



DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
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IN REPLY REFER TO
OPNAVINST 12810.1
OP-14 ND
26 January 1990

OPNAV INSTRUCTION 12810.1

From: Chief of Naval Operations

Subj: FEDERAL EMPLOYEES' COMPENSATION ACT (FECA) PROGRAM

Ref: (a) CPI 810
(b) COMPT DOD memo of 25 Jul 89 (NOTAL)
(c) FPM 353.2
(d) CPI 536.S3-2b
(e) FPM 810

1. Purpose. To provide guidance and direction to commands and activities for the purpose of improving FECA program management and reducing injury compensation costs in the Navy Department.

2. Applicability. Under reference (a), this instruction applies to all commands and activities reporting to the Chief of Naval Operations (CNO), the Chief of Naval Research (CNR), and the Assistant for Administration, Under Secretary of the Navy (AA/USN).

3. Background

a. The Navy's escalating annual injury compensation costs are now approaching \$200 million. The large, industrially funded Navy activities such as shipyards, weapon stations, public works centers, and air depots incur approximately 70 percent of these costs. However, most activities have incurred some compensation costs. Although these costs are paid directly to injured/disabled workers or their beneficiaries by the Department of Labor (DOL) Office of Workers' Compensation Programs (OWCP) after the agency continuation of pay (COP) period has expired, the law requires each agency to reimburse DOL OWCP annually for all costs including medical costs, costs of vocational rehabilitation, compensation, and death benefits.

b. Such costs were formerly paid centrally by the Navy. However, reference (b) directed that FECA compensation costs be charged back to the individual activity beginning with the



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payment due in fiscal year 1990. This change is intended to increase the awareness of local commanders of injury compensation costs incurred at their activities, as well as the impact that their actions can have in reducing future costs.

4. Policy. The CNO fully supports the Department of the Navy's (DON) policy for injury compensation program management (reference (a)) in administering the program for the Navy and reaffirms its obligation to provide a safe work environment. Commands must recognize the long term nature of their commitment to their employees who have job-related injuries or illnesses, and assure that employees receive not only the physical care and other benefits to which they are entitled but also other appropriate support needed for rehabilitation and return to duty. It is CNO's policy to:

a. Comply with DON safety and health policies to maintain a safe work environment and reduce the risks of employment-related injury, illness, and death;

b. Ensure that the Navy role in providing injured workers all care and injury compensation benefits to which they are entitled is accomplished through timely and accurate preparation and forwarding of required forms to OWCP district offices, and appropriate follow-up;

c. Hold activities accountable for budgeting for and paying injury compensation claims costs charged back by the DOL OWCP;

d. Manage all injury compensation claim cases in a manner which results in control of COP, elimination of unnecessary compensation costs, pursuit of fraud and abuse, and prompt return to work of those rehabilitated workers able to perform necessary and contributing jobs;

e. Establish light and/or limited duty assignments where feasible for injured workers to permit them an opportunity to perform a contributing function during the rehabilitation process and to prevent the need to go onto the OWCP compensation rolls;

f. Ensure that fully recovered employees are granted mandatory restoration rights under reference (c);

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g. Ensure that partially recovered workers are considered for vacant positions for which they qualify and which they are physically able to perform regardless of whether the workers are on leave without pay or separated from DON and receiving injury compensation payments from OWCP;

h. Extend pay retention benefits under reference (d) to employees returning from OWCP rolls who accept reemployment at a lower grade; and

i. Train supervisors, managers and FECA program operating officials on current injury compensation laws, regulations, and local injury compensation program policy.

5. Responsibilities

a. The Director, Civilian Personnel Programs Division (OP-14) on behalf of the Deputy Chief of Naval Operations (Manpower, Personnel, and Training) (OP-01), is responsible for the management and directional guidance of the FECA program for the CNO, the CNR and the AA/USN. This includes:

(1) Developing Navy Department injury compensation program management policy and procedures;

(2) Advising Echelon 1 and 2 commands on program management direction and resolution of operational problems;

(3) Coordinating the production, distribution and correction of DOL quarterly compensation data and the annual FECA chargeback billing and payment processes within the Navy Department;

(4) Encouraging the establishment of return to work programs;

(5) Developing and managing other initiatives to reduce injury compensation costs;

(6) Evaluating program management accomplishments;

(7) Reporting annually to the CNO on cost reduction results; and

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(8) Coordinating as necessary with the Department of Labor, the Department of Defense, Logistics Agency, the Office of Civilian Personnel Management, the Comptroller of the Navy and other offices within the Navy Department to improve FECA program management.

b. Heads of echelon 1 and 2 commands and major claimants are responsible for:

(1) Ensuring that FECA program management policy and procedures are effectively carried out. This includes ensuring that FECA chargeback budgeting, billings and payments within their commands/claimancies are properly executed and that civilian personnel FECA program policies are implemented; and

(2) Advising activities within their commands on program direction and operational problems such as FECA compensation rolls data correction.

c. Commanding officers and heads of activities are responsible for:

(1) Overall administration of their injury compensation programs, for controlling FECA costs, and budgeting for and paying FECA chargeback bills;

(2) If the activity has an annual FECA bill of \$1 million or more, establishing an Injury Compensation Cost Reduction Committee consisting of the Commanding Officer (CO), Civilian Personnel Director (CPD), Injury Compensation Program Administrator (ICPA), Occupational Safety and Health (OSH) Manager, Occupational Health Physician (if available) and other appropriate managers such as the Security Officer, Comptroller or Business Manager and line managers. The Committee should be responsible for recommending local policy and operational improvements for managing and reducing FECA costs. It should meet at least quarterly. This committee can be combined with other appropriate committees and/or established as a Process Action Team where Total Quality Management concepts have been implemented;

(3) Ensuring that accomplishments in controlling and reducing illnesses, injuries and compensation costs are considered in appraising managerial performance;

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(4) Establishing light duty programs for injured workers to permit them, if possible, to remain on the job during medical treatment and rehabilitation; and

(5) Establishing return-to-work programs geared to rehiring eligible rehabilitated injured workers into necessary and meaningful jobs and removing them from the OWCP compensation rolls.

d. Civilian Personnel Directors (CPD) are responsible for implementing FECA laws, regulations, and local policies/procedures and for assisting serviced activities in effectively managing injury compensation programs. This includes:

(1) Appointing a professional specialist as Injury Compensation Program Administrator (ICPA) at a level commensurate with the cost/risk liability of the program, and additional staff as necessary, to manage day-to-day operations of the FECA program under supervision of the CPD;

(2) Ensuring that all compensation claims are processed on time, that data provided to OWCP is accurate, and that cases are reviewed and managed in the best interest of the employee and the serviced activity;

(3) Administering a light duty program for injured workers to permit them, if possible, to remain on the job during medical treatment and rehabilitation;

(4) Administering a return-to-work program geared to rehiring eligible rehabilitated injured workers into necessary and meaningful jobs and removing them from the OWCP compensation rolls;

(5) Creating a cooperative working relationship with the OWCP district office to facilitate program needs, data correction, case management and cost reduction achievements;

(6) Assuring accuracy of the Naval Civilian Personnel Data System data on unit identification codes and activity names used for chargeback reports;

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(7) Assuring that when functional transfers are processed the responsibility for compensation claims costs for employees associated with the function are also transferred;

(8) Coordinating FECA chargeback budgeting, billing and payment procedures with local comptroller offices; and

(9) Providing reports and statistics to the CO on costs and trends.

e. ICPAs are responsible for day-to-day case management of injury compensation claims for all serviced activities. This includes, but is not limited to:

(1) Processing claims within regulatory time frames and assisting all parties involved to better understand the technical requirements of FECA laws and regulations;

(2) Reviewing FECA claim cases during the initial post-injury phase to monitor the use of COP and to prevent, where warranted, an injured worker from going onto OWCP compensation rolls;

(3) Working with managers and supervisors to controvert those claims which, in the opinion of management, are unjustified in accordance with applicable regulations and OWCP appeals decisions;

(4) Determining the current status of all injured or disabled workers listed on quarterly chargeback reports regardless of whether they are on leave without pay or on OWCP compensation rolls;

(5) Coordinating with managers and supervisors in developing light-duty assignments to permit injured workers to remain on duty;

(6) Ensuring that medical information is current and complete, and that Navy physicians, when obtainable, are effectively involved in all aspects of injury compensation case management including whether any employment-related restrictions are valid;

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(7) Coordinating with medical officers to identify injured workers who are sufficiently rehabilitated to return to meaningful work and coordinating with supervisors/managers to hire them into regular jobs;

(8) Creating a harmonious working relationship with district OWCP staff to facilitate easy exchange of information and technical assistance;

(9) Coordinating safety/injury/first-aid data with the OSH Manager to facilitate the prompt investigation of mishaps and the meeting of mishap reporting requirements by the OSH Manager;

(10) Initiating action to correct errors identified in DOL quarterly compensation rolls; and

(11) Advising and coordinating with managers, the OSH Manager and the comptroller on quarterly FECA claims, costs and trends.

f. Managers and supervisors are responsible for maintaining safe and healthy working conditions and practices and assisting their employees who are injured to obtain medical care and lost wage benefits to which they are entitled. They are also responsible for making every effort to keep the individual on the job following the injury, or, if this is not feasible, to return the individual to work as soon as possible. These responsibilities include but are not limited to:

(1) Ensuring that appropriate claim forms are properly completed and submitted to the ICPA for forwarding to the OWCP district office on time in accordance with regulatory time frames;

(2) Maintaining contact with the injured employee to offer help when needed and to follow progress of recovery;

(3) Modifying the duties of a position to facilitate retaining the injured worker at the job site or working with the ICPA to identify another position more suitable for temporary limited/light duty assignment;

(4) Reviewing quarterly FECA compensation reports for employees under their cognizance to determine use of medical and

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lost wage compensation costs and to identify areas where costs might be reduced;

(5) Considering eligible rehabilitated injured workers for reemployment programs and providing such candidates with the opportunity to perform meaningful work;

(6) Supporting the efforts of management to reduce injury compensation costs; and

(7) Controverting claims which appear to be unjustified, in coordination with the ICPA.

g. Employees are responsible for:

(1) Using safe work practices and proper safety equipment;

(2) Completing all required forms accurately and on time, and providing required information promptly in support of compensation claims;

(3) Obtaining necessary medical treatment;

(4) Participating in required rehabilitation programs;

(5) Cooperating in placement actions to return to duty;
and

(6) Returning to work when rehabilitated.

6. Action. It is imperative that all commands/activities, regardless of size, take aggressive administrative action to improve FECA program management and control injury compensation costs. Commands and activities should continue to ensure that injured employees are provided the benefits to which they are entitled and that injury compensation claims are processed on time in accordance with reference (e). However, new emphasis is needed on controlling compensation costs by preventing injuries and job-related illnesses, retaining injured employees in limited or light duty assignments during recovery, improving case management, contesting fraudulent claims, and returning rehabilitated workers to productive jobs within their physical capabilities.

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7. Report. The reporting requirement contained in this directive is exempt from reports control by SECNAVINST 5214.2B.


J. M. BOORDA

Deputy Chief of Naval Operations
(Manpower, Personnel and Training)

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