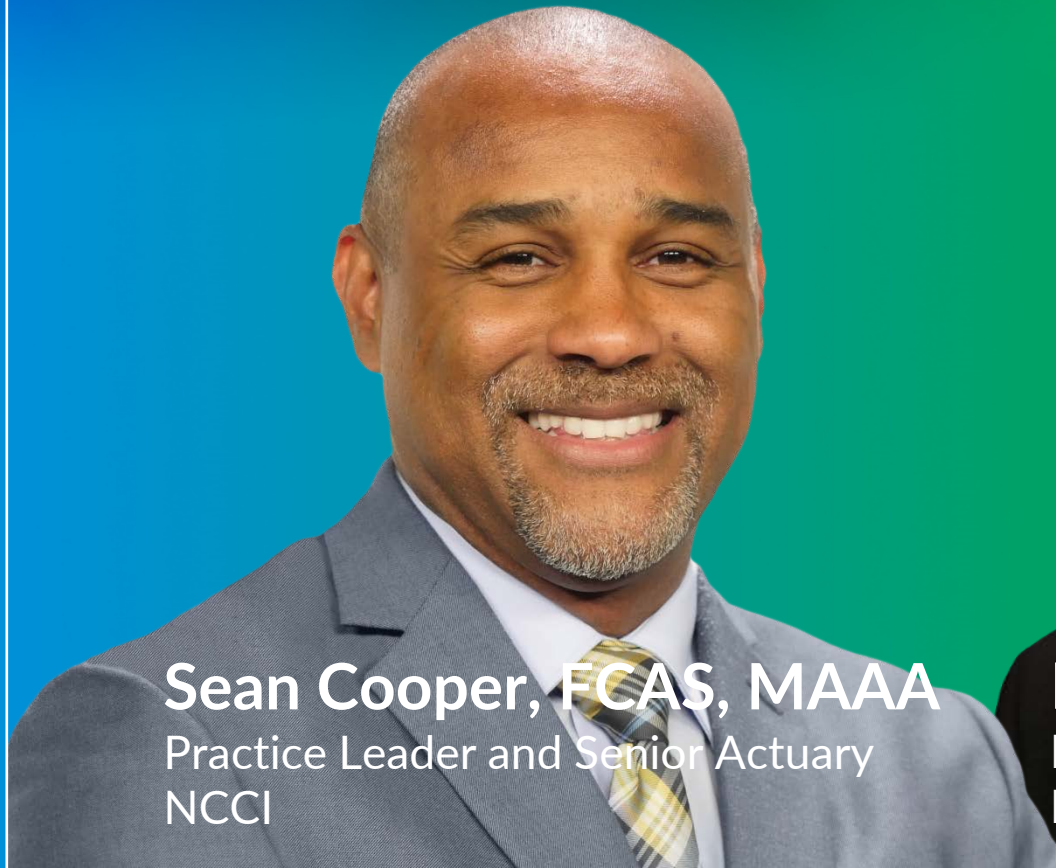




The Source You Trust

The Medical Dilemma



Sean Cooper, FCAS, MAAA
Practice Leader and Senior Actuary
NCCI



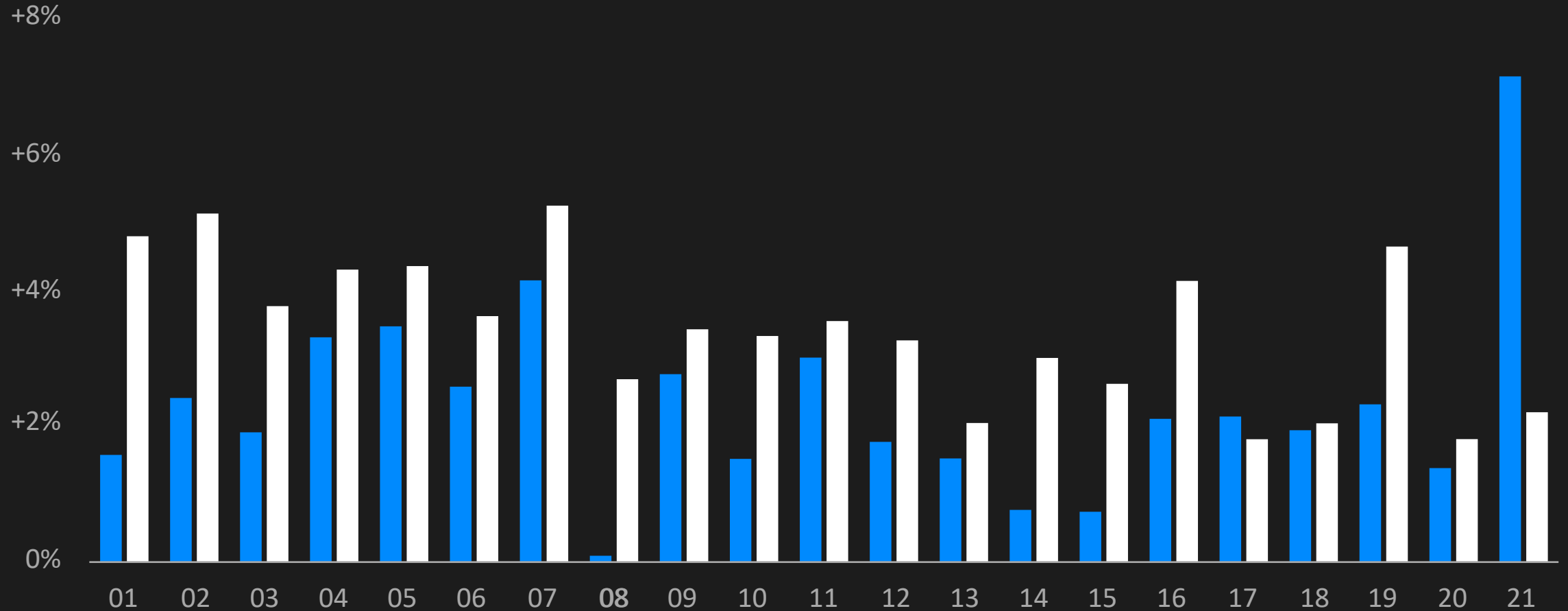
Raji Chadarevian
Director, Medical Regulation and Informatics
NCCI

Inflation—Medical Style



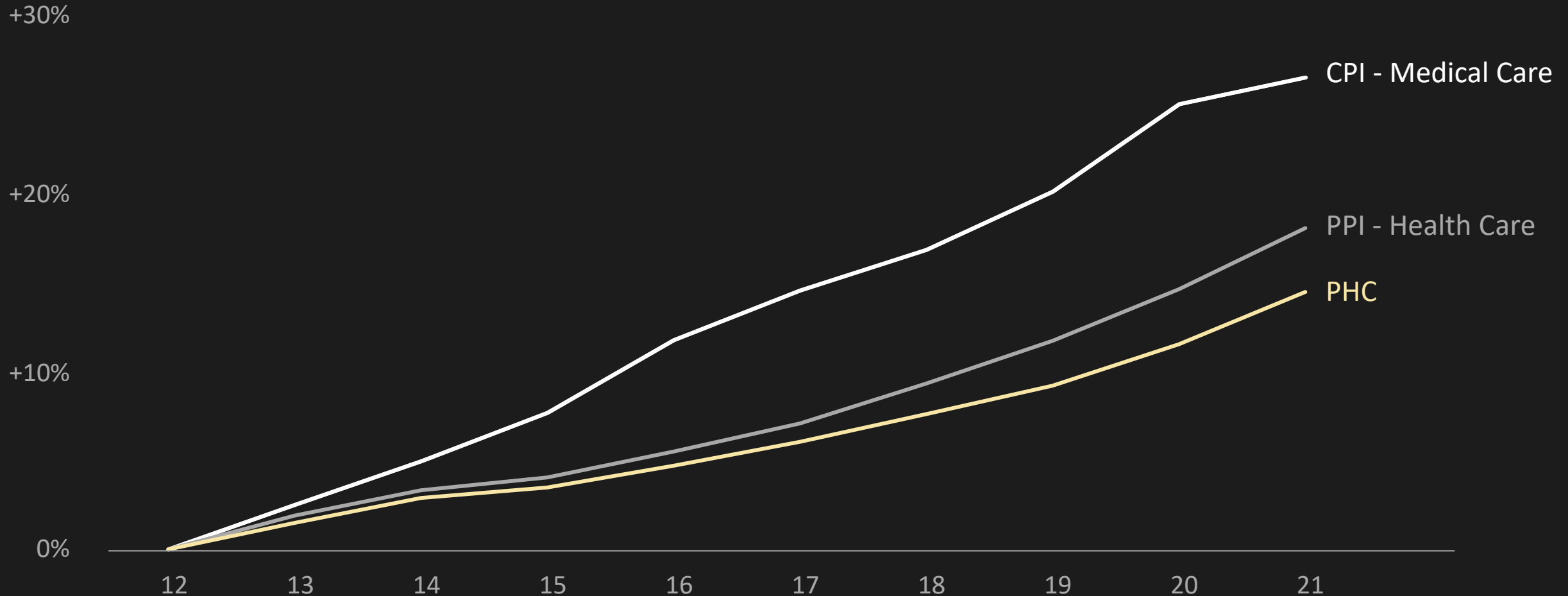
Price Indices

CPI - All Items vs CPI - Medical Care



Source: Bureau of Labor Statistics

Price Indices—Cumulative Change



Sources: Bureau of Labor Statistics (Average Annual) and Centers for Medicare & Medicaid Services



Medical Dilemma

AIS
2022

Medical Payments by Claim Maturity

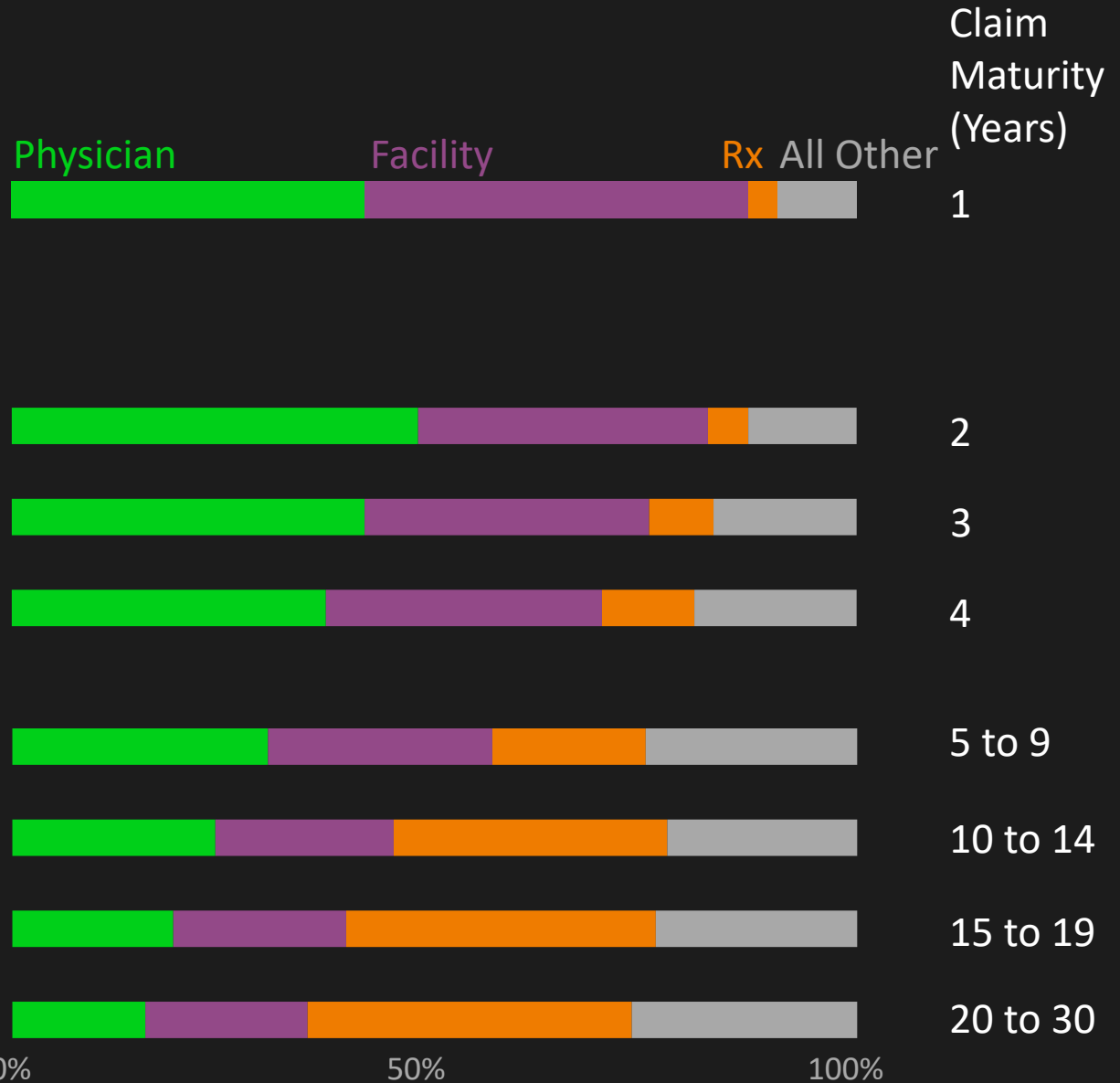
Critical



Subcritical



Medical Maintenance



Source: NCCI Medical Data Call

© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

Medical Cost Distribution



Source: NCCI Medical Data Call

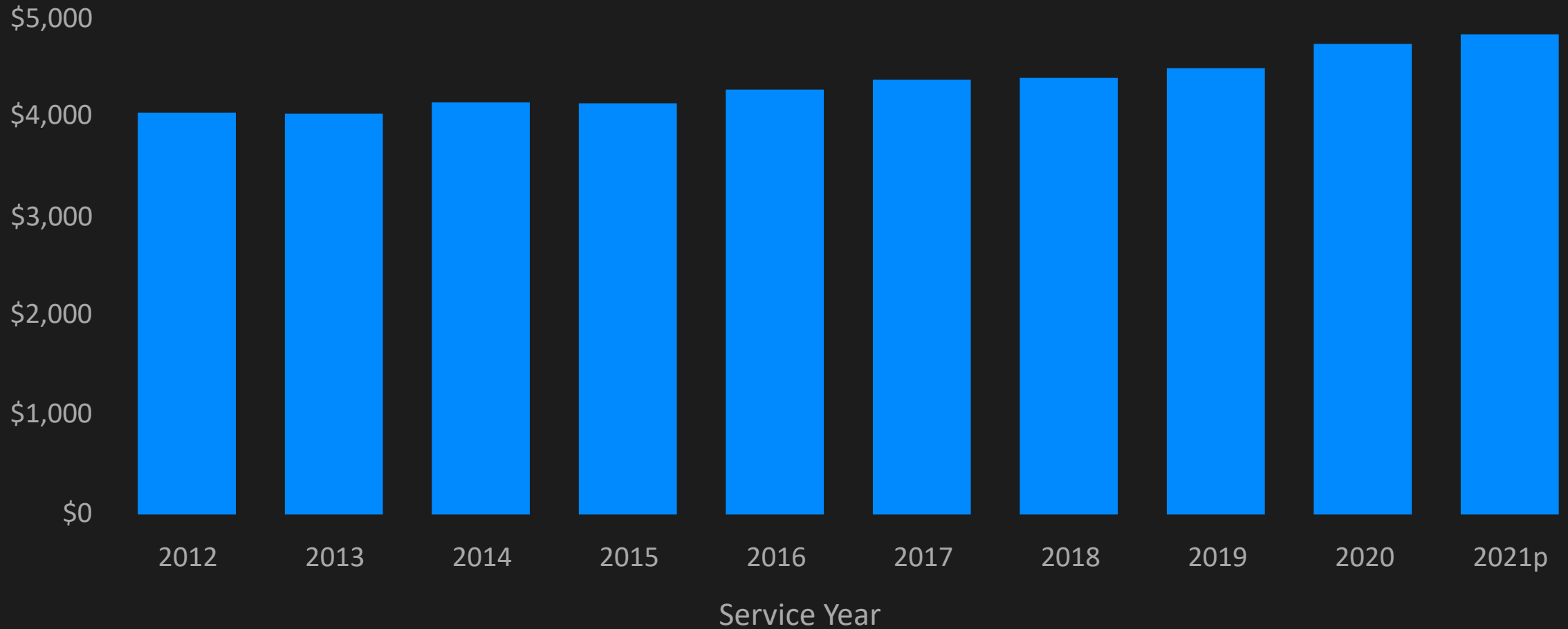
© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

AIS
2022

Workers Comp Medical Trends



Medical Paid Cost per Claim



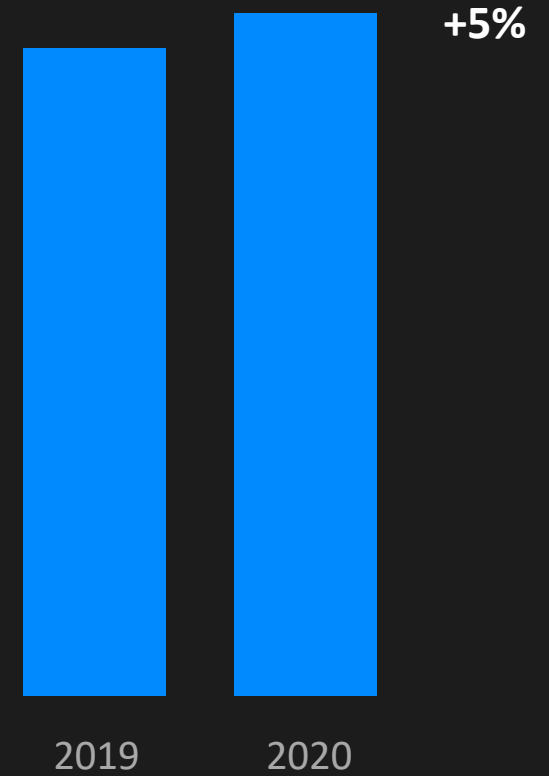
p Preliminary

Source: NCCI Medical Data Call

© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

AIS
2022

Medical Paid Cost per Claim



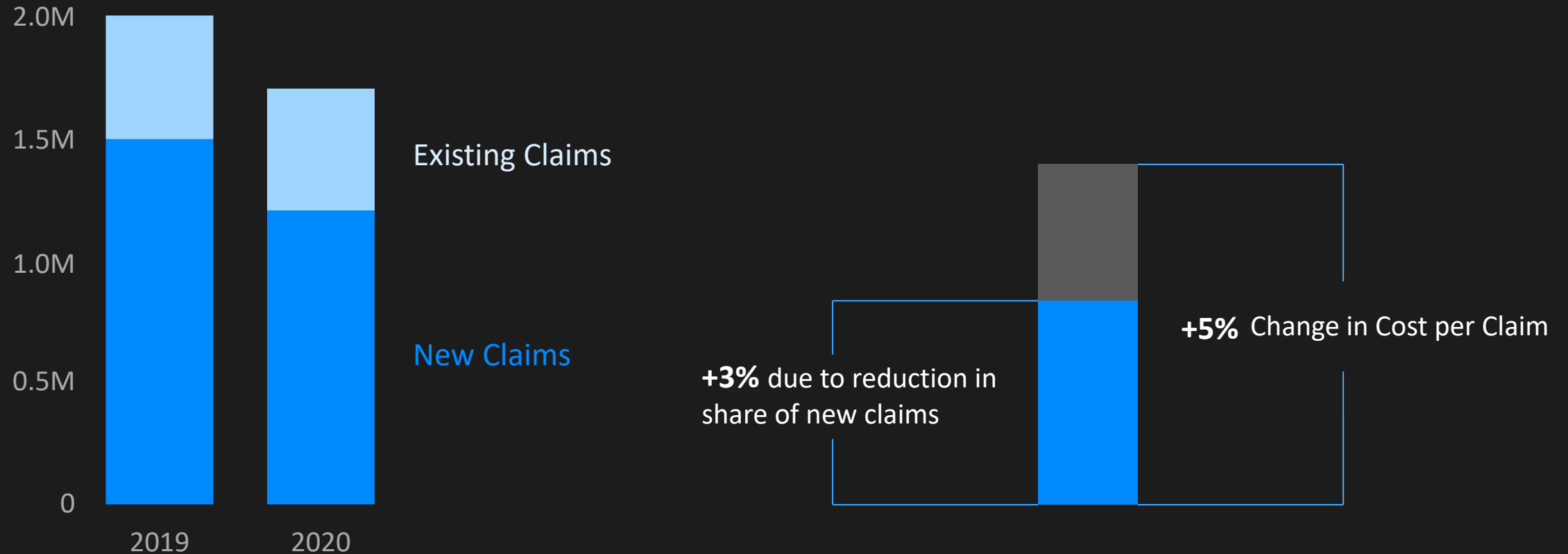
Source: NCCI Medical Data Call

© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

AIS
2022

Medical Paid Cost per Claim

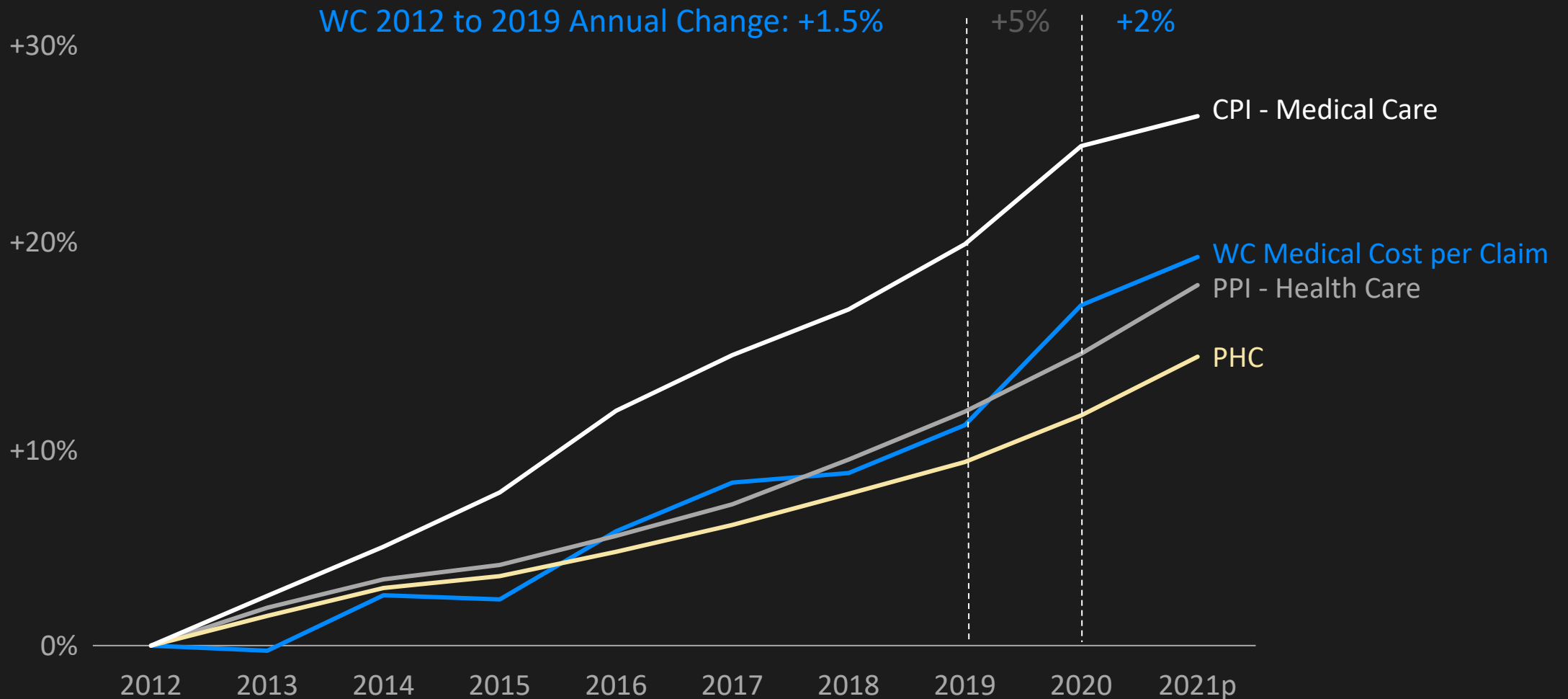
Claim Maturity Distribution



Source: NCCI Medical Data Call

© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

Price Indices Compared to WC Medical Costs



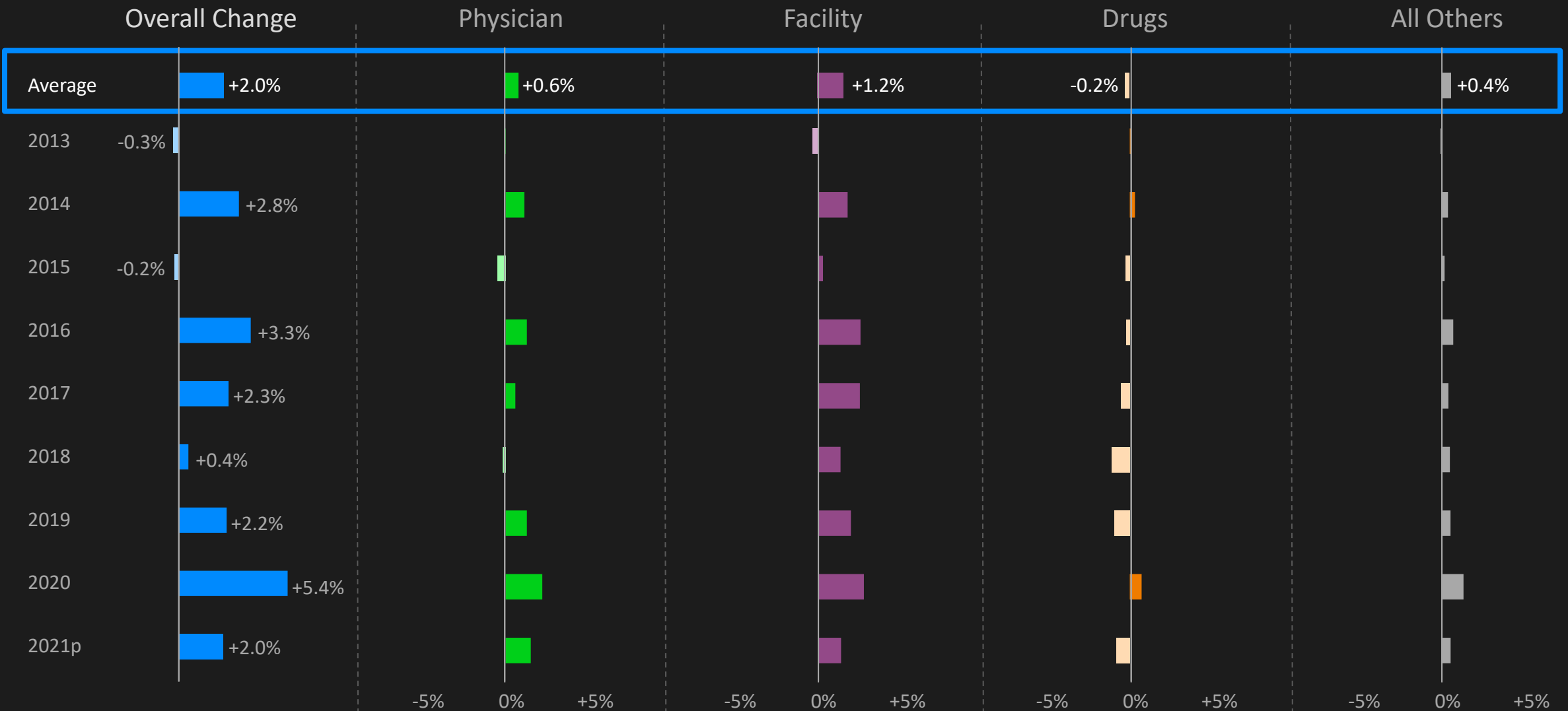
p Preliminary

Source: Bureau of Labor Statistics (Average Annual), Centers for Medicare & Medicaid Services, and NCCI Medical Data Call

© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

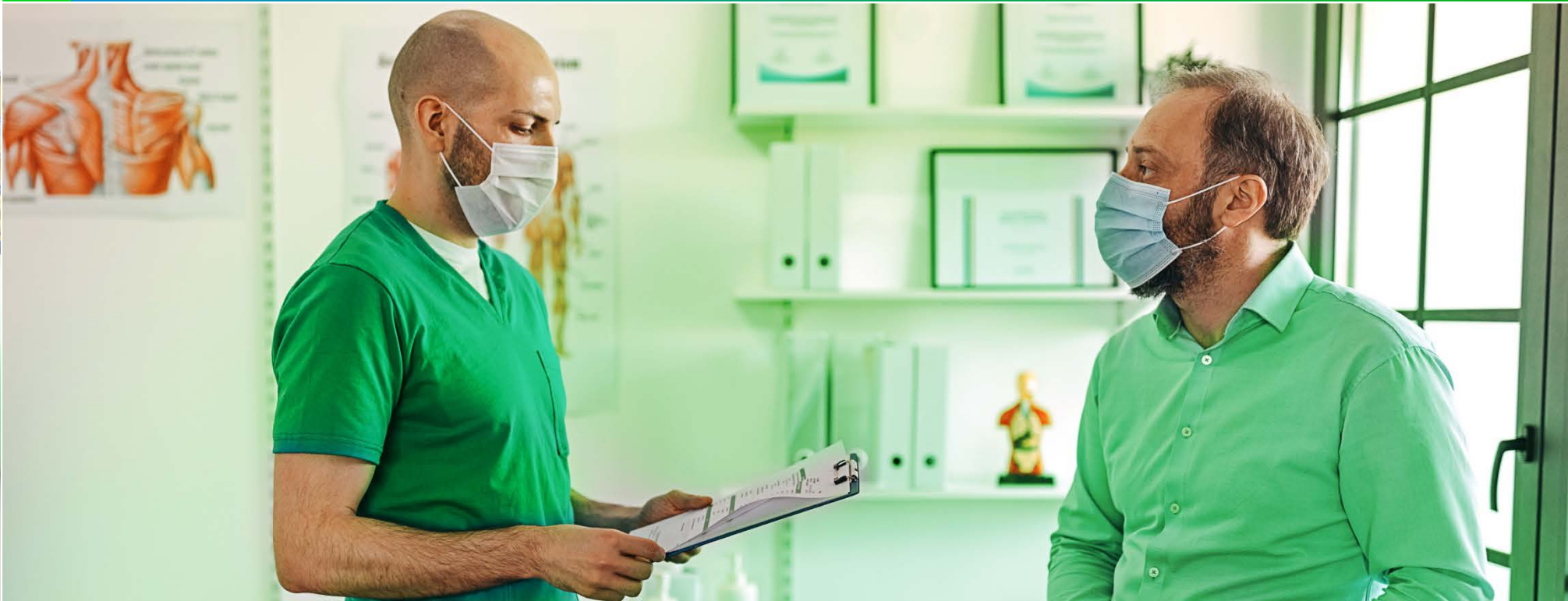
AIS
2022

Contribution to Change in Medical Paid Cost per Claim

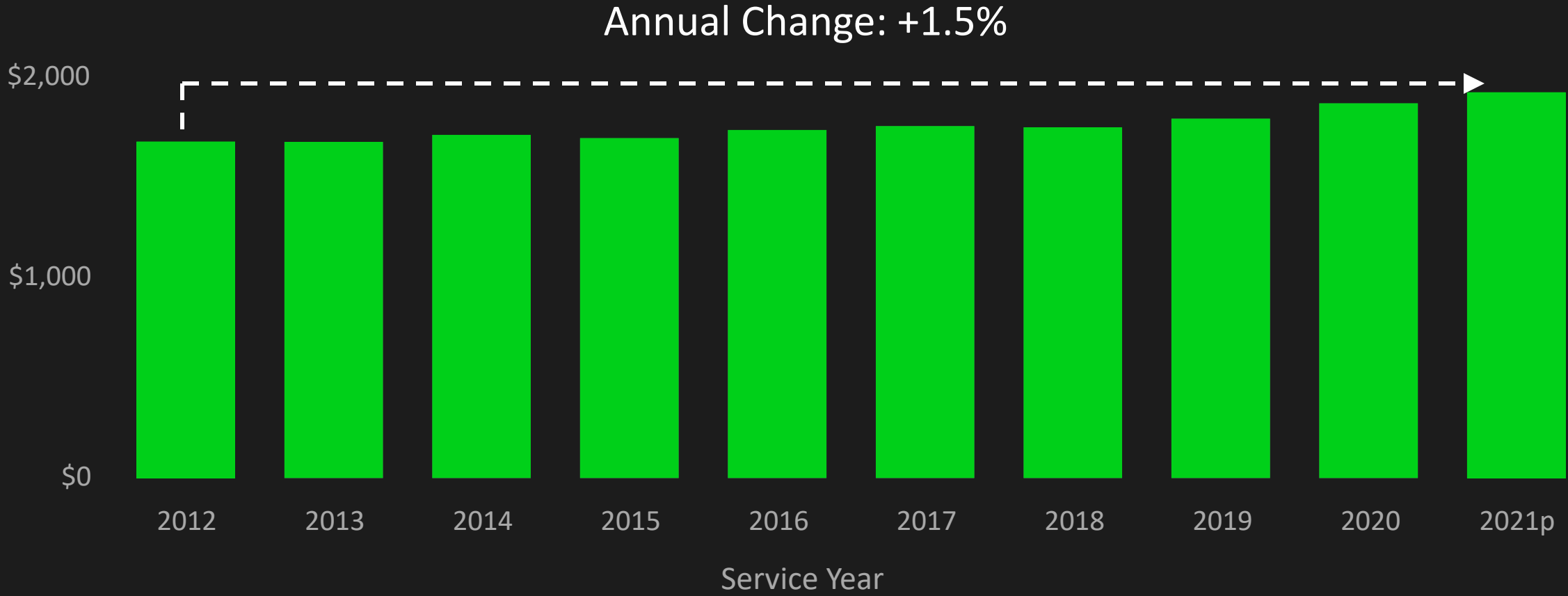


p Preliminary
Source: NCCI Medical Data Call

Physician Services



Physician Paid Cost per Claim



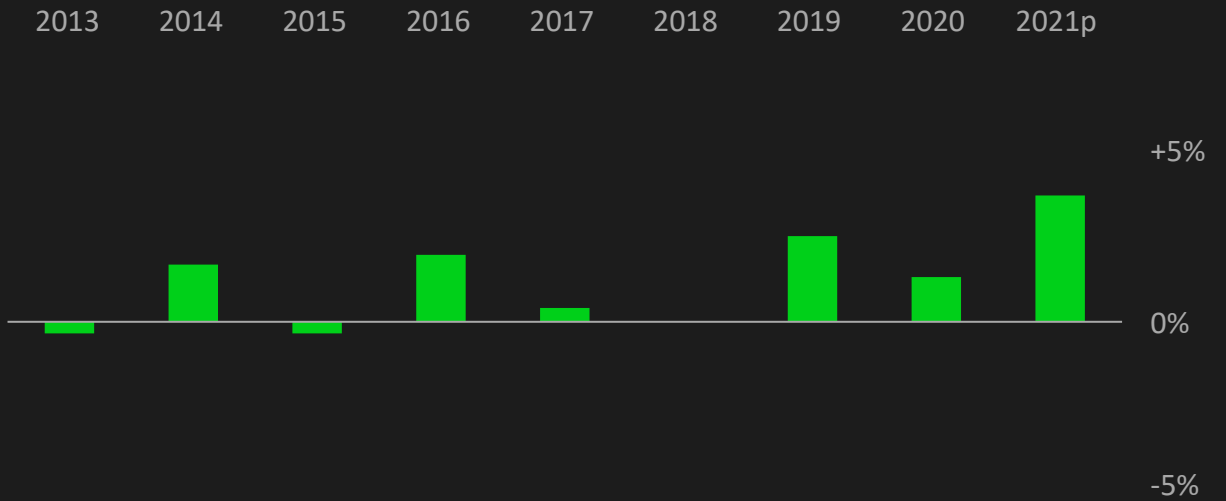
p Preliminary

Source: NCCI Medical Data Call

© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.



Physician Price Change



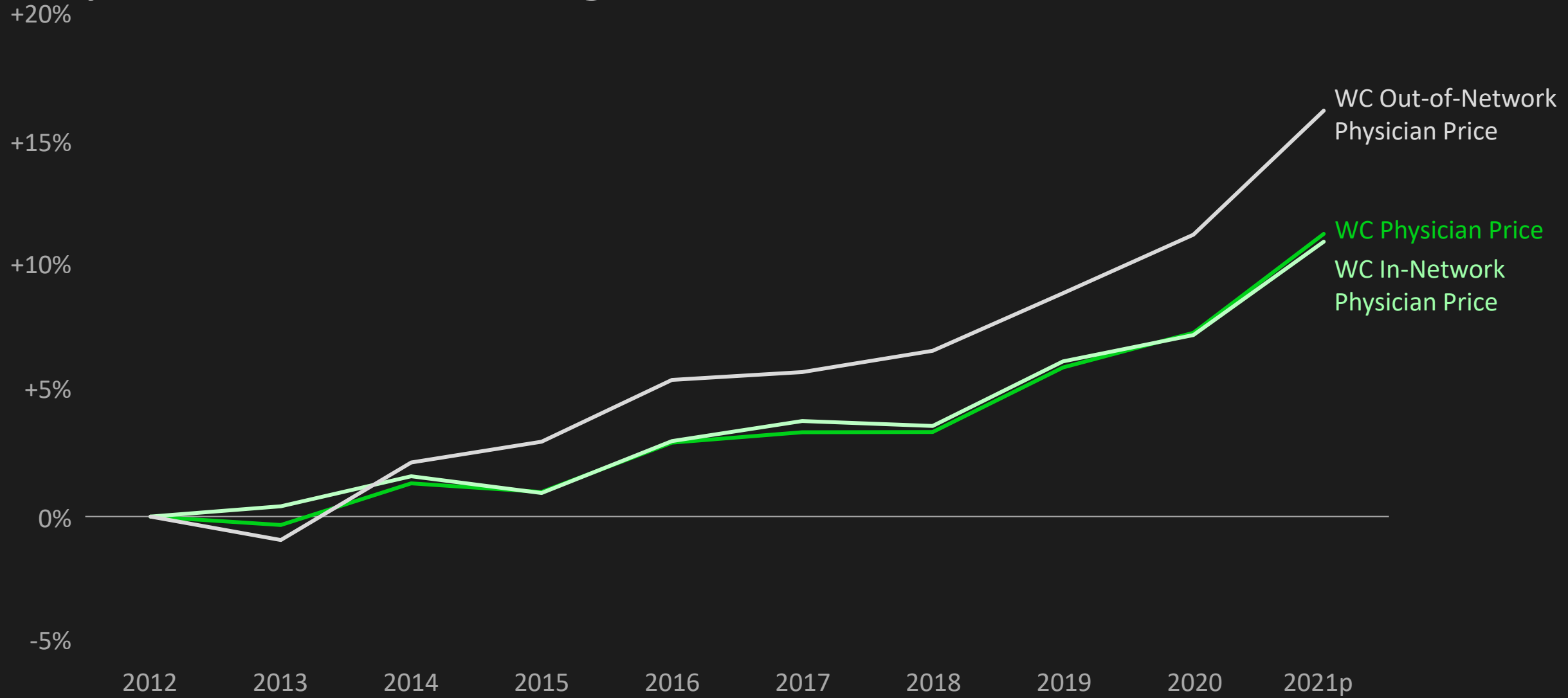
p Preliminary

Source: NCCI Medical Data Call

© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

AIS
2022

Physician Price Change



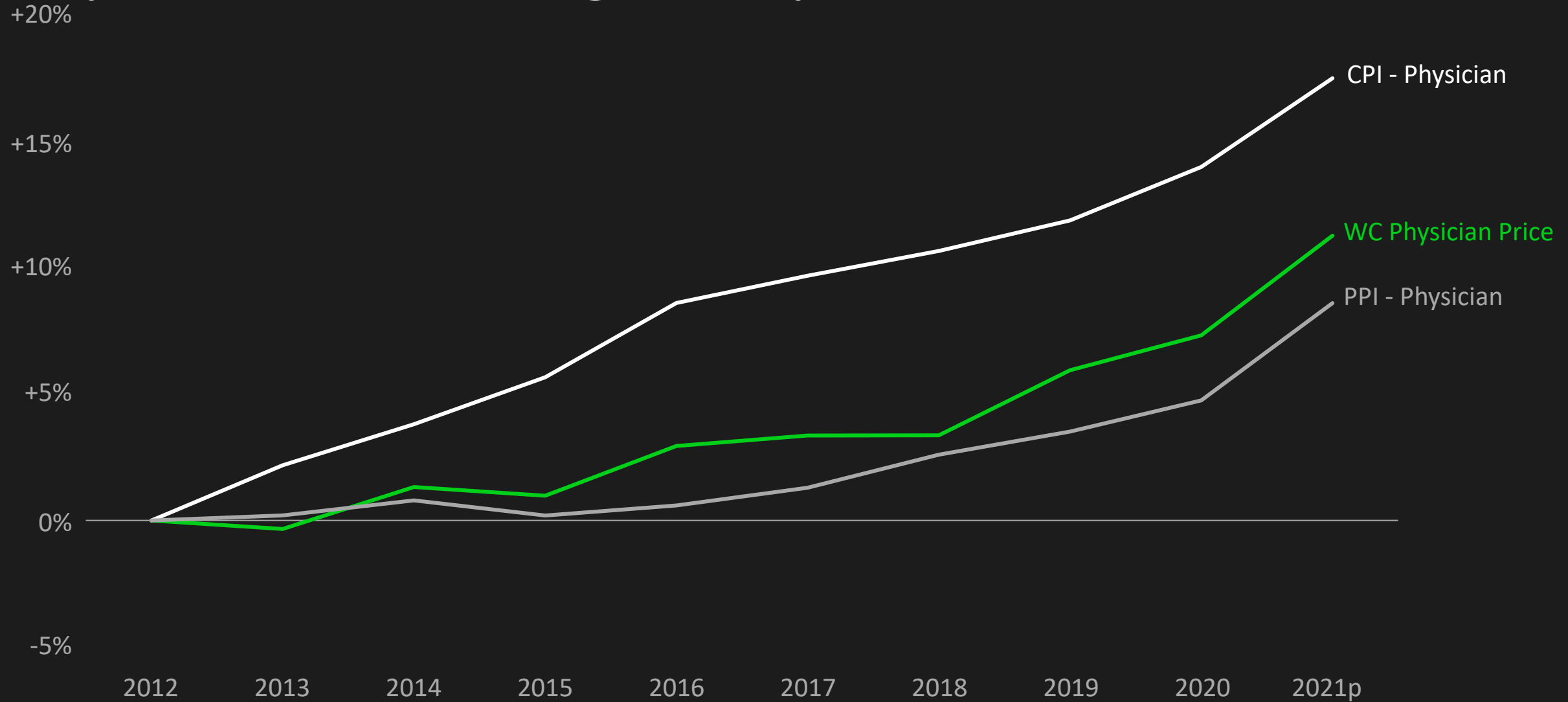
p Preliminary

Source: NCCI Medical Data Call

© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

AIS
2022

Physician Price Change Comparison



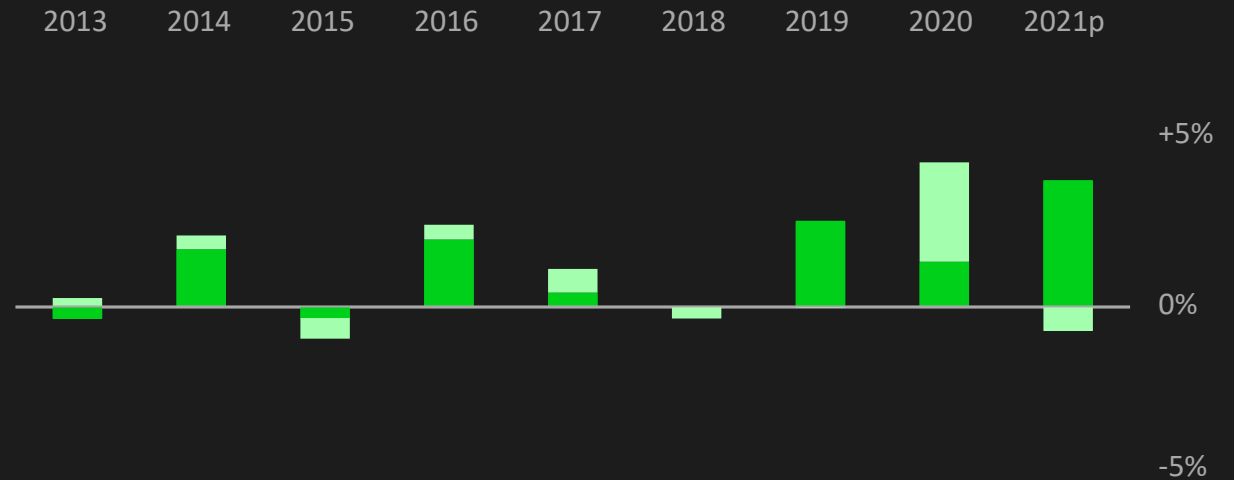
p Preliminary

Source: Bureau of Labor Statistics (Average Annual) and NCCI Medical Data Call

© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

AI
2022

Physician Price and Utilization Changes



p Preliminary

Source: NCCI Medical Data Call

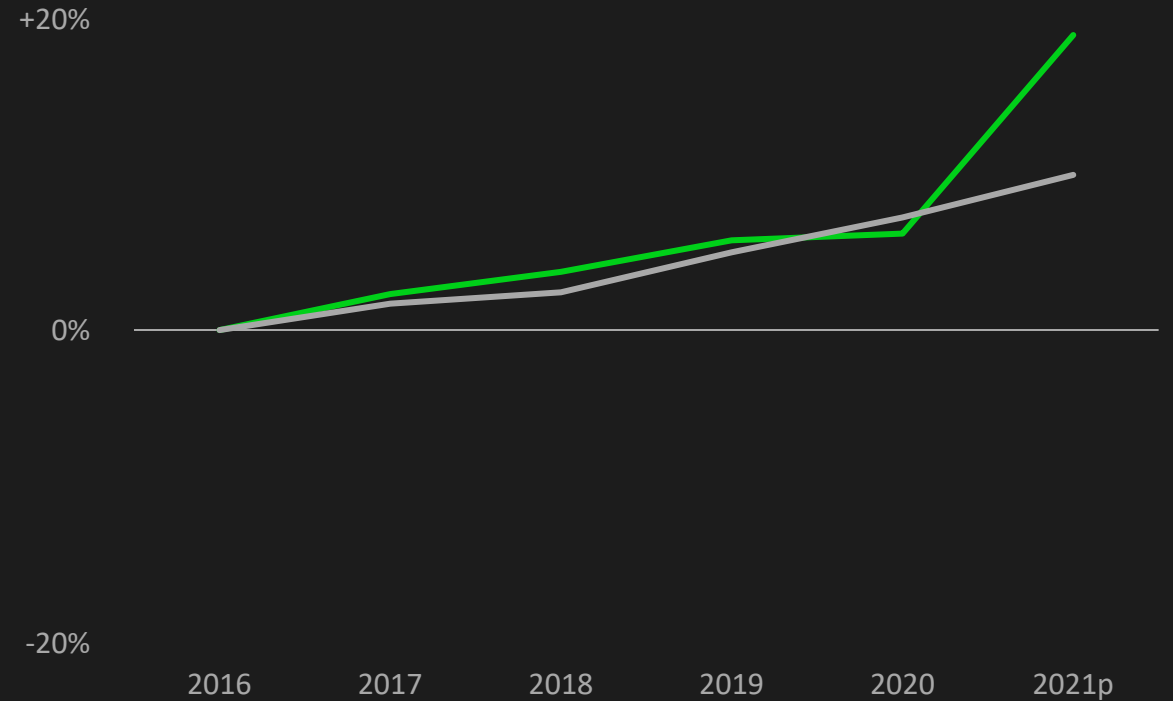
© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

AIS
2022

Medicare Impact on WC Physician Price



Price Change for Low Severity Office Visit of an Existing Patient
Medicare-Based States vs Non-Medicare-Based States



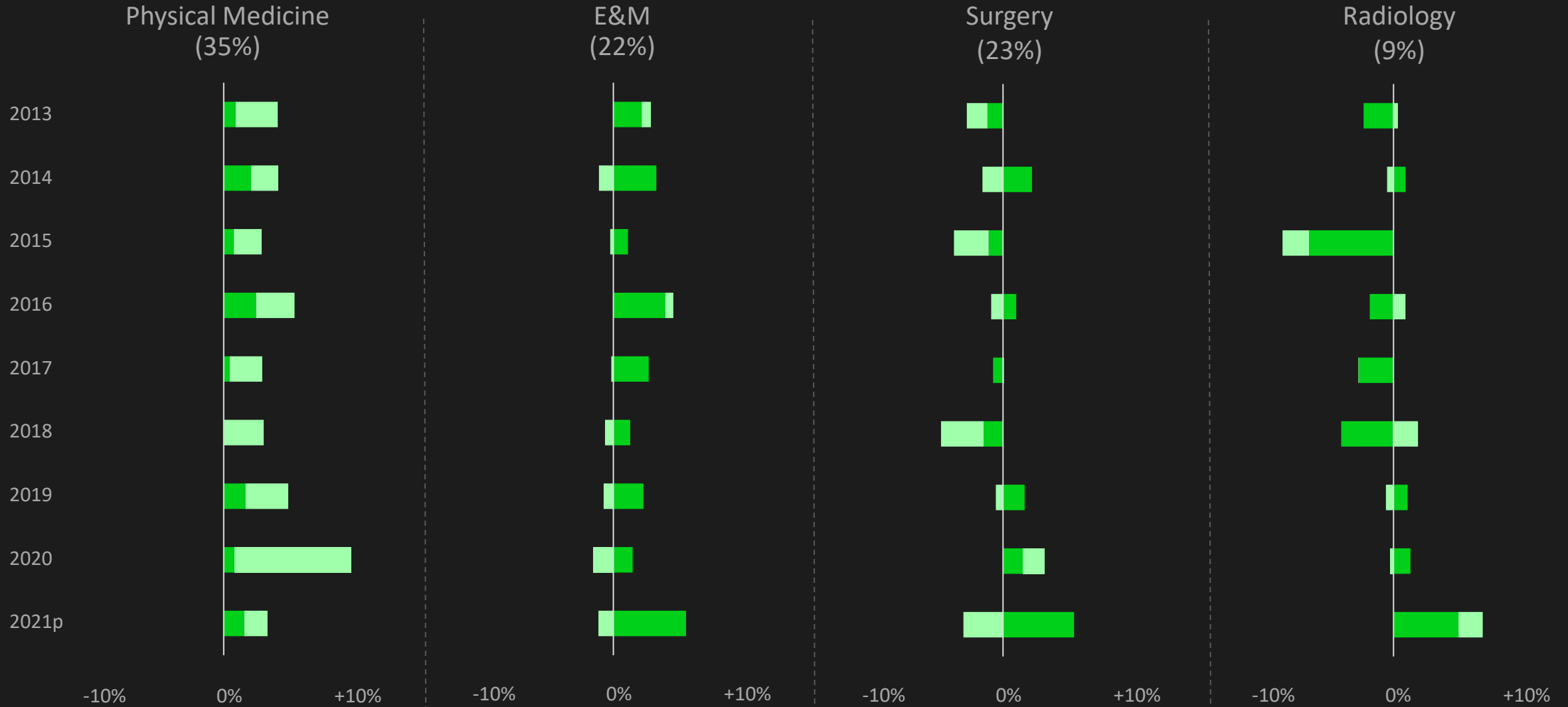
p Preliminary

Source: NCCI Medical Data Call

© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

AIS
2022

Physician Price and Utilization Changes



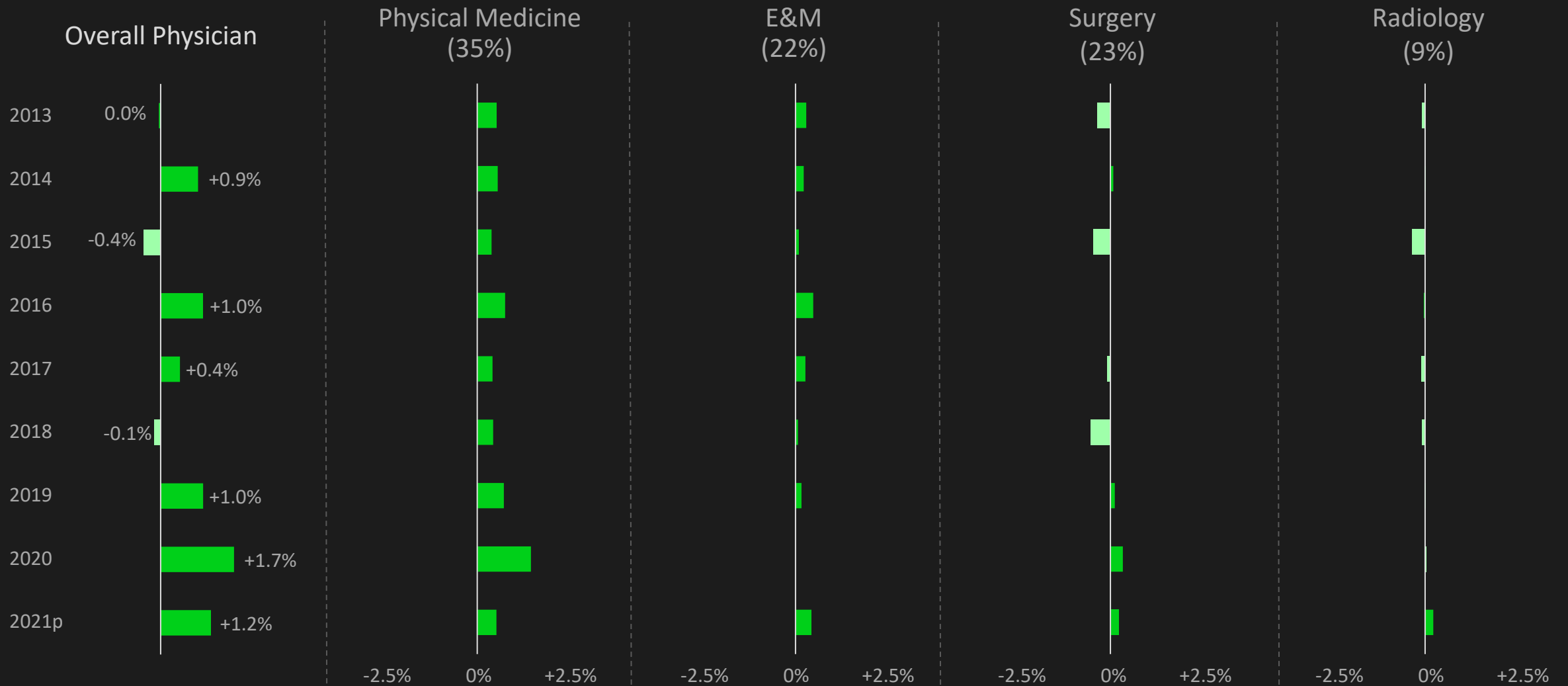
p Preliminary

Source: NCCI Medical Data Call

© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

AIS
2022

Physician Contribution to Change in Medical Paid Cost per Claim



p Preliminary

Source: NCCI Medical Data Call

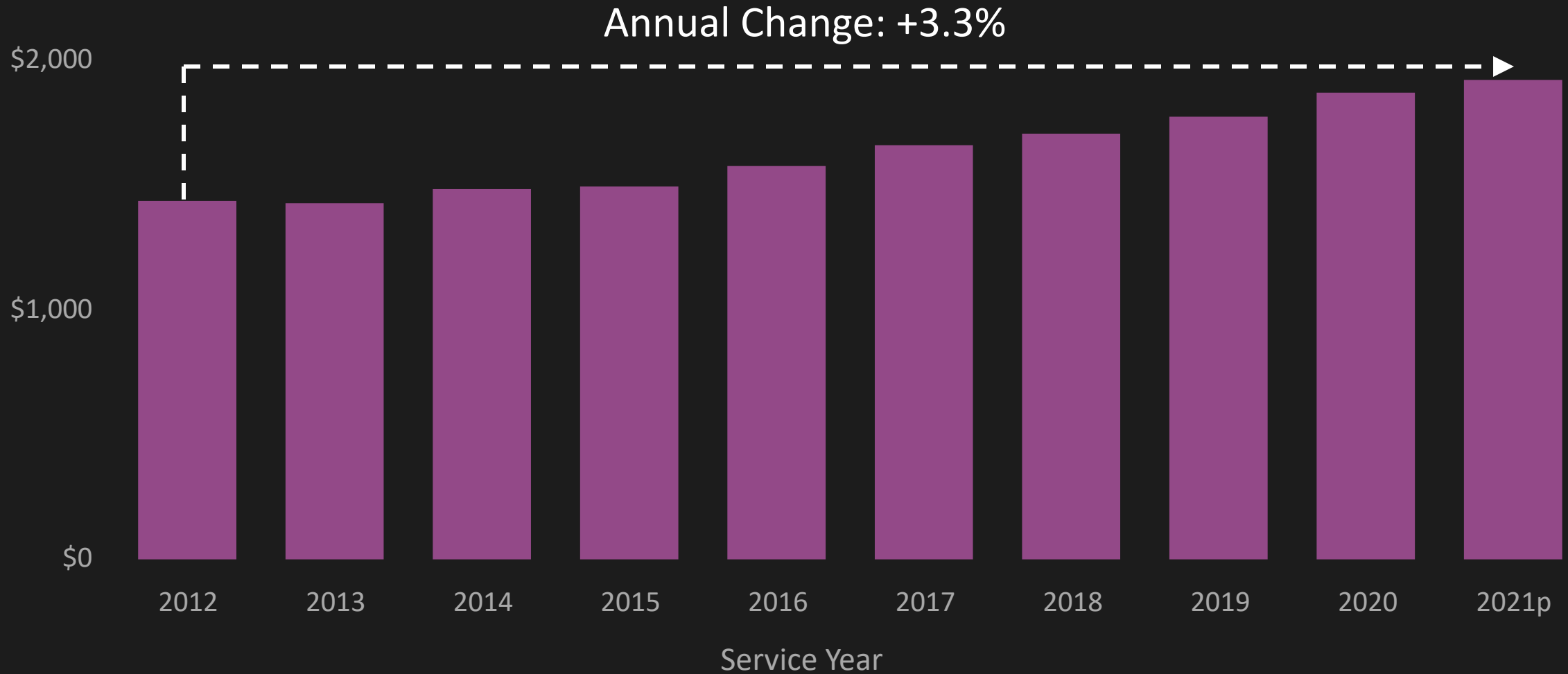
© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

AIS
2022

Facility Services



Facility Paid Cost per Claim



p Preliminary

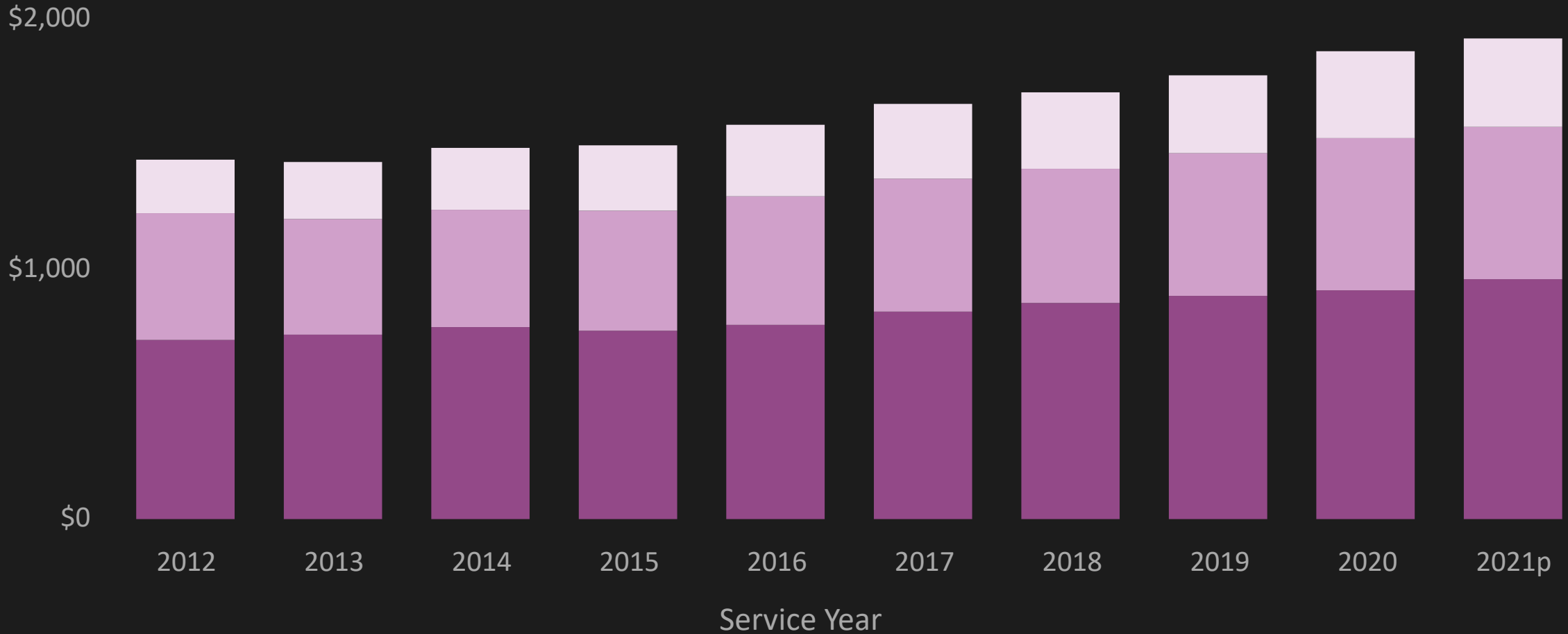
Source: NCCI Medical Data Call

© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

AIS
2022

Facility Paid Cost per Claim

Contribution from Outpatient, Inpatient, and ASC



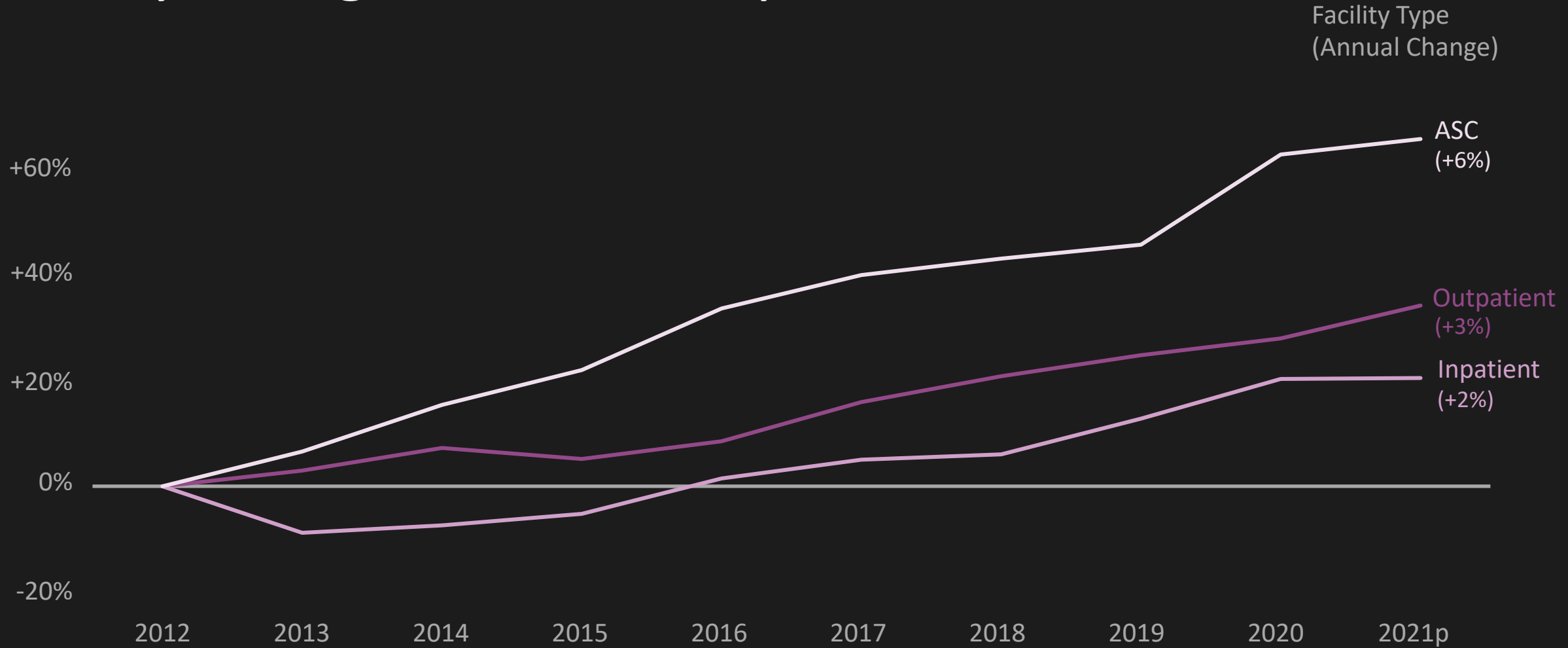
p Preliminary

Source: NCCI Medical Data Call

© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

AIS
2022

Facility Change in Paid Cost per Claim



p Preliminary

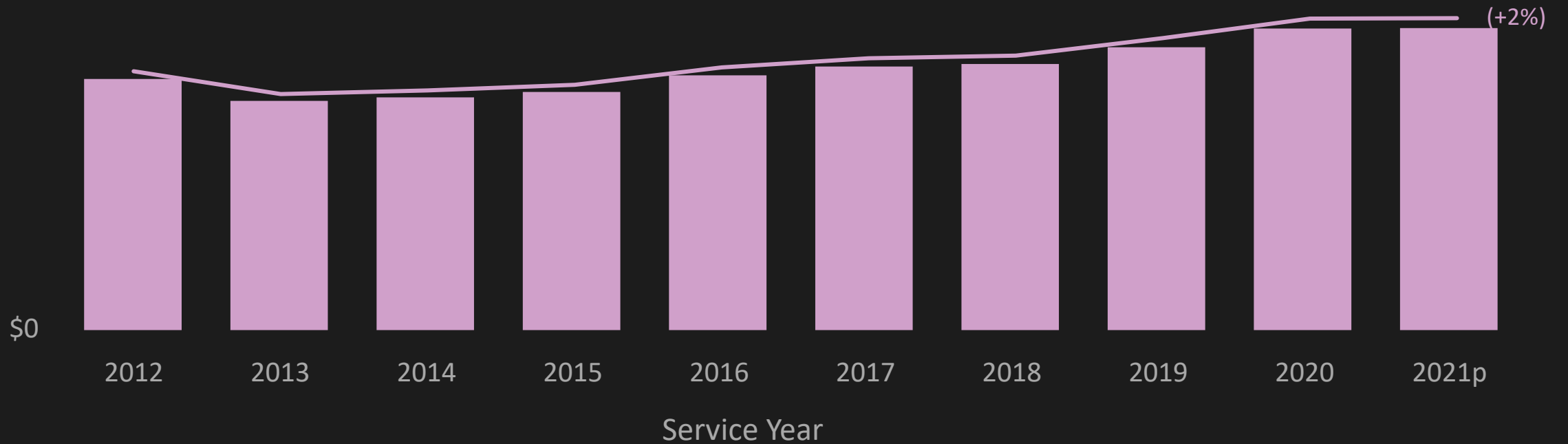
Source: NCCI Medical Data Call

© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

AIS
2022

Inpatient Paid Cost per Claim

\$1,000



p Preliminary

Source: NCCI Medical Data Call

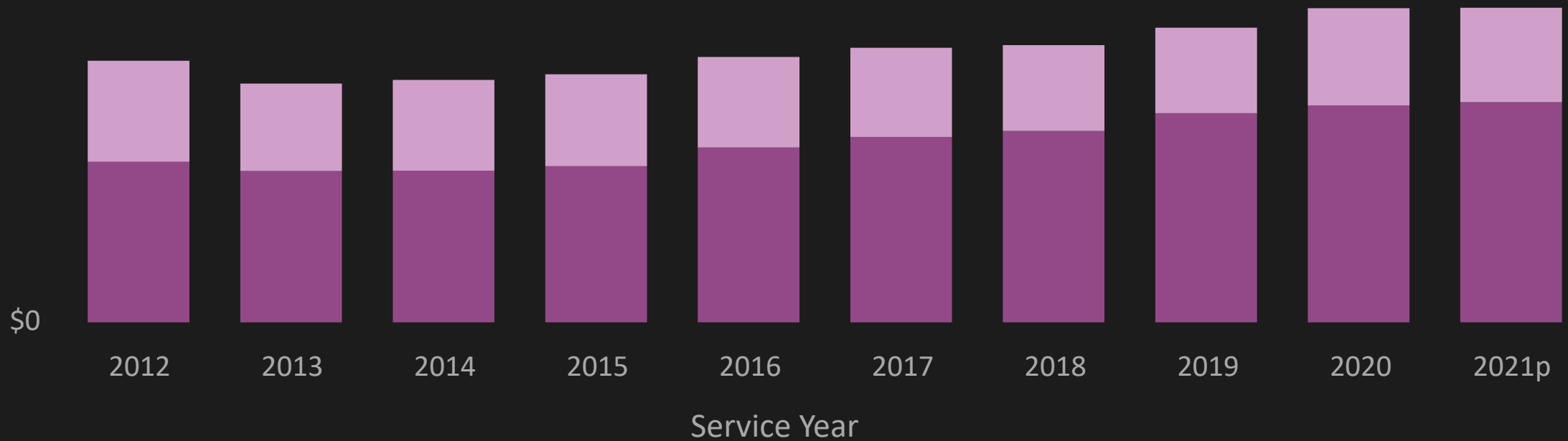
© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

AIS
2022

Inpatient Paid Cost per Claim

Contribution from **Surgery** and **Other**

\$1,000



p Preliminary

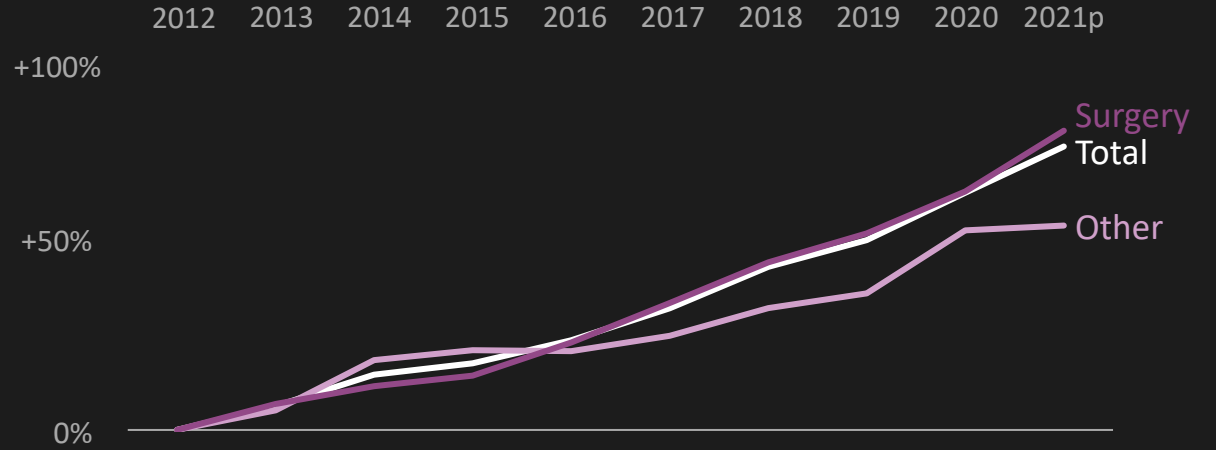
Source: NCCI Medical Data Call

© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

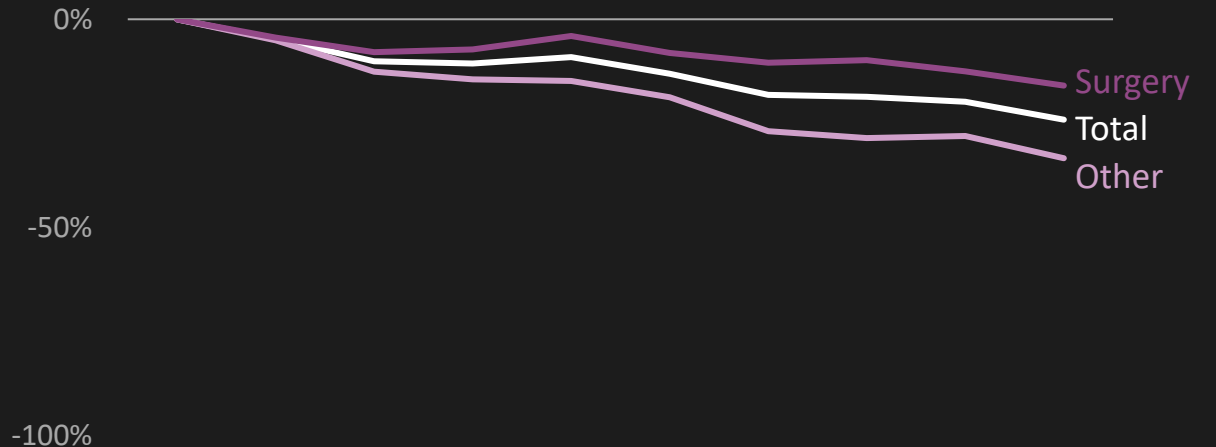
AIS
2022

Inpatient Paid Cost per Claim

Paid per Visit



Visits per Claim



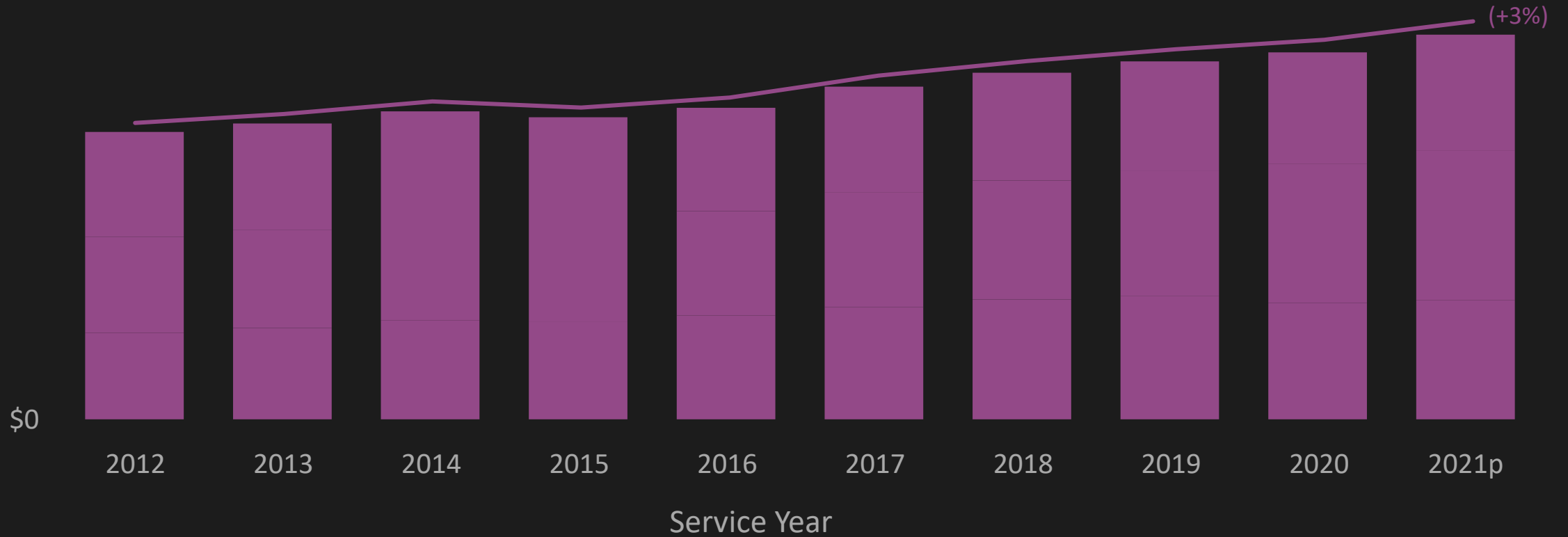
p Preliminary

Source: NCCI Medical Data Call

© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

Outpatient Paid Cost per Claim

\$1,000



p Preliminary

Source: NCCI Medical Data Call

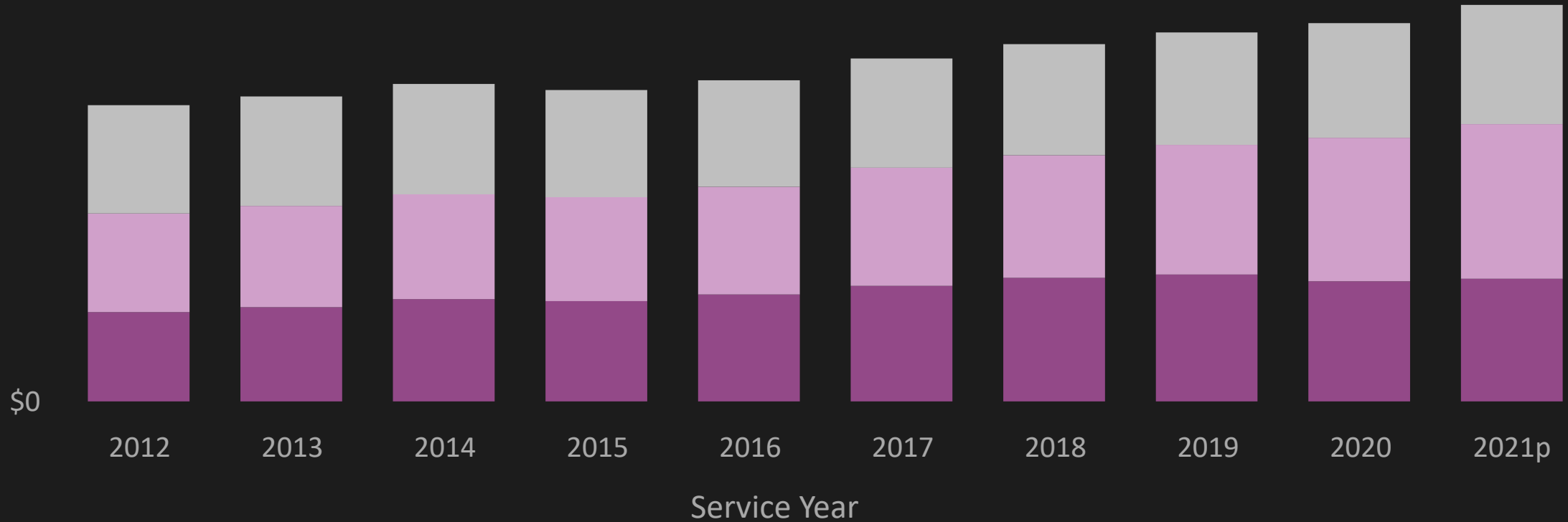
© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

AIS
2022

Outpatient Paid Cost per Claim

Contribution from ER, Major Surgery, and Other

\$1,000



p Preliminary

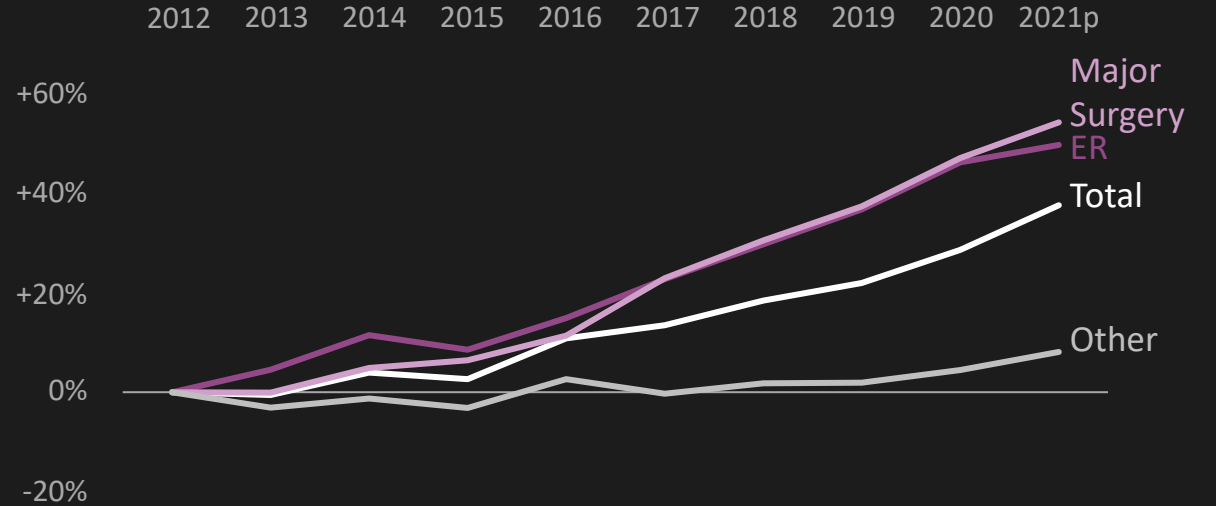
Source: NCCI Medical Data Call

© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

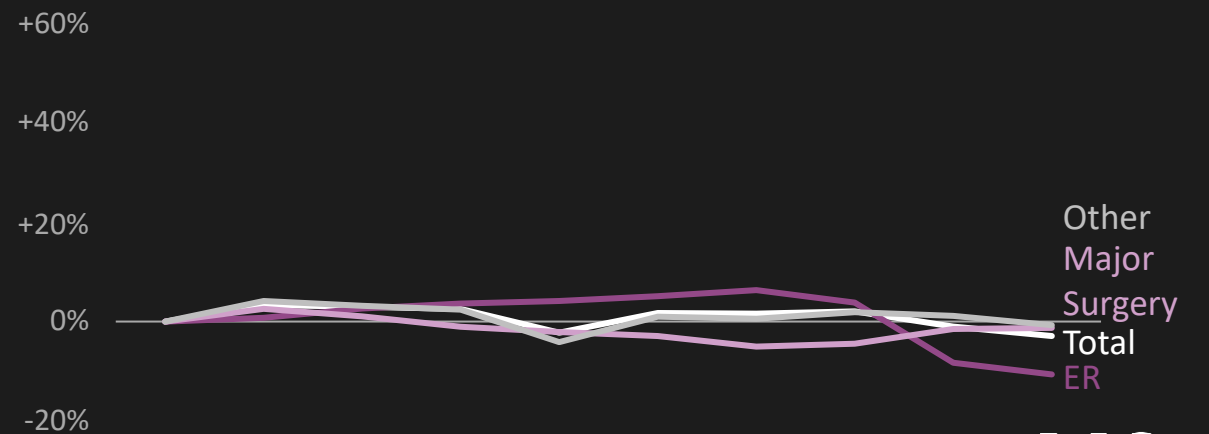
AIS
2022

Outpatient Paid Cost per Claim

Paid per Visit



Visits per Claim



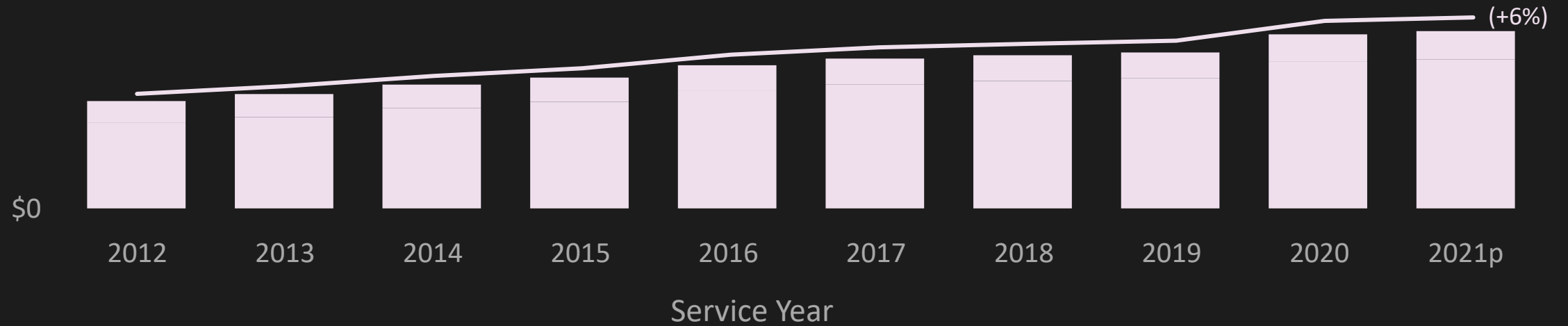
p Preliminary

Source: NCCI Medical Data Call

© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

ASC Paid Cost per Claim

\$1,000



p Preliminary

Source: NCCI Medical Data Call

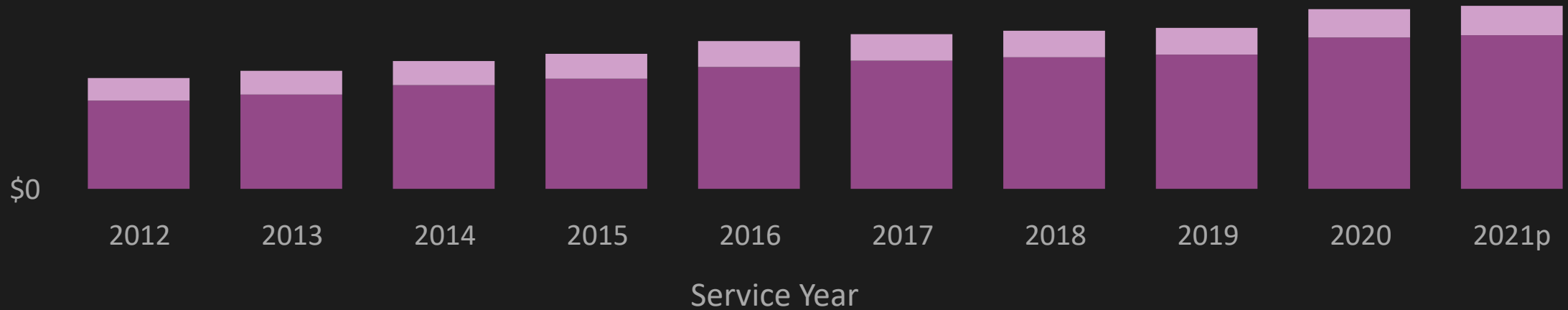
© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

AIS
2022

ASC Paid Cost per Claim

Contribution from Major Surgery and Other

\$1,000



p Preliminary

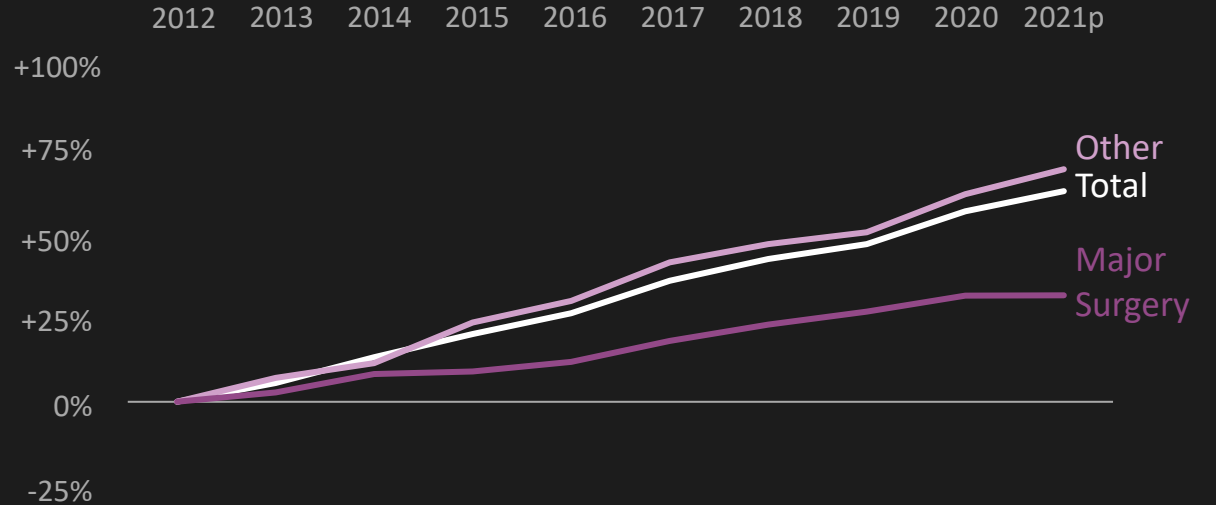
Source: NCCI Medical Data Call

© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

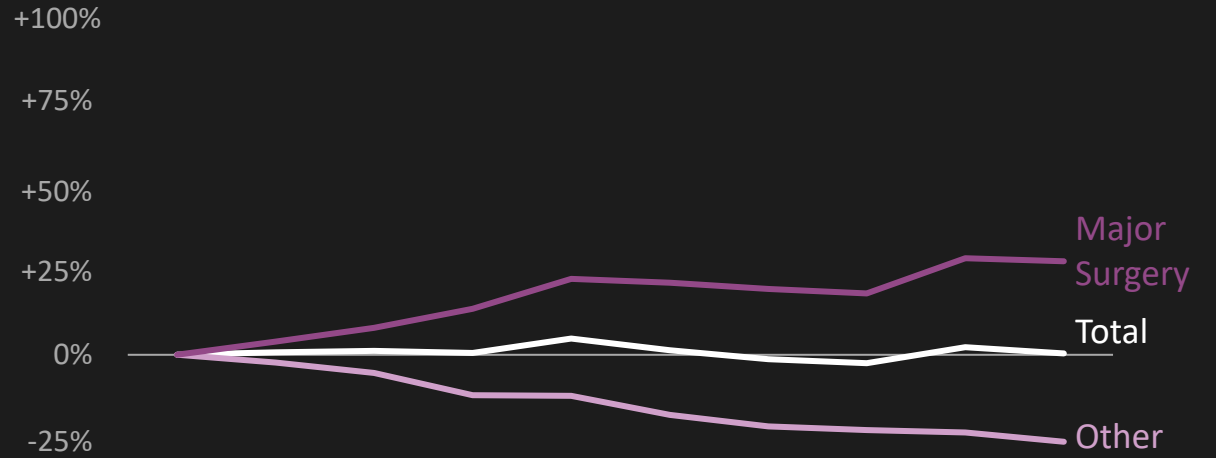
AIS
2022

ASC Paid Cost per Claim

Paid per Visit



Visits per Claim

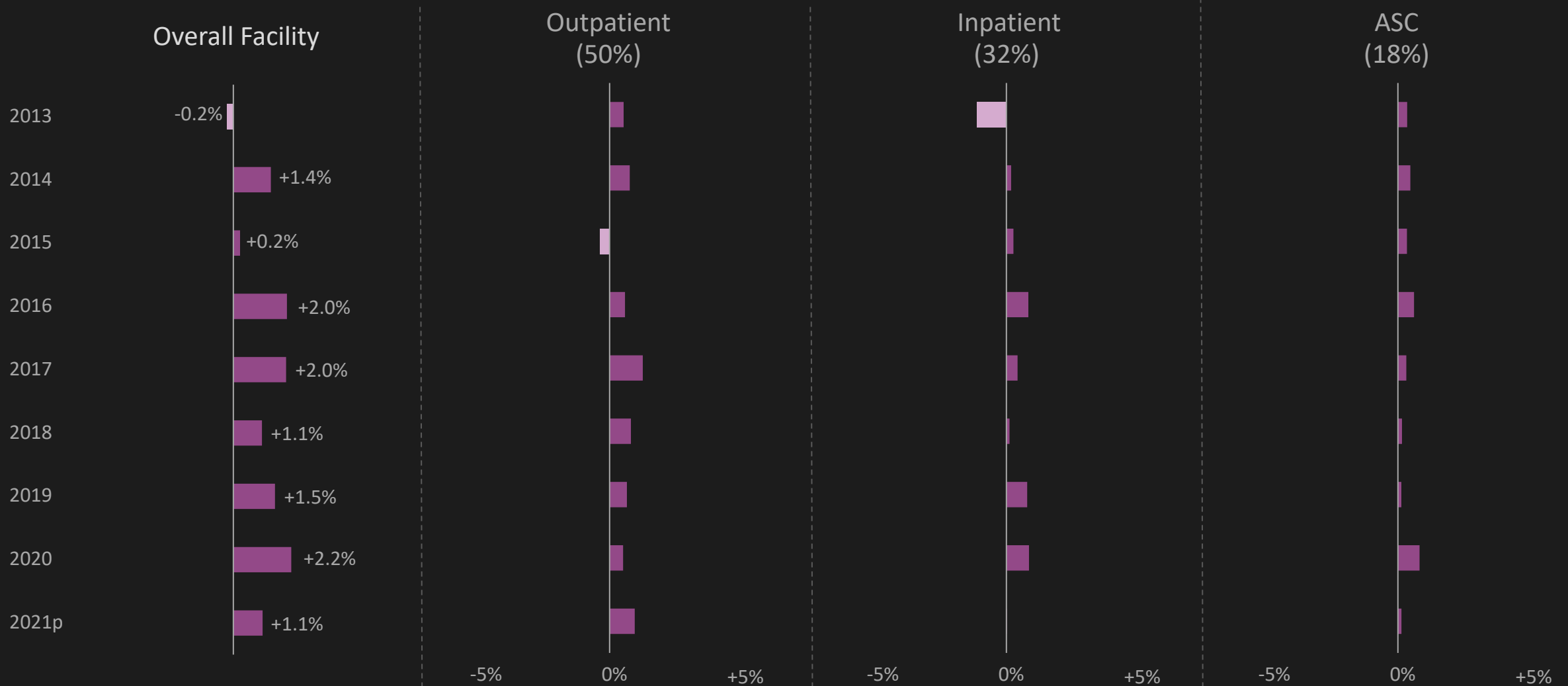


p Preliminary

Source: NCCI Medical Data Call

© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

Facility Contribution to Change in Paid Medical Cost



p Preliminary

Source: NCCI Medical Data Call

© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

AIS
2022

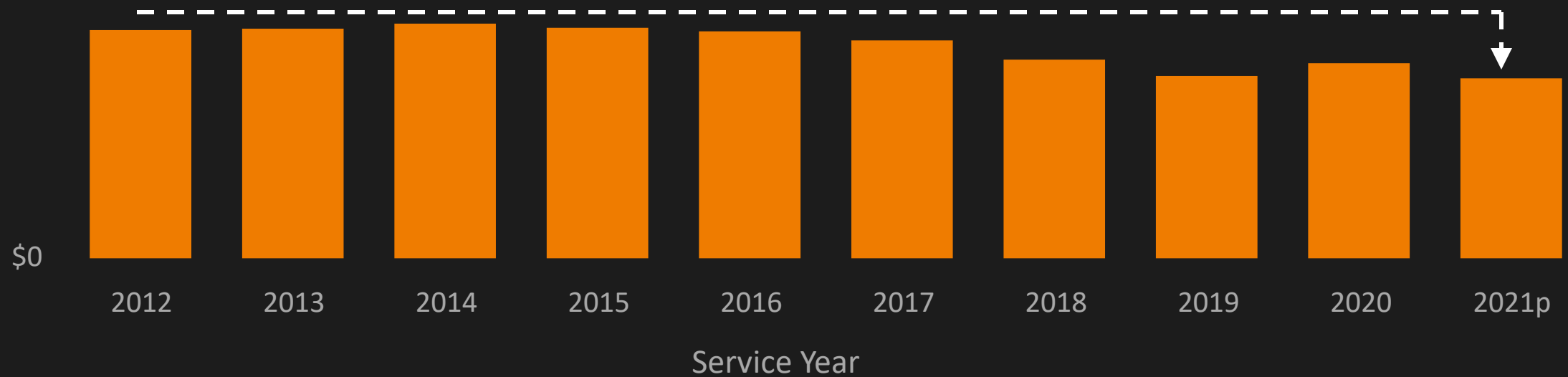
Prescription Drugs (Rx)



Rx Paid Cost per Claim

\$1,000

Annual Change : -2.6%



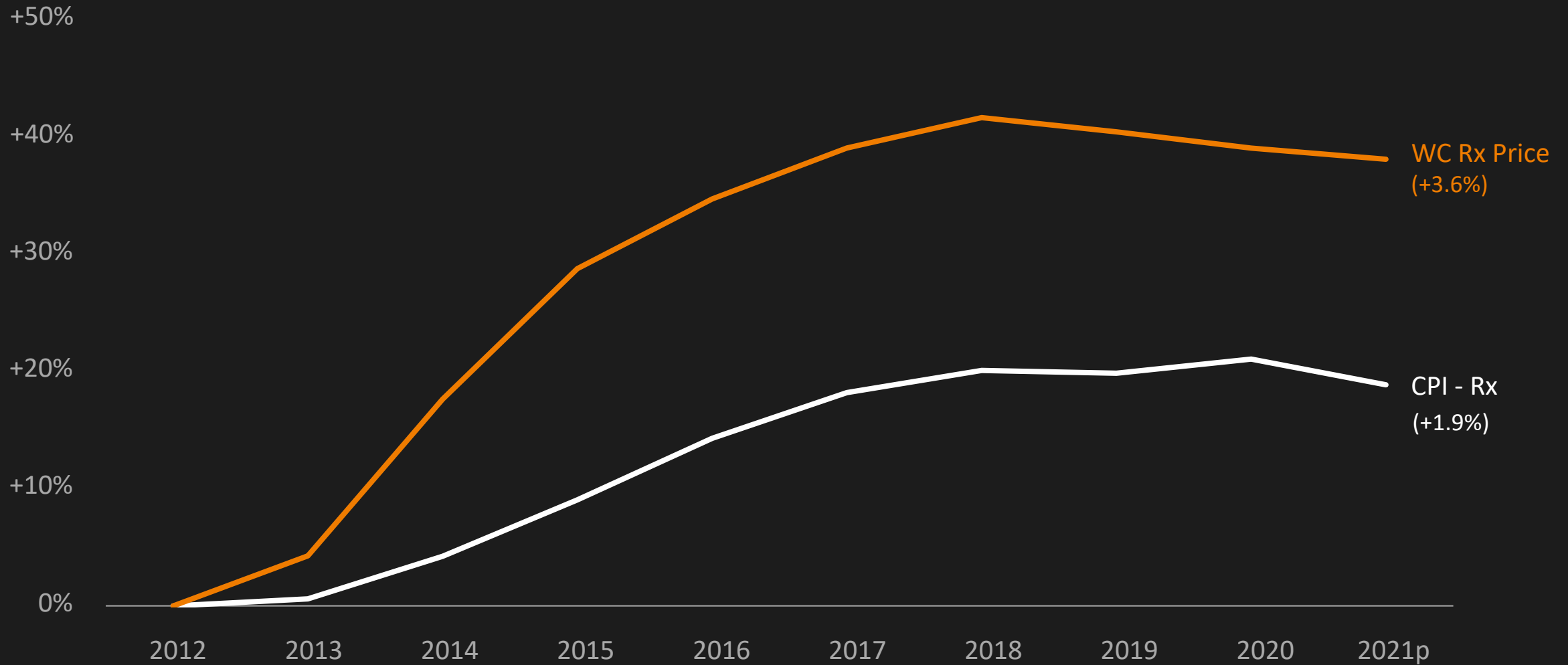
p Preliminary

Source: NCCI Medical Data Call

© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

AIS
2022

Comparison of Cumulative Change in Rx Prices



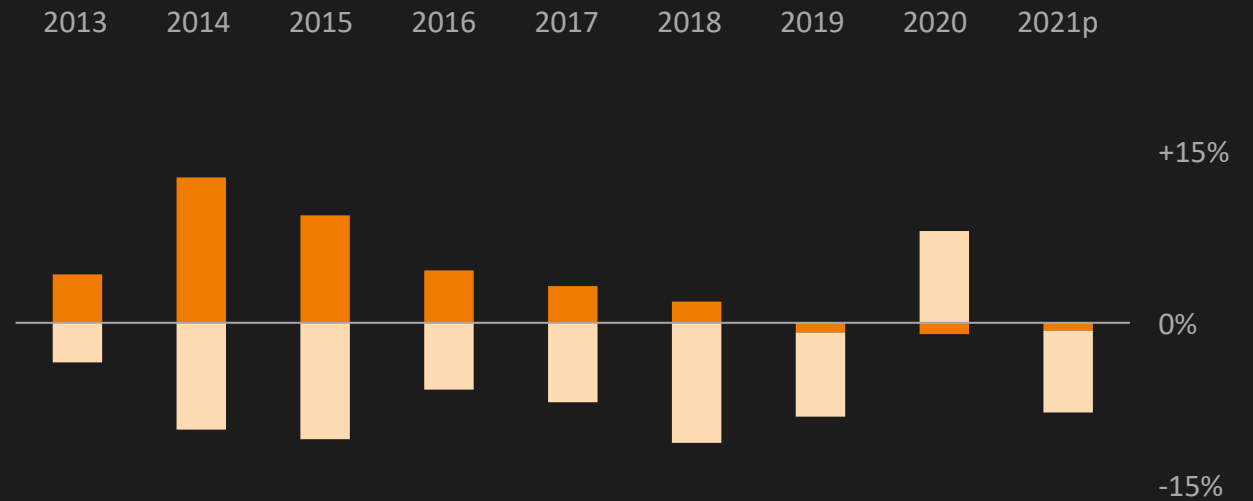
p Preliminary

Source: Bureau of Labor Statistics (Average Annual) and NCCI Medical Data Call

© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

AIS
2022

Rx Price and Utilization Changes



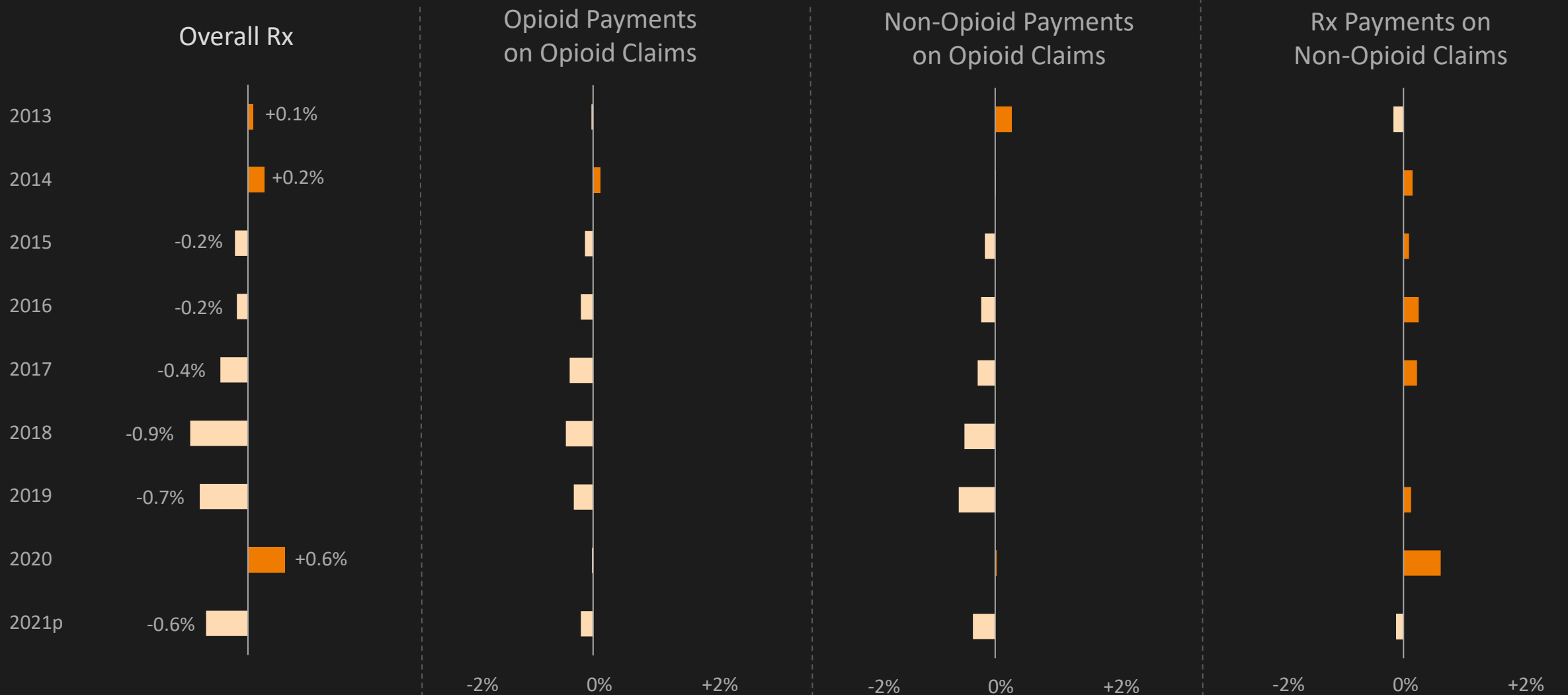
p Preliminary

Source: NCCI Medical Data Call

© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

AIS
2022

Rx Contribution to Change in Paid Medical Cost



p Preliminary

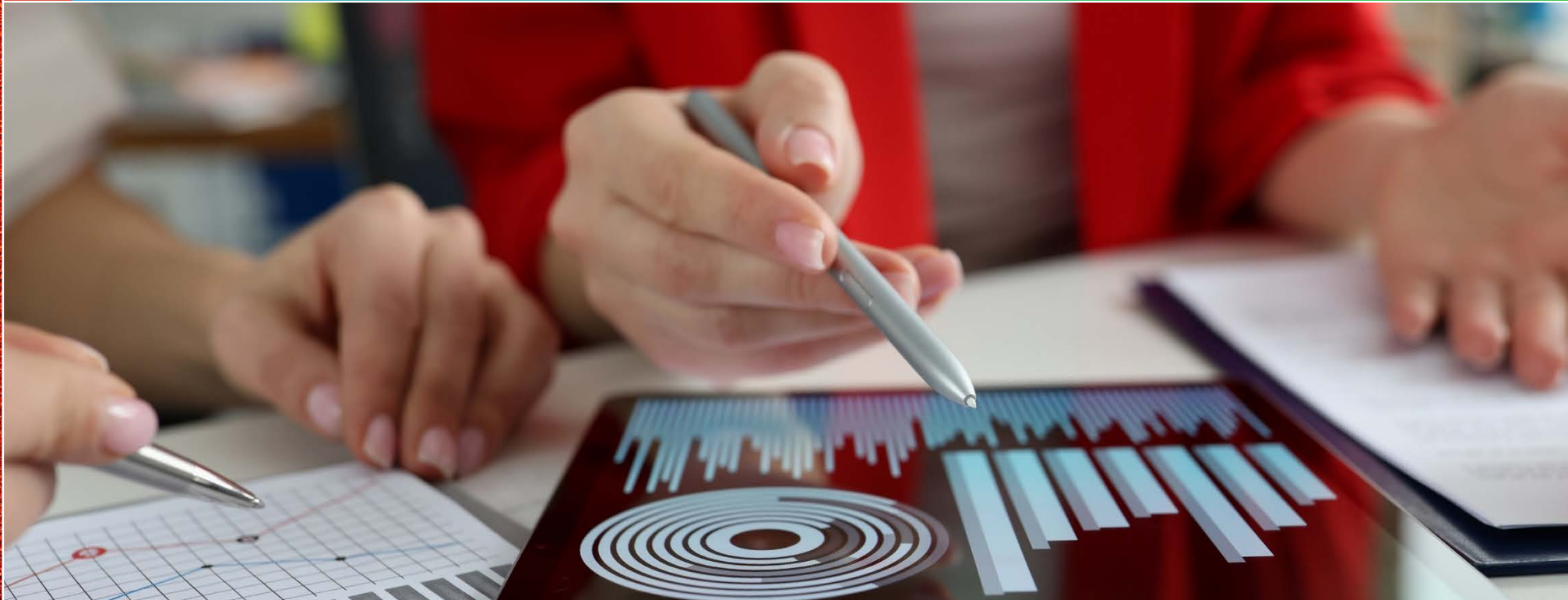
Source: NCCI Medical Data Call

© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

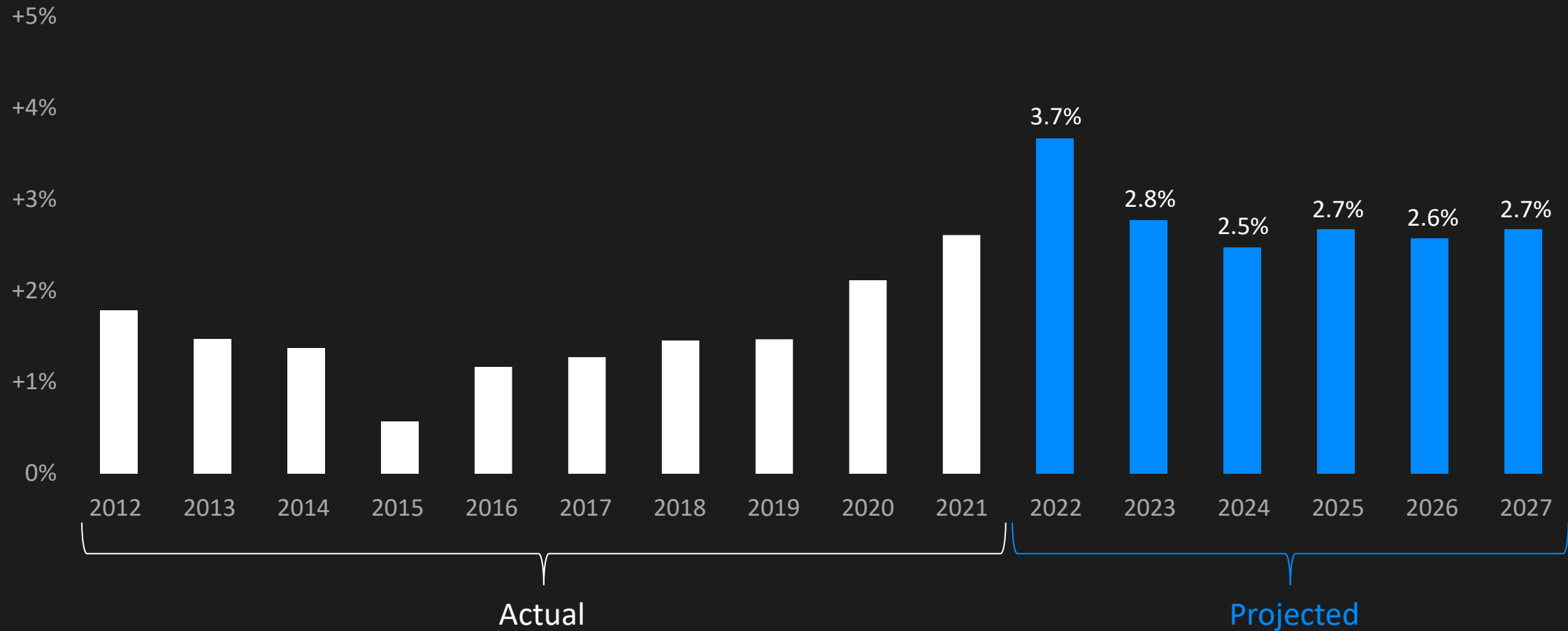
AIS
2022

Looking to the Near Future

FINISH



Personal Health Care Index Projections



Source: Centers for Medicare & Medicaid Services

© Copyright 2022 NCCI Holdings, Inc. All Rights Reserved.

AIS
2022

Factors Impacting Workers Comp Prices



Workers comp fee schedules



Medicare changes



Market conditions

Factors Impacting Workers Comp Costs



Utilization



Dilemma in Focus

- 1 **Medical** trends are significantly lower than general inflation

- 2 Trends vary by **cost category** and treatments vary by **claim maturity**

- 3 **PRICE** matters, **utilization** matters also



AIS
2022