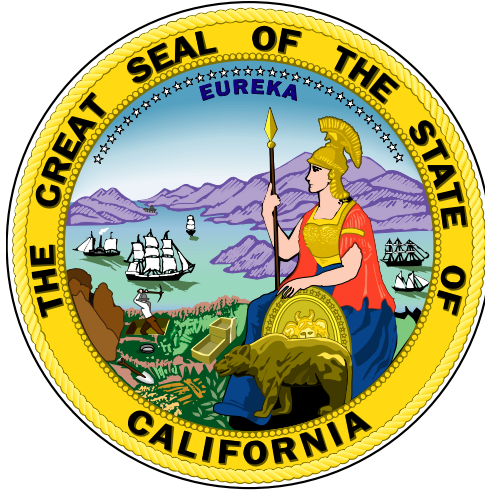


California Commission on Health and Safety and Workers' Compensation



CHSWC 2025 Annual Report

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December 2025

**California Commission on Health and Safety
and Workers' Compensation**

2025 Annual Report

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**California State Department of Industrial Relations
December 2025**

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ABOUT CHSWC

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The Commission on Health and Safety and Workers' Compensation (CHSWC) examines the health and safety and workers' compensation (WC) systems in California and makes recommendations to improve their operation.

Established in 1994, CHSWC has directed its efforts toward projects and studies to identify opportunities for improvement and to provide an empirical basis for recommendations and/or further investigations. CHSWC utilizes its own staff expertise combined with independent researchers with broad experience and highly respected qualifications.

At the request of the Executive Branch, the Legislature and the Commission, CHSWC conducts research, releases public reports, presents findings, and provides information on the health and safety and WC systems.

CHSWC activities involve the entire health, safety and WC community. Many individuals and organizations participate in CHSWC meetings, fact-finding roundtables and serve on advisory committees to assist CHSWC on projects and studies.

CHSWC projects address several major areas, including permanent disability (PD) ratings and related benefits, State Disability Insurance (SDI), return to work, carve-outs and medical fee schedules. Additional projects address benefits, medical costs and quality, fraud and abuse, streamlining of administrative functions, information for injured workers and employers, alternative WC systems, and injury and illness prevention. CHSWC also continually examines the impact of WC reforms.

The most extensive and potentially far-reaching project undertaken by CHSWC is the study of WC PD ratings. Incorporating public fact-finding hearings with studies by RAND, the CHSWC PD project analyzes major policy issues regarding the way in which California workers are compensated for PD incurred on the job.

CHSWC engages in a number of studies and projects in partnership with state agencies, foundations, and the health and safety and WC community including: the Labor and Workforce Development Agency (LWDA); the Department of Industrial Relations (DIR); the Division of Workers' Compensation (DWC); the California Department of Insurance (CDI); the Fraud Assessment Commission (FAC); the Governor's Office of Homeland Security (OHS); the Bureau of Labor Statistics (BLS); the Department of Fair Employment and Housing (DFEH); the California Health-Care Foundation (CHCF); RAND; the National Academy of Social Insurance (NASI); the National Institute for Occupational Safety and Health (NIOSH); and the International Association of Industrial Accident Boards and Commissions (IAIABC). Current CHSWC projects and studies are described in this report, and earlier projects and studies are found at:

https://www.dir.ca.gov/chswc/CHSWC_Research.html

CHSWC

Serving all Californians

- Created by the 1993 workers' compensation (WC) reform legislation.
- Composed of eight members appointed by the Governor, Senate and Assembly to represent employers and labor.
- Charged with examining the health and safety and WC systems in California and with recommending administrative or legislative modifications to improve their operation.
- Established to conduct a continuing examination of the WC system and of the State's activities to prevent industrial injuries and occupational diseases and to examine those programs in other states.
- Works with the entire health and safety and WC community—employees, employers, labor organizations, injured worker groups, insurers, attorneys, medical and disability providers, administrators, educators, researchers, government agencies, and members of the public.
- Brings together a wide variety of perspectives, knowledge, and concerns about various health and safety and WC programs critical to all Californians.
- Serves as a forum in which the community may come together, raise issues, identify problems, and work together to develop solutions.
- Contracts with independent research organizations for projects and studies designed to evaluate critical areas of key programs. This is done to ensure objectivity and incorporate a balance of viewpoints and to produce the highest-quality analyses and evaluation.

ABOUT CHSWC

CHSWC Members Representing Employers



Jen Hamelin

Jen Hamelin has been Chief Claims Officer, Worker's Compensation (WC) at Public Risk Innovation, Solutions, and Management (PRISM) since 2023 and has held several roles there since 2012, including Director of WC, WC Claims Manager, Supervising Senior WC Claims Specialist and Senior WC Claims Specialist. She has held several roles at York Insurance Services Group from 2001 to 2011, including Assistant Vice President of WC, Claims Manager, Claims Supervisor, Senior Claims Examiner, Claims Examiner and Claims Assistant.

Ms. Hamelin is a member of the board of directors of Project Go Inc. and The Perseverance Project. She is a member of the California Coalition on WC and the Association of Governmental Risk Pools.

Appointed by: Governor



Kristi Montoya

Kristi Montoya has been Director of Claim Operations at United Parcel Service (UPS) since 2023 and has held multiple roles there since 2003, including Director of Risk Management, Risk Management District Case Advisor, Finance Manager and Revenue Recovery Manager. She is a member of the California Coalition of Workers' Compensation and the Workers' Compensation Action Network. Ms. Montoya earned a Bachelor of Arts degree in Business Administration from California State University, East Bay.

Appointed by: Governor

ABOUT CHSWC

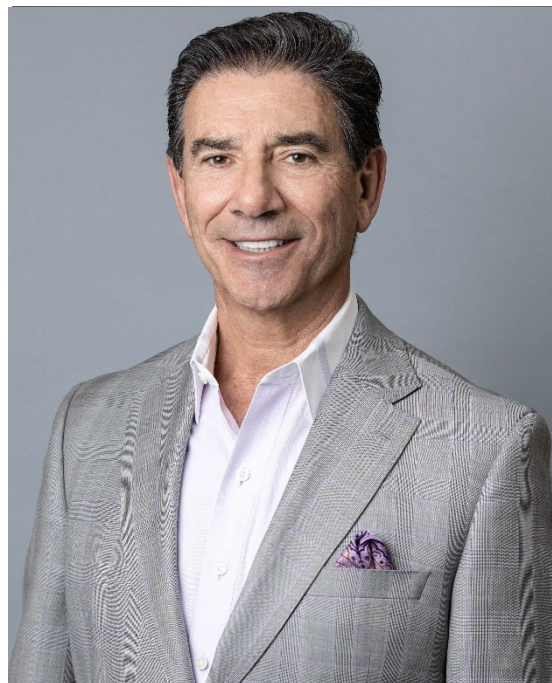
CHSWC Members Representing Employers

Nicholas Roxborough

Nicholas Roxborough is the co-managing partner of Roxborough, Pomerance, Nye & Adreani, LLP, and specializes in representing insured and self-insured employers as well as large stakeholders in complex workers' compensation insurance and regulatory issues across the country. He has obtained, over the last 30 years, numerous successful verdicts and landmark appellate decisions concerning the insurance and employment industry.

Mr. Roxborough received his Juris Doctorate from Southwestern School of Law, studied at the Institute of European Studies in Vienna, Austria, and received his Bachelor of Arts degree from the University of California, Berkeley. He serves on various boards and commissions, including on the Board of Airport Commissioners at LAX, and is Chairman of Friends of the Los Angeles Coliseum.

Appointed by: Speaker of the Assembly



Sidharth Voorakkara

Sid Voorakkara is the Senior Vice President for San Diego at Strategies 360, a full-service research, government, public affairs, and communications firm. His client portfolio includes non-profit, academia and business entities identifying advocacy strategies at state and regional levels of government.

Throughout his career, Mr. Voorakkara has worked collaboratively with communities, businesses, non-profits, foundations, workforce investment boards, trade associations and various stakeholders to promote investment in local businesses and to build pathways into high-wage, high-growth jobs for Californians. He was appointed by then-Governor Jerry Brown to serve as the Deputy Director of External Affairs at the California Governor's Office of Business and Economic Development, is past chair of the San Diego City Ethics Commission and a Board member at Business for Good. Mr. Voorakkara received a Bachelor of Arts degree from New York University where he studied Government and American Institutions and Ideals.

Appointed by: Senate Rules Committee



ABOUT CHSWC

CHSWC Members Representing Labor

Shelley Kessler



Shelley Kessler is a former Executive Secretary-Treasurer of the San Mateo County Central Labor Council which represents 104 affiliated local unions and over 95,000 union members and their families. She worked at the Labor Council for 31 years, first as the political director and subsequently as the head of the organization until her retirement. During that time, she was also a vice president of the California State Labor Federation. She is a 43-year member of the International Association of Machinists and Aerospace Workers.

Her experience working on the floor at General Motors in Fremont, California and Westinghouse Electric in Sunnyvale, California, compelled her to become involved in worker health and safety issues. To pursue her concern for worker protection she joined the boards of the Santa Clara Center for Occupational Safety and Health, Worksafe, and later the advisory boards of both Cal/OSHA and the Labor Occupational Health Program at UC Berkeley. Ms. Kessler holds two Bachelor of Arts degrees from Sonoma State University.

Appointed by: Speaker of the Assembly



Chris Pedroza

Chris Pedroza has been Executive Director at Carpenters 46 Northern California Counties Conference Board since 2021. He is a Marketing Field Representative at the Northern California Carpenters Regional Council from 2008 to 2021. Pedroza is a member of the Carpenters Local Union 152.

Appointed by: Governor

ABOUT CHSWC

CHSWC Members Representing Labor

Evan Mitch Steiger

Mitch Steiger is a legislative advocate for the California Labor Federation, AFL-CIO. The California Labor Federation, representing over 2.1 million workers statewide, fights to defend and improve the wages, benefits and working conditions of all Californians. Mitch's role is to advocate on behalf of workers in a variety of issue areas, including occupational health and safety as well as workers' compensation, and he participated in the stakeholder discussions that produced SB 863.

Mitch has been with the California Labor Federation since 2010, and prior to that served as researcher/organizer for United Food & Commercial Workers Local 21 and legislative advocate for the Washington State Building & Construction Trades Council, AFL-CIO. He is a member of the Pacific Media Workers Guild, Local 39521, CWA.

Appointed by: Senate Rules Committee



Meagan Subers

Meagan Subers is a legislative advocate and owner of Capitol Connection, a small lobbying firm in Sacramento. Since 2010, Meagan has represented a number of labor organizations and consumer groups including the California Professional Firefighters, which represents over 30,000 rank and file firefighters in the State of California. Meagan has also been engaged and advocated for a number of health and safety protection measures, including updating the personal protective equipment standards for firefighters and ensuring access to the workers' compensation system for injured workers.

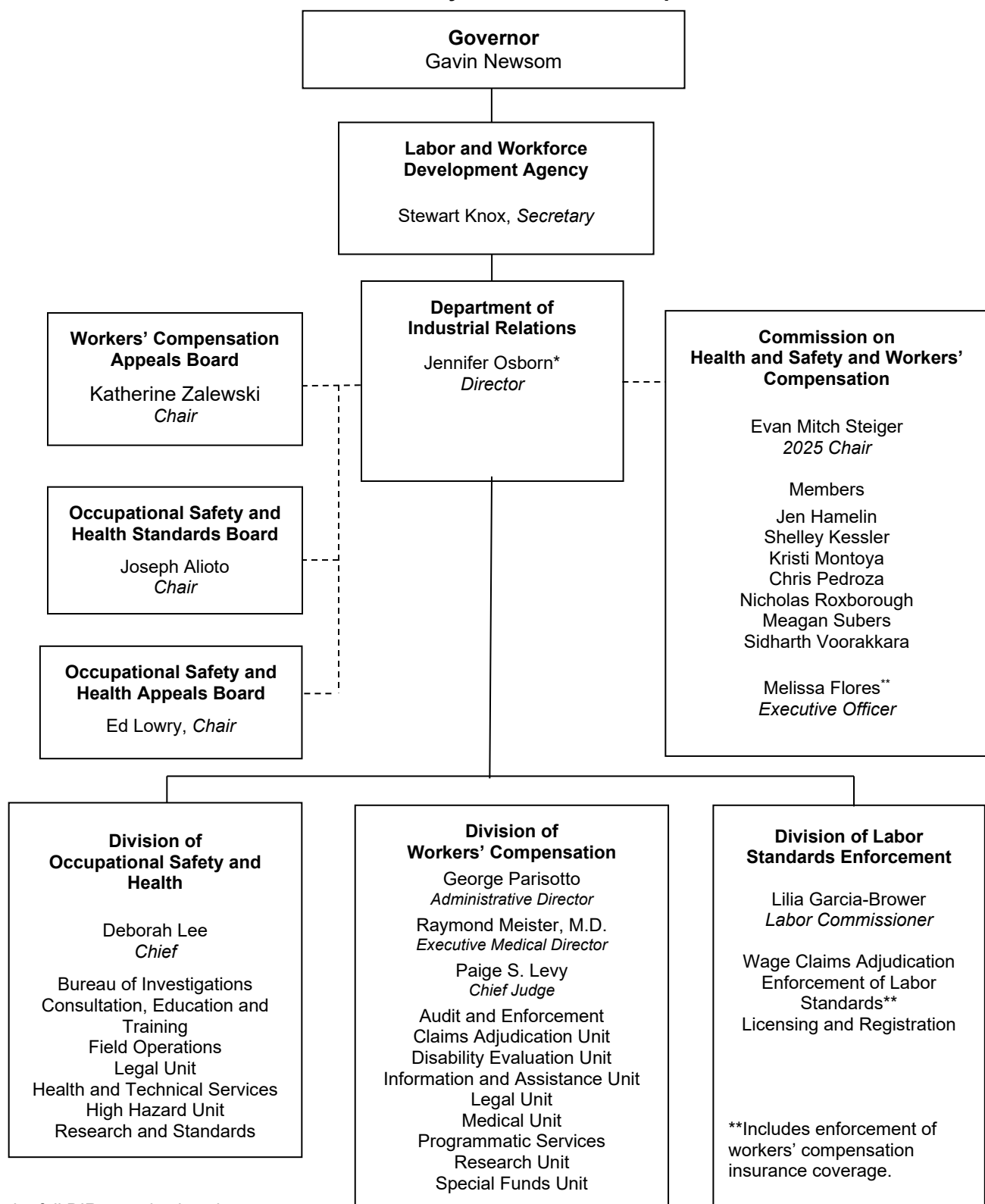
Previously, Subers was a communications specialist with Swanson Communications from 2008 to 2010. Subers is a member of the Institute of Governmental Advocates.

Appointed by: Governor



ABOUT CHSWC

State of California Health and Safety and Workers' Compensation Functions in 2025



For the full DIR organization chart see:
http://www.dir.ca.gov/org_chart/org_chart.pdf.

* Katie Hagen served as the Director of DIR until July 2025.

** David Botelho served as CHSWC's Executive Officer until March 2025.

CHSWC RECOMMENDATIONS

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CHSWC RECOMMENDATIONS

The Commission on Health and Safety and Workers' Compensation (CHSWC) recommends steps to prevent workplace injuries and illnesses and to ensure the adequate and timely delivery of indemnity and medical benefits for injured workers.

Specifically, CHSWC recommends:

- Improving methods to avoid delays in the workers' compensation (WC) claims process.
- Streamlining and simplifying the WC process.
- Continuing to monitor impacts from the COVID-19 pandemic, including long-COVID, and supporting efforts to ensure that workers and employers are protected from this particularly contagious, airborne (aerosol transmissible) virus and its variants, as well as any other future unexpected or as-yet undetected hazards.
- Documenting significant deviations in medical treatment protocols, prescriptions, or authorizations in occupational medicine from the American College of Occupational and Environmental Medicine (ACOEM) treatment guidelines in defense of scientific, peer-reviewed, evidence-based medicine.
- Renewing commitments to incentivize uninterrupted and undiminished payment of wages when a workplace injury or illness threatens to impact earnings.

CHSWC will continue to examine the following areas:

- Access to and the appropriateness and timeliness of medical care
 - Medical provider networks (MPNs)
 - Carve outs
 - Utilization review (UR)
 - Independent medical review (IMR)
 - Medical treatment guidelines
 - Telehealth
 - Qualified medical evaluator (QME) process
 - Friction, administrative delays, and backlogs
- Return-to-work incentives and disincentives
 - Return-to-work supplement
 - Supplemental job displacement benefit (SJDB)
 - Information for injured workers and employers on the benefits of returning to work
- Wage loss after occupational injury and illness
 - Permanent disability (PD) benefits
 - Presumptions
- Mechanism of injury, risk factors, and cumulative effects, including age
 - High hazard occupations and injuries
 - Repetitive motion and cumulative trauma (CT) injuries
 - Time-motion analyses, predictive and real-time sensors, range of motion assessments, physical therapies and other warm-up conditioning practices, and assistive technologies
- Health and Safety
 - Employee and employer training, retraining, and communication, injury and illness prevention program (IIPP) plans, personal protective equipment (PPE), recordkeeping and reporting to authorities

CHSWC RECOMMENDATIONS

- Apprenticeship training, workplace safety culture, and roles of unions and employers in supporting health and safety
 - Outreach and education for vulnerable populations of workers
 - Best practices in job readiness and accommodation
- Stakeholder interaction in the claims process
 - Regional differences in claimant injuries and claims handling, including applicant attorney and defense attorney involvement
 - Industry conferences, professional associations, and other opportunities for information sharing across specialties, including medical providers, insurance adjusters, attorneys, and workers and patient advocacy groups
- Pharmaceuticals
 - Drug formulary
 - UR practices with pharmaceuticals
- Fraud detection
 - Medical provider suspensions and criminally charged providers (doctors)
 - Insurance company special investigation units (SIUs) and reporting suspicious claims to regulators
 - District attorney investigations and criminal prosecutions of willful fraud
 - Data science and emerging artificial intelligence (AI) applications
 - Legal loopholes, profit centers, commission-driven sales, conflicts of interest, and other potential areas for abuse in a regulated industry

MEDICAL CARE IN WORKERS' COMPENSATION

Monitoring Medical Care and Costs

Significant changes in the medical care process for injured workers have resulted from the reform legislation enacted in 2012. One change is that medical necessity disputes are now resolved using independent medical review (IMR). In addition, the 2012 reforms replaced the official medical fee schedule (OMFS) for physician services with a fee schedule based on Medicare's resource-based relative value scale (RBRVS), which was phased in over four years beginning in 2014. Senate Bill (SB) 537,¹ signed in October 2019, required that the Administrative Director of DWC, with input from CHSWC, issue to the Legislature, on or before January 1, 2023, a research report comparing possible payment alternatives for WC medical care providers to the OMFS.

Additional reform legislation relating to medical care, [SB 1160](#),² was enacted in September 2016. The bill aimed to expedite medical treatment for injured workers within the first 30 days after their injury by exempting conservative treatment from UR and evaluate the impact of this provision, standardize UR procedures, modernize data collection in the system to improve transparency, and implement anti-fraud measures in the filing and collection of medical treatment liens. DWC submitted proposed UR regulations to the Office of Administrative Law (OAL) on June 6, 2025. If approved, the revised regulations are expected to become effective on January 1, 2026. The proposed regulations include draft forms, including the IMR, the PR-1, and UR-01 forms. These forms are designed to ensure requests for treatment are based on medical necessity rules and can be traced back to physicians who are licensed and in good standing to treat occupational illnesses and injuries in California. These forms will also help identify the role of UR organizations in communicating physician adherence to treatment guidelines with proper coding and

¹ https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201920200SB537.

² https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB1160

CHSWC RECOMMENDATIONS

documentation. [SB 1160](#) also requires the Department of Industrial Relations (DIR) to develop a system for the mandatory electronic collection of UR decisions and Doctor's First Report of Injury (DFR) forms.³

In October 2016, the California Legislature requested that CHSWC update a study of the qualified medical evaluator (QME) process first done for the Commission by UC Berkeley in 2010. That study raised several issues about the QME process and made several recommendations for improving the efficiency and equity of evaluations. Subsequently, DWC worked with all stakeholders in the WC community to revise the medical-legal fee schedule with new reimbursement rates to providers for various medical evaluations required in the schedule.

DWC adopted a new medical-legal fee schedule (MLFS) with an effective date of April 1, 2021 and contracted with RAND in 2024 to evaluate the efficacy of the medical-legal process. The DWC study by RAND will include investigating statutory or regulatory changes that could improve the functionality of the QME program.⁴

In response to the COVID-19 pandemic, DWC made several changes to its OMFS including adopting changes to its physician services/non-physician practitioner services fee schedule to encourage greater use of telehealth services.⁵

Although reforms such as those noted above have been implemented to improve medical care delivery in the WC system and reduce costs, important challenges remain. These challenges include high administrative costs associated with provision of medical care, reported delays in medical care rendered after an injury, and the declining number of physicians and specialists. DWC will contract with an independent research organization to conduct a medical access study that will include ways to bring more specialists into the system to ensure high-quality medical care.

Recommendations

- Support DWC's efforts to simplify the process for medical providers, through measures such as adoption of electronic treatment authorization forms, to encourage doctors to enter the WC system.
- Support and collaborate with DWC to improve education and outreach for treating physicians to increase their awareness of DWC's educational resources for physicians.
- Conduct an in-depth meeting to discuss issues related to medical delays in the WC system and develop actionable recommendations.
- Monitor the effectiveness of UR and IMR in the California WC system and identify and explain instances in which guidelines and the use of hierarchical tiers of evidence are not followed, are abused, or are otherwise generating unnecessary friction and delay.
- Monitor the progress of DWC's UR study and consider the study's findings and recommendations once it is completed.
- Explore adjustments to the medical fee schedules and other incentives to retain and recruit quality medical providers in the WC system.
- Consider the recommendations from the [SB 537 study](#),⁶ including the development of a pilot pay-for-performance program that includes incentivizing provider participation in the WC system.
- Monitor the progress of the DWC's medical access study and consider the study's findings and recommendations once it is completed.
- Evaluate and monitor the implementation of SB 1160 provisions, including the implementation of UR regulations and the electronic filing of the DFR.

³ <https://www.dir.ca.gov/dwc/SB1160-AB1244/SB1160.htm>.

⁴ <https://caleprocure.ca.gov/pages/Events-BS3/event-bid-comments.aspx>.

⁵ <https://www.dir.ca.gov/DIRNews/2020/2020-41.html>.

⁶ https://www.rand.org/pubs/research_reports/RRA2481-1.html.

CHSWC RECOMMENDATIONS

- Ensure that the technology update to the workers' compensation information system (WCIS) includes collecting the initial date of claim denial, as this will contribute to a more comprehensive understanding of any medical delays in the WC system.
- Continue to study and monitor the frequency, severity, and economic consequences of musculoskeletal injuries across occupations and demographics.
- Provide system monitoring data on UR decisions and DFRs, after data become available, in the CHSWC Annual Report.
- Consider advances in the use of artificial intelligence (AI) large language models (LLM) as an aid, not replacement, in diagnostics and related healthcare management systems and processes.
- Continue to monitor the impact of the medical-legal fee schedule that became effective in April 2021.
- Monitor the progress of the DWC's medical-legal process study and consider the findings and recommendations of the study once it is completed.
- Promote and support the recommendations in the [RAND medical-legal white paper](#).⁷
- Incentivize the use of Medical Provider Networks (MPNs) in post-employment claims as discussed in the RAND report [Provider Fraud in Workers' Compensation](#).⁸
- Monitor and study the use of telehealth and other medical care changes in WC given the COVID-19 pandemic and the technologies adopted going forward.

RETURN TO WORK

Return-to-Work Supplement

Labor Code §139.48 requires the DIR [Return-to-Work Supplemental Program \(RTWSP\)](#) to administer a \$120 million dollar fund that makes supplemental payments to workers whose permanent disability benefits are disproportionately low in comparison to their earnings losses.⁹ A CHSWC study that evaluated the return-to-work fund found a low rate of receipt of the RTWSP among eligible workers. More recently, the take-up rate of this benefit has increased, with the share of unpaid benefit decreasing from 66 percent in FY 2015-2016 to only 2 percent in FY 2022-2023,¹⁰ and has proven to be important in shoring up benefit adequacy for injured workers.¹¹ The amount disbursed exceeded the \$120 million RTWSP annual allocation for the first time in FY 2023-2024, decreasing the share of the unpaid benefit to zero. Benefits continued to exceed the allotment for the second consecutive year in FY 2024-2025 with a total of \$123.5 million disbursed in benefits.¹²

⁷ RAND, *California Workers' Compensation Medical-Legal Fee Schedule, Analysis and Recommendations*, 2018, https://www.rand.org/pubs/working_papers/WR1279.html.

⁸ RAND, *Provider Fraud in California Workers' Compensation*, 2017, https://www.dir.ca.gov/Fraud_Prevention/Reports/Provider-Fraud-In-CA-Workers-Compensation.pdf.

⁹ <https://www.dir.ca.gov/rtwsp/rtwsp.html>.

¹⁰ https://www.dir.ca.gov/chswc/Reports/2023/CHSWC_AnnualReport2023.pdf.

¹¹ https://www.dir.ca.gov/chswc/Reports/2021/CHSWC_AnnualReport2021.pdf; https://www.rand.org/pubs/research_reports/RR964-1.html.

¹² The additional \$3.5 million in payments (over the \$120 million) were funded from unused funds from prior fiscal years. Labor Code 139.48 makes the funds available in the Workers' Compensation Administration Revolving Fund (WCARF) available for use by RTW Supplement Program without respect to the fiscal year.

CHSWC RECOMMENDATIONS

Recommendations

- Monitor the ongoing use of this benefit.
- Consider the recommendations of the CHSWC study [*Evaluation of the Return-to-Work Fund in the California's Workers' Compensation System*](#)¹³ to ensure that the take-up rate remains high which include:
 - Automating the RTWSP payment after SJDB vouchers are issued to improve participation in the program.
 - Improving the monitoring and data collection of SJDB vouchers issued to track emerging changes in the RTWSP-eligible population.
- Continue the outreach and notification efforts to ensure a high take-up rate, such as making the RTWSP website available in multiple languages.
- Continue to explore all methods of increasing RTWSP application rates for unrepresented injured workers, including involvement from claims adjudicators, employers, and labor advocates.
- Continue to include benefit expenditure trend data and the number of RTWSP disbursements in the CHSWC Annual Report.

Information for Injured Workers and Employers

Injured workers, employers, and the public need easily accessible information about the WC system.

- Support DWC's continued efforts to make the workers' compensation system process easier to navigate.
- Support DWC's efforts to simplify forms whenever possible, and continue to transition to a paperless, digital system consistent with healthcare and insurance industry best practices.
- Continue to provide outreach and training on the basics of the WC system and its benefits including:
 - Providing information to workers explaining that if they are injured on the job they are entitled to WC benefits regardless of their immigration status.
 - Supporting DIR's outreach efforts to employers to follow the Division of Occupational Safety and Health's (DOSH) health and safety standards and provide WC benefits to those entitled.

Information for Injured Workers and Employers on the Benefits of Return to Work

- Continue to promote a system that effectively and safely reintegrates injured workers into the workplace at the earliest possible opportunity so that economic losses resulting from injuries can be reduced for employers and employees.
- Distribute information about benefits of return-to-work programs and adherence to timeframes for filing applications or appeals; make any statutes-of-limitations timeframes publicly known and transparent on all forms.

Communicate research findings on the benefits of return to work, the relationship between the length of time injured workers stay out of work and long-term adverse economic impacts to their earnings upon return to work, and the psychosocial risk factors medical and other professionals should evaluate when assessing risks to unnecessary or avoidable delayed return to work.

- Continue to partner with organizations to understand, support, promote and incentivize early and safe return-to-work outcomes and support projects to further these behavioral, medical and economic goals.

¹³ https://www.rand.org/content/dam/rand/pubs/research_reports/RR2500/RR2548/RAND_RR2548.pdf.

CHSWC RECOMMENDATIONS

WAGE LOSS AFTER OCCUPATIONAL INJURY AND ILLNESS

Permanent Disability Benefits

Research on labor market outcomes showed that wage losses from injury and illness through 2017 remained larger than they were before the 2008-2009 Great Recession, but began to recover slightly starting in 2013. At least part of this recovery is related to increasing labor force participation among injured workers, who have become less likely to exit the workforce as the economy has improved. However, injured workers remain less likely to have sustained return to work at the same employer as before the injury. Additional research on the impact of the 2012 WC reforms on earnings losses suggests that despite some increases in payments after SB 863 reforms took effect, wage replacement rates have not improved as much as expected. While benefits did increase over time, the majority of the increase did not come from the growth of PD benefits, but from settlements. The research also found that wage replacement rates would have been even lower without payments from special funds administered by DIR, including RTWSP authorized by SB 863 and the Subsequent Injuries Benefit Trust Fund (SIBTF).

Recommendations

- Consider the recommendations in DIR wage loss monitoring studies,¹⁴ which include continuing the following:
 - Monitoring earnings losses and the adequacy of permanent partial disability (PPD) benefits.
 - Researching and understanding how and why the Great Recession had such lasting effects on post-injury outcomes in order to better understand the present and future economic shocks and disruptions, as well as past ones.
 - Focusing efforts on improving sustained return to work for injured workers to enhance benefit adequacy and worker well-being and reduce post-injury earnings losses.

Presumptions

The COVID-19 pandemic had a tremendous impact on the WC and health and safety systems in California and on its economy. Although California's COVID-19 state of emergency ended on August 12, 2025, there were over 110,000 COVID-19 deaths since the start of the pandemic, and over 348,000 COVID-19 claims filed in the WC system.¹⁵ Several states, including California, implemented presumptions of compensability for employees' occupationally causal illnesses related to COVID-19.

SB 1159, enacted on September 17, 2020, codified the COVID-19 presumption created by Governor Newsom's executive order in May 2020, and provided two new rebuttable presumptions that an employee's illness related to COVID-19 was an occupational injury and therefore eligible for WC benefits if specified criteria are met.¹⁶ Assembly Bill (AB) 1751, signed by Governor Newsom on September 29, 2022, extended the protections of the SB 1159 presumption statutes to January 1, 2024.¹⁷

In addition to a presumption related to COVID-19, several states have expanded their presumption statutes for other conditions for public safety employees. In California, the passage of SB 542 created a rebuttable presumption that, until January 1, 2025, for certain state and local firefighting personnel and peace officers, the term "injury" also includes post-traumatic stress disorder (PTSD) that developed or manifested while

¹⁴ https://www.rand.org/pubs/research_reports/RRA964-1.html;
https://www.rand.org/content/dam/rand/pubs/research_reports/RR4200/RR4209/RAND_RR4209.pdf;
https://www.rand.org/pubs/research_reports/RR2807.html; https://www.rand.org/pubs/research_reports/RR2572.html.

¹⁵ <https://data.ca.gov/dataset/dwc-covid-19-claims>; <https://www.latimes.com/projects/california-coronavirus-cases-tracking-outbreak/>.

¹⁶ <https://www.dir.ca.gov/dwc/Covid-19/FAQ-SB-1159.html>.

¹⁷ https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1751.

CHSWC RECOMMENDATIONS

the injured person was in the service of the department or unit. Recent research has indicated that workers' compensation claims filed by firefighters and peace officers are more likely to involve PTSD than claims filed by the average worker in California, and mental health stigma and fear of adverse professional consequences were identified as a major barrier to care-seeking for first responders.¹⁸ SB 623, signed into law by Governor Newsom on October 8, 2023, extended this PTSD presumption until January 1, 2029 and requires CHSWC to evaluate its effectiveness and analyze claims made by public safety dispatchers, public safety telecommunicators, and emergency response communication employees.¹⁹

Recommendations

- Continue to study the impact of extending presumptions for conditions such as PTSD and cancer for public safety employees.
- Contract with the University of California or the California State Universities to conduct the CHSWC studies authorized by SB 623.
- Continue to evaluate and monitor the impact of the presumptions related to COVID-19.
- Consider the findings of the CHSWC study *Posttraumatic Stress in California's Workers' Compensation System - A Study of Mental Health Presumptions for Firefighters and Peace Officers Under Senate Bill 542*,²⁰ which in part supports the rationale for a PTSD presumption, but also raises concerns about costs to state and local government.
- Consider the findings from the CHSWC Study *COVID-19 in the California Workers' Compensation System - A Study of Covid-19 Claims and Presumptions Under Senate Bill 1159*, including that the frontline presumption appears to have contributed to broad coverage of workers and health conditions, specifically coverage of COVID-19 for some of the most exposed public safety and health care workers.²¹
- Consider the feasibility of designing feedback loops in presumption laws which would inform whether there is any effectiveness in streamlining the dispute and litigation process for presumption claims, including the use of codes in claims and adjudication data systems to create and follow presumption trendline statistics.
- Monitor changes in occupational health and safety research, data collection mandates, and federal responsibilities at the National Institute for Occupational Safety and Health (NIOSH) and the Centers for Disease Control and Prevention (CDC).
- Monitor the effect of California, Oregon, and Washington states' launch of the West Coast Health Alliance²² for evidence-based recommendations regarding healthcare and diseases.

Pharmaceuticals

Labor Code § 5307.27 requires that DWC's Administrative Director establish a drug formulary using evidence-based medicine, as part of the medical treatment utilization schedule (MTUS). DWC's drug formulary took effect January 1, 2018.

¹⁸ RAND, *Posttraumatic Stress in California's Workers' Compensation System-A Study of Mental Health Presumptions for Firefighters and Peace Officers Under Senate Bill 542*, 2021, https://www.rand.org/pubs/research_reports/RRA1391-1.html.

¹⁹ https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB623.

²⁰ https://www.dir.ca.gov/chswc/Meetings/2021/RAND_mentalhealth_report.pdf.

²¹ <https://www.dir.ca.gov/chswc/Reports/2022/RAND-COVID-claims-presumptions.pdf>.

²² <https://www.gov.ca.gov/2025/09/03/california-oregon-and-washington-to-launch-new-west-coast-health-alliance-to-uphold-scientific-integrity-in-public-health-as-trump-destroys-cdcs-credibility/>.

CHSWC RECOMMENDATIONS

Recommendations

- Monitor and evaluate the impact of the evidence-based drug formulary. This should include an assessment of how the drug formulary affects pharmaceutical use, expenses, IMR use, and access to medically appropriate care for injured workers.
- Monitor the consultation by the Pharmacy and Therapeutics (P&T) Committee in advising on updates to the MTUS formulary based on evidence of the relative safety, efficacy, effectiveness, type of packaging, and variable cost of drugs in a class of drugs.

ANTIFRAUD EFFORTS

Underground Economy

The underground economy consists of businesses that do not comply with health, safety, WC and other tax and reporting laws in California. These businesses might not have all their employees on the official company payroll and might not report wages paid to employees that reflect their real job duties. Operators in the underground economy create an unfair advantage over their law-abiding competitors and cost the state an estimated \$8.5 billion to \$10 billion in uncollected tax revenues every year.²³

Recommendations

- Continue to research how to identify the underground economy and ensure compliance with WC and health and safety laws.
- Support outreach and education efforts, including publicizing the DIR booklet [All Workers Have Rights](#).²⁴
- Encourage reporting businesses that do not comply with health, safety, WC, and other tax and reporting laws to the appropriate authorities to protect workers and employers and promote transparency in the workplace.
- Continue to maintain hotlines to report instances of underground economy.
- Continue to report on the number of Division of Labor Standards Enforcement (DLSE) enforcement citations for a lack of WC insurance, and related industry and geographic information for those violations.
- Continue to support the public information inquiry portal for WC insurance coverage at the Workers' Compensation Insurance Rating Bureau (WCIRB) at <https://caworkcompcoverage.com/>
- Support the Labor Enforcement Task Force (LETf), and its individual agency member partners, in their efforts to realign compliance incentives, identify reporting loopholes, inform on best practices, prosecute willful non-compliance, and meaningfully combat the underground economy.²⁵

Workers' Compensation Medical Provider Fraud

In recent years, criminal indictments and prosecutions have highlighted the extent of medical provider fraud in the WC system. Estimates of the cost of this fraud to participants in the WC system are as high as \$1 billion per year.²⁶

²³ https://edd.ca.gov/siteassets/files/about_edd/joint-enforcement-strike-force-on-the-underground-economy-2022-report.pdf

²⁴ DIR, LETf, *All Workers Have Rights*, 2020, https://www.dir.ca.gov/letf/What_are_your_rights_as_a_worker.pdf.

²⁵ DIR, LETf, *Labor Enforcement Task Force Report to the Legislature*, May 2023, <https://www.dir.ca.gov/letf/LETf-Legislative-Report-2023.pdf>.

²⁶ https://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill_id=201520160SB1160.

CHSWC RECOMMENDATIONS

[AB 1244](#)²⁷ and [SB 1160](#),²⁸ which were signed into law in September 2016, added Labor Code § 139.21 and 4615 and provide a mechanism for suspending perpetrators of fraud from the WC system, staying liens of criminally charged medical providers, and limiting financial recovery related to fraudulent activity.

Recommendations

- Monitor and evaluate the outcomes of Labor Code § 139.21 and 4615 and the efforts of the Anti-Fraud Unit concerning these and other provisions related to anti-fraud reforms.
- Monitor the extent of medical provider fraud in areas such as kickbacks, overbilling, and upcoding and new efforts to deter and eliminate fraudulent practices.
- Monitor the impact of medical provider suspensions in the WC system.
- Monitor progress in the filing of medical provider financial interest disclosures with DIR and support the investigation of medical provider ownership interests that may conflict with the rules.
- In the absence of a requirement, promote the voluntary use of the Department of Insurance Workers' Compensation Insurance SIU Guidelines and Protocols,²⁹ which were last updated in 2011.
- Consider recommendations in the report *Provider Fraud in California Workers' Compensation*³⁰ related to provider fraud, including:
 - Keeping post-employment claims treatment under an employer's control to prevent the uncontrolled increase in medical provider liens.
 - Considering new forms of fraud detection using the Workers' Compensation Information System (WCIS) database and other claims databases and exploring how advanced analytics, business intelligence, machine learning and artificial intelligence applications, and other data science techniques can be best employed.

Workers' Compensation Payroll Reporting by Employers

The cost of employers' WC insurance premiums is based on their total payroll. By misreporting payroll costs, some employers avoid the higher premiums that they would incur with accurate payroll reporting. Employers can also misreport the total payroll or the number of workers in specific high-risk, high-premium occupation classifications by reporting them in lower-risk, lower-premium occupations. A [CHSWC study](#) found that between \$15 billion and \$68 billion in payroll is underreported annually.³¹ This type of underreporting also has tax consequences that both state and federal jurisdictions may regard and prosecute as criminal. A related study on split class codes found that 25 to 30 percent of low-wage payroll is underreported or misreported.³²

²⁷ https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB1244.

²⁸ https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB1160.

²⁹ CDI, *Workers' Compensation Insurance Special Investigative Unit Guidelines and Protocols*, 2011, <https://www.insurance.ca.gov/0300-fraud/0100-fraud-division-overview/0300-fraud-claims-and-forms/upload/WC-SIU-Guidelines-and-Protocols.pdf>.

³⁰ RAND, *Provider Fraud in California Workers' Compensation*, 2017, https://www.dir.ca.gov/Fraud_Prevention/Reports/Provider-Fraud-In-CA-Workers-Compensation.pdf.

³¹ UC-Berkeley, *Fraud in Workers' Compensation Payroll Reporting: How Much Employer Fraud Exists? How are Honest Employers Affected?*, January 2009, https://www.dir.ca.gov/chswc/Reports/2011/Final_Report_FAC_Premium_Avoidance.pdf.

³² https://www.dir.ca.gov/chswc/reports/split_class_codes_13aug2007.pdf.

CHSWC RECOMMENDATIONS

Recommendations

- Consider implementing recommendations in the [*Report on Anti-Fraud Efforts in the California Workers' Compensation System*](#) to address premium fraud.³³
- Consider updating the 2009 study of payroll underreporting to understand the extent of this practice in more recent years, including underreporting by employers and professional employer organizations (or PEOs).
- Examine claiming at Uninsured Employers Benefits Trust Fund (UEBTF) to better understand the industries, occupations, and other business characteristics of employers who risk not carrying any WC insurance.
- Support collaboration among labor enforcement agencies to bring employers into compliance with labor laws and overlapping tax laws.
- Monitor trends listed by the Department of Insurance Workers' Compensation Fraud Convictions on its website.³⁴

Artificial Intelligence Technology

AI has gained widespread attention, particularly since March 2023, when ChatGPT 4 was released.³⁵ Such changes in technology raise a question of how AI, especially its generative branch, could shape the future of WC. Considering the long-discussed potential benefits and risks of Generative AI (GenAI) tools, such as ChatGPT,³⁶ people involved in the WC system need an educated and careful approach to using AI in the administration of WC activities. Using AI that is not based on ongoing research and design is likely to be costly and involve unintentional negative results when integrating AI. In September 2023, Governor Newsom signed an Executive Order that included directing the Government Operations Agency (GovOps), the California Department of General Services, the California Department of Technology, and the California Cybersecurity Integration Center to issue general guidelines for public sector procurement, uses, and required training for use of GenAI. The order also directed the Governor's Office of Business and Economic Development, in consultation with the GovOps, to pursue a formal partnership with the University of California, Berkeley College of Computing, Data Science, and Society, and the Stanford University Institute for Human-Centered Artificial Intelligence to consider and evaluate the impacts of GenAI on California and what efforts the state should undertake to advance its leadership in this industry.³⁷

Recommendations

- Support efforts to study new developments in AI, including its potential uses and risks.
- Monitor and support the development of policies and guidelines for appropriate use of AI.
- Monitor national and state legislation that may affect the use of AI in the workplace.

³³ DIR, DWC, CHSWC, and CDI, *Report on Anti-Fraud Efforts in the California Workers' Compensation System*, January 2017, https://www.dir.ca.gov/Fraud_prevention/FRAUD-white-paper.pdf.

³⁴ <https://www.insurance.ca.gov/0300-fraud/0100-fraud-division-overview/25-wc-conv/index.cfm>.

³⁵ <https://openai.com/research/gpt-4>.

³⁶ <https://hai.stanford.edu/generative-ai-perspectives-stanford-hai>.

³⁷ <https://www.gov.ca.gov/wp-content/uploads/2023/09/AI-EO-No.12--GGN-Signed.pdf>.

CHSWC RECOMMENDATIONS

PUBLIC SELF-INSURED

California law requires every employer, except the State of California, to secure payment of its WC obligations by obtaining either insurance or a certificate of consent to self-insure from the Director of DIR.

Unlike private self-insurers, public-sector employers are not legally required to post a security deposit, and no guarantee association is established by law to pay benefits to injured employees in the event that a public employer or a joint powers authority defaults on its WC obligations.

SB 863 added Labor Code § 3702.4, which required CHSWC to examine the public-sector self-insured WC programs and to make recommendations for improving program administration and performance. CHSWC contracted with Bickmore for a study to assist in fulfilling this requirement in 2014.³⁸

In 2016, Bickmore prepared another study³⁹ for DIR to identify various data reporting elements that, after having been collected by DIR's Office of Self-Insurance Plans, followed the intent of Labor Code § 3702.2. Specifically, the goal was to establish a database of WC information for use by public policymakers, regulators, public entities, and the service industry that supports public entity self-insurance in California.

The 2014 and 2016 studies were used to inform DIR's Office of Self-Insurance Plans rulemaking related to the annual reporting of public-self-insured employers. Rulemaking took place and reporting forms were created. The information from the forms required by the regulations effective July 1, 2020⁴⁰ will now be used to determine the solvency of the WC programs and may be used for additional benchmarking purposes.

Recommendations

- Monitor the impact of the regulations to collect critical information on public sector claims and costs for public-sector employers and employees.
- Consider supporting the release of the results in the annual reports by (public) entity identifier.

HEALTH AND SAFETY

CHSWC recognizes that injury and illness prevention is the best way to preserve workers' earnings and to limit WC coverage cost increases for employers.

Recommendations

- Continue and encourage support by employers and the health and safety and WC community for the CHSWC statewide Worker Occupational Safety and Health Training and Education Program (WOSHTEP), one of CHSWC's most proactive efforts. WOSHTEP trains and educates workers, including young workers, in a wide range of workplaces and in agriculture on proven injury and illness prevention measures.
- Collaborate with the DIR Office of Communications and Media Relations and WOSHTEP's three regional UC resource centers to promote and extend WOSHTEP's reach to ensure effective outreach and to promote WOSHTEP messages and services.
- Explore the use of technology to better protect the health and safety of farmworkers from outdoor heat hazards.

³⁸ Bickmore, *Examination of the California Public Sector Self-Insured Workers' Compensation Program*, October 22, 2014.

³⁹ <https://www.dir.ca.gov/osip/DIR%20Data%20Element%20Report.pdf>.

⁴⁰ https://www.dir.ca.gov/OSIP/rulemaking/Rulemaking_Approved_May_2020.html.

CHSWC RECOMMENDATIONS

- Coordinate with DIR's Office of the Director to obtain periodic reports on the progress of the AB 2364 Janitorial Study.⁴¹
- Consider recommendations from the DIR Office of the Director's AB 2364 study once completed together with the recommendations from CHSWC's 2025 *California Janitor Workload Study* authored by UCSF.⁴²
- Explore collaborating with the Washington State Department of Labor & Industries to use the Janitors' Workload Study calculator to create interventions to manage and reduce janitor workload.
- Support ongoing partnerships and continued development and outreach of educational materials for underserved groups of workers, such as those who do not speak English as their first language, workers with limited literacy, and young workers.
- Support ongoing partnerships and continued development of in-person and online training and outreach materials designed to teach the importance of implementing the required written Injury and Illness Prevention Plan and ensuring all employees are familiar with its contents.
- Collaborate with the safety and health and WC communities to extend the reach of CHSWC's School Action for Safety and Health (SASH) Program, a model program to help schools statewide improve their injury and illness prevention practices for K–12 school employees, including teachers.
- Collaborate with the safety and health and WC communities to develop training materials and facilitate outreach to address specific hazards experienced by school employees, such as the impact of the COVID-19 pandemic and work-life balance.
- Collaborate with the safety and health and WC communities to develop specific training materials for schools and school districts with a high risk of occupational injury and illness.
- Support efforts to develop and create a California Occupational Research Agenda specific to the needs of California's employers and workforce to prevent workplace injuries and illnesses, while integrating the contribution made by the National Occupational Research Agenda (NORA) at the National Institute for Occupational Safety and Health (NIOSH).
- Invite injured workers and employers to CHSWC meetings on a regular basis to share their stories of what they face in the WC and health and safety systems, with a view to identifying gaps, miscommunication, delays, and other disruptions that could be corrected after further consideration and verification.
- Support efforts, including Total Worker Health,⁴³ to develop training and safety strategies, including adaptive technologies, that help to prevent musculoskeletal disorders.
- Facilitate the outreach of a model training curriculum for occupational safety and health training for child-care workers and employers.
- Collaborate with the Office of the Director and the Labor Occupational Health Program to promote the [training program](#)⁴⁴ for janitorial services industry employees and employers to promote safe workplaces free from sexual harassment and sexual assault-related workplace injuries and illnesses.
- Collaborate with DOSH to promote resources on heat illness prevention and wildfire safety.

⁴¹ https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240AB2364; <https://www.dir.ca.gov/AB-2364-Janitorial-Study-Advisory-Committee.html>.

⁴² Carisa Harris-Adamson, Carisa, Melissa Afterman, Alan Barr, et al., *California Janitor Workload Study*, June 2025, <https://www.dir.ca.gov/chswc/Reports/2025/Janitor-Workload-Study-Report.pdf>.

⁴³ <https://www.cdc.gov/niosh/twh/about/index.html>.

⁴⁴ DIR, *Sexual Harassment Prevention Training for Janitorial Services Employers*, <https://www.dir.ca.gov/dlse/Janitorial-Training.html>.

CHSWC RECOMMENDATIONS

- Collaborate with DOSH to explore various solutions to any needed increases in staffing, such as the apprenticeship pipeline, to continue to protect the safety of workers.
- Consider collaborating with UCSF to explore policy solutions for implementing safer alternatives to working with engineered stone containing silica dust that can contribute to silicosis; monitor how the engineered stone industry addresses this hazardous waste and contaminated production process from factory to consumer.
- Monitor the implementation of AB 1978, which requires every janitorial business in California to register annually with DLSE, and report on the number of registered janitorial providers in DLSE's License Registration database and the number of penalties for unregistered janitorial providers for the CHSWC Annual Report.
- Facilitate the development and outreach of materials related to protecting workers from hazardous air quality during wildfires and other airborne toxic or viral events.
- Continue to monitor the COVID-19 cases and continue to support efforts to help keep workers and employers safe. California is issuing regular [updates on how employees can stay safe and healthy as well as help prevent the spread of COVID-19 and other viruses](#)⁴⁵ including [Coronavirus resources for California employers and workers](#)⁴⁶ compiled by the Labor & Workforce Development Agency.
- Continue to develop and support the development of materials and resources for both workers and employers that include the most up-to-date information related to the COVID-19.⁴⁷

⁴⁵ <https://covid19.ca.gov/safely-reopening/>; <https://covid19.ca.gov/>.

⁴⁶ <https://saferatwork.covid19.ca.gov/>.

⁴⁷ For example, CHSWC supports educational materials and guides, such as *The California Workplace Guide to Aerosol Transmissible Diseases*, Cal/OSHA, June 2023, https://www.dir.ca.gov/dosh/dosh_publications/ATD-Guide.pdf.

**SPECIAL REPORT: 2025 LEGISLATION AND REGULATIONS ON HEALTH AND
SAFETY AND WORKERS' COMPENSATION**

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HEALTH and SAFETY AND WORKERS' COMPENSATION LEGISLATION

The brief summaries of the legislation below provide an overview of the bills' intent and do not purport to provide an official description of the legislation or go into the complete details of the measures.

Copies of the legislation referenced in this digest, along with information, such as legislative committee analyses, are available on the Legislative Counsel of California website at www.leginfo.legislature.ca.gov. The chaptered bills take effect January 1, 2026, unless they contain an urgency clause, in which case they took effect immediately upon the Governor's signature. Alternatively, some measures specify their effective date.⁴⁸

To research legislation enacted into law in recent years, see past annual reports at: <http://www.dir.ca.gov/chswc/AnnualReportpage1.html>.

HIGHLIGHTS OF 2025 LEGISLATION SPECIFIC TO THE COMMISSION

There were no bills signed in 2025 in which the Commission was named, advised or directed to investigate a topic of health and safety or workers' compensation.

HEALTH AND SAFETY

Health and Safety Legislation

There were eight (8) health and safety related bills signed in 2025. The following is a summary.

AB 45, Bauer-Kahan.

Privacy: health data: location and research.

Amends Section 1798.99.90 of, to amend the heading of Title 1.81.49 (commencing with Section 1798.99.90) of Part 4 of Division 3 of, and to add Sections 1798.99.91, 1798.99.92, and 1798.99.93 to, the Civil Code, and to amend Section 140 of the Health and Safety Code, relating to privacy.

Status: Enrolled on September 24 2025, and chaptered on September 26, 2025.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB45

Existing law prohibits a person or business, as defined, from collecting, using, disclosing, or retaining the personal information of a person who is physically located at, or within a precise geolocation of, a family planning center, as defined, except as necessary to perform the services or provide the goods requested and prohibits a person or business from selling or sharing this personal information. Existing law authorizes an aggrieved person or entity to institute and prosecute a civil action against a person or business for a violation of these provisions and specifies the damages and costs authorized to be recovered.

This bill recasts the above-described provisions, and instead prohibit the collection, use, disclosure, sale, sharing, or retention of the personal information of a natural person who is physically located at, or within a precise geolocation of, a family planning center, except under certain circumstances, including, among others, for the collection or use as necessary to perform the services or provide the goods requested. The bill also provides that these provisions do not alter applicable law regarding use by a law enforcement

⁴⁸ The information on enrollment and chaptered dates for the bills in this section is found after researching a bill at: <https://leginfo.legislature.ca.gov/faces/billSearchClient.xhtml> and then selecting the History tab.

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agency, as defined, of personal information generated by an electronic monitoring device. The bill authorizes an aggrieved person to institute and prosecute a civil action against a natural person, association, proprietorship, corporation, trust, foundation, partnership, or any other organization or group of people acting in concert for a violation of these provisions. The bill also makes other nonsubstantive changes.

This bill, subject to specified exceptions, prohibits geofencing, or selling or sharing personal information with a third party to geofence, as defined, an entity that provides in-person health care services in California for specified purposes, and would prohibit the use of personal information obtained in violation of this provision. The bill provides that violators are subject to an injunction and liable for a civil penalty assessed and recovered in a civil action brought by the Attorney General, and deposited in the California Reproductive Justice and Freedom Fund. The bill requires those penalties to be awarded by the State Department of Public Health for grants to implement a program or to fund an existing program that provides and promotes medically accurate and comprehensive reproductive and sexual health education, as provided. The bill also provides that a statement signed under penalty of perjury, as specified, that the personal information will not be used for selling or sharing personal information in violation of these geofencing provisions is prima facie evidence that the personal information was not sold or shared in violation of these geofencing provisions. By expanding the crime of perjury, this bill imposes a state-mandated local program.

Existing law, the Confidentiality of Medical Information Act (CMIA), generally prohibits a provider of health care, a health care service plan, or a contractor from disclosing medical information regarding a patient, enrollee, or subscriber without first obtaining an authorization, unless a specified exception applies. The CMIA prohibits a provider of health care, a health care service plan, a contractor, or an employer from releasing medical information that would identify an individual or related to an individual seeking or obtaining an abortion in response to a subpoena or a request or to law enforcement if that subpoena, request, or the purpose of law enforcement for the medical information is based on, or for the purpose of enforcement of, either another state's laws that interfere with a person's rights to choose or obtain an abortion or a foreign penal civil action.

This bill, similar to the provisions of the CMIA, prohibits the release of research records, in a personally identifying form, developed or acquired by a person in the course of conducting research relating to anyone seeking or obtaining health care services, or relating to personal information, in response to a subpoena or a request or to law enforcement if that subpoena, request, or the purpose of law enforcement for the medical information is based on, or for the purpose of enforcement of, either another state's laws that interfere with a person's rights to choose or obtain an abortion or a foreign penal civil action.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill provides that no reimbursement is required by this act for a specified reason.

AB 365, Assemblyperson Schiavo.

The Justin Kropp Safety Act: electrical utilities: AED availability at worksites.

Adds Chapter 1.5 (commencing with Section 8310) to Division 4.1 of the Public Utilities Code, relating to electricity.

Status: Enrolled on September 15, 2025, and chaptered on October 6, 2025.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB365

Existing law vests the Public Utilities Commission with regulatory authority over public utilities, including electrical corporations, while local publicly owned electric utilities are under the direction of their governing board. Existing law authorizes the commission to establish rules for all public utilities, subject to control by the Legislature. The Public Utilities Act authorizes the commission, after a hearing, to require every public utility to construct, maintain, and operate its line, plant, system, equipment, apparatus, tracks, and premises in a manner so as to promote and safeguard the health and safety of its employees, passengers, customers,

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and the public, and authorizes the commission to prescribe the installation, use, maintenance, and operation of appropriate safety or other devices or appliances.

Existing law requires a person or entity that acquires an automated external defibrillator (AED) to comply with all regulations governing the placement of an AED, notify an agent of the local emergency medical service agency of the existence, location, and type of AED acquired, ensure the AED is maintained and tested according to the operation and maintenance guidelines set forth by the manufacturer, ensure that the AED is tested at least biannually and after each use, ensure that a specified inspection is made of all AEDs on the premises at least every 90 days, and ensure that records of this maintenance and testing are maintained.

Existing law provides that any person who, in good faith and not for compensation, renders emergency care or treatment by the use of an AED at the scene of an emergency is not liable for any civil damages resulting from any acts or omissions in rendering the emergency care, except in the case of personal injury or wrongful death that results from the gross negligence or willful or wanton misconduct of the person who renders emergency care or treatment by the use of an AED.

This bill, the Justin Kropp Safety Act, requires each utility, which is defined to mean an electrical corporation, electrical cooperative, or local publicly owned electric utility, and an independent contractor or subcontractor of the utility, to have an AED available at every worksite where 2 or more electrical utility workers are performing work on transmission or distribution lines of 601 volts or more (AED requirement). The bill requires the utility, and the independent contractor or subcontractor of the utility, to adopt specified written policies and procedures (policy requirement), and to comply with the placement, notification, maintenance, testing, inspection, and recordkeeping requirements described above.

This bill provides that the above-described exemption from civil liability applies to a person who renders, in good faith and not for compensation, emergency care and treatment by use of an AED. The bill also applies that exemption to a utility, and an independent contractor or subcontractor of the utility, that acquires an AED for emergency use, makes reasonable efforts to comply with the AED and policy requirements, and complies with the above-described placement, notification, maintenance, testing, inspection and recordkeeping requirements. The bill does not apply the civil liability exemption in case of gross negligence or willful or wanton misconduct by the person rendering emergency care or treatment by the use of an AED.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because a violation of a commission action implementing the bill's requirements would be a crime, the bill would impose a state-mandated local program.

Additionally, by placing additional duties on local publicly owned electric utilities, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill provides that no reimbursement is required by this act for specified reasons.

AB 841, Assemblyperson Patel.

State Fire Marshal: personal protective equipment: battery fires.

Adds and repeals Section 13105.1 of the Health and Safety Code, relating to the State Fire Marshal.

Status: Enrolled on September 24, 2025, and chaptered on October 6, 2025.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB841

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Existing law authorizes the State Fire Marshal to make changes as may be necessary to standardize all existing fire protective equipment throughout the state.

This bill requires, until January 1, 2031, the State Fire Marshal, in consultation with the Division of Occupational Safety and Health, to develop a working group with specified membership to make recommendations regarding personal protective equipment used in responding to lithium-ion battery fires. The bill requires, at a minimum, the working group to review, and for the purpose of making the recommendations to consider, the latest personal protective equipment to limit exposure to lithium and other heavy metals, technology to clean personal protective equipment, whether different types of personal protective equipment should be used for different types of lithium-ion battery fires, and current decontamination practices at the fire scene, as specified. The bill requires the recommendations to be submitted to the Legislature on or before September 1, 2026.

AB 845: Assemblyperson Arambula.

Employment: complaints: agricultural employees.

Adds Section 57.2 to the Labor Code, relating to employment.

Status: Enrolled on September 22, 2025, and chaptered on October 11, 2025.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB845

Existing law establishes the Labor and Workforce Development Agency, consisting of various departments and entities, including the Agricultural Labor Relations Board and the Department of Industrial Relations. Existing law requires the Agricultural Labor Relations Board to, among other things, maintain a telephone line, as specified, for the purpose of providing interested persons with information concerning their rights and responsibilities, as prescribed, or for referring persons to the appropriate agency or entity with the capacity to render advice or help in dealing with any situation arising out of agricultural labor disputes. Existing law requires the Department of Industrial Relations to, among other things, perform specified functions, including fostering, promoting, and developing the welfare of the wage earners of California, to improve their working conditions, and to advance their opportunities for profitable employment. Existing law establishes the Division of Labor Standards Enforcement, under the direction of the Labor Commissioner, within the Department of Industrial Relations and sets forth its powers and duties regarding the enforcement of labor laws. Existing law also establishes the Division of Occupational Safety and Health within the Department of Industrial Relations and requires the division to enforce all occupational safety and health standards, as specified.

This bill, upon appropriation by the Legislature, requires the Agricultural Labor Relations Board, Department of Industrial Relations, Division of Labor Standards Enforcement, or Division of Occupational Safety and Health, upon intake of a complaint from an agricultural employee by any department, division, or board within the Labor and Workforce Development Agency, to collaborate with each other and take all reasonable efforts to transmit the complaint to the appropriate entity for processing and investigation. The bill prohibits the transmitting entity from disclosing the identity and personal information of the agricultural employee complainant to the extent prohibited by law without their consent. The bill defines various terms for these purposes.

AB 1181, Assemblyperson Haney.

Firefighters: personal protective equipment.

Amends Section 147.4 of the Labor Code, relating to employment.

Status: Enrolled on September 24, 2025, and chaptered on October 6, 2025.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB1181

The California Occupational Safety and Health Act of 1973 provides the Division of Occupational Safety and Health within the Department of Industrial Relations with the power, jurisdiction, and supervision over all employment and places of employment necessary to enforce and administer all occupational health and safety laws and to protect employees. The act grants to the Occupational Safety and Health Standards

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Board, an independent entity within the department, exclusive authority to adopt occupational safety and health standards within the state.

Beginning July 1, 2018, and every 5 years thereafter, the act requires the board, in consultation with the department, to complete a comprehensive review of all revisions to National Fire Protection Association standards pertaining to certain personal protective equipment (PPE) and requires the board to consider modifying existing safety orders and to render a decision regarding the adoption of necessary changes to safety orders, or other applicable standards and regulations, no later than July 1 of the subsequent year, if the review finds that the revisions to applicable National Fire Protection Association standards provide a greater degree of personal protection than the safety orders.

This bill, in addition to the above-described requirement, requires the board to consider modifying its existing safety order regarding firefighter personal protective equipment by January 1, 2028, to address National Fire Protection Association performance standards for PPE that are not relevant or applicable to how firefighters utilize their PPE and that result in the use of perfluoroalkyl and polyfluoroalkyl substances, fluoropolymers, flame retardants, and other hazardous substances in firefighting personal protective garments and auxiliary firefighting PPE, as provided. The bill also requires, by July 1, 2026, the Division of Occupational Safety and Health to report on progress toward implementation of the modified PPE safety standards, as provided. The bill also makes related findings and declarations.

SB 20, Senator Menjivar.

Occupational safety: high-exposure trigger tasks on artificial stone.

Amends Sections 6302 and 6432 of, and to add Chapter 2.2 (commencing with Section 6359.1) to Part 1 of Division 5 of, the Labor Code, relating to occupational safety and health.

Status: Enrolled on September 16, 2025, and chaptered on October 13, 2025.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260SB20

Existing law establishes the Department of Industrial Relations in the Labor and Workforce Development Agency and requires the department to be conducted under the control of an executive officer known as the Director of Industrial Relations. Existing law states that the function of the department, among other things, is to foster, promote, and develop the welfare of the wage earners of California, to improve their working conditions, and to advance their opportunities for profitable employment and vests the department with responsibility for administering the state plan for the development and enforcement of occupational safety and health standards relating to issues covered by corresponding standards adopted pursuant to federal law.

Existing law establishes the Occupational Safety and Health Standards Board within the department to adopt occupational safety and health standards for the state, including standards dealing with exposure to harmful airborne contaminants. Existing law requires the Division of Occupational Safety and Health within the department to enforce all occupational safety and health standards, as specified. A violation of these standards and regulations under specific circumstances is a crime.

Existing law, the California Occupational Safety and Health Act of 1973 (OSHA), requires employers to comply with certain safety and health standards, as specified, and charges the Division of Occupational Safety and Health with enforcement of the act. OSHA defines “serious injury or illness” for purposes of the act to mean any injury or illness occurring in a place of employment or in connection with any employment that results in one of a list of conditions, including inpatient hospitalization, as provided, the loss of a member of the body, any serious degree of permanent disfigurement, and impairment sufficient to cause a part of the body or the function of an organ to become permanently and significantly reduced in efficiency on or off the job, as specified. Under OSHA, certain knowing, negligent, or willful violations of safety and health standards are punishable as a misdemeanor.

This bill adds silicosis and silica-related lung cancer to the list of conditions that, if resulting from an injury or illness occurring in a place of employment or in connection with an employment, would constitute a

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“serious injury or illness.” By expanding the scope of a crime under OSHA, the bill imposes a state-mandated local program.

OSHA creates a rebuttable presumption that a “serious violation” exists in a place of employment if the division demonstrates that there is a realistic possibility that death or serious physical harm could result from the actual hazard created by the violation. OSHA defines “serious physical harm” for purposes of that provision.

This bill expands that definition of “serious physical harm” to include silicosis and silica-related lung cancer.

The bill imposes restrictions on specified high-exposure trigger tasks on artificial stone, as those terms are defined. Specifically, a person or entity engaged in high-exposure trigger tasks is prohibited from using dry methods, and is required to use effective wet methods when engaging in any high-exposure trigger tasks. The bill makes a violation of these provisions grounds for, among other disciplinary action, an immediate order by the division prohibiting continued work. The bill requires the division to enforce these provisions by issuing a citation alleging a violation and a notice of civil penalty.

The bill requires the owner or operator of a fabrication shop, or any individual who will employ another individual to perform high-exposure trigger tasks in a fabrication shop, to ensure that an employee who will perform high-exposure tasks receives specified training and, beginning on July 1, 2026, and annually thereafter, to attest to the division that these employees have been trained. The bill requires the division to enforce these provisions by issuing a citation alleging a violation and a notice of civil penalty.

The bill requires the State Department of Public Health to consider a report of silicosis related to occupational exposure to artificial stone a serious illness and to report that case to the division. The bill requires the division, if it receives such a report, to subject the employer or place of employment to investigation, as specified. The bill requires the division to notify the State Department of Public Health of any cases of silicosis related to artificial stone identified through enforcement activities. The bill requires the State Department of Public Health to conduct specified activities to address silicosis risk exposure in fabrication shops, including providing technical assistance to local health jurisdictions engaged in silicosis surveillance and prevention activities.

The bill defines various terms for these purposes. The bill makes findings and declarations related to these provisions.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest. This bill makes legislative findings to that effect.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill provides that no reimbursement is required by this act for a specified reason.

SB 294, Reyes.

The Workplace Know Your Rights Act.

Adds Part 5.6 (commencing with Section 1550) to Division 2 of the Labor Code, relating to employment.

Status: Enrolled on September 23, 2025, and chaptered on October 12, 2025.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260SB294

Existing law establishes the Division of Labor Standards Enforcement, headed by the Labor Commissioner, within the Department of Industrial Relations, for the purpose of enforcing labor laws. Existing law prescribes the duties and rights of employers and employees relating to specified labor laws, including,

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among other things, workers' compensation and notice requirements related to inspections conducted by an immigration agency.

This bill establishes the Workplace Know Your Rights Act. The bill requires an employer, on or before February 1, 2026, and annually thereafter, to provide a stand-alone written notice to each current employee of specified workers' rights, including, among other things, the categories described above, as well as constitutional rights of an employee when interacting with law enforcement at the workplace, as specified. The bill also requires the employer to provide the written notice to each new employee upon hire and to provide the written notice annually to an employee's authorized representative, if any.

This bill requires the Labor Commissioner to develop a template notice that an employer may use to comply with the notice requirement described above. The bill requires the Labor Commissioner to post the template notice on its internet website on or before January 1, 2026, and to post an updated template notice annually thereafter. The bill also requires the Labor Commissioner, on or before July 1, 2026, to develop a video for employees advising them of their rights under the areas described above and to develop a video for employers advising them of their rights and requirements under those areas, as provided. The bill requires the Agricultural Labor Relations Board, the Public Employment Relations Board, and the Attorney General's office to provide specified input for the template notice and the videos.

This bill requires an employer, if an employee has designated an emergency contact for this purpose, to notify the designated emergency contact if the employee is arrested or detained on their worksite. If the arrest or detention occurs during work hours, or during the performance of the employee's job duties, but not on the worksite, the bill requires the employer to notify the employee's designated emergency contact only if the employer has actual knowledge of the arrest or detention of the employee. The bill requires an employer to provide an employee the opportunity to name an emergency contact on or before March 30, 2026, for an existing employee, and at the time of hiring for a new employee hired after March 30, 2026.

This bill prohibits an employer from discharging, threatening to discharge, demoting, suspending, or in any manner discriminating or retaliating against an employee for exercising or attempting to exercise their rights under the bill, as provided.

This bill requires the Labor Commissioner to enforce the bill, as specified, and would also alternatively authorize enforcement by a public prosecutor. The bill provides that an employer who violates the bill may be subject to a penalty of up to \$500 per employee for each violation, except that the penalty for a violation of the provisions relating to emergency contacts would be an amount up to \$500 per employee for each day the violation occurs, up to a maximum of \$10,000 per employee.

SB 627, Wiener.

Law enforcement: masks.

Adds Chapter 17.45 (commencing with Section 7289) to Division 7 of Title 1 of the Government Code, and to add Section 185.5 to the Penal Code, relating to law enforcement.

Status: Enrolled on September 17, 2025, and chaptered on September 20, 2025.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB845

Existing law makes it a misdemeanor to wear a mask, false whiskers, or any personal disguise, as specified, with the purpose of evading or escaping discovery, recognition, or identification while committing a public offense, or for concealment, flight, evasion, or escape from arrest or conviction for any public offense.

This bill makes it a crime for a law enforcement officer to wear a facial covering in the performance of their duties, except as specified. The bill defines law enforcement officer as anyone designated by California law as a peace officer who is employed by a city, county, or other local agency, and any officer or agent of a federal law enforcement agency or law enforcement agency of another state, or any person acting on behalf of a federal law enforcement agency or agency of another state. The bill makes a violation of these provisions punishable as an infraction or a misdemeanor, as specified. By creating a new crime, this bill imposes a state-mandated local program.

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The bill requires any law enforcement agency operating in California to, by July 1, 2026, maintain and publicly post a written policy limiting the use of facial coverings, as specified. The bill exempts personnel of any agency from the crime of wearing a facial covering if an agency maintains a policy pursuant to this section no later than July 1, 2026. The bill deems a policy consistent with these provisions for the purposes of that exception unless a member of the public, an oversight body, or a local governing authority challenges it. The bill also imposes a specified civil penalty against certain officers for tortious conduct, including, but not limited to, false imprisonment or false arrest of an individual while wearing a facial covering. The bill, if the agency does not address deficiencies within 90 days, authorizes the complaining party to proceed to a court of competent jurisdiction for a judicial determination of the exemption, as specified. The bill defines a law enforcement agency for these purposes as any entity of a city, county, or other local agency, that employs anyone designated by California law as a peace officer, any federal law enforcement agency, or any law enforcement agency of another state.

By imposing additional duties on local law enforcement agencies, this bill creates a state-mandated local program. This bill declares its provisions to be severable. This bill makes related findings and declarations.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill provides that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill provides that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Health and Safety Regulations

The regulatory activities of the Occupational Safety and Health Standards Board (OSHSB) and Division of Occupational Safety and Health (DOSH) regulations are available online as noted below. Formal rulemaking is preceded by a notice, the release of a draft rule, and the announcement of a public hearing. (DOSH and Cal/OSHA references are used interchangeably, and DOSH and Cal/OSHA enforce the OSHSB safety and health standards.)

Updated approved standards in 2025 include: Lead, Occupational Exposures to Respirable Crystalline Silica, Fall Protection in Residential Construction, and Cone and Bar Barricades.

Occupational Safety and Health Standards Board (OSHSB) approved standards are at:
<http://www.dir.ca.gov/OSHSB/apprvd.html>

Proposed OSHSB standards and rulemaking updates are at:
<http://www.dir.ca.gov/OSHSB/proposedregulations.html>

Approved Division of Occupational Safety and Health (DOSH) regulations are at:
http://www.dir.ca.gov/dosh/rulemaking/dosh_rulemaking_approved.html

Proposed Division of Occupational Safety and Health (DOSH) regulations are at:
https://www.dir.ca.gov/dosh/rulemaking/dosh_rulemaking_proposed.html

Regulations in Title 8 of the California Code of Regulations (CCR) are at:
<http://www.dir.ca.gov/samples/search/query.htm>.

Occupational Safety & Health Standards Board (OSHSB) Title 8 index at:
<http://www.dir.ca.gov/title8/index/t8index.html>

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Under CCR, Title 8, Chapter 3.2, DOSH promulgates regulations for the administration of the safety and health inspection program, such as posting, certification, and registration requirements. Under CCR, Title 8, Chapter 4, OSHSB promulgates health and safety orders organized by industry, process, and equipment in subchapters, which are then enforced by DOSH (Cal/OSHA).

WORKERS' COMPENSATION

Workers' Compensation Legislation

Ten (10) workers' compensation bills were signed into law in 2025. The following is a summary.

AB 1125, Assemblyperson Nguyen.

Workers' compensation: peace officers.

Amends Section 3212.2 of the Labor Code, relating to workers' compensation.

Status: Enrolled on September 22, 2025, and chaptered on October 3, 2025.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB1125

Existing law designates various persons as peace officers, including officers of a state hospital under the jurisdiction of the State Department of State Hospitals or the State Department of Developmental Services. Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of their employment. Existing law creates a disputable presumption, applicable to officers and employees in the Department of Corrections and Rehabilitation, that heart trouble that develops or manifests during a period when the employee is in the service of the department arose out of and in the course of employment.

This bill adds to the above-described presumption a peace officer, as defined, employed by the State Department of State Hospitals and would make other conforming and technical changes.

AB 1293, Assemblyperson Wallis.

Workers' compensation: qualified medical evaluators.

Adds Section 4062.4 to the Labor Code, relating to workers' compensation.

Status: Enrolled on September 24, 2025, and chaptered on October 3, 2025.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB1293

Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries arising out of and in the course of their employment. Existing law establishes procedures for the resolution of disputes regarding the compensability of an injury, including the use of a qualified medical evaluator (QME) to perform a comprehensive medical-legal evaluation to address all contested medical issues arising from all injuries reported in a claim. Existing law requires all communications with a panel QME before a medical evaluation to be in writing served on the opposing party 20 days in advance of the evaluation, and any subsequent communication with the QME to be in writing and served on the opposing party when the communication is sent to the QME.

This bill requires the administrative director to develop and make available a medical evaluation request form for communicating with a panel qualified medical evaluator in advance of an evaluation obtained pursuant to the above provisions. The bill requires the administrative director to develop and make available a template QME report form, which includes all necessary statutory and regulatory requirements for a QME report. The bill requires the Division of Workers' Compensation to adopt regulations to implement these provisions by January 1, 2027.

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AB 1398, Assemblyperson Valencia.

Workers' compensation.

Amends Section 139.32 of the Labor Code, relating to workers' compensation.

Status: Enrolled on September 15, 2025, and chaptered on October 11, 2025.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB1398

Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee, as defined, for injuries sustained in the course of employment. Existing law provides that it is unlawful for a physician to refer a person for specified medical goods or services whether for treatment or medical-legal purposes if the physician or their immediate family has a financial interest with the person or in the entity that receives the referral, except in prescribed circumstances. Existing law requires all interested parties, as defined, to disclose any financial interest in any entity providing services. A violation of these provisions is a misdemeanor.

This bill requires all interested parties to provide written disclosure of their financial interest, if any, to a third-party payer or other entity to whom a claim for payment is presented for services furnished pursuant to a referral. By changing the definition of a crime, this bill imposes a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill provides that no reimbursement is required by this act for a specified reason.

SB 8, Senator Ashby.

Peace officers: injury or illness: leaves of absence.

Amends Section 4850 of the Labor Code, relating to public employment.

Status: Enrolled on September 3, 2025, and chaptered on October 13, 2025.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260SB8

Existing law establishes a workers' compensation system, which generally requires employers to secure the payment of workers' compensation for injuries incurred by their employees that arise out of and in the course of their employment.

Existing law entitles, among others, local law enforcement and probation officers and firefighters employed on a regular full-time basis to a leave of absence without loss of salary while disabled by injury or illness arising out of and in the course of their duties. Existing law provides that a leave of absence under those provisions is in lieu of temporary disability payments or maintenance allowance payments otherwise payable under the workers' compensation system.

This bill expands these provisions to entitle specified peace officers who are employed on a regular, full-time basis by a county of the eighth class, as defined, to this leave of absence.

SB 230, Senator Laird.

Workers' compensation: firefighters.

Amends Sections 3212, 3212.1, 3212.15, 3212.6, 3212.8, 3212.85, and 3212.9 of the Labor Code, relating to workers' compensation.

Status: Enrolled on September 9, 2025, and chaptered on October 6, 2025.

Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee, as defined, for injuries sustained in the course of employment. Existing law creates a rebuttable presumption that specified injuries, such as cancer or post-traumatic stress disorder, developed or manifested in the course of employment of a specified member of law enforcement or a specified first responder arose out of and in the course of employment. Existing law makes these provisions applicable to certain active firefighting members,

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including active firefighting members of a fire department that serves a United States Department of Defense installation or active firefighting members of a fire department that serves a National Aeronautics and Space Administration installation.

This bill, for injuries occurring on or after January 1, 2026, additionally applies these provisions to active firefighting members of a fire department that provides fire protection to a commercial airport, as specified.

Existing law creates a rebuttable presumption that other injuries, including pneumonia, tuberculosis, or meningitis, developed or manifested in the course of employment of a specified member of law enforcement or a specified first responder arose out of and in the course of employment. Existing law makes these provisions applicable to certain active firefighting members, including volunteers who are partly paid or fully paid by, among others, the Department of Forestry and Fire Protection or a county forestry or firefighting unit.

The bill, for injuries occurring on or after January 1, 2026, also apply these provisions to active firefighting members of a fire department that provides fire protection to a commercial airport, National Aeronautics and Space Administration installation, or United States Department of Defense installation.

SB 291, Senator Grayson.

Contractors: workers' compensation insurance.

Amends Sections 7017.3, 7099.2, 7125.4, and 7125.7 of the Business and Professions Code, relating to contractors.

Status: Enrolled on September 16, 2025, and chaptered on October 7, 2025.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260SB291

Existing law, the Contractors State License Law, establishes the Contractors State License Board within the Department of Consumer Affairs and sets forth its powers and duties relating to the licensure and regulation of contractors. Existing law authorizes the board to appoint committees and make rules and regulations, as specified.

Existing law generally requires, as a condition precedent to the issuance, reinstatement, reactivation, renewal, or continued maintenance of a license, a licensed contractor or applicant for licensure to have on file at all times with the board a current and valid Certificate of Workers' Compensation Insurance or Certification of Self-Insurance in the applicant's or licensee's business name, as specified. Existing law generally makes a violation of these provisions a misdemeanor. Existing law exempts from this requirement an applicant or licensee who has no employees, provided that they file a statement with the board before the issuance, reinstatement, reactivation, or continued maintenance of a license certifying that they do not employ any person, as specified, and who does not hold a specified license issued by the board, including a C-8 license, as defined. Existing law repeals these provisions on January 1, 2028.

Existing law, commencing January 1, 2028, removes the above-specified exemptions, and instead exempts from the above-described filing requirement an applicant or licensee organized as a joint venture that has no employees, provided that they file a statement with the board before the issuance, reinstatement, reactivation, or continued maintenance of a license certifying that they do not employ any person, as specified.

Existing law requires the board, by no later than January 1, 2027, to establish a process and procedure to verify that applicants or licensees without an employee or employees are eligible for exemption from the workers' compensation insurance requirement, and authorizes the process or procedure to include an audit, proof, or other means, to verify eligibility.

This bill requires that verification process or procedure to include an audit, proof, or other means to obtain evidence to verify eligibility for exemption from the workers' compensation insurance requirement. The bill also requires the board to report its proposed verification process to the Legislature no later than January 1, 2027.

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Existing law makes the filing of an exemption certificate for workers' compensation insurance on file with the board that is false, or the employment of a person subject to coverage under the workers' compensation laws after the filing of an exemption certificate without first filing a Certificate of Workers' Compensation Insurance or Certification of Self-Insurance in accordance with specified provisions or without maintaining coverage for that person, cause for disciplinary action.

This bill includes as disciplinary action, among other penalties, a minimum civil penalty of \$10,000 per violation for any sole owner licensee found to have employed workers without maintaining workers' compensation coverage, and would make conforming changes. The bill prohibits the board from renewing or reinstating a license subject to the above-described disciplinary action until the applicant or licensee provides the board a current and valid Certificate of Workers' Compensation Insurance or Certification of Self-Insurance in the applicant's or licensee's business name.

Existing law requires the board to report annually to the Legislature, no later than October 1 of each year, certain statistical information for the prior fiscal year, including, among other things, the number of disciplinary actions taken by the board categorized by type, as specified, and by whether the disciplinary action resulted from an accusation, failure to comply with a citation, or failure to comply with an arbitration award.

This bill requires that the report specify the number of disciplinary actions for violations of specified provisions relating to the filing of a workers' compensation insurance exemption certificate or a certification of self-insurance.

This bill incorporates additional changes to Section 7099.2 of the Business and Professions Code proposed by SB 779 to be operative only if this bill and SB 779 are enacted and this bill is enacted last.

SB 447, Senator Umberg.

Workers' compensation: death benefits.

Amends Section 4856 of the Labor Code, relating to workers' compensation.

Status: Enrolled on September 22, 2025, and chaptered on October 11, 2025.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260SB447

Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of employment. Under existing law, when a local employee who is a firefighter or peace officer, as specified, and that employee is killed or dies as a result of an accident or injury caused by external violence of physical force incurred in the performance of their duty, the employer is required to continue providing health benefits to the deceased employee's minor dependents under the benefits extended to the surviving spouse, or if there is no surviving spouse, until the minor dependent is 21 years of age.

This bill increases that age to 26 years of age.

SB 487, Senator Grayson.

Workers' compensation.

Amends Sections 3852, 3858, 3859, 3860, 3861, and 3862 of the Labor Code, relating to workers' compensation.

Status: Enrolled on September 23, 2025, and chaptered on October 13, 2025.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260SB487

Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of employment. Existing law requires an employer to provide all medical services reasonably required to cure or relieve the injured worker from the effects of the injury. Existing law establishes a Workers' Compensation Appeals Board and sets forth various proceedings that are required to be brought forth before the board.

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Existing law authorizes an employer who pays or becomes obligated to pay compensation, salary in lieu of compensation, or an amount to the Department of Industrial Relations to make a claim or bring an action against a third person who caused the injury or death of an employee that gave rise to the employer's obligations. Existing law relieves the employer from an obligation to pay further compensation to or on behalf of the employee if the employer has paid litigation expenses, attorney's fees, and the employer's lien. Existing law requires any release or settlement of a claim to include notice to both the employer and employee, as specified, and the written consent of both the employer and employee, in order for the release or settlement to be valid. Existing law authorizes the appeals board to credit the employer with an amount equal to the recovery by the employee that has not been applied to certain expenses, to be applied against the employer's liability for compensation, as specified. Existing law authorizes an employer to enforce payment of a lien against a third party, or against the employee, if damages have been paid to the employee, in the manner provided for enforcement of money judgments.

This bill states that when the injured employee is a peace officer, as defined, or a firefighter, the employer will be entitled to receive no more than 1/3 of the third-party defendant's liability insurance policy limit, if the employee establishes that their total damages exceed the net recovery after satisfaction of the employer's claim and that the total liability insurance limits available are insufficient to fully compensate the employer and employee's proven damages. The bill limits an employer's right to reimbursement, subrogation, or lien to the maximum recovery threshold, as specified. The bill prohibits an employer from asserting any recovery by one of these injured employees as a credit or offset against future workers' compensation benefits and would require a settlement or release to limit an employer's claim for reimbursement to the portion of the settlement not allocated to the employee pursuant to these provisions. The bill limits these provisions to those peace officers and firefighters who are employed by certain local entities, such as a city or county, among others.

SB 779, Senator Archuleta.

Contractors: civil penalties.

Amends Section 7138.1 of, and to amend, repeal, and add Sections 7028.7 and 7099.2 of, the Business and Professions Code, relating to contractors.

Status: Enrolled on September 22, 2025, and chaptered on October 1, 2025.

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260SB779

Existing law, the Contractors State License Law, provides for the licensure and regulation of contractors by the Contractors State License Board in the Department of Consumer Affairs. Under existing law, willful or deliberate disregard by a licensed contractor of various state building, labor, and safety laws constitutes a cause for disciplinary action by the board. Existing law provides for related disciplinary proceedings and requires the board to promulgate regulations covering the assessment of civil penalties under those disciplinary provisions, as prescribed. Existing law authorizes a civil penalty not less than \$200 and not to exceed \$15,000 for certain violations relating to unlicensed persons, as specified. Existing law authorizes a civil penalty not to exceed \$8,000 or \$30,000 for other violations of the Contractors State License Law, as provided.

This bill, commencing July 1, 2026, increases the minimum civil penalties for violations related to unlicensed persons to at least \$1,500 and imposes minimum civil penalties of at least \$500 or \$1,500 for other specified violations, as provided. The bill also authorizes the Contractors State License Board to adjust the amounts of these minimum civil penalties for inflation every 5 years, as provided.

Existing law authorizes the board to set specified fees according to a prescribed schedule. Existing law, notwithstanding this fee schedule, authorizes the board to set fees to maintain the amount of the reserve fund at a level not to exceed approximately 6 months of annual authorized board expenditures.

This bill increases the above-described limit on the reserve fund to a level not to exceed approximately 12 months of annual authorized board expenditures.

This bill incorporates additional changes to Section 7099.2 of the Business and Professions Code proposed by SB 291 to be operative only if this bill and SB 291 are enacted and this bill is enacted last.

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SB 847, Senator Reyes.

Workers' compensation: uninsured employer: transfer of real property.

Adds Section 3720.2 to the Labor Code, relating to workers' compensation.

Status: Enrolled on September 3, 2025, and chaptered on October 13, 2025.

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202520260SB487

Existing law establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of employment. Under existing law, an employer is required to provide for the payment of workers' compensation and if the employer has not secured the payment of compensation or is illegally uninsured, a lien may be filed against the employer's property or the property of any person found to be parents or substantial shareholders of the employer.

This bill authorizes the director to determine whether a conveyance of real property by an uninsured employer or a substantial shareholder after a date of injury in a claim and prior to the recording of a certificate of lien was intended to retain a beneficial interest in that real property for the uninsured employer or substantial shareholder, resulting in a trust for the benefit of the uninsured employer. The bill authorizes the director to make a prima facie finding that the transaction resulted in a beneficial trust for the uninsured employer when specified circumstances are present, such as the deed indicates that the transfer was made as a gift or that no transfer tax to the county was paid, among others. The bill requires that when the director determines that such a trust exists, a certificate of lien shall be attached to the resulting trust and would require the director to mail written notices of that determination to the transferor and transferee, as prescribed.

Workers' Compensation Regulations

The regulatory activities of DWC to implement the provisions of the 2012 WC reform legislation can be found online. Formal rulemaking is often preceded by the release of a draft rule and the opening of an online forum for interested parties to post comments. Older regulations can be found on DWC rulemaking page at:

https://www.dir.ca.gov/dwc/Laws_Regulations.htm

Information on preliminary rulemaking activities is available at:

<http://www.dir.ca.gov/Wcjudicial.htm>

The latest formal rulemaking updates are available at:

www.dir.ca.gov/DWC/dwcrulemaking.html

DWC Approved Regulations 2024 are available at:

<https://www.dir.ca.gov/dwc/rulemaking/DWCRulemaking2024.html>

DWC Proposed Regulations 2025 are available at:

http://www.dir.ca.gov/dwc/rulemaking/dwc_rulemaking_proposed.html

Information on WCAB preliminary rulemaking activities:

<https://www.dir.ca.gov/wcab/wcabforums.htm>

Regulations in Title 8 of the California Code of Regulations (CCR) are at:

<https://www.dir.ca.gov/samples/search/querydwc.htm>

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Administration of Self-Insurance Plans Regulations

Any regulatory activities of the Office of Self-Insurance Plans (OSIP) are discussed on the pages listed below.

Proposed OSIP regulations, if any, are at:

https://www.dir.ca.gov/osip/rulemaking/osip_rulemaking_proposed.html

Approved OSIP regulations, if any, are at:

http://www.dir.ca.gov/osip/rulemaking/osip_rulemaking_approved.html

Regulations in Title 8 of the California Code of Regulations (CCR) are at:

<https://www.dir.ca.gov/samples/search/querysip.htm>

SYSTEM COSTS AND BENEFITS

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SYSTEM COSTS AND BENEFITS

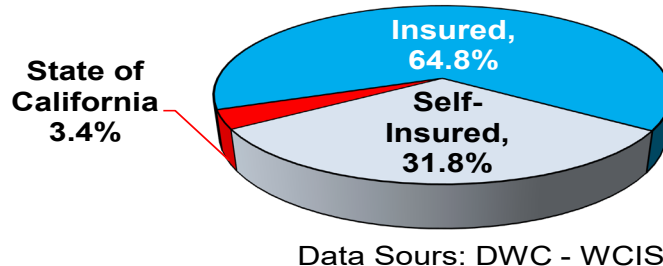
This section contains estimated California Workers' Compensation (WC) costs for 2024. Most of the information reflected in this report is through December 31, 2024 and it represents the first year when COVID-19 claims are included in computation of an employer's experience modification and therefore WC' premium rates to be taken into consideration for the purposes of estimating the WC costs in California.⁴⁹

The California WC system covers an estimated 16,723,000 employees⁵⁰ working for over 1,192,047 employers⁵¹ in the state. These employees and employers generated a gross domestic product of \$4.05 trillion in 2024.⁵² A total of 679,537 occupational injuries and illnesses were reported for 2024,⁵³ ranging from minor medical treatment cases to catastrophic injuries and deaths. The total paid cost to employers for WC in 2024 was an estimated \$23.2 billion. (see [Tables 4 and 5](#) in the box "Systemwide Cost: Paid Dollars for 2024 Calendar Year" on page 42.)

Employers range from small businesses with one or two employees to multinational corporations doing business in the state and the state government itself. Every employer in California must secure its liability for payment of compensation, either by obtaining insurance from an insurer licensed by the Department of Insurance (CDI) or by obtaining a certificate of consent to self-insure from the Department of Industrial Relations (DIR). The only lawful exception is the state, which is legally uninsured.

According to Figure 1, based on the claim counts reported to the Workers' Compensation Information System (WCIS), 64.8 percent of injuries occur to employees of insured employers, 31.8 percent of injuries occur to employees of self-insured employers, and 3.4 percent of injuries occur to employees of the State of California.⁵⁴ (For calculations based on claim counts and paid loss data, see [Tables 1-3](#) in the box "Methods of Estimating the Workers' Compensation System Size" on pages 40-41.)

Figure 1: Market Shares Based on Claim Counts Reported to WCIS (2022-2024 average)



⁴⁹ WCIRB September 1, 2024 Regulatory Filing, <https://www.wcirb.com/filings-and-plans/regulatory-and-pure-premium-rate-filings>.

⁵⁰ NASI Report "Workers' Compensation: Benefits, Costs, and Coverage" with 2023 data was not released in 2025 and shows 2022 data.

⁵¹ CHSWC estimates are based on an Employment Development Department report, as above, showing 1,921,029 businesses in 2024. Of these, 1,457,964 were businesses with 0 to 4 employees. For this estimate, half of those businesses are assumed to have no employees subject to workers' compensation. $1,921,029 - (1,457,964 / 2) = 1,192,047$.
<https://labormarketinfo.edd.ca.gov/LMID/Size-Data-for-CA-Quarterly.html>.

⁵² US Bureau of Economic Analysis, <https://apps.bea.gov/itable/iTable.cfm?ReqID=70&step=1&acrdn=1>.

⁵³ The latest year for which WCIS reports are reasonably complete. Data are from the DWC report from the WCIS database, FROI and SROI Data Summary, by Year of Injury," data as of June 4, 2025. Due to delayed reporting, the number of claims reported to WCIS for a given year may grow by more than 5 percent between the second and the fourth years after the end of the accident year. Boden, Leslie I. and Al Ozonoff, "Reporting Workers' Compensation Injuries in California: How Many are Missed?" (2008), CHSWC Report.

⁵⁴ WCIS, Table 4, "Workers' Compensation Claims by Market Share," data run as of June 4, 2025, https://www.dir.ca.gov/dwc/wcis/WCIS_tables/Table-4/WCIS_Reports-Table-4.html.

SYSTEM COSTS AND BENEFITS

Methods of Estimating the Workers' Compensation System Size

The overall system size for 2024 is estimated at 1.54 times the insured sector size. This multiplier is based on claims counts in the Workers' Compensation Information System (WCIS).¹ CHSWC is using a three-year moving average of WCIS claim counts because it blunts the effect of one-time aberrations like COVID-19 pandemic. (See the market shares for 2024 in Table 1). Table 1 shows that in a single-years comparison, the share of insured sector increased by almost 3 percentage points from 63.3 percent in 2022 to 66 percent in 2024, the share of the self-insured sector decreased by 1.3 percentage points, and - of the state of California - decreased by 1.4 percentage points in the same period from 2022 to 2024. While statewide unemployment soared during the pandemic, workers of many large, private self-insured employers and the state employees were less impacted than the insured work force by furloughs, layoffs, and remote work. As the economy and employment started recovering beginning in 2021, the share of the workers' compensation insured market increased and returned to its normal levels. The annually revised estimate of the multiplier is based on updated claims data provided by WCIS as well as updated paid loss amounts from the Workers' Compensation Insurance Rating Bureau (WCIRB), the Office of Self-Insurance Plans (OSIP), and the California Department of Human Resources (CDHR) in order to examine and substantiate its accuracy.

Claim Counts-Based Method

The number of claims for all sectors increased by 5.0 percent from 646,861 claims in 2014 to 679,537 claims in 2024. The market share of the insured sector ranged from a three-year moving average of 65.0 in 2020-2022 to 67.7 percent in 2018-2020. The market share of the self-insured sector was between an average of 28.9 percent in 2018-2020 to 31.8 percent in 2022-2024. The three-year moving average share of the State of California in the same period from 2014 to 2024, ranged from its minimum of 2.7 percent in 2017-2019 to the average of 3.8 percent in 2020-2022. In 2024, the three-year average market shares based on claims counts were 64.8 percent insured, 31.8 percent self-insured, and 3.4 percent state. Using these values, a multiplier for extending the insured sector information to the overall system can be calculated as $100\%/64.8\% = 1.543$ or 1.54, a .01 percentage points lower than it was in 2023.

Table 1: Number of Workers' Compensation Claims (in 000s) by Market Share

Year	Insured		Self-Insured		State of California	
	Number	Market Share	Number	Market Share	Number	Market Share
2022	494.0	63.3%	254.2	32.5%	32.5	4.2%
2023	463.7	65.4%	224.1	31.6%	21.2	3.0%
2024	444.2	66.0%	212.2	31.2%	19.3	2.8%
Average for 3 years		64.8%		31.8%		3.4%

Source: WCIS.

¹ WCIS Database as of June 4, 2025.

(continued on the next page)

SYSTEM COSTS AND BENEFITS

(continued)

Methods of Estimating the Workers' Compensation System Size

Based on the convergence of market share measurements from two independent methods, the data demonstrated that the insured market share was 66-68 percent of the WC system before the effect of disruption as COVID-19. Similarly, depending on the method of measurement, the self-insured sector comprises 29-31 percent and the state sector is 3 or 4 percent.

Paid Loss Method

Paid loss data indicate that 62.2 percent of the market in 2024 was insured, 33.0 percent was self-insured, and 4.8 percent was the state. This was the fifth consecutive year since 2010 when the market share of insured sector was 2-4 percentage points below the average range of 66-68 percent of WC market for the sector, as shown in Tables 2 and 3. Workers' compensation insurance in California is among the highest in the nation and have been increasing in the last years due to high medical costs, significant litigation, and a high volume of complex, long-term claims, including cumulative trauma. These market share percentages are similar when using 2024 data for the insured and private self-insured sectors and either 2023-2024 or 2024-2025 data for the State and public self-insured sector. The multiplier for extending insured sector information to the overall system can be calculated as $100\%/62.2\% = 1.608$ (is 0.065 higher than estimated 1.543 based on a three-year (2022-2024) moving average of claim counts in order to blunt the effect of one-time aberrations (see Table 1).

Table 2: Percent Distribution of Workers' Compensation Paid Costs by Sectors (excluding Administrative Expenses) using public self-insured and state data for FY 2024-2025

	Indemnity	Medical	Subtotal	% in Total
a. Private Self-Insured ¹ (2024)	\$829,612,059	\$895,711,763		
b. Public Self-Insured ² (2024/2025)	\$1,889,338,333	\$1,483,057,133		
SELF-INSURANCE PLAN (a + b)	\$2,718,950,392	\$2,378,768,896	\$5,097,719,288	33.0%
INSURED (2024)³	\$4,447,454,000	\$5,150,561,000	\$9,598,015,000	62.2%
STATE (2024/2025)⁴	\$335,233,980	\$402,352,860	\$737,586,840	4.8%
Total			\$15,433,321,128	

Table 3: Percent Distribution of Workers' Compensation Paid Costs by Sectors (excluding Administrative Expenses) using public self-insured and state data for FY 2023-2024

	Indemnity	Medical	Subtotal	% in Total
a. Private Self-Insured ¹ (2023)	\$776,543,480	\$787,836,356		
b. Public Self-Insured ² (2023/2024)	\$1,800,428,899	\$1,350,732,896		
SELF-INSURANCE PLAN (a + b)	\$2,576,972,379	\$2,138,569,252	\$4,715,541,631	32.9%
INSURED (2023)³	\$4,228,789,000	\$4,711,657,000	\$8,940,446,000	62.3%
STATE (2023/2024)⁴	\$319,786,870	\$366,804,160	\$686,591,030	4.8%
Total			\$14,342,578,661	

¹ Private Statewide Summary, <http://www.dir.ca.gov/osip/StatewideTotals.html>.

² Public Statewide Summary, <http://www.dir.ca.gov/osip/StatewideTotals.html>.

³ WCIRB, 2024 Losses and Expenses Report, Exhibit 12.1, released June 30, 2025.

<https://www.wcirb.com/research-and-education/research-studies-and-reports/2024-california-workers%E2%80%99-compensation-losses-and-expenses>

⁴ Cost Information was provided by the CalHR Benefits Division in January 2026.

SYSTEM COSTS AND BENEFITS

Workers' compensation is generally a no-fault system that provides statutory benefits for occupational injuries or illnesses. Benefits consist of medical treatment, temporary disability (TD) payments, permanent disability (PD) payments, return-to-work assistance, and death benefits. The overall amounts paid in each of these categories systemwide are shown in Tables 4 and 5. These figures are based on insurer-paid amounts multiplied by 1.54 to include estimated amounts paid by self-insured employers and the State.

Systemwide Cost: Paid Dollars for 2024 Calendar Year

Table 4: A Claim Counts-Based Estimate of Workers' Compensation System Size (Million \$)

	Insured	Self-Insured and the State	All Employers
Indemnity*	\$4,447**	\$2,401	\$6,848
Medical*	\$5,151	\$2,782	\$7,933
Changes to Total Reserves	-\$30	-\$16	-\$46
Insurer Pre-Tax Underwriting Profit/Loss and Insurer Policyholder Dividends	-\$1,307	N/A	-\$1,307
Expenses (see Table 5 below: Breakdown of Expenses)	\$7,219	\$2,515	\$9,734
TOTAL for 2023*	\$15,480	\$7,682	\$23,161

* Include CIGA payments (indemnity \$19 million and medical \$55 million) totaling \$74 million in 2024.

** Include \$38 million in indemnity payments made in 2024 for COVID-19 claims.

Note: The totals may not add up due to rounding.

Source for Insured sector figures in Tables 4 and 5 is WCIRB Losses and Expenses report released on June 30, 2025. Self-insured and state expenses are calculated by CHSWC using 0.54 multiplier for equivalent cost components. The equivalent expense components are estimated as in Table 5.

Table 5: Breakdown of Expenses (Million \$)

	Insured	Self-Insured and State	All Employers
<i>Loss Adjustment Expense</i>	\$3,537	\$1,910	\$5,447
<i>Commissions and Brokerage</i>	\$1,414	N/A	\$1,414
<i>Other Acquisition Expenses</i>	\$693	N/A	\$693
<i>General Expenses</i>	\$1,120	\$605	\$1,725
<i>Premium and Other Taxes</i>	\$455	N/A	\$455
Total	\$7,219	\$2,515	\$9,734

Estimate of Workers' Compensation System Size Based on Written Premium

Another way to calculate systemwide costs for employers is by using written premium.

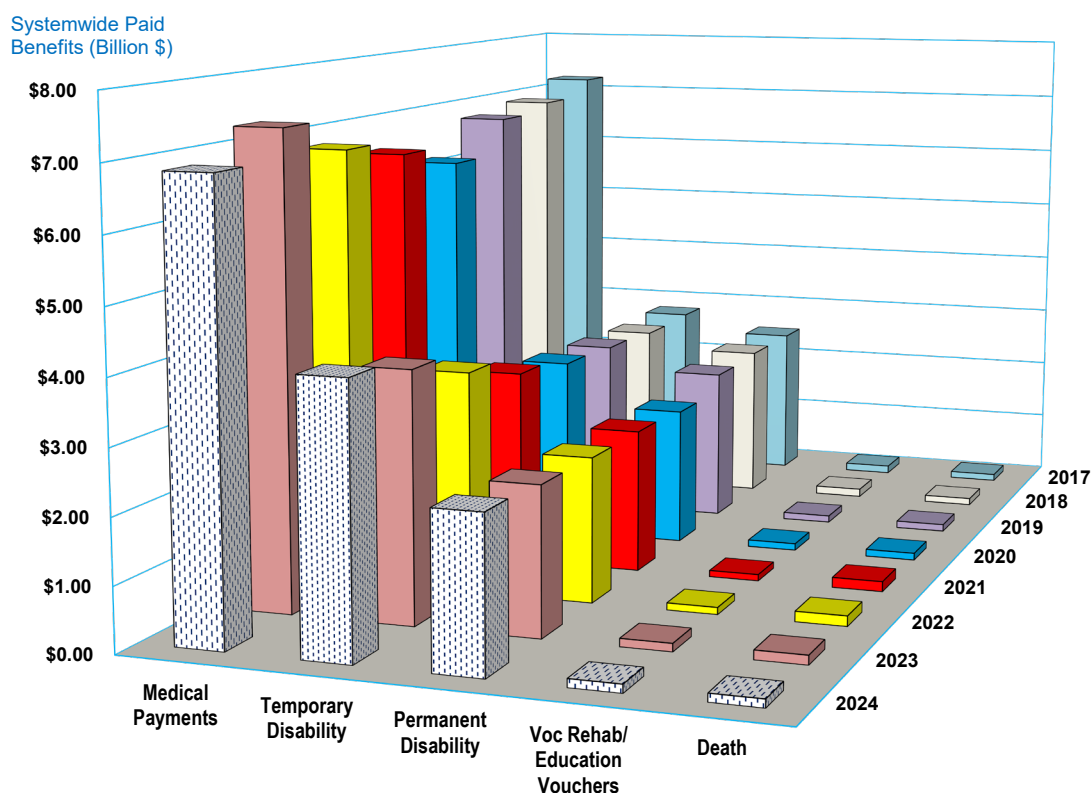
Written premium for insured employers = \$15.6 billion in calendar year 2024.⁵⁵

$$\$15.6 \text{ billion} \times 1.54 = \$24.0 \text{ billion systemwide costs for employers.}$$

⁵⁵ WCIRB Quarterly Experience Report as of December 31, 2024, Chart 1, <https://www.wcirb.com/research-and-education/research-studies-and-reports/wcirb-quarterly-experience-report-december-31-2024>.

SYSTEM COSTS AND BENEFITS

Figure 2: Systemwide* Paid Benefits, by Year and Type of Payment (\$ in billions)



* Systemwide amounts for CY 2024 estimated at 1.54 times the amounts reported by insurers

Data Source: WCIRB

2012-2016 Workers' Compensation Reforms: Changes in the California System

Since 2012, California made several significant reforms in the WC system that have been estimated to have saved \$3 billion annually.⁵⁶ The major reform bills are indicated below. The details of each of these reforms are found in the 2024 CHSWC Annual report, <https://www.dir.ca.gov/chswc/reports/2024/CHSWC-Annual-Report-2024.pdf>, pages 50-53):

- 2012 Workers' Compensation Reforms: Senate Bill 863
- 2015 Workers' Compensation Reforms: Medical Treatment Utilization Schedule (MTUS) and the Drug Formulary (AB 1124)
- 2016 Workers' Compensation Reforms: Fortifying the Anti-Fraud Changes Regarding Liens (AB 1244 and SB 1160)
- 2016 Workers' Compensation Reforms: Utilization Review (SB 1160)⁵⁷

⁵⁶ https://www.wcirb.com/sites/default/files/documents/2019_state_of_the_system_report.pdf.

⁵⁷ <https://www.dir.ca.gov/dwc/SB1160-AB1244/SB1160.htm>;
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB1160.

SYSTEM COSTS AND BENEFITS

Costs of Workers' Compensation in California

Employers pay the cost of workers' compensation either by paying premiums for workers' compensation insurance or by self-insuring with the consent of DIR. Only the State of California can be legally uninsured as an employer. The cost to insured employers is measured in terms of premiums. The premium is measured before discounts that are given for deductibles because no adequate data are available on the amounts paid by employers in deductibles. The cost to self-insured employers is measured mostly by incurred claims, similar to the analysis of insurance company losses and expenses. These two aspects of employer costs are discussed in this section, followed by the loss and expense analysis for insurers.

Costs Paid by Insured Employers

In 2024 WC insurers' written premium paid by California employers was \$15.6 billion, from which the earned premium recognized as a revenue for the coverage totaled \$15.51 billion.⁵⁸

In the past two decades, the cost of WC insurance in California has undergone dramatic changes for several reasons.

The legislative reforms in the early 2000s, which were developed to control medical costs, update indemnity benefits and improve the assessment of PD had a significant impact on insurance costs. These reforms reduced WC costs in California, but the cost of insurance began to increase again after 2009. Following the implementation of SB 863 in 2013, the average rates charged by insurers declined steadily. In 2023 and 2024, they reached the lowest level in more than 50 years.

Workers' Compensation Average Premium Rates: Advisory Pure Premium Rate, Charged Rate, and Manual Rate

Figure 3 shows the average advisory rate per \$100 of payroll approved by the Insurance Commissioner (IC), the insurers' average charged premium rate per \$100 of payroll, and the average industry-filed manual rate.

The WCIRB submits advisory pure premium rates to the California Department of Insurance (CDI) for approval. Insurer rates are usually derived from the advisory pure premium rates developed by the WCIRB and approved by the IC. Advisory pure premium rates expressed as a rate per \$100 of payroll, are based upon loss and payroll data submitted to the WCIRB by all insurance companies. These rates reflect the amount of losses an insurer can expect to pay in benefits due to workplace injuries as well as the cost of adjusting and settling WC claims.

(Find the history of advisory pure premium rates since 2013 in 2024 CHSWC Annual Report, page 243.)
<https://www.dir.ca.gov/chswc/AnnualReportpage1.html>

In the decision on the September 1, 2024 Pure Premium Rate Filing, the IC adopted an average 2.1 percent decrease in advisory pure premium rates, compared to the 0.9 percent increase the WCIRB proposed. Since that time, the projected costs underlying the advisory pure premium rates have continued to rise. According to WCIRB, the primary drivers of the proposed September 1, 2025 advisory pure premium rate level change include (a) increased loss development, (b) higher medical costs, (c) rising frequency of cumulative trauma (CT) claims and (d) continued sharp increases in average allocated loss adjustment expense (ALAE) costs. These factors are somewhat mitigated by (a) modest forecast declines in future indemnity claim frequency and (b) continued forecast growth in the average California wage level.⁵⁹

⁵⁸ WCIRB 2024 Losses and Expenses Report, Exhibit 12.1, <https://www.wcirb.com/research-and-education/research-studies-and-reports/2024-california-workers%E2%80%99-compensation-losses-and-expenses> and WCIRB Quarterly Experience Report as of December 31, 2024, Chart 1, <https://www.wcirb.com/research-and-education/research-studies-and-reports/wcirb-quarterly-experience-report-december-31-2024>. Note that the earned premium is not identical to the written premium. The two measurements are related, and the choice of which measurement should be used depends on the purpose.

⁵⁹ WCIRB Regulatory Filing, <https://www.wcirb.com/filings-and-plans/regulatory-and-pure-premium-rate-filings>.

SYSTEM COSTS AND BENEFITS

On April 30, 2025, the WCIRB submitted its September 1, 2025, Pure Premium Rate (PPR) Filing to the California Department of Insurance. The filing proposes advisory pure premium rates averaging \$1.56 per \$100 of payroll that are 11.2 percent above the average approved September 1, 2024, advisory pure premium rates of \$1.40 per \$100 of payroll. On July 11, 2025, the Insurance Commissioner issued a decision regarding the WCIRB's September 1, 2025, pure premium rate that indicated the approved advisory PPR averaging \$1.52 per \$100 of payroll, which is 8.7 percent above the average of the approved September 1, 2024, PPR. Even with the recent increase, average advisory PPR are still 5 percent below the pre-pandemic level and 50 percent below the previous high.

The IC has approved 13 consecutive advisory pure premium rate decreases from 2015 to 2024 that have totaled more than 50 percent.⁶⁰ The pure premium rates approved by the IC are only advisory. Under California law, insurers are permitted to make their own determinations regarding the pure premium rates they will use, as long as the ultimate rates charged do not threaten the insurer's financial solvency, are not unfairly discriminatory, and do not create a monopoly in the marketplace.

Pure premium rates do not account for administrative and other overhead costs that an insurer will incur and, consequently, an insurer's charged rates are typically higher than the pure premium rates. From 2015 to 2024, the charged rate was on average 18 percent higher than the approved advisory rate. The average charged rate is based on collected premiums and reflect all insurer expenses whereas the advisory rate approved by the IC reflects only loss and loss adjustment expenses. Both the approved advisory and charged rates have steadily declined since 2015 to 2023 and flattened in 2024 to their historical lows, signaling a potential end to the decade-long period of decline. Also as mentioned above, for the first time in a decade, the IC approved an 8.7 percent increase in advisory PPR for September 1, 2025.

The charged rate decreased by 49 percent from the first period of 2015 to the first period of 2023 policy period and flattened in 2024. According to the WCIRB, the decrease from 2015 to pre-pandemic 2019 was largely due to the significant savings from SB 863.⁶¹ Beginning in early 2020, the COVID-19 pandemic sharply impacted the WC system in California. The economic aftershocks of the pandemic have sharply impacted WC exposures, premiums and losses. The accident year 2020 premium and loss experience have been distorted by the impacts of the statewide stay-at-home order, reduced availability of in-person non-urgent non-COVID medical care, elimination of in-person WC Appeals Board activities, and the sharp and sudden rise in unemployment.⁶² The economic recovery and payroll growth in 2021 were offset by continued insurer rate decreases, resulting in a 2021 premium level generally consistent with 2020. Declines in average charged rates, including the charged rates for September 1, 2023, filing period, have followed the IC's approved decreases in advisory pure premium rates. Although the average insurer charged rate in 2025 was less than half of the peak in 2014, recent declines have moderated as mentioned earlier.

Average insurer manual rates are significantly above the rates charged to employers after modification by factors like an experience modification (mod) rating which reflects the employer's claims history compared to the industry average and applying significant pricing discounts to their filed rates as shown in Figure 3. The average insurer manual rate as of January 1, 2025 was 55 percent higher than the approved PPR of \$1.52 per \$100 payroll for September 1, 2025 and 47 percent higher than the average 2024 charged rate of \$1.60 per \$100 payroll.

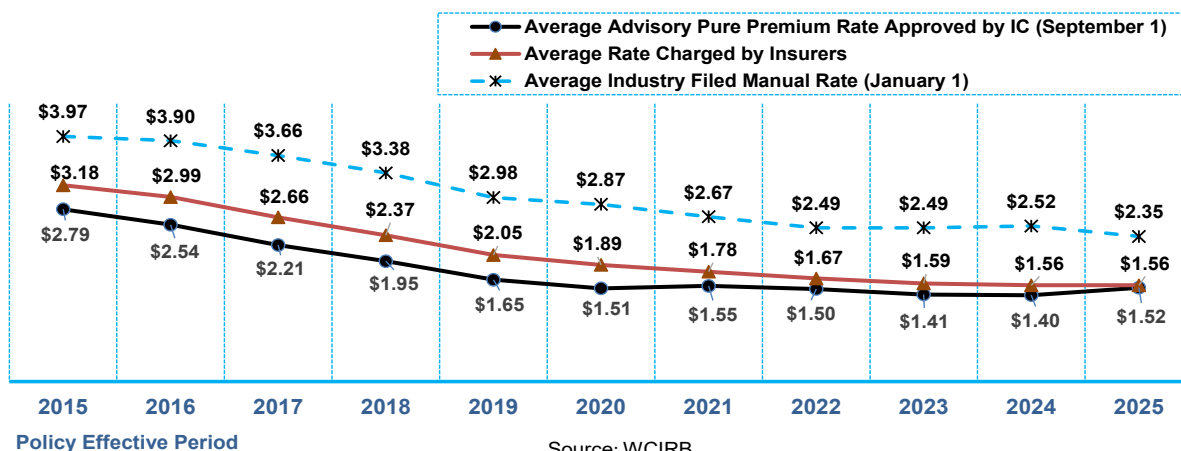
⁶⁰ Advisory Workers' Compensation Pure Premium Rates, A History since the 2013 Reform Legislation, pp. 243-249 of 2024 report and WCIRB Quarterly Experience Report as of December 31, 2024, Chart 2.

⁶¹ WCIRB 2020 report on California's Workers' Compensation System, Chart 4.
https://www.wcirb.com/sites/default/files/documents/2020_state_of_the_system_report-ar.pdf.

⁶² WCIRB 2022 report on State of the System Report, Chart 1,
<https://www.wcirb.com/sites/default/files/documents/wcirb2022stateofthesystem1663968583761.pdf>.

SYSTEM COSTS AND BENEFITS

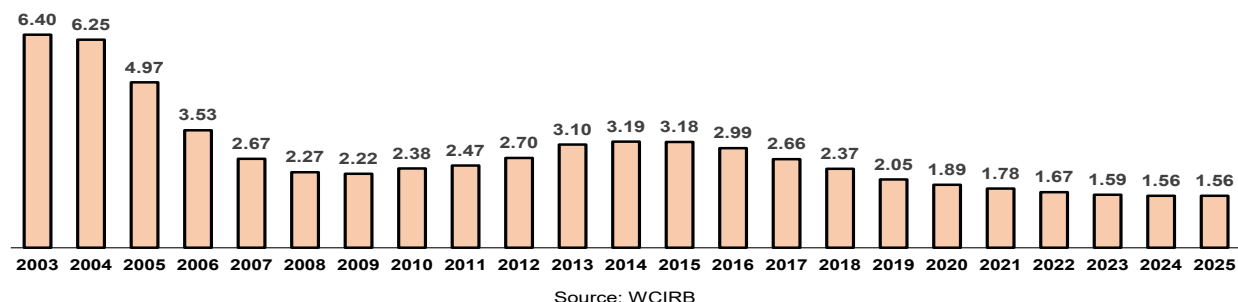
Figure 3: Average Advisory Rate per \$100 of Payroll approved by Insurance Commissioner (IC) and Average Charged by Insurers Rate per \$100 of Payroll⁶³



Industry Average Charged Pure Premium Rate

Largely because of the SB 863 reforms, which took effect in 2013 and saved about \$1.3 billion annually⁶⁴, the cost of insurance began to fall in 2015. Prior to 2024, the average charged rate had been declining steadily, reaching a historical low in 2024. As shown in Figure 4 by policy year, the cost of \$1.59 per \$100 of payroll in 2023 was 76 percent below the 2003 peak of \$6.40 per \$100 of payroll, 51 percent below the second peak in 2014, and 6.6 percent below the 2022 rate.⁶⁵ According to WCIRB, the average charged rates were at the lowest level in more than 50 years, as over the long term, declining claim frequency and increasing wage levels have offset rising medical costs and increases in indemnity benefits.⁶⁶ Based on the first nine months of 2025, rates remain flat compared to 2024, indicating the downward trend has stabilized. Although the Insurance Commissioner approved an 8.7 percent increase in advisory pure premium rates effective September 1, 2025, average insurer rates have not yet risen.

Figure 4: Industry Average Charged Pure Premium Rate per \$100 of Payroll, 2003–2025



⁶³ WCIRB 2025 State of the System Report, Chart 5,

https://www.wcirb.com/sites/default/files/documents/wcirb_2023_state_of_the_system.pdf and Advisory Workers' Compensation Pure Premium Rates, A History since the 2013 Reform Legislation, pp. 243-249 of CHSWC 2024 Annual Report, <https://www.dir.ca.gov/chswc/AnnualReportpage1.html>.

⁶⁴ Senate Bill No. 863 WCIRB Cost Monitoring Report—2016 Retrospective Evaluation

https://www.wcirb.com/sites/default/files/documents/sb_863_cost_monitoring_report_2016.pdf.

⁶⁵ WCIRB Quarterly Experience Report as of June 30, 2024, Chart 2, https://www.wcirb.com/sites/default/files/2024-10/quarterlyexperiencereport-2024q2-2024-10-04_0.pdf.

⁶⁶ 2022 State of the System: Report on California's WC System, Chart 16, <https://www.wcirb.com/content/report-state-workers-compensation-insurance-system>

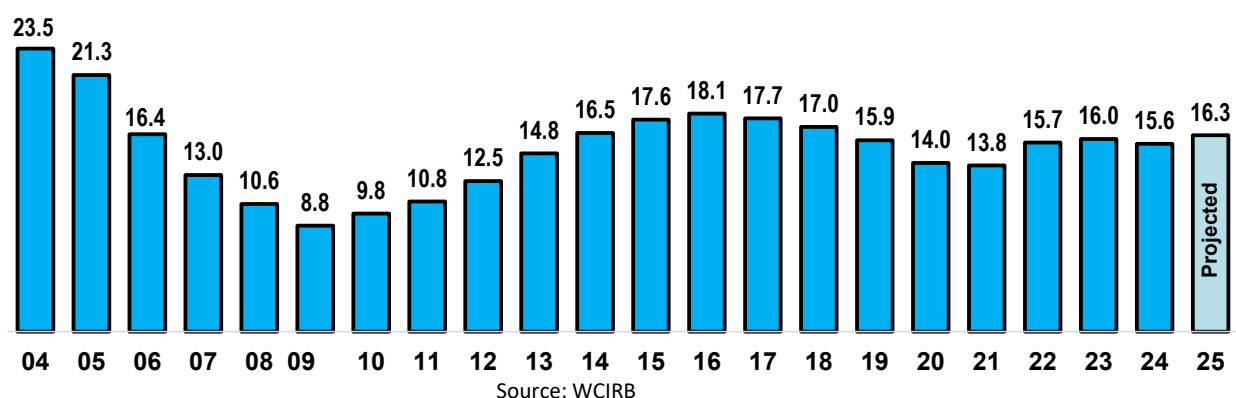
SYSTEM COSTS AND BENEFITS

Workers' Compensation Written Premium

WCIRB defines written premiums as those that an insurer expects to earn over the policy period. Insurers don't immediately consider premiums as earned because the policyholders pay in advance for a contract that protects them from potential losses. Written premiums have been historically volatile in California, driven by sharp changes in claim costs and insurer rates as well as reforms and economic shifts.⁶⁷

According to Figure 5, written premium increased by 22 percent from 2013, when SB 863 went into effect, to 2016, and then declined 24 percent from its second peak in 2016 to 2021, including a 1.5 percent decline from 2020 to 2021. The decreases from 2017 to pre-pandemic 2019, following seven consecutive years of increases from 2009, were driven primarily by decreases in rates charged by insurers (see Figures 4), more than by offsetting increases in employer payroll as a result of economic growth continued through 2019. The premium decline accelerated sharply in 2020 and remained low in 2021 as charged rates continued to drop and statewide employment levels also sharply declined due to the COVID-19 pandemic. According to WCIRB, the 12 percent, or almost \$2 billion, decline in statewide written premium in 2020 was the largest drop in many years. Written premium in 2021 was slightly lower than in 2020 as the impact of modest employment growth and significant average wage level growth was offset by continued declines in charged rates. Despite continued declines in insurer rates, written premium in 2023 was 16 percent higher than in 2021 and reached the pre-pandemic level. The increase in written premium is being driven by higher employee wage levels and the economic recovery.⁶⁸ Written premiums in calendar years 2022 through 2024 have remained relatively stable compared to the large swings during the pandemic. According to WCIRB, written premium is forecast to increase modestly in 2024, driven by continued economic expansion.

**Figure 5: Workers' Compensation Written Premium, Gross of Deductible Credits
(\$ in billions)**



⁶⁷ WCIRB 2025 State of the System Report, Chart 1.

<https://www.wcirb.com/sites/default/files/documents/quarterlyexperiencereport-2021-4q-ar.pdf>.

⁶⁸ WCIRB Quarterly Experience Report as of December 31, 2022, Chart 1.

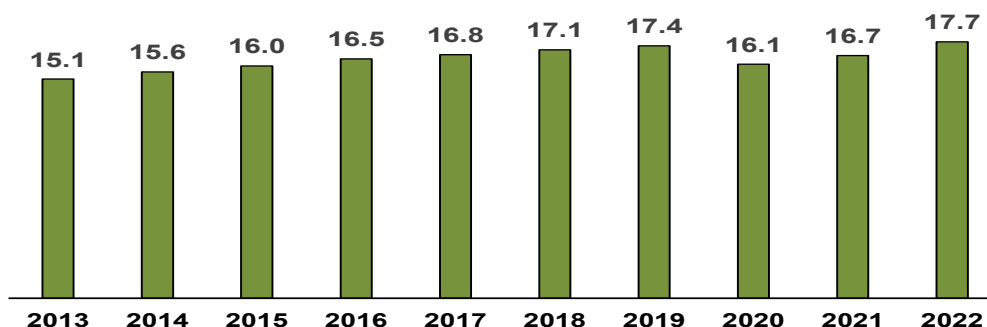
https://www.wcirb.com/sites/default/files/documents/quarterlyexperiencereport-2022q4_-_final_0.pdf.

SYSTEM COSTS AND BENEFITS

*Workers Covered by Workers' Compensation Insurance*⁶⁹

The estimated number of California workers covered by workers' compensation insurance grew by 15 percent from 15.1 million in 2013 to 17.4 million in 2019, decreased by 7 percent from 2019 to 2020, and then increased by 10 percent from 2020 to 2022.⁷⁰ (see Figure 6).

Figure 6: Estimated Number of Workers Covered by Workers' Compensation Insurance in California (millions)

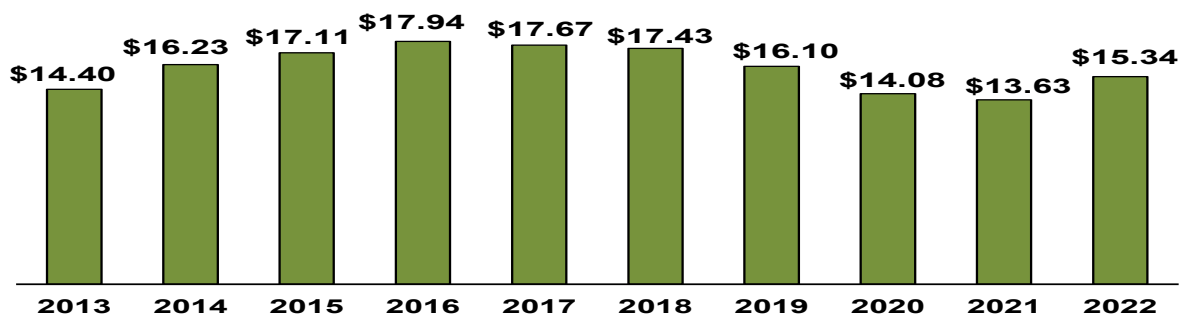


Source: National Academy of Social Insurance (NASI)

Total Earned Premium

WCIRB defines the earned premium as the portion of a premium earned by the insurer for policy coverage already provided. As shown in Figure 7, earned premium increased by 24.6 percent from 2013 to 2016, decreased by 24 percent from 2016 to 2021, including a 15 percent decrease from 2019 to 2021, and then increased by 13 percent from 2021 to 2022.

Figure 7: Workers' Compensation Earned Premium (\$ in billions)



Source: WCIRB

Average Earned Premium per Covered Worker

As shown in Figure 8, the average earned premium per covered worker increased by 14 percent from 2013 to 2016 and then decreased by 25 percent from 2016 to 2021 as WC earned premium decreased by 24

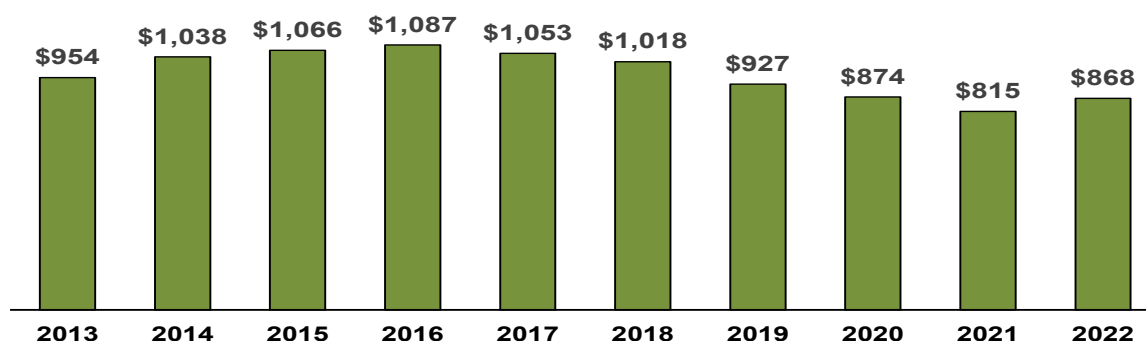
⁶⁹ The NASI Report "Workers' Compensation Benefits, Coverage, and Costs" with 2023 data was not released in 2025.

⁷⁰ Latest available data in 2024 from NASI Report: Workers' Compensation Benefits, Coverage, and Costs, 2022, posted January 2025, <https://www.nasi.org/wp-content/uploads/2024/11/2024-WC-Report-2022-Data-Final.pdf>.

SYSTEM COSTS AND BENEFITS

percent in the same period. From 2021 to 2022, the average earned premium per covered worker increased by 7 percent.

Figure 8: Average Earned Premium per Covered Worker



Source: WCIRB and NASI

Office of Self-Insurance Plans: Administration and Costs Paid by Self-Insured Employers⁷¹

State-wide administration of an alternative WC insurance program ⁷²

The permissible alternatives to WC insurance are private self-insurance, public self-insurance for government entities, either individually or in joint power authorities (JPAs), and legally uninsured State government.

The Office of Self-Insurance Plans (OSIP) is a program within the DIR Director's Office responsible for the oversight, regulation, and administration of the workers' compensation self-insurance marketplace in California. The self-insurance marketplace consists of more than 9,849 employers, employing more than 4 million workers, with a total payroll exceeding \$218 billion. One out of every four California workers is covered by self-insured workers' compensation⁷³.

In the fiscal year 2023/2024, OSIP focused on consistency in audit practices. In the calendar year 2023, 87 field audits were performed, identifying a shortfall of \$134.2 million in understated liabilities – an average of 23.17 percent shortfall for those audited.

One employer that defaulted in 2023 had posted a security deposit to cover the claims.

Private self-insured employers' Self-Insurers' Security Fund (SISF) assessments were lowered by approximately 15 percent. With the fair-share credit for their contribution into the Alternative Security Program, more than 80 percent of the employers had invoices of net zero (\$0).

For further information...

www.dir.ca.gov/osip

(For the detailed information on OSIP activities from 2011 to 2022 see the CHSWC 2024 Annual Report, pages 58-60: <https://www.dir.ca.gov/chswc/AnnualReportpage1.html>.)

⁷¹ The information was provided by OSIP.

⁷² Information on private self-insured employers are from DIR's Office of Self-Insurance Plans correspondence received by CHSWC in July 2025.

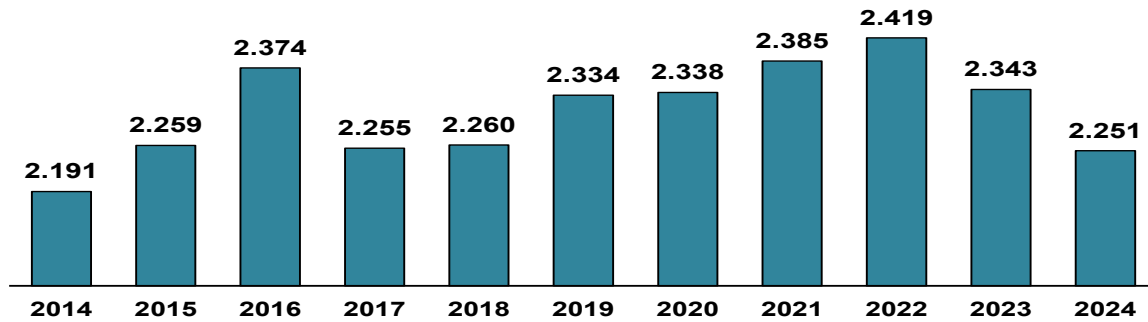
⁷³ <https://www.dir.ca.gov/osip/StatewideTotals.html>.

SYSTEM COSTS AND BENEFITS

Costs Paid by Private Self-Insured Employers⁷⁴

Number of Employees. Figure 9 shows the number of employees working for private self-insured employers between 2014 and 2024. A number of factors affect the year-to-year changes. One striking comparison is the average cost of insurance per \$100 of payroll for insured employers, described earlier. When insurance is inexpensive, fewer employers are attracted to self-insurance, but when insurance becomes more expensive, more employers move to self-insurance. As the cost of insurance per \$100 of payroll for insured employers increased from \$2.47 in 2011 to \$3.18 in 2015 (see Figure 4), more employers chose self-insurance from 2014 to 2016. Because the insurer pure premium rates per \$100 of payroll began to decline in 2015, more employers obtained WC insurance, thereby decreasing the number of employees covered by self-insurance plans by 5 percent from 2016 to 2018. The number of employees covered by self-insurance plans increased by 7 percent in six years from 2017 through 2022, before decreasing by 7 percent from 2022 to 2024.

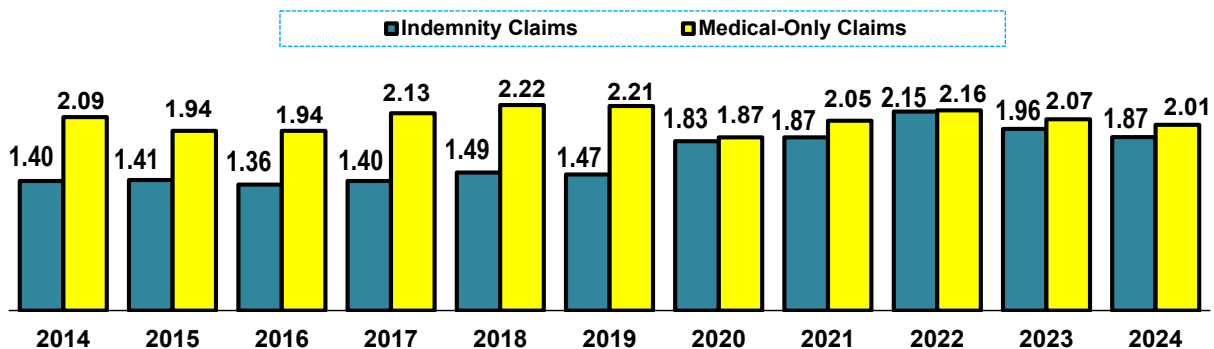
Figure 9: Number of Employees of Private Self-Insured Employers (Millions)



Source: DIR Self-Insurance Plan

Indemnity or Medical-Only Claims. Figure 10 depicts the rate of indemnity or medical-only claims per 100 employees of private self-insured employers. The rate of indemnity claims per 100 employees of private self-insured employers decreased by 3 percent from 2014 to 2016, increased overall by 8 percent from 2016 to 2019, and then after a sharp increase of 24.5 percent from 2019 to 2020, continued to increase by 17.5 percent from 2020 to 2022, before decreasing by 13 percent from 2022 to 2024. The rate of medical-only claims decreased by 7 percent from 2014 to 2016 and then increased by 14 percent from 2016 to 2018. A 16 percent decrease in the rate of medical-only claims per 100 employees from 2018 to 2020, followed by a 15.5 percent increase from 2020 to 2022, before decreasing by 7 percent from 2022 to 2024.

Figure 10: Number of Indemnity or Medical-Only Claims per 100 Employees of Private Self-Insured Employers



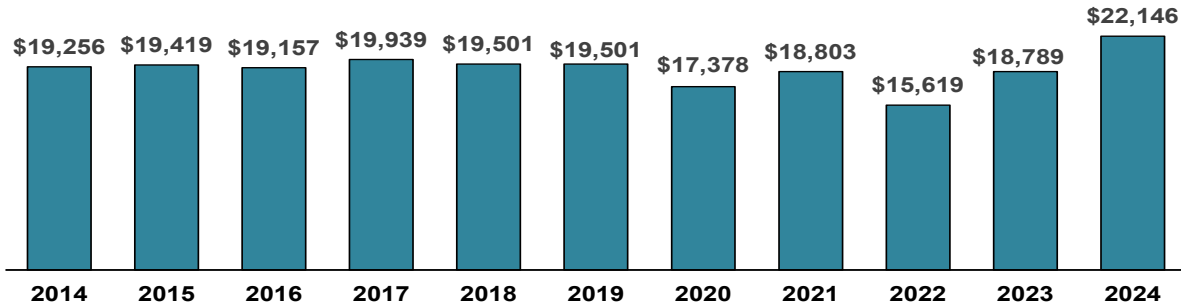
Source: DIR Self-Insurance Plan

⁷⁴ Data on private self-insured employers are from DIR's Office of Self-Insurance Plans correspondence received by CHSWC in July 2025.

SYSTEM COSTS AND BENEFITS

Incurred Cost per Indemnity Claim. Figure 11 shows the incurred cost per indemnity claim for private self-insured employers. The average incurred cost per indemnity claim fluctuated by less than 4 percent between \$19,150 and \$19,950 from 2014 to 2019. There was an overall 23 percent decrease in incurred cost per indemnity claim for private self-insured employers from 2019 to 2022 followed by a 42 percent increase from 2022 to 2024.

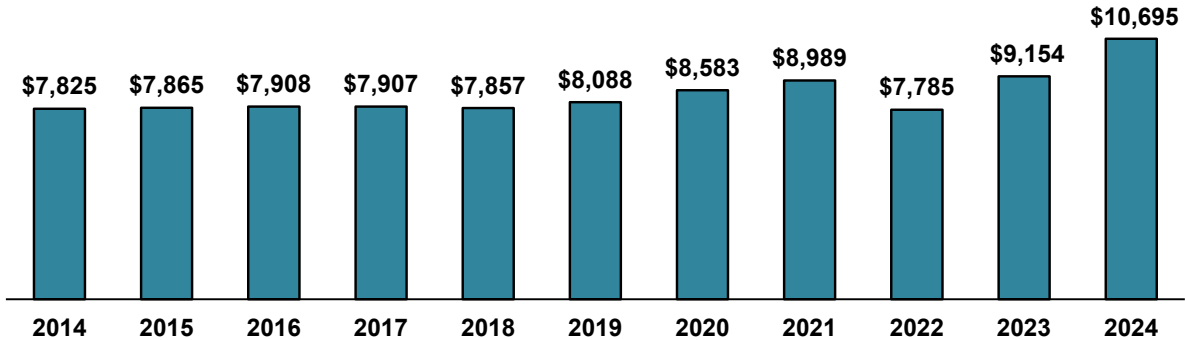
Figure 11: Incurred Cost Per Indemnity Claim of Private Self-Insured Employers



Source: DIR Self-Insurance Plan

Incurred Cost per Indemnity and Medical Claim. The average cost of all claims, including both indemnity and medical-only claims, is naturally lower than the average cost of indemnity claims. The data showed a steady overall increase of 15 percent in eight years from 2014 to 2021 before its 13 percent drop from 2021 to 2022 and then - an increase by 37 percent from 2022 to 2024. See Figure 12.

Figure 12: Incurred Cost per Claim, Indemnity and Medical of Private Self-Insured Employers



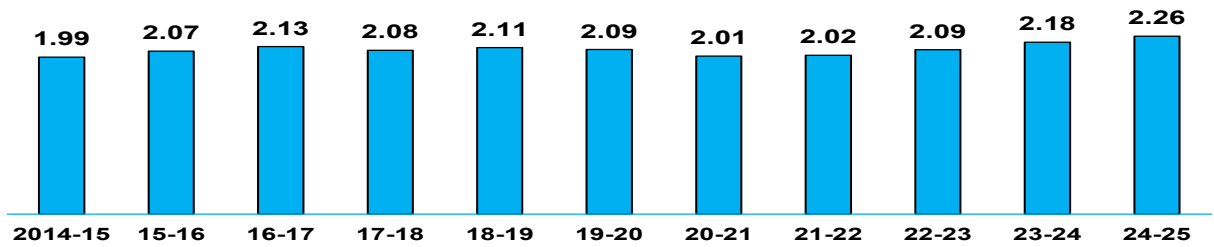
Source: DIR Self-Insurance Plan

SYSTEM COSTS AND BENEFITS

Costs Paid by Public Self-Insured Employers

Number of Employees. Figure 13 shows the number of employees of public self-insured employers between fiscal years 2014-2015 and 2024-2025. The number of employees of public self-insured employers increased by 7 percent from 2014-2015 to 2016-2017, and then fluctuated between 2.08 and 2.13 million employees from 2016-2017 to 2019-2020. From 2019-2020 to 2020-2021, there was a 4 percent decrease in the number of employees of public self-insured employers and that number left at almost the same level in 2021-2022. From 2020-2021 to 2024-2025, the number of employees of public self-insured employers increased by 13 percent.

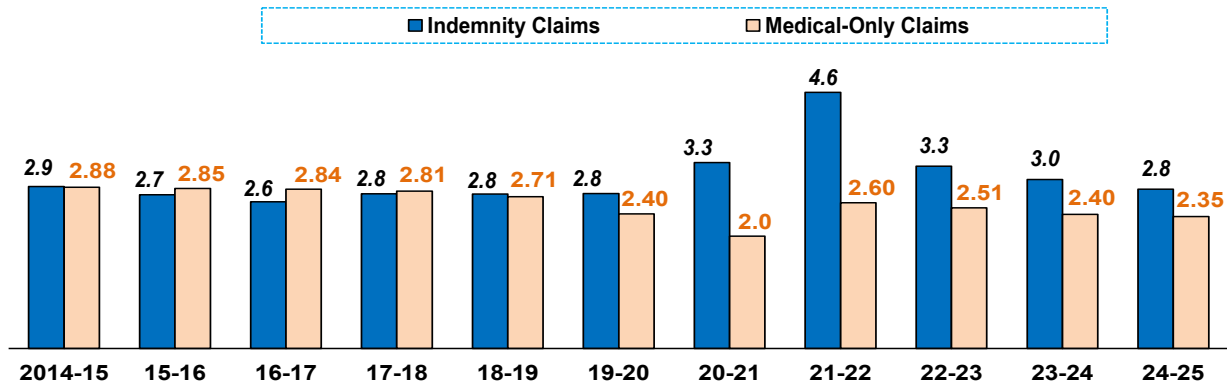
Figure 13: Number of Employees of Public Self-Insured Employers, Fiscal Year (Millions)



Source: DIR Self-Insurance Plan

Indemnity or Medical-Only Claims. The rate of indemnity claims per 100 employees working for public self-insured employers stabilized at an average of 2.76 indemnity claims per 100 employees working for public self-insured employers from 2014-2015 to 2019-2020. From 2014-2015 to 2019-2020, the number of indemnity claims, that are more costly compared to relatively inexpensive medical-only claims, did not exceed its 2018-2019 maximum of 58,287, but in 2020-2021 it reached 66,787, an increase of 15.5 percent, and 92,220 in 2021-2022 (an increase of 58 percent), that explains an almost 65 percent increase in the rate of indemnity claims per employees working for public self-insured employers from 2019-2020 to 2021-2022. From 2021-2022 to 2024-2025, the rate decreased by 38 percent. The rate of medical-only claims decreased by 17 percent from 2.88 per 100 employees in 2014-2015 to 2.40 per 100 employees in 2019-2020, and then decreased again by 16 percent from 2019-2020 to 2020-2021. This decrease could be explained by a 19.7 percent decrease in medical-only claims from its minimum of 50,250 since 2013-2014 to 40,374 claims in 2020-2021. From 2020-2021 to 2021-2022, the rate of medical-only claims per 100 employees working for public self-insured employers increased by 30 percent, before decreasing by 9.5 percent from 2021-2022 to 2024-2025. See Figure 14.

Figure 14: Number of Indemnity or Medical-Only Claims per 100 Employees of Public Self-Insured Employers, Fiscal Year

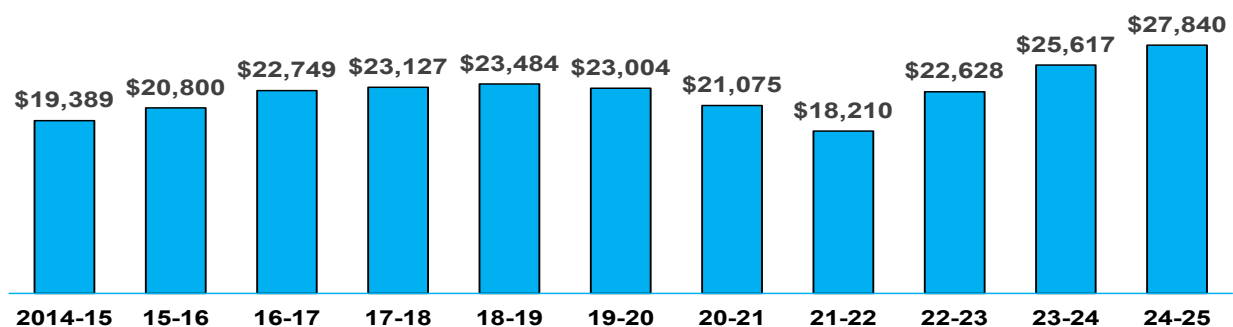


Source: DIR Self-Insurance Plan

SYSTEM COSTS AND BENEFITS

Incurred Cost per Claim. Figure 15 shows the incurred cost per indemnity claim for public self-insured employers between 2014-2015 and 2024-2025. From 2014-2015 to 2018-2019 the incurred cost per indemnity claim for public self-insured employers increased steadily by 21 percent from \$19,389 to \$23,484, declined slightly from 2018-2019 to 2019-2020, and then decreased by 21 percent from 2019-2020 to 2021-2022. From 2021-2022 to 2024-2025, the average incurred cost of an indemnity claim increased by 53 percent.

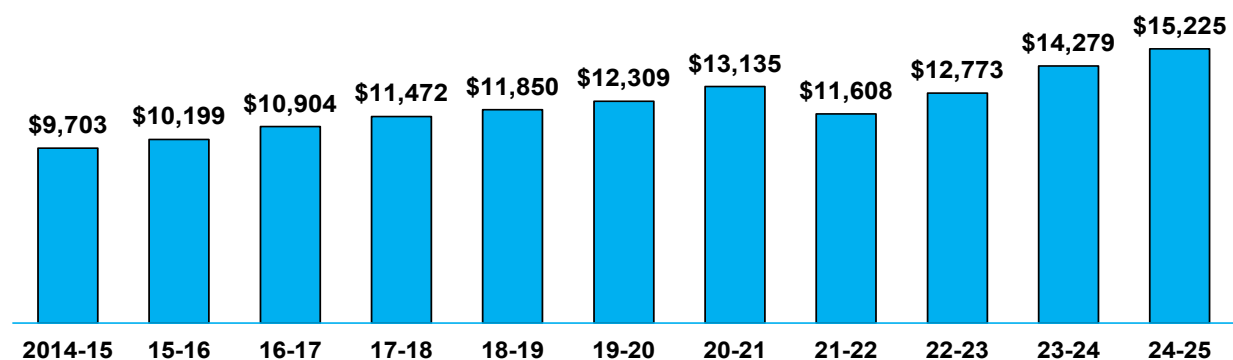
Figure 15: Incurred Cost per Indemnity Claim of Public Self-Insured Employers, Fiscal Year



Source: DIR Self-Insurance Plan

Incurred Cost per Indemnity and Medical Claim. Figure 16 shows the incurred cost per indemnity and medical claim for public self-insured employers between 2014-2015 and 2024-2025. The incurred cost per indemnity and medical claim increased steadily by 35 percent from 2014-2015 to 2020-2021 and then decreased by 12 percent from 2020-2021 to 2021-2022, before increasing by 31 percent from 2021-2022 to 2024-2025.

Figure 16: Incurred Cost per Claim—Indemnity and Medical—Public Self-Insured Employers, Fiscal Year



Source: DIR Self-Insurance Plan

Estimated Workers' Compensation Systemwide Expenditures: Indemnity and Medical Benefits

Overall Costs

Methodology for Estimating. The estimated percentages of total systemwide costs are based on insured employer costs provided annually by the WCIRB. The assumption is that these data can also be applied to those who are self-insured. Because self-insured employers and the state are estimated to account for 35.2 percent of total California WC claims in 2024, the total systemwide costs in that year are calculated by increasing WCIRB data for insured employers by a multiple of 1.54 to reflect that proportion. (For calculations based on claim counts see [Table 1](#) in the box "Methods of Estimating the Workers' Compensation System Size" on page 40.)

SYSTEM COSTS AND BENEFITS

Growth of Workers' Compensation Costs

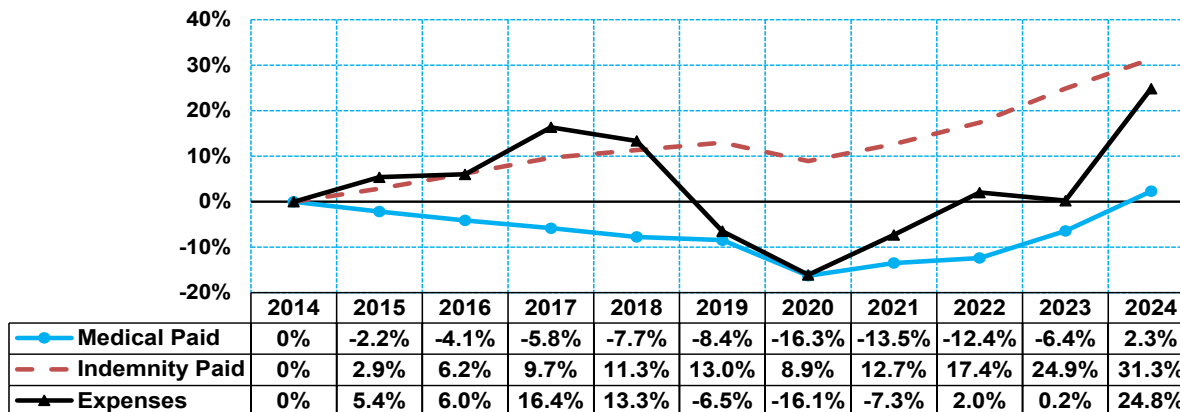
Figure 17 shows that from 2014 the WC medical costs have decreased at a cumulative rate of 16.3 percent in 2020. That decrease slowed down to a lesser cumulative 6.4 percent decrease from 2014 to 2023 due to a 22 percent increase in medical systemwide costs from 2020 to 2023. In 2024, the WC medical cost has surpassed its 2014 level the first time in 10 years.⁷⁵

Average indemnity costs continue to increase at a pace generally consistent with WCIRB projections.

The WC total expenses that include Allocated Loss Adjustment Expenses (ALAE) and other frictional costs⁷⁶ showed a cumulative rate of 16.3 percent increase in 2017 when it cost \$0.48 to deliver \$1 of benefits in California which was 92 percent higher than the median US state.⁷⁷ After a 16.1 percent cumulative decrease in 2020 due to the COVID-19 pandemic, the expenses went back to 2014 level in 2022 and 2023, before increasing sharply by 24.8 to its 10-years peak of \$7.2 billion in 2024. The share of WC expenses in 2024 earned premium climbed to 47 percent from 37 percent in 2023. ALAE that encompasses half of the earned premium increased by 43.5 percent from 2023 to 2024. Reasons and drivers of California's higher frictional costs are found in WCIRB's "Friction in the California Compensation System" report.⁷⁸

Recent significant growth in ALAE costs have been in part driven by increases in CT claims, which are often litigated, and an increase in Los Angeles-based law firms representing injured workers in other regions of California.⁷⁹ The rise in the prevalence of virtual hearings likely contributed to these changes. Between 2018 and 2024, case hearings at the Workers' Compensation Appeals Board (WCAB) increasingly shifted away from the employer's region and toward the LA area. The Bay Area experienced the most significant change, with a 16 percent decrease in local hearings and an 11 percent increase in hearings held in the LA area.

Figure 17: Workers' Compensation Costs: Annual Change Compared with 2014



Source: WCIRB

⁷⁵ Find the reasons for growing medical costs in WCIRB 2025 State of the System Report, Charts 19-25, <https://www.wcirb.com/research-and-education/research-studies-and-reports/2025-state-system>.

⁷⁶ Frictional costs are also referred to as "administrative costs" because they both refer to the expenses associated with managing and processing WC claims, separate from the direct benefits paid to injured workers.

⁷⁷ WCIRB Report, Friction in the California Compensation System, November 2021, https://www.wcirb.com/sites/default/files/documents/frictional_cost_report-ar_0.pdf and WCIRB 2025 State of the System Report, Charts 32-44, <https://www.wcirb.com/research-and-education/research-studies-and-reports/2025-state-system>.

⁷⁸ Ibid.

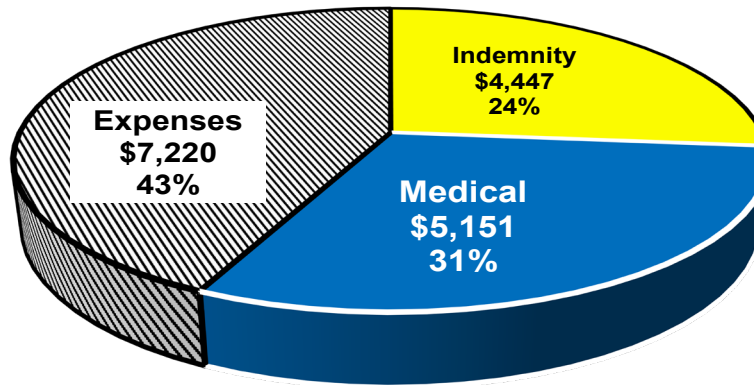
⁷⁹ WCIRB 2025 State of the System Report, <https://www.wcirb.com/research-and-education/research-studies-and-reports/2025-state-system>.

SYSTEM COSTS AND BENEFITS

Distribution of Workers' Compensation Costs by Type.

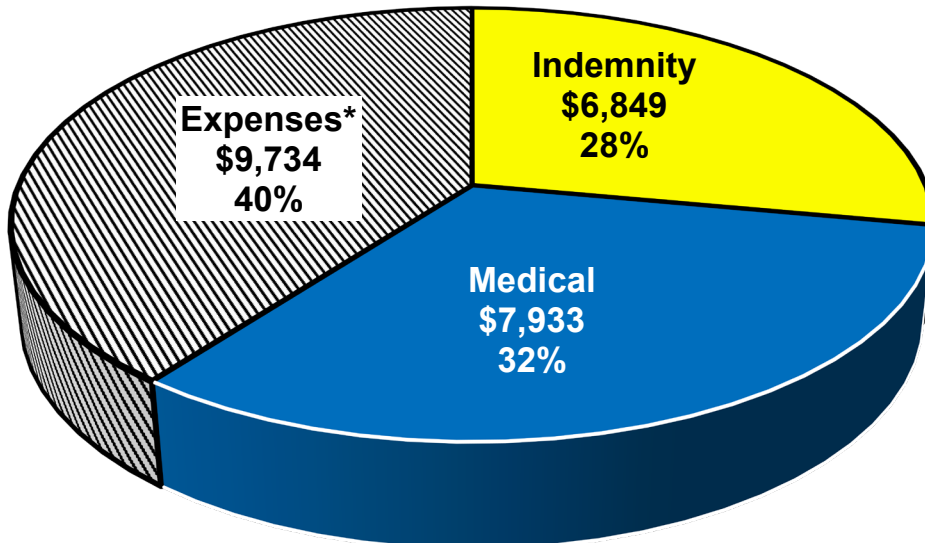
Figures 18 and 19 show the distribution of workers' compensation paid costs for insured employers and systemwide.

Figure 18: Estimated Distribution of Insured Employers' Workers' Compensation Paid Costs, 2024 (\$ in millions)



Data Source: WCIRB

Figure 19: Estimated Distribution of Systemwide Workers' Compensation Paid Costs, 2024 (\$ in millions)



* The distribution shown in this chart includes both insured and self-insured employers' costs. For insured costs, Expenses include allocated loss adjustment expenses, unallocated loss adjustment expenses, commissions and brokerage, other acquisition expenses, and premium taxes. Self-insured employers would not encounter some of those types of expenses.

Data Source: WCIRB with calculations by CHSWC

SYSTEM COSTS AND BENEFITS

Indemnity Benefits

The WCIRB provided data for the cost of indemnity benefits paid by insured employers. Assuming that insured employers comprise approximately 64.8 percent of total California workers' compensation claims, estimated indemnity benefits are shown in Table 6 for the total system, insured employers, self-insured employers, and the State of California.

Table 6: Systemwide Estimated Costs of Paid Indemnity Benefits (\$ in thousands)

INDEMNITY BENEFIT COMPONENTS BY SECTORS	2023	2024	Change
Systemwide, paid by all sectors			
Temporary Disability	\$3,851,296	\$4,093,673	\$242,377
Permanent Total Disability	\$194,299	\$213,342	\$19,043
Permanent Partial Disability	\$2,096,105	\$2,143,261	\$47,156
Death	\$145,598	\$128,324	-\$17,274
Funeral Expenses	\$4,294	\$4,127	-\$167
Life Pensions	\$136,096	\$135,217	-\$879
Vocational Rehab/Nontransferable Education Voucher	\$126,937	\$131,134	\$4,197
Total	\$6,554,625	\$6,849,079	\$294,454
Paid by Insured Employers			
Temporary Disability *	\$2,484,707	\$2,658,229	\$173,522
Permanent Total Disability *	\$125,354	\$138,534	\$13,180
Permanent Partial Disability *	\$1,352,326	\$1,391,728	\$39,402
Death *	\$93,934	\$83,327	-\$10,607
Funeral Expenses	\$2,770	\$2,680	-\$90
Life Pensions	\$87,804	\$87,803	-\$1
Vocational Rehab/Nontransferable Education Voucher *	\$81,895	\$85,152	\$3,257
Total	\$4,228,790	\$4,447,454	\$218,664
Paid by Self-Insured Employers and the State**			
Temporary Disability	\$1,366,589	\$1,435,444	\$68,855
Permanent Total Disability	\$68,945	\$74,808	\$5,863
Permanent Partial Disability	\$743,779	\$751,533	\$7,754
Death	\$51,664	\$44,997	-\$6,667
Funeral Expenses	\$1,524	\$1,447	-\$77
Life Pensions	\$48,292	\$47,414	-\$878
Vocational Rehab/Nontransferable Education Voucher	\$45,042	\$45,982	\$940
Total	\$2,325,835	\$2,401,625	\$75,790

Sources: Calculated by CHSWC, based on data from the WCIRB

* Single Sum Settlement and Other Indemnity payments have been allocated to the benefit categories.

** Figures estimated based on insured employers' costs. Self-insured employers and the State of California are estimated to comprise 35.2 percent of all California workers' compensation claims that translates into a 0.54 multiplier applied to indemnity benefits paid by insured employers.

Note: The totals may not add up due to rounding.

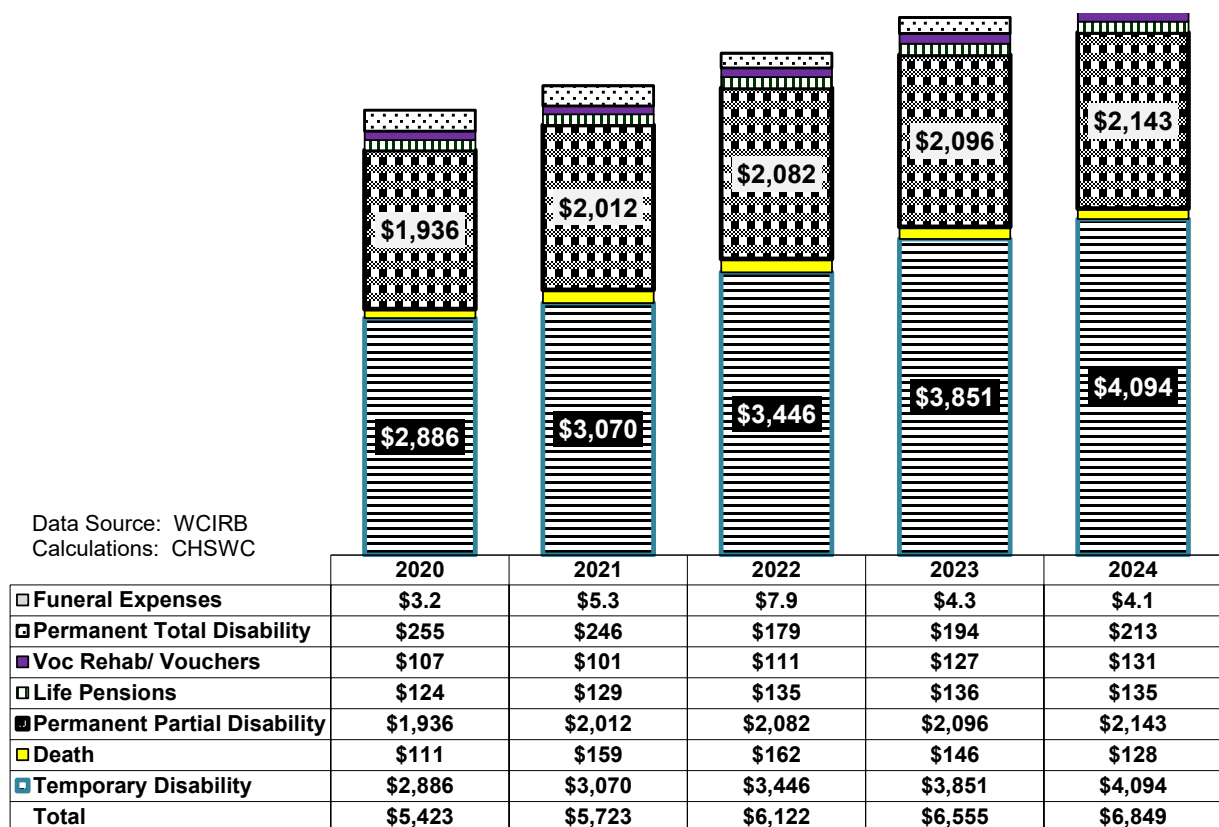
SYSTEM COSTS AND BENEFITS

Trends in Paid Indemnity Benefits.

The estimated systemwide paid indemnity benefits for 2020-2024 are displayed in Figure 20. Total paid indemnity benefits increased by 26 percent from 2020 to 2024. Total costs in 2024 were impacted by the economic recovery since 2021 after a sharp and sudden pandemic-caused slowdown in 2020 that led to reductions in premiums and a sharp decrease in the frequency of non-COVID-19 indemnity claims.⁸⁰ After a rebound in frequency of non-COVID-19 indemnity claims in 2021 and 2022, the claim frequency in 2022 and 2023, according to WCIRB, is consistent with the pre-pandemic period of flat indemnity claim frequency.⁸¹

Temporary disability and permanent partial disability benefits comprise approximately 90 percent of indemnity benefits. Payments for permanent partial disability increased by 11 percent from 2020 to 2024. According to WCIRB, the share of permanent partial disability in total indemnity benefits decrease - like from 36 percent in 2020 to 31 percent in 2024 - since, unlike most other types of indemnity benefits, there are no annual cost-of-living adjustments. Payments for permanent total disability decreased by 30 percent from 2020 to 2022 and then increased by 19 percent from 2022 to 2024. The temporary disability benefits increased steadily by 42 percent from 2020 to 2024. Payments for funerals more than doubled from 2020 to 2022 and then almost halved from 2022 to 2024. The death benefits increased by 46 percent from 2020 to 2022 and then decreased by 21 percent from 2022 to 2024.

Figure 20: Workers' Compensation Paid Indemnity Benefit by Type, Systemwide Estimated Costs (\$ in millions)



⁸⁰ WCIRB 2021 State of the System Report, Chart 52, https://www.wcirb.com/sites/default/files/documents/wcirb-report-2021_state_of_the_system-ho.pdf.

⁸¹ WCIRB 2024 State of the System Report, Chart 9, https://www.wcirb.com/sites/default/files/2024-07/wcirb_2024_report_on_the_state_of_the_california_workers_compensation_insurance_system-2024-07-17.pdf.

SYSTEM COSTS AND BENEFITS

Supplemental Job Displacement Benefits Costs

The reforms of 2003 eliminated vocational rehabilitation (VR) for injuries arising on or after January 1, 2004, and replaced it with a supplemental job displacement benefit (SJDB). The VR statutes were repealed as of January 1, 2009. Consequently, the expenditures for VR decreased rapidly, as the remaining pre-2004 cases were addressed and essentially ended.

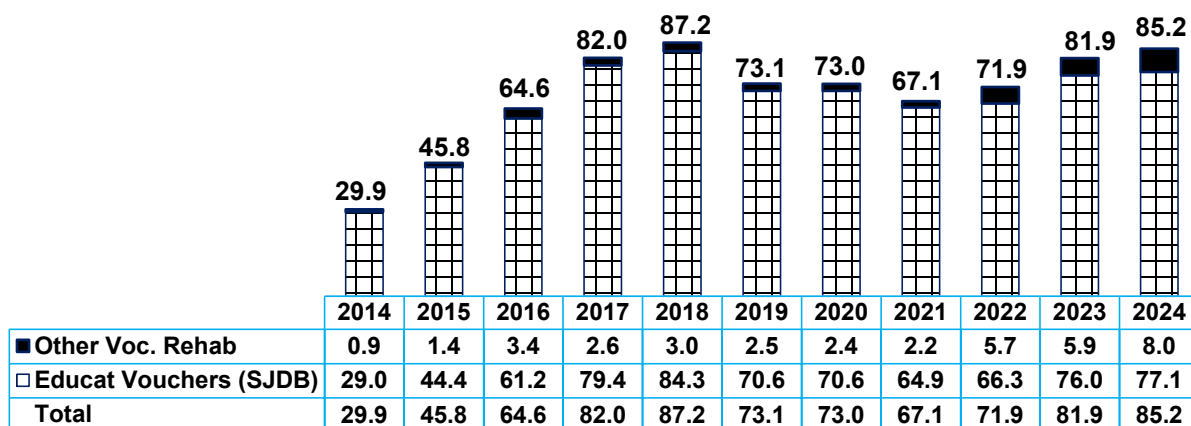
Supplemental Job Displacement Benefit Vouchers

Assembly Bill 227 created a system of nontransferable educational vouchers effective for injuries that occurred on or after January 1, 2004, resulted in a permanent partial disability and termination without an offer of return to work by at-injury employer unless the employer offers and the employee rejects or fails to accept modified work. The WCIRB's estimate of the cost of education vouchers is based on information compiled from its most current Aggregate Indemnity and Medical Costs Call, Call for Calendar Year Experience and Permanent Disability Claim Survey.

SB 863 revised the SJDB for injuries that occurred on or after January 1, 2013, while preserving the concept of a voucher for education or training for an injured worker who does not have an opportunity to return to work for the at-injury employer. Effective with injuries that occurred on or after January 1, 2013, Labor Code Section 4658.5 was amended and Labor Code § 4658.7 was added that modified the system of supplemental job displacement benefits. According to Labor Code § 4658.7, the voucher is now a flat \$6000 for all levels of permanent disability and can be used for training at a California public school or any other provider listed on the state's Eligible Training Provider List (ETPL) on their CalJobs website. It can also be used to pay licensing or certification and testing fees, pay up to 10 percent of the voucher amount for services of licensed placement agencies and RTW counseling, to purchase tools required by a training course, to purchase computer equipment of up to \$1,000 and to reimburse up to \$500 in miscellaneous expenses. The voucher does not expire if issued prior to January 1, 2013. After January 1, 2013, the voucher expires within two years of being issued or five years from the date of injury, whichever comes later.

Figure 21 shows that the amounts paid for SJDB vouchers by insured employers in 2018 increased almost 3-fold compared to 2014, decreased by 23 percent from 2018 to 2021, and then increased by 27 percent from 2021 to 2024. In total, \$85.2 million of vocational rehabilitation benefits were paid in 2024 that accounts for 1.9 percent of all indemnity payments. The proportion of amounts paid for SJDB vouchers in total Vocational Rehabilitation was 97 percent from 2014 to 2021, decreasing to 91 percent in 2024.

Figure 21: Amounts Paid for Supplemental Job Displacement Benefit (SJDB) Vouchers by Insured Employers (\$ in millions)



Data Source: WCIRB

SYSTEM COSTS AND BENEFITS

Medical Benefits

Workers' Compensation Medical Costs vs. Medical Inflation

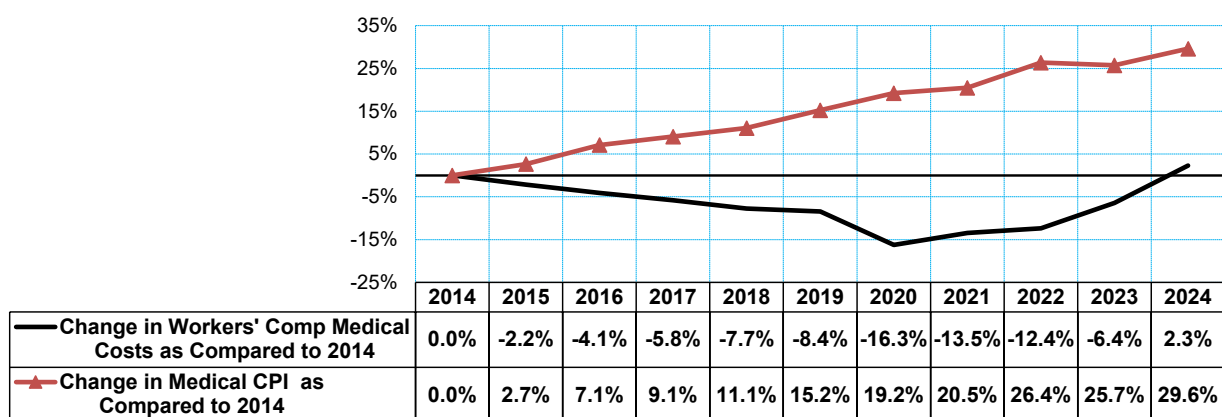
Figure 22 compares the change in California's workers' compensation medical costs paid by insurers and self-insured employers in each consecutive year from 2014 with the change in the medical component of the Consumer Price Index (CPI) in each consecutive year over the same base year. The medical component of the CPI is also known as the "Medical CPI," an economic term used to describe price increases in health care services.

Since 2014 the WC medical costs have decreased at a cumulative rate of 16.3 percent in 2020 and an average annual 2.7 percent rate in the same period from 2014 to 2020. There was a lesser cumulative 6.4 percent decrease in WC medical costs from 2014 to 2023 as a result of an 22 percent increase in medical systemwide costs from 2020 to 2023. In 2024, the WC medical cost has surpassed its 2014 level the first time in 10 years.

At the same time, the medical CPI has steadily increased since 2014. The cumulative growth in medical CPI from 2014 to 2024 was 29.6 percent, with an average annual 2.6 percent increase in the same period. The medical CPI showed a one-time decrease in 2023. Figure 22 compares the WC medical costs paid by employers and regulated through the California State WC program with Medicare and group health plan payments reflected in the medical CPI. The State program regulates the WC medical costs through the Official Medical Fee Schedule (OMFS), which also covers pharmaceutical costs, Medical Treatment Utilization Schedule (MTUS), and regulatory activities.

Because consumers, as defined by the CPI concept, do not share the cost of WC claims, payments for medical services covered by WC programs are not directly reflected in measuring the medical CPI.

Figure 22: Growth in Workers' Compensation Medical Costs Compared with Growth in Medical Inflation (2014 as a base year)



Source: WCIRB; Bureau of Labor Statistics (BLS)

Distribution of Medical Benefits: Where Does the Workers' Compensation Dollar Go?

The WCIRB provided data on the cost of medical benefits paid by insured employers. Assuming that insured employers comprise approximately 64.8 percent of California workers' compensation claims, estimated medical benefits are shown in Table 7 for the total system, insured employers, self-insured employers, and the State of California.

SYSTEM COSTS AND BENEFITS

Table 7: Systemwide Estimated Costs—Medical Benefits Paid (\$ in thousands)

MEDICAL BENEFIT COMPONENTS BY SECTORS	2023	2024	Change
Systemwide, paid by all sectors			
Physicians	\$1,957,962	\$2,145,125	\$187,163
Hospital (Inpatient and Outpatient)	\$827,607	\$896,900	\$69,294
Medical Supplies and Equipment	\$411,265	\$430,359	\$19,094
Pharmacy	\$90,432	\$87,606	-\$2,826
Medical-Legal Evaluation	\$615,674	\$684,906	\$69,232
Payments Made Directly to Patients*	\$2,420,759	\$2,603,384	\$182,625
Medical Cost-Containment Programs**	\$174,409	\$183,590	\$9,181
Medicare Set-aside and Reimbursements	\$378,584	\$371,454	-\$7,130
Capitated Medical	\$54,225	\$81,843	\$27,618
Other (Med Liens, Dental, Interpreter***, & Copy Services***)	\$372,155	\$446,699	\$74,544
Total	\$7,303,071	\$7,931,865	\$628,794
Paid by Insured Employers			
Physicians	\$1,263,201	\$1,392,938	\$129,737
Hospital (Inpatient and Outpatient)	\$533,940	\$582,403	\$48,463
Medical Supplies and Equipment	\$265,332	\$279,454	\$14,122
Pharmacy	\$58,343	\$56,887	-\$1,456
Medical-Legal Evaluation	\$397,209	\$444,744	\$47,535
Payments Made Directly to Patient*	\$1,561,780	\$1,690,509	\$128,729
Medical Cost-Containment Programs**	\$112,522	\$119,214	\$6,692
Medicare Set-aside and Reimbursements	\$244,248	\$241,204	-\$3,044
Capitated Medical	\$34,984	\$53,145	\$18,161
Other (Med Liens, Dental, Interpreter***, & Copy Services***)	\$240,100	\$290,064	\$49,964
Total	\$4,711,659	\$5,150,562	\$438,903
Paid by Self-Insured Employers and the State****			
Physicians	\$694,761	\$752,187	\$57,426
Hospital (Inpatient and Outpatient)	\$293,667	\$314,498	\$20,831
Medical Supplies and Equipment	\$145,933	\$150,905	\$4,972
Pharmacy	\$32,089	\$30,719	-\$1,370
Medical-Legal Evaluation	\$218,465	\$240,162	\$21,697
Payments Made Directly to Patient*	\$858,979	\$912,875	\$53,896
Medical Cost-Containment Programs**	\$61,887	\$64,376	\$2,489
Medicare Set-aside and Reimbursements	\$134,336	\$130,250	-\$4,086
Capitated Medical	\$19,241	\$28,698	\$9,457
Other (Med Liens, Dental, Interpreter***, & Copy Services***)	\$132,055	\$156,635	\$24,580
Total	\$2,591,412	\$2,781,303	\$189,890

Sources: Calculated by CHSWC, based on WCIRB's Medical Data Call (MDC).

* Med payments made directly to patient include amounts paid directly to injured workers on lump sum settlements for future med expenses; to a much lesser extent they may also include payments for transportation related to medical care.

** Medical cost-containment programs (MCCP) costs on claims covered by incepting July 1, 2010 and beyond are considered Allocated Loss Adjustment Expenses (ALAE). The amount of MCCP costs reported as ALAE for 2024 is \$340 million.

*** Based on WCIRB surveys of insurer medical payments.

**** Figures estimated are based on insured employers' costs. Self-insured employers and the State of California are estimated to comprise 35.2 percent of all California workers' compensation claims that translates into a 0.54 multiplier applied to indemnity benefits paid by insured employers.

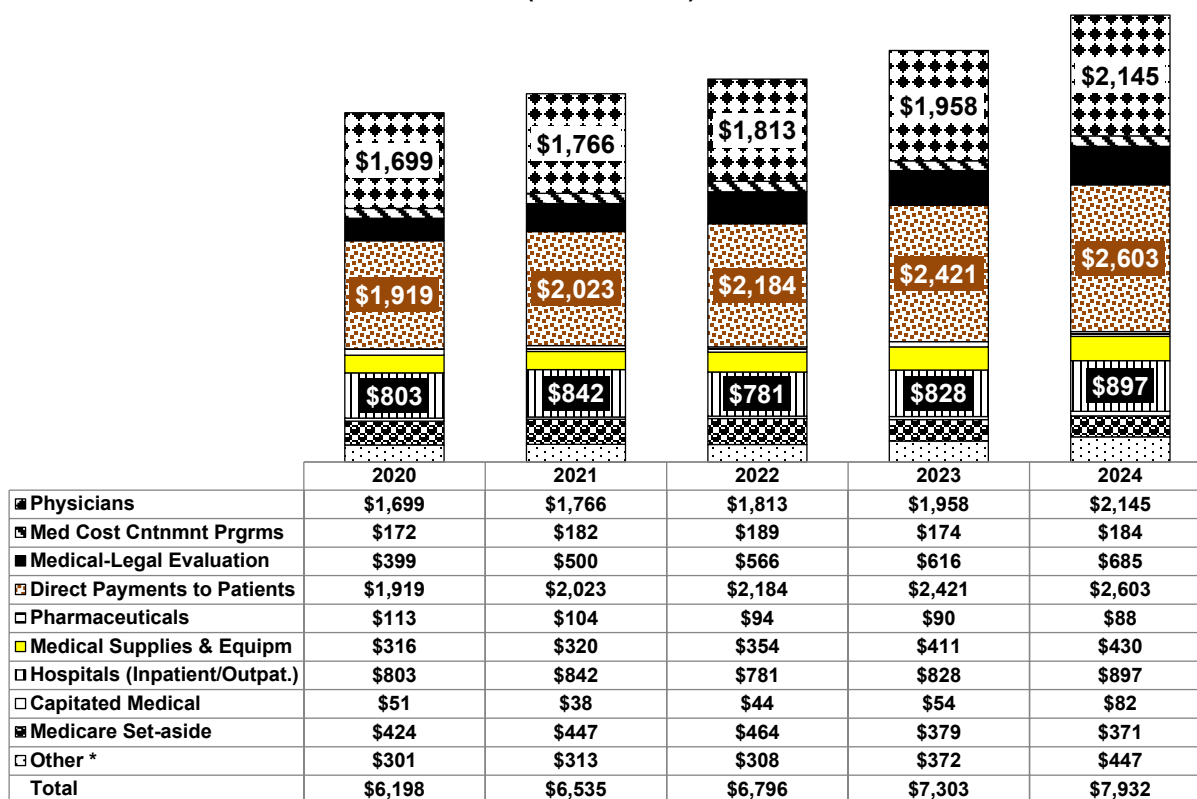
SYSTEM COSTS AND BENEFITS

Trends in Paid Medical Benefits

The estimated systemwide paid medical costs for the past five years are shown in Figure 23. The following trends may result from the impact of SB 863 reforms and from 2020-2021 contractions –the impact of the COVID-19 pandemic economic slowdown which in turn led to decreased premiums and a reduction of claims activity in that year.

The cost of the total medical benefit increased by 28 percent from 2020 to 2024 based on the increase in all types of medical expenses in that period except for pharmacy. Payments to physicians increased by 26 percent from 2020 to 2024. Hospital costs increased overall by 12 percent from 2020 to 2024. Medical supplies and equipment increased by 36 percent from 2020 to 2024. Medical-legal evaluation costs increased by 72 percent from 2020 to 2024, mostly due to the introduction of a new MLFS effective April 1, 2021. Direct payments to patients increased by 36 percent from 2020 to 2024. Expenditures on medical cost-containment programs averaged \$180 million per year from 2020 to 2024, reaching a peak of \$189 million in 2022.⁸² Pharmacy costs steadily decreased by 22 percent from 2020 to 2024 due to key factors such as IMR, reduced spinal surgeries, national trends toward reduced opioid use, changes in federal pricing guidelines for generics, and the new drug formulary.

Figure 23: Workers' Compensation Paid Medical Benefits by Type, Systemwide Estimated Costs (\$ in millions)



* Other includes Medical Liens, Dental, Interpreter Services, and Copy Services.

Source: WCIRB's MDC (Calculations by CHSWC)

⁸² Medical cost-containment program costs on claims covered by policies incepting prior to July 1, 2010, are considered medical loss, and those covered by policies incepting July 1, 2010, and beyond are considered allocated loss adjustment expenses.

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Average Ultimate Total Loss⁸³

Figure 24 shows changes in indemnity and medical components of the projected ultimate total loss per WC indemnity claim from accident year 2014 to accident year 2024.

Beginning with claims incurred on policies incepting on or after July 1, 2010, the cost of medical cost containment programs (MCCP) is reported to the WCIRB as allocated loss adjustment expenses (ALAE) rather than as medical loss.

The WCIRB projected the average cost or “severity” of 2024 claims, excluding COVID-19 claims, to be \$82,479, a 6 percent higher than 2023 and 33 percent above its 2016 level. After 3 years of relatively flat severities, from 2014 to 2017, the projected average indemnity cost started increasing and in 2024, was the highest since 2014.

Recent growth in indemnity claim severities has been in part driven by higher-than-average wage inflation since the beginning of the pandemic. Following a period of steady increase in indemnity severity of cumulative 25 percent from 2016 to 2022, the increase in severity was a flat 1 percent from 2022 to 2023 and 3 percent from 2023 to 2024. The indemnity claim severity in 2024 was 29 percent higher than its 2016 minimum level.

Following a 6 percent decrease in medical severities from 2014 to 2016, driven by medical cost savings arising from SB 863, there was a 37 percent increase from 2016 to 2024, including a 9 percent increase from 2023 to 2024. According to WCIRB, medical severity increases since 2016 have mostly been driven by regular inflationary updates to medical fee schedules adopted by the DWC. The steep increase in medical severity in 2024 was driven by increases across many types of medical services, including physical medicine and rehabilitation services, inpatient care, medical-legal services, interpreter services and home health care. Also, there was a growth in the number of medical transactions per claim and a continued increase in average paid per transaction, partly driven by fee schedule updates.

The projected average ALAE cost, excluding MCCP, has been flat from 2014 to 2019, with an average of \$9,255 per year in that period. It should be noted that, despite the flat average of projected ALAE cost per claim, California's ratio of ALAE to losses was 70 percent higher than the countrywide median. According to WCIRB this was due to California's high proportion of permanent disability claims and cumulative trauma claims, high rates of legal representation on claims, longer duration of claims, and higher costs in Southern California regions.⁸⁴ Following a flat period of ALAE severity from 2014 to 2019, driven by SB 863 and SB 1160 reforms, ALAE severities increased by 40 percent from 2017 to 2024, with almost a 10 percent increase from 2023 to 2024.

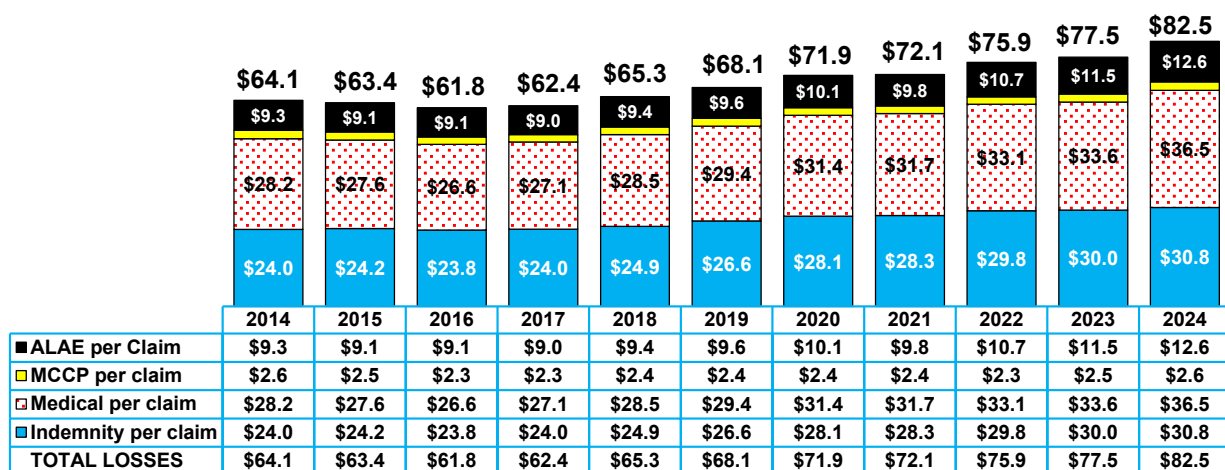
After decreasing by 12 percent from 2014 to 2017, in correspondence with the decline in average medical costs following the SB 863 reforms, the average yearly MCCP costs were flat around \$2,370 per claim from 2018 to 2022. Costs increased by 14 percent from 2022 to 2024 as both the average medical costs and average ALAE (excluding MCCP) increased.

⁸³ WCIRB Quarterly Experience Report as of December 31, 2024, Charts 7–11, https://www.wcirb.com/sites/default/files/2025-05/quarterlyexperiencereport-2024q4_0.pdf.

⁸⁴ WCIRB 2023 State of the System Report, https://www.wcirb.com/sites/default/files/documents/wcirb_2023_state_of_the_system.pdf.

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Figure 24: Projected Ultimate Total Loss and ALAE per Indemnity Claim as of December 31, 2024 (Thousand \$)



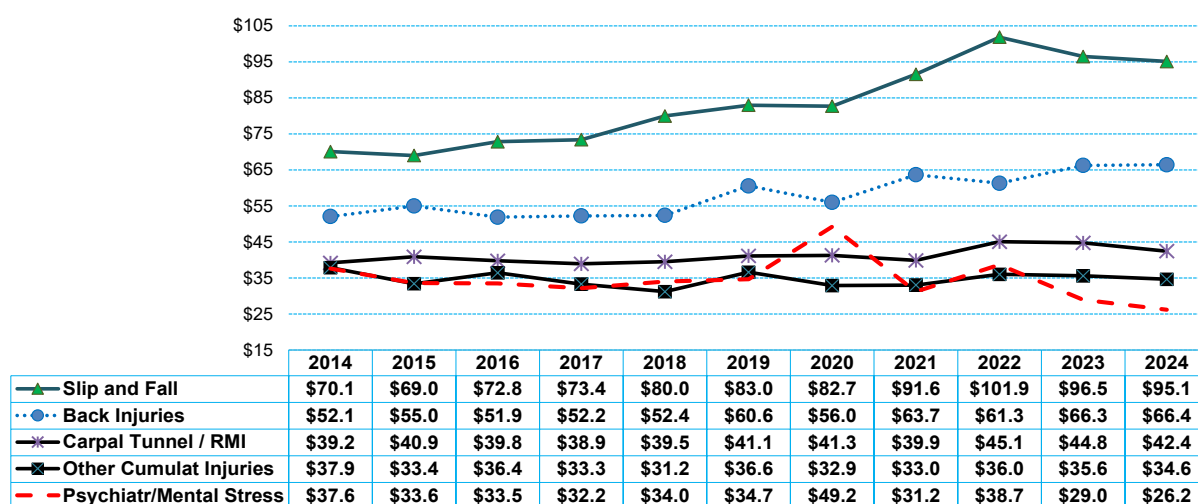
Data Source: WCIRB

Please note that the WCIRB's estimates of average indemnity claim costs have not been indexed to take into account wage increases and medical inflation.

Average Cost per Permanent Disability Claim by Type of Injury

Figure 25 shows the average medical and indemnity costs of permanent disability claims. The average cost of the most expensive type of injury, the slip and fall decreased slightly from 2014 to 2015 and then increased overall by 48 percent from 2015 to 2022, before decreasing by 7 percent from 2022 to 2024. The average cost of back injuries fluctuated between \$52,000 and \$55,000 from 2014 to 2018, increased by 16 percent from 2018 to 2019, and then fluctuated in increasing trend between 2019 and 2024, reaching its peak of \$66,400 in 2024. The average cost of carpal tunnel (RMI) stabilized at around \$40,000 per year from 2014 to 2021 and then increased by 13 percent from 2021 to 2022 before decreasing by 6 percent from 2022 to 2024. The average cost of psychiatric and mental stress claims was mostly around \$34,000 per year from 2013 to 2019, increased by 45 percent to \$49,200 from 2019 to 2020, and then decreased overall by 47 percent from 2020 to 2024 to its lowest point of \$26,200 since 2014. The average cost of other cumulative injuries went up and down between \$31,000 and \$37,900 from 2014 to 2024.

Figure 25: Average Cost per PD Claim by Type of Injury, 2014 - 2024 (Thousand \$)



Source: WCIRB

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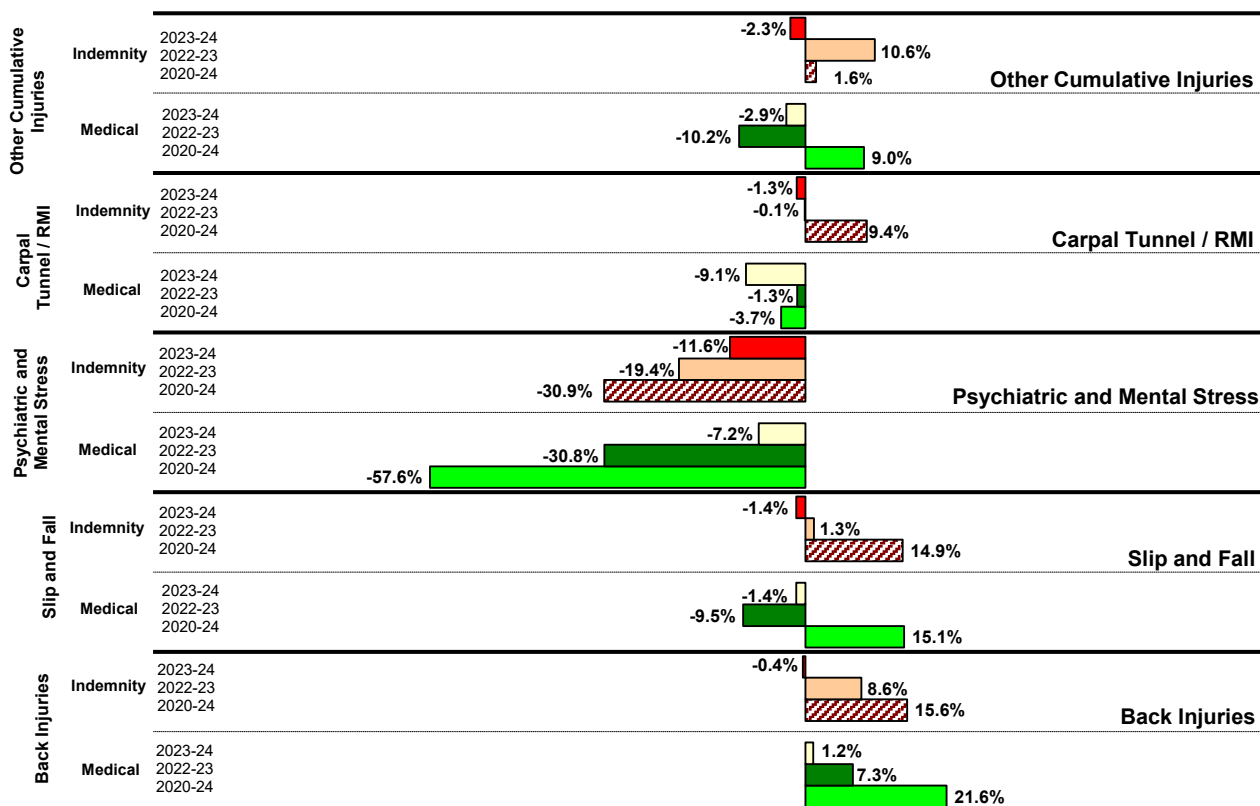
Changes in Average Medical and Indemnity Costs per Claim by Type of Injury

Figure 26 illustrates short-term and 5-years long changes in the average medical and indemnity costs for selected types of injury. The 5-year trend from 2020 to 2024 shows increases in medical costs for back injuries (21.6 percent), slip and fall (15.1 percent), and other cumulative injuries (9 percent), while psychiatric and mental stress illnesses and other cumulative injuries showed a 57.6 percent and 3.7 percent decreases respectively during the same period. Back injuries showed the highest 5-year increase in average medical costs. The same 5-year trend for indemnity costs showed increases in indemnity costs for all types of injury except for psychiatric and mental stress illnesses (-30.9 percent), with the highest increase of 15.6 percent for back injuries.

From 2022 to 2023, medical costs increased for back injuries (7.3 percent) only, while psychiatric and mental stress illnesses (-30.8 percent), other cumulative injuries (-10.2 percent), slip and fall injuries (-9.5 percent), and carpal tunnel/RMI (-1.3 percent) experienced decreases during the same period. The indemnity costs in the same period, increased for other cumulative injuries (10.6 percent), back injuries (8.6 percent), and slip and falls (1.3 percent), while psychiatric and mental stress illnesses (-19.4 percent) and carpal tunnel/RMI (-0.1 percent) experienced decreases during the same period.

From 2023 to 2024, medical costs increased by 1.2 percent for back injuries. Other four injuries experienced a decrease in average medical costs. In the same year, all types of injury showed a decrease in the indemnity costs with the highest decrease of 11.6 percent for psychiatric and mental stress illnesses.

Figure 26: Percent Change in Average Medical and Indemnity Costs per Claim by Type of Injury (From 2020 through 2024, from 2022 to 2023, and from 2023 to 2024)



Data Source: WCIRB

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Cumulative Trauma Claims

According to Labor Code Section 3208.1, an injury may be either specific or cumulative. A specific injury is one that takes place as the result of a single incident or exposure. A cumulative injury results from repetitive trauma (mental or physical) over a period of time.⁸⁵ The information below describe select trends in cumulative injuries. Additional information on cumulative trauma (CT) claims can be found in a 2018 WCIRB report focused on CT claims, including CT claim costs and in its annual State of the System report, both of which demonstrate the following findings (as of today there were no cost updates since 2018)⁸⁶:

- Between 12 percent and 24 percent of all newly filed indemnity claims are CT claims.
- All recent CT claim growth is in the Los Angeles and San Diego regions, which now generate 75 percent of CT claims but only 50 percent of other claims.
- CT claim growth in Southern California is concentrated in lower wage workers.
- Recent CT claim growth is spread across many industries in the Los Angeles region, though the Clerical, Finance and Insurance, Manufacturing, Hospitality, and Professional Services sectors have experienced the most significant growth rates. The “white collar” industries tend to have higher CT claim rates.
- Recently, CT claim shares have increased across all industry groups. The largest increase was in Wholesale, where the share of CT claims is now above the statewide average after being the lowest in 2021.
- About 40 percent of recent CT claims are filed after the employee is terminated, about three-quarters are initially denied in part or in whole, and about one-quarter also involve an accompanying specific injury claim.
- CT loss payouts are much slower than those for specific injury claims and on average ultimate costs for CT claims are higher than those for specific injury claims.
- CT claims involve more frictional costs and incur significantly more medical-legal evaluations, lien payments, and litigation costs than other types of claims, particularly at early and mid-maturity levels.
- CT claims stay open longer than other claims, but claim settlement rates have accelerated across all claim types.

According to WCIRB, increase in CT injury is contributing to higher overall claim frequency in California, which differs from the declines experienced in other states. CT claims also tend to have higher allocated loss adjustment expense (ALAE) costs that is an indicator of increased litigation across the state.

Cumulative Trauma Claim Counts

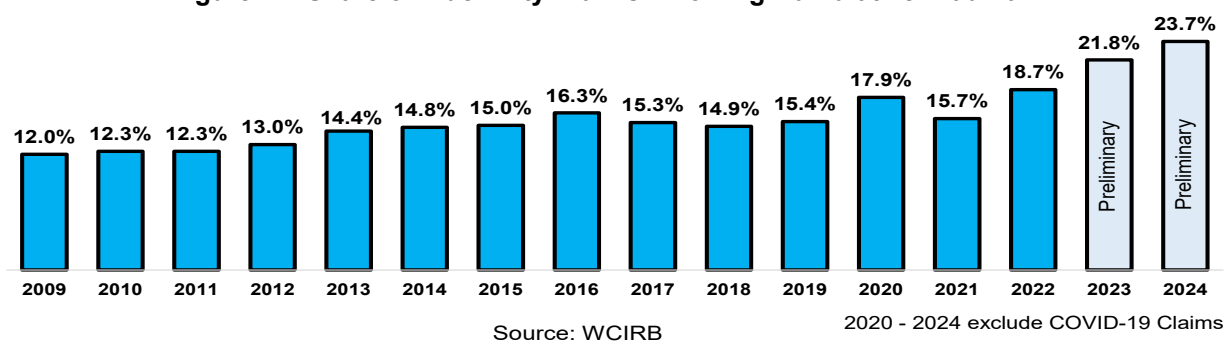
Figure 27 shows that the share of indemnity claims that involve CT injury increased modestly from 2009 to 2019. Following the pandemic-related volatility in 2020 and 2021, CT claim rates accelerated sharply from 2022 through 2024. The estimated proportion of CT claims in 2024 of 23.7 percent is the highest during the period shown and nearly double the rate from 15 years ago in 2009.

⁸⁵ Labor Code Section 3208.1, p. 9, <https://www.dir.ca.gov/dwc/medicalunit/toc.pdf>

⁸⁶ WCIRB’s The World of Cumulative Trauma Claims Report, October 2018. https://www.wcirb.com/sites/default/files/documents/the_world_of_cumulative_traum_claims_study_102018.pdf and WCIRB 2025 State of the System Report, Charts 10-13, The link will be added when posted on WCIRB website.

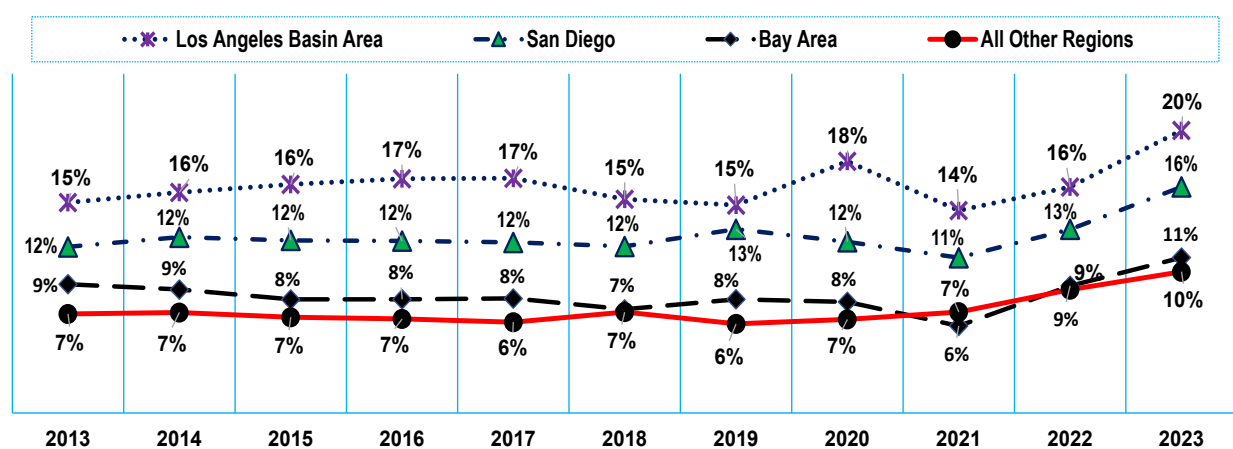
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Figure 27: Share of Indemnity Claims Involving Cumulative Trauma⁸⁷



As seen in Figure 28, CT claim rates differ significantly by region. Most of the recent growth in CT claims through 2023 has been in the Los Angeles and San Diego regions. The recent sharp increases in CT claims in the preliminary accident year 2023 appears to be similar across most regions of the state.

Figure 28: Percent of Cumulative Trauma Indemnity Claims by Region⁸⁸



Cumulative Trauma Claim Costs

According to WCIRB, the CT loss payouts are much slower than for specific injury claims and on average ultimate costs for CT claims are higher than for specific injury claims. It takes over seven years for CT claims to be 98 percent reported or 3 times as long as for specific injury claims. The CT claims incur significantly more friction costs than other types of claims, are more likely to involve psychiatric or mental stress components and are often associated with permanent disability. CT claims with multiple body parts reported and only some body parts accepted are the costliest of CT claims and tend to stay open the longest.

The last update on costs, incurred and paid median dollar amounts per CT claim, was in 2018.⁸⁹

⁸⁷ WCIRB 2025 State of the System Report, Chart 10, The link will be added when posted on WCIRB website.

⁸⁸ Ibid., Chart 12.

⁸⁹ WCIRB's The World of Cumulative Trauma Claims Report, October 2018.

https://www.wcirb.com/sites/default/files/documents/the_world_of_cumulative_traum_claims_study_102018.pdf

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Medical-Legal Expenses

This section contains estimated California WC medical-legal costs for 2024, which is the third year with complete annual data under the new 2021 Official Medical-Legal Fee Schedule (MLFS). The new Medical-Legal Fee Schedule (MLFS) adopted by the Administrative Director in 2021 was effective for medical-legal payments for dates of service on or after April 1, 2021. For 2021, the information regarding the medical-legal costs reflects only three quarters (April 1 to December 31) of the latest changes in the MLFS. Due to this change, the historical medical-legal data for services prior to April 1, 2021 are not directly comparable to the data emerging under the new fee schedule.

In California's WC system, the medical-legal evaluations result in medical-legal reports addressing specific medical and legal questions based on review of all the medical information concerning a work-related injury. The medical-legal examinations do not provide any medical treatment and the medical treatment-related evaluations for resolving disputes are outside the scope of medical-legal services. A medical-legal report is conducted to determine multiple compensability and disability threshold issues:

- Worker's eligibility for benefits: Arising out of Employment (AOE)/Course of Employment (COE).
- Permanent and stationary status of injured worker.
- Existence and extent of permanent and temporary disabilities.
- Apportionment.
- Ability to return to work.
- Injured worker's ability to engage in his/her usual occupation.
- Need for future medical treatment in cases settled by Compromise and Release.

Status of DWC's Implementation of the Medical-Legal Fee Schedule (MLFS)⁹⁰

On April 1, 2021, DWC implemented a new MLFS. The goal of the implementation of the new MLFS was to grant a cost-of-living increase in fees for Qualified Medical Evaluators (QME) and to possibly attract more physicians into the ranks of QME. The last time the MLFS was updated was in 2006.

On February 26, 2024, the Division of Workers' Compensation (DWC) received final approval from the Office of Administrative Law for adoption of the rulemaking package entitled "QME Process Regulations", amending 15 regulations and repealing two.

The amendments were necessary to bring existing regulations into compliance with the Labor Code and to clarify the Administrative Director's authority with respect to the process related to appointment and reappointment of QMEs.

The changes to the regulations include:

- Clarification of regulatory definitions to conform to changes made by Senate Bill 863, recent changes made to the Medical Legal Fee Schedule, and the addition of electronic service of documents.
- Provisions prohibiting false information on applications and reapplications for appointment as a QME.
- Provisions conforming amended regulations with proper gender pronouns.
- Revisions decreasing the number of hours necessary for initial qualification of chiropractors as QMEs;
- Revisions increasing continuing education requirements and adding anti-bias training for QMEs.

⁹⁰ Information on the Status of DWC's Implementation of the MLFS was provided by DWC.

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- Provisions requiring a QME to be in compliance with all Administrative Director's regulations in order to be reappointed as a QME.
- Provisions implementing the existing discretionary authority of the Administrative Director pursuant to Labor Code section 139.2.
- Provisions clarifying the use of probation as a disciplinary sanction and allowing the Administrative Director to designate hearing officers for adjudication of disputes regarding QME appointment and reappointment applications.
- Clerical provisions relating to the regulation on QME unavailability.
- Provisions repealing regulations related to administration of disputes regarding the Supplemental Job Displacement Benefit.

The adoption of these regulations remove ambiguity from the administration of the QME program, with the goal of improving the overall functioning of the administration of the QME program.

For additional information, see the June 27, 2024 report of the California Workers' Compensation Institute (CWCI) with updated analysis of the Medical Legal Fee Schedule adopted by DWC on April 1, 2021.⁹¹

Medical-Legal Fee Schedule

Medical-Legal Fee Schedule Regulations Effective April 1, 2021

The MLFS adopted by the Administrative Director in 2021 increases the payments per medical-legal evaluation for dates of service on or after April 1, 2021. Table 8 shows the costs and description from 2021 MLFS.

Table 8: Medical-Legal Evaluation Costs for Dates of Service on or After April 1, 2021

New Evaluation Type	Description and Amounts Presumed Reasonable
ML-200 Missed Appointment for a Comprehensive or Follow-Up Medical-Legal Evaluation	Flat fee of \$503.75
ML-201 Comprehensive Medical-Legal Evaluation	Flat fee of \$2,015 with the addition of an excess medical records review fee
ML-202 Follow-Up Medical-Legal Evaluation	Flat fee of \$1,316.25 with the addition of an excess medical records review fee
ML-203 Fees for Supplemental Medical-Legal Evaluations	Flat fee of \$650 with the addition of an excess medical records review fee (not previously reviewed records only)
ML-204 Fees for Medical-Legal Testimony	\$455.00 per hour including travel time
ML-205 Fees for review of Sub Rosa Recordings	\$325.00 per hour
ML-206 Unreimbursed Supplemental Medical-Legal Evaluations	The code is designed for communication purposes only when a supplemental report is provided to account for deficiencies in prior reporting by the physician. This code does not indicate that compensation is due for the service.
ML-PRR Record Review	A billing code used to identify charges for review of records in excess of pages included in medical-legal numerical billing codes.

⁹¹ "Increased Medical-Legal Costs and Current QME Supply – Impact of the 2021 Medical-Legal Fee Schedule."
https://www.cwci.org/press_release.html?id=1015.

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The payments for services described by procedure codes ML 201–ML 203 may be modified using four old and three new modifiers that can further increase the cost of evaluations. The modifiers are not applicable to the per-page charges. (See Table 11 in 2024 CHSWC Annual Report)⁹².

The reimbursement for 2021 MLFS base codes ML200, ML201, ML202, and ML203 include payment for a reasonable amount of medical record review up to certain page limits after which an MLPRR code applies as shown in Table 9. The purpose of the MLPRR billing code is to provide physicians a way to receive reimbursement for review of records beyond the approved limit. Starting with the excess page the physician may bill \$3 for every page that exceeds the 200-page or 50-page limits.

Table 9: Medical-Legal Per-Page Record Review (MLPRR)

MLFS Evaluation Code	Page Limits for Record Review
ML-200 - Missed Appointment	200 Pages
ML-201 - Comprehensive Medical-Legal Evaluation	200 Pages
ML-202 - Follow-up Medical-Legal Evaluation	200 Pages
ML-203 - Supplemental Medical-Legal Evaluation	50 Pages

Update on Medical-Legal Reports

In the continuing effort to improve medical legal report quality, the Division of Workers' Compensation (DWC) has formalized the process for production of the report quality review mandated by Labor Code §139.2(i). This effort has produced the following benefits:

- The process involves convening committees of system stakeholders to review and evaluate medical-legal reports for strengths, weaknesses, and recommendations for improvement.
- The regulations approved on February 26, 2024 included a provision for physicians applying for reappointment as QMEs to submit two of their medical legal reports for possible review. This broadens the pool of reports that are reviewed by the committees and provides a more accurate picture of report quality.
- Feedback from the committee process allows recommendation of targeted QME education in response to committee findings.

DWC is promoting the use of a California Medical-Legal Quality Assurance Checklist to QMEs as a template for medical-legal reports that was formulated by stakeholders, QMEs and a DWC attorney.

The QME Discipline Unit of the DWC is continuing its regular functions of overseeing certification, recertification, investigation of complaints and discipline of Qualified Medical Evaluators. These endeavors have been significantly improved by the real time application of the Process Regulations adopted on February 26, 2024. Work has begun on part 2 of the Process Regulations package.

Workers' Compensation Claims with Medical-Legal Expenses

The WCIRB's Medical Data Call (MDC) provides two sets of medical-legal data. The first is for all claims with total and partial disabilities, temporary disabilities, medical only, and denied claims as well. The second set is only for claims with total and permanent partial disability which usually have higher severity and a longer life cycle. Claims reported to MDC include claims with any medical transaction and, for this report, are grouped by the service year of a transaction.

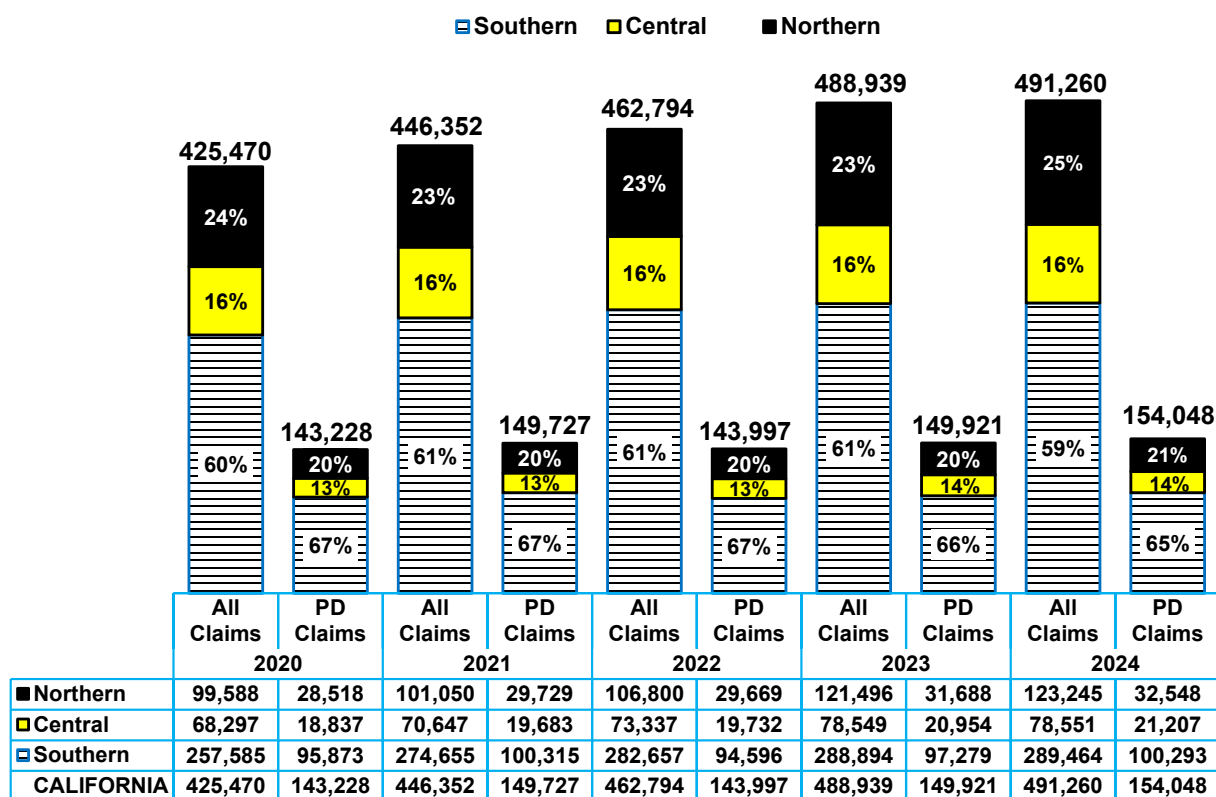
⁹² 2024 CHSWC Annual Report, page 86, <https://www.dir.ca.gov/chswc/AnnualReportpage1.html>.

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Figure 29 shows the number of permanent disability (PD) and all claims originating in three California regions in Service Years (SY) 2020 to 2024. Thirty-four (34) percent of claims statewide in 2020 and 2021, and 31 percent from 2022 to 2024, involved a permanent disability.

When a complete and more consistent medical-legal data became available from 2022, it showed an increase by 15 percent in the number of all claims with medical-legal reports and an overall 8 percent increase in the number of PD claims from 2021 to 2024. Since the claims reported to MDC include claims with any medical transaction it is hard to say if introducing the new MLFS was a factor in these increases in the number of claims. In 2024, around 59 percent of all claims and 65 percent of PD claims originated in Southern California and 25 percent of all claims and 21 percent of PD claims originated in Northern California. Different regions in California have different patterns of medical-legal reporting. Regions with a higher share of WC claims in the system have a bigger impact on both the average number of medical-legal evaluations per claim and the average cost of medical-legal evaluations statewide.

Figure 29: Workers' Compensation Claims, All and with Permanent Disability, by California Regions, SY 2020-SY 2024



Source: WCIRB

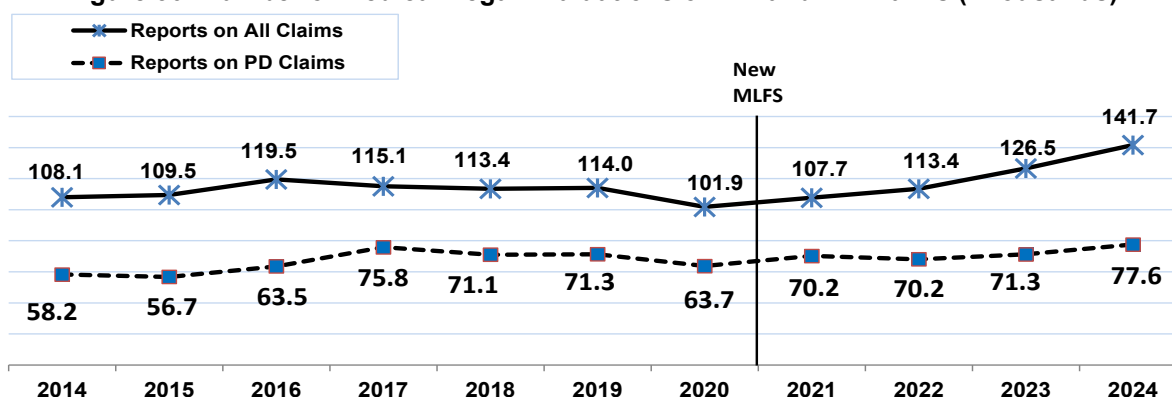
Figure 30 shows the number of medical-legal reports conducted on PD and all claims in California for SY 2014 to SY 2024. In SY 2024, a total of 141,700 medical-legal reports on all claims were issued, of which 55 percent or 77,600 were on PD claims.

In the period between 2014 and 2020, when the old 2006 MLFS was in effect, the number of medical-legal reports on all claims was between 102,000 and 120,000 and the number of medical-legal reports on PD claims was changing between 58,000 and 75,800, accounting for 52-66 percent of reports yearly in that period. From 2021 to 2024, the number of medical-legal reports on all claims increased by 32 percent and the number of medical-legal reports on PD claims increased by 10 percent. The share of medical-legal

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reports conducted on PD claims decreased from 65 percent in 2021 to 55 percent in 2024, as the new MLFS was in its fourth year.

Figure 30: Number of Medical-Legal Evaluations on PD and All Claims (Thousands)

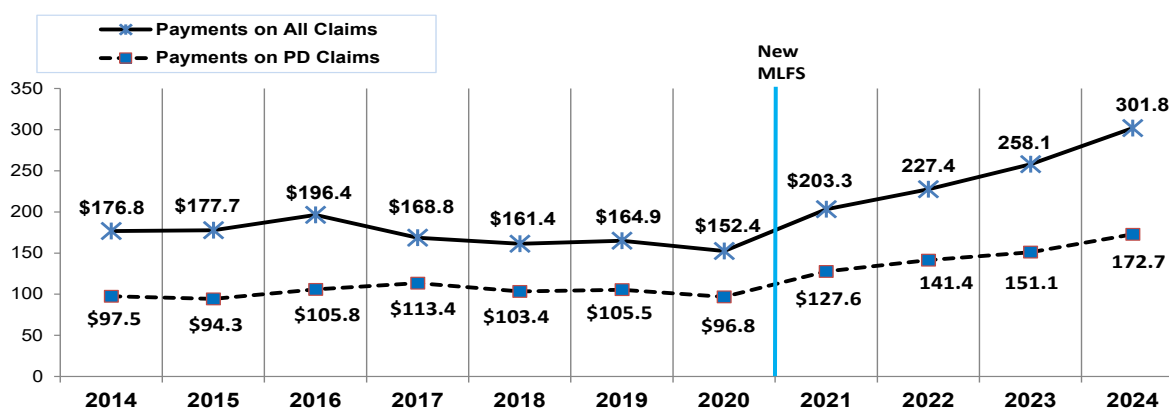


Note: Due to the implementation of the new MLFS effective April 1, 2021, the historical medical-legal data for services prior to April 1, 2021 are not directly comparable to the data emerging under the new fee schedule.

Source: WCIRB

Figure 31 shows statewide medical-legal payments on PD and all claims in California for SY 2014 to SY 2024. In the period between 2014 and 2020, before the introduction of 2021 MLFS, the medical-legal payments on all claims experienced an overall decrease by 22 percent from its peak in SY 2016 to SY 2020. There was a 48 percent increase in medical-legal payments on all claims from 2021 to 2024. The medical-legal payments on PD claims decreased by 15 percent from its peak in 2017 to 2020 and increased by 35 percent from 2021 to 2024. The share of medical-legal payments on PD claims decreased from 63 percent in 2021 to 57 percent in 2024. According to WCIRB, the increase in medical-legal costs was primarily driven by a significantly higher-than-initially-projected increase in the costs for record review and an increased utilization of medical-legal services per claim.

Figure 31: Medical-Legal Payments on PD and All Claims (Million \$)



Source: WCIRB

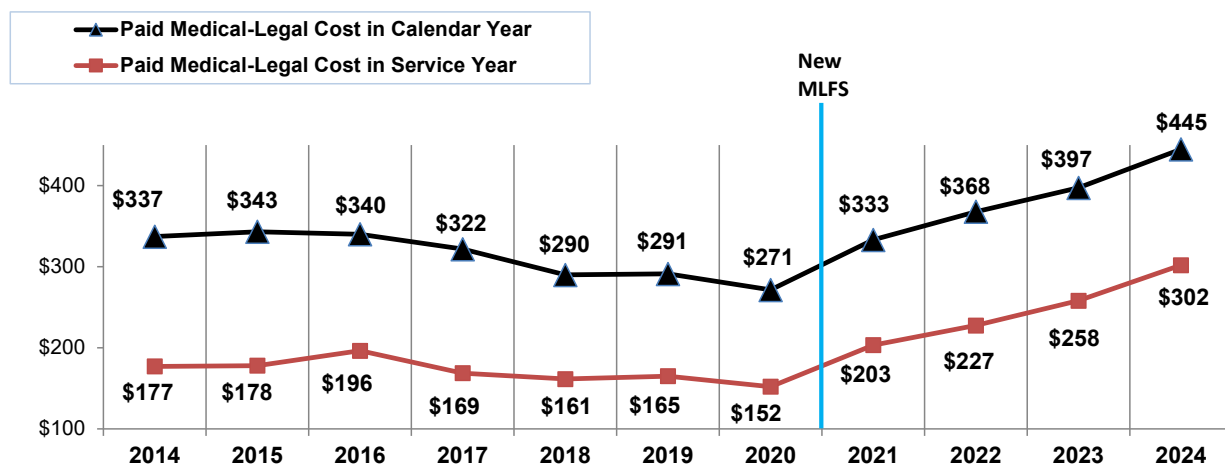
The total medical-legal cost is reported by the WCIRB as a component of the total medical cost. The WCIRB's widely used and referenced Losses and Expenses Report⁹³ has estimates of the "paid medical-legal amount" or amounts paid in a certain calendar year (CY). The WCIRB's MDC, on which the total amounts in Figure 32 are based, covers medical-legal evaluations only for a certain service year. Payments

⁹³ WCIRB, 2024 Losses and Expenses Report, Exhibit 1.1, June 30, 2025, <https://www.wcirb.com/research-and-education/research-studies-and-reports/2024-california-workers%E2%80%99-compensation-losses-and-expenses>.

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reported for a calendar year are for medical-legal services with service dates in different years and therefore cover more services, while payments discussed in this report are limited to services during the same calendar year. Figure 32 shows paid medical-legal amounts in CY 2014 to CY 2024 from the Losses and Expenses Report against the paid medical-legal amounts in SY 2014 to SY 2024 from the current CHSWC report.

Figure 32: WCIRB's Medical-Legal Costs Reported in Calendar vs. Service Years (Million \$)



Source: WCIRB

The total medical-legal expenses could be of different amounts for different organizations and even within the same organization, depending on how the data are collected, the type of reporting year applied (calendar, accident, service, policy, or fiscal), methods of estimation, and on inclusion or exclusion of insured, self-insured, and legally uninsured employers.

The changes in total medical-legal cost for insurers reflect changes in its three components: the number of workers' compensation claims, the average number of medical-legal evaluations per claim, and the average cost of a medical-legal evaluation.

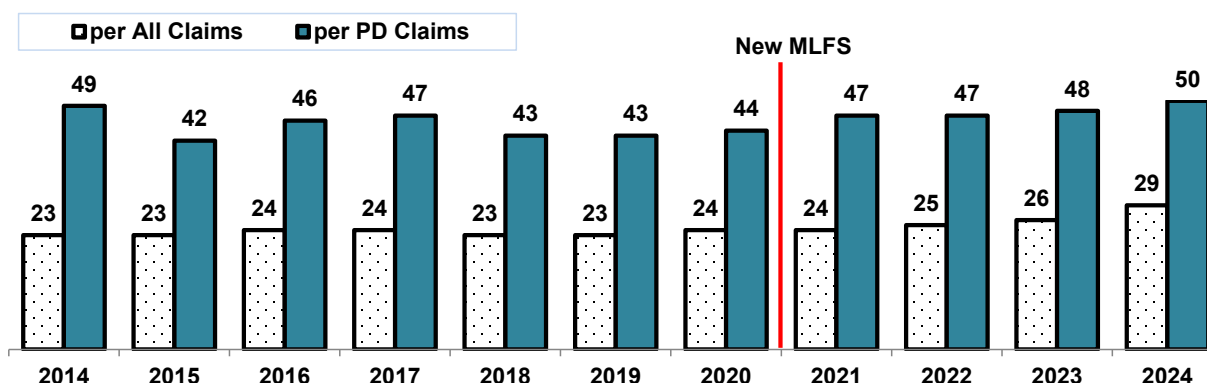
Medical-Legal Evaluations per Claim

Figure 33 shows the frequency of medical-legal reports for all claims and PD claims statewide from SY 2014 to SY 2024. While the average number of medical-legal evaluations per 100 all claims stabilized at 23-24 between the SY 2014 and SY 2020, the same rate for PD claims decreased overall by 10 percent from 49 reports per 100 PD claims in SY 2014 to 43-44 reports per 100 PD claims in the last three years from 2018 to 2020.

The average number of medical-legal evaluations per 100 all claims increased by 21 percent from SY 2021 to SY 2024 and the rate for PD claims increased by 6 percent from 47 reports per 100 PD claims in SY 2021 to 50 reports per 100 PD claims in SY 2024.

SYSTEM COSTS AND BENEFITS

Figure 33: Number of Medical-Legal Evaluations per 100 Workers' Compensation Claims (PD and All) in California



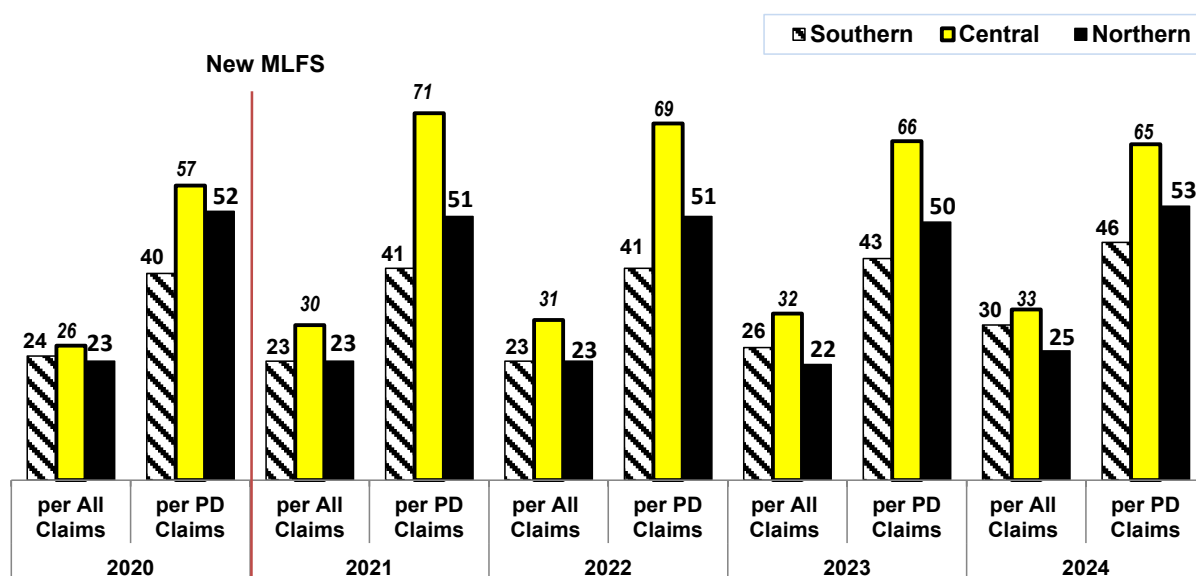
Note: For 2021 estimates, the number of medical-legal evaluations exclude MLPRR transactions.

Source: WCIRB

Medical-Legal Reporting by the California Regions

The different regions in California are thought to have different patterns of medical-legal reporting. Figure 34 shows the frequency of medical-legal reports for all claims and PD claims in three California regions in the last five years from SY 2020 to SY 2024, which is the third year with complete data under the new 2021 MLFS. It will require several additional years under the new MLFS before reliable patterns emerge in the frequency of medical-legal reports for the three California regions. During the pre-MLFS 2021 period, all three California regions showed a similar trend in changes of the average number of medical-legal evaluations per 100 PD claims.

Figure 34: Average Number of Medical-Legal Evaluations per 100 Claims (PD and All), by Region



Source: WCIRB

SYSTEM COSTS AND BENEFITS

Average Cost per Medical-Legal Evaluation

Figure 35 shows both the average cost of a medical-legal evaluation on PD claims and the average cost of a medical-legal evaluation on all claims. Under the old MLFS, the average costs paid on all claims stabilized at \$1,634 from 2014 to 2016 and at \$1,420 to \$1,490 from SY 2017 to SY 2020. The average costs paid on PD claims stabilized at \$1,670 from 2014 to 2016 and at \$1,450 to \$1,520 from SY 2017 to SY 2020.

Starting in April 2021 when the new MLFS became effective, the average paid for medical-legal services per claim has increased significantly, mostly driven by an increase in the average payments per service as the new fee schedule increases the reimbursement allowance for most medical-legal services. In particular, the costs of additional pages (MLPRR) for record review appear to be a driver for the higher average medical-legal payments in 2024. From 2020 to 2021, the average cost paid on all claims increased by 26 percent and the average cost paid on PD claims increased by 20 percent. Under the new MLFS, the average cost paid on all claims and on PD claims increased by 13 percent and 23 percent respectively from 2021 to 2024.

Figure 35: Average Cost of a Medical-Legal Evaluation on All and PD Claims, California

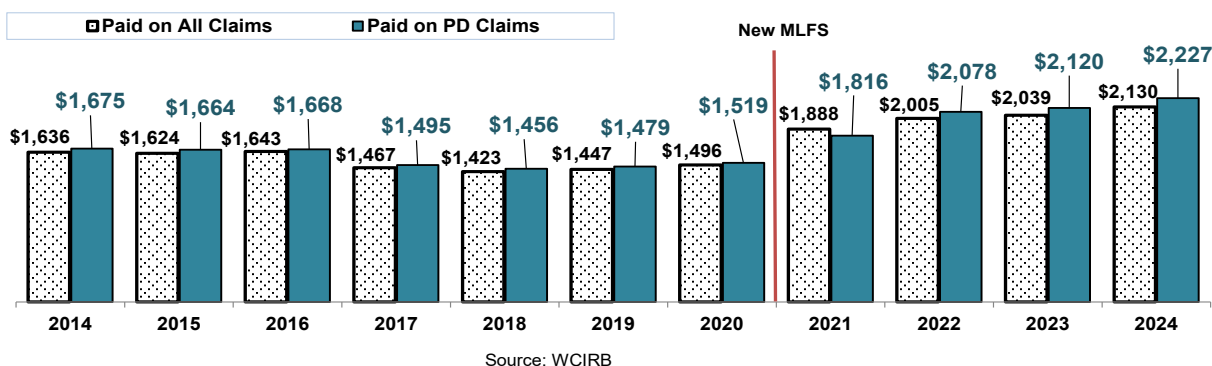
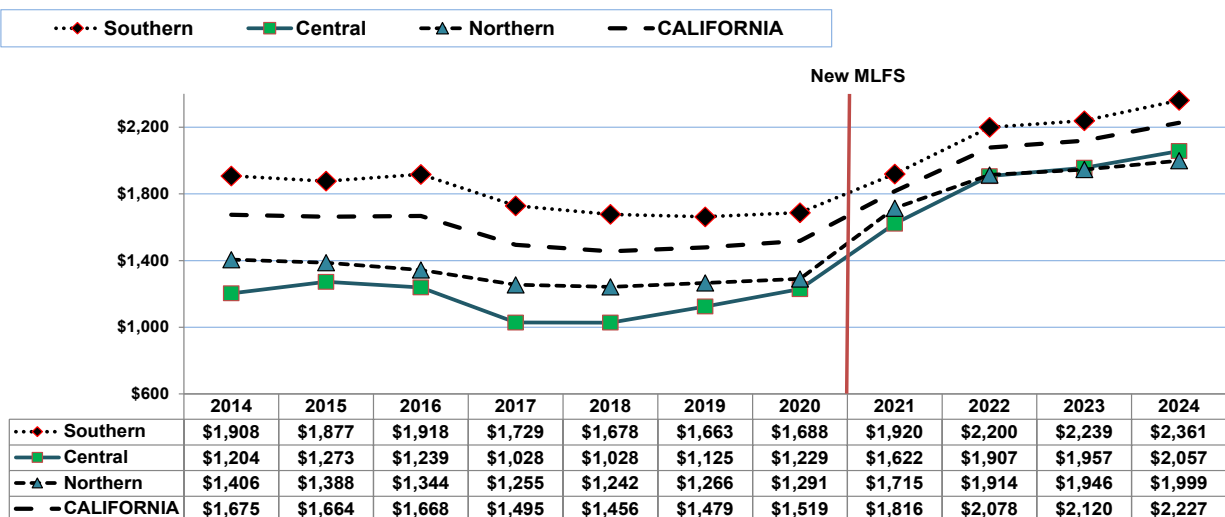


Figure 36 shows the average cost of a medical-legal evaluation on PD claims from 2014 to 2024 in three California regions. SY 2024 is the third year with the complete data under the new 2021 MLFS. It will require several years of data under the new MLFS before the scale and patterns for average medical-legal cost of evaluations on PD claims are observed.

Figure 36: Average Cost of a Medical-Legal Evaluation on PD Claim, by Region



SYSTEM COSTS AND BENEFITS

Trends in both the average number of medical-legal evaluations per claim and the average cost of an evaluation in California are being driven by medical-legal evaluations in Southern California, as seen in Figure 36 and Tables 10 and 11. About 58-60 percent of medical-legal evaluations originated in Southern California in SY 2014 to SY 2024, reflecting the similar share of Southern California in WC claims (see Figure 29). Similarly, a 63 percent share of Southern California in total medical-legal payments under the new MLFS in 2024 position this region as the main cost driver in California in the coming years.

Table 10: Distribution of Medical-Legal Reports on PD Claims by California Regions

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Southern	60%	60%	60%	59%	58%	60%	60%	59%	58%	59%	60%
Central	16%	15%	17%	17%	18%	17%	17%	20%	20%	19%	18%
Northern	24%	25%	23%	24%	24%	23%	23%	21%	22%	22%	22%

Source: WCIRB

Table 11: Regional characteristics of medical-legal activities, 2024

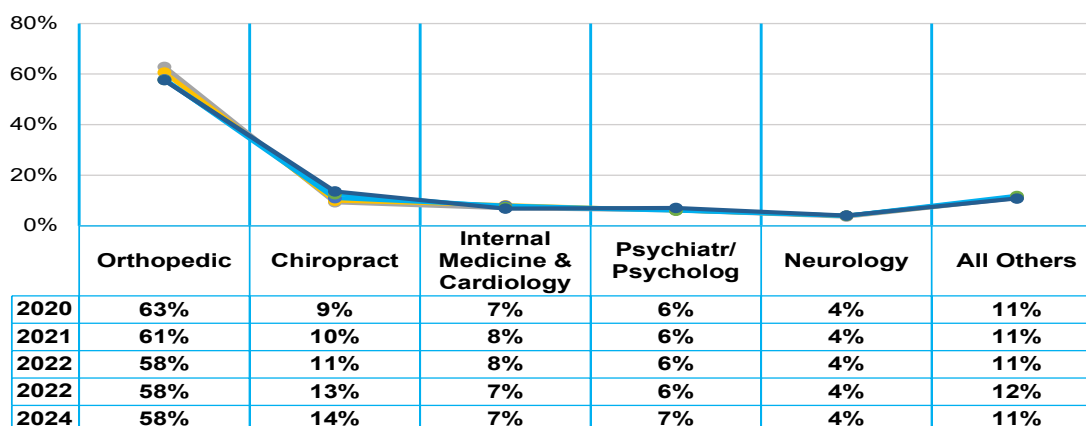
	Share of region in Total ML Payments	Share of region in Total ML Evaluations/Transactions	Share of ML Evaluations on PD Claims	Share of MLPRR (Per Page Record Review) payments	Share of ML-201 (Comprehensive Report) payments	Avg Cost of ML-201 Comprehensive Report
Southern	63%	60%	55%	26%	50%	\$2,377
Central	17%	18.5%	53%	25%	53%	\$2,278
Northern	20%	21.5%	57%	24%	48%	\$2,351

Source: WCIRB

Potential Medical-Legal Cost Drivers

Physicians specializing in orthopedic specialty provided 58 percent of the medical-legal services during 2024, while chiropractors, internal medicine, and psychiatrists/psychologists were providing from 6 to 14 percent of services each in 2024.

Figure 37: Distribution of Medical-Legal Evaluations by Type of Providers, 2020-2024

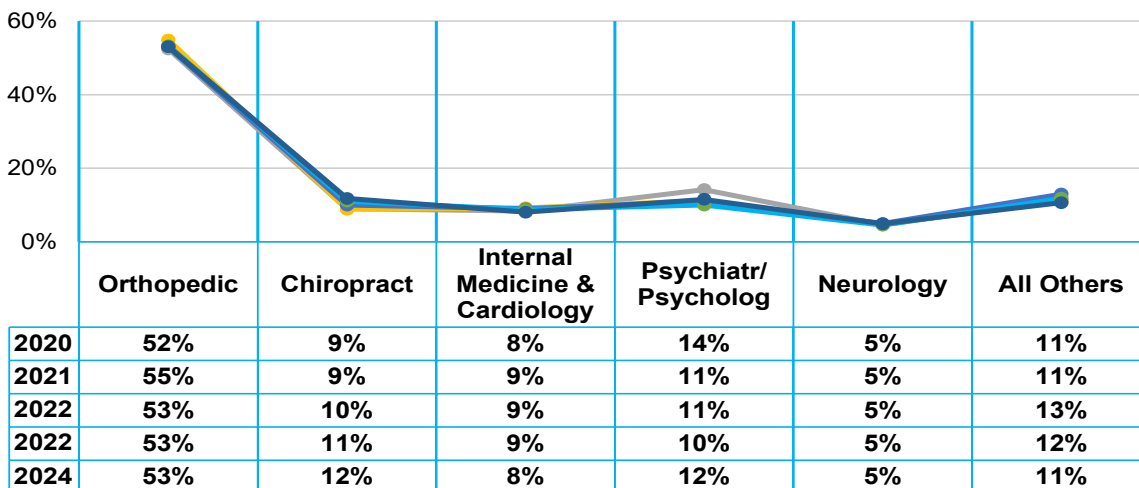


Data Source: WCIRB

SYSTEM COSTS AND BENEFITS

Figure 38 shows that while 7 percent of all medical-legal evaluations were performed by psychiatric/psychological providers in 2024, those evaluations comprised 12 percent of total medical-legal paid amounts.

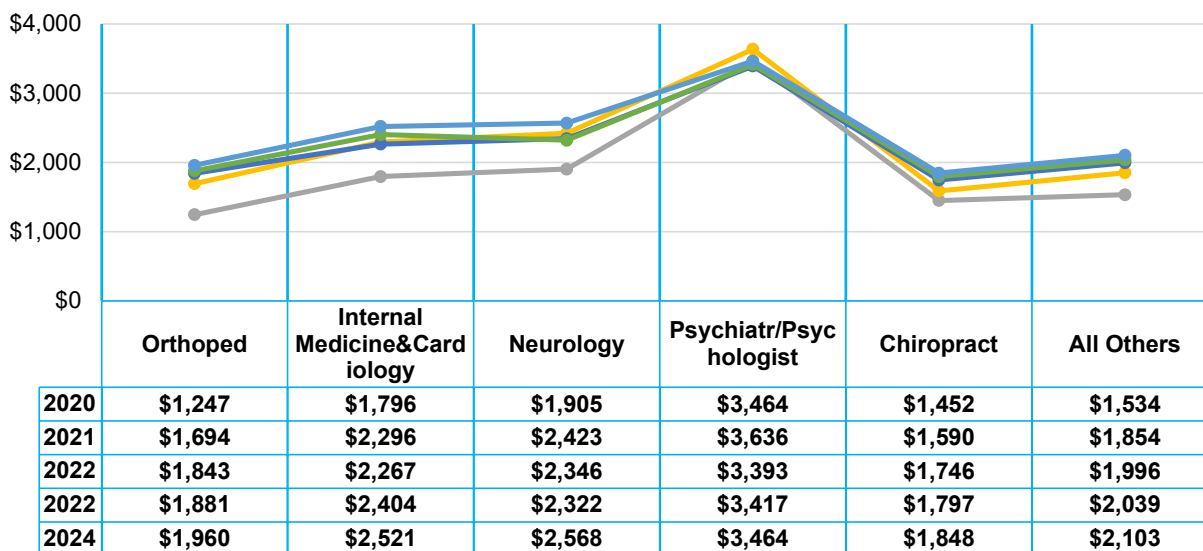
Figure 38: Distribution of Medical-Legal Payments by Type of Providers, 2020-2024



Data Source: WCIRB

Figure 39 shows the average cost of a medical-legal evaluation by types of providers. The historical data showed that the differing trends in the average cost per evaluation and the increase in frequency of medical-legal evaluations in California could be explained by both the frequency and the cost of psychiatric and psychological/behavioral evaluations per claim. Increasing payments for psychiatric evaluations is one of the main goals of the new MLFS 2021.

Figure 39: Average Cost of a Medical-Legal Evaluation by Type of Providers, SY 2020- SY 2024



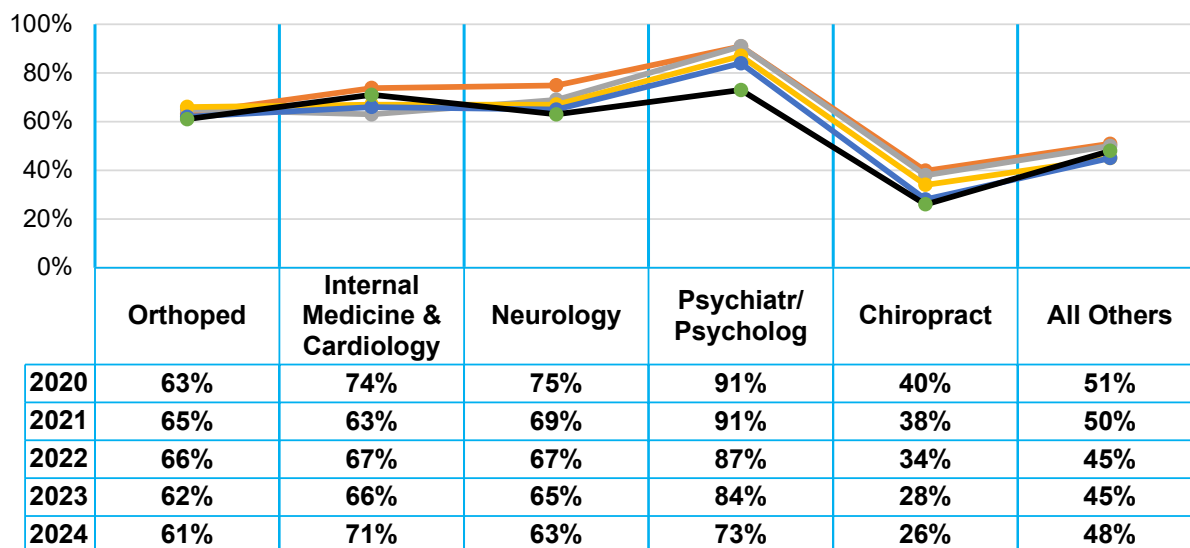
Note: From 2021, the Medical-Legal Per-Page Record Review (MLPRR) Payments are included in the estimates of the average cost.

Data Source: WCIRB

SYSTEM COSTS AND BENEFITS

As Figure 29 showed, about 60-63 percent of all medical-legal evaluations were conducted for reports on PD claims that are more expensive and take longer time to close. Figure 40 shows that the share of medical-legal evaluations on PD claims performed by psychiatrists/psychologists, internal medicine and cardiology, and neurologists are higher compared to the average share of reports for PD claims. About 73 percent of reports performed by psychiatrists/psychologists in 2024 were performed for PD claims. Generally, all types of providers, excluding the internal medicine and cardiology specialties, showed a decrease in the share of reports on PD claims from 2020 to 2024.

Figure 40: Share of Medical-Legal Evaluations on PD Claims in Total Medical-Legal Evaluations by Provider Type, 2020-2024



Data Source: WCIRB

Table 12 shows that the medical-legal reports involving the per-page record reviews (PRR) add an average \$1,739 each. When included in the count of reports in order to estimate the impact of MLPRR on the total cost of medical-legal evaluations, the reports with MLPRR account for 25.5 percent of the total count and 28 percent of the total medical-legal cost. In 2024, MLPRR accounted for almost 84.5 million out of \$301.8.0 million billed for all 2024 MLFS procedure codes. According to the WC bill review specialists, when both the defense and applicant attorneys provide multiple-page documents, often with duplicative and irrelevant pages, the average Medical-Legal bill on which MLPRR was reported includes about 1,100 pages of records reviewed. Therefore, QMEs and AMEs receive many more pages of medical records to review than the pages allowed by the 2021 MLFS evaluation codes.

In cases with hundreds or even thousands of pages of records, it is important to carefully consider what records are sent for review. The best scenario would be when the defendants and applicant attorneys agree on what records to submit, submit only those records relevant to specific medical-legal issues, and avoid submitting duplicate records. Following these requirements would decrease costs for the defendants.

According to WCIRB's data presented in this report, the \$84.5.0 million billed for MLPRR in 2024 represent about 28.2 million pages of additional medical records above the 200-page or 50-page limits reviewed per case.

When extrapolated to the statewide cost, including the self-insured and state of California sectors, the number attests to a conclusion that the multiple-page records are driving the higher costs of medical-legal evaluations.

SYSTEM COSTS AND BENEFITS

Table 12: Characteristics of Medical-Legal Per-Page Record Reviews (MLPRR), 2024

	Average cost	Share in Med-Leg Reps/ Transactions	Share in Med-Leg Payments	Share of PD claims w. MLPRR
ML-PRR Per-Page Record Review* \$3.00/page	\$1,739**	25.5%***	28%	61%

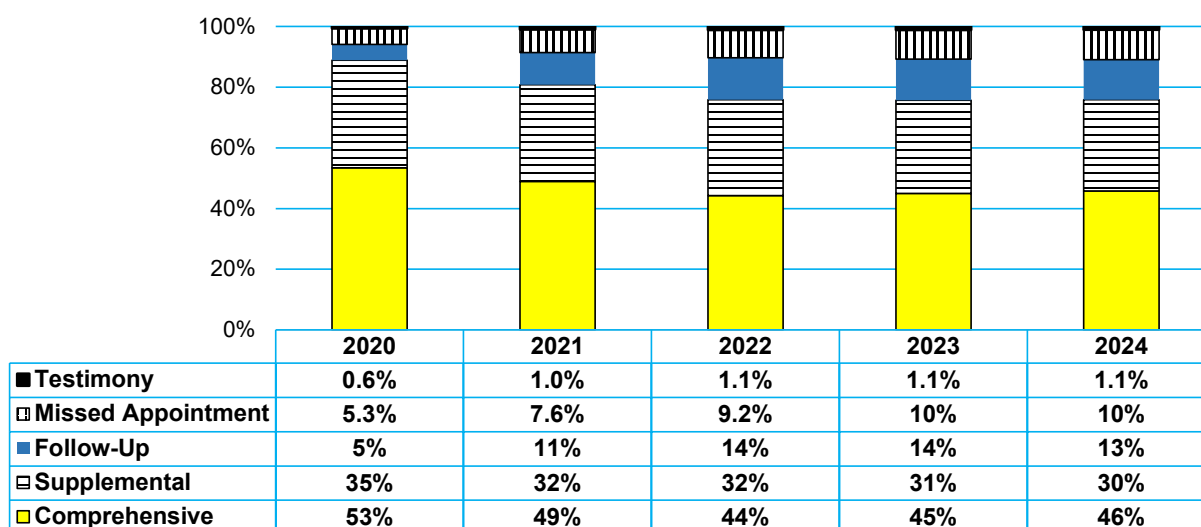
* MLPRR activity doesn't create a distinctive separate report for the reason of MLPRR being paid on existing comprehensive, follow-up, and supplemental reports that involve a review of extra/excess pages.

** Average Cost of MLPRR in excess of the cost of ML-200, MI-201, ML-202 and ML-203 evaluations involving a review of extra/excess pages.

***Represents MLPRR transactions that are in excess of the page limits on document review for ML-200, MI-201, ML-202 and ML-203 reports.

As Table 8 shows, the new MLFS replaced three levels of service in the old MLFS, such as M-102 basic, ML-103 complex and ML-104 extraordinary evaluations with a single comprehensive evaluation coded ML-201, for which QMEs and AMEs are paid a single \$2,015 flat fee, plus \$3 per page, for record reviews exceeding 200 pages (MLPRR), and time-based payments for sub-rosa video reviews (ML-205). Using this crosswalk between the old and new procedure codes for comparability with previous years, Figure 41 shows the distribution of medical-legal evaluations and Figure 42 – the distribution of medical-legal payments by type of MLFS procedures. Figure 41 shows that while the share of comprehensive reports declined by 7 percentage points from 2020 to 2024 and the share of supplemental reports declined by 5 percentage points in the same period, the shares of follow-up reports and missed appointments increased overall from 2020 to 2024.

Figure 41: Distribution of Medical-Legal Evaluations by MLFS Procedure Type



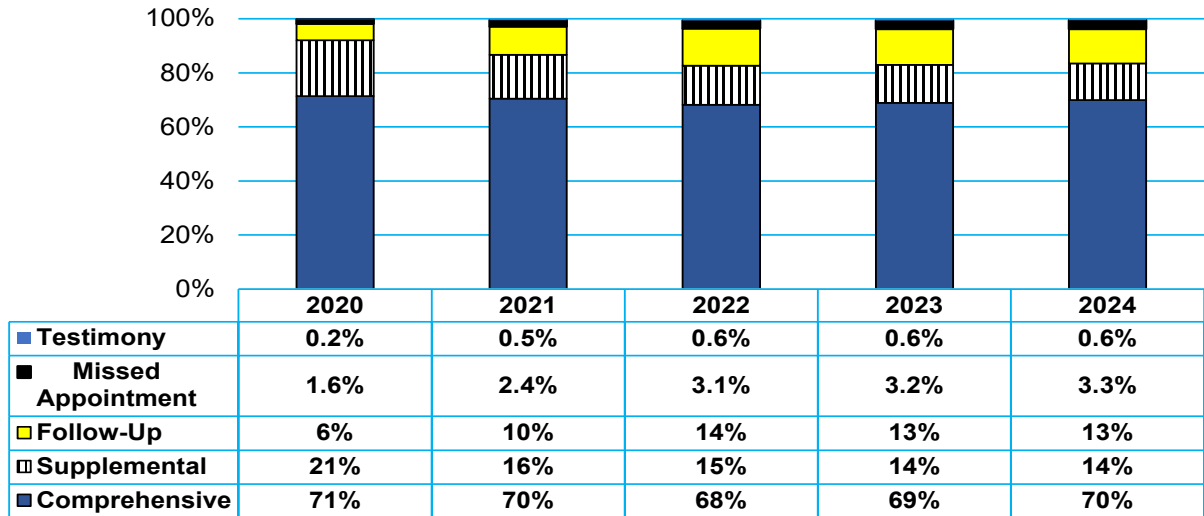
Note: For comparability purposes, the Comprehensive Evaluation adopted in new 2021 MLFS maps to the old 2006 MLFS procedure codes ML-102 Basic, ML-103 Complex and ML 104 Extraordinary.

Data Source: WCIRB

Figure 42 shows that in 2024, 97 percent of all medical-legal payments were done for preparation of the main medical-legal reports, such as comprehensive (70 percent), follow-up (13 percent), and supplemental (14 percent), with testimonies and missed appointments comprising a mere 4 percent of all payments.

SYSTEM COSTS AND BENEFITS

Figure 42: Distribution of Medical-Legal Payments by MLFS Procedure Type



Note: For comparability between the old and new MLFS data the Medical-Legal Per-Page Record Review (MLPRR) and Sub Rosa Payments are excluded from the estimates.

Data Source: WCIRB

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

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WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

INTRODUCTION

The Commission on Health and Safety and Workers' Compensation (CHSWC) examines the overall performance of the health and safety and workers' compensation (WC) systems to determine whether they meet the State of California's constitutional objective to "accomplish substantial justice in all cases expeditiously, inexpensively, and without encumbrance of any character."

In this section, CHSWC provides performance measures to assist in evaluating the system's impact on everyone participating in the WC system, particularly workers and employers. As the organizational chart on page 6 shows the main administrative body regulating and monitoring the WC system, the Division of Workers' Compensation (DWC), is housed within the California Department of Industrial Relations (DIR). DIR administers and enforces laws governing wages, hours and breaks, overtime, retaliation, workplace safety and health, apprenticeship training programs, and medical care and other benefits for injured workers.⁹⁴ DWC monitors the administration of WC claims and provides administrative and judicial services to assist in resolving disputes that arise in connection with claims for WC benefits.⁹⁵

Through studies and comments from the community, as well as administrative data, CHSWC has compiled the following information pertaining to the performance of California's systems for health and safety and WC. Explanations of the data are included with the figures and tables.

Workers' Compensation Appeals Board (WCAB) Workload

- DWC Opening Documents
- DWC Hearings
- DWC Decisions
- DWC Lien Filings and Decisions

DWC Audit and Enforcement Program

DWC Medical Unit (MU)

DWC Disability Evaluation Unit

DWC Medical Provider Networks and Health Care Organizations

DWC Information and Assistance Unit

DWC Information Service Center

DWC Return-to-Work Supplement Program (RTWSP)

DWC Uninsured Employers Benefits Trust Fund

DWC Subsequent Injuries Benefits Trust Fund

DWC Adjudication Simplification Efforts

- DWC Information System (WCIS)
- DWC Electronic Adjudication Management System (EAMS)
- Carve-outs: Alternative Workers' Compensation Systems

Division of Labor Standards Enforcement (DLSE)

- DLSE Bureau of Field Enforcement
- DLSE Registration Services-Janitorial Services

Anti-Fraud Efforts

⁹⁴ DIR homepage, <https://www.dir.ca.gov/aboutdir.html>.

⁹⁵ DWC homepage, https://www.dir.ca.gov/dwc/dwc_home_page.htm.

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

WCAB DISTRICT OFFICES WORKLOAD

At DWC's 23 district offices and satellites located throughout California, employers, injured workers, and others receive judicial services that assist in the resolution of disputes from WC claims. The local district offices are a major part of the WC court system, where judges make decisions about cases. These offices are called WCABs as their activities are regulated by a Workers' Compensation Appeals Board (WCAB), a seven-member, judicial body appointed by the Governor and confirmed by the Senate.⁹⁶ In this context, the WCAB workload does not include a WCAB review of formal appeals of decisions made by district WCAB judges, and it does not include case law decisions by the seven-member WCAB.

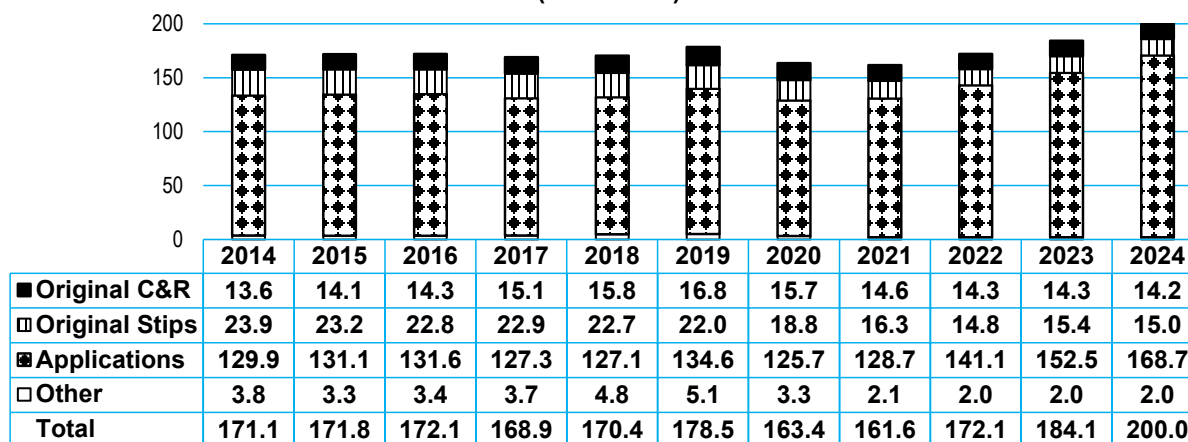
Division of Workers' Compensation Opening Documents

Three types of documents open a WCAB District Office case. Figure 43 shows the number of Applications for Adjudication of Claim (applications), Original Compromise and Releases (C&Rs), and Original Stipulations (stips) received by DWC.

DWC workload adjudication data are available from the Electronic Adjudication Management System (EAMS).

As Figure 43 shows, the total number of Opening Documents stabilized at an average of 170,870 from 2014 to 2018, rose by 5 percent from 2018 to 2019, decreased by 9.5 percent from 2019 to 2021, and then increased by 24 percent from 161,600 in 2021 to 200,000 in 2024. The number of applications, the largest component of opening documents and therefore a trendsetting factor, fluctuated between 125,700 and 134,000 from 2014 to 2021, before increasing by 31 percent from 2021 to its maximum of 168,700 in 2024. The Compromise and Releases increased by 23 percent from 2014 to 2019 and then decreased by 15 percent from 2019 to 2024. The Original Stipulations decreased by 38 percent from 2014 to 2022, before levelling off from 2022 to 2024.

Figure 43: DWC Opening Documents (as of July 2, 2025)
(Thousand)



Source: DWC

Mix of DWC Opening Documents

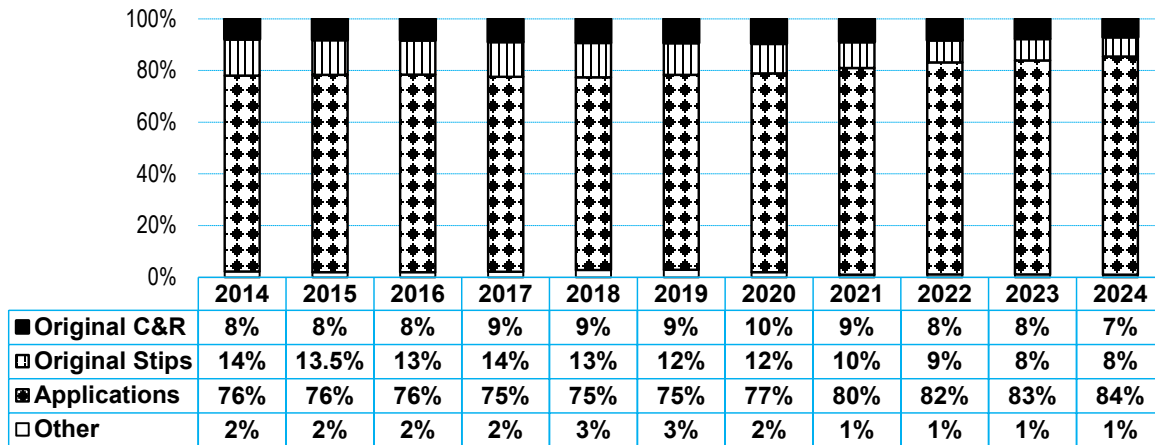
As Figure 44 shows, the applications for adjudication comprised on average 75-77 percent of the opening documents yearly from 2014 to 2020 and then increased by 3 to 7 percentage points to 84 percent from 2020 to 2024. The proportion of original (case-opening) stips leveled off at 12-14 percent per year from

⁹⁶ <https://www.dir.ca.gov/wcab/wcab.htm> and <https://www.dir.ca.gov/dwc/dir2.htm>.

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

2014 to 2020 and then decreased to 8 percent from 2020 to 2024. In the same period, the proportion of original C&Rs also stabilized at 8-9 percent through 2024, with a one-time decrease to 7 percent in 2024.

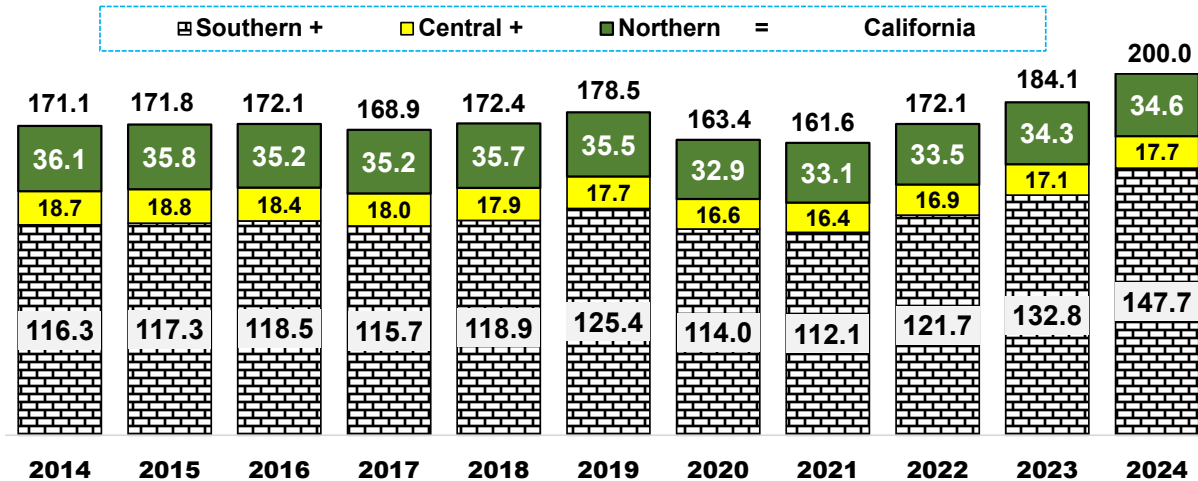
Figure 44: Percent Distribution by Type of Opening Documents (as of July 2, 2025)



Source: DWC

According to Figure 45, about 70 percent of yearly DWC opening documents originated in Southern California between 2014 and 2024, reaching 74 percent in 2024. Northern and Central California comprised about 20 and 10 percent of opening documents respectively in the same period, with the share of Northern region decreasing to 17 percent in 2024.

Figure 45: DWC Opening Documents by California Regions (as of July 2, 2025)
(Thousand)

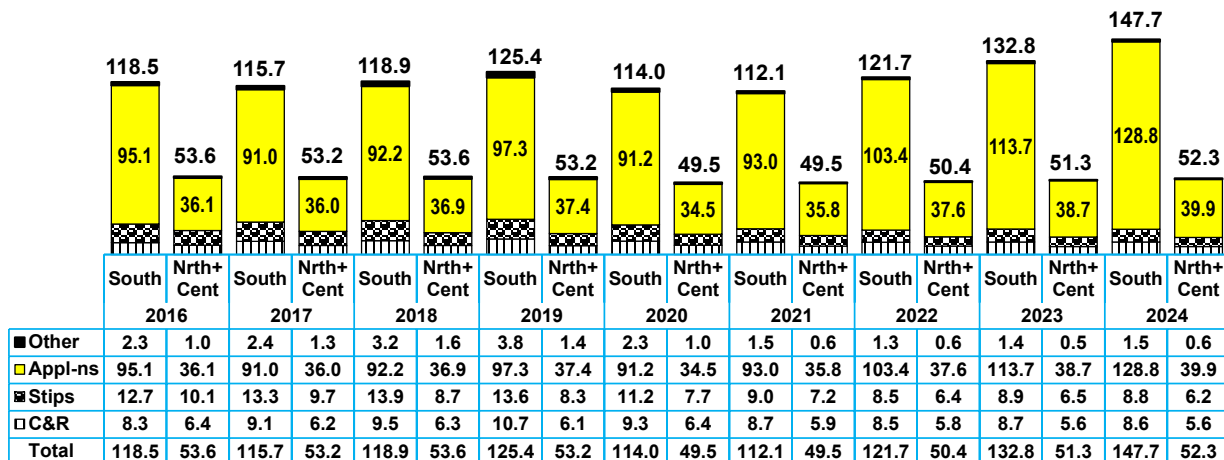


Source: DWC

Figure 46 demonstrates the geographic origin of DWC opening documents. Although the types of opening documents, such as Compromise & Release and Stipulations with Request for Award, originate in the Southern region more than in the Northern and Central regions combined, the number of Applications for Adjudication in the Southern region exceeded those of the Northern and Central regions combined Applications by more than 2.5 times in each year from 2013 to 2021, before steadily increasing more than 3-fold from 2022 to 2024. On average, 72-74 percent of the yearly Applications for Adjudication in California come from the Southern region, affecting the level of WC litigation in the state.

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

**Figure 46: Types of DWC Opening Documents by California Regions (as of July 2, 2025)
(Thousand)**



Source: DWC

Division of Workers' Compensation Hearings

Numbers of Hearings

Labor Code Section 5502 hearings are the first hearings only. The hearings covered are expedited hearings, priority, status, mandatory settlement conferences, and trials that follow a mandatory settlement conference (MSC). The timelines are measured from the filing of a Declaration of Readiness to Proceed (DOR) to the hearing. The time frames for each of these hearings are prescribed as follows:

- A. Expedited Hearing and Decision. Labor Code Section 5502(b) directs the Court Administrator to establish a priority calendar for issues requiring an expedited hearing and decision. These cases must be heard and decided within 30 days following the filing of a DOR.
- B. Priority Conferences. Labor Code Section 5502(c) directs the Court Administrator to establish a priority conference calendar for cases when the employee is represented by an attorney and the issues in dispute are employment or injury arising out of employment (AOE) or in the course of employment (COE). The conference shall be conducted within 30 days after the filing of a DOR to proceed.
- C. For cases in which the employee is represented by an attorney and the issues in dispute are employment or injury arising out of employment or in the course of employment and good cause is shown why discovery is not complete for trial, then status conferences shall be held at regular intervals.
- D. MSC and Ratings MSC. Labor Code Section 5502(e) establishes time frames to schedule MSCs and trials in cases involving injuries and illnesses occurring on and after January 1, 1990. MSCs are to be conducted not less than 10 days and not more than 30 days after filing a DOR.
- E. Trials. Labor Code Section 5502(e) mandates that if the dispute is not resolved at the MSC, a trial is to be held within 75 days after filing the DOR.

Figure 47 indicates the number of different types of LC 5502 hearings held in DWC from 2014 through 2024. The total number of hearings held increased by 9 percent from 2014 to 2015, fluctuated around the yearly average of 178,000 from 2015 to 2019, decreased by 17.4 percent from 2019 to 2020, and then fluctuated between 145,500 and 153,400 hearings from 2020 to 2024.

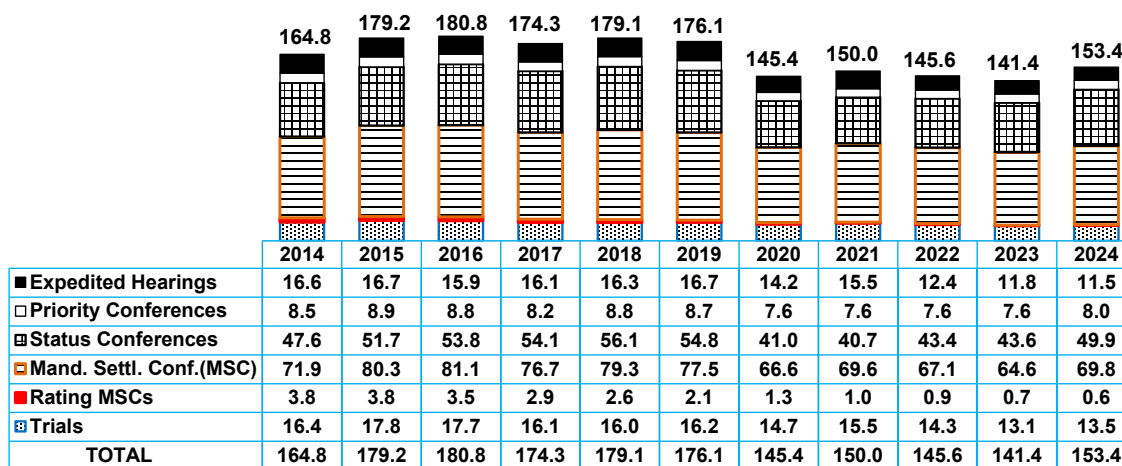
WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

The number of mandatory settlement conferences, the largest component of LC 5502 hearings at 44 to 46 percent of the hearings, fluctuated between 64,600 and 81,000 from 2014 to 2024. The mandatory settlement conferences, together with the status conferences, accounted for 73-78 percent of all LC 5502 hearings. The number of status conferences increased steadily by a total of 18 percent from 2014 to 2018, decreased by 27 percent from 2018 to 2021, and then increased by 23 percent from 2021 to 2024.

The number of expedited hearings averaged about 16,400 a year from 2014 to 2019 and then decreased overall by 31 percent from 2019 to 2024. The number of trials ranged between 16,000 and 17,800 per year from 2014 to 2019 and then decreased overall by 16 percent from 2019 to 2024.

The priority conferences stabilized at 8,600 conferences per year from 2014 to 2019 and then decreased by 10 percent to 7,700 conferences per year from 2020 to 2024. Ratings MCSs in 2024 experienced a decrease of more than 6 times its 2014 volume.

Figure 47: DWC Labor Code 5502 Hearings Held (Thousand)



Source: DWC

The non-Section 5502 hearings are continuances or additional hearings after the first hearing. Figure 48 shows non-Section 5502 hearings held from 2014 to 2024. Between 2014 and 2024, the total number of non-Section 5502 hearings fell by 34.5 percent from its peak of 158,700 in 2016 to its minimum of 104,000 hearings in 2023.

The number of MCSs fluctuated between 29,000 and 33,300 conferences between 2013 to 2021 and then decreased by 21 percent from 2021 to 2024. The number of status conferences increased overall by 17 percent from 2014 to 2020 and then decreased by 13 percent from 2020 to 2024. The number of trials fell by 20 percent from 2014 to 2020 and then after a one-time increase of 24 percent from 2020 to 2021, it decreased again by 30 percent from 2021 to 2024. The number of priority conferences increased overall by 53 percent from 2014 through 2024. The number of expedited hearings more than halved between 2014 and 2024. In 2024, the number of Rating MCSs, the smallest component of non-Section 5502 hearings, experienced a decrease of 5 times its 2014 volume.

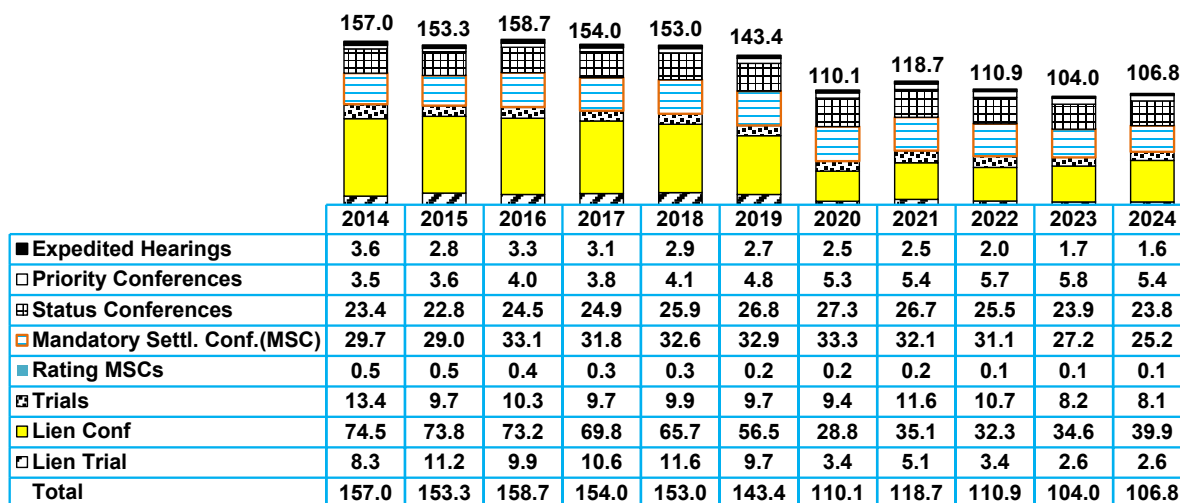
The number of lien conferences, the biggest component of non-Section 5502 hearings, decreased steadily by 24 percent from 2014 to 2019, fell by half from 2019 to 2020, and then increased to an average of 35,500 lien conferences from 2021 to 2024. Lien trial data available from 2014 shows an overall 40 percent increase from 2014 to 2018, more than a 3-fold decline from 2018 to 2020, mostly due to a sharp decrease from 2019 to 2020, and then increased by 53 percent to 5,150 lien trials from 2020 to 2021. From 2021 to 2024, the number of lien trials decreased by half.

From 2019 to 2024, only a non-Section 5502 hearing such as priority conferences (+12 percent)

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

experienced an increase, while all other non-Section 5502 hearings experienced a decrease in the same time frame.

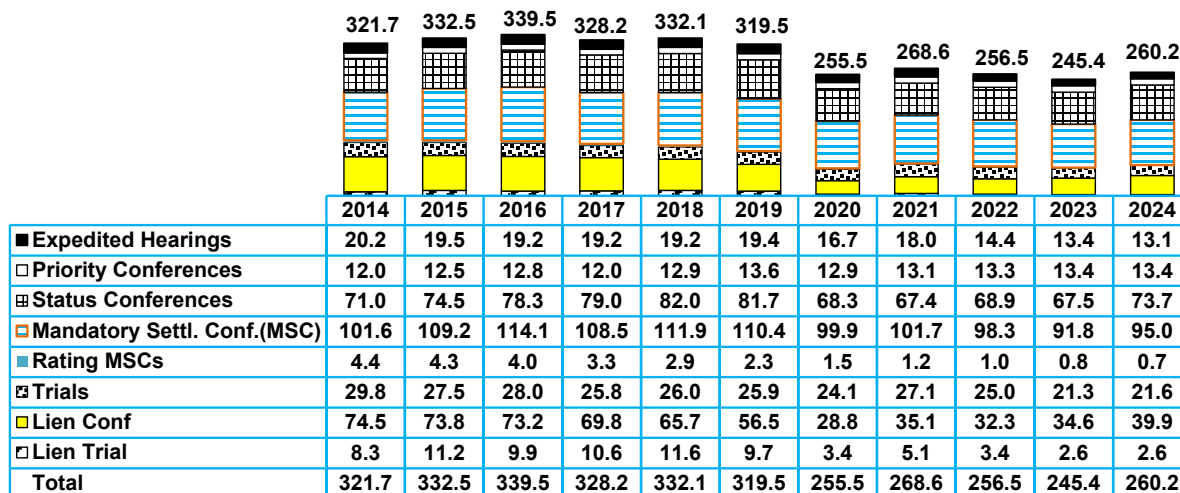
Figure 48: DWC Non-5502 Hearings Held (Thousand)



Data Source: DWC

Figure 49 shows the total hearings held from 2014 to 2024 including Labor Code Section 5502 hearings, non-Section 5502 hearings, and lien conferences.

Figure 49: DWC Total Number of Hearings Held (LC 5502 and non-5502) (Thousand)



Data Source: DWC

Timeliness of Hearings

California Labor Code Section 5502 specifies the time limits for various types of hearings conducted by DWC on WCAB cases. In general:

- An expedited hearing must be held within 30 days of the receipt of a DOR.

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

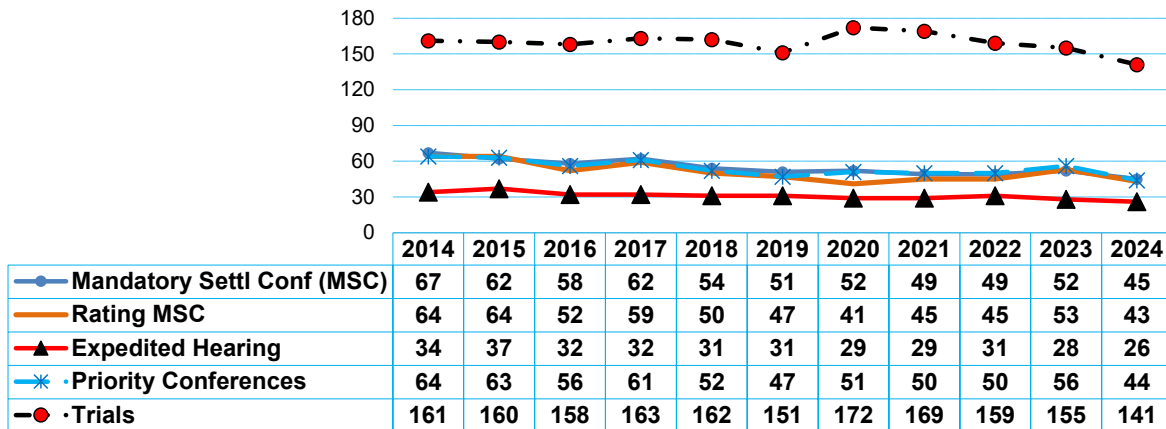
- The conference shall be conducted within 30 days after the filing of a DOR.
- MSCs, rating MSCs, and priority conferences are required to be held within 30 days of the receipt of a request in the form of a DOR.
- A trial must be held within 75 days of the request if a settlement conference has not resolved the dispute.

Figure 50 shows the average elapsed time from a request to a DWC hearing in the fourth quarter of each year, from 2014 to 2024.

All types of DWC hearings showed an overall decrease in average elapsed time from a request to hearing from 2014 to 2016 followed by a one-time increase from 2016 to 2017, excluding the expedited hearings, and then again—by decrease for all types of DWC hearings from 2017 to 2019.

Different types of DWC hearings showed different patterns of change in average elapsed time from a request to hearing from pre-pandemic year of 2019 to 2024. For expedited hearings, the average elapsed time from a request to hearing showed an almost uninterrupted and steady 10 percent decrease, from 31 days in 2019 to 26 days in 2024 with a one-time increase from 2021 to 2022. The average elapsed time from a request to a DWC trial increased by 14 percent from 151 days to 172 days from 2019 to 2020, and then decreased by 18 percent to 141 days from 2020 to 2024. The average elapsed time from a request to hearing for priority conferences increased by 19 percent from 2019 to 2023 and then decreased by 21 percent from 56 days in 2023 to 44 days in 2024. The average elapsed time for MSCs decreased by 12 percent from 2019 to 2024. The average elapsed time for rating MSCs decreased from 47 days in 2019 to 41 days in 2020, increased uninterrupted to 53 days in 2023, and then fell by 19 percent to 43 days from 2023 to 2024.

Figure 50: Elapsed Time in Days from Request to DWC Hearing (4th Quarter)



Source: DWC

Division of Workers' Compensation Decisions

DWC Case-Closing Decisions

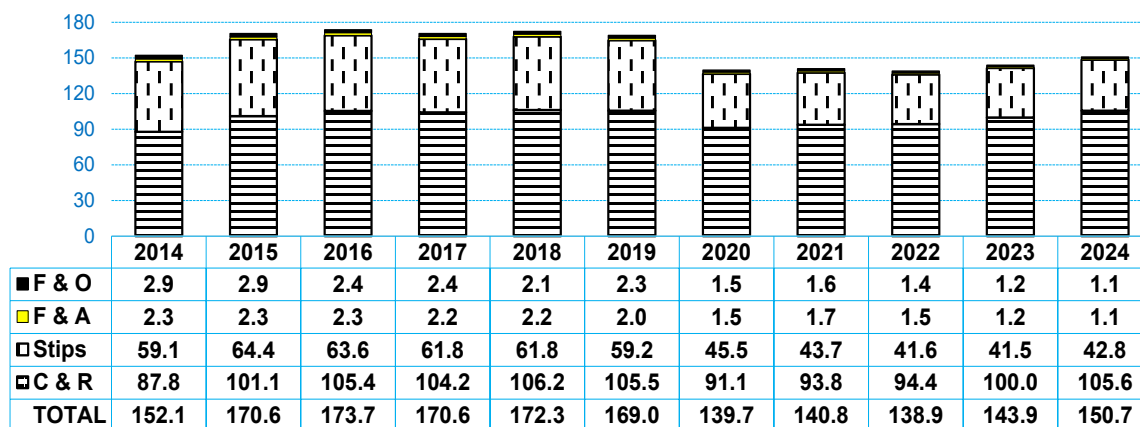
Figure 51 shows the number of case-closing decisions by type from 2014 to 2024.

From 2014 to 2016, the total number of case-closing decisions increased by 14 percent as a result of a steady 20 percent increase in Compromise and Releases (C&Rs) from 2014 to 2016 and a 7.5 percent increase in Stipulations from 2014 to 2016. From 2016 to 2019, the total number of case-closing decisions fluctuated between 169,000 and 173,700 decisions per year. After a 17 percent decrease from 2019 to 2020, the total number of case-closing decisions averaged 140,800 from 2020 to 2023. A seventeen (17) percent decline in the total number of case-closing decisions from 2019 to 2020 was due to decreases in

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

all four types of hearings, including a 14 percent decrease in Compromise and Releases (C&Rs) and a 23 percent decrease in Stipulations. There was a slight (less than 1 percent) increase in the total number of case-closing decisions from 2020 to 2021 as a result of a 3 percent increase in C&Rs and a 4 percent decrease in Stipulations in the same period. The total number of case-closing decisions decreased by 20 percent from its peak in 2016 to its lowest level in 2022 before increasing by 5 percent from 2022 to 2024.

Figure 51: DWC Case-Closing Decisions (Thousand)



Source: DWC

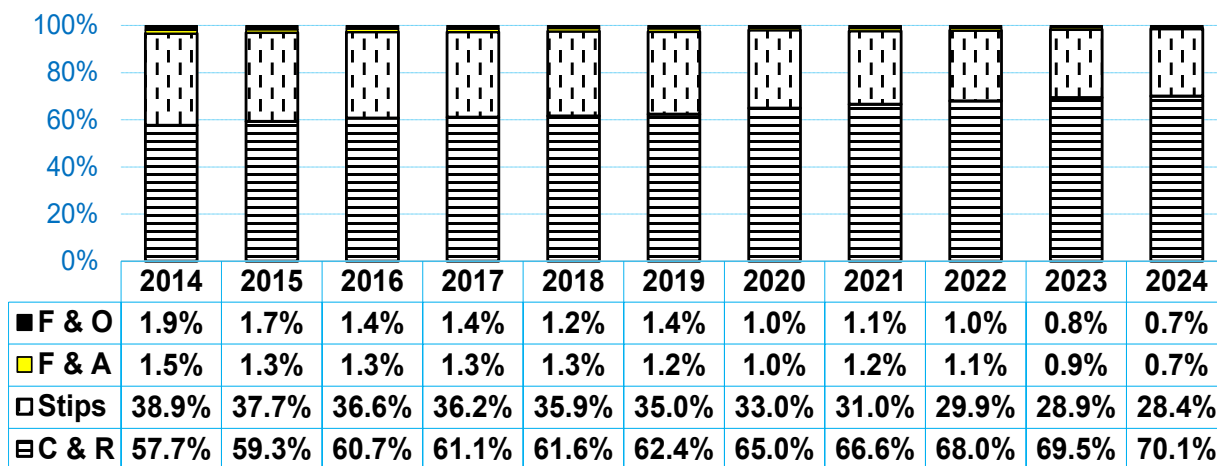
Mix of DWC Decisions

As shown in the previous figures and in Figure 52, again, the vast majority of the case-closing decisions were in the form of a WCAB judge's approval of Stips and C&Rs, which were originally formulated by the case parties.

From 2014 to 2024, the proportion of Stips decreased from 38.9 to 28.4 percent and the proportion of C&Rs increased from 57.7 to 70.1 percent.

Figure 52 shows that a small percentage of case-closing decisions evolved from a Findings & Award (F&A) or Finding & Order (F&O) issued by a WCAB judge after a hearing. That pattern continued with an overall decrease for both types of decisions from 2014 to 2024.

Figure 52: Percent Distribution by Type of DWC Case-Closing Decisions



Source: DWC

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Division of Workers' Compensation Lien Filings and Decisions

SB 863 became effective January 1, 2013 and introduced changes regarding liens filed against an injured workers' claim, for medical treatment and other services provided in connection with the claim, but not paid for by the employer or insurance carrier. The bill introduced a filing fee of \$150 required for all liens filed after January 1, 2013 and a \$100 activation fee required for liens filed before January 1, 2013. These fees served as tools for dismissal of liens by operation of law after January 1, 2014 if no filing or activation fee has been filed. Other measures included an 18-month statute of limitations for filing liens for services rendered after July 1, 2013 and a 3-year statute of limitations for services provided before then. Assignments of lien claims were also strictly limited and allowed only where the assignor had gone out of business.

Senate Bill 1160 and Assembly Bill 1244, both of which became effective on January 1, 2017, added important new provisions that significantly decreased the number of liens filed in 2017:

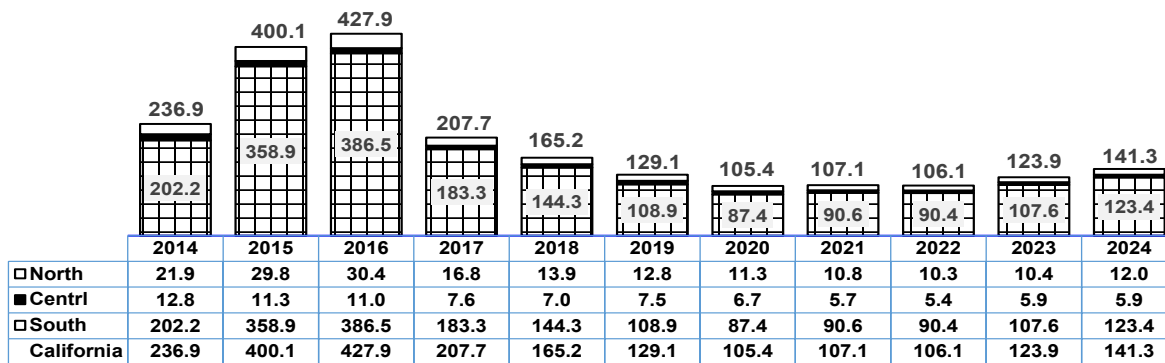
- Labor Code section 4615 places an automatic stay on liens filed by or on behalf of physicians and providers who are criminally charged with certain types of fraud. The automatic stay prevents those liens from being litigated or paid while the prosecution is pending.
- Provider suspension activities undertaken pursuant to Labor Code section 139.21 include consolidation and dismissal of all pending lien claims in a special lien proceeding for providers suspended due to conviction of a covered crime. A Special Adjudication Unit (SAU) was created in DWC to conduct lien consolidation proceedings.
- Labor Code section 4903.05(c), as amended by SB 1160, introduced the lien dismissals by operation of law. This provision requires lien claimants to file a declaration verifying the legitimacy of liens for medical treatment or medical-legal expenses. Claimants who had filed liens between January 1, 2013, and December 31, 2016, were required to file the declarations by July 1, 2017, to avoid having those liens dismissed.

As Figure 53 shows, the number of liens filed increased by 69 percent from 2014 to 2015, increased further in 2016 to reach its peak, and then in 2020 decreased to one-fourth of 2016 numbers due to the SB 1160 and AB 1244 reforms enacted in 2016. The total number of liens filed averaged 106,200 liens per year from 2020 to 2022, and then increased by 33 percent from 2022 to 2024.

About 85-90 percent of the filed liens originated in Southern California from 2014 through 2024. The share of the Southern region in liens filed averaged 88 percent from 2013 to 2018 and then decreased to 84 percent from 2019 to 2022 before increasing again to 87 percent in 2023 and 2024. Northern California increased its share of the liens filed from an average of 8 percent from 2014 to 2018 to 10-11 percent from 2019 to 2022, and then decreased to 8 percent in 2023 and 2024. Central California increased its share of the liens filed from an average of 4 percent in 2014 through 2018 to 5-6 percent from 2019 to 2024.

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Figure 53: Number of Liens Filed by California Regions (Thousand), 2014-2024



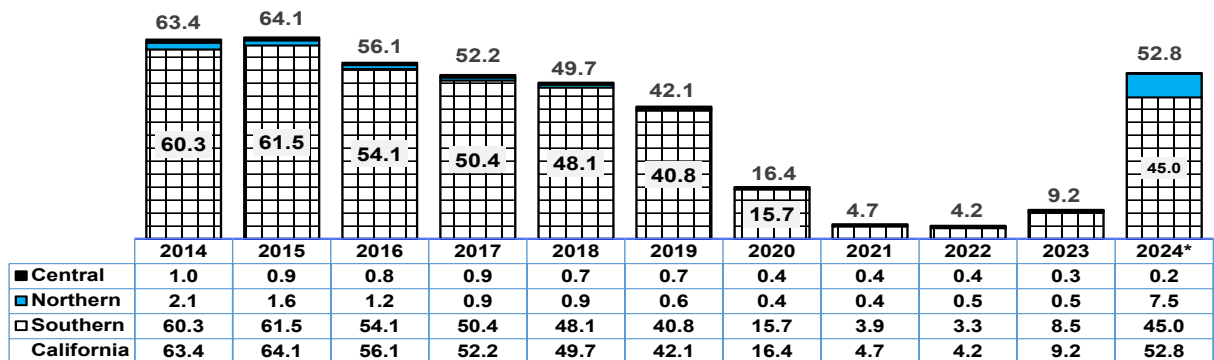
Data Source: DWC

The number of decisions regarding liens filed on WCAB cases reached its peak of 65,850 in 2013, thereby increasing concomitant expenditure of DWC staff resources for the resolution of those liens.

Figure 54 shows that the number of lien decisions decreased overall by 34 percent between 2014 and 2019 and then in 2022 it fell to one-tenth of the 2019 number, including a 61 percent decrease from 2019 to 2020. The number of lien decisions more than doubled from 2022 to 2023 and then increased 6-fold from 2023 to 2024. Because of the addition of Labor Code § 4615, many liens are stayed and cannot be decided until the criminal case is resolved.⁹⁷ When the number of liens filed in 2015 and 2016 significantly increased, only 16 and 13 percent of liens, respectively, were resolved. When the number of liens filed ranged between 129,000 and 207,700 from 2017 to 2019, about 30 percent of liens were resolved. According to figures 53 and 54, the number of liens resolved decreased from 33 percent in 2019 to 7 percent in 2023, and then increased back to 37 percent in 2024.

The lien decisions in Southern California comprised 95-97 percent of lien decisions from 2014 to 2020, before a sharp decline in total number of lien decisions in the state from 95 percent in 2020 to 80 percent in 2022. When the total number of lien decisions fell to less than 5,000 in 2021 and 2022, the share of Southern California decreased to 80-84 percent, although increasing to 92 percent from 2022 to 2023 when the number of lien decisions almost doubled. When the total number of lien decisions increased almost 6-fold from 2023 to 2024, the share of Southern California was 85 percent in 2024. The Northern region comprised only 2 percent of lien decisions in California from 2016 to 2020. That share increased to 8 and 11 percent in 2021 and 2022 respectively, before decreasing to 5 percent in 2023. In 2024, the share of Northern region increased to 14 percent.

Figure 54: Number of DWC Lien Decisions, by California Regions (Thousand), 2014-2024



* In September 2024, the Special Adjudication Unit dismissed over 47,000 liens, which accounts for the higher than normal totals for the year.

Data Source: DWC

⁹⁷ <https://www.dir.ca.gov/dwc/SB1160-AB1244/Special-Adjudication-Unit-Calendar.htm>

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

See the "Liens Report" (CHSWC, January 5, 2011) for a complete description. (No Longer Available on Live Site. Contact CHSWC directly for more information.)

DIVISION OF WORKERS' COMPENSATION AUDIT AND ENFORCEMENT PROGRAM

Background

The 1989 California WC reform legislation established an audit function within DWC to monitor the performance of WC insurers, self-insured employers, and third-party administrators to ensure that industrially injured workers are receiving proper benefits in a timely manner. DWC's Audit and Enforcement Unit conducts audits on a random selection of WC claim files.

The purpose of the audit and enforcement function is to provide incentives for the prompt and accurate delivery of WC benefits to industrially injured workers and to identify and bring into compliance those insurers, third-party administrators, and self-insured employers who do not deliver benefits in a timely and accurate manner.⁹⁸

Assembly Bill 749 Changes to the Audit Program

Assembly Bill (AB) 749, effective January 1, 2003, resulted in major changes to California WC law and mandated significant changes in the methodologies for claim file selection and assessment of penalties in the audit program.

Labor Code Sections 129 and 129.5 were amended to ensure that each audit location will be audited at least once every five years and that good performers will be rewarded. A profile audit review (PAR) of every audit subject will be done at least every five years. If a new Claims Administrator has at least three years of claims inventory, an audit may be conducted sooner. Any audit subject that fails to meet a profile audit standard established by the Administrative Director (AD) of DWC will be given a full compliance audit (FCA). Any audit subject that fails to meet or exceed the FCA performance standard will be audited again within two years. Targeted PARs or FCAs may also be conducted at any time based on information indicating that an insurer, self-insured employer or third-party administrator is failing to meet its obligations.

To reward good performers, profile audit subjects that meet or exceed the PAR performance standard will not be liable for any penalties but will be required to pay any unpaid compensation. FCA subjects that meet or exceed standards will be required to pay penalties only for unpaid or late paid compensation.

Labor Code Section 129.5(e) was amended to provide for civil penalties up to \$100,000 if an employer, insurer, or third-party administrator has knowingly committed or has performed with sufficient frequency to indicate a general business-practice act discharging or administering its obligations in specified improper manners. Failure to meet the FCA performance standards in two consecutive FCAs will be rebuttably presumed to be engaging in general business practice of discharging and administering compensation obligations in an improper manner.

Review of the civil penalties assessed is obtained by a written request for a hearing before the WCAB rather than by application for a writ of mandate in the Superior Court. Judicial review of the WCAB's F&O is as provided in Sections 5950 et seq.

Penalties collected under Section 129.5 and unclaimed assessments for unpaid compensation under Section 129 are credited to the Workers' Compensation Administration Revolving Fund (WCARF).

⁹⁸ In addition, LC 129 (f) requires an audit of the Uninsured Employers Benefits Trust Fund (UEBTF) by the claims and collections unit of DWC.

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

Overview of Audit Methodology

Selection of Audit Subjects

Audit subjects, including insurers, self-insured employers and third-party administrators, are selected randomly for routine audits.

The bases for selecting audit subjects for targeted audits are specified in California Code of Regulations (CCR) 8, Section 10106.1(c), effective January 1, 2003:

- Complaints regarding claims handling received by DWC.
- Failure to meet or exceed FCA performance standards.
- A high number of penalties awarded pursuant to Labor Code Section 5814.
- Information received from the Workers' Compensation Information System (WCIS).
- Failure to provide a claim file for a PAR.
- Failure to pay or appeal a Notice of Compensation Due ordered by the Audit Unit.

A claims administrator identified for a return target audit because of the failure of a PAR/FCA audit conducted in 2003 or later may be subject to a civil penalty under Labor Code § 129.5(e). The Administrative Director may assess a civil penalty upon finding, after hearing, that an employer, insurer, or third-party administrator for an employer has knowingly committed or has performed any of the following with sufficient frequency:

- Induced employees to accept less than compensation due or made it necessary for employees to resort to proceedings against the employer to secure compensation due.
- Refused to comply with known and legally indisputable compensation obligations.
- Discharged or administered compensation obligations in a dishonest manner.
- Discharged or administered compensation obligations in a manner as to cause injury to the public or those dealing with the employer or insurer.

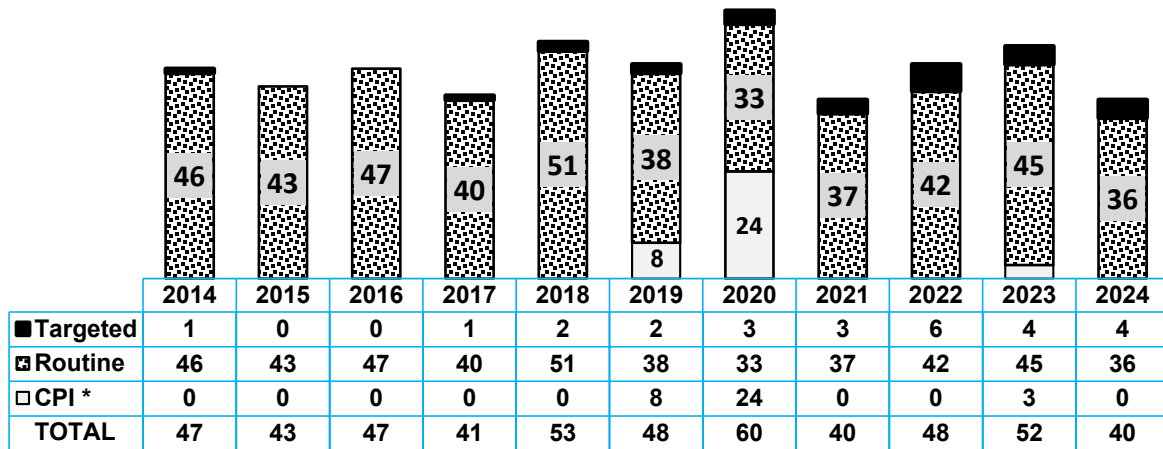
Audit and Enforcement Unit Data

Routine and Targeted Audits

Figures 55 to 61 depict workload data from 2014 through 2024. Figure 55 shows the number of routine and targeted audits, and the total number of audits conducted each year. In 2024, the Audit Unit completed 40 audits, of which 36 were routinely selected for PAR, 4 targeted audits were based on the failure of a prior audit, and there were no audits based on credible referrals and/or complaints filed with the Unit. Civil Penalty Audits and Investigations are based on CCR, Title 8, section 10106.1(b) and include targeted claim files based on credible complaints and referrals received by DWC.

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Figure 55: Routine and Targeted Audits and Civil Penalties Assessed



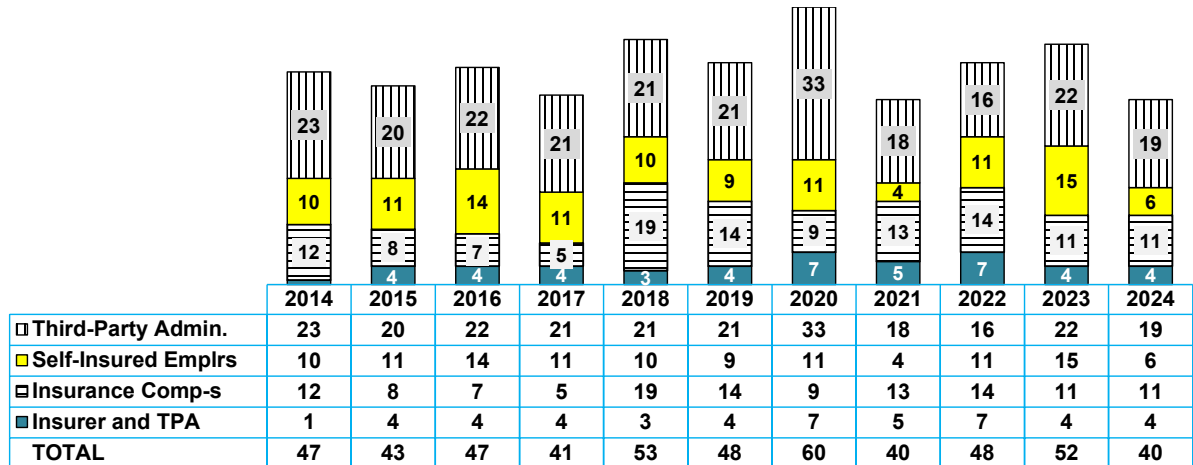
* Civil Penalty Issues

Source: DWC Audit and Enforcement Unit

Audits by Type of Audit Subject

Figure 56 depicts the total number of audit subjects each year, broken down by whether the subject is an insurance company (insurer), a self-insured employer, or a third-party administrator.

Figure 56: DWC Audits by Type of Audit Subject



Source: DWC Audit and Enforcement Unit

Selection of Files to Be Audited

The majority of claim files are selected for audit on a random basis, with the number of indemnity and denied cases selected based on the number of claims in each of those populations of the audit subject:

- Some valid complaint files may be selected to undergo targeted audits, and penalties may be issued.
- Additional files include claims chosen based on criteria relevant to a targeted audit but for which no specific complaints had been received.

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

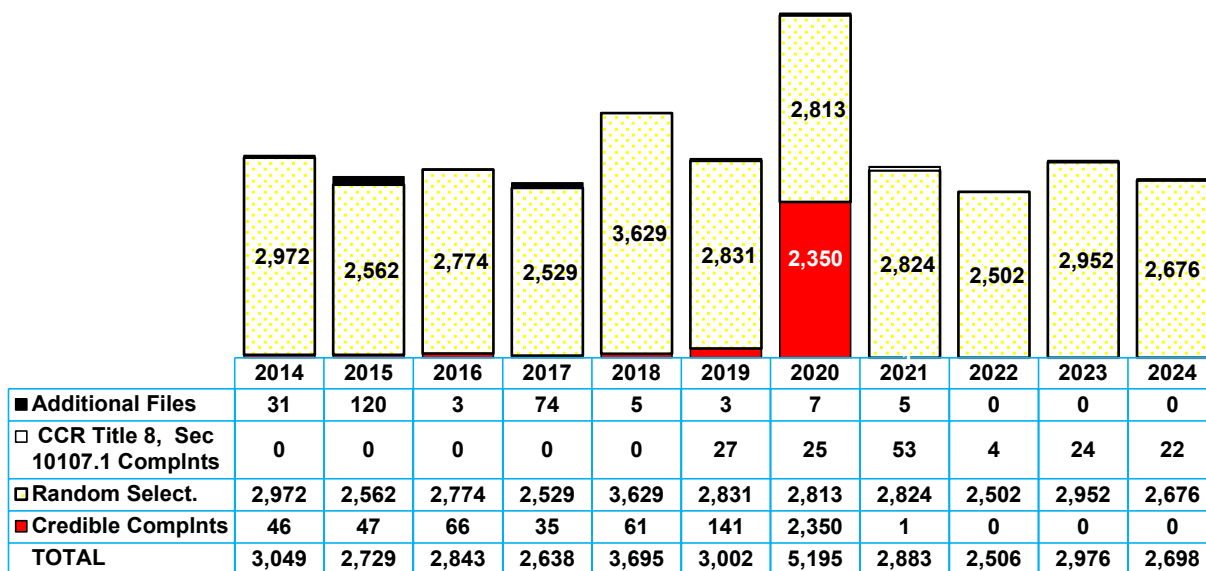
- The number of claims audited is based upon the total number of claims at the adjusting location and the number of complaints received by DWC related to claims-handling practices. Types of claims include indemnity, denied, complaint, and additional files. The Audit Unit only audits claims with indemnity benefits paid and only tracks the number of medical only files on the Annual Report of Inventory.

Figure 57 shows the total number of claim files audited each year broken down by the method used to select them. In 2024, within the PAR/FCA audits, compliance officers audited 2,698 claim files, of which 2,676 were randomly selected claims⁹⁹ in which some form of indemnity benefits was paid. Twenty-two (22) claim files were audited based on CCR, Title 8, Section 10107.1 complaints received by the DWC. Targeted claims audited did not include files based on valid complaints received by DWC and there were no audited claims designated as "additional" files.

"Additional" files include the following:

- Claims audited as a companion file to a randomly selected file.
- Claims chosen based on criteria relevant to a target audit but for which no specific complaints had been received.
- Claims in excess of the number of claims in the random sample, audited because the files selected were incorrectly designated on the log.

Figure 57: Files Audited by Method of Selection



Source: DWC Audit and Enforcement Unit

Administrative Penalties

Figure 58 shows the administrative penalties cited from 2014 to 2024. As a result of PAR/FCA audits conducted during the calendar year 2024, the Audit & Enforcement Unit found and cited 4,531 violations against claims administrators, with initial administrative penalties cited totaling almost \$1,347,527 million.

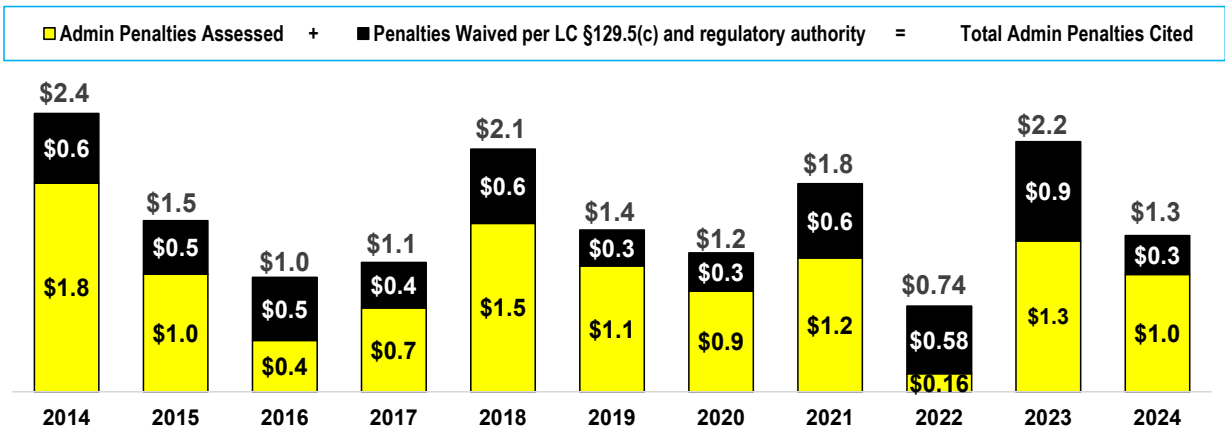
⁹⁹ Some claim files may be substituted for another file if the randomly selected file does not meet the PAR audit criteria or if the files selected were incorrectly designated on the log. These files would still be counted in the original random sample number and not listed as additional files.

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

Not all administrative penalties are subject to collection. Under the Labor Code, no penalties are assessed on those "cited" violations unless the audit subject fails the audit at a specific level.¹⁰⁰

In accordance with Labor Code section 129.5(c) and regulatory authority, the Audit & Enforcement Unit did not assess or waived \$336,588 of the potential administrative penalties of the cited violations. The violations which, by law, were not assessed occurred within 32 of the audits that met or exceeded the PAR 2024 performance standard. All violations cited in the audit that failed the FCA performance standard were assessed. The assessed penalties subject to collection from claims administrators for FCA audits came to a total of \$1,010,939.

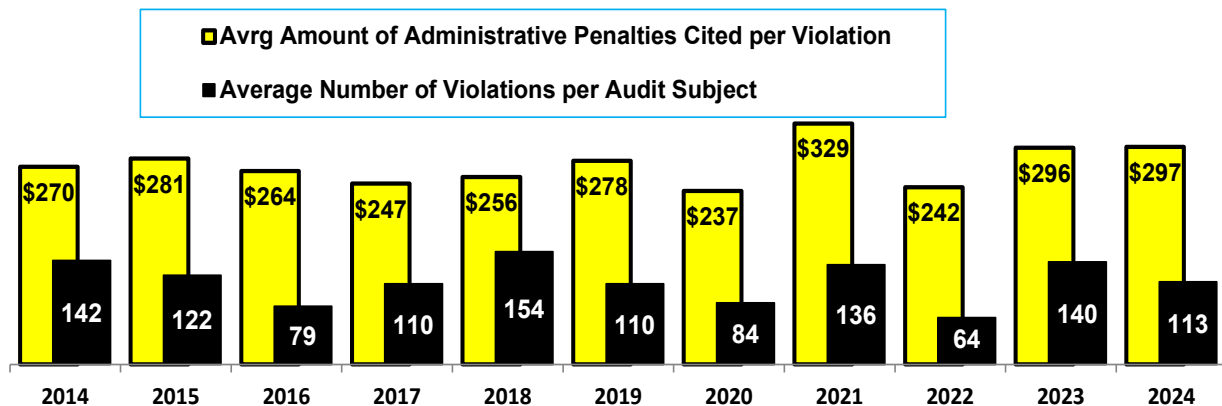
Figure 58: DWC Audit Unit—Administrative Penalties Cited (Million \$)



Source: DWC Audit and Enforcement Unit

Figure 59 shows the average number of violations per audit subject each year and the average dollar amount of administrative penalties cited per violation. In 2024, the average number of violations per 40 completed profile audits was 113 and the average penalty cited per 4,531 violations was about \$297, including penalties waived.

Figure 59: Average Amount of Administrative Penalties Cited per Violation and Average Number of Violations per Audit Subject



Data Source: Audit and Enforcement Unit

¹⁰⁰ DWC Annual Audit Report, page 5, <https://www.dir.ca.gov/dwc/AuditUnit/Audit-Annual-Report2020.pdf>.

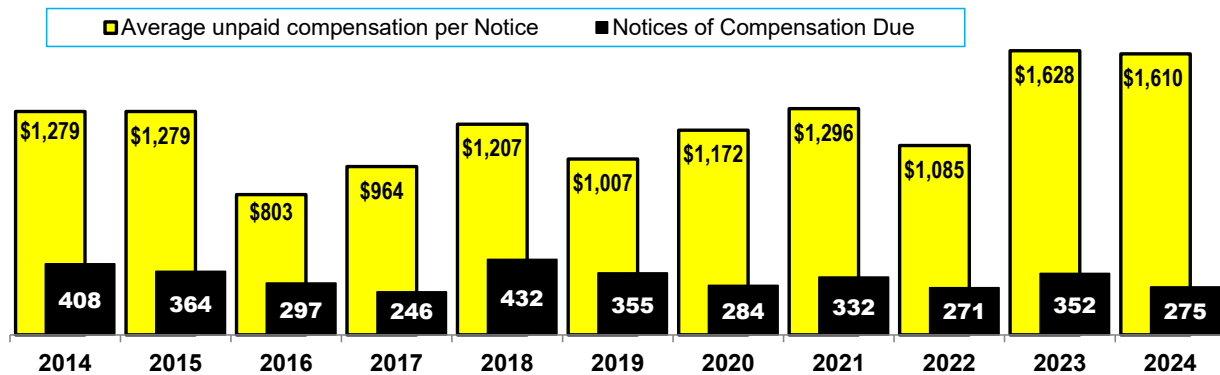
WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

Unpaid Compensation Due to Claimants

Audits identify claim files in which injured workers were owed unpaid indemnity compensation. The administrator is required to pay these employees within 15 days after receipt of a notice from the Audit and Enforcement Unit advising the administrator of the amount due, unless a written request for a conference is filed within 7 days of receipt of the audit report. When employees due unpaid compensation cannot be located by claims administrators, the unpaid compensation is payable by the administrator to WCARF. In these instances, an application by an employee can be made to DWC for payment of monies deposited by administrators into this fund.

Figure 60 depicts the number of notices of compensation due on claims where unpaid indemnity compensation was found and the average dollar amount of compensation cited for mandatory payments per notice of compensation due from 2014 to 2024.

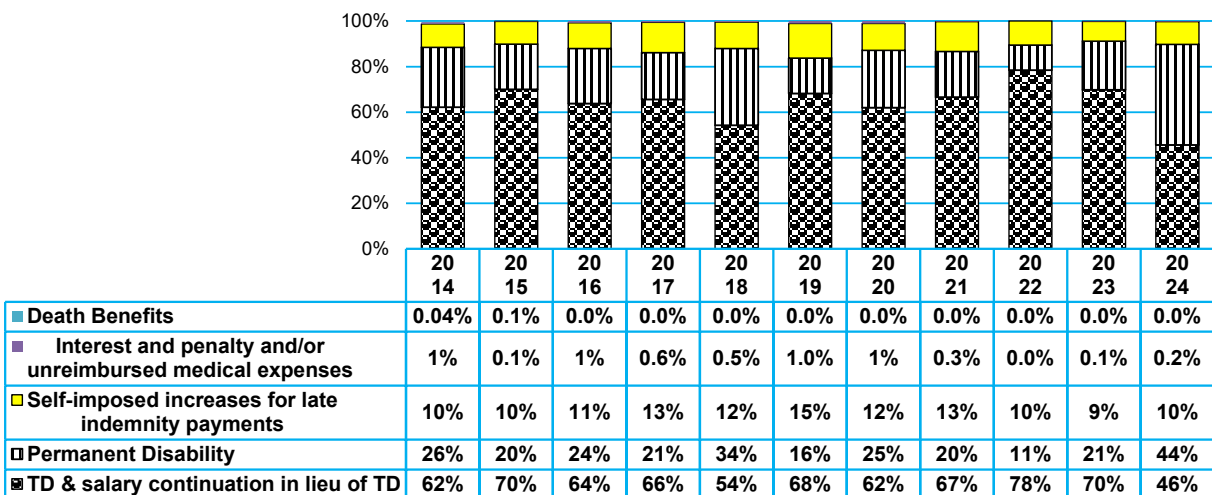
Figure 60: Average Amount of Unpaid Compensation per Claim and Number of Notices of Compensation



Data Source: Audit and Enforcement Unit

Figure 61 shows yearly distribution of unpaid compensation by specific type. The share of permanent disability indemnity in unpaid compensation increased to 44 percent in 2024.

Figure 61: Distribution of Unpaid Compensation by Type



Data Source: DWC Audit and Enforcement Unit

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

For further information ...

DWC Annual Audit Reports are available at
<https://www.dir.ca.gov/dwc/AuditUnit/Audit-Annual-Report2021.pdf>.

CHSWC "Report on the Division of Workers' Compensation Audit Function" (1998).
<http://www.dir.ca.gov/CHSWC/FinalAuditReport.html>.

DIVISION OF WORKERS' COMPENSATION DISABILITY EVALUATION UNIT

DWC's Disability Evaluation Unit (DEU) determines permanent disability ratings by assessing physical and mental impairments presented in medical reports. Physical impairments for injuries after 2005 are described in accordance with the *AMA Guide*, 5th ed., and disability is determined in accordance with the 2005 Permanent Disability Rating Schedule (PDRS). Adjustments with the PDRS are made for effect on future earning capacity, occupation and age at the time of injury. For injuries prior to 2005 and after April 1, 1997, the 1997 PDRS or an earlier edition is utilized, depending on the date of injury. For injuries that occur on or after January 1, 2013, the FEC modifier has been replaced with a 1.4 modifier in accordance with changes to Labor Code Section 4660.1 as a result of SB 863.

The DEU's mission is to prepare timely and accurate ratings to facilitate the resolution of WC cases. Ratings are used by WC judges, injured workers, insurance claims administrators and attorneys to determine appropriate permanent disability benefits. DEU prepares three types of ratings:

- Formal Ratings—ratings per WC judges as part of expert testimony in a litigated case.
- Consultative Ratings—ratings on litigated cases at the request of an attorney, DWC Information & Assistance Officer, or other party to the case in order to advise parties to the level of permanent disability.
- Summary Ratings—ratings on non-litigated cases done at the request of a claims administrator or injured worker.

A permanent disability can range from 0 to 100 percent. Zero percent signifies no reduction of earning capacity, while 100 percent represents permanent total disability. A rating between 0 and 100 percent represents a partial loss of earning capacity. Partial permanent disability correlates to the number of weeks that an injured employee is entitled to permanent disability (PD) benefits, according to the percentage of PD.

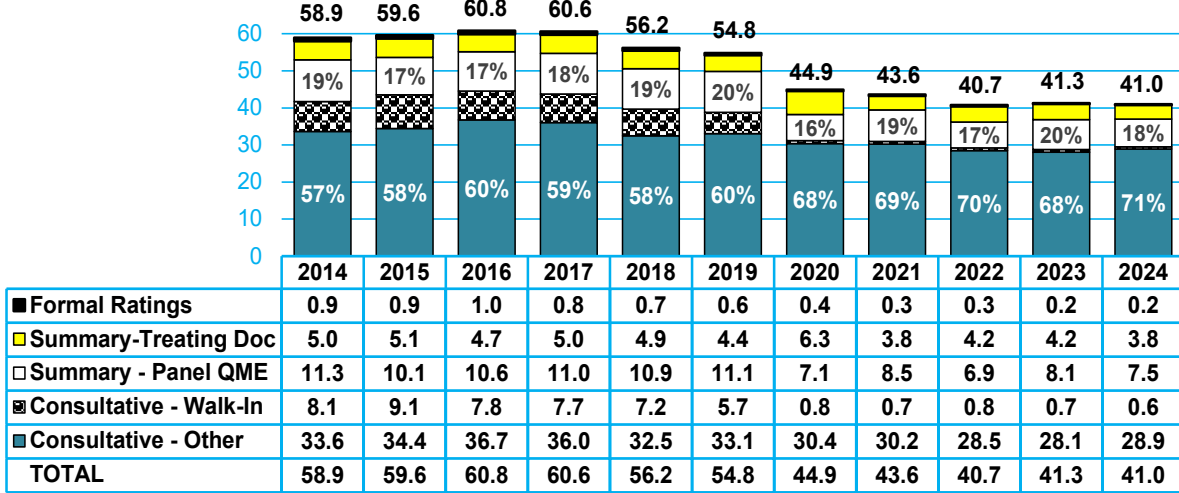
In addition to written ratings, DEU provides oral consultations on PD issues and commutations to determine the present value of future indemnity payments to assist in case settlements.

Figure 62 illustrates DEU's workload from 2014 to 2024 and shows the total ratings and ratings by type.

The total number of DEU written ratings averaged about 60,000 per year from 2014 to 2017 and then declined overall by 32 percent between 2017 and 2024. The combined share of consultative ratings in total ratings was on average 71 percent per year from 2014 to 2024. The share of non-walk-in consultative ratings increased from 57 percent in 2014 to 71 percent in 2024, although its yearly numbers decreased by 24 percent in the last 8 years as the total DEU written ratings have decreased since 2016. The combined share of summary ratings by panel QMEs and treating doctors in all ratings averaged 28 percent per year from 2014 to 2024. The number of summary ratings by panel stabilized at an average of 11,000 ratings between 2014 and 2019, and then after a 36 percent decrease from 2019 to 2020, it fluctuated between 6,950 and 8,500 from 2020 to 2024. The number of summary ratings by treating doctors fluctuated between 4,390 and 6,300 ratings between 2014 to 2020, and then decreased overall by 40 percent from 2020 to 2024. From 2014 to 2024, the number of formal ratings, the smallest component of DEU written ratings, fell by more than 5.5-fold.

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Figure 62: DEU Written Ratings, 2014-2024 (Thousand)

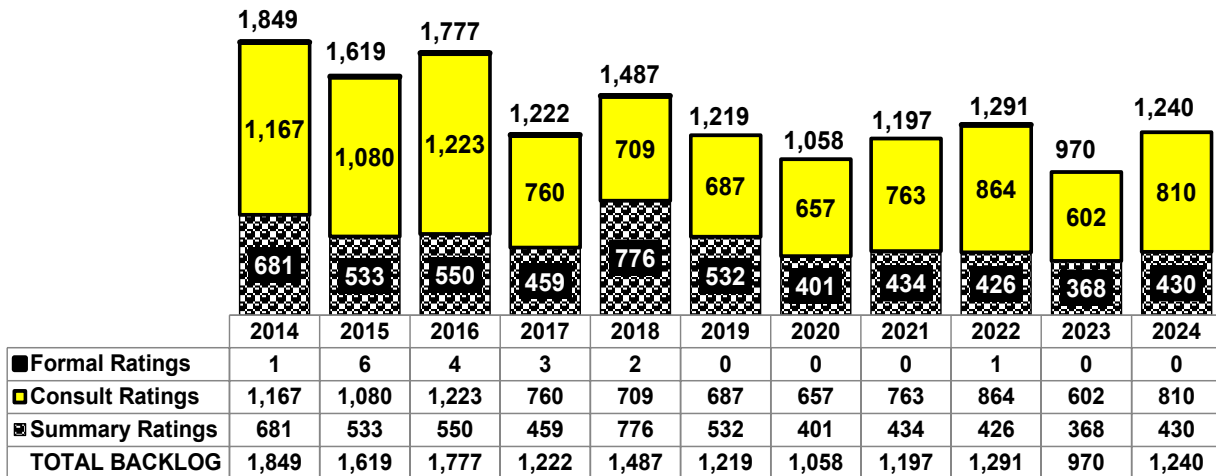


Data Source: DWC Disability Evaluation Unit

DEU Rating Backlog

A rating backlog represents rating requests of medical reports that have been received but not yet rated. Formal ratings and cases set for hearing are given priority. According to Figure 63, from 2014 to 2016, the rating backlog averaged at 1,750 backlogs per year. The DEU decreased the ratings backlog by 31 percent from 2016 to 2017. From 2017 to 2024, the rating backlog mostly averaged at 1,210 cases per year except for reaching about 1,500 in 2018 and decreasing to 970 in 2023. The reduction in the backlog provides quicker delivery of benefits to injured workers and resolution of WC cases. The total backlog increased by 28 percent from a minimum of 970 in 2023 to 1,240 in 2024.

Figure 63: Number of DEU Backlogs by Type



Data Source: DWC Disability Evaluation Unit

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

Commutation Calculations

DEU also performs commutations of future indemnity payments involving present-value calculations. These commutation calculations assist parties in the resolution of claims involving lump-sum settlements, including calculation of attorney fees on litigated cases.

For injuries that occurred on or after January 1, 2003, life pension and total PD payments are increased according to the annual increase of the state average weekly wage (SAWW) starting January 1 after the payment commences and each January thereafter. The increase in benefits based upon annual SAWW increases the complexity of commutation calculations. DEU performed 1,565 commutations, averaging 130.4 commutation calculations per month in 2024.

Table 13: Number of DEU Commutations, 2015-2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Commutations	1,431	1,473	1,463	1,621	1,460	1,314	1,385	1,379	1,325	1,565

Staffing

Current DEU staffing levels are 39 Disability Evaluators (35 WCC and 4 WCA positions), with 3 vacancies in the hiring process, 2 supervisors with 1 vacancy in the hiring process, and 1 unit manager. DEU is supported clerically by staff assigned to the Adjudication Unit.

DIVISION OF WORKERS' COMPENSATION MEDICAL UNIT

The Medical Unit (MU) is responsible for the oversight of the physicians who perform disability evaluations in the WC system, educating physicians on medical-legal issues, and advising the Administrative Director on various medical issues. The Medical Unit sets standards and issues regulations governing Qualified Medical Evaluators (QMEs) and enforces the regulations governing QME disciplinary actions. The MU issues panels of three randomly selected QMEs to both represented and unrepresented injured workers who need a medical-legal evaluation in order to resolve a claim.

The MU also reviews, certifies, monitors, and evaluates Health Care Organizations (HCOs) and Medical Provider Networks (MPNs). Additionally, the MU reviews utilization review (UR) plans from insurers and self-insured employers and develops and monitors treatment guidelines. The unit also participates in studies to evaluate access to care, medical quality, treatment utilization, and costs. Finally, the MU recommends reasonable fee levels for various medical fee schedules.

Status of DWC's QME Regulations¹⁰¹

On February 26, 2024, the Division of Workers' Compensation (DWC) received final approval from the Office of Administrative Law for adoption of the rulemaking package entitled "QME Process Regulations", amending 15 regulations and repealing two.

The amendments were necessary to bring existing regulations into compliance with the Labor Code and to clarify the Administrative Director's authority with respect to the process related to appointment and reappointment of QMEs.

¹⁰¹ The information was provided by DWC in August 2025.

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

The changes to the regulations include:

- Clarification of regulatory definitions to conform to changes made by Senate Bill 863, recent changes made to the Medical Legal Fee Schedule, and the addition of electronic service of documents;
- Provisions prohibiting false information on applications and reapplications for appointment as a QME;
- Provisions conforming amended regulations with proper gender pronouns;
- Revisions decreasing the number of hours necessary for initial qualification of chiropractors as QMEs;
- Revisions increasing continuing education requirements and adding anti-bias training for QMEs;
- Provisions requiring a QME to be in compliance with all Administrative Director's regulations in order to be reappointed as a QME.
- Provisions implementing the existing discretionary authority of the Administrative Director pursuant to Labor Code section 139.2.
- Provisions clarifying the use of probation as a disciplinary sanction and allowing the Administrative Director to designate hearing officers for adjudication of disputes regarding QME appointment and reappointment applications;
- Clerical provisions relating to the regulation on QME unavailability; and
- Provisions repealing regulations related to administration of disputes regarding the Supplemental Job Displacement Benefit.

The adoption of these regulations remove ambiguity from the administration of the QME program, with the goal of improving the overall functioning of the administration of the QME program.

On June 27, 2024, the California Workers' Compensation Institute (CWCI) issued an updated analysis of the Medical Legal Fee Schedule (Fee Schedule) adopted by the DWC on April 1, 2021. The CWCI called the study an in-depth look at changes in the utilization and reimbursement of California workers' compensation medical-legal services, as well as changes in the number of QMEs since adoption of the Fee Schedule. The CWCI concluded that the number of QMEs increased by 5.9 percent from 2019 to 2023, but the average financial reimbursements to QMEs increased approximately 52 percent from April 2021 to October 2023. If confirmed independently, these findings would starkly expose the gap between expectations and reality regarding a key recommendation from the State Auditor's 2019 QME program audit.

On June 6, 2024, the DWC contracted with RAND to undertake a comprehensive and qualitative study of all major components of the QME program. The study will take approximately 2 years to complete. It is anticipated that this independent review of the QME program, will yield results that can form the basis of implementing functional changes that will ensure the continued viability of the QME program.

Our Division has also completed two key initiatives to improve the quality and consistency of workers' compensation medical evaluations:

1. Comprehensive Online Training Modules

We've updated our free QME educational training platform to reflect recent regulatory changes. The two QME modules hosted on our website cover critical topics including apportionment, bias prevention, evaluation preparation, and medical evidence requirements, identifies key concepts and terminology and offers a fillable report. These courses provide continuing education credits across multiple professional certifications (legal, medical, HR, rehabilitation, and case management), expanding our reach across the workers' compensation community.

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2. Medical-Legal Quality Assurance Checklist

In partnership with subject matter experts Dr. Steven Feinberg and Judge Robert Rassp, we've developed a practical checklist to help all medical practitioners write more accurate and consistent medical-legal reports. This resource provides step-by-step guidance and key definitions, with the flexibility to evolve with best practices.

Impact: These resources directly support our mission to ensure injured workers receive appropriate benefits through improved medical evaluation quality and consistency across the system. Both tools are publicly available and designed to raise standards industry-wide.

Qualified Medical Evaluator Panels

DWC assigns QME panel lists which includes names of three QME physicians in the medical specialty requested by the party that holds the legal right to request the panel. Panel lists are obtained in both unrepresented and represented cases. Panel assignments started in 1991 for unrepresented cases where only the injured worker could request the panel. Legislative reform SB 899, effective April 19, 2004 allowed the claims administrator in an unrepresented case to request the panel if the injured worker failed to request a panel in 10 days from the date of the notice. This reform also required parties in a represented case to obtain a panel list if the parties failed to agree to an AME. While both sides may attempt to request the panel in the medical specialty of their choice, the first valid request is processed and any subsequent request for a panel in the same case is returned as a duplicate.

Effective January 1, 2013, SB 863 eliminated the requirement that parties confer and agree to using an AME. This senate bill also created a new pathway for resolving current treatment disputes. This change meant that a QME could no longer address current medical treatment disputes. QMEs were also limited to having no more than 10 offices where formerly there was no cap on the number of offices at which they could apply to be certified.¹⁰² Various decisions such as the Romero decision (2007), Messele decision (2011), and the Navarro decision (2014) shaped the application and approval process for obtaining a QME panel. Starting October 1, 2015, an online system was implemented to eliminate wait times by enabling parties to file electronically and immediately obtain a panel. The Online system is exclusively for panels in a represented case, that involve a date of injury on and after January 1, 2005. All other panel requests are submitted by mail to the Medical Unit for review and processing. Emergency regulations were adopted in 2020 to address continuity of medical-legal evaluations in response to Covid -19 restrictions in order to help injured workers and employers move their workers' compensation claims toward a resolution and avoid undue delay.

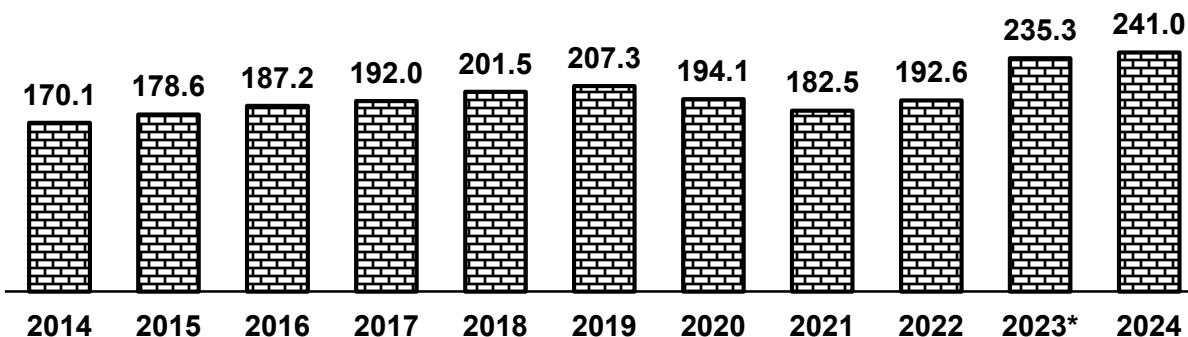
QME Panel Requests

Figure 64 shows the total number of QME Panel Requests, including both the online submission and the panel requests mailed to the Medical Unit for processing. The number of QME Panel Requests increased steadily by 22 percent from 2014 to 2019, decreased by 12 percent from 2019 to 2021, and then, according to the preliminary data for 2023, increased by 29 percent from 2021 to 2023, including a 22 percent increase from 2022 to 2023. There was a slight 2 percent increase in the number of QME Panel Requests from 2023 to 2024.

¹⁰² This was part of the SB 863 reforms intended to prevent a small number of QMEs from being assigned a disproportionate number of panels by listing a large number of locations for exams.
https://www.dir.ca.gov/chswc/reports/2017/QME_2017_Trends.pdf.

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Figure 64: Number of Qualified Medical Evaluator (QME) Panel Requests Received, Online and by Mail (Thousand)



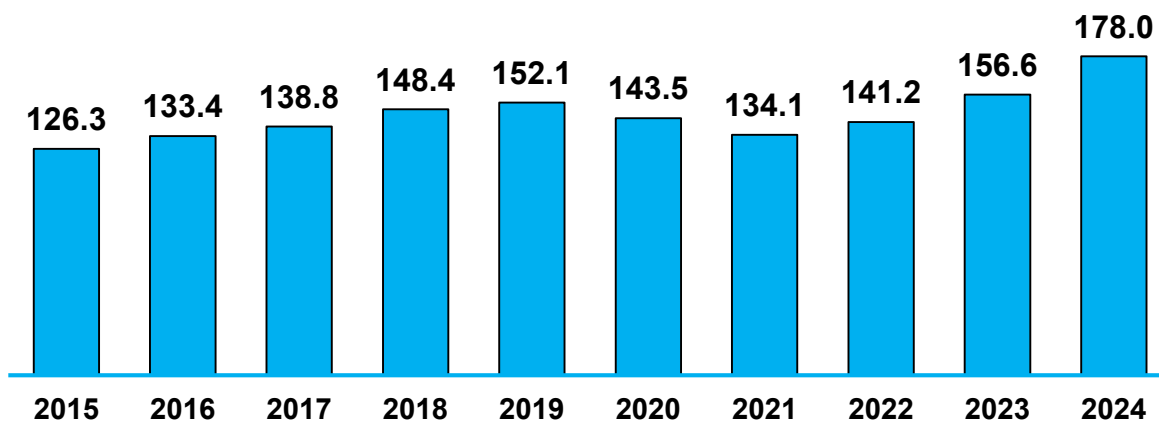
* The unusual surge in panel requests was explained as a suspicious increase in panel submissions that were not genuine. That resulted in an increased number of online panels. The source of the problem was remediated, but the occurrence may skew the total number of panel requests shown in an indeterminate amount.

Data Source: DWC

QME Panels Assigned¹⁰³

According to Figure 65, the total number of QME panels assigned increased by 20 percent from 2015 to 2019, decreased by 12 percent from 2019 to 2021, and increased by 33 percent from 2021 to 2024, including a 14 percent increase from 2023 to 2024.

Figure 65: Total Number of QME Panels Assigned, Online and by Mail (Thousand)



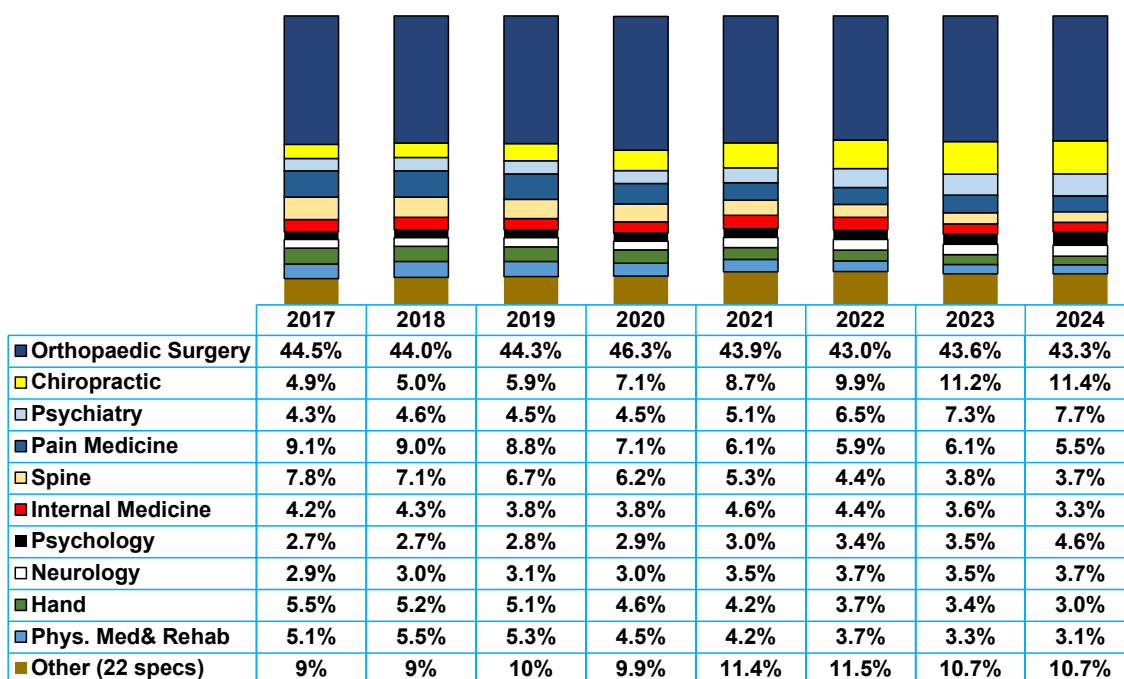
Data Source: DWC - Medical Unit

Figure 66 shows the yearly distribution of QME panels assigned by specialty from 2017 to 2024. The top 10 specialties out of a total of 32 QME specialties, demonstrated in Figure 66, account for close to 90 percent of all QME panels. The top four specialties in 2024, including orthopedic surgery, chiropractors, psychiatry, and pain medicine account for more than two-thirds, or 68 percent of all QME panels in 2024.

¹⁰³ The data on QME panels was provided by DWC Medical Unit as based on reports run on June 2, 2025.

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Figure 66: Distribution of QME Panels Assigned by top 10 QME Specialties

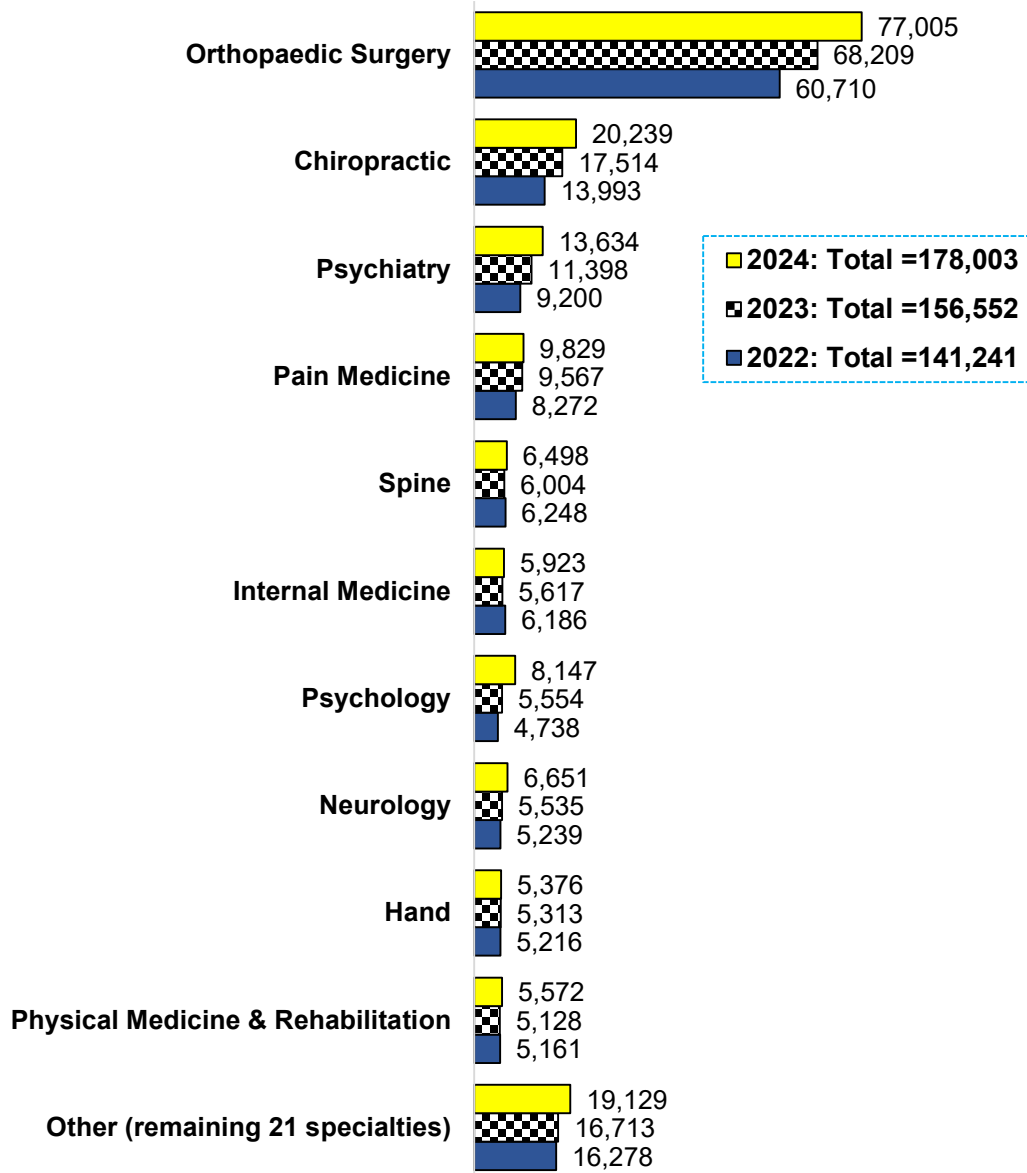


Data Source: DWC - Medical Unit

Figure 67 shows the total number of QME panels assigned by specialty in 2022, 2023, and 2024. The prevailing majority of the QME panels in 2022-2024 were assigned for orthopedic surgeries followed by chiropractic, psychiatric, and pain medicine specialties. A decrease in QME panels assigned from 2022 through 2024 was experienced in internal medicine only (-4 percent). All other specialties including psychology (72 percent), psychiatric (48 percent), chiropractic (45 percent), neurology (27 percent), orthopedic surgery (27 percent), pain medicine (19 percent), physical medicine and rehabilitation (8 percent), spine (4 percent), hand (3 percent), and other specialties (18 percent) experienced an increase in the number of QME panels assigned from 2022 to 2024.

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Figure 67: Number of QME Panels Assigned by Top 10 QME Specialties, 2022, 2023, and 2024



Data Source: DWC-Medical Unit

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Online and Mailed QME Panel Requests and QME Panels Assigned

QME Panel Requests Submitted Online

Effective October 1, 2015, DWC implemented an online system to enable electronic completion and submission of panel requests on Form 106 and immediate provision of panels. This system applies only to initial panel requests for represented cases, involving a date of injury after December 31, 2004. This online system can be accessed 24/7 and enforces a waiting time of 15 days for mailing from the date of the dispute letter, before applying for the panel. For out-of-state cases, the waiting time is 20 days, including 10 days for mailing. The request for an online panel will result in either a panel list for eligible requests or a rejection letter for ineligible requests. Rejection letters are generated in the following instances: if a request for a panel is made within the 15/20 day wait time the request is rejected for being premature; a notice of insufficient QMEs in a specialty is issued if a specialty requested has fewer than 5 QME physicians in the specialty; if a panel list has already been assigned in the case then a duplicate letter will issue.

Figure 68 shows the number of represented initial requests submitted online, as defined above, and the requests with assigned panels. From 2016 to 2024, about 74 percent of the online panel applications were assigned panels, and 26 percent were rejected as ineligible by the online system. Represented panel requests reached 89,101 in 2016, the first full year after implementation of the system, and since then have comprised a big share of incoming panel requests. The number of represented panel requests increased by 13 percent from 2016 to 2019, with an average 4 percent yearly increase in these panel submissions from 2016 to 2019. From 2019 to 2024, the number of represented panel requests increased by 53 percent and remained flat in 2024. The share of the online panel applications assigned panels increased from 66.5 percent in 2023 to 75 percent in 2024.

Figure 68: Online QME Panel Requests Submitted and Requests Assigned Panels (Thousand)

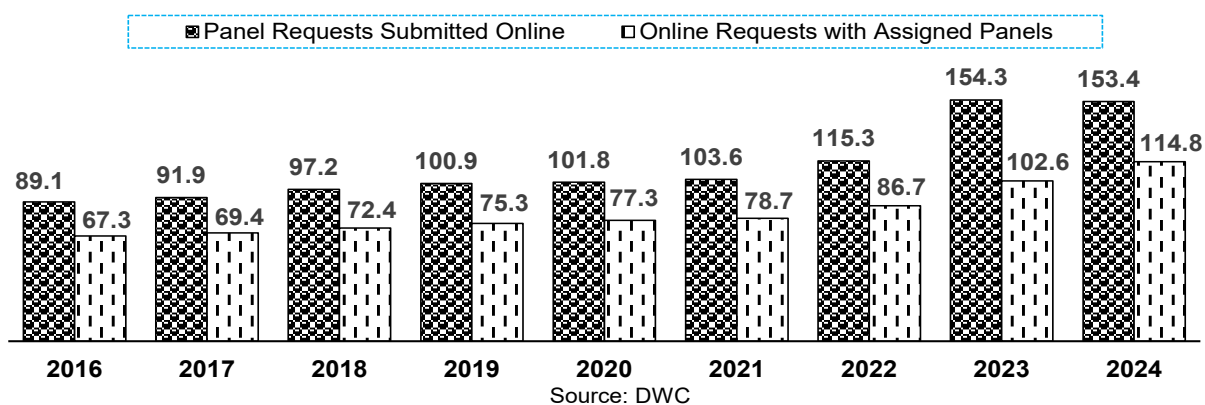
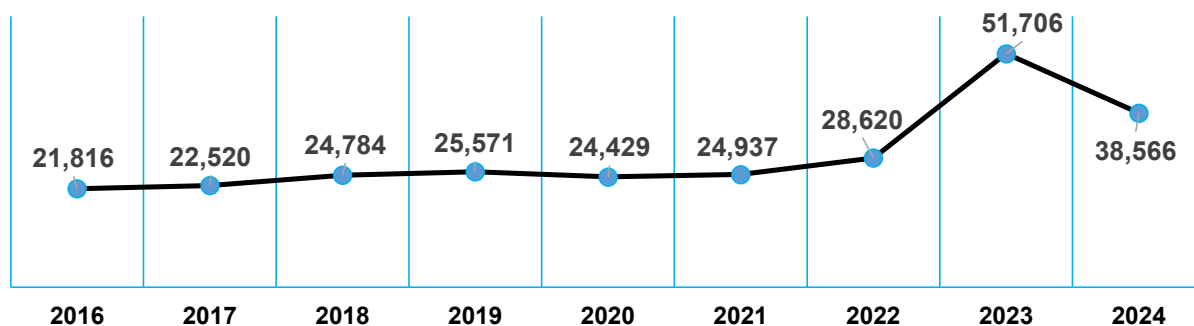


Figure 69 shows the number of rejected on-line panels that comprise about 25 percent yearly as it was described in relation to Figure 68. After reaching 21,800 in 2016 the number of rejected on-line panels increased by 14 percent from 2016 to 2018 and then averaged about 25,000 from 2018 to 2021. From 2021 to 2023, the number of rejected on-line panels more than doubled, increasing its share in the panel requests from the average 25 percent in previous years to 33.5 percent in 2023. From 2023 to 2024, the number of rejected on-line panels decreased by more than 25 percent and its share in the panel requests went back to 25 percent.

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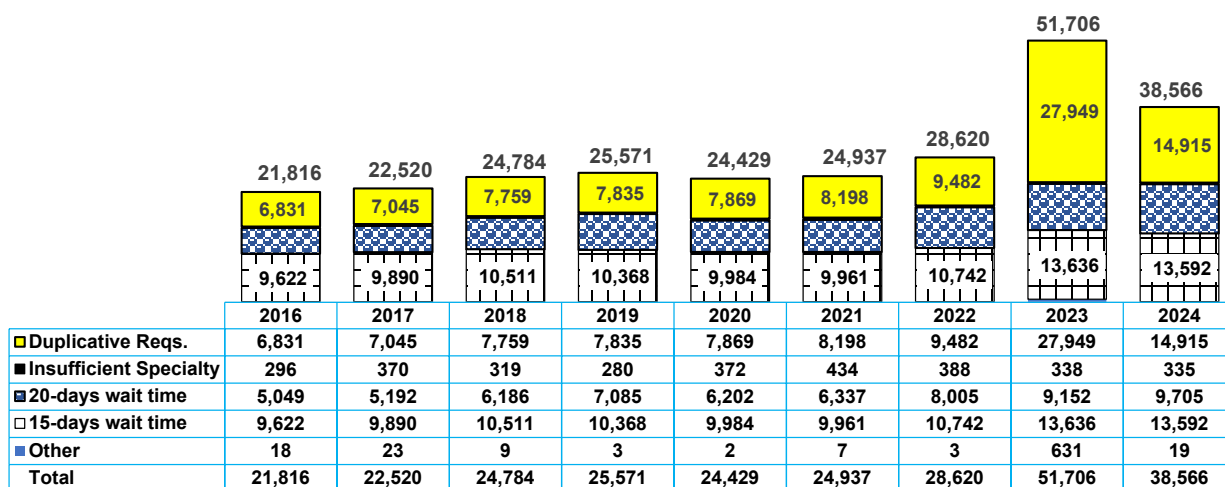
Figure 69: On-Line QME Panel Requests Rejected at Submission



Source: DWC

Figure 70 demonstrates the number of rejected online panels by reasons of rejection. The bigger components of the rejected online QME requests such as noncompliance with 15- or 20-day waiting times or premature requests (67 percent), and duplicative requests (31 percent) increased from 2016 to 2019 as the total number of online QME requests increased during that period. From 2019 to 2021, there were 4 percent and 11 percent decreases in rejection of online requests based on noncompliance with 15- or 20-day waiting times respectively, resulted in a 2 percent decrease in the total number of rejected online QME panel requests. From 2021 to 2023, excluding the decrease in rejections based on insufficient specialty, there were increases in all three main types of rejections. In 2023 the number of duplicative requests almost tripled from its 2022 count, increasing its share in total number of rejected panel requests from 31 percent to 54 percent. While the number of duplicative-request rejections almost halved from 2023 to 2024, the rejections of online requests based on noncompliance with 15- or 20-day waiting times remained flat in the same period. The share of rejections based on duplicative requests in total number of rejected panel requests decreased from 54 percent in 2023 to 39 percent in 2024.

Figure 70: Number of Rejected On-Line QME Panel Requests by Rejection Reasons



Source: DWC

All panel types other than the initial represented panels submitted online are mailed to the Medical Unit (MU) for processing. Requests for panels mailed to the MU are reviewed for compliance by MU staff. Entry of the assigned panel and rejection letter are done by staff at the MU and the panel list or rejection letter is mailed to the parties in the case.

The various types of panel requests mailed include: unrepresented initial panel requests submitted on Form 105; request on Form 106 in a represented case involving a date of injury before January 1, 2005; requests

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for a panel in a case involving an uninsured employer; requests for an additional specialty panel under certain specific conditions under Title 8 CCR section 31.7; requests for replacement of one or more QMEs on the panel list that meets the provision in Title 8 CCR section 31.5; requests for a panel ordered by a WC Administrative Law Judge.

QME Panel Requests Received by Mail

Figure 71 shows the count of mailed QME requests received by the MU that are processed and issued panels or rejected from 2015 to 2024. The total number of QME panel requests received by the MU by mail decreased by 35 percent from 2015 to 2016, increased by about 9 percent from 2016 to 2019, and then decreased by 28 percent from 2019 to 2022 before increasing by 13.5 percent from 2022 to 2024. On average, 70 percent of all processed requests are assigned panels yearly. The MU has 30 calendar days to issue a panel in represented cases.

Figure 71: QME Panel Requests Received by Mail and Assigned Panel Lists or Rejected (Thousand)

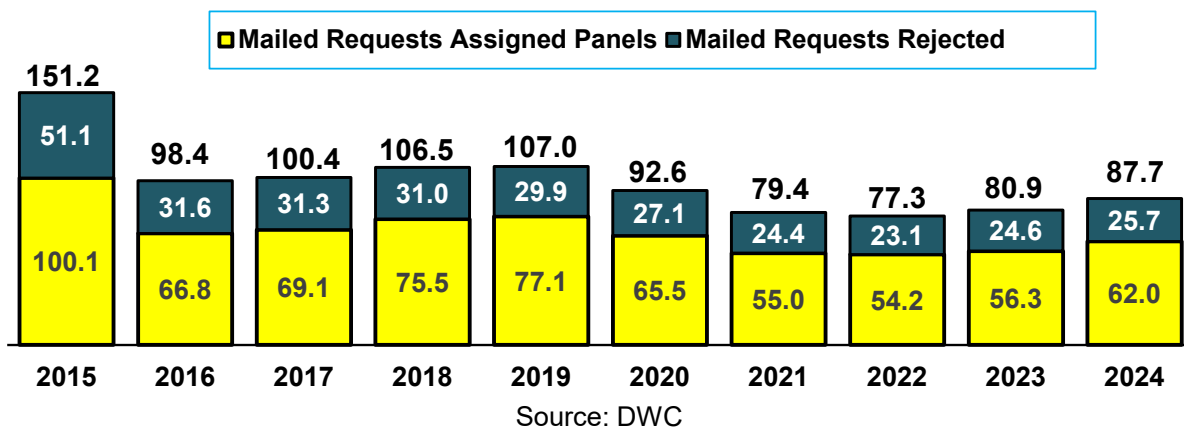


Figure 72 shows that the total number of QME requests assigned panels by MU decreased by 37 percent from 2015 to 2016, with the implementation of the online panel submissions from October 1, 2015, and then increased steadily by 16 percent from 2016 to 2019. There was a 30 percent decrease in assigned panels from 2019 to 2022, followed by 14 percent increase from 2022 to 2024.

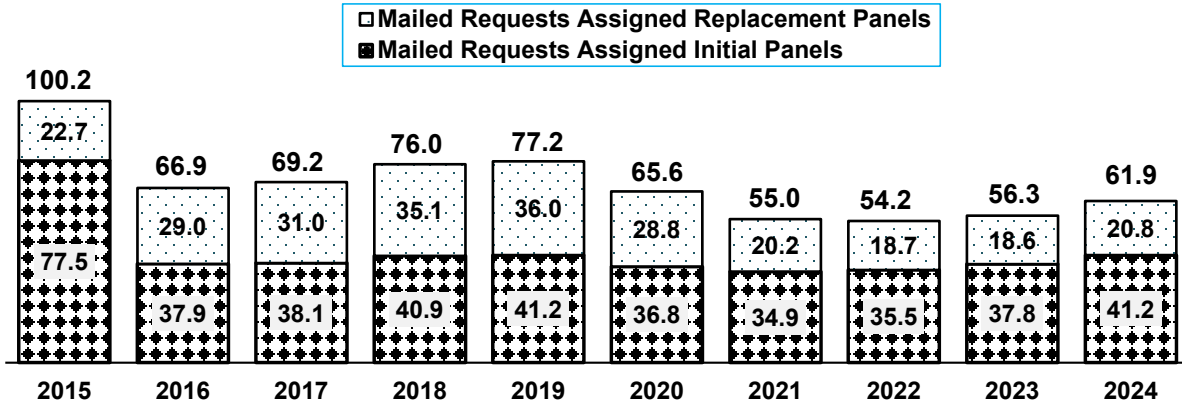
On average, about 55 percent of mailed QME requests were assigned the initial panels from 2016 to 2020, which increased to 63 percent in 2021, and then to an average of 66 percent from 2022 to 2024.

The number of replacement panels increased by 54.5 percent from 2015 to 2018, averaged 35,366 in 2018 and 2019 (in pre-pandemic period), and then decreased sharply in the next 4 years, reaching 18,556 in 2023 or almost half of its number in 2019. In 2020 and 2021, the MU adopted an emergency regulation 46.2 that was in effect from May 14, 2020 to January 12, 2021.¹⁰⁴ According to DWC, the purpose of the regulation was to help injured workers and employers continue to move their WC claims towards resolution by addressing the issue of how the medical-legal evaluations could proceed during the emergency period resulting from various state and local public health safety measures related to COVID-19. From 2023 to 2024, the number of assigned replacement panels increased by 12 percent.

¹⁰⁴ <https://www.dir.ca.gov/DIRNews/2020/2020-43.html>.

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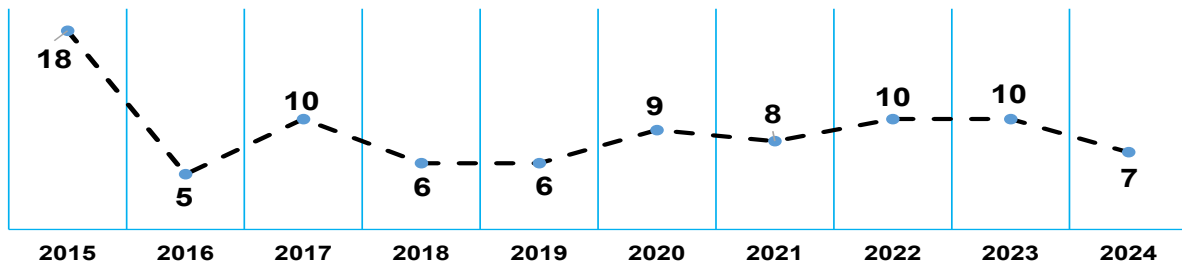
Figure 72: Mailed QME Requests Assigned Initial or Replacement Panels (Thousand)



Source: DWC

Figure 73 shows the number of days it takes the Medical Unit to assign an initial panel to QME requests filed by unrepresented injured workers after receipt. The MU is required to issue a panel within 20 working days from the date of receipt pursuant to Labor Code section 139.2(h)(1). The number of days required to process the panels from the date of receipt to assigned date fluctuated mostly between the minimum of 5 to 10 days from 2016 to 2024, with an average of 8 days.

Figure 73: Number of Days Required to Assign Initial Panel in Unrepresented Cases (From the Date of Receipt)



Source: DWC

Utilization Review

Utilization review (UR) is the process by which employers or claims administrators ensure medical treatments recommended by treating physicians for injured workers are medically necessary. UR may apply to prospective, retrospective, or concurrent requests for authorization of treatment and, absent any other issues, may result in an approval, modification, or denial of the request. The utilization review process begins when a completed DWC Form RFA, or a request for authorization (RFA) accepted as complete under Chapter 8 of the California Code of Regulations, section 9792.9.1(c)(2), is first received by the claims administrator; or in the case of prior authorization, when the treating physician satisfies the conditions described in the utilization review plan for prior authorization. (See § 9792.6.1(y).)

Each employer, either directly or through its insurer or an entity with which an employer or insurer contracts for utilization review services, is required to establish a utilization review process via written policies and procedures to ensure that utilization review decisions are consistent with the Medical Treatment Utilization Schedule (MTUS). The MTUS is adopted by the Administrative Director and incorporates evidence-based, peer-reviewed, nationally recognized standards of care. (See Labor Code § 4610(c) & 5307.27(a).) Within the MTUS is also a drug formulary (effective January 1, 2018) which DWC adopted to implement Assembly

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Bill 1124. Subsequent regulations (found at 8 CCR sections 9792.27.1 – 9792.27.23) established an evidence-based drug formulary, consistent with MTUS standards.

Effective July 1, 2018, under Senate Bill 1160, entities engaging in modifying or denying requests for authorization of medical treatment via UR were required to obtain and maintain accreditation by an independent, nonprofit organization. Until and unless the Administrative Director assigns another accreditation organization, the California Legislature named URAC as the accrediting organization. The accreditation requirement certifies that the entities meet specified criteria in accordance with industry best practices across the nation. These entities are also required to submit a description of its UR policies and procedures to the DWC for approval.

UR regulations are enforced via recurring investigations on all UR organizations (UROs) that have a UR plan filed with the DWC. (See 8 CCR sections 9792.11 – 9792.15.) Investigations to enforce UR requirements have been ongoing every 5 years as required by law.

Investigations can be either routine or target. Routine investigations are done by randomly selecting files from all requests for treatment received by the URO within a three month period. The period selected is generally the previous three full months from the start of the investigation. DWC notifies the URO by sending a Notice of Utilization Review Investigation, which identifies the investigation as a routine investigation, unless it is a target investigation. Once DWC has the requested information, including a list of all RFAs for the three month period, files are randomly selected to be reviewed and a list of those files is sent to the URO with the Notice of Investigation Commencement (NIC). The URO has 14 days from receipt of a NIC to provide copies of each selected file. When the correct number of UR files is obtained, they are reviewed to determine the following:

1. Were responses to the RFAs issued on time?
2. Were UR decisions made by appropriate personnel and by applying the required criteria and did the decision include a rationale?
3. Was the decision communicated on time and to the appropriate parties?
4. Did each denial or modification decision include a properly filled-in IMR application and was it submitted to the appropriate parties?
5. Were other pertinent UR regulatory requirements followed?

Files found to have violations are assessed a set penalty. The investigation subject is assigned a score based on the number and type of violations cited. The passing score is 85 percent or higher. The URO is notified of its score by transmission of a Preliminary Report, including all exhibits, which verifies how the score was calculated, and any next steps to be taken. The URO may request a post-investigation conference and submit additional documentation to contest the penalty and demonstrate that it actually performed the utilization review correctly.

If a URO has a failing score, it may request abatement, a process in which the URO agrees to remediate its errors and submit to a return investigation within 18 months of the routine investigation in return for abatement of its penalties. If the return target investigation reflects a failure by the URO to remediate its processes, the original penalty amounts are multiplied, as specified by law. Alternatively, a mitigation process is also available upon request with respect to penalty amounts.

After any conference, review of additional documentation, abatement, and mitigation, DWC completes the investigation by issuing a Final Investigation Report. If any penalties were assessed, the DWC also sends, along with the Final Investigation Report, an Order to Show Cause (OSC) and a Stipulation and Order, that allows for a more formal appeals process, if elected. According to Table 14, \$16,700 was assessed in penalties after completion of 7 UR investigations in 2024 and \$36,200 in penalties after 8 investigations were completed in 2023. According to the Medical Unit, because UR investigations are performed on a random selection of files, penalty assessment results can vary significantly from year to year. According to

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the Medical Unit, because UR investigations are done through random selection of files, penalty assessment results can vary significantly from year to year.¹⁰⁵

Table 14: Status of UR Investigations

	Completed	Pending	Failed	Penalty Assessed
2015	27	0	2	\$39,000
2016	11	0	0	\$8,000
2017	4	0	0	\$30,500
2018	6	0	0	\$2,000
2019	7	0	0	\$15,500
2020	17	0	0	\$175,700
2021	10	0	2	\$94,450
2022	10	0	0	\$45,225
2023	8	0	0	\$36,200
2024	7	0	0	\$16,700

Source: DWC

Status on SB 1160 implementation: Utilization Review and Doctor's First Report

Utilization Review

SB 1160 was signed into law in September 2016. The law revised and recast provisions relating to UR regarding injuries occurring on or after January 1, 2018. A primary aspect of SB 1160 was that the establishment of an exemption to prospective UR for, generally, lower-cost and/or treatments addressed in the MTUS (including exempt medications on the Drug Formulary) rendered by an authorized physician within 30 days from the date of injury if specified reporting requirements were met. Retrospective UR for such treatment is allowed, but for the limited purpose of determining whether a physician has a pattern and practice of rendering treatment outside of the guidelines such that the physician should be prohibited from utilizing the 30-day exemption. Effective on and after January 1, 2018, the bill established new procedures for reviewing requests for medication prescribed pursuant to the drug formulary (established under AB 1124) adopted by the Administrative Director that included a faster UR timeframe. As mentioned above, under the bill, UR organizations that modify or deny treatment requests are required to obtain accreditation from URAC and obtain approval of their UR plans from the DWC. Formal rulemaking to implement these changes to the UR program were initiated on June 7, 2024.

SB 1160 also required the DWC's Administrative Director to develop a system for the electronic submission of information to the DWC on each UR decision. The proposed system requires secure electronic transmission directly from the Utilization Review Organizations (UROs) to DWC. The hope is that, by monitoring this data, the DWC will be able to accurately assess timelines associated with treatment requests, determine the effects of the MTUS clinical guidelines on treatment, compare UR decisions on specified treatment to assess program consistency, etc. The DWC is working with the DIR IT Unit to design and build this electronic reporting system.

Text of the SB 1160 bill is at:

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB1160/.

Information on the rulemaking process related to SB 1160 for UR is at:

<https://www.dir.ca.gov/dwc/DWCPropRegs/2024/Utilization-Review/Index.htm>
<https://www.dir.ca.gov/dwc/DWCWCABForum/UR-Regulations.htm>.

¹⁰⁵ The information was provided by the Medical Unit in August 2024.

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Doctor's First Report of Injury

Every physician who treats an injured worker must file a complete Doctor's First Report of Injury (DFR) on form 5021 with the employer's claims administrator within five days of the initial examination. Currently, the claims administrator is required to send a paper copy of the DFR (Form 5021) by mail to DIR. Recent changes require that physicians electronically file the DFR with DWC. The DWC currently has an electronic DFR available that allows for standardized data to be submitted directly to DWC. The Division is working with system stakeholders to develop an improved version of the current electronic DFR.

Information on Electronic Reporting System for Doctor's First Report (DFR) of Injury at:
<https://www.dir.ca.gov/dwc/Electronic-Reporting-System-for-DFR/Index.htm>.

Independent Medical Review

Senate Bill (SB) 863 adopted several provisions that affect how medical necessity determinations are made for medical care provided to injured workers. One of the key provisions was putting in place the Independent Medical Review (IMR) process for resolving medical treatment disputes. Effective January 1, 2013, for injuries occurring on or after that date, and effective July 1, 2013, for all dates of injury, IMR is being used to decide medical necessity disputes for injured workers. The DWC administers the IMR program with costs borne by the employer, and it is similar to the group health process for medical treatment dispute resolution.

The IMR program is now in its thirteenth year. The volume of IMR application filings had previously held steady year to year for several years. In 2024, the Independent Medical Review Organization (IMRO) received a total of 199,651 applications, 14 percent more than the previous year (175,027). As in previous years, about one in five applications (17.2 percent) duplicated an application previously received. After subtracting duplicate applications, the number of "unique" applications received totaled 164,238 for the year.

In the first 7 months of 2025 (January through July), the IMRO received 116,872 applications for IMR, higher than the 16,638 average monthly application filings in 2024. Figure 74 shows the annual numbers of IMR applications with duplicates, the number of unique medical review requests, and IMR determinations between CY 2014 and the first 7 months of 2025.

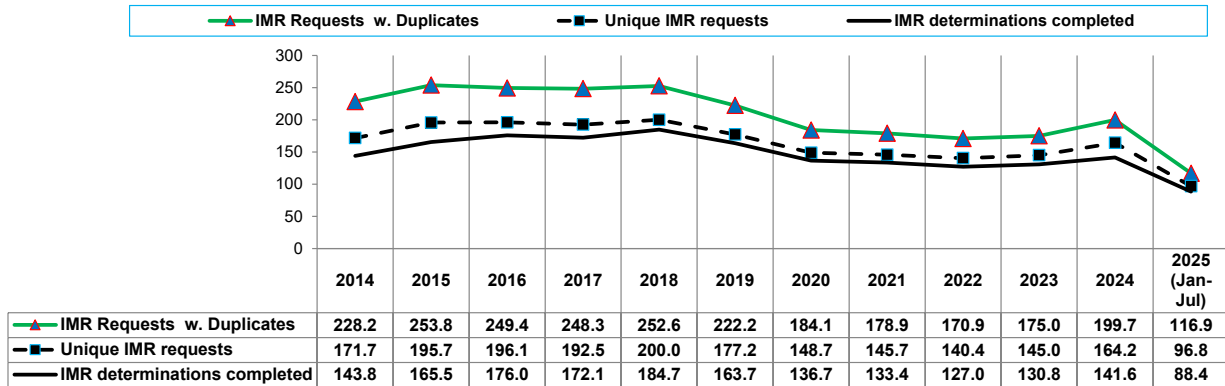
Over 2.5 million applications for IMR were filed (2,563,827) in the first 12 years and 7 months of the program (January 2013 through July 2025). By the end of 2013, the first year of the program, 83,921 IMR applications were received. From 2014 to 2018, the number of IMR applications received ranged from 228,207 to 252,565 each calendar year. Filings decreased by 12 percent from 2018 to 2019, 17 percent from 2019 to 2020, about 3 percent from 2020 to 2021, and 4.5 percent from 2021 to 2022. Filings increased 2.4 percent from 2022 to 2023, and 14 percent from 2023 to 2024. Based on the number of filings in the first 7 months of the current year (116,872), the total number of applications received in CY 2025 is projected to be more than the total for CY 2024.

The number of unique IMR requests received from the inception of the program in January 2013 through July 2025 totaled 2,042,270. The number of IMR determinations completed from January 2013 through July 2025 totaled 1,767,470.

The total number of IMR decisions issued per year increased each of the first four years of the program. Since 2016, when the total number reached almost 176,000, the number of issued decisions has fluctuated. From 2022, the IMR decisions issued per year increased each year. In 2024, 141,621 decisions were issued, a 7.6 percent increase from 2023, when the IMRO issued 130,774 decisions.

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**Figure 74: Number of Independent Medical Review Requests Received and Determinations Completed, 2014 –2025 (January-July)
(Thousand)**

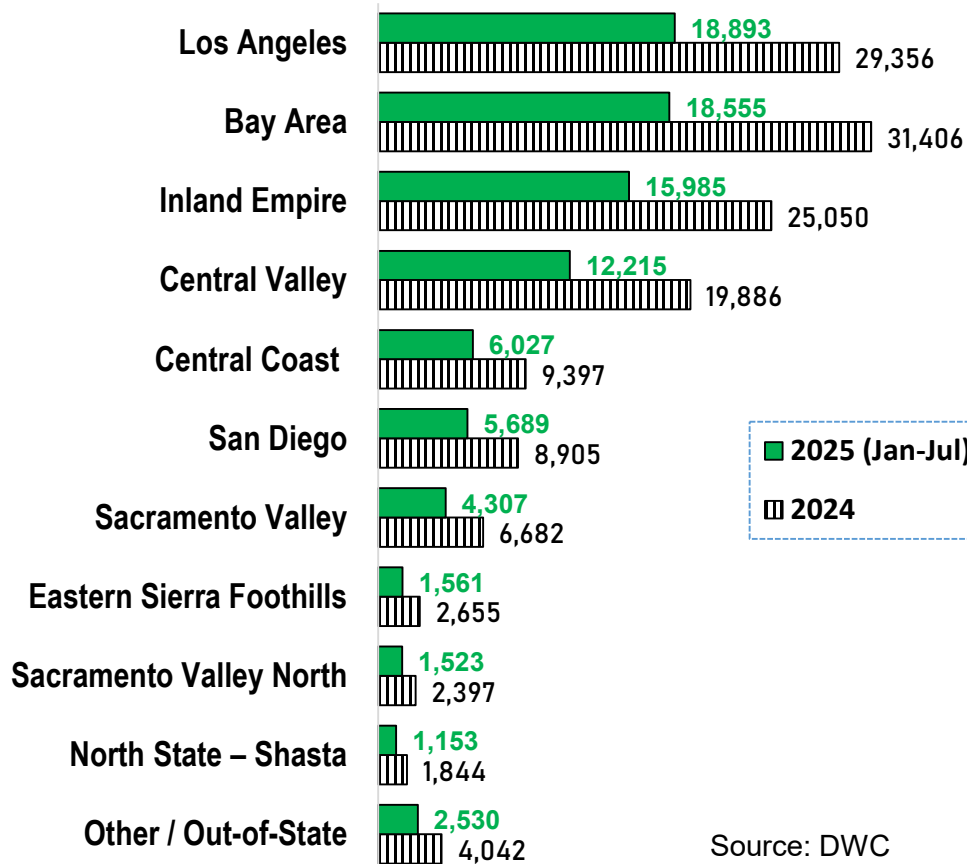


Data Source: DWC

Figure 75 shows the number of IMR case decisions issued in 10 regions of California in 2024 and 7 months in 2025. Southern California accounted for 45 percent of all IMR decisions in 2024 and 46 percent in 2025.

Figure 75: IMR Case Decisions Issued by Region in 2024 and 2025 (January-July)

(Total in 2024=141,620 and 2025 (January-July) = 88,438)



Source: DWC

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For further information ...

DWC, "2025 Independent Medical Review (IMR) Report: Analysis of 2024 Data" (2025).

<https://www.dir.ca.gov/dwc/IMR/reports/IMR-Annual-Report.pdf>

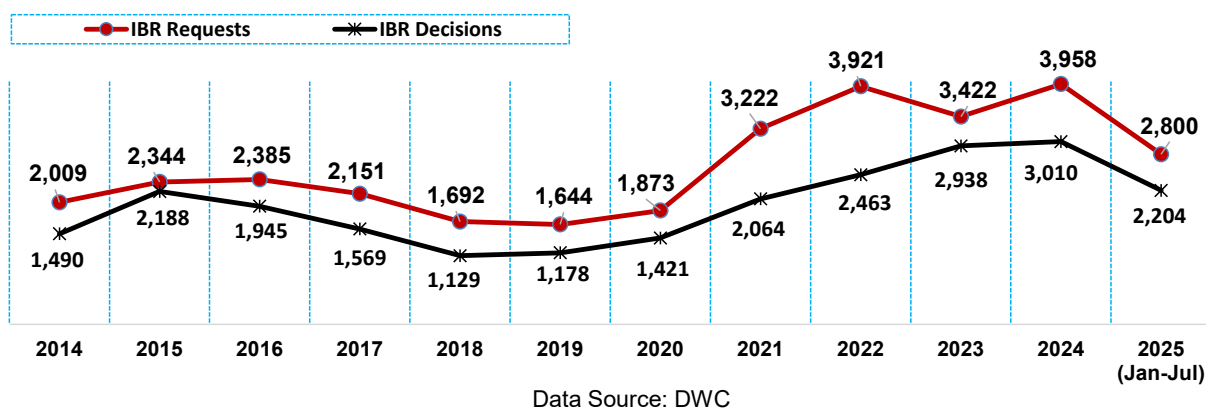
Independent Bill Review

Senate Bill (SB) 863 adopted several provisions to provide a quick, efficient way of resolving disputes over medical billing and eliminate litigation at the appeals board over billing disputes. One of the key provisions was putting in place the Independent Bill Review (IBR) process for resolving medical treatment and medical-legal billing disputes. Effective January 1, 2013, for medical services provided on or after that date and in cases in which the fee was determined by a fee schedule established by DWC, the IBR is used to decide disputes when a medical provider disagrees with the amount paid by a claims administrator. DWC administers the IBR program, which refers applicants to an independent bill review organization (IBRO). The reasonable fees for IBR are paid by the applying physician. If the independent bill reviewer determines that the claims administrator owes the physician additional payment on the bill, the claims administrator must reimburse the physician for the review fee.

Figure 76 shows the yearly numbers of IBR requests received and IBR decisions completed between 2014 and the first 7 months of 2025. The number of IBR requests received increased by 19 percent from 2014 to 2016 and then decreased by 31 percent from 2016 to 2019. From 2019 to 2021, the total number of IBR requests almost doubled and then fluctuated between 3,200 and 3,960 between 2021 to 2024.

As of July 2025, the number of IBR requests received for the whole period beginning in 2014, totaled 31,421, and the number of decisions completed totaled 23,599, with 75 percent of all requests having been resolved.

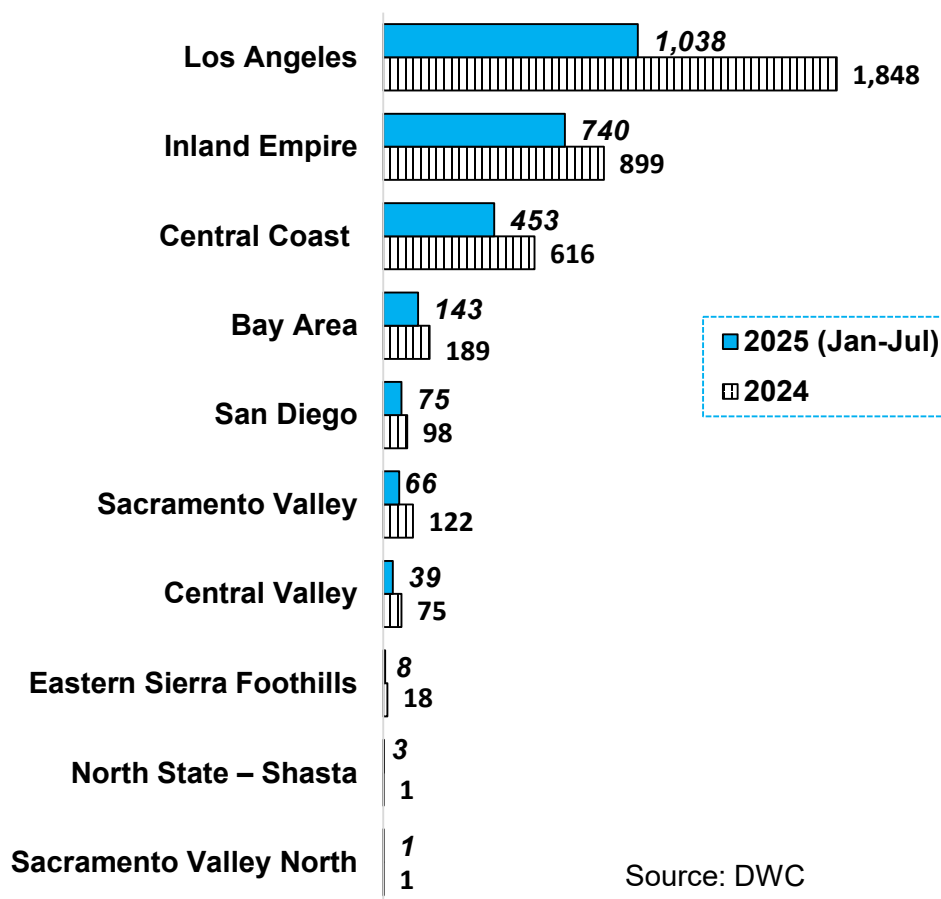
Figure 76: Number of Independent Bill Review Requests and Decisions, 2014–2025 (Jan-Jul)



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Figure 77 shows the number of IBR applications filed in 10 regions of California in 2024 and for 7 months of 2025. The Northern regions comprised 9 percent, and all Southern regions made up 74 percent of total IBR applications filed for the whole year of 2024.

Figure 77: Number of IBR Applications Filed, by Regions in 2024 and 2025 (January-July)
(Total for 2024=3,867 and 2025 (January-July)=2,566)



Medical Provider Networks and Health Care Organizations¹⁰⁶

Medical Provider Networks

Background

Between 1997 and 2003, the California WC system had significant increases in medical costs. During that period, WC medical treatment expenses in California increased by an estimated 138 percent,¹⁰⁷ outpacing the cost of equivalent medical treatment in non-industrial settings. To slow this unregulated rise in costs, major reforms were enacted in 2003 and 2004. One such effort was the passage of Senate Bill (SB) 899 in April 2004. A major component of SB 899 was the option to establish a medical provider network (MPN), as promulgated in Labor Code Section 4616 et seq. MPNs were implemented beginning January 1, 2005.

¹⁰⁶ The information in this section was provided by DWC Medical Unit, with minor edits by CHSWC staff.

¹⁰⁷ Based on the WCIRB annual report *California Workers' Compensation Losses and Expenses Report*, prepared pursuant to the California Insurance Code, Section 11759.1.

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On September 18, 2012, another round of major WC reforms was signed into law in SB 863. SB 863 incorporates significant changes to MPNs, including but not limited to: expanding who can qualify to become an MPN applicant; limiting the MPN approval period to four years and requiring MPN plans to be reapproved; providing the right to petition for MPN suspension or revocation; and authorizing the adoption of administrative penalties to ensure that MPN applicants comply with regulations. Most of these changes took effect on January 1, 2014.

On October 6, 2015, SB 542 was signed into law with additional changes, including: clarifying the MPN independent medical review process from the independent medical review process that resolves UR disputes; requiring every MPN to post on its website information on how to contact the MPN, on medical access assistance and how to obtain a copy of any notification regarding the MPN that is required to be given to an employee by regulations; creating efficiencies for approving MPNs when a modification is made during a four-year approval period; clarifying who provides for the completion of treatment when there is a continuity-of-care issue; and giving a statutory definition of an entity that provides physician network services. These changes took effect on January 1, 2016.

On October 8, 2019, SB 537 was signed into law and included the requirement that every MPN post on its internet website a roster of all participating providers. However, this provision did not take effect until July 1, 2021. The bill amended Labor Code section 4616 to require that the roster of all participating providers list all the physicians and ancillary service providers in the MPN and include the name of each individual provider, their office address and office telephone number. It further specified that, if the ancillary service is provided by an entity rather than an individual, then that entity's name, address, and telephone number shall be listed.¹⁰⁸

On September 27, 2022 SB 1002 was signed into law and added licensed clinical social workers (LCSWs) to the medical treatment services lists of Labor Code section 3209.5, and the medical treatments list of Labor Code sections 4600, and 4600.3. In addition, the bill added Labor Code section 3209.11, declaring that an employer, workers' compensation insurer, self-insured employer, or their agents may provide an employee with access to the services of a LCSW. Finally, SB 1002 states medical provider networks (MPNs) may add LCSWs, an ancillary service provider, to their physician providers listings, but expressly clarifies injured workers may only see a LCSW upon referral from a physician as defined in Labor Code section 3209.3.¹⁰⁹

An MPN is a network of providers established by an insurer, a self-insured employer, a Joint Powers Authority (JPA), the State, a group of self-insured employers, a self-insurer security fund, or the California Insurance Guarantee Association (CIGA), or entities that provide physician network services to treat work-related injuries.

The establishment of an MPN gives employers significant medical control. With the exception of employees who have a predesignated physician, according to California Labor Code Section 4600, employers that have established an MPN control the medical treatment of employees injured at work for the life of the claim, as opposed to 30 days of employer medical control they had prior to the passage of SB 899. Having an MPN means the employer has more control with regard to who is in the network and whom the injured worker sees for care for the life of the claim. The employer chooses to whom the injured worker goes on the first visit; after the first visit, the injured worker can go to a doctor of his/her choice as long as the doctor is in the MPN and is of the relevant medical specialty.

Before the implementation of an MPN, insurers, employers or entities that provide physician network services are required to file an MPN application with DWC for review and approval, pursuant to 8 CCR Section 9767.1 et seq. The DWC is the certifying agency for the MPN and oversees the MPNs statutory and regulatory compliance.¹¹⁰

¹⁰⁸ https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB537.

¹⁰⁹ https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202120220SB1002.

¹¹⁰ List of approved MPNs can be found at: https://data.ca.gov/dataset/dwc-medical-provider-network-mpn/resource/7a4fe0c3-68d4-4a18-bb3c-81fb7b2c1e32?view_id=9fb44174-3b54-443e-9be5-89b963aa194f

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

DWC provides all the data on MPNs in this section.

Application Review Process

California Labor Code Section 4616(b) mandates that DWC review and either approve or disapprove MPN plans submitted within 60 days of their submission. If DWC does not act on the plan within 60 days, the plan is deemed approved by default.

Upon receipt of an MPN application, DWC does an initial cursory review of all applications received. The result of the review is communicated to each applicant in a letter indicating whether the application is "complete" or "incomplete," as applicable. Applicants with incomplete sections in their application will be asked to fill in the missing part(s). Applicants with a complete application will receive a "complete" letter, indicating the target date for completion of the full review of their application. The 60-day time frame within which DWC should act starts the day a complete application is received by DWC.

The full review of an application involves thorough scrutiny to see whether the application followed the statutory and regulatory requirements set forth in California Labor Code Section 4616 et seq. and CCR Sections 9767.1 et seq. The full review culminates with an approval letter if no deficiency is discovered in the submitted application. Applicants with deficient applications are sent a disapproval letter, listing deficiencies that need to be corrected. This process is repeated until the application is approved or withdrawn.

Material modification filings go through a review process similar to the one for an initial application.

Applications Received and Approved

Table 15 summarizes the number of MPN activities from their inception on November 1, 2004, to December 31, 2024. During this time, the MPN program received 2,731 MPN applications. Of these, 55 were ineligible, as they were erroneously submitted by employers, insurers, or other entities that, under the MPN regulations, are not eligible to set up an MPN. As of December 31, 2024, 2,518 applications were approved. DWC revoked 33 approved applications. The reason for revocation was the applicants' erroneous reporting of their status as self-insured when in fact they were insured entities or an insurer no longer eligible to transact WC in California. Four hundred and twelve (412) applications were withdrawn after approval. The reasons for the withdrawals were either that the applicant decided not to pursue an MPN or that a duplicate application was submitted. One thousand nine hundred and four (1,904) applications were terminated after approval. The reason for the termination was the applicant's decision to stop using the MPN.

Table 15: MPN Program Activities from November 1, 2004, to December 31, 2024

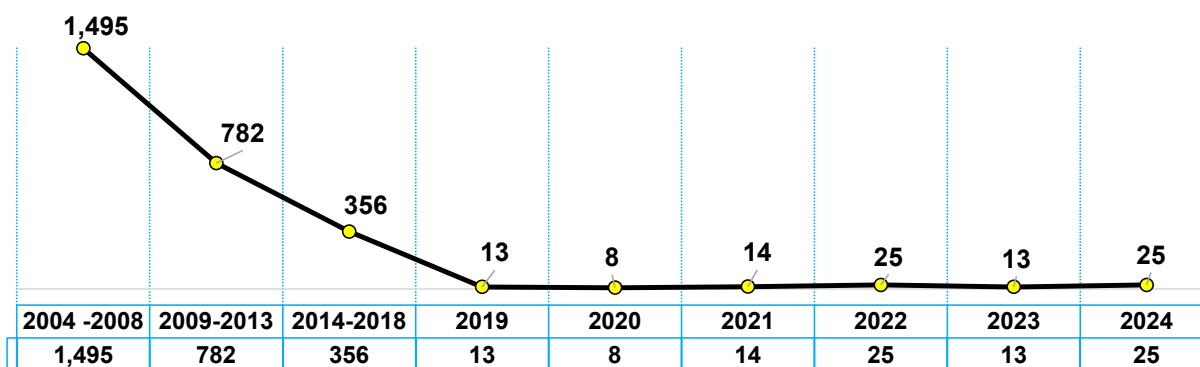
MPN Application Status	Number
Received	2,731
Approved	2,518
Material Modifications	5,152
Withdrawn	412
Revoked	33
Ineligible	55
Terminated	1,904

Source: DWC

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

Figure 78 shows the receipt of MPN applications from the inception of the program in 2004 to 2023, with the data before 2019 aggregated over 5 consecutive years.¹¹¹ The bulk of applications, 55 percent, were received in the first 5 years from 2004 to 2008. The number of applications almost halved in the next 5 years from 2009 to 2013 and then averaged 71 applications per year from 2014 to 2018. From 2019 to 2024, the number of MPN applications received by DWC averaged about 16 applications per year with minimum 8 applications in 2020.

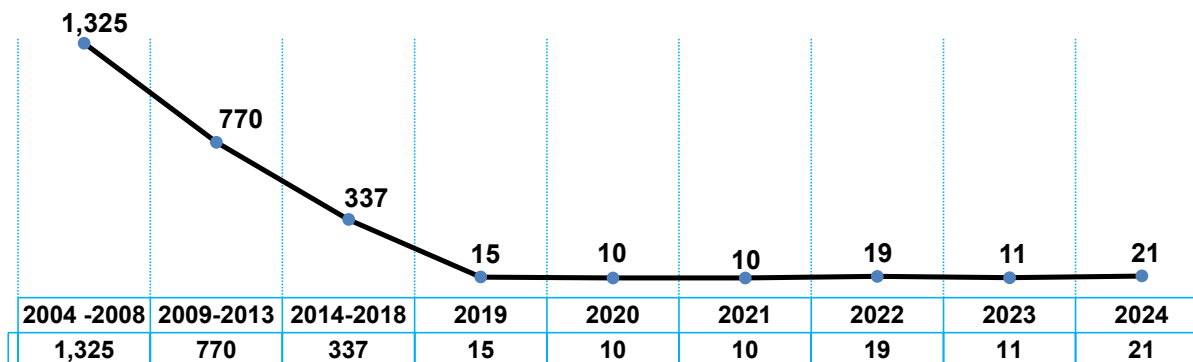
Figure 78: Number of MPN Applications Received, 2004-2024
(Total = 2,731)



Source DWC

Figure 79 shows the MPN applications approved from 2004 to 2023. To recap, about 53 percent of MPN applications were approved in the first 5 years from the inception of the program. The number of MPN applications decreased almost 2-fold in the next 5 years from 2009 to 2013 and decreased from 265 approvals per year in 2004-2008 to 67 approvals per year from 2014 to 2018. The number of MPN applications approved averaged 14 per year from 2019 to 2024.

Figure 79: Number of MPN Applications Approved, 2004-2024
(Total = 2,518)



Source: DWC

Material Modifications

MPN applicants are required by 8 CCR Section 9767.8 to provide notice to DWC for required material changes to their approved MPN application. Modifications are required when the MPN Liaison or Authorized Individual or employee notification material change, among other reasons. Modifications go through a

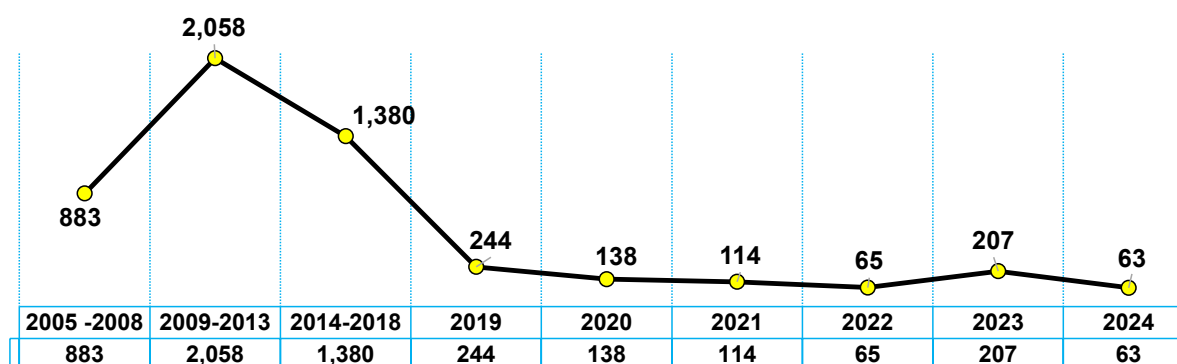
¹¹¹ Please find the unaggregated yearly data from 2004 to 2018 in 2019 CHSWC Annual Report, pp. 124-125.
<https://www.dir.ca.gov/chswc/AnnualReportpage1.html>.

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

review, and an approval process similar to the one for a new application, within the same regulatory time frame.

Figure 80 shows the number of material modification filings received by DWC from 2005 to 2023. The number of material modifications received increased from 221 per year in the first 4 years from 2005 to 2008 to 412 per year from 2009 to 2013. After the SB 863 changes took effect in 2014, the number of material modification fell to 276 modifications per year from 2014 to 2018. The number of material modifications received continued to fall and it decreased almost 4 times in 2022 compared to 2019. From 2022 to 2023, the number of material modifications more than tripled to 207 and then went back to 2022 level.

Figure 80: Number of MPN Material Modifications Received, 2005-2024
(Total = 5,152)



Source: DWC

Plan for Reapproval Process

Beginning January 1, 2014, SB 863 introduced the four-year approval period for existing and newly approved MPN plans. The MPN applicant is required to submit a complete plan to DWC for reapproval at least six months before the expiration of the four-year approval period. The amended MPN regulations that became effective August 27, 2014, set the expiration date for those MPN plans with a most recent application or material modification approval date prior to January 1, 2011, to December 31, 2014. For all plans with an application approval date on or after January 1, 2014, the expiration date is four years from the application approval date.

The MPN application plan for reapproval review is similar to the application review process except that the Administrative Director has 180 days rather than 60 to act from the date an MPN application plan for reapproval is received by DWC.

As in the original application review process, a full review of a plan for a reapproval application involves thorough scrutiny, using a standard checklist, to see whether the application followed the statutory and regulatory requirements set forth in California Labor Code Section 4616 et seq. and CCR Sections 9767.1 et seq. The full review culminates in an approval letter if no deficiency is discovered in the submitted application; if deficiencies are identified, the MPN applicant is sent a disapproval letter, listing the deficiencies that need to be corrected. A correct and complete resubmission is required to ensure that the MPN approval does not expire, which will result in corrective action initiated by DWC for a noncompliant plan.

Table 16 shows the number of MPN approved plans that will require a filing for a plan for reapproval through 2028. These numbers are expected to decrease as approved MPNs are terminated because of consolidation into new approved MPNs created by entities that provide physician network services. In addition, these numbers may change because MPN applicants will proactively ensure that the MPN is reapproved more than six months before the plan's expiration.

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Table 16: Expiring MPN Application Plans by Quarter and Year Through December 31, 2028

Quarter	2025	2026	2027	2028	Total
Q1	5	13	18	30	66
Q2	15	13	15	26	69
Q3	19	16	15	15	65
Q4	11	21	27	27	86
TOTAL	50	63	75	98	286

Source: DWC

Table 17 shows the number of MPN applications for reapprovals received and approved at DWC from 2014 through 2024.

Table 17: MPN Application Plans for Reapproval Received and Approved by Month Through December 31, 2024

		Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Total
2014	Received	0	0	0	0	0	0	0	0	0	15	17	42	74
	Approved	0	0	0	0	0	0	0	0	0	0	0	30	30
2015	Received	25	14	3	30	2	6	1	0	4	4	29	23	141
	Approved	6	3	1	27	3	1	4	0	2	5	37	22	111
2016	Received	12	13	10	8	5	10	11	8	9	1	4	0	91
	Approved	0	2	4	0	8	1	4	11	9	1	1	1	42
2017	Received	6	4	3	4	10	3	2	4	8	3	5	1	53
	Approved	1	8	5	2	4	4	7	9	2	2	8	7	59
2018	Received	1	4	1	1	4	12	0	4	8	0	1	3	39
	Approved	2	0	0	1	0	2	2	1	1	5	2	1	17
2019	Received	3	9	6	3	2	2	3	12	6	11	8	29	94
	Approved	1	6	7	2	3	4	7	3	8	2	2	3	48
2020	Received	8	15	3	9	3	2	2	15	6	5	3	3	74
	Approved	5	3	6	10	31	20	6	8	2	1	9	6	107
2021	Received	19	1	5	19	9	8	9	2	5	3	0	3	83
	Approved	6	15	8	7	16	12	8	4	5	3	1	2	87
2022	Received	6	3	2	10	3	6	3	2	5	5	7	3	55
	Approved	2	6	1	0	4	4	8	2	4	1	5	6	43
2023	Received	3	11	0	9	26	2	0	9	4	11	2	11	88
	Approved	2	8	6	6	3	3	7	4	2	27	3	4	75
2024	Received	6	2	10	11	8	0	4	11	3	7	3	13	78
	Approved	4	10	8	8	6	4	6	4	5	6	14	2	77

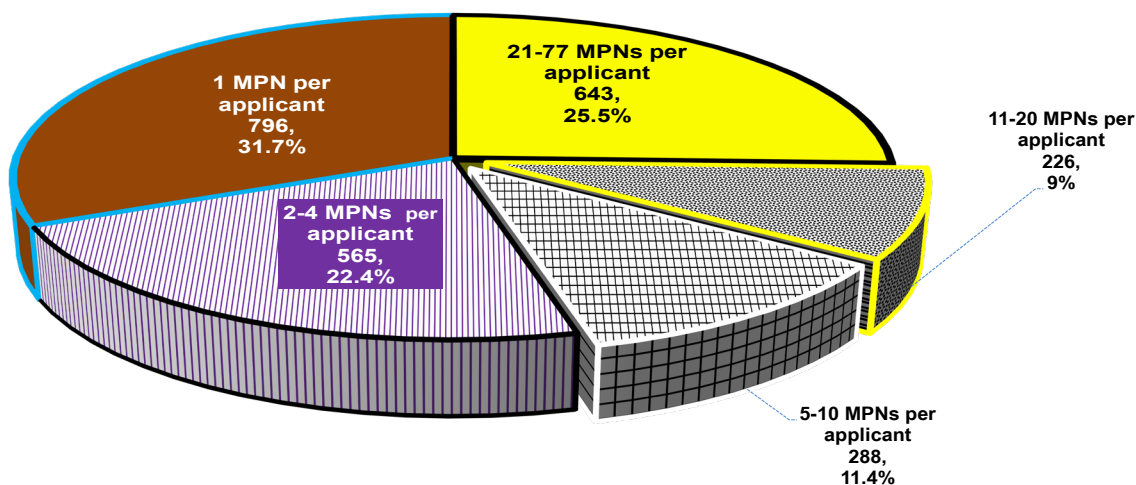
Source: DWC

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

MPN Applicants

MPN applicants are allowed to administer more than one MPN. As a result, MPN applicants with more than one approved MPN account for 75 percent of all MPNs, including 637 approved applicants with 21 to 77 MPNs (see Figure 81). The names of MPN applicants with 10 or more approved MPNs are shown in Table 18. ACE American Insurance Company leads with 75 MPNs, followed by OCM Coastal Acquisition Co., LLC with 52 MPNs, and Zurich American Insurance Company with 46 MPNs.

Figure 81: Distribution of Approved MPNs by Number of MPNs per Applicant, 2024
(Total=2,518)



Data Source: DWC

Table 18: Names of MPN Applicants with 10 or More Approved MPNs

Name of Applicant	Number of MPNs
ACE American Insurance Company	76
OCM Coastal Acquisition Co., LLC	54
Zurich American Insurance Company	46
National Union Fire Insurance Company Of Pittsburgh, PA	43
American Home Assurance Company	42
Safety National Casualty Corporation	38
Federal Insurance Company	35
The Insurance Company Of The State Of Pennsylvania	35
MEDEX Healthcare	34
Old Republic Insurance Company	32
Arch Insurance Company	29
Discover Property & Casualty Insurance Company	27
Hartford Accident and Indemnity Company	27
XL Specialty Insurance Company	27
New Hampshire Insurance Company	26

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Name of Applicant	Number of MPNs
United States Fidelity and Guaranty Company	26
American Zurich Insurance Company	25
Hartford Insurance Company of the Midwest	21
Fidelity & Guaranty Insurance Company	19
Commerce And Industry Insurance Company	18
Travelers Property Casualty Company of America	18
Hartford Fire Insurance Company	16
Twin City Fire Insurance Company	16
Granite State Insurance Company	15
Hartford Underwriters Insurance Company	15
Fidelity & Guaranty Insurance Underwriters, Inc	13
Greenwich Insurance Company	13
Praetorian Insurance Company	13
XL Insurance America, Inc.	13
Continental Casualty Company	12
Landmark Insurance Company	12
Fidelity and Guaranty Insurance Company	11
The North River Insurance Company	11
Zurich American Insurance Company of Illinois	11
AIU Insurance Company	10
American Casualty Company of Reading, Pennsylvania	10
American Guarantee and Liability Insurance Company	10
Hartford Casualty Insurance Company	10
SPARTA American Insurance Company	10
SPARTA Insurance Company	10

Source: DWC

Table 19 shows the number of MPN applicants by type of applicant. From 2004 to 2013, the majority (on an average of 65 percent per year) of MPN applications were filed by insurers, followed by self-insured employers (29 percent). SB 863 added the option for the MPN applicant to change the type of applicant to an entity that provides physician network services, which is reflected in the numbers reported in this table. The share of MPN applications filed by insurers fell to 45 percent in a transitional year of 2014 and then decreased to an average of 29 percent from 2014 to 2022 (see Figure 79). At the same time, the number of MPN applicants filed by entities that provide physician network services increased from 15 in 2014 to an average of 35 per year from 2015 to 2018 and then decreased to an average of 8 per year from 2019 to 2024.

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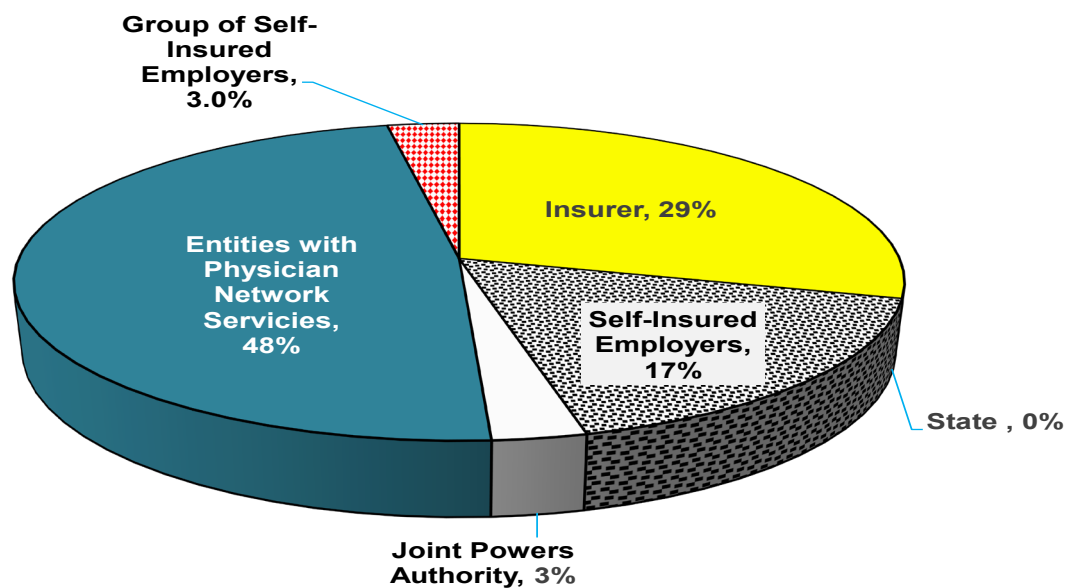
Table 19: Number of Approved MPN Applications by Type of Applicant, 2004–2024

	Insurer	Self-Insured Employers	Entities with Physician Network Services	Joint Powers Authority	Group of Self-Insured Employers	State	Total
2004-2013	1,372	612	11	56	40	4	2,095
2014	38	29	15	3	0	0	85
2015	17	9	32	3	1	0	62
2016	24	4	46	4	0	0	78
2017	17	12	35	0	0	0	64
2018	7	12	28	1	0	0	48
2019	5	0	10	0	0	0	15
2020	2	0	8	0	0	0	10
2021	1	3	6	0	0	0	10
2022	3	5	8	0	3	0	19
2023	1	0	8	2	0	0	11
2024	8	0	7	0	6	0	21
TOTAL	1,496	685	214	69	50	4	2,518

Source: DWC

Figure 82 shows the distribution of MPN applications approved from 2014 through 2024 by the type of applicant when the entities providing physician network services prevailed. On average, 48 percent of approved MPN applications were submitted by entities providing physician network services, followed by 29 percent of insured employers and 17 percent of self-insured employers.

Figure 82: Distribution of All Approved MPN Applications by Type of Applicant, 2014 - 2024



Source: DWC

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

MPN Plans Using HCO Networks

Health Care Organizations (HCOs) networks are used by 24 (1.00 percent) of the approved MPNs. This number of MPNs using HCOs excludes MPNs that were revoked, terminated, or withdrawn after approval. The distribution of MPNs by HCOs is shown in Table 20.

Table 20: Number of MPN Applicants Using HCO Networks

Name of HCO	Approved MPN Plans Using HCONetwork	Percentage of Applications Received	Percentage of Applications Approved
MedEx	14	0.5%	0.6%
MedEx 2	8	0.3%	0.3%
Promesa	2	0.1%	0.1%
Total Using HCO	24	0.9%	1.0%

Source: DWC

Status of the MPN Program

The MPN program is in its eighteenth year and continues to develop. The MPN plan monitoring and review processes have evolved with statutory changes, regulations, and as agency resources permit. SB 863 brought about important changes to the MPNs to improve efficiencies, promote greater accuracy, and ensure regulatory compliance. Effective January 1, 2016, SB 542 has added clarifying information regarding MPN requirements.

To implement the important changes brought about by the passage of SB 863, the MPN regulations were amended, and these amendments took effect August 27, 2014. The changes in the MPN regulations include a more efficient streamlined application process that allows electronic submission of MPN applications, modifications, and reapprovals. The regulatory amendments also include the requirements for an MPN to qualify as an entity that provides physician network services. Allowing these entities to qualify as an MPN applicant better aligns legal with operational responsibility. Additional changes in the MPN regulations include the assignment of unique MPN identification numbers to each MPN in order to easily identify a specific MPN. The amended MPN regulations establish the standards MPNs must meet with the MPN Medical Access Assistants to properly assist injured workers to find and schedule medical appointments with MPN physicians. The amended regulations clarify access standards and now require an MPN to have at least 3 available physicians from which an injured worker can choose, and if the time and location standards are not met, MPNs shall have a written policy permitting out-of-network treatment. Moreover, the amended MPN regulations set forth the physician acknowledgment requirements to ensure physicians in the MPN have affirmatively elected to be a member of the network and a streamlined process for obtaining acknowledgments from medical groups. To promote greater accuracy and ensure statutory and regulatory compliance, MPNs are approved for a period of four years and must file a reapproval before the expiration of this four-year period. Finally, DWC's oversight of MPNs is strengthened with the formal complaint process, the Petition for Suspension or Revocation of MPNs, the ability to conduct random reviews of MPNs and the authority to assess administrative penalties against MPNs to ensure regulatory compliance.

In February 2025 the DWC held a public comment period to solicit feedback on proposed updates to the MPN regulations found in Title 8 California Code of Regulations sections 9767.1 through 9767.19. The update aims to streamline the review process of MPNs and provide transparency of the networks by removing passcodes and requiring documentation of additional information to providers. The update provides clarity on telehealth and remote service as well as access standards. The DWC is currently working with stakeholders on this update and intends to begin official rulemaking by the end of the year.

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Health Care Organization Program

Health Care Organizations (HCOs) were created by the 1993 WC reforms. The laws governing HCOs are California Labor Code, Sections 4600.3 through 4600.7, and Title 8 CCR Sections 9770 through 9779.8.

HCOs are managed care organizations established to provide occupational-related health care to employees injured at work. A health care service plan (sometimes referred to as a Health Maintenance Organization or HMO), disability insurer, WC insurer, or a WC third-party administrator (sometimes referred to as a WC Health Care Provider Organization or WCHPO) can be certified as an HCO.

Qualified employers who contract with an HCO can direct treatment of injured workers from 90 to 180 days depending on whether the employer offers qualified health-care coverage to its employees for non-occupational injuries or illnesses.

An HCO must file an application and be certified by DWC according to Labor Code Section 4600.5 et seq. and Title 8 CCR Sections 9770 et seq. Due to regulatory changes in 2010, HCOs now pay a fee of \$2,500 at the time of initial certification and a fee of \$1,000 thereafter at the time of each three-year certification. In addition, HCOs are required to pay an annual assessment of \$250, \$300, or \$500 based on their enrollments of covered employees as of December 31 of prior calendar year.

Currently, the HCO program has three certified HCOs. The list of certified HCOs and their most recent date of certification/recertification are provided in Table 21. Although there are three certified HCOs, only two have enrollees and one HCO retains its certification so that its HCO provider network can be used as a deemed entity network for a Medical Provider Network (MPN) program.

Table 21: Currently Certified HCOs by Date of Certification/Recertification, 2024

Name of HCO	Date of Certification/Recertification
MedEx	03/16/2025
MedEx 2	10/10/2024
Promesa Health, Inc.	04/16/2025

Source: DWC

HCO Enrollment

At its maximum in mid-2004, HCO enrollment reached approximately half a million enrolled employees. However, with the enactment of MPNs, enrollment of employees under the large HCOs has declined considerably. The total enrollment of employees under HCOs fell by 66 percent from 481,337 in 2004 to 163,604 in December 2024. The table below shows the number of enrollees as of December 31 of each year from 2004 through 2024.

Table 22: HCOs by Number of Enrolled Employees for 2004 through 2024

	MedEx / MedEx2	Kaiser Perma nente On the Job	Comp Partner s	Prome sa	CorVel	Intra corp	Net Work	First Health Comp America Primary/ Select	Pruden t Buyer (Blue Cross)	Sier ra	Total
2004	62,154	30,086	60,935	-	100,080	6,329	1,204	218,919	1,390	240	481,337
2005	66,304	67,147	61,403	-	20,403	3,186	0	2,403	0	0	220,846
2006	46,085	66,138	53,279	-	3,719	2,976	0	0	0	0	172,197
2007	69,410	69,602	13,210	-	3,050	2,870	0	0	0	0	158,142

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

	MedEx / MedEx2	Kaiser Perma nente On the Job	Comp Partner s	Prome sa	CorVel	Intra corp	Net Work	First Health Comp America Primary/ Select	Pruden t Buyer (Blue Cross)	Sier ra	Total
2008	69,783	77,567	1,765	21,197	3,384	0	0	0	0	0	173,696
2009	34,378	72,469	1,729	16,467	1,983	0	0	0	0	0	127,026
2010	46,838	74,223	2,884	17,602	435	0	0	0	0	0	141,982
2011	61,442	76,263	4,200	19,041	467	0	0	0	0	0	161,413
2012	67,606	75,253	11,561	23,772	405	-	0	0	-	-	178,597
2013	75,183	74,122	554	28,222	0	-	0	0	-	-	178,081
2014	86,550	73,939	396	30,701	0	-	0	0	-	-	191,586
2015	145,352	77,521	422	29,448	0	-	0	0	-	-	252,743
2016	182,034	84,637	486	26,397	0	-	-	0	-	-	293,554
2017	175,387	88,260	729	23,859	0	-	-	0	-	-	288,235
2018	173,175	94,519	500	17,659	0	-	-	0	-	-	285,853
2019	170,123	92,752	-	14,095	0	-	-	0	-	-	276,970
2020	153,013	97,620	-	10,671	0	-	-	0	-	-	261,304
2021	152,432	-	-	9,185	0	-	-	0	-	-	161,617
2022	140,375	-	-	9,348	0	-	-	-	-	-	149,723
2023	153,476	-	-	8,058	0	-	-	-	-	-	161,534
2024	156,413	-	-	7,191	-	-	-	-	-	-	163,604

Source: DWC

Health Care Organization Program Status

HCO enrollment increased by about 1 percent between 2023 and 2024. Currently, two of three HCOs continue to operate for the direct provision of health care to injured workers.

For further information ...

www.dir.ca.gov/dwc and http://www.dir.ca.gov/dwc/MPN/DWC_MPN_Main.html

Medical Treatment Utilization Schedule Updates

MTUS and Formulary Update

The MTUS treatment guidelines are regularly updated to include the latest treatment guidance from the American College of Occupational and Environmental Medicine (ACOEM). Similarly, the MTUS Drug List portion of the MTUS Formulary is updated regularly to remain current with the latest medication recommendations from ACOEM.

MTUS and Treatment Guidelines:

<https://www.dir.ca.gov/dwc/MTUS/MTUS.html>

MTUS Drug Formulary:

<https://www.dir.ca.gov/dwc/MTUS/MTUS-Formulary.html>,

MTUS Drug List:

<https://www.dir.ca.gov/dwc/MTUS/MTUS-Formulary-Orders.html>

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

Administrative Director Orders (Lab. Code, § 5307.27) for 2024:
Opioids - (AD Order Effective March 27, 2024)

Pharmacy and Therapeutics Committee

The Administrative Director appointed an independent Pharmacy and Therapeutics Committee (P&T Committee) to review and consult with the Administrative Director on available evidence of the relative safety, efficacy, and effectiveness of drugs within a class of drugs, for purposes of updating the MTUS Drug List. The P&T Committee meets publicly on a quarterly basis and Agendas, Minutes, and Meeting Materials are available at <https://www.dir.ca.gov/dwc/mtus/MTUS-Pharmacy-and-Therapeutics-Committee.html>.

Physician Training

MTUS Training Modules

Physicians treating in the California workers' compensation system are required to follow the evidence-based recommendations in DWC's medical treatment utilization schedule (MTUS). The online course below provides an excellent introduction to the MTUS with helpful instructions on its use. In 2016, DWC introduced a free online Continuing Medical Education (CME) course for treating physicians, qualified medical examiners, physician reviewers, other health care providers, as well as anyone else interested in learning how to use the MTUS. In 2019, DWC released a revised and expanded online MTUS course to include the Formulary and information on obtaining free MTUS-ACOEM guidelines access.

Topics covered include:

- What the MTUS is and how to use it
- How to navigate the MTUS/ACOEM treatment guidelines and apply recommendations via case scenarios
- Free provider access to the MTUS/ACOEM treatment guidelines
- When to consider recommendations outside of the MTUS guidelines for the care of your patient
- How to use the MTUS Formulary and Drug List
- The role of utilization review (UR) and independent medical review (IMR) physicians

Qualified Medical Evaluator (QME) Training Module

Qualified Medical Evaluators (QMEs) play a critical role in resolving disputes within the workers' compensation system and DWC has a free online Continuing Medical Education (CME) course on this topic. This course was developed for current QMEs, those who are interested in becoming a QME, or anyone interested in the QME process. In October 2021, the DWC released an updated QME course covering an expanded list of topics as noted below.

Topics covered include:

- How to prepare for a QME evaluation
- The components of a complete report and potential pitfalls
- The concept of apportionment, and how it applies in the California workers' compensation system
- How to differentiate between causation of permanent disability and causation of injury, and a description of the types of allowable factors in determining causation of permanent disability
- The legal requirements for substantial medical evidence, and how to apply these standards to a medical-legal determination on apportionment

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- How the law requires impartiality and prohibits discrimination against injured workers based on protected characteristics including sexual orientation, race, gender, age, national origin, and religion
- Applicable Administrative Rules including how to schedule QME appointments, how to add or close a QME office, and how to place your QME status as unavailable or inactive
- The importance of issuing timely reports and the consequences of late reporting

Medical-Legal Report Writing Course

Produced in partnership with the University of California Center for Occupational and Environmental Health (UC COEH), this course will provide a clear and comprehensive outline of essential components for a WC Medical Legal Report. Participants will review key concepts and terminology, identify statutes and regulations governing medical legal report writing in California, and leverage the QME Guided Report Quality Assurance Checklist to author medical legal reports that withstand scrutiny, effectively communicate findings, and serve as compelling evidence in legal proceedings. This on-demand course is intended for Qualified Medical Evaluators (QMEs), clinicians including MD/DO, physician assistants, registered nurses, nurse practitioners, and others involved in the California WC system.

Learning Objectives:

- Identify the components of a complete California Workers' Compensation Medical Legal Report
- Define key concepts and terminology
- Review key statutes and regulations governing medical legal report writing in California

Medical-Legal Report Writing Course:

<https://www.coeh.berkeley.edu/23qmecl>

Additional DWC Online Educational Resources:

The DWC online educational courses can be found at the following website:

<https://www.dir.ca.gov/dwc/CaliforniaDWCCME.htm>

Learn about Apportionment and relevant case law:

<https://www.dir.ca.gov/dwc/Apportionment-Webinar.htm>

This course is open to the public and may also be useful for attorneys, claims administrators, and medical providers participating in the California WC system.

Workers' Compensation Community Education

The Division of Workers' Compensation (DWC) offers online education courses for medical providers, claims administrators, case managers, attorneys and HR managers. DWC currently offer training modules on the use of the Medical Treatment Utilization Schedule ([MTUS](#)), tips for Qualified Medical Evaluators ([QMEs](#)), and Medical Legal Report Writing. All three courses qualify for free education credit for Continuing Medical Education (CME), QME and Minimum Continuing Legal Education (MCLE) ([California State Bar](#)) credit. Additionally, the training modules for QME and MTUS also qualify for continuing educational credit for [Society for HR Management](#) (SHRM), [Commission on Rehabilitation Counselor Certification](#) (CRCC), [\(Certified Disability Management Specialist](#) (CDMS), [Insurance Education Association](#) (IEA), and [Commission for Case Manager Certification](#) (CCMC).

The workers' compensation community education online courses can be found on the following website:

<https://www.dir.ca.gov/dwc/OnlineEducationalModules/WC-Community-Education.htm>.

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

DIVISION OF WORKERS' COMPENSATION INFORMATION & ASSISTANCE UNIT

DWC's Information & Assistance (I&A) Unit provides information and assistance to employees, employers, labor unions, insurance carriers, physicians, attorneys and other interested parties concerning rights, benefits and obligations under California's WC laws. The I&A Unit, often the first DWC contact for injured workers, plays a major role in reducing litigation before the WCAB. The Unit received approximately 1,497 calls a week on its toll-free line, 800-736-7401, or a total of 77,861 calls in 2024. These callers get prerecorded messages in English and Spanish about the WC system and can request forms, fact sheets, or guides.

Table 23: Information & Assistance Unit Workload

	Calls from public handled	Outgoing calls placed	Settlements reviewed and assisted	Face-to-face meetings with walk-ins	Injured Worker Workshop (IWW) presentations	Number of IW that attended IWW presentations	Correspondence written	Conference with WC Judge	Audit Unit referrals	RTWSP
2013	300,515	33,965	13,055	24,588	243	3,013	13,005	NA	NA	
2014	308,221	33,015	14,129	25,105	239	2,615	12,996	9,125	70	
2015	307,242	34,017	14,535	26,858	245	2,377	11,557	9,334	58	
2016	311,473	31,985	13,988	25,715	229	2,714	13,511	9,313	NA	
2017	299,674	29,922	10,841	20,987	238	1,593	14,805	7,314	46	
2018	201,050	27,578	9,332	18,900	185	1,053	14,700	7,700	25	
2019	190,647	26,772	8,509	16,666	183	899	14,765	7,329	2	
2020	157,294	25,773	7,346	5,497	50	548	42,869	5,563	0	
2021	126,344	35,434	7,411	1,881	0*	0*	55,310	5,244	0	1,148
2022	73,925	32,969	7,754	7,163	6	252	62,530	6,043	0	1,959
2023	75,723	35,675	8,235	5,403	24	789	65,523	5,746	0	11,638
2024	77,861	37,356	9,951	8,998	24	1,374	71,818	5,912	23	1,891

* Workshops for injured workers were virtual since October 2022. For additional information see:

https://www.dir.ca.gov/dwc/workshop/workshop_english.htm

Source: DWC

Spanish Outreach Attendance data by the type of outreach has only been available since 2017 (see Table 24). In 2021, all 24 DWC district offices were closed to the public. Small numbers of injured workers continued visiting the district offices and getting assistance from the I&A Officers.

Table 24: Spanish Outreach Attendance

		Mexican consulates	Radio	Workshops*	Farmworker-related fairs/events
No. of Events	2017	27	1	3	27
	2018	40	1	6	29
	2019	40	1	3	10
	2020	5	0	1	3
	2021	0	0	0	0
	2022	1	1	3	1
	2023	17	8	12	21
	2024	7	0	9	29
	2025	7	0	12	11
	2017	60	NA	50-75	200-300

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		Mexican consulates	Radio	Workshops*	Farmworker-related fairs/events
Avg No. of Attendees per Event	2018	50	NA	25-50	200-300
	2019	45	NA	25-50	200-300
	2020	45	NA	10	200-300
	2021	0	NA	22	NA
	2022	80	NA	80	50
	2023	3,557	NA	201	5,433
	2024	1,609	NA	306	13,216
	2025	1,325	NA	443	9,135

* Workshops for injured workers are virtual since October 2022. For additional information see:

https://www.dir.ca.gov/dwc/workshop/workshop_spanish.htm

Source: DWC

The annual DWC Educational Conference is the largest WC training course in the state and allows claims administrators, attorneys, medical providers, return-to-work specialists, employers, human resources, and others to learn firsthand about the most recent developments in the system, including any new laws or requirements. Speakers from DWC and the private sector address topics pertinent to claims administrators, medical providers, attorneys, rehabilitation counselors, and others involved in WC. Due to the COVID-19 pandemic, DWC Educational Conferences in 2021 and 2022 took place on a virtual platform. In 2023, DWC went back to holding the educational conference in-person. DWC's 2024 educational conference took place in-person on March 7-March 8, 2024, in Oakland and on March 21-March 22, 2024, in Los Angeles. In 2025, the conference took place in Oakland on March 6 and March 7, and in Los-Angeles on March 20 and March 21.

Table 25: DWC Educational Conferences Attendance, 2013–2025

		Attendees	Exhibitors
Los Angeles	2013	1,091	87
	2014	1,058	85
	2015	1,162	89
	2016	1,191	95
	2017	1,190	91
	2018	1,039	74
	2019	1,045	74
	2020	Cancelled due to COVID-19	
	2021*	Virtual (LA and OAK): see footnote	
	2022**	Virtual (LA and OAK): see footnote	
	2023	675	48
	2024	575	39
	2025	644	54
Oakland	2013	762	53
	2014	740	53
	2015	836	61
	2016	878	59
	2017	803	66
	2018	733	54
	2019	800	50
	2020	559	41
	2021*	Virtual (LA and OAK): see footnote	
	2022**	Virtual (LA and OAK): see footnote	
	2023	377	31
	2024	366	23
	2025	393	22

*2021: 7 conference sponsors, 1,125 attendees and 15 exhibitors.

**2022: 6 conference sponsors, 864 attendees and 12 exhibitors.

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DIVISION OF WORKERS' COMPENSATION INFORMATION SERVICE CENTER

DWC's Information Service Center (ISC) is located in San Bernardino. The main function of the ISC is to screen all incoming calls for all 24 DWC District offices. Any combination of a district office's main number and I&A Unit, Disability Evaluation Unit, and Rehabilitation Unit lines are directed through ISC, which answers questions and provides information in both English and Spanish on WC and EAMS issues for the general public. In addition, all EAMS help desk emails and Notice of Representation (NOR) questions go through ISC. ISC staff members monitor and resolve questions sent via email to EAMS Help Desk, process NOR updates received through the e-File system, and answer Virtual EAMS Support Team (VEST Issue Tracker) questions sent by both internal and external users. In September 2014, some members of DWC ISC's staff started participating in the new DIR Cloud call center several days a week. No statistics are available yet on DIR Cloud call center's workload.

Table 26: DWC's Information Service Center Workload

Activities	2013 to 2019	2020	2021	2022	2023	2024	2025
Incoming calls	1,209,265	155,072	136,354	139,502	146,528	158,047	157,692
Outgoing calls*	13,850	149	195	416	316	72	6
Calls in Spanish	86,600	9,985	10,115	10,223	12,555	13,084	10,125
Calls in Spanish for Return to Work Unit**	1,256	1,132	1,055	1,378	1,172	1,136	739
Calls transferred to district offices	263,452	23,969	9,646	25,261	28,820	32,819	25,358
EAMS Help Desk emails	130,698	16,009	18,326	15,908	14,112	12,300	28,737
Correspondence mailed out	33,811	3,736	4,044	3,803	3,691	3,522	3,766
NOR/SOA-related questions processed	238,411	16,730	9,648	6,973	5,647	2,671	2,452
VEST/Issue tracker of EAMS related problems	542	10	0	9	0	0	0

* Decrease in manual outgoing calls due to new phone system.

** Spanish calls for Return-to-Work Supplement Program (RTWSP) became available in June 2019.

Source: DWC

RETURN-TO-WORK SUPPLEMENT PROGRAM

The Return-to-Work (RTW) Fund was created under Labor Code Section 139.48 as one of the components of SB 863 enacted in September 2012. This section requires that DIR's Return-to-Work Supplement Program (RTWSP) administer a \$120 million fund for the purpose of making supplemental payments to workers whose permanent disability benefits are disproportionately low in comparison to their earnings losses. Injured workers may be eligible for a one-time \$5,000 Return-to-Work supplement if they have a date of injury on or after January 1, 2013, and have received a Supplemental Job Displacement Voucher (SJDB) because of that injury. The benefit is administered by DIR's RTWSP in accordance with the regulations implemented on April 13, 2015, and amendment effective March 20, 2017¹¹². The RTWSP application is only available online. For those with no access to a computer, every DWC district office has a kiosk equipped with a computer, scanner, and printer enabling them to apply.

¹¹² <http://www.dir.ca.gov/ODRegulations/ReturnToWorkRegulations/ReturnToWork.html>;
<http://www.dir.ca.gov/ODRegulations/ReturnToWork/ReturnToWork.html>.

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Status of efforts to enhance the ability of workers to navigate the RTW Supplement process on their own:

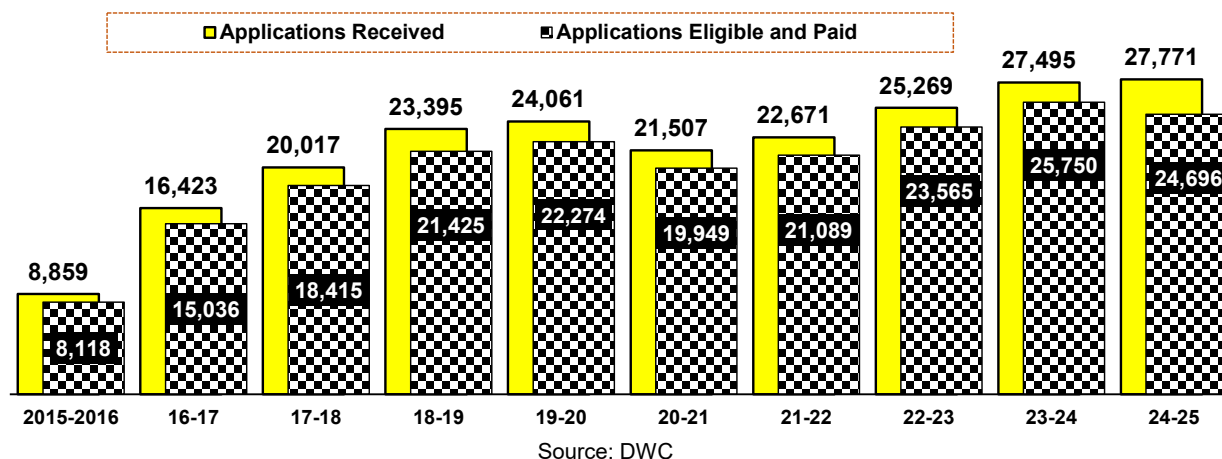
- DWC is the process of amending SJDB voucher forms and RTWSP regulations. The Program is in continuous collaboration with the Office of Information System in enhancing the online application to streamline injured workers' (IW) ability to navigate the process on their own.

Status of targeted efforts to educate treating physicians about their reporting responsibilities necessary for workers to receive the RTW Supplement:

- Per regulations, RTWSP's role is to determine if IW is eligible for the supplemental payment. RTWSP is not involved in IW's medical care and communications with treating physicians.

As shown in Figure 83, on average 92-93 percent of the RTWSP applications received were eligible for payment from FY 2015-2016 to FY 2023-2024. In FY 2024-2025, that share decreased to 89 percent. Similarly, the number of eligible RTWSP nearly tripled from FY 2015-2016 to FY 2019-2020. According to the RTWSP staff, the increase in applications could be explained by the collaborative efforts between RTWSP staff, vocational schools, Vocational Return to Work counselors (VRTW), claims administrators, applicant attorneys, and the injured workers. From FY 2018-2019 to FY 2019-2020, the number of applications received increased slightly by 3 percent and the number of eligible RTWSP increased by 4 percent. From FY 2019-2020 to FY 2020-2021, mainly due to the COVID-19 pandemic, the number of applications received decreased by 11 percent and the number of eligible RTWSP applications decreased by 10 percent. As the economy began reopening in 2021, the number of applications received increased by 28 percent from FY 2020-2021 to FY 2023-2024 and the number of eligible RTWSP applications increased by 29 percent in the same period. In FY 2024-2025, the number of RTWSP applications increased slightly while the number of eligible RTWSP applications decreased by 4 percent compared to FY 2023-2024.

Figure 83: Total RTWSP Applications Received and the Share of Applications Eligible and Paid



According to Figure 83, 6-8 percent of the applications received from FY 2016-2017 to FY 2023-2024 and 11 percent filed in FY 2024-2025 were ineligible according to the RTWSP rules and standards. The reasons for ineligibility from FY 2016-2017 to FY 2024-2025 are detailed in Table 27 and included those falling under 8 CCR Sections: 17302(a), 17302(b), 17304, and 17306.

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Table 27: Reasons for ineligibility of RTWSP Applications

8 CCR Sections	Reasons
§17302 (a)	Date of Injury before 1/1/2013
§17302 (b)	Same person applying more than once (System Processed or Reviewer Processed)
§17304	Timeliness (application submitted past the deadline)
§17306	Incomplete voucher, SJDB proof of service missing, wrong voucher

Source: DWC

As the volume of RTWSP eligible applications expanded from FY 2015-2016 to FY 2019-2020, thus increasing the time and resources needed for processing the applications and issuing RTWSP checks, the average days of benefit issuance from application received date increased as well. See Table 28. During the COVID-19 pandemic, DWC office closures slowed down the application processing time, increasing the Average Days of Benefit Issuance from Application Received Date from 44 days in FY 2019-2020 to 59 days in FY 2020-2021 and FY 2021-2022. In 2022-2023, the Average Days of Benefit Issuance from Application Received Date continued to increase up to 61 days. In 2024-2025, the Average Days of Benefit Issuance from Application Received Date decreased to 52 days although the number of applications received increased in FY 2024-2025 according to Figure 83.

Table 28: Duration of RTWSP Benefit Issuance

	Average Days of Benefit Issuance from Application Received Date (days)	Average Days of Benefit Issuance from Decision of Eligibility (days)
FY 2015-2016	11	5
FY 2016-2017	13	5
FY 2017-2018	20	5
FY 2018-2019	33	5
FY 2019-2020	44	5
FY 2020-2021	59	5
FY 2021-2022	59	5
FY 2022-2023	61	5
FY 2023-2024	55	4
FY 2024-2025	52	5

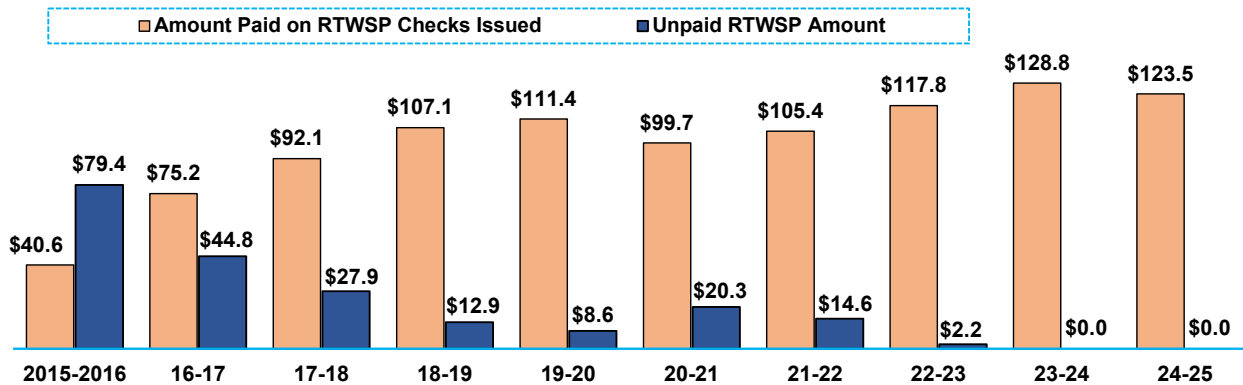
Source: DWC

The total yearly amount to be distributed by the RTW Supplement Program is \$120 million for a total of 24,000 eligible applications, and each eligible applicant is issued a \$5,000 check. Figure 84 shows that, excluding the pandemic years of 2020 and 2021 when the unpaid RTWSP amounts reached from 12 to 17 percent of the \$120 million annual fund, up to 90 percent of it is disbursed to eligible injured workers. The share of the RTWSP that was not distributed decreased to 2 percent in FY 2022-2023.¹¹³ In FY 2023-2024 and FY 2024-2025, the amounts disbursed surpassed the limit of \$120 million, decreasing the share of the unpaid benefit to 0 the first time in the whole reviewed period. The additional \$8.8 million and \$3.5 million in payments (over the \$120 million) were funded from unused funds from prior fiscal years. Labor Code 139.48 makes the funds available in the Workers' Compensation Administration Revolving Fund (WCARF) available for use by RTW Supplement Program without respect to the fiscal year. If, with \$120 million allotted each year, the payments in that year total less than \$120 million, then the balance remains for subsequent years, thus allowing subsequent years' payments to exceed \$120 million. Increased take-up of RTWSP funds may require adjustments to the one-time \$5,000 Return-to-Work supplement.

¹¹³ See the RAND discussions on RTWSP take-up rate in https://www.rand.org/content/dam/rand/pubs/research_reports/RR2500/RR2548/RAND_RR2548.pdf.

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Figure 84: Amount Paid on Eligible RTWSP Applications and the Share of Unpaid Balance



Source: DWC

DIVISION OF WORKERS' COMPENSATION UNINSURED EMPLOYERS BENEFITS TRUST FUND

Introduction

All California employers except the State are required to provide WC coverage for their employees through the purchase of WC insurance or by being certified by the State as permissibly self-insured. However, not all employers comply with the law to obtain WC coverage for their employees, and inspection and investigation by DLSE, Cal/OSHA, or LETF might reveal that they lack this coverage.

The Uninsured Employers Benefits Trust Fund (UEBTF) was established to provide payment of WC benefits to injured employees of illegally uninsured employers. Labor Code Sections 3710-3732 describe the operation of the Fund, and Labor Code Section 62.5 describes the funding mechanism for UEBTF.

The director of the DIR administers the UEBTF. Claims are adjusted for DIR's director by the Special Funds Unit in DWC. UEBTF pursues reimbursement of expenditures from the responsible employers through all available avenues, including filing liens against their property. Litigation for UEBTF is conducted in the name of the director of DIR represented by the Office of the Director Legal Unit.

The analyses of UEBTF activities in the CHSWC Annual Report are based on DWC/DIR Electronic Adjudication Management System (EAMS). EAMS provides UEBTF business analytics and maintains document processing workflows supporting the judicial review process, and expands document processing for UEBTF. EAMS' yearly extracts of UEBTF data reflect changes in numbers and amounts for all years depicted in this report. These UEBTF claims-based data demonstrated in this report for all years, including the last fiscal year, are final and not subject to further adjustments. Please note that the values of the UEBTF expenditures and revenue for the last fiscal year demonstrated in this report are estimates done while the fiscal year is open. Therefore, the values of the UEBTF expenditures and revenue are subject to final adjustments after DIR accounting books are closed. The accounting data for UEBTF expenditures and revenue is the official information reported to the Governor.

Funding Liabilities and Collections

UEBTF Funding Mechanisms

UEBTF funding comes from:

- Annual assessments on all insured and self-insured employers, required by Labor Code Section 62.5(e). According to Labor Code Section 62.5(e), the "total amount of the assessment is allocated between the employers in proportion to the payroll paid in the most recent year for which payroll

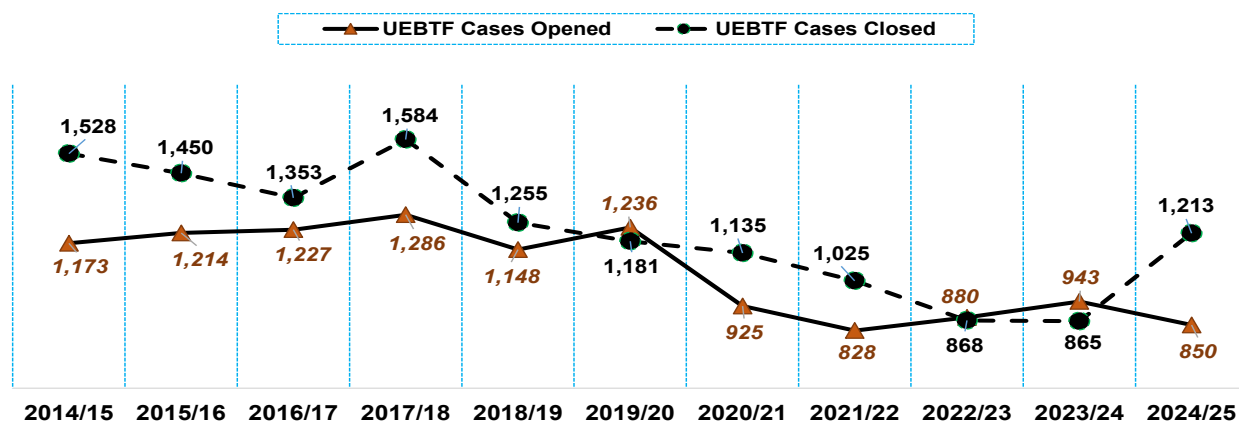
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information is available.”¹¹⁴ The assessment for insured employers is based on a percentage of the premium, while the percentage for self-insured employers is based on a percentage of indemnity paid during the most recent year.

- Fines and penalties collected by DIR. These include Division of Labor Standards Enforcement (DLSE) penalties and Labor Code Section 3701.7 penalties on self-insured employers.
- Recoveries from illegally uninsured employers per Labor Code Section 3717.

The number of new and closed UEBTF cases is shown in Figure 85. Over the period FY 2014-2015 to FY 2022-2023, excluding FY 2019-2020, more UEBTF cases were closed than opened. From FY 2014-2015 to FY 2021-2022, excluding FY 2019-2020, an average of 1.2 cases were closed for each UEBTF case opened. After FY 2022-2023 and FY 2023-2024 when more UEBTF cases were opened than closed, with the rate decreasing to 0.9 cases closed, the rate increased to 1.4 UEBTF cases closed for each case opened in FY 2024-2025.

Figure 85: UEBTF Cases Opened and Closed, FY 2014-2015 to FY 2024-2025



Source: DWC

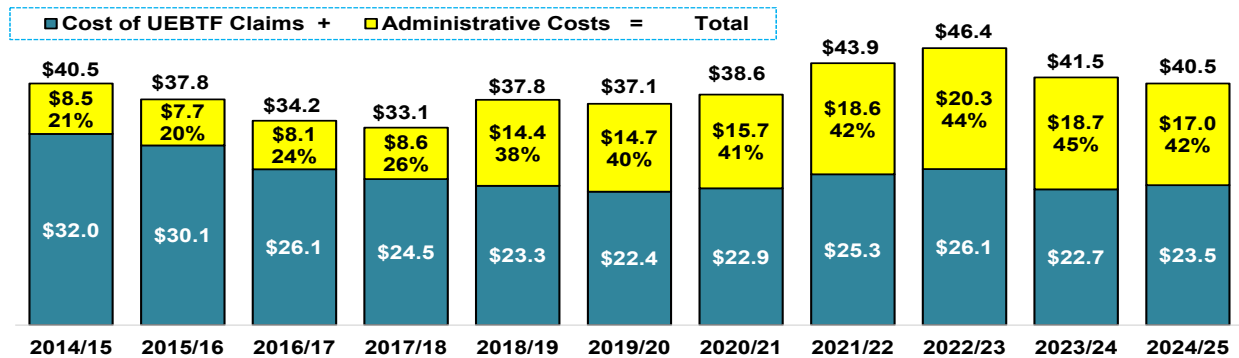
Cost of the Uninsured Employers Benefits Trust Fund

Figure 86 shows that the total amount paid on UEBTF claims decreased by 18 percent from FY 2014-2015 to FY 2017-2018 and then increased by 40 percent from FY 2017-2018 to FY 2022-2023. The total amount paid on UEBTF claims decreased by 13 percent from FY 2022-2023 to FY 2024-2025. Overall, the administrative costs associated with claim payment activities more than doubled from FY 2014-2015 to FY 2022-2023 before decreasing by 16 percent from FY 2022-2023 to FY 2024-2025. The share of UEBTF administrative costs increased from 21 percent of total costs in FY 2014-2015 to 45 percent in FY 2023-2024, with a 3 percentage points decrease from FY 2023-2024 to FY 2024-2025.

¹¹⁴ Prior to the workers' compensation reforms of 2004, the funding for UEBTF came from the General Fund.

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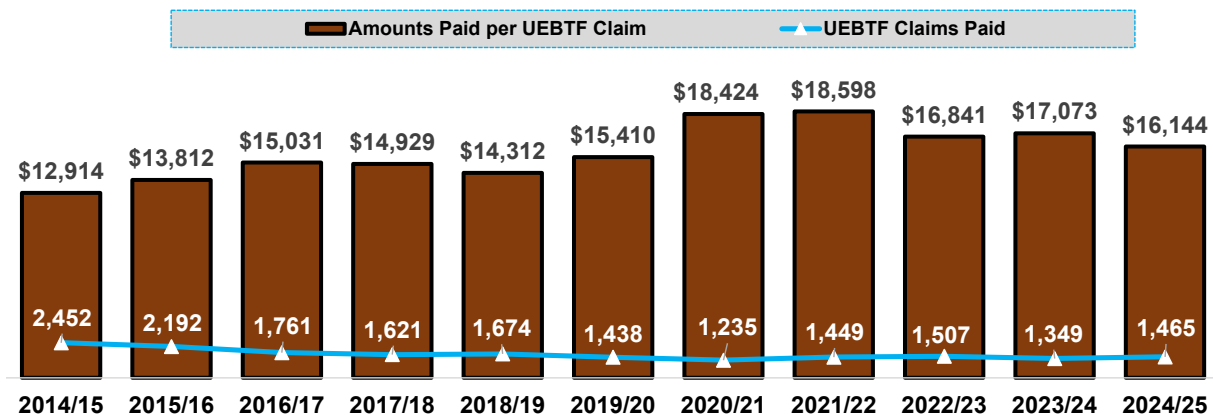
Figure 86: Payments and Administrative Costs on UEBTF Claims, FY 2014-2015 to FY 2024-2025 (\$ million)



Source: DWC

As shown in Figure 87, the average amount paid per UEBTF claim increased overall by 16 percent from FY 2014-2015 to FY 2016-2017, averaged \$15,000 from FY 2016-2017 to FY 2019-2020, and then increased by 20 percent from FY 2019-2020 to FY 2020-2021. After stabilizing at an average amount paid \$18,500 in FY 2020-2021 and FY 2021-2022, that amount decreased overall by 13 percent from FY 2021-2022 to FY 2024-2025.

Figure 87: Average Amount Paid per UEBTF Claim and the Number of UEBTF Claims Paid, FY 2014-2015 to FY 2024-2025



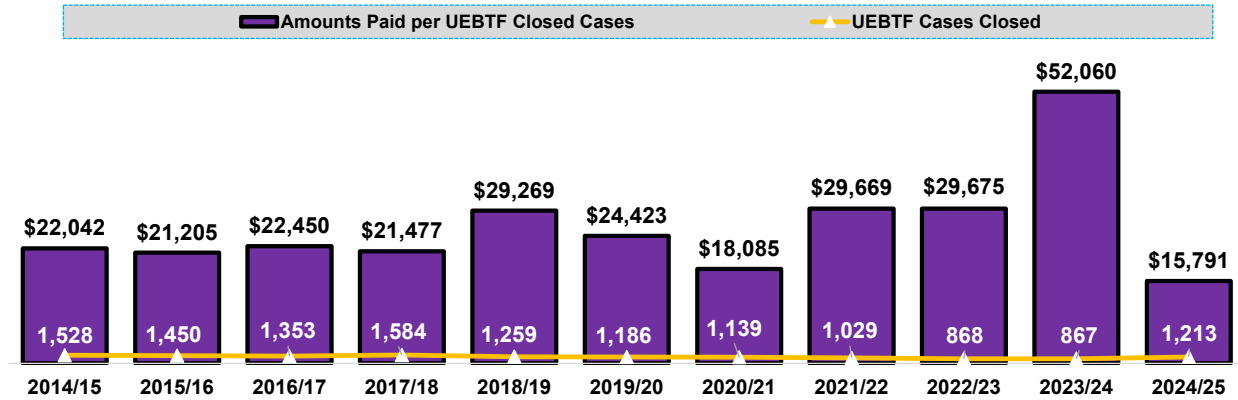
Source: DWC

Figure 88 shows the number and the average amount paid on UEBTF closed cases. UEBTF closes a case after it has either been paid off or settled or it has not settled but has been inactive for one year.¹¹⁵ Between FY 2014-2015 and FY 2023-2024, the number of UEBTF cases closed declined by almost half, excluding a one-time increase of 17 percent from FY 2016-2017 to FY 2017-2018. The average amount paid per closed case averaged \$22,000 per closed case from FY 2014-2015 through FY 2017-2018. From FY 2018-2019 to FY 2020-2021, both the number of cases closed, and the amount paid per closed case declined by about 20 percent before the average paid per closed case recovered by 21 percent from FY 2020-2021 to FY 2022-2023 with the number of closed cases decreasing by 18 percent. The average amount paid per closed case increased sharply by 75 percent from FY 2022-2023 to FY 2023-2024, before decreasing more than 3-fold from FY 2023-2024 to FY 2024-2025, when the number of closed cases increased by 40 percent.

¹¹⁵ UEBTF normally closes a case on the grounds of inactivity for one year at the discretion of the adjuster. However, the case could be reopened if the applicant reappears for reasons such as medical treatment or case settlement.

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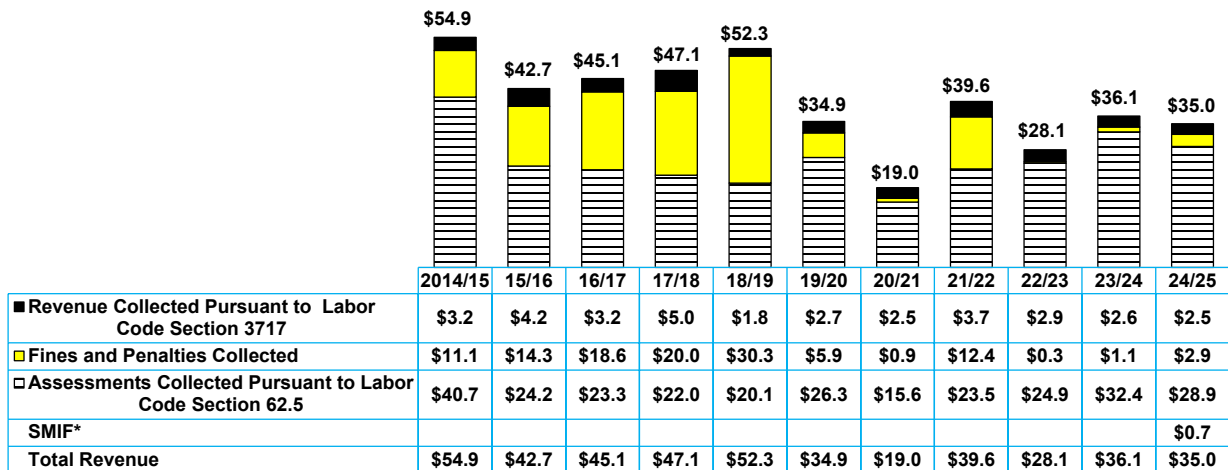
Figure 88: Average Amount Paid per UEBTF Closed Case and the Number of UEBTF Cases Closed, FY 2014-2015 to FY 2024-2025



Source: DWC

Figure 89 shows the monies collected by the source of revenue. Values for the two components of UEBTF revenue such as revenue collected pursuant to Labor Code § 3717 and fines and penalties for the last fiscal year are estimates based on previous fiscal year results and are subject to final adjustments after DIR accounting books are closed. The value of assessments collected pursuant to Labor Code § 62.5 include assessments collected by OSIP and DWC and are final as reported in Figure 89. The total UEBTF revenue collected was in the range of \$43.0 million to \$55.0 million per year from FY 2014-2015 to FY 2018-2019, followed by a 33 percent decline from FY 2018-2019 to FY 2019-2020, and an additional sharp decrease by 45 percent from FY 2019-2020 to FY 2020-2021. The decrease in total UEBTF revenue collected from FY 2018-2019 to FY 2019-2020 was mostly due to a 5-fold decline in fines and penalties collected, and the reduction from FY 2019-2020 to FY 2020-2021 was a result of a sharp decline in both its largest component, as the assessments collected pursuant to Labor Code § 62.5, and fines and penalties collected. The total UEBTF revenue collected experienced more than a 2-fold increase from FY 2020-2021 to FY 2021-2022, with fines and penalties increasing more than 12-times in the same period. The total UEBTF revenue collected stabilized at \$35-\$36 million in FY 2023-2024 and FY 2024-2025 as the assessments collected pursuant to Labor Code § 62.5 were increasing and fines and penalties collected decreased in the same period.

Figure 89: UEBTF Revenues, FY 2014-2015 to FY 2024-2025 (in \$ million)



* Surplus Money Investment Fund (SMIF) is a new revenue source that starts in 2024-2025.

Data Source: DWC

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

DIVISION OF WORKERS' COMPENSATION SUBSEQUENT INJURIES BENEFITS TRUST FUND

The Subsequent Injuries Benefits Trust Fund (SIBTF) is a fund established and administered by the California DWC in the DIR and governed by Labor Code Section 4751. The legislative intent behind Labor Code Section 4751 is:¹¹⁶

- to encourage employers to offer employment to workers with pre-existing disabilities without taking economic responsibility for that condition if the worker incurs a work-related injury that causes the pre-existing disabilities to worsen
- to encourage workers with pre-existing disabilities to seek employment and have mechanisms in place to assist them in case their disabilities increase after a workplace injury

SIBTF accomplishes these two goals by providing benefits to qualified injured workers. The subsequent injury must be an industrial injury whereas the pre-existing disability can be either industrial or non-industrial but must be "labor disabling," meaning it limits them in the open competitive labor market. To qualify for SIBTF benefits, the following conditions must be met.¹¹⁷

1. The employee must have a prior permanent partial disability and a subsequent compensable injury
2. The degree of disability caused by the combination of both disabilities must be greater than that which would have resulted from the subsequent injury alone
3. The combined effect of the pre-existing disability and subsequent injury must be equal to or more than 70 percent.
4. The employee's condition must be one of the following:
 - The previous disability or impairment affected a hand, an arm, a foot, a leg or an eye; and the permanent disability resulting from the subsequent injury affects the opposite and corresponding member; and the disability from the subsequent injury, when considered alone and without regard to or adjustment for the occupation or age of the employee, is equal to 5 percent or more of the total.
 - The permanent disability resulting from the subsequent injury, when considered alone and without regard to or adjustment for the occupation or the age of the employee, is equal to 35 percent or more of the total.

The analysis of SIBTF activities in the CHSWC Annual Report are based on the DWC/DIR Electronic Adjudication Management System (EAMS). EAMS provides SIBTF business analytics and maintains document processing workflows supporting the judicial review process, updates classifications for case participants to match the current needs, and expands document processing for SIBTF.¹¹⁸

The number of WC cases involving SIBTF has been steadily increasing during almost the entire period since FY 2014-2015, totaling 27,076 SIBTF cases opened in 11 years. Figure 90 shows that, from FY 2014-2015 to FY 2024-2025, the number of SIBTF cases opened increased overall more than 5-fold, excluding a one-time decrease of 11 percent from FY 2021-2022 to FY 2022-2023. There was a 72 percent increase in the number of SIBTF cases opened from FY 2023-2024 to FY 2024-2025. Over the same period, 6,751 cases or 25 percent were closed, with a spike of 1,681 cases closed in FY 2017-2018 because of the identification of abandoned cases.¹¹⁹

¹¹⁶ <https://www.dir.ca.gov/dwc/claims.html>.

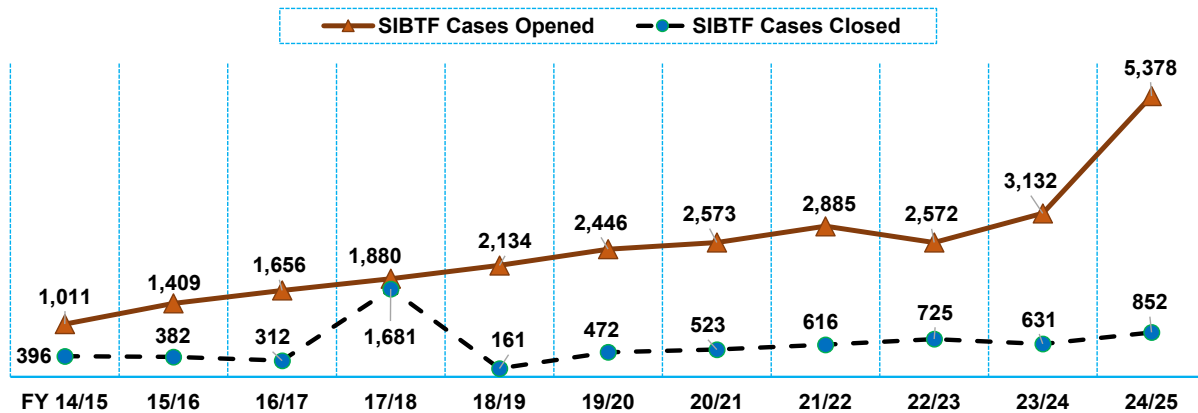
¹¹⁷ https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=LAB§ionNum=4751.

¹¹⁸ See DWC Electronic Adjudication Management System (EAMS) section in this chapter for a more detailed description of EAMS activities.

¹¹⁹ In FY 2017-2018, the number of cases closed was high because a special examination was conducted (via overtime by a staff person in another unit) of all open cases in order to identify abandoned cases (i.e. the applicant passed away prior to finalizing case against SIBTF); https://esd.dof.ca.gov/Documents/bcp/1920/FY1920_ORG7350_BCP2832.pdf.

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

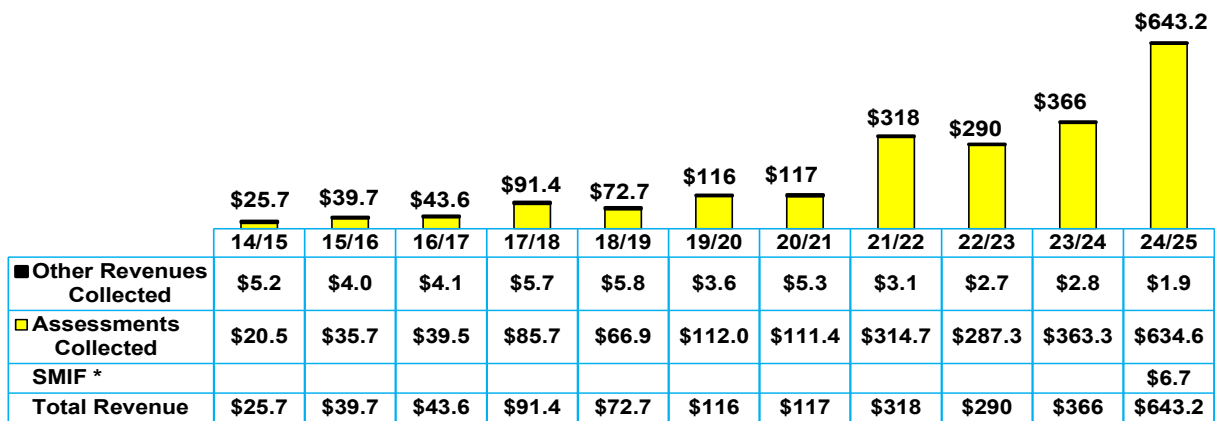
Figure 90: Number of SIBTF Cases, Opened and Closed, Fiscal Year



Source: DWC

From FY 2014-2015 to FY 2021-2022, not only did the number of SIBTF opened cases almost triple, but as shown in Figure 91, the SIBTF costs increased by 12 times. The number of SIBTF cases and the value of claims increased in part because of changes in apportionment rules according to WC legislation such as SB 899 and Labor Code Sections 4663 and 4664.¹²⁰ As a result, applications for SIBTF benefits and benefit payouts increased from \$8 million in FY 2003-2004, the last fiscal year before 2004 reforms (not included in the period examined in this report and in the figures), to \$117 million in FY 2020-2021.¹²¹ The SIBTF costs more than doubled from FY 2021-2022 to FY 2024-2025, while the number of SIBTF opened cases almost doubled in the same period after a one-time decrease of 11 percent from FY 2021-2022 to FY 2022-2023 (see Figure 90).

Figure 91: SIBTF Total Costs, Fiscal Year (in \$ million)



* Surplus Money Investment Fund (SMIF) is a new revenue source that starts in 2024-2025.

Data Source: DWC

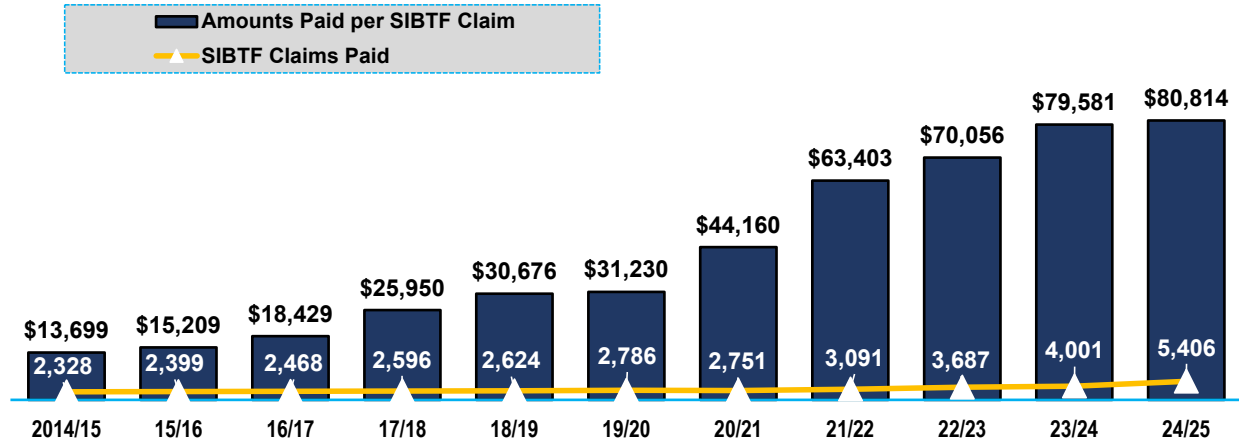
According to Figure 92, while from FY 2014-2015 to FY 2024-2025 the number of SIBTF claims paid increased 2.3 times, the average amount paid per SIBTF claim increased almost 6 times, from an average of \$13,700 in FY 2014-2015 to \$80,814 in FY 2024-2025.

¹²⁰ According to these amended provisions of Labor Code § 4663 and 4664, the apportionment of permanent disability was based on the causation of disability. This means that workers were not entitled to compensation for the worsening of a pre-existing condition.

¹²¹ https://esd.dof.ca.gov/Documents/bcp/1920/FY1920_ORG7350_BCP2832.pdf

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

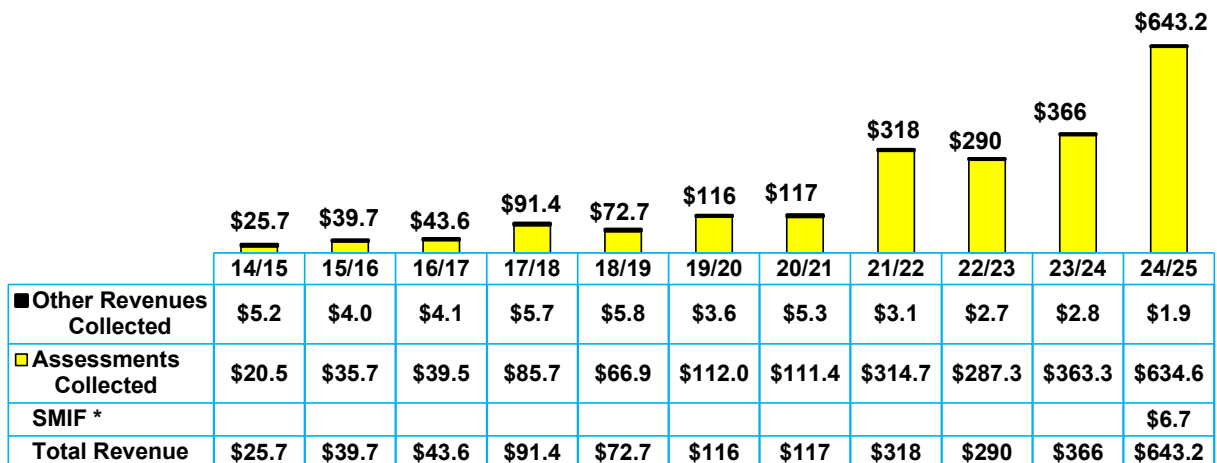
Figure 92: Number of SIBTF Claims Paid and Average Amount Paid per SIBTF Claim



Source: DWC

SIBTF funding comes mainly from annual assessments collected from insured and self-insured employers with the share of other revenues collected in total revenue falling from about 20 percent in FY 2014-2015 to 5 percent in FY 2020-2021 and less than 1 percent in FY 2023-2024 and FY 2024-2025. As Figure 93 shows, total SIBTF revenue from FY 2014-2015 to FY 2020-2021 more than quadrupled overall after some fluctuation and spikes, and then tripled from FY 2020-2021 to FY 2021-2022. After a 9 percent decrease from FY 2021-2022 to FY 2022-2023, the total SIBTF revenue more than doubled from FY 2022-2023 to FY 2024-2025. Among the reasons for this significant increase in revenue assessments from FY 2020-2021 to FY 2024-2025, could be increases in both the number of paid claims and the amount paid per claim, changes in the timing of permanent disability (PD) payments in which DIR must start paying SIBTF benefits to qualifying workers at the same time that the employer starts paying PD benefits, SIBTF benefits paid in addition to PD payments from the employer, instead of upon a declaration of permanent and stationary status, and overall increases in PD benefits, which make it more feasible for injured workers to pursue payments from the SIBTF fund.

Figure 93: SIBTF Total Revenues Recovered (in \$ million)



* Surplus Money Investment Fund (SMIF) is a new revenue source that starts in 2024-2025.

Data Source: DWC

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

SIBTF Study

According to DIR's presentation at the CHSWC's March 4, 2021 meeting, DIR noted several concerns about the SIBTF program including a sharp increase in the numbers of new claims filed and total liabilities (amounts paid out), as also depicted in the above charts, for the program in recent years.¹²² DIR subsequently issued an RFP in early 2022 to take a deep dive into the numbers and trends and practices of SIBTF and the contract for the SIBTF study was awarded to Rand Corporation. The study was launched in late November 2023, and a final report was issued in August of 2024. Among other findings, the report noted a significant increase in annual total payments from the SIBTF fund, and an estimated \$7.9 billion in SIBTF potential liabilities for cases filed or pending between 2010 and 2022.

The report can be found at:

<https://www.dir.ca.gov/dwc/SIBTF-Report.pdf>

ADJUDICATION SIMPLIFICATION EFFORTS

Division of Workers' Compensation Information System

WCIS handles an average of 700,000 First Reports of Injury and Subsequent Reports of Injury (FROI/SROI) claims annually, along with 11 million medical bills comprising 32 million bill lines from WC claims administrators. The trend in WC claims was significantly impacted by the COVID-19 pandemic. After a decline in claims filed during the pandemic, the number of claims in 2022 surged to 783,871 surpassing pre-pandemic levels and marking the highest claim volume in the last 15 years. In 2023, claims decreased to 714,959 and 699,012 in 2024. Additionally, the denied claim rate increased at the start of the pandemic (2020) to 19.4 and declined for the following 2 years to 17.6 in 2021, and to 17.5 in 2022. However, it has started to creep up, increasing to 18.4 percent in 2023 and to 19.5 in 2024.

The WCIS team has been working diligently to establish business requirements for the IAIABC FROI/SROI Release 3.1. The WCIS data is extensively used in:

- Evaluating the efficiency and adequacy of benefit delivery
- Monitoring COVID-19 exposures in the workplace and identifying high COVID-19 exposure risk occupations and industry groups
- Assisting the department and CalOSHA in the safety and health rulemaking process
- Supporting the department in its evaluation of health and safety hazards
- Analyzing the impact of assembly and senate bills
- External inquiries and research requests coming from universities, research organizations, stakeholders, trading partners and the media

Since April 6 of 2016, 103.5 million medical bills with 294.7 million bill lines were collected in WCIS Medical Version 2.0. Pre-pandemic medical bills averaged 11 million per year. During the pandemic, medical bill count increased to 11.6 million in 2020, 12.3 million in 2021 and went back down to 11.8 million by 2022 but since, it has slightly increased to 12.0 in 2023 and 2024.

The medical billing data is used by DIR, other CA state entities, bona fide researchers and the public at large. State agencies such as the California Department of Public Health continue to use WCIS data in their health surveillance efforts including the monitor of Coronavirus disease. While most data is provided via data sharing agreements between DWC and data requestors, the WCIS team also publishes aggregated data on the DWC WCIS website.

WCIS medical data continues to provide supportive evidence for California's:

¹²² CHSWC Minutes of March 4, 2021 meeting. https://www.dir.ca.gov/chswc/Meetings/2021/Minutes_03-04-21.pdf.

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

- Combat against medical fraud and abuse
- Occupational disease analysis such as Asthma, Pesticide-induced conditions and COVID-19
- MTUS drug formulary
- Measuring the timeliness and utilization of treatment for injured workers.
- Evaluate the QME process

Division of Workers' Compensation Electronic Adjudication Management System

Senate Bill (SB) 863 requires electronic lien filing as well as electronic payment of filing or activation fees on some liens. The DWC/DIR Electronic Adjudication Management System (EAMS) team successfully deployed the lien filing and activation fee processes to e-Forms, JET, and Public Search on January 1, 2013.

Upgrades to the new payment processes, including a shopping cart function and increased capacity, were rolled out in March, April, and June 2013. Improvements to these processes are continuing.

The electronic Notice and Request for Allowance of Lien and the Declaration of Readiness forms have been revised, and a new form, the Request for Factual Correction of an Unrepresented Panel Qualified Medical Examiner (QME) Report, was created.

EAMS regulations for e-Form filing, JET filing, and lien fees were approved. Due to a preliminary injunction ordered by a federal district judge in *Angelotti Chiropractic, Inc., et al. v. Baker, et al.*, effective November 19, 2013, DWC/DIR EAMS team suspended the collection of activation fees for liens filed before January 1, 2013. Resolution of the appeal of the injunction are discussed below. Through EAMS, DWC continues to collect the filing fee for liens filed after January 1, 2013.

Check processing for the Uninsured Employers Benefit Trust Fund (UEBTF) shifted from DIR Accounting to the State Controller's Office. Check processing for the Subsequent Injuries Benefit Trust Fund (SIBTF) shifted from DIR Accounting to the State Controller's Office.

To better track Senate Bill (SB) 863 changes, modifications were made to Expedited Hearings, Liens, and reasons for filing Liens.

Tools were created to reschedule multiple court hearings at the same time and change Uniform Assigned Name addresses on multiple cases. The improved Notice of Hearing data mailer shows all cases set for hearing when companion cases are scheduled. New software tools enable EAMS staff to systematically add or change law firms and claims administrators on multiple cases.

EAMS venue adjustments allow case assignment and hearing scheduling at the Santa Barbara satellite district office.

The upgraded EAMS Case Participants list shows internal and external users the complete addresses of all case parties on a single page.

EAMS staff is working to better incorporate other portions of SB 863, including Independent Medical Review (IMR) and Independent Bill Review (IBR). Many requests for changes to improve EAMS have been implemented.

EAMS staff activities from 2015 to 2023 can be found in 2024 CHSWC Annual Report, pages 162-165.
<https://www.dir.ca.gov/chswc/AnnualReportpage1.html>

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

2024 DIR activities:

- DWC physically relocated the Stockton (STK) district office to Lodi (LOD) in December 2023, which required the creation of a new LOD hearing location in EAMS in March 2024. The electronic bulk transfer of cases was also completed in March 2024, although additional manual transferring of select cases between these venues continued through 2024.
- DWC physically relocated the San Jose (SJO) district office from its former location on 100 Paseo de San Antonio, Suite 241 to 224 Airport Parkway, Suite 600 in February 2024, and applied the address change to the existing SJO location in EAMS at that time.
- DWC added the "Closing Order: Order of Dismissal of Case" Event and Legacy Event entries to the [Public Information Case Search Function tool](#) on the DIR website.
- DWC applied the reCAPTCHA application to the [Public Information Case Search Function tool](#) webpage on the DIR website to prevent robot or "bot" searching from causing interruptions in service.
- DWC updated the JET File application to adjust the programming related to the conditional attachment requirements for the Declaration of Readiness and the Notice and Request for Allowance of Lien forms.
- DWC processed over 52,000 Lien Decisions due to the dismissal of more than 47,000 liens as part of an order from the Special Adjudication Unit (SAU) in September 2024.
- DWC initiated the first phase of the closure of the Eureka (EUR) district office, including removing this location from forms, and rerouted the EUR Adjudication (ADJ) and Disability Evaluation Unit (DEU) zip codes to the Santa Rosa (SRO) district office.
- DWC began the process of adding videoconference as a new alternative hearing method for Adjudication (ADJ) and Special Adjudication Unit (SAU) hearing locations. The Notice of Hearing (ADJ & SAU) and Notice of Rescheduled Hearing (ADJ & SAU) templates were modified to include the new videoconference option.
- DWC applied security patches and recommended updates to maintain a secure working environment for internal and external stakeholders.

2025 DIR activities:

- DWC completed adding videoconference as a new alternative hearing method for Adjudication (ADJ) and Special Adjudication Unit (SAU) hearing locations. The modifications to the Notice of Hearing (ADJ & SAU) and Notice of Rescheduled Hearing (ADJ & SAU) templates were also finished.
- DWC designated videoconference as the default hearing method for Lien, Mandatory Settlement, Priority*, and Status Conferences for Adjudication (ADJ) and Special Adjudication Unit (SAU) hearing locations. *Does not apply to SAU hearing locations.
- DWC updated the [Public Information Case Search Function tool](#) webpage on the DIR website to redirect users utilizing Internet Explorer (IE) mode in the Microsoft Edge browser to visit the page via another browser, to prevent prospective users from being labeled as a robot or "bot" by the reCAPTCHA application.
- DWC updated the JET File application to include new success and failure response file messages. New sample files were posted on the [JET File technical information](#) webpage on the DIR website.
- DWC completed the second phase of the closure of the Eureka (EUR) district office and the electronic bulk transferring of cases to Santa Rosa (SRO).

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

- DWC applied security patches and recommended system and server updates in order to maintain a secure working environment for internal and external stakeholders.

Carve-Outs: Alternative Workers' Compensation Systems

The Legislature has enacted reforms to California's statutory WC system by authorizing employers and unions to review, negotiate and settle the WC claims of union-represented workers through an approved alternative dispute resolution program (ADR)¹²³ that has been approved by DIR/DWC.

A provision of the WC reform legislation in 1993, implemented through Labor Code Section 3201.5, allowed construction contractors and unions, via the collective bargaining process, to establish ADRs. In 2002, the Legislature extended the program to cover alternative dispute resolution labor-management agreements to include members of the aerospace and timber industries and shortly thereafter to include members of all non-construction industries as of January 1, 2004. This is codified in Labor Code § 3201.7.

CHSWC is monitoring the carve-out program (Labor Code Section 77), which is administered by DWC. DIR/DWC administers the ADR program, ensuring that individual participants meet the requirements for participation set out in statute and regulation (Labor Code § 54, 111, 133, and 3201). DWC has promulgated regulations pursuant to Labor Code sections 3201.5 and 3201.7; those regulations are codified at Title 8, section 10200 et seq. of the California Code of Regulations (CCR).¹²⁴

In order to be considered, the carve-out must meet several requirements including:

- The union has petitioned the AD as the first step in the process.
- A labor-management agreement has been negotiated separate and apart from any collective bargaining agreement covering affected employees.
- The labor-management agreement has been negotiated in accordance with the authorization of the AD between an employer or groups of employers and a union that is recognized or certified as the exclusive bargaining representative that establishes any of the following:
 - An ADR system governing disputes between employees and employers or their insurers that supplements or replaces all or part of those dispute resolution processes contained in this division, including, but not limited to, mediation and arbitration. Any system of arbitration shall provide that the decision of the arbiter or board of arbitration is subject to review by the Appeals Board in the same manner as provided for reconsideration of a final order, decision, or award made and filed by a workers' compensation administrative law judge.
 - The use of an agreed list of providers of medical treatment that may be the exclusive source of all medical treatment provided under this division.
 - The use of an agreed, limited list of Qualified Medical Evaluators (QMEs) and Agreed Medical Evaluators (AMEs) that may be the exclusive source of QMEs and AMEs under this division.
 - A joint labor-management safety committee.
 - A light-duty, modified job or return-to-work program.

¹²³ These programs are sometimes colloquially referred to as "carve outs" because they are an approved exception to the WC claims system created and governed by the Labor Code and corresponding regulations. See also:

<https://www.dir.ca.gov/dwc/carveout.html>

¹²⁴ Collective Bargaining Agreements Under Labor Code Sections 3201.5 and 3201.7:

[https://govt.westlaw.com/calregs/Browse/Home/California/CaliforniaCodeofRegulations?guid=I59F299E0D47F11DE8879F88E8B0DAAAE&originationContext=documenttoc&transitionType=Default&contextData=\(sc.Default\)](https://govt.westlaw.com/calregs/Browse/Home/California/CaliforniaCodeofRegulations?guid=I59F299E0D47F11DE8879F88E8B0DAAAE&originationContext=documenttoc&transitionType=Default&contextData=(sc.Default))

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

- A vocational rehabilitation or retraining program utilizing an agreed list of providers of rehabilitation services that may be the exclusive source of providers of rehabilitation services under this division.
- The minimum annual employer premium for the carve-out program for employers with 50 employees or more is \$50,000, and the minimum group premium is \$500,000.
- Any agreement must include right of counsel throughout the ADR process.

Requirements of ADR program reports to DWC under 8 CCR Section 10203

Employer participants in authorized ADR programs are obligated to make regular reports to DWC. Section 10203 of title 8 of the California Code of Regulations details those obligations. Section 10203 requires that every employer participating in an authorized ADR program provide DWC with specified information about WC claims for the previous calendar year on or before March 31 of each year. For each claim with a date of injury on or after January 1, 2004, the information is to be updated annually for the previous four calendar years, thereby allowing longer-term claims trajectories and costs to be determined. In order to fulfill the reporting requirement, groups of employers must, on behalf of their employer-members, either submit data directly to DWC, or “provide the Administrative Director with written authorization to collect the information from the appropriate claims administrator. However, if the Administrative Director is unable to obtain the information with the written authorization, the employer shall remain responsible for obtaining and submitting the information.” (Cal. Code Regs., tit. 8, § 10203, subd. (a)(2).)

Person hours and payroll covered by agreements filed

As Table 29 shows, for calendar year 2024, 77 reporting programs reported payroll and person-hours. Carve-out programs reported that for the 2024 calendar year, they covered 184 million work hours and \$7.2 billion in payroll. The reported average wage per carve-out person-hours worked was \$39 per hour.

Table 29: Estimated Person-Hours Worked and Payroll, 2008–2024

Calendar Year (Reporting Year)	Reporting Programs	Employers	Payroll (Million\$)	Person-Hours Worked (Millions)	FTE (estimated)	Average Hourly Wage
2008	19	1,274	\$2,782	93	46,500	\$30
2009	21	876	\$3,393	100	50,000	\$34
2010	19	1,177	\$1,976	67	33,500	\$29
2011	22	1,586	\$2,418	78	39,000	\$31
2012	25	1,508	\$1,849	69	34,500	\$27
2013	22	1,815	\$1,226	51	25,600	\$24
2014	27	1,901	\$3,255	122	60,900	\$27
2015	23	1,552	\$2,553	89	44,600	\$29
2016	34	NA	\$3,203	159	79,400	\$20
2017	28	NA	\$3,000	94	47,000	\$32
2018	19	187	\$3,597	101	50,500	\$36
2019	59	360	\$4,210	126	63,000	\$33
2020	64	150	\$3,406	126	62,800	\$27
2021	68	144	\$6,457	164	81,914	\$39
2022	71	394	\$5,416	149	74,742	\$36
2023	77	416	\$6,070	157	78,690	\$39
2024	77	321	\$7,159	184	91,874	\$39

Data Source: DWC

WORKERS' COMPENSATION ADMINISTRATIVE PERFORMANCE

Status of Carve-out Agreements

The following websites are updated regularly and show the current status of carve-out agreements pursuant to Labor Code Sections 3201.5 and 3201.7, as reported by DWC.

Construction Industry Carve-out Participants Labor Code Section 3201.5

<http://www.dir.ca.gov/dwc/Carveout/ConstructionCarveOut.htm>.

Non-Construction Industry Carve-out Participants Labor Code Section 3201.7

<http://www.dir.ca.gov/dwc/Carveout/NonConstructionCarveOut.htm>.

For further information ...

The latest information on carve-outs may be obtained at:

<http://www.dir.ca.gov/dwc/carveout.html>.

Labor Code Section 3201.5.

https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=3201.5.&lawCode=LAB.

Labor Code Section 3201.7.

https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=3201.7.&nodeTreePath=5.1.1&lawCode=LAB.

How to Create a Workers' Compensation Carve-out in California: Practical Advice for Unions and Employers. CHSWC (2006). <http://www.dir.ca.gov/CHSWC/carve-out1.pdf>.

Carve-outs: A Guidebook for Unions and Employers in Workers' Compensation. CHSWC (2004).

Carve-Outs' in Workers' Compensation: An Analysis of Experience in the California Construction Industry (1999). <http://www.dir.ca.gov/CHSWC/CarveOutReport/Carveoutcover.html>.

DIVISION OF LABOR STANDARDS ENFORCEMENT BUREAU OF FIELD ENFORCEMENT¹²⁵

The Bureau of Field Enforcement (BOFE) in the Division of Labor Standards Enforcement (DLSE) is responsible for investigation and enforcement of statutes covering WC insurance coverage, child labor, cash pay, unlicensed contractors, and Industrial Welfare Commission orders, as well as group claims involving minimum wage and overtime claims. BOFE also handles criminal investigations involving these group claims.

Table 30 lists the violations and related penalties from FY 2021–2022 enforcement actions.¹²⁶ It illustrates the Bureau's performance inclusive of all special programs, such as non-public works field enforcement and prevailing wage enforcement through the Public Works Unit.

Table 30: BOFE (including Public Works) Violations and Penalties by Category, FY 2021–2022

Citation Category	Number of Violations	Penalties Assessed	Wages Assessed
Workers' Compensation	453	\$11,112,094.12	\$0.00
Itemized Statement (L.C. 226)	89	\$4,038,250.00	\$2,376,635.70
Overtime	37	\$162,950.00	\$1,128,852.32
Rest and Meal Period	23	\$211,100.00	\$770,540.36
Minimum Wage	35	\$908,400.00	\$1,325,436.91
Child Labor	54	\$392,000.00	\$0.00
Split Shift	11	\$31,300.00	\$47,788.25
Liquidated Damages	0	\$0.00	\$1,608,533.92

¹²⁵ In 2025, the latest available data for BOFE were for FY 2021–2022.

¹²⁶ Bureau of Field Enforcement (BOFE) Report (when its final version is available), <https://www.dir.ca.gov/dlse/DLSEReports.htm>.

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Citation Category	Number of Violations	Penalties Assessed	Wages Assessed
Garment Registration	32	\$29,600.00	\$0.00
Garment	82	\$693,000.00	\$0.00
Janitorial Registration	9	\$42,000.00	\$0.00
Car Wash Registration	22	\$214,300.00	\$0.00
Unlicensed Farm Labor Contractor	6	\$58,800.00	\$0.00
Unlicensed Construction Contractor	1	\$600.00	\$0.00
Paid Sick Leave (LC 246)	0	\$0.00	\$7,612,506.00
Paid Sick Leave (LC 248)	0	\$0.00	\$3,792,995.68
Paid Sick Leave Poster Requirements	35	\$18,800.00	\$0.00
Violation of Payment of Wages Provision (L.C. 204)	7	\$877,541.85	\$0.00
Failure to Provide Training	4	\$10,000.00	\$0.00
Failure to Rehire Covid-19	1	\$5,300.00	\$3,080,000.00
Violation of Recordkeeping Requirement (LC 247.5(a))	0	\$0.00	\$84,850.00
Contract Wages Above Minimum Wage	0	\$0.00	\$591,721.99
Waiting Time Penalties	0	\$0.00	\$6,687,732.92
Total	894	\$18,806,035.97	\$29,107,594.05
Public Work Totals	514 ^a	\$12,847,695.33 ^b	\$8,240,155.17
GRAND TOTAL	1,408	\$31,653,731.30	\$37,347,749.22

^a The Public Works Unit does not conduct inspections but, rather, measures performance based on cases opened for audit purposes. The data in this table should be understood as 1,964 audits conducted, with 514 civil wage and penalty assessments (CWPAs) issued (rather than the number of citations/violations). These measurements are included here to provide a full picture of the Division's performance.

^b Includes Labor Code Sections 1775, 1777.7, 1813, and 1776 penalty collections.

Source: DLSE

For further information ...

<https://www.dir.ca.gov/dlse/DLSEReports.htm>

DLSE REGISTRATION SERVICES—JANITORIAL SERVICES

Labor Code Sections 1420-1434, the Property Services Workers Protection Act, establish registration requirements for janitorial employers and protection for property service workers in the form of sexual harassment prevention training.

Effective July 1, 2018, all janitorial service provider employers were required to register with DLSE by mail or online by October 1, 2018. The registration fee is \$500 annually and pursuant to L.C. section 1423, failure to register is subject to a fine of \$100 per day, up to \$10,000. DLSE is required to maintain a public database of registered employers, available at <https://cadir.my.salesforce-sites.com/RegistrationSearch>. Fines are also levied for hiring unregistered janitorial service providers, and the registration database can be used to confirm which registered service providers are in compliance.¹²⁷

¹²⁷ https://www.dir.ca.gov/DLSE/Janitorial_Registration_FAQs.html.

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Pursuant to AB 547, beginning in January 1, 2019, after janitorial service provider employers are registered, they were also required to provide employees with DLSE-developed in-person sexual harassment prevention training at least once every two years. DIR and CHSWC contracted with the Labor Occupational Health Program at UC Berkeley to develop this training.

Employers must provide the training as required by the adopted [regulations](#) effective July 15, 2020, by using complimentary materials developed by the Labor Occupational Health Program at UC Berkeley for DIR and CHSWC, and working with a [qualified organization](#) to meet the training requirements. These materials, available below in [English](#) and [Spanish](#), will be updated as needed to help employers meet Fair Employment and Housing Act requirements for sexual harassment and abusive conduct training as well.¹²⁸ As of January 1, 2024, the list of qualified organizations that employers must work with to meet the training requirements established by AB 547 can be found at: <https://www.dir.ca.gov/dlse/qualified-organization-search.asp>.

To disincentivize businesses from hiring unregistered janitorial services, any person or entity that contracts with a janitorial employer lacking a current and valid registration can be fined between \$2,000 and \$10,000 for the first violation, and between \$10,000 and \$25,000 for a subsequent violation under the L.C. section 1432(b).

As for the latest update regarding the implementation of AB 547 which expands on AB 1978 (2016), DIR-DLSE continues convening the Janitorial Advisory Committee (JAC) since 2019. There was a delay in implementing AB 547 due to the COVID-19 pandemic. The JAC is in the process of vetting its initial round of Qualified Organization applicants. The application and supporting documents were forwarded to the Office of the DIR Director on August 18th. The application to be shared with the JAC that will participate in the vetting process. Once approved, the Qualified Organization(s) to be listed on the Labor Commissioner's website. The JAC approved one Qualified Organization (QO). There was a recent QO applicant who was not approved, but was trying to fulfill the requirements to obtain the approval. The QO list is posted on DLSE website: <https://www.dir.ca.gov/dlse/Qualified-Organization-Search.asp>.

The data in the Table 31 represent the first six full years of the registration requirement:

Table 31: Janitorial Service Providers: Registration and Labor Code Sections 1423 and 1432(b) Penalties

	Number of new janitorial service providers and contractors registered.	Number of newly registered janitorial service providers who incurred a penalty.	Total Labor Code § 1423 penalties incurred by janitorial service providers and contractors for failure to register by required date.	Total Labor Code § 1432(b) penalties incurred by persons or entities contracting with unregistered janitorial services	Number of janitorial service providers and contractors who renewed their registration in one year.
FY 2018-2019	1,669	5	3 employers were assessed a civil penalty of a total of \$30,000	NA	NA
FY 2019-2020	1,283	2	8 companies were assessed a civil penalty of a total of \$62,600 and \$2,600 had been received.	2 companies were assessed a civil penalty of a total of \$12,000.	0

¹²⁸ <https://www.dir.ca.gov/dlse/Janitorial-Training.html>

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	Number of new janitorial service providers and contractors registered.	Number of newly registered janitorial service providers who incurred a penalty.	Total Labor Code § 1423 penalties incurred by janitorial service providers and contractors for failure to register by required date.	Total Labor Code § 1432(b) penalties incurred by persons or entities contracting with unregistered janitorial services	Number of janitorial service providers and contractors who renewed their registration in one year.
FY 2020-2021	1,006	2	2 companies were assessed a civil penalty of a total of \$23,900	\$0.00	1,001
FY 2021-2022	994	2	3 companies were assessed a civil penalty of a total of \$30,000	6 companies were assessed a civil penalty of a total of \$12,000.	834
FY 2022-2023	698	2	1 company was assessed a civil penalty of a total of \$10,000	\$0.00	1,321
FY 2023-2024	618	10	6 companies were assessed a civil penalty of a total of \$55,700	4 companies were assessed a civil penalty of a total of \$24,000.	1,413
FY 2024-2025	587	5	7 companies were assessed a civil penalty of a total of \$70,000	1 company was assessed a civil penalty of a total of \$40,000.	1,044

Source: DLSE

- Number of new janitorial service providers and contractors registered in FY 2024-2025: 587
- Number of new janitorial service providers and contractors who registered in FY 2023-2024 and incurred a penalty: 10
- Total Labor Code § 1423 penalties incurred by janitorial service providers and contractors in FY 2024-2025 for failure to register by required date: \$70,000
- Total Labor Code § 1432(b) penalties incurred in FY 2024-2025: \$40,000.

For further information ...

https://www.dir.ca.gov/dlse/Janitorial_Providers_Contractors.html

ANTI-FRAUD ACTIVITIES

Background

During the past years, there has been a dedicated and rapidly growing campaign in California against WC fraud. This report on the nature and results of that campaign is based primarily on information obtained

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from the California Department of Insurance (CDI) Fraud Division, as well as applicable Insurance Code and Labor Code sections, and data published in periodic Bulletin[s] of the California Workers' Compensation Institute (CWCI).

The former Insurance Commissioner Steve Poizner convened an Advisory Task Force on Insurance Fraud in May 2007 to address major issues relating to insurance fraud. Christine Baker, a former executive officer of CHSWC and now the retired director of DIR, chaired the Task Force's Workers' Compensation Expert Working Group. The Task Force completed a comprehensive review of the anti-fraud insurance programs and identified 18 recommendations to consider in reducing insurance fraud in California.

The recommendations are consolidated into the following five categories identified by the Task Force:

- Organization and Efficiency of the CDI Fraud Division Enforcement Branch.
- Industry Role in Fighting Fraud.
- Public Role in Fighting Fraud.
- Fraud Statutes and Regulations.
- Technologies.

The Fraud Division is currently implementing the following recommendations:

- Placing personnel in existing fusion centers in the State so that law enforcement can share information more efficiently and quickly identify emerging trends and crime patterns.
- Developing and providing better training for the Special Investigation Units (SIU) on the recognition, documentation and reporting of suspected insurance fraud claims.
- Recognizing insurance companies that go beyond compliance for their greater commitment to fighting fraud.
- Increasing the CDI's outreach efforts about the consequences of fraud and how the public can recognize and report it.

Suspected Fraudulent Claims

Suspected Fraudulent Claims (SFCs) are reports of suspected fraudulent activities received by CDI from various sources, including insurance carriers, informants, witnesses, law enforcement agencies, fraud investigators, and the public. The number of SFCs represents only a small portion reported by the insurers and does not necessarily reflect the whole picture of fraud since many fraudulent activities have not been identified or investigated.

According to CDI Fraud Division data, the quality of SFCs continues to improve each fiscal year. Several reasons for this trend include:¹²⁹

- The extensive efforts to provide training to the insurance claim adjusters and SIU personnel by the Fraud Division and District Attorneys.
- Changing submission of SFCs by filling out the FD-1 Form electronically on the Internet.
- Promulgating new regulations to help insurance carriers step up their anti-fraud efforts and become more effective in identifying, investigating and reporting workers' compensation fraud. A work plan

¹²⁹ 2014 Annual Report of the Insurance Commissioner, August 1, 2015.

<http://www.insurance.ca.gov/0400-news/0200-studies-reports/0700-commissioner-report/>.

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to increase the number of audits performed by the Fraud Division SIU Compliance Unit was established and continues with an aggressive outreach plan to educate the public on anti-fraud efforts and how to identify and report fraud. This has ensured a more consistent approach to the oversight and monitoring of the SIU functions with the primary insurers as well as the subsidiary companies.

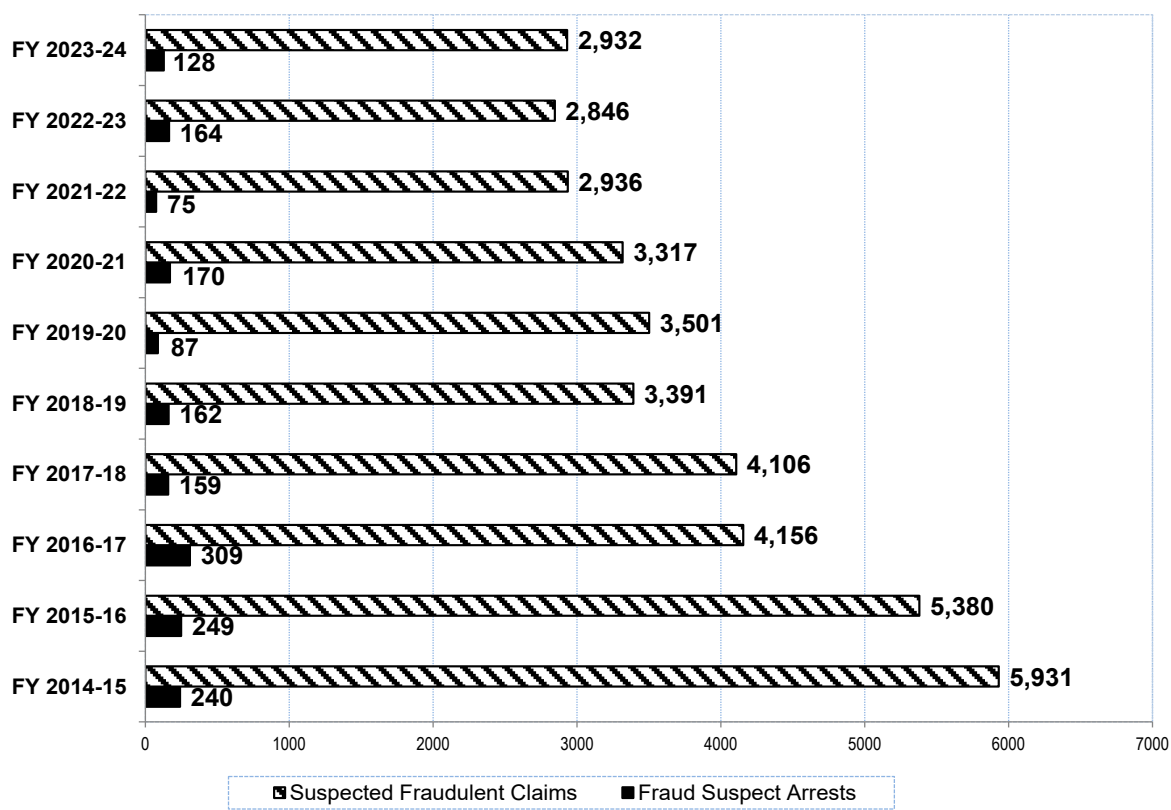
- CDI is strengthening its working relationship with the Workers' Compensation Insurance Rating Bureau (WCIRB) to support the Department's anti-fraud efforts.

The total number of SFCs reported in fiscal year 2023-2024 is 2,932.

Workers' Compensation Fraud Suspect Arrests

After a fraud referral, an investigation must take place before any warrants are issued or arrests are made. The time for investigation ranges from a few months to a few years depending on the complexity of the caseload. For this reason, the number of arrests does not necessarily correspond to the number of referrals in a particular year (see Figure 94). From FY 2014-2015 to FY 2015-2016, the Fraud Division identified and reported from 5,380 to 5,900 SFCs per fiscal year, with about 245 arrests per fiscal year on average. In FY 2016-2017 and FY 2017-2018, the number of identified and reported SFCs fell to about 4,100 cases per fiscal year, with 309 arrests (7 percent of SFCs) in FY 2016-2017 and 159 arrests (4 percent of SFCs) in FY 2017-2018. In FY 2018-2019, there was a 43 percent decline in SFCs from the peak in FY 2014-2015 and 17 percent decrease from the previous year. From FY 2018-2019 to FY 2023-2024, the number of identified and reported SFCs decreased overall by 14 percent, stabilizing around an average of 2,904 over the last 3 years from FY 2021-2022 to FY 2023-2024. The number of arrests fluctuated between 75 and 170 from FY 2018-2019 to FY 2023-2024.

Figure 94: Suspected Workers' Compensation Fraudulent Claims and Suspect Arrests



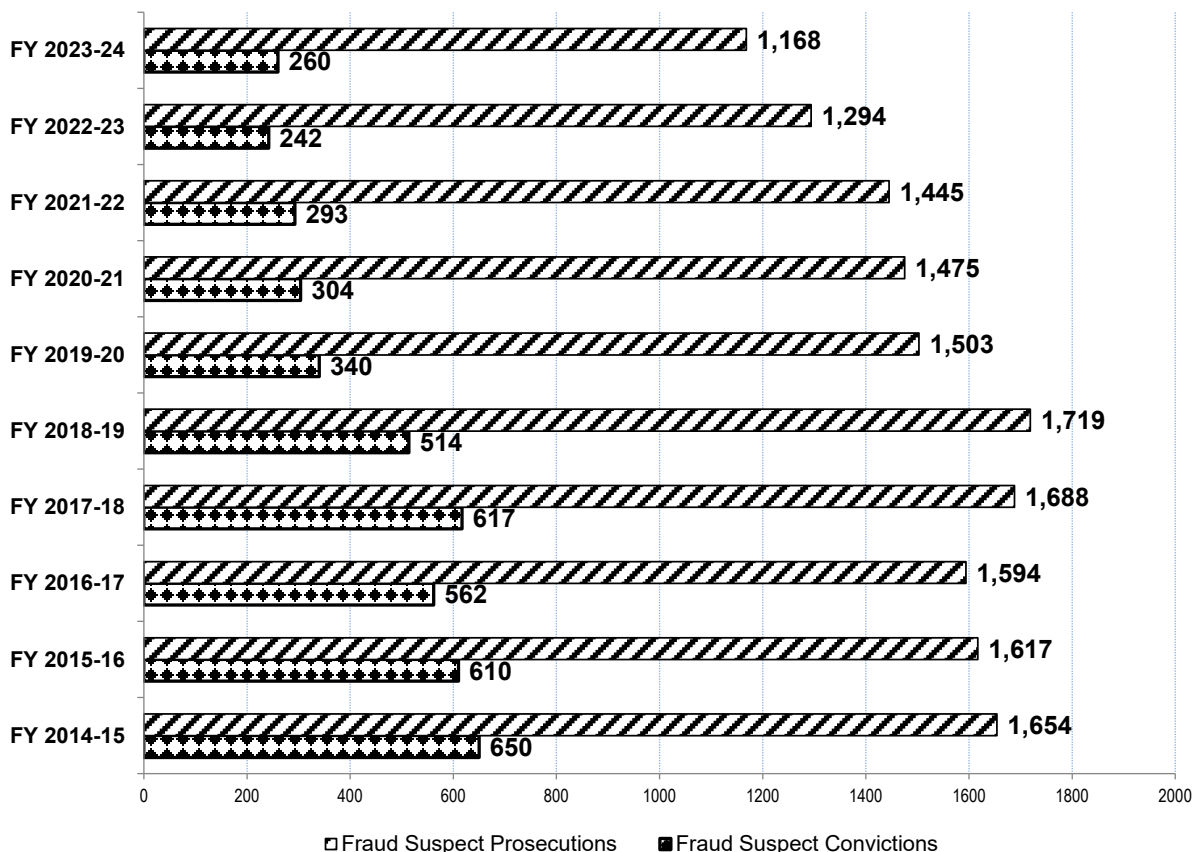
Data Source: CDI - Fraud Division and CWCI

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Workers' Compensation Fraud Suspect Convictions

Based on information from the Fraud Division and CWCI Bulletin(s), the number of WC fraud suspects convicted annually while many cases are still pending in court is reported in Figure 95. From FY 2014-2015 to FY 2018-2019, district attorneys prosecuted about 1,590 to 1,720 suspects per fiscal year, with an overall increase of 4 percent, and convictions decreasing by 21 percent from 650 in FY 2014-2015 to 514 in FY 2018-2019.¹³⁰ In FY 2019-2020, both prosecutions and convictions decreased by 13 and 34 percent, respectively, compared to FY 2018-2019. From FY 2019-2020 to FY 2023-2024, the number of prosecutions decreased by 22 percent and number of convictions decreased overall by 24 percent.

Figure 95: Workers' Compensation Fraud Suspect Prosecutions and Convictions



Data Source: CDI - Fraud Division and CWCI

Workers' Compensation Fraud Investigations

Types of Workers' Compensation Fraud Investigations

Figures 96 and 97 indicate the number and type of investigations opened and carried from fiscal years FY 2014-2015 to FY 2023-2024 reported by district attorneys. Claimant, also named applicant, fraud appears to be the area generating the most cases followed by premium fraud and uninsured employer fraud.

¹³⁰ For case-by-case information regarding specific workers' compensation fraud convictions, see <http://www.insurance.ca.gov/0300-fraud/0100-fraud-division-overview/25-wc-conv/>

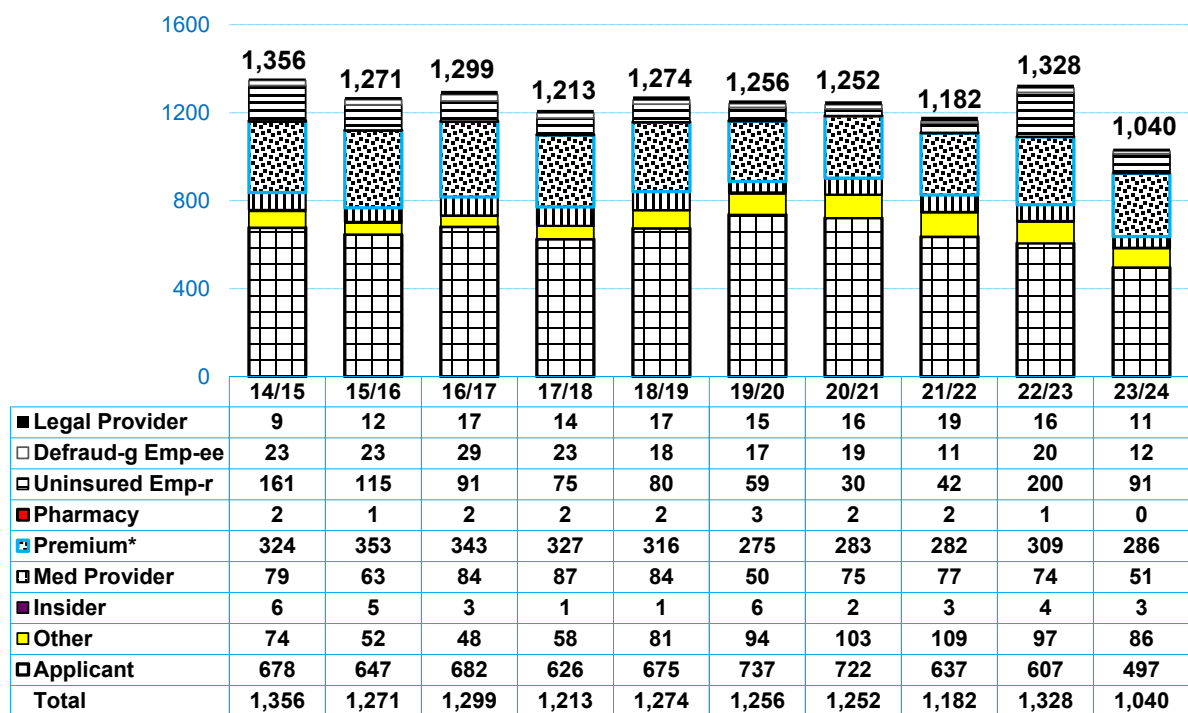
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Some of the categories for fraud-related investigations were changed in FY 2005-2006, FY 2006-2007, and FY 2007-2008. In FY 2008-2009, two new categories, Legal Provider and Pharmacy, were introduced as separate categories.

Trends in Workers' Compensation Fraud Investigations

Figure 96 shows that the number of WC fraud investigations decreased by 10.5 percent from FY 2014-2015 to FY 2017-2018 and then slightly increased by 2 percent from FY 2017-2018 to an average of 1,240 investigations yearly from FY 2018-2019 to FY 2021-2022. The decrease from FY 2014-2015 to FY 2017-2018 was mostly due to more than a two-fold decline in uninsured employer investigations. A slight decrease in the number of WC fraud investigations beginning from FY 2018-2019 was due to decreases in premium, medical providers, and uninsured employer frauds and a 13.5 percent decrease in claimant/applicant fraud from FY 2019-2020 to FY 2021-2022. From FY 2021-2022 to FY 2022-2023, there was a 12 percent increase in the number of WC fraud investigations when there was a 5-fold increase in uninsured employer fraud. There was a 22 percent decrease in the total number of WC fraud investigations from FY 2022-2023 to FY 2023-2024, mostly due to a two-fold decrease in premium investigations and an 18 percent decrease in claimant fraud investigations.

Figure 96: Caseload by Type of Fraud Investigations, FY 2014-2015–FY 2023-2024



* Includes Misclassification, Underreported Wages, and X-Mod Evasion

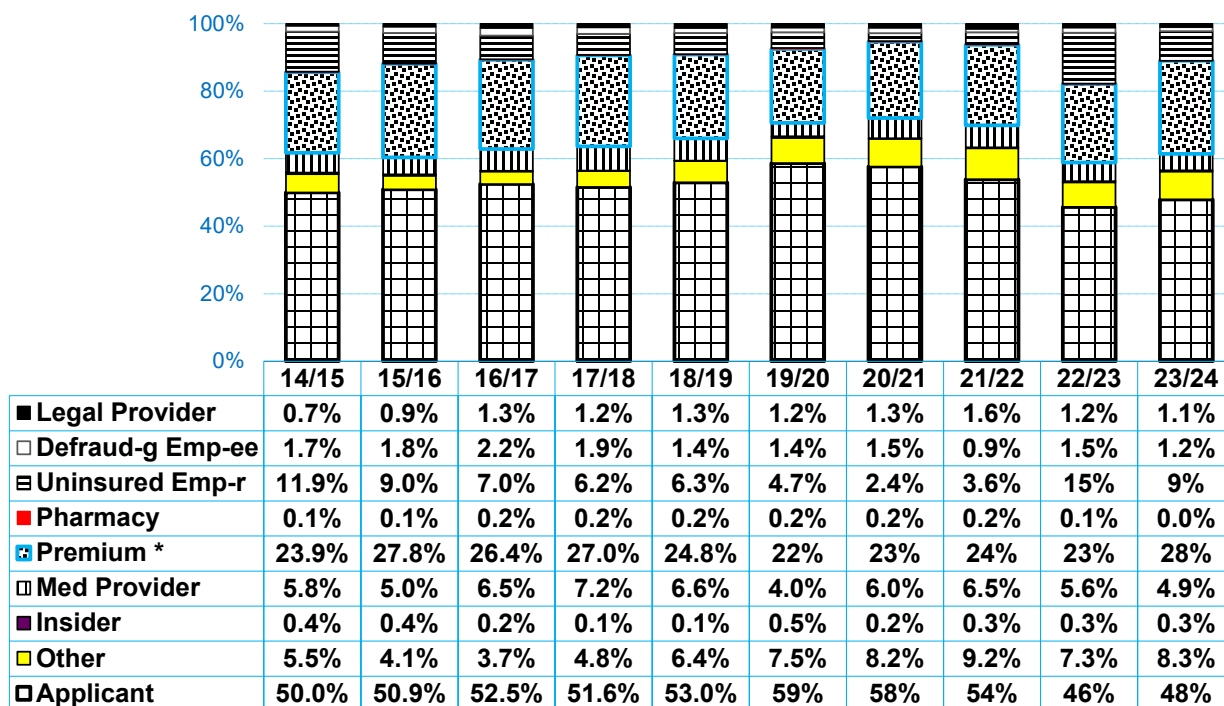
Data Source: California Department of Insurance, Fraud Division

As seen in Figure 97, the focus of the investigations experienced some changes during the observed period. Claimant/applicant fraud investigations averaged 51 percent yearly from FY 2013-2014 to FY 2018-2019 and then increased by 6 percentage points from FY 2018-2019 to FY 2019-2020, with a 4 percentage points decrease from FY 2020-2021 to FY 2021-2022, and 13 percentage points decrease from FY 2021-2022 to FY 2022-2023. The percentage of investigations of premium fraud increased overall from 23 percent in FY 2013-2014 to 27 percent in FY 2017-2018, and then decreased again to an average of 23 percent from FY 2019-2020 to FY 2022-2023. From FY 2013-2014 to FY 2021-2022, investigations of uninsured employer

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fraud decreased from about 10 percent to 3.6 percent respectively before increasing sharply to 15 percent in FY 2022-2023 and decreased for defrauding employees from 2.8 percent to 0.9 percent in the same period before going back to 1.5 percent in FY 2022-2023.

Figure 97: Distribution by Type of Fraud Investigations, FY 2014-2015–FY 2023-2024



* Includes Misclassification, Underreported Wages, and X-Mod evasion.

Data Source: California Department of Insurance, Fraud Division

In addition, the [2024 Annual Report of the Insurance Commissioner](#)¹³¹ notes that the majority of suspected fraudulent claims in calendar year 2024 came from Los Angeles County (989, or 35 percent of total cases) followed by Orange County (352, or 13 percent), San Bernardino (183, or 7 percent), San Diego (168, or 6 percent), and Riverside (159, or 6 percent).

Underground Economy

Although most California businesses comply with health, safety, and WC regulations, some do not and operate in the “underground economy.” Such businesses may not have all their employees on the official company payroll or may not report wages paid to employees that reflect their real job duties. Businesses in the underground economy are therefore competing unfairly with those that comply with the laws. The underground economy costs the California state economy an estimated \$8.5 billion to \$10 billion in tax revenues every year.¹³²

Potential Areas for Improvement in Workers' Compensation Anti-Fraud Efforts

CHSWC has conducted many studies that focus on improving WC anti-fraud efforts and co-chaired stakeholder meetings on fraudulent activity in the WC system. In September 2016, Governor Brown signed

¹³¹ <https://www.insurance.ca.gov/0400-news/0200-studies-reports/0700-commissioner-report/>.

¹³² https://www.edd.ca.gov/payroll_taxes/underground_economy_cost.htm.

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Assembly Bill 1244 and Senate Bill SB 1160 that provide a mechanism for suspending perpetrators of fraud from the WC system and for limiting financial recovery related to fraudulent activity. More information on DIR efforts related to AB 1244 and SB 1160 can be found at http://www.dir.ca.gov/fraud_prevention/.

The Administrative Director of DWC is now required to suspend any medical provider, physician, or practitioner from participating in the WC system in any capacity when the individual or entity meets specific criteria as related to fraud. Those criteria include conviction of a felony or misdemeanor: (1) involving fraud or abuse of the Medi-Cal, Medicare, or WC systems; (2) relating to patient care; (3) involving fraud or abuse of any patient; or (4) otherwise substantially related to the qualifications and duties of the provider. The medical provider is also to be suspended when his or her license, certificate, or approval to provide health care has been surrendered or revoked, or when that individual or entity has been suspended from participation in the Medicare or Medicaid programs due to fraud or abuse. A medical provider is now barred from submitting or pursuing claims for payment for services or supplies provided, if that provider has been suspended from participation in the WC system.

The Anti-Fraud Unit (AFU) activities for the period from 2019-2020 to 2022-2023 can be found in 2024 CHSWC report on page 178, <https://www.dir.ca.gov/chswc/AnnualReportpage1.html>.

In the period 2023-2024, 75 remaining criminally charged individuals¹³³ had their liens stayed under Labor Code § 4615, representing 432,200 remaining liens stayed with an estimated value of \$3.56 billion. There were 54 lien consolidation orders issued pursuant to LC 139.21(f), among which 30 are still in process and 24 were resolved. There have been 235,500 liens dismissed pursuant to LC § 139.21 amounting to \$1.75 billion in payment.¹³⁴ One thousand and nine-hundred providers (1,900)¹³⁵ have been suspended under Labor Code § 139.21.

More information on DIR efforts related to AB 1244 and SB 1160 can be found at: http://www.dir.ca.gov/fraud_prevention/.

¹³³ https://www.dir.ca.gov/Fraud_Prevention/List-of-Criminally-Charged-Providers.pdf.

¹³⁴ <https://www.dir.ca.gov/dwc/SB1160-AB1244/Calendar.htm>

¹³⁵ https://www.dir.ca.gov/Fraud_Prevention/Suspension-List.htm.

WORKPLACE HEALTH AND SAFETY PERFORMANCE MEASURES

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WORKPLACE HEALTH AND SAFETY PERFORMANCE MEASURES

OCCUPATIONAL INJURY AND ILLNESS PREVENTION EFFORTS

Workplace health and safety are of primary importance and the shared goal of all Californians. Ongoing cooperative efforts among workers, employers, employer and labor organizations, government agencies, health and safety professionals, independent researchers, and the public have resulted in significant reductions in workplace injuries, illnesses and deaths.

This section discusses the number and incidence rate of occupational injuries and illnesses, injuries and illnesses by occupation and other factors, and the efforts to prevent occupational injuries and illnesses. Also included is an overview of the requirements and methods to record and report occupational injuries and illnesses in the United States and California.

Where data are available, comparisons among private industry and state and local government are also included.

Occupational Injuries, Illnesses, and Fatalities

The estimates of numbers and incidence rates of occupational injuries, illnesses, and fatalities in the private sector (private industry) and the public sector (state and local government) for the past several years are listed and discussed in this subsection.

The estimates of numbers and incidence rates of injuries and illnesses for both the selected industries and case and demographic data are aggregated as follows:

- DAFW: Days away from work (with or without days of job transfer or restriction).
- DJTR: Days of job transfer or restriction (only)
- DART: Cases involving days away from work, job transfer, or restriction. DART is the sum of days away from work and days of job transfer or restriction ($DART = DJTR + DAFW$). Also, the DART cases are defined as “lost-worktime” cases for the purposes of this report.
- In addition to the previous three categories, the estimates of counts and incidence rates of injuries and illnesses for the selected industries has the Total Recordable Cases (TRC) category named sometimes as All Injuries, where $TRC = DJTR + DAFW + \text{Other Recordable cases}$. TRC is not estimated for case and demographic data.

There was an important change in how the case and demographic data are estimated and released by the Bureau of Labor Statistics (BLS) beginning with 2021 non-fatal injury and illness cases. There was no release of case and demographic data for reference year 2021 in the fall of 2022. Instead, BLS published the Survey of Occupational Injuries and Illnesses (SOII) case and demographic data with the biennial (2-year) estimates for combined data from reference years 2021 and 2022 for cases involving days-away-from-work, job transfer, or restriction in the fall of 2023.¹³⁶ The next series of the data for the 2023-2024 period were released in 2025. As a result of these changes, this 2024 report had the latest case and demographic characteristics and related figures for 2021-2022 non-fatal cases in contrast with demographic characteristics for fatal cases in 2022, which are being released annually.

¹³⁶ <https://www.bls.gov/iif/notices/2022/data-collection.htm> and <https://www.bls.gov/iif/nonfatal-injuries-and-illnesses-tables.htm#djtr>.

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The purpose of these changes for case and demographic data¹³⁷ was to compare the case circumstances and worker characteristics of injuries and illnesses that require days away from work (DAFW) to recuperate and those that lead to days of job transfer or restriction (DJTR) only, without time away from work. The SOII historically included only data on the case circumstances and worker characteristics for DAFW cases; in 2021 the study expanded SOII estimates to include the same detail for DJTR cases in some industries.

According to BLS, DJTR cases have become more prevalent since 1992 when detailed data were first collected only for DAFW cases. In 1992, DJTR cases accounted for 21 percent of total days away from work, days of restricted work activity, or job transfer cases (DART) in private industry. By 2011, DJTR accounted for 41 percent of these cases and, in 2019, 43 percent of private industry cases. Detailed data on DJTR cases leads to a better understanding of how occupational injuries and illnesses are managed and gives a more complete accounting of the types of injuries and illnesses that occur to workers and how they occurred.

Please note that “lost-worktime” occupational injury and illness cases (as described and shown in the figures of this section) are equivalent to cases with DART, involving days away from work, job transfer, or days of restricted work activity.

It should also be noted that the fatality counts do not reflect any COVID-19 work-related illness deaths. The BLS fatality surveillance system does not include the tracking of illness deaths.¹³⁸

The National Academy of Social Insurance (NASI) estimated that in 2022¹³⁹ 146.3 million workers were covered by workers’ compensation in the U.S., including 17.7 million in California.

Comparison of the Public and Private Sectors¹⁴⁰

Non-Fatal Occupational Injuries and Illnesses

Figure 98 shows the number of occupational injuries and illnesses in California’s private industry and state and local government. The number of total recordable cases (TRC) for occupational injury and illness in California fluctuated between 460,700 and 470,600 cases from 2014 to 2016, stabilized at around 466,600 cases from 2016 to 2018, and then increased by 4 percent from 2018 to 2019. From 2019 to 2020, the number of TRCs decreased by 7 percent, before growing slightly by 0.5 percent from 2020 to 2021 and then increasing sharply by 26 percent from 2021 to 2022. There was a 20 percent decrease in TRCs from 2022 to 2024.

The number of lost-work-time cases increased by 3 percent from 2014 to 2015, decreased by 2 percent from 2015 to 2017, and then increased by 45 percent from 2017 to 2022, including a 30 percent increase from 2021 to 2022. From 2022 to 2024, the number of lost-work-time cases decreased by 27.5 percent. The days-away-from-work cases increased by 7 percent from 2014 to 2019, and then increased sharply by 32 percent from 2019 to 2020. Before increasing sharply by 41 percent from 2021 to 2022, the days-away-from-work cases decreased by 3 percent from 2020 to 2021. From 2022 to 2024, the number of days-away-from-work cases decreased by 37 percent.

¹³⁷ BLS: changes related to the data on Case and Demographic Characteristics, <https://www.bls.gov/iif/nonfatal-injuries-and-illnesses-tables/soii-case-and-demographic-characteristics-historical-data/days-of-job-transfer-or-restriction.htm>.

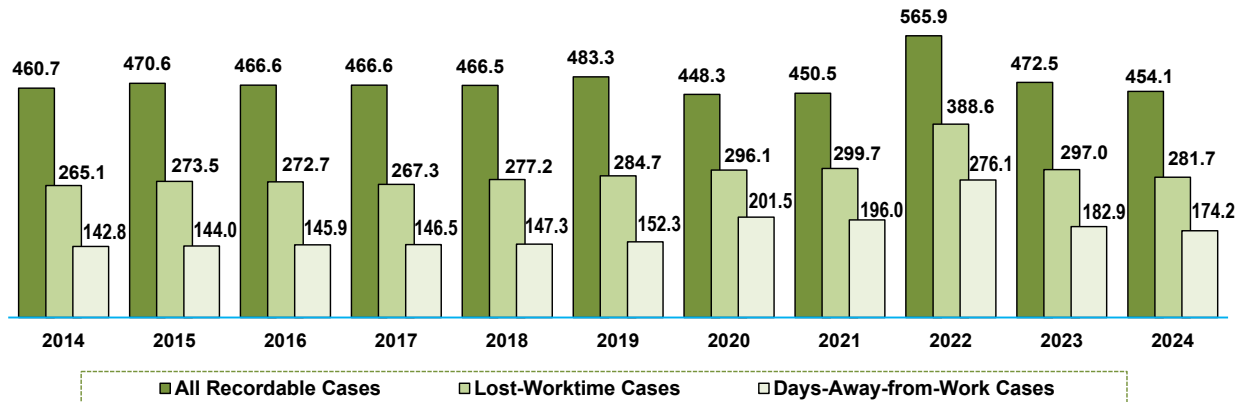
¹³⁸ BLS’s Census of Fatal Occupational Injuries (CFOI) includes deaths from heat illness, fatal overdoses and deaths by suicide and violence in the fatality counts.

¹³⁹ 2022 is the latest available year for which these data were published by NASI.

¹⁴⁰ Data in this subsection are not a part of case and demographic cases and available on an annual basis.

WORKPLACE HEALTH AND SAFETY PERFORMANCE MEASURES

Figure 98: California Non-Fatal Occupational Injuries and Illnesses: Private Industry and State and Local Governments (Thousands)

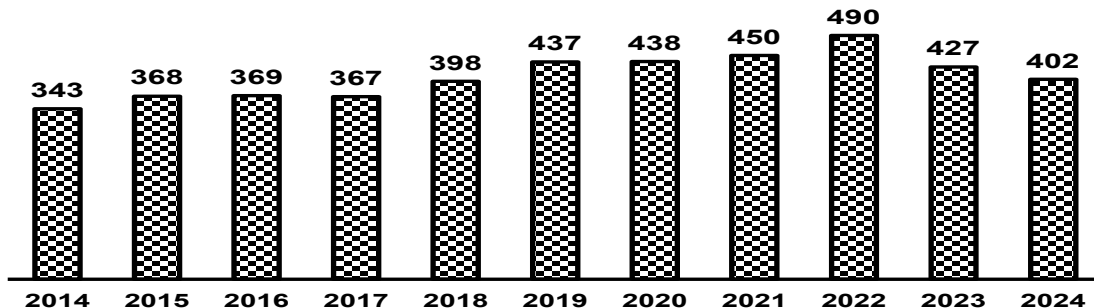


Source: DIR, Office of the Director- Research

Fatal Occupational Injuries

Fatal occupational injuries in all industries in California are shown in Figure 99. The number of fatal occupational injuries in California, excluding the federal government (17 in 2024) stabilized at an average of 368 fatal injuries per year from 2015 to 2017 after increasing by 7 percent from 2014 to 2015. From 2017 to 2022, the number of fatal occupational injuries in California increased by 33.5 percent, including a 9 percent increase from 2021 to 2022 and then decreased by 18 percent from 2022 to 2024.

Figure 99: California Fatal Occupational Injuries—Private Industry and State and Local Governments



Data Source: BLS and DIR, Office of the Director-Research

Private Sector

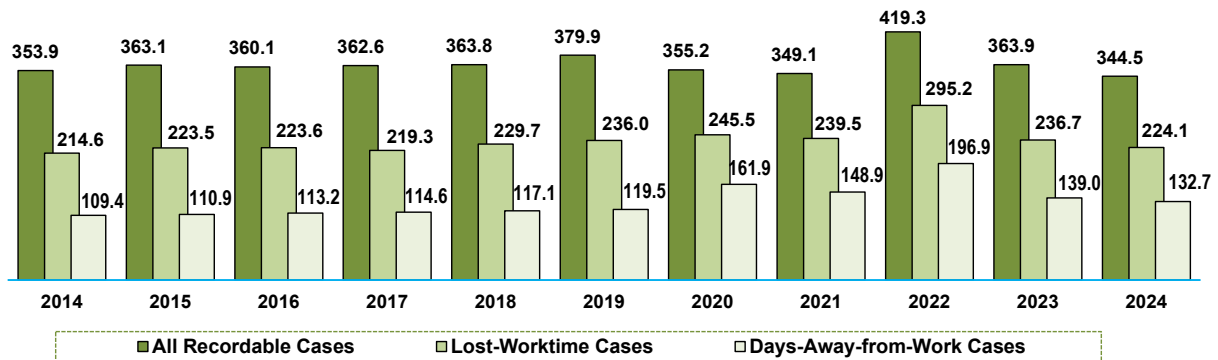
Non-Fatal Occupational Injuries and Illnesses

The total number of recordable injury and illness cases fluctuated between 353,900 and 363,100 cases between 2014 and 2016 and then increased by 5.5 percent from 2016 to 2019. From 2019 to 2021, the number of TRCs decreased by 8 percent, increased by 20 percent from 2021 to 2022, and then fell by 18 percent from 2022 to 2024. The number of lost-work-time cases increased overall by 14 percent from 2014 to 2020, including a 4 percent increase from 2019 to 2020. From 2020 to 2021, the number of lost-work-time cases decreased by 2.4 percent and then increased by 23 percent from 2021 to 2022, before decreasing by 24 percent from 2022 to 2024. The number of days-away-from-work cases increased by 9 percent from 2014 to 2019, increased again by 35.5 percent from 2019 to 2020 at the start of the COVID-19 pandemic. The number of days-away-from-work cases fluctuated sharply between 2019 and 2023, decreasing by 8 percent from 2020 to 2021, increasing by 32 percent from 2021 to 2022, and decreasing again by 29 percent from 2022 to 2023. There was a 4.5 percent decrease in the number of days-away-

WORKPLACE HEALTH AND SAFETY PERFORMANCE MEASURES

from-work cases from 2023 to 2024.

Figure 100: California Non-Fatal Occupational Injuries and Illnesses: Private Industry (Thousands)

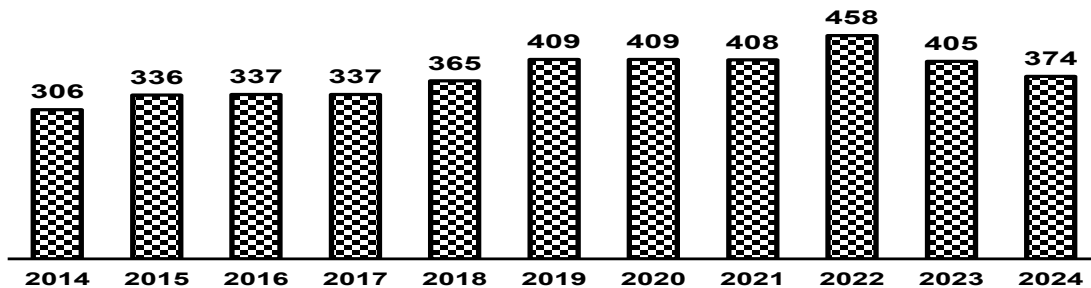


Source: DIR, Office of the Director- Research

Fatal Occupational Injuries

Fatal occupational injuries in California private industry stabilized at an average of 337 fatalities per year from 2015 to 2017 after a 10 percent increase in the number of fatal injuries from 2014 to 2015. From 2017 to 2019, the number of fatal occupational injuries in private sector increased by 21 percent and stabilized at 408-409 fatalities from 2019 and 2021. From 2021 to 2022, the number of fatal occupational injuries in private industry increased by 12 percent before decreasing by 18 percent from 2022 to 2024.

Figure 101: California Fatal Occupational Injury—Private Industry



Source: BLS and DIR, Office of the Director-Research

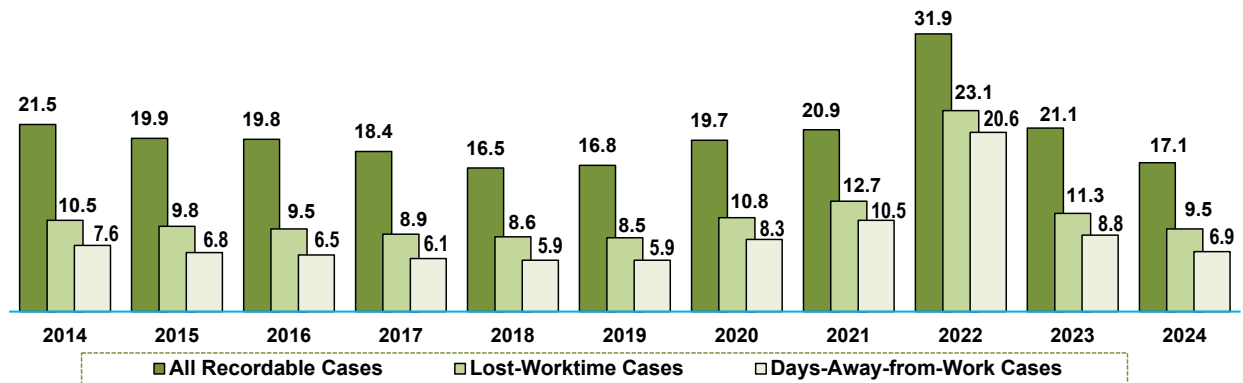
Public Sector: State Government

Non-Fatal Occupational Injuries and Illnesses

The number of all recordable injury and illness cases in California state government decreased by 23 percent from 2014 to 2018, and increased slightly from 2018 to 2019. From 2019 to 2022, the number of TRCs increased sharply by 90 percent, including a 53 percent increase from 2021 to 2022, before decreasing by 46 percent from 2022 to 2024. It should be noted that many state and local government occupations are high risk, such as law enforcement, firefighting, rescue, and other public safety operations. After 6 years of a steady decline in both the lost-worktime and days-away-from-work cases in the state government, the lost-worktime cases almost tripled from 2019 to 2022, including a growth by 82 percent from 2021 to 2022 and days-away-from-work cases more than tripled from 2019 to 2022, including an increase of 96 percent from 2021 to 2022. The lost-work-time cases more than halved from 2022 to 2024, and days-away-from-work cases decreased more than 3 times in the same period.

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Figure 102: California Non-Fatal Occupational Injuries and Illnesses: State Government (Thousands)

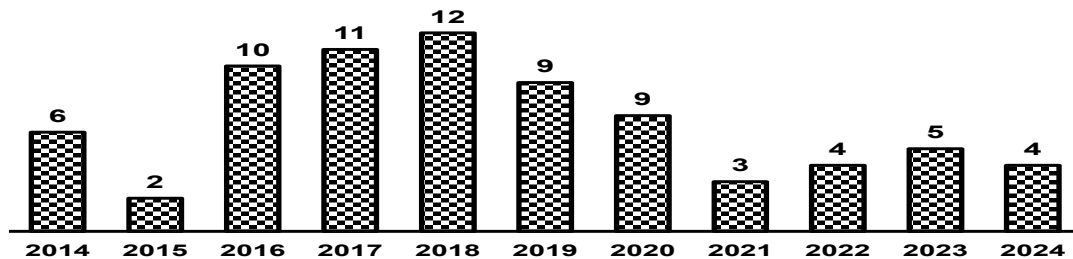


Source: DIR, Office of the Director- Research

Fatal Occupational Injuries

Fatal occupational injuries in California state government decreased from 6 in 2014 to a minimum of 2 fatalities in 2015, increased to an average of 11 fatalities annually from 2016 to 2018, and then decreased from 12 fatalities in 2018 to an average of 4 fatalities per year from 2021 to 2024.

Figure 103: California Fatal Occupational Injuries—State Government



Source: BLS and DIR, Office of the Director-Research

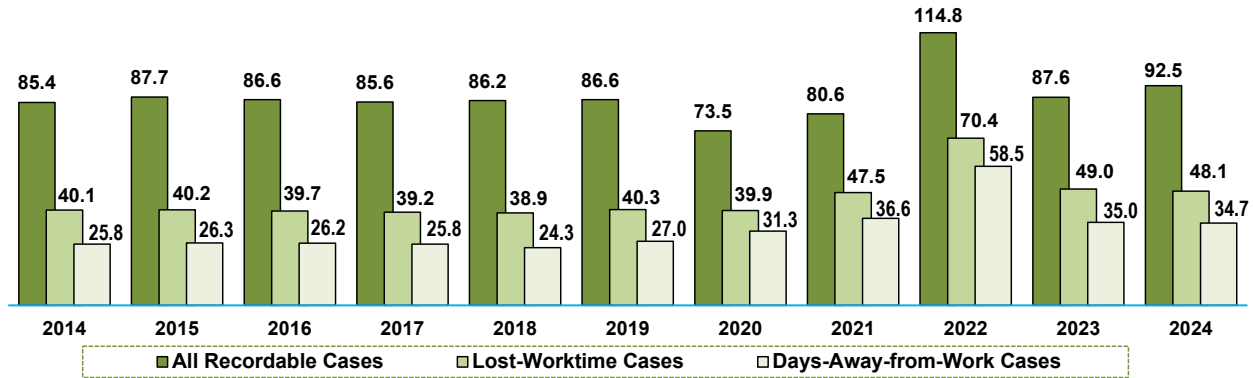
Public Sector: Local Government

Non-Fatal Occupational Injuries and Illnesses

The total number of non-fatal occupational injuries and illnesses in local government averaged 86,350 cases between 2014 and 2019. The number of all recordable cases decreased by 15 percent from 2019 to 2020 and then increased by 56 percent from 2020 to 2022, including 42 percent growth from 2021 to 2022. From 2022 to 2023, there was a sharp 24 percent decrease in TRCs before a 5.5 percent increase from 2023 to 2024. The number of lost-worktime cases in local government averaged 39,757 cases from 2014 to 2020, before increasing 1.5 times from 2020 to 2022, including a 50 percent increase from 2021 to 2022. From 2022 to 2024, the number of lost-worktime cases decreased by 32 percent. The number of cases with days-away-from-work averaged 25,680 from 2014 to 2018, and then increased by 141 percent from 2018 to 2022, including a 60 percent growth from 2021 to 2022. From 2022 to 2024, the number of cases with days-away-from-work decreased by 41 percent.

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Figure 104: California Non-Fatal Occupational Injuries and Illnesses: Local Government (Thousands)

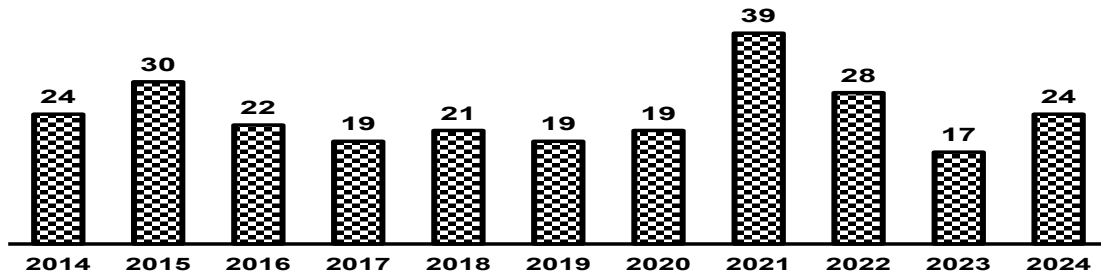


Source: DIR, Office of the Director- Research

Fatal Occupational Injuries

The number of fatal occupational injuries in California's local governments increased by 25 percent from 2014 to 2015, decreased by 27 percent from 2015 to 2016, and then stabilized at an average of 20 fatalities per year from 2016 to 2020. The number of fatalities in the local government almost doubled from 2020 to 2021 before decreasing by more than twice from 2021 to 2023. From 2023 to 2024, the number of fatal occupational injuries increased by 41 percent.

Figure 105: California Fatal Occupational Injuries—Local Government



Source: BLS and DIR, Office of the Director-Research

Occupational Injury and Illness Incidence Rates¹⁴¹

Comparison of Public and Private Sectors

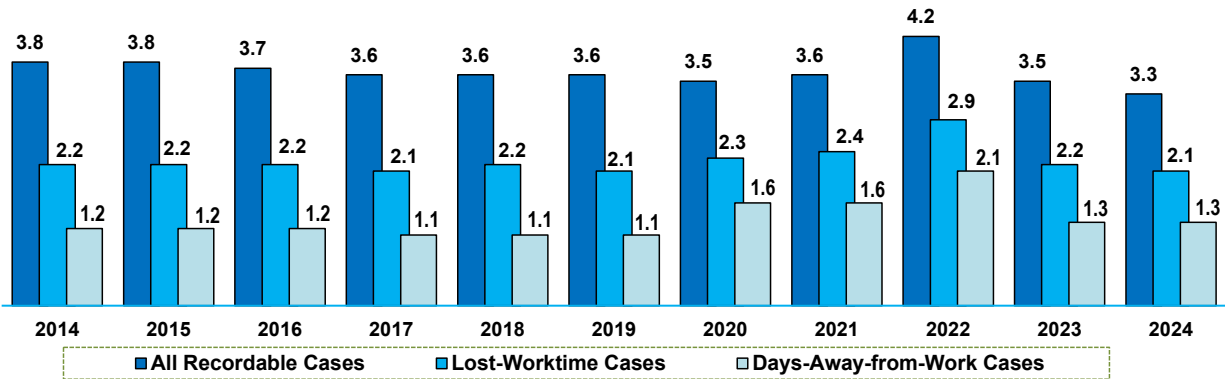
The incidence rates for all cases in California declined from 2014 to 2017 and stabilized at 3.6 per 100 FTE workers from 2017 through 2021 with a slight decrease to 3.5 per 100 FTE workers in 2020. There was a 17 percent increase in the incidence rates for all cases from 2021 to 2022, before decreasing by 21 percent from 2022 to 2024. The incidence rates for lost-work-time cases remained prevailing at 2.2 cases per 100 FTE from 2014 to 2019, decreasing to a rate of 2.1 in 2017 and 2019. The incidence rates for lost-work-time cases increased by 9.5 percent from 2019 to 2020 and then continued to increase by 26 percent from 2020 to 2022, before decreasing by almost 28 percent from 2022 to 2024. The incidence rate for days-away-from-work cases stabilized at 1.2 per 100 FTE from 2014 to 2016, decreased to 1.1 from 2016 to 2017, and remained at that level from 2017 to 2019. From 2019 to 2020, the incidence rate for days-away-from-work cases increased by 45 percent from 1.1 per 100 FTE in 2019 to 1.6 per 100 FTE in 2020, did not change from 2020 to 2021, and then increased by 31 percent from 2021 to 2022. The incidence rate for

¹⁴¹ Data in this subsection are not a part of case and demographic cases and available on an annual basis.

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days-away-from-work cases went back close to its prevailing rate of 1.1 to 1.2 cases per 100 FTE in previous years in 2023 and 2024 (1.3 per FTE).

Figure 106: California Occupational Injury and Illness Incidence Rates: Private, State and Local Government (Cases per 100 Full-Time Employees)

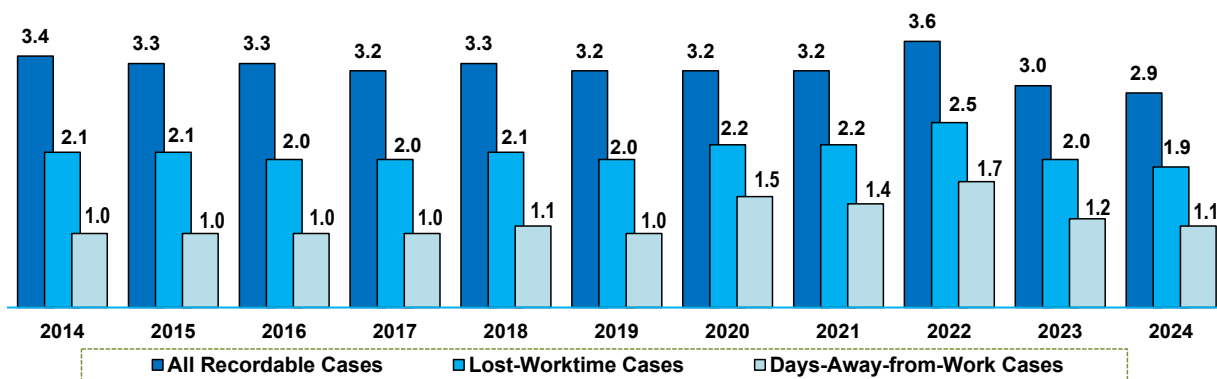


Source: DIR, Office of the Director- Research

Private Sector

According to Figure 107, the incidence rate for all cases in private industry stabilized at 3.2 or 3.3 cases per 100 FTE from 2015 to 2021 after a slight decline from 2014 to 2015, and then increased by 12.5 percent from 2021 to 2022 to its peak of 3.6 cases per 100 FTE, before falling by 19.5 percent to its minimum of 2.9 cases per 100 FTE from 2022 to 2024. After stabilizing at 2.0 or 2.1 cases per 100 FTE from 2014 to 2019, the incidence rate for lost-work-time cases increased to 2.2 cases per 100 FTE in 2020 and 2021 and then increased again by 79 percent from 2021 to 2022. From 2022 to 2024, the incidence rate for lost-work-time cases decreased to its minimum of 1.9 cases per 100 FTE. After stabilizing at 1.0 per 100 FTE from 2014 to 2019, the incidence rates for days-away-from-work cases increased by 50 percent to 1.5 cases per 100 FTE from 2019 to 2020, decreased slightly to 1.4 cases per 100 FTE in 2021, and then increased by 21 percent from 2021 to 2022. From 2022 to 2024, the incidence rates for days-away-from-work cases decreased by 35 percent.

Figure 107: California Occupational Injury and Illness Incidence Rates: Private Industry (Cases per 100 Full-Time Employees)



Source: DIR, Office of the Director- Research

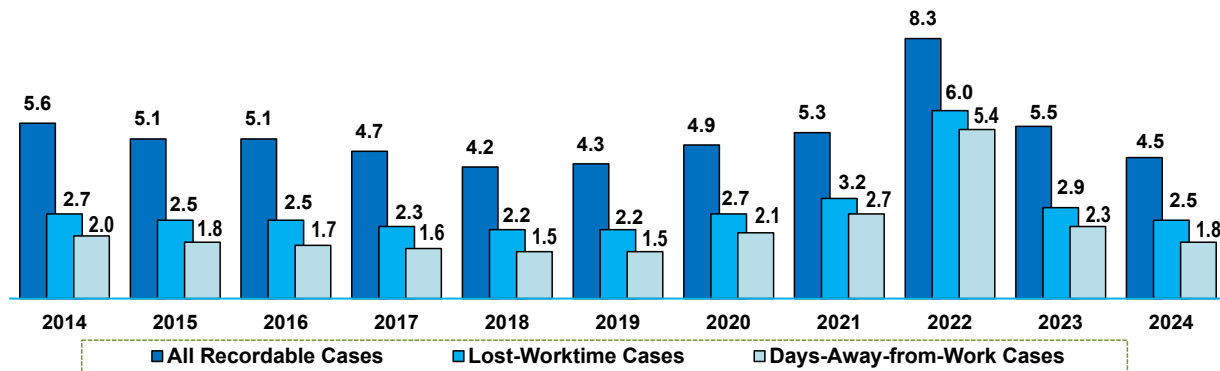
Public Sector: State Government

California state government occupational injury and illness incidence rates for all cases decreased by 25 percent from 2014 to 2018, doubled from 2018 to 2022, including an increase by 14 percent from 2019 to

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2020 and by 57 percent from 2021 to 2022. From 2022 to 2024, the incidence rate for all cases decreased by 46 percent. The incidence rate for lost-time cases decreased by 18.5 percent between 2014 and 2019 and then increased by 23 percent from 2019 to 2020 and by 122 percent from 2020 to 2022. From 2022 to 2024, the incidence rate for lost-time cases more than halved. The incidence rate for days-away-from-work cases decreased by 25 percent from 2014 to 2019 and then increased by 40 percent from 2019 to 2020 and by 157 percent from 2020 to 2022. In 2024, the incidence rate for days-away-from-work cases reduced to one-third of its 2022 level.

**Figure 108: California Occupational Injury and Illness Incidence Rates: State Government
(Cases per 100 Full-Time Employees)**

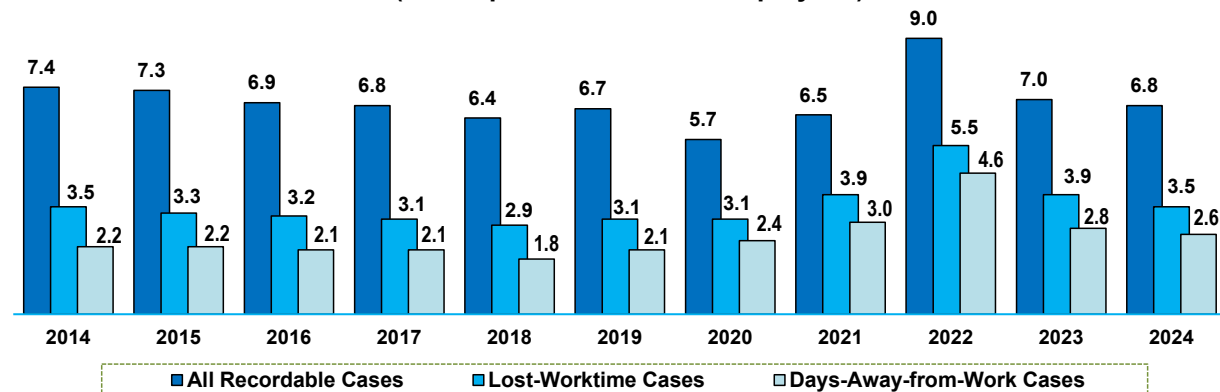


Source: DIR, Office of the Director- Research

Public Sector: Local Government

Local government occupational injury and illness incidence rates for all cases decreased by 24 percent from 2014 to 2020, increased by 58 percent from 2020 to 2022, and then fell by 24 percent from 2022 to 2024. The incidence rate for lost-time cases decreased from 3.5 to 2.9 cases per 100 full-time employees from 2014 to 2018, went up to 3.1 in 2019 and 2020 and then increased sharply by 26 percent from 2020 to 2021, and again by 41 percent from 2021 to 2022, before decreasing by 36 percent from 2022 to 2024. After stabilizing at 2.1 and 2.2 cases per 100 FTE from 2014 to 2017, the incidence rate for days-away-from-work cases decreased by 14 percent from 2017 to 2018 and then increased by 156 percent from 2018 to 2022. That 156 percent increase in incidence rate for days-away-from-work cases included 14 percent growth from 2019 to 2020 and an increase by 53 percent from 2021 to 2022. From 2022 to 2024, the incidence rate for days-away-from-work cases decreased by 43.5 percent.

**Figure 109: California Occupational Injury and Illness Incidence Rates: Local Government
(Cases per 100 Full-Time Employees)**



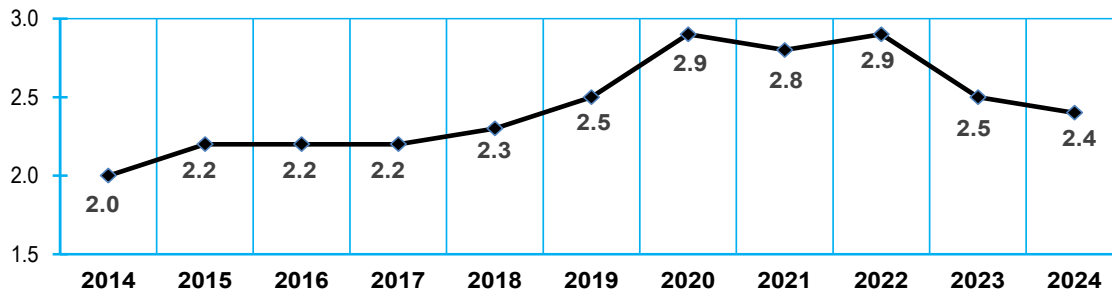
Source: DIR, Office of the Director- Research

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California Fatality Incidence Rates

Fatality per employment rates can be used to compare the risk of incurring injury among worker groups with varying employment levels. The fatality rates in California increased from the minimum of 2.0 per 100,000 FTE workers in 2014 to 2.2 fatalities per 100,000 FTE workers in 2015. The rate did not change in three consecutive years after increasing to 2.2 fatalities per 100,000 FTE workers in 2015. The fatality rates in California increased by 32 percent from 2.2 in 2017 to 2.9 fatalities per 100,000 FTE workers in 2020, including a 16 percent increase from 2019 to 2020. From 2020 to 2022, the fatality rates stabilized at 2.8-2.9 per 100,000 FTE workers, before decreasing by 17 percent from 2022 to 2024.

Figure 110: California Fatal Occupational Injuries*—Incidence Rate (per 100,000 employed)**



* California Fatal Occupational Injuries: 1) don't include the illness deaths except for deaths from heat illness, fatal overdoses and deaths by suicide and violence; 2) exclude military personnel and workers under age 16 and include all self-employed, family business, and wage and salary workers.

** Incidence Rates for Fatal Occupational Injuries computed using estimates of civilian workers (age 16 and older) from the Current Population Survey (CPS) and are expressed as the number of fatalities per 100,000 employed.

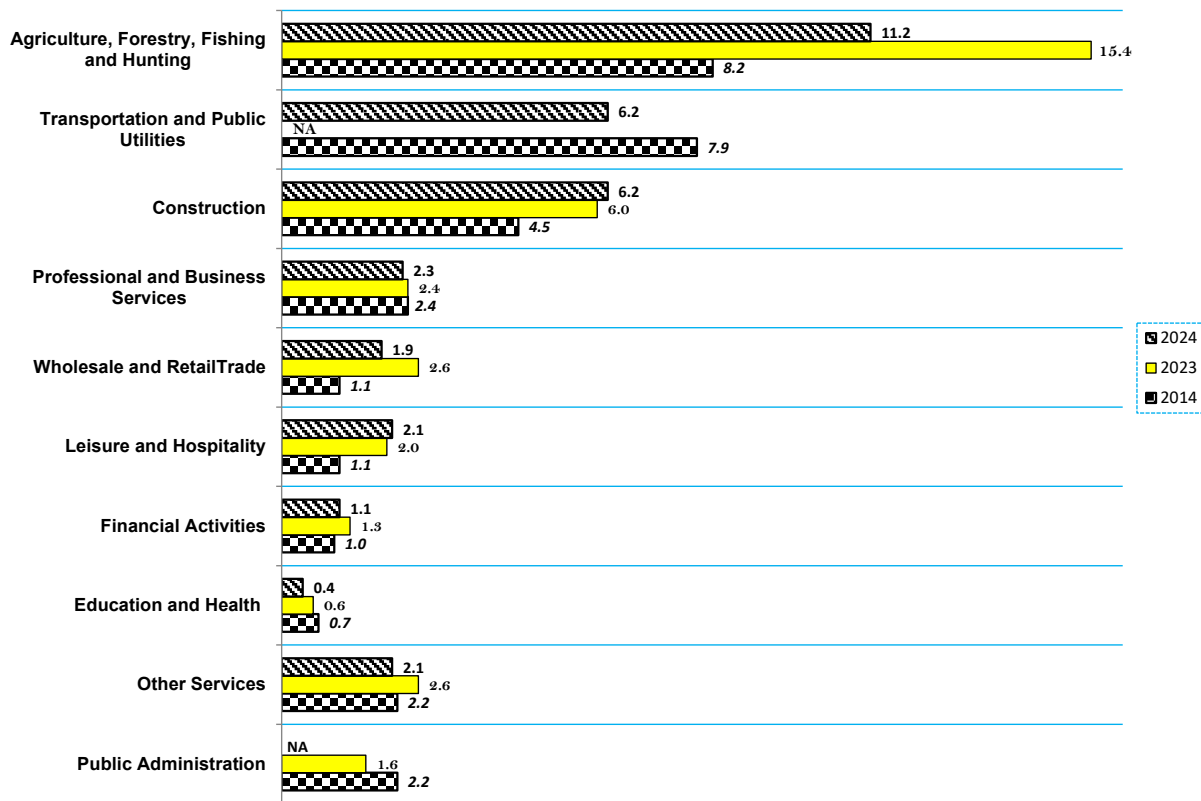
Data Source: U.S. Department of Labor, BLS, in cooperation with State and Federal agencies, Census of Fatal Occupational Injuries.

Figure 111 shows the fatality incidence rates by major industries in 2014, 2023, and 2024. For the three years depicted in the figure, agriculture, forestry, fishing, and hunting, transportation and public utilities, and construction were the top three industries with highest fatality rates in California. While not completely comparable because of differences in industrial mix, despite the fact that agriculture, forestry, fishing, and hunting and construction industries had the highest fatality rates in California, they had lower rates in comparison to their national levels. For example in 2024, agriculture, forestry, fishing, and hunting, and construction had California and national fatality incidence rates of 11.2 and 6.2 and 18.6 and 9.2 per 100,000 FTE respectively.¹⁴² The industries with the greatest decrease in fatality rates between 2023 and 2024 were education and health (-33 percent), agriculture, forestry, fishing, and hunting (-27 percent), wholesale and retail trade (-27 percent), and manufacturing (-21 percent).

¹⁴² The U.S. data in the same group of industries compared to the California rate has "Transportation and Warehousing" in 2024 instead of "Transportation and Public Utilities", <https://www.bls.gov/charts/census-of-fatal-occupational-injuries/number-and-rate-of-fatal-work-injuries-by-industry.htm>.

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Figure 111: California Fatality Rates by Industries (per 100,000 employed), 2014, 2023, and 2024*



Data Source: BLS, U.S. Department of Labor, Survey of Occupational Injuries and Illnesses, in cooperation with participating State agencies.

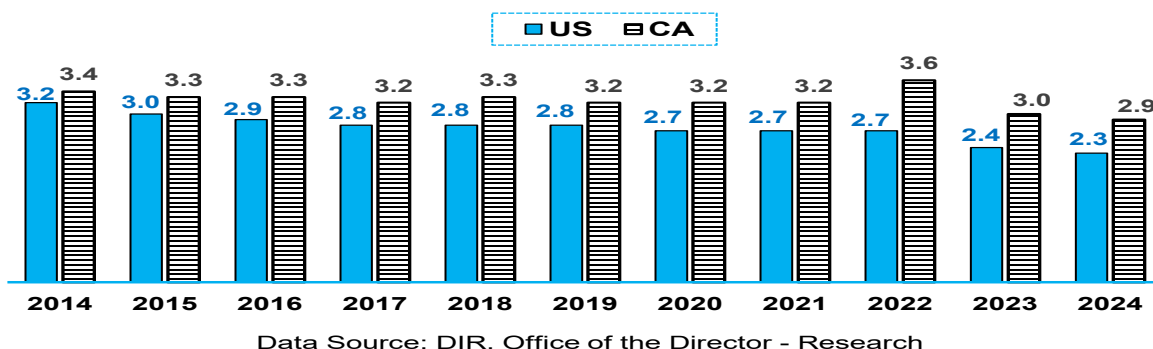
* Note: The source is released annually and doesn't have separate or specific incidence rates for healthcare-related industries.

Comparison of Incidence Rates in the United States and California

Both the U.S. and California experienced an overall decrease in occupational injury and illness incidence rates of total recordable cases (TRC) in private industry from 2014 through 2021. The U.S. incidence rates dropped by about 12.5 percent from 2014 to 2017, remained at 2017 level until 2019, and then decreased slightly to 2.7 cases per 100 full-time workers from 2019 to 2020, with no changes from 2020 to 2022. From 2022 to 2024, the U.S. incidence rate of TRC in private industry decreased by 15 percent. This was the lowest TRC rate since 2003. The California incidence rates decreased by about 3 percent from 2014 to 2015, stabilized at 3.2-3.3 cases per 100 full-time workers from 2015 to 2021, and then increased by 12.5 percent from 2021 to 2022. The incidence rate of TRC in private industry decreased by 19 percent from its peak of 3.6 cases per 100 FTE workers in 2022 to its lowest level of 2.9 in 2024, both since 2013 levels. From 2014 to 2021, the incidence rate in California has been 0.2-0.5 points above the national average with slower decreasing trend during that period. When compared to the national incidence rate, the incidence rate in California has been 0.9 points or 33 percent above the national average in 2022 and 26 percent above the U.S. average in 2024.

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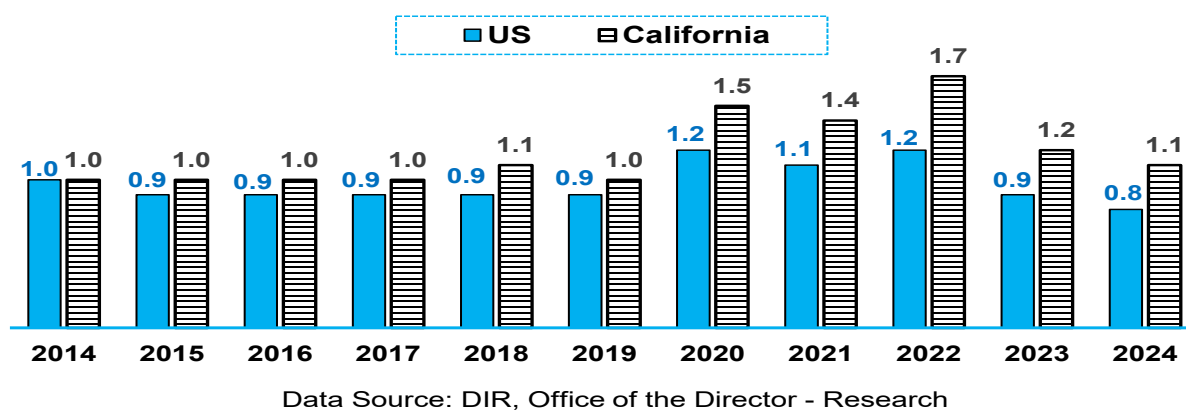
Figure 112: Injury and Illness Incidence Rate per 100 Full-Time Workers: Private Industry, Total Recordable Cases. U.S. and California



In the U.S., the incidence rate of occupational injury and illness days-away-from-work (DAFW) cases in private sector stabilized at 0.9-1.0 cases per 100 full-time workers from 2014 to 2019, and then increased to 1.2 cases per 100 full-time workers from 2019 to 2020. From 2020 to 2022, the incidence rate of days-away-from-work cases in the U.S. changed slightly between 1.1 and 1.2 cases per 100 full-time workers. The rate of DAFW cases in the U.S. went back to its pre-pandemic rate of 0.9 per 100 FTE workers in 2023, and then to its minimum of 0.8 cases per 100 FTE in 2024, a decrease of 33 percent from its 2022 level.

In California, after stabilizing at 1.0 -1.1 cases per 100 full-time workers from 2014 to 2019, the incidence rate increased from 1.0 in 2019 to 1.5 in 2020, the surge explained by growth of illnesses during the COVID-19 pandemic rather than workplace injuries. The incidence rate of days-away-from-work cases in California declined slightly from 2020 to 2021, increased by 21 percent from 1.4 cases per 100 full-time workers in 2021 to 1.7 in 2022, and then decreased by 35 percent from 2022 to 1.1 cases per 100 full-time workers in 2024 to its pre-pandemic level.

Figure 113: Injury and Illness Incidence Rate per 100 Full-Time Workers: Private Industry Cases with Days Away from Work. U.S. and California



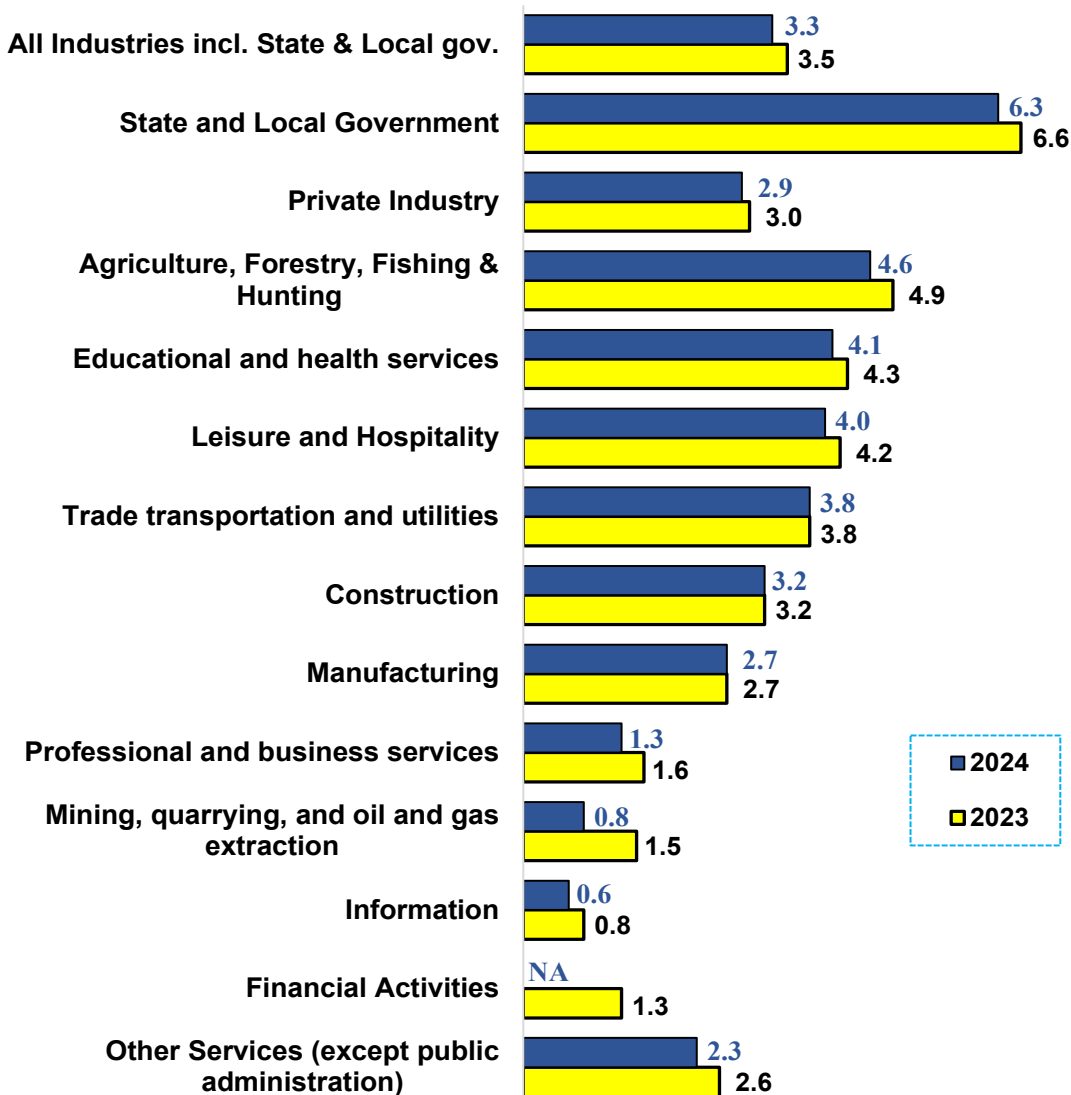
Characteristics of California Occupational Injuries and Illnesses

Figure 114 compares incidence rates for total recordable cases (TRC) in 2023 and 2024 by major industries in private sector, state and local governments, and all industries, including the state and local government. The overall California occupational injury and illness incidence rates for all industries, including state and local government decreased by 6 percent from 2023 to 2024. In the same period the occupational injury and illness incidence rates for the state and local government decreased by 5 percent.

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The private industry, as a total, showed a 3 percent decrease in the incidence rate from 2023 to 2024 with the incidence rates in almost all its major industries also decreasing and 3 industries experiencing no changes. During this period, the biggest decrease in incidence rates was in mining, quarrying, and oil and gas extraction (-47 percent), information (-25 percent), professional and business services (-19 percent), followed by other services, except public administration (-12 percent), agriculture, forestry, fishing and hunting (-6 percent), leisure and hospitality (-5 percent), and educational and health services (-5 percent). From 2023 to 2024, manufacturing, construction, and trade transportation and utilities experienced no change in incidence rates for total recordable cases (TRC).

Figure 114: Incidence rates of nonfatal occupational injuries and illnesses per 100 FTE workers by major industries, Private Sector and State and Local Government, 2023 and 2024 (Total Recordable Cases)



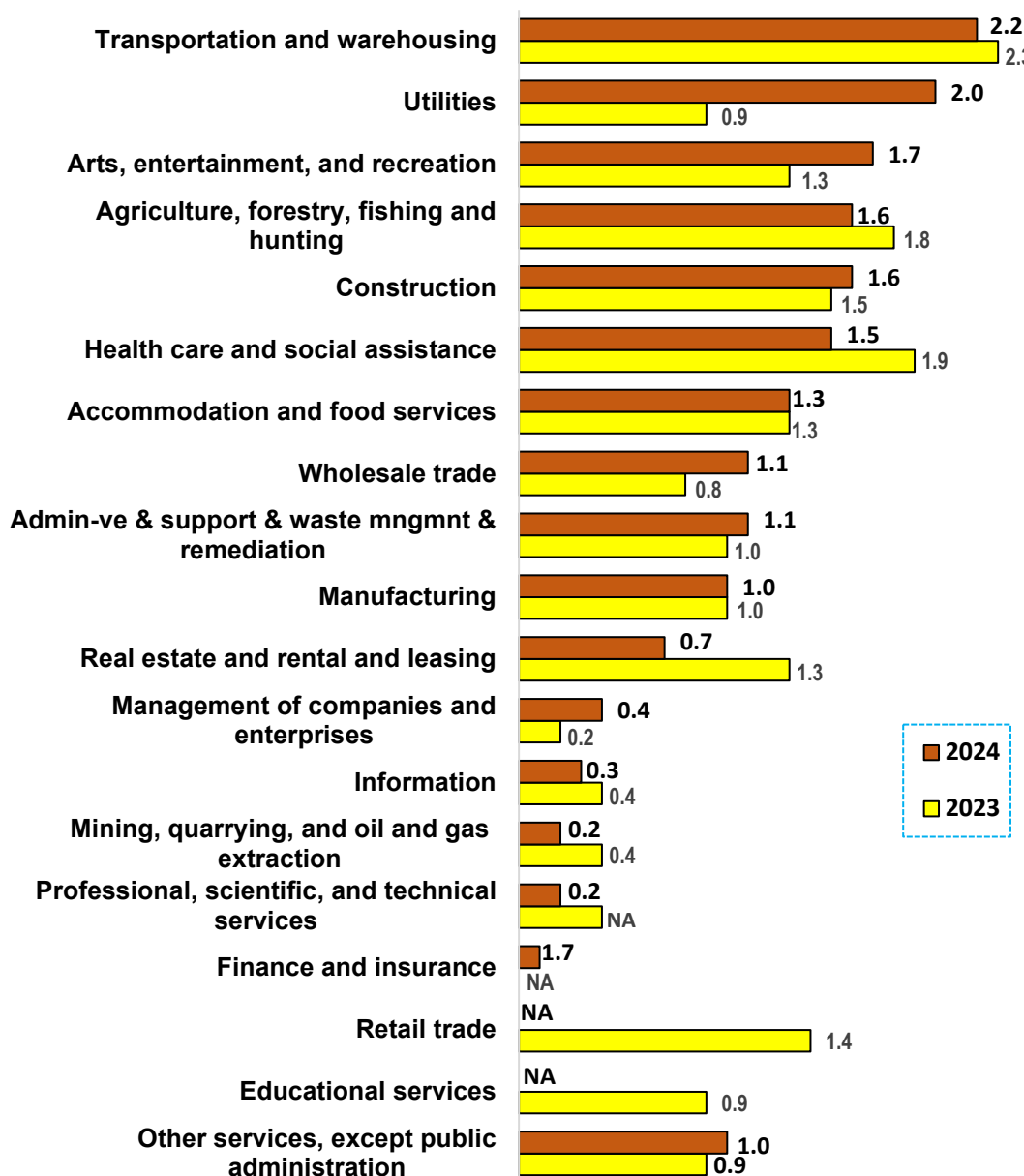
Data Source: DIR, Office of the Director- Research

Figure 115 compares non-fatal occupational incidence rates for days away from work (DAFW) cases in 2023 and 2024 in private sector. In 2024, the top three industries by incidence rates were transportation and warehousing, utilities, and arts, entertainment, and recreation. The top three industries by incidence rates in 2023 were transportation and warehousing, health care and social assistance, and agriculture,

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forestry, fishing and hunting. From 2023 to 2024, for industries with data available in both years, utilities (+122 percent), management of companies and enterprises (+100 percent), and wholesale trade (+38 percent) experienced the highest increase in non-fatal occupational incidence rates for days away from work (DAFW) cases. In that period, the incidence rates for DAFW cases in both mining, quarrying, and oil and gas extraction and professional, scientific, and technical services decreased by 50 percent followed by 46 percent decrease in real estate and rental and leasing. Two industries that experienced no change in incidence rates for DAFW cases from 2023 to 2024 were manufacturing and accommodation and food services.

Figure 115: Incidence rates of nonfatal occupational injuries and illnesses per 100 FTE workers by selected industries, Private Sector (Cases with days away from work), 2023 and 2024

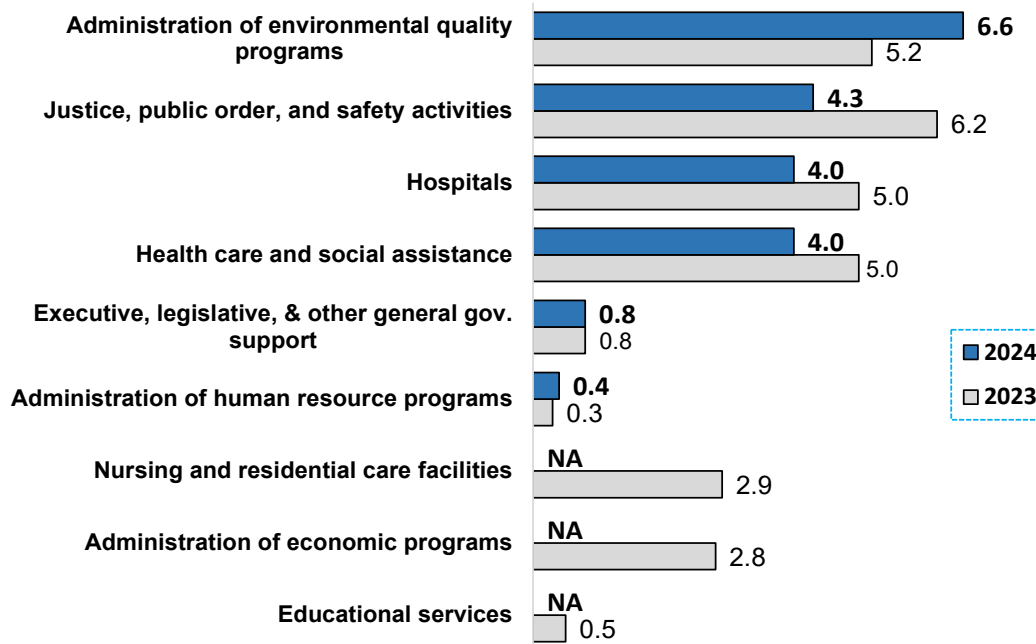


Data Source: DIR, Office of the Director-Research

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Figure 116 compares non-fatal occupational incidence rates for days away from work cases in 2023 and 2024 in the state government. The industries with the greatest decrease in incidence rates for DAFW cases from 2023 to 2024 were justice, public order, and safety activities (-31 percent), hospitals (-20 percent), health care and social assistance (-20 percent). Administration of human resource programs (+33 percent) and administration of environmental quality programs (+27 percent) showed increases in incidence rates for DAFW cases from 2023 to 2024. Executive, legislative, and other general governmental support experienced no change in incidence rates for DAFW cases from 2023 to 2024.

Figure 116: Incidence rates of nonfatal occupational injuries and illnesses per 100 FTE workers by selected industries, State Government (Cases with days away from work), 2023 and 2024

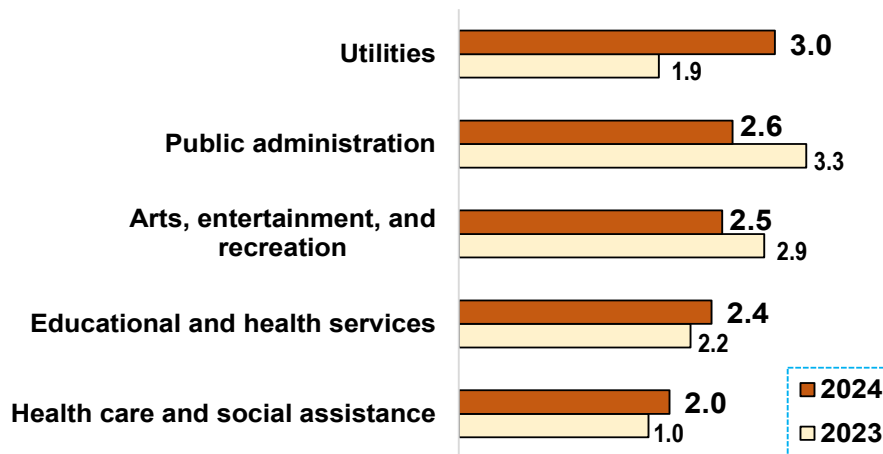


Data Source: DIR, Office of the Director-Research

Figure 117 compares non-fatal occupational incidence rates for days away from work (DAFW) cases in 2023 and 2024 in the local government. From 2023 to 2024, the public administration experienced the biggest decrease (-21 percent) in non-fatal occupational incidence rates for DAFW cases followed by arts, entertainment, and recreation (-14 percent). The utilities (+58 percent), health care and social assistance (+11 percent), and educational and health services (+9 percent) experienced increases in non-fatal occupational incidence rates for DAFW cases from 2023 to 2024.

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Figure 117: Incidence rates of nonfatal occupational injuries and illnesses per 100 FTE workers by selected industries, Local Government (Cases with days away from work), 2023 and 2024

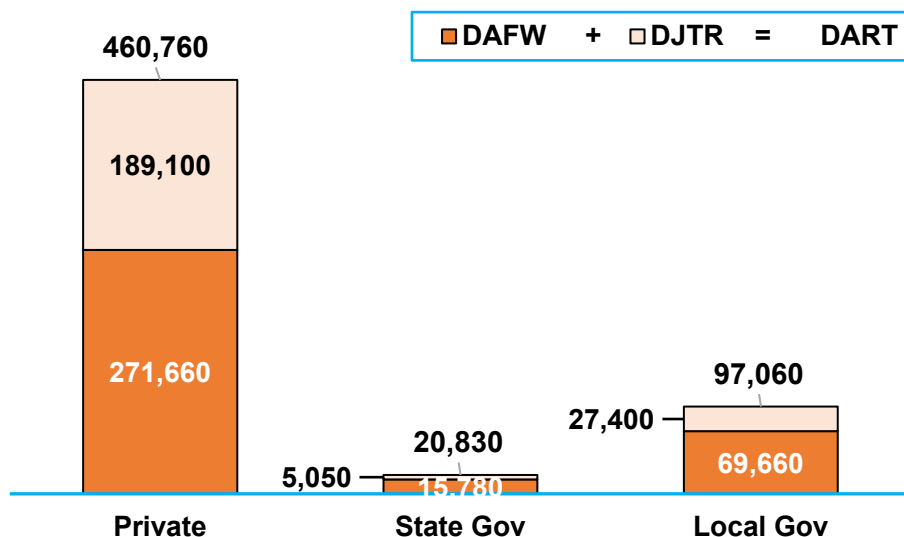


Data Source: DIR, Office of the Director-Research

Characteristics of California Non-Fatal Occupational Injuries and Illnesses¹⁴³

Figure 118 shows the number of non-fatal occupational injuries and illnesses involving days away from work (DAFW) and job transfer or restriction cases (DJTR) cases in Private Industry, State, and Local Government in 2023-2024.

Figure 118: Number of Non-Fatal Occupational Injuries and Illnesses involving DAFW and DJTR in Private Industry and State and Local Governments, 2023-2024



Data Source: DIR, Office of the Director - Research

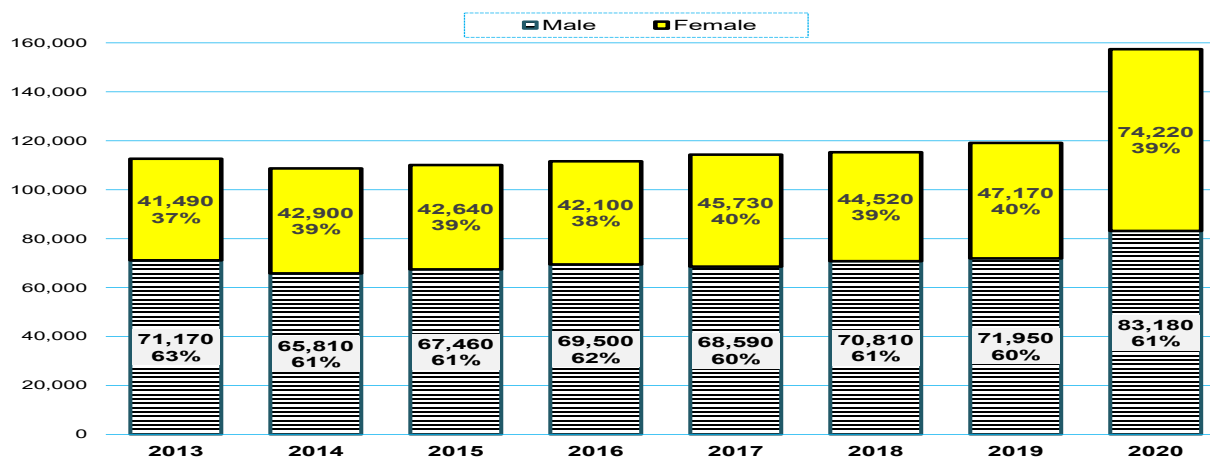
¹⁴³ Please note that the demographical, occupational, and injury characteristics with their related figures for non-fatal cases in this subsection are biennial estimates starting from 2021-2022 data as indicated on pages 159-160 and are not comparable with previous years' estimates. After skipping 2024, the next BLS report was released in 2025.

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Figures 119-126 illustrate various demographic characteristics of non-fatal occupational injuries and illnesses in private industry in California.

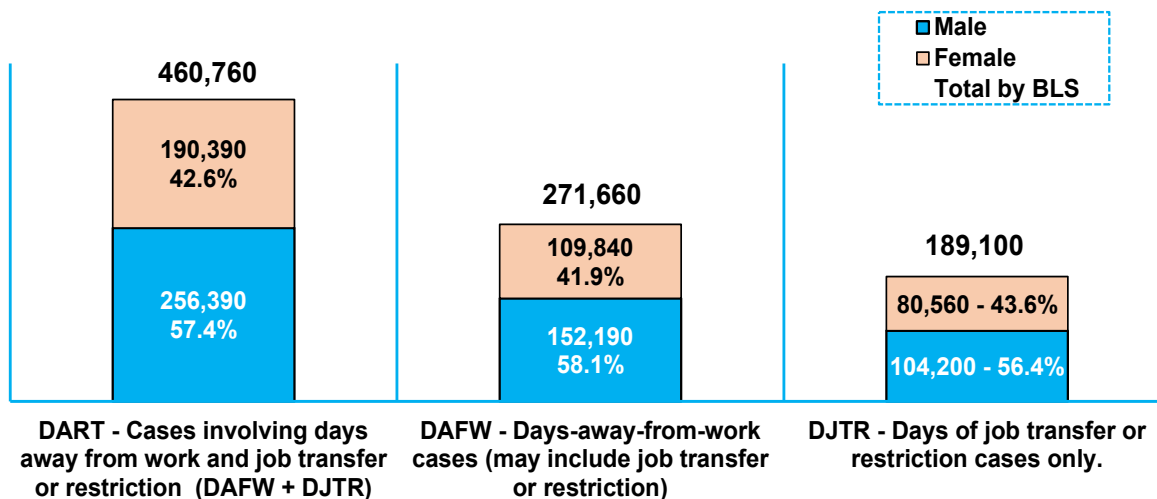
According to Figure 119 based on annual estimates performed prior to biennial changes starting with 2021, the largest increase for females (57 percent) and males (16 percent) in the number of non-fatal occupational injuries and illnesses from 2013 through 2020 was between 2019 and 2020 at the start of the COVID-19 pandemic. As Figure 120 shows, in 2023-2024 biennial estimates, the share of males in DAFW cases was 58.1 percent and the share of females was 41.9 percent. For DJTR cases in 2023-2024, that constituted 41 percent of DART cases, the share of males was 56.4 percent and the share of females – 43.6 percent.

Figure 119: Number of Non-Fatal Occupational Injuries and Illnesses involving days away from work cases by Gender, Private Industry, 2013-2020



Source: DIR, Office of the Director-Research

Figure 120: Number and Distribution of Non-Fatal Occupational Injuries and Illnesses involving DAFW and DJTR cases by Gender, Private Industry, 2023-2024



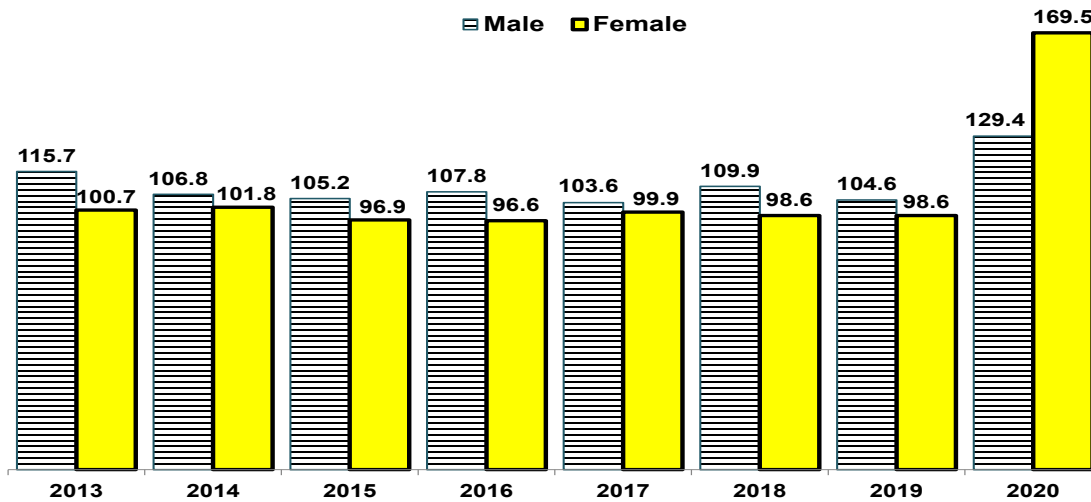
Note: Because of rounding and data exclusion of nonclassifiable responses, data may not sum to the totals.

Data Source: DIR, Office of the Director - Research

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Figure 121 shows the historical incidence rates of non-fatal occupational injuries and illnesses per 10,000 full-time employees by gender from 2013 through 2020, before the introduction of biennial estimates starting with 2021 data.

Figure 121: Non-Fatal Occupational Injuries and Illnesses Incidence Rates by Gender, Private Industry, 2013-2020 (Days Away from Work Cases per 10,000 full-time employees)

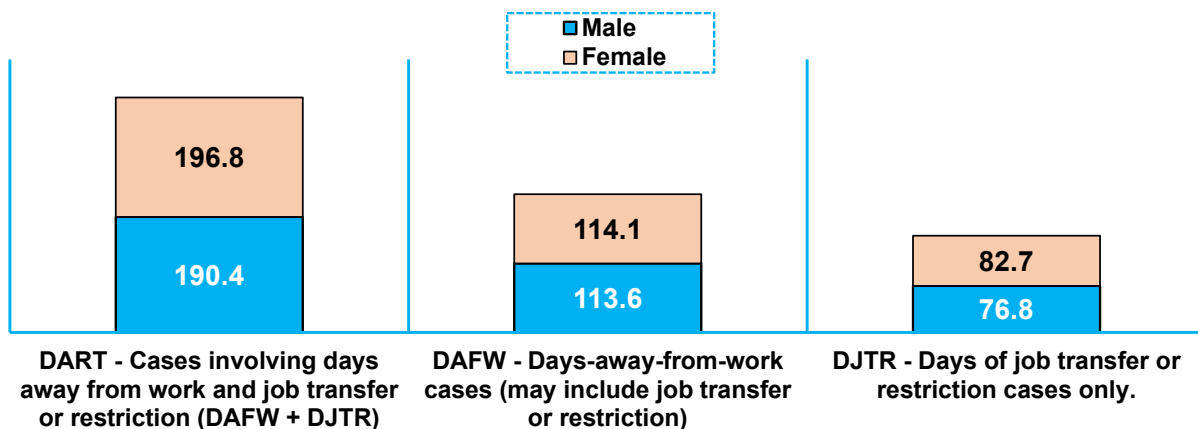


* With days away from work with or without job transfer or restriction.

Data Source: BLS, U.S. Department of Labor, Survey of Occupational Injuries and Illnesses in cooperation with participating State agencies.

Figure 122 shows the non-fatal occupational injuries and illnesses incidence rates per 10,000 full-time employees by gender for DART, DAFW, and DJTR cases in 2023-2024.

Figure 122: Non-Fatal Occupational Injuries and Illnesses Incidence Rates per 10,000 full-time employees by Gender, Private Industry, 2023-2024



Data Source: DIR, Office of the Director - Research

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Figures 123 and 126 demonstrate the numbers and incidence rates for non-fatal occupational injuries and illnesses per 10,000 full-time employees by age groups for DAFW and DJTR cases in 2023-2024.

Figure 123: Number of Non-Fatal Occupational Injuries and Illnesses with DAFW and DJTR by Age, Private Industry, 2023-2024

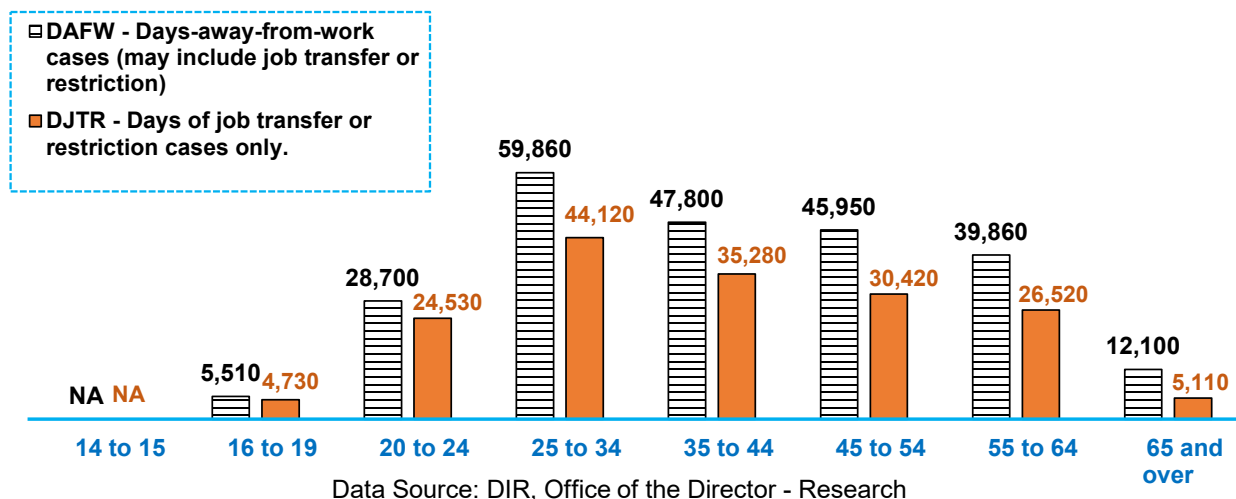
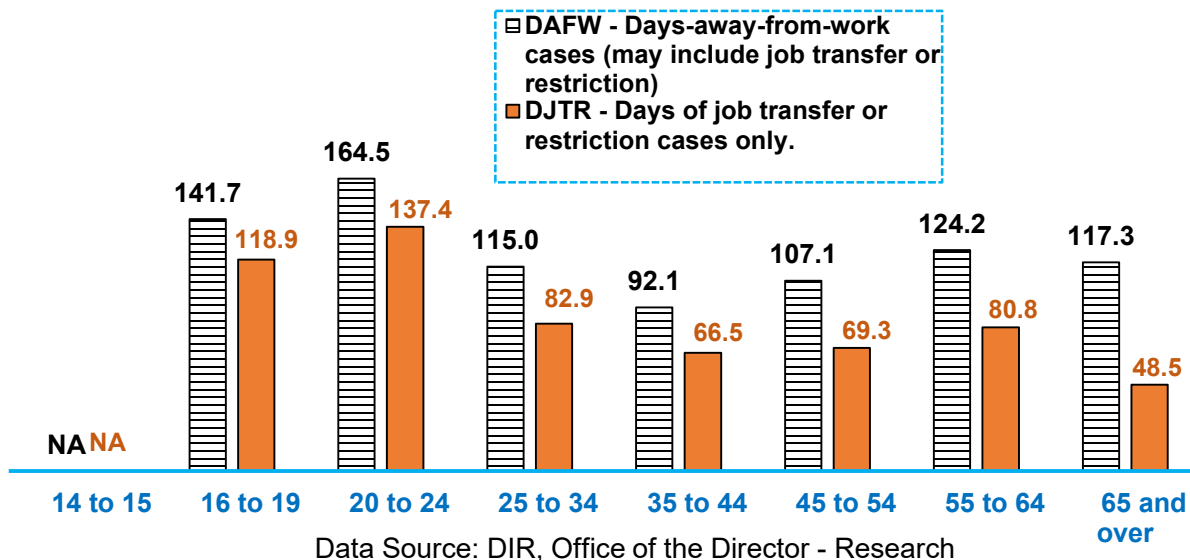


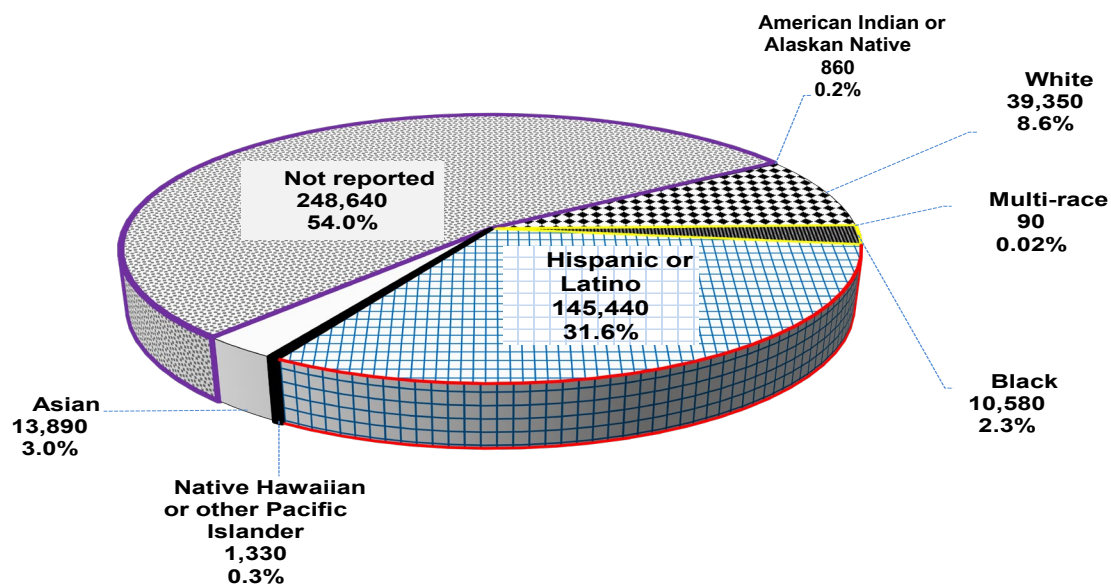
Figure 124: Occupational Injury and Illness Incidence Rates per 10,000 Full-Time Workers by Age, Private Industry (with DAFW and DJTR), 2023-2024



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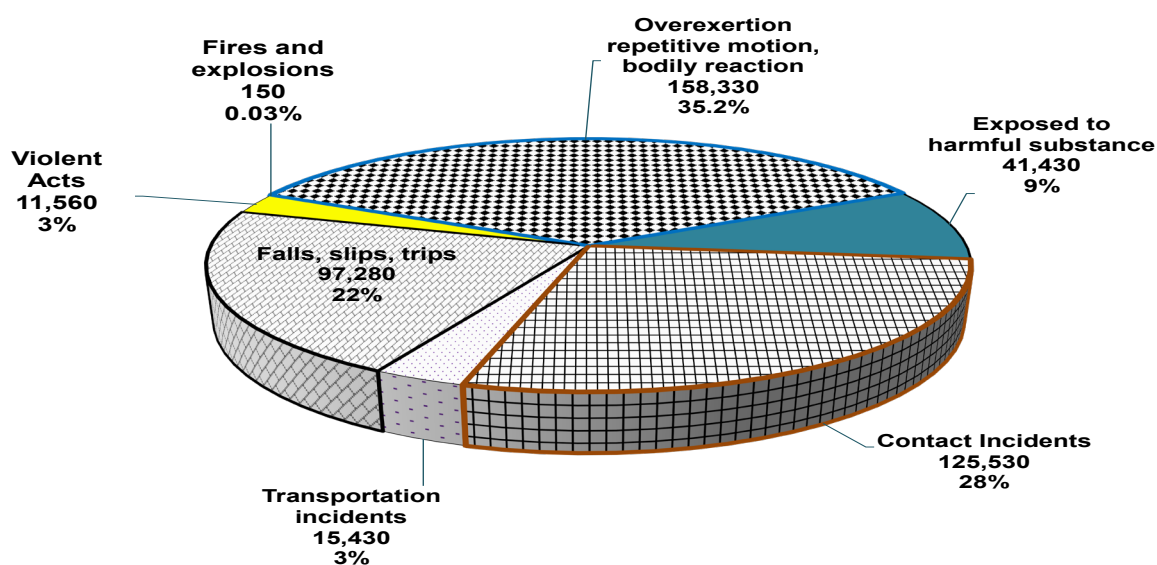
Figures 125 and 126 demonstrate the numbers and distribution of non-fatal occupational injuries and illnesses by race or ethnic origin and by event and exposure for DART cases in 2023-2024.

Figure 125: California Non-Fatal Occupational Injuries and Illnesses by Race or Ethnic Origin, Private Industry (Total DART=460,760), 2023-2024



Data Source: DIR, Office of the Director-Research

Figure 126: California Non-Fatal Occupational Injuries and Illnesses by Event and Exposure, Private Industry (Total DART = 449,710), 2023-2024

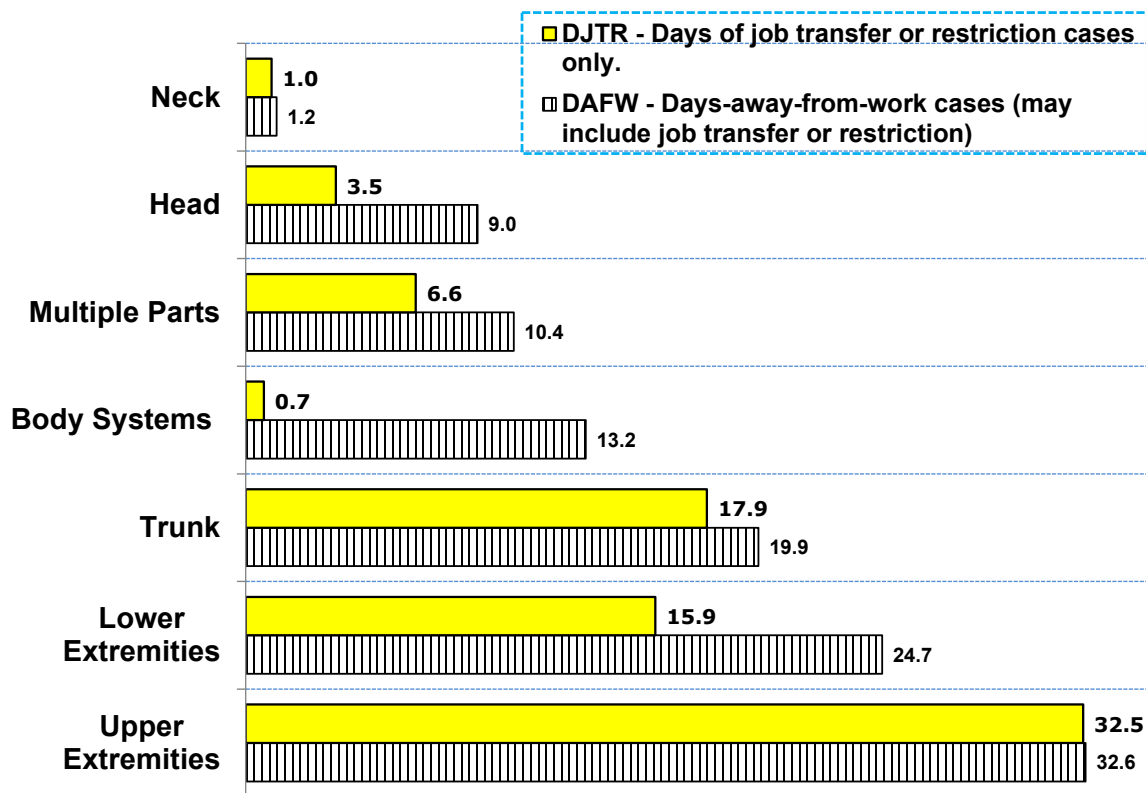


Data Source: DIR, Office of the Director-Research

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Figure 127 shows that the upper extremities, lower extremities, and trunk were the major body parts with the highest incidence rates in 2023-2024.

Figure 127: Incidence Rates for Non-Fatal Occupational Injuries and Illnesses by Major Body Parts, Private Industry, 2023-2024 (per 10,000 Full-Time Workers)

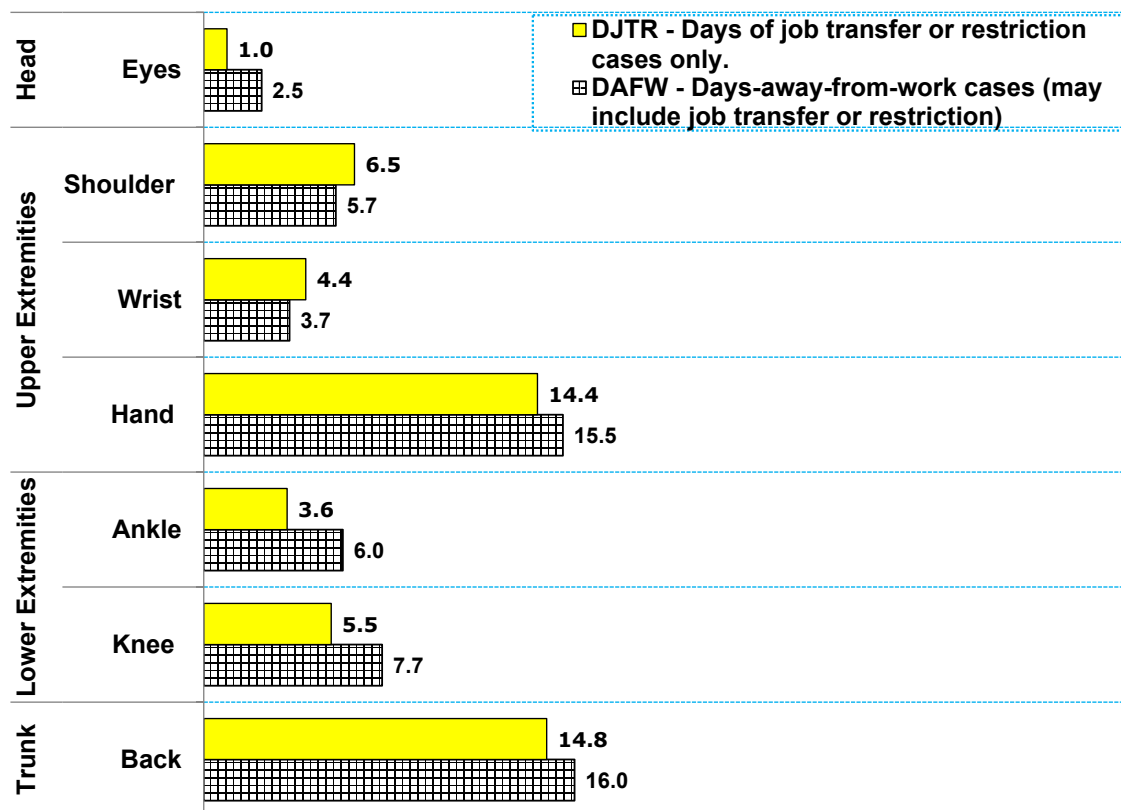


Data Source: BLS, U.S. Department of Labor, Survey of Occupational Injuries and Illnesses (SOII) in cooperation with participating State agencies.

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Figure 128 shows that the back was the body part with the highest incidence rate in 2023-2024.

Figure 128: Incidence Rates for Non-Fatal Occupational Injuries and Illnesses by Selected Elements of Major Body Parts, Private Industry, 2023-2024 (per 10,000 FTE Workers)

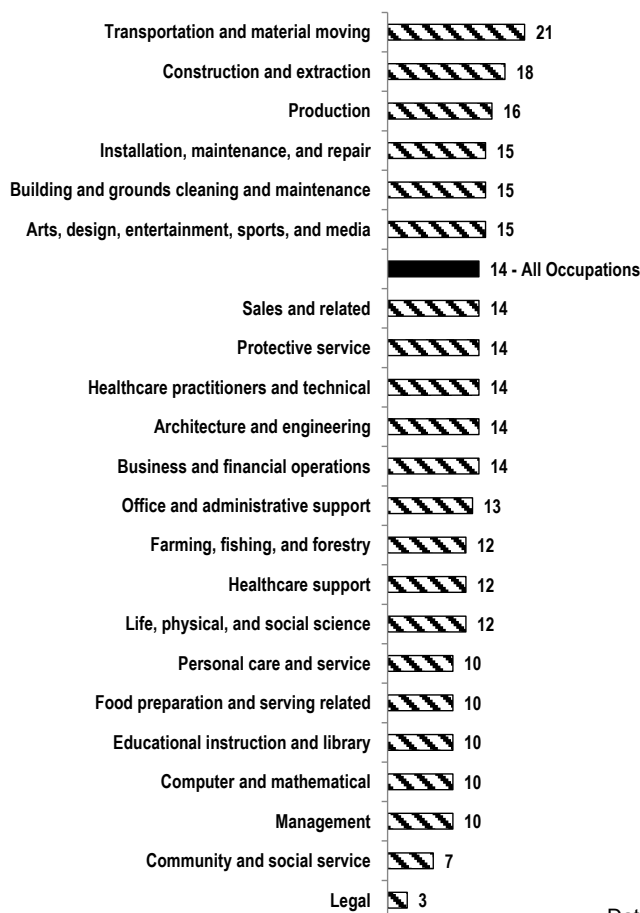


Data Source: BLS, U.S. Department of Labor, Survey of Occupational Injuries and Illnesses (SOII) in cooperation with participating State agencies.

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Figures 129 to 131 compare the median days away from work for cases involving days away from work, job transfer, or restriction (DART) in private industry, state government, and local government occupations. Transportation and material moving, construction and extraction, and production occupations in private industry had the greatest median days away from work in 2021-2022 (the latest data available in 2025).

Figure 129: Median Days Away from Work: Non-Fatal Injuries and Illnesses by Major Occupational Group, Private Industry, 2021-2022¹⁴⁴



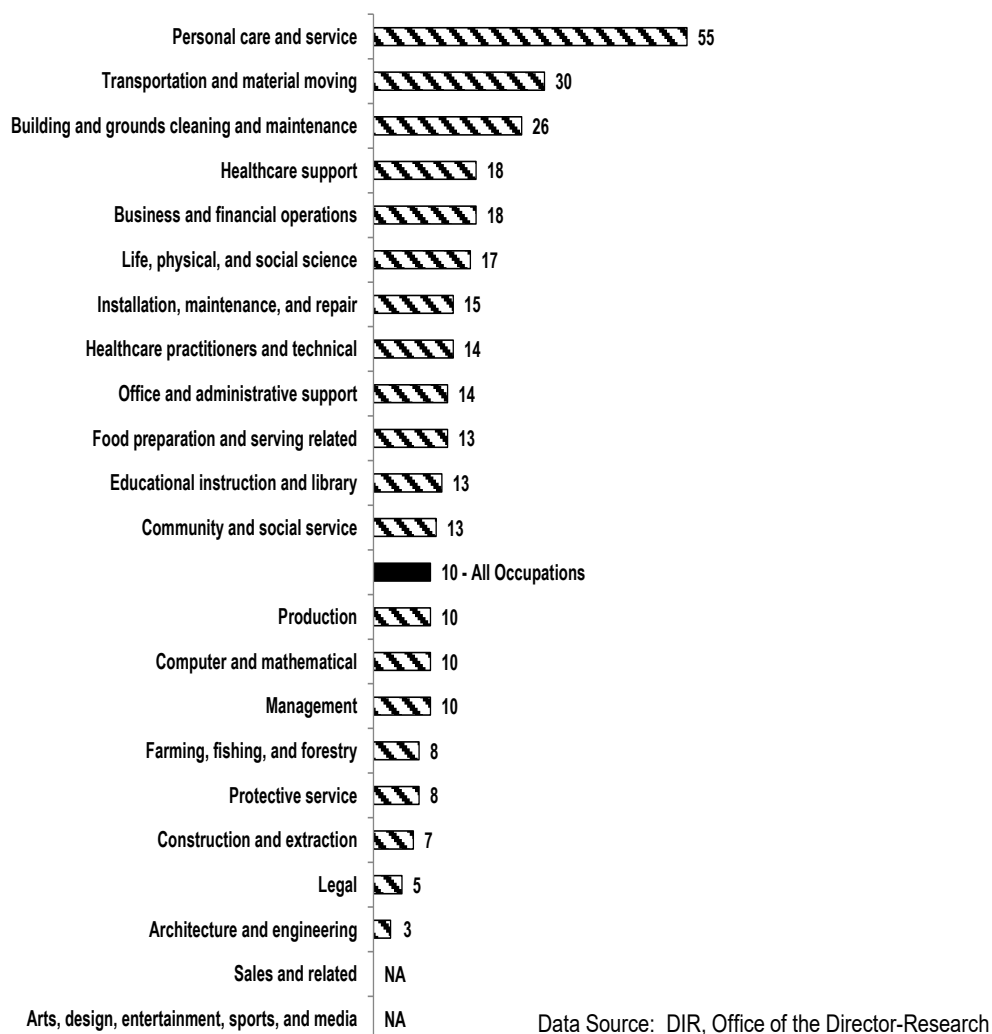
Data Source: DIR, Office of the Director-Research

¹⁴⁴ BLS Table 9 containing the data for Median Days Away from Work by Major Occupational Groups for Private Sector, State, and Local Government shown in Figure 129 was not published for 2023-2024.

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Figure 130 shows the median days away from work for cases involving days away from work, job transfer, or restriction (DART) in state government occupations for 2021-2022 (the latest data available in 2025).

Figure 130: Median Days Away from Work: Non-Fatal Injuries and Illnesses by Major Occupational Group, State Government, 2021-2022¹⁴⁵



¹⁴⁵ Ibid.

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Figure 131 shows the median days away from work for cases involving days away from work, job transfer, or restriction (DART) in local government occupations for 2021-2022 (the latest data available in 2025).

Figure 131: Median Days Away from Work: Non-Fatal Injuries and Illnesses by Major Occupational Group, Local Government, 2021-2022¹⁴⁶

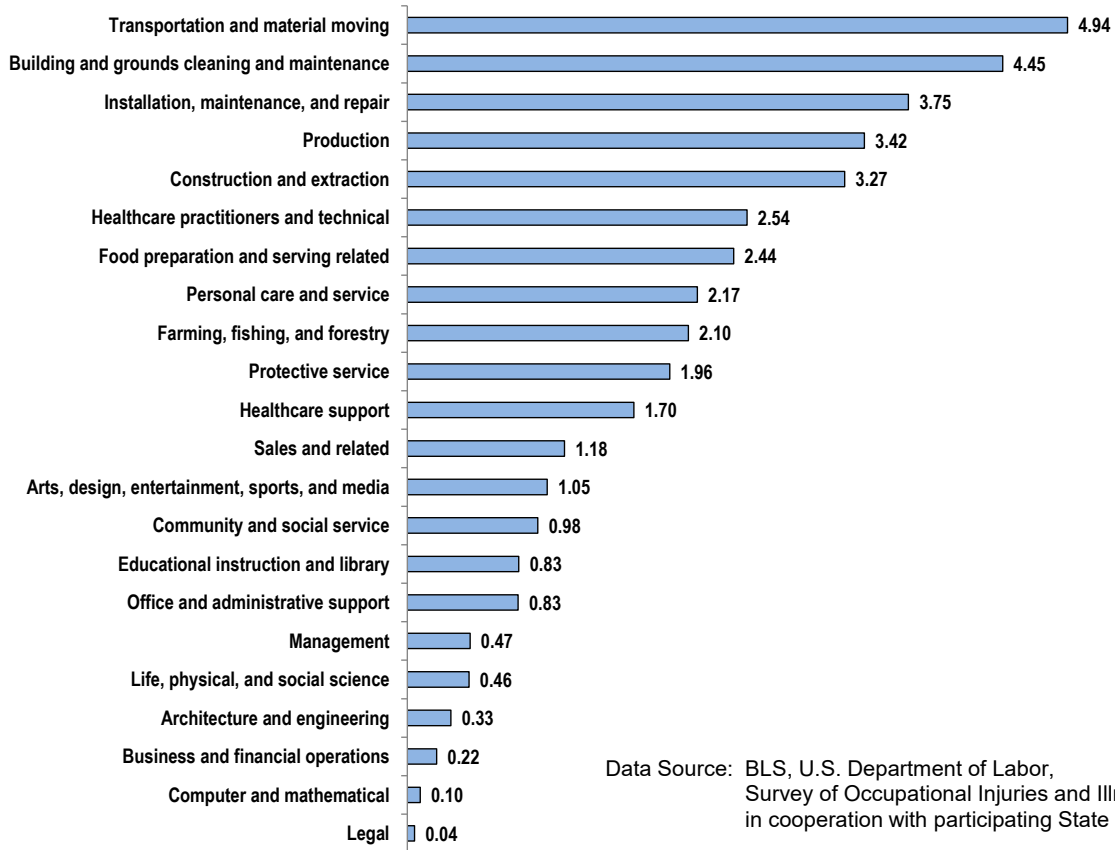


¹⁴⁶ BLS Table 9 containing the data for Median Days Away from Work by Major Occupational Groups for Private Sector, State, and Local Government shown in Figure 131 was not published for 2023-2024.

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Figures 132 and 133 compare the injury and illness incidence rates for cases involving days away from work, job transfer, or restriction (DART) in private industry for major occupations. The transportation and material moving occupations had the highest incidence rate in 2023-2024, followed by building and grounds cleaning and maintenance occupations and installation, maintenance, and repair occupations.

Figure 132: Non-Fatal Injury and Illness Incidence Rates per 100 Full-Time Workers by Major Occupational Group, Private Industry, 2023-2024

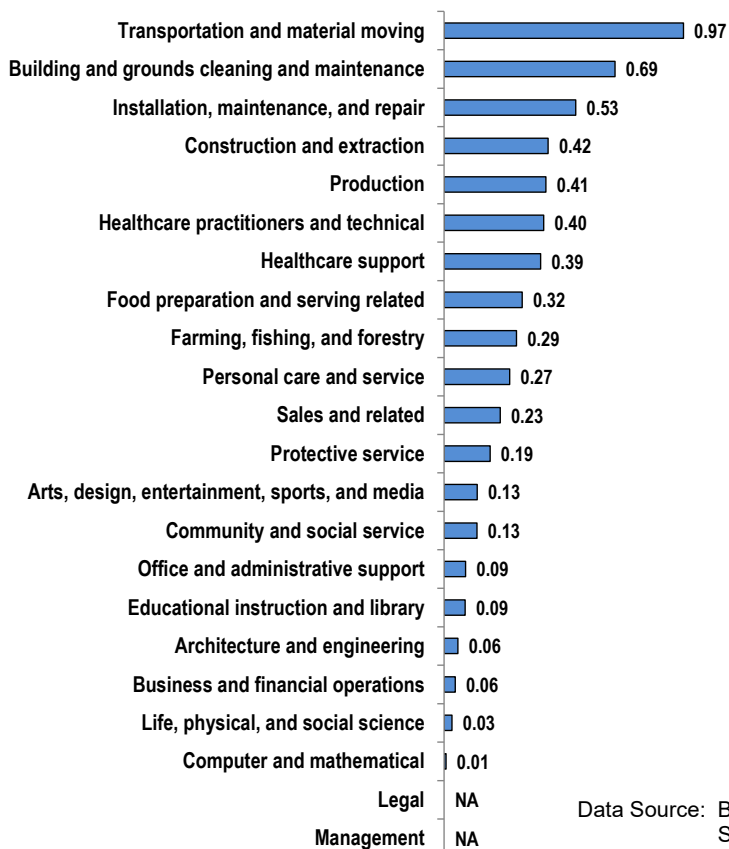


Data Source: BLS, U.S. Department of Labor,
Survey of Occupational Injuries and Illnesses
in cooperation with participating State agencies

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Figure 133 compares the back injury incidence rates for non-fatal cases involving days away from work, job transfer, or restriction (DART) for major occupations in private industry for 2023-2024.

Figure 133: Back Injury Non-Fatal Incidence Rates per 100 Full-Time Workers by Major Occupational Group, Private Sector, 2023-2024



Data Source: BLS, U.S. Department of Labor,
Survey of Occupational Injuries and Illnesses
in cooperation with participating State agencies

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Characteristics of California Fatal Occupational Injuries

Figures 134-136 illustrate various characteristics of fatal occupational injuries in private industry and federal, state, and local governments in California.

Figure 134: California Fatal Occupational Injuries by Gender, 2024

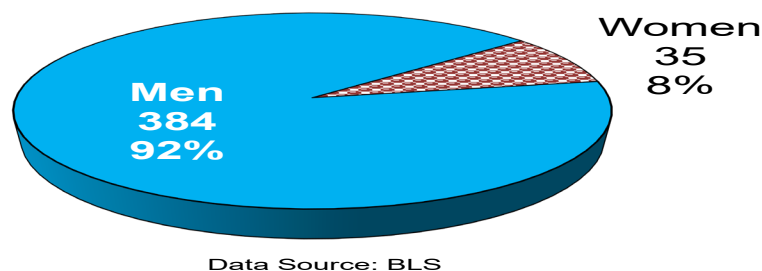


Figure 135: California Fatal Occupational Injuries by Age of Worker, 2024

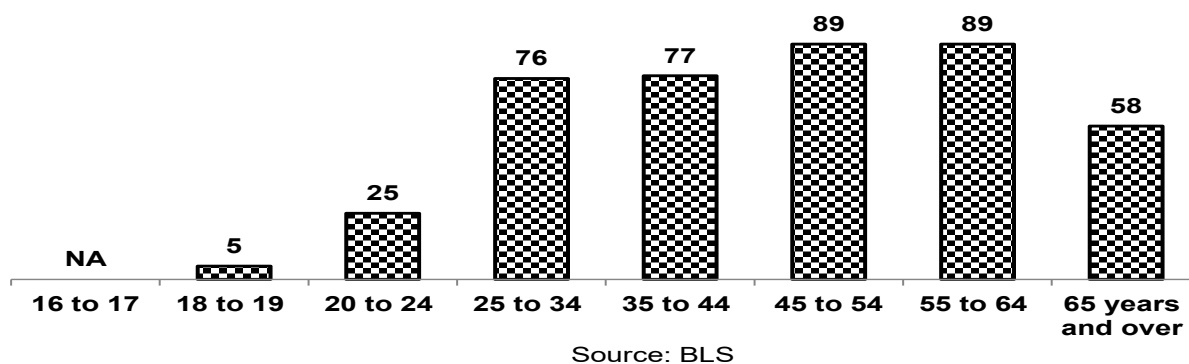
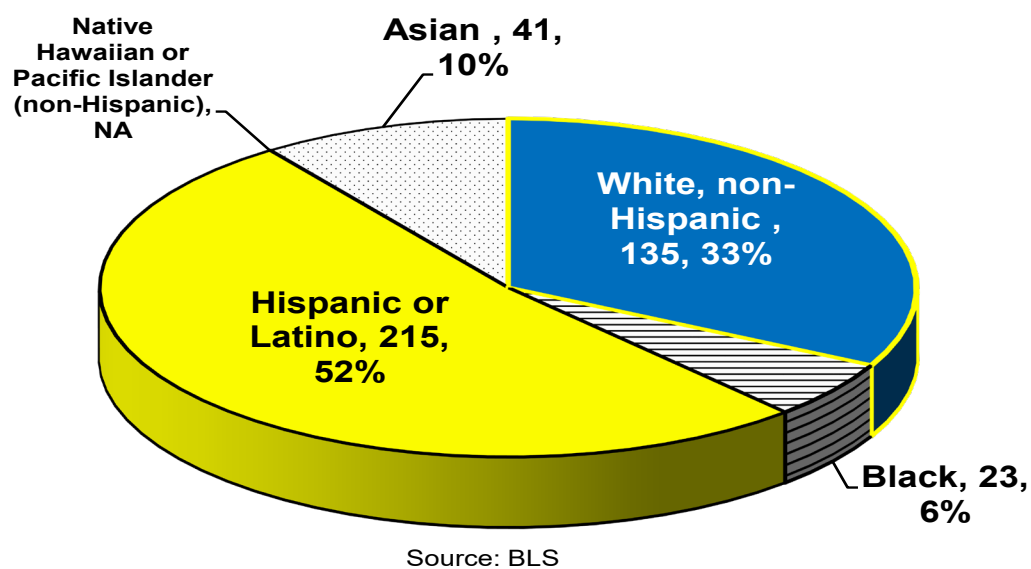


Figure 136: California Fatal Occupational Injuries by Race and Ethnic Origin, 2024



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Figure 137 compares the number of fatalities for various occupations. The transportation and material moving occupations had the highest number of fatalities in 2024 followed by the construction and extraction occupations.

Figure 137: Fatal Occupational Injuries by Selected Occupations, All Ownerships, 2024

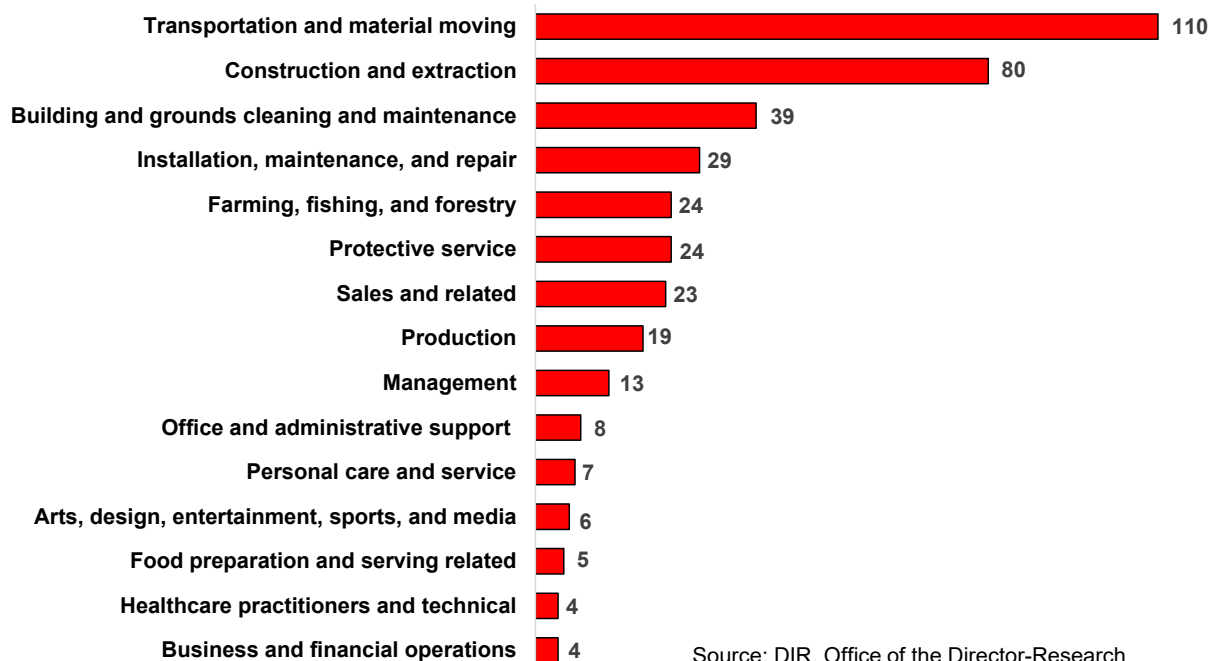
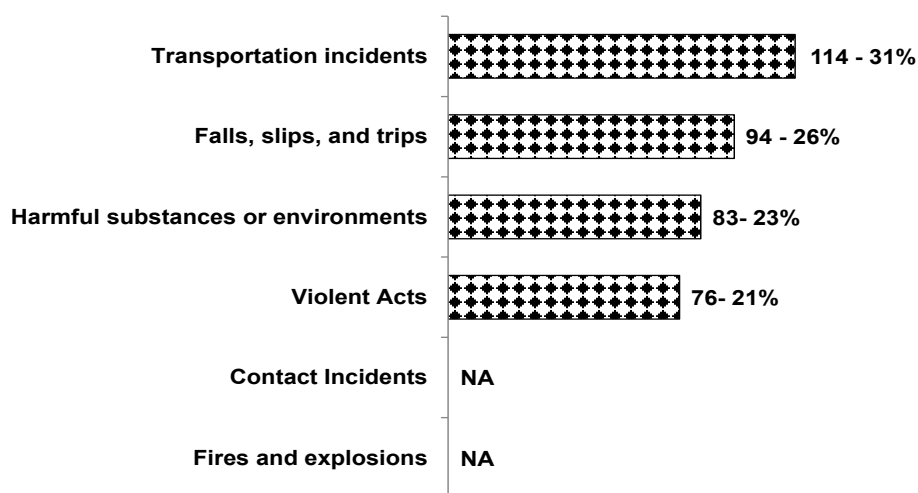


Figure 138 shows the numbers and the percent distribution of fatal cases by event and exposure. The transportation incidents and falls, slips, and trips were the main reasons of fatalities by event and exposure in 2024.

Figure 138: California Fatal Occupational Injuries by Event and Exposure, 2024



Note: The data exclude the Federal government.

Source: BLS

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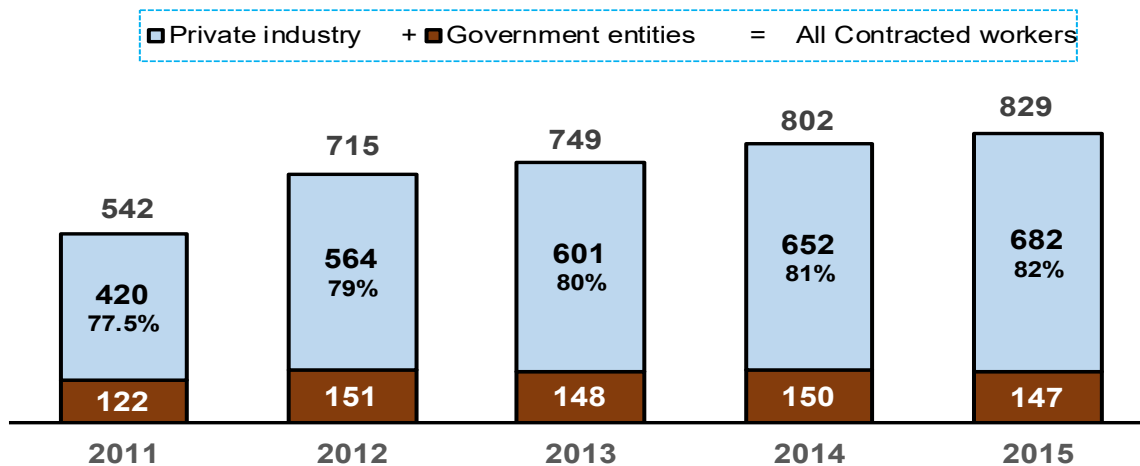
Fatal Injuries among Contracted and Independent Workers¹⁴⁷

In the Census of Fatal Occupational Injuries (CFOI), a contracted worker is defined as someone employed by one firm but working for another firm that is responsible for operations at the site where a worker is killed. CFOI first collected data on contracted workers in 2011, and the latest data available for U.S. contractor fatalities are for 2015. CFOI collects two types of industry data for contracted workers. The contracting industry is the industry of the firm that contracts the worker. The employer industry is the industry of the firm that directly employs the worker.¹⁴⁸ Unlike contractors, as defined in this section, independent workers are temporarily employed and paid directly by the employer. According to the BLS, independent workers generally have short-term jobs that involve a discrete task, have no guarantee of future work based on their current contract, have no guarantee that work will be available when they are able to work, and have the ability to decide which work they undertake.

According to BLS, data available for the U.S. as of May 2017, workers with alternative arrangements—that is, not permanent jobs—comprised 10.1 percent of total employment. Independent contractors make up the largest of four alternative arrangements, responsible for 6.9 percent of total employment in May 2017. The second-largest category was on-call workers, at 1.7 percent. Temporary help agency workers accounted for 0.9 percent of total employment, and workers provided by contract firms made up 0.6 percent of total employment.¹⁴⁹

Figure 139 shows that from 2011 to 2015, the number of fatal occupational injuries among contracted workers in the U.S. increased by 53 percent.

Figure 139: Number of Fatal Occupational Injuries by Contracted Workers in the U.S., 2011—2015



Source: BLS

Table 32 depicts the number of fatal injuries among independent workers nationally and in California from 2016 to 2018.

¹⁴⁷ Data in this section were created on an ad hoc basis by the Bureau of Labor Statistics (BLS) and have not been updated for subsequent years.

¹⁴⁸ <https://www.bls.gov/iif/oshwc/cfoi/contractor.htm>.

¹⁴⁹ https://www.bls.gov/opub/ted/2018/independent-contractors-made-up-6-point-9-percent-of-employment-in-may-2017.htm?view_full.

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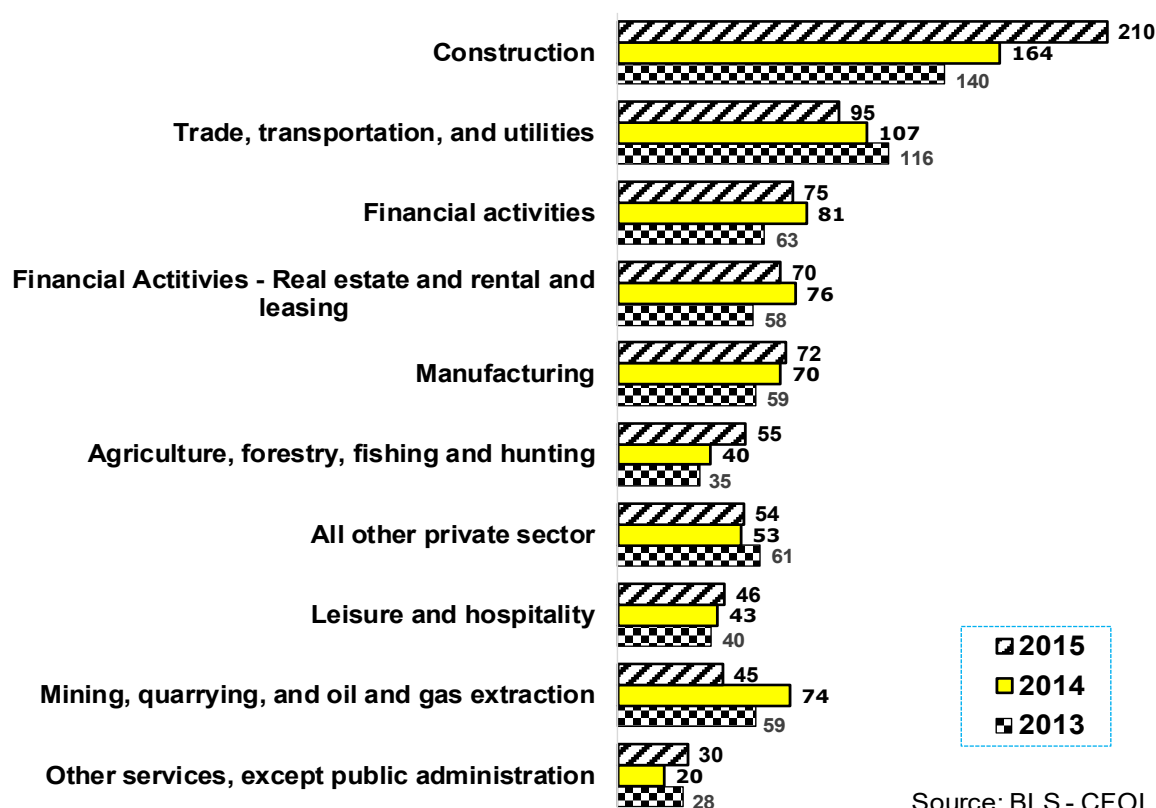
Table 32: Number of Fatal Occupational Injuries by Independent Workers in the U.S. and California, 2016–2018

	2016	2017	2018
U.S.	662	613	621
California	52	75	60

Source: BLS

As Figure 140 shows, the largest contracting industries in the U.S. for fatally injured contracted workers in private industry were construction, trade, transportation, utilities, and financial activities.

Figure 140: Number of Fatal Occupational Injuries by Contracted Workers in the U.S., by Contracting Industry, 2013–2015

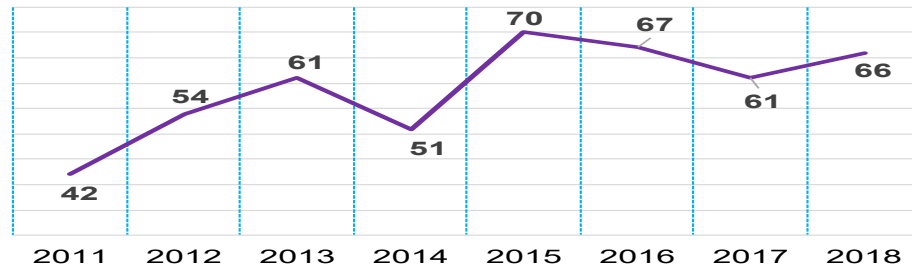


Similar to the pattern nationally, the contractor-based economy has been increasing in California since the Great Recession. The distinction between those who qualify as independent contractors and those who are considered permanent employees is extremely significant. Contractors are excluded from protections for permanent employees in many laws, including coverage by workers' compensation statutes, workplace discrimination laws, eligibility for overtime pay, collection of post-termination unemployment, eligibility for health insurance, and other employee benefits.

Figure 141 shows that the number of fatal occupational injuries for contracted workers in California fluctuated from 42 to 70 fatalities between 2011 and 2015, decreased by 13 percent between 2015 and 2017, and increased by 8 percent from 2017 to 2018.

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Figure 141: Number of Fatal Occupational Injuries Incurred by Contracted Workers in California



Source: BLS—CFOI

Profile of Occupational Injury and Illness Statistics: California and the Nation

Data for the following analyses, except where noted, came from the Department of Industrial Relations (DIR), Office of the Director-Research (OD-Research) and the U.S. Department of Labor (DOL) Bureau of Labor Statistics (BLS).

Incidence Rates

- California's work injury and illness statistics for 2024 indicate a non-fatal injury and illness incidence rate of 2.9 cases per 100 full-time employees in the private sector. This is a 14.7 percent decrease from the 2014 level of 3.4 and a 3 percent decrease from the previous 2023 year's rate.
- From 2014 to 2024, the trend in California mirrored a national trend except for its diversion from that trend in 2022. DOL figures for private employers show that from 2014 to 2017, the work injury and illness rate across the U.S. fell from 3.2 to 2.8 cases per 100 employees in the private sector and then remained flat from 2017 to 2022 with a slight decrease from 2.8 in 2019 to 2.7 in 2020 through 2022, before decreasing further by 15 percent to 2.3 cases per 100 employees in 2024. The reduced incidence rate of job injuries from 2014 to 2017 was likely due to factors including a greater emphasis on job safety and the continuing shift from manufacturing to service jobs in the U.S. When compared to the national incidence rate in 2022, the incidence rate in California has been 0.9 points or 33 percent above the national average because of a 12.5 percent increase in the incidence rate from 2021 to 2022, before dropping to its minimum of 2.9 cases per 100 employees in 2024.
- In contrast to the private sector rates, California's public sector incidence rates are significantly higher than in the private sector. California's state and local government rate for 2024 is 6.3 cases per 100 full-time employees. This is a 11 percent decrease from its 2014 rate of 7.1 per 100 FTE workers and when compared to the national rate of 4.4 for state and local government in 2024, the state and local government rate of 6.3 in California is 43 percent higher than the national rate.
- The national fatality rate decreased by 3 percent between 2014 and 2024, from 3.4 to 3.3 cases per 100,000 employed, and California's fatality rate increased by 20 percent from 2.0 per 100,000 employed in 2014 to 2.4 cases in 2024.¹⁵⁰
- Among the Western region states (Alaska, Arizona, California, Hawaii, Nevada, Oregon, and Washington) in 2024, the private industry incidence rates per 100 full-time equivalent (FTE) workers in Arizona (2.6), Alaska (2.8), California (2.9), and Hawaii (2.9) were the lowest. Nevada (3.0), Washington (3.2), and Oregon (3.3), had higher private industry rates for non-fatal occupational injuries and illnesses in 2024.¹⁵¹ The 2024 fatality rates per 100,000 FTE workers among these states

¹⁵⁰ Beginning in 2007, the Census of Fatal Occupational Injuries (CFOI) adopted hours worked estimates to measure fatal injury risk per standardized length of exposure, which is generally considered more accurate than previously used employment-based rates.

¹⁵¹ The comparisons of industry rates have not been adjusted for industry mix in each state.

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were the lowest for Nevada (2.3), California (2.4), Oregon (2.6), Hawaii (2.7), Washington (2.8) and Arizona (2.8), while the fatality rate in Alaska was 7.1 per 100,000 FTE workers.

Duration

- Days-away-from-work (DAFW) cases in California's private sector, including those that result in days away from work with or without a job transfer or restriction, increased by 10 percent from 1.0 case per 100 full-time employees in 2014 to 1.1 case per 100 full-time employees in 2024. However, a rate of 1.1 per 100 full-time employees was close to its pre-pandemic level of 1.0-1.1 per 100 full-time employees in the period from 2014 to 2019. In contrast with 2024, the DAFW incidence rate increased by 70 percent from 1.0 cases per 100 full-time employees in 2014 to 1.7 cases per 100 full-time employees in 2022, after a higher incidence rates of 1.5 cases per 100 full-time employees in 2020 and 1.4 cases in 2021. The national rate of the days-away-from-work cases per 100 full-time employees in the private sector decreased by 20 percent from 1.0 in 2014 to 0.8 cases per 100 full-time employees in 2024.
- Nationally, the overall DAFW rate decreased by 11 percent from 0.9 to 0.8 cases per 100 full-time employees from 2023 to 2024. California's DAFW rate decreased by 8 percent from 1.2 to 1.1 cases per 100 full-time employees from 2023 to 2024.

Industry Data

- In 2024, injury and illness incidence rates varied greatly among private industries ranging from 0.6 injury/illness per 100 full-time workers in the information industry to 4.6 in agriculture, forestry, fishing and hunting. California's private industry rates for total cases were higher than the national rates in every major industry division in 2024, except for information (0.7 and 0.6), mining, quarrying, and oil and gas extraction (1.2 and 0.8) and manufacturing (2.7 and 2.7).
- The California private industry total case rate for non-fatal injuries experienced a 3 percent decrease from 3.0 cases per 100 full-time workers in 2023 to 2.9 in 2024, and the rate for the public sector (state and local government) decreased by 4.5 percent from 6.6 in 2023 to 6.3 in 2024.
- According to the OD-Research, and the Office of Legislative Affairs, the largest decrease in injury and illness by major industry category from 2023 to 2024, was in the mining, quarrying, and oil and gas extraction (-47 percent) from 1.5 to 0.8 per 100 full-time worker, information (-25 percent) from 0.8 to 0.6 per 100 full-time worker, and professional and business services (-19 percent), from 1.6 to 1.3.¹⁵²
- According to the OD-Research, there were no increases in injury and illness incidence rates for major industry categories with exception for manufacturing (2.7 cases per 100 full-time workers) that experienced no change from 2023 to 2024.¹⁵³
- From 2014 to 2024, the number of fatal injuries increased by 17 percent, from 343 to 402.¹⁵⁴ From 2023 to 2024, there was a 6 percent decrease in the number of fatal injuries from 427 to 402 respectively. In 2024, the highest number of fatal injuries in the private sector was in construction (81), followed by transportation and warehousing (70), and administrative and support and waste management and remediation services (55).
- In private industry, the top ten occupations with the most non-fatal injuries and illnesses involving days away from work, job transfer, or restriction (DART) in 2023-2024 were: laborers and freight, stock, and material movers, hand; stockers and order fillers; heavy and tractor-trailer truck drivers; light truck drivers; farmworkers and laborers, crop, nursery, and greenhouse; retail salespersons; nursing assistants; registered nurses; construction laborers; janitors and cleaners, except maids and housekeeping cleaners.

¹⁵² DIR, Office of the Director-Research, Table 1: Incidence rates of non-fatal occupational injuries and illnesses by selected industries and case types, 2023, 2024.

¹⁵³ Ibid.

¹⁵⁴ The number of fatalities excludes those for the Federal government.

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- In California's state government, the top ten occupations with the most non-fatal injuries and illnesses involving DART in 2023-2024 were: correctional officers and jailers; psychiatric technicians; firefighters; registered nurses; forest and conservation workers; police and sheriff's patrol officers; janitors and cleaners, except maids and housekeeping cleaners; first-line supervisors of police and detectives; first-line supervisors of office and administrative support workers; maintenance and repair workers, general.
- In local government, the top ten occupations with the most non-fatal injuries and illnesses involving DART in 2023-2024 were: police and sheriff's patrol officers; teaching assistants, preschool, elementary, middle, and secondary school, except special education; janitors and cleaners, except maids and housekeeping cleaners; maintenance and repair workers, general; bus drivers, transit and intercity; firefighters; landscaping and groundskeeping workers; teaching assistants, special education; correctional officers and jailers; water and wastewater treatment plant and system operators.
- Transportation and material moving (110), construction and extraction (80), and building and grounds cleaning and maintenance (39) occupations accounted for 55 percent of the fatal injuries in 2024. Installation, maintenance, and repair (29), farming, fishing, and forestry (24), protective services (24), sales and related (23), production (19), and management (13) were the other occupations with the greatest number of fatal injuries in 2024. Transportation and material-moving occupations were the top cause of fatal injuries accounting for 26 percent of fatal injuries in 2024.
- Transportation incidents (including the federal government) accounted for 31 percent of fatal injuries in 2024 and were a major cause of fatalities among: transportation and material moving (65); farming, fishing, and forestry (10) and construction and extraction service (6) occupations.

Establishment Size and Type

- The lowest incidence rate for the total recordable non-fatal cases (TRC) in 2024 was experienced by the private employers having fewer than 50 employees. Employers with 11 to 49 employees had incidence rate of 2.6 cases per 100 full-time employees.¹⁵⁵ Employers with 1,000 or more employees experienced a 6 percent decrease in incidence rate for the TRC followed by employers with 50 to 249 employees (-5 percent), 250 to 999 employees (-5 percent), and employers with 11 to 49 employees (-4 percent) from 2023 to 2024. No establishments experienced increases from 2023 to 2024.
- Establishments with 50 to 249 employees reported the highest incidence rate of 3.7 per 100 full-time employees, followed by 3.5 and 3.0 cases per 100 full-time employees respectively for establishments with 250 to 999 and 1,000 or more employees in 2024.

Types of Injuries

- Five out of thirteen types of work illnesses and injuries (by nature of injury, illness) accounted for 89 percent of non-fatal injuries and illnesses in 2023-2024 in the private sector. Sprains, strains, and tears (51 percent), cuts, lacerations, punctures without injury to internal structures (15 percent) had the biggest share of cases involving days away from work, job transfer, or restriction (DART), followed by bruises and contusions (12 percent), coronavirus—novel (7 percent), and fractures (5 percent).
- In the private sector, overexertion, repetitive motion, and bodily conditions were the leading causes of days-away-from-work (DAFW) injuries, cited in 29 percent of cases in 2023-2024. Contact incidents were the second-most common causes of injury, accounting for 27 percent of injuries.

¹⁵⁵ No data for employers with 1 to 10 establishment size for 2024.

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- In California state government, the two main causes of injury were exposure to harmful substances or environment and overexertion and bodily reaction, accounting for 33 and 27 percent of days-away-from-work cases (DAFW), respectively, in 2023-2024.
- In local government, the main causes of injury were overexertion, repetitive motion, and bodily conditions and falls, slips, trips, accounting for 31 and 22 percent of days-away-from-work cases (DAFW), respectively, in 2023-2024.
- The most frequently injured body part involving days-away-from-work (DAFW) in the private sector was the upper extremities, accounting for 29 percent of the cases in 2023-2024. The most frequently injured body parts involving days-away-from-work (DAFW) in 2023-2024 were the body systems with 32 percent of the cases in the state government and the lower extremities (24 percent) in the local government.

Demographics¹⁵⁶

- In 2023-2024, in the California private sector, the share of cases involving days away from work, job transfer, or restriction (DART) was 42.6 percent for women and 57.4 percent for men. Days-away-from-work (DAFW) cases showed 58 percent for men and 42 percent for women. For cases involving job transfers or restriction (DJTR) in 2023-2024, men accounted for 56 percent and women – for 44 percent.
- In 2023-2024, in the California private sector, for cases involving days away from work, job transfer, or restriction (DART), the age group 20-24, accounting for 13 percent of DART cases, experienced the highest incidence rate of 3.0 per 100 full-time workers followed by the 16-19 age group with incidence rate of 2.6 (2 percent of DART cases) and the age group 55-64 with incidence rate 2.1 (16 percent of DART). The lowest rate of 1.6 cases per 100 full-time workers occurred among the age group 35-44 (20 percent of DART cases). The incidence rate per 100 full-time workers in 2023-2024, for the 25-34 age group was 2.0 (25 percent of DART), 1.8 per 100 full-time workers for 45-54 age group (19 percent of DART), and 1.7 rate for the 65 and over age group (4 percent of DART).
- In 2024, out of 419 fatalities (including 17 in the federal government), 92 percent were male, and 8 percent were female. The age groups that experienced the biggest increase from 2014 to 2024 in the number of fatalities was the 20 to 24 age group (67 percent increase) from 15 to 25 cases, followed by a 53 percent increase from 38 to 58 in 65 years and over age group, a 37 percent increase from 65 to 89 in the age group of 55 to 64, a 36 percent increase from 56 to 76 in the 25 to 34 age group, a 25 percent increase from 4 to 5 in the 18 to 19 age group, and a 15 percent increase from 67 to 77 in the 35 to 44 age group. The age group 45 to 54 experienced no change in the number of fatalities from 2014 to 2024.
- The highest number of fatalities by race or ethnic origin categories in 2024 was experienced by “Hispanic or Latino” (215) and “White, non-Hispanic” (135) groups, accounting for 52 percent and 33 percent of the fatalities respectively. The highest increase in fatal injuries from 2014 to 2024, 57 percent, was in the “Hispanic or Latino” group (from 137 to 215 cases), followed by 21 percent increase from 34 to 41 cases in the “Asian” group, and a 15 percent increase in fatal injuries, from 20 cases in 2014 to 23 cases in 2024 in the “Black, non-Hispanic” ethnic group. There was a 25 percent decrease from 180 to 135 cases in “White, non-Hispanic” ethnic group.

Occupational Injury and Illness Reporting

Occupational injury and illness information is the responsibility of BLS in the U.S. and DOL and the OD-Research in the California DIR. Occupational injuries and illnesses are recorded and reported by California employers through several national surveys administered by DOL with DIR assistance.

¹⁵⁶ The number of fatalities excludes those for the Federal government.

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OSHA Reporting and Recording Requirements

The U.S. Occupational Safety and Health Act (OSH Act) of 1970 requires covered employers to prepare and maintain records of occupational injuries and illnesses. It provides specific recording and reporting requirements that comprise the framework for the nationwide occupational safety and health recording system. The Occupational Safety and Health Administration (OSHA) in DOL administers the OSH Act recordkeeping system.

Although some employers are exempt from keeping Cal/OSHA injury and illness records, all California employers must report injuries to the OD-Research. Every employer must also report any serious occupational injuries, illnesses or deaths to California OSHA (Cal/OSHA) in DIR.

The data assist employers, employees, and compliance officers in analyzing the safety and health environment at the employer's establishment and are the source of information for the BLS *Annual Survey of Occupational Injuries and Illnesses* and the OSHA *Occupational Injury and Illness Survey*.

BLS Annual Survey of Occupational Injuries and Illnesses

To estimate the number of occupational injuries and illnesses in the U.S., BLS established a nationwide annual survey of employers' occupational injuries and illnesses. The state-level statistics on non-fatal and fatal occupational injuries and illnesses come from this survey. In California, the OD-Research conducts the survey for BLS.

Non-fatal Injuries and Illnesses

The BLS *Annual Survey* develops frequency counts and incidence rates by industry and also profiles worker and case characteristics¹⁵⁷ of non-fatal workplace injuries and illnesses that result in lost work time or days away from work with or without days of job transfer or restriction (DAFW) and in days of job transfer or restriction only (DJTR). Each year, BLS collects employer reports from about 173,800 randomly selected private industry establishments.

Fatal Injuries

The estimates of fatal injuries are compiled through the Census of Fatal Occupational Injuries (CFOI), which is part of the BLS occupational safety and health statistics program. CFOI uses diverse state and federal data sources to identify, verify, and profile fatal work injuries. Fatalities from COVID-19 or other illnesses, other than acute heat illness are not included. Fatal overdoses and deaths by suicide and violence are included 1) if the incident occurred on the employer's premises, and the person was there to work; or 2) if the incident occurred off the employer's premises, and either the person was there to work, or the incident was related to the person's work or status as an employee.

OSHA Occupational Injury and Illness Survey

Federal OSHA administers the annual *Occupational Injury and Illness Survey*. OSHA utilizes this collection of employer-specific injury and illness data to improve its ability to identify and target agency interventions to employers that have serious workplace problems. For this survey, OSHA collects data from 80,000 non-construction establishments and from up to 15,000 construction establishments.

¹⁵⁷ BLS: changes related to the data on Case and Demographic Characteristics, <https://www.bls.gov/iif/nonfatal-injuries-and-illnesses-tables/soii-case-and-demographic-characteristics-historical-data/days-of-job-transfer-or-restriction.htm>.

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Occupational Injury and Illness Prevention Efforts

Efforts to prevent occupational injury and illness in California take many forms, but all are derived from cooperative efforts between the public and private sectors. This section describes Cal/OSHA's consultation and compliance programs, health and safety standards, and education and outreach designed to prevent injuries and illnesses in order to improve worker health and safety.

Division of Occupational Safety & Health (Cal/OSHA)

The Division of Occupational Safety and Health (DOSH), also known as Cal/OSHA, is responsible for enforcing California's laws and regulations pertaining to workplace health and safety and for providing assistance to employers and workers facing workplace safety and health issues.

[Cal/OSHA's Enforcement Unit](#) conducts investigations of workplaces in California primarily based on worker complaints, accident reports, and planned inspections in high hazard industries. Thirty-seven [Cal/OSHA enforcement district](#) offices are located throughout California including specialized enforcement units, such as [Mining and Tunneling Process Safety Management](#), High Hazard, [Labor Enforcement Task Force](#), and Agricultural Enforcement Task Force and Outreach.

Other specialized units, such as the [Crane Certifier Accreditation Unit](#), the [Asbestos Contractors' Registration Unit](#), the [Asbestos Consultant and Site Surveillance Technician Unit](#), and the [Asbestos Trainers Approval Unit](#), are responsible for enforcing regulations on crane safety and the prevention of exposure to asbestos.

[Cal/OSHA's Consultation Services](#) Branch provides assistance to employers and workers concerning workplace safety and health issues through on-site assistance, telephone inquiries, high hazard consultation, and other programs with a particular emphasis. Consultation Services also develops educational materials on workplace safety and health topics.

Profile of Division of Occupational Safety and Health (DOSH)¹⁵⁸ Investigations and Violations Cited¹⁵⁹

Figure 142 shows the number of on-site inspections and letter investigations conducted for the period from calendar year (CY) 2015 to CY 2024. On-site inspections averaged approximately 7,770 per year from 2015 to 2019, decreased by 27 percent from 2019 to 2021, and then grew by 16 percent from 2021 to 2024.

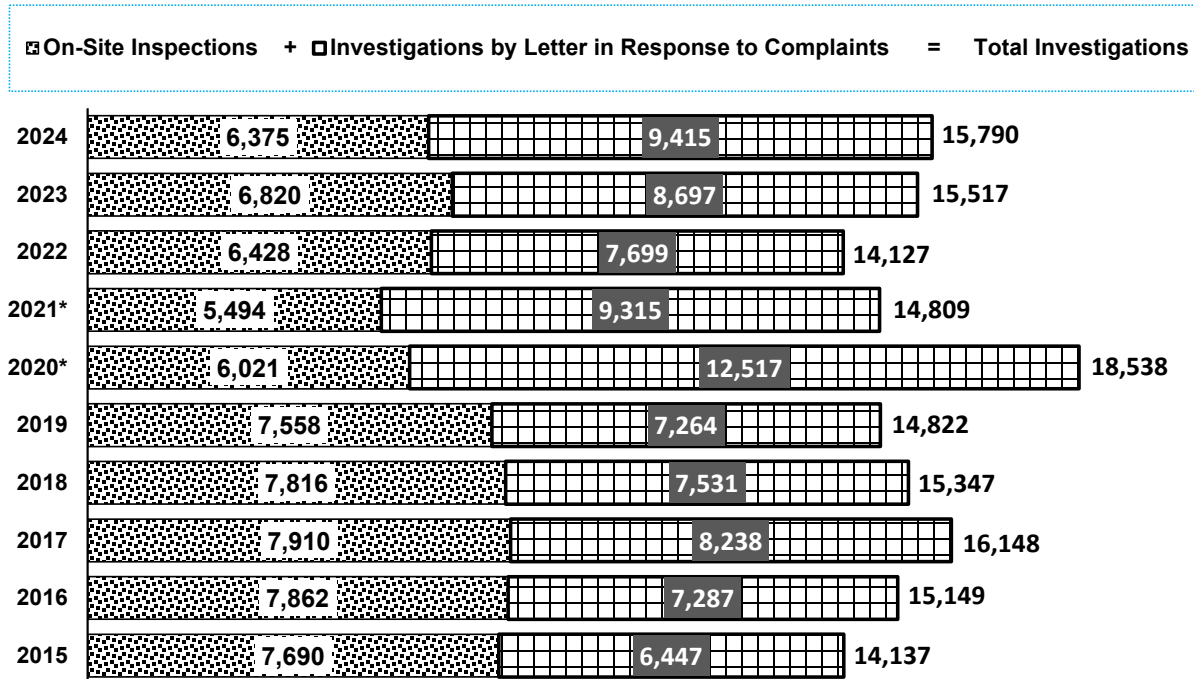
Letter investigations increased by 28 percent from 2015 to 2017, decreased by 12 percent from 2017 to 2019, and then grew by 72 percent from 2019 to 2020. Conducting investigations by letter in lieu of on-site inspections, as shown in Figure 144, allowed Cal/OSHA to respond to hazards at more workplaces than it could have reached in person during the height of the COVID-19 pandemic. As a result, total investigations increased by 25 percent from 2019 to 2020 despite the 20 percent decrease in on-site inspections during the same period. From 2020 to 2022, the number of letter investigations decreased by 38 percent before increasing by 22 percent from 2022 to 2024. Over time, the proportion of letter investigations relative to on-site inspections has increased. From 2020 to 2022, the total number of investigations decreased by 24 percent, but remained close to pre-pandemic levels. From 2022 to 2024, the total number of investigations increased by 12 percent. While on-site inspections remained the Division's primary form of enforcement, letter investigations continued to support Cal/OSHA's ability to respond to complaints efficiently and across a wide range of worksites.

¹⁵⁸ The Division of Occupational Safety and Health (DOSH) is also known as Cal/OSHA, <https://www.dir.ca.gov/dosh/>.

¹⁵⁹ DOSH has changed the methods of extracting the CalOSHA enforcement data beginning from 2015.

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Figure 142: Cal/OSHA Enforcement Activities, 2015–2024



* 2020 and 2021 - peak of the COVID-19 pandemic.

Note: **On-site inspections** include Comprehensive, Partial, and Records Only inspections. Do not include inspections marked with "No Inspection".

Letter investigations are based on the date the letter was sent and may result from complaints received

Source: Cal/OSHA

Figure 143 shows the distribution of DOSH on-site inspections with and without violations from CY 2015 to CY 2024. On-site inspections include Comprehensive, Partial, and Records Only inspections and exclude inspections marked with "No Inspection".

Unprogrammed Related inspections are initiated as a result of notifications of a fatality, accident, complaint, or referral. Unprogrammed inspections triggered by accidents and fatalities accounted for 32 to 34 percent of total on-site inspections between 2015 and 2019. The COVID-19 pandemic led to a rise in occupational accidents and fatalities, resulting in a sharp increase of accident/fatality inspections. In 2020, 42 percent of total on-site inspections were triggered by accidents and fatalities, with this figure rising further to 47 percent in 2021. As the COVID-19 pandemic waned, the share of inspections triggered by accidents and fatalities declined, falling to 36 percent in 2023 and 38 percent in 2024.

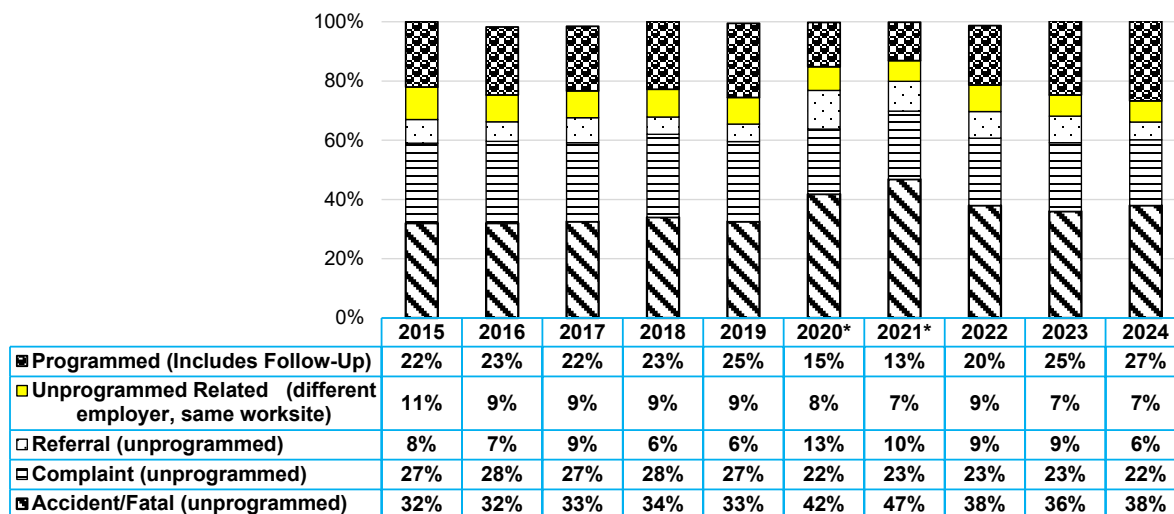
Unprogrammed inspections triggered by complaints made up 27 to 28 percent of total on-site inspections between 2015 and 2019. However, this figure decreased slightly to a steady 22 to 23 percent between 2020 and 2024.

Programmed inspections are planned inspections of worksites selected based on objective criteria. Total Programmed inspections remained steady at 22 to 23 percent of total on-site inspections between 2015 and 2018. That share rose to 25 percent in 2019, before dropping sharply to 15 percent in 2020 and 13 percent in 2021. The share of programmed inspections increased to 20 percent in 2022 and then increased to the pre-pandemic high of 25 percent in 2023 and to its peak of 27 percent in 2024.

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From 2015 to 2024, inspections triggered by accidents/fatalities and complaints were consistently the predominant types of inspections.

Figure 143: Distribution of Cal/OSHA on-Site Inspections by Type (All Inspections, with and without Violations), 2015–2024



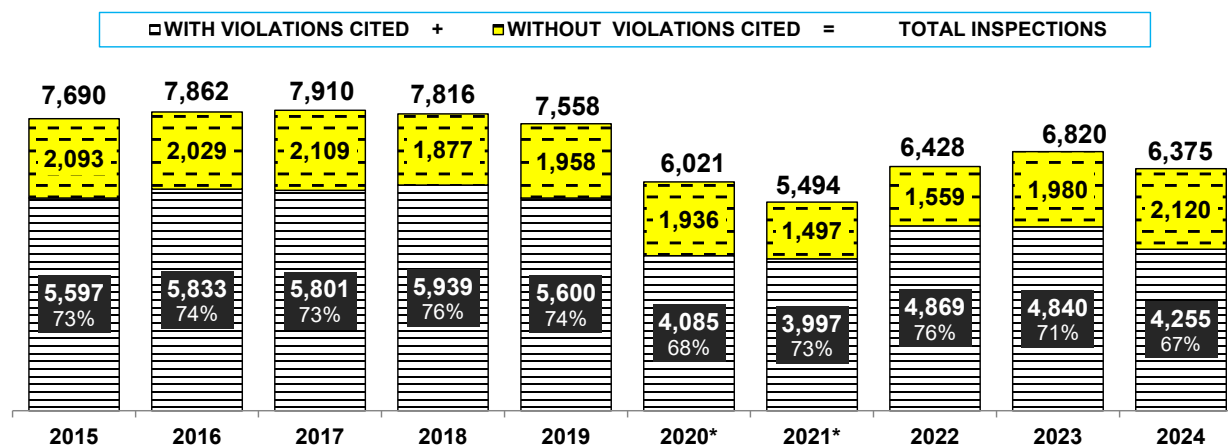
* Peak of COVID-19 pandemic

Source: Cal/OSHA

According to Figure 144, the number of on-site inspections without violations stabilized at an average of 2,000 from 2015 to 2020, decreased by 23 percent from 2020 to 2021, and then grew by almost 42 percent from 2021 to 2024. The number of inspections with violations remained steady at an average of 5,754 from 2015 to 2019, fell by 27 percent from 2019 to 2020, and then increased overall by 21 percent between 2021 and 2023. From 2023 to 2024, the number of inspections with violations decreased by 12 percent.

The share of on-site inspections that resulted in violations remained steady at an average 74 percent between 2015 to 2019. In 2020, this share dropped by 6 percentage points to 68 percent but has since almost returned to pre-pandemic levels, averaging 73 percent from 2021 to 2023. In 2024 the share of inspections with violations decreased to 67 percent.

Figure 144: Cal/OSHA On-Site Inspections (with and without Violations Cited), 2015–2024



* Peak of the COVID-19 pandemic.

Data Source: Cal/OSHA

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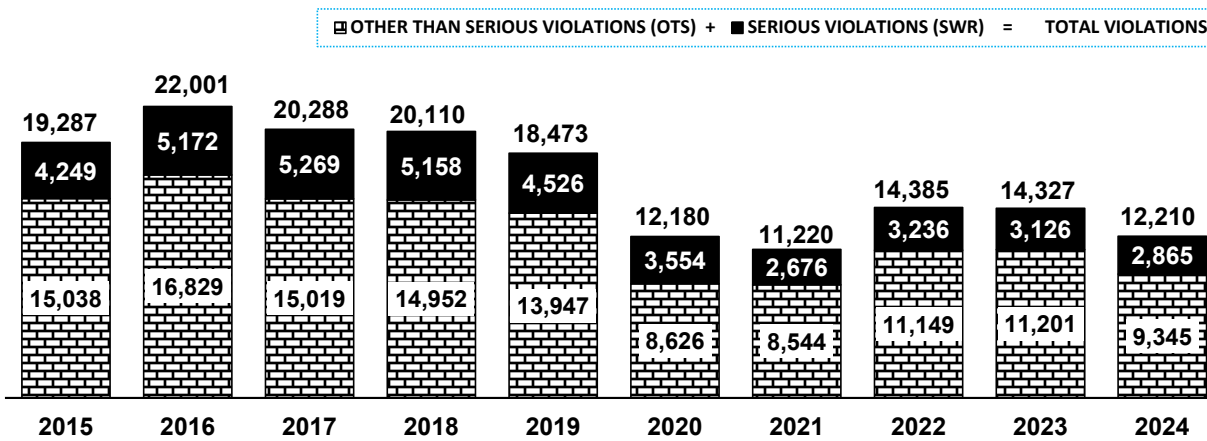
The number of violations exceeds that of inspections because most inspections of places where violations occur yield more than one violation. Violations are further broken down into two categories Serious, Willful, or Repeat (SWR), and other-than-SWR (OTS), which includes General, Regulatory, and Notice in Lieu violations.

The number of Cal/OSHA violations cited and their breakdown by type from 2015 to 2024 are shown in Figure 145.

According to Figure 145, the total number of violations increased by 14 percent from 2015 to 2016, decreased by 14 percent from 2016 to 2019, and then fell sharply by 34 percent from 2019 to 2020, at the onset of COVID-19 pandemic, followed by an additional decrease of 8 percent from 2020 to 2021. From 2021 to 2024, the total number of violations rebounded, increasing overall by 28 percent before decreasing by 15 percent from 2023 to 2024.

The number of SWR violations rose by 24 percent from 2015 to 2017, declined by 14 percent from 2017 to 2019, and then dropped by 21 percent from 2019 to 2020, followed by another sharp decrease of 25 percent from 2020 to 2021. From 2021 to 2022, SWR violations increased by 21 percent but then showed a 11.5 percent decrease from 2022 to 2024.

Figure 145: Cal/OSHA Violations Cited (SWR* and OTS*), 2015-2024

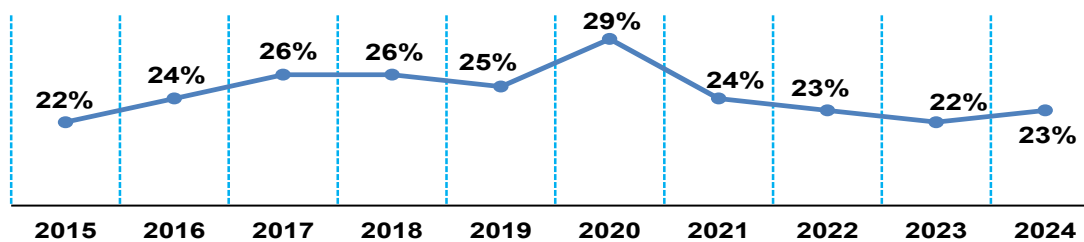


Source: Cal/OSHA

* "Serious" (SWR) violations includes Serious, Willful, and Repeat violations. "Other than serious" (OTS) violations includes General, Regulatory and Notice in Lieu violations.

Figure 146 shows the share of SWR violations as a percentage of total violations from 2015 to 2024. The percentage of violations classified as SWR increased from 22 percent in 2015 to an average of 25 percent between 2016 and 2019. This percentage further increased to 29 percent in 2020, before falling to an average of 23 percent between 2021 and 2024.

Figure 146: Serious (SWR) Violations as a Share of Total Cal/OSHA Violations, 2015-2024

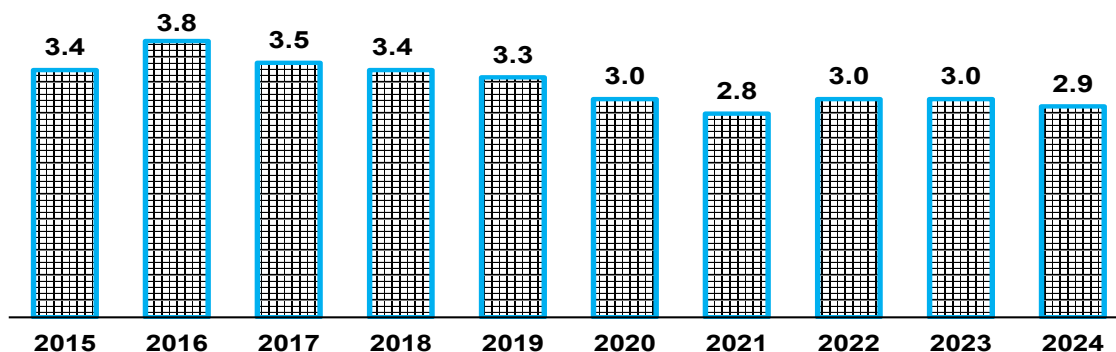


Source: Cal/OSHA

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Figure 147 shows the average number of violations cited per inspection with violations for each calendar year. The average number of violations per inspection increased by 12 percent from 2015 to 2016, declined steadily with a decrease of 26 percent between 2016 and 2021, increasing by 7 percent from 2021 to 2022, and then stabilized at around 3.0 from 2022 to 2024.

Figure 147: Average Number of Cal/OSHA Violations per Inspection, 2015–2024



Source: Cal/OSHA

Table 33 lists the top ten most frequently cited CCR Title 8 standards in 2023.

Table 33: Ten Most Frequently Cited CCR Title 8 Standards, 2024¹⁶⁰

Standard	Description	Total Violations	SWR Violations	Percent SWR
3203	Injury and Illness Prevention Program (IIPP)	1,629	225	13.8%
3395	Heat Illness Prevention (HIPP)	1,158	130	11.2%
1509	Injury and Illness Prevention Program (Construction)	702	54	7.7%
342	Reporting Work-Connected Fatalities and Serious Injuries	566	8	1.4%
5194	Hazard Communication	424	12	2.8%
3314	Control of Hazardous Energy, Including Lockout/Tagout	361	186	51.5%
6151	Portable Fire Extinguishers	358	1	0.3%
5144	Respiratory Protection	344	38	11.0%
5204	Occupational Exposures to Respirable Crystalline Silica	319	70	21.9%
5162	Emergency Eyewash and Shower Equipment	309	157	50.8%

Note: SWR stands for Serious, Willful, and Repeat Violations, where Repeat violations are not serious.

Source: DOSH Budget and Program Office.

Figure 148 demonstrates the trends in penalties and collections. Total penalties assessed were \$37.3 million in 2024, a decrease of 28 percent from its 2019 pre-pandemic level and a 38 percent decrease from

¹⁶⁰ Violations reflect citations issued during the calendar year. Pursuant to Labor Code section 6317, citations may be issued within six months of the violation's occurrence. As a result, violations issued in a given year may stem from inspections opened in the prior year.

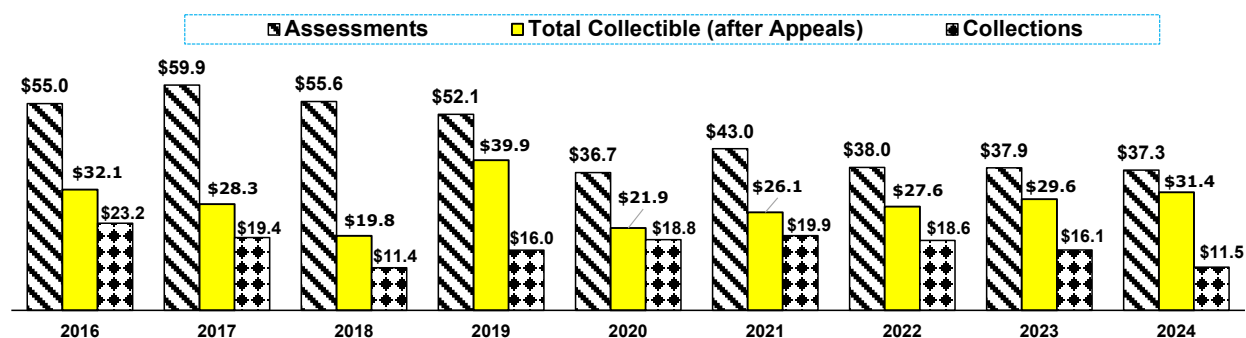
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its peak of about \$60 million in 2017. The total penalties assessed increased by 17 percent as economic activities started recovering from 2020 to 2021, although it was followed by a 13 percent decrease in penalties assessed from 2021 to 2024. Many employers appeal those “recommended” penalties with Cal/OSHA’s Appeals Board, and they may be ordered to pay in full, pay a reduced amount, or have penalties eliminated due to procedural issues. Because of the appeals process, penalties collectible and collected are almost always less than the initial recommended penalties assessed.

Total penalties collectible after appeals and collections were about \$31.4 million and \$11.5 million, respectively, in 2024, with the collections dropping to the lowest level since 2016. In post-pandemic recovery period from 2021 to 2024, the total penalties collectible increased by 20 percent, while penalties collected decreased by 42 percent from about \$20 million in 2021 to \$11.5 million in 2024.

Although Figure 148 demonstrates the trends in penalties and collections, it cannot be viewed entirely as an indicator of progress in health and safety at places of employment, due to related impacts on the data from DOSH staffing changes and resource changes from year to year, as well as activities at the Appeals Board. The number of original assessments that remain collectible change if penalties are reduced by settlement or decision. Likewise, assessed penalties become due when appealed matters are resolved, so the total amount collected rises with time. Nevertheless, the data give a sense of the general magnitude and accounting of penalties and collections, as well as provide a starting point for further analysis.

**Figure 148: Total DOSH Penalties Assessed and Collected, 2016–2024
(Million \$)**



Source: DOSH

Figure 149 shows the rate of violations cited per Cal/OSHA inspection for each major industry group as classified by NAICS¹⁶¹ in 2024. Major industry sectors are defined by the first two digits of the Inspection Site NAICS code. Figure 149 focuses on the top 10 major industry sectors where Cal/OSHA primarily conducts inspections, as these sectors account for the majority of inspections. The “All Sectors” category represents the overall average of violations per inspections with violations across all sectors. The “All Other Sectors” category includes the remaining NAICS codes like Major Sectors 21, 22, 51, 52, 53, 54, 55, 61, 71, and 92. Please note that violation totals and classifications, as initially issued citations, may subsequently have been reclassified or deleted as part of a decision by an administrative law judge or a settlement. Other Services (except Public Administration), include a variety of service-oriented industries such as repair and maintenance, personal care service, and civic and social organizations. This sector is distinct from the “All Other Sectors” category, which aggregates smaller industry groups that do not account for a significant portion of total inspections, falling outside of the top 10 major sectors.

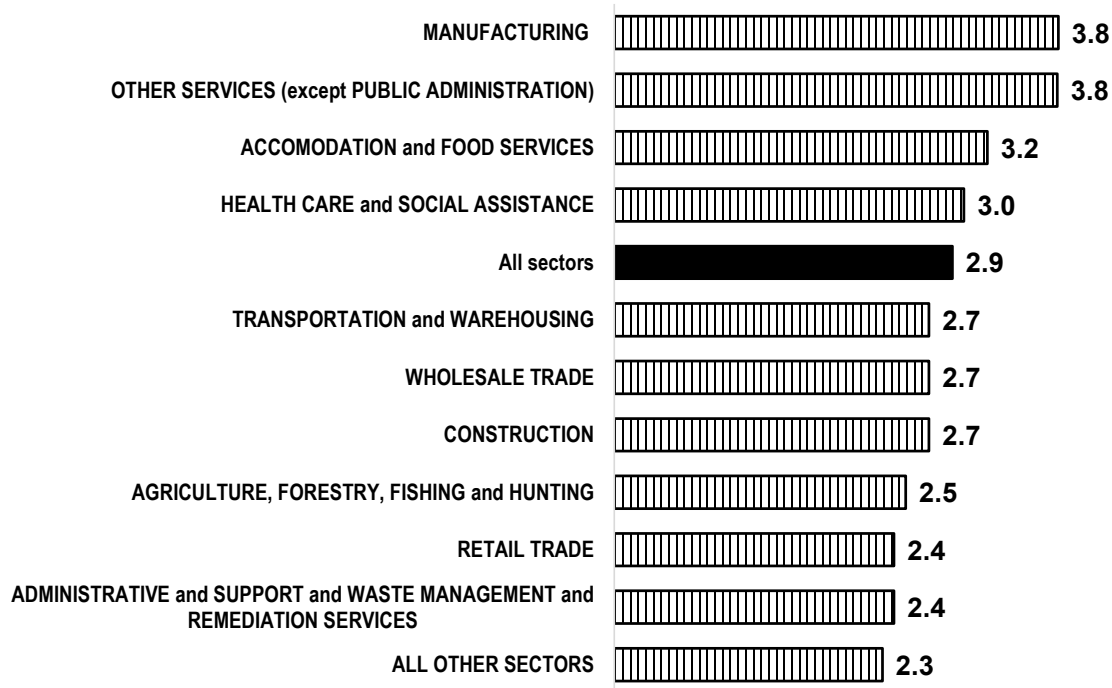
The average across all sectors was 2.9 violations per inspection. Industry groups such as Manufacturing, Other Services (except Public Administration), Accommodation and Food Services, and Health Care and

¹⁶¹ North American Industry Classification System (NAICS) code is a six-digit numeric code that categorizes a business's primary economic activity into one of 20 industry sectors

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Social Assistance had higher-than-average violations per inspection. Transportation and Warehousing, Wholesale Trade, and Construction had rates closer to and below the average.

Figure 149: Rate of Violations per On-Site Cal/OSHA Inspection, by Major NAICS Sectors, 2024



Source: Cal/OSHA

Figures 150 and 151 display the distribution of on-site inspections and the distribution of on-site violations respectively by major NAICS sectors in 2023. On-site inspections include Comprehensive, Partial, and Records Only inspections and do not include inspections marked with “No Inspection”. The figures demonstrate that industry group proportions for inspections and violations are closely aligned with the overall average, reflecting the greater risks present in certain sectors.

As shown in Figure 152, Cal/OSHA conducted a total of 6,375 health and safety inspections across worksites in 2024, with 1,857 inspections (29 percent) in the construction sector and 956 (15 percent) in manufacturing. Figure 151 highlights that the highest percentage in a total of 12,210 violations was in construction (29 percent) and manufacturing (15 percent), followed by all other sectors (12 percent). Together, the construction, manufacturing, administrative and support and waste management and remediation services, and agriculture, forestry, fishing and hunting sectors accounted for a significant portion of enforcement activity, representing 62 percent of all on-site inspections and 63 percent of all violations cited in 2024. These figures suggest that higher-risk industries, such as construction and manufacturing, tend to result in more violations due to the nature of work and associated hazards.

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Figure 150: Distribution of Cal/OSHA On-Site Inspections by Major NAICS Sectors, 2024
(Total Inspections = 6,375)

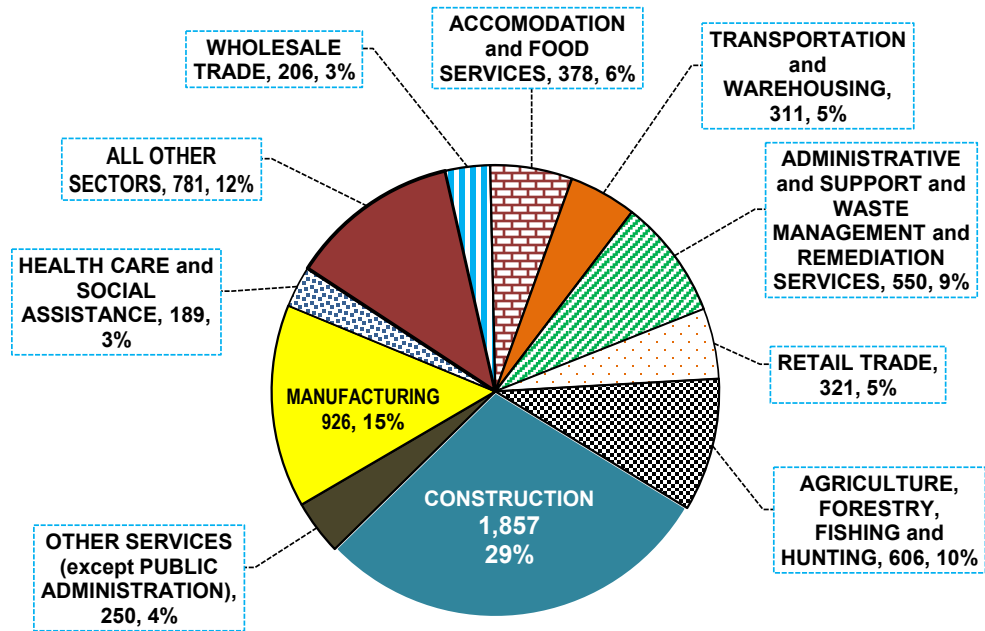
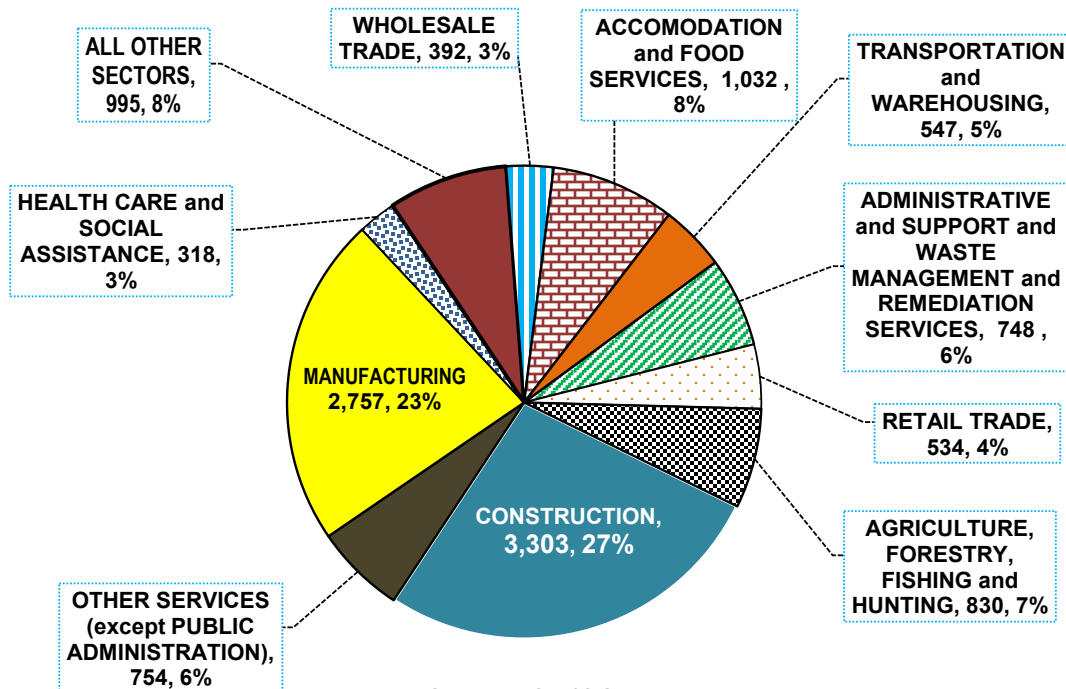


Figure 151, displays the distribution of on-site violations by major NAICS sectors in 2024.

Figure 151: Distribution of Violations by Major NAICS Sectors, 2024
(Total Violations = 12,210)



Source: Cal/OSHA

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High Hazard Identification, Consultation, and Compliance Programs

The 1993 reforms of the California workers' compensation system required Cal/OSHA to focus its consultative and compliance resources on "employers in high hazardous industries with the highest incidence of preventable occupational injuries and illnesses and workers' compensation losses."

High Hazard Employer Program

The High Hazard Employer Program (HHEP) is designed to:

- Identify employers in hazardous industries with the highest incidence of preventable occupational injuries and illnesses and workers' compensation losses.
- Offer and provide consultative assistance to those employers to eliminate preventable injuries and illnesses and workers' compensation losses.
- Inspect those employers on a random basis to verify that they have made appropriate changes in their health and safety programs.
- Develop appropriate educational materials and model programs to aid employers in maintaining a safe and healthful workplace.

In 1999, the passage of Assembly Bill (AB) 1655 gave DIR the statutory authority to levy and collect assessments from employers to support the targeted inspection and consultation programs on an ongoing annual basis. The collection of the Targeted Inspection Consultation Fund ceased with the passage of Assembly Bill (AB) 1389 in 2008.

In 2008, the passage of Assembly Bill (AB) 1389 gave DIR the statutory authority to levy and collect assessments from employers to fund DOSH's operations.

High Hazard Consultation Program

Using workers' compensation data, Cal/OSHA's Consultation Services Branch identifies employers in hazardous industries with the highest incidence of preventable occupational injuries and illnesses and WC losses. "Hazardous industries" are identified using published annual workers' compensation pure premium rates. Individual employers are identified using WC experience modification (ExMod) rate data.

Cal/OSHA's Consultation Services Branch reports that in 2023, it provided on-site high hazard consultative assistance to 665 employers. During consultation with these employers, 7,466 Title 8 violations were observed and corrected as a result of the provision of consultative assistance (see Figure 152). Also, in 2024, four (4) Area Manager and 19 Associate Safety Engineer (Consultant) vacancies were filled. An increase in both the Title 8 violations observed and corrected along with employers who received high hazard consultative assistance is anticipated in 2025 and beyond.

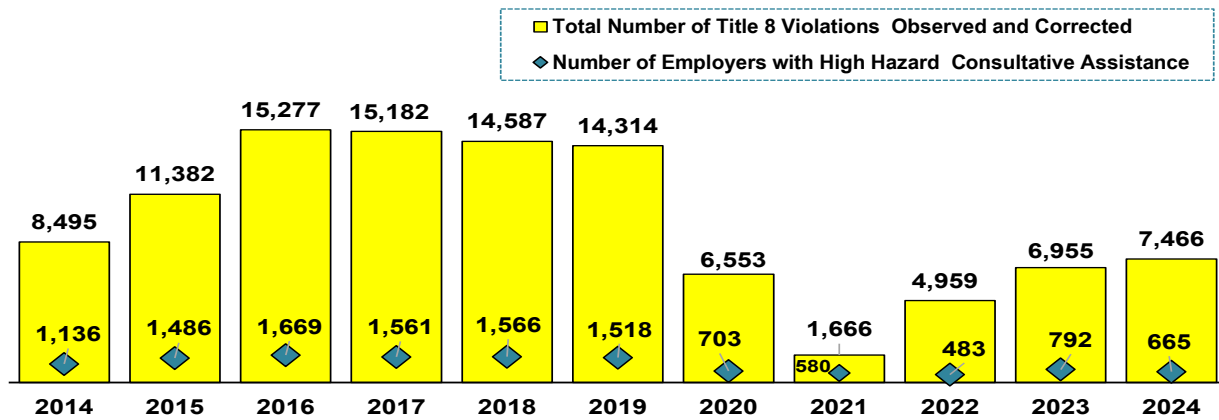
From 1994, 31,726 employers have been provided direct on-site consultative assistance, and 220,782 Title 8 violations have been observed and corrected. Of these violations, 34.4 percent were classified as "serious." It should be noted that for 2002 and 2003, all Consultative Safety and Health Inspection Projects (SHIPs) were included in the High Hazard Consultation Program figures. Effective 2004, only employers with ExMod rates of 125 percent and above are included in the High Hazard Consultation Program figures.

Figure 152 shows that the number of Title 8 violations observed and corrected increased by 80 percent from 2014 to 2016 with a 47 percent increase in assisted employers during that period, and then gradually decreased by 6 percent from 2016 to 2019 before falling almost 9 times in 2021 from its 2019 level. The number of employers who received high hazard consultative assistance decreased overall by 9 percent from 2016 to 2019, and in 2020 accounted for about one-third of the number of employers that received high hazard consultative assistance in 2019. There were two major reasons for a sharp decrease in both the number of Title 8 violations and number of employers who received high hazard consultative assistance:

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1) due to the pandemic, consultation staff, who were previously performing high hazard consultative assistance, were shifted from their usual tasks to assist with COVID-19 matters, and 2) Consultation Services experienced an increase in retirements during the pandemic, which reduced staffing levels. According to DOSH representatives, DOSH is currently focused on hiring within all units to address the reduced staffing levels. The number of employers who received high hazard consultative assistance increased overall by 37 percent from 2021 to 2023 and then fell by 16 percent from 2023 to 2024. The number of Title 8 violations observed and corrected in 2024 more than quadrupled compared to its lowest level in 2021.

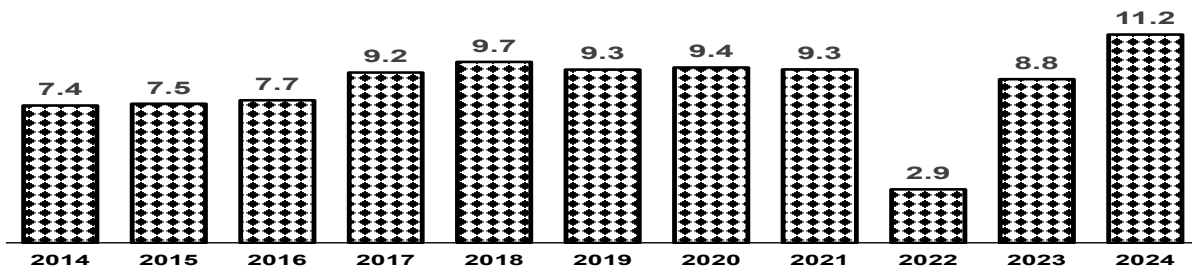
Figure 152: High Hazard Consultation Program, 2014-2024



Source: DOSH

In 2024, the rate of the Title 8 violations observed and corrected to employers who received high hazard consultative assistance reached its peak of 11.2 after it almost quadrupled from its lowest level in 2022 (see Figure 153).

Figure 153: Average Number of Title 8 Violations per Employer with High Hazard Consultative Assistance, 2014-2024



Source: DOSH

High Hazard Enforcement Program

Cal/OSHA's High Hazard Enforcement Program is designed to reduce serious workplace injuries and illnesses by conducting targeted inspections of employers with the highest incidence of preventable occupational injuries, illnesses, and workers' compensation losses. The High Hazard Unit, which consists of two offices (Northern and Southern) and a regional office, is dedicated to conducting targeted programmed inspections in "High Hazard Industries" throughout California.

Employers may be selected for inspection based on data sources such as workers' compensation loss data, a history of Cal/OSHA citations, and other indicators identified in Labor Code section 6314.1. The program also utilizes the annual High Hazard Industry List, which is based on private-sector employers'

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"Days Away, Restricted or Transferred" (DART) rate for private sector employers, to identify high-risk industries.

The inspections presented in this section reflect Program Planned inspections initiated under the High Hazard Targeting Program. In 2024, Cal/OSHA conducted 262 targeted high hazard inspections. Violations were cited in 94 percent of inspections, with a total of 1,180 violations identified. The average number of violations per cited inspection in Program Planned inspections was 5.1. This summary excludes Programmed Related inspections, which may result in connection with other programmed high hazard enforcement activity. Only Program Planned inspections initiated under the targeting criteria are included.

The high hazard enforcement program activity measures are shown in Tables 34-36 and Figure 154. During the pandemic, DOSH had at times shifted employees from High Hazard enforcement and Process Safety Management (PSM) to assist district offices with COVID-19 response, especially during surges.

The number and distributions of high hazard targeted inspections by North American Industrial Classification System (NAICS) from 2020 to 2024 are shown in Table 38. Over the five-year period, the majority of inspections were concentrated in Manufacturing (NAICS 31–33), which consistently represented the largest share of annual activity, accounting for 43 percent of inspections in 2024 and as much as 65 percent in 2020. Other sectors with notable activity included Health Care and Social Assistance (NAICS 62), Accommodation and Food Services (NAICS 72), and Transportation and Warehousing (NAICS 48–49), all of which appeared multiple times on the High Hazard Industry List across these years.

Industry sectors with zero inspections in a given year may not have been included on the corresponding year's High Hazard Industry List. This table reflects only Program Planned inspections under the High Hazard Targeting Program and does not represent the full scope of Cal/OSHA enforcement activity in these industries.

Table 34: Number and Percent of High Hazard Inspections by NAICS Code, 2020- 2024

Sector (NAICS code)	Name	2020		2021		2022		2023		2024	
		Num	%	Num	%	Num	%	Num	%	Num	%
11	Agriculture, Forestry, Fishing and Hunting	24	8%	24	10%	28	8%	22	6%	12	5%
21	Mining, Quarrying, and Oil and Gas Extraction	0	-	0	-	0	-	0	-	0	-
22	Utilities	0	-	0	-	0	-	0	-	0	-
23	Construction	0	-	9	4%	11	3%	0	-	1	<1%
31-33	Manufacturing	207	65%	104	42%	73	21%	54	14%	105	43%
42	Wholesale Trade	2	1%	6	2%	17	5%	42	11%	14	6%
44-45	Retail Trade	6	2%	49	20%	99	29%	66	18%	9	4%
48-49	Transportation and Warehousing	32	10%	25	10%	36	10%	5	1%	21	9%
51	Information	0	-	0	-	0	-	0	-	0	-
52	Finance and Insurance	0	-	0	-	0	-	0	-	0	-
53	Real Estate and Rental and Leasing	1	<1%	0	-	0	-	0	-	0	-
54	Professional, Scientific, and Technical Services	0	-	1	<1%	1	0%	1	<1%	1	<1%
55	Management of Companies and Enterprises	0	-	0	-	0	-	0	-	0	-

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Sector (NAICS code)	Name	2020		2021		2022		2023		2024	
		Num	%	Num	%	Num	%	Num	%	Num	%
56	Administrative and Support and Waste Management and Remediation Services	40	13%	7	3%	19	5%	29	8%	4	2%
61	Educational Services	0	-	0	-	0	-	0	-	0	-
62	Health Care and Social Assistance	2	1%	13	5%	28	8%	84	22%	43	18%
71	Arts, Entertainment, and Recreation	0	-	0	-	0	-	1	<1%	0	-
72	Accommodation and Food Services	0	-	1	<1%	18	5%	75	20%	33	13%
81	Other Services (except Public Administration)	3	1%	11	4%	19	5%	0	-	2	1%
92	Public Administration	0	-	0	-	1	<1%	0	-	0	-
	All Sectors	318	100%	250	100%	347	100%	375	100%	245	100%

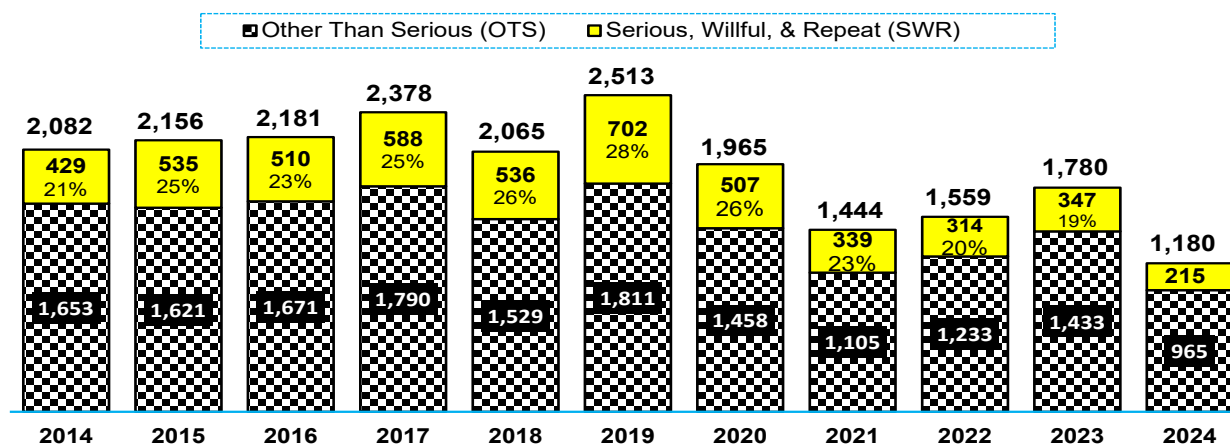
Note:

“Num” is the number of inspections opened for the listed sector in the respective calendar year.

“%” is the share of inspections in the sector out of the total targeted and planned high hazard inspections opened in the respective calendar year.

Violations observed¹⁶² during high hazard targeted inspections are divided into two categories: “serious, willful, and repeat (SWR)” and “other than serious” (OTS) violations. According to Figure 154, the total number of violations observed increased overall by 21 percent from 2014 to 2019, decreased by 42.5 percent from 2019 to 2021 and then grew by 23 percent from 2021 to 2023, before falling again by 34 percent from 2023 to 2024. The share of SWRs increased from 21 percent of all High Hazard inspection violations in 2014 to 28 percent in 2019. From 2019 to 2024, the share of SWRs in High Hazard inspection violations decreased to 18 percent, which was its lowest level in 11 years. The number of SWRs averaged 333 per year from 2021 to 2023 and then decreased to 215 in 2024, being the lowest in the same 11 years period.

Figure 154: Violations Observed during High Hazard Inspections, 2014-2024



Source: DOSH

¹⁶² Classification of Violations and Definitions, <https://www.dir.ca.gov/title8/334.html> and DOSH Policy and Procedures Manual, <https://www.dir.ca.gov/DOSHPol/P&PC-2.htm>.

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Table 35 shows the number of enforcement actions taken during high hazard inspections by type from 2013 to 2024 and summarizes select enforcement actions taken during inspections conducted under the High Hazard Targeting Program in the same period. These actions include warrants, Orders Prohibiting Use (OPUs), and the issuance of Information Memorandums. While most enforcement actions result in citations, a smaller number may involve additional measures, such as OPUs or warrants. Information Memorandums were issued in a limited number of inspections annually, with a notable increase in 2024. The number of warrants and OPUs remained low throughout the period.

Table 35: Types of Enforcement Actions during High Hazard Targeted Inspections, 2013-2024

Types of enforcement actions	2013-2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Warrants	0	0	0	0	0	1	0	1	1	1
Order Prohibiting Use (Stop Order)	28	12	5	1	1	0	0	0	2	0
Information Memorandums	199	25	14	40	19	7	4	5	3	11
Violations	6,707	2,181	2,378	2,065	2,513	1,997	1,463	1,502	1,784	1,276

Source: DOSH

Table 36 shows the most frequently observed violations during high hazard inspections in 2024. It lists Title 8 standards most frequently cited in Program Planned inspections conducted under Cal/OSHA's High Hazard Targeting Program, where the inspection was initiated based on the annual High Hazard Industry List. These inspections were conducted by the dedicated High Hazard Unit or, in some cases, by regional district office staff supporting the program. The most frequently cited violations issued in 2024 align with the types of hazards commonly present in high-risk industries targeted under the High Hazard Program in 2023 and 2024. Many of the frequently cited standards relate to injury and illness prevention programs, hazard communication, electrical safety, and emergency equipment, issues especially relevant to industries such as manufacturing and warehousing, which represented a significant portion of targeted inspections.

Table 36: Most Frequently Cited Violations during High Hazard Targeted Inspections, 2024¹⁶³

Title 8 Section	Description
5162	Emergency Eyewash and Shower Equipment
2340.16	Work Space About Electric Equipment
6151	Portable Fire Extinguishers
2500.8	Uses Not Permitted for Flexible Cords and Cables
3203	Injury and Illness Prevention Program (General Industry)
5194	Hazard Communication
2340.2	Electrical Installations: Examination, Installation, and Use of Equipment
461	Permits to Operate Unfired Pressure Vessel
2473.1	Electrical Safety: Conductors Entering Boxes, Cabinets, or Fittings
14300.3	Annual Summary of Occupational Injury or Illness (Employer Records)

Source: DOSH

¹⁶³ Violations reflect citations issued during the calendar year. Pursuant to Labor Code section 6317, citations may be issued within six months of the violation's occurrence. As a result, violations issued in a given year may stem from inspections opened in the prior year.

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Safety Inspections

DOSH has three major public safety programs devoted to conducting inspections to protect the public from safety hazards:

- The Amusement Ride and Tramway Unit conducts public safety inspections of amusement rides, both portable and permanent, and aerial passenger tramways (ski lifts).
- The Elevator Unit conducts public safety inspections of different conveyances, including power-cable driven passenger and freight elevators, manlifts, and escalators.¹⁶⁴
- The Pressure Vessel Unit conducts public safety inspections of boilers and pressure vessels to ensure their safe operation in places of employment.

Cal/OSHA's Highest Hazard Industries List

Pursuant to Labor Code 6401.7(e)(3)(A), Cal/OSHA issues the Highest Hazard Industry List annually. The methodology for Cal/OSHA's High Hazard Industry threshold is based on >200 percent of the annual private sector average DART (Days Away, Restricted, and Transferred) rate. The DART rate in 2022, serving as a basis for the FY 2024-2025 High Hazard Industry threshold, was 2.5. Accordingly, the high hazard industry threshold for that fiscal year is 5.0.

For further information ...

Cal/OSHA's Highest Hazard Industry List for FY 2024-2025,
<https://www.dir.ca.gov/dosh/documents/hhu-list-2024-2025.pdf>
<https://www.dir.ca.gov/dosh/high-hazard-unit.html>

Safety and Health Standards

The Occupational Safety and Health Standards Board (OSHSB), a seven-member body appointed by the Governor, is the standards-setting agency within Cal/OSHA's program. The mission of OSHSB is to promote, adopt, and maintain reasonable and enforceable standards that will ensure a safe and healthy workplace for California workers.

To meet DIR's goal to ensure that California workplaces are lawful and safe, the Board shall pursue the following goals:

- Adopt and maintain effective occupational safety and health standards.
- Evaluate petitions to determine the need for new or revised occupational safety and health standards.
- Evaluate permanent variance applications from occupational safety and health standards to determine if equivalent safety will be provided.

OSHSB also has the responsibility to grant or deny applications for variances from adopted standards and respond to petitions for new or revised standards. The OSHSB safety and health standards provide the basis for Cal/OSHA enforcement.

For further information ...

<http://www.dir.ca.gov/oshsb/apprvd.html>

¹⁶⁴ For a list of conveyances, see <http://www.dir.ca.gov/Title8/sub6.html>.

WORKPLACE HEALTH AND SAFETY PERFORMANCE MEASURES

Occupational Safety and Health Appeals Board (OSHAB)

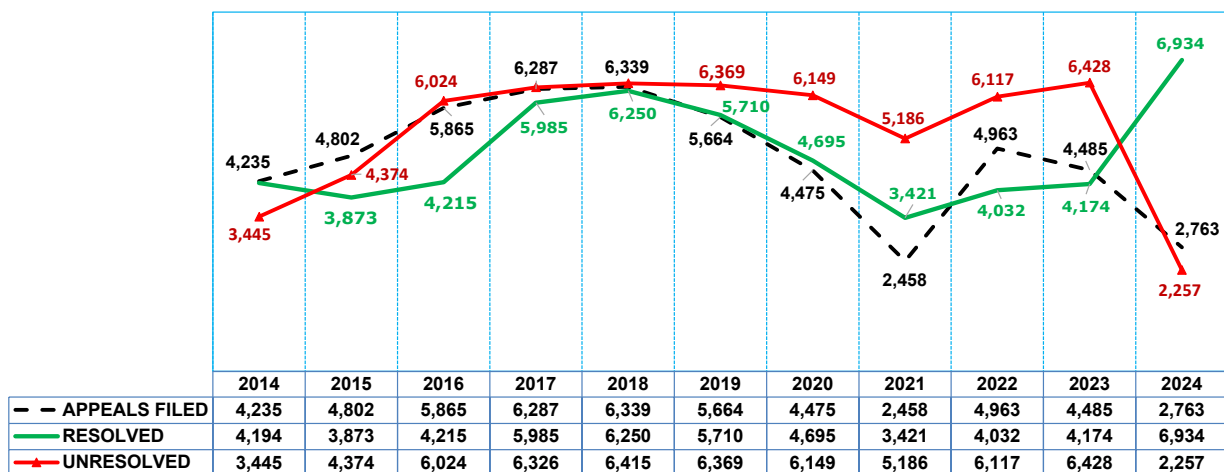
The Occupational Safety and Health Appeals Board (OSHAB) consists of three members appointed by the governor for four-year terms. By statute, the members are selected from among management, labor, and the general public. The chairman is selected by the governor.

The mission of OSHAB is to resolve appeals and to provide clear, consistent guidance to the public, thereby promoting workplace health and safety fairly, efficiently, and in a timely manner. OSHAB handles appeals from private and public sector employers regarding citations issued by DOSH for alleged violations of workplace health and safety laws and regulations.

Figure 155 shows the OSHAB workload: appeals filed, appeals resolved, and unresolved that are defined as “all appeals unresolved at a year’s end” and include balances accumulated from previous years. The number of appeals filed yearly increased by 50 percent from 4,235 in 2014 to 6,339 in 2018, decreased by 11 percent from 2018 to 2019, and then continued decreasing sharply by 57 percent from 2019 to 2021, including a decline by 21 percent from 2019 to 2020, and a drop by 45 percent from 2020 to 2021. As the economy started recovering in 2021, the number of appeals filed doubled from 2021 to 2022, before dropping by almost half from 2022 to 2024.

In 2014, almost 100 percent of filed appeals were resolved; therefore, the average number of unresolved appeals reached its minimum of 3,445 cases. In 2015 and 2016, the number of resolved appeals slowed down to 81 and then to 72 percent of filed appeals respectively. The number of unresolved cases increased from 2015 to 2017. Resolved appeals as a share of yearly filed appeals increased to 95 percent in 2017 and to 99 percent in 2018, as the number of unresolved cases leveled out. In 2019, almost 100 percent of the filed appeals were resolved, but the number of unresolved cases, accumulated from previous years, reached almost 6,400. As the activities of the OSHAB contracted due to the COVID-19 pandemic and fewer appeals were filed in 2020 and 2021. In 2020, about 105 percent of appeals had been resolved with the number of unresolved appeals decreasing only by 3.5 percent. As the number of appeals filed dropped by 45 percent and 139 percent of those appeals were resolved, the number of unresolved appeals in 2021 decreased by 16 percent from 2020 to 2021. In 2022 compared to 2021, the number of appeals filed doubled, the number of cases resolved increased only by 18 percent. As a result, the number of unresolved cases increased by 18 percent. Although the number of appeals filed decreased in 2023, the rate of cases resolved and the number of unresolved cases accumulated from previous years did not slow down an increase (+5 percent) in unresolved cases from 2022 to 2023. In 2024, as the number of appeals filed decreased by 38 percent from its 2023 level and the number of resolved cases increased by 66 percent, the number of unresolved cases decreased 3-fold from its peak of 6,428 cases in 2023.

Figure 155: Occupational Safety and Health Appeals Board (OSHAB) Workload, 2014-2024



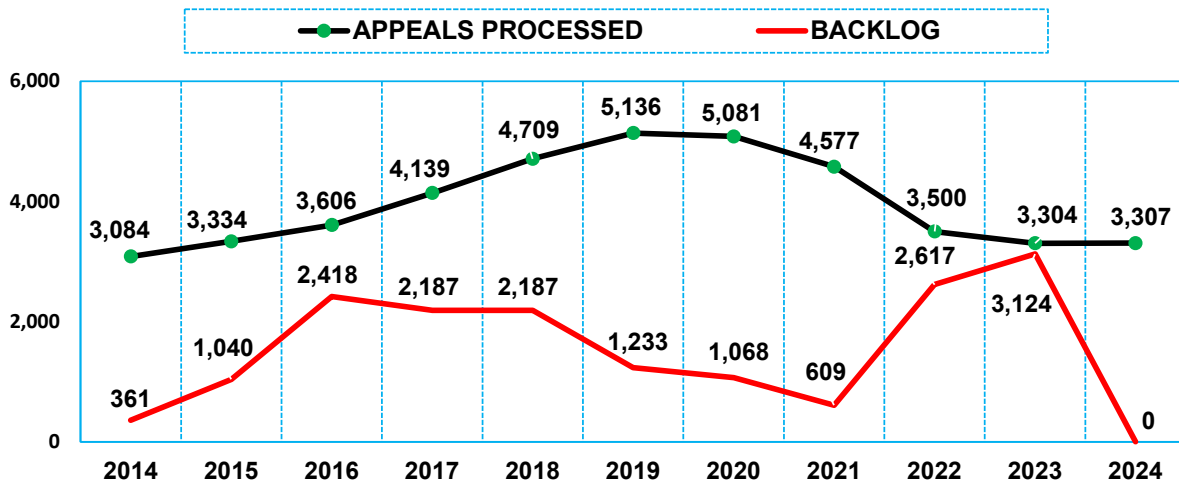
Data Source: OSHAB

WORKPLACE HEALTH AND SAFETY PERFORMANCE MEASURES

The trend and level of backlogged citation appeals reflect changes in unresolved cases as they accumulate from previous years and a methodology of estimating backlogs based on a cumulative three-year moving average of processing the citations appealed (appeals filed). The formula for estimating yearly backlogs considers 10 months of incoming averaged appeals as the target process time for estimating the number of processed appeals against the unresolved cases.

Figure 156 shows that the number of backlogged appeals increased from 268 in 2013 to 2,418 cases in 2016. This growth in the backlog was the result of an increase in filing appeals and the accumulation of unresolved cases in 2015 and 2016 (see Figure 155). The number of filed appeals and unresolved cases leveled out from 2016 to 2018 and then the number of appeals filed decreased by 29 percent from 2018 to 2020. While the number of appeals processed increased by 42 percent from 2016 to 2019, the backlog decreased by 49 percent from 2016 to 2019. Due to a decrease in appeals filed and a levelling off in the number of appeals processed from 2019 to 2020, the backlog fell by 13 percent from 2019 to 2020. There was a 56 percent overall decrease in the number of backlogged appeals from 2016 to 2020. From 2020 to 2021, the number of backlogged appeals almost halved to 609 due to the decrease in unresolved cases and a 10 percent decrease in the appeals processed in that time frame. With the number of appeals filed doubling from 2021 to 2022 (see Figure 155), and the appeals processed decreasing by 24 percent in the same period, the number of backlogged cases in 2022 more than quadrupled from its 2021 level and continued to increase by 19 percent to its peak of 3,124 from 2022 to 2023. In 2024, due to the decrease in the number of appeals filed and increase in resolved cases, there were no backlogged appeals for that year.

Figure 156: Occupational Safety and Health Appeals Board Backlogs, 2014-2024



Data Source: OSHAB

Educational and Outreach Programs

In conjunction and in cooperation with the health and safety and workers' compensation community, CHSWC administers and participates in several major efforts to improve occupational health and safety through education and outreach programs.

Worker Occupational Safety and Health Training and Education Program

The Commission on Health and Safety and Workers' Compensation (CHSWC) is mandated by Labor Code Section 6354.7 to maintain the Worker Occupational Safety and Health Training and Education Program (WOSHTEP). The purpose of WOSHTEP is to promote injury and illness prevention programs. For further information about WOSHTEP and its activities, see the "Special Report: CHSWC's Health and Safety Programs."

WORKPLACE HEALTH AND SAFETY PERFORMANCE MEASURES

School Action for Safety and Health

Per the mandate set forth in the Labor Code 6434, CHSWC is to assist school districts and other local education agencies (LEAs) in implementing effective occupational injury and illness prevention programs (IIPPs). CHSWC has established a model program, California's School Action for Safety and Health (SASH) program, to help schools statewide improve their injury and illness prevention programs. For further information about SASH and its activities, see the "Special Report: CHSWC's Health and Safety Programs."

The California Partnership for Young Worker Health and Safety

CHSWC has convened the California Partnership for Young Worker Health and Safety. The Partnership is a statewide task force that brings together government agencies and statewide organizations representing educators, employers, parents, job trainers, and others. The Partnership develops and promotes strategies to protect youth at work and provides training, educational materials, technical assistance, and information and referrals to help educate young workers. For further information about the Partnership see the "Special Report: CHSWC's Health and Safety Programs."

In addition, DIR oversees these educational and outreach programs through Cal/OSHA:

Cal/OSHA Consultation

Consultative assistance is provided to small employers through on-site visits, telephone support, publications and educational outreach. All services provided by Cal/OSHA Consultation are provided free of charge to California employers.

Partnership Programs

California has developed several programs that rely on industry, labor, and government to work as partners in encouraging and recognizing workplace health and safety programs that effectively prevent and control worker injuries and illnesses. These partnership programs include the Voluntary Protection Program (VPP), Golden State, SHARP, Golden Gate, and special alliances formed among industry, labor, and OSHA.

SPECIAL REPORTS

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SPECIAL REPORT: STUDY ON THE EFFECTIVENESS OF POST-TRAUMATIC STRESS DISORDER (PTSD) PRESUMPTION AND CLAIMS FILED FOR PTSD

Background

According to the Centers for Disease Control and Prevention, public safety workers including firefighters and law enforcement officers are at high risk of exposure to traumatic events and stress on the job.¹⁶⁵ In California, [SB 542](#) created a rebuttable presumption of PTSD injury under Labor Code Section 3212.15 for active firefighters, peace officers, and fire and rescue service coordinators, as defined, under the Office of Emergency Services. Other public safety workers such as public safety dispatchers also face traumatic events as part of their duties, but are currently not covered by the presumption.¹⁶⁶ [As included earlier](#) in this annual report, the first effort to evaluate a wide range of topics from differences in mental health to cost impact of SB 542 was undertaken by RAND.¹⁶⁷ Based on CHSWC commissioners' recommendations¹⁶⁸ and the fact that the impacts of SB 542 were not yet observable in data used by the RAND study, it was decided that the additional research conducted on PTSD presumption was required. While the initial study did not achieve its primary objectives, its findings remain valuable as they highlighted crucial factors that need to be addressed. By understanding the limitations identified in the earlier study, a more robust research approach could be designed in the future project.

Project Team

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[SB 623](#), Chaptered on October 8, 2023, postponed the current sunset date of Labor Code Section 3212.15 from January 1, 2025 to January 1, 2029 and required CHSWC to study and report on the effectiveness of the PTSD presumption. In addition, the bill required CHSWC to also study and review claims filed by certain types of employees, not included in the presumption. CHSWC issued a Request for Information (RFI) in November 2024 to collect information from the potential contractor community and shared the results of the RFI's response¹⁶⁹ on May 30, 2025 with Commissioners. Based on Commissioners' input at the August 14, 2025 CHSWC public meeting, CHSWC is planning to procure services to conduct the study through an interagency agreement method and has requested a proposal from the University of California's (UC's) Centers for Occupational and Environmental Health (COEHs) for the study.

Study Objectives

The purpose of the study is to analyze the effectiveness of PTSD presumption and to review claims filed by specified type of employees, not included in the presumption, such as public safety dispatchers, public safety telecommunicators, and emergency response communication employees.

CHSWC is required to provide two reports as follows:

- A report analyzing claims filed for PTSD injury for which compensation is claimed by public safety dispatchers, public safety telecommunicators, and emergency response communication employees, from January 1, 2020, through December 31, 2023. In particular, the report shall review data, including, but not limited to, the total number of claims, frequency of claim acceptance, frequency of claim denial, the initial claim determination, and the average time between the filing of a claim and the final determination of compensability. The report was required to be provided to the Senate Committee on

¹⁶⁵ <https://blogs.cdc.gov/niosh-science-blog/2024/05/09/mental-health-public-safety-sector/>.

¹⁶⁶ file:///C:/Users/Irina%20Nemirovsky/Downloads/202320240SB623_Senate%20Floor%20Analyses.pdf.

¹⁶⁷ "Posttraumatic Stress in California's Workers' Compensation System: A Study of Mental Health Presumptions for Firefighters and Peace Officers Under Senate Bill 542", RAND, 2021.

https://www.dir.ca.gov/chswc/Meetings/2021/RAND_mentalhealth_report.pdf.

¹⁶⁸ <https://www.dir.ca.gov/chswc/Meetings/2021/Rand-PTSD-Study-Comments-Commissioners-Kessler-Bouma-Roxborough.pdf>

¹⁶⁹ <https://www.dir.ca.gov/chswc/Meetings/2025/Item-6-RFI-RAND-Corp.pdf>

SPECIAL REPORT: STUDY ON THE EFFECTIVENESS OF POST-TRAUMATIC STRESS DISORDER (PTSD) PRESUMPTION AND CLAIMS FILED FOR PTSD

Labor, Public Employment and Retirement and the Assembly Committee on Insurance no later than January 1, 2025.¹⁷⁰

- A report on the effectiveness of the PTSD presumption. The report shall review data from PTSD injuries for which compensation is claimed under the Labor Code Section 3212.15 from January 1, 2020, through December 31, 2025. The report needs to be provided to the Senate Committee on Labor, Public Employment and Retirement and the Assembly Committee on Insurance no later than January 1, 2027.

Status: The COEHs at UC Irvine, UC Los Angeles, and UC Berkeley will submit a proposal to collaborate on and conduct the study for commissioners' consideration at the December 11, 2025 public meeting.

¹⁷⁰ Since the contractor has not been identified at this time, it is not feasible for this study to have been completed by January 1, 2025.

SPECIAL REPORT: JANITORIAL TIME MOTION STUDY

Background

On December 11, 2020, Assemblymember Miguel Santiago submitted a request for CHSWC to work with the University of California (UC) to study the role of janitors in the safe re-opening of California during the Covid-19 epidemic.

In [the submitted request](#), Assemblymember Santiago noted that California's public health guidelines recommend all high touch surfaces be disinfected at least daily and those with high traffic be disinfected more often. However, he also cited the 2017 CHSWC study [Excessive Workload in the Janitorial Industry](#)¹⁷¹ which states that janitors are already stretched thin because they are required to clean tens of thousands of square feet nightly. In the request, other limitations on janitors' performance were mentioned. The letter underlines the need for development of clear science-based standards for janitorial services. Assemblymember Santiago requested that CHSWC partner with a research team led by the following UC departments: the UC San Francisco Department of Medicine's Division of Occupational and Environmental Medicine, the UC Ergonomics Research and Graduate Training Program, the UC Berkeley School of Public Health's Division of Environmental Health Sciences, and the UC Berkeley School of Public Health's Labor and Occupational Health Program.¹⁷²

At the March 2021 CHSWC virtual meeting, the University of California principal research staff and advisors presented [a proposal](#) for discussion to the assembled commissioners.¹⁷³ The presentation showed that in the U.S. the occupation of janitors and cleaners ranked third in the number of nonfatal injuries and illnesses with days away from work, with 35,260 cases reported in 2018,¹⁷⁴ and that janitors and cleaners are exposed to high physical demands that increase the risk of musculoskeletal and cardiovascular conditions. Ergonomic workload, measured by task frequencies, posture risk assessment tools and perceived exertion scores, have also been described as positively associated with injury occurrence. CHSWC subsequently contracted with the UC to examine the cleaning productivity standards in the janitorial services industry, as well as the working conditions and productivity expectations of janitorial employees both during and after the COVID-19 pandemic.¹⁷⁵

Project Purpose and Approach

The overall purpose of this project was to determine safe and effective workloads for California janitors that are specific to square footage, cleaning tasks, and venue. A statewide survey was used to assess current working conditions (prevention measures, productivity requirements, etc.) and workers' knowledge of Centers for Disease Control and Prevention (CDC) recommendations for cleaning and disinfecting during the COVID-19 pandemic. Focus groups and key informant interviews solicited feedback on productivity guidelines and adjustments to contracts. A detailed time motion study and ergonomic analysis was

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‡Not affiliated with CHSWC as of September 9, 2024.

¹⁷¹ https://www.dir.ca.gov/chswc/Reports/2017/Janitor_Report_LOHP_3-10-17.pdf.

¹⁷² <https://www.dir.ca.gov/chswc/Meetings/2021/SantiagoLetter.pdf>.

¹⁷³ <https://www.dir.ca.gov/chswc/Meetings/2021/JanitorTimeMotionPropPrezo.pdf>.

¹⁷⁴ <https://www.dir.ca.gov/chswc/Meetings/2021/JanitorTimeMotion.pdf>.

¹⁷⁵ Ibid. <https://www.dir.ca.gov/chswc/Meetings/2021/JanitorTimeMotion.pdf>.

SPECIAL REPORT: JANITORIAL TIME MOTION STUDY

designed to provide physical exposure measurements and time on-task information while assessing for risk of musculoskeletal disorders.

Project Goals

The primary project aims/goals of the study were to:

- 1) Assess the knowledge and implementation of worksite CDC Cleaning & Disinfection recommendations among janitors.
- 2) Determine the types of COVID-19 prevention measures implemented at janitorial workplaces, including: engineering controls (i.e., ventilation), administrative controls (e.g., symptom screening, six foot separation markings), and personal protective equipment (e.g., provision and use of masks/gloves/hand sanitizer).
- 3) Describe the relationship between janitor workload, work climate, prevention measures, organizational policies, and health (mental and physical) while working during the COVID-19 pandemic.
- 4) Describe janitor's experiences with the COVID-19 modified tasks, work culture, and impact on physical and mental health; solicit feedback on productivity guidelines based on findings from the online survey.
- 5) Describe the experience of contractors and building owners/managers in adjusting contracts to ensure adequate staffing and providing janitors with the time, training, and tools needed to fulfill the cleaning standards requirements.
- 6) Quantify biomechanical exposures and risk of injury while performing various tasks at different venues.
- 7) Quantify the time required to clean and disinfect different types of spaces, according to CDC recommendations, to develop safe production rates for janitorial work by venue type; determine reasonable production rates based on tasks per square foot (density) and task duration (rate) by venue.

Methods

This project utilized a mixed methods approach that incorporates qualitative and quantitative data from janitors in the Northern California region.

1) Online Survey

An online survey was sent to over 30,000 janitors statewide to assess workers' experiences with COVID-19 prevention measures at their worksites. This survey was distributed by the Service Employees International Union (SEIU) United Service Workers West (SEIU-USWW) to their members, by the Maintenance Cooperation Trust Fund to non-union workers, and by the Building Skills Partnership and others who were interested and able to promote this effort with janitors. The researchers expected approximately 2,000 responses.

- Questions included inquiries into the impact of COVID-19, exposures, and physical and mental health aspects, such as:
 - The knowledge of worksite CDC Cleaning & Disinfection Recommendations among janitors.
 - The types of COVID-19 prevention measures implemented at janitorial workplaces.
 - The relationship between janitor workload, work climate, prevention measures, organizational policies and health (mental and physical) while working during the COVID-19 pandemic.

SPECIAL REPORT: JANITORIAL TIME MOTION STUDY

2) Qualitative Study

Methods included one focus group and six key informant interviews with workers (estimated eight to ten workers in the focus group plus six interviews = 16 worker participants) and four to five interviews with employer representatives.

- Questions focused on work changes since COVID-19, changes in productivity requirements, how productivity requirements were handled, and management challenges. Topics included:
 - Time, training, and support needed to accomplish tasks,
 - Impact of the new protocols on the physical and mental health of janitors,
 - Staffing or scheduling impact,
 - COVID-19 prevention measures,
 - Challenges workers have faced in implementing protocols or prevention strategies (including interactions with building occupants or others).

3) Quantitative Job Analysis & Time Motion Study

The quantitative time and motion study determined the task durations and frequency, magnitudes of physical exposures and the physiological workload for cleaning and disinfecting over typical eight-hour shifts. This psychophysical study involved observations of workers carrying out their tasks at a pace that they can sustain for the duration of their shifts. Workers were videotaped, but very few agreed to wear biomechanical and physiological measurement tools. Production rates were compared and contrasted.

- Questions included:
 - What are the tasks, durations, and rates per venue, location, and area?
 - What are the durations, frequency and magnitudes of biomechanical exposures and risk for musculoskeletal disorders (MSDs)?
 - What is the physiological workload and risk for cardiovascular strain?
 - How does the actual work rate compare to the International Sanitary Supply Association (ISSA) production rates and COVID-19 production rates?

September 27, 2024 Update

At the September 27, 2024 CHSWC public meeting, Carissa Harris-Adamson, Ph.D. and principal investigator (P.I.) on the study, gave an update on the UCSF study. She noted that there are 278,000 janitors in California, with a high prevalence for pain and injuries (191.6 per 10,000 FTE workers). The objective of the study at this stage was to compare ISSA measures with the actual time spent at four venues by space and task. The venues were a mall, an airport, an event/convention space, and an office. The experiment/examination relied primarily on videotaped observations, as the intended wearable devices were largely refused. The video tape analysis used a detailed Multi-Video Task Analysis (MVTA) tool.

Dr. Harris-Adamson discussed the preliminary results of the experiment. In general, the ISSA measures varied with actual time spent on certain specific activities, at times underestimating and at other times overestimating times, with unclear evidence of compensation when inadequate time was provided for some tasks over others. In addition, some tasks, spaces and tools used by janitors were not described by the ISSA measures.

The results of the experiment showed large discrepancies between ISSA times on tasks, particularly for disinfecting, wiping, walking, and vacuuming tasks. Workers were found to spend less time cleaning bathrooms and removing trash, but times varied based on usage/building capacity. The allocation of janitorial work was found to need potential revision in order to incorporate building capacity as well as tasks

SPECIAL REPORT: JANITORIAL TIME MOTION STUDY

currently ignored, such as restocking supplies. The project team next examined a workload calculator to refine overall measures and discrepancies reviewed and discovered during analysis.

February 2025 Update

At the February CHSWC public meeting, Carissa Harris-Adamson, Ph.D., presented [updated findings of the study](#) to the Commission.¹⁷⁶ The presentation restated the goals of the study to conduct a comprehensive overview of the workload, psychosocial stress, and work climate that contribute to a high prevalence of negative health outcomes among California janitors. It went over the methodologies used and presented preliminary findings. After the meeting, the commissioners and members of the public reviewed the presentation and submitted written questions to the research team for clarification.

April 2025 Update

At the April 2025 public meeting, Carissa Harris-Adamson, Ph.D., provided responses to the written questions and comments from both the commissioners and the public submitted following the previous meeting.¹⁷⁷

May 2025 Update

At the May 2025 public meeting, the commissioners discussed and directed the research team to include the responses to the questions as an appendix or addendum in the final report when posted on the CHSWC website.

June 2025 Update and Final Report Findings

The final report was submitted by the research team to CHSWC and was posted on the CHSWC website. The report found a high prevalence of adverse health outcomes among janitors. Janitors reported high physical workloads across numerous tasks. Differences in the prevalence of adverse health outcomes by sex and age were minimal, and union status and job tenure were associated with differences in the prevalence of adverse health outcomes.

In addition, most janitorial tasks evaluated using direct measurements and validated risk assessment tools indicated high ergonomic hazards and musculoskeletal disorders (MSD) risk. High job strain increased the prevalence of adverse health outcomes, particularly the prevalence of anxiety or depression, and industry-based time allocations often differed substantially from the actual time required to clean a space.

The report includes recommendations for California legislators, including consideration of a formal California regulatory standard, as well as facilitation of a collaborative approach that includes janitors, supervisors, management, company owners, labor representatives, and scientists to target intervention efforts that mitigate ergonomic hazards.

The [full California Janitor Workload Study report](#), including an appendix that responds to comments from the public and CHSWC commissioners, is posted online.¹⁷⁸

Status: Completed.

¹⁷⁶ <https://www.dir.ca.gov/chswc/Meetings/2025/02-28-2025-CAJanitorWorkloadStudy.pdf>.

¹⁷⁷ <https://www.dir.ca.gov/chswc/reports/2025/04-16-25-RTC-Janitorial-Study.pdf>; <https://www.dir.ca.gov/chswc/reports/2025/04-16-25-Public-Comments-Received.pdf>.

¹⁷⁸ <https://www.dir.ca.gov/chswc/Reports/2025/Janitor-Workload-Study-Report.pdf>.

SPECIAL REPORT: JANITORIAL TIME MOTION STUDY

For further information...

[California Janitor Workload Study](https://www.dir.ca.gov/chswc/Reports/2025/Janitor-Workload-Study-Report.pdf), Carisa Harris-Adamson, Melissa Afterman, Alan Barr, et al., June 2025. <https://www.dir.ca.gov/chswc/Reports/2025/Janitor-Workload-Study-Report.pdf>

Presentation, “The California Janitor Workload Study, Using Time Motion Methods to Compare Actual Time Spent on Tasks with Industry Recommended Time Allocations,” September 2024. <https://www.dir.ca.gov/chswc/Meetings/2024/09-27-2024-CAJanitorWorkloadStudy.pdf>

Status update presentation, “The California Janitor Workload Study: The impact of precarious work and psychosocial stress on physical and mental health of California janitors,” July 2023. https://www.dir.ca.gov/chswc/Meetings/2023/CAJanitorWorkloadStudy_CHSWC-230714.pdf

Status update presentation, “Cleaning and disinfection during the COVID-19 pandemic: Determining safe and effective workloads for California Janitors,” UCSF, October 2022. https://www.dir.ca.gov/chswc/Meetings/2022/COVID19JanitorTimeMotionStudy_Update_October2022.pdf

Initial proposal: “Safe cleaning and disinfection during the COVID-19 pandemic: The role of Janitors in the safe re-opening of California,” undated, University of California letterhead, posted in March 2021. https://www.dir.ca.gov/chswc/Meetings/meeting_index.html and <https://www.dir.ca.gov/chswc/Meetings/2021/JanitorTimeMotion.pdf>

Presentation of Time & Motion Study with Human Factors Framework – Janitors, March 4, 2021. <https://www.dir.ca.gov/chswc/Meetings/2021/JanitorTimeMotionPropPrezo.pdf>

Presentation of Time & Motion Study “Cleaning and disinfection during the COVID-19 pandemic: Determining safe and effective workloads for California Janitors” December 9, 2021. <https://www.dir.ca.gov/chswc/Meetings/2021/COVID19-Janitor-Time-Motion-Study-Update12-2021.pdf>

See also minutes of March 4, 2021 meeting starting on page 5 at https://www.dir.ca.gov/chswc/Meetings/2021/Minutes_03-04-21.pdf

Minutes of December 9, 2021 meeting starting on page 13 at <https://www.dir.ca.gov/chswc/Meetings/2021/Minutes-12-09-21.pdf>

SPECIAL REPORT: IDENTIFYING, CHARACTERIZING AND MITIGATING CANCER AND OTHER OCCUPATIONAL HEALTH RISKS AMONG MECHANICS AND CLEANERS OF FIREFIGHTING VEHICLES

Background and Purpose

Under existing law, occupational safety and health regulations protect employees from harmful exposures to dusts, fumes, mists, vapors, and gases, including internal combustion engine exhaust. The regulations cover the handling of hazardous substances, and they set exposure limits for specified and known airborne contaminants and carcinogens. Many fire department employees handle equipment and safety gear that has been exposed to and contaminated with toxic materials. These employees—fire department mechanics who clean, maintain and repair vehicles such as fire trucks or helicopters and the equipment used by firefighters to battle active fires—have limited protective gear and no protocols to ensure that equipment or vehicles they are servicing have gone through a decontamination process prior to their work on the equipment.¹⁷⁹

Assembly Bill 1400, sponsored by former California Assembly Member Sydney Kamlager-Dove, added section 77.7 to the Labor Code and required the Commission on Health and Safety and Workers' Compensation (CHSWC), in partnership with the County of Los Angeles and relevant labor organizations, to submit a study to the California Legislature, the Occupational Safety and Health Standards Board (OSHSB), and the Los Angeles County Board of Supervisors on or before January 1, 2021 on cancer and other health risks associated with exposure to toxic materials among fire mechanics who repair and clean firefighting vehicles.

In May 2020, CHSWC contracted with ToxStrategies, a multidisciplinary scientific consulting firm, to conduct this study. The ToxStrategies study was not accepted by CHSWC, and a [new request for proposal](#) (RFP) was issued on September 12, 2024,¹⁸⁰ to solicit competitive proposals from experienced and qualified contractors to conduct a study titled: *Identifying, Characterizing, and Mitigating Cancer and Other Occupational Health Risks Among Mechanics and Cleaners of Firefighting Vehicles*. The 2024 RFP was later withdrawn because of several flaws.

Subsequently, CHSWC staff redrafted the scope of work for a new study in coordination with DIR's Division of Occupational Safety and Health (DOSH) and requested a proposal from Dr. Kevin Riley, director at the University of California, Los Angeles (UCLA) Labor Occupational Safety and Health Program (LOSH) based on the new scope of work. UCLA's LOSH proposal was approved at the September 30, 2025 CHSWC meeting.

Objectives

CHSWC will conduct another study to assess the risk of exposure to carcinogenic and toxic materials and recommend protocols to mitigate effects of this exposure to mechanics and cleaners of firefighting vehicles.

Project Team

CHSWC Staff

Melissa Flores
CHSWC Executive Officer

Irina Nemirovsky
Research Data Specialist III

Nabeela Khan
Research Data Specialist II

**Full project team to be determined once the new study begins.*

¹⁷⁹ https://leginfo.ca.gov/faces/billAnalysisClient.xhtml?bill_id=201920200AB1400.

¹⁸⁰ <https://caleprocure.ca.gov/event/7350/S23CHSWC01>.

SPECIAL REPORT: IDENTIFYING, CHARACTERIZING AND MITIGATING CANCER AND OTHER
OCCUPATIONAL HEALTH RISKS AMONG MECHANICS AND CLEANERS OF FIREFIGHTING VEHICLES

Status: In Progress

CHSWC is in the process of contracting with UCLA LOSH to proceed with a new study titled *Assessment of Risk of Carcinogens Exposure and Incidents of Occupational Cancer Among Mechanics and Cleaners of Firefighting Vehicles*. CHSWC expects this study to be completed in the first half of 2027.

SPECIAL REPORT: EMPLOYER USE OF PREPAID CARD ACCOUNT PROGRAMS FOR WORKERS' COMPENSATION DISABILITY INDEMNITY PAYMENTS IN CALIFORNIA: CALIFORNIA SENATE BILL 880 (2018) AND CALIFORNIA LABOR CODE §4651

Background

California Labor Code section 4651 was originally amended by Senate Bill (SB) 880 in 2018 to allow the use of a prepaid card for a limited 5-year pilot period.¹⁸¹ Authored by Senator Pan, SB 880 also required a report by the Commission on Health and Safety and Workers' Compensation (CHSWC) with specified data on the use of a prepaid card.

Beginning in 2019, SB 880 went into effect as California Labor Code section 4651 and permitted an employer pilot program to deposit workers' compensation disability indemnity payments in a prepaid card account for use by an injured worker.

California Labor Code section 4651 directs CHSWC to report on payments made to prepaid card accounts and requires employers to provide CHSWC aggregated data on their prepaid account programs upon request. The data to be provided include the number of employees who elect to receive indemnity payments in a prepaid card account, the cash value of the disability payments sent to the prepaid card accounts, and the number of employees who change the method of payment from a prepaid card account to either a written instrument or electronic payment.

Project Purpose and Approach

CHSWC initiated research following the requirements in Labor Code section 4651. California Labor Code section 4651(a)(3)(D) directed CHSWC to collect data on prepaid cards, including:

- The number of employees who elected to receive their disability indemnity payments in a prepaid card account.
- The cash value of the disability benefits sent to prepaid card accounts.
- The number of employees who opted to change the method of payment from a prepaid card account to either a written instrument or electronic deposit.

To collect data and to prepare a report, CHSWC contacted insurers, self-insured employers and third party administrators (TPAs) for aggregated data on their prepaid account programs, depending on whether they administered a prepaid account program.

Project Team

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¹⁸¹ A review of the [bill analysis of SB 880](https://leginfo.ca.gov/faces/billAnalysisClient.xhtml?bill_id=201720180SB880) from 2018 demonstrates that State Fund/SCIF was originally the only named entity in the proposed legislation on prepaid cards; other entities were later added in amendments and to the final bill signed by the Governor; https://leginfo.ca.gov/faces/billAnalysisClient.xhtml?bill_id=201720180SB880.

**SPECIAL REPORT: EMPLOYER USE OF PREPAID CARD ACCOUNT PROGRAMS FOR WORKERS'
COMPENSATION DISABILITY INDEMNITY PAYMENTS IN CALIFORNIA: CALIFORNIA SENATE BILL
880 (2018) AND CALIFORNIA LABOR CODE §4651**

Project Goals

The primary project aims/goals of the study were to:

1. Collect data on prepaid account programs, based on California Labor Code section 4651(a)(3)(D) enumerated questions.
2. Aggregate the data received from the identified prepaid account programs.
3. Prepare a report of findings for Commission review and approval.

4. Provide the report to the legislature, in accordance with California Labor Code section 4651(a)(3)(D).

Methods

Researchers used a modified survey approach of directly contacting payers with specific questions from California Labor Code section 4651(a)(3)(D). “Anticipating that respondents would answer that they do not offer prepaid cards, researchers also asked which indemnity payment methods were offered, assuming that mailed payment checks would be a common answer.” Lastly, the project attempted to understand why prepaid card accounts were not adopted by most payers, although this specific inquiry was not within the scope of the project and the responses received proved to be of questionable reliability due to the survey collecting categorical responses rather than using open-ended questions.

CHSWC did not identify any one informed source or unique database that could provide the required data. Data collection therefore required obtaining a list of informants who represent indemnity payers, ideally with telephone numbers and email addresses for direct contact.

CHSWC determined the universe of indemnity payers to include insurers, TPAs, and self-insured employers. Since CHSWC did not maintain a contact list of indemnity payers and did not maintain a list of representative staff who could address the project questions, CHSWC first contacted the statistical agent of the California Department of Insurance, the Workers’ Compensation Insurance Rating Bureau (WCIRB), for input and assistance with data gathering. WCIRB was able to assist CHSWC by providing contact information for insurers who report mandated data to WCIRB.

CHSWC and WCIRB discussed research approaches and decided to contact the top 30 insurers in California with a goal of at least 80% of market share by paid premium.

CHSWC also contacted the Department of Industrial Relations’ Office of Self-Insurance Plans (OSIP), which regulates and oversees the self-insurers segment of the market in California. Self-insurers often use TPAs to administer claims, and OSIP also regulates those entities. OSIP provided contact information of both self-insured employers and of TPAs who perform payment and administrative claims services for many self-insured employers.

CHSWC and OSIP discussed research approaches and decided to contact the larger self-insureds and TPAs to reach a goal of at least 80 percent of market share by paid indemnity, resulting in approximately 20 self-Insureds and TPAs.

Data collection was initially conducted by phone, and if unsuccessful, by email. Phone contact ensured that CHSWC was contacting the appropriate staff person at a company and allowed for internal referrals to an appropriate staff person. A follow-up email provided an attached letter on CHSWC letterhead with the Labor Code statutory references cited regarding the authority to make the inquiry, the specific statutory questions being asked, additional questions about alternative payment options besides prepaid cards, and any reasons for non-adoption of a prepaid card, if applicable.

SPECIAL REPORT: EMPLOYER USE OF PREPAID CARD ACCOUNT PROGRAMS FOR WORKERS' COMPENSATION DISABILITY INDEMNITY PAYMENTS IN CALIFORNIA: CALIFORNIA SENATE BILL 880 (2018) AND CALIFORNIA LABOR CODE §4651

Results and Findings

CHSWC was successful in contacting and receiving responses from 30 insurers representing 88% of the market share by paid premium.

CHSWC received responses from all 20 of the larger self-insureds and TPAs identified, representing 83% of market share by paid indemnity. CHSWC determined that contacting additional self-insureds and TPAs beyond the initial 20 payers would better represent the diversity or sub-categories in the industry, reaching an overall 94% market share of paid indemnity.

The information collected yielded a definitive non-use of prepaid cards by indemnity payers, with one exception, the State Compensation Insurance Fund (State Fund). A total of 115 insurers, self-insured employers, and TPAs provided responses. All 115 payer respondents pay indemnity at least by mailed check. Of the 115 who pay by check, 59 payers pay only by check, and 56 respondents also pay, or offer to pay, by EFT/ACH/direct deposit. A small number, eight (8), also additionally offer payment by an electronic method such as Zelle, PayPal or Venmo; two (2) payers also use a third-party payment vendor among their payment offerings.

The breakdown of results by payers contacted include:

- 30 insurers, 88% market share of premium in California, were contacted and responded that they do not offer a prepaid card.
- 32 TPAs and other self-insurers, over 90% market share of paid indemnity in California, were contacted and responded that they do not offer a prepaid card.
 - 47 self-insurers (included in the over 90% market share), the majority of which were Joint Powers Authorities (JPAs) and other public employer special districts, cities and counties, as well as private sector companies, responded that they do not offer a prepaid card.
 - Six (6) additional self-insured employers (included in the over 90% market share) reported using a TPA and also responded they do not offer a prepaid card.
- One (1) entity, State Compensation Insurance Fund (State Fund), offers a prepaid card.

Since only one payer was identified as offering a prepaid card, the aggregated data apply to just one company. Data collected from State Fund include:

- Since the program's inception in July 2020, 10,348 employees elected to receive their disability indemnity payments in a prepaid card account.
- From July 2020 through December 31, 2024, the cash value of the disability benefits sent to prepaid card accounts totals \$214,168,506.
- Since the program's inception in July 2020, 325 (3.14%) employees have opted out of the debit card in favor of receiving paper checks.

Conclusion

- Through direct contact with insurers, TPAs and self-insured employers in California, CHSWC found that there is very limited use of the prepaid card pilot program, identifying just one payer, State Fund.
- According to data provided by State Fund, only 3.14% of users of prepaid cards opted out of the prepaid card in favor of checks, and over 96% appear to be satisfied with the prepaid card method.
- Since a prepaid card was never a required payment option, payers are free to continue to make payments using their traditional business operations' methods, typically by mailed check but also often by direct deposit of funds and bank transfers such as ACH/EFT.

SPECIAL REPORT: EMPLOYER USE OF PREPAID CARD ACCOUNT PROGRAMS FOR WORKERS' COMPENSATION DISABILITY INDEMNITY PAYMENTS IN CALIFORNIA: CALIFORNIA SENATE BILL 880 (2018) AND CALIFORNIA LABOR CODE §4651

- The future of a prepaid card account program will continue to be guided by legislative amendments making a prepaid card permanent, by extensions of the pilot timeframe, or by the current sunset date of January 1, 2027.

Status: A draft report posted for the public on the September 30, 2025 meeting page, with a vote pending in December 2025 for posting the draft report for 30-day public comment and final posting after 30 days, pending review of any comments received.

For further information...

Draft Report on Employer Use of Prepaid Card Account Programs for Worker's Compensation Disability Indemnity Payments in California: California Senate Bill 880 (2018) and California Labor Code §4651, September 2025. <https://www.dir.ca.gov/chswc/Reports/2025/Prepaid-2025.pdf>

SPECIAL REPORT: LABOR ENFORCEMENT TASK FORCE

Introduction

The mission of the Labor Enforcement Task Force (LETF) is to combat the underground economy in order to ensure safe working conditions and proper payment of wages for workers, create an environment in which legitimate businesses can thrive, and support the collection of all California taxes, fees, and penalties due from employers. Task force members include:

- Labor & Workforce Development Agency (LWDA)
- Department of Industrial Relations (DIR), including the Division of Labor Standards Enforcement (DLSE) and the Division of Occupational Safety and Health (Cal/OSHA)
- Employment Development Department (EDD)
- Contractors State License Board (CSLB)
- California Department of Insurance (CDI)
- California Department of Tax and Fee Administration (CDTFA)
- California Bureau of Automotive Repair (BAR)
- California Department of Alcoholic Beverage Control (ABC)
- State Attorney General and district attorneys throughout California

Established in January 2012, LETF is administered by DIR. DIR developed executive and strategic operations teams to operate, evaluate, and monitor the program. This report describes activities conducted in Fiscal Year (FY) 2023-2024.

Targeting Methods: Value Added by LETF

LETF is tasked with ensuring efficacy, resource maximization, and the avoidance of overlap in agency enforcement. Targeted inspections are the most effective approach for meeting these central objectives. To accurately target non-compliant businesses, DIR continually refines its methods, which are both data driven (proactive) and complaint driven (responsive).

LETF teams comprise staff from the member agencies listed above, customized for inspections in each industry. On its own, each agency does not have access to the full range of data and other information that the LETF teams can access collectively.

- DLSE uses wage claim data, Bureau of Field Enforcement (BOFE) data, and has contacts with local district attorneys and community-based organizations.
- Cal/OSHA uses contacts with the local Agricultural Commissioner's office, the local US Department of Agriculture's office, and community-based organizations.
- EDD uses complaint data and their Automated Collection Enhancement System (ACES) that includes multiple databases, including tax and DMV records. Their data on taxpayers are protected by federal privacy laws.
- CSLB uses complaint data, licensing data, and contacts with industry partners.

In addition, LETF receives complaints and tips submitted directly by the public to identify potential targets. DIR has issued news releases and targeted email notifications in order to proactively solicit complaints and tips. This [news release](#) is an example of a proactive outreach effort to solicit public engagement and

SPECIAL REPORT: LABOR ENFORCEMENT TASK FORCE

submission of complaints for public works projects. The public may report through the LETF hotline, the LETF online form, or the LETF email address, as provided online on the [Labor Enforcement Task Force webpage](#).

LETF targeting protocol involves a multiphase process that all inspectors follow. Teams identify potential targets and conduct research to develop a business profile. Lists of potential targets are sent to EDD for screening to learn if the employer is registered with EDD and to determine how many employees the employer has reported. The target lists are screened through the Workers' Compensation Insurance Rating Bureau (WCIRB) to determine if the employer is adequately insured. In addition, LETF screens business names using other agency databases to match on a variety of fields that may indicate areas of noncompliance. The results are added to the business profile and used to prioritize and prepare inspectors for joint enforcement action.

Table 37: LETF Inspection Results in FY 2023-2024

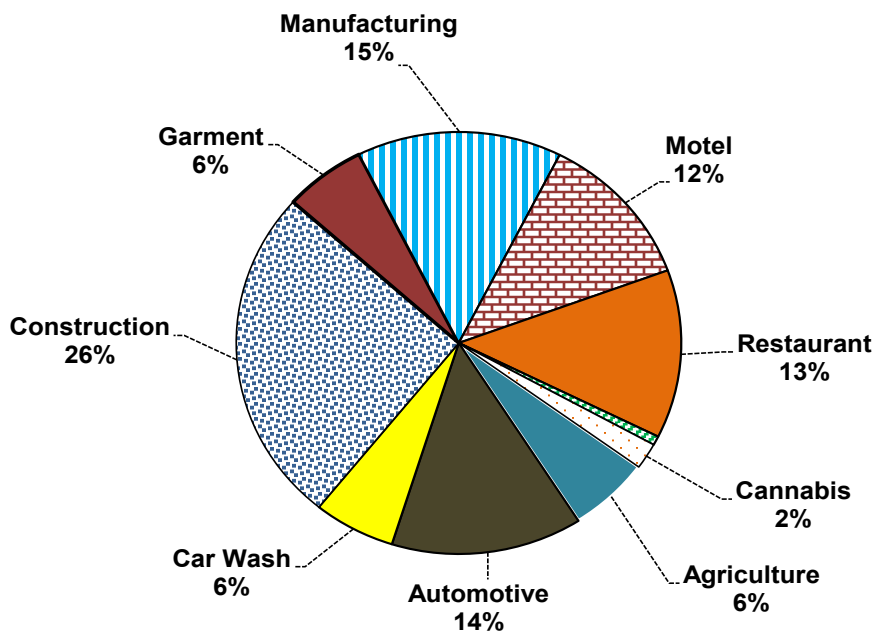
Total number of businesses inspected	695
Total amount of initial assessments*	\$2,422,026

*The total amount assessed by Cal/OSHA, DLSE, and CSLB at the time of the initial inspection; the amount is subject to change.

In FY 2023-2024, LETF inspected 695 businesses. Enforcement resulted in initial assessments exceeding \$2 million.

LETF uses a targeted joint enforcement approach to leverage interagency authority and maximize resource use. LETF has demonstrated high and steadily increasing effectiveness in targeting noncompliant businesses for inspection since the program began (see Figure 157). The program focuses on specific industries in which underground economy activity is most prevalent, including the agriculture, automotive repair, car wash, construction, garment, manufacturing, motel, and restaurant industries. The scope of enforcement efforts in these industries is determined in part by their contribution to California's workforce. Enforcement strategy is guided by several factors, such as geographical, seasonal, and other considerations. The composition of inspections by industry type for FY 2023-2024 is shown in Figure 157.

Figure 157: Industry Composition of Business Inspected by LETF in FY 2023-2024



SPECIAL REPORT: LABOR ENFORCEMENT TASK FORCE

Joint Enforcement Activity: Value Added by the LETF

Working together with combined authority, LETF teams have access to a fuller range of enforcement tools than does each agency on its own:

- DLSE has the authority under Labor Code section 90 to access all places of employment. Other LETF partners do not have this full authority. DLSE may also issue stop orders requiring employers to cease illegal operations immediately.
- Cal/OSHA has the authority to issue citations for serious, willful, and repeat (SWR) violations. Cal/OSHA may also issue an order prohibiting use where a condition or practice exists that creates an imminent hazard to the safety and health of employees.
- EDD has authority under Section 1092 of the California Unemployment Insurance Code to require employers to provide records for inspection at any time during the employing unit's business hours.
- CSLB is able to suspend contractors' licenses until penalties issued by DLSE and state payroll taxes, penalties, and interest due to EDD are paid or formal arrangements have been made to pay off the liability due in installments. Penalties are far more likely to be paid promptly when the license is suspended until payment is made.

Joint enforcement has two key comparative advantages for the business community. First, because LETF inspection teams comprise members from multiple agencies, one LETF inspection has less impact on business operations than multiple separate inspections by the individual agencies. Second, when several agencies working together find egregious employer misconduct, the ensuing publicity has a deterrent effect that is much more powerful than that of a single agency's enforcement. This [news release](#) has details of the Labor Commissioner citing a construction company more than \$7.2 Million for wage theft violations as a result of an LETF inspection.

LETF Leads and Referrals

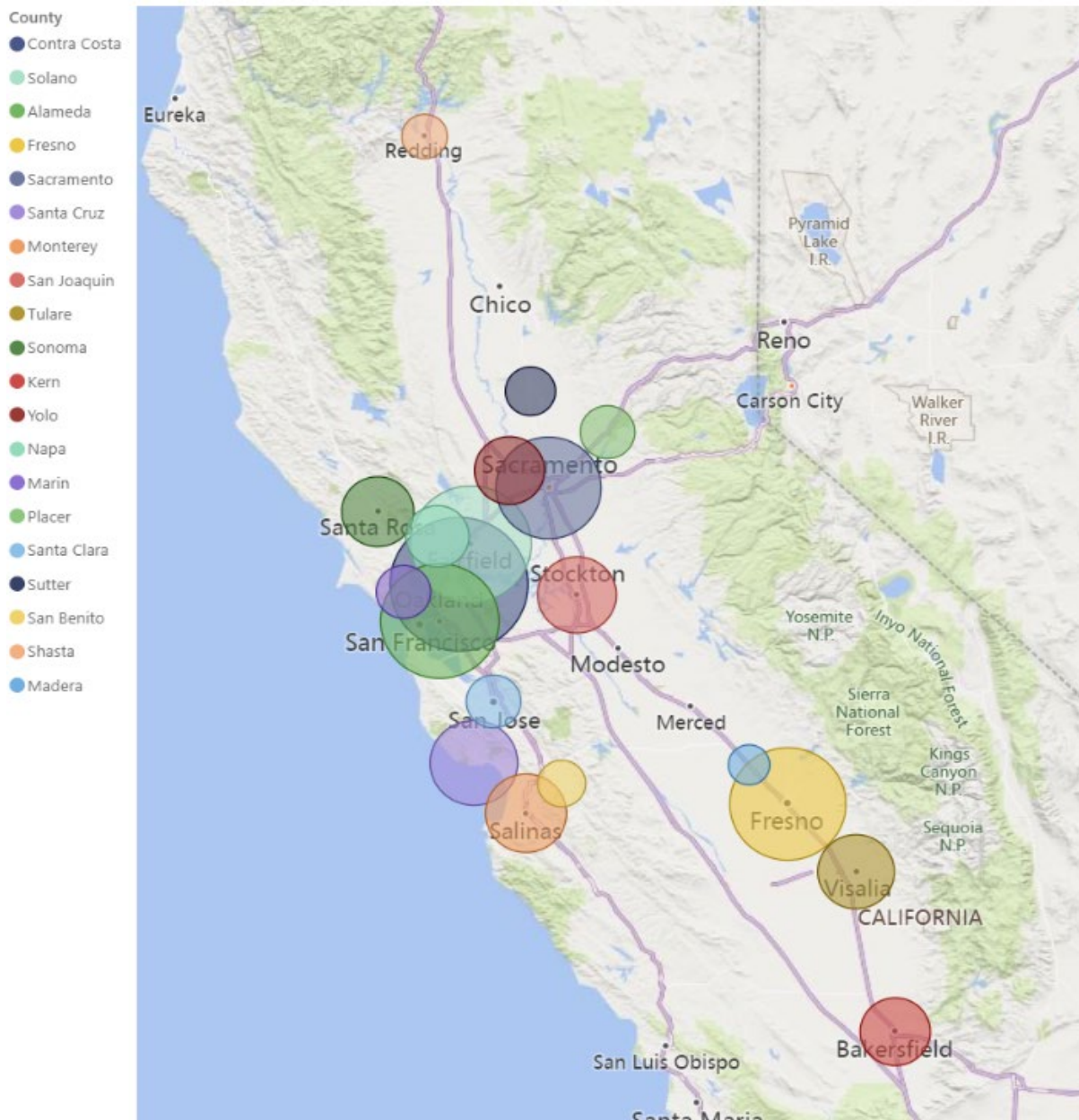
The public reports underground economy activity to LETF using the hotline (855-297-5322), email (letf@dir.ca.gov), and an [online form](#). Following LETF's protocol, staff review and refer leads to LETF inspectors, other task forces, or partner agencies as appropriate, based on the nature of the reported violations. In FY 2023-2024, 3,281 leads received from the public were referred to LETF teams or other enforcement programs.

SPECIAL REPORT: LABOR ENFORCEMENT TASK FORCE

Monitoring Performance Results

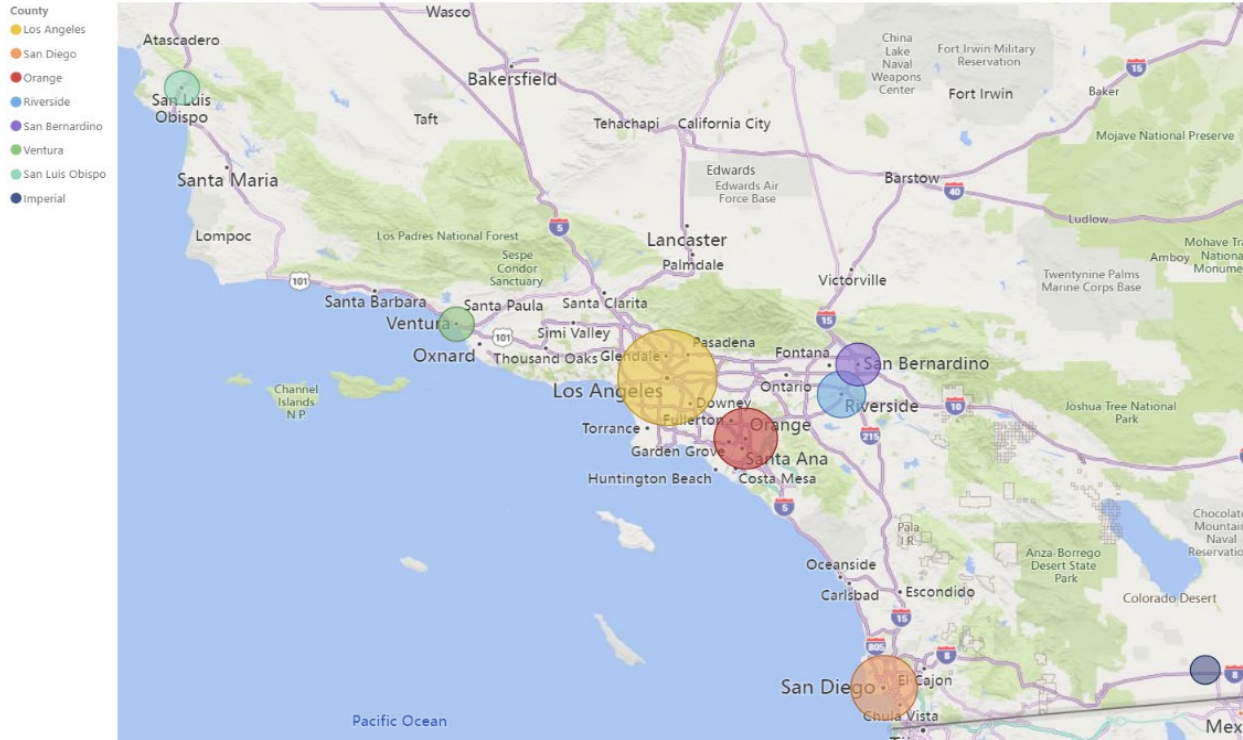
LETF uses spatial analysis and activity mapping to monitor trends in team performance. The enclosed maps (see Figures 158 and 159) document the wide-ranging field presence in California.

Figure 158: Counties Inspected in Northern California for Fiscal Year 2023-2024



SPECIAL REPORT: LABOR ENFORCEMENT TASK FORCE

Figure 159: Counties Inspected in Southern California for Fiscal Year 2023-2024



Education and Outreach

LETF uses multiple education and outreach methods to ensure that employers know their responsibilities and workers know their rights. LETF has designed and produced effective educational materials for workers and employers in coordination with other agencies. LETF produced the widely referenced employee handbook “All Workers Have Rights in California”, which is available in English, Spanish, Chinese, Korean, and Vietnamese, and covers topics such as minimum wages and overtime, rest and meal breaks, workplace safety and health, and benefits for those injured or unemployed. LETF has also produced fact sheets to help employers understand and follow labor, licensing, and payroll tax laws. The fact sheets have been designed for employers in specific industries, including agriculture, automotive, construction, garment, landscaping, and restaurants. Printable and mobile versions of these materials for workers and employers have been recently updated to reflect the minimum wage increases in 2023 and other important labor law updates. The mobile versions are readable on smartphones and other mobile devices. All the LETF educational materials are available on the LETF website under [Information for Workers and Employers](#).

The [LETF website](#) is available in English and Spanish. DIR publicizes LETF's efforts and notable cases via speaking engagements, press releases, website features, and email alerts. The public can subscribe to get LETF email alerts at [Get Email Notices](#).

LETF representatives participate regularly in the Labor Commissioner's Office Prevailing Wage Seminars. These educational seminars provide an overview of prevailing wage and apprenticeship standards compliance. LETF representatives provide updates of joint enforcement efforts focused on public works projects. This [webpage](#) shows details of upcoming seminars.

SPECIAL REPORT: LABOR ENFORCEMENT TASK FORCE

Partnerships

To tackle the multifaceted nature of the underground economy, LETF works in partnership with other agency enforcement programs to share information and draw upon each program's respective strengths.

To help combat California's underground economy and protect workers' rights, DIR and EDD have joined efforts through their respective enforcement programs, namely, LETF and JESF, to coordinate activity and share effective strategies.

The LETF/JESF Collaborative Enforcement Partnership merges best practices based on a wide range of experiences and innovation. The joint effort draws upon both programs' respective strengths through training, refinement of targeting methods, and strategic planning. While LETF and JESF remain under the guidance of their respective agencies, enforcement coordination has allowed a streamlining of administration to leverage resources and mitigate overlap. The results include broader statewide operations, stronger communications, and knowledgeable cross-trained staff.

DIR has hosted four annual LETF/JESF joint training sessions, where investigators and supervisors from around the state come together to share best practices on joint enforcement operations. Additionally, DIR has hosted a series of webinar training sessions for LETF and JESF staff.

Strategic Enforcement of Public Works Projects

Pursuant to Assembly Bill 175 (Chapter 255, 2021), the sum of \$30,000,000 was appropriated from the Labor and Workforce Development Fund for support of DIR for strategic enforcement focused on construction, alteration, and repair projects, subject to the provisions of Section 1785 of the Labor Code. The \$30 million provides enhanced strategic enforcement to target employers in the construction industry working on public works projects who are noncompliant with various labor laws. LETF is leading strategic enforcement efforts for this project. LETF has provided focused leadership to develop a pro-active and reactive joint enforcement focus incorporating various strategies, including: interagency and cross divisional data sharing, on-site surveillance and reviewing of complaints submitted by stakeholders. One of the main focuses of this strategic enforcement effort is Homekey, a statewide effort to sustain and rapidly expand housing. LETF has implemented a strategic enforcement plan focused on Homekey and other publicly funded residential housing projects. These efforts promote a level playing field for contractors to bid and operate fairly on these publicly funded projects and will furthermore enhance the enforcement of labor laws to protect the health & safety and economic wellbeing of employees working on-site at the projects.

Conclusion

Going forward, LETF will continue its existing collaborations and engage in new partnerships to further the state's efforts to combat the underground economy. Using data and surveillance to effectively target investigative resources, LETF has led the state in efficient, innovative enforcement, with demonstrated success. The partner agencies are committed to detecting and stopping bad actors in support of profitable business, thriving jobs, and a prosperous economy in California.

SPECIAL REPORT: CHSWC'S HEALTH AND SAFETY PROGRAMS

In conjunction and in cooperation with the health and safety and workers' compensation community, the Commission on Health and Safety and Workers' Compensation (CHSWC) administers and participates in several major efforts to improve occupational health and safety through its various training and education programs.

Worker Occupational Safety and Health Training and Education Program (WOSHTEP)

Description

Labor Code Section 6354.7¹⁸² establishes a Workers' Occupational Safety and Health Education Fund (WOSHEF) for the purpose of establishing and maintaining a statewide worker-training program. CHSWC developed the [Worker Occupational Safety and Health Training and Education Program \(WOSHTEP\)](https://www.dir.ca.gov/chswc/woshtep.html)¹⁸³ to raise awareness and promote injury and illness prevention through training and dissemination of materials by a statewide network of providers. This program is designed to prepare workers in California to take a leadership role in health and safety programs at work.

Steps CHSWC took to implement WOSHTEP include:

- Created a labor-management advisory board that meets annually to oversee program activities and identify emergent issues.
 - The WOSHTEP Advisory Board consists of employers and workers or their union representatives who assist in guiding development of curricula and broadening partnerships.
- Conducted needs assessments with stakeholders.
 - The needs assessments proceed on an ongoing basis, as emerging issues dictate.
- Designed a core curriculum and supplemental training materials based on the results of the needs assessment.
 - The standardized 24-hour (multi-day) curriculum for a Worker Occupational Safety and Health (WOSH) Specialist course is aimed at training workers to take a leadership role in injury and illness prevention in their workplaces.
 - The training consists of six core modules and three-to-four supplemental modules (selected from a total of eight that are available). Participants who attend the full training receive a certificate of completion.
 - Training is currently conducted statewide in English and Spanish. Materials are available in English and Spanish as well as in Chinese.

Project Team

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Yajaira Ramirez Sigala

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†Acting from September 9, 2024 to March 10, 2025.

‡Not affiliated with CHSWC as of September 9, 2024.

¹⁸² https://leginfo.ca.gov/faces/codes_displaySection.xhtml?lawCode=LAB§ionNum=6354.7.

¹⁸³ <https://www.dir.ca.gov/chswc/woshtep.html>.

SPECIAL REPORT: CHSWC'S HEALTH AND SAFETY PROGRAMS

- The WOSH Specialist training program is a unique worker training program and serves as a local, state, and national model.
- The curriculum is updated on an ongoing basis as needed.
- Identified and continue to deepen relationships with three regional Resource Centers:
 - *The Labor Occupational Health Program (LOHP) at the University of California, Berkeley*
 - *The Labor Occupational Safety and Health (LOSH) Program at the University of California, Los Angeles, and*
 - *The Western Center for Agricultural Health and Safety (WCAHS) at the University of California, Davis, consisting of trainers, curriculum developers, and resource specialists in occupational safety and health.*
 - These three Northern, Southern, and Central California Resource Centers have libraries and distribution systems of occupational health and safety training materials to provide information and technical assistance to the workers' compensation community, to support trained WOSH Specialists and WOSHTEP trainers, and ensure consistent and coordinated coverage for the entire state.
- Established, and continue to support a statewide network of trainers to offer the WOSH Specialist curriculum.
 - WOSH training is taught primarily by LOHP, LOSH, and WCAHS trainers, and training-of-trainer courses have been offered to WOSH Specialist trainers to broaden the reach of the program. These trainers receive ongoing mentoring from experienced trainers from LOHP and LOSH. Due to the changes brought about by the COVID-19 pandemic, an online interactive version of the in-person training was developed in 2020.
- Established, and support a network of community educators to help WOSHTEP trainers deliver short awareness classes to vulnerable working populations.
 - Training of trainer (TOT) courses are conducted to prepare WOSH Specialists and community educators/*promotoras* to teach awareness classes on such topics as chemical hazards, hazard communication, heat illness prevention, and the best practices for reaching and educating low-wage immigrant workers. In 2025, LOHP trainers conducted two TOTs for trainers: one for a workforce development program and for domestic workers leaders of a community organization.
- Created and continue to update a [small business health and safety training resources](#) program across a range of industries, with materials adapted for use nationwide by employers and other health and safety advocates.¹⁸⁴
 - WOSHTEP developed industry-specific training for restaurant owners and managers on identifying and controlling hazards in their workplace in partnership with the State Compensation Insurance Fund (SCIF) and the California Restaurant Association (CRA). WOSHTEP also created materials and provided training for employees in the janitorial, restaurant, and dairy industries.
- Developed, disseminated, and continue to [update materials on creating and implementing an Injury and Illness Prevention Program \(IIPP\)](#) for both small and large businesses in general industry to assist with compliance and effectiveness.¹⁸⁵
 - The materials are available in multiple languages.

¹⁸⁴ <https://www.dir.ca.gov/chswc/WOSHTEP.html#3>.

¹⁸⁵ <https://www.dir.ca.gov/chswc/WOSHTEP/iipp/>.

SPECIAL REPORT: CHSWC'S HEALTH AND SAFETY PROGRAMS

- The training has also been adapted for staffing agencies to include guidance on protecting workers in dual-employer situations, as well as for the agricultural industry.
- In addition, an online version of the training was developed in 2020 to offer the training remotely to extend the reach of the program and to adapt to the changed circumstances created by the COVID-19 pandemic. This training was updated in 2024 to include an overview and resources on the Workplace Violence Prevention law and the Cal/OSHA indoor heat standard.
- Developed a [Multilingual Health and Safety Resource Guide](#) to address the need for easily accessible multilingual materials.¹⁸⁶
 - This guide is updated regularly. It includes worker training materials in over 20 languages, including factsheets, checklists, and other educational resources that are available online in the WOSHTEP section of CHSWC's website.
- Developed a [Construction Case Study Training Guide](#) for the construction industry for apprenticeship and pre-apprenticeship programs.¹⁸⁷
 - WOSHTEP also developed additional materials on health and safety topics, such as indoor and outdoor heat illness, motor vehicle safety, and emergency preparedness.
- Created and continue to host and deliver a successful Young Worker Leadership Academy (YWLA) for youth statewide to develop leadership skills and provide training on health and safety issues and their rights and responsibilities in the workplace.
 - The three-day Academy is conducted once a year with participants from throughout the state. Academy youth learn how to take a leadership role in promoting workplace health and safety in their communities during Safe Jobs for Youth Month in May. WOSHTEP staff also developed a guide for use by other states to implement similar Young Worker Leadership Academies and to encourage further collaboration and sharing.¹⁸⁸
- Developed a [guide](#) for integrating occupational health and safety with workplace wellness programs.¹⁸⁹
- Developed a day-laborer handout to serve as a concise guide to basic laws and best practices for health and safety.
 - The handout is for day-labor centers to give to employers hiring day laborers. Day laborers also benefit by learning about their rights. The handout is available in [English](#) and [Spanish](#).¹⁹⁰
- Developed two Wildfire Factsheets to accompany outreach and education activities to protect workers from hazardous air quality during wildfires and to protect workers engaged in debris cleanup operations.
 - The factsheet *Worker Protection from Wildfire Smoke* is available in [English](#) and [Spanish](#).¹⁹¹

¹⁸⁶ <https://ohp.berkeley.edu/library/multilingual-guide/>.

¹⁸⁷ <https://ohp.berkeley.edu/wp-content/uploads/olddocs/ConstructionCaseGuide.pdf>.

¹⁸⁸ <https://youngworkers.org/ywla/>.

¹⁸⁹ https://www.dir.ca.gov/chswc/WOSHTEP/Publications/WOSHTEP_TheWholeWorker.pdf.

¹⁹⁰ <https://www.dir.ca.gov/chswc/WOSHTEP/publications/HS-Day-Laborers-COVID.pdf>;
https://www.dir.ca.gov/chswc/WOSHTEP/Publications/HS-Day-Laborers-COVID_Spanish.pdf.

¹⁹¹ <https://www.dir.ca.gov/chswc/WOSHTEP/Publications/Worker-Protection-from-Wildfire-Smoke.pdf>;

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- The factsheet *Worker Protection During Cleaning and Rebuilding After a Wildfire* is also available in [English](#) and [Spanish](#).¹⁹²
- Developed three Spanish-language heat illness prevention videos to educate farmworkers about their right to water, rest, and shade during outdoor work.¹⁹³ The videos are available on the CHSWC's WOSHTEP website, Cal/OSHA Training Academy website, and the WCAHS YouTube Channel.
- Offered webinars on emerging issues or updates, including a [webinar on workplace violence](#) to prepare workers and employers for changes in the law.¹⁹⁴
- Conducted a webinar for WOSH specialists hosted by the UC Berkeley Center for Occupational and Environmental Health, titled "[What Should Employers do to Protect their Workers in Emergencies?](#)"¹⁹⁵
- Disseminated training announcements, promotions and registration information through DIR's social media channels appropriate to the demographics, target audiences, and users of social media tools, specifically LinkedIn, Instagram, Twitter (X), and Facebook.

Next Steps

Every year, CHSWC assesses fees to California workers' compensation insurance carriers pursuant to Labor Code section 6354.7 in order to fund the Workers' Occupational Safety and Health Education Fund (WOSHEF) for the next fiscal year and thereby fund WOSHTEP and its programs.

The next steps for WOSHTEP include:

- Continuing and expanding training, both in-person and online, in a variety of industries for participants in diverse occupations and work settings
- Developing, maintaining, and expanding a statewide network of trainers, and ongoing development and dissemination of materials on health and safety topics
- Continuing and expanding training for small businesses and young workers
- Broadening outreach for all aspects of the program
- Ongoing evaluation.

Status: Ongoing.

For further information...

The WOSHTEP materials are available at <http://www.dir.ca.gov/chswc/woshtep.html>

The WOSHTEP Advisory Board Annual Reports are available at <http://www.dir.ca.gov/chswc/WOSHTEP.html#1>

The IIPP resources and materials are available at <https://www.dir.ca.gov/chswc/WOSHTEP/iipp/>

Notice of upcoming WOSH Specialist and IIPP Trainings are available at https://www.dir.ca.gov/chswc/WOSHTEP/WOSHTEP_workshops.htm

<https://www.dir.ca.gov/chswc/WOSHTEP/Publications/Worker-Protection-from-Wildfire-Smoke-Spanish.pdf>.

¹⁹² <https://www.dir.ca.gov/chswc/WOSHTEP/Publications/Worker-Protection-During-Cleaning-and-Rebuilding-After-a-Wildfire.pdf>;

<https://www.dir.ca.gov/chswc/WOSHTEP/Publications/Worker-Protection-During-Cleaning-and-Rebuilding-After-a-Wildfire-Spanish.pdf>.

¹⁹³ https://www.youtube.com/watch?v=kw0F_hcWIY8; <https://www.youtube.com/watch?v=cTIXmq4GwB4>;

<https://www.youtube.com/watch?v=Tm6XmWnRTwU>.

¹⁹⁴ <https://www.coeh.berkeley.edu/24web0605>.

¹⁹⁵ <https://www.coeh.berkeley.edu/25web0806>.

School Action for Safety and Health Program

Per the mandate set forth in Labor Code section 6434, CHSWC is to assist school districts and other Local Education Agencies (LEAs) in establishing effective occupational injury and illness prevention programs (IIPPs), with a priority on high-risk schools or districts.

CHSWC established a model program for LEAs called the California School Action for Safety and Health (SASH) program, to help schools statewide improve their injury and illness prevention practices to protect school employees. The program is administered by CHSWC through an interagency agreement with the Labor Occupational Health Program at UC Berkeley and with the collaboration of the Labor Occupational Safety and Health (LOSH) Program at UCLA.

The program includes training and resources to enable schools or school districts to develop or improve their IIPPs and to make other health and safety improvements that will help protect school or school district employees from workplace injuries and illnesses. The target audience is K–12 schools and school districts at high risk of occupational injury and illness. The SASH program is also helpful as Cal/OSHA enforcement can and does cite violations of health and safety standards at schools, primarily arising from complaints, and expects remediation of hazardous conditions and other deficiencies.

Program Components

The SASH Program offers:

- A free training program to help build the capacity of district-level health and safety coordinators to act as resources to other employees and develop an IIPP to identify, prevent, and eliminate hazards.
- Written materials that support injury and illness prevention activities.
- Ongoing problem-solving assistance provided by a statewide SASH Resource Center, including a network of trained safety staff in schools.

The free one-day SASH training program is designed for school district staff responsible for employee safety and health. These employees are typically from County Offices of Education (just under 60 offices), School Districts (of which there are almost 1,000) and individual schools' human resources/administration and/or the maintenance and operations departments. Training is provided by University of California trainers.

Participants learn valuable skills in how to identify and solve safety problems, prepare, update, and improve written IIPPs, record training activities, and involve other employees in carrying out prevention activities.

After participants complete the training, they become "SASH coordinators" in their district and receive a certificate from CHSWC and the University of California. SASH materials are free and designed to help school employees identify and address health and safety issues in the school environment. Materials include:

- An online template for writing an IIPP, with an accompanying guidebook.
- Factsheets on hazards commonly found in schools.

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- Checklists and other tools to help identify problems, investigate, and learn from accidents, and keep track of safety activities.
- Tip sheets for employees on hazards and solutions for their particular occupation, including:
 - Teachers and teaching aides
 - Maintenance staff
 - Groundskeepers
 - Food service employees
 - Custodians
 - Administrative and office staff
 - Bus drivers
- A poster for school employees promoting their involvement in safety activities.
- An online Resource Guide that provides additional school-related materials on particular hazards/issues and a list of agencies and organizations.

The SASH Resource Center is located at LOHP. In collaboration with UCLA's LOSH Program, the Resource Center is available to help school districts find additional information and obtain assistance after the training.

Accomplishments

CHSWC has expanded the reach of the program over the years by increasing the number of training sessions and webinars offered, and by updating the SASH curriculum and materials, as needed, to include information about new health and safety issues identified by the SASH Advisory Committee and course participants, including any new Cal/OSHA standards that apply to schools.

In addition to the materials described above, training classes have been offered and will continue to be offered statewide. To date, 127 SASH training classes have been conducted for 2,503 attendees from school districts in at least 39 counties with school district and county office of education staff, including two pilot training sessions. Post-training surveys indicate that the content has been well received. In 2021, an online version of the SASH IIPP training was developed to offer remote training during the pandemic. These online classes were a half-day in length and maintained the interactivity of the in-person classes. The activities kept the participants engaged and provided the opportunity to practice key skills. In 2024, the program began to offer two training options, an in-person class option that is all day as well as an online option with two morning or two afternoon classes with a day in between. Notice of [upcoming SASH training](#) is available at the LOHP website.¹⁹⁶ Training announcements, promotions and registration information are also disseminated through DIR's social media channels appropriate to the demographics, target audiences, and users of social media tools, specifically LinkedIn, Instagram, Twitter (X), and Facebook.

Follow-up activities after attending a SASH class include sending attendees a class roster so that they can stay in touch and use one another as resources and sending out a newsletter. Two-page SASH newsletters for SASH coordinators (SASH training attendees) have been distributed by email. The newsletters include the answers to common questions asked during training sessions as well as other relevant information.

A number of new factsheets have been developed over the past few years for school employees:

- How to Be Protected from COVID-19 at Work
- Worker Protection from Wildfire Smoke
- Protecting School Employees from Stress at Work

¹⁹⁶ <https://lohp.berkeley.edu/trainings/>.

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In addition, the program has also developed factsheets for special education paraeducators on how to handle harmful or unsafe behavior by students in distress, and what to do in the event of an active shooter threat on school grounds.

These factsheets can be found at the CHSWB website.¹⁹⁷

A number of webinars have been conducted over the past years for school employees. These included the following:

- An Occupational Safety and Health Approach to Injuries Caused by Student Behaviors
- Keeping Cool at School: Addressing Indoor and Outdoor Heat Standards to Protect Workers
- Managing Stress and Building Resilience Among School Employees
- Improving Indoor Air Quality in Classrooms
- School Is Out, but the Hazards Are Still In

The [notices of upcoming webinars and recording of past webinars](#) can be found at the LOHP website.¹⁹⁸

Next Steps

The SASH IIPP training curriculum and materials will continue to be updated to incorporate information about school-related health and safety issues and recommended solutions including Cal/OSHA's guidance of employee protections related to COVID-19, workplace violence, and indoor and outdoor heat standards.

LOHP has developed a workshop curriculum and conducted a pilot training and will teach workshops to reach teachers and paraeducators - an occupation identified as being at high risk of injury on the job - on managing risks presented by behaviors of students in distress. In 2025, LOHP trainers facilitated a workshop for 152 special education teachers on preventing injuries from student behaviors.

Status: Ongoing.

For further information...

The SASH materials, SASH IIPP trainings dates, and webinars are available at <https://www.dir.ca.gov/chswc/SASH/index.htm>

¹⁹⁷ <https://www.dir.ca.gov/chswc/>; <https://www.dir.ca.gov/chswc/SASH/index.htm>.

¹⁹⁸ <https://lohp.berkeley.edu/webinar-directory/>.

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California Partnership for Young Worker Health and Safety

Description

The Commission on Health and Safety and Workers' Compensation (CHSWC) continues to put California in the forefront as a nationwide leader in protecting and educating teen workers. For more than 20 years, CHSWC has sponsored and convened the California Partnership for Young Worker Health and Safety, formalized by Assembly Bill (AB) 1599 in September 2000. The Partnership is coordinated by the Labor Occupational Health Program (LOHP) at the University of California (UC), Berkeley, with key support from the Labor Occupational Safety and Health Program (LOSH) at the University of California, Los Angeles (UCLA), and other members of the partnership. In addition to serving California, these efforts have inspired similar activity throughout the United States and internationally.

The California Partnership for Young Worker Health and Safety is composed of agencies and organizations dealing with youth employment and education issues, as well as others that can play a role in educating and protecting young workers. Members represent educators, parents, employers, youth training programs, government agencies, and others.

The purpose of the partnership is to identify potential strategies to reduce work-related injuries and illnesses among youth in the California workforce, foster awareness and skills in health and safety that youth will retain throughout their working lives and allow them to take an active role in shaping safe work environments, and promote positive, healthy employment for youth.

In 2025, the partnership implemented the following activities:

- *Promoted the annual California Safe Jobs for Youth Month public awareness campaign in May*, established in 1999 by the then-Governor Gray Davis. This year's public awareness and education activities included a teen poster contest (posters were distributed to 1,644 schools and hundreds of other organizations that serve youth), a social media campaign for youth and youth-serving organizations, development and promotion of materials for teachers to support the teaching about health and safety and the child labor crisis, and distribution of the current Safe Jobs for Youth Month Resource Kit to educators and community groups (via the website), plus resource kit materials from past years (available on the website).
- *Supported one Young Worker Leadership Academy*, held since 2005 as part of the CHSWC Worker Occupational Safety and Health Training and Education Program (WOSHTEP). The goals of the academy are to teach youth about workplace health and safety and their rights on the job, to help youth think about how to ensure that young people do not get hurt on the job, and to provide a forum for youth to plan specific actions that they can take into their own communities to promote safety among young workers. LOHP held the annual Young Worker Leadership Academy (YWLA) as an in-person event on February 20-22, 2025. The leadership academy was coordinated by LOHP and supported by the active participation of other partnership members, including UCLA LOSH, Cal/OSHA, the Labor Commissioner's Office, the California Department of Public Health's Occupational Health Branch, State Compensation Insurance Fund, The Laborers' Union, LiUNA Local 67, WorkSafe, and the Equal Employment Opportunity Commission.

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This year, with additional funding from the Irvine Foundation, YWLA partners were able to host 8 YWLA teams instead of the normal 6 teams, recruiting additional teams from the Central Valley and Inland Empire. Seven YWLA alumni served as youth mentors and led many of the activities at the academy.

Each of the YWLA teams hosted a project in their home community. Several teams created an in-person events to share workplace safety information with varied audiences, including high school peers, teachers, and parents.

- The North View High School team created a YWLA club about occupational safety and health and labor rights, a pamphlet about workers' rights, and tabled at local events to share the information that they learned.
- The Franklin High School team hosted their high school TV broadcast to share information about labor rights.
- One YWLA participant from Riverside Amnesty International said, "YWLA cemented the fight for working-class justice as a critical issue for me. The lessons I learned and people I met made one thing clear: social activism is a critical part of maturity."
- *Promoted the institutionalization of health and safety education for California students.* Partnership members guided LOHP efforts to promote health and safety education in a variety of programs, including work experience, career technical education, WorkAbility, and Linked Learning and Career Pathway Programs.

LOHP's activities this year included the following:

- Facilitated a teacher training workshop on October 30, 2024 with California Work Experience Educators (CAWEE) in Elk Grove, CA.
- Conducted a teacher training with WorkAbility SELPA partners for 60 teachers in Redondo Beach on April 24, 2025.

The partnership is very pleased that on September 30, 2023, Governor Newsom signed [AB 800](#).¹⁹⁹ AB 800 requires all public high schools to observe the "Workplace Readiness Week" each year on April 28 by providing information to students on their rights as workers and would include topics such as local, state, and federal laws regarding workplace safety, child labor, and wage and hour protections. LOHP is proud to be part of the statewide coordinator effort to create curriculum and provide resources to school districts around California to participate in [Workplace Readiness Week](#).²⁰⁰ This year, LOHP facilitated a training for 70 teachers with WorkAbility partners during WorkAbility's AB 800 Workplace Readiness Week SELPA event on May 1, 2025 in El Monte, CA.

The impact from this year's partnership activities included:

- Provided more than 380 teachers and youth with direct training or presentations through Zoom or online conference workshops.
- Distributed factsheets with information on young worker health and safety to thousands of teachers, employers, and youth through LOHP's own or partnership member outreach platforms, including social media, listserv postings, email announcements and newsletters, radio and video public service announcements, and poster distribution. For example, the annual [Work Permit Quiz](#)²⁰¹ has been taken more than 6,789 times to date.

¹⁹⁹ https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=202320240AB800.

²⁰⁰ <https://www.cde.ca.gov/nr/el/le/yr25ltr0326.asp>

²⁰¹ <https://youngworkers.org/work-permits/>

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- Provided direct technical assistance to about 25 teachers, employers, and youth via phone or email.
- Published at least three articles in newsletters, newspapers, and online.
- Generated 93,956 views for [youngworkers.org](https://www.youngworkers.org) over a 12 month period. The most frequently visited pages include the home page (17,244 views), the "Work Permits" page (7,119 views), the "Young Workers Posters" (6,702 views), the "Teen Workers" page (4,911 views), and the "Young Workers Leadership Academy" page (3,860 views).
- Continued to integrate health and safety information into ongoing statewide activities by many of the partners, including regular in-service training for work experience educators, widespread use of health and safety curricula in job training and work experience programs, and organizational links to the website [youngworkers.org](https://www.youngworkers.org). The WorkAbility program, which places youth with learning and cognitive disabilities in the workplace, requires that all its staff receive training on how to teach participants in the program about health and safety.

Status: Ongoing.

For further information...

Young Worker Websites for information for teens, teen workers in agriculture, employers, parents, and educators:

<https://www.dir.ca.gov/YoungWorker/YoungWorkersMain.html>

<https://www.youngworkers.org>

<https://youngworkers.org/ywla/>

STATUS OF CHSWC'S LEGISLATIVELY MANDATED REPORTS

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This report provides an update on the status for current mandated reports that the Commission on Health and Safety and Workers' Compensation (CHSWC) staff are responsible to provide as determined by the legislature or CHSWC Commission.

Title	Legislative Section/Reference	Status
CHSWC Annual Report	Per Labor Code Section 77(a) "The commission shall issue an annual report on the state of the workers' compensation system, including recommendations for administrative or legislative modifications which would improve the operation of the system. The report shall be made available to the Governor, the Legislature, and the public on request."	Staff will present the draft 2025 report for the Commissioners' input and possible approval at the December 11, 2025 CHSWC public meeting.

STATUS OF CHSWC'S LEGISLATIVELY MANDATED REPORTS

Title	Legislative Section/Reference	Status
Worker Occupational Safety and Health Training and Education Program (WOSHTEP) Advisory Board Annual Report	Per Labor Code Section 6354.7(g) "The advisory board shall annually prepare a written [WOSHTEP Advisory Board Annual] report evaluating the use and impact of programs developed."	Staff will present the draft 2025 WOSHTEP Advisory Board Annual report for the Commissioners' input and possible approval at the December 11, 2025 CHSWC public meeting.
Identifying, Characterizing and Mitigating Cancer and other Occupational Health Risks Among Mechanics and Cleaners of Firefighting Vehicles	Assembly Bill (AB) 1400 added Section 77.7 to the Labor Code requiring the Commission on Health and Safety and Workers' Compensation, in partnership with the County of Los Angeles and relevant labor organizations to submit a study by January 1, 2021, to the Legislature, the Occupational Safety and Health Standards Board, and the Los Angeles County Board of Supervisors, on cancer and other health risks associated with exposure to toxic materials among mechanics who repair and clean firefighting vehicles.	CHSWC is currently negotiating the details of the contract with UCLA LOSH to proceed with the study titled <i>Assessment of Risk of Carcinogens Exposure and Incidents of Occupational Cancer Among Mechanics and Cleaners of Firefighting Vehicles</i> and expects to start the study by the first quarter of 2026. .
Title	Legislative Section/Reference	Status
Janitorial Time Motion Study	On December 11, 2020, Assemblymember Miguel Santiago submitted a request for CHSWC to partner with a research team led by the following UC Departments: the UC San Francisco Department of Medicine's Division of Occupational and Environmental Medicine; the UC Ergonomics Research and Graduate Training Program; the UC Berkeley School of Public Health's Division of Environmental Health Sciences; and the UC Berkeley School of Public Health's Labor and Occupational Health Program.	- CHSWC approved the final report titled <i>California Janitor Workload Study Report</i> at the May 30, 2025 meeting. The California Janitor Workload Study Report was posted on the CHSWC website. Status: Complete

STATUS OF CHSWC'S LEGISLATIVELY MANDATED REPORTS

Title	Legislative Section/Reference	Status
Report on Employer Use of Prepaid Card Account Programs for Disability Indemnity Payments	In 2018, the California Legislature passed Senate Bill (SB) 880. The purpose was to conduct a pilot program to transmit workers' compensation disability indemnity benefits via prepaid card, rather than a paper check. SB 880 amended Labor Code Section 4651 and required CHSWC to issue a report to the Legislature regarding payments made to those prepaid card accounts and for employers that use prepaid card programs to provide all necessary aggregated data requested by CHSWC. The pilot program authorized by SB 880 was due to sunset on January 1, 2023 but there were several extensions to the program. Any CHSWC research based on the usage of a prepaid card for indemnity payments was impacted by	• Staff presented a draft report on September 30, 2025 and Commissioners asked CHSWC staff to provide responses on a few additional questions. Research for answers was completed and the draft report updated. • The revised draft report will be presented for approval to post for 30-day public comment at the December 11, 2025 public meeting. • Assemblymember Lisa Calderon's Office was provided a URL link and status update of the September 30th draft report.

STATUS OF CHSWC'S LEGISLATIVELY MANDATED REPORTS

Title	Legislative Section/Reference	Status
	(Cont.) Assembly Bill (AB) 2148 (2022) and the extension of the pilot program to January 1, 2024. Another bill, Assembly Bill (AB) 489 in 2023, extended the pilot again an additional year to January 1, 2025, and necessitated an extension of the timeframe for any report. Once again, Assembly Bill (AB) 1239 (2024) extended the pilot to January 2027.	
Report on PTSD Injury Claims Filed by Public Safety Employees (SB 623 reports)	(1) A report analyzing claims filed for PTSD injury for which compensation is claimed by public safety dispatchers, public safety telecommunicators, and emergency response communication employees, from January 1, 2020, through December 31, 2023. The report is required to be provided to the Senate Committee on Labor, Public Employment and Retirement and the Assembly Committee on Insurance no later than January 1, 2025.	• COEHs at UC Irvine, UCLA, and UC Berkely submitted a joint proposal for this study. Dr. Marizen Ramirez from UC Irvine will present the proposal for Commissioners' input and possible approval at the December 11, 2025 CHSWC public meeting.
	(2) A report on the effectiveness of the PTSD presumption. The report shall review data from PTSD injuries for which compensation is claimed under the Labor Code Section 3212.15 from January 1, 2020, through December 31, 2025. The report needs to be provided to the Senate Committee on Labor, Public Employment and Retirement and the Assembly Committee on Insurance no later than January 1, 2027.	

LIST OF PROJECTS AND STUDIES

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The Commission on Health and Safety and Workers' Compensation's (CHSWC) projects and studies are numerous and often build on work initiated in prior years. This Annual Report lists CHSWC projects and studies from 2021 to 2025. The lists of CHSWC projects and studies for prior years are in earlier reports, with a historical list last printed in the 2017 Annual Report.²⁰²

CHSWC divides projects and studies on workers' compensation topics into eleven categories:

- I Permanent Disability and Temporary Disability Studies
- II Return to Work
- III Workers' Compensation Reforms
- IV Occupational Safety and Health
- V Workers' Compensation Administration
- VI Information for Workers and Employers
- VII Medical Care
- VIII Community Concerns
- IX Disaster Preparedness and Terrorism
- X CHSWC Issue Papers
- XI Other

The following projects and studies were produced or were in process from 2021 to 2025:

- Study of the Impacts of COVID-19 Claims and the 2020 Senate Bill (SB) 1159 Presumptions of Compensability on the California Workers' Compensation System (Category III)

Initiated by a legislative request written into SB 1159 in 2020.

Status: Completed.

COVID-19 in the California Workers' Compensation System. A Study of COVID-19 Claims and Presumptions Under Senate Bill 1159, RAND, January 2022.

<https://www.dir.ca.gov/chswc/Reports/2022/RAND-COVID-claims-presumptions.pdf>.

https://www.rand.org/pubs/research_reports/RRA1430-1.html (RAND pre-publication) or
https://www.dir.ca.gov/chswc/Reports/2022/RAND_RRA1430-1.pdf (pre-publication for CHSWC website)
https://www.dir.ca.gov/chswc/Meetings/2022/ResearchBrief_CovidClaims_SB1159.pdf
(Research Brief)

Related literature review article from RAND:

Worker and Employer Experiences with COVID-19 and the California Workers' Compensation System, Denise D. Quigley, Nabeel Qureshi, Grace Gahlon & Courtney A. Gidengil, Am J Ind Med, 2022, at 1- 11.

https://www.rand.org/pubs/external_publications/EP68841.html

²⁰² CHSWC projects and studies for recent years are listed in their proper section for each year at <https://www.dir.ca.gov/chswc/AnnualReportpage1.html>; and all previous CHSWC projects and studies up to and including 2017 (inventory) are listed in the 2017 Annual Report: https://www.dir.ca.gov/chswc/Reports/2017/CHSWC_AnnualReport2017.pdf, starting at page 174. (Please note that where there are also URL links, many have been disabled on the internet and the reports have been archived.)

LIST OF PROJECTS AND STUDIES

- Evaluation of Incidence of Mental Health Conditions or Illnesses Among Firefighters and Peace Officers Study, RAND (Category IV)

Initiated by a legislative request written into SB 542 in 2019.

Status: Completed.

Posttraumatic Stress in California's Workers' Compensation System: A Study of Mental Health Presumptions for Firefighters and Peace Officers Under Senate Bill 542, RAND, September 2021.

https://www.rand.org/pubs/research_reports/RRA1391-1.html or
https://www.dir.ca.gov/chswc/Meetings/2021/RAND_mentalhealth_report.pdf with shorter research brief at

https://www.dir.ca.gov/chswc/Meetings/2021/RAND_mentalhealth_brief.pdf.

Public comments on first responder mental health presumption study from CHSWC Commissioners Kessler, Bouma, and Roxborough, submitted October 5, 2021.

<https://www.dir.ca.gov/chswc/Meetings/2021/Rand-PTSD-Study-Comments-Commissioners-Kessler-Bouma-Roxborough.pdf>.

RAND response to Commissioner comments.

https://www.dir.ca.gov/chswc/Meetings/2021/RAND_Response-to-Comments.pdf.

- Health and Safety Training for Childcare Workers (in English and Spanish) (Category IV)

Training curriculum requested by Assemblyperson Monique Limón.

Status: Completed.

Occupational Health and Safety Training: Center-Based Early Care & Education Workers Peer Educator Training Guide, UC Berkeley Labor Occupational Health Program, 2021.

<https://www.dir.ca.gov/chswc/Reports/2021/Childcare-OSH-Curriculum.pdf>.

<https://www.dir.ca.gov/chswc/Reports/2021/Childcare-OSH-Curriculum-SP.pdf>.

- Assessment of Risk of Carcinogens Exposure and Incidents of Occupational Cancer among Mechanics and Cleaners of Firefighting Vehicles (Category IV)

Initiated by a legislative request written into Assembly Bill (AB) 1400 in 2019.²⁰³

Status: In process. A draft report prepared by ToxStrategies is available, but was not approved by the Commission.²⁰⁴ A request for proposals for a new study to meet the AB 1400 mandate was released in 2024²⁰⁵ but a decision was made in 2025²⁰⁶ to pursue a revised scope of work²⁰⁷ and an interagency agreement with the UCLA Labor Occupational Safety & Health Program.²⁰⁸ This contract is still pending.

AB 1400 Draft Study Report, ToxStrategies, February 2021.

https://www.dir.ca.gov/chswc/Meetings/2021/FireMechanicsCancer_draft.pdf.

²⁰³ https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB1400.

²⁰⁴ Additional discussion of issues by Cal/OSHA in final minutes of 9/30/2021 CHSWC public meeting minutes posted at https://www.dir.ca.gov/chswc/Meetings/2021/Minutes_09-30-21.pdf.

²⁰⁵ See CalProcure listing at <https://caleprocure.ca.gov/event/7350/S23CHSWC01>.

²⁰⁶ <https://www.dir.ca.gov/chswc/Meetings/2025/08-14-25-AB-1400-RFP-Deficiencies-Memo.pdf>.

²⁰⁷ <https://www.dir.ca.gov/chswc/Meetings/2025/08-14-25-AB-1400-Studies-Memo.pdf>.

²⁰⁸ <https://www.dir.ca.gov/chswc/Meetings/2025/09-30-2025-Assessment-Carcinogens-Exposures.pdf>;
<https://www.dir.ca.gov/chswc/Meetings/2025/09-30-2025-Pres-Fire-Eq-Mechanics-Study.pdf>.

LIST OF PROJECTS AND STUDIES

- Janitorial Time Motion Study with Emphasis on Janitorial Workloads During Covid-19 Prevention and Precautions (Category IV)²⁰⁹

Study requested by Assemblymember Miguel Santiago on December 11, 2020.²¹⁰

Status: Completed.

California Janitor Workload Study Report, Carisa Harris-Adamson, Melissa Afterman, Alan Barr, et al., June 2025. <https://dir.ca.gov/chswc/Reports/2025/Janitor-Workload-Study-Report.pdf>.

- Study on the Use of Prepaid Cards for Workers' Compensation Disability Indemnity Payments to Claimants (Category V)

Report request initiated by SB 880, effective 2019 as Labor code 4651.²¹¹

The report was subject to amendments and pilot deadline extensions since 2019: AB 2148 (2022) extended the pilot program timeframe for disability indemnity payments to be deposited in a prepaid card account for employees to January 1, 2024. Another bill, AB 489 in 2023, extended again the pilot an additional year to January 1, 2025. In 2024, AB 1239 extended the pilot until January 1, 2027.

Status: In process. A draft report was presented at the September 2025 CHSWC public meeting. Pending the Commissioners' vote, the draft report is planned to be released for public comment in December 2025.

DRAFT Report on Employer Use of Prepaid Card Account Programs for Workers' Compensation Disability Indemnity Payments in California: California Senate Bill 880 (2018) and California Labor Code §4651, CHSWC, 2025. <https://dir.ca.gov/chswc/Reports/2025/Prepaid-2025.pdf>.

- Study on PTSD Injury Claims Filed by Public Safety Employees (Category III)

Study initiated by a legislative request written into Senate Bill (SB) 623 of 2023.²¹² Claims data to be used from injury dates of January 1, 2020 through December 31, 2025.

Status: In process. A request for information (RFI) was released in December 2024 with results in March 2025. After reviewing the results of the RFI, CHSWC plans to conduct the study through an interagency agreement and is holding exploratory discussions with UC's centers for occupational and environmental health. The report is due to the Senate Committee on Labor, Public Employment, and Retirement and the Assembly Committee on Insurance no later than January 1, 2027.

- Resource Guide: If Your Employer is Illegally Uninsured: How to Apply for Workers' Compensation Benefits (Updated September 2023)²¹³ (Category VI)

Status: Update reposted on CHSWC website.

If Your Employer is Illegally Uninsured: How to Apply for Workers' Compensation Benefits, Institute of Research on Labor and Employment, September 2023.
<https://www.dir.ca.gov/chswc/Reports/2024/UninsuredEmployers.pdf>.

²⁰⁹ See Special Report section of this annual report.

²¹⁰ <https://www.dir.ca.gov/chswc/Meetings/2021/SantiagoLetter.pdf>.

²¹¹ https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180SB880.

²¹² https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB623.

²¹³ <https://www.dir.ca.gov/chswc/Reports/2024/UninsuredEmployers.pdf>.

CHSWC AND THE COMMUNITY

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Check out www.dir.ca.gov/chswc for:

- Research studies and reports by topic and by year
- Information bulletins
- Commission members
- Meeting schedules and minutes
- DIR/CHSWC Young Workers' Program
- Information for workers and employers
- Worker Occupational Safety and Health Training and Education Program (WOSHTEP)
- Past conferences
- Public comments and feedback
- Injury and Illness Prevention Program (IIPP) resources
- School Action for Safety and Health (SASH) program
- Other resources

CHSWC Publications

In addition to the many reports listed in the CHSWC List of Projects and Studies section of this report, CHSWC has published:

CHSWC Annual Reports, 1994–2024

Worker Occupational Safety and Health Training and Education Program (WOSHTEP) Advisory Board Annual Reports, 2004–2024

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Acknowledgments

CHSWC is pleased to acknowledge and thank the following individuals and organizations from the California health, safety and workers' compensation communities.

Their willingness to share the insights and knowledge derived from their years of experience has assisted CHSWC immeasurably in its mission to examine and recommend improvements in the health and safety and workers' compensation systems in California.

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Participants in CHSWC project advisory committees.

Special appreciation is owed to injured workers and employers in the system who have come forward to suggest improvements to the system and provide their insights and comments.

Finally, CHSWC acknowledges and thanks its staff:

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