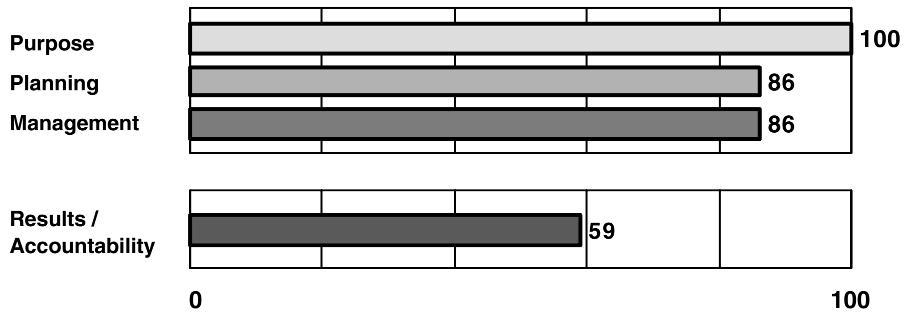
Program: *Federal Employees Compensation Act (FECA)*

Agency: *Department of Labor*

Bureau: *Employment Standards Administration*



☐ Results Achieved ☑ Measures Adequate
☐ Results Not Demonstrated ☐ New Measures Needed

Key Performance Measures	***Year***	***Target***	***Actual***
Long-term Measure: Average lost production days (LPDs) resulting from work-related disability, compared to 2001 baseline of 56 days (New measure)			
	2002	55	54
	2003	55	
	2004	54	
Efficiency Measure: Cumulative savings in first-year benefit payments realized as a result of periodic beneficiary roll review (expressed in millions)	2001	$95	$103
	2002	$122	$129
	2003	$142	
	2004	$160	
Annual Measure: Change in average medical service cost per case, compared to the annual rate of change in nationwide health care costs as measured by the national Milliman Health Cost Index (New measure)			

Rating: *Moderately Effective*

Program Type: *Direct Federal*

Program Summary:

FECA provides wage-replacement and medical benefits to Federal employees who suffer work-related injuries or illness.

Key PART findings include:
1. FECA's purpose is clear and its design is rational. Its non-adversarial design contains administrative overhead (which averages 4% of costs).
2. Performance goals are clear, outcome-oriented, and aligned with agency mission.
3. Efforts to minimize erroneous benefit payments have reduced the overpayment rate to 0.65%. In the past, the timing of the Department's submission of Federal agency FECA liability data has hampered the timely development of government-wide financial statements.
4. FECA's performance goals are ambitious, and properly aimed at returning individuals to work and containing federal costs. FECA's performance has generally been good, although in the most recent year it fell short of its lost production day and medical cost containment targets.

DOL is implementing a series of reforms designed to address these findings and build upon FECA's strengths. These reforms include:
1. Re-proposing legislation to update the benefit structure, improve benefit equity, adopt best practices of state workers' compensation systems, and charge customer agencies for their full FECA costs. These reforms would produce 10-year government-wide benefit savings approaching $390 million without reducing benefits for current recipients.
2. Undertaking an evaluation of FECA's design and strategic goals, the success of various program strategies, and State/industry best practices.
3. Changing the method used to estimate Federal agencies' FECA liability to ensure timely submission of these data.
4. Exploring the efficacy of a cost-effectiveness performance goal (e.g., cost per rehabilitation).
5. Continuing to measure and improve the level of customer satisfaction (the most recent claimant survey yielded a 59% overall satisfaction score).

(For more information on this program, please see the Department of Labor chapter in the Budget volume.)

Program Funding Level (in millions of dollars)

2002 Actual	2003 Estimate	2004 Estimate
81	86	88