



Texas Department of Insurance

Workers' Compensation Research and Evaluation Group

Return to Work Outcomes in the Texas Workers' Compensation System

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6. Return-to-Work Outcomes in the Texas Workers' Compensation System

An important goal of the Texas workers' compensation system is to return injured employees to a safe and productive employment. Effective return-to-work programs can help alleviate the economic and psychological impact of a work-related injury on an injured employee, and reduce income benefit payments and increase worker productivity for Texas employers.

Studies conducted by the former Research and Oversight Council on Workers' Compensation and the Workers' Compensation Research Institute indicated that in comparison to similarly injured employees in other states, Texas injured employees were generally off work for longer periods of time and were more likely to report that their take-home pay was less than their pre-injury pay.¹ Policymakers acknowledged the importance of return-to-work in HB 7 by including the following requirements:

- The adoption of return-to-work guidelines
- The institution of a return-to-work pilot program geared toward businesses with less than 50 employees
- Better coordination of injured employee referrals for vocational rehabilitation services between TDI-DWC and the Department of Assistive and Rehabilitation Services
- The referral of injured employees to the Texas Workforce Commission and local workforce development centers for employment opportunities
- Improving system participant return-to-work outreach efforts, and
- The adoption of rules to implement changes in the work-search requirements for injured employees who qualify for Supplemental Income Benefits (SIBs), as well as disability management rules that include the coordination of treatment plans and return-to-work planning.

Return-to-Work Rates Slightly Lower for 2010 Injuries

When workers' compensation income benefit data is compared with employee wage information from the Texas Workforce Commission, it is clear that the percentage of injured employees receiving income benefits who went back to work within six months of sustaining a work-related injury rose steadily from 75 percent in injury year 2006 to 81

¹ See Research and Oversight Council on Workers' Compensation, *Returning to Work: An Examination of Existing Disability Duration Guidelines and Their Application to the Texas Workers' Compensation System: A Report to the 77th Legislature*, 2001; and Workers' Compensation Research Institute, *CompScope Benchmarks for Texas, 6th Edition*, 2006.

percent in injury year 2009, but then declined to 78 percent in injury year 2010. This change in return-to-work rates between 2009 and 2010 injuries are likely a reflection of the down turn in the U.S. economy, which began in late injury year 2007 or early 2008 in most states, and continuing higher unemployment rates nationwide and in Texas. Case mix, or injury type and severity of claims, may also play a part in lower return-to-work rates.

Table 6.1: Initial Return-to-Work Rates – Percentage of Injured Employees Receiving TIBs Who Have Initially Returned to Work (6 months to 3 years post-injury)

Injury Year	Within 6 Months Post Injury	Within 1 Year Post Injury	Within 1.5 Years Post Injury	Within 2 Years Post Injury	Within 3 years Post Injury
2006	75%	86%	90%	92%	94%
2007	76%	87%	91%	93%	96%
2008	78%	88%	93%	94%	94%
2009	81%	89%	90%	91%	
2010	78%	88%	90%		

Note 1: The study population is a subset of 225,256 employees injured in 2006-2010 who also received Temporary Income Benefits (TIBs).

Note 2: The third year of 2009, and the second and third years of 2010 are excluded due to insufficient data.

Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2012.

While measuring injured employee initial return-to-work outcomes is an important indicator of a state's ability to return employees back to work after a work-related injury, the ability of a state to promote sustained employment among injured employees provides a more complete measure of the system's ability to promote safe and timely return to work. The sustained return-to-work rate is defined as the percentage of injured employees receiving TIBs who have remained employed for at least three successive quarters (or nine months) after a work-related injury. As Table 6.2 indicates, the sustained return-to-work rate six months post-injury improved from injury year 2006 through 2009, but the rate for injuries sustained in 2010 has declined to 72 percent. However, injury year 2010 sustained return-to-work rates at the one year, and one and one-half year milestones are essentially unchanged. This reduction in the sustained return-to-work rate from injury year 2009 to injury year 2010 is likely a reflection of the U.S. economic downturn and continuing higher unemployment rates, or the type and severity of injuries sustained during 2010. TDI will continue to monitor the impact of the U.S. economic environment and the subsequent economic recovery on return-to-work rates for workers' compensation claims in future reports.

Although the initial and sustained return-to-work rates have recently been affected by a downturn in the U.S. economy, Texas continues to see a reduction in the number of lost work days per lost time claim. Since injury year 2004, the average number of lost work days among TIBs recipients has decreased from 87 days in injury year 2004 to 62 in injury year 2010. It should be noted, however, that the average days away from work for injury year 2010 is composed of injured employees that returned to work relatively early, and is therefore subject to revision as employees with more severe injuries return to work. The median number of days away from work for all claims has remained stable at 21 days since injury year 2008, which is a slight decline from injury years 2006 and 2007 (22 days away from work) (See Table 6.3).

Table 6.2: Sustained Return-to-Work Rates – Percentage of Injured Employees Receiving TIBs Who Have Initially Returned to Work and Remained Employed for Three Successive Quarters (6 months to 3 years post-injury)

Injury Year	Within 6 Months Post Injury	Within 1 Year Post Injury	Within 1.5 Years Post Injury	Within 2 Years Post Injury	Within 3 years Post Injury
2006	70%	77%	81%	83%	86%
2007	71%	77%	81%	84%	87%
2008	75%	79%	82%	84%	83%
2009	76%	78%	80%	82%	
2010	72%	78%	79%		

Note 1: The study population is a subset of 225,256 employees injured in 2006-2010 who also received temporary income benefits (TIBs).

Note 2: The third year of 2009, and the second and third years of 2010 are excluded due to insufficient data.

Note 3: Sustained return-to-work and the number of days off work for 2010 are subject to change as more wage data is made available for injuries occurring in the latter quarters of 2010.

Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2012.

Table 6.3: Mean and Median Days off Work for Injured Employees Who Returned to Work at Some Point Post-Injury, Injury Years 2006-2010

Injury Year	Mean Days off Work	Median Days off Work
2006	87	22
2007	84	22
2008	85	21
2009	85	21
2010	62	21

Note 1: The study population is a subset of 225,256 employees injured in 2006-2010 who also received temporary income benefits (TIBs).

Note 2: The number of days off work for 2010 is subject to change as claims for that injury year mature, and the days off work for more serious injuries are added to the calculations.

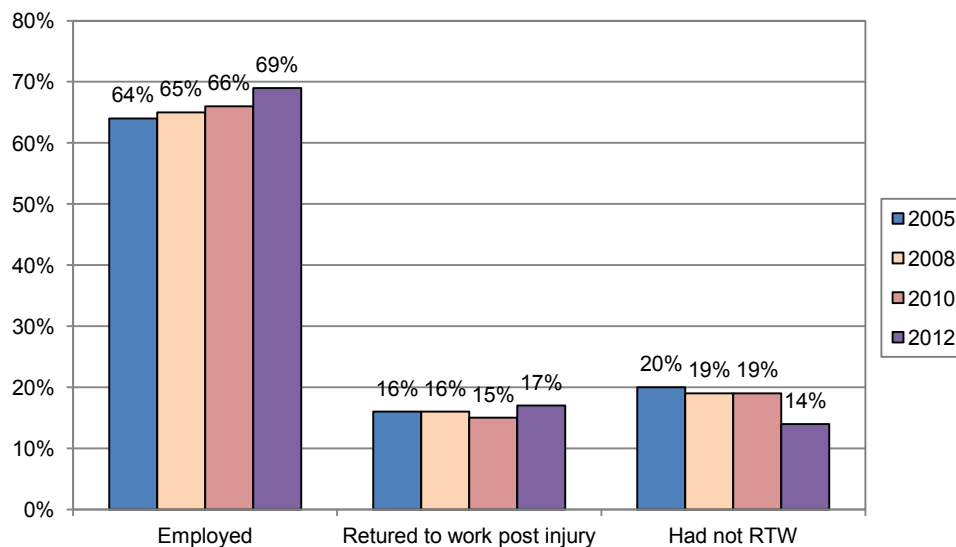
Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2012.

Comparison of Injured Employee Survey Results Pre- and Post- HB 7 Implementation

While it is too early to determine the long-term impact of certain elements of HB 7, such as TDI-DWC's adoption of return-to-work guidelines (effective May 1, 2007) and health care networks on return-to-work outcomes, it is clear from both the return-to-work rates shown in Tables 6.1 and 6.2 and recent injured employee survey findings that improvements in return-to-work rates have continued since the 2005 passage of HB 7.

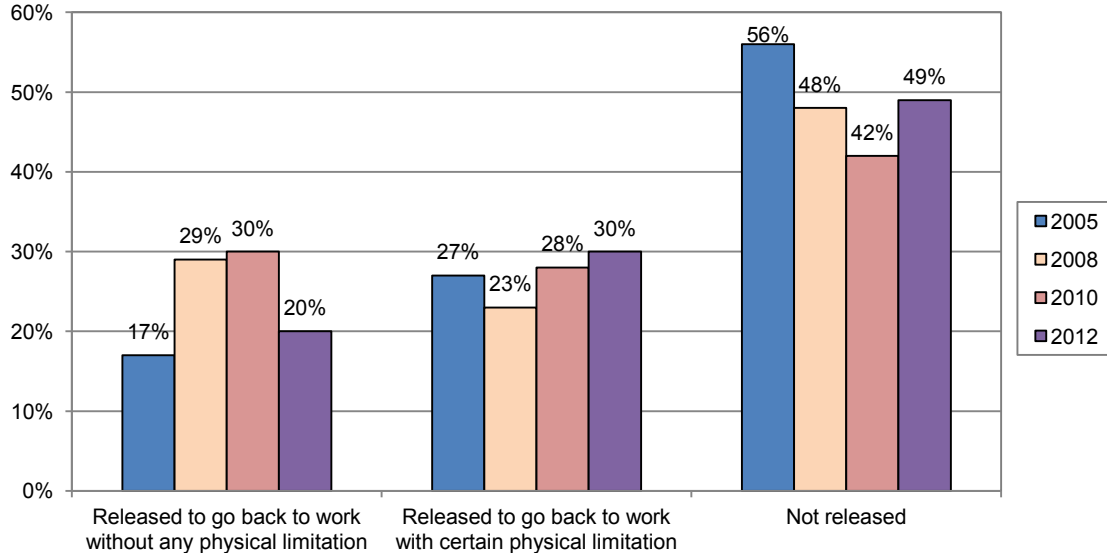
As Figure 6.1 shows, 69 percent of employees surveyed in 2012 reported that they were currently employed at the time of the survey, compared with 64 percent in 2005. Only 14 percent of employees surveyed in 2012, compared with 20 percent in 2005, reported that they had not yet returned to work 17-21 months after their injuries. Figure 6.2 shows that a higher percentage (50 percent) of injured employees surveyed in 2012 reported that they were released by their treating doctor to go back to work with no or some physical restrictions. Of the employees surveyed 2005, only 44 percent reported they were released by their treating doctor. This may indicate that certain HB 7 provisions, including the adoption of return-to-work guidelines, and other factors, may have promoted discussions among health care providers, injured employees and employers about the importance of getting the worker back to work as quickly and safely as possible.

Figure 6.1 Return-to-Work Experiences of Injured Employees (18-22 months post-injury)



Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, Survey of Injured Employees, 2005, 2008, 2010, and 2012.

Figure 6.2: Percentage of Injured Employees Surveyed Who Reported Being Released to Go Back to Work by Their Doctor



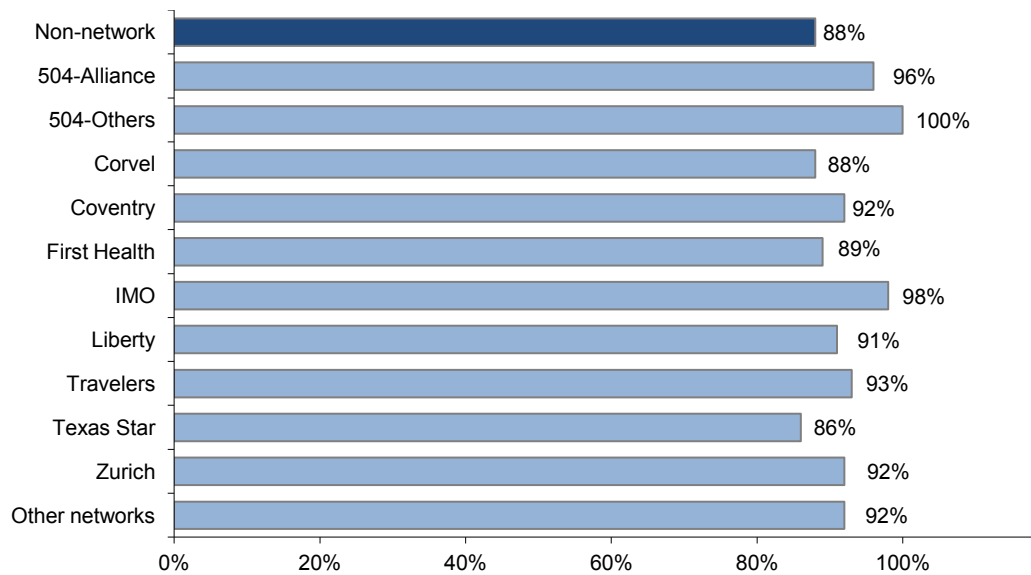
Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, Survey of Injured Employees, 2005, 2008, 2010, and 2012.

Comparisons between Network and Non-Network Claims

Return-to-work rates have improved in the Texas workers' compensation system since 2001, a trend that has continued since the passage of HB 7. One important aspect of HB 7 – the formation of certified health care networks – has seen recent improvements in return-to-work outcomes for network claims when compared to non-network claims. Legislators increased the focus on disability management in this new health care delivery model by requiring certified networks to adopt return-to-work guidelines and increase the use of case management. Additionally, legislators envisioned that networks would be better positioned to facilitate communication between treating doctors and employers about employees' physical abilities to return to work and employers' job requirements or the availability of alternative duty assignments.

Results from the 2012 Workers' Compensation Network Report Card produced by TDI indicate that with one exception, the same or a higher percentage of injured employees from ten network entities (including the Other Networks group of 15 smaller networks) reported that they had returned to work at some point after their injury compared to non-network injured employees (see Figure 6.3).

Figure 6.3: Percentage of Injured Employees Who Indicated that They Went Back to Work at Some Point after Their Injury

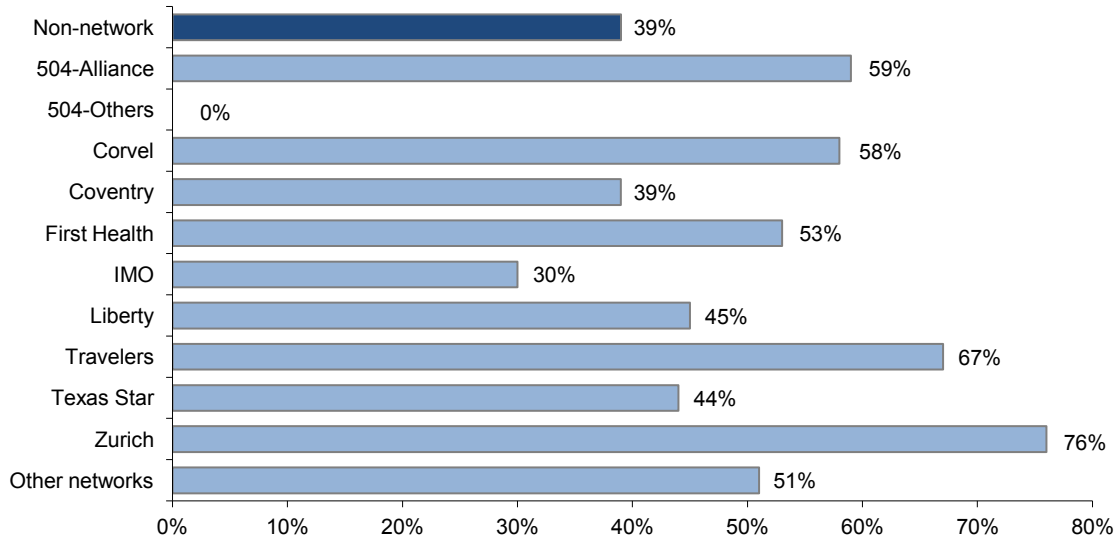


Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2012.

Understanding whether injured employees have received a medical release by their treating doctor to go back to work is an important factor when analyzing return-to-work outcomes. Without a medical release, many employers are reluctant to take injured employees back to work and many injured employees are reluctant to return over concerns about exacerbation of their existing injuries or new injuries. Since the creation of the networks in HB 7, networks have always outperformed non-network claims in this area. As Figure 6.4 illustrates, with few exceptions, a higher percentage of network injured employees who had not returned to work reported that they had been released to go back to work by their treating doctor.

It should be noted, however, that these return-to-work outcomes are heavily affected by whether the employers of these employees have effective return-to-work programs and are able to bring employees back to safe and appropriate employment. The improved performance of most networks over non-network claims may be the result of coordination between system participants, including network treating doctors, case managers, injured employees and employers to return injured employees to work.

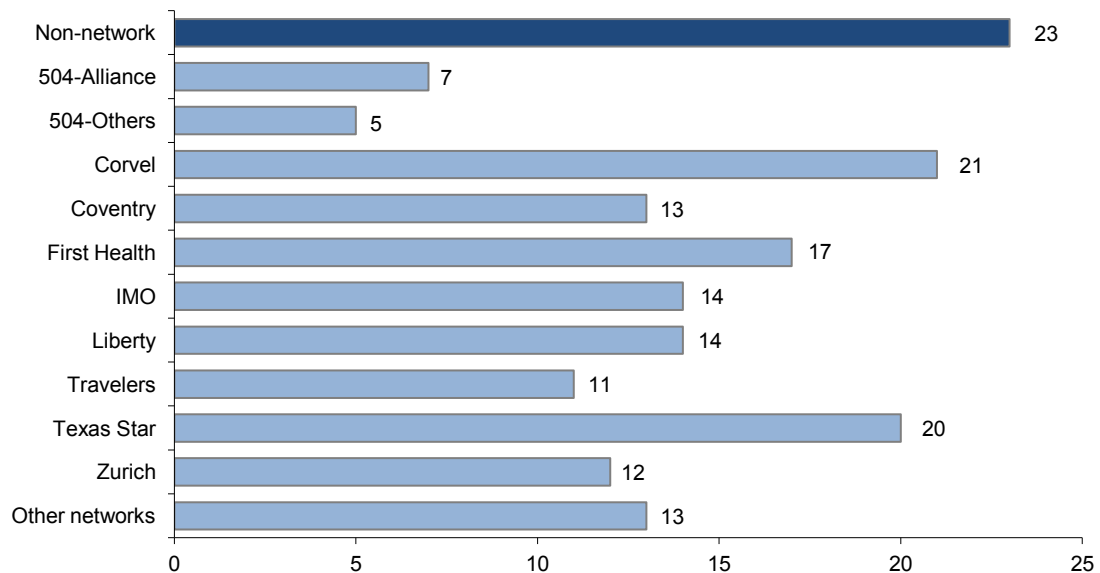
Figure 6.4: Percentage of Injured Employees Who Had Not Returned to Work and Who Reported that Their Doctor Had Released Them to Work with or Without Limitations



Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2012.

In addition to a higher percentage of injured employees being released to return to work by their doctors, report card results indicate that all eleven network entities were more effective at returning employees back to work sooner when compared to non-network claims (see Figure 6.5).

Figure 6.5: Average Number of Weeks Injured Employees Reported Being Off of Work because of Their Work-Related Injury



Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2012.

Improvements in Return-to-Work Rates and Lower Income Benefit Costs

Improved return-to-work rates in the Texas workers' compensation system have also resulted in a reduction in the number of weeks that Temporary Income Benefits (TIBs) are paid to injured employees in Texas. By statute, TIBs are paid to injured employees while they are off work for a maximum of 104 weeks from the date that these benefits begin to accrue (on the 8th day of disability). As Table 6.4 shows, the median number of weeks of TIBs paid to injured employees has declined from a high of 8.6 weeks per claim for 2002 injuries to 6.0 weeks per claim for 2010 injuries. Average TIBs payments per claim increased from \$1,924 for injuries sustained in 2006 to \$2,298 for 2010 injuries, which is most likely explained by a combination of wage inflation over time as well as the statutory increase in the TIBs maximum benefit amount (from a set \$540 a week in 2006 to \$773 a week in 2010), which became effective during the last quarter of injury year 2006. Case mix may also be a driver of higher average TIBs payment per claim.

It is important for TDI to continue to monitor return-to-work outcomes to track the impact of various HB 7 initiatives, including the implementation of treatment and return-to-work guidelines, as well as the impact of workers' compensation health care delivery networks. While system-wide return-to-work rates continue to improve, the increased focus on disability management under the HB 7 reforms seems to have resulted in modest return-to-work improvements in some networks over non-network claims. Interestingly, these improvements continued to occur in Texas even during the recent economic recession. As networks mature, TDI will continue to monitor the long-term impacts of improved return-to-work outcomes on system costs.

Table 6.4: Median Temporary Income Benefit (TIBs) Payment and Duration, Injury Years 2000-2010

Injury Year	Median TIBs Payment per Claim	Median Number of Weeks of TIBs Paid
2000	\$2,030	7.0
2001	\$2,488	8.0
2002	\$2,564	8.6
2003	\$2,478	8.0
2004	\$2,156	7.3
2005	\$1,995	7.0
2006	\$1,924	6.0
2007	\$2,128	8.4
2008	\$2,268	6.0
2009	\$2,662	7.0
2010	\$2,298	6.0

Source: Texas Department of Insurance, Workers' Compensation Research and Evaluation Group, 2012.