

U.S. Department of Labor

Office of Inspector General—Office of Audit

REPORT TO THE OFFICE OF WORKERS' COMPENSATION PROGRAMS



COVID-19: OWCP SHOULD CONTINUE TO CLOSELY MONITOR IMPACT ON CLAIMS PROCESSING

DATE ISSUED: JULY 6, 2020
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BRIEFLY...

COVID-19: OWCP SHOULD CONTINUE TO CLOSELY MONITOR IMPACT ON CLAIMS PROCESSING

July 6, 2020

WHY OIG CONDUCTED THE AUDIT

On January 31, 2020, the Secretary for Health and Human Services declared a nationwide public health emergency in response to the coronavirus (COVID-19) pandemic. As of June 22, 2020, there have been over 2 million confirmed COVID-19 cases in the United States, and social distancing mandates have caused mass disruption to the economy and peoples' lives in every state.

As part of Phase 1 of the OIG's Pandemic Oversight Response Plan, this report presents the results of our audit of the Office of Workers' Compensation Programs' (OWCP) initial response to the pandemic.

WHAT OIG DID

We conducted a performance audit to answer the following question:

To what extent has COVID-19 affected OWCP's ability to process and adjudicate claims, and what has OWCP done to address challenges encountered?

To answer this question, we conducted interviews with agency officials and reviewed plans, guidance, performance data, and other related documentation.

READ THE FULL REPORT

<http://www.oig.dol.gov/public/reports/oa/2020/19-20-004-04-001.pdf>

WHAT OIG FOUND

We found that most OWCP programs are experiencing or expecting delays and resource management issues as a result of increasing claims or social distancing mandates brought on by the pandemic. In response, the programs are tracking delays, providing guidance, extending deadlines, and taking additional actions as needed. Specifically:

The Division of Federal Employees' Compensation (DFEC) is expecting a potential strain on resources and claims processing delays. To address these potential challenges, DFEC developed a contingency plan, issued new procedures for handling COVID-19 claims, and created a COVID-19 Task Force to oversee claims development and adjudication.

The Division of Coal Mine Workers' Compensation (DCMWC) is experiencing challenges in its ability to process claims timely because a significant number of approved physicians have temporarily suspended pulmonary examinations, which are required for a coal miner's claim to be processed. These delays are creating a backlog that could strain resources when physicians resume claimant examinations. DCMWC is tracking the delays and has taken steps to assist claimants, including publishing guidance on its website and extending deadlines.

The Division of Energy Employees Occupational Illness Compensation (DEEOIC) is experiencing delays in obtaining required information from certain Department of Energy facilities and physicians who have closed or limited operations during the pandemic. DEEOIC is tracking a small number of impacted claims and allowing for extensions in these cases.

The Division of Longshore and Harbor Workers' Compensation (DLHWC) has not experienced, nor is it expecting, any significant impact from the COVID-19 pandemic.

WHAT OIG RECOMMENDED

The OIG made recommendations related to monitoring, guidance, and performance measurement. OWCP agreed with them.

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INSPECTOR GENERAL'S REPORT

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This report presents the results of the Office of Inspector General's (OIG) audit of the Office of Workers' Compensation Programs' (OWCP) response to the coronavirus (COVID-19) pandemic. On January 31, 2020, the Secretary for Health and Human Services declared a nationwide public health emergency in response to COVID-19. As of June 22, 2020, there have been over 2 million confirmed COVID-19 cases and the virus has caused over 120,000 deaths in the United States. OWCP administers four major disability compensation programs whose ability to assist injured workers could be affected by COVID-19.

As part of Phase 1 of the OIG's Pandemic Oversight Response Plan, and given the disruptive nature of the COVID-19 pandemic, we conducted this audit to answer the following question:

To what extent has COVID-19 affected OWCP's ability to process and adjudicate claims, and what has OWCP done to address challenges encountered?

To answer this question, we conducted interviews with agency officials and reviewed plans, guidance, performance data, and other related documentation.

We found that most OWCP programs are experiencing or expecting delays and resource management issues as a result of increasing claims and social distancing mandates brought on by the COVID-19 pandemic. In response to these challenges, the programs are tracking delays, providing guidance, extending deadlines, and taking additional actions as needed.

RESULTS

The following are the overall results by OWCP's four major program areas, which are discussed in more detail in this report.

The **Division of Federal Employees' Compensation** (DFEC) is expecting a potential strain on resources and claims processing delays as a result of increasing claims and social distancing mandates. To address these potential challenges, DFEC developed a contingency plan, issued new procedures for handling COVID-19 claims, and created a COVID-19 Task Force to oversee claims development and adjudication.

The **Division of Coal Mine Workers' Compensation** (DCMWC) is experiencing challenges in its ability to process claims timely because a significant number of approved physicians have temporarily suspended pulmonary examinations, which are required for a coal miner's claim to be processed. These delays are creating a backlog that could strain resources when physicians begin conducting exams again. DCMWC is tracking the delays and has taken steps to assist claimants, including publishing guidance on its website and extending deadlines.

The **Division of Energy Employees Occupational Illness Compensation** (DEEOIC) has not yet experienced any significant impact, but is experiencing delays in obtaining required information from certain Department of Energy facilities and physicians who have been closed or under limited operations during the pandemic. DEEOIC is tracking a small number of impacted claims and allowing for extensions in these cases.

The **Division of Longshore and Harbor Workers' Compensation** (DLHWC) has not experienced, nor is it expecting, any significant impact from the COVID-19 pandemic.

POTENTIAL STRAIN ON RESOURCES AND DELAYS IN THE FECA PROGRAM

DFEC administers claims filed under the Federal Employees' Compensation Act (FECA). FECA provides workers' compensation coverage to approximately 2.6 million federal and postal workers around the world for employment-related injuries and occupational diseases. All federal employees who contract COVID-19 in the performance of their duties as a federal employee are entitled to coverage under FECA.

As of June 16, 2020, DFEC had received 2,866 COVID-19 claims, including 48 death claims, and paid out approximately \$30,000 in medical benefits and compensation. Table 1 shows the status of the COVID-19 claims received.

TABLE 1: STATUS OF COVID-19 CLAIMS
(AS OF JUNE 16, 2020)

Accepted	889
Denied	3
Withdrawn	19
Unadjudicated	1,955
Total	2,866

Source: Data provided by DFEC

DFEC expects to receive an estimated total of 6,000 COVID claims based on current projections through August 4, 2020.¹

COVID-19 CONTINGENCY PLAN

DFEC developed a contingency plan to address risks caused by the influx of COVID-19 claims and to mitigate impacts on non-COVID claims. Based on its estimates of future COVID-19 claims, potential workload impacts, and resource allocation, DFEC dedicated two Medical Benefit Examiner (MBE) units² to developing and adjudicating COVID-19 claims. This was done to ensure greater consistency and oversight for COVID-19 claims, and involved repurposing two of the four MBE units that were focused on claimants with opioid prescriptions.

DFEC officials stated they considered the negative impact on the opioid population and determined the two remaining MBE units would be able to follow and manage the most at-risk claimants. In addition to establishing dedicated MBE units, DFEC also provided all MBEs with general adjudication and COVID-19 specific adjudication training. DFEC officials stated they have additional options to expand staffing if the two COVID-19 MBE units are unable to handle the volume of COVID-19 claims.

¹ According to officials, DFEC developed this estimate based on projections from the Institute of Health Metrics and Evaluation as well as known facts about COVID-19 and testing.

² These 2 MBE units in total comprise 2 supervisors, 1 Senior MBE, and 16 MBEs.

TARGETED PROCEDURES FOR CLAIMS STAFF

On March 31, 2020, DFEC issued FECA Bulletin No. 20-05 to provide targeted procedures for claims staff on the handling of COVID-19 FECA claims from federal employees. Because it is difficult to determine the precise moment and method of virus transmission, DFEC considers certain federal workers who are required to have in-person and close proximity interactions with the public on a frequent basis, such as front-line medical and public health personnel, to be in high-risk employment.³

If a COVID-19 claim is filed by an individual in high-risk employment, DFEC will accept that the exposure to COVID-19 was proximately caused by the nature of the employment and will only require medical evidence that establishes a diagnosis of COVID-19, such as a positive COVID-19 test result.⁴ COVID-19 claims filed by individuals who work in positions not considered high-risk are treated the same as all other FECA claims and must provide evidence that the disease was employment-related.

In conjunction with FECA Bulletin No. 20-05, DFEC established a COVID-19 Task Force to support claims examiners and help ensure COVID-19 claims are handled expeditiously in a fair and consistent manner. The Task Force includes high-level officials, such as DFEC's Director, DFEC's Policy Chief, and OWCP's Chief Medical Officer. The Task Force aids claims staff, employing agencies, and the general public by providing advice on evidence needed, and answering questions about the process and legal requirements.

TEMPORARY FLEXIBILITIES

DFEC has introduced some temporary flexibilities to assist claimants during the pandemic. Due to social distancing rules, DFEC provided extensions, in 30-day increments, to claimants having difficulty obtaining medical evidence. DFEC also allowed certain second opinion medical appointments to be deferred until a later date. Since these flexibilities could result in adjudication delays for non-COVID claims, DFEC ended these temporary flexibilities on June 16, 2020. Moving

³ As of June 16, 2020, DFEC's list of high-risk employment included 13 positions at the Department of Homeland Security, 14 positions at the Department of Justice, and 24 positions at the Department of Veterans Affairs. These 3 agencies accounted for 2,222 claims, or 78 percent of the 2,866 COVID-19 claims received.

⁴ Additional medical evidence is required to determine disability/impairment or if an employing agency challenges the claim.

forward, DFEC will only grant extensions and deferrals on an exception basis if supported by the circumstances of the case.

INITIAL IMPACT ON PROCESSING CLAIMS

Processing delays caused by potential backlogs could occur because the Social Security Administration (SSA) was not processing requests for Federal Employees Retirement System (FERS) Offset Calculations, which are required⁵ for certain death and retirement age claimants. According to DFEC officials, SSA informed them that because this was a paper-based process SSA was not able to respond to these requests until its staff returned to the office. Ultimately, SSA officials agreed to process requests for death claims. SSA notified DFEC it would begin processing FERS Offset Calculation requests on June 22, 2020; however, DFEC had not yet received any responses as of June 25, 2020. Consequently, responses for certain retirement claims have been delayed and a backlog could develop. DFEC officials stated they are documenting these cases with a memo to the file for follow-up with SSA, but were unable to provide the number of cases currently affected.

As of June 16, 2020, the latest performance information available (March and April 2020) indicated the COVID-19 pandemic has not yet impacted DFEC's performance measures. DFEC met all timeliness goals established in its annual operating plan and quality performance indicators showed a 4 percent improvement when compared to the same time period in 2019.⁶

While DFEC has established a contingency plan and taken action to address the incoming COVID-19 claims, it should continue to monitor non-COVID claims for delays and other potential impacts, particularly for its opioid population who may be at risk while resources are re-allocated to focus on the program's response to COVID-19. Additionally, DFEC should closely monitor any delays that occur in requesting FERS Offset Calculations from SSA for potential benefit overpayments to claimants, as well as any impact a backlog could have on its ability to timely process claims.

⁵ 5 U.S. Code § 8116 (d)(2) requires that for federal employees covered by FERS, a retirement age claimant's FECA benefit be reduced by the amount of their Social Security retirement benefit attributable to their federal service.

⁶ These metrics reflect performance by the general Claims Examiner population handling non-COVID claims. Pending COVID claims will factor into performance once adjudications are completed.

CLAIMS PROCESSING DELAYS IN THE BLACK LUNG PROGRAM

DCMWC administers claims filed under the Black Lung Benefits Act, which provides compensation to coal miners who are totally disabled by pneumoconiosis arising out of coal mine employment, and to surviving dependents in the event of their death. According to DCMWC officials, DCMWC has not received any COVID-19 claims to date. COVID-19 would only be covered under the Black Lung Benefits Act as a consequential condition of having pneumoconiosis. Because of this, DCMWC officials stated that they do not expect many, if any, COVID-19 related claims.

INABILITY TO OBTAIN PULMONARY EXAMINATIONS

COVID-19 has caused a significant number of approved physicians to suspend pulmonary examinations until further notice. Because a miner's claim cannot proceed without a complete pulmonary examination, adjudication of these claims will be delayed. DCMWC is using a COVID-19 indicator in its claims management system to track impacted claims and effectively manage workloads. As of June 11, 2020, DCMWC estimated that 2,050 claims may be delayed due to the lack of pulmonary examinations and other evidentiary development.

To help address and mitigate the impact of these delays, DCMWC officials stated they are maintaining frequent communication with physicians and claimants, and they have posted a list of approved physicians, including information on the status of some providers, on the DCMWC Black Lung website.

EXTENDED DEADLINES AND PRIORITIZING CLAIMS

DCMWC has also published answers to frequently asked questions and a Special Notice⁷ on its website to assist claimants. This guidance informs claimants that DCMWC has extended most deadlines for submission of evidence and responses by 60 days and has revised its policy to allow a 90-day supply to refill certain medications instead of a 30-day supply. The guidance further reassures claimants they will not be penalized for rescheduling or postponing medical testing exams.

⁷ "Impact of COVID-19 on Selection of Provider, Authorization of Medical Evaluations and Scheduling of Appointments," effective April 2020

To help combat potential workload issues that could occur when the pandemic subsides, claims examiners are focusing on processing claims with already completed pulmonary examinations. DCMWC was not able to provide data on the actual length of delays claimants can expect to experience because it will depend on how long the pandemic lasts. However, officials stated they are closely monitoring the situation and are still investigating options to help mitigate delays, such as the possibility of telehealth in certain situations.

INITIAL IMPACT ON CLAIMS PROCESSING

Through May 31, 2020, DCMWC officials reported that the pandemic has not yet significantly impacted the program's performance results. However, due to a decrease in the number of new claims being filed, as well as in anticipation of an expected workload increase when clinics resume examinations, DCMWC has proposed relaxing six of its performance targets for 2020.

While the guidance issued by DCMWC addresses delays in medical appointments, DCMWC should consider issuing additional guidance to better inform claimants of how COVID-19 could affect authorizations for rehabilitation services. DCMWC provides pulmonary rehabilitation services for Black Lung claimants. Because the pandemic may have interrupted these services for claimants, additional guidance on flexibilities and how authorization for rehabilitation services will be handled could ensure miners do not lose access to treatment.

POTENTIAL CLAIMS PROCESSING DELAYS IN THE ENERGY PROGRAM

DEEOIC administers claims filed under the Energy Employees Occupational Illness Compensation Program Act. The Act provides compensation and medical benefits to current or former DOE employees and contractors who contracted certain illnesses as a result of occupational exposure during the production of nuclear weapons.

According to DEEOIC officials, DEEOIC has not received any COVID-19 claims to date. COVID-19 would only be covered under the Energy Employees Occupational Illness Compensation Program Act as a consequential condition. Because of this, DEEOIC officials stated that they do not expect many, if any, COVID-19 related claims. However, COVID-19 has still had an impact on DEEOIC claims processing.

SOCIAL DISTANCING IMPACT ON CLAIMS PROCESSING

As a result of COVID-19 and social distancing mandates, some DOE facilities have completely closed or are operating with minimal staff. This has impacted the Energy Program because it relies on employment information from these facilities to adjudicate claims and the records research required is not always considered essential by DOE. DEEOIC is monitoring the situation and maintaining frequent communication with DOE through scheduled conference calls, ad-hoc telephone calls, and emails. As of May 19, 2020, 59 claims were experiencing delays caused by difficulty obtaining records from DOE.

DEEOIC has also been impacted by COVID-19 because some physicians are unable or unwilling to conduct medical evaluations and complete medical reports. DEEOIC needs this information to issue a decision on a claim or to award monetary compensation, and is being flexible regarding the timeframes for medical evidence on a case-by-case basis. As of May 19, 2020, 123 claims were experiencing delays caused by difficulty in obtaining medical documentation from physicians or other COVID-19 related issues.⁸

According to DEEOIC officials, as of May 29, 2020, these delays had not yet impacted DEEOIC's performance measures for timeliness. However, DEEOIC officials stated they are tracking any delays that occur and will be able to identify any cases where adjudication was delayed as a result of COVID-19.

ASSISTANCE TO CLAIMANTS

To assist claimants during the pandemic, DEEOIC has published answers to frequently asked questions on its website and issued two policy bulletins. These bulletins allow for the temporary use of telemedicine for nonemergency, routine medical appointments,⁹ and for evaluations related to initial requests for, or requests for increased levels of, home/residential health care and durable medical equipment requests.¹⁰ The bulletins expire September 30, 2020.

⁸ Other COVID-19 related issues cover a variety of reasons, such as waiting for information from the Federal Records Center, which is closed as of June 12, 2020.

⁹ EEOICPA Bulletin No. 20-04, "Telemedicine for Routine Physician Appointments," issued April 30, 2020

¹⁰ EEOICPA Bulletin No. 20-03, "Telemedicine for Home and Residential Health Care and Durable Medical Equipment," issued April 7, 2020

DEEOIC has also temporarily transitioned its 11 Resource Centers to telephone contact only. Claimants are still able to submit documents by uploading them using DEEOIC's Energy Document Portal. Additionally, Resource Centers have dedicated one day a week to allow claimants to drop off documents at the physical location. DEEOIC is monitoring the situation and plans to re-open the Resource Centers as soon as possible.

NO SIGNIFICANT IMPACT IN THE LONGSHORE PROGRAM

DLHWC ensures workers' compensation benefits are provided promptly and properly under the Longshore and Harbor Workers' Compensation Act, Defense Base Act, Non-Appropriated Fund Instrumentalities Act, and Outer Continental Shelf Lands Act. DLHWC generally does not issue payments directly to injured workers. Benefits are paid by insurance carriers or employers authorized by DLHWC to be self-insured. DLHWC provides technical assistance, attempts to informally resolve disagreements between parties (including controversions and disputes),¹¹ and oversees benefit delivery.

As of June 8, 2020, DLHWC had received 316 COVID-19 claims, which represents less than 2 percent of the 20,946 new claims received by DLHWC in FY 2020. New claims filed during the months of March and April 2020 fell by 5 percent compared to the same period in 2019, from 4,689 to 4,458 claims.

DLHWC officials stated that they have not seen an increase in the number of controversions and disputes. Although the average controversy rate in the Longshore Program is 50 percent, thus far fewer than 20 percent of COVID-19 claims have been controverted by employers or insurers.

As of June 18, 2020, the latest performance information available showed DLHWC met 8 of 9 performance goals during the months of March and April 2020 cumulatively, which is on par with its performance from the same time period in 2019. However, it only met 6 of 9 goals in April 2020, with 3 goals related to employers' and insurance carriers' timely filing of reports and timely compensation payments down 6 to 8 percent compared to the previous month. This indicates the pandemic could be affecting employers' and insurance carriers' ability to timely file reports and make payments. Moving forward, DLHWC should closely monitor these measures to ensure this does not become a more significant issue.

¹¹ Controversions occur when an employer or insurer believes they are not responsible for the injury under the statute. Disputes are different in that the claim has been accepted but there may be issues with other aspects of the claim, such as the amount of benefit payment.

CONCLUSION

The COVID-19 pandemic has caused most OWCP programs to experience or expect claim processing delays and resource management issues. In response, DFEC, DCMWC, and DEEOIC are taking action to address their challenges.

DFEC developed a contingency plan, issued new procedures for handling COVID-19 claims, and created a COVID-19 Task Force. DCMWC is publishing guidance on its website and extending deadlines to address claim delays caused by physicians temporarily suspending required pulmonary examinations for coal miners. Similarly, DEEOIC is extending deadlines and monitoring a small number of claims delayed due to certain Department of Energy facilities and physicians closing or limiting their operations. DLHWC is not expecting significant impact from the COVID-19 pandemic, but recent performance data shows that the pandemic could be affecting employers' and insurance carriers' ability to timely file reports and make payments. To ensure the actions taken by these four OWCP departments are effective, the OIG makes recommendations related to monitoring, guidance, and performance measurement.

OIG'S RECOMMENDATIONS

The OIG recommends that the Director, Office of Workers' Compensation Programs, require the following:

1. DFEC should continue to monitor non-COVID claims for delays and other potential impacts, particularly for its opioid population who may be at risk while resources are re-allocated to focus on the program's response to COVID-19.
2. DFEC should closely monitor any delays that occur in requesting FERS Offset Calculations from SSA for potential benefit overpayments to claimants as well as any impact a backlog could have on its ability to timely process claims.
3. DCMWC should issue written guidance to clarify how authorization for rehabilitation services will be handled during the pandemic.
4. DEEOIC should continue to monitor delays and performance data for potential impact from the pandemic and, if needed, take appropriate action to mitigate that impact.

5. DLHWC should continue to monitor disputes and controversions arising from COVID-19 claims and assess performance data for potential impact from the pandemic and, if needed, take appropriate action to mitigate that impact.

SUMMARY OF OWCP'S RESPONSE

OWCP agreed with each of our recommendations and said it would continue to monitor delays and other impacts of the COVID-19 pandemic in its four compensation programs. It also stated DCMWC will update the Frequently Asked Questions on its website and reach out to miners who were receiving rehabilitation services prior to the pandemic to ensure they are informed about continued pulmonary rehabilitation care. DCMWC also issued a Bulletin¹² on June 4, 2020, in which it reinforced that physicians can continue to refer miners for rehabilitation services.

OWCP's written response to our draft report is included in its entirety in Appendix B.

We appreciate the cooperation and courtesies OWCP extended us during this audit. OIG personnel who made major contributions to this report are listed in Appendix C.



Elliot P. Lewis
Assistant Inspector General for Audit

¹² Black Lung Benefits Act Bulletin No. 20-02, "Telemedicine for Routine Medical Services," issued June 4, 2020

APPENDIX A: SCOPE, METHODOLOGY, & CRITERIA

SCOPE

This audit covered OWCP's actions to address the risks and challenges presented by the COVID-19 pandemic.

METHODOLOGY

To achieve our objectives, we conducted interviews with management officials from the FECA, Energy, Black Lung, and Longshore programs, and reviewed guidance issued in response to COVID-19 and other related documentation. We also reviewed prior audit reports, news articles related to possible COVID-19 impacts on OWCP, and recent legislation passed to address COVID-19.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

INTERNAL CONTROLS

In planning and performing our audit, we considered OWCP's internal controls relevant to our audit objective by obtaining an understanding of those controls and assessing control risks for the purpose of achieving our objective. The objective of our audit was not to provide assurance of the internal control; therefore, we did not express an opinion on OWCP's internal controls. Our consideration of internal controls related to OWCP's response to the COVID-19 pandemic would not necessarily disclose all matters that might be significant deficiencies. Because of the inherent limitations on internal controls, or misstatements, noncompliance may occur and not be detected.

CRITERIA

- 5 U.S. Code § 8116 – Limitations on Right to Receive Compensation
- 20 CFR Part 10 – Claims for Compensation under the Federal Employees' Compensation Act, As Amended
- 20 CFR Part 30 – Claims for Compensation under the Energy Employees Occupational Illness Compensation Program, As Amended

- 20 CFR Part 702 – Administration and Procedure (Longshoremen’s and Harbor Workers’ Compensation Act and Related Statutes)
- 20 CFR Part 725 – Claims for Benefits Under Part C of Title IV of the Federal Mine Safety and Health Act, As Amended
- Black Lung Benefits Act
- Coronavirus Aid, Relief, and Economic Security (CARES) Act
- Coronavirus Preparedness and Response Supplemental Appropriations Act
- DCMWC Procedure Manual Part 2 – Claims
- DCMWC Special Notice: “Impact of COVID-19 on Selection of Provider, Authorization of Medical Evaluations and Scheduling of Appointments,” April 2020
- DFEC Procedure Manual
- EEOICPA Bulletin No. 20-03, “Telemedicine for Home and Residential Health Care and Durable Medical Equipment,” issued April 7, 2020
- EEOICPA Bulletin No. 20-04, “Telemedicine for Routine Physician Appointments,” issued April 30, 2020
- Energy Employees Occupational Illness Compensation Program Act of 2000
- Families First Coronavirus Response Act
- FECA Bulletin No. 20-05, “Federal Employees Contracting COVID-19 in Performance of Duty,” issued March 30, 2020
- Federal EEOICPA Procedure Manual, Version 3.1, May 16, 2019
- Federal Employees’ Compensation Act (FECA)
- GAO-14-704G, “Standards for Internal Control in the Federal Government,” September 2014
- Longshore and Harbor Workers' Compensation Act
- Paycheck Protection Program and Health Care Enhancement Act

APPENDIX B: AGENCY'S RESPONSE TO THE REPORT

U.S. Department of Labor

Office of Workers' Compensation Programs
Washington, DC 20210



MEMORANDUM FOR: ELLIOT P. LEWIS
Assistant Inspector General for Audit

FROM: JULIA K. HEARTHWAY
Director, Office of Workers' Compensation Programs

SUBJECT: Office of Worker's Compensation Programs' Response to the
Office of the Inspector General's Audit of COVID-19 Claims
Processing in OWCP, Draft Report No. 19-20-004-04-001

The Office of Workers' Compensation Programs (OWCP) has received the Office of Inspector General (OIG) Draft Report No. 19-20-004-04-001, "COVID-19: OWCP SHOULD CONTINUE TO CLOSELY MONITOR IMPACT ON CLAIMS PROCESSING" for review and response addressing the recommendations.

This Draft Report makes a total of five new recommendations, which are outlined below along with our responses:

1. **Recommendation:** DFEC should continue to monitor non-COVID claims for delays and other potential impacts, particularly for its opioid population who may be at risk while resources are re-allocated to focus on the program's response to COVID-19.

Management Response: OWCP agrees with this recommendation and will continue the appropriate monitoring.

2. **Recommendation:** DFEC should closely monitor any delays that occur in requesting FERS Offset Calculations from SSA for potential benefit overpayments to claimants as well as any impact a backlog could have on its ability to timely process claims.

Management Response: OWCP agrees with this recommendation and will continue the appropriate monitoring.

3. **Recommendation:** DCMWC should issue written guidance to clarify how authorization for rehabilitation services will be handled during the pandemic.

Management Response:

OWCP agrees with this recommendation and has already taken steps to give miners and health care professionals information on pulmonary rehabilitation services. On June 4, 2020, DCMWC issued BLBA Bulletin 20-02, Telemedicine for Routine Medical Services. <https://www.dol.gov/owcp/dcmwc/blba/indexes/BL20-02OCR.pdf>. The bulletin reinforced that physicians can continue to refer miners for pulmonary rehabilitation services. These services can be conducted at the miner's home or another place near the miner's location by a physician-directed registered nurse, physician assistant, advanced practice nurse practitioner, or respiratory therapist. Going forward, DCMWC will update the COVID-19 FAQs on its website and reach out to miners who were receiving pulmonary rehabilitation services prior to the COVID-19 outbreak to be sure they are informed about continued pulmonary rehabilitation care. DCMWC will also contact rehabilitation providers and provide them with a copy of the bulletin.

4. **Recommendation:** DEEOIC should continue to monitor delays and performance data for potential impact from the pandemic and, if needed, take appropriate action to mitigate that impact.

Management Response: OWCP agrees with this recommendation and will continue the appropriate monitoring.

5. **Recommendation:** DLHWC should continue to monitor disputes and controversies arising from COVID-19 claims and assess performance data for potential impact from the pandemic and, if needed, take appropriate action to mitigate that impact.

Management Response: OWCP agrees with this recommendation and will continue the appropriate monitoring.

APPENDIX C: ACKNOWLEDGEMENTS

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