

WCA FISCAL YEAR 2025 BUDGET

OCTOBER 26, 2023

LFC SUBCOMMITTEE

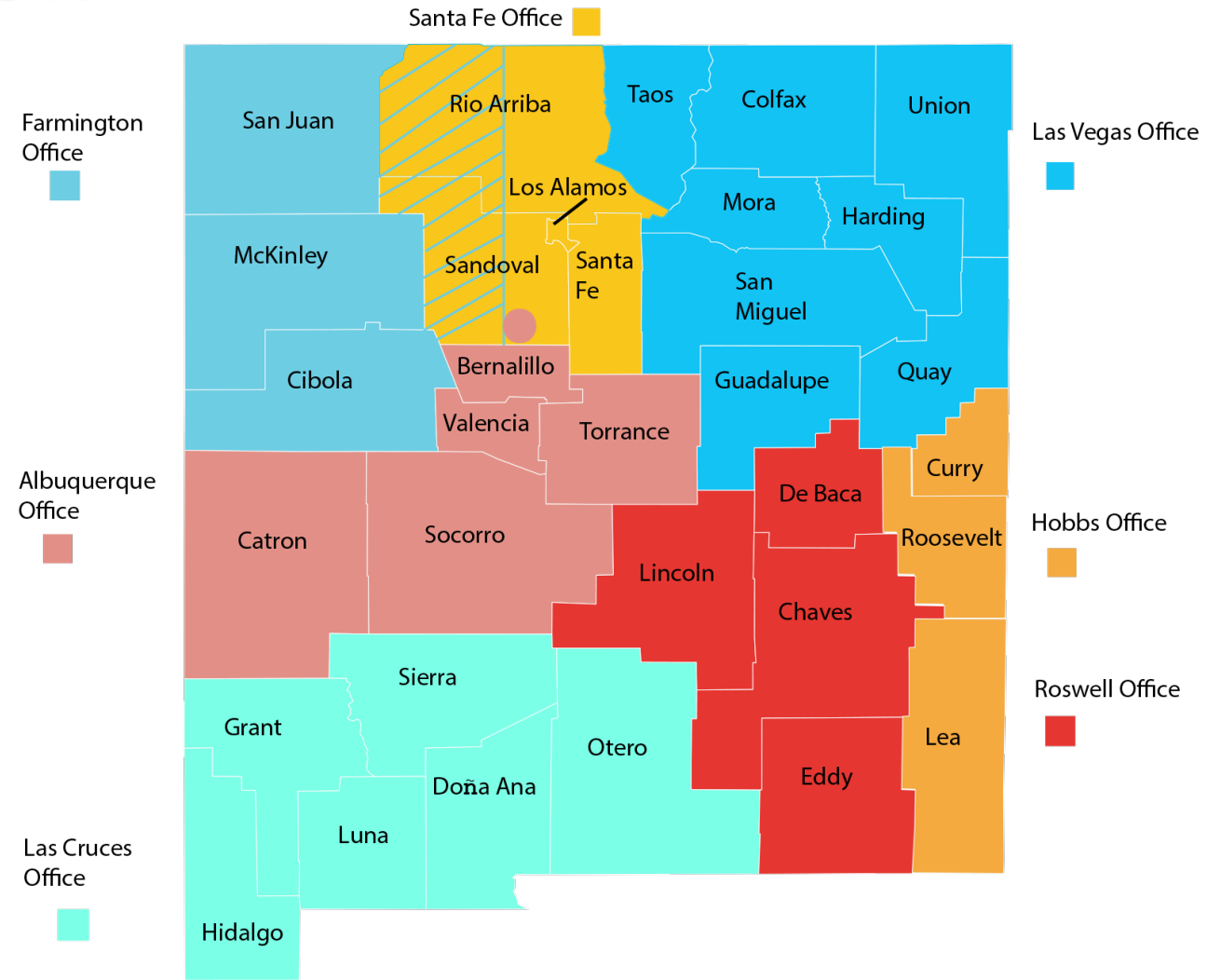
ROBERT E. DOUCETTE, JR., DIRECTOR

WORKERS' COMPENSATION ADMINISTRATION

Statewide Coverage

The WCA is headquartered in Albuquerque, with field offices in:

- Farmington (San Juan County)
- Hobbs (Lea County)
- Las Cruces (Dona Ana County)
- Las Vegas (San Miguel County)
- Roswell (Chaves County)
- Santa Fe (Santa Fe County)



WORKERS' COMPENSATION ADMINISTRATION

Mission & Vision

- The mission of the Workers' Compensation Administration (WCA) is to assure the quick and efficient delivery of medical and indemnity benefits to injured workers at a reasonable cost to employers.
- Our vision: One team. One goal. A better New Mexico for workers and employers.
- The WCA is committed to impartially serving all stakeholders in our workers' compensation community with utmost respect.

Agency Accomplishments

- The Clerk of the Court staff filed 39,134 applications, complaints, lump-sum petitions, and other legal pleadings such as recommended resolutions, motions, and orders
- Ombudsmen responded to 2,760 calls from its customer hotline
- Mediators wrote 1,438 recommended resolutions, resolving the majority (71.9%) of disputes prior to formal adjudication
- In 2022, 1,488 complaints were filed and 2,545 were closed (some cases carried over from prior year).
- WCA staff collectively reached approximately 2,296 individuals through both in-person and virtual outreach events
- About 99% of employers contacted by WCA compliance officers obtained workers' compensation insurance w/o need for further enforcement – rate stable at 98%-100% over last five years

WHAT WE DID BY THE NUMBERS

- Ombudsmen had 8,611 contacts; 2,760 from WCA hotline; 368 Spanish calls; resolved 216 disputes
- Safety consultants conducted 5,067 inspections of companies who pay \$15,000 or more in workers' compensation premiums
- Employer compliance officers opened 5,578 new cases and closed 5,614 cases in total
- Enforcement Bureau received 41 referrals and resolved 42 cases; collected \$22,550 in penalties

- Medical Cost Containment Bureau received 559 new billing disputes; informally resolved 541
- Early Return to Work efforts: 27,380 New Mexico workers under participating employers
- Self-Insurance auditors conducted 18 audits and 61 financial statements analyses of self-insured companies and group self-insured
- Employers submitted 19,923 first reports of injury and 14,066 subsequent reports of injury
- WCA staff connected with 2,296 individuals across the state through mostly virtual outreach events



WCA Revenue

	2022	2023	2024*	2025*
WCA	11,840,787	12,124,957	12,040,651	12,738,500
UEF	959,817	1,207,180	1,046,569	1,054,300
Total	12,800,604	13,332,137	13,087,220	13,792,800

**Projected*

The WCA operates solely on revenues generated quarterly assessments paid by employers and workers across the state of New Mexico. Workers pay \$2, employers pay \$2.30 every quarter, the .30 earmarked for the Uninsured Employers' Fund.

WCA Budget Request	FY 24 (000s)	FY25 (000s)
WCA Personnel Services (200)	\$10,075.2 mil	\$10,871.5 mil
Contracts (300)	\$315.0	\$396.0
Other (400)	\$1,428.3	\$1,471.0
UEF Personnel Services (200)	\$361.2	\$432.2
Contracts (300)	\$70.0	\$72.1
Other (400)	\$500.0	\$550.0

The WCA’s FY25 budget request contains modest increases: the 200 categories to cover salary increases awarded in FY23; the 300 categories to account for higher contract pricing; and the 400 categories to allow for higher costs in necessary maintenance for aging facilities.

WCA Staffing Levels

	# of Filled Positions currently	# of Vacant Positions	Current Vacancy %	FY24 positions
Permanent	102	10	10.2%	112
Exempt	8	2	25%	10
Total	110	12	17.6%	122

The WCA has requested 1 new FTE for FY25. This position will be assigned to the Santa Fe field office to fill the statutory requirement for a dedicated Ombudsman in each WCA location.

§52-5-1.4 NMSA 1978

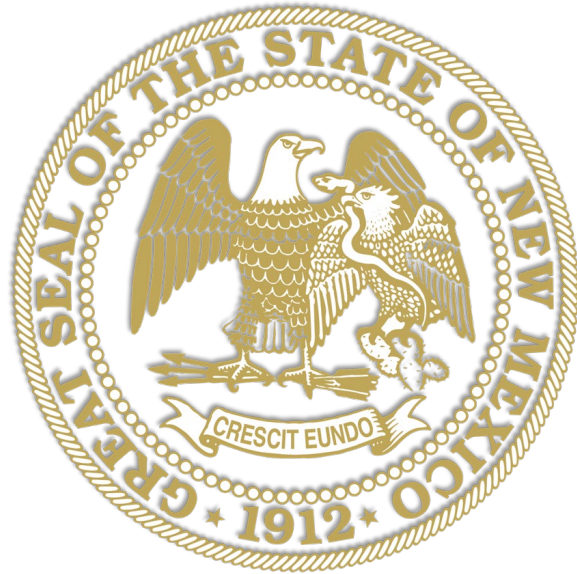
B. An ombudsman shall meet with or otherwise provide information to injured or disabled workers, investigate complaints and communicate with employers, insurance carriers and health care providers on behalf of injured or disabled workers. An ombudsman shall otherwise assist unrepresented claimants, employers and other parties to enable them to protect their rights in the workers' compensation and occupational disease disablement system.

At least one specially qualified employee in each location that the administration has an office shall be designated by the director as an ombudsman, and duties described in this section shall be that person's primary responsibility. The director may designate additional ombudsmen and assign them as the director deems appropriate.

WCA Budget Request Highlights

- WCA's 200 budget request contains an 8% increase over the FY24 adjusted budget appropriation
- WCA's 300 budget request contains a 45% increase over the FY24 appropriation
- WCA's 400 budget request contains a 3% increase over the FY24 appropriation
- WCA's budget request includes one additional FTE to fill our statutorily required ombudsman position in the agency's Santa Fe field office
- UEF budget increases include: 8% in 200; 3% in 300; and 10% in 400 categories, respectively over the FY24 appropriation
- We continue evaluating our positions for appropriate placement, classification, and salary parity to avoid creating recruitment and retention disadvantages

Questions?



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