



DEPARTMENT OF THE NAVY

NAVAL SEA SYSTEMS COMMAND  
WASHINGTON, DC 20362-5101

IN REPLY REFER TO

NAVSEAINST 12810.2  
OPR 00R24  
29 Jun 1989

NAVSEA INSTRUCTION 12810.2

From: Commander, Naval Sea Systems Command

Subj: FEDERAL EMPLOYEES' COMPENSATION ACT (FECA) PROGRAM

Ref: (a) OCPMINST 12810.1 of 3 Feb 88  
(b) OCNAVNOTE 12810 Ser 14/7U379200 of 1 Apr 87  
(c) FPM 810 of 2 Oct 86

1. Purpose. To provide Naval Sea Systems Command (NAVSEA) policy and guidance on the management and overall administration of the Federal Employees' Compensation Act (FECA) Program.
2. Applicability. This instruction is applicable to all NAVSEA Headquarters components and subordinate field activities.
3. Policy. It is the policy of NAVSEA to ensure that appropriate assistance is given to those employees who are injured or become ill as a result of employment. Cost saving methods within NAVSEA Commands will be aggressively pursued (within the current law) to reduce the number of employees on Continuation of Pay (COP) and long term injury.
4. Background. The Federal Injury Compensation Program covers employees who are either traumatically injured on the job or who suffer some sort of occupational disease or illness associated with the job. The Federal Employees' Compensation Act (FECA) provides compensation and medical costs for covered employees, as well as funeral, burial expenses, and compensation for dependents if the injury or illness causes the employee's death.

While the program is primarily administered by the Department of Labor (DOL), yearly costs are charged-back to the Department of Defense/Department of Navy. These costs have been spiraling upward since the law was liberalized in 1974. NAVSEA has incurred approximately 52 percent of the Navy's total FECA bill, with cost exceeding \$93 million annually. This is an unsatisfactory situation which warrants immediate management action. Several activities have made dramatic improvements in the management of their compensation programs. However, there is much to be done to reduce the FECA bill. Management officials at all levels must be cognizant of the program and of the need for a reduction in the numbers and cost of FECA claims.

5. Discussion

a. As set forth in references (a) through (c), FECA provides for the payment of workers' compensation benefits to federal employees. The Act provides for the payment of dollar benefits to identified persons who are injured or disabled while in the performance of their official duties. The term "injury" encompasses both injury through work related accident and occupational illnesses caused by employment.

b. The Secretary of Labor is authorized to administer the FECA law and to develop the necessary rules and regulations to carry out its provisions. Responsibility for administration of the law has been delegated to the Director of the Office of Workers' Compensation Program (OWCP). Within their respective jurisdictions, the OWCP district offices adjudicate claims and authorize payment to injured employees.

c. A review of FECA chargeback reports indicate that several NAVSEA activities are not properly administering the provisions of the Act. Control of FECA cost is a corporate goal and shall be reflected in each activity's goals and objectives. Similarly, management is accountable for ensuring that the rights of individuals are protected while minimizing abuse of the law.

6. Action. In accomplishing the requirements of references (a) through (c), NAVSEA activity Commanding Officers will:

a. Assign the responsibility for the administration of the FECA Program to the Civilian Personnel Officer (CPO) or to the Industrial Relations Officer (IRO). The Injury Compensation Program must be staffed at a level commensurate with the cost/risk liability involved. Although the CPO or IRO is responsible for administering the program, managers at all levels are responsible and accountable for the effective management of the FECA program.

b. Immediately, afford to all employees whose injury or disability has been overcome within one year, after the date of commencement of compensation, the right to resume his/her former position or its equivalent. For employees beyond the one-year period, activities shall make all reasonable efforts to place the employee in a suitable/appropriate position.

c. Establish an operative plan, in conjunction with the OWCP, to arrange for the rehabilitation and reemployment of fully recovered and partially disabled claimants.

d. Ensure effective case management and the elimination of suspected fraud, waste and abuse. Ensure that cases of suspected abuse are properly investigated or referred to the appropriate sources (i.e., Security, Naval Investigative Service (NIS) or Department of Labor (DOL)) for review and/or determination.

e. Develop and automate a system for tracking, monitoring, evaluating, and reporting FECA measurements (i.e., cost data, frequency, etc.). Systems must ensure activities of an adequate review, and validation of their chargeback listings.

f. Establish, implement and administer a light duty program to reduce the numbers of employees on Continuation of Pay (COP).

g. Monitor COP on a regular basis to track not only COP days and cost, but the condition of injured employees. Ensure that procedures are developed to identify and provide light duty assignments as determined medically appropriate.

h. Develop a formal reemployment and rehabilitation priority placement program which mandates placement in positions for which employees on the long-term rolls are qualified and which they can perform.

i. Ensure that all program components (i.e., supervision, security, safety, medical, Civilian Employee Assistance Program (CEAP), and personnel) are totally integrated, and that responsible officials carry out this policy.

j. Develop supervisory training programs that specifically address FECA cost containment and effective claims controversion techniques. These programs must also be geared towards reducing the number of on-the-job injuries and providing a safe, and healthy work environment.

k. Ensure that employees receive assistance in the submission of forms and other documents necessary in the processing of claims.

l. Direct a medical examination on the day of the injury, if possible, to document the degree and extent of the injury. Supervisors will, at the time of the injury or as soon as practical, investigate the events causing the injury, obtain as much information on the nature of the accident, and ensure compliance with internal safety procedures.

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m. Establish a relationship with the local office of OWCP to: (1) track long term cases by monitoring all changes; (2) determine change of claimant status, and assess potential for rehabilitation; and (3) coordinate reemployment efforts and strengthen lines of communication for the purpose of carrying out the intent of the program.

n. Conduct periodic evaluations of the internal program to ensure compliance with outlined instruction.

7. Program Reviews. NAVSEA will continue to evaluate the FECA program through reports, analyses, Personnel Management Evaluations (PMEs) and Inspector General (IG) inspections to track the results achieved at the command level. FECA program management will be executed by SEA 00R in coordination with cognizant Headquarters management directorates.



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