

Department of Labor
Office of Inspector General—Office of Audit

**EMPLOYMENT STANDARDS
ADMINISTRATION**



**AN EVALUATION OF FECA
RESPONSIVENESS AND CUSTOMER
SURVEYS**

Date issued: September 30, 2004
Report Number: 02-04-203-04-431

BRIEFLY...

Highlights of Report Number: 02-04-203-04-431, a report to the Assistant Secretary, Employment Standards Administration. September 30, 2004.

WHY READ THE REPORT

The Federal Employees' Compensation Act (FECA) pays wage replacement, medical treatment, vocational rehabilitation, and other benefits to eligible Federal civilian workers who suffer work-related injuries or occupational diseases, and their dependents. The Employment Standards Administration's (ESA's) Office of Workers' Compensation Programs (OWCP) administers the program. In FY 2003, FECA paid approximately \$2.3 billion in benefits and adjudicated 202,500 cases. Recent Congressional hearings have focused on reforms to reduce costs and risks for fraud, waste and abuse.

WHY OIG DID THE AUDIT

The OIG evaluated customer service provided by OWCP's Division of Federal Employees' Compensation. The objectives were to determine: (1) how OWCP's New York District Office responded to complaints or inquiries filed under the FECA; and (2) if nationwide OWCP surveys were useful in evaluating customer service satisfaction. The evaluation covered FECA customer service provided by OWCP in FY 2003 and surveys performed by OWCP from 1996 to October 2003.

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to:

<http://www.oig.dol.gov/public/reports/oa/2004/02-04-203-04-431.pdf>

SEPTEMBER 2004

DISTRICT OFFICE RESPONDED TO FECA COMPLAINTS EFFICIENTLY, BUT OWCP NATIONWIDE CUSTOMER SATISFACTION SURVEY COULD BE IMPROVED

WHAT OIG FOUND

Our evaluation found that:

OWCP's New York District Office responded to and resolved most of the complaints it received. Despite a heavy workload and time-consuming duties, response time was generally satisfactory. Complaint resolution times varied, depending on the complexity of issues involved.

OWCP's nationwide telephone survey provided limited information on customer satisfaction. OWCP only surveyed claimants who called into the district office, did not survey employing agencies or claimants who wrote in, and failed to ask about underlying causes of overall dissatisfaction with a call.

WHAT OIG RECOMMENDED

We recommended that the Assistant Secretary for Employment Standards:

- Establish separate customer surveys and performance goals for employing agencies.
- Add follow-up questions to OWCP's survey on FECA customer service to determine the underlying causes of dissatisfaction with telephone calls.

Generally, ESA disagreed with the recommendations. ESA's response cited resource constraints, ongoing efforts to address our findings, and concerns about lengthening the customer service survey.

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EXECUTIVE SUMMARY

The U.S. Department of Labor (DOL), Office of Inspector General (OIG), conducted an evaluation of the customer service provided in Fiscal Year (FY) 2003 by the Division of Federal Employees' Compensation, which is administered by the Office of Workers' Compensation Programs (OWCP). The objectives of the evaluation were to answer the following questions for FY 2003:

- I. How did OWCP's New York District Office respond to complaints or inquiries filed under the Federal Employees' Compensation Act (FECA)?
- II. How useful were nationwide OWCP customer surveys in evaluating satisfaction?

We determined that despite time-consuming duties and heavy workload, OWCP's New York District Office responded to and resolved most of the complaints it received. Response time was generally satisfactory, but the time to resolve complaints varied depending on the complexity of issues involved.¹ However, OWCP's telephone surveys provide a limited indication of customer satisfaction.

Recommendations

We recommend that the Assistant Secretary for the Employment Standards Administration (ESA):

- Establish separate customer surveys and performance goals for employing agencies.
- Include follow-up questions to determine the underlying causes of overall dissatisfaction with telephone calls.

The Assistant Secretary for ESA provided comments on the draft report on September 30, 2004. We have modified the report as appropriate in response to ESA's comments.

Generally, ESA disagreed with the recommendations. Also, in consideration of ESA's comments, we have dropped from this final report two recommendations that were discussed in the draft. Portions of ESA's response to the draft report have been incorporated into appropriate sections of the report with our comments. The response is included in its entirety in Appendix V.

¹ The evaluation did not include complaints found in scanned documents. It was not feasible for us to identify, sample, and project these complaints for FY 2003. We sampled telephone calls, e-mails and Congressional inquiries sent to the New York District Office. See Appendix III.



Assistant Inspector General's Report

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Assistant Secretary for
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We have conducted an evaluation of the customer service provided by the Division of Federal Employees' Compensation, which is administered by the Office of Workers' Compensation Programs (OWCP). The objectives of the evaluation were to answer the following questions for FY 2003:

- I. How did OWCP's New York District Office respond to complaints or inquiries filed under the Federal Employees' Compensation Act (FECA)?
- II. How useful were nationwide OWCP customer surveys in evaluating satisfaction?

We conducted our evaluation in accordance with the *Quality Standards for Inspections* published by the President's Council on Integrity and Efficiency. Background, scope and methodology, and sampling results are detailed in Appendices I, II, and III.

Results

Objective I Results: OWCP's New York District Office Responded To and Resolved Most Complaints

Despite time-consuming duties and heavy workload, OWCP's New York District Office responded to and resolved most of the complaints it received. Response time was generally satisfactory, but the time to resolve complaints varied depending on the complexity of issues involved.² While there are no time standards to resolve complaints, OWCP has established the following standards for claim examiner responsiveness:

² The evaluation did not include complaints found in scanned documents. It was not feasible for us to identify, sample, and project these complaints for FY 2003. We sampled telephone calls, e-mails and Congressional inquiries sent to the New York District Office. See Appendix III.

<u>Communication</u>	<u>Days</u>
Telephone	3
E-mail	3
Congressional Letters	14
Scanned Documents	30

OWCP receives various communications from its customers who submit forms, provide correspondence supporting medical and compensation claims, request information, and submit complaints. We estimated there were over 700,000 communications received in FY 2003 at the New York District Office, as detailed below:

- 645,000 documents scanned into OASIS (OWCP Automated System for Imaging Services),
- 68,000 incoming telephone calls,⁴
- 748 letters from congressional representatives, and
- 478 e-mails handled by the communications specialist.

**HEAVY
COMMUNICATIONS
WORKLOAD**

Given the volume of information, each claims examiner manages a significant daily workload, handling approximately 69 communications varying greatly in complexity, from changing an address to processing documentation for surgical requests. Further, claims examiners must respond to customers either in writing or by telephone, explaining FECA processing procedures, adjudicating claims, procuring relevant medical documentation, and handling issues of claimant income and medical status.

COMPLAINTS

We estimated that 10,954 or 51 percent of telephone calls, congressional letters, and e-mails handled by claims examiners in the New York District Office were complaints.⁵ With the exception of congressional letters, OWCP does not segregate or monitor complaints from other communications. As shown on the next page, a larger percentage of complaints were found in telephone and Congressional communications than e-mails.

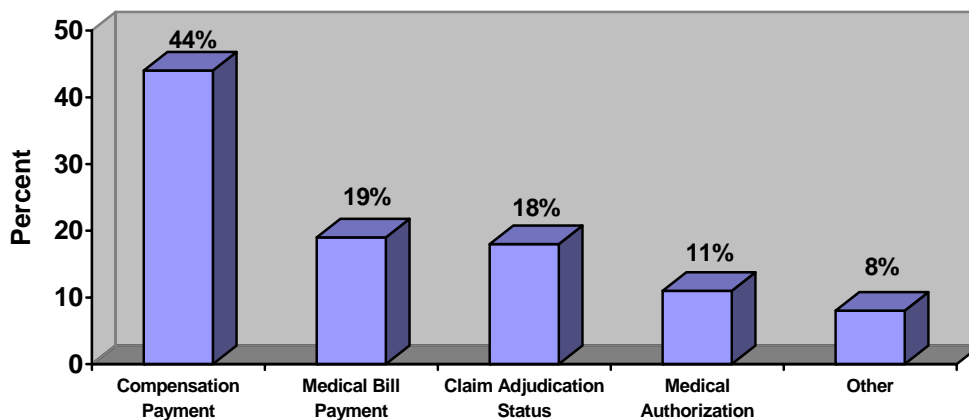
³ Of the 68,000 incoming telephone calls, 20,099 calls were directed to claims examiners.

⁴ By examining scanned documents in OASIS that were unreviewed by claims examiners on December 1, 2003 and December 3, 2003, we estimated that 1.8 percent of scanned documents represented complaints. These test results are not projectable since this 2-day period is beyond our evaluation period and is not a sufficient number of days for projection. However, if this rate were representative of FY 2003 activity of scanned documents, the overall incidence of complaints, including telephone calls, Congressional letters, and e-mails, could be as low as 3 percent of all communications received for the New York District office.

Communication Types	Total Volume	Estimated Number of Complaints by Source	Complaints as Percentage of Total Volume
Telephone Calls	20,099	10,170	51
Congressional Letters	748	650	87
E-mails	478	134	28
Total	21,325	10,954	51

Based on a statistical sample of 196 complaints, we found that claimants were the major source of complaints (72 percent), followed by employing agencies (16 percent), medical providers (10 percent), and others (2 percent). As illustrated below, the four major complaint issues were compensation payment, medical bill payment, claims adjudication, and medical authorization. Compensation payment (44 percent) represented the largest reason for complaint.

Complaint Issues



In its response to the draft report, ESA stated that: “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. . . .”

We do not disagree; however, the purpose of the evaluation was to assess ESA’s responsiveness to complaints and not the validity of the complaint. ESA also stated that the telephone complaint percentage was significantly overstated and that calls referred to the claims examiner were more likely to be complaints than those handled by the phone bank. However, the New York District Office did not keep detailed records on the nature of calls received by the phone bank that were not forwarded to a claims examiner for further processing.

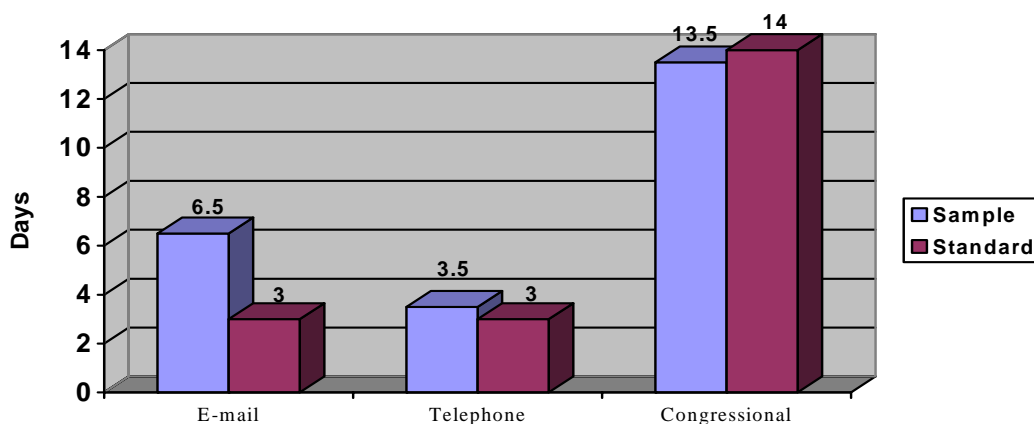
RESPONSE TIME

In an examination of the average response times for 96 complaints sampled, the New York District Office generally met the required response standards for 40 telephone calls and 40 congressional letters tested. However when the established goal of meeting those standards 90 percent of the time is applied, only:

- 78 percent (31 of 40) of telephone calls are within the 3-day standard, and
- 88 percent (35 of 40) of Congressional letters are within the 14-day standard.

The office generally did not respond timely to 16 e-mail complaints reviewed.⁶

Complaint Response Timeliness FY 2003



Out of a sample of 16 e-mail complaints, 5 responses or 31 percent exceeded the response standard of 3 workdays. Two responses exceeded the standard by only 1 day, but 3 responses exceeded the standard by 6, 26, and 27 workdays. It is important to note that e-mails did not constitute a large percentage of overall communications, and the relatively recent implementation of the e-mail system may have contributed to the slow response time. ESA's response to the draft report noted that DFEC does not maintain a nationwide correspondence system, although the New York District Office briefly experimented with, and discontinued, such a system to communicate with employing agencies.

RESOLUTION OF COMPLAINTS

Of the 96 complaints, 88 complaints or 92 percent were resolved. As of January 14, 2004, the remaining 8 complaints were still unresolved covering 5 to 15 months timeframes. As shown below, half of the unresolved complaints were e-mails.

⁵ We did not examine the timeliness of complaints contained in scanned documents because of the time-consuming nature of finding complaints within case files.

	<u>Telephone</u>	<u>Congressional</u>	<u>E-mail</u>	<u>Total</u>
Sample of Complaints	40	40	16	96
Complaints Unresolved	2	2	4	8
Percentage Unresolved	5	5	25	8

The time to resolve a complaint varies from case to case. Complaints regarding the need for surgery approval may take as long as several months, while less complex complaints such as receiving incorrect information from a claims examiner for completing a FECA claim form can be corrected quickly by telephone.

Recommendation

There is no recommendation associated with this objective.

Objective II Results: OWCP's Nationwide Telephone Survey Provided a Limited Indication of Customer Satisfaction

The OWCP telephone survey provided some useful information on evaluating the manner and responsiveness of claims examiners, but had several limitations in gauging customer satisfaction. First, OWCP only surveyed claimants who telephoned the district office. OWCP did not survey employing agencies at all or claimants who wrote in. Second, the survey only inquired as to claimant satisfaction with how the call was handled and not overall satisfaction with the service provided by OWCP. Finally, questions were not asked to establish the underlying causes of overall dissatisfaction with a call. As a result, the current customer satisfaction measures and goals, which are based on the survey, have limited usefulness.

TELEPHONE SURVEYS

OWCP's telephone survey was first initiated in FY 2001 and surveyed only claimants who called the district office. Prior to 2001, OWCP conducted a written customer survey of people who filed a claim.

The change in the survey methodology led to an increased response rate, but this has been offset by the following limitations:

Limited survey population

The telephone call-back survey population is limited because it does not include customers who write to OWCP, or employing agency communications. Since claimants communicate in writing more than by telephone, limiting the survey to just those that call ignores a substantial population. Establishing separate employing agency surveys and goals would be helpful in determining the areas and magnitude of employing agency concerns. Medical providers were first surveyed in August 2003.

Overall satisfaction with program

The present telephone survey measures claimant satisfaction with respect to OWCP telephone assistance but not with overall service provided. To enhance the usefulness of the survey, OWCP should ask all surveyed claimants questions regarding satisfaction with service across-the-board. The prior written survey asked claimants to rate overall satisfaction with assistance they received. Claimants were also asked to rate the handling of both their written correspondence and telephone contacts with OWCP. Further, the medical survey requested that medical providers submit feedback regarding both OWCP service and how their calls were handled.

Overall satisfaction with calls

Underlying causes of dissatisfaction with calls were not identified. Claimants gave high ratings on individual aspects of calls (e.g., 94 percent were satisfied with the claims examiners use of clear language), but gave the overall experience with calls a rating of 57 percent. Open-ended questions, which were part of the prior written surveys, are not used in the current telephone survey. This shortcoming limited OWCP's potential to identify the causes of the overall satisfaction level. OWCP's contractor who performed the medical provider survey expressed a similar concern. The contractor stated in its report⁷ that, "The survey results do not get to the underlying causes of this dissatisfaction. . . ."

Although overall satisfaction with a call is addressed, there is no benchmark used to determine how favorably or unfavorably OWCP's satisfaction levels are as compared to state workers' compensation or other disability programs.

**SATISFACTION
GOALS AND
MEASURES**

As a result, the above survey limitations detract from the usefulness of customer satisfaction performance measures and goals established in the DOL Strategic Plan for FYs 2003 through 2008. A goal for FECA outlined in the DOL Strategic Plan is to meet the targets in FY 2008 for:

- availability and access to electronic information services,
- telephone responsiveness,
- call handling accuracy,
- assistance effectiveness, and
- call handling quality

⁶ Findings: Provider Telephone Customer Service, prepared by Maximum Research, October 2003.

Performance measures of customer satisfaction rely solely on telephone customer surveys. However, the surveys do not present a complete picture due to the exclusion of customer groups and the lack of probing questions that address overall dissatisfaction with the customer service provided by the call.

Recommendations

We recommend the Assistant Secretary for Employment Standards:

1. Establish separate customer surveys and performance goals for employing agencies.
2. Include follow-up questions to determine underlying causes of overall dissatisfaction with telephone calls.

Portions of ESA's response to Objective II and applicable OIG comments follow.

Recommendation 1

ESA 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 Comments

We continue to recommend the establishment of separate surveys and performance goals for employing agencies to isolate the results for employing agencies.

Recommendation 2

ESA 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.”

OIG Comments

The high levels of satisfaction attained for the individual aspects of calls, compared to the much lower overall experience with call ratings, indicate that the causes of dissatisfaction have not been determined. If ESA believes that open-ended questions are not a suitable method for determining the causes of dissatisfaction, another method must be devised.



Elliot P. Lewis
Assistant Inspector General
for Audit

January 14, 2004

APPENDICES

BACKGROUND

Federal Employees' Compensation Act

The Federal Employees' Compensation Act (FECA) provides payment for several types of benefits, including compensation for wage loss, medical and related benefits, and vocational rehabilitation services. These payments are for conditions in which civilian employees of the Federal Government have sustained injuries or contracted occupational disease or illness during performance of their work. FECA also provides for payment of monetary compensation to specified survivors (i.e., spouse and dependant children) of an employee whose death results from work-related injury or disease. The DOL Office of Workers' Compensation Programs (OWCP) administers FECA provisions and payments.

During FY 2003, the program paid approximately \$2.3 billion in wage compensation and medical benefits. During that year, 202,500 cases were adjudicated. OWCP approved 178,300 cases and denied 24,200 cases. Program outlays are billed to the employing agencies for fund replenishment through "chargeback" expense charges. The U.S. Postal Service claimants incurred the highest expenditures at \$835 million.

OWCP District Office Communications

Each OWCP district has a communications specialist who follows up with OWCP customers by conducting quarterly call-back telephone surveys. The communications specialist accumulates statistics including telephone bank call volume and "time in queue," and reports results to headquarters. Headquarters provides feedback to the district office on results.

Communications come into OWCP by various methods. Correspondence is scanned into the OWCP Automated System for Imaging Services (OASIS) by a contractor at a central mailroom in London, Kentucky, and to a more limited extent, at each OWCP district. 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 the claims examiner responsible for the case. Other communications tracked by the communications specialists are e-mails and Congressional correspondence.

Customer Surveys

Since 2001, OWCP has conducted customer telephone surveys to determine the degree of customer satisfaction with the FECA program. The FECA district offices have performed telephone surveys for the first three quarters of each fiscal year, while a private contractor performed it in the last quarter. Only claimants who call the district offices are surveyed. In August 2003, OWCP expanded its telephone customer surveys to include a survey of medical providers who had called the FECA district office. Between the years 1996 and 2000, OWCP

had a contractor perform written customer surveys. The survey population included claimants who contacted OWCP within a specified time period.

Customer Performance Goals

A performance goal for FECA, contained in ESA's strategic plan for 1999 through 2004, was to improve customer satisfaction with FECA services by 10 percentage points from the FY 2000 baseline. However, the survey changed in 2000 from a written to a telephone format, and the population surveyed changed from all claimants to only those that called the districts' centralized telephone system. Due to the changed format, OWCP could not compare customer satisfaction results to determine whether the 10 percentage point improvement goal was attained.

A goal for FECA outlined in the DOL Strategic Plan is to meet the targets in FY 2008 for:

- availability and access to electronic information services,
- telephone responsiveness,
- call handling accuracy,
- assistance effectiveness, and
- call handling quality

Medical Payment System

On September 2, 2003, OWCP contracted out medical authorization and bill payment to a private contractor, ACS (Affiliated Computer Services). The new system allows the contractor to approve medical services based on established guidelines and OWCP staff decisions regarding covered conditions. Also, claimants can check the status of bills or claims for reimbursement online. This new system is expected to allow claims examiners to devote more time to entitlement issues and return to work efforts.

SCOPE AND METHODOLOGY

We conducted an evaluation of the level of FECA customer service during FY 2003 provided by OWCP. The evaluation included:

- interviewing OWCP officials in the New York and Washington, D.C. offices,
- analyzing nationwide customer satisfaction surveys performed by OWCP from 1996 to October 2003, and
- identifying and sampling customer complaints at the New York District Office (see Appendix III).

Our evaluation did not include customer service provided by ACS, which on September 2, 2003, assumed responsibility for medical bill payments. Scanned documents, which were a large portion of OWCP communications, were not included in our sample of complaints. Although scanned correspondence is counted and batched, ACS does not maintain a means for readily identifying the corresponding claimant and the nature of that correspondence. As a result, information needed to identify and analyze complaints was not presented in a manner conducive to perform an evaluation. To identify complaints in scanned documents would involve searching through individual case files and would be unreasonably time-consuming.

We conducted our evaluation in accordance with the *Quality Standards for Inspections* published by the President's Council on Integrity and Efficiency. Fieldwork was conducted from June 30, 2003, to January 14, 2004, at the OWCP National Office and district offices in New York and Washington D.C. An exit conference was held with OWCP on August 16, 2004.

SAMPLING RESULTS

OWCP and its district offices did not separate complaints from other communications included in the telephone and written communications from claimants, employing agencies, medical providers, and other interested parties. Therefore, we used statistical sampling to identify, compile and analyze the New York District Office complaints.

A sample of 405 telephone, e-mail⁸, and congressional inquiries was selected. The total sample size for telephone inquiries was 180. The sampling methodology for telephone inquiries is shown below:

- A three stage stratified cluster sampling design was chosen for telephone inquiries.
- The months of the year were stratified into three separate strata according to the number of total phone calls received.
- Six months were randomly selected from these strata.
- A random sample of 6 days was selected from each selected month.
- A random sample of at least five inquiries was drawn from each of the selected days.

A random sample of 108 e-mails and 117 Congressional inquiries was also selected using a simple random sampling plan.

Of the 405 randomly selected communications, 196 complaints were identified. Of the 196 identified complaints, we judgmentally selected 96 complaints to evaluate.

We considered communications as “complaints” if they included claimants not receiving compensation, medical providers not being paid on invoices for authorized service, and claimants not receiving a response on requests for change of physician, physical therapy, and justification for surgery denial. Requests for services, compensation, forms, and informational or clarification requests were not considered complaints.

The point estimate and limits of the estimated complaints at a 95 percent confidence level are on the next page.

⁷ Includes 7.5 months activity because in the New York District office e-mails were first logged as a communication source on February 14, 2003.

FECA Responsiveness and Customer Surveys

<u>Communication Types</u>	<u>Total Volume</u>	<u>Point Estimate</u>	<u>Limits</u>
Telephone Calls	20,099	10,170	8,697 – 11,643
Congressional Letters	748	650	602 – 698
E-mail	<u>478</u>	<u>134</u>	<u>94 – 174</u>
Total	<u>21,325</u>	<u>10,954</u>	<u>9,393 – 12,515</u>

ACRONYMS

ACS	Affiliated Computer Services
DOL	U.S. Department of Labor
ESA	Employment Standards Administration
FECA	Federal Employees' Compensation Act
FY	Fiscal Year
OASIS	OWCP Automated System for Imaging Services
OIG	Office of Inspector General
OWCP	Office of Workers' Compensation Programs

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ESA RESPONSE

U.S. Department of Labor

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



SEP 30 2004

MEMORANDUM FOR ELLIOT P. LEWIS

Assistant Inspector General
For Audit

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

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.