

**White Paper**  
**Prevention of Employee Injuries and**  
**Restoration of Injured Employees to Work**  
Federal Aviation Administration  
October 27, 2003

## ***ISSUE***

In chargeback year 2002, more than 1700 FAA employees filed reports of on-the-job injuries or work-related illnesses. During this same time period 4600 claims, both old and new, received some form of payment. These work-related injuries and illnesses create a situation where all our employees—both those injured and those having to fill in behind them—pay a cost. The dollars FAA spends because we did not prevent injuries directly reduce what we can spend on our employees to help them carry out the mission of this agency. In addition to the cost in human suffering to affected employees and their families, the direct costs to FAA in 2002 were more than \$90 million. Moreover, FAA also paid backfill overtime and other indirect costs.

There are some key challenges that must be met if we are to improve FAA's performance in the employee safety and workers' compensation areas. These include the need to:

- have clear statements of policy on where we need to go
- commit enough staff and money to manage programs in these areas
- provide enough training to supervisors and employees
- ensure that supervisors, claims specialists, safety professionals, and medical personnel have access to accurate data, to allow them to manage their respective issues
- reenergize efforts to bring people back to work

This paper outlines the scope of the issues, the current set of initiatives, and some recommended actions that will provide a safer work environment for our employees and lower FAA's costs.

## ***BACKGROUND:***

### **SAFETY**

Federal law, agency regulations, and labor contracts require that FAA provide a safe and healthful workplace for all our employees. The FAA Office of Environment and Energy develops the agency's Occupational Safety and Health (OSH) policy, which the lines of business (LOBs) and staff offices (SOs) carry out. Implementation of safety and health programs supports several FAA initiatives, including: the FAA Corporate Project; Labor-Management Partnerships; the Department of Labor's (DOL's) Safety, Health and Return-to-Employment Initiative; and the LOB performance plans.

FAA continues to work toward full implementation of an agency-wide OSH program. Over the past few years, management support and funding for such a program have varied widely among different FAA organizations. Attempts to phase in an agency-wide program as an unfunded mandate have had limited success. Several regions have received citations from the Occupational Safety and Health Administration (OSHA) for noncompliance with OSHA standards. Bargaining units and employees have filed grievances alleging exposure to hazards. Continued limited action and resources for this program will only increase the number of citations, grievances, employee injuries and resulting claims for compensation.

## OFFICE OF WORKERS' COMPENSATION PROGRAMS (OWCP)

The Federal Employees' Compensation Act (FECA) provides for wage loss compensation, payment of medical expenses, and vocational rehabilitation services to injured employees, and death benefits to survivors. The Department of Labor's Office of Workers' Compensation Programs (OWCP) administers the FECA and has sole jurisdiction over the OWCP program. OWCP pays all benefits and charges them back to employing agencies.

At FAA, the Office of Human Resources (AHR) has the program lead for workers' compensation, but all LOBs and SOs share responsibility for managing injured workers' cases—and containing and reducing costs. FAA paid over \$90 million in workers' compensation costs during chargeback year 2002, plus additional money for backfill overtime and other indirect costs. However, FAA's workers' compensation costs have increased an average of only 2 percent a year from 1992 through 2002 (vs. a 3.6 percent government-wide increase). Even more impressively, wage loss compensation paid during the chargeback year ending June 30, 2003 decreased by a total of \$687,000 from the prior year. While the overall bill did increase by 0.5 percent, this is due to the almost 13 percent increase in medical costs borne by injured workers. Despite these positive results, there is still much room for further improvement. Because FAA costs per employee are 1.7 times the federal average, reflecting in part the higher salaries commanded by FAA's highly skilled workforce, each case has a greater impact than it would in most other agencies.

Office of Inspector General (OIG) reports from 1987, 1994, and 2003 suggested many program improvements, but the FAA has not fully implemented all of them. However, some progress has been made, e.g,

- AT workgroups were formed to make implementation recommendations to management.
- AT is working to establish regional review boards with AHR and AAM
- AHR has developed and provided training for use in the regions to increase awareness of the OWCP process and individual roles and responsibilities

The Administration is updating the Federal Worker 2000 Initiative and will shortly reissue it as the Safety, Health and Return-to-Employment (SHARE) initiative. The goals are to help make federal workplaces safe and productive, reduce workplace injuries, ensure that

injured workers receive the best possible care, and return eligible employees to work as soon as medically possible.

## ***FAA INITIATIVES***

FAA is taking significant steps to improve workplace safety and better manage OWCP costs.

### **MISHAP PREVENTION**

Current OSH initiatives are ongoing in several FAA organizations: Air Traffic Services (ATS); Regulation & Certification (AVR); and Aviation Policy, Planning and Environment (AEP). These initiatives include:

- conducting hazard assessments of high-risk and high-injury-rate jobs (ATS)
- conducting annual worksite evaluations (AVR, ATS)
- development of new OSH training courses (ATS, AVR)
- preparation of OSH handbooks and inspection guidance to support field employees (ATS, AVR)
- Headquarters and regional OSH workshops (ATS, AVR, AEP)
- continued development of the Safety Management Information System (SMIS), a Web-based system for collecting and analyzing data on job-related injuries and illnesses, property damage, and incidents in which employees narrowly avoided injury or damage (AEP, ATS)
- continued integration of safety and health considerations into design and operating requirements for FAA systems (ATS)
- conducting program oversight evaluations to determine the status of implementation (AEP)
- establishing safety committees at the Headquarters, regional and field levels (AEP, all LOBs).

### **MANAGING THE WORKERS' COMPENSATION PROGRAM**

AHR, ATS and AVR have each realized the need for improved OWCP case management and partnership. Each has developed collaborative initiatives to better manage new and long-term OWCP disability claims.

- ATS has started early interventions nationwide for new cases. The initiative includes: training; controversion or disputing of claims, when appropriate; and, as recommended by the 2003 OIG report, -implementing tracking systems for all Continuation of Pay (COP) and Backfill Overtime costs and indirect costs of OWCP.
- AHR and ATS pilot programs (described below) focus on the Southern Region, which accounts for 22 percent of FAA's OWCP cases. ATS has expanded its pilot to include the Great Lakes Region and will evaluate the entire pilot by the end of October 2003. AHR will assess its pilot by July 2004. If there is evidence of clear success by those times, FAA will expand the pilots to the remaining regions.

## **MANAGING NEW CASES MORE EFFECTIVELY**

With funds provided from the Administrator's Reserve, AHR recently launched a pilot program to manage aggressively claims filed in the Southern Region and Headquarters. The pilot includes both old and new claims, but the main thrust is to manage new claims vigorously from the day they are filed. Currently, some employees who leave work because of injuries are absent for a full 45 days of COP, even if their injuries heal in less time.

Following the 45-day COP period, employees who cannot return to work are eligible to apply for OWCP benefits, which are charged back to FAA and passed on to the employees' respective lines of business. AHR believes that better management will reduce COP costs (which are classified as regular salary costs borne by each FAA office), and also reduce the likelihood that COP cases will convert to OWCP. AHR has created three staff positions to facilitate reviewing and tracking every new claim, and to challenge and seek repayment of funds paid in connection with inappropriate claims. As the program becomes fully operational, this AHR staff will:

- work with local supervisors to ensure that they understand their role in reducing the cost of claims, and offer light duty to COP claimants where possible
- encourage supervisors to contact every injured worker weekly. AHR will contact claimants monthly for an updated medical status and work closely with DOL claims staff, disability nurses, attending doctors, and FAA flight surgeons
- review disability cases that are less than a year old for reemployment potential, or possible termination of benefits to employees who are no longer eligible
- work closely with the ATS pilot referenced below, as well as other initiatives in the other LOBs
- make unannounced visits to select long-term claimants' homes to verify they are receiving their benefits, and assess their respective current levels of disability.

## **RETURNING LONG-TERM CLAIMANTS TO WORK**

In June, ATS began pilot-testing a new program for returning OWCP claimants to work. This challenges the traditional thinking that employees who have been on OWCP for two, three, or even fifteen years cannot be re-employed. This pilot is a collaborative effort with the Department of Labor (DOL) to review selected cases of 69 ATS employees in the Southern Region. Following the case review, eligible employees will be offered a range of positions that fulfill FAA needs. For example, an air traffic controller who for medical reasons, can no longer control traffic may be offered a position as an administrative assistant or maintenance technician's assistant.

Because employees who return to work will not receive less money than they received before they went on OWCP, offering former controllers office support positions may not result in any immediate savings to the FAA. But, it will:

- return some employees to the productive workforce and discontinue paying two people for one job
- reduce FAA's OWCP charge beginning in FY 2005
- reduce the number of employees on the long-term OWCP rolls

- encourage employees who do not want to return to work and are eligible to retire to do so
- discourage a culture of expectation of 45 days of COP for minor injuries

## **IMPROVING COOPERATION, ACCOUNTABILITY, TRAINING AND DATA QUALITY**

Management of OSH and OWCP responsibilities is fractured within FAA, reflecting the agency's decentralized nature. While one strength of decentralized systems is the ability to push responsibility out to the field, they require strong coordination and communication between Headquarters policy offices and the LOBs responsible for implementing the policies. At FAA this has been a challenge that will require close management attention, especially by the new top executives for Aviation Policy, Planning and Environment (AEP) AHR, and the Air Traffic Organization (ATO).

The first days after an incident are the most crucial for collecting accurate information about the incident, providing medical care, and challenging any questionable claims. Immediate coordination among local AHR, medical, safety, and program offices is essential.

Besides improving communications and working relationships, FAA needs to train first-line supervisors to maintain safe workplaces and effectively manage employees who need to take time off for work-related injuries or illnesses. Similarly, the agency needs to better coordinate OSH and OWCP data.

## **ACTION PLANS AND RECOMMENDATIONS**

To meet the goals of improving the safety environment for our employees and reducing workers' compensation costs, FAA has established the milestones listed below. FAA's operations OSH and OWCP budgets cannot bring the FAA into full compliance with all regulatory requirements. For the rest of FY2003 and in FY2004, we will focus on the following high priority actions. Lead organizations are indicated at the end of each item.

### **MISHAP PREVENTION**

**Through July 31, 2003:** Evaluated the results of the second pilot test of the Safety Management Information System (SMIS) and made appropriate changes. Also, during the pilot projects in the Southern Region, asked all lines of business in that region to enter mishap data into SMIS. (AEP)

**Beginning October 1, 2003:** Use SMIS agency-wide for mishap tracking, trend analysis, and lessons learned. (All LOBs and/SOs)

## **MANAGING NEW CASES MORE EFFECTIVELY**

**Through May 31, 2003:** Hired staff and set up the case management program. From this point on, program staff will review all new claims from Southern Region and Headquarters. (AHR)

**Effective June 30, 2003:** Began managing long-term Southern Region and Headquarters disability cases outside the scope of the ATS pilot referenced below. (AHR)

**By July 1, 2004:** Provide to the Administrator an evaluation of the pilot program effectiveness. If it proves to be effective, prepare and submit possible plans for expansion to all regions and offices. If justified, identify the personnel and funds needed to support program expansion. (AHR)

## **RETURNING LONG-TERM CLAIMANTS TO WORK**

**Through July 30, 2003:** Notified in writing all employees selected through the ATS review of DOL case files of the return-to-work initiative. Asked DOL to update the employees' medical reports. Began working with local managers to match employees' skills and capabilities to work assignments within the Southern Region. (ATS, AHR)

**By September 30, 2003:** Made formal job offers to eligible employees. They will have 30 days to report to work. If they do not do so, advise DOL, for their potential removal from the OWCP rolls. (ATS)

**By October 30, 2003:** Provide the Administrator with an evaluation of the program's effectiveness and potential plans for expansion to all regions and offices. If expansion is justified, identify the necessary personnel and funds needed. (ATS)

## **IMPROVING COLLABORATION, ACCOUNTABILITY, TRAINING AND DATA QUALITY**

**By August 31, 2003:** Explored the feasibility of expanding the Safety Management Information System (SMIS) to include the data fields required for ATS to capture all costs for employees who receive compensation for job-related accidents or injuries. This will fulfill a recommendation made by the Inspector General. Ensure access to SMIS for OWCP points of contact that have a need to know and who sign a Privacy Act agreement. (AEP)

**By January 30, 2004:** Develop agency-wide OWCP training materials for all managers, relying on existing materials and new, low-cost alternatives (e.g., CD-ROMs). In addition, develop LOB-specific supplemental training materials. (AHR, ATS)

## RECOMMENDATIONS

The following recommended actions require Executive approval before implementation.

**By November 30, 2003:** Emphasize agency-wide OWCP training for all managers.

Approve: \_\_\_\_\_ Let's Discuss: \_\_\_\_\_

**By January 30, 2004:** Issue an Administrator's Policy Statement on OSH and OWCP.  
(AEP, AHR)

Approve: \_\_\_\_\_ Let's Discuss: \_\_\_\_\_

**By January 30, 2004:** Each LOB and SO set up procedures for management review of all work-related injuries. Ensure that supervisors investigate each mishap, enter it into SMIS, identify causal factors, share lessons learned, and implement countermeasures. (Examples of countermeasures include training, use of personal protective equipment, work process redesign, hazard isolation, and equipment reengineering). (All LOBs and SOs)

Approve: \_\_\_\_\_ Let's Discuss: \_\_\_\_\_

**By February 27, 2004:** The Designated Agency Safety and Health Official brief the Management Board quarterly on employee safety program status. (AEP)

Approve: \_\_\_\_\_ Let's Discuss: \_\_\_\_\_

**By October 1, 2004:** The FAA Administrator work with DOT to:

- Support specific DOL initiatives for new legislation that would reduce OWCP benefits once the claimant reaches a specified age (e.g., when eligible to retire). (AEP, AHR)
- Discuss with DOT's authorizing and appropriation committees the need for OWCP statutory program changes. (AHR, ABU)

Approve: \_\_\_\_\_ Let's Discuss: \_\_\_\_\_