

Public Safety, Finance, and Strategic Support Committee

Workers' Compensation Program Update Annual Report

Human Resources Department

October 15, 2020

Item: d(3)

**Presenters: Jennifer Schembri, Director of Employee Relations/
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 2019-2020.

Open Claims as of June 30, 2020

Claim Type	Number of Open Claims as of 6/30/2019	Number of Open Claims as of 12/31/2019	Number of Open Claims as of 6/30/2020
Indemnity	1,471	1,472	1,418
Medical Only	108	86	72
Future Medical	1,068	1,047	1,018
Total	2,647	2,605	2,508

The total number of open claims has been reduced by approximately 5.3% since June 30, 2019 when the open claim inventory was 2,647.

COVID-19 Claims through June 30, 2020

	FIRE	PARKS	POLICE	TRANSPORTATION	TOTAL
Temporary Disability (Lost time)	20	0	22	1	43
Medical Only	1	0	1	0	2
Information Only (No treatment)	0	2	153	0	155
Total Paid	\$ 184,973	\$ 0	\$ 993	\$ 397	\$ 186,362
Total Outstanding	\$ 163,067	\$ 0	\$ 158,961.98	\$ 6,601	\$ 328,630

Workers' Compensation Total Claims Cost

Department	2019-2020 Budget (Adopted)	2019-2020 Budget (Modified as of Year End)	2019-2020 Actuals (through 6/30/2020)
Fire	\$ 7,800,000	\$ 7,200,000	\$ 7,922,661
Police	\$ 8,175,000	\$ 7,775,000	\$ 8,226,322
PRNS	\$ 1,350,000	\$ 1,100,000	\$ 920,027
DOT	\$ 1,000,000	\$ 525,000	\$ 422,416
Others	\$ 967,000	\$ 2,067,000	\$ 1,548,003
Public Works (GS)	\$ 773,000	\$ 398,000	\$ 327,038
General Fund Totals	\$ 20,065,000	\$ 19,065,000	\$ 19,366,467
Special Funds Total	\$ 1,965,500	\$ 1,965,500	\$ 1,072,022
All Funds	\$ 22,030,500	\$ 21,030,500	\$ 20,438,489
Total	\$ 22,030,500	\$ 21,030,500	\$ 20,438,489

AON Actuarial Study through June 30, 2020

Valuation Date (1)	Estimated Outstanding Losses (2)	Case Reserves (3)
(A) As of 06/30/20	\$161,477,365	\$111,524,926
(A) As of 6/30/19	\$165,568,700	\$116,874,548
(A) Change (A)-(B)	(\$4,091,335)	(\$5,349,622)
(A) % Change	-3%	-5%

Intercare Staffing as of June 30, 2020

Claim Type	Number of Open Claims as of 6/30/2020	TPA Employee Type	Number of Staff	Average Caseload
Indemnity, Medical Only, Future Medical	2,508 (b)	Senior Claims Examiner	11	128.9 (a)
		Future Medical/Medical Only Examiner	3	363.3 (a)
		Clerical and Support Staff	5	0
		Total	19	
(a) Average does not include clerical staff				
(b) Claims totals do not include Information Only claims				

TPA Performance Measures Jan 1, 2020 – Jun 30, 2020

Cycle Time Performance	Total Categories Audited	Total "Yes"	Total "No"	Total "N/A"	Overall Audit Percentage Score	Prior Audit Percentage Score through 12/31/19
Adjuster Technical Audit Performance Summary	976	625	21	330	97%	97%

Quality Performance	Total Claims Audited	Total "Yes"	Total "No"	Total "N/A"	Overall Audit Percentage Score	Prior Audit Percentage Score through 12/31/19
Three-point contacts - Timely completion of 3 Point Contacts. (Pass/Fail)	122	119	3	0	98%	95%
Causation Analysis - Timely causation decision within 90 days. (Pass/Fail)	122	94	2	26	98%	95%
Plans of Action - Plan of Action in claim notes every 90 days. (Pass/Fail)	122	115	4	3	97%	96%
Benefits Payments - Timely and accurate payment of benefits (Pass/Fail)	122	36	2	84	95%	99%

State Compliance Performance	Total Claims Audited	Total "Yes"	Total "No"	Total "N/A"	Overall Audit Percentage Score	Prior Audit Percentage Score through 12/31/19
Temporary Disability payment compliance	122	33	1	88	97%	98%
Permanent Disability & Death benefits payment compliance	122	46	2	74	96%	98%
Subsequent indemnity payment compliance	122	106	5	11	95%	97%
Agreed Medical Examiner/ Qualified Medical examiner notices compliance	122	76	2	44	97%	98%

Workers' Compensation Program- Other

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

Safety Management System Health and Safety Program

Health and Safety Program

- Safety Scoreboard
- Quarterly Citywide Safety Committee Meetings
- Public Safety Wellness Improvement Committee
- **Ergonomics**
- OSHA 10-Hour Certification Training
- STOP (Safety Training Observation Program) for Supervision
- Employee Wellness Screening

Conclusion and Follow-up

- Focus on safety and injury prevention as well as effectively manage the TPA
- Continued positive impact reducing Workers' Comp expenditures
 - Actual \$1.6 million-dollar savings against the budget through the end of Fiscal Year 2019/2020
 - Reduction of Estimated Outstanding Losses by \$4.1 million dollars and Case Reserves by \$5.3 million dollars as indicated on the AON Actuarial Study

Discussion and Questions