

Agency Response

U.S. Department of Labor

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



SEP 21 2009

Elliot P. Lewis
Assistant Inspector General for Audit
U.S. Department of Labor
Office of Inspector General
Washington, D.C. 20210

Dear Mr. Lewis:

Thank you for the opportunity to comment on report number 04-09-004-04-431, in which your office reviewed the Division of Federal Employees' Compensation's (DFEC) oversight of claims on the periodic roll. The report includes two recommendations for DFEC and I would like to share my comments on your suggestions.

The first recommendation was that DFEC create a specialized workgroup to (a) identify cases in a "PR" status (re-employment or earning capacity not yet determined) that need immediate case management; (b) determine the intervention that may be needed for those identified cases; and (c) execute actions, as needed, to reduce compensation payments and/or remove claimants from this periodic roll category.

Although DFEC has already created periodic roll management units in several district offices, ideas for improving the management of cases in a PR status are always appreciated. Toward that end, we believe that by developing a report that tracks the frequency at which PR cases are reviewed, claims examiners can be alerted and prompted to take the next necessary action. In cases where no action has taken place within a specified period of time, a reminder in the Integrated Federal Employees' Compensation System (iFECS) will be sent to the claims examiner, prompting them to take action. These reminders will also be available through an on-line query tool. It should be noted that the new reminders and this report will greatly enhance the claims examiners' ability to manage these cases in a timely manner.

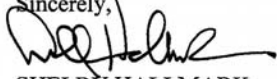
The second recommendation in your report was that DFEC implement a requirement that claims examiners use the iFECS "reminder" feature to alert them when to (a) consider or reconsider referring claimants to a second opinion specialist; (b) follow up on referrals to nurse or vocational rehabilitation services; (c) follow up on pending medical reports; and (d) mail the 10-month letters.

I believe that the new reminders and report described above, which are intended to be accessible to claims examiners and their supervisors, will address the first three items in this recommendation. To address the recommendation pertaining to the 10-month letter, we are developing a specific reminder that will prompt the claims examiner to issue the

letter at the appropriate juncture in the case. I have instructed DFEC management to create these reminders and corresponding reports by March 1, 2010.

Again, I appreciate the opportunity to review and comment on the report.

Sincerely,



SHELBY HALLMARK
Acting Assistant Secretary
Employment Standards Administration