



Permanent Total Disabilities in the Oregon Workers' Compensation System, 2006

Information Management Division

Oregon Department of Consumer & Business Services

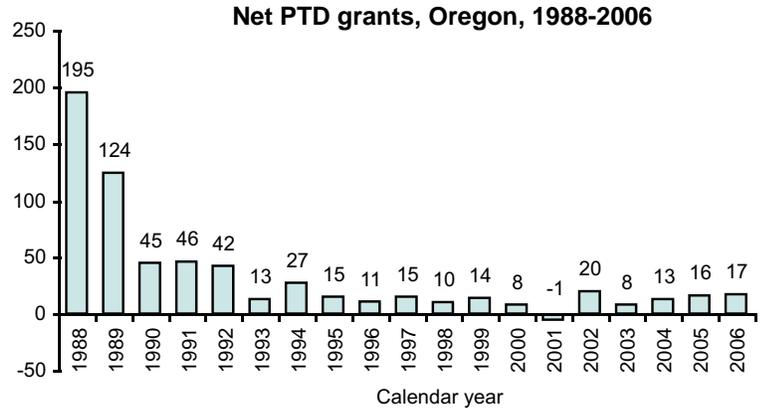
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By [Russ Reed](#)

Permanent total disability means “the loss, including preexisting disability, of use or function of any portion of the body which permanently incapacitates the worker from regularly performing work at a gainful and suitable occupation” (ORS 656.206).

In 2006, 18 Oregon workers received **PTD grants**, as shown in Table 1. The Court of Appeals hasn't granted or rescinded a PTD award since 1990.

As in 2005, two grants were **reinstatements** of prior awards. One was by department reconsideration, and the other was by hearing stipulation. These two workers had PTD status for 12.3 and 0.3 years, respectively, at rescission; the reinstatements came five and three months later.



Notes: “Net grants” is grants minus rescissions. Net grants peaked in 1975 at 299. The 1988 value was the highest since 1978.

Table 1. PTD award grants and rescissions, by order level, Oregon, 1999-2006

Year of award	Claim closure			Reconsideration			Hearing			Board review*			All levels			Net grants
	Grant		Re-scind	Grant		Re-scind	Grant		Re-scind	Grant		Re-scind	Grant		Re-scind	
	Orig.	Re-in.		Orig.	Re-in.		Orig.	Re-in.		Orig.	Re-in.		Orig.	Re-in.		
1999	16	0	7	2	0	0	3	3	2	0	1	2	21	4	11	14
2000	6	0	6	3	0	0	2	3	0	0	0	0	11	3	6	8
2001	11	0	13	1	0	0	0	1	1	0	0	0	12	1	14	-1
2002	12	0	3	4	1	0	0	6	0	0	0	0	16	7	3	20
2003	7	0	6	1	1	0	0	4	0	0	1	0	8	6	6	8
2004	11	1	7	0	0	0	0	8	0	0	0	0	11	9	7	13
2005	15	0	4	0	0	0	1	2	0	2	0	0	18	2	4	16
2006	8	0	0	5	1	1	0	1	0	3	0	0	16	2	1	17

Notes: “Claim closure” includes department determination orders and insurer notices of closure. (Claim closure responsibility was transferred from the department to insurers and self-insured employers in 2000.) “Grant” includes original awards (Orig.) and reinstatements of awards (Re-in.).

*The 2005 and 2006 board grants were all by **own motion**.

There was just one **PTD rescission** in 2006, the fewest since at least 1970. It was by department reconsideration, but PTD was reinstated the same year — it was for the second worker mentioned above, who later entered into a claim disposition agreement (CDA). This post-rescission activity was typical of recent years: of the 18 claims with PTD rescinds in 2003-2006, 15 have had PTD reinstated, 16 have released benefits via a CDA, and all 18 have done one or both.

The recent decline in PTD rescinds coincides with the enactment of Senate Bill 386 (January 2006). For PTD rescissions, the new law requires that: (1) insurers show material medical or vocational improvement, (2) reports supporting rescissions must include one whose author personally observed the worker, (3) benefits continue during

appeal, (4) workers are eligible for vocational assistance upon PTD termination, and (5) workers retain PTD status despite some wages.

The graph gives historical values of **net PTD grants**. Since 1988, PTD grants, and hence net grants, have declined faster than the number of claims: accepted disabling claims fell by 46.5 percent from 1988 to 2006, while net PTD grants fell by 91.3 percent.

The primary **reasons for decreasing PTD awards** are: (1) fewer injuries and accepted disabling claims; (2) a trend toward injuries that are less severe, with less impairment; (3) law changes in 1987 by HB 2900 (disability standards, reduced board own motion authority, and change in the court review standard to “substantial evidence”); (4) law

changes in 1990 by SB 1197 (CDAs, required reconsideration of claim closures, elimination of “clear and convincing evidence” as a reason to exceed the disability standards, and medical arbiters for impairment disputes); and (5) law changes in 1995 by SB 369 (limitation on evidence and issues after reconsideration, and the definition of “gainful occupation”).

Average incurred and total net costs for PTD grants are given in Table 2. The relatively small number of grants explains both the costs variability and long-term cost increase: average 2005 total costs were almost twice 2004 costs and nearly 23 times 1988 costs not just because of inflation and cost increases, but because only the most severely injured workers tend to be granted PTD.

Table 2. Average reported total incurred costs for PTD grants, and all-insurer net cost (\$ millions), Oregon, 1999-2006

Year	Indemnity	Medical	Total	% Med.	Net cost
1999	\$ 0.376	\$ 0.683	\$ 1.059	64.5%	14.8
2000	0.287	1.059	1.346	78.7%	10.8
2001	0.442	0.986	1.428	69.0%	-1.4
2002	0.354	0.918	1.272	72.2%	25.4
2003	0.410	1.127	1.537	73.3%	12.3
2004	0.407	1.170	1.577	74.2%	20.5
2005	0.431	2.253	2.685	83.9%	43.0
2006	0.419	0.760	1.179	64.5%	20.0
2005-2006 change:	-2.9%	-66.3%	-56.1%	-23.2%	

Notes: Costs are amounts already paid plus remaining reserves. Costs exclude “expenses” (mostly attorney fees) and any reimbursements from handicapped-worker, preferred-worker, or retroactive programs. Costs are prior to any release of benefits in a claim disposition agreement. Net cost is the product of average total costs and net grants for all insurers. Values may not add to totals due to rounding.

Table 3 provides information about the claims and workers with PTD grants, and Table 4 provides time-lag data about these claims. In the past five years, head and “multiple parts” have been the body parts most often injured, and falls and highway accidents have been the most frequent causal events in PTD-grant claims. Half of 2006 grants were for claims with accepted psychological conditions.

Twelve of the PTD grants had prior permanent partial disability awards, compared to five in 2005. Eight workers had scheduled awards averaging 104.4 degrees, while 11 workers had unscheduled awards averaging 189.1 degrees (seven workers had both award types).

Table 3. Characteristics of Oregon claims with PTD grants in 2006

Item	Classification	Cases	Percentage
Insurer	SAIF	11	61.1%
	Liberty Group	4	22.2%
	Other private insurer	2	11.1%
	Non-complying employer	1	5.6%
Gender	Male	14	77.8%
	Female	4	22.2%
Industry	Services	4	22.2%
	Manufacturing	3	16.7%
	Retail trade	3	16.7%
	Public administration	3	16.7%
	Construction	2	11.1%
	Wholesale trade	2	11.1%
	Transportation	1	5.6%
	Body part (principle)	Multiple parts	8
	Head	3	16.7%
	Back	3	16.7%
	Other parts	4	22.2%
Nature	Multiple fractures & other	4	22.2%
	Multiple injuries	4	22.2%
	Fractures	2	11.1%
	Sprains, strains, tears	2	11.1%
	All other	6	33.3%
	Event	Bodily reaction, exertion	4
	Highway accidents	4	22.2%
	Struck by/against object	4	22.2%
	Fall	2	11.1%
	Inhalation of substance	2	11.1%
	Caught in equipment	1	5.6%
	Non-classifiable	1	5.6%

Table 4. Time lags (years), Oregon 2006 PTD grants

Time lag	2006 mean	Range of values	2005 mean
Tenure at injury	5.5	0.1 - 31.2	6.8
Age at injury	43.5	21.2 - 61.8	42.1
Age at award			
Original awards	51.9	36.1 - 69.8	47.0
Reinstatements	41.0	39.3, 42.7 *	67.5
All PTD grants	50.7	36.1 - 69.8	49.1
Time, injury to award			
Original awards	6.8	1.4 - 22.6	4.6
Reinstatements	10.4	2.7, 18.1 *	28.2
All PTD grants	7.2	1.4 - 22.6	7.0

Notes: Data on tenure were not available for two workers. **There were two reinstatements.

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