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ENERGY EMPLOYEES COMPENSATION

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Why GAO Did This Study

EEOICPA was enacted in 2000 to compensate employees and contractors of the Department of Energy whose illnesses are linked to their work in the nuclear weapons industry. Part E of the Act, enacted in 2004, compensates these contractor and subcontractor workers, or their eligible survivors, for medical expenses, impairments, and lost wages up to \$250,000. GAO was asked to review DOL's management of this program.

GAO examined (1) the extent to which DOL follows its procedures to adjudicate Part E claims, (2) how DOL captures new links between toxic substances and diseases and applies them to adjudication, and (3) what DOL's monitoring indicates about the adjudication process and whether any corrective actions have been taken to address identified problems. GAO reviewed a generalizable stratified random sample of 200 Part E claims filed from 2010 through 2014; reviewed applicable federal laws, regulations, guidance, internal audit reports, and other agency documentation associated with internal monitoring; and interviewed DOL officials.

What GAO Recommends

GAO recommends that DOL take steps to ensure all decision letters receive supervisory review, and require that claims examiners document that they checked whether the SEM had been updated just prior to issuing a decision to deny a claim. DOL agreed with the recommendations and indicated it would take steps to implement them.

What GAO Found

The Department of Labor's (DOL) adjudication process for compensating Department of Energy contract workers or their survivors for illnesses linked to work in the nuclear weapons industry generally follows guidance and procedures implementing Part E of the Energy Employees Occupational Illness Compensation Program Act of 2000 (EEOICPA). Although GAO's analysis of a generalizable sample of 200 claims filed by workers from 2010 through 2014 found the adjudication process generally followed DOL's guidance and procedures, GAO identified some inconsistencies in an estimated 10 percent of the claims, including errors in correspondence to claimants and in development of claims. The procedure manual stipulates that written decisions should clearly convey information that led to the decision and that decisions are to be reviewed by the appropriate signatory. GAO found that decisions sometimes contained inaccurate, conflicting, or incomplete information, such as listing the wrong medical condition. DOL also did not always run accurate searches of its Site Exposure Matrices (SEM)—an online electronic database of facilities, toxic substances, and associated illnesses—when processing claims, or responding to requests for reopening claims. In addition, GAO found that supervisory review is at the discretion of each district office and, as a result, recommended decisions on claims were not always reviewed. This may increase the likelihood of poorly written decisions, which is inconsistent with procedures and which, in turn, increases the potential for claimant confusion and delays in adjudication.

DOL uses the SEM to, among other things, document newly identified causal links between toxins and diseases on the basis of medical research. According to DOL officials, since 2006 the number of such links listed in the SEM has increased from about 300 to over 3,000. They said that due to the large volume of information updates, DOL provides limited notification to claims examiners and the public when they occur. It has issued 10 notices specifically on new links since 2006. Therefore, it is usually incumbent on claims examiners and claimants to make themselves aware of new links by continuously checking the SEM for updates. As a result, new links are applied to claims largely to the extent these checks are performed. However, claims examiners are not always required to document that they checked whether the SEM had been updated prior to issuing a recommended decision to deny a claim. This gap in documentation hinders DOL's ability to monitor program performance, consistent with federal internal control standards.

According to DOL's monitoring, its process for adjudicating Part E claims is working satisfactorily, but persistent deficiencies remain. DOL conducted reviews from fiscal years 2010 through 2014 based on random sampling and found that the process for adjudicating claims met DOL's acceptability standards in any given year. Nonetheless, DOL consistently found deficiencies in certain adjudication steps across all years, including insufficient use of program resources to fully develop claims and improperly written decisions, as GAO also identified in its claim file review. DOL took corrective actions, such as training for claims examiners, to address deficiencies in 2010 through 2012, but determined that corrective actions were not warranted in 2013 and 2014.

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Abbreviations

CMC	Contract Medical Consultant
DEEOIC	Division of Energy Employees Occupational Illness Compensation
DOL	Department of Labor
EEOICPA	Energy Employees Occupational Illness Compensation Program Act of 2000
Energy	Department of Energy
FAB	Final Adjudication Branch
NIOSH	National Institute for Occupational Safety and Health
NNSA	National Nuclear Security Administration
SEM	Site Exposure Matrices

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March 10, 2016

Congressional Requesters

For many decades, the Department of Energy (Energy) and its predecessor agencies and contractors have employed thousands of individuals in potentially secretive and dangerous work associated with nuclear weapons production.¹ Due to the nature of their work, workers may not have been properly advised of or protected from workplace hazards. Over the years, especially early on, many workers were unknowingly exposed to toxic substances, including radioactive and hazardous materials, and studies have shown that many of these individuals subsequently developed serious illnesses. To provide compensation to these workers, the Energy Employees Occupational Illness Compensation Program Act of 2000 (EEOICPA) was enacted.² The Department of Labor's (DOL) Office of Workers' Compensation Programs has primary responsibility for administering Parts B and E of this legislation, as amended, with assistance from several other federal agencies. The Part E program, which is the focus of this review, provides financial compensation to employees of Energy contractors and subcontractors, as well as their survivors, for wage loss, impairments, and medical expenses resulting from work-related illnesses linked to exposure to toxic substances. Since the creation of Part E in 2004, DOL has made over 33,000 payments totaling about \$3.6 billion.³

Within a few years of EEOICPA's enactment, claimants and members of Congress began raising questions about the program's implementation. Since 2003, GAO has issued a number of reports and testimonies identifying needed improvements, as applicable, to the program. In our

¹The National Nuclear Security Administration (NNSA) was established in 2000 as a semiautonomous agency within the Department of Energy. NNSA manages, among other things, nuclear weapon- and nonproliferation-related missions at research and development laboratories, production plants, and other facilities. These activities are known collectively as the nuclear security enterprise.

²Pub. L. No. 106-398, § 1, 114 Stat. 1654, codified as amended at 42 U.S.C. §§ 7384 - 7385s-16.

³DOL EEOICPA data as of Dec. 27, 2015.

most recent report in 2010, we found that EEOICPA did not require external review of the Part E program and, as a result, adjudication of Part E claims was not informed by any independent expertise outside the department's purview.⁴ The Advisory Board on Toxic Substances and Worker Health was subsequently created and was expected to improve transparency, accuracy, and efficiency of processing claims under EEOICPA.⁵ GAO was asked to review the consistency with which DOL follows its own procedures to process Part E claims, and the consistency and transparency of information that claims examiners rely on to identify new links between toxic substances and diseases.

Accordingly, we addressed the following questions related to the Part E program:

1. To what extent does DOL follow its procedures to adjudicate Part E claims?
2. How are new links between toxic substances and diseases captured and applied in DOL's adjudication process?
3. What does DOL's monitoring indicate about Part E adjudication and what, if any, corrective actions have been taken to address problems identified?

To determine the extent to which DOL followed applicable policies and procedures in adjudicating Part E claims, we reviewed a stratified random sample of 200 Part E claims that were filed within the last 5 years, between January 2010 and December 2014, and assessed consistency with selected procedures pertaining to the development of the claim through issuance of a Recommended Decision and Final Decision. Our overall sample included employee as well as survivor claims, and accepted as well as denied claims. Our population of claims was stratified into two groups and 100 claims were selected within each. The first group consisted of claims associated with three selected medical conditions that, according to DOL and other sources, were potentially more challenging to adjudicate—hearing loss, chronic beryllium disease, and

⁴GAO, *Energy Employees Compensation: Additional Independent Oversight and Transparency Would Improve Program's Credibility*, [GAO-10-302](#) (Washington, D.C.: March 22, 2010).

⁵See Pub. L. No. 113-291, § 3141, 128 Stat. 3292, 3897 (2014) and Exec. Order No. 13,699 (June 26, 2015).

Parkinson's disease.⁶ One hundred claims were randomly selected across these three conditions, in proportion to their population sizes. The second group consisted of claims not associated with those three medical conditions and 100 claims were randomly selected within this group. In addition, we reviewed the EEOICPA Procedure Manual and other guidance, such as Bulletins and Circulars, used by claims examiners to adjudicate Part E claims. We also interviewed DOL officials to obtain a better understanding of how Part E claims are adjudicated.

To determine how new links between toxic substances and diseases are captured and applied in the adjudication process, and to understand what DOL's monitoring efforts indicate about the Part E adjudication process, we interviewed agency officials and reviewed relevant reports. We also reviewed adjudication guidance issued by DOL, including DOL's EEOICPA Procedure Manual, Circulars, and Bulletins. In addition, we reviewed findings from DOL's annual Accountability Reviews and other audits conducted by DOL since 2010. We also reviewed available corrective action plans and interviewed agency officials to determine how deficiencies found during these internal audits are resolved. Lastly, during the course of our work we compared the steps taken during DOL's adjudication of Part E claims against federal standards for internal control.⁷

We conducted this performance audit from May 2014 through February 2016 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. For more information on our scope and methodology, see appendix I.

⁶ Chronic beryllium disease is a lung disease that has been linked to exposure to the metal, beryllium. Parkinson's disease is a disorder of the nervous system that affects movement.

⁷GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: November 1999).

Background

EEOICPA, as amended, generally provides compensation to employees of the Department of Energy (Energy) and its contractors employed in the production of U.S. nuclear weapons who developed illnesses related to their exposure to radiation and many other toxins at Energy facilities.⁸ During and shortly after World War II, the United States sponsored the development and production of nuclear weapons using a network of facilities. During the Cold War, this network expanded into a complex of as many as 365 industrial sites and research laboratories throughout the country that employed more than 600,000 workers in the production and testing of nuclear weapons. Some of the production sites were owned by Energy or its predecessor agencies, and in many instances contractors managed operations at the facilities. Workers in these facilities used manufacturing processes that involved handling very dangerous materials, and they often were provided inadequate protection from exposure to radioactive elements, although protective measures have increased over time. Because of national security concerns, they also worked under great secrecy, often facing severe criminal penalties for breaches of secrecy. Workers were often given minimal information about the materials with which they worked and the potential health consequences of their exposure to the materials. In some cases, the extent of the potential negative effects of the toxins may not have been fully understood at the time of workers' exposure. Active production of nuclear weapons was halted at the end of the Cold War, and federally sponsored cleanup of some of these sites has been underway since that time. Other sites remain active for research, storage, uranium production, and weapons assembly and disassembly. In passing EEOICPA, Congress recognized that many of these employees were unknowingly exposed to radiation, beryllium, and other toxic materials at Energy facilities.

Program Structure

EEOICPA, as amended, consists of two compensation programs, Part B and Part E. The Part B program generally provides for \$150,000 to eligible workers or their survivors, as well as coverage of future medical expenses associated with certain radiogenic cancer, chronic beryllium disease, and chronic silicosis. Part E provides up to \$250,000 for wage loss and impairment, as well as coverage of medical expenses, to

⁸ 42 U.S.C. § 7384 et seq. For the EEOICPA definition of "Energy facilities," see 42 U.S.C. § 7384l(10) and 7384l(12).

claimants with any illness who demonstrate that it is at least as likely as not that 1) exposure to a toxic substance at an Energy facility was a significant factor in aggravating, contributing to, or causing the illness, and 2) the exposure to such a toxic substance was related to employment at an Energy facility. If the employee is deceased, certain eligible survivors can also claim benefits.⁹

Implementation of EEOICPA

While the Division of Energy Employees Occupational Illness Compensation (DEEOIC) within DOL's Office of Workers' Compensation Programs has primary responsibility for administering the compensation program, other federal agencies, including the Department of Health and Human Services and Department of Energy, also have a role in implementing the program.

The National Institute for Occupational Safety and Health (NIOSH) conducts activities to assist claimants and support the role of the Department of Health and Human Services under EEOICPA. Some of these activities include developing scientific guidelines for determining whether a cancer is related to the worker's occupational exposure to radiation, developing methods to estimate worker exposure to radiation (dose reconstruction),¹⁰ using the dose reconstruction to develop estimates of radiation dose for workers who apply for compensation, and overseeing the process by which classes of workers can be considered for inclusion in the Special Exposure Cohort.¹¹

⁹Eligible survivors under EEOICPA Part E may receive compensation if it is at least as likely as not that exposure to a toxic substance at an Energy facility was a significant factor in aggravating, contributing to, or causing the employee's death. Compensation is paid first to the spouse who was married at least 1 year immediately before the employee's death, and if there is no such spouse, to the employee's children who, at the time of the employee's death, either 1) had not attained the age of 18, 2) had not attained the age of 23 while being a continuously enrolled full-time student since age 18, or 3) had been incapable of self-support.

¹⁰Dose reconstruction is an extensive process used to estimate the type and level of radiation that a worker was exposed to and the associated radiation dose to each organ affected by cancer.

¹¹EEOICPA provides that workers may be designated as part of the Special Exposure Cohort, qualifying them for compensation without dose reconstruction if they meet certain requirements.

Energy's role, in part, is to ensure that all available worker and facility records and data are provided to DOL and NIOSH. This includes information related to individual claims, such as employment records to establish periods of covered employment and facilities, and exposure records for use in adjudicating claims.

Claims Development and Adjudication

DEEOIC's four district offices, located in Cleveland, Denver, Jacksonville, and Seattle, are responsible for claims development, determining causation, and issuing a Recommended Decision. Claims examiners within each district office can also authorize compensation and medical benefits, respond to inquiries from interested parties, and maintain case files. Claims examiners rely on the EEOICPA Procedure Manual, among other resources, to process and develop claims. The Procedure Manual is supplemented by EEOICPA Bulletins and Circulars and is updated periodically. In addition, DOL has issued regulations that set forth the general policies and guidelines governing its administration of EEOICPA.¹²

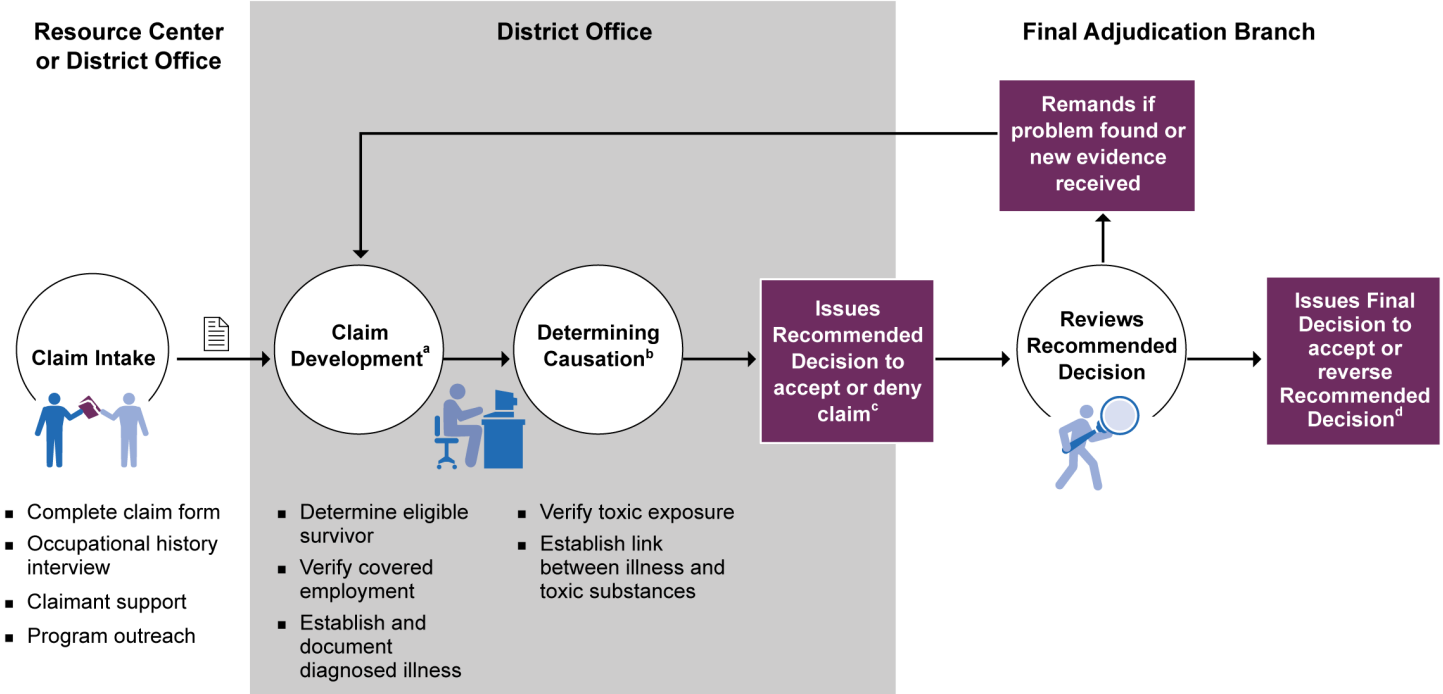
DOL also has 11 resource centers to assist with claims processing. The resource centers, situated in key geographic locations throughout the United States, are responsible for providing assistance and information to the EEOICPA claimant community and other interested parties. They provide claim development support and program outreach as well as initial claim intake. While the resource centers gather substantial information and documentation, and perform certain initial development and limited follow-up tasks, they do not make any decisions regarding the claim. The district office further develops the claim and issues an initial Recommended Decision. Since Part E's creation in 2004 and through December 2015, just over 123,000 claims have been processed by DOL.

The process starts when the employee or their survivor(s) files a claim with a district office or resource center (see fig. 1). If the claim is filed with a resource center, a center employee conducts outreach and initiates actions to verify employment. Once complete, the resource center forwards the claim to the district office for further development. Upon receipt of a claim from the resource center, or directly from a claimant, the district office assigns it to a claims examiner, who develops the claim and

¹²See 20 C.F.R. Part 30.

issues a Recommended Decision. During this process, the claims examiner will often request additional information from the claimant to verify employment, document a diagnosed claimed illness, and determine survivor eligibility, as applicable. The claims examiner will also verify the claimant's employment history with Energy, the Social Security Administration, or other organizations.

Figure 1: Claims Processing Steps under the Energy Employees Occupational Illness Compensation Program Act, Part E



Source: GAO analysis of Department of Labor's claims adjudication procedures. | GAO-16-74

^aIn the course of developing the claim, correspondence may be sent to claimant to request additional evidence.

^bSeveral sources can be used to determine if an employee was potentially exposed to a toxic substance and if it was a significant factor in aggravating, contributing to, or causing the employee's illness or death. These include facility records, Department of Labor's database of facilities and toxic substances, medical records, National Institute for Occupational Safety and Health reports, and expert testimony.

^cThe claimant has 60 days from the date of the Recommended Decision to object to the decision.

^dThe claimant has 30 days from the date of the Final Decision to file a request for reconsideration.

After the district office has established that the claimant meets the employment criteria and has a diagnosed illness, it determines if the illness was a result of exposure to radiation or other toxic substances

during the claimant's contract employment with Energy.¹³ To do this, the district office requests and reviews additional information, as applicable, from NIOSH, medical consultants, the claimant's treating physician, certified toxicologists, and industrial hygienists, as well as web-based information regarding the relationship between the illness and toxic substances. Based on a review of all the evidence gathered, the claims examiner—determining if it was at least as likely as not that the exposure was a significant factor in causing, contributing to, or aggravating the illness—issues a Recommended Decision to accept or deny the claim. The claims examiner then notifies the claimant and the Final Adjudication Branch (FAB) of the Recommended Decision. Claimants have 60 days from the date the district office issues the Recommended Decision to object and request a hearing.

The FAB reviews the Recommended Decision and the claimant's objections, if any, and reaches a Final Decision to accept or reverse the Recommended Decision, or remand the claim to the district office for further processing. If the claimant provides new evidence before a Final Decision to deny the claim is issued, FAB may return the claim to the district office for additional development or, if the new evidence warrants reversal in favor of the claimant, FAB may issue a reversal. After the Final Decision is issued, claimants can request reconsideration within 30 days of the Final Decision, or a reopening of the claim at any time. For such requests, DOL will consider the claimant's reason for the request and either accept or deny the request.

Site Exposure Matrices

DOL claims examiners determine workers' eligibility for Part E compensation in part by using a centralized database of information on Energy facilities, toxic substances, and their related illnesses. Known as the Site Exposure Matrices (SEM), the web-based database was developed by DOL's contractor to organize, display, and communicate information on the toxic substances workers were potentially exposed to at specific Energy sites, buildings at the sites, and during specific job

¹³ A claimant can be an employee or a survivor. For survivors, they must also show that they are eligible, and that the death was due to toxic substance exposure.

processes conducted in those buildings.¹⁴ It also cross-references the toxins with diseases for which there is an established link. DOL officials noted that although the creation of the SEM is not mandated, the agency developed it partly as a tool to help claimants establish a link between a facility and possible exposure to toxins. The SEM is continually updated as new exposure data are obtained and is publicly available on the Internet for anyone seeking this type of information.¹⁵

Claims examiners will typically use SEM information during the adjudication of a claim, while a public citizen can use it as a research tool. Upon accessing the SEM, the claims examiner will retrieve relevant information by entering search terms specific to the claim being processed. For example, by entering the facility where the employee worked, the examiner will generate a list of toxins known to have been at the site. By entering the illness being claimed, the examiner will generate a list of toxins known to be linked with that illness. Public users retrieve SEM information in a similar fashion, and the information they obtain may factor into their decision to file a claim for benefits under EEOICPA Part E. However, a claimant need not obtain nor consider SEM information before filing a claim.

¹⁴According to DOL officials, because the information contained in the SEM is associated with the U.S. nuclear weapons production complex, it is covered by the Atomic Energy Act of 1954. Therefore, although the SEM is maintained by DOL and made publicly available on DOL's website, officials said Energy must provide final approval to all content and can order certain information to be omitted if it is deemed a threat to national security.

¹⁵<http://www.sem.dol.gov/>

DOL Generally Followed Its Procedures, but Was Deficient in Performing Some Steps When Preparing Correspondence and Developing Claims

Based on our review of a stratified random probability sample of 200 EEOICPA Part E claims filed from 2010 through 2014 by employees or their survivors, we found DOL claims examiners generally followed established adjudication procedures. Overall, we estimate that approximately 90 percent of adjudicated claims were consistent with the selected procedures we tested that are contained in DOL's EEOICPA Procedure Manual.^{16,17} The remaining estimated 10 percent of adjudicated claims were inconsistent with at least one procedure, and the nature of the inconsistency varied.¹⁸ While our sample may not necessarily reflect the reasons for inconsistency across the entire population of Part E claims, we found many examples of deficiencies in DOL's written correspondence to claimants. In other instances, we found deficiencies in how the claim was developed. However, in the vast majority of occurrences, the inconsistencies we identified in our sample would likely not have affected adjudication outcomes because DOL officials verified that most of the affected claims were accepted or denied for reasons unrelated to the problems we found.

Deficiencies in Quality of Correspondence to Claimants

Our claim file review found that most of the inconsistency with the Procedure Manual pertained to deficiencies in written correspondence to claimants, such as in Recommended and Final Decision letters, and in one instance, a letter requesting additional evidence. The Procedure Manual explicitly states that claims examiners must ensure that written decisions, in particular, are clear, concise, and well written, with language that clearly communicates the necessary information. It specifically cautions that a poorly written Recommended Decision increases the likelihood that a claimant will not understand the outcome of the claim and the probability of objection. Our sample identified letters to claimants that included inaccurate, inconsistent, or incomplete information, though these

¹⁶The 95 percent confidence interval is 83 to 94 percent.

¹⁷We reviewed DOL's procedures associated with claims development, which included documenting and establishing the claimant's covered employment, establishing toxic substance exposure, determining the claimant's medical condition, determining causation, and writing the Recommended Decision letter. Each of these steps involved individual procedures as articulated in the Procedure Manual. We deemed a claim consistent with procedures if the claims examiners adjudicating the claim followed all individual procedures. Conversely, we deemed a claim inconsistent if one or more procedures were not followed.

¹⁸The 95 percent confidence interval is 6 to 17 percent.

deficiencies may not necessarily be reflective of the general population of claims.

Inaccurate information: Some written correspondence from DOL to claimants, such as the letters accompanying the Recommended Decision, contained factual errors, as illustrated by the following examples:

- For a claim that covered myocardial infarction, a heart condition, DOL's decision letter erroneously stated that the condition was "hyperthyroidism," a glandular condition.
- One decision letter was dated incorrectly.
- One letter requesting additional evidence listed the incorrect address for the district office. This error resulted in the claimant mailing evidence to the incorrect address, which we found led to processing delays.

Inconsistent information: Some Recommended Decision letters to claimants included inconsistent information within the same letter, or contradicted other information sent to the claimant, such as the Final Decision letter. Examples include:

- In some parts of a Recommended Decision letter, the claimant's condition was correctly cited as "bladder cancer," while in other places it was incorrectly cited as "prostate cancer."
- One Recommended Decision letter initially stated there was a medical diagnosis of the claimed condition, but later stated there was no diagnosis.
- Another Recommended Decision letter stated there was no diagnosis for any of the seven conditions claimed, but the Final Decision letter stated there was a diagnosis for four conditions. Moreover, the same Final Decision letter stated, in a latter part of the letter, that there was a diagnosis for six conditions.
- In two instances, the claimant's employment dates differed between the Recommended and Final Decision letters sent to the claimant. Further, dates listed on letters sent to claimants sometimes differed from what the claims examiner entered into DOL's electronic case management system.

Deficiencies in Claims Development

Incomplete information: We also found that some Recommended Decision letters omitted the required notice to the claimant informing them of their right to request a copy of the Contract Medical Consultant (CMC) report if the Recommended Decision used the opinion of a CMC.¹⁹ More specifically, we identified 47 claims in our sample in which a CMC report was used to substantiate a Recommended Decision to deny the claim, but of that group, 17 did not include the required notice.²⁰ DOL officials informed us that, subsequent to our file review, a July 2015 email from DOL headquarters instructed district offices to automatically attach any CMC, industrial hygienist, or toxicologist reports to Recommended Decision letters for claims that were denied.

In addition, our review revealed deficiencies associated with claims development, which pertains to steps the claims examiner must take to verify employment and medical condition, and establish causation. While the deficiencies among claims in our sample may not reflect those within the general population of Part E claims, we found examples of incorrect or missing SEM searches, no evidence of a referral to a specialist, and untimely response to claimant requests for reopening:

- In a hearing loss claim, the claims examiner ran an incorrect SEM search on “maintenance mechanic” although the claimant actually worked as a maintenance supervisor.
- In a claim for sarcoidosis,²¹ the Procedure Manual directs the claims examiner to determine whether the claimant may have been exposed to beryllium. However, we saw no evidence that a SEM search, or other type of determination, had been performed.²²

¹⁹This requirement was established in the May 2011 Procedure Manual and consequently affected all Recommended Decision letters issued on or after that date.

²⁰Our sample was not designed to make reliable estimates within the subpopulation of claims that use a CMC, and so results may not be reflective of the subpopulation.

²¹Sarcoidosis is a disease involving the growth of inflammatory cells in different parts of the body.

²²Our file review enabled us to determine whether a SEM search, or any other type of determination, was performed only to the extent that documentation of the step was contained in the claim file.

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- In a Parkinsonism²³ claim, the claims examiner was uncertain as to whether that condition was linked to exposure to a certain toxin. Established adjudication policy suggests claims be referred to an industrial hygienist or toxicologist under these circumstances; however, we saw no evidence that such a referral had been made.
 - A claim was denied for lack of causation but there was no evidence that a request was made to the claimant or a physician asking for more causation evidence.
 - Two claimants had requested reopening of their denied claim but the district office had not responded to their request.

Upon their reexamination of the claims involved, DOL officials agreed procedural inconsistencies had occurred and said they would flag certain issues for additional review and for claims examiner training, such as those related to development of sarcoidosis and hearing loss claims. For the claim we determined should have been referred to an industrial hygienist or toxicologist, DOL officials said the claim would be referred to both in order to determine if it warrants reopening.

As part of our examination of claim files, we also found evidence that a review of the file was often not performed. Under the Procedure Manual, claims examiners are to route the Recommended Decision and case file to the “appropriate signatory” for review, signature, date, and release. The Procedure Manual does not, however, clarify who an “appropriate signatory” is, or when such a review would be necessary. DOL officials said there is no national policy on performing such reviews and that they occur at the discretion of the district office. Officials added that the decision is often based on the claims examiner’s level of experience, meaning that claims adjudicated by senior claims examiners would not typically undergo a review. We estimate that 50 percent of adjudicated claims did not undergo this review.²⁴ Reviews are one of DOL’s quality controls, but their inconsistent application may increase the likelihood of issues with the Recommended Decision, which in turn increases the potential for claimant confusion and delays in adjudication.

²³Parkinsonism is any condition that causes the movement abnormalities seen in Parkinson’s disease.

²⁴The 95 percent confidence interval is 41 to 59 percent.

Lastly, review by the Final Adjudication Branch (FAB), required after the issuance of the Recommended Decision, also acts as a quality control to help identify and correct any issues with adjudication. For example, we estimate that FAB remands 1 percent of claims back to the district office due to development errors, including incorrectly performed SEM searches.²⁵ However, it is notable that while FAB's role includes identifying and correcting procedural errors, it had not detected the several instances of procedural inconsistency we had identified during our review. As a result, none of the deficiencies we identified during our claim file review had led to the claim being remanded and corrected.

DOL Consistently Captures New Linkages Between Toxins and Illnesses, but Lack of Documentation Hinders Monitoring of their Application to Claims

DOL Uses the SEM to Document New Linkages

DOL continuously captures new links between toxic substances and illnesses as they are identified and documents them in the SEM. New links are primarily drawn from a database of hazardous toxins and associated diseases—known as Haz-Map—maintained by the National Library of Medicine.²⁶ According to DOL officials, as new links are added to Haz-Map, they are also added to the SEM for claims examiners' use, and added to the public SEM on the Internet about every 6 months. In general, the SEM contains only causal links that are based on epidemiological studies, and for which there is consensus within the

²⁵The 95 percent confidence interval is 0.07 to 4.8 percent.

²⁶The National Library of Medicine is a division of the National Institutes of Health.

medical and scientific communities.²⁷ In addition, on its public SEM website,²⁸ DOL encourages the public to submit site- or disease-related information to be considered for inclusion in the SEM. According to DOL officials, to determine whether publicly submitted information should be added, DOL relies on two individuals: a toxicologist it employs and the National Library of Medicine's physician responsible for updating Haz-Map. Both monitor ongoing research on toxin-illness causation. Users can check the public SEM website for the status of proposed submissions to see if they have been accepted for inclusion in the SEM.

According to DOL officials, the amount of information contained in the SEM has dramatically increased since 2006 when it became available to claims examiners for adjudication purposes. For example, they estimated that from 2006 to 2015, the number of links between toxins and illnesses has increased from around 300 to over 3,000. Officials said the SEM represents the largest collection of information ever assembled by a government entity for the purpose of assessing occupational hazards at nuclear weapons facilities, both current and past.

Despite its scope, the SEM has come under scrutiny from claimant advocacy groups and the Ombudsman for the Energy Employees Occupational Illness Compensation Program, both of whom expressed concerns about its accuracy and completeness. DOL officials said that the complex nature of the information associated with the SEM makes it challenging to ensure absolute completeness, due in part to lack of consensus about whether there is a link between a specific substance and an illness. Further, in response to a request by DOL to evaluate the scientific rigor of the SEM, the Institute of Medicine published a 2013 report that also questioned the SEM's completeness.²⁹ The report noted several examples of potential causal linkages missing from the SEM. Further, it questioned the SEM's exclusive dependence on Haz-Map as its source for disease and causal link information, and suggested other sources be considered, such as the U.S. Department of Health and Human Services and the World Health Organization. During our

²⁷Epidemiological studies examine health-related events within specified populations and rely on a systematic and unbiased approach to the collection, analysis, and interpretation of health-related data.

²⁸<http://www.sem.dol.gov/>

²⁹The Institute of Medicine is a division of the National Academy of Sciences.

interviews, DOL officials said the SEM is therefore not complete, and the agency states this on the SEM website.

DOL officials said they have taken several steps over recent years, largely in response to the recommendations of an external and internal review, to improve the SEM's content and usefulness. These include continuous updates and refinements to the information contained in the SEM and increasing functionality, such as enhancing the user's ability to filter search results according to certain terms. They also highlighted several efforts to engage the general public, including increasing the public's access to the SEM, publishing SEM resource documentation, and responding to individuals who submit suggestions for new causal links or other information. In addition, a law was enacted in December 2014 requiring the establishment of an advisory board to, among other things, advise the Secretary of Labor on the SEM.³⁰ According to DOL officials, the agency has appointed a Designated Federal Officer, hired staff and a contractor to help support the board's work, and is in the process of recommending board members representing the scientific, medical, and claimant communities. DOL estimates that the board's membership will be in place in early 2016.

Latest Linkages Must Be Applied during Adjudication but Lack of Documentation of This Step Hinders Monitoring

DOL provides limited notification to claims examiners and the public regarding new links between toxic substances and illnesses due to the large volume of information being continuously added to the SEM, according to officials. Therefore, it is usually incumbent upon claims examiners and the public to make themselves aware of new links. DOL officials said claims examiners typically become aware of new links when they check the SEM as part of the adjudication of an individual claim. Since each claim necessitates tailored searches of the SEM based on the specific facility, toxic substances, and illnesses associated with the particular claim, the claims examiner will learn of a new link if it is relevant to that claim during adjudication.

³⁰Pub. L. No. 113-291, § 3141, 128 Stat. 3292, 3897, codified at 42 U.S.C. § 7385s-16. In a 2010 report on EEIOCPA, we recommended that Congress consider creating an independent review board for the Part E program. The law enacted in 2014 stipulates that the advisory board will advise the Secretary of Labor on, among other things, (1) the SEM, (2) medical guidance for claims examiners for claims with respect to the weighing of medical evidence of claimants, and (3) the work and reports of industrial hygienists and staff physicians to ensure quality, objectivity, and consistency.

DOL also conveys information on some new links through notices issued to claims examiners and posted on its public website. From fiscal years 2006 through 2015, DOL issued six Circulars and four Bulletins pertaining to new links.³¹ Five of these notices announced plans to reopen claims thought to be potentially affected by the information contained in the notice. For example, Circular 15-04, issued in fiscal year 2015, informed claims examiners that the substance trichloroethylene had been linked to kidney cancer and that Haz-Map had been updated to reflect this new link. The circular also announced that DOL had compiled a list of previously denied Part E kidney cancer claims and instructed claims examiners on the reopening of those claims for reevaluation in light of the new link. DOL officials told us that such steps are limited to instances in which it is believed a relatively large number of claims are potentially affected.

Other than these notices, claims examiners typically learn of a new link and apply it to adjudication to the extent they check the SEM for updates. However, if the SEM is not searched regularly for the latest information on new links, claims examiners could be rendering decisions using outdated information. For that reason, DOL's Procedure Manual instructs claims examiners to check the SEM for any updates just prior to issuing a Recommended Decision to deny a claim, however, documentation of that step is not always required. According to the Procedure Manual, the SEM will show the latest date it was updated. If that date has changed since the prior search was conducted, the claims examiner must search the SEM again and document the results of the query. On the other hand, if that date is unchanged since the original search was conducted, the claims examiner will know that no new information was added to the SEM and, consequently, no new search is required. However, examiners are not required to document this latter check in which they determined that no new information was added to the SEM that might affect adjudication. The absence of such documentation impedes the ability to effectively monitor whether this critical step is carried out. Since effective internal controls require monitoring be conducted to assess the quality of program performance, the need for such documentation is essential. Our file review showed evidence of some claims in which the claims examiner

³¹As stated on the DOL EEOICPA website, Circulars communicate items of informational value relating to the Division of Energy Employees Occupational Illness Compensation or to announce a program change. Bulletins provide detailed guidance to claims staff on handling of new claim situations not addressed in the EEOICPA Procedure Manual.

clearly documented an updated SEM search just prior to issuing the Recommended Decision, but we could not assess the full extent to which claims examiners followed this final step due to the lack of documentation.³² In addition, DOL officials said that independent SEM searches required to be performed by FAB also serve as a check of those performed by district office claims examiners. As with district offices, FAB must also ensure the SEM record is the most complete and updated data available, and that no significant changes have been made before FAB issues its decision on the claim. Unlike district offices, if an updated SEM search is not needed, FAB makes an entry in the electronic case management system to indicate that no significant changes have been made in the SEM that would alter the Recommended Decision.

Similarly, claimants must usually rely on repeatedly checking the SEM to learn of any newly added causal links. The online SEM available to the public is identical to the one claims examiners use when adjudicating claims, differentiated only by a time lag of around 6 months, according to DOL officials. This lag is primarily because Energy needs to review and approve all SEM information before it is made public. New public versions of the SEM are announced online, but details accompanying the specific updates are limited. In its 2013 report on the SEM, the Institute of Medicine noted that although a SEM record indicates when it was last updated, there is no indication as to what specific information or field was updated.³³ The report added that this lack of information makes it extremely difficult for the user to know if the most current information has been incorporated.³⁴ For example, the public SEM version dated May 18, 2015, was accompanied by a notice on the SEM website that data for 29 worksites had changed since the previous update, although details were displayed for only two of the sites. Moreover, it was not possible to determine whether any new causal links had been added because this information was not contained in the notice. Absent a check of the SEM for specific illnesses or toxic substances, claimants could remain unaware that a new link had been added that may warrant the reopening of their

³²Our analysis is based on denied claims in which at least one SEM search was needed to develop the claim.

³³Institute of Medicine, *Review of the Department of Labor's Site Exposure Matrix Database*, The National Academies Press (Washington, D.C.: 2013).

³⁴Consequently, one of the Institute of Medicine's recommendations was to improve the structure and function of the SEM to help both the public and claims examiners navigate the SEM database and more effectively retrieve information.

claim. This could be a significant issue given that claimants are authorized to request the reopening of a previously denied claim.

DOL's Monitoring Has Identified Some Ongoing Concerns With Claims Adjudication

DOL Continuously Monitors the Adjudication Process

In general, DOL's monitoring from fiscal years 2010 through 2014 of how well EEOICPA Part E claims are adjudicated concluded that the process is working satisfactorily and meeting DOL's established acceptability standards. However, there were also some areas of concern that were consistent with those we identified during our review. DOL has monitored the adjudication of EEOICPA Part E claims primarily using its annual Accountability Reviews.³⁵ In 2015, it also reviewed referrals to CMC and Second Opinion Medical Specialists, which focused on the use of physician opinions during the adjudication process to assist in the resolution of claims, and deemed both referral processes satisfactory.

Annual Accountability Reviews

DOL conducts Accountability Reviews annually to evaluate its performance in processing and adjudicating EEOICPA claims under Parts B and E. According to DOL, the objective of the reviews is to provide management with an effective means to evaluate program performance and consider corrective action both program-wide and in individual district offices. Each year, DOL typically reviews five entities: two selected district offices, the two corresponding FABs co-located in these offices, and the national FAB in Washington, D.C. The claims subject to review are randomly selected from all claims adjudicated by these entities during the review period, generally a period of 365 days prior to the date of the

³⁵A weighted scoring system is used to determine the results of the Accountability Reviews. The review questions are assigned a value, and are then tallied to come up with a final score for various elements of the claims process. The acceptability rating with respect to the development and adjudication of claims was 75 percent for Accountability Reviews conducted in fiscal years 2010 and 2011, and 85 percent for those conducted in fiscal years 2012 through 2014.

review.³⁶ The Accountability Reviews encompass the entire claims process, from the time a claim is filed to when benefits are paid. For example, in addition to claims adjudication, the reviews also look at data entry accuracy, post-decision actions, calculation of benefits, and payment processing.³⁷ (See appendix II for additional information on the specific areas of focus for the Accountability Reviews for fiscal years 2010 through 2014.)

While some aspects of adjudication are examined each year, each year's review is also targeted to assess areas of the claims process in which there may be deficiencies based on input from policy personnel from the national office, district office and FAB representatives, and other DOL stakeholders. DOL officials told us that focusing on different areas from year to year allows the reviews to be targeted to areas needing attention while avoiding re-evaluation of areas that have already shown improvement. Shifting the focus also helps minimize the predictability of the review questions, though it precludes the ability to track trends over time. In addition, the sample size of claims in DOL's review has also varied from year to year depending on the area of emphasis for that year. Because of the changing areas of focus and sample sizes, it was difficult for us to determine whether the percentage of errors has increased or decreased over time and, therefore, we did not make comparisons across years.

Although DOL's monitoring concluded that the claims adjudication process was generally working satisfactorily, DOL identified some recurring deficiencies among the elements it reviewed each year. However, many of these recurring deficiencies were deemed by DOL to

³⁶The reviews are largely governed by the Office of Workers' Compensation Programs Procedure Manual, which provides basic procedures on how to plan and conduct the reviews. This includes criteria for selecting members of the review team and claims to be reviewed. In addition, the Division of Energy Employees Occupational Illness Compensation utilizes its own Accountability Review Handbook tailored to the specific policies and procedures of the Energy Employees Occupational Illness Compensation Program which it administers.

³⁷While DOL's Accountability Reviews cover the entire claims process, our review focused on claims adjudication, and includes elements related to claims development and quality of the written Recommended Decisions and Final Decisions. The specific procedures encompassed by these elements include verification of employment and medical conditions, assessment of causal link between a known toxic substance at a covered facility and the claimed medical condition, preparation of Recommended and Final Decisions, and post-decision actions to remand, reconsider, or reopen a claim.

be significant only for the Accountability Reviews conducted in fiscal years 2010 to 2012.³⁸ The recurring deficiencies identified in all the Accountability Reviews were primarily in three components of the adjudication process: claims development, written quality of the Recommended Decision letter, and written quality of the Final Decision letter.

With regard to claims development, DOL found:

- Instances in which the claims examiner did not undertake full development of claimed employment, medical condition, and survivorship. For example, the examiner did not use all available resources to develop the claim, such as requesting additional information or clarification from claimants, former employers, the Social Security Administration, and other appropriate sources to help substantiate the claim.
- Development letters requesting additional information from claimants were not clear about the evidence needed. In some cases, the letters were lengthy and confusing or very broad, requesting a copy of all medical records.
- Lack of sufficient use of appropriate program resources to determine causation, such as referring the case to appropriate experts, requesting additional information from claimants, and properly using the SEM.

With regard to the Recommended Decision letter to claimants, DOL found:

- Many cover letters did not properly summarize medical conditions that were accepted or denied. This includes missing or incorrect accepted or denied conditions. For example, in one year both district offices reviewed had errors in over 60 percent of the Recommended Decision cover letters which were examined.
- Various other sections of the decision letter contained errors, inconsistencies, conflicting information, or excluded relevant

³⁸According to DOL officials, DOL does not precisely define the term “significant” within the context of Accountability Reviews.

information. For example, some letters contained incorrect identifying information, such as the claimant's name, address, filing dates, and claimed medical condition. Other letters contained contradictory statements in different sections of the letter regarding what was being accepted and denied, or even the decision itself, or did not address all medical conditions, or explain how the evidence was evaluated to arrive at the decision.

For correspondence that communicated the Final Decision, DOL's reviews of FAB found:

- Instances in which FAB did not summarize what conditions were being accepted or denied under Parts B or E in the cover letter.
- Various sections of the decision letter contained errors, conflicting information, or excluded relevant information. For example, one claimant provided a diagnosis for chronic bronchitis but the letter noted the diagnosis was insufficient to support the claimed condition without explaining why. Moreover, a subsequent section of the same letter stated that there was no diagnosis.

Audit of Referrals to Consulting and Second Opinion Physicians

In 2015, DOL completed an audit to assess the quality of the process used by claims examiners to make referrals to certain physicians—CMCs and Second Opinion Medical Specialists. In making these referrals, DOL procedures noted that claims examiners are responsible for ensuring that all the necessary components of a referral are prepared accurately, the content of the referral is appropriate and specific to the issue under determination, and sufficient factual documentation is prepared so that the physician clearly understands the medical questions to be addressed. Furthermore, the procedures noted the referral should include a Statement of Accepted Facts, which summarizes the facts of the claim, such as the accepted medical conditions and potential toxic substance exposure encountered by the employee.

DOL's audit was designed to assess two main elements of the referral process:

- Quality of district office inputs: This element assessed the appropriateness of the claims examiner's referral, the quality and completeness of the Statement of Accepted Facts, and the appropriateness of the questions posed by the claims examiner.

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- Quality of the medical review and opinion: This element evaluated whether the physician's written medical report was complete and appropriate, and assessed whether a physician's response was well-rationalized and consistent with the totality of the evidence in the case.

With respect to CMC referrals, DOL concluded that the process was working satisfactorily and did not require a formal corrective action plan.³⁹ However, DOL did identify four specific areas for improvement:

- More effort is needed to better interact with the claimant's physician before proceeding with a CMC referral. Under DOL policy, the claims examiner is to seek the input of a treating physician before deciding to make a referral to a CMC. The audit uncovered instances in which CMC referrals were made without first properly interacting with the treating physician.
- Claims examiners need to undertake more development of exposure data to offer better explanations of the nature, extent, and duration of exposure in their referrals for causation. According to DOL, providing CMCs with better information on exposure will produce more probative and compelling medical causation outcomes.
- Claims examiners need further guidance on making proper referrals. There must be an "obvious defect" in case evidence to necessitate obtaining a medical opinion. According to DOL, when medical evidence clearly contains a diagnosis of a medical condition, for example, a CMC referral for diagnosis is unnecessary.
- Claims examiners need to evaluate the rationale presented by the CMC to ensure that it presents a clear, compelling, and medically substantiated position. According to DOL, a medical opinion based on a poorly justified medical analysis of the relevant evidence reduces the probative value of the opinion and reduces the likelihood that the program will be able to use the opinion.

³⁹DOL's CMC audit sample was randomly selected from the universe of referrals completed program-wide during the period of April 1 to Aug. 30, 2014. The universe excluded referrals made to CMCs for determining the extent of permanent impairment to the claimant as a result of an accepted illness. Out of the universe of 362 completed referrals, DOL reviewed approximately one-third, or 119 cases.

With respect to referrals to Second Opinion Medical Specialists, DOL concluded that its process was also working satisfactorily.⁴⁰ However, it recommended that these physicians be provided better guidance from the district office regarding the format of the specialist's written medical report and rationale for their conclusion. DOL's audit report also noted that because the Second Opinion physician's report affects the outcome of a claim, it necessitates a more concise response with reasonable explanation of their rationale.

DOL has Taken Steps to Address Deficiencies but Some Persist

DOL took steps to address the significant deficiencies identified in the Accountability Reviews from fiscal years 2010 through 2012, but determined that deficiencies in 2013 and 2014 were not significant enough to warrant corrective action. However, our review of DOL's monitoring indicates that the deficiencies have persisted nonetheless.

To address the significant deficiencies found in Accountability Reviews conducted in years 2010 through 2012, DOL's corrective actions included providing office-wide training to claims staff on (1) properly written development letters, Recommended Decisions, and Final Decisions; (2) claims development and the use of appropriate resources in establishing exposure and causation; and (3) the need to clearly explain to claimants what evidence is needed to adjudicate their claim. Despite the additional training for claims examiners, these deficiencies have persisted. For example, in the Accountability Reviews conducted in fiscal years 2013 and 2014, DOL found similar problems with the quality of correspondences sent to claimants. DOL officials stated that because these problems did not reflect specific trends, they did not require a corrective action plan. Nonetheless, according to DOL, the managers of the district and FAB offices followed up on specific errors to ensure that training or other actions were taken as appropriate.

DOL officials acknowledged that parts of the adjudication process remain challenging. According to officials, it is particularly challenging to establish toxic substance exposure and determine causation, which involves establishing a causal link between the claimed medical conditions and a known exposure to a toxic substance. Verifying employment is also

⁴⁰The Second Opinion Medical Specialist review included all 15 such referrals completed during the period of Jan. 1 through Aug. 30, 2014.

difficult, partly because of the need to retrieve employment records from as far back as the early 1940s. Officials also said that errors or other issues with correspondences still occur, including listing the wrong medical condition in the decision cover letter. They added that while this is usually due to carelessness on the part of the claims examiner and typically has no impact on the decisions, officials acknowledged that deficiencies in any correspondence to the claimant may affect customer service as well as claimants' overall impression of the program.

Conclusions

EEOICPA was enacted to compensate workers who carried out the nation's nuclear weapons production. These workers were often unaware of the extreme personal hazards they faced while serving their nation and many became fully aware only when they were later stricken by illness. In light of this, it is imperative their claims for compensation be given the due attention and care they deserve. Though we found DOL's EEOICPA Part E adjudication process was generally consistent with the steps outlined in its procedure manual, we identified the need for improvements in two areas, one of which DOL also identified through its own monitoring. First, all decisions are to be clearly written, but without additional actions to help identify and correct mistakes within claimant correspondence, such problems may persist and claimants may experience confusion or processing delays. Second, although claims examiners are required to check the SEM for updates just prior to issuing a Recommended Decision to deny a claim, they are only required to document this step if the check reveals that the SEM had been updated since the examiner's last check. This gap in required documentation hinders the ability to monitor, consistent with federal internal control standards, whether claims examiners are performing a final check of the SEM to ensure that their decisions are based on the most up-to-date information. Given the importance of this program, which serves so many who sacrificed for their nation, it is vital that DOL has controls in place to help ensure that compensation claims for workers and their survivors are being handled correctly.

Recommendations for Executive Action

To enhance consistency with DOL policy and procedures in adjudicating EEOICPA Part E claims, we recommend that the Secretary of Labor strengthen internal controls by:

- Requiring district offices to take steps to ensure that all claimant correspondence for Recommended and Final Decisions receives supervisory review;

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- Requiring district offices to document that the SEM was checked for updates just prior to issuing a Recommended Decision to deny a claim in cases in which the date of the last SEM update has not changed since the claims examiner's prior check.

Agency Comments and Our Evaluation

We provided a draft of this report to the Secretary of Labor for review and comment. DOL's comments are reproduced in full in appendix III. DOL also provided technical comments, which we have incorporated as appropriate.

In its comments, DOL agreed with our recommendations and said that they will ultimately allow the agency to better fulfill its mission of making timely, appropriate, and accurate claims decisions. With regard to our recommendation to ensure all decisions receive supervisory review, DOL stated it will evaluate the current signatory process, work with its district offices to implement a second level review, and conduct an internal review following implementation. With regard to our recommendation to document that the SEM was checked for updates before issuing a decision to deny a claim, DOL stated it plans to implement this recommendation and will assess its options for capturing and documenting the final SEM search, such as in its electronic case management or its digital imaging system.

In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-7215 or sherrilla@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix IV.



Andrew Sherrill
Director
Education, Workforce, and Income Security Issues

List of Requesters

The Honorable Lamar Alexander
Chairman
Committee on Health, Education, Labor, and Pensions
United States Senate

The Honorable Lisa Murkowski
Chairman
Committee on Energy and Natural Resources
United States Senate

The Honorable Rob Portman
Chairman
Permanent Subcommittee on Investigations
Committee on Homeland Security and Governmental Affairs
United States Senate

The Honorable Bob Corker
United States Senate

The Honorable Lindsey Graham
United States Senate

The Honorable James Inhofe
United States Senate

Appendix I: Objective, Scope, and Methodology

To assess the extent to which the Department of Labor (DOL) follows its adjudication procedures for Part E claims, we examined a stratified, random sample of 200 claims, which is generalizable to all Part E claims in our sampling universe. We derived our sampling universe from Energy Employees Occupational Illness Compensation Program (EEOICP) data contained in DOL's electronic case management system. The data were the most recent available at the time we selected our sampling universe in March 2015. On the basis of our analysis of these data, and through discussions with DOL, we determined this data source was sufficiently reliable for the purposes of identifying a sampling universe.

Our sampling universe consisted of 15,932 Part E claims filed within 5 calendar years, between 2010 and 2014. Because we wanted to determine if DOL processes Part E claims in accordance with key aspects of its adjudication procedures, we excluded certain types of claims that would not allow us to review all steps. Specifically, we excluded claims that were still in process and for which a Final Decision had not yet been issued. We also excluded claims that had already been accepted under Part B, since such claims are automatically accepted under Part E. Similarly, we excluded "Special Exposure Cohort" claims, which are associated with certain designated facility locations and do not undergo typical adjudication. Because the Part E sampling universe is based on recent calendar years and included only claims that received a Final Decision, the selected sample may exclude a greater number of claims from more current years and claims that take longer to adjudicate.

From our sampling universe, we randomly selected 200 claims. These 200 claims were selected separately within each of two major groups. One major group contained all claims associated with three selected medical conditions—hearing loss, chronic beryllium disease, and Parkinson's disease—defining three substrata, and the second group contained the remaining universe of claims not associated with these three medical conditions. We selected the three particular medical conditions for the first group based on document reviews and interviews with DOL officials. We determined that although such claims comprise a relatively small portion of the sampling universe (about 9 percent), they

are potentially more challenging to adjudicate.¹ Due to the possible unique nature of claims associated with these three medical conditions, and to ensure our file review included each of these claim types, we further divided the first group into three separate sub-strata, one for each specific medical condition (i.e. hearing loss, chronic beryllium disease, and Parkinson's disease), and then randomly selected claims for review within each sub-stratum. We allocated the sample of 100 claims across these three sub-strata according to their relative frequency. Combining this sub-sample of claims with selected medical conditions with the sample of general claims allowed us to address our objectives in a manner that maximized return on limited resources while still allowing for an independent and objective analysis of the entire universe of claims that met our selection criteria.

Table 1 shows the breakdown of our stratified random sample. The way we selected our sample size for claims associated with specific medical conditions increased the likelihood of encountering these types of claims during our review (known as oversampling). However, we used sampling weights to ensure that our sample of 200 claims properly reflected the sampling universe.

Table 1: In-Scope Part E Claim Population and GAO Sample Size, by Group

Group	Population/ universe	GAO sample size
Hearing loss	853	60
Chronic beryllium disease	305	22
Parkinson's disease	246	18
Group stratified by selected medical conditions	1,404 ^a	100
Group for all other medical conditions	14,528	100
Total	15,932	200

Source: GAO analysis of data from DOL's case management system for EEOICP. | GAO-16-74

^aWithin the selected medical condition group, in instances where a claim was associated with two or more of the three selected conditions, we assigned the claim to only one of the three strata for purposes of sampling.

¹In its Ombudsman reports issued between 2010 and 2013, DOL reported complaints related to inconsistencies in the adjudication of certain hearing loss and/or chronic beryllium disease claims. In addition, during our review of a selected advocacy group report, we found evidence of challenges associated with claims involving Parkinson's disease.

Our sample of claims reflected a variety of characteristics. For example, approximately two-thirds of the claims (68 percent) were employee claims, with the remaining third being survivor claims. Just under one-half (48 percent) of the claimants had applied for benefits for one medical condition and the rest (51 percent) had applied for benefits for multiple conditions.² In fact, nearly a third (32 percent) of the claims were for three or more conditions. Across all 200 claims, the number of conditions being claimed totaled 427. In addition to the claims that were associated with the three specific medical conditions we selected, the sample contained claims for a wide variety of medical conditions, including cancer (21 percent of all conditions), chronic obstructive pulmonary disease (6 percent), and asthma (4 percent).

Based on the results of our file review and the use of a weighted sample, we were able to provide generalizable results for our sampling universe of Part E claims. We were also able to provide generalizable results within the two major groups—claims based on selected medical conditions and claims based on all other conditions—as well as make generalizable comparisons between the two groups. Due to relatively small sub-strata sizes within select medical conditions, we cannot generalize results for claims involving any of the selected medical conditions—hearing loss, chronic beryllium disease, or Parkinson's disease.

Because we used a probability procedure based on random selections, our sample is only one of a large number of samples that we might have drawn. Since each sample could have provided different estimates, we express our confidence in the precision of our particular samples as a 95 percent confidence interval.

For each claim in our sample, we reviewed the case file materials and documented whether the claims examiners followed DOL's EEOICPA Part E claim adjudication procedures from development to the Recommended and Final Decisions. We reviewed claim files at all four DOL district offices. Each office gave us access to the claim files in our sample that had been adjudicated at that district office.³ Most of the

²For two claims we reviewed, the claim was either withdrawn or otherwise not adjudicated.

³According to DOL data, of the 200 claims, 48 were located at the Seattle district office, 26 at the Denver office, 47 at the Cleveland office, 74 at the Jacksonville office, and 5 at the national FAB.

claims were in paper form, a few recent claims had been scanned into electronic format, and some were a combination of paper and electronic formats. To document our review, we developed and used an electronic data collection instrument (DCI) that consisted of questions on the many individual claim development steps outlined in DOL's current Procedure Manual. We evaluated older claims based on the policies and procedures that were in effect at that time. Our review focused only on procedural steps required by the Procedure Manual and we did not attempt to evaluate the accuracy of the Recommended or Final Decisions, or the scientific and medical judgments used to support them. For each adjudication step noted in the DCI, the reviewer documented whether and how the step was taken and each reviewer's DCI responses were checked and verified by another reviewer. Upon analyzing our DCI data, we developed a list of 44 claims that we flagged as being potentially inconsistent. DOL reviewed our list and agreed with our findings for many claims. DOL also provided an explanation or clarification regarding other claims that justified their removal from the list. As a result of this verification step, we removed 11 claims from our list, leaving 33 that we deemed inconsistent.

To determine how new links between toxic substances and diseases are captured and applied in the adjudication process, we reviewed adjudication guidance, including DOL's EEOICPA Procedure Manual, Circulars, and Bulletins. In all, we reviewed 80 Circulars and 147 Bulletins and determined their relevance to our objective using two criteria: 1) those that pertained to the development and adjudication of Part E claims, and 2) those that provided guidance related to new links between toxic substances or radiological exposure, and diseases, or that provided guidance on whether the facility was covered under EEOICPA Part E.

In addition, we interviewed DOL officials and SEM contractor staff to obtain an understanding about how the SEM was created, what it contains, and DOL's process for incorporating newly identified links into the SEM and making the information available to claims examiners and the public. We also asked about how the SEM has changed over time and what efforts DOL has taken to improve the database. We reviewed relevant reports, including past EEOICP Ombudsman's reports, a report from the Institute of Medicine, and reports from advocacy groups.

To understand what DOL's monitoring efforts indicated about the Part E adjudication process, we reviewed findings from DOL's annual Accountability Reviews and other audits. Specifically, we reviewed DOL's Accountability Review results from 2010 through 2014—corresponding to

the 5 calendar years of our file review—and focused on the procedures that were within our scope. The procedures encompassed the steps involved in claim development, adjudication, the Recommended Decision, and Final Decision. We reviewed the procedure manual issued by the Office of Workers' Compensation Programs for planning and conducting Accountability Reviews, as well as handbooks, manuals, and worksheets developed by its Division of Energy Employees Occupational Illness Compensation (DEEOIC) that are specific to EEOICPA Accountability Reviews. We also reviewed the Office of Workers' Compensation Programs Accountability Review Procedure Manual to obtain an understanding of DOL's methodology for sample selection, accountability review team selection, and reporting methods. We reviewed the DEEOIC handbooks and other guidance to identify the areas of focus for each year's review, the specific questions used for each review, and scoring criteria.⁴ We also reviewed DOL's Contractor Medical Consultant and Second Opinion Medical Specialist referral audit completed in 2015 to obtain an understanding of the procedures examined during this audit and its results.

Throughout the course of our work we compared the steps taken during DOL's adjudication of Part E claims against federal standards for internal control.⁵

In addition, we reviewed available corrective action plans and interviewed agency officials to learn more about their monitoring of EEOICPA Part E and the corrective actions taken resulting from the findings. Our interviews specifically focused on the methodologies DOL used to conduct its monitoring. We also asked for information on the specific corrective actions DOL has taken to address program deficiencies

⁴According to DOL documents, the Accountability Reviews are broken down into specific categories that cover key components of the claims process, including claims development, issuance of Recommended and Final Decisions, data entry accuracy, post-decision actions, and calculation of benefits. Each category contains further elements and indicators. The elements are the broad topics related to the category. The indicators are a subpart of the element and are the specific questions used to measure performance. For example, for the reviews conducted in fiscal years 2010 and 2011, Case Development was a category and one of its corresponding elements was Medical, and an indicator under that element was "Does the medical evidence in the case file support the accepted diagnosis?"

⁵GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: November 1999).

identified during these internal audits. Finally, we reviewed applicable federal laws and regulations.

We conducted this performance audit from May 2014 through February 2016 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Categories and Elements Used by the Department of Labor to Conduct Accountability Reviews of the Energy Employees Occupational Illness Compensation Program for Fiscal Years 2010 through 2014

DISTRICT OFFICE		
2010 & 2011	2012	2013 & 2014
Case Demographics & Customer Service	Development	Part B Initial Claims
<ul style="list-style-type: none"> Case Create Employee Survivor Claimant(s) Authorized Representative Customer Service* 	<ul style="list-style-type: none"> Basic Development (including Part E*) and Part B Causation Development Part E Causation Development* Impairment Development Wage Loss Development 	<ul style="list-style-type: none"> Part B Development (this element applicable only in FY 2013) Recommended Decisions (Outcome and Written Quality)
Development	Recommended Decision	Part E Causation Claims
<ul style="list-style-type: none"> Employment* Medical* Survivorship* Special Exposure Cohort National Institute for Occupational Safety and Health* Causation* Impairment Development and Coding Wage Loss Development and Coding Wage Loss ECMS** Calculator 	<ul style="list-style-type: none"> Decision Outcome Notification* Claim Assessment and Narrative Explanation* Factual Findings of the Claim* Conclusions of Law* 	<ul style="list-style-type: none"> Part E Causation* (Development and Causation Assessment) Recommended Decision* (Outcome and Written Quality)
	Award Procedures	Impairment Claims
		<ul style="list-style-type: none"> Impairment Development Recommended Decision
		Wage Loss Claims
		<ul style="list-style-type: none"> Development and Wage Loss Calculations Recommended Decision
Recommended Decision		Payment Processing
<ul style="list-style-type: none"> Decision Correspondence* Statement of the Case* Findings of Fact* Conclusions of Law* ECMS** Coding 		Reopening Requests* (This category applicable only in FY 2013)
Awards		In-home Health Care Requests
<ul style="list-style-type: none"> Benefit Procedures ECMS** Coding 		

**Appendix II: Categories and Elements Used by
the Department of Labor to Conduct
Accountability Reviews of the Energy
Employees Occupational Illness
Compensation Program for Fiscal Years 2010
through 2014**

**FINAL ADJUDICATION BRANCH
(FAB)**

2010 & 2011	2012 & 2013	2014
Post Recommended Decision Objections	Post Recommended Decision Objections	Response to Hearing Requests
<ul style="list-style-type: none"> Hearing Pre-Scheduling Hearings ECMS** Coding 	<ul style="list-style-type: none"> Hearing Pre-Scheduling Hearings 	<ul style="list-style-type: none"> Hearing Pre-Scheduling Hearings
FAB Decisions	FAB Decisions	FAB Decisions
<ul style="list-style-type: none"> Decision Correspondence* Statement of the Case* Claimant response to the Recommended Decision* Findings of Fact* Conclusions of Law* Remands* ECMS** Coding 	<ul style="list-style-type: none"> Decision Correspondence* Statement of the Case* Claimant Response to the Recommended Decision* Findings of Fact* Conclusions of Law* Remands* Benefits Procedures 	<ul style="list-style-type: none"> Decision Correspondence* (Written Quality) Statement of the Case* Findings of Fact* Conclusions of Law*
		Addressing Claimant Objections*
		Remands*
	Reconsiderations*	Reconsiderations*
Post Final Decision Actions		
<ul style="list-style-type: none"> Reconsiderations* Reopening Requests* ECMS** Coding 		

Source: DEEOIC Accountability Review Manual and Worksheets from fiscal years 2010 through 2014. | GAO-16-74

*Denotes aspects of adjudication within the scope of our review.

**Energy Case Management System

Appendix III: Comments from the Department of Labor

U.S. Department of Labor

Office of Workers' Compensation Programs
Washington, DC 20210



File Number:

FEB 17 2016

Andrew Sherrill
Director
Education, Workforce, and Income Security Issues

Dear Mr. Sherrill:

Thank you for sharing the proposed report entitled ENERGY EMPLOYEES COMPENSATION: DOL Generally Followed Its Procedures to Process Claims but Could Strengthen Some Internal Controls (GAO-16-74). We have reviewed the draft report and are submitting the following comments regarding the Recommendations for Executive Action as discussed in the report.

Based on your review of a random sample of 200 Energy Employees Occupational Illness Compensation Program Act (EEOICPA) Part E claims filed between 2010 and 2014, you found that Department of Labor (DOL) claims examiners generally followed established adjudication procedures. Overall, you estimated that approximately 90 percent of those claims were adjudicated in a manner consistent with the procedures you selected from the EEOICPA Procedure Manual. While you found that the remaining 10 percent of the claims were not adjudicated in a manner consistent with at least one of these procedures, you also opined that the majority of these inconsistencies were not likely to have had an effect on the adjudication outcome.

We appreciate your detailed explanation of the inconsistencies you observed related to the quality of our written correspondence to claimants. As the report indicates, the EEOICPA Procedure Manual states staff must issue well-written letters and decisions for all correspondence. Staff must use appropriate language to clearly communicate information, and issue decisions that address all facets of the evidence that led to the conclusion, including any interpretive analysis relied upon to justify the decision. While reexamining the inconsistencies noted in your review, we have identified areas of opportunity to further educate and train our claims examiners, specifically, procedures related to the development of sarcoidosis and hearing loss.

The report provides a discussion of the Site Exposure Matrices (SEM) and DOL's use of the SEM to obtain and organize exposure data for all facilities covered under Part E of the EEOICPA. The SEM is a repository of information on toxic substances present at Department of Energy (DOE) and Radiation Exposure Compensation Act (RECA) sites covered under Part E. The SEM provides information regarding scientifically established links between toxic substances and recognized occupational illnesses. Despite the fact that this is a valuable support resource in the adjudication process, DOL understands that exposure and illness information provided in the SEM is not complete. DOL continues to obtain, organize, update, and refine

exposure and disease information for all covered Part E facilities. In addition, a public mailbox was established for the submission of comments or documentation of any toxic substance used at a particular facility, or scientific evidence establishing an occupational illness link. The comments are reviewed by a toxicologist and a National Library of Medicine physician. Finally, internal reviews lead to increased usability of the SEM database, including enhanced search functions.

In an effort to enhance consistency with DOL policy and procedures in adjudicating EEOICPA Part E claims, you made two (2) recommendations to the Secretary of Labor that you believe will strengthen internal controls. First, you recommend that DOL take steps to ensure all Recommended and Final Decisions receive supervisory review. Currently, the EEOICPA Procedure Manual states that after preparing a recommended decision, the claims examiner routes the decision and case file to the appropriate signatory for review, signature, date, and release. The Procedure Manual does not currently specify that every recommended decision receive supervisory review, and instead any decisions regarding what type of claim necessitates a second level review are made at the discretion of the District Office. The current requirement for second level review is primarily based on the claims examiner's level of experience. We understand the importance of providing clear, concise, and correct recommended decisions to our claimants. Adding a required second level/supervisory review of the recommended decisions can provide an extra level of internal quality control that may decrease inconsistencies. As a result, the National Office will work in conjunction with the District Offices to evaluate the current signatory process, identify ways to implement the recommended work flow change, and conduct an internal review of the changes after implementation.

Second, you recommend that the District Offices be required to document that the SEM was checked for updates just prior to issuing a decision to deny a claim, in cases where the date of the SEM has not changed since the claims examiner's prior check. Current DOL procedures do require the District Office and FAB staff to document when they search the SEM at various phases; however, for auditing and review purposes, it makes sense that they document when the SEM is checked in the instance you describe. Therefore, DOL plans to implement this recommendation and will assess its options for capturing and documenting the final SEM search, including entering a search date in the electronic case management system and/or providing a record in the digital imaging system.

The recommendations described in the report will help strengthen our internal controls and ultimately allow us to better fulfill our mission of making timely, appropriate, and accurate decisions on claims and providing payment of benefits to eligible claimants.

Sincerely,



Leonard J. Howie III
Director
Office of Workers' Compensation Programs

Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact

Andrew Sherrill, Director, Education, Workforce, and Income Security
(202) 512-7215, sherrilla@gao.gov

Staff Acknowledgments

In addition to the contact named above, Meeta Engle (Assistant Director), Susan Chin, Karen Granberg, David Perkins, Cody Raysinger, Walter Vance, and Sonya Vartivarian made significant contributions to this report. Also contributing to this report were Lucas Alvarez, Susan Baker, Marcia Crosse, Jennifer Cook, Holly Dye, Alexander Galuten, Kathy Leslie, Diane Lofaro, Mimi Nguyen, and Minette Richardson.

Related GAO Products

Energy Employees Compensation: Additional Independent Oversight and Transparency Would Improve Program's Credibility. [GAO-10-302](#). Washington, D.C.: March 22, 2010.

Energy Employees Compensation: Actions to Promote Contract Oversight, Transparency of Labor's Involvement, and Independence of Advisory Board Could Strengthen Program. [GAO-08-4](#). Washington, D.C.: Oct. 26, 2007.

Energy Employees Compensation: Adjustments Made to Contracted Review Process, but Additional Oversight and Planning Would Aid the Advisory Board in Meeting Its Statutory Responsibilities. [GAO-06-177](#). Washington, D.C.: Feb. 10, 2006.

Energy Employees Compensation: GAO's Prior Work Has Identified Needed Improvements in Various Aspects of the Program. [GAO-07-233T](#). Washington, D.C.: Dec. 5, 2006.

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