

Summary of Government Accountability Office Testimony: “Federal Assistance for New York Workers’ Compensation Costs”

September 8, 2004

(Compiled by the Office of Congresswoman Carolyn B. Maloney)

In the aftermath of 9/11, Congress appropriated \$175 million for the New York State Workers’ Compensation Board (the Board) to assist with resulting workers’ compensation claims.

GAO testimony presented on September 8, 2004, before the House Government Reform Subcommittee on National Security, Emerging Threats, and International Relations, examined the Board’s use of the \$175 million in federal funds and the status of 9/11 workers’ compensation claims. Below are highlights of the GAO testimony:

Difficulty in Obtaining Clear Data from Workers’ Compensation Board:

“we were unable to report approval and denial rates of claims because, according to Board officials, the Board’s core mission is to process individual claims and not to track outcomes of claims decisions” (Page 2).

In the reported 90% of workers’ compensation claims “resolved” by the State, the definition of “resolved” was that the Board “had resolved all the issues that it could with the information available at that point” (Page 3).

NOTE: This means “resolved” does not mean accepted or rejected.

High Rate of Denial for Link Between 9/11 and Injury Claims And Delayed Awarding of Benefits:

“For 52 percent of workers’ compensation claims received, (1) a link had been established between the September 11 disaster and the resulting death, injury, or illness and benefits had been paid or were in the process of being paid, or (2) this link had been established but the Board had not authorized paying benefits” (Page 3).

Questions Over the Use of Funds:

“the Board had used about \$4.4 million of the \$125 million to prepare for responding to any future terrorist attacks. We are continuing to gather information about whether the grant agreement’s statement of work and the appropriation act are consistent with these uses of the funds” (Page 2).

Additional Findings:

“In summary, as of June 30, 2004, of the \$175 million in federal funds appropriated to help pay workers’ compensation expenses related to the September 11 attacks and recovery, the New York State Workers’ Compensation Board had used about \$49 million” (Page 2).

“The Board indicated that, as of mid-2004, it had received 10,182 claims for workers’ compensation and 588 volunteer claims related to the September 11 attacks and recovery” (Page 3).

“Of the 588 volunteer claims received, the Board has resolved 31 percent and 69 percent were pending” (Page 3).

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