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## Accountability: GPRA, PART & OWCP

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# ACCOUNTABILITY: GPRA, PART & OWCP

By

Allan Hunt

10 Dec 2003

W.E. UPJOHN INSTITUTE  
*for Employment Research*

# Plan of Presentation, Part I

- ◆ Performance Measurement
  - Evaluation Models
  - Benchmarking WC Systems
    - Work Loss Data Institute
    - AWCBC - Canada
    - WCRI – U.S.
  - Continuous Improvement Models
  - Assessment of WC Systems



# Plan of Presentation, Part II

- ◆ GPRA
- ◆ PART
- ◆ Evaluation of FECA
- ◆ ICF Consulting study
  - Purpose
  - Description
  - Analysis
  - Promising Practices

# Evaluation Overview

- ◆ Process Evaluation
  - What was done?
- ◆ Gross Outcome Evaluation
  - What were the results?
- ◆ Net Impact Evaluation
  - Was it worth it?
- ◆ GPRA Evaluation

# Process Evaluation

- ◆ How many accidents?
- ◆ How many claims?
- ◆ How many medical treatments?
- ◆ How many lost days?
- ◆ How much litigation?
- ◆ How much does it cost?

# Outcome Evaluation

- ◆ Incidence of claims
- ◆ Duration of claims
- ◆ Return to work rates
- ◆ Service quality measures
- ◆ Employee satisfaction measures
- ◆ System costs

# GPRA Evaluation

- ◆ Government Performance and Results Act of 1993 (GPRA)
  - Clinton Administration “reinventing government”
  - Requires federal agencies to establish standards to measure their performance and effectiveness
    - Strategic Plans – revised every three years
    - Performance Plans – revised and released annually
    - Performance Reports – released annually
- ◆ Program Assessment Rating Tool - OMB



# Value of Benchmarking

- ◆ Benchmarking is an accountability tool
- ◆ Benchmarking is a way to determine best practice
- ◆ Benchmarking is a motivator for improved performance

From *Comparative Performance Measurement*  
by Morley, Bryant and Hatry (Washington,  
D.C.: Urban Institute Press, 2001)

# Benchmarking WC Systems

- ◆ System Report Card
  - Work Loss Data Institute
- ◆ Key Statistical Measures
  - Association of Workers' Compensation Boards of Canada (AWCBC)
- ◆ CompScope™ Benchmarks
  - Workers Compensation Research Institute (WCRI)

# Work Loss Data Institute

- State Report Cards for Workers' Comp
  - Letter grades assigned to 44 U.S. states
  - Based on available OSHA data
- Six factors determine grades
  - 1) Incidence of injuries
    - Varies from 1.2 to 3.4 per 100 employees
  - 2) Percentage of injuries that involve lost workdays
    - Varies from 22 to 77 percent

# WLDI, continued

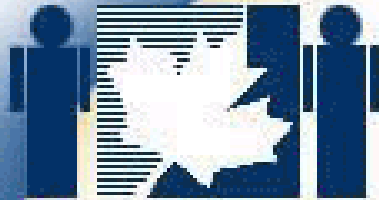
- 3) Median disability duration
  - Varies from 4 to 17 days
- 4) Delayed recovery rate = the percent of long duration (>31 days) cases
  - Varies from 13 to 35 percent
- 5) Low back strain outcomes
  - Incidence and duration
- 6) Carpal tunnel syndrome outcomes
  - Incidence and duration

**WORKERS' COMPENSATION REPORT CARD**  
**From Work Loss Data Institute (WLDI)**

	A	B	C	D	F
Alabama			✓		
Alaska		✓			
Arizona	✓				
Arkansas	✓				
California					✓
Connecticut		✓			
Delaware				✓	
Florida		✓			
Georgia	✓				
Hawaii				✓	
Illinois				✓	
Indiana	✓				
Iowa	✓				
Kansas		✓			
Kentucky				✓	
Louisiana					✓
Maine			✓		
Maryland				✓	
Massachusetts				✓	
Michigan				✓	
Minnesota	✓				

**WORKERS' COMPENSATION REPORT CARD**  
**From Work Loss Data Institute (WLDI)**

	A	B	C	D	F
Missouri			✓		
Montana			✓		
Nebraska		✓			
Nevada	✓				
New Jersey					✓
New Mexico		✓			
New York					✓
NorthCarolina		✓			
Oklahoma				✓	
Oregon	✓				
Rhode Island					✓
SouthCarolina			✓		
Tennessee		✓			
Texas					✓
Utah	✓				
Vermont			✓		
Virginia			✓		
Washington			✓		
West Virginia					✓
Wisconsin		✓			



**AWCBC/ACATC**

**ASSOCIATION OF  
WORKERS' COMPENSATION BOARDS OF CANADA**

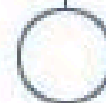
**ASSOCIATION DES COMMISSIONS DES ACCIDENTS  
DU TRAVAIL DU CANADA**

**AWCBC PROPOSES BANKRUPTCY AND INSOLVENCY  
ACT CHANGE TO GIVE WORKERS' COMPENSATION  
SECURED CREDITOR STATUS**

**L'ACATC PROPOSE DE MODIFIER LA LOI SUR LA  
FAILLITE ET L'INSOLVABILITÉ POUR DONNER AUX  
COMMISSIONS DES ACCIDENTS DU TRAVAIL LE  
STATUT DE CRÉANCIÈRES GARANTIES**

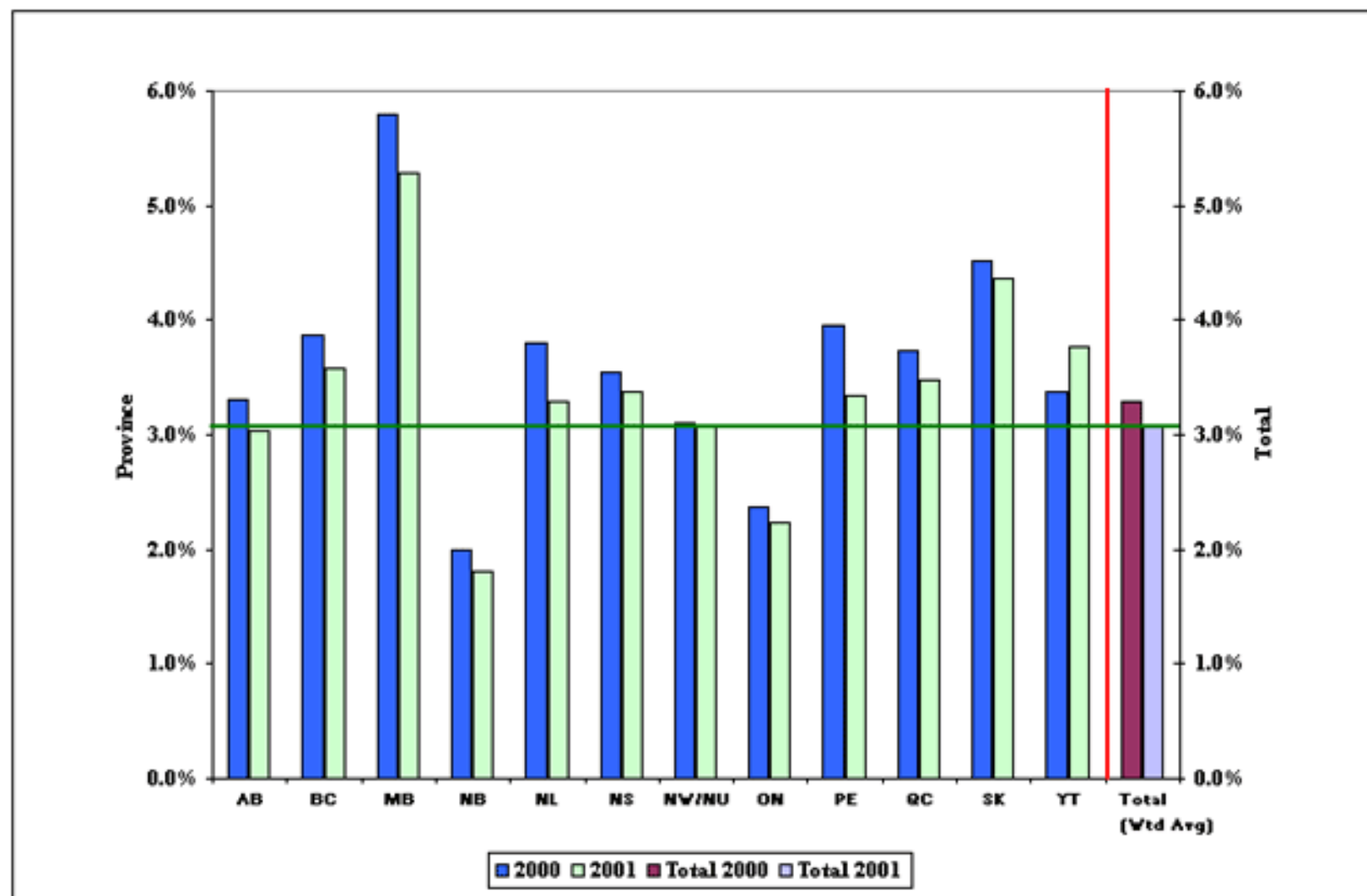
**ENGLISH**

**FRANÇAIS**



# Workplace Injury and Disability

## 21. Injury Frequency (per 100 workers of assessable employers) - 2000 to 2001



AWCBC Board/Commission Financial and Statistical Data

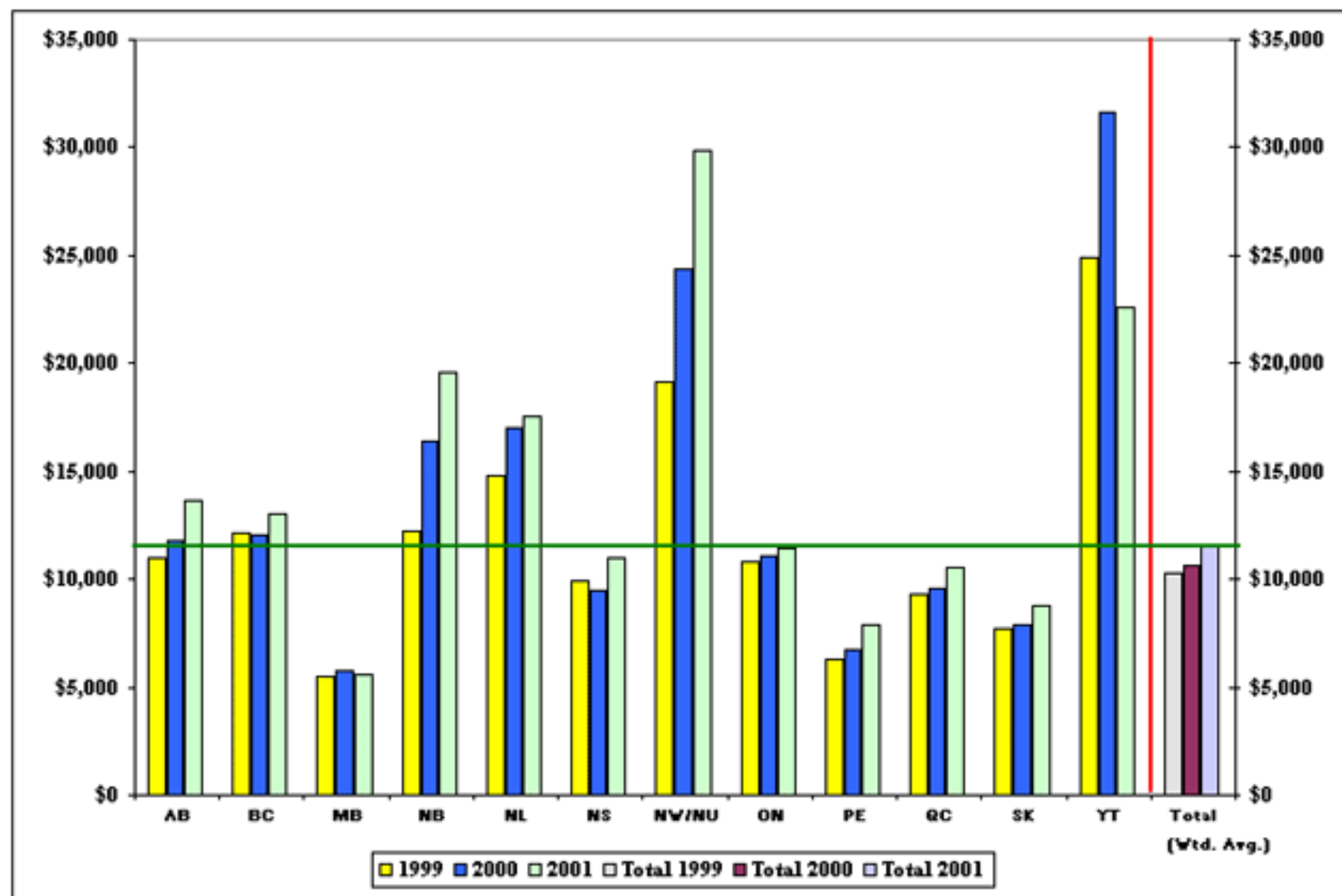
Please refer to the Key Statistical Measures Data Tables or Indicator Ratio Tables for the numerical data.

The *following page* is important in the interpretation and understanding of this graph. It contains the full definition of the Key Statistical Measure as well as detailed footnotes which explain important jurisdictional difference where necessary.



# Workplace Injury and Disability

*IR5 (prev. F6). Current Year Average Benefit Cost Per Lost-Time Claim*



AWCBC Board/Commission Financial and Statistical Data

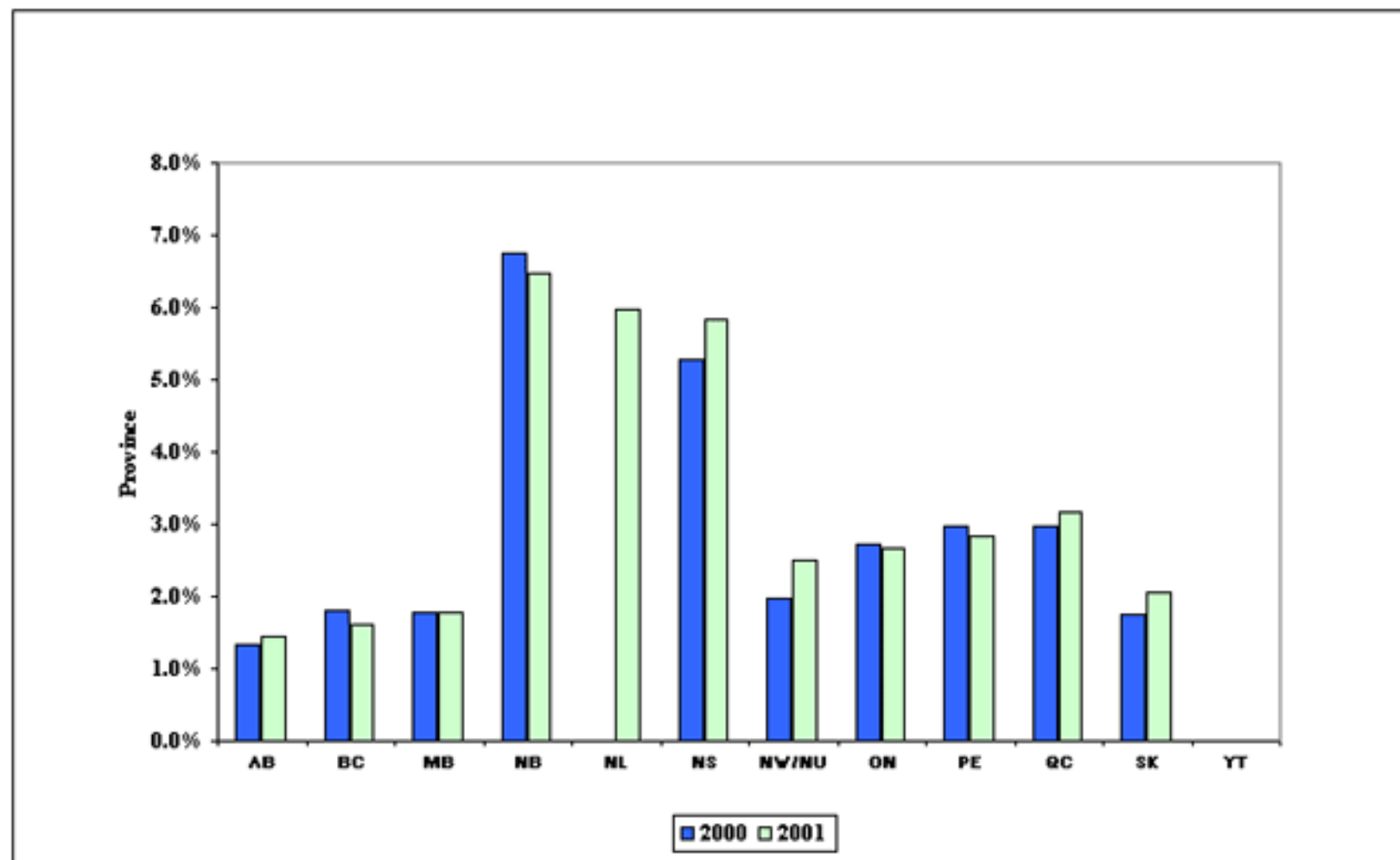
Please refer to the Key Statistical Measures Data Tables or Indicator Ratio tables for the numerical data.

The **following page** is important in the interpretation and understanding of this graph as it contains the full definition of the Indicator Ratio.

This Indicator Ratio is created by dividing the two corresponding Key Statistical Measures for each jurisdiction.

## Workplace Injury and Disability

### *24a. Percentage of Lost-Time Claims Receiving Wage-Loss Benefits at the 2nd Year After the Accident Year - 2000 to 2001*



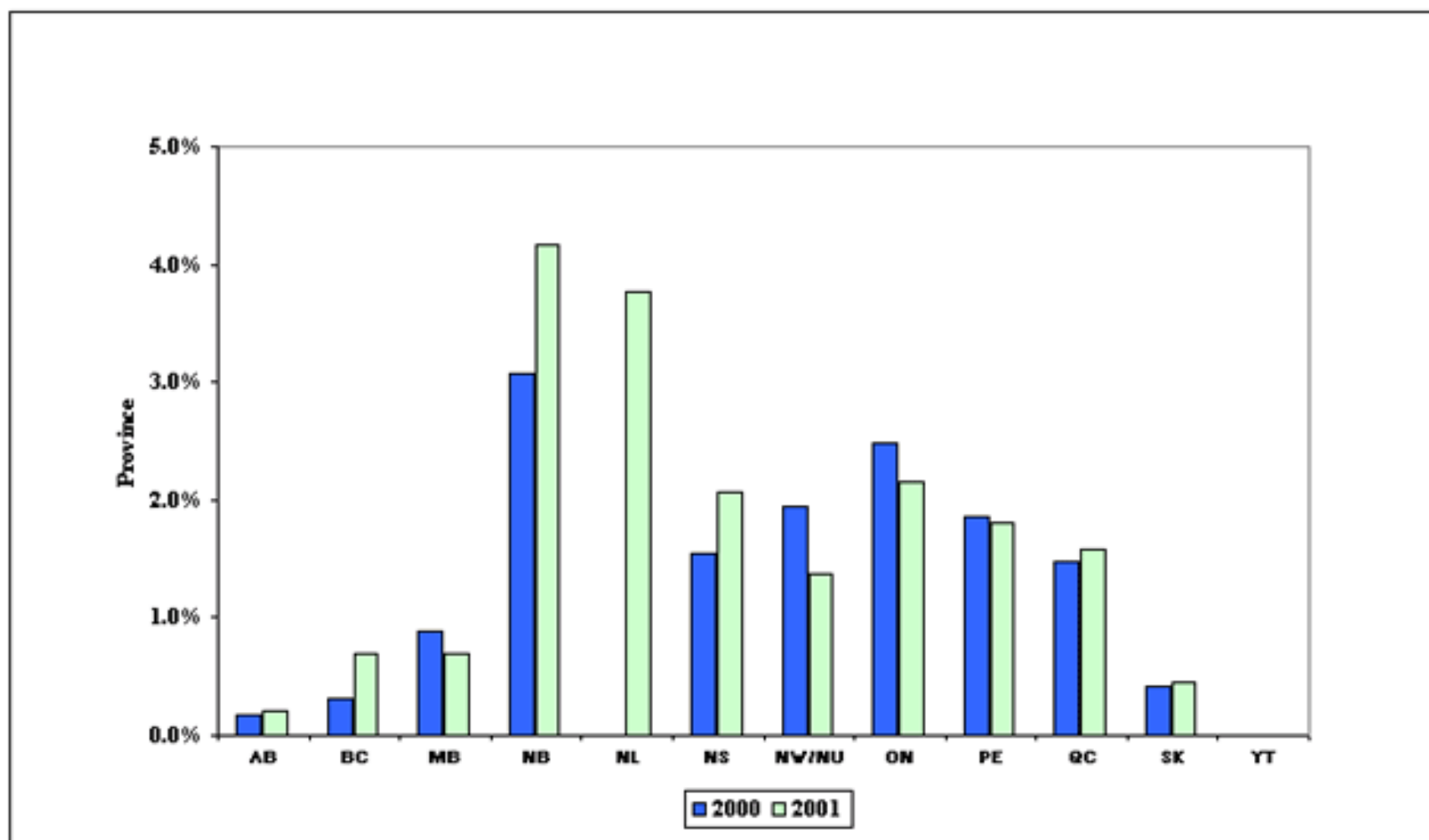
AWCBC Board/Commission Financial and Statistical Data

Please refer to the Key Statistical Measures Data Tables or Indicator Ratio tables for the numerical data.

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## Workplace Injury and Disability

### *24b. Percentage of Lost-Time Claims Receiving Wage-Loss Benefits at the 6th Year After the Accident Year - 2000 to 2001*



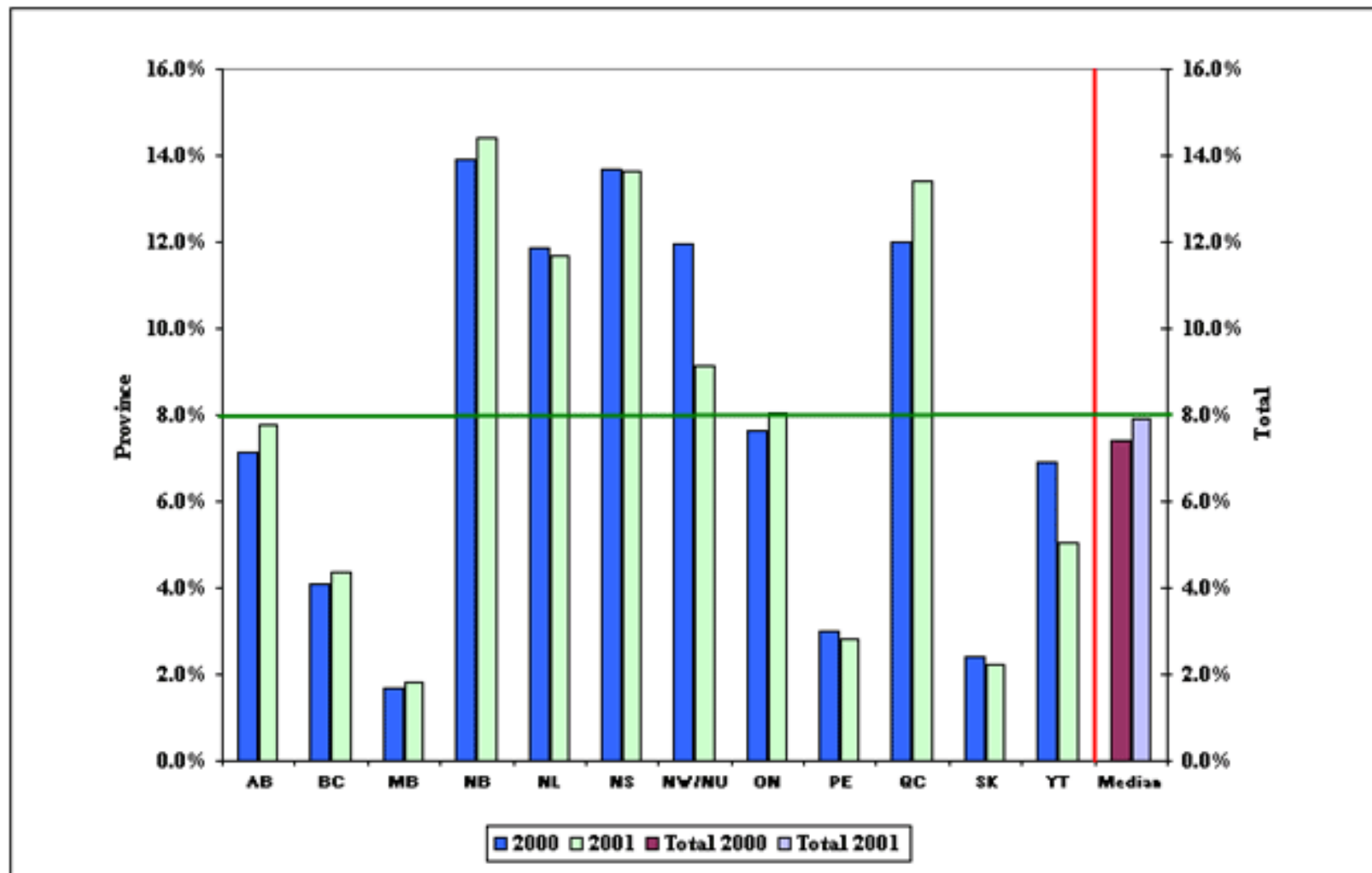
AWCBC Board/Commission Financial and Statistical Data

Please refer to the Key Statistical Measures Data Tables or Indicator Ratio tables for the numerical data.

The **following page** is important in the interpretation and understanding of this graph. It contains the full definition of the Key Statistical Measure as well as detailed footnotes which explain important jurisdictional differences where necessary.

# Workplace Injury and Disability

## 20. Proportion of Claims Awarded Impairment Benefits - 2000 to 2001



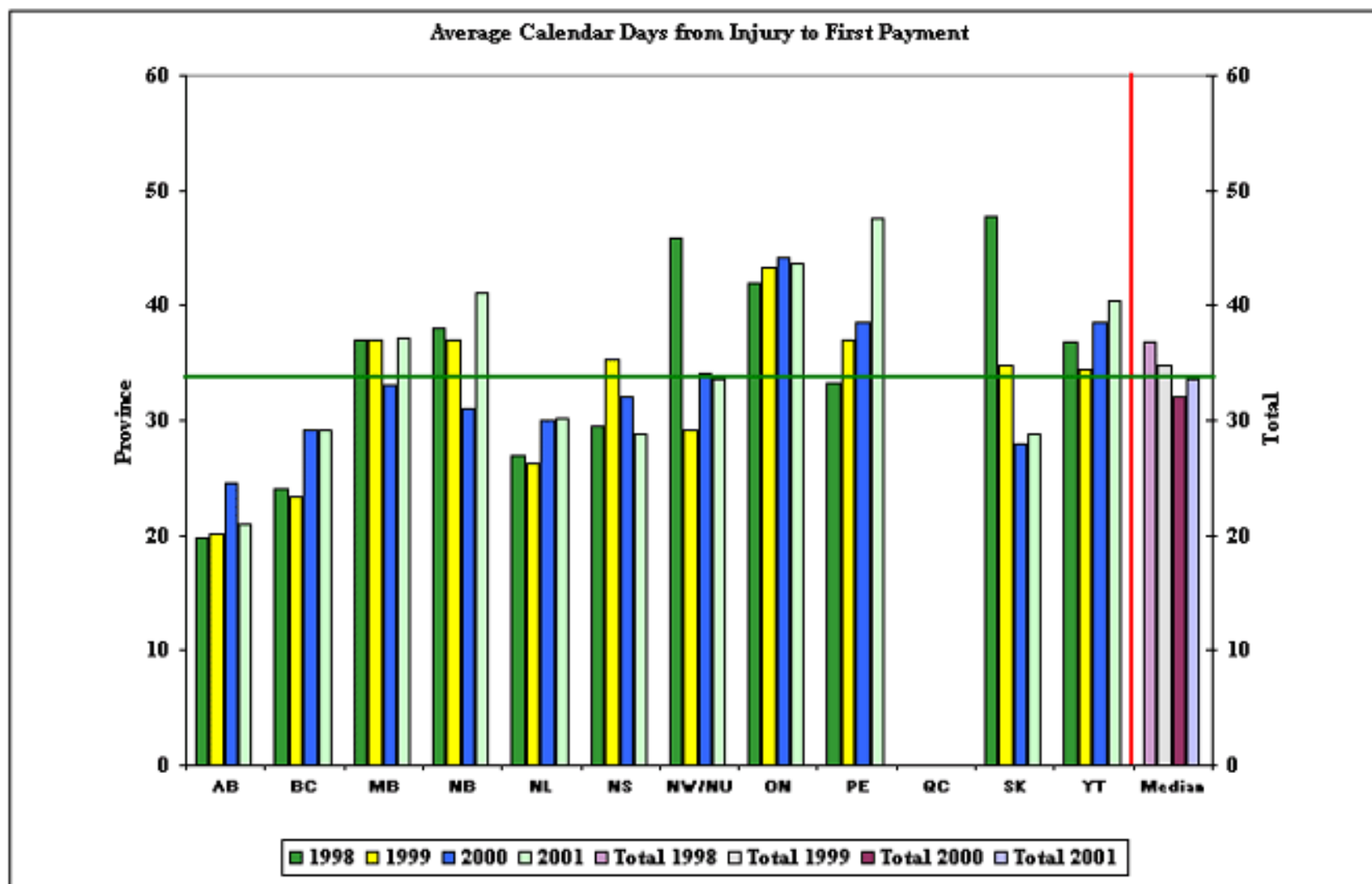
AWCBC Board/Commission Financial and Statistical Data

Please refer to the Key Statistical Measures Data Tables or Indicator Ratio tables for the numerical data.

The *following page* is important in the interpretation and understanding of this graph. It contains the full definition of the Key Statistical Measure as well as detailed footnotes which explain important jurisdictional differences where necessary.

## Client/Customer Service

### 16. Average Calendar Days from Injury to First Payment - 1998 to 2001



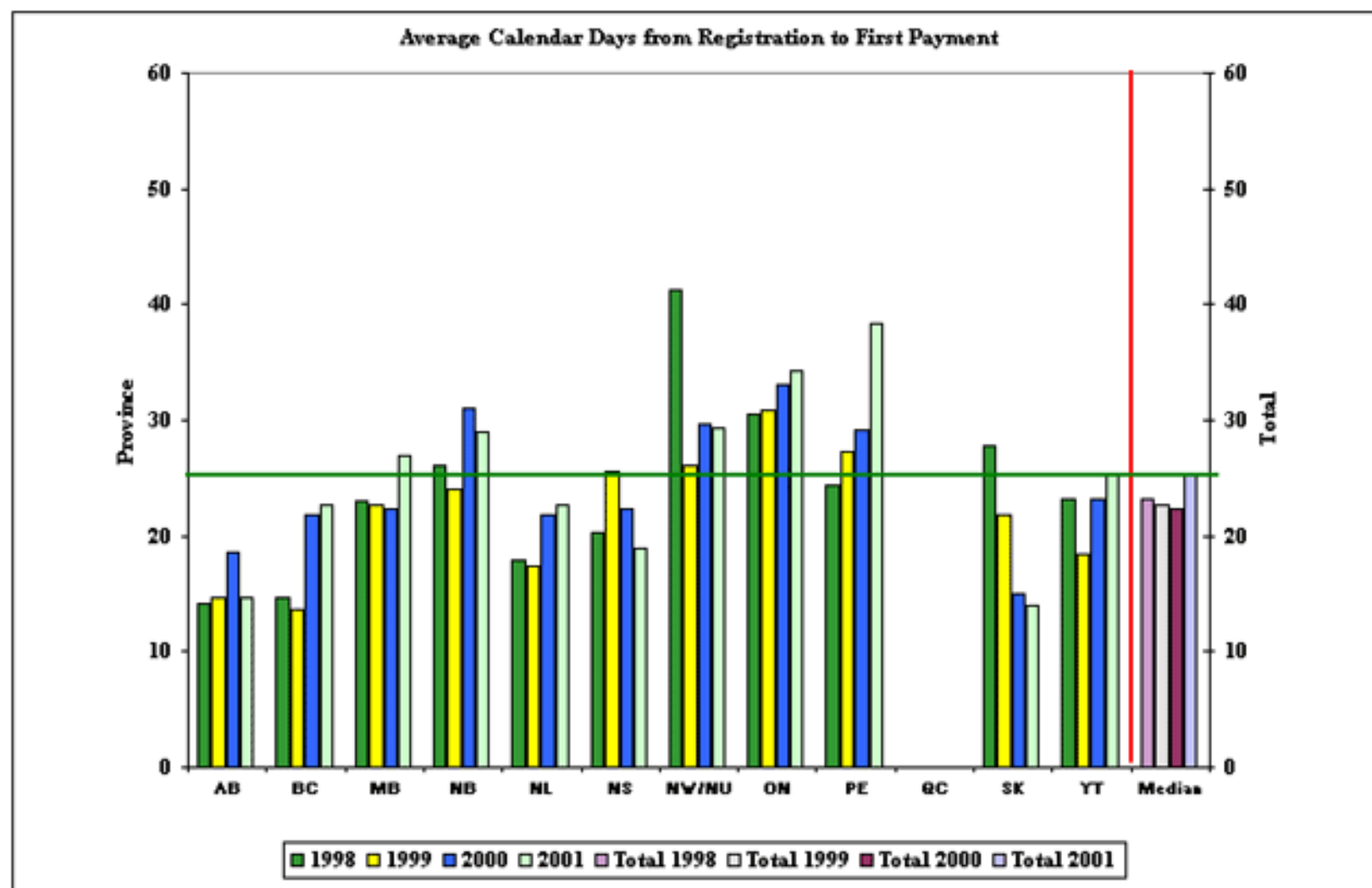
AWCBC Board/Commission Financial and Statistical Data

Please refer to the Key Statistical Measures Data Tables or Indicator Ratio tables for the numerical data.

The *following page* is important in the interpretation and understanding of this graph. It contains the full definition of the Key Statistical Measure as well as detailed footnotes which explain important jurisdictional differences where necessary.

# Client/Customer Service

## 17. Average Calendar Days from Registration to First Payment - 1998 to 2001



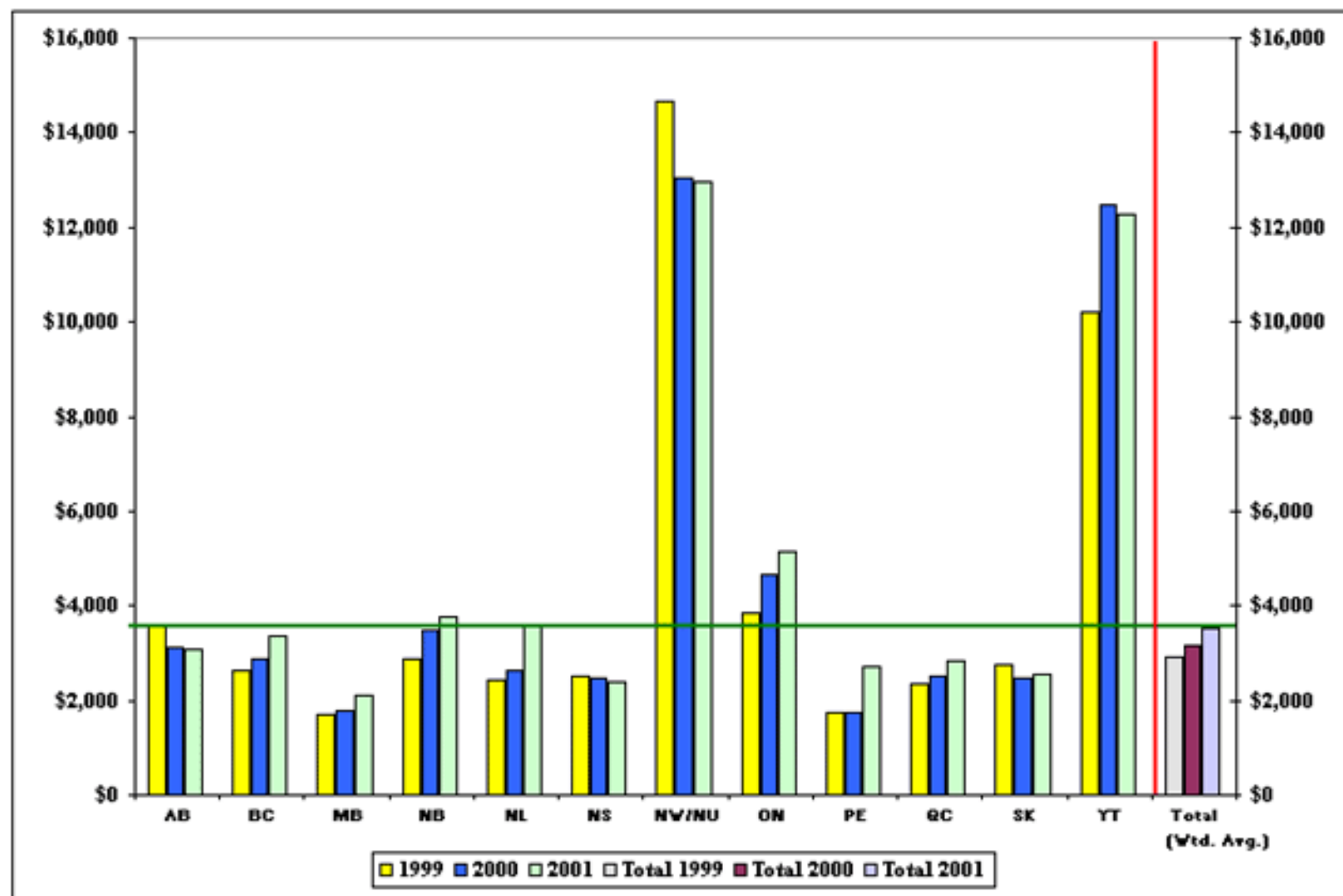
AWCBC Board/Commission Financial and Statistical Data

Please refer to the Key Statistical Measures Data Tables or Indicator Ratio tables for the numerical data.

The **following page** is important in the interpretation and understanding of this graph. It contains the full definition of the Key Statistical Measure as well as detailed footnotes which explain important jurisdictional differences where necessary.

## Client/Customer Service

### *IR6 (prev. G7). Administration Costs Per Lost-Time Claim*



AWCBC Board/Commission Financial and Statistical Data

Please refer to the Key Statistical Measures Data Tables or Indicator Ratio tables for the numerical data.

The **following page** is important in the interpretation and understanding of this graph as it contains the full definition of the Indicator Ratio.

This Indicator Ratio is created by dividing the two corresponding Key Statistical Measures for each jurisdiction.



# CompScope™ Multistate Benchmarks, 1994-2000





# DBE: A Unique and Powerful Database

- Robust sample
  - 10 million claims
  - Accident years 1994 - 2000, as of 2000
  - States represent > 60% of U.S. WC benefits
- Representative
  - Voluntary and residual market
  - Self-insured employers
  - State funds

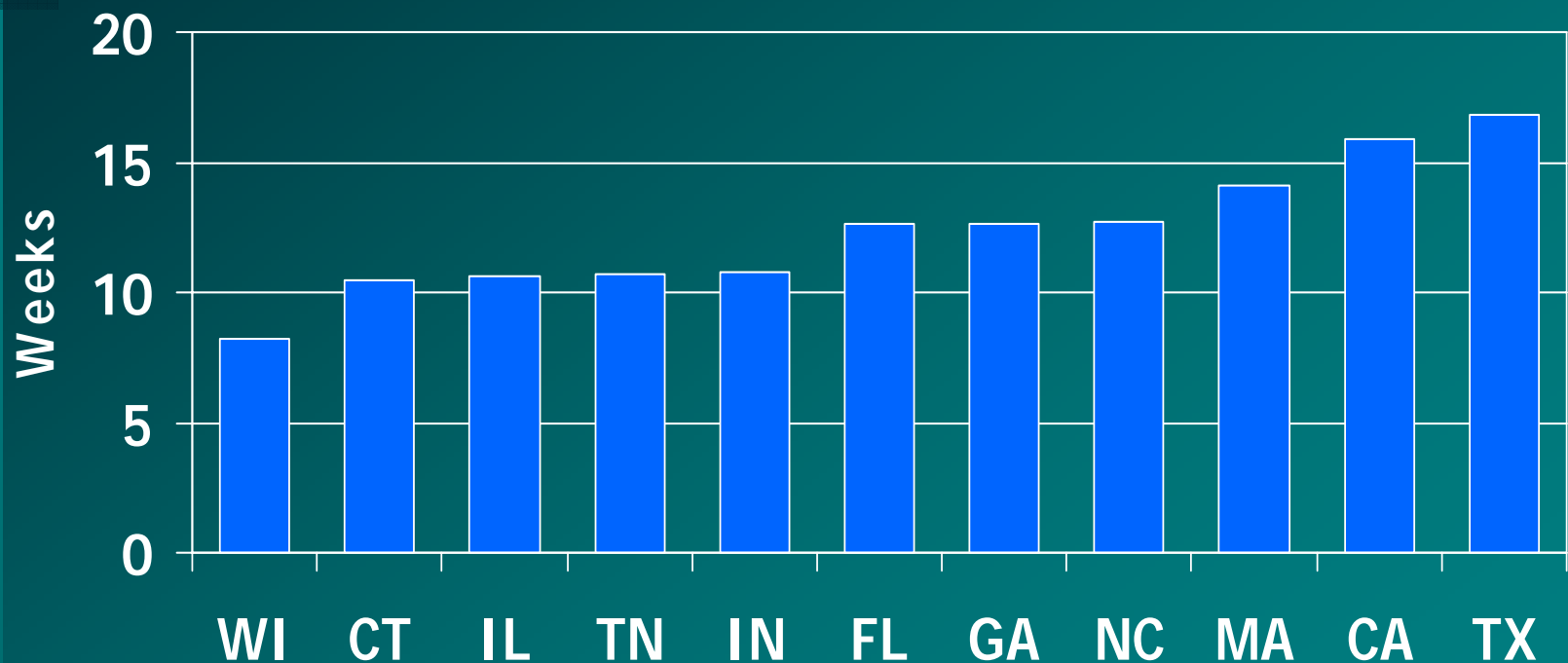
# CompScope™ Data Adjusted to Produce Meaningful Comparisons

- Data shown reflect adjustments for:
  - Injury mix
  - Industry mix
  - Wages
- 7-day waiting period for benefits used in all states
- Results reflect similar set of claims in each state

# WCRI Benchmarking Measures

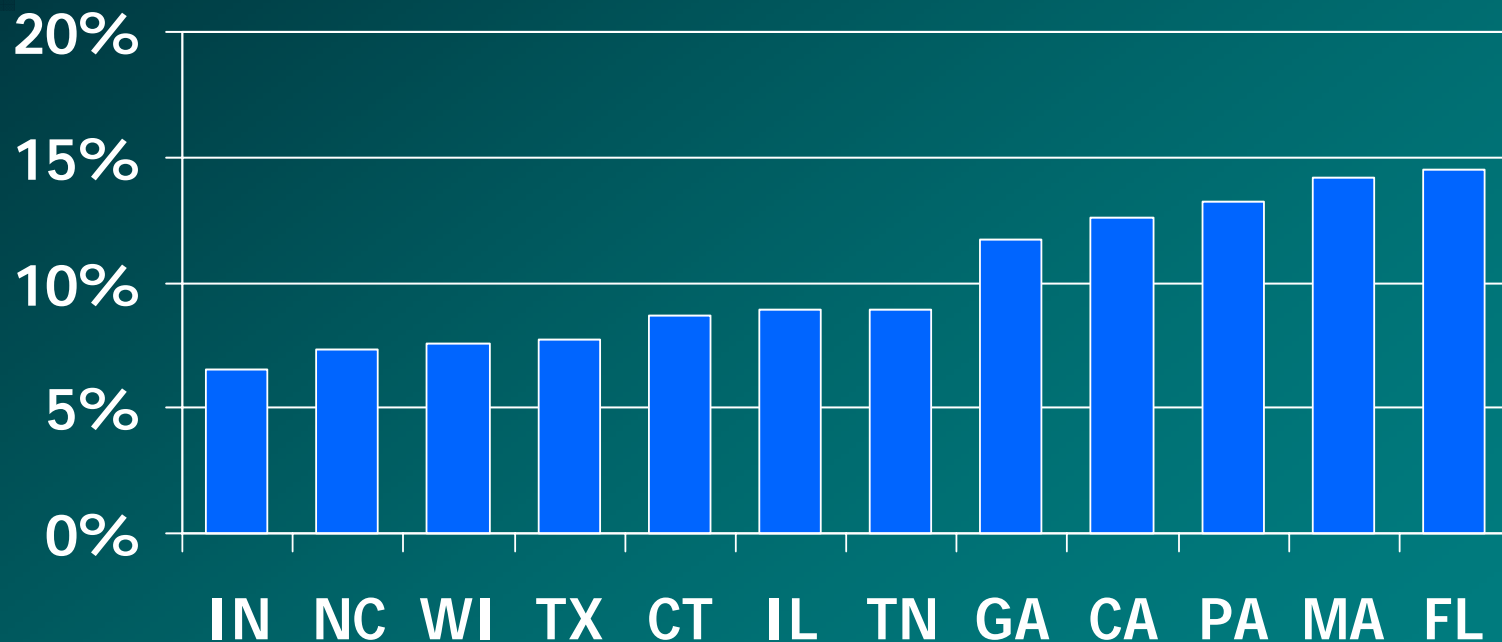
- Benefit amounts
- Timeliness
- Medical costs
- Disability duration
- Defense attorney involvement
- Vocational rehab use
- Benefit delivery expenses
- Medical costs by service/provider type
- Medical prices
- Utilization of services
- Utilization by provider

# Temporary Disability Duration: Major Indemnity Cost Driver



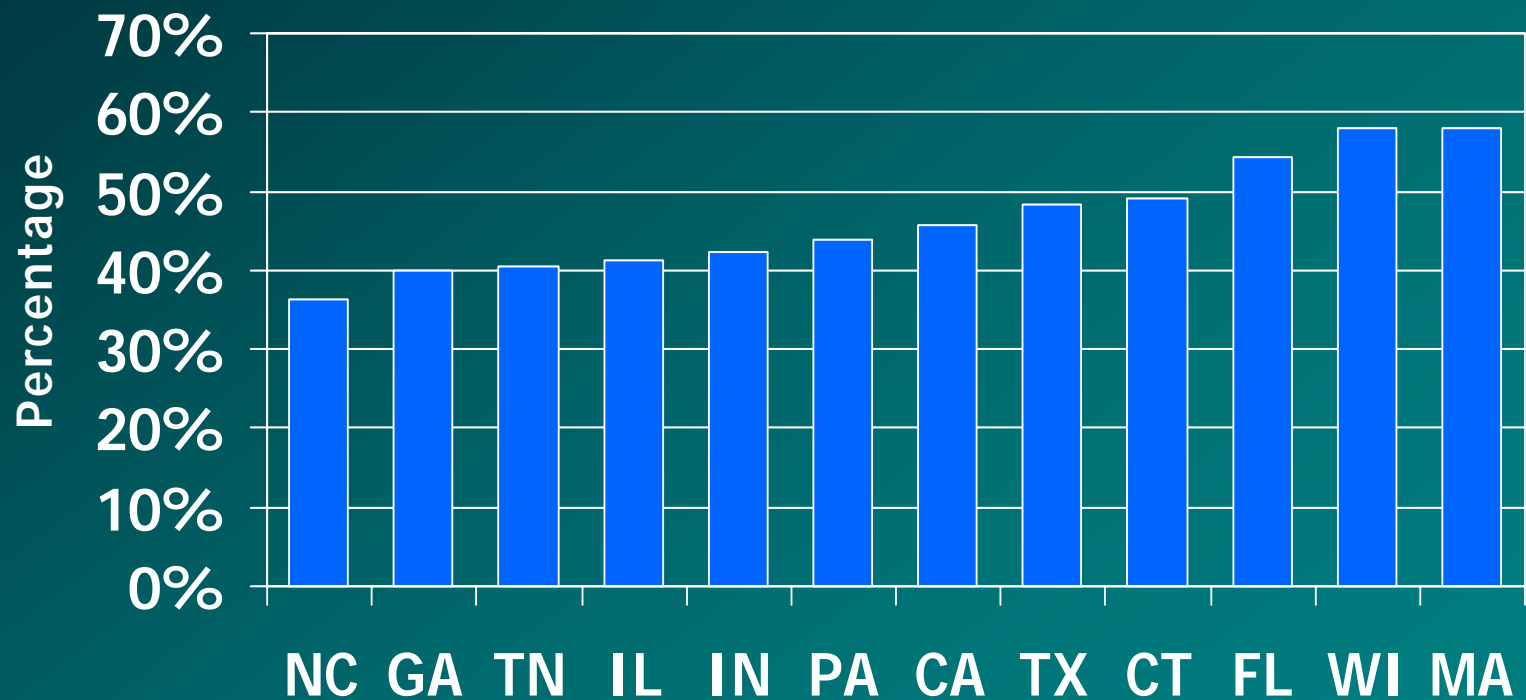
Average Weeks of Temporary Disability Payments  
per Claim > 7 Days Lost Time, 1999/2000

# Benefit Delivery Expenses as % of Total Cost per Claim



Benefit Delivery Expenses as Percentage of Total Cost per Claim,  
1998/2000 Claims with More Than 7 Days of Lost Time  
Adjusted for Injury and Industry Mix and Wages

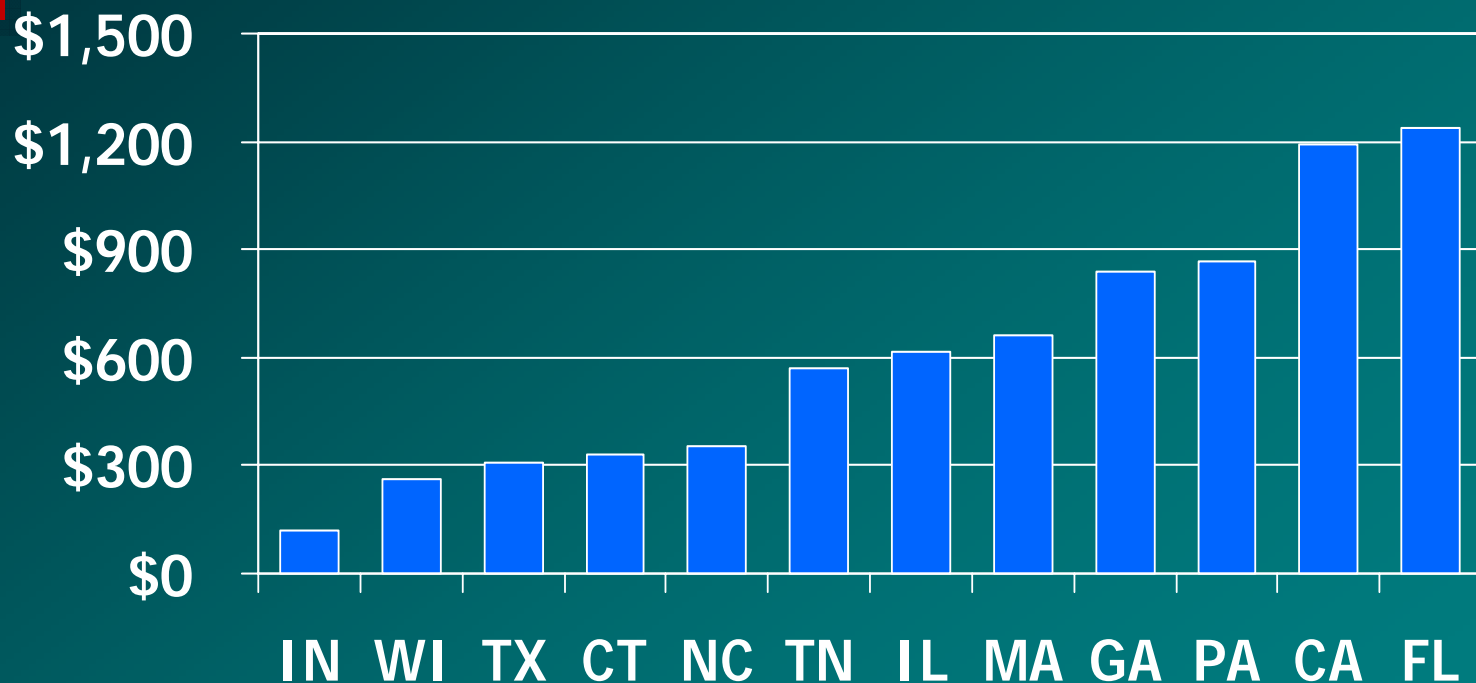
# Rate of 1st Payment within 21 Days



Percent of Claims w/ First Payment w/in 21 Days of Injury, 1999/2000 Claims > 7 Days Lost Time



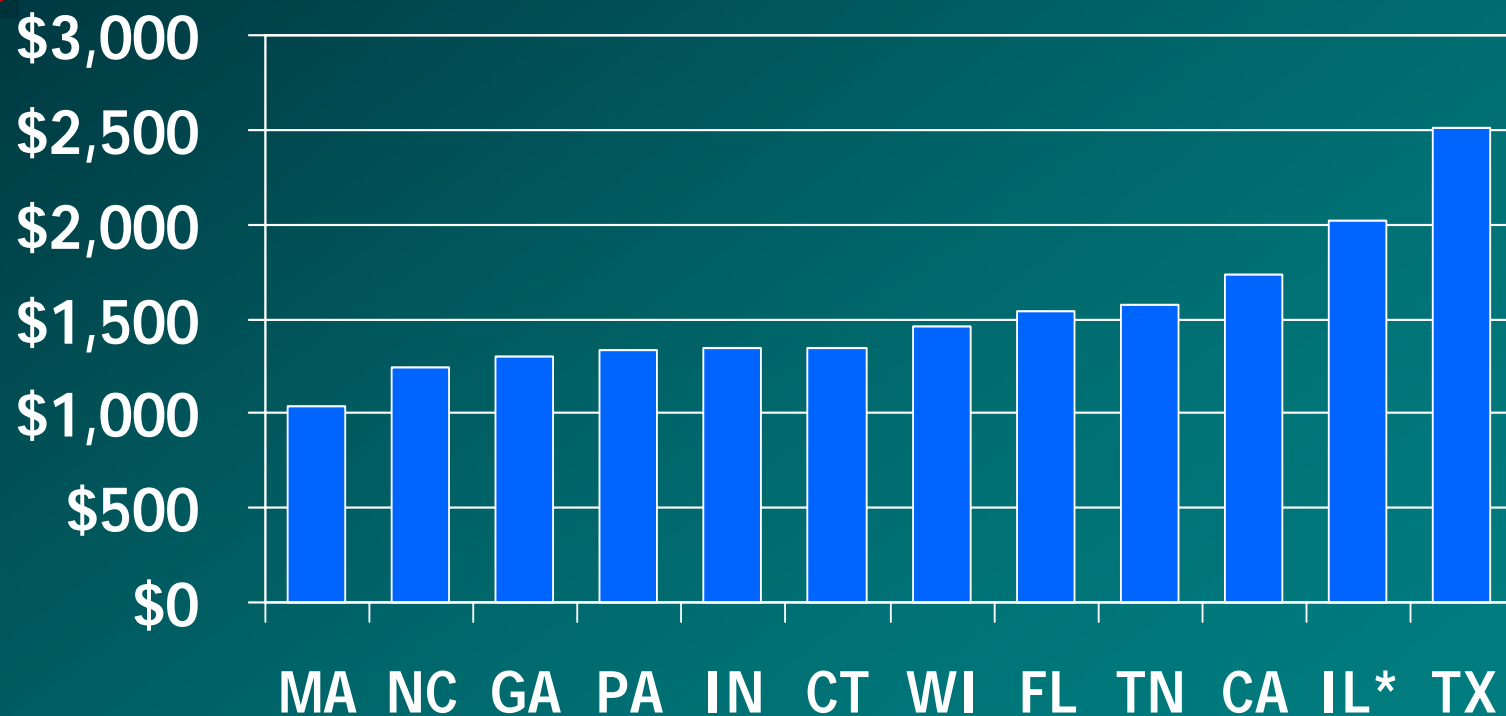
# Litigation and Adjusting Expenses



Average Litigation and Adjusting Expenses  
per Claim with More Than 7 Days Lost Time, 1998/2000  
Adjusted for Injury and Industry Mix and Wages



# Medical Payments per Claim

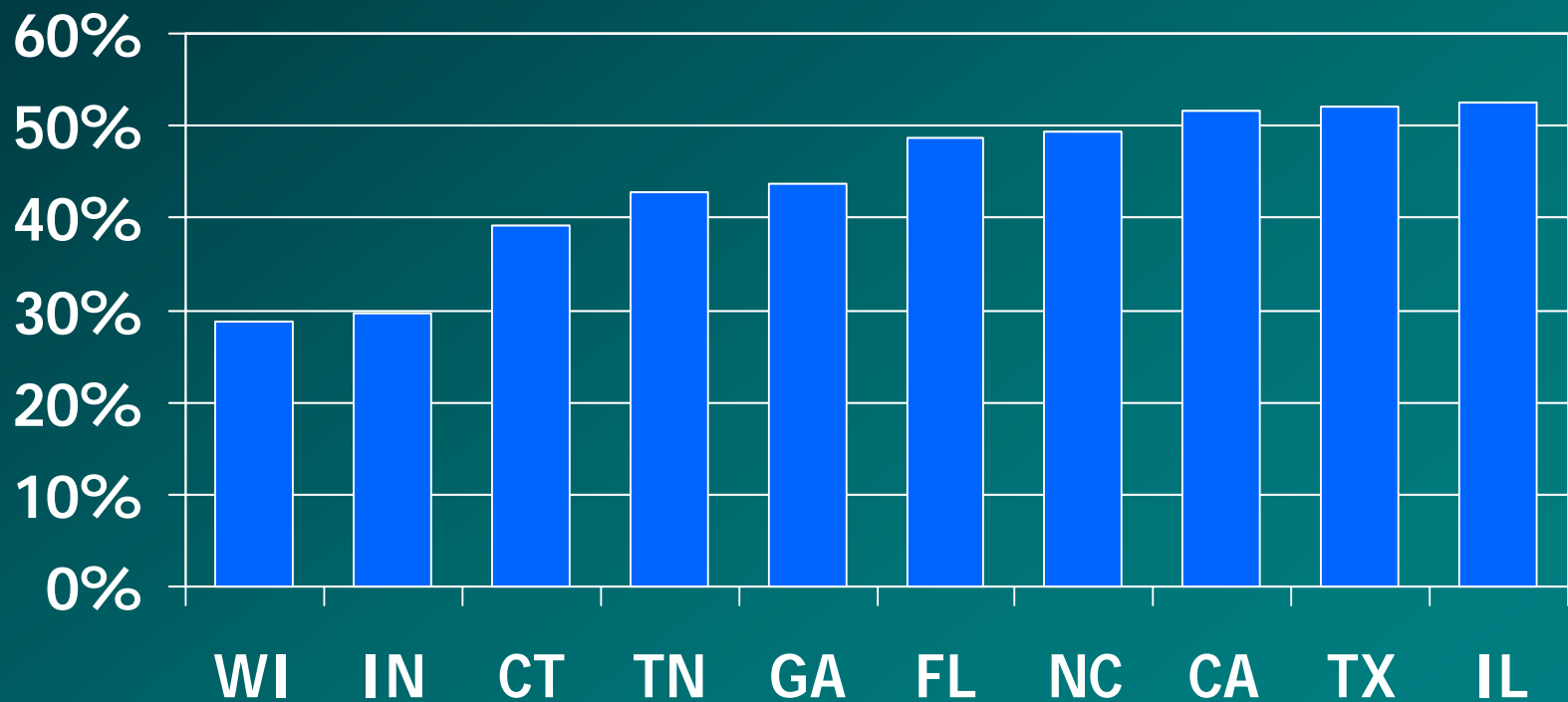


Average Medical Payments per Claim, 1999/2000  
Adjusted for Injury and Industry Mix and Wages





# PPD Frequency: Major Indemnity Cost Driver



PPD/LS Claims as Percentage of Claims with  
More Than 7 Days Lost Time, 1997/2000 Claims



# What Have We Learned?

- ◆ Great Variety in Performance
- ◆ Difficult to Measure Performance Accurately
- ◆ Does it establish “best practice?”
- ◆ Does it motivate improved performance?
- ◆ Where do we go from here?

# CONTINUOUS IMPROVEMENT

- ◆ W. Edwards Deming
  - Guru of manufacturing in 1980's
- ◆ Balanced Scorecard
  - Kaplan and Norton, Harvard 1992
  - Balanced Scorecard Collaborative, Inc.
- ◆ Examples

# BALANCED SCORECARD

- ◆ Elements of balanced scorecard
  - Financial perspective
  - Customer perspective
  - Internal process perspective
  - Learning and growth perspective
- ◆ Strategy map
- ◆ Strategic management





# Plan of Presentation, Part II

- ◆ GPRA
- ◆ PART
- ◆ Evaluation of FECA
- ◆ ICF Consulting study
  - Purpose
  - Description
  - Analysis
  - Promising Practices

# Program Assessment Rating Tool (PART)

- ◆ Developed by Office of Management and Budget (OMB) to implement **GPRA**
  - To establish a systematic, consistent process for developing program performance ratings and then using that information to make budget decisions
- ◆ Intention is to evaluate all federal programs
  - 2004 Budget round – FECA program
  - 2005 Budget round – Black Lung Program



# FECA Program PART Evaluation (Fall 2002)

	<i>OMB weight</i>	<i>FECA score</i>
Program Purpose & Design	20%	100%
Strategic Planning	10%	86%
Program Management	20%	86%
Program Results	50%	59%
Total Program Score	100%	75%



# Program Assessment Rating Tool (PART)

- ◆ Program Results [59% PART rating]
  - 1) Has the program demonstrated adequate progress in achieving its long-term outcome goals? [large extent]
  - 2) Does the program achieve its annual performance goals? [large extent]
  - 3) Does the program demonstrate improved efficiencies and cost effectiveness in achieving program goals each year? [large extent]
  - 4) Does the performance of this program compare favorably to other programs with similar purpose and goals? [N/A]
  - 5) Do independent and quality evaluations of this program indicate that the program is effective and achieving results? [small extent]

# Purpose of the ICF Study

To meet the objectives set forth by OWCP, ICF Consulting designed a program evaluation approach to appraise the following:

- ◆ The appropriateness of the FECA program design in relation to the mission, and appropriateness of strategic goals to further that mission;
- ◆ The success (or likelihood of success) of resources invested and strategies employed to achieve program results;
- ◆ The adequacy of systems/approaches for identifying program priorities and issues and correcting program deficiencies;
- ◆ The adequacy of performance measurement systems and controls to ensure data validity, reliability, accuracy, and consistency; and
- ◆ The potential application of industry promising practices to OWCP programs.



# Implementation of the ICF Study

- Draft of research questions developed by ICF Consulting
- Consultation with OWCP on questions
- Major focus of study (limited scope)
  - Wage loss compensation
  - Disability management
- Major challenges
  - Gain a thorough and accurate understanding of the program and factors influencing its operation
  - Get the program data right

# Overview of the ICF Study

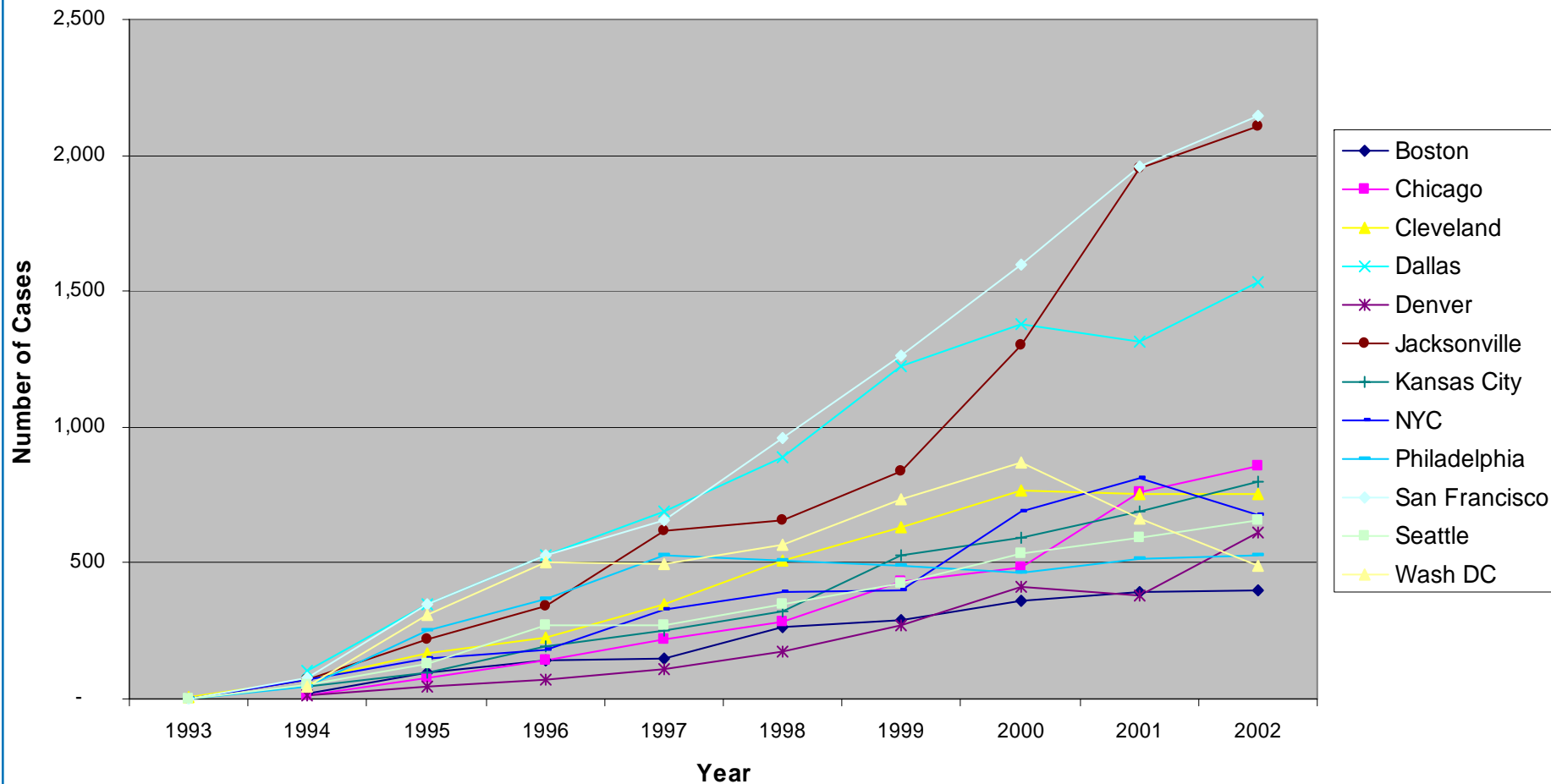
- Background
- Feedback and Refinement of Plan
- Data Collection
  - Quantitative data
    - Major challenge due to fragmented data sources
    - Competing with ongoing implementation of IF ECS
  - Qualitative data
    - Site visits to 5 District Offices
    - Telephone Interviews
    - Concept Mapping

# Overview of the ICF Study (continued)

- Analysis
  - Qualitative and quantitative interaction
  - Benchmarking against other WC systems
  - Promising Practices
- Participatory Review of Results
  - Interim progress report – June
  - Draft final report – January
  - Mapping results to Recommendations
- Final report and briefing – February

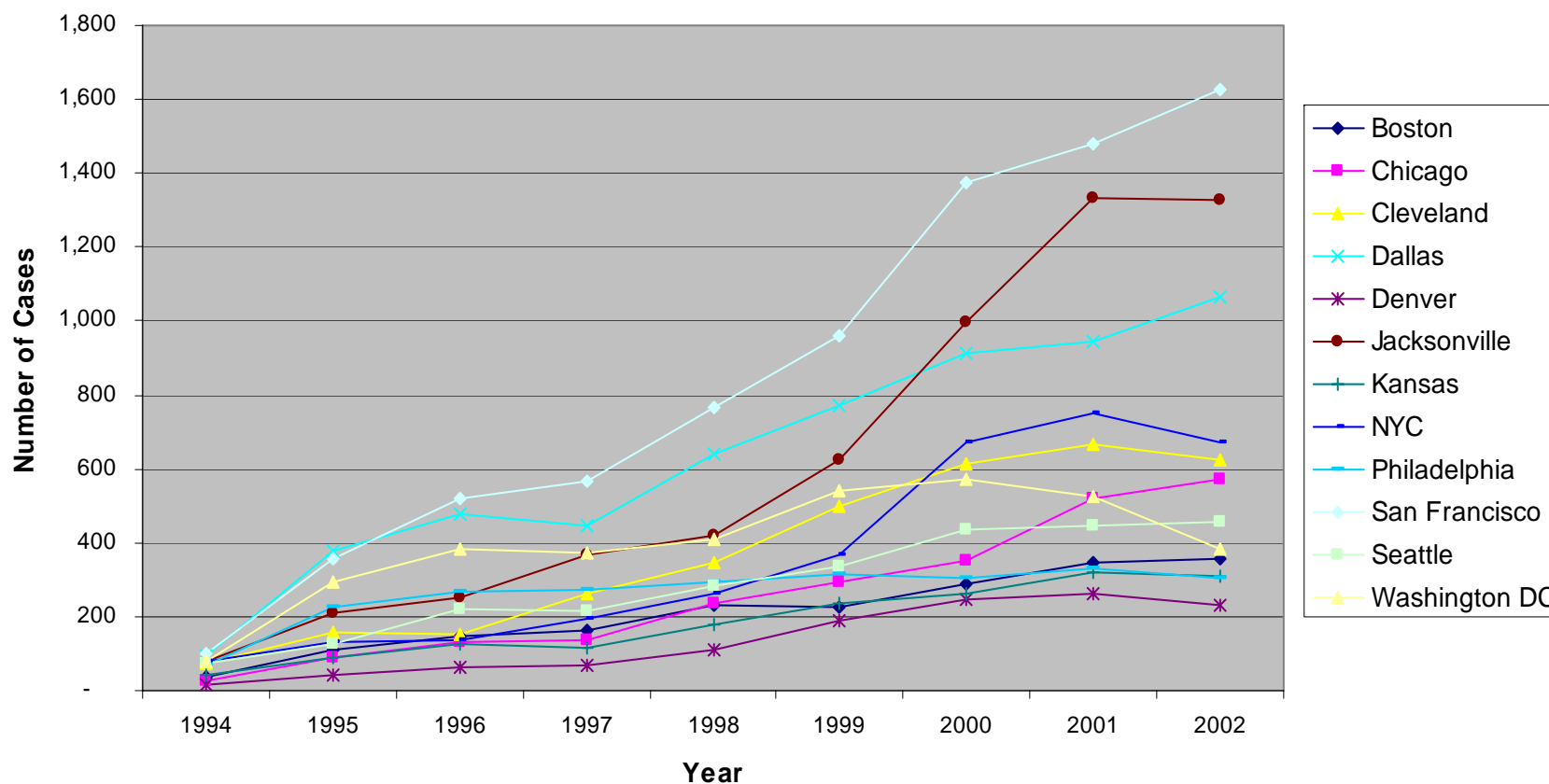
# Findings

Exhibit 4: QCM Closures, by District Office



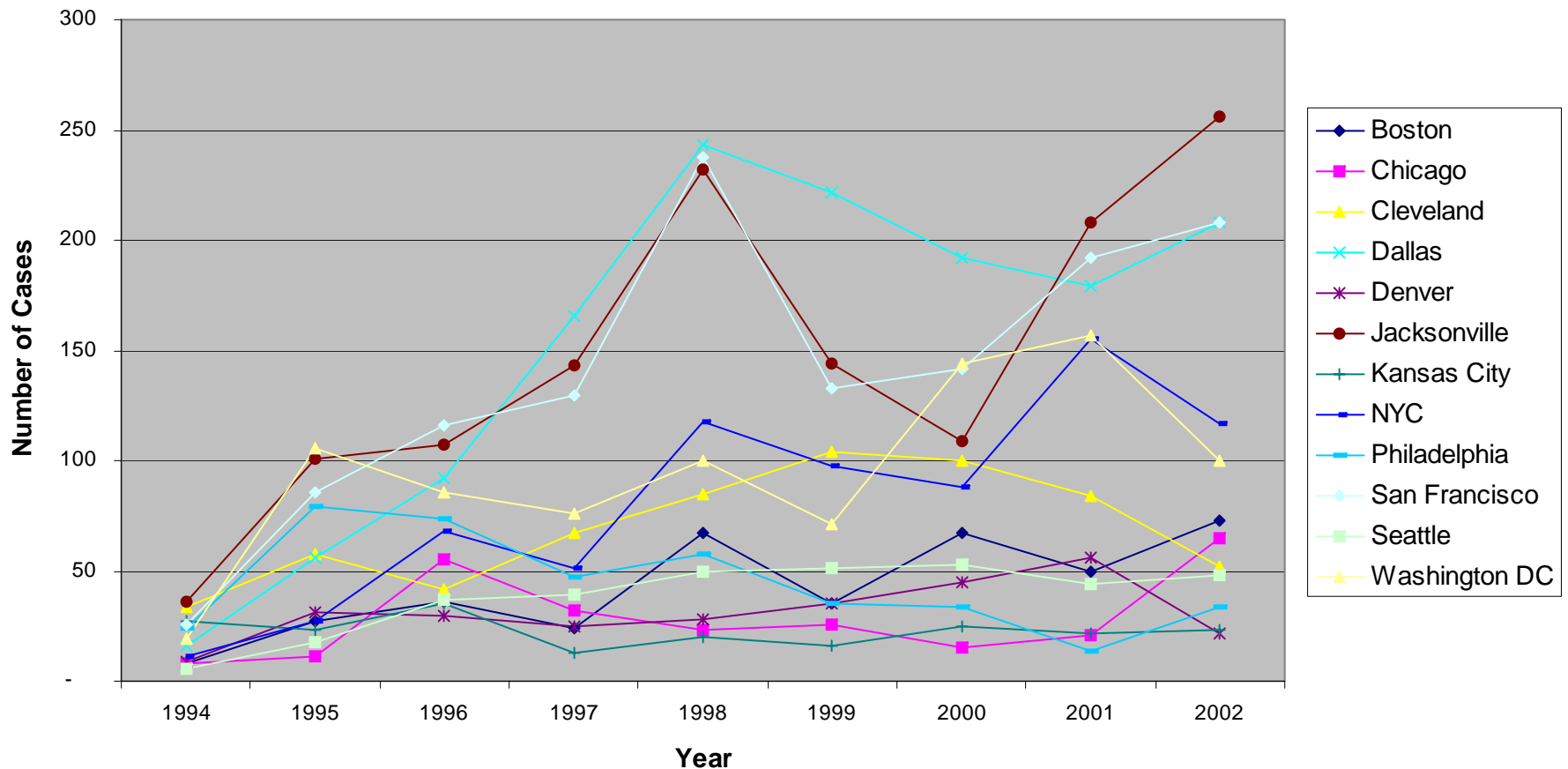
# Findings

**Exhibit 5: QCM Return To Work, by District Office**



# Findings

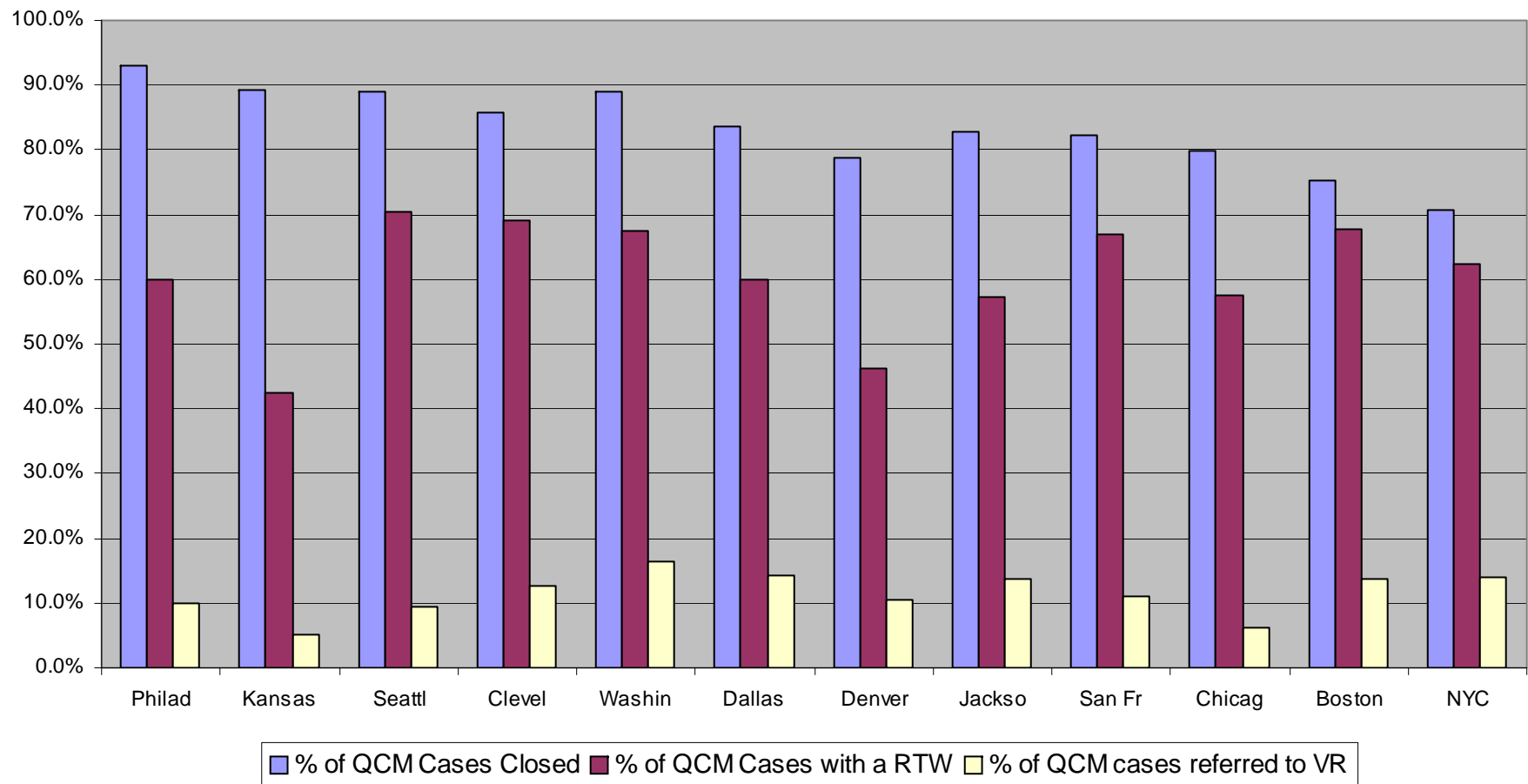
**Exhibit 6: QCM Referrals to Vocational Rehabilitation, by District Office**





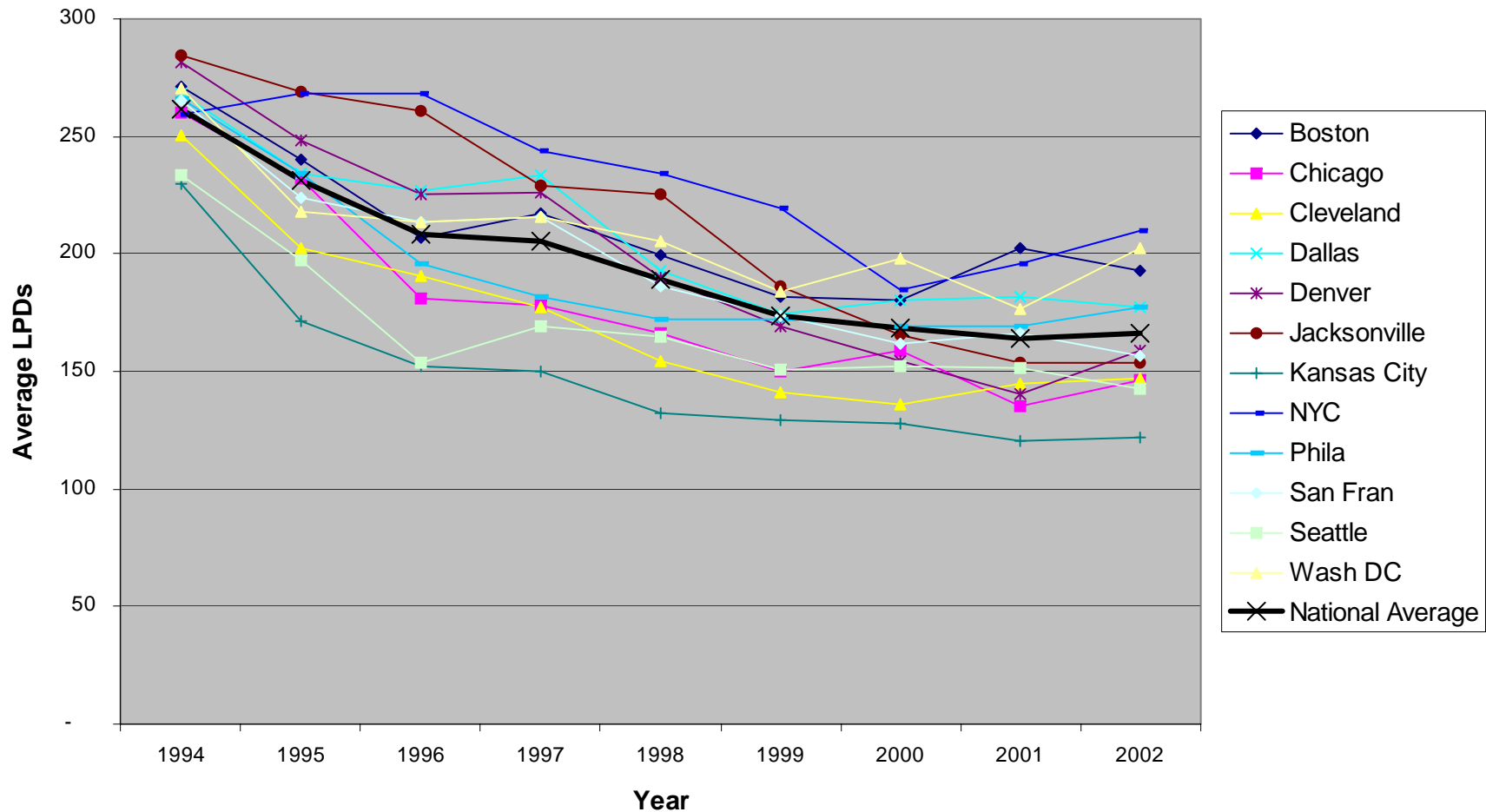
# Findings

**Exhibit 7: QCM Performance by District Office**



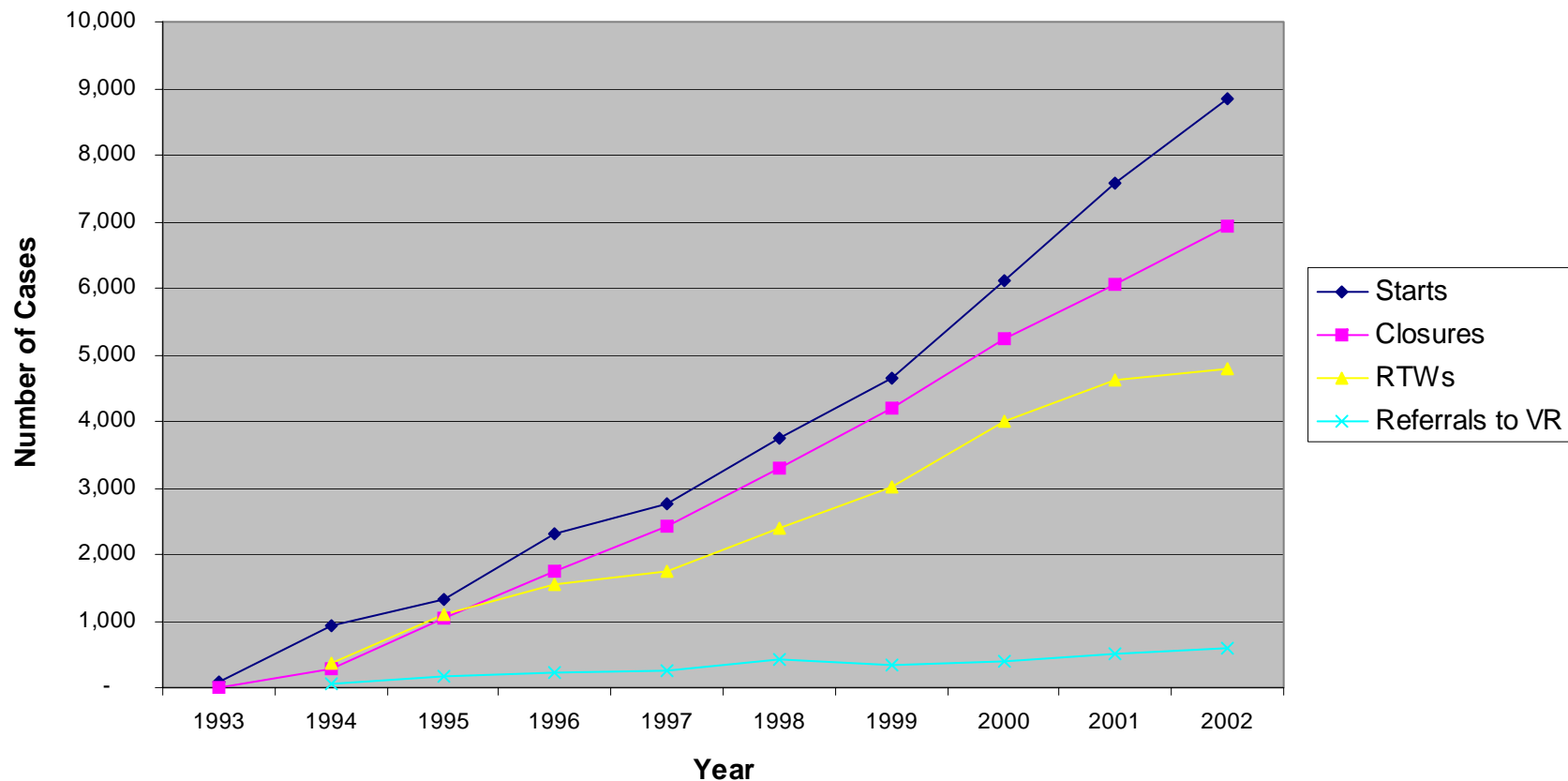
# Findings

Exhibit 8: Lost Production Days by District Office



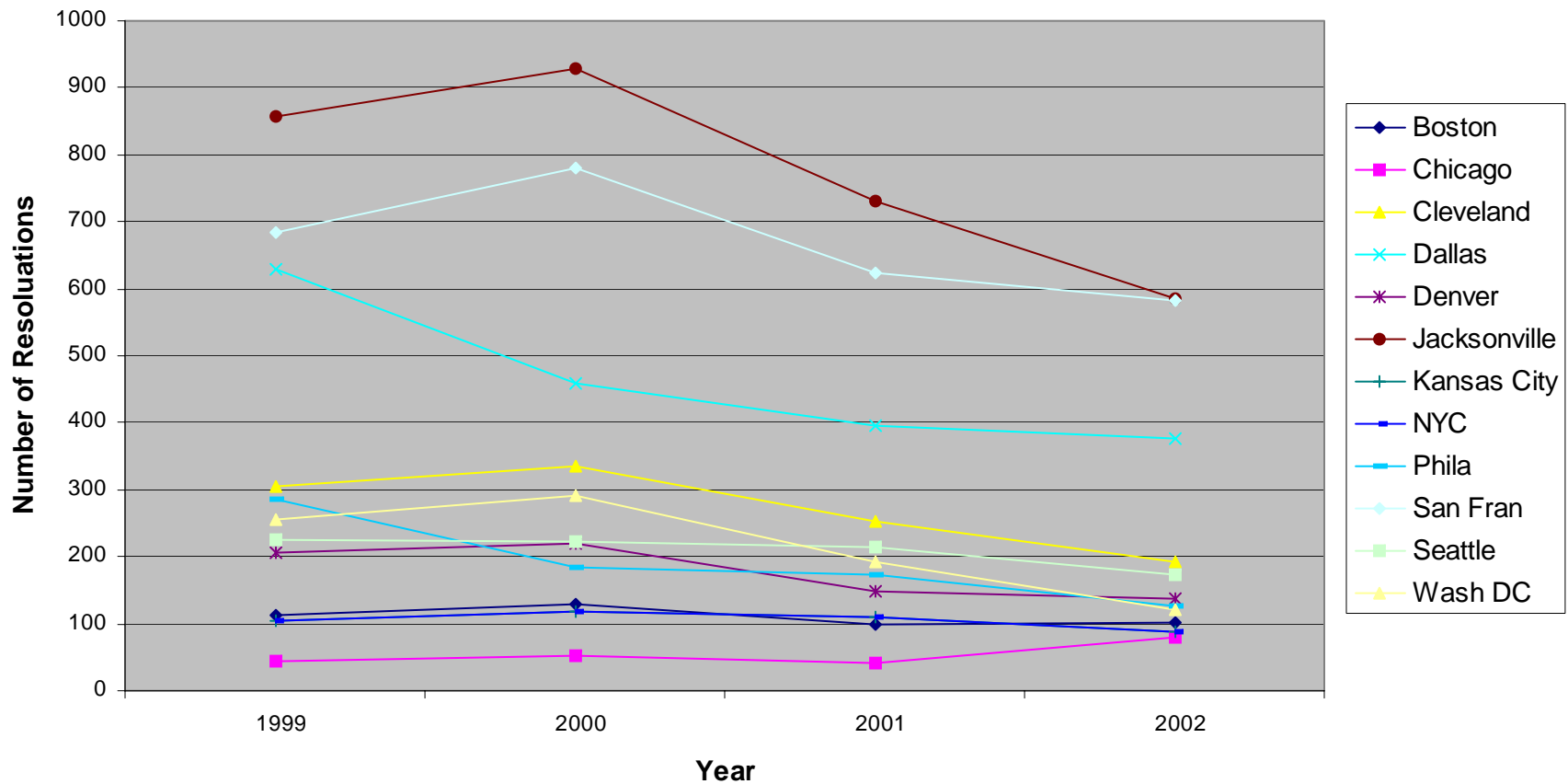
# Findings

Exhibit 10: QCM Activity, USPS, 1993-2002



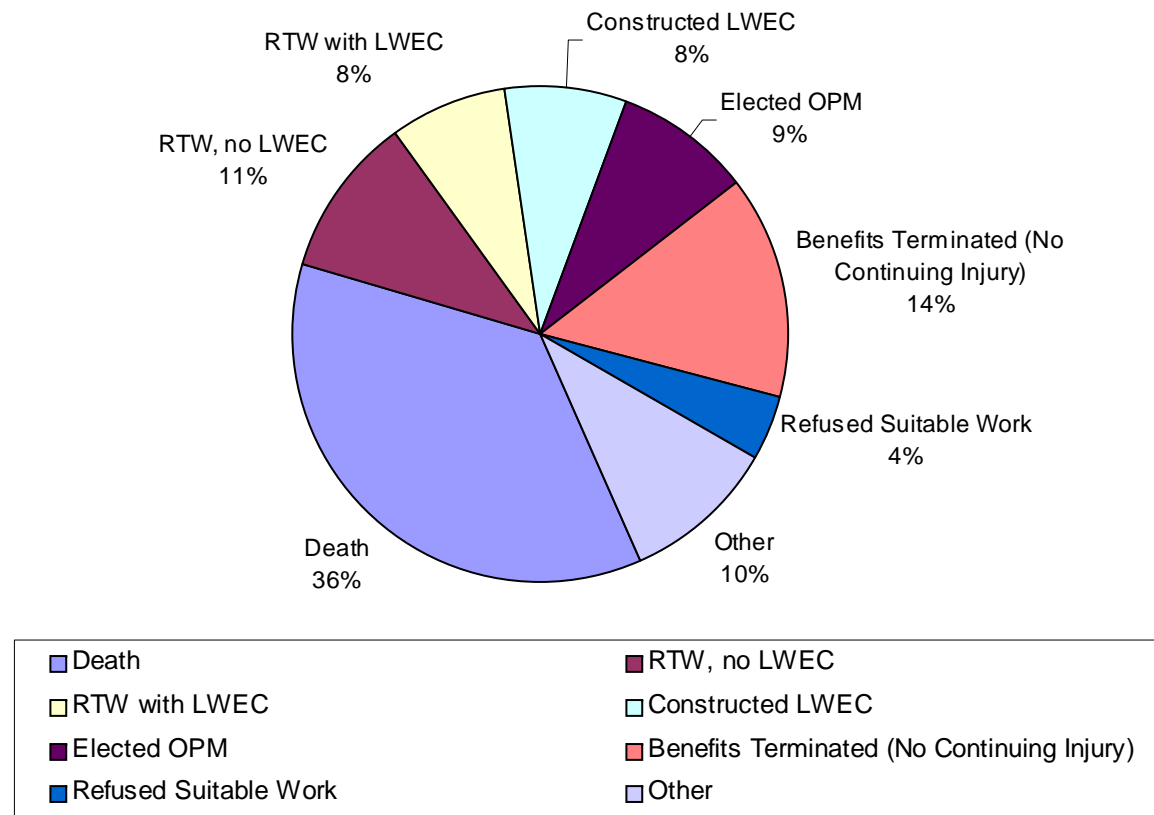
# Findings

Exhibit 12: PRM Resolutions, by District Office



# Findings

**Exhibit 13: PRM Resolutions**



# Promising Practices

- Disability Management – consulting model
- Preferential/Subsidized Hiring
  - Oregon Preferred Worker Program
  - Oregon Employer-at-Injury Program
- Additional Incentives
  - Employer
  - Worker
- Performance Measurement and Management



# For Further Information

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- ◆ (269) 343-5541

*Strategic Advantage.*  
**Compelling Results.**

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*for Employment Research*