



September 11th
Victim Compensation Fund

SIXTH ANNUAL STATUS REPORT and
SECOND ANNUAL REASSESSMENT OF POLICIES AND
PROCEDURES

SEPTEMBER 11th
VICTIM COMPENSATION FUND
FEBRUARY 2018

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Special Master



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SECOND ANNUAL REASSESSMENT OF POLICIES AND PROCEDURES
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1. Introduction

As the Special Master for the September 11th Victim Compensation Fund (“VCF” or “Fund”), I respectfully submit this Sixth Annual Status Report describing the activities of the VCF. As with past annual reports, this report provides updated claims processing statistics and a recap of key activities during the time period covered by the report. Listed below is a summary of the annual reports for prior years:

- **First Annual Status Report:** Published in October 2012, this report focused on the VCF’s start-up activities during the first year of operation. Such activities included developing the claim forms, deploying the online system used by claimants and VCF staff, and establishing the infrastructure and initial procedures for claims processing and the toll-free Helpline.
- **Second Annual Status Report:** Published in November 2013, this report focused on the progress we made in the second year of operation in all aspects of claims processing and the extensive outreach activities we undertook in connection with the October 3, 2013, VCF registration deadline.
- **Third Annual Status Report:** Published in October 2014, this report focused on our continued progress reviewing and rendering decisions on claims, described our outreach efforts related to the October 12, 2014, deadline for claimants diagnosed with a 9/11-related cancer, and included updated VCF program statistics.
- **Fourth Annual Status Report:** Published in February 2016, this report provided an update on the status of all claims, highlighted the substantial efforts of the VCF team in rendering nearly 6,000 compensation determinations in 2015, and noted the shift in efforts from preparing for the shutdown of the program to implementing the reauthorization of the VCF.
- **Fifth Annual Status Report:** Published in March 2017, this report focused on the Fund’s efforts immediately after the reauthorization of the Zadroga Act, including paying over 9,000 Group A claims in full, publishing updated regulations that reflect the reauthorized law, beginning to issue decisions and processing payments on Group B claims, and implementing a redesigned claim form and online claims system. This report was also the first to include a section with the required annual reassessment by the Special Master of the VCF’s policies and procedures to ensure the prioritization mandate required by the reauthorization is upheld. Finally, it was also a year of transition with the departures of both Special Master Sheila Birnbaum and Deputy Special Master Deborah Greenspan, the appointment of Stefanie Langsam as a Deputy Special Master, and my appointment as Special Master.

The past year has been an extremely productive time for the VCF, with significantly increased numbers of claims processed, helpline calls answered, hearings held, letters sent, documents processed, educational materials produced, and outreach events attended. It also marked my first full year of service as Special Master. I was extremely pleased to start the year by naming Jordana (“Jordy”) Feldman a Deputy Special Master, recognizing Ms. Feldman’s central role in the VCF’s success. Ms. Feldman, who also serves as Director of the New York Office, has played, and continues to play, a key role in determining policies and procedures for the review of claims, serving as the VCF’s primary liaison with various federal and state entities that provide information necessary to the VCF’s claim review process, and managing the Appeals process. Having served in the first VCF (“VCF1”), Ms. Feldman is a key advisor, providing a wealth of knowledge and expertise to all aspects of the VCF. She epitomizes our team’s deep commitment and compassion to the 9/11 community.

Looking to the coming year, I am excited to build on the new foundations established in 2017, many of which are detailed in this report. We have revised processes to increase the speed at which claims



move through the review process and restructured VCF personnel assignments to more effectively leverage resources. And we have expanded our outreach efforts in hopes of informing all who are potentially eligible for compensation about the VCF. In 2018, my focus will remain steady, intent on reducing the length of time it takes to render a decision on a claim once the claim form and all required supporting documents are submitted, and devoted to reaching potentially eligible individuals who are not aware of the program. We will continue to work closely with our partners such as the World Trade Center (“WTC”) Health Program to ensure we are doing everything possible to support those whose lives were forever changed by the events of September 11, 2001.

2. Background on the Victim Compensation Fund

In 2001, Congress created the September 11th Victim Compensation Fund, which provided compensation for economic and non-economic loss to individuals, or the personal representative of individuals, who were killed or physically injured as a result of the terrorist-related attacks of September 11, 2001. As established by Congress, the VCF provides a no-fault alternative to tort litigation; any individual who chooses to seek compensation from the VCF waives the right to sue for damages for 9/11-related physical injury or death. The original VCF (“VCF1”) closed in 2004, having paid over \$7.049 billion to surviving personal representatives of 2,880 people who died in the attacks and to 2,680 claimants who were injured in the attacks or the rescue efforts conducted immediately thereafter.

On January 2, 2011, President Barack H. Obama signed into law the James Zadroga 9/11 Health and Compensation Act of 2010 (Pub. Law No. 111-347) (“Zadroga Act”). Title I of the Zadroga Act created the World Trade Center (“WTC”) Health Program, which is operated by the National Institute for Occupational Safety and Health (“NIOSH”) and provides medical treatment and monitoring for 9/11-related health conditions. Title II of the Zadroga Act reopened the VCF and expanded the eligibility criteria to include those who took part in the debris removal efforts during the immediate aftermath of the attacks. The Zadroga Act originally authorized the VCF to accept claims for five years, starting in October 2011, and ending in October 2016, with final payments to be made during a sixth year in 2016-2017. Unlike VCF1, which had no cap on funding, the Act, as amended, provided a limited appropriation – originally \$2.775 billion, with \$875 million available in the first five years – to provide compensation to claimants and to cover the Fund’s administrative costs.

On June 21, 2011, Special Master Sheila Birnbaum issued proposed rules to implement the reopened VCF and reviewed and considered 95 comments on the proposed rules that were received during the 45-day public comment period. On August 31, 2011, the final rules governing the operation of the VCF were published in the Federal Register. The rules took effect on Monday, October 3, 2011, which was the day that administrative funding for the VCF became available. That same day, the VCF’s website (www.vcf.gov) and toll-free Helpline were launched.

On December 18, 2015, President Obama signed into law a bill reauthorizing the Zadroga Act, which included the reauthorization of the VCF. Congress’s decision to reauthorize the VCF affirmed the continuing needs of the 9/11 community and the importance and success of the Fund’s ongoing work in providing compensation to those who suffered physical harm as a result of the September 11th terrorist attacks. The reauthorization extended the VCF for five years, allowing claims to be filed until December 18, 2020, and included important changes to the VCF’s policies and procedures for evaluating claims and calculating each claimant’s loss.

On June 15, 2016, Special Master Sheila Birnbaum published an Interim Final Rule to revise the existing regulations to implement changes required by the Reauthorized Zadroga Act. The Interim Final Rule took effect on the date of publication, but provided a 30-day period for public comment. The Department of Justice received 31 comments and the Special Master’s office reviewed and



evaluated each of these comments in preparing the Final Rule. After the issuance of the Interim Final Rule, but before publication of the Final Rule, Sheila Birnbaum stepped down as Special Master and I was appointed in her place by Attorney General Loretta Lynch effective July 21, 2016. The post-reauthorization final rule was issued by me and published on September 2, 2016.

3. Year Six Accomplishments

Throughout our sixth year of operation, we continued to refine our policies and procedures and streamline the claims process. We held true to our guiding principles, adopting policies and procedures that are faithful to the statute, fair to claimants, and defensible to taxpayers.

The following are highlights of our significant accomplishments this year:

- **Decisions rendered:** 2017 was a turning point for the VCF in several ways. It was our first full year of operation following the activities completed in 2016 to implement the reauthorization, my first full calendar year as Special Master, and the year with the largest number of claims decided since the VCF began issuing award determinations in early 2013. In 2017, we issued initial or revised determinations on a total of 7,773 claims, totaling almost \$1.1 billion in awards. In all, the VCF has now awarded more than \$3.3 billion. Section 5 of this report includes detailed information on the status of all claims processing activity.
- **Policy changes focused on claimants and efficient claim review:** 2017 was also a year in which my leadership team and I spent considerable time reviewing, clarifying, and updating various VCF policies in an effort to ensure that the claims evaluation process is as efficient, transparent, and beneficial to claimants as possible. This was a significant effort that resulted in updates to numerous policies. I am confident these changes contributed to our success in rendering more decisions, and in reducing the time that each claim spends under review. The more notable changes are described in Section 4.
- **Reducing time to render decisions:** We continued to process claims in “first in, first out” order and to work toward our goal of reducing the amount of time claimants wait for an award. As of December 31, 2017, less than 200 claims that were submitted before January 1, 2016, and that are ready for compensation review, remain to be decided, although more than half of these claims are on hold waiting for a response from the claimant to a missing information request or for information from a third-party entity. While we still have some work to do on 2015 or earlier claims, and they continue to be the highest priority, the VCF is now fully immersed in deciding 2016 claims. On average, we expect we will be able to issue an award determination within 18 months of the claim being submitted with all required information, depending on the type and complexity of the claim. By comparison, in January 2017, the VCF was still reviewing claims submitted in 2013-2014 – three to four years earlier. While we have made significant progress in reducing the time to render decisions, we are actively working toward reducing the average wait time to 12 months.
- **Increased transparency in award letters due to updates to economic loss models:** Since the inception of the VCF, we have developed nearly 100 unique loss calculation models that are used for specific claim scenarios. In 2016, immediately following the reauthorization, each model had to be updated to reflect the statutory cap on annual gross income. In 2017, we further revised the models to incorporate policy changes, such as the application of offsets to the different types of losses claimed, and to reflect more clearly the components and calculation of the award. The wrongful death models, for example, were updated to break out the award for the victim’s personal injury prior to death and the award attributable to the victim’s death. Because of the updates across all models, we are able to provide a more detailed addendum in each award letter that breaks down the components of the award in a



more logical manner, thereby increasing transparency and allowing claimants a better understanding of the calculation of their awards.

- **Expedite process:** In 2015, the VCF implemented a way for claimants to seek expedited processing of their claims due to either terminal illness or demonstrated financial hardship (such as an imminent foreclosure or eviction or homelessness). If a claim is approved for expedite status, and all of the information needed to evaluate the claim is submitted, our team is able to issue an award within as little as two weeks of the request being approved. When the process was first implemented, our expectation was that few claims would require this type of handling. Unfortunately, what we have found over the past year, is a significant increase in the number of these requests, mainly due to the increase in claimants with terminal cancers. Prior to 2017, we had expedited a total of 320 claims. In 2017 alone, we received 342 requests for expedite consideration. Of these requests, we approved expedited processing on a total of 270 claims. In light of the increase in expedite requests and in an effort to ensure that these claims are reviewed and processed as quickly as possible, the VCF instituted a new expedite request protocol and created a team dedicated to tracking, responding to, and evaluating these requests and the underlying substantive claim. Although we are disheartened by the increasing number of claimants in these situations, we remain committed to issuing awards to these claimants and their families in a matter of weeks, bringing them some small measure of relief at an extremely difficult time.
- **Continuation of “Fast Track” review:** Our “fast track” review process remained in place for those claims seeking only non-economic loss where Eligibility and Compensation were both submitted prior to the start of our review. For those claimants using the new claim form, the Eligibility and Compensation sections are combined into one submission, and the selection of “non-economic loss only” as an option in the Compensation section makes for more efficient identification of these claims once submitted. These claims are able to move more quickly through the review process as they do not require evaluation of the more complex economic loss component of the award.
- **Relationships with 9/11-related organizations:** In addition to our close working partnership with NIOSH and the WTC Health Program, we have fortified the VCF’s relationships with other 9/11-related organizations. We have established a constant presence at monthly meetings of the WTC Health Program Responders Steering Committee, presenting updated information about the Fund and responding to topics of concern. We have also strengthened our collaborative efforts with organizations including the WTC Health Program Survivors Steering Committee, Voices of 9/11, 9/11 Environmental Action, 9/11 Health Watch, The FeelGood Foundation, and United We Stand, to reinforce consistency in messaging and information disseminated. Additional details about our relationships and collaboration with the WTC Health Program and other 9/11-related organizations can be found in Section 7.
- **Outreach:** During our sixth year of operation, we increased our efforts to disseminate information about the Fund to members of those communities affected by September 11th, and to educate claimants about how the claims process works. Described in greater detail in Section 7, these efforts resulted in unprecedented outreach via traditional mail, email, community events, media events, and small group meetings.
- **Updates to website:** We continued to improve and enhance the VCF website (www.vcf.gov) to make it easy to navigate and find specific information. Though not a comprehensive list, we have: expanded the availability of information in foreign languages (Spanish, Polish, and Mandarin); created and posted a new [VCF Overview](#) presentation to be used as a reference by individuals who are filing a claim with the VCF or are interested in how the VCF operates;



updated our FAQs based on feedback from our Helpline and questions we receive from claimants and their representatives; created a new "[Just the Facts](#)" document to directly address misinformation and misperceptions about the VCF and our processes; posted a new [overview of the claims process](#) that shows the steps we take once a claim is submitted; and introduced a [new page](#) to feature upcoming 9/11-related events, outreach materials, and resources.

We also updated the "Listing of Claimants and Deceased Individuals" to include those who have amended a personal injury claim to notify the VCF that the victim is now deceased. The regulations authorize the publication of a list of individuals who have filed a claim with the September 11th Victim Compensation Fund on behalf of a deceased individual, as well as the names of the deceased individuals on whose behalf a claim has been filed. In making this update to also include the amended claims, we also posted a supplemental list for a period of 90 days. This supplemental list contained the names of deceased individuals on whose behalf a claim was filed in the past and whose name was not previously published.

- **Continued Routine Operations:** In addition to the significant number of determinations issued, in 2017 we also processed over 20,000 pieces of incoming mail, generated over 83,000 outgoing letters, answered more than 35,000 Helpline calls, designed and deployed 13 sets of enhancements to the online system, and conducted nearly 300 appeal hearings.
- **OIG:** We were also pleased to successfully complete a review by the Department's Office of the Inspector General (OIG), as described in its report released August 17, 2017, entitled "[Audit of the Department of Justice's Administration of the September 11th Victim Compensation Fund.](#)" The OIG's report recognized the substantial work done by the VCF, finding that each of its recommendations had been met by the VCF and deeming each one closed and requiring no further follow-up.

4. Significant Changes to Policies

Over the course of the past year, we continually reviewed and evaluated the manner in which claims are processed to ensure that our team is not only performing as efficiently as possible, but that we continue to stay true to our guiding principles. Highlighted below are the more significant policy changes implemented over the past year, all of which also required the implementation of corresponding process changes. We continued to update our [Policies and Procedures](#) document throughout the year and continue to receive positive feedback about the usefulness of this document.

- **Private Physician process changes:** The Private Physician process was historically used for those claimants who were being treated for their conditions by private physicians, and for those individuals whose conditions were not yet covered for treatment at the time of diagnosis. We found, however, that certification has proven to be the best way to demonstrate that a condition is eligible for compensation from the VCF, without raising significant issues regarding durations of exposure, latency, or minimum time thresholds of the manifestation of symptoms. Accordingly, in the interest of ensuring consistency and clarity in evaluating the conditions eligible for compensation and ensuring that the WTC Health Program's research base is as expansive as possible, we and our counterparts at NIOSH jointly agreed to limit the availability of the Private Physician process to certain specified circumstances. As a result of these changes, most claimants must seek certification for their condition(s) through the WTC Health Program for purposes of their VCF claim. Under this policy, the VCF ordinarily will not process a claim until we receive notification from the WTC Health Program that the claimant has been certified for at least one eligible physical health condition.

The WTC Health Program has undertaken significant outreach efforts and has been working to



further expand capacity at the Survivor clinics (Bellevue Hospital Center, Elmhurst Hospital Center, and Gouverneur Healthcare Services) and through the Nationwide Provider Network.

In implementing this change, we took great care to communicate individually with each impacted claimant so they would understand why the changes were made, the impact to their specific claim, and the next steps they would need to take for the claim to move forward for review. We also updated many of our letters to reflect the change in policy to ensure clear communications to all claimants, and expanded the timeframe in which claimants had to take action before their claim might be denied.

Although there was a short-term impact to many claimants, we believe the long-term benefits of these changes will be very positive for both programs.

- **Disabling conditions “matching” policy:** We also adopted a new policy, which we refer to as the VCF “matching” policy, to address claims for economic loss where the VCF-eligible condition and the condition determined to be disabling by a government agency (ex. SSA, Workers’ Compensation, FDNY, NYPD) did not match exactly by name, which resulted in a denial of economic loss pending clarification of the relationship between the conditions. We sought the advice and counsel of our colleagues at the WTC Health Program to leverage their medical expertise and understand the relationship between certain conditions to determine how best to address this issue. As a result, we adopted a new policy that groups similar conditions into categories of equivalence for purposes of assessing disability. Thus, if a claimant has been deemed disabled due to one condition and is certified for a condition that is treated as equivalent, the claimant’s disability determination is sufficient to support a lost earnings award. This change impacts a large number of claims and has not only benefited claimants, but has saved the VCF significant time in the overall processing of the claim. It has the added benefit of reducing the number of amendments to be filed in the future – which means the VCF picks up the claim fewer times – as these individuals no longer need to amend the claim once the relationship between the conditions was clarified.
- **Processing of VCF2 claims for VCF1 claimants:** Individuals who were compensated in VCF1 are eligible to amend their claim in VCF2 if their VCF1 condition has worsened, they have been certified for a new condition, or they have a new loss that was not compensated by their VCF1 award. In light of the statutory directive to prioritize claims for claimants who suffer from the most debilitating conditions, and in order to ensure parity for all VCF claimants, we instituted a new policy whereby the amount of compensation a claimant received in VCF1 will be considered when determining whether additional compensation should be awarded in VCF2. Because a VCF2 claim is treated as an amendment to a VCF1 claim, the compensation to be awarded in VCF2 is calculated based on the amount of compensation any similarly situated person who filed a claim only in VCF2 would receive for the same set of conditions, and any compensation received in VCF1 is applied as an adjustment to the award.
- **Proactively converting economic loss claims to non-economic loss only:** The Zadroga Act requires that the VCF deduct from a claimant’s award any payments the claimant (or his or her beneficiaries) has received or is entitled to receive from other sources specifically as a result of eligible 9/11-related conditions. These payments, referred to as collateral offsets, include disability benefit payments, workers’ compensation payments, life insurance (for wrongful death claims), and settlement payments from a 9/11-related lawsuit. Certain offsets apply only to the economic loss portion of the award, and thus are not applied in non-economic loss only claims. Historically, claimants who claimed economic loss and received an award that was less than the non-economic loss due to offsets applicable to only the economic loss portion of the claim could seek reconsideration of the calculation by amending their claim



to seek non-economic loss only. After seeing an increasing number of these amendments, and realizing this creates extra work for both the claimant and for the VCF, we adopted a policy change to eliminate the extra steps. If the VCF determines that the total award, after calculating economic and non-economic loss and subtracting all applicable offsets, is less than what it would be if we calculated only non-economic loss (to which certain offsets do not apply), we now proactively take the action to convert the claim to one for non-economic loss only, so that the claimant receives the larger award. In these situations, the award letter provides details for both the economic and non-economic loss calculations applied to the claim so that claimants can understand the VCF's rationale for awarding only non-economic loss.

- **Handling of amendments for claims with prior non-economic loss awards at the statutory cap:** The 2015 reauthorization statute established certain caps on non-economic awards for physical injury claims. The maximum non-economic loss for a cancer condition is \$250,000, and the maximum non-economic loss for a non-cancer condition is \$90,000. The statute also requires the Special Master to prioritize claims with the most debilitating physical conditions. Under the VCF's longstanding policy, we continue to base the amount of non-economic loss (subject to the statutory caps) generally on the severity of the condition and the effect of the condition on the victim's ability to maintain normal activities of daily living. The VCF also continues to reinforce its policy that non-economic loss is not tied to the number of conditions for which the individual is certified. Over the past year, we continued to see an increasing number of eligibility amendments from claimants who have been certified for a new condition, and corresponding compensation amendments seeking increased non-economic loss as a result of the newly eligible condition, regardless of the non-economic amount they already received. In the past, these amendments were directed to an experienced reviewer to conduct a complete substantive analysis of the amendment. We found, however, that often times the outcome of this review resulted in no change to the award because the claimant had already received a non-economic loss award at the statutory cap.

In an effort to speed up the review of these amendments and more effectively leverage our resources, we created a team to identify and disposition these amendments without the need for a more substantive review. We updated the language in our relevant letters to explain the steps we had taken to close the amendment, why no change to the award is warranted, and how to amend the claim in the future if the individual's circumstances should change.

- **Calculation of awards for deceased claims:** We also made a change to the way in which deceased awards are calculated to ensure the award for the personal injury portion of the claim does not negate the award for the wrongful death portion, and vice versa. Deceased claims (claims for victims who die of their 9/11-related eligible injuries) have two parts: (1) the personal injury award for the victim for the losses he or she suffered while alive, including pain and suffering and past lost earnings; and (2) the wrongful death award for the victim's family to compensate for the harm they suffer as a result of the victim's death, including their pain and suffering and future lost earnings. We modified our approach to calculate these two awards separately, and apply offsets related to the personal injury claim only against the personal injury award, and apply offsets related to the wrongful death claim only against the wrongful death award. In making this change, we also clarified how offsets are applied to various components of the award (for both personal injury claims and wrongful death claims). For example, some offsets, such as disability or pension benefits, only apply to (i.e., are deducted from) the economic loss portion of the award, while other offsets, such as 9/11-related lawsuit settlements and life insurance payments, apply to the entire award.



- **Clarification of registration deadlines for wrongful death claims:** We also further clarified the registration or “timeliness” policy we adopted in September 2016 with respect to personal injury claims and wrongful death claims. These updates were made to address questions we received about the application of the policy to specific circumstances, particularly wrongful death claims, and to ensure the orderly administration of claims in accordance with the requirements of the statute. For example, we clarified that there is only one registration deadline per victim. This means if an individual registered a timely personal injury claim and later passes away of his or her 9/11-related illness, the wrongful death claim will be considered timely registered even if it is not registered within two years of the date of death. Additionally, we clarified that a personal injury claim may be considered timely registered even if a wrongful death claim is not, and vice versa. Recognizing that the rules were complex, we added a scenario-based FAQ to our website to address some of the more commonly raised situations.
- **Clarification of policy regarding replacement services loss awards:** The VCF regulations provide that replacement services are typically considered to be a component of loss in claims where the victim did not have prior earned income or only worked part-time outside the home. In other words, the regulations contemplate replacement services loss as a substitute for valuing economic loss in those cases where lost income could not serve as the way to value that loss. Replacement services loss is not intended to be additive in cases where lost earnings are compensated, although the VCF will also consider them as a component of loss in wrongful death claims. We realized, however, that this policy had not been as clearly communicated to claimants in our Policies and Procedures document on our website, and in correspondence to claimants regarding the computation of their award. We therefore updated our Policies and Procedures document to clarify the general policy and identify the type of information and documentation that must be submitted in order to support a replacement services award. We also added language to award letters for claims where replacement services losses were claimed, but not awarded, to explain the basis of the denial of these losses.
- **Improvements to the WTC Health Program Disability Evaluation process and form:** The WTC Health Program Disability Evaluation process has been in place for several years and is intended to provide qualifying claimants who do not already have a disability determination for an eligible condition from a third-party entity (e.g., SSA, FDNY/NYPD, a state Workers’ Compensation program, or insurance company) with a means to obtain a disability determination in order to support an economic loss award. Last year, we worked with our colleagues at the WTC Health Program’s Clinical Centers of Excellence (“CCEs”) and NIOSH to improve the disability evaluation process to better serve the intended purpose. As a result of those discussions, we refined the criteria to be eligible for a disability evaluation and updated the disability evaluation form to capture pieces of information that are critical to a finding that there is a disability determination that supports a lost earnings award. These changes were designed to address feedback from the CCEs and to more effectively meet our needs to provide and prioritize compensation to those claimants who suffer the most debilitating conditions.
- **Claiming past out-of-pocket medical expenses:** The change in our policy regarding claims for out-of-pocket medical expenses had a significant impact on efficiency of claim review. Prior to the implementation of this change in May 2017, claims for out-of-pocket medical expenses took an extraordinary amount of time for the VCF to review and often resulted in a small award, both relative to the overall award and in absolute terms, or in no award at all. Review of these requests, in turn, delayed the issuance of an award on the claim seeking such losses, as well as the review of other claims awaiting evaluation. In light of these factors, we



revised our policy to provide that we will only consider out-of-pocket medical expense claims filed as a compensation amendment after the initial award determination has been issued. This allows us to issue the initial award determination more quickly, since we are not spending time during our initial review to verify each claimed medical expense. In addition, under the revised policy, we will only consider medical expense claims if the total amount of claimed medical expenses incurred due to eligible conditions exceeds \$2,000. Establishing this minimum threshold is consistent with the reauthorization requirement to prioritize funding to those claimants with the most debilitating conditions. We will consider requests for exceptions to this policy when appropriate based on an individual claimant's circumstances.

5. Status of Filed Claims

In 2017, we continued to provide public updates on our progress through reports posted to our website in April, July, and September. We also continued to post detailed program statistics to our website each Tuesday. The statistics in this section of the report represent activity through December 31, 2017.

As of December 31, 2017, the VCF has found 18,024 claimants eligible for compensation. The VCF has made initial award determinations on 15,296 of those claims, and has issued revised awards on 4,026 claims due to an amendment or appeal. The total amount awarded to date is \$3,331,949,029.10.

Eligibility Claims

As shown in Table 1 on page 12, the VCF has received 32,689 Eligibility claims. The VCF has made 22,106 total eligibility decisions (68% of all claims filed), finding 18,024 claimants eligible for compensation (82% of eligibility decisions made).

There are 6,329 eligibility claims that have not yet been decided and are either under substantive review by a claim reviewer, or have been screened for completeness of the original submission and are now in queue awaiting assignment for substantive review. There are an additional 4,254 claims that cannot be processed. This includes 709 claims that have been identified as duplicate or superseded claims for the same victim or where the claim has been withdrawn, and 3,545 that have been deemed inactive. A claim is placed in inactive status for one of the following reasons: (1) there is a discrepancy in key data needed to process the claim, such as a discrepancy in the Social Security Number or date of birth, and the VCF is awaiting clarification from the claimant; (2) the claim appears to be a duplicate claim for the same victim and the VCF is awaiting confirmation from the claimant as to which claim to move forward for review; (3) the claim does not include proof of an eligible 9/11-related condition and the VCF is waiting for the claimant to be certified for treatment by the WTC Health Program; or (4) the claim is missing one or more minimum documents required for the VCF to begin substantive review (i.e., review to determine eligibility).¹

The VCF has also rendered 7,017 revised eligibility decisions on 5,889 claims for which eligibility was previously decided and the claimant either appealed a prior eligibility denial, or filed an eligibility

¹ The minimum documents required in order for the VCF to begin substantive review of a claim are: the claim form, the Claim Form Signature Page (or the equivalent sections from Part IV of the original VCF2 claim form), Exhibit A – Authorization to Release Medical Information, Exhibit C (if represented by an attorney and the law firm does not already have an Exhibit C on file with the VCF), Exhibit F (for Deceased claims filed using the original VCF2 claim form), Letters of Administration and original or certified death certificate (for deceased victims), and documentation to support presence at a 9/11 site (for those whose employer or other affiliated organization does not have an existing relationship with the VCF allowing for the exchange of this information). These documents must be submitted and sufficiently complete for the VCF to begin substantive review of a claim.



amendment seeking a revised determination based on new information or to add a new condition. Because a claimant can amend his or her claim multiple times, it is common for the VCF to review and render a decision on more than one amendment per claim. The VCF continues to review 2,091 claims with a pending eligibility amendment or appeal.

The total number of eligibility claims submitted includes all eligibility claims the VCF has received, which is different from what was reported in VCF statistics reports prior to March 2017. As explained in the [Fifth Annual Status Report](#) published in March 2017, and in reports prior to that date, the total number of claims submitted previously did not include duplicate claims, withdrawn claims, or personal injury claims that were superseded by the filing of a wrongful death claim for the same victim. In addition, prior reports included “inactive” claims in the count of “not eligible” claims, although no eligibility determination had been rendered. For these reasons, comparing the total number of eligibility determinations made from year to year is an inaccurate measure of the VCF’s progress. Instead, the separate counts of claims where eligibility is approved or eligibility is denied provides a more accurate reporting of the VCF’s determinations to date.

It is also worth noting that the count of ineligible claims in Tables 1 and 2 may *decrease* from one report to the next. The count of ineligible claims includes those claims that were substantively denied as well as those that have been found ineligible for failing to respond to requests for required information. These claimants are encouraged to amend their claim once they are ready to provide the missing information. If the information is sufficient to support the claimant’s eligibility, the claim is approved and is removed from the count of ineligible claims and added to the count of claims with eligibility approved. It is notable that the overall count of ineligible claims decreased in 2017 by over 700 total claims. We believe that this decrease is the result of our increased efforts to educate claimants about the availability of our amendment process through which they can supplement and request reevaluation of a previously denied claim.

Comparison data for the period ending December 31, 2016, is taken from the [Fifth Annual Status Report](#) and is provided for those statistics where comparison data is available. The VCF added new statistics to our public reports after the Fifth Annual Status Report was published, which results in comparative data not being available for certain statistics.



Table 1: Status of Eligibility Forms Received

ELIGIBILITY FORMS	As of December 31, 2017	As of December 31, 2016	Year-to-Year Change
Total Eligibility Claims	32,689	25,318	7,371
Eligibility Decisions			
Eligibility Decisions – Approved	18,024	15,851	2,173
Personal Injury Claims	17,595	15,594	2,001
Deceased Claims*	429	257	172
Eligibility Decisions – Not Eligible	4,082	4,811	(729)
Denied	1,045		
Ineligible due to failure to respond to requests for required information	3,037		
Eligibility Claims Processing	6,329	3,408	2,921
Eligibility Claims not yet in Substantive Review	5,700	2,516	3,184
Eligibility Claims in Substantive Review	629	892	(263)
Eligibility Claims – Unable to Process	4,254	1,248	3,006
Duplicate, Superseded, or Withdrawn Claims	709	437	272
Inactive Claims	3,545	811	2,734
Revised Eligibility Decisions due to Amendment or Appeal			
Count of unique Claims with at least one Eligibility Amendment or Appeal Submitted	7,980		
Count of unique Claims with at least one Revised Eligibility Decision rendered (due to amendment or appeal)	5,889		
Unique Claims pending review for a Revised Decision	2,091		
Total number of Revised Eligibility Decisions Rendered (may be more than one revised decision per claim)	7,017		

* The count of deceased claims includes only those claims filed for a victim who died of causes related to an eligible 9/11 condition. The claim type is initially determined based on answers to claim form questions and may change once the claim begins substantive review.

Table 2 below provides information on the categories of conditions associated with the eligibility decisions. The breakdowns are based on conditions certified or verified by the WTC Health Program.

Table 2: Eligibility Claims by Category of Condition

ELIGIBILITY FORMS	TOTAL	Claims with Cancer as the only Condition	Claims for only Non-Cancer Conditions	Claims with both Cancer and Non- Cancer Conditions
Eligibility Decisions – Approved	18,024	2,485	12,679	2,860
Eligibility Decisions – Not Eligible*	818	120	649	49

* This table does not include the 3,264 claims found not eligible where the VCF was unable to make a determination as to whether the claimant suffered from a 9/11-related condition, including in those claims where eligibility was denied for failure to respond to a request for information.



Compensation Claims

Once a claimant has been deemed eligible, the VCF begins review of the claimant's compensation claim to determine how much compensation the claimant may receive from the Fund. As of December 31, 2017, the VCF has received 28,611 compensation claims, of which 17,495 (61%) are from claimants who have been deemed eligible. Of those with eligibility approved, the VCF has rendered decisions on 15,296 (87%) claims. Note that these numbers reflect all compensation form submissions since the VCF re-opened in October 2011.

An additional 6,183 individuals whose eligibility review is still in process have also submitted compensation claims. If the claimant is deemed eligible, the compensation claim will be prioritized for review based on the date the compensation form was first submitted.

The VCF has also rendered 5,263 revised decisions on 4,315 claims for which the claimant appealed the award decision or submitted an amendment to seek additional loss once the initial award determination had been rendered. Claimants may submit more than one amendment for review once the initial award has been issued. In addition, there are 2,262 claims with a previously-issued award decision that are now pending review of a compensation amendment or appeal.

The statistics in Tables 3 through 6 on the following pages represent activity through the end of the day on December 31, 2017. Comparison data is shown where available from the same period last year. It is important to note that the statistics for the period ending December 31, 2016, were separated into Group A and Group B statistics when reported in the Fifth Annual Status Report and have been combined here to reflect totals for all claims.



Table 3: Status of Compensation Claims

COMPENSATION CLAIMS	As of December 31, 2017	As of December 31, 2016**	Year-to-Year Change
TOTAL Compensation Claims (claims for which an Eligibility Form was also submitted)	28,611	19,563	9,048
Claims with In-Process Eligibility Review	6,183	2,764	3,419
Claims deemed Denied, Duplicate, Superseded or otherwise halted Eligibility review	4,933	2,034	2,899
TOTAL Compensation Forms <i>from claimants who have been deemed Eligible</i>	17,495	14,765	2,730
Compensation Decisions Rendered – Initial Award Decisions	15,296	11,549	3,747
Personal Injury Claims	15,098	11,493	3,605
Deceased Claims*	198	56	142
Compensation Claims Processing	2,199	3,216	(1,017)
Compensation Claims not yet in Substantive Review	1,598	2,114	(516)
Compensation Claims in Substantive Review	601	1,102	(501)
Revised Compensation Decisions due to Amendment or Appeal			
Count of unique Claims with at least one Compensation Amendment or Appeal Submitted	6,577		
Count of unique Claims with at least one Revised Compensation Decision rendered (due to amendment or appeal)	4,315		
Unique Claims pending review for a Revised Decision	2,262		
Total number of Revised Compensation Decisions Rendered (may be more than one revised decision per claim)	5,263		

* The count of deceased claims includes only those claims filed for a victim who died of causes related to an eligible 9/11 condition. The claim type is initially determined based on answers to claim form questions and may change once the claim begins substantive review.

** These numbers represent the total for Group A and Group B claims as reported separately in the Fifth Annual Status Report.

Table 4: Initial Compensation Decisions by Categories of Conditions

INITIAL COMPENSATION DECISIONS	TOTAL	Claims with Cancer as the only Condition	Claims for only Non-Cancer Conditions	Claims with both Cancer and Non- Cancer Conditions
Compensation Decisions Rendered	15,296	2,041	11,123	2,132
Total Dollar Value	\$3,127,469,543.04	\$706,464,840.47	\$1,720,205,501.72	\$700,799,200.85



Table 5: Revised Compensation Decisions by Categories of Conditions*
(count of unique claims with revised compensation decisions)

REVISED COMPENSATION DECISIONS	TOTAL	Claims with Cancer as the only Condition	Claims for only Non-Cancer Conditions	Claims with both Cancer and Non-Cancer Conditions
Claims with a Revised Compensation Decision – due to Amendment or Appeal	4,026	207	3,057	762
Dollar Value of Revised Decisions	\$204,479,486.06	\$29,794,605.59	\$105,298,869.72	\$69,386,010.75

* The table does not include 289 claims for which an amendment was received but was dispositioned without substantive review. This occurs when an amendment is filed without any supporting information, or in cases where the claimant has already received a non-economic award at the statutory cap and the newly claimed condition does not change that award.

Table 6: Compensation Decisions Rendered

COMPENSATION DECISIONS RENDERED	Dollar Value
Total Decisions Rendered	\$3,331,949,029.10
Personal Injury Claims	\$3,194,129,914.03
Deceased Claims	\$137,819,115.07
Highest Amount	\$4,133,466.00
Personal Injury Claims	\$4,133,466.00
Deceased Claims	\$3,254,242.77
Lowest Amount*	\$500.00
Personal Injury Claims	\$500.00
Deceased Claims	\$10,067.64
Mean Dollar Value	\$227,390.23
Personal Injury Claims	\$220,802.57
Deceased Claims	\$737,000.62

* The \$500.00 in the table represents the lowest amount for any claim for which the calculated award was greater than \$0. Note that there are also claims submitted by claimants who were fully compensated in VCF1 (the original VCF that operated between 2001 and 2004) and do not have any new conditions. These claimants do not receive any compensation and the associated dollar value for these claims is therefore \$0. There are also a number of claimants whose offsets exceed the total amount of their combined economic and non-economic loss, resulting in a \$0 award as required by the reauthorization statute.

Information by Claimant Categories

The information in Table 7 on the following page is based on the category identified by the claimant at the time the Eligibility Form was submitted. The number of claims with award decisions reflects only those claims for which an award has been rendered. The remaining claims are either pending review, inactive, or were determined to be ineligible. The associated dollar value reflects the current total award (initial award and any subsequent revised amounts due to an amendment or an appeal) associated with all compensation decisions made on the claims. The data in the table is current as of December 31, 2017.



Table 7: Claim Information by Self-Reported Claimant Category

CLAIMANT CATEGORY	Number of Claims Submitted	Number of Claims deemed Eligible	Number of Claims with Award Decision	Dollar Value
Responder – NYC	22,940	14,604	12,516	\$2,815,797,840.68
Responder – Pentagon	84	25	17	\$3,506,522.02
Responder – Shanksville	20	7	5	\$1,391,017.56
Non-Responder NYC – cleaning or maintenance work	1,056	684	594	\$65,798,920.51
Non-Responder NYC – other capacity	5,683	1,833	1,501	\$314,215,105.47
Resident within NYC zone*	1,120	298	255	\$49,138,759.83
Attend school/childcare/adult care facility	60	31	28	\$9,432,857.94
NYC – Other Capacity	499	108	87	\$19,118,877.34
Non-Responder – Pentagon	42	12	9	\$2,432,552.40
No Response	1,185	422	284	\$51,116,575.35

* The “NYC Exposure Zone” is defined as “the area in Manhattan south of the line that runs along Canal Street from the Hudson River to the intersection of Canal Street and East Broadway, north on East Broadway to Clinton Street, and east on Clinton Street to the East River; and any area related to or along the routes of debris removal, such as barges and Fresh Kills landfill. <https://www.vcf.gov/nycExposureMap.html>

Listed below are the definitions for those claimant categories that benefit from additional clarification:

- **Responder:** an individual who performed rescue, recovery, demolition, debris cleanup, or other related services at one of the sites in response to the September 11, 2001, terrorist attacks, regardless of whether the individual was a state or federal employee or member of the National Guard or performed the services in some other capacity. A victim may be considered a Responder even if he or she performed the listed services through a private employer or on a volunteer basis.
- **Non-Responder NYC – other capacity:** an individual who, through ordinary employment, was in the exposure zone during the period from September 11, 2001, through May 30, 2002.
- **NYC – Other Capacity:** a visitor, tourist, and any other individual who was in the exposure zone during the relevant time period and is not included in another category.

Registration Information

An individual must timely register his or her claim based on deadlines set forth in the Zadroga Act and implementing regulations. By registering, an individual preserves his or her right to file a claim any time before the VCF closes for submissions on December 18, 2020.

Registration does not create an obligation or commitment to file a claim, and the Special Master expects that a large percentage of registrations will not result in claims being filed as they are either duplicates or were created by individuals who will eventually decide not to file a claim.

As of this report, 68,959 unique registrations (based on the victim’s Social Security Number) have been submitted with the VCF. This number does not include incomplete registrations.

Table 8 provides a breakdown by state (based on the victim’s state of residence) of all submitted registrations, the count of claim forms submitted, and the count of initial award determinations that have been issued.



Table 8: State-by-State Claim Distribution as of December 31, 2017

State		All Registrations	Submitted Claim Forms	Award Determinations
OUTSIDE US		527	151	53
Alabama	AL	104	41	19
Alaska	AK	12	<10	<10
Arizona	AZ	249	127	67
Arkansas	AR	18	14	<10
California	CA	500	160	58
Colorado	CO	134	62	24
Connecticut	CT	634	234	97
Delaware	DE	131	67	35
District of Columbia	DC	47	<10	<10
Florida	FL	3,146	1,712	903
Georgia	GA	421	195	81
Hawaii	HI	19	<10	<10
Idaho	ID	12	<10	<10
Illinois	IL	98	35	13
Indiana	IN	87	17	<10
Iowa	IA	13	<10	<10
Kansas	KS	10	<10	<10
Kentucky	KY	39	11	<10
Louisiana	LA	36	13	<10
Maine	ME	54	25	10
Maryland	MD	341	105	31
Massachusetts	MA	197	72	27
Michigan	MI	57	22	10
Minnesota	MN	27	<10	<10
Mississippi	MS	11	<10	<10
Missouri	MO	56	26	<10
Montana	MT	12	<10	<10
Nebraska	NE	16	<10	<10
Nevada	NV	136	68	33
New Hampshire	NH	65	29	14
New Jersey	NJ	6,672	2,823	1,182
New Mexico	NM	74	28	<10
New York	NY	64,395	24,718	11,694
North Carolina	NC	802	421	214
North Dakota	ND	<10	<10	<10
Ohio	OH	134	66	18
Oklahoma	OK	28	13	<10
Oregon	OR	36	13	<10
Pennsylvania	PA	1,250	593	281
Puerto Rico	PR	47	25	10
Rhode Island	RI	38	18	<10
South Carolina	SC	490	295	158



State		All Registrations	Submitted Claim Forms	Award Determinations
South Dakota	SD	<10	<10	<10
Tennessee	TN	127	54	27
Texas	TX	296	118	62
Utah	UT	35	13	<10
Vermont	VT	33	16	<10
Virginia	VA	583	186	67
Washington	WA	58	16	<10
West Virginia	WV	41	17	<10
Wisconsin	WI	31	11	<10
Wyoming	WY	10	<10	<10

6. VCF Operations

In 2017, we continued our efforts to efficiently and accurately review claims, implement updates to our internal claims system, and work with claimants, counsel, and third parties to obtain information required to allow us to issue decisions on claims. Although claimants do not need an attorney in order to file a claim, approximately 82% of the claims submitted to date are from attorneys representing claimants.

This section highlights our operational activities over the past year. For detailed information on the VCF’s claim filing process and claim review procedures, including the methodology for calculating awards, please see the [“Policies and Procedures”](#) document, which can be found under “Forms and Resources” on the VCF website. The website also includes detailed information on [how to file a claim](#), and a simplified [overview of the claim review process](#).

- Addition of pre-screen to overall review process:** In an effort to identify missing information earlier in the process and speed up claim review by only moving claims forward if they have the information needed to evaluate the claim, we implemented a new “pre-screen process.” Because these claims are not ready for substantive review, we assign them to a pre-screen team that is charged with identifying the minimally required documents that are still needed, issuing Missing Information letters where appropriate, and monitoring the claim for receipt of the needed documents. The list of minimally required documents is small and includes documents such as the Claim Form Signature Page, Exhibit A, presence documentation, and Exhibit 1 when economic loss is claimed. The addition of this process has already achieved the desired results. Claims that are missing the minimum documents are placed in “Inactive” status, with a request that the claimant submit the missing item(s) within 60 days. Once the missing information is received, the claim is reactivated and review of the claim continues.
- Updates to outgoing correspondence:** Over the course of a claim, we send many different types of letters, and I am continually focused on ensuring that our letters are easy to understand, set forth a sufficient explanation of the basis of the determination, and provide clear instructions as to next steps. Over the past year, we revised many of our letters to reflect policy and process changes, and continued to customize letters to better explain the nuances of our review of the claim. We also introduced several new letters, including the Registration Form Acknowledgement Letter, which acknowledges an individual’s registration with the VCF and confirms their claim number, and multiple letters related to the new pre-screen process.
- SSA disability information made visible in the online system:** Claimants who are seeking lost earnings must submit a valid Exhibit 1, which is the authorization for release of information



from the Social Security Administration (“SSA”). Pursuant to an agreement with SSA, we send the Exhibit 1 authorization to SSA and, in return, the SSA sends us a data file that contains certain information about the claimant’s earnings history and, if applicable, the basis of the disability determination (i.e., the diagnosis impairment codes which identify the condition(s) that the SSA found to be disabling), the start date of benefits, and the amount of benefits. Many of the law firms representing claimants requested that this information be made viewable in the claimant’s VCF file to make it easier for claimants and counsel to make an informed decision as to whether to file a claim or an amendment for earnings loss. To address those requests, we made changes that allow the SSA disability information we receive from SSA to be viewable in the claim to authorized users through the VCF’s online portal. We continue to hear positive feedback about this change.

- **Changes related to the processing of deceased claims seeking losses for wrongful death:** Wrongful death claims present several complex issues that, by default, take longer to review than personal injury claims. We are also aware of the heightened sensitivity in these cases for family members awaiting a sense of closure. In an effort to ensure that we have the information needed to evaluate the claim and to move these claims through review as efficiently as possible, we implemented two notable changes to our process last year. First, we now require documentation regarding the cause of death at the submission of the claim and will not render an eligibility decision until the information is submitted. Historically, our practice has been to request – but not require – cause of death documentation when the wrongful death claim is submitted, and then proceed with the claim through eligibility review while receipt of that information is pending. As a result, when it came time to review the claim for compensation, information regarding cause of death was often missing from the file. Because the cause of death is a threshold issue that affects the compensation analysis, we had to stop our review at the compensation stage pending receipt of that information. Requiring this documentation upfront allows for a more efficient processing of these claims, as it avoids the delays that ensue when we must place a claim on hold when we are ready to calculate the award. Second, by statute, we are required to offset or deduct any life insurance benefits the claimant has received, or is entitled to receive, as a result of the victim’s death. Life insurance is the one collateral offset on a wrongful death claim that applies to both economic and non-economic loss and for which data is not available to us from a third-party source. Although we ask for life insurance information and documentation in the claim form, we found that this information is routinely missing from, or incorrect in, wrongful death claims. As a result, we could not issue an award until a complete and correct response was submitted. In order to avoid delays of this sort and ensure the accurate computation of offsets, we instituted a new process in which we send a request for the missing information (which could include an affirmative statement from the claimant affirming that the victim had no life insurance) and, if no response is submitted within 30 days, we will deactivate the claim. The claim will be reactivated once the requested information is submitted.
- **Ongoing focus on appeals-related activity:** We continued to have significant appeals-related activity in 2017. We held 289 hearings in 2017, compared to 324 hearings in 2016. This included 88 (30%) eligibility hearings and 201 (70%) compensation hearings, compared to a relatively even split between eligibility and compensation hearings in 2016. We also found that a greater percentage of hearings were to address complicated economic loss issues in 2017 than in prior years.

The VCF published updated guidance about what constitutes a “true” appeal (as opposed to an amendment) and increased outreach efforts from our appeals team to claimants and counsel in an effort to ensure that only those claims and issues that are ripe and appropriate



for appeal proceed to a hearing. As a result of these efforts, along with the clarification of multiple substantive policies throughout the year and expanded explanation in correspondence as to what was considered in a determination, as mentioned above, the raw number of appeal requests in response to eligibility denials and compensation determinations decreased considerably, from 649 requests in 2016 to 434 requests in 2017. Similarly, the proportion of claims for which an appeal was requested that ultimately resulted in a hearing was much higher (67%) in 2017 than in 2016 (50%).

The VCF also made significant progress in terms of the volume and pace with which it rendered determinations post-appeal. In 2017, the VCF rendered determinations on 476 appeals, for hearings held in 2016 and 2017, compared to 244 in 2016. We also set a goal to render post-hearing decisions approximately 45 days after a hearing is held. By the last quarter of 2017, we were able to meet that target and remain committed to maintaining that turnaround time in 2018.

We continue to expand the Appeals team, going from 10 team members in 2016 to 17 members in 2017. The appeals team includes a specialized group of attorneys and staff responsible for preparing pre-hearing materials, coordinating hearings, participating in hearings, advising Hearing Officers, and preparing post-hearing recommendations to the Special Master. In 2017, two of our veteran pro bono Hearing Officers resigned from the program, but we also welcomed four new Hearing Officers to our team, bringing their extensive legal experience and knowledge to preside over hearings and offer recommendations for the Special Master's consideration and allowing greater flexibility in the scheduling and handling of appeals.

- **Continued policy of rendering decisions based on information available at the time the claim is reviewed:** Early in the program, the VCF placed claims with incomplete submission on hold while waiting for claimants to submit missing information. During 2015, the VCF revised its procedures and, after waiting 30 days for a response to a request for missing information, issued determinations based on the information provided so that claimants would have the benefit of a determination. This practice has continued since that time and has proven to be very successful in our ability to issue decisions on claims, and claimants continue to react positively to the change. If the claimant submits the additional information at a later date by amending his or her claim, the VCF will re-evaluate whether there is sufficient support for additional eligible loss.
- **New forms to support accurate claim information:** Over the course of a claim, it is common for a claimant's contact information to change, or for a claimant to add or remove an attorney from the claim. We also continue to identify errors in biographical information entered into claim forms, and it is not uncommon for a single claimant to have multiple registrations. These types of issues and updates need to be addressed quickly and accurately, which led to the development of two new forms designed to easily and accurately address changes and/or discrepancies in claim information. The [Change of Attorney](#) form is used if a claimant wants to add an attorney or make changes to the attorney associated with their VCF claim. The [Claim Information Resolution](#) form is used by claimants to clarify a discrepancy in the information submitted with a claim or to identify the appropriate claim to move forward for review. Both forms were introduced in 2017, along with an option to submit them via email, and have proven highly effective at providing the information we need in order to update the claim and continue moving it through the review process.
- **Continued enhancements to the claimant and administrative portal:** In 2016, we overhauled the online claims management system and online claim form, and in 2017, we



continued to make enhancements to the online system based on feedback from users, our Helpline team, and our own usability findings. One of the more significant changes is the addition of several new statuses to the Eligibility and Compensation status columns. These new statuses provide claimants with more insight into the status of their claim by providing more discrete information about where the claim is in the review process. To further supplement this new information, we also added new “date in status” columns so it is clear when the status last changed on the claim. In addition to the status-related changes, system updates made this year also included: adding a “Most Recent Correspondence” date to make it easier to see recent correspondence; changing the “upload documents” view to make it more clear when a document has been uploaded by the VCF; adding information to show the user who submitted any amendments on the claim; implementing a change to display the current online owner and any delegated users within each claim so it is clear who has access to the claim; and making several enhancements focused on law firm users who manage multiple claims, including the ability to delegate claims to law firm users in “bulk,” export a complete list of claims, and auto populate attorney information based on standardized law firm name.

In addition, the VCF uses an administrative portal to its claims management system to support all aspects of claim management and review. We continued our efforts this year to enhance the system, including major changes to support ingestion of the revised economic loss models, changes to enable automated correspondence, improved system response time, enhanced queue management, a more robust search function with ad hoc query capabilities, and enhancements to the way in which claims are assigned for action. These changes had a significant positive impact on the efficiency of our internal processes.

7. Public Communications and Partnerships

Continued Expansion of Public Resources for Information and Support

One of my core values in leading the VCF is to be transparent in what we do and how we do it. Claimants should understand the review process and the methodology used to calculate awards, and they should have easy access to understandable information throughout the claims process – from registering, to filing a claim, to checking claim status, to understanding the decision on their claim.

Over the past year, our toll-free Helpline and website continued to serve as resources to claimants, potential claimants, and the general public.

- **Website:** The www.vcf.gov website includes step-by-step guidance for filing a claim, forms and resources, tip sheets and instructions, frequently asked questions, and dedicated content for law firms representing claimants. As noted in Section 3, we continually update our website with important information and forms to assist in filing a claim, and we strive to make that information easy to find, clear, and practical. Information about the VCF, instructions for filing a claim, FAQs, claimant resources, as well as other website content, are available in English, Spanish, Polish, and Mandarin. As shown in the chart on the following page, visits to the VCF website nearly doubled in 2017 over 2016, demonstrating that the website continues to be an increasingly useful resource to the 9/11 community.
- **Helpline:** Our toll-free Helpline is open Monday to Friday from 8:30 a.m. to 5:00 p.m. ET, except Federal holidays. After hours, callers can choose to listen to recorded information or leave a message, which will be returned the next business day. We continue to offer foreign language support through bilingual representatives and skilled interpreters working with the Helpline.

This past year, we made it possible for claimants to call the Helpline to complete their



registration by phone, making it easier than ever to register with the VCF. We also continued our highly successful outreach program to proactively contact claimants who are not represented by an attorney so that we can provide assistance in understanding the status of their claims and the information required to complete their claims. This includes routinely calling claimants to follow up on letters sent by the VCF, contacting claimants to discuss missing information needed on their claims, and helping claimants use the online claims system.

The chart below shows the approximate number of visitors to the VCF website and callers to the Helpline each year since the VCF re-opened in 2011.

	10/3/2011 – 9/30/2012	10/1/2012 – 10/31/2013	11/1/2013 – 9/30/2014	10/1/2014 – 12/31/2015	1/1/2016 – 12/31/2016	1/1/2017 – 12/31/2017	Total
Website Visitors	73,000	282,500	245,749	414,303	458,583	912,080	2,386,215
Inbound calls to Helpline	5,600	32,900	33,439	49,836	37,817	37,221	196,813

We also continued to convene regularly scheduled conference calls with attorneys from various law firms representing multiple claimants to update them on key policy changes, solicit their feedback, and incorporate their suggestions into our claims processing activities. We hold regularly scheduled “office hours” in our New York office during which attorneys can meet with us to discuss their claims. We email updates to the law firms as new information is posted to the website and have followed each conference call with summarized notes that are posted on our website. The information posted to our website is available to all visitors.

Community Outreach

In our sixth year, we maintained strong outreach efforts put in place in the past year, and intensified our efforts to establish relationships with a broader range of organizations who serve the 9/11 community. We continued to communicate with claimants and their representatives through direct contact and collaboration with these partner organizations. We are grateful for the continued support and feedback we receive from a wide range of government, health, legal, and civic groups that touch this community as we fulfill the promise of the Fund. We have also identified several dozen advocacy and interest groups as part of our outreach plan and we will continue to partner with them in 2018 to increase awareness of the VCF. Examples of our outreach efforts over the past year include:

- Commemorating the 16th Anniversary:** The weeks around the anniversary include unique opportunities to honor those on whose behalf we work all year. This year, I attended a number of events that introduced me to a broad range of people, stories, and relationships to which September 11th is central. It was a true privilege to participate, along with members of my leadership team, in the Voices of 9/11 16th Annual Day of Remembrance Information Forum. This day-long event provided us with insight into the challenges facing those most affected by the events of 9/11. We also had the opportunity to participate in a public meeting hosted by United We Stand, where we provided an overview of the VCF and heard first hand from claimants and potential claimants. And I was pleased to participate in my first Facebook Live event hosted by 9/11 Health Watch and the FealGood Foundation, providing a chance to reach those who may be eligible for assistance, but are not aware of the VCF. It is humbling to be able to meet and hear from survivors and family members, and it is heartening to be surrounded by those in the community who are dedicated to providing these individuals with the necessary support and services.



- **Pro-bono claimant assistance:** While our claims process is designed to be user-friendly, there are circumstances in which an individual is simply not in a position to complete the claim form and does not have access to an attorney. We were approached by the Reed Smith law firm with an offer to provide pro bono assistance to qualified claimants, with the New York City Bar Justice Center serving as an intermediary. We provided training on the claims process to a group of Reed Smith lawyers, and the City Bar Justice Center screens potential pro bono clients for referral to Reed Smith. Building on the success of this concept, and in response to recent requests, we are also working with New York Law School to offer free claimant assistance clinics for individuals needing assistance in filing VCF claims. Similar to the clinics we held in the first few years of the VCF, these took place in January, and were facilitated by volunteer law students (trained by VCF staff) who provided one-time free assistance to people who sought to file a claim in the VCF without an attorney.
- **Community events:** We continue to increase our efforts to identify those who may be eligible for compensation but are not aware of the VCF. This year, we made a concerted effort to connect with communities of survivors, presenting information about how the VCF works, answering questions, and providing contact information for the Helpline and website. Events with the Manhattan Borough President, Voices of 9/11, United We Stand, and the Bronx Veterans Center, provided valuable visibility for, and awareness of, the VCF. We also created a [new page](#) on our website to provide ongoing information about upcoming public events, and have begun planning similar events in 2018.
- **Media events:** In addition to my Facebook Live event hosted by 9/11 Health Watch and the FealGood Foundation, I had the opportunity to do a number of media outreach events this year, including interviews with PBS Frontline, Federal News Radio, and Fox News. I was also interviewed by the New York Post for an article that appeared in conjunction with the 16th anniversary.
- **Mailings:** Information regarding the VCF was mailed to the approximately 75,000 enrolled membership of the WTC Health Program, to the Congressional delegations from the ten states that have the highest number of current VCF registrants, and to over 50 government agencies, bureaus, and services whose employees may have been directly impacted by 9/11.
- **Ongoing coordination with government agencies and 9/11 interest groups:** My staff and I continue to be in close contact with key personnel at the New York City agencies most affected by the 9/11 attacks, including the Fire Department of New York and the New York Police Department, as well as various state and federal agencies, including the New York State Workers' Compensation Board and the Social Security Administration. We also continue to collaborate on outreach efforts, working with, among others, the World Trade Center Health Registry, which is the largest registry in U.S. history to track the health effects of a disaster. These partners continue to provide us with claimant-specific data to ease the burden on claimants, support the claim review process, and reach those who may not be aware of the VCF. We continue to be appreciative for their cooperation and collaboration on behalf of claimants and the entire 9/11 community.
- **Coordination with New York City Employees' Retirement System ("NYCERS") and the Federal Bureau of Investigation ("FBI"):** We reinvigorated communications with NYCERS, New York City's largest pension fund, in an effort to facilitate the processing of VCF claims for NYCERS members. After meeting with NYCERS leadership, we agreed to resume a direct data exchange to obtain pension information and documentation directly from them, and we are working out the logistics to implement the exchange. We also arranged a meeting with approximately 200 current and former FBI employees to provide much-requested information



about VCF eligibility and potential compensation. The meeting generated a great deal of follow-up, and resulted in our working with the FBI to refine the documentation it provides to establish an individual's presence, ensuring that it meets all VCF requirements. This was an excellent example of how our contact with these groups provides an opportunity to communicate information about the Fund, as well as receive feedback about the claims process from these constituencies.

- **Outreach to 9/11-related organizations:** In addition to direct outreach to over 50 government agencies and departments, we contacted a broad array of associations, unions, and foundations that have direct contact with individuals who were present at the Pentagon, Shanksville, or in the New York Exposure Zone and may be eligible for VCF compensation.
- **Relationship with the WTC Health Program:** The VCF could not operate without support from NIOSH, the WTC Health Program, and the CCEs. We are grateful for the many ways they collaborate with us on an almost-daily basis and support our ability to process claims. We have provided training about the VCF and our processes for the staff at the CCEs, contributed to the section of their benefits handbook that pertains to the VCF, and continue to collaborate on opportunities to talk about how our two programs interact. We continue to participate in monthly meetings of the WTC Health Program Responder Steering Committee in order to hear firsthand about the enrollment, certifications, and other activities at the various CCEs that are part of the WTC Health Program medical network; to better understand evolving trends across the program; to provide updates to committee members and other participants on VCF policies, procedures, and activities; and to address questions pertaining to the VCF that are raised by the CCEs. We also participated in the WTC Health Program's inaugural Research to Care community engagement event, a unique opportunity for the public to hear about new developments in 9/11 health research and learn how to maintain good health.
- **Posting detailed program statistics:** We continue to post detailed program statistics to our website each Tuesday, and publish the more expansive VCF Program Statistics to our website three times each year, along with this Annual Report. The data in these reports reflects the enormous progress the VCF continues to make in rendering eligibility and compensation determinations, and provides statistics of interest such as the breakdown of claims for cancer vs. non-cancer conditions, claims filed based on claimant type, and information on the number of amendments filed after an initial determination has been rendered.

8. Administrative Costs

Administrative funding for the VCF became available in Fiscal Year 2012. Administrative funding comes from the VCF's total appropriation. The total appropriation is the same capped pool of funds available for awards. As such, I am committed to keeping administrative costs to only what is reasonably necessary to minimize the burden placed on claimants and their representatives, while maximizing claims processing speed and efficiency.

There are three categories of administrative costs for the Fund:

1. Recurring costs associated with VCF operations
2. System development and maintenance costs
3. Labor and contractor support costs

As of December 31, 2017, the first category, recurring costs associated with operations, totaled approximately \$11.2 million, or about 11% of total administrative costs. These costs include rent for office space in Washington, DC, and in New York City. Costs also include equipment and services such as phone lines, printers and copiers, office supplies, furniture, and internet access.



The second category, system development and maintenance, includes the development of enhancements to the claimant portal and the system used by VCF staff to process claims and the ongoing maintenance of the system. As of December 31, 2017, costs associated with creating and maintaining the VCF's Claims Management System ("CMS") totaled approximately \$27.0 million, or about 26% of total administrative costs.

The third category, labor and contractor support costs, is ongoing and relates to the number of claims received and processed. As of December 31, 2017, labor and contractor support costs associated with the VCF operation totaled approximately \$66.2 million, or about 63% of total administrative costs. These costs include my salary as well as the salaries of Deputy Special Master Stefanie Langsam, Deputy Special Master and Director of the New York Office Jordy Feldman, and the staff necessary to run VCF operations, answer calls to the Helpline, and work with claimants to complete unfinished and inactive claims. This category also includes attorneys in my office who review claims for eligibility and compensation and make recommendations for determinations.

Expanded VCF Staff

The most significant increase in our administrative costs over the past year was due to an increase in staff, which is a direct result of the increase in claims filed and the number of claims awaiting a determination. We ended 2017 with 170 total team members, as compared to 146 total staff at the end of 2016.

The VCF's Washington, DC, office is the hub of our claim review activity and the various activities that support end-to-end claims processing. The VCF's New York Office is the primary location of our appeals process and outreach activities, and continues to serve a critical role in maintaining a strong VCF presence where so many of our claimants still reside. The expansion in staff also necessitated the need for additional space in our Washington, DC, office, which resulted in an increase in our rent costs in the later part of the year. We are still working on the build-out of this space and expect it to be fully available within the next few months.

In addition to the claim review team, the VCF has teams that handle document intake, file management, correspondence, various post-decision activities, and payment processing. Our Helpline team works closely with claim reviewers, making it easier to provide callers with the most current information about their claim. Our payment team and quality review teams continue to ensure that award determinations are accurate, complete, and consistent within and across claims. And, our Claims Management System team is dedicated to the development, testing, maintenance, and enhancements of the online claims system used by claimants and VCF staff. This team also oversees all requirements related to security of our systems and data.

The chart on the following page shows the current breakdown of staff across the different teams. The numbers in parenthesis indicate members of that specific team who are included in the total count and are located in our New York office.



VCF Team	Staff Count Dec 2017
Special Master	1
Deputy Special Master	1
Deputy Special Master and Director of New York Office	1 (1)
Claim Review Team (includes Pre-Screen team and claim review support)	69 (1)
Document Intake Team	21
Helpline Team	10
Payment Team	11
Quality Review	8
Correspondence Team	3
Hearing Officers and Support Team	(12)
Program Support	10
Claims Management System ("CMS") Team	23
Total	170

We continue to assess our resources against the volume of claim submissions and will consider whether to further expand the team in 2018.

9. Prioritization Mandate and Annual Reassessment of Policies and Procedures

An important component of the Reauthorized Zadroga Act is the requirement that the Special Master prioritize claims for victims who are determined by the Special Master to be suffering from the most debilitating physical conditions. The statute provides that such individuals should not be unduly burdened by procedures necessary to maintain the aggregate funding cap. As noted in last year's report, I have interpreted this requirement to mean that the available funds should be prioritized for those with the most debilitating conditions. Therefore, for example, non-economic loss awards for such claims are at the higher end of the range of awards and non-economic awards for those with less serious conditions are at the lower end of the range of awards.

In order to ensure that the prioritization mandate is upheld, the Act also includes the following requirement: *"Beginning 1 year after the date of enactment of the James Zadroga 9/11 Victim Compensation Fund Reauthorization Act, and each year thereafter until the Victim Compensation Fund is permanently closed under section 410(e), the Special Master shall conduct a reassessment of the agency policies and procedures developed under clause (i) to ensure that such policies and procedures continue to satisfy the requirements under subclauses (II) [total expenditures do not exceed the amount of available funds] and (III) [prioritization of claims for those suffering from the most debilitating physical conditions] of such clause. If the Special Master determines, upon reassessment, that such agency policies or procedures do not achieve the requirements of such subclauses, the Special Master shall take additional actions or make such modifications as necessary to achieve such requirements."* This annual reassessment is intended to identify, as early in the VCF's operations as possible, whether or not adjustments need to be made to VCF policies and procedures in order to ensure that the VCF's limited funding is available to compensate those with the most debilitating illnesses.

The first year after the date of enactment ended on December 18, 2016, and the Annual Report published in March 2017 was the first report that included the required reassessment. As explained in that report, I have interpreted the statutory mandate to mean that each year, the VCF shall estimate,



to the extent possible, the total awards for claims that have been submitted but not yet decided as well as the projected population of future claims to be submitted and their corresponding estimated awards. The VCF will also estimate the total administrative costs through the end of the program. These projections, together with the total amount awarded to date and the total administrative costs to date, will be compared to the total VCF funding to assess whether or not the available funds will be sufficient to cover the anticipated total awards and administrative costs. If I conclude that the available funding will not be sufficient to cover future awards and operational costs, I interpret the Act to require that I reassess the policies and procedures applied to claim evaluation in an effort to reduce the likelihood that the funds will be exhausted before all claims are paid, and to increase the availability of funds to those individuals with the most debilitating physical conditions.

Estimates and Projections

This report is the second annual reassessment under the reauthorization. In preparing this year's estimates, we followed the same core methodology that was used to calculate the various estimates and projections provided in last year's report, with one distinct change. Last year, we based our projections on two different modes of analysis – one historical data-based and one trend-based – that yielded two sets of estimates and projections of the characteristics of a future claimant pool. We took this approach because when we reviewed the historical data as of December 31, 2016, we quickly came to the realization that relying on historical data alone was insufficient to support a reasonable projection of future claim activity because of the significant changes in the program over the years, including the enactment of the reauthorization. Accordingly, where applicable, we identified trends evidenced in more recent data, including data accumulated between December 31, 2016 and the time the report was published in March 2017, and adjusted the estimates and projections derived from the historical data in an effort to provide what we believed may be a more realistic picture of future projected claim activity. At each step of the methodology, we provided an explanation of the assumptions and trends that led us to generate the trend-based estimate instead of relying strictly on data derived from the historical performance of the VCF. Using both the historical data and the trend-based adjustments, the reassessment identified a range of total awards for claims that had been submitted but not yet decided, as well as the projected population of future claims to be submitted and their corresponding estimated awards.

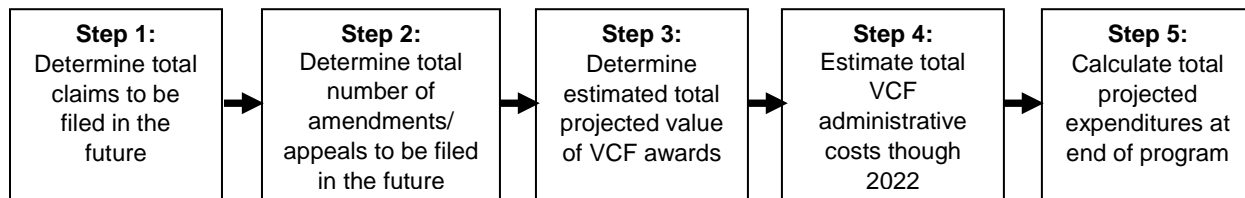
In taking this approach last year, we attempted to be faithful to the trends we were seeing in the data and in the submissions made by claimants to the VCF, but we were also cautious. Estimates, by their nature, contain some amount of guesswork, particularly given the short period of time that had passed since reauthorization and the correspondingly short period of time in which we were able to analyze trends. We noted in the report that we anticipated that in future reassessments, the information derived from historical data and the estimates based on our analysis of more recent trends would begin to converge as the VCF adjusts to the changes wrought by the reauthorization and to the alterations in our claimant population and award determinations. And, we stated that we expected future reassessments would provide a more accurate picture of future claims, awards, and administrative costs, allowing us to better evaluate whether VCF policies and procedures need to change in order to fulfill our statutory mandates. These expectations have proven to be true and in this year's report, although we follow the same overall methodology for calculating the projections, the calculations are based strictly on historical data through December 31, 2017. While we do not adopt the trend-based approach this year, it is still worth cautioning that future claims activity is subject to numerous factors, many of which we can neither control nor predict. So, while our methodology and the results generated are set forth in this section of the report, we continue to keep a very close eye on both the data and trends so that we can identify, at the earliest possible stage, areas where future activity may begin to diverge from what is projected here.



The Starting Point. Given the significant research already completed by the WTC Health Program into the population of individuals impacted by 9/11, and because the populations we serve overlap extensively, we continued with our approach of leveraging its data and analysis as a starting point for our estimates.² One important distinction between the two programs is that the WTC Health Program makes a distinction in its services and statistics between responders and survivors,³ whereas the VCF does not make a distinction between the two “categories” of claimants in the application process or in the calculation of awards. Similar to last year, we therefore reviewed the WTC Health Program data in aggregate for the entire potential population of its members and our claimants.

Methodology

The methodology used to estimate the VCF’s total expenditures at the end of the program includes five high-level steps:



Each step and the corresponding sub-steps are explained on the following pages. Where useful, we have included a chart that shows a summary of the calculation completed in that step, along with the estimates published in the March 2017 report and the current projections based on historical data through December 31, 2017. *All numbers and calculations have been rounded to make it easier to read and verify the approach taken and the outcome of each step.*

Step 1: Determine total number of VCF claims to be filed in the future.

a. Projected enrollment of WTC Health Program (“WTCHP”) members who have a physical condition

We began with the projected total enrollment of WTC Responders and Screening- and Certified-eligible Survivors as estimated by the WTC Health Program for each year from FY2017-FY2020 and as shown in lines 1-3 in Table 9 on the following page. As a point of comparison, line 4 shows the increase in these totals compared to the same data as reported in our March 2017 report. The WTC Health Program updates their projections each year, and this table reflects their most recent projections. Although the WTC Health Program published their enrollment projections through

² The use of WTC Health Program data, historical data of VCF program activity to date, and a slightly different methodology, means that the projections described here differ somewhat from previous projections generated by the Congressional Budget Office and the VCF. For reference, those projections (and the assumptions they incorporate) are available at <https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/costestimate/s928ltr.pdf>, and <https://www.vcf.gov/pdf/ZadrogaFund2013-0128.pdf>, respectively.

³ The WTC Health Program defines a member as an individual who is enrolled in the WTC Health Program as a responder, certified-eligible survivor, screening-eligible survivor, or eligible family member of an FDNY responder. Responders are defined under Section 300mm-21(a) of the Zadroga Act as individuals who “performed rescue, recovery, demolition, debris cleanup, or other related services in the New York City disaster area in response to the September 11, 2001, terrorist attacks, regardless of whether such services were performed by a State or Federal employee or member of the National Guard or otherwise” and otherwise meet eligibility criteria set forth by the WTC Program Administrator. Responders are eligible for services that include preventive monitoring and treatment at a range of WTC Health Program Clinical Centers of Excellence (“CCEs”), whereas survivors, who are defined under Section 300mm-31 of the Zadroga Act as an individual who is not a WTC responder, are only eligible for treatment once symptoms of illness are evident and are treated at a limited number of CCEs. The VCF makes no distinction between responders or survivors when evaluating a claim.



FY2022, we only used the data through FY2020 for our projections as our claim filing deadline is December 18, 2020, making the FY2020 estimates the closest comparison for our purposes.

Table 9: WTC Health Program Projections as of December 2017

WTCHP Projections		FY 2017	FY 2018	FY 2019	FY 2020
1	WTC Responders	68,817	71,966	75,194	78,422
2	Screening- and Certified-Eligible Survivors	13,373	16,689	20,089	23,489
3	Total	82,190	88,655	95,283	101,911
4	Increase over WTC Health Program Projections reported in March 2017 Annual Report	+2,710	+6,011	+9,475	+12,939
5	Percentage with Psychological Conditions Only	3.14%	3.14%	3.14%	3.14%
6	Total members with Physical Conditions – Based on Historical Data	79,609	85,871	92,291	98,711

It is important to note that the WTC Health Program enrollment figures include WTC Responders who are enrolled for monitoring purposes only and do not have a health condition that is currently determined to be related to their 9/11 exposure. In 2017, per WTC Health Program statistics, just over 30% of Responder enrollees did not have a certified condition and so presumably were enrolled for monitoring only.⁴ We believe that the adjustments made below – to account for the percentage of WTC Health Program enrollees who do not register with the VCF and to account for the percentage of VCF registrants who ultimately do not file a claim – appropriately reduce the VCF future claims projection to account for the enrolled members of the Health Program who have no 9/11-related illnesses and are only being monitored, but if that proportion changes, it may be that our projection would also need to be adjusted. We will monitor this ratio for future reports.

Because the VCF only compensates for eligible physical conditions, we then calculated the percentage of WTC Health Program members who are certified only for a psychological condition. Based on data from the WTC Health Program, 2,581 members have only a psychological condition. This equates to 3.14% (compared to 3.57% as reported last year) of the WTC Health Program current member population, which we assume will remain a constant percentage for purposes of future year projections as shown in line 5 of the table.

Step 1-a: Projected Enrollment of WTCHP members with a Physical Condition				
	2018 Report		2017 Report	
	Current Historical Data-Based		Historical Data-Based	Trend-Based Adjustment
WTCHP Total Enrollment	82,190		76,316	
Members with only Psychological Condition	-2,581		-2,724	
Total Current WTCHP Members with Physical Condition	79,609		73,592	
Projected Total WTCHP Enrollment as of FY2020	101,911		88,972	
Projected Members with only a Psychological Condition	-3,200		-3,176	
Total Projected WTCHP Members with Physical Condition by FY2020	98,711		85,796	94,376

⁴ As of September 30, 2017, the WTC Health Program reported 68,817 enrollees out of its total 82,190 members were Responders, and that 47,047 of those Responders (68.37%) had at least one certified physical or mental health condition. See <https://www.cdc.gov/wtc/ataglance.html>.



We then adjusted the estimated total enrollment numbers in line 3 by 3.14% to determine the projected enrollment of members who are certified for at least one eligible physical condition. This number is shown by year in line 6 of Table 9 and is used as the basis for the historical data-based projections of total VCF claims to be filed before the deadline of December 18, 2020.⁵

b. Projected number of WTC Health Program Members who will register with the VCF

Our next step was to determine how many WTC Health Program members are likely to file VCF claims. Given that the majority of the VCF’s claimant population are also members of the WTC Health Program, we compared our current number of unique registrations to the WTC Health Program’s count of members as the best analogous proxy for estimating our total future registrations.

To estimate this number from the historical data, we first determined the total number of unique VCF registrations (based on the victim’s

social security number) submitted as of October 3, 2017. This is the date for which data is available that falls closest to the WTC Health Program’s government fiscal year numbers for FY2017, which ended on September 30, 2017. This number, 66,858, was then compared to the adjusted enrollment number in line 6 of Table 9 for FY2017 to determine the estimated percentage of WTC Health Program members who have registered with the VCF based on the historical data. The estimated percentage was calculated to be 84% (compared to 80% used in last year’s report).

We then applied the 84% estimated percentage to the WTC Health Program FY2020 historical data-based adjusted projection in line 6 of Table 9 to determine the projected total number of unique VCF registrations expected to be submitted by FY2020. This number, 82,917, accounts for the expected total VCF registrations from 2011 through 2020, based on historical data, including registrations for claims already submitted and those that have already been decided.⁶

Step 1-b: Projected number of WTCHP members who will Register with the VCF			
	2018 Report	2017 Report	
	Current Historical Data-Based	Historical Data-Based	Trend-Based Adjustment
WTCHP Members with Physical Conditions	79,609	73,592	
Current unique VCF Registrations	66,858	58,615	
Enrollment Percentage	84%	80%	
Projected WTCHP Members with Physical Condition by FY2020	98,711	85,796	94,376
Enrollment Percentage	84%	80%	80%
Projected Total VCF Registrations as of FY2020	82,917	68,637	75,501

⁵ In last year’s report, we assumed a 10% increase in WTC Health Program enrollment in our trend-based projections, resulting in a 2020 total enrollment assumption for members with physical health conditions of 94,376. The WTC Health Program’s latest projections bear out the validity of that assumption, and so we use its projected 2020 enrollment figure to generate a projection of 98,711 members with physical health conditions by 2020 without further adjustment.

⁶ When generating the trend-based estimate in our March 2017 Annual Report, we accounted for factors not included in the WTC Health Program data. Specifically, its data does not account for the percentage of VCF claimants who are not participants in the WTC Health Program. The data at that time showed that, historically, 16% of VCF-eligible claimants did not participate in the WTC Health Program. We believed this was a reflection of the lower percentage of survivors who participate in the WTC Health Program when compared to the participation rate of responders, and we anticipated at that time that the percentage of VCF claimants who are not participants in the WTC Health Program will increase. We therefore adjusted the trend-based projection of VCF registration in the March 2017 Annual Report to account for an additional 15% increase. Since that time, however, we made a significant change in VCF policy, see above at p. 6, and now require all claimants to be certified for treatment by the WTC Health Program, except in a few rare circumstances. This change negates the need for any adjustment in this year’s report to account for claimants who do not participate in the WTC Health Program.



c. Projected total VCF claims to be filed between 2011-2020

Many individuals who register with the VCF do not file a claim. When preparing last year's report, the data showed that historically, only 40% of registrations had turned into actual claim submissions based on VCF data from 2011-2016. With our updated data through December 2017, the percentage has increased to 47.4%, which results in a projection of 39,303 total cumulative claims to be submitted by FY2020 (47.4% of the total unique registrations). This validates the trend-based estimate of a 50% rate that we used in last year's report.

Step 1-c: Projected total VCF claims to be filed between 2011-2020				
	2018 Report		2017 Report	
	Current Historical Data-Based	Historical Data-Based	Trend-Based Adjustment	
Projected VCF Registrations as of FY2020	82,917	68,637	86,826	
Percentage of VCF Registrations with a claim filed	47.4%	40.0%	50.0%	
Projected total VCF Claim Filings as of FY2020	39,303	27,455	43,413	
Less Claims already Filed	32,689	25,318	25,318	
Projected new VCF claims to be filed through FY2020	6,614	2,137	18,095	

Our final step in generating a historical data-derived estimate was to subtract the 32,689 VCF Eligibility forms that have already filed (as of December 31, 2017) from the 39,303 total estimated claims to be filed to determine the estimated number of claims remaining to be filed in the future: 6,614.⁷ It is important to note that this estimate is based on Eligibility submissions as an indicator of a claim filing, regardless of whether the claimant has also filed a corresponding Compensation form.

Step 1 Output: Estimated number of new VCF claims to be filed in the future based on Historical Data: 6,614

Step 2: Determine total number of amendments and appeals (revisions) to be filed in the future.

A claimant may amend – or revise – a claim at any time if the victim is certified for a new condition, has a new loss associated with an eligible condition, or if a claimant who previously submitted a Personal Injury claim passes away from an eligible condition. The VCF also considers any change to the award following an appeal as a revised decision on the claim.

With this in mind, our next step was to calculate the historical percentage of claims for which an amendment or appeal was filed on

Step 2: Estimated number of future Amendments and Appeals (revisions)				
	2018 Report		2017 Report	
	Current Historical Data-Based	Historical Data-Based	Trend-Based Adjustment	
Projected VCF Claim Filings as of FY2020	39,303	27,455	43,413	
Percentage of Revisions	28.0%	28.0%	30.0%	
Projected VCF Revised awards as of FY2020	11,005	7,687	13,024	
Current pending Revisions	-2,262	-2,346	-2,346	
Revisions already Decided	-4,026	-855	-855	
Projected Number of Future Revisions to be filed through FY2020	4,717	4,456	9,793	

⁷ The total number of new claim filings in 2017 was 7,371. Thus, this projection reflects an assumption that new claim filings in the VCF will level off and begin to decrease as the program progresses into its later years.



the claim after the initial award decision was rendered. Using historical data, we calculated that 28% of claims have been amended or appealed and received a revised award as a result. This is the same percentage calculated and used in the March 2017 Annual Report, which demonstrates it is an accurate rate to use for our projections.

Our next step was to apply these percentages to the estimated total number of claims expected to be filed through FY2020, which includes pending claims and the estimated future filings, to determine the expected number of future amendments/appeals. For purposes of this specific calculation, all future claim filings are assumed to result in an initial award; in other words, this count was not adjusted for expected denials and \$0.00 award claims as those claimants will have the right to amend or appeal.

Our final step was to subtract the number of current pending amendments/appeals (as of December 31, 2017) and the number of revised awards already issued to determine the projected numbers of amendments/appeals yet to be decided.⁸

Step 2 Output: Estimated number of revisions to be filed in the future based on Historical Data: 4,717

Step 3: Determine estimated total projected value of VCF awards.

a. Estimated number of claims needing an initial determination

Our next step was to determine the projected total dollar value of all awards at the end of the program when the VCF closes. We started by focusing on initial determinations, meaning the claimant’s first award from the VCF.

In generating our historically-derived estimates, we began with the 39,303 total claims calculated in Step 1. This total includes claims that have already been filed (with and without an award determination already issued) and future expected claim filings. Recognizing that some number of these claims will be denied or will be approved for eligibility but will have a \$0.00 award determination, we calculated the historical percentages for both of these scenarios. To calculate the percentage of denied and \$0.00 claims, we used data from January 1, 2017, to December 31, 2017, as we expect that period of activity to be most indicative of the future denial percentage as it was the first full year in which our new policies

Step 3-a: Estimated number of claims needing an initial Determination				
	2018 Report		2017 Report	
	Current Historical Data-Based	Historical Data-Based	Trend-Based Adjustment	
Projected VCF Claim Filings as of FY2020	39,303	27,455	43,413	
Percentage of Denied Claims	20.2%	23.0%	23.0%	
Count of Denied Claims	<u>7,939</u>	<u>-6,315</u>	<u>-9,985</u>	
Remaining Claims with Awards	31,364	21,140	33,428	
Percentage of \$0.00 Award Claims	9.71%	10.0%	10.0%	
Count of \$0.00 Award Claims	<u>-3,045</u>	<u>-2,114</u>	<u>-3,343</u>	
Projected total number of Claims that will receive an award	28,319	19,026	30,085	
Claims with Awards Issued	<u>-15,296</u>	<u>-11,549</u>	<u>-11,549</u>	
Projectd Number of claims still needing an Initial Award Determination	<u>13,023</u>	<u>7,477</u>	<u>18,536</u>	

⁸ The total number of amendments filed in 2017 was 1,616. Accordingly, this projection assumes that amendments will continue to be filed at a relatively steady, or perhaps slightly increasing, rate.



specific to Inactive claims was implemented. As noted in Section 5, Inactive claims are moved to “Denied” status when we lack the required information needed to review the claim. Our data shows that 20.2% of claims are denied (compared to 23% in last year’s report) and 9.71% of eligible claims result in a \$0.00 award (compared to 10% as of last year’s report). These percentages were then used to determine the total number of claims that will not receive an award, and the numbers were then deducted from the total projected claim filings to determine that 28,319 claims will receive an award.

From here, we subtracted the 15,296 total number of claims with awards already issued as of December 31, 2017, (including \$0.00 awards) to determine that 13,023 claims remain for which an award will need to be determined in the future.

b. Estimated dollar value of future initial award determinations

There are two main factors that influence the amount of a VCF award: (1) whether or not economic loss is awarded; and (2) whether the claim is a Personal Injury (“PI”) claim or a claim for a victim who died of a 9/11-related eligible condition (“Deceased” claim). In order to account for these factors in our projections, we calculated the historical percentages shown below by category across all claims with awards issued between August 1, 2016, and December 31, 2017, which represents the period of time specific to Group B claim determinations. We believe this time period is more indicative of future activity than using historical data since the VCF’s inception because the Group B methodology will be used going forward.

1. PI claims with Economic Loss awarded: 22.78%
2. PI claims with Non-economic Loss only: 74.16%
3. Deceased claims with Economic Loss awarded: 2.34%
4. Deceased claims with Non-economic Loss only: 0.72%

In developing our historical data-based estimate, we applied these percentages to the projected number of future claims for which an initial award decision will be rendered in the future (as calculated in Step 3-a above) to calculate the count of future claims by category. We then calculated the average award by category based on all Group B claims decided to date (August 1, 2016, through December 31, 2017) and multiplied the average award by the count of claims expected to fall within each category to determine the total estimated awards by category as shown in Table 10 below.

Table 10: Estimated Value of Future Initial Award Determinations by Category
based on 13,023 total projected claims needing an initial award determination

	Average Award	% of Claims	Estimated count of Future Claims	Estimated total Future Initial Awards
PI claims - Economic Loss awarded	\$640,089.18	22.78%	2,966	\$1,898,504,507.88
PI claims - Non-economic Loss only	\$109,248.41	74.16%	9,658	\$1,055,121,143.78
Deceased claims - Economic Loss awarded	\$846,988.11	2.34%	305	\$258,331,373.55
Deceased claims - Non-economic Loss only	\$308,026.29	0.72%	94	\$28,954,471.26
TOTAL	N/A	100.00%	13,023	\$3,240,911,496.47

In last year’s report, our trend-based estimates assumed that the number of deceased claims would increase beyond what the historical data demonstrated at the time for several reasons: (1) as a consequence of the passage of time as we get farther from the events of September 11 and claimants suffering from serious conditions succumb to those illnesses; (2) data provided by the WTC Health Program and other sources suggests that rates of serious illnesses, and particularly cancers, within



the populations served by the Program and by the VCF are increasing;⁹ and (3) some of the most serious health conditions potentially associated with environmental exposure to toxins at the WTC site have long latency periods before the diseases begin to manifest (mesothelioma, for example, tied to asbestos exposure, has a latency period of 15 to 20 years). VCF data demonstrates that while awards were issued on 56 deceased claims as of December 31, 2016 (less than one percent of all awarded claims), as of December 31, 2017, this number had increased to 198 award determinations, and 9.4% of all pending compensation claims are currently categorized as deceased claims.¹⁰ The data considered for this year's report bears out our trend assessment from last year: while in last year's report, determinations on deceased claims amounted to 0.51% of all determinations based on historical data, this year's data shows that the percentage of deceased claim determinations as a percentage of all claim determinations has increased significantly, to 3.06%. Given the significant increase already shown by the data, we did not adjust the percentages further, but we will be keeping a close eye on this trend.

c. Estimated dollar value of future revised award determinations

Our final input is the calculation of the number of amendments and appeals remaining to be decided that will result in an increased award and the estimated dollar value of those awards. To determine this number, we started by calculating the historical percentage of revisions that resulted in a \$0.00 increase using data from January 1, 2017, through December 31, 2017. This percentage, 51.05%, was then applied to the count of remaining revisions to be filed (4,717 as calculated in Step 2) to determine that 2,408 claims will file an amendment or appeal but will not receive an award increase, leaving 2,309 amendments or appeals that will result in an award increase.

We then calculated the average award amount of revised decisions by category, using the same categories as shown in Table 10, with one change: for purposes of this table, we collapsed the deceased economic and non-economic revised awards into one row because: (1) these claims rarely require amendments as all information needed to calculate the loss is generally available at the time the claim is initially filed; and (2) revisions in these claims will generally consist of determinations issued following a correction or an appeal, not efforts by the claimant to seek additional losses for new injuries. We based the average revised award amount on Group B revisions decided between August 1, 2016, through December 31, 2017, where an increase in the award was greater than \$0.00, since all future revised award determinations will be based on the Group B calculation methodology.

⁹ Per the WTC Health Program, as of September 30, 2017, 7,486 enrolled members had at least one cancer certification, and the Program had identified another 279 deceased members who had at least one cancer certification (although the Program does not provide data as to whether it was the cancer condition that caused the death). <https://www.cdc.gov/wtc/ataglance.html#memberCancerCertAge>. It is important to note that VCF awards do not turn on the number of certifications. Thus, while WTC Health Program data shows that 52.3% of its members with certifications are certified for 3 or more conditions, *id.*, multiple certifications, even if, for example, for multiple cancers, do not appreciably increase a VCF award. Economic loss awards turn on a determination of occupational disability, not on the number of eligible conditions that might be disabling. Similarly, non-economic loss awards are based generally on the severity of the victim's condition(s) and the effect of the condition(s) on the victim's ability to maintain normal activities of daily living, not on the number of certified conditions.

¹⁰ As noted above, only those claims filed for a victim who died of causes related to an eligible 9/11 condition are properly categorized as deceased claims. The claim type is initially determined based on answers to claim form questions but it may change once the claim begins substantive review. A deceased claim may include an award both for personal injury losses (before death) and wrongful death losses (on account of death).



Table 11: Estimated Value of Future Revised Award Determinations by Category
based on 2,309 projected future revised awards as of FY2020

	Average Revised Award Amount	% of Revisions	Estimated count of Future Revisions	Estimated Total Future Revised Awards
PI revisions - Economic Loss awarded	\$323,707.34	46.47%	1,073	\$347,337,975.82
PI revisions - Non-economic Loss only	\$69,103.31	51.59%	1,191	\$82,302,042.21
Deceased revisions	\$644,727.13 ¹¹	1.94%	45	\$29,012,720.85
TOTAL	N/A	100.00%	2,309	\$458,652,738.88

d. Calculate total estimated projected awards at the end of the VCF

Using the outputs from the previous steps, our final calculation was to add the estimates for future initial and revised awards together with the total actual awards (initial and revised) issued as of December 31, 2017, to calculate the total projected dollar value of all awards when the VCF closes in 2022.

Step 3-d: Total projected Awards at the end of the VCF Based on Total Awards (initial and revised)			
	2018 Report	2017 Report	
	Current Historical Data-Based	Historical Data-Based	Trend-Based Adjustment
Total Awards Issued at time of Report Publication	\$3,331,949,029.10	\$2,241,003,048.74	
Total projected Future Initial Awards	\$3,240,911,496.47	\$1,357,152,640.05	\$3,752,541,298.98
Total projected Future Revised Awards	\$458,652,738.88	\$457,418,682.83	\$1,088,965,370.99
Estimated Total Value of all awards at Program end	\$7,031,513,264.45	\$4,055,574,371.62	\$7,082,509,718.71

Step 3 Output: Estimated total value of all awards at end of Program based on Historical Data: \$7,031,513,264.45

Step 4: Estimate total projected VCF administrative costs through December 2022.

The total funding for the VCF covers both the awards paid to claimants and the administrative costs to operate the program. As a result, the total administrative costs must be estimated through the end of the program in order to calculate the total overall estimated expenditures when the program closes. For purposes of these estimates, we assume the program will close on December 31, 2022, which equates to the first quarter of Government FY2023. This allows for time after the December 18, 2020, filing deadline for all claims to be processed and paid, including the influx of claims expected to be filed at the deadline, and for proper archiving of files and systems and activities required for program shut down.

¹¹ The Average Revised Award Amount for deceased claims represents economic loss awards only as there have not been any revised awards issued on these claims for non-economic loss only.



a. Historical administrative costs to date

Our starting point for these estimates is the historical data for administrative costs each year since the VCF re-opened in October 2011. These costs are shown in Table 12 below. Costs incurred in Fiscal Years 2012 and 2013 are combined as was done in the Second Annual Report published in November 2013. The costs to date shown in Table 12 differ slightly from the costs reported in Section 8 of this report as those totals reflected expenditures through December 31, 2017, whereas the totals below are through September 30, 2017, which is the end of the most recent Government Fiscal Year.

Table 12: Historical VCF Administrative Costs to Date*

	FY2012- FY2013	FY2014	FY2015	FY2016	FY2017
Total Costs	\$22.8 million	\$17.3 million	\$18.9 million	\$17.8 million	\$24.5 million
TOTAL Administrative Costs to Date: \$101.3 million					

* The costs for FY2012-FY2016 are slightly different than the costs reported in the March 2017 Annual Report due to routine accounting and audit activities.

b. Projected administrative costs through December 31, 2022

Using this historical information, we considered the expected increase in future years, given the volume of claims to be processed, our anticipated staffing levels needed to process the claims to completion, and the changes that are planned for our internal claims processing system. We projected staffing needs to account for an increase in each year from FY2018 through a peak staffing level in FY2022, followed by a reduction in the first quarter of FY2023 as we complete all required shutdown activities.

A portion of our administrative costs are related to the development and ongoing maintenance of our claims management system, and we have projected increased costs in FY2018 and FY2019 for planned improvements to the system. These costs are then projected to decrease in later years as we shift to operations and maintenance activity only. Table 13 below shows our estimated costs each year through the end of the program.

Table 13: Projected Future VCF Administrative Costs

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023 (Q1 only)
Total Estimated Costs by Year	\$30.2 million	\$30.6 million	\$29.6 million	\$32.3 million	\$31.1 million	\$8.7 million
TOTAL Projected Future Administrative Costs: \$162.5 million						

Our final step in calculating the total administrative costs is to add the costs to date and projected costs as shown here:

Total Administrative Costs to Date:	\$101.3 million
Total Projected Administrative Costs	\$162.5 million
TOTAL EXPENDITURES AS OF DECEMBER 31, 2022	\$263.8 million

Step 4 Output: Estimated total administrative costs as of December 31, 2022
\$263.8 million



Step 5: Calculate total projected expenditures at end of program.

The final step in our projections is to add the total estimated awards and the total projected administrative costs to calculate the expected total expenditures over the life of the program.

	2018 Report – Current Historical Data-Based	2017 Report - Historical Data- Based	2017 Report - Trend-Based Adjustment
Total Estimated Awards – Initial and Revised	\$7,031,513,264.45	\$4,055,574,371.62	\$7,082,509,718.71
Total Projected Administrative Costs	\$263,800,000.00	\$226,000,000.00	\$226,000,000.00
TOTAL EXPENDITURES AS OF DECEMBER 31, 2023	\$7,295,313,264.45	\$4,281,574,371.62	\$7,308,509,718.71

Step 5 Output: Estimated total expenditures as of December 31, 2022, based on Historical Data: \$7,295,313,264.45

Conclusions Regarding Reassessment of Policies and Procedures

Based upon the methodology and projections outlined above, I have concluded that no changes are needed at this time to VCF policies and procedures in order to comply with the statutory mandate to prioritize claims for those claimants suffering from the most debilitating conditions. With a total appropriation of \$7.375 billion available to the program, the current historical data-based projection of \$7.295 billion estimated total expenditures provides sufficient room to continue to apply the VCF’s current policies and procedures without significant risk of deviating from our statutory mandates. As noted above, however, any effort to estimate the eventual total outlay for the VCF is subject to numerous factors, and these assessments may change significantly, projecting lower or higher final total outlays, as additional data becomes available. We will continue to carefully monitor program data, and provide updated assessments as required each year, so that future projections will allow me to continue to make realistic assessments of whether changes to the VCF’s policies and procedures should be considered.

10. Report Summary

The publication of this report caps off an eventful year that brought major changes and significant successes to the Fund. The accomplishments of 2017 lay a strong foundation for further successes in 2018 and I look forward to continuing to serve the 9/11 community with fairness, transparency, and efficiency. I appreciate the opportunity to present this compilation of our very productive year, and trust it accurately represents the efforts of my extremely talented and dedicated team as a whole.

For all that we have accomplished, we fully recognize that there is much work that remains to be done and that many of those who suffer as a result of the 9/11 terrorist attacks continue to wait for compensation. Therefore, I look to the coming year with a focus on continuing to reduce the length of time it takes to render a decision on a claim once the claim form and all required supporting documents are submitted, and to continuing to increase the volume of claim decisions so that compensation continues to flow to those who need it. As we did in 2017, we will continue to work closely with our partners such as the WTC Health Program to ensure we are doing everything possible to reach and support those whose lives were forever changed by the events of September 11, 2001.