



## Office of the State Comptroller

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# Office of the State Comptroller Report Identifies Ways to Minimize Workers' Compensation Claims, Save Money, and Improve Workplace Safety

**TRENTON** – The Office of the State Comptroller (OSC) today released a report on its audit of the state's workers' compensation program and identified multiple opportunities to minimize claims, save money, and improve worker safety.

The OSC's report found that inconsistent and informal processes for calculating injured workers' wages led to incorrect payments in 370 of the 554 compensation payments that were surveyed – about two-thirds of the surveyed claims. Additionally, the Department of the Treasury's Division of Risk Management, which administers workers' compensation benefits, did not have policies in place to address specific hazards from repeat injuries, potentially leading to further on-the-job injuries and additional claims being paid out.

“Workers' compensation is a vital support for New Jersey workers injured on the job,” said **Acting New Jersey State Comptroller Kevin Walsh**. “Our report demonstrates that the state can do more to save money and to make sure workers are compensated fairly. We identify important ways the state can mitigate safety risks and protect workers from being injured in preventable accidents, all while saving the state money.”

In one example detailed in the OSC's report, a work facility's defective gate and door lever mechanisms resulted in 23 workers' compensation claims from 2007 to 2019 – resulting in \$1.5 million paid out in benefits directly related to the faulty gate. New Jersey's workers' compensation program is supposed to prevent injuries before they happen by identifying potential hazards. However, in 23 percent of the claim incidents reports surveyed, no follow-up action, like safety officer interviews or site visits, was taken.

The State of New Jersey, which is self-insured for workers' compensation, administers benefits to workers who are injured on the job through the Division of Risk Management, an agency housed within the Department of the Treasury.

The Division contracts with an outside vendor to manage the medical services for injured workers, which is required to submit medical reports to the Division one business day after a doctor's visit. The OSC's report found that the Division received medical reports an average of 32 days after the doctor's visit, and that 87 percent of surveyed reports did not include an estimated return-to-work date, in violation of the vendor's contract.

The OSC's report concludes with several recommendations to the Division, including:

- Implementing clear and consistent processes for calculating workers' compensation benefits;
- Establishing policies to manage multiple claims effectively to prevent potential abuse and improve safety;
- And closely monitoring the medical services vendor to ensure reporting requirements are adhered to.

The Division agreed with the report's findings and will submit to the OSC a corrective action plan to address those findings within 90 days. The full OSC's report, along with the Division's response, can be found [here](#).

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**The Office of the State Comptroller (OSC)** is an independent state agency that works to advance transparency and integrity throughout New Jersey government and to ensure taxpayer funds are spent efficiently and effectively. The OSC conducts audits and investigations of government agencies throughout New Jersey, reviews certain government contracts, and works to detect and prevent Medicaid fraud.

Suspected government mismanagement or fraud can be reported to the OSC anonymously by calling 1-855-OSC-TIPS (1-855-672-8477) or via email at [comptrollertips@osc.nj.gov](mailto:comptrollertips@osc.nj.gov).