



October 2, 2017

Without Government Fee Schedule, Work Comp Rates Drop 8.46% *Major Reduction Saves Business \$170 Million*

MADISON - The four groups serving as health care liaisons to the State's Worker's Compensation Advisory Council are praising the largest drop in worker's compensation insurance premium rates in the last 24 years as yet another indicator of the program's strength and stability. The 8.46 percent drop in premiums took effect October 1 - the largest drop in premiums since 1995. Wisconsin already had the lowest worker's compensation rates in the Midwest, which have gone down again in both 2016 and 2017.

The historic premium decrease was first announced by the state's Office of the Commissioner of Insurance this past June. In that release, Department of Workforce Development Secretary Ray Allen said, "this is just another indicator for businesses that Wisconsin is a great place to work." The 8.46 percent drop is an overall figure; the manufacturing segment will see a whopping 9.28 percent reduction.

"This significant drop in premium rates shows how Wisconsin's worker's compensation system is a great asset for Wisconsin business," the group -- representing the state's physicians, hospitals, physical therapists and chiropractors -- said in a joint statement. "Businesses will pay \$170 million less in premiums but still benefit from a health care system recently ranked as providing the highest quality in the nation. That's truly a bargain for employers around the state." Worker's compensation claims in Wisconsin have less patient visits per claim and fewer services per visit than other states -- resulting in higher value care to injured workers and employers.

That bargain is also seen in various worker's comp think tank studies on states' worker's comp systems. Data from the National Council on Compensation Insurance (NCCI) as published by the Workers Compensation Research Institute (WCRI) show that Wisconsin's worker's comp medical costs per claim are below the national average. Further, according to NCCI, Wisconsin workers use the fewest days off due to total temporary disability than any other state in the nation. Wisconsin's employers can count on an injured worker returning back to the job faster than any other state in the country, which results in greater productivity for Wisconsin businesses.

"While 44 states have worker's comp systems that interfere with the free market via government price-setting or preventing injured patients from choosing where to get care, Wisconsin's system allows freedom of the market and freedom of patient choice," the group said. "So even though Wisconsin's rate of injuries on the job is still above the national average, injured workers use less medical services, are more satisfied with their care, initiate fewer litigated claims and return to work faster than every other state in the nation. Wisconsin's health care providers are delivering value to our work comp program."

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Editor's note: This press release was updated on October 4, 2017 to clarify that the data on worker's comp medical costs per claim are from a WCRI report citing NCCI data.

For more information about this historic rate cut and the state's worker's compensation system, contact one of the WCAC Health Care Liaison Organizations:

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