

**FY 2018**

**CONGRESSIONAL BUDGET JUSTIFICATION**

**OFFICE OF WORKERS' COMPENSATION PROGRAMS**

**OVERVIEW**

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# OFFICE OF WORKERS' COMPENSATION PROGRAMS

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# OFFICE OF WORKERS' COMPENSATION PROGRAMS

## OVERVIEW

### Introduction

The mission and vision of the Office of Workers' Compensation Programs (OWCP) are:

- To protect the interests of workers who are injured or become ill on the job, their families and employers, by making timely and accurate decisions on claims, paying benefits promptly, and providing opportunities for injured workers to return to gainful work as early as is feasible.
- To be an innovative leader in the delivery of benefits and a responsible steward of the resources entrusted to us, respected and relied upon by those who depend upon us for their health and economic well-being.

As a result of job-related injury or illness, workers covered by OWCP are faced with potentially devastating economic, health, and other personal costs. These costs arise from interruption of income while out of work; loss of income if permanently disabled and unable to work or, for survivors, due to death of the employee; temporary or permanent reduced capacity to return to work; temporary or permanent dislocation from prior employment; reduced capacity to find new employment; and the need for ongoing medical care. To mitigate these problems, OWCP administers four Federal workers' compensation statutes providing benefits and responsibly administers the benefit funds authorized for these purposes:

- The Federal Employees' Compensation Act (FECA) program provides wage-loss compensation, medical treatment, return-to-work assistance and vocational rehabilitation to civilian employees of the Federal Government injured at work and to certain other designated groups.
- The Longshore and Harbor Workers' Compensation Act (LHWCA) program oversees the delivery of benefits by private sector employers and insurance carriers to injured workers engaged in certain maritime and related employment. Longshore also administers the provisions of the Defense Base Act (DBA), which covers civilian contractors working overseas.
- The Black Lung Benefits Act program provides monetary compensation and medical benefits to coal miners totally disabled by pneumoconiosis (black lung disease) stemming from mine employment, and monetary benefits to their dependent survivors.
- The Energy Employees Occupational Illness Compensation Program Act (EEOICPA) program provides compensation and medical benefits to employees or survivors of employees of the Department of Energy (DOE), and contractors or subcontractors with DOE who have been diagnosed with cancer due to exposure to radiation or toxic substances.

OWCP's national office consists of the OWCP Director and Deputy Director, and the directors and staff of four program and two administrative divisions. Six OWCP Regional Directors manage and direct the operations of district and field offices nationwide.

## OFFICE OF WORKERS' COMPENSATION PROGRAMS

The funding accounts managed by OWCP include:

- **Salaries and Expenses (S&E) Federal Programs for Workers' Compensation (FPWC):** Provides funding, through direct appropriation and transfers from Trust Funds, for the administration of the FECA, LHWCA and for OWCP's administration of the Black Lung Disability Trust Fund and claims filed under Part C of the Black Lung Benefits Act (BLBA).
- **Special Benefits:** Finances payments to Federal civilians and Longshore and Harbor Workers and their dependents for work-related injuries and illnesses. Under legislative amendments of FECA, 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 FECA program administration using "Fair Share" funds collected pursuant to FECA Section 8147 (c).
- **Special Benefits for Disabled Coal Miners (SBDCM):** Finances income maintenance to miners suffering from Black Lung disease and eligible survivors for claims filed under Part B of the BLBA between December 30, 1969, and June 30, 1973, and associated administrative costs.
- **Energy Employees Occupational Illness Compensation Program Act (EEOICPA):** Part B and Part E funding provides compensation to DOE employees and their survivors, as well as contractors, for illness or death stemming from work in the DOE nuclear weapons complex. Funding is also provided for the associated administrative costs of the program.
- **Black Lung Disability Trust Fund (BLDTF):** 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 (PCC) Compensation Fund:** Established to provide for the accumulation of funds to meet the Commission's FECA workers' compensation cost obligations that extend beyond the dissolution of the PCC 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 FECA 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 LHWCA, 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.

OWCP's FY 2018 requested resources total \$368,875,000 and 1,521 FTE. The budget breakout is as below:

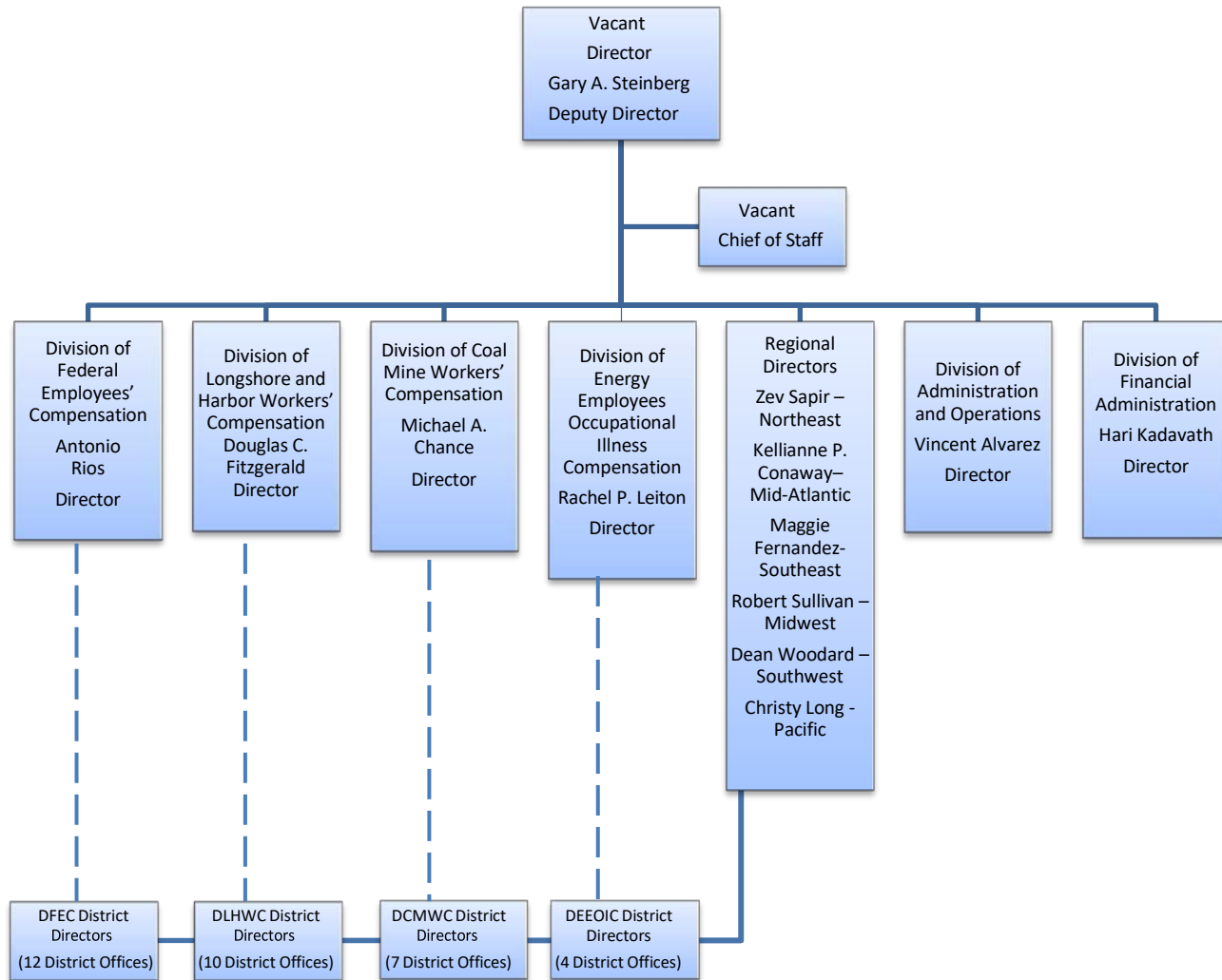
## OFFICE OF WORKERS' COMPENSATION PROGRAMS

- \$100,327,000 and 640 FTE in FECA Salaries & Expenses;
- \$71,188,000 and 142 FTE in Special Benefits Fair Share;
- \$12,782,000 and 76 FTE for Longshore General;
- \$2,173,000 and 9 FTE for Longshore Trust;
- \$38,246,000 and 162 FTE for Division of Coal Mine Workers' Compensation (DCMWC);
- \$5,319,000 and 16 FTE for SBDCM;
- \$59,846,000 and 243 FTE in EEOICPA Part B (\$748,000 and 3 of the requested FTE are for the Ombudsman); and
- \$78,994,000 and 233 FTE in EEOICPA Part E (\$951,000 and 3 of the requested FTE are for the Ombudsman).

OWCP program increases in FY 2018 include:

- \$4,180,000 and 37 FTE for the FECA Opioid Control and Prevention Unit – The resources will improve monitoring of opioid drug use among injured workers receiving benefits under the FECA. The funding will support the actions required to monitor and approve opioid medication use including administrative functions, medical management, and claims adjudication, so that injured workers only receive opioids that are medically necessary, and have the chance to appropriately ease off high dosages that carry risk of overdose or creating dependence.
- \$333,000 and 3 FTE for the FECA Fraud Investigations Unit – The resources will fund investigative staff to process incoming investigative reports of injured worker and provider fraud, review reports to determine if other potential fraudulent activities are occurring, actively monitor claims to ensure that FECA district offices are consistently taking timely and appropriate actions, and communicate with all stakeholders.
- \$2,200,000 for Energy Compensation (ECS) Information Technology (IT) services necessary to comply with federal cybersecurity directives – The resources will ensure that OWCP maintains an effective and secure operation for the delivery of claims to our beneficiaries, as well as support additional statutory obligations.
- The Budget includes mandatory administrative funding for the Black Lung and EEOICPA programs level with the pre-sequester 2017 Continuing Resolution amounts to fully meet program needs.

# OFFICE OF WORKERS' COMPENSATION PROGRAMS





# OFFICE OF WORKERS' COMPENSATION PROGRAMS

## AUTHORIZING STATUTES

Public Law / Act	Legislation	Statute No. / US Code	Expiration Date
PUB. L. 267, 39 Stat. 742	Federal Employees' Compensation Act, as amended.	5 U.S.C. 8101, <i>et seq.</i>	N/A
PUB. L. 69-803	Longshore and Harbor Workers' Compensation Act, as amended.	33 U.S.C. 901, <i>et seq.</i>	N/A
PUB. L. 91-173	Federal Coal Mine Health and Safety Act of 1969, (now called Federal Mine Safety and Health Act of 1977), as amended.	30 U.S.C. 901, <i>et seq.</i>	N/A
PUB. L. 107-275	Black Lung Consolidation of Administrative Responsibility Act, as amended.		N/A
PUB. L. 110-343	Emergency Economic Stabilization Act of 2008		N/A
PUB. L. 106-398	Energy Employees Occupational Illness Compensation Program Act	42 U.S.C. § 7385, <i>et seq.</i>	N/A
PUB. L. 108-375	Energy Employees Occupational Illness Compensation Program Act	42 U.S.C. § 7384, <i>et seq.</i>	N/A