

Workers' Compensation Changes in 2018

Employers across New York State will be impacted by changes that will be coming in 2018.

The NY Compensation Insurance Rating Board approved an average rate decrease of 4.5%. Each w.c. class code has a loss cost. The loss cost is the starting point that the insurance companies use when pricing a workers' compensation policy. Insurance companies then multiply the loss cost by the loss cost multiplier (their expense factor). This is the rate employers see on their policies. For employers whose class codes went down, they should see a rate decrease on their 2018 workers' compensation policies.

The second change is aimed at tackling the drug issue that is impacting workers' compensation. This includes both opioids and over prescribing of medication. The NYS Workers' Compensation Board is developing a comprehensive pharmacy prescription drug formulary. This formulary will allow physicians to prescribe drugs on the approved

list. If they want to prescribe drugs outside the list, they will need to obtain a variance. The goal is to reduce the cost of prescription drugs on a workers' compensation claim and address the opioid/addiction issue. This is something that is being done in all areas of health care.

A third change that will impact workers' compensation claims in 2018 are new permanent impairment guidelines. The permanent impairment guidelines are used to evaluate claims where there may be permanency and the worker is entitled to a schedule loss of use. The NYS Workers' Compensation Board has developed new guidelines that will incorporate advances in medicine that result in better outcomes for injured workers. There has been much debate from both sides as to the benefits of the new guidelines. Time will tell if this is negative or positive impact.

There are many different factors and parties involved in workers' compensation. Employers don't have control over all of these. They should focus their efforts on what they can control and that is being proactive within their organization. Good Luck in 2018!

Published by Tony D'Amato, Senior Client Advisor at CH. Consult with your independent agent or broker to learn more and with any questions or concerns.



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Joe Convertino, Jr
President

