

OWCP Interagency Meeting May 11, 2011

Douglas Fitzgerald
Director, Division of Federal Employees'
Compensation

Topics to be Covered

- POWER Initiative Progress Report through 2nd Quarter
- Executive Order 13548 and FECA
- OWCP Schedule A Pilot Project

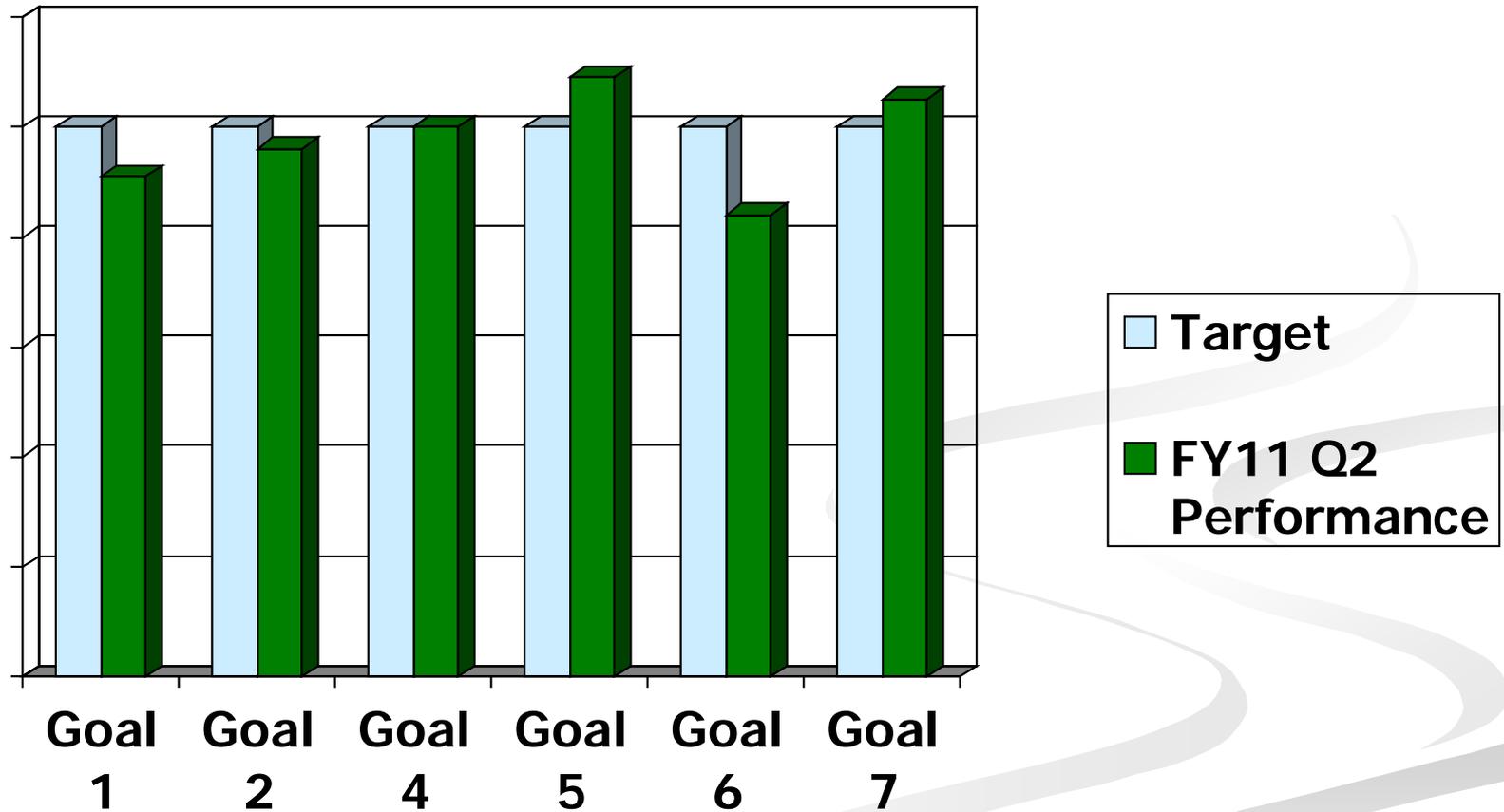
Protecting Our Workers and Ensuring Reemployment (POWER) Initiative

- Signed by President Obama July 19, 2010
- Will run from FY2011 through FY2014
- Succeeds and expands the Safety, Health and Return to Employment (SHARE) Initiative (FY2004-FY2009)

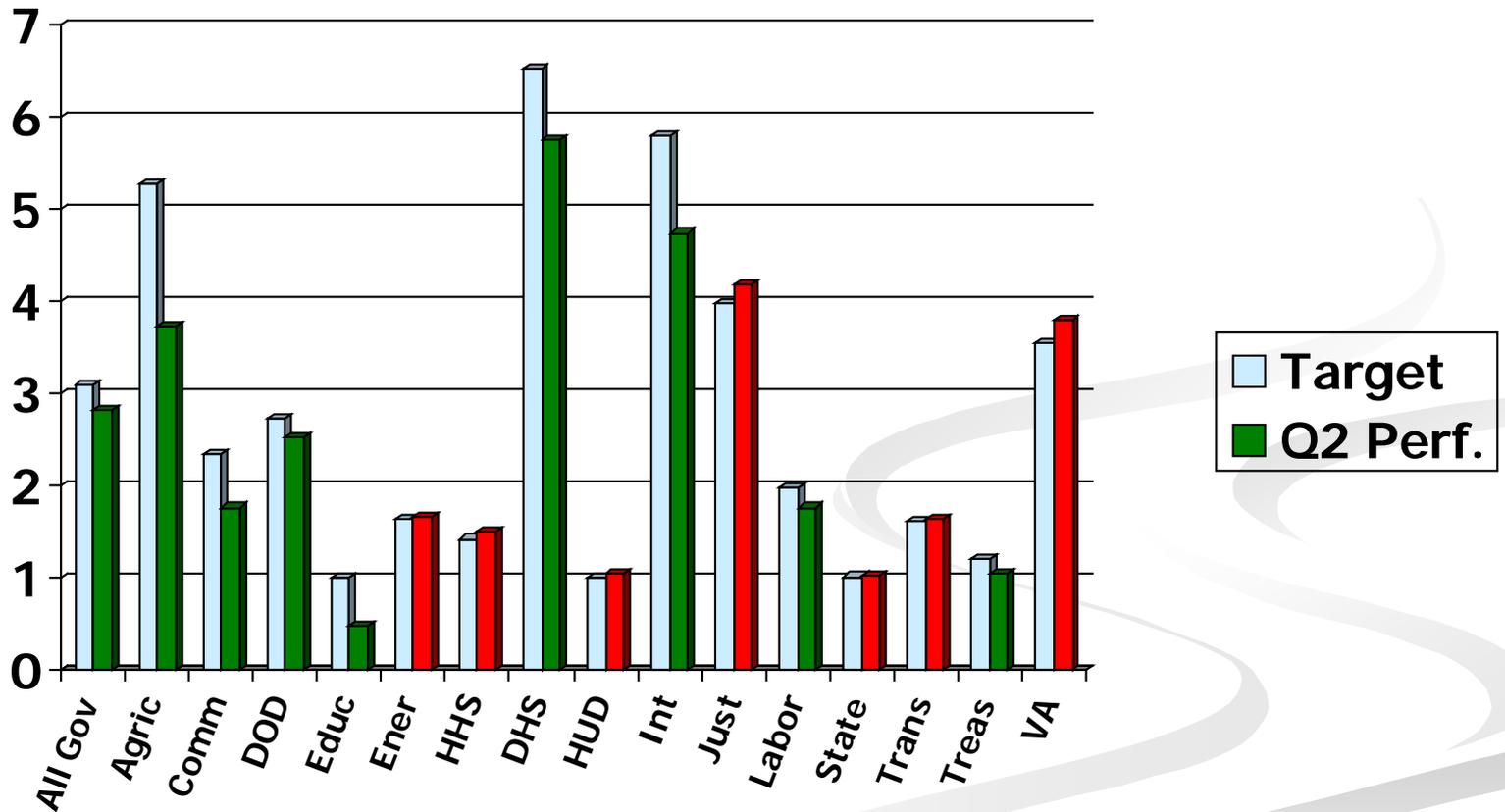
POWER Goals

- 1: Reduce Total Case Rate
- 2: Reduce Lost Time Case Rate
- 3: Analyze Lost Time Case Data 
- 4: Increase Timely Filing of Claims
- 5: Increase Timely Filing of Wage Loss Claims 
- 6: Reduce Lost Production Days
- 7: Increase Return to Work Rate (only 14 agencies with significant case volumes) 

POWER: All Govt (less USPS)

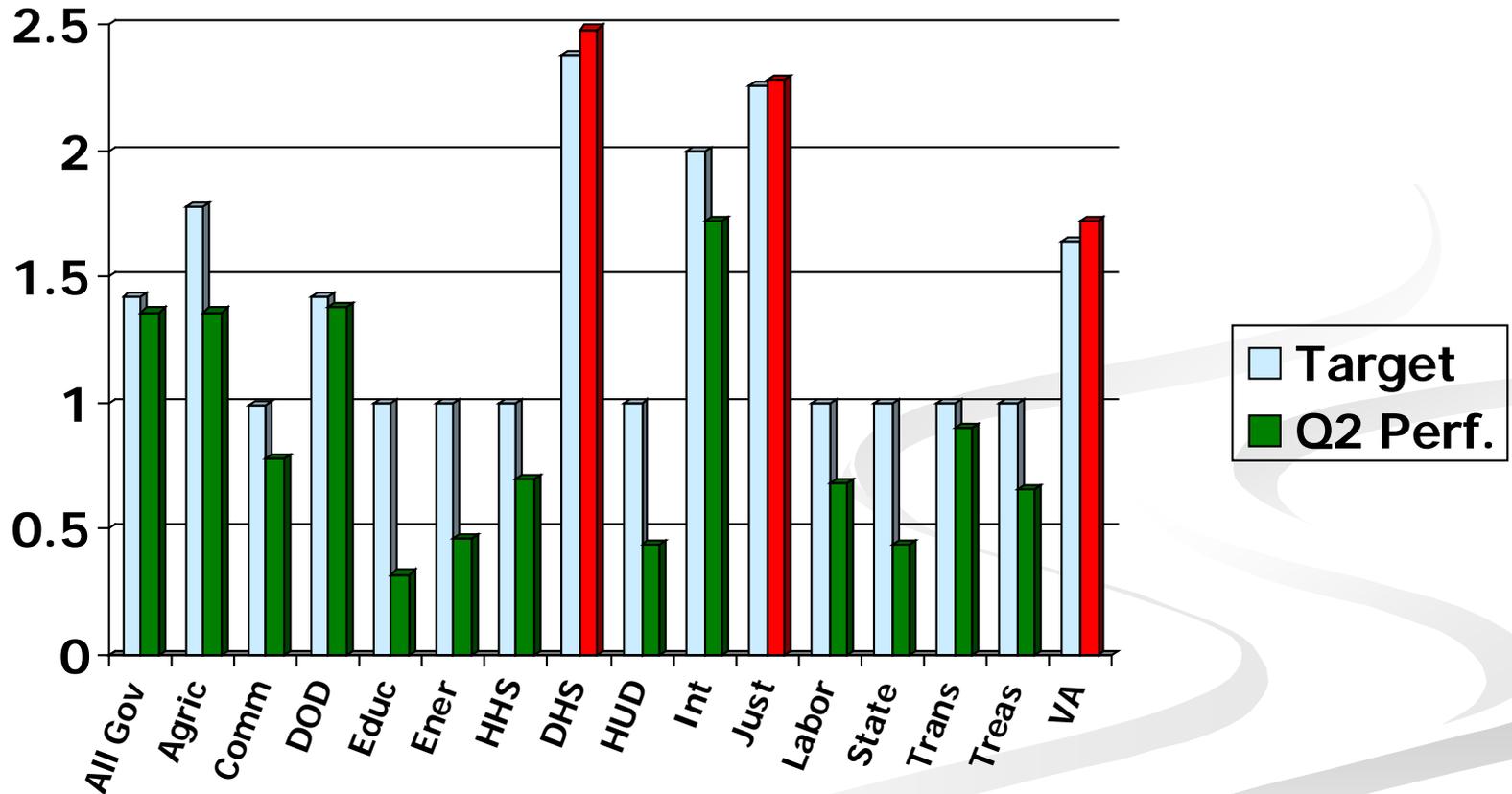


POWER Goal 1: TCR



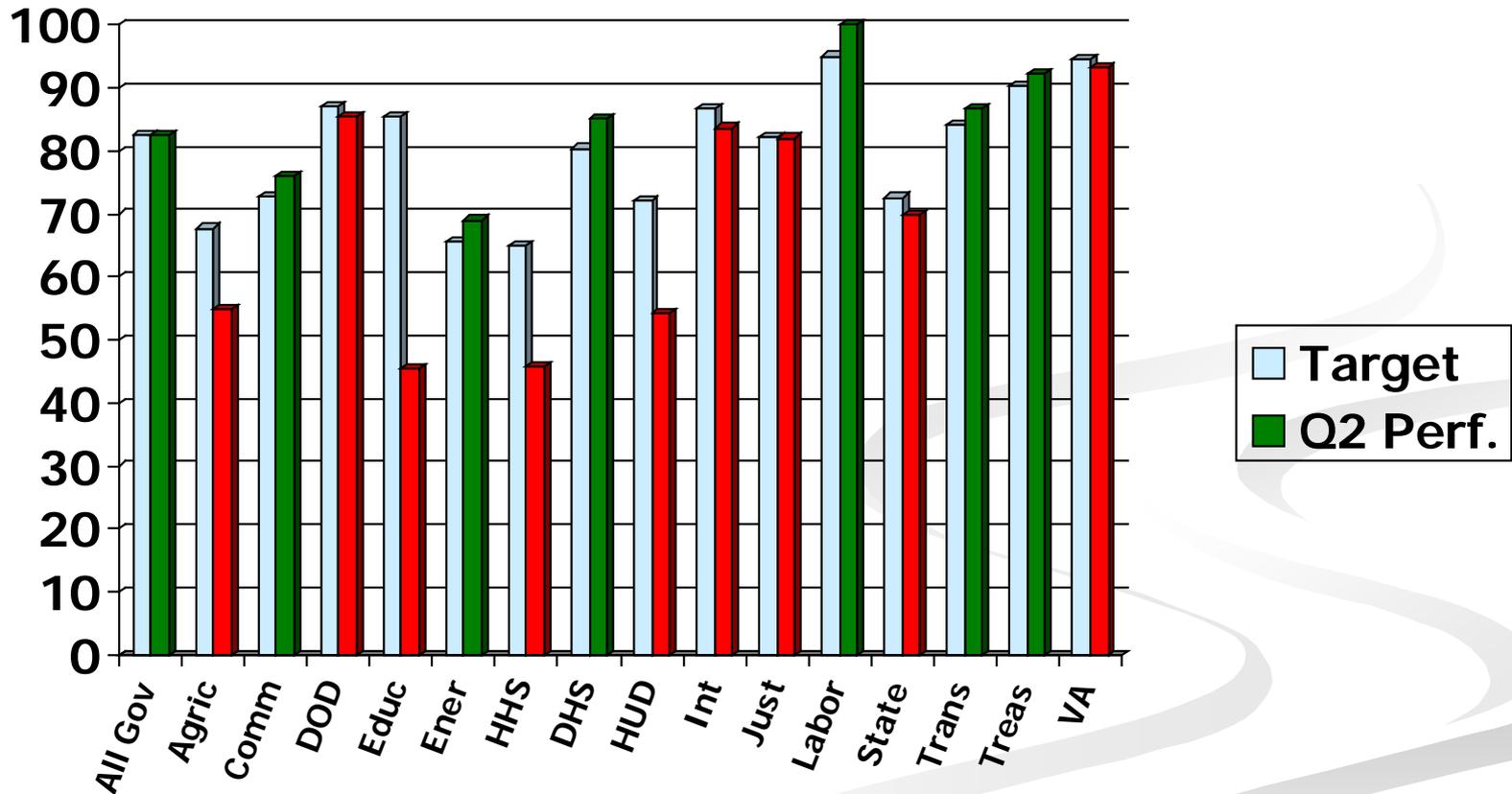
Red = Not meeting target

POWER Goal 2: LTCR



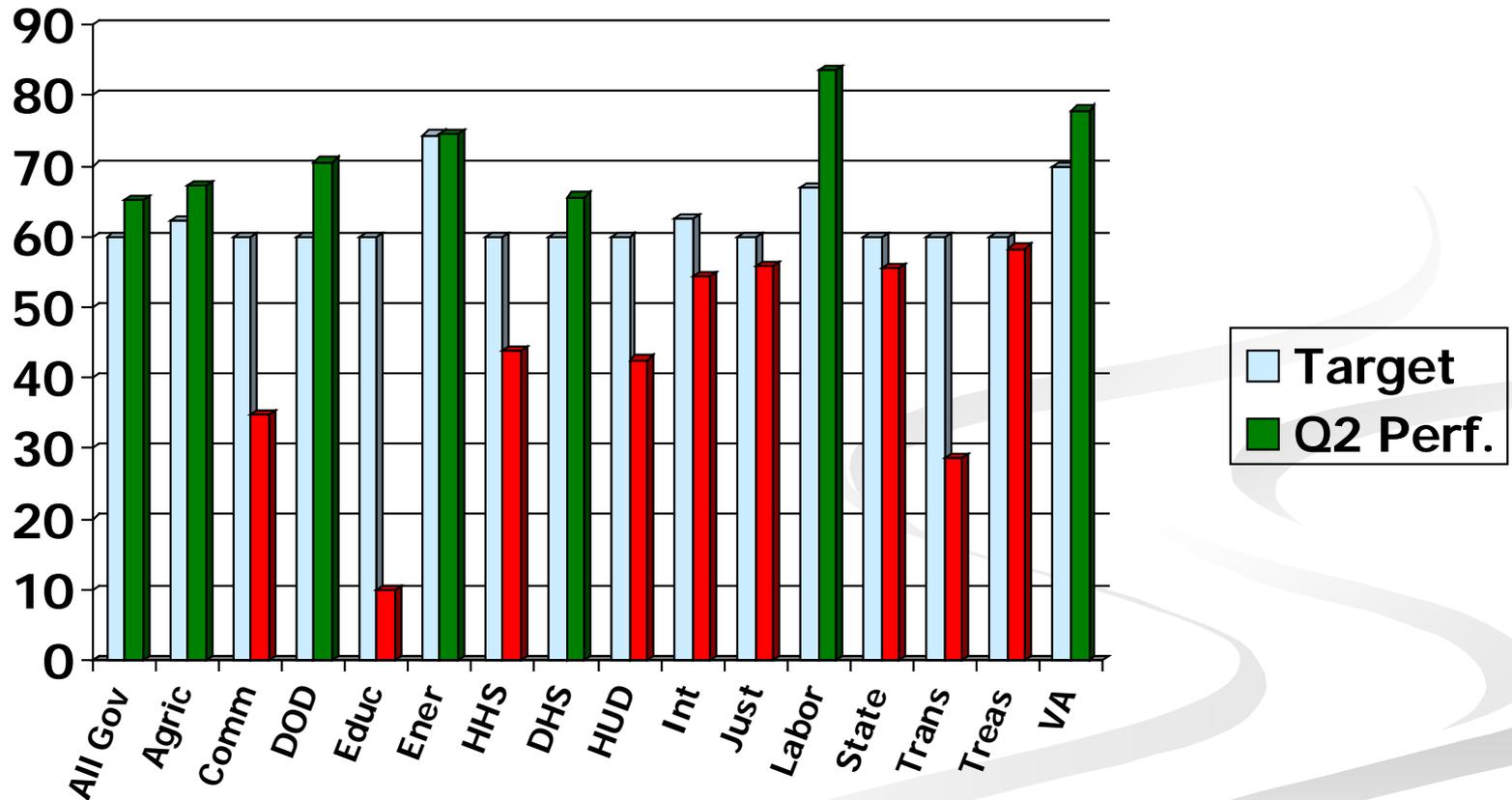
Red = Not meeting target

POWER Goal 4: TFC



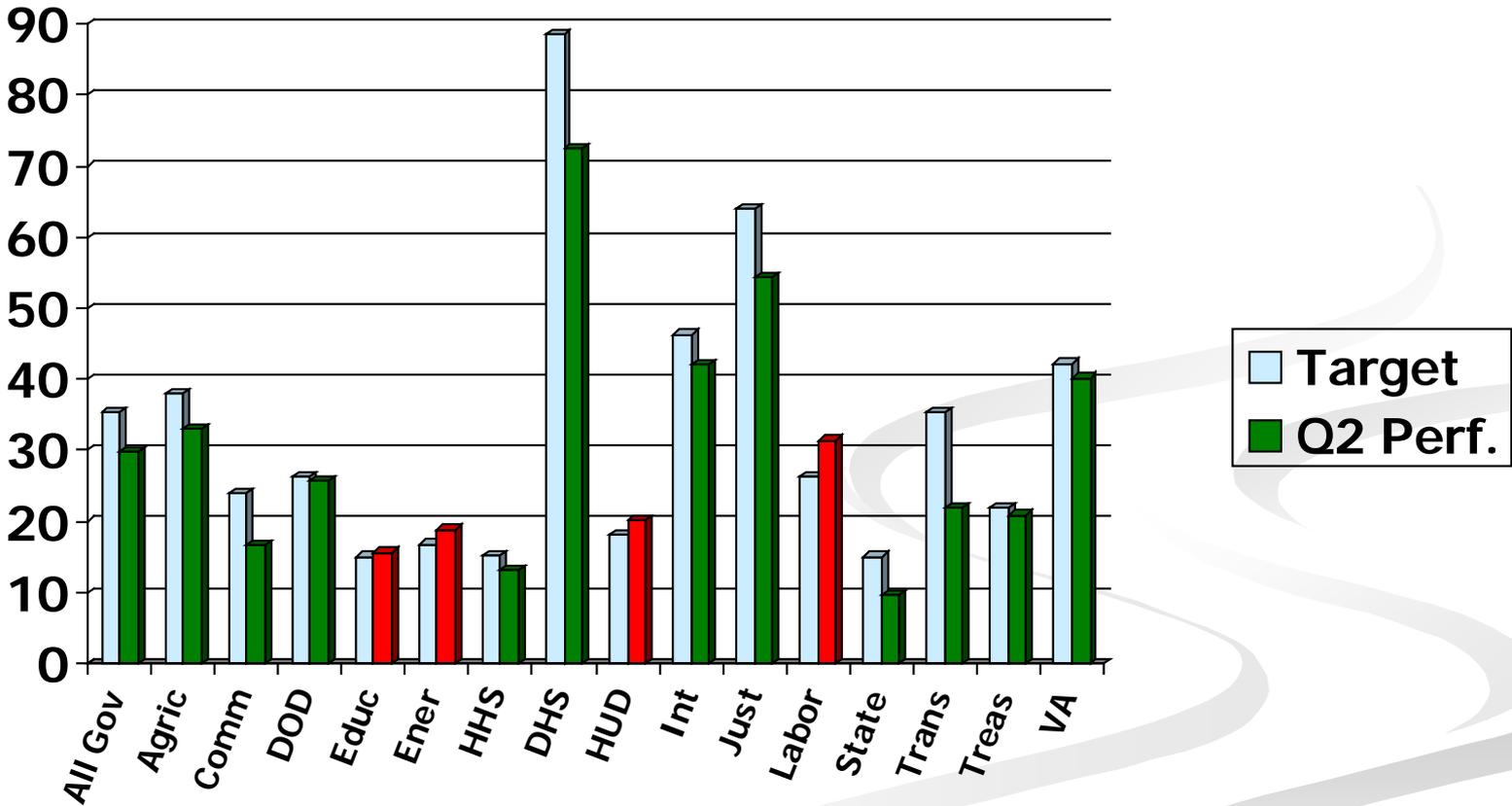
Red = Not meeting target

POWER Goal 5: TFWLC



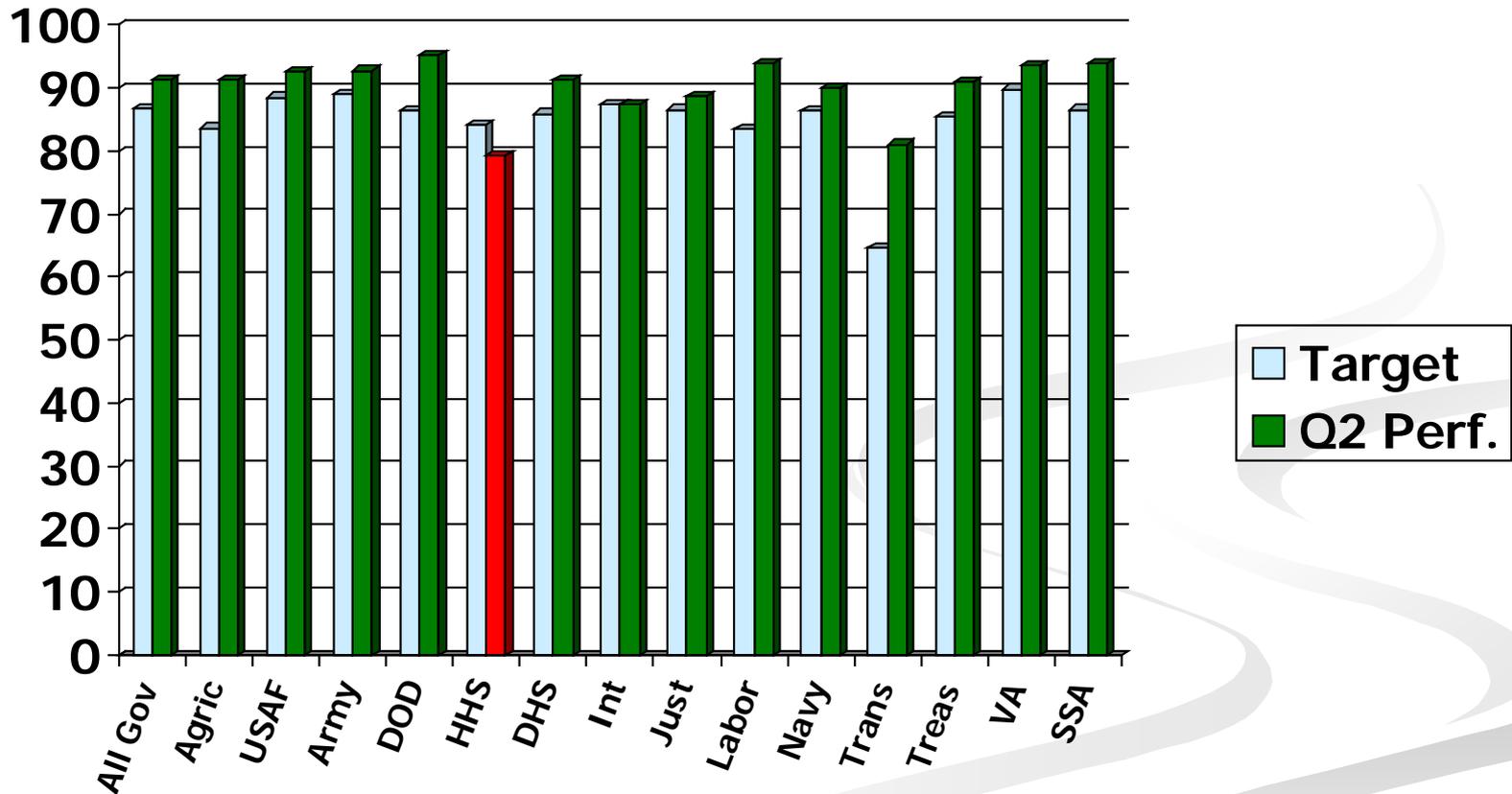
Red = Not meeting target

POWER Goal 6: LPD



Red = Not meeting target

POWER Goal 7: RTW



Red = Not meeting target

POWER and EO 13548

- Executive Order 13548, signed July 26, 2010
 - Set the hiring of individuals with disabilities as a priority
- The EO's Section 3(b) calls on the Secretary of Labor to propose specific outcome measures and targets for agency RTW improvements.
- Those goals have been set out under the President's Memorandum creating POWER (effective Oct.1, 2010).

Why is FECA in the EO?

It sends a clear message to us that if we can't find a way to bring our own people back to work after they incur an injury or sustain a disability, how can we be a model employer of the disabled as a whole?

Return to Work Performance

- The vast majority of workers either incur no time loss from work or return to work during the first 45 days of injury.
- Of the 19,000 new cases each year that incur wage-loss, approximately 85% either return to work or are resolved through other means.

Breakdown of How FECA Claims Are Resolved

<u>Illustration of FECA Incoming Cases and Cases Returning to Work</u> Estimated annual activity	
	ALL GOVERNMENT
Cases Created	127,500
Cases Approved Annually	110,000
Minor Injury Cases (no time lost) or RTW before end of COP	91,000
Initial Wage-loss Claims (First-time filing for FECA wage-loss benefits)	19,000
Cases entering FECA Disability Management	14,300
DM Cases returned to work	12,200
DM Cases - no RTW	2,100

Why this is Important

Although not all of these individuals will necessarily qualify as being disabled under the ADA or as having targeted disabilities under Schedule A...

....these 2,100 claims represent the greatest opportunity to improve RTW outcomes for federal workers who may have become disabled through their work.

FECA Is a Great Place to Start

- This pool of workers can represent some of your best job candidates if given the opportunity and the right kind of support, training and encouragement.
- Many have transferable and relevant skills and are job-ready.
- Many are experienced workers who have not lost their commitment to public service.
- These workers also tend to demonstrate the tenacity of character to overcome their challenges just because of them.

Advantages of FECA RTW

- FECA can be a proving ground and a place to test best practices in the use of assistive technologies in our workplaces.
- FECA RTW efforts can be a first step in helping change cultural attitudes about job accommodations and disability hiring.
- FECA is a place where many resources –talent and money- can be brought to bear to successfully achieve difficult return-to-work outcomes.

Schedule A Initiative

- Schedule A: Non-competitive hiring of persons with certain disabilities
- OWCP, as a Federal agency that provides disability benefits, has the authority to certify injured worker's Schedule A status
- Supports EO 13548 and POWER in promoting RTW of injured workers

Schedule A Initiative

- Pilot project lasting 120 days
- Two OWCP Regions participating:
 - Northeast (New York and Boston)
 - Southwest (Dallas and Denver)
- Complement to OWCP vocational rehabilitation services (not stand-alone project)

Schedule A Initiative

- Certification guidelines:
 - Medical – Injured worker has targeted or non-targeted disability in accordance with OPM guidance
 - Vocational – Injured worker is work-ready when referred for Schedule A placement
- OWCP Vocational Rehabilitation Specialist will review eligibility and provide certification

Schedule A Initiative

- Injured worker will be notified of Schedule A eligibility and hiring authority explained
- Participation of IW is voluntary
- If IW accepts Schedule A placement services, OWCP will contact the employing agency Selective Placement Coordinator regarding job openings

Schedule A Initiative

- Vocational rehabilitation job placement assistance is provided for 90 days (60 day extension possible)
- Contact information for agency Selective Placement Coordinators may be provided to Julia Tritz at 202-693-1094 or
Tritz.Julia@dol.gov

Questions and Answers

New DFEC Phone System

Julia A. Tritz
Chief, Branch of Technical Assistance
Federal Employees' Compensation

Reason for the Switch

- Antiquated hardware
- Difficult to repair
- Doesn't provide the ability to route calls to other offices
- Not all voicemails are tracked via iF ECS or other software
- Not flexi-place friendly

Introduction

- ❑ OWCP is migrating from a traditional telephone system to a new feature rich, software and hardware based phone system which utilizes Voice Over Internet Protocol (VOIP)
- ❑ New Automatic Call Distribution (ACD)
 - Self-service menu options provide real-time case information
 - Calls may be routed to a Claims Representative (CR)
- ❑ Interfaces with the Integrated Federal Employees' Compensation System
 - Case file information fed to ACD
 - Captures business calls with CR interaction and voicemail

The New System

Enhance Customer Service by:

- ❑ Providing more automated information
- ❑ Automatically tracking calls that require speaking with a DFEC employee to capture program productivity

Automatic Call Distribution

- There are 4 categories for menus
 - Main Menu
 - Claimant/Representative Menu
 - Provider Menu
 - Agency Menu

Main Menu

- Public Announcement
 - Office Closures
 - Instructions on using the system
 - District Office Listings (address & phone numbers)
 - Customer Service Hours

Claimant/Representative Menu

- Self Help Menus available 24 hours/day
 - Case status
 - Compensation payments issued
 - CA7 Status with received dates
 - CA7s are listed in groups of 5
 - Additional Self Menus
 - Change of address, instructions for direct deposit, etc
 - Option to speak with a Claimant Representative during business hours

Provider Menu

- Instructions for:
 - Medical and Pharmacy authorization request
 - Urgent medical request
 - Billing

- ACS Detailed Info:
 - Fax numbers
 - Internet address
 - Mailing address

Agency Menu

- ❑ Instructions for obtaining access to the Agency Query System (AQS)
- ❑ Ability to speak with a Customer Representative

District Offices Currently Deployed and New Phone Numbers

- **Boston (D01)**
 - **857-264-4600**

- **Philadelphia (D03)**
 - **267-687-4160**

- **San Francisco (D13)**
 - **415-241-3300**

- **Seattle (D14)**
 - **206-398-8100**

- **Washington DC (D25)**
 - **202-513-6800**

Future Numbers, Address Changes and Updates for District Offices

- Visit our website at:

<http://www.dol.gov/owcp/dfec/>

Introduction of Gary Steinberg
Acting Director, Office of
Workers' Compensation Programs



FECA Reform

Gary Steinberg
FECA Interagency Meeting
May 11, 2011

OWCP Priorities

- 1) Maintain the high levels of customer service we have traditionally delivered – New on-line survey will allow for continuous assessment of timeliness, responsiveness, courteousness, and overall satisfaction associated with interaction with OWCP staff
- 2) Continuously enhance the operational effectiveness of our programs through process improvement, change management, new regulations, and program reforms – Fundamental to this will be the sharing of best practices throughout the interagency community
- 3) Improve internal and external communications with our employees, customers, stakeholders, and partners
- 4) Improve the quality of the work environment for all OWCP employees

Areas for Improvement with Current FECA

- FECA has not had major reform in over 30 years
- Certain benefits levels have not been updated for decades
- Not viewed as equitable by everyone
- Disincentive to return to work
 - Benefits are paid tax-free for as long as the worker is unable to work; no limits/no caps
 - Benefit levels are generally higher than state programs
 - For those past retirement age, the benefits levels exceed federal retirement program levels
- Complicated Computation of benefits

FECA Reform Goals

OWCP seeks to reform and update FECA

- Update certain benefits to reflect current costs
- Make FECA more equitable
- Improve Return to Work Processes and Incentives
- Modernize FECA and Strengthen operational aspects of the program
- Produce Cost Savings (\$400 million over a 10 year period is a conservative estimate)

Prospective Only- FECA reform change would only effect new claims for injuries and disability.

FECA Reform Return to Work **Incentives**

Vocational Rehabilitation

- Expands vocational rehabilitation to all eligible claimants; not just those permanently disabled
- Where appropriate, creates a return to work plan within 6 months of injury; encourages earlier involvement critical to returning injured employees to work

Assisted Reemployment Program

Increase employer incentives by:

- Expanding OWCP authority to reimburse Federal agencies who hire previously injured workers; FECA currently allows reimbursement to private employers.
- If an employee suffers a recurrence of the original injury, it will not be charged back to the new employing agency during 3 year assisted reemployment period, removes *disincentive* to hire that worker

FECA Reform Benefit Changes **and Adjustments**

Burial Costs

- Increases maximum amount for burial expenses from \$800.00 to \$6,000.00, adjusted annually for cost of living. Average cost of burial expenses in 2011 is approximately \$6,500.

Facial Disfigurement

- Raises maximum payment from \$3,500 to \$50,000, adjusted annually for cost of living.

SSA RETIREMENT AGE

Conversion Benefit

- FECA benefits are reduced to 50% at normal Social Security retirement age, closer mirroring a retirement, not a full wage loss benefit
- A claimant receiving conversion benefit will not be subject to forfeiture for failure to report earnings; to seek/accept suitable employment; or to participate in vocational rehabilitation.

Creates Basic 70% Compensation Rate

- Sets one level of benefits for ALL claimants at 70%; most state comp. systems do not compensate for dependents; this modernizes and equalizes benefits to claimants
- Simplifies administration by reducing overpayments and documentation requirements for claimants

Death Benefits

- Reduces maximum pay rate for death benefits from 75% to 70%

Schedule Awards*

- Pay rate for schedule awards would be set at 70% of \$53,639 (the current pay for GS-11, Step 3) for ALL claimants
- Paid **in addition** and concurrently with wage loss compensation
- Payable in lump sum

* Schedule awards are monetary payments made to an injured worker who has lost/lost the use of a part of his body. Under FECA these payments are made based on the workers salary. A worker in the Senior Executive Service would be paid more for the loss of his leg than a US Postal Service employee.

FECA Modernization

Computation of Pay

Computation of Pay: Under FECA a complicated formula is used to determine an injured employee's pay rate for purposes of compensation.

- Simplifies the pay rate determination process.
- Reduces uncertainty for claimants regarding pay rates.

Zone of Armed Conflict

- Increases Continuation of Pay period from 45 days to 135 days for employees injured in a zone of armed conflict.

Employee Election of Benefits

- An individual entitled to FECA benefits and under OPM retirement must make an informed election between FECA or OPM benefits
- Under FECA Reform, an employee eligible for both FECA and OPM benefits may not retroactively elect FECA benefits for a period for which s/he was paid retirement benefits; thus minimizing claimants who elect retirement benefits to avoid vocational rehabilitation or job offer and then later retroactively elect FECA

Physicians' Assistants and Nurse Practitioners

- Allows OWCP to be billed directly for the services of Physicians' Assistants and Nurse Practitioners
- Allows PA's and NP's to certify disability during continuation of pay period
- Allows additional flexibility on the use of these providers.

Technical Changes

- Authorizes OWCP to suspend benefits for an injured employee's failure to cooperate with the OWCP field nurse program.
- Expands three-day waiting period at end of COP.
- Allows OWCP to match records of FECA beneficiaries with SSA earning records.
- Allows OWCP to recoup costs of COP from a claimant's recovery from a third party.
- Creates a 60% benefit level for foreign nationals unless that employee would receive more under local law.
- Clarifies that injuries sustained as the result of terrorism are also a war-risk hazard.

FECA Reform Summary

(Why Reform – Why Now)

- Last major amendments to FECA were in 1974
- Certain FECA benefits have not been updated in decades
- Provides benefits in a more equitable fashion
- Facilitates reemployment and enhances incentive for injured employees to return to work
- Updates, modernizes and improves the operations of FECA and is more equitable for federal employees
- Will save the government roughly \$400 million over a 10 year period