

**OWCP Interagency
Meeting
February 28, 2012**

Gary Steinberg
Acting OWCP Director

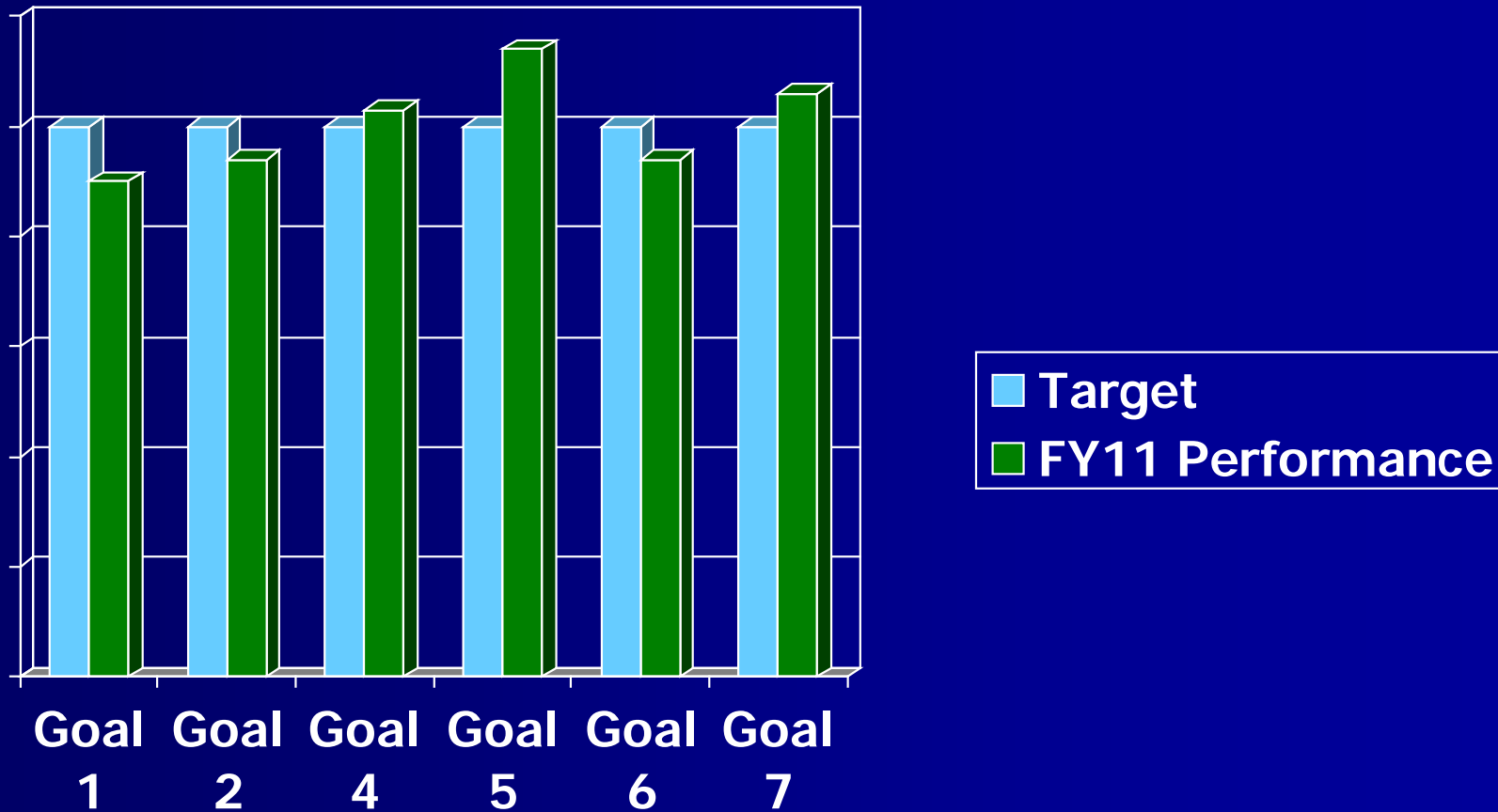
POWER Initiative

FY 2011- FY 2014

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

POWER: First Year Results

All Govt (less USPS) Met All Targets



POWER: FY 2011 Results

OWCP-tracked Goals 4 through 7

<u>All Government (less USPS)</u>	FY11 Target	FY11 Result	FY12 Target
Goal 4: Timely Filing of Claims	81.0 %	83.4 %	82.0 %
Goal 5: Timely Filing of Wage Loss Claims	60.0 %	68.5 %	64.0 %
Goal 6: Lost Production Days	35.4	33.2	35.1
Goal 7: Return to Work Rate	86.7 %	91.6 %	88.4 %

POWER: Goal 7, RTW

- Tracks 14 Federal agencies with most significant numbers of disability cases
- In FY 2011, 13 of 14 agencies met RTW targets
- OWCP holding discussions with all 14 agencies on stretch goals
- Report of tracked RTW cases provided by OWCP upon agency request

POWER Council

- The Office of Workers' Compensation Programs (OWCP) established the POWER Return to Work Council to serve as a forum for discussion and exchange of best practices in the area of return to work; to review the results of analytical studies on return to work and promote sharing and implementation of best practices identified; and to form a bridge between the workers' compensation and disability hiring personnel and establish a continuity of practice for the sharing of information, ideas and experiences.

POWER Council

- RTW POWER Council established and had first meeting on September 21, 2011.
- Meetings held quarterly
 - 14 POWER Agencies
 - OSHA, ODEP, OPM ad hoc members

POWER Council

- Council is chaired by Gary Steinberg
- Includes Workers' Compensation Program Managers and senior level executives from each of the 14 RTW agencies

Other RTW Efforts

- Schedule A pilot project
 - Use of Schedule A authority on voluntary basis for claimant to return to Federal employment
- Study of RTW best practices
 - Currently underway
 - Conducted in conjunction with ODEP
 - Selected agencies being contacted

FECA Reform Goals/Impacts

- Improve Return to Work Processes and Incentives
- Increases employment opportunities for disabled workers
- Make FECA more equitable
- Update certain benefits to reflect current costs
- Modernize FECA and Strengthen operational aspects of the program
- Cost Savings (\$400 million + over a 10 year period is a conservative estimate)
- ***Prospective Only***- Changes would only affect new claims for injuries and disability.

Vocational Rehabilitation Assisted Reemployment

- Expands vocational rehabilitation to all eligible claimants; not just those permanently disabled.
- Where appropriate, creates a return to work plan within 6 months of injury; encourages earlier involvement critical to returning injured employees to work.
Increases employer incentives to hire FECA claimants (Assisted Reemployment) by:
 - Expanding OWCP authority to reimburse Federal agencies who hire previously injured workers; FECA currently allows reimbursement to private employers.
 - If an employee suffers a recurrence of the original injury, it will not be charged back to the new employing agency during 3 year assisted reemployment period, removes *disincentive* to hire that worker.

SSA RETIREMENT AGE Conversion Benefit

- Propose to reduce FECA benefits to 50% at normal Social Security retirement age, closer mirroring retirement level for federal employees, not a full wage loss benefit
- A claimant receiving conversion benefit will not be subject to forfeiture for failure to report earnings; to seek/accept suitable employment; or to participate in vocational rehabilitation. **MUST STILL ESTABLISH DISABILITY.**

Creates Basic Compensation Rate/Modernizes Benefits and Practices

- Single 70% benefit level for ALL claimants receiving wage loss. Simplifies the pay rate determination process.
- Burial Costs - Increases maximum amount for burial expenses from \$800.00 to \$6,000.00, adjusted annually for cost of living. Average cost of burial expenses in 2011 is approximately \$6,500.
- Facial Disfigurement - Raises maximum payment from \$3,500 to \$50,000, adjusted annually for cost of living.
- Physician Assistant and Nurse Practitioners will be allowed to certify disability during the Continuation of Pay period.
- Schedule award for impairment to body part– to be paid in a lump sum in addition to wage loss compensation at 70% of the current pay for GS-11, Step 3) for ALL claimants.

Technical Changes

- Allows OWCP to match records of FECA beneficiaries with SSA earning records.
- Moves the three-day waiting to the beginning of the Continuation of Pay (COP) period.
- Allows OWCP to recoup costs of COP from a claimant's recovery from a third party.
- Provides that an employee eligible for both FECA and OPM benefits may not retroactively elect FECA benefits for a period for which s/he was paid retirement benefits.

House Passed Version (H.R. 2465)

- Allows nurse practitioners and physicians' assistants to certify disability during the first 45 days of injury
- Increases awards for facial disfigurement to \$50K
- Increases burial allowance from \$600 to \$6000
- Allows for 3rd party subrogation of claims to collect wages paid during COP
- Extends COP period for fed. civilians deployed in Zones of Armed Conflict
- Specifically defines coverage for injuries arising from acts of terror

Senate Committee Version

- Retrospective with grandfather provisions
- Creates a 50% conversion benefit rate at retirement
- Lowers basic rate to $66 \frac{2}{3}$, but increases disfigurement and burial benefits and allows for concurrent receipt of schedule awards
- Allows for concurrent receipt of wage loss compensation and scheduled awards
- Establishes new requirements for independent medical exams to verify continued disability and entitlement.
- Includes expanded requirements for program integrity

Working Together To Improve FECA

- Together we have made great progress in achieving the first year's POWER goals. We need to continue to raise the bar.
- Claims are being submitted in a more timely manner
- Claimants are receiving timely treatment and rehabilitation support
- We continue to reduce lost production days and return employees to meaningful employment as early as possible
- More can be done to focus on return to work
 - Changing the culture of our managers
 - Work with DOL to monitor the progress of employee recovery
 - Work with managers to identify early return to work opportunities
 - Consider a broad array of options for employee jobs
 - Promote the use of Schedule A hiring authorities
 - Promote the use of new OWCP capabilities such as ECOMP
- Thank you for your efforts!!