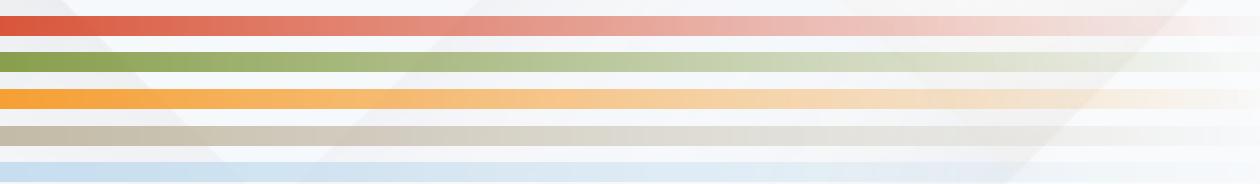




WORKERS'  
COMPENSATION

**28th Annual Report | 2026**

# **The Status of Workers' Compensation Case Management**







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## 2025 HIGHLIGHTS



### 2025 HIGHLIGHTS

The Department of Labor is proud of the continuing progress in the processing of workers' compensation cases. The Department wants to thank the members of the Industrial Accident Board for their hard work in adjudicating cases, the Workers' Compensation Oversight Panel for their substantial efforts in fine-tuning the Health Care Payment System, and the members of the Delaware General Assembly for their ongoing support.

Reflecting on the work accomplished in 2025, several issues stand out as having tremendous and far-reaching effects on Workers' Compensation in Delaware:

#### **1. Passage of HB 145**

Modernizes the Workers' Compensation Act to reflect current practices and technology, including authorizing workers' compensation payments via direct deposit. The Act increases the reimbursement percentage for the Office of Workers' Compensation's enforcement and safety activities from 66.6% to 100%, ensuring that these core functions of the Division of Industrial Affairs are fully funded rather than partially subsidized. In addition, HB 145 makes technical corrections to align existing law with the standards set forth in the Delaware Legislative Drafting Manual.

#### **2. Passage of SB 164**

The Workers' Compensation Oversight Panel successfully championed the passage of SB 164, a landmark bill authorizing a one-time 3% increase in aggregate medical expenditures. This critical legislation re-aligns Evaluation and Management (E&M) reimbursement rates, elevating them from sub-Medicare levels to 125% of the Medicare bridge. This adjustment ensures a more competitive and sustainable provider ecosystem for injured workers.

#### **3. Workers' Compensation Enforcement & Compliance**

The Office of Workers' Compensation (OWC) continues to address the issue of employers operating in Delaware without required workers' compensation insurance coverage. The Workers' Compensation Enforcement Unit is staffed with five Law Enforcement Officers, an Administrative Specialist, and a Supervisor.

While enforcement of workers' compensation law remains the unit's primary responsibility, the Enforcement Unit also prioritizes employer education by participating in community events and outreach initiatives. These combined efforts resulted in the securing of 296 new workers' compensation insurance policies, providing coverage for more than 2,250 workers across the State who previously were not covered. Compliance not only ensures worker protection but also generates revenue for the Workers' Compensation Fund through the Statement of Premium Tax, further supporting the sustainability of the system.

#### **4. Process Improvements and Document Management**

The Office of Workers' Compensation continued to refine internal processes and improve document flow. Enhancements included the creation of additional centralized email inboxes for general correspondence and Workers' Compensation Fund matters. These inboxes provide attorneys and claimants with expanded options to submit documents electronically, reducing paper submissions and eliminating reliance on direct staff emails. This approach improves accessibility, continuity, and workload distribution by allowing multiple staff members to manage incoming correspondence.



## 5. Ongoing Modernization and Operational Efficiency

OWC remains committed to identifying opportunities to streamline operations as part of its broader modernization efforts. These initiatives are designed to improve efficiency, enhance service delivery, and benefit both staff and members of the public.

## 6. Communications and Public Education Enhancements

Tapp Network, a Digital Transformation Agency, was contracted to redesign the Division of Industrial Affairs' communications and educational materials related to workers' compensation. As part of this initiative, Tapp overhauled the unit's website, developed new informational handouts, and updated language across multiple resources to better highlight the benefits of the workers' compensation system and support employer education.

## 7. Support for the Modernization Program

The Office of Workers' Compensation continues to provide support and subject-matter expertise for the Modernization Program initiated in 2023. This effort will re-imagine and enhance case management systems by integrating additional lines of business to better serve both internal and external stakeholders.

The new case management platform will also support the Enforcement Unit by functioning as a centralized repository for active investigations. This integration will streamline reporting, tracking, data modeling, and correspondence generation—processes that are currently completed manually—resulting in increased efficiency and improved data integrity.

The Office of Workers' Compensation takes pride in its updated website full of valuable information and links, including a list of available services, the ability to search for employer insurance coverage, access to the Workers' Compensation Act, frequently asked questions and forms:

[industrialaffairs.delaware.gov/workers-compensation](http://industrialaffairs.delaware.gov/workers-compensation)

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On October 23, 2025, the Insurance Commissioner issued a rate filing for 2026 reflecting an average decrease of 11.6% in the voluntary market and 9.08% in the residual market. This milestone marks the ninth year of consecutive rate reductions. To ensure this downward trend persists, the OWC continues to provide essential administrative support to the Workers' Compensation Oversight Panel as they work to further reduce historical cost pressures.

# HEALTH CARE PAYMENT SYSTEM, A YEAR IN REVIEW 2025



The Delaware Workers' Compensation Health Care Payment System (HCPS) marked its 16th anniversary on May 23, 2025. The 6 major components of the HCPS, which fall under the purview of the Workers' Compensation Oversight Panel and its subcommittees, are:

-  **A Fee Schedule**
-  **Health Care Practice Guidelines**
-  **A Utilization Review Program**
-  **A Certification Process For Healthcare Providers**
-  **Forms For Employers and Healthcare Providers**
-  **Data Collection**

## Workers' Compensation Oversight Panel

The 24-member Workers' Compensation Oversight Panel (WCOP) maintains a diverse composition of leaders from the medical, legal, labor, business, and insurance sectors, including the Secretary of Labor and the Insurance Commissioner. To ensure a full quorum of perspectives, the Panel has launched a proactive recruitment initiative to address current vacancies. Leveraging a mix of professional networking, a dedicated social media campaign, and targeted recruitment tactics, the WCOP is successfully building a robust pipeline of qualified candidates.

Currently, six applications are undergoing final review by the Office of Boards and Commissions for gubernatorial appointment—two of whom were directly solicited through these outreach efforts. Furthermore, three additional high-potential candidates have been engaged and provided with application resources as we move toward full restoration of the Panel's representative strength.

In 2025, the WCOP met twice.

The Workers' Compensation Oversight Panel worked to pass SB 164 which authorizes a one-time 3% increase in aggregate workers' compensation medical expenditures to adjust Evaluation and Management reimbursement rates from below Medicare levels to 125% of Medicare.

## Medical Component

The OWC medical component supports the operations of the HCPS. In 2025, the medical component fielded a significant number of telephone calls, letters, and electronic mail regarding the HCPS. These contacts primarily came from the “providers,” “carriers,” “other states/entities,” and “general” categories. Provider certification represented the largest number of contacts.

To facilitate seamless compliance and stakeholder engagement, the Department of Labor maintains a robust digital resource hub for the Health Care Provider System (HCPS). This centralized platform provides comprehensive guidance on all five HCPS components, alongside critical administrative resources including the Workers' Compensation Act and current Administrative Code. By integrating interactive tools—such as the certified provider directory, real-time fee schedule data, and mandatory continuing education modules—the Department ensures that providers have the essential data and training necessary to maintain the highest standards of care.

## Utilization review

UR provides prompt resolution of compliance issues related to proposed or provided health care services within the practice guidelines for those claims acknowledged as compensable. Parties may appeal UR determinations to challenge the assumption that treatment specified within a practice guideline is the only reasonable and necessary course for a specific worker's injury. OWC deems a UR request “ineligible” when the request falls outside the specified purview of UR or does not comply with the “required content, presentation and binding method” for materials submitted for review. The like-specialist reviewer deems a UR request “non-applicable” when the appropriate practice guideline does not address the treatment under review.

**128 Requests**

For utilization review were received in 2025. This represents a **14% decrease from the 149 received in 2024**.

**In 2025, 81 Petitions**

To appeal a utilization review were filed, which **represents an appeal rate of 63.28%**

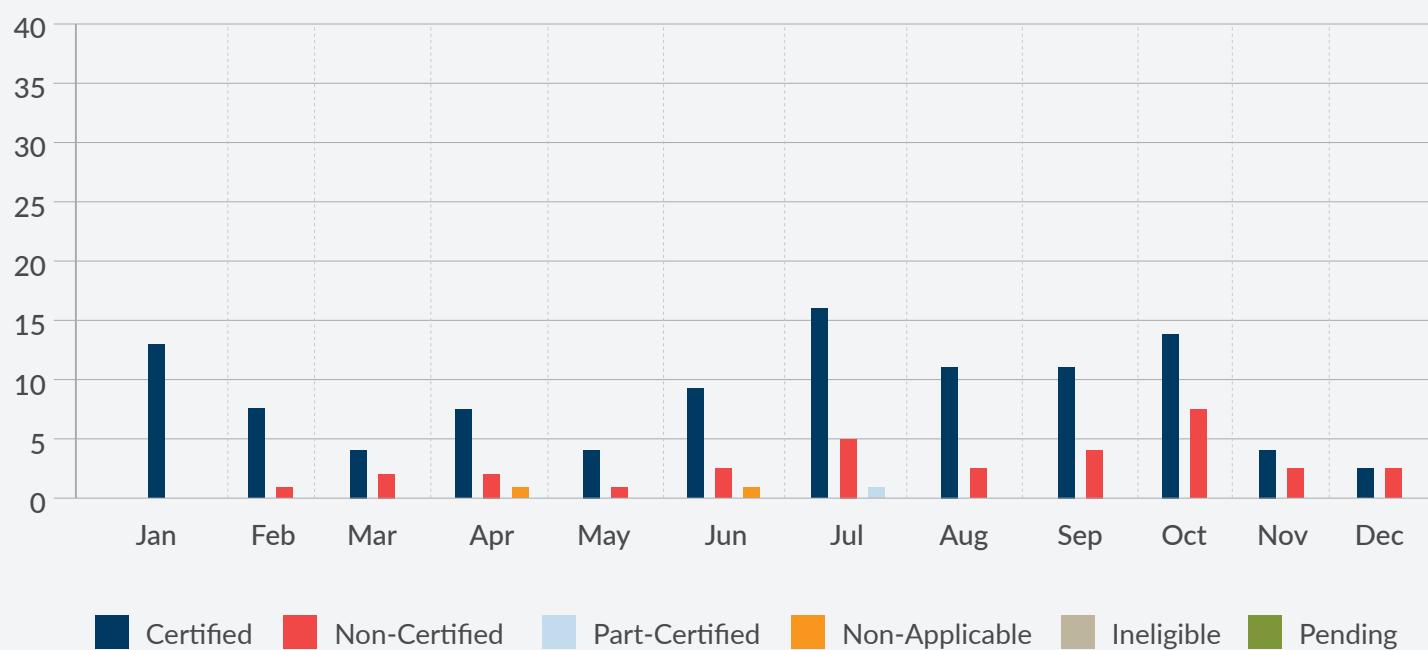
**In 2024, 80 Petitions**

To appeal a utilization review were received, which **represents an appeal rate of 53.69%**. The appeal rate increased by **9.56%** from 2024 to 2025.

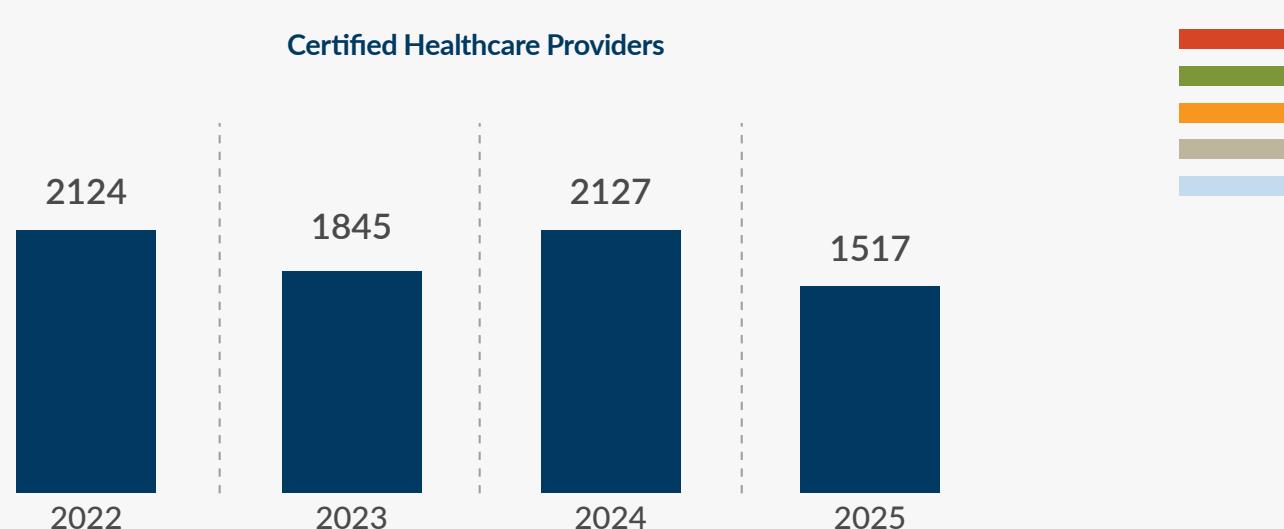
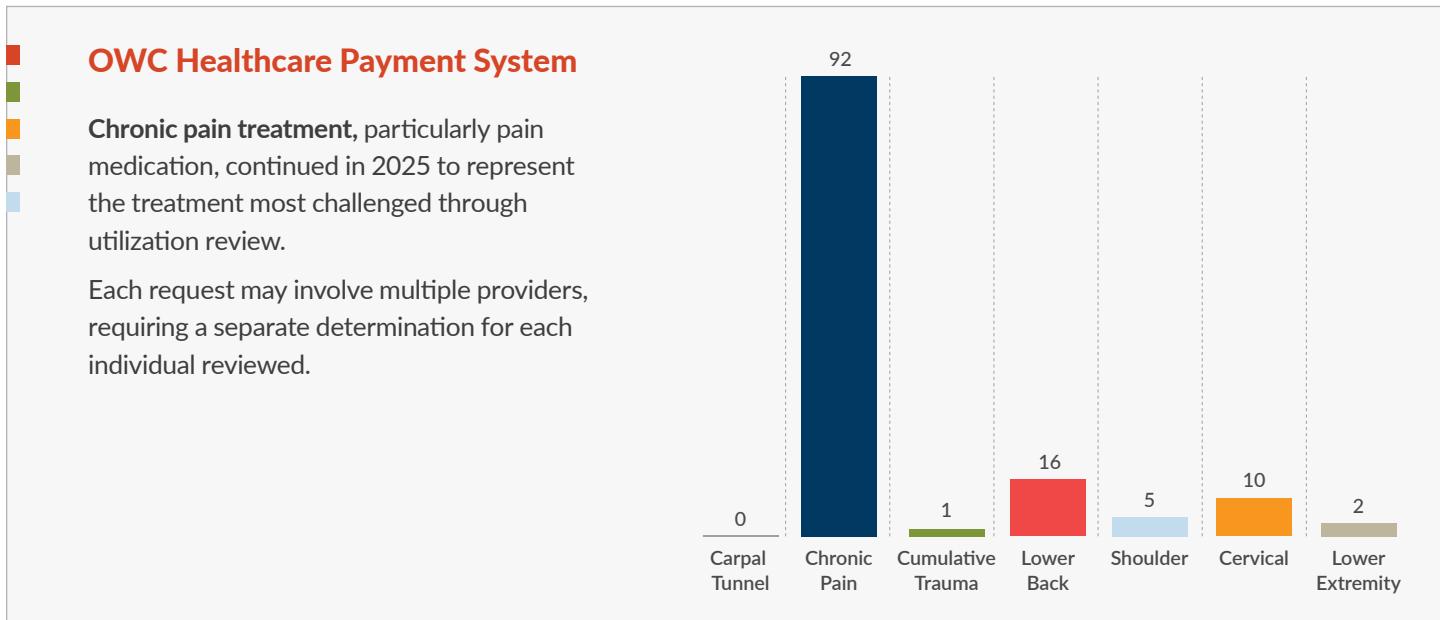


The chart below outlines the determinations rendered for the Utilization Review requests submitted for review.

**Utilization Program, 2025**



# HEALTH CARE PAYMENT SYSTEM, A YEAR IN REVIEW 2025



The number of certified health care providers declined over the past year. In 2024, there were 2,127 certified providers; in 2025, that number decreased by 28.68% to 1,517 active certified providers. Certified providers represent 24 distinct areas of practice.

This decline reflects a broader, nationwide shortage of physicians and nurses. A January 23, 2025, study by the Workers' Compensation Research Institute, Changes in the Medical Workforce and Impact on Claims, notes that reports of physician shortages date back to at least 2005. National organizations, including the Association of American Medical Colleges (AAMC) and the American College of Surgeons, project a shortfall of more than 100,000 physicians by 2034, with primary care specialties expected to be most significantly affected.

The anchor date for completion of the required continuing education course remains the provider's professional license renewal date. In 2025, this marked the twelfth year since implementation of this policy change, which has improved providers' ability to track and comply with recertification deadlines.

To further support compliance and prevent lapses in certification, the Medical Component Unit implemented an email reminder and notification process for providers with upcoming certification expirations. These notices include information about certification requirements and direct access to the required continuing education course. Beginning in 2026, an automated email notification system will be implemented to proactively reach currently certified providers, providers with lapsed certifications, and providers who have never been certified.

## Workers' Compensation Specialists

In 2025, Workers' Compensation Specialists scheduled 4,004 hearings, representing a 2 percent decrease from 2024. In addition to scheduling responsibilities, our Specialists serve as a critical bridge for unrepresented (Pro Se) injured employees, ensuring they have the information necessary to navigate, assert, and protect their rights under the Workers' Compensation Act. In 2025, Specialists successfully conducted consultations with more than 100 Pro Se claimants, providing essential guidance to those navigating the system without legal counsel.

Beyond claimant education, Workers' Compensation Specialists manage escalated inquiries and calls from a diverse range of stakeholders, including employers, attorneys, and insurance carriers. This function is vital to ensuring the timely resolution of complex issues and maintaining departmental efficiency by streamlining the petition process. While providing this comprehensive procedural support, Specialists maintain strict professional boundaries by refraining from legal representation or the provision of legal advice.

## Labor Law Enforcement Unit Annual Summary

Since its inception in the spring of 2021, the Workers' Compensation Enforcement Unit's five Law Enforcement Officers (LLEOs) have continued to make a significant impact in protecting workers across the State of Delaware. It is estimated that more than 30,000 businesses statewide remain non-compliant with workers' compensation insurance requirements.

During 2025, Enforcement Officers secured 296 workers' compensation insurance policies from previously non-covered employers and addressed a total of 1,827 enforcement cases. In support of audit and compliance activities, the unit issued approximately 1,148 compliance letters and scheduled 51 hearings before the Industrial Accident Board to compel employers to obtain required coverage.

As a result of these hearings, the Industrial Accident Board assessed \$108,725.00 in fines against non-compliant employers. In addition, the Enforcement Unit negotiated \$91,859.00 in settlement fines with employers that subsequently came into compliance with workers' compensation law, further reinforcing compliance while promoting voluntary resolution.

## Production Summary

In 2025, the Office of Workers' Compensation (OWC) experienced increased workload and continued improvements in accessibility and service delivery. The office processed 2,497 requests for copies of public documents, representing a 44.68 percent increase over the prior year.

OWC processed 11,332 First Reports of Injury (FRIs), reflecting a 3.46 percent increase in reported workplace injuries compared to 2024. Of these filings, 37 percent were submitted electronically, marking a 5 percent increase in electronic filing and demonstrating continued progress toward modernization and improved efficiency.

Throughout the year, OWC processed 3,775 agreements, 3,084 receipts, 3,777 petitions, and mailed 2,855 awards to the parties.

Public access and customer service remained a priority. The office answered 4,013 calls, an 18 percent increase from the previous year. These calls represented 82 percent of all calls received through the Industrial Affairs main number that resulted in direct contact with a live staff member.

In 2025, the Office of Workers' Compensation managed a higher overall workload while continuing to improve accessibility, efficiency, and customer service. Increases in public records requests, First Reports of Injury, agreements, receipts, and incoming calls reflect both greater demand for services and enhanced public engagement. Continued growth in electronic filings demonstrates meaningful progress toward modernization. Despite fluctuations in awards issued and mailed, petition volume remained steady, underscoring consistent case activity. Overall, OWC effectively met increased service demands while advancing efficiency and public access.

## Financial and Assessment Responsibilities

In addition to its adjudicatory and administrative functions, the Office of Workers' Compensation (OWC) is responsible for the collection and administration of several statutory assessments critical to the funding of workers' compensation programs and State operations.

OWC administered the semi-annual tax assessment based on Statements of Premiums, which serves as the primary revenue source for the Workers' Compensation Fund. The office also collected the semi-annual Administrative Assessment, calculated based on the unit's operating expenses as they relate to the direct paid losses of insurance carriers, which provides the funding necessary to support OWC's daily operations.

OWC collected the quarterly self-insured tax, with all revenues deposited into the State General Fund, ensuring continued compliance with statutory funding requirements.

## PETITIONS FILED ANNUALLY AND TYPES OF PETITIONS

### Petitions Filed Annually

During 2025, a total of 5,653 petitions, including motions, were filed with the Office of Workers' Compensation, representing a 1 percent decrease compared to 2024.

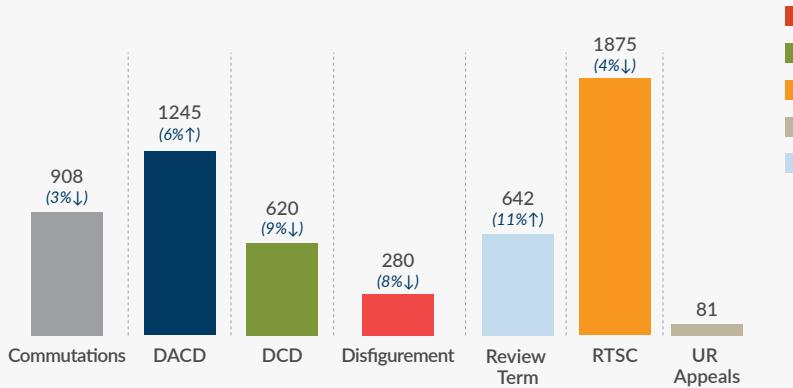
The Enforcement Unit filed 25 petitions related to employers operating without workers' compensation coverage. In addition, 20 RTSC (Remote Testimony before the Board) petitions were filed to allow virtual testimony, consistent with the prior year.

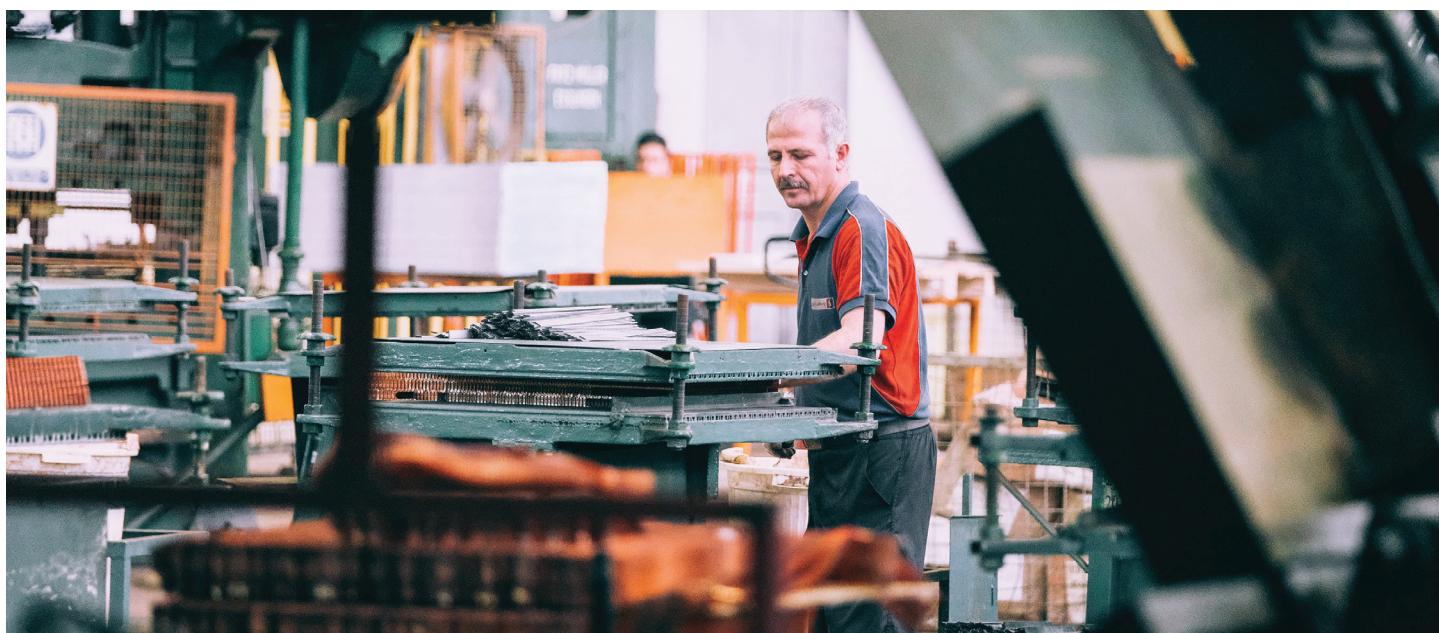
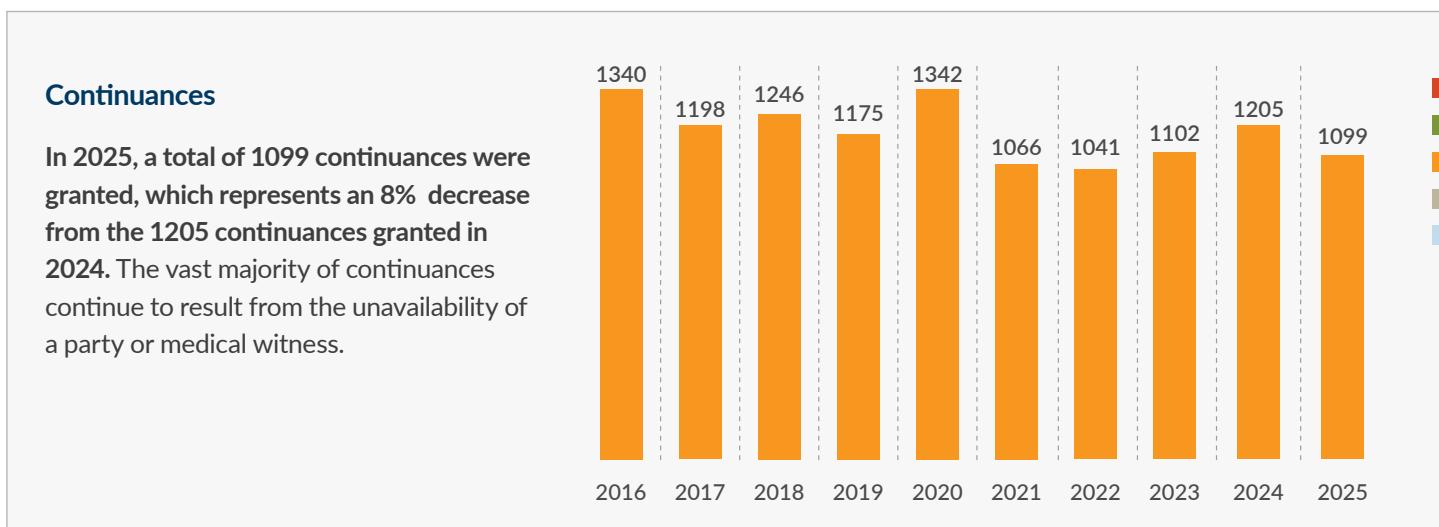
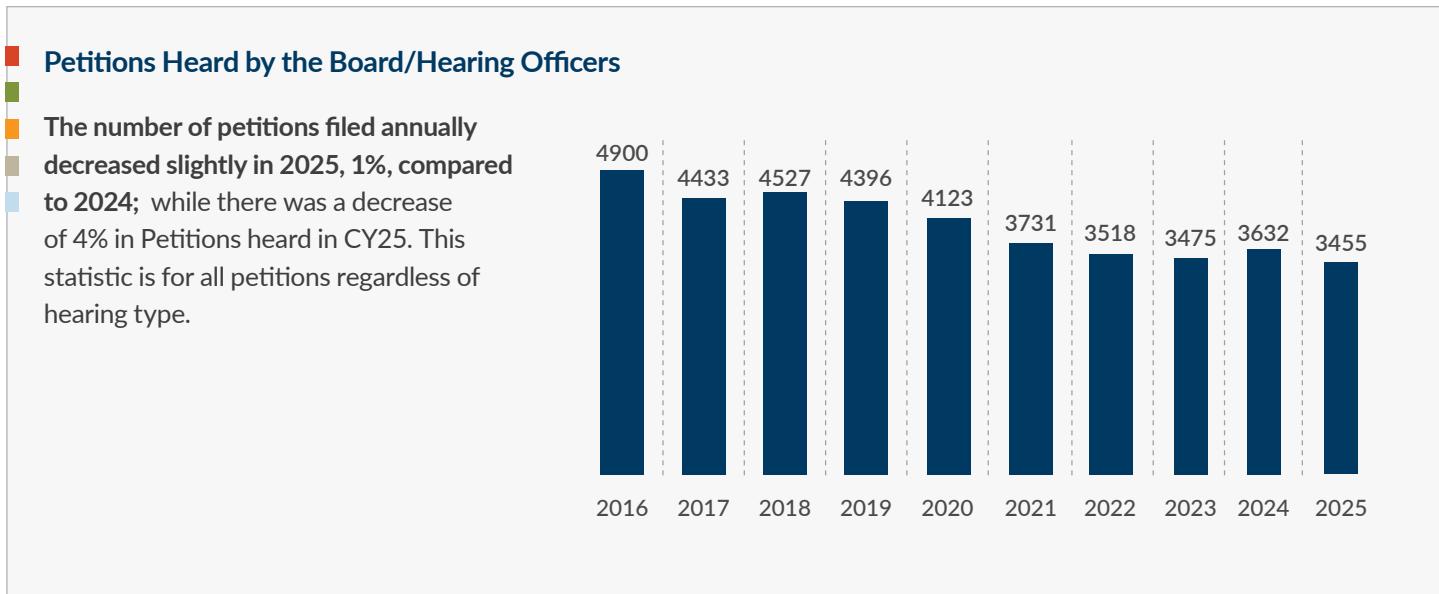
Overall, petition filings showed a modest decrease, reflecting continued efficiencies in case processing and resolution.



### Types of Petitions

In the past year, the total number of petitions filed decreased slightly by 1%. Among specific petition types, commutations fell by 3%, DCD petitions decreased by 9%, and disfigurement petitions dropped by 8—all of which had seen increases in 2024. Conversely, review-related filings experienced growth, with Review Terms rising 11% and DACD petitions increasing 6%. Motions and RTSC filings declined modestly by 4% over the year.







### Grounds For and Number of Continuances

The unavailability of a party, attorney, material witness, or medical witness for reasons beyond their control (illness, conflicting court appearance, emergency).





The following table reflects the number of days individual Board members were scheduled to conduct hearings, regardless of hearing type, compared to the number of days hearings were actually conducted in 2025. Differences between scheduled and actual hearing days are attributable primarily to case settlements and continuances. Overall, the total number of hearings conducted declined by 17 percent compared to 2024, with merit hearings decreasing by 12 percent.

**Actual hearings are down 17%**  
Compared to 2024, including  
a 12% drop in merit hearings.

Board Member	# of Days Scheduled to Conduct Hearings	# of Days Actually Conducted Hearings
D'Anna	196	33
Freel*	33	15
Hare**	44	3
Hayes	142	28
Lofink	185	49
Maull	135	25
Mishoe	140	21
Mitchell***	0	0
Moore	197	52
Murowany	193	53
Ford^	96	22
Vincent^	86	17
Casey^	109	26
<b>TOTAL</b>	<b>1,556</b>	<b>344</b>

\*\*William F. Hare retired  
05/10/2025

\*\*\*Robert J. Mitchell retired  
03/06/2025

^ Ford, Vincent & Casey  
appointed 04/2025

The following table shows the number of Hearings on the Merits conducted by each Board Member where a decision has been rendered. This chart does not include Legal Hearings; and multiple petitions heard within the same hearing. There were 37 hearings that heard multiple petitions (2 or more).

Two members of the Board sit for each Hearing.

## 37 hearings

### Heard multiple petitions (2 or more)

Board Member	# of Hearings on the Merits
D'Anna	34
Freel*	12
Hare*	1
Hayes	23
Lofink	25
Maull	23
Mishoe	16
Mitchell*	0
Moore	42
Murowany	40
Ford	16
Vincent	17
Casey	19
<b>TOTAL</b>	<b>278</b>

## COMPLETED CASELOAD OF INDIVIDUAL HEARING OFFICERS



Hearing Officer	# of Decisions, Orders and Rearguments Written
J. Bucklin	45
E. Danberg*	1
A. Fowler	44
S. Mack**	22
J. Pezzner	24
J. Schneikart	26
J. Sebring	28
K. Smith	22
K. Wilson	31
C. Baum, Chief	33
<b>TOTAL</b>	<b>276</b>



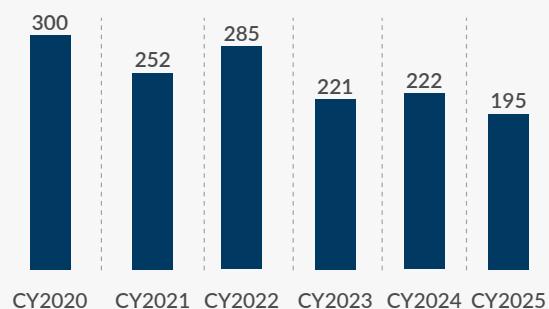
In 2025, a hearing officer conducted one workers' compensation mediation pursuant to DEL. CODE ANN. tit. 19, § 2348A. It was concluded successfully.

\* Ed Danberg was hired effective October 20, 2025.  
There is an initial 30-45 day training period.

\*\* Susan Mack retired October 1, 2025

### Compliance with Hearing & Decisional Deadlines

In 2025, 195 merit cases were heard, each requiring a written decision within 14 days per petition. Written decisions are prepared by the presiding Hearing Officer, regardless of whether the hearing was conducted before the Board. Merit hearings decreased 12 percent from the prior year. Of these, 56 were conducted by solo Hearing Officers, a 6 percent increase from 2024, representing 30 percent of all merit hearings. Additionally, 37 hearings involved multiple petitions, with two or more petitions heard during a single proceeding.



### Decisions Awaiting Writing

**34.2 Days**

**Average Decision Time**

**From hearing date to issuance of a written award**

(improvement of 11 days from 2024)

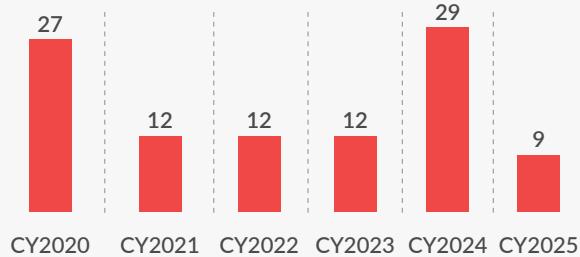
**908 Commutations**

**Reviewed by a solo hearing officer in 2025**

*A 3% decrease in commutation settlements compared to 2024.*

**9 Decisions**

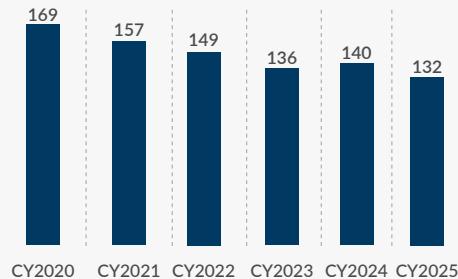
**Remained in the queue at year end.**



## ANALYSIS OF DISPOSITIONAL SPEED AND SUMMARY OF APPEALS

### Analysis of Dispositional Speed

In 2025, the average dispositional speed for processing all petitions—from filing to issuance of the decision—was 132 days, compared to 140 days in 2024, reflecting a 5% decrease this year. Overall, this represents a 21% improvement since 2020. The agency continues to pursue innovative strategies to process cases more quickly and efficiently, aiming to further reduce processing times while maintaining the quality of our written decisions.



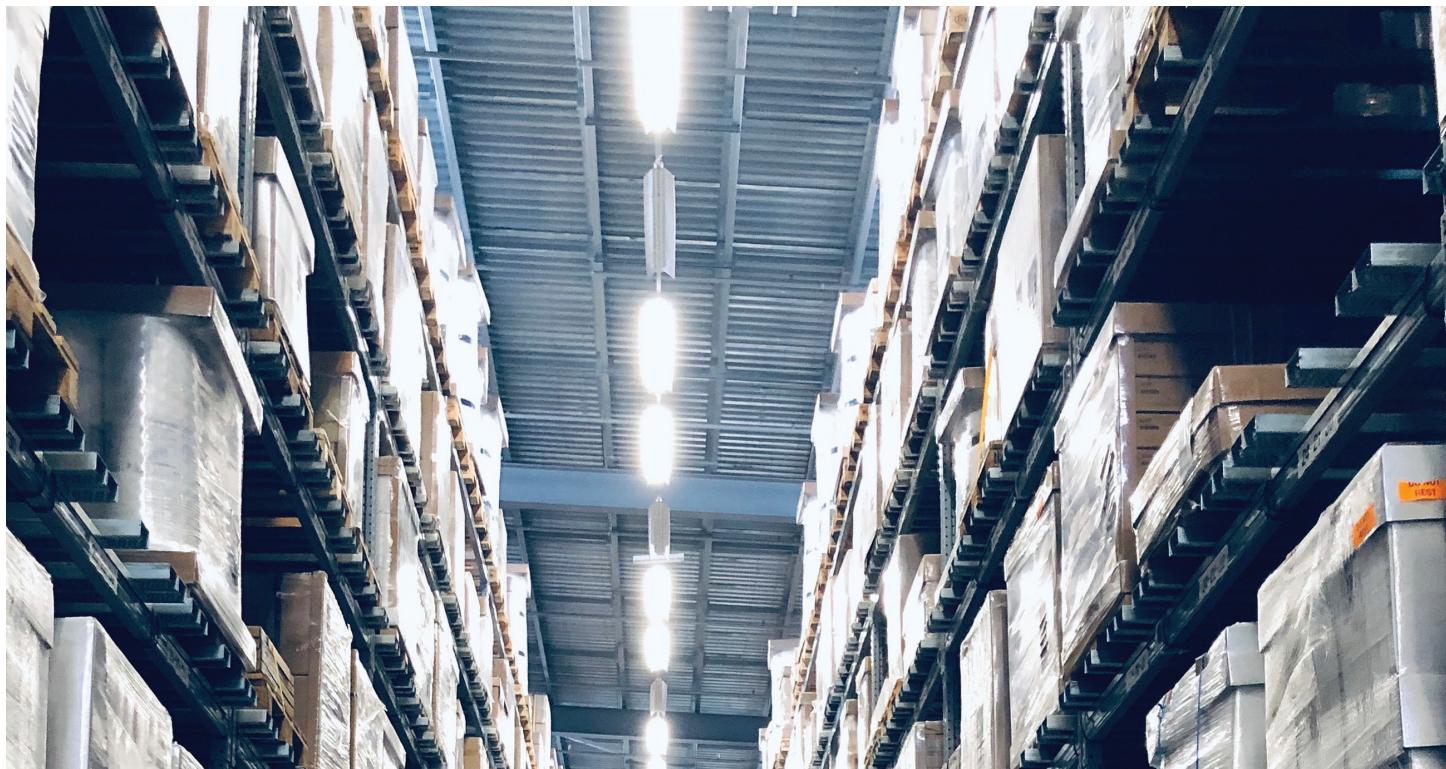
### SUMMARY OF APPEALS

(Status of appeals taken as of December 31, 2025)

In the last five years, the Board (or Hearing Officers) have rendered 1,189 decisions on the merits. Of those decisions, 146 (approximately 12.28%) were appealed (an average of 29.2 per year). 131 of those appeals have been resolved. Only 16 decisions have been reversed and/or remanded, in whole or in part. This represents a “reversal rate” of only 1.35% of all decisions rendered in those five years.

Year Appeal Taken In:	2021	2022	2023	2024	2025
<b>Total Number of Decisions</b>	269	275	219	214	212
<b>Total Number of Appeals</b>	35	36	30	20	25
<b>Affirmed</b>	15	17	15	7	5
<b>Reversed and/or Remanded</b>	4	3	2	6	1
<b>Dismissed/Withdrawn</b>	16	16	13	6	5
<b>Pending<sup>1</sup></b>	0	0	0	1	14

<sup>1</sup>For purposes of these statistics, an appeal is no longer considered “Pending” once a Superior Court decision has been issued. Some Superior Court decisions have been appealed to the Delaware Supreme Court. If a Supreme Court decision is different from that given by the Superior Court, the statistics will be updated to reflect the final holding. Therefore, for example, while no cases are “Pending” from 2022, some of those appeal results may change in the future because of decisions by the Supreme Court.



## SUMMARY OF APPEALS, FIVE-YEAR CUMULATIVE

(Status of appeals taken as of December 31, 2025)

Five-Year Cumulative	
Total Number of Decisions	1189
Total Number of Appeals	146
Affirmed	59
Reversed and/or Remanded	16
Dismissed/Withdrawn	56
Pending	15

## DISPOSITION SUMMARY

The number of appeals continued to remain low, with only 25 appeals in 2025.

In 2025, petition activity and hearings at the Office of Workers' Compensation declined modestly, reflecting continued efficiencies in case processing. Petitions heard decreased by 4 percent, and the total number of hearings conducted declined by 17 percent, with merit hearings down 12 percent.

Of the 195 merit hearings conducted, 30 percent were handled by solo Hearing Officers, reflecting increased

utilization of this approach. Timeliness improved significantly, with the average time from hearing to issuance of a written award reduced by 11 days and the overall average dispositional speed improving to 132 days—representing a 21 percent improvement since 2020.

Collectively, these results reflect sustained progress and efficiency, in reducing delays, improving case resolution timelines, and maintaining the quality and consistency of written decisions.

## THE WORKERS' COMPENSATION FUND

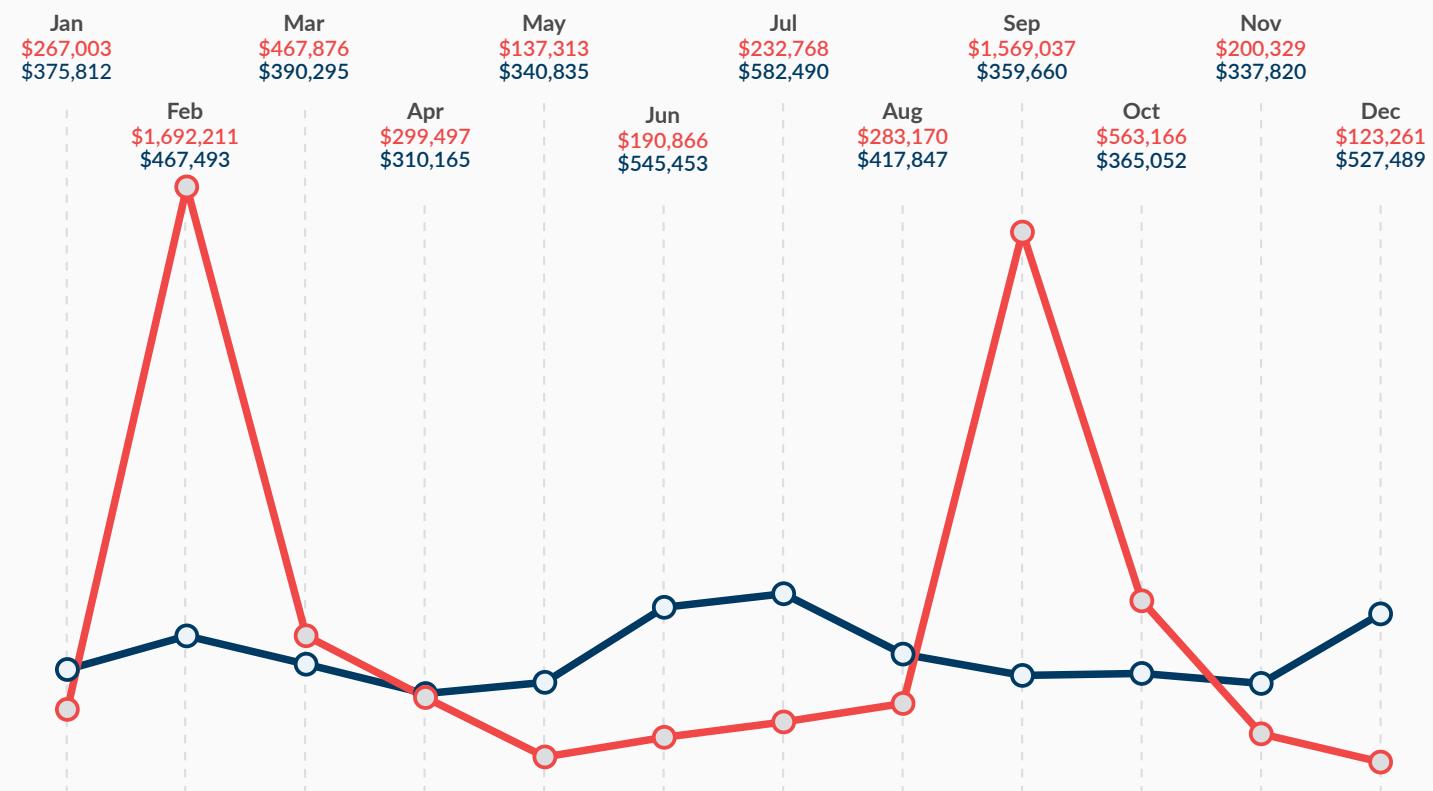


The Workers' Compensation Fund (Second Injury Fund) is governed by the State of Delaware, Workers' Compensation Act Section 2347, to ensure timely payments to the claimant while awaiting a determination of a Petition to Review (PTR) by the Board or settlement between the parties. Currently at year's end, there are approximately 165 claimants on the Fund. Payments to the claimants and Social Services (child support) range between \$160,000-\$200,000 every two weeks. Twice a year payments are made for SISB cases reimbursing

the carriers for payment made to the claimant totaling \$443,230 for the year. This is a decrease from years passed. Uninsured settlements of \$91,859.00 contributed to the fund collection. Payments into the fund are governed by section 2395, a tax on the Statement of Premiums, as well as Board Orders, settlement negotiations, fines and penalties for uninsured, and restitution.

■ Spc Fund Credits Total: \$5,915,497

■ Spc Fund Debits Total: \$5,020,411



## Outreach

The Office of Workers' Compensation (OWC) continues to address the issue of employers operating in Delaware without workers' compensation insurance. Our efforts focus on both enforcing state laws and educating employers about their obligations.

To support this work, OWC released new educational pamphlets and videos in early 2025. These resources provide clear guidance on compliance requirements for both in-state employers and out-of-state companies conducting business in Delaware.

Additionally, OWC is reviewing current workers' compensation statutes to ensure they provide the necessary tools to effectively address non-compliance.



## Self Insurance

The Office of Workers' Compensation is continuing its review of the workers' compensation self-insurance program in its entirety. When an employer is self-insured, the employer takes on the liability of paying any costs associated with a workers' compensation injury suffered by one of its employees instead of those costs being handled through an insurance carrier. OWC's immediate concern is to address the resulting situation for workers' compensation claimants when a self-insured employer files for bankruptcy. Even though self-insured employers are required to post a surety bond, OWC is finding that the bond amount is insufficient to cover the payment of all workers' compensation claims remaining after the company files for bankruptcy. This includes both payment for medical expenses as well as any indemnity benefits payable to the injured worker.

Another concern is how our statutes do not specify how the bond amount is to be calculated for self-insured employers. OWC is looking at having some consideration of the size of the company and the nature of the company's work.

A third area to be addressed is how the current statutes do not adequately address the way claims are to be paid from the bond proceeds when a self-insured employer does file for bankruptcy. OWC would also like to address the lack of requirements for an employer to be granted self-insured status as well as the lack of a periodic review of an employer's self-insured status and whether that status or bond amount continues to be appropriate for the employer.

## Workers' Compensation Act

The Workers' Compensation Act has not undergone a comprehensive revision since 1997. The Office of Workers' Compensation (OWC) is currently working to update the Act in its entirety. These modifications are necessary to reflect advancements in technology, changes in agency responsibilities, and the evolving workers' compensation landscape.

# DIVISION OF INDUSTRIAL AFFAIRS



 302-761-8200, option #1

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