

**State Workers' Compensation  
Program Advisory Board  
Meeting  
January 29, 2025**






# STATE OF ILLINOIS: PROGRAM REVIEW



# STATE OF ILLINOIS SCORECARD AS OF 12/31/24

Measure	Current Year							Prior Year			4 Month	
	Q4-2024	Q3-2024	Q2-2024	Q1-2024	YTD-24	Rolling 12 Months	Q4-2023	YTD-23	Prior 12 Months	Trend		
Claim Volume	New Arising	Total	1,150	928	945	4,082	4,082	802	3,382	3,382	⚠️	
		Active	896	749	773	3,296	3,296	699	2,781	2,781		
		\$0 Claims	181	254	179	172	786	786	103	601		601
Lag Time	DOA to Emp.	0.3	0.4	0.3	0.4	0.4	0.4	0.5	2.8	2.8	⚠️	
	Emp. to GB	5.6	5.1	5.3	4.4	5.1	5.1	4.6	2.7	2.7		
Net Closure	Closures	1,077	949	1,023	917	3,966	3,966	1,004	4,239	4,239	✅	
	Reopens	232	236	241	222	931	931	302	932	932	✅	
Open Inventory	Number of Open Claims	M.O.	268	229	262	215	277	277	258	651	651	✅
		Ind.	2,870	2,963	2,831	2,899	2,878	2,878	2,900	3,165	3,165	
		Maint.	1,248	1,312	1,334	1,404	1,346	1,346	1,474	1,485	1,485	
	Total Incurred on Open (\$M)	\$974.9	\$997.9	\$1,008.5	\$1,013.9	\$1,002.8	\$1,002.8	\$1,022.4	\$1,072.1	\$1,072.1	✅	
	% Open >2Yrs +	2,239 (51%)	2,306 (51%)	2,344 (53%)	2,431 (54%)	2,356 (52%)	2,356 (52%)	2,445 (53%)	2,894 (55%)	2,894 (55%)	✅	
% Open >5Yrs +	1,163 (27%)	1,199 (27%)	1,197 (27%)	1,256 (28%)	1,213 (27%)	1,213 (27%)	1,275 (28%)	1,600 (30%)	1,600 (30%)	✅		
Financial	Average Paid on Closed (\$250K Cap)	\$41,343	\$29,241	\$32,071	\$30,236	\$33,488	\$33,488	\$29,119	\$26,482	\$26,482	✅	
	Total Paid ('000s)	\$32,686	\$29,544	\$30,897	\$28,640	\$122,954	\$122,954	\$29,764	\$118,084	\$118,084	✅	
Closure Triangle	% Closed at 60 days	21.1%	22.8%	18.7%	23.2%	21.0%	21.0%	14.7%	10.4%	10.4%	✅	
	% Closed at 180 days	51.5%	49.8%	48.6%	46.5%	50.1%	50.1%	46.1%	36.9%	36.9%	✅	
	% Closed at 12 months	62.1%	61.1%	60.5%	60.1%	61.2%	61.2%	57.5%	50.8%	50.8%	✅	
Cost Drivers	Average Lost Work Days on Closed	164.1	130.6	134.0	155.2	147.1	147.1	171.5	167.9	167.9	⚠️	
	Percent of Claims Litigated	58.9%	55.6%	54.7%	53.3%	59.9%	59.9%	51.1%	55.0%	55.0%	⚠️	

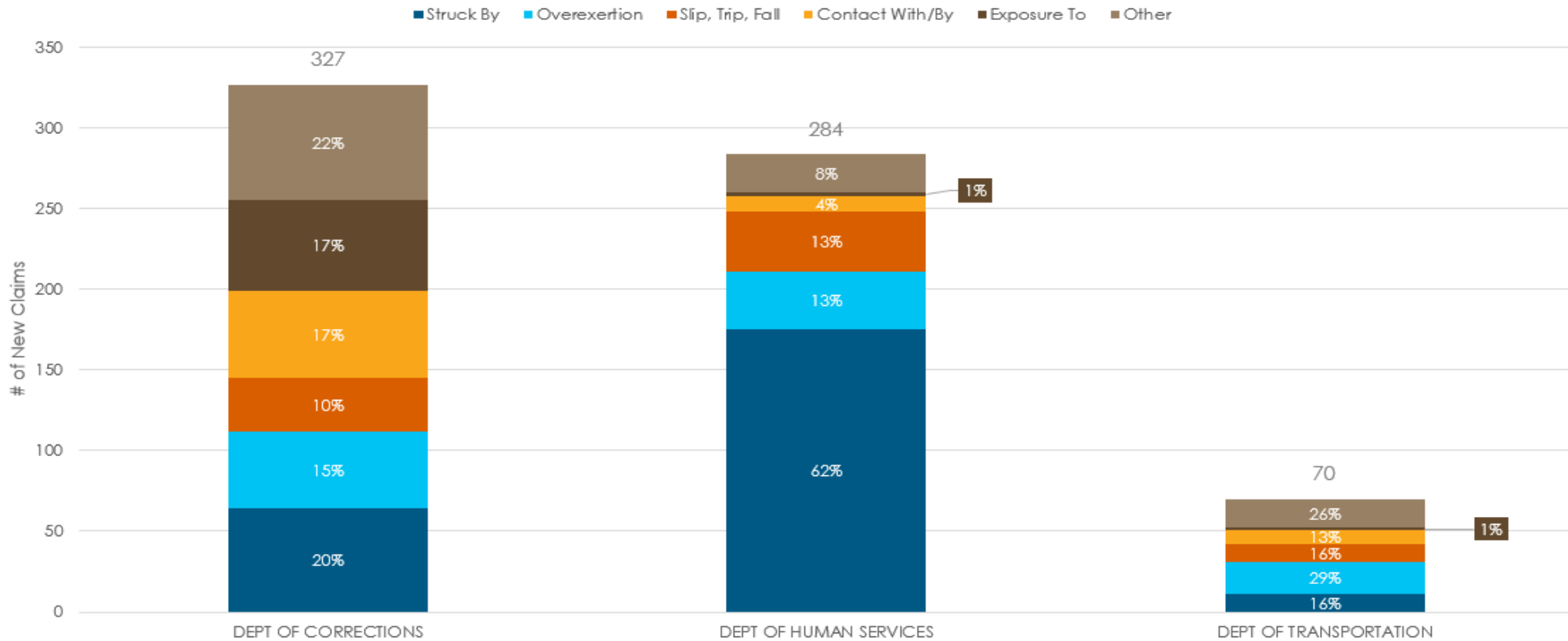
# SCORECARD SUMMARY

	 <b>Trending Positive/Neutral</b>	 <b>Trending Negatively; Monitor</b>	 <b>Trending Negatively; Act</b>
<b>Metric Review</b>	<ul style="list-style-type: none"> <li>Lag Time, accident-to-employer</li> <li>Reopens</li> <li>Number of Open Claims</li> <li>Total Incurred on Open</li> <li>Number of Claims Open for greater than 2, 5 years</li> </ul>	<ul style="list-style-type: none"> <li>Average Paid on Closed Claims</li> <li>Total Paid</li> <li>% Closed at 60 days, 180 days, 12 months</li> </ul>	<ul style="list-style-type: none"> <li>New Arising</li> <li>Lag Time, employer-to-GB</li> <li>Percentage Litigated</li> <li>Average Lost Work Days on Closed</li> </ul>
<b>Focus Area</b>	<ul style="list-style-type: none"> <li><b>New Arising:</b> Total claims decreased slightly ~8% from last quarter. Active cases decreased from last quarter, but still remains elevated compared to the rest of the year.</li> <li><b>Lag Time:</b> Accident-to-Employer reporting lag time remains less than 1 day; however, Employer-to-GB lag time has continued to rise (5.6 days) which may present some opportunities for improvement.</li> <li><b>% of Litigated:</b> Litigated claims continue to represent ~60% of all claims which is roughly in-line with recent quarters. Continued efforts to review and resolve litigated claims should be focal point of GB strategy moving forward.</li> <li><b>Average Lost Work Days on Closed:</b> LWD's have increased significantly since last quarter, but still in line with last year's numbers. Worth monitoring, but could be due to closing out older claims.</li> </ul>		
<b>Operational Updates &amp; Next Steps</b>	<ol style="list-style-type: none"> <li><b>% of Litigated:</b> Confirm claim litigation accuracy through shared data and communication between State of IL and GB.</li> </ol>		

# RESULTS BREAKDOWN-CLAIMS VOLUME BY DIVISION AND INJURY CAUSE

## 2024 FOURTH QUARTER NEW CLAIMS – TOP 5 ACCIDENT TYPES BY TOP 3 AGENCIES

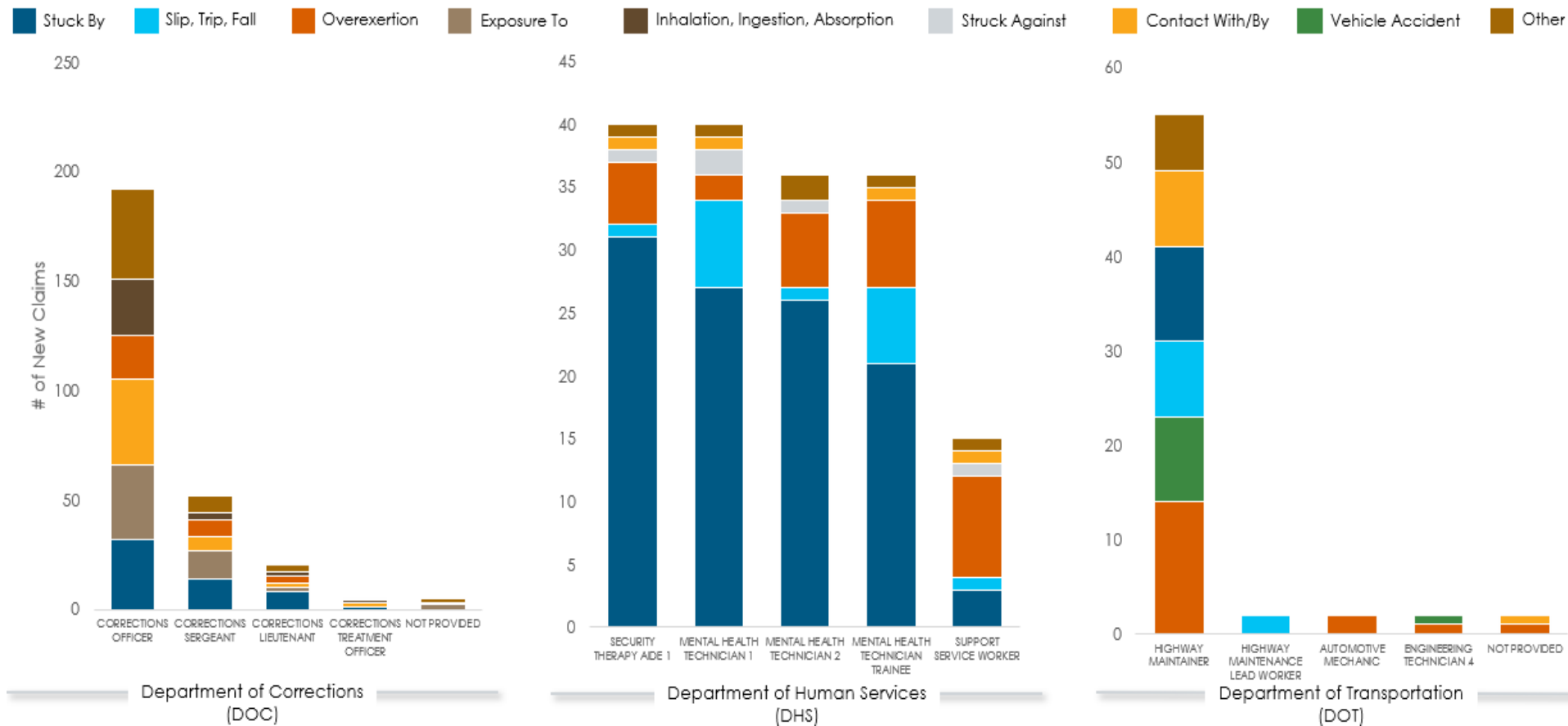
Fourth quarter claims are more concentrated in the top 3 agencies relative to last quarter combining for 681 claims (78% of total), accounting for an increase of 4 claims over Q3.



# RESULTS BREAKDOWN-CLAIMS VOLUME BY DIVISION, INJURY CAUSE AND OCCUPATION

## 2024 FOURTH QUARTER NEW CLAIMS – TOP ACCIDENT TYPES BY TOP 3 AGENCIES/OCC.

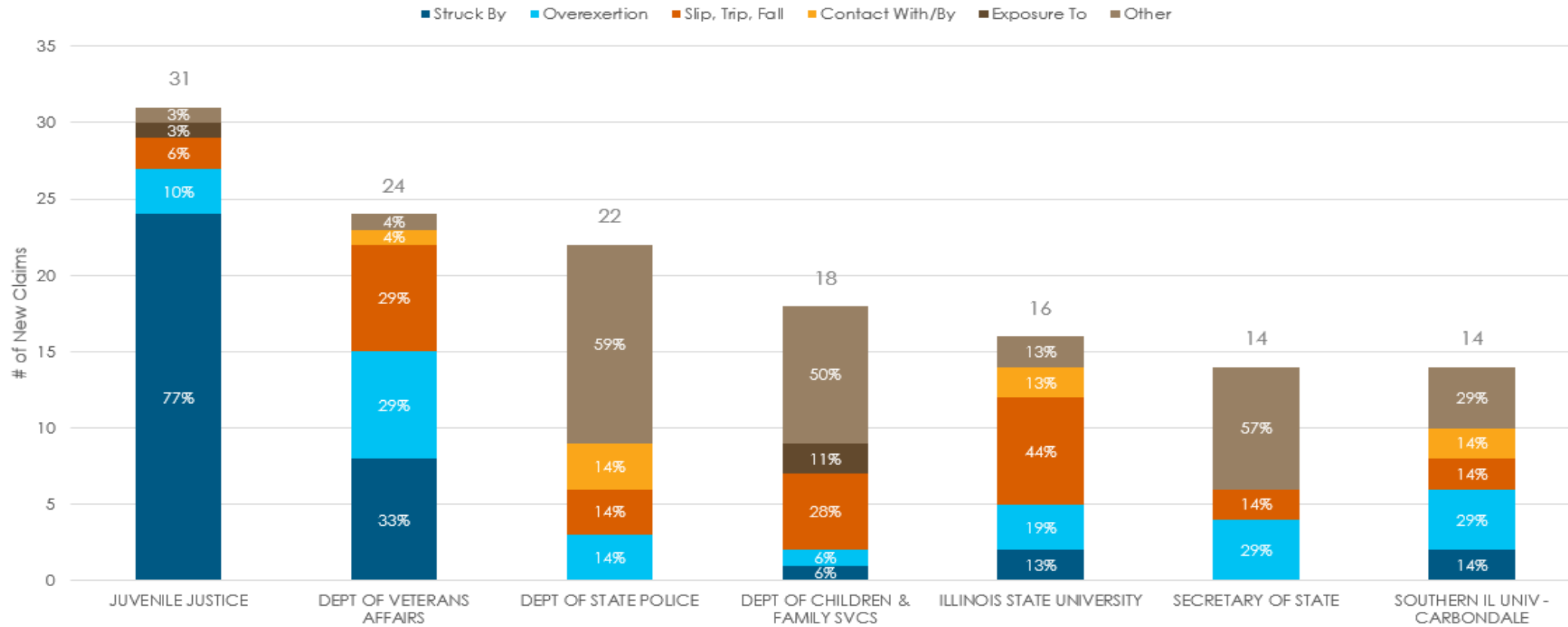
Struck by accident types (250 claims) represent the largest threat to workers in agencies with the highest claim volumes, followed by Overexertion (104 claims) and Slip, trip, fall (81 claims) accidents.



# RESULTS BREAKDOWN-CLAIMS VOLUME BY DIVISION AND INJURY CAUSE

## 2024 FOURTH QUARTER NEW CLAIMS – TOP 5 ACCIDENT TYPES BY NEXT 7 AGENCIES

Claim volumes for the next seven agencies decreased 24%, to 137 from 182, over the last quarter which corresponds with a 3.5 percentage point increase in the group's size relative to the quarter's total claims.



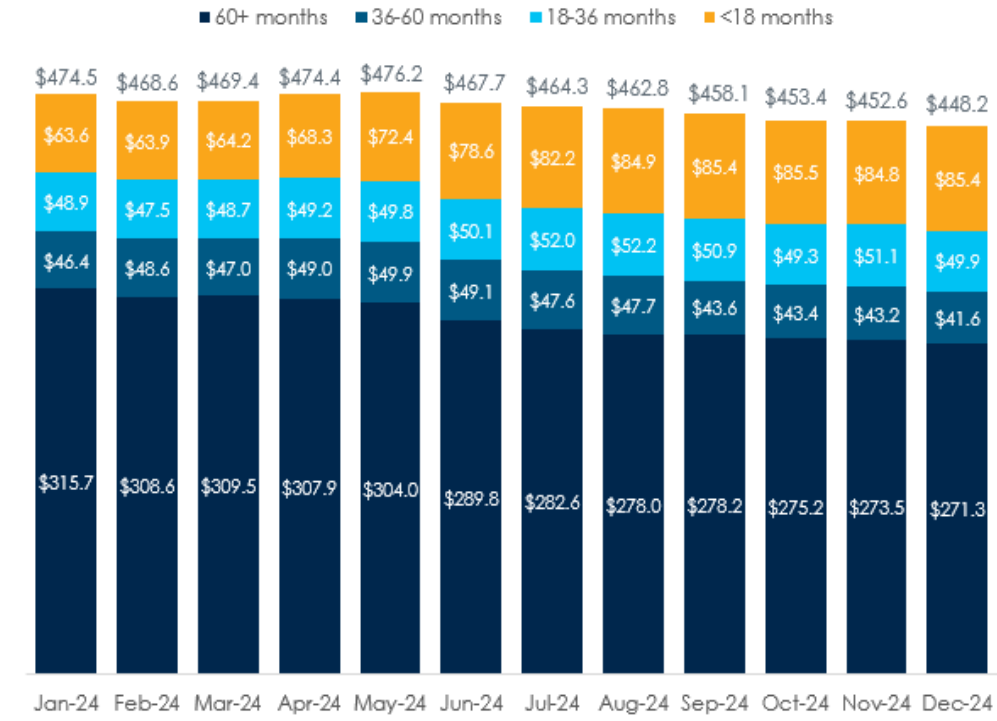
# RESULTS BREAKDOWN – RESERVING TRENDS

## CHANGE IN RESERVES

Loss reserves fell below \$450M marking an overall 5.5% decrease over the previous 12 months with 36+ month maturity claim reserves representing a 13.6% decrease and less than 18-month reserves increasing 34.3%.

Loss Reserves by Maturity

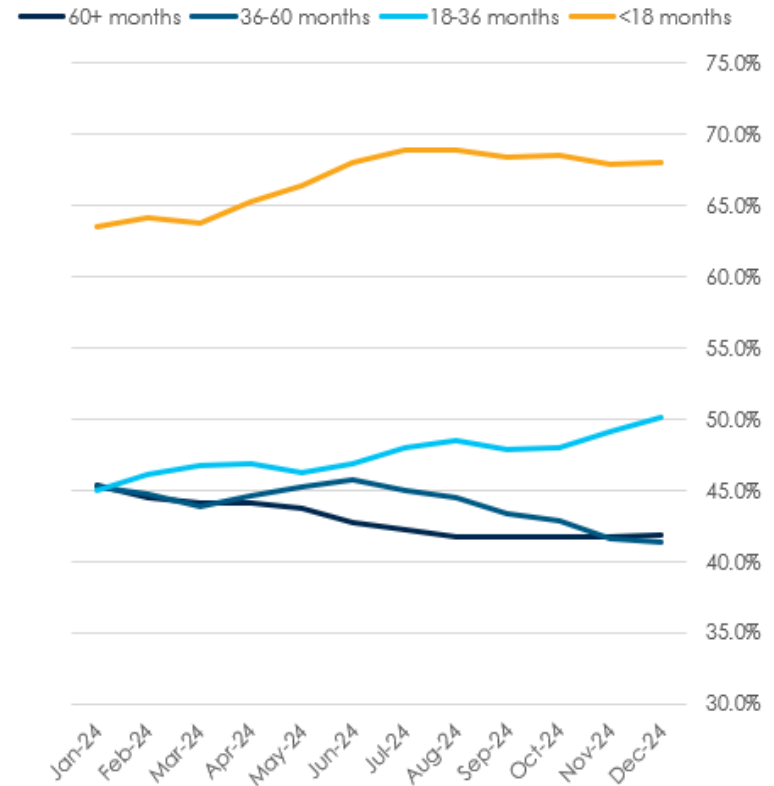
(in \$ Million)



Shift in Reserves



Reserves% to Incurred by Maturity



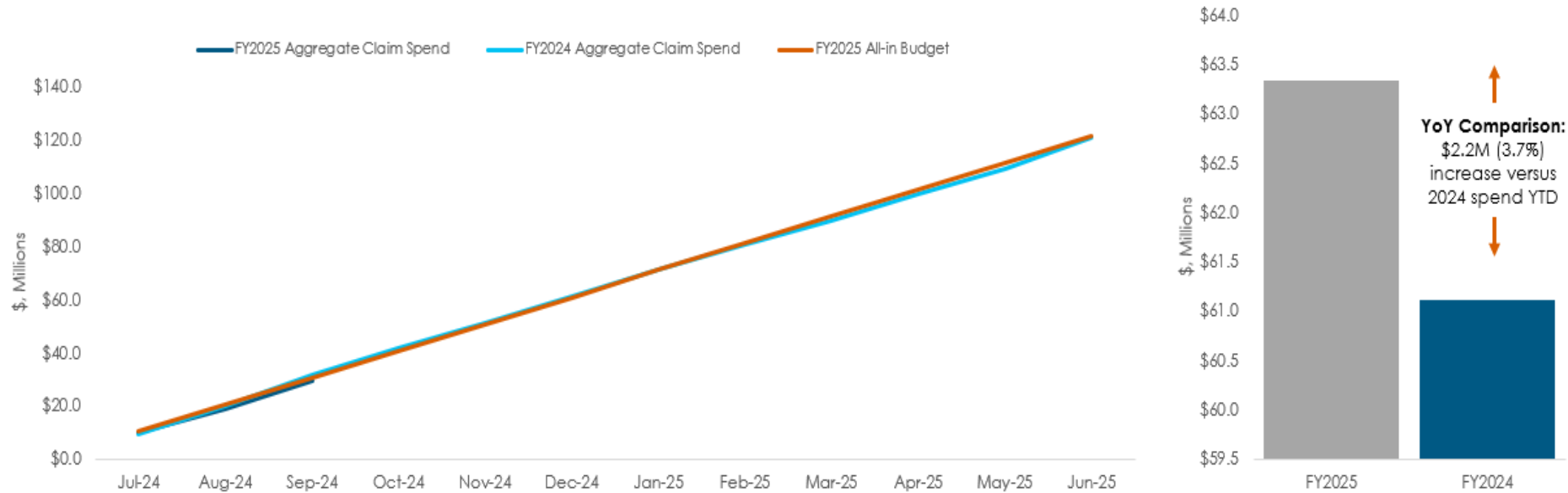


# RESULTS BREAKDOWN – ANNUAL SPEND

**WC Budget:**  
\$ 121.6M

## YEAR-OVER-YEAR AGGREGATE SPEND COMPARISON

Year-to-Date, FY2025 spend is more than FY2024 spend by 3% and additionally is above the State of IL's budget by \$2.5M.



Month	July	August	September	October	November	December	January	February	March	April	May	June
FY2025 Claim Spend	\$9,948,064	\$18,532,578	\$29,543,934	\$41,425,180	\$50,588,679	\$63,338,867						
FY2025 All-in Budget	\$10,133,333	\$20,266,667	\$30,400,000	\$40,533,333	\$50,666,667	\$60,800,000	\$70,933,333	\$81,066,667	\$91,200,000	\$101,333,333	\$111,466,667	\$121,600,000
FY2024 Claim Spend	\$9,241,637	\$19,569,456	\$31,340,039	\$41,767,095	\$51,289,062	\$61,106,090	\$71,399,823	\$80,779,568	\$89,747,232	\$99,379,214	\$108,896,049	\$120,721,478
FY2025 Spend vs Budget Variance	(\$185,269)	(\$1,734,088)	(\$856,066)	\$891,847	(\$77,988)	\$2,538,867						
FY2025 vs FY2024 Spend Variance	\$706,427	(\$1,036,878)	(\$1,796,105)	(\$341,915)	(\$700,383)	\$2,232,777						

\*All spend dollars are aggregate for the year

# RESULTS BREAKDOWN – ANNUAL SPEND BY QUARTER TO QUARTER

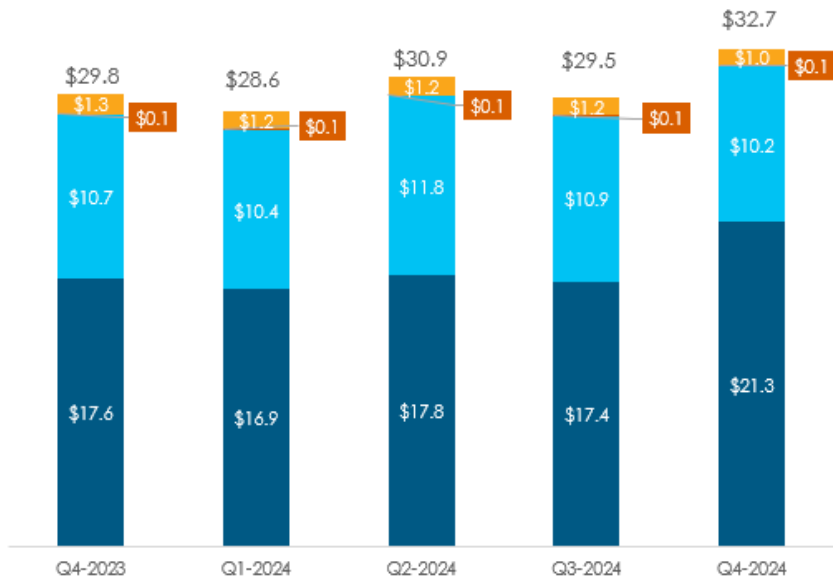
## TOTAL PAID

Spending increased in both the most recent Year-over-Year and Quarter-over-Quarter reviews and, relative to the previous fiscal year, FY2025 spending has been higher in two of the last three months.

### Spending Breakdown

(in \$ Millions)

■ Indemnity ■ Medical ■ Rehab ■ Expense

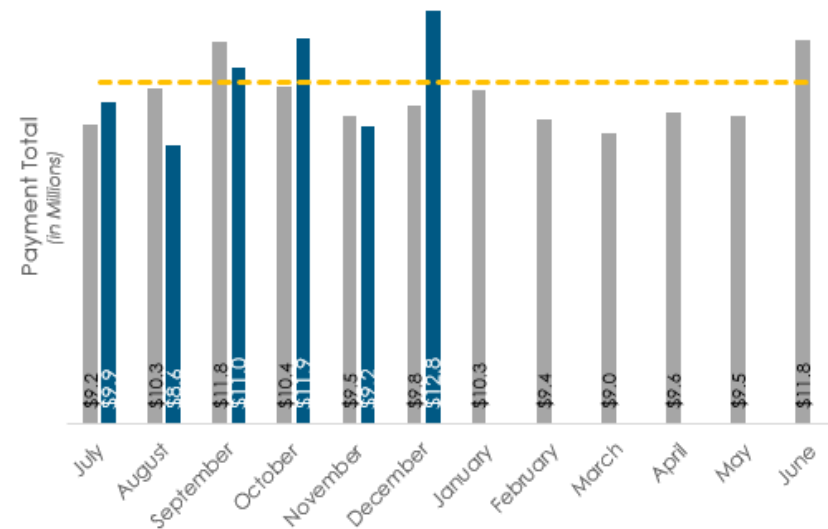


Indemnity spending accounted for most of the increase in spending, up \$2.7M of the total \$2.9M increase. Medical spending has decreased to the lower end of the five-quarter timeframe range.

### Monthly Total Paid

(in \$ Millions)

■ FY2024 ■ FY2025 - - - FY2025 Avg.



In the last quarter, October and December saw significant increases in payments over last year (\$1.5M and \$3M respectively). It does not seem to be following a seasonal trend.

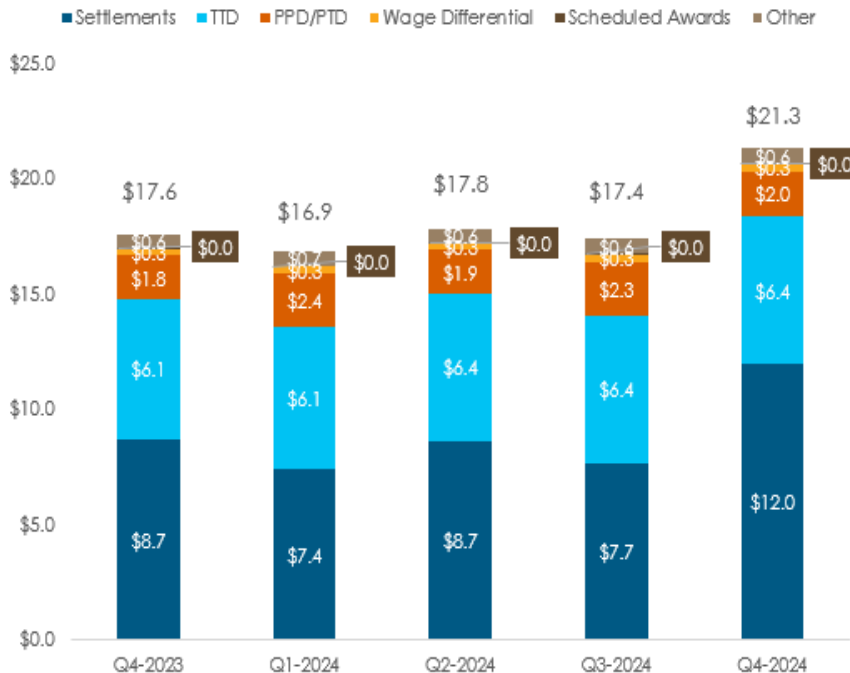
# RESULTS BREAKDOWN-PAYMENT ANALYSIS

## TRENDS IN PAYMENTS

Increases in settlement payments is the primary driver in Indemnity spend increases while lower medical spending is attributable to reductions in Treating Physicians.

### Indemnity Spending by Type

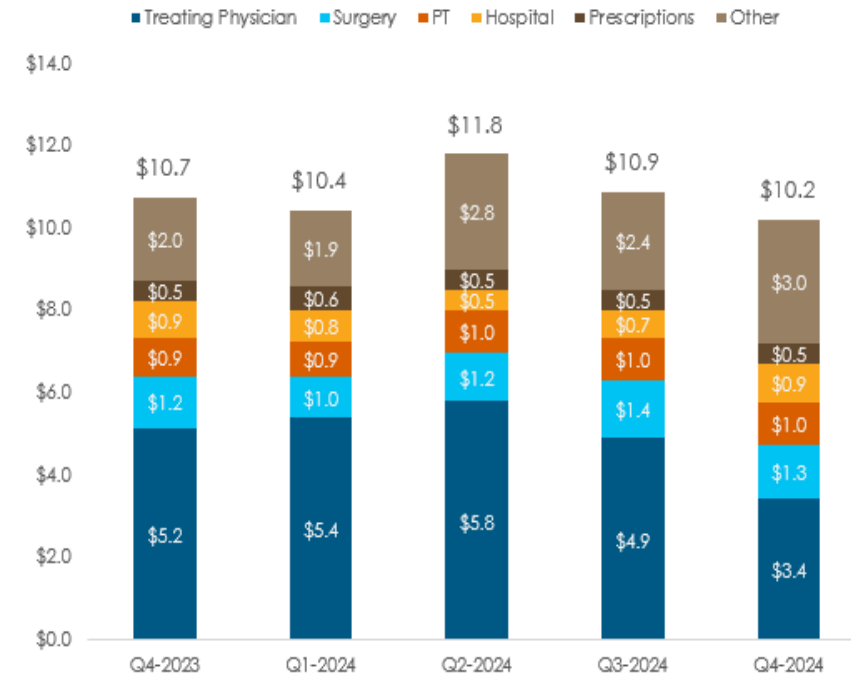
(in \$ Millions)



Settlement and TTD payments make up 86% of indemnity spending this quarter. Settlement payments increased significantly, up over \$4.3M. TTD payments have remained level at \$6.4M over the last three quarters.

### Medical Spending by Type

(in \$ Millions)

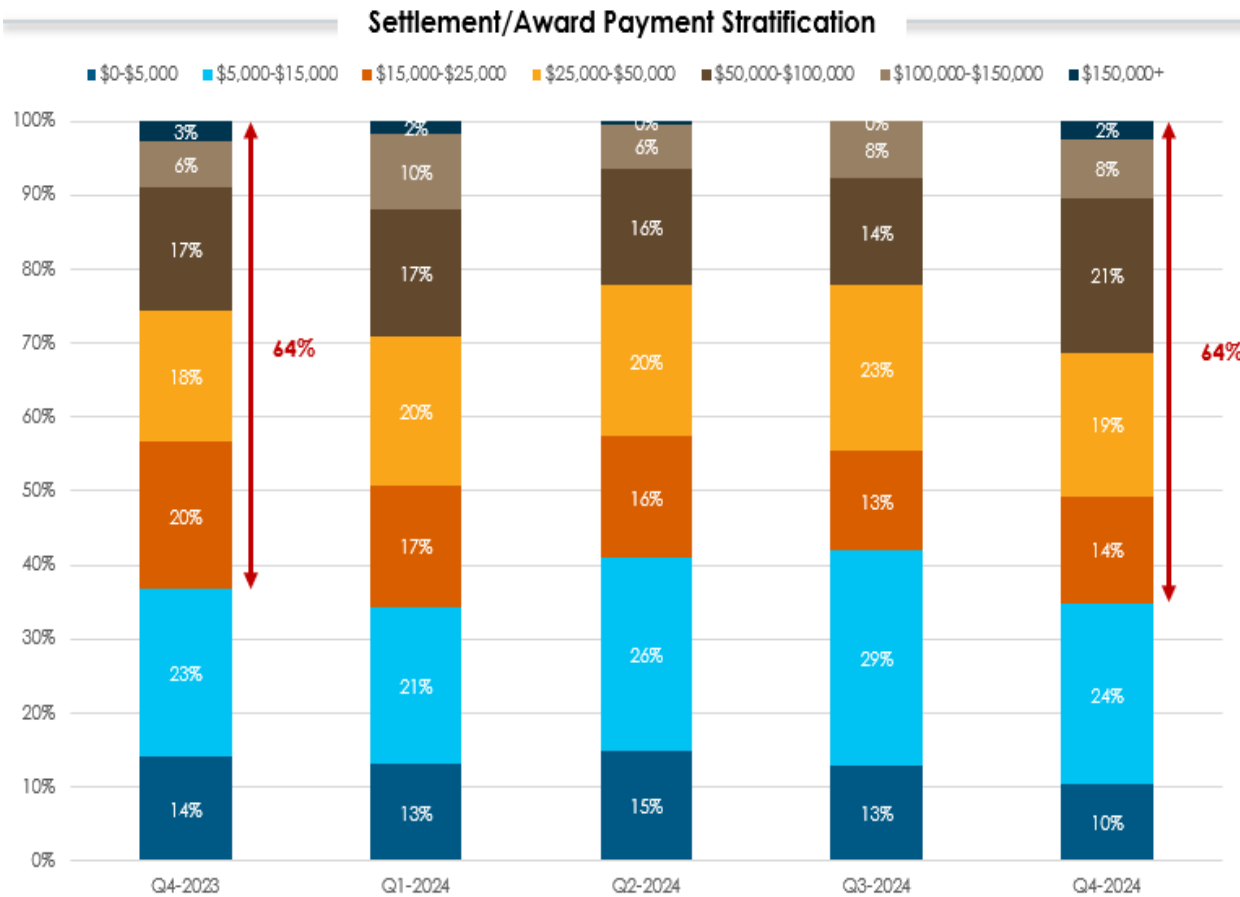


Medical payment spending was lower overall in Q4-2024 relative to the previous quarter and the previous year. This result is driven by lower Treating Physician payments which is down 31% (\$1.5M) from last quarter and 35% (\$1.8M) Year-over-Year.

# RESULTS BREAKDOWN-PAYMENT ANALYSIS

## SETTLEMENT/AWARD PAYMENT STRATIFICATION

Settlement / Award payment mix has remained similar over the prior year, while larger payment tiers saw an increase over Q3.



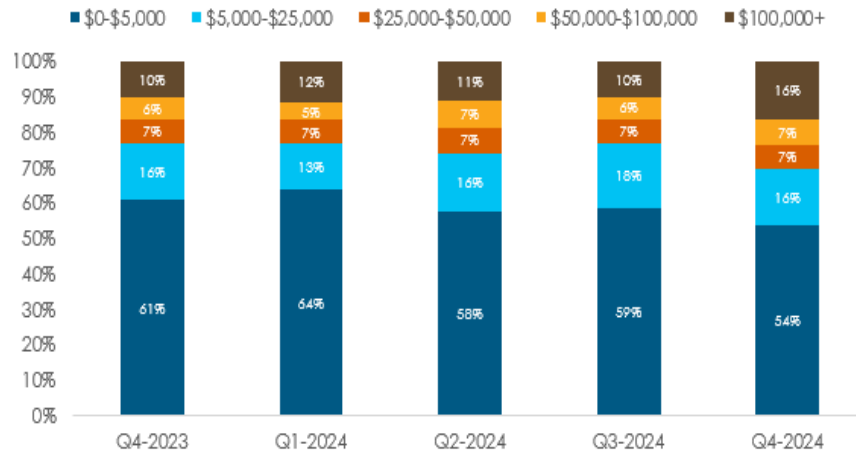
The highest value Settlement/Award payments (\$50K+) increased over Q3 from 52 to 91, reversing the recent trend. The middle value payment tiers (\$15K-\$50K) remained level in mix of Settlement/Award (34%), so the increase in highest value payments comes at the expense of lower value payments (now only 34% of the mix).

# RESULTS BREAKDOWN-CLAIMS CLOSURE

## CLOSED CLAIMS

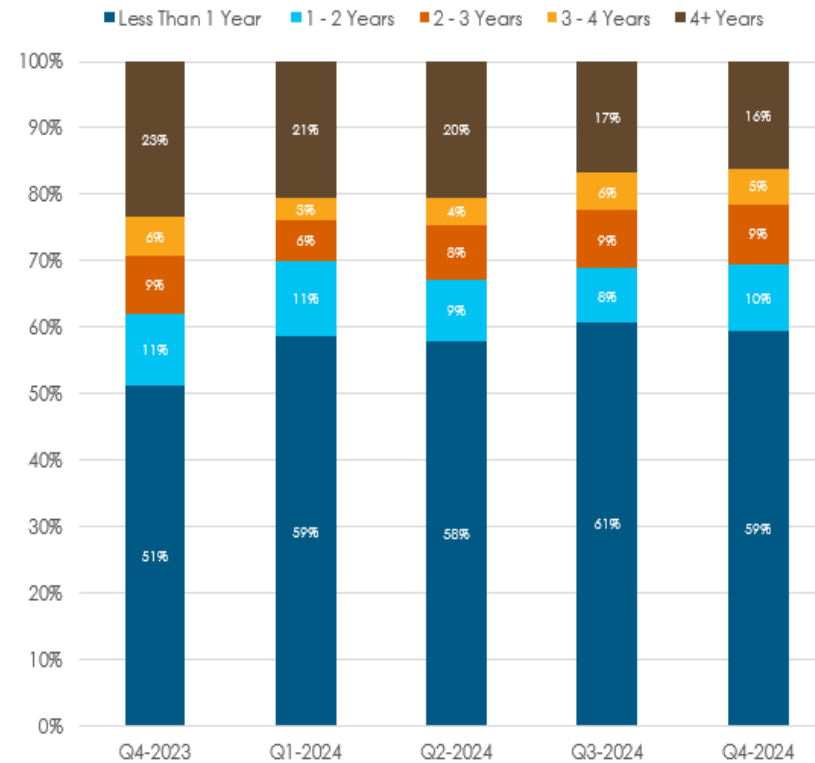
Average claim maturity has leveled over the past year as the distribution of maturities normalize; and closed claims with large payment amounts (\$100K+) in Q4-2024 led to an increase in total and capped average paid.

Closed Claims by Incurred Bucket



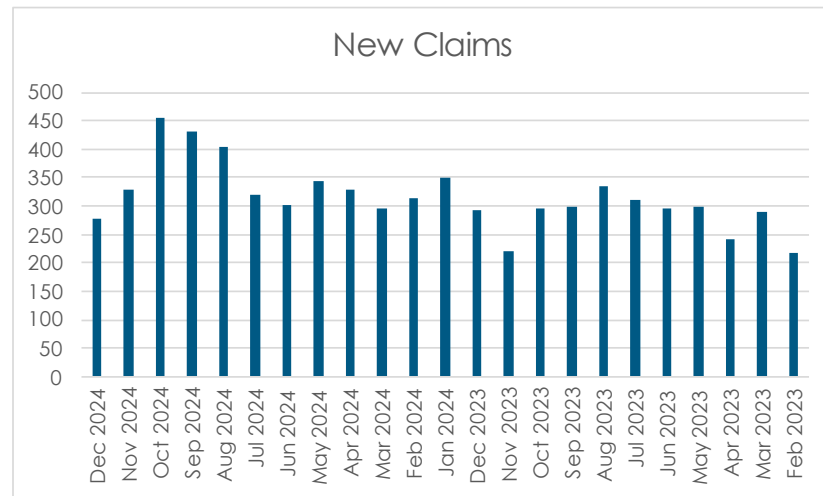
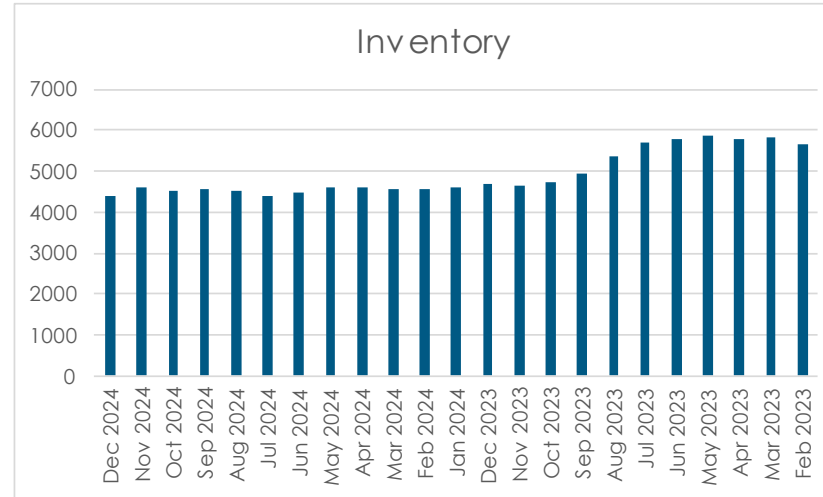
	Prev. 4Q Avg	Q1-2024	Q2-2024	Q3-2024	Q4-2024
Count	992	917	1,023	949	1,077
Avg. Paid on Closed	\$42,401	\$39,060	\$38,045	\$36,015	\$55,011
Adjusted Avg. Paid on Closed	\$33,488	\$30,236	\$32,071	\$29,241	\$41,343
Avg. Maturity (months)	25.5	25.9	26.9	23.8	25.4

Closed Claims by Maturity



# RESULTS-CLAIMS INVENTORY TRACKING

Month	Inventory	New Claims
Dec 2024	4414	277
Nov 2024	4620	328
Oct 2024	4538	455
Sep 2024	4553	431
Aug 2024	4530	403
Jul 2024	4403	319
Jun 2024	4459	302
May 2024	4594	344
Apr 2024	4614	330
Mar 2024	4570	297
Feb 2024	4565	314
Jan 2024	4596	350
Dec 2023	4684	293
Nov 2023	4663	220
Oct 2023	4730	296
Sep 2023	4949	300
Aug 2023	5352	334
Jul 2023	5683	312
Jun 2023	5794	297
May 2023	5857	298
Apr 2023	5786	243
Mar 2023	5817	289
Feb 2023	5642	218



# GLOSSARY

Metric	Definition	
Claim Volume	New Arising	Claims set up in period. Excludes claim \$15 or less incurred & COVID claims
	Lag Time	Number of days between the accident and when it was reported to the employer as well as days between the employer reported date and GB reported date for claims set up in that period. Lag is capped at 90 days. Excludes claims with \$15 or less incurred and COVID claims.
Net Closures	Closures	Number of claims closed in the period. Excludes claims with \$15 or less incurred.
	Reopens	Number of closed claims in the period that were reopened. Excludes claims with \$15 or less incurred.
Open Inventory	Number of Open Claims	Number of claims with a claim status of open as of the end of the period. Excludes claims with \$15 or less incurred and COVID claims.
	Total Incurred on Open	Total incurred on claims open as of the end of the period. Excludes claims with \$15 or less incurred and COVID claims.
	% Open >2Yrs +	Number of claims with a claim status of open for at least 730 days as of the end of the period. Excludes claims with \$15 or less incurred and COVID claims.
	% Open >5Yrs +	Number of claims with a claim status of open for at least 1,824 days as of the end of the period. Excludes claims with \$15 or less incurred and COVID claims.
Financial	Average Paid on Closed	Average paid on claims closed in the period. Individual claims are capped are \$250k. Excludes claims with \$15 or less paid and COVID claims.
	Total Paid	Total amount paid in the period. Includes all accident dates
Closure	% Closed at 60 days	Percent of claims closed as of the period end date compared to the total number of claims that occurred in the period. Excludes claims with less than \$15 paid
	% Closed at 180 days	
	% Closed at 12 months	
Cost Drivers	Average Lost Work Days on Closed	Average temporary total disability lost work days per claim on claims closed in the year. Excludes claims with no TTD paid and closed after 60 months maturity. Excludes claims with \$15 or less total incurred.
	Percent of Claims Litigated	Percent of open claims (as defined above) in the period that are in litigation. Excludes claims with \$15 or less incurred.

# SUBROGATION

Subrogation results continue to return funds to the program. There is a significant decrease when comparing prior two Calendar years. We have settled several high value claims that we have not received payment, and the total number should be consistent with FY 24 and FY 23 results by June 30,2025.

	Calendar 2022	Calendar 2023	Calendar 2024
January	\$60,489.97	\$55,630.38	\$103,705.08
February	\$216,307.94	\$249,436.89	\$51,706.35
March	\$18,800.39	\$629,417.00	\$127,138.31
April	\$498,094.48	\$15,566.86	\$156,819.72
May	\$514,453.17	\$500,911.26	\$92,360.75
June	\$78,118.24	\$18,536.36	\$242,970.19
July	\$24,791.43	\$521,738.81	\$123,403.23
August	\$316,182.91	\$495,411.44	\$105,283.34
September	\$186,290.00	\$286,775.64	\$474,816.65
October	\$103,753.00	\$82,717.52	\$5,324.60
November	\$787,731.62	\$530,035.70	\$52,764.27
December	\$160,109.27	\$14,845.93	\$89,169.91
Total:	\$2,965,122.42	\$3,401,023.79	\$1,625,462.40



# SUMMARY

- Open inventory decreased to 4,414; or a decrease in 206 claims from November.
  - Historically, we typically see approximately 300 new setups a month.
  - Since the late summer, setup increased to 400+ a month. This was, in large part, due to the increase in claims and multiple employee exposure claims seen at the DOC.
  - December decreased to 277 setups with 552 closures.
  - In the last 12 months, only October 2024 had more closures at 558.
- Closing ratio increased to 174%.
  - Typically, we do see a slowdown of closures in December due to the holiday season.
  - However, since we have seen an influx of claims in the second half of 2024, we had a larger inventory pool of claims to close.
  - Along with the significant drop in new claims in December, this led to the strong closing ratio.
- Inventory level at the end of June 2024 was 4,459 claims.
  - In reviewing inventory trends, we were targeting to drop inventory to around 4000 claims by June 2025. We felt a sub 4000 inventory was a lofty goal, but within the reason.
  - The influx of claims at DOC was unforeseen, however we do feel inventory levels around 4000 are still possible at the end of the current fiscal year assuming new claims maintain levels around 300 new per month.
- LWD has been trending up and currently sits at 77 days.
  - Nature and severity of injuries plays a large role in LWD.
  - Although LWD has been trending up, it is important to compare LWD to SMART which would take the nature and severity into consideration along with other factors that could reduce or prolong time away from work.
  - As noted in the chart below, we are basically on point with SMART's anticipation of LWD given the nature, severity, and other risk factors.
- Percent of open claims litigated increased to 66% which is the second highest month in the past twelve.
  - Litigated claims typically have a longer duration.
  - We have significantly decreased open inventory and a high percentage of those claims would be the non-litigated leaving the majority of the population litigated.
  - Supporting OAG in pushing litigated claims to closure will be a goal as we head into our third year of partnership.

# ANNOUNCEMENTS

- Lindsey Banning has joined the CMS Risk Management Team as our new Risk Management Staff Assistant.
- Gallagher Bassett and CMS Worker's Compensation Program Managers have started the process of proactively evaluating claims and providing authority to assigned AAG staff members to maximize their available time to handle litigation. Our goal is to reduce open inventory levels to a number below 4,000 open files.
- Nicole Featherstone has been assigned the role of Interim Risk Management Division Manager effective February 1, 2025.

# OPEN DISCUSSION