

**FY 2016**

**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,  
[\$112,938,000]*\$117,397,000*, together with [\$2,177,000]*\$2,177,000* 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, 2014.*)

# FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

## ANALYSIS OF APPROPRIATION LANGUAGE

“...44(d) and...”

This language provides authority for the transfer of resources from the Longshore and Harbor Workers' Compensation Act special fund to defray expenses incurred by the Department of Labor in conducting special fund inspections and/or audits and to defray expenses incurred by the Department in direct administration of the fund.

## FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

<b>AMOUNTS AVAILABLE FOR OBLIGATION</b>						
(Dollars in Thousands)						
	2014		2015		2016	
	FTE	Amount	FTE	Amount	FTE	Amount
<b>A. Appropriation</b>	<b>827</b>	<b>\$109,641</b>	<b>811</b>	<b>\$110,823</b>	<b>819</b>	<b>\$117,397</b>
Offsetting Collections From:						
Black Lung Disability Trust Fund	163	\$33,033	163	\$33,321	163	\$35,244
Sequestration reduction Pursuant to P.L. 113-76 for FY 2014	0	-\$2,378	0	\$0	0	\$0
Sequestration reduction Pursuant to P.L. 113-235 for FY 2015	0	\$0	0	-\$2,432	0	\$0
Longshore Trust	9	\$2,142	9	\$2,177	9	\$2,177
<i>A.1) Subtotal Trust Funds</i>	<i>172</i>	<i>\$32,797</i>	<i>172</i>	<i>\$33,066</i>	<i>172</i>	<i>\$37,421</i>
<b>B. Gross Budget Authority</b>	<b>999</b>	<b>\$142,438</b>	<b>983</b>	<b>\$143,889</b>	<b>991</b>	<b>\$154,818</b>
Offsetting Collections to:						
Black Lung Disability Trust Fund	-163	-\$30,655	-163	-\$30,889	-163	-\$35,244
Longshore Trust	-9	-\$2,142	-9	-\$2,177	-9	-\$2,177
<i>B.1) Subtotal Trust Funds</i>	<i>-172</i>	<i>-\$32,797</i>	<i>-172</i>	<i>-\$33,066</i>	<i>-172</i>	<i>-\$37,421</i>
<b>C. Budget Authority Before Committee</b>	<b>827</b>	<b>\$109,641</b>	<b>811</b>	<b>\$110,823</b>	<b>819</b>	<b>\$117,397</b>
Offsetting Collections From:	0	\$0	0	\$0	0	\$0
Black Lung Disability Trust Fund	163	\$30,655	163	\$30,889	163	\$35,244
Longshore Trust	9	\$2,142	9	\$2,177	9	\$2,177
<i>C.1) Subtotal Trust Funds</i>	<i>172</i>	<i>\$32,797</i>	<i>172</i>	<i>\$33,066</i>	<i>172</i>	<i>\$37,421</i>
<b>D. Total Budgetary Resources</b>	<b>999</b>	<b>\$142,438</b>	<b>983</b>	<b>\$143,889</b>	<b>991</b>	<b>\$154,818</b>
Other Unobligated Balances	0	\$0	0	\$0	0	\$0
Unobligated Balance Expiring	-62	-\$538	0	\$0	0	\$0
<b>E. Total, Estimated Obligations</b>	<b>937</b>	<b>\$141,900</b>	<b>983</b>	<b>\$143,889</b>	<b>991</b>	<b>\$154,818</b>

# FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

## SUMMARY OF CHANGES

(Dollars in Thousands)

	2015	2016	Net Change
<b>Budget Authority</b>			
General Funds	\$110,823	\$117,397	+\$6,574
Trust Funds	\$33,066	\$37,421	+\$4,355
<b>Total</b>	<b>\$143,889</b>	<b>\$154,818</b>	<b>+\$10,929</b>
 <b>Full Time Equivalents</b>			
General Funds	811	819	8
Trust Funds	172	172	0
<b>Total</b>	<b>983</b>	<b>991</b>	<b>8</b>

Explanation of Change	2015 Base		2016 Change					
	FTE	Amount	Trust Funds		General Funds		Total	
			FTE	Amount	FTE	Amount	FTE	Amount
<b>Increases:</b>								
<b>A. Built-Ins:</b>								
To Provide For:								
Costs of pay adjustments	983	\$80,565	0	\$187	0	\$1,017	0	\$1,204
Personnel benefits	0	\$18,523	0	\$45	0	\$232	0	\$277
Employee health benefits	0	\$4,973	0	\$4	0	\$70	0	\$74
Moving allowance	0	\$0	0	\$0	0	\$0	0	\$0
One day more of pay	0	\$0	0	\$0	0	\$0	0	\$0
Federal Employees' Compensation Act (FECA)	0	\$1,399	0	\$9	0	\$74	0	\$83
Benefits for former personnel	0	\$36	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$484	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$480	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$10,039	0	\$37	0	\$166	0	\$203
Rental payments to others	0	\$0	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$1,916	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$117	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$704	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$0	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$8,008	0	\$309	0	\$2,863	0	\$3,172
Other Federal sources (Census Bureau)	0	\$0	0	\$0	0	\$0	0	\$0
Other Federal sources (DHS Charges)	0	\$1,132	0	\$0	0	\$0	0	\$0
Other goods and services from Federal sources	0	\$3,431	0	\$0	0	\$0	0	\$0
Research & Development Contracts	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of facilities	0	\$7	0	\$0	0	\$0	0	\$0

# FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

Explanation of Change	2016 Change							
	2015 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Operation and maintenance of equipment	0	\$6,022	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$1,208	0	\$0	0	\$0	0	\$0
Equipment	0	\$1,557	0	\$0	0	\$0	0	\$0
Grants, subsidies, and contributions	0	\$0	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$0	0	\$0	0	\$0	0	\$0
<b>Built-Ins Subtotal</b>	<b>983</b>	<b>+\$140,601</b>	<b>0</b>	<b>+\$591</b>	<b>0</b>	<b>+\$4,422</b>	<b>0</b>	<b>+\$5,013</b>
<b>B. Programs:</b>								
BLDTF-DCMWC Sequestration Restoration	0	\$0	0	\$2,432	0	\$0	0	\$2,432
IT Modernization of OWCP's claims processing systems - DCMWC Request	0	\$0	0	\$1,641	0	\$0	0	\$1,641
Defense Base Act Claims Processing Support	0	\$0	0	\$0	7	\$1,102	7	\$1,102
Space Consolidation	0	\$0	0	\$0	0	\$900	0	\$900
Resources for Actuarial and Economic Analytic Support	0	\$0	0	\$0	1	\$150	1	\$150
<b>Programs Subtotal</b>			<b>0</b>	<b>+\$4,073</b>	<b>8</b>	<b>+\$2,152</b>	<b>8</b>	<b>+\$6,225</b>
<b>Total Increase</b>	<b>983</b>	<b>+\$140,601</b>	<b>0</b>	<b>+\$4,664</b>	<b>8</b>	<b>+\$6,574</b>	<b>8</b>	<b>+\$11,238</b>
<b>Decreases:</b>								
<b>A. Built-Ins:</b>								
To Provide For:								
Other services from non-Federal sources	0	\$3,288	0	-\$309	0	\$0	0	-\$309
<b>Built-Ins Subtotal</b>	<b>0</b>	<b>+\$3,288</b>	<b>0</b>	<b>-\$309</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>-\$309</b>
<b>B. Programs:</b>								
<b>Programs Subtotal</b>			<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>\$0</b>
<b>Total Decrease</b>	<b>0</b>	<b>+\$3,288</b>	<b>0</b>	<b>-\$309</b>	<b>0</b>	<b>\$0</b>	<b>0</b>	<b>-\$309</b>
<b>Total Change</b>	<b>983</b>	<b>+\$143,889</b>	<b>0</b>	<b>+\$4,355</b>	<b>8</b>	<b>+\$6,574</b>	<b>8</b>	<b>+\$10,929</b>

## FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

<b>SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY</b>								
(Dollars in Thousands)								
	2014		2015		2016		Diff. 2016 / 2015	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
<b>FEDERAL PROGRAMS FOR WORKERS' COMPENSATION</b>	<b>937</b>	<b>142,438</b>	<b>983</b>	<b>143,889</b>	<b>991</b>	<b>154,818</b>	<b>8</b>	<b>10,929</b>
<b>General Funds</b>	<b>773</b>	<b>109,641</b>	<b>811</b>	<b>110,823</b>	<b>819</b>	<b>117,397</b>	<b>8</b>	<b>6,574</b>
<b>Trust Funds</b>	<b>164</b>	<b>32,797</b>	<b>172</b>	<b>33,066</b>	<b>172</b>	<b>37,421</b>	<b>0</b>	<b>4,355</b>
<b>Division of Federal Employees' Compensation</b>	<b>687</b>	<b>97,128</b>	<b>725</b>	<b>98,296</b>	<b>726</b>	<b>103,242</b>	<b>1</b>	<b>4,946</b>
General Funds	687	97,128	725	98,296	726	103,242	1	4,946
<b>Division of Longshore and Harbor Workers' Compensation</b>	<b>95</b>	<b>14,655</b>	<b>95</b>	<b>14,704</b>	<b>102</b>	<b>16,332</b>	<b>7</b>	<b>1,628</b>
General Funds	86	12,513	86	12,527	93	14,155	7	1,628
Longshore Trust Funds	9	2,142	9	2,177	9	2,177	0	0
<b>Division of Coal Mine Workers' Compensation</b>	<b>155</b>	<b>30,655</b>	<b>163</b>	<b>30,889</b>	<b>163</b>	<b>35,244</b>	<b>0</b>	<b>4,355</b>
Black Lung Disability Trust Funds	155	30,655	163	30,889	163	35,244	0	4,355

NOTE: 2014 reflects actual FTE.

## FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

<b>BUDGET AUTHORITY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>Diff. 2016 / 2015</b>
	Full-Time Equivalent				
	Full-time Permanent	999	983	991	8
	<b>Total</b>	<b>999</b>	<b>983</b>	<b>991</b>	<b>8</b>
	Total Number of Full-Time Permanent Positions	999	983	991	8
	Average ES Salary	\$171,088	\$172,798	\$174,525	\$1,727
	Average GM/GS Grade	12/3	12/3	12/3	0
	Average GM/GS Salary	\$81,489	\$82,303	\$83,126	\$823
11.1	Full-time permanent	79,672	79,724	81,670	1,946
11.3	Other than full-time permanent	16	47	48	1
11.5	Other personnel compensation	430	794	813	19
11.8	Special personal services payments	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>80,118</b>	<b>80,565</b>	<b>82,531</b>	<b>1,966</b>
12.1	Civilian personnel benefits	24,690	24,895	25,546	651
13.0	Benefits for former personnel	9	36	36	0
21.0	Travel and transportation of persons	307	484	488	4
22.0	Transportation of things	39	480	482	2
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	9,884	10,039	10,242	203
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	2,348	1,916	1,935	19
24.0	Printing and reproduction	133	117	117	0
25.1	Advisory and assistance services	347	704	704	0
25.2	Other services from non-Federal sources	3,223	3,288	3,682	394
25.3	Other goods and services from Federal sources 1/	13,162	12,571	16,647	4,076
25.4	Operation and maintenance of facilities	7	7	7	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	7,305	6,022	9,618	3,596
26.0	Supplies and materials	688	1,208	1,220	12
31.0	Equipment	178	1,557	1,563	6
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	<b>Total</b>	<b>142,438</b>	<b>143,889</b>	<b>154,818</b>	<b>10,929</b>
	1/Other goods and services from Federal sources				
	Working Capital Fund	8,793	8,008	11,180	3,172
	DHS Services	1,104	1,132	1,132	0
	Services by DOL Agencies	2,390	2,452	2,452	0
	GSA Services	26	32	932	900
	Services by Other Government Departments	849	947	951	4

## FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

<b>APPROPRIATION HISTORY</b>					
(Dollars in Thousands)					
	<b>Budget Estimates to Congress</b>	<b>House Allowance</b>	<b>Senate Allowance</b>	<b>Appropriations 1/</b>	<b>FTE 1/</b>
2006					
Base Appropriation	\$118,068	\$0	\$0	\$118,357	905
2007					
Base Appropriation	\$123,776	\$0	\$0	\$120,457	859
2008					
Base Appropriation	\$124,224	\$0	\$0	\$119,328	842
2009					
Base Appropriation...2/	\$128,299	\$0	\$0	\$120,457	867
2010					
Base Appropriation...2/	\$125,722	\$0	\$0	\$118,295	872
2011					
Base Appropriation...3/	\$127,346	\$0	\$0	\$118,058	831
2012					
Base Appropriation...4/	\$123,538	\$0	\$0	\$117,840	837
2013					
Base Appropriation...5/	\$122,190	\$0	\$0	\$111,783	843
2014					
Base Appropriation	\$118,458	\$0	\$0	\$111,783	836
2015					
Base Appropriation	\$115,115	\$0	\$0	\$113,000	820
2016					
Base Appropriation	\$119,574	\$0	\$0	\$0	828

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

2/ FY 2009 and FY 2010 are comparable levels that include the resources for the work transferred from the former Employment Standards Administration, Program Direction and Support Budget Activity.

3/ Appropriation for FY 2011 includes rescission amount of -\$234 pursuant to P.L. 112-10

4/ Appropriation for FY 2012 includes rescission amount -\$223 pursuant to P.L. 112-74.

5/ Appropriation for FY 2013 includes rescission amount of -\$235 pursuant to P.L. 113-6 and sequestration amount of -\$5,821.

## FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	2014	2015	2016	Diff. 2016 / 2015
<b>Activity Appropriation</b>	<b>142,438</b>	<b>143,889</b>	<b>154,818</b>	<b>10,929</b>
FTE	937	983	991	8

NOTE: FY 2014 reflects actual FTE. Authorized FTE for FY 2014 was 999.

### **Introduction**

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

- The Division of Federal Employees' Compensation (DFEC) 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.
- The Division of Longshore and Harbor Workers' Compensation (DLHWC) provides benefits to injured private sector workers engaged in certain maritime and related employment. Longshore also provides benefits 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 totally disabled miners suffering from coal mine pneumoconiosis stemming from mine employment, and monetary benefits to their dependent survivors.

Total resources requested in FY 2016 for the FPWC are \$154,818,000 and 991 FTE.

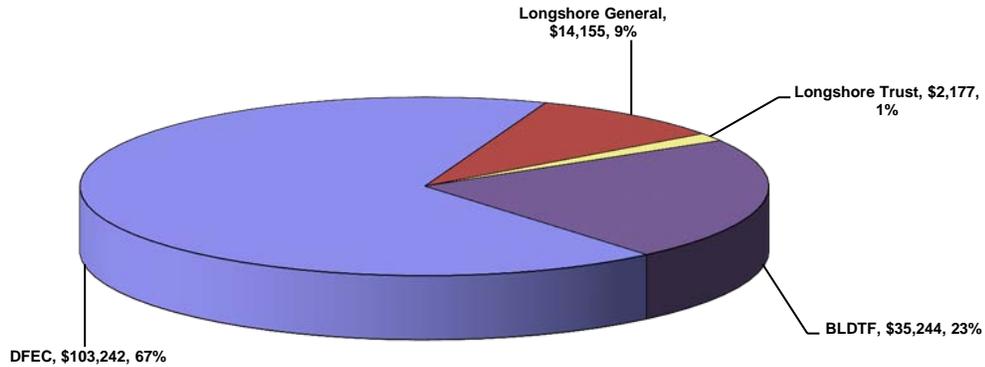
The FY 2016 Request Level by activity component is as follows:

- \$103,242,000 and 726 FTE for the Division of Federal Employees' Compensation;
- \$14,155,000 and 93 FTE for Longshore General;
- \$2,177,000 and 9 FTE for Longshore Trust; and
- \$35,244,000 and 163 FTE for the Division of Coal Mine Workers' Compensation.

# FEDERAL PROGRAMS FOR WORKERS' COMPENSATION

FY 2016 Budget Request by  
Federal Programs for Workers' Compensation  
Total Request \$154,818

(Dollars in Thousands)



Program increases for FY 2016 include \$1,641,000 and 0 FTE for the Modernization of OWCP's Claims Processing Systems; \$1,102,000 and 7 FTE increase in DLHWC for Defense Base Act claims processing support; \$150,000 and 1 FTE for actuarial and economic analytic support in the Division of Financial Administration; \$900,000 for resources to fund costs for OWCP's space consolidation efforts; \$2,432,000 for resources in DCMWC to restore BLDTF funding sequestered in the FY 2015 Enacted Level.

## DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>Diff. 2016 / 2015</b>
Activity Appropriation	97,128	98,296	103,242	4,946
FTE	687	725	726	1

NOTE: FY 2014 reflects actual FTE. Authorized FTE for FY 2014 was 737.

### **Introduction**

Since its creation nearly 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 hundred thousand civilian employees each year. It also supports the Secretary's vision to "*Promote and Protect Opportunity*" and DOL *Strategic Objective 4.1 – Provide income support when work is impossible or unavailable and facilitate return to work.*

OWCP's Division of Federal Employees' Compensation (DFEC) directs FECA claims processing operations in six regions and 12 district offices. FECA is the exclusive remedy by which Federal employees may obtain compensation from the United States for a work-related injury. The Act covers approximately 2.8 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 training and job placement assistance to help disabled workers return to gainful employment. Injured workers may also be compensated for permanent impairment of limbs and other parts of the body. Survivors are compensated in the event of work-related death.

Successful provision of income support is attained by promptly paying benefits to shorten the duration of income interruptions while maintaining payment accuracy and preventing and reducing improper payments. Through early intervention and proactive case management, DFEC assists Federal workers to recover from injury or illness and return to work. DFEC also engages Federal employers to participate as active and informed partners in providing services to their injured employees. The participation of Federal employers has been reinforced in recent years by Executive Order 13548 and successive government-wide performance improvement initiatives, including the Safety, Health, and Return to Employment (SHARE) initiative, and most recently, the Protecting Our Workers and Ensuring Reemployment (POWER) initiative.

Executive Order (EO) 13548 of July 26, 2010, directed Federal agencies to make special efforts to recruit and hire people with disabilities and to ensure the retention of those who are injured on the job. Under the EO, agencies are to work to improve, expand, and increase successful return to work outcomes by increasing the availability of job accommodations and light or limited duty jobs and removing disincentives for FECA claimants to return to work.

## DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

The SHARE and POWER initiatives have set specific performance targets for (non-Postal) Federal employers for the period 2003 to 2014 including:

- Reduction of total injury and lost time injury rates;
- Improved analysis and reporting of on-the-job injuries;
- Reduction of Federal agency lost production day rates (per 100 employees);
- Increase in the percentage of employees who suffer a serious workplace injury or illness who return to work; and
- Required electronic and timely submission of Notices of Injury and Wage-Loss Claims by Federal employers.

Federal agencies have responded successfully to these initiatives and continue to work constructively with DOL to improve workplace safety, improve injury case management and increase returns to work.

In FY 2016, OWCP will continue to coordinate with Federal employers to discuss performance targets and the challenges they face. OWCP will provide training, outreach, and technical assistance in order to increase the knowledge base of return-to-work strategies in the Federal government, continue regular meetings with Federal agencies to discuss performance-related issues and to share best practices, publish agency performance results regularly via Web, and issue individualized reports and other information to agencies upon their request.

### *Federal Employees' Compensation Act Reform*

The FY 2016 budget acts on longstanding Government Accountability Office, Congressional Budget Office, and Labor Office of Inspector General recommendations to improve and update FECA. The legislative proposal would prospectively amend FECA (for new injuries/new claims for disability post-enactment) to provide a uniform wage-loss compensation rate of 70%; convert retirement-age beneficiaries to a retirement level conversion benefit while removing certain mandatory obligations on suitable employment and vocational rehabilitation; establish an up-front three-day waiting period for benefits for all beneficiaries; permit the Department of Labor to recapture additional program costs from responsible third parties; and reduce improper payments by authorizing the Department to cross-match FECA records with Social Security records without obtaining claimant authorization. In addition, the proposal would increase benefit levels for facial disfigurement, which have not been updated since 1949, and for funeral expenses, which have not been updated since 1960. The proposal would also include a provision to allow the Department to add an administrative surcharge to the amount billed to appropriated Federal agencies for their FECA compensation costs beginning in FY 2017, thereby moving the costs of administering the FECA program from the Department to Federal agencies in proportion to their usage and strengthening their incentives to promote workplace safety and speed reemployment of injured workers. These reforms would produce 10-year Government-wide savings of more than \$368 million.

## DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

### *War Hazards Compensation Act Claims*

DFEC is responsible for processing claims filed under the War Hazards Compensation Act (WHCA). WHCA claims must first be certified as qualifying under the Defense Base Act (DBA) by the Division of Longshore and Harbor Workers' Compensation. The WHCA supplements the DBA by reimbursing contract employers and insurance carriers for compensation and medical benefits paid by them for injuries or deaths involving a "war risk hazard" or by making direct payments to individuals when detention, injury, or death occurs as a result of a "war risk hazard". OWCP anticipates continuing additional workloads due to increases in DBA and WHCA claims in connection with the wars in Iraq and Afghanistan. Claims from Iraq and Afghanistan are more complex than typical claims for compensation. Although the U.S. military activities in Iraq and Afghanistan have ended, 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 2015 and FY 2016 and beyond. For the foreseeable future, DFEC anticipates continuing resource needs for adjudication, data analysis, reporting, customer assistance and correspondence associated with WHCA claims.

### **Five-Year Budget Activity Component History**

<b><u>Fiscal Year</u></b>	<b><u>Funding</u></b> (Dollars in Thousands)	<b><u>FTE</u></b>
2011	\$98,235	736
2012	\$98,050	742
2013	\$92,922	734
2014	\$97,128	737
2015	\$98,296	725

### **FY 2016**

The FY 2016 request level builds upon FY 2014 and FY 2015 resource investments and supports OWCP's goal to become a 21<sup>st</sup> century leader in the field of workers' compensation. Requested resources for FY 2016 are \$103,242,000 and 726 FTE. Resources are also requested for FECA program administration in the amount of \$62,170,000 and 110 FTE through Special Benefits Fair Share funding which is more fully discussed in the Special Benefits section of OWCP's budget. The FY 2016 request also includes an increase for built-in inflationary costs of \$3,896,000.

The request includes a program increase of \$150,000 and one FTE for economic and actuarial support in the Division of Financial Administration to update and evaluate funding and actuarial liability models associated with current programs, proposed legislation and proposed regulations. OWCP is requesting these resources to strengthen the agency's internal analytical capacity and restore much needed economic and actuarial analyses of OWCP programs. OWCP is responsible for 3 separate actuarial studies, including FECA liability, on an annual basis. In addition, OWCP is required to conduct economic analysis of proposed regulations. The requested resources would enable the agency to strengthen the agency's internal analytical capacity to coordinate and complete these analyses accurately and timely. The request also

## **DIVISION OF FEDERAL EMPLOYEES' COMPENSATION**

includes a program increase of \$900,000 to fund initial costs for OWCP's space consolidation efforts. Working closely with DOL's Real Property Officer, OWCP will implement consolidations consistent with the Administration's "Freeze the Footprint" initiative. At this funding level, OWCP will continue the core activities of its mission including adjudication of approximately 113,000 new injury and illness claims and processing 19,000 initial wage loss compensation claims. The cases of over 43,000 individuals on the Periodic Roll who receive long-term disability benefits are reviewed each year to verify the ongoing entitlement to benefits.

Working with the Occupational Safety and Health Administration (OSHA) and its Federal agency partners, DFEC has made significant progress in improving workplace safety, lessening injury severity and enhancing Federal agencies' ability to successfully reemploy their injured workers as quickly as possible. Still, there remain significant challenges. Return-to-work (RTW) remains particularly difficult for workers sustaining more severe injuries and those with permanent disabilities. Injured workers may also face fewer reemployment options because of occupational requirements, geographic location, or other factors.

In FY 2016, OWCP will continue to address these issues. Through early intervention and proactive case management, DFEC will assist Federal workers in their recovery from injury while improving workplace safety and lessening injury severity to enhance Federal agencies' ability to successfully reemploy their injured workers. By continuing its proactive approach to Disability Management, DFEC expects to improve RTW performance by 4.3% over FY 2014 performance. (See Measure RTW1 in the table below.)

OWCP will maintain efforts to provide assistance to Federal workers through its Disability Management (DM) activities using registered nurses to provide early contact with the worker via telephone as soon as seven days after the claimant stops work. The program continually monitors and reviews cases to provide services as appropriate and for those claimants with disabilities that prevent ready return to employment. DFEC also utilizes professional vocational rehabilitation counselors to provide vocational services and continues to strengthen its DM services and technical assistance to Federal employers. DFEC will continue to work closely with federal employers, particularly those with high injury rates, to create more re-employment opportunities for those who are more severely injured.

### **FY 2015**

The FY 2015 Salaries and Expenses enacted level consists of \$98,296,000 and 725 FTE for the FECA program. Another \$60,334,000 and 110 FTE for FECA program administration are also available in Special Benefits Fair Share funding.

Challenges remain to continue to improve workplace safety or lessen injury severity and to enhance Federal agencies' ability to successfully reemploy their injured workers. Return to work remains particularly difficult for workers sustaining more severe injuries or those with permanent disabilities. Injured workers also face fewer reemployment options because of occupational requirements, geographical location, or other factors.

## **DIVISION OF FEDERAL EMPLOYEES' COMPENSATION**

OWCP will continue to provide assistance to Federal workers through its Disability Management activities. DFEC uses registered nurses to provide early contact with the worker via telephone as soon as seven days after the claimant stops work and, in cases that are not quickly resolved, to provide stepped-up services to coordinate with providers to obtain and monitor appropriate medical treatment and work with employers to facilitate a safe return to work. DFEC continually monitors and reviews cases to provide services as appropriate. For those claimants with disabilities that prevent ready return to employment, DFEC contracts with professional vocational rehabilitation counselors to provide vocational services. DFEC continues to strengthen its DM services and technical assistance to Federal employers. Program staff will continue to work closely with Federal employers, particularly those with high injury and lost production day rates, to create more re-employment opportunities for those who are more severely injured.

In FY 2015, Return-to-Work activities for the FECA program will include:

1. Continuing chairmanship of the POWER RTW Council, to provide a forum for maintaining formal and informal communications and promote better coordination between the FECA program and the agencies to share and implement best practices;
2. Assisting Federal employers in targeting and improving management of cases and using return to work practices to increase their ability to reemploy and retain injured workers;
3. Forming bridges among top agency management, and agency workers' compensation and hiring personnel for return to work;
4. Expanding reemployment pathways and opportunities for injured workers and increasing the number of injured workers placed in jobs when they cannot be reemployed by their date-of- injury Federal employer;
5. Establishing a candidate bank (Labor for America) of FECA claimants for potential employers in both the public and private sectors.

### **FY 2014**

The FY 2014 Salaries and Expenses enacted level consisted of \$97,128,000 and 737 FTE for the FECA program. Another \$60,017,000 and 114 FTE for FECA program administration was also available in Special Benefits Fair Share funding.

Return to Work (RTW) continued to be a major DFEC priority in FY 2014. Case management and return to work activities are very resource-intensive and require close coordination among claims staff, contract nurses and rehabilitation counselors over extended time periods on every case.

During the year, DFEC continued to increase its knowledge of disability management (DM) operations and of injury and illness case outcomes. Several independent evaluations of DM led to procedural improvements to better define responsibilities and improve coordination among the major DM activities. One such study identified successful injured worker reemployment and disability hiring practices being used in the Federal Government that could be exported to other Federal agencies. Approaches for implementation of these best practices were examined as part of ongoing POWER Return to Work (RTW) Council deliberations.

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The POWER RTW Council consists of representatives from the 14 Executive Branch agencies and meets regularly with DFEC on performance-related issues and to share best practices. DFEC regularly publishes agency performance results via the Web; and issues individualized reports and other information to agencies upon their request. The work of the Council reflects DFEC's emphasis on elevating the participation of Federal employing agencies in reemploying injured workers, and providing technical assistance to those employers on return to work. DFEC continues to develop technology tools to enable agencies to electronically file claims, provide better access to claims information, and improve communications.

## DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

<b>DETAILED WORKLOAD AND PERFORMANCE</b>					
		<b>2014</b>		<b>2015</b>	<b>2016</b>
		<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
<b>Division of Federal Employees' Compensation</b>					
<b>Strategic Goal 4 - Secure retirement, health, and other employee benefits and, for those not working, provide income security</b>					
<b>Strategic Objective 4.1 - Provide income support when work is impossible or unavailable and facilitate return to work</b>					
<b>FEC RTW2</b>	<b>Government-wide Lost Production Days Rates (per 100 employees) in Non-Postal Agencies</b>	<b>34.4</b>	<b>31.8</b>	<b>34.4</b>	<b>34.1</b>
<b>FEC 5a</b>	<b>Percent of Notices of Injury filings by non-Postal Agencies received within 10 business days</b>	<b>90.4%</b>	<b>88.8%</b>	<b>90.4%</b>	<b>90.4%</b>
<b>FEC 5b</b>	<b>Percent of wage-loss claims filed by non-Postal Federal employers received within 5 business days</b>	<b>78.0%</b>	<b>82.9%</b>	<b>78.0%</b>	<b>78.0%</b>
<b>Performance Measures</b>					
FEC 1a	Percent of wage-loss claims timely processed within 14 days: claims not requiring further develop	90.0%	91.3%	90.0%	90.0%
FEC 1b	Percent of all wage-loss claims timely processed within 90 days: all claims	90.0%	93.9%	90.0%	90.0%
FEC 4	Percent of PERS that are closed within 180 days: All Claims	--	--	95.0%	95.0%
FEC RTW1	Percent of federal employees with work-related injuries or illnesses coming under FECA's Disability Management that are reemployed by non-Postal Federal Agencies	92.0%	90.7%	92.0%	95.0%
<b>Workloads</b>					
FEC WL 1	Cases Created	113,000[p]	114,316	113,000[p]	113,000[p]

## DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

<b>DETAILED WORKLOAD AND PERFORMANCE</b>					
		<b>2014</b>		<b>2015</b>	<b>2016</b>
		<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
FEC WL 3	Initial Wage Loss Claims Received	18,000[p]	18,895	18,000[p]	19,000[p]
FEC WL 2	Cases starting Disability Management	15,000[p]	14,881	15,000[p]	15,000[p]
FEC WL 4	Periodic Roll Cases - Long-term disability	43,500[p]	42,762	43,500[p]	43,500[p]
FEC WL 5	Periodic Roll Cases - Fatal	3,500[p]	3,653	3,500[p]	3,500[p]

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

## **DIVISION OF FEDERAL EMPLOYEES' COMPENSATION**

### **Workload Summary**

In FY 2014, OWCP received 114,316 new injury claims and 18,895 initial claims for FECA wage loss compensation. This is similar to the volume of claims received in FY 2013 when the program received nearly 113,776 new injury claims and 18,702 initial wage loss claims. Over 80 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 long-term exposure or exertion. In Chargeback Year (CY) 2014, 278,447 beneficiaries received benefit payments. CY 2014 benefit obligations for compensation were \$2.89 billion; this includes \$1.83 billion for wage-loss compensation, \$113.1 million for death benefits, and \$951.3 million for medical benefits.

OWCP workload demands are primarily a result of the volume of incoming claims, ongoing claimant requirements for benefits and case management services, and claimant and stakeholder communications and assistance needs. In addition, OWCP works closely with other federal agencies to ensure effective administration of the Federal Employees' Compensation Act (FECA). OWCP staff is fully engaged in a variety of activities to accomplish the program's goals including initial claims intake and adjudication, appeals processing, wage-loss claims processing and payment, early disability case management, return to work, and vocational rehabilitation. OWCP activities are logically organized to support the progression of claims from initial injury reporting to case resolution. Optimally, these outcomes include return-to-work, but may result in ongoing disability. Other OWCP activities support program administration, such as outreach and technical assistance to Federal employers, quality assurance, and fiscal administration.

FECA Disability Management (DM) uses an active team approach of claims managers, contract nurses and vocational rehabilitation counselors to support early identification of work injury or illness, develop case information promptly, produce accurate assessments of the nature of the disability, and deliver effective assistance services. Return to Work (RTW) results are measured primarily by the percentage of workers that are successfully returned to employment following injury or illness. As mentioned earlier, DFEC expects to improve RTW performance by 4.3% over FY 2014 performance by continuing its proactive approach to Disability Management.

Approximately 18,000-19,000 newly injured workers each year receive early intervention services under the DM activity to assist with injury recovery and return to work. Nearly 4,500 individuals, with longer-term and more severe injuries also receive vocational rehabilitation services. These activities are very resource-intensive and require close coordination among claims staff, contract nurses, and rehabilitation counselors over extended time periods on every case.

Ongoing Government-wide initiatives such as POWER have increased the involvement of Federal agencies in workplace safety and return to work. Proactive and improved case management by OWCP, coupled with Federal agency efforts, have increased the share of workers that go back to work after filing FECA wage-loss claims. In FY 2014, nearly 91 percent of seriously injured workers had been reemployed within two years of their injuries – an increase of six percentage points since FY 2009. To improve RTW numbers, OWCP is utilizing more

## **DIVISION OF FEDERAL EMPLOYEES' COMPENSATION**

targeted strategies aimed at selected agencies in need of assistance, as part of a multi-faceted strategy to increase returns to work.

To date, OWCP strategies to increase RTW rates include: expanded technological capability to close procedural gaps in disability management to improve return to work outcomes; enhanced assisted reemployment; establishment of a candidate bank of FECA claimants who may have disabilities; identification and export of RTW best practices identified through research to Federal employers; continued chairmanship of POWER Council, a forum for discussion and exchange of best practices in the area of return to work for the largest Federal agencies; and formation of a bridge between workers' compensation and Federal agency disability hiring personnel to establish a continuity of practice for the sharing of information, ideas and experiences.

In addition, OWCP is working with employing agencies to focus on sub-agency bureau populations of injured workers that are generally hard to reemploy. For example, both NASA and the Bureau of Prisons are working closely with OWCP to monitor the centralization of their workers' compensation functions and the impact on return to work and chargeback. This involves providing special data runs and analysis, targeted technical assistance, and training to agency staff on the FECA program.

OWCP also continues to focus on closer review of cases where the claimants remain out of work for extended periods to certify their readiness for work and assess their suitability for vocational rehabilitation. These case reviews are performed under OWCP's Periodic Roll Management activity. Cases with more severe injuries or permanent impairments present longer term recovery periods and require longer term monitoring by OWCP. The monitoring activity includes regularly scheduled Periodic Entitlement Reviews (PER) wherein medical evidence is reviewed to determine whether the claimant has continuing work-related disability or any return to work potential and enables timely referral to vocational rehabilitation. Verification of proper continuation of benefits through the PER process also reinforces the fiscal integrity of the FECA program.

The War Hazards Compensation Act workload has increased due to the wars in Afghanistan and Iraq. While our military presence (and associated contractors) in these countries has declined in recent years, it often takes several years for these claims to be filed with OWCP because of the way that the insurance companies process them and then file for DBA coverage. As a result, we have received an ongoing high volume of complex claims. In FY14, OWCP created a special claims unit to handle these cases and assigned additional FTE to the adjudication of claims, processing of reimbursements to insurance carriers, and ongoing provision of benefits to claimants and survivors. Additionally, new information technology solutions are under development and new procedures under consideration.

## DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

<b>BUDGET ACTIVITY COMPONENT BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>Diff. 2016 / 2015</b>
11.1	Full-time permanent	59,024	59,162	60,152	990
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	220	591	600	9
11.8	Special personal services payments	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>59,244</b>	<b>59,753</b>	<b>60,752</b>	<b>999</b>
12.1	Civilian personnel benefits	18,889	18,898	19,267	369
13.0	Benefits for former personnel	9	34	34	0
21.0	Travel and transportation of persons	57	216	216	0
22.0	Transportation of things	5	10	10	0
23.1	Rental payments to GSA	6,762	6,935	7,073	138
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	1,348	1,016	1,018	2
24.0	Printing and reproduction	58	60	60	0
25.1	Advisory and assistance services	0	125	125	0
25.2	Other services from non-Federal sources	598	669	669	0
25.3	Other goods and services from Federal sources 1/	8,711	7,455	10,876	3,421
25.4	Operation and maintenance of facilities	4	6	6	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	880	1,188	1,197	9
26.0	Supplies and materials	473	925	929	4
31.0	Equipment	90	1,006	1,010	4
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	<b>Total</b>	<b>97,128</b>	<b>98,296</b>	<b>103,242</b>	<b>4,946</b>
	1/Other goods and services from Federal sources				
	Working Capital Fund	6,154	5,219	7,736	2,517
	DHS Services	874	887	887	0
	Services by DOL Agencies	1,190	907	907	0
	GSA Services	26	24	924	900
	Services by Other Government Departments	467	418	422	4

# DIVISION OF FEDERAL EMPLOYEES' COMPENSATION

## CHANGES IN 2016

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$901
Personnel benefits	198
Employee health benefits	68
Moving allowance	0
One day more of pay	0
Federal Employees' Compensation Act (FECA)	74
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	138
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	2,517
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** **\$3,896**

**Net Program** **\$1,050**

**Direct FTE** **1**

	Estimate	FTE
<b>Base</b>	<b>\$102,192</b>	<b>725</b>
<b>Program Increase</b>	<b>\$1,050</b>	<b>1</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>

## DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>Diff. 2016 / 2015</b>
Activity Appropriation	14,655	14,704	16,332	1,628
FTE	95	95	102	7

NOTE: FY 2014 reflects actual FTE. Authorized FTE for FY 2014 was 99.

### **Introduction**

OWCP's Division of Longshore and Harbor Workers' Compensation (DLHWC) is charged with the administration of the Longshore and Harbor Workers' Compensation Act (LHWCA), as amended. LHWCA is a program of 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. All program FTE and resources support mission critical functions, the agency's transformation into the 21<sup>st</sup> Century organization and the Department's *Strategic Goal 4: Secure retirement, health and other employee benefits and, for those not working, provide income security*. The core mission activities of the Longshore Program are to provide mediation, resolve disputes, oversee benefit delivery by employers and insurance carriers, provide technical assistance to all stakeholders, and manage the Special Workers' Compensation Fund (SWCF), for which it has fiduciary responsibility. DLHWC also administers injury and occupational disease coverage for non-maritime employees under several extensions of the Act, including the Defense Base Act (DBA), Outer Continental Shelf Lands Act (OCSLA), Non-appropriated Fund Instrumentalities Act (NFIA), and the District of Columbia Workmen's Compensation Act (DCWCA) for injuries sustained prior to July 26, 1982.

OWCP receives over 27,000 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 4,000 beneficiaries. Five hundred-forty seven companies are authorized to write insurance or self-insure liabilities under the LHWCA and its extensions. Over \$2,900,000,000 in securities is maintained to ensure the continuing provision of benefits for covered workers in case of employer/carrier insolvency. Program operations are funded from the General Fund. Management of the SWCF is supported by an appropriation from the Fund that is referred to as "Longshore Trust Funds."

### **Five-Year Budget Activity Component History**

<b><u>Fiscal Year</u></b>	<b><u>Funding</u></b> (Dollars in Thousands)	<b><u>FTE</u></b>
2011	\$13,507	95
2012	\$13,486	95
2013	\$12,888	99
2014	\$14,655	99
2015	\$14,704	95

## **DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION**

### **FY 2016**

The FY 2016 request level for the DLHWC is \$16,332,000 and 102 FTE. The program increases include \$1,102,000 and 7 FTE to handle increased Defense Base Act (DBA) workload and \$526,000 for inflationary built-ins. Of the total requested, General Funds provide \$14,155,000 and 93 FTE; Trust Funds provide \$2,177,000 and 9 FTE.

The Longshore Program supports the President's Management Agenda in "*Expanding What Works Through Data Analytics, Evaluation and policy Development*" by effectively collecting detailed data and tracking each case until resolution or permanency has been reached. Each final case outcome can determine specifically whether the 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.

The request for DLHWC includes a program increase of \$1,102,000 and 7 FTE to handle increased Defense Base Act (DBA) claims workload and support DBA claims processing. The additional staff will also collect detailed data and track each case until resolution or permanency has been reached so that the final case outcome can be determined, specifically whether the 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 and ongoing 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.

The program's continued identification of trends among employer/carriers, as well as trends via location and circumstance, will enable DOL to track these sub-sets of untimely performance until improvement has occurred. The more in depth analysis of cases will allow identification of small subsets of cases that may be unique to a single employer or case type. Overall, performance has improved but without further resources to fully analyze these outliers, it will be difficult to obtain higher performance results. While DBA performance numbers have improved, they still significantly trail the non-DBA cases. The additional resources will enable DLHWC to explore additional approaches to improve DBA performance metrics and speed the timeliness of benefits delivery to injured workers and their families. The steady oversight and involvement in claims also facilitates a proactive approach to dispute resolution. DLHWC will continue to track each case and potential issues with compensation and medical treatment so that potential problems can be identified earlier, and staff can intervene proactively before a formal dispute arises and/or benefit delivery is unnecessarily delayed. The requested resources will allow the program to manage the incoming and existing workload, and maintain the performance gains it has achieved in the areas of First Report of Injury and First Payment of Compensation with DBA and non-DBA employers.

### **FY 2015**

## **DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION**

The FY 2015 enacted level for the DLHWC is \$14,704,000 and 95 FTE. Of the total requested, General Funds provide \$12,527,000 and 86 FTE; Trust Funds provide \$2,177,000 and 9 FTE.

Investments and initiatives in FY 2015 include establishment of a secure file transfer protocol for document exchanges between insurance carriers and Longshore staff, as well as development of training modules focused on improving staff analytical and dispute resolution skills. Both will advance OWCP's mission to provide income support with minimal interruptions and to facilitate return to work of those injured workers.

### **FY 2014**

The FY 2014 enacted level for DLHWC was \$14,655,000 and 99 FTE. Of the total requested, General Funds provided \$12,513,000 and 90 FTE; Trust Funds provided \$2,142,000 and 9 FTE.

In FY 2014, DLHWC reengineered a number of its business processes and instituted organizational design improvements through three major initiatives. First, the program consolidated its case-create activities (official creation of a case involves entry of information from reports of injury into a database which assigns a case number) from 10 district offices to one. Second, the program created all of its incoming and new cases in an electronic environment and finally, the program centralized its mail operations from 10 district offices to one. The staff reviewed incoming mail and cases in a virtual environment using the new OWCP Imaging System. These were fundamental departures from previous workflow processes and the program believed it necessary to maintain most performance targets for FY 2014 at the FY 2013 levels to avoid unnecessary disruptions while stakeholders transitioned to these organizational changes.

Longshore continued to emphasize dispute resolution at the district office level for all cases to reduce the overall processing timeframe for all disputes. Shortening the time to resolve disputed cases through the informal dispute resolution process at the district office level allowed the program to expedite benefit delivery and improve customer service for injured workers.

## DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

<b>DETAILED WORKLOAD AND PERFORMANCE</b>					
		<b>2014</b>		<b>2015</b>	<b>2016</b>
		<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
<b>Division of Longshore and Harbor Workers' Compensation</b>					
<b>Strategic Goal 4 - Secure retirement, health, and other employee benefits and, for those not working, provide income security</b>					
<b>Strategic Objective 4.1 - Provide income support when work is impossible or unavailable and facilitate return to work</b>					
<b>LS 1</b>	<b>Percent of Employer's First Report of Injury filed within 30 days: Defense Base Act cases</b>	<b>83%</b>	<b>89%</b>	<b>85%</b>	<b>85%</b>
<b>LS 2</b>	<b>Percent of First Payment of Compensation issued within 30 days: Defense Base Act cases</b>	<b>62%</b>	<b>63%</b>	<b>65%</b>	<b>67%</b>
<b>LS 3</b>	<b>Percent of Employer's First Report of Injury filed within 30 days: non-Defense Base Act cases</b>	<b>85%</b>	<b>87%</b>	<b>85%</b>	<b>85%</b>
<b>LS 4</b>	<b>Percent of First Payment of Compensation issued within 30 days: non-Defense Base Act cases</b>	<b>85%</b>	<b>87%</b>	<b>85%</b>	<b>85%</b>
LS WL 1	Number of Open Claims	39,161	43,137	38,770	38,382
LS WL 2	Lost Time Injuries Reported	27,907	27,349	27,628	27,352
LS WL 3	Cases Being Compensated	14,878	14,672	14,729	14,582

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

## **DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION**

### **Workload Summary**

OWCP oversees the claims processing and benefit delivery activities of the self-insured employers and insurance carriers that provide Longshore coverage. OWCP also makes direct benefit payments on cases covered by the Special Workers' Compensation Fund, as provided in Section 944 of the Longshore and Harbor Workers' Compensation Act. To support the President's Management Agenda through *Protecting the Safety, Health, and Benefits of America's Workers*, Longshore will focus on employer/carrier performance to ensure that injury reports and first payment of benefits are timely and that disputed claims are resolved as quickly as possible. The timeliness of injury notices and first compensation payments directly impact the delivery of benefits and the quality of customer service. Strategies include a combination of communicating Longshore program expectations/requirements, formal publication of results, and direct education and technical assistance. In addition to the technical assistance provided daily in response to calls and correspondence, workshops are conducted for new claims professionals. Emphasis is placed on encouraging communication and information sharing between parties, an approach that is particularly essential to dispute resolution. These strategies build upon the program's FY 2015 investments and initiatives (establishment of a secure file transfer protocol [FTP] for document exchanges between insurance carriers and Longshore staff, as well as development of training modules focused on improving staff analytical and dispute resolution skills) and advance OWCP's mission to provide income support with minimal interruptions and to facilitate return to work of those injured workers.

Longshore will leverage OWCP's investment in developing a unified OWCP Workers' Compensation System (OWCS) to provide the program with tracking and management tools, as well as implement industry standard data formats to help Longshore serve its stakeholders in the 21st Century. The investment will also leverage the Employees' Compensation Operations Portal (ECOMP) to allow claimants to file claims and supporting documentation electronically and make documents immediately available to the claims staff. Employers and carriers will be able to submit documents electronically which will help overcome some of the barriers presented by time and distance. OWCS will allow Longshore to increase the timeliness of receipt of First Reports of Injury and the timeliness of First Payment of Benefits. Performance improvements will include faster and more efficient claims intake and processing, more accurate and retrievable claims data, and lower claims processing costs. OWCS will make these changes possible by automating processes currently done manually; enhancing data integrity by instituting data checks to ensure accuracy, elimination of redundant processes; and moving the architecture that allows for reduced duplication, greater scalability and faster processing.

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

<b>BUDGET ACTIVITY COMPONENT BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>Diff. 2016 / 2015</b>
11.1	Full-time permanent	8,411	8,007	8,779	772
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	85	80	88	8
11.8	Special personal services payments	0	0	0	0
11.9	<b>Total personnel compensation</b>	<b>8,496</b>	<b>8,087</b>	<b>8,867</b>	<b>780</b>
12.1	Civilian personnel benefits	2,434	2,436	2,660	224
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	64	108	112	4
22.0	Transportation of things	19	13	15	2
23.1	Rental payments to GSA	1,273	1,309	1,337	28
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	230	170	187	17
24.0	Printing and reproduction	22	27	27	0
25.1	Advisory and assistance services	347	142	142	0
25.2	Other services from non-Federal sources	586	996	1,174	178
25.3	Other goods and services from Federal sources 1/	582	535	881	346
25.4	Operation and maintenance of facilities	3	1	1	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	472	640	679	39
26.0	Supplies and materials	89	99	107	8
31.0	Equipment	38	141	143	2
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	<b>Total</b>	<b>14,655</b>	<b>14,704</b>	<b>16,332</b>	<b>1,628</b>
	1/Other goods and services from Federal sources				
	Working Capital Fund	277	270	616	346
	DHS Services	150	156	156	0
	Services by DOL Agencies	155	109	109	0

# DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

## General Funds

<b>PROGRAM CATEGORY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>Diff. 2016 / 2015</b>
11.1	Full-time permanent	7,580	7,162	7,934	772
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	77	72	80	8
11.9	<b>Total personnel compensation</b>	<b>7,657</b>	<b>7,234</b>	<b>8,014</b>	<b>780</b>
12.1	Civilian personnel benefits	2,180	2,196	2,420	224
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	48	77	81	4
22.0	Transportation of things	19	13	15	2
23.1	Rental payments to GSA	1,273	1,309	1,337	28
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	223	164	181	17
24.0	Printing and reproduction	11	16	16	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	199	632	810	178
25.3	Other goods and services from Federal sources 1/	402	349	695	346
25.4	Operation and maintenance of facilities	3	1	1	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	377	302	341	39
26.0	Supplies and materials	83	93	101	8
31.0	Equipment	38	141	143	2
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	<b>Total</b>	<b>12,513</b>	<b>12,527</b>	<b>14,155</b>	<b>1,628</b>
1/Other goods and services from Federal sources					
	Working Capital Fund	109	106	452	346
	DHS Services	150	156	156	0
	Services by DOL Agencies	143	87	87	0

# DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

## Trust Funds

<b>PROGRAM CATEGORY BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>Diff. 2016 / 2015</b>
11.1	Full-time permanent	831	845	845	0
11.3	Other than full-time permanent	0	0	0	0
11.5	Other personnel compensation	8	8	8	0
11.9	<b>Total personnel compensation</b>	<b>839</b>	<b>853</b>	<b>853</b>	<b>0</b>
12.1	Civilian personnel benefits	254	240	240	0
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	16	31	31	0
22.0	Transportation of things	0	0	0	0
23.1	Rental payments to GSA	0	0	0	0
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	7	6	6	0
24.0	Printing and reproduction	11	11	11	0
25.1	Advisory and assistance services	347	142	142	0
25.2	Other services from non-Federal sources	387	364	364	0
25.3	Other goods and services from Federal sources 1/	180	186	186	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	95	338	338	0
26.0	Supplies and materials	6	6	6	0
31.0	Equipment	0	0	0	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	<b>Total</b>	<b>2,142</b>	<b>2,177</b>	<b>2,177</b>	<b>0</b>
1/Other goods and services from Federal sources					
	Working Capital Fund	168	164	164	0
	Services by DOL Agencies	12	22	22	0

# DIVISION OF LONGSHORE AND HARBOR WORKERS' COMPENSATION

## CHANGES IN 2016

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$116
Personnel benefits	34
Employee health benefits	2
Moving allowance	0
One day more of pay	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	28
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	346
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** **\$526**

**Net Program** **\$1,102**

**Direct FTE** **7**

	Estimate	FTE
<b>Base</b>	<b>\$15,230</b>	<b>95</b>
<b>Program Increase</b>	<b>\$1,102</b>	<b>7</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>



## DIVISION OF COAL MINE WORKERS' COMPENSATION

<b>BUDGET AUTHORITY BEFORE THE COMMITTEE</b>				
(Dollars in Thousands)				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>Diff. 2016 / 2015</b>
Activity Appropriation	30,655	30,889	35,244	4,355
FTE	155	163	163	0

NOTE: FY 2014 reflects actual FTE. Authorized FTE for FY 2014 was 163.

### **Introduction**

The Office of Workers' Compensation, through its Division of Coal Mine Workers' Compensation (DCMWC), serves coal industry workers, and their dependent survivors, who are totally disabled by pneumoconiosis— as a result of their exposure to coal mine dust. Pneumoconiosis - also known as Black Lung disease – is a debilitating condition that cannot be cured. 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 Black Lung 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. This program and its performance activities directly support the Department's *Strategic Goal 4: Secure retirement, health, and other employee benefits and, for those not working, provide income security*, and *Strategic Objective 4.1: Provide income support when work is impossible or unavailable and facilitate return to work* by providing income support and medical care for beneficiaries who are unable to perform their previous coal mine work due to occupational lung disease.

Since FY 2004, all components of program administration for the Black Lung Program have been consolidated at DOL, resulting in fiscal and operational efficiencies and improved service delivery. Part B funding and activities are discussed in the Special Benefits for Disabled Coal Miners section of the Office of Workers' Compensation Programs (OWCP) budget, and Part C Activities are discussed below.

The Affordable Care Act (ACA) of 2010 had a significant effect on the workload for the Black Lung Program, as it reinstated two provisions in the Act that had been removed in 1981 for claims filed on or after January 1, 1982. Both of these provisions are favorable to claimants and have led to an increase in claims received. In keeping with the Division's core mission to develop and adjudicate claims and pay benefits, resources have been focused on providing timely and accurate decisions for these new claims.

In FY 2014, the Deputy Secretary of the Department of Labor testified before the Senate Committee on Health Education, Labor, & Pensions and highlighted OWCP's initiatives for the Black Lung Program, which included:

## **DIVISION OF COAL MINE WORKERS' COMPENSATION**

- Pilot Project - All contested awards meeting certain criteria now undergo a secondary review to verify that the Proposed Decision and Order (PDO) is accurate to ensure the miner receives a fair initial assessment;
- New Regulatory Initiative – The Department is preparing to issue a Notice of Proposed Rulemaking to address three important issues: whether all parties involved in a claim must disclose medical evidence they obtain in connection with a claim; the fee schedule used for payment of a miner’s medical expenses related to black lung disease; and a liable coal company’s responsibility to pay benefits under an effective award while seeking modification of the award. OWCP invited stakeholders to comment on all three rulemaking topics during outreach sessions held in July 2014.

Although rigorous Federal regulations and improved dust suppression technology have combined over the years to reduce the incidence of pneumoconiosis, National Institute of Occupational Safety and Health (NIOSH) data indicate an increased incidence of the disease beginning in the late 1990s. The Division’s services remain essential for providing income support and medical care for its beneficiaries. The program will work toward achieving its performance goal for the average time it takes to process Black Lung claims, while improving the quality of its decisions and service delivery and enhancing its financial management tools and oversight. DCMWC will assess and monitor its performance through the use of its annual operating plan, quarterly review and analysis of performance results, and annual accountability reviews.

### **Five-Year Budget Activity Component History**

<b><u>Fiscal Year</u></b>	<b><u>Funding</u></b> (Dollars in Thousands)	<b><u>FTE</u></b>
2011	\$33,075	167
2012	\$32,906	159
2013	\$31,228	159
2014	\$30,655	163
2015	\$30,889	163

### **FY 2016 Request**

The FY 2016 Request is \$35,244,000 to meet obligations for DCMWC’s Salaries and Expenses. This amount includes an increase for inflationary built in costs of \$282,000 over the FY 2015 President’s enacted level and \$1,641,000 for resources to continue OWCP’s update of its workers’ compensation claims processing systems in support of the theme of *Improving Service Delivery Through Information Technology* in the President’s Management Agenda. OWCP’s accounts for the Black Lung Benefits program are still subject to sequestration cuts. In the FY 2016 President’s Budget submission, the Department is requesting restoration of \$2,432,000 reduced by the FY 2015 sequestration. In FY 2015, in order to mitigate the effect of the cuts on workers paid out of these accounts, OWCP is delaying IT initiatives to build and leverage improvements on prior year investments and is reducing amounts available for services contracts. Restoration of the cuts will provide an increase in performance efficiencies and improvements that will not be realized under the sequestered funding level and will allow for

## **DIVISION OF COAL MINE WORKERS' COMPENSATION**

performance targets to be reached. All requested resources are necessary to keep pace with the significant increase in claims filed for Black Lung Benefits, to ensure accurate and timely adjudication of benefits, and to modernize the program.

At this funding level, DCMWC will continue the core activities of its mission to pay monthly compensation and ongoing medical treatment benefits to an estimated average of 16,500 recipients under Part C, continue to monitor cash and medical treatment benefits disbursed by coal mine operators in the private sector to an average of 4,600 additional recipients under Part C, and process an estimated 7,700 incoming claims. While claims filings had dropped for several years, new claims totaled 7,400 in FY 2014 and the expected 7,700 new claims filings in 2015 represents an increase of 20 percent since 2013. DCMWC will continue to focus its resources on strategies to manage average claims processing timeliness and improve decision quality. The specific strategies and activities DCMWC will implement in FY 2016 are discussed further in the Workload Summary section.

In addition to the activities already discussed, DCMWC's national office supports the Secretary's fiduciary responsibility for the Black Lung Disability Trust Fund (BLDTF) by processing coal mine operator self-insurance requests and confirming that self-insurers post the appropriate amounts to cover potential benefit security liabilities. DCMWC further supports the Secretary's fiduciary responsibility by working with coal mine operators to encourage voluntary compliance with statutory insurance requirements. Other national office activities include overseeing and managing the program's data and medical bill processing systems and its accounting and debt management functions; coordinating litigation with the Solicitor of Labor; and providing procedural guidance to field operations.

### **FY 2015**

The FY 2015 enacted level is \$30,889,000 and 163 FTE to meet obligations for DCMWC's Salaries and Expenses.

DCMWC will continue the core activities of its mission to pay monthly compensation and ongoing medical treatment benefits to an estimated average of 17,580 recipients under Part C; continue to monitor cash and medical treatment benefits disbursed by coal mine operators in the private sector to an average of 4,370 additional recipients and process an estimated 7,700 incoming claims. DCMWC will continue to focus its resources on strategies to improve average claims processing timeliness including information technology enhancements and an expansion of the pool of physicians who provide diagnostic examinations using digital x-ray technology. Outreach will be conducted to program customers and medical provider communities to improve the quality of medical evidence that is submitted with claims foster a better understanding of the claims decisions issued and use higher-credentialed physicians for diagnostic examinations to increase the credibility of initial eligibility decisions.

### **FY 2014**

The FY 2014 enacted level was \$30,655,000 and 163 FTE to meet obligations for DCMWC's Salaries and Expenses.

## **DIVISION OF COAL MINE WORKERS' COMPENSATION**

In FY 2014, DCMWC continued the core activities of its mission to pay monthly compensation and ongoing medical treatment benefits to an average of 18,335 recipients under Part C, continued to monitor cash and medical treatment benefits disbursed by coal mine operators in the private sector to an average of 4,800 additional recipients under Part C, and processed 7,400 incoming claims.

DCMWC implemented documented imaging in all of its district offices. The document imaging system will shorten the amount of time necessary for processing claims by eliminating the time involved in transferring documents through the mail and allowing for electronic transfer of file documents when redistribution of workloads is necessary between district offices.

## DIVISION OF COAL MINE WORKERS' COMPENSATION

<b>DETAILED WORKLOAD AND PERFORMANCE</b>					
		<b>2014</b>		<b>2015</b>	<b>2016</b>
		<b>Target</b>	<b>Result</b>	<b>Target</b>	<b>Target</b>
<b>Division of Coal Mine Workers' Compensation</b>					
<b>Strategic Goal 4 - Secure retirement, health, and other employee benefits and, for those not working, provide income security</b>					
<b>Strategic Objective 4.1 - Provide income support when work is impossible or unavailable and facilitate return to work</b>					
<b>Workload Volumes</b>					
CM WL 1	Claims Received	7,300[p]	7,394	7,700[p]	7,700[p]
CM WL 2	Proposed Decisions and Orders	5,600[p]	5,125	5,600[p]	5,200[p]
CM WL 3	Conversion of Benefits to Miners' Survivors	800[p]	661	800[p]	1,000[p]
CM WL 4	Referrals to ALJ	1,350[p]	1,018	1,350[p]	1,150[p]
CM WL 5	Referrals to BRB	450[p]	277	450[p]	400[p]
CM 1	Average Number of Days to Process Black Lung Claims	220	234	235[r]	235[r]
CM 3	Average time in days for development of medical evidence for BL claims	85	88	82	82
CM 5	Average number of days to complete 413(b) secondary medical review	--	--	50	50

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

## DIVISION OF COAL MINE WORKERS' COMPENSATION

### Workload Summary

OWCP will follow the strategies for the Black Lung Program and perform the activities described below to improve its priority performance results in support of the Secretary's vision of *Promoting and Protecting Opportunity* and the Department's *Strategic Objective 4.1: Provide income support when work is impossible or unavailable and facilitate return to work* by providing income support and medical care for beneficiaries who are unable to perform their previous coal mine work due to occupational lung disease.

The Affordable Care Act (ACA) of 2010 had a significant effect on the workload for the Black Lung Program, as it reinstated two provisions in the Black Lung Benefits Act that had been removed in 1981 for claims filed on or after January 1, 1982, and that are favorable to claimants. Compared to the pre-ACA level of 4,354 claims filed in FY 2009, claims filings increased by 62 percent (7,044 claims) in FY 2010, by 42 percent (6,181 claims) in FY 2011, by 23 percent (5,368) in FY 2012, and by 47 percent (6,420 claims) in FY 2013, by 70 percent in FY 2014 (7,394) and are estimated to increase by 77 percent (7,700 claims) in 2015.

OWCP's performance priority for DCMWC as administered through the Black Lung Program is to improve the quality of the Proposed Decision and Order (PDO) process while minimizing the time it takes to process Black Lung claims. OWCP uses three performance indicators to measure claims processing timeliness and customer service: 1) average number of days to process Black Lung claims (issuance of a PDO), the basic decisional document that gives the District Director's findings regarding eligibility and liability for payment, and that provides appeal rights for any party dissatisfied with the decision), 2) average time in days for development of medical evidence for Black Lung claims, and 3) average time in days to complete secondary medical reviews

The Average Number of Days to Process Black Lung Claims measures the overall PDO timeliness. Historical program data shows that 50-60 percent of the overall PDO processing time involves the time required to complete the activities involved with the development of medical evidence for claims. These activities include: authorization of medical testing, medical examinations, evaluation of medical reports, and follow-up work with physicians, and re-testing (if necessary). The second performance indicator for average time for development of medical evidence measures the timeliness of these activities.

OWCP will focus on improving the quality of analysis and the weight and sufficiency of the medical and factual evidence of record. OWCP has implemented a limited internal pre-decisional quality control review using district office staff to conduct spot audits. The review is focused on PDOs for Byrd Amendment awards in which the Responsible Operator (RO) submits contesting evidence. Claims in which such evidence has been received will receive an additional pre-decisional medical review by the 413(b) examining physician. In order to maintain the integrity of the process, OWCP has established a third performance indicator for the average number of days to complete the secondary medical review.

## DIVISION OF COAL MINE WORKERS' COMPENSATION

OWCP will use the strategies and perform the activities described below to improve its priority performance results in support of the Department's *Strategic Objective 4.1* by providing income support and medical care for beneficiaries who are unable to perform their previous coal mine work due to occupational lung disease.

- Facilitate the speed and quality of claims intake:
  - Educate stakeholders and customers on the importance of timely filing and providing accurate information;
  - Convert claims forms and other documents to electronic form by the implementation of document imaging systems which support the development of 21<sup>st</sup> Century programs at the DOL;
  - Closely monitor the scheduling of medical examinations to determine which doctors have exams scheduled beyond critical timeliness thresholds. When the case control system indicates that a doctor is being overscheduled, the claimant will be scheduled with the second doctor selected in the claim documentation.
  
- Improve the quality and efficiency of claims processing and accuracy and mitigate the impact of such improvements on the timeliness of benefit payments:
  - Leverage the implementation of digital x-ray technology regulations to recruit and train the next generation of medical providers in providing credible medical evidence for benefit claims
  - Work with the National Coalition of Black Lung and Respiratory Disease Clinic members and other groups to encourage the quick scheduling and completion of DOL-paid initial examinations and to hold web-based seminars for clinic personnel, including physicians;
  - Utilize Critical Path Measurements (CPM) as a management tool to document and monitor claims. The addition of CPM codes to the claims management system enables supervisors to document and monitor the time progression of a claim during each phase of medical and non-medical development and to set timelines for specified actions leading to reductions in average claims processing time.
  - Monitor the inclusion and impact on medical scheduling timeliness standards for grants awarded to clinics partially funded by the Health Resource and Services Administration (HRSA) of HHS ;
  - Maintain a quality assurance program that involves case file reviews, financial systems auditing, and trust fund fiduciary analysis. This initiative is designed to ensure quality improvement, fiscal integrity and customer service.
  
- Improve the accuracy and quality of benefits delivered by the OWCP programs:
  - Conduct outreach and educational activities to Black Lung program customers and medical provider communities to:
    - Improve the quality of medical evidence submitted with claims for benefits;
    - Reinforce the concept of OWCP as a fair and balanced adjudicator;
    - Foster a better understanding of the claims decisions issued;
    - Use higher-credentialed physicians for diagnostic examinations to increase the credibility of initial eligibility decisions;

## **DIVISION OF COAL MINE WORKERS' COMPENSATION**

- Reduce erroneous benefit payments and improve overall program administration;
- Continue to collect feedback from Black Lung Program customers and stakeholders. This will identify needed improvements in service quality and effectiveness, and assess claimant and stakeholder experiences and satisfaction with services.
- Improve the quality of communication services, in support of developing 21<sup>st</sup> Century programs at the DOL, by using an Integrated Voice Response (IVR) system nationwide. This will enable supervisory call monitoring; better measure call handling performance; enhance the deployment of customer service surveys; and better monitor timeliness and quality.
- Leverage existing information technology to improve the speed of intake of claims, lessen the development timeframes, improve customer service and improve benefit delivery.
- Continue Pilot Project for secondary review of all contested awards meeting certain criteria to verify that the PDO is accurate and ensure the miner receives a fair initial assessment

OWCP's implementation of these strategies will improve the overall quality of Black Lung program decisions, mitigate the impact that quality improvements have on decision timeliness, and ensure that claimants who are entitled receive benefits.

OWCP will monitor and evaluate its strategies to assess and improve its performance through the use of its annual operating plan, quarterly review and analysis of performance results, and analysis of results for its annual accountability reviews.

## DIVISION OF COAL MINE WORKERS' COMPENSATION

<b>BUDGET ACTIVITY COMPONENT BY OBJECT CLASS</b>					
(Dollars in Thousands)					
		<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>Diff. 2016 / 2015</b>
11.1	Full-time permanent	12,237	12,555	12,739	184
11.3	Other than full-time permanent	16	47	48	1
11.5	Other personnel compensation	125	123	125	2
<b>11.9</b>	<b>Total personnel compensation</b>	<b>12,378</b>	<b>12,725</b>	<b>12,912</b>	<b>187</b>
12.1	Civilian personnel benefits	3,367	3,561	3,619	58
13.0	Benefits for former personnel	0	2	2	0
21.0	Travel and transportation of persons	186	160	160	0
22.0	Transportation of things	15	457	457	0
23.1	Rental payments to GSA	1,849	1,795	1,832	37
23.2	Rental payments to others	0	0	0	0
23.3	Communications, utilities, and miscellaneous charges	770	730	730	0
24.0	Printing and reproduction	53	30	30	0
25.1	Advisory and assistance services	0	437	437	0
25.2	Other services from non-Federal sources	2,039	1,623	1,839	216
25.3	Other goods and services from Federal sources 1/	3,869	4,581	4,890	309
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	5,953	4,194	7,742	3,548
26.0	Supplies and materials	126	184	184	0
31.0	Equipment	50	410	410	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	<b>Total</b>	<b>30,655</b>	<b>30,889</b>	<b>35,244</b>	<b>4,355</b>
	1/Other goods and services from Federal sources				
	Working Capital Fund	2,362	2,519	2,828	309
	DHS Services	80	89	89	0
	Services by DOL Agencies	1,045	1,436	1,436	0
	GSA Services	0	8	8	0
	Services by Other Government Departments	382	529	529	0

# DIVISION OF COAL MINE WORKERS' COMPENSATION

## CHANGES IN 2016

(Dollars in Thousands)

### Activity Changes

#### Built-In

To Provide For:

Costs of pay adjustments	\$187
Personnel benefits	45
Employee health benefits	4
Moving allowance	0
One day more of pay	0
Federal Employees' Compensation Act (FECA)	9
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	37
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	-309
Working Capital Fund	309
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** **\$282**

**Net Program** **\$4,073**

**Direct FTE** **0**

	Estimate	FTE
<b>Base</b>	<b>\$31,171</b>	<b>163</b>
<b>Program Increase</b>	<b>\$4,073</b>	<b>0</b>
<b>Program Decrease</b>	<b>\$0</b>	<b>0</b>