



**TESTIMONY OF GAURAV VASISHT
EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER
NEW YORK STATE INSURANCE FUND**

**BEFORE THE COMMITTEE ON LABOR
NEW YORK STATE SENATE**

**HEARING ON THE STATE OF WORKERS' COMPENSATION
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Chairwoman Ramos, ranking member Martins, and committee members, it is an honor to testify before this body about New York State's workers' compensation system. Since November 2021, I have been privileged to lead the New York State Insurance Fund ("NYSIF"), a century-old agency with deep roots in the post-Industrial Revolution labor movement established by the Legislature to guarantee benefits to injured workers. Today, nearly 110 years after its creation, NYSIF remains the bulwark of New York's insurance market, providing workers' compensation, disability, and paid family leave coverage to an estimated 2 million New Yorkers employed by approximately 200,000 employers across New York State.

Although it functions as an insurer, NYSIF differs from the private insurance companies it must compete with by law. Rising in the aftermath of the tragic Triangle Shirtwaist Factory fire of 1911, NYSIF is the product of the zealous advocacy of pioneering figures like Frances Perkins, who helped lead the organization in the 1920s and whose contributions remain foundational to NYSIF's mission. Unlike most large insurers, NYSIF has no shareholders to please, no stock prices to monitor, and no bonuses to award. It has only a statutorily prescribed mission to promptly pay injured workers their entitled benefits. NYSIF's nearly 2,000-employee-strong primarily unionized workforce accomplishes that objective, contributing to its longevity while fortifying the workers' compensation system.

Over the past two years, as we all have contended with the shifting priorities and intensifying demands of a post-pandemic world, NYSIF has sought to reconnect with its roots and embrace its founding principles. The effort is grounded in a strong belief that, even in the workers' compensation system, which is subject to stringent rules and oversight, there is an opportunity and an imperative to improve injured workers' lives and support small businesses. This sentiment permeates all aspects of our work, from paying claims to safeguarding our assets, and our commitment is evident from the results. Indeed, while more needs to be done, never before has NYSIF paid injured workers with established claims faster, communicated with them more effectively, or been more attuned to employer needs.

But for me, NYSIF's embrace of its founding principles is best exemplified by a recognition that its data can help inform its operations and the most pressing public policy issues of our time to improve worker health, safety, and well-being. This recognition is the cornerstone of our initiatives detailed below—from informing our collective understanding of how Long Covid and climate change impact workers to sending faster payments and enhancing communications with injured workers through NYSIF's new smartphone application. These and other initiatives, built upon a more responsive connection with injured workers, reflect NYSIF's commitment to those we serve and help NYSIF fulfill its statutorily enshrined public purpose.

Long Covid: A Pandemic Within a Pandemic

In January 2023, NYSIF published its landmark report *Shining a Light on Long Covid: An Analysis of Workers' Compensation Data*.¹ Employing information NYSIF generates in the normal course, the report continues to inform the emerging and nascent conversation on Long Covid, a puzzling and complex syndrome some call a pandemic within a pandemic. Featured in the *New York Times*² and other leading publications, NYSIF's report analyzes more than 3,000 established Covid-19-related workers' compensation claims to understand (1) how many workers developed Long Covid, (2) their experiences returning to everyday work life, and (3) the condition's impact on older adults, women, those with comorbidities, and those hospitalized for Covid-19.

The report shows that Long Covid is real. Nearly one-third of workers with an established Covid-19 claim met the report's criteria for Long Covid. The incidence of Long Covid was highest during the initial novel coronavirus phase, declining sharply as the State's vaccination coverage expanded, underscoring the importance of vaccines. Approximately 18% of those with Long Covid could not return to work for more than a year, and those who returned relatively quickly did so while still reeling from the effects of Covid. Finally, the report found that older adults and women were more likely to develop Long Covid than younger men, as were those with comorbidities or those hospitalized for Covid.

The implications are significant, affecting individuals and households, employers of all sizes and sectors, and the economy. For individuals and families, prolonged periods of unemployment mean a loss of income and employer-provided health insurance, medical skepticism, stigma, and particularly acute challenges for single-wage-earner households. For employers, it means a loss of productivity, increased requests for accommodations, and workforce reintegration challenges. For the economy, the report's findings raise questions and warrant a further examination of how Long Covid may have affected labor participation.

Since the report's publication, NYSIF has held briefings for numerous stakeholders and experts in academia and the state and federal governments, including the U.S. Centers for Disease Control and Prevention. NYSIF has also convened experts from leading hospital systems, think tanks, the New York State Departments of Health and Labor, the Office of Mental Health, and the Workers' Compensation Board to discuss Long Covid prevention, employer best practices, and physician outreach. In our upcoming research, NYSIF plans to gather qualitative evidence through surveys and interviews to understand better how Long Covid has affected workers' daily lives. We look forward to presenting that research in the future.

¹ New York State Insurance Fund, *Shining a Light on Long Covid: An Analysis of Workers' Compensation Data*, (January 24, 2023), <https://www.nysif.com/covid19>.

² Pam Belluck, *Long Covid Is Keeping Significant Numbers of People Out of Work, Study Finds*, *New York Times*, (January 24, 2023), <https://www.nytimes.com/2023/01/24/health/long-covid-work.html>.

Insurance as a Catalyst to Drive Climate Action

According to an editorial published in over 200 scientific journals, climate change "is the greatest threat to global public health."³ Workers, including those in farming, construction, health care and beyond, are particularly vulnerable to its effects, including illness, injury and even death. Far from theoretical, the link between extreme heat and worker injuries is observable in NYSIF's claims data. A preliminary analysis of approximately 95,000 workers' compensation claims found a significant correlation in both the frequency and the severity of injuries on days categorized under the National Weather Service extreme heat classifications. For instance, claimant injuries were 45% more likely and 20% more severe on such days than on days falling outside the NWS categories.

While all industries contribute to climate change, the health care sector is on the frontlines, confronting its effects on public health while contributing to the problem through significant greenhouse gas ("GHG") emissions. Health industry leaders appear increasingly motivated to stop the self-feeding cycle, but action has not been comprehensive across the health care landscape.

Last week, Governor Hochul announced NYSIF's publication of *Insurance as a Catalyst to Drive Climate Action: Incentivizing a Reduction in Health Care Emissions to Improve Worker Safety and Health System Resilience*. Focused on reducing climate-related environmental hazards that drive worker injuries and illnesses, the report announced the launch of a pilot program incentivizing hospitals to reduce their GHG emissions and enhance their climate resilience.

The pilot provides hospitals an upfront credit of 5% on their workers' compensation premium, up to \$1 million per policy, if they pledge to produce a credible climate action plan to monitor, report, and reduce their GHG emissions and increase resilience to climate change. An ongoing credit of 5%, up to \$1 million per policy, is also available to hospitals for each year they progress toward their planned milestones. This first-in-the-nation pilot has the potential to generate hundreds of millions in cumulative premium credits and cost savings for hospitals, which they may channel to improve health outcomes or increase climate resilience.

Effective Communication and Faster Payments: What Matters Most to Injured Workers

When a worker suffers an injury, it is often a life-altering event that breeds uncertainty and anxiety for them and their family. With a substantial loss of income and financial obligations due and piling up, injured workers must get by on workers' compensation benefits, which are a fraction of their regular wages. According to a recent NYSIF review, during this time, the most common claimant questions are: Who can I speak to about my claim? And when will I receive my check? These questions deserve simple responses. To answer them and other basic inquiries more efficiently, last fall NYSIF launched a leading mobile app that will provide claimants with essential claim information at their fingertips.

NYSIF's decision to launch the app was data driven, coming after a claimant survey showed that approximately 86% of injured workers with a claim have smartphone access. These users may

³ Lukoye Atwoli, et al., *Call for emergency action to limit global temperature increases, restore biodiversity, and protect health*, The Lancet, (September 4, 2021), [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736\(21\)01915-2/fulltext](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(21)01915-2/fulltext).

download the app for free and gain access to essential information about their claim, from the status of their check and claim manager's contact information to their virtual prescription card, upcoming appointments, and more. In just the first few months, the app has been downloaded more than 6,000 times and more workers are signing on every day as NYSIF works to maximize participation. Injured workers without smartphone technology continue to have access to traditional methods of communication, including telephone and email, which, because of the app, should experience reduced traffic, lowering average call answer and wait times.

If effective communication is reassuring, faster payments are a lifeline for workers anxious about meeting their essential obligations, including rent, food, and health care bills. While NYSIF is among payors leading in average timely payments, our campaign to educate and enroll injured workers in direct deposit and issue payments using Same Day ACH has been especially impactful. The initiative gives crucial support to workers struggling to stay afloat, easing them toward a greater sense of financial stability during destabilizing times.

Since our initiative began over a year ago, NYSIF's direct deposit enrollment has grown 46%, with thousands of injured workers now accessing their benefits on the day of payment instead of waiting days to receive a mailed paper check that itself takes days to clear once deposited. Earlier access to their own money helps workers break their reliance on short-term credit, including payday lending, check cashing and bank overdraft fees, which strips billions annually from workers and contributes substantially to income inequality.

Mental Wellness: An Inclusive and Proactive Approach

The pandemic brought unanticipated new challenges and exacerbated old ones in all aspects of life. The workplace was no exception. According to a recent study, 87% of the 1,910 employees surveyed in the U.S. reported experiencing at least one mental health challenge in 2023.⁴

Last July, NYSIF launched a campaign to raise awareness of mental well-being as an essential component of workplace health. The campaign—built on NYSIF's internal mental wellness program launched in 2022—helps all employers, including those who are not NYSIF policyholders, create a customized employee mental health awareness program, marshalling information from multiple sources. The initiative helps employers plan their programs, develop helpful content, measure their success, and stay aware of mental health and wellness in the workplace. NYSIF has informed labor and business stakeholders of the initiative and continues to assist businesses in New York State and beyond develop bespoke mental wellness programs. Since launch, NYSIF's State of Wellness website has seen over 250,000 visitors, as NYSIF celebrates our third annual agency-wide Mental Health Awareness week.

Supporting Employers: Restoring Access and Preventing Injury

For small businesses, re-emerging from the pandemic was as challenging as it was critical for economic recovery. The downturn, punctuated by a vicious cycle of disappearing sales, plunging

⁴ Lyra, *Lyra Health Study Finds COVID-19 Delayed Trauma Response Taking a Growing Toll on Workers' Mental Health Worldwide* (March 12, 2024), <https://www.lyrahealth.com/announcement/lyra-health-study-finds-covid-19-delayed-trauma-response-taking-a-growing-toll-on-workers-mental-health-worldwide>.

revenues, and round-upon-round of layoffs, brought unprecedented uncertainty. Supply chain disruptions led to skyrocketing inflation unseen in more than 40 years. In this time, paying the required workers' compensation insurance premiums became difficult—if not impossible—for many businesses, some of whom were already struggling even before the pandemic began.

Unfortunately, instead of allowing NYSIF to provide these businesses with a payment plan, the law required it to cancel their insurance policies. Last year, under Governor Hochul's leadership, NYSIF proposed a departmental bill (S.9096/A.10078), sponsored by Senator Jessica Ramos and then-Assemblymember Nathalia Fernandez to restore access for these businesses to NYSIF's low-cost insurance policies. Signed into law by Governor Hochul last July, the new law enabled NYSIF to issue policies to thousands of businesses with an outstanding balance, allowing them to pay owed premium under an installment plan while generating millions in potential savings.

In addition to welcoming back prior policyholders, NYSIF is implementing new initiatives to make it easier for new employers to obtain coverage and for smaller employers to manage their payments. Specifically, NYSIF has created a new Small Business Support Team to streamline the process for newly formed businesses to become policyholders. Further, NYSIF has established an equal monthly billing option that will assist smaller businesses in managing their cashflow by spreading their premium payments out over the course of a year.

Beyond ensuring access to affordable coverage, NYSIF has redoubled its efforts to help businesses prevent workplace injuries, an underappreciated cornerstone of its mission. Last week, NYSIF launched a Personal Protective Equipment (PPE) premium credit, which will help employers provide workers appropriately fitted PPE, enabling them to perform jobs safely and efficiently. Historically, manufacturers and suppliers have produced and sold protective equipment designed to fit average-sized men. Providing PPE for a variety of bodies is a matter of both safety and gender equity for workers.

NYSIF also encourages worker safety practices through its risk control services, which it provides to policyholders for free. Spanning everything from air quality checks, safety inspections, and on-site and virtual employee safety training, these services help policyholders identify, control, and eliminate hazards that lead to workplace injuries. NYSIF's risk control facilities also offer policyholders U.S. Occupational Safety and Health Administration safety training certificate courses, Code Rule 59 comprehensive safety and loss prevention consultations, compliance evaluations, and industry-specific resources on targeted safety issues.

All of these services help businesses and the broader workers' compensation system reduce the number and seriousness of workplace injuries.

Conclusion

NYSIF's renewed commitment to injured workers is apparent from its recent work—whether to improve its core operations or to inform broad-based public policy. At the heart of this work is a belief that even as a participant in a system whose rules are developed by others, NYSIF has an opportunity and an imperative to improve workers lives and support businesses in the real economy. NYSIF's dedication to injured workers runs deep into its historical roots, and the initiatives I have highlighted help strengthen that commitment. I look forward to keeping the committee informed of our future work.