


Lisa M. McManus
9865 Ray White Road
Ft. Worth, TX 76244



Work History

January, 2008
To Present

President

CCS Holdings, L.P., Contract Claims
Services, Inc., CCSI, L.P., CCS Consulting,
L.P.

Chief functions are to implement the strategic goals and objectives of our organization and to give direction and leadership toward the achievement of the organization's philosophy, mission, strategy, and its annual goals and objectives.

November, 1996
To January, 2008

Chief Operating Officer and Owner

CCS Holdings, L.P., Contract Claims
Services, Inc., CCSI, L.P., CCS Consulting,
L.P.

Primary functions were to oversee the day-to-day operations and to participate in the short and long term strategic planning of our business enterprise.

August, 1991
To October 1996

Branch Manager

Federal Contracts Unit, Contract Claims
Services, Inc.

The Branch Manager exercised complete responsibility for developing and managing our business operation to increase sales, profitability, market share, and customer and employee satisfaction by directing, coordinating and monitoring all branch activities.

Education

September, 1971
To May, 1975

Mississippi University for Women
Columbus, MS

Board of Directors/Member

CCS Holdings, L.P.
Contract Claims Services, Inc.
Heartland Security Insurance Group
Mississippi University for Women, Foundation Board



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**RECOMMENDATIONS FOR CHANGES TO THE FEDERAL EMPLOYEE
COMPENSATION ACT**

General

1. Appropriated Federal workers are under the Federal Employees' Compensation Act (FECA) for job related injuries; however, Non-Appropriated Federal workers are under the Non-Appropriated Funds Instrumentalities Act (NAFIA). FECA has many challenges, including liberal benefits and weak administration. In comparing the two Acts, FECA is substantially more costly and gives more opportunity for fraud, waste, and abuse.

Recommended change to the law:

Sunset the FECA law. Either combine the two types of federal workers into one law or write a similar law for FECA as found in the NAFIA.

2. Workers' compensation, whether federal or statutory, that provides benefits greater than if the employee was actually working, fosters abuse. An injured federal worker can receive up to 75% of his or her average weekly wage tax free, and subject to a cost of living adjustment each October.

Recommended change to the law:

- A. Afford appropriated workers the same benefit entitlement as non-appropriated workers.
Or,
- B. Reduce the benefit entitlement to 66 2/3rds of the average weekly wage of the injured worker.

3. Federal workers who are beyond retirement age continue to receive workers' compensation; under the current scenario, federal workers would continue to receive 75% of their average weekly wage tax free, with annual cost of living adjustments versus the 56% under the retirement plan. Again, this scenario lends itself to abuse.

Recommended change to the law:

- A. Afford appropriated workers the same benefit entitlement as non-appropriated workers at a rate of 66 2/3rds of the average weekly wage.



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If the Office of Personnel Management (OPM) retirement is realized, the Office of Workers' Compensation Programs (OWCP) payments terminate for disability.

Or,

- B. Offer retirement under OWCP to only those employees deemed to be permanently and totally (legal definition) disabled.
4. Protocols and procedures within the Department of Labor (DoL) are far outside of industry standards with regard to case management and oversight, e.g. in certain situations a DoL case manager is only required to review a case file every two years.

Recommended change to the law:

- A. Change the law to allow a government agency the option of selecting a Third Party Administrator (TPA) to handle its FECA claims, or the Department of Labor. Should a TPA be selected, the Department of Labor would still regulate the claims to ensure proper management according to FECA laws.
- Or,
- B. Increase DoL staffing that would ensure proper case management that closely aligns with industry standards. The number of DoL full time equivalents (FTE's) used to administer newly created cases, plus the on-going claims from previous years, far exceed standards used in the private sector and industry standards.
5. The "non-adversarial" verbiage contained in the Act lends itself to "just pay, don't question." The growing cost of this provision will place the future of some agencies at risk.

Recommended change to the law:

- A. Remove "non-adversarial" verbiage.
6. Many agencies do not even have a centralized program, a key element in measuring and managing overall performance goals.

Recommended changes to the law or procedures:

- A. Implement a requirement that if an agency manages its claims internally, a standard set of procedures and policies, as well as standard performance goals and benchmarks, must be used. The OIG has performed many performance audits for various agencies. Most findings indicate ineffective monitoring, a lack of return to work initiatives, ineffective medical management, poor monitoring of chargeback reports, and overall poor performance by the agencies.
- B. Agency employees involved with handling or oversight of FECA claims would be required to have at least 15 hours of continuing education each year covering FECA laws, claims management, and benchmarking.

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7. Many agencies have no standard return-to-work program in place for injured workers who may be able to return to the workforce once maximum medical improvement has been achieved.

Recommended change the law:

- A. Mandate a return-to-work program for all agencies.

8. Most agencies, including DoL, do not have the manpower necessary to closely and properly administer a program of this magnitude.

Recommended change to the law:

- A. Establish minimum industry standards for both government agencies and the DoL for handling of FECA claims. If the standards cannot be met require the agency and/or the DoL to outsource to a TPA.

Department of Labor Protocols

1. "Periodic Roll" files are cases subject to review once every two years by the DoL. Additionally, medical evidence to support continuing disability and payments oftentimes does not exist. If and when medical evidence is presented that does indicate the injured worker is released to return to work, DoL sends a "Notice of Proposed Termination" letter, allowing the employee an additional 30 days of compensation and an opportunity to "appeal" the evidence.

The NAFIA terminates benefits upon medical evidence that the employee is no longer disabled. Appeals may be made, but lacking medical evidence to support disability, benefits do not continue. In addition, this file classification Form EN-1032 is set for a two year review. This form is sent to the injured worker to complete and would indicate if the injured worker has received other wages during the period of compensation. If the worker has received other wages during this two-year period, an overpayment of compensation would then exist. When an overpayment is realized DoL has discretion to "forgive" the overpayment, or alternatively, structure a repayment plan.

Recommended change to the law:

- A. Terminate disability payments when medical evidence demonstrates the ability to return to employment.
2. "Continuation of Pay" for an injured worker can be paid by the agency for up to 45 days from the date of injury. This benefit (100% of salary) can be abused by employees. There is no other jurisdiction (to our knowledge) that provides this type of benefit. All other



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jurisdictions have some form of “wait period,” usually three to seven days in which the employee would not be paid for lost time until the “wait period” had been exceeded.

Recommended change to the law:

- A. Discontinue “Continuation of Pay” entirely.
3. Contractor services for payment of medical bills have created other opportunities for abuse. For example, protocols exist that the contractor pays mileage to the injured worker to attend various appointments. Such payments are not verified, nor monitored by DoL. The contractor is very difficult to reach, as is DoL. In some areas, physicians and medical providers will not accept a federal employee as a patient for treatment because of delays in payment and ability to secure authorizations. Prescription drugs and durable medical equipment bills are paid by the contractor without an evaluation from the treating physician.

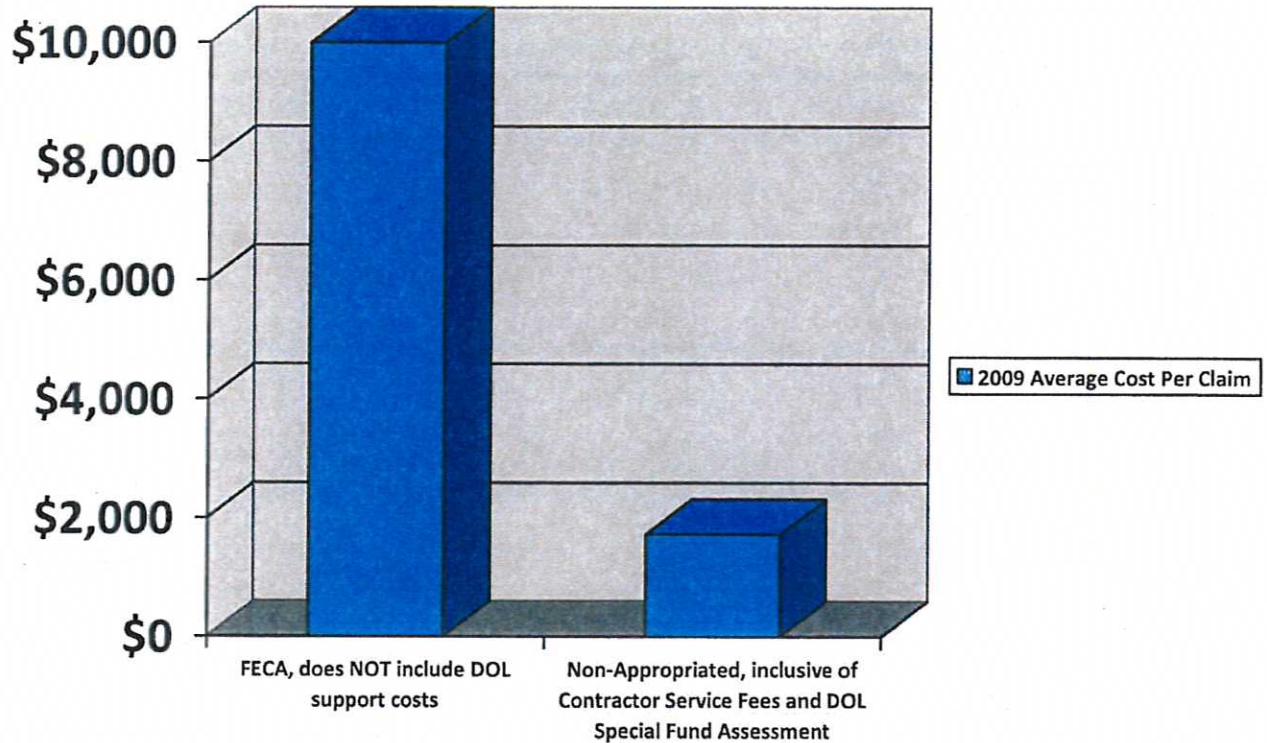
Recommended changes to the law:

- A. Case workers should review and approve all medical charges prior to payment.



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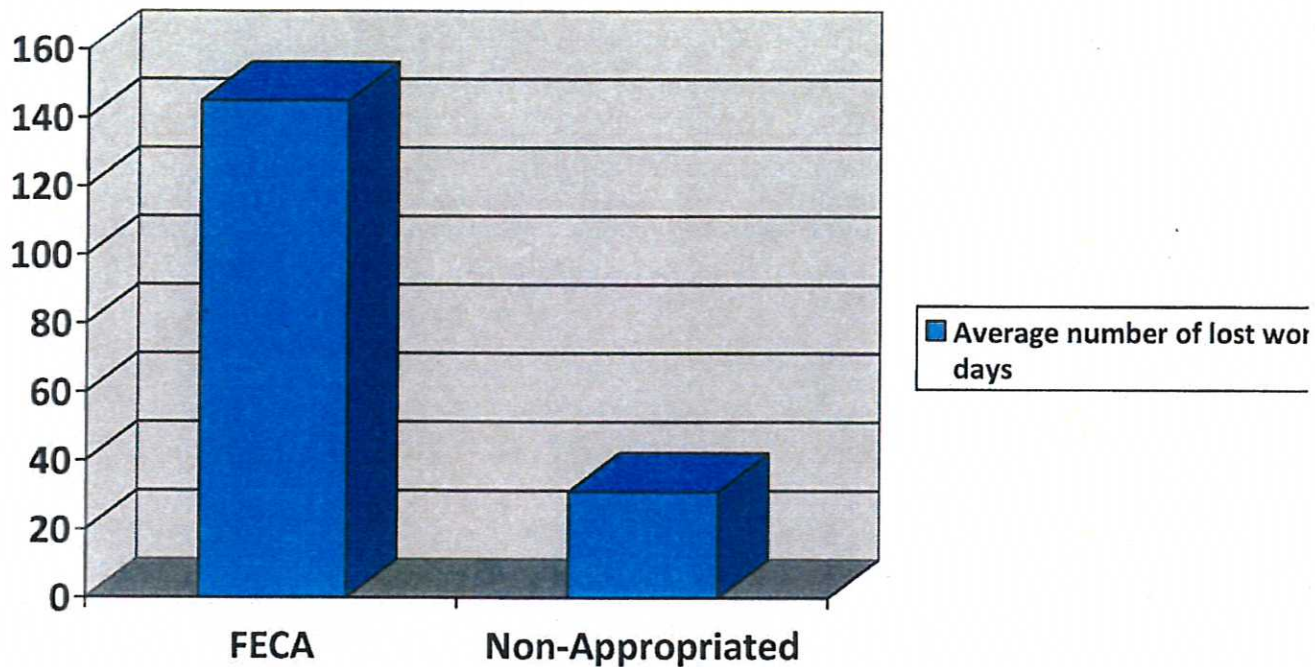
An argument that appropriated employees should receive the same benefit entitlement as non-appropriated employees:



For payment of medical expenses, both FECA and NAFIA claims are paid in accordance with the OWCP fee schedule. The significant difference in average cost per claim is the benefit entitlement for lost wages and the duration of lost work days. These figures do NOT include Continuation of Pay during the first 45 days of lost work days for FECA employees.



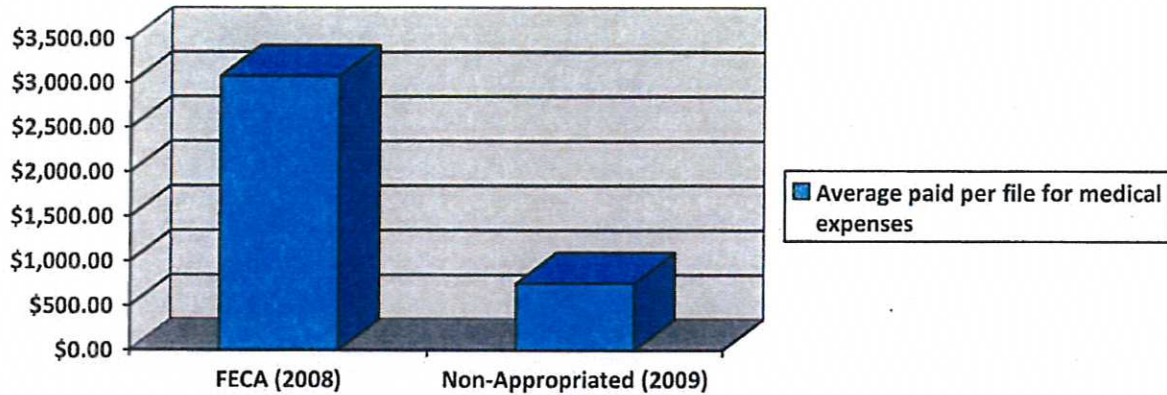
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The above chart does reflect the initial 45 days of Continuation of Pay for FECA employees. NAFI employees do not have Continuation of Pay.



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FECA and NAFIA utilize the exact same fee schedule (OWCP Fee Guidelines) for payment of medical expenses. It is curious, then, why there would be such a difference in the average amount paid per claim. NAFIAs (with the exception of Air Force MWR) utilize a TPA for claims administration. As such, if that TPA has the benefit of PPO networks, the savings are passed on to government. FECA does not utilize PPO networks. Also, NAFIA medical bills are reviewed by a claims examiner for relatedness prior to payment.

Committee on Oversight and Government Reform
Witness Disclosure Requirement – "Truth in Testimony"
Required by House Rule XI, Clause 2(g)(5)

Name: Lisa M. McManus

1. Please list any federal grants or contracts (including subgrants or subcontracts) you have received since October 1, 2008. Include the source and amount of each grant or contract.

- | | |
|---|---|
| 1. Army & Air Force Exchange Service
Contract #HQ 08-SDZ-050
Estimated Amount \$10,260,926 | 3. Dept of Commerce
Contract #SA1301-9-CT-0018
Estimated amount \$5,427,160 |
| 2. Dept of the Army, Army Central Insurance Fund
Contract #NAFBAL-08-C-003
Estimated Amount \$2,305,250 | 4. United States Marine Corp
Contract #H0101-C-004
Estimated amount \$2,500,000 |

2. Please list any entity you are testifying on behalf of and briefly describe your relationship with these entities.

N/A

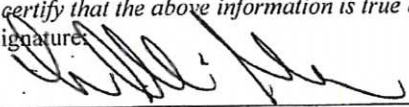
3. Please list any federal grants or contracts (including subgrants or subcontracts) received since October 1, 2008, by the entity(ies) you listed above. Include the source and amount of each grant or contract.

Continuation of #1 above:

5. U.S. Coast Guard Exchange Service
Estimated amount \$312,665
6. Department of the Navy, Navy Personnel Command
Contract #HDQMWR-09-C-001
Estimated amount \$3,555,368

I certify that the above information is true and correct.

Signature:



Date:

11 April 2011