





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;