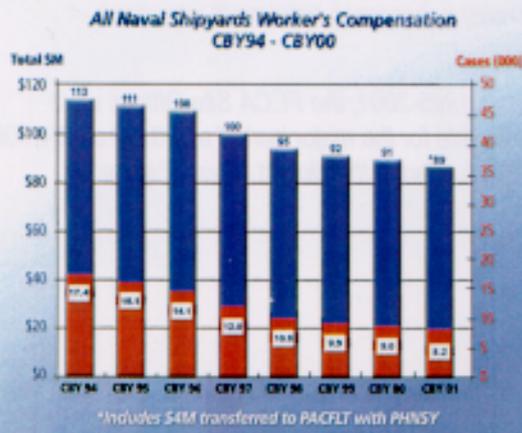


FECA's Impact on Naval Shipyards

During the first half of the 1990's, workers' injury compensation costs at Naval Shipyards rose to \$113 million per year, growing at an annual rate of 12%, while the shipyard civilian population decreased. Despite improved safety programs and lower injury rates, FECA costs at Naval Shipyards continued to rise. This cost burden consumed valuable funds that could otherwise support Navy operational needs including the repair of Naval ships. In fact, FECA costs can constitute more than 2 percent of a shipyard's labor rate.

Beginning in DoL Charge Back Year (CBY) 94 (1 July 1993 - 30 June 1994), the trend of increasing costs was reversed due to factors that include active case management and thorough review of long-term cases. From CBY 94 to CBY 01, FECA costs have been reduced by \$24 million and 9,200 cases, which translates to a lifetime savings of \$480 million over the next twenty years.



FECA Program Policy and Guidelines

OPNAVINST 12810.1

Federal Employee's Compensation Act (FECA) Program, 26 January 1990.

NAVSOP-3674

Commanding Officer's Guide to the
Federal Employees' Compensation Act Program,
30 April 1990.

DoD 1400.25-M

Civilian Personnel Management System, December 1996.

DoL CA-810

Injury Compensation for Federal Employees, rev.
January 1999.

Federal Worker 2000

8 October 1999.

NAVSEA 04XA FECA Points of Contact

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NAVSEA 04XA FECA Program Management

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TITLE 5, Section 8101, of the United States Code provides the Federal Employees' Compensation Act (FECA) program for civilian employees of the United States government who are injured while on duty. The Department of Labor's (DoL) Office of Workers' Compensation Programs (OWCP) is the manager and adjudicating body for the FECA program. Human Resource Offices (HROs) are responsible for administering the FECA program in the Navy including managing light duty and return-to-work opportunities for injured and rehabilitated workers.

Within NAVSEA, SEA 09B is the Major Claimant Point of Contact for NAVSEA's FECA Program, administering the program through NAVSEA and Regional HRO Injury Compensation Program Administrators (ICPAs).

NAVSEA 04XA (the BRAC, FECA, SEA04 Naval Reserve, and Special Programs Office) serves as the program advocate for the Naval Shipyards and NAVSEA's Supervisor of Shipbuilding, Conversion, and Repair Offices (SUPSHIPS) FECA program.

NAVSEA 04XA provides oversight, support, and guidance in applying corporate business practices to improve the FECA business process.

Total Annual
Navy/Marine Corps
FECA Costs (\$M)



The NAVSEA 04XA Role

NAVSEA 04XA serves as the FECA business process manager, applying and managing a corporate business process for the resolution of long-term FECA claims (i.e., cases older than one year) at Naval Shipyards and SUPSHIPs, and supporting and interacting with the administrative agencies of the FECA Program within and outside the Navy. NAVSEA 04XA FECA responsibilities for the Naval Shipyards and the SUPSHIPs include the following:

- *Oversee Naval Shipyard and SUPSHIPs FECA Program to ensure a high quality program and to provide "reasonable assurance" that the cost for injury cases are validated and under control (i.e., Management Control Program as directed by NAVSEAINST 5200.13B of 5 May 00);*
- *Represent Naval Shipyards and SUPSHIPs at Navy, DoD, other federal government, and private sector meetings including the Navy Workers' Compensation Quality Management Board (QMB);*
- *Supervise and manage the NAVSEA 04X FECA Site Offices (Philadelphia, Pennsylvania, and Vallejo, California);*
- *Program Manager for the FECA Management Information System (FECAMIS).*

FECAMIS

FECAMIS is an on-line, secure, Windows NT-based data management tool, with a 100% web-browser based user-interface. NAVSEA 04XA developed this tool to understand and address the problem of increasing FECA costs. In addition, it is used to assess compensation and medical cost billing consistency. The system utilizes DoL data that are downloaded quarterly and contains comprehensive information on Navy FECA cases. FECAMIS has a broad range of applications including unique capabilities to analyze individual and activity-wide cases, trends, and histories.

ICPAs use the extensive sorting capabilities of FECAMIS to develop scenarios that identify cases most likely to have cause for review;

ICPAs review entire case histories on one screen, including the date and nature of the injury, case status, and medical and compensation costs for a ten-year period;

ICPAs and financial managers use FECAMIS to review their activity's FECA charge back bill;

Safety Managers review safety-related data while assuring the privacy of the FECA claimant;

Business process managers review safety and financial data to assess business process impact and implement process improvements;

FECAMIS readily displays many metrics in a format that is complete and ready for review at the ICPA, Major Claimant, or Navy senior management levels.

NAVSEA 04X East & West Coast FECA Site Offices

THE NAVSEA 04X East and West Coast FECA Site Offices were created in 1995 to provide timely management and resolution of long-term cases at Naval Shipyards being closed by Base Realignment and Closure (BRAC). Currently, the SEA04X FECA Site Offices are expanding their work to include long-term cases from open Naval Shipyards and SUPSHIPS, and other activities through Inter-Service Support Agreements (ISSAs). They are important to the corporate business process because:

- *Over 85% of the Navy's FECA costs are from cases over one year old, making long-term FECA cases the largest potential for savings;*
- *The BRAC process creates complications for managing FECA cases by limiting reemployment opportunities and access to records, and by reducing the number of staff managing cases. With the potential for future additional BRAC closures, active case management at open shipyards, especially for long-term cases, becomes even more important;*
- *From 1995-2001, the FECA Site Offices were responsible for the major part of a \$20.4M cost/4,700 case reduction at the closed Naval Shipyards.*