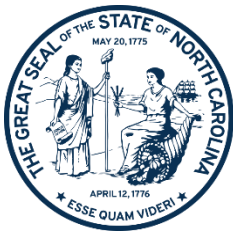


2023 SAFETY, HEALTH AND WORKERS' COMPENSATION REPORT



NORTH CAROLINA Office of *State Human Resources*

Activities and Accomplishments

Office of State Human Resources (OSHR): Safety, Health and
Workers' Compensation Division (SHWC)

Pursuant to NCGS §143-583 | For Fiscal Year 2022-2023

Barbara Gibson | Director, Office of State Human Resources
Scarlette Gardner, Esq. | Division Director,
Safety, Health and Workers' Compensation

This online document was produced by the Office of State Human Resources in February 2024

Members of the North Carolina General Assembly,

I am providing this annual report pursuant to NCGS §143-583 highlighting the ongoing activities and special projects of the Office of State Human Resources (OSHR) Safety, Health and Workers' Compensation Division (SHWC) for fiscal year (FY) 2023.

OSHR's annual report details the SHWC Division's statewide services to the Executive Branch and Council of State agencies, as well as the North Carolina General Assembly, Judicial Branch, UNC System, and Community Colleges through ongoing collaborations with workplace safety and human resources staff.

This report includes statistical data as of June 30, 2023, provided by the State's third-party administrator. New workers' compensation claims decreased by approximately 12.8 percent between FY2022 and FY2023, declining from 3,215 to 2,802 new injuries. This is likely due in part to employees engaging in hybrid telework arrangements, reducing their exposure to worksite risk. As such, the total number of open claims declined from 3,143 to 2,982 or 5.1 percent between June 30, 2022, and June 30, 2023. As of June 30, 2019, a total of 3,951 claims were open; thus, open claims have decreased by 24.5 percent in the past four fiscal years.

The State Workers' Compensation Program (SWCP) and the State Safety and Health Program (SSHP) administered by OSHR, covers approximately 170,000 state employees in Agencies, UNC System, and state funded Community Colleges. A steadfast commitment to eliminating or mitigating workplace hazards, continuous safety education and strong safety culture at all levels of an organization are essential to improving workplace safety. Handling claims consistently and in partnership with contracted vendors will help contain costs borne by taxpayers, as evidenced by FY2023 program financials, and ensure injured employees receive benefits in a timely manner.

OSHR's SHWC Division will continue collaborating with all covered entities to provide consultation, technical assistance and educational resources for employees, as well as safety professionals and workers' compensation administrators to reduce workplace hazards and injuries, and control workers' compensation claim costs.

If you have any questions or need further information, please do not hesitate to let us know.

Sincerely,



Barbara Gibson, Director
Office of State Human Resources

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INTRODUCTION AND EXECUTIVE SUMMARY

NCGS §143-583 requires the Office of State Human Resources (OSHR) to report annually to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Oversight Committee on General Government, on the safety, health and workers' compensation activities of state agencies, compliance with Chapter 143, Article 63 of the North Carolina General Statutes, and fines levied against state agencies pursuant to Chapter 95, Article 16 of the General Statutes.

Pursuant to NCGS §143-583, the OSHR Safety Health and Workers' Compensation (SHWC) Division engages in the following:

- Provides consultative and technical services to assist state agencies in establishing and administering workplace safety and health programs.
- Administers the state's self-insured workers' compensation program regarding contracting with vendors for specific claim services.
- Provides training and makes advisory recommendations regarding specific technical issues related to workplace safety and workers' compensation claims administration.
- Establishes guidelines for the creation and operation of state agency safety and health committees.
- Maintains model safety and health programs to guide state agencies in developing their individual programs in complying with NCGS §95-148 and Chapter 143, Article 63 of the General Statutes.

In this report:

- Pages 4-9 and 13-16 provide information on the activities of the OSHR SHWC Division and the safety, health and workers' compensation activities of state agencies.
- Pages 10-11 provide information on compliance with Chapter 143, Article 63 and fines levied against state agencies pursuant to Chapter 95, Article 16.
- Page 12 provides information regarding OSHR Safety and Workers' Compensation strategic goals.
- Pages 17-22 provide information on workers' compensation trends for the State of North Carolina.

SUMMARY OF SHWC DIVISION FUNCTIONS

Oversight of Statewide Safety and Health Programs (SSHP)

- Provides rapid response consultative and technical assistance services through onsite and virtual visits to state agencies regarding workplace safety, health and industrial hygiene to reduce or eliminate workplace safety hazards.
- Reviews and assists with the development of agency-specific safety policies and programs.
- Researches and advises agencies on workplace safety-related matters.
- Offers alternatives to identify, analyze and control new or existing physical, chemical and biological hazards, conditions and operations.
- Reviews agency, university and vendor performance adherence to safety programs and policies and identifies trends for future injury prevention.
- Develops, in collaboration with state agencies, new and revised model programs, guidelines, best practices and other technical resources to help agencies meet safety standards.
- Works in partnership with statewide safety professionals via the OSHR Hazard Prevention Network to address shared workplace safety challenges and concerns.
- Mentors new state agency safety leaders regarding OSHR written model safety programs, building safety culture among all employees, compliance with regulatory requirements, available safety training, and other resources for success.
- Administers OSHR's web tool, *Flag the Hazard*, allows for state employees to report workplace hazards to their

respective agency safety leaders for correction and response.

- Maintains OSHR SHWC SharePoint site and Safety Zone to communicate and maintain a virtual library of safety resources.
- Administers *WalkSmartNC*, OSHR's pedestrian safety initiative. This is a multi-agency collaboration whose mission is to establish and promote pedestrian safety best practices. *WalkSmartNC* also provides training, toolkits and other resources for use in public and private sector safety campaigns statewide.

Oversight of State Workers' Compensation Program (SWCP)

- Administers vendor contracts for workers' compensation claim services.
- During FY2023, OSHR completed the procurement process for workers' compensation vendors for all claims services starting July 1, 2023, with contracts for an initial three-year term with the option to renew for two additional one-year terms.
- Monitors vendors' performance and adherence to contractual requirements.
- Establishes claim handling guidelines and provides guidance on claims administration practices to state agencies and vendors.
- Monitors state agency and vendor compliance with NCGS § Chapter 97, the North Carolina Workers' Compensation Act.
- Provides training to state employees on fundamentals of workers' compensation law and proper claims management.

- Assists state agencies with ongoing claim status assessment and proper claims handling.
- Serves as a rapid response resource for agency and university workers' compensation administrators.
- Monitors claim litigation and settlements.
- Identifies ongoing claims for improved claims outcome and cost containment opportunities.
- Maintains OSHR SHWC SharePoint site, *CompWorld*, to maintain a virtual library of workers' compensation resources.

Training and Resource Development

Safety

- OSHR safety staff collaborated with safety professionals via the *Hazard Prevention Network* to generate new and revised model programs, guidelines, best practices, and other technical resources to help agencies meet safety standards for the *Active Assailant Workplace Program* for Agency and University Worksites

Workers' Compensation

- Promoted and monitored state employee completion of Qualified Workers' Compensation Professional Certification - 15 detailed training

modules created by OSHR in collaboration with the Attorney General's Office, and made available on the improved North Carolina Learning Center, accessible through the Integrated HR-Payroll System (BEACON), on June 28, 2021. g

- Created virtual training including an overview of workers' compensation law and claim handling for North Carolina local government staff.
- Created new virtual trainings:
 - *2022 Workers' Compensation Update* addressing recent legal developments and important reminders in claims handling;
 - *Medicare Reporting and Conditional Payments* describing required workers' compensation claims data reporting and handling of Medicare requests for reimbursement for injury-related treatment.
- Prepared a series of updated claims handling information resources in preparation for transfer of claims services to new third-party administrator and ancillary services vendors that we provided to agencies and posted on OSHR workers' compensation webpage and *CompWorld* SharePoint site.

SUMMARY OF STATE SAFETY AND HEALTH PROGRAM (SSHP) FY2023 ACTIVITIES

A. Safety Consultative and Technical Assistance

Pursuant to NCGS §143-581, OSHR provides state agencies with model safety and health programs based on federal and state law to ensure the protection of employees from job-related injuries and health impairment.

In FY2023, SSHP restructured the *Safety Consultative and Technical Assistance Visits* Program to simultaneously build partnerships and assist state agencies with achieving adherence to model programs. During these in-person or virtual visits, SSHP continues engaging directly with state agencies. SSHP staff completed 154 on-site safety consultative and technical assistance visits in FY2023.

These visits included a review of the agency's policies and procedures, documentation of safety reports, training programs and records, safety goals, injury analysis, hazard assessments, and safety committee meeting minutes.

As OSHR is not a regulatory agency that issues citations or fines, these visits provide state agencies with ongoing risk management assessments of potentially hazardous conditions that could result in future injury or assessment of regulatory fines. SSHP conducted 2,696 unscheduled phone, email or text rapid response consultations for state agency safety professionals.

SSHP staff assisted multiple state agencies in conducting interviews for various safety professional vacancies.

B. Hazard Recognition and Mitigation

SSHP proactively partners with state agencies to improve hazard recognition and mitigation. OSHR engages in a 12-month cycle of events with an annual observance of *State Safety Month*, direct communications with state agency employees and specific seasonal hazards, and cross-agency social media campaigns addressing both general and workplace safety and health topics. OSHR partners with state agency safety leaders and communications staff to widely publicize these messages and events via print, email and social media.

OSHR's web-based reporting tool, *Flag the Hazard*, is available at hazards.nc.gov. The tool permits state employees to report workplace hazards or safety concerns for any state agency with the option to make an anonymous report.

OSHR created and disseminated training for employees concerning how to report hazards and for agency safety designees addressing how to respond to these reports.

Employees enter detailed hazard reports including pictures via the *Flag the Hazard* web portal without being required to include their name or email address. These hazard reports are automatically forwarded to OSHR and the agency safety designees via email marked "High Importance." Agency safety designees have seven calendar days to respond to the hazard report. The agency's hazard response includes corrective actions and other

relevant information and is automatically relayed via email if provided. If the agency fails to respond to a hazard report in a timely manner, SSHP staff contacts them directly via email or phone to address the delay.

The system cumulatively tracks all reported hazards enabling OSHR to analyze detailed data and agency responses to identify trends and highlight successes. During FY 2023, four agency hazards were reported and resolved.

C. Hazard Prevention Network (HPN)

SSHP works in partnership with the entire network of state agency safety leaders and professionals via the *Hazard Prevention Network (HPN)*.

The HPN strives to improve safety communications, and focuses on establishing collaborations between agency safety professionals statewide to accomplish a variety of tasks and projects that will positively impact workplace safety and health, and build the state's safety culture. FY2023 work groups include Building Safety and Security, Training Resources for Safety Leaders, and Active Assailant Training.

Quarterly HPN meetings feature a variety of safety professionals addressing many workplace safety issues. Safety professionals statewide received education during HPN quarterly hybrid in-person/virtual meetings on the following topics:

- New commercial driver's license (CDL) requirements.
- Active assailant training and active assailant site assessments.

- Emergency notification systems.
- ANSI/ISEA Z308.1-2021: American National Standard for Minimum Requirements for Workplace First Aid Kits and Supplies.
- Agency safety leaders/workers' compensation administrator collaboration.
- Undergraduate, graduate and certificate programs for occupational safety and emergency management are available at UNC System institutions.
- *WalkSmartNC*.
- National Safety Month.

D. Safety and Hazard Education and Training

SSHP staff conducted 3,950 safety-related training hours for 1,235 state employees in various state agencies and universities during FY2023, including: OSHA 10 – *General Industry Awareness* and *OSHR Bootcamp for New State Safety Professionals*.

Onsite and virtual preventive ergonomic assessments are conducted upon request. SSHP staff also help agencies establish their own ergonomic evaluation programs by providing training on proper ergonomic assessment methods and sample documentation.

SSHP regularly updates the OSHR SharePoint site, *Safety Zone*, for agency safety leaders and workers' compensation administrators to communicate, share resources, identify and eliminate workplace hazards, and promote best practices.

E. WalkSmartNC



WalkSmartNC's ongoing work includes:

- The *WalkSmartNC* website features pedestrian safety-related statistics, a fully downloadable detailed social media toolkit, signage, and flyers highlighting safety tips for drivers and pedestrians.
- The *WalkSmartNC* pledge campaign to walk and drive smart has been widely publicized to encourage state employees to be mindful of pedestrian safety.
- *WalkSmartNC* training videos, currently posted on YouTube and the NC Learning Center, that include comprehensive content on driver and pedestrian safety, and proactive steps everyone can take to make walking safer in their communities.

OSHR continued its efforts during FY2023 to provide resources communicating safety best practices and behaviors targeting pedestrians and drivers that can be utilized in any high-traffic motorist and pedestrian location.

FY2023 *WalkSmartNC* activities have included:

- Pedestrian safety awareness in April 2023, in collaboration with State Capitol Police and Raleigh Police Department Traffic Control Unit, and with support from the State Parking Office of the North Carolina Department of Administration.
- Continued promoting virtual [*Walk and Drive Smart Pledge*](#) campaign encouraging safe practices while walking and driving.
- Published a new pedestrian safety video on the OSHR YouTube channel and *WalkSmartNC* website: *WalkSmartNC* Pedestrian Safety Training for State employees.
- Established the *WalkSmartNC* Advisory Council composed of employees in multiple state agencies.
- Participated in state agency facility *Safety Days*.
- Updated rack cards and education materials for drivers and pedestrians are available for download at *WalkSmartNC* website.

Following *WalkSmartNC*'s creation in 2019, the NCDOT Traffic Safety Unit contracted with VHB (Vanasse Hangen Brustlin Inc.) to perform the *Downtown Raleigh Pedestrian Safety Study* to assess the existing pedestrian environment, identify priority locations for short-term traffic and safety impacts, and develop pedestrian safety improvements.

Through news releases and related coverage, direct messages to state employees and social media outreach, *WalkSmartNC* encouraged state employees and others who live, work, or visit the downtown complex, to participate in this study via an online pedestrian safety survey and field data collection. This information, along with traffic volume, pedestrian volume and speed data, yielded many suggestions for improvement.

Now, these suggestions have been fully adopted by the City of Raleigh. In the downtown complex, these collaborative efforts are resulting in reduced speed limits, elimination of right turns on red, leading pedestrian intervals at crosswalks, and reconfigured left turn lanes. Those safety improvements will avoid pedestrian-motorist collisions and save lives.

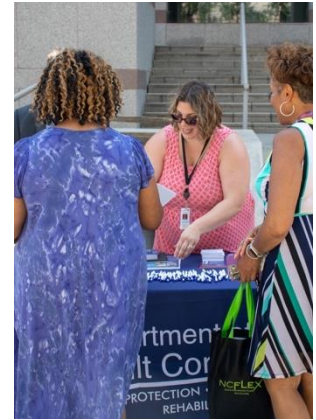
WalkSmartNC is glad to have served as an impetus for this effort and to have worked with GHSP and NCDOT as part of the coalition to convert these recommendations into realities.

OSHR will continue engagement with state employees via a variety of communication methods to promote pedestrian safety amongst state employees. OSHR looks forward to future collaboration with GHSP, NCDOT and other pedestrian safety stakeholders as opportunities arise.

State Safety Day

- OSHR celebrated June *Safety Month* with *State Safety Day* on June 14, 2023, at Bicentennial Plaza. The event included 21 state agency and vendor exhibitors covering a variety of safety-related information; including Governor Cooper's new *NC S.A.F.E.* initiative.

Safety professionals and other employees in DOA, DAC, DACS, DHHS and DPS partnered with OSHR on setup, logistics, and breakdown to make this event a huge success.



FY2023 North Carolina Department of Labor (NCDOL) Inspection Activity: Citations and Fines for State Agencies

Pursuant to the directive of NCGS §143-583(c), this report includes the following NCDOL Division of Occupational Safety and Health data. OSHR safety staff is available for consultation and technical assistance to all state agencies regarding NCDOL-identified workplace safety issues.

Description Totals

- Total inspections listed: 12
- Total inspections conducted: 12
- Total inspections with citations: 0
- Total inspections without citations: 12
- Total citations issued (currently pending): 0
- Total initial penalties assessed: \$0.00
- Total current penalties assessed: \$0.00

State Agency Citation and Fines Activities – FY2023

Open Date	Company Name	No Cit	Total Viol	Ser Viol	Wil Viol	Rep Viol	Oth Viol	Initial Penalty	Current Penalty	Paid Penalty	Close Date
7/12/2022	UNC Chapel Hill	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	7/29/2022
7/14/2022	NCDOT Safety & Risk Mgmt. Division 8	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	10/21/2022
7/20/2022	NCDPS, Marion Correctional Institution	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	8/25/2022
8/12/2022	NCDOT - Division 4, Wilson Maintenance	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	2/10/2023
8/19/2022	NC DPS - Adult Corrections - NC Correctional Institute For Women	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	1/31/2023
10/19/2022	NCDOT Safety and Risk Mgmt - Maintenance- Lincoln	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	1/4/2023
11/16/2022	NCDPS - Prison	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	1/26/2023
11/28/2022	NCDOT Ferry Division	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	3/30/2023
2/28/2023	NCDOT Safety & Risk Management	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	3/21/2023
2/28/2023	NCDOT Safety & Risk Mgmt - Maintenance Chatham	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	7/6/2023
2/28/2023	NCDOT Safety & Risk Mgmt - Bridge Chatham County	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	07/06/23
4/13/2023	NCDOT	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	6/19/2023
	TOTALS		0	0	0	0	0	\$0.00	\$0.00	\$0.00	

OSHR SAFETY/WORKERS' COMPENSATION STRATEGIC GOALS RESULTS

To determine whether agency/university implementation of OSHR-recommended safety training reduced their most frequently occurring injuries, OSHR Safety staff sends a survey to agency/university HR Directors near the end of the fiscal year with the following questions:

1. Whether OSHR safety staff recommended safety training; recommendations communicated in prior August were provided to any or all employees during that fiscal year.
2. Whether all reported incidents/injuries were investigated during that fiscal year.
3. Whether corrective actions as identified during each incident/injury investigation were completed, as feasible, to reduce or eliminate workplace hazards during that fiscal year.

OSHR Safety training recommendation letters were emailed to 50 agency/university HR Directors in October 2022.

In May 2023, OSHR Safety sent a survey to agency/university HR Directors – 49 out of 50 surveyed agencies responded.

Based on the survey findings, the majority of Cabinet agencies, Council of State agencies, universities and all other agencies, have implemented safety training programs. However, there is variation in the level of compliance and implementation across different agencies/ universities.

The high number of agencies and universities that reported completing safety training indicates a positive commitment to workplace safety. This suggests that these agencies/universities recognize the importance of educating employees on safety protocols and prevention measures.

Statistical summary of agency/university HR Directors summary responses

Survey Question	Statewide	Cabinet	Council of State	UNC System	Boards, Commissions, Other State Agencies
Did your employees complete safety training concerning one or more of the OSHR-recommended safety topics?	Yes: 75%	Yes: 88%	Yes: 83%	Yes: 78%	Yes: 38%
	No: 25%	No: 12%	No: 17%	No: 22%	No: 62%
Were incident/injury investigations including root cause analysis conducted for each employee incident report?	Yes: 82%	Yes: 94%	Yes: 67%	Yes: 83%	Yes: 62%
	No: 18%	No: 6%	No: 33%	No: 17%	No: 38%
Did your agency/university identify and/or implement corrective actions to reduce or eliminate workplace hazards identified in employee incident reports or incident investigations?	Yes: 84%	Yes: 88%	Yes: 67%	Yes: 89%	Yes: 75%
	No: 16%	No: 12%	No: 33%	No: 11%	No: 25%

SUMMARY OF FY2023 WORKERS' COMPENSATION ACTIVITIES

A. Administration of Self-Insured Workers' Compensation Program

The OSHR Division Director, State Workers' Compensation Manager and Workers' Compensation Consultants, work directly with state agency human resources staff, contracted vendors and the North Carolina Department of Justice Workers' Compensation Section to administer all state employee workers' compensation program claims in accordance with NCGS § Chapter 97, the Workers' Compensation Act, accompanying administrative rules and case law.

The Safety Health and Workers' Compensation (SHWC) Division seeks to help injured employees and support state agencies throughout the claims process whose duration varies from one day through the remainder of the injured employee's life.

Effective claims management is achieved by adherence to best practices that promote the best possible outcome for the injured employee while containing lost wages, medical and other related costs.

The SHWC staff consults with all stakeholders to continuously update and implement claims handling guidelines in accordance with state law and specific needs to ensure consistent claims management practices are being utilized by state agencies and contracted vendors.

Performance metrics reveal ongoing improvement in claim outcomes, cost containment and future cost avoidance.

During FY2023, OSHR completed the procurement process for workers' compensation vendors for claims services starting July 1, 2023. The following vendors were awarded contracts for an initial three-year term with the option to renew for two additional one-year terms:

- Third-Party Administrator (claims administration, medical, pharmacy benefits management, medical bill review): CorVel
- Nurse/vocational case management: Carolina Case Management, Southern Rehabilitation Network
- Physical therapy: MedRisk
- Diagnostic radiology: One Call
- Home Health/durable medical Equipment: One Call
- Transportation/translation: HomeLink

The charts on pages highlight claims filing and cost information for FY2017-FY2023.

B. "Extended Compensation" Claims Litigation

Pursuant to 2011 amendments to the Workers' Compensation Act, an employee is entitled to indemnity compensation for only 500 weeks - from the date of first disability, unless the employee qualifies for extended compensation per NCGS § 97-29(c). To qualify for extended compensation benefits, an employee may file an action with the North Carolina Industrial Commission after 425 weeks have passed, (since their first weekly payment) and establish a "total loss of wage-earning capacity." The definition of this standard has been litigated in several cases by the

Industrial Commission and is now pending before the appellate courts.

The OSHR SHWC Division Director and State Workers' Compensation Manager have monitored all Industrial Commission decisions on extended compensation requests to determine what types of evidence have been considered persuasive by the Industrial Commission. In addition, they developed a comprehensive procedure for the state's third-party administrator to put these claims in the best posture for a successful outcome. OSHR's SHWC Division coordinated its efforts with the Attorney General's Workers' Compensation section and has kept state agencies and vendors of related services apprised of rulings and trends. Further, state claims approaching 425 weeks after the first indemnity payment are monitored to assure adherence to best practices and to identify possible means of claim closure or improving outcomes.

On April 18, 2023, the NC Court of Appeals issued its first "extended compensation" ruling in COA 22-421 *Martin Sturdivant v. DPS (now DAC)*. On May 23, 2023, the State filed a petition for discretionary review to the NC Supreme Court challenging the Court's ruling concerning the legal standard for award of disability compensation after 500 weeks. The NC State Supreme Court granted this petition on December 15, 2023.

C. Partnership with State Agencies

The OSHR State Workers' Compensation Manager works alongside the Workers' Compensation Consultants who are assigned to individual state agencies and engage in the following activities to provide subject matter expertise and technical support for all workers' compensation-related matters:

- Serve as an information resource for agency workers' compensation administrators and legal staff regarding workers' compensation-related claim handling matters.
- Assess open claims on a quarterly basis and transmit written reports to state agencies for selected subsets of claim inventory, including claims with and without lost workdays.
- Develop extensive virtual training resources for employees, supervisors, and agency workers' compensation administrators regarding a variety of compensation-related topics.
- Communicate with contracted vendors, state agencies and the North Carolina Department of Justice's Workers' Compensation Section, regarding the handling of various claims management issues.
- Work in partnership with contracted vendors to address claim issues or concerns raised by injured employees, state agency workers' compensation administrators, North Carolina Department of Justice's Workers' Compensation Section, or independent review of OSHR.
- Work directly with vendors to ensure workers' compensation service contract compliance and continuous performance improvement.

- Maintain the SharePoint website, CompWorld, and generate informational job aids, checklists, process charts, flowcharts, and other resources to aid in workers' compensation claims management.
- Participate in professional organizations serving the workers' compensation community to stay abreast of current trends, cost-saving measures and return-to-work strategies that may be utilized to improve the State's Workers' Compensation Program.

D. Training Resources Development

The SHWC Division developed comprehensive workers' compensation claims management training for workers' compensation administrators, human resources staff, safety professionals, supervisors, and other agency and university staff. The training became available through the improved *North Carolina Learning Center*, accessible through the Integrated HR-Payroll System (BEACON) on June 28, 2021.

The 15 modules cover topics addressing the details of handling workers' compensation claims. Each module includes information concerning the respective roles and responsibilities of the employee, employer, third-party administrator, and other vendors; and Attorney General's Office as applicable concerning each feature of claim handling. The on-demand training modules allow new personnel immediate access to training and other vital information whenever needed.

During FY2023, the Workers' Compensation staff created two new workers' compensation training modules published

on NC Learning Centers "2022 Workers' Compensation Update" and "Medicare Reporting and Conditional Payments."

OSHR constantly promoted the modules, monitored usage and recognized employees who completed all training modules throughout FY2023.

The following modules are available:

Module	Title
1	A Primer in Workers' Compensation Terms and Definitions
2	Forms Used in Workers' Compensation Claims
3	Roles and Responsibilities in Workers' Compensation Claims
4	Initial Injury Reporting & Incident Investigation
5	Claim Compensability
6	Communications In State Workers' Compensation Claims
7	MMI, Return to Work & Medical Treatment
8	FCEs, Work Conditioning & Vocational Rehabilitation
9	Functional Job Descriptions
10	Return to Work
11	Claim Closing and Settlement Strategies
12	Salary Continuation
13	Life Cycle of a Litigated Claim
14	Medicare Set-Asides
15	Rules 605 Discovery and 607 Requests

The modules were developed by SHWC Division staff and reviewed by the North Carolina Department of Justice's Workers' Compensation Section head.

E. OSHR Qualified Workers' Compensation Professionals program

To incentivize the completion of all training modules, employees in any agency or university may obtain recognition as a *Qualified Workers' Compensation Professional* (QWCP) by completing all currently available WCA training modules on LMS. This includes a passing score on each quiz at the end of the modules. Newly certified QWCPs receive an electronic certificate and letter from OSHR including instructions for annual certification renewal. This designation may be renewed annually by participation in an OSHR webinar that will include any updates on law and claim handling procedures.

As of the end of FY2023:

- 2,496 training modules completed.
- 461 employees participated, representing 40 agencies, universities and community colleges trained.
- 110 employees completed all 15 modules and were presented with *Qualified Workers' Compensation Professional* certificates.

OSHR workers' compensation staff also provided approximately 20 local government employees with live workers'

compensation basics training webinars. Here are some comments from state employees about the training:

"I would like to mention that I found this training to be most helpful and of high quality. The speed at which it was delivered, the relativity of the questions and the straightforwardness of this training were excellent. I have taken a lot of training through the state, and this was by far one of the best! Thank you to those who spent the time to prepare this professional and informative training."

- North Carolina Department of Environmental Quality

"This is awesome! The training was great; full of information I can use day-to-day!"

- North Carolina Department of Transportation

"I just wanted to let you know I completed all 15 of the WCA modules and for someone who deals with Workers' Comp day in and day out, I thought they were very informative and useful! Thanks for putting those together. I hope everyone takes the opportunity to use them!!

- North Carolina Department of Public Safety

TOTAL NEWLY REPORTED CLAIMS (WC)

Number of Total New Reported Claims Continues to Decline in FY2023

Total newly reported claims decreased by 12.8 percent, down to 2,802, between FY2022 and FY2023. This is a decrease of 1,754 claims from the number filed in FY2017.

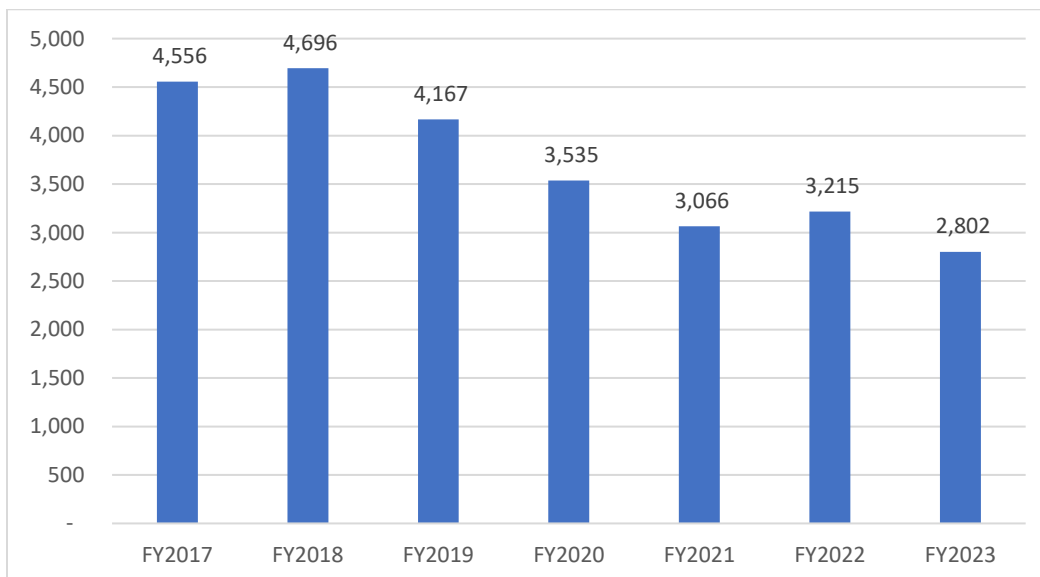
This approximate decrease of 38.5 percent in newly reported claims over the past six fiscal years, from FY2017 to FY2023, may be attributed in part to the high state employee vacancy rate, increased awareness of workplace hazards, and the importance of eliminating or mitigating identified risks (before an injury occurs by state agency employees and employers), and an increase in the number of employees working remote or have hybrid schedules.

In addition, some agencies delayed new claim reporting in June 2023 to avoid billing of claim transfer fees due to a change in the third-party administrator vendor, effective July 1, 2023. Consequently, new claim filings will likely increase some in FY2024 compared to FY2023, to account for claims newly filed during July 2023 that had occurred in the prior fiscal year.

Constant vigilance on the part of management, supervisors and employees is imperative to continue reducing workplace risks and resulting injury claims.

OSHR works to identify effective and innovative ways for agency workers' compensation staff to collaborate on improving workplace safety and addressing all concerns as they arise.

FY2017-23 Total New Reported Claims as of June 30, 2023



TOTAL WORKERS' COMPENSATION CLAIMS COSTS

Total Claim Costs Continue to Decline in FY2023

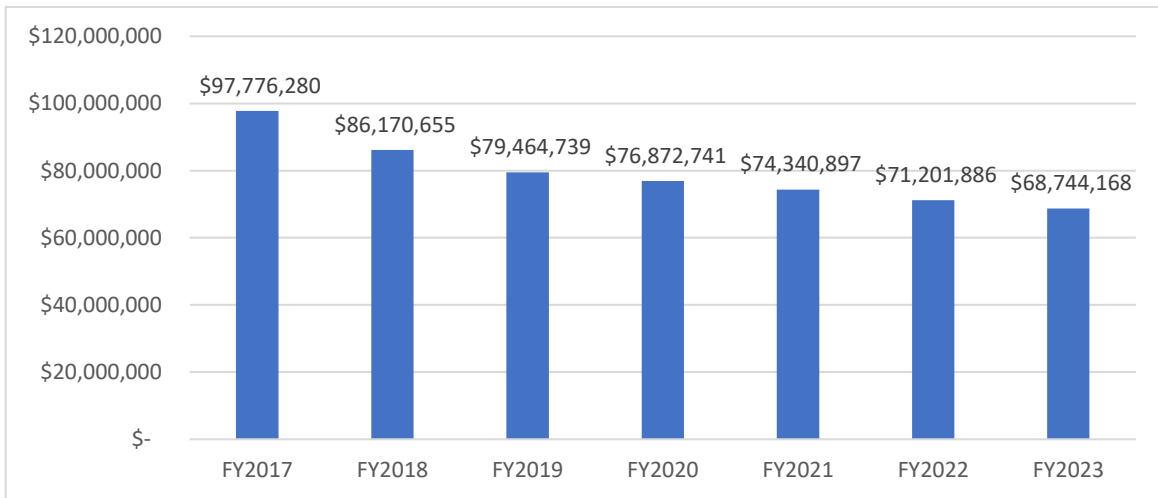
Total workers' compensation claims costs, which include settlements, decreased from \$71,201,886 in FY2022 to \$68,744,168, representing an overall decrease of approximately 3.45 percent.

This decline in total claim costs may be attributed to a sharp decrease in total claim inventory due to a rapid decline in new claim filings, faster claim closure, and more full and final claim settlements than in years past. Cost reduction can also be attributed

to the ongoing commitment by state agencies to reduce lost time from work via comprehensive return-to-work programs and OSHR's direct contractual relationships with claim services vendors, which allows OSHR to engage in greater oversight and directly hold vendors accountable for adhering to contractual requirements associated with the delivery of services.

NOTE: These figures do not include salary continuation payments pursuant to NCGS § Chapter 143, Article 12B, Salary Continuation Plan for Certain State Law-Enforcement Officers.

FY2017-23 Total Claims Cost Including Settlements as of June 30, 2023



TOTAL CLAIM SETTLEMENT COSTS

Claim settlements continue to provide cost savings

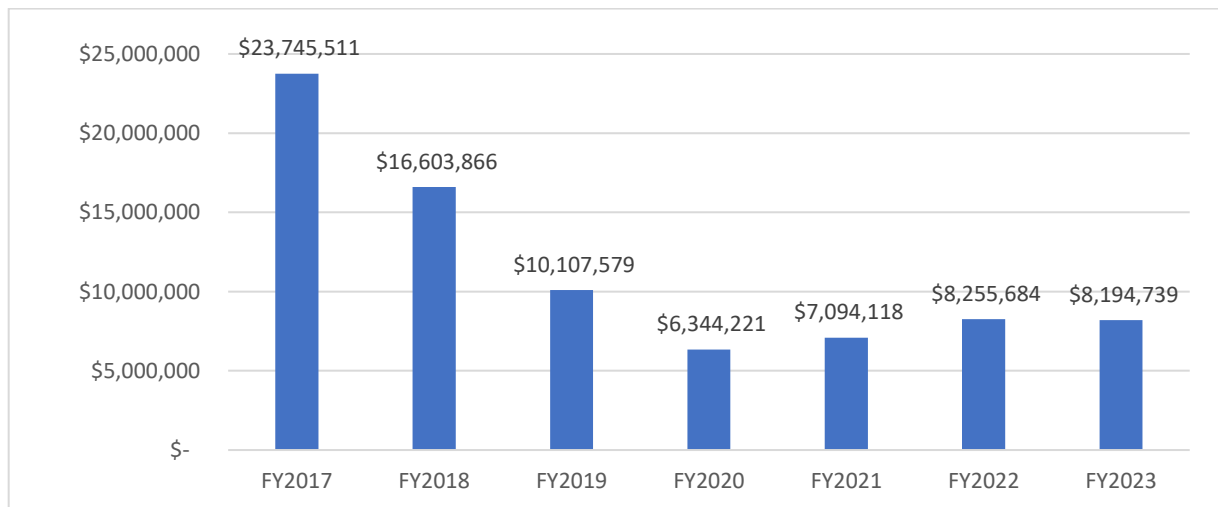
Claim settlements in FY23 totaled \$8,194,739, resulting in an estimated \$21,145,872 in projected future cost avoidance if the claims were not settled. Total settlement dollars decreased by less than one percent. Projected future cost avoidance saw a substantial increase from \$16,288,297 for FY22, to \$21,145,872 in FY23.

Projected future cost avoidance is the additional estimated amount of claim costs that likely will be spent throughout the remainder of the lifetime of a claim if it is not settled.

Session Law 2015-241, Section 30.18(a) appropriated \$2,000,000 in FY2016 and an additional \$4.38 million that became available in FY17 to assist in closing existing workers' compensation claims. Session Law 2017-57, Section 2.1 also appropriated \$2 million for the same purpose. These appropriations increased the number of claims able to be settled during those years, resulting in increased cost avoidance.

Settlement of claims with the assistance of General Assembly appropriated funds in FY2016-18, yielded projected future claim cost savings to exceed \$136 million. Continued weekly disability and medical payments for claims not timely settled, typically cost state agencies more before a claim closes than the lump sum payment required to timely settle it.

FY2017-23 Total Claims Settlement Cost as of June 30, 2023



Note: These settlement costs are included in the total claim costs listed in the table above. Increased use of settlements can, in appropriate cases, reduce total claim costs by reducing future costs that likely will be spent throughout the remainder of the lifetime of a claim.

SALARY CONTINUATION PAYMENTS PER NCGS §143-166.13

Salary Continuation payments increased slightly in FY2023

Salary Continuation payments are available when a qualified employee incurs an injury resulting from, or arising out of, an episode of violence, resistance, or other special hazards that occur while the eligible employee is performing official duties.

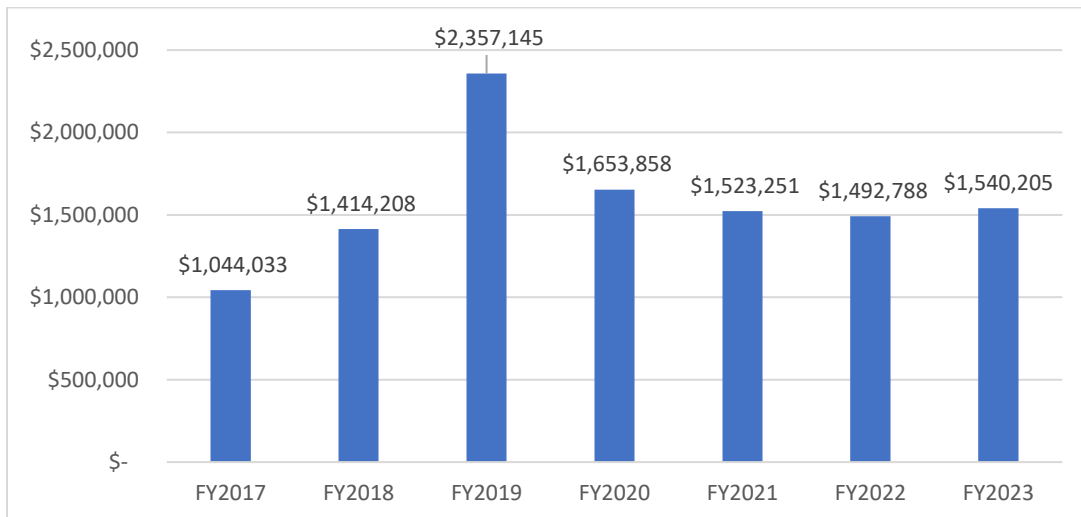
Salary Continuation payments are also available pursuant to NCGS §115C-338 when an employee of a state-supported educational institution is injured in an episode of violence.

Qualified injured employees are eligible for Salary Continuation in accordance with NCGS §143-166.13 for a total of two years from their date of disability pursuant to NCGS §143-166.14.

Salary Continuation payments increased by \$47,417 from FY2022 to FY2023 or approximately 3.2 percent. This increase may be attributed to recent pay increases of persons whose claims are eligible for salary continuation benefits.

NOTE: This data is subject to change due to pending salary continuation decisions that may include retroactive payments.

FY2017-23 Total Salary Continuation Payments as of June 30, 2023



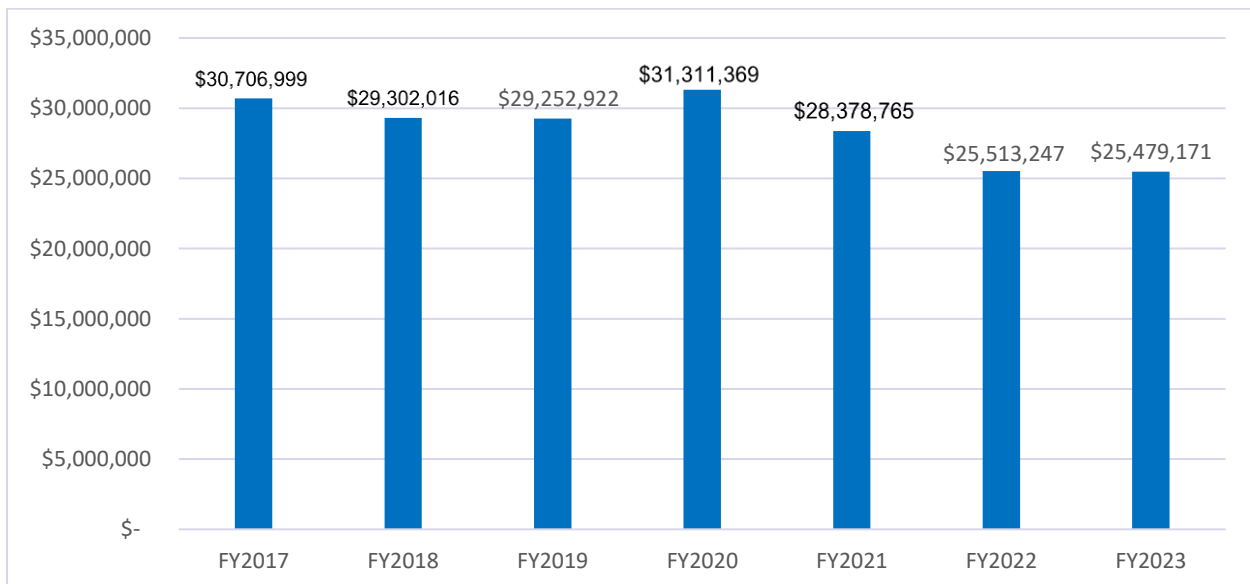
TOTAL MEDICAL COSTS

Total medical costs were essentially unchanged between FY2022 and FY2023

Total medical costs include hospital and outpatient treatment, physician visits, prescription drugs, diagnostic radiology, physical therapy, home health, durable medical equipment, transportation, and translation and some other ancillary services. Medical costs during FY2023 were 17 percent less overall than in FY2017, continuing the downward trend in annual medical expenses.

The decrease in medical costs over the past six fiscal years may be attributed to reductions in the North Carolina Industrial Commission Fee Schedule, which establishes a maximum charge for workers' compensation-related medical treatment, the decrease in new claims filed, the number of claims settled thereby avoiding substantial medical treatment, and prescription drug expenses and contract measures are taken to obtain more reduced and more transparent pricing for many medical services.

FY2017-23 Total Medical Costs as of June 30, 2023



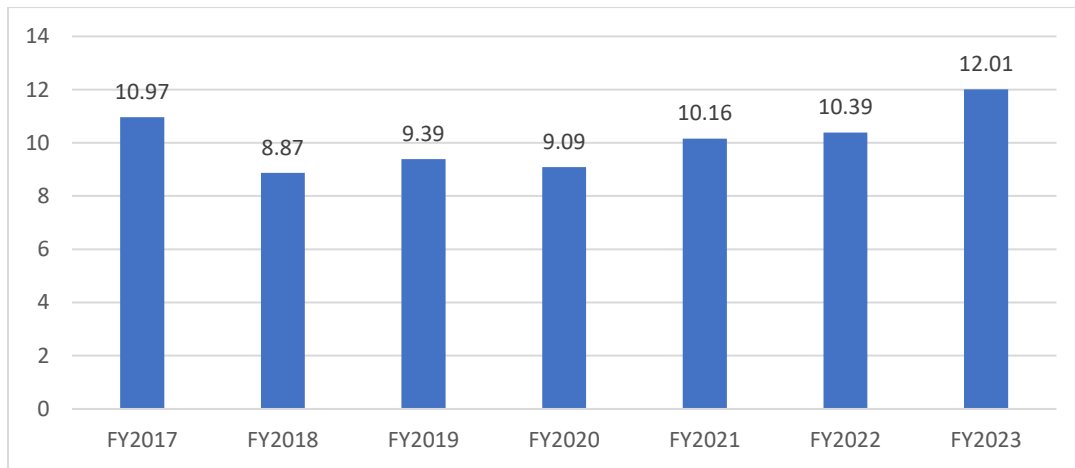
INJURY REPORTING LAG TIME

The FY2023 increase in injury reporting lag time is attributable in part to two large state agencies experiencing long-term vacancies in workers' compensation administrator positions that typically finalize injury reports – resulting in a substantial number of claims not being reported as quickly as usual to the State's third-party administrator. Early claim reporting generates numerous benefits, including ensuring injured employees receive necessary, prompt medical care for work-related injuries, expedited claim

investigations, and faster compensability determinations.

Minimal claim reporting lag time enables assigned claim adjusters to engage in communication with injured employees earlier in the claims handling process to provide them with needed information and address their concerns. Developing a positive employee-adjuster working relationship is instrumental in generating the best possible claim outcome and increasing employee satisfaction with claim handling.

FY2017-23 Average Days from Date of Injury Until Injury Report is Complete for New Injuries that Occurred During the Fiscal Year as of June 30, 2023



CONCLUSION

The SHWC Division will continue to make necessary modifications in ongoing programs, initiatives and outreach to ensure state agencies continue moving forward with improvements in workplace safety and workers' compensation claims management.

Ongoing collaborations and partnerships between SHWC staff and state agencies via the *Hazard Prevention Network* will continue to address previously identified short and long-term statewide safety concerns.

Workers' compensation claim services are closely monitored and constant communication is maintained between

OSHR and state agencies, vendors and the North Carolina Department of Justice Workers' Compensation section to rapidly respond to any concerns and to identify opportunities to promote the best possible claim outcomes.

OSHR SHWC staff daily provide rapid responses to consultation requests from state agencies regarding a multitude of topics. OSHR seeks to continue building a bridge between agency safety professionals and human resources staff handling workers' compensation claims to enhance safety culture statewide. In doing so, OSHR looks forward to continued declines in workplace injuries and total workers' compensation costs.

2023 SAFETY, HEALTH AND WORKERS' COMPENSATION REPORT



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