

October 24, 2018 - Actuarial Committee Update

The Actuarial Committee met on Wednesday, October 24, 2018. The major topics covered at this meeting included:

- **Medical Data Reports—2018 Edition (ACT-18-04)**
Annually, NCCI publishes state Medical Data Reports, which provide details on medical payments for physicians, hospitals, ambulatory surgical centers, drugs, durable medical equipment, supplies, and implants on an aggregated basis. NCCI also publishes state Opioid Utilization Supplements, which provide detailed information on opioid costs and utilization rates in workers compensation at the aggregate level for the state, the region, and countrywide. Staff reviewed features of the 2018 edition of the Medical Data Report and Opioid Utilization Supplement, featuring key medical benefit characteristics and insights into medical cost drivers.
- **Impact of Networks on the Utilization of Medical Services (ACT-18-05)**
Whether care is delivered within a network of providers can impact the cost in money, resources, and time to treat an injury. At the meeting, staff discussed assumptions and methodology, and presented preliminary findings from a study that identifies differences in duration, services and cost of medical care.
- **Monitoring the Time from Injury to Treatment (ACT-18-06)**
Prompt treatment can be critical to medical recovery from a work-related injury and is a first priority of any workers compensation (WC) system. One measure of how well that delivery system works is the time from injury to initial medical treatment, as well as the wait for more specialized follow-up care. Staff has observed wait times over recent years relative to the use of medical provider networks in WC, and to changes in medical coverage in general. At the meeting, staff discussed assumptions and methodology and presented preliminary findings from this work.
- **Legislative Analysis Update (ACT-18-07)**
NCCI monitors and analyzes legislative proposals at the request of various stakeholders, including legislatures, trade associations, and insurance departments. At the meeting, staff presented a summary of legislative activity in 2018, noting some of the more significant enacted changes. In addition, staff discussed the Temporary Total Duration Table update.
- **Motor Vehicle Accidents in Workers Compensation (ACT-18-08)**
Despite cutting edge safety features in today's vehicles, traffic accidents have been on the rise in the United States in recent years. This troubling trend is also impacting workers compensation. NCCI staff examined the frequency and severity of motor vehicle accidents (MVA) in WC that included a review of the classes that generate the majority of claims and examined various factors that may be driving the increase in frequency.
- **Medical Services by Claim Size and Maturity (ACT-18-09)**
An understanding of the composition of medical services by claim size and maturity,

and payout rates by claim size and service group, may help explain past cost changes and project future cost trends. Staff presented updated estimates of shares of ultimate medical losses by service group and claim size range, as well as medical payout rates and medical payment shares for selected relative service years.

- **Class Ratemaking Loss Limit Research (ACT-18-10)**

NCCI has recently completed a review of the class ratemaking loss limit. Staff provided background information on the current class ratemaking loss limit and presented findings for the loss limit to be used in future filings.

Please refer to the minutes for any pertinent meeting discussion and presentations.

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