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May 21, 2025

Scott Szymendera  
Analyst  
Congressional Research Service  
101 Independence Avenue, SE  
Washington, DC 20540

Dear Mr. Szymendera:

Thank you again for testifying at the May 6, 2025, Subcommittee on Workforce Protections hearing titled "FECA Reform and Oversight: Prioritizing Workers, Protecting Taxpayer Dollars." Enclosed are additional questions submitted by a Committee member following the hearing. Please provide a written response no later than June 4, 2025, for inclusion in the hearing record. Responses should be sent to Daniel Nadel ([daniel.nadel@mail.house.gov](mailto:daniel.nadel@mail.house.gov), (202) 226-3873) of the Committee staff. We appreciate your contribution to the work of the Subcommittee.

Sincerely,

A handwritten signature in black ink that reads "Ryan Mackenzie".

Ryan Mackenzie  
Chairman  
Subcommittee on Workforce Protections

**Questions for the Record from  
REPRESENTATIVE ROBERT C. “BOBBY” SCOTT**

**Committee on Education and Workforce  
WP Subcommittee hearing titled: “FECA Reform and Oversight: Prioritizing Workers,  
Protecting Taxpayer Dollars”**

**Tuesday, May 6, 2025  
10:15 A.M.**

**Questions for Witness Dr. Scott Szymendera**

1. You compared current FECA policies against prevailing practice in state workers’ compensation programs and mentioned arguments in favor of adopting state practices (e.g., return-to-work incentives) without mentioning any of the countervailing arguments or research about the impact of such policies on benefits adequacy, the extent to which state workers’ compensation absorbs the cost of occupational illness and injury, or related matters. To balance the record, please address the following:
  - a. Approximately what percentage of the total economic cost of occupational illness and injury is absorbed by workers’ compensation?
  - b. Where is the remainder of the cost burden discussed in (a) shifted?
  - c. With respect to lump sum or “compromise and release” settlements, what does the empirical evidence suggest are consequences for workers who enter into such settlements?<sup>1</sup>
  - d. What policy considerations led Congress to pass the *Medicare Secondary Payor Act* and related reforms with respect to compromise and release settlements?
  - e. Please describe the process by which impairment ratings are decided in the *AMA Guides*.
  - f. What did the American Public Health Association conclude about the extent to which the *AMA Guides* impairment ratings are evidence-based?<sup>2</sup>
  - g. The 6<sup>th</sup> edition of the *AMA Guides* in particular has proven a source of controversy among some experts in the workers’ compensation field.<sup>3</sup> Please summarize those criticisms.

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<sup>1</sup> See, e.g., Robert T. Reville et al., *An Evaluation of New Mexico Workers’ Compensation Permanent Partial Disability and Return to Work* (2001); Terry Thomason & John F. Burton, Jr., *Economic Effects of Workers’ Compensation in the United States: Private Insurance and the Administration of Compensation Claims*, 11 J. LAB. ECON. S1 (1992).

<sup>2</sup> AMER. PUB. HEALTH ASSOC’N, POL’Y NO. 20174, *THE CRITICAL NEED TO REFORM WORKERS’ COMPENSATION* (Nov. 7, 2017), <https://www.apha.org/policy-and-advocacy/public-health-policy-briefs/policy-database/2018/01/18/the-critical-need-to-reform-workers-compensation>.

<sup>3</sup> See, e.g., Jason W. Busse et al., *Comparative Analysis of Impairment Ratings From the 5th to 6th Editions of the AMA Guides*, 60 J. OCC. & ENVTL. HEALTH 1108 (2018) (finding a 36.4% relative reduction in impairment rating with the 6th edition of the *Guides* versus the 5th edition); *Developments in State Workers’*

- h. Please summarize the findings of the National Academy of Social Insurance Study Panel on Benefit Adequacy with respect to the impacts of the prevailing trends in state workers' compensation.
  - i. Please summarize the findings of Bhushan and Leigh (2011) with respect to what drives the cost of workers' compensation premiums since the reforms of the 1990s.<sup>4</sup>
2. In considering FECA reform proposals over the past decade, GAO and CRS have issued multiple nonpartisan studies analyzing the adequacy of FECA benefits. For example, GAO issued reports in late 2012 (GAO-13-108; GAO-13-142R; GAO-13-143R) and in 2020 (GAO-20-523), and CRS issued reports in 2015 (report RL 30387) and 2023 (report 98-972).
- a. What do these studies say about how FECA benefits at retirement age compare to what federal workers would have received under FERS had they not been injured, both under current compensation structures and proposed reductions at retirement age?
  - b. What do these studies say about how FECA and FERS benefits compare for workers who are injured at younger ages and earlier in what would have been lengthy federal careers?
  - c. What do these studies say about the wage replacement rate of FECA beneficiaries with and without dependents, after accounting for taxes on normal wages and the non-taxable FECA compensation?
  - d. What do these studies say about the effects of compensating all FECA beneficiaries at a single compensation rate, regardless of whether they have dependents, and which beneficiaries this most affects?
  - e. What do these studies say about how much of a federal worker's final salary FERS retirement benefits are expected to replace (FERS annuity, TSP, and Social Security, combined), based on various assumptions, including how long their career was?
  - f. What do these studies say about the average career length of new federal retirees?

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*Compensation Systems, Hearing Before the Subcomm. on Workforce Protections of the H. Comm. on Educ. & Lab.*, 11th Cong. 7 (2011) (statement of Emily A. Spieler).

<sup>4</sup> Abhinav Bhushan & J. Paul Leigh, *National Trends in Occupational Injuries Before and After 1992 and Predictors of Workers' Compensation Costs*, 126 PUB. HEALTH R. 625, 633 (2011).