

119TH CONGRESS
2D SESSION

H. R. 9869

To amend chapter 81 of title 5, United States Code, to improve outcomes for injured Federal workers and reduce costs and fraud, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 22, 2026

Mr. PATRONIS (for himself and Mr. BEAN of Florida) introduced the following bill; which was referred to the Committee on Education and Workforce

A BILL

To amend chapter 81 of title 5, United States Code, to improve outcomes for injured Federal workers and reduce costs and fraud, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “FECA Modernization
5 and Cost Containment Act of 2026”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) The Federal Employees’ Compensation Act
9 has not undergone significant reform since 1974, de-

1 spite advancements in workers' compensation prac-
2 tices.

3 (2) Federal employees' compensation costs are
4 significantly higher than those in the private sector,
5 creating a burden on taxpayers.

6 (3) The inability of Federal employers to direct
7 injured employees to managed care networks results
8 in increased medical costs, inconsistent treatment,
9 poor clinical outcomes and extended recovery times.

10 (4) Fraud in the Federal employees' compensa-
11 tion system remains a significant issue, requiring en-
12 hanced monitoring and predictive fraud detection
13 measures.

14 (5) Implementing industry best practices, in-
15 cluding employer-directed medical care, standardized
16 treatment protocols, and case management pro-
17 grams, will improve efficiency, reduce costs, improve
18 clinical outcomes for injured employees, and accel-
19 erate employee recovery.

20 **SEC. 3. FECA MODERNIZATION.**

21 (a) REQUIREMENT TO SEEK CARE THROUGH MAN-
22 AGED CARE NETWORK.—Section 8103(a) of title 5,
23 United States Code, is amended—

24 (1) by amending paragraph (3) to read as fol-
25 lows:

1 “(3) except in the case of a medical emergency,
2 through the managed care network that contracts
3 with the employing agency of the employee pursuant
4 to subsection (c)(1).”; and

5 (2) in the matter following paragraph (3), by
6 striking “The employee” and inserting “Subject to
7 subsection (c), the employee”.

8 (b) MANAGED CARE NETWORKS.—Section 8103 of
9 title 5, United States Code, is amended by adding at the
10 end the following:

11 “(c) MANAGED CARE NETWORKS.—

12 “(1) IN GENERAL.—To meet the requirements
13 of subsection (a), the head of each employing agency
14 shall enter into a contract with a managed care net-
15 work to furnish services, appliances, and supplies to
16 employees of such agency.

17 “(2) EMPLOYEE.—

18 “(A) OUT-OF-NETWORK SERVICES.—In a
19 case in which the MCN with which the employ-
20 ing agency has a contract is unable to furnish
21 prescribed or recommended services, appliances,
22 or supplies to an employee, the employee may
23 select a provider for such services, appliances,
24 and supplies in accordance with the matter at

1 the end of subsection (a) that follows paragraph
2 (3) of such subsection.

3 “(B) SECOND OPINION.—In a case in
4 which the MCN with which the employing agen-
5 cy has a contract furnishes a provider to an em-
6 ployee and such employee disputes a diagnosis
7 or treatment recommendation received from
8 such provider, the MCN shall furnish the em-
9 ployee a second opinion from a different pro-
10 vider.

11 “(C) DISPUTE RESOLUTION.—The Sec-
12 retary of Labor shall establish a system for re-
13 view of disputes to ensure employees are fur-
14 nished services, appliances, and supplies in a
15 timely manner.

16 “(3) REQUIREMENTS.—To be eligible to enter
17 into and maintain a contract under paragraph (1),
18 an MCN shall meet the following requirements:

19 “(A) SERVICES.—The MCN shall make
20 reasonable attempts to provide the services, ap-
21 pliances, and supplies required to be furnished
22 to an employee under subsection (a).

23 “(B) PRACTICES.—The MCN shall comply
24 with the standardized treatment protocols es-
25 tablished pursuant to paragraph (4).

1 “(C) LIMITATION ON FEES.—The MCN
2 may not charge a fee for a service, appliance,
3 or supply in excess of the fee established under
4 the fee schedule (or a successor document) pub-
5 lished by the Office of Workers Compensation
6 Programs of the Department of Labor for such
7 service, appliance, or supply.

8 “(D) GEOGRAPHIC ACCESSIBILITY.—The
9 MCN shall maintain a sufficient number of pro-
10 viders within reasonable proximity to each work
11 site of the employing agency.

12 “(E) EVALUATIONS.—The MCN shall,
13 using a provider assessment system—

14 “(i) regularly evaluate each provider
15 providing services to an employing agency
16 through the MCN for performance and
17 cost-effectiveness; and

18 “(ii) if appropriate, remove a provider
19 from the MCN or exclude the provider
20 from providing services through the MCN
21 to the employing agency.

22 “(F) ANNUAL REPORTS.—The MCN shall,
23 on an annual basis, submit to the head of the
24 employing agency a report containing informa-

tion in relation to the preceding calendar year,
including information on the following:

“(i) Cost savings, as compared to estimated costs the agency would pay if the agency did not have a contract with the MCN.

“(ii) An assessment of the performance of each provider furnished through the MCN.

“(iii) Anonymized data on outcomes of employees who were treated by a provider furnished through the MCN.

“(G) INFORMATION FOR REVIEWS.—The MCN shall provide the review board established pursuant to paragraph (5) such information as the board determines necessary to carry out the duties of the board under such paragraph, including, if requested, information needed for the board to carry out subparagraph (D) of such paragraph.

“(4) TREATMENT PROTOCOLS.—The Secretary of Labor shall establish standardized treatment protocols for employees based on the best practices of the healthcare industry.

“(5) REVIEW BOARD.—

1 “(A) IN GENERAL.—Not later than 270
2 days after the effective date under section 3(c)
3 of the FECA Modernization and Cost Contain-
4 ment Act of 2026, the Secretary of Labor shall
5 establish a review board.

6 “(B) MEMBERSHIP.—The board estab-
7 lished pursuant to subparagraph (A) shall be
8 selected by the Secretary of Labor and shall be
9 composed of 16 members as follows:

10 “(i) 2 representatives of the Secretary
11 of Labor who are from the Office of Work-
12 ers Compensation Programs.

13 “(ii) 1 representative of the Secretary
14 of Labor who is not from such Office.

15 “(iii) 1 representative of the head of
16 another agency.

17 “(iv) 2 representatives of employees.

18 “(v) 2 representatives from MCNs
19 who have contracted with Federal agencies.

20 “(vi) 5 representatives of providers
21 who have contracted with MCNs described
22 in clause (v).

23 “(C) DUTIES.—The duties of the Board
24 shall be to—

25 “(i) monitor—

1 “(I) MCNs to ensure compliance
2 with standardized treatment protocols
3 established pursuant to paragraph
4 (4);

5 “(II) rate negotiations; and

6 “(III) the performance of pro-
7 viders furnished through MCNs; and

8 “(ii) suggest improvements to the Sec-
9 retary.

10 “(D) OPTIONAL REVIEW OF GEOGRAPHIC
11 ACCESSIBILITY.—The Board may ensure MCNs
12 comply with paragraph (3)(E).

13 “(6) FRAUD PREVENTION.—The Secretary of
14 Labor may contract with entities to monitor claims
15 and flag potentially fraudulent claims for further re-
16 view using predictive analytics tools (which may in-
17 clude the use of artificial intelligence (as defined in
18 section 9401(3) of title 15, United States Code)) to,
19 based on historical claim patterns and medical in-
20 consistencies, identify potentially fraudulent claims.

21 “(d) MANAGED CARE NETWORK; MCN DEFINED.—
22 In this section, the terms ‘managed care network’ and
23 ‘MCN’ mean a network of providers that furnishes serv-
24 ices, appliances, and supplies prescribed or recommended

1 by a qualified physician as described under subsection
2 (a).”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall take effect 1 year after the date of enact-
5 ment of this Act.

6 **SEC. 4. REGULATORY AUTHORITY.**

7 (a) IN GENERAL.—Not later than 6 months after the
8 date of enactment of this Act, the Secretary of Labor shall
9 issue such regulations as are necessary to carry out the
10 purposes of this Act.

11 (b) TRANSITION PLAN.—Not later than 1 year after
12 the date of enactment of this Act, the head of each Federal
13 agency shall submit to the Secretary a plan describing how
14 the agency will transition to the use of managed care net-
15 works pursuant to the amendments made by section 3 of
16 this Act to section 8103 of title 5, United States Code.

17 **SEC. 5. GAO REVIEW.**

18 Not later than 6 months after the end of the 5-year
19 period beginning on the date that is 1 year after the date
20 of enactment of this Act, the Comptroller General of the
21 United States shall submit a report to Congress on the
22 effect, during such 5-year period, of the amendments
23 made by section 3 of this Act to section 8103 of title 5,
24 United States Code, including the effect, in relation to ad-
25 ministration of such section, on—

- 1 (1) costs;
- 2 (2) fraud reduction; and
- 3 (3) administrative efficiency.

