

FY 2022

CONGRESSIONAL BUDGET JUSTIFICATION

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

SALARIES AND EXPENSES

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FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

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FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

APPROPRIATION LANGUAGE

SALARIES AND EXPENSES

For necessary expenses for the Office of Workers' Compensation Programs, [\$115,424,000] \$138,604,000, together with [\$2,177,000] \$2,205,000 which may be expended from the Special Fund in accordance with sections 39(c), 44(d), and 44(j) of the Longshore and Harbor Workers' Compensation Act.

(Department of Labor Appropriations Act, 2021.)

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2020 Revised Enacted		FY 2021 Enacted		FY 2022 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	683	\$115,424	608	\$115,424	751	\$138,604
A.1) Subtotal Appropriation (adjusted)	683	\$115,424	608	\$115,424	751	\$138,604
Offsetting Collections From:						
Black Lung Disability Trust Fund	154	\$38,246	156	\$40,643	156	\$41,464
Sequestration reduction Pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985	0	-\$2,257	0	-\$2,317	0	\$0
Longshore Trust	8	\$2,177	6	\$2,177	6	\$2,205
A.1) Subtotal Trust Funds	162	\$38,166	162	\$40,503	162	\$43,669
Supplemental Funding pursuant to American Rescue Plan Act of 2021, P.L. 117-2	0	\$0	183	\$30,265	0	\$0
B. Gross Budget Authority	845	\$153,590	953	\$186,192	913	\$182,273
Offsetting Collections to:	0	\$0	0	\$0	0	\$0
Black Lung Disability Trust Fund	-154	-\$35,989	-156	-\$38,326	-156	-\$41,464
Longshore Trust	-8	-\$2,177	-6	-\$2,177	-6	-\$2,205
B.1) Subtotal Trust Funds	-162	-\$38,166	-162	-\$40,503	-162	-\$43,669
Supplemental Funding pursuant to American Rescue Plan Act of 2021, P.L. 117-2	0	\$0	-183	-\$30,265	0	\$0
Shared Services Realignment	-12	\$0	0	\$0	0	\$0
C. Budget Authority Before Committee	671	\$115,424	608	\$115,424	751	\$138,604
Offsetting Collections From:	0	\$0	0	\$0	0	\$0
Black Lung Disability Trust Fund	154	\$35,989	156	\$38,326	156	\$41,464
Longshore Trust	8	\$2,177	6	\$2,177	6	\$2,205
C.1) Subtotal	162	\$38,166	162	\$40,503	162	\$43,669
D. Total Budgetary Resources	833	\$153,590	770	\$155,927	913	\$182,273
Unexpired Unobligated Balance	-50	-\$237	0	\$0	0	\$0
Shared Services Realignment	12	\$0	0	\$0	0	\$0
E. Total, Estimated Obligations	795	\$153,353	770	\$155,927	913	\$182,273

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2021 Enacted	FY 2022 Request	Net Change
Budget Authority			
General Funds	\$115,424	\$138,604	+\$23,180
Trust Funds	\$40,503	\$43,669	+\$3,166
Total	\$155,927	\$182,273	+\$26,346
 Full Time Equivalents			
General Funds	608	751	143
Trust Funds	162	162	0
Total	770	913	143

FY 2022 Change

Explanation of Change	FY 2021 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	770	\$80,052	0	\$435	0	\$1,825	0	\$2,260
Personnel benefits	0	\$27,768	0	\$149	0	\$924	0	\$1,073
Employee health benefits	0	\$0	0	\$0	0	\$0	0	\$0
Moving allowance	0	\$0	0	\$0	0	\$0	0	\$0
Federal Employees' Compensation Act (FECA)	0	\$1,428	0	\$0	0	\$0	0	\$0
Benefits for former personnel	0	\$18	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$195	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$0	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$9,918	0	\$0	0	\$0	0	\$0
Rental payments to others	0	\$0	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$1,685	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$166	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$345	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$2,969	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$18,170	0	\$0	0	\$0	0	\$0
Other Federal sources (Census Bureau)	0	\$0	0	\$0	0	\$0	0	\$0
Other Federal sources (DHS Charges)	0	\$1,736	0	\$0	0	\$0	0	\$0
Other goods and services from Federal sources	0	\$463	0	\$0	0	\$0	0	\$0

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

FY 2022 Change

Explanation of Change	FY 2021 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Research & Development								
Contracts	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of facilities	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of equipment	0	\$10,076	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$640	0	\$0	0	\$0	0	\$0
Equipment	0	\$261	0	\$0	0	\$0	0	\$0
Grants, subsidies, and contributions	0	\$0	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$37	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	770	+\$155,927	0	+\$584	0	+\$2,749	0	+\$3,333
B. Programs:								
FECA Program FTE Restoration	0	\$0	0	\$0	143	\$20,431	143	\$20,431
Processing of Mandatory Workload - DCMWC	0	\$0	0	\$2,317	0	\$0	0	\$2,317
Responsible Operator Self-Insurance and BLCS Maintenance	0	\$0	0	\$265	0	\$0	0	\$265
Programs Subtotal			0	+\$2,582	143	+\$20,431	143	+\$23,013
Total Increase	770	+\$155,927	0	+\$3,166	143	+\$23,180	143	+\$26,346
Decreases:								
A. Built-Ins:								
To Provide For:								
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
Programs Subtotal			0	\$0	0	\$0	0	\$0
Total Decrease	0	\$0	0	\$0	0	\$0	0	\$0
Total Change	770	+\$155,927	0	+\$3,166	143	+\$23,180	143	+\$26,346

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY¹								
(Dollars in Thousands)								
	FY 2020 Revised Enacted		FY 2021 Enacted		FY 2022 Request		Diff. FY22 Request / FY21 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
FEDERAL PROGRAMS FOR WORKERS' COMPENSATION	795	153,590	770	155,927	913	182,273	143	26,346
General Funds	640	115,424	608	115,424	751	138,604	143	23,180
Trust Funds	155	38,166	162	40,503	162	43,669	0	3,166
Division of Federal Employees Longshore and Harbor Workers' Compensation	646	117,601	614	117,601	757	140,809	143	23,208
DFELHWC General Funds	640	115,424	608	115,424	751	138,604	143	23,180
DFELHWC Trust Funds	6	2,177	6	2,177	6	2,205	0	28
Division of Coal Mine Workers' Compensation	149	35,989	156	38,326	156	41,464	0	3,138
Black Lung Disability Trust Funds	149	35,989	156	38,326	156	41,464	0	3,138

NOTE: 2020 reflects actual FTE.

¹ For the Division of Coal Mine Workers' Compensation, the FY 2020 and FY 2021 levels reflect the post-sequestration amounts and the FY 2022 level reflects the pre-sequestration amount.

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Request	Diff. FY22 Request / FY21 Enacted
	Full-Time Equivalent				
	Full-time Permanent	831	770	913	143
	Total	831	770	913	143
	Total Number of Full-Time Permanent Positions	831	770	913	143
	Average ES Salary	\$185,737	\$187,595	\$189,471	\$1,876
	Average GM/GS Grade	12/3	12/3	12/3	0
	Average GM/GS Salary	\$88,467	\$89,352	\$91,764	\$2,412
11.1	Full-time permanent	80,009	78,521	95,900	17,379
11.3	Other than full-time permanent	96	0	0	0
11.5	Other personnel compensation	1,273	1,531	1,531	0
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	81,378	80,052	97,431	17,379
12.1	Civilian personnel benefits	28,576	29,196	35,581	6,385
13.0	Benefits for former personnel	2	18	18	0
21.0	Travel and transportation of persons	478	195	195	0
22.0	Transportation of things	0	0	0	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	10,802	9,918	9,918	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	1,943	1,685	1,685	0
24.0	Printing and reproduction	114	166	166	0
25.1	Advisory and assistance services	344	345	345	0
25.2	Other services from non-Federal sources	3,044	2,969	2,969	0
25.3	Other goods and services from Federal sources 1/	17,542	20,369	20,369	0
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	7,922	10,076	12,658	2,582
26.0	Supplies and materials	489	640	640	0
31.0	Equipment	808	261	261	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	148	37	37	0
	Total	153,590	155,927	182,273	26,346
	1/Other goods and services from Federal sources				
	Working Capital Fund	15,502	18,170	18,170	0
	DHS Services	1,508	1,736	1,736	0
	Services by DOL Agencies	532	463	463	0

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

APPROPRIATION HISTORY²					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2012					
Base Appropriation	\$123,538			\$117,840	856
2013					
Base Appropriation	\$122,190			\$111,783	845
2014					
Base Appropriation	\$120,600			\$111,783	836
2015					
Base Appropriation	\$115,115			\$113,000	820
2016					
Base Appropriation	\$119,574			\$115,501	796
2017					
Base Appropriation	\$126,159			\$117,601	739
2018					
Base Appropriation	\$115,282	\$116,550		\$117,261	721
2019					
Base Appropriation	\$115,282		\$117,601	\$117,601	710
2020					
Base Appropriation...1/	\$117,782	\$120,782		\$117,601	680
2021					
Base Appropriation...1/	\$119,312			\$117,601	614
2022					
Base Appropriation	\$140,809				757

^{1/} FTE for FY 2020 and FY 2021 reflect the Shared Services Realignment.

² Appropriation amounts do not include amounts for the Black Lung Disability Trust Fund which are provided under a separate appropriation.

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Request	Diff. FY22 Request / FY21 Enacted
Activity Appropriation	153,590	155,927	182,273	26,346
FTE	795	770	913	143

NOTE: FY 2020 reflects actual FTE. Authorized FTE for FY 2020 was 837.

Introduction

In August 2020 OWCP merged the Division of Federal Employees Compensation (DFEC) and the Division of Longshore and Harbor Workers' Compensation (DLHWC). The two have been consolidated into one Division of Federal Employees', Longshore and Harbor Workers' Compensation (DFELHWC).

Federal Programs for Workers' Compensation (FPWC) provides funding for OWCP and two of its program divisions:

- DFELHWC's Federal Employees Compensation Act (FECA) Program provides wage-loss compensation, medical treatment, return-to-work assistance and vocational rehabilitation to civilian employees of the Federal Government injured at work and to certain other designated groups. DFELHWC's Longshore Program provides administrative oversight of the award and delivery of benefits to injured private-sector workers engaged in certain maritime and related employment and to overseas contractors covered by the provisions of the Defense Base Act (DBA).
- The Division of Coal Mine Workers' Compensation (DCMWC) provides monetary compensation and medical benefits to coal miners totally disabled by pneumoconiosis (Black Lung) stemming from mine employment, and monetary benefits to their dependent survivors.

Total resources requested in FY 2022 for FPWC are \$182,273,000 and 913 FTE.

The FY 2022 Request Level by budget activity is as follows:

- \$140,809,000 and 757 FTE for DFELHWC consisting of:
 - \$138,604,000 and 751 FTE for DFELHWC in General Funds Salaries & Expenses funding;
 - \$2,205,000 and 6 FTE for DFELHWC in Longshore Trust funding; and
- \$41,464,000 and 156 FTE for DCMWC in funding transferred from the Black Lung Disability Trust Fund.

FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

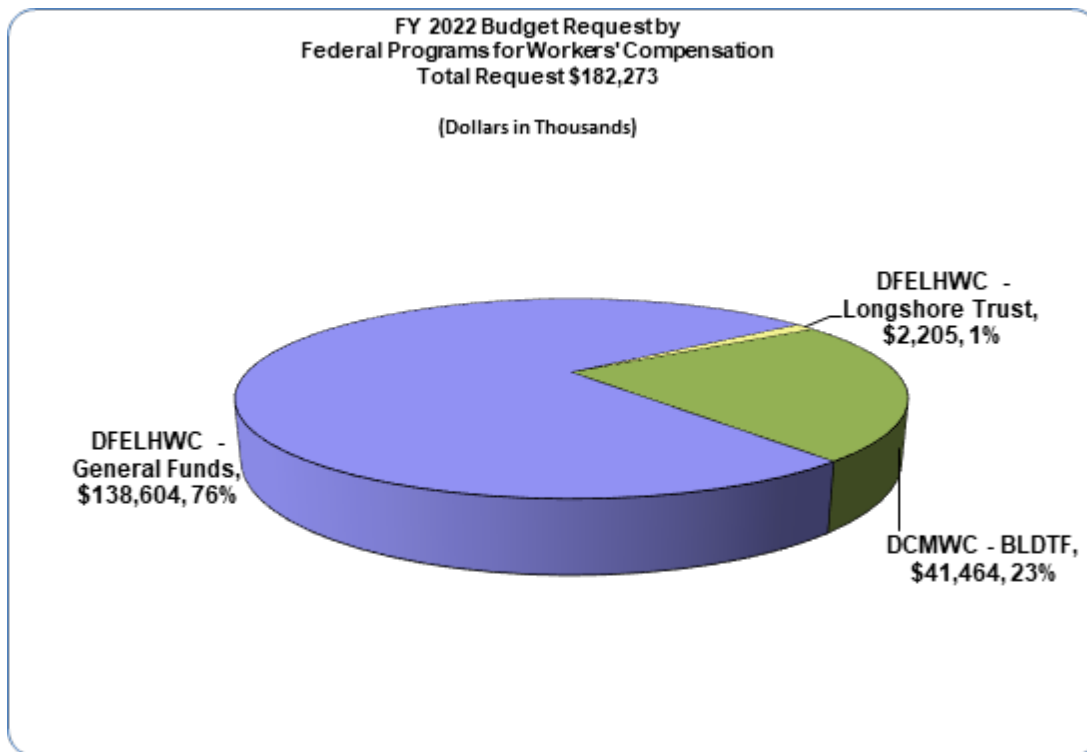
Supplemental Funding

American Rescue Plan (ARP)

DFELHWC is receiving \$30.3 million and 183 FTE in ARP supplemental funding in FY 2021 for worker protection activities related to the health and economic crisis caused by the coronavirus pandemic. During the second half of FY 2021 through September 30, 2023, the ARP supplemental funding will provide \$24.1 million in FTE costs, \$4.1 million in Information Technology (IT) development costs, and \$2.1 million in departmental administrative services (Office of Human Resources, Office of the Chief Information Officer, Procurement) costs.

The FTE will manage the increased caseload associated with COVID-19 claims and will include claims examiners, supervisors, quality assurance and mentoring examiners, and technical assistance staff.

IT development resources will support the establishment of an entirely new rubric for COVID-19 claims processing, requiring enhancements to our legacy case management desktop application (IFECS), new COVID specific forms filing procedures and options in our web portal (ECOMP), and an intelligence-driven COVID Analytics business processing dashboard and reporting tool. To ensure quality of COVID-19 claims adjudication and ancillary transactions, OWCP will also create a web-based auditing and quality assurance tracking system, all of which will be integrated into the ECOMP platform.



DIVISION OF FEDERAL EMPLOYEES LONGSHORE AND HARBOR WORKERS' COMPENSATION

BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Request	Diff. FY22 Request / FY21 Enacted
Activity Appropriation	117,601	117,601	140,809	23,208
FTE	646	614	757	143

Note: FY 2020 reflects actual FTE. Authorized FTE for FY 2020 was 680.

Introduction

Since its creation over 100 years ago, the Federal Employees' Compensation Act (FECA) program has ensured that the civilians who contribute to the nation's well-being as public servants are compensated for any injuries or illnesses resulting from their employment. The program provides workers' compensation benefits to several hundreds of thousands of civilian employees each year.

The Office of Workers' Compensation Program's (OWCP's) Division of Federal Employees', Longshore and Harbor Workers' Compensation (DFELHWC) directs the FECA program claims processing operations in 12 district offices and is the exclusive remedy by which Federal employees may obtain compensation from the United States for a work-related injury. The program covers approximately 2.6 million civilian Federal employees, including U.S. Postal Service employees, in more than 70 different agencies. It provides benefits to those who sustain an injury or illness in the performance of duty anywhere in the world. Benefits include wage-replacement payments and payments for reasonable and necessary medical treatment related to the injury, as well as vocational rehabilitation training and job-placement assistance to help disabled workers return to gainful employment. The program may also compensate injured workers for permanent impairment of limbs and other parts of the body and compensate survivors in the event of work-related death.

War Hazards Compensation Act Claims

The program is responsible for processing claims filed under the War Hazards Compensation Act (WHCA). The WHCA supplements the Defense Base Act (DBA) by reimbursing contract employers and insurance carriers for compensation and medical benefits paid by them for injuries or deaths arising from a "war risk hazard" which represents nearly all the claims filed under this Act. The WHCA also provides for making direct payments to individuals when detained by a "hostile force" or when injury or death occurs as a result of a "war risk hazard" and the claim is not compensable under the DBA. OWCP anticipates continuing significant workload for WHCA claims in connection with the wars in Iraq and Afghanistan. Claims from Iraq and Afghanistan are more complex than typical claims for compensation. The majority of WHCA payments for these conflicts have yet to be paid. OWCP expects to continue to receive both DBA and WHCA claims in FY 2022 and beyond, which will require adjudication, data analysis, reporting, customer assistance, and correspondence workload.

DIVISION OF FEDERAL EMPLOYEES LONGSHORE AND HARBOR WORKERS' COMPENSATION

DFELHWC is also charged with the administration of the Longshore and Harbor Workers' Compensation Act (LHWCA), as amended. LHWCA is administered by the Longshore program and provides income replacement and medical and rehabilitation benefits for individuals who are injured during the course of covered maritime employment or who suffer an occupational disease arising from such employment. The Longshore program also administers injury and occupational disease coverage for non-maritime employees under several extensions of the LHWCA, including the Defense Base Act (DBA), Outer Continental Shelf Lands Act, Non-appropriated Fund Instrumentalities Act, and for injuries sustained prior to July 26, 1982, the District of Columbia Workmen's Compensation Act.

The core mission activities of the Longshore Program are:

- **Insurance Authorization and Risk Securitization:** The Longshore program authorizes private employers to self-insure and insurance carriers to provide coverage for benefits provided under the Act, while overseeing proper collateralization to ensure the continuing provision of benefits for covered workers in case of insolvency.
- **Special Workers' Compensation Fund (SWCF) Management:** The Longshore program administers, provides oversight, and ensures the solvency and financial strength of the SWCF, for which it has fiduciary responsibility. OWCP also makes direct benefit payments on cases covered by the SWCF, as provided in Section 944 of the LHWCA.
- **Claims Processing and Benefits Delivery Oversight:** The Longshore program provides administrative oversight of the award and delivery of wage replacement compensation, medical treatment, and vocational rehabilitation benefits provided by employers and insurance carriers to injured private sector workers, as well as death benefits to their eligible survivors in the event of work-related death.
- **Issue Identification and Resolution:** The Longshore program identifies potential issues in the claims processing and benefits delivery process and completes intervention actions by providing information, technical and compliance assistance, support, and informal dispute resolution services to workers, employers, and insurers.

The Longshore Program receives approximately 30,000 new lost-time injury claims per year and collects assessments for the SWCF, which provides benefits directly to certain individuals (claimants), including bi-weekly recurring benefit payments to over 3,700 beneficiaries. There are approximately 545 companies authorized to write insurance or self-insure liabilities under the LHWCA and its extensions. The program maintains over \$2,900,000,000 in securities to ensure the continuing provision of benefits for covered workers in case of employer/carrier insolvency.

Five-Year Budget Activity Component History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2017	\$117,601	739
2018	\$117,261	721
2019	\$117,601	710
2020	\$117,601	680
2021	\$117,601	614

DIVISION OF FEDERAL EMPLOYEES LONGSHORE AND HARBOR WORKERS' COMPENSATION

FY 2022

Requested resources for FY 2022 are \$140,809,000 and 757 FTE. Of these amounts, the Longshore Trust Fund provides \$2,205,000 and 6 FTE. The requested amount is an increase of \$23,208,000 from the FY 2021 Revised Enacted level. It includes a program increase of \$20,431,000 for restoration of 143 FTE in the FECA Program, an increase of \$2,833,000 for built-in pay and benefits funding to avoid erosion of FTE, and a decrease of \$56,000 in FECA Chargeback funding.

At this level, the FECA program will continue the core activities of its mission, including adjudication of new injury and illness claims, processing initial wage-loss compensation claims, and disability management and return-to-work services. The FECA program will ensure that staff have the right skills and operate with the responsiveness and flexibility to perform initial claims intake and adjudication, wage-loss claims processing and payment, early disability case management, periodic roll management, and appeals processing. Aligning staff to perform all aspects of case management on a given case from beginning to end will best serve the government by creating equitable work assignments and standardized processes, and will benefit our stakeholders by working with a single claims examiner who is familiar with the entire life of a claim.

The program increase for FTE restoration will address many years of FTE erosion due to flat funding levels and coupled with increased compensation costs limiting the program's ability to adequately perform the periodic entitlement reviews which ensure that injured workers currently being paid are still entitled to benefits. These periodic roll case payments account for nearly \$2B in annual compensation and DOL's OIG has noted increased instances of the program's failure to reduce or terminate compensation consistent with its program guidance. The additional funding in FECA's request will increase the program's ability to detect improper payments, and increase program effectiveness, oversight, and integrity.

In FY 2022, the FECA program will ensure that staff have the right skills and operate with the responsiveness and flexibility to perform initial claims intake and adjudication, wage-loss claims processing and payment, early disability case management, periodic roll management, and appeals processing. Aligning staff to perform all aspects of case management on a given case from beginning to end best serves the government by creating equitable work assignments and standardized processes, and benefits our stakeholders by working with a single claims examiner who is familiar with the entire life of a claim. The program will also continue its focus on three fundamental tenets of workers' compensation: 1) Learn about the injury as soon as possible; 2) Provide timely access to treatment; and 3) Return the injured worker to pre-injury status both economically and medically as soon as possible. The [Protecting Employees, Enabling Reemployment \(PEER\) initiative](#) allows federal departments and agencies to recommit to safety goals and ensure that the workforce receives timely benefits through a modern and efficient workers' compensation system. In coordination with the Occupational Safety and Health Administration, the FECA program will work with agencies across the federal government to meet their individualized performance targets in FY 2022. The program will continue to work with federal agencies to file through the Employees' Compensation Operations & Management Portal (ECOMP) and to do so in a timely fashion. Filing forms in ECOMP improves the speed of

DIVISION OF FEDERAL EMPLOYEES LONGSHORE AND HARBOR WORKERS' COMPENSATION

forms filing, benefits delivery, and return-to-work.

While the program funds its operations from the General Fund, management of the SWCF is supported by a direct transfer from the SWCF that is referred to as "Longshore Trust Funds." OWCP finances the SWCF by assessments on the carriers and self-insured employers who underwrite or perform Longshore-related work. The LHWCA authorizes the Secretary of Labor to utilize funds from the SWCF to ensure its solvency and financial strength (see Sections 44(d) and 44(i) of the Longshore and Harbor Workers' Compensation Act Amendments of 1984). For FY 2022, these activities (as well as vocational rehabilitation services in Sec 39(c) of the Act) will be supported by the direct transfer of \$2,205,000 from the SWCF. In addition, the Longshore Program conducts audits of selected entities in order to protect the SWCF from potential risk as required under the LHWCA and to ensure those entities are accurately reporting their claim liabilities.

With the objective of utilizing data as a strategic asset to improve program effectiveness, oversight and transparency, the request includes funding for the SWCF to increase the program's collection of financial data to inform decision-making and foster public accountability and transparency. This funding will allow the Longshore program to perform more financial compliance audits to hold all SWCF participants accountable for their fair share of the annual assessment by increasing financial recoveries, serve as a deterrent to under-reporting, and reduce additional costs to compliant employers who are left to make the SWCF whole. This increase in funding will also provide the program with resources to better assess and monitor carriers' and self-insureds' financial strength and securitization of risk.

FY 2021

Enacted resources for FY 2021 are \$117,601,000 and 614 FTE. Of these amounts, the Longshore Trust Fund provides \$2,177,000 and 6 FTE.

At this funding level, the FECA program will continue the core activities of its mission, including adjudication of new injury and illness claims, processing initial wage-loss compensation claims, and disability management and return-to-work services.

In FY 2021, the FECA program will ensure that staff have the right skills and operate with the responsiveness and flexibility to perform initial claims intake and adjudication, wage-loss claims processing and payment, early disability case management, periodic roll management, and appeals processing. Aligning staff to perform all aspects of case management on a given case from beginning to end will best serve the government by creating equitable work assignments and standardized processes, and will benefit our stakeholders by working with a single claims examiner who is familiar with the entire life of a claim.

In FY 2021, the Longshore program will also continue its focus on improved electronic claims filing, case creation, and claims management systems to drive shorter compliance timeframes.

The Longshore Program collects detailed data and tracks each case until resolution or permanency has been reached. Each final case outcome can determine specifically whether the

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injured worker has any lasting effects from the injury. When the injured worker is entitled to compensation, detailed information will be collected with regard to the timeliness and accuracy of the initial payments. When payment delivery is not timely or accurate, staff will investigate the reasons and work with the employer/carrier to identify the root of the problem.

FY 2020

Total resources at the FY 2020 Enacted level for the FECA program were \$117,601,000 and 691 FTE. Of these amounts, the Longshore Trust Fund provided \$2,177,000 and 8 FTE.

At this funding level, the FECA program continued the core activities of its mission, including adjudication of new injury and illness claims, processing initial wage-loss compensation claims, and disability management and return-to-work services.

An important part of improving claims processing and benefits delivery includes the FECA program's focus on helping injured and ill employees return to work. While most injured and ill workers return to work on their own, some require assistance because of the severity or nature of their injuries or illnesses. OWCP's proactive disability management oversees medical treatment and entails interventions designed to increase and accelerate return-to-work. The FECA program continues to work proactively with federal departments and agencies on re-employment initiatives.

The FECA program works to improve the quality of decisions and overall adjudication and benefit delivery process by strengthening stakeholder engagement. Specifically, the program increased the utilization of the Disability Management Interface so that employing agencies can communicate with claims staff regarding the management of cases involving wage-loss, pending job offers, or an absence of medical evidence.

DIVISION OF FEDERAL EMPLOYEES LONGSHORE AND HARBOR WORKERS' COMPENSATION

WORKLOAD AND PERFORMANCE SUMMARY					
		FY 2020 Revised Enacted		FY 2021 Enacted	FY 2022 Request
		Target	Result	Target	Target
Division of Federal Employees Longshore and Harbor Workers' Compensation					
Strategic Goal 13 - Improve Administration of and Strengthen Worker Safety Net Programs					
Strategic Objective 3.1 - Ensure timely and accurate income support when work is unavailable by strengthening benefits programs and program administration.					
Performance Measures					
FEC 1a	Percent of wage-loss claims timely processed within 14 days: claims not requiring further development	90.0%	94.0%	90.0%	92.0%
FEC 1b	Percent of all wage-loss claims timely processed within 90 days: all claims	90.0%	97.6%	90.0%	95.0%
LS 3a	Percent of Employer's First Report of Injury filed within 20 days: non-Defense Base Act cases	88%	90%	88%	88%
LS 4a	Percent of First Payment of Compensation issued within 28 days: non-Defense Base Act cases	88%	84%	88%	84%
LS 6	Percent of Industry Special Workers' Compensation Fund (Longshore Trust) Final Assessment Bills Collected within 60-days of Issuance	90%[r]	90%	90%	90%
Workloads					
FEC WL 1	Cases Created	100,000[p]	90,744	100,000[p]	100,000[p]
FEC WL 3	Initial Wage-loss Claims Received	16,100[p]	14,597	15,900[p]	15,600[p]

DIVISION OF FEDERAL EMPLOYEES LONGSHORE AND HARBOR WORKERS' COMPENSATION

WORKLOAD AND PERFORMANCE SUMMARY					
		FY 2020 Revised Enacted		FY 2021 Enacted	FY 2022 Request
		Target	Result	Target	Target
FEC WL 6	Number of Compensation and Medical Payments Processed (By Chargeback Year)	8,100,000[p]	7,187,017	8,000,000[p]	7,800,000[p]
FEC WL 9	Number of Wage-loss Claims Received	--	162,661	174,000[p]	172,000[p]
LS WL 2	Number of Claims with Lost Time / Injuries Reported	32,631[p]	34,567	31,676[p]	33,879[p]

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

DIVISION OF FEDERAL EMPLOYEES LONGSHORE AND HARBOR WORKERS' COMPENSATION

Workload Summary

The Federal Employees' Compensation Act (FECA) program performs a variety of activities to accomplish its goals, including initial claims intake and adjudication, wage-loss claims processing and payment, early disability case management, periodic roll management, and appeals processing.

Case Creation and Initial/Wage-loss Intake and Adjudication

In FY 2020, the FECA program received 90,744 new injury claims and 14,597 initial claims for FECA wage-loss compensation. Over 85 percent of the new injury claims were for traumatic injuries, such as those caused by slips and falls. The remainder involved more complex situations in which a medical condition arose due to occupational exposure. In FY 2020, the FECA program received 162,661 wage-loss claims. The program continues to exceed established targets for the timely processing of wage-loss claims. In FY 2020, the program processed 94 percent of claims that did not need further development within 14 days and processed 97.6 percent of all wage-loss claims within 90 days.

Compensation and Medical Payments

The FECA program staff process benefits for those who sustain a work-related injury or illness in the performance of duty anywhere in the world. Benefits include wage-replacement payments and payments for reasonable and necessary medical treatment related to the injury. In Chargeback Year (CBY) 2020 (July 1, 2019 to June 30, 2020), the program processed a total of 7,187,017 compensation and medical payments. In CBY 2020, 196,675 beneficiaries received \$2.96 billion in benefit payments, including \$2.03 billion for wage-loss compensation, \$140 million for death benefits, and \$790 million for medical benefits.

Claims Processing and Benefits Delivery Oversight

The Longshore program provides administrative oversight of benefit award and delivery by employers and insurance carriers to injured private sector workers and is responsible for collecting annual industry assessments to support the Special Workers' Compensation Fund (SWCF).

The Longshore program focuses on employer/carrier performance to ensure that injury reports and first payment of benefits are timely. The program updated their performance measures in FY 2020, decreasing the number of days to submit key reports: for first injury reports from 30 days to 20 days and for first payment of compensation from 30 days to 28 days. In FY 2020, the results for the first report of injury and first payment measures for non-Defense Base Act (DBA) cases, which account for the majority of cases, were 90 percent and 84 percent against targets of 88 percent and 88 percent, respectively. The pandemic and the migration to a new case management system impacted the program's performance in FY 2020.

DIVISION OF FEDERAL EMPLOYEES LONGSHORE AND HARBOR WORKERS' COMPENSATION

OWCP will implement a number of strategies aimed to continue delivering results for these measures. It will conduct ongoing and quarterly performance management meetings with large stakeholders to ensure that the program addresses emerging issues that may impede performance and use its statutory and regulatory authority where necessary to foster greater compliance with its programmatic goals, including the issuance of penalties for late injury reporting and late first payments.

Insurance Authorization and Risk Securitization / SWCF Management

A major program responsibility is collecting annual industry assessments that support the SWCF. As part of the program's obligations to ensure the Fund has adequate resources to pay benefits, it must collect these assessments in a timely manner from those entities that utilize the Fund, first for an estimated amount and then a final adjusted amount each year. In FY 2020, 90 percent of final assessment bills were collected within 60-days of issuance.

**DIVISION OF FEDERAL EMPLOYEES LONGSHORE AND HARBOR
WORKERS' COMPENSATION**

BUDGET ACTIVITY COMPONENT BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Request	Diff. FY22 Request / FY21 Enacted
11.1	Full-time permanent	66,599	64,194	81,156	16,962
11.3	Other than full-time permanent	96	0	0	0
11.5	Other personnel compensation	988	1,255	1,255	0
11.9	Total personnel compensation	67,683	65,449	82,411	16,962
12.1	Civilian personnel benefits	24,001	24,297	30,543	6,246
13.0	Benefits for former personnel	2	0	0	0
21.0	Travel and transportation of persons	300	72	72	0
22.0	Transportation of things	0	0	0	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	9,222	8,267	8,267	0
23.3	Communications, utilities, and miscellaneous charges	1,312	1,034	1,034	0
24.0	Printing and reproduction	93	113	113	0
25.1	Advisory and assistance services	344	345	345	0
25.2	Other services from non-Federal sources	651	1,225	1,225	0
25.3	Other goods and services from Federal sources 1/	10,986	13,423	13,423	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	2,044	2,894	2,894	0
26.0	Supplies and materials	221	372	372	0
31.0	Equipment	594	73	73	0
42.0	Insurance claims and indemnities	148	37	37	0
	Total	117,601	117,601	140,809	23,208
	1/Other goods and services from Federal sources				
	Working Capital Fund	9,514	11,804	11,804	0
	DHS Services	1,420	1,608	1,608	0
	Services by DOL Agencies	52	11	11	0

DIVISION OF FEDERAL EMPLOYEES LONGSHORE AND HARBOR WORKERS' COMPENSATION

CHANGES IN FY 2022

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$1,843
Personnel benefits	934
Federal Employees' Compensation Act (FECA)	0
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services from non-Federal sources	0
Working Capital Fund	0
Other Federal sources (DHS Charges)	0
Other goods and services from Federal sources	0
Research & Development Contracts	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$2,777**

Net Program **\$20,431**

Direct FTE **143**

	Estimate	FTE
Base	\$120,378	614
Program Increase	\$20,431	143
Program Decrease	\$0	0

DIVISION OF COAL MINE WORKERS' COMPENSATION

BUDGET AUTHORITY BEFORE THE COMMITTEE³				
(Dollars in Thousands)				
	FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Request	Diff. FY22 Request / FY21 Enacted
Activity Appropriation	35,989	38,326	41,464	3,138
FTE	149	156	156	0

NOTE: FY 2020 reflects actual FTE. Authorized FTE for FY 2020 was 157.

Introduction

OWCP's Division of Coal Mine Workers' Compensation (DCMWC) serves coal industry workers who are totally disabled by pneumoconiosis as a result of their exposure to coal mine dust and their dependent survivors. Pneumoconiosis – also known as Black Lung disease – is a debilitating condition that currently has no cure. OWCP draws its mandate from Title IV of the Federal Coal Mine Health and Safety Act of 1969, as amended. The core mission and budget activities of the program are to develop and adjudicate claims and pay benefits. Claims examiners and supporting staff in eight district offices across the country process benefit applications and make decisions on benefit eligibility. In addition, staff members monitor benefit payments and medical treatment provided by self-insured coal mine operators or their insurance carriers.

In FY 2022, DCMWC will continue to address the complex operational challenges presented by the COVID-19 pandemic and advance modernization and standardization initiatives designed to optimize overall efficiency and ensure the timely and accurate delivery of benefits. With all paper claims files scheduled to be converted to an electronic format at the outset of FY 2022, the program will work to leverage the paperless claims process to effect more cost-effective program operations, better use of staffing resources, enhanced information security, and improved customer service. In addition, the program will carry forward standardization initiatives—including the centralization of case create, printing/mailing, call intake, and other functions—to shift program resources to mission-critical activities and maximize the decision-making productivity of professional staff. Further, the program will support the ongoing policy efforts of consolidating space in DOL to streamline operations and redirect resources to more effective and efficient use in support of the program's mission. The program will also extend a strategic initiative to modernize its workforce by backfilling administrative and other non-critical positions with claims examiners who can perform the full-range of claims adjudication activities central to program mission. By aligning claims examiners with their primary mission of adjudicating claims and issuing decisions, the program will improve the customer experience by maximizing quality, timeliness, and accurate outcomes for the program's stakeholders.

³ The FY 2020 and FY 2021 levels reflect the post-sequestration amounts. The FY 2022 level reflects the pre-sequestration amount.

DIVISION OF COAL MINE WORKERS' COMPENSATION

Five-Year Budget Activity Component History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2017	\$35,607	152
2018	\$35,722	158
2019	\$35,875	158
2020	\$35,989	157
2021	\$38,326	156

FY 2022

The FY 2022 Request level for DCMWC is \$41,464,000 and 156 FTE. This includes program increases of \$265,000 for Responsible Operator Self-Insurance and Black Lung Claims System maintenance.

For FY 2022 OWCP is requesting an additional \$265,000 in Black Lung Disability Trust Fund (BLDTF) funding for DCMWC to maintain and enhance commercial insurance and self-insurance databases as part of the ongoing implementation of Government Accountability Office recommendations for improving oversight of the coal mine operators' insurance process to protect the BLDTF. Reporting features will be incorporated into the commercial insurance database for better monitoring of new, expired, and cancelled policies. The self-insurance database will be enhanced to support revisions to the self-insurance process and to ensure there is appropriate data storage for a large volume of electronic documentation.

While ensuring a proactive response to the COVID-19 pandemic to assist stakeholders while minimizing disruptions to core program operations, DCMWC will also continue the core activities of its mission to adjudicate incoming and pending claims, pay monthly compensation and ongoing medical treatment benefits to an estimated 11,500 beneficiaries, monitor cash and medical treatment benefits disbursed by coal mine operators to approximately 6,200 additional beneficiaries, and receive an estimated 6,500 new, incoming claims under Part C, as well as manage approximately 5,000 claims pending decision.

DCMWC will direct its resources and strategies towards maximizing productivity and efficiency through operational standardization and process streamlining, and maintaining a balanced, sustainable approach to claims inventory management with a special emphasis on claims pending for more than 365 days. DCMWC will use informed analysis and information technology (IT) innovations to enhance performance and keep pace with the significant incoming claims volume, ensure accurate and timely adjudication of benefits, and modernize and streamline program operations.

FY 2021

Total resources at the post-sequester FY 2021 Enacted level for DCMWC are \$38,326,000 and 156 FTE. In FY 2021, DCMWC received \$2,000,000 (pre-sequestration) to convert all paper files to electronic files and implement a fully digital claims process. The program will utilize the proven model of a quick reaction team of dedicated contractor employees, high-speed mobile

DIVISION OF COAL MINE WORKERS' COMPENSATION

scanners, and an assembly line protocol. This approach has already delivered cost-effective results in the program's offices in Johnstown and Greensburg, which are both primarily digital operations after scanning nearly 4.5 million pages. With digitization efforts in place in all offices with remaining paper files, the program is on pace to successfully convert all paper files to electronic format by the end of FY 2021. In FY 2021 DCMWC also received \$235,000 and 2 FTE in support of its ongoing modernization efforts in its self-insurance monitoring unit and the development of a system capable of tracking the status of coal company insurance coverage. The 2 FTE are responsible for evaluating and assessing coal company requests for self-insurance status.

In addition, the Black Lung program will continue to partner with the Office of Administrative Law Judges to implement a fully electronic hearing process. In the end, these digitization efforts will enhance overall efficiency, expand telework opportunities for staff, and improve the flexibility of program operations. The program is also continuing to address the impact of the COVID-19 pandemic by carrying forward key initiatives to assist stakeholders while minimizing disruptions to core program operations. These initiatives include granting extensions to claims-processing deadlines to submit evidence and supporting materials as required, and allowing miners up to a 90-day supply of covered medications and expanded use of telemedicine services to facilitate safe access to vital healthcare services and treatment options during the pandemic. Concurrently, the program continues to prioritize the resolution of claims pending for more than 365 days and optimized a new reporting system through Microsoft Power Business Intelligence software that is available to all claims staff and supervisors. The new reporting system provides expanded capabilities for National Office and district office staff to more efficiently obtain ad hoc and standardized reporting data.

FY 2020

Total resources at the post-sequester FY 2020 Enacted level for DCMWC are \$35,989,000 and 154 FTE. In FY 2020, the COVID-19 pandemic significantly impacted the Black Lung program's operations. All coal miners who file claims for Black Lung benefits are entitled to a complete pulmonary examination at the Department's expense. However, as a result of the COVID-19 pandemic, most physicians completely suspended black lung exams for several months, beginning in the spring, and when some providers slowly resumed performing black lung exams, it was only at reduced capacity to allow for appropriate health and safety protocols. Claims processing was delayed when exams could not be performed. To mitigate the impact of the delays, the Black Lung Program concurrently completed all other possible claims development while the exam results were pending so that the program could issue a decision as soon as possible once the exam results were received.

In spite of these challenges, in FY 2020, DCMWC issued 6,114 decisions, managed a pending inventory of roughly 4,400 claims, paid monthly compensation and ongoing medical treatment benefits to 12,388 beneficiaries, and monitored cash and medical treatment benefits disbursed by coal mine operators to 5,687 beneficiaries. Further 14.7 percent of Black Lung claims were pending over 365 days in FY 2020 compared to 12.3 percent in FY 2019, a rate which the program plans to substantially improve upon in FY 2021 and FY 2022.

DIVISION OF COAL MINE WORKERS' COMPENSATION

WORKLOAD AND PERFORMANCE SUMMARY					
		FY 2020 Revised Enacted		FY 2021 Enacted	FY 2022 Request
		Target	Result	Target	Target
Division of Coal Mine Workers' Compensation					
Strategic Goal 13 - Improve Administration of and Strengthen Worker Safety Net Programs					
Strategic Objective 3.1 - Ensure timely and accurate income support when work is unavailable by strengthening benefits programs and program administration.					
Performance Measures					
CM 2b	Percent of black lung claims over 365 days in pending Proposed Decision and Order inventory	13%	15%	11%	9%
CM 8	Number of decisions issued	6,850	6,114	6,000	6,500
Workload Volumes					
CM WL 1	Number of Claims Received	7,000[p]	5,336	7,000[p]	6,500[p]
CM WL 6	Number of Claims in Pending Proposed Decision and Order Inventory	5,000[e]	4,364	5,000[e]	5,000[e]

Legend: (r) Revised (e) Estimate (base) Baseline -- Not Applicable TBD - To Be Determined [p] - Projection

DIVISION OF COAL MINE WORKERS' COMPENSATION

Workload Summary

In FY 2022, the Division of Coal Mine Workers' Compensation (DCMWC) expects to receive 6,500 new claims and issue 6,500 decisions, resulting in a stable pending inventory of approximately 5,000 claims. The FY 2021 target for the 'Number of Claims received' workload measure was established prior to observation of the effects the pandemic has had on new claims filings in FY 2021. Due to the limited operating status of Black Lung clinics during the pandemic, there has been a limited availability for testing and claimant access to benefits counselors which has resulted in fewer new claims filings to date than projected. DCMWC will work to implement effective solutions to the challenges presented by the COVID-19 pandemic while continuing to prioritize the resolution of claims pending for more than 365 days as a key strategic objective by optimizing productivity and promoting a balanced approach to claims

DIVISION OF COAL MINE WORKERS' COMPENSATION

BUDGET ACTIVITY COMPONENT BY OBJECT CLASS⁴					
(Dollars in Thousands)					
		FY 2020 Revised Enacted	FY 2021 Enacted	FY 2022 Request	Diff. FY22 Request / FY21 Enacted
11.1	Full-time permanent	13,410	14,327	14,744	417
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	285	276	276	0
11.9	Total personnel compensation	13,695	14,603	15,020	417
12.1	Civilian personnel benefits	4,575	4,899	5,038	139
13.0	Benefits for former personnel	0	18	18	0
21.0	Travel and transportation of persons	178	123	123	0
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	1,580	1,651	1,651	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	631	651	651	0
24.0	Printing and reproduction	21	53	53	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	2,393	1,744	1,744	0
25.3	Other goods and services from Federal sources 1/	6,556	6,946	6,946	0
25.4	Operation and maintenance of facilities	0	0	0	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	5,878	7,182	9,764	2,582
26.0	Supplies and materials	268	268	268	0
31.0	Equipment	214	188	188	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	35,989	38,326	41,464	3,138
	1/Other goods and services from Federal sources				
	Working Capital Fund	5,988	6,366	6,366	0
	DHS Services	88	128	128	0
	Services by DOL Agencies	480	452	452	0

⁴ The FY 2020 level reflects post-sequestration amounts. The FY 2021 and FY 2022 levels reflect pre-sequestration amounts.

DIVISION OF COAL MINE WORKERS' COMPENSATION

CHANGES IN FY 2022

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$417
Personnel benefits	139
Employee health benefits	0
Moving allowance	0
Federal Employees' Compensation Act (FECA)	0
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	0
Rental payments to others	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services from non-Federal sources	0
Working Capital Fund	0
Other Federal sources (Census Bureau)	0
Other Federal sources (DHS Charges)	0
Other goods and services from Federal sources	0
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Grants, subsidies, and contributions	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$556**

Net Program **\$2,582**

Direct FTE **0**

	Estimate	FTE
Base	\$38,882	156
Program Increase	\$2,582	0
Program Decrease	\$0	0