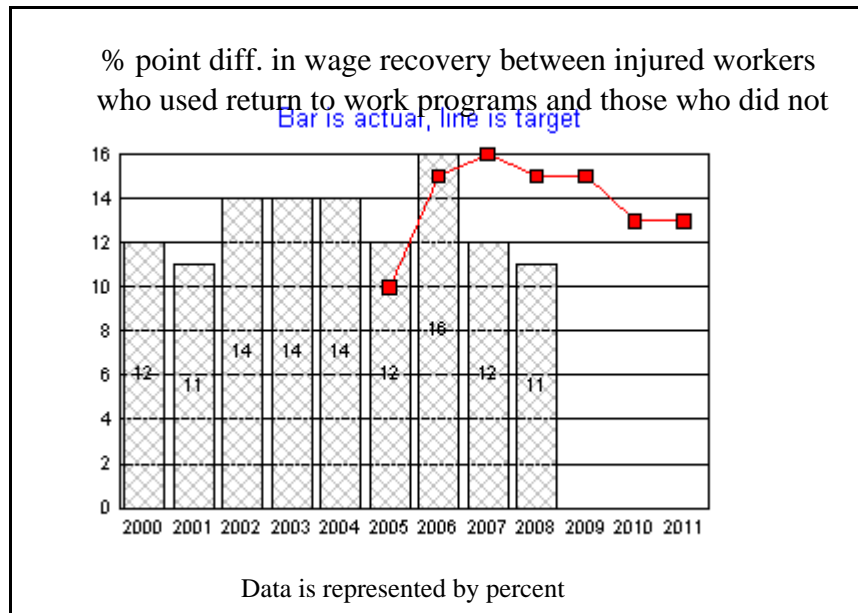


KPM #2	WAGE RECOVERY FOR INJURED WORKERS – Difference in percentage wage recovery for workers who use return-to-work programs versus workers who do not.	1999
Goal	DCBS Goal #1: Protect consumers and workers in Oregon.	
Oregon Context	Oregon Benchmark #9: Oregon’s national rank in the cost of doing business.	
Data Source	Information Management Division, Research and Analysis Section using Employment Department and WCD data files.	
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1. OUR STRATEGY

Restore injured workers to a self-sufficient status and lower costs for employers by increasing the use of return-to-work programs. The programs provide incentives to employers for getting workers back to work quickly.

2. ABOUT THE TARGETS

This measure comprises data from three return-to-work programs: the Vocational Assistance Program, the Preferred Worker Program, and the Employer-at-Injury Program. The measure compares wage differences in the 13th quarter after the date of injury between injured workers who were using these benefit programs and similar workers who did not use the programs. To set targets, we considered current return-to-work activities, legislative changes, and program activities during the years of injury. We have adjusted our targets downward to 13 percentage points for the next two years to reflect the growth in the use of the Employer-at-Injury Program (please see the “About the data” section for more detailed information on the wage recovery for each return-to-work program). This program had 3,200 participants in 2008, compared to 248 in the Preferred Worker Program and 67 in the Vocational Assistance Program. The Employer-at-Injury Program helps workers return to their pre-injury employer more quickly than the other two programs. Workers who are only eligible for the Employer-at-Injury Program typically are less severely disabled and have experienced less significant wage loss than those who are eligible for the other return-to-work programs, so their wage increase is typically smaller.

3. HOW WE ARE DOING

Data consistently shows that injured workers who use return-to-work programs maintain wages at a higher rate than workers who do not use these programs. In 2008, workers who used return-to-work programs had wages 11 percentage points higher than those who did not. This figure is consistent with past years, with the exception of 2006, when there was tremendous growth in the Preferred Worker Program. As mentioned earlier, the majority of the workers who use return-to-work programs use the Employer-at-Injury Program, so that program has the most influence on the overall figure (please see the “About the data” section for more detailed information on the wage recovery for each return-to-work program).

4. HOW WE COMPARE

Oregon’s return-to-work programs are nationally recognized and unique to Oregon. Many other jurisdictions have sought to introduce these programs in their jurisdictions due to the successes in Oregon. A 2008 study by the Workers’ Compensation Research Institute highlights Oregon’s return-to-work programs as one of four key lessons other states can learn from Oregon. According to the study: “Oregon policymakers have fashioned some potentially powerful program elements aimed at stimulating early return to work and long-term recovery of wages for injured workers.”

5. FACTORS AFFECTING RESULTS

Changes in the Oregon economy or in business practices may affect this measure by reducing or increasing opportunities for job openings. Also affecting results are changes in laws, rules, or WCD initiatives during the various times employees and employers trigger the use of these programs.

For example, the Workers' Compensation Division has streamlined the rules and processes for the Employer-at-Injury Program to enable more workers and their employers to participate. The Employer-at-Injury Program helps workers return to their pre-injury employer more quickly than in the other two programs, which benefits both the injured worker and the employer. Therefore, the growth in the use of this program is considered a significant success. However, since the wage difference between workers who use the Employer-at-Injury Program and those who do not is lower than in the other programs, it has influenced movement toward the target.

6. WHAT NEEDS TO BE DONE

WCD will continue to provide education and outreach that promotes use of the return-to-work programs and dispute resolution services for vocational assistance matters. In addition, WCD will continue to encourage use of these programs by injured workers through increased partnerships with vocational providers. WCD also will continue to focus on simplifying rules and streamlining processes in delivery of reemployment assistance in order to promote more use of the return-to-work programs.

7. ABOUT THE DATA

To see the effects of return-to-work programs, it is necessary to track injured workers' wages over time. The data reported for 2008 represents wages of workers who were injured during the calendar year 2004. The data represents wages in the 13th quarter after injury for workers using vocational assistance, Preferred Worker, or Employer-at-Injury program benefits compared to injured workers who did not use return-to-work programs or who did not complete their vocational assistance training. Wages of each group are adjusted for inflation and for those workers no longer in the workforce (due to retirement, moving out of state, etc). We compare their pre-injury wages with their wages 13 quarters after injury (corrected for inflation), which would be between April 1, 2007 and March 31, 2008. Note, data from 2006 and 2007 was audited for data validity in September, 2008. In the internal audit, the data and results were verified as "accurate", indicating that the auditor was able to recreate 2006 and 2007 results from raw data to within 5 percent of published values.

Percentage point differences in wage recovery for injured workers using each WCD return-to-work program are as follows (Note - results are shown as: EAIP / Preferred Worker / Vocational Assistance / Overall):

2000 - 6 / 22 / 26 / 12

2001 - 5 / 15 / 19 / 11

2002 - 8 / 18 / 28 / 14

2003 - 9 / 20 / 27 / 14

2004 - 8 / 14 / 33 / 14

2005 - 5 / 29 / 19 / 12

2006 - 9 / 33 / 26 / 16

2007 - 6 / 20 / 41 / 12

2008 - 4 / 27 / 30 / 11