



Department of Commerce Safety and Health Committee Meeting February 13, 2006



Agenda

Welcome and Introductions

Fred Fanning

Opening Comments

Otto Wolff

Federal Safety and Health Program Update

Diane Brayden

Workers' Compensation Program Update

Elizabeth Way

Closing Comments

Otto Wolff

Adjourn

Fred Fanning



Opening Comments

Otto Wolff Designated Agency Safety and Health Official



Safety and Health Program Status

Diane Brayden



Workers' Compensation Program

Elizabeth Way

Return to Work as Key to Containing Workers' Compensation Costs

Commerce Department Safety and Health Committee
Meeting

February 13, 2006

Elizabeth Way
Technical Advisor
Division Federal Employees' Compensation
U.S. Department of Labor

Topics to be discussed

- Chargeback Costs
- Lifetime Cost Calculation
- Keys to Containing Compensation Costs
- Return to Work Efforts

Chargeback Costs - Chargeback Year 2005

July 1, 2004 – June 30, 2005

- \$4,450,659.42 in Medical Costs for 1,079 Claims
- \$8,751,049.61 in non-Fatal Compensation Costs for 505 Claims
- \$1,291,743.19 in Fatal Compensation Costs for 46 claims
- Totaling \$14,493,452.22 for 1,275 claims

Chargeback Code and Department/Bureau/Agency Name	Chargeback Year 2005 (7/1/04 - 6/30/05)							
	Medical		Compensation - Non-Fatal		Compensation - Fatal		Total Amount Paid	
	# cases	Amount Paid	# cases	Amount Paid	# cases	Amount Paid	# cases	Amount Paid
9000-OFFICE OF THE SECRETARY	26	\$44,127.19	7	\$190,761.91	3	\$130,677.86	30	\$365,566.96
9102-BUREAU OF THE CENSUS, ALL OTHER	382	\$944,025.64	148	\$1,722,513.99	6	\$111,790.62	426	\$2,828,330.25
9151-1990 REGIONAL CENSUS CENTERS	23	\$256,566.22	35	\$375,531.75	2	\$19,762.16	43	\$651,860.13
9152-1990 CENSUS PROCESSING OFFICES	1	\$1,951.92	1	\$7,669.25	0	\$0.00	1	\$9,621.17
9153-2000 DECENNIAL CENSUS	142	\$619,267.24	119	\$1,417,252.58	6	\$67,219.58	183	\$2,103,739.40
9159-SPECIAL CENSUS	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00
9103-BUREAU OF ECONOMIC & STATISTICAL ANALYSIS	2	\$824.95	0	\$0.00	0	\$0.00	2	\$824.95
9129-ECONOMIC DEVELOPMENT ADMINISTRATION	6	\$8,973.74	3	\$21,293.77	2	\$80,836.70	8	\$111,104.21
9130-INTERNATIONAL TRADE ADMINISTRATION	21	\$73,996.21	12	\$468,309.71	6	\$190,225.24	31	\$732,531.16
9110-NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY	56	\$222,107.18	25	\$598,542.49	2	\$78,207.36	68	\$898,857.03
9141-NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION	347	\$2,068,998.95	117	\$2,775,661.83	19	\$613,023.67	404	\$5,457,684.45
9143-NATIONAL TECHNICAL INFORMATION SERVICE	4	\$6,721.59	2	\$42,873.67	0	\$0.00	4	\$49,595.26
9146-MINORITY BUSINESS DEVELOP. AGENCY	9	\$31,850.17	6	\$205,885.24	0	\$0.00	11	\$237,735.41
9147-NAT. TELECOMM. & INFORM. ADMINISTRATION	4	\$5,869.95	3	\$174,071.80	0	\$0.00	4	\$179,941.75
9112-PATENT AND TRADEMARK OFFICE	41	\$70,718.55	21	\$506,995.57	0	\$0.00	44	\$557,714.12
9128-BUREAU OF EXPORT ADMINISTRATION	6	\$69,669.17	3	\$46,271.93	0	\$0.00	6	\$115,941.10
9001-OFFICE OF INSPECTOR GENERAL	9	\$27,990.75	3	\$147,414.12	0	\$0.00	10	\$172,404.87
Total	1079	\$4,450,659.42	505	\$8,751,049.61	46	\$1,291,743.19	1275	\$14,493,452.22

Chargeback Costs - Chargeback Year 2006, Quarters 1 & 2

July 1, 2005 – December 31, 2005

- \$2,511,028.23 in Medical Costs for 708 Claims
- \$4,556,818.46 in non-Fatal Compensation Costs for 2719 Claims
- \$730,981.50 in Fatal Compensation Costs for 46 claims
- Totaling \$7,798,828.19 for 929 claims

Chargeback Code and Department/Bureau/Agency Name	Chargeback Year 2006, Quarters 1 & 2 (7/1/05 - 12/31/05)							
	Medical		Compensation -		Compensation -		Total Amount Paid	
	# cases	Amount Paid	# cases	Amount Paid	# cases	Amount Paid	# cases	Amount Paid
9000-OFFICE OF THE SECRETARY	13	\$16,374.83	8	\$220,294.51	3	\$74,509.89	16	\$311,179.23
9102-BUREAU OF THE CENSUS, ALL OTHER	258	\$629,151.15	122	\$957,622.28	6	\$61,714.24	308	\$1,648,487.67
9151-1990 REGIONAL CENSUS CENTERS	21	\$91,320.87	32	\$204,787.10	2	\$10,900.61	40	\$307,008.58
9152-1990 CENSUS PROCESSING OFFICES	1	\$1,002.72	1	\$4,235.00	0	\$0.00	1	\$5,237.72
9153-2000 DECENNIAL CENSUS	92	\$321,603.67	99	\$700,859.96	6	\$37,056.88	141	\$1,059,520.51
9159-SPECIAL CENSUS	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00
9103-BUREAU OF ECONOMIC & STATISTICAL ANALYSIS	0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00
9129-ECONOMIC DEVELOPMENT ADMINISTRATION	5	\$35,253.58	1	\$5,866.00	2	\$44,642.78	8	\$85,762.36
9130-INTERNATIONAL TRADE ADMINISTRATION	13	\$18,869.67	11	\$257,749.68	5	\$106,513.29	25	\$383,132.64
9110-NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY	36	\$115,396.79	21	\$208,552.36	3	\$58,581.15	47	\$382,500.30
9141-NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION	222	\$1,167,754.27	83	\$1,376,777.38	19	\$337,062.66	284	\$2,881,549.31
9143-NATIONAL TECHNICAL INFORMATION SERVICE	3	\$5,861.35	2	\$23,653.00	0	\$0.00	5	\$29,514.35
9146-MINORITY BUSINESS DEVELOP. AGENCY	6	\$15,439.74	5	\$116,051.28	0	\$0.00	8	\$131,491.02
9147-NAT. TELECOMM. & INFORM. ADMINISTRATION	2	\$2,362.42	3	\$60,261.32	0	\$0.00	33	\$62,623.74
9112-PATENT AND TRADEMARK OFFICE	29	\$47,547.56	22	\$303,713.54	0	\$0.00	35	\$351,261.10
9128-BUREAU OF EXPORT ADMINISTRATION	3	\$31,680.36	2	\$26,817.75	0	\$0.00	3	\$58,498.11
9001-OFFICE OF INSPECTOR GENERAL	4	\$11,409.25	3	\$89,607.30	0	\$0.00	5	\$101,016.55
Total	708	\$2,511,028.23	415	\$4,556,818.46	46	\$730,981.50	929	\$7,798,828.19

Lifetime Cost Calculation

A = Current age

Y = Years until 80 (or dead)

W = weekly comp rate

N = Annual comp

Z = Lifetime cost

$$80 - A = Y \quad \text{and} \quad W \times 52 = N$$

So, Lifetime cost is $N \times Y = Z$

Lifetime Cost Example

Single 44 year old GS12 step 5

\$73,720 annual pay

Weekly comp rate

$\$1,417.69 \times .666 = \945.03

Yearly comp

$\$945.03 \times 52 = \$49,141.75$

Lifetime cost

$\$49,141.75 \times 36 = \$1,769,103.07$

Keys to Containing Compensation Costs

- Safe workplace – keep injuries/fatalities from occurring
- Timely filing of Traumatic Injury (Ca-1) and Occupational Disease (Ca-2) claims – within 10 workdays of receipt of notice
- Challenge questionable claims when they are filed
- Return injured workers to work

Challenging Validity of Claim

- Investigate circumstances and report results to OWCP
 - If you don't have time to conclude the investigation before timely filing deadline, file the claim and note "Claim challenged – Pending Investigation. Documentation to follow." on the claim
- Must be supported by specific factual evidence
- Attach detailed statement describing circumstances behind challenge

Challenging Validity of a Claim

- Include specific evidence: witness statements, accident investigations, timecards, etc.
- Pay COP (if applicable) pending OWCP decision
- Authority to determine any aspect of claim rests with OWCP. While agency is entitled to explanation of basis for OWCP action, it must accept determination rendered.

Developing a Job Offer

- Section 10.506 of the CFR allows an employing agency to monitor the injured worker's medical care.
- Employer may contact the physician - but only in writing.
- Employer may contact the injured worker at reasonable intervals for updated medical information regarding the injury.
- Employer must consider the physical or emotional restrictions placed on an injured worker due to the work injury as well as any concurrent, non-injury-related ailments.
- Agency personnel can request work restrictions directly from the physician, the OWCP nurse, or OWCP.
- If work restrictions differ, OWCP will determine which are appropriate.

Developing a Job Offer

- Need to think beyond the usual parameters of the job
- Work Functions – can these be divided up?
- Is there work that has been postpone because of lack of human resources?

Making a Job Offer

- Description of specific job duties to be performed
- Specific physical requirements of the position and any special demands or unusual working conditions
- The work schedule
- Organizational and geographical location of the job
- Date on which the job will first be available
- Date by which a response to the job offer is required
- Provide pay information including grade, step, and salary
- The job must be offered in writing and must be based on the medical restrictions.
- The job offer should not include information regarding the election of OPM benefits.

Job Offer Disqualifications

- A job which involves less than four hours of work per day where the injured worker is capable of working four or more hours per day will be considered unsuitable.
- A job which represents permanent seasonal employment will generally be considered unsuitable unless the injured worker was a career seasonal or temporary employee when injured. In locations where year-round jobs are scarce, however, a seasonal position may be considered suitable for an injured worker who previously held a year-round job. In either case, the job must reasonably represent the claimant's wage earning capacity.

Job Offer Disqualifications

- A temporary job will be considered unsuitable unless the injured worker was a temporary employee when injured and the temporary job reasonably represents the injured worker's wage earning capacity.
- Even if these conditions are met, a job which will terminate in less than 90 days will be considered unsuitable.
- If medical reports in file document a condition which has arisen since the compensable injury, and this condition disables the injured worker from the offered job, the job will be considered unsuitable (even if the subsequently-acquired condition is not work-related).



Closing Comments

Otto Wolff
Designated Agency Safety and
Health Official



Questions or Comments?