



**OPERATIONS COMMITTEE
JULY 15, 2004**

SUBJECT: TRANSITIONAL DUTY PROGRAM

ACTION: RECEIVE AND FILE

RECOMMENDATION

Receive and file report on the Transitional Duty Program.

ISSUE

Workplace injuries have a significant impact on Metro's operating costs and cause considerable physical, emotional, and financial losses to the employee. Research has shown that modified work programs facilitate return to work for temporarily and permanently disabled workers and that injured workers who participate in these programs return to work about twice as often as those who do not.¹

Metro initiated a transitional duty pilot program in the San Gabriel Valley Service Sector in January 2004 with favorable results. Staff plans to expand this program to other sectors in FY05 through a phased approach. This report describes the program, including how costs and savings will be accounted for and monitored in the budget.

DISCUSSION

The purpose of the proposed Transitional Duty Program is to provide transitional work for employees who, due to a work related injury or illness, are restricted from performing some or all of their regular duties for a temporary period of time. The goals of the program are to promote a positive workplace morale through communication and support for the injured worker; minimize the potential for re-injury or permanent disability and increase productivity by decreasing lost work time. Additionally, the program will allow the Agency to maintain an experienced work force, reduce workers' compensation liability, particularly wage loss expenses, and reduce long-term disability costs.

¹ Commission on Health and Safety and Workers' Compensation Report: "Does Modified Work Facilitate Return to Work for Temporarily or Permanently Disabled Workers" (August 1997)

Transitional duty programs are consistent with industry best practices. For example the American Occupational Medical Association's Committee indicates that transitional duty programs enhance both psychological and physical recovery. The American Medical Association (AMA) encourages its members to release employees back to work as soon as they are medically able. The AMA cites evidence that shows injured employees off work longer than six months have only a 50% chance of ever returning to their job. The Washington Business Group on Health Survey found that transitional duty programs and medical case management are the two most effective tools in dealing with injury absences.

The resumption of work will require some form of job modification for the employee. The modifications are based on medical restrictions, which are directly attributable to the injury or illness. Any accommodation made will be temporary in nature and will be monitored periodically with the goal assisting the employee to resume his or her regular assignment as soon as medically possible.

The Agency has begun testing this proposed program in the San Gabriel Valley (SGV) Service Sector and has proven to be very successful. For the period January 1, 2004 through April 30, 2004 SGV experienced a net reduction of 36 employees who are not at work, with a nominal increase in Transitional Duty employees. Although not all of this reduction can be attributed to the transitional duty program (another possible cause is lower reported claims), the results have been promising.

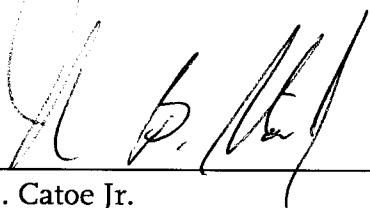
The program is designed such that employees will be paid full salary while on transitional duty but will not receive any overtime. Labor costs will increase as the transitional duty program expands (employees are paid their full salary as opposed to 2/3 of their salary as required by California law for employees off work on a workers' compensation injury). However, this cost increase is expected to be more than offset by a decrease in worker's compensation costs. This offset will occur through two primary means. Costs will decrease when employees are deterred from using the workers' compensation system to receive paid time off. Secondly, costs will decrease as the average time away from the employee's regular and customary duty is reduced (work hardening). Finally, injured employees will be productively working at MTA tasks instead of staying away their worksite with partial pay.

It is also important to note that AB899 provides financial incentives to encourage employers to develop transitional duty programs that result in employees returning to their regular and customary duties. Specifically, there is a 15% reduction in the amount an employer has to pay in permanent disability.

NEXT STEPS

County Counsel, Labor Relations and others are currently reviewing the draft agency-wide transitional duty program documents. Metro Operations will continue to monitor and evaluate the effectiveness of the Transitional Duty Program that is being tested in San Gabriel Valley Service Sector. Staff will present to the Board a more detailed report on the Transitional Duty Program once all program documents have been finalized. Staff has created, for implementation in July, a special transitional duty pay code to track transitional duty payments.

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