



*Knowledge. Solutions. Service.*

## **How Trends in Our Society Touch the Future of Federal Employees' Compensation**

**Going for the Gold and Achieving Success Together**

Present ed By:

Ralph Slighter, Deputy Division Chief, ICUC Division, CPMS



[www.cpms.osd.mil](http://www.cpms.osd.mil)

# Background (to the future)

## Famous books about the future

- *The Prophecies* – Michel de Nostradamus, 1555
- *Brave New World* – Aldous Huxley, 1932
- *1984* – George Orwell, 1949
- *Megatrends* – John Naisbitt, 1982



Knowledge. Solutions. Service.



[www.cpms.osd.mil](http://www.cpms.osd.mil)

## Background (continued)

What do these books all have in common? Not all their predictions turned out to be true.

- Nostradamus
- Aldous Huxley - population size
- George Orwell - set after global atomic war
- John Naisbitt - rewards for long-term time frames



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

## Background (continued)

With that understanding - and with no guarantees - we're going to look at some current trends in society, and see how they may affect workers' compensation in general, and specifically FECA

### Disclaimers

1. Assumes no changes in FECA
2. Not representing any DoD policy or law
3. Assumes current trends will not change



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

# 1. Changing population demographics

## A. Aging America

1. Median age in 1900 (Census data) – 22.9
2. Median age in 1950 (Census data) – 29.8
3. Median age in 2000 (Census data) – 35.3
4. 12.4% of Americans in 2000 are 65 years or older.



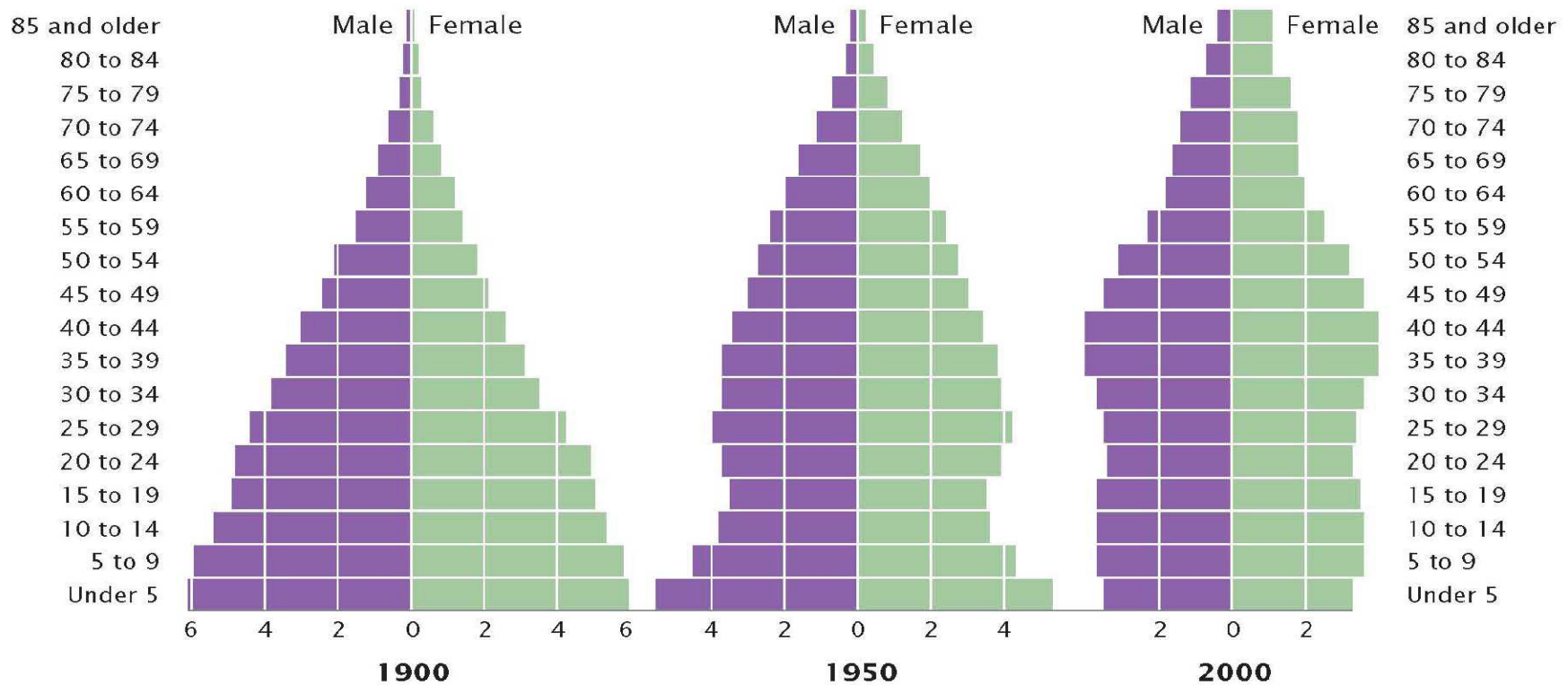
*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

# 1. Changing population demographics

**Percent Distribution of Population by Age and Sex, 1900, 1950, and 2000**



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

# 1. Changing population demographics

## B. Americans moving to Sun Belt

In 2000, the center of U.S. population was 37° 69' N

Further south than Richmond, VA

Further south than Sacramento, CA



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

# 1. Changing population demographics

## C. Aging Federal workforce

1. Average age in 1985: 41.8 years
2. Average age in 2006: 46.9 years
3. Average age of DoD injury in 1995 – 44.0 years
4. Average age of DoD injury in 2009 – 47.2 years



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)



# 1. Changing population demographics

## D. More single Americans

1. Population over age 15 married in 2000 – 54.4% (balance are never married, separated, divorced or widowed)
2. Population over age 14 married in 1950 – 66.7% (balance are never married, separated, divorced or widowed)
3. Age of marriage is also getting older



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

# 1. Changing population demographics

What does this mean for injury compensation?

1. Increased percentage of medical costs for treating older population
  - a) 1980 - FECA medical costs were 14% (\$103.7 mill out of \$741 mill)
  - b) 2009 - FECA medical costs were 31.3% (\$836.4 mill out of \$2.669 bill)
2. Recovery times are longer
  - a) Healing takes longer, for example, for patients with osteoporosis
  - b) The average age for a first attack is 66 for men and 70 for women
    - 1) The risk of a heart attack climbs for men after age 45 and for women after age 55
3. More people who are injured will be eligible for retirement
  - a) Issues related to FECA and FERS



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

# 1. Changing population demographics

What does this mean for injury compensation? (continued)

4. More FECA claimants getting compensation at 2/3 rate vs. 3/4 rate
  - a) In CB Year 1995, average rate of compensation for DoD periodic roll cases was 73.1%
  - b) In CB Year 2010 (March of 2010), average rate of compensation for DoD periodic roll cases was 72.4%



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

# 1. Changing population demographics

What do I need to do?

1. Look at medical costs on chargeback report more closely
  - a) Drug costs
  - b) Medical costs billed for unrelated medical conditions
2. Address light duty placement issues for older employees
3. Especially with FERS employees, check on Social Security entitlement



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

## 2. Increase in Telework

Telework as a Federal government policy only began in the early 1990's (although pilots began before then) with GSA opening Telework Centers and OPM issuing guidance (FPM 368-1) at that time

By October of 1998, there were 25,000 teleworkers (1% of gov't)

By 2008, there were 102,900 teleworkers, 64% of whom teleworked one or more days per week (5.2% of gov't)



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

## 2. Increase in Telework

Private sector telework is also growing, although lagging behind the Federal government – according to [www.tellemmutect.com](http://www.tellemmutect.com), private sector telecommuting lags about 3% behind the public sector (includes state and Federal government)

Information Technology (IT) professionals in both the private and public sectors cited security as their top concern about telecommuting; with 42% of Federal IT professionals and 27% of private-sector IT professionals cited security as their most pressing challenge



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

## 2. Increase in Telework

What does this mean for injury compensation?

1. Greater need to file forms electronically
2. Potentially fewer FECA claims
  - a) Precedent - see case of Julietta Reynolds, 97 ECAB 695
  - b) FECA guidance - FECA Bulletin 98-9
  - c) Additional cases - includes Tates, 03 ECAB 892
3. IT security issues



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

## 2. Increase in Telework

What do I need to do?

1. Set up system for electronic filing of claims (or mandate use as appropriate)
2. Address security issues
  - a) Only government-issued laptops
  - b) Implement use of “smart ID” whenever possible
  - c) Assess use of portable storage devices - zip/flash drives, CDs, *etc.* - and take appropriate action
  - d) Address storage & carrying of FECA files to & from home



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)



### 3. Changes in white-collar Federal workforce

In 1988, 82% of the Federal workforce (excluding USPS) was classified as white collar. By 2006, that percentage was 89%.

According to the 2000 Census, 75.3% of U.S. work force was classified as white collar

In 1985, 30% of the Federal workforce (excluding USPS) had a 4-year college degree. By 2006, that percentage was 43%.

In the private sector, in 1950, only 6.2% of working Americans 25 years or older had a 4-year college degree. By 2000, 30% had a 4-year college degree.



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

### 3. Changes in white-collar Federal workforce

In 1998, the largest group of Federal government white-collar employees had 10-14 years of service (19.7%), and the largest group of blue-collar employees had 15-19 years of service (21.1%)

In 2009, the largest group of Federal government white-collar employees had 5-9 years of service (18.4%). The largest group of blue-collar employees also had 5-9 years of service (20.4%)



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

### 3. Changes in white-collar Federal workforce

In DoD, there are two parts to this; injuries and costs

In 2009, 55% of FECA costs for DoD were to blue-collar workers (\$215.2 mill. out of \$391.2 mill. for identified occupations). By contrast, in 1995, 61.3% of FECA costs for DoD were to blue-collar workers (\$157.5.2 mill. out of \$256.8 mill. for identified occupations)

For injuries, in FY 95, 24,248 out of 39,908 injuries to identifiable occupations were to blue-collar employees, or 61%. In FY 09, 10,896 out of 21,351 injuries to identifiable occupations were to blue-collar employees, or 51%.



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

## 3. Changes in white-collar Federal workforce

What does this mean for injury compensation?

1. Fewer injuries
2. Different kinds of injuries
  - a) Occupational diseases - different mix
  - b) Different types of traumatic injuries
3. More mobility among employees in work force
4. Work force that is better able to understand the FECA process



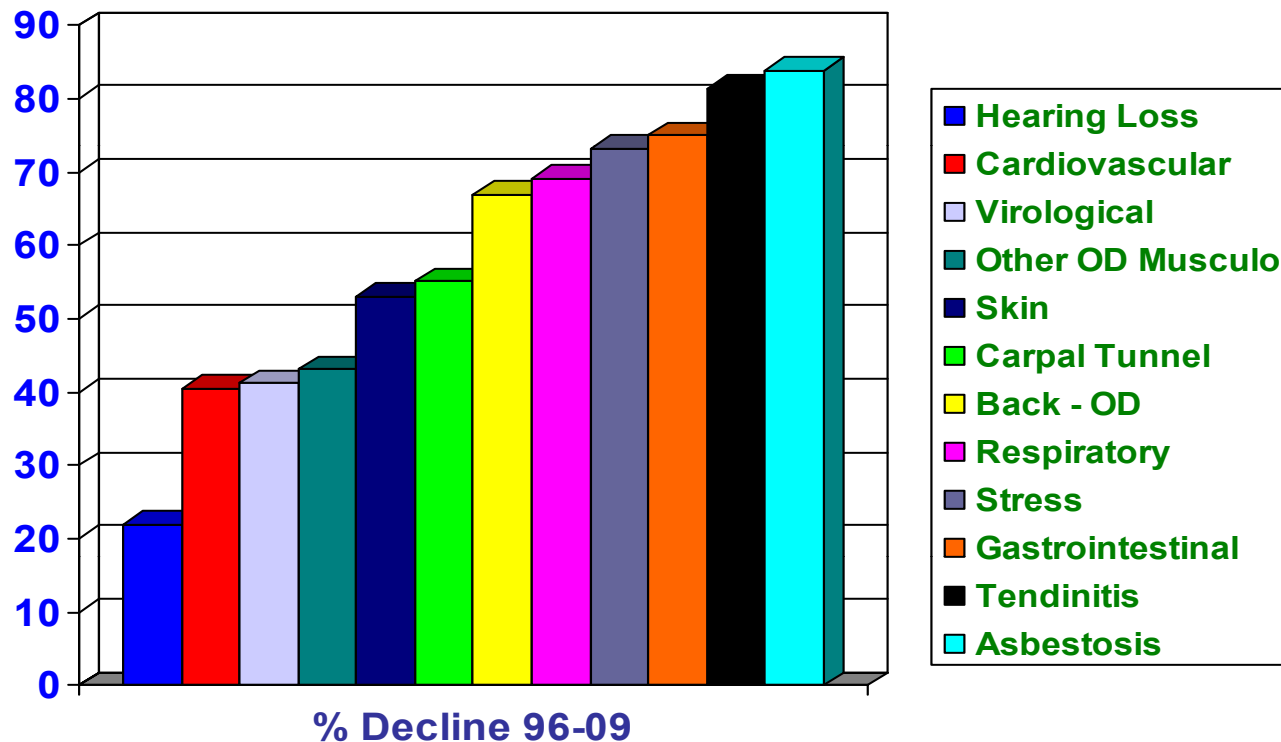
*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

### 3. Changes in white-collar Federal workforce

Trends in DoD - Decreases in Occupational Disease Claims, FY 96 – FY 09



Knowledge. Solutions. Service.



[www.cpms.osd.mil](http://www.cpms.osd.mil)

### 3. Changes in white-collar Federal workforce

What do I need to do?

1. Create white-collar positions for injured blue-collar employees
  - a) Incentive to return to duty
  - b) Disincentive to refuse job
  - c) Increasing potential retirement benefits means that employee is less likely to elect FECA benefits upon retirement
2. Promote openness in process (not records) for filing FECA claims



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

## 4. Increasing use of electronic records

First computers used by OWCP - 1977

First DoD use of electronic FECA records - 1995

First electronic case file storage (OASIS) in OWCP – 2000. At that time, fewer than 10% of medical records were electronic

Electronic submission of forms to OWCP - 2003 (FECA Circular 04-01, issued 11-28-03). 2003 NDAA mandates that DoD & VA work together to establish electronic medical records system. President issues E.O. 13335; goal of electronic records by 2013

OWCP determines that the fully electronic record can now be classified as the official case record - 2010 (OWCP Bulletin 10-01)



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)



**cpms**

*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)



## 4. Increasing use of electronic records

Health Vault - sponsored by Microsoft (<http://www.healthvault.com/>) and the Mayo Clinic (<https://healthmanager.mayoclinic.com/>), for individuals & companies. Other companies include MEDITECH, McKesson Provider Tech, Cerner Corporation, *etc.*

VistA - VA system for storing medical records (interface with DoD not yet running seamlessly)

OWCP - Form CA-20, OWCP-5 (5a, 5b and 5c) may be filled out electronically and submitted electronically



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

## 4. Increasing use of electronic records

What does this mean for injury compensation?

1. Consider role of the agency in receiving medical evidence
  - a) Will the agency get copies of the initial medical evidence? 20 CFR 10.201(b) says that the employee must “Ensure that medical evidence supporting disability resulting from the claimed traumatic injury....is provided to the employer within 10 calendar days”, yet....
  - b) Issues related to HIPAA (passed in 1996)
2. Role of the agency in reviewing medical evidence
  - a) If physicians at the agency are to review electronic medical evidence, they should have some means of reading electronic records
  - b) If they are to give an opinion to OWCP, can they transmit same electronically?



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

## 4. Increasing use of electronic records

What does this mean for injury compensation? (continued)

3. Does your agency need to procure scanning technology (if you haven't already done so)?
4. Consider the ramifications of access to medical reports, which can have information that should not be seen by everyone at the agency
  - a) e.g. FECA Circular 09-05 says "The Office of Workers' Compensation Programs (OWCP) has determined that records covered by DOL/GOVT-1 may not be used in connection with a personnel action absent consent of the subject of the record."
  - b) Are your systems sufficiently secure? Computer hackers would love to get their hands on this type of medical information.
5. Think about storage space versus server space issues



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

## 5. Changes in computer use

First electronic computers - developed 1940-1945

First computer network - 1970's

First PC (Commodore) - 1977

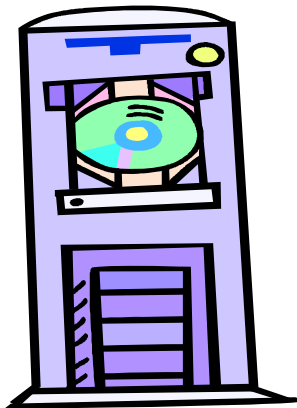
First laptop computers - mid-1980s

First flat panel screens - mid-1990s (outsold CRTs in 2003)

First Blackberry - 1999

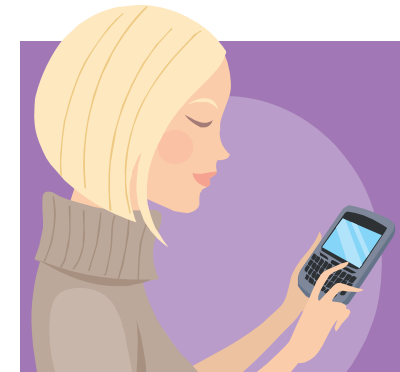
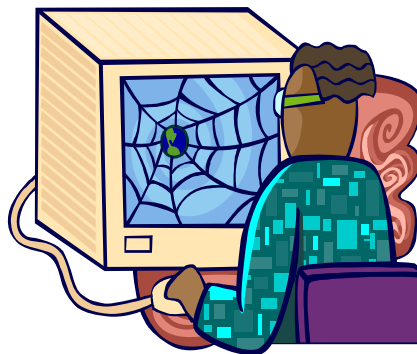
First iPhone - 2007

iPAD - 2010



**CPMS**

*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

## 5. Changes in computer use

Trend is from larger to smaller

In 2007, sales of laptops topped sales of desktops for the first time

At the end of 2009, 1.3% of all browsing was mobile browsing

Trend is toward models that use less energy

A typical laptop uses 20-90 W, compared to 100-800 W for desktops

Social networking issues

Facebook, LinkedIn, Twitter, blogs, *etc.*



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

## 5. Changes in computer use

What does this mean for injury compensation?

1. Implement the ability to access electronic files separate from a network
  - a) Consider security implications
  - b) Consider the inability to view certain files (.pdf) from a mobile browser
2. Consider application for mobile browsing of your Web page (“View: Mobile | Desktop”)
3. Consider the “look” of your Web pages



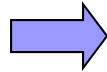
**CPMS**

*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

## 6. Changes in medical treatment



Louis Pasteur  
National Library of Medicine



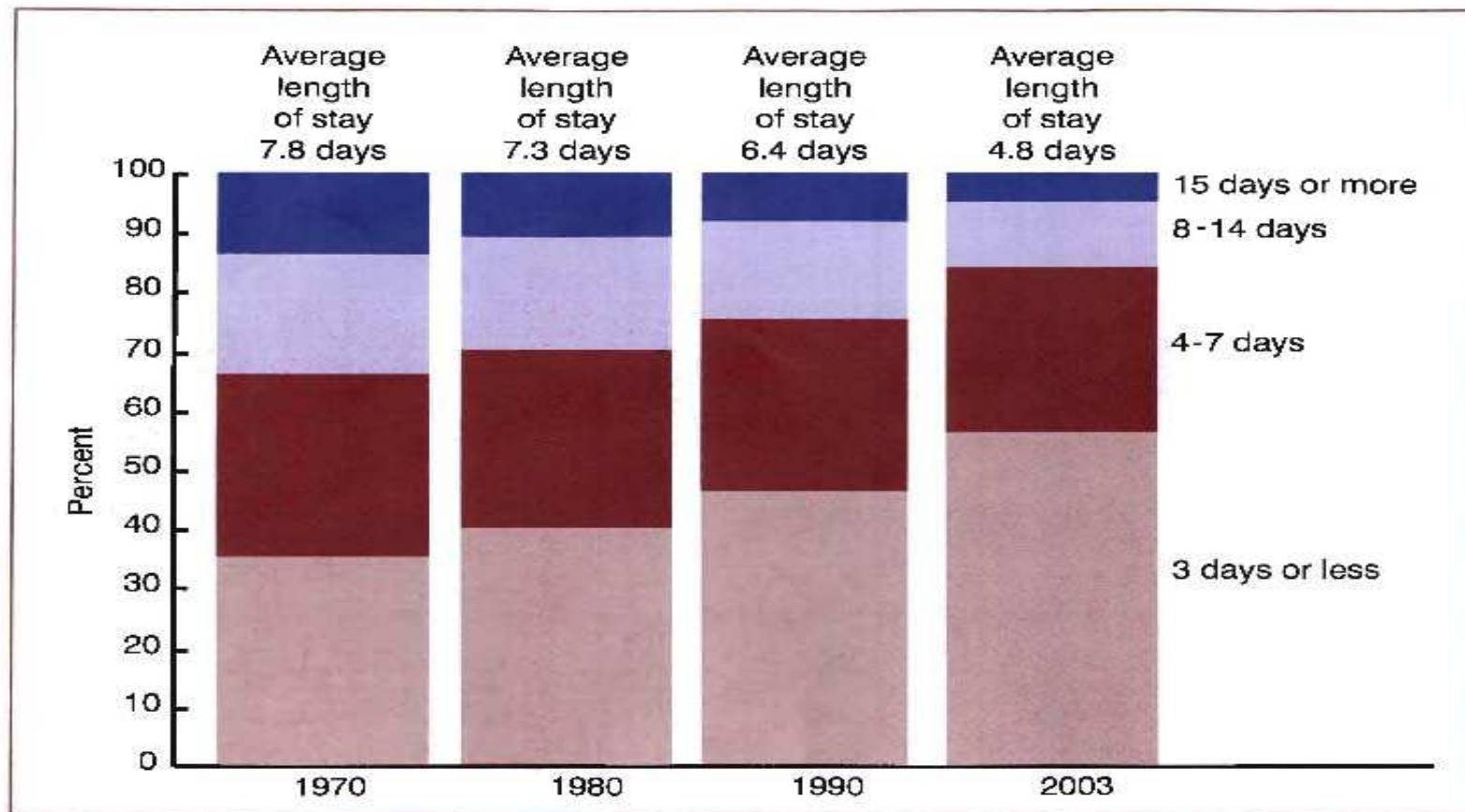
**CPMS**

*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

## 6. Changes in medical treatment



Knowledge. Solutions. Service.

Source: National Center for Health Statistics, July 8, 2005



[www.cpms.osd.mil](http://www.cpms.osd.mil)



## 6. Changes in medical treatment

Other trends include:

1. Use of non-physician services
  - a) physicians assistants and nurse practitioners
  - b) physical therapists
2. Fee schedules and other billing practices
3. Preferred Provider Organizations
4. “Urgent Care” facilities
5. Increasing use of specialists
6. More specialized (and expensive) drugs



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

## 6. Changes in medical treatment

What does this mean for injury compensation?

1. Recovery times for white-collar positions should be shorter, with shorter hospitalizations
2. Initial medical diagnosis costs will be higher
  - a) 1974 - X-ray
  - b) 2010 - MRI, CAT scan, *etc.*
3. Drug costs will be higher
4. Employees will not immediately be referred to specialists



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

## 6. Changes in medical treatment

What do I need to do?

1. Review bill history in individual cases
  - a) Off-line prescription of drugs
  - b) Durable goods & services - hearing aids, oxygen, *etc.*
2. Contact employees earlier in the recovery process
3. Review the medical reports that you receive from non-physicians for a counter-signature by a physician



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

# Other trends potentially involving workers' compensation issues

1. Mistrust of government
2. Researching your own disability
3. Aging parental care



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

# Final thoughts

“Eternal vigilance is the price of liberty.” - Thomas Jefferson



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

# Final thoughts

“Eternal vigilance is the price of liberty.” - Thomas Jefferson



“There ain’t no such thing as a free lunch”- attributed to Robert Heinlein



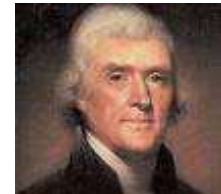
*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

# Final thoughts

“Eternal vigilance is the price of liberty.” - Thomas Jefferson



“There ain’t no such thing as a free lunch”- attributed to Robert Heinlein

“Forget the trivia - focus on the big picture. You won’t get on Jeopardy that way, but you won’t be in jeopardy, either.” - Red Green



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)

# Resources

[http://www.cpms.osd.mil/icuc/icuc\\_about.aspx](http://www.cpms.osd.mil/icuc/icuc_about.aspx) - ICUC Division Web site; DoD Injury Compensation information

<http://www.cdc.gov/nchs/> - National Center for Health Statistics

<http://www.fedscope.opm.gov/employment.asp> - OPM Web site with employment statistics

<http://www.census.gov/> - U.S. Census Bureau (soon to include 2010 Census data)



*Knowledge. Solutions. Service.*



[www.cpms.osd.mil](http://www.cpms.osd.mil)