



ANNUAL REPORT ON THE **EFFECTS OF THE**  
**2013 Workers' Compensation**  
**Reform Act**

April 15, 2024 | Tennessee Bureau of Workers' Compensation

Administrator, Troy Haley



# Executive Summary

Governor Lee and Members of the 113<sup>th</sup> General Assembly:

The 2013 Workers' Compensation Reform Act requires the Bureau of Workers' Compensation to provide each member of the general assembly a report on the Bureau's findings on the impact of the reforms. The results have been positive and consistent with the legislative intent of being fair to both employees and employers. Highlights of this year's report include the following:

- Our mediated settlement and court-approved settlement numbers continue to be strong. In 2023, we conducted 2,454 successful mediations and approved 8,553 settlements.
- Our ombudsman program assisted 14,797 employees and employers.
- The average number of weeks from the date of injury to the date of maximum medical improvement (MMI) decreased from 60.2 weeks pre-reform to 39.2 weeks post-reform.
- The average number of weeks from the date of MMI to the claim's conclusion decreased from 50.8 weeks pre-reform to 26.3 weeks post-reform.
- The percentage of workers who returned to work post injury to the same employer increased from 61% pre-reform to 72% post-reform.
- The Bureau has conducted education and training programs across the state for employers, insurance adjusters, and medical providers. Our REWARD Program provides training to employers on best practices in returning an injured worker to employment, and our Next Step Program provides vocational recovery and educational assistance. Our Certified Physician Program is an effort to improve access to care for injured workers in Tennessee.

The effects of the 2013 Reform Act have been positive and resulted in a workers' compensation system that is timelier, provides sources of assistance to parties who are self-represented, and is more consistent and less costly. The Tennessee Department of Commerce and Insurance (TDCI) announced that workers' compensation insurance premiums will decline for most Tennessee businesses in 2024 for the eleventh consecutive year. On December 30, 2023, TDCI Commissioner Carter Lawrence signed the order approving a 9.4% overall loss cost decrease for the voluntary market beginning March 1, 2024, on new and renewal policies.

Due to the success of our court of workers' compensation claims, our mediation program, and our REWARD program, more cases are mediated to a settlement without the need for a trial, and injured workers are receiving timely medical treatment and returning to work sooner. We thank you for your interest in workers' compensation and your support to make Tennessee a leader in providing high-quality services to its citizens.

Sincerely,



Troy Haley, Administrator

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## Need a recap?

Review the **basics** of Tennessee's workers' compensation system at <https://youtu.be/CuLqYbbPQSY>



Collected from employers not compliant with our statutes.

\$15M

**Wednesdays** had the greatest number of injuries.  
15,847

80%

Mediation Resolution Rate

2,454 disputed claims were **resolved** (in full or in part) by a BWC mediator before going to court.

73

individuals are receiving benefits from the **Subsequent Injury Fund**.

Over **\$1.5 million** in benefits were paid from this fund.

0.003%

of the 3,059 disputed claims (10) were appealed to the Tennessee Supreme Court.

8.5K

settlements were **approved** in the Court of Workers' Compensation Claims

3.5K PBDs Filed

Each "Petition for Benefit Determination" is an opportunity for us to resolve a dispute.

91K

work-related injuries reported.

72%

of workers **returned to work** to the same employer. That's 11% more than pre-reform.

# WORKERS' COMPENSATION

**79** injuries resulted in fatalities.

**Manufacturing** was the industry with the highest percentage of claims.  
**15%**

**70%** of claims were "med-only"

Med-only claims means no temporary disability benefits were paid. They are less expensive and also mean no permanent injury resulted.

**221**

**COVID-related claims** were reported.

*A 93% decrease from the 2,868 claims reported in 2022.*

*The average number of weeks from the date of maximum medical improvement **to date of conclusion has decreased** from 50.8 weeks to 26.3 weeks after law changes in 2014.*

**25**

**weeks shorter**

**64**

impairment ratings were issued by Medical Impairment Rating Registry physicians.

**18-30-year-olds** had the most injuries.

**27,963**

**19K**

employees have **gained protections** of workers' comp coverage due to our Compliance investigators.

**3K**

judicial hearings held in our court system.

# Claim Statistics

In Tennessee, workers' compensation insurance claims are paid by private insurance companies or by employers who are self-insured. Those claims are reported to us. The following data are from calendar year 2023.

## Top 5 Industries for Claims

This data highlights the top five industries that reported the most claims in Tennessee.

- 15%** Manufacturing
- 14%** Retail Trade
- 14%** Health Care and Social Assistance
- 9%** Transportation and Warehousing
- 8%** Accommodation and Food Services

## Top 4 Causes of Injury

Understanding these primary causes can influence safety trainings to better address and prevent these types of injuries in the workplace.

- 1. Lifting / Objects Being Handled
- 2. Falls, Slips, or Trips
- 3. Strains
- 4. Slips and trips (without falling)

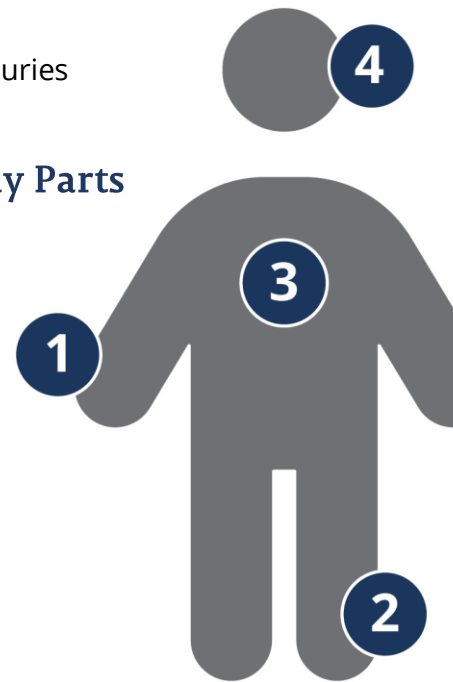
## Top 5 Nature of Injuries

This data presents the top five nature of injuries reported in workers' compensation claims. Understanding the nature of injuries can help safety programs target these types of injuries and improve workplace safety.

- 1. Strain or Tear
- 2. Contusion
- 3. Laceration
- 4. Sprain or Tear
- 5. All other Specific Injuries

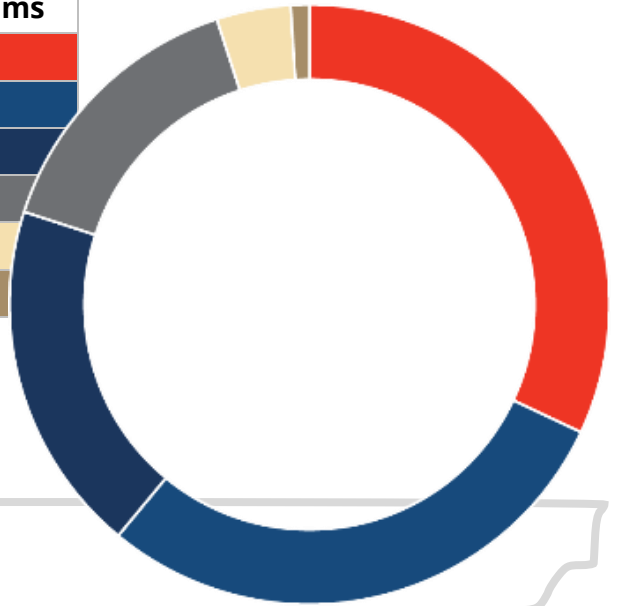
## Top 5 Injured Body Parts

- 1. Upper Extremities
- 2. Lower Extremities
- 3. Trunk
- 4. Head
- 5. Multiple Body Parts



## Age Distribution of Work-Related Injuries

Age Group	Percentage of Total Claims
18-30	32%
31-45	29%
46-55	19%
56-65	15%
> 65	4%
< 18	1%



## First Reports of Injury (FROI) by County

### Highest

13,357	Davidson
11,306	Shelby
6,587	Knox
5,855	Hamilton
4,592	Rutherford
2,960	Williamson
2,782	Sumner
2,517	Wilson
2,191	Maury
1,907	Sullivan

### Lowest

58	Cannon
55	Decatur
53	Moore
53	Perry
45	Clay
45	Jackson
38	Lake
25	Van Buren
23	Pickett
14	Hancock

# Alternative Dispute Resolution

The Bureau provides ombudsman and mediation services to help injured workers and employers decide how their disputes resolve, without relying upon a judge. These services allow for quicker and less expensive problem solving than relying upon court alone.

## Ombudsman Program

The [Ombudsman Program](#) aids injured workers, their family members, and their employers who are not represented by an attorney. Ombudsmen answer benefit questions, direct people to educational materials, and are the first line of dispute resolution assistance. These efforts make the workers' compensation system more efficient by working with all parties during a dispute to keep litigation costs down and ensure benefits are provided correctly. This program also saves taxpayer money by resolving disputes without court involvement, which alleviates the burden on our court system.

**Specifically**, last year, Bureau ombudsmen made 14,797 contacts, including calls, in-person consultations, emails and other correspondence. Approximately 90 percent of those inquiries involved injured workers with benefit disputes, which the ombudsmen helped to informally resolve. This was done by mostly educating the customer and answering their questions, but on roughly 450 occasions, an ombudsman actually reached out to the employer or carrier to resolve a dispute. Moreover, in about 25% of all contacts, the ombudsmen serve as a valuable referral source for other government services like the Tennessee American Job Centers, SNAP, and adult education.

Bureau staff has always been available to assist the public. But since the Act, that assistance has increased dramatically, and is provided by individuals with specialized training in conveying information and informal dispute resolution, whose sole job is to help customers.

## Mediation Program

[Mediators](#) help injured workers, attorneys, employers, and insurance companies resolve workers' compensation disputes. Mediation provides an opportunity for both sides to address their concerns and to make informed decisions based on their own priorities and needs. Our mediators help parties talk it out, educate, and explore what is possible. They provide guidance and hope that can result in agreements that may not be available



through litigation. These disputes could be for medical care payments, lost wages and/or permanent disability.

- **2,454 Resolved.** Most disputes resolve during mediation.  
80% resolution rate for mediations conducted in 2023 versus 85% in 2022.
- **605 Unresolved.** The issues that remain unresolved after mediation typically are decided in court.  
Mediations declined from 3,160 in 2022 to 3,059 in 2023 or a decrease of 0.03%.

## Ombudsman Attorneys

Navigating a court system can be intimidating. Unrepresented Injured workers assisted by our ombudsman attorneys are better prepared for court in cases that aren't resolved during mediation. They provide limited legal advice and guidance to injured workers (or employers) who do not have an attorney.

The ombudsmen attorneys gave limited legal advice and educated 236 customers last year, and of them, 161 were new customers. The ombudsmen attorneys offered practical, plain-language guidance on topics such as;

- how to obtain medical evidence in an admissible form for a trial;
- how to request that a document be admitted into evidence at a hearing;
- how to respond to all types of written discovery, including, for example, requests for admissions or a complicated summary judgment motion; and,
- how to cross-examine an expert witness at a deposition.

As a result, their customers are almost universally better prepared and more confident, either for court or to negotiate a fair settlement beneficial to all parties.

# Court of Workers' Compensation Claims

The [Court of Workers' Compensation Claims](#) is a specialty court that hears workers' compensation claims exclusively. The court is dedicated to providing a fair, efficient, and professional system to employees and employers that promotes economic prosperity for all Tennesseans. With experienced judges focused solely on workers' compensation law, claims are decided faster and with more consistency than pre-Reform. To ensure fairness, the judges apply the rules of evidence and civil procedure at all evidentiary hearings, and the law is no longer construed remedially to favor one side over the other.

Along with deciding cases, the court approves settlements using the statutory criteria to ensure that injured workers are receiving substantially the benefits they are entitled to or that the settlement is in their best interest.

**11,559 Total Hearings** (including settlements) were held by the Court of Workers' Compensation:

- **8,553** Settlements
- **102** Expedited Hearings
- **40** Summary Judgment Hearings
- **41** Compensation Hearings
- **287** Scheduling Hearings
- **185** Show Cause Hearings
- **1,628** Status Hearings
- **723** Misc. Hearings (motions etc.)

Before the Reform Act in 2013, a major complaint about the workers' compensation system was how long it took to obtain a decision from the trial judge. The numbers below are a sizeable decrease in the time it now takes to receive a decision in a case.

Average business days orders are released from the date of the hearing:

- **5.9 days** for Expedited Hearing Orders
- **4.7 days** for Summary Judgment Orders
- **8.3 days** for Compensation Orders

In addition, the Court continues to receive positive feedback from practitioners regarding the quality of their written opinions as well as their judicial demeanor during hearings.

# Appeals Board

The [Workers' Compensation Appeals Board](#), created by the 2013 Reform Act, considers two kinds of appeals: (1) orders from the Court of Workers' Compensation Claims that did not fully resolve all issues in the case (interlocutory orders); and (2) final orders from the Court of Workers' Compensation Claims. This specialized court process results in speedier and more consistent decisions, which has significantly reduced the number of workers' compensation appeals filed with the Tennessee Supreme Court.

- 48 Interlocutory Appeals.** These opinions address specific aspects of a case but do not fully resolve the case. In 2023, these decisions were issued, on average, within about 16 days of the date the Appeals Board received the record. Decisions were issued four days sooner than the 20-business day statutory deadline.
- 26 Compensation Appeals.** These are appeals of orders that fully resolve the case. On average, it took 29 days to issue an opinion in a compensation appeal. Decisions were made 16 days sooner than the 45-calendar day statutory deadline.
- 74 Notices of Appeal** were filed in 2023, 51% of which came from self-represented injured workers.

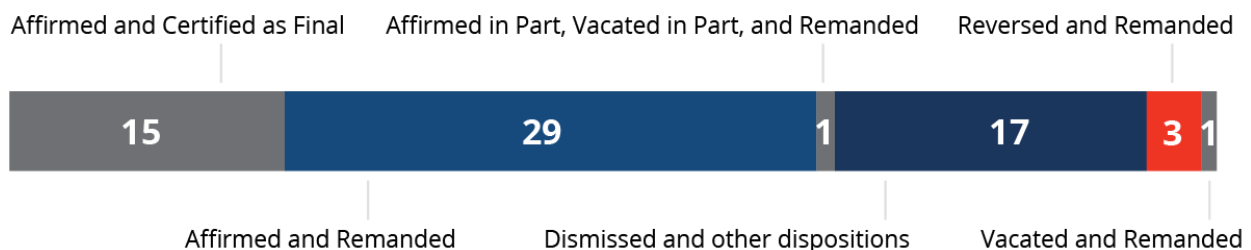
  - △ 18 more appeals than last year

*Why doesn't this number agree with the number of decisions issued as reflected in the chart below? Some cases remain pending at the turn of each new year.*



*Oral Argument was held on-stage and in front of hundreds of attendees at the Tennessee Workers' Compensation Educational Conference in June 2023.*

## Dispositions of the Opinions Released by the Appeals Board in 2023



# Medical Components

Access to quality medical care improves the outcomes for injured workers and lowers the ultimate costs of claims.

## Utilization Review Appeals

The medical unit reviews appeals to determine if a physician's recommended treatment is reasonable and necessary. The decision in a utilization review appeal may reverse or affirm the denial issued by the employer's insurance company and its reviewing vendor. The Bureau issues its determination in the regulatory timeframes when all pertinent materials are available. The unit efficiency has a direct impact on the time it takes to get medical treatment for injured workers when their treatment has been denied. Learn more about [utilization review](#) and the appeal process.

- Determinations are issued **within one day** after the required notification period.
- **518 determinations** were issued in the first half of fiscal 2023-2024.  
*About the same number as the year before.*
- The Bureau **reversed 43%** of the denials of medical treatment received on appeal.  
*About the same number as the year before.*

## Case Management

The Bureau confirms licensing, accreditation, and continuing education requirements are fulfilled and current, so that the case managers who work on Tennessee workers' compensation claims have proper training and adhere to the state's rules and protocols. Learn more about [case management](#).

- **1,316 Case managers** and case manager assistants are registered with the Bureau.  
*As of December 2023*

## Medical Payment Committee

This [committee](#) is an administrative process for the resolution of payment disputes between medical providers and insurers regarding the proper payment for services rendered, according to the fee schedule. Also, the committee advises the administrator on issues relating to the [medical fee schedule](#) and medical care cost containment.

- **25% resolve prior to meeting** after submission to the Bureau and before presentation to the committee.
- **35 cases** were heard by the committee during the first half of the fiscal year.
- Most cases result in a determination in favor of the provider.

## Medical Advisory Committee

The Medical Advisory Committee advises the administrator on issues related to medical services and costs. The committee quarterly reviewed changes to the adopted ODG by MCG treatment guidelines and sent two suggestions to the publisher's research unit in the first half of fiscal 2023-2024.

With the American Medical Association moving to an annual revision and digital format for the AMA Guides® to the Evaluation of Permanent Impairment, the committee deferred the required statutory recommendation until the revisions to the chapters for the spine and the extremities can be evaluated in late 2024.

## Medical Impairment Rating Registry

This administrative resolution program helps settle claims when the injured worker's impairment rating is disputed. When parties disagree, a qualified registry physician provides an impartial opinion.

The new [Certified Physician Program](#) coordinates with this program to simplify eligibility in an effort to increase physician participation in the Registry. Learn more about the [Medical Impairment Rating Registry](#).

- **81 MIR Physicians** are registered and trained to provide [impairment ratings](#).  
△ 1.2% increase from last year.
- **35 MIR Reports Issued.**  
in the first half of fiscal 2023-2024.

# Additional Updates

While the following updates are not directly related to the Reform Act, these programs connect and influence the efforts of the Bureau of Workers' Compensation.

## Drug-Free Workplace Program

*Reducing workplace accidents that involve drug use.*

- **2,803** participating employers  
*A decrease from last year. Testing for THC is causing some participants to drop out.*
- **274,858** employees covered in the program  
*An increase from last year. Employers with more employees have increased.*

## Uninsured Employers Fund

*Assisting workers who are not provided benefits they are owed.*

- **3,607** workers gained coverage due to this program's efforts in 2023.
- **42** qualified employees received medical and/or weekly benefits from the UEF Fund (*Cumulative since 2015, Funded by penalty collections from uninsured employers, not General Fund.*).
- **New UEF Benefit in 2023:** \$20k in benefits were added for work injuries resulting in death.

## Employee Misclassification Education and Enforcement Fund

*Ensuring employers pay their fair share of workers' compensation insurance.*

- **69 referrals** received for possible employee misclassifications.
- **8 penalties** issued to businesses for misclassification and/or underreporting payroll.

## Compliance Program Penalty Assessments

*Ensuring parties follow administrative rules.*

**\$3,395,987.99** in penalty assessments were made by the Compliance Program for violations of T.C.A. § 50-6-412.

## Workers' Compensation Exemption Registry

*An option for construction business owners who don't have to carry insurance on themselves.*

- **25,000+** Application renewals, reinstatements, and new applications were processed in 2023.

## Subsequent Injury Fund

*Encourages employers to hire workers who already have a permanent disability by reducing their risk if another injury occurs.*

- **202** new cases were opened in 2023.
- **22** cases closed with benefits awarded.
- **176** cases closed without benefits awarded.

## Next Step Program

*Providing career transitional services to workers who suffer a severe injury and cannot return to their former jobs.*

- **133** Next Step applicants.
- **95** returned to work.
- **54** enrolled in school.
- **16** Next Step scholarships awarded.
- Totaling **\$66,622** in financial aid.

*Next Step stats are cumulative since 2018.*

## R.E.W.A.R.D. Program

*Helping employers and physicians work together to focus the injured worker on their own recovery for a speedy return to work.*

- **11 Physicians** [certified](#).
- **63 Participants** in the Employer-focused [Return-to-Work Coordinator](#) virtual course.
- **155 Employers** reached through the [REWARD Program\(s\)](#).

## Communication and eLearning

*Conveying useful information to stakeholders in plain English through a variety of platforms.*

- **1.9K** followers/subscribers across our social media platforms.
- **71** virtual and in-person presentations.
- **110 Adjusters** voluntarily [certified](#) in 2023.
- **7.5K subscribers** to our email newsletters.



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[tn.gov/workerscomp](http://tn.gov/workerscomp)



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