

U.S. Department of Labor

Assistant Secretary for
Employment Standards
Washington, D.C. 20210



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MEMORANDUM FOR ELLIOT P. LEWIS

Assistant Inspector General
For Audit

D.M. Lipnic For

FROM: VICTORIA A. LIPNIC

SUBJECT: **ESA Response to the Draft Report
An Evaluation of FECA Customer Service
Report No. 02-04-203-03-431**

Thank you for the opportunity to comment on the subject report. OWCP has a number of concerns about the audit. The response includes general comments on the Draft Report, methodology, and recommendations, as well as specific comments on each recommendation.

**OWCP's Response to Objective I Results: OWCP's New York District Office
Response to Complaints**

Management Response:

1. The definition of a complaint as stated in Appendix III, Sampling Results, included claimants not receiving compensation and requests for justification of surgery denials that may bias the results. There are a number of reasons a claimant might not receive compensation including denial of their claim or reduction in their entitlement. A surgery could be denied because it is not related to the accepted condition. Including these in the definition of a complaint, instead of separating them out, ensures that nearly all denied claims and surgeries that often generate a complaint on that basis alone are inappropriately counted by the OIG as a customer service deficiency in the Draft Report.

It should also be noted that customers may prematurely send communications regarding non-delivery of services before a reasonable time for processing claims has passed because their expectation of service delivery is uninformed of the time consuming process associated with some services. For example, surgical services can be complex and require substantial time to resolve.

2. The telephone complaint percentage is significantly overstated. The Draft Report states that "Telephone calls are received at each district office central telephone bank where an initial attempt is made to handle the call. If the call cannot be fully answered or resolved at that point, the Auto 110 System refers it electronically to

1130

the claims examiner responsible for the claim.” The Draft Report also states that 68,000 calls were answered by the New York District Office during the period of the review. However, only the calls referred to the claims examiners were included in the OIG calculation of complaints which was only about 30% of the total call volume. Calls referred to the claims examiners are more likely to be complaints than those handled by the telephone bank. As recognized in the Draft Report, calls referred to the claims examiner are more complicated in that they cannot be resolved by the telephone bank. One of the reasons a call may be forwarded to the claims examiners is because the caller did not agree with the response received and the call forwarded is intended to address a contentious issue that may not resolve as the caller would like. By including only calls referred to the claims examiners, the results are biased toward complaints.

3. As for e-mail correspondence, the Draft Report implies that DFEC has a nation-wide e-mail correspondence system for interaction with employing agencies. However, this is not the case. DFEC has no nation-wide correspondence system. New York experimented briefly with this form of communication with employing agencies, but found it unwieldy in the context of its established workload and discontinued the experiment. The e-mail component should not be addressed.
4. OWCP objects to the inclusion of Footnotes 3 and 5. The footnotes cite a statistically invalid sampling method for documents scanned into OASIS and state that the results cannot be projected, and then go on to project results.
5. In Appendix II, Scope and Methodology, the OIG states that “OWCP does not maintain a receipt log of documents received and scanned. This is not correct. The FECA central mail center receives about 410,000 pieces of mail per month and 765,000 pieces of paper. Each day’s receipts are counted and batched. The batch information is entered into an automated tracking system (batch id, date received, number of documents among other information) and tracked throughout each step in the process (opening mail, document preparation, scanning, indexing, quality control and transmission to the OWCP OASIS system). At each step in the processes the batch id is scanned in the system and then automatic counts are performed on the number of documents processed in that step. The counts are compared against the recorded batch totals and any discrepancies are immediately flagged. If, at any time, a document is removed from a batch a record of the number of removals and the reason for the removal is captured. Final comparisons are performed to verify the numbers of documents transmitted to OASIS and the number received and loaded into the OASIS system. Quality Control reviews are performed at each step to ensure both the correct number of documents and to ensure the quality of the images and the accuracy of the indexing. The document handling process employed is arguably more accurate than the manual receipt log the OIG states is missing from our process, especially in view of the volume of documents the programs receives.

OWCP's Response to Objective II Results: OWCP's Nationwide Telephone Survey of Customer Satisfaction

Management Response:

The Background section cites the percentage results of the customer service survey conducted by OWCP for 2000, but not the higher percentage results for the more recent surveys even though the newer surveys were also referenced in the Background section. The surveys begun in FY 2001 are the relevant surveys.

Further, it is not clear that the OIG recognized the purpose of the FECA customer service surveys. The Draft Report states that "The OWCP telephone survey" is a source for "... evaluating the manner and responsiveness of claims examiners, but has several limitations in gauging customer satisfaction." However, FECA's stated purposes for conducting customer service satisfaction surveys are to establish baselines for certain communications service areas, form the basis for setting performance goals and identifying strategies for the service areas, and gauge the impact of our efforts on performance. While the OIG believes that the surveys should be broader, OWCP disagrees – at least in the short-run. With the current surveys, FECA is working to address customer communication service deficiencies that have been identified through past surveys and complaints. Once this focused effort has achieved success the program will turn its resources and energy to other customer service issues and most likely use surveys with more general questions such as those recommended by the OIG to identify issues and gauge the impact of communications improvement on overall program satisfaction. However, it is premature to begin that next step or even set a timeline.

FECA has historically been criticized for communications with customers. In response to those criticisms, FECA began an initiative in FY 2001, Communications Redesign, to improve customer communication services. FECA's customer satisfaction goals of that time (cited in Appendix I, Background, of the Draft Report for the strategic plan for 1999 through 2004) were dropped from ESA's FY 2002 Revised Final Annual Performance Plan and replaced with a focus on improvement of customer service *performance*, particularly communications performance. At the same time, the initiative was reoriented in the Strategic Plan to a position of major strategy as part of the department-wide restructuring of the Strategic Plan document. Subsequently, in response to the PART review recommendations made by OMB in the summer of 2002, OWCP developed a new FECA customer service goal. Because of this series of changes, OWCP recommends that the references in Appendix I to the outdated goals and related reporting be eliminated from the Draft Report.

The new goal resulting from OMB's PART recommendations focuses on communications performance and has been incorporated into the Department of Labor's Strategic Plan for FY 2003 through FY 2008. For FY 2003, the goal was to "establish or complete baselines for five key FECA customer service areas." Depending on the indicator and availability of data, the FY 2003 baselines used actual performance results as reported by FECA's communication system or the results of the claimant call-back

survey. The revised goal does not state that FECA will “reach 100 percent satisfaction level in FY 2008 for ...” as stated in the OIG Draft Report. Rather the FY 2008 annual goal is to achieve performance targets in 100 percent of the communications performance indicators.

The call back survey process begun in 2001 as part of the communications redesign initiative was designed by professionals in the field of customer satisfaction surveys to provide a tool to measure customer satisfaction in specific areas of customer communications service. This design corrected problems with previous survey instruments, some of which were highlighted by the OIG in a 1999 report. To focus on more specific issues and to assess the effect of program changes to address those issues, the contractors recommended that questions about targeted service issues replace general questions of overall satisfaction with the FECA program. Another change provided by the use of the call back survey is that it closely links the survey to the time the service was provided, thereby enabling FECA to more accurately assess performance issues. The contractor also recommended segmenting customers for survey purposes. However, due to resource constraints, OWCP has not surveyed all sources of communications or all customers. The program began by focusing on telephonic communications with claimants and has since expanded to medical providers and employing agencies.

The surveys conducted in 2001 and 2002 included open-ended questions. However, FECA found that the open-ended responses typically did not get to the service issues. In the 2003 survey, only a few questions were included that asked respondents to clarify or provide an “other” response. Customers’ general opinions or “overall satisfaction with the FECA program” do not translate well into action items for improving FECA’s customer service.

OIG Recommendation:

1. **Expand the customer survey to include claimants and medical providers who correspond in writing.**

Management Response: Limited resources constrain the number of areas FECA can review at one time. Expanding the survey to other communications may be useful for the program, but could fail validate current performance measures by increasing respondent burden and lowering response rates for the survey.

OIG Recommendation:

2. **Establish separate customer surveys and performance goals for employing agencies.**

Management Response: This recommendation addresses program efforts underway. Due to resource constraints, employing agencies were not surveyed in prior years, but are included in the FY 2004 customer service satisfaction survey. The current customer service goal is directed at performance levels for all customers, including claimants, medical providers and employing agencies.

OIG Recommendation:

- 3. Modify the telephone survey by including questions to measure overall satisfaction with the FECA program.**

Management Response: OIG previously audited DFEC customer service surveys and a final report was issued on May 17, 1999 (OIG Number 2E-04-431-0002). The IG indicated in its findings that survey analysis should focus on key questions that reflect the purpose of the research the survey is being used to conduct. This finding was reinforced by the recommendation of the contractors who subsequently developed the callback survey instrument that the general question of overall satisfaction with the program should be dropped and the questions be designed to target program performance goals. The audit finding and recommendation to include broader and more general questions of overall satisfaction are inconsistent with past recommendations and the objectives of the current survey process.

To improve performance on customer communications service, FECA has focused on specific service delivery issues. Questions are asked about the ability to get through, timeliness or response (if a message was taken), and quality of the interaction (courtesy, accuracy, clear language). The call back or telephone survey was designed to focus on specific performance areas measured against established performance goals.

Past survey results using questions about overall satisfaction with the program, have tended to simply divide respondents between those who received the desired outcome and those who did not. Implementing this recommendation would not add value to the performance measurement result or aid in improving customer communication service.

The current focus of the survey process is to aid FECA in correcting known problems with telephonic communications, a basic point of access to the program for all customers which has historically generated complaints. Once progress with telephonic communications is achieved, FECA will review its customer service performance in a broader sense and determine next steps. It is at this point that a more general survey addressing overall satisfaction would be a useful tool. At this time, it is premature to establish a timeline for the next phase.

OIG Recommendation:

- 4. Include follow-up questions to determine the underlying causes of overall dissatisfaction with the telephone call.**

Management Response: The questions already included in the survey enable the program to determine causes of dissatisfaction. The call back or telephone survey was designed to focus on specific aspects of the call, and it was found that open-ended comments did not get at service issues. The length of the survey is a serious consideration and the addition of questions as recommended would add length without furthering the purpose of the survey.