

# **Public Safety, Finance, and Strategic Support Committee**

# **Workers' Compensation Program Annual Report**

**Human Resources Department**

**September 21, 2023**

**Item: d(4)**

**Presenters: Jennifer Schembri, Director of Human Resources/  
Director of Employee Relations  
Kelli Parmley, Asst. Director of Human Resources  
Eric Fortes, Division Manager**

# Recommendation

Accept the annual report on the City's efforts to contain workers' compensation costs and reduce claims for the Workers' Compensation Program by focusing on wellness, health, and safety through the end of Fiscal Year 2022-2023.

# Open Claims as of June 30, 2023

<b>Claim Type</b>	<b>Number of Open Claims as of 6/30/2022</b>	<b>Number of Open Claims as of 6/30/2023</b>
<b>Indemnity</b>	1,458	1,363
<b>Medical Only</b>	81	95
<b>Future Medical</b>	1,036	1,033
<b>Total</b>	<b>2,575</b>	<b>2,491</b>

The total number of open claims has decreased by approximately 4% since June 30, 2022, when the open claim inventory was 2,575.

# Workers' Compensation Total Claims Cost

Department	2022-2023 Budget (Adopted)	2022-2023 Budget (Modified)	2022-2023 Actuals
Fire	\$8,500,000	\$10,000,000	\$9,711,838
Police	\$8,950,000	\$8,950,000	\$8,621,573
PRNS	\$1,450,000	\$1,000,000	\$866,304
DOT	\$500,000	\$500,000	\$457,846
Others	\$1,500,000	\$1,250,000	\$1,059,012
Public Works (GS)	\$600,000	\$850,000	\$770,369
<b>General Fund Totals</b>	<b>\$21,500,000</b>	<b>\$22,550,000</b>	<b>\$21,486,942</b>
<b>Special Funds Total</b>	<b>\$2,007,500</b>	<b>\$2,065,500</b>	<b>\$1,322,203</b>
<b>All Funds Total</b>	<b>\$23,507,500</b>	<b>\$24,615,500</b>	<b>\$22,809,145</b>

# General Fund - Workers' Compensation Settlements 2022-2023

	<b>Fire</b>	<b>Police</b>	<b>PRNS</b>	<b>DOT</b>	<b>PW</b>	<b>Others</b>	<b>Total</b>
<b>Workers' Compensation Settlements</b>	\$712,586	\$1,237,165	\$161,620	\$36,112	\$4,383	\$276,208	<b>\$2,428,073</b>

# AON Actuarial Study - Projected Ultimate Losses Changes through June 30, 2023

Claim Period	Projected Ultimate Losses as of 6/30/2019	Projected Ultimate Losses as of 6/30/2023	Change	Percentage Change
FY 13/14	\$22,737,000	\$21,685,000	(\$1,052,000)	-5%
FY 14/15	\$23,306,000	\$23,370,000	\$64,000	0%
FY 15/16	\$32,335,000	\$33,654,431	\$1,319,431	4%
FY 16/17	\$21,253,000	\$23,603,000	\$2,350,000	11%
FY 17/18	\$27,254,000	\$29,484,000	\$2,230,000	8%
FY 18/19	\$32,115,000	\$24,155,000	(\$7,960,000)	-25%
FY 19/20	\$36,122,000	\$28,254,000	(\$7,868,000)	-22%
FY 20/21	\$37,950,000	\$35,654,000	(\$2,296,000)	6%
FY 21/22	\$39,870,000	\$40,454,000	\$584,000	2%
FY 22/23	\$41,888,000	\$42,431,000	\$543,000	1%
<b>Total</b>	<b>\$314,830,000</b>	<b>\$302,744,431</b>	<b>(\$12,085,569)</b>	<b>-3.8%</b>

# Intercare Staffing as of June 30, 2023

Claim Type	Number of Open Claims as of 6/30/2023	TPA Employee Type	Number of Staff	Average Caseload
<b>Indemnity, Medical Only, Future Medical</b>	<b>2,491 (b)</b>	Senior Claims Examiner	10	136.3 (a)
		Future Medical/Medical Only Examiner	4	258 (a)
		Clerical and Support Staff	5	0
		<b>Total</b>	<b>19</b>	

(a) Average does not include clerical staff

(b) Claims totals do not include Information Only claims

# TPA Performance Measures Jul 1, 2022 – Jun 30, 2023

Cycle Time Performance	Total Possible Categories Audited	Total "Yes"	Total "No"	Total "N/A"	Overall Audit Percentage Score	Prior Audit Percentage Score through 6/30/22
Adjuster Technical Audit Performance Summary	2,104	1,389	54	661	97.4%	97.5%

Quality Performance	Total Claims Audited	Total "Yes"	Total "No"	Total "N/A"	Overall Audit Percentage Score	Prior Audit Percentage Score through 6/30/22
Three-point contacts - Timely completion of 3 Point Contacts. (Pass/Fail)	263	235	20	8	92%	95%
Causation Analysis - Timely causation decision within 90 days. (Pass/Fail)	263	224	8	31	97%	96%
Plans of Action - Plan of Action in claim notes every 90 days. (Pass/Fail)	263	234	5	24	98%	93%
Benefits Payments - Timely and accurate payment of benefits (Pass/Fail)	263	112	5	146	98%	100%

State Compliance Performance	Total Claims Audited	Total "Yes"	Total "No"	Total "N/A"	Overall Audit Percentage Score	Prior Audit Percentage Score through 6/30/22
Temporary Disability payment compliance	263	138	0	125	100%	100%
Permanent Disability & Death benefits payment compliance	263	138	0	125	100%	100%
Subsequent indemnity payment compliance	263	138	0	125	100%	100%
Agreed Medical Examiner/ Qualified Medical examiner notices compliance	263	170	16	77	94%	96%



# Workers' Compensation Program - Other

- Monthly/Quarterly Claims Reviews
- Quarterly WC Liaison Meetings
- Workers' Comp 101 Supervisor Training
- Firefighter and Police Fastlane Program

# Safety Management System Health and Safety Program

# Safety, Health and Wellness Update

- Safety Officers
- Safety Scoreboard
- Citywide Safety Committee Meetings
- Ergonomics Program
- Wellness

# Conclusion and Follow-up

- Focus on safety and injury prevention
- Workers' Compensation expenditures for Fiscal Year 2022-2023 finished below the Adopted Budget by \$698,355
- Restructure of City Safety Officers will promote employee engagement and culture of safety
- Continued focus on settlements to further reduce Projected Ultimate Losses and open claim inventory

# Discussion and Questions