

Return to Work in the Oregon Workers' Compensation System

Research & Analysis Section

Department of Consumer & Business Services

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by Mike Maier

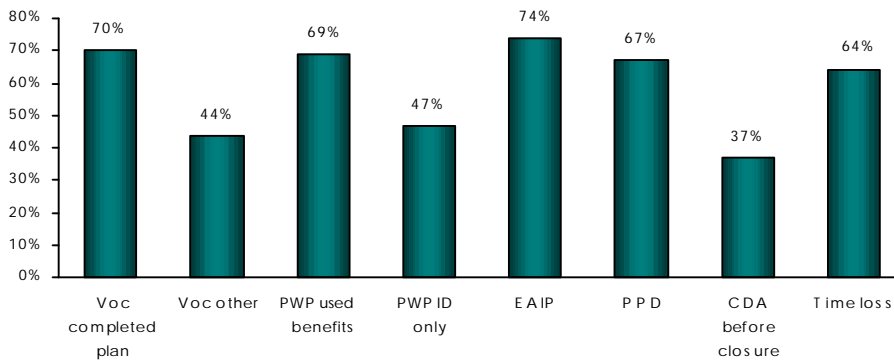
The Department of Consumer and Business Services (the department) examined several years of wage records obtained from the Oregon Employment Department, for more than 45,000 Oregonians with accepted workers' compensation claims. These were claims for disability caused by a work-related injury or illness in 1992 and 1993.¹ By the time their claims were closed, about 10 percent of the injured workers² were determined unable to return to their regular work, generally

(CDA) had the lowest long-term reemployment rate. Workers in the CDA group, like other severely disabled workers, also suffered substantial disruption in wages earned, on average, due to the effects of the work-related injury.

Background. In a previous study, *Return to Work Experience, 1991-1993, for Oregon Workers' Compensation Claims Closed in 1991* (July 1995), the department analyzed wage data from the Oregon

Employment Department for several samples of injured workers with varying degrees of disability. That study found that disabled workers who used return-to-work benefits had higher rates of reemployment during the two to three year period following their exits from the workers' compensation system, to the extent that they fared about as well as injured workers who didn't need (and didn't receive) reemployment assistance; and that reemployment rates were low for workers who settled their claims via

Figure 1. Employment rates, first quarter 1998, workers injured in 1992 and 1993



because of the severity of their work-related disabilities. Severely disabled workers who made use of return-to-work benefits had higher rates of reemployment following the injury, compared to similar workers who did not use these benefits. This finding holds true for both the use of Preferred Worker Program (PWP) benefits and completion of a vocational ("Voc") assistance plan (see Figure 1).

Among workers who were determined able to return to regular work, about two-thirds were employed in 1998, four to six years after injury. Faring best were workers who returned to light duty via wage subsidies under the Employer-at-Injury Program (EAIP), while their claims were open: nearly three-quarters were still employed in 1998, years after their light duty. Workers who settled their open claim via a Claim Disposition Agreement

Claim Disposition Agreements. The study also found a 24-percent attrition rate in a control group of all Oregon workers; that is, after two years, only 76 percent of a random sample of all Oregon workers earned Oregon wages.

In this report, we expanded the analysis by measuring employment and average wages (in current dollars) during the 15 quarters prior to injury and at least 17 quarters after injury, through the first quarter of 1998. We also focused more clearly on disability and use of return-to-work programs under Oregon's Workers' Compensation Law. Here, disability is the limitations, caused by the work-related injury, that result in both the inability to perform work done prior to the injury and eligibility for return-to-work programs. Secondly, disability is measured by the level of benefits that may be provided by an award of

¹In Oregon, a workers' compensation claim is disabling if the injury or illness will likely result in death or permanent disability, or if the worker misses more than three days from the job and temporary disability benefits are due and payable. This study by the Department of Consumer and Business Services (DCBS) resulted from a request from Boston University for Oregon records of wages and work-related injuries and illnesses, for a study funded by the National Institute for Occupational Safety and Health (NIOSH) on lost earnings among injured workers in several states. Results of the NIOSH-funded study are forthcoming. Both studies were based on disabling claims from accident years 1992 and 1993 that had been reported to DCBS as of mid-January 1999. Additional criteria for inclusion in the DCBS study were the existence of Oregon Unemployment Insurance wage records from the quarter of the injury or illness; a claim closure or settlement, and no award for fatality or permanent total disability benefits. The resulting data set was comparable to the universe of all disabling claims from accident years 1992 and 1993, with the exception of the distribution of industry divisions. The most significant difference was that 24.4 percent of workers from the universe were employed in the services sector, compared to 22.7 percent for the data set used in this study.

²Forms of the word "injury" also imply occupational illness in this report.

Permanent Partial Disability (PPD), but also by other measures, such as the length of the claim.

In general, workers' compensation insurers determine inability to return to work and entitlement to any PPD benefits at claim closure, based on medical evidence available at the time that the injured worker becomes medically stationary. Also known as maximum medical improvement in other jurisdictions, medically stationary indicates that neither further treatment nor time will likely improve the worker's condition.³ In sum, we analyzed the data using three broad classifications of disability, based on reports by insurers around the time of claim closure, as follows:

1. Workers eligible for vocational assistance: the permanent disability resulting from the injury prevented reemployment in any job paying at least 80 percent of the wages earned prior to injury. This category compares workers who completed a vocational plan to those who did not ("Voc other"). Although provision of vocational assistance is mandatory for the insurer, participation by the injured worker is voluntary. Workers eligible for vocational assistance are almost always eligible for Preferred Worker Program benefits, too.

2. Preferred Workers: workers who cannot return to regular work (the job at injury or similar work) due to limitations resulting from the injury are identified by the department as

Preferred Workers. Most of these workers had an award of PPD benefits. Preferred Worker Program benefits are incentives to employers to return disabled workers to employment. Actual use of benefits available under the program is at the option of the injured workers. Within this classification is a comparison of workers who used these benefits and workers who did not ("ID only").

3. Workers with no return-to-work assistance following claim closure: the disability was temporary (only time-loss benefits were paid), or the limitations from any permanent disability resulting from the injury were not expected to prevent the workers from returning to regular work. Also included in this category were workers placed into light duty under the Employer-at-Injury Program who did not need further reemployment assistance following claim closure; and workers who settled their claim via a Claim Disposition Agreement (CDA), while their claim was open, and did not receive reemployment assistance thereafter.

Claim characteristics. Within each of our three classifications of disability, then, are at least two comparison groups, for a total of 7 groups of claims analyzed in this report. Table 1 gives a frequency for each of the groups. By far the largest group is the time-loss group, or workers whose disability was determined to be temporary.⁴

Table 1. Average costs per claim of return-to-work assistance

	Vocational assistance		Preferred Workers		No RTW assistance following claim closure			
	Completed plan	Other	Used benefits	ID only	EAIP	PPD	CDA before close	Time loss
Claims	369	1,353	739	2,154	1,699	9,272	597	29,419
Percent of total claims	0.8%	3.0%	1.6%	4.7%	3.7%	20.3%	1.3%	64.5%
Vocational assistance¹	\$13,223	\$3,892	-	-	-	-	-	-
Professional rehab organizations	7,726	3,305	-	-	-	-	-	-
Purchases	5,497	587	-	-	-	-	-	-
Preferred Worker Program	\$4,917	\$2,311	\$9,647	-	-	-	-	-
Wage subsidies	3,094	1,020	3,904	-	-	-	-	-
Worksite modifications	1,444	694	2,602	-	-	-	-	-
Purchases	200	140	400	-	-	-	-	-
Claim cost reimbursements	179	457	2,741	-	-	-	-	-
Employer-at-Injury Program	\$170	\$125	\$427	\$184	\$1,298	-	-	-
Wage subsidies	155	115	376	165	1,248	-	-	-
Worksite modifications	7	\$9	42	14	38	-	-	-
Purchases	8	\$1	9	5	12	-	-	-
Total return-to-work assistance	\$18,310	\$6,328	\$10,074	\$184	\$1,298	-	-	-

Notes: RTW is return to work. EAIP is the Employer-at-Injury Program. PPD is Permanent Partial Disability. CDA is Claim Disposition Agreement.

1. Excludes time loss paid during training.

³Oregon law permits claim closure prior to the worker becoming medical stationary. When the worker has a pre-existing condition that combines with or prolongs the disability from the workplace injury or illness, the worker's claim may be closed if the accepted injury is no longer the major contributing cause of the combined or consequential condition. The worker's claim may also be closed if the worker fails to seek treatment or fails to attend a closing examination. The department does not have data to distinguish these closures from "medically stationary" closures.

⁴The final data set for this study included 45,602 accepted disabling claims that met the criteria for inclusion listed in footnote 1, out of 61,406 accepted disabling claims for injuries and illnesses during 1992 and 1993. Most excluded records (about 13,400) did not meet the criterion of an electronic match, on the Business Identification Number, to the wage data for the quarter of injury. In recent years, increased interagency cooperation has largely remedied the problem of conflicting identifiers, but those efforts did not result in "cleaner" data for many 1992 and 1993 records.

Also shown in Table 1 are the three main return-to-work programs under Oregon's Workers' Compensation Law, plus the benefits or services that the department tracks for each, and the average costs per claim of those benefits. Statistics are provided for each of the seven groups of claims. Under vocational assistance, professional rehabilitation organizations provide services such as plan development, and counseling and guidance, and insurers provide for purchases of goods and services such as tuition, books, tools and equipment, etc. Both the Employer-at-Injury and Preferred Worker Programs offer benefits that may be categorized as incentives to employ injured workers, but toward different goals. The Employer-at-Injury Program promotes placement of injured workers into light duty while their claims are still open, the theory being that return to regular work more easily follows early return to work. The Preferred Worker Program focuses on workers unable to return to regular work following claim closure, and it includes a premium-exemption benefit that provides full reimbursement of claim costs incurred during three years' employment of a Preferred Worker.

As might be expected, workers who completed a vocational assistance plan used more return-to-work benefits than work-

ers who didn't complete a plan. This holds true even for their use of benefits under the Preferred Worker Program. Equally obvious, Preferred Workers who used the program's benefits had much higher return-to-work costs than the workers who didn't use these benefits. Some workers with disabilities severe enough to result in eligibility for vocational assistance and the Preferred Worker Program had also used benefits under the Employer-at-Injury Program, prior to claim closure. For workers in the EAIP group, whose disabilities were not severe enough to result in eligibility for return-to-work assistance following claim closure, the average cost of placement into light duty was about \$1,300.

Table 2 presents the average costs of medical and indemnity benefits for these groups, as reported to the department. In general, the more severe the disability, the more costly the claim. Injured workers who qualified for vocational assistance had the most expensive claims, at an average of almost \$62,000 for workers who completed a vocational assistance plan. Claims for Preferred Workers cost about half of claims involving vocational assistance. Statistics in Table 2 exclude the costs of return-to-work assistance, with the exception of time loss paid during a training plan under vocational assistance.

Table 2. Average costs per claim of medical and indemnity benefits

	Vocational assistance		Preferred Workers		No RTW assistance following claim closure			
	Completed plan	Other	Used benefits	ID only	EAIP	PPD	CDA before close	Time loss
Medical services ¹	\$21,817	\$13,680	\$11,816	\$10,445	\$5,051	\$5,752	unknown	\$1,208
Time loss ¹	\$26,220	\$15,381	\$7,484	\$ 7,857	\$2,724	\$2,808	unknown	\$909
PPD award	\$11,234	\$8,768	\$8,516	\$ 7,205	\$2,297	\$4,624	\$ -	\$ -
CDA	\$2,145	\$16,269	\$2,918	\$ 3,540	\$ 592	\$ 537	\$ 12,132	\$109
DCS	\$308	\$1,435	\$580	\$964	\$ 261	\$ 178	\$3,093	\$71
Total costs	\$61,724	\$55,533	\$31,314	\$30,011	\$ 10,925	\$13,899	unknown	\$2,297

Notes: RTW is return to work. EAIP is the Employer-at-Injury Program. PPD is Permanent Partial Disability. CDA is Claim Disposition Agreement. DCS is Disputed Claim Settlement.

1. Data reported by insurers at claim closure. Includes time loss during training.

Workers who received no return-to-work assistance had the least expensive claims. For those with only time loss benefits, the average cost was around \$2,300. Average costs for workers in the EAIP group were almost as high as those for workers in the PPD group, which is one indication that employers select workers with relatively severe claims for light-duty placement. Note that average total costs for the CDA group is unknown. The department does not have a comprehensive mechanism in place to collect medical costs and time loss benefits paid for accepted claims that settle via a Claim Disposition Agreement before claim closure; because there is no claim closure, the insurer does not provide a report of claim closure.

Table 3 provides several measures of claim complexity.⁵ For the most part, these statistics demonstrate that higher levels of disability are associated with more complex claims: longer claims, higher costs, more settlements of denied claims (DCS, or Disputed Claim Settlement), and more attorney involvement, as seen in the vocational assistance and Preferred Worker classifications.

The exception to this pattern is the CDA group, which is within the classification of least disability because these injured workers received no return-to-work assistance. Injured workers who settled their accepted claims prior to claim closure had

⁵Claim complexity is not a well-defined term. However, research by the National Council on Compensation Insurance, for example, equates claim complexity with claims that are prolonged and higher in cost, where injuries are more contentious. Specifically, workers are more likely to seek representation by attorneys when their claims are more complex. See "Legal Reforms Lower Attorney Involvement in Lost Time Claims," presented in NCCI's 1999 *Issues Report*.

Table 3. Measures of claim complexity

	Vocational assistance		Preferred Workers		No RTW assistance following claim closure			
	Completed plan	Other	Used benefits	ID only	EAIP	PPD	CDA before close	Time loss
Average time loss days paid ¹	430	289	179	184	59	59	unknown	21
Average days, injury to closure ²	1,051	766	397	407	259	306	538	147
Average indemnity & medical costs ³	\$61,724	\$55,533	\$31,314	\$30,011	\$10,925	\$13,899	unknown	\$2,297
Avg annualized indemnity & med costs ⁴	\$21,436	\$26,462	\$28,790	\$26,914	\$ 15,396	\$ 16,579	unknown	\$5,703
Median medical paid ⁵	\$8,539	\$5,894	\$4,047	\$ 4,562	\$1,200	\$3,064	\$3,939	\$596
Percent claims with DCS	7.9%	19.6%	12.9%	15.5%	3.9%	3.8%	39.7%	1.8%
Attorney representation	76.7%	84.3%	67.5%	70.4%	24.2%	35.8%	83.4%	7.8%

Notes: RTW is return to work. EAIP is the Employer-at-Injury Program. PPD is Permanent Partial Disability. CDA is Claim Disposition Agreement. DCS is Disputed Claim Settlement.

1. Data reported by insurers at claim closure. Includes time loss during training.

2. "Average days, injury to closure" measures to the end of vocational eligibility for the two Voc groups, to CDA date for the CDA group, and to first closure for the other five strata.

3. Data reported by insurers at claim closure. Includes time loss during training.

4. This measure of average costs assumes that all PPD and CDA benefits are received in a lump sum, at the time of closure. It is derived by dividing average indemnity and medical costs by average years from injury to closure.

5. Costs paid as reported under Bulletin 220, for low back strains.

longer-lived claims than Preferred Workers; medical costs, as collected by the department under the Bulletin 220 reporting system,⁶ about as high as Preferred Workers; and litigation rates, as measured by the prevalence of DCSs and attorney representation, near the top of the seven groups. In sum, these statistics suggest that workers who settled their claims prior to claim closure may have had disabilities at least as severe as Preferred Workers.

Note also that within the vocational assistance and Preferred Worker classifications, the relatively small differences in measures of claim complexity between the comparison groups does not appear to explain the large differences in post-injury reemployment rates.

Workers eligible for vocational assistance. In this study we examined records for over 1,700 injured workers who were eligible for this benefit. In general, injured workers are eligible for vocational assistance because the permanent disability resulting from the injury prevented reemployment in any job paying at least 80 percent of the wages earned prior to injury. Almost all workers eligible for vocational assistance were also eligible to use benefits under the Preferred Worker Program.

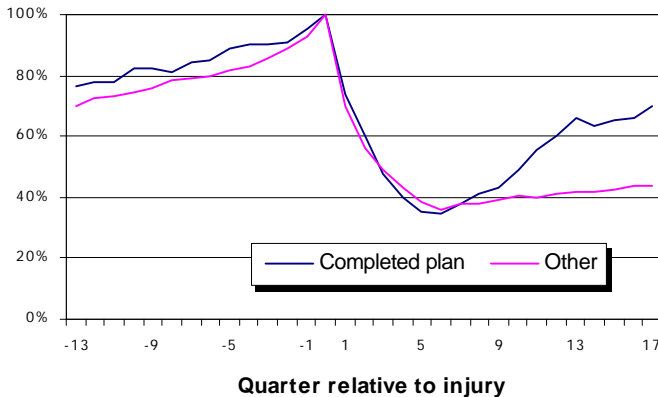
Within this category of disability, we divided workers into two groups. In measuring program effectiveness through reemployment rates, we are naturally interested in workers who completed a plan, usually for retraining but sometimes for direct employment (placement assistance based on existing

transferable skills). Reemployment rates by themselves tell only part of the story, however. A comparison group provides for a more complete evaluation: that is, workers who did not complete a plan. Often, workers in the "other voc" group released their rights to indemnity (disability payments) and vocational benefits in exchange for a lump-sum settlement through a Claim Disposition Agreement, not long after becoming eligible for vocational assistance; but some of them returned to work as a result of the limited vocational services they did receive. Workers who completed their plans accounted for 21 percent of the vocational assistance category of disability.

Figure 2 shows the employment patterns for these two groups, both prior to injury and after. Workers who completed their vocational plans were somewhat more likely to be employed prior to injury, but the differences were not large compared to the latest quarters measuring post-injury employment. Following injury, employment rates declined sharply, but a fairly large percentage of workers had some employment immediately after injury. Most likely, this was light duty and other abortive attempts to return to work as soon as possible; more than three-quarters of workers in this disability classification had at least one quarter of post-injury reemployment with the employer at injury. By the ninth quarter after injury, the employment rate for plan completers began to climb. By the 13th quarter—about the time that workers completed their vocational plans, on average—almost two-thirds of the completed-plan group of injured workers were reemployed, compared to just over 40 percent of injured workers who did not start or complete a plan.

⁶The Bulletin 220 reporting system is a detailed database of medical services and their costs, covering about 80 percent of claims. It is useful in gauging the severity of claims as measured by medical service costs, in that it is separate from insurer reporting to the department of costs at claim closure. The analysis of Bulletin 220 costs presented in this report controls for different kinds of injuries by including only claims where the ICD-9 code for low back sprains accounted for the highest medical costs for a given claim. Statistics include all medical costs reported for those claims.

Figure 2. Employment rates pre- and post-injury, workers eligible for vocational assistance

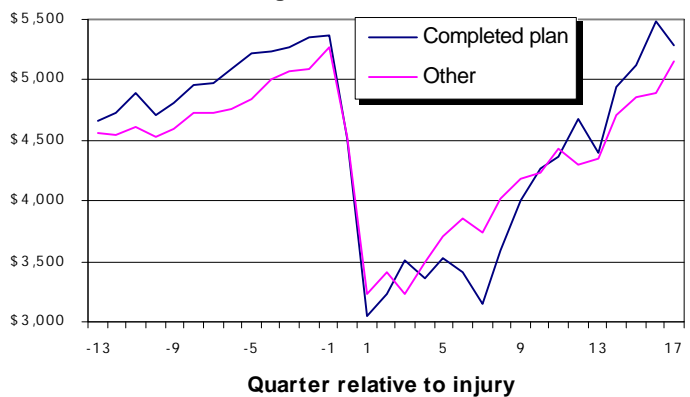


Demographics offer little explanation for the large difference in reemployment rates between the two groups of workers. Both groups were just over 70 percent male, and both showed average tenure with the employer at injury at about four years. There was some difference in average age at injury, 38 for plan completers and 40 for the others; and in education level at the time of injury, with plan completers including about 71 percent with no more than a high school education at the time of injury, compared to 74 percent. However, these differences do not likely explain reemployment rates that diverge by 25 percentage points.

Figure 3 displays average quarterly wages, for employed workers in each group.⁷ Most noteworthy, perhaps, is the disruption in average wages earned that results immediately following a severe work-related injury or illness.⁸ With regard to differences between the two groups, plan completers had pre-injury wages somewhat higher than the other 79 percent of workers eligible for vocational assistance, but both groups suffered precipitous drops in average wages in the injury quarter and immediately following. By the 17th quarter after injury, reemployed workers in both groups had just about recovered the wages levels enjoyed just prior to injury. At that point, however, the average wages represent the 70 percent of plan completers who were reemployed, compared to 44 percent reemployment of other workers who had been eligible for vocational assistance.

In sum, workers eligible for vocational assistance who actually completed plans were relatively few, and current completion rates are similarly low. However, reemployment rates for plan completers were half again as high as for workers who did not

Figure 3. Average quarterly wages pre- and post-injury, workers eligible for vocational assistance



complete their plans. There is no evidence that workers who did not complete their plans had more complex claims. The most likely explanation for the difference in reemployment rates appears to be the vocational assistance benefits themselves, together with the greater use of Preferred Worker Program benefits by plan completers.

Preferred Workers. Workers who cannot return to regular work (the job at injury or similar work) due to limitations resulting from the injury are identified by the department as Preferred Workers. Preferred Worker Program benefits are incentives to employers to return disabled workers to employment. Actual use of the benefits is at the option of the injured workers. Most of the almost 2,900 workers included in this classification of disability had an award of PPD benefits.

We again divided workers into two groups. In measuring program effectiveness through reemployment rates, we are interested in workers who actually used the program's benefits to return to employment. This time, the comparison group is workers who did not use the program's benefits ("ID only"). Workers who used Preferred Worker Program benefits accounted for just over 25 percent of the Preferred Worker classification of disability.

A departmental publication, *Preferred Worker Program Surveys* (August 1993), provides insight into why so many Preferred Workers have not been using their benefits.⁹ More than one-quarter of the respondents stated that they were not looking for work because they were not medically able to work, or they were in school for retraining, etc. Not quite one-quarter were working, but found work before identification as a Preferred

⁷This method, comparing average Oregon covered wages at different points for all workers within each group, is the most elementary. The same method was used for Figures 5 and 7. The most serious shortcoming is that it does not take into account those workers with no Oregon covered wages.

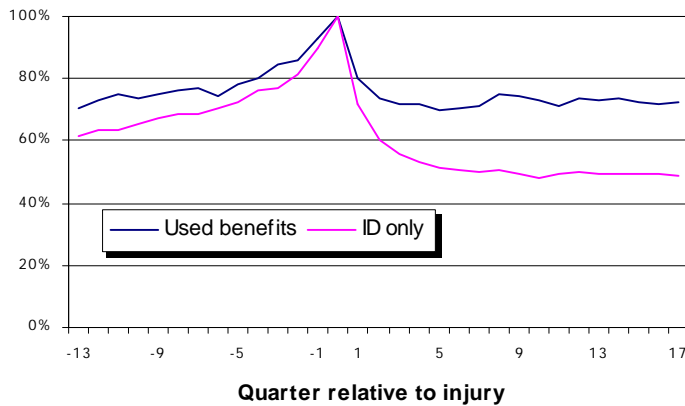
⁸Results of the NIOSH-funded Boston University study on lost earnings, forthcoming, will provide insight on the adequacy of workers' compensation benefits in replacing lost wages.

⁹The survey considered Preferred Workers who had not used their benefits three to six months following receipt of their Identification Cards in the last quarter of 1991. Preferred Workers are allowed to begin using their benefits at any time within three years after identification.

Worker, took ineligible employment or were hired by employers who did not wish to use the benefits. Less than 10 percent of the respondents indicated that they consciously chose to look for work without using the ID Card, mainly to avoid identification as an injured worker. The remainder were actively seeking employment using the ID Card.

Figure 4 shows the employment rates for these two groups, both prior to injury and after. Workers who used program benefits were somewhat more likely to be employed prior to injury, but the differences are not large compared to post-injury patterns of employment. Again, more than three quarters of these disabled workers had at least one quarter of post-injury reemployment with the employer at injury, but by the time their claims were closed, they were determined unable to return to their regular jobs. By the fifth quarter after injury, close to three-quarters of the workers who used their benefits were reemployed, compared to about half of injured workers who did not use program benefits.

Figure 4. Employment rates pre- and post-injury, Preferred Workers



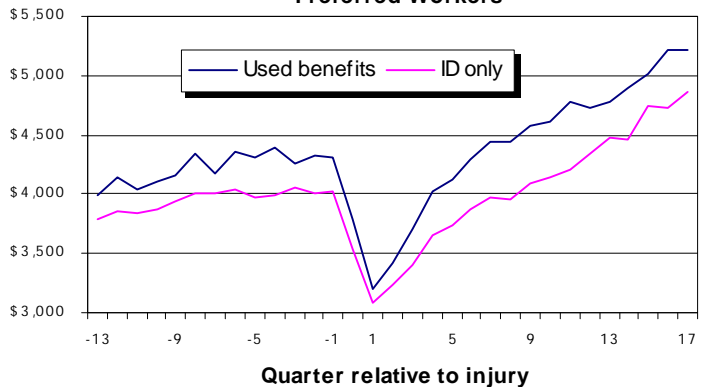
In fact, all Preferred Workers who used their benefits were re-employed at some point after the injury, but not all at the same time. One reason for this is that injured workers re-enter the labor force at different points, due to differences in recovery time related to the severity of their injuries, difficulties in the job search, etc. Another reason is that any group of workers will show attrition from the employment rolls over time, due to factors such as layoffs, moving out of state, self-employment, pregnancy and new-born leave, retirement, etc. The earlier departmental study on return to work showed an attrition rate of 24 percent over eight quarters.

Table 3 showed that Preferred Workers who did not use their benefits had somewhat more complex claims than benefit users. Demographic characteristics may also explain some of the

large difference in reemployment rates between the two groups of workers. Workers who used their benefits were 64 percent male, compared to 58 percent of the ID-only group. Benefit users were on average about a year younger at injury, but they were also somewhat more likely to have completed no more than a high school education. However, all of these differences together do not likely explain reemployment rates that diverge by almost 25 percentage points.

Figure 5 displays average quarterly wages, for employed workers in each group. Workers who used Preferred Worker Program benefits had enjoyed higher average wages prior to injury, and that pattern continued after injury. Again, wage earnings for workers in both groups were clearly affected by the injury, as shown by the large dip in average wages. Reemployed Preferred Workers who used their benefits were earning wages at the pre-injury level by the sixth quarter, on average, compared to the ninth quarter for other Preferred Workers. By the 17th quarter, workers in both groups who were reemployed after injury had regained about 120 percent of their wages at the time of injury. At that point, however, the average wages represent the 73 percent of benefit users who were reemployed, compared to the 48 percent reemployment for Preferred Workers who did not use their benefits.

Figure 5. Average quarterly wages pre- and post-injury, Preferred Workers



In sum, Preferred Workers who actually used the program's benefits were relatively few, and current statistics show similarly low use, as well as a declining rate of identification of Preferred Workers.¹⁰ However, benefit users had reemployment rates that were half again as high as workers who did not use Preferred Worker Program benefits. The most likely explanation for the difference in reemployment rates appears to be the use of reemployment benefits. For the average Preferred Worker, the wage subsidy was the most important benefit in terms of cost, but worksite modifications and claim cost reimbursements under premium exemption were also significant.

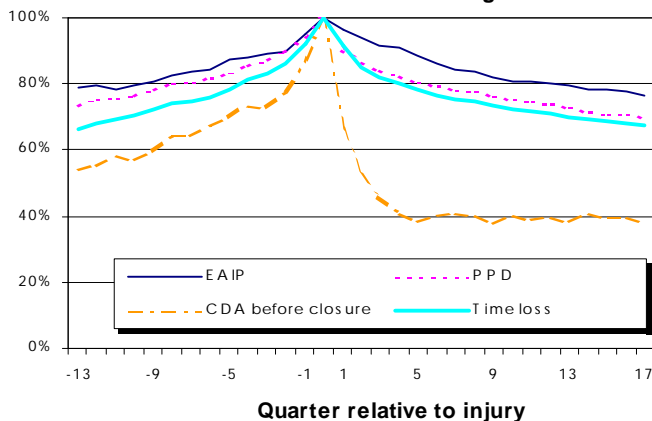
¹⁰See the department's *The Preferred Worker Program, Fiscal Years 1999 and 2000* (May 2001).

Workers with no return-to-work assistance following claim closure.

This classification of disability includes the majority of injured workers, those who were determined able to return to their regular work. By far the largest group within this class were the almost 30,000 workers whose disabilities were temporary; only time-loss benefits were paid. Close to 9,300 injured workers had PPD awards, but the limitations from the permanent disability resulting from the injury were not expected to prevent the workers from returning to regular work. Also included in this classification of disability were about 1,700 workers placed into light duty under the Employer-at-Injury Program who did not need further reemployment assistance following claim closure; and around 600 workers who settled their claim via a Claim Disposition Agreement (CDA), while their claim was open, and did not receive reemployment assistance thereafter. This is a diverse classification of disability, considering the secondary measurement of disability, whether a worker received a PPD award, as well as other measures of claim complexity, such as claim duration.

Figure 6 shows the employment rates for the four groups of workers who received no post-closure reemployment assistance. Employment patterns relative to each of the groups were similar for both pre-injury and post-injury experience. That is, the EAIP group had the highest employment rates before and after injury, while the CDA-before-closure group had the lowest. However, the CDA group’s post-injury employment was much worse than would be expected, all else being equal. By the fifth quarter, injured workers who settled their claims before closure appeared to be locked into a 40-percent reemployment rate.

Figure 6. Employment rates pre- and post-injury, workers able to return to regular work



By the 17th quarter, workers with PPD awards had somewhat better post-injury rates than workers with no permanent disability (time-loss group), but the explanation for that may lie, in part, in the higher pre-injury employment rates for workers in the PPD group. Variations in return-to-work rates exist within the large time-loss only group (not shown in the figure), and an important factor is claim duration. Some 70 percent of workers receiving one to five days of time loss payments were employed in the 17th quarter after injury, compared to 67 percent

for workers receiving 21 to 30 days of benefits and 57 percent for workers receiving more than 60 days of time-loss payments.

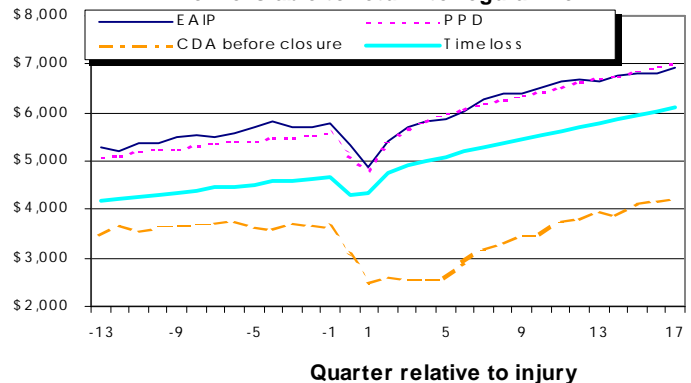
The EAIP group’s employment rate was 76 percent, higher than the others, even though these injured workers, too, had received no reemployment assistance after closure, and even though measures of claim complexity suggest that workers in the EAIP group had claims more severe than workers in the time-loss group. Possibly, the payback for light-duty work, in this case subsidized light duty during the recovery period, may extend well beyond the exit from the workers’ compensation system.

Table 3 provided evidence that workers in the CDA group had claims as complex, in fact, as workers in the Preferred Worker classification of disability. Yet they received no reemployment benefits after their claims were settled, nor even identification as Preferred Workers. In general, workers who settle their accepted claims with a CDA often settle their denied benefits with a DCS. The combination of a CDA and a DCS often ends any potential eligibility for the Preferred Worker Program. About 40 percent of the CDA group settled denials with a DCS.

There were also some demographic differences. The CDA group was only 62 percent male, compared to at least 68 percent for the other groups. Workers in the CDA group also had the lowest tenure with the employer at injury, at an average of 28 months at the time of the accident, compared to nearly four years for workers in the time-loss group, and 5.5 to almost 6 years for the PPD and EAIP groups, respectively. However, the youngest workers, on average, were in the time-loss group.

Figure 7 shows average quarterly wages, for employed workers in each of the four groups. Here again, substantial differences in average pre-injury wages among the groups were replicated, for the most part, after injury. However, average quarterly wages for the CDA group were much lower, for almost the entirety of the measurement; and their averages were calculated on the much lower bases of reemployed workers—less than 40 percent reemployment from about the fifth quarter after injury, on.

Figure 7. Average quarterly wages pre- and post-injury, workers able to return to regular work



Workers within the time-loss group suffered the least disruption in wage earnings, on average. By all measures, these workers had the least severe claims. Workers in the EAIP and PPD groups suffered somewhat more disruption; their disabilities were more severe. Workers in the CDA group had the deepest drop in wage earnings, and they required the longest to recover to their pre-injury levels. As of the 17th quarter after injury, reemployed workers within all the groups had improved substantially on the groups' average pre-injury earnings. However, the averages were calculated only for workers with covered Oregon wages.

In sum, workers placed in light-duty jobs while their claims were still open—the EAIP group—had the best long-term employment patterns after injury, noticeably higher than for both workers with a PPD award and workers with no permanent disability (time loss). Use of the Employer-at-Injury Program has increased greatly in recent years, to nearly 20 percent of accepted disabling claims. In this report, we analyzed

employment patterns for EAIP placements occurring at the inception of this return-to-work program.

The 600 workers in the CDA group had weak employment rates prior to injury, but their post-injury employment was far worse than for other groups in the least-disabled classification. In fact, workers in the CDA group apparently suffered injuries of a severity comparable to Preferred Workers, but they were not identified as eligible for any return-to-work assistance. Current statistics indicate that about 900 workers a year settle their disabling claims by a Claim Disposition Agreement prior to closure. Since most of them do not receive reemployment assistance, the size of a CDA group for accident years more recent than 1993 would show a substantial increase, more than double the size of the group analyzed in this report. Moreover, CDAs were and are common among all workers with severe work-related disabilities. In general, the CDA is associated with low rates of post-injury employment and low use of return-to-work assistance.

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