



Division of Workers' Compensation
1511 Pontiac Avenue, Cranston, RI 02920
401-462-8100

2011 Annual Report to

The Governor's Workers' Compensation Advisory Council

On The Workers' Compensation System

January 14, 2013

Charles J. Fogarty, Director

Matthew P. Carey III, Assistant Director

Prepared by Laura V. Evans

Introduction

The Division of Workers' Compensation is tasked with collection and analysis of information to gauge the health of the workers' compensation system in Rhode Island. The Division collects a variety of data in order to accomplish this task. A summary of the information collected is presented here. This information was selected to give a broad view of the workers' compensation system for the past ten years. Additional information is available in greater detail by contacting the Division directly. The Division's web site at <http://www.dlt.ri.gov/wc> also provides a variety of information. Detailed injury information is available by nature of injury, type of injury, injured body part, and the age and gender of worker on indemnity injuries from 1992 and for non-indemnity injuries from 1998.

Table of Contents

Injury Information

RI Workers' Compensation Injuries	1
US and RI Injury Rate Comparison	2
Indemnity Injuries by Insurer Type.....	3
Distribution of Indemnity Injuries by Employer Sector	4
Indemnity Injuries by Age	5
Non-Indemnity Injuries by Age.....	6
Indemnity Injuries by Gender.....	7
Non-Indemnity Injuries by Gender	8
Workers' Compensation Fatalities.....	9

Workers' Compensation Administrative Fund (WCAF)

Administrative Fund Information	10
WCAF Total Expenditures	12
Number of WCAF Claims Paid	13
Average Paid per WCAF Claim	14

Dr. John E. Donley Rehabilitation Center

Admissions by Duration of Injury	15
Vocational Services	16

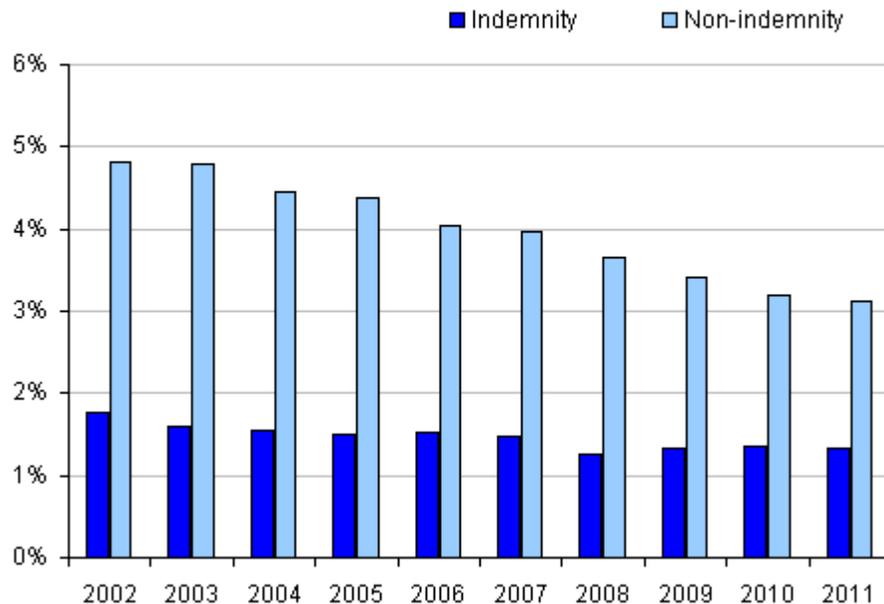
Fraud and Compliance Unit

Fraud & Compliance Unit Referrals, Inquiries and Filings	17
Fraud & Compliance Unit Insurance Coverage Penalties	18
Fraud & Compliance Unit Penalties and Fees	19

RI Workers' Compensation Injuries from 1999 to 2011

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Indemnity Injuries	8,886	8,691	8,443	8,115	7,379	7,224	6,967	7,215	6,933	5,818	5,791	5,956	5,864
Non-Indemnity Injuries	25,436	25,730	24,438	22,091	22,119	20,816	20,471	18,994	18,611	16,765	14,932	13,963	13,675
Injuries	34,322	34,421	32,881	30,206	29,498	28,040	27,438	26,209	25,544	22,583	20,723	19,919	19,539
Covered Employment	446,422	456,700	458,238	458,212	462,374	466,403	467,811	470,632	470,374	460,046	438,213	438,213	439,000
Indemnity Rate	1.99%	1.90%	1.84%	1.77%	1.60%	1.55%	1.49%	1.53%	1.47%	1.26%	1.32%	1.36%	1.34%
Non-Indemnity Rate	5.70%	5.63%	5.33%	4.82%	4.78%	4.46%	4.38%	4.04%	3.96%	3.64%	3.41%	3.19%	3.12%
Injury Rate	7.69%	7.54%	7.18%	6.59%	6.38%	6.01%	5.87%	5.57%	5.43%	4.91%	4.73%	4.55%	4.45%

Injury Rate Per Employment



RI worker's compensation is a no-fault system that requires employers to maintain insurance coverage to protect their employees from a work-related loss of earnings and medical expenses. An indemnity injury is a work-related injury or illness for which workers' compensation disability benefits are paid. For a non-indemnity injury, medical benefits may be paid, but workers' compensation disability benefits are not.

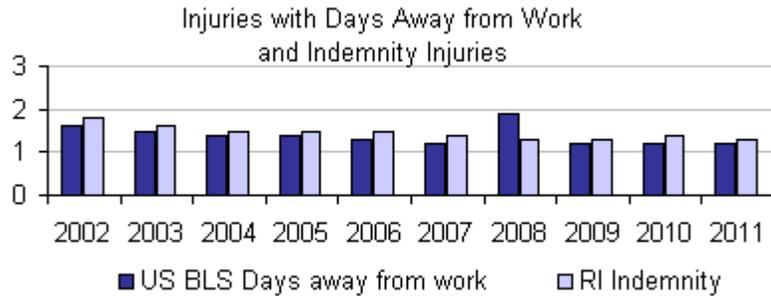
The overall rate of injuries to employment has dropped significantly from a high of 7.89% in 1998 to a low of 4.45% in 2011. The rate of indemnity injuries per employment dropped from 1.99% in 1999 and dropped to a low of 1.26% in 2008. It stayed between 1.32% and 1.36% from 2009 to 2011. The rate of non-indemnity injuries declined from a high of 5.7% in 1999 to 3.12% in 2012.

RI injuries reported through February 15, 2012 are included.

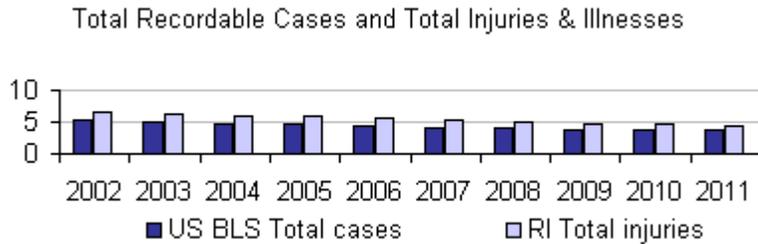
Employment information is provided by RI DLT LMI Unit. 2011 Average Covered Employment is estimated. RI

US and RI Injury Rate Comparison

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
US BLS: Cases involving days away from work	1.6	1.5	1.4	1.4	1.3	1.2	1.9	1.2	1.2	1.2
RI: Indemnity injuries & illnesses	1.8	1.6	1.5	1.5	1.5	1.4	1.3	1.3	1.4	1.3
US BLS: Total recordable cases	5.3	5.0	4.8	4.8	4.4	4.0	4.2	3.9	3.8	3.6
RI: Total injuries & illnesses	6.6	6.4	6.0	5.9	5.6	5.4	4.9	4.7	4.6	4.5



These figures compare rate of workers' compensation injuries to the rate of injuries and illnesses reported to US Bureau of Labor Statistics. It is important to note that the criteria used in reporting and developing the rates for BLS are not the same as for RI injuries. In RI, injuries are not due indemnity until more than three days are lost from work.



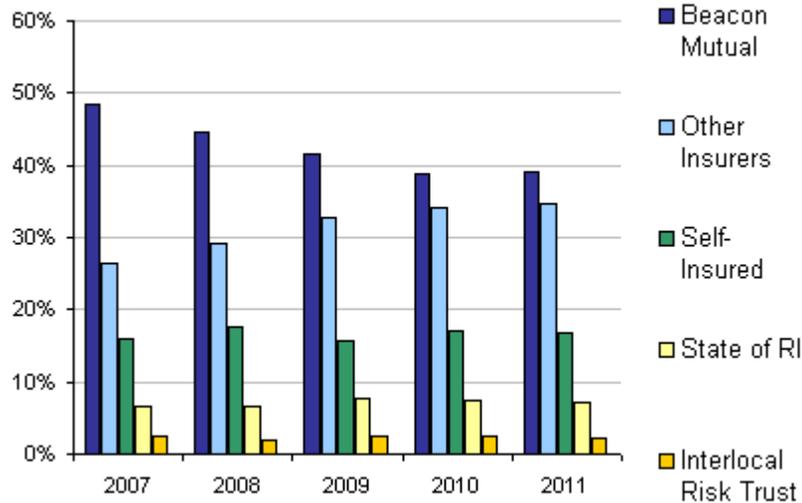
The rate of BLS cases involving days away from work and the rate of declined through 2007 and has leveled at 1.2% except for a rise to 1.9% in 2008. The rate of RI Indemnity injuries declined through 2011 except for a slight increase in 2010.

The US BLS total recordable cases declined through 2011 with a slight increase in 2008. The rate of RI injuries fell from 6.6% in 2002 to 4.5% in 2011.

US BLS data was obtained from the www.bls.gov web site. RI Injuries reported through November 5, 2012 are included.

Indemnity Injuries by Insurer Type

Indemnity Injuries	Beacon Mutual		Self-Insured		State of RI		Interlocal Risk Trust		Other Insurers		Total
2002	4,054	53.7%	803	10.6%	540	7.1%	202	2.7%	1,955	25.9%	7,554
2003	4,096	55.5%	748	10.1%	539	7.3%	203	2.8%	1,793	24.3%	7,379
2004	4,098	56.7%	770	10.7%	488	6.8%	186	2.6%	1,682	23.3%	7,224
2005	3,880	55.7%	721	10.3%	464	6.7%	189	2.7%	1,713	24.6%	6,967
2006	3,812	52.8%	935	13.0%	540	7.5%	175	2.4%	1,753	24.3%	7,215
2007	3,355	48.4%	1,100	15.9%	465	6.7%	174	2.5%	1,839	26.5%	6,933
2008	2,603	44.5%	1,030	17.6%	393	6.7%	112	1.9%	1,715	29.3%	5,853
2009	2,406	41.5%	904	15.6%	447	7.7%	138	2.4%	1,896	32.7%	5,791
2010	2,304	38.7%	1,016	17.1%	450	7.6%	150	2.5%	2,036	34.2%	5,956
2011	2,508	39.0%	1,078	16.8%	462	7.2%	144	2.2%	2,235	34.8%	6,427
Average		48.7%		13.8%		7.1%		2.5%		28.0%	



The distribution of indemnity injuries among the different types of insurers shows Beacon Mutual Insurance Company insured an average of 48.7% of indemnity injuries from 2002 to 2011. Their share of indemnity injuries has declined from a high of 56.7% in 2004 to 39.0% in 2011.

Self-insured employers including municipalities other than RI state employees covered an average of 13.8% of the indemnity injuries from 2002 to 2011, rising to 17.1% in 2010.

The RI state employees' share of injuries averaged 7.1% for the last 10 years, showing a high of 7.7% in 2009 with 2010 close at 7.6%.

The Interlocal Risk Trust's percent of indemnity injuries averaged 2.5% from 2002 to 2011.

Other insurers' percent of injuries increased to 34.8% in 2011, with an average of 28% for the last 10 years.

RI Injuries reported through November 5, 2012 are included.

Distribution of Indemnity Injuries by Employer Sector

Indemnity Injuries by Employer Type	2011
Accommodation and Food Services	283
Administrative and Support Services	285
Agriculture, Forestry, Fishing and Hunting	1
Arts, Entertainment, and Recreation	56
Construction	182
Educational Services	112
Finance and Insurance	28
Health Care and Social Assistance	1,001
Information	46
Management of Companies and Enterprises	79
Manufacturing	451
Mining, Quarrying, and Oil and Gas Extraction	1
Other Services (except Public Administration)	88
Professional, Scientific, and Technical Services	62
Public Administration	57
Real Estate and Rental and Leasing	114
Retail Trade	381
Transportation and Warehousing	241
Utilities	54
Waste Management and Remediation Services	40
Wholesale Trade	108
Unknown	2,757
Total	6,427

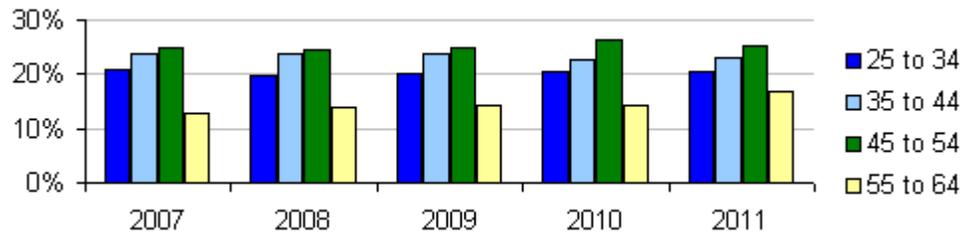
The NAICS code system is used to identify the type of employer for 2011 injuries. Previously the SIC code system was used. There are many employer records where the NAICS code is not recorded on our database. Those injuries show as employer type unknown.

RI Injuries reported through November 5, 2012 are included.

Indemnity Injuries by Age

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Under 16	4	6	4	5	2	3	3	3	1	1
16 to 18	143	113	127	105	130	89	72	64	46	31
19 to 24	791	769	814	782	788	799	619	602	587	491
25 to 34	1,704	1,576	1,557	1,507	1,483	1,434	1,165	1,162	1,229	1,322
35 to 44	2,087	1,961	1,926	1,816	1,824	1,650	1,402	1,371	1,356	1,472
45 to 54	1,566	1,630	1,696	1,625	1,760	1,731	1,439	1,442	1,560	1,618
55 to 64	730	827	744	807	842	881	821	823	846	1,091
65 and over	114	124	154	147	183	159	176	155	163	209
Not reported	415	373	202	173	203	187	156	169	168	192
Total	7,554	7,379	7,224	6,967	7,215	6,933	5,853	5,791	5,956	6,427

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Under 16	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%
16 to 18	1.9%	1.5%	1.8%	1.5%	1.8%	1.3%	1.2%	1.1%	0.8%	0.5%
19 to 24	10.5%	10.4%	11.3%	11.2%	10.9%	11.5%	10.6%	10.4%	9.9%	7.6%
25 to 34	22.6%	21.4%	21.6%	21.6%	20.6%	20.7%	19.9%	20.1%	20.6%	20.6%
35 to 44	27.6%	26.6%	26.7%	26.1%	25.3%	23.8%	24.0%	23.7%	22.8%	22.9%
45 to 54	20.7%	22.1%	23.5%	23.3%	24.4%	25.0%	24.6%	24.9%	26.2%	25.2%
55 to 64	9.7%	11.2%	10.3%	11.6%	11.7%	12.7%	14.0%	14.2%	14.2%	17.0%
65 and over	1.5%	1.7%	2.1%	2.1%	2.5%	2.3%	3.0%	2.7%	2.7%	3.3%
Not reported	5.5%	5.1%	2.8%	2.5%	2.8%	2.7%	2.7%	2.9%	2.8%	3.0%



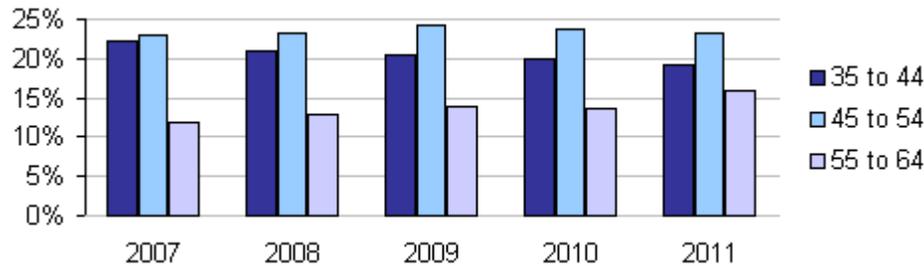
The frequency of indemnity injuries decreased from 22.6% for workers aged 25-34 in 2002 to 20.6% in 2011. Indemnity injuries for workers aged 45 to 54 increased from 20.7% in 2002 to 25.2% in 2011. In general, indemnity injuries have shifted from younger to older workers in most age ranges in the last 10 years. This trend is likely due to an aging of the RI workforce.

RI Injuries reported through November 5, 2012 are included.

Non-Indemnity Injuries by Age

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Under 16	46	33	19	22	17	18	12	7	6	3
16 to 18	593	579	537	550	517	402	339	250	235	120
19 to 24	3,038	3,133	2,984	3,049	2,908	2,648	2,303	1,942	1,885	1,721
25 to 34	5,042	4,919	4,577	4,405	4,079	3,978	3,703	3,181	3,083	3,099
35 to 44	5,736	5,332	5,041	4,810	4,377	4,132	3,519	3,039	2,774	2,591
45 to 54	4,406	4,664	4,526	4,555	4,148	4,286	3,909	3,625	3,301	3,140
55 to 64	1,977	2,272	2,212	2,136	2,031	2,186	2,143	2,084	1,918	2,159
65 and over	296	321	375	364	348	384	350	367	383	407
Not reported	936	866	545	580	569	577	472	437	378	326
Total	22,070	22,119	20,816	20,471	18,994	18,611	16,750	14,932	13,963	13,566

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Under 16	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%
16 to 18	2.7%	2.6%	2.6%	2.7%	2.7%	2.2%	2.0%	1.7%	1.7%	0.9%
19 to 24	13.8%	14.2%	14.3%	14.9%	15.3%	14.2%	13.7%	13.0%	13.5%	12.7%
25 to 34	22.8%	22.2%	22.0%	21.5%	21.5%	21.4%	22.1%	21.3%	22.1%	22.8%
35 to 44	26.0%	24.1%	24.2%	23.5%	23.0%	22.2%	21.0%	20.4%	19.9%	19.1%
45 to 54	20.0%	21.1%	21.7%	22.3%	21.8%	23.0%	23.3%	24.3%	23.6%	23.1%
55 to 64	9.0%	10.3%	10.6%	10.4%	10.7%	11.7%	12.8%	14.0%	13.7%	15.9%
65 and over	1.3%	1.5%	1.8%	1.8%	1.8%	2.1%	2.1%	2.5%	2.7%	3.0%
Not reported	4.2%	3.9%	2.6%	2.8%	3.0%	3.1%	2.8%	2.9%	2.7%	2.4%



The percent of non-indemnity injuries to workers age 16 to 44 decreased from 2002 to 2011 while injuries to workers 45 and over increased in the same period.

RI Injuries reported through November 5, 2012 are included.

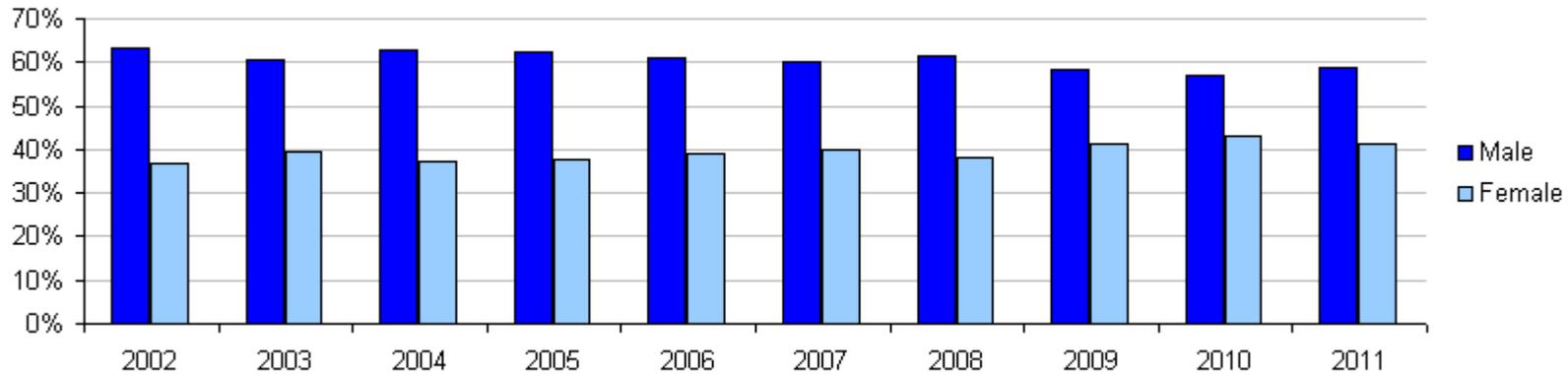
Indemnity Injuries by Gender

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Male	4,691	4,242	4,389	4,214	4,244	4,032	3,498	3,366	3,363	3,733
Female	2,743	2,766	2,608	2,559	2,734	2,688	2,172	2,386	2,535	2,639
Not reported	120	371	227	194	237	212	183	39	58	55
Total	7,554	7,379	7,224	6,967	7,215	6,933	5,853	5,791	5,956	6,427

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Male (percent of reported)	63.1%	60.5%	62.7%	62.2%	60.8%	60.0%	61.7%	58.5%	57.0%	58.6%
Female (percent of reported)	36.9%	39.5%	37.3%	37.8%	39.2%	40.0%	38.3%	41.5%	43.0%	41.4%

	2011
US BLS Occupational Injuries & Illnesses with Days away from Work	
Male	61.0%
Female	39.0%

Distribution of indemnity injuries by gender in the last 10 years shows a decrease in injuries to males and an increase in injuries to females. US BLS figures show a higher percentage of injuries to males compared to RI figures.



RI Injuries reported through November 5, 2012 are included.

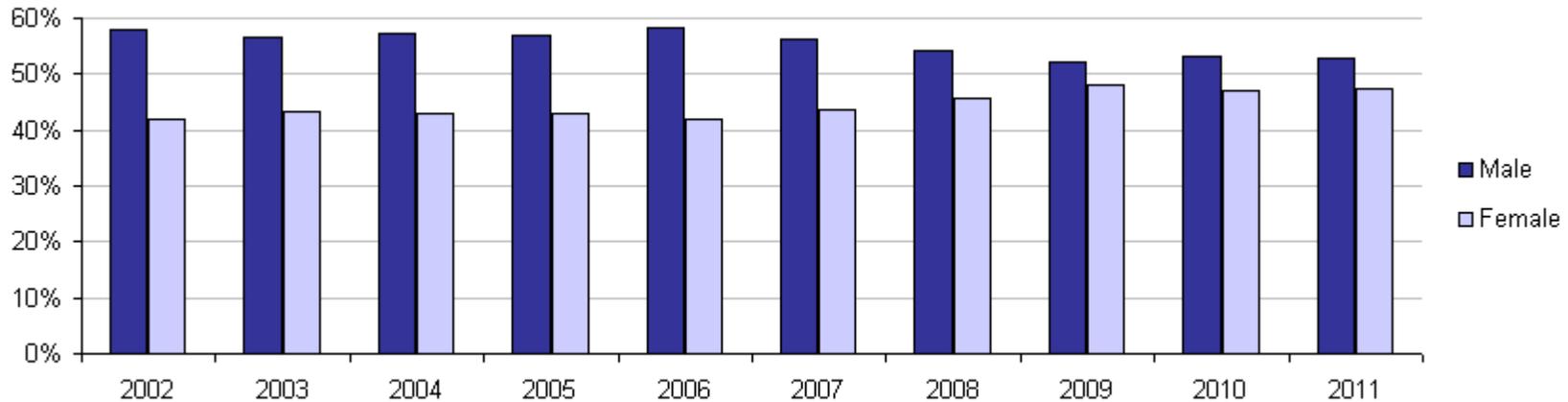
Non-Indemnity Injuries by Gender

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Male	12,675	12,027	11,564	11,311	10,663	10,139	8,819	7,724	7,367	7,104
Female	9,201	9,222	8,671	8,520	7,679	7,837	7,404	7,130	6,529	6,360
Gender not reported	194	870	581	640	652	635	527	78	67	102
Total	22,070	22,119	20,816	20,471	18,994	18,611	16,750	14,932	13,963	13,566

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Male (percent of reported)	57.9%	56.6%	57.1%	57.0%	58.1%	56.4%	54.4%	52.0%	53.0%	52.8%
Female (percent of reported)	42.1%	43.4%	42.9%	43.0%	41.9%	43.6%	45.6%	48.0%	47.0%	47.2%

	October 2011
Civilian labor force, age 16 years and over (BLS)	Male 53.3%
	Female 46.7%

The percentage of non-indemnity injuries to males decreased from 57.9% in 2002 to 52.8% in 2011. The change in distribution between males and females brings the injury rate close to the distribution of US civilian labor force by gender.



RI Injuries reported through November 5, 2012 are included.

Workers' Compensation Fatalities

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total
Compensable Fatalities	5	12	2	4	6	2	3	3	5	3	45
Gender											
Female	2	2	0	0	0	0	0	0	0	0	4
Male	3	10	2	4	6	2	3	1	5	3	39
County											
Kent	0	6	1	0	3	0	0	2	1	0	13
Newport	0	0	0	0	0	0	0	0	0	0	0
Providence	3	4	1	3	3	0	1	0	3	0	18
Washington	0	0	0	1	0	1	0	2	0	2	6
Out of State	2	2	0	0	0	1	2	0	1	1	9
Accident Type											
Aircraft accident	0	0	0	0	0	0	0	0	0	0	0
Asbestosis	0	0	0	1	0	0	0	0	0	0	1
Assaulted or shot	1	0	0	0	0	0	0	0	1	0	2
Crushed	0	3	1	1	0	0	0	0	1	0	6
Electrocuted	0	0	0	0	1	0	0	0	0	0	1
Fell from elevation	0	1	0	0	0	0	2	0	1	1	5
Fire	0	6	0	0	0	0	0	0	0	0	6
Heart attack or stroke	0	0	0	0	1	0	0	0	0	0	1
Industrial vehicle accident	0	0	0	1	0	1	0	0	1	0	3
Motor vehicle accident	4	2	1	1	3	1	1	1	1	0	15
Struck by falling or flying object	0	0	0	0	1	0	0	2	0	1	4
Type not reported	0	0	0	0	0	0	0	1	0	1	2
Employer Type											
Construction	0	3	1	1	1	1	0	0	0	1	8
Manufacturing	1	1	0	0	0	0	0	2	0	1	5
Transport & Public Utilities	1	0	0	0	1	0	1	0	1	1	5
Wholesale & Retail	1	7	1	1	1	0	1	0	0	0	12
Finance, Insurance, Real Estate	0	0	0	0	0	0	0	1	0	0	1
Services	1	1	0	1	2	1	1	1	2	0	10
Government	1	0	0	1	1	0	0	0	2	0	5

RI Injuries reported through November 5, 2012 are included.

Workers Compensation Administrative Fund

Administrative Fund Information

The Workers' Compensation Administrative Fund, formerly the Second Injury Fund, collects income each year through assessments on insurance companies, self-insured employers, group self-insured employers and municipalities covered under the Workers' Compensation Act. The Fund supports these agencies:

- Dr. John E. Donley Rehabilitation Center
- Education Unit
- Workers' Compensation Court System
- Medical Advisory Board
- Workers' Compensation Fraud and Compliance Unit
- Department of Labor & Training's Workers' Compensation Unit
- Workers' Compensation Advisory Council

The Administrative Fund is also responsible to reimburse contributors to the fund for claims that fall within these sections of the Workers' Compensation Act:

Pre-1975 Injuries: RIGL § 28-37-9 provides for the reimbursement of compensation and medical payments for claims with injury dates before September, 1974. These claims were subject to a cap on benefits. If a totally disabled employee reached the cap, the insurer would be reimbursed for compensation benefits until the end of total disability or death.

Aggravation: RIGL § 28-27-4 provided for reimbursement of benefits for injured employees with a pre-existing work-related disability. This section was repealed on July 3, 1998. Injuries accepted prior to repeal are still eligible for reimbursement, but no new claims are accepted.

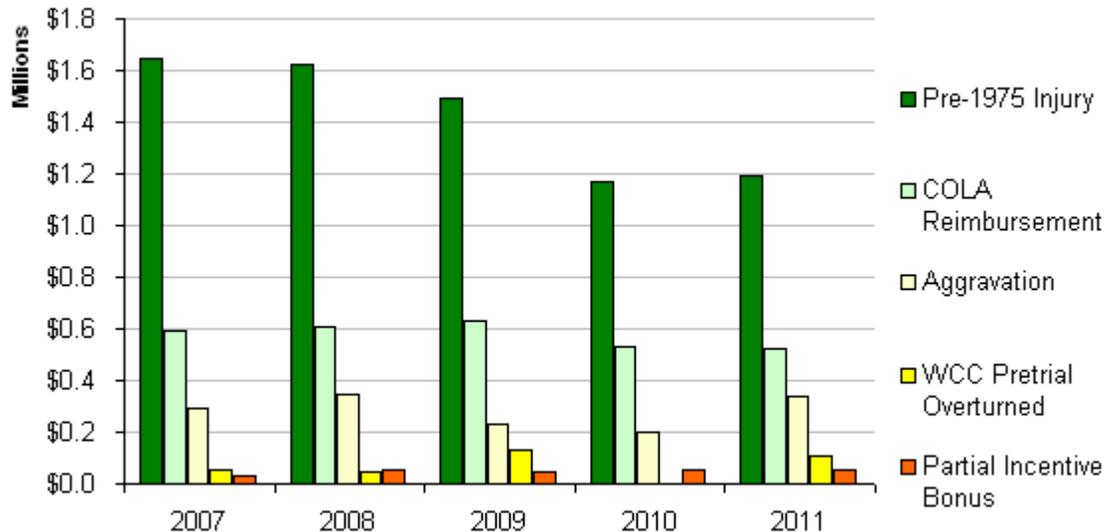
WCC Pretrial Overturned: RIGL § 28-35-20 (f) provides for reimbursement of payments made pursuant to an order of the Workers' Compensation Court that is later overturned or amended.

COLA Reimbursement: RIGL § 28-37-1 (b) (8) provides for reimbursement of insurer payment made for cost-of-living adjustments pursuant to RIGL § 28-33-17. The application period for this type of reimbursement has expired.

Partial Incentive Bonus: RIGL § 28-37-4 (i) provides for direct payment to injured workers who return to employment at wages less than those received before the work-related injury. Payment from the Fund makes up the difference between the pre-injury wages and the total of current wages plus compensation. This law was repealed in 1992, but by Supreme Court order the Fund is obligated to make payments to employees accepted prior to the repeal.

Workers' Compensation Administrative Fund Total Expenditures

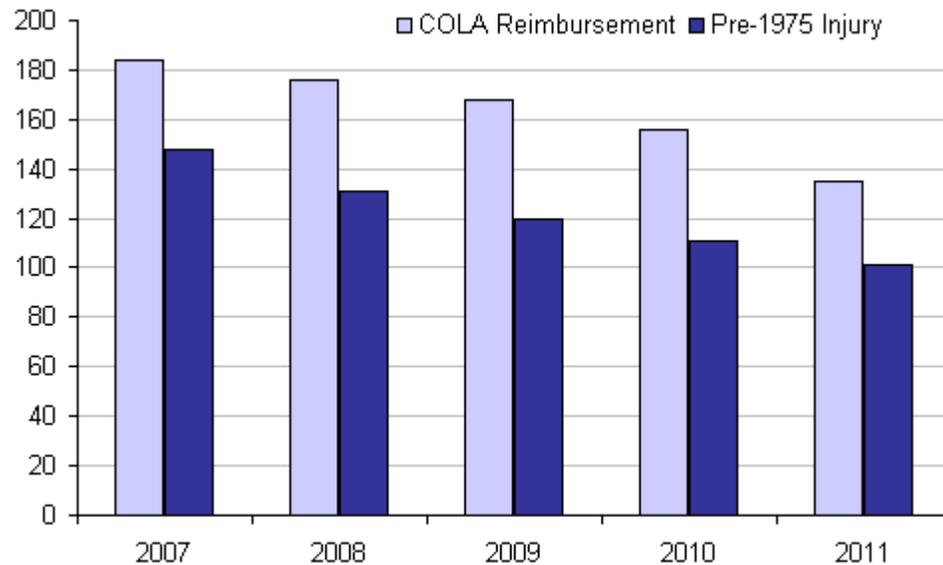
Amount Paid	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Pre-1975 Injury	\$1,841,880	\$1,529,564	\$1,686,002	\$1,513,879	\$1,789,737	\$1,644,535	\$1,624,688	\$1,490,426	\$1,170,308	\$1,192,407
COLA Reimbursement	\$458,963	\$513,839	\$502,285	\$496,496	\$562,029	\$593,388	\$606,715	\$630,524	\$527,258	\$525,320
Aggravation	\$296,247	\$254,262	\$318,951	\$277,615	\$310,117	\$295,733	\$346,137	\$229,972	\$202,254	\$336,052
WCC Pretrial Overturned	\$105,047	\$174,314	\$52,113	\$193,699	\$117,821	\$54,151	\$44,047	\$133,565	\$0	\$107,844
Partial Incentive Bonus	\$126,103	\$63,038	\$67,105	\$58,969	\$49,057	\$30,017	\$51,586	\$45,013	\$52,645	\$51,382
Total	\$2,828,241	\$2,535,017	\$2,626,457	\$2,540,658	\$2,828,762	\$2,617,824	\$2,673,172	\$2,529,501	\$1,952,465	\$2,213,004



The largest component of the fund expenditures is for pre-1975 injuries. Before 1975, there was a limit on the amount of compensation an injured worker could collect, even if the injured worker was permanently and totally disabled. Legislation allowed these disabled workers to continue receiving payment beyond the cap, and the costs are reimbursed from the fund. Because no new injuries are eligible for this reimbursement, the amount of the expenditure on indemnity is expected to decrease as this population declines over time. Medical care and costs increase on remaining open claims while total indemnity decreases as claims close.

Number of Workers' Compensation Administrative Fund Claims Paid

Number of Claims Paid	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
COLA Reimbursement	211	233	195	184	188	184	176	168	156	135
Pre-1975 Injury	200	193	182	174	161	148	131	120	111	101
Aggravation	18	17	18	19	20	18	15	12	11	13
WCC Pretrial Overturned	9	8	4	7	6	3	2	6	0	6
Partial Incentive Bonus	4	3	3	3	2	3	2	2	2	2
Total	442	454	402	387	377	356	326	308	280	257

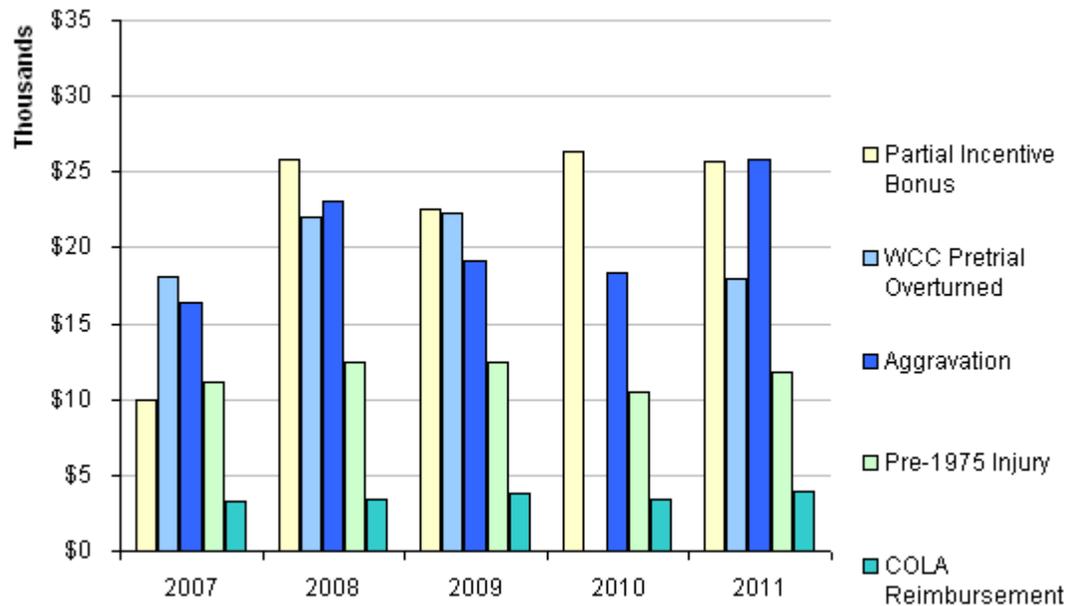


The pre-1975 injuries and claims for COLA Reimbursement account for the largest number of claims paid each year. As the pre-1975 injured workers age, the number of those claims paid is decreasing.

Cost of Living Adjustment (COLA) reimbursement is paid to workers injured before 1992. This population is declining over time as well.

Average Amount Paid per Workers' Compensation Administrative Fund Claim

Average Paid per Claim	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Partial Incentive Bonus	\$31,526	\$21,013	\$22,368	\$19,656	\$24,529	\$10,006	\$25,793	\$22,507	\$26,323	\$25,691
WCC Pretrial Overturned	\$11,672	\$21,789	\$13,028	\$27,671	\$19,637	\$18,050	\$22,024	\$22,261	\$0	\$17,974
Aggravation	\$16,458	\$14,957	\$17,720	\$14,611	\$15,506	\$16,430	\$23,076	\$19,164	\$18,387	\$25,850
Pre-1975 Injury	\$9,209	\$7,925	\$9,264	\$8,700	\$11,116	\$11,112	\$12,402	\$12,420	\$10,543	\$11,806
COLA Reimbursement	\$2,175	\$2,205	\$2,576	\$2,698	\$2,990	\$3,225	\$3,447	\$3,753	\$3,380	\$3,891
Total	\$6,399	\$5,584	\$6,533	\$6,656	\$7,503	\$7,353	\$8,200	\$8,213	\$6,973	\$8,611

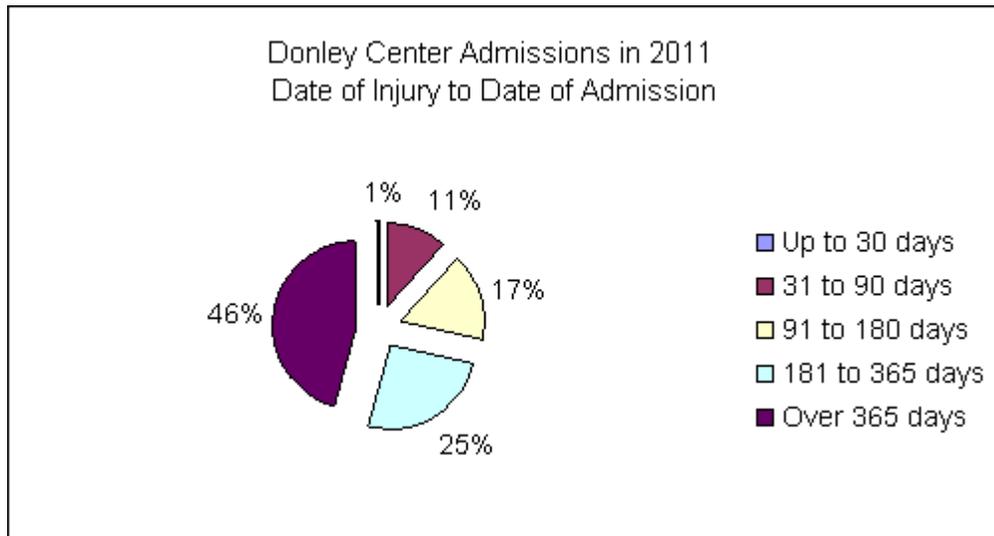


The average cost per claim gives a different perspective on the WCAF expenditures. While COLA and Pre-1975 Injuries make up a large part of the number of claims and total dollar expenditures, the average payment per claim is lower than the average cost for Partial Incentive Bonus or Aggravation. The average paid per claim for Partial Incentive Bonus in 2007 is low because one of the three claims was paid a small amount before the claim closed. In 2008, the number of Partial Incentive Bonus claims was reduced from 3 to 2, and the average cost per claim rose.

The Dr. John E. Donley Rehabilitation Admissions by Duration of Injury

The Dr. John E. Donley Rehabilitation Center Admissions By Duration of Injury

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Injury to Admission										
Up to 30 days	21	23	18	31	24	18	29	14	15	9
31 to 90 days	168	138	145	115	169	124	110	107	94	111
91 to 180 days	209	185	192	159	192	198	177	173	155	164
181 to 365 days	308	280	251	270	288	301	250	271	269	246
Over 365 days	518	452	432	475	485	483	383	440	517	455



From 2002 through 2011, 69% or more of cases admitted to the Donley Center each year, on average, have been injured for more than 6 months and 43% or more of the cases have been injured for over one year, making these the most costly and challenging cases to the system.

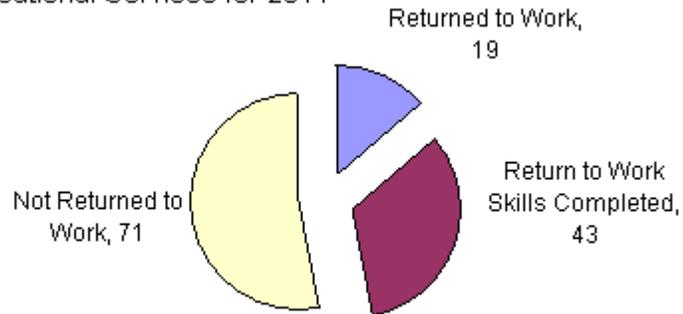
Prepared by Joanne Fowler, PhD, January 7, 2013

Dr. John E. Donley Rehabilitation Center Vocational Services

Vocational Services at the Donley Center are particularly important for the injured worker with a date of injury over one year since their right to reinstatement (Section 28-33-47 of the Rhode Island Workers' Compensation law) has expired. Injured workers participating in vocational services have been released to work by their treating physician, have reached MMI, and have not achieved a functional level consistent with the demands of their pre-injury job. Many injured workers find work before being discharged, but the goal is to provide the injured worker the requisite skills in a timely fashion to be successful and independent in their job search. The majority of cases discharged with a not return to work status were evaluation only, not interested in services, or injured workers who were non-compliant with recommendations.

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Cases with DOI over 1 year	130	113	109	134	153	138	114	111	123	114
% of all cases admitted	61%	61%	63%	67%	65%	67%	58%	58%	72%	75%
Outcome Discharged Cases										
Returned to Work	56	64	41	40	58	48	45	21	28	19
Return to Work Skills Completed	41	38	30	61	83	55	80	57	52	43
Not Returned to Work	129	86	99	81	119	93	88	99	101	71

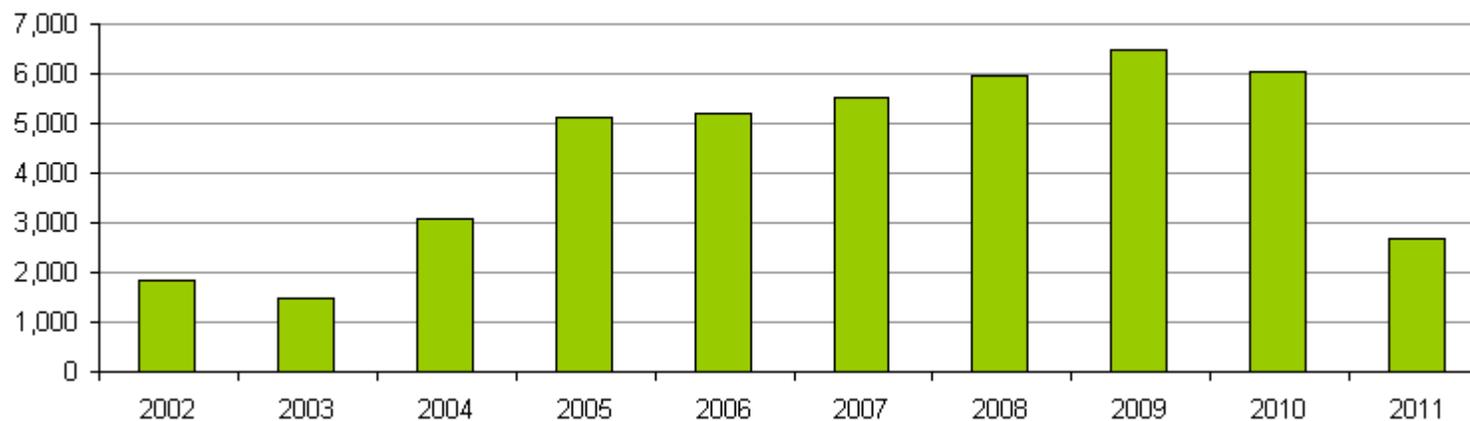
Outcome of Vocational Services for 2011



Fraud & Compliance Unit Referrals, Inquiries and Filings

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Independent Contractor Forms Filed	6,756	6,334	7,346	7,936	7,702	7,055	6,551	6,963	6,075	6,339
Inquiries and Referrals	1,858	1,483	3,062	5,121	5,219	5,534	5,972	6,466	6,022	2,684
Fraud Referrals	101	97	73	44	45	36	31	29	29	29
Opened for investigation	46	29	31	15	21	8	14	14	10	5
Referred to AG	12	9	12	5	4	5	3	3	3	4

Inquiries and Referrals

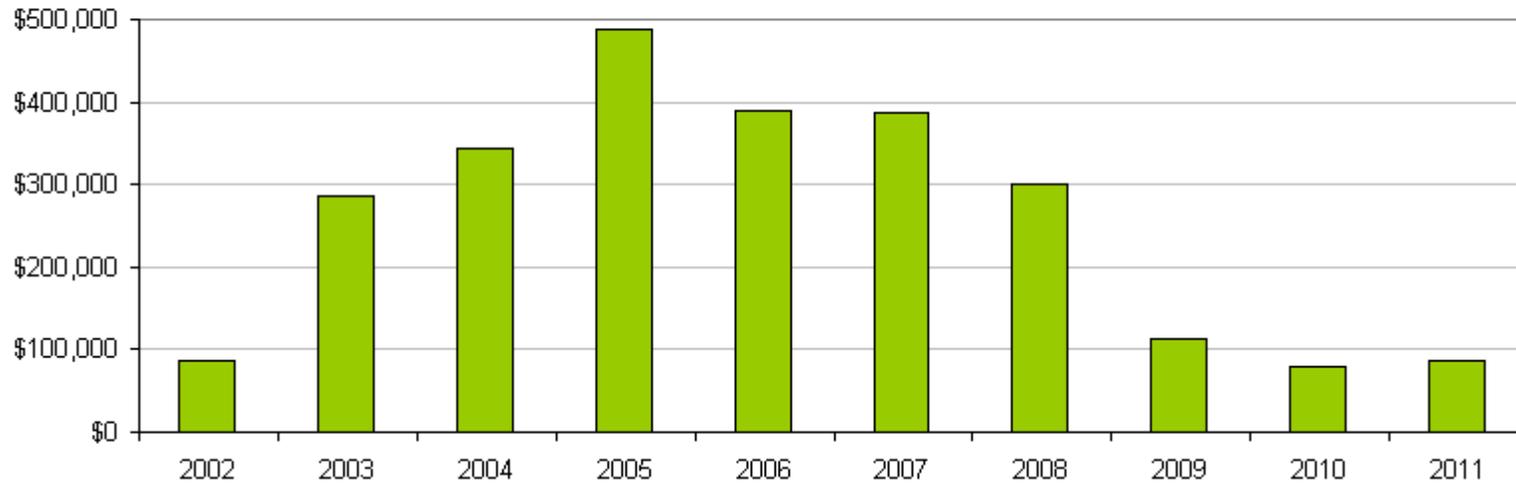


The number of Inquiries and Referrals dropped in 2011 due to an improvement in the tools available for finding policies for insurance inquiries. Fewer cases are referred for investigation of lack of insurance due to the improved capabilities to match employers and policies.

Fraud & Compliance Unit Lack of Insurance Coverage Penalties

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Lack of insurance investigations	1,757	1,386	2,634	4,581	4,841	5,395	5,874	6,315	5,790	2,641
Lack of insurance penalty	\$87,514	\$286,872	\$342,884	\$488,246	\$389,033	\$387,316	\$301,126	\$112,777	\$78,160	\$87,475
Number of employers penalized	n/a	140	123	270	342	291	252	153	103	119
Average penalty	n/a	\$2,049	\$2,788	\$1,808	\$1,138	\$1,331	\$1,195	\$737	\$759	\$735
Stop Work Orders	n/a	n/a	n/a	n/a	n/a	37	45	59	73	84

Lack of Insurance Coverage

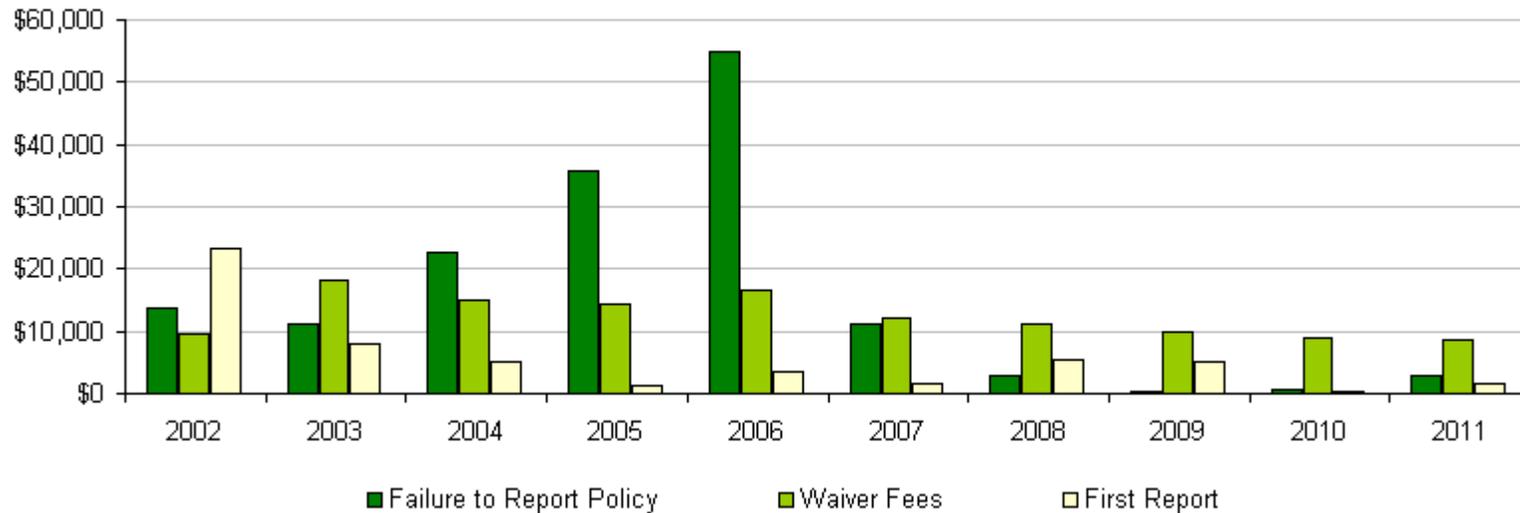


The decrease in cases referred for investigation of lack of insurance dropped in 2011 due to the improved capabilities to match employers and policies. Penalties levied for lack of insurance coverage increased substantially from 2002 to 2005. The number of employers penalized for lack of insurance peaked in 2006 at 342 and has declined since. The average amount of each penalty has generally declined since 2004.

Fraud & Compliance Unit Penalties and Fees

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Failure to report policy information	\$13,800	\$11,250	\$22,750	\$35,750	\$54,750	\$11,250	\$2,750	\$250	\$750	\$2,750
Waiver filing fees	\$9,515	\$18,045	\$14,895	\$14,345	\$16,720	\$12,075	\$11,325	\$9,985	\$9,005	\$8,600
Failure to file first report of injury	\$23,250	\$8,000	\$5,000	\$1,250	\$3,500	\$1,750	\$5,500	\$5,000	\$250	\$1,500

Penalties and Fees



The reporting of policy information is a key to determining employer coverage and insuring all employers maintain workers' compensation insurance coverage. Penalties for failure to report policy information increased to a high of \$54,750 in 2006 and decreased to \$250 in 2009. The decrease resulted from two factors. The first was increased carrier compliance. Second, in 2010 the carrier reporting period was decreased from 30 days to 5 days to provide DLT with access to more current policy information and to increase compliance efforts. Carriers were given time to adjust to the new reporting period and penalties were generally waived.

Fines for failure to file first reports of injury peaked at \$23,250 in 2002 and decreased to \$5,000 in 2009. Compliance efforts on first reports were largely suspended in 2010. A severe reduction of claims personnel slowed processing of first reports so severely that enforcement of timeliness of first reports was not feasible.