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JULY 6, 1982

RELEASED



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The Honorable James C. Wright, Jr.
House of Representatives

Dear Mr. Wright:

Subject: Injury Compensation Program at the Fort Worth, Texas, Post Office (GAO/GGD-82-78)

As requested by your letter of July 28, 1981, we have reviewed in depth the administration of the injury compensation program at the Fort Worth Post Office. Our work concentrated on assessing allegations made to you by certain Postal Service employees and their representatives that Fort Worth Post Office management views all reports of on-the-job injury as fraudulent until proven otherwise and, because of this attitude,

- delays or otherwise interferes with processing reports of injury and claims for compensation, and
- requires partially disabled employees to work jobs and schedules that differ from their regular duty assignments.

Our work showed that Fort Worth Post Office management does not intentionally interfere with timely reporting of injuries and claims for compensation and does not violate Postal Service policy regarding limited duty assignments. Most of the problems perceived as existing in the injury compensation program at the Fort Worth Post Office appear to result from a mutual distrust between postal officials and certain employees and their representatives.

There are delays in the reporting of injuries to the Office of Workers' Compensation Programs (OWCP), Department of Labor, and both postal employees and management share some responsibility for them. Similarly, there are delays in the processing and payment of claims for compensation, and postal employees, their physicians, Fort Worth Post Office management, and OWCP all share some responsibility here. However, we found no instance where delays appeared to be vindictive or were otherwise intentional. In fact, the larger delay problem exists at OWCP, and no immediate improvement can be expected as its workload increases and its budget continues to be cut.

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Finally, most temporarily partially disabled employees recovering from on-the-job injuries are returned to their regular job locations, hours of duty, and days off where they are assigned work consistent with their physical limitations until such time as they are able to resume their full job duties and responsibilities. We found no instance where limited duty work assignments were unreasonable or inconsistent with Postal Service policy.

It is understandable that injured employees who believe they are entitled to benefits they have not received are concerned about a review and adjudication process that is sluggish and at times seemingly unresponsive. Some employees and their representatives, however, view legitimate inquiry into the cause or extent of an injury or its disabling effect or duration as an obvious disregard or lack of empathy for the injured employee.

Unfortunately, the program to prevent financial hardship for employees injured on the job has been and is being abused, and any program susceptible to fraud and abuse must be monitored closely. We believe that monitoring of injury compensation claims at the Fort Worth Post office can and is being done without jeopardizing the rights, interests, and entitlements of legitimately injured postal employees. Charges that such monitoring translates to viewing every claim as fraudulent are unfounded.

A detailed discussion of our investigation at Fort Worth is enclosed. We would be pleased to meet with you should you have any questions about this report.

As agreed with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from its issue date. At that time, copies will be made available to others upon request.

Sincerely yours,



William J. Anderson
Director

Enclosure

REVIEW OF THE ADMINISTRATION OF THE INJURY
COMPENSATION PROGRAM AT THE FORT WORTH,
TEXAS, POST OFFICE

BACKGROUND

Postal Service employees are covered by the same employees' compensation law which protects other Federal employees--the Federal Employees' Compensation Act, as amended (5 U.S.C. 8101 et seq.) The act provides compensation for the disability or death of Federal civilian employees injured or killed while performing their duties. The term compensation includes both money allowances payable to an employee or his or her dependents and other benefits, such as medical care and vocational rehabilitation services. The basic, tax-free, money allowance is a percentage of employee's monthly pay--66-2/3 percent for total disability, or 75 percent for a totally disabled employee with dependents. If the employee dies as a result of work-related injuries, compensation is payable to the spouse, children, and certain other dependents.

An additional provision of the act, referred to as continuation of pay, authorizes employers to continue a disabled employee's full pay up to 45 days for a traumatic injury. 1/ This is considered salary for all intents and purposes, including tax deductions, and not compensation. If the disability is expected to continue beyond 45 days, employees may file claims for money allowances under the act.

Finally, the act provides that a partially disabled employee who refuses to seek or does not accept offers of suitable work is not entitled to compensation. In the Postal Service, work assignments for employees partially disabled by job-related injuries are called limited duty.

1/The act defines "injury" as including "* * * in addition to injury by accident, a disease proximately caused by the employment * * *." A traumatic injury is a wound or other condition of the body caused by external force, including stress or strain. Such injury must be identifiable as to time and place of occurrence and caused by a specific event(s) within a single day or work shift. A nontraumatic injury, also referred to as an "occupational disease," results from continued or repeated exposure to conditions of the work environment over a longer period of time.

PROGRAM ADMINISTRATION

The act is administered by the Department of Labor through its Office of Workers' Compensation Programs (OWCP) in the Employment Standards Administration. OWCP decides whether to award or deny benefits under that act. Although employing agencies can dispute or controvert an employee's injury or claim, they have no adjudicatory role and cannot appeal OWCP decisions. OWCP discharges its responsibilities through a national office and 16 district offices. The OWCP district office for the Fort Worth Post Office is located in Dallas.

The Fort Worth Post Office, like many other major postal facilities, has designated an Injury Compensation Office to administer and control the program for its main office, stations and branches, and outlying associate offices. The Injury Compensation Office is responsible for all official communications with OWCP. The office's principal function is to ensure that all required and appropriate information relating to an on-the-job injury or claim is complete and accurate and promptly provided to OWCP. The Injury Compensation Office is also charged with overseeing the program which provides work for employees partially disabled by on-the-job injuries and for protecting the Postal Service's interest in questionable claims.

REPORTING INJURIES AND CLAIMING COMPENSATION

Generally, to adjudicate a claim for benefits under the act, OWCP district office examiners require (1) a statement from the employee concerning the nature and extent of the injury and the employment circumstances that caused it; (2) a statement from the employer concerning the employee's injury, duties, responsibilities, and working conditions; and (3) a statement from the employee's attending physician concerning the nature and extent of the injury and the prognosis for recovery. The employee and employer statements are furnished on a preprinted notice of injury form prescribed by OWCP. OWCP also has a form for the attending physician's report, but its use is optional.

Prompt reporting of injuries is important so that OWCP can establish entitlement to compensation should the injury result in a disability not covered by or continuing beyond the 45-day continuation of pay period. To encourage that, OWCP regulations require employees to furnish their official superiors written notice of a job related traumatic injury within 2 workdays. If the injury is expected to result in lost time or medical expense, employers are allowed 2 workdays to complete their portion of the report and submit it to OWCP. Otherwise, the report is to be

retained in the employee's official personnel folder. The reporting requirement for an occupational disease is 30 days from the date the employee is aware that the disease is employment related, and the employer has 10 workdays from the receipt of the written notice to complete its portion and submit the report to OWCP.

Most on-the-job injuries are traumatic and are therefore covered by continuation of pay. Also, most injuries are either not disabling or result in only short-term disabilities involving no loss of pay. However, when a disability is not covered by or continues beyond continuation of pay coverage, then claims filed for compensation must again be supported by statements from the employee, the employer, and the attending physician. The employee and employer complete a claim for compensation form and the attending physician submits a separate statement.

If a compensable injury results in a disability expected to continue beyond 90 days, OWCP usually places the employee on the so-called periodic roll for automatic compensation payments and no further claims or information must be supplied by the employee unless and until requested. However, if the prognosis for recovery is less than that or is undetermined, OWCP places the employee on its so-called daily roll and employees must then file bi-weekly claims supporting the continued disability and their entitlement to compensation.

OWCP regulations do not specify employers' processing time for initial compensation claims for traumatic injuries, but require 2 workdays for occupational disease claims. Subsequent claims for continuing compensation--traumatic injuries and occupational diseases--must be processed by the employer within 2 workdays.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Fort Worth Post Office/Management Sectional Center is responsible for some 4,200 employees located in 159 offices serving all or parts of 32 North Texas counties. During fiscal years 1980 and 1981, OWCP's Dallas District Office received 698 reports of injury involving Fort Worth Post Office employees. Statistics for the 673 reports of injury that had been adjudicated by the end of fiscal year 1981 show that 93 were denied, 273 injuries were not disabling, 268 injuries resulted in short-term disabilities involving no pay loss, and 38 injuries resulted in disabilities eligible for compensation payments. One fatality was also accepted as compensable. At the end of fiscal year 1981, 34 partially disabled postal employees were performing limited duty assignments.

Our work concentrated on assessing allegations made by certain Postal Service employees and their representatives that Fort Worth Post Office management views all reports of on-the-job injury as fraudulent until proven otherwise and, because of this attitude,

- delays or otherwise interferes with processing reports of injury and claims for compensation, and
- requires partially disabled employees to work jobs and schedules that differ from their regular duty assignments.

To assess such allegations we:

- Interviewed Fort Worth Post Office officials and employees, local American Postal Workers Union and National Association of Letter Carriers officials, OWCP officials, representatives of the Postal Inspection Service and the Department of Labor Office of Inspector General, and a former Fort Worth postal employee who represents several postal employees in workers' compensation cases and other matters.
- Randomly selected 50 reports on injury--25 each from fiscal years 1980 and 1981--and made a detailed analysis of the time required to report the injury to OWCP.
- Reviewed claims for lost wages made by 28 of the 38 employees whose disabilities were accepted for compensation payments to analyze the time required to send claims for compensation to OWCP.
- Reviewed the job injury files and personnel records for each of the 34 partially disabled employees performing limited duty assignments at the end of fiscal year 1981 and compared those assignments with each other and with each employee's previous regular duty assignment.

We did not examine the propriety of the compensation or the amounts of compensation paid.

REPORTS OF INJURY ARE
NOT UNDULY DELAYED

Few reports of injury were processed by the Fort Worth Post Office within the time standards set by OWCP, but we found no

evidence that reports were delayed for improper reasons or that Fort Worth management intentionally interfered with an employee's filing a notice of injury.

OWCP statistics for the last half of fiscal year 1981 (earlier statistics were not available) show that nearly 66 percent of the Fort Worth Post Office reports of injury reached OWCP within 14 days. That compares favorably with the experience of other Postal Service facilities reporting to OWCP's Dallas District Office. For example, the post office in Dallas reported just over 65 percent of its on-the-job injuries within 14 days and Austin reported 64 percent. Much lower percentages were reported for San Antonio, Houston, and Beaumont, while somewhat higher percentages were shown for Corpus Christi, Texas; and Tulsa and Oklahoma City, Oklahoma.

To assess the reasonableness and nature of the reporting time experienced at the Fort Worth Post Office, we randomly selected 50 reports of injury--25 each from fiscal years 1980 and 1981--and made a detailed analysis of the time required for each phase of the reporting and processing chain. Our sample included 44 reports of traumatic injuries and 6 occupational disease reports.

Nearly 80 percent of the employees in our sample complied with the OWCP's reporting requirements--2 workdays for traumatic injuries and 30 calendar days for occupational diseases. Reporting times for the remaining 20 percent ranged from 3 to 10 days for traumatic injuries, and 46 to 87 days for occupational diseases. Most employees who did not promptly file initially believed the injury was not serious and so delayed seeking medical care.

Fort Worth Post Office officials processed only 15 of the 50 sampled reports of injury within the time specified by OWCP--2 workdays for traumatic injuries and 10 workdays for occupational diseases. The average processing time was about 5 days for traumatic injury reports and 11 days for reports of occupational diseases.

Twelve of the traumatic injury reports in our sample took above average processing time--ranging from 6 to 19 days. Most delays were caused by supervisors who were either not attentive to, or unfamiliar with, on-the-job injury forms, procedures, or reporting requirements.

Most of the validated traumatic injuries in our sample resulted in either no lost time or short-term disabilities involving no loss of pay. Only one of the traumatic injuries

resulted in a disability that extended beyond continuation of pay coverage. That injury was reported by the employee the day following the incident, and the Fort Worth Post Office submitted the report of injury to OWCP 2 days later.

Only one occupational disease report was accepted as compensable. Although both the employee and the Fort Worth Post Office took considerable processing time--87 calendar days and 25 workdays, respectively--the employee did not take time off work as a result of the disease until more than 2 months after OWCP received the report. In summary, none of the cases in our sample resulted in identifiable financial hardship or other inconvenience because of the processing time taken by the Fort Worth Post Office.

FORT WORTH POST OFFICE CLAIMS
PROCESSING TIME IS REASONABLE

Fort Worth Post Office officials process most claims for compensation expeditiously. A few claims were delayed unaccountably and some unnecessarily, but we found no evidence to support charges of harassment of injured employees or intent to impede the timely receipt of compensation payments.

Most on-the-job injuries of Fort Worth Post Office employees do not involve interruption of income. However, in those cases that do, financial hardship can result from delays in claims processing. To assess the time taken to process and pay compensation where the potential for financial hardship exists, we examined 209 claims for lost wages for 28 of the 38 disabling injury cases accepted for compensation payments in fiscal year 1980 and 1981.

Our examination of those claims showed that the Fort Worth Post Office processed nearly 79 percent within 2 working days and over 95 percent within 5 working days. Of the nine claims that took longer processing time, four were delayed by an unnecessary administrative practice, and five had unexplained delays. None of the unexplained delays singled out an individual employee and so may have resulted simply from oversight or error. The unnecessary practice of holding claims for employees working part time until payroll records could be obtained was discontinued in March 1982.

Although any unjustified delay is unacceptable, we found little evidence that payments to employees were delayed as a direct result of the time required by the Fort Worth Post Office to process claims. For example, seven of the nine claims that took more than 5 workdays processing time would not have been paid earlier since either the employees' injuries had not been accepted as compensable by OWCP at that time or the employees were not entitled

to payment for the period claimed. Fort Worth Post Office processing time for the other two claims was 6 and 9 workdays, respectively.

The longer delay problem exists at OWCP. However, we did not calculate OWCP's average time to process and pay the 209 claims we examined because some of these claims were held for months pending decisions on complex medical questions or other matters affecting employee entitlement to compensation. Even so, for 93 claims received by OWCP after the cases had been adjudicated and all issues resolved, OWCP's processing time was more than 11 workdays. Although some claims were delayed pending receipt of medical evidence from employees' physicians, OWCP officials blame workload increases and reduced staffing for most of their internal processing delays.

LIMITED DUTY ASSIGNMENTS ARE
CONSISTENT WITH POSTAL SERVICE POLICY

The Postal Service is keenly aware of the substantial cost of the injury compensation program--some \$186 million annually--and returning injured employees to work as soon as they are able is a major goal in the effort to control those costs. However, we found no support for allegations that Fort Worth Post Office officials are not making reasonable efforts to provide limited duty that minimizes the adverse or disruptive impact on employees partially disabled by on-the-job injuries.

According to Postal Service policy, every effort must be made to provide work for employees who are only partially disabled by on-the-job injuries. For current employees, the work assignments must be consistent with the employees' medically defined limitations and, to the extent possible, within the same craft, at the same postal facility, and with the same hours of duty as the employees' regular jobs. The limited duty policy also requires that every effort be made to reemploy former employees who have partially recovered from compensable injuries. Former employees may be returned to any position for which they are qualified, consistent with their medically defined limitations.

At the end of fiscal year 1981, 34 Fort Worth Post Office employees were working in limited duty assignments. Twenty of those employees were performing duties within their crafts, regular job locations, and hours of duty, and two were part-time flexible schedule employees working within their regular duty tours and locations. One employee and two reemployed former employees were performing jobs especially created to accommodate their permanent partial disabilities. Limited duty assignments for the

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other nine employees involved some changes in their work locations/duty hours or crafts. Six of those employees had changes to align their duty hours and days off with the office-type work to which they were assigned. Finally, only two employees had their duty hours changed significantly, and both changes appeared reasonable in view of the employees' physical limitations and the requirements of the limited duty work available.