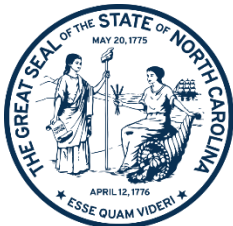


# 2022 SAFETY, HEALTH AND WORKERS' COMPENSATION REPORT



## 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 FY2022

**Pursuant to NCGS §143-583 | December 2022**

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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 December 2022.*

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) 2022. This report is submitted pursuant to NCGS §143-583.

OSHR is pleased to showcase 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 via ongoing collaboration with workplace safety and human resources staff through established programs, ongoing outreach and new initiatives.

New workers' compensation claims filings increased by approximately 4.4 percent between FY2021 and FY2022, rising from 3,079 to 3,215 new injuries. This is due in part to many employees statewide returning to onsite work or hybrid telework arrangements following remote work during FY2021 brought on by the COVID-19 pandemic. Even so, the total number of open claims declined from 3,143 to 3,106 or 1.2 percent between June 30, 2021 and 2022. As of June 30, 2019, 3,951 claims were open; thus, open claims inventory has decreased 21.4 percent from the pre-pandemic total in the past three 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. 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. Consistent workers' compensation claims handling in partnership with contracted vendors will ensure injured employees receive benefits due in a timely manner while simultaneously containing claim costs borne by taxpayers, as evidenced by FY2022 program financials compared to prior years.

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 and workers' compensation professionals 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) annually report 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 4-14 provide information on the activities of the OSHR SHWC Division and the safety, health and workers' compensation activities of state agencies.
- Pages 9-10 provide information on compliance with Chapter 143, Article 63 and fines levied against state agencies pursuant to Chapter 95, Article 16.
- Pages 15-20 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 visits 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, for state employees to report

workplace hazards to their respective agency safety leaders for correction and response.

- Maintains OSHR SHWC SharePoint site, 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 funded by the Governor's Highway Safety Program, 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.
- 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 information resource for agency and university workers' compensation administrators.

- Monitors claim litigations 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 Hazard Prevention Network work groups to generate agency guidance related to COVID-19 Emergency Temporary Standards for Healthcare, COVID-19 Emergency Temporary Standards for Vaccination and Testing, and COVID-19 N95 Voluntary Use Program.
- Developed in collaboration with state agencies new and revised model programs, guidelines, best practices and other technical resources to help agencies meet safety standards as follows:
  - Safety Consultative and Technical Assistance Visits protocol including Pre-Visit and Facility Safety Checklists
  - Flag The Hazard instructions
  - Agency safety leader orientation program
  - Boot Camp for Newly Hired Agency Safety Professionals

### **Workers' Compensation**

- Developed new and revised claim handling checklists and detailed training modules in collaboration with state agencies and the Attorney General's Office.

- 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.
- Created virtual training including an overview of workers' compensation law and claim handling for North Carolina local government staff.
- Created virtual training specifically for supervisors with detailed explanation and guidance regarding initial referral to medical treatment, injury reporting and investigation and return to work when an injury occurs.

# SUMMARY OF STATE SAFETY AND HEALTH PROGRAM (SSHP) FY 2022 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 FY2022, SSHP restructured the Safety Consultative and Technical Assistance Visits Program to simultaneously build partnerships and assist state agencies with achieving adherence to model programs. At these in-person or virtual visits, SSHP continues engaging directly with state agencies. SSHP staff completed 18 consultative visits and 54 technical assistance visits in FY2022.

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 520 unscheduled phone, email or text rapid response consultations for state agency safety professionals.

As the pandemic continued during FY2022 and new federal and state public health guidance was issued, OSHR SHWC staff

updated COVID-19 information resources and guidance for state agencies concerning workplace safety including model safety programs, FAQs and communications templates.

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

SSHP staff conducted two Noise Surveys and 12 Indoor Air Quality Surveys upon request from agency safety leaders.

## B. Flag The Hazard (FTH) Campaign

SSHP 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 web-based reporting tool, Flag The Hazard, 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 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.

During FY2022 the Flag The Hazard reporting tool moved to a new platform, Microsoft PowerApps. This platform is more user-friendly. There was an increase in state employees using the tool, jumping from six reports in FY2021 when many employees were teleworking due to COVID-19 to 49 reports in FY2022.

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.

### **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 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. FY2022 work groups include Bootcamp for New Safety Leaders, Training Resources for Safety Leaders, COVID-19 Emergency Temporary Standard (ETS) for Healthcare, COVID-19 for Vaccination and Testing, COVID-19 N95 Voluntary Use and Consultative and Technical Services work group. Quarterly HPN meetings feature a variety of safety professionals addressing many workplace safety issues.

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

- Indoor Air Quality
- New OSHR Safety Consultative and Technical Assistance Visits Program
- COVID-19 Updates
- Annual North Carolina Department of Labor State Safety Awards
- Workplace Safety Training on the improved North Carolina Learning Center, accessible through the Integrated HR-Payroll System (BEACON)
- Holiday Food Safety
- Holiday Driving Tips
- Holiday Fire Safety
- WalkSmartNC
- Flag The Hazard New Platform
- COVID-19 ETS Updates
- Emergency Management/Continuity of Operations Planning
- National Safety Month
- National Safety Stand-Down to Prevent Falls
- Life Safety System Impairments for State-owned Facilities
- Six Sigma and Safety
- Ergonomics



## Safety and Hazard Education and Training

SSHP staff conducted 2,646 safety-related training hours for various state agencies upon request or in response to an identified need during FY2022, including:

Asbestos/Lead/Silica/Hexavalent Chromium Initial Training,

Asbestos/Lead/Silica/Hexavalent Chromium Refresher Training, OSHA 10 – General Industry Awareness, OSHR Bootcamp for New State Safety Professionals, Hazardous Materials Level I Awareness Training, OSHA Recordkeeping Training and Respiratory Protection - Fit Testing.

SSHP staff reviewed and recommended 52 safety trainings added to the North Carolina Learning Center in September 2021. These trainings are part of the anytime, anywhere learning catalog designed to make it easier for users to access, complete and benefit from training resources. 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.

## WalkSmartNC



For the fourth 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. A multi-agency awareness event was conducted in July 2022 (photo above) to promote pedestrian safety with a focus on increasing the use of marked crosswalks and safer behaviors in state parking decks and lots. Additional events and training will follow.

OSHR has continued its efforts during FY2022 to develop a comprehensive messaging campaign communicating safety best practices and behaviors targeting pedestrians and drivers that can be utilized in any high-traffic motorists and pedestrian location.

WalkSmartNC activities this year have included:

- Pedestrian safety awareness event in downtown Raleigh (North Salisbury Street) 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.

- Developed and promoted virtual [Walk and Drive Smart Pledge](#) campaign encouraging safe practices while walking and driving.
- Published two pedestrian safety videos on the OSHR YouTube channel and WalkSmartNC website:
  - Part 1: Pedestrian Safety Basics
  - Part 2: Improving Walking Safety
- 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.

## **D. FY2022 North Carolina Department of Labor (NCDOL) Inspection Activity: Citations and Fines for State Agencies**

Pursuant to 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: 21
- Total Inspections Conducted: 22
- Total Inspections with Citations: 11
- Total Inspections without Citations: 11
- Total Citations Issued 26 (Currently Pending – 1)
- Total Initial Penalties Assessed: \$46,275.00
- Total Current Penalties Assessed: \$45,412.50

## STATE AGENCY CITATION AND FINES ACTIVITIES – FY2022

Open Date	Company Name	No Citations	Total Violations	Serious Violations	Willful Violations	Repeat Violations	Other Violations	Initial Penalty	Current Penalty	Paid Penalty	Close Date
08/06/21	North Carolina Department of Public Safety	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	09/22/21
09/03/21	NCDPS - NC Correctional Institution for Women		4	2	0	0	2	\$10,300.00	\$10,300.00	\$0.00	OPEN
10/29/21	NCDPS - Randolph Correctional Center		5	4	0	0	1	\$7,500.00	\$7,500.00	\$0.00	OPEN
11/04/21	NCDPS - NC Correctional Institution for Women	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	02/01/22
11/10/21	NCDOT Safety & Risk Mgmt - Division 10 Paw Creek		1	0	0	0	1	\$750.00	\$562.50	\$562.50	02/15/22
12/14/21	NCDPS - Foothills Correctional Institution		5	3	0	0	2	\$17,400.00	\$17,400.00	\$0.00	OPEN
12/20/21	NCDPS - NC State Highway Patrol		1	0	0	0	1	\$1,875.00	\$1,200.00	\$1,200.00	02/24/22
01/04/22	NCDPS - NC State Highway Patrol	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	01/06/22
02/04/22	NCDPS - Pasquotank Correctional Institution	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	04/12/22
02/17/22	NC Department of Commerce - Division of Workforce		2	0	0	0	2	\$0.00	\$0.00	\$0.00	03/15/22
02/18/22	NCDOT - Safety & Risk Mgmt	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	04/07/22
02/25/22	NCDOT - Safety & Risk Mgmt - Maintenance - Anson Cty		1	0	0	0	1	\$0.00	\$0.00	\$0.00	04/28/22
03/04/22	North Carolina Department of Transportation	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	04/11/22
05/05/22	NCDOT- Safety & Risk Mgmt	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	05/19/22
05/06/22	NCDOT - Safety & Risk Mgmt - Transportation Rockingham	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	05/19/22
05/06/22	NCDOT - Safety & Risk Mgmt - Equipment Sub - Shop	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	05/19/22
05/06/22	NCDOT Safety & Risk Mgmt - Roadside Environmental	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	05/19/22
05/06/22	NCDOT - Safety & Risk Mgmt - Bridge Maintenance Unit	X	0	0	0	0	0	\$0.00	\$0.00	\$0.00	05/19/22
05/25/22	NCDOT - Traffic Services		2	1	0	0	1	\$1,950.00	\$1,950.00	\$0.00	OPEN
06/01/22	NCDOT - Safety and Risk Mgmt - Maintenance		4	2	0	0	2	\$6,500.00	\$6,500.00	\$0.00	OPEN
06/08/22	NCDOT - Safety & Risk Mgmt - Right of Way		1	0	0	0	1	\$0.00	\$0.00	\$0.00	OPEN
		<b>TOTALS</b>	<b>26</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>14</b>	<b>\$46,275.00</b>	<b>\$45,412.50</b>	<b>\$1,762.50</b>	

## **SUMMARY OF FY2022 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.

The charts on pages 15-20 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. "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 is being litigated at the Industrial Commission and is 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. Then they developed a comprehensive procedure for the state's third-party administrator to put these claims in the best posture for 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, the state claims approaching 425 weeks since the first indemnity payment are monitored to assure accuracy and adherence to best practices and to identify possible means of claim closure or improving outcomes.

### **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 workers' 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 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.

OSHR worked throughout the year to promote the modules, monitor usage and recognize employees who completed all training modules.

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 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 FY2022:

- 1,835 training modules completed
- 341 employees participated representing 36 agencies, universities and community colleges trained
- 82 employees completed all 15 modules and were presented with Qualified Workers' Compensation Professional certificates.

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 FY2022

Total newly reported claims increased by 4.4 percent between FY2021 and FY2022, from 3,079 to 3,215 claims. However, during FY2022 newly reported claims resulting in lost time from work only increased by a total of five claims from 419 to 424 and denied claims only increased by nine claims from 214 to 223.

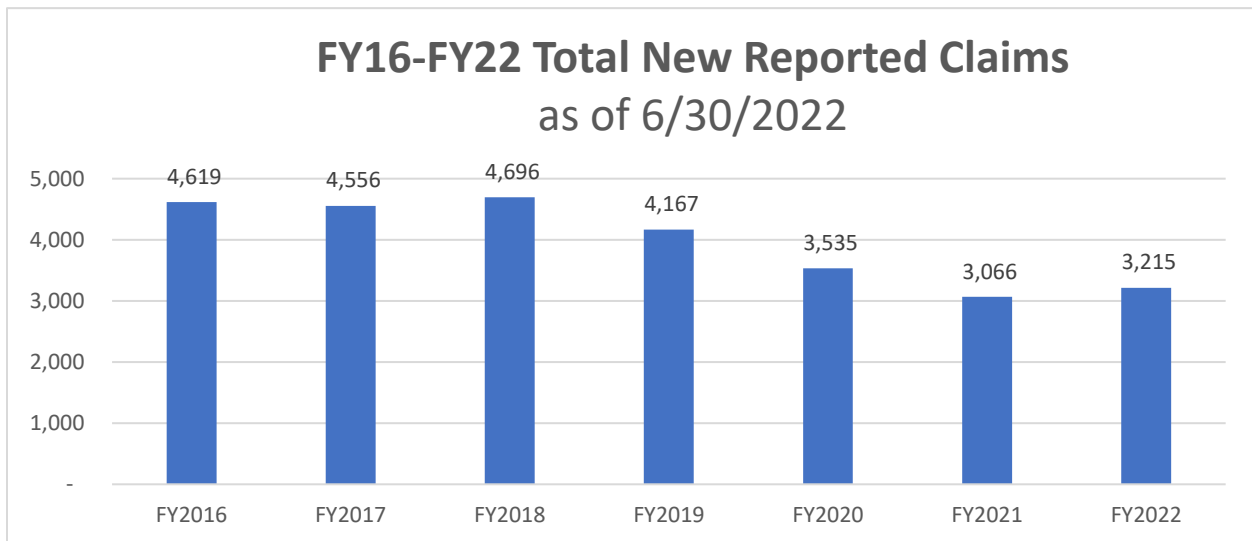
The 30.4 percent decrease in newly reported claims over the past six fiscal years, from FY2016 to FY2022, may be attributed in part to workplace changes resulting from the pandemic, but also increased awareness of workplace hazards by state agency employees and employers

and the importance of eliminating or mitigating identified risks before an injury occurs.

Even though newly reported claims increased during FY2022, total claims inventory declined 1.2 percent overall, from 3,143 claims to 3,106 claims.

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.





## TOTAL WORKERS' COMPENSATION CLAIMS COSTS

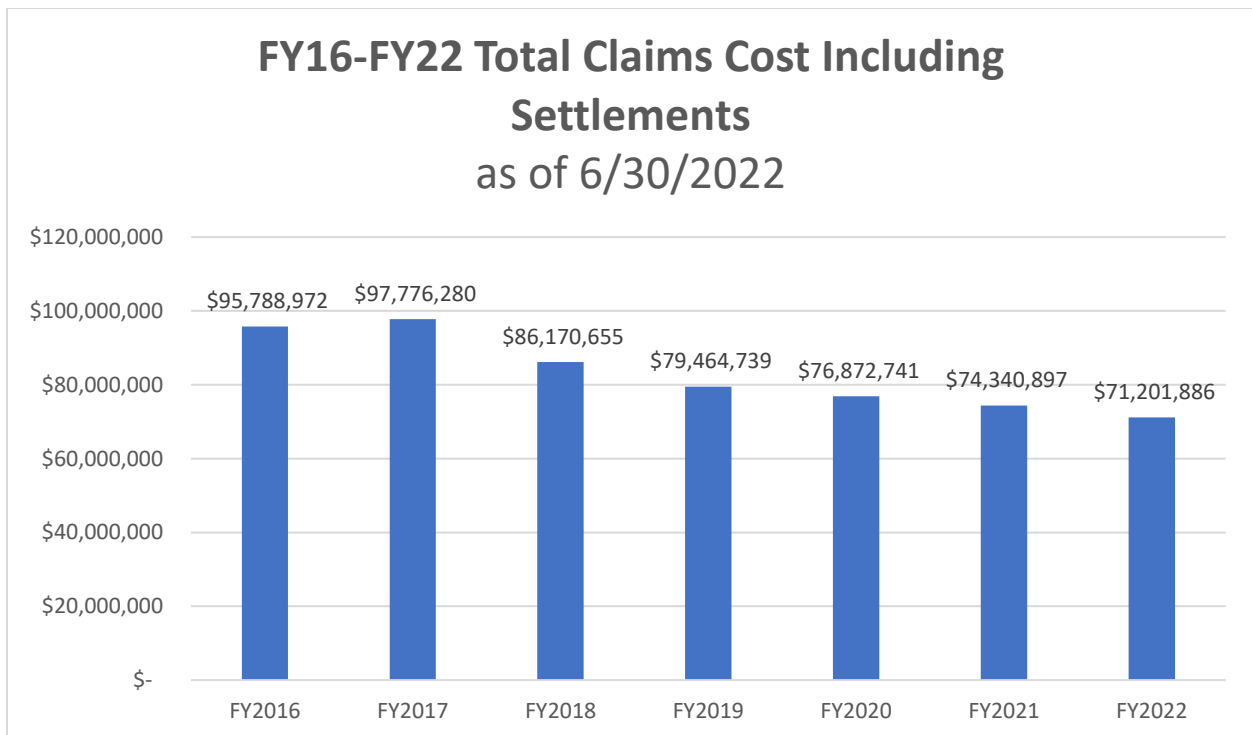
### Total Claim Costs Continue to Decline in FY2022

Total workers' compensation claims costs including settlements decreased from \$74,340,897 in FY2021 to \$71,201,886 in FY2022, representing an overall decrease of approximately 4.2 percent. This decrease is despite a \$1,169,266 increase in expenditures on full and final claim settlements which will aid in reducing future claim costs. Approximately \$1.96 million of FY2022 claim costs are attributable to five claims.

This decline in total claim costs may be attributed to a decrease in total claim inventory despite an increase in newly

reported claims in FY2022. 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 new vendors for claim services beginning January 1, 2020, 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.



## TOTAL CLAIM SETTLEMENT COSTS

### Claim settlements increased in FY2022

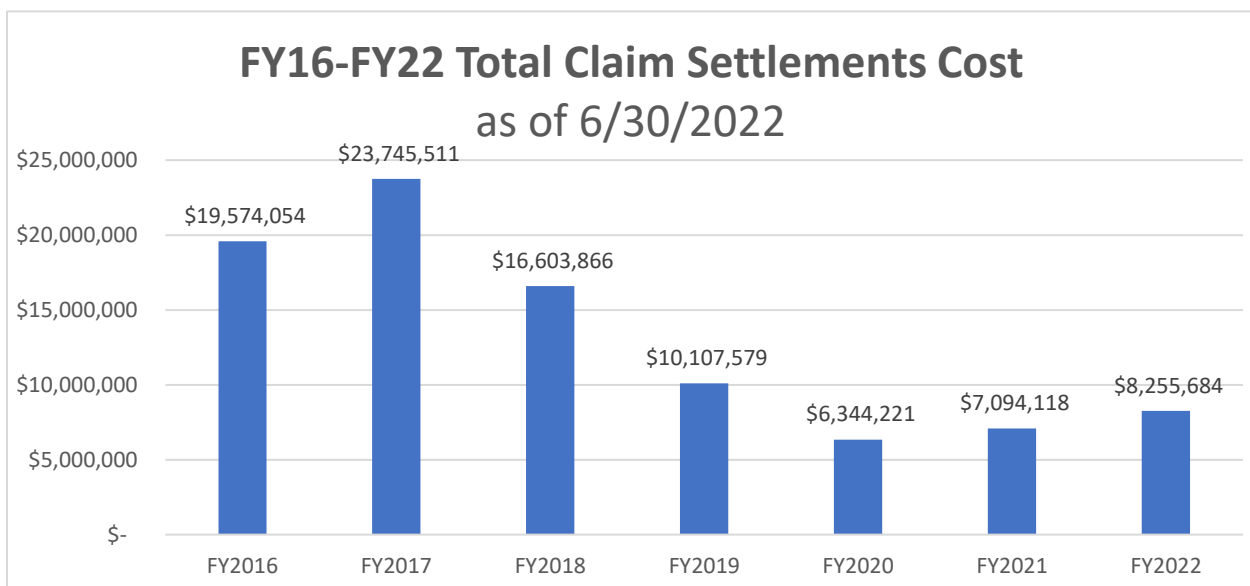
Claim settlements in FY2022 totaled \$8,255,684, approximately 16.4 percent higher than FY2021 settlements, although 65 percent lower than the high experienced in FY2017 of \$23,745,511.

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 cost savings exceeding \$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.



**Note:** These settlement costs are included in the total claim costs listed in the table on page 27. 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 decreased slightly in FY2022

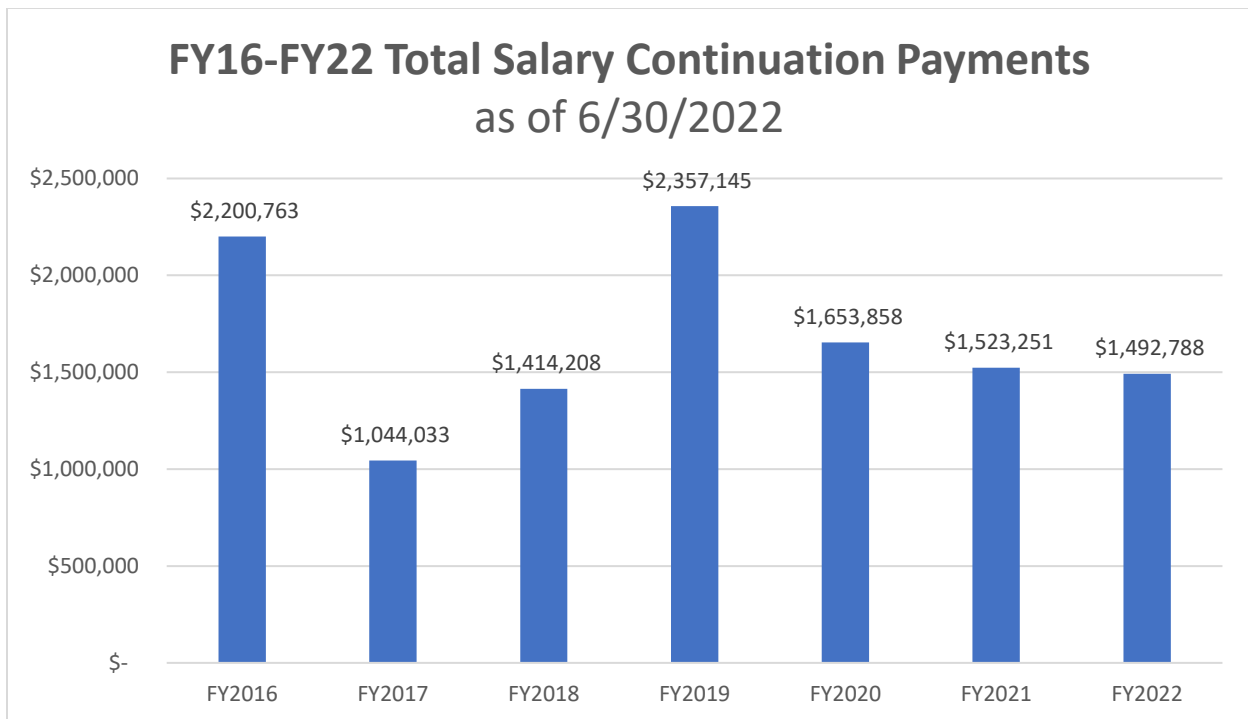
Salary Continuation payments are available when a qualified employee incurs an injury resulting from or arising out of an episode of violence, resistance, or other special hazards that occur while the eligible employee is performing official duties.

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 declined slightly, approximately 2 percent, from FY2021 to FY2022.

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

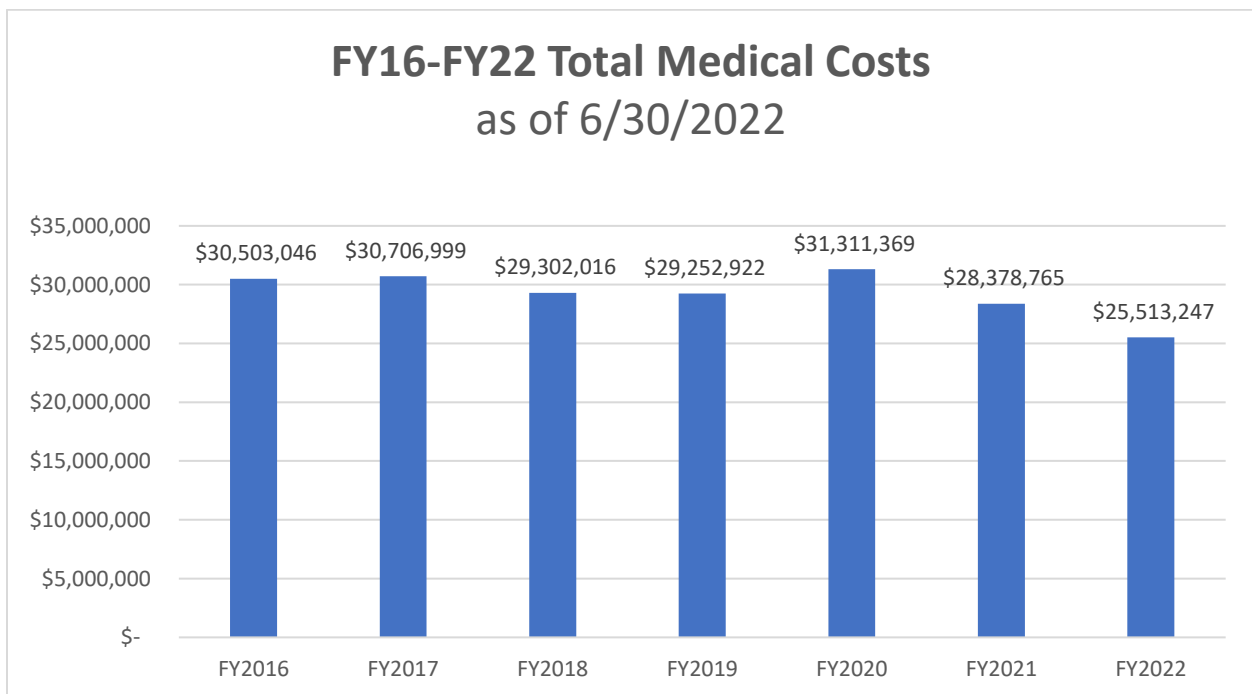


## TOTAL MEDICAL COSTS

### Percentage of total medical costs declined between FY2021 and FY2022

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 FY2022 were 16.4 percent less overall than in FY2016, 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.



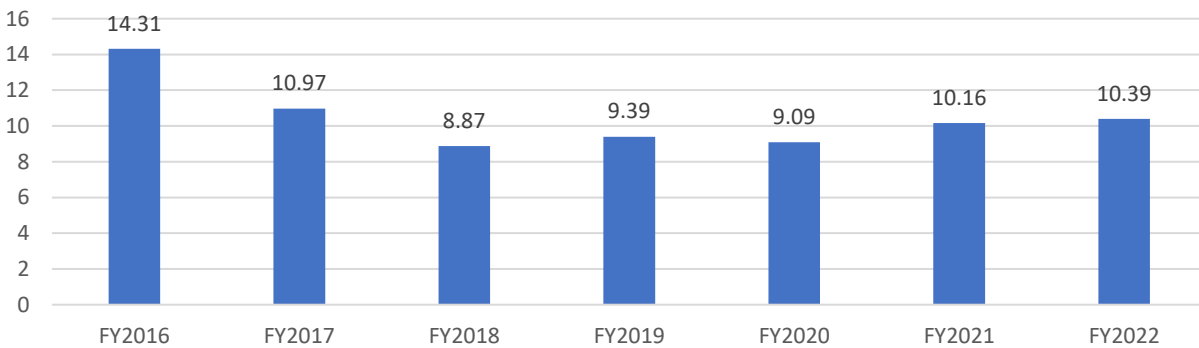
## INJURY REPORTING LAG TIME

Claims to report lag time for all state agencies decreased by 27 percent between FY2016 and FY2022, indicating state employees and supervisors are reporting workplace injuries to the state's third-party administrator more quickly.

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.

**FY16-FY22 Average Days from Date of Injury Until Injury Report is Complete for New Injuries that Occurred During that Fiscal Year as of 6/30/2022**



## CONCLUSION

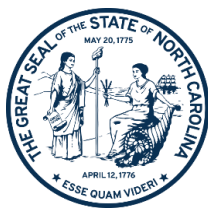
The SHWC Division will continue to make necessary modifications in ongoing programs, initiatives, and outreach to ensure state agencies continue moving forward with improvements in workplace safety and workers' compensation claims management.

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.

# 2022 SAFETY, HEALTH AND WORKERS' COMPENSATION REPORT



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