

Public Safety, Finance, and Strategic Support Committee

Workers' Compensation Program Update Semi-Annual Report (Human Resources Department)

**December 13, 2018
Item: (d)5**

Recommendation

Accept the semi-annual report on the City's efforts to contain Workers' Compensation costs and reduce claims for the Workers' Compensation Program through the end of 2017-2018.

Background

- June 19, 2018 Council accepted the staff report and approved the recommendation to provide all Workers' Compensation Program services through a Third Party Administrator (TPA)
- Transition activities began July 1, 2018 and official transfer of electronic claims files concluded on August 31, 2018

Claim Comparison for January 1, 2018 - June 30, 2018

Claim Type	Intercare Number of Open Claims as of 6/30/18	City of San José Number of Open Claims as of 6/30/18	Total Number of Open Claims
Indemnity, Medical Only, and Future Medical Claims	1,488	1,632	3,120

Workers' Compensation Total Claims Cost

Department	2017-2018 Modified Budget		2017-2018 Actuals	
Fire	\$	7,594,000	\$	7,473,100
Police	\$	10,109,265	\$	10,109,265
PRNS	\$	1,210,000	\$	1,209,850
DOT	\$	635,000	\$	630,234
Others	\$	1,226,309	\$	1,226,309
Public Works (GS)	\$	550,000	\$	534,057
General Fund	\$	21,324,574	\$	21,182,815
Totals				
Special Funds	\$	2,141,000	\$	1,361,210
Total				
All Funds	\$	23,465,574	\$	22,544,025

The Transition and Focusing on Health and Safety

The Transition

- Approximately 1,477 open workers' compensation claims and approximately 23,306 closed workers' compensation claims were electronically transferred to Intercare.
- Intercare began an approximate 90-day review of all open claims - this as a “triage” process.

The Transition

The transition to Intercare has allowed staff to:

1. Monitor the review of transferred claims and ensure correction of errors
2. Improve communication and procedures
3. Ensure appropriate access to data and reporting, including training of City staff

Focusing on Health and Safety

The City hired a new Division Manager of Workers' Compensation, Health, and Safety to:

- 1. Manage the performance of the TPA and lead the RFP process**
- 2. Develop a safety management system**
 - a. build on the success of departments like DOT
 - b. develop and utilize data to prioritize safety programs
 - c. support department's progress (e.g. Fire, PRNS)
- 3. Collaborate with departments to revise, update, and adopt Citywide safety policies**

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