

Pennsylvania 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 Pennsylvania 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.

In Pennsylvania, total workers' compensation payments to injured workers and their medical care providers rose by a 1.1 percent to \$2,594 million in 2004, the latest year for which comprehensive data are available. All of the increase was in medical payments, which rose by 2.7 percent, while there was no change in cash benefits. At the same time, total covered payroll for Pennsylvania workers rose by 4.7 percent in 2004 (see Table 1).

As a result, when payments are shown relative to covered payroll for Pennsylvania workers, total workers' compensation payments fell by four cents from \$1.30 to \$1.26, between 2003 and 2004 (see Figure 1).

The decrease occurred in payments for both medical care and cash benefits. Workers' compensation benefit payments to medical providers fell by a cent per \$100 of Pennsylvania payroll, from \$0.53 to \$0.52 between 2003 and 2004 (see Figure 2). Wage replacement benefits paid directly to Pennsylvania workers fell from \$.77 to \$0.74 per \$100 of covered payroll between 2003 and 2004.

As a share of payroll, Pennsylvania payments for workers' compensation were higher than for the nation as a whole. While benefits in Pennsylvania were \$1.26 per \$100 of state covered payroll in 2004, national benefits were \$1.13 per \$100 of national payroll. In each of the last 15 years, Pennsylvania payments per \$100 of payroll were higher than for the nation as a whole.

Pennsylvania saw some shifts in workers' compensation payments over the past 15 years. As a share of payroll:

- Pennsylvania payments peaked in 1993 at \$2.02 per \$100 of payroll (see Figure 1).
- After 1993, Pennsylvania payments per \$100 of payroll fell every year until 2001, when benefits reached a low point of \$1.27 per \$100 of payroll.

Table 1.
Workers' Compensation Benefits and Coverage
Pennsylvania and the United States, 2004

	Total 2004	Percent Change 2003-2004
Pennsylvania		
Covered workers (in thousands)	5,390	0.5
Covered wages (in billions)	\$206	4.7
Workers' compensation benefits paid (in millions)	\$2,594	1.1
Medical benefits	\$1,069	2.7
Cash benefits	\$1,526	0.0
United States		
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
Pennsylvania and the United States

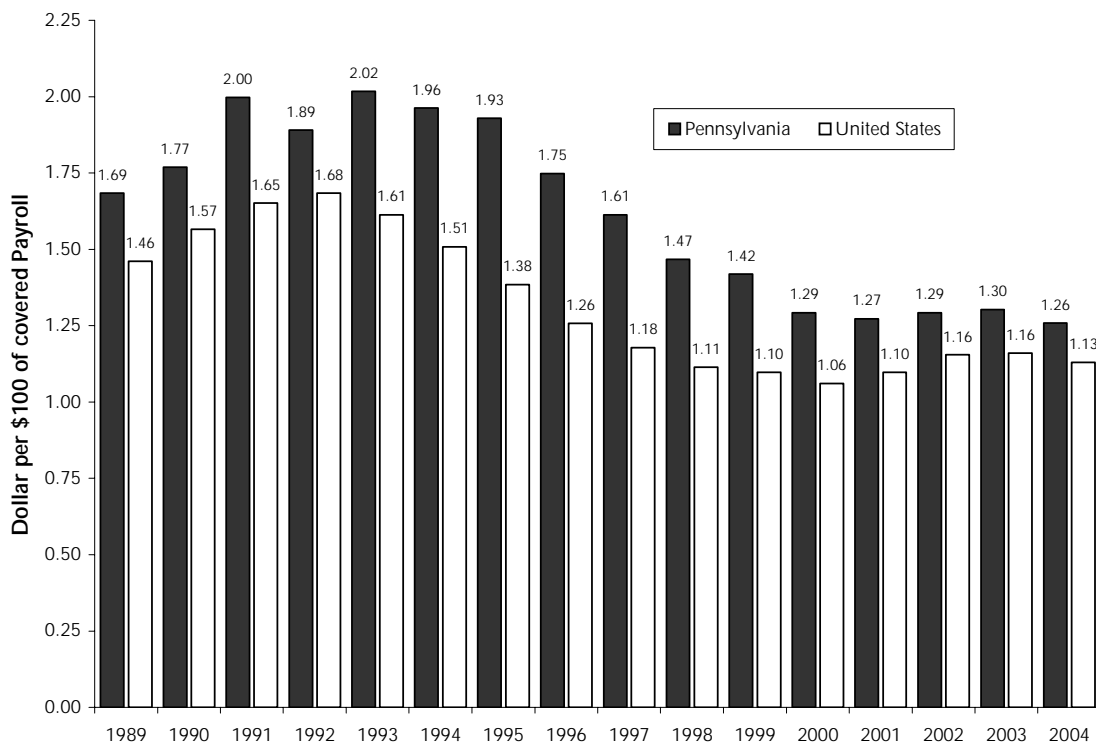
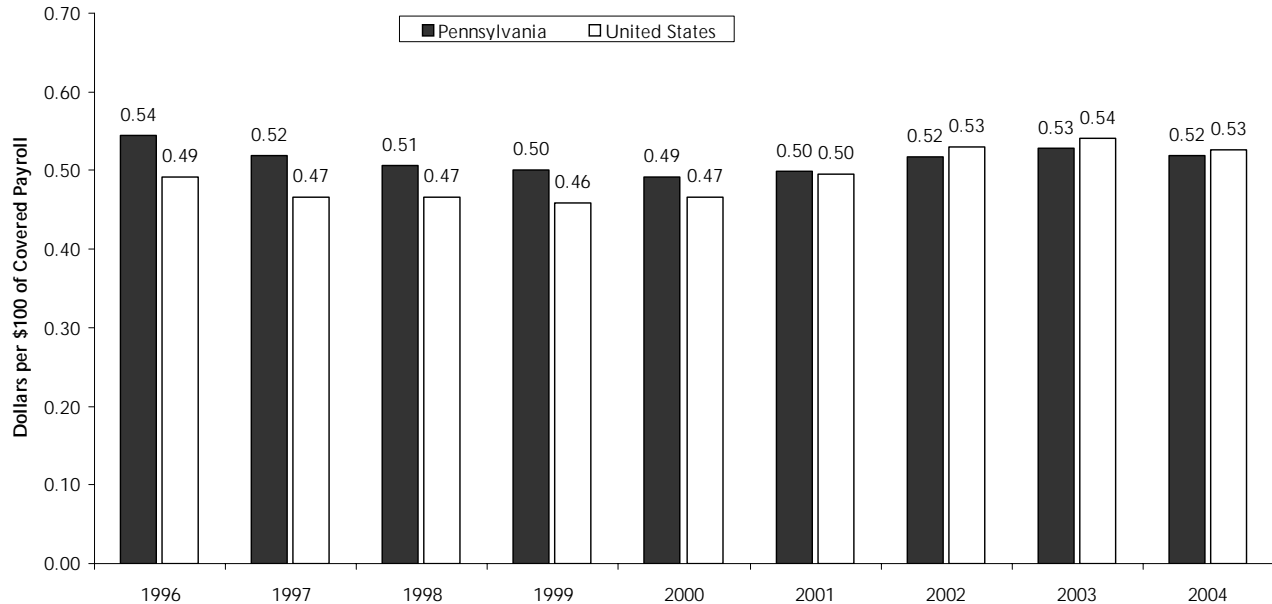


Figure 2.
Workers' Compensation Medical Payments per \$100 of Payroll, 1996-2004
Pennsylvania and the United States



- Benefits rose briefly in 2002 and 2003 to \$1.29 and \$1.30.
- In 2004, benefits fell to their lowest level in fifteen years at \$1.26 per \$100 of payroll in 2004.

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. As in Pennsylvania, national benefits declined as a share of payroll in 2004.

Table 2 provides annual data on covered payroll and benefits paid to Pennsylvania 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.
Pennsylvania Workers' Compensation Coverage and Benefits, 1989-2004
(in millions of dollars)

Year	Covered Payroll	Total Benefits	Medical Benefits	Cash Benefits
1989	108,001	1,820	-	-
1990	114,127	2,019	-	-
1991	116,536	2,329	-	-
1992	123,148	2,531	-	-
1993	126,453	2,551	-	-
1994	131,504	2,582	-	-
1995	137,993	2,663	-	-
1996	144,904	2,534	788	1,746
1997	154,476	2,492	802	1,690
1998	164,776	2,418	834	1,584
1999	173,798	2,467	870	1,597
2000	184,030	2,379	906	1,472
2001	189,065	2,406	944	1,462
2002	191,743	2,479	991	1,488
2003	196,858	2,565	1,040	1,525
2004	206,104	2,594	1,069	1,526



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