

Wisconsin Manufacturers & Commerce: Employer safety efforts result in worker's compensation insurance rate decrease

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MADISON - Worker's Compensation insurance rates will drop by 8.84 percent this year if a recently filed rate change is approved by the Commission of Insurance (OCI). The rate change request was developed and filed by the Wisconsin Compensation Rating Bureau (WCRB), the entity responsible for setting such rates in Wisconsin, and if approved will go into effect on October 1, 2019. Approval is expected in July and is in line with rate decreases across the country.

"Employers have invested great time and resources into keeping workers safe," said Wisconsin Safety Council President Katie Yeutter. "Thanks to those efforts, workplace injuries are the lowest they've been in decades, despite more people working in Wisconsin than ever before."

While worker's compensation rates are dropping thanks to increased safety measures put in place by Wisconsin's employers, medical treatment costs are still the highest in the country. According to recent data from the Workers Compensation Research Institute (WCRI) - a nonpartisan research firm based in Massachusetts - the cost of medical treatment for worker's compensation claims is 51 percent higher than the median state.

"It's great news that rates are coming down, and employers and workers alike should be applauded for their efforts on safety," said Chris Reader, Wisconsin Manufacturers & Commerce (WMC) Director of Health and Human Resources Policy and a member of the WCRB Rating Committee and Governing Board. "Unfortunately the incredibly high cost of health care for workplace injuries keeps Wisconsin from being competitive on worker's compensation costs. It is time for lawmakers to help employers find meaningful relief for worker's compensation bills."

Since 2012, 74 percent of the growth in cost of a worker's compensation claim is due to medical bill increases. Wisconsin is one of only five states without a medical fee schedule to keep worker's compensation medical costs in check. Those states are routinely the most expensive for workplace injury medical bills.

"Lawmakers across the country, Republicans and Democrats, have recognized the need for controls on high medical bills in worker's compensation," added Reader.

"Worker's compensation is a government-mandated insurance product, and lawmakers have a duty to provide meaningful mechanisms for employers to control costs. Private employers are seeking help. Beyond them, however, lawmakers should be looking to bring down worker's compensation medical costs on behalf of taxpayers. State agencies, cities, counties, and school boards are all also paying the highest worker's compensation medical bills in the country."

WMC encourages lawmakers to adopt meaningful reform to the state's worker's compensation system during this legislative session to rein in the high costs for Wisconsin employers.