

New Mexico Workers' Compensation Administration 2021 Annual Report





STATE OF NEW MEXICO
Workers' Compensation
Administration

ONE TEAM | ONE GOAL

A Better New Mexico for Workers and Employers

Michelle Lujan Grisham, Governor

Leigh Martinez, Acting Director

The 2021 New Mexico Workers' Compensation Administration Annual Report was produced through a collaborative effort of agency staff. The report was made possible by Acting and Deputy Director Leigh Martinez; Economist and Bureau Chief Richard Adu-Asamoah, Ph.D.; Economists Dhuha Al Khalissi and Ruili Yan; Statistician Claudia Simmons; Public Relations Coordinator Aileen O'Catherine; and Public Information Officer Diana Sandoval-Tapia; with contributions from WCA field offices and bureaus.

The 2021 Annual Report is available on the WCA's website at

<https://workerscomp.nm.gov>

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DIRECTOR'S MESSAGE

On behalf of the New Mexico Workers' Compensation Administration, I am pleased to present the 2021 Annual Report. The Administration's mission is to assure the quick and efficient delivery of indemnity and medical benefits to injured and disabled workers at a reasonable cost to employers. Our staff is committed to achieving that mission by fulfilling the following key duties:

- Educate the public on the workers' compensation system
- Ensure employers maintain workers' compensation coverage
- Promote workplace safety
- Resolve workers' compensation disputes accurately and efficiently
- Investigate and prosecute wrongdoers
- Contain medical and other costs so that New Mexico employers are not unduly burdened.



NWCA Acting Director Leigh Martinez

The WCA's Annual Report provides an overview of the year's trends in injury characteristics, benefits and claims, indemnity and medical costs, legislative activity, recent case law, as well as information on the WCA's structure, performance and budgetary outlook. The report illustrates that New Mexico's workers' compensation system is stable and healthy and generally works well – roughly 95% of all workers' compensation claims are handled without any regulatory intervention. When disputes between parties do arise, the Administration resolves the vast majority of them quickly and fairly—most often through agreement of those involved.

While it has been a challenging year and a half as the world faced a global pandemic, I am proud to say that our agency staff quickly shifted gears where necessary to assure continuation of services on every level to our workers' compensation community. Working remotely, our Court Clerk staff filed more than 42,000 applications, complaints, lump-sum petitions, and other legal pleadings, such as recommended resolutions and orders. Our ombudsmen in all offices responded to 8,353 contacts. Mediators and judges also worked remotely to do their part in assuring the “quick and efficient delivery” of services – 1,400 recommended resolutions were written, resolving the majority (66.1%) of disputes prior to formal adjudication. Of the remaining disputes, 31.5% were resolved through settlement, leaving only 2.4% to be resolved at trial.

As we begin to re-emerge and discover a “new normal,” we at the New Mexico Workers' Compensation Administration pledge to keep on moving forward, working together to provide our best service to New Mexicans who rely on us.

[Published September, 2021]

Leigh Martinez

REPORT HIGHLIGHTS

WCA RESPONDED TO COVID-19 PANDEMIC

- Limited in-person contact among agency staff and the public continued in 2021 because of the COVID-19 pandemic. A skeleton staff worked in agency buildings until July 12, 2021, when most staff returned to their offices.

WCA SERVICES UNINTERRUPTED IN 2020 DURING COVID-19 PANDEMIC

- Attorney mediators wrote 1,400 recommended resolutions (RRs); the acceptance rate was 66.1%. There was no interruption of mediation during the pandemic, with mediators, attorneys, insurers and pro se workers moving to tele- or video-conferencing. The median number of days to file an RR decreased to 50 days (three days fewer than 2019), indicating that the mediation bureau continued to function efficiently in a virtual setting during the COVID-19 pandemic.

- Despite the challenge of social distancing, the Clerk of the Court Bureau continued to work with the workers' compensation community to process and file 38,751 additional legal pleadings that included recommended resolutions, motions, entries of appearance and orders.

- The Medical Cost Containment Bureau (MCC) received 301 new billing disputes and resolved 300 billing disputes, including 17 carried over from 2019.

COVID-19 IMPACTS IN 2020

- Subsequent Reports of Injury (SROIs) associated with workplace COVID-19 infections were first received from carriers and self-insured employers in April 2020. The highest number of both SROIs (749) and indemnity SROIs (704) were submitted in November and December, months during which restrictions on social gatherings were in place.

- About 81.7% of the COVID-19 indemnity claims fell under the industry category of Health Care & Social Assistance. About 68% of the indemnity claims were from occupations classified under Health Care Practitioners and Technical Occupations or Health Care Support Occupations.

- By December 2020, eight COVID-19-related fatalities had been reported to the WCA. Of those fatalities, 62.5% were health care workers. One fatality was in the age group 19 years and under; three were in the age group 25-34 years; and there were two each in the age groups 35-44 and 45-54.

- Most COVID-19 indemnity claimants in New Mexico were females (66%), reflecting the proportion of this gender in health care occupations, while 33% were males. The age group most frequently infected with COVID-19 in the workplace in New Mexico was 25-34 years (30.6%), followed by 35-44 years (22.1%).

BENEFITS CLAIMS DROP IN 2020

- The number of reported injuries dropped to 21,198, and the injury rate also decreased to 2.95 injuries per 100 workers compared to the injury rate of 3.11 per 100 covered workers in 2019. The number of non-indemnity (medical-only) claims dropped by 24.21% to 10,865 from 14,336 in 2019, while indemnity claims, which represent serious workplace injuries, increased by 11.16% to 4,263 from 3,834 in 2019.

- Carriers and self-insured employers submitted 15,128 SROIs to the WCA, a 16.75% decrease from the 18,171 filed in 2019; the top five most frequently injured parts of the body were the trunk except lower back area (15.2%); knees & legs (14.3%); multiple body parts (12.6%); back (9.5%), followed by shoulders (8.6%).
- Health Care & Social Assistance, for the third year, was the industry with the highest number of indemnity claims. However, the COVID-19 pandemic contributed substantially (more than double the number of severe injuries in 2019) to the number of injured workers in this industry.
- Thirty-four work-related fatalities were reported to the WCA, making the year the lowest in the number of fatalities since 2017.

MEDICAL CANNABIS AND OTHER COSTS IN 2020

- Thirty-two payers reported reimbursements totaling \$191,874.20 for 62 claims involving medical cannabis. The average amount reimbursed per claim was \$3,095; this corresponded to an average of about 257 units or 28% of the maximum allowable. Medical cannabis accounted for 1.11% of all 2020 drug expenditures, and for about 0.07% of the 2020 total expenditures.
- Worker's compensation medical costs were about \$150.2 million in 2020. Indemnity expenditures were \$115.2 million, a decrease of 0.2% compared to 2019.
- Since 2012, New Mexico has performed better than only Oklahoma in the Oregon Department of Consumer and Business Services (DCBS) rate ranking studies as compared to the other southwest states. The 29th premium rate ranking for New Mexico in 2020 represents a disappointing decline compared to the 34th premium rate ranking in the 2018 study.

WCA REVENUES AND TRANSFERS

- The revenues for fiscal year (FY) 2020 were \$11,374,107 for the Workers' Compensation Administrative Fund, a decrease of 9.6% from FY 2019 revenues. Revenues for the uninsured employers fund (UEF) totaled \$1,146,483 in FY 2020, a 10.4% decrease from FY 2019.
- For FY 2020, the New Mexico Legislature authorized the WCA to increase spending \$8.1% from FY 2019. The separately funded UEF was authorized to increase spending \$1.7% from FY 2019.
- In FY 2020, \$1.05 million was transferred from the WCA to the New Mexico Department of Workforce Solutions (DWS), as allocated during the 2019 legislative session. For FY 2021, the legislature approved a \$1.05 million transfer to DWS. As of the date of this writing, the legislature has approved \$1 million to be transferred from the WCA fund to DWS for FY 2022.

FUND DOLLARS AT WORK: FY 2020

FUNDING

The New Mexico Workers' Compensation Administration (WCA) is a self-funded agency whose revenues come from the workers' compensation assessment fee. The New Mexico Taxation and Revenue Department (TRD) collects the assessment fee for the agency, keeping up to 5 percent of fees to cover collection costs. The assessment fee is \$4.30 per employee, per quarter. Employers subject to the workers' compensation law pay \$2.30 per employee per quarter, and are allowed to pass on \$2.00 per quarter to employees. Of the amount paid by employers, \$0.30 is earmarked specifically for the Uninsured Employers Fund (UEF). The UEF also receives revenues from employers who reimburse the fund for uninsured claims.

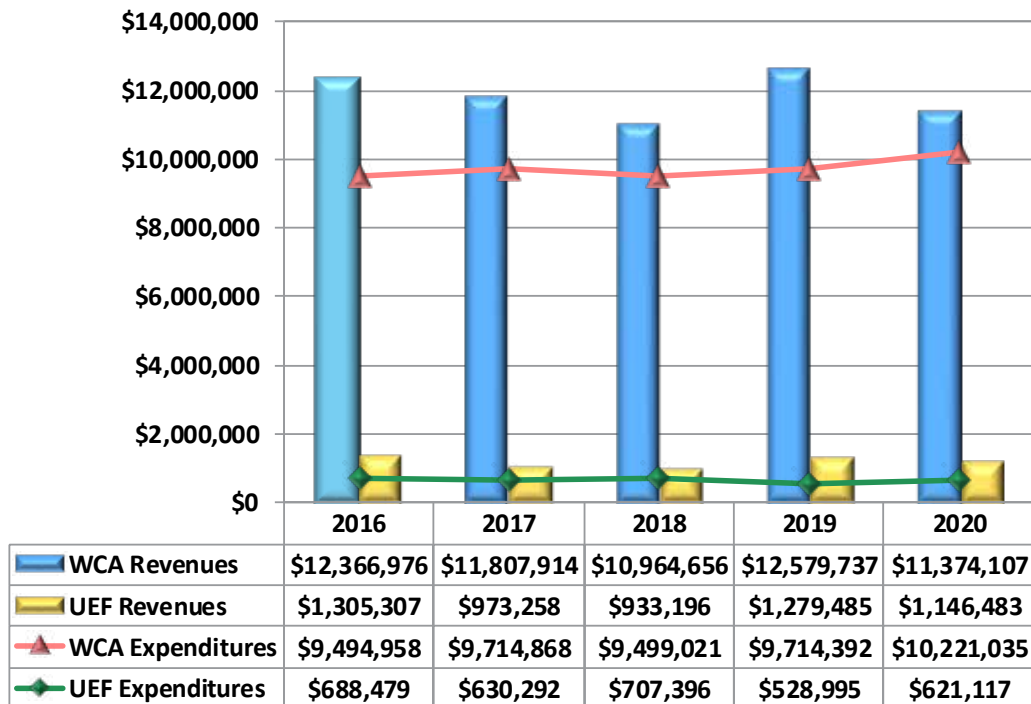
REVENUES AND ADMINISTRATIVE EXPENDITURES

The agency's audited financial statements show revenues for fiscal year (FY) 2020 were \$11,374,107 for the Workers' Compensation Administrative Fund, a decrease of 9.6% from FY 2019 revenues. Revenues for the UEF totaled \$1,146,483 in FY 2020, a 10.4% decrease from FY 2019. These UEF revenues include assessments, penalties, UEF settlement agreements and miscellaneous sources.

For FY 2020, the New Mexico Legislature authorized the WCA to spend \$10,829,900 in operating expenses, an increase of 8.1% from FY 2019. The separately funded UEF was authorized to spend \$909,900 in FY 2020, a small increase of 1.7% from FY 2019.

Actual WCA expenditures in FY 2020 were \$10,221,035, an increase of 5.2% from FY 2019. UEF actual expenditures increased 17.4% from \$528,995 in FY 2019 to \$621,117 in FY 2020.

Figure 1.1 Total Revenue and Administrative Expenditures, FY 2016 - FY 2020



Source: New Mexico Workers' Compensation Audited Financial Statements, FY 2016 - FY 2020

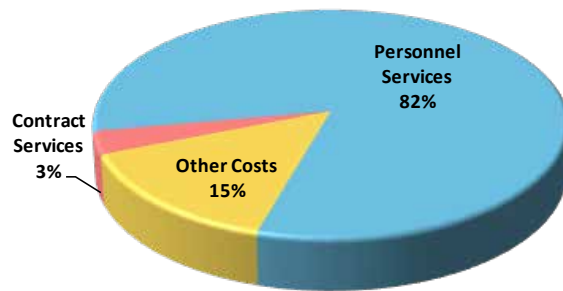
EXPENDITURES BY CATEGORY

WCA Fund FY 2020:

Category	Amount
Personnel Services	\$8,412,146
Other Costs*	\$1,480,430
Contract Services	\$ 328,459

*The Other Costs category for Figures 1.2 and 1.3 includes (but is not limited to) expenditures for supplies and other operating expenses such as travel, training, building maintenance, utilities and capital outlays.

Figure 1.2 WCA Expenditures, FY 2020



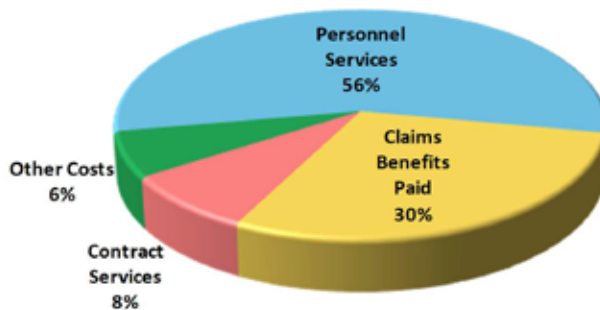
Source: New Mexico Workers' Compensation Administration, *Audited Financial Statements, FY 2020*

UEF FY 2020:

Category	Amount
Personnel Services	\$346,473
Claims Benefit Paid	\$183,408
Contract Services	\$ 51,310
Other Costs*	\$ 39,926

*The Other Costs category for Figures 1.2 and 1.3 includes (but is not limited to) expenditures for supplies and other operating expenses such as travel, training, building maintenance, utilities and capital outlays.

Figure 1.3 UEF Expenditures, FY 2020



Source: New Mexico Workers' Compensation Administration, *Audited Financial Statements, FY 2020*

WCA FUND TRANSFERS

Money from the Workers’ Compensation Administrative Fund is routinely transferred to other state funds, most frequently to the Department of Workforce Solutions (DWS). In FY 2020, \$1.05 million was transferred to DWS, as allocated during the 2019 legislative session. For FY 2021, the legislature approved a \$1.05 million transfer to DWS. As of the date of this writing, the legislature has approved \$1 million to be transferred from the WCA fund to DWS for FY 2022. From 2018 through 2022, transfers to the General Fund have been zero. Please see Figure 1.4.

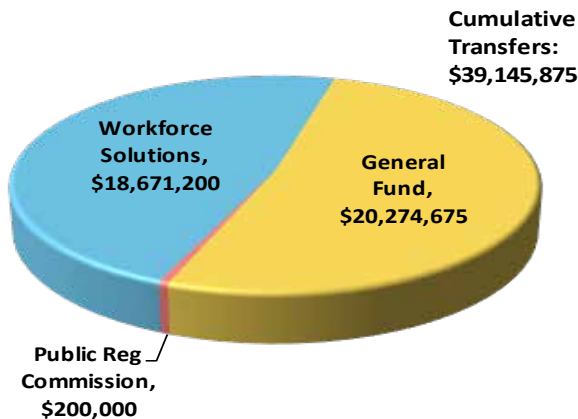
Since 2005, cumulative transfers from the WCA fund exceed \$39 million (Figure 1.5).

Figure 1.4 Funds Transferred from the WCA by Year, FY 2018 - FY 2022



Sources: New Mexico Workers’ Compensation Administration, *Audited Financial Statements, FY 2018 - FY 2020*
New Mexico General Appropriation Acts of 2020 and 2021

Figure 1.5 Cumulative Transfers from WCA Fund, FY 2005 - FY 2022



Sources: New Mexico Workers’ Compensation Administration, *Audited Financial Statements, FY 2005 - FY 2020*
New Mexico General Appropriation Acts of 2020 and 2021

WCA FUND BALANCE

The WCA fund balance at the end of FY 2020 was \$4,343,251, about 2.7% higher than the \$4,230,723 balance at the end of FY 2019. The UEF fund balance at the end of FY 2020 was \$6,088,337, an increase of 9.4% from \$5,562,971 at the end of FY 2019.

KEY DUTIES

The New Mexico Workers' Compensation Administration (WCA) fulfills its statutory duties by executing the following functions:

1. Educate the public on the workers' compensation system
2. Ensure employers maintain workers' compensation coverage
3. Decrease the number and severity of workplace accidents
4. Resolve workers' compensation disputes accurately and efficiently
5. Investigate and prosecute wrongdoers
6. Assure the quick and efficient delivery of benefits to injured workers at a reasonable cost to employers

While different bureaus, departments, and offices of the agency are charged with specific responsibilities aimed at accomplishing the above functions, all units of the agency contribute to fulfilling aspects of the agency's statutory mission at one time or another.

EDUCATE THE PUBLIC ON THE WORKERS' COMPENSATION SYSTEM

WCA staff conduct outreach in a variety of ways so the public understands the agency's programs and utilizes its resources. Whether conducting safety trainings, informing employers of their responsibilities toward workers' compensation, or helping companies establish a quality return-to-work program, WCA personnel make it a point to educate, provide excellent customer service, and distribute informational materials.

In 2020, WCA staff reached 2,025 individuals at outreach events that this year included virtual video meetings since COVID-19 required social distancing. Staff provided information on employer requirements, compliance, safety, return to work and other workers' compensation topics. The public and workers' compensation community have been informed about any changes to the agency's operations because of COVID-19. Working safely from home was a priority, so an ergonomics topic page specific to home offices was published on the agency's website.

In 2020, the WCA's ombudsmen responded to 8,353 contacts, 18.1% fewer than 10,193 in 2019. The ombudsmen also helped customers who are Spanish speakers with answers to questions. There were 593 of such customers helped by staff of the Ombudsman Bureau in 2020, 62 fewer than in 2019. The ombudsmen also assisted in resolving many types of disputes, with 314 disputes resolved in 2020, a slight increase from 305 in 2019. During 2020, 3,755 hotline calls were received in the Albuquerque office alone, 520 (about 12.2%) fewer than the calls in 2019 (Table 2.1).

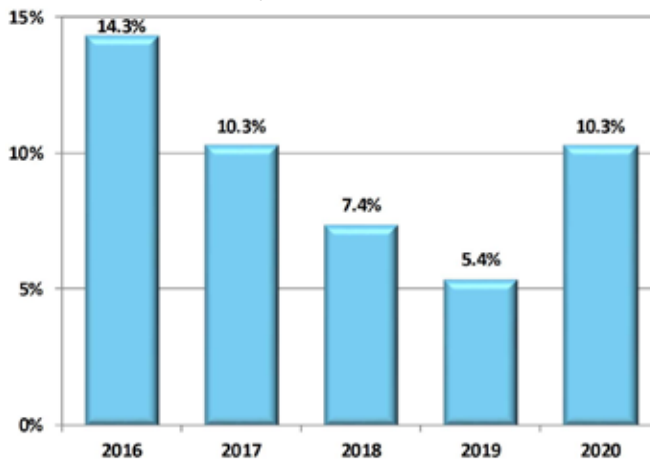
Table 2.1 Ombudsman Bureau Workload Summary Report, 2016 - 2020

	2016	2017	2018	2019	2020
Contacts	10,134	10,622	10,197	10,193	8,353
Disputed	590	395	1,021	531	490
Disputed Resolved	286	229	831	305	314
Spanish	1,035	748	774	655	593
Hotline Calls	4,055	4,195	5,196	4,275	3,755

ENSURE EMPLOYERS MAINTAIN WORKERS' COMPENSATION COVERAGE

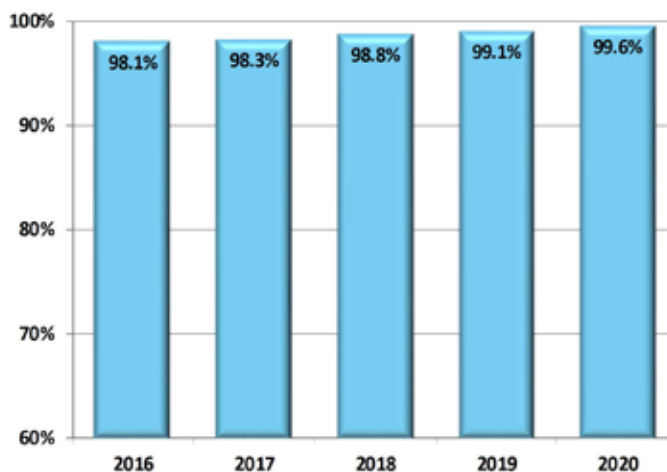
The Employer Compliance Bureau (ECB) is charged with this responsibility. In 2020, the WCA's ECB opened 5,766 new cases and closed 6,054 cases in total. The number of cases that the ECB opened and closed decreased compared to 7,115 open cases and 7,086 closed cases in 2019. Since more cases were closed than opened, the clearance rate was 105% in 2020. Beginning in 2016, the ECB determined that less than 14.3% of all referred employers were not in compliance with the workers' compensation insurance regulations each year. In 2020, the ECB identified 10.3% of the referred employers who still needed insurance, a dramatic increase from 5.4% in 2019.

Figure 2.1 Percent of Total Referrals Identifying New Mexico Employers Who Need Insurance, 2016 - 2020



Very few non-compliant insurance cases are referred to the Enforcement Bureau (EB) for investigation every year. In 2020, ECB referred only 21 cases for further enforcement action, a dramatic decrease from 61 cases in 2019. About 99.6% of employers obtained insurance prior to enforcement proceedings in 2020, a 0.5 percentage point higher than in 2019. This rate has stayed very stable at 98% to 100% in the last five years (Figure 2.2).

Figure 2.2 Percent of New Mexico Employers Identified and Obtaining Insurance Prior to Enforcement Proceedings, 2016 - 2020



DECREASE THE NUMBER AND SEVERITY OF WORKPLACE ACCIDENTS

The Safety Bureau is charged with this responsibility. The Safety Bureau researched 1,901 businesses in 2020, 93 fewer than in 2019. No business was enrolled into the WCA’s Risk Reduction Program (RRP), or completed the RRP process in 2020, the same as 2019. The WCA requires annual safety inspections for employers with workers’ compensation insurance premiums of \$15,000 or more. In 2020, the WCA’s Safety Program sent out 2,184 notifications to businesses about the safety inspection requirement, 49 (2.3%) more than in 2019. Employers have several ways to fulfill the inspection requirement. One way is to have a WCA safety consultant perform the inspection free of charge. Employers can alternatively conduct inspections with a dedicated safety professional employed by the business, with a professional safety consultant, or with a safety professional from the company’s insurance provider. The Bureau organized a total of 4,506 local inspections in 2020, a 30.7% decrease from 6,503 inspections the previous year.

Safety consultants work with the business to identify problems and prevent accidents. In 2020, only six cases were referred to the Enforcement Bureau and four cases went to the director for hearings. No safety audit requests were received and completed. There were 248 business outreaches performed in 2020, a dramatic drop from the 890 performed in 2019 (Table 2.2). This was a direct result of the pandemic, which led to many business closures and reduced hours, as well as the reduced ability for safety consultants to conduct visits.

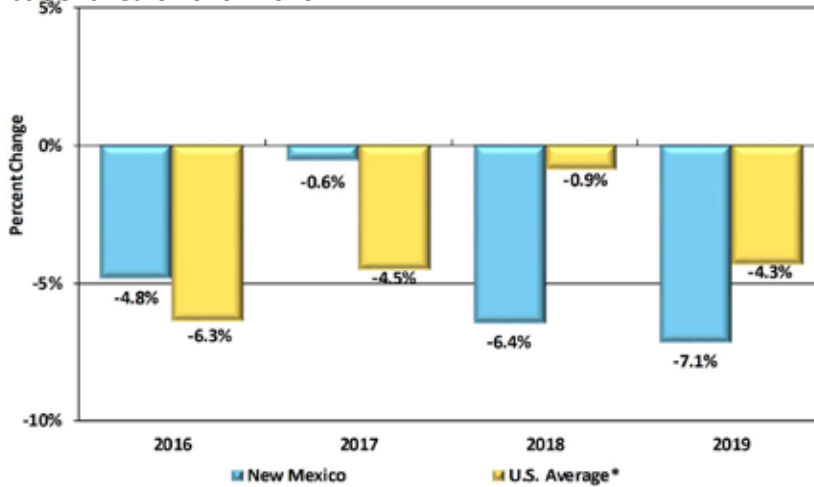
Table 2.2 Safety Bureau Workload Summary Report, 2018 - 2020

Risk Reduction Program (RRP)	2018	2019	2020
Businesses Researched	1,798	1,994	1,901
RRP Enrolled	1	0	0
Businesses Completing RRP	1	0	0
\$15K Annual Safety Inspection Program			
\$15K Notifications Sent	1,806	2,135	2,184
\$15K Inspections by WCA-SC	588	812	215
\$15K Total Inspections	5,572	6,503	4,506
Enforcement Referral Program			
Cases Referred to Enforcement	24	14	6
Director Hearings	1	6	4
Self Insured Safety Audit Program			
Safety Audit Requests Received	20	12	0
Safety Audits Completed	13	12	0

*N/A The outreach program was created in 2019.

Insurance carriers report New Mexico’s workplace accident data to the National Council on Compensation Insurance (NCCI). NCCI’s annual update of frequency and severity results are based on data reported to NCCI on the Calendar-Accident Year Financial Data Call. Frequency for most jurisdictions declined in the most recent year, while severity generally increased (NCCI Frequency and Severity Results by State, 2019). Figure 2.3 shows the percent of lost-time claim frequency change for the U.S. and New Mexico from accident years 2016 to 2019. Lost-time claims frequency continued to decline again countrywide, and in New Mexico, in accident year 2019 (NCCI 2020, New Mexico State Advisory Forum). This indicates safer workplaces across the country, in general. In accident year 2019, the countrywide change in lost-time claim frequency was -4.3%. New Mexico’s change in lost-time claim frequency was -7.1%.

Figure 2.3 New Mexico vs. National Lost-Time Claim Frequency Changes, Accident Years 2016 - 2020



Source: National Council on Compensation Insurance (NCCI) *Frequency and Severity Results by State, 2016 - 2019*
 *U.S. average includes all states where NCCI provides ratemaking services.
 Lost-Time Claim Frequency - Claims per \$1M Pure Premium, Private Carriers and State Funds -- NCCI States

On a countrywide basis, lost-time claim frequency has decreased over the most recent five-year period, while indemnity and medical severities have increased. The medical severity only includes medical cost for lost time claims. As seen in figures 2.4 and 2.5, the medical cost of a lost-time claim exceeds the indemnity cost of a lost-time claim, on average. National indemnity and medical severities have generally increased over the most recent four accident years. New Mexico and national indemnity and medical severity increased in the latest accident year. New Mexico’s medical and indemnity severity have always been higher than the nationwide average.

Figure 2.4 New Mexico vs. National Lost-Time Indemnity Severity, Accident Year 2016 - 2019

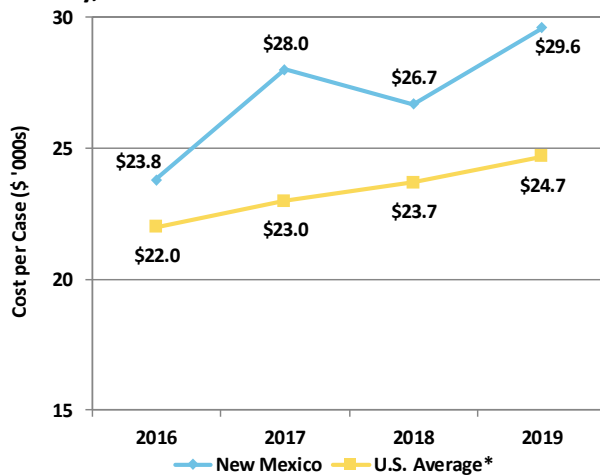
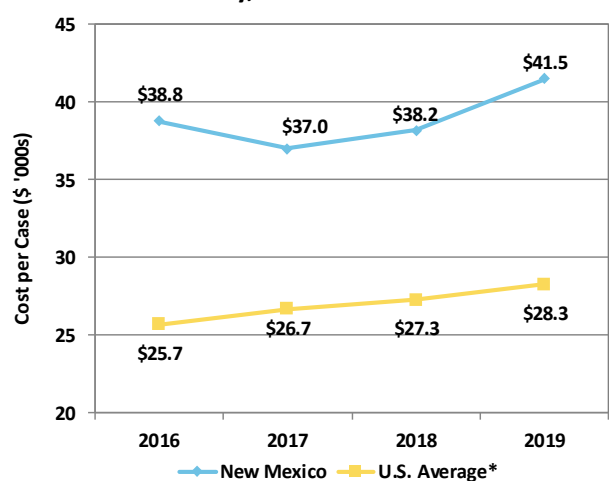


Figure 2.5 New Mexico vs. National Lost-Time Medical Severity, Accident Year 2016 - 2019



2019 is the most recent year that data is available.

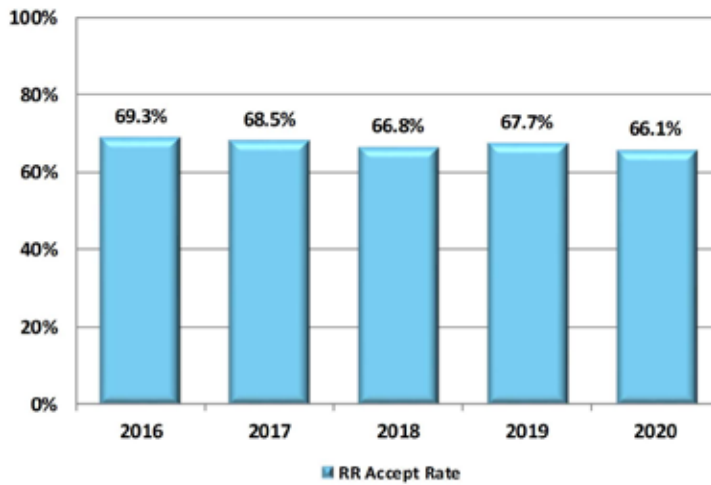
Source: National Council on Compensation Insurance (NCCI) *Frequency and Severity Results by State, 2016 - 2019*

*U.S. average includes all states where NCCI provides ratemaking services.

RESOLVE WORKERS' COMPENSATION DISPUTES ACCURATELY AND EFFICIENTLY

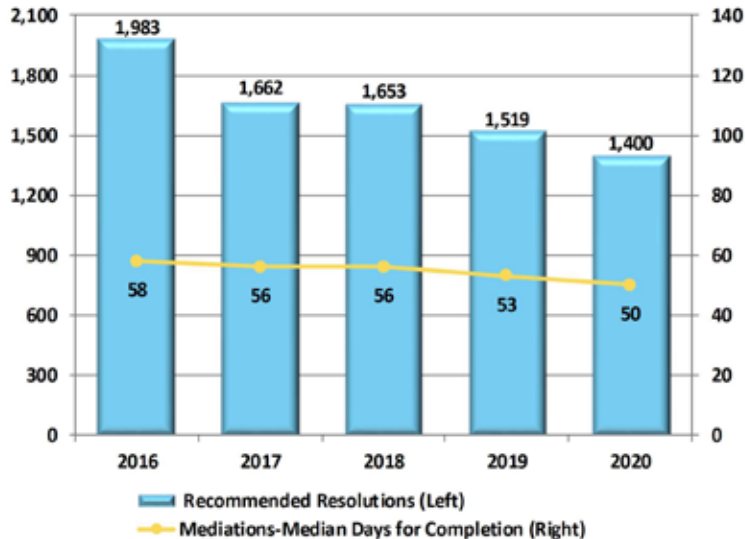
On average, approximately 95% of all workers' compensation claims are handled without any intervention from the WCA. When disputes arise, complaints filed with the WCA are referred for mediation and all parties must participate. In 2020, 1,400 recommended resolutions (RRs) were written by WCA mediators, 119 fewer (about 7.8%) than the 1,519 RRs written in 2019. The acceptance rate of RRs was at an average of 66.1% in 2020, 1.6 percentage points lower than 2019. The acceptance rate has stayed between 66% and 69% for the last five years (Figure 2.6). There was no interruption of mediations during the pandemic, with mediators, attorneys, insurers and pro se workers quickly adapting to a tele- or video-conferencing model.

Figure 2.6 New Mexico WCA Recommended Resolution (RR) Acceptance Rate 2016 - 2020



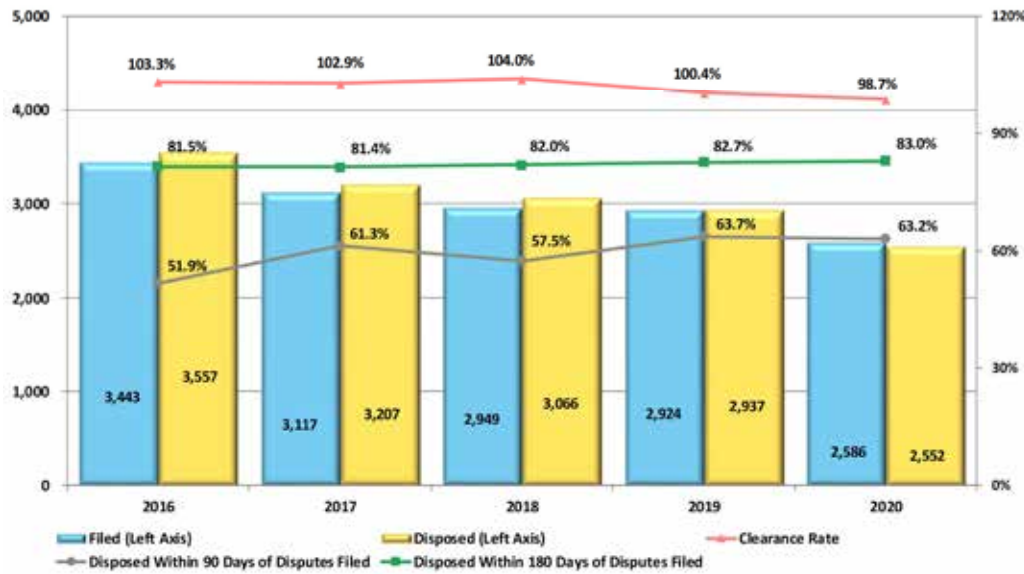
The effectiveness of the mediation process is also measured by examining the median number of days it takes for mediators to file an RR after a complaint has been filed. In 2020, the median number of days to file an RR continued to decrease to 50 days, three fewer days than in 2019 (Figure 2.7). This reduction in median number of days took place even during the pandemic, indicating the mediation bureau has continued to function efficiently in a virtual setting.

Figure 2.7 Mediation Resolutions & Median Days for Completion, 2016 - 2020



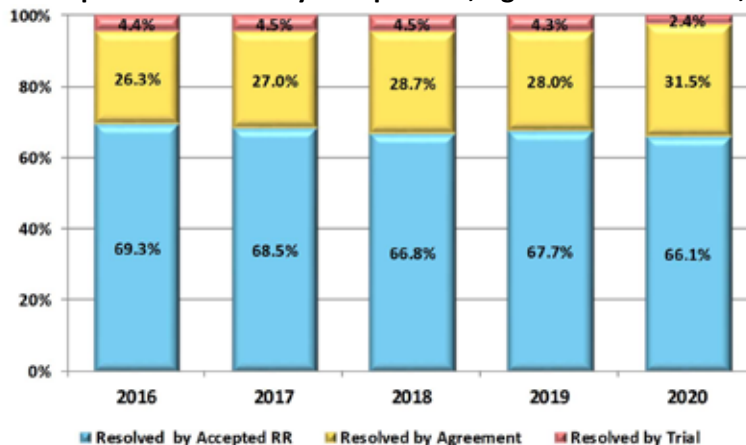
The annual clearance rate for complaints is used to measure the efficiency of the adjudication program. In 2020, 2,586 cases were filed and 2,552 cases were closed. The clearance rates have stayed above 100% from 2016 to 2019, indicating more cases were closed than were filed in those calendar years. In 2020, the clearance rate was approximately 98.7%, lower than 100% for the first time in the last five years. Eighty-three percent of disputes were closed within 180 days, another improvement (0.3 percentage point) from 2019. Also in 2020, 63.2% of disputes were closed in a shorter, 90-day period. This was the second highest percentage of closed cases within this time frame since 2016 (Figure 2.8).

Figure 2.8 Dispute Resolution Clearance Rates, 2016 - 2020



If a complaint is unresolved after the mediation process, it proceeds to formal adjudication, and parties go before a workers’ compensation judge. Very few complaints require a formal trial for resolution. This has resulted in very stable low percentages, with between 4.5% and 2.4% of complaints being resolved through formal trials in the last five years. In 2020, 1,400 complaints went through the mediation process, with only 33 complaints disposed through a formal trial; meaning about 2.4% of these complaints were resolved with a formal trial (Figure 2.9). In March 2020, courtrooms moved to virtual teleconferencing because of the pandemic.

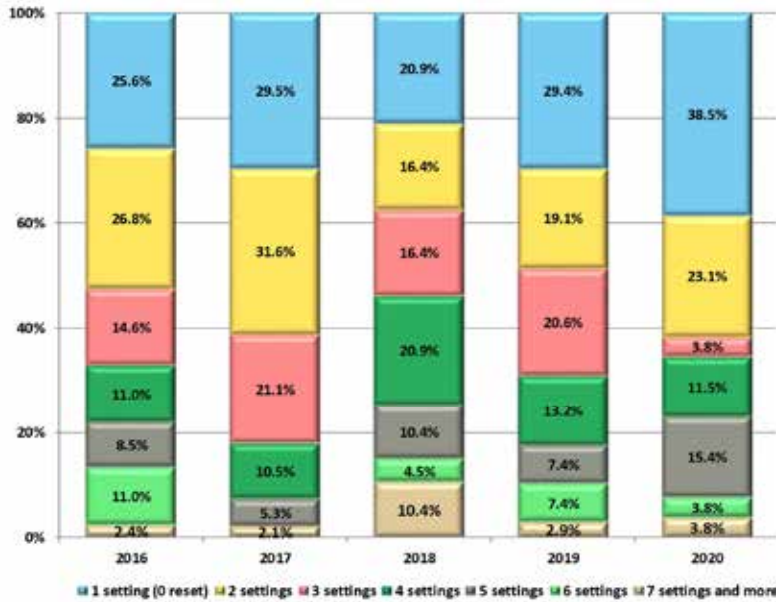
Figure 2.9 Dispute Resolution by Accepted RR, Agreement¹ and Trial, 2016 - 2020



¹Not every case scheduled for trial is resolved by trial; some may be resolved by agreement.

Trials are often reset, resulting in delays in case resolution. In the past, the majority of trials were held on the first, second or third scheduled date (Figure 2.10). In 2020, about 65.4% of trials were held on the first three scheduled dates, compared to 69.1% in 2019. Fewer trials (11.5%) were held on the fourth scheduled date in 2020 compared to 13.2% in 2019. Maintaining the trend with fewer resets should expedite the case resolution process in the future.

Figure 2.10 Percent of Total Trials at Number of Settings Compared, 2016 - 2020



INVESTIGATE AND PROSECUTE WRONGDOERS

The Enforcement Bureau (EB) investigates, and when warranted, prosecutes administrative and/or criminal violations of the Workers’ Compensation Act and Rules. All reports of fraud, bad faith, unfair claims practices or other potential violations of the Act/Rules by any participant in the workers’ compensation system such as a doctor, lawyer, insurer, insurance agent, claims administrator, worker or employer are documented, reviewed and investigated by the EB. Referrals for suspected violations come from a variety of sources, including the public, parties to a claim, as well as internal WCA bureaus.

In 2020, 29 enforcement referrals were received by the EB, 12 fewer than in 2019. There has been a continuous decrease from the 90 enforcement referrals received in 2016. A total of 38 cases were resolved in 2020,

six more than the 32 cases resolved in 2019, but still much fewer than the 73 cases resolved in 2018. In addition, only

Table 2.3 Enforcement Bureau Workload Summary Report, 2016 - 2020

	2016	2017	2018	2019	2020
Enforcement Referrals	90	46	45	41	29
Cases Resolved	131	58	73	32	38
Case Remained Open in the End of Year	56	51	26	36	17
Criminal Cases Filed	1	0	2	1	0
Penalties Collected	\$3,350	\$10,000	\$24,733	\$26,100	\$16,200

17 cases remained open for enforcement investigation at the end of 2020, 19 cases fewer than at the end of 2019. Very few criminal cases were filed by the Enforcement Bureau (EB) in previous years. No criminal case was filed by the EB in 2020. Penalties collected by the EB in 2020 were \$16,200, which ended the increase of collected penalties in the last three years (Table 2.3).

ASSURE THE QUICK AND EFFICIENT DELIVERY OF BENEFITS TO INJURED WORKERS AT A REASONABLE COST TO EMPLOYERS

The Medical Cost Containment Bureau (MCC) is generally responsible for keeping billing costs contained. In 2020, the MCC Bureau received 301 new billing disputes, a 50.6% decrease from 609 disputes in 2019. The bureau informally resolved 300 billing disputes in 2020, including 17 carried over from 2019. This was a continuous decrease from the 464 disputes resolved in 2019. Billing disputes that were referred to the director for a determination decreased dramatically to five in 2020 compared to the 70 sent to the director for resolution in 2019 (Table 2.4). In 2020, MCC reviewed a total of 27 hospital admissions that resulted in 71 hospital stay days. Both hospital admissions reviewed and hospital stay days have decreased over the last four years. There were fewer emergency room (ER) hospital stay days (7) than scheduled hospital stay days (64).

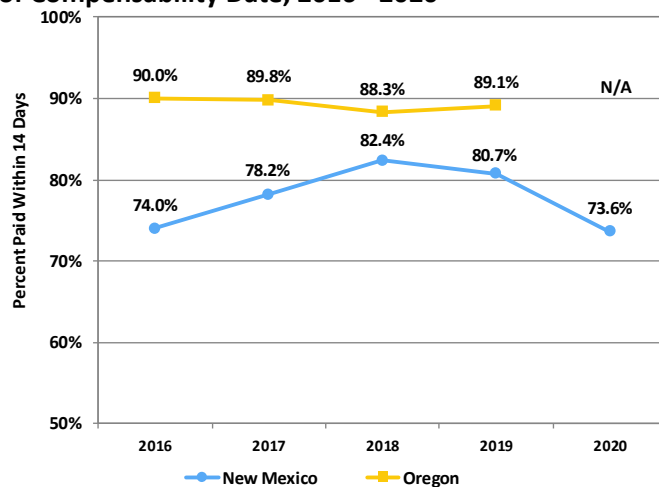
Table 2.4 Medical Cost Containment Bureau Workload, 2016 - 2020

	2016	2017	2018	2019	2020
Billing Disputes					
New Billing Disputes Received	303	1,394	694	609	301
Disputes Resolved Informally by MCC Bureau Staff	382	1,390	724	464	300
Disputes Referred to the Director	38	34	16	70	5
Inpatient Requests					
Hospital Admissions Reviewed	210	137	116	86	27
TOTAL Hospital Stay Days	824	455	440	307	71
ER Hospital Stay Days	255	376	275	112	7
Scheduled Hospital Stay Days	569	79	165	195	64

The Economic Research and Policy Bureau (ERPB) collects and analyzes information about injury reports and workers' compensation claims to ensure the system works efficiently for injured workers. Delivery of indemnity benefits are tracked for timeliness. First Report of Injury (FROI) data must, by statute, be submitted to the WCA within 10 days of notification of any injury that results in more than seven cumulative days of lost time. The WCA tracks payment efficiency using the percent of indemnity claims paid to workers within 14 days of the compensability date. The information comes from temporary and permanent total disability (TTD/PTD) claims reported within the calendar year.

Figure 2.11 compares the timeliness of initial indemnity payments in New Mexico and Oregon over the past several years. Oregon consistently scores well on timeliness of indemnity claim payments. (The most recent year with complete data for Oregon is 2019.) The ERPB shares information with payers (carriers and self-insurers) by publishing Carrier and Self-Insurer Scorecards by Year and Quarter at <https://workerscomp.nm.gov/NMWCA-Publications>. The ERPB continues to work with New Mexico workers' compensation

Figure 2.11 Percent of TTD/PPD Claims Paid Within 14 Days of Compensability Date, 2016 - 2020



Source: New Mexico statistics are based on the *Quarterly Scorecards Report, Calendar Year (2016-2020)*

Oregon statistics are based on workers' compensation claims administration (2016-2019), and 2019 is the most recent year for which data is available.

payers to improve the payment efficiency of benefits to injured workers. In 2020, the timeliness percentage (73.6%) of initial indemnity payments by payers in New Mexico was the lowest in recent years.

Table 2.5 Timeliness of Filing First Report of Injury or Illness (FROI), 2020

Insurer Type	Median Days per Filing	Days from Employer Notice to Filing of FROI for TTD/PTD Claims Filed in 2020										Total FROI Filed by Insurer Type
		0 to 7 days		8 to 14 Days		15 to 21 Days		22 to 28 Days		Over 28 Days		
		Filings	%	Filings	%	Filings	%	Filings	%	Filings	%	
Insurance Carriers	12	894	32.4%	681	24.7%	415	15.0%	206	7.5%	562	20.4%	2,758
Self-Insurers	11	386	35.0%	300	27.2%	169	15.3%	77	7.0%	172	15.6%	1,104
Totals	12	1,280	33.1%	981	25.4%	584	15.1%	283	7.3%	734	19.0%	3,862

The WCA tracks how soon the First Report of Injury or Illness (FROI) filings for temporary and permanent total disability (TTD/PTD) claims are reported to the agency. Table 2.5 shows the timeliness of first report filings for two types of payers—insurance carriers and self-insurers. In 2020, self-insurers’ median days per filing were 11, one day shorter than carriers. In addition, more self-insurers than commercial carriers filed FROIs within the first 14 days after a worker had notified the employer about a sustained injury.

The WCA’s Early Return-to-Work (RTW) Initiative provides employers with information and best practices to help workers get back to work as quickly as possible after an injury. In addition to offering guidance and expertise on RTW issues, the agency was able to answer questions, provide materials, and demonstrate how a good RTW program can help employers reduce their workers’ compensation insurance costs. The WCA’s Early Return-to-Work Initiative started to operate in 2018. Since then, the RTW program has expanded its scope and strives to reach as many stakeholders as possible, with a special emphasis on RTW education for employers. No new employers were added to the RTW Consult program in 2021. The number of cumulative employers in RTW Consults who were recognized as “RTW champions” for achieving an “A” in all RTW best practices remained at 21 employers. By helping employers reduce time away from work, the program helps them save money on indemnity benefits. As expected because of the pandemic, there were less attendees at outreach events in 2020. There were 1,260 attendees at outreach events or informational meetings, 49.9% fewer than the 2,516 attendees in 2019. More activities conducted by the RTW Bureau are shown in Table 2.6.

Table 2.6 Early Return-to-Work (RTW) Bureau Workload, 2018 - 2020

Early RTW Initiative	2018	2019	2020
Consults			
Number of Employers Currently in RTW Champion Recognition	15	21	21
Number of NM Employees under Participating Employers	11,091	26,210	26,210
Number of Inquiries/Specific Issue Consults	44	111	22
Outreach			
Outreach Events (reported to PIO)	27	23	10
Informational Outreach Meetings/Contacts	49	47	44
Number of Attendees at Outreach Events/Information Meetings	2,157	2,516	1,260
Radio/Publications	4	1	1
Research Activities & Resource Development			
Structured Interviews	7	8	4
RTW Tool Kit docs/Forms/PowerPoint/video rolled out	11	11	3

CHARACTERISTICS OF CLAIMS

Data reported to the WCA’s Economic Research & Policy Bureau (ERP) provides important information about trends with workplace injuries and illnesses in the state. This chapter summarizes the number and rate of workplace injuries and illnesses, as well as the non-indemnity and indemnity claims (disability and fatality), that were reported to the WCA in 2020. It also provides information on how these statistics vary by industry, geography, and other characteristics. The ERP compiled statistics from First and Subsequent Reports of Injury (FROIs and SROIs) submitted by insurance carriers and third-party administrators (TPAs) on behalf of carriers and self-insured employers. Reports were submitted through the WCA’s electronic data interchange (EDI), the Agency’s internet data submission system.

NEW MEXICO COVERED EMPLOYMENT

The analysis of trends and rates of claims are based on the covered employment in the state. Covered employment does not include federal employees, who are not covered by state workers’ compensation laws, and employees of businesses that are exempt from state workers’ compensation insurance. In 2020, covered employment fell by 86,860 (12.08%) from the 2019 number of 805,692. Covered employment increased year after year from 2016 through 2019. Most of the decline observed in 2020 resulted from the negative impact of the coronavirus 2019 (COVID-19) pandemic on private sector employment.

INITIAL INJURY REPORTING

Carriers and TPAs for carriers and New Mexico employers are responsible for filing the first report of injury and illness (FROI) with the WCA within 10 days of notification of a workplace injury or occupational illness that results in more than seven cumulative days of lost time (11.4.2.8 NMAC). It is, however, the responsibility of all employers to make sure that most, if not all, injuries, and illnesses are reported to the WCA.

The number of reported injuries dropped to 21,198 in 2020 (Table 3.1). The injury rate also decreased to 3.03 injuries per 100 workers compared to the injury rate of 3.11 per 100 covered workers in 2019.

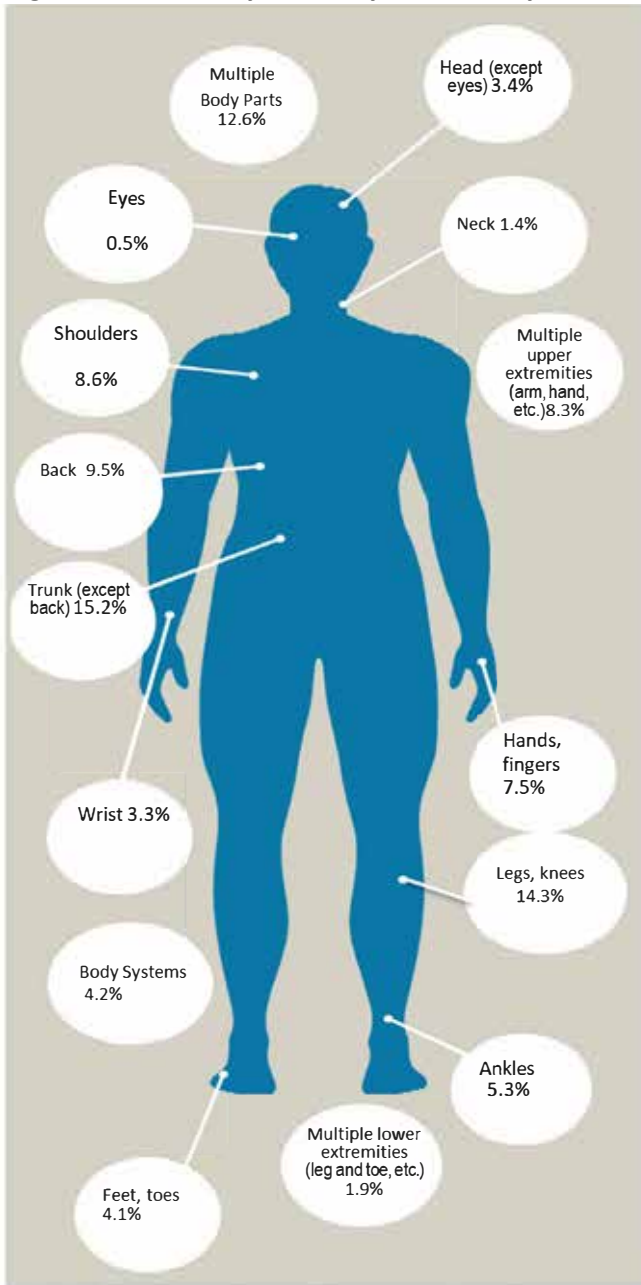
Table 3.1 Injuries and Claims Reported to the NWCA

YEAR	EMPLOYMENT	FROI	FROI PER 100 WORKERS	SROI	SROI PER 100 WORKERS	NON-INDEMNITY CLAIMS	NON-INDEMNITY PER 100 WORKERS	INDEMNITY CLAIMS	INDEMNITY PER 100 WORKERS
2016	779,927	24,817	3.18	17,061	2.19	12,858	1.65	4,203	0.54
2017	783,720	24,485	3.12	17,540	2.24	13,626	1.74	3,914	0.50
2018	793,782	24,298	3.06	17,698	2.23	13,860	1.75	3,838	0.48
2019	805,692	25,040	3.11	18,171	2.26	14,336	1.78	3,835	0.48
2020	700,139	21,198	3.03	15,128	2.16	10,865	1.55	4,263	0.61

Source: Covered employment statistics are based on the *Quarterly Census of Employment and Wages, Second Quarter (2016 - 2020)*, New Mexico Department of Workforce Solutions
Rates represent the number of claims per 100 covered workers.

In 2020, the number of non-indemnity (medical-only) claims dropped by 24.21% to 10,865 from 14,336 in 2019, while indemnity claims, which represent serious workplace injuries, increased by 11.16% to 4,263 from 3,835 in 2019. In both situations, there is a reversal of the direction of trends established from 2016 through 2019. Non-indemnity claims gradually increased from 2016 through 2019 but reversed course in 2020. The non-indemnity rate of 1.55 claims per 100 workers was the

Figure 3.1 Indemnity Claims by Part of Body



lowest since 2016. On the other hand, indemnity claims gradually declined from 2016 through 2019, but reversed course in 2020. The 2020 indemnity per 100 workers of 0.61 was the highest rate since 2016.

INITIAL PAYMENT REPORTING

Severe workplace injuries usually result in lost time that requires indemnity payments to the injured worker. When an initial payment is made for such an indemnity claim, a subsequent report of injury (SROI) must be filed with the WCA within 10 days. SROIs are also filed for non-indemnity (medical-only) claims that have cumulative payments of \$300 or more. In 2020, carriers and self-insured employers submitted 15,128 SROIs to the WCA (Table 3.1), a 16.75% decrease from the 18,171 filed in 2019.

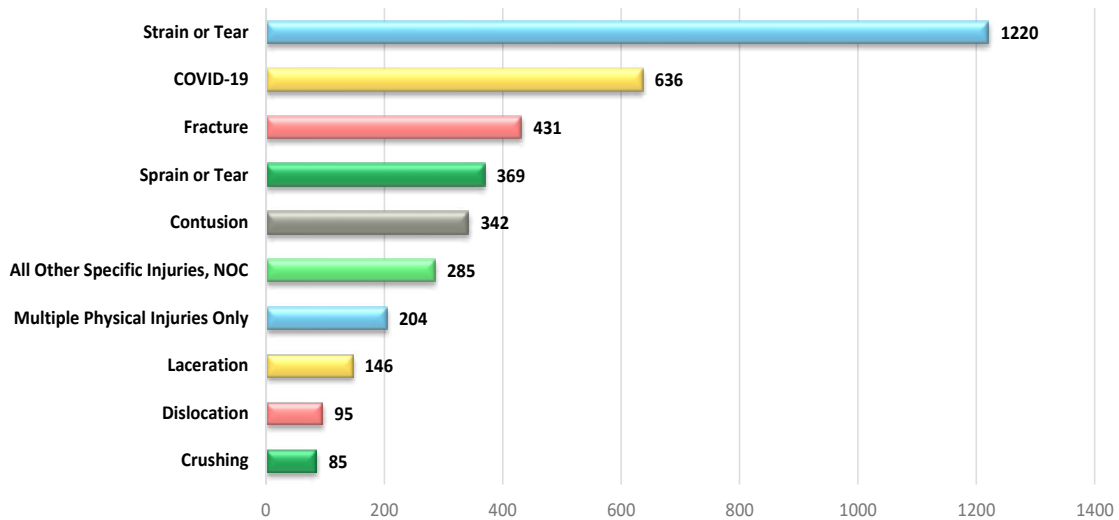
PART OF BODY INJURED

Historically, legs & knees; multiple body parts; back; shoulders; and hands & fingers have been reported as the top five body parts with the most injuries in the workplace in New Mexico. In 2020, however, the top five most frequently injured parts of the body were the trunk except lower back area (15.2%); knees & legs (14.3%); multiple body parts (12.6%); back (9.5%), followed by shoulders (8.6%). These body parts are known to be involved in frequent and complex movements during work, and experience tremendous pressures that may result in serious wear and tear of joints and muscle and breaking of bones (Figure 3.1). The elevation of the trunk (except lower back area) to the top ranking body part with injuries is due in part to the effect of COVID-19 in several rural New Mexico counties over the first half of 2020. See more COVID-19 claim data in this chapter, beginning on page 32.

NATURE OF INJURY

The nature of injury or illness describes the damaging result of an event or exposure. Strains or tears were the most common nature of injuries in 2020, accounting for 1,220 claims (about 28.6% of all 4,263 indemnity claims). The second most common injury in 2020 was COVID-19 (about 14.9%); this is the first time we have this type of nature of injury. Fractures, sprain or tear, and contusions complete the leading five indemnity claims by nature of injuries or illness in 2020. Figure 3.2 shows the top 10 indemnity claims by nature of injury or illness in 2020. Together, the top 10 natures of injury or illness make up 89.4% of total indemnity claims (Figure 3.2).

Figure 3.2 Indemnity Claims by Nature of Injury (Top Ten Categories)



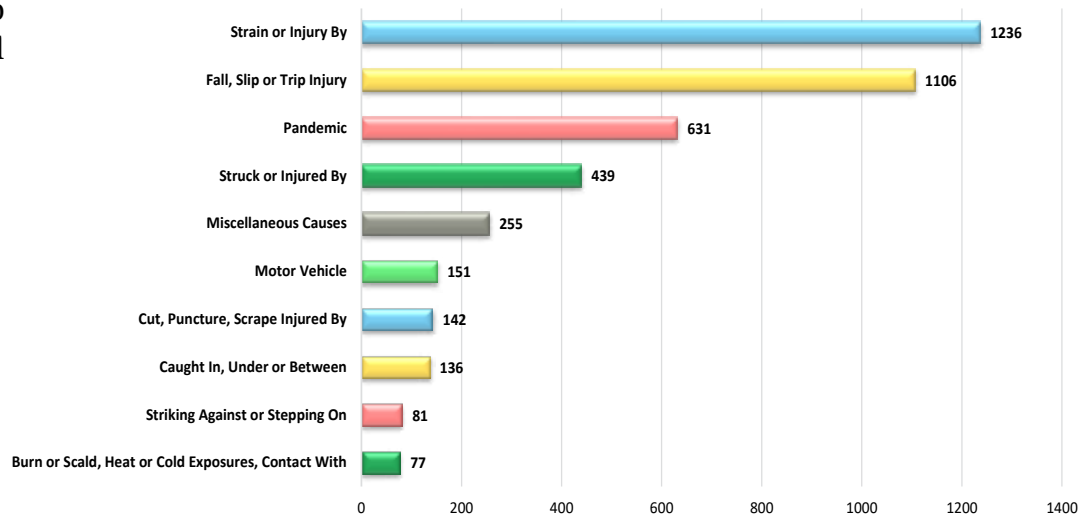
NOC = Not otherwise classified

CAUSE OF INJURY OR DISEASE

The major causes of injuries in 2020 are shown in Figure 3.3. ‘Strain or injury by’ led with 1,236 claims (about 29%), followed by fall, slip or trip (26%). The COVID-19 pandemic is a new category under cause of injury, accounting for 15%. (Pandemic is normally included in miscellaneous causes). Figure 3.3 shows the top 10 causes of injury or disease for all the reported indemnity claims in 2020.

These 10 causes of injury made up about 99% of total indemnity claims.

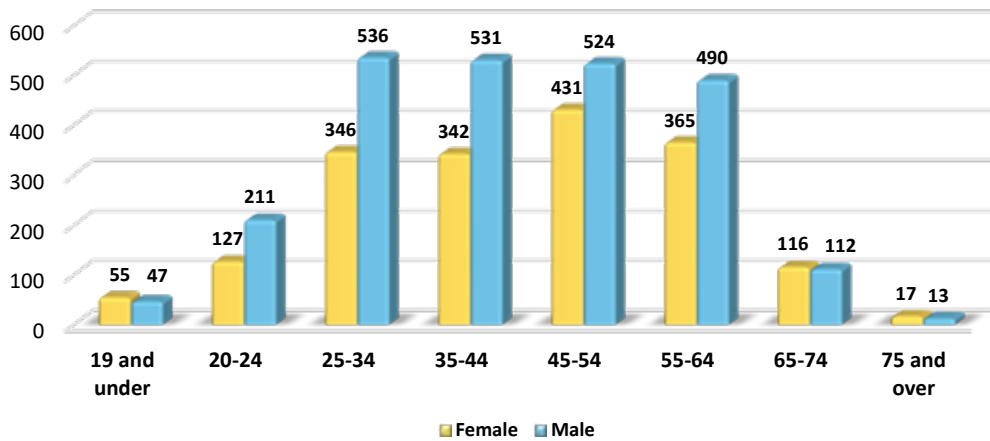
Figure 3.3 Indemnity Claims by Cause of Injury



INDEMNITY CLAIMS BY AGE AND GENDER

The incidence of serious workplace injuries varies significantly by age and gender. Figure 3.4 shows indemnity claims by demographics (age, gender) in 2020. Male workers (2,464 indemnity claims) sustained more severe injuries and illnesses more frequently than female workers (1,799 indemnity claims). The number of indemnity claims for both male and female workers peaked between 45 and 54 years of age (22% of indemnity claims). Male workers accounted for 524 indemnity claims (55%) while female workers accounted for 431 claims (45%) for this age group. Most injuries for male workers peaked between ages 25 and 34, making up 536 claims, while female injuries peaked between 45 and 54 years of age with 431 claims.

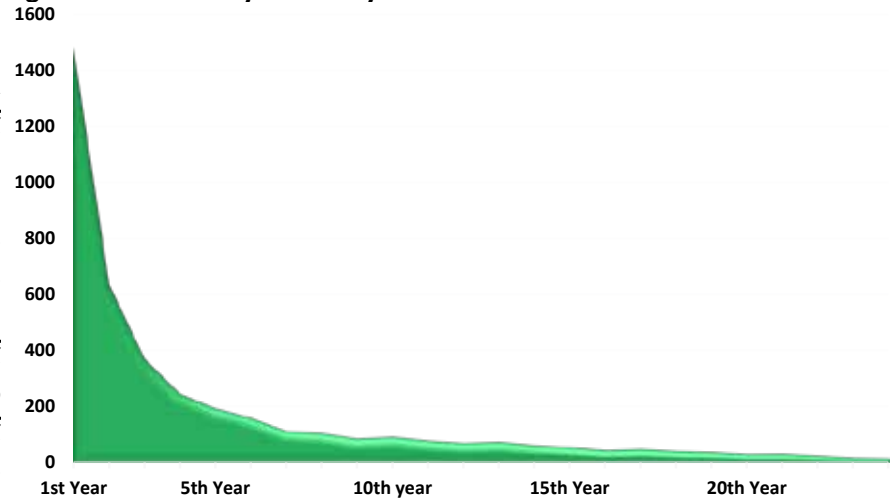
Figure 3.4 Indemnity Claims by Age and Gender of Injured Worker



INDEMNITY CLAIMS BY NUMBER OF YEARS IN A JOB

Workplace injuries occur most frequently during the first years on the job. Figure 3.5 shows the relationship between years on the job at the time of injury and the frequency of indemnity claims. The 2020 indemnity claims data suggests that about 34.8% of all claims requiring initial payment of benefits occurred in the first year of employment, and about 49.7% occurred in the first two years of employment. Historically, this high frequency of injuries in the early years of employment has followed the same pattern. It is possible that many of the injuries in the early years of employment are the result of workers being new on the job and, therefore, not fully aware of their work environment. In addition, they may be the result of inadequate training and unfamiliarity with tools and processes. This may also in part be the result of job-hopping. Fewer employees remain at a single employer, and so more employees are in the first five years on the job at any given time.

Figure 3.5 Indemnity Claims by Number of Years on Job

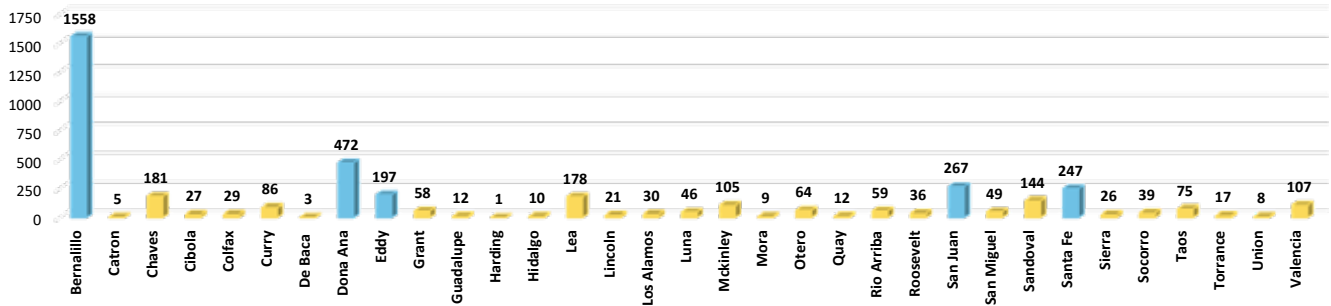


It is possible that many of the injuries in the early years of employment are the result of workers being new on the job and, therefore, not fully aware of their work environment. In addition, they may be the result of inadequate training and unfamiliarity with tools and processes. This may also in part be the result of job-hopping. Fewer employees remain at a single employer, and so more employees are in the first five years on the job at any given time.

INDEMNITY CLAIMS BY LOCATION

As in the recent past, New Mexico’s five most populous counties reported the most indemnity claims in 2020. These five counties are Bernalillo, Doña Ana, San Juan, Santa Fe, and Eddy, which all together accounted for 2,741 (or 64.3%) of the indemnity claims resulting from severe injuries. Figure 3.6 shows the distribution of claims for severe injuries among all the counties.

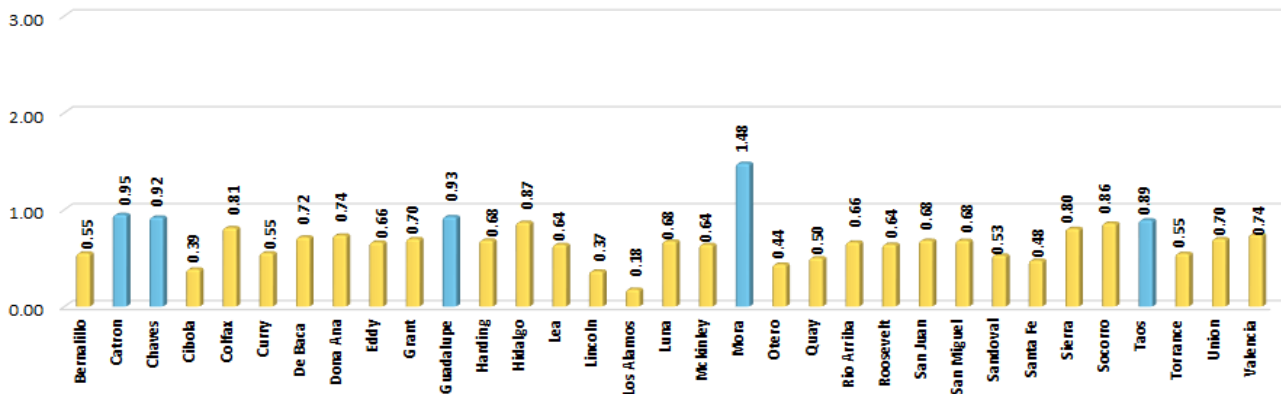
Figure 3.6 Indemnity Claims by Location



INDEMNITY CLAIMS PER 100 WORKERS BY COUNTY

Compared to Figure 3.6, lost-time claims per 100 workers (Figure 3.7) show the distribution of benefit claims per 100 workers by county in 2020. Although there appears to be a much higher number of claims in some counties, their rate of claims per 100 workers is in line with other counties (compare Bernalillo, Doña Ana, Santa Fe and San Juan counties in Figure 3.6 to the same counties in Figure 3.7). The most lost-time claims per 100 workers occurred in Mora, Catron, Guadalupe, Chaves and Taos counties. These counties happen to be low population centers with relatively high-injury industries, which may in part explain the higher indemnity claims per 100 workers.

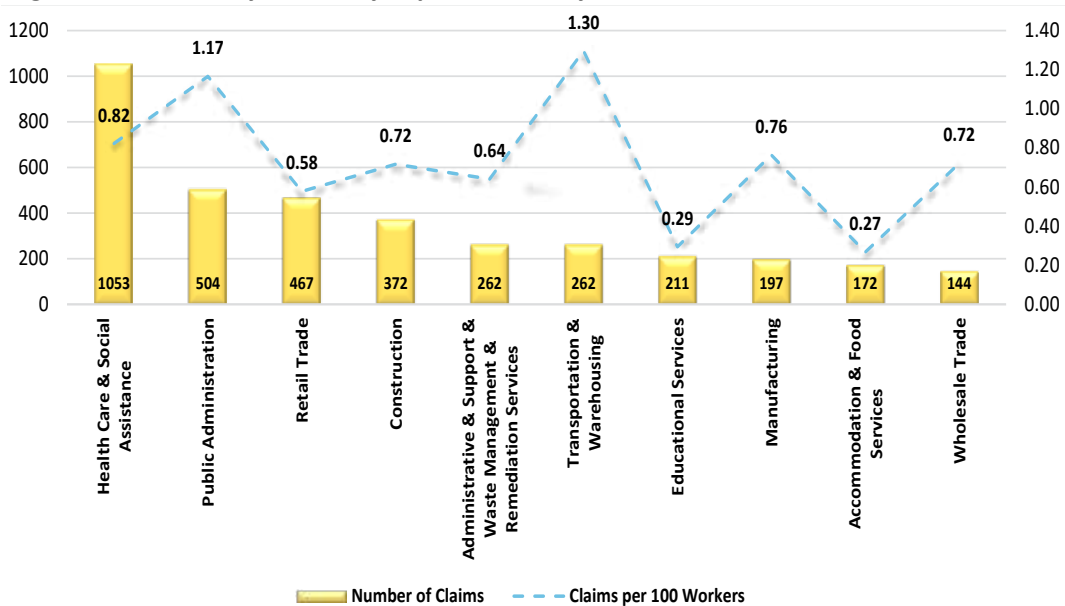
Figure 3.7 Indemnity Claims by County



INDEMNITY CLAIMS BY INDUSTRY

The top 10 industries with the largest number of initial payments of indemnity claims in New Mexico are shown in Figure 3.8 for 2020. Health Care & Social Assistance, for the third year, has been the industry with the highest number of indemnity claims. In 2020, the COVID-19 pandemic contributed substantially (more than double the number of severe injuries in 2019) to the number of injured workers in this industry. Public Administration is in second place. Transportation & Warehousing had the highest number of claims per 100 workers, and the Public Administration sector had both a large number of injuries and a large number of claims per 100 workers.

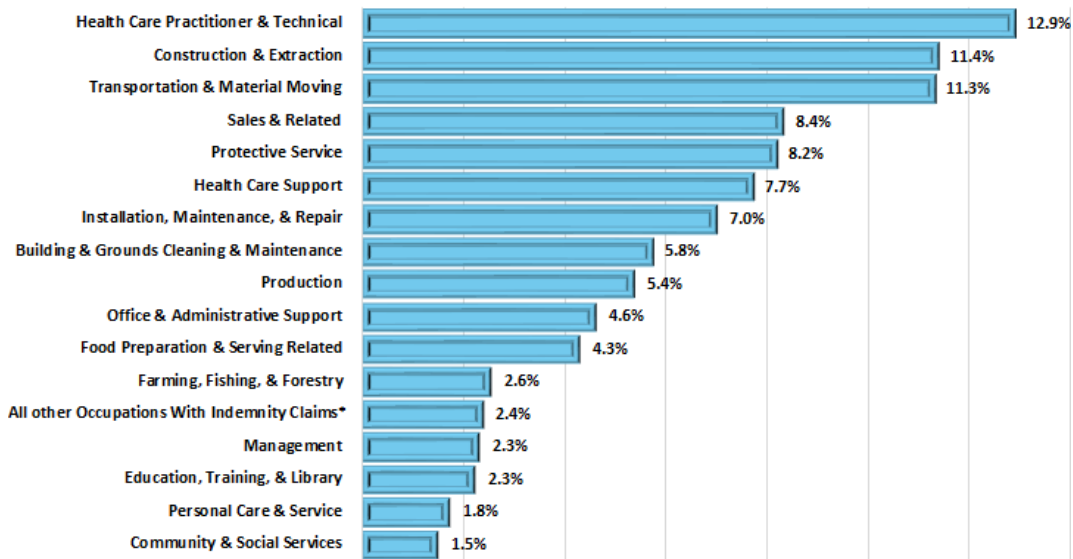
Figure 3.8 Indemnity Claims by Top Ten Industry Sectors and Claims Per 100 Workers



INDEMNITY CLAIMS BY OCCUPATION

Historically, certain occupations have accounted for large portions of indemnity claims. Figure 3.9 shows the range of occupations for which indemnity claims were filed in 2020. The top 10 occupations covered about 82.8% of all claims. Health Care & Technical occupations were in top place (12.9%), followed by Construction & Extraction (11.4%); Transportation & Material Moving (11.3%); Sales & Related (8.4%); and Protective Services (8.2%). In 2020, health workers had the highest number of severe injury claims, overtaking construction workers, who had the highest number of severe injuries during the previous two years. In 2019, health care and technical occupations accounted for 5.14% of indemnity claims, substantially lower than in 2020. Health care support occupations accounted for 5.03% of claims in 2019 compared to 7.7% in 2020. The COVID-19 pandemic undoubtedly caused the increased number of injured workers in health care and technical occupations. The correlation is made clearer in the COVID-19 claims by occupation data provided in Figure 3.18 on page 36.

Figure 3.9 Indemnity Claims by Occupation of Injured Workers

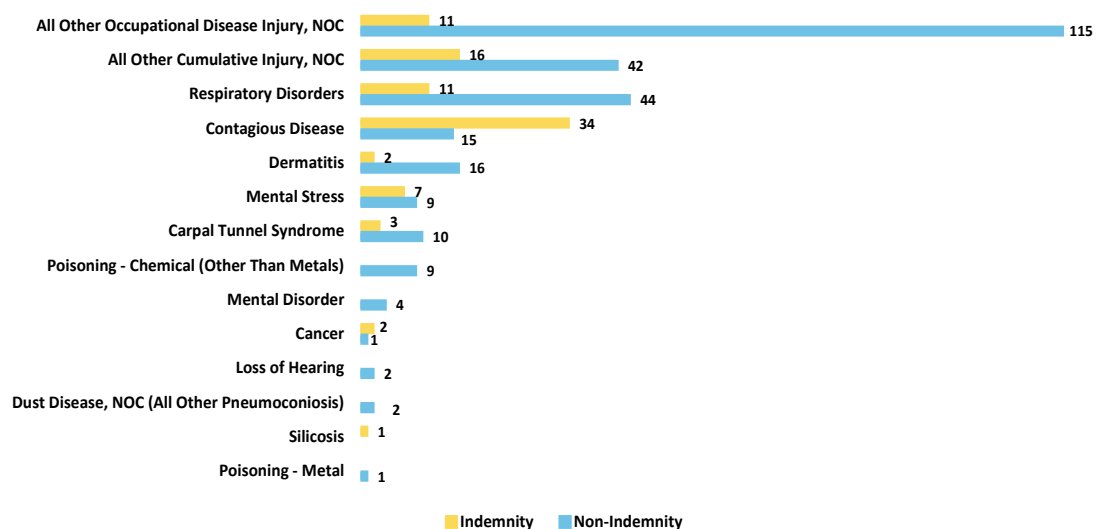


*Note: All other occupations with indemnity claims include six occupations, each of which make up less than 1 percent of total indemnity claims.

OCCUPATIONAL DISEASES

Occupational diseases and cumulative injuries have historically been a small part of the total injuries and occupational diseases claims in New Mexico. In 2020, there were 357 occupational diseases and cumulative injuries claims (2.4% of the 15,128 total indemnity and non-indemnity claims). These were made up of 87 indemnity claims (2.04% of the 4,263 total indemnity claims), and 270 non-indemnity claims (2.5% of the 10,865 total non-indemnity claims). Many occupational diseases take a long time to manifest themselves and are therefore at advanced impairment stages by the time of initial diagnosis. These include diseases such as brain damage resulting from exposure to industrial chemical vapors; lung disease caused by asbestos leading to mesothelioma; and musculoskeletal and cumulative trauma disorders. Figure 3.10 shows the most common occupational diseases and cumulative injuries for which claims were filed in 2020 in New Mexico.

Figure 3.10 Occupational Disease and Disability, Indemnity and Non-Indemnity Claims



NOC=Not Otherwise Classified

NEW MEXICO WORK-RELATED FATALITIES

In 2020, 34 work-related fatalities were reported to the WCA, making this year the lowest in the number of fatalities since 2017. The fatality rate expressed as the number of fatalities for 100,000 covered workers also dropped to 4.86. Miscellaneous Causes were the leading cause of occupational fatalities (17 claims, 50% of all fatality claims) in 2020. The category, Struck or Injured By (17.6%) was second, followed by Motor Vehicles (14.7%), which was the top cause of work-related fatalities the past several years.

Table 3.2 Causes of Work-Related Fatalities, 2016 - 2020

Cause of Death	Year of Injury				
	2016	2017	2018	2019	2020
Miscellaneous Causes	9	11	10	14	17
Struck or Injured By	7	2	3	4	6
Motor Vehicle	12	13	20	18	5
Burn or Scald, Heat or Cold Exposures, Contact With	2	2	0	4	3
Caught In, Under or Between	3	2	0	0	2
Fall, Slip or Trip Injury	4	5	3	3	1
Strain or Injury By	4	1	2	0	0
Unknown	3	0	0	0	0
Striking Against or Stepping On	1	0	0	0	0
Total	45	36	38	43	34
Workforce	779,927	783,720	793,782	805,692	700,139
Covered Fatalities Per 100,000 Workers	5.77	4.59	4.79	5.34	4.86

Source: NWCA Claims Database

Notes: Previously published statistics are subject to revision due to updated fatality information.

NEW MEXICO WORK-RELATED FATALITIES BY INDUSTRY

The two industry sectors with the most work-related deaths in 2020 were Health Care & Social Assistance; and Transportation & Warehousing, 20.6% and 20.6%, respectively. Though the number

Table 3.3 Work-Related Fatalities by Industry, 2016 - 2020

Industry	Year of Injury					
	2016	2017	2018	2019	2020	Total
Health Care & Social Assistance	0	3	4	2	7	16
Transportation & Warehousing	2	6	1	9	7	25
Wholesale Trade	1	1	5	0	4	11
Agriculture, Forestry, Fishing & Hunting	7	2	1	1	4	15
Construction	5	3	9	9	3	29
Administrative & Support & Waste Management & Remediation Services	1	3	1	3	2	10
Manufacturing	3	2	1	3	2	11
Mining	3	4	3	3	2	15
Educational Services	2	1	0	1	1	5
Retail Trade	2	1	4	1	1	9
Information	1	1	0	0	1	3
Utilities	0	0	0	1	0	1
Other Services (Except Public Administration)	1	4	1	2	0	8
Arts, Entertainment, & Recreation	1	0	4	0	0	5
Accommodation & Food Services	4	0	1	2	0	7
Public Administration	9	4	0	4	0	17
Real Estate & Rental & Leasing	0	0	1	1	0	2
Professional, Scientific, & Technical Services	3	1	1	1	0	6
Finance & Insurance	0	0	1	0	0	1
Total	45	36	38	43	34	196

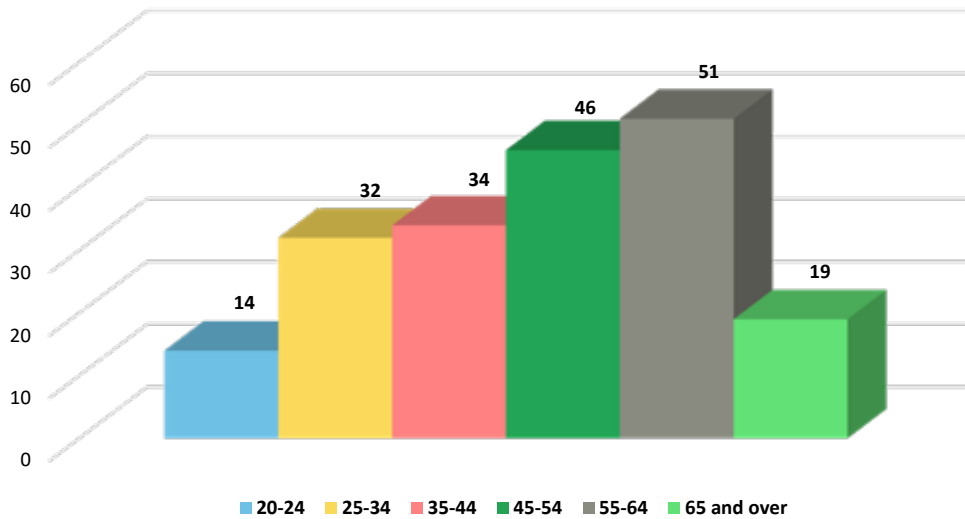
Source: NWCA Claims Database

Notes: Previously published statistics are subject to revision due to updated fatality information.

of fatalities in 2020 was far below that of 2019, the number of fatalities in the health care sector was notably higher in 2020 (See Figure 3.19 on page 37). The wholesale trade sector was also higher in 2020. Construction-sector fatalities dropped for the first time since 2018.

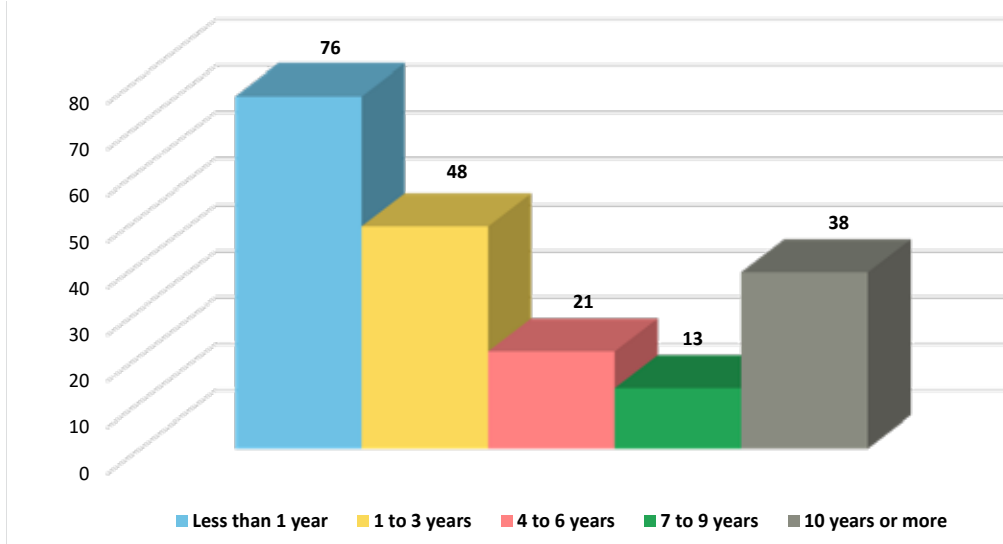
Work-related fatalities were also distributed across age groups. Most injuries occurred within two age groups, namely, 45-54 years and 55-64 years, which represented about 49.5% of the total.

Figure 3.11 Work-Related Fatalities by Age of Injured Worker, 2016 - 2020



Between 2016 and 2020, most fatally injured workers (74.5%) died on the same day that they were injured. A few died within a week of injury (10.7%), another 11.2% died within a year of injury and a small residual (3.6%) died more than a year after their workplace injury.

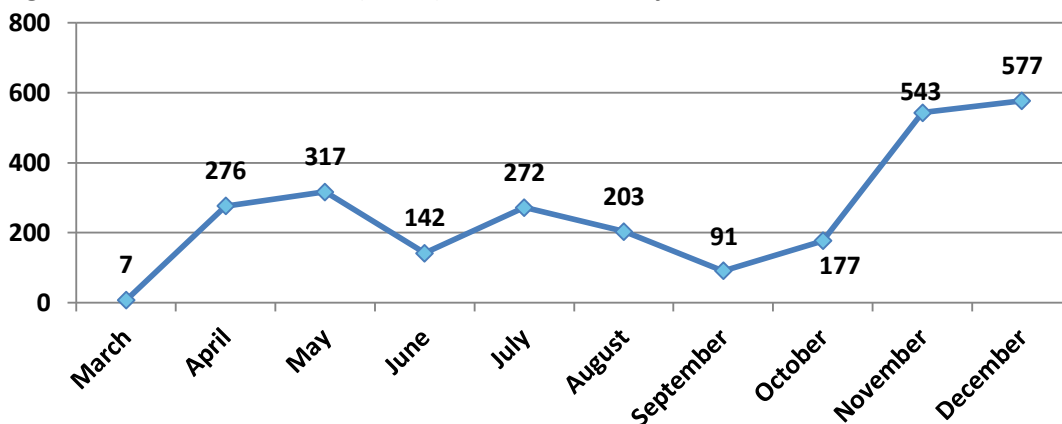
Figure 3.12 Work-Related Fatalities by Number of Years in a Job



COVID-19 PANDEMIC IMPACT ON NEW MEXICO WORKERS' COMPENSATION SYSTEM, MARCH-DECEMBER 2020

Evidence of the presence of the COVID-19 in New Mexico was established on March 11, 2020. The first COVID-19 cases in early March were attributed to travels outside New Mexico, mostly to Egypt and New York City, and not contracted at the workplace. The New Mexico Workers' Compensation Administration (WCA) started receiving benefits claims associated with workplace infections of COVID-19 on March 20, 2020 (Figure 4.1). All reports of the workplace COVID-19 cases were received after New Mexico Governor Michelle Lujan Grisham and the New Mexico Department of Health (DOH) cautioned against large gatherings and non-essential travel outside of New Mexico. On March 11, 2020, the Governor signed Executive Order 2020-004, declaring a statewide public health emergency. The emergency order affected businesses of all sizes and their patrons. From March through December 2020, 2,605 first reports of injuries or illness (FROIs) were received from carriers, self-insured employers, and third-party administrators (TPAs) on behalf of carriers and self-insured employers.

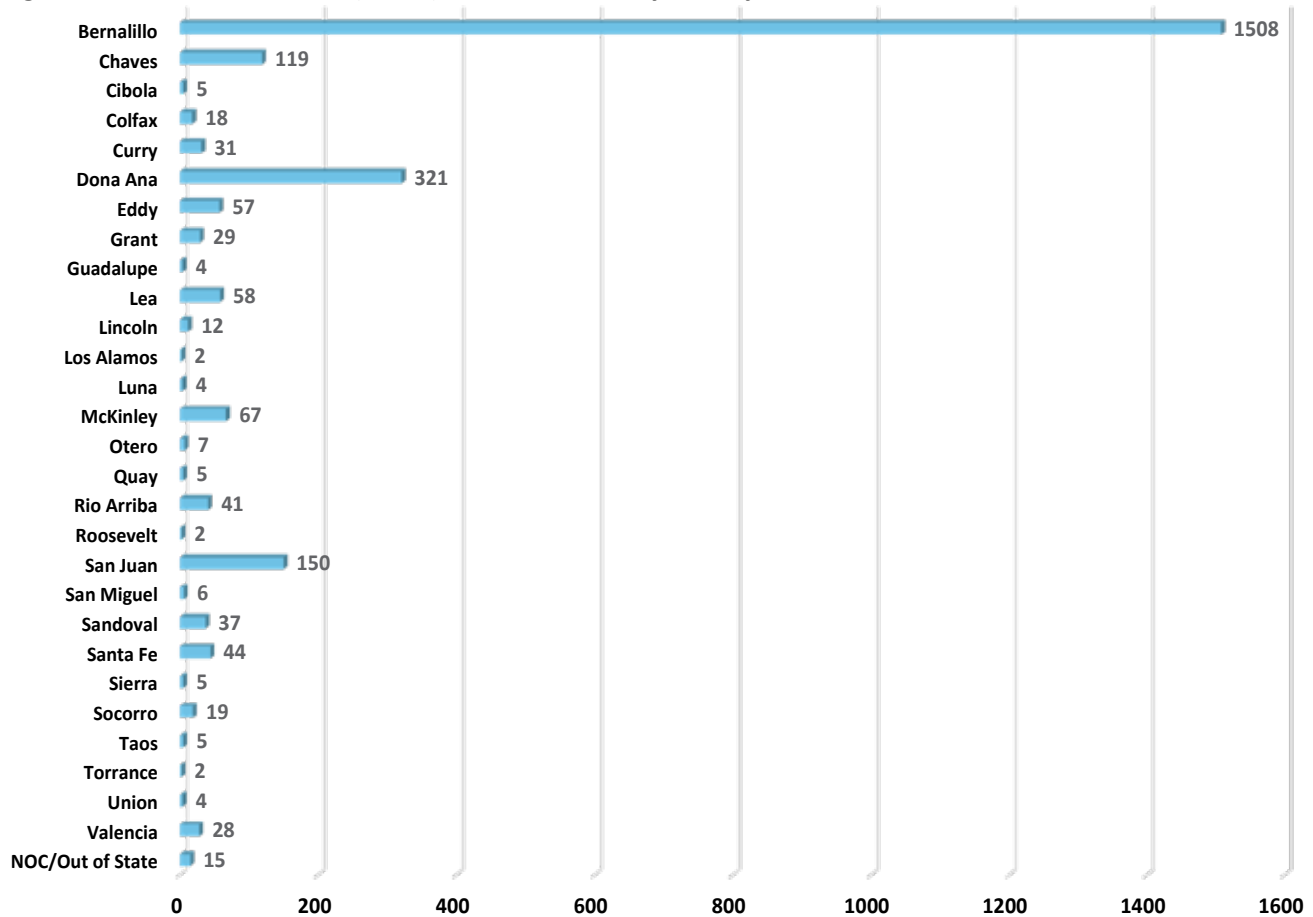
Figure 3.13 COVID-19 Claims (FROIs) Filed/Received by Month, March - December 2020



Source: Data from NWCA EDI Database, Calendar Year 2020

Out of the 2,605 FROIs received by the WCA in 2020, 2,590 came from 28 of the 33 counties of New Mexico, and 15 came from out-of-state locations and places “not otherwise classified (NOC)” (Figure 3.14). The top five counties filing COVID-19 FROIs in 2020 were Bernalillo, Doña Ana, San Juan, Chaves and McKinley (See Figure 3.14, next page).

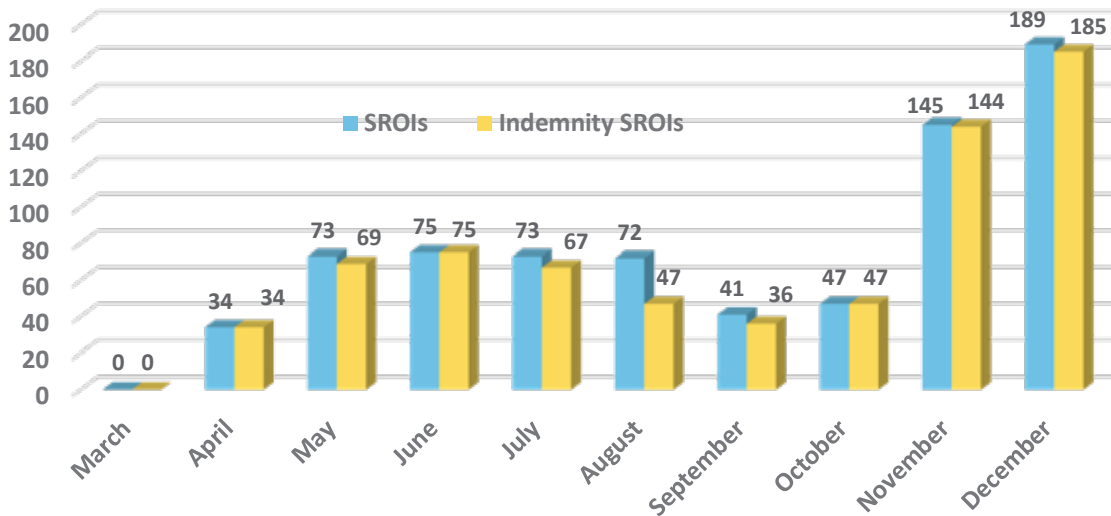
Figure 3.14 COVID-19 Claims (FROIs) Filed/Received by County, March - December 2020



Source: Data from NWCA EDI Database, Calendar Year 2020

Not all the 2,605 FROIs became indemnity claims, which require filing subsequent reports of injury (SROIs) with the WCA. SROIs associated with workplace COVID-19 infections were first received from carriers and self-insured employers in April 2020 (Figure 3.15). These SROIs, which reported severe cases of COVID-19 that involved hospitalizations and deaths of patients, documented non-travel, work-related infections. From April 2020 through December 2020, 749 SROIs were received from carriers and TPAs; out of the 749 claims, 704 were indemnity claims for which benefit payments had been made (Figure 3.15, next page). The highest number of both SROIs and indemnity SROIs were submitted in the months of November and December, during months in which restrictions on social gatherings were in place.

Figure 3.15 COVID-19 Claims (SROIs) Filed/Received by Month, March - December 2020

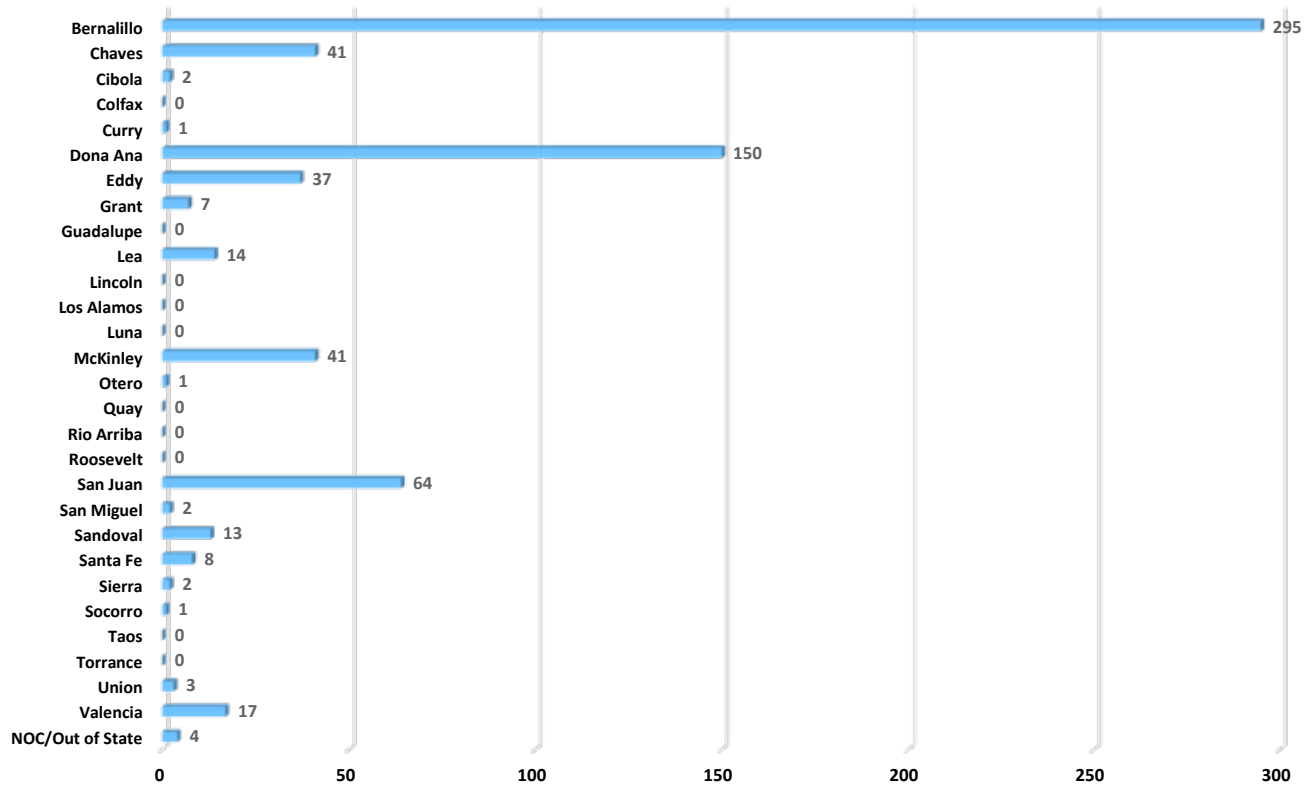


Source: Data from NWCA EDI Database, Calendar Year 2020

IMPACT OF COVID-19 PANDEMIC BY COUNTY

Most of the indemnity claims received by the WCA for COVID-19 workplace infections originated in 20 counties. For almost one year, nine New Mexico counties did not file any indemnity claims even though they had reported injuries and illnesses from COVID-19. These included Colfax, Guadalupe, Lincoln, Luna, Quay, Rio Arriba, Roosevelt, Taos and Torrance counties. The top five counties that filed indemnity SROIs in New Mexico in 2020 were Bernalillo, Doña Ana, San Juan, Chaves and McKinley (Figure 3.16, next page). These were the same counties that reported the top five FROIs.

Figure 3.16 Top Five COVID-19 Indemnity SROIs by County, March - December 2020



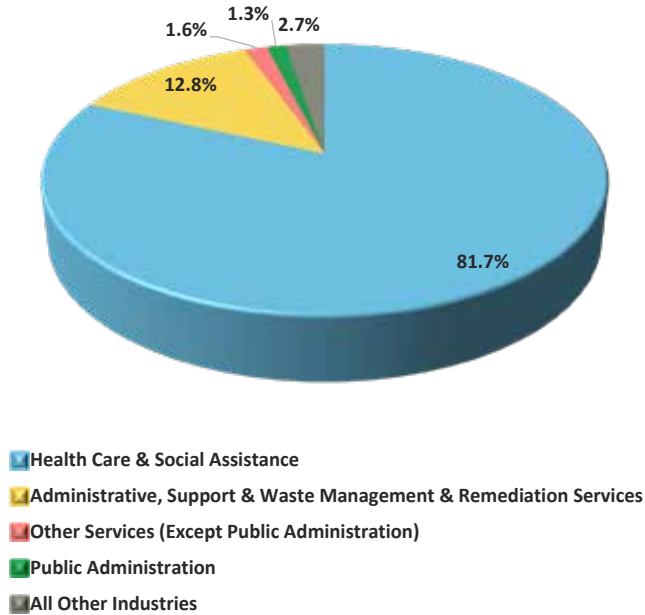
Source: Data from NWCA EDI Database, Calendar Year 2020

From April 2020 through December 2020, the true impact of the COVID-19 pandemic had not been established. However, the available data suggested that social life in urban and rural communities had been affected. Also, the health and economic effects on certain industries, occupations, age groups, and on men and women could be deduced from the data. For example, in early March 2020, the most populous counties in New Mexico, notably Bernalillo and Doña Ana, had the largest number of COVID-19 infections. By mid-April, however, less populous counties such as San Juan, McKinley, Chaves, Eddy, Lea, Valencia and Sandoval became the most affected counties.

COVID-19 CLAIMS BY INDUSTRY, OCCUPATION, FATALITIES, GENDER AND AGE GROUPS

The Economic Research & Policy Bureau (ERP) started summarizing COVID-19 data reported to the WCA in mid-March 2020. By December 31, 2020, insurance carriers and third-party administrators (TPAs) had reported 704 COVID-19 indemnity claims. About 81.7% of the COVID-19 indemnity claims were from the Health Care & Social Assistance industry category (Figure 3.17).

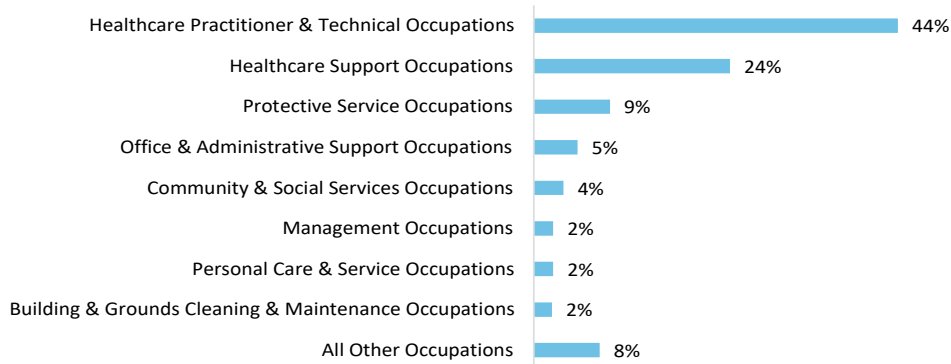
Figure 3.17 COVID-19 Indemnity Claims by Industry, March - December 2020



Source: Data from NWCA EDI Database, Calendar Year 2020

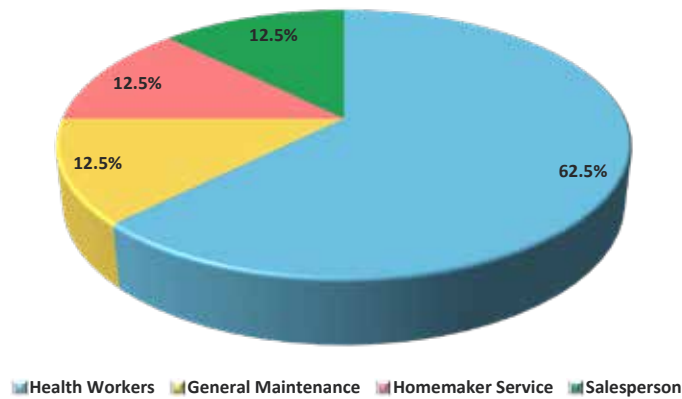
About 68% of the indemnity claims were from occupations classified under Health Care Practitioners and Technical Occupations or under Health Care Support Occupations (Figure 3.18).

Figure 3.18 COVID-19 Indemnity Claims by Occupation, March - December 2020



Source: Data from NWCA EDI Database, Calendar Year 2020

Figure 3.19 COVID-19 Fatality Claims by Occupation, March - December 2020

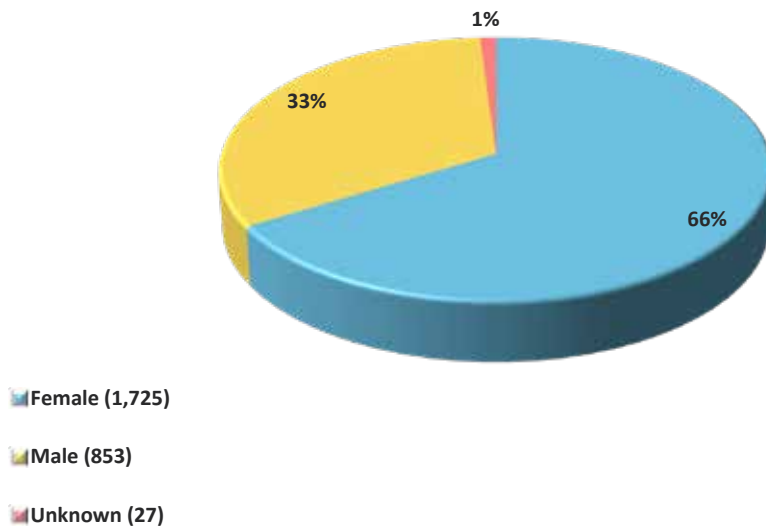


Source: Data from NWCA EDI Database, Calendar Year 2020

By December 2020, insurance carriers and TPAs had reported eight COVID-19-related fatalities to the WCA. Among the eight COVID-19 fatalities, 62.5% were health care workers (Figure 3.19). One fatality was in the age group 19 years and under; three were in the age group 25-34 years; and there were two each in the age groups 35-44 and 45-54 years.

Most of the COVID-19 indemnity claimants in New Mexico were females (66%), reflecting the proportion of this gender in health care occupations, while 33% were males (Figure 3.20). One percent (1%) of the indemnity claims did not include information about gender.

Figure 3.20 COVID-19 Indemnity Claims by Gender, March - December 2020



Source: Data from NWCA EDI Database, Calendar Year 2020

In 2020, the age group most frequently infected with COVID-19 in the workplace in New Mexico was 25-34 years (30.6%), followed by 35-44 years (22.1%). December had the highest rate of infections (22.1%), closely followed by November (20.8%), as shown in Table 3.3.

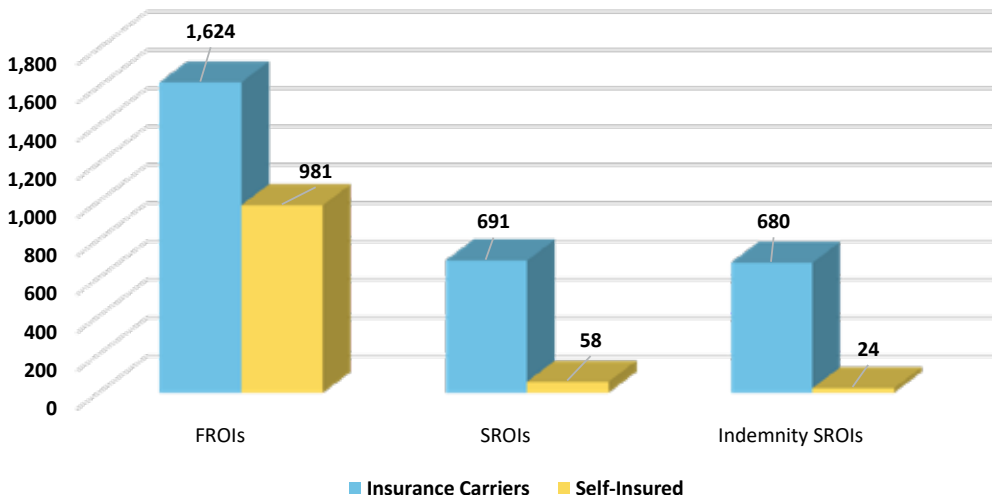
Table 3.3 COVID-19 FROIs by Age Group and Month, March - December 2020

Month	Age Groups When Injured							Monthly Total	Percent Total Monthly Claims
	19 and under	20-24	25-34	35-44	45-54	55-64	65 and over		
March	0	0	3	2	2	0	0	7	0.3%
April	7	31	92	67	31	36	12	276	10.6%
May	4	38	105	69	65	30	6	317	12.2%
June	0	16	41	29	31	21	4	142	5.5%
July	2	32	78	60	59	34	7	272	10.4%
August	1	28	65	55	31	18	5	203	7.8%
September	4	10	25	22	22	7	1	91	3.5%
October	2	27	56	42	33	12	5	177	6.8%
November	17	67	178	106	91	64	20	543	20.8%
December	27	69	154	124	93	90	20	577	22.1%
Age Group Total	64	318	797	576	458	312	80	2,605	100.0%
Percent Age Group Claims	2.5%	12.2%	30.6%	22.1%	17.6%	12.0%	3.1%	100.0%	

Source: Data from NWCA EDI Database, Calendar Year 2020

During March-December 2020, most FROIs (1,624) and indemnity claims (704) submitted to the WCA for COVID-19 were filed by commercial insurance carriers (Figure 3.21). The distribution was similar to that of total FROIs and total indemnity claims among commercial insurance carriers versus self-insured employers for non-COVID-19 claims in the New Mexico workers' compensation system.

Figure 3.21 COVID-19 FROI, SROI, and Indemnity SROI Filed by Carriers and Self-Insured Employers, March - December 2020



Source: Data from NWCA EDI Database, Calendar Year 2020

MEDICAL CANNABIS

2020 marks the fifth year that medical cannabis reimbursement data has been collected by the New Mexico Workers' Compensation Administration (WCA). At the time the rules for medical cannabis use (11 NMAC 4.7.7.D) were published in 2016, there was concern that claimants might claim the maximum allowable amount of cannabis regardless of need. In 2016, the number of claims and the total amount of reimbursements were much lower than the WCA expected. Over the past five years, however, medical cannabis claims and reimbursements have gradually increased; 32 payers reported reimbursements totaling \$191,874.20 for 62 claims in 2020. The average amount reimbursed per claim was \$3,095; this corresponded to an average of about 257 or 28% of the maximum allowable. Medical cannabis accounted for 1.11% of all 2020 drug expenditures, and for about 0.07% of 2020 total expenditures.

It is important to note that not all injured workers who choose to treat their injury with medical cannabis will notify or seek reimbursement from their employers or carriers. The WCA has no access to data for this group of injured workers.

Table 4.1 Medical Cannabis Reimbursement, 2016 - FY 2020
2020 Medical Cannabis Reimbursement Rates

Cannabis Reimbursements Details	Year of Reimbursement				
	2016	2017	2018	2019	2020
Total Reimbursement (All Payers)	\$58,401	\$58,401	\$86,850	\$177,594	\$191,874
Maximum Allowable Reimbursements	\$11,058	\$11,058	\$11,058	\$11,058	\$11,058
Average Per Claim Reimbursement:	\$1,168	\$1,168	\$1,639	\$2,819	\$3,095
Total Reimbursement Claimants:	50	50	53	63	62

Notes: Reimbursement Rate Per Unit*: \$12.02

Maximum Annual Quantity: 920 Units, *1 unit = 1 gram dry weight equivalent

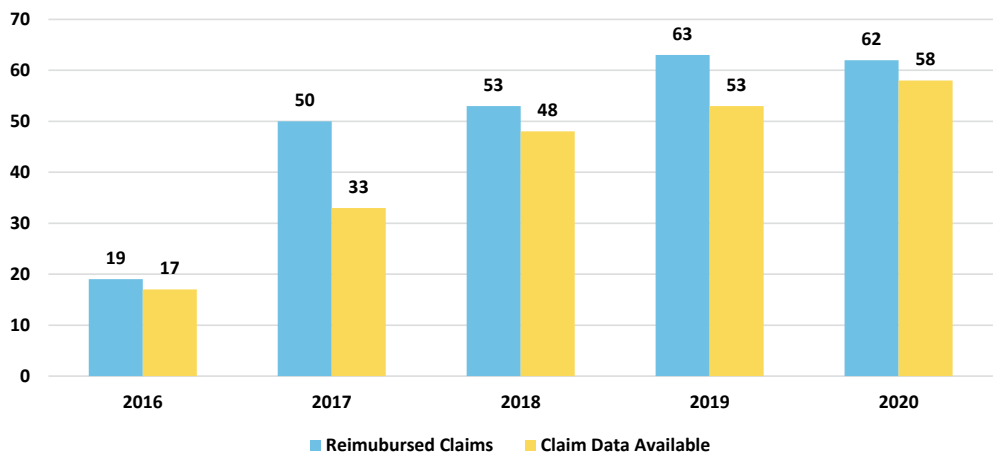
Maximum quantity per calendar quarter = 230 units (\$2,764.60)

Source: New Mexico Workers' Compensation Administration, *Annual Expenditure Report, 2016 - 2020*, Financial Statements, FY 2016 - FY 2020

CLAIMS ANALYSIS

The WCA requests claimant demographic information, informally, from payers reporting reimbursements on their annual expenditure report (AER). Data is provided on a voluntary basis by payers who support the WCA's continuing study of this emerging facet of workers' compensation medical care.

Figure 4.1 Availability of Cannabis Claims Demographics



Source: New Mexico Workers' Compensation Administration *Annual Expenditure Report, 2016 - 2020*

In 2020, demographic information was available for approximately 94% of reported claims that included medical cannabis reimbursements. Figures 4.2 through 4.10 rely on the claims for which demographic information is made available to the WCA.

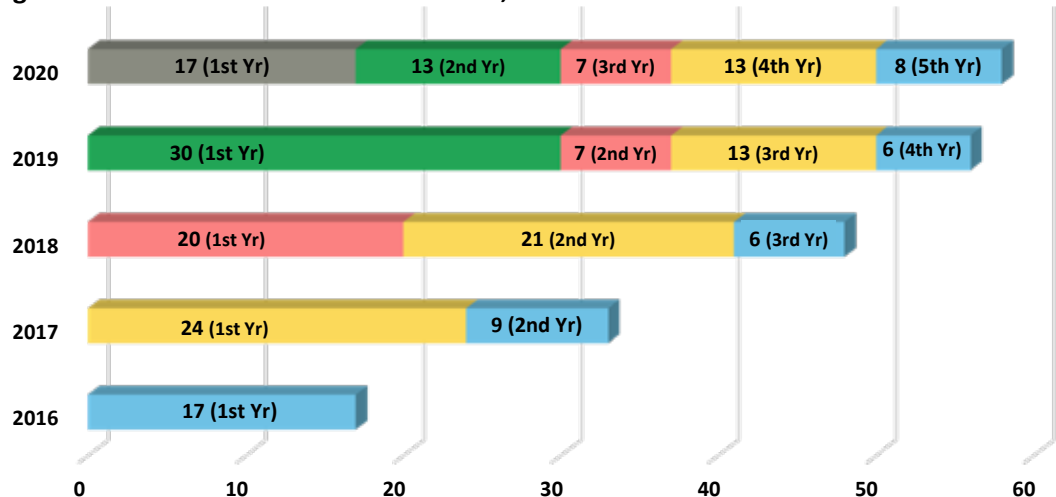
Reports of medical cannabis reimbursement have increased in the five years since the WCA initially collected this data in 2016 and totaled 62 in 2020. Although the total number of reimbursement reports for the last five years is 247, the number of individual claimants that make up this total is somewhat lower. This is due to some claimants continuing cannabis treatment and receiving reimbursement in multiple years. For example, of the 58 claims reimbursed in 2020 with data available, eight were reimbursed in 2016, 13 in 2017, seven in 2018, 13 in 2019, and 17 claims were reimbursed for the first time in 2020.

Duration of treatment is an item that the WCA hopes to track in the coming years. Here are some key facts:

Only 53% of the claimants with first time reimbursements in 2016 continued cannabis treatment in 2017; 88% of the claimants with first time reimbursements in 2017 continued cannabis treatment in 2018 and 35% of the claimants with first time reimbursement in 2018 continued treatment in 2019.

About 43% of the claimants with first time claimants in 2019 continued medical cannabis treatment in 2020.

Figure 4.2 Claim Reimbursement Duration, 2016 - 2020

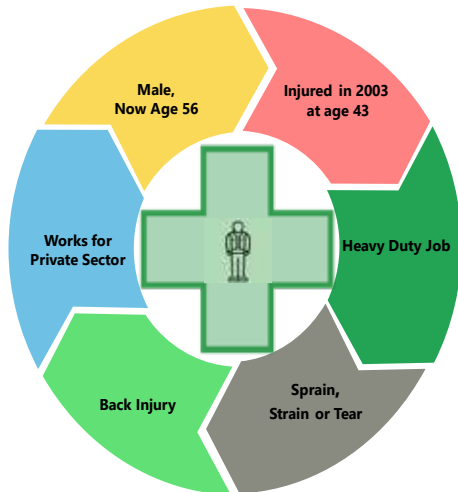


Source: New Mexico Workers' Compensation Administration *Annual Expenditure Report, Supporting Data, 2016 - 2020*

Based on reported claimant demographics for the workers' compensation population identified as receiving reimbursements for medical cannabis therapy, the profile of a "typical" patient has begun to emerge based on the most commonly occurring features of the cannabis claim population.

Additional detailed demographic information regarding claims with medical cannabis reimbursements is summarized in Figures 4.3 – 4.10, as follows:

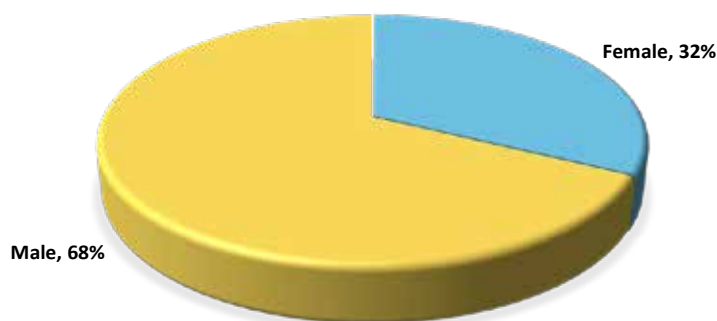
Figure 4.3 Average Cannabis Claimant, 2016 - 2020



Source: New Mexico Workers' Compensation Administration *Annual Expenditure Report, Supporting Data, 2016 - 2020*

The typical patient is a male who has been in the workers' compensation system for about 13 years with a back injury acquired while working in heavy industry. The typical type of injury was sprain, strain or tear, which initially occurred in his early forties (Figure 4.3). The data indicates that medical cannabis reimbursement claims over the past five years, during which data have been collected, have been made by 68% males and 32% females (Figure 4.4).

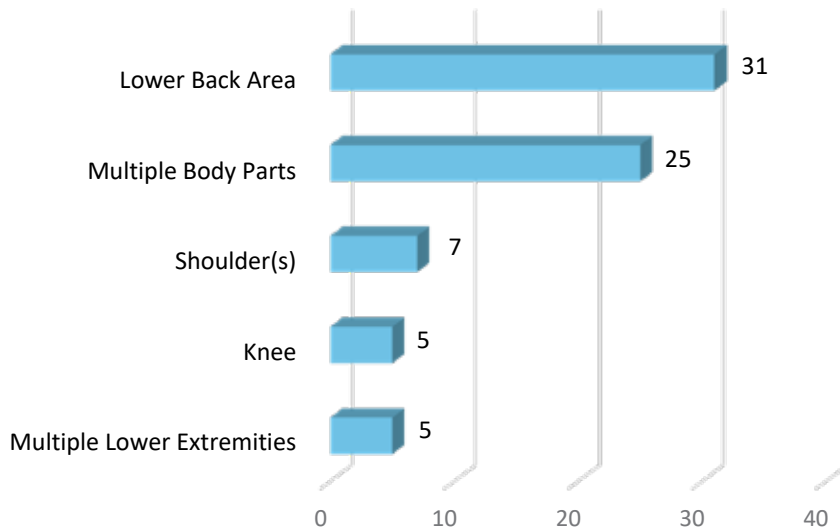
Figure 4.4 Medical Cannabis Claims by Gender, 2016 - 2020



Source: New Mexico Workers' Compensation Administration, *Annual Expenditure Report, Supporting Data, 2016 - 2020*

The top five parts of body injuries for claimants of medical cannabis reimbursement claims in 2020 were similar to the characteristics of indemnity claims of all claimants. They were, in descending order, Lower Back Area; Multiple Body Parts; Shoulder(s); Knees; and Multiple Lower Extremities, (Figure 4.5).

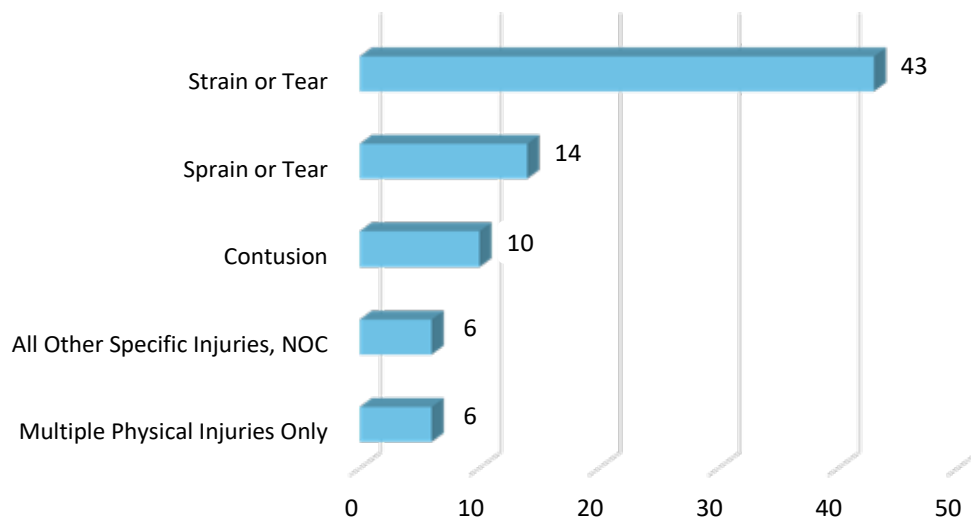
Figure 4.5 Top Five Parts of Body Categories, Medical Cannabis Claims, 2016 - 2020



Source: New Mexico Workers' Compensation Administration, *Annual Expenditure Report, Supporting Data, 2016 - 2020*

The top five nature of injury categories for medical cannabis claims in 2020, in descending order, were Strain or Tear; Sprain or Tear; Contusion; All Other Specific Injuries; and Multiple Physical Injuries (Figure 4.6).

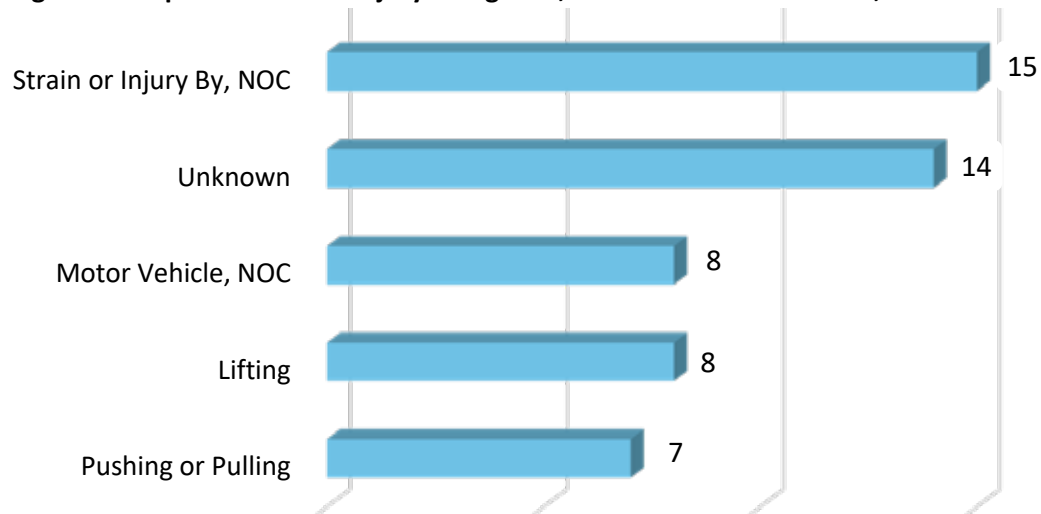
Figure 4.6 Top Five Nature of Injury Categories, Medical Cannabis Claims, 2016 - 2020



Source: New Mexico Workers' Compensation Administration, *Annual Expenditure Report, Supporting Data, 2016 - 2020*

For medical cannabis reimbursement claims, the top five cause of injury categories were Strain or Injury By; Unknown; Motor Vehicle; Lifting; and Pushing or Pulling (Figure 4.7).

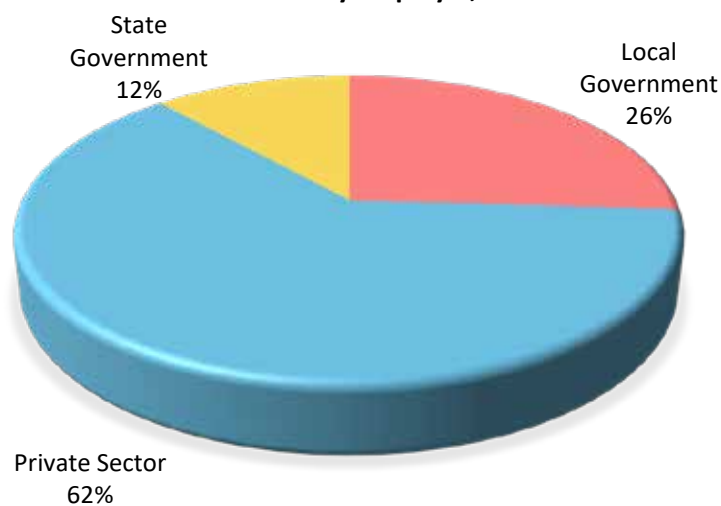
Figure 4.7 Top Five Cause of Injury Categories, Medical Cannabis Claims, 2016 - 2020



Source: New Mexico Workers' Compensation Administration *Annual Expenditure Report, Supporting Data, 2016 - 2020*

The majority of injured workers who utilized medical cannabis reimbursements during 2016-2020 had jobs in the private sector (62%) in industries such as Construction and Retail trades at the time of their injury (Figure 4.8), followed by Local Government (26%) and State Government (12%). This mirrors the same workplace injury pattern found in workers' compensation indemnity claims.

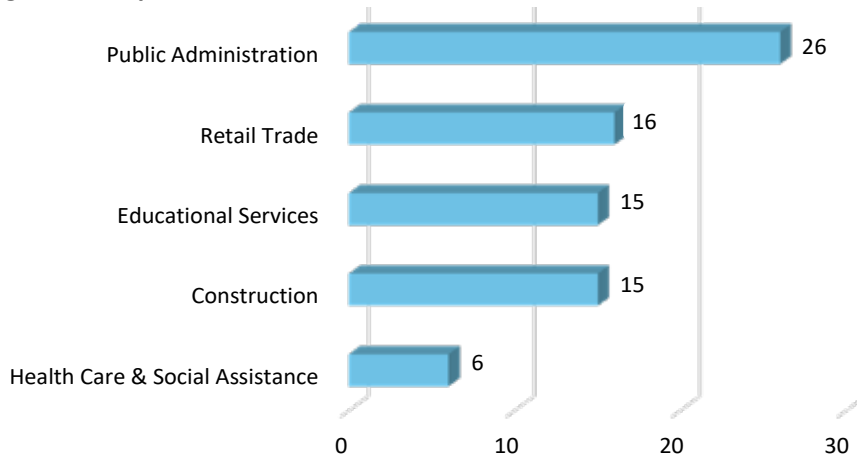
Figure 4.8 Medical Cannabis Claims by Employer, 2016 - 2020



Source: New Mexico Workers' Compensation Administration, *Annual Expenditure Report, Supporting Data, 2016 - 2020*

During 2016-2020, the top five industries for medical cannabis reimbursement claims were Public Administration, Retail Trade, Educational Services, Construction, and Health Care & Social Assistance (Figure 4.9).

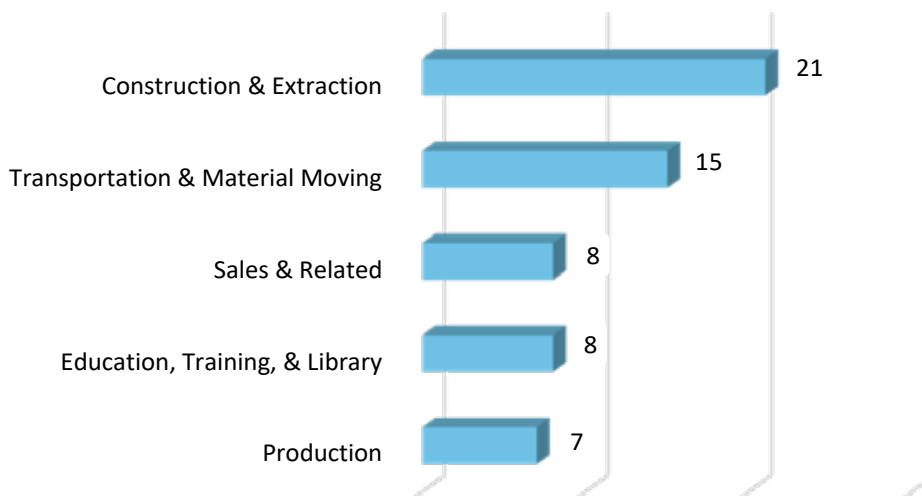
Figure 4.9 Top Five Industries, Medical Cannabis Claims, 2016 - 2020



Source: New Mexico Workers' Compensation Administration, *Annual Expenditure Report, Supporting Data, 2016 - 2020*

The top five occupations for which medical cannabis reimbursement claims were filed during 2016-2020 were Construction & Extraction Occupations; Transportation & Material Moving Occupations; Sales and Related Occupations; Education, Training & Library Occupations; and Production Occupations (Figure 4.10).

Figure 4.10 Top Five Occupations, Medical Cannabis Claims, 2016 - 2020



Source: New Mexico Workers' Compensation Administration *Annual Expenditure Report, Supporting Data, 2016 - 2020*

WORKERS' COMPENSATION COSTS

Between January 1 and February 15 of each year, carriers and self-insurers doing business in New Mexico submit annual expenditure reports (AER) to the Economic Research and Policy Bureau (ERPB) of the New Mexico Workers' Compensation Administration (WCA). The AER contains data of paid losses filed in the previous calendar year. The AER data is compared to statistics gathered from the National Association of Insurance Commissioners (NAIC), the National Council on Compensation Insurance (NCCI), and the New Mexico Department of Workforce Solutions (DWS) to evaluate the effectiveness and efficiency of the New Mexico workers' compensation system. To this end, the WCA uses these data and the AER data to analyze and evaluate trends in New Mexico's paid losses, premiums, and carrier and self-insurer performances each year.

CLAIM COSTS

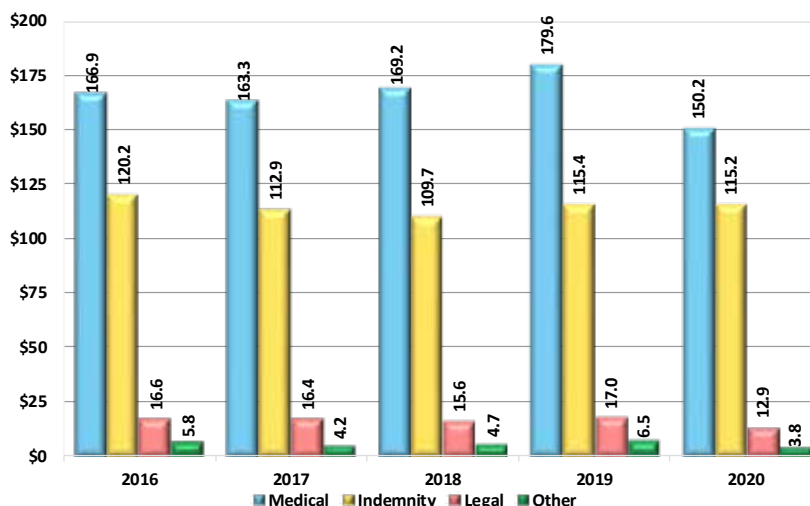
Table 5.1 Carrier and Self-Insurer Paid Losses and Total Claims by Calendar Year

Year	Total Expenditures	Total Claims	Carrier Expenditures	Self-Insured Expenditures
2016	\$309,429,016	41,908	\$206,924,518	\$102,504,498
2017	\$296,949,566	40,406	\$198,158,462	\$98,791,104
2018	\$299,177,013	40,636	\$204,840,262	\$94,336,751
2019	\$325,161,225	40,311	\$213,550,822	\$111,610,403
2020	\$282,112,750	41,232	\$196,154,196	\$85,958,554

Source: New Mexico Workers' Compensation Administration, *Annual Expenditure Report, 2016 - 2020*

The number of carrier (private insurers) and self-insurer claims with benefit payments increased by 921 from 2019. Total expenditures for 2020 were \$282,112,750, a drop of \$36,408,723 or 11.43% from 2019. Carriers' paid losses decreased by 8.15% in 2019 to \$196,154,196 in 2020. Self-insurers' paid losses decreased by 18.11% from 2019 to \$85,958,554 in 2020, as shown in Table 5.1. The total number of claims increased in 2020 compared to 2019, but the total expenditures for both carriers and self-insured employers decreased. The decrease in expenditures may be because injuries and illnesses were less severe in 2020.

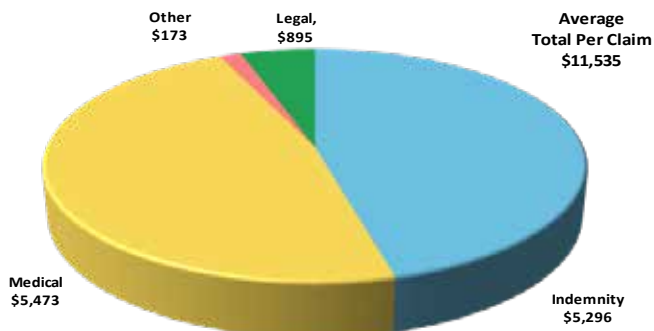
Figure 5.1 Total Expenditures by Category, 2016-2020 (\$ in millions)



Source: New Mexico Workers' Compensation Administration, *Annual Expenditure Report, 2016 - 2020*

Figure 5.1 represents four categories of expenditures. Medical cost has always dominated workers' compensation expenditures compared to other expenditure categories. Medical costs in 2020 were about \$150.2 million. Indemnity expenditures maintained a close second place but decreased by 0.2% compared to 2019. Legal costs maintained a distant third place, but they were also lower in 2020 than any of the four previous years. Other expenditures remained very small but also marginally decreased in 2020 from 2019.

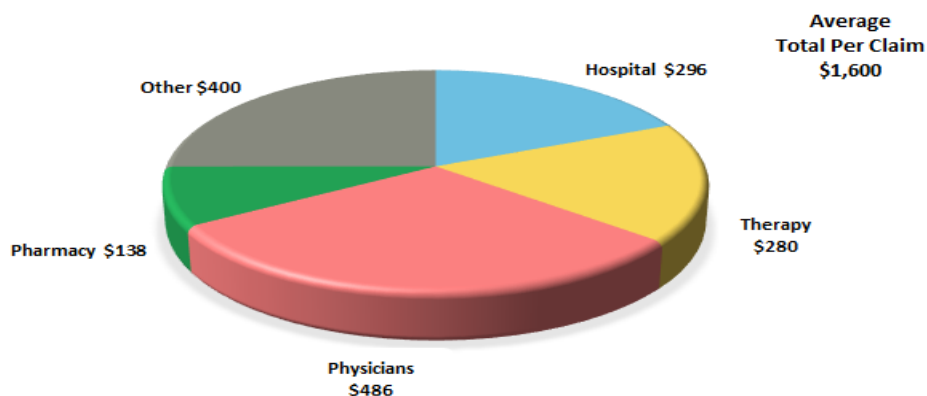
Figure 5.2 Indemnity Claim Distribution of Expenditures, 2020



Source: New Mexico Workers' Compensation Administration, *Annual Expenditure Report, 2020*

There were 21,755 indemnity claims with benefit payments during 2020, an increase of 5,306 (32.3%) claims from 2019. Indemnity claims include wage replacement and payments for permanent disability. Medical claims, however, dropped by 4,385 (18.4%) compared to 2019. The amount paid per indemnity claim decreased by \$5,617 from 2019's amount. The \$11,535 cost per claim was about a 32.7% decrease from 2019 (Figure 5.2). In 2020, the total expenditures for indemnity claims were \$250,948,301.

Figure 5.3 Non-Indemnity Claim Distribution of Expenditures, 2020

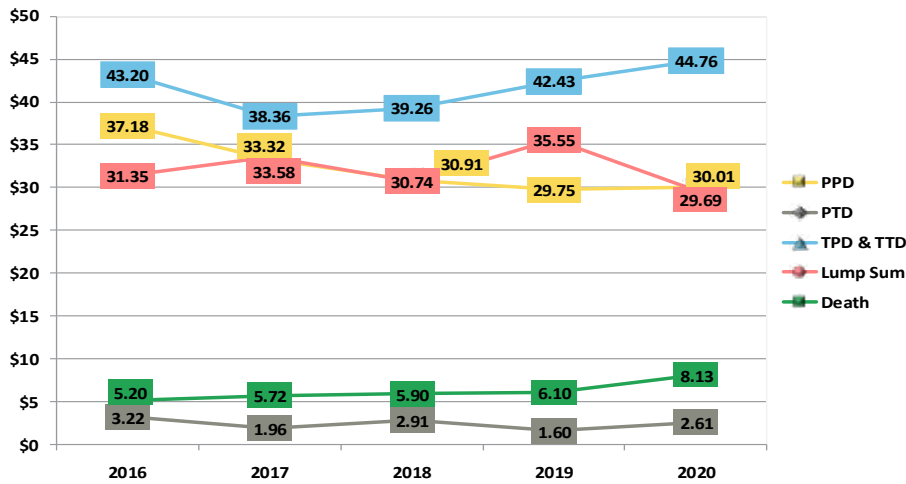


Source: New Mexico Workers' Compensation Administration, *Annual Expenditure Report, 2020*

In 2020, costs for medical claims were lower compared both to past years and to the cost of indemnity claims. Non-indemnity claims were \$31,164,450, and represented only 11% of total workers' compensation expenditures. This was a decrease of 14.4% from the 2019 total of \$36,389,880.

The average medical-only (non-indemnity) total expenditures per claim increased from \$1,525 in 2019 to \$1,600 in 2020. Physician expenditures were highest (30%) among pharmacy, therapy, hospital and other non-indemnity expenditures (Figure 5.3).

Figure 5.4 Summary of Indemnity Expenditures, 2016 - 2020 (\$ in millions)



Source: New Mexico Workers' Compensation Administration, *Annual Expenditure Report, 2020*

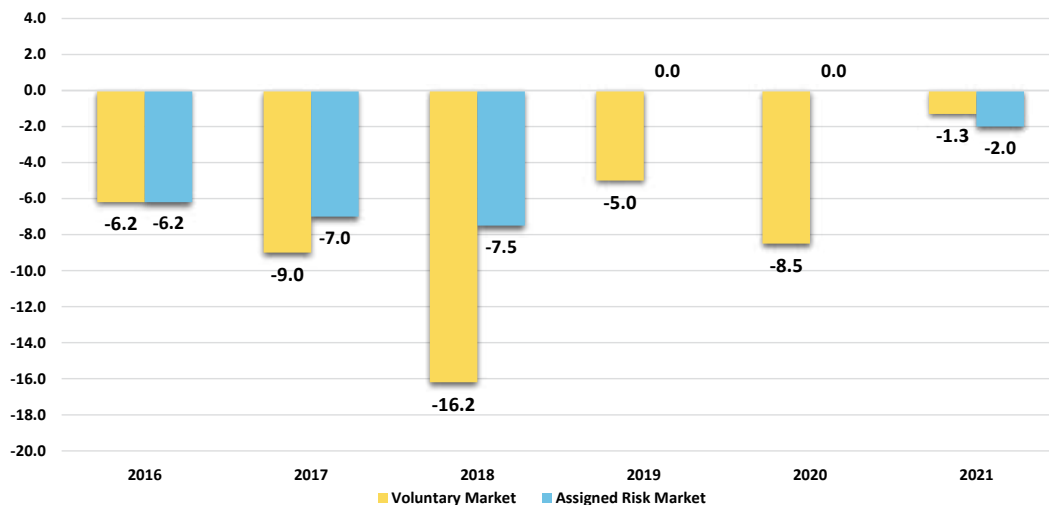
Indemnity payments totaled \$115,211,534 in 2020. This was \$222,203 more than the total payments of \$115,433,737 in 2019. Lump-sum settlements were \$29,692,735, a decrease of 16.5%, in 2020, from \$35,552,565 in 2019. Traditionally, the WCA has categorized lump-sum expenditures reported in the AER as indemnity payments. In recent years, however, it is known that these settlement amounts include amounts paid toward settling medical claim benefits. Medical benefit settlements have usually accounted for a very small part of this category, and the WCA does not have data to support reclassifying these expenditures into a different category.

PPD payments rose again in 2020 after several years of declining payments. In 2020 the total of \$30,011,065 PPD payments reflected an increase of 0.9% from 2019. TTD/TPD, Death, and PTD expenditures also rose compared to 2019.

PREMIUM COSTS

Historically, about two-thirds of New Mexico workers are covered by commercial insurance. In 2021, loss costs and corresponding premium rates are expected to decrease 1.3% for the voluntary

Figure 5.5 New Mexico Annual Premium Change by Policy Year, 2016 - 2021

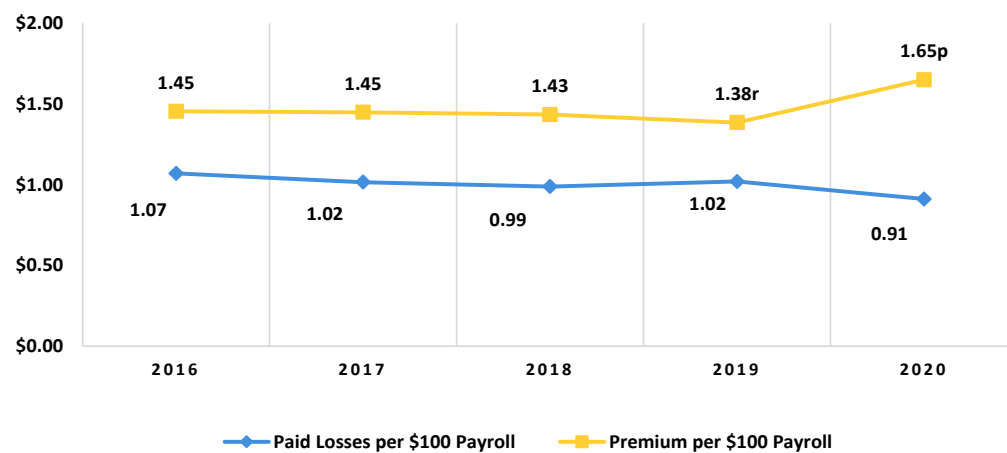


Source: National Council on Compensation Insurance, New Mexico State Advisory Forum, 2020

market, while rates for the assigned risk pool are expected to decrease by 2% based on NCCI's loss cost filing with the New Mexico Office of the Superintendent of Insurance for 2021 (as depicted in Figure 5.5)

The decrease in loss costs approved for 2021 marks a new year of decreasing workers' compensation premiums for the voluntary market in New Mexico, as compared to the years 2013-2015, when there were moderate annual increases. Premium decreases in 2019 continued the trend of decreases that started in 2016.

Figure 5.6 Estimated Payroll Costs: Premium Compared to Paid Losses (per \$100 payroll)



r: revised based on final NAIC premium data

p: preliminary data

Sources: New Mexico Workers' Compensation Administration, *Annual Expenditure Report, 2016 - 2020*

National Association of Insurance Commissioners (NAIC), *Preliminary NAIC Annual Statement Data, 2020*

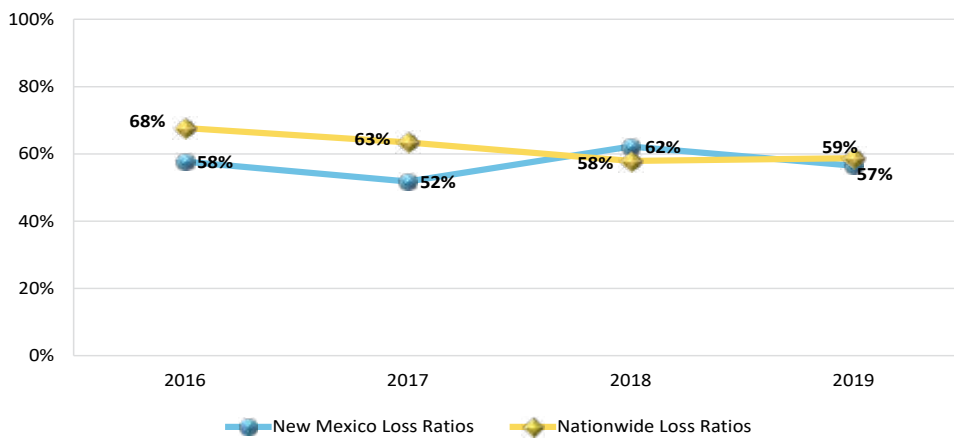
New Mexico Department of Workforce Solutions, *Quarterly Census of Employment and Wages, 2016 - 2020*

Premiums are billed based on loss costs filed by NCCI and approved by the Office of the Superintendent of Insurance (OSI), and vary widely based on industry and job classifications of workers. Direct written premiums in 2020 for New Mexico totaled \$291,634,000, based on preliminary market share data from the National Association of Insurance Commissioners (NAIC). The average premium per \$100 of payroll was \$1.65 in 2020, while the paid losses per \$100 of payroll were \$0.91 (Figure 5.6).

NATIONAL COMPARISON

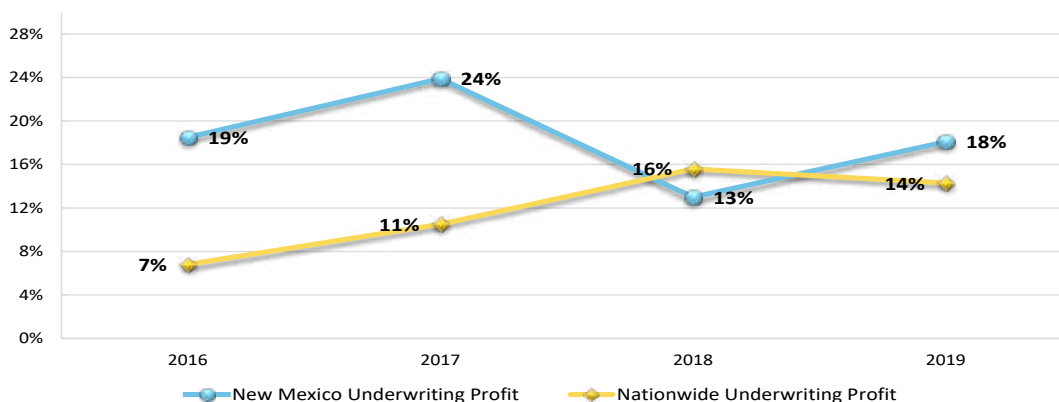
Figures 5.7 and 5.8 present 2019 data from the National Association of Insurance Commissioners (NAIC) on profitability. The 2019 report provides the most current data. Loss ratio is a measure of underwriting profitability for carriers, calculated by dividing incurred losses and adjusting expenses by premiums for a given period. In 2019, carriers experienced a loss ratio of 57% in New Mexico, compared to 62% in 2018. The nationwide loss ratio increased, from 58% in 2018 to 59% in 2019. Underwriting profit is inversely related to the loss ratio. As the loss ratio decreases, underwriting profit will increase. New Mexico's underwriting profit of 18% was greater than the nationwide average of 14% in 2019. Carriers' underwriting profit in New Mexico increased substantially from 13% in 2018 to 18% in 2019.

Figure 5.7 Nationwide vs. NM Adjusted Loss Ratios by Percent of Earned Premiums



Source: National Association of Insurance Commissioner *Profitability Report by Line by State in 2019*

Figure 5.8 Nationwide vs. NM Underwriting Profit



Source: National Association of Insurance Commissioners, *Profitability Report by Line by State in 2019*

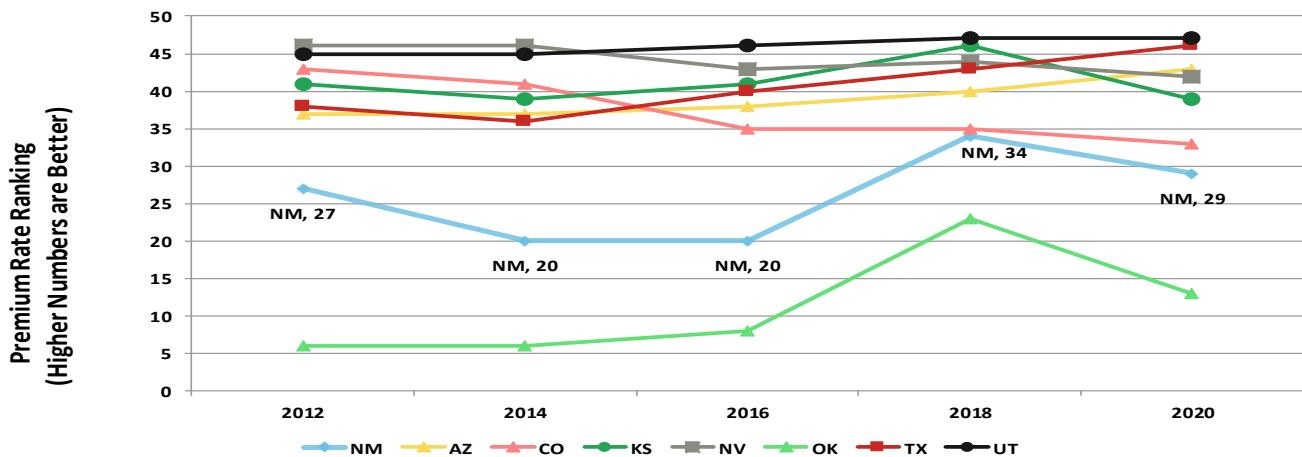
SOUTHWEST COMPARISONS

Since 1986, the Oregon Department of Consumer and Business Services (DCBS) has computed premium rate rankings in even-numbered years, based on National Council on Compensation Insurance (NCCI) data. The New Mexico workers' compensation system has benefited from the Oregon DCBS premium ranking study summaries, which have assisted in comparing workers' compensation jurisdictions in the Southwest subregion of the United States over the years. The premium ranking is a state-by-state ranking of workers' compensation insurance rates paid by employers based on data from all 50 states, plus Washington, D.C.

In reviewing New Mexico vs. southwestern states (AZ, CO, KS, NV, OK, TX, UT) in the premium rate ranking in 2020, the premium rate ranking summary indicated that New Mexico employers in the voluntary insurance market paid, on average, the 29th highest workers' compensation premium rates in the nation (Figure 5.9). New Mexico's ranking dropped from 34th in the 2018 study (higher-ranking values are better and preferred). New Mexico had its highest computed premium rate ranking of 42nd in 2000 and it has been difficult to match it in subsequent years.

In the Southwest subregion from 2012 to 2020, only Arizona and Texas showed improvements in workers' compensation paid premium rates. Utah remained unchanged. Colorado, Kansas, New Mexico, Nevada and Oklahoma, however, showed declining premium rate rankings. Since 2012, New Mexico has performed better than only Oklahoma in the Oregon study among the Southwest subregional jurisdictions. The 29th premium rate ranking for New Mexico in 2020 represents a disappointing decline compared to the 34th premium rate ranking in the 2018 study.

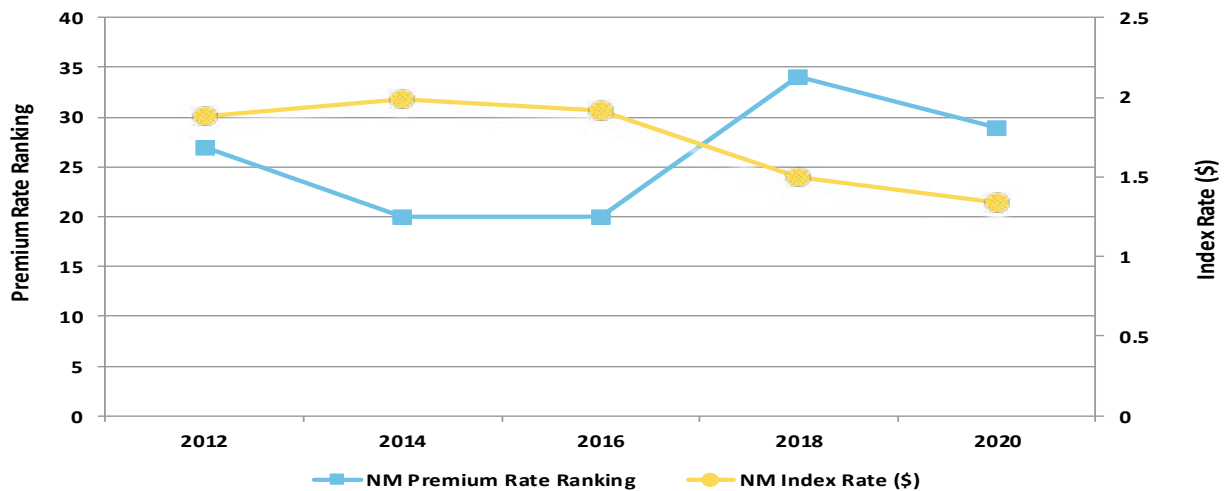
Figure 5.9 Eight-State Southwest Sub-Regional Comparisons Based on Oregon Premium Rate Ranking, 2012 - 2020



Source: Oregon Workers' Compensation, *Premium Rate Ranking Summary, 2012 - 2020*

New Mexico's index rate declined from \$1.50 per \$100 of payroll in 2018 to \$1.34 per \$100 of payroll in 2020 (Figure 5.10). The premium rate indices are calculated based on data from 51 jurisdictions, for rates in effect as of January 1, 2020. The Southwest subregion premium rate indices ranged from a low of \$0.85 per \$100 of payroll for Utah (the best rate) to a high of \$1.66 per \$100 of payroll for Oklahoma (the worst rate). The 2020 New Mexico index rate of \$1.34 per \$100 of payroll represented 93% of the national median of the Oregon study.

Figure 5.10 New Mexico/Oregon Index Rates and Premium Rate Ranking, 2012 - 2020



Source: Oregon Workers' Compensation, *Premium Rate Ranking Summary, 2012 - 2020*

WORKERS' COMPENSATION COVERAGE

New Mexico law requires that all New Mexico employers not covered by federal programs and that fall under the requirements of the Workers' Compensation Act (the Act) carry workers' compensation coverage or be approved for self-insurance. The Act requires all employers in New Mexico to carry workers' compensation insurance if they employ three or more workers, or perform work required to be licensed by the New Mexico Construction Industries Act, regardless of the number of employees. Out-of-state employers may need coverage if work is performed in New Mexico. Premiums for commercial insurance are based on the classification(s) of the work being performed by employees, and on the claims history and payroll of the employer. Employers in New Mexico have several options when it comes to meeting the coverage requirements of the Act. In addition to hundreds of commercial insurance companies licensed and actively writing workers' compensation policies in New Mexico, employers may be eligible to participate in a self-insured group or pool, or to become certified as an individual self-insurer. As a last resort, companies unable to find insurance elsewhere may obtain coverage through the assigned risk pool.

Figure 6.1 shows the proportion of workers covered under commercial policies (through the voluntary market and assigned risk pool) compared to workers covered under self-insured programs in 2020.

Figure 6.1 2020 Percentage Covered Workforce by Coverage Type



Sources: New Mexico Department of Workforce Solutions (DWFS,) *Quarterly Census of Employment and Wages, 2020*
New Mexico Workers' Compensation Administration, *Annual Expenditure Report, 2020*

Table 6.1 illustrates the insurance categories and their coverage from 2016 through 2020. It also demonstrates that the adjusted covered workforce decreased in 2020 as a result of the COVID-19 pandemic. The covered workforce's steadily increasing trend in the voluntary and assigned-risk markets ended in 2020.

Table 6.1 Estimated Covered Workforce and Employers by Type of Insurance, 2016 - 2020

	Voluntary & Assigned-Risk Markets		Self-Insurance		Adj. Covered Workforce ⁵
	Active Carriers ¹	Covered Workers ²	Covered Employers ³	Covered Workers ⁴	Total
2016	222	429,466 ^f	2,514	268,547 ^f	698,013
2017	222	444,547 ^f	2,611	260,801 ^f	705,348
2018	254	442,781 ^f	2,384	271,623 ^f	714,404
2019	269	453,009 ^f	2,443	272,114 ^f	725,123
2020	272 ^p	359,815	2,298	270,310	630,125

^pPreliminary Data

¹Source: National Association of Insurance Commissioners (NAIC), Annual Statement Data *New Mexico Market Share Report, 2016 - 2020*

²Total covered workforce minus self-insured workers

³Source: NWCA Self-Insurance Bureau

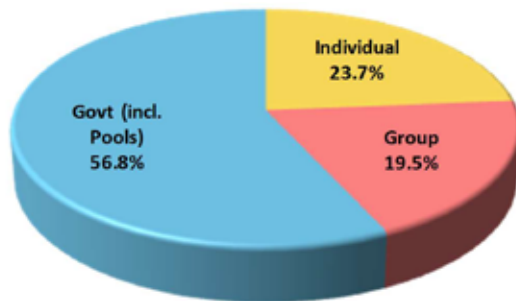
⁴Source: NWCA Annual Expenditure Report

⁵Source: New Mexico DWFS, *Quarterly Census of Employment and Wages* (excludes workers not subject to the Act)

SELF-INSURANCE PROGRAMS

The majority of workers covered under self-insured programs in New Mexico were public employees (56.8%) in 2020. Nearly all the governmental entities in New Mexico fell under a self-insured pool or individual self-insured program. The remaining 43.2% of workers covered under self-insured programs were split between individual self-insured employers (23.7%; those who qualify and choose to pay their claims directly) and self-insured groups (19.5%; employers in similar industries who form a member-owned entity which pays claims for them) (see Figure 6.2).

Figure 6.2 Self-Insured Workforce by Self-Insured Type, 2020

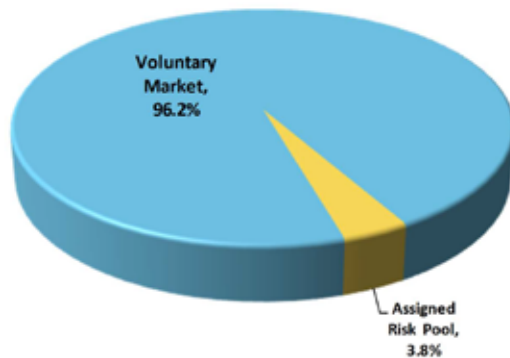


Source: New Mexico Workers' Compensation Administration, *Annual Expenditure Report, 2020*

COMMERCIAL INSURANCE PROGRAMS

As shown in Figure 6.3 and Table 6.2, most employers in New Mexico who seek commercial workers' compensation insurance were able to find a policy within the voluntary market (96.2% in 2019). However, new companies with little loss history, companies with a poor loss history may find it difficult to secure a policy. Companies having a hard time securing insurance may participate in the assigned risk pool, a market of last resort for insurance coverage administered in New Mexico and other states by the National Council on Compensation Insurance (NCCI). Employers that obtain policies through the assigned risk pool pay higher rates determined annually by NCCI. In 2019, only 3.8% of commercially insured companies in New Mexico were covered through the assigned risk pool, compared with 5.4% countrywide.

Figure 6.3 New Mexico 2019 Assigned Risk Pool Market Share^P



^PPreliminary Data

Source: National Council on Compensation Insurance (NCCI), *Residual Market Management Summary, 2019*

Note: 2020 figures unavailable at time of publication

Table 6.2 Assigned Risk Pool Market Share by Direct Written Premium, 2016 - 2019

	2016	2017	2018	2019 ^P
New Mexico	5.2%	4.0%	3.4%	3.8%
Nationwide	6.1%	6.0%	5.7%	5.4%

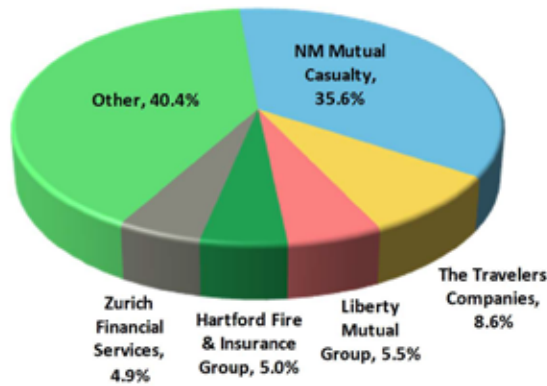
^PPreliminary Data

Source: National Council on Compensation Insurance (NCCI), *Residual Market Management Summary, 2019*

Note: 2020 figures unavailable at time of publication

New Mexico Mutual Casualty Company (NM Mutual) was originally created under §52-9-1-25 to make it easier for small- and medium-sized New Mexico companies to obtain workers' compensation insurance at competitive rates. Based on preliminary figures from the National Association of Insurance Commissioners (NAIC), NM Mutual held approximately 35.6% of the 2020 commercial workers' compensation market in New Mexico (based on direct written premium). The next four highest volume carriers comprised 24% of the market, as illustrated in Figure 6.4. Other carriers with lower percentages of volume were responsible for 40.4% of 2020's direct premiums earned in New Mexico. Table 6.3 shows more data for the years 2016 through 2020.

Figure 6.4 Commercially Insured Market Share by Direct Written Premium^p, 2020



p: Preliminary figures from NAIC

Source: National Association of Insurance Commissioners (NAIC), *Annual Statement Data, New Mexico Market Share Report, 2020*

Table 6.3 Market Share by Direct Written Premium, Largest Insurance Carriers in New Mexico, 2016 - 2020

WC Insurance Carrier	2016	2017	2018	2019 ^r	2020 ^p
New Mexico Mutual Casualty	36.5%	37.3%	35.6%	34.1%	35.6%
The Travelers Companies	8.8%	8.5%	8.8%	8.4%	8.6%
Liberty Mutual Group	4.6%	5.3%	5.9%	5.6%	5.5%
Hartford Fire and Insurance Group	6.4%	6.2%	5.8%	5.3%	5.0%
Zurich Financial Services	5.6%	5.3%	5.4%	5.2%	4.9%
Other	38.1%	37.4%	38.5%	41.4%	40.4%

^p: Preliminary Data

^r Revised to reflect final NAIC figures published in 2020

Source: National Association of Insurance Commissioners (NAIC), *Annual Statement Data, New Mexico Market Share Report, 2020*

REGULATORY AND CASE LAW

2021 LEGISLATIVE SESSION

In the 2021 60-day legislative session, one House bill related to workers' compensation and the COVID-19 pandemic passed the House.

HB 268 -- Coronavirus & Workers' Comp

HB 268, introduced by Rep. Dayan Hochman-Vigil (D-Bernalillo), Christine Chandler (Los Alamos, Rio Arriba, Sandoval and Santa Fe), Meredith Dixon (D-Bernalillo), Joy Garratt (D-Bernalillo) and Damon Ely (Bernalillo & Sandoval) would have added to the Workers' Compensation Act a rebuttable presumption that contraction of COVID-19 by an essential employee would be a work-related injury eligible for workers' compensation if the employee could establish that their workplace had not complied with public health orders. The bill passed the House and was sent to the Senate, where it did not make it out of the Judiciary Committee.



ADVISORY COUNCIL ON WORKERS' COMPENSATION AND OCCUPATIONAL DISEASE DISABLEMENT

Created by statute, the Advisory Council on Workers' Compensation and Occupational Disease Disablement monitors the workers' compensation system and makes recommendations to the Governor, Legislature, regulatory agencies and participating industries related to the adoption of rules and legislation and the method and form of statistical data collections.

There are six voting members of the council, appointed by the Governor. Three members represent employers and three members represent workers. The WCA director serves as an ex-officio (seventh) member. Meetings take place on an as-needed basis at least twice a year, following an open-meeting format at which the public and interested parties can attend. The Council's role is an advisory one, so members do not make rulings or recommendations on individual cases. The all-volunteer Council reports annually to the Governor, the Superintendent of Insurance, and the legislative leadership on the status of the state's workers' compensation system.

The Council appoints members to the panel of professionals who select medical providers to conduct independent medical examinations (IMEs). The Council can also give its endorsement of proposed workers' compensation legislation. Council members Darrell Deaguero, Courtenay Eichhorst, and Sara Ranney represent labor. Members Kevin McGinley, Marni Goodrich* and Lillian Santillanes represent business. Deaguero is president of the Laborers' International Union of North America, Local 16, in New Mexico. Council Chair Eichhorst is business manager of U.A. Local 412. Council Vice-Chair McGinley is president of McGinley Construction, Inc., a residential and commercial remodeling firm. Goodrich is business manager at Yearout Mechanical, an HVAC, plumbing, design and building company. Ranney is with the International Association of Firefighters Local 244 and is an engine company lieutenant. Santillanes is vice president and co-owner of Structural Services, Inc., a steel erection firm.

*Newly appointed by Gov. Lujan Grisham

RECENT COURT DECISIONS

The following selection of an appellate case summary is provided for informational purposes only, and should not be considered as legal precedent. Interested parties should read the case opinions and/or rely on the advice of legal counsel when evaluating their rights and obligations under the law.

NEW MEXICO COURT OF APPEALS

Taylor v. Waste Management of New Mexico, Inc. and Gallagher Bassett Services, Inc, 2021 N.M. No. A-1-CA-37503 (Filed April 6, 2021)

The Court of Appeals (COA) analyzed the former version of Section 52-1-25.1(B) and (C) addressing return to work. Under the 2005 version of the statute, if the employer/insurer did not offer the pre-injury wage to an injured worker, and the worker earned less than the pre-injury wage from a second employer, then the worker received full temporary total disability from the original employer/insurer as well as the full wage from the second employer without any offset to the original employer/insurer for the wages earned by the worker from the second employer. In mandating this outcome, the COA determined that workers' compensation statutes are to be interpreted as written, regardless of whether a worker is being paid more in wages than the worker would have if the worker was not injured. Section 52-1-25.1 was amended in 2017 in its entirety. The 2017 amendment removed the distinction between pre-injury wage from the original employer and a second employer for purposes of allowing an offset for wages earned from the second employer to the first employer. Therefore, the analysis of Section 52-1-25.1 in this case only applies to injuries that occurred prior to the enactment date of the 2017 version of Section 52-1-25.1, which is June 16, 2017. The analysis of this case does not apply to workers injured after the enactment of the 2017 version of Section 52-1-25.1.

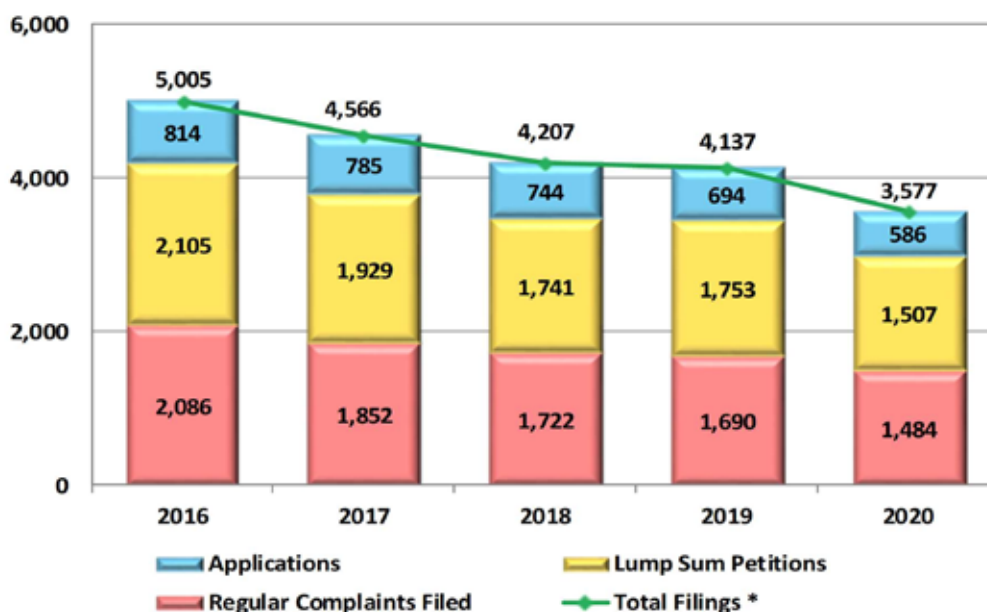
BUREAU HIGHLIGHTS

The Workers’ Compensation Administration (WCA) operates within the framework of the New Mexico Workers’ Compensation Act (the Act). The WCA’s mission is to administer the provisions of the Act to “assure the quick and efficient delivery of indemnity and medical benefits to injured and disabled workers at a reasonable cost to employers,” 52-5-1 NMSA 1978. The Act mandates the agency’s annual operating budget, degree of budgetary flexibility, personnel system, management of property, and purchasing processes. The WCA provides an array of services through its main office in Albuquerque, and its regional offices in Farmington, Hobbs, Las Cruces, Las Vegas, Roswell, and Santa Fe. All agency bureaus report to the director. Two executive deputy directors oversee operations and support services, and the general counsel’s office works on legal and legislative matters. There are currently 122 full time positions. As of the date of publication, there are 99 filled positions at the WCA, with a current “fill” rate of 81%, which indicates how many authorized positions are currently filled.

CLERK OF THE COURT

The Clerk of the Court (CC) is responsible for assisting customers in navigating the rules and processes associated with the electronic filing of pleadings. The CC also maintains the official court record for the agency. Filed documents have been decreasing over the past five years. In 2020, there were 3,577 applications, complaints and lump-sum petitions filed, a decrease of about 13.5% compared to the 4,137 documents filed in 2019 (Figure 7.1). The COVID-19 pandemic impacted the workforce, which in turn affected the number of complaints filed with the agency. Despite the challenge of social distancing, the CC continued to work with the workers’ compensation community to process and file 38,751 additional legal pleadings that included recommended resolutions, motions, entries of appearance and orders.

Figure 7.1 Clerk of Court Workload, 2016 - 2020



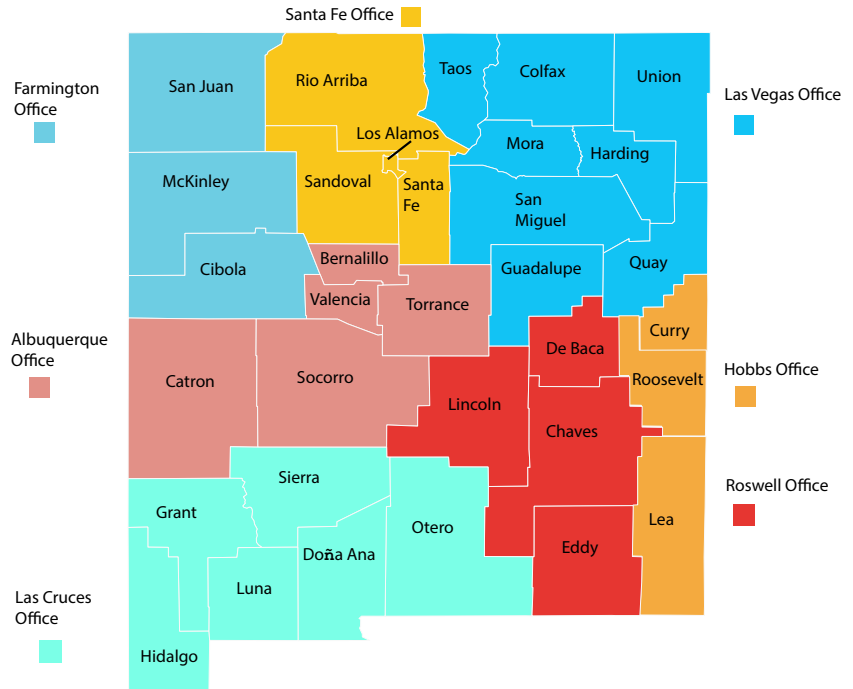
*Total Filings - Sum of Lump Sum Petitions, Regular Complaints Filed and Applications

FIELD OFFICES

The WCA has six field offices to better serve New Mexicans outside its Albuquerque headquarters. In 2020, the Agency served a total of 5,356 visitors, about 60% fewer than the total of 13,537 visitors in 2019. The agency strictly followed social distancing guidelines during the pandemic, which greatly limited in-office traffic.

The six field offices served 11% of visitors in 2020. Las Cruces served 137 total visitors for the year (1-visitor per business day), a dramatic decrease (83%) from 810 total visitors (3+ visitors per business day) in 2019. Farmington had 120 visitors, a 67% decrease from 363 visitors in 2019. Roswell had 109 visitors, an 80% decrease from 557 visitors in 2019. The remaining field offices had fewer visitors: Hobbs had 85; Las Vegas had 67 visitors; and Santa Fe had only 55, respectively.

Figure 7.2 NM Counties Served by WCA Field and Albuquerque Offices



SELF-INSURANCE AND REGULATORY AUDIT BUREAU

In 2020, the Self-Insurance and Regulatory Audit Bureau (SI) continued to monitor the activities of 34 individual (active) self-insured companies and 44 decertified (but monitored) companies. There were eight group self-insured entities, three pools (governmental entities), and two inactive but monitored groups. The guarantee fund year-end balance in 2020 was \$4,216,166. Table 7.1 presents the self-insurance workload summary. The SI auditors and bureau chief conducted 21 audits and 315 financial statement analyses in 2020. The number of audits conducted decreased 55% compared to 2019. The decline in audits was the result of inaccessibility of self-insured and third-party administrator staff during the pandemic, which restricted WCA and auditors' ability to conduct full audits. The financial statements analysis conducted by WCA auditors increased 103% compared to 2019. This increase was the result of a new market risk assessment initiative implemented by the SIB on a quarterly basis. The assessment monitors the required solvency thresholds to ensure they are maintained.

Table 7.1 Self-Insurance Workload Summary Report, 2018 - 2020

Activities	Year Total		
	2018	2019	2020
Audits	36	47	21
Financial Statements Analysis	137	155	315
Loss Runs Examined	258	269	366
Letters of Credit & Surety Bond Examined	149	91	176
Guarantee Fund Year End Balance (monitoring several bank accounts)	\$4,272,795	\$4,393,170	\$4,216,166

MANAGEMENT INFORMATION SYSTEMS

The Management Information Systems Bureau (MIS) implements and maintains the agency’s technology resources and the information contained in those systems. The bureau maintains a secure network infrastructure, internal and external websites, application and database development, help desk, and secure internet access for the agency. MIS provides the agency’s Economic Research and Policy Bureau with the services and tools to collect injury and claims information, proof of insurance coverage, and inpatient hospital data through the Electronic Data Interchange (EDI). The MIS Bureau continues to improve and monitor e-services (electronic) and the WCA website to better serve the needs of the public and workers’ compensation stakeholders in New Mexico. Throughout the pandemic, the bureau successfully maintained customer service through help desk and service inquiries.

In 2020, MIS continued to upgrade its Microsoft servers from version 2012 to version 2019. The upgrade and replacement of the VMWare host server allowed the agency to continue consolidating servers for cost efficiency. MIS in conjunction with the facilities bureau upgraded the cabling structure of the main Albuquerque office to implement a new voice-over-internet protocol (VoIP) telephone system. The first phase of the New Mexico Department of Information Technology (DoIT) Microsoft 365 project has been completed and all WCA users have been upgraded to the new email system. During the course of the pandemic, the MIS bureau addressed the needs of the agency’s users for teleworking with implementation of a virtual private network (VPN). The MIS Bureau has converted several courtrooms to allow the adjudication bureau to provide remote hearings.

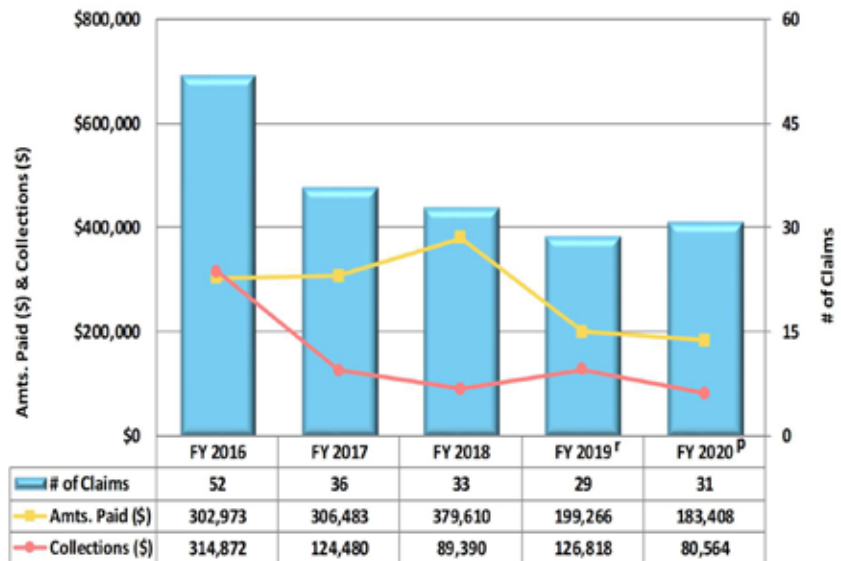
The agency’s IT Governance Committee made the decision to apply for the state’s Information Technology appropriation funding and was successful in obtaining monies to modernize the electronic case management system, internal bureau applications and to upgrade the EDI system from version 1.0 to 3.1.

UNINSURED EMPLOYERS’ FUND

The Uninsured Employers’ Fund (UEF) handles claims submitted by injured workers whose employers were illegally uninsured at the time of their injury. The UEF processed 31 claims in fiscal year (FY) 2020, two claims more than FY 2019. The UEF claims expenses for FY 2020 were \$183,408, about an 8% decrease in claims expenses from \$199,266 in FY 2019. The average amount paid per claim by the UEF in FY 2020 was \$5,916, which is about 13.9% lower than the \$6,871 paid per claim in FY 2019.

The UEF recoups monies and

Figure 7.3 UEF Annual Disbursements and Collections; Number of Claims Against Fund, FY 2016 - 2020



*Preliminary Data

^fRevised to reflect final number of UEF claims

Source: New Mexico Workers’ Compensation Administration, *Uninsured Employers’ Fund, FY 2016 - 2020*

penalties from employers who were required to carry workers' compensation insurance but failed to do so. The bureau experienced its lowest collection amount in FY 2020, part of a downward trend from a high collection amount in 2016. The surge in higher collection rates resulted from a heightened effort to collect backlogged, overdue fines and settlements. A total of \$80,564 was collected in FY 2020, about 36.5% lower than the \$126,818 collected in FY 2019 (See Figure 7.3 on the prior page). The pandemic slowed collections.

WORKERS' COMPENSATION ADMINISTRATION SENIOR MANAGEMENT

In October 2019, Loretta Lopez was appointed by Governor Michelle Lujan Grisham to serve as Director of the New Mexico Workers' Compensation Administration. She is the first woman to be appointed to that position. Lopez attended the University of New Mexico, earning a Bachelor of Science degree in nursing in 1982, and a law degree in 1989. Lopez has 30 years of legal experience working in state government and private practice. Lopez retired July 31, 2021.



Leigh Martinez stepped in to serve as Acting Director in August, 2021. She most recently was Executive Deputy Director of Support Services. Martinez has been an employee of the WCA since 1996, working as a financial auditor in the Self Insurance Bureau and then as an economist in the agency's Economic Research and Policy Bureau. Prior to joining the WCA, Martinez was financial manager for Sandia Casino. She has a bachelor's degree in business administration with a concentration in accounting from the University of New Mexico. Martinez oversees the WCA's support services, which includes the bureaus of Finance, Facilities, Economic Research, Safety, Field Programs, Medical Cost Containment and Information Systems. Martinez was named Acting Director August 1, 2021.



Kenneth Owens joined the WCA in 2018 and was later hired as the Mediation Bureau Chief. Since June of 2020, he has served as the Acting Deputy Director of Operations, which includes the Workers' Compensation Court, Clerk of the Court, Mediation, Ombudsman and Self-Insurance Bureaus. Owens is a native New Mexican and a graduate of UNM School of Law and New Mexico Military Institute, where he received his commission as a United States Army officer. He is a Persian Gulf War-era Army veteran and served as an Air Defense Artillery officer. Owens has worked in the New Mexico legal community for over 25 years for both civil legal services and state government. He designed and managed the first statewide public benefits unit for New Mexico Legal Aid and worked with the State Human Services Department in utilizing an alternative dispute resolution process to help families access the public benefits to which they were legally entitled. As a former assistant state attorney general (AG), he established and managed the AG's Keep Your Home New Mexico program and worked with the Administrative Office of the Courts and District courts in developing residential foreclosure mediation programs.



Michael Holt graduated from Northern Arizona University in 1984 with a degree in geology and received his law degree from the Marshall Law School in Chicago in 1990. Holt was in private litigation practice in Illinois for 27 years with a focus on workers' compensation and personal injury. Prior to his promotion to general counsel, Holt was the WCA Enforcement Bureau Chief. Holt began as General Counsel in February 2021.



WORKERS' COMPENSATION ADMINISTRATION JUDGES



Judge Shanon Riley, the longest-serving of the current judges, was appointed chief judge by a vote of her peers and administration approval in early 2020. Judge Riley practiced law in New Mexico for 10 years prior to joining the WCA as a judge in August 2011. Riley had served as assistant district attorney in the 1st Judicial District Court in Santa Fe, and for three years was general counsel for the New Mexico Department of Military Affairs. She was also an analyst for the House Judiciary Committee, an associate attorney with a private law firm, and an associate trial attorney for the 2nd Judicial District Attorney's Office. She earned a Juris Doctor degree in 2001 from the University of New Mexico School of Law.



Judge Rachel A. Bayless was appointed in April 2017, having previously served as WCA general counsel since February 2014. Bayless has worked in private practice, with experience that includes insurance defense, personal injury defense, representing employers and insurers in workers' compensation matters, and some plaintiffs' work. Bayless worked for the 2nd Judicial District Attorney's Office as an assistant district attorney in the Metro Court and Crimes Against Children Divisions. She received her law degree from the University of New Mexico School of Law in 2005.



Judge Tony Couture, appointed in August 2017, graduated from the University of New Mexico School of Law in 2007. His private practice was in the areas of workers' compensation, general liability, and complex civil litigation. Prior to becoming a lawyer, he was a registered nurse and computer scientist. His nursing experience has given him a deep understanding of the complicated medical issues that often accompany workers' compensation matters. Couture is a member of the State Bar of New Mexico and the American Bar Association.



Judge Leonard Padilla was appointed in August 2013, having previously worked in both private practice and public service, to include 16 years in workers' compensation law. He had more than 25 years of legal experience at the time of his appointment. From 1992 through 1997 he was a recognized certified specialist in workers' compensation law by the New Mexico Board of Legal Specialization. Before joining the WCA, Padilla served nine years as chief administrative law judge for the New Mexico State Personnel Office. He received a Juris Doctor degree in 1988 from Southern Methodist University in Dallas.



Judge Reg. C. Woodard had more than 35 years of legal experience prior to his appointment in November 2012, and had practiced workers' compensation law for more than 16 years. He has been a recognized certified specialist in workers' compensation law by the New Mexico Board of Legal Specialization since 2005. Woodard came to the WCA from the law firm of Woodard and Associates, PC. where he had been sole proprietor since 2004. Prior to that he was affiliated with Sturges, Houston & Sexton, PC, and has been in-house counsel for CIGNA Insurance Companies. Woodard earned a Bachelor of Undergraduate Studies degree from the University of New Mexico in 1974. He earned his Juris Doctor degree in 1977 from the University of New Mexico School of Law.

APPENDIX A: REFERENCES & ABBREVIATIONS

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ABBREVIATIONS

For ease of reference, the following abbreviations have been used in this report:

GROUP AND ORGANIZATION NAMES

NM Workers' Compensation Administration	WCA
National Association of Insurance Commissioners	NAIC
National Academy of Social Insurance	NASI
National Council on Compensation Insurance	NCCI
NM Department of Workforce Solutions	DWS

GENERAL WORKERS' COMPENSATION TERMINOLOGY

Annual Expenditure Report	AER
Average Weekly Wage	AWW
Construction Industries Licensing Act	CILA
Electronic Data Interchange	EDI
First Report of Injury or Illness	FROI
Lump-Sum Settlement	LSS
Maximum Medical Improvement	MMI
New Mexico Statutes 1978 Annotated	NMSA
New Mexico Workers' Compensation Act	The Act
Permanent Partial Disability	PPD
Permanent Total Disability	PTD
Proof of Coverage	POC
Recommended Resolution	RR
Return to Work	RTW
Subsequent Report of Injury	SROI
Temporary Partial Disability	TPD
Temporary Total Disability	TTD
Uninsured Employers' Fund	UEF

APPENDIX B

Table B.1 Insurance Carriers: Medical Costs Associated with Indemnity Claims. 2016 - 2020

Insurance Carrier Medical Costs Associated with Indemnity Claims					
	2016	2017	2018	2019	2020
Facility	\$22,062,304	\$18,972,242	\$20,833,099	\$22,651,458	\$16,038,628
Avg. Cost Per Claim	\$1,785	\$1,724	\$1,975	\$2,189	\$994
Physicians	\$19,651,352	\$20,988,585	\$19,794,936	\$19,841,720	\$19,225,947
Avg. Cost Per Claim	\$1,590	\$1,907	\$1,877	\$1,917	\$1,192
Therapy	\$8,916,340	\$8,617,081	\$8,891,358	\$10,200,338	\$8,107,163
Avg. Cost Per Claim	\$721	\$783	\$843	\$986	\$503
Medication	\$12,881,930	\$11,696,943	\$10,541,076	\$8,963,796	\$10,558,249
Avg. Cost Per Claim	\$1,042	\$1,063	\$999	\$866	\$654
Vocational Rehab	\$575,437	\$543,949	\$463,601	\$1,168,809	\$248,003
Avg. Cost Per Claim	\$47	\$49	\$44	\$113	\$15
Other	\$28,662,757	\$29,813,969	\$32,301,363	\$35,169,967	\$30,578,738
Avg. Cost Per Claim	\$2,319	\$2,709	\$3,062	\$3,398	\$1,895
Grand Total for Year	\$92,750,120	\$90,632,770	\$92,825,434	\$97,996,088	\$84,756,729
Total No. of Claims	12,362	11,006	10,548	10,349	16,133
Avg. Cost per Claim	\$7,503	\$8,235	\$8,800	\$9,469	\$5,254

Source: New Mexico Workers' Compensation Administration, *Annual Expenditure Report, 2016 - 2020*

Table B.2 Self-Insurers: Medical Costs Associated with Indemnity Claims, 2016 - 2020

Self Insurer Medical Costs Associated with Indemnity Claims					
	2016	2017	2018	2019	2020
Facility	\$12,567,091	\$12,165,787	\$13,271,689	\$13,333,145	\$8,558,630
Avg. Cost Per Claim	\$2,025	\$2,013	\$2,313	\$2,186	\$1,522
Physicians	\$9,246,177	\$8,419,888	\$7,526,326	\$7,436,596	\$6,506,951
Avg. Cost Per Claim	\$1,490	\$1,393	\$1,312	\$1,219	\$1,157
Therapy	\$6,151,014	\$5,993,288	\$5,597,374	\$6,214,573	\$5,113,988
Avg. Cost Per Claim	\$991	\$991	\$975	\$1,019	\$910
Medication	\$7,538,445	\$6,194,952	\$5,179,900	\$5,335,476	\$4,038,474
Avg. Cost Per Claim	\$1,215	\$1,025	\$903	\$875	\$718
Vocational Rehab	\$263,444	\$162,590	\$103,609	\$163,740	\$234,367
Avg. Cost Per Claim	\$42	\$27	\$18	\$27	\$38
Other	\$11,813,498	\$12,443,672	\$11,615,121	\$14,070,032	\$10,345,436
Avg. Cost Per Claim	\$1,904	\$2,059	\$2,024	\$2,307	\$1,840
Grand Total for Year	\$47,579,669	\$45,380,178	\$43,294,018	\$46,553,560	\$34,797,847
Total No. of Claims	6,206	6,045	5,738	6,100	5,622
Avg. Cost per Claim	\$7,667	\$7,507	\$7,545	\$7,632	\$6,190

Source: New Mexico Workers' Compensation Administration, *Annual Expenditure Report, 2016 - 2020*

Table B.3 Insurance Carriers: Workers' Compensation Insurance Paid Losses, 2016 - 2020

Loss Category & Claims Count					
INDEMNITY Claims	2016	2017	2018	2019	2020
A. Wage Replacement Benefits	\$85,765,846	\$78,977,266	\$78,081,232	\$82,089,343	\$84,141,598
B. Medical Costs	\$92,174,683	\$90,088,820	\$92,361,833	\$96,827,279	\$84,508,726
C. Attorney Fees	\$11,081,862	\$10,800,500	\$10,393,349	\$12,209,463	\$8,572,597
D. Vocational Rehab Costs	\$575,437	\$543,949	\$463,601	\$1,168,809	\$248,003
E. Other Benefits ¹	\$2,477,498	\$1,874,282	\$2,244,270	\$2,483,295	\$2,119,799
F. Indemnity Claims Subtotal	\$192,075,326	\$182,284,818	\$183,544,285	\$194,778,189	\$179,590,722
G. No. of Indemnity Claims	12,362	11,006	10,548	10,349	16,133
MEDICAL-ONLY Claims					
H. Medical Costs Subtotal	\$14,849,192	\$15,873,644	\$21,295,977	\$18,772,634	\$16,563,474
I. No. of Medical-Only Claims	11,298	12,183	13,683	13,499	11,480
J. Grand Total: Paid Losses	\$206,924,518	\$198,158,462	\$204,840,262	\$213,550,822	\$196,154,196
K. Grand Total : No. of Claims	23,660	23,189	24,231	23,848	27,613
L. Average Loss per Indemnity Claim = F/G	\$15,538	\$16,562	\$17,401	\$18,821	\$11,132
M. Average Loss per Medical-Only Claim = H/I	\$1,314	\$1,303	\$1,556	\$1,391	\$1,443
N. Average Loss per Carrier Carrier Claims =J/K	\$8,746	\$8,545	\$8,454	\$8,955	\$7,104

¹Includes Miscellaneous Admin. and Funeral Benefits

Source: New Mexico Workers' Compensation Administration, *Annual Expenditure Report, 2016 - 2020*

Table B.4 Self-Insurers: Workers' Compensation Insurance Paid Losses, 2016 - 2020

Loss Category & Claims Count					
INDEMNITY Claims	2016	2017	2018	2019	2020
A. Wage Replacement Benefits	\$34,385,573	\$33,957,577	\$31,638,316	\$33,344,394	\$31,069,936
B. Medical Costs	\$47,316,225	\$45,217,588	\$43,190,409	\$46,389,821	\$34,563,479
C. Attorney Fees	\$5,542,944	\$5,627,360	\$5,216,834	\$4,770,132	\$4,327,068
D. Vocational Rehab Costs	\$263,444	\$162,590	\$103,609	\$163,740	\$234,367
E. Other Benefits ¹	\$2,437,866	\$1,667,189	\$1,871,188	\$2,685,318	\$1,162,728
F. Indemnity Claims Subtotal	\$89,946,052	\$86,632,305	\$82,020,356	\$87,353,404	\$71,357,578
G. No. of Indemnity Claims	6,206	6,045	5,738	6,100	5,622
MEDICAL-ONLY Claims					
H. Medical Costs Subtotal	\$12,558,446	\$12,158,799	\$12,316,395	\$17,617,246	\$14,600,976
I. No. of Medical-Only Claims	12,042	11,172	10,667	10,363	7,997
J. Grand Total: Paid Losses	\$102,504,498	\$98,791,104	\$94,336,751	\$104,970,651	\$85,958,554
K. Grand Total : No. of Claims	18,248	17,217	16,405	16,463	13,619
L. Average Loss per Indemnity Claim = F/G	\$14,493	\$14,331	\$14,294	\$14,320	\$12,693
M. Average Loss per Medical-Only Claim = H/I	\$1,043	\$1,088	\$1,155	\$1,700	\$1,826
N. Average Loss per Carrier , Carrier Claims =J/K	\$5,617	\$5,738	\$5,750	\$6,376	\$6,312

¹Includes Miscellaneous Admin. and Funeral Benefits

Source: New Mexico Workers' Compensation Administration, *Annual Expenditure Report, 2016 - 2020*

Table B.5 Self-Insured Government Workers' Compensation Losses & Claims, 2020

Organization	Losses				Number of Claims			
	Employees Covered	Medical-Only Claims	Indemnity Claims	Total		With Benefits Paid	Opened	Closed
Albuquerque Public Schools	13,479	\$787,943	\$3,369,745	\$4,157,689	Med-Only	420	40	304
					Indemnity	250	15	63
Albuquerque Bernalillo Co. Water Utility Auth.	650	\$59,813	\$348,843	\$408,657	Med-Only	46	8	31
					Indemnity	27	4	7
City of Albuquerque	8,794	\$1,170,446	\$4,297,208	\$5,467,654	Med-Only	612	144	343
					Indemnity	233	60	61
City of Carlsbad	470	\$35,124	\$274,140	\$309,264	Med-Only	45	9	33
					Indemnity	26	1	10
City of Farmington	910	\$100,087	\$828,125	\$928,212	Med-Only	104	8	77
					Indemnity	54	3	12
City of Las Cruces	1,613	\$181,278	\$869,388	\$1,050,666	Med-Only	128	15	81
					Indemnity	63	10	25
City of Santa Fe	1,262	\$200,742	\$1,063,053	\$1,263,795	Med-Only	188	31	139
					Indemnity	76	4	14
NM County Insurance Authority	8,272	\$625,641	\$6,295,282	\$6,920,923	Med-Only	907	552	604
					Indemnity	527	115	158
NM Public Schools Ins. Authority	48,667	\$1,490,421	\$6,887,565	\$8,377,986	Med-Only	1,054	60	734
					Indemnity	935	44	243
NM Self-Insurer's Fund (Municipal League)	8,039	\$784,785	\$2,611,282	\$3,396,067	Med-Only	247	415	386
					Indemnity	183	48	66
State of New Mexico	59,101	\$5,917,752	\$10,875,843	\$16,793,595	Med-Only	975	847	1,199
					Indemnity	1,000	173	272

Source: New Mexico Workers' Compensation Administration, *Annual Expenditure Report, 2020*

APPENDIX C

C.1 Summary of Common Workers' Compensation Benefits

DISABILITY COMPENSATION

Maximum: The rate of compensation is 66-2/3 of the worker's average weekly wage, up to a maximum of 100% of the state average weekly wage for injuries:

2017 max benefit = \$796.77	2018 max benefit = \$796.96	2019 max benefit = \$814.64
2020 max benefit = \$845.10	2021 max benefit = \$883.06	2022 max benefit = \$944.84

Minimum: The minimum weekly benefit is \$36.

TEMPORARY TOTAL DISABILITY (TTD)

Amount: TTD benefits are paid for work-related injuries involving more than seven days of lost work time. If prior to the date of maximum medical improvement (MMI) the worker is not released by the health care provider to return to work, benefits are paid at the workers' compensation rate. If the worker is released to return to work prior to MMI and the employer offers work at less than the pre-injury wage, the benefit is paid at 2/3 of the difference between pre- and post-injury wage.

Duration: TTD benefits are paid through the day prior to MMI. For disabilities lasting more than 28 days, compensation is also paid for the first seven days of lost time, and up to a maximum of 700 weeks.

PERMANENT PARTIAL DISABILITY (PPD)

Whole Body PPD benefits begin on the MMI date.

Amount: PPD is paid for injuries to parts of the body not listed as a scheduled injury (e.g., back, etc.). To be eligible, a worker must have a permanent impairment for which a health care provider has given an impairment rating based on the AMA Guides to the Evaluation of Permanent Impairment. The benefit amount is adjusted according to the worker's pre- and post-MMI earnings. If worker's post-MMI wage is less than the pre-injury wage, benefits are a percentage of the compensation rate calculated according to a formula, including the impairment rating and modifiers for the worker's age, education, specific vocational preparation, training and residual physical capacity (§§52-1-26.1, .2 and .3). If worker's post-MMI wage is equal to or greater than pre-injury wage, benefits are limited to the percentage of impairment.

Whole Body For whole body injuries, including those based on primary mental impairment, benefits are paid for

Duration: 500 weeks if the disability rating is less than 80 percent; and for 700 weeks if the disability rating is equal to or greater than 80 percent. The number of weeks for PPD benefits is reduced by the number of weeks a worker receives TTD.

Scheduled Benefits are paid for the loss or loss of use of body members, including an arm, hand, finger, leg, foot,

Injury Amount: toe, sight or hearing, and are paid as a percentage of the compensation rate computed from the loss of use percentage. The loss of use is not the same as impairment.

Scheduled Injury Benefits are paid for the number of weeks specified in the statute for that body member (§52-1-43).

Duration: The payment period for scheduled injury benefits is not reduced where TTD benefits were paid.

PERMANENT TOTAL DISABILITY (PTD)

Amount: For the permanent and total loss of or loss of use of both arms, hands, legs, feet, eyes or any combination of two; or a brain injury which by itself results in an impairment rating of 30 percent or more. PTD benefits are paid at the compensation rate.

Duration: Benefits are paid for the worker's lifetime.

DEATH

Funeral

Expenses: If an accidental injury results in death within two years, up to a maximum of \$7,500.

Indemnity Benefits are paid to the worker's dependents up to the full compensation rate, contingent upon

Amount: the dependent's relationship to the worker and the number of eligible dependents (§52-1-46).

Duration: Benefits are paid up to a maximum of 700 weeks.

C.2 Miscellaneous Provisions of the Workers' Compensation Act

CHOICE OF HEALTH CARE PROVIDER

The employer shall initially either select the health care provider for the injured worker or permit the injured worker to make the selection. The employer must notify the worker in writing. After 60 days, the party who did not make the initial selection may select a different health care provider. The other party must be notified of the change at least 10 days before treatment begins. If one party objects, that party must file a notice of objection with the WCA within three days of receipt of the change notice (§52-1-49).

RE-EMPLOYMENT OF INJURED WORKER

The employer is required to rehire an injured worker if: (1) the former job or similar modified job is available, (2) the health care provider certifies that the injured worker is fit to perform the work without significant risk of injury, and (3) the injured worker applies for the job (§52-1-50.1).

LUMP-SUM SETTLEMENTS

Provisions for lump-sum settlement of benefits: (1) A worker may elect to receive a lump-sum settlement of indemnity benefits after returning to work for at least six months and earning at least 80 percent of the pre-injury wage; (2) After reaching MMI, a worker may elect to receive a partial lump-sum settlement of indemnity benefits for the purpose of paying debts accumulated during the disability; (3) The worker and employer may also elect to resolve a claim for injury with a lump-sum payment to worker for all or a portion of past, present and future payments of compensation benefits, medical benefits or both in exchange for a release of the employer from liability for such compromised benefits. Lump-sum payment agreements must be submitted to a WCA judge for approval (§52-5-12,13,14).

ATTORNEY FEE CAP

Attorneys' fees including, but not limited to, representation before the WCA and courts on appeal, costs for paralegal services, legal clerk services and related services on behalf of a worker or an employer for a single claim shall not exceed \$22,500. The limitation applies whether or not multiple attorneys represent the claimant or employer. A WCA judge reviews and approves the worker's attorney fees. Usually, half the worker's attorney fees are paid by the worker and half by the employer (§52-1-54).

EMPLOYER PENALTIES

Worker may be entitled to a 10-percent increase in indemnity benefits if the employer failed to provide a safety device and that failure resulted in the accident or increased the severity of injury (§52-1-10). The worker may be entitled to an increase in indemnity benefits up to 25 percent if the employer or insurer acted in bad faith or committed unfair claims practices. The director may also impose administrative penalties for retaliatory firing, unfair claims processing, oppressive conduct, late reporting of injuries or late payment of benefits. Any employer found by a WCJ to have terminated a worker to avoid paying benefits, or retaliation for filing a workers' compensation claim, could be fined up to \$10,000.

WORKER PENALTIES

Indemnity benefits may be reduced by 10 percent if the worker failed to use safety devices provided or failed to observe statutory regulations pertaining to safe conduct (§52-1-10). A worker can lose 10 to 90 percent of non-medical benefits (to be decided by presiding judge) depending on the degree worker's impairment by alcohol or drugs contributes to the accident (§52-1-12.1, amendments effective as of May 18, 2016). The director may also impose administrative penalties against a worker for bad faith, unfair claims process, or other violations of law. A worker who commits fraud can also be criminally prosecuted.



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