

COVID-19 IN THE TEXAS WORKERS' COMPENSATION SYSTEM

Introduction

The Texas Department of Insurance, Division of Workers' Compensation (DWC) has prepared this factsheet¹ to provide information on the impact of COVID-19 on the state's workers' compensation system. This factsheet provides ongoing information on COVID-19 claims, including percentage of claims that insurance carriers accepted or denied, as well as indemnity benefits or medical costs paid on claims.

Data sources for this factsheet:

- **Administrative claim data** reported to DWC by insurance carriers as of February 6, 2022, on COVID-19 claims. Specific information on indemnity and medical benefits paid for COVID-19 claims is limited to benefits paid as of February 11, 2022, on claims reported to insurance carriers as of December 31, 2021.
- **A data call** with 74 selected insurance carriers to gather more detailed information on how many workers' compensation claims resulted in a positive test or diagnosis as of December 31, 2021, and the disposition of those claims

Key Findings

COVID-19 claims: As of February 6, 2022, insurance carriers reported more than 78,000 COVID-19 claims and 422 fatalities to DWC. Nearly half of these claims (48%) and slightly more than half of the fatalities (52%) involve first responders and correctional officers.

COVID-19 claims with benefits: In 2020 and 2021, one-third (33%) of COVID-19 claims filed had medical or indemnity benefit payments associated with them.

Claims with positive test or diagnosis: Most claims (61%) involved injured employees who tested positive or were diagnosed with COVID-19. Insurance carriers accepted slightly more than half (52%) of COVID-19 positive test claims.

Denials and disputes: Insurance carriers denied nearly half (45%) of COVID-19 positive test claims. Despite more than 18,000 denials of COVID-19 claims with positive tests or diagnoses, there were only 166 disputes filed with DWC as of February 6, 2022.

Benefits paid: Most of the benefits paid on COVID-19 claims were indemnity benefits (particularly employer salary continuation and temporary income benefits), compared to medical benefits.

Claims with post-COVID conditions: About one out of five claims that received professional or hospital/facility services received these services beyond one month post-injury.

¹ The statistics in the factsheet will change over time as claims continue to mature and more data becomes available.

(accepted, denied, or under investigation).²

Overall claim frequency: Although COVID-19 caused a brief shutdown for some jobs and moved others to remote work, the total number of workers' compensation claims reported to DWC during two years of the pandemic (January 2020 through December 2021) was 15% higher than the two years prior to the pandemic (January 2018 through December 2019).³ The increase in COVID-19 occupational disease claims reported during the pandemic has temporarily interrupted a 20-year trend in Texas of fewer workers' compensation claims reported each year. Since new claims are still being reported, these statistics may change over time.⁴

Monthly COVID-19 claims: From January 1, 2020, through February 6, 2022, insurance carriers reported a total of 78,299 COVID-19 claims to DWC. Figure 1 shows the number of COVID-19 claims received by insurance carriers each month; the most number of COVID-19 claims were reported in January 2022, followed by July 2020, December 2020, and August 2021.

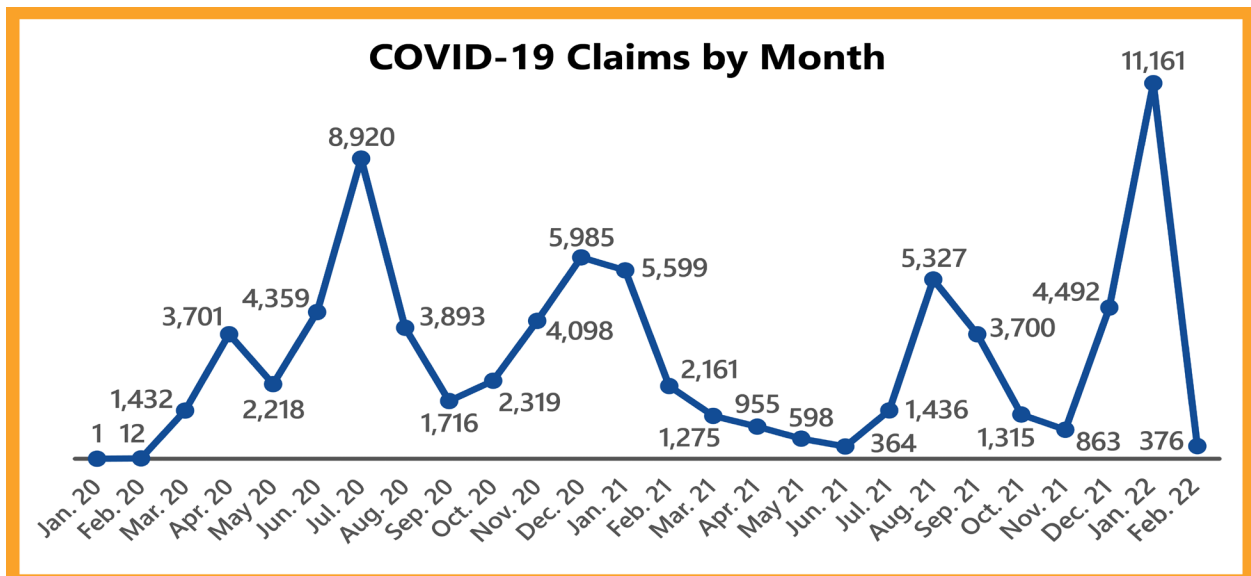


Figure 1. Number of COVID-19 Claims by Month Insurance Carrier Received Claim Notice. Source: DWC administrative data as of February 6, 2022.

Notes: Monthly counts may change over time as insurance carriers file updated claim reports with DWC. Twenty-three claims did not include information about the date of claims.

² Selected insurance carriers are those that had 84-90% of reportable claims and 90-93% of occupational diseases in 2017, 2018, 2019, and 2020 in Texas. DWC's data call consists of nine separate quarterly submissions by selected insurance carriers: (i) data as of June 30, 2020, (ii) data as of September 30, 2020, (iii) data as of December 31, 2020, (iv) data as of March 31, 2021, (v) data as of June 30, 2021, (vi) data as of September 30, 2021, (vii) data as of December 31, 2021, (viii) data as of March 31, 2022, and (ix) data as of June 30, 2022. DWC added several large school districts and one intergovernmental risk pool to the list of selected insurance carriers for the data call as of December 2020 and onward. See www.tdi.texas.gov/wc/reg/datacall.html for more information about the data call, including the list of selected insurance carriers and data call instructions.

³ Reportable injuries with at least one day of lost time, occupational disease or fatality, based upon the date of injury.

⁴ The 87th Texas Legislature passed Senate Bill 22 (effective on June 14, 2021), which created a statutory presumption for COVID-19 claims involving most first responders, detention officers, and custodial officers. The bill also allows injured employees or beneficiaries to request their previously denied claims be reprocessed under the new presumption and allows new COVID-19 claims to be filed for infections that occurred before June 14, 2021.

COVID-19 claims by county, occupation, gender, age, type of insurance carrier, and type of industry: The majority (61%) of the state's COVID-19 cases were concentrated in 10 counties as of February 6, 2022.⁵ The majority (57%) of the state's COVID-19 workers' compensation claims were also concentrated in these same 10 counties. Nearly half (48%) of the COVID-19 claims involved first responders and correctional officers, and slightly more than half (54%) of claims were processed by the State of Texas and its political subdivisions acting as insurance carriers (Figure 2).

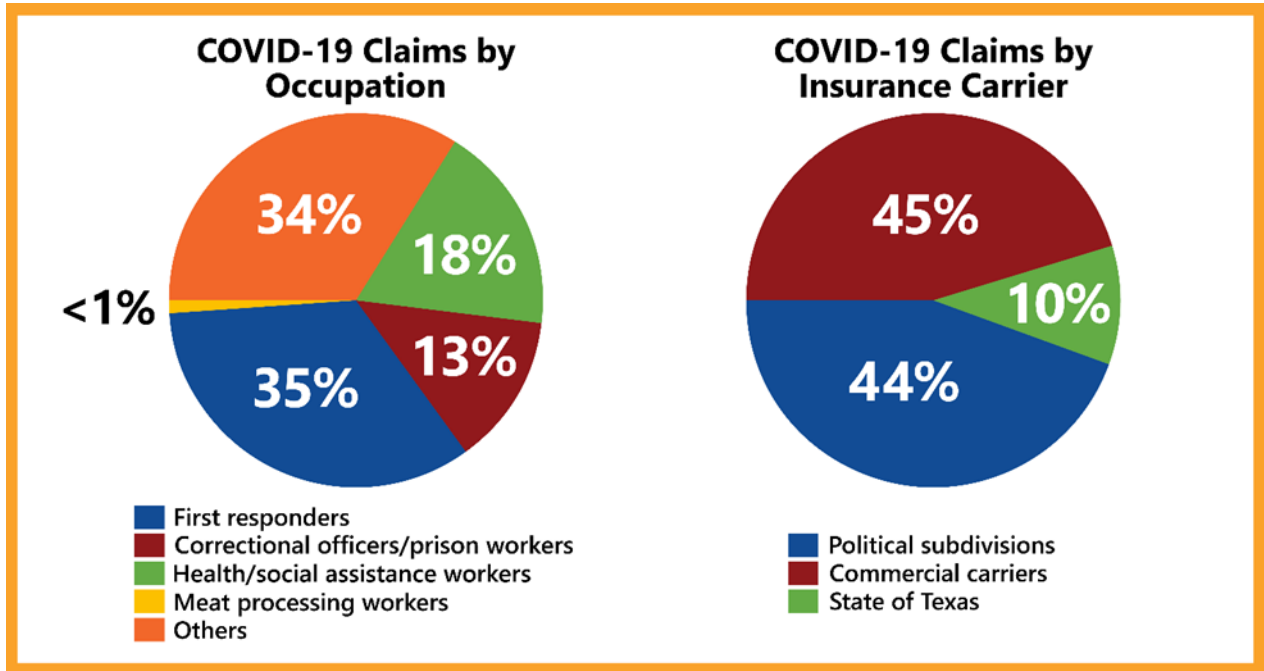


Figure 2. COVID-19 Claims by Occupation and Type of Insurance Carrier. Source: DWC administrative data as of February 6, 2022. Notes: "State of Texas" includes the State Office of Risk Management, the University of Texas System, the Texas A&M University System, and the Texas Department of Transportation. "Commercial carriers" includes licensed insurance companies and certified self-insured employers. Fourteen claims did not include information about insurance carrier. Due to rounding, percentages may not add to 100.

⁵ The 10 counties include Harris, Dallas, Tarrant, Bexar, El Paso, Travis, Collin, Fort Bend, Hidalgo, and Denton. Source: Texas Department of State Health Services as of February 6, 2022.

Most COVID-19 claimants were male (Figure 3) and less than 40 years of age (Figure 4).

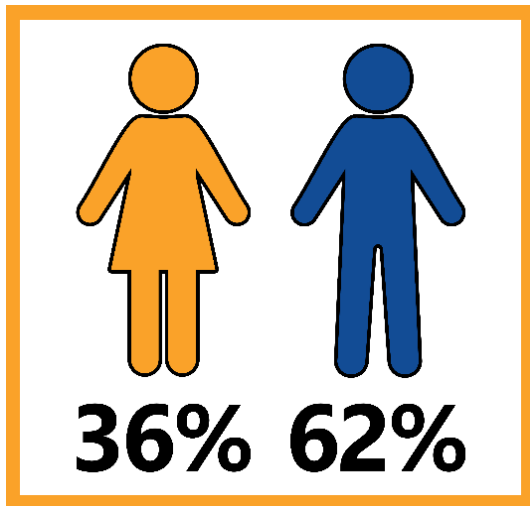


Figure 3. Claimants' Gender. Source: DWC administrative data as of February 6, 2022.
 Note: Approximately 2% of claims did not include information about gender.

Age	Percentage of Claims
15-19 years	1%
20-29 years	22%
30-39 years	30%
40-49 years	23%
50-59 years	17%
60-69 years	6%
70-79 years	1%
Unknown	<1%

Figure 4. Claimant's Age. Source: DWC administrative data as of February 6, 2022.
 Notes: Unknown age category includes missing or unreliable date of birth. Due to rounding, percentages may not add to 100.

Figure 5 provides a breakdown of COVID-19 claims by industry sector.⁶ The public administration industry sector, which includes first responders and correctional officers/prison workers, represented half (50%) of COVID-19 claims followed by health care and social assistance (18%), administrative and support and waste management and remediation (9%), and manufacturing (4%).

⁶ Industry sectors were identified using two-digit North American Industry Classification System (NAICS) codes.

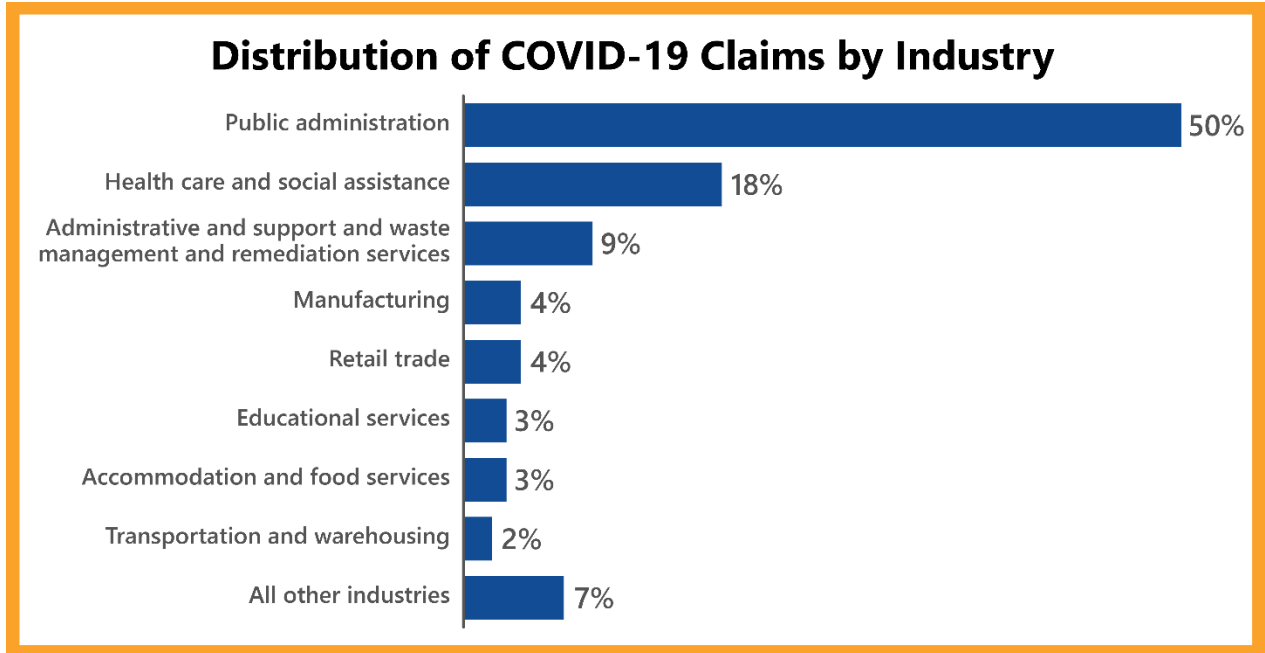


Figure 5. COVID-19 Claims by Industry. Source: DWC administrative data as of February 6, 2022.

Notes: "All other industries" includes agriculture/forestry/fishing/hunting, arts/entertainment/recreation, construction, finance/insurance, information, management of companies and enterprises, mining/quarrying/oil and gas extraction, other services (except public administration), professional/scientific/technical services, real estate/rental/leasing, utilities, and wholesale trade. Due to rounding, percentages may not add to 100.

COVID-19 fatalities by county, occupation, gender, age, and type of insurance carrier: As of February 6, 2022, insurance carriers reported 422 COVID-19 fatal claims to DWC. Slightly less than half (42%) of these fatal workers' compensation claims were concentrated in the same 10 counties where the most COVID-19 cases and claims were reported. Slightly more than half (52%) of the COVID-19 fatal claims involved first responders and correctional officers and more than half (59%) of fatal claims were processed by the State of Texas and its political subdivisions (Figure 6).

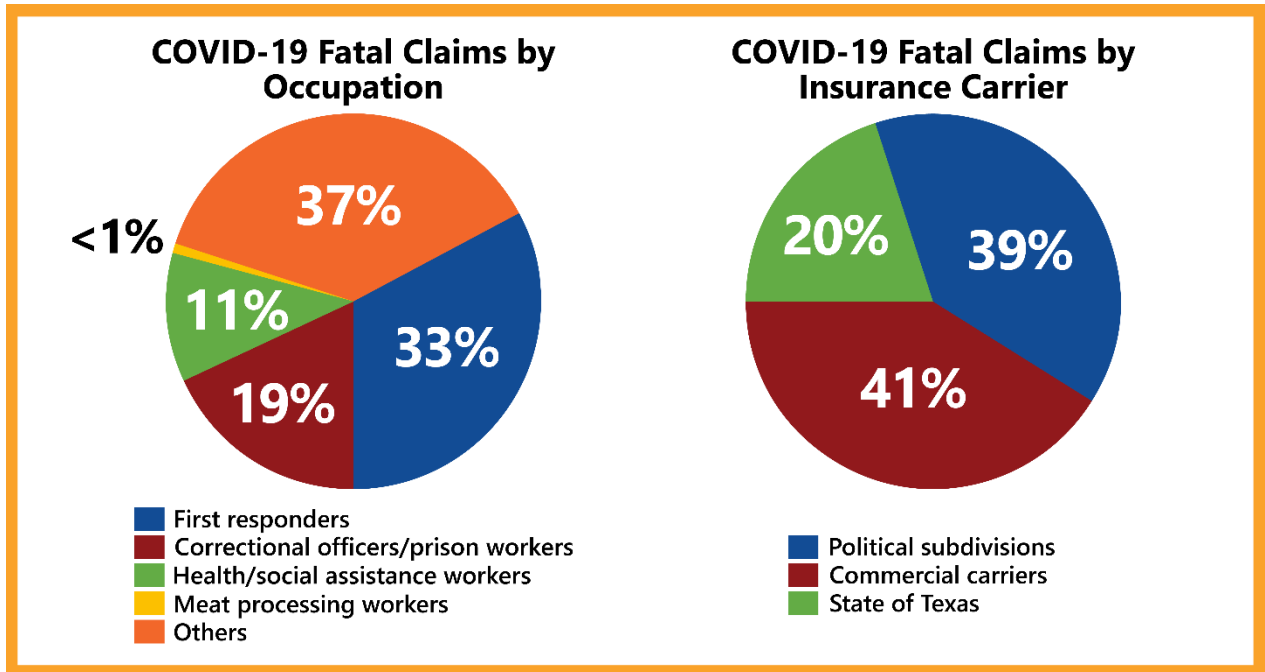


Figure 6. Fatal Claims by Occupation and Type of Insurance Carrier. Source: DWC administrative data as of February 6, 2022.

Notes: "State of Texas" includes the State Office of Risk Management, the University of Texas System, the Texas A&M University System, and the Texas Department of Transportation. "Commercial carriers" includes licensed insurance companies and certified self-insured employers. Due to rounding, percentages in the pie chart may not add to 100.

Slightly more than three-fourths (79%) of the fatal claims involved males (Figure 7) and nearly three-fourths (72%) of the fatal claims involved injured employees who were 50 or more years of age (Figure 8).

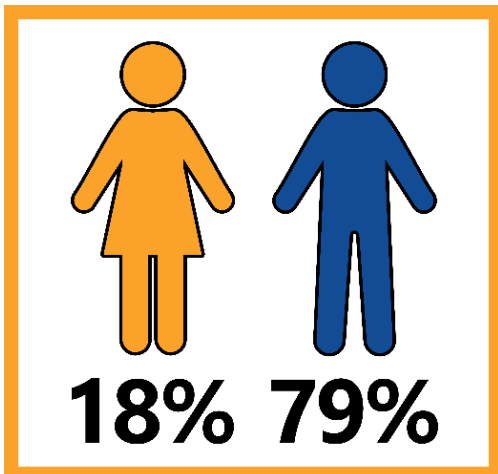


Figure 7. Claimants' Gender. Source: DWC administrative data as of February 6, 2022.
Note: Approximately 3% of claims did not include information about gender.

Age	Percentage of Claims
15-19 years	<1%
20-29 years	1%
30-39 years	10%
40-49 years	16%
50-59 years	35%
60-69 years	27%
70-79 years	10%
Unknown	<1%

Figure 8. Claimant's Age. Source: DWC administrative data as of February 6, 2022.
Notes: Unknown age category includes missing or unreliable date of birth. Due to rounding, percentages may not add to 100.

Figure 9 provides a breakdown of COVID-19 fatal claims by industry sector. The public administration industry sector represented more than half (54%) of COVID-19 claims followed by health care and social assistance (11%), administrative and support and waste management and remediation services (6%), and educational services (4%).

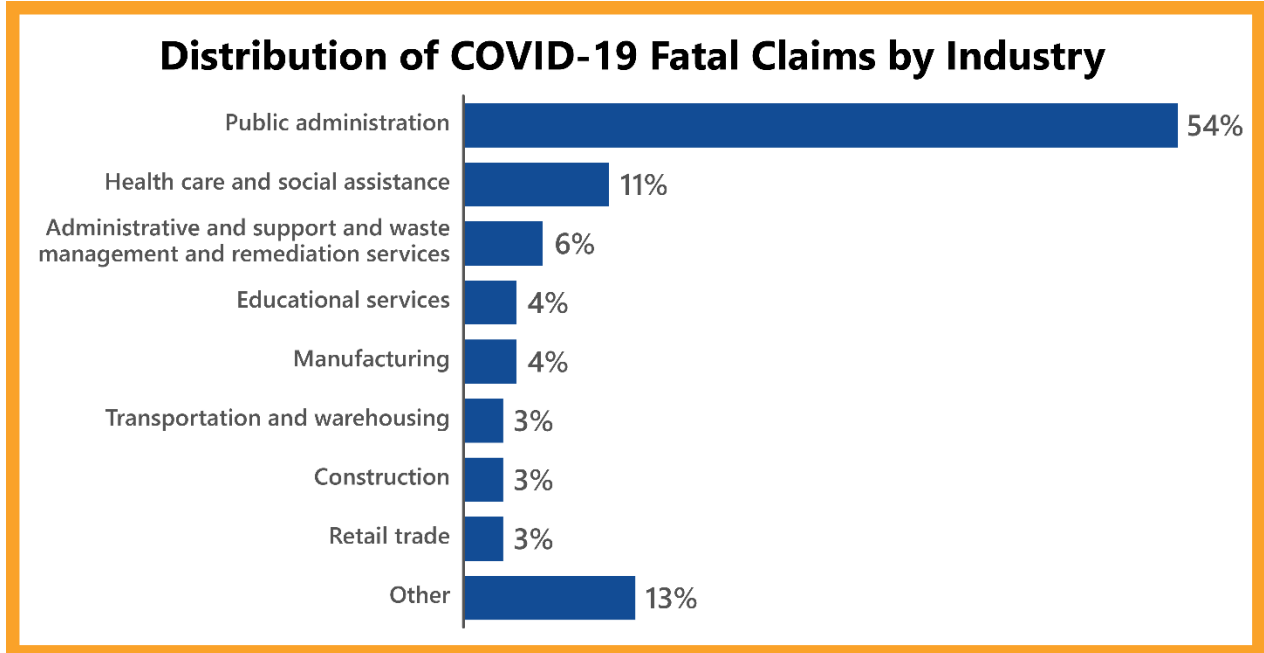


Figure 9. COVID-19 Fatal Claims by Industry. Source: DWC administrative data as of February 6, 2022.

Notes: Other industries includes accommodation and food services, agriculture/forestry/fishing/hunting, arts/entertainment/recreation, finance/insurance, information, management of companies and enterprises, mining/quarrying/oil and gas extraction, other services (except public administration), professional/scientific/technical services, real estate/rental/leasing, utilities, and wholesale trade. Due to rounding, percentages may not add to 100.

COVID-19 claims accepted, denied, under investigation, and disputed: Early in the pandemic, DWC monitored the COVID-19 claims reported by insurance carriers and realized that many of these claims appeared to be “exposure-only” claims, with no documentation of whether the injured employee tested positive for COVID-19. Many of these claims were being investigated and either accepted or denied by the insurance carrier, based on whether the injured employee could provide medical evidence of a positive test or diagnosis, as well as documentation showing a connection between the COVID-19 infection and work. To understand the proportion of these COVID-19 claims with a positive test or diagnosis, DWC issued a data call with 74 insurance carriers representing the State of Texas, political subdivisions, and commercial insurance carriers.

Overall, the results of the data (for claims reported to insurers as of December 31, 2021), showed that 61% of COVID-19 claims involved an injured employee who tested positive or was diagnosed with COVID-19 (Figure 10). Among these positive test claims, slightly more than half (52%) were accepted as work-related by insurance carriers, nearly half (45%) were denied by the insurance carriers, and 3% were still under investigation. These statistics vary across types of insurance carriers. COVID-19 claims being processed by the commercial carriers reported the highest

number (14,651) and rate (72%) of denials. Despite the number of COVID-19 claims denied, DWC's administrative data as of February 6, 2022, showed that there were only 166 COVID-19 claim disputes filed with DWC.

Insurance Carriers	# of Claims Reported to Insurance Carriers	# of Claims with a Positive Test or Diagnosis (% of exposure)	# of Positive Test Claims Accepted by Insurance Carriers (% of positive test)	# of Positive Test Claims Denied by Insurance Carriers (% of positive test)	# of Positive Test Claims Still Under Investigation (% of positive test)
Commercial carriers	30,034	20,452 (68%)	5,465 (27%)	14,651 (72%)	336 (2%)
Political subdivisions	27,746	17,236 (62%)	14,440 (84%)	2,257 (13%)	539 (3%)
State of Texas	7,958	2,363 (30%)	1,039 (44%)	1,197 (51%)	127 (5%)
All carriers total	65,738	40,051 (61%)	20,944 (52%)	18,105 (45%)	1,002 (3%)

Figure 10. COVID-19 Claims, Positive Test Claims, and Claim Disposition. Source: Data call submission as of December 31, 2021.

Notes: "State of Texas" includes the State Office of Risk Management, the University of Texas System, the Texas A&M University System, and the Texas Department of Transportation. "Commercial carriers" includes licensed insurance companies and certified self-insured employers. Due to rounding, percentages of positive test claims accepted, denied, and under investigation may not add to 100. Claim numbers under the category of commercial carriers differ from the previous published factsheet. The numbers reflect corrected information submitted by (i) the Tokio Marine group because of changes in covered policyholders since the March 2021 data call submission and (ii) the Texas Association of School Boards IRP because of changes in covered policyholders since the September 2021 data call submission. Claim numbers under the category "State of Texas" differ from previous published factsheets. The numbers reflect corrected information submitted by the State Office of Risk Management after their review and audit of all data submitted in previous data calls.

Reprocessed COVID-19 claims: Senate Bill 22 created a statutory presumption for COVID-19 claims involving most first responders, detention officers, and custodial officers. After passage of that bill, DWC started receiving PLN-15's, *Notice of Request to Reprocess a COVID-19 Claim Subject to Texas Government Code Section 607.0545*. As of February 6, 2022, 129 PLN-15's for COVID-19 claims were filed, of which 91 were accepted and 33 denied (Figure 11).

Insurance Carriers	# of PLN-15's Filed	# of PLN-15's Accepted	# of PLN-15's Denied
Commercial carriers	2	0	2
Political subdivisions	33	27	3
State of Texas	94	64	28
All carriers total	129	91	33

Figure 11. First responders' COVID-19 claim denials and filing and disposition of PLN-15's. Source: DWC administrative data as of February 6, 2022.

Note: A decision about acceptance or denial is not available for five of the claims.

Likewise, as of February 6, 2022, 24 PLN-15's for COVID-19 fatal claims were filed, of which 19 were accepted and 4 were denied (Figure 12).

Insurance Carriers	# of PLN-15's Filed for Fatal Claims	# of PLN-15's Accepted for Fatal Claims	# of PLN-15's Denied for Fatal Claims
Commercial carriers	2	0	2
Political subdivisions	5	3	1
State of Texas	17	16	1
All carriers total	24	19	4

Figure 12. First Responders' COVID-19 Fatal Claim Denials and Filing and Disposition of PLN-15's for Fatal Claims. Source: DWC administrative data as of February 6, 2022.

Notes: A decision about acceptance or denial is not available for one of the fatal claims.

COVID-19 claims with indemnity and medical benefits paid: While tens of thousands of COVID-19 claims were reported during 2020 and 2021, only some had medical or indemnity payments associated with them. This indicates that most of these claims were either "exposure-only" claims (the injured employee did not have a positive test or COVID-19 diagnosis), were denied by insurance carriers as not work-related, or were not severe enough to incur medical or indemnity benefit payments. In 2020 and 2021, nearly 67,000 COVID-19 claims were filed, but only

about a third of these claims (22,009 or 33%) had medical or indemnity benefit payments and two-thirds of the claims (67%) had no medical or indemnity benefit payments. Among those with the medical or indemnity benefits payments, 3,665 (17%) were paid with both medical and indemnity benefits, 3,722 (17%) had only medical benefits, and 14,622 (66%) had only indemnity benefits. As of February 11, 2022, a total of \$90.6 million has been paid as indemnity or medical benefits for COVID-19 claims reported to insurance carriers as of December 31, 2021.

Indemnity benefits paid: Using DWC's administrative data as of February 11, 2022, for the claims reported as of December 31, 2021, insurance carriers and employers paid about \$55.5 million in indemnity benefits on COVID-19 claims, \$29.8 million (54%) in employer salary continuation, \$23.2 million (42%) in workers' compensation income benefits, \$2.2 million (4%) in death benefits, and \$292,850 (1%) in burial benefits (Figure 13).

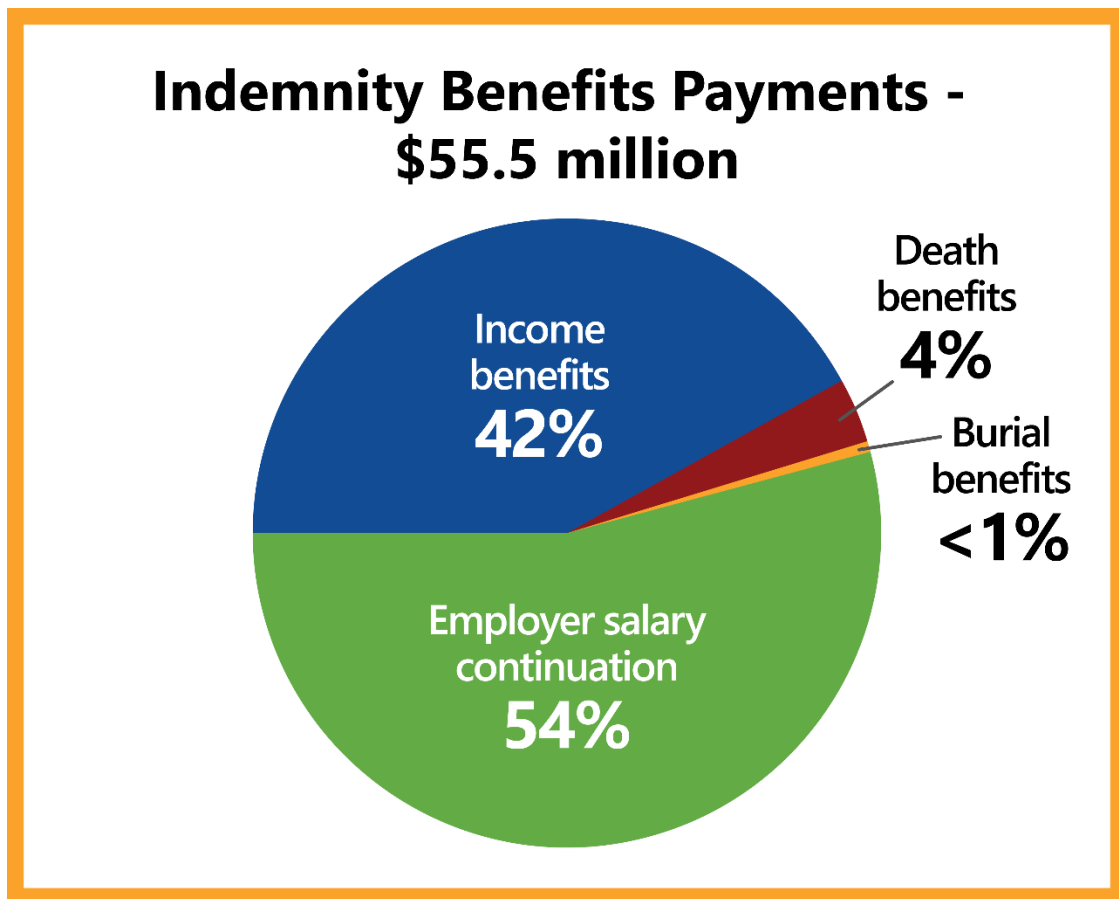


Figure 13. Amount of Income Benefits Paid. Source: DWC administrative data as of February 11, 2022, for claims reported to insurance carriers as of December 31, 2021.

Note: Due to rounding, percentages may not add to 100.

As of February 11, 2022, most of these costs have been paid by political subdivisions (72%) followed by commercial insurance carriers (23%), and the State of Texas (5%). The cost of these claims' payments will continue to change over time as injured employees lose time away from work, move from one income benefit type to another, or as additional death benefits are paid to legal

beneficiaries.⁷ Injured employees receiving income benefits (i.e., employer salary continuation, temporary income benefits, and impairment income benefits) were paid for an average of 18 days of disability per claim (median: 13 days). The average income benefit payment made for the claims was \$2,397.⁸

Medical costs paid: Using DWC's administrative data as of February 6, 2022, for the claims reported to insurance carriers as of December 31, 2021, insurance carriers paid a total of \$35.1 million in medical costs on COVID-19 claims, \$27.8 million (79%) in hospital/facility services, \$6.7 million (19%) in professional services, and \$667,002 (2%) in pharmacy services (Figure 14). To date, most of these costs have been paid by political subdivisions (74%), followed by commercial insurance carriers (22%), and the State of Texas (4%). These costs are likely to increase over time as claims mature.

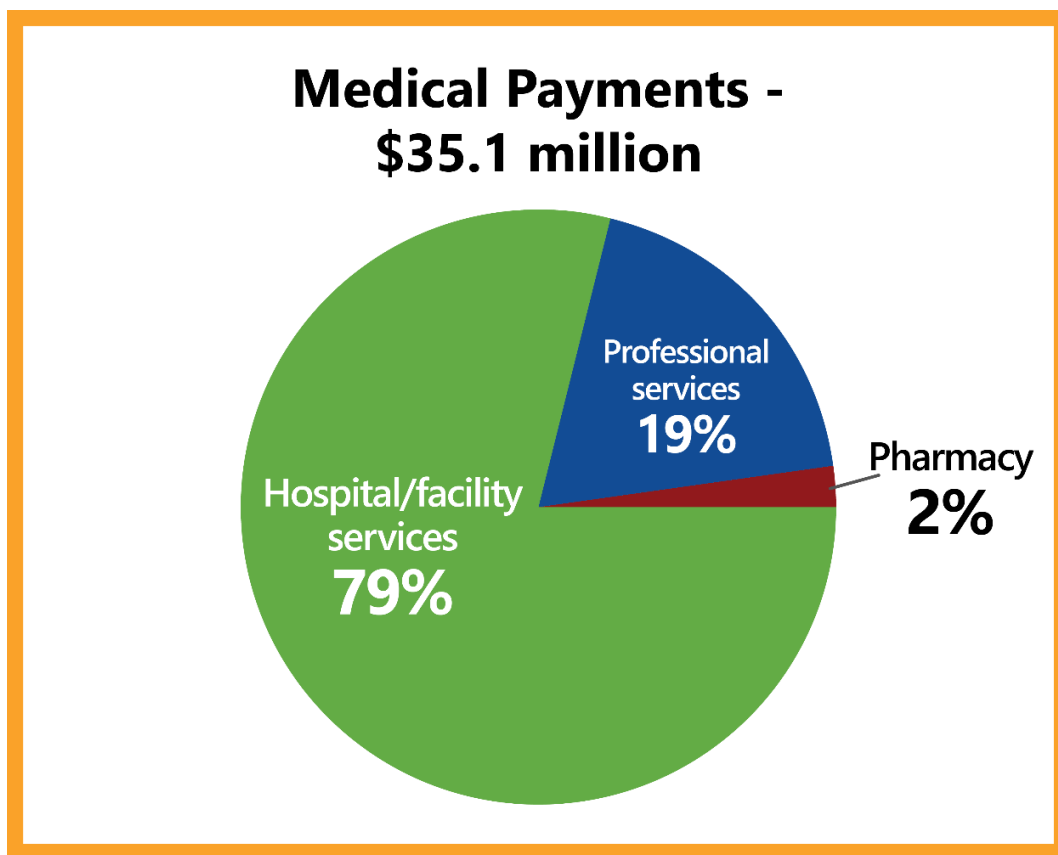


Figure 14. Distribution of Medical Benefits Paid. Source: DWC administrative data as of February 11, 2022, for claims reported to insurance carriers as of December 31, 2021.

Figure 15 shows the distribution of professional service payments by service category. Most of the professional service payments (57%) were made for evaluation and management services followed

⁷ The amount of employer salary continuation paid for state employees in lieu of receiving workers' compensation income benefits is not fully reported since that information is maintained by individual state agencies.

⁸ Some of the income benefits data were unreliable and therefore excluded from the analysis.

by medicine, durable medical equipment, surgery, laboratory and pathology, radiology, and anesthesia.

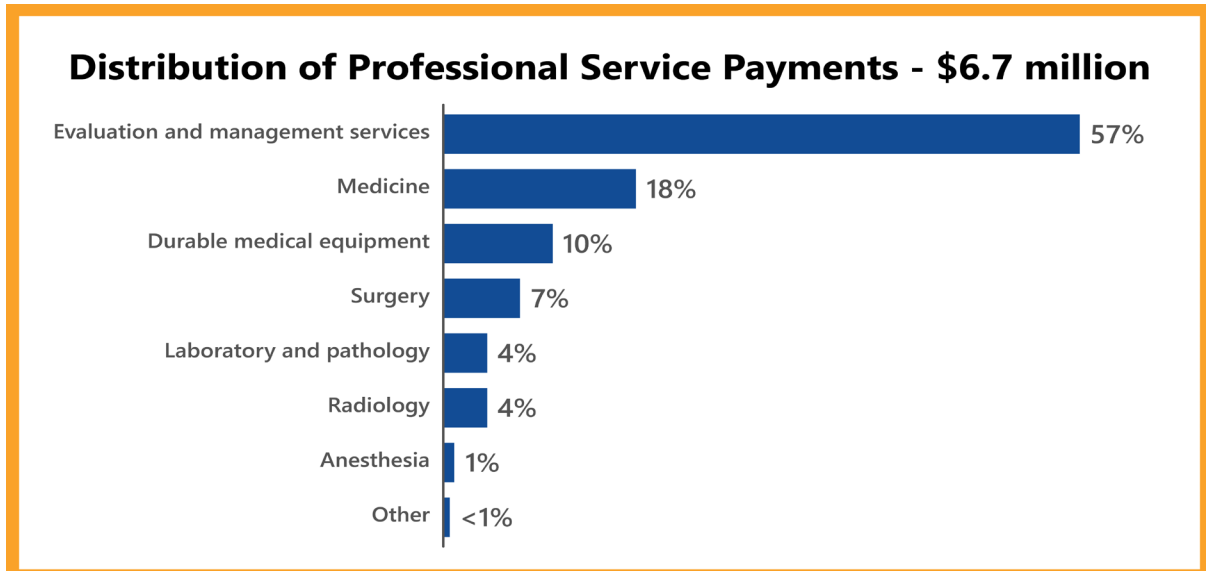


Figure 15. Distribution of Professional Service Payments. Source: DWC administrative data as of February 11, 2022, for claims reported to insurance carriers as of December 31, 2021.
 Note: Due to rounding, percentages may not add to 100.

Figure 16 shows the distribution of hospital/facility payments by facility type. Most (90%) of the hospital/facility payments were made for inpatient services, followed by outpatient services (7%), and other (3%).

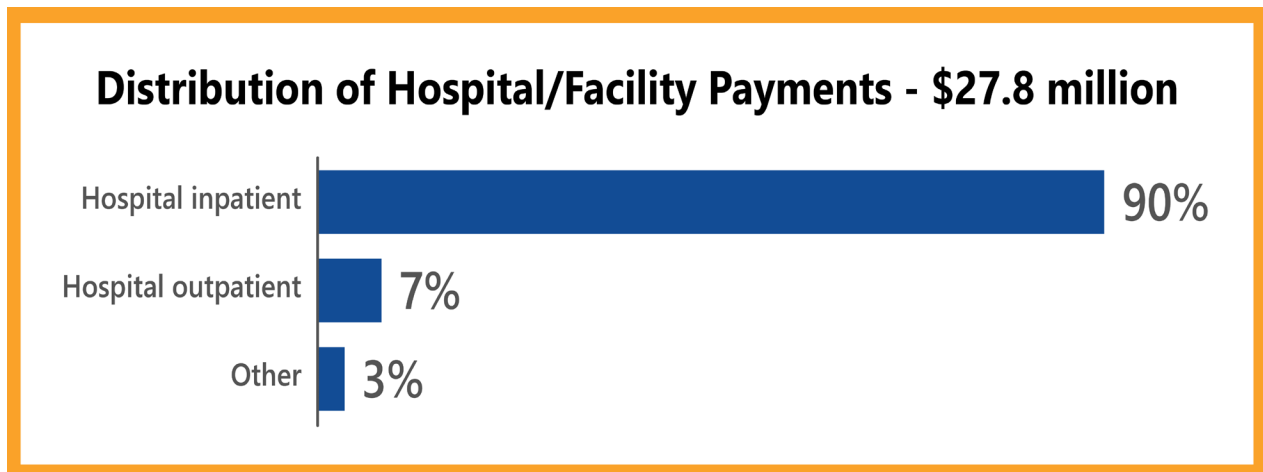


Figure 16. Distribution of Hospital/Facility Payments. Source: DWC administrative data as February 11, 2022, for claims reported to insurance carriers as of December 31, 2021.
 Note: "Other" includes skilled nursing, home health, and all other facility types.

Figure 17 presents the distribution of pharmacy payments by drug type. Slightly more than half (53%) of the pharmacy payments were made for respiratory agents. Similarly, nearly one-quarter (24%) of the payments were made for hematological agents and anti-infective agents. In terms of

individual drugs dispensed, the top ten most frequently dispensed to injured employees included Albuterol Sulfate, Azithromycin, Prednisone, Budesonide-Formoterol Fumarate Dihydrate, Apixaban, Gabapentin, Benzonatate, Methylprednisolone, Budesonide (Inhalation), and Dexamethasone.

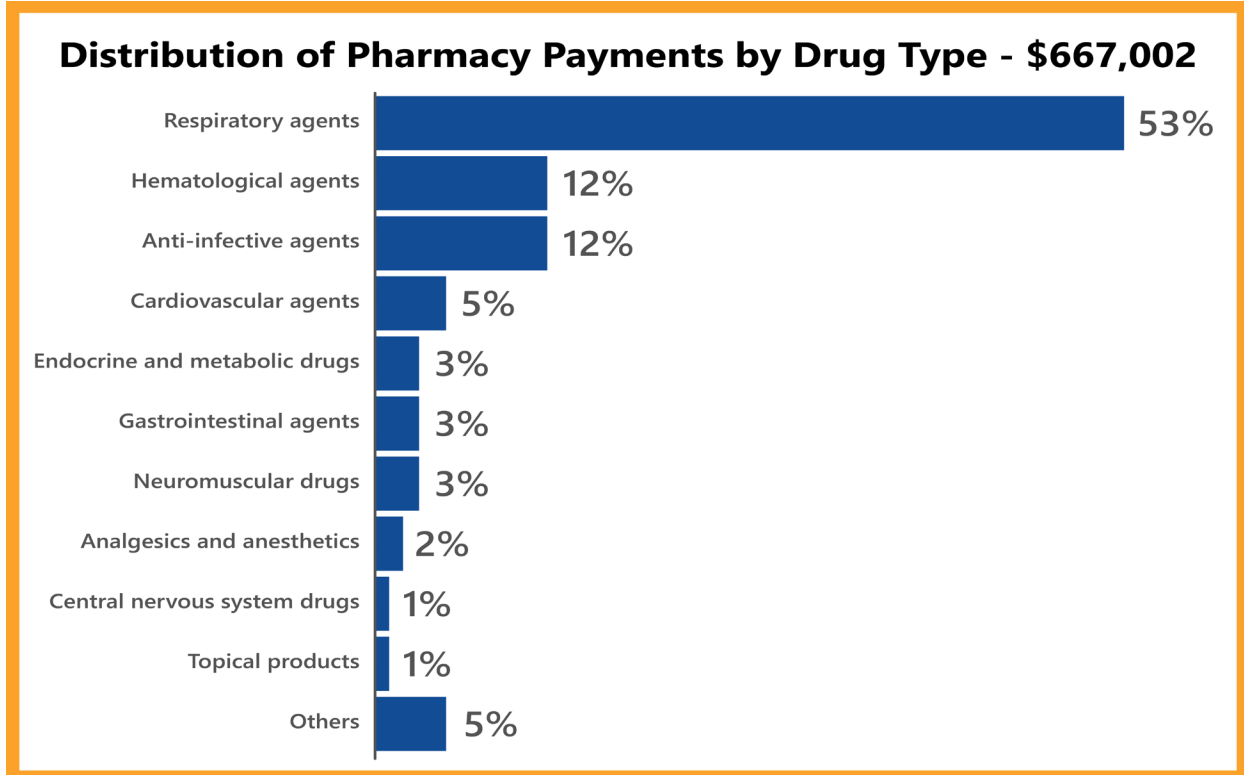


Figure 17. Distribution of Pharmacy Payments. Source: DWC administrative data as of February 11, 2022, for claims reported to insurance carriers as of December 31, 2021.

Note: Due to rounding, percentages may not add to 100.

Medical cost paid by treatment duration: Figure 18 provides information on the average medical cost per claim for claims with injury dates of January 2020 to June 2021, at six months post-injury. Overall, the average medical cost for all COVID-19 claims at six months was \$4,161. For claims that received hospital/facility services, the average cost for services at six months was \$12,266. The average professional services cost per claim was \$870 and the average pharmacy cost per claim was \$383 for claims that received those services.

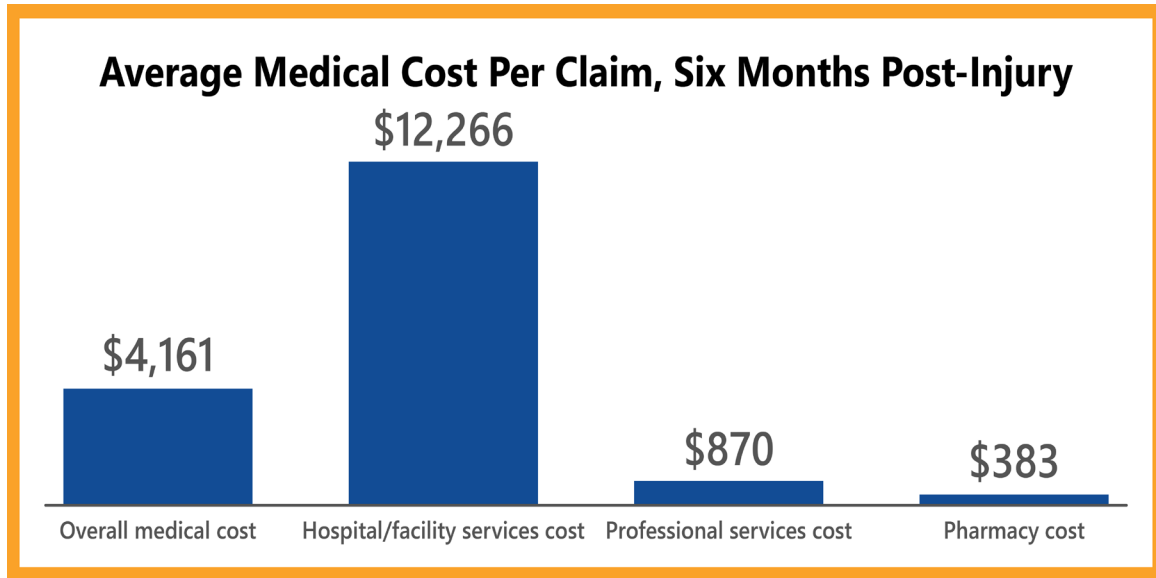


Figure 18. Average Medical Costs Per Claim at Six Months Post-Injury. Source: DWC administrative data as of February 11, 2022, for the claims with injury dates of January 2020 through June 2021.

Figures 19-20 show the average duration of medical treatment for COVID-19 claims post-injury. This information provides an initial picture of the distribution of COVID-19 claims that only require medical treatment, as well as the percentage of claims that require longer-term medical treatment (i.e., more than six months post-injury). It will be important to monitor these longer duration claims to determine their impact on system costs and return-to-work outcomes and to assess how the medical conditions for these claims develop over time.

Overall, three-quarters of claims receiving professional services (76%) and slightly more than three-quarters of hospital/facility services (78%) received those services within one month post-injury. About 22-25% of claims received these services beyond one month post-injury, while only a small percentage (8%) of claims received these services for more than six months post-injury (Figures 19 and 20).⁹

⁹ While there is ongoing discussion about how to identify or define “long-haul” COVID-19 claims, the Centers for Disease Control and Prevention categorizes patients with “post-COVID conditions” as those with new, returning, or ongoing health problems four or more weeks after first being infected with COVID-19 (see www.cdc.gov/coronavirus/2019-ncov/hcp/clinical-care/post-covid-conditions.html).

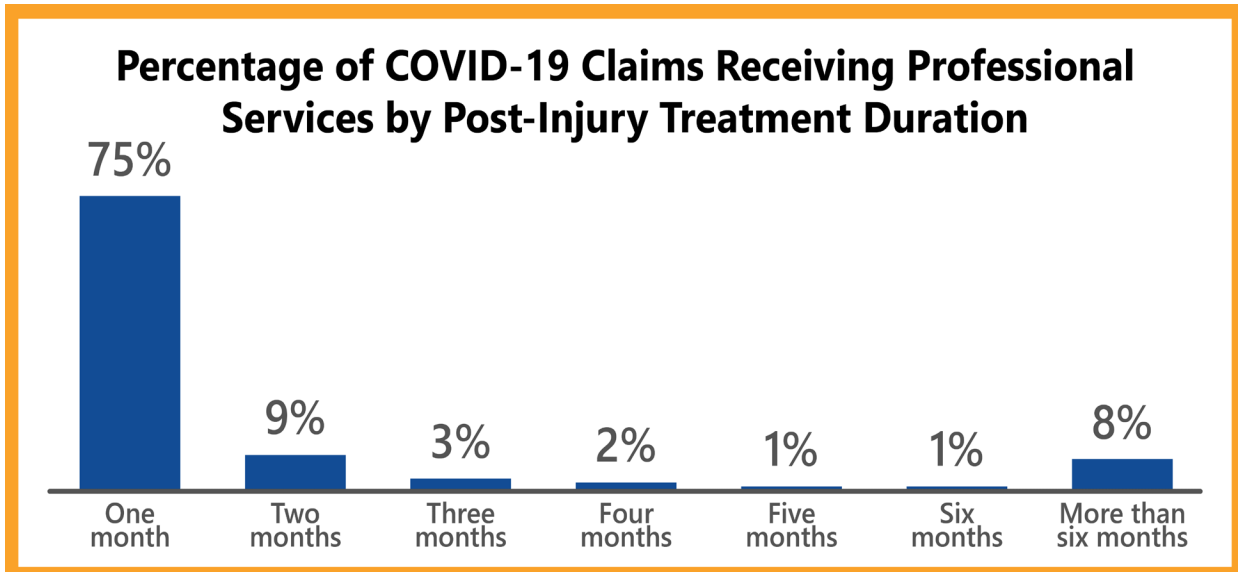


Figure 19. Percentage of COVID-19 Claims Receiving Professional Services by Post-Injury Treatment Duration. Source: DWC administrative data as of February 11, 2022, for claims with injuries that occurred from January 1, 2020, through June 30, 2021. Note: Due to rounding, percentages may not add to 100.

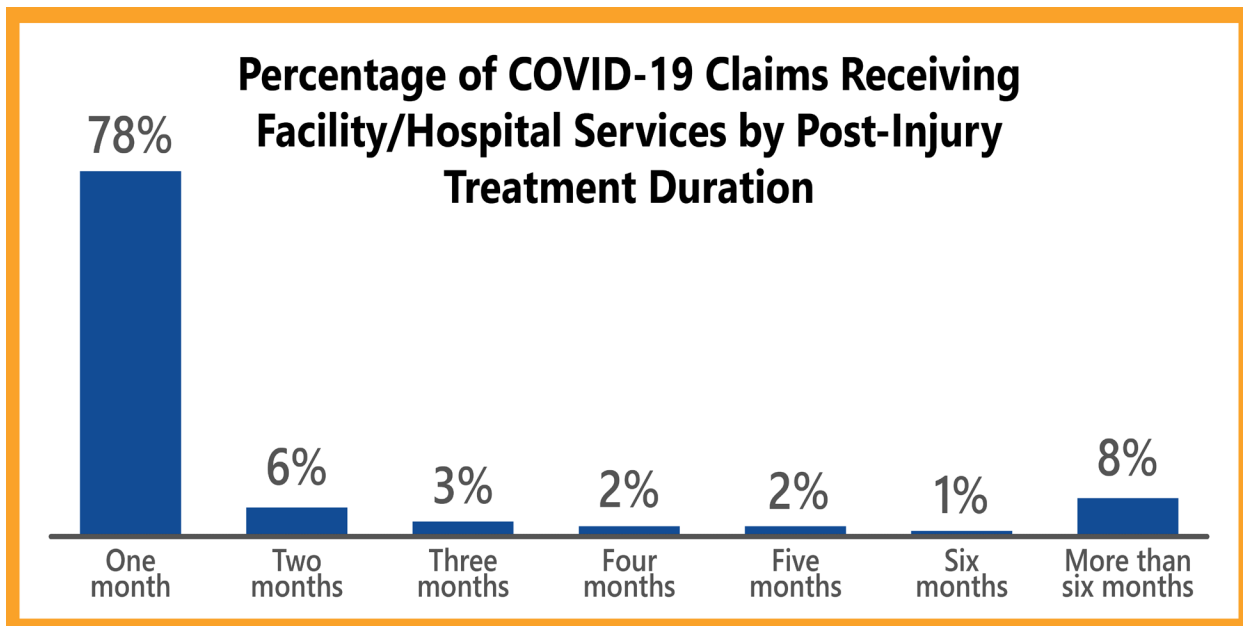


Figure 20. Percentage of COVID-19 Claims Receiving Facility/Hospital Service by Post-Injury Treatment Duration. Source: DWC administrative data as of February 11, 2022, for claims with injuries that occurred from January 1, 2020, through June 30, 2021. Note: Due to rounding, percentages may not add to 100.

Compared to professional and hospital/facility services, a larger percentage of COVID-19 claims received pharmacy services after one month post-injury (Figure 21). Less than half of COVID-19 claims that received pharmacy services (46%) received those services within one month post-injury, while most of the COVID-19 claims (54%) continued receiving such services beyond one month post-injury.

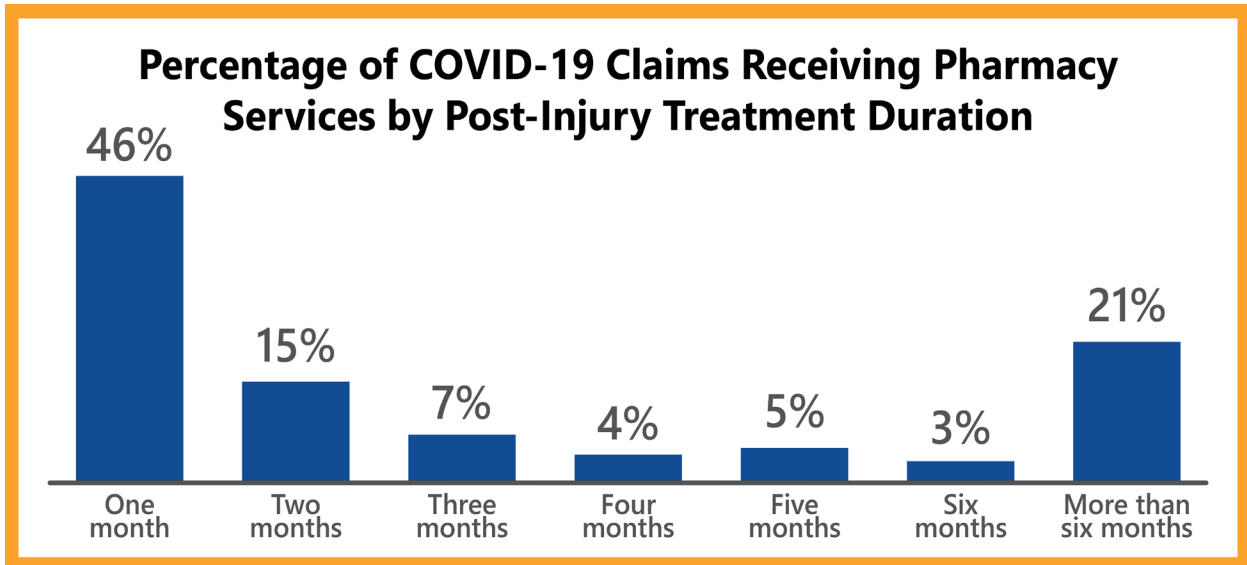


Figure 21. Percentage of COVID-19 Claims Receiving Pharmacy Services by Post-Injury Treatment Duration. Source: DWC administrative data as of February 11, 2022, for claims with injuries that occurred from January 1, 2020, through June 30, 2021. Note: Due to rounding, percentages may not add to 100.

COVID-19 vaccine reaction claims: Starting December 14, 2020, certain priority groups of employees, including health care workers and first responders began to receive the COVID-19 vaccine in Texas. Vaccines became available for portions of the general public in February 2021. A small number of employees had adverse reactions to the vaccine, which resulted in a workers' compensation claim. From December 15, 2020, through February 6, 2022, insurance carriers reported to DWC a total of 682 COVID-19 vaccine reaction claims. Figure 22 presents the distribution of COVID-19 vaccine reaction claims by injury month. Most of the reported COVID-19 vaccine reactions occurred in January 2021, followed by February 2021 and December 2020.

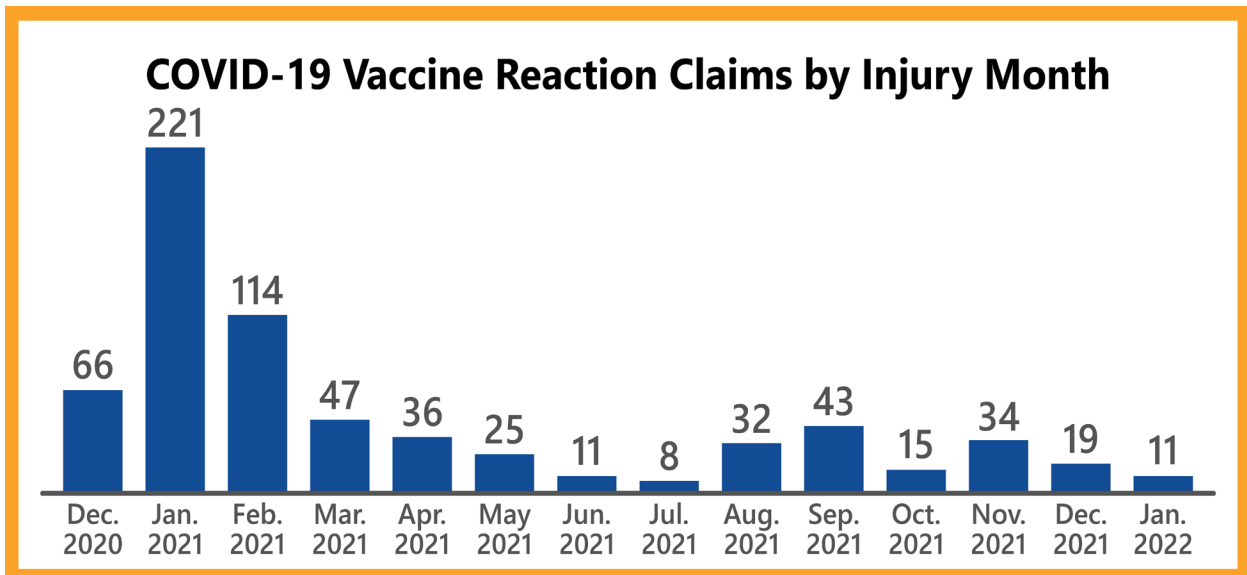


Figure 22. Distribution of COVID-19 Vaccine Reaction Claims by Month. Source: DWC administrative data as of February 6, 2022.

Most of the vaccine reaction claims were processed by political subdivisions (72%) followed by commercial carriers (27%), and the State of Texas (1%). The public administration industry sector represented most of the vaccine reaction claims (71%), followed by the health care and social assistance sector (20%), transportation and warehousing (2%), and accommodation and food services sector (2%). Most COVID-19 vaccine reaction claims (82%) have not been initially denied by insurance carriers. Of the 18% that were denied, most were denied by commercial carriers (commercial carriers: 14%, political subdivisions: 2%, and State of Texas: 2%).

Most vaccine reaction claims (94%) did not have any indemnity or medical payments associated with them. Of the 6% of vaccine reaction claims that had a payment, insurance carriers had paid \$151,845 in indemnity and medical benefits as of February 11, 2022, for claims reported to insurance carriers as of December 31, 2021. Insurance carriers paid \$56,564 in indemnity benefits for an average of 13 days of disability per claim (median: 7 days). Similarly, insurance carriers paid a total of \$95,281 in medical benefits (professional services payments: \$64,648, hospital/facility payments: \$25,954, and pharmacy payments: \$4,679).