claims reported with Nature of Injury Code 83, Cause of Injury Code 83, or Catastrophe Number 12 reported and the date of injury on or after April 1, 2020.
- Average claim severity is calculated as the ratio of total incurred losses for indemnity claims to the number of indemnity claims for each healthcare segment. Incurred losses are capped at \$500,000 per claim.

Source: WCIRB USR data evaluated at the first report level for accident years 2020 to 2021.



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