

**THE KANSAS WORKERS'  
COMPENSATION FUND  
SECOND-INJURY FUND**

**ADMINISTERED BY:**

**SANDY PRAEGER  
COMMISSIONER OF INSURANCE**

**2014 FISCAL YEAR REPORT**

**JULY 1, 2013 - JUNE 30, 2014**

# ANNUAL REPORT OF RECEIPTS AND DISBURSEMENTS

## Kansas Workers' Compensation Fund for Fiscal Year 2014

|                                                |                          |
|------------------------------------------------|--------------------------|
| <b>Balance as of July 1, 2013</b>              | <b>\$ 7,373,498.70</b>   |
| Assessment Receipts                            | 5,053,571.42             |
| Fines and Penalties                            | 202,052.59               |
| Miscellaneous Reimbursements                   | 166,453.29               |
| <b>TOTAL RECEIPTS</b>                          | <b>\$ 5,422,077.30</b>   |
| Compensation Expenditures                      | \$ (1,755,540.58)        |
| Medical Expenditures                           | (4,200,665.77)           |
| Vocational Rehab. Work Assessment Expenditures | (8,047.33)               |
| Attorney Fee Expenditures                      | (248,200.61)             |
| Court Reporter and Deposition Fee Expenditures | (38,537.17)              |
| Other Operating Expenses                       | (359,039.58)             |
| <b>TOTAL EXPENDITURES</b>                      | <b>\$ (6,610,031.04)</b> |
| Operating Transfer Out (Payroll taxes)         | 66.81                    |
| Recovery From Prior Year Expenditures          |                          |
| Prior Year Encumbrance Liquidation             |                          |
| <b>Ending Balance, June 30, 2014</b>           | <b>\$ 6,185,611.77</b>   |

**FIGURE I**  
**WORKERS' COMPENSATION FUND**  
**RECEIPT ANALYSIS**

| <b>DESCRIPTION</b>                                               | <b>FY 2014</b>          | <b>% OF<br/>TOTAL</b> | <b>FY 2013</b>          | <b>% OF<br/>TOTAL</b> |
|------------------------------------------------------------------|-------------------------|-----------------------|-------------------------|-----------------------|
| Assessment Receipts                                              | \$ 5,053,571.42         | 39.49%                | \$ 1,434,289.17         | 13.02%                |
| Fines and Penalties                                              | 202,052.59              | 1.58%                 | 104,054.15              | 0.94%                 |
| Miscellaneous Reimbursements                                     | 166,453.29              | 1.30%                 | 31,075.71               | 0.28%                 |
| Operating Transfer In                                            | -                       | 0.00%                 | -                       | 0.00%                 |
| Operating Transfer Out                                           |                         | 0.00%                 |                         | 0.00%                 |
| <b>TOTAL RECEIPTS</b>                                            | <b>\$ 5,422,077.30</b>  |                       | <b>\$ 1,569,419.03</b>  |                       |
| Previous Year Carryover<br>*includes current year<br>assessments | \$ 7,373,498.70         | 57.63%                | \$ 9,448,671.30         | 85.76%                |
| <b>SUBTOTAL</b>                                                  | <b>\$ 12,795,576.00</b> |                       | <b>\$ 11,018,090.33</b> |                       |
| Legislative Sweep                                                |                         | 0.00%                 |                         | 0.00%                 |
| <b>TOTAL FUNDS AVAILABLE</b>                                     | <b>\$ 12,795,576.00</b> | <b>100.00%</b>        | <b>\$ 11,018,090.33</b> | <b>100.00%</b>        |

\*Small rounding error may occur in percentage formulas

**FIGURE II**  
**WORKERS' COMPENSATION FUND**  
**EXPENDITURE ANALYSIS**

| DESCRIPTION                                                              | FY 2014                | % OF<br>TOTAL  | FY 2013                | % OF<br>TOTAL  |
|--------------------------------------------------------------------------|------------------------|----------------|------------------------|----------------|
| Disability Compensation                                                  | \$ 1,755,540.58        | 26.56%         | \$ 1,246,438.22        | 34.20%         |
| Voc. Rehab. Work Assessments                                             | 8,047.33               | 0.12%          | 7,705.86               | 0.21%          |
| Medical                                                                  |                        |                |                        |                |
| Doctors                                                                  | 328,720.33             | 4.97%          | 321,669.83             | 8.83%          |
| Hospitals                                                                | 1,013,047.04           | 15.33%         | 429,770.66             | 11.79%         |
| Drugs                                                                    | 114,631.17             | 1.73%          | 163,105.79             | 4.48%          |
| Misc. Medical Supplies(braces, etc.)                                     | 79,905.89              | 1.21%          | 62,154.11              | 1.71%          |
| Other Services (memberships, tuitions, etc.)                             | -                      | 0.00%          | 75.00                  | 0.00%          |
| Reimbursements to Insurance Cos.<br>[K.S.A. 44-569(a) and K.S.A. 44-569] | 2,664,361.34           | 40.31%         | 906,437.06             | 24.87%         |
| Attorney's Fees                                                          | 248,200.61             | 3.75%          | 276,162.88             | 7.58%          |
| Court Costs, Depositions,<br>Medical Reports, etc.                       | 38,537.17              | 0.58%          | 38,661.29              | 1.06%          |
| Other Operating Expenses                                                 | 359,039.58             | 5.43%          | 192,410.93             | 5.28%          |
| <b>TOTAL EXPENDITURES</b>                                                | <b>\$ 6,610,031.04</b> | <b>100.00%</b> | <b>\$ 3,644,591.63</b> | <b>100.00%</b> |

\*Small rounding error may occur in percentage formulas

## SOURCES OF FUNDING

### FISCAL YEARS 2013 - 2012

| <u>FY 2014</u> | <u>DESCRIPTION</u>                         | <u>FY 2013</u> |
|----------------|--------------------------------------------|----------------|
| 1.30%          | 1 = Miscellaneous Reimbursements           | 0.28%          |
| 1.58%          | 2 = Fines and Penalties                    | 0.94%          |
| 39.49%         | 3 = Assessment Receipts                    | 13.02%         |
| 57.63%         | 4 = Carryover Balance and Cancelled Checks | 85.76%         |
| 0.00%          | 5 = Operating Transfer In                  | 0.00%          |
| 0.00%          | 6 = Operating Transfer Out                 | 0.00%          |
| <u>0.00%</u>   | 7 = Legislative Sweep                      | <u>0.00%</u>   |
| 100.00%        |                                            | 100.00%        |

\*Small rounding error may occur in percentage formulas

## DISBURSEMENTS OF EXPENDITURES

### FISCAL YEARS 2012 - 2011

| <u>FY 2014</u> | <u>DESCRIPTION</u>                                                   | <u>FY 2013</u> |
|----------------|----------------------------------------------------------------------|----------------|
| 0.58%          | 1 = Administrative Costs (Includes Court Reporter & Deposition Fees) | 1.06%          |
| 26.56%         | 2 = Compensation Costs                                               | 34.20%         |
| 0.12%          | 3 = Vocational Rehabilitation                                        | 0.21%          |
| 63.55%         | 4 = Medical Costs                                                    | 51.67%         |
| 5.43%          | 5 = Other Operating Expenses                                         | 5.28%          |
| <u>3.75%</u>   | 6 = Attorney Fee Expenses                                            | <u>7.58%</u>   |
| 100.00%        |                                                                      | 100.00%        |

\*Small rounding error may occur in percentage formulas