

Returning Employees to Work After Workplace Injuries and Illnesses: The Federal Employees' Compensation Act Program

The Federal Employees' Compensation Act (FECA) was developed to reduce some of the negative impacts of workplace injuries. Civilian federal employees who become injured or ill due to their jobs may file claims with the Office of Workers' Compensation Programs (OWCP) in the U.S. Department of Labor (DOL) to obtain paid medical care and help find suitable new assignments if needed. Such features underscore FECA's goal of speeding employees' return to work—in their pre-injury jobs or new roles.

This study uses FECA administrative data to quantitatively address return-to-work issues. The large number of cases analyzed—close to one million—and the consistency of the case management procedures applied to FECA cases afford a unique opportunity to examine return-to-work issues relevant to virtually all workers' compensation programs.

This research provides information about returning employees to work after they have incurred a *traumatic injury*, caused by a one-time, external event at the workplace, or an *occupational illness*, caused over time by exposure to the work environment.

The study highlights the needs of FECA claimants and shows how OWCP must devote the most resources to a relatively small percentage of cases with severe injuries or illnesses. It focuses on three overlapping categories of claimants with the most needs: those who miss a large number of days of work, those who cannot return to full-time work in jobs that offer claimants' pre-injury wages, and those who require the most services.

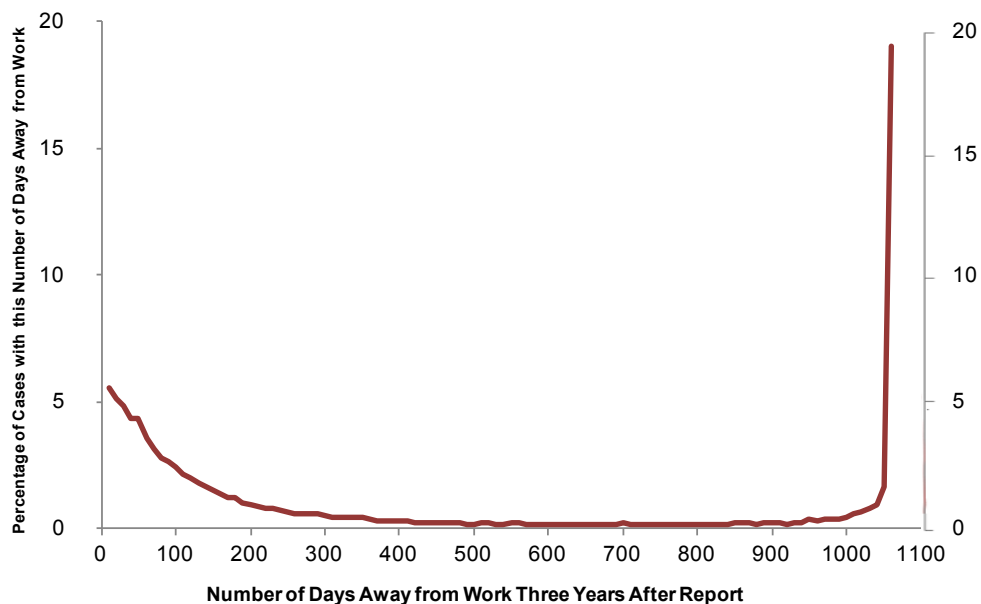
Workers Who Do Not Return to Work Quickly Are Unlikely to Return Later

The vast majority of FECA cases do not result in the claimant missing work. In 2010, claimants in 90 percent of traumatic injury cases and 83 percent of occupational illness cases did not miss work within the first year due to their injuries. Most of those who did miss work returned within one year to a job that enabled them to earn wages at the same level as before the injury or illness occurred. As a result, one year after reporting their injuries, claimants in 96 percent of traumatic injury and 94 percent of occupational illness cases had returned to work full-time in jobs offering their pre-injury wages.

However, a small percentage of claimants lost significant time from work or did not return at all within three years. Indeed, claimants in slightly fewer than 20 percent of cases with missed work were absent for the entire three-year study period. Figure 1 shows these cases in the large spike at the far right. Among claimants in cases that accumulated at least one year (365 days) of lost time, nearly half were absent for the full three-year period for which data were available.

Most claimants who had not returned to work at their pre-injury wages one year after reporting the injury also did not return to jobs that offered their pre-injury wages after three years. In other words, they lost wage-earning capacity. These cases are policy-relevant because they tend to require substantial resources in the form of compensation for lost wages, medical services, and other support services.

Figure 1. Days Away from Work for Cases that Missed Work



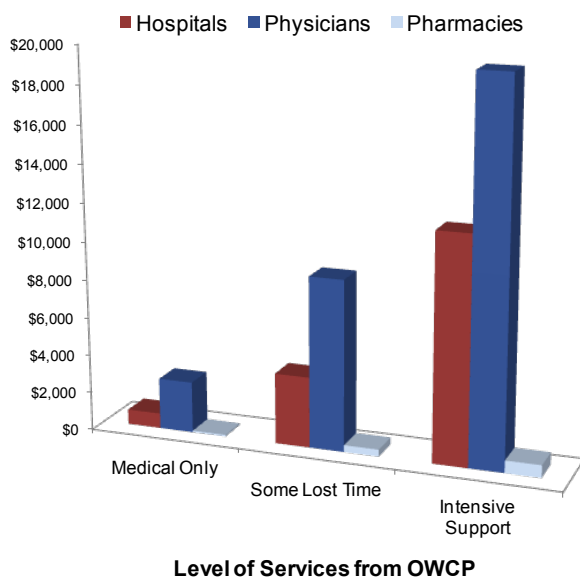
Note: The maximum number of days away from work is capped at slightly fewer than 1,096 (the full three-year period).

A Few Severe Cases Require Substantial Resources

Most claimants received only a few benefits and services during the first year after the claim was reported, but a small proportion received substantial services, consistent with the claimants having severe injuries. The vast majority of traumatic injury (93 percent) and occupational illness (86 percent) cases received no compensation for wages lost during the first year. In addition, it was relatively uncommon for claimants to receive medical services other than physician visits. Fewer than 30 percent of injury or illness cases had any hospital or pharmacy visits reimbursed by OWCP, and fewer than 10 percent were referred to a field nurse, a registered nurse who facilitates medical care and works with employing agencies to identify suitable work for claimants.

The small proportion (about 6 percent) of claimants with the most severe injuries received substantially more benefits than other cases. These severe cases—those identified by a claims examiner as needing intensive support from OWCP—received more than double the medical benefits on average than cases with some time lost from work but not identified for intensive support, as shown in Figure 2. These intensive support cases also received more than double the compensation for lost wages and service referrals compared with other cases with some lost time. Likewise, claimants who lost no time from work had much lower medical costs on average than those with lost time, even when OWCP did not identify the lost time cases for intensive support.

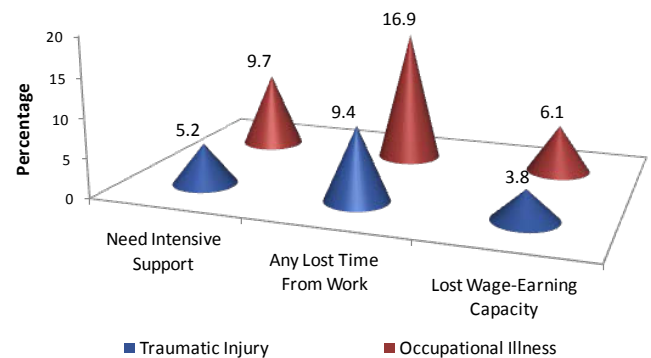
Figure 2. Average Medical Payments and Case Severity



Occupational Illness Cases Require More Resources Due to Severity

Occupational illness cases had less favorable work outcomes on average than traumatic injury cases. As shown in Figure 3, claimants in occupational illness cases were almost twice as likely as those in traumatic injury cases to experience lost time in the first year. Claimants with an occupational illness were also more likely to have had a loss of wage-earning capacity at that time.

Figure 3. Service Needs and Work Outcomes at One Year



Occupational illness cases used more resources on average than traumatic injury cases, but this divergence is explained by the greater frequency of severe illness cases. As shown in Figure 3, occupational illness cases were about twice as likely as traumatic injury cases to be identified for intensive support. Among claimants in cases who lost time from work or received intensive support, benefits paid are roughly comparable between occupational illness and traumatic injury cases. The higher average cost of occupational illness cases appears to be driven by the higher proportion with severe injuries or illnesses.

Workers Compensation Programs: Further Exploration

This study highlights the potential for using administrative data to explore policy-relevant issues on workers' compensation programs. As a study that created and investigated an analytic data set based on FECA administrative data, it shows the potential use of data collected for the purpose of case management in addressing important research questions about a specific workers' compensation program and about workers' compensation in general.

This research was conducted by Mathematica Policy Research for DOL's OWCP and was sponsored by DOL's Chief Evaluation Office. The full report is available on the DOL website www.dol.gov/asp/evaluation