



Highlights of [GAO-10-78](#), a report to congressional requesters

Why GAO Did This Study

Between 50,000 and 60,000 United States Postal Service (Service) employees, or 7 to 8 percent of the Service's workforce, occupied a modified work assignment during fiscal year 2008. The Service must provide these assignments to employees with workplace injuries if work is available to perform within their medical restrictions. Historically, the Service has returned employees to work as soon as possible, partly to reduce its costs for workers' compensation. In 2006, the Service initiated a program, the National Reassessment Process, to ensure that modified work assignments are medically suitable and necessary to carry out the Service's mission. This requested report addresses (1) the goal of the program, (2) how it is being implemented, and (3) the program's status and outcomes. To perform its work, GAO analyzed data and documentation, visited four districts selected to illustrate a range of conditions, and interviewed Service officials.

What GAO Recommends

GAO recommends that the Service establish program completion timelines, track and measure outcomes, and disclose limitations of its reported cost savings. The Service agreed with GAO's third recommendation and disagreed with the other two. While GAO modified one recommendation in response to the Service's comments, GAO retained all three to encourage program completion, accountability, and transparency.

View [GAO-10-78](#) or [key components](#). For more information, contact contact Phillip Herr, (202) 512-2834, or Herrp@gao.gov.

U.S. POSTAL SERVICE

The Program for Reassessing Work Provided to Injured Employees Is Under Way, but Actions Are Needed to Improve Program Management

What GAO Found

The goal of the National Reassessment Process is to ensure that all employees in modified work assignments are performing work that is both suitable to their medical restrictions and necessary to the Service's mission. Among other things, the program aims to eliminate what Service officials call "make-work" assignments which, over time, occurred when factors such as increasing automation and declining mail volumes reduced the amount of manual, sedentary, and useful work available for these employees to perform. The number of employees reassessed under the program is not readily available nationwide because the Service does not aggregate district data. However, on September 30, 2008, there were 31,044 employees in modified work assignments, all of whom may have been reassessed under the program.

The program is being implemented in three phases in the Service's 74 districts. In Phase 1, the Service ensures that all employee medical records are current, and categorizes the employees based on their medical status. In Phases 2 and 3, the Service attempts to find each employee medically suitable and necessary work. If successful, the Service provides these employees with modified work assignments. However, when suitable work is not available, employees become eligible for wage loss compensation (workers' compensation). Specifically, because employees in Phase 2 have reached their maximum medical improvement, they are not expected to return to work for the Service and, thus, may receive workers' compensation indefinitely, whereas Phase 3 employees are eligible for workers' compensation for only the number of hours they cannot work for the Service. Initially, the Service implemented each phase of the program sequentially; however, in July 2009, it began allowing some districts to conduct Phases 2 and 3 concurrently to expedite the program's completion. The Service has not established milestones for completing the program, but, according to Service officials, they expect the program to be fully implemented by September 30, 2010.

After 3 years, none of the Service's districts had completely implemented the program, and implementation in most is far from complete. Available data on employee outcomes are limited and preliminary because implementation is ongoing, and the Service does not track employees who receive medically suitable and necessary work—the goal of the program. The Service achieves program cost savings when, for example, employees return to full duty, retire, resign, or perform modified work assignments. However, when suitable work is not available, some employee outcomes could increase the Service's short- and long-term costs for workers' compensation. For the year ending June 30, 2009, workers' compensation costs totaled about \$1.1 billion and, in 2008, the Service estimated that its future liability for these costs totaled about \$8 billion. The Service reported to the Congress that the program saved \$146 million in fiscal year 2008. However, the Service did not disclose that these reported savings reflect neither the Service's total gross savings nor its net savings, nor any other limitations in its cost estimation methodology.