



Welcome to the San Francisco Workers' Compensation Council Meeting

The meeting will begin at 9:00 AM Pacific.

Report to the San Francisco Workers' Compensation Council

Julian Robinson

Workers' Compensation Director

August 5, 2024





Agenda

- Purpose of the WC Council
- Accomplishments and Initiatives
- Temporary Transitional Work Program Report
- Performance Quick Facts and Financials
- Claim Analytics

Purpose of the Council



Purpose of WC Council

- SF Admin Code establishes the Council's duties and powers (16.121.3) and membership (16.121.2)
- Provide Oversight of Workers Compensation costs, initiatives, processes and procedures
- Acts in advisory capacity on all WC matters on cost containment and loss prevention
- Members are:
 - Human Resources Director (Chair)
 - City Administrator
 - Controller
 - City Attorney
 - Retirement System – Executive Director
 - Mayor's Office - Director of Budget and Finance



Overview of Progress

- Council has reviewed and submitted progress reports to Board of Supervisors
- Council has requested audits on areas of interest
- Council provides oversight of Workers' Compensation Program

Accomplishments and Initiatives



FY2023-24 Accomplishments

- **Program Administration and Internal Controls**
 - Renewed focus on program administration and internal controls
- **Claims Results**
 - Achieved citywide closure ratio of 102.5%
 - Completed DWC Mock Audit 9/1/23 - 0.97029 final score. 2024 passing score is 1.54500 or lower
- **TTWA Program**
 - Temporary Modified Duty accommodation led to program cost avoidance of over \$27 mil in WC indemnity benefits



FY2024 – 25 Initiatives

- **ADR Programs with Police and Fire**
 - FY2022-23 Actuarial Reports drafted and pending review by unions
 - Ongoing training and education with claims staff, ombudsperson and ADR Director to streamline and improve communication between parties
- **TTWA Program**
 - Continued development and ongoing collaboration with departments on addressing modified duty challenges
 - Continued medical provider education department positions and provision of functional restrictions
- **Reporting & Data**
 - Continued reporting and tracking for Temporary Transitional Work Assignment (TTWA), including utilizing data to drive continued success to this program
 - Continued quarterly dashboards for departments to evaluate injury trends to help support safety intervention as appropriate, in partnership with DHR's Health and Safety Division
- **Succession Planning and Process handling**
 - Continued recruitment to timely backfill positions for continued succession planning and to fill vacancies created by attrition and promotions
 - Implementation of operational and system processes to ensure continued program improvement
- **Training & Development**
 - Development and Deployment for “Grow our Own,” training academy for internal WC staff
 - Final deployment of WC Essentials On-Demand training module for Department professionals new to WC

Temporary Transitional Work Program Report



Current TTWA Efforts

- Ongoing engagement with departments to address questions and challenges on providing temporary transitional work assignments
- Claims teams continue to centrally track modified duty in claims system for reporting purposes, using certain data fields for consistency
- Continued education, collaboration and communication with MPN providers to better support the TTWA program

TTWA Early Findings

1303 Claims with Reported Work Status Tracking



93% Reported Eligible for Modified Duty

7% Claims Ineligible



73% Accommodated by Employer

27% Not Accommodated

- 64 Lost Days per claim (average)
- 152 Lost Days per claim (average)

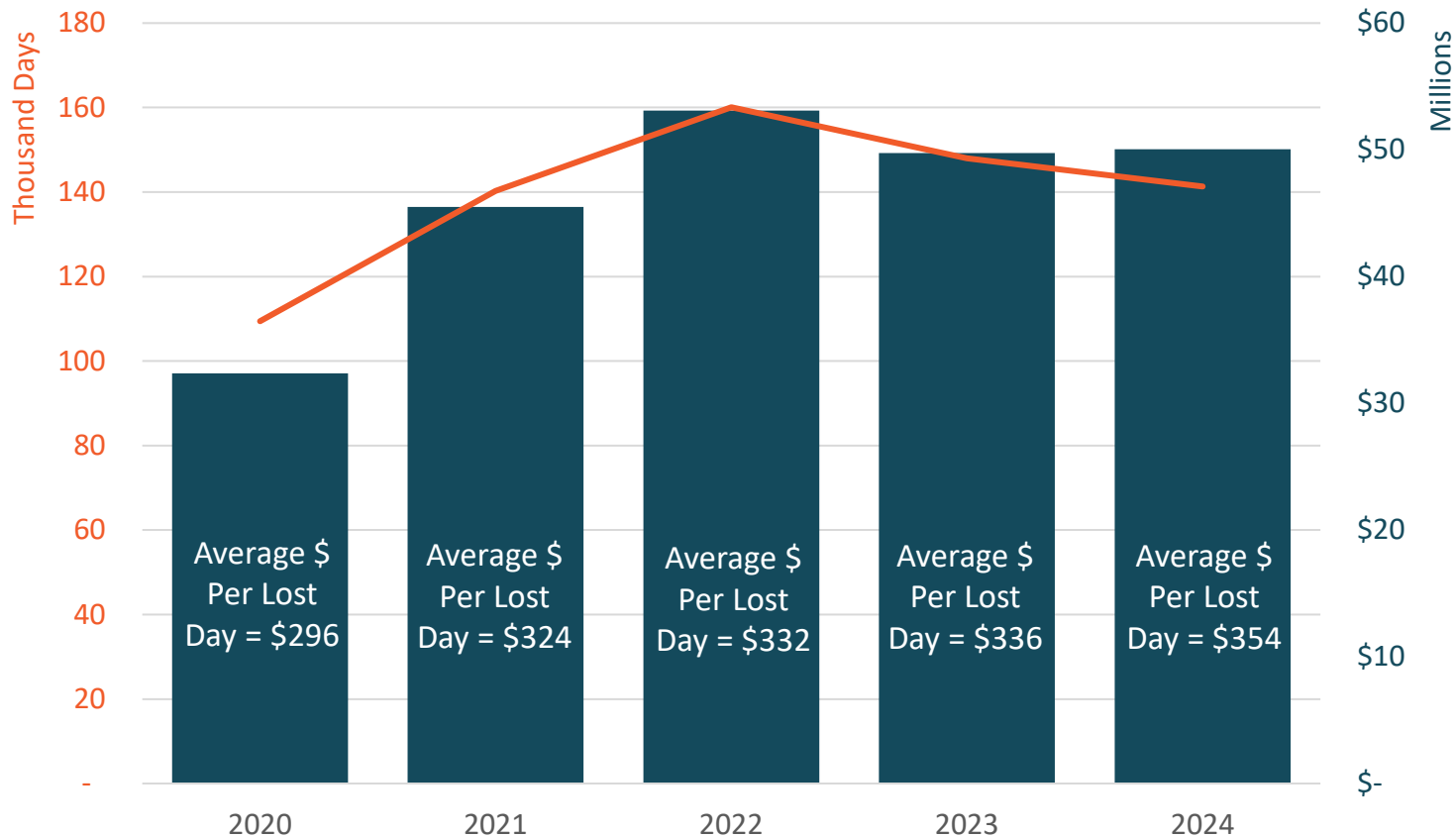
Key Findings:

- Average of 88 additional lost days/claim incurred where modified duty was not accommodated by the department
- Average of approximately \$30,721 per claim in additional lost time benefits paid when not accommodated



TD Lost Days and Payments

TD Lost Days and Payments by Fiscal Year

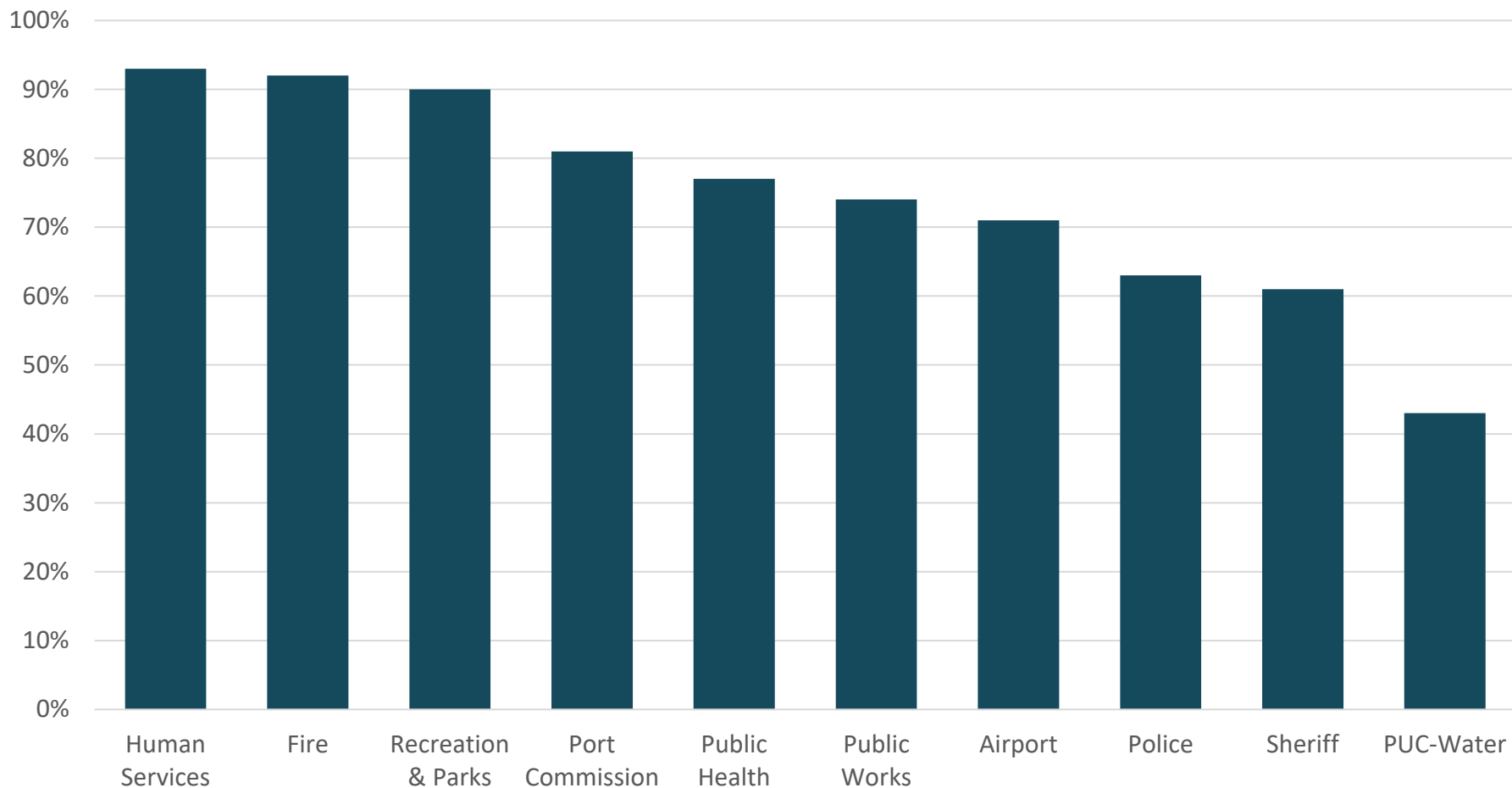


Notes:

- 1. TD lost days calculation includes temporary disability payments and 4850 (“Disability Pay”) payments.
- 2. Payment data from SFMTA are excluded.



Percentage of TTWA Accommodation Provided by the Top 10 Departments



Notes:

Top 10 departments providing TTWA accommodation were based on claim count.



Return-to-Work Challenges

- Departments continue to struggle with timely providing modified duty, or accommodating certain restrictions
- Doctors take injured employees off work completely, prohibiting the City from exploring modified duty
- Following expiration of temporary modified duty, employees are then off work for long periods of time, leaving staffing challenges for departments and increasing claim costs
- Departments do not know about temporary modified or alternate work available in other departments which could help further expand modified/alternate work usage

Performance Quick Facts and Financials



FY24 Performance Quick Facts

Fiscal Health

Ratio of Actuals to Budget

FY24 93%
Benchmark: 95%

Claim Volume

Count of New Claims in Period

	Indemnity	Medical
FY24	2,228	649
Benchmark	2,088	712

Claim Cost

Average Cost of Claims Closed in Period

	Indemnity	Medical
FY24	\$14,620	\$791
Benchmark	\$11,673	\$711

Duration

Average Days Open of Claims Closed in Period

	Days
FY24	289
Benchmark	198

Notes: All benchmarks based on rolling four-year averages (FY20-23). Fiscal health metric includes overhead and claim expenditures and is based on original budget, excluding any carryforward. Duration excludes disability retirement and future medical claims.



Costs by Expenditure Category

	FY22 Actuals	FY23 Actuals	FY24 Actuals	YOY Change (%)
INDEMNITY				
Temporary Disability	17,260,117	18,411,461	18,939,538	2.9%
Permanent Disability	17,753,842	16,977,197	19,921,515	17.3%
INDEMNITY SUBTOTAL	35,013,959	35,388,658	38,861,053	9.8%
4850 SALARY CONTINUATION	36,833,896	32,217,048	32,883,971	2.1%
VOCATIONAL REHABILITATION	175,685	230,930	244,655	5.9%
MEDICAL	34,788,695	35,092,900	36,191,244	3.1%
EXPENSE	3,507,613	3,293,207	3,552,687	7.9%
RECOVERY	(688,841)	(695,195)	(338,579)	-51.3%
GRAND TOTAL	109,631,007	105,527,549	111,395,030	5.6%

Notes:

1. All figures exclude SFMTA



Benefit Expenditure Trends by Dept

Department	FY23 Actuals	FY24 Revised Budget	FY24 Actuals	FY24 Surplus / (Deficit)	FY24 YOY Change
Police	21,219,758	23,518,565	26,874,068	(3,355,503)	5,654,310
Fire	15,434,996	19,173,137	15,292,576	3,880,562	(142,420)
Public Health	17,621,380	19,186,626	18,266,353	920,273	644,973
Sheriff	8,732,773	9,194,384	9,165,650	28,734	432,877
Public Works	5,232,696	5,582,304	4,519,355	1,062,949	(713,341)
Airport	5,430,115	5,226,245	4,823,141	403,105	(606,974)
Recreation & Parks	4,177,684	5,190,316	3,352,389	1,837,926	(825,295)
Human Services	3,160,362	2,944,000	3,029,945	(85,945)	(130,417)
PUC-Wastewater	2,524,332	2,549,704	1,665,676	884,028	(858,656)
PUC-Water	2,565,732	2,589,268	2,524,633	64,635	(41,099)
Total Top Ten Departments	86,099,827	95,154,549	89,513,786	5,640,764	3,413,958
Total of All City Departments	97,283,839	110,787,804	103,311,961	7,475,842	6,028,122

Notes:

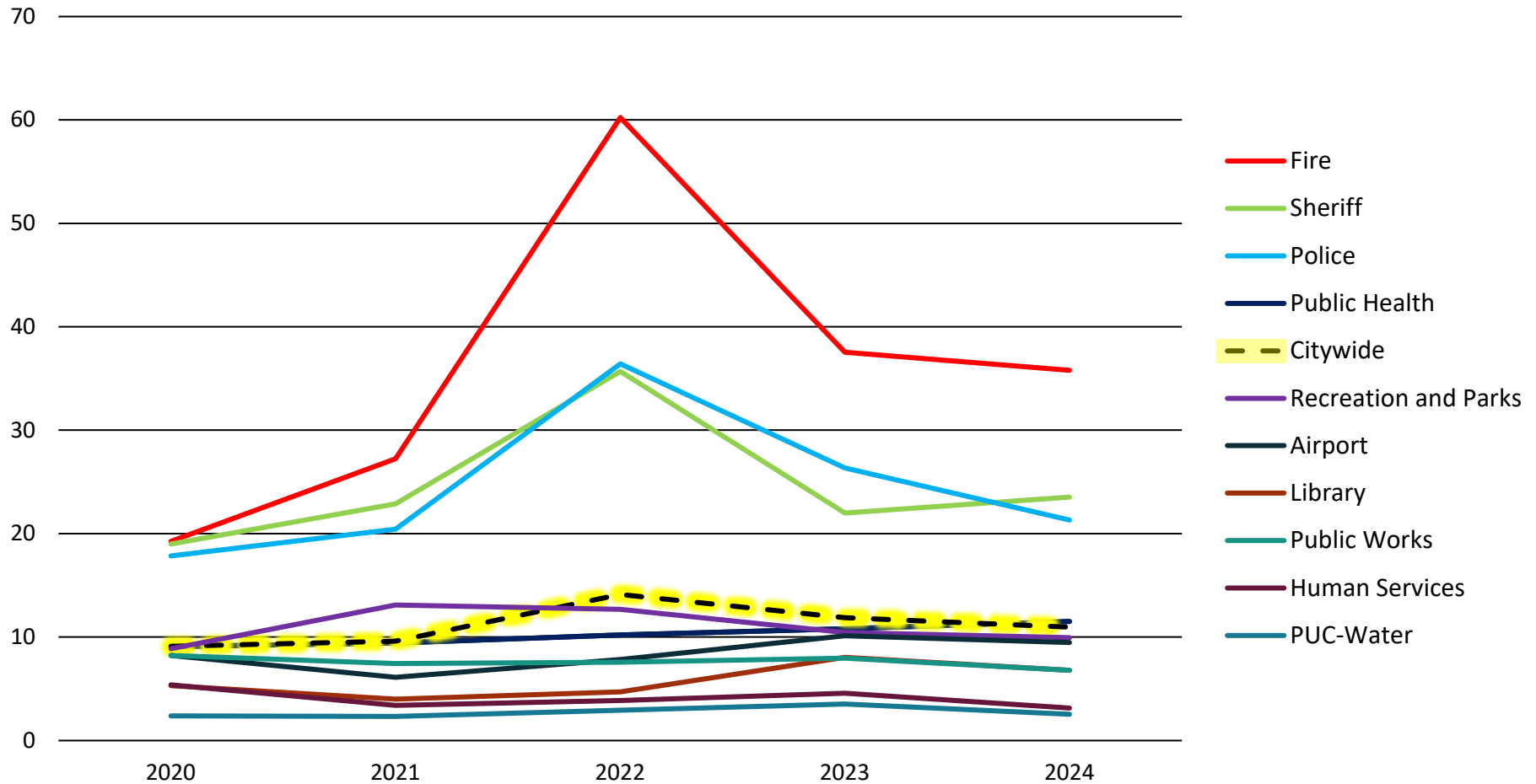
1. Expenditures exclude LC4850 salary continuation benefits and SF Community College, and include program overhead
2. Departments sorted by FY24 Revised Budget

Claim Analytics



Citywide Injury Trend

Claims Incurred Per 100 FTE



Notes:

- 1. Report only claims are excluded
- 2. Inclusive of COVID-19 claim experience



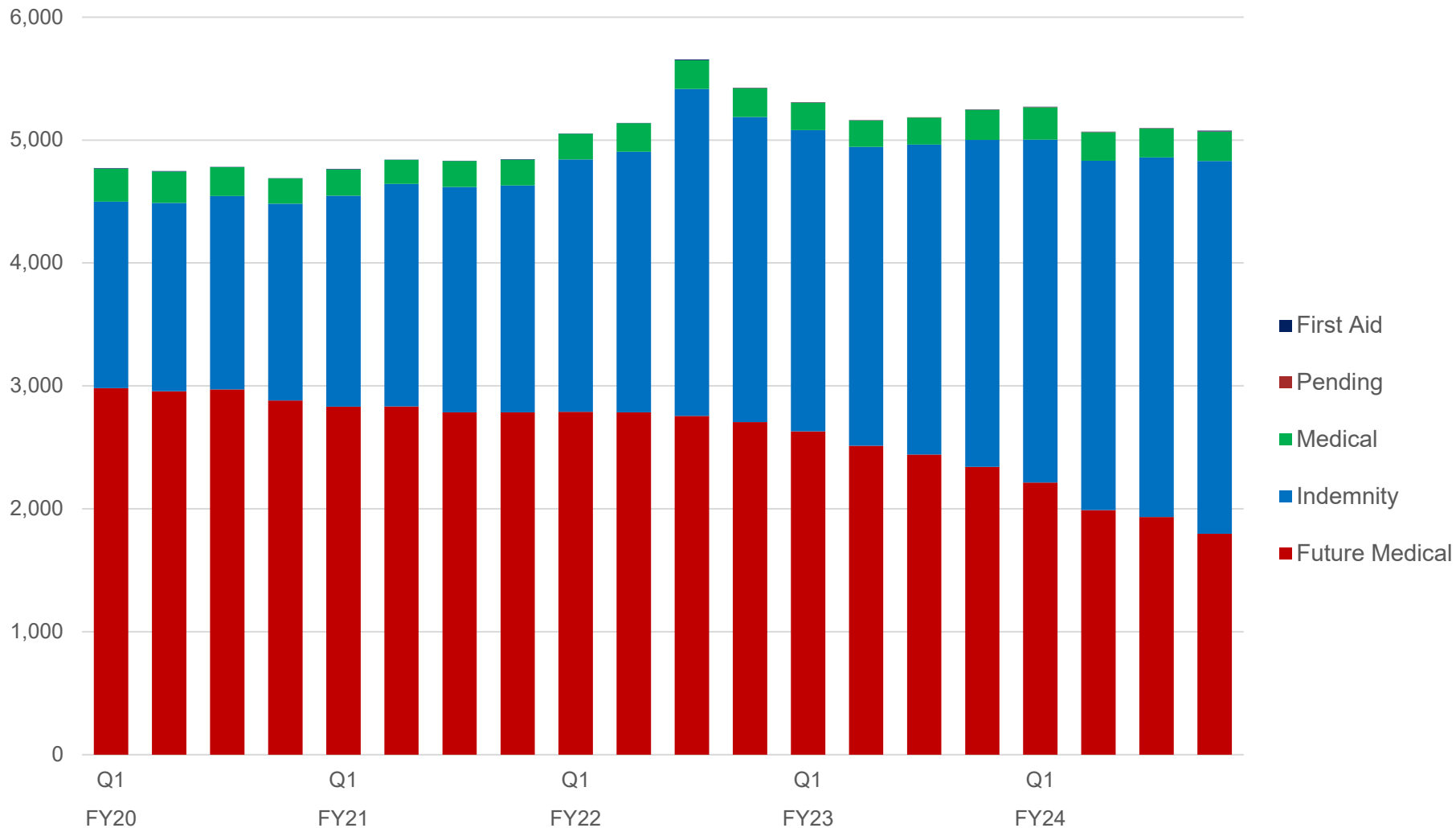
Claim Filing Frequency

	FY20-23			FY24			FY24 Increase / Decrease		
Department	Average Annual Indemnity Claims	Average Annual Medical Claims	Average Annual Indemnity + Medical Claims	Total Indemnity Claims	Total Medical Claims	Total Indemnity + Medical Claims	Indemnity	Medical	Indemnity + Medical
Public Health	279	395	673	426	348	774	147 or 53%	-47 or -12%	101 or 15%
Fire	496	45	541	584	46	630	88 or 18%	1 or 2%	89 or 16%
Police	511	75	586	453	56	509	-58 or -11%	-19 or -25%	-77 or -13%
Sheriff	210	17	227	176	16	192	-34 or -16%	-1 or -7%	-35 or -15%
Recreation & Parks	103	26	129	104	36	140	1 or 1%	10 or 38%	11 or 9%
Airport	91	33	124	97	33	130	7 or 7%	0 or -1%	6 or 5%
Public Works	61	37	98	58	28	86	-3 or -5%	-9 or -24%	-12 or -12%
Human Services	79	10	89	60	7	67	-19 or -24%	-3 or -32%	-22 or -25%
PUC-Water	35	20	55	45	10	55	10 or 29%	-10 or -51%	0 or 0%
Library	27	8	35	36	12	48	9 or 33%	4 or 50%	13 or 37%
Citywide	2088	712	2800	2228	649	2877	140 or 7%	-63 or -9%	77 or 3%



Open Claim Inventory

7/1/2019 – 6/30/2024





Litigation Statistics

Department	Open Indemnity Claims Added from FY20-FY24Q4	Represented Claims	Represented %	Litigated Claims	Litigated %
Police	521	193	37%	35	7%
Fire	455	128	28%	17	4%
Public Health	434	131	30%	100	23%
Sheriff	285	132	46%	128	45%
Airport	144	44	31%	43	30%
Recreation & Parks	120	36	30%	35	29%
Public Works	91	42	46%	41	45%
Human Services	82	35	43%	31	38%
PUC-Water	71	32	45%	30	42%
Water Pollution Control	48	18	38%	19	40%
Citywide	2,541	907	36%	575	23%



Citywide Assault Claims

FY23 vs FY24

	FY23	FY24
Assault Claims Filed	173	165
Assault Claim Payments	\$5,566,256	\$4,711,862

Notes:

SFMTA claim data are excluded.



San Francisco Workers' Compensation Council Meeting

Conclusion of WCD Report





SFMTA

SFMTA

**Municipal
Transportation
Agency**

Workers' Compensation Council

August 5, 2024



SFMTA

Agenda

- Accomplishments & Initiatives
- Transitional Work Program
- Challenges
- Performance Quick Facts
- Claim Analytics
- Financials

Accomplishments, Initiatives, & Challenges



Accomplishments & Initiatives

SFMTA

- The next Quarterly claim review with SFMTA and the team is 8/14/24, focusing on claims older than 24 months.
- Monthly Round Table Discussion – New Claims with 30 days TTD paid.
- LightSpeed Initiative – 7/1/23 through 6/30/24, 346 onsite investigations have been completed.
- Early intervention program for the period of 7/1/23 through 6/30/24
 - New referrals for the period: 602
 - Closed cases for the period: 756



Transitional Work Program

SFMTA

- **Transitional Work Program (TWP)/ Return to Work (RTW) Program**
 - Ongoing training with all divisions
 - The TWP/RTW Program is averaging 35-50 employees per week for the 90 day modified duty program
- **Fiscal Year 2024 Successes**
 - Material Management Department
 - Cleaned up 270+ pallets across all Divisions- \$500,000+ in savings .
 - Site audit and overview of contracts and professional service contract compliance.
- **Decreased Temporary Disability (TD) Payments**
 - Implementing best practices in RTW through Early Intervention and Lightspeed resulted in notable savings in Temporary Total Disability (TTD) payments.
 - A savings of \$1,200,000 in TD payments, equal to a 7% reduction in benefits in comparison to prior fiscal year.
- **Lowered Legal Cost:**
 - Fewer disputes and faster claim resolutions due to proactive RTW planning.



Accomplishments & Initiatives

SFMTA

- Initiative – Project Ongoing – Updating job analysis/job descriptions.
- Streamlined Claims Management: Continue efficient claims management processes to ensure timely processing of claims with LightSpeed program, education, reducing the lag time of new claims and improving employee satisfaction.

Average Lag Time (Days)			
FY Added	DOI → DOK	DOK → TPA	DOI → TPA
FY 2023	5.76 days	4.47 days	10.22 days
FY 2024	3.33 days	3.75 days	7.08 days

- Ongoing training for SFMTA Divisions and new hire workers’ compensation orientation.
- Pharmacy costs are down 58% in comparison to the prior year, from \$589,881 in FY 2023 to \$245,109 in FY 2024.
- Active litigation rates are down 5% in comparison to the same valuation date the prior fiscal year.
- Settlement activity continues to increase. In FY 2024, 203 claims were resolved, including 103 Stipulations, 93 C&R settlements and 7 dismissals. Settlements cut off liability – reducing long term and possibly unknown exposure.
- Reduction in Pending Inventory by 4%, ending the Fiscal Year with 1,494 open claims.
- Total recoveries received in FY 2024 equal \$485,874.



SFMTA

Current Challenges

- Increase in TD benefits due to Union wage increase in July 2024 and January 2025.
- Limited available transitional work program (TWP) assignment locations.
- Ongoing review of assault claims / mental health.

Performance Quick Facts



FY 2024 Performance Quick Facts

SFMTA

Claim Volume

Count of New Claims in Period

	FY 2024	FY 2023
Indemnity	583	572
Medical Only	55	41

Claim Cost

Average Paid on Claims Closed in Period

	FY 2024	FY 2023
Indemnity	\$25,391 / Claim	\$21,543 / Claim
Medical Only	\$635 / Claim	\$530 / Claim

Fiscal Health

Actuals to Budget

	FY 2024	FY 2023
Total Spend in FY	\$36,024,781	\$33,209,260
Annual Budget	\$29,710,709	\$29,188,709

Closings

of Claims Closed in Period

	FY 2024	FY 2023
# of Claims Closed	772	712

Notes: Benchmarks look at activity in the same period of the prior fiscal year. Fiscal health metric includes claim expenditures only and is based on the revised budget, excluding any carry forward and excludes TPA fees. Claim volume, cost and duration excludes first aid, disability retirement and future medical claims.

Claim Analytics

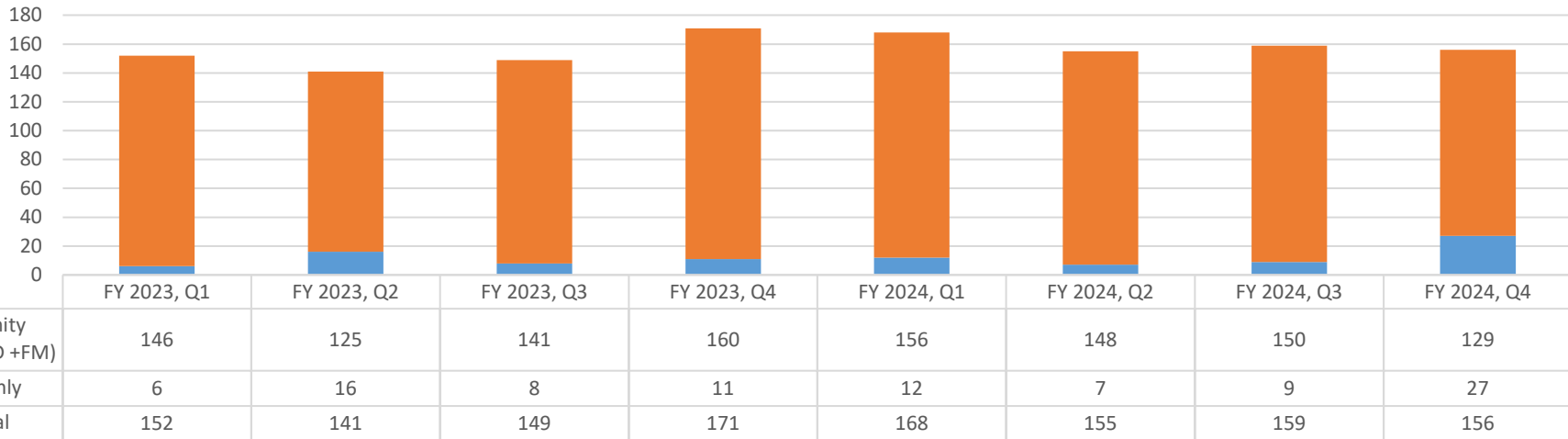


Claim Filing Frequency

SFMTA

	Indemnity Claims	Medical Claims	Total Indemnity + Medical Claims
# of New Claims Reported in FY 2024	583	55	635
# of New Claims Reported in FY 2023	571	42	613
Variance from FY2023 to FY 2024			
	Indemnity Claims	Medical Claims	Total Indemnity + Medical Claims
# of Claims	12	10	22
% of Change	2%	24%	4%

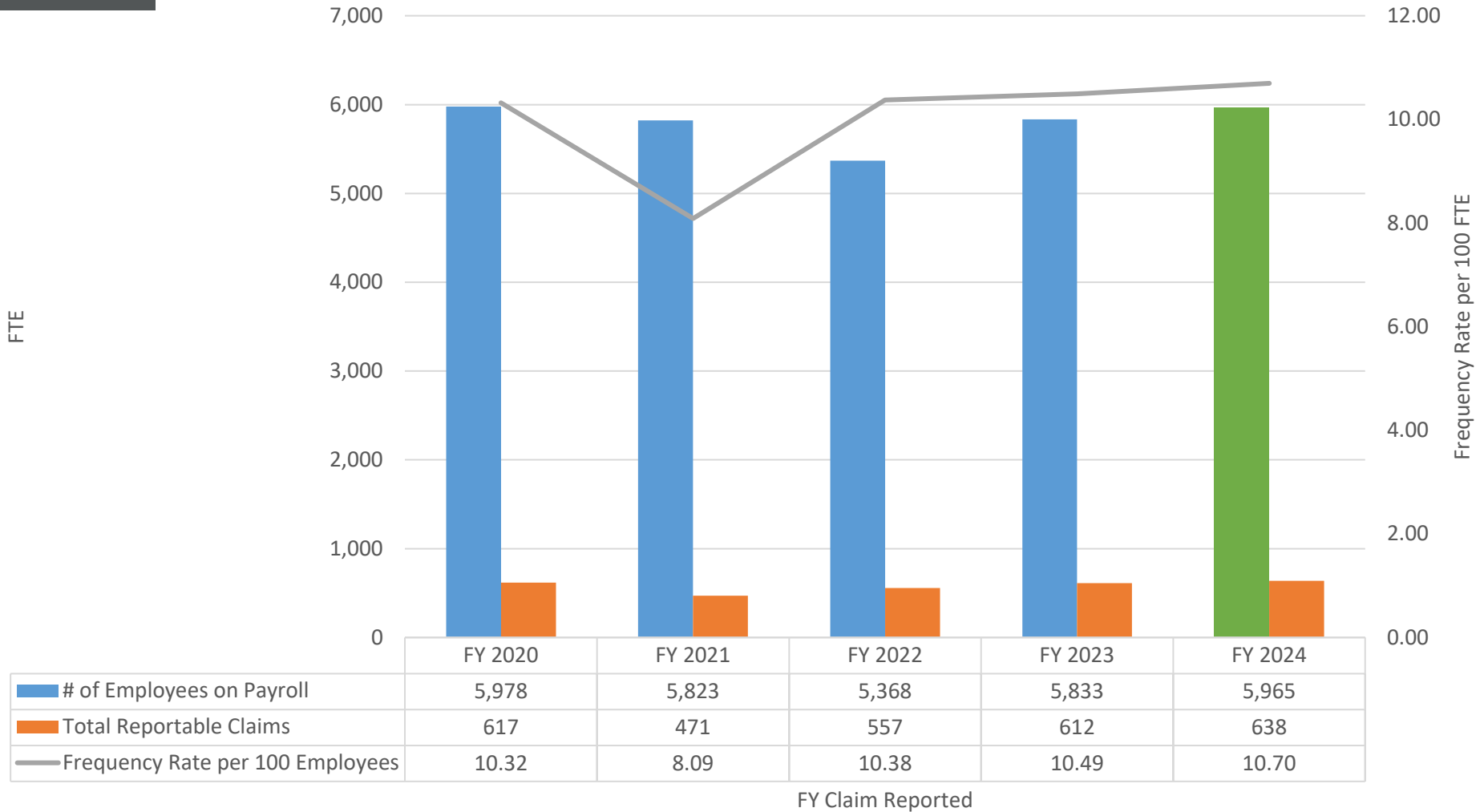
Claims Added 7/1/22 through 6/30/24, valued 6/30/24





Claims Frequency Per 100 FTE

SFMTA

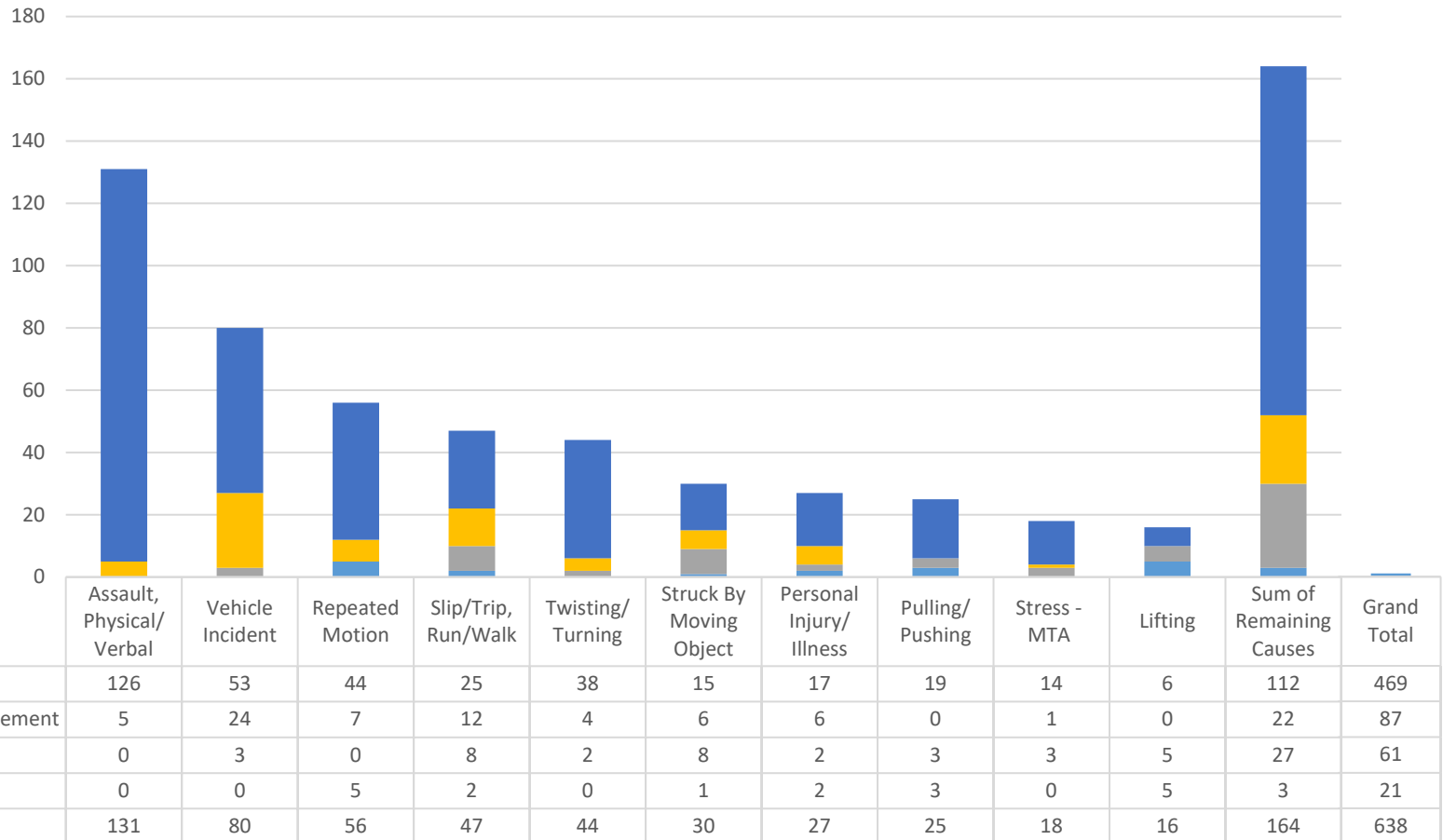




Claim Cause Distribution

SFMTA

**Top 10 Cause of Injury Descriptions Reported for the Top 3 Departments
Rolling 12 Months: 7/1/23 to 6/30/24**

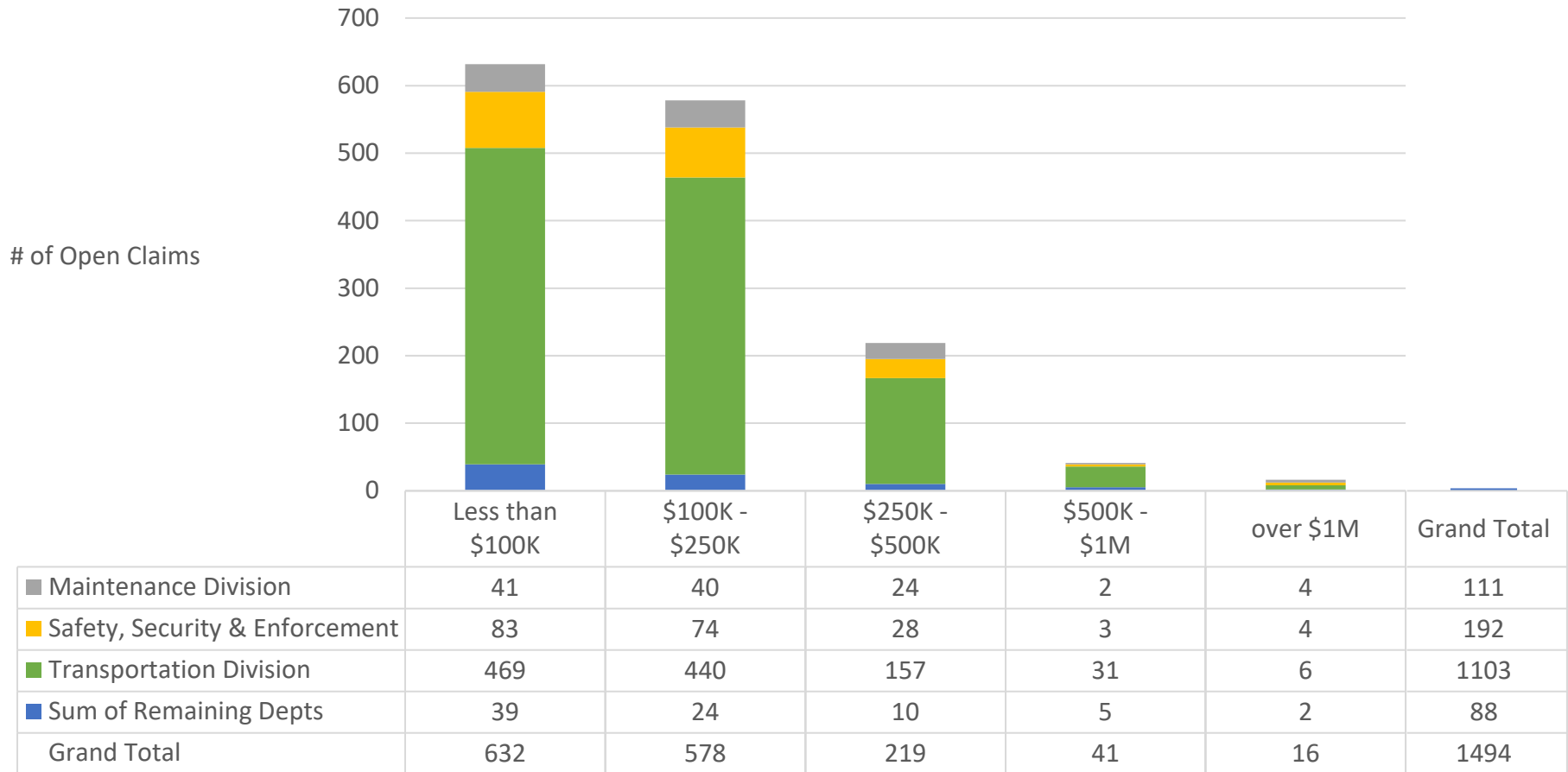


Notes: Claim cause group definitions are listed in Appendix 1



Open Claim Stratification

SFMTA



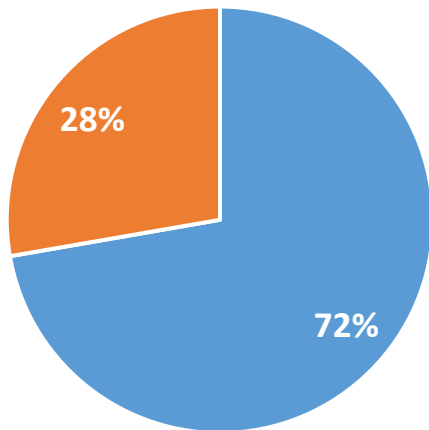
There are a total of **1,494** open claims. Data as of 6/30/2024



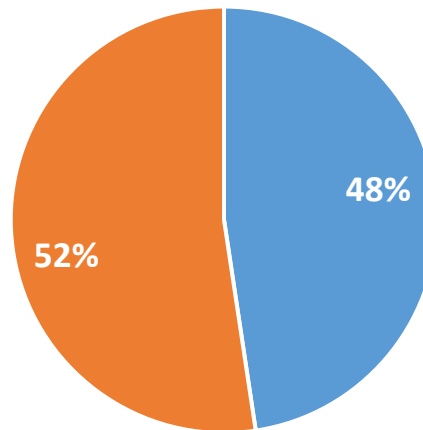
Open Active Indemnity vs. Future Medical

SFMTA

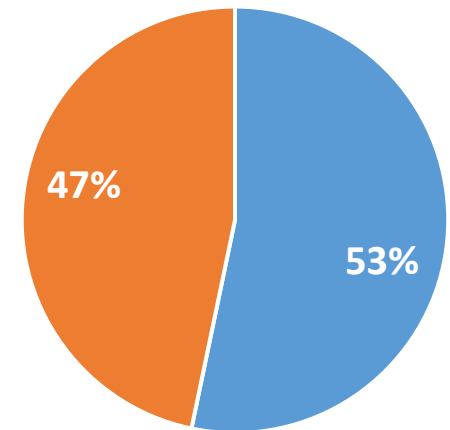
% of Open Claims



% of Total Paid



% of Total Incurred



■ Active Indemnity ■ Future Medical

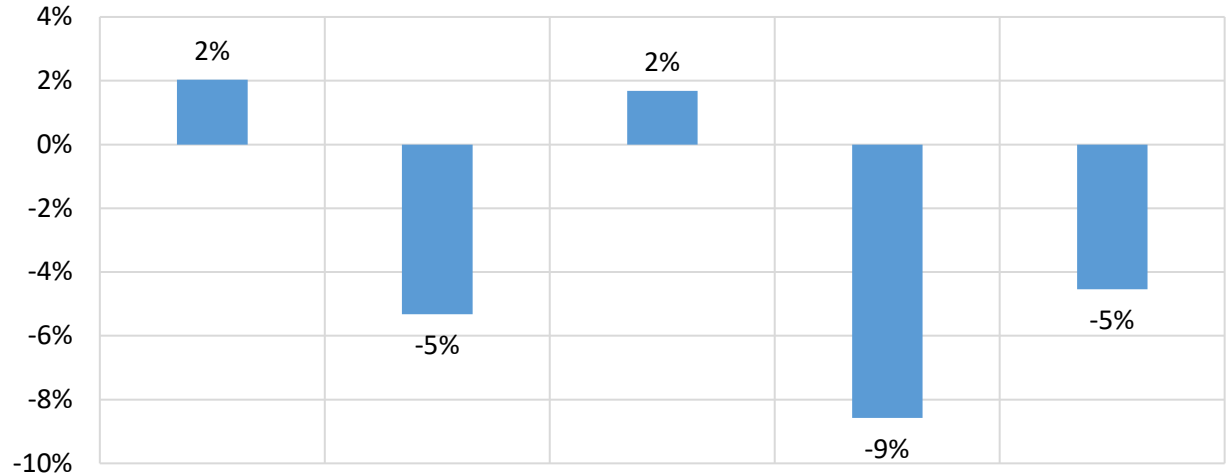
	# of Open Claims	Total Paid	Total Outstanding	Total Incurred
Active Indemnity	1071	\$82,342,458	\$58,431,592	\$140,774,049
Future Medical	411	\$90,569,142	\$32,896,558	\$123,465,700
Grand Total	1482	\$172,911,600	\$91,328,149	\$264,239,749



SFMTA

Litigation Trends

% of change in # of open active litigated claims from prior year



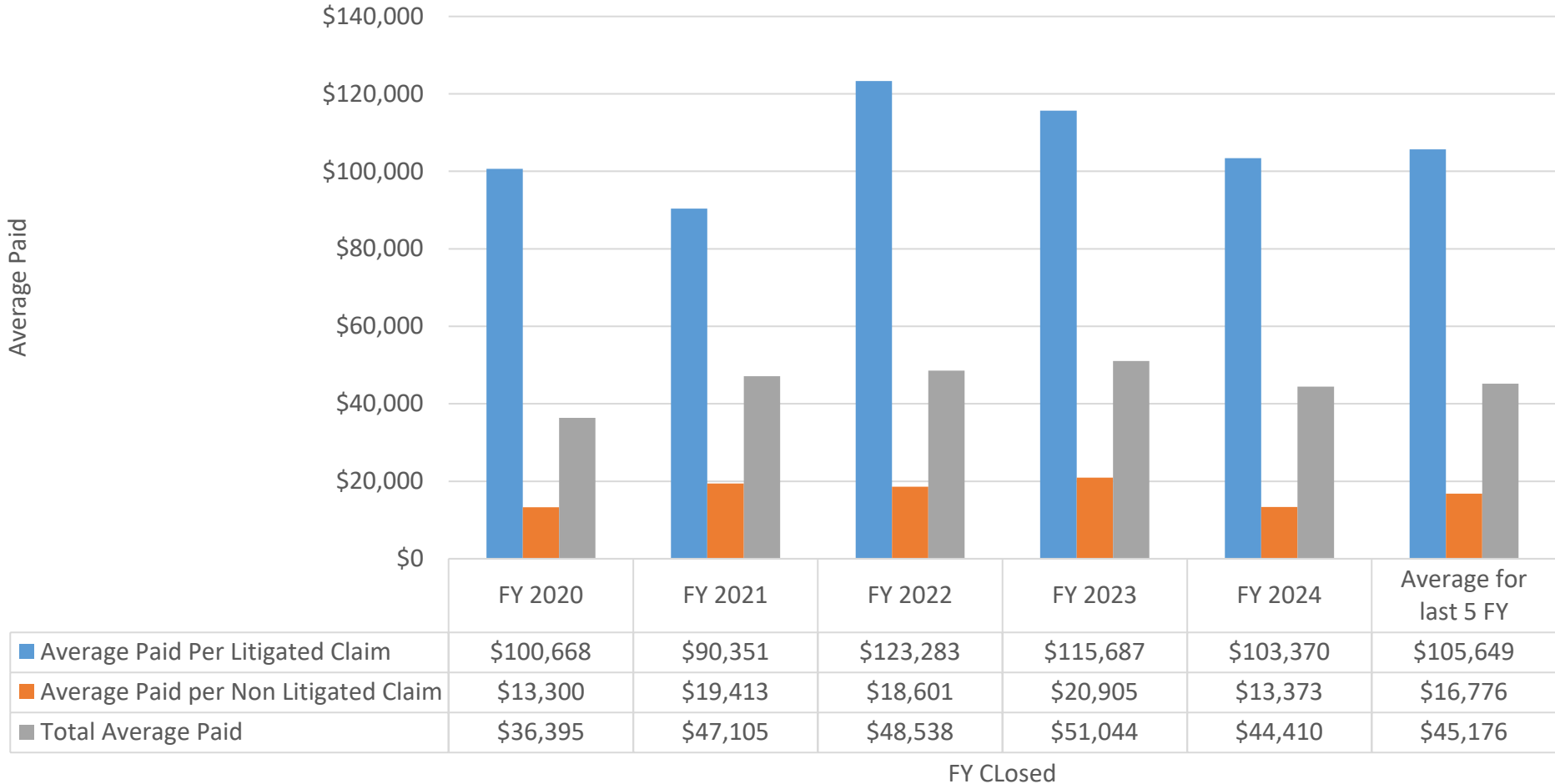
Valuation Date	06/30/20	06/30/21	06/30/22	06/30/23	06/30/24
Total Open Claims (MO and IND)	1566	1526	1577	1549	1494
Total # of Non Litigated Claims	403	420	454	523	501
Total # of Litigated Claims	1163	1106	1123	1026	993
# of Open Unsettled Litigated Claims	751	711	723	661	631
# of Open Settled Litigated Claims	411	395	400	365	362
% of change in # of open active litigated claims from prior year	2%	-5%	2%	-9%	-5%



SFMTA

Litigated vs Non-Litigated by FY Closed

Average Paid by Litigation Status
for Claims CLOSED in the Referenced Fiscal Year

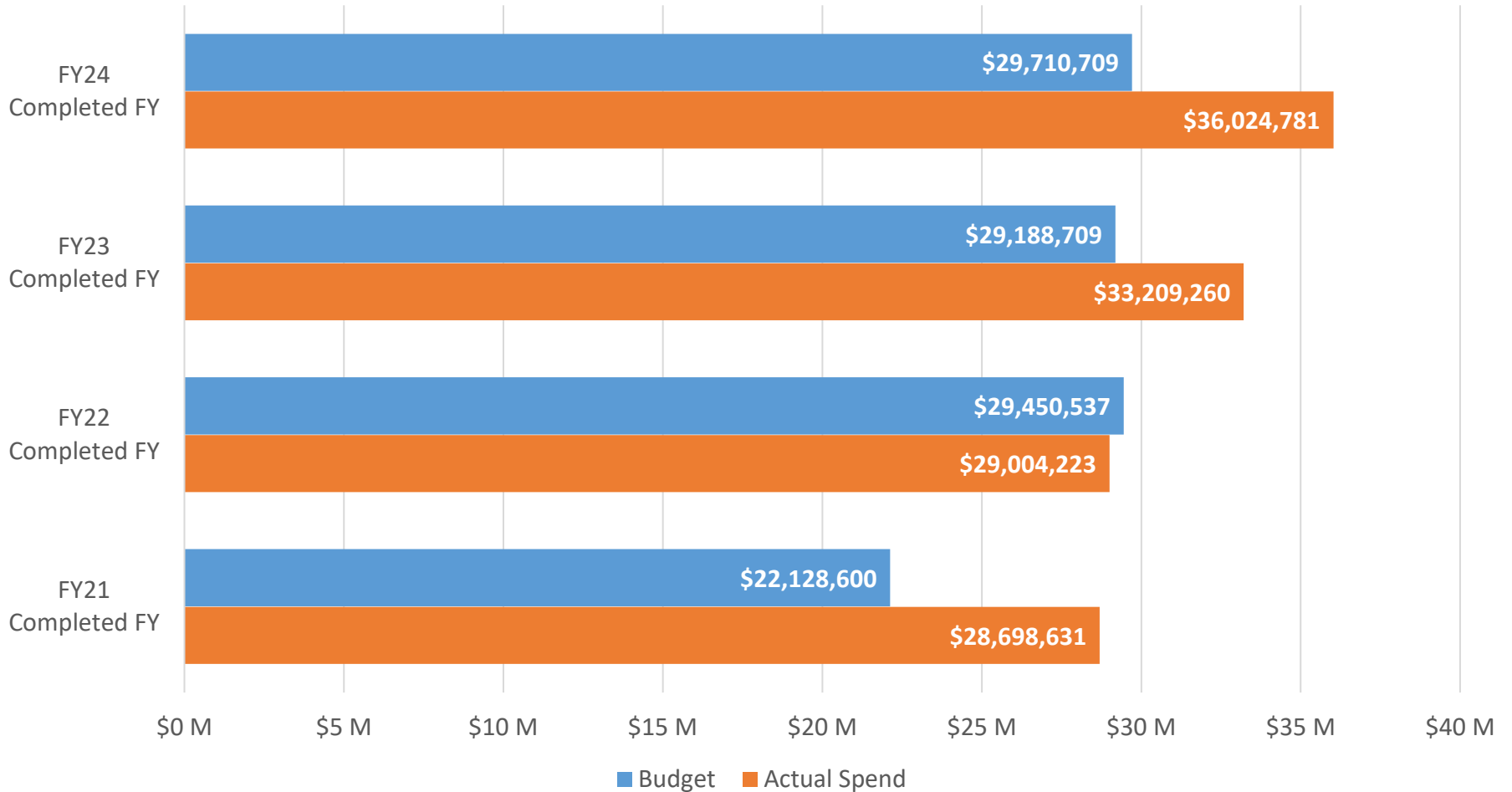


Financials



SFMTA Expenditure Trends

SFMTA





SFMTA

Payments by Fiscal Year

	FY 21 Actuals	FY 22 Actuals	FY 23 Actuals	FY 24 Actuals	FY 23 Actual to FY 24 Actual YOY Change (%)
INDEMNITY	\$18,401,610	\$19,147,352	\$22,940,805	\$22,906,883	-0.1%
Temporary Disability	\$13,132,765	\$13,834,255	\$17,905,666	\$16,711,981	-7%
Permanent Disability	\$5,268,845	\$5,313,097	\$5,035,139	\$6,204,156	23%
VOCATIONAL REHAB	\$43,084	\$33,585	\$84,451	\$93,091	10%
MEDICAL	\$8,724,619	\$8,945,689	\$9,814,203	\$11,476,134	17%
EXPENSE	\$1,243,584	\$995,718	\$982,304	\$1,548,672	58%
RECOVERY	(\$264,068)	(\$423,713)	(\$612,503)	(\$485,874)	-21%
GRAND TOTAL	\$28,148,829	\$28,698,631	\$33,209,260	\$36,024,781	8.5%

Notes:

1. Expenditures reflect benefit payments issued through the Claims Financial System, and do not include overhead or salary continuation benefits.



San Francisco Workers' Compensation Council Meeting Conclusion of SFMTA Report





San Francisco Workers' Compensation Council

**Our next meeting will be held on
November 4, 2024**