

U.S. Department of Labor

Office of Inspector General—Office of Audit

**REPORT TO THE OFFICE OF
WORKERS' COMPENSATION
PROGRAMS**



**OWCP COULD IMPROVE ITS EXISTING
GUIDELINES FOR PROCESSING
DEEOIC CLAIMS**

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BRIEFLY...

OWCP COULD IMPROVE ITS EXISTING GUIDELINES FOR PROCESSING DEEOIC CLAIMS

WHY WE DID THE AUDIT

The Division of Energy Employees Occupational Illness Compensation (DEEOIC) within the U.S. Department of Labor's Office of Workers' Compensation Programs (OWCP) is responsible for compensating individuals. These individuals include current or former employees (or their survivors) of the Department of Energy who developed illnesses as a result of toxic exposure while employed at covered facilities or a mining work environment. Coverage also includes individuals at its predecessor agencies and certain vendors, contractors, and subcontractors. From 2017 to 2019, we received hotline complaints alleging DEEOIC was taking too long to issue claims decisions. In response to these allegations, we conducted this audit to answer the following question:

To what extent did OWCP's DEEOIC ensure claims followed appropriate guidelines?

We analyzed claim decision data and relevant documentation; reviewed related statutes, policies, and procedures; and interviewed DEEOIC staff. We focused on general hotline complaint allegations that claims were not processed timely.

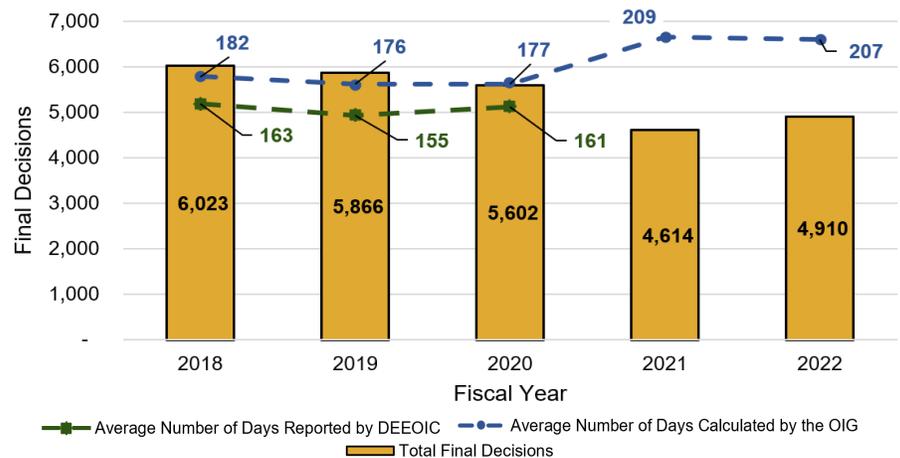
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For more information, go to: <https://www.oig.dol.gov/public/reports/oa/2024/09-24-001-04-437.pdf>.

WHAT WE FOUND

Our work identified opportunities where DEEOIC could improve its existing guidelines for processing claims. We found DEEOIC did not use complete information to measure and publicly report how long it took to make claims decisions, from start to finish, which distorted the perception of how long claimants waited for decisions. DEEOIC set a target of 170-average days to make claims decisions needed for claimants to receive compensation and medical expense coverage. However, our analysis showed DEEOIC took an average of 182 days to make 6,023 final decisions in FY 2018, compared to 207 days for 4,910 final decisions in FY 2022. Wait times increased while the volume of final decisions dropped.

Figure: Average Number of Days to Issue Final Decisions



Source: OIG analysis of DEEOIC claims adjudication data and DEEOIC's reported results in its Congressional Budget Justifications

We also found gaps in DEEOIC's oversight of its decision-making processes that increased the risk of errors. For example, review results were not documented consistently or aggregated to identify trends or systemic problems, and error corrections were not documented and may not have been completed. These gaps occurred because DEEOIC did not place sufficient management emphasis on its quality controls over the claims process.

The lack of transparency in the claims process distorted the perception of how long claimants actually waited for claims decisions. In addition, processing errors may not have been identified and corrected, which could have resulted in delayed or incorrect claims decisions. These issues raised concerns that workers who were injured or became ill on the job, or their survivors, may not be receiving timely and accurate decisions on claims and prompt compensation and medical expense coverage.

WHAT WE RECOMMENDED

We made five recommendations to OWCP to improve timeliness performance metrics, oversight, and the standardization of the claims adjudication process. OWCP agreed with our recommendations.

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INSPECTOR GENERAL'S REPORT

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This report presents the results of the U.S. Department of Labor (DOL) Office of Inspector General's (OIG) audit of the Office of Workers' Compensation Programs' (OWCP) Division of Energy Employees Occupational Illness Compensation's (DEEOIC) efforts to ensure claims followed appropriate guidelines.

DEEOIC's mission is to protect the interests of certain Department of Energy (DOE) employees who were injured or became ill on the job, or their survivors, by making timely decisions on claims and providing prompt payment of benefits to eligible claimants. From Fiscal Year (FY) 2018 through FY 2022,¹ the Energy Employees Occupational Illness Compensation Program paid over \$7.8 billion in benefits to claimants. DEEOIC is primarily responsible for timely processing claims to compensate current or former employees (or their survivors) of DOE; its predecessor agencies; and certain vendors, contractors, and subcontractors who developed illnesses. These illnesses include radiogenic cancer or chronic silicosis as a result of toxic exposure while employed at covered facilities or in a mining work environment.

From 2017 to 2019, the OIG received hotline complaints alleging, among other concerns, DEEOIC was taking too long to issue claims decisions. In response to these allegations, we conducted this audit to determine the following:

To what extent did OWCP's DEEOIC ensure claims followed appropriate guidelines?

To accomplish our objective, we analyzed claim decision data and relevant documentation from FY 2018 through FY 2022. We reviewed related statutes,

¹ Specifically, these payments were made from October 1, 2017, through September 30, 2022.

policies, and procedures; examined internal reviews; and interviewed DEEOIC management and staff. Our work focused on general hotline complaint allegations that claims were not processed timely.

ENERGY EMPLOYEES OCCUPATIONAL ILLNESS COMPENSATION PROGRAM COVERAGE

In October 2000, Congress passed the Energy Employees Occupational Illness Compensation Program Act (the Act). The Act established the Energy Employees Occupational Illness Compensation Program to provide compensation—cash payment and medical benefits—to workers (or their survivors) for illnesses, such as cancer, chronic silicosis, and chronic beryllium disease, caused by their work for DOE (and its predecessor agencies), its contractors, or subcontractors. DOE employees historically worked on projects that aided the Cold War² efforts to produce and test nuclear weapons without their knowledge and consent for reasons that were driven by fears of adverse publicity and liability. Employees were unknowingly exposed to radioactive substances and other toxins.

The Act, as amended, offers benefits under Parts B and E. Part B generally provides a \$150,000 lump-sum payment and coverage of medical expenses (retroactive to the date the claim was filed). These Part B benefits are for current or former DOE employees (or their survivors) suffering from a medical condition (injury or illness) due to their exposure to radiation, beryllium, or silica. Part E provides compensation up to \$250,000³ and coverage of medical expenses (retroactive to the date the claim was filed). These Part E benefits are for current or former DOE contractor employees (or their survivors) whose exposure to a toxic substance while employed at a DOE site is or was a significant factor in aggravating, contributing to, or causing illness or death. Under certain circumstances, an employee may be covered under both Parts B and E.

While the primary responsibility for processing claims falls on DEEOIC, the process also involves coordination among several federal agencies responsible for developing and implementing actions to compensate workers and their families compassionately, fairly, and timely.⁴ Generally, DEEOIC will work with DOE to verify the claimant worked at a covered DOE site. When the claim

² During the Cold War era, defined as the period between 1945 and 1991, the Department of Energy and its predecessor agencies were responsible for the design, development and testing of nuclear weapons for the United States in its conflict with the Soviet Union and their respective allies.

³ Compensation and benefits under Part E are based upon the degree of impairment and lost wages.

⁴ 42 U.S.C. § 7384

involves a cancer diagnosis, it is referred to the National Institute for Occupational Safety and Health (NIOSH) for a dose reconstruction⁵ analysis to determine the claimant's radiation exposure. The Department of Justice awards the appropriate benefits to claimants under Section 5 of the Radiation Exposure Compensation Act. These claimants may also be awarded benefits under the Energy Employees Occupational Illness Compensation Program Act. Our analysis of claims decisions data from FY 2018 through FY 2022 did not include those claims sent to NIOSH for dose reconstruction.

CLAIMS ADJUDICATION PROCESS

Current or former DOE employees, or their survivors, submit claims for compensation and medical expense coverage via mail to DEEOIC or at any of its 11 resource centers located nationwide. DEEOIC's resource centers help claimants complete the necessary forms, provide information about the claims process to claimants, and transmit documents for claims processing. Claims examiners at DEEOIC's four district offices process claims and recommend the initial acceptance or denial. Then, hearing representatives at five final adjudication branch units are responsible for the final acceptance or denial of a claim. Based on our review of DEEOIC's website,⁶ annual operational plans, procedure manual, and staff performance standards, DEEOIC's adjudication process and timeframes are generally as follows (see Figure 1):

1. Claimants file a claim, which can contain multiple medical conditions, with DEEOIC.
2. District office claims examiners work with claimants to verify the employee worked at a covered DOE site, was diagnosed with an illness covered under the Act, and developed the illness from working at a covered site.

⁵ Dose reconstruction is used to determine the probability that the claimed cancer is related to employment at a covered facility.

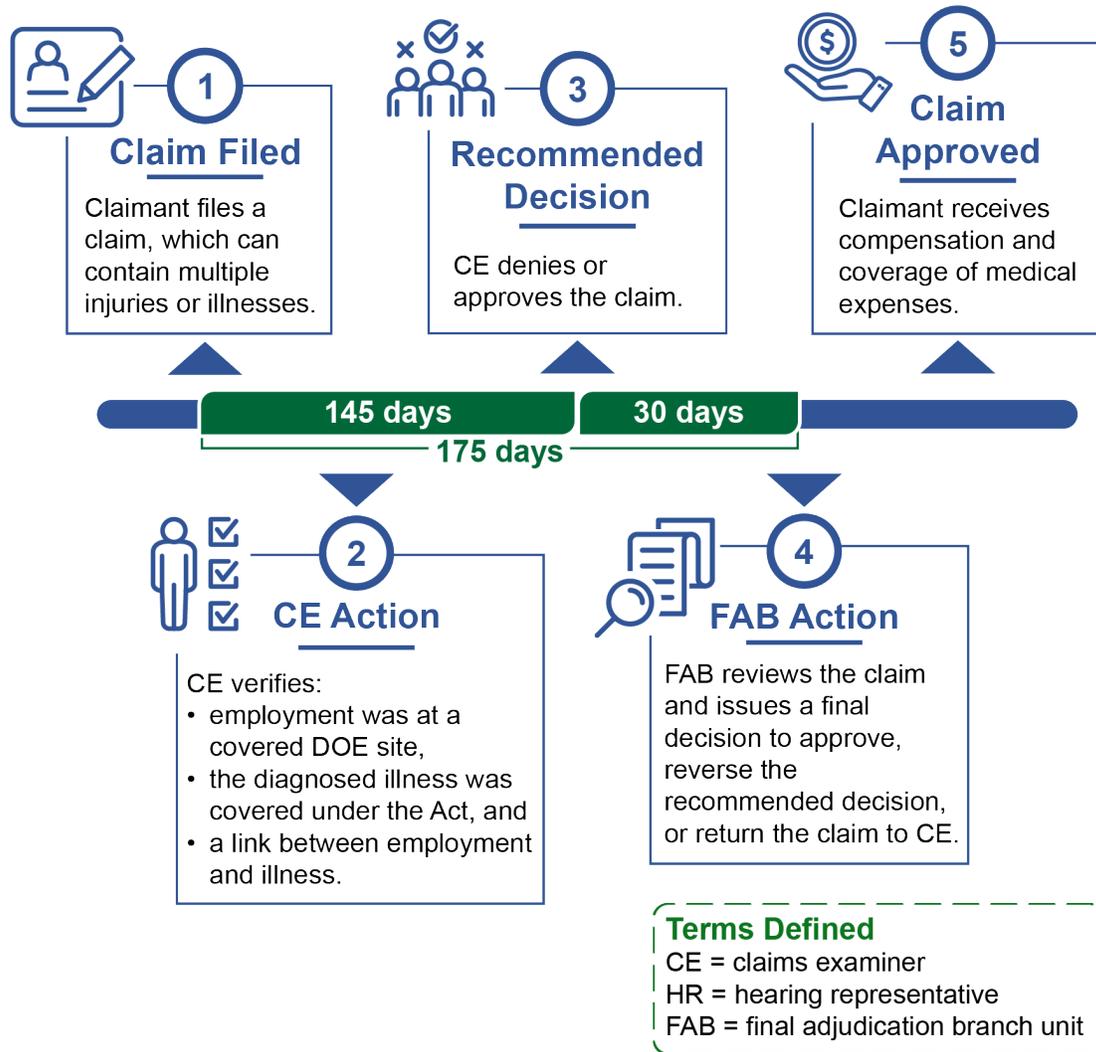
⁶ DEEOIC's website, "Claims Adjudication Timeframes," last accessed January 4, 2024, is available at:
https://www.dol.gov/sites/dolgov/files/OWCP/energy/regs/compliance/claimant_medprovider_resources/claims_adjudication_timeframes.jpg.

3. Claims examiners have 145 days⁷ from the date the claim was received to issue a recommended decision to approve or deny the claim.
4. Hearing representatives at a final adjudication branch unit review claims. They have 30 days⁸ to issue a final decision to approve, reverse the recommended decision, or return the claim to a claims examiner for additional development (herein referred to as “remand”).
5. Claimants receive cash compensation and coverage of medical expenses (retroactive to the date the claim was filed) for approved final decisions. If denied, claimants may request to have their claims reopened at any time and as many times as they want.

⁷ Claims examiners typically have 145 days to issue a recommended decision, as specified on DEEOIC’s website (as of January 4, 2024), in annual operational plans, and in claims examiner performance standards. For more details, DEEOIC’s webpage, “Claims Adjudication Timeframes,” last accessed January 4, 2024, is available at: https://www.dol.gov/sites/dolgov/files/OWCP/energy/regs/compliance/claimant_medprovider_resources/claims_adjudication_timeframes.jpg.

⁸ A hearing representative typically has 30 to 75 days to issue a final decision based on the actions a claimant takes after the recommended decision, as specified on DEEOIC’s website (as of January 4, 2024), in annual operational plans, and in hearing representative performance standards. For more details, DEEOIC’s webpage, “Claims Adjudication Timeframes,” last accessed January 4, 2024, is available at: https://www.dol.gov/sites/dolgov/files/OWCP/energy/regs/compliance/claimant_medprovider_resources/claims_adjudication_timeframes.jpg.

Figure 1: 175-Day DEEOIC Claims Process



Source: OIG analysis of Federal Energy Employees Occupational Illness Compensation Program Act Procedure Manual, Version 5.1, September 20, 2021; DEEOIC’s Fiscal Year 2021 Operational Plan User Guide; claims examiner and hearing representative performance standards; and DEEOIC’s public website as of January 4, 2024

RESULTS

Our audit identified opportunities where DEEOIC could improve its existing guidelines for processing claims. Specifically, we found DEEOIC did not use complete information to measure and publicly report how long it took to make claims decisions, from start to finish, distorting the perception of how long claimants actually waited for decisions. We also found gaps in DEEOIC's oversight of its decision-making processes.

These issues occurred because DEEOIC did not place sufficient management emphasis to ensure the timeliness and accuracy of its claims decisions. As a result, over our 5-year audit period,⁹ our analysis of DEEOIC's data showed average wait times increased and identified instances when claims decisions took over 1 year. From FY 2018 through FY 2022, DEEOIC made 27,015 decisions, with 1,370 decisions taking over 1 year to be made. Despite an 18 percent drop in total volume of final decisions in FY 2022 when compared to FY 2018, the average wait time increased from 176 to 207 days.¹⁰ Additionally, processing errors may not have been identified and corrected, which could have resulted in delayed or incorrect claims decisions.

In response to concerns we raised during the course of this audit, DEEOIC took some corrective actions to address the risks that workers who were injured or became ill on the job, or their families, may not be receiving timely and accurate decisions on claims and prompt compensation and medical expense coverage.

DEEOIC DID NOT USE COMPLETE INFORMATION TO MEASURE AND PUBLICLY REPORT TIMELINESS OF CLAIMS DECISIONS

We found DEEOIC did not use complete information to measure how long it took, from start to finish, to make claims decisions and when it publicly reported to Congress how well it met its 170-day average timeliness performance measure target. For example, DEEOIC excluded additional time its claims examiners spent to further develop a claim to address an error, new evidence, or a change in law, regulations, policies, or procedures, which distorted the understanding of how long claimants actually waited for claims decisions. For FY 2018 through

⁹ Our audit period covered the 5-year period of FY 2018 through FY 2022.

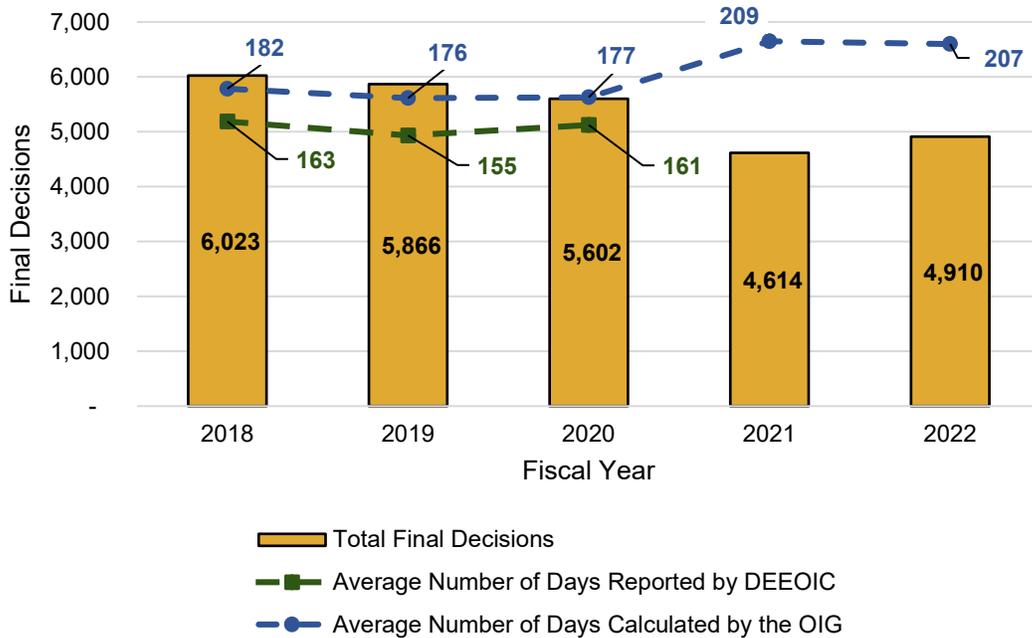
¹⁰ DEEOIC excluded claims that took more than 900 days to reach a decision from its data. We removed this filter and found 213 claims took more than 900 days to receive a decision.

FY 2020, DEEOIC claimed it exceeded these targets and achieved an average between 155 and 163 days. Our analyses of 27,015 final decisions made during our audit period showed, among other concerns, DEEOIC took an average 182 days to make 6,023 final decisions in FY 2018, compared to 207 days for 4,910 final decisions in FY 2022. Despite a drop in volume of 18 percent, wait times increased.

DEEOIC's mission is to protect the interests of employees who were injured or became ill on the job, or their survivors, by making timely decisions on claims and providing prompt payment of benefits to eligible claimants. Therefore, timeliness is a priority. Since at least FY 2018, DEEOIC measured the total time, from start to finish, from the claim filing date to the final decision. While in practice DEEOIC typically allowed 175-days to process claims, DEEOIC used a 170-day average timeliness performance measure target for claims it did not send to NIOSH and/or that did not require a hearing. DEEOIC estimated these claims account for approximately 70 percent of all its claims.

In its Congressional budget submissions to Congress, also known as Congressional Budget Justifications, DEEOIC publicly reported this performance measure target for FY 2018 through FY 2022. DEEOIC also reported that it exceeded its target for FY 2018 through FY 2020. DEEOIC officials told us they were not required to report any metrics to issue claims decisions and did so voluntarily. Since FY 2021, DEEOIC stopped publicly disclosing its total claims processing time in its Congressional Budget Justifications (see Figure 2).

Figure 2: Average Number of Days to Issue Final Decisions¹¹



Source: OIG analysis of DEEOIC claims adjudication data and DEEOIC’s reported results in its Congressional Budget Justifications

LACK OF TRANSPARENCY DISTORTED HOW LONG CLAIMANTS WAITED FOR CLAIMS DECISIONS

For the period reviewed, we found DEEOIC distorted its processing time results because it excluded certain factors, such as additional time in-house specialists and claims examiners spent on claims—respectively referred to as credit and remand time—from its processing time results. This distorted how long claimants actually waited for recommended and final decisions. Specifically:

- Credit Time.** Some claims require reviews by in-house specialists, such as industrial hygienists, toxicologists, or health physicists. DEEOIC excluded the portion of time, referred to as credit time, these specialists spent on claims in its timeliness calculations. According to DEEOIC’s data, credit time ranged from 1 to 741 days (2 years) between the initial filing and the recommended decision.¹²

¹¹ DEEOIC officials told us it was not required to report any metrics to issue decisions and did so voluntarily. Since FY 2021, DEEOIC stopped disclosing its total claims processing time.

¹² For the period reviewed, the most common amount of credit time applied to claims was 21 days.

- **Remand Time.** DEEOIC’s final adjudication branch can remand, or send back, claims to claims examiners for additional development to address an error, new evidence, or a change in the law, regulations, policies, or procedures. According to DEEOIC’s data, the remand times excluded from DEEOIC’s processing time results ranged from 1 to 2,638 days (7 years).¹³

There are a number of reasons that impact the time to review claims, including the number of conditions claimed, complexity, and gathering sufficient evidence needed to meet the legal threshold for award compensation. However, timely decisions are crucial for claimants needing and waiting for compensation and medical expense coverage for illnesses caused by working at certain DOE sites. For example, in January 2020, a claimant filed for Parkinson’s disease,¹⁴ dementia,¹⁵ and other medical conditions. DEEOIC took 1.8 years (644 days) to approve the Parkinson’s disease claim and 2.3 years (840 days) to approve the dementia claim, delaying the claimant’s full compensation and coverage.

Public Reporting of Timely Claim Processing

From FY 2018 to FY 2022, DEEOIC made 27,015 final decisions on claims that were not sent to NIOSH and did not require a hearing. In its Congressional Budget Justifications, DEEOIC published a performance measure target of 170 days on average to reach a final decision for these years. For FY 2018 through FY 2020, DEEOIC claimed it exceeded these targets and achieved an average between 155 and 163 days. Since FY 2021, DEEOIC stopped publicly reporting these performance results.

However, our analyses of DEEOIC’s data for the 5-year period of FY 2018 through FY 2022 showed DEEOIC did not meet its 170-day average target and took, on average, between 176 and 209 days to make final decisions. In addition, DEEOIC’s data showed it started taking longer even though the volume of claims decreased. Specifically, DEEOIC took an average of 182 days to make 6,023 final decisions in FY 2018, compared to 207 days for 4,910 final decisions in FY 2022.

¹³ For the period reviewed, the most common amount of remand time applied to claims was 154 days.

¹⁴ According to the National Library of Medicine, Parkinson’s disease is a type of movement disorder where the nerve cells in the brain do not produce enough of a brain chemical called dopamine. Symptoms include trembling of hands, legs, jaw and face; stiffness of the arms, legs, and trunk; slowness of movement; and poor balance and coordination.

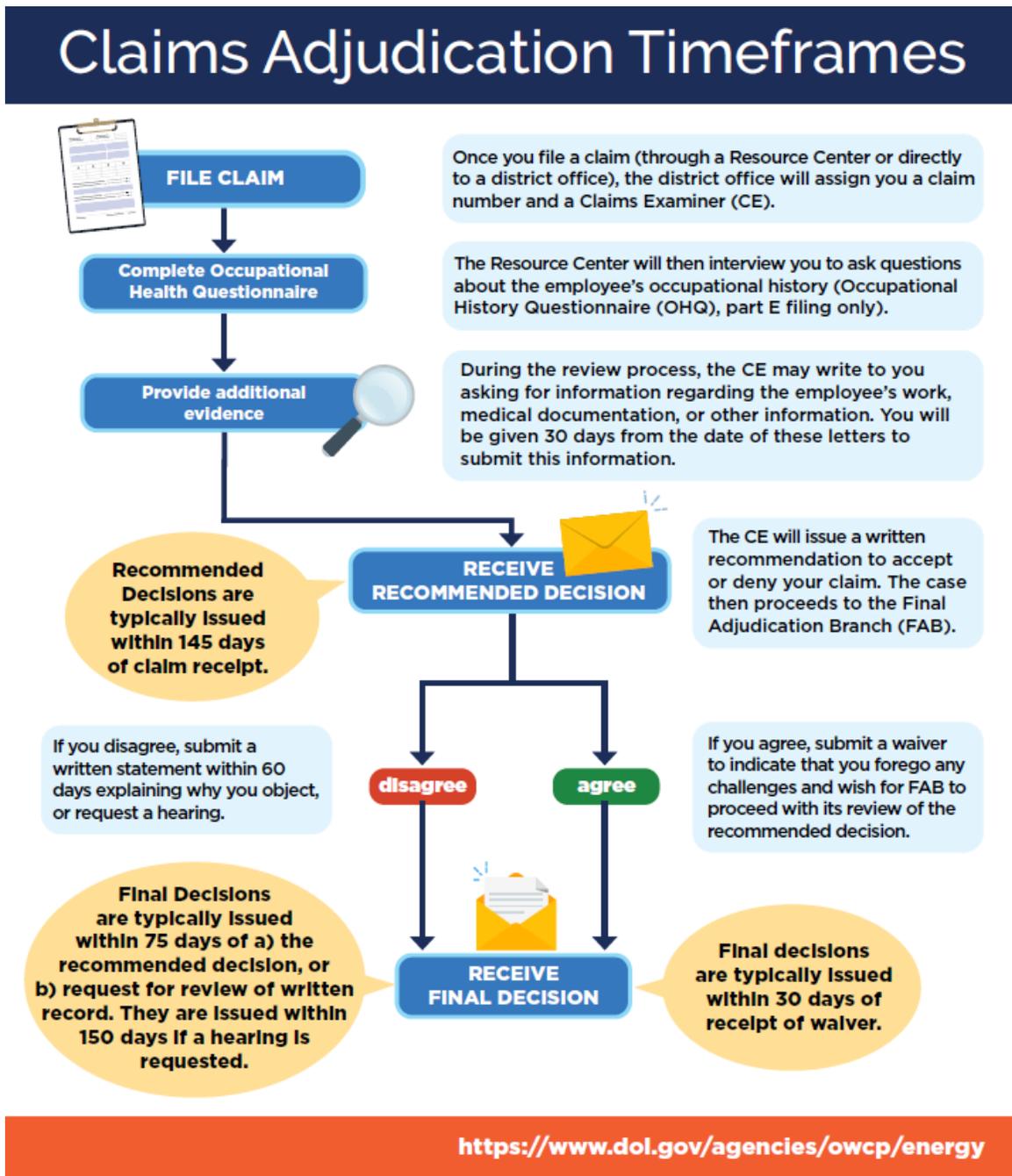
¹⁵ According to the National Library of Medicine, Dementia is a loss of mental functions (memory, language skills, visual perception, problem solving, and ability to focus) that is severe enough to affect daily life and activities.

According to DEEOIC, the beginning to end 170-day average performance measure was an “informational point” and should not have significant emphasis placed on it based on everything it includes. As a result, DEEOIC did not hold itself accountable to meeting this 170-day average target. DEEOIC officials told us it was not required to establish a specific target for the number of days to decide claims because each claimant’s medical situation and available documentation are different. Instead, DEEOIC stated it used “typical” timeframes and individually addressed the requirements needed by each claimant.

Claims can follow paths that differ from the most general and straightforward claim approach, such as being sent to an industrial hygienist for review or returned for additional development (both items are within DEEOIC’s control). According to DEEOIC officials, when this occurs, the metrics established in its operational plans and staff performance plans for each piece of the claims decision-making process could be added up to result in an overall process timeframe.

Accounting for at least 28 various paths a claim can take and adding up only those metrics within DEEOIC’s control, we determined DEEOIC allowed for a minimum of 175 days to more than 500 days to make final decisions (see Exhibit 1 for an illustration of three sample pathways that take longer than 175 days). However, as of January 4, 2024, DEEOIC’s public website showed its “typical” timeframe for reaching a final decision for all claims is between 175 and 295 days—not more than 500 days (see Figure 3).

Figure 3: DEEOIC’s Claims Process Timeframes



Source: DEEOIC’s public website, last accessed January 4, 2024

In addition, we also noted:

- DEEOIC limited its timeliness tracking from the claim submission or filing date to the earliest recommended and final decisions made for a claim. It excluded later decisions issued for the same claim for different medical conditions that may have taken longer to adjudicate.
- DEEOIC's claims system is limited when reconstructing a claim's path. To reconstruct what happened with a claim, including all medical conditions filed and the detailed path each condition took, DEEOIC must view the system data in conjunction with the case file documentation to fully understand what occurred. This can be a highly manual and time-consuming process as case files can contain hundreds of documents ranging from 1 page to over 1,000 pages.

DEEOIC acknowledged its system is limited and did not reflect all events in a case file. DEEOIC officials explained that they monitor cases and timing as they happen in order to determine what needs to be addressed. Further, they stated they have been working over the years to improve the system to capture more accurate data points.

The lack of clarity in DEEOIC's process for timeliness tracking resulted in claimants having an incomplete picture of the time it takes for decisions to be made on their entire claim. For FY 2022, claimants waited, on average, 207 days for decisions needed to obtain medical benefits and receive compensation payments even though the volume of final decisions dropped from previous years.

With the serious nature of the illnesses covered, it is imperative that claimants understand how long it takes for claims to move through the entire process, including understanding the multiple paths their claim may undergo. The lack of transparency surrounding the claims process underscores our concern that workers who were injured or became ill on the job, or their survivors, may have been misled regarding how long they must wait to receive timely compensation and medical expense coverage.

OVERSIGHT GAPS INCREASED THE RISK OF DELAYED OR INCORRECT CLAIMS DECISIONS

We found gaps in DEEOIC's oversight of its decision-making process that increased the risk of errors, which may have resulted in delayed or incorrect claims decisions. According to the federal standards for internal control, control activities, such as policies, procedures or appropriate documentation, should be designed to address related risks.¹⁶ However, we found:

- supervisory review results were not documented consistently or aggregated to identify trends or systemic problems,
- supervisory reviews were not conducted consistently,
- quality assurance review recommendations were not always tracked, and
- correction of errors identified by supervisory and quality assurance reviews were not documented and may not have been complete.

These gaps occurred because DEEOIC did not place sufficient management emphasis on its quality controls over the claims review process.

DEEOIC has multiple levels of reviews to monitor the accuracy and quality of its claims decision-making process. According to DEEOIC officials, before a recommended decision is made, less experienced or new claims examiners receive first-level reviews from a senior claims examiner. Next, a final adjudication branch hearing representative reviews all recommended decisions and independently evaluates the appropriateness of the recommended decision before a final decision is made.

There are two types of reviews completed after both the recommended and final decisions are made: supervisory reviews and quality assurance reviews. First, supervisors at the district offices and final adjudication branch units conduct monthly reviews of three processed claims per claims examiner or hearing representative¹⁷ to assess the documentation and decisions made.

¹⁶ Government Accountability Office, *Standards for Internal Controls in the Federal Government* (GAO-14-704G), September 2014

¹⁷ At times a supervisor may review up to five adjudicated claims for a hearing representative.

The second type of review, quality assurance reviews, began in March 2020. These reviews assess—overall and on the individual staff level—the accuracy, efficiency, and effectiveness of the claims process. In order to provide a near real-time analysis of processed claims, the quality assurance team reviews a sample of recommended and final decisions made during the prior biweekly period.¹⁸ The claims are evaluated under three elements: development, decision accuracy, and written quality. Each element has set questions (referred to as “Indicator Questions”) that are answered with a “Yes,” “No,” or “N/A” and have a weighted value. A percentage score is calculated for each element,¹⁹ with 90 percent considered the passing score.

While it is beneficial to have multiple review processes in place, we identified gaps in the established supervisory and quality assurance review processes.

SUPERVISORY REVIEW RESULTS WERE NOT RETAINED OR AGGREGATED TO IDENTIFY SYSTEMIC ISSUES

For the period reviewed, we found DEEOIC was unable to provide the results of the supervisory reviews conducted to ensure appropriate claims decisions were issued. DEEOIC officials told us they did not maintain the results in a central location; instead, each supervisor maintained the information within their own records. As a result, DEEOIC was unable to demonstrate how many claims were reviewed, how many passed or did not pass the review, and the types of errors identified.

DEEOIC began retaining the supervisory review results in its Accountability Review Tracking System in October 2021 for final decision reviews and in November 2021 for recommended decision reviews and provided us examples of the results. The supervisory review results are aggregated by the supervisor for each employee and for each office. However, the results are limited to addressing staff performance. While we understand the value of identifying systemic errors by individual and office, aggregating the review results across all offices would have allowed DEEOIC to identify potential program-wide systemic errors.

¹⁸ Quality assurance reviews also include letter decisions and Medical Benefit Adjudication Unit decisions, which were outside the scope of this audit.

¹⁹ The final score is determined by calculating a weighted percentage, dividing the total of all weighted “Yes” responses by the weighted combined total “Yes” plus “No” responses in that element.

SUPERVISORY REVIEWS WERE CONDUCTED INCONSISTENTLY

DEEOIC was unable to provide standard operating procedures documenting how supervisory reviews were conducted or the requirements to complete the review. DEEOIC indicated that the process was relayed by word-of-mouth and each supervisor and office handled the reviews somewhat differently. With supervisors potentially evaluating different elements for each claim, DEEOIC's ability to aggregate the review results to identify potential systemic issues is diminished.

DEEOIC recognized the need for a consistent review process across all supervisors and offices and, in September 2020, implemented the supervisor module in its Accountability Review Tracking System. In response to concerns raised during the audit, DEEOIC took corrective actions by developing standard operating procedures to document the required process for these reviews. In January 2023, DEEOIC developed procedures requiring staff to annually review district office results to identify systemic errors and take appropriate steps to correct the errors. These procedures were updated in December 2023 and February 2024. In January 2024, DEEOIC developed similar procedures for final adjudication branch office reviews.

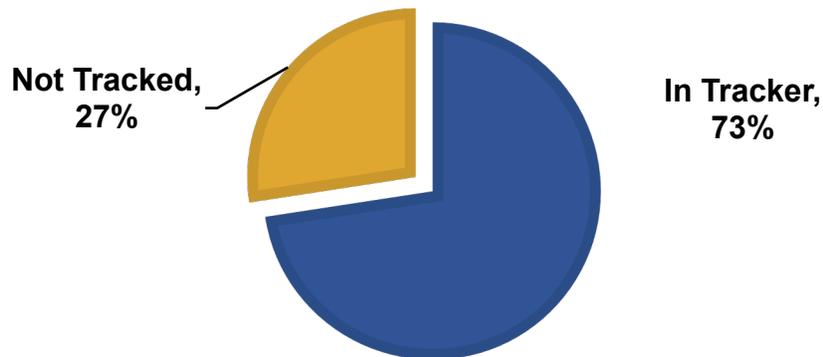
Since the corrective actions were taken during and after our fieldwork, we did not perform a review to determine whether the procedures described were in place and effective. We maintain the standard operating procedures should include tracking and evaluating aggregate errors identified during reviews and ensure appropriate corrective actions are taken.

QUALITY ASSURANCE RECOMMENDATIONS WERE NOT EFFECTIVELY TRACKED AND PRIORITIZED

Quality assurance review results identify errors in processed claims. According to DEEOIC, those errors are aggregated and analyzed for trends that contribute to the development of recommendations for improvement in claims processes, needed training, or policy guidance (i.e., updates to the claims adjudication procedure manual). DEEOIC uses a tracker to record progress on the recommendations, including if they are completed, in progress, or rejected.

Our analysis of DEEOIC's quality assurance reports and tracker for the period of March 15, 2020, through June 30, 2022, found 17 of 62 recommendations (27 percent) made as a result of the reviews were not included in the tracker (see Figure 4).

Figure 4: Tracking Status for Quality Assurance Recommendations



Source: OIG analysis of DEEOIC’s quality assurance reports for the period of March 15, 2020, through June 30, 2022, and DEEOIC’s recommendation tracker received February 9, 2023

DEEOIC records recommendations once in its tracker, even if the same recommendation occurs in subsequent reports. Therefore, of the 37 recommendations in the tracker, we found 20 (54 percent) were “In Progress.” Six recommendations remained “In Progress” since their creation in the third and fourth quarters of FY 2020. Subsequent to our audit work, DEEOIC officials told us only formal recommendations that can be meaningfully measured are tracked. Without consistently tracking, updating, and prioritizing the implementation of recommendations, needed improvements to address gaps in the claims process may not be made, therefore, increasing the risk of inaccurate claims decisions.

CORRECTION OF ERRORS IDENTIFIED BY SUPERVISORY AND QUALITY ASSURANCE REVIEWS WERE NOT DOCUMENTED

We analyzed the quality assurance review results for both recommended and final decisions from the third quarter of FY 2020 through the second quarter of FY 2022. Through this review, we found DEEOIC identified numerous errors in adjudicated claims, such as:

- incomplete verification of employment,
- insufficient medical evidence used to establish the link between employment and the illness, and
- not following requirements outlined in the claims adjudication procedure manual.

For a claim to be approved, the claimant's employment at a DOE site must be verified, there must be sufficient medical evidence to show there is a diagnosed illness, and there must be a link between the employment and illness. The above errors are all items that could potentially impact the outcome and accuracy of claims decisions.

The errors in claims are analyzed for trends to provide recommendations for improvement in claims processes, needed training, or policy guidance (i.e., updates to the claims adjudication procedure manual). However, when we asked DEEOIC how it ensures claim errors are corrected, DEEOIC officials told us the quality assurance team does not have a role in ensuring those errors are corrected. Instead, supervisors are provided the biweekly results the week following the quality assurance review and are responsible for reviewing the results and addressing the errors where appropriate. Similarly, when errors are identified from the supervisory reviews, the responsibility lies with the supervisor to ensure errors are corrected. DEEOIC staff stated this may include a meeting to discuss how to prevent errors from reoccurring in future decisions.

According to DEEOIC officials, not all quality assurance errors affect the ultimate decision of a claim; therefore, corrective action is not necessary for every error identified. However, when we asked DEEOIC to provide us with the decisions that were corrected (e.g., reversed or overturned) as a result of the reviews, DEEOIC officials told us they do not maintain records of erroneously issued decisions and do not track how each error identified was corrected. As a result, there is an increased risk that claims decisions were not appropriate or accurate since identified errors may not have been corrected.

The oversight gaps in DEEOIC's quality assurance process increased the risk of processing errors, which may have resulted in delayed or incorrect claims decisions. This in turn could have impacted claimants' ability to receive compensation and medical expense coverage to treat critical illnesses.

OIG'S RECOMMENDATIONS

We recommend the Director for Office of Workers' Compensation Programs require the Division of Energy Employees Occupational Illness Compensation to:

1. Formally establish and implement performance metrics and goals related to claims processing, which track the process from start to finish, to include remand time for those claims not sent to the National Institute of Occupational Safety and Health and/or did not have a hearing held.

2. Regularly assess progress toward meeting performance metrics and goals related to claims processing, which track the process from start to finish, and publicly report results.
3. Establish criteria to determine which quality assurance recommendations require action and should be tracked.
4. Regularly update the quality assurance recommendation tracker with the status and action taken on all recommendations.
5. Implement standard operating procedures to standardize the supervisory review process, including tracking and evaluating aggregate errors identified during reviews, and ensure appropriate corrective actions are taken.

ANALYSIS OF AGENCY'S COMMENTS

In response to a draft of this report, OWCP agreed with our five recommendations to improve the timeliness of performance metrics, oversight, and the standardization of the claims adjudication process. OWCP also provided details regarding corrective actions it intends to take to address the recommendations. OWCP's comments did not result in any changes to our report. Synopses of OWCP's responses are detailed as follows:

- OWCP agreed with Recommendation 1 and stated it will revise its existing metric that measures the average number of days to issue a final decision to include remand time.
- OWCP agreed with Recommendation 2 and stated it will regularly assess progress towards meeting performance metrics and goals related to claims processing as well as ensure the public is provided a clear and transparent depiction of its claims processing timelines.
- OWCP agreed with Recommendation 3 and stated it will draft standard operating procedures to establish criteria for those quality assurance recommendations that require action and how those actions will be tracked.
- OWCP agreed with Recommendation 4 and stated it will resolve any outstanding quality assurance recommendations and will amend its standard operating procedures for the tracker to be updated on a quarterly basis.

- OWCP agreed with Recommendation 5 and stated it will track and evaluate aggregate errors during reviews, amend its standard operating procedures, and document corrective actions taken. OWCP also took some corrective actions during the audit, including standardizing its supervisory review processes.

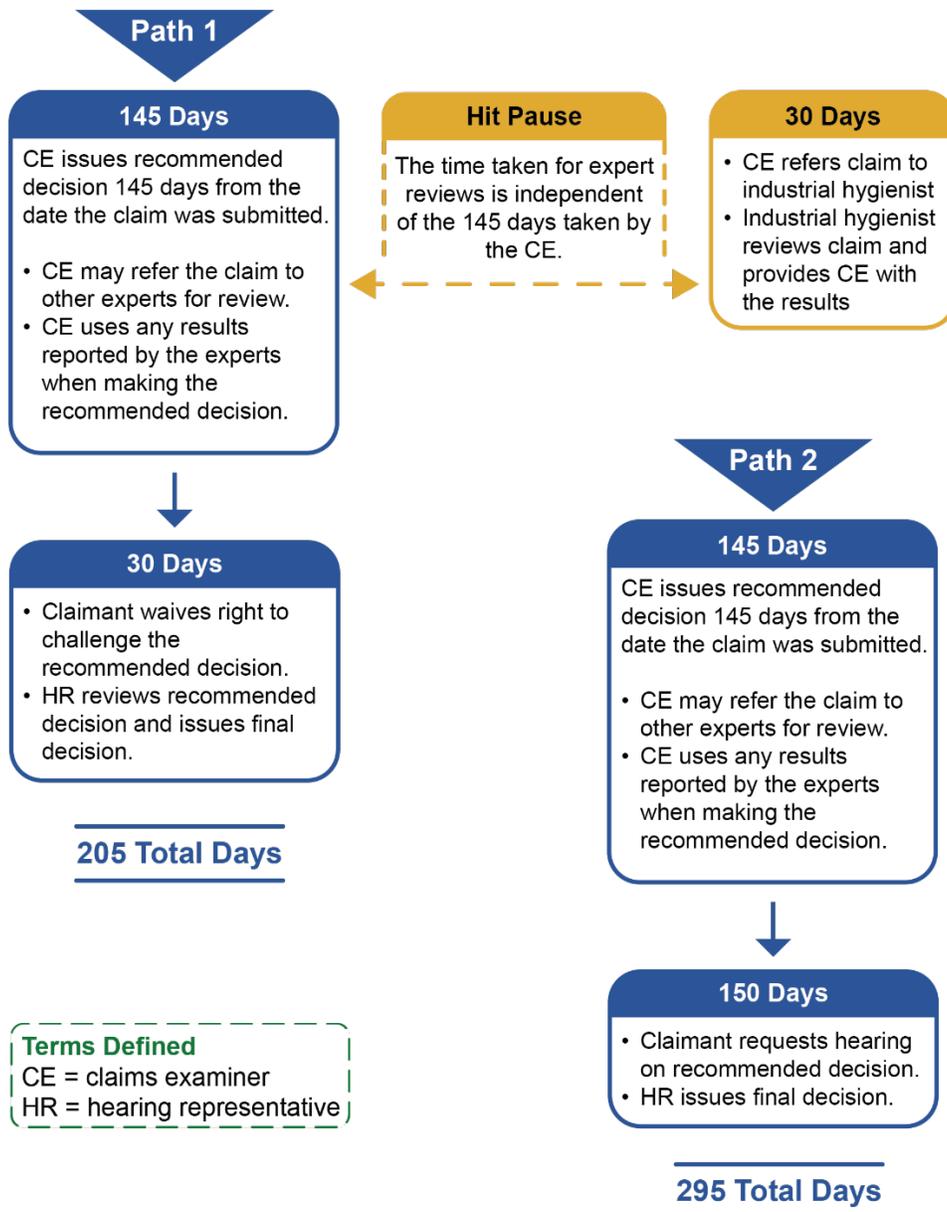
We look forward to working with OWCP personnel to ensure the intent of the recommendations is addressed. The agency's response to the draft report is included in its entirety in Appendix B. We appreciate the cooperation and courtesies OWCP extended us during this audit.



Carolyn R. Hantz
Assistant Inspector General for Audit

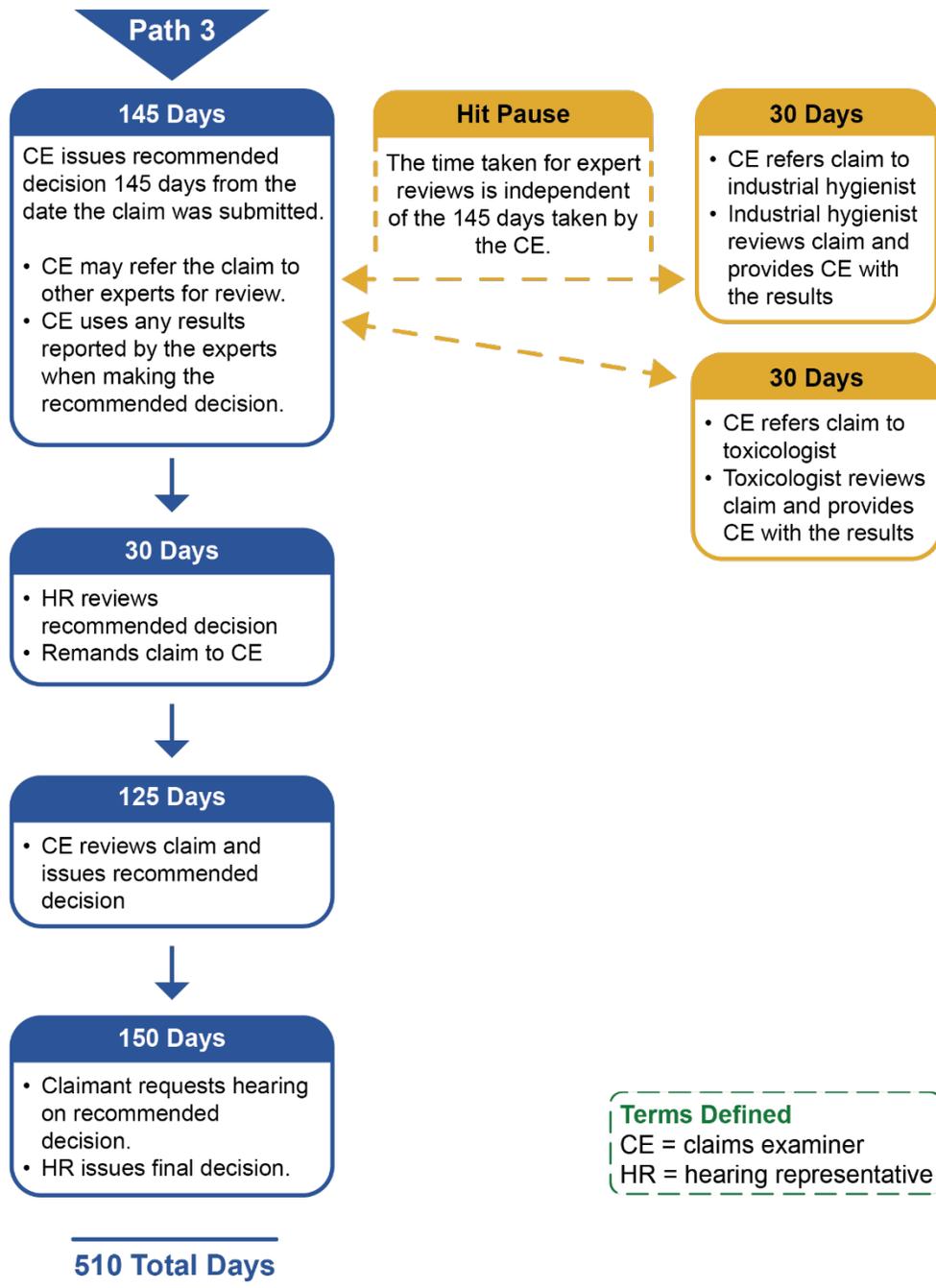
EXHIBIT 1: 3 OF 28 VARIOUS CLAIM PATHS

This exhibit illustrates different pathways where DEEOIC can take longer than 175 days to make final decisions. Path 1 shows, when a claim is referred to an expert, such as an industrial hygienist, the timeframe increases to 205 days for a final decision. Path 2 shows, when a hearing is requested on the recommended decision, the timeframe increases to 295 days for a final decision.



Source: OIG analysis of DEEOIC’s FY 2021 Operational Plan User Guide and claims examiner and hearing representative performance standards

Path 3 shows, when final decisions involve multiple expert reviews, a remand back to the claims examiner, and a hearing request, the timeframe increases to 510 days.



Source: OIG analysis of DEEOIC’s FY 2021 Operational Plan User Guide and claims examiner and hearing representative performance standards

EXHIBIT 2: ACCESSIBLE TABLE FOR FIGURE 2

Accessible Table 1: Average Number of Days to Issue Final Decisions²⁰

Fiscal Year	Average Number of Days Reported by DEEOIC	Average Number of Days Calculated by the OIG	Total Final Decisions
FY 2018	163	182	6,023
FY 2019	155	176	5,866
FY 2020	161	177	5,602
FY 2021	Not Available	209	4,614
FY 2022	Not Available	207	4,910

Source: OIG analysis of DEEOIC claims adjudication data and DEEOIC's reported results in its Congressional Budget Justifications

²⁰ DEEOIC officials told us it was not required to report any metrics to issue decisions and did so voluntarily. Since FY 2021, DEEOIC stopped disclosing its total claims processing time. Therefore, the average number of days reported by DEEOIC was not available for FY 2021 and FY 2022.

APPENDIX A: SCOPE AND METHODOLOGY

SCOPE

From 2017 to 2019, we received hotline complaints alleging, among other concerns, DEEOIC was taking too long to make claims decisions. Because the allegations lacked specifics, we focused on the overall timeliness and analyzed 19,780 recommended decisions and 27,015 final decisions made between FY 2018 to FY 2022, which spanned from October 1, 2017, through September 30, 2022.

METHODOLOGY

We conducted this performance audit 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

To accomplish our audit objective, we obtained an understanding of applicable DEEOIC policies, laws, guidance, requirements, and regulations relating to how DEEOIC processes claims and administers compensation for both Part B and Part E claims. We also interviewed DEEOIC officials and staff about the claims process; analyzed internal standard operating procedures and review results; and reviewed DEEOIC's quality assurance reports and the related recommendation tracker, operations plans, and employee performance plans.

To determine the timeliness of claims decisions, we analyzed DEEOIC claims adjudication data. We met with DEEOIC a number of times to obtain an understanding of its claims adjudication data and case file management systems. DEEOIC provided Structured Query Language codes for us to accurately match submitted claims to the first recommended and final decisions made during FY 2018 through FY 2022, with the following criteria: the claim was not sent to NIOSH, a hearing was not held, and the claim was not reopened. DEEOIC calculates timeliness from the claim filing date to final decision date separately by each part type (Part B or Part E) the claim is processed under. A claim may be processed under both part types and a single final decision may be issued but would be counted twice, once under Part B and once under Part E, in DEEOIC's timeliness calculations. Our analysis of DEEOIC'S timeliness for making final decisions was calculated in the same manner.

Similarly, we used DEEOIC's provided Structured Query Code to determine the number of credit and remand days related to each recommended and final decision made during the same time period.

DATA RELIABILITY

In conducting this audit, we relied on claims adjudication data from DEEOIC's Energy Compensation System. To assess the reliability of computer-processed data, we worked with OIG data scientists and tested for obvious errors in accuracy and completeness of the data, reviewed existing information about the data and the system that produced them, and interviewed agency officials knowledgeable about the data and sent questionnaires. Based on the work completed by OIG data scientists, we determined the data were sufficiently reliable to support our audit conclusions, findings, and recommendations.

INTERNAL CONTROLS

In planning and performing our audit, we considered DEEOIC's internal controls relevant to our audit objective by both obtaining an understanding of those controls and assessing the control risks relevant to our audit objective. While reviewing internal controls we considered the elements of entity monitoring, entity risk assessment, control environment, and information and communications. The objective of this audit was not to provide assurance of the internal controls; therefore, we did not express an opinion on DEEOIC's internal controls. Because of the inherent limitations on internal controls, or misstatements, noncompliance may occur and not be detected.

CRITERIA

- Energy Employees Occupational Illness Compensation Program Act, as enacted in October 2000
- Federal Energy Employees Occupational Illness Compensation Program Act Procedure Manual, Version 5.1, September 20, 2021
- Radiation Exposure Compensation Act
- 20 C.F.R. § 30 Subchapter C – Energy Employees Occupational Illness Compensation Program Act of 2000
- 42 C.F.R. Chapter I, Subchapter G, Part 82 - Methods for Constructing Dose Reconstruction Under the Energy Employees Occupational Illness Compensation Program Act of 2000
- Executive Order 13179 as amended December 7, 2000 – Providing Compensation to America's Nuclear Weapons Workers

- GAO, Standards for Internal Control in the Federal Government

PRIOR RELEVANT COVERAGE

The OIG has issued no prior reports of significant relevance to the subject of this performance audit report.

APPENDIX B: AGENCY'S RESPONSE TO THE REPORT

U.S. Department of Labor

Office of Workers' Compensation Programs
Washington, DC 20210



MEMORANDUM FOR: Carolyn R. Hantz
Assistant Inspector General

FROM: Christopher Godfrey 
Director, Office of Workers' Compensation Programs

Digitally signed by Christopher J. Godfrey
DN: cn=Christopher J. Godfrey, o=Department
of Labor, ou=OWCP,
email=godfrey.christopher@dol.gov, c=US
Date: 2024.04.26 10:52:03 -0400

SUBJECT: Office of Workers' Compensation Programs'
Response to the Office of the Inspector General's
Audit of the Office of Workers' Compensation
Programs' Division of Energy Employees
Occupational Illness Compensation's (DEEOIC)
Efforts to Ensure Claims Followed Appropriate
Guidelines

Date: April 26, 2024

The Office of Workers' Compensation (OWCP) has received the Office of Inspector General (OIG) Draft Report No. 09-24-00X-04-437, "OWCP Did Not Use Complete Information to Track and Publicly Report Timeliness of Energy Claims Decisions" for review and response addressing the recommendations.

This Draft Report makes a total of five new recommendations, which are outlined below along with our responses:

1. **Recommendation:** Formally establish and implement performance metrics and goals related to claims processing, which track the process from start to finish, to include remand time for those claims not sent to the National Institute for Occupational Safety and Health and/or did not have a hearing held.

Management Response: OWCP agrees with this recommendation and will revise our existing Ops Plan Additional Goal 2a metric (Average number of days to issue a final decision) to include remand time.

It should be noted that in their assessment of our timeliness, despite examples OWCP provided, the OIG did not take into account that this metric has historically included time where claimants requested closure on their claims, which can span years. This continued assessment skewed the ultimate findings regarding the Program's timeliness. The Program is currently working on ways to toll program processing times when a claimant requests closure.

The estimated delivery date for this corrective action is September 30, 2024. Rachel Pond, DEEOIC's Director, will be responsible for this recommendation.

2. **Recommendation:** Regularly assess progress toward meeting performance metrics and goals related to claims processing, which track the process from start to finish, and publicly report results.

Management Response: OWCP agrees with this recommendation. Program leadership will continue to regularly assess progress towards meeting performance metrics and goals related to claim processing by meeting quarterly to monitor performance and address any goal that is below target. We currently have a full series of internal metrics (operational plan and Agency Management Plan) and reports that the Program uses to track every claim from start to finish. This series of reports allows the program to track the status of the claims adjudication process on a daily through current fiscal year basis. We have continuously refined our logic to accurately reflect all the paths and status of a claim, ensuring we have visibility of all claims moving through the process as they are being worked.

The OIG’s focus within the report has been to look back over several years to find a start-to-finish average across all claims, for new claimants to use as a gauge for the time it would take to process their claim. Due to the uniqueness of each claimant’s situation, we provide information to claimants via webinars and outreach events; resource centers; a [public facing website](#) page that includes infographics, journey maps and fact sheets; and development letters that let each claimant know status and expectations relating to their claim(s).

The program will review and update, if necessary, our externally published performance metrics and goals to ensure that the public is provided a clear and transparent depiction of our claims processing timeliness. The estimated delivery date for the review will be no later than January 31, 2025. Rachel Pond, DEEOIC’s Director, will be responsible for this recommendation.

3. **Recommendation:** Establish criteria to determine which quality assurance recommendations require action and should be tracked.

Management Response: OWCP agrees with this recommendation and will draft standard operating procedures (SOPs) that establish the criteria for those quality assurance recommendations which require action and how those actions will be tracked. The program will also work with the Office of the Chief Information Officer to implement a mechanism within the Accountability Review Tracking System (ARTS) to appropriately track and report on these actions. The development of the SOPs should be completed by September 30, 2024. The estimated delivery date for the implementation of the ARTS mechanism is March 31, 2025. Rachel Pond, DEEOIC’s Director, will be responsible for this recommendation.

4. **Recommendation:** Regularly update the quality assurance recommendation tracker with the status and action taken on all recommendations.

Management Response: OWCP agrees with this recommendation and will resolve any outstanding recommendations in the quality assurance recommendation tracker and will amend its SOPs to clarify that the recommendation tracker will be updated on a quarterly basis by the quality assurance team. The estimated delivery date for

these corrective actions is September 30, 2024. Rachel Pond, DEEOIC's Director, will be responsible for this recommendation.

5. **Recommendation:** Implement standard operating procedures to standardize the supervisory review process and include tracking and evaluating aggregate errors identified during reviews and ensure appropriate corrective actions are taken.

Management Response: OWCP agrees with this recommendation and will track and evaluate aggregate errors identified during monthly sampling reviews. The SOP will be amended to provide instruction on evaluating quality development errors and documenting corrective actions taken. The interim solution will be to track the errors and any corrective documentation in SharePoint with a long-term plan to move this feature into ARTS. The estimated delivery date for the SOP and tracking through SharePoint will be effective May 31, 2024. The estimated delivery date for the implementation of the ARTS mechanism is March 31, 2025. Christy Long, DEEOIC's National Administrator for Field Operations, will be responsible for this recommendation.

APPENDIX C: ACKNOWLEDGMENTS

Key contributors to this report were:

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