

  
**Highlights**

Highlights of [GAO-04-249T](#), testimony before the Committee on Energy and Natural Resources, U.S. Senate

## Why GAO Did This Study

The Department of Energy (Energy) and its predecessor agencies and contractors have employed thousands of workers in the nuclear weapons production complex. Some employees were exposed to toxic substances, including radioactive and hazardous materials, during this work and many subsequently developed illnesses. Subtitle D of the Energy Employees Occupational Illness Compensation Program Act of 2000 allows Energy to help its contractor employees file state workers' compensation claims for illnesses determined by a panel of physicians to be caused by exposure to toxic substances in the course of employment at an Energy facility. Energy began accepting applications under this program in July 2001, but did not begin processing them until its final regulations became effective on September 13, 2002.

The Congress mandated that GAO study the effectiveness of the benefit program under Subtitle D of this Act. This testimony is based on GAO's ongoing work on this issue and focuses on three key areas: (1) the number, status, and characteristics of claims filed with Energy; (2) the extent to which there will be a "willing payer" of workers' compensation benefits, that is, an insurer who—by order from, or agreement with, Energy—will not contest these claims; and (3) the extent to which Energy policies and procedures help employees file timely claims for these state benefits.

[www.gao.gov/cgi-bin/getrpt?GAO-04-249T](http://www.gao.gov/cgi-bin/getrpt?GAO-04-249T).

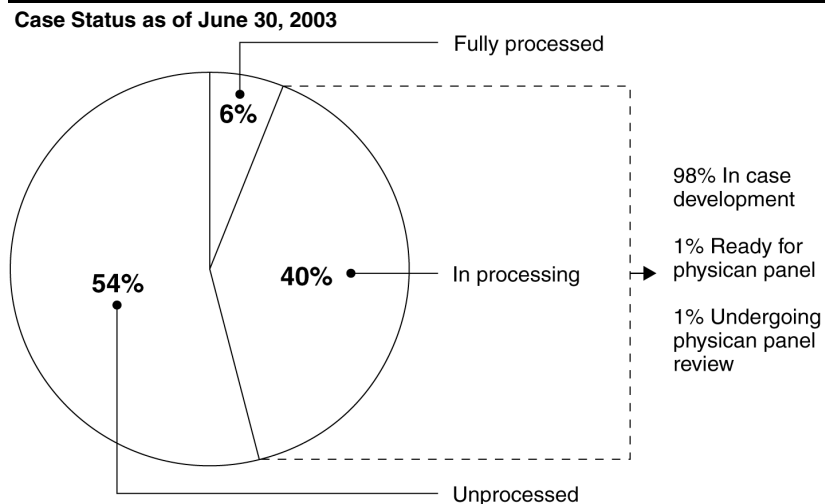
To view the full product, including the scope and methodology, click on the link above. For more information, contact Robert E. Robertson at (202) 512-7215 or [robertsonr@gao.gov](mailto:robertsonr@gao.gov).

# ENERGY EMPLOYEES COMPENSATION

## Case-Processing Bottlenecks Delay Payment of Claims

### What GAO Found

As of June 30, 2003, Energy had completely processed only about 6 percent of the nearly 19,000 cases it had received. More than three-quarters of all cases were associated with facilities in nine states. Processing had not begun on over half of the cases and, of the remaining 40 percent of cases that were in processing, almost all were in the initial case development stage, as illustrated below.



Source: GAO analysis of Energy data.

While the majority of cases (86 percent) associated with major Energy facilities in nine states potentially have a willing payer of workers' compensation benefits, actual compensation is not certain. This figure is based primarily on the method of workers' compensation coverage used by Energy contractor employers and is not an estimate of the number of cases that will ultimately be paid. Since no claimants to date have received compensation as a result of their cases filed with Energy, there is no actual experience about how contractors and state programs treat such claims.

Claimants have been delayed in filing for state worker's compensation benefits because of two bottlenecks in Energy's claims process. First, the case development process has not always produced sufficient cases to allow the panels of physicians who determine whether the worker's illness was caused by exposure to toxic substances to operate at full capacity. While additional resources may allow Energy to move sufficient cases through its case development process, the physician panel process will continue to be a second, more important, bottleneck. The number of panels, constrained by the scarcity of physicians qualified to serve on panels, will limit Energy's capacity to decide cases more quickly, using its current procedures. Energy officials are exploring ways that the panel process could be made more efficient.