

TO: FSIS Supervisors and Managers

FROM: Dr. Barbara J. Masters /s/ 5/24/04  
Acting Administrator

SUBJECT: Minimizing Worker's Compensation Costs and Maximizing Effective Use  
of Human Resources

I appreciate the active involvement of all Food Safety and Inspection Service (FSIS) supervisors and managers in the Agency's initiative to reduce worker's compensation costs. Each year, the Department of Labor's (DOL) Office of Worker's Compensation processes hundreds of claims from FSIS employees who have filed injury or occupational diseases/illness reports. DOL compensates employees for medical claims and wage loss, and then recovers these charges from FSIS and the other agencies they service. Worker's Compensation is an important benefit for our employees, and we want to assure that employees who qualify for this benefit receive the compensation they are entitled to. However, it is to the benefit of both the employee and the Agency if we can come up with creative solutions to return employees to work, in some capacity, as soon as possible.

The Agency's Office of Worker's Compensation Program (OWCP) costs rose from about \$15.9 million in Fiscal Year (FY) 2002 to about \$18.5 million in FY 2003. Only part of this increase can be attributed to rising health care costs; much of it is due to factors we can influence, if not control.

We are now halfway through FY 2004, but we still have an opportunity to reduce our OWCP costs for this fiscal year. Quite simply, it is not acceptable to allow a person capable of working in some capacity to collect wage loss compensation that is chargeable to the Agency without performing any work. We must more effectively manage these cases in order to reduce costs and deploy all FSIS human resources to the work that needs to be done. By minimizing our OWCP costs, we can also make more effective use of the workforce, our most valuable resource.

Therefore, I am directing all FSIS supervisors and managers to participate actively in Agency efforts to return injured employees to meaningful work sooner than has been the pattern. Please begin taking the following steps routinely:

- Keep in touch with injured workers who report to you so that they receive the support needed to recover and return to work.
- Identify new or modified job assignments that can be offered to employees who are receiving OWCP, but who are able to work with some medical restrictions.
- Consider making minor accommodations in the employee's work area or work schedule that would pave the way for a successful return to work. A successful strategy may be to have someone who has been off for an extended period of time return to work gradually, on a less than full time basis.

I have asked the Office of Management's (OM) Human Resources Division (HRD) to work with FSIS supervisors and managers on this initiative. HRD will more aggressively step up its outreach with FSIS managers and supervisors to explore and identify potential job assignments in order to return employees to work in a timely manner after they have recovered, thus reducing OWCP costs. It is important for you to know that a number of positions (projected to be 10 – 20) outside of program allocations will be set aside by OM each budget year to be targeted for job offers to OWCP recipients, so that job offers are not restricted to a specific program area employment ceiling.

When you are contacted by an OM representative regarding assignments, please provide information regarding all current and anticipated vacancies that could be utilized, as well as any ideas you may have about creative staffing strategies. If you have questions about the OWCP initiative, please contact Mike Reitmeier in our Minneapolis Human Resources Field Office on 1-800-370-3747, extension 2547.

Thank you for your support in this initiative to explore and identify all options for minimizing OWCP costs and making better use of all our human resources.