

Return to Work

in the Texas Workers' Compensation System

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Workers' Compensation
Research &
Evaluation Group

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Division of Workers' Compensation



Per Chapter 405 of the Texas Labor Code, the Workers' Compensation Research and Evaluation Group at the Texas Department of Insurance is responsible for conducting professional studies and research on various system issues, including:

- the delivery of benefits;
- litigation and controversy related to workers' compensation;
- insurance rates and rate-making procedures;
- rehabilitation and reemployment of injured employees;
- the quality and cost of medical benefits;
- employer participation in the workers' compensation system;
- employment health and safety issues; and
- other matters relevant to the cost, quality, and operational effectiveness of the workers' compensation system.

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ACKNOWLEDGMENTS

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EXECUTIVE SUMMARY

One goal of the Texas workers' compensation system is to return injured employees back to work quickly and safely. This report analyzes return-to-work (RTW) outcomes for the Texas workers' compensation system between 2007 and 2017, including the percentage of injured employees who initially return to work after their injury; the percentage who remain at work; and the average days away from work.

This analysis focuses on the RTW outcomes of injured employees who received temporary income benefits (TIBs) for their lost time. RTW rates are calculated using quarterly employee wage information from the Texas Workforce Commission. This report shows two types of RTW rates: initial RTW and sustained RTW. Initial RTW is the percentage of injured employees who returned to work for the first time after their injury. Sustained RTW is the percentage of injured employees who returned to work and remained at work for three consecutive quarters (nine months) after their injury.

It is important to note that several factors outside of the Texas workers' compensation system affect RTW rates for injured employees, including the state's economy, unemployment rates, industry changes, and changing employee demographics, among others. However, RTW rates are an important barometer of the overall effectiveness of a state's workers' compensation system.

Key Findings

Initial RTW

More injured employees are returning to work in Texas. About nine out of 10 injured employees return to work within one year of their injury.

Sustained RTW

The sustained RTW rate has increased over time for all claim maturity levels. Almost two-thirds of injured employees who return to work within six months post-injury remain at work in Texas.

Wage Recovery

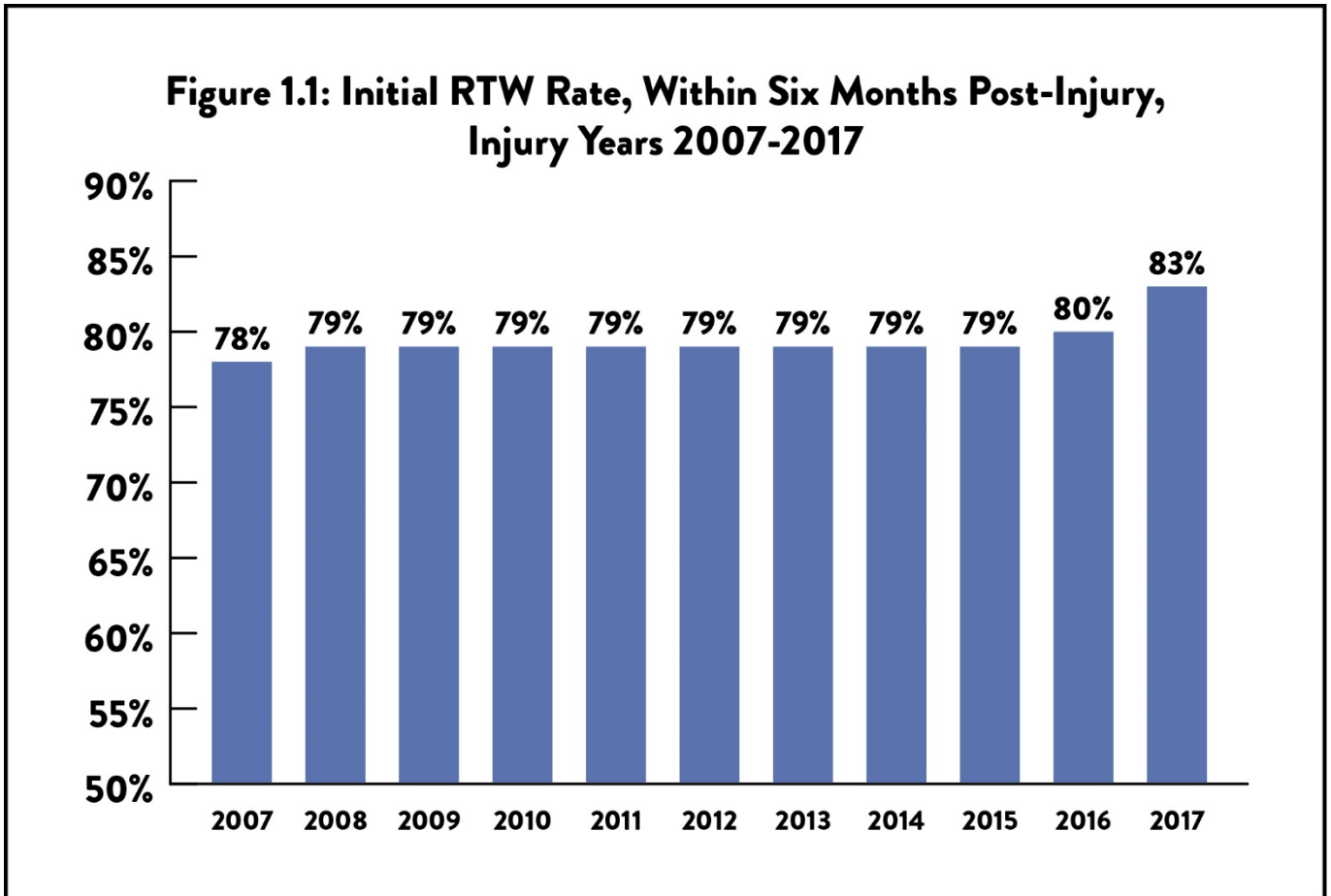
Those returning to work within six months of injury, on average, show a recovery to pre-injury wage levels in about two years.

Days Away

Injured employees who return to work within six months of injury have the fewest days away from work.

1. INITIAL RETURN TO WORK

More injured employees are returning to work in Texas. The initial RTW rate has steadily increased for injured employees in Texas between injury years 2007-2017 (from 78 percent of injured employees returning to work within six months post-injury in 2007 to almost 83 percent returning to work in 2017) (see Figure 1.1).



Source: Workers' Compensation Research and Evaluation Group, 2020.

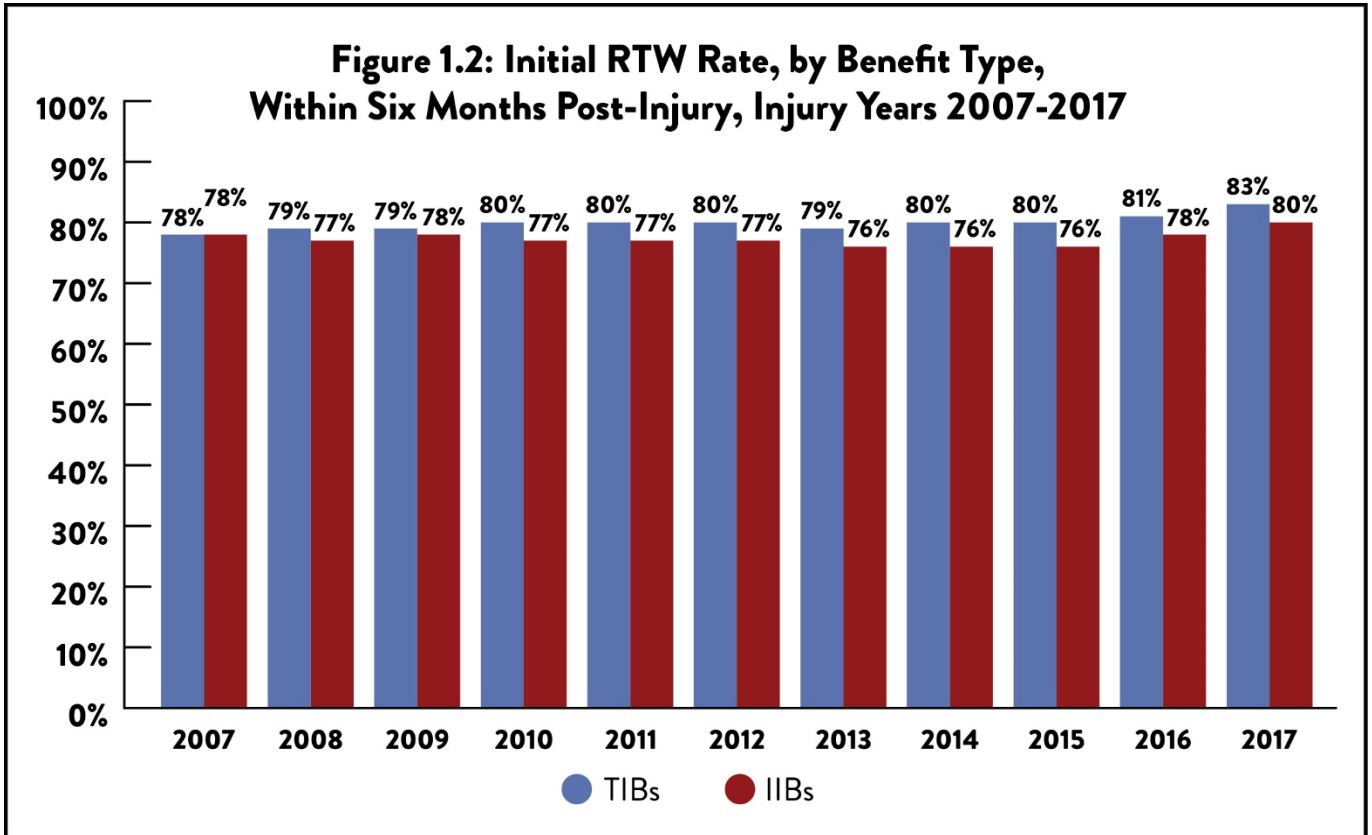
About nine out of 10 injured employees return to work within one year of their injury, and about 95 percent of injured employees return to work within three years of their injury (see Table 1.1).

Table 1.1: Initial RTW Rate, Injury Years 2007-2017

	6 Months Post-Injury	1 Year Post-Injury	1.5 Years Post-Injury	2 Years Post-Injury	3 Years Post-Injury
2007	78%	87%	91%	93%	94%
2008	79%	87%	90%	92%	94%
2009	79%	87%	90%	92%	94%
2010	79%	88%	91%	93%	95%
2011	79%	88%	91%	93%	95%
2012	79%	88%	91%	93%	95%
2013	79%	87%	91%	93%	94%
2014	79%	88%	91%	93%	95%
2015	79%	88%	91%	93%	
2016	80%	89%	92%		
2017	83%	91%			

Source: Workers' Compensation Research and Evaluation Group, 2020.

Injured employees who receive impairment income benefits (IIBs) have lower initial RTW rates than other types of income benefit recipients. Injured employees who receive IIBs have more severe injuries than TIBs recipients (see Figure 1.2). This analysis does not calculate RTW rates for Supplemental Income Benefit (SIBs) recipients due to the small population size.



Source: Workers' Compensation Research and Evaluation Group, 2020.

Note: This analysis excludes SIBs recipients since that population is too small for stable RTW estimates.

Employer size appears to have a proportional relationship with initial RTW rates. Large employers consistently have the highest initial RTW rates within six months post-injury, averaging at roughly 82 percent (see Table 1.2). Larger employers tend to have more robust RTW programs than smaller employers.

Table 1.2: Initial RTW Rate, by Employer Size, Within Six Months Post-Injury, Injury Years 2007-2017

Employer Size	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
1 to 4 employees	79%	73%	75%	78%	69%	72%	73%	72%	76%	76%	80%
5 to 9 employees	76%	73%	75%	75%	72%	75%	71%	73%	75%	74%	80%
10 to 49 employees	77%	77%	78%	78%	77%	77%	77%	77%	78%	78%	79%
50 to 99 employees	81%	78%	77%	78%	80%	81%	77%	77%	80%	78%	81%
100 to 499 employees	81%	80%	79%	79%	79%	81%	78%	80%	80%	81%	83%
500 or more employees	80%	82%	82%	83%	83%	83%	82%	83%	82%	82%	85%

Source: Workers' Compensation Research and Evaluation Group, 2020.

Initial RTW rates differ by industry sector. Public administration has the consistently highest initial RTW rates within six months post-injury at an average of roughly 87 percent. Employees in the mining/utilities/construction and agriculture sector have, on average, the lowest initial RTW rate at roughly 75 percent. Almost all sectors, except arts and accommodation, saw improvements in initial RTW rates over the last decade (see Table 1.3).

Table 1.3: Initial RTW Rate, by Employer Industry, Within Six Months Post-Injury, Injury Years 2007-2017

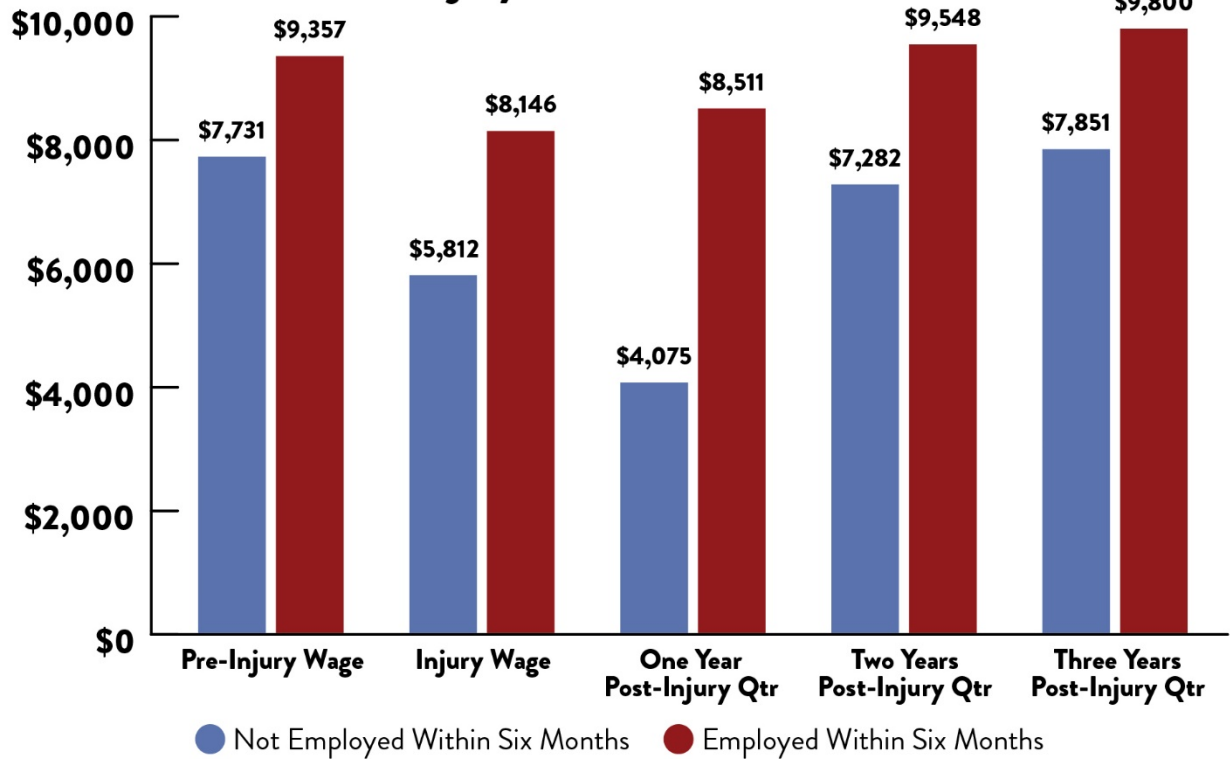
Industry Type	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Agriculture	69%	70%	78%	84%	74%	76%	71%	75%	76%	75%	80%
Arts/Accommodation	81%	81%	78%	81%	80%	80%	78%	82%	79%	81%	81%
Education/Health	82%	83%	84%	81%	82%	82%	80%	84%	83%	81%	85%
Manufacturing	77%	80%	78%	79%	79%	81%	79%	81%	80%	80%	83%
Mining/Utilities/Construction	76%	75%	73%	74%	76%	74%	73%	76%	75%	75%	79%
Other Services	81%	81%	81%	77%	73%	78%	78%	77%	82%	80%	84%
Professional Group	76%	75%	76%	78%	76%	77%	76%	77%	78%	78%	80%
Public Administration	85%	86%	86%	87%	87%	88%	87%	87%	86%	87%	88%
Wholesale/Retail/ Transportation	80%	80%	80%	81%	81%	82%	81%	80%	81%	82%	84%

Source: Workers' Compensation Research and Evaluation Group, 2020.

The speed of an employee's initial RTW can greatly affect an employee's future wages, and how long it takes for an injured employee to get back to pre-injury wage levels. It is important to note that when an injured employee is able to return to work and earn pre-injury wages, this reduces the amount and duration of income benefits they receive. This in turn, reduces claim costs and positively affects workers' compensation insurance premiums for Texas employers.

Those returning to work within six months of injury, on average, show a recovery to pre-injury wage levels in about two years. However, employees not employed within six months of their injury take around three years to get back to pre-injury wage levels (see Figure 1.3). Additionally, employees who do not initially return to work within six months of their injury tend to have lower pre-injury wages than employees who do return to work within six months, which may indicate that there may also be other factors affecting an injured employee's ability to return to pre-injury wages (e.g., differences in occupation, availability of employer light-duty options, need for employee retraining, etc.).

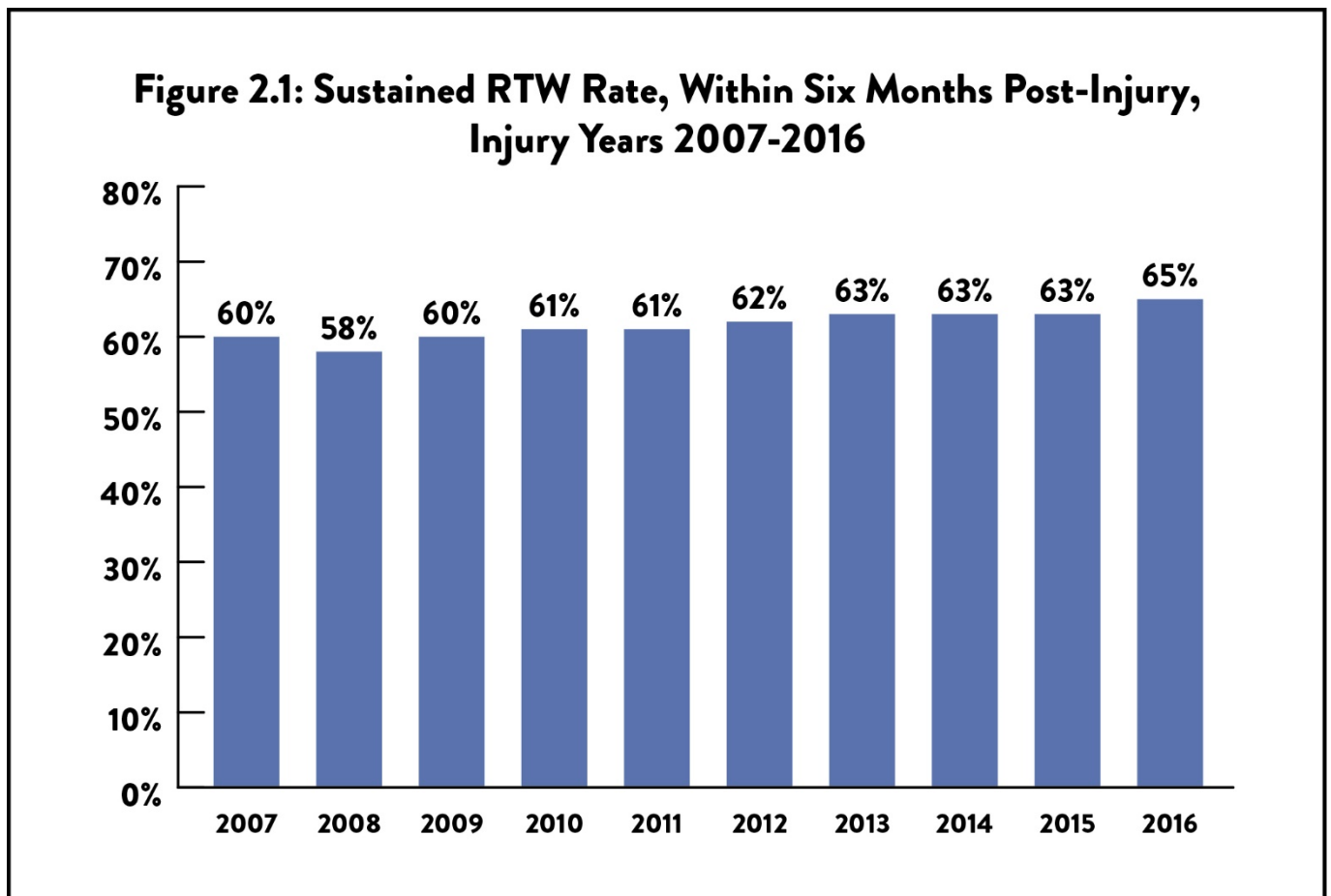
Figure 1.3: Quarterly Wage Outcomes, by Initial RTW Status, Injury Years 2007-2017



Source: Workers' Compensation Research and Evaluation Group, 2020.

2. SUSTAINED RETURN TO WORK

This section analyzes the percentage of injured employees who initially RTW and remain employed for at least three consecutive quarters. This measure is important in understanding the Texas workers' compensation system's ability to both help an employee return to work after an injury and ensure they remain employed. To ensure that enough time is available after an injury to analyze these rates, the sustained RTW rate focuses on injury years 2007-2016. More injured employees who RTW are remaining at work in Texas. In 2016, almost two-thirds (65 percent) of injured employees who went back to work within six months post-injury remained at work for at least three consecutive quarters, compared to about 60 percent in 2007 (see Figure 2.1). The sustained RTW rate has increased over time for all claim maturity levels (see Table 2.1).



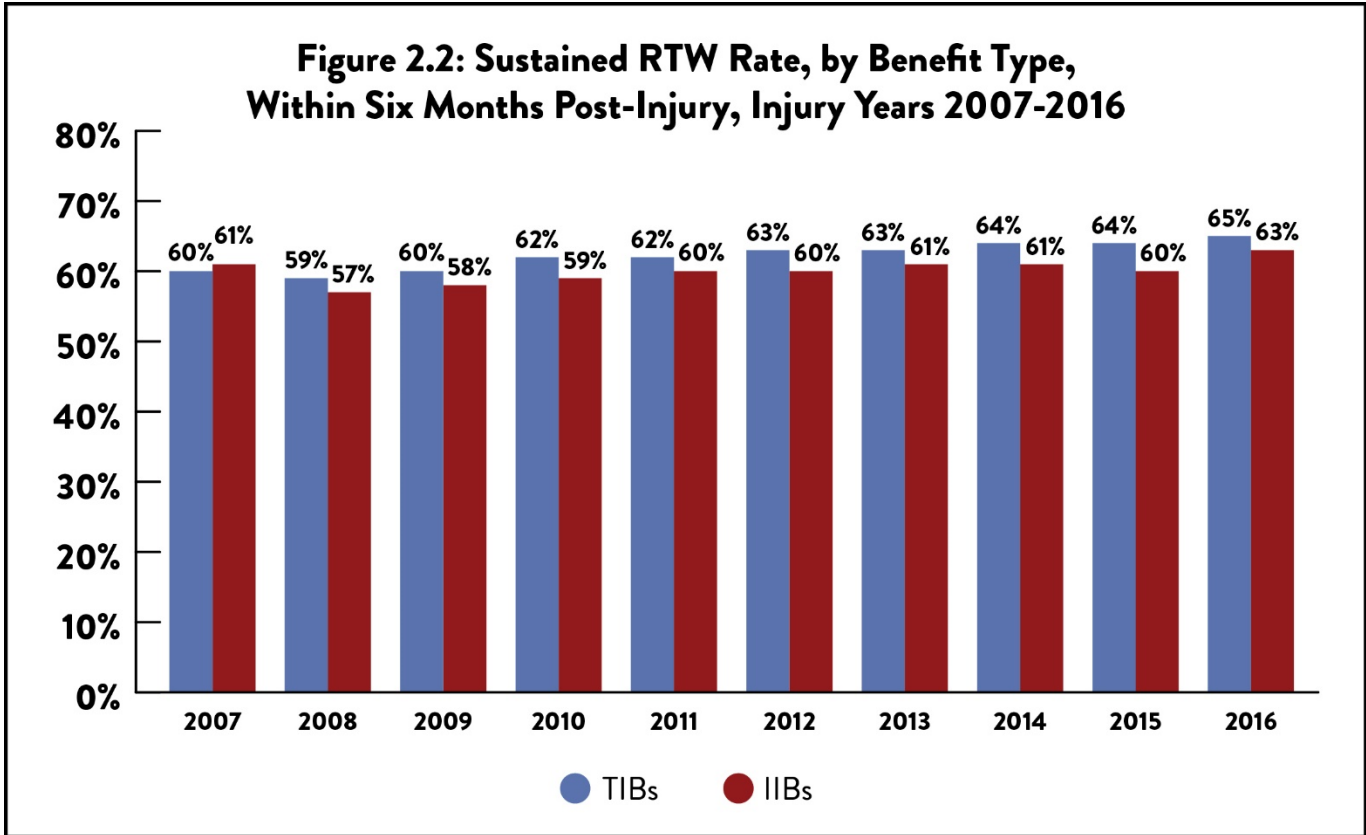
Source: Workers' Compensation Research and Evaluation Group, 2020.

Table 2.1: Sustained RTW Rate, Injury Years 2007-2016

	6 Months Post-Injury	1 Year Post-Injury	1.5 Years Post-Injury	2 Years Post-Injury	3 Years Post-Injury
2007	60%	67%	69%	71%	72%
2008	58%	64%	66%	67%	69%
2009	60%	66%	68%	69%	71%
2010	61%	67%	70%	71%	72%
2011	61%	68%	70%	72%	73%
2012	62%	69%	71%	73%	74%
2013	63%	69%	72%	73%	75%
2014	63%	70%	73%	74%	75%
2015	63%	70%	72%	73%	
2016	65%	71%	73%		

Source: Workers' Compensation Research and Evaluation Group, 2020.

Injured employees who receive IIBs also have lower sustained RTW rates than other types of income benefit recipients. The average sustained RTW rate for TIBs recipients within six months post-injury was the highest among the three benefit types at roughly 62 percent (see Figure 2.2).



Source: Workers' Compensation Research and Evaluation Group, 2020.

Note: This analysis excludes SIBs recipients since that population is too small for stable RTW estimates.

Injured employees who work for larger employers have the highest sustained RTW rates. More than two-thirds of injured employees working for large employers who return to work within six months post-injury, remain at work (see Table 2.2).

Employee Size	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1 to 4 employees	62%	54%	55%	58%	52%	58%	58%	59%	58%	63%
5 to 9 employees	61%	54%	58%	56%	54%	60%	58%	59%	59%	64%
10 to 49 employees	58%	55%	58%	60%	60%	59%	61%	60%	62%	63%
50 to 99 employees	65%	60%	59%	59%	62%	62%	59%	62%	61%	63%
100 to 499 employees	63%	61%	61%	61%	61%	63%	63%	65%	64%	64%
500 or more employees	64%	65%	65%	67%	67%	67%	68%	68%	67%	68%

Source: Workers' Compensation Research and Evaluation Group, 2020.

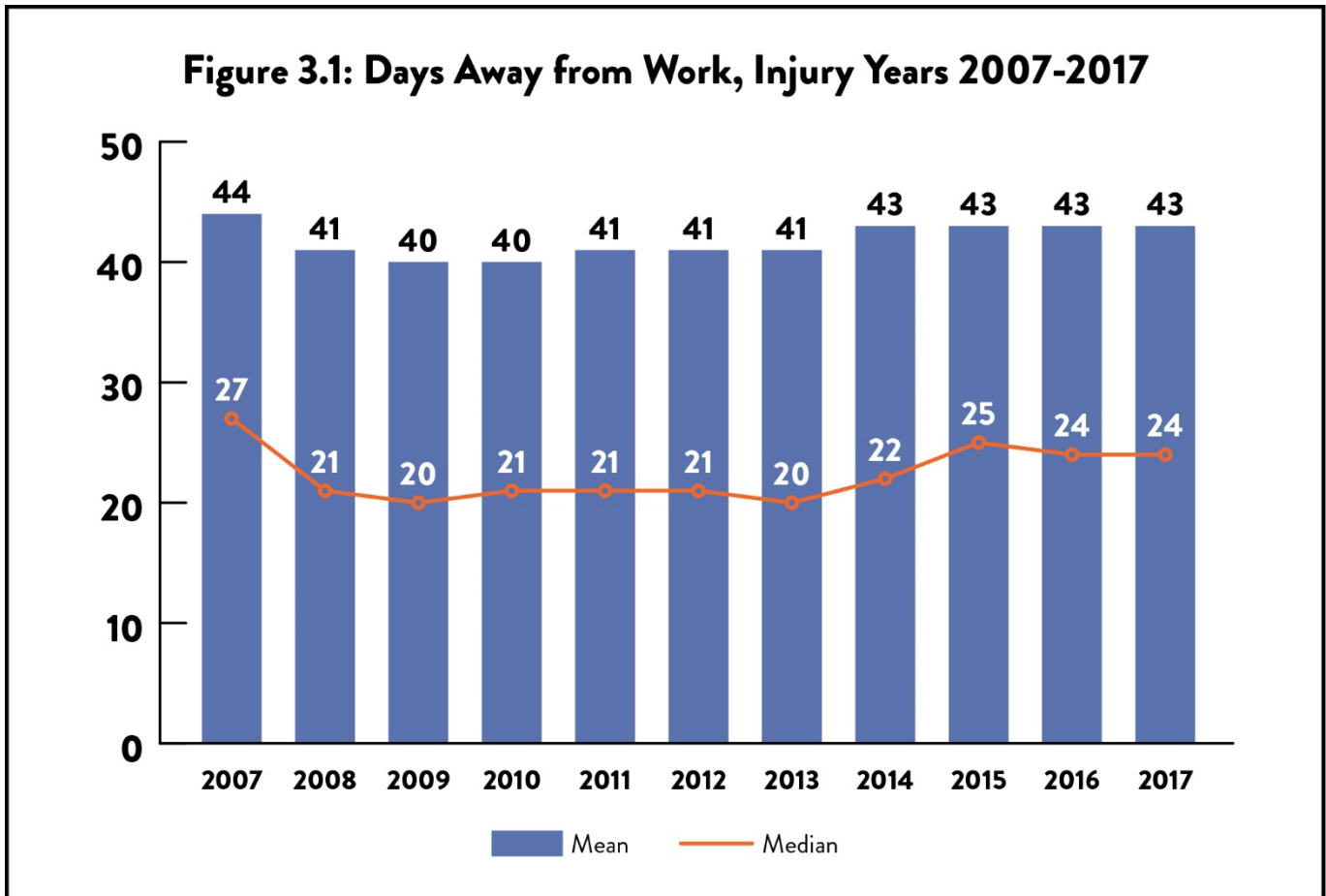
Injured employees who work in public administration also have the highest sustained RTW rates. The industry with the lowest sustained RTW rates at six months post-injury was agriculture at roughly 56 percent (see Table 2.3).

Industry Type	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Agriculture	51%	44%	62%	58%	52%	52%	49%	55%	60%	56%
Arts/Accommodation	64%	61%	59%	60%	62%	60%	61%	63%	64%	65%
Education/Health	64%	65%	65%	62%	63%	63%	65%	69%	66%	66%
Manufacturing	60%	59%	61%	62%	62%	63%	66%	68%	64%	66%
Mining/Utilities/Construction	60%	53%	52%	55%	56%	59%	57%	58%	56%	61%
Other Services	60%	65%	62%	55%	59%	63%	62%	65%	65%	68%
Professional Group	55%	53%	54%	59%	57%	58%	58%	59%	60%	60%
Public Administration	72%	73%	74%	74%	73%	76%	75%	75%	76%	75%
Wholesale/Retail/ Transportation	64%	61%	62%	63%	66%	65%	67%	66%	66%	67%

Source: Workers' Compensation Research and Evaluation Group, 2020.

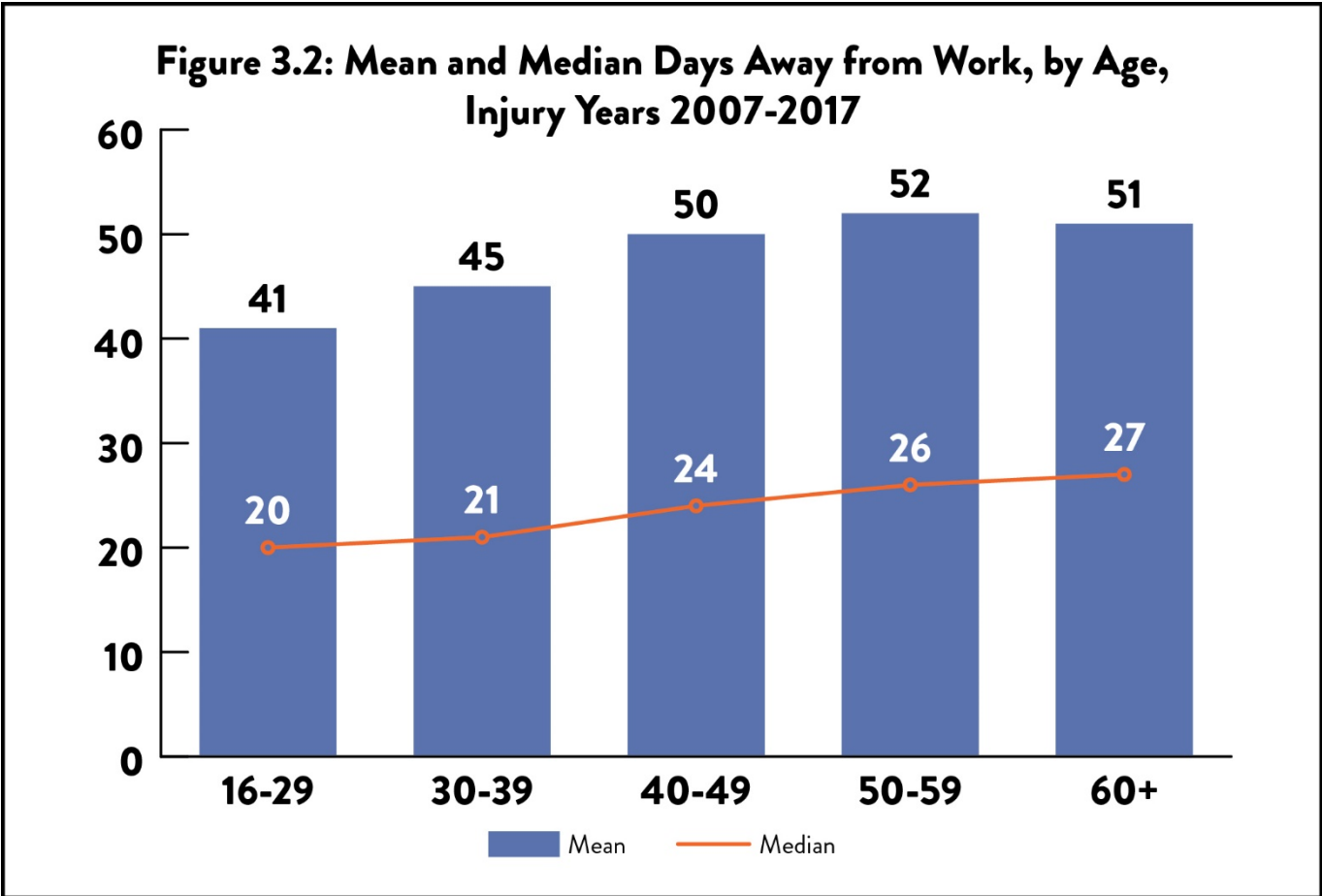
3. DAYS AWAY FROM WORK

When an injured employee loses time away from work, it impacts the employee’s ability to earn wages and the employer’s productivity. The less time an injured employee is off work due to a work-related injury, the quicker that employee can restore their wage-earning capacity, helping them avoid serious economic losses. Overall, the median days away from work is slightly lower in 2017 (24 days) than it was in 2007 (27 days), which means less lost income for injured employees and fewer disruptions to employer productivity (see Figure 3.1). The mean days away from work shows a stable overall trend at roughly 42 days.



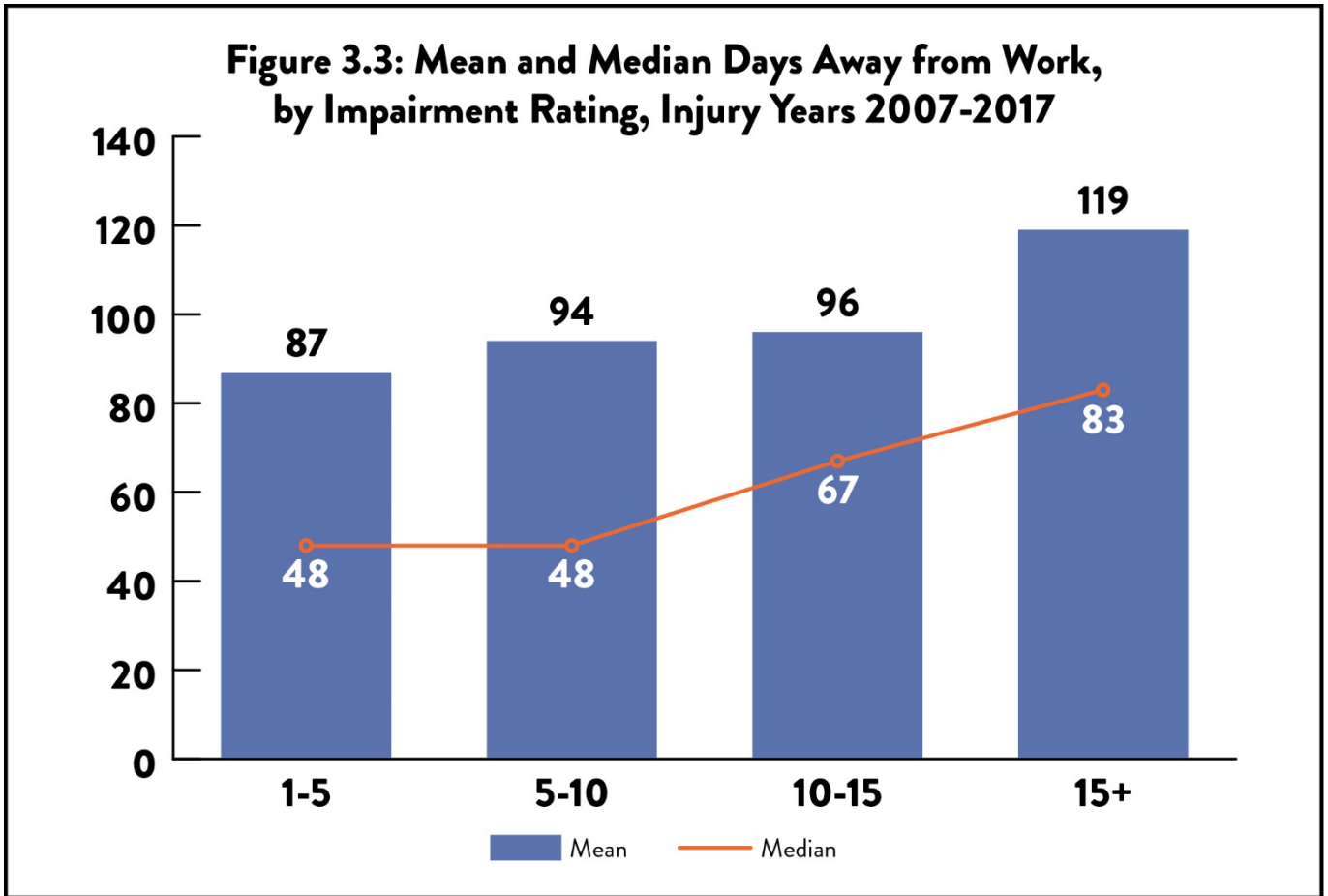
Source: Workers’ Compensation Research and Evaluation Group, 2020.

Older injured employees tend to be away from work longer than younger injured employees. Injured employees who are “60 and over” have, on average, ten more days away from work than employees who are “16-29” years old (see Figure 3.2).



Source: Workers’ Compensation Research and Evaluation Group, 2020.

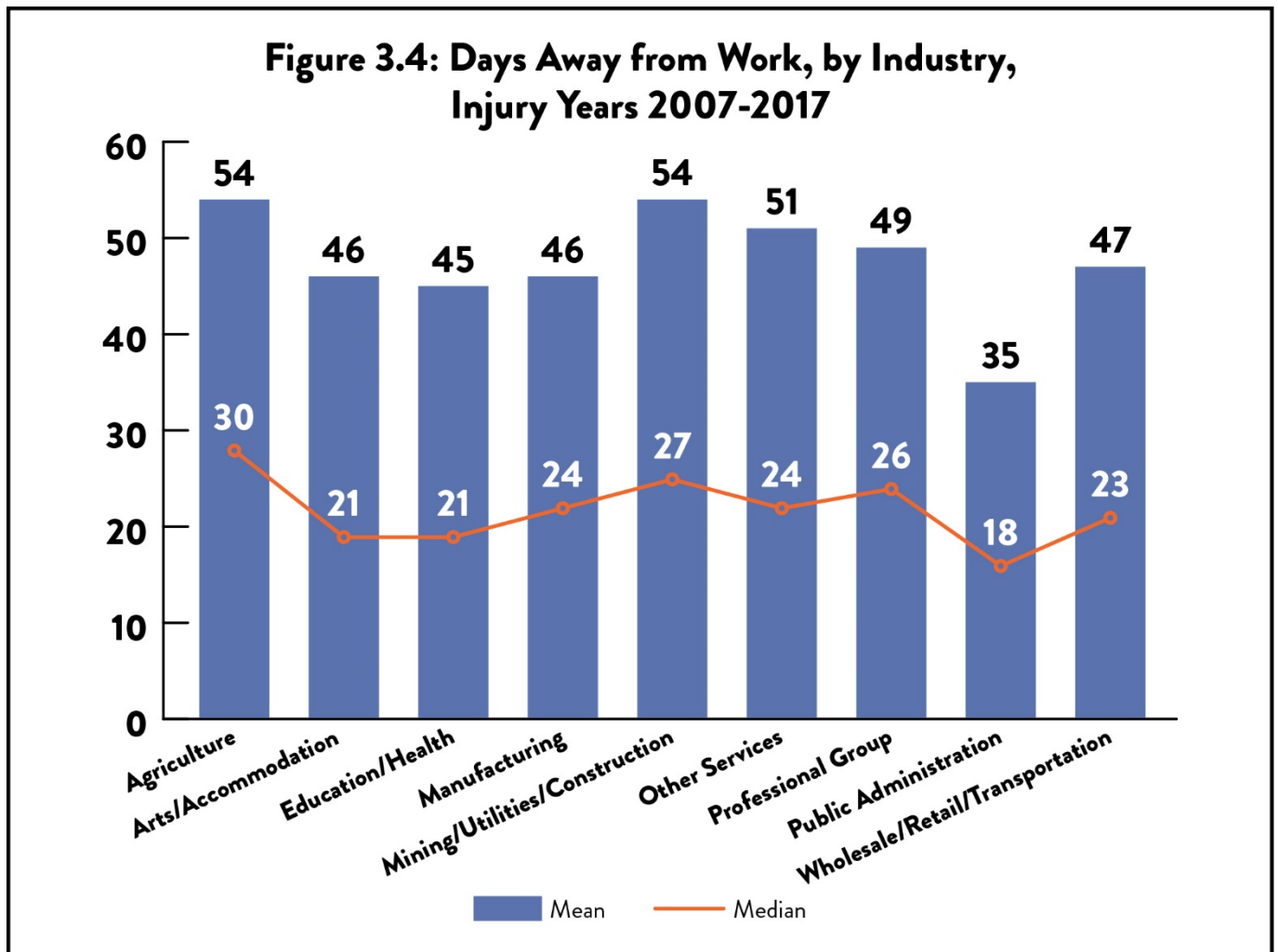
Employees with more severe injuries, as measured by an injured employee’s impairment rating, tend to be off work longer than employees with less severe injuries (see Figure 3.3). Generally, the number of days away from work after injury increases as the employee’s impairment rating increases.



Source: Workers’ Compensation Research and Evaluation Group, 2020.

Note: This analysis uses the most recent impairment rating received by DWC per claim since some claims may have more than one impairment rating.

Consistent with the other findings in this report, employees in the mining/utilities/construction and agriculture industries experienced the highest average and median number of days away from work (see Figure 3.4).



Source: Workers' Compensation Research and Evaluation Group, 2020.

4. SUMMARY

The findings in this report show steady improvements in RTW rates for Texas injured employees in the last decade. More than three-fourths of employees injured in 2017 initially returned to work within six months, and almost nine out of 10 injured employees went back to work within the first year after their injury. Initial RTW rates vary by employer size and industry sector. Smaller employers and employers in industries that rely heavily on manual labor may not have the resources that other employers have to provide light-duty or alternate-duty options to injured employees, so their RTW rates tend to be lower.

Texas has also seen improvements in the sustained RTW rate, the proportion of employees returning to work and remaining at work for at least three consecutive quarters, during the same time period. In 2017, nearly two-thirds of injured employees who went back to work within six months post-injury remained at work. Employee wage recovery, an important aspect of RTW, indicates that employees initially returning to work within six months post-injury return to pre-injury wage levels faster than employees who do not return to work within six months. These findings highlight the need for employers, employees, insurance carriers, and health care providers to engage in coordinating the employee's return to work as quickly and safely as possible after the injury to reduce the impact on an employee's future wage-earning capacity.

While Texas has seen some improvement in the median days away from work over time, the findings show that older employees, employees with more serious injuries, and employees in industry sectors that rely heavily on manual labor tend to have more lost time than other types of employees. This may signal the need for more focus on vocational rehabilitation and retraining options for these employees and increased claim coordination by insurance carriers to help these employees return to work.



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