

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 the 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 from March 13, 2020, through November 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 November 9, 2022, on claims reported to insurance carriers as of September 30, 2022.
- **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 September 30, 2022, and the

Key Findings

COVID-19 claims: As of November 6, 2022, insurance carriers reported nearly 95,000 COVID-19 claims and 465 fatalities to DWC. Half of these claims (50%) and slightly more than half of the fatalities (55%) involve first responders and correctional officers.

Claims with positive test or diagnosis: More than two-thirds of all claims (70%) involved injured employees who tested positive or were diagnosed with COVID-19. Insurance carriers accepted more than half (60%) of COVID-19 positive test claims.

Denials and disputes: Insurance carriers denied less than half (38%) of COVID-19 positive test claims. Despite more than 24,500 denials of COVID-19 claims with positive tests or diagnoses, there were only 224 disputes filed with DWC as of November 6, 2022.

COVID-19 claims with benefits: During the COVID-19 pandemic (i.e., March 13, 2020, through September 30, 2022), slightly more than one-third (34%) of COVID-19 claims filed had medical or indemnity benefit payments associated with them.

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: Nearly one-quarter of claims (23%) 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.

disposition of those claims (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 the 31 months of the pandemic (March 2020 through September 2022) was 21% higher than the 31 months immediately prior to the pandemic (August 2017 through February 2020).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 March 13, 2020, through November 6, 2022, insurance carriers reported more than 94,900 COVID-19 claims to DWC. Figure 1 shows the number of COVID-19 claims received by insurance carriers each month; the greatest number of COVID-19 claims were reported in January 2022, followed by July 2020, December 2020, January 2021, and August 2021.

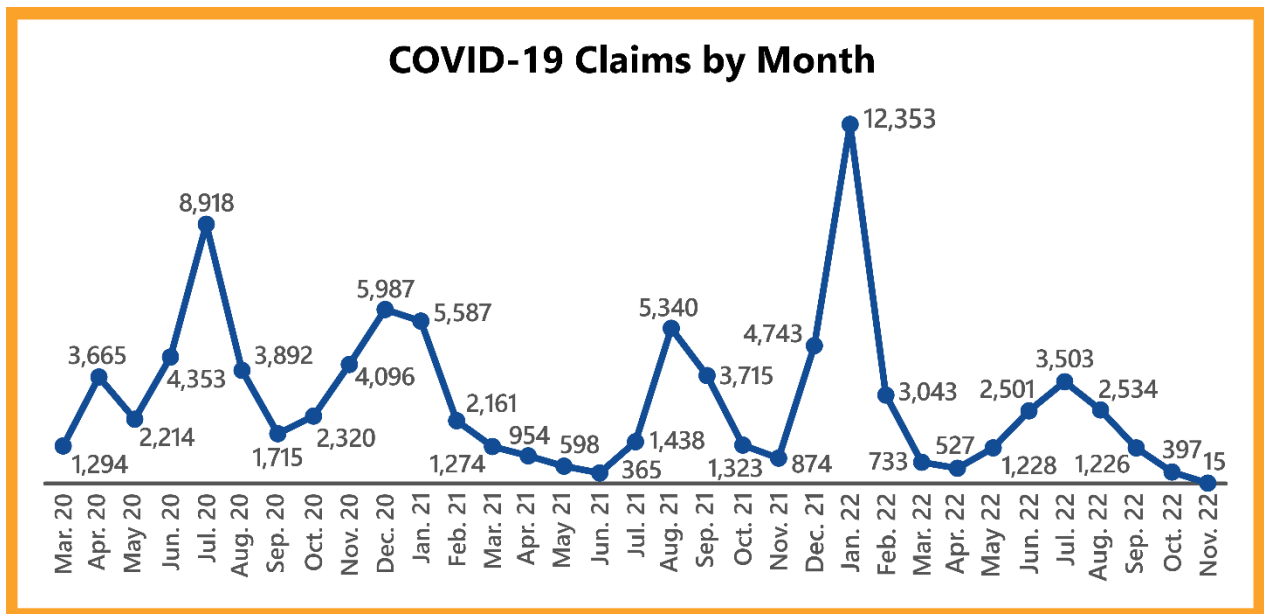


Figure 1. Number of COVID-19 Claims by Month Insurance Carrier Received Claim Notice. Source: DWC administrative data from March 13, 2020, through November 6, 2022.

Notes: Monthly counts may change over time as insurance carriers file updated claim reports with DWC. Twenty-eight 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 12 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, (ix) data as of June 30, 2022, (x) data as of September 30, 2022, (xi) data as of December 31, 2022, and (xii) data as of March 31, 2023. 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 (62%) of the state's COVID-19 cases were concentrated in 10 counties as of November 6, 2022.⁵ The majority (56%) of the state's COVID-19 workers' compensation claims were also concentrated in the same ten counties.

Half of the COVID-19 claims (50%) involved first responders and correctional officers, and more than half (56%) of claims were processed by the State of Texas and its political subdivisions acting as insurance carriers (Figure 2).

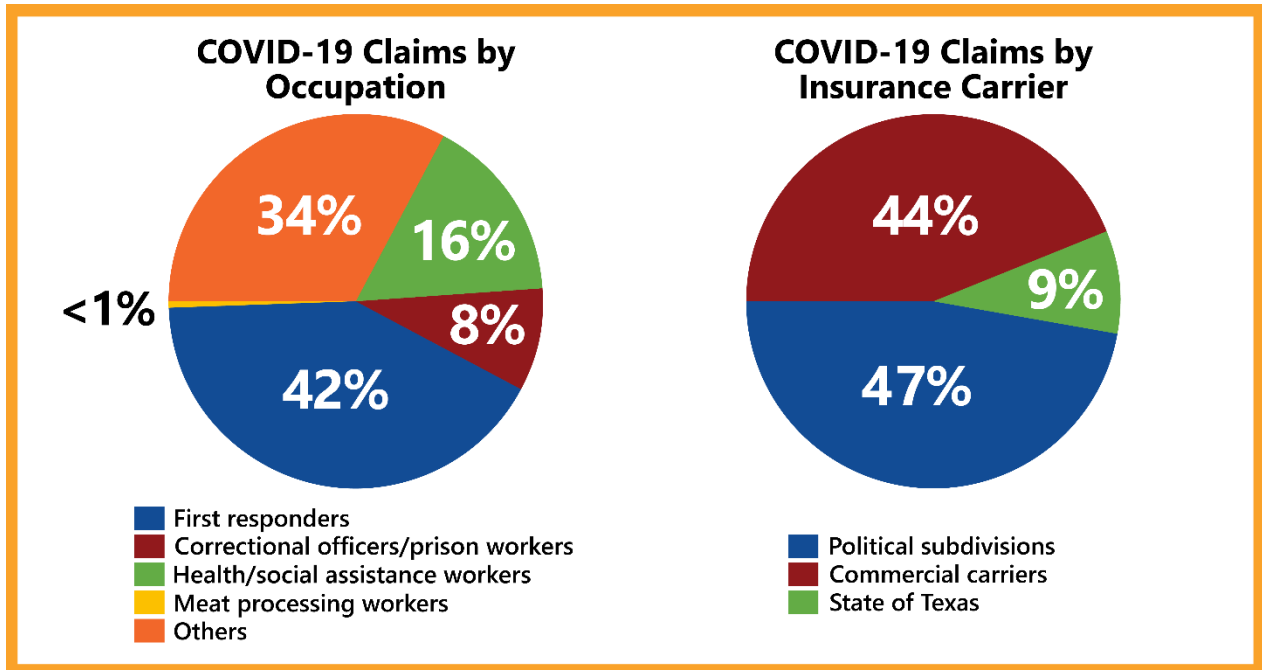


Figure 2. COVID-19 Claims by Occupation and Type of Insurance Carrier. Source: DWC administrative data from March 13, 2020, through November 6, 2022.

Notes: The State Office of Risk Management (SORM) accounts for almost all "State of Texas" claims, although UT, A&M, and TXDOT have their own workers' compensation programs. "Commercial carriers" includes licensed insurance companies and certified self-insured employers. Ten claims did not include information about the insurance carrier. Due to rounding, percentages may not add up to 100.

⁵ The 10 counties, where most COVID-19 cases were reported, include Harris, Dallas, Bexar, Tarrant, Travis, El Paso, Fort Bend, Collin, Hidalgo, and Denton. Source: Texas Department of State Health Services as of November 6, 2022.

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

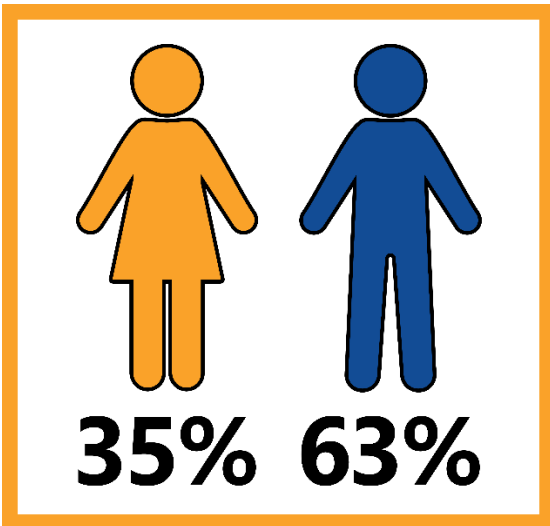


Figure 3. Claimants' Gender. Source: DWC administrative data from March 13, 2020, through November 6, 2022. Note: Approximately 2% of claims did not include information about gender.

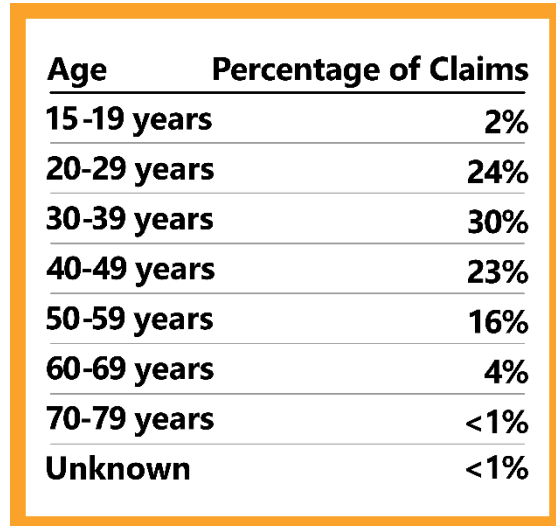


Figure 4. Claimant's Age. Source: DWC administrative data from March 13, 2020, through November 6, 2022. Notes: Unknown age category includes missing or unreliable date of birth. Due to rounding, percentages may not add up to 100.

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 slightly more than half (52%) of COVID-19 claims, followed by health care and social assistance (17%), administrative and support and waste management and remediation (8%), and manufacturing (7%).

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

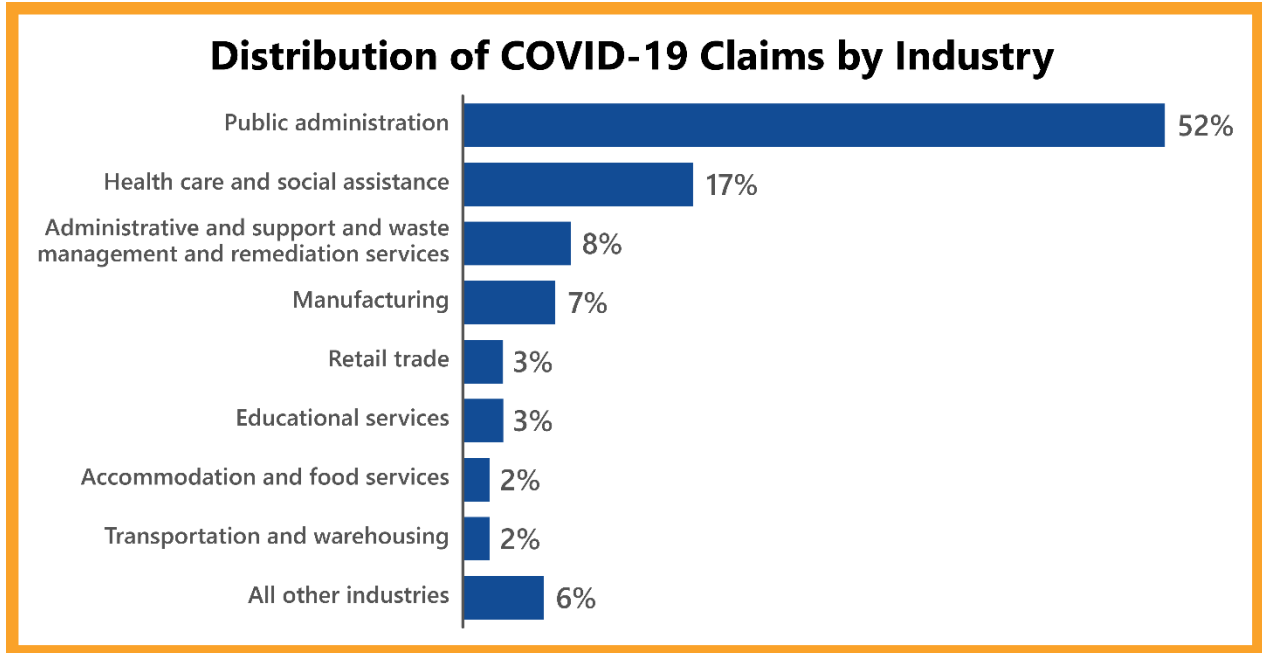


Figure 5. COVID-19 Claims by Industry. Source: DWC administrative data from March 13, 2020, through November 6, 2022. Notes: "All other industries" includes agriculture/forestry/fishing/hunting, arts/entertainment/recreation, construction, finance/insurance, information, management of companies and enterprises, 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 up to 100.

COVID-19 fatalities by county, occupation, gender, age, and type of insurance carrier: From March 13, 2020, through November 6, 2022, insurance carriers reported 465 COVID-19 fatal claims to DWC. About 41% of these fatal workers' compensation claims were concentrated in the same ten counties where the most COVID-19 cases and claims were reported.⁷

Slightly more than half (55%) of the COVID-19 fatal claims involved first responders and correctional officers, and more than half (61%) of fatal claims were processed by the State of Texas and its political subdivisions (Figure 6).

⁷ The 10 counties, where most COVID-19 cases were reported, include Harris, Tarrant, Dallas, Bexar, Travis, Fort Bend, El Paso, Denton, Montgomery, and Williamson. Source: Texas Department of State Health Services as of November 6, 2022.

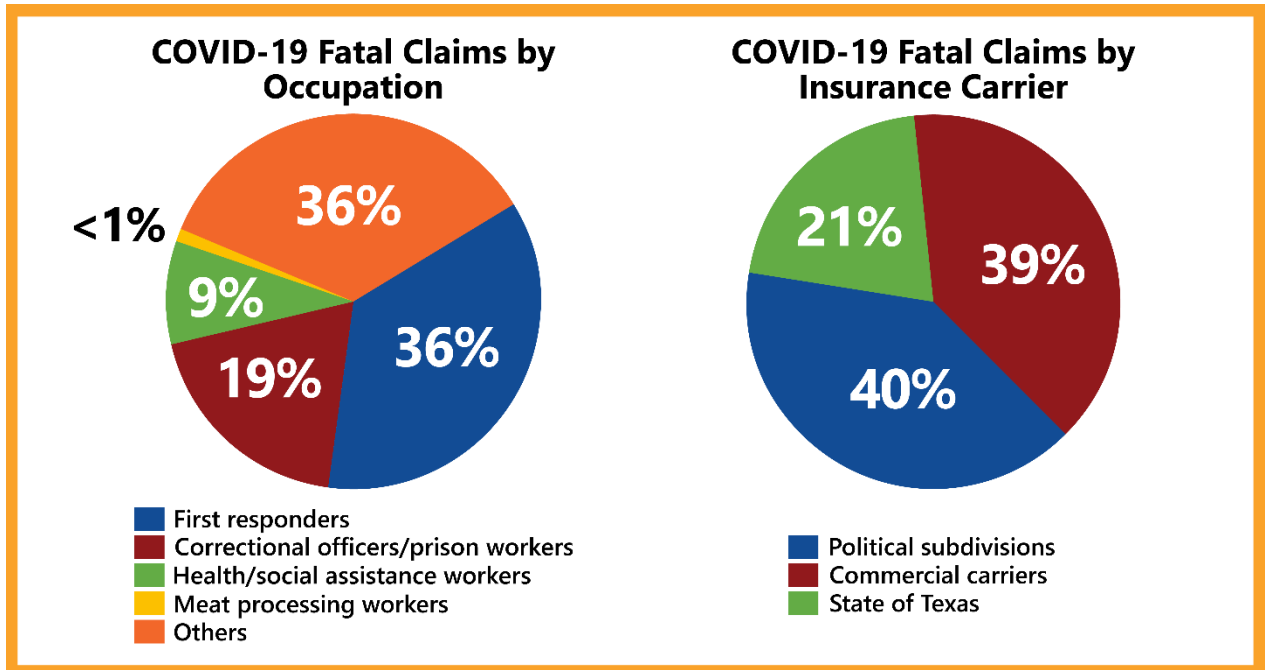


Figure 6. Fatal Claims by Occupation and Type of Insurance Carrier. Source: DWC administrative data from March 13, 2020, through November 6, 2022.

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 up to 100.

Four out of five (80%) of the fatal claims involved males (Figure 7), and two-thirds (67%) of the fatal claims involved injured employees who were 50 years or older (Figure 8).

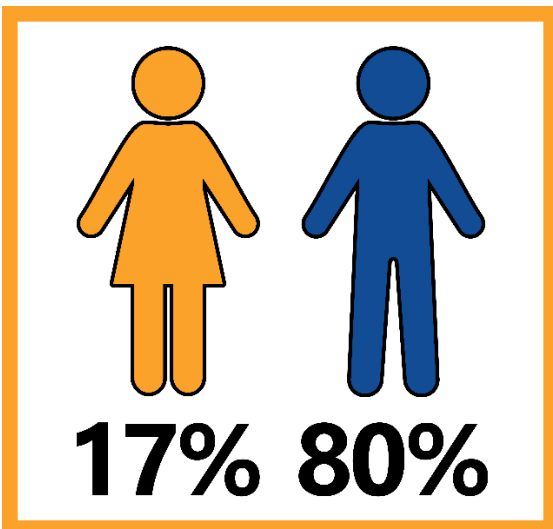


Figure 7. Claimants' Gender. Source: DWC administrative data from March 13, 2020, through November 6, 2022.

Note: Approximately 2% of claims did not include information about gender.

Age	Percentage of Claims
15-19 years	<1%
20-29 years	2%
30-39 years	11%
40-49 years	20%
50-59 years	36%
60-69 years	23%
70-79 years	8%
Unknown	1%

Figure 8. Claimant's Age. Source: DWC administrative data from March 13, 2020, through November 6, 2022.

Notes: Unknown age category includes missing or unreliable date of birth. Due to rounding, percentages may not add up to 100.

Figure 9 provides a breakdown of COVID-19 fatal claims by industry sector. The public administration industry sector, which includes first responders, represented more than half (56%) of COVID-19 claims, followed by health care and social assistance (10%), administrative and support and waste management and remediation (5%), and educational services (5%).

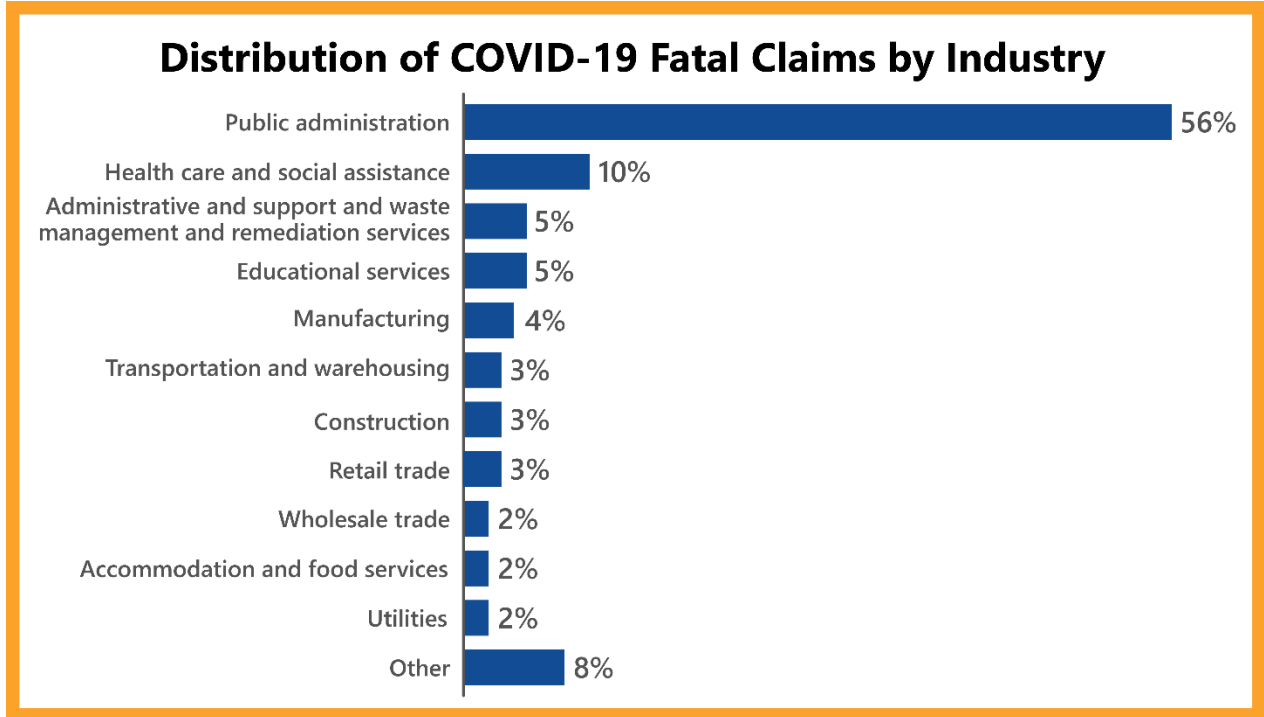


Figure 9. COVID-19 Fatal Claims by Industry. Source: DWC administrative data from March 13, 2020, through November 6, 2022. Notes: Other industries include agriculture/forestry/fishing/hunting, arts/entertainment/recreation, finance/insurance, information, management of companies and enterprises, mining/quarrying/oil and gas extraction, other services (except public administration), professional/scientific/technical services, and real estate/rental/leasing. Due to rounding, percentages may not add up 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 and 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 most recent data call (for claims reported to insurers as of September 30, 2022), showed that 70% of COVID-19 claims involved an injured employee who tested positive or was diagnosed with COVID-19 (Figure 10). Among these positive test claims, insurance carriers accepted more than half (60%) as work-related, denied less than half (38%), and are still investigating about 1%. These statistics vary across types of insurance carriers. Positive test COVID-19 claims being processed by the commercial carriers reported the highest number and

rate of denials (20,215 or 74%). Despite the number of COVID-19 claims denied, DWC's administrative data as of November 6, 2022, showed that there were only 224 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 insurance carriers	38,217	27,322 (71%)	6,540 (24%)	20,215 (74%)	567 (2%)
Political subdivisions	43,894	33,651 (77%)	30,458 (91%)	3,078 (9%)	115 (<1%)
State of Texas	8,823	2,903 (33%)	1,634 (56%)	1,261 (43%)	8 (<1%)
All insurance carriers	90,934	63,876 (70%)	38,632 (60%)	24,554 (38%)	690 (1%)

Figure 10. COVID-19 Claims, Positive Test Claims, and Claim Disposition. Source: Data call submission for claims reported to insurers as of September 30, 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, the percentages of positive test claims accepted, denied, and under investigation may not add up to 100.

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-15s, *Notice of Request to Reprocess a COVID-19 Claim Subject to Texas Government Code Section 607.0545*. As of November 6, 2022, 182 PLN-15s for COVID-19 claims were filed, of which 113 were accepted and 69 denied (Figure 11).

Insurance Carriers	# of PLN-15s Filed	# of PLN-15s Accepted	# of PLN-15s Denied
Commercial insurance carriers	7	1	6
Political subdivisions	53	32	21
State of Texas	122	80	42
All insurance carriers	182	113	69

Figure 11. First responders' filing and disposition of PLN-15s. Source: DWC administrative data from March 13, 2020, through November 6, 2022.

Likewise, as of November 6, 2022, 36 PLN-15s for COVID-19 fatal claims were filed, of which 21 were accepted and 15 were denied (Figure 12).

Insurance Carriers	# of PLN-15s Filed for Fatal Claims	# of PLN-15s Accepted for Fatal Claims	# of PLN-15s Denied for Fatal Claims
Commercial insurance carriers	3	1	2
Political subdivisions	14	4	10
State of Texas	19	16	3
All insurance carriers	36	21	15

Figure 12. First Responders' Filing and Disposition of PLN-15s for Fatal Claims. Source: DWC administrative data from March 13, 2020, through November 6, 2022.

COVID-19 claims with indemnity and medical benefits paid: While tens of thousands of COVID-19 claims were reported during the pandemic, only a fraction of those claims had medical or indemnity payments associated with them. This indicates that most of these claims were either “exposure-only” claims (the 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. From March 13, 2020, through September 30, 2022, more than 94,000 COVID-19 claims were filed. Slightly more than a third of these claims (32,348 or 34%) had medical or indemnity benefit payments, and nearly two-thirds of the claims (66%) had no medical or indemnity benefit payments as of November 9, 2022. Among claims with medical or indemnity benefits payments, 5,448 (17%) were paid both, 4,740 (15%) had only medical benefits, and 22,160 (69%) had only indemnity benefits. As of November 9, 2022, a total of \$129.1 million has been paid as indemnity benefits (84.1 million; 65%) or medical benefits (45.0 million; 35%) for COVID-19 claims reported to insurance carriers from March 13, 2020, through September 30, 2022.

Indemnity benefits paid: DWC’s administrative data as of November 9, 2022, for the claims reported from March 13, 2020, through September 30, 2022, shows that insurance carriers and employers paid about \$84.1 million in indemnity benefits on COVID-19 claims; \$46.8 million (56%) in employer salary continuation, \$31.5 million (37%) in workers’ compensation income benefits, \$5.3 million (6%) in death benefits, and \$469,995 (1%) in burial benefits (Figure 13).

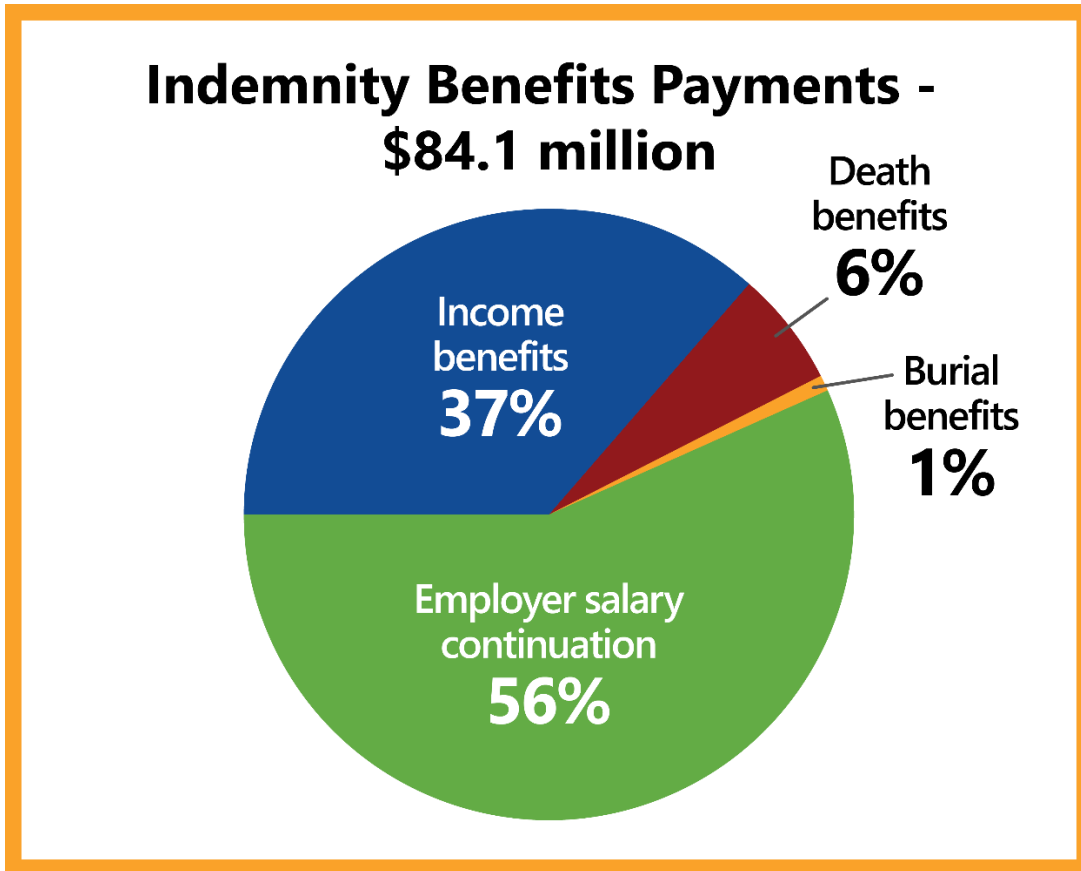


Figure 13. Amount of Income Benefits Paid. Source: DWC administrative data as of November 9, 2022, for claims reported to insurance carriers from March 13, 2020, through September 30, 2022. Note: Due to rounding, percentages may not add up to 100.

As of November 9, 2022, most of these costs have been paid by political subdivisions (78%) followed by commercial insurance carriers (18%), and the State of Texas (4%). These 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.⁸ Injured employees receiving income benefits (i.e., employer salary continuation, temporary income benefits, impairment income benefits, or lifetime income benefits) were paid for an average of 17 days of disability (median: 10 days). The average income benefit payment made for the claims was \$2,955.⁹

Medical costs paid: DWC’s administrative data as of November 9, 2022, for the claims reported to insurance carriers from March 13, 2020, through September 30, 2022, shows that insurance carriers paid a total of \$45.0 million in medical costs on COVID-19 claims. Of those payments, \$34.5 million (77%) was for hospital/facility services, \$9.2 million (21%) for professional services, and \$1.2 million (3%) for pharmacy services (Figure 14). To date, most of these costs have been paid by political subdivisions (78%), followed by commercial insurance carriers (19%), and the State of Texas (3%). These costs are likely to increase over time as claims mature.

⁸ The amount of employer salary continuation paid to state employees in lieu of receiving workers’ compensation income benefits is not fully reported since that information is maintained by individual state agencies.

⁹ Some of the income benefits data were unreliable and therefore excluded while calculating the average benefits paid.

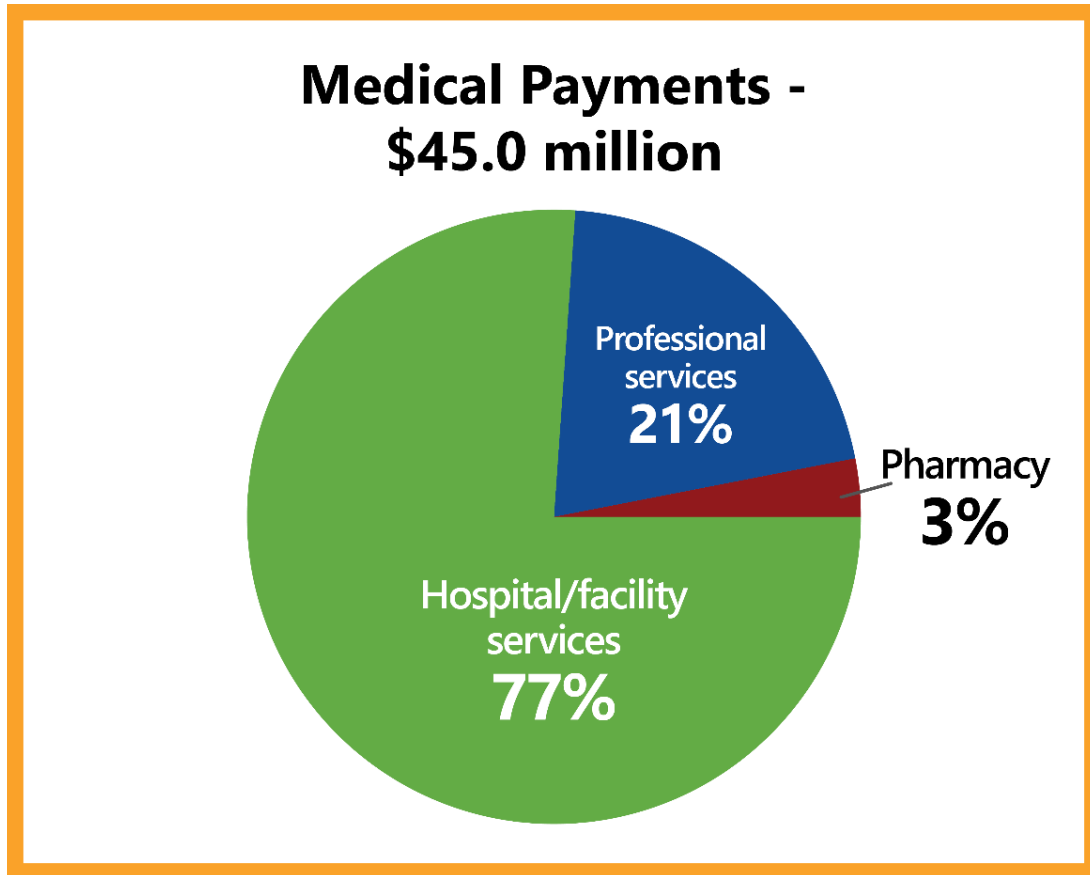


Figure 14. Distribution of Medical Benefits Paid. Source: DWC administrative data as of November 9, 2022, for claims reported to insurance carriers from March 13, 2020, through September 30, 2022.

Figure 15 shows the distribution of professional service payments by service category. Most of the professional service payments were made for evaluation and management services (58%), followed by medicine (19%), durable medical equipment (10%), surgery (6%), radiology (4%), and laboratory and pathology (3%).

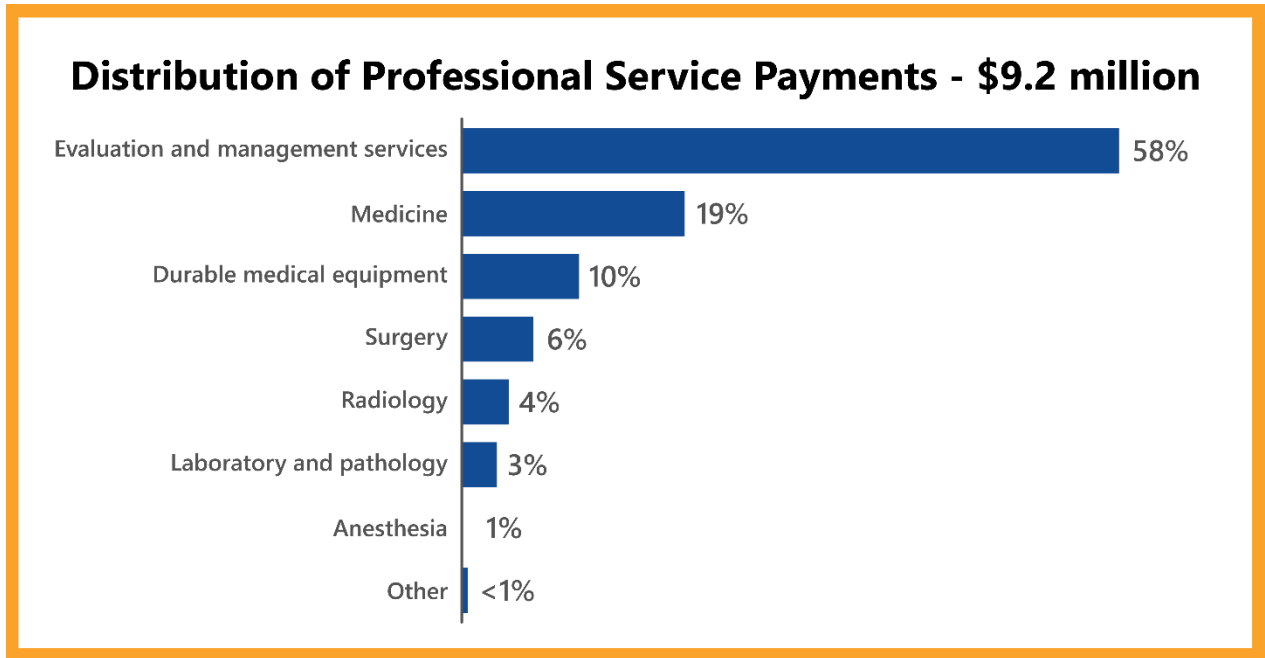


Figure 15. Distribution of Professional Service Payments. Source: DWC administrative data as of November 9, 2022, for claims reported to insurance carriers from March 13, 2020, through September 30, 2022. Note: Due to rounding, percentages may not add up to 100.

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 (8%), and other (2%).

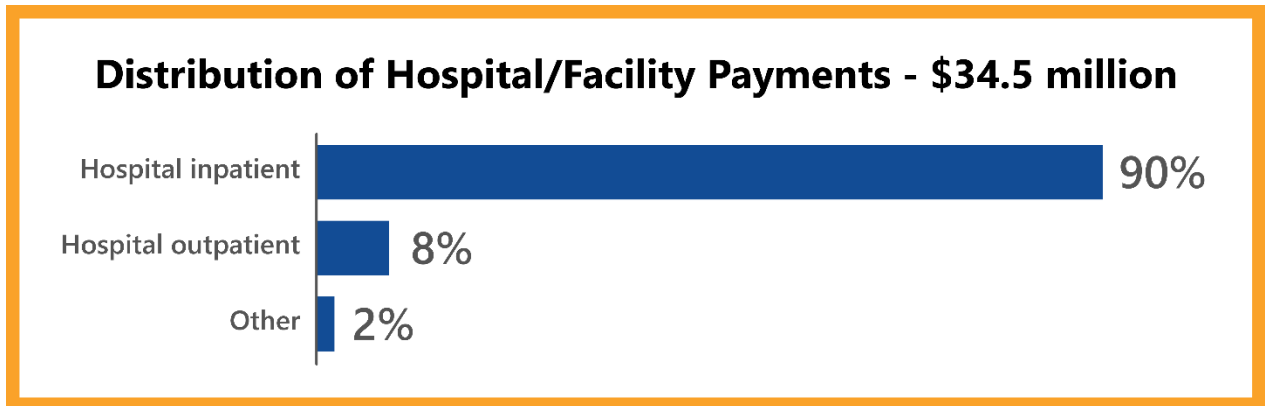


Figure 16. Distribution of Hospital/Facility Payments. Source: DWC administrative data as of November 9, 2022, for claims reported to insurance carriers from March 13, 2020, through September 30, 2022. Notes: "Other" includes skilled nursing, home health, and all other facility types.

Figure 17 presents the distribution of pharmacy payments by drug type. Slightly more than half (52%) of the pharmacy payments were made for respiratory agents. Similarly, slightly more than one-quarter (26%) of the payments were made for anti-infective and hematological 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,

Benzonatate, Gabapentin, Methylprednisolone, Benzonatate, Apixaban, Budesonide (inhalation), and Fluticasone Furoate-Vilanterol.

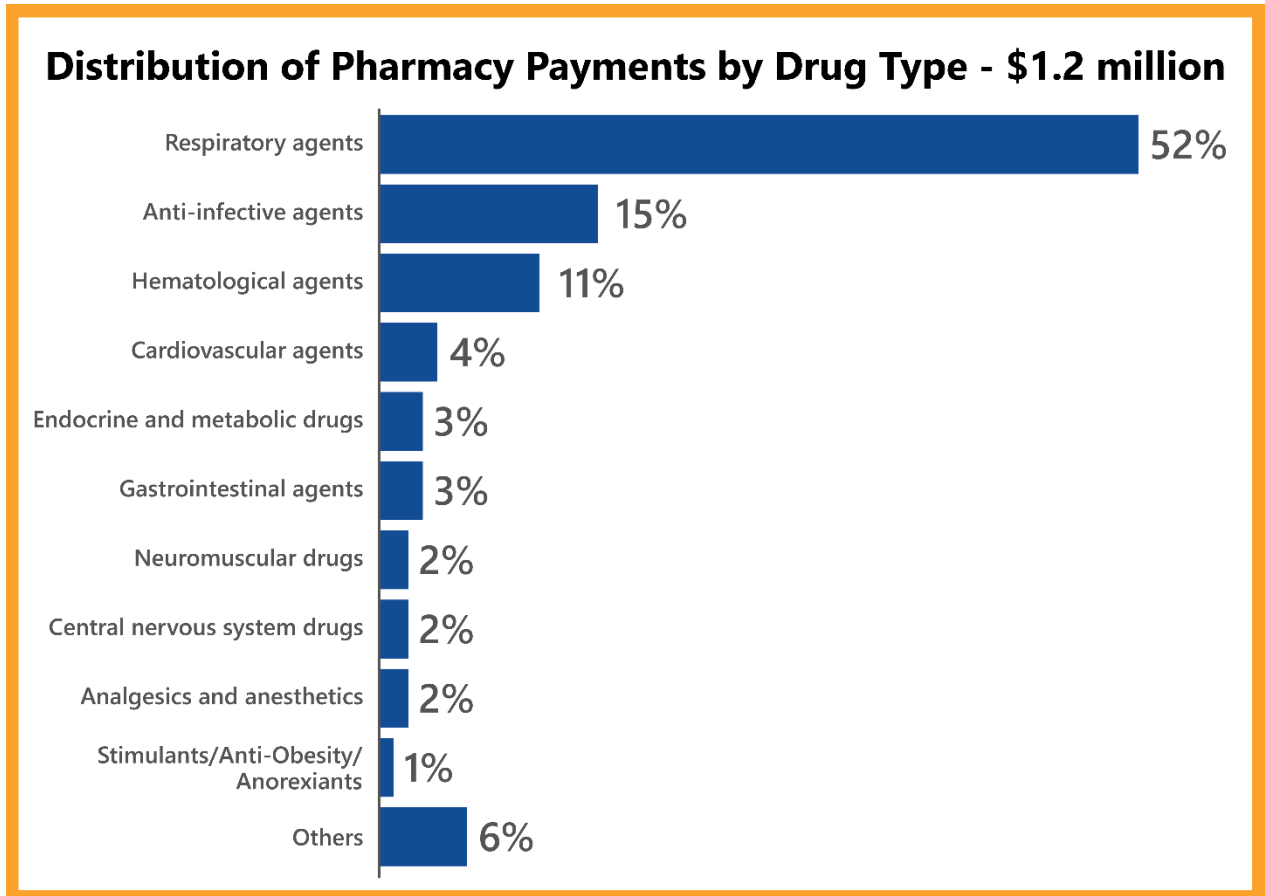


Figure 17. Distribution of Pharmacy Payments. Source: DWC administrative data as of November 9, 2022, for claims reported to insurance carriers from March 13, 2020, through September 30, 2022.

Medical cost paid by treatment duration: Figure 18 provides information on the average medical cost per claim for claims with injury dates of March 13, 2020, through March 31, 2022, at six months post-injury. Overall, the average medical cost for all COVID-19 claims at six months post-injury was \$4,635. For claims that received hospital/facility services, the average cost for services at six months post-injury was \$14,557. The average professional services cost per claim was \$1,065, and the average pharmacy cost per claim was \$428 for claims that received those services.

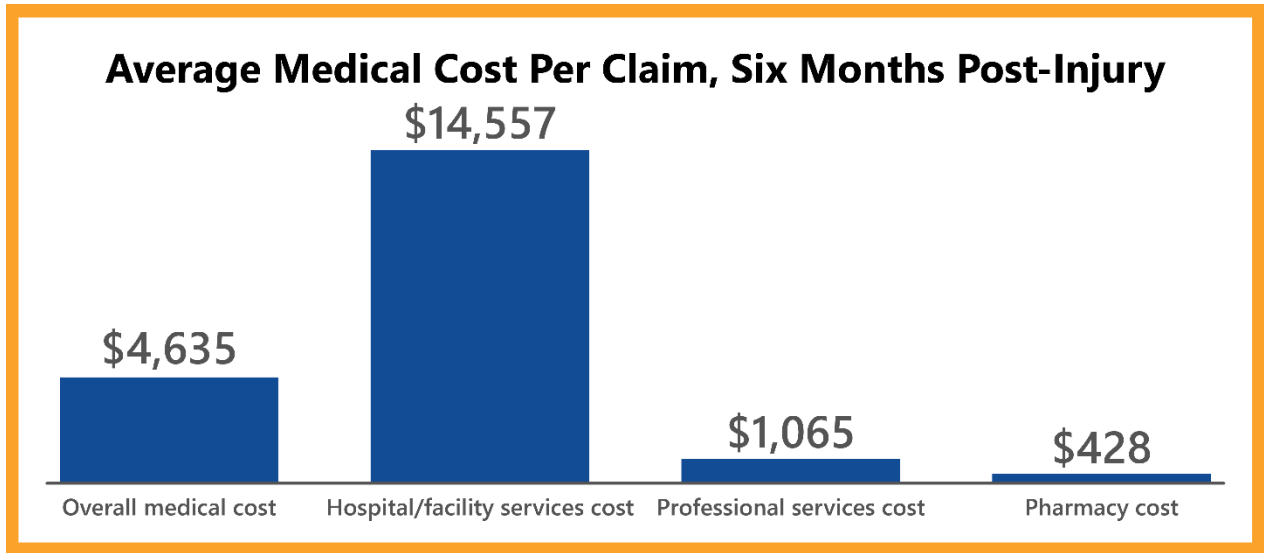


Figure 18. Average Medical Costs Per Claim at Six Months Post-Injury. Source: DWC administrative data as of November 9, 2022, for the claims with injury dates from March 13, 2020, through March 31, 2022.

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 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 assess how the medical conditions for these claims develop over time.

Overall, slightly more than three-quarters of claims received professional services (77%) and hospital/facility services (77%) within one month post-injury. Nearly one-quarter (23%) of claims received these services beyond one month post-injury, while only a small percentage (8-9%) of claims received these services for more than six months post-injury (Figures 19 and 20).¹⁰

¹⁰ 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).

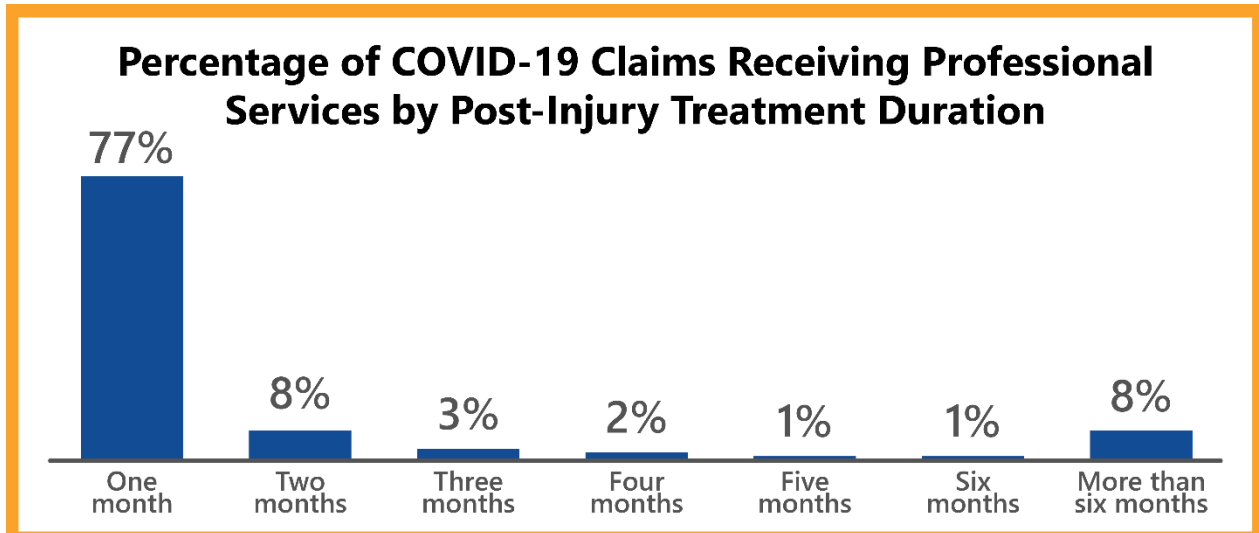


Figure 19. Percentage of COVID-19 Claims Receiving Professional Services by Post-Injury Treatment Duration. Source: DWC administrative data as of November 9, 2022, for claims with injuries that occurred from March 13, 2020, through March 31, 2022.

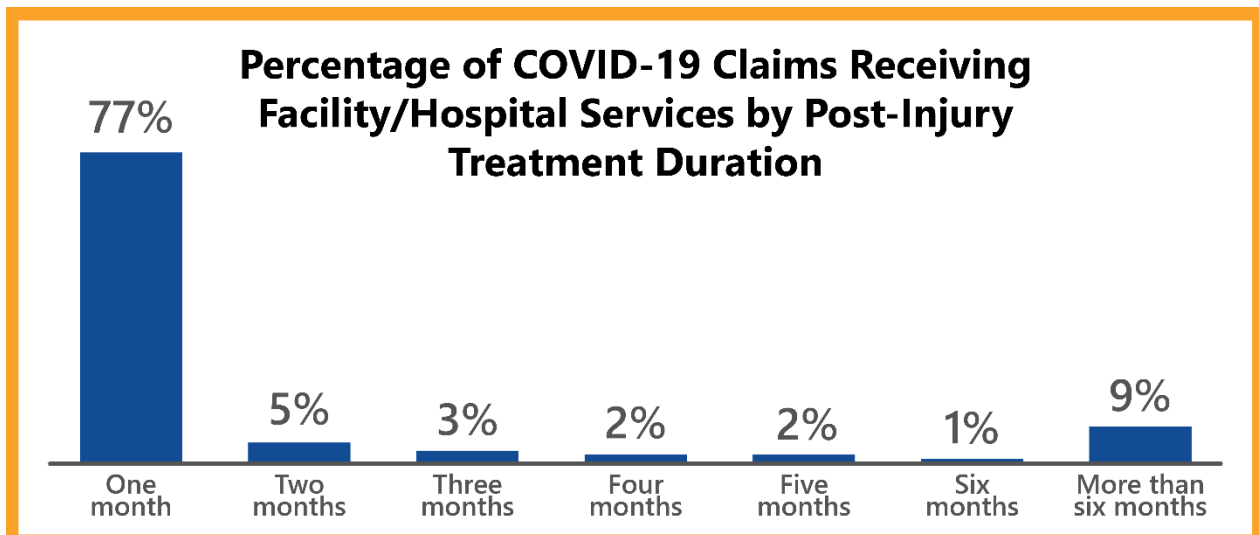


Figure 20. Percentage of COVID-19 Claims Receiving Facility/Hospital Service by Post-Injury Treatment Duration. Source: DWC administrative data as of November 9, 2022, for claims with injuries that occurred from March 13, 2020, through March 31, 2022. Note: Due to rounding, percentages may not add up 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). Slightly more than half (52%) of COVID-19 claims that received pharmacy services received those services within one month post-injury, while most (48%) of the COVID-19 claims continued receiving such services beyond one month post-injury.

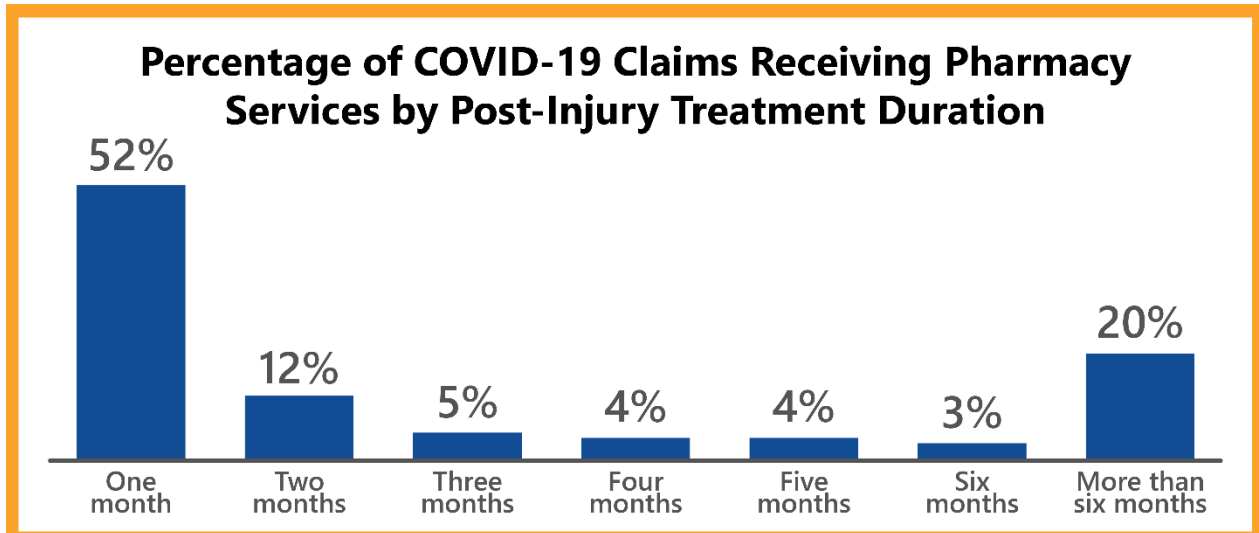


Figure 21. Percentage of COVID-19 Claims Receiving Pharmacy Services by Post-Injury Treatment Duration. Source: DWC administrative data as of as of November 9, 2022, for claims with injuries that occurred from March 13, 2020, through March 31, 2022. Note: Due to rounding, percentages may not add up to 100.

COVID-19 vaccine reaction claims: A small number of employees had adverse reactions to the vaccine, resulting in a workers' compensation claim. From December 15, 2020, through November 6, 2022, insurance carriers reported 715 COVID-19 vaccine reaction claims. Figure 22 shows 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.

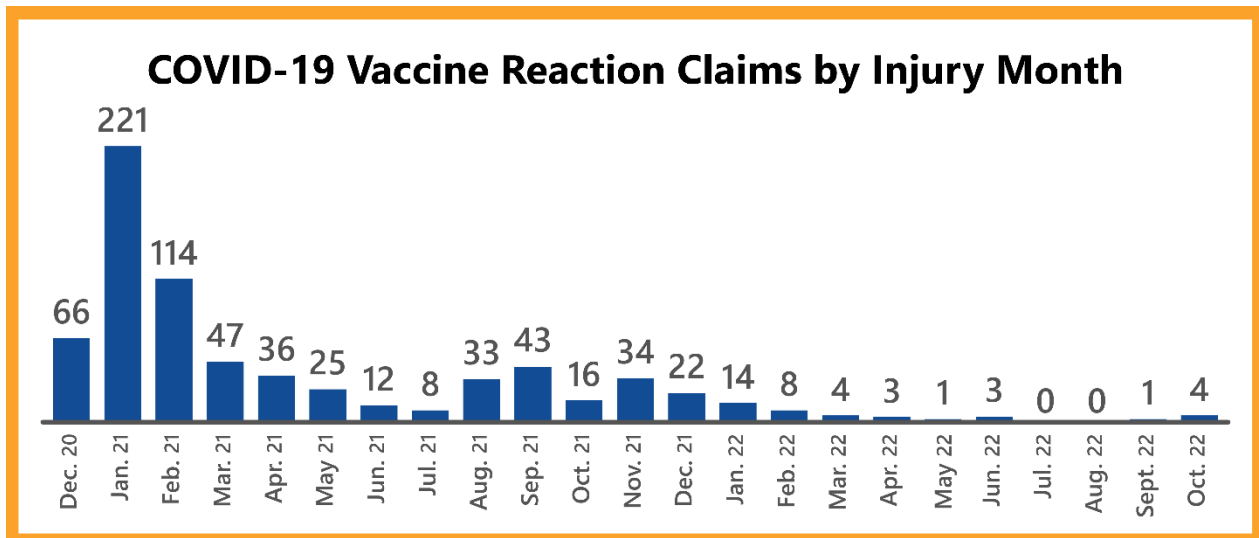


Figure 22. Distribution of COVID-19 Vaccine Reaction Claims by Month. Source: DWC administrative data as of November 6, 2022.

Most of the vaccine reaction claims were processed by political subdivisions (70%) followed by commercial carriers (27%), and the State of Texas (2%). The public administration industry sector represented most of the vaccine reaction claims (70%), followed by the health care and social assistance sector (20%), transportation and warehousing (2%), retail trade (2%), and accommodation and food services sector (2%). Most COVID-19 vaccine reaction claims (81%) have

not been initially denied by insurance carriers. Of the 19% that were denied, most were by commercial carriers (commercial carriers: 15%, political subdivisions: 2%, and State of Texas: 2%).

Most vaccine reaction claims (84%) did not have any indemnity or medical payments associated with them. Of the 16% of vaccine reaction claims that had a medical or indemnity benefits payment, insurance carriers had paid \$191,611 in indemnity and medical benefits as of November 9, 2022, for claims reported to insurance carriers as of September 30, 2022. Insurance carriers paid \$56,765 in indemnity benefits for an average of 12 days of disability per claim (median: 7 days). Similarly, insurance carriers paid a total of \$134,846 in medical benefits (professional services payments: \$94,274, hospital/facility payments: \$27,720, and pharmacy payments: \$12,852).