



Office of Inspector General

Handbook For VA Facility Workers' Compensation Program (WCP) Case Management and Fraud Detection

This handbook contains key information, instructions, and worksheets to aid individual VA facility WCP Coordinators and Specialists with case management and fraud detection efforts.

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**Office of Inspector General
Washington DC 20420**

FOREWORD

The Office of Inspector General (OIG) is committed to reducing fraud, waste, and abuse in the Department of Veterans Affairs (VA) Workers' Compensation Program (WCP). During the last year, the OIG has been engaged in a review of VA's WCP. While VA has made improvements in the WCP area, recent OIG audits and investigations have found that the Department is still significantly at risk for program fraud, abuse, and unnecessary costs. As a result of our audit work, we developed a methodology for WCP case review that management can use for oversight and fraud detection to aid in reducing program costs and identifying fraudulent WCP claims. (OIG Protocol Package For Veterans Integrated Service Network (VISN) Workers' Compensation Program (WCP) Case Management and Fraud Detection – OIG Report No. 9D2-G01-002).

This handbook contains key information and instructions to aid individual VA facility WCP Coordinators and Specialists with day to day case management and fraud detection efforts. Although this handbook was developed to enhance review of Veterans Health Administration (VHA) WCP claims, because they account for about 95 percent of the Department's WCP cost, the same methodology can be applied to all Department elements (e.g., Veterans Benefits Administration, National Cemetery Administration, etc.). The methodology presented in this handbook was tested in VISN 2 and 22 with very successful results. These results showed that VA's risk for fraud, abuse, and unnecessary WCP costs can be reduced with effective review and oversight of WCP claims.

Use of this case management fraud detection handbook should help VA WCP Coordinators and Specialists better identify potential program fraud, waste, and abuse, and reduce WCP costs. If you need any additional information or assistance in using this handbook, please contact Stephen Gaskell, Director, Central Office Operations Division at (202) 565-4098 or James Farmer, Project Manager at (202) 565-8457. If you need additional information or assistance on referring suspected fraudulent claims, please contact James Gaughran, Program Director, Benefits Fraud at (202) 565-8595.

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BACKGROUND AND METHODOLOGY

The Federal Employees' Compensation Act (FECA) Governs Benefits Provided to Employees for Work Related Injury or Disease

FECA provides compensation and medical benefits to civilian employees of the Federal government for personal injury or disease sustained while in the performance of duty. FECA also provides benefits to an employee's dependents if the work-related injury or disease results in the employee's death. Benefits provided under the FECA program constitute the sole remedy against the United States for work-related injury or disease. Additionally, employees sustaining a traumatic injury in performance of duty are entitled to Continuation of Pay (COP) for up to 45 days while they recover from the injury under FECA. Currently, the program is administered by Department of Labor's (DOL) Employment Standards Administration, Office of Workers' Compensation Programs (OWCP). The employing agency is responsible for initiation of claims and much of the case management. Guidance for these responsibilities are contained in OWCP's publication CA-810 "Injury Compensation for Federal Employees, A Handbook for Employing Agency Personnel" revised in February 1994.

OWCP Responsibilities

OWCP is responsible for adjudicating claims and making payments to claimants. OWCP provides wage replacement benefits, payment for medical treatment, vocational rehabilitation, and certain other benefits to injured workers and their dependents. The OWCP Division of Federal Employees' Compensation has responsibility for adjudicating FECA claims filed by Federal employees. In addition to payment of medical costs and compensation benefits, case management services provided by OWCP include:

- Assistance in returning to work – FECA gives injured workers the right to reclaim their Federal jobs within one year of the onset of wage loss.
- Assignment of a registered nurse to work with injured employees who cannot return to work soon after the injury.
- Referral to a medical specialist for second opinion examination when necessary or required for additional medical information.
- Vocational rehabilitation services if the employees are unable to return to work at the employing agency or in the previous job/occupation category.

OWCP makes payments related to FECA claims out of the Employees' Compensation Fund and bills the employing agency annually. The employing agency then reimburses this fund through annual operating appropriations. Additionally, OWCP provides the employing agencies a quarterly listing of payments made to claimants and service providers.

Employing Agency Responsibilities

The employing agency has no authority for approval or denial of claims filed under FECA; however, the employing agency may dispute paying of COP. This process is known as controversion of claim. There is an appeal process for injured employees if the claim is denied. However, once wage loss compensation has been approved by OWCP, the employing agency cannot controvert the decision. VA as employing agency is responsible for:

- Ensuring that appropriate agency personnel such as supervisors understand their responsibilities under FECA.
- Notifying the injured employees of their rights and obligations under FECA.
- Controverting questionable claims.
- Initiating the FECA claim and ensuring timely notification to OWCP.
- Providing and tracking COP if employees are unable to work.
- Assisting employees with returning to work as soon as possible by providing light or modified work duties.
- Monitoring the medical status of injured employees to ensure they are able to return to work as soon as possible.

The Assistant Secretary for Human Resources and Administration is responsible for providing Departmental organizations with overall program guidance. WCP administration is decentralized within VA; therefore, program responsibilities are carried out by the field facilities. Each facility is responsible for designating an employee to serve as the facility's workers' compensation Specialist or Coordinator. This position is generally located within the Human Resources Service and has collateral duties assigned to the position.

Program Process

When employees are injured while in performance of their duties, prompt action should be taken to ensure the employees receive the appropriate FECA benefits and return to duty as soon as possible. Once employees report their injury, they are to be informed of their rights and obligations under FECA. Generally, employees should receive appropriate medical attention, if needed, from VA's Employee Health Unit or employees' private physician. If employees are unable to return to their duties as a result of the injury, then they are entitled to up to 45 days of COP. COP is authorized for traumatic injury but not for occupational or other diseases. If employees are still unable to return to work at the end of the 45 days, they are entitled to begin receiving compensation for lost wages (after 3 days of no wages). The compensation will be based on the employees' pay rate at the time of the injury or time of disability, whichever is greater. The WCP case should be monitored until the employee is cleared by a physician to return to work.

Profiling Potential WCP Fraud (Red Flags)

Our audit and investigative experience has shown that potential WCP fraud can be profiled using selected case attributes or “red flags”. Identification of these red flags range from analysis of automated data to detail discussions with appropriate facility staff and/or review of WCP claim and personnel files. Examples of red flags that can be identified through analysis of automated data are:

- High compensation costs with little or no medical costs.
- Claimant lives out-of-state or has a Post Office box address.
- Old WCP case.

Examples of red flags that can be initially identified through analysis of automated data but are also dependent on local economies or other factors are:

- Claimant has marketable job skills.
- Soft tissue injuries such as lower back injuries.
- History of WCP claims.

Examples of red flags that can only be identified by review of WCP claims and personnel files and/or discussions with appropriate facility staff are:

- Employees that are about to be terminated or have an adverse personal action taken.
- Temporary or seasonal work about to end.
- Tips from facility employees or other source such as local newspapers.

Automated Analysis of WCP Claims

In 1994, the Austin Automation Center began developing the Workers Compensation and Occupational Safety and Health Management Information System (also called the Workers Compensation and Safety Tracking Program) that consists of two management information systems. One of these systems is the Workers’ Compensation Management Information System (WC-MIS). Our national audit found that the WC-MIS assists WCP Specialists and Coordinators in case management by giving them access to selected case information obtained from DOL OWCP and VA personnel records. We used the WC-MIS in our audit to obtain case information such as current cases status, injury type, and medical bills paid. Additionally, information similar to what we used for the protocol package automated analysis can be downloaded to a personal computer. Using this information to create spreadsheets or databases enables the WCP Specialist or Coordinator to perform automated analysis of facility WCP claims. Types of automated analysis that can be performed are as follows:

- Identify WCP records that received compensation payments during the Charge Back Year (CBY) being reviewed. Then prioritize records by creating separate files for: (1) case records where the claimants are over 65 years old, (2) case records that are less than 4 years old (based on date of injury), and (3) all other active/open claims (this will be the primary group for review).

- Compare compensation and medical cost on WCP records to identify WCP claims with high compensation payments and no or very little medical cost.
- Identify WCP records where the claimant's mailing address is in a different state than the facility paying the claim.
- Perform frequency counts on occupational codes and nature of injury codes to assist in identifying WCP claimants with marketable job skills and trending nature of injuries.
- Identify old WCP claims through aging of cases.

BEST PRACTICES AND OTHER AIDS FOR CASE MANAGEMENT

Overview

The most important factor for effective WCP case management and fraud detection is providing sufficient program resources. The amount of resources needed to manage the WCP will vary from facility to facility depending on the number of WCP claims at the facility. However, there are key elements needed at every facility for effective WCP case management. Key case management elements include:

- Maintaining case files on all open/active WCP claims no matter how old the claim.
- Offering light or modified duty to employees as they recover from their injury. OWCP studies show that the longer an employee is off from work the harder it is to get them to return.
- Providing timely follow up actions on cases. VA has the ultimate responsibility for case management which includes following up on untimely or lack of action by the DOL OWCP.
- Monitoring program areas such as COP to develop trends in potential increases or decreases in WCP cost.
- Utilizing automated WCP information systems such as VA's Workers' Compensation and Safety Tracking Program or OWCP's Agency Query System (AQS).

During our recent review efforts in the WCP area, we identified best practices at various facilities that resulted in enhanced case management and reduced WCP costs. We believe that identification and implementation of best practices Department-wide is essential to reducing the agency's WCP costs. We found that at one VHA facility, in VISN 22, aggressive efforts to reduce WCP costs encompassed many of the best practices discussed below and resulted in about a \$2 million reduction in WCP costs over 4 years. Best practices and other tools that can be used to reduce WCP costs are discussed below.

Establish a VISN WCP Coordinator

We believe that an effective way to enhance WCP management and oversight at the VISN level would be to establish a VISN WCP Coordinator to oversee facility programs and coordinate VISN initiatives with applicable OWCP District Offices. The VISN WCP Coordinator could even be located in the same city as the OWCP District Office. Someone with medical/clinical background may have a better understanding of terminology used in medical exams and reports that would allow for easier development of modified or light duty job offers. Additionally, they would be better able to develop residual effects of work-related injury or disease. Our review efforts have found that some VISNs have already established or are considering establishing VISN WCP Coordinators.

Establish a WCP Task Force

Establishing a VISN level task force to identify elements needed for effective case management and to develop VISN WCP policies and procedures can significantly aid in reducing WCP costs. The task force could serve as a vehicle for sharing of information among WCP Specialists. Through this process, complex case management and other WCP issues could be resolved.

We found that at one VHA facility in VISN 8, a special WCP task force was established to identify ways to reduce WCP costs. The task force was made up of members from various facility services. Task force recommendations that were implemented included the following:

- Have the employee report to facility Occupational Health Physician when injured and be cleared by Occupational Health Physician before returning to work or light duty. (Injured employees have the option of reporting to an Occupational Health Physician when injury is incurred and may continue to use the physician to treat the injury.)
- If the facility Service does not offer the injured employee light or modified duty, then they lose the position/Full Time Employee Equivalent (FTEE).

According to facility management, as a result of implementing these two recommendations, injured employees are not out of work as long because the Service they work in does not want to lose the FTEE. Additionally, medical costs are reduced because some injured employees will continue to use the Occupational Health Physician.

Challenge Questionable Medical Reports, Assessments, and Bills

WCP Specialists should challenge questionable medical reports, assessments, and bills. Injured employees or doctors may submit medical bills unrelated to injury for payment and receive payment from OWCP if not questioned. Additionally, treating physicians may not be specific about amount and type of work that an injured employee can do if not asked. Someone with a medical/clinical background generally has a better understanding of medical terminology and would be more likely to challenge questionable medical information. Having someone with a medical background available for the program can significantly aid in reducing WCP costs.

Offer Creative and Innovative Jobs to Employees on WCP Rolls

Offering creative and innovative jobs to employees on WCP rolls could foster a more efficient and effective work environment. At some of the facilities we visited, the WCP Specialist would develop modified or light duty positions based on injured employees' abilities and work limitations rather than available positions. This method was especially useful in returning WCP claimants back to work that had been on the rolls for a number of years. Additionally, with the current advancements in computer and information technology, telecommuting is also available as an innovative job method.

Establish a Network for Modified or Light Duty Jobs

Our automated analysis of the 6,513 claims for compensation payments in CBY 1997 found that about 1,032 claimants (15.8 percent) lived in states other than the state where they incurred the work-related injury. We found that several of the VHA facilities in VISN 22 had traded light duty positions with each other for their WCP claimants who were living in other parts of the state. The facility in one city provides a job for a WCP claimant from another facility who lives in its city and the other facility does the same for a claimant living in its area. The same type of job sharing or networking could also work on a national level with all VHA facilities.

Utilize Available Automated WCP Information Systems

Available automated tools such as DOL's AQS and VA's WC-MIS can be used to keep abreast on status of claims, bill information, and compensation payments. These systems can also be used to develop trends and identify claimants with a history of WCP claims. During our national audit of WCP costs, through the use of VA's WC-MIS, we identified one claimant who was receiving WCP compensation for a work-related injury while working at another VHA facility. The WCP Specialist should review the information that is in the WC-MIS to ensure that information is correct. Additionally, billing information is readily available to assist in identifying duplicates and potentially bogus bills.

Establish a WCP Hotline for Reporting Program Fraud or Abuse

A WCP hotline could be an effective deterrent for fraudulent claims and to program fraud, waste, and abuse. The hotline could be established at either the VISN or facility level. Employees and others could call and report fraudulent claimants or other program abuse. Reported information could be reviewed for possible referral to the OIG. In order to keep cost down, an alternative to a hotline could be a special post office box.

Other Best Practices and Tools

Our review found that ergonomics and back programs are very effective in reducing employee injuries. There should be an ergonomic technical advisory group established to oversee the development of policies that emphasizes safety and training. Several facilities we visited have back programs that include training on proper lifting techniques and appliances (such as back braces to use when lifting).

There should also be an accident review team that reviews all accidents that occur at the facility. This team should be made up of the WCP Specialist, the safety officer, someone from occupational health and someone from management. The accident review team should evaluate the area where an accident occurred to determine what could be done to improve the area and prevent recurrence.

Additionally, VISN 2 has hired an employee with an investigative background to obtain information on suspected fraudulent WCP claims. This employee is available for all VISN facilities to aid in gathering information for case referrals to the OIG Office of Investigations.

CASE REVIEW INSTRUCTIONS AND WORKSHEETS

This handbook will assist in case management of WCP claims through automated analysis of cases to prioritize WCP cases with the highest potential for removal from the rolls or potential fraud. Once the WCP cases have been prioritized, individual case reviews are needed to identify actions needed to remove the claimants from the rolls and to identify potential fraud. Specific instructions, including worksheets to aid in review and analysis, for case reviews are presented in this section. Additionally, this section discusses the documents that will be reviewed and indicators of fraud.

Procedures for Implementing a WCP Case Management and Review Process

Based on our review efforts in VISN 2 and 22, we believe that the best way to organize and implement this process is as follows:

- Appoint a VISN WCP Coordinator to oversee the implementation of the OIG protocol package and case reviews at individual VISN facilities.
- Publicize the review and request information on potential fraud (e.g., claimants working other jobs). This could be accomplished by establishing toll free (hotline) telephone numbers or specific contact points at facilities.
- Coordinate review efforts with the OWCP District Office to establish procedures for requesting opinions or interpretations of information in case files and to expedite requests for additional information such as up-dated income/earning forms.
- Dedicate some positions that WCP Specialists can modify to make job offers to WCP claimants who are able to work.
- Review the WCP cases identified in the initial targeted group and then review all out-of-state claimants. Review additional cases identified through other sources such as hotline or facility WCP Specialist.
- Review VA's WC-MIS to identify current case status and other information. If there is not a case file, then one needs to be established using print screens from the WC-MIS. Additional documents can be obtained from review of OWCP case file.
- If there is evidence that the WCP claimant is deceased, a review should still be conducted to ensure that benefits were appropriately adjusted, dependents are still entitled to WCP benefits, and no erroneous medical bills have been paid on the claim.
- Review VA and OWCP case files to identify actions needed to remove claimants from the rolls and to identify indicators of potential fraud.
- Ensure that copies of specific forms or documentation that support case review conclusions or fraud referrals are attached to the handbook case review worksheets (see pages 15 - 23).
- Perform an analysis of results to determine impact of review efforts in reducing WCP costs and to refer suspected fraudulent claims to the OIG Office of Investigations using procedures discussed on pages 25 - 26.

- Lifetime benefits are calculated by multiplying total CBY compensation payments by the number of years until the claimant reaches age 70. For example, a 50-year old claimant who received \$30,000 in compensation payments in CBY 1997 and classified as “removal from rolls” would have a projected lifetime savings of \$600,000 [$\{70 - 50 = 20\} \times \$30,000 = \$600,000$].

Selected Case Documents Should be Reviewed to Identify Actions Needed for Removal of Claimants From WCP Rolls and to Identify Indicators of Potential Program Fraud

Federal Employee’s Notice of Traumatic Injury and Claim for Continuation of Pay/Compensation (OWCP form CA-1) - This is the basic claim form for traumatic injury. The information contained on this form is used throughout the processing of a claim. Very important information on this form can be extracted and used to verify automated data. Information from this form includes:

- Employee Name
- Occupation
- Social Security Number
- Date of Birth
- Date of Injury
- Description of Injury
- Employee Signature
- Witness Statement
- Official Supervisor Report
- Name and Address of Physician

Notice of Occupational Disease and Claim for Compensation (OWCP form CA-2) - Occupational diseases and injuries are reported on form CA-2 and include similar information to form CA-1. Claims for compensation relating to an “occupational disease” are more complicated than for a traumatic injury. This is due principally to the fact that the disease or illness on which the claim is based is not always easily connected to the employee’s occupation and/or work environment. In fact, the disease or illness may occur frequently within the general population, and factors unrelated to the job may equally or more frequently be identified as the cause.

Notice of Employee’s Recurrence of Disability and Claim for Compensation (OWCP form CA-2a) - A recurrence is defined as a spontaneous return or increase of disability due to a previous injury or occupational disease without intervening cause. A recurrence differs from a new injury in that with a recurrence, no event other than the previous injury accounts for the disability.

Report of Termination of Disability and/or Payment (OWCP form CA-3) - Sometimes, return to duty information is shown on form CA-1 when the injury is first reported. If not, the agency may complete form CA-3 and submit it to OWCP when entitlement to COP ends, the employee returns to work, or the disability ceases.

Claim for Compensation on Account of Traumatic Injury or Occupational Disease (OWCP form CA-7) - This form is used to claim compensation for wages lost due to a work-related traumatic injury after the expiration of COP or for an occupational disease.

Claim for Continuing Compensation on Account of Disability (OWCP form CA-8) - This form is a claim for continuing compensation for both traumatic injury and occupational disease, and is submitted 10 days before the period claimed on form CA-7 (or a previously submitted CA-8) expires. CA-8 forms should be submitted until the employee is notified by OWCP that no additional CA-8's are needed, or until the employee returns to duty.

Medical Exams - A medical assessment should be regularly updated, at maximum every 3 years. An independent medical exam could have been requested to resolve discrepancies in medical opinions. Also, second opinion exams may be requested to resolve issues. The medical report could indicate if the claimant is working or engaging in a business.

Earning/Income Certification (OWCP form 1032) – This form is sent to the claimants to determine their qualifications for continued benefits or whether an adjustment is necessary. Claimants are instructed to report all income. Non-reporting of income will be, in most cases, the key document in successful prosecution of false claims (fraud). Also, the claimant may report working on this form or engaging in a business and earning income. If the claimant is receiving income, this should be reported to OWCP and OIG Office of Investigations. Additionally, if a claimant reports a settlement, related to the injury, this should have been recouped to offset workers' compensation benefits.

Other forms might also contain pertinent information and should be reviewed. A complete listing of the basic forms, including some of the ones discussed above, and when to use them can be found in DOL's Publication CA-810 "A Handbook for Employing Agency Personnel" which can be obtain from OWCP. Additionally, external forms and letters such as report of earnings from the Social Security Administration are useful in case assessment and identification of fraud.

General Indicators of Program Fraud

WCP abuse is any practice that uses the WCP in a way that is contrary to either the intended purpose of the program or the law. Fraud occurs when someone knowingly and with intent to defraud, presents or causes to be presented, any written statement that is materially false and misleading to obtain some benefit or advantage, or to cause some benefit that is due to be denied. Workers' compensation is an essential employee benefit, entitling those persons who are injured on the job to compensation while they recover; however, program cost could be reduced through elimination of fraudulent WCP claims. Program fraud indicators are discussed below:

- Employee has a history of frequent accidents or injuries with no witnesses. Employees could simply fake or prolong injuries to collect payments. Through query of the WC-MIS using an employee's social security number, employees with a history of WCP claims and current multiple claims can be identified.

- Evidence in WCP file indicates that witnesses disagree with the claimant's version. Specifically look to see if the witness statement contradicts the employee's account of the accident. Form CA-1, item 16 will include witness statements concerning an accident.
- Claimant has a marketable occupation (doctor, nurse, computer technician, or other hi-tech job). If claimants have a marketable occupation, the claimants could be working and not reporting income to OWCP.
- Any information (in the case file) that indicates the claimant is working or engaging in business activities. Sometimes the case file will have unsolicited information such as: correspondence, news articles, pictures, or other evidence that indicates the claimant could be working.
- The claimant reported working and income on form CA-7, CA-8, or 1032. Claimant may have reported working to OWCP, but benefits were not terminated or reduced because of an administrative error. However, if the claimant reported working intermittently and is found to be working continuously, this could be considered potential fraud.
- The independent medical exam does not support claimant's injury and contradicts with other medical reports. Also, if the claimant is receiving excessive medical treatment from a provider, the claimant could be in collusion with the doctor. The doctor could be processing fraudulent claims for unnecessary medical treatments, then splitting the payments for these fictitious treatments with the "injured" employee.
- The case file includes a request (from the claimant or third party) for income verification to purchase a home or other major item could indicate that the claimant has not reported income to OWCP.

OIG Designed Worksheets That Can be Used to Aid in Case Reviews and Identification of Potential Fraud

The case analysis and review worksheets provided with this handbook were designed to provide a structured methodology for classifying WCP cases. OIG Case Review Worksheet 1 (pages 15 - 20) is a two part worksheet that should be used for review of VA's case file and to aid in review of OWCP's case file. The first part identifies primary documents that should be reviewed and a series of questions to answer. This worksheet also provides a methodology for documenting what forms need to be copied from the OWCP case file. The second part provides a methodology for preliminary classification of the WCP case based on review of VA's case file. This worksheet should be used through out the case review to record and document the review process and used in conjunction with the OWCP case file review to ensure that appropriate documents are reviewed and copied. OIG Case Review Worksheet 2 (page 21) should be used to record documents copied from the OWCP case file and to document any request for OWCP actions. A copy of this form should be filed in the OWCP case file for future references. OIG Case Review Worksheet 3 (page 23) provides a methodology on final classification of a WCP case and it can be used for referral of suspected program fraud. Examples of our case categories and classification are presented on the following page.

- When reviewing cases and answering questions it is determined the claimant has work capabilities (e.g., medical report states claimant could work 6 hours a day with restrictions). Offer the claimant a job based on limitations. If there is no current medical information, then request the information from the treating physician. Ask for specific limitations and residual effects of work-related injury. If properly coordinated with OWCP, the facility will be able to make the request and prepare a job description for OWCP approval. This would be classified as “removal from rolls” for the purpose of this handbook.
- It is possible that through review of VA and OWCP case files evidence to support residual effects of work-related injury can not be found or medical information that concludes there are no residual effects is found. It is also possible that OWCP staff overlooked this information. A request for determination of continued payment of compensation could be made using OIG Case Review Worksheet 2 (page 21). This case would be classified as “case management” for the purpose of this handbook.
- Review of medical reports shows indicators that the claimant is working part time or full time yet no earnings are reported on OWCP form 1032 for period covered in medical reports. Copies of medical report and OWCP 1032 would be made and case referred to OIG, using OIG Case Review Worksheet 3 (page 23), following procedures outlined on pages 25 - 26. This case would be classified as “fraud referral” for the purpose of this handbook.
- A claimant from a facility in VISN 2 (upstate New York) is living in Florida. Through review of OWCP records, it has been determined that currently the file is located at the OWCP District Office in Jacksonville, FL, and follow up with this office is needed to obtain current medical and income information. This case would be classified as “out-of-state” for the purpose of this handbook. Additionally, it may be possible that a VHA facility in Florida could offer the claimant a job which would mean the case would be classified as “removal from rolls” for the purpose of this handbook.
- Review of all the documentation in VA and OWCP case files shows no indicators of potential fraud and continued disability from work related injury. This case would be classified as “no actions needed” for the purpose of this handbook.
- Review of WC-MIS or VA’s WCP cases file shows that compensation payments have stopped because the claimant has returned to work or elected disability retirement. This case would be classified as “no actions needed” for the purpose of this handbook.

OIG CASE REVIEW WORKSHEET 1

Initial Analysis and Review of WCP Cases (page 1 of 6)

PART I

WCP Case Identifying Information:

Claimant's Name: _____ SSN: _____ DOB: _____

OWCP Case No.: _____ Date of Injury: _____

Facility (Name/No.): _____

Analysis and Review:

This section is designed to aid in the analysis and review of a WCP case by identifying primary documents that need to be reviewed during case analysis. If the documents are not in VA's case file then a copy should be obtained from the OWCP case file. An additional column is provided to record notes to refer to when reviewing the OWCP case file. Although all documents in the case file should be reviewed, these primary documents are ones where indicators of potential fraud and information as to claimant's ability to work are found.

Documentation	Attached or in VA's case file	Needed	OWCP District For Further Development
CA-1-Federal Employee's Notice of Traumatic Injury and Claim for Continuation of Pay (COP). This is the basic claim form for traumatic injury.			
CA-2 – Notice of Occupational Disease and Claim for Compensation. Claims for compensation relating to an "occupational disease" are more complicated than for traumatic injuries.			
CA-2a – Notice of Employee's Recurrence of Disability and Claim for Compensation. This form is used to report a recurrence of disability.			

OIG CASE REVIEW WORKSHEET 1

Initial Analysis and Review of WCP Cases (page 2 of 6)

Analysis and Review: (continued)

Documentation	Attached or in VA's case file	Needed	OWCP District For Further Development
CA-7- <u>Claim for Compensation on Account of Traumatic Injury or Occupational Disease.</u> This form is used to claim compensation for wage loss due to a work-related traumatic injury after the expiration of COP or for an occupational disease.			
CA-8- <u>Claim for Continuing Compensation on Account of Disability.</u> This form is a claim for continuing compensation for both traumatic injury and occupational disease.			
Current Medical Report- A medical assessment should be updated at least every 3 years.			
Independent Medical Exam. - To resolve discrepancies in medical opinions, OWCP will request an independent medical exam. Also, second opinion exams may be requested.			
OWCP form 1032 –<u>Income Certification</u> - This form is sent to the claimant periodically to request income information and verification of work status.			

OIG CASE REVIEW WORKSHEET 1

Initial Analysis and Review of WCP Cases (page 3 of 6)

Analysis and Review: (continued)

These questions are designed to aid in analysis and review of WCP cases by highlighting areas where potential fraud indicators are found and should be answered after the above documents have been obtained. Additionally, these questions will aid in identifying and prioritizing actions needed to remove claimants from WCP rolls (i.e., identifying work restrictions, offering claimant work, etc.).

QUESTIONS (Refer to CA-1, CA-2, CA-7, CA-8 or other pertinent documents)	F¹	YES	NO	Comments
1. Did the alleged injury occur immediately following disciplinary action, notice of probation, demotion, or being passed over for promotion? (Source: correspondence from HRM and personnel files.)				
2. Claimant has a history of workers' compensation claims. (Source: WCP claim file or WC-MIS.)				
3. Does the claimant have any work capacity? (Source: medical reports, 1032s, etc.)				
4. The alleged injury relates to a pre-existing injury or health problem. (Source: medical reports or employee health files.)				
5. Claimant uses a post office box for address. (Source: CA-1 or CA-2.)				
6. Claimant's version of the accident has inconsistencies. (Source: CA-1 or CA-2.)				
7. There are no witnesses to the accident or witnesses report of the accident conflict with the applicant's version or with one another. (Source: CA-1 or CA-2.)				
8. Facts regarding accident are related differently in various medical reports, statement, and supervisor's first report of injury. (Source: CA-1 and medical reports.)				
9. Medical treatment is inconsistent with injuries originally alleged by employee. (Source: CA-1 and medical reports.)				

OIG CASE REVIEW WORKSHEET 1

Initial Analysis and Review of WCP Cases (page 4 of 6)

Analysis and Review: (continued)

QUESTIONS (Refer to CA-1, CA-2, CA-7, CA-8 or other pertinent documents)	F ¹	YES	NO	Comments
10. Claimant undergoes excessive treatment for soft tissue injuries. (Source: medical reports.)				
11. The injury was not reported in a timely manner. (Source: CA-1 or CA-2.)				
12. Does the claimant have a marketable skill? (Source: CA-1 or CA-2.)				
13. Did the claimant report any income? (Source: CA-7, CA-8, or CA-1032.)				
14. Has the claimant relocated since being on WCP? (Source: Correspondence or WC-MIS.)				

¹ Check here if there are indicators of potential fraud.

Additional documents and comments.

[illegible]

OIG CASE REVIEW WORKSHEET 1

Initial Analysis and Review of WCP Cases (page 5 of 6)

PART II

Preliminary Classification:

This part of the worksheet should be used throughout the case review to record and document the review process. Each section is provided to assist with different parts of the review. For example, the first section below would be used to record and document information needed for the DOL OWCP case file review. The section on fraud would be used to record and document indicators of fraud (e.g., medical report discusses work that is not reported on OWCP form 1032). Copies of all supporting documents such as OWCP form 1032, CA-1, or medical reports that contain pertinent information to reaching conclusions should be attached to this form.

Notes for DOL OWCP Review:

Indicators of Fraud:

Refer To OIG	
YES	NO

OIG CASE REVIEW WORKSHEET 1

Initial Analysis and Review of WCP Cases (page 6 of 6)

Case Management Issues:

Conclusions:

Use this section to record conclusions reached based on review and analysis. The case should be categorized into one of the categories listed below. Also, list any additional actions that are needed. Additional notes and documents concerning conclusions and categorization should be attached.

**Removal From
WCP Rolls.**

**Case Management - List Specific
Actions Needed.**

Out-of-State.

**No Actions Needed for this
Review - Continue to Monitor.**

Additional Actions Needed:

Prepared By: _____ Date: _____ Phone No: _____
Reviewed By: _____ Date: _____ Phone No: _____

OIG CASE REVIEW WORKSHEET 2

OWCP District Office Case Review Worksheet (page 1 of 1)

WCP Case Identifying Information:

Claimant's Name: _____ SSN: _____ DOB: _____

OWCP Case No.: _____ Date of Injury: _____

Facility (Name/No.): _____

Documents copied from DOL-OWCP case file:

During the Department of Veterans Affairs site visit on _____ the following documents from the claimant's OWCP case file were copied. **(insert date)**

Additional Actions Needed:

Based on this review we are requesting that the OWCP District Office initiate the following actions or respond to the following questions.

Prepared By: _____ Date: _____ Phone No.: _____
(Print Name) _____ VAMC/VISN _____

OIG CASE REVIEW WORKSHEET 3

Final Classification and Case Review Summary Worksheet (page 1 of 1)

WCP Case Identifying Information:

Claimant's Name: _____ SSN: _____ DOB: _____

OWCP Case No.: _____ Date of Injury: _____

Facility (Name/No.): _____

Summary Case Review:

Briefly summarize results of case file reviews (VA and OWCP). Include discussion of information/documents used to reach conclusions, including indicators of fraud.

Final Category:

**Removal From
WCP Rolls.**

Refer To OIG

YES

NO

**Case Management –
List Specific Actions
Needed.**

**No Additional Actions
Needed for this Review
- Continue to Monitor.**

Additional Actions Needed:

Out-of-state.

Prepared By: _____ Date: _____ Phone No.: _____

Reviewed By: _____ Date: _____ Phone No.: _____

PROCEDURES FOR REFERRING SUSPECTED FRAUD TO THE OIG

Workers' compensation is an essential employee benefit, entitling those persons who are injured on the job to compensation while they recover. However, OIG efforts in the WCP area have shown that a small percentage of employees fraudulently submit WCP claims or, after establishment of a WCP claim, commit program fraud. WCP fraud occurs when someone knowingly and with intent to defraud, presents or causes to be presented, any written statement that is materially false and misleading to obtain some benefit or advantage. Our audit of WCP costs showed that an estimated \$9 million of CBY 1996 WCP costs could potentially be the result of program fraud. The instructions and forms contained in this handbook are geared toward identifying indicators of potential WCP fraud. If potential WCP fraud is identified, the WCP Specialist should contact the OIG Office of Investigations in Washington, DC or the nearest OIG Field Office of Investigation to obtain guidance on what evidence should be collected and what needs to be included in the case referral package.

Use of WCP Case Profiles Can Aid in Identifying Indicators of Potential Fraud

Although there are no standard case characteristics that always indicate WCP fraud, the following WCP case characteristics do indicate that additional scrutiny is needed in case review to identify potential program fraud:

- The injury occurs prior to or just after a job termination, completion of temporary work assignment, or end of seasonal work.
- Employee reports an alleged injury immediately following disciplinary action, notice of probation, demotion, or being passed over for promotion.
- Employee has a history of personal injury, workers' compensation claims, and/or of reporting subjective injuries.
- There are no witnesses to the accident or witness's version of the accident conflict with the employee's version or with one another.
- Employee fails to report the injury in a timely manner or employee's version of the accident has inconsistencies.
- The alleged injury relates to a preexisting injury or health problem.
- Employee uses addresses of friends, family, or post office boxes; has no known permanent address and moves frequently.
- Employee avoids use of U.S. mail; hand-delivers documents.
- Employee frequently changes physicians, or does so after being released to return to work.
- Employee undergoes excessive treatment for soft tissue injuries.
- Medical treatment is inconsistent with injuries originally alleged by employee. The nature of the alleged injury conflicts with claim file documentation.

- The claimant cancels or fails to keep appointments, or refuses diagnostic procedures to confirm injury.
- Diagnosis is inconsistent with the treatment rendered. The alleged injuries are all subjective.
- Medical bills are copies of originals, without dates or service or description of office visits. Address of medical provider is only a Post Office Box.
- Medical facility uses multiple names or changes name often or the medical reports appear to be “boilerplate” reports.

If Suspected Fraud is Identified, Contact the OIG Office of Investigations for Guidance in Developing the Case and Additional Instructions

If potential fraud is suspected, contact the local OIG Field Office of Investigations or contact the Program Director, Benefits Fraud (51B) at (202) 565-8595 for guidance how to develop the indicators of fraud and guidance on what information needs to be included in the referral package. The following is a list of OIG Field Offices of Investigations:

Northeast Field Office of Investigations (51NY) Special Agent-In-Charge 245 West Houston Street 3 rd Floor New York, NY 10014	Telephone (212) 807-3444 or (212) 807-3443
Southeast Field Office of Investigations (51SP) Special Agent-In-Charge P.O. Box 446 Bay Pines, FL 33744	Telephone (727) 398-9559 or (727) 398-6661 Ext. 4820
Western Field Office of Investigations (51LA) Special Agent-In-Charge P.O. Box 241516 Los Angeles, CA 90024	Telephone (310) 268-4269 or (310) 478-3711 Ext. 49648
Central Field Office of Investigations (51CH) Special Agent-In-Charge Lock Box 66319 AMF O’Hare, IL 60666	Telephone (708) 216-2676 or (708) 216-2358

REFERENCE MATERIAL

Laws and Regulations

The Federal Employees' Compensation Act (Public Law 103-3 Enacted February 5, 1993) - Is the law that established the current rules and regulations over the Federal WCP. This document can be obtained from the Department of Labor's (DOL) Internet site (<http://www.dol.gov/dol/esa/public/regs/compliance/owcp/fecacont.htm>).

Code of Federal Regulations Title 20, Parts 1-25 (Revised April 1, 1988) - Provides the statutory provisions for workers' compensation benefits to civilian officers and employees of all branches of the United States Government. (This Publication can be obtained from DOL upon request or from the DOL Internet site listed above.)

Department of Labor

DOL's OWCP administers the Federal Employees' Compensation program, one of three major disability compensation programs that provide wage replacement, medical treatment, vocational rehabilitation and other benefits to employees and their dependents for certain work-related injury or occupational disease. This includes adequate and timely benefits as well as assistance in returning to work when necessary. OWCP's customers include both injured workers and the employing agencies.

OWCP provides several training courses, which are free, to aid the employing agency in program administration. Additionally, OWCP will provide handbooks and other information upon request. We used Injury Compensation for Federal Employees - A Handbook for Employing Agency Personnel (DOL Publication CA-810 Revised February 1994) as a guide for developing and conducting our national audit. This handbook gives a program overview as well as guidelines on how to administer the WCP. Information on the Federal WCP as well as links to some state WCP Internet sites is available through DOL-OWCP's Internet site at (http://www.dol.gov/dol/esa/owcp_org.htm).

DOL also maintains an automated database on WCP cases that can be accessed through the Internet. The AQS is a secure Internet site that provides access to information on injury claims filed with the Division of Federal Employees' Compensation. Only an authorized user can obtain access to this site. Authorization can be obtained through VA's WCP Program Manager.

Other

Several books and publications are available to assist WCP Coordinators and Specialists with understanding the WCP and medical report terminology.

Federal Sector Workers' Compensation published by Dewey Publications, Inc. deals exclusively with WCP claims involving federal employees. The book is a compilation and interpretation of the rules and regulations governing the Federal WCP, including case law of the

Employees' Compensation Appeals Board. More information about this book and its cost can be obtained by calling Dewey Publications, Inc. at (703) 524-1355.

Generic ICD-9-CM Volumes 1, 2, and 3 (Hospital Version) published by Channel Publishing, Ltd. contains International Classification of Diseases (ICD-9) codes which can be used to ensure that medical treatment is related to the accepted work-related injury. Additionally, this publication can be used to ensure proper coding is maintained in automated systems. More information about this publication can be obtained from Channel Publishing, Ltd. at 1-800-248-2882.

Control of Communicable Diseases Manual published by the American Public Health Association discusses communicable diseases, causes, prevention, and control problems as well as effects and characteristic of the diseases. More information about this publication can be obtained from the American Public Health Association in Washington, DC.