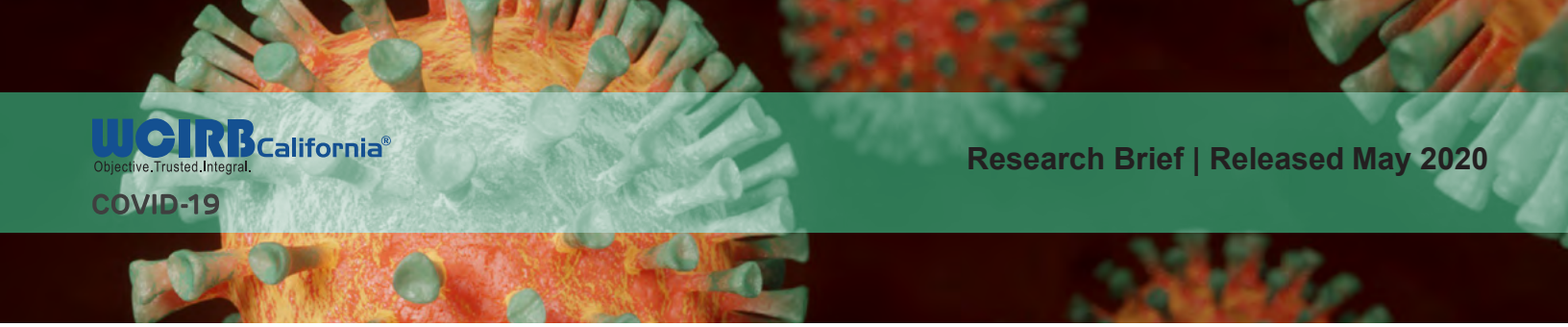

WCIRB California®
Objective.Trusted.Integral.

COVID-19

Research Brief | Released May 2020

Evaluation of Cost Impact of Governor Newsom's Executive Order on Rebuttable Presumption for California COVID-19 Workers' Compensation Claims

By the WCIRB Actuarial and Research Teams

Summary

The COVID-19 pandemic and resultant stay-at-home orders are significantly impacting California's economic, health care and workers' compensation systems. Many COVID-19 workers' compensation claims have already been filed. However, at this time, it is unclear what proportion of the illnesses and deaths resulting from the virus will ultimately be determined to be work-related. Some states have enacted presumptions of compensability of COVID-19 claims for certain front line workers and similar proposals are under consideration in California. On April 17, 2020, at the request of the Assembly Insurance Committee, the WCIRB completed an evaluation of the potential cost impact of a conclusive presumption as to the compensability of COVID-19 claims of essential critical infrastructure employees as specified by the Governor in the March 19, 2020 Executive Order N-33-20.[1]

On May 6, 2020, the Governor issued Executive Order N-62-20 (Order) providing for a rebuttable presumption of compensability for all workers directed by their employer to work outside the home. Key provisions of the Order include:

- Rebuttable presumption of compensability applied to workers contracting COVID-19 who worked outside of their home or residence at the employer's direction within 14 days prior to diagnosis
- Presumption limited to dates of injury from March 19, 2020 to July 5, 2020
- Requires a positive test for COVID-19 or a diagnosis of COVID-19 by a licensed physician that is confirmed by a positive test within 30 days
- Temporary disability must be certified by a physician and can be offset by COVID-19 related sick leave
- Elimination of death benefits for workers with no dependents that are usually paid to the state

The WCIRB has evaluated the potential workers' compensation claims cost arising from COVID-19 claims under the Order. While some of the workers who are directed to work outside their home during this period have filed or would file a compensable workers' compensation claim in the absence of a rebuttable presumption, we had no basis to estimate this proportion and, as a result, made no estimate of the incremental impact of the Order. Also, since an actual positive test or diagnosis of COVID-19 is required for the Order to apply, our cost estimates exclude any potential costs for workers who are quarantined, but have not been diagnosed with COVID-19. Finally, our estimates reflect the potential cost impact arising from COVID-19 diagnoses during the time the Order applies and do not reflect costs for potential extensions of the Order or future legislation.

The cost estimates in this Research Brief are based on WCIRB data including unit statistical reports, aggregate financial data calls and medical transaction data. We also relied upon external data from the American Community Survey[2] (ACS), the Division of Workers' Compensation (DWC) Official Medical Fee Schedule, and a number of published studies on COVID-19 incidence rates and medical treatment patterns and costs. At times, we relied upon judgmental assumptions that may or may not materialize based on published research or feedback from workers' compensation experts. In that the cost impact of the Order will vary based on the number of covered workers, the proportion of these workers that contract COVID-19 and the number of workers' compensation claims that are filed, we have provided the cost estimates in this analysis as a range of potential impacts. **On this basis, the WCIRB estimates that the cost of COVID-19 claims filed by workers subject to the Order ranges from $0.6 billion to $2.0 billion with a mid-range estimate of $1.2 billion. This mid-range estimate comprises 7% of the $18.3 billion estimated annual cost of workers' compensation claims in the system prior to the pandemic.**

1 "Cost Evaluation of Potential Conclusive COVID-19 Presumption in California Workers' Compensation", WCIRB, April 2020.

2 The WCIRB sourced the ACS data from IPUMS-USA, University of Minnesota, www.ipums.org.

Key Findings

Table 1 summarizes the overall potential total cost of medical and indemnity benefits and loss adjustment expenses (LAE) on COVID-19 claims arising from the March 19, 2020 to July 5, 2020 period segregated between health care workers and first responders (Group 1) and all other workers directed by the employer to work outside of their home (Group 2). Workers in Group 1 were identified by occupation and include health care workers and first responders who work in other industries beyond health care and state and local governments. Group 2 is comprised of workers included in the Governor's Essential Critical Infrastructure (ECI) occupations and industries as specified in Executive Order N-33-20 and any other workers that are working outside their home at the employer's direction.

For the low-range estimate, the WCIRB assumed that the rate of COVID-19 cases of Group 1 workers was four times that of both Group 2 workers and the general population of similar ages. For the mid-range estimate, the WCIRB assumed that the COVID-19 rates of Group 1 workers were ten times that of the general population at similar ages. In addition, the WCIRB assumed the COVID-19 rates for the segment of Group 2 workers included in the Governor's ECI occupations and industries were 1.5 times the rates of other workers in Group 2 and of the general population of similar ages.[3] For the high-range estimate, the WCIRB assumed that 95% of all the estimated California COVID-19 cases in the working age population (25-64) were from Group 1 and Group 2 workers. The WCIRB's high-range estimate also assumes higher COVID-19 rates for the remaining approximate six-week period the Order will apply to reflect potential relaxation of the Governor's statewide stay-at-home order.[4] The determination of the low-range, mid-range and high-range estimates is detailed in the Methodology and Assumptions section of this Research Brief.

The estimates in Table 1 range from $0.3 to $1.2 billion in total costs for Group 1 workers and $0.3 to $0.8 billion for Group 2 workers. The approximate mid-range cost estimate for the total system is $1.2 billion ($0.8 billion for Group 1 workers and $0.4 billion for Group 2 workers).

Table 1: Estimated System Cost of COVID-19 Claims Pursuant to Executive Order N-62-20

	Health Care Workers and First Responders – Group 1	Others Working Outside the Home – Group 2	**Total System Costs**
Low-Range Estimate	$0.3 Billion	$0.3 Billion	**$0.6 Billion**
Mid-Range Estimate	$0.8 Billion	$0.4 Billion	**$1.2 Billion**
High-Range Estimate	$1.2 Billion	$0.8 Billion	**$2.0 Billion**

Table 2 summarizes the distribution of the WCIRB's mid-range estimate of $1.2 billion in costs into temporary disability benefits, permanent disability benefits, death benefits, medical costs and loss adjustment expenses. Estimated COVID-19 claims and costs are also segregated between mild claims (COVID-19 diagnosis with no hospitalization), severe claims (includes hospitalization with no ICU stay), critical claims (includes hospitalization with an ICU stay and no death) and death claims. The WCIRB's mid-range estimate of $1.2 billion for the approximate four-month period the Order applies is 7% of the $18.3 billion estimated total annual cost of losses and LAE in the California workers' compensation system, prior to the impact of COVID-19 claims and the economic downturn.[5]

3 These differential rates by worker groups were based on information provided by the DWC on COVID-19 claims reported by classification and industry as of May 14, 2020.

4 Based on the high-end estimate of COVID-19 deaths projected in California through July 31, 2020 by the IHME as of May 19, 2020.

5 This includes $6.1 billion in indemnity benefits, $7.3 billion in medical benefits and $4.9 billion in LAE.

Table 2: WCIRB Mid-Range Estimate by Cost (in Millions) and Claim Type							
Type of COVID-19 Claim	**Number of Claims**	**Temporary Disability**	**Permanent Disability**	**Death**	**Medical**	**LAE**	**Total Cost**
Mild (No Hospitalization)	25,400	$40	N/A	N/A	$10	$20	$70
Severe (Hospitalization w/o ICU)	3,200	$10	$20	N/A	$210	$90	$330
Critical (Hospitalization w/ICU, no Death)	800	$10	$30	N/A	$130	$60	$220
Death	1,600	$3	N/A	$270	$180	$160	$610
All Claim Types	**31,100**	**$60**	**$50**	**$270**	**$530**	**$330**	**$1,230**

Methodology and Assumptions

Workers Impacted by the Order

The WCIRB initially mapped a distribution of all California workers by industry sector to Group 1 workers and Group 2 workers based on a review of the statewide employment counts by occupation and industry sector in the ACS data. Initial employment counts were based on California Employment Development Department (EDD) data as of February 2020, representing the pre-pandemic level of employment. Based on available Federal Government information on current unemployment levels by industry sector, the WCIRB estimated counts of workers currently employed in California by industry sector.[6] Of the currently employed workers by sector, the WCIRB estimated the proportion of workers that are telecommuting based on studies of potential telecommuting levels by industry and occupation.[7] Workers who are telecommuting were assumed not to be subject to the Order. ACS data was used to estimate the wage and age distributions for the industries and occupations subject to the Order.

Table 3 summarizes the WCIRB's estimates of the workers impacted by the Order. As shown, the WCIRB estimates 1.5 million employees are in Group 1 and 6.9 million employees are in Group 2.

Table 3: Estimates of Workers Subject to the Order		
Worker Type	**Category**	**Affected Workers (in Thousands)**
Health Care Workers	Group 1	1,224
Firefighters	Group 1	48
EMS and Rescue Employees	Group 1	26
Law Enforcement Officers	Group 1	168
Group 1 Total		**1,466**
Other ECI Employees	Group 2	6,087
Other Employees	Group 2	783
Group 2 Total		**6,870**
Total Estimated Workers Subject to the Order		**8,335**

6 https://www.bls.gov/news.release/empsit.t14.htm.

7 Dingel, Jonathan I. and Brent Neiman, "How Many Jobs Can be Done at Home?" *Becker Friedman Institute for Economics at the University of Chicago*, April 16, 2020, https://bfi.uchicago.edu/working-paper/how-many-jobs-can-be-done-at-home/.

Frequency of COVID-19 Claims by Type

The likelihood of hospitalization or death as a result of COVID-19 depends, in part, on the age of the individual and their prior health history. The specific estimates included in this analysis are based on reported COVID-19 hospitalizations and deaths by age intervals that are consistent with the ages of California workers estimated to be subject to the Order. The WCIRB's low-range estimate was determined as follows:[8]

- Overall, California COVID-19 hospitalizations were projected based on published Centers for Disease Control and Prevention (CDC) hospitalization rates for California by age interval[9] with current counts projected to mid-July (for which the first exposure is assumed to occur July 5 or earlier).[10]
- California COVID-19 deaths were projected based on Institute for Health Metrics and Evaluation (IHME) projections through the end of July (for which the first exposure is assumed to occur July 5 or earlier)[11] with distribution of deaths by age interval based on COVID-19 death rates by age interval published by the California Department of Public Health.[12] [13]
- The number of California COVID-19 mild claims (claims with no hospitalization) were projected from the projections of hospitalization and death claims based on several published sources of COVID-19 claims by type.[14] Specifically, the number of mild COVID-19 claims were estimated from the estimated number of claims involving death or hospitalization, assuming mild claims are 90% of all COVID-19 claims.
- The number of COVID-19 hospitalizations were segregated between those that were severe involving no ICU care (70%) and those that were critical involving ICU care (30%) based on a number of published studies of COVID-19 hospitalizations.[15]
- The WCIRB assumed a greater concentration of exposure to the novel coronavirus for health care workers and first responders based on several studies including a study on the relative rate of health care workers in China contracting COVID-19.[16] Based on these studies and data provided by the DWC on reported COVID-19 claims by industry classification, which showed that healthcare and first responders have filed the majority of claims so far, the WCIRB assumed that that the COVID-19 rates of Group 1 workers are four times that of Group 2 workers and the general population of similar ages.

The WCIRB's mid-range estimate reflects the same assumptions as in the low-range estimate with the exception that the WCIRB assumed that the COVID-19 rates for Group 1 workers are ten times that of the general population of similar ages. In addition, the WCIRB assumed the COVID-19 rates for the segment of Group 2 workers included in the Governor's ECI occupations and industries were one and a half times the rates of other workers in Group 2 and of the general population of similar ages.[17] Finally, the WCIRB's high-range estimate reflects the assumption that 95% of the estimated COVID-19 deaths and hospitalizations in the working age population (25-64) were from Group 1 and Group 2 workers and that, for other age intervals, the proportion for Group 1 and Group 2 worker COVID-19 claims were similar to those reflected in the mid-range estimate. The

8 In the WCIRB's April evaluation of a conclusive presumption, ranges of estimates were provided based on alternative assumptions as to rates of COVID-19 infections. However, given the limited time frame the Order is in effect and that there is significantly more information on COVID-19 hospitalizations and deaths in California that are reflective of the statewide stay-at-home order, the WCIRB used an alternative approach in this evaluation.

9 COVID-NET: COVID-19-Associated Hospitalization Surveillance Network, Centers for Disease Control and Prevention. https://gis.cdc.gov/grasp/COVIDNet/COVID19_3.html. Accessed on May 18, 2020.

10 The WCIRB projected the future counts of COVID-19 hospitalizations from current counts using an inverse power function.

11 https://covid19.healthdata.org/united-states-of-america/california. Accessed on May 19, 2020.

12 https://public.tableau.com/profile/ca.open.data#!/vizhome/COVID-19PublicDashboard/Covid-19Public. Accessed on May 18, 2020.

13 Approximately 50% of ICU (critical) COVID-19 cases were assumed to ultimately result in death whereas the remaining projected death cases were assumed to start as severe claims.

14 Studies of the virus show that a significant proportion of individuals with COVID-19 are asymptomatic. Although the asymptomatic cases would be carriers of the virus, the WCIRB assumed that they would not have a workers' compensation claim.

15 Based on the proportion of ICU cases reported in California (https://public.tableau.com/profile/ca.open.data#!/vizhome/COVID-19PublicDashboard/Covid-19Public). Accessed on May 18, 2020) as well as a number of published studies.

16 "Clinical Characteristics of 138 Hospitalized Patients With 2019 Novel Coronavirus–Infected Pneumonia in Wuhan, China," JAMA. 2020;323(11):1061–1069.

17 These differential rates by worker groups were based on information provided by the DWC on COVID-19 claims reported by classification and industry as of May 14, 2020.

WCIRB's high-range estimate also reflects higher death and hospitalization rates for the second half of the period the Order will apply to reflect potential relaxation of the statewide stay-at-home order.[18]

The presumption of compensability in the Order is rebuttable.[19] However, based on feedback provided by a number of claims and legal experts, it was unclear whether a significant share of claims filed by workers subject to the Order will be rebutted. As a result, the WCIRB did not reflect any offset for this provision.

Cost of COVID-19 Claims by Type

Table 4 shows the WCIRB's mid-range estimate of the proportion of COVID-19 claims by type of claim and the average severity. These estimates are based on the distribution of ages of these workers from ACS data and assumptions described above. The average cost shown in Table 4 by type of claim is based on the assumptions and estimates discussed below.

Table 4: Estimated Proportion and Average Cost of WCIRB Mid-Range Estimates of COVID-19 Claims by Type

Type of COVID-19 Claim	Percent of Claims	Cost of Indemnity and Medical Benefits
Mild (No Hospitalization)	82%	$2,100
Severe (Hospitalization w/o ICU)	10%	$74,800
Critical (Hospitalization w/ ICU, no Death)	3%	$191,100
Death	5%	$280,500
All Claims	100%	$29,100

Mild COVID-19 Claims

As discussed above, the WCIRB estimates that 90% of all workers subject to the Order with COVID-19 will not require hospitalization or significant medical treatment. It is unclear whether these workers will file workers' compensation claims to receive temporary disability (TD) benefits or whether they will utilize other benefits for paid sick leave made available by their employer or the Federal Government. For purposes of this study, given the uncertainty around mild claim filing and the provisions of the Order related to TD, the WCIRB judgmentally assumed that 50% of workers subject to the rebuttable presumption with mild COVID-19 will file a compensable claim for worker's compensation benefits. Based on information from the CDC[20] as well as feedback from physicians, the WCIRB assumed a home care period for 3 weeks after exposure for mild claims. Based on the estimated distribution of weekly wages of workers subject to the Order, the WCIRB estimates the average TD benefit to be $620 per week for Group 1 and $530 per week for Group 2. Assuming a 5% offset for the TD offset provisions of the Order,[21] the WCIRB estimates average TD costs for mild COVID-19 claims of $1,700.

While the typical need for medical treatment on a mild COVID-19 claim is relatively low, there may be some medical costs related to COVID-19 testing, physician services (telemedicine) and some medication. In total, the WCIRB estimates an average medical cost of approximately $400 for mild COVID-19 claims based on the DWC Official Medical Fee Schedule and average payments in WCIRB medical transaction data for these types of services.

Severe COVID-19 Claims

As shown in Table 4, the WCIRB estimates that 10% of COVID-19 claims of workers subject to the Order will be severe and require some hospitalization but not an ICU stay. The Diagnosis Related Groups (DRGs) for treating respiratory infections and inflammations (similar to severe COVID-19) suggest an average hospital stay of approximately one week.[22] The WCIRB assumed an average of one week from the onset of symptoms to hospital admission. Based on feedback from a number of workers' compensation physicians, the WCIRB assumed an

18 Based on the high-end estimate of COVID-19 deaths projected in California through July 31, 2020 by IHME. https://covid19.healthdata.org/united-states-of-america/california. Accessed on May 19, 2020.

19 Under the rebuttable presumption, a COVID-19 claim filed by a worker is assumed to be work-related unless the employer is able produce sufficient evidence demonstrating that the disease was incurred outside of work.

20 See CDC guidelines for COVID-19 patients.

21 This was judgmentally assumed based on feedback from workers' compensation claims and legal experts.

22 DRGs 177, 178 and 179. See the Centers for Medicare & Medicaid Service's guidance on the DRGs.

additional four weeks for recovery after hospitalization, including approximately two weeks for follow-up medical care. In total, the WCIRB estimates these workers will receive TD benefits for six weeks on average. Reflecting the 5% adjustment for the TD offset provisions of the Order results in an average TD cost for severe COVID-19 claims of $3,300.

The WCIRB consulted a number of workers' compensation claims experts to assess the potential for COVID-19 claims leading to permanent disability (PD) in California's workers' compensation system. Although there was a general consensus among experts that there is potential for PD arising from COVID-19, the likelihood and extent of PD was not clear. Several studies have identified long-term health impacts of SARS patients and from early findings related to COVID-19 in China where the COVID-19 outbreak originated.[23] To reflect the potential for PD, and based in part on information on PD from similar claims, the WCIRB assumed that 25% of the severe COVID-19 claims will ultimately involve some PD. Based on WCIRB medical transaction data, unit statistical data and anecdotal information from workers' compensation claims experts, the average PD rating for claims with respiratory infections and illnesses similar to severe COVID-19 is estimated to be approximately 25%. Based on this projected rating, the WCIRB estimates an average PD benefit of $7,500 for severe COVID-19 claims.[24]

WCIRB medical transaction data and the DWC's medical fee schedule for the DRGs related to treating respiratory infections and inflammations suggest approximately $300 for initial physician services, $47,400 for inpatient care and $11,300 for follow-up care. This results in an average of $59,000 of medical costs for a severe COVID-19 claim. In addition, for the 25% of the severe claims estimated to involve PD, the WCIRB estimates $20,000 in additional long-term medical care based on claims with respiratory infections and illnesses similar to COVID-19 complications in the medical transaction data.[25] In total, the WCIRB estimates average medical costs on severe COVID-19 claims of $64,000.

Critical COVID-19 Claims

As shown in Table 4, the WCIRB estimates that 3% of workers subject to the Order with a COVID-19 claim will have critical illnesses that require an ICU stay, but not involve a fatality. The WCIRB assumed the majority of the ICU patients will need ventilator support. The DWC's medical fee schedule for the DRGs involving hospitalization that includes ventilator support for respiratory system diagnosis suggest an average hospital stay of approximately two weeks.[26] The WCIRB assumed an average of one week from the time that symptoms first appear to a hospital admission. Based on the emerging medical evidence on the COVID-19 impact on multiple essential organ systems and feedback from a number of workers' compensation physicians that suggested a significantly longer recovery from critical COVID-19 than from severe cases, the WCIRB assumed an average of eleven weeks for recovery after ICU care, during which these workers are likely to receive six to eight weeks of rehabilitation and follow-up medical care. In total, the WCIRB estimates these workers will receive TD benefits for fourteen weeks on average. Reflecting the 5% adjustment for the TD offset provisions of the Order, this results in an average TD cost for critical COVID-19 claims of $7,800.

Critical COVID-19 claims are more likely to involve permanent disability than severe COVID-19 claims as ICU patients in general are prone to a set of physical, cognitive and mental health problems.[27] Using a similar process as with severe claims to reflect the potential for PD, and based in part on information on PD from claims with illnesses similar to COVID-19 complications and the studies of longer-term medical issues from SARS and COVID-19 patients from China, the WCIRB assumed that 50% of the critical COVID-19 claims will ultimately involve PD. Based on WCIRB medical transaction data, unit statistical data and anecdotal information from workers' compensation claims experts, the average PD rating for a claim with respiratory infections and other illnesses similar to critical COVID-19 complications is estimated to be approximately 40%. Based on this projected rating, the WCIRB estimates an average PD benefit of $29,000 for critical COVID-19 claims.

---

23 "Virus survivors could suffer severe health effects for years," Bloomberg News, May 12, 2020.

24 This average reflects the assumption that 75% of severe COVID-19 claims will not involve PD.

25 The long-term medical care for severe cases that involve PD was estimated based on the medical treatments and costs on claims with respiratory infections and illnesses similar to COVID-19 complications (such as acute kidney injury, acute cardiac injury and cognitive impairment) in the WCIRB medical transaction data. We estimated an annual average cost of $5,000 for 4 years to cover medical treatments, such as medication, outpatient care and physical therapies, for the 25% of severe claims.

26 DRGs 207 and 208.

27 "A rampage through the body," *Science*, April 24, 2020, Vol. 368, Issue 6489, pp. 356-360.

Similar to the methodology used for estimating the medical cost of a severe COVID-19 claim, the WCIRB used the WCIRB's medical transaction data and the DWC's medical fee schedule for severe respiratory infections and inflammations and ventilator support (DRGs 177, 207 and 208) and estimated approximately $300 of initial physician costs, $92,000 of inpatient costs, $42,000 for rehabilitation and follow-up care for critical cases of COVID-19, and on average $40,000 for long-term medical[28] on the 50% of the critical COVID-19 claims that involve PD. This results in an estimated average of $154,300 in medical costs for a critical COVID-19 claim.

Death Claims Arising from COVID-19

As shown in Table 4, the WCIRB estimates that 5% of COVID-19 claims for workers subject to the Order are death claims. Based on the historical average cost of death claims in California and in accordance with the Order provision that specifies that in the case of no dependents the equivalent death benefit that is normally paid to the State Subsequent Injury Fund is waived,[29] the WCIRB estimates the average death benefit on COVID-19 claims in 2020 is approximately $167,200.[30] The WCIRB assumed an average of three weeks of TD benefits on death claims based on the average length of hospitalization for critical COVID-19 claims (approximately two weeks) and an average of one week from onset of the symptoms to hospitalization. Reflecting the 5% adjustment for the TD offset provisions of the Order results in an average TD cost for COVID-19 death claims for workers subject to the presumption of $1,700. The WCIRB also estimated medical costs for COVID-19 death claims to be $111,600, which is based on the DRGs for ventilator support assumed for the critical COVID-19 claims, but using the higher case severity estimate given the advanced stage of these cases.

Loss Adjustment Expenses

Claims arising from COVID-19 will incur claim handling and defense costs as do other workers' compensation claims. At this time, there is no data available to suggest that COVID-19 claims will incur more or less claims administrative costs (unallocated loss adjustment expenses or ULAE) than the typical workers' compensation claim. Similarly, the WCIRB believes that COVID-19 claims will incur medical cost containment program (MCCP) costs similar to the typical workers' compensation claim. The WCIRB's projected ratio of these costs to losses based on insurer loss and loss adjustment experience as of December 31, 2019 is 15.0% for ULAE and 4.3% for MCCP costs.

The WCIRB consulted several workers' compensation claims experts to assess the potential litigation costs for COVID-19 claims. There was a general consensus among experts that with a rebuttable presumption there would be some litigation arising from COVID-19 claims, particularly as to whether there was any PD and to whether the COVID-19 was work-related. However, it was not clear whether allocated loss adjustment expense (ALAE) costs related to litigation on COVID-19 claims would be higher or lower than average compared to the typical workers' compensation claim. As a result, the WCIRB assumed ALAE on COVID-19 claims to be similar to the typical workers' compensation claim. The WCIRB's projected ratio of ALAE to losses based on insurer loss and loss adjustment experience as of December 31, 2019 is 16.8%.

28 We assumed critical cases of COVID-19 will have more severe disability and need for more intensive long-term medical care than severe cases, and estimated an annual average cost of $10,000 for four years to cover medical treatments, such as medication, outpatient care and physical therapies, for the 50% of critical claims.

29 The WCIRB estimates that there are no dependents in 12% of all death claims in California.

30 This average reflects the assumption that 12% of COVID-19 death claims do not have death benefits due to no dependents.

Conditions and Limitations

1. The WCIRB's system cost estimate reflected the potential workers' compensation costs of compensable COVID-19 claims filed by workers subject to a rebuttable presumption of compensability as specified in the Order. We did not project what proportion of those workers would have filed compensable workers' compensation claims without a legal presumption of compensability. Nor did we try to estimate what proportion of workers not subject to the presumption will file a compensable COVID-19 workers' compensation claim as that estimate was beyond the scope of this evaluation.
2. The estimates reflect the time frame specified in the Order. If this order is extended or otherwise modified, these estimates would of course be affected.
3. Some of the data used in the analysis was based on the reported data of insured employers only. When needed to estimate the impact for the California workers' compensation system as a whole, the WCIRB assumed the patterns evident in the insured employer reported data were applicable to the entire state.
4. The high-range estimate reflected in this study is not intended as a "worst case" scenario. Nor is the low-range estimate intended to reflect the "best case" scenario. Instead, these estimates reflect the high and low ends of a range of reasonable assumptions based on available published data and research.
5. The COVID-19 pandemic is a rapidly evolving crisis. WCIRB estimates were based on information available at the time of this study. If subsequent information becomes available that changes the basis of our assumptions, these estimates would of course be affected.
6. This analysis is based on a broad-based presumption of most COVID-19 claims being work-related for workers impacted by the presumption in the Order. Several specific presumption bills are currently under consideration by the California Legislature. If a presumption bill is enacted by the Legislature, the WCIRB will provide a cost estimate based on the specific language contained in the bill.
7. Comorbidities and pre-existing medical conditions can significantly affect the frequency and costs of COVID-19 claims. The WCIRB was not able to make any adjustments for the relative cost and frequency of occurrences of these conditions. In addition, the WCIRB did not make any adjustments as to the relative health of workers affected by the presumption and in effect assumed it to be comparable to that of the general population.
8. Whenever possible, the WCIRB based its system cost estimates on WCIRB and other publicly available data as well as COVID-19 impact estimates by credible research and public health institutes. At times, judgmental assumptions were needed. Actual system cost results could differ significantly from those projected.
9. As discussed in this report, the WCIRB relied upon many publicly available sources of information to determine our assumptions. While we deemed the sources credible for the purposes we used the information, we did not independently validate the underlying information.

WCIRB California®
Objective. Trusted. Integral.

1221 Broadway, Suite 900
Oakland, CA 94612
888.CA.WCIRB