

# PRESS RELEASE

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**CONTACT:** Jill Braunstein  
(202) 452-8097 or jillbraun@nasi.org

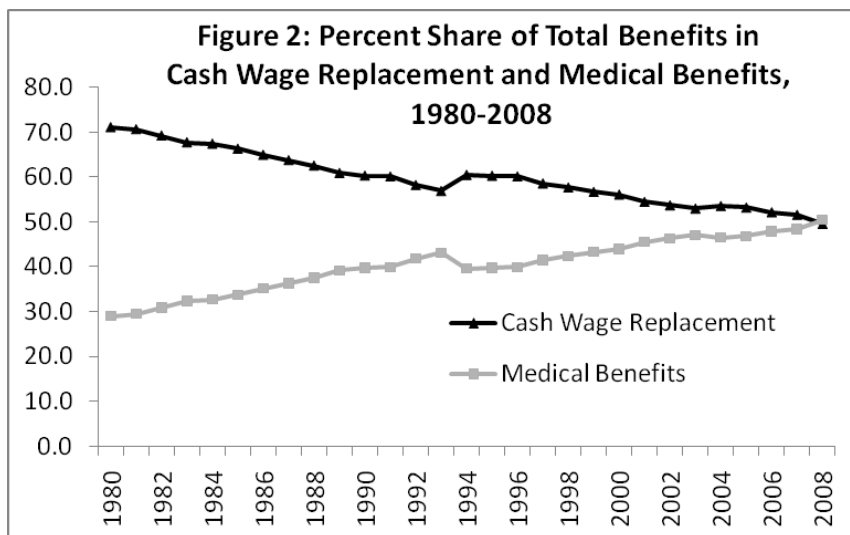
## WORKERS' COMPENSATION PAYMENTS FOR MEDICAL CARE EXCEED CASH BENEFITS FOR THE FIRST TIME

WASHINGTON, DC— Workers' compensation payments for medical care and cash benefits for U.S. workers injured on the job increased 4.4 percent to \$57.6 billion in 2008, [according to a study released today](#) by the National Academy of Social Insurance (NASI). For the first time, medical benefits accounted for over half (50.4 percent) of all benefits paid. An 8.8 percent increase in payments for medical care drove medical spending to \$29.1 billion in 2008 (the most recent year with complete data), while wage replacement benefits paid directly to injured workers rose by 0.3 percent to \$28.6 billion (Figure 1).

“The growth in medical spending may reflect both higher prices for medical care and greater use of services,” said John F. Burton, Jr., chair of the panel that oversees [the report](#). “The increase is the continuation of a long-term trend since 1980, but this is the first year that payments for medical care were more than half of all workers' compensation benefits.”

Type of Spending	Billions of Dollars	Percent Change
Total benefits paid	\$57.6	4.4
Medical payments	29.1	8.8
Cash benefits	28.6	0.3
Employer costs	78.9	-6.7
Amount per \$100 of Covered Wages	Per \$100 of Payroll	Dollar Change
Benefits paid	\$0.97	\$0.03
Medical payments	0.50	0.03
Cash payments to workers	0.48	-0.01
Employer costs	1.33	-0.11

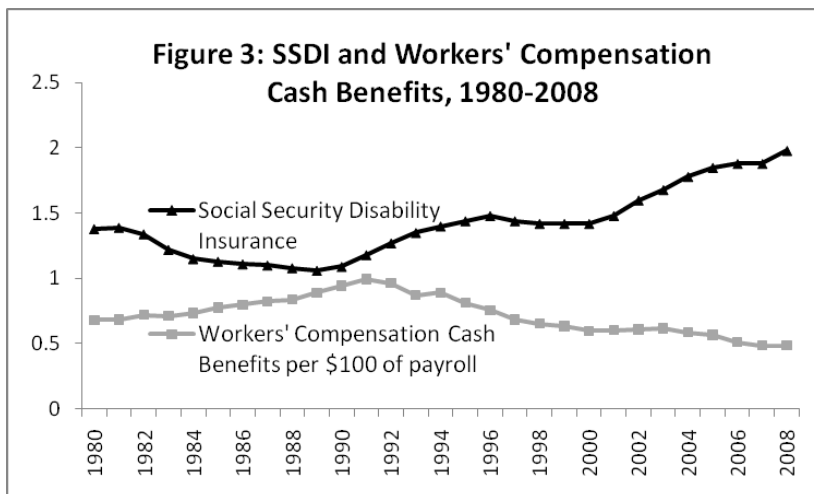
*Source: National Academy of Social Insurance, 2010.*



Employers paid a total of \$78.9 billion nationwide for workers' compensation, a decrease of 6.7 percent from the previous year.

For long-term trends, it is useful to consider workers' compensation benefits per \$100 of payroll covered by the program. By this measure, cash benefits were \$0.48 per \$100 of payroll in 2008. This is the lowest level since 1980 (the earliest date with comparable data).

As workers' compensation cash benefits as a share of covered payroll declined over the years, Social Security benefits continued to rise. The opposite trends in workers' compensation cash benefits and Social Security disability benefits during much of the last twenty-five years raise the question of whether retrenchments in one program increase demands placed on the other, and vice versa. "The substitutability of Social



Security disability benefits and workers' compensation cash benefits for workers with severe, long-term disabilities that are work-related or might be exacerbated by the demands of work is an important question for researchers and policy makers" according to Burton.

The new report, [Workers' Compensation: Benefits, Coverage and Costs, 2008](#), is the thirteenth report in the NASI series that provides the only comprehensive data on workers' compensation cash and medical payments for the nation and for each state, the District of Columbia, and federal programs.

NOTE TO REPORTERS AND EDITORS: The full report is available from NASI's website at <http://www.nasi.org>. For a copy of the printed report, media can contact Jill Braunstein at (202) 452-8097 or by e-mail at [jillbraun@nasi.org](mailto:jillbraun@nasi.org). All others should contact Ishita Sengupta at [isengupta@nasi.org](mailto:isengupta@nasi.org).

**EXPERTS TO CONTACT:**

**Ishita Sengupta**  
National Academy of Social Insurance  
(202) 452-8097  
[isengupta@nasi.org](mailto:isengupta@nasi.org)

**Virginia Reno**  
National Academy of Social Insurance  
(202) 452-8097  
[vreno@nasi.org](mailto:vreno@nasi.org)

**John F. Burton, Jr.**  
Rutgers University and Cornell University  
(732) 274-0600  
[jfburtonjr@aol.com](mailto:jfburtonjr@aol.com)

**Leslie Boden**  
Boston University  
(617) 638-4635  
[lboden@bu.edu](mailto:lboden@bu.edu)

**Robert Reville**  
RAND  
(310) 393-0411  
[reville@rand.org](mailto:reville@rand.org)

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