

## Minnesota Workers' Compensation Benefits and Coverage, 2004

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### Summary

This brief summarizes the most recent data on workers' compensation benefits and coverage for workers in Minnesota and in the nation as a whole. It is based on the report *Workers' Compensation: Benefits, Coverage, and Costs, 2004*, issued by the National Academy of Social Insurance (NASI) in July 2006. That report is the ninth in a series on workers' compensation that provides the only comprehensive national data on these state-run programs. The full report is available on NASI's website, [www.nasi.org](http://www.nasi.org).

In Minnesota, total workers' compensation payments to injured workers and their medical care providers rose by 5.5 percent to \$934 million in 2004, the latest year for which comprehensive data are available. Most of the rise was due to changes in medical payments, which rose by 10.0 percent, while cash payments to injured workers rose by 1.6 percent in 2004. At the same time, total covered payroll for Minnesota workers rose by 5.6 percent in 2004 (see Table 1).

As a result, when payments are shown relative to payroll for Minnesota workers covered by the program, payments for medical care and cash benefits combined fell slightly by one cent from \$0.91 to \$0.90 per \$100 covered payroll between 2003 and 2004 (see Figure 1). Benefit payments to medical providers rose by two cents per \$100 of Minnesota payroll, from \$0.42 to \$0.44 between 2003 and 2004 (see Figure 2). Wage replacement benefits paid directly to Minnesota workers fell from \$0.48 to \$0.46 per \$100 of covered payroll between 2003 and 2004. (The components do not add to the total because of rounding).

As a share of covered payroll, Minnesota payments for workers' compensation are lower than for the nation as a whole. While benefits in Minnesota were \$0.90 per \$100 of state covered payroll in 2004, national benefits were \$1.13 per \$100 of national payroll.

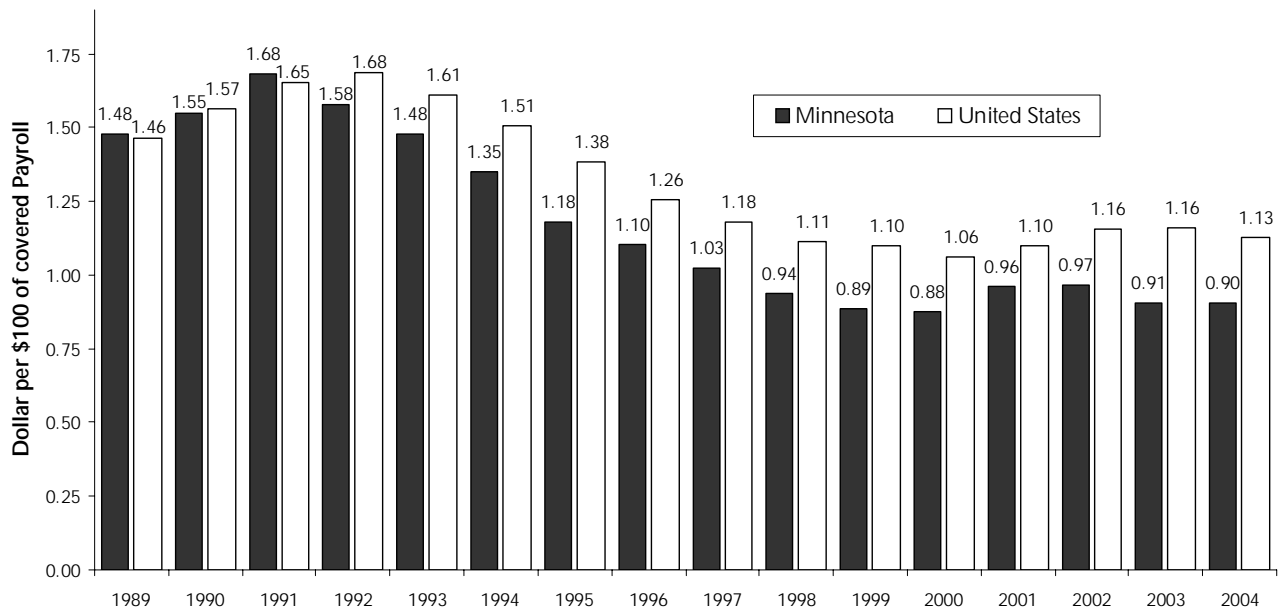
Minnesota saw generally the same shifts in workers' compensation payments over the past 15 years as in the nation as a whole. As a share of payroll:

- Minnesota payments peaked in 1991 at \$1.68 per \$100 of payroll.
- After 1991, Minnesota payments per \$100 of payroll fell every year until 2000, when benefits reached their lowest point of \$0.88 per \$100 of payroll.
- After 2000 benefits have risen slightly but have not returned to their prior peak.

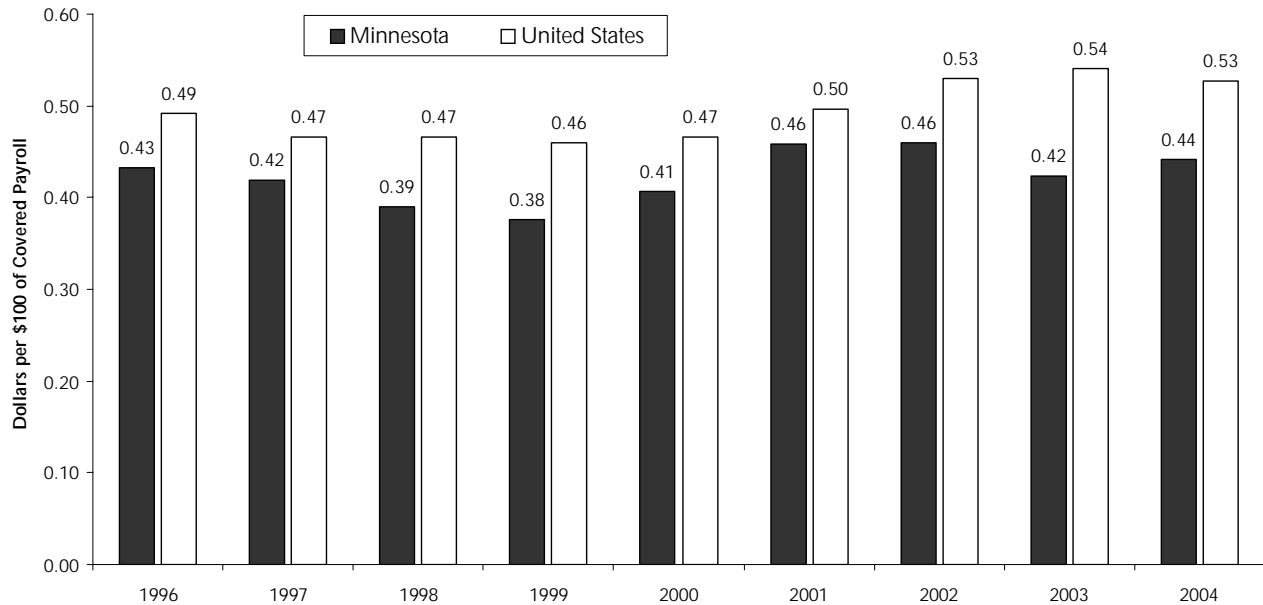
**Table 1**  
**Workers' Compensation Benefits and Coverage**  
**Minnesota and the United States, 2004**

	Total 2004	Percent Change 2003-2004
<b>Minnesota</b>		
Covered workers (in thousands)	2,567	1.0
Covered wages (in billions)	\$103	5.6
Workers' compensation benefits paid (in millions)	\$934	5.5
Medical benefits	\$455	10.0
Cash benefits	\$479	1.6
<b>United States</b>		
Covered workers (in thousands)	125,863	0.9
Covered wages (in billions)	\$4,953	5.0
Workers' compensation benefits paid (in millions)	\$55,968	2.3
Medical benefits	\$26,099	2.3
Cash benefits	\$29,869	2.3

**Figure 1.**  
**Workers' Compensation Payments per \$100 of Payroll, 1989-2004**  
**Minnesota and the United States**



**Figure 2.**  
**Workers' Compensation Medical Payments per \$100 of Payroll, 1996-2004**  
**Minnesota and the United States**



For the nation as a whole, benefits peaked as a share of payroll in 1992 at \$1.68 per \$100 of payroll and then fell every year until they reached a low of \$1.06 per \$100 of payroll in 2000. Since 2000, national benefits rose slightly but never returned to the peak level experienced in the early 1990s. Both Minnesota and national benefits declined slightly as a share of payroll in 2004.

Table 2 provides annual data on covered payroll and benefits paid to Minnesota workers and their medical care providers in 1989 through 2004. To learn about the methods used to produce the estimates, see the NASI report *Workers' Compensation: Benefits, Coverage, and Costs, 2004*. Appendix A of the report explains the estimates of covered jobs and covered payroll. Appendixes C through G describe the estimates of total, medical, and cash benefits. Each annual report updates the data for the previous four years. Data for cash and medical benefits are available separately only since 1996. Estimates for 1993 and prior years come from the *Social Security Bulletin*.

**Table 2**  
**Minnesota Workers' Compensation Coverage and Benefits, 1989-2004**  
(in millions of dollars)

Year	Covered Payroll	Total Benefits	Medical Benefits	Cash Benefits
1989	43,808	647	-	-
1990	46,631	722	-	-
1991	48,461	814	-	-
1992	52,349	828	-	-
1993	54,597	810	-	-
1994	58,004	784	-	-
1995	62,045	744	-	-
1996	66,960	740	289	450
1997	72,012	739	302	437
1998	78,552	737	306	431
1999	83,995	744	316	429
2000	90,818	798	369	428
2001	93,929	904	431	474
2002	95,206	922	438	483
2003	97,750	885	414	471
2004	103,238	934	455	479



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