

# 2021 SAFETY, HEALTH AND WORKERS' COMPENSATION REPORT



## NORTH CAROLINA Office of *State Human Resources*

Report Outlining the Activities and Accomplishments of the  
Office of State Human Resources' (OSHR) Safety, Health and  
Workers' Compensation Division (SHWC) for FY2021

**Pursuant to NCGS §143-583 | August 2021**

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

*This online document was produced by the Office of State Human Resources in August 2021.*

Members of the North Carolina General Assembly,

I am pleased to deliver this report highlighting the activities and accomplishments of the Office of State Human Resources (OSHR) Safety, Health and Workers' Compensation Division (SHWC) for fiscal year (FY) 2021. This report is submitted pursuant to NCGS §143-583.

OSHR is pleased to showcase the SHWC Division's statewide services to state agencies and the UNC System via ongoing collaboration with workplace safety and human resources staff through established programs, ongoing outreach, and new initiatives. In addition, the SHWC Division has been involved in substantial COVID-19 response and continues ongoing efforts to promote safety measures that will help prevent exposure at all State worksites.

New workers' compensation claim filings declined approximately 13% between FY2020 and FY2021 declining from 3,535 to 3,066 new injuries. This is due in part to a substantial reduction in injury reports as thousands of employees statewide were teleworking pursuant to Executive Orders and thus not exposed to as many workplace hazards. The total number of open claims as of June 30 declined from 3,272 to 3,106 or 5% between fiscal years as well. 3,951 claims were open as of June 30, 2019, prior to the pandemic; thus, open claims inventory has decreased 21% overall in the past two years.

The State Workers' Compensation Program (SWCP) administered by OSHR covers approximately 170,000 state employees in Cabinet and Council of State agencies, the UNC System, and Community Colleges. Steadfast commitment to reduction of workplace hazards, ongoing safety training, and strong safety culture are essential to continue improving workplace safety. Consistent workers' compensation claims handling in partnership with contracted vendors will ensure injured employees timely receive benefits due while simultaneously containing claim costs borne by taxpayers. Over the past year, OSHR staff developed comprehensive workers' compensation claim handling training for human resources professionals now available on Cornerstone Learning Management (LMS) system. An employee who completes all 15 modules will be recognized by OSHR as a Qualified Workers' Compensation Professional.

OSHR's SHWC Division will continue partnering with state agencies and universities to provide technical assistance and educational resources for use by employees and safety and workers' compensation professionals to continue working towards reducing workplace hazards and injuries and controlling workers' compensation 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) annually report to the Joint Legislative Commission on Governmental Operations on the safety, health, and workers' compensation activities of State agencies and fines levied against state agencies pursuant to Chapter 95, Article 16 of the General Statutes.

Pursuant to NCGS §143-584, 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 with regard to 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.

## SUMMARY OF SHWC DIVISION FUNCTIONS

### Oversight of Statewide Safety and Health Programs

- Provides consultative and technical services to state agencies regarding workplace safety, health, and industrial hygiene.
- Performs periodic outreach visits to agencies.
- Reviews and assists with development of agency specific safety policies/programs.
- Researches and advises agencies on workplace safety-related matters.
- 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.

- Administers OSHR's ongoing hazard awareness campaign, Flag The Hazard.
- Maintains web tool for state employees to report observed hazard reports that are automatically forwarded to respective state agency safety leaders for correction and response.
- Maintains OSHR SHWC SharePoint site, Safety Zone, to communicate and maintain a virtual library of safety resources.
- Oversees WalkSmartNC, OSHR's pedestrian safety initiative, a multi-agency collaboration to promote pedestrian safety awareness in drivers and pedestrians via establishment of replicable best practices, training, toolkits and other education resources for use in public and private sector pedestrian safety campaigns statewide.

### Oversight of State Workers' Compensation Program (SWCP)

- Administers all vendor contracts for workers' compensation claims services.
- 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 NC Workers' Compensation Act.
- Assists state agencies with ongoing claim status assessment and proper claims handling.
- Provides claims management guidance and training to agency and university employees.
- Serves as the on-call information 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/Resource Development**

### **Safety**

- OSHR staff completed OSHA authorized trainer curriculum to provide 10-hour and 30-hour courses to state employees.

- Developed in collaboration with state agencies new and revised model programs, guidelines, best practices, and other technical resources to help agencies meet safety standards.
- Revised State Employee Safety & Health Manual which includes basic safety rules and information for all employees and supervisors.

### **Workers' Compensation**

- Developed in collaboration with state agencies and Attorney General's office new and revised claim handling checklists, and detailed training modules.
- Created in collaboration with Attorney General's office 15 new detailed training modules available on OSC BEACON Learning Management System (LMS).

## SUMMARY OF FY2021 SAFETY ACTIVITIES

### A. Workplace Requirements for Safety and Health Outreach Program

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

In FY2017, OSHR developed an Outreach Program to simultaneously build partnerships and assist state agencies with achieving adherence to the model programs.

OSHR continues engaging directly with State agencies and universities via safety outreach visits conducted both in-person and more recently via teleconference pursuant to COVID-19 safety guidelines. OSHR Safety staff completed visits with eight agencies and 17 universities in FY2021.

FY2021 outreach visits included a specific review of the agency's safety committee and emergency action plan programs, policies, procedures, documentation of safety reports, training programs and records, safety goals, injury analysis, hazard assessments, and safety committee meeting minutes.

OSHR is not a regulatory agency that issues citations or fines. The Outreach Program provides state agencies with a no-risk assessment of potentially hazardous conditions that could result in future injury or assessment of regulatory fines.

### B. Flag The Hazard Campaign

The SHWC Division proactively partners with state agencies to improve hazard recognition and mitigation. OSHR's Flag The Hazard campaign is comprised of a 12-month cycle of events with an annual observance of State Safety Month including direct communications with all state agency employees, safety stand downs, hazard hunts, 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 Flag The Hazard web-based reporting tool is available at [hazards.nc.gov](https://hazards.nc.gov).

The tool permits state employees to report workplace hazards or safety concerns for any state agency. The Flag The Hazard tool is designed to automatically notify each agency's designees when a hazard report is received. Agency designees are then automatically prompted to provide information on corrective actions that also is relayed via email to the employee that reported the hazard. OSHR is preparing training for employees concerning how to report hazards and for Agency designees to address how to respond to these reports.

The system also tracks all reported hazards enabling OSHR to analyze detailed data and agency responses to identify trends and highlight successes.

## C. Hazard Prevention Network

The SHWC Division 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 communication 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. FY2021 workgroups include Employee Training Survey Team, Integration of Safety and Workers' Compensation, Mobile Elevated Work Platforms Model Program, Model Surveys to Measure Safety Culture, HPN Planning Committee, and Safety Incentive/Award Programs. Quarterly HPN meetings feature a variety of safety professionals addressing many workplace safety issues.

A survey was conducted and the following 12-month and 36-month projects agreed upon as Statewide priorities worked on by the HPN during FY2021 included:

- Workplace safety incentive/award programs for state agencies/universities
- Model Safety Surveys for employee input regarding agency/university safety programs
- Standardized Safety Reporting formats
- Memorandum of Understanding for Cabinet and Council of State

agencies and Office of Administrative Hearings addressing sharing of safety resources similar to what has already been implemented by the UNC System

- Integration of agency/university workers' compensation and safety programs

Safety professionals statewide received education during HPN quarterly virtual meetings on the following topics:

- Occupational Safety and Health Statistics (OSHS) Program
- Radon safety
- Agency Safety Committees – Best Practices and Lessons Learned
- University Safety Committees and Management Commitment
- Lockout/Tagout procedures
- New OSHR safety scorecard and updated Outreach Protocol
- Common findings of inspections, fire drills conducted by Office of State Fire Marshall
- Hazardous waste regulatory update
- New OSHR Model Program: Mobile Elevated Work Platforms (MEWP)
- OSHR COVID-19 pandemic safety for state worksites guidance and resources available on OSHR website

## Safety and Hazard Education and Training

SHWC Division staff conducts safety-related training and assessments for various state agencies upon request or in response to an identified need. Training provided in FY2021 included CPR, first aid, and emergency evacuation procedures.

Preventive ergonomic assessments are conducted upon request. SHWC Division staff also help agencies establish their own ergonomic evaluation programs by providing training on proper ergonomic assessment methods and sample documentation.

The SHWC Division established a SharePoint site, SafetyZone, for agency safety leaders and workers' compensation administrators to communicate, share resources, identify and eliminate workplace hazards and promote best practices.

## WalkSmartNC

For the second year, OSHR was awarded a grant from the Governor's Highway Safety Program to fund WalkSmartNC, a pedestrian safety initiative that focuses on increasing driver awareness and pedestrian safety.

OSHR has continued its efforts during FY2021 to develop a comprehensive messaging campaign communicating safety best practices targeting pedestrians and drivers that can be utilized in any high traffic motorists/pedestrian location. In addition, state employee training videos are being developed.

OSHR collaborated with the UNC Highway Safety Research Center to develop a Sustainability Plan for WalkSmartNC's future. This Plan includes creating a coalition of public and private sector partners and stakeholder engagement, ongoing development of new tools and programs for shared use, program evaluation and performance metrics, and program funding and expansion. WSNC will also continue working closely with Agency safety leaders to continue promoting ongoing awareness of this safety hazard experienced daily in everyday life.

## D. NCDOL Inspection Activity regarding citations and fines for State Agencies in FY2021

The NCDOL Division of Occupational Safety and Health conducted inspections or responded to complaints in state government facilities.

### Description Totals

Total Inspections Listed:	16
Total Inspections Conducted:	11
Total Inspections with Citations:	4
Total Inspections without Citations:	12
Total Citations Issued: (Currently Pending – 5)	3
Total Initial Penalties Assessed:	\$6,300.00
Total Current Penalties Assessed:	\$6,300.00

## STATE AGENCY CITATION AND FINES ACTIVITIES – FY2021

Open Date	Company Name	No Citations	Total Violations	Serious Violations	Willful Violations	Repeat Violations	Other Violations	Initial Penalty	Current Penalty	Paid Penalty	Close Date
7/17/2020	NCDNCR-NC Zoo	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	8/14/2020
8/10/2020	NCDHHS-MD/DD/SAS	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	8/19/2020
9/15/2020	NCDOT-Structures Management Unit	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	11/17/2020
10/5/2020	NCDOT Safety & Risk Mgmt	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	10/13/2020
1/6/2021	NC State University		1	1	0	0	0	\$6,300.00	\$6,300.00	\$0.00	OPEN
2/4/2021	Greensboro ABC Board		1	0	0	0	1	\$0.00	\$0.00	\$0.00	4/14/2021
2/23/2021	NCDOT Safety & Risk Mgmt-Maintenance Moore County	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	4/22/2021
2/24/2021	NC DPS Office of Recovery & Resiliency - ReBUI	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	3/25/2021
2/24/2021	NC DPS Office of Recovery & Resiliency - ReRUI	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	3/25/2021
2/24/2021	NC DPS Office of Recovery & Resiliency - ReBUI	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	3/25/2021
3/10/2021	NC A&T State University-1020 Wendover Building	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	4/9/2021
3/30/2021	NC Division of Motor Vehicles	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	5/28/2021
4/29/2021	NC DOT Safety & Risk Mgmt-Maintenance Cty		1	0	0	0	1				OPEN
6/28/2021	NC Department of Public Safety-Judicial District 26		0	0	0	0	0	\$0.00	\$0.00	\$0.00	OPEN
6/30/2021	NCDOT-Division 7 Traffic Service		0	0	0	0	0	\$0.00	\$0.00	\$0.00	OPEN
<b>Totals</b>			3	1	0	0	2	\$6,300.00	\$6,300.00	\$0.00	

## SUMMARY OF FY2021 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 NC 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 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.

OSHR workers' compensation 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.

The charts herein highlight several quantifiable trends attributable to increased OSHR and agency hands-on involvement in daily claims management working in collaboration with contracted vendors and the Attorney General's office.

### B. Partnership with State Agencies

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:

- a. Serve as an information resource for agency workers' compensation administrators and legal staff regarding workers' compensation related claim handling matters.
- b. 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.
- c. Develop extensive virtual training resources for employees, supervisors, and agency workers' compensation administrators regarding a variety of workers' compensation related topics.
- d. Communicate with contracted vendors, state agencies, and

N.C Department of Justice-Workers' Compensation Section regarding handling of various claims management issues.

- e. Work in partnership with contracted vendors to address claim issues or concerns raised by injured employees, agency workers' compensation administrators, NCDOJ-Workers' Compensation Section, or independent review of OSHR.
- f. Work directly with vendors to ensure workers' compensation service contract compliance and continuous performance improvement.
- g. Maintain SharePoint site, generate Job Aids, checklists, process charts, flowcharts, and other resources to aid in workers' compensation claims management.
- h. Participate in professional organizations serving the workers' compensation community to stay abreast of current trends, cost saving measures, and return to work strategies which may be utilized to improve the State's Workers' Compensation Program.

### C. LMS Training Development

SHWC developed comprehensive workers' compensation claims management training for workers' compensation administrators, human resources staff, safety professionals, supervisors, and other agency and university staff available through the OSC

BEACON LMS/North Carolina Learning Center. The fifteen modules cover a multitude of 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 allow all access to vital information whenever needed. 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 & 607 Requests

The modules were developed by SHWC Division workers' compensation staff and reviewed by the NC Department of Justice Workers' Compensation section head.

#### **D. OSHR Qualified Workers' Compensation Professionals program**

To incentivize completion of all training modules, employees in any agency/university may obtain recognition as a Qualified Workers' Compensation Professional (QWCP) by completing all currently available WCA training modules on LMS including a passing score on each quiz at the end of the modules. Newly certified QWCPs will 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.

#### **E. NCIC Form 22 Beacon Function**

OSHR collaborated with the Office of State Controller (OSC) for more than a year to create a new BEACON application, Average Weekly Wage Calculation – Form 22. This application generates a completed NC Industrial Commission Form 22 Statement of Days Worked & Earnings of Injured Employee needed to calculate an injured employee's average weekly wage for benefit payments pursuant to a workers' compensation claim. The Tool utilizes payroll and time data in the BEACON system to a produce a fully completed Form 22 based on parameters entered by agency

users. This new application saves substantial time for agency HR staff who perform the extensive research and calculations necessary to generate this information and properly complete the Form 22. The Form 22 application has been used approximately 700 times since becoming available for Beacon agencies utilizing monthly payroll on March 1, 2021. Use of the tool will result in substantial time savings to agencies and increased accuracy and consistency in form preparation. Accurate Form 22 completion will assure proper payment to injured employees and help avoid unnecessary controversy and potential litigation. NC Department of Justice Workers' Compensation Section Head was consulted during the development of the Form 22 application regarding which wage types to include in the calculation.

#### **Here's some comments from State employees about their experience using the automated Form 22 module:**

"I just had to do a Form 22 for two employees that work here, when I tell you my life is so much easier and it only takes maybe 3 minutes to complete it, that is downloading it, saving it, and electronic signing it, then uploading it to the CCMSI system." - DHHS

Previously "from start to finish, looking up in Beacon, getting the CATS\_DA (time records) and inputting that into the form and then completing it takes me about 30 minutes, so it saves me about 20 minutes all together." - DPS

## TOTAL NEWLY REPORTED CLAIMS

### Number of Total New Reported Claims Continues to Decline in FY2021

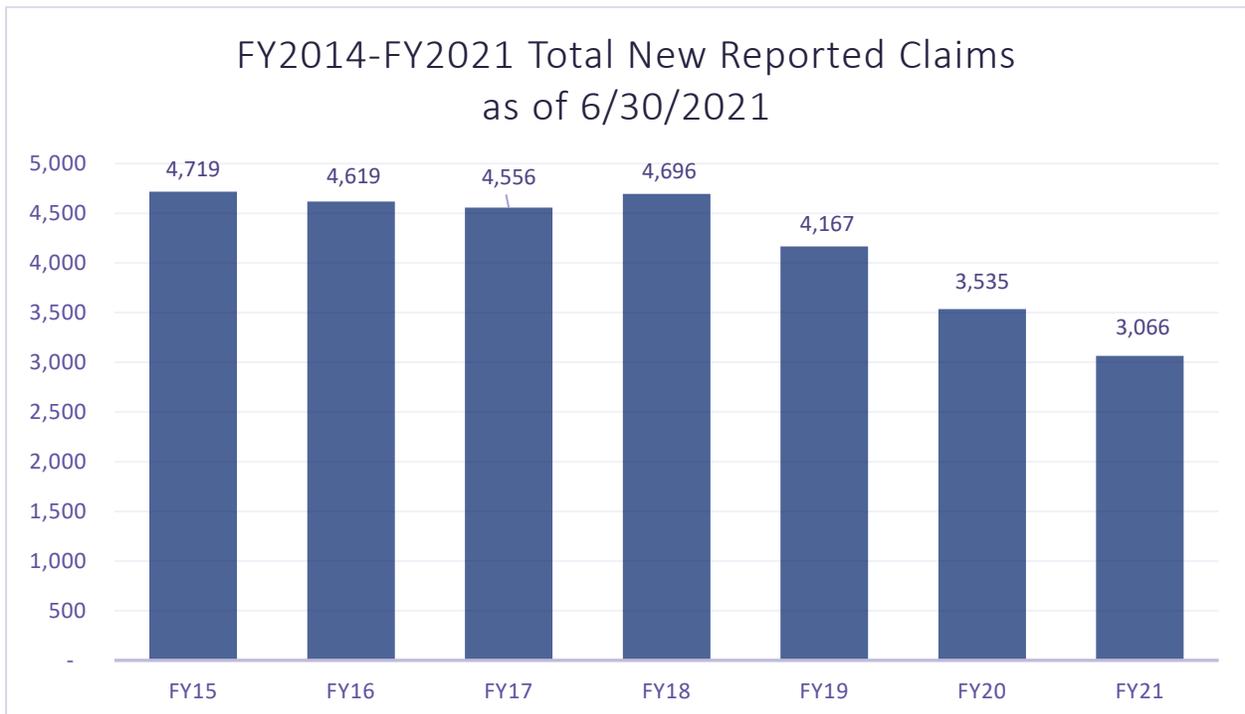
Total newly reported claims declined 35% between FY2015 and FY2021. The decrease over the past six fiscal years may be attributed in part to workplace changes during the pandemic, but also increased awareness of workplace hazards by State agency/university employees and employers and the importance of eliminating or mitigating identified risks before an injury occurs.

As of June 30, 2021, the State Workers' Compensation Program covers approximately 170,000 state employees in Cabinet and Council of State agencies, the UNC System, and Community Colleges; therefore, 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.

It should be noted, a portion of the sharp reduction in workplace injury claims in FY2021 is attributable to substantial reductions in employee manhours, travel, on-site work, and high-risk tasks due to implementation of teleworking by many State agencies for all employees when feasible to do so per Executive Orders.



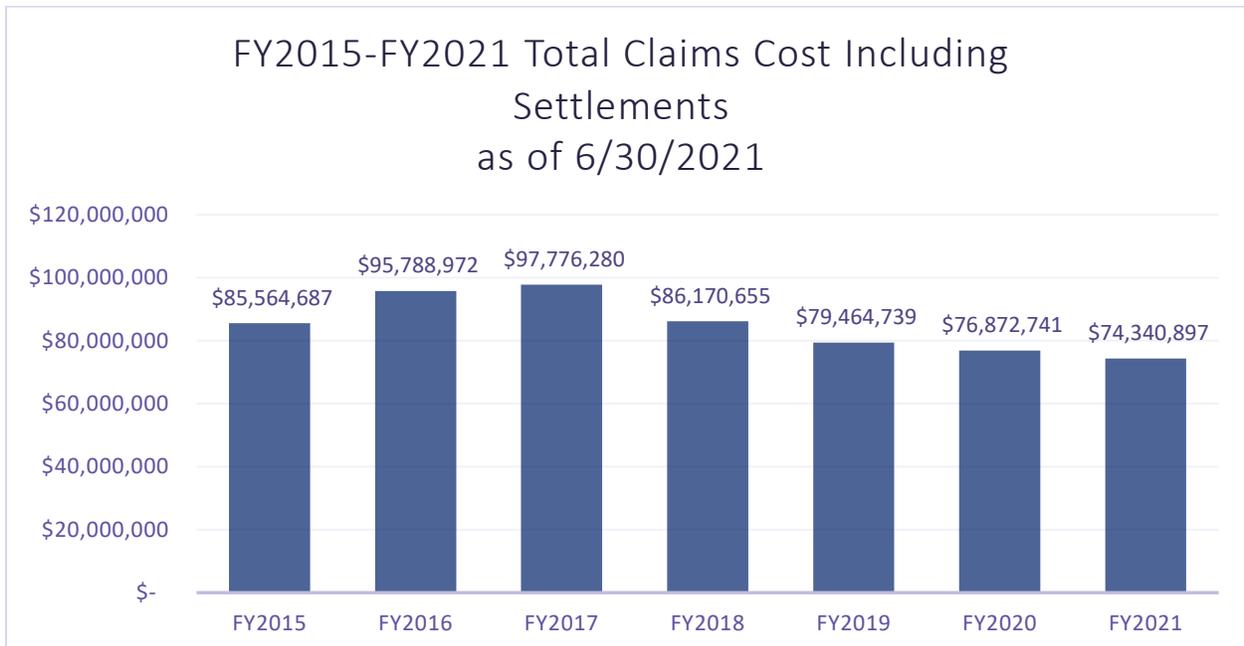
## TOTAL WORKERS' COMPENSATION CLAIMS COST

Total workers' compensation claims cost including settlements decreased from \$76,872,741 in FY2020 to \$74,340,897 in FY2021 representing an overall decrease of \$2,531,844 or approximately 3.29%. This decrease is despite a \$749,897 increase in expenditures on full and final claim settlements which will aid in reducing future claim costs. (Approximately \$1.76 million of FY2021 claim costs are attributable to two claims.)

This decline may be attributed to a decrease in total claim inventory, ongoing commitment by State agencies to reduce lost time from work via comprehensive return to work programs, the costs savings

associated with claim settlements in earlier years and OSHR's direct contractual relationships with new vendors as of January 1, 2021 which allows OSHR to engage in greater oversight and directly hold vendors accountable for adhering to contractual requirements associated with 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.



## TOTAL CLAIM SETTLEMENT COSTS

Fiscal constraints and budget uncertainty in multiple State agencies resulted in a substantial decrease in claim settlements in FY2021, especially as compared to previous fiscal years. Claim settlements in FY2021 totaling \$7,094,118 were approximately 11.8% higher than FY2020 settlements although 70% lower than the high experienced in FY2017 of \$23,745,511.

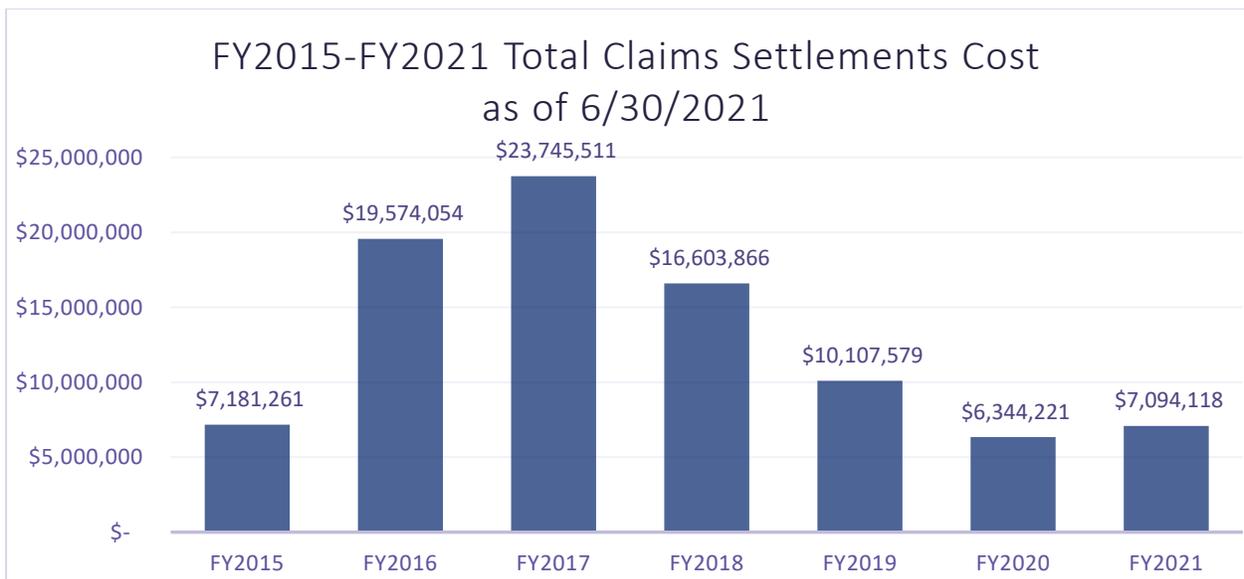
This decrease will likely result in higher future total claim expenditures due to decreased future cost avoidance. Projected future cost avoidance is the additional estimated amount of claim costs that likely will be spent throughout the remainder of the lifetime of a claim if it is not settled.

Session Law 2015-241, Section 30.18(a) appropriated \$2,000,000 in FY2016, and an additional approximately \$4.38 million that became available in FY2017 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, FY2017 and FY2018 yielded projected future claim costs savings exceeding \$136 million. Continued weekly disability and medical payments for claims not timely settled typically cost agencies more before a claim closes than lump sum payment required to timely settle it.

The General Assembly did not approve funds to use for closure of workers' compensation claims in the FY2021 budget; thus, many State agencies were fiscally unable to settle claims due to this lack of supplemental funding.



## SALARY CONTINUATION PAYMENTS PER NCGS §143-166.13

Salary Continuation payments are available when an injured employee who qualifies incurs an injury resulting from or rising out of an episode of violence, resistance, or due to other special hazards that occur while the eligible employee is performing official duties.

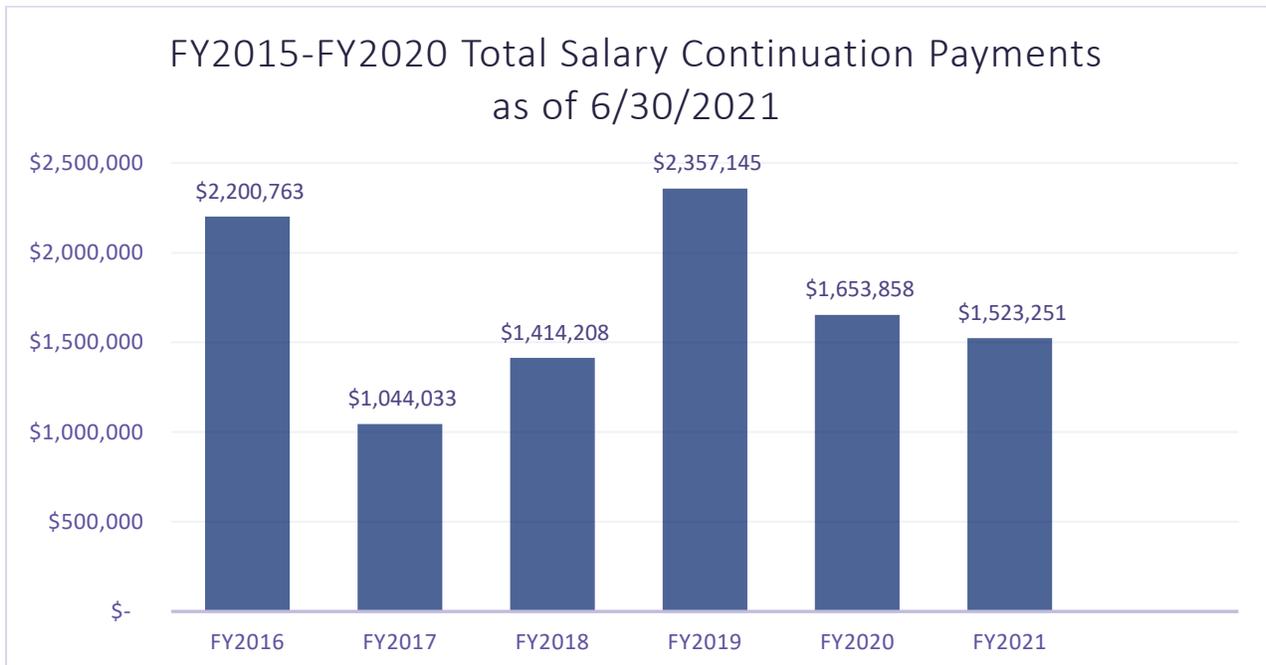
Salary Continuation payments are also available pursuant to NCGS §115C-338 when an employee of a State supported educational institution is injured in an episode of violence.

While salary continuation payments rapidly decreased after statutory changes enacted in 2014, 2015, and 2016 limited salary continuation benefits to specific types of injuries, salary continuation payments

increased in FY2018 due largely to one specific incident resulting in multiple injured employees' eligibility for this benefit.

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. The multiple claims resulting from the 2018 incident continued to impact salary continuation expenditures in FY2021.

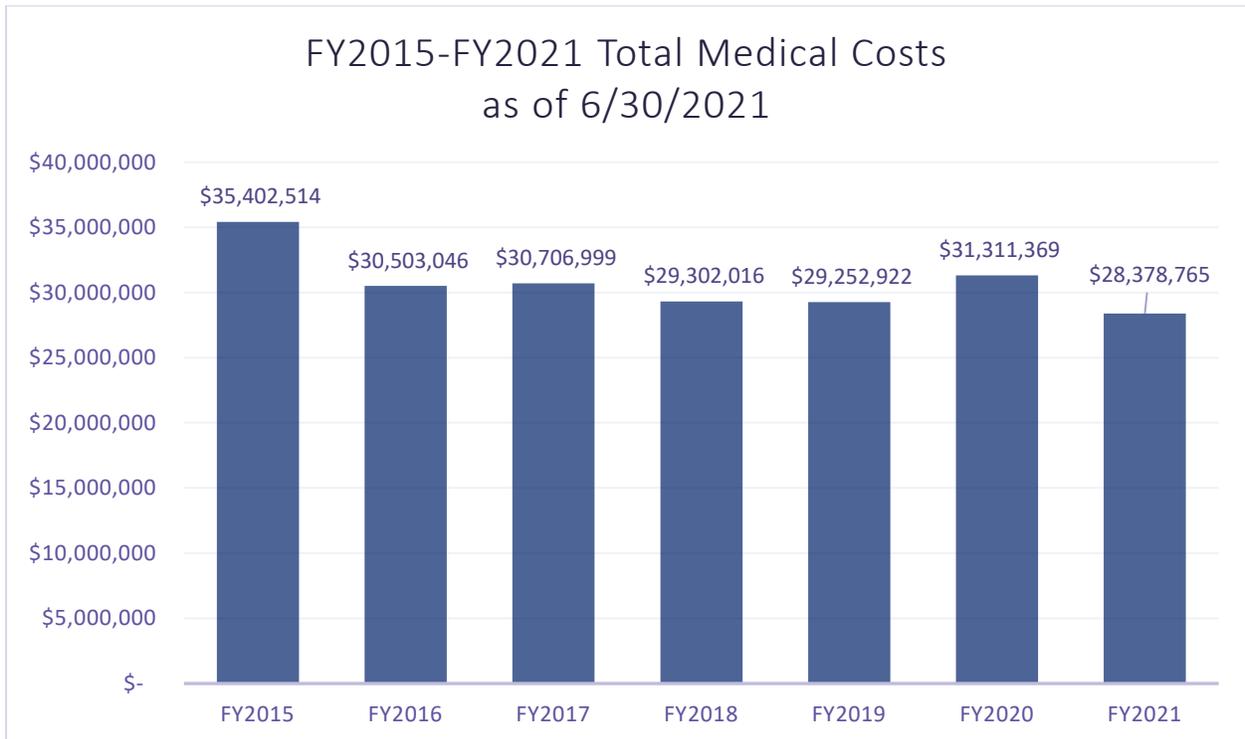
**NOTE:** This data is subject to change due to pending salary continuation decisions that may include retroactive payments.



## TOTAL MEDICAL COSTS

Total medical cost includes 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 FY2021 were 20% less than in FY2015, 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 N.C. 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 measures taken to obtain more transparent pricing.



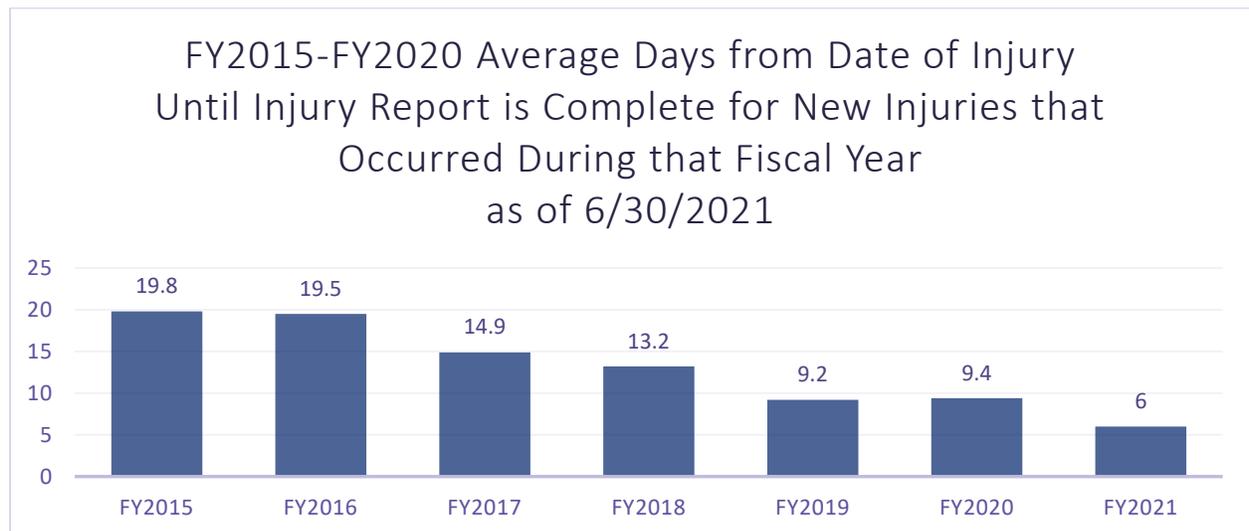
## INJURY REPORTING LAG TIME

Claim reporting lag time for all state agencies decreased 70% between FY2015 and FY2021 indicating state employees and supervisors are reporting workplace injuries to the State's third-party administrator more quickly. The significant 33% reduction in injury reporting lag time in FY2021 may be due in part to changes in work routines and work locations due to COVID-19.

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 to increasing employee satisfaction with claim handling.



## COVID-19 RESPONSE

SHWC has developed and published multiple information resources for State agencies to aid in the response to the COVID-19 pandemic with regards to both workplace safety and ongoing workers' compensation claims management.

SHWC has collaborated with OSHR staff, DHHS and other State agencies, and the NC DOJ- Workers' Compensation Section to develop a series of guidance documents and training materials concerning COVID-19 and related conditions risk management issues. These resources were regularly updated throughout FY2021 as new federal and state public health guidance is issued.

SHWC Division staff have participated in the following COVID-19 related activities and special projects:

- Preparation of OSHR COVID-19 worksite safety guidance documents for state agencies available at [oshr.nc.gov/safe-return](https://oshr.nc.gov/safe-return) covering the following topics and more:
  - Social distancing recommendations for State owned and leased worksites, including personal workspaces, public-facing areas, building entrances, reception areas elevators, breakrooms/ kitchens, conference rooms/classrooms, travel, shared equipment, etc.
  - Cleaning protocols for buildings and personal workspaces.

- Use of face coverings and other personal protective equipment.
- Employee self-monitoring/ assessment for COVID-19 symptoms per most recently updated DHHS symptom screening recommendations.
- Employer handling of COVID-19 exposure and positive employees.
- OSHR has provided on-site and virtual COVID-19 safety consultation advice to state agencies regarding social distancing measures, physical alterations, capacity limits, cleaning protocols, etc.
- OSHR created Teleworking safety guidance and a checklist of detailed items for employees to use for their alternate workspace while teleworking due to COVID-19 public health directives and thereafter.
- Continued utilization of Attorney General created and approved COVID-19 and related conditions claim investigation questions and special procedure for COVID-19 and related conditions workers' compensation claim compensability determination.

## CONCLUSION

The SHWC Division will continue to make necessary modifications in ongoing programs, initiatives, and outreach to ensure State agencies continue moving forward with workplace safety and workers' compensation claims management in light of new circumstances presented by the COVID-19 pandemic.

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 maintained between OSHR and State agencies, vendors, and the NCDOJ-Workers' Compensation Section to rapidly respond to any concerns and to identify opportunities to promote the best possible claim outcomes.

# 2021 SAFETY, HEALTH AND WORKERS' COMPENSATION REPORT



## NORTH CAROLINA Office of *State Human Resources*

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*This online document was produced by the Office of State Human Resources in August 2021.*