

Minnesota  
Department of  
Employee  
Relations

*State of Minnesota: Employer of Choice*


Workers' Compensation  
Program

**Annual Report**

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State Fiscal Year  
2000





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*State of Minnesota: Employer of Choice*

# Workers' Compensation Program

# Annual Report

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State Fiscal Year  
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## **Executive Summary**

*The following is a summary of program activity for state fiscal year 2000:*

### **Claim Numbers**

- ◆ The program received fewer claims in FY 2000 (p. 4).
- ◆ The program closed nearly as many claims as it received (p. 4).

### **Claim Costs**

- ◆ Total program costs decreased .9% - a decrease of \$179,076 (p. 7-8).
- ◆ Expenditures for all benefits decreased 1.7% — a decrease of \$256,253 (p. 9-10).
- ◆ Expenditures for indemnity benefits decreased 1.6% — a decrease of \$121,129 (p. 13-14).
- ◆ Expenditures for medical benefits decreased 2.5% — a decrease of \$135,927 (p. 15-16).

### **Agency Activity**

- ◆ Eight agencies accounted for the majority of the program's activity (p. 21-22).
- ◆ Benefit costs for these eight agencies decreased 4.6% (p. 23-24).
- ◆ The incidence rate for all agencies increased slightly in FY 2000 (p. 25-26).

### **Other Findings**

- ◆ Claims that occurred prior to 1990 accounted for 28% of the program's benefit costs paid out during FY 2000 (p. 17-18).
- ◆ Recoveries decreased 17.8% - \$361,657.
- ◆ Most common injury was to the upper extremities (p. 11-12).

## **Introduction**

The State of Minnesota's self-insured workers' compensation program is administered by the Minnesota Department of Employee Relations' (DOER) Employee Insurance Division. The program consists of four distinct units: claims management, disability management, legal, and safety/industrial hygiene. It covers over 54,000 employees in the executive, legislative, and judicial branches of state government. In addition, the state's workers' compensation program covers those employed by quasi-state agencies, such as the Minnesota Historical Society and the Minnesota State Fair.

The state's workers' compensation program receives about 3,200 new claims annually and is funded by an administrative fee charged to each agency it serves. During state fiscal year 2000 (FY 00), the program's total costs decreased .9 percent (\$179,076).

We present the following report on the program's activities during FY 2000. This report will examine the costs of indemnity and medical benefits provided to injured state employees, summarize pertinent information regarding claims for work-related injuries, and note other significant data compiled by the program during the past fiscal year. This information is provided to state agencies, legislators, labor unions, insurance industry professionals, and others interested in the general operation of the program.

All comparisons made in this report are of FY 2000 figures to FY 1999, unless otherwise noted.

## Findings

### ***The program received fewer claims (Chart 1 and Appendix A)***

#### ***Number of claims decreased (Chart 1)***

The program had a 2.6% (83) decrease in the number of claims reported from FY 1999 to FY 2000. Over the past five years, the number of claims reported has declined; from FY 1996 to FY 2000, the program had an overall 20.4% decrease in claims reported. Appendix A contains an agency-by-agency breakdown of the number of claims reported for FY 1999 and FY 2000.

#### ***Increase in lost time claims (Chart 1)***

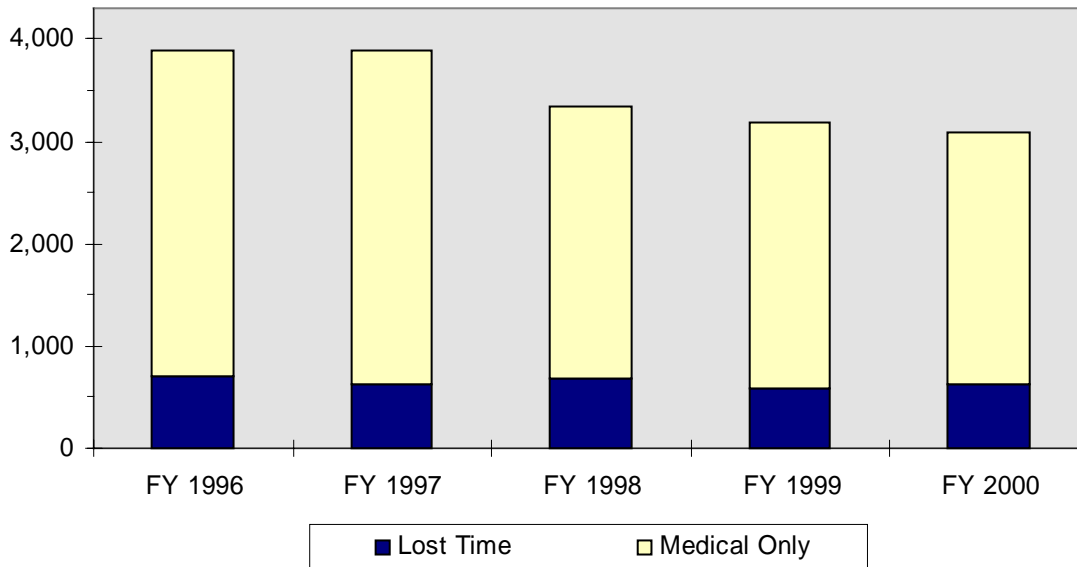
*Lost time claims*, those in which the employee is disabled beyond a three calendar-day waiting period, increased 6.3%, while *medical only claims* decreased 4.6% from FY 1999 to FY 2000. Lost time claims are generally more costly than *medical only claims*, thus a greater percentage decrease in the lost time claims from FY 1996 through FY 2000 should translate into greater cost savings than a comparable reduction in medical only claims.

#### ***Slightly fewer claims were closed (Chart 2)***

The program closed 152 fewer claims in FY 2000 than in FY 1999. This reflects a 4.8% decrease. The program closed nearly as many claims as received during FY 2000 (3,097 received vs. 2,984 closed). The standardized closing procedures instituted in previous years as well as declining numbers of new claims, have brought the closed claim numbers in line with the opened claims.



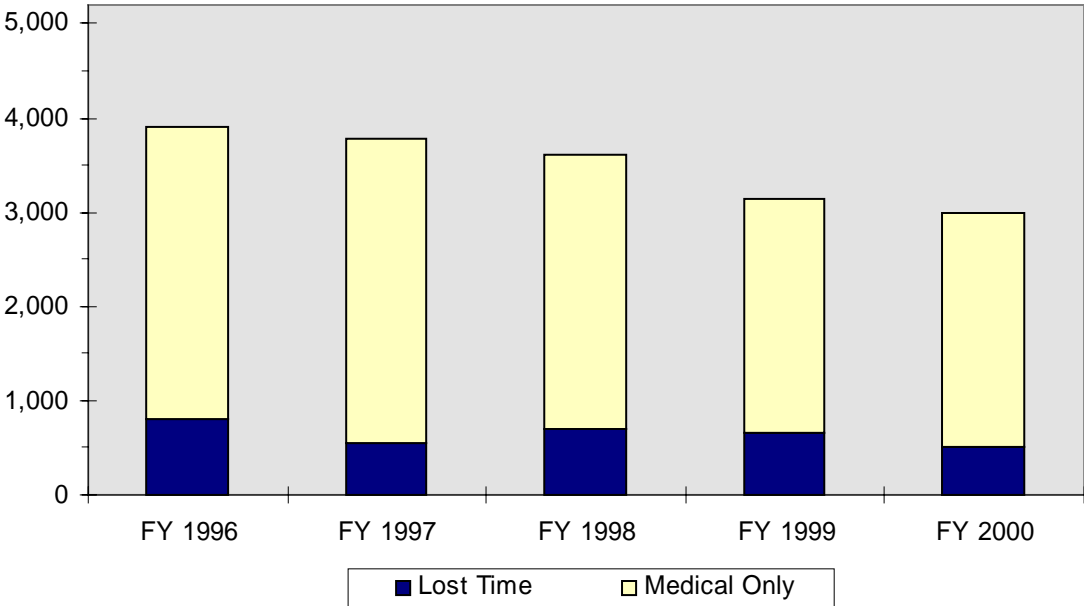
**Chart 1 / Number of Claims Reported / FYs 1996-2000**



	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 96-00	FY 99-00
	<b>Claims Reported</b>					<b>% Change</b>	
<i>Lost Time</i>	710	619	678	590	627	-11.7%	6.3%
<i>Medical Only</i>	3,180	3,263	2,661	2,590	2,470	-22.3%	-4.6%
<b>Totals</b>	<b>3,890</b>	<b>3,882</b>	<b>3,339</b>	<b>3,180</b>	<b>3,097</b>	<b>-20.4%</b>	<b>-2.6%</b>



**Chart 2 / Number of Claims Closed / FYs 1996-2000**



	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 96-00	FY 99-00
	<b>Claims Closed</b>					<b>% Change</b>	
<i>Lost Time</i>	797	561	690	662	510	-36.0%	-23.0%
<i>Medical Only</i>	3,112	3,211	2,928	2,474	2,474	-20.5%	0.0%
<b>Totals</b>	<b>3,909</b>	<b>3,772</b>	<b>3,618</b>	<b>3,136</b>	<b>2,984</b>	<b>-23.7%</b>	<b>-4.8%</b>

### **The program experienced a .9% decrease in total costs (Chart 3)**

The program's total costs decreased .9% (\$179,076) in FY 2000 compared to FY 1999. From FY 1996 to FY 2000, total program costs increased 6.9% (\$1,312,798). These costs include benefits, program administrative fees, special assessments, reinsurance, and managed care administrative fees.

#### **Benefits**

*Benefit costs* include all benefits paid under Minnesota Statutes, Chapter 176. In FY 2000 these costs decreased 1.7% (\$256,253) compared to FY 1999. From FY 1996 to FY 2000, benefit costs increased 7.5% (\$1,005,686).

#### **Administration**

In FY00 the program provided claims administration, safety and industrial hygiene consultations, and disability management/rehabilitation services with an operating budget of \$2,732,796.

#### **Special Assessments**

The program's expenditure for *special assessments* increased 4.2% (\$68,715) compared to FY 1999. Special assessments are levied by the Department of Labor and Industry for payment of uninsured employer claims, reimbursement of supplementary benefits, and reimbursement of Second Injury Fund claims. The assessment rate paid to DOLI in FY 2000 was 30% of indemnity benefits paid for injuries occurring on or after 6/1/71. This assessment is charged to all insurers and self-insured employers doing business in Minnesota.

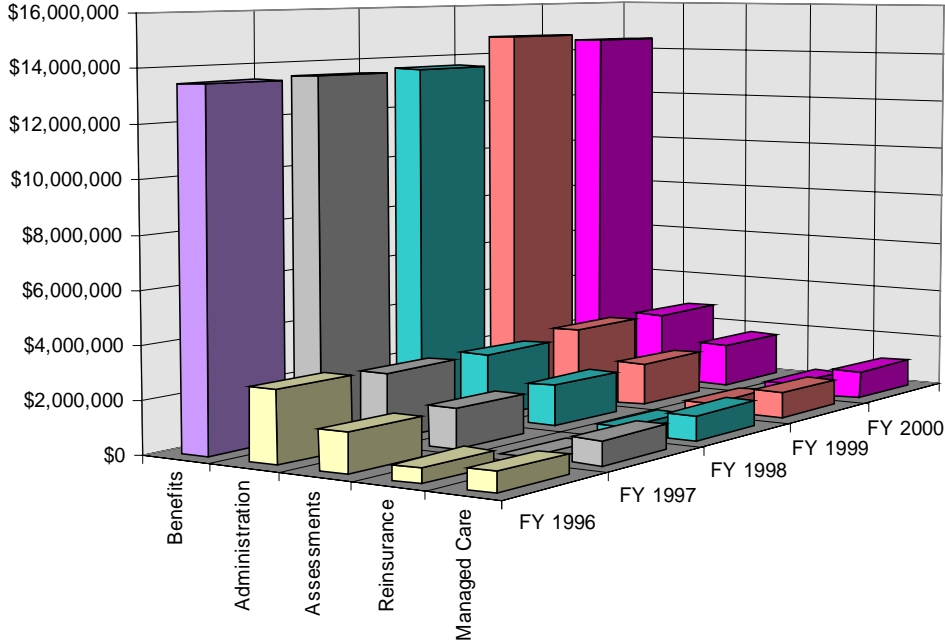
#### **Reinsurance**

The program's expenditure for *reinsurance* increased \$10,002 in FY 2000 compared to FY 1999. The Workers' Compensation Reinsurance Association (WCRA) provides coverage to the state on claims exceeding our deductible (retention rate).

#### **Managed Care**

The program's payments for *managed care* services increased 3.8% (\$36,678) from FY 1999 to FY 2000 due to an increase in the number of state employees covered by the program.

Chart 3 / Total Program Costs / FYs 1996-2000



	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 96-00	FY 99-00
<b>Total Program Costs</b>						<b>Change</b>	
<b>Benefits</b>	\$13,458,368	\$13,526,704	\$13,610,940	\$14,720,307	\$14,464,054	7.5%	-1.7%
<b>Administration</b>	\$2,696,128	\$2,519,874	\$2,508,670	\$2,773,014	\$2,732,796	1.4%	-1.5%
<b>Assessments</b>	\$1,487,593	\$1,495,384	\$1,556,374	\$1,625,109	\$1,693,824	13.9%	4.2%
<b>Reinsurance</b>	\$554,842	(\$1,815)	\$201,526	\$301,299	\$311,301	-43.9%	3.3%
<b>Managed Care</b>	\$737,340	\$902,666	\$954,864	\$1,006,416	\$1,045,094	15.8%	3.8%
<b>Totals</b>	<b>\$18,934,271</b>	<b>\$18,442,813</b>	<b>\$18,832,374</b>	<b>\$20,426,145</b>	<b>\$20,247,069</b>	<b>6.9%</b>	<b>-0.9%</b>

**The program's expenditures for benefits decreased 1.7%**  
**— a decrease of \$256,253 (Chart 4)**

In FY 2000, expenditures for *indemnity, medical expenses, rehabilitation, and employee attorney's fees* decreased a total of 1.7% (\$256,253) compared to FY 1999. From FY 1996 to FY 2000, benefit costs have increased 7.5% (\$1,005,686).

***Indemnity costs decreased***

Payments to compensate employees for lost wages or for permanent loss of body function decreased 1.6% (\$121,129) in FY 2000 compared to FY 1999. Since FY 1996, indemnity costs have decreased 1.3% (\$93,738).

***Medical costs decreased***

Payments for office and hospital visits, prescriptions, supplies, and reimbursements for travel and time off to see the doctor decreased 2.5% (\$135,927) in FY 2000 compared to the previous year.

***Expense costs increased***

Expenditures for investigations, independent medical examinations, medical records, court reporters, deposition fees, and legal defense costs increased 12.7% (\$78,660) from FY 1999 to FY 2000. From FY 1996 to FY 2000, expenses decreased 4.6% (\$33,297).

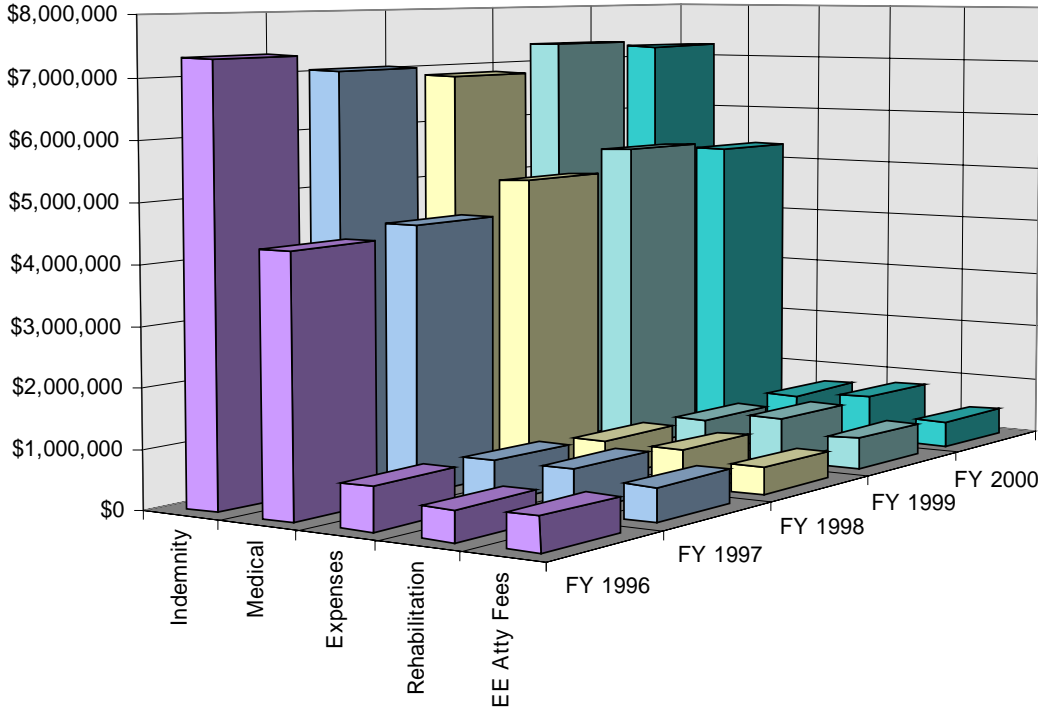
***Rehabilitation costs increased***

Expenditures for medical and vocational rehabilitation services that aid in returning injured employees to work increased 3.1% (\$23,624) from FY 1999 to FY 2000. Rehabilitation expenses increased 53.8% (\$276,274) from FY 1996 to FY 2000. The expenditure for rehabilitation benefits is an up-front cost that produces savings in indemnity benefits by returning employees to work as soon as they are able.

***Employee attorney costs decreased***

Fees paid to attorneys representing injured employees in FY 2000 decreased 18.5% (\$101,481) compared to FY 1999.

Chart 4 / Benefit Costs / FYs 1996-2000

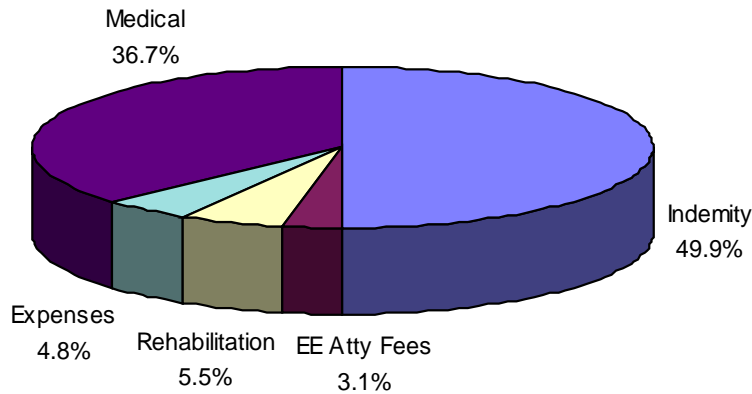


	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 96-00	FY 99-00
	<b>Benefit Costs</b>					<b>Change</b>	
<b>Indemnity</b>	\$7,315,077	\$7,029,757	\$6,846,778	\$7,342,468	\$7,221,339	-1.3%	-1.6%
<b>Medical</b>	\$4,321,847	\$4,501,778	\$5,057,550	\$5,444,536	\$5,308,609	22.8%	-2.5%
<b>Expenses</b>	\$731,560	\$708,643	\$642,945	\$619,603	\$698,263	-4.6%	12.7%
<b>Rehabilitation</b>	\$513,571	\$720,199	\$606,456	\$766,221	\$789,845	53.8%	3.1%
<b>EE Atty Fees</b>	\$576,313	\$566,327	\$457,211	\$547,479	\$445,998	-22.6%	-18.5%
<b>Totals</b>	<b>\$13,458,368</b>	<b>\$13,526,704</b>	<b>\$13,610,940</b>	<b>\$14,720,307</b>	<b>\$14,464,054</b>	<b>7.5%</b>	<b>-1.7%</b>

**The majority of benefits went directly to employees (Chart 5)**

In FY 2000, 49.9% (\$7,221,339) of the total benefits paid went directly to employees in the form of *indemnity* payments to compensate for lost wages or for permanent loss of body function. This percentage is the same as the previous year (FY 1999).

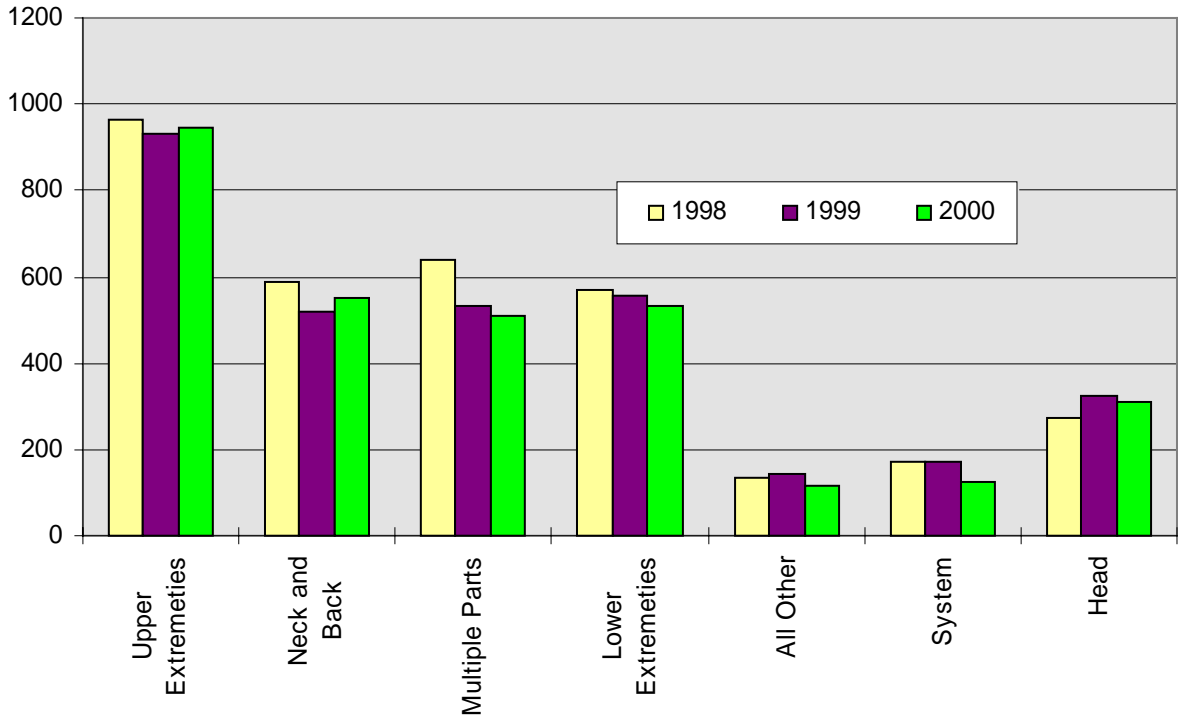
**Chart 5 / Composition of Benefit Costs / FY 2000**



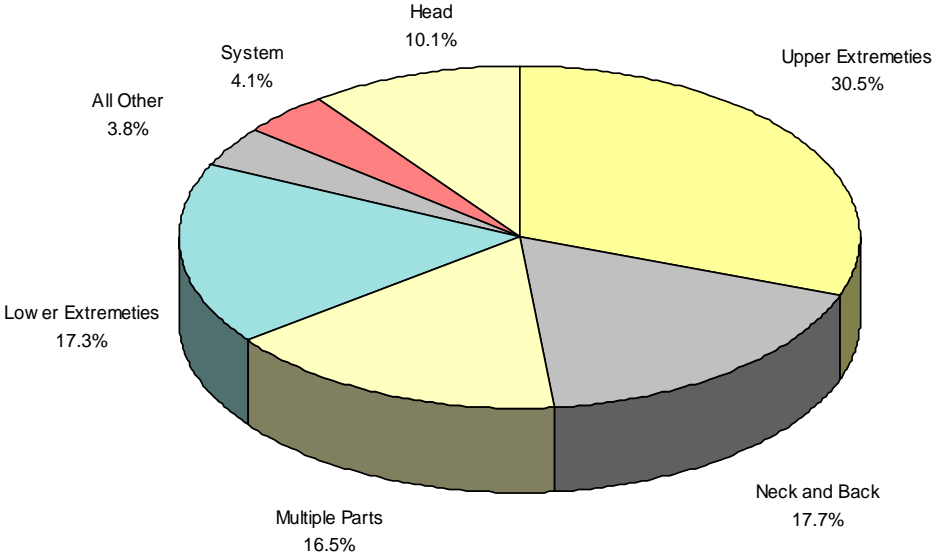
**Most common injury was to the upper extremities, followed by multiple parts, neck/back, and lower extremities (Charts 6 and 7)**

In FY 2000, 30.5% of all reported injuries were to the upper extremities (arm, shoulder, elbow, wrist, etc.), 16.5% involved multiple body parts, 17.7% to the neck/back, and 17.3% to the lower extremities. This distribution of injuries has remained fairly constant from FY 1998 through FY 2000.

**Chart 6 / Composition of Reported Injuries / FYs 1998-2000**



**Chart 7 / Composition of Reported Injuries / FY 2000**



**The program's expenditure for indemnity benefits decreased 1.6% — \$121,129 (Chart 8)**

The program's largest expenditure, indemnity benefits, decreased 1.6% (\$121,129) from FY 1999 to FY 2000. Since FY 1996 indemnity benefits have declined 1.3% (\$93,738).

**Types of Indemnity Benefits**

Indemnity benefits are usually paid on a biweekly basis to compensate employees for lost wages and permanent loss of body function due to a work-related injury. Indemnity benefits fall into the following categories:

**Temporary Total Disability (TTD) benefits** are paid to employees who are unable to work, but who may be able to return to some type of work in the future. In FY 2000, TTD payments increased 7.6% (\$122,196) compared to FY 1999.

**Temporary Partial Disability (TPD) benefits** are paid to employees who are able to work at either a reduced wage or a reduced number of hours. In FY 2000, TPD payments increased 35.5% (\$227,201). From FY 1996 to FY 2000, expenditures for this benefit decreased 8.8% (\$83,967).

**Permanent Partial Disability (PPD) benefits** are paid to employees who have a permanent loss of body function. In FY 2000, PPD payments decreased 2.2% (\$21,235) compared to FY 1999.

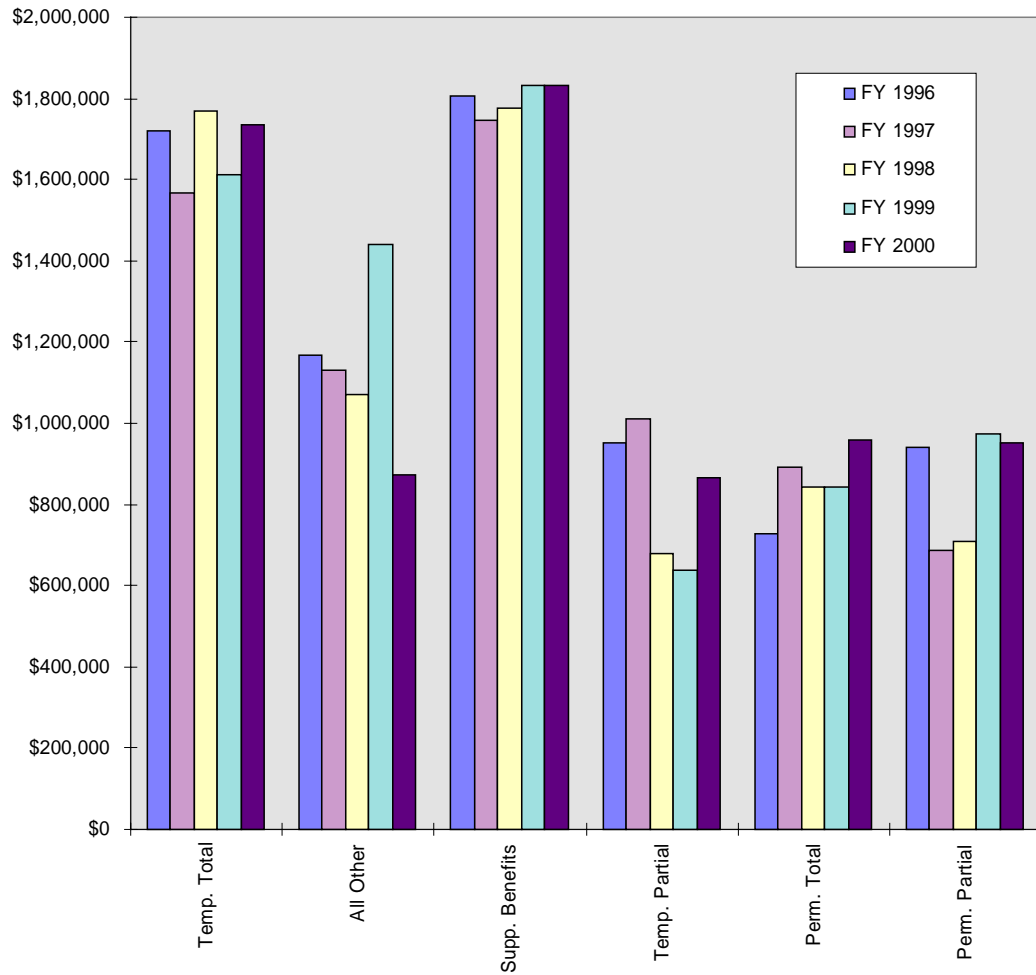
**Permanent Total Disability (PTD) benefits** are paid to employees who will never be able to work again. In FY 2000, PTD payments increased 13.8% (\$116,782) compared to FY 1999.

**Supplementary Benefits (SBs)** are paid in conjunction with PTD, or to bring payments up to a percentage of the statewide average weekly wage. The majority of employees who receive SBs also receive Social Security Disability benefits. The program does not invoice agencies for these benefit payments, but rather receives full reimbursement from the Department of Labor and Industry. In FY 2000, SB payments increased slightly compared to FY 1999. The legislature has eliminated the requirement to pay Supplementary Benefits for injuries occurring on or after October 1, 1995.

**Other Benefits** include lump sums to settle claims, death benefits to dependents, and retraining benefits. In FY 2000, these payments decreased 39.3% (\$566,892) compared to FY 1999.



Chart 8 / Indemnity Benefit Costs / FYs 1996-2000



	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 96-00	FY 99-00
<b>Indemnity Benefit Costs</b>							
						<b>Change</b>	
<b>Temp. Total</b>	\$1,719,115	\$1,565,983	\$1,768,842	\$1,612,418	\$1,734,614	0.9%	7.6%
<b>All Other</b>	\$1,169,284	\$1,128,951	\$1,072,056	\$1,441,491	\$874,599	-25.2%	-39.3%
<b>Supp. Benefits</b>	\$1,807,012	\$1,748,090	\$1,776,997	\$1,831,530	\$1,832,349	1.4%	0.0%
<b>Temp. Partial</b>	\$950,951	\$1,010,105	\$678,224	\$639,783	\$866,984	-8.8%	35.5%
<b>Perm. Total</b>	\$728,227	\$890,639	\$842,778	\$843,600	\$960,382	31.9%	13.8%
<b>Perm. Partial</b>	\$940,488	\$685,989	\$707,881	\$973,646	\$952,411	1.3%	-2.2%
<b>Totals</b>	<b>\$7,315,077</b>	<b>\$7,029,757</b>	<b>\$6,846,778</b>	<b>\$7,342,468</b>	<b>\$7,221,339</b>	<b>-1.3%</b>	<b>-1.6%</b>

***The program's expenditure for medical benefits decreased 2.5% (Chart 9)***

In FY 2000, the program paid \$5,308,609 to various medical care providers and medical reimbursements to the employee. This was a decrease of 2.5% (\$135,927) compared to FY 1999.

The largest dollar and percentage increases were in medical visits, employee reimbursements, and prescriptions. The most notable decrease occurred in miscellaneous medical and hospital visits.

***Medical office visits*** include all non-chiropractic care that is not provided in a hospital. From FY 1999 to FY 2000, these payments increased 24.0% (\$398,444).

***Hospital*** payments include all inpatient and outpatient treatment. In FY 2000, these payments decreased 22.3% (\$596,255) compared to FY 1999.

***Chiropractic care*** payments decreased 3.0% (\$5,476) in FY 2000 compared to FY 1999.

***Miscellaneous medical*** includes payments to intervenors and diet and/or fitness centers.

In FY 2000, these payments decreased 23.9% (\$42,952) compared to FY 1999.

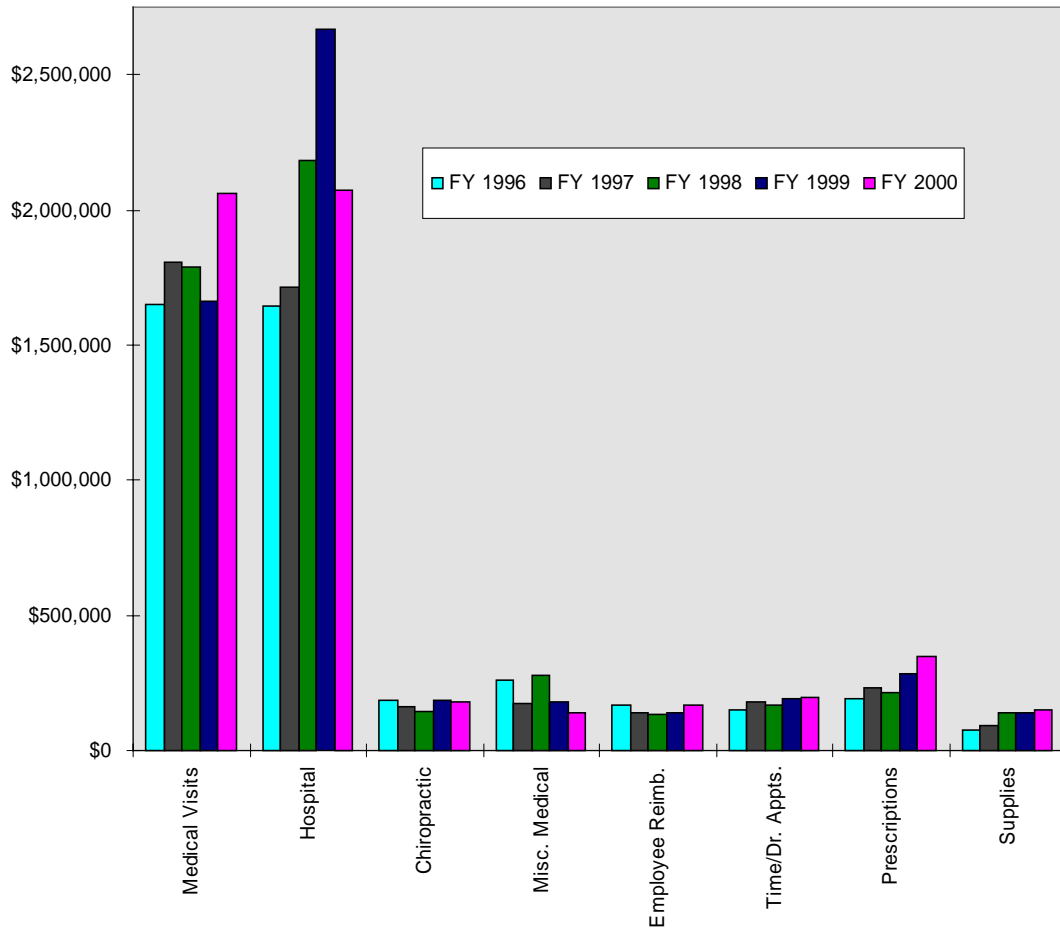
***Employee reimbursements*** include mileage, parking, and meals. These payments increased 19.1% (\$26,575) from FY 1999 to FY 2000.

***Employee time for doctor*** is reimbursement of wages lost for time spent attending medical appointments. It does not include wages lost because of inability to work. These payments increased 1.9% (\$3,623) compared to FY 1999.

***Prescription*** costs increased 23.5% (\$66,124) from FY 1999 to FY 2000. Prescription costs have risen to \$347,317 and have nearly doubled since these costs were \$191,635 in FY 1996.

***Supplies*** include medical equipment and supplies. These payments increased 10.2% (\$13,990) in FY 2000 compared to FY 1999.

Chart 9 / Medical Benefit Costs / FYs 1996-2000



	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 96-00	FY 99-00
<b>Medical Benefit Costs</b>						<b>Change</b>	
<b>Medical Visits</b>	\$1,650,246	\$1,805,860	\$1,790,476	\$1,662,475	\$2,060,919	24.9%	24.0%
<b>Hospital</b>	\$1,643,293	\$1,713,901	\$2,185,104	\$2,669,008	\$2,072,753	26.1%	-22.3%
<b>Chiropractic</b>	\$186,587	\$162,064	\$146,063	\$183,752	\$178,276	-4.5%	-3.0%
<b>Misc. Medical</b>	\$257,875	\$175,131	\$280,774	\$179,890	\$136,938	-46.9%	-23.9%
<b>Employee Reimb.</b>	\$170,409	\$137,614	\$131,376	\$139,449	\$166,024	-2.6%	19.1%
<b>Time/Dr. Appts.</b>	\$148,408	\$181,233	\$170,705	\$191,062	\$194,685	7.4%	1.9%
<b>Prescriptions</b>	\$191,635	\$232,686	\$216,678	\$281,193	\$347,317	81.2%	23.5%
<b>Supplies</b>	\$73,403	\$93,289	\$136,374	\$137,707	\$151,697	106.7%	10.2%
<b>Totals</b>	<b>\$4,321,856</b>	<b>\$4,501,778</b>	<b>\$ 5,057,550</b>	<b>\$ 5,444,536</b>	<b>\$ 5,308,609</b>	<b>22.8%</b>	<b>-2.5%</b>

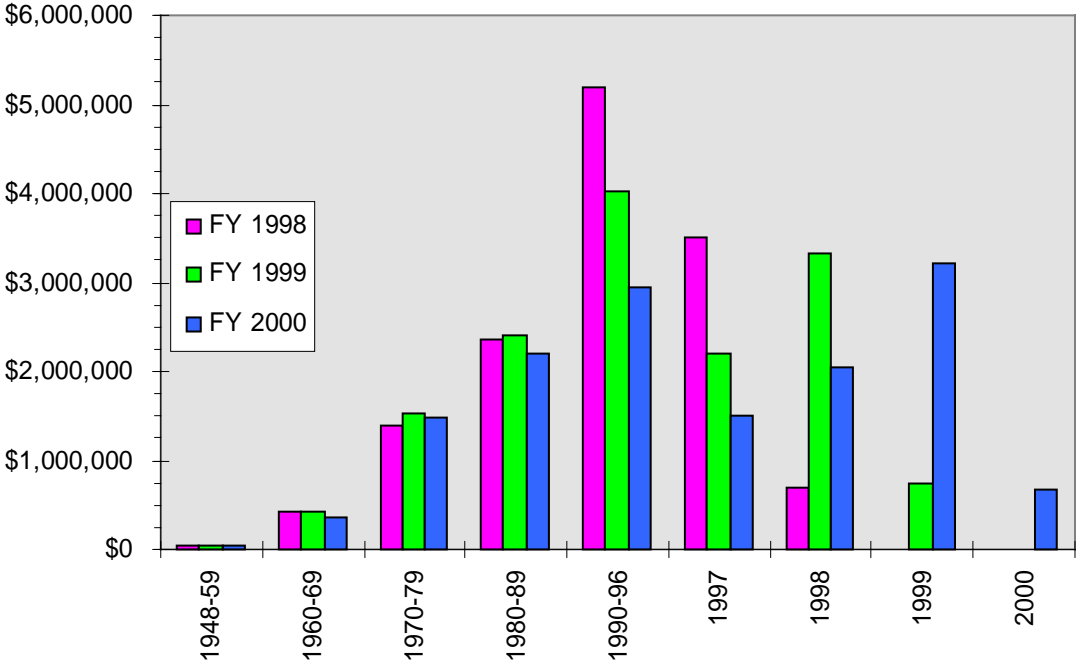
***Claims that occurred prior to 1990 accounted for 28% of the program's FY 2000 benefit costs (Chart 10)***

In FY 2000, the oldest claim the program managed was from 1956. Chart 10 shows a breakdown of total benefits paid from FY 1998 to FY 2000 for injuries occurring in calendar years 1948-00. In FY 2000, 28.2% (\$4,072,570) of all benefits went to employees who were injured prior to 1990. This is less than what has occurred in past fiscal years.

***Claims follow predictable pattern***

In terms of cost, claims tend to undergo a "maturing" process. Claim costs tend to rise in the year following the injury as further benefits are paid. Then, in subsequent years, claim costs tend to decrease. Chart 10 shows claims payments made in FY 2000 which demonstrate this pattern.

**Chart 10 / Payments Made for Calendar Year Injuries / FYs 1998-2000**



Calendar Years	FY 1998	FY 1999	FY 2000
1948-59	\$37,265	\$39,539	\$41,214
1960-69	\$426,411	\$421,953	\$349,113
1970-79	\$1,388,068	\$1,527,908	\$1,473,402
1980-89	\$2,366,506	\$2,403,811	\$2,208,841
1990-96	\$5,182,113	\$4,030,051	\$2,945,850
1997	\$3,507,507	\$2,213,428	\$1,503,578
1998	\$703,070	\$3,334,941	\$2,046,644
1999	\$0	\$748,676	\$3,223,506
2000	\$0	\$0	\$671,906
<b>Totals</b>	<b>\$13,610,940</b>	<b>\$14,720,307</b>	<b>\$14,464,054</b>

**Recoveries decreased 17.8% — \$361,657 (Chart 11)**

Recoveries are funds the program receives from three main sources: supplementary benefits, Second Injury Fund, and subrogation. Total recoveries in FY 2000 decreased 17.8% (\$361,657) compared to FY 1999.

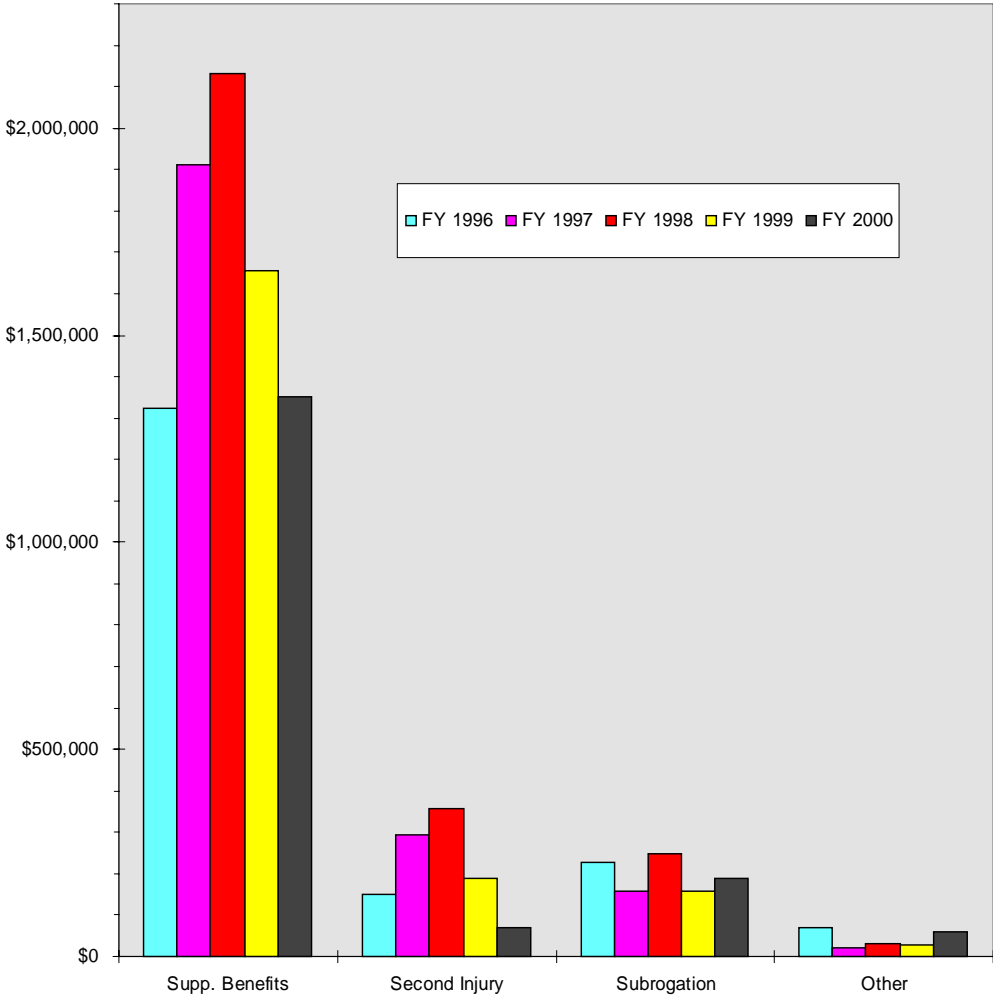
**Supplementary Benefit Recoveries** are reimbursed by the Department of Labor and Industry (DOLI). In FY 2000, the recovery of these funds decreased 18.5% (\$306,954) compared to FY 1999.

**Second Injury Fund Recoveries** are reimbursed by the Department of Labor and Industry for benefits paid on claims in which the employee had certain pre-existing conditions. In 1992, legislation eliminated the Second Injury Fund for claims occurring on or after July 1, 1992. In FY 2000, the recovery of these funds decreased 63.5% (\$119,136) compared to FY 1999.

**Subrogation Recoveries** are funds paid by third parties who are found responsible for employees' injuries and illnesses. From FY 1999 to FY 2000, the recovery of these funds increased 19.8%, (\$31,264).

**Other Recoveries** include funds obtained through contribution and reinsurance. In FY 2000 the recovery of these funds increased 122% (\$33,169). compared to FY 1999.

Chart 11 / Recoveries / FYs 1996-2000



	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 96-00	FY 99-00
<b>Recoveries</b>						<b>Change</b>	
<b>Supp. Benefits</b>	\$1,322,313	\$1,909,744	\$2,131,498	\$1,657,582	\$1,350,628	2.1%	-18.5%
<b>Second Injury</b>	\$150,699	\$295,514	\$356,691	\$187,573	\$68,437	-54.6%	-63.5%
<b>Subrogation</b>	\$226,775	\$156,296	\$248,984	\$157,877	\$189,141	-16.6%	19.8%
<b>Other</b>	\$70,739	\$21,932	\$29,764	\$27,194	\$60,363	-14.7%	122.0%
<b>Totals</b>	\$1,770,526	\$2,383,486	\$2,766,937	\$2,030,226	\$1,668,569	-5.8%	-17.8%

***Eight agencies accounted for the majority of the program's activity  
(Charts 12, 13, and Appendices A, B)***

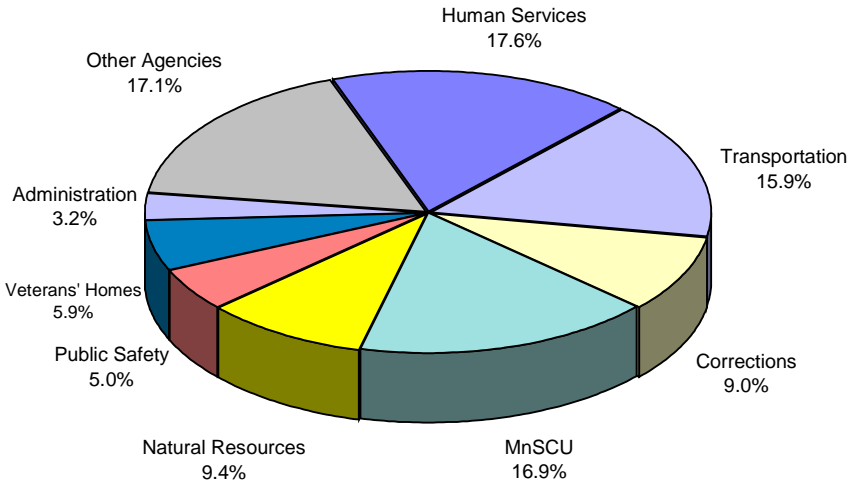
The following eight state agencies reported 82.9% of all claims and paid 83.4% of all benefits in FY 2000. The eight agencies are: Human Services, MnSCU, Transportation, Corrections, Natural Resources, Public Safety, Veterans' Homes, and Administration. This compares with 82.4% (reported) and 86.0% (paid) in FY 1999.

To a great extent, this can be attributed to the agencies' size and the type of work they do. Agencies where a majority of the employees are engaged in office work tend to have fewer injuries than agencies with employees who work in non-office settings.

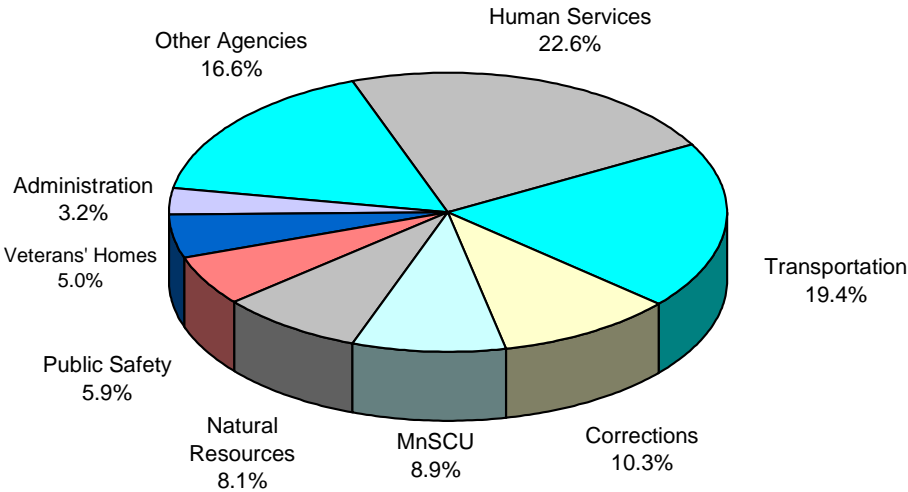
Charts 12 and 13 contain information on these eight agencies, while Appendices A and B contain agency-by-agency comparison of the number of claims reported and the amount of benefits paid in FY 1999 and FY 2000.



**Chart 12 / Composition of Reported Claims by Agency/ FY 2000**



**Chart 13 / Composition of Benefits Paid by Agency/ FY 2000**



***Benefit costs for these eight agencies fell 4.6%  
(Chart 14 and Appendix B)***

Combined benefit costs for the eight large agencies decreased a total of 4.6% (\$588,008) from FY 1999 to FY 2000. Chart 14 shows data for these eight agencies. Cost data for the remaining agencies are contained in Appendix B.

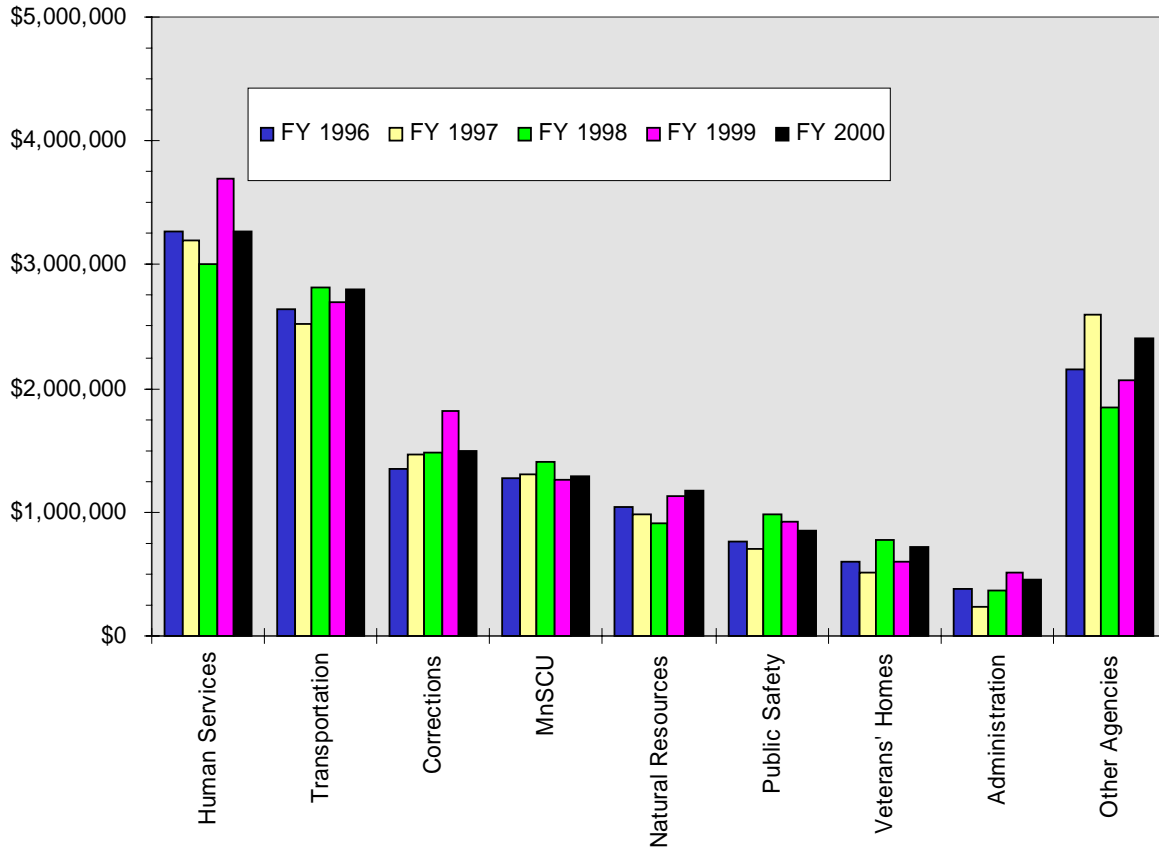
***Caution urged when comparing agencies***

It must be noted that comparisons of agencies' workers' compensation costs may be misleading and must be kept in perspective. One must consider many factors when comparing costs among agencies: the number and age of employees, the type of work done, the salaries paid, the number of hours worked, and the type and severity of injuries.

***Large Declines in Costs for Department of Corrections  
and Department of Human Services***

Large reductions in expenditures were seen in the Department of Corrections whose benefit costs in FY 2000 declined \$331,185 (18.2%) and Department of Human Services whose benefit costs declined \$428,260 (11.6%). The other six large agencies experienced a range of decreases of 11.4% to increases of as much as 20.3%. All other agencies experienced an increase in benefit costs of 16% (\$331,755) from FY 1999 to FY 2000.

Chart 14 / Benefit Costs for Eight Agencies/ FYs 1996-2000



	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 96-00	FY 99-00
	<b>Benefit Costs</b>					<b>Change</b>	
<b>Human Services</b>	\$3,272,952	\$3,196,106	\$3,006,076	\$3,695,353	\$3,267,093	-0.2%	-11.6%
<b>Transportation</b>	\$2,638,223	\$2,526,713	\$2,813,376	\$2,695,133	\$2,806,936	6.4%	4.1%
<b>Corrections</b>	\$1,355,767	\$1,460,870	\$1,483,129	\$1,822,690	\$1,491,505	10.0%	-18.2%
<b>MnSCU</b>	\$1,272,173	\$1,302,804	\$1,411,966	\$1,264,193	\$1,288,666	1.3%	1.9%
<b>Natural Resources</b>	\$1,034,390	\$988,463	\$915,400	\$1,130,597	\$1,179,644	14.0%	4.3%
<b>Public Safety</b>	\$762,234	\$709,176	\$987,037	\$925,101	\$848,405	11.3%	-8.3%
<b>Veterans' Homes</b>	\$595,969	\$512,454	\$776,821	\$601,811	\$723,734	21.4%	20.3%
<b>Administration</b>	\$376,423	\$231,106	\$369,980	\$517,796	\$458,683	21.9%	-11.4%
<b>Totals 8 Agencies</b>	\$11,308,131	\$10,927,692	\$11,763,785	\$12,652,674	\$12,064,666	6.7%	-4.6%
<b>Other Agencies</b>	\$2,150,237	\$2,599,012	\$1,847,155	\$2,067,633	\$2,399,388	11.6%	16.0%
<b>Totals Overall</b>	\$13,458,368	\$13,526,704	\$13,610,940	\$14,720,307	\$14,464,054	7.5%	-1.7%

**The average incidence rate for these eight agencies and for all other agencies decreased (Chart 15)**

The *incidence rate* is an indicator of an agency's claims experience. It is an approximation of the number of reportable claims per year, per 100 full-time employees and is calculated as follows:

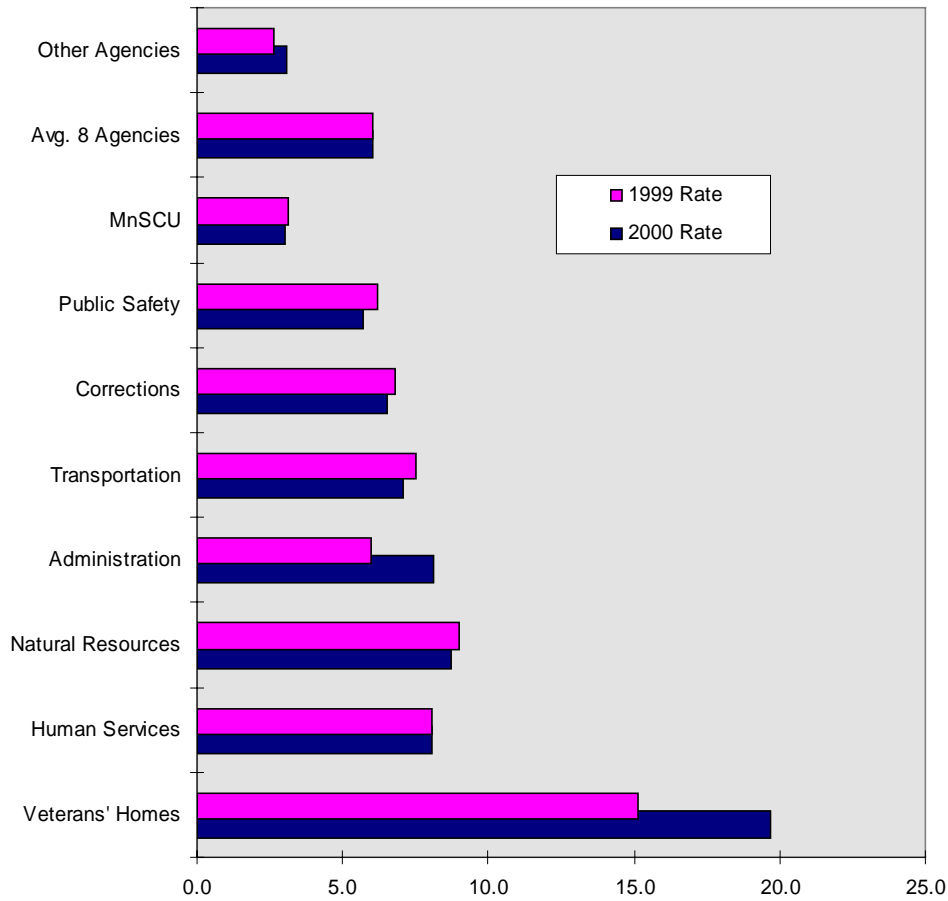
$$\text{Incident Rate} = \frac{\text{Number of Reportable Claims} \times 200,000}{\text{Total Employee Hours Worked}}$$

A *reportable* claim is one in which an employee seeks medical treatment, we accept liability, and expenses are incurred.

The average incident rate remained the same at 6.0 from FY 1999 to FY 2000 for the eight large agencies that accounted for the majority of the program's claims reported and benefits paid. Six of the eight agencies experienced a slight drop in their incident rate in FY 2000 as compared to the FY 1999 incident rate.

The rate for all other agencies increased in FY 2000, compared to FY 1999 by 0.5. Overall, the incidence rate increased slightly from 5.1 in FY 1999 to 5.3 in FY 2000.

Chart 15 / Incidence Rates/ FYs 1999-2000



Agency	FY 1999			FY 2000		
	Reportable Claims	Hours Worked	1999 Rate	Reportable Claims	Hours Worked	2000 Rate
<b>Veterans' Homes</b>	113	1,492,314	15.1	163	1,657,808	19.7
<b>Human Services</b>	429	10,626,051	8.1	445	11,061,720	8.0
<b>Natural Resources</b>	226	5,016,296	9.0	232	5,316,177	8.7
<b>Administration</b>	46	1,538,607	6.0	67	1,649,465	8.1
<b>Transportation</b>	348	9,257,669	7.5	348	9,829,929	7.1
<b>Corrections</b>	221	6,477,323	6.8	218	6,688,368	6.5
<b>Public Safety</b>	106	3,427,504	6.2	105	3,667,645	5.7
<b>MnSCU</b>	377	24,088,744	3.1	380	25,320,181	3.0
<b>Avg. 8 Agencies</b>	<b>233</b>	<b>7,740,564</b>	<b>6.0</b>	<b>245</b>	<b>8,148,912</b>	<b>6.0</b>
<b>Other Agencies</b>	285	21,657,399	2.6	342	22,362,259	3.1
<b>All Agencies</b>	<b>2,151</b>	<b>83,581,907</b>	<b>5.1</b>	<b>2,300</b>	<b>87,553,552</b>	<b>5.3</b>

Appendix A: Reported Claims / FY 1999 - 2000 by Agency			
Agency	FY 1999	FY 2000	FYs 99-00 % of Change
Administration	76	100	31.58%
Agriculture	73	44	-39.73%
Animal Health Board	4	1	-75.00%
Attorney General	15	9	-40.00%
Boards & Commissions	7	10	42.86%
Center for Arts Education	2	2	0.00%
Children, Families & Learning (Educ)	19	15	-21.05%
Commerce	6	6	0.00%
Corrections	333	278	-16.52%
Court of Appeals	0	2	100.00%
Economic Security	55	49	-10.91%
Employee Relations	6	5	-16.67%
Examining Boards	2	1	-50.00%
Faribault Academies	15	23	53.33%
Finance	5	10	100.00%
Gambling Control	1	0	-100.00%
Governor's Office	1	0	-100.00%
Health	41	46	12.20%
Higher Educ Coord Board	0	6	100.00%
Historical Society	18	11	-38.89%
House of Representatives	15	7	-53.33%
Housing Finance	1	1	0.00%
Human Rights	1	0	-100.00%
Human Services	555	547	-1.44%
Indian Affairs Council	0	0	No change
IRRRB	6	11	83.33%
Judicial	5	6	20.00%
Labor & Industry	21	29	38.10%
Legislative Auditor	2	0	-100.00%
Legislative Coord Committee	0	0	No change
Legislative Reference Library	1	0	-100.00%
Lottery	12	16	33.33%
Mediation Services	0	0	No change
Military Affairs	46	38	-17.39%
MN State Retirement	1	1	0.00%
MNSCU	527	525	-0.38%
Natural Resources	291	290	-0.34%
Office of Environmental(Waste Mgt)	6	5	-16.67%
Ombudsman-Corrections	0	0	No change
Ombudsperson for Families	0	1	100.00%
Pollution Control Agency	17	12	-29.41%
Public Defense Board	6	4	-33.33%
Public Employee Retirement Assoc.	0	0	No change
Public Safety	172	154	-10.47%
Public Service	13	9	-30.77%
Racing Commission	0	0	No change
Revenue	51	48	-5.88%
Revisor of Statutes	2	0	-100.00%
Secretary of State	3	6	100.00%
State Arts Board	1	1	0.00%
State Auditor	1	2	100.00%
State Fair	25	25	0.00%
State Senate	7	8	14.29%
Strategic & Long Range Planning	1	0	-100.00%
Tax Court	1	0	-100.00%
Teachers Retirement Assoc.	0	1	100.00%
Trade & Economic Development	5	9	80.00%
Transportation	487	492	1.03%
Trial Courts	24	17	-29.17%
Veterans Affairs	2	5	150.00%
Veterans Home Board	179	182	1.68%
Work Comp Court of Appeals	0	0	No change
Zoo	14	27	92.86%
<b>TOTAL</b>	<b>3180</b>	<b>3097</b>	<b>-2.61%</b>

NM=Not Meaningful

<b>Appendix B: Benefit Costs / FY 1999 - 2000 by Agency</b>			
<b>Agency</b>	<b>FY 1999</b>	<b>FY 2000</b>	<b>% of Change</b>
Administration	\$517,796	\$458,683	-11.42%
Agriculture	\$243,878	\$200,309	-17.87%
Animal Health Board	\$27,299	\$42	-99.85%
Attorney General	\$21,249	\$17,113	-19.46%
Boards & Commissions	\$18,037	\$46,614	158.44%
Center for Arts Education	\$243	\$562	131.28%
Children, Families & Learning (Educ)	\$36,611	\$91,328	149.46%
Commerce	\$20,514	\$61,335	198.99%
Corrections	\$1,822,690	\$1,491,505	-18.17%
Court of Appeals	\$709	\$597	-15.80%
Economic Security	\$236,500	\$220,137	-6.92%
Employee Relations	\$8,531	\$12,411	45.48%
Examining Boards	\$3,310	\$7	-99.79%
Faribault Academies	\$22,632	\$100,557	344.31%
Finance	\$709	\$14,967	2011.00%
Gambling Control	\$25,412	\$28,188	10.92%
Governor's Office	\$1,309	\$839	-35.91%
Health	\$74,273	\$115,905	56.05%
Higher Educ Coord Board	\$0	\$12,608	100.00%
Historical Society	\$33,278	\$28,366	-14.76%
House of Representatives	\$24,128	\$13,776	-42.90%
Housing Finance	\$5,898	\$2,153	-63.50%
Human Rights	\$1,758	\$1,107	-37.03%
Human Services	\$3,695,353	\$3,267,093	-11.59%
Indian Affairs Council	\$3,271	\$247	-92.45%
IRRRB	\$123,769	\$119,860	-3.16%
Judicial	\$4,067	\$4,121	1.33%
Labor & Industry	\$71,030	\$62,708	-11.72%
Legislative Auditor	\$2,240	\$1,109	-50.49%
Legislative Coordinating Committee	\$0	\$0	No change
Legislative Reference Library	\$0	\$0	No change
Lottery	\$14,219	\$88,004	518.92%
Mediation Services	\$19,640	\$20,607	4.92%
Military Affairs	\$196,138	\$247,428	26.15%
MN State Retirement	\$382	\$312	-18.32%
MNSCU	\$1,264,193	\$1,288,666	1.94%
Natural Resources	\$1,130,597	\$1,179,644	4.34%
Office of Environmental(Waste Mgt)	\$2,940	\$5,389	83.30%
Ombudsman-Corrections	\$0	\$0	No change
Ombudsperson for Families	\$0	\$412	100.00%
Pollution Control Agency	\$22,114	\$17,929	-18.92%
Public Defense Board	\$1,780	\$15,343	761.97%
Public Employee Retirement Assoc.	\$540	\$0	-100.00%
Public Safety	\$925,101	\$848,405	-8.29%
Public Service	\$37,539	\$28,133	-25.06%
Racing Commission	\$0	\$0	No change
Revenue	\$284,903	\$327,511	14.96%
Revisor of Statutes	\$19,494	\$21,323	9.38%
Secretary of State	\$11,492	\$8,112	-29.41%
State Arts Board	\$418	\$14	-96.65%
State Auditor	\$4,668	\$10,478	124.46%
State Fair	\$88,908	\$29,256	-67.09%
State Senate	\$21,583	\$4,698	-78.23%
Strategic & Long Range Planning	\$10,991	\$106	-99.04%
Tax Court	\$799	\$482	-39.67%
Teachers Retirement	\$0	\$206	100.00%
Trade & Economic Development	\$6,272	\$33,607	435.83%
Transportation	\$2,695,133	\$2,806,936	4.15%
Trial Courts	\$137,838	\$224,827	63.11%
Veterans Affairs	\$4,247	\$14,822	249.00%
Veterans Home Board	\$601,811	\$723,734	20.26%
Work Comp Court of Appeals	\$0	\$0	No change
Zoo	\$170,073	\$143,423	-15.67%
<b>TOTAL</b>	<b>\$14,720,307</b>	<b>\$14,464,054</b>	<b>-1.74%</b>

NM=Not Meaningful

