

Manager/Supervisor Risk Management

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A twice weekly e-mail training for YCPARMIA members

TOPIC: WORKERS' COMPENSATION –VOC REHAB

Let me start this topic by providing a perspective. With the exception of medical treatment, workers' compensation benefits are limited in duration. When a doctor declares a worker "permanent and stationary," temporary disability benefits stop, and weekly payments of permanent disability start until the amount called for in the rating formula is paid out. If the employee is no longer able to work due to their work injury, they become eligible for a capped retraining benefit. The effect of the work injury may last a lifetime, but (again except for medical treatment) the workers' compensation benefits won't.

When a doctor takes an injured worker permanently off work, or releases the injured employee back to work with permanent restrictions that the employer cannot accommodate, the worker is deemed a "qualified injured worker" (QIW). In simple terms this means that they are eligible (or qualify) for rehabilitation benefits. The short story here is that this statutory benefit was repealed, and replaced by more limited "supplemental job displacement benefits" (SJD).

Prior to 2004, a QIW was eligible for up to \$16,000 in rehabilitation benefits. Payments were made consistent with a rehabilitation plan that included employment counselors, education, training, and additional living expenses; an applicant attorney could also collect up to 12 % of the total in fees. The 2004 reforms repealed vocational rehabilitation, and replaced it with "Supplemental Job Displacement Benefits." A QIW now receives a nontransferable voucher for education-related retraining or skill enhancement at a state-approved or accredited school. The amount of the voucher varies from \$4,000 to \$10,000 depending on the extent of the permanent disability. The voucher can be used for tuition, fees, books, and other expenses required by the school. Vocational counseling is limited to 10% of the value of the voucher.

The practical effect of these reforms on YCPARMIA has been interesting. In the three years preceding the reforms our annual vocational rehabilitation benefits averaged over \$100K per year; after voc rehab was replaced by SJD benefits we have not paid any vocational rehabilitation expenses since FY2008-2009. While vouchers have been issued to QIW's during that time, none have taken advantage of the educational benefit. We also see a number of QIW's choosing to retire rather than seek retraining.

One last comment: the voc rehab and supplemental job displacement benefits only come into play when an injured worker is unable to return to their job either because the doctor has taken them permanently off work, or has stated permanent medical restrictions that the employer cannot accommodate. In the great majority of cases our members' injured workers do not have injuries that would preclude them from their normal work duties, or if they do, their employer is able to permanently accommodate the restrictions.

Next topic: Workers' Compensation – Permanent Disability