

**U.S. Department of Labor  
Office of Workers' Compensation  
Programs**



**November 2020**

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## TAB 1: AGENCY ORGANIZATIONAL OVERVIEW

### Mission

Every day, the Department of Labor's (DOL's) [Office of Workers' Compensation Programs](https://www.dol.gov/owcp/)<sup>1</sup> (OWCP) employees touch the lives of thousands of injured or ill workers and their families by providing or overseeing the delivery of workers' compensation benefits. Regardless of which particular worker group they serve, OWCP's four programs have a unifying [mission](#)<sup>2</sup>.

### Authorizing Legislation

#### *Federal Employees Program:*

- [Federal Employees' Compensation Act](#)<sup>3</sup>, as amended, 5 United States Code (U.S.C.) § 8101 et seq.
- [War Hazards Compensation Act](#)<sup>4</sup>, as amended, 42 U.S.C. § 1701 et seq.

#### *Longshore Program:*

- [Longshore and Harbor Workers' Compensation Act](#)<sup>5</sup>, as amended, 33 U.S.C. § 901 et seq.
- [Defense Base Act](#)<sup>6</sup>, 42 U.S.C. § 1651 et seq.
- [Outer Continental Shelf Lands Act](#)<sup>7</sup>, 43 U.S.C. § 1333(b).
- [Non-Appropriated Fund Instrumentalities Act](#)<sup>8</sup>, as amended, 5 U.S.C. § 8171 et seq.

#### *Black Lung Program:*

- [Black Lung Benefits Act](#), as amended, 30 U.S.C. § 901 et seq.
- [Black Lung Benefits Revenue Act of 1977](#), as amended, P.L. 97-119.
- [Federal Coal Mine Health and Safety Act of 1969](#)<sup>9</sup>, as amended, P.L. 91-173 (now called the [Federal Mine Safety and Health Act of 1977](#)<sup>10</sup>, P.L. 107-275).
- [Black Lung Consolidation of Administrative Responsibility Act](#)<sup>11</sup>, P.L. 107-275.

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<sup>1</sup> <https://www.dol.gov/owcp/>

<sup>2</sup> <https://www.dol.gov/owcp/owcpmisvisgols.htm>

<sup>3</sup> <https://www.dol.gov/owcp/dfec/regs/statutes/feca.htm>

<sup>4</sup> <https://www.dol.gov/owcp/dlhwc/whca.htm>

<sup>5</sup> <https://www.dol.gov/owcp/dlhwc/lhwca.htm>

<sup>6</sup> <https://www.dol.gov/owcp/dlhwc/dba.htm>

<sup>7</sup> <https://www.dol.gov/owcp/dlhwc/ocsla.htm>

<sup>8</sup> <https://www.dol.gov/owcp/dlhwc/nfia.htm>

<sup>9</sup> <https://arlweb.msha.gov/solicitor/coalact/69act.htm>

<sup>10</sup> <https://arlweb.msha.gov/REGS/ACT/ACTTC.HTM>

<sup>11</sup> <https://www.dol.gov/owcp/dcmwc/pl107-275.pdf>

- [Emergency Economic Stabilization Act of 2008](#), P.L. 110-343.
- [Patient Protection and Affordable Care Act of 2010](#), P.L. 111-148 § 1556, amended the Black Lung Benefits Act to reinstate [30 U.S.C. § 921\(c\)\(4\)](#) and [30 U.S.C. § 932\(l\)](#).

*Energy Workers Program:*

- [Energy Employees Occupational Illness Compensation Program Act](#)<sup>12</sup>, P.L. 113-291.

*Advisory Board on Toxic Substances and Worker Health:*

- [National Defense Authorization Act of 2015](#)<sup>13</sup>, as amended, P.L. 113-291, amended the Energy Employees Occupational Illness Compensation Program Act to include Section 3687, creating the [Advisory Board on Toxic Substances and Worker Health](#)<sup>14</sup>. The [National Defense Authorization Act of 2020](#)<sup>15</sup> recently expanded those duties to include advice on the claims adjudication process among other areas.

The Advisory Board appointed 12 members on July 17, 2020, for a term of two years. The Advisory Board held its last meeting in June 2020, and preparations for the next meeting are pending. Currently, no actions from the Advisory Board are pending before the Secretary. The Board is anticipated to sunset by December 2024, based on statute.

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<sup>12</sup> <https://www.dol.gov/owcp/energy/regs/compliance/law/EEOICPAALL.htm>

<sup>13</sup> [https://www.dol.gov/owcp/energy/regs/compliance/NDAASection\\_3141.pdf](https://www.dol.gov/owcp/energy/regs/compliance/NDAASection_3141.pdf)

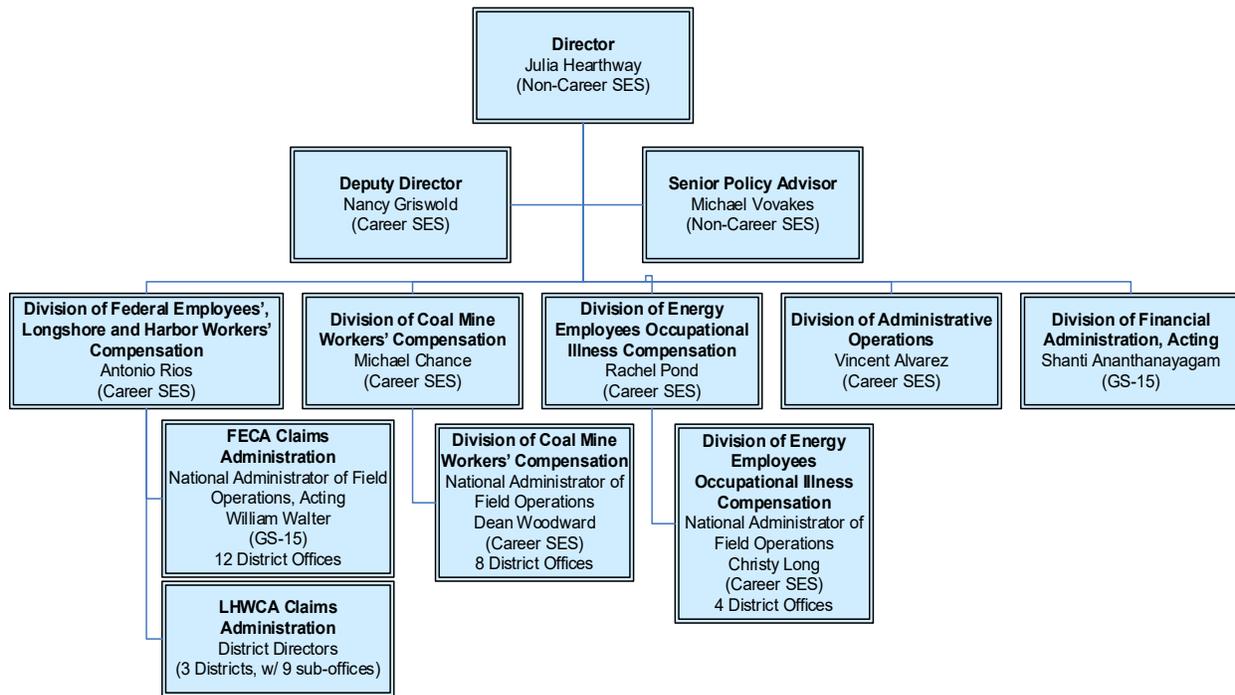
<sup>14</sup> <https://www.dol.gov/owcp/energy/regs/compliance/AdvisoryBoard.htm>

<sup>15</sup> [https://www.dol.gov/owcp/energy/regs/compliance/NDAA\\_2020.pdf](https://www.dol.gov/owcp/energy/regs/compliance/NDAA_2020.pdf)

## Organizational Structure

OWCP consolidates, in one umbrella organization, the four federal workers' compensation programs described above. Following its 2019 Leadership Reorganization, OWCP's organizational structure is now policy centric, rather than geographic. This structure allows for line-of-sight reporting from the Program Directors to field office operations, eliminating the disconnect between the policy and goals of each unique program and regional control of program resources. The reorganization also facilitates the balancing of program resources and workload across geographic lines.

### Organizational Chart



### Office of the Director (Headquarters)

**Office of the Director:** The OWCP Director, Deputy Director, and Senior Advisor, in concert with the Secretary and the agency's leadership team, set the agency's direction and provide oversight to ensure that OWCP leverages its collective strengths to solve both internal and external challenges.

### Administrative Divisions (Headquarters)

Two administrative divisions support the overall functioning of the agency and oversee the joint administrative operations of its four programs.

- **Division of Administrative Operations:** The Division of Administrative Operations is led by the OWCP Administrative Officer (Director) and Deputy Director. The division provides administrative support for OWCP, including the development of policies, procedures, and standards in the areas of traditional administrative functions (e.g., personnel, procurement,

travel, etc.), medical policy, and coordinates the monitoring of information technology shared services provided by the Office of the Chief Information Officer. The division also supports the Office of the Director on priority initiatives.

- **Division of Financial Administration:** The Division of Financial Administration is led by the OWCP Comptroller (Director) and Deputy Director. It provides support for strategic and operational planning functions, performance reporting, budget formulation and execution, and serves a coordinating function for financial statements and audit activities.

*Program Divisions (Headquarters and Field Offices)*

OWCP has three program divisions responsible for program management including setting policy direction, outreach, information technology, and fiscal operations for the four covered programs.

- **[Division of Federal Employees', Longshore and Harbor Workers' Compensation](#)<sup>16</sup>**, led by a single Director, administers claims covered by the Federal Employees' Compensation Act, War Hazards Compensation Act, and the Longshore and Harbor Workers' Compensation Act.
  - **[The Federal Employees Program](#)**<sup>17</sup> administers the Federal Employees' Compensation Act, which provides wage-loss compensation, medical benefits, survivor benefits in the case of death, return-to-work assistance, and vocational rehabilitation to civilian employees of the federal government injured at work and to certain other designated groups. The Program also administers the War Hazards Compensation Act which provides compensation or reimbursement to Defense Base Act insurers and self-insured employers for the injury, disability, or death, of employees of contractors with the United States working outside of the United States, when the injury is the result of a war risk hazard as well as compensation for these same employees who are detained by a hostile force. Two Deputy Directors manage six branches including Technical Assistance; Fiscal Operations; Regulations and Procedures; Program Integrity, Fraud Prevention, and Prescription Management; Information Technology; and Hearings and Review.
  - **[The Longshore Program](#)**<sup>18</sup> provides oversight and implements four worker protection programs:
    - The Longshore and Harbor Workers' Compensation Act provides for the payment of compensation, medical care, and vocational rehabilitation services to employees disabled from on the job injuries that occur in various maritime industries pursuant to. It also provides survivor benefits to dependents.
    - The Defense Base Act provides workers' compensation protection to civilian employees working outside the United States on military bases or under a contract with the U. S. Government for public works or for national defense.
    - The Outer Continental Shelf Lands Act, an extension to the Longshore and Harbor Workers' Compensation Act, covers employees working on the Outer

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<sup>16</sup> [https://www.dol.gov/owcp/dfec/index\\_DFELHWC.htm](https://www.dol.gov/owcp/dfec/index_DFELHWC.htm)

<sup>17</sup> <https://www.dol.gov/owcp/dfec/>

<sup>18</sup> <https://www.dol.gov/owcp/dlhwc/index.htm>

Continental Shelf of the United States in the exploration and development of natural resources.

- The Non-Appropriated Fund Instrumentalities Act covers civilian employees of non-appropriated fund instrumentalities of the Armed Forces (for example, military base exchanges and morale, welfare, and recreational facilities).

The Deputy Director for Longshore Claims oversees the development of all policy and operations for the Longshore program, including management of its two branches: Branch of Financial Management, Insurance, and Assessment and the Branch of Policy, Regulations, and Procedures.

- **[Division of Coal Mine Workers' Compensation](#)**<sup>19</sup> administers claims under the Black Lung Benefits Act, which provides or ensures the delivery of monetary and medical benefits to totally disabled miners suffering from pneumoconiosis stemming from coal mine employment, and monetary benefits to their dependent survivors. Led by the Director and Deputy Director, the division has two branches: Policy Analysis & Program Standards, and Fiscal Operations & Technical Support.
- **[Division of Energy Employees Occupational Illness Compensation](#)**<sup>20</sup> administers claims under the Energy Employees Occupational Illness Compensation Program Act. Part B of the Act compensates current or former employees (or their survivors) of the Department of Energy, its predecessor agencies, and certain vendors, contractors and subcontractors, who were diagnosed with a radiogenic cancer, chronic beryllium disease, beryllium sensitivity, or chronic silicosis, as a result of exposure to radiation, beryllium, or silica while employed at covered facilities. It also covers individuals (or their eligible survivors) awarded benefits under Section 5 of the Radiation Exposure Compensation Act for any occupational illnesses that are causally linked to toxic exposures in the uranium mining, milling or ore transporter work environment. Part E of the Act compensates Department of Energy contractor and subcontractor employees, eligible survivors of such employees, and uranium miners, millers, and ore transporters as defined by the Radiation Exposure Compensation Act Section 5, for any occupational illnesses that are causally linked to toxic exposures in the Department of Energy or mining work environment. Led by the Director, and Deputy Director, the division contains six branches: Medical Benefits; Automated Data Processing Systems; Outreach and Technical Assistance; Policy; Division of Energy Employees Occupational Illness Compensation Management Unit; and Final Adjudication.

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<sup>19</sup> <https://www.dol.gov/owcp/dcmwc/index.htm>

<sup>20</sup> <https://www.dol.gov/owcp/energy/index.htm>

**TAB 1: Agency Organizational Overview**

*Workforce At-A-Glance*

**DEPARTMENT OF LABOR EMPLOYMENT \*  
AS OF 11/1/2020 - OWCP**

AGENCY			
Subagency	National Office	Regional Office	Total
OWCP	182	1134	1316
Total	182	1134	1316
RACE & GENDER			
Ethnicity	F	M	Total
American Indian	1	6	7
Asian	46	31	77
Black	306	87	393
Hawaiian/PI	1	0	1
Hispanic	68	42	110
Two or more Races	14	11	25
White	382	321	703
Total	818	498	1316

BARGAINING UNIT	
Local 12	128
NCFLL	951
Non-BU	237
SUPERVISORY**	
Non Supervisor	1131
Supervisor	185
WORK SCHEDULE	
F-Full Time	1316
REGIONS	
Mid-Atlantic	113
Midwest	240
Northeast	100
Pacific	227
Southeast	272
Southwest	182
Natl Ofc	182
Total	1316

GRADE DISTRIBUTION	
00	11
03	2
04	2
05	3
06	17
07	59
08	3
09	43
11	95
12	702
13	274
14	61
15	44
Total	1316
DISABLED STATUS	
No Disability	1030
Non-targeted	234
Targeted	52
APPOINTMENT TENURE	
Indefinite	2
Permanent	1314
RETIREMENT ELIGIBILITY	
Early Out	230
Eligible	256
Not Eligible	830

METRO D.C. AREA EMPLOYEES BY BUILDING		
FRANCES PERKINS BLDG	152	
PATRIOTS PLAZA	30	
Total	182	
Includes regional employees working in the D.C. area		
GRADE 13 & ABOVE		
Ethnicity	F	M
American Indian	1	2
Asian	7	10
Black	68	25
Hispanic	19	11
Two or more Races	5	4
White	136	102

\* Permanent and Temporary Employees  
\*\* Supervisor count includes manager levels 2 and 4

**Organizational Changes during the Past Four Years**

OWCP has implemented several significant reorganizations or realignments in order to increase the efficiency of its programs, increase program integrity, support modernization of its programs, and increase program oversight and accountability.

*2018 Division of Energy Employees Occupational Illness Compensation Reorganization*

In 2018, OWCP reorganized the Division of Energy Employees Occupational Illness Compensation to establish the Branch of Medical Benefits Adjudication and Bill Processing and to streamline the Branch of Automated Data Processing Systems. The reorganization was necessary to improve the management of home health care and other medical billing services, enhance the Division of Energy Employees Occupational Illness Compensation's ability to identify and reduce fraud, waste, and abuse, and enable a management structure that is consistent with the mission and functions the division performs.

*OWCP Leadership Reorganization*

In 2019, the leadership structure for OWCP was reorganized to allow line-of-sight reporting of field office operations directly to the Program Directors, eliminating the disconnect between the policy and goals of each unique program and the regional control of program resources. Prior to the reorganization, OWCP had a regional structure in which six regional offices provided oversight for the operations of all programs within each of six geographic regions. The reorganization eliminated this geographically based leadership structure and established a single Field Operations Administrator in each division, providing OWCP with a framework to apply best practices consistently across the country. In addition to ensuring policy accountability, the reorganization also facilitates the balancing of program resources and workload across geographic lines. This fundamental reorganization of the national leadership structure made subsequent reorganization and restructuring of the divisions possible.

*Division of Federal Employees' Compensation Reorganization*

In 2019, OWCP reorganized the Division of Federal Employees' Compensation to eliminate geographic claims distribution, allow for a more equitable workload distribution nationwide, and centralize key program functions such as customer service phone lines, disability management services, and fiscal operations. This reorganization also established the Branch of Program Integrity, Fraud Prevention, and Prescription Management.

*2020 Division of Energy Employees Occupational Illness Compensation Reorganization*

In fiscal year 2020, the division created the Performance Management Branch to improve oversight and management of performance and program improvement activities. The branch ensures performance and accountability through monitoring and reporting adjudicatory quality, auditing medical bill payment activities of providers, supporting all data and business analytics reporting, and providing information technology services.

*Division of Coal Mine Workers' Compensation Reorganization*

In 2020, the Division Coal Mine Workers' Compensation realigned all National Office operations into two balanced, complementary organizational units, eliminated an obsolete information technology section, centralized all fiscal operations and benefit delivery functions into a single work unit, and established a dedicated section to perform critical internal and external assessment functions including the evaluation of coal mine operator self-insurance applications.

## **TAB 1: Agency Organizational Overview**

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### *Division of Longshore and Harbor Workers' Compensation Reorganization*

In April 2020, the Division of Longshore and Harbor Workers' Compensation redesignated and consolidated nine existing Longshore district offices into three compensation districts. This organizational structure improved operational efficiency and better positioned the agency to perform its mission, facilitate coordination, and implement program decisions and activities while enhancing the quality and timeliness of services, and ensuring appropriate management and oversight of all program operations.

### *Consolidation of Division of Federal Employees' Compensation and Division of Longshore and Harbor Workers' Compensation*

In August 2020, OWCP consolidated the program administration of two of its programs – the Division of Longshore and Harbor Workers' Compensation (which administered the Longshore program) with the Division of Federal Employees' Compensation (which administered the Federal Employees program), forming a new Division of Federal Employees', Longshore and Harbor Workers' Compensation. This reorganization allows the Longshore program to benefit from the Federal Employees program's administrative resources and infrastructure, such as its information technology platforms. It also benefits the Federal Employees program, which can leverage the Longshore program's experience with the new OWCP-wide claims management system. This reorganization was a natural progression as many staff already share office space, the same appropriation account funds the majority of staff in both programs, and the programs have statutory interrelationships requiring interaction while administering federal benefits for the same injury, which can be optimized under the new structure.

### *Division of Financial Administration Reorganization*

In 2020, OWCP restructured the Division of Financial Administration to appropriately align and effectively staff the division to carry out its mission by dividing its flat organizational structure into two branches: the Branch of Budget Execution and Formulation, and the Branch of Financial Analysis and Performance. The new structure allowed for appropriate management and oversight of financial program operations.

### *Division of Administrative Operations Reorganization*

In 2020, OWCP restructured its Division of Administrative Operations to appropriately align and staff the division to support the agency and its programs in effectively carrying out their missions. The new Branch of Medical Policy and Operations supports the increased focus on pharmaceutical and medical benefit controls by realigning existing staff to the applicable unit based on their positions, and updating the Division's mission and functions to align with the services supporting pharmaceutical and medical benefits. The division also realigned the Branch of Administrative Services to reflect the full range of administrative management functions and to improve supervisor to staff ratios.

## Key Leaders

OWCP's senior leadership team includes:

### *Office of the Director*

- **Julia Hearthway**, Director
- **Nancy Griswold**, Deputy Director
- **Michael Vovakes**, Senior Policy Advisor

### *Division of Federal Employees', Longshore and Harbor Workers' Compensation*

- **Antonio Rios**, Director
- **Jennifer Valdivieso**, Deputy Director, Program and System Integrity
- **Tirzah Leiman-Carbia**, Deputy Director, Operations and Federal Employees' Compensation Act Claims Management
- **Kristi Hall**, Deputy Director, Longshore Claims (Acting)
- **William Walter**, National Administrator of Field Operations (Acting)

### *Division of Coal Mine Workers' Compensation*

- **Michael A. Chance**, Director
- **Ryan Jansen**, Deputy Director
- **Dean Woodard**, National Administrator of Field Operations

### *Division of Energy Employees Occupational Illness Compensation*

- **Rachel Pond**, Director
- **Douglas Pennington**, Deputy Director
- **Christy Long**, National Administrator of Field Operations

### *Division of Administrative Operations*

- **Vincent Alvarez**, Director/Administrative Officer
- **Megan Hylton**, Deputy Director/Deputy Administrative Officer

### *Division of Financial Administration*

- **Shanti Ananthanayagam**, Comptroller/Director (Acting)
- **Shanti Ananthanayagam**, Deputy Comptroller/Director

## TAB 2: STATE OF PLAY

### Key Meetings, Decisions, and Announcements

*By end of December 2020* – OWCP plans to publish three rulemakings by the end of calendar year 2020: two for the Longshore program and one for the Federal Employees program. The Policy and Regulatory Issues section provides the details of rulemaking.

### Policy and Regulatory Issues

#### *National Initiatives*

Over the past four years, OWCP has been working to implement policies to help the programs better manage medical care and control costs. At the agency level, OWCP is working on implementing three strategies that would improve medical care and reduce costs. These strategies are described below:

- **Acquire Pharmacy Benefits Management Services:** OWCP proposes to acquire Pharmacy Benefits Management services. The Pharmacy Benefits Management contractor will develop appropriate formularies, contract with pharmacies and manufacturers to obtain and deliver prescription medications, and oversee both the use of medications by claimants and the pricing and billing of medications by providers.
- **Medical Provider Network:** Procuring a medical provider network will guarantee a sufficient number of physicians who are willing and available to treat injured workers.
- **Evidence-Based Treatment Guidelines:** OWCP proposes to acquire evidence-based treatment guidelines that the agency can embed into OWCP’s medical bill processing and claims systems to facilitate appropriate payment of medical bills and the clinical decision-making of the bill processing system and of Claims Examiners, thus providing more consistent and supportable outcomes for OWCP’s claimants. These guidelines will replace OWCP’s “treatment suites” which were developed and maintained “in house” and are a legacy of early attempts by OWCP to automate its medical bill pay processes. The commercially available evidence-based treatment guidelines are a comprehensive, evidence based product that will also provide a more cost effective solution.

OWCP is also taking administrative actions to reduce rent costs and office space that will result in cost savings for its programs.

- **Space Optimization:** In today’s budget-constrained environment, reallocating funds currently dedicated to rent costs is one of the few ways to contain costs in what is usually perceived as a mission-critical expense. OWCP is digitizing old, hardcopy files to reduce the current file room footprint annual cost of approximately \$1 million. OWCP is also transitioning from antiquated geographically-based district office jurisdictions toward nationwide case assignment, to reduce reliance on brick and mortar offices, and to allow more flexibility to address fluctuations in workloads.

It is in this environment that OWCP is implementing a plan to significantly reduce its physical footprint, reduce rent costs, and reallocate that funding to more mission-focused capabilities. Over the past five years, OWCP accomplished space reductions totaling 80,467 usable square feet, resulting in \$2.42 million initial reduction to annual rent costs. In continued pursuit of cost reduction and efficient use of space, OWCP is pursuing several short term and long-term projects that will result in significant physical footprint and rent cost reductions.

- **COVID-19 Operations:** OWCP staff have been successfully teleworking for six years, and due to the COVID-19 pandemic, since March 2020, all OWCP staff have been successfully teleworking 100%. This includes supervisors and managers, who continue to remotely lead staff and to address poor performance, when the need arises. Significantly, OWCP has demonstrated that performance during the transition to 100% telework has not only remained level, but has improved. For example, the Federal Employees program increased the number of performance goals met during the 100% telework period than that same period the prior year. The Energy Workers program tripled the amount of quality indicators reviewed per claims examiner compared to fiscal year 2019, and still exceeded quality results over last year, with an average quality rating of 97% in fiscal year 2020. In addition, the Energy Workers program exceeded all of its timeliness performance goals reported to the Department. Although the number of claims increased in 2020, the Longshore program met more performance goals during the 100% telework period than the same period the prior year. In spite of the difficult operational environment created by the pandemic including the widespread cancelation of black lung exams, the Black Lung program met or exceeded the targets for each of its new innovative timeliness metrics which focus on employee "touch times"—the key points in the claims process that are within the direct control of claims staff. During first two months of 100% telework (March/April of 2020), the number of item processed by the Division of Administration and Operations increased an average of 27% across all branches compared to last year's items processed during the same period.

OWCP has a phased plan to resume on-premises work as the pandemic subsides. The Office of the Assistant Secretary for Administration and Management approved the plan and it is available on the Department's intranet page.

#### *Federal Employees Program*

- **Processing COVID-19 Claims:** Federal employees who contract COVID-19 while in the performance of their job duties are covered by the Federal Employees' Compensation Act. The Federal Employees program implemented a policy on March 31, 2020 that recognizes that for certain high-risk jobs that involve significant public contact or risk of exposure (law enforcement, first responders, etc.), the agency can conclude that a person likely contracted COVID-19 at work. However, exposure alone is not covered and the Federal Employees' Compensation Act does not authorize payment for the provision of solely preventive measures such as self-quarantine or isolation, which are the employing agency's responsibility.
- **Combating Opioid Misuse:** Since 2017, the Federal Employees program has taken a four-point approach to combating the misuse of opioid medications: effective controls, tailored

treatment, impactful communications, and aggressive fraud detection. Recent policy changes include imposing stricter controls limiting all newly prescribed opioids to seven-days, with three subsequent seven-day fills before prior authorization is required to obtain opioids beyond 28 days. Results have been impressive and have included a 49% decline in overall opioid use and a 30% decline in new opioid prescriptions.

- **Improved Fraud Prevention:** The Federal Employees program utilizes a robust analytics platform to detect problematic trends and anomalous billing patterns from medical providers and works with Inspectors General government-wide to support prosecution efforts. These efforts have led to exception-based controls on medication “convenience kits” and other physician-dispensed drugs. Other efforts have included controls on: unnecessary prescriptions that have an inexpensive over-the-counter alternative available, “prescription medical devices” that were being billed to bypass controls on convenience kits and compounded medications, and shutting down a loophole on unlisted physician-dispensed drugs that began to be used to bypass other controls.
- **Reform of the Federal Employees’ Compensation Act:** On April 9, 2020, OWCP Director Hearthway submitted a Federal Employees’ Compensation Act Reform bill to the House Education and Labor Committee and the Senate Health, Education, Labor, and Pensions Committee at the direction of Office of Management and Budget. On April 17, 2020, the Department of Defense submitted DOL’s Federal Employees’ Compensation Act Reform bill to the House and Senate Armed Services Committees as part of their FY 2021 National Defense Authorization Act transmittal. The proposal simplifies Federal Employees’ Compensation Act benefit rates, introduces controls to prevent fraud and limit improper payments, and modernizes benefit administration. No current legislation has been introduced containing the proposal. If the submitted bill is moved forward, it would likely lead to debate and additional media mentions.
- **Regulatory Action: Performance of Functions; Claims for Compensation Under the Federal Employees’ Compensation Act; Compensation for Disability and Death of Noncitizen Federal Employees Outside the United States (RIN 1240-AA14):** The proposed regulatory changes will provide increased economic savings, more efficient claims processing and payment of benefits, more choices and quicker access to healthcare, and will strengthen anti-fraud efforts.

Status: OWCP anticipates publishing the rule in calendar year 2020.

#### *Longshore Program*

- **Regulatory Action: Electronic Filing, Settlement, and Civil Money Penalty Procedures (RIN 1240-AA13):** OWCP is amending its existing regulations to improve program administration, promote accountability, and ensure fairness.

Status: OWCP anticipates publishing the rule in calendar year 2020.

- **Regulatory Action: Longshore and Harbor Workers' Compensation Act: Definition of Recreational Vessel (RIN 1240-AA15):** OWCP will propose amendments to the current

regulatory definition of recreational vessel and related regulations that apply when determining whether these workers are excluded from Longshore Act coverage. The revisions will clarify implementation of this exclusion.

Status: OWCP anticipates publishing the rule in calendar year 2020.

### *Black Lung Program*

- **Regulatory Action: Black Lung Quality Standards Notice of Proposed Rulemaking** (RIN: 1240-AA12): In 2019, the Division of Coal Mine Workers' Compensation published a Request for Information seeking public input on updating the standards for administering and interpreting medical testing done in connection with claims under the Black Lung Benefits Act. The existing standards, last amended in 2000, have fallen out of date and no longer reflect current medical technology or practice.

Status: The Division of Coal Mine Workers' Compensation is evaluating the comments received in response to the Request for Information, and expects to proceed with a Notice of Proposed Rulemaking in early 2021.

- **Revised Self-Insurance Process:** The Division of Coal Mine Workers' Compensation has updated the process by which self-insured operators provide security for their liabilities under the Black Lung Benefits Act. The Department notified all actively mining operators who self-insure their liabilities of this new process and asked them to submit documentation for reassessment and reauthorization. The Division of Coal Mine Workers' Compensation has received financial information from operators and is currently working to establish security amounts.

### *Energy Workers Program*

- **Managing Home Health Care Costs:** The increasingly large number of providers entering the marketplace to provide home health care coverage to Division of Energy Employees Occupational Illness Compensation claimants and the relatively expansive coverage for in home health care under the law has resulted in exponential growth in this sector. The program has directed increasing resources to improve timeliness and quality of home health care management including the centralization of medical benefit case adjudication activities, development of improved case management resources, and publication of more clear procedural guidance.
- **Response to the Office of the Ombudsman Report:** DOL's Office of the Ombudsman for the Energy Employees Occupational Illness Compensation Program submits an annual report to Congress identifying the number and types of complaints, grievances, and requests for assistance received by the Office during the preceding year and providing an assessment of the most common difficulties encountered by claimants and potential claimants during the preceding year concerning the Energy Employees Occupational Illness Compensation Program Act. The Department transmitted the Office of the Ombudsman's 2019 report to Congress on July 8, 2020. The Energy Workers program will draft a response for consideration by the Secretary within the next six months.

- **COVID-19 Response Bulletins – Telemedicine for Home and Residential Health Care, Routine Physician Appointments, and Durable Medical Equipment:** In response to the COVID-19 public health emergency, the Division of Energy Employees Occupational Illness Compensation issued Bulletins that are comprised of temporary procedures to provide physicians, who have the ability to use telemedicine, with an alternative method to satisfy the regulatory requirement for a face-to-face examination. The procedures described are optional.

## Enforcement

**Longshore Program Enforcement of Compliance of Timely Reporting of Injuries and Payment of Compensation:** The Longshore program can assess a monetary penalty when an employer or insurance carrier fails to timely report a work-related injury or death (33 U.S.C. 930(e)) or fails to timely report its final payment of compensation to a claimant (33 U.S.C. 914(g)). The program notifies employers and insurance carriers subject to assessment of a civil penalty of the late or missing report and they are provided an opportunity to explain why a penalty is not warranted before a civil penalty is assessed. The program plans to issue a rulemaking by the end of the calendar year to that will set out procedures for assessing and reviewing penalties. The program has suspended the assessment of civil penalties until the Department finalizes the rule.

## Audits and Reports

- **Office of Inspector General Audit of the District of Columbia Workmen’s Compensation Act Special Fund Financial Statements for the Years Ended September 30, 2019 and 2018** – initiated March 30, 2020. Annual review of financial statements and internal control over financial reporting for the District of Columbia Workmen’s Compensation Act Special Fund.  
Status: Audit in process. OWCP continues to gather information to support the audit.
- **Office of Inspector General Audit of the Longshore and Harbor Workers’ Compensation Act Special Fund Financial Statements for the Years Ended September 30, 2019 and 2018** – initiated March 30, 2020. Annual review of financial statements and internal control over financial reporting for the Longshore and Harbor Workers’ Compensation Act Special Fund managed by the Longshore program.  
Status: Audit in process. OWCP continues to gather information to support the audit.
- **Office of Inspector General Audit of Home Healthcare Costs in the Office of Workers’ Compensation Programs Energy Employees Occupational Illness Compensation Program** – initiated April 21, 2020. The Office of Inspector General is looking at the policies and controls in place to prevent improper payments of home healthcare costs.  
Status: Audit in process. OWCP continues to gather information to support the audit.
- **Office of Inspector General Audit of OWCP’s Response to the COVID-19 Pandemic (Phase 2)** – initiated August 6, 2020. The Office of Inspector General is analyzing to what extent the COVID-19 pandemic has impacted OWCP’s ability to meet established timeliness

and quality performance standards for Federal Employees' Compensation Act claims, and the response to the pandemic has impacted its management of opioid claims.

Status: Audit in process. OWCP continues to gather information to support the audit.

- **[Government Accountability Audit of Black Lung Benefits Program: Improved Oversight of Coal Miner Operator Insurance Is Needed.](#)** The Government Accountability Office issued a report calling for improved oversight of coal mine operator insurance in order to better protect the Black Lung Disability Trust Fund (Trust Fund). OWCP evaluates requests from coal mine operators to self-insure their Black Lung Benefits Act obligations. Recently, OWCP updated its procedures for how self-insurance applications are evaluated and created new forms to assist with this process. The updated process, which includes analysis of both the operators' financial health and projected black lung liabilities, will help protect the Trust Fund from future operator bankruptcies and fulfills the Secretary's fiduciary duty to protect Trust Fund assets.

Status: The Government Accountability Office issued the report on February 26, 2020.

## Key Agency Stakeholders

### *Agency Level*

**National Academy of Social Insurance:** William M. Rodgers, III, Chair; William J. Arnone, Chief Executive Officer. OWCP works closely with the National Academy of Social Insurance on federal and state workers' compensation issues. National Academy of Social Insurance is a nonprofit, nonpartisan organization composed of the nation's leading experts on social insurance.

### *Federal Employees Program*

**United States Postal Service:** Louis DeJoy, Postmaster General, Thomas Marshall, General Counsel and Executive Vice President, and Isaac Cronkhite, Chief Human Resources Officer and Executive Vice President. The U.S. Postal Service historically accounts for approximately half of program costs and U.S. Postal Service management remains interested in actions OWCP takes to decrease Fair Share costs.

**Law Enforcement, First Responder, and Other Position Advocacy Groups:** OWCP implemented a policy on March 31, 2020, that recognizes that for certain high-risk jobs that involve significant public contact or risk of exposure, the agency can conclude that the person likely contracted COVID-19 at work. Various law enforcement advocacy groups like the [Federal Law Enforcement Officers Association](#) were frequently contacting the Department and have been supportive of OWCP thus far. Various firefighter advocacy groups have also recently contacted the Department.

### *Longshore Program*

**Longshore and Harbor Workers' Insurance Industry:** The Longshore program is responsible for overseeing the private administration of claims and implementing the plans, policies, regulations, and procedures necessary for the authorization and monitoring of the approximately 550 insurance carriers and self-insured employers that write Longshore coverage. The Longshore

program maintains over \$3.2 billion in employers' and insurance carriers' securities to ensure the continuing provision of benefits for covered workers in case of their insolvency. The Longshore program also collects annual assessments to cover the Special Fund.

#### *Black Lung Program*

**National Coalition of Black Lung & Respiratory Disease Clinics:** Funded by the Department of Health and Human Services, Health Resources and Services Administration, the clinics program provides treatment and rehabilitation to Black Lung patients and others with occupationally related pulmonary diseases. The clinics also provide claim filing assistance, outreach, preventive and health promotion services, education for patients and their families, and testing to determine eligibility for benefits.

**National Mining Association:** The National Mining Association is a trade group composed of 250 corporations or organizations involved in the mining industry. The association represents the interests of mine operators, and its headquarters is located in Washington, D.C.

## **Media Coverage and Interest**

#### *COVID-19 Federal Employees' Compensation Act Claims*

In July 2020, the results of a DOL Office of Inspector General audit titled, "[COVID-19: OWCP Should Continue to Closely Monitor Impact on Claims Processing.](#)" were reported by numerous news outlets including the Washington Post and Forbes. The reports cited statistics indicating that 4,000 workers had filed claims for disability compensation on the grounds that they contracted COVID-19 at work and the survivors of 60 deceased employees had filed for death benefits. It is probable that media interest will continue or intensify in the coming months.

#### *Black Lung Disability Trust Fund*

Over the last two years, media outlets including CNN and the Associated Press have published reports on the solvency of the Black Lung Disability Trust Fund. These reports have focused on the cause of the debt, the impact of coal mine operator bankruptcies, the coal excise tax that produces revenue for the Trust Fund, and the potential impacts on benefits to miners and their survivors. The most recent coverage has focused primarily on industry efforts to reduce the excise tax levied on coal mined and used domestically (under current law, the tax rate will automatically be reduced by approximately 55% at the beginning of 2021). It is likely that periodic media interest will continue.

**TAB 3: CALENDAR**

<b>Event</b>	<b>Date</b>
Division of Energy Employees Occupational Illness Compensation Virtual Outreach Event	November & December 2020
Federal Employees Program Federal Agency Partners Meeting (Joint Meeting with Occupational Safety and Health Administration)	December 2020
Division of Energy Employees Occupational Illness Compensation Virtual Outreach Event	January & February 2021
Quarterly Energy Workers Program Medical Teleconference	January 2021
National Coalition of Black Lung & Respiratory Disease Clinics Annual Washington, D.C. Meeting	March 2021
Division of Energy Employees Occupational Illness Compensation Outreach Event	March & April 2021
Annual Longshore Conference (co-hosted by Loyola University of New Orleans College of Law)	March 2021
Quarterly Energy Workers Program Medical Teleconference	March 2021
Black Lung Program National Council of Compensation Insurance Conference	May 2021
Longshore Program SIGNAL Maritime Conference	May 2021
West Virginia Black Lung Association's Annual Conference	June 2021
Longshore Program National Shipbuilding Research Project Conference	June 2021
Longshore Program Workers' Compensation Institute	August 2021
Annual Federal Workers' Compensation Conference (coordinated by non-profit organization, Chesapeake Health and Education Program)	August 2021
National Coalition of Black Lung & Respiratory Disease Clinics Annual Conference	September 2021
Institute for Continuing Legal Education at Loyola University New Orleans College of Law Longshore Program "A Day With DOL" Workshop	September 2021

## TAB 4: BUDGET

### Office of Workers' Compensation Programs – Overview

#### BUDGET AUTHORITY AND FTE SUMMARY

(Dollars in millions)

#### Agency Budget Overview

The Office of Workers' Compensation Programs' (OWCP) national office consists of the OWCP Director and Deputy Director, the directors and staff of three program divisions, and directors and staff of two administrative divisions.

The funding accounts managed by OWCP include:

- **Salaries and Expenses Federal Programs for Workers' Compensation:** Provides funding, through direct appropriation and transfers from Trust Funds, for the administration of the Federal Employees' Compensation Act, Longshore Harbor Workers' Compensation Act, and for OWCP's administration of the Black Lung Disability Trust Fund and claims filed under Part C of the Black Lung Benefits Act.
- **Special Benefits:** Finances payments to Federal civilians and Longshore and Harbor Workers and their dependents for work-related injuries and illnesses. Under legislative amendments to extensions of Federal Employees' Compensation Act, benefits are also paid to certain groups such as War Hazards claimants, non-Federal law enforcement officers, Job Corps enrollees, and certain federally supported volunteers. The Special Benefits account also provides for Federal Employees program administration using "Fair Share" funds collected pursuant to Federal Employees' Compensation Act Section 8147 (c).
- **Special Benefits for Disabled Coal Miners:** Finances income maintenance to miners suffering from Black Lung disease and eligible survivors for claims filed under Part B of the Black Lung Benefits Act between December 30, 1969, and June 30, 1973, and associated administrative costs.
- **Energy Employees Occupational Illness Compensation Program Act:** Part B and Part E funding provides compensation to Department of Energy employees and their survivors, as well as contractors, for illness or death stemming from work in the Department of Energy nuclear weapons complex. Funding is also provided for the associated administrative costs of the program.
- **Black Lung Disability Trust Fund:** Established under the Black Lung Benefits Reform Act of 1977 to provide for payment of Part C benefits (income maintenance and medical payments to miners suffering from Black Lung disease and eligible survivors), administrative expenses, and interest on repayable advances.
- **The Panama Canal Commission Compensation Fund:** Established to provide for the accumulation of funds to meet the Commission's Federal Employees' Compensation Act workers' compensation cost obligations that extend beyond the dissolution of the Panama Canal Commission on December 31, 1999, under the Panama Canal Treaty of 1977. This Fund was established in conjunction with the transfer of the administration of the Federal Employees program from the Commission to DOL (OWCP) effective January 1, 1989.
- **The Special Workers' Compensation Fund:** Consists of amounts received from employers pursuant to an annual assessment of the industry and for the death of an

employee where no person is entitled to compensation for such death, and for fines and penalty payments under the Longshore and Harbor Workers' Compensation Act, as amended. Fund expenses include benefit payments in second injury cases, costs for vocational rehabilitation services to injured workers, and benefits for cases involving insolvency or other circumstances precluding payment by the employer.

Budget and Full-time Equivalent (FTE) Trends

- The total budget authority for OWCP has increased from \$341.1 million in fiscal year 2012 to \$362.3 million in fiscal year FY 2020. The largest increase over that time is in the Special Benefits account of about \$15 million. All other accounts have not varied significantly.
- During that time, the total FTE has decreased from 1,604 in fiscal year 2012 to 1,356 in fiscal year 2020. The decrease in FTE and increase in total budget authority can mostly be attributed to higher costs per FTE, as well as higher overhead costs for expenses like rent, the Working Capital Fund, and information technology charges.
- Specific program dollar and FTE changes are discussed in their respective summaries and analyses.

Staff Contacts

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OWCP

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202-354-9692

## Office of Workers' Compensation Programs – Federal Programs for Workers' Compensation

(Dollars in millions)

	FY 2017 Enacted	FY 2018 Enacted	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request
<b>Budget Authority</b>	\$153.2	\$153.3	\$153.5	\$153.6	\$160.0
<b>FTE</b>	891	879	868	845	839

### At-A-Glance

- The Office of Workers' Compensation Programs (OWCP) Federal Programs for Workers' Compensation account is financed with both general funds and trust funds. General funds finance a portion of the funding for the Division of Federal Employees', Longshore and Harbor Workers' Compensation (in August 2020, OWCP merged the Division of Federal Employees' Compensation and the Division of Longshore and Harbor Workers' Compensation into one division). Trust funds finance the Longshore Trust account and the Division of Coal Mine Workers' Compensation's Black Lung Benefits Part C account. The Division of Federal Employees', Longshore and Harbor Workers' Compensation has discretionary funding that is appropriated annually and were only subject to sequestration in fiscal year 2013.
- The Division of Coal Mine Workers' Compensation's funding is mandatory, however, the amounts for expenses of operation and administration of the Black Lung Benefits program are definite and need to be appropriated. Funding for Black Lung Benefits Part C is transferred from the Black Lung Disability Trust Fund to OWCP for the administration of Black Lung benefits. The Division of Coal Mine Workers' Compensation Black Lung Disability Trust Fund account has been subject to sequestration each year since it began in fiscal year 2013. Annual sequestration reductions have made it increasingly difficult for the program to keep pace with operational and inflationary cost increases, eroding its ability to achieve its mission with each passing year.

### Budget and Full-time Equivalent (FTE) Trends

- The total Federal Programs for Workers' Compensation budget has only increased slightly from \$150.7 million in fiscal year 2013 to \$153.6 million in fiscal year 2020. The agency has received small increases and decreases in budget authority during that time. Any change in budget authority is generally attributable to changes in the Federal Employees program, which accounts for about two-thirds of Federal Programs for Workers' Compensation.
- Over the same time, total FTE has decreased from 1,004 in fiscal year 2013 to 845 in fiscal year 2020. An increase in cost per FTE and inflationary increases in contract costs has decreased the agency's ability to finance FTE, despite a slightly higher budget.
- OWCP has taken steps to unify their claims processing systems over the past several years. The Longshore program began the deployment of the OWCP Workers' Compensation System in May 2020. OWCP will continue modernization efforts in fiscal

year 2021 as the Federal Employees program begins to work on the development of system requirements.

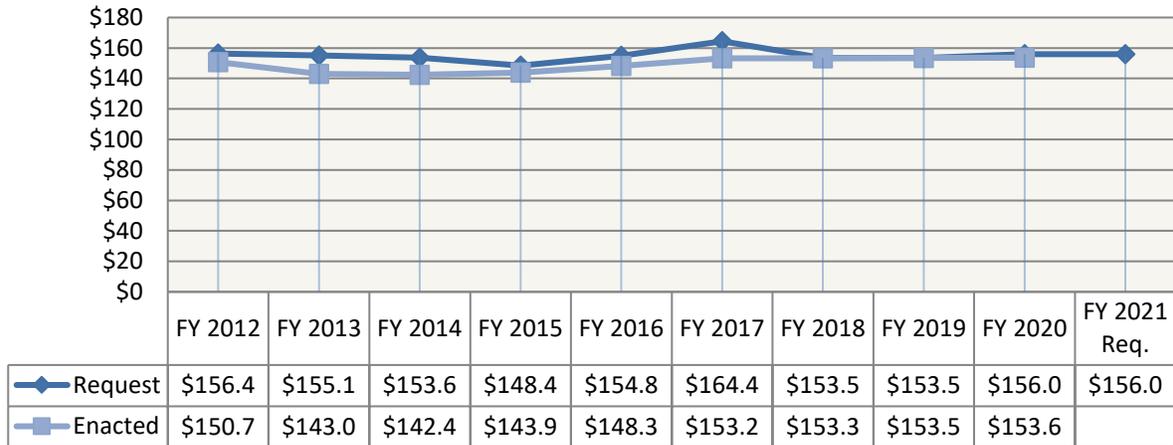
- OWCP transferred \$4.4 million and 24 FTE for the Shared Services initiative in fiscal year 2021 from the Federal Programs for Workers' Compensation, Special Benefits, Fair Share, and Energy Employees Occupational Illness Compensation Program Act accounts. The Office of the Chief Information Officer will serve as a conduit of communications and information sharing with OWCP, provide solution-focused advisory services, facilitate information technology strategic planning, conduct continual performance management and monitoring of the service level agreement, understand client goals and needs, and learn the functional and technical issues faced by OWCP, and facilitate resolution within the Office of the Chief Information Officer.

#### Upcoming Issues

- OWCP requested \$4 million and 24 FTE for supplemental funding to handle Federal Employees' Compensation Act claims related to COVID-19. OWCP did not receive any supplemental funding but has gone through the Human Resources process and is ready to bring those new hires onboard. OWCP will need to ensure that some combination of attrition, deferred hires that may have been planned for next year, and contract reductions are sufficient to fully fund the COVID-19 related hires. In the fiscal year 2021 President's Budget, OWCP requested:
  - \$2,000,000 and 0 FTE in Black Lung Disability Trust Fund administrative funding for the Black Lung program to improve the efficiency and cost-effectiveness of program operations, and to comply with National Archives and Records Administration's new paperless mandate. The funding will provide the Division of Coal Mine Workers' Compensation with resources to convert approximately 40 million pages of paper case files to a digital format to transition from a paper-based system to a fully digital environment in fiscal year 2021.
  - \$235,000 and 2 FTE in Black Lung Disability Trust Fund administrative funding for the Black Lung program to timely and accurately identify liable coal mine operators and insurance carriers, process self-insurance applications, conduct appropriate monitoring of self-insured operators, and support the revised self-insurance evaluation process.
  - The fiscal year 2021 Request is for \$6.4 million more than fiscal year 2020 Enacted.

# OWCP - Federal Programs for Workers' Compensation

Request vs. Enacted, FY 2012-FY 2021  
(Dollars in millions)



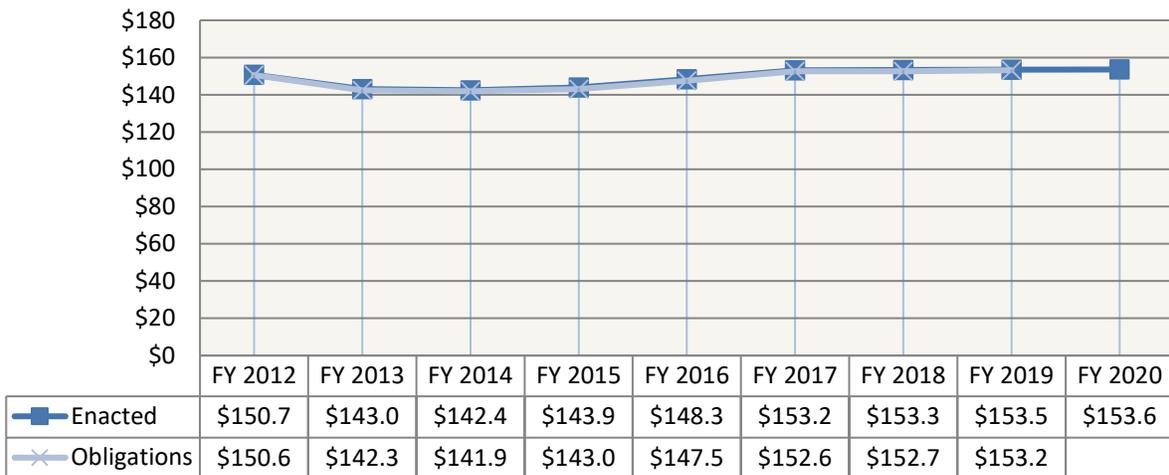
# OWCP - Federal Programs for Workers' Compensation

FY 2012 Inflation Adjusted Budget Authority vs. FY  
2012-FY 2020 Enacted Budget Authority  
(Dollars in millions)



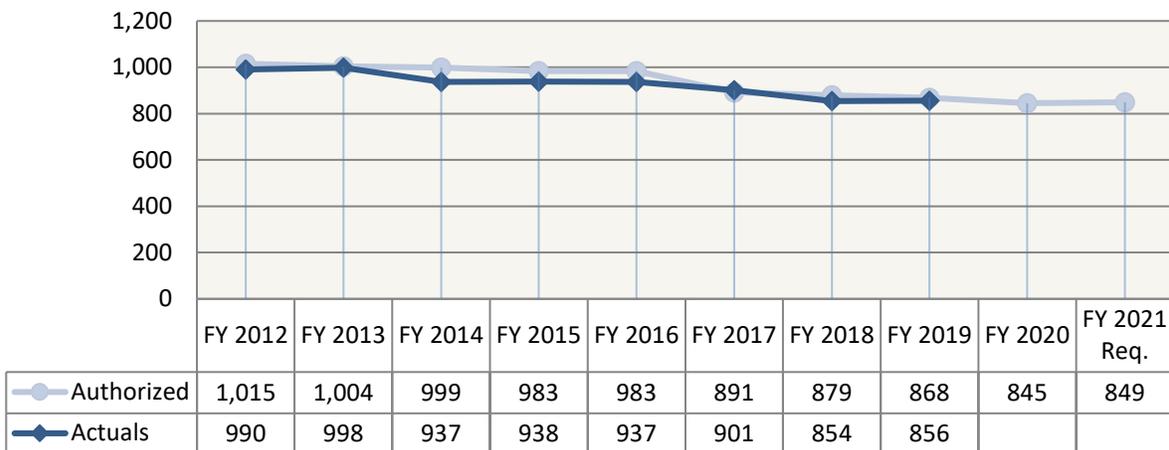
## OWCP - Federal Programs for Workers' Compensation

Budget Authority vs. Obligations, FY 2012-FY 2020  
(Dollars in millions)



## OWCP - Federal Programs for Workers' Compensation

Authorized FTE vs. Actuals, FY 2012-2021



## Office of Workers' Compensation Programs – Special Benefits

### BUDGET AUTHORITY AND FTE SUMMARY

(Dollars in millions)

	FY 2017 Enacted	FY 2018 Enacted	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request
<b>Budget Authority</b>	\$66.7	\$71.2	\$74.8	\$74.8	\$80.3
<b>FTE</b>	104	128	158	158	154

#### At-A-Glance

- Spending authority is provided for Federal Employees program administration out of annual “Fair Share” collections. Fair Share assessments are mandated under Section 8147(c) of the Federal Employees’ Compensation Act for 23 non-appropriated agencies, including the Postal Service, with each paying a pro rata share of the Office of Workers’ Compensation Programs’ (OWCP) cost to administer Federal Employees’ Compensation Act claims filed by their employees.
- This fund is financed by appropriations from Congress that are used to pay current Federal Employees’ Compensation Act benefits and that are ultimately reimbursed by Federal agencies and non-appropriated agencies through the chargeback process.
- Each quarter, OWCP provides to all federal agencies and non-appropriated agencies with employees receiving Federal Employees’ Compensation Act benefits an estimate of the cost of these benefits to assist these agencies in preparing their budget requests. By August 15 of each year, OWCP sends each agency a statement of their Federal Employees’ Compensation Act costs for the previous fiscal year. Each agency must include in its next budget request resources to cover its Federal Employees’ Compensation Act costs for the previous fiscal year. For non-appropriated agencies, they must pay the amount by October 15.
- In addition to an amount appropriated for Special Benefits Fair Share, this account also receives a small amount in carryover funding each year.

#### Budget and Full-time Equivalent (FTE) Trends

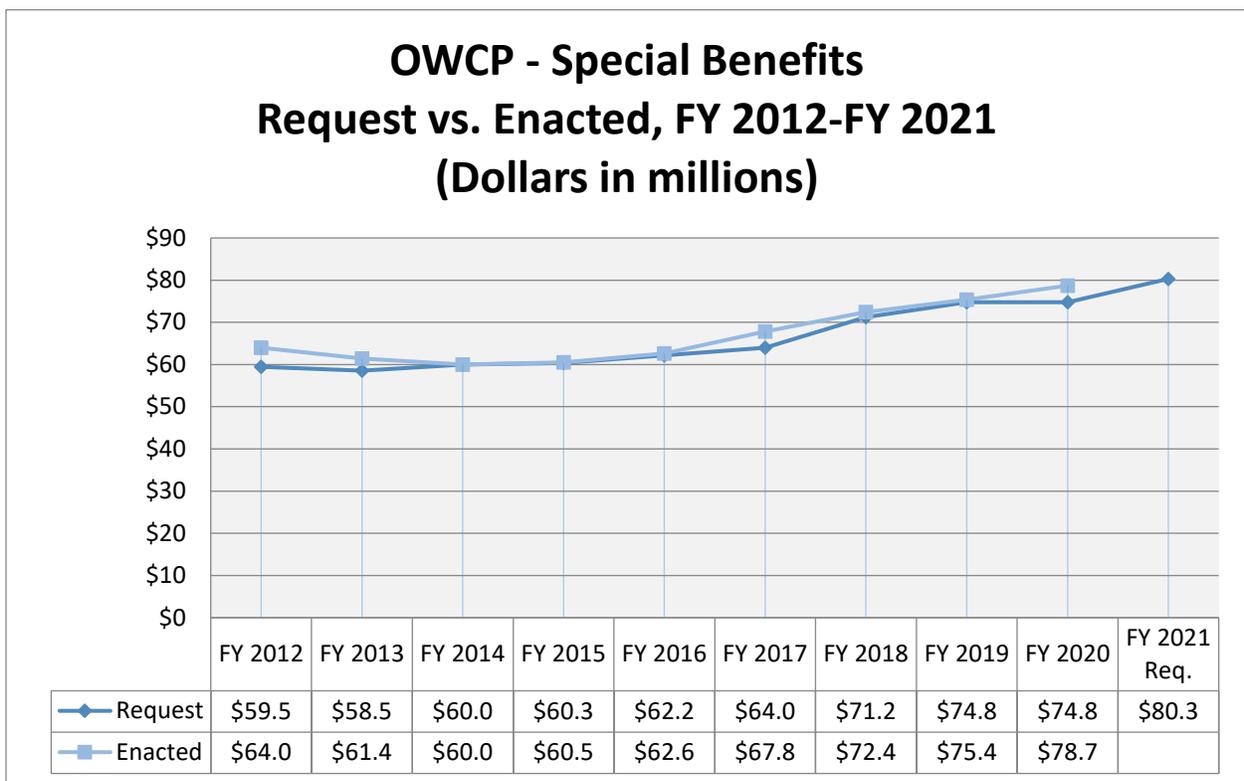
- On average, OWCP collects approximately \$8-\$10 million more per year than they are allowed to use in their appropriations language. OWCP submitted budget requests to the Office of Management and Budget for full use of Fair Share funding in fiscal years 2012 and 2013. Both times, the Office of Management and Budget denied the request. More recent requests have been denied by the Office of Management and Budget which questions the need for full use of Fair Share funding. The number of actual FTE has steadily declined from a high of 123 in fiscal year 2009 to 107 in fiscal year 2015. A significant reason for the decline is due to higher costs for compensation and benefits combined with a relatively flat funding level.
- The Special Benefits budget and FTE has increased substantially from fiscal year 2016 to fiscal year 2020 to help fund the fight against opioid and compound drug abuse. In fiscal year 2018, OWCP received \$4.2 million and 37 FTE for a Federal Employees’ Compensation Act Opioid Control and Prevention Unit. In fiscal year 2019, OWCP

**TAB 4: Budget**

received \$2.6 million and 26 FTE for a Federal Employees' Compensation Act Prescription Management Unit and \$1 million and 5 FTE for a Pharmacy Benefit Manager.

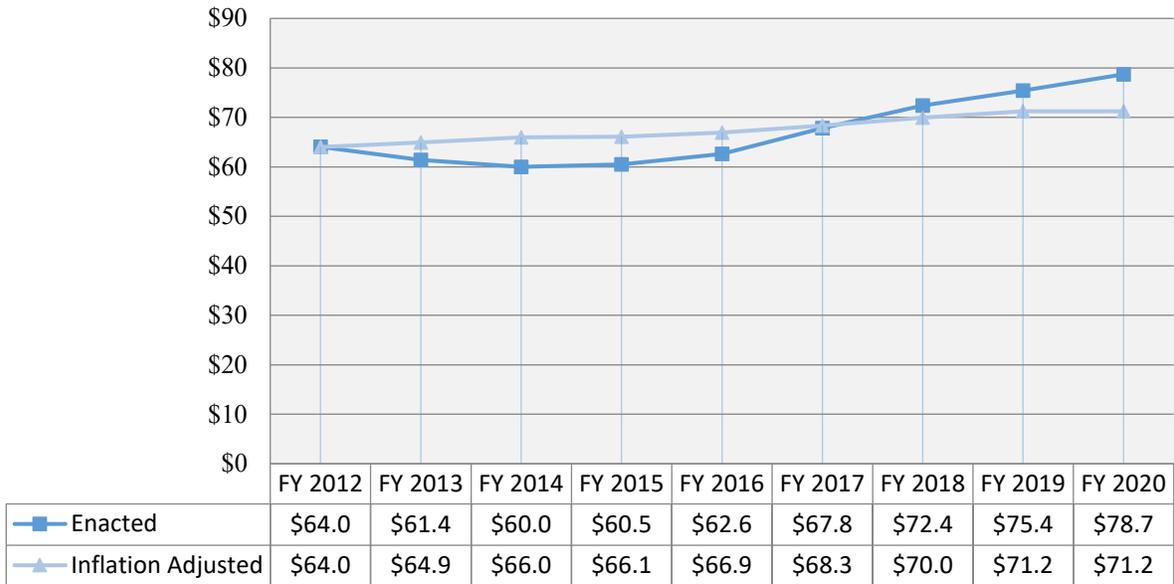
Upcoming Issues

- In FY 2021, OWCP is requesting \$5.4 million to modernize and enhance OWCP's Employees' Compensation Operations and Management Portal to meet growing customer demand and provide workers' compensation case management services. The Employees' Compensation Operations and Management Portal is an online portal used nationwide by injured federal employees and their employing agencies to electronically file new injury claims, disability claims, check existing case statuses, and to manage the case for return to work efforts.



## OWCP - Special Benefits

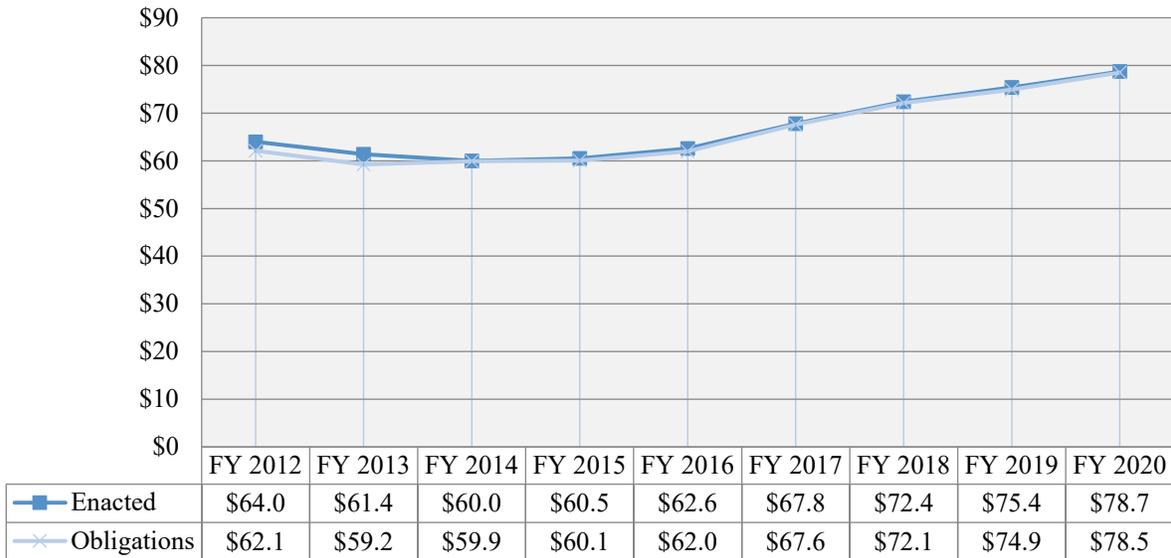
FY 2012 Inflation Adjusted Budget Authority vs. FY  
2012-FY 2020 Enacted Budget Authority  
(Dollars in millions)



## OWCP - Special Benefits

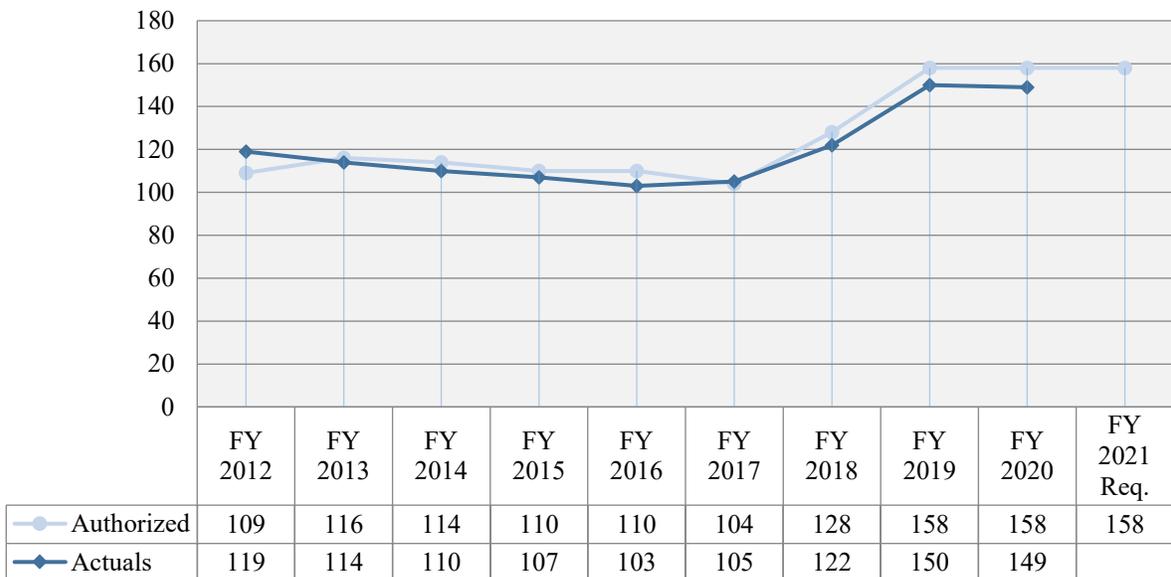
### Budget Authority vs. Obligations, FY 2012-FY 2020

(Dollars in millions)



## OWCP - Special Benefits

### Authorized FTE vs. Actuals, FY 2012-2021



## Office of Workers' Compensation Programs – Energy Employees Occupational Illness Compensation Program Act

### BUDGET AUTHORITY AND FTE SUMMARY

(Dollars in millions)

	FY 2017 Enacted	FY 2018 Enacted	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request
<b>Budget Authority</b>	\$122.7	\$124.9	\$125.2	\$125.4	\$140.1
<b>FTE</b>	470	440	445	433	427

#### At-A-Glance

- The Energy Employees Occupational Illness Compensation Program Act provides benefits coverage to covered Department of Energy employees or survivors under Part B of Energy Employees Occupational Illness Compensation Program Act, and private companies under contract with Department of Energy who have been afflicted with diseases resulting from their work in producing or testing nuclear weapons under Part E of Energy Employees Occupational Illness Compensation Program Act.
- Benefits under Part B of Energy Employees Occupational Illness Compensation Program Act are administered and financed through an annual appropriation each year plus carryover amounts. Benefits under Part E of Energy Employees Occupational Illness Compensation Program Act are administered and financed through an indefinite appropriation. An indefinite appropriation is an amount for "such sums as may be necessary" to fulfill the purpose of the appropriation.
- Funding is also appropriated annually for Ombudsman Part B and Ombudsman Part E, in addition to these offices' carryover funding. The Ombudsman offices are intended to provide information and address the concerns of claimants and potential claimants relating to the benefits available under Energy Employees Occupational Illness Compensation Program Act. The Ombudsman is not technically a part of Office of Workers' Compensation Programs and is not represented in the Budget Authority amounts above, but the funding for the Ombudsman offices is included as part of the Energy Employees Occupational Illness Compensation Program Act appropriation.

#### Budget and Full-time Equivalent (FTE) Trends

- The total enacted budget authority has increased slightly from \$117.0 million in fiscal year 2013 to \$126.9 million in fiscal year 2020. Sequestration took effect in fiscal year 2013 and has remained every year since, creating an obstacle for the Energy Workers program. As a mandatory defense program, the funding for the Energy Employees Occupational Illness Compensation Program Act has been subject to a higher level of sequestration every year than non-defense, ranging from 7.9% to 9.8%. This has made it increasingly difficult for the program to fulfill its mission.
- The number of actual FTE has declined significantly since fiscal year 2013 when it was at a high of 519 FTE. In fiscal year 2020, the authorized FTE was down to 437. Flat funding levels and increased cost per FTE has led to the decreased FTE level.

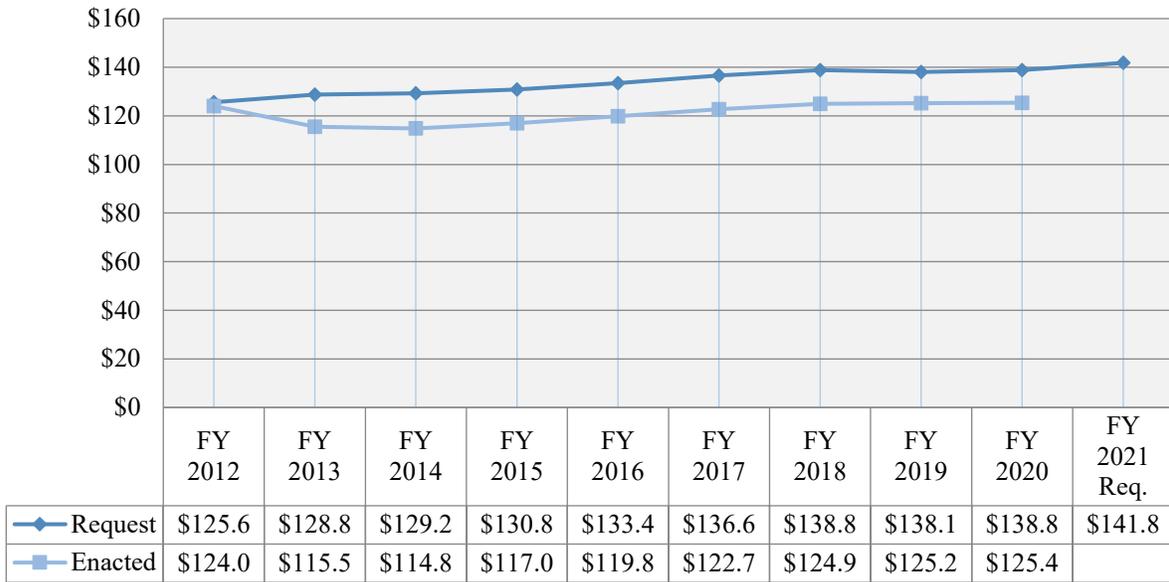
**TAB 4: Budget**

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- Beginning in fiscal year 2015, the Energy E account began receiving funding for the Energy Advisory Board on Toxic Substances and Worker Health. The Advisory Board will receive funding every year to advise the Secretary of Labor with respect to technical aspects of the Energy Employees Occupational Illness Compensation Program Act. In fiscal year 2015, the account received \$0.2 million to begin implementation of the Board, and \$0.5 million in fiscal year 2016.

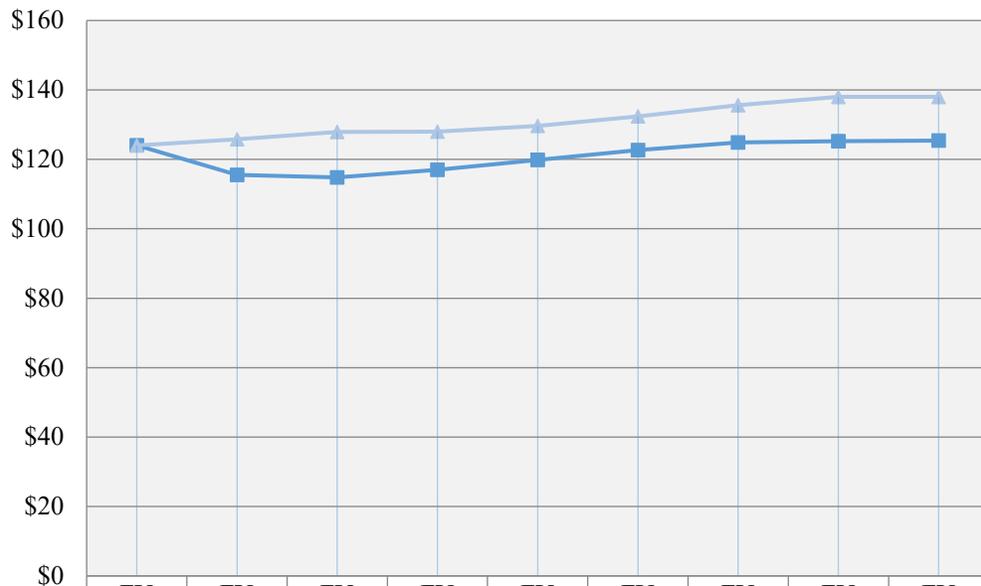
# OWCP - Energy Employees Occupational Illness Compensation Program Act

Request vs. Enacted, FY 2012-FY 2021  
(Dollars in millions)



# OWCP - Energy Employees Occupational Illness Compensation Program Act

FY 2012 Inflation Adjusted Budget Authority vs.  
FY 2012-FY 2020 Enacted Budget Authority  
(Dollars in millions)



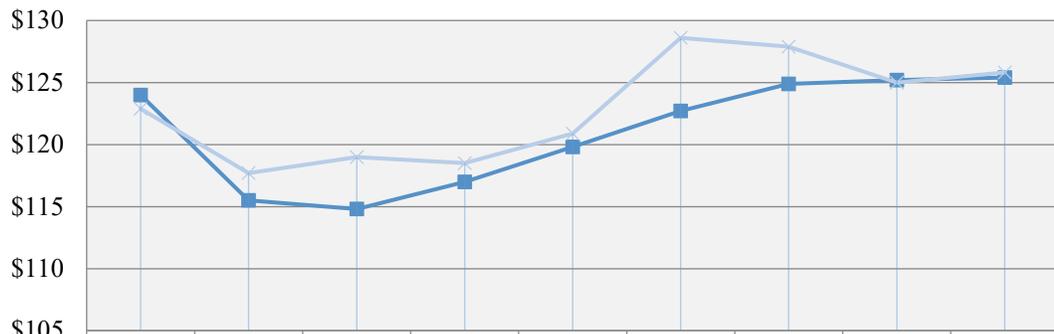
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Enacted	\$124.0	\$115.5	\$114.8	\$117.0	\$119.8	\$122.7	\$124.9	\$125.2	\$125.4
Inflation Adjusted	\$124.0	\$125.8	\$127.9	\$128.0	\$129.7	\$132.4	\$135.6	\$138.0	\$138.0

# OWCP - Energy Employees Occupational Illness

## Compensation Program Act

Budget Authority vs. Obligations, FY 2012-FY  
2020

(Dollars in millions)

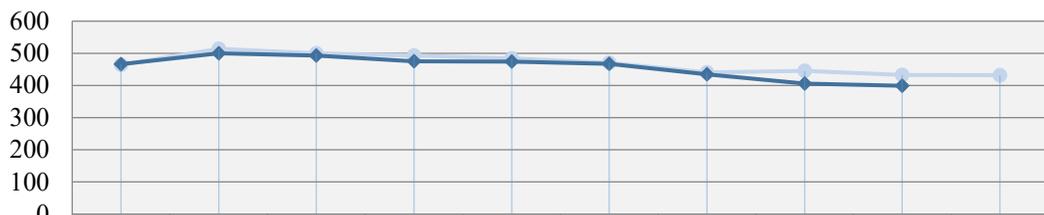


	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Enacted	\$124.0	\$115.5	\$114.8	\$117.0	\$119.8	\$122.7	\$124.9	\$125.2	\$125.4
Obligations	\$122.9	\$117.7	\$119.0	\$118.5	\$120.9	\$128.6	\$127.9	\$125.0	\$125.8

# OWCP - Energy Employees Occupational Illness

## Compensation Program Act

Authorized FTE vs. Actuals, FY 2012-2021



	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021 Req.
Authorized	464	514	500	493	484	470	440	445	433	432
Actuals	466	500	493	475	474	467	435	406	399	

## Office of Workers’ Compensation Programs – Special Benefits for Disabled Coal Miners

### BUDGET AUTHORITY AND FTE SUMMARY

(Dollars in millions)

	FY 2017 Enacted	FY 2018 Enacted	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request
<b>Budget Authority</b>	\$5.0	\$5.0	\$5.0	\$4.9	\$5.0
<b>FTE</b>	16	16	16	13	13

#### At-A-Glance

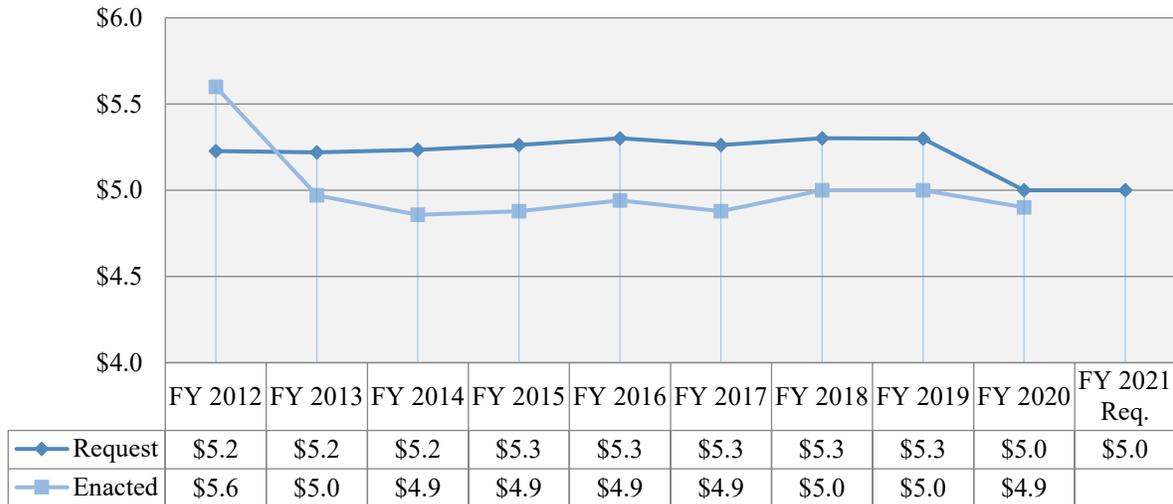
- Special Benefits for Disabled Coal Miners provides benefits for coal miners totally disabled by pneumoconiosis who filed claims on or before December 31, 1973. The benefit payments for the Office of Workers’ Compensation Programs (OWCP) Special Benefits for Disabled Coal Miners account is financed through a definite appropriation and an advance appropriation from the previous fiscal year. Special Benefits for Disabled Coal Miners provides benefits for coal miners totally disabled by pneumoconiosis who filed claims on or before December 31, 1973. The advance appropriation is authorized in the current fiscal year and is eligible to be used in the first quarter of the following fiscal year to ensure that beneficiaries will continue to receive benefits in the event of a temporary funding hiatus.
- Administrative expenses are funded through an annual appropriation each year plus carryover amounts.

#### Budget and Full-time Equivalent (FTE) Trends

- Benefits payments have decreased from \$97 million in fiscal year 2016 to \$67million in fiscal year 2019 due to a declining population of beneficiaries. Administrative expenses have not changed significantly between fiscal year 2013 and fiscal year 2020. In fiscal year 2020, the Office of Management and Budget cited a declining beneficiary population to reduce Special Benefits for Disabled Coal Miners from 16 to 13 FTE.
- Special Benefits for Disabled Coal Miners’ administrative account has been sequestered each year since fiscal year 2013.

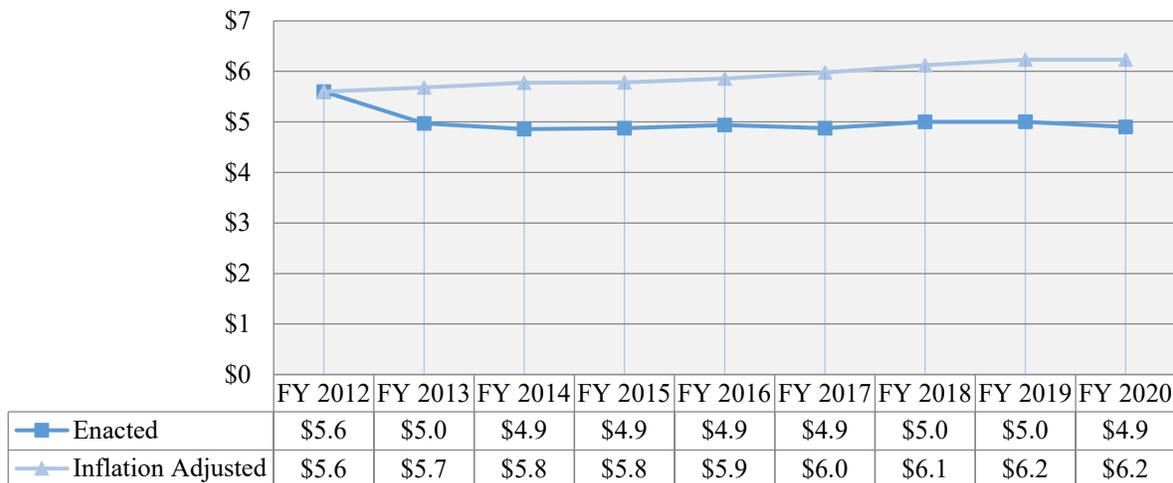
## OWCP - Special Benefits for Disabled Coal Miners

Request vs. Enacted, FY 2012-FY 2021  
(Dollars in millions)



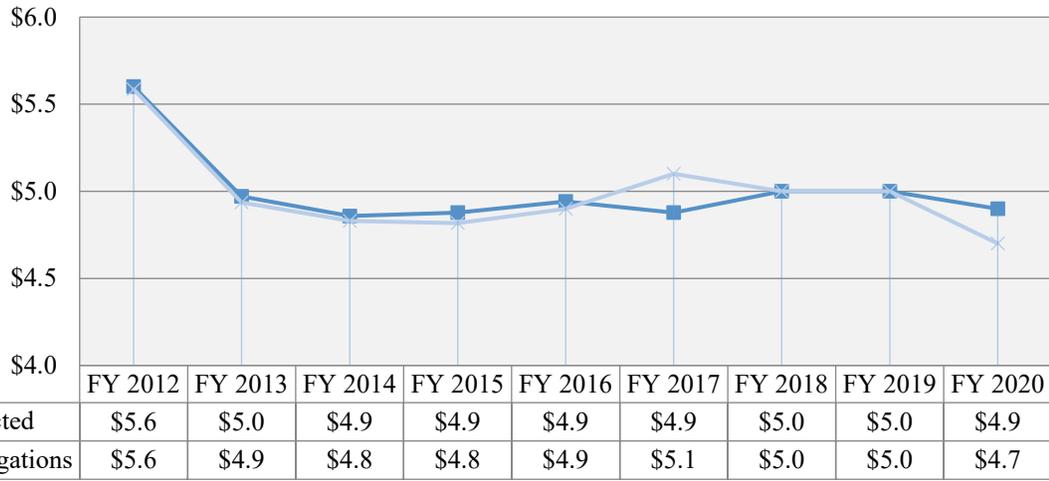
## OWCP - Special Benefits for Disabled Coal Miners

FY 2012 Inflation Adjusted Budget Authority vs.  
FY 2012-FY 2020 Enacted Budget Authority  
(Dollars in millions)



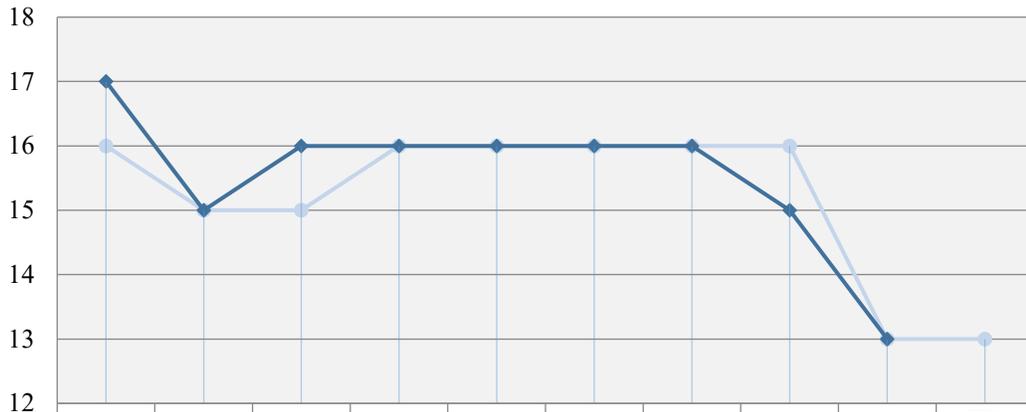
## OWCP - Special Benefits for Disabled Coal Miners

Budget Authority vs. Obligations, FY 2012-FY 2020  
(Dollars in millions)



## OWCP - Special Benefits for Disabled Coal Miners

Authorized FTE vs. Actuals, FY 2012-2021



	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021 Req.
Authorized	16	15	15	16	16	16	16	16	13	13
Actuals	17	15	16	16	16	16	16	15	13	

## Office of Workers’ Compensation Programs – Black Lung Disability Trust Fund

### BUDGET AUTHORITY AND FTE SUMMARY

(Dollars in millions)

	FY 2017 Enacted	FY 2018 Enacted	FY 2019 Enacted	FY 2020 Enacted	FY 2021 Request
<b>Budget Authority</b>	\$66.0	\$64.6	\$66.5	\$67.5	\$74.4
<b>FTE</b>	299	310	262	278	280

#### At-A-Glance

- The Black Lung Disability Trust Fund is jointly administered by the Secretaries of Labor, Treasury, and Health and Human Services and provides for payment of benefits, administrative expenses, and interest on advances related to the operation of the program. Resources for the Trust Fund are derived from: an excise tax on each ton of coal sold and used domestically; reimbursements from responsible mine operators for interim payments; interest, fines, and penalties assessed to responsible mine operators; and short-term advances from the Treasury.
- Within the Department of Labor, there is an administrative component and a payment of benefits component. The Office of Workers’ Compensation Programs (OWCP), Departmental Management’s Solicitor and Adjudication activities, and the Office of Inspector General all receive funding to support and oversee the administration of Black Lung Disability Trust Fund benefits. Additionally, a small amount is paid for Treasury administrative costs.
- Mandatory Black Lung Disability Trust Fund payments are made out of this account, as well as the payment of bond interest and payment of interest on advances in financing the Black Lung Disability Trust Fund.

#### Budget and Full-time Equivalent (FTE) Trends

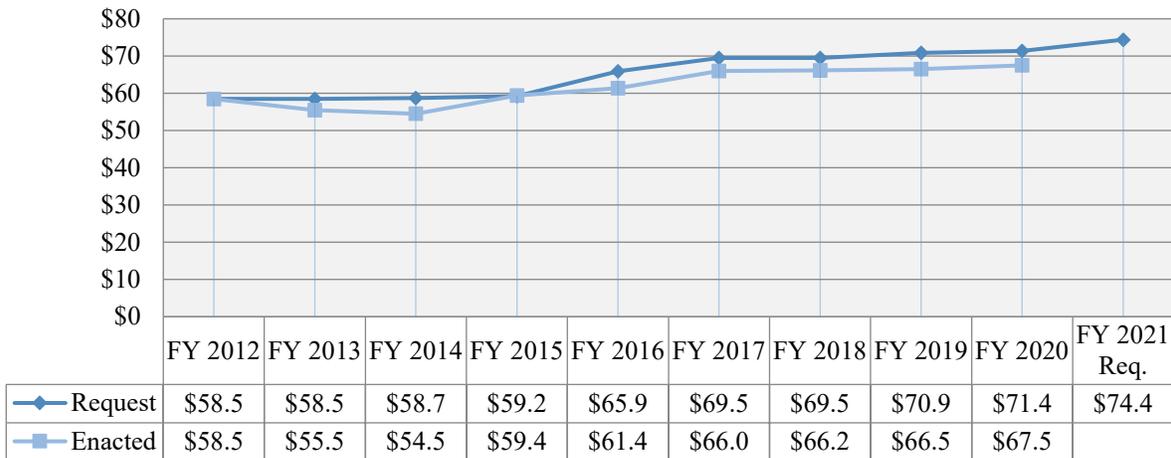
- Total administrative funding between OWCP, Departmental Management, and Office of Inspector General has not increased between fiscal year 2013 (\$58.4 million) and fiscal year 2020 (\$67.5 million). The payment of Black Lung benefits has decreased during that same time from fiscal year 2013 (\$191 million) to fiscal year 2019 (\$146.5 million). The payment of benefits has decreased overall over time as the pool of Black Lung Disability Trust Fund beneficiaries has diminished.
- The FTE level has, in general, stayed about the same from fiscal year 2017. The number of Black Lung claims has increased in recent years. As several unsecured self-insured coal companies have become insolvent and unable to pay benefits, the Trust Fund has become responsible for these claims, which require ongoing benefit maintenance and administrative costs.
- The Emergency Economic Stabilization Act of 2008 authorized the restructuring of the Black Lung Disability Trust Fund debt. But due to decreases in revenue from coal excise taxes, the Black Lung Disability Trust Fund has had to borrow a rapidly increasing

amount of money each year to fully fund the trust fund. This will continually increase the costs for payment of interest on bonds and advances alone.

- Since fiscal year 2013, the administrative funds for Black Lung Disability Trust Fund have been subject to sequestration. The Department requests restoration of sequestered funds each year in the President’s Budget, but the account still operates at a sequestered level in the current year. In fiscal year 2019, the Black Lung Disability Trust Fund was sequestered at 6.2% resulting in a reduction of \$2.4 million for OWCP’s administrative funds.

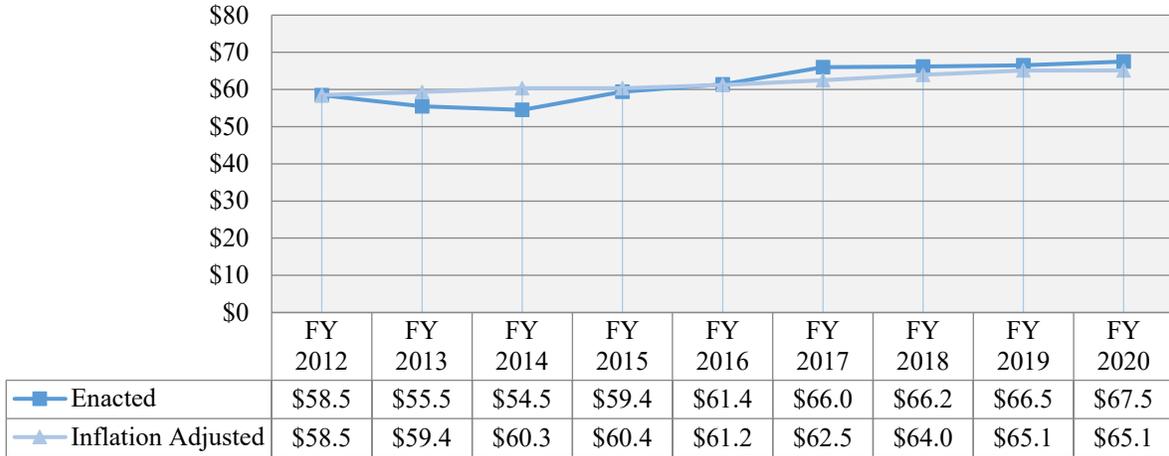
## Black Lung Disability Trust Fund

Request vs. Enacted, FY 2012-FY 2021  
(Dollars in millions)



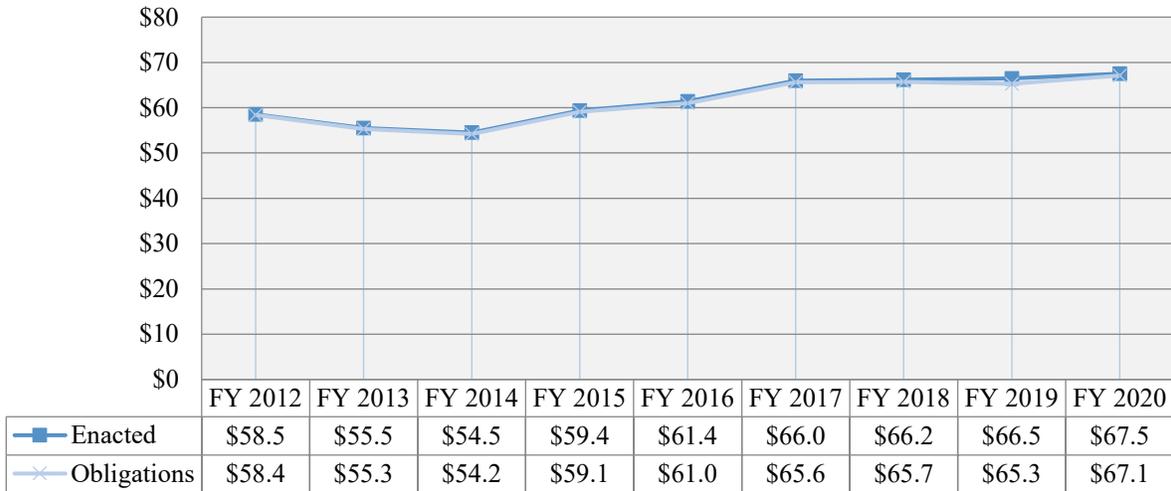
# Black Lung Disability Trust Fund

FY 2012 Inflation Adjusted Budget Authority vs.  
FY 2012-FY 2020 Enacted Budget Authority  
(Dollars in millions)



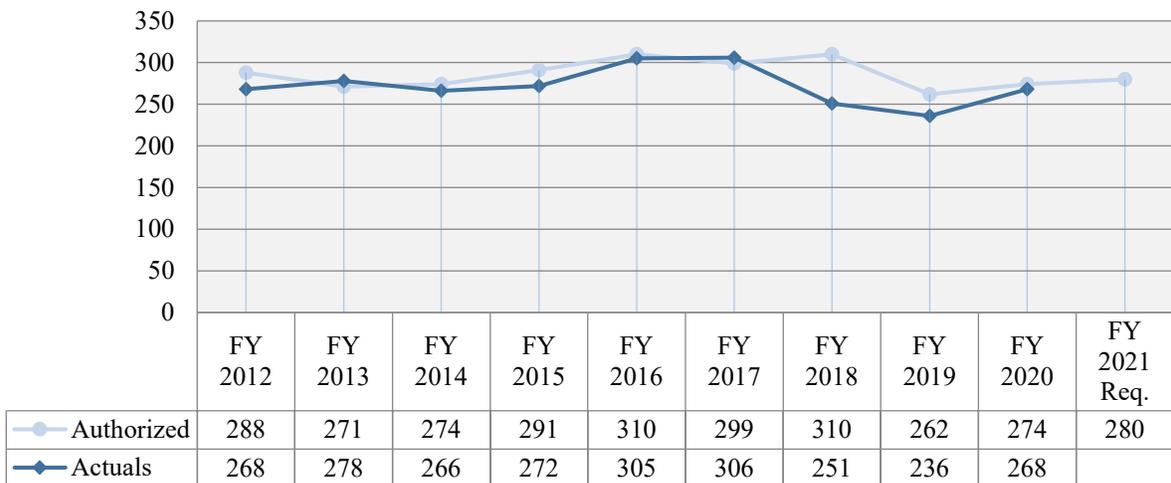
# Black Lung Disability Trust Fund

Budget Authority vs. Obligations, FY 2012-FY 2020  
(Dollars in millions)



# Black Lung Disability Trust Fund

Authorized FTE vs. Actuals, FY 2012-2021



**The Panama Canal Commission Compensation Fund:** Established in conjunction with the transfer of the administration of the Federal Employees program from the Panama Canal Commission to the Department of Labor, effective January 1, 1989. The fund provides for the accumulation of funds to meet the Panama Canal Commission's Federal Employees' Compensation Act workers' compensation cost obligations that extend beyond the dissolution of the Panama Canal Commission on December 31, 1999, under the Panama Canal Treaty of 1977.

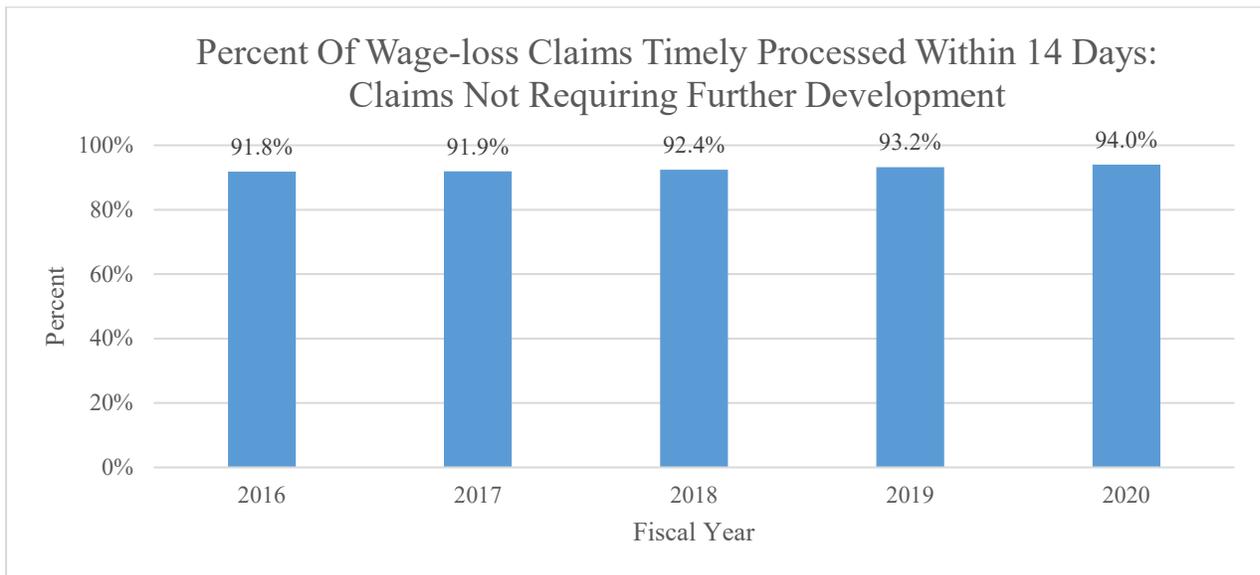
**The Special Workers' Compensation Fund:** Consists of amounts received from employers and insurance carriers pursuant to an annual assessment of the industry, for the death of an employee where no person is entitled to compensation for such death, and for fines and penalty payments under the Longshore and Harbor Workers' Compensation Act, as amended. Fund expenses include benefit payments in second injury cases, costs for vocational rehabilitation services to injured workers, and benefits for cases involving insolvency or other circumstances precluding payment by the employee.

**Contract Administration:** OWCP administers 32 non-information technology contracts for various services that total more than \$64.5 million annually and 13 medical services contracts totaling over \$18.5 million annually across all programs.

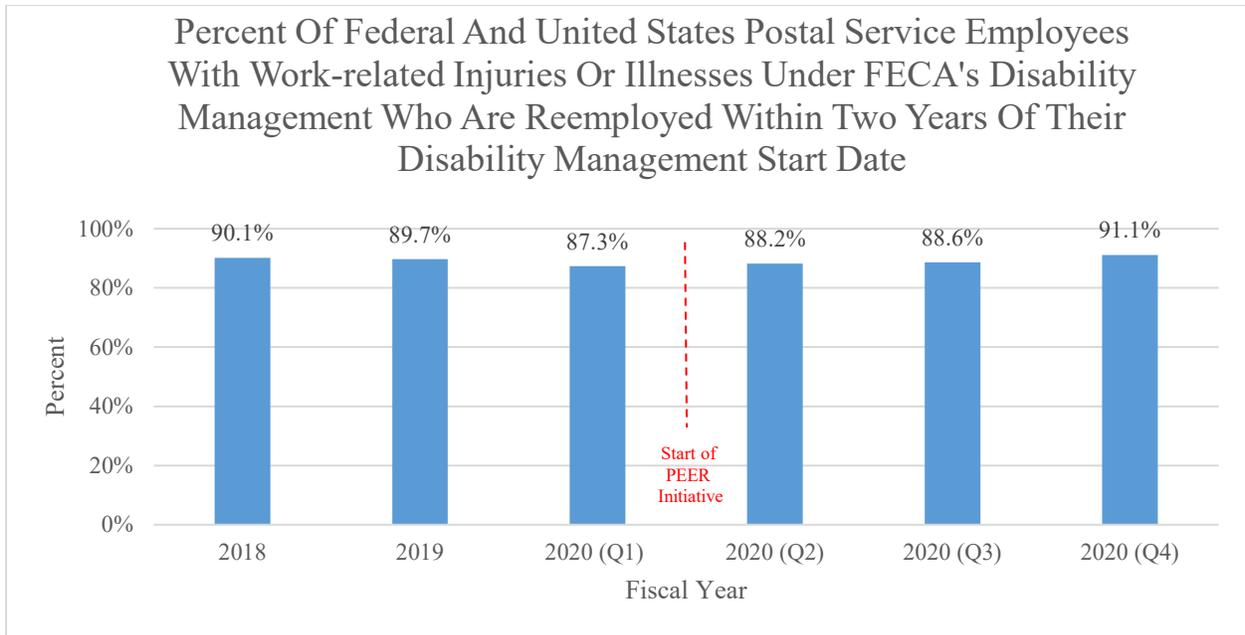
## TAB 5: AGENCY PERFORMANCE

The Federal Employees program provides workers' compensation coverage under Federal Employees' Compensation Act to approximately 2.6 million federal employees around the world for employment-related injuries and occupational diseases. The program focuses on measuring three fundamental tenets of workers' compensation oversight: Learn about the injury as soon as possible, provide timely access to treatment, and return the injured worker to pre-injury status both economically and medically as soon as possible. The results of two measures covering the third tenant are included below:

- The program increased the timeliness of processing wage-loss claims that do not require further development from 91.8% percent in fiscal year 2016 to 94.0% in fiscal year 2020.
- The number of Federal and U.S. Postal Service employees that are reemployed within two years of their Disability Management start date had been decreasing from 90.1% in 2018 to 87.3% as of the first quarter of fiscal year 2020. In response, the Office of Management and Budget and the Department of Labor announced the creation of the [Protecting Employees, Enabling Reemployment \(PEER\) Initiative<sup>21</sup>](#) on January 9, 2020. Since inception, this initiative has increased the score to 91.1%, underscoring the need for continued support of the PEER Initiative.



<sup>21</sup> <https://www.dol.gov/owcp/dfec/peer/index.htm>

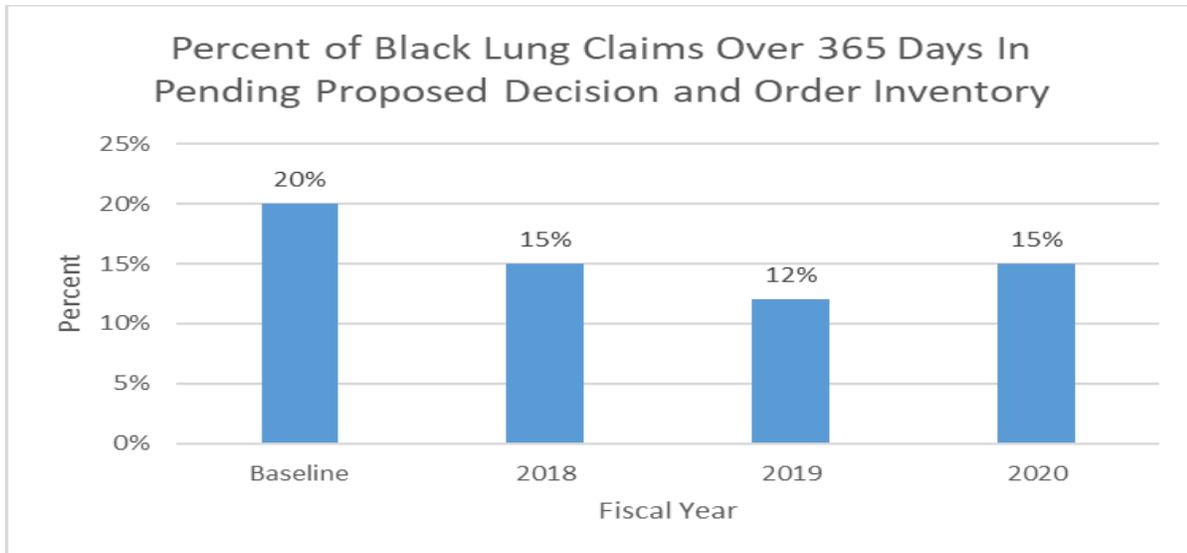


**The Longshore program** ensures the provision of workers' compensation protection to employees engaged in maritime work or in maritime occupation on the navigable waters of the United States or adjoining areas. Non-Defense Base Act cases include those that fall under the Longshore Act, which covers harbor workers, shipbuilders, and marine construction workers; the Non-appropriated Fund Instrumentalities Act, which covers employees working on U.S. military bases in non-appropriated facilities, like the post exchanges; and the Outer Continental Shelf Land Act, which mainly covers workers on oil rigs.

Eighty-four percent of First Payments of Compensation were issued for non-Defense Base Act cases within 28 days from the date disability in fiscal year 2020.

In fiscal year 2018, **the Black Lung program** initiated a five-year strategic objective to reduce the percentage of claims pending for more than 365 days. This effort resulted in a reduction from 20% to 12% in just two years, exceeding key targets in the Department's Strategic Plan and facilitating the program's commitment to timely, accurate decisions. In fiscal year 2020, operational challenges associated with the COVID-19 pandemic, including historically low incoming claims volumes for several months which dramatically reduced the total pending claims inventory, have made it difficult to maintain the percentage at the target level. However, the program reallocated resources and reprioritized work to achieve the revised fiscal year 2020 target of 15%.

**TAB 5: Agency Performance**



**The Energy Workers program** measures its timeliness and accuracy in adjudicating claims. The average number of days between filing date and final decision for cases not sent to the National Institute for Occupational Safety and Health when a hearing is not held fell from 167 days in fiscal year 2016 to 161 days in fiscal year 2020.

