

PENNSYLVANIA COMPENSATION RATING BUREAU

Attendant Care Study

Attendant care services provided pursuant to the Medicaid Waiver or Pennsylvania Attendant Care Act (Act No.150 of 1986) are generally intended to allow aged and/or otherwise impaired individuals to maintain resident in their home (or the home of another family member) in lieu of being placed in some other residential facility. These services are coordinated through “fiscal agents” who perform a broad spectrum of administrative services needed to establish relationships between clients requiring and workers delivering the necessary services.

Attendant care services present several features which have created a somewhat disjointed classification approach to the industry in Pennsylvania. Some of those relevant features and their respective implications for current classification procedures are as follows:

Whether the fiscal agent or the client is considered to be the employer of staff providing attendant care services for purposes of the Workers Compensation Act

In the event that the fiscal agent is considered to be the employer of attendant care staff (the less common approach) the PCRB has classified attendant care services in Code 943, Home Health Care – nonprofessional staff.

Whether staff engaged in providing attendant care services when the client is considered to be the employer work full-time or part-time

When attendant care staff working in arrangements under which the client is considered to be the employer (the more common approach) the PCRB has classified attendant care services to Code 0908, Domestic Workers – Inside, Occasional when the staff work part time, and to Code 0913, Domestic Workers – Inside when the staff work full time.

Code 943, like most PCRB classifications, uses payroll as the exposure based for works compensation insurance purposes. Codes 0908 and 0913 are per capita codes, meaning that loss costs and rates are established in amounts applicable to each given employee on a policy period basis.

The existing classification protocols in Pennsylvania have precipitated concerns on a variety of fronts. Home health care agencies also classified in Code 943 have raised objections to attendant care services being included in that class. The rating value differences between Code 0908 and 0913 offer incentives that may skew reporting of staff exposures for some entities, and the per capita exposure base is subject to ambiguities regarding individual performing services for multiple clients, etc. On top of these considerations, the PCRB is aware that some other jurisdictions have created classifications devoted to attendant care services and which carry the traditional payroll exposure base for workers compensation insurance.

In an attempt to improve the classification and pricing structure for attendant care services in Pennsylvania under the uniform classification plan, the PCRB embarked upon a study of this industry.

The study examined attendant care workers from classifications 0908 (Domestic Workers – Inside – Occasional), 0913 (Domestic Workers – Inside) and 943 (Home Health Care – nonprofessional staff). The prospect given particular emphasis in the study was the creation of a new class into which part-time and full-time attendant care workers could be assigned, regardless of whether the fiscal agent(s) or client(s) were considered to be the employer of those workers. It was further intended that the new attendant care classification would be rated using a payroll exposure base. Traditional domestic service will remain in classifications 0908 and 0913 and will continue to be rated on a per-capita basis.

Because Codes 0908 and 0913 do not use payroll to compute workers compensation insurance premiums and do not require the reporting of payroll exposures to the PCRB, the PCRB surveyed known attendant care fiscal agents and requested total payrolls for calendar years 2003 through 2008. Eleven attendant care fiscal agents (including the three largest) representing approximately two-thirds of all attendant care exposures in Codes 0908 and 0913 (measured by number of persons reported) provided total payrolls by calendar year in response to this survey. No splits of payrolls between part-time and full-time workers were available from these fiscal agents.

Exhibit 1 of this study shows the calendar year payrolls provided in response to the PCRB's survey. Because PCRB's classification analysis is based upon policy year statistics, Exhibit 1 also shows the conversion of calendar year payroll to an estimated payroll by policy year where each policy year payroll represents the average of the two calendar year payrolls contributing to that policy year.

Exhibit 2a shows exposures (numbers of persons) separately for fiscal agents that provided payroll information and for those remaining fiscal agents that did not provide payroll data. Exposures are further split between the two relevant classifications, Codes 0908 and 0913.

For fiscal agents that provided payroll data to the PCRB, actual payroll is shown along with the average payroll per person reported. The average payroll per person over the five year period (2003-2007) was \$12,200 per year. Payrolls by policy year were relatively flat, and the average annual change over the five years was a decrease of 0.1 percent based on a least squares regression. By comparison, the average annual change in Pennsylvania's statewide average weekly wage over the same period was an increase of 4.0 percent.

The bottom portion of Exhibit 2a shows estimated average payrolls and estimated total payrolls by policy year for exposures of fiscal agents that did not provide actual payrolls. Estimated average payrolls per person by policy year for these employers were set equal to the comparable figures for those fiscal agents that had provided payroll data to the PCRB. Estimated total payrolls were then calculated as the product of the total exposures (numbers of persons) and the estimated average annual payrolls.

The figures for fiscal agents that had provided payroll data indicate a somewhat larger portion of full-time workers were retained than can be observed for the fiscal agent group from which payroll data was not obtained. Because employers not providing payroll data displayed lower proportions of full-time workers, it might be reasonable to assume that their average payrolls would also be lower than those of employers for which payrolls were available. However, since separate payrolls for full-time and part-time workers were not available, PCRB chose to assign the same average annual earnings per worker as had been derived from the fiscal agents that reported payroll data to the fiscal agents not reporting payrolls. Our estimated payrolls for employers where actual payrolls were not reported may, therefore, be slightly overstated and if that were the case the resulting indicated loss costs would be slightly understated.

Exhibit 2b shows total exposures by policy year for all attendant care workers previously reported in Code 0908 and 0913 on both a persons reported basis and on an estimated payroll basis. The lower portion of Exhibit 2b provides estimates of policy year 2008 and 2009 payrolls based on the total numbers of attendant care workers and average payrolls over the five policy years 2003 through 2007 for fiscal agents providing payroll (\$12,200) adjusted for observed changes in the Statewide Average Weekly Wage in Pennsylvania. Although (as previously noted) average payrolls over the five years 2003 – 2007 had shown no inflationary growth, the PCRB did not elect to maintain that flat level of payroll for purposes of projecting subsequent years' payrolls.

Exhibit 3 shows the calculation of average weekly wages by policy year using employment and wages figures provided by the Pennsylvania Department of Labor and Industry. The exhibit shows average wage growth for policy years 2008 and 2009 which is used to measure estimated average wages for those same policy years in Exhibit 2b.

Exhibit 4 shows the classification experience and the calculation of indicated April 1, 2013 loss costs values for attendant care workers currently assigned to class codes 0908, 0913 and 943. Note that the attendant care exposures previously reported in Code 943 were already subject to reporting a payroll exposure base, so that no estimates of payroll exposure units was necessary for that component of the attendant care industry. The calculations and indicated loss costs are thus based in part on payrolls as shown in Exhibit 2b but also include data reported for attendant care operations previously classified in Code 943.

Exhibits 5, 6 and 7 show classification experience and April 1, 2013 indications for those risks remaining in classes 0908, 0913 and 943, respectively, after removal of all attendant care workers.

A summary of the loss cost indications from Exhibits 4, 5, 6 and 7 is presented in Exhibit 8. The proposal calls for the creation of a new attendant care classification (Code 972) and the continuation of classes 0908, 0913 and 943, each redefined to exclude attendant care workers.

PCRB's intention is to introduce these changes on a revenue neutral basis. Exhibit 8 shows total expected losses (exposure x loss costs) using proposed April 1, 2013 loss costs for each of the relevant partitions of risks currently assigned to classes 0908, 0913 and 943. Also shown are indicated loss costs from Exhibits 4, 5, 6 and 7. The last section of Exhibit 8 balances the indicated loss costs so that the overall level of expected loss collectible from all exposures currently included in Codes 0908, 0913 and 943 is unchanged by virtue of the creation of Code 972.

The final indicated loss cost (before application of a miscellaneous surcharge factor applicable to all classifications) for attendant care workers is \$3.18 per \$100 of payroll which represents a change of 2.08 percent up from current pricing levels. For Class 0908 the indicated loss cost (pre-surcharge) is \$212.33 per person reported, a decrease of 9.1 percent. Class 0913 shows an indicated loss cost (pre-surcharge) of \$464.75 per person reported, a decrease of 11.3 percent. Finally, Code 943 shows an indicated loss cost (pre-surcharge) of \$3.78 per \$100 of payroll, a change of 9.4 percent down from the current value.

PCRB is proposing all these changes to be effective on a new and renewal basis effective April 1, 2013 concurrent with the PCRB's normal annual revision of loss costs.

Pennsylvania Attendant Care Study

Estimated Policy Year Payroll For 11 Fiscal Agents Reporting Payroll Combined Payroll For Classes 0908 & 0913

Total Calendar Year Payroll Reported for 11 Fiscal Agents

Calendar Year	Payroll (whole \$)
2008	133,957,210
2007	114,839,317
2006	110,127,051
2005	90,444,104
2004	59,867,397
2003	26,327,173
Total	535,562,252

Estimated Policy Year Payroll Reported for 11 Fiscal Agents

Policy Year	Estimated * Payroll (whole \$)
2007	124,398,265
2006	112,483,186
2005	100,285,580
2004	75,155,750
2003	43,097,285
Total	455,420,066

* Policy Year X = (Calendar Year X + Calendar Year X+1) / 2

Slight rounding differences may occur because calculations are performed at the Fiscal Agent level.

**Pennsylvania Attendant Care Study
Exposures Within "Client As Employer" Model**

Attendant Care Fiscal Agents - Payroll Provided

Policy Year	# Persons Reported			% of Total # Persons		Payroll Total (\$1,000s)	Average Payroll \$ Payr/ # Rptd
	Part Time 0908	Full Time 0913	Combined Total	Part Time 0908	Full Time 0913		
2003	2,050	1,646	3,696	55%	45%	43,097	11,660
2004	3,287	2,543	5,830	56%	44%	75,156	12,891
2005	4,179	4,027	8,206	51%	49%	100,286	12,221
2006	5,103	3,929	9,032	56%	44%	112,483	12,454
2007	6,077	4,499	10,576	57%	43%	124,398	11,762
2008	6,385	5,248	11,633	55%	45%		
2009	6,778	8,783	15,561	44%	56%		
TOTAL	33,859	30,675	64,534	52%	48%		
Total 2003-2007	20,696	16,644	37,340	55%	45%	455,420	12,197

Attendant Care Fiscal Agents - No Payroll Provided

Policy Year	# Persons Reported			% of Total # Persons		Payroll Total (\$1,000s)	Estimated * Average Payroll
	Part Time 0908	Full Time 0913	Combined Total	Part Time 0908	Full Time 0913		
2003	1,433	766	2,199	65%	35%	25,640	11,660
2004	2,042	1,087	3,129	65%	35%	40,336	12,891
2005	2,495	1,732	4,227	59%	41%	51,658	12,221
2006	2,571	1,839	4,410	58%	42%	54,922	12,454
2007	2,848	2,100	4,948	58%	42%	58,198	11,762
2008	3,193	2,446	5,639	57%	43%		
2009	3,865	3,772	7,637	51%	49%		
TOTAL	18,447	13,742	32,189	57%	43%		
Total 2003-2007	11,389	7,524	18,913	60%	40%	230,754	12,201

* Estimated average payrolls for each year for Fiscal Agents not providing payroll information assumed to be equal to actual average payrolls for those reporting payroll.

**Pennsylvania Attendant Care Study
Exposures Within "Client As Employer" Model**

Total - All Attendant Care Fiscal Agents

Policy Year	# Persons Reported			% of Total # Persons		Payroll Total (\$1,000s)	Average Payroll \$ Payr/ # Rptd
	Part Time 0908	Full Time 0913	Combined Total	Part Time 0908	Full Time 0913		
2003	3,483	2,412	5,895	59%	41%	68,737	11,660
2004	5,329	3,630	8,959	59%	41%	115,492	12,891
2005	6,674	5,759	12,433	54%	46%	151,944	12,221
2006	7,674	5,768	13,442	57%	43%	167,405	12,454
2007	8,925	6,599	15,524	57%	43%	182,596	11,762
2008	9,578	7,694	17,272	55%	45%		
2009	10,643	12,555	23,198	46%	54%		
TOTAL	52,306	44,417	96,723	54%	46%		
Total 2003-2007	32,085	24,168	56,253	57%	43%	686,174	12,198

**Total - All Attendant Care Fiscal Agents
Estimated Payroll For Policy Year 2008 & 2009**

Policy Year	# Persons Reported			% of Total # Persons		Payroll Total (\$1,000s)	Estimated * Average Payroll
	Part Time 0908	Full Time 0913	Combined Total	Part Time 0908	Full Time 0913		
2008	9,578	7,694	17,272	55%	45%	214,259	12,405
2009	10,643	12,555	23,198	46%	54%	292,086	12,591

* Estimated average payroll for policy years 2008 and 2009 based on five year average (2003-2007) payroll per person for Fiscal Agents reporting payroll adjusted for Pa SAWW (PY 2008 = 1.017, PY 2009 = 1.015).

**Pennsylvania Compensation Rating Bureau
Calculation of Policy Year Average Weekly Wage**

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Calendar Year	Quarter	Avg Quarterly Employment Excl Fed Govt	Total Quarterly Wages Excl Fed Govt	Avg Quarterly Wages (4) / (3)	Policy Year Average Weekly Wage *	Percentage Change
2006	1	5,400,898	56,295,166,545	10,423.30	777.00	
	2	5,536,512	54,682,622,883	9,876.73		
	3	5,502,015	54,394,959,376	9,886.37		
	4	5,571,155	60,239,312,796	10,812.72		
2007	1	5,449,563	59,769,616,092	10,967.78	805.00	3.6%
	2	5,586,857	57,692,858,524	10,326.53		
	3	5,547,959	57,321,717,424	10,332.04		
	4	5,612,099	63,213,174,731	11,263.73		
2008	1	5,486,897	61,559,502,430	11,219.37	819.00	1.7%
	2	5,612,581	59,764,685,013	10,648.34		
	3	5,555,205	58,928,076,096	10,607.72		
	4	5,563,578	64,309,001,013	11,558.93		
2009	1	5,350,437	59,508,671,869	11,122.21	831.00	1.5%
	2	5,400,605	57,618,255,975	10,668.85		
	3	5,321,790	56,600,379,357	10,635.59		
	4	5,380,318	64,599,951,287	12,006.72		
2010	1	5,239,269	57,946,032,062	11,059.95		
	2	5,397,597	58,997,801,423	10,930.38		
	3	5,365,386	59,481,775,510	11,086.21		
	4	5,448,497	66,761,188,557	12,253.14		

* Avg Weekly Wage =
$$\frac{\text{Sum of Quarters 1-8 of Col. (4)}}{108 * \text{Avg of Quarters 1-8 of Col. (3)}}$$

CLASSIFICATION STUDY - PENNSYLVANIA

CLASS:
Attendant Care Services

INDUSTRY GROUP:
3

CODE:
972

Manual Year	Payroll in Thous.	Total Rept Losses	Pure Prem Reported	Total Trans Losses	Claim Severity	Claim Frequency	Number of Cases					
							Death	P.T.	Major	Minor	Temp	All
2005	169,861	5,799,960	3.415	8,820,305	52,882	0.6182	0	0	18	23	64	105
2006	185,852	6,172,567	3.321	9,858,027	64,270	0.5004	0	3	8	29	53	93
2007	202,928	6,064,660	2.989	9,503,012	57,022	0.5076	0	0	12	36	55	103
2008	234,690	6,273,277	2.673	11,063,068	51,379	0.4943	0	1	7	28	80	116
2009	313,534	3,154,921	1.006	6,614,759	25,084	0.3764	0	0	0	2	116	118
TOTAL	1,106,865	27,465,385	2.481	45,859,171	49,202	0.4833	0	4	45	118	368	535
O.D.		0	0.000				0	0	0	0	0	0

Manual Year	REPORTED LOSSES										
	Indemnity					Medical					
	Death	P.T.	Major	Minor	Temp	Death	P.T.	Major	Minor	Temp	Med. Only
2005	0	0	2,406,145	965,927	192,185	0	0	1,168,912	509,696	309,718	247,377
2006	0	1,038,889	1,188,931	1,553,759	161,761	0	249,554	595,584	867,270	321,359	195,460
2007	0	0	1,873,873	1,939,649	179,862	0	0	627,084	928,815	323,954	191,423
2008	0	707,650	971,432	1,576,761	691,643	0	300,000	351,443	658,887	702,198	313,263
2009	0	0	0	159,614	1,534,655	0	0	0	35,321	1,230,294	195,037
TOTAL	0	1,746,539	6,440,381	6,195,710	2,760,106	0	549,554	2,743,023	2,999,989	2,887,523	1,142,560
O.D.	0	0	0	0	0	0	0	0	0	0	0

Manual Year	TRANSLATED LOSSES										
	Indemnity					Medical					
	Death	P.T.	Major	Minor	Temp	Death	P.T.	Major	Minor	Temp	Med. Only
2005	0	0	3,371,758	1,340,707	297,502	0	0	2,280,212	754,350	502,672	273,104
2006	2,175	1,671,573	1,934,313	2,089,279	259,364	694	536,689	1,393,818	1,267,404	489,667	213,051
2007	2,328	55,979	3,241,800	2,339,499	310,137	650	24,695	1,629,058	1,212,597	486,806	199,463
2008	1,803	1,206,322	3,206,418	1,664,417	848,772	2,965	682,347	1,478,201	808,426	835,724	327,673
2009	1,420	58,822	2,076,109	788,987	1,347,123	1,072	26,419	749,212	367,407	992,034	206,154
TOTAL	7,726	2,992,696	13,830,398	8,222,889	3,062,898	5,381	1,270,150	7,530,501	4,410,184	3,306,903	1,219,445
O.D.	0	0	0	0	0	0	0	0	0	0	0

	SERIOUS	NON-SER	MED ONLY	TOTAL
TOTAL TRANSLATED LOSSES	25,636,852	19,002,874	1,219,445	
IBNR + FREQ. ADJUSTMENT	(4,656,808)	(2,210,858)	41,222	
TOTAL LOSSES	20,980,044	16,792,016	1,260,667	
EXPECTED LOSSES	20,355,247	12,928,183	5,777,835	
CREDIBILITY	0.23	0.46	0.74	
PURE PREMIUMS				
INDICATED (PRE-TEST)	1.895	1.517	0.114	3.526
INDICATED (POST-TEST)	1.783	1.428	0.107	3.318
PRES. ON LOSS COST LEVEL	1.765	1.121	0.501	3.387
DERIVED BY FORMULA	1.769	1.262	0.209	3.240
UNDERLYING PRES. LOSS COST	1.839	1.168	0.522	3.529
PROPOSED	1.812	1.292	0.214	3.318
YEAR	4-1-12	4-1-13	IND. LOSS COST =	3.318
IND. LOSS COST		3.32		
MAN.LOSS COST		3.32	ADJ. LOSS COST =	3.32

CLASSIFICATION STUDY - PENNSYLVANIA
 INDUSTRY GROUP:
 3

CLASS:
 DOMESTIC - INSIDE - OCCASIONAL

CODE:
 908 RESIDUAL

Manual Year	Payroll in Thous.	Total Rept Losses	Pure Prem Reported	Total Trans Losses	Claim Severity	Claim Frequency	Number of Cases					
							Death	P.T.	Major	Minor	Temp	All
2005	1,310	37,339	2.850	43,660	4,850	0.7634	0	0	0	0	1	1
2006	1,341	10,645	0.794	15,659	9,383	0.7457	0	0	0	0	1	1
2007	1,291	381,820	29.576	610,786	54,255	5.4222	0	0	1	1	5	7
2008	1,145	198,519	17.338	323,948	48,242	2.6201	0	0	0	1	2	3
2009	858	461,721	53.814	869,246	64,627	8.1585	0	0	1	2	4	7
TOTAL	5,945	1,090,044	18.335	1,863,299	52,165	3.1960	0	0	2	4	13	19
O.D.		0	0.000				0	0	0	0	0	0

Manual Year	REPORTED LOSSES										
	Indemnity					Medical					
	Death	P.T.	Major	Minor	Temp	Death	P.T.	Major	Minor	Temp	Med. Only
2005	0	0	0	0	1,061	0	0	0	0	3,789	32,489
2006	0	0	0	0	1,625	0	0	0	0	7,758	1,262
2007	0	0	144,929	89,830	22,212	0	0	75,053	2,178	45,586	2,032
2008	0	0	0	80,000	19,963	0	0	0	26,749	18,013	53,794
2009	0	0	192,323	138,374	19,570	0	0	50,000	35,012	17,111	9,331
TOTAL	0	0	337,252	308,204	64,431	0	0	125,053	63,939	92,257	98,908
O.D.	0	0	0	0	0	0	0	0	0	0	0

Manual Year	TRANSLATED LOSSES										
	Indemnity					Medical					
	Death	P.T.	Major	Minor	Temp	Death	P.T.	Major	Minor	Temp	Med. Only
2005	0	0	0	0	1,642	0	0	0	0	6,150	35,868
2006	0	1	72	42	2,367	0	2	214	228	11,357	1,376
2007	108	3,915	229,715	110,894	32,922	2	2,178	155,578	11,243	62,114	2,117
2008	90	1,848	83,114	78,618	25,832	120	814	26,260	28,996	21,987	56,269
2009	240	15,983	476,660	126,680	33,665	317	7,785	143,305	35,566	19,182	9,863
TOTAL	438	21,747	789,561	316,234	96,428	439	10,779	325,357	76,033	120,790	105,493
O.D.											

	SERIOUS	NON-SER	MED ONLY	TOTAL
TOTAL TRANSLATED LOSSES	1,148,321	609,485	105,493	
IBNR + FREQ. ADJUSTMENT	(180,217)	(127,930)	190	
TOTAL LOSSES	968,104	481,555	105,683	
EXPECTED LOSSES	692,396	639,807	35,408	
CREDIBILITY	0.04	0.08	0.12	
PURE PREMIUMS				
INDICATED (PRE-TEST)	162.843	81.002	17.777	261.622
INDICATED (POST-TEST)	153.252	76.231	16.730	246.213
PRES. ON LOSS COST LEVEL	111.773	103.284	5.716	220.773
DERIVED BY FORMULA	113.432	101.120	7.038	221.590
UNDERLYING PRES. LOSS COST	116.467	107.621	5.956	230.044
PROPOSED	113.432	101.120	7.038	221.590
YEAR	4-1-12	4-1-13	IND. LOSS COST =	221.590
IND. LOSS COST		221.59		
MAN.LOSS COST	233.50	221.59	ADJ. LOSS CO	221.59

CLASSIFICATION STUDY - PENNSYLVANIA
 INDUSTRY GROUP:
 3

CLASS:
 DOMESTIC WORKERS - INSIDE

CODE:
 913 RESIDUAL

Manual Year	Payroll in Thous.	Total Rept Losses	Pure Prem Reported	Total Trans Losses	Claim Severity	Claim Frequency	Number of Cases					
							Death	P.T.	Major	Minor	Temp	All
2005	1,378	814,028	59.073	1,284,110	98,595	5.8055	0	0	2	0	6	8
2006	1,306	250,344	19.169	345,634	43,580	3.0628	0	0	0	1	3	4
2007	1,319	570,398	43.245	856,071	49,108	8.3397	0	0	1	1	9	11
2008	1,344	129,808	9.658	204,874	16,370	4.4643	0	0	0	1	5	6
2009	1,227	632,846	51.577	955,362	146,907	3.2600	0	0	2	1	1	4
TOTAL	6,574	2,397,424	36.468	3,646,051	66,337	5.0198	0	0	5	4	24	33
O.D.		0	0.000				0	0	0	0	0	0

Manual Year	REPORTED LOSSES										
	Indemnity					Medical					
	Death	P.T.	Major	Minor	Temp	Death	P.T.	Major	Minor	Temp	Med. Only
2005	0	0	515,806	0	93,406	0	0	144,779	0	34,767	25,270
2006	0	0	0	97,440	7,444	0	0	0	50,000	19,437	76,023
2007	0	0	301,311	11,318	65,419	0	0	70,841	6,500	84,800	30,209
2008	0	0	0	28,000	17,747	0	0	0	23,152	29,320	31,589
2009	0	0	391,119	5,000	10,032	0	0	111,152	10,477	59,846	45,220
TOTAL	0	0	1,208,236	141,758	194,048	0	0	326,772	90,129	228,170	208,311
O.D.	0	0	0	0	0	0	0	0	0	0	0

Manual Year	TRANSLATED LOSSES										
	Indemnity					Medical					
	Death	P.T.	Major	Minor	Temp	Death	P.T.	Major	Minor	Temp	Med. Only
2005	0	0	734,508	0	144,592	0	0	320,685	0	56,427	27,898
2006	136	134	11,876	129,942	11,991	40	64	7,231	71,941	29,414	82,865
2007	14	6,920	415,698	26,002	88,085	5	2,130	151,562	19,326	114,851	31,478
2008	33	767	33,093	29,345	20,640	104	809	25,594	27,189	34,258	33,042
2009	131	17,096	472,858	44,937	21,044	552	13,812	242,653	40,980	53,501	47,798
TOTAL	314	24,917	1,668,033	230,226	286,352	701	16,815	747,725	159,436	288,451	223,081
O.D.											

	SERIOUS	NON-SER	MED ONLY	TOTAL
TOTAL TRANSLATED LOSSES	2,458,505	964,465	223,081	
IBNR + FREQ. ADJUSTMENT	(558,401)	(205,854)	505	
TOTAL LOSSES	1,900,104	758,611	223,586	
EXPECTED LOSSES	2,227,514	1,080,825	85,390	
CREDIBILITY	0.09	0.17	0.14	
PURE PREMIUMS				
INDICATED (PRE-TEST)	289.033	115.396	34.011	438.440
INDICATED (POST-TEST)	272.009	108.599	32.008	412.616
PRES. ON LOSS COST LEVEL	325.182	157.783	12.466	495.431
DERIVED BY FORMULA	320.396	149.422	15.202	485.020
UNDERLYING PRES. LOSS COST	338.837	164.409	12.989	516.235
PROPOSED	320.396	149.422	15.202	485.020
YEAR	4-1-12	4-1-13	IND. LOSS COST =	485.020
IND. LOSS COST		485.02		
MAN.LOSS COST	523.99	485.02	ADJ. LOSS COST =	485.02

CLASSIFICATION STUDY - PENNSYLVANIA
 INDUSTRY GROUP:
 3

CLASS:
 HOME HEALTH - NONPROFESSIONAL STAFF

CODE:
 943 RESIDUAL

Manual Year	Payroll in Thous.	Total Rept Losses	Pure Prem Reported	Total Trans Losses	Claim Severity	Claim Frequency	Number of Cases					
							Death	P.T.	Major	Minor	Temp	All
2005	240,271	7,798,093	3.246	12,042,825	38,574	0.7908	0	0	14	31	145	190
2006	255,384	11,376,260	4.455	17,776,212	40,984	1.0298	0	0	21	59	183	263
2007	284,102	6,802,844	2.395	10,289,907	25,929	0.8412	0	0	10	24	205	239
2008	344,748	8,530,396	2.474	14,100,046	27,459	0.8180	0	0	5	37	240	282
2009	330,159	6,850,479	2.075	13,590,404	25,899	0.7209	0	0	2	14	222	238
TOTAL	1,454,664	41,358,072	2.843	67,799,394	31,528	0.8332	0	0	52	165	995	1212
O.D.		11,782	0.001				0	0	0	1	2	3

Manual Year	REPORTED LOSSES										
	Indemnity					Medical					
	Death	P.T.	Major	Minor	Temp	Death	P.T.	Major	Minor	Temp	Med. Only
2005	0	0	2,345,569	1,333,738	672,424	0	0	1,555,125	675,264	746,990	468,983
2006	0	0	3,516,361	2,241,381	750,101	0	0	1,892,830	1,363,782	1,014,231	597,574
2007	0	0	1,248,710	1,256,977	1,227,764	0	0	508,886	572,046	1,382,643	605,818
2008	0	0	833,629	1,688,693	1,819,699	0	0	428,204	1,024,357	1,948,817	786,997
2009	0	0	274,196	600,703	2,241,675	0	0	210,643	325,809	2,510,904	686,549
TOTAL	0	0	8,218,465	7,121,492	6,711,663	0	0	4,595,688	3,961,258	7,603,585	3,145,921
O.D.	0	0	0	396	8,260	0	0	0	350	813	1,963

Manual Year	TRANSLATED LOSSES										
	Indemnity					Medical					
	Death	P.T.	Major	Minor	Temp	Death	P.T.	Major	Minor	Temp	Med. Only
2005	0	0	3,285,498	1,851,228	1,040,912	0	0	3,135,674	999,391	1,212,365	517,757
2006	3,138	39,396	5,140,423	3,035,420	1,135,042	1,091	33,098	4,195,997	2,022,048	1,519,203	651,356
2007	1,508	39,595	2,288,374	1,598,893	1,637,579	400	19,853	1,338,230	846,616	1,887,597	631,262
2008	2,040	83,755	3,371,156	1,943,827	2,067,662	4,610	70,530	2,133,722	1,352,490	2,247,055	823,199
2009	2,596	116,679	3,963,491	1,443,807	2,004,743	3,730	91,482	2,230,977	949,184	2,058,033	725,682
TOTAL	9,282	279,425	18,048,942	9,873,175	7,885,938	9,831	214,963	13,034,600	6,169,729	8,924,253	3,349,256
O.D.	2	162	479	12,651		3	141	418	1,219	2,141	0

	SERIOUS	NON-SER	MED ONLY	TOTAL
TOTAL TRANSLATED LOSSES	31,598,248	32,869,106	3,349,256	
IBNR + FREQ. ADJUSTMENT	(8,069,891)	(4,126,600)	20,579	
TOTAL LOSSES	23,528,357	28,742,506	3,369,835	
EXPECTED LOSSES	33,675,472	22,925,505	3,156,621	
CREDIBILITY	0.27	0.56	0.89	
PURE PREMIUMS				
INDICATED (PRE-TEST)	1.617	1.976	0.232	3.825
INDICATED (POST-TEST)	1.522	1.860	0.218	3.600
PRES. ON LOSS COST LEVEL	2.222	1.512	0.208	3.942
DERIVED BY FORMULA	2.033	1.707	0.217	3.957
UNDERLYING PRES. LOSS COST	2.315	1.576	0.217	4.108
PROPOSED	2.025	1.701	0.216	3.942
YEAR	4-1-12	4-1-13	IND. LOSS COST =	3.942
IND. LOSS COST		3.94		
MAN.LOSS COST	4.17	3.94	ADJ. LOSS CO	3.94

Pennsylvania Attendant Care Study

Class	4/1/13 Indicated *			4/1/13 Indicated **			Balanced			% Chg
	Exposure 2 Yr (08-09)	Loss Cost	Exposure * Loss Cost	Exposure 2 Yr (08-09)	Loss Cost	Exposure * Loss Cost	Exposure 2 Yr (08-09)	Loss Cost	Exposure * Loss Cost	
0908	22,224	240.71	5,349,539	2,003	221.59	443,845	2,003	212.33	425,297	
0913	22,820	480.35	10,961,587	2,571	485.02	1,246,986	2,571	464.75	1,194,872	
943	716,786	3.94	28,241,368	674,907	3.94	26,591,336	674,907	3.78	25,511,485	
972				548,224	3.32	18,201,037	548,224	3.18	17,433,523	
			44,552,494			46,483,204			44,565,177	0.03%

* Using current class definitions (prior to separating experience for Attendant Care workers)

** Proposed class definitions

Attendant Care workers under Client-as-Employer model removed from classes 0908 & 0913 and added to class 972

Attendant Care workers under Fiscal Agent-as-Employer model removed from class 943 and added to class 972

All Attendant Care workers included in class 972