

Inspectors General Symposium



History and Overview of FECA

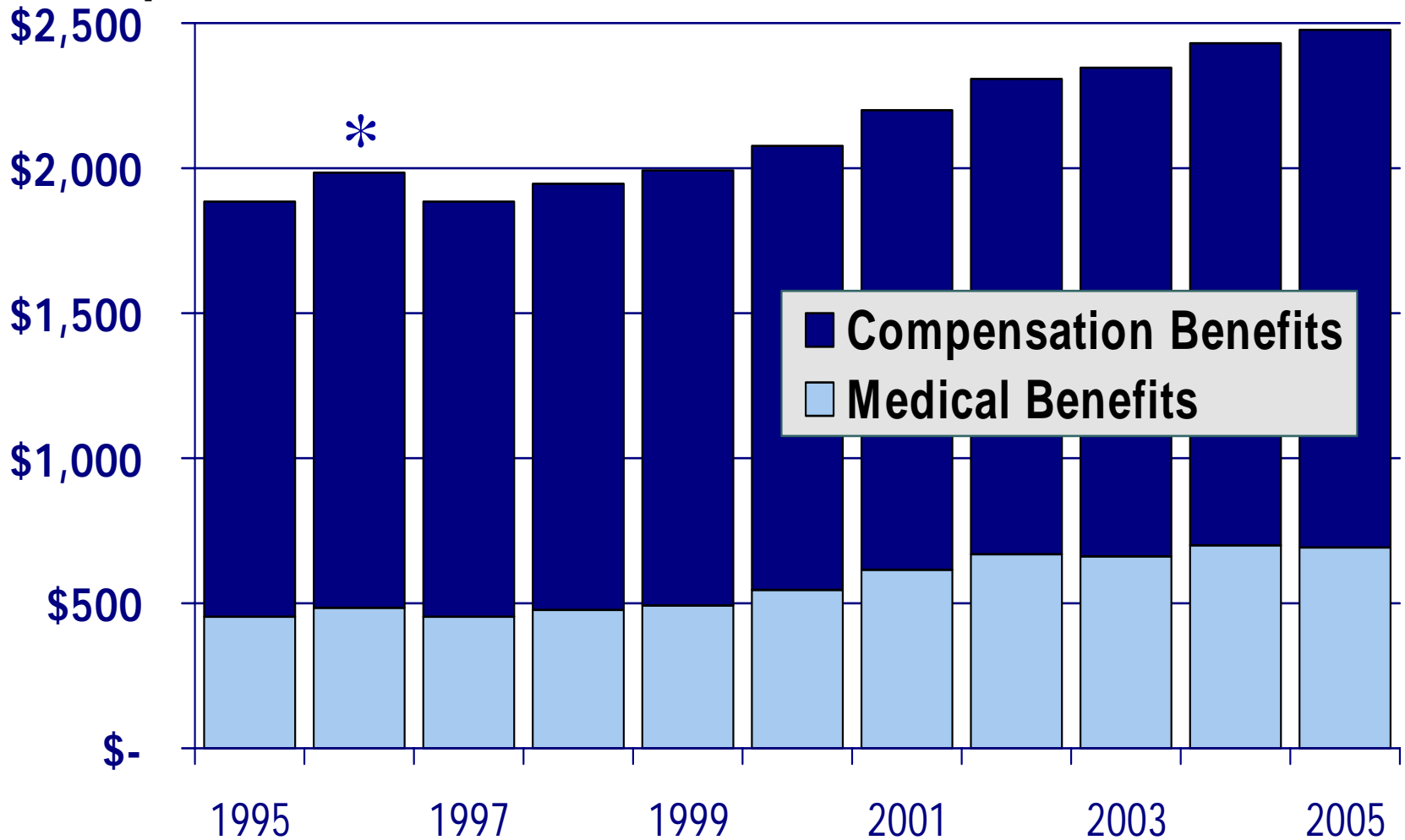
**Shelby Hallmark, Director
OWCP**

**Stephanie L. Semmer
Chief, Branch of Technical Assistance**

FECA Benefit Obligations

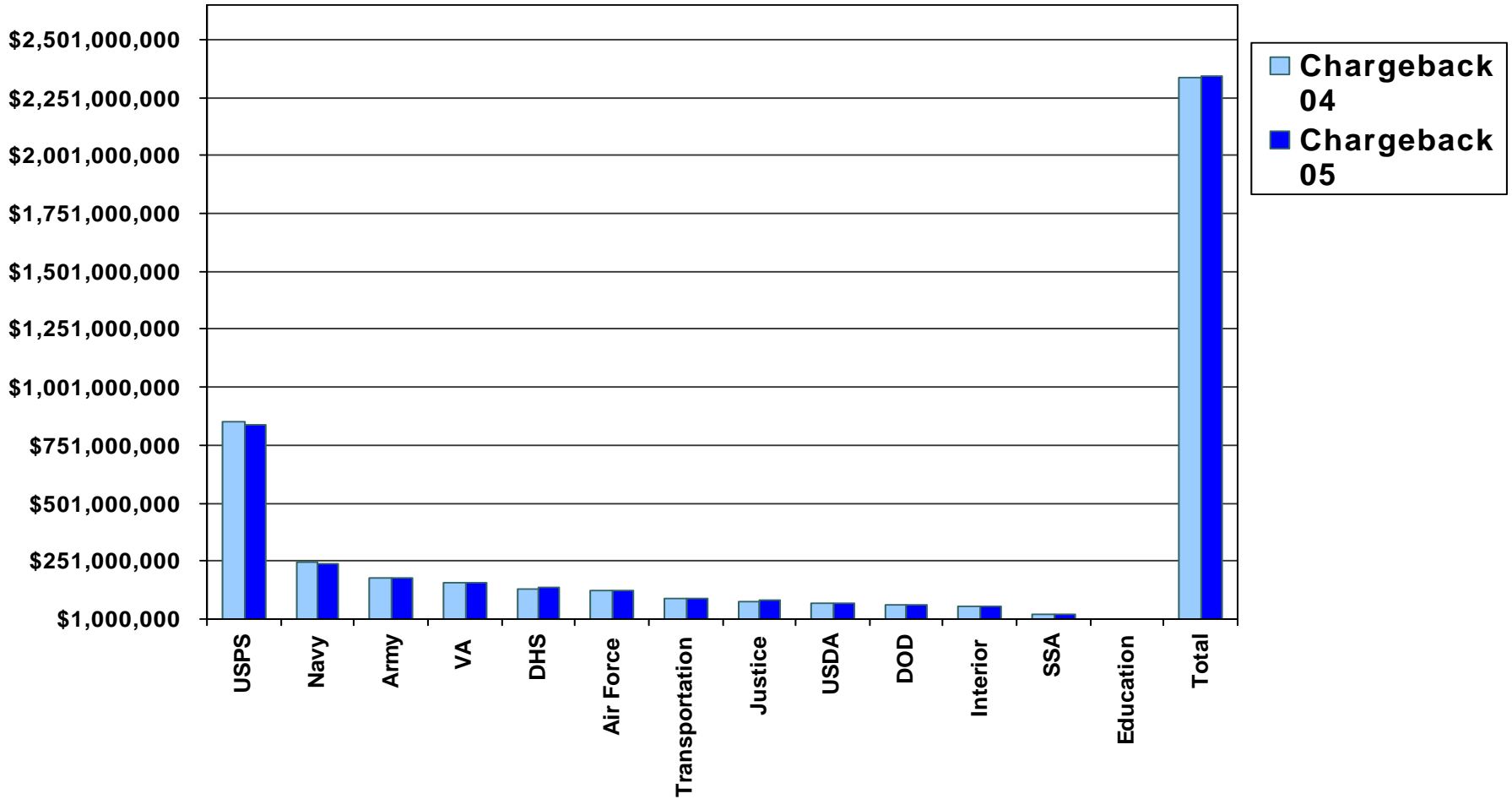
Fiscal Years 1995- 2005

(in millions)

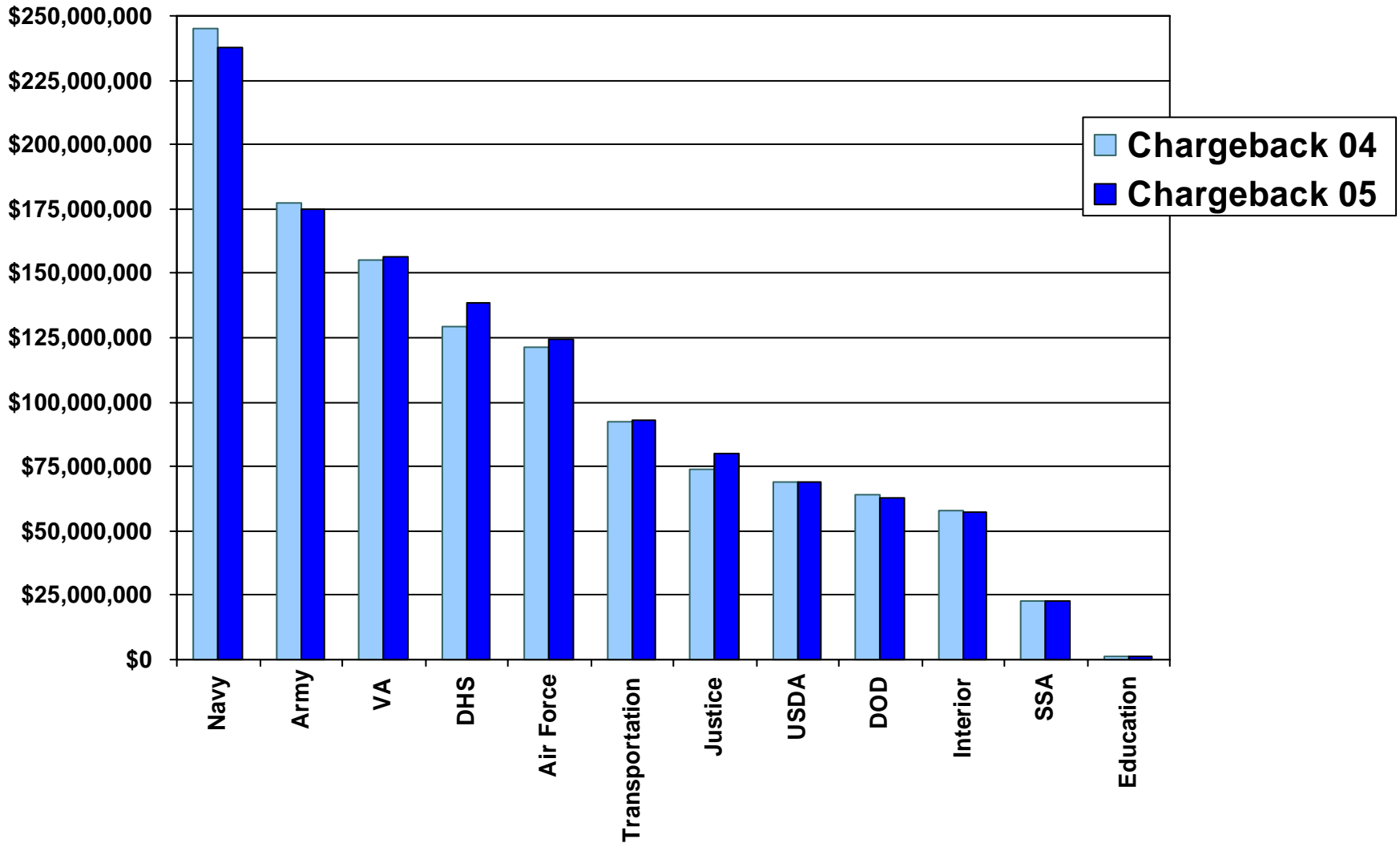


FY 1996 includes one-time accounting adjustment of +\$85 million.

Total Compensation



Total Compensation





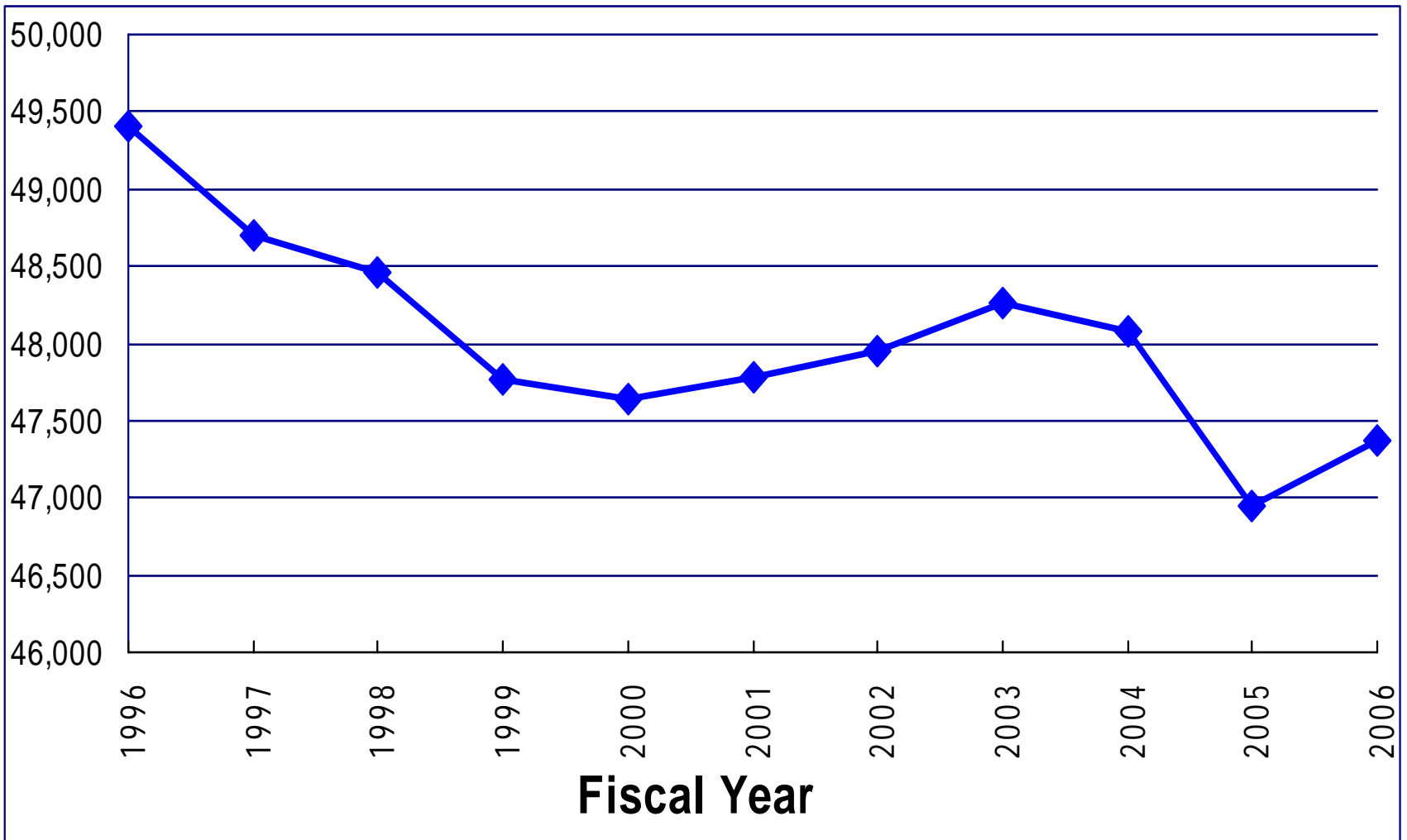
Periodic Roll Management

- Project begun in FY 1992
- Made permanent in FY 1999
- Approx. 120 FTE

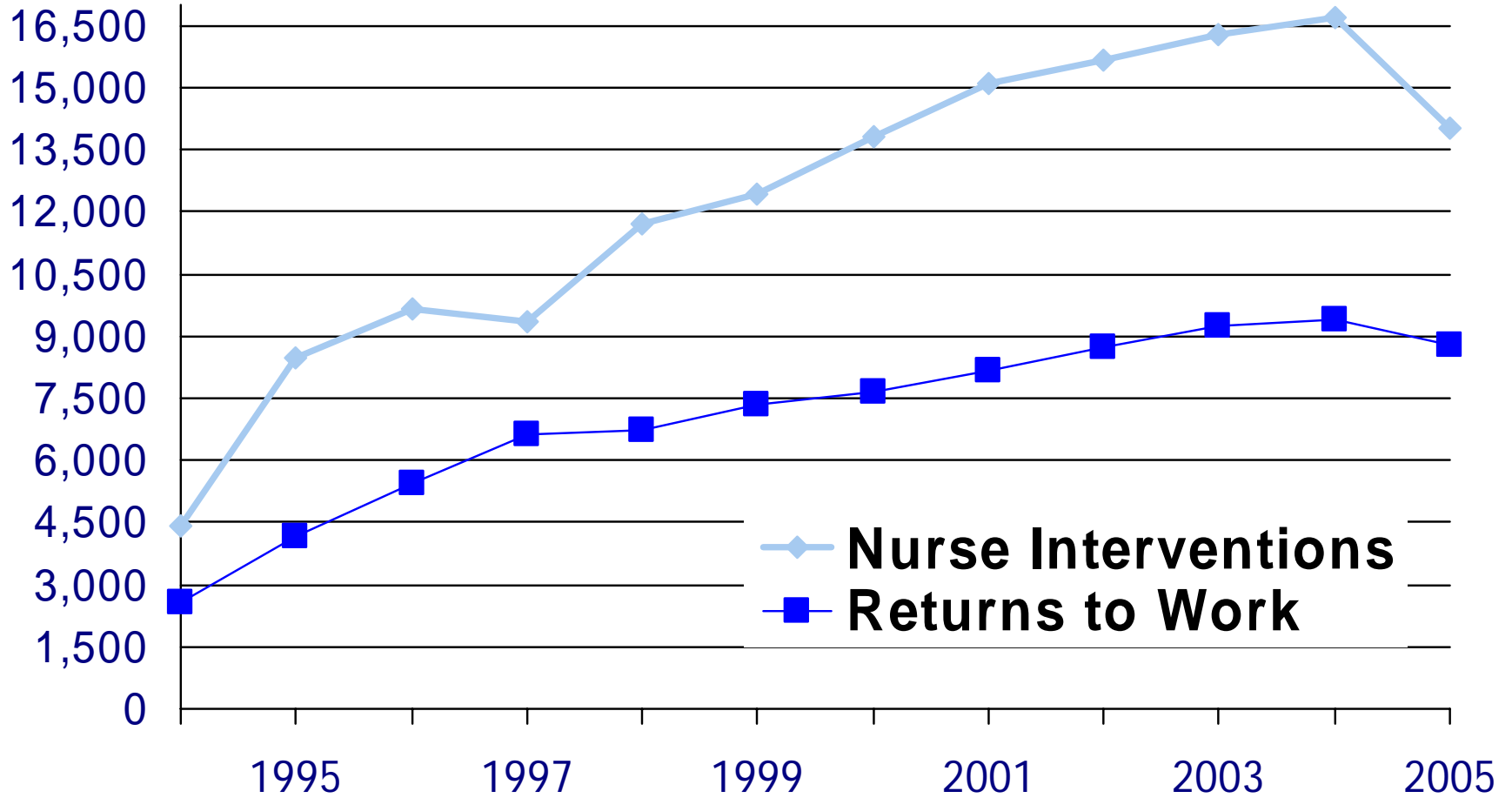
- Total savings over \$1.6 BILLION so far

Long-term Disability Roll

End-of-Period Snapshot

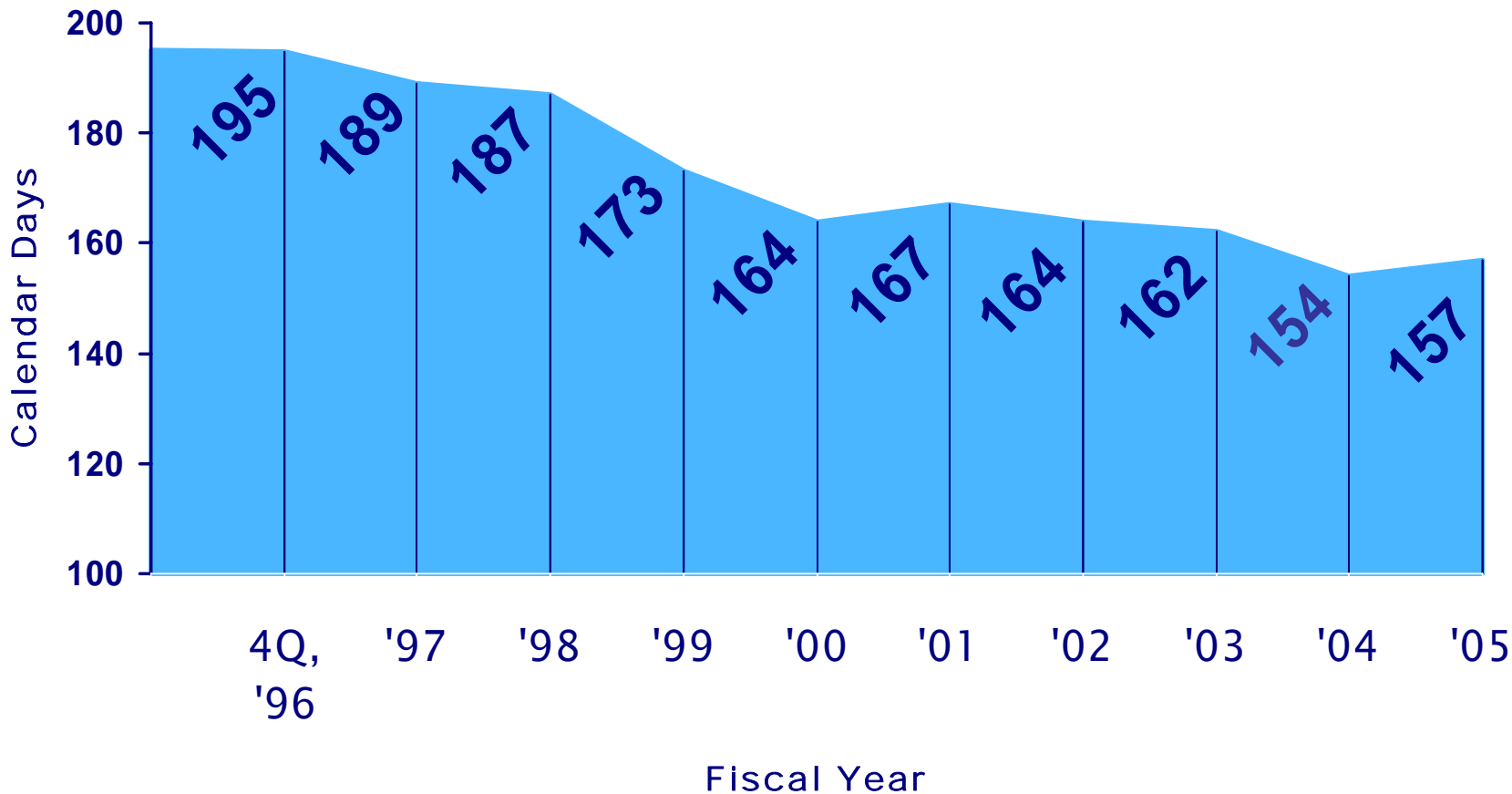


Return-to-Work Activity

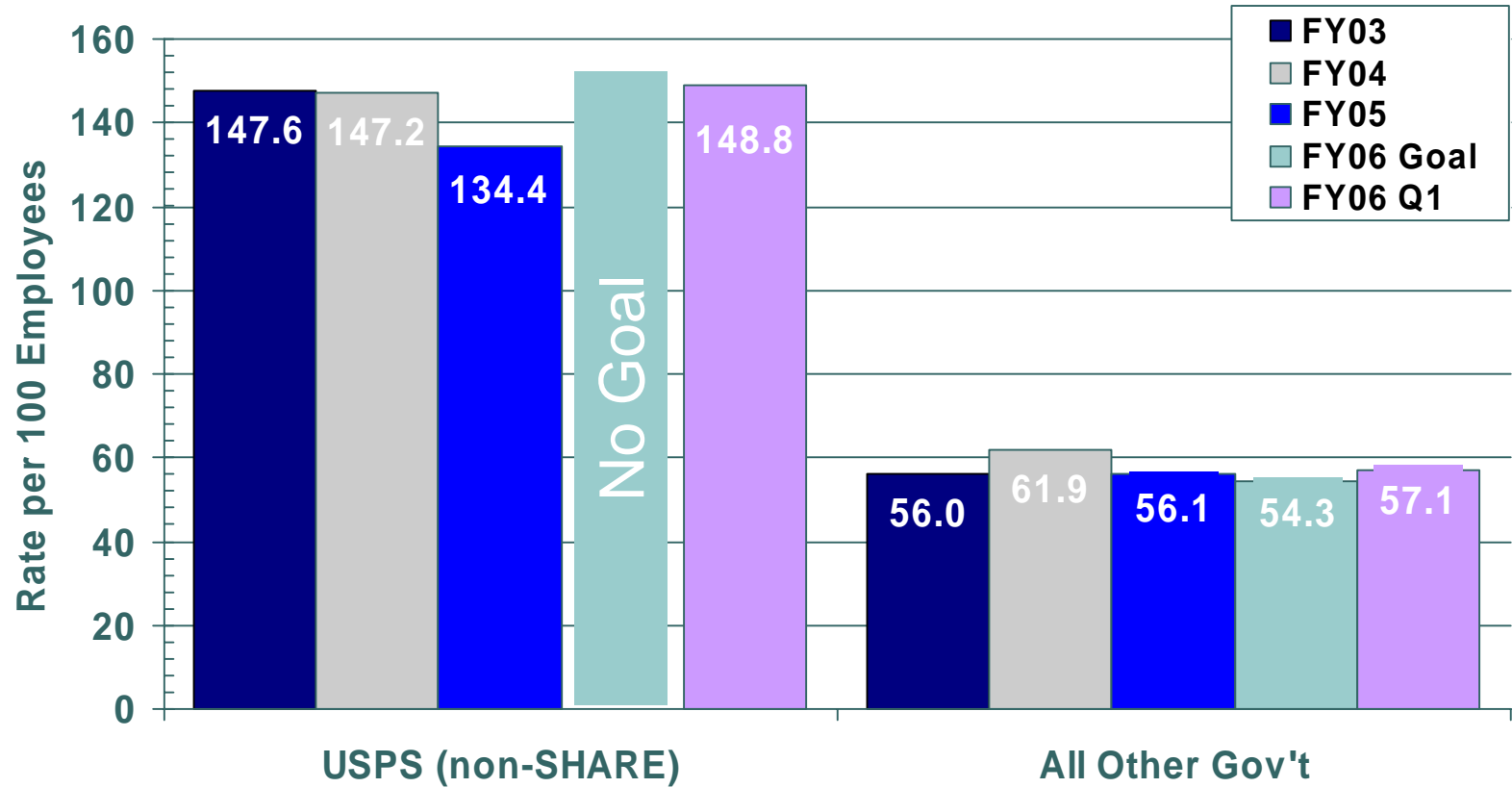


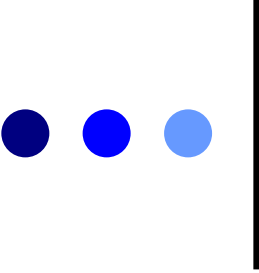
Lost Production Days in QCM Cases

Measured w/i 1st Year from the Date Wage Loss Began



Goal 4 - Lost Production Days

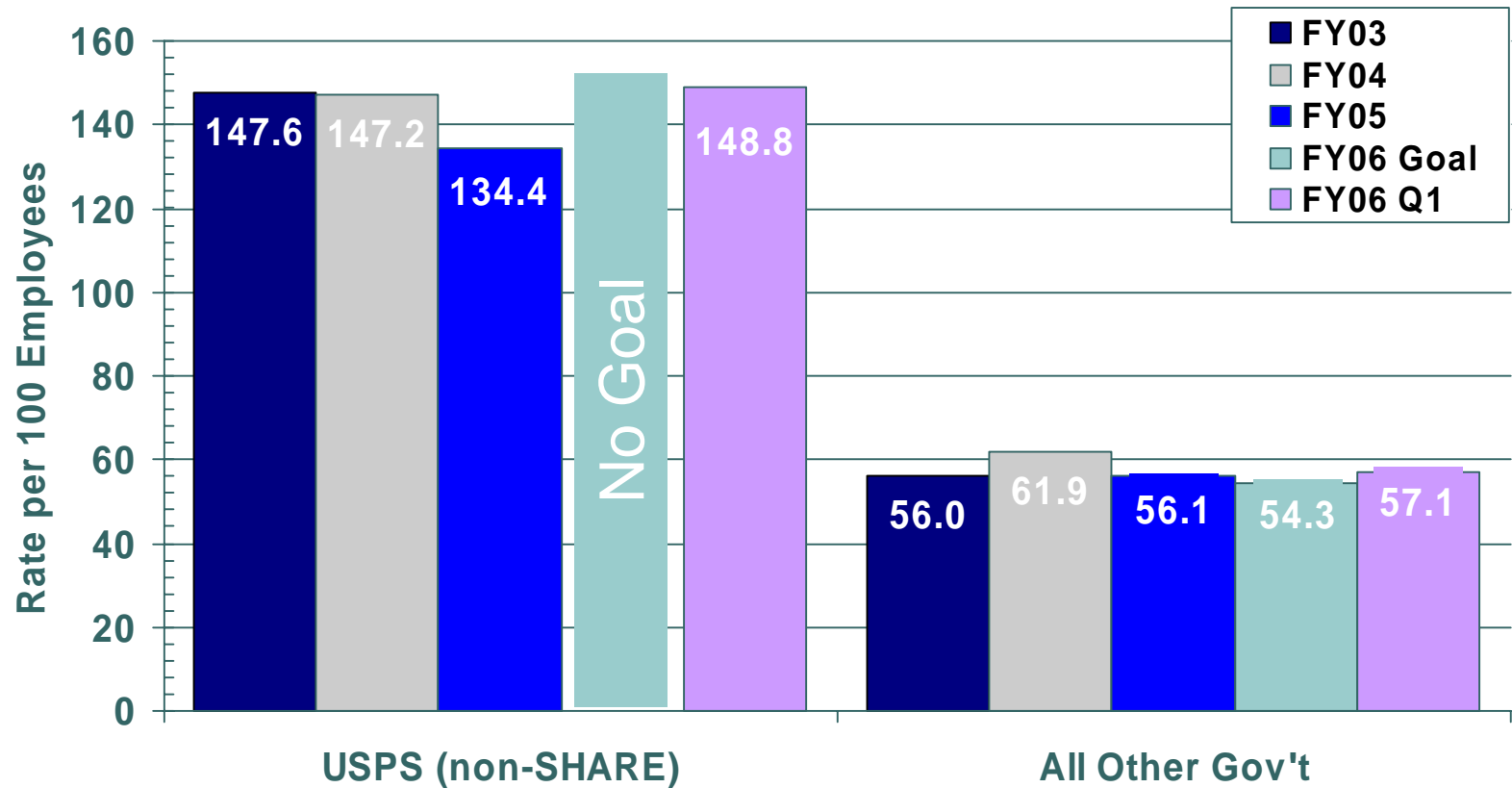




Safety, Health, and Return-to Employment (SHARE) Initiative

- Federal Executive Branch initiative announced in Presidential memo dated January 9, 2004
- Runs FY 2004 - FY 2006
- Establishes 4 Goals
 - To reduce Total Case Rates by at least 3% per year
 - To reduce Lost Time Case Rates by at least 3% per year
 - To improve the timely filing of injury and illness notices by at least 5% per year
 - To reduce the rates of lost production days due to injuries and illnesses by at least 1% per year

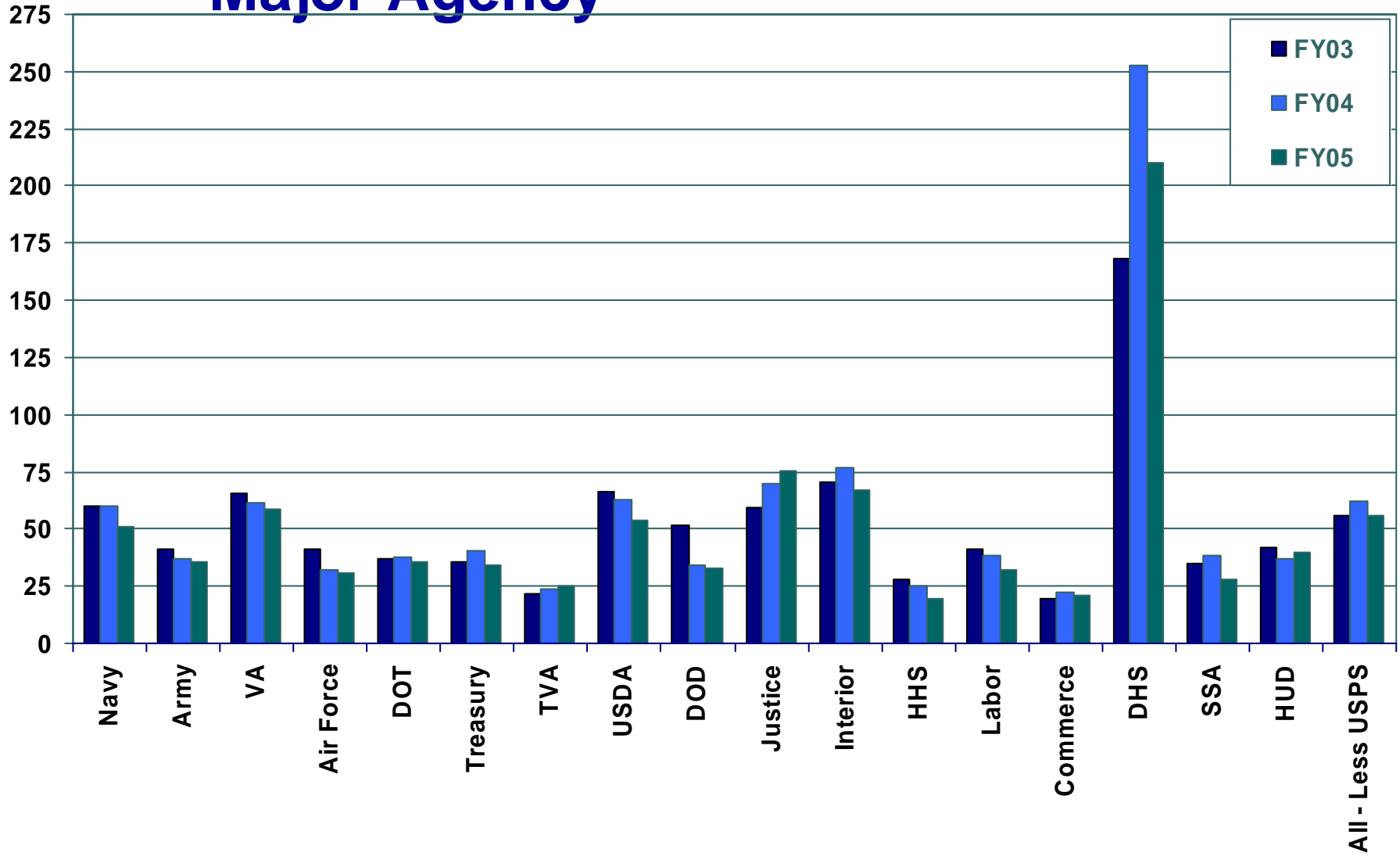
Goal 4 - Lost Production Days



Goal 4 - Lost Production

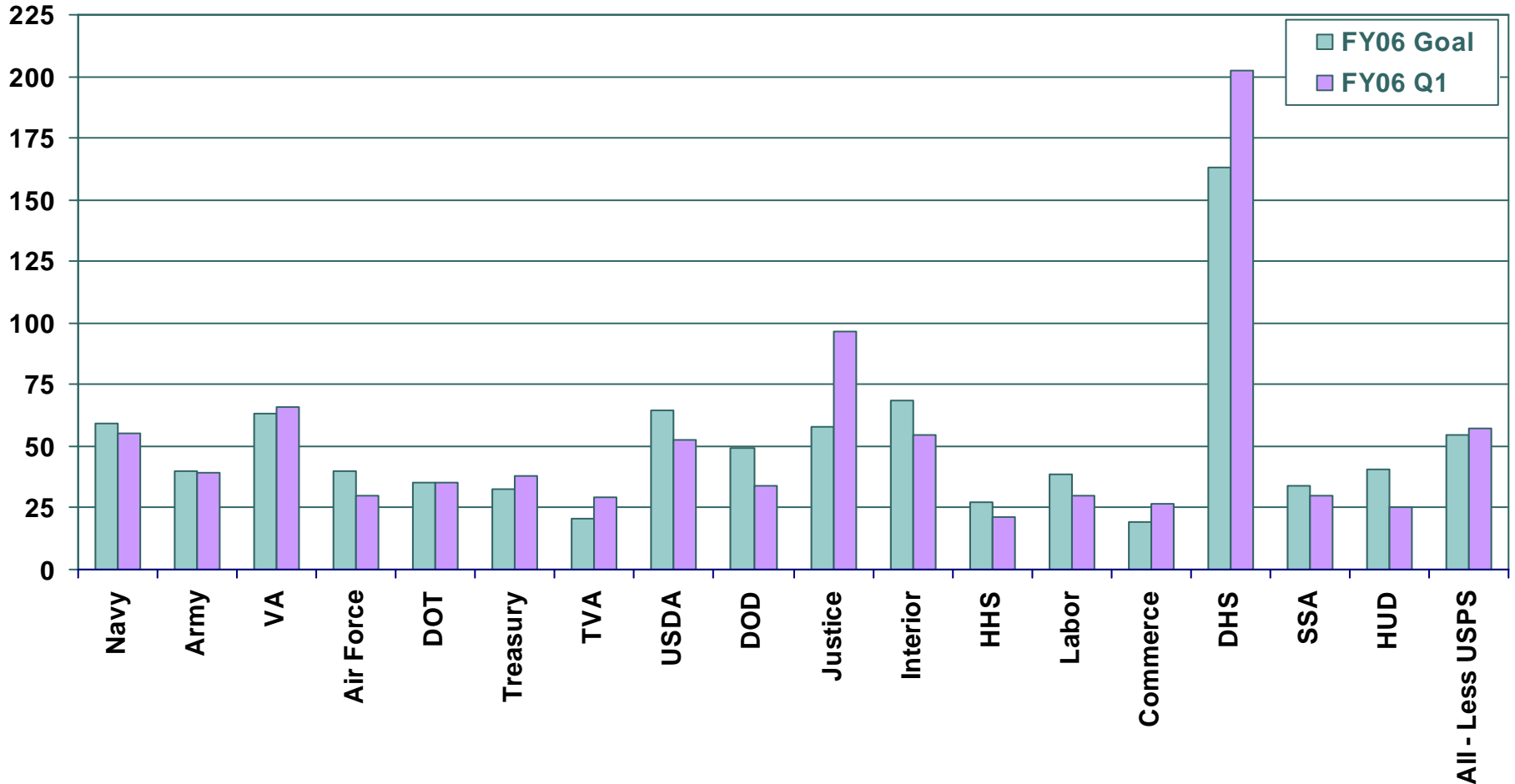
Days

Major Agency

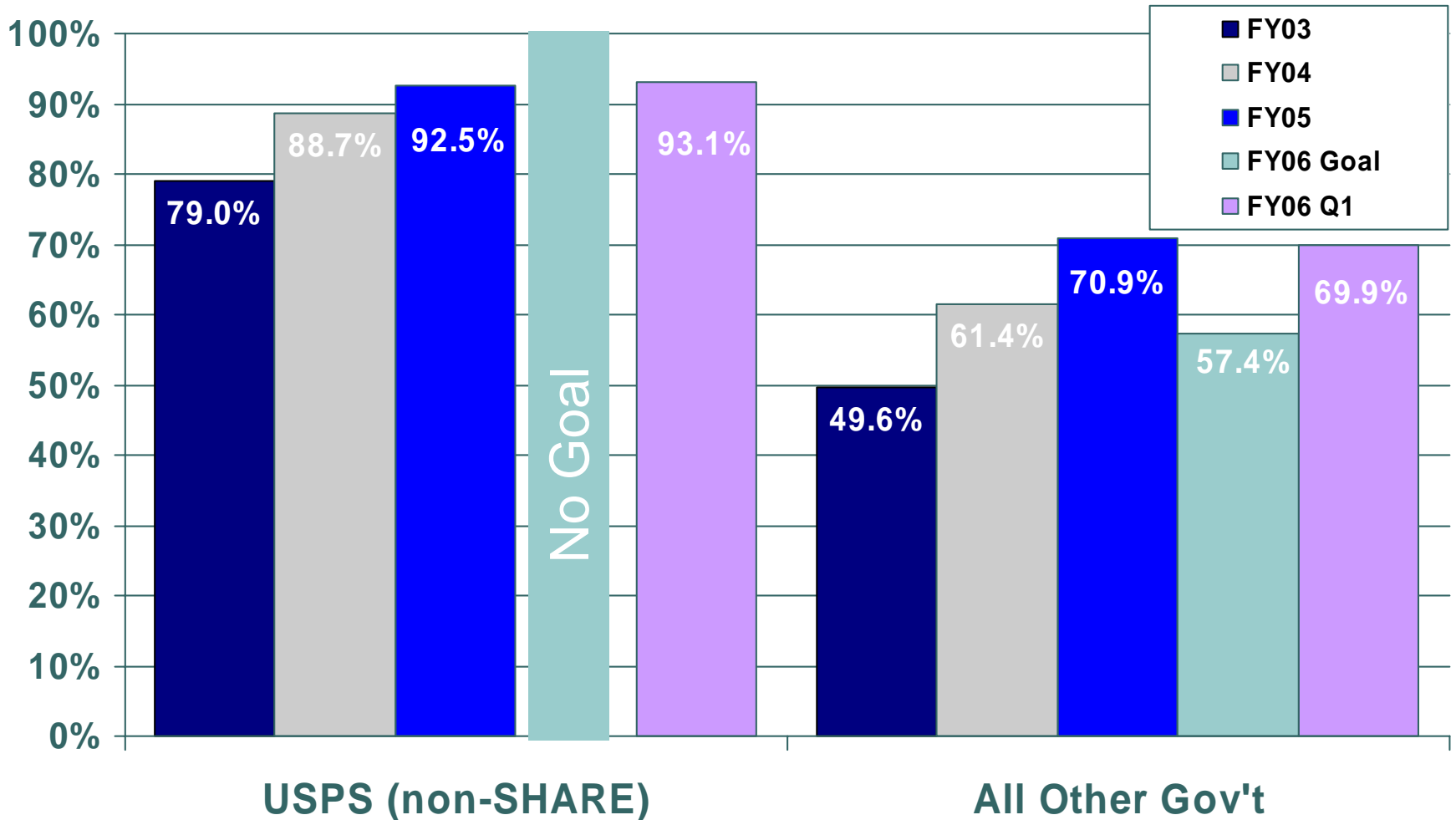


Goal 4 - Lost Production Days

Major Agency – FY06 Goal vs. Actual



Goal 3 - CA-1/CA-2 Timeliness (filed in 14 calendar days)





FECA Reform

Incentives

- “Conversion benefit” for retirement aged claimants
- Setting compensation at 70% for all claimants
- Change the schedule award to allow for payment during the wage loss period



FECA Reform

Equity and fixes

- Restore waiting period
- Allow for subrogation of COP for Third Party claims
- Update disfigurement and burial payments
- Pay all schedule awards at average salary rate (GS-11 step 3)



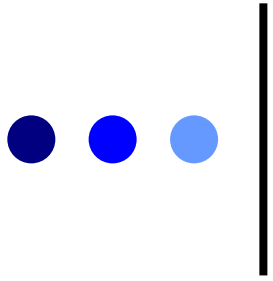
FECA Reform

- Applies to new claims only
- Strengthens the program while maintaining generous benefits
- Projected savings of \$591.6 million over the next 10 years



FECA Reform

- Current status: pending transmission
- Seeking sponsors
- Assistance welcome



Questions?



Topics To Be Covered

- Overview of the Federal Employees' Compensation Act (FECA)
- Chargeback System
- Primary Benefits Provided under the FECA
- Claims Processing
- Case Management
- Containing OWCP Costs
- Internet Resources and References



Overview of the FECA

- Federal Employees' Compensation Act (FECA) passed in 1916
- Provides compensation benefits to civilian employees of the US for disability due to personal injury or disease sustained in the performance of duty
- Provides benefits to dependents if a work-related injury or disease causes an employee's death
- Funded through agency chargebacks
- Sole remedy – a Federal employee or surviving dependent is not entitled to sue the US or recover damages for injury or death under any other law
- Administered by the Office of Workers' Compensation Program's Division of Federal Employees' Compensation



Chargeback

- FECA is financed by the Employees' Compensation Fund, which consists of monies appropriated by Congress or contributions by agencies from operating revenues
- The chargeback system is the mechanism by which the costs of compensation for work-related injuries are assigned to agencies for the fiscal accounting period which runs from July to June
- All compensation claims are identified as belonging to a particular agency based on the agency code entered into OWCP's system when the case is created
- OWCP provides each agency with a quarterly report listing all cases and costs for which charges will appear on the yearly chargeback bill



Primary Benefits Provided under the FECA

- Continuation of Pay (COP)
- Medical benefits
- Wage loss compensation
- Schedule awards
- Vocational rehabilitation
- Loss of Wage-Earning Capacity
- Death benefits



Types of Injury Claims

- Traumatic Injury – CA-1
- Occupational Disease – CA-2
- Recurrence – CA-2a
 - Consequential
 - Intervening
- Death – CA-5 and CA-6



Controverting COP

- The agency may controvert COP ONLY if one of the following applies:
 - Disability is a result of occupational disease or illness
 - Employee comes within the exclusions of 5 USC 8101 (1) (B) or (E)
 - Employee is neither a citizen nor resident of the US or Canada
 - Injury occurred off the agency's premises and the employee was not engaged in official "off premises" duties



Controverting COP – continued

- Employee's willful misconduct, intentional harm or death, or proximate intoxication
- Injury not reported within 30 days of injury
- Work stoppage first occurred more than 45 days after the injury
- Employee reported injury after employment was terminated
- Employee is enrolled in Civil Air Patrol, Peace Corps, or other group covered by special legislation



Challenging Validity of a Claim

- If the validity of a claim is in question, the agency should provide a detailed statement describing circumstances behind challenge
- Include specific evidence: witness statements, accident investigations, timecards, etc.
- Pay COP (if applicable) pending OWCP decision
- Authority to determine any aspect of claim rests with OWCP. While agency is entitled to explanation of basis for OWCP action, it must accept determination rendered.



Claims Processing

- A person claiming compensation must submit the essentials of a prima facie case, which are as follows
 - Timely Filing of Claim
 - Federal Civilian Employee
 - Fact of Injury
 - Performance of Duty
 - Causal Relationship



Conditions of Coverage

○ Timely Filing

Employee Has Three Years From:

- Date of Injury
- Date of First Awareness
- Date of Last Exposure

○ Civil Employee

- FECA covers all civilian employees except for non-appropriated fund employees
- Contract employees, volunteers, and loaned employees are covered under some circumstances



Fact of Injury

- **Factual** – Actual occurrence of an accident, incident, or exposure in time, place, and manner alleged
- **Medical** – Medical condition diagnosed in connection with that accident, incident, or exposure



Performance of Duty

- Injury occurred while performing assigned duties or engaging in an activity reasonably associated with the employment
- Injury occurred on work premises
- Injury occurred off premises while engaging in work activity



Causal Relationship

- Link between work-related exposure/injury and and medical condition found
- Based entirely on medical evidence provided by physicians who have examined and treated the employee
- Opinions of employee, supervisor, or witnesses not considered – nor is general medical information contained in published articles



OWCP Responsibilities

- OWCP has the obligation to aid in the processing and adjudicating of a claim
 - Advising the claimant and the agency of procedures for establishing a claim, including detailed instructions for developing the evidence
 - Requesting all evidence necessary to adjudicate the case
 - Identifying potential third party cases so that attempts at recovery may begin
 - Making prompt decisions



OWCP Responsibilities

- Once a claim is adjudicated, claims examiners are responsible for the following case management activities
 - Focus on Return to Work
 - Initiate Interventions and Services
 - Request Medical Information
 - Follow up with the assigned Field Nurse or Rehabilitation Specialist
 - Bring the Case to Resolution



Agency Responsibilities

- Encourage safe work habits and conditions and enforce safety regulations
- Advise employees on rights and responsibilities
- Report injuries promptly
- Complete and submit forms in timely manner
 - **CA-1 and CA-2 within ten workdays of receipt**
 - **CA-7 within five workdays of receipt**
- Continue pay in traumatic injuries



Agency Responsibilities

- Assist employees in returning to work
- Represent the agency's interest
- Challenge questionable claims (controversial)
- Keep in contact with employee
- Help manage compensation costs
- Accommodate "light duty" work when able



Containing OWCP Costs

- Submit CA-1s and CA-2s within ten workdays
- Submit CA-7s within five workdays
- Timely submission
 - enables prompt adjudication and medical management of claim
 - ensures compliance with the SHARE initiative and Federal regulations



Containing OWCP Costs

- Controvert/Challenge Questionable Claims
 - OWCP accepts employee statement as factual unless agency provides refuting evidence
 - Notify OWCP of any information you believe to be pertinent to the claim. This would include things such as past history of injuries, outside activities, etc.
 - Include actual evidence rather than conjecture or opinion



Containing OWCP Costs

- Track Injured Employees' Medical Status
 - Maintain constant contact with employee
 - Request frequent medical updates – in writing from physician
 - Cooperate with OWCP nurses, Claims Examiners, Vocational Rehabilitation Specialists, and Workers' Compensation Specialists/Injury Compensation Specialists



Containing OWCP Costs

○ Offer Light Duty

- Match employee's physical limitations to your particular needs
- Create temporary positions where none exist
- Benefits of offering light duty:
 - improves morale for both injured worker and remainder of workforce
 - each day employee remains out of work reduces likelihood he/she will ever return



Highlights of DFEC Homepage

www.dol.gov/esa/regs/compliance/owcp/fecacont.htm

- Pledge to Our Customers
- FECA Mission Statement
- When Injured At Work (CA-11)
- District Office Addresses and Telephone Contacts
- Information on FECA's New Consolidated Bill Processing and Medical Authorization System
- Questions and Answers about the Federal Employees' Compensation Act (Publication CA-550) Handbook for injured workers.
- Injury Compensation for Federal Employees (Publication CA-810) Handbook for employing agencies.
- Federal Employee Safety and Health Return-to-work Initiative
- Forms
- OWCP Procedure Manual
- Employees' Compensation Appeals Board Decisions
- Federal Employees' Compensation Act - Title 5 United States Code Sections 8101-8193.
- Regulations Under The FECA - Title 20 C.F.R. Parts 1-25.