

RELEASED

RESTRICTED — Not to be released outside the General Accounting Office except on the basis of specific approval by the Office of Congressional Relations.

111351



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

WRB

HUMAN RESOURCES
DIVISION

JANUARY 21, 1980

B-197407

The Honorable Tom Steed *6450001*
House of Representatives

Dear Mr. Steed:

Subject: Hearing Loss Claims Processing Delays Under
the Federal Employees' Compensation Act
(HRD-80-19)

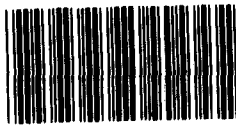
On February 9, 1979, you requested assistance in finding ways to expedite the processing of hearing loss claims under the Federal Employees' Compensation Act (5 U.S.C. 8101). As stated more fully in our conclusions and recommendations, which start on page 8, we believe such claims can be processed faster by centralizing the processing function and by making greater use of full-time rather than temporary examiners.

*06
03161*

The Federal Employees' Compensation program is administered by the Office of Workers' Compensation Programs (OWCP) in the Department of Labor's Employment Standards Administration. OWCP has a Division of Federal Employees' Compensation at the national office and 15 district offices. In 1976, to reduce the claims backlog at the district offices, Labor established a special Hearing Loss Task Force in the Branch of Special Claims in the Division of Federal Employees' Compensation at the national office.

Your office gave us information on 15 hearing loss cases that have been pending with Labor for about 1 to 5 years. We examined Labor's files for 9 of the 15 cases. Files for these cases were maintained by the Hearing Loss Task Force. Files for the other six cases were not readily available because they were being processed at a district office or at OWCP's Branch of Hearings and Review. We discussed the nine available cases with task force officials and obtained information on the (1) growth of hearing loss cases, (2) establishment of the task force, and (3) procedures and practices for processing hearing loss cases.

(201630)



111351

508361

Our review disclosed (1) substantial delays before examiners reviewed information, (2) lack of response to claimants' requests for claim status, and (3) insufficient expertise in examining and developing hearing loss cases.

GROWTH OF CLAIMS

Federal civilian employees' claims for hearing impairment compensation numbered about 500 in 1969, peaked at about 8,900 in 1976, and dropped to an estimated 2,700 in 1978. Claims for the 10-year period 1969-78 totaled about 46,000. During that time, claims for other work-related injuries and diseases also increased. The overall caseload, including hearing loss claims, increased from about 17,900 claims in fiscal year 1969 to over 126,000 in 1978.

During the first several years of hearing loss claims growth, claims examiners generally gave hearing loss claims a low priority. This was because hearing loss compensation is a scheduled award, which provides compensation for an impairment regardless of whether it resulted in a loss of wages. Most hearing loss injuries do not result in wage losses, but many other injuries do. The growth of hearing loss claims, coupled with greater demands on examiners from the growth of higher priority claims, led to a large backlog of hearing loss claims.

ESTABLISHMENT OF HEARING LOSS TASK FORCE

In March 1976 Labor responded to the growing backlog of hearing loss cases by establishing a Hearing Loss Task Force in Washington, D.C., to process the claims backlog of the OWCP district offices. The task force was established as a temporary group and staffed primarily with temporary employees (appointed for periods ranging from 3 months to 2 years) under the supervision of two experienced examiners specializing in hearing loss claims. By September 1979--3-1/2 years later--the task force had made decisions in 11,740 cases and approved 5,035, averaging about \$7,300 per award and totaling about \$37 million.

The task force has generally given more consideration to information supplied by the employing agencies than did the OWCP district offices. OWCP procedures require that

compensation be based on an audiometric examination by an otologist (a physician specializing in the ear and its diseases); however, the Chief of the Special Claims Branch said that, if the results of the audiometric examination conflict with other evidence in the case file (such as employer screening tests), additional testing is required. Also, the task force has identified several otologists whose examinations have frequently been questionable. Tests submitted by these physicians are not used, and claimants are referred for testing by otologists who have established credibility with the task force.

At the time of our review, Labor planned to have the district offices adjudicate all hearing loss claims filed after January 1, 1979, and to disband the task force after it finished adjudicating its present inventory. As of October 3, 1979, the task force had a pending inventory of about 8,000 cases.

CASE PROCESSING PROBLEMS

The nine cases we reviewed originated in the Dallas OWCP district office, and most had been partially processed before being referred to the task force. One was forwarded to the task force in September 1976; the other eight were forwarded in August 1978. At the end of April 1979, the claim forwarded in September 1976 had been in process for 66 months, and the other eight claims had been in process from 11 to 39 months.

Our review of these cases disclosed (1) substantial delays before examiners reviewed cases because of case backlog and insufficient expertise in case processing and (2) a lack of response to claimants' requests for claim status.

Delays in review of claims

Because of large inventories of unresolved claims in the district offices and at the task force, claims examiners were not able to review claims or additional items of information as they came in. Delays were greatest at the district offices.

The nine cases involved many actions that were delayed for 2 months or more. The following three cases show the nature of some of the processing delays.

Delays of 2 months or more
before the initial review and
between successive reviews

<u>Case</u>	<u>Location</u>	
A	District office	15 months without review before referral to the task force.
	Task force	2 months before first review by the task force.
		2 months after medical report received before further action was initiated.
B	District office	6 months before first review.
		23 months after claimant submitted additional information before more information was requested.
	Task force	9 months before first review by the task force.
		6 months after claimant submitted additional information before more information was requested.
		2 months after employer submitted requested information before referral was made to otologist for examination.
		7 months after otologist report was submitted before task force audiologist reviewed the report and recommended further otological testing.
C	District office	26 months before first review.
		3 months after learning from employer that medical records had been sent to the Federal Records Center before examiner requested the records from the center.
	Task force	2 months, as of May 1979, after receiving audiogram from the otologist before taking further action.

The Chief of the Special Claims Branch advised us that the branch now has a goal of reviewing every case in the task force inventory at least every 3 months. To help achieve this goal, the task force recently developed a computerized inventory, listing cases in order of days since the last task force action and identifying the responsible claims examiner.

Lack of response to claimant inquiries

In four of the nine cases we reviewed, claimants did not receive appropriate or timely responses to requests for information on the status of their claims.

For example, in one case, the claimant sent a letter to the district office in February 1978, noting that his claim had been filed in June 1976, but that he did not have a claim or file number and would appreciate knowing the claim's status. The response, made in August 1978, told him only that his case was being transferred to the task force.

In October 1978 the claimant notified the task force that his claim had been filed 2-1/2 years earlier and expressed hope that the claim had not been overlooked. He requested information on the status of the claim. No response was made.

In December 1978 the claimant asked his Congressman to look into the matter. As a result of the Congressman's letter to Labor, the case was reviewed, and additional information was requested from the claimant and his employer.

- - - -

The Chief of the Special Claims Branch explained that claimant inquiries are not answered because this would necessitate reviewing the claimant's file and preempting the processing of other cases.

As a compromise, the task force plans to soon begin forwarding a post card to the claimant when a request for status is received. The post card would advise the claimant that the office has received the inquiry and will review the case in turn, according to the date of inquiry.

CLAIMS EXAMINERS LACKED EXPERTISE

From our review of individual cases, it appeared that personnel who examined and developed hearing loss claims, at both the district offices and the task force, had insufficient expertise.

District office staff

District office claims examiners appeared to lack sufficient knowledge about the causal relationships of occupational noise to hearing impairment and sufficient understanding of audiometric testing to be able to analyze and evaluate the test results. The processing procedures required a great deal of information to be developed about a claimant's occupational noise exposure history, but they gave little guidance on how to evaluate this information. Consequently, as we found in a previous review, 1/ claims examiners looked only for certain information and, if it was present, considered the claims valid and settled them.

One such type of information is an audiogram done by an otologist. The procedure manual states that:

"* * * a claims examiner should not attempt to resolve any question of causal relationship or degree of permanent disability until the employee has been examined by an otologist and the case contains an appropriate report from the medical specialist."

Often, other audiograms in the claimant's file would conflict with the one submitted by the claimant's otologist. Examiners, however, would accept the otologist's report as valid without resolving the conflict. In our previous report, we identified 20 such cases out of 98 randomly selected hearing loss awards from three district offices. The excessive compensation paid in these cases represented 15 percent of the total awarded in all 98 cases.

1/Report to the Congress, "To Provide Proper Compensation for Hearing Impairments, the Labor Department Should Change Its Criteria" (HRD-78-67, June 1, 1978).

Also, in a recent Labor pilot study of test discrepancies, otologic retests were given to 194 claimants who received awards for 50-percent impairment or more in the Norfolk, Virginia, area. Retest results of 128 of these claimants have been evaluated. These retests showed that half of the claimants had true impairments substantially less than that on which the awards were based. At the time of our review, the overpayments for 43 of the claimants had been computed and totaled \$434,709.

The head of the task force noted that, of these, 37 were decided by the district office and 6 by the task force. For the 37 cases, the average overpayment was \$10,865; for the other 6 cases, the average overpayment was \$5,453.

Task force staff

The task force's approach to award determinations produced more accurate awards than those made by district offices. However, the task force's determinations could have come much quicker, in many cases, if the examiners who gathered information on the claimed hearing impairments were better able to analyze and evaluate the value of the information submitted.

Because most task force examiners are temporary employees who are only with the task force for a few months (at one point new employees were being trained by more senior members who only had 4 months' experience), case processing has been separated into stages, with new examiners developing the information and more experienced examiners deciding the cases.

Five of the nine hearing loss cases we reviewed could have been resolved more quickly if the claims examiners had been (1) familiar with the technical aspects of hearing loss and (2) better able to analyze and evaluate the value of the data submitted.

Our observations on one of these five cases follow:

Two years before the award, the district office claims examiner could have obtained sufficient evidence to decide the case by requesting the examining otologist to submit audiograms that he neglected to submit with his March 1978 report.

Instead, the district office examiner requested additional noise exposure information from the claimant, in an apparent attempt to determine whether the claim was filed within the legal time limit of last noise exposure. This was unnecessary, however, since sufficient evidence already existed in the files to support the timeliness of the filing.

When the task force examiner reviewed the case in December 1978, he too failed to request the audiograms and tried to obtain additional information on noise exposure and employer audiograms. In February 1979, the examiner requested the March 1978 audiogram, which was promptly provided. The otologist's report also referred to a September 1976 audiogram (the claimant retired in June 1976), but the examiner failed to request that as well.

Since the September 1976 audiogram was closer to the time of last occupational noise exposure, it would have served as a better basis for award. Instead, compensation was also provided for any progression of the impairment between September 1976 and March 1978.

- - - -

The Chief of the Special Claims Branch concurred in our evaluation of the nine cases and noted that, except for one case, they were fairly typical of processing problems faced by the task force. He agreed with our observations on that case, where we found the statement of facts provided to the otologist to be misleading; however, he pointed out that this would occur infrequently because all available details of noise exposures and durations are usually reported to the examining otologist.

CONCLUSIONS

Although the case backlog has been the primary reason for delays in district office and task force hearing loss case processing, such delays also have resulted because claims examiners lacked expertise in processing these cases.

In our opinion, the timeliness and quality of claims processing can be improved by employing full-time examiners instead of temporary ones. Such an arrangement would allow the staff to become more familiar with, and be trained in, the technical aspects of hearing loss cases. As a result,

examiners would be able to process cases from beginning to end and should become more skilled in (1) determining the relevance of information submitted and the need for additional information and (2) processing cases more quickly.

Although specialized full-time examiners could be assigned to district offices with the heaviest caseloads of hearing loss claims, we believe consideration should be given to efficiencies obtainable from maintaining the central hearing loss unit. These would include (1) shared knowledge derived from a wide variety of case problems, including noise measurement information supporting causal relationships and the reliability of various employer and otologist audiometric testing, (2) training of new examiners, and (3) availability of an expert audiologist staff for consultation on technical matters.

Also, if hearing loss claims were processed at the district offices, they might be given a lower processing priority than other injury claims that involve wage losses. During heavy workload periods when the district offices cannot promptly process all claims received, the processing of hearing loss claims would probably be deferred, generating another backlog of such cases.

RECOMMENDATION TO THE SECRETARY OF LABOR

To more quickly process and decide hearing loss compensation claims in a manner equitable to both the claimants and the Government, we recommend that the Secretary (1) maintain the specialized unit for processing hearing loss claims and (2) use full-time claims examiners as much as possible.

AGENCY COMMENTS AND OUR EVALUATION

In its December 10, 1979, response (see enc. I) to our draft report, Labor generally concurred in our recommendations.

Labor stated that it has no plans for dissolving the task force and indicated that, as the task force inventory is being reduced, the task force would resume processing more cases from the district offices. Labor acknowledged the uniform adjudication and control of hearing loss cases that can be achieved with the task force and noted the need for a unit of this type to handle other specialized cases, such as radiation and asbestosis.

Although Labor agreed that full-time examiners would facilitate the processing of hearing loss claims, it noted that, because of the limited number of full-time positions available, temporary employees have to perform the bulk of the task force work. Labor is considering using a mix of full-time and temporary positions for the task force and limiting the temporary staff to routine and repetitive adjudication operations.


We believe that Labor's decision to continue the task force as a permanent unit, as we recommended, will continue to increase the efficiency of processing and settling these specialized cases.

We recognize the constraints placed on Labor because of the limited number of full-time positions available for Federal Employees' Compensation Act operations. However, because of the advantages of permanent examiners, Labor should, in addition to its proposed actions, attempt to obtain additional full-time positions for the task force.

- - - -

As arranged with your office, we plan no further distribution of this report for 2 days. At that time we will send copies to the Secretary of Labor; the Director, Office of Management and Budget; and other interested parties.

Sincerely yours,


Gregory J. Ahart
Director

Enclosure

U.S. Department of Labor

Office of Inspector General
Washington, D.C. 20210



Reply to the Attention of:

DEC 1 0 1979

Mr. Gregory J. Ahart
Director
Human Resources Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Ahart:

This is in reply to your letter to Secretary Marshall requesting comments on the draft GAO report entitled, "Letter Report to Congressman Tom Steed on Review of Hearing, Loss Claims Processing Delays Under the FLCA". The Department's response is enclosed.

The Department appreciates the opportunity to comment on this report.

Sincerely,

MARJORIE FINE KNOWLES
Inspector General

Inclosure

U. S. Department of Labor's Response to
the Draft General Accounting Office Report
Entitled --

Letter Report to Congressman
Tom Steed on Review of Hearing
Loss Claims Processing Delays
Under the FECA

Recommendation #1

The Secretary consider maintaining the specialized unit
for processing hearing loss claims.

Response: The Department concurs; there are no plans in the foreseeable future for dissolution of the Hearing Loss Task Force (HLTF). It is felt that a unit of this type could serve as a ready resource as the need arises in similar projects relating to other specialized types of cases, such as those involving radiation and asbestosis related diseases. As the present inventory of pending hearing loss cases is reduced, more of these cases may be called from the District Offices. Also, plans are under consideration to retest those employees who received awards for a significant loss of hearing (e.g. 50 percent or more). The HLTF may be assigned to participate in the retest program.

Recommendation #2

The Secretary consider using full-time examiners as much
as possible.

Response: The Department concurs that a stable full-time staff of examiners assigned to adjudicate hearing loss claims would facilitate the processing of such claims. In fact, full-time examiners are assigned to adjudicate the hearing loss claims in the District Offices. However, the limited number of full-time positions available for all FECA operations makes it necessary to use temporary employees to perform the bulk of the work of the HLTF. There the nature of the work more readily lends itself to processing by temporary employees than the case work of a full service office. The Department is examining

the possibility of a mix of full-time and temporary positions for the task force and limiting the temporary staff to routine and repetitive adjudicative operations. Furthermore, as noted in the draft report, the recently developed management system utilizing ADP capability for computerized inventory and mail prioritizing, has significantly aided the HLTF in their efforts to more timely develop and adjudicate hearing loss claims and respond to inquiries.

Comment: The rapid escalation of claims filed for hearing loss, combined with the dramatic increase in the number of all types of claims filed in recent years, caused acute workload problems to a program operating under the constraints of a limited staff. The creation of the Hearing Loss Task Force (HLTF) was an attempt to help relieve this problem by transferring most of the hearing loss claims from the overburdened District Offices to a central site. Also, with the establishment of the HLTF, uniform adjudication and control of the hearing loss cases could be achieved in a substantial number of cases.