



CITY OF CAMBRIDGE
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PERSONNEL DEPARTMENT
MICHAEL P. GARDNER
Director

MEMORANDUM

TO: Robert W. Healy
City Manager

FROM: Michael P. Gardner *MPG*
Personnel Director

DATE: March 29, 1995

RE: Council Order #09, dated 1/30/95 Re: Report on the
Workers' Compensation Program

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The City self insures its Workers' Compensation Program through administration within the Personnel Department and legal representation from the Law Department. Administrative responsibility transferred from Law to Personnel in 1989.

The manner in which the City administers Workers' Compensation is strictly controlled by G.L. c. 152 and the administrative rulings and legal case decisions of the state Department of Industrial Accidents (Industrial Accident Board, or "the Board"). The Board ultimately controls whether we recognize or pay on any disputed case and, for long term cases (six months or more), whether and when benefits should cease.

The City attempts to administer the Workers' Compensation program fairly, with a goal of avoiding disputes being sent to the Board if possible, and with a goal of quick claims processing and early return to work whenever feasible. Given the high monetary stakes at risk (up to \$91,000 in benefits for a temporary injury over 5 years, and even more money for cases of permanent disability) and given the ambiguity of medical causation issues, it is inevitable that there will be disputes, which are referred to the Board. We currently average between six and ten board appearances per month.

When there is a claimed work related injury, the employee's department is responsible for notifying the Personnel Department on an Employer's First Report of Injury form (copy attached). If the employee misses five days of work or more, the City reports the claim to the Department of Industrial Accidents. The employee is requested to cooperate by supplying doctor's reports and releases to allow City

access to additional relevant medical records. The City may set the employee up with an independent medical examination, to assist in evaluating causation, and extent and estimated length of disability. The City sets up additional follow up examinations as necessary to monitor the employee's progress. We also request periodic updates from the treating physician.

Benefits for compensation usually begin within two weeks after an injury occurs as long as the report is received in a timely fashion. By statute the City is obligated to pay or deny benefits within fourteen days of notice of injury. Unless the case for compensation is highly questionable, we generally pay without prejudice (meaning we can stop benefits unilaterally within the first six months, with seven days notice), in order to preserve income to the employee while we gather more information.

Benefit levels are set by statute at 60% of the employee's average weekly wage for the last year. This payment is not subject to state or federal income tax. The employee, in most cases (depending on union contract) can supplement the compensation benefit with a proportionate use of personal sick leave, up to regular weekly pay.

Under the current law we can pay for up to six months before we lose the authority to end compensation unilaterally. After six months compensation can not be stopped without the agreement of the employee or and order of the Board. During the first six months, as soon as we get medical evidence of the employee's fitness to return to regular or modified work, we offer the employee the return to work opportunity. After six months, we must file a discontinuance petition with the Board. For these longer term cases, we are very dependent upon the Board's capacity to deal expeditiously and fairly with such matters. Although delays (particularly in the hearings stage) remain something of a problem, the Board has made substantial progress in the last few years in reducing case backlogs.

With some exceptions we generally have good departmental and union cooperation around the issue of modified work or so called "light or limited duty" jobs. This is a very important aspect of our efforts to return employees to work as quickly as medically possible. Many employees would miss weeks or months more work if we had to wait until there were no residual limitations. Although managing limited duty work programs can be a challenge at the department/supervisor level, the benefits of early return help off set those difficulties.

If employees decline to return to limited or full duty after such an offer is made, we typically end their compensation with seven days notice. This frequently sets the case up for a disputed claim at the Industrial Accident Board, where the

matter is either settled by agreement or the subject of a Board order.

If the employee returns to limited duty work, we periodically check medical status to determine if return to full duty is feasible. This generally self regulates as the employee improves and willingly returns to full work on self initiative. Occasionally fitness for full work is contested. These are among the most difficult cases to manage, along with those where it appears that the work restriction is permanent.

When a case is disputed at the Board, one of the outcomes can be a decision that the individual has an "earning capacity", that is, they are only partially disabled, with some ability to work. Typically in such a situation the Board orders a reduction in weekly benefits to take into account the earning capacity. We use these and other light duty programs to encourage the employees to return to work for part time or in limited capacities as part of a "work hardening" experience; that is to help someone reorient to the process of returning to the world of work with regular work hours, routines, etc. Although we prefer a solution where the employee returns to work either full or part time, (with returning to regular, full time work as the ultimate goal) at times the matter can only be resolved with a reduction in compensation benefits, ordered by the Board.

Currently, approximately 25% of our weekly workers' compensation payroll is made up of persons who have been determined by the Board to have an earning capacity, and for whom we are paying reduced benefits. This is strong evidence of our vigorous efforts to manage the cases and not allow them to linger unattended.

Our weekly payroll includes only three persons who have been determined by the Board to be permanently disabled. This is primarily because the City has, in the past and currently, made use of the lump sum claims resolution process to resolve cases which have the potential for being long term, permanent fixtures on our Workers' compensation roles. Most persons determined to be permanently disabled also qualify for disability retirement pensions. By coordinating the payment of compensation benefits with retirement benefits, we have been able to craft lump sum settlements that work to the advantage of all parties and keep the City's workers' compensation focus where it should be, on persons with a realistic possibility of returning to productive work. It has also saved the City a tremendous amount of money in workers' compensation cost of living benefits, which escalated costs in other cities and towns tremendously beginning in the late 1980's.

To facilitate appropriate use of lump sum settlements, this City was instrumental in identifying a technical difficulty

with the legislation coordinating workers' compensation cost of living benefits with retirement benefits, and then drafting corrective legislation which, with the assistance of the Massachusetts Municipal Association, was passed in 1990. This change has made it significantly easier to settle long term cases, as the possibility of collecting both worker's compensation and retirement benefits has been substantially reduced.

Notwithstanding that, about one third of the persons currently on our workers' compensation weekly payroll were on it two years ago. Most of those have been on continuously. Some of these cases are in dispute, and moving slowly through the Industrial Accident Board appeal process, some are most likely permanent disability cases, which, are not yet ripe to settle; others are death cases where we are paying out a specific surviving spouse benefit. In each we are in pursuit of a course or strategy to achieve a fair resolution for the claimant and the City.

Medical expenses are a large portion of the overall cost of workers' compensation. Consistent with state law, we approve payment of appropriate medical treatment at the rates approved for industrial accidents by the Commonwealth's Rate setting Commission. These rates are generally significantly lower than charges, or even rates negotiated with HMOs or other health care providers. Consistent with new Department of Industrial Accidents regulations, we contract for independent utilization review of medical provider treatment plans, to provide a check against inappropriate or excessive treatment, or the possibility of fraud. About five per cent of the Cambridge cases which are heard by the Board involve disputes over medical bills or treatment; such disputes are generally with the provider rather than the injured worker.

We do not consider the current medical care policy in the Commonwealth (to separate out industrial accident care from other kinds of health care supported by regular health insurance coverage) to be very satisfactory. We have made a total commitment to managed care for our employees' non industrial medical care needs and believe that overall care would be improved if industrial medicine was managed in the same fashion, preferably by the same providers (for true coordination of all care). Unfortunately, neither the health care market, the legislative climate, nor the labor relations environment currently appear ready for such a change. In the meantime, we do what we can to encourage care by regular primary care physicians through the prompt approval of bills for payment. Occasionally departmental budget or staffing problems slow down actual payment of bills, to everyone's frustration.

We make judicious use of outside, private investigatory resources to perform periodic activity checks in situations where we feel it appropriate to check on an employee's

claimed restrictions or disability. Very infrequently we discover a claimant actually working elsewhere or otherwise engaged in activities that are inconsistent with their claimed limitations. In such situations we move swiftly to terminate benefits and employment if appropriate. Consistent with our general approach to disciplinary matters, we do not seek to publicize those incidents.

Among the most difficult cases we deal with are those involving controversial medical causation, particularly non trauma cases such as heart and lung conditions, sick building syndrome, stress, and general psychiatric problems. Because to the benefit structures involved, it is generally more advantageous to an employee to have such matters considered as work related rather than the accumulation of life's events. In such circumstances we try to seek out prestigious independent medical opinion to guide us in our response. Some cases turn out more satisfactorily than others.

Overall, compared to other employers, the City's workers' compensation experience appears favorable. The City Auditor estimates our expenses as approximately 1% of payroll. According to the Department of Industrial Accidents (citing the U. S. Department of Labor), the average private industry cost is 3.4% of payroll. Our average claim cost is calculated at \$15,189. According to the Department of Industrial Accidents (citing U.S. News and World Report, March 8, 1993), the national average cost of a claim was then \$24,000. Our costs have remained relatively stable over the last five years, despite a 23% rise in City wages and a 24% rise in the maximum weekly benefit rate over the same period.

Among the areas where we could perhaps be more aggressive, with a goal of further cost savings are the following:

finding more light duty opportunities in some of the departments which have not been able to assist as fully as they might;

making more use of involuntary retirement applications, initiated by the department head in cases where the disability appears to be permanent but the employee is unwilling or reluctant to file; and

continuing to advocate for the market place, legislative and labor changes needed to promote integration of industrial accident medical care with the rest of an employee's health care.



THE COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF INDUSTRIAL ACCIDENTS - DEPARTMENT 101
600 WASHINGTON STREET - 7TH FLOOR, BOSTON, MA 02111

EMPLOYER'S FIRST REPORT OF INJURY OR FATALITY

DIA BOARD NO.:

ENTER IF KNOWN

File this form if injury has resulted in death or in 5 or more calendar days of total or partial incapacity from earning wages.

INSTRUCTIONS AND CODES ON THE REVERSE SIDE. PLEASE PRINT OR TYPE:

E M P L O Y E	1. Employee's Name (Last, First, MI)	2. Home Telephone () -	3. Social Security Number*	4. Sex M <input type="checkbox"/> F <input type="checkbox"/>
	5. Home Address (No. and Street, City, State, Zip)		6. Marital Status M <input type="checkbox"/> S <input type="checkbox"/>	7. Number of Dependents
	8. Date of Hire (mm/dd/yy)	9. Date of Birth (mm/dd/yy)	10. Average Weekly Wage \$ <input type="checkbox"/> Estimated <input type="checkbox"/> Actual	
E M P L O Y E R	11. Employer's Name		12. Federal Tax I.D. Number	
	13. Employer's Address (No. and Street, City, State, Zip)		14. Employer's Telephone () -	
			15. Industry Code	
	16. Workers' Compensation Insurance Carrier (Not Local Agent/Adjuster)		17. W.C. Policy Number	
	18. Self-Insured? <input type="checkbox"/> Yes <input type="checkbox"/> No		19. Self-Insurer Number:	
I N J U R Y	20. Describe Nature of Business or Article Manufactured (check one) <input type="checkbox"/> Service <input type="checkbox"/> Wholesale <input type="checkbox"/> Retail <input type="checkbox"/> Manufacturing		21. Dept. No. Floor No.	
	22. Date of Injury (mm/dd/yy)		24. Injured on Employer's Premises? <input type="checkbox"/> Yes <input type="checkbox"/> No	
	23. Location Where Injury Occurred (If Different Than #13)		26. If Employee Has Died, Date of Death (mm/dd/yy)	
	27. First Day of Total or Partial Incapacity to Earn Wages (mm/dd/yy)		28. Fifth Day of Total or Partial Incapacity to Earn Wages (mm/dd/yy)	
I N F O R M A T I O N	29. Source of Injury (Chemicals, Machinery, Etc.)			
	30. Describe How Injury/Exposure Occurred (Struck By...Fell From...Exposed To...)			
	31. To Whom Was Injury/Death Reported? Position:		32. Date Reported (mm/dd/yy)	
			33. Date Reported as Work Related (mm/dd/yy)	
	34. Injury Code(s) a. b. c.		35. Body Part Code(s) a. b. c.	
36. Description (Left Leg...Lower Back...)				
37. Witness(es) To The Injury? <input type="checkbox"/> Yes <input type="checkbox"/> No If "YES" Please Specify.				
38. Has Employee Returned to Work? <input type="checkbox"/> Yes <input type="checkbox"/> No		39. Date of Return (mm/dd/yy)		
40. Employee's Regular Occupation		40A. Returned to Regular Occupation? <input type="checkbox"/> Yes <input type="checkbox"/> No		
41. Preparer for Employer (Please Print or Type)		42. Title		
43. Preparer's Signature		44. Date Prepared (mm/dd/yy)		

*Disclosing Social Security Number is voluntary. It will assist in the processing of your report.
REPRODUCE AS NEEDED

EMPLOYER'S FIRST REPORT OF INJURY OF FATALITY

FILING INSTRUCTIONS

WHEN TO FILE: File this form within 7 calendar days, not including Sundays and legal holidays, of receipt of notice of any injury alleged to have arisen out of and, in the course, of employment which totally or partially incapacitates an employee for a period of 5 or more calendar days from earning wages. This form is not an admission of liability but must be filed even though the Employer may believe that the Employee is not injured, or that the Employee is not entitled to benefits under Chapter 152.

WHERE TO FILE: The form should be mailed to the Department of Industrial Accidents at the address shown on the front of the form. Copies must also be provided to the Employee and to the Employer's Workers' Compensation Insurer.

PENALTIES: Failure to report injuries on this form may result in a fine of \$100.00 in accordance with Massachusetts General Laws, Chapter 152, Section 6.

INDUSTRY CODES

<p>Agriculture, Forestry and Fishing</p> <p>01 Agriculture Production-Crops</p> <p>02 Agriculture Production-Livestock</p> <p>07 Agriculture Services</p> <p>08 Forestry</p> <p>09 Fishing, Hunting and Trapping</p> <p>Mining</p> <p>10 Metal Mining</p> <p>12 Coal Mining</p> <p>13 Oil and Gas Extraction</p> <p>14 Nonmetallic Minerals, Except Fuels</p> <p>Construction</p> <p>15 General Building Contractors</p> <p>16 Heavy Construction, Ex. Building</p> <p>17 Special Trade Contractors</p> <p>Manufacturing</p> <p>20 Food and Kindred Productions</p> <p>21 Tobacco Products</p> <p>22 Textile Mill Products</p> <p>23 Apparel and Other Textile Products</p> <p>24 Lumber and Wood Products</p> <p>25 Furniture and Fixtures</p> <p>26 Paper and Allied Products</p> <p>27 Printing and Publishing</p>	<p>28 Chemicals and Allied Products</p> <p>29 Petroleum and Coal Products</p> <p>30 Rubber and Misc. Plastics Products</p> <p>31 Leather and Leather Products</p> <p>32 Stone, Clay, and Glass Products</p> <p>33 Primary Metal Industries</p> <p>34 Fabricated Metal Products</p> <p>35 Industrial Machinery and Equipment</p> <p>36 Electronic and Other Electric Equipment</p> <p>37 Transportation Equipment</p> <p>38 Instruments and Related Products</p> <p>39 Miscellaneous Manufacturing Industries</p> <p>Transportation and Public Utilities</p> <p>40 Railroad Transportation</p> <p>41 Local and Interurban Passenger Transit</p> <p>42 Trucking and Warehousing</p> <p>43 U.S. Postal Service</p> <p>44 Water Transportation</p> <p>45 Transportation by Air</p> <p>46 Pipelines, Except Natural Gas</p> <p>47 Transportation Services</p> <p>48 Communications</p> <p>49 Electric, Gas and Sanitary Services</p>	<p>Wholesale Trade</p> <p>50 Wholesale Trade-Durable Goods</p> <p>51 Wholesale Trade-Non-durable Goods</p> <p>Retail Trade</p> <p>52 Building Materials and Garden Supplies</p> <p>53 General Merchandising Stores</p> <p>54 Food Stores</p> <p>55 Automotive Dealers and Service Stations</p> <p>56 Apparel and Accessory Stores</p> <p>57 Furniture and Homefurnishing Stores</p> <p>58 Eating and Drinking Places</p> <p>59 Miscellaneous Retail</p> <p>Finance, Insurance and Real Estate</p> <p>60 Depository Institutions</p> <p>61 Nondepository Institutions</p> <p>62 Security and Commodity Brokers</p> <p>63 Insurance Carriers</p> <p>64 Insurance Agents, Brokers and Service</p> <p>65 Real Estate</p> <p>67 Holding and Other Investment Offices</p> <p>Services</p> <p>70 Hotels and Other Lodging Places</p> <p>72 Personal Services</p>
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NATURE OF INJURY OR ILLNESS CODES

<p>100 Amputation or Emecleation</p> <p>110 Asphyxia, Strangulation, Etc.</p> <p>120 Bum (Heat)</p> <p>130 Bum (Chemical)</p> <p>140 Concussion</p> <p>160 Contusion, Crushing, Bruise</p> <p>170 Cut, Laceration, Puncture</p> <p>190 Dislocation</p> <p>200 Electric Shock, Electrocutation</p> <p>210 Fracture</p> <p>250 Hemia, Rupture</p> <p>300 Scratches, Abrasions</p> <p>310 Sprains, Strains</p> <p>400 Multiple Injuries</p> <p>900 No Injury</p> <p>950 Damage to Prosthetic Devices</p> <p>995 No Other Injury, NEC**</p> <p>999 Non-classifiable</p> <p>Infective or Parasitic Disease</p> <p>150 Infective or Parasitic Disease, UNS*</p> <p>151 Amebiasis</p> <p>152 Anthrax</p> <p>153 Brucellosis</p> <p>154 Conjunctivitis and Ophthalmia</p> <p>156 Tetanus</p> <p>157 Tuberculosis</p>	<p>159 Other Infective or Parasitic Disease</p> <p>Dermatitis</p> <p>180 Dermatitis, UNS*</p> <p>183 Primary Infections of the Skin</p> <p>184 Other Skin Conditions</p> <p>185 Dermatitis, Allergenic or Contact</p> <p>189 Skin Condition, NEC**</p> <p>Poisoning, Systemic</p> <p>270 Poisoning, Systemic, UNS*</p> <p>271 Due to Toxic Materials other than Lead</p> <p>272 Diseases of the Blood and Blood Forming Organs</p> <p>273 Upper Respiratory Conditions</p> <p>274 Influenza, Pneumonia, Etc.</p> <p>276 Other Diseases of the Gastro-Intestinal Tract</p> <p>278 Effects of Lead</p> <p>279 Other Toxic Effects of One System Only</p> <p>Respiratory System, Conditions of</p> <p>570 Respiratory System, Conditions of UNS*</p> <p>571 Upper Respiratory</p> <p>572 Asthma, Influenza, Pneumonia</p> <p>Pneumoconiosis</p> <p>280 Pneumoconiosis</p> <p>281 Aluminosis</p> <p>282 Anthracosis</p> <p>283 Asbestososis</p>	<p>284 Bystinosis</p> <p>285 Siderosis</p> <p>286 Silicosis</p> <p>287 Other Pneumoconiosis</p> <p>289 Pneumoconiosis with Tuberculosis</p> <p>Nervous System Conditions of</p> <p>560 Nervous System, Conditions of, UNS*</p> <p>561 Diseases of the Central Nervous System</p> <p>562 Diseases of the Nerves and Peripheral Ganglia</p> <p>Neoplasm, Tumor</p> <p>550 Neoplasm, Tumor UNS*</p> <p>551 Malignant</p> <p>552 Benign</p> <p>Radiation Effects</p> <p>290 Radiation Effects, UNS*</p> <p>291 Non-Ionizing Radiation</p> <p>292 Microwave</p> <p>293 Ionizing Radiation - X-Ray</p> <p>294 Ionizing Radiation - Isotopes</p> <p>295 Welder's Flash</p> <p>Other</p> <p>265 Carpal Tunnel Syndrome</p>
		<p>510 Cerebrovascular and other Conditions of the Circulatory System</p> <p>520 Complications Peculiar to Medical Care</p> <p>500 Effects of Changes in Atmospheric Pressure</p> <p>240 Effects of Environmental Heat</p> <p>220 Effects of Exposure to Low Temperature</p> <p>530 Eye, other Diseases of the Eye</p> <p>230 Hearing Loss or Impairment</p> <p>991 Heart Condition, Excludes Heart Attack</p> <p>320 Hemorrhoids</p> <p>330 Hepatitis, Serum and Infective</p> <p>275 Hepatitis, Toxic</p> <p>260 Inflammation of Joints, Etc.</p> <p>540 Mental Disorders</p> <p>900 No Illness</p> <p>999 Non-classifiable</p> <p>990 Occupational Disease, NEC**</p> <p>580 Symptoms and Ill-defined Conditions</p>

BODY PART AFFECTED CODES

<p>Head *</p> <p>100 Head, UNS*</p> <p>110 Brain</p> <p>120 Ear(s), UNS*</p> <p>121 Ear(s), External</p> <p>124 Ear(s), Internal</p> <p>130 Eye(s)</p> <p>140 Face, UNS*</p> <p>141 Jaw, Chin</p> <p>144 Mouth & Throat (vocal cords, larynx)</p> <p>146 Nose</p> <p>148 Face, Multiple Parts</p> <p>149 Face, NEC**</p> <p>150 Scalp</p>	<p>160 Skull</p> <p>198 Head, Multiple</p> <p>200 Neck & Cervical Vertebrae</p> <p>UPPER EXTREMITIES</p> <p>300 Upper Extremities, UNS*</p> <p>310 Arm(s), UNS*</p> <p>311 Upper Arm(s)</p> <p>313 Elbow(s)</p> <p>315 Forearm(s)</p> <p>318 Arm(s), Multiple</p> <p>319 Arm(s), NEC**</p> <p>320 Wrist(s)</p> <p>330 Hand(s) Not Wrists or Fingers</p>	<p>340 Finger(s)</p> <p>398 Upper Extremities, Multiple</p> <p>400 Trunk, UNS*</p> <p>410 Abdomen...Internal Organs, Inguinal Hemia</p> <p>420 Back</p> <p>430 Chest...Ribs, Breastbone, Internal Organs</p> <p>440 Hip(s)...Pelvis, Organs, and Buttocks</p> <p>450 Shoulder(s)</p> <p>498 Trunk, Multiple</p> <p>LOWER EXTREMITIES</p> <p>500 Lower, Extremities, UNS*</p> <p>510 Leg(s), UNS*</p> <p>511 Thigh(s)</p>
		<p>513 Knee(s)</p> <p>515 Lower Leg(s)</p> <p>518 Leg(s), Multiple</p> <p>519 Leg(s), NEC**</p> <p>520 Ankle(s)</p> <p>530 Foot or Feet... Not Ankle or Toes</p> <p>540 Toe(s)</p> <p>598 Lower Extremities, Multiple</p> <p>700 MULTIPLE PARTS</p> <p>Applies when more than one major body part has been affected such as an arm and a leg.</p> <p>NONCLASSIFIABLE</p> <p>999 Insufficient information to identify part of body affected. Includes damage to prosthetic devices.</p>

*UNS-UNSPECIFIED.

**NEC-NOT ELSEWHERE CLASSIFIED

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		<p>73 Business Services</p> <p>75 Auto Repair Services and Parking</p> <p>76 Miscellaneous Repair Services</p> <p>78 Motion Pictures</p> <p>79 Amusement and Recreation Services</p> <p>80 Health Services</p> <p>81 Legal Services</p> <p>82 Educational Services</p> <p>83 Social Services</p> <p>84 Museums, Botanical, Zoological Gardens</p> <p>86 Membership Organizations</p> <p>87 Engineering and Management Services</p> <p>88 Private Households</p> <p>89 Services, NEC</p> <p>Public Administration</p> <p>91 Executive, Legislative, and Garden</p> <p>92 Justice, Public Order, and Safety</p> <p>93 Finance, Taxation, and Monetary Policy</p> <p>94 Administration of Human Resources</p> <p>95 Environmental Quality and Housing</p> <p>96 Administration of Economic Programs</p> <p>97 National Security and International Affairs</p> <p>Nonclassifiable Establishments</p> <p>99 Nonclassifiable Establishments</p>

NATURE OF INJURY OR ILLNESS CODES

<p>100 Amputation or Emecleation</p> <p>110 Asphyxia, Strangulation, Etc.</p> <p>120 Bum (Heat)</p> <p>130 Bum (Chemical)</p> <p>140 Concussion</p> <p>160 Contusion, Crushing, Bruise</p> <p>170 Cut, Laceration, Puncture</p> <p>190 Dislocation</p> <p>200 Electric Shock, Electrocutation</p> <p>210 Fracture</p> <p>250 Hemia, Rupture</p> <p>300 Scratches, Abrasions</p> <p>310 Sprains, Strains</p> <p>400 Multiple Injuries</p> <p>900 No Injury</p> <p>950 Damage to Prosthetic Devices</p> <p>995 No Other Injury, NEC**</p> <p>999 Non-classifiable</p> <p>Infective or Parasitic Disease</p> <p>150 Infective or Parasitic Disease, UNS*</p> <p>151 Amebiasis</p> <p>152 Anthrax</p> <p>153 Brucellosis</p> <p>154 Conjunctivitis and Ophthalmia</p> <p>156 Tetanus</p> <p>157 Tuberculosis</p>	<p>159 Other Infective or Parasitic Disease</p> <p>Dermatitis</p> <p>180 Dermatitis, UNS*</p> <p>183 Primary Infections of the Skin</p> <p>184 Other Skin Conditions</p> <p>185 Dermatitis, Allergic or Contact</p> <p>189 Skin Condition, NEC**</p> <p>Poisoning, Systemic</p> <p>270 Poisoning, Systemic, UNS*</p> <p>271 Due to Toxic Materials other than Lead</p> <p>272 Diseases of the Blood and Blood Forming Organs</p> <p>273 Upper Respiratory Conditions</p> <p>274 Influenza, Pneumonia, Etc.</p> <p>276 Other Diseases of the Gastro-Intestinal Tract</p> <p>278 Effects of Lead</p> <p>279 Other Toxic Effects of One System Only</p> <p>Respiratory System, Conditions of</p> <p>570 Respiratory System, Conditions of UNS*</p> <p>571 Upper Respiratory</p> <p>572 Asthma, Influenza, Pneumonia</p> <p>Pneumoconiosis</p> <p>280 Pneumoconiosis</p> <p>281 Aluminosis</p> <p>282 Anthracosis</p> <p>283 Asbestos</p>	<p>284 Byssinosis</p> <p>285 Siderosis</p> <p>286 Silicosis</p> <p>287 Other Pneumoconiosis</p> <p>289 Pneumoconiosis with Tuberculosis</p> <p>Nervous System Conditions of</p> <p>560 Nervous System, Conditions of, UNS*</p> <p>561 Diseases of the Central Nervous System</p> <p>562 Diseases of the Nerves and Peripheral Ganglia</p> <p>Neoplasm, Tumor</p> <p>550 Neoplasm, Tumor UNS*</p> <p>551 Malignant</p> <p>552 Benign</p> <p>Radiation Effects</p> <p>290 Radiation Effects, UNS*</p> <p>291 Non-Ionizing Radiation</p> <p>292 Microwave</p> <p>293 Ionizing Radiation - X-Ray</p> <p>294 Ionizing Radiation - Isotopes</p> <p>295 Welder's Flash</p> <p>Other</p> <p>265 Carpal Tunnel Syndrome</p>
		<p>510 Cerebrovascular and other Conditions of the Circulatory System</p> <p>520 Complications Peculiar to Medical Care</p> <p>500 Effects of Changes in Atmospheric Pressure</p> <p>240 Effects of Environmental Heat</p> <p>220 Effects of Exposure to Low Temperature</p> <p>530 Eye, other Diseases of the Eye</p> <p>230 Hearing Loss or Impairment</p> <p>991 Heart Condition, Excludes Heart Attack</p> <p>320 Hemorrhoids</p> <p>330 Hepatitis, Serum and Infective</p> <p>275 Hepatitis, Toxic</p> <p>260 Inflammation of Joints, Etc.</p> <p>540 Mental Disorders</p> <p>900 No Illness</p> <p>999 Non-classifiable</p> <p>990 Occupational Disease, NEC**</p> <p>580 Symptoms and Ill-defined Conditions</p>

BODY PART AFFECTED CODES

<p>Head *</p> <p>100 Head, UNS*</p> <p>110 Brain</p> <p>120 Ear(s), UNS*</p> <p>121 Ear(s), External</p> <p>124 Ear(s), Internal</p> <p>130 Eye(s)</p> <p>140 Face, UNS*</p> <p>141 Jaw, Chin</p> <p>144 Mouth & Throat (vocal cords, larynx)</p> <p>146 Nose</p> <p>148 Face, Multiple Parts</p> <p>149 Face, NEC**</p> <p>150 Scalp</p>	<p>160 Skull</p> <p>198 Head, Multiple</p> <p>200 Neck & Cervical Vertebrae</p> <p>UPPER EXTREMITIES</p> <p>300 Upper Extremities, UNS*</p> <p>310 Arm(s), UNS*</p> <p>311 Upper Arm(s)</p> <p>313 Elbow(s)</p> <p>315 Forearm(s)</p> <p>318 Arm(s), Multiple</p> <p>319 Arm(s), NEC**</p> <p>320 Wrist(s)</p> <p>330 Hand(s) Not Wrists or Fingers</p>	<p>340 Finger(s)</p> <p>398 Upper Extremities, Multiple</p> <p>400 Trunk, UNS*</p> <p>410 Abdomen...Internal Organs, Inguinal Hemia</p> <p>420 Back</p> <p>430 Chest...Ribs, Breastbone, Internal Organs</p> <p>440 Hip(s)...Pelvis, Organs, and Buttocks</p> <p>450 Shoulder(s)</p> <p>498 Trunk, Multiple</p> <p>LOWER EXTREMITIES</p> <p>500 Lower, Extremities, UNS*</p> <p>510 Leg(s), UNS*</p> <p>511 Thigh(s)</p>
		<p>513 Knee(s)</p> <p>515 Lower Leg(s)</p> <p>518 Leg(s), Multiple</p> <p>519 Leg(s), NEC**</p> <p>520 Ankle(s)</p> <p>530 Foot or Foot... Not Ankle or Toes</p> <p>540 Toe(s)</p> <p>598 Lower Extremities, Multiple</p> <p>700 MULTIPLE PARTS</p> <p>Applies when more than one major body part has been affected such as an arm and a leg.</p> <p>NONCLASSIFIABLE</p> <p>999 Insufficient information to identify part of body affected. Includes damage to prosthetic devices.</p>

*UNS-UNSPECIFIED.

**NEC-NOT ELSEWHERE CLASSIFIED



CITY OF CAMBRIDGE

CITY HALL, CAMBRIDGE, MASSACHUSETTS 02139 . TEL. 349 - 4240

James A. Lindstrom

City Auditor

TO: City Council

FROM: James A. Lindstrom
City Auditor

RE: Workers' Compensation Study
Council Order 9, January 30, 1995

DATE: March 23, 1995

OFFICE OF THE CITY MANAGER

95 MAR 23 PM 3:28

RECEIVED

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In response to the Council's request, the Auditing Department tried to obtain data regarding Workers' Compensation expenses over the past ten years. Unfortunately, the change in computer systems made it extremely difficult to retrieve costs prior to FY90. Consequently, the data we present covers the five year period from FY90 through FY94.

Gathering Workers Compensation costs is not an easy task. Payroll expenses are charged to a separate line in each individual department's budgets. Medical and other settlement expenses are charged to each department also and are generally lodged in a single expense account. Departments which do not have sufficient funds have their expenses charged to an account in Personnel Services. Since the Hospital and Neville Manor went onto the payroll system a year later, payroll data is available for them only from FY91. Finally, payroll data only is provided for the School Department and only for calendar years 1992-1994. Although the material presented is less than requested, it should provide a sense of the scope of our Workers' Compensation program and the areas that result in the heaviest usage.

For non-School employees over the five year period, the City paid out approximately \$5,515,000 in Workers' Compensation expenses for 363 employees, an average cost of \$15,189 per employee. Payroll expenses accounted for 45% or \$2,525,000 (\$6,953) while medical and settlement expenses were \$2,990,000 (\$8,236). School payroll expenses for the three year period 1992 through 1994 totalled \$545,000, involving 53 employees, or \$10,283 per employee. Workers compensation costs for non-school employees were relatively constant at \$1.2 million per year over the period and, in fact, dropped to \$940,000 in FY94. This amounts to approximately 1% of total payroll expenses. School payroll costs were also relatively

constant at \$150,000-\$200,000 per year for the three years that data was provided.

Public Works had the highest expenses, 126 cases totalling \$2,185,000, accounting for 1/3 of the cases and about 40% of the expenses. The Hospital was the next highest, with 76 cases totalling \$1,110,000, followed by Neville Manor with 80 cases costing \$890,000. Rounding out the top five non-School departments were the Water Department with 21 cases totalling \$345,000 and Traffic & Parking with 26 cases costing \$265,000.

While most claims were closed within the fiscal year they began, some lasted for a longer period. Of the 363 non-school cases, 64 lasted two years, 22 ran for three, 7 for four, and 4 cases covered the full five year period of the study. Of the 53 School employees, 11 received payments over two years and 4 ran for the full three year period covered by its data.

While it was not possible to obtain non-payroll expenses for each employee, payroll expenses could be dimensioned. While most non-School employees received under \$10,000 (the average was \$6,953), 53 received between \$10,000 and \$20,000; and 25 received more than \$20,000 with two each receiving more than \$50,000, \$60,000 and \$80,000 respectively. Of the 53 School employees, 9 received between \$10,000 and \$20,000; 6 between \$20,000 and \$30,000, while 4 were in the \$30,000 range and 1 received \$45,000 over the three year period.

Finally, this study did not deal with Police and Fire employees injured in the line of duty, since those payments are outside the scope of the Workers' Compensation program. However, non-personnel expenses for those departments were \$850,000 for Police and \$775,000 for Fire.

WORKERS COMPENSATION COSTS FY90-FY94 (NON-SCHOOL)

DEPARTMENT	CASES	TOTAL PAID
General Government/Finance	6	428,555**
Fire	1	1,616
Police	3	14,256
Traffic & Parking	26	262,482
Inspections	1	12,743
License Commission	1	20,159
Electrical	5	82,829
Public Works	126	2,186,361
Water Department	21	345,826
Rent Control	3	24,244
Library	3	57,532
Human Services	9	33,292
Veterans Services	1	44,064
Public Health	1	1,720
Neville Manor	80	887,864*
Hospital	76	1,110,303*
TOTAL	363	\$5,513,845

* excludes payroll costs for FY90

** includes administrative charges and expenses for departments that did not have sufficient funds in their budgets

FISCAL YEAR

FY90	73	989,028*
FY91	126	1,234,867
FY92	111	1,158,429
FY93	107	1,194,301
FY94	93	937,221

*does not include Hospital or Neville Manor Payroll expenses

WORKERS COMPENSATION COSTS 1992-1994 (SCHOOL)
(PAYROLL EXPENSES ONLY)

CALENDAR YEAR	CASES	TOTAL PAID
1992	23	\$208,507
1993	23	142,993
1994	26	194,756
TOTAL	53	\$546,257



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139

TEL 349-4300

Fax 349-4307

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

April 10, 1995

To the Honorable, the City Council:

In response to Awaiting Report No. 20, regarding a report on workers' compensation programs, please find attached a report received from Michael Gardner, Personnel Director and James Lindstrom, City Auditor.

Very truly yours,

Robert W. Healy
City Manager

RWH/dls

Consent Agenda # 3

3-134

Response to Awaiting Report Item Number
Twenty regarding a report on the Workers'
Compensation Program.

for original order
see 1995 City Managers
Requests # 27

In City Council,

April 10, 1995

Placed in file