



## FY 2013 PERFORMANCE PLAN Office of Risk Management

### MISSION

The mission of the Office of Risk Management (ORM) is to reduce the probability, occurrence and cost of risk to the District of Columbia government through the provision of risk identification and insurance analysis and support to District agencies, and by efficiently and fairly administering the District's public sector workers' compensation, tort liability and captive insurance programs.

### SUMMARY OF SERVICES

ORM's Risk Identification, Analysis and Control Division conducts risk management assessments of District agencies' facilities and operations by identifying gaps in risk management practices, conducting building inspections, making related recommendations and overseeing their implementation, providing risk management training to District employees, and overseeing the formulation of agency emergency response plans. The Public Sector Workers' Compensation Program (PSWCP) receives workers' compensation claims from injured District government employees, adjusts and manages those claims through its Third Party Administrator (TPA), and provides compensation and services to claimants, including medical and return-to-work services. The Tort Liability Program receives and investigates claims against the District government with the goal of negotiating and preparing claims for fair and timely settlement. The Insurance Program oversees the District's Medical Liability Captive Insurance Agency, which provides medical malpractice insurance to non-profit community health centers, and advice to District agencies on risk and insurance policies and practices.

### AGENCY WORKLOAD MEASURES

Measure	FY 2010 Actual	FY 2011 Actual	FY 2012 YTD
Number of OSHA complaints received by ORM from District agencies	NA	34	51
Number of workers' compensation claims filed with ORM	1,391	1,412	1,379
Number of tort claims filed with ORM	2,298	1,638	1,383
Number of insurance inquiries received by ORM from District agencies	NA	199	531

### OBJECTIVE 1: Reduce the level and cost of risk to the District government.

#### INITIATIVE 1.1: Determine the areas where the District has the greatest exposure to risk and make recommendations to minimize its occurrence.

The Office of Risk Management requires all Agency Risk Manager representatives (ARMRs) to report the cost of risk (the total cost of losses, risk control, risk financing and risk administration) associated with the risk management function quarterly. In FY12, ORM surveyed available FY10 and FY11 agency cost of risk data to determine whether the total costs of the risk management functions increased, decreased or remained constant, and made recommendations to the agencies as appropriate. In FY13,



ORM will use the results of its FY12 survey to determine the District's top five areas of risk exposure. This information will be used to provide recommendations to District agencies to minimize the probability, occurrence and impact of losses to the District of Columbia government and provide a safe working environment for employees. It will also use the FY12 survey as a baseline from which to measure trends in cost of risk in future years. Completion date: September 30, 2013.

**INITIATIVE 1.2: Reduce property damage claims filed against the District by providing defensive driver training to District employees who use a vehicle for District government business.**

The Office of Risk Management (ORM) delivers Occupational Safety and Health Awareness (OSHA) training to District government employees. In past years, ORM and the Department of Human Resources (DCHR) have provided training to the District government workforce in courses on fire safety, preventing slips and falls in the workplace and introduction to OSHA. In FY13, in an effort to reduce motor vehicle accidents and injuries in the workforce, ORM will partner with the Department of Human Resources (DCHR) and other District government agencies to provide defensive driving training to 300 District employees who use a vehicle for District government business. The training program will be available to all District employees who wish to participate, except for Fire and EMS Department and Metropolitan Police Department employees, who already receive such training from their agencies. Completion date: September 30, 2012.

**Initiative 1.3: Improve ORM's management of recommendations to agencies from various sources.**

The Office of Risk Management (ORM) is responsible for implementing and maintaining a system for managing agency responses to outstanding recommendations from various sources, including the Inspector General and the DC Auditor. In FY 13, ORM will partner with the Office of the City Administrator to develop a Quickbase database to track agency responses to audit recommendations. This will allow ORM to track open, unresolved audit recommendations and to hold agencies accountable for bringing them to closure. Completion Date: September 30, 2013<sup>1</sup>

**OBJECTIVE 2: Improve the management and efficiency of the Public Sector Workers' Compensation Program.**

**INITIATIVE 2.1: Reduce the average number of days on workers' compensation.**

Reducing the average number of days an employee is on workers' compensation keeps employees healthy, productive and working, and reduces the cost of the program to District taxpayers. In FY12, ORM launched an enhanced Return to Work (RTW) program and hired a Return to Work Officer responsible for coordinating the return of injured workers back to their employment agency, assigning vocational rehabilitation or transitioning the employee to an alternative agency able to accommodate their restrictions. By incorporating this function into the agency, ORM will further reduce the

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<sup>1</sup> New initiative for FY 13.



average number of days that workers are out of work and on workers' compensation. In FY12, the average number was reduced by 29%. In FY 13, ORM will further reduce that number by 5%. Completion Date: September 30, 2013.

**INITIATIVE 2.2: Launch a job bank and network with other government entities to return long-term unemployed claimants back into the work force.**

In the past, the Public Sector Workers' Compensation Program's (PSWCP) Return-To-Work (RTW) program's main objective was to temporarily place injured workers in alternative modified work assignments, in order to facilitate their transition back to full duty on a permanent basis. In FY13, the vision and scope of the Return to Work program will be expanded to positively impact long-term claimants whose original D.C. government jobs have been eliminated and who have permanent duty restrictions. In order to return this population to work, a "Job Club" will be established, ORM will coordinate with the Department of Employment Services (DOES) to utilize its 'DC Works' program, and ORM will coordinate with the Department of Human Resources' (DCHR) to use its job bank. Completion Date: September 30, 2013.

**INITIATIVE 2.3: Improve data accuracy, auditing and analysis.**

In FY12, ORM hired a Compliance Review Auditor and a Program Analyst to improve the overall efficiency of the PSWCP. The Compliance Review Officer has the responsibility of developing and executing financial and operational risk based audits as well as making recommendations for losses or claims that appear to be fraudulent in nature as the result of investigation. The Program Analyst drafts policies and procedures and evaluates program performance. In FY 13, ORM will use both positions to improve the overall accuracy, auditing and analysis of program data. Completion Date: September 30, 2013.<sup>2</sup>

**OBJECTIVE 3: Reduce the number of lawsuits against the District government.**

**INITIATIVE 3.1: Develop more efficient methods to resolve tort claims filed with ORM.**

In an effort to keep a more accurate accounting of the number of claims resolved by ORM and the amount of time necessary to resolved claims, in FY12, ORM began tracking closure of claims by fiscal year. In FY 13, the Tort Liability Program will process claims more quickly in an effort to decrease unnecessary litigation against the District. Completion Date: September 30, 2013.

**OBJECTIVE 4: Recover money owed to the District as a result of tortious acts by third parties.**

**INITIATIVE 4.1: Enhance citywide subrogation efforts.**

In an effort to increase revenue associated with the pursuit of claims against third parties who have committed tortious acts against the District and/or District employees, in FY13, ORM will provide risk management oversight of District agencies that are currently

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<sup>2</sup> This is a new initiative in FY13.



handling their own subrogation claims. The Tort Liability Program will also hold round table discussions with various District agencies to discuss its new procedures and offer assistance to their efforts. In addition, ORM will increase its efforts to collect subrogation money from tortfeasors who are responsible for injuring District employees who are receiving workers' compensation. Finally, the Tort Liability Program will hire an additional claims adjuster to work exclusively on subrogation claims. The impact of these new measures will result in an increase of subrogation monies collected by ORM in FY 13. Completion Date: September 13, 2013.

**OBJECTIVE 5: Increase contractual risk management and awareness of District agencies.**

**INITIATIVE 5.1: Provide insurance and risk management guidance and training to District government agencies.**

The purpose of this initiative is to provide guidance and training to District's agencies on how to decrease the District's exposure to contractual risk. In FY12, ORM developed and initiated a quarterly insurance roundtable where contracting officers and other procurement personnel shared knowledge and discussed trends and challenges related to the insurance and contractual risk management aspect of procurement. As a result, ORM identified three areas requiring the development of insurance risk management policy and procedures: (1) real estate; (2) economic development; and (3) special events. In FY13, ORM will assist District agencies in developing insurance risk management policies and procedures surrounding these three areas and any other critical areas identified during roundtables in FY13. Completion Date: September 30, 2013.

**OBJECTIVE 6: Ensure DC residents' access to affordable health care.**

**INITIATIVE 6.1: Solicit additional healthcare providers and new partners to participate in the Medical Liability Captive Insurance Company ("DC Captive").**

ORM administers the DC Captive, which provides medical malpractice liability insurance to non-profit community health clinics. From FY10 through FY12, the DC Captive insured seven clinics. By providing subsidized insurance to clinics that are otherwise not able to afford market-rate insurance, the DC Captive facilitates thousands of residents' access to affordable health care and wellness education. With the assistance of OCA, ORM would like to solicit additional partners and may draft conforming rules, regulations, and/or legislation, among other strategies, to assist in this effort. Completion Date: September 30, 2013.



## KEY PERFORMANCE INDICATORS - Office of Risk Management

Measure	FY 2011 Actual	FY 2012 Target	FY 2012 Actual	FY 2013 Projection	FY 2014 Projection	FY 2015 Projection
Percentage of District Government vendors in compliance with ORM minimum insurance requirements <sup>3</sup>	NA	100%	100%	100%	100%	100%
Number of environmental and safety inspections/re-inspections at District Government buildings	619	615	617	615	615	615
Percentage of eligible facilities for which agencies have submitted an Emergency Response Plan (ERP) for approval by ORM <sup>4</sup>	75%	NA	85%	100%	100%	100%
Total Cost of the Public Sector Workers' Compensation Program	\$22.1 million	\$17 million	\$21.8 million	\$17 million	\$17 million	\$17 million
Average number of days a claimant receives workers' compensation benefits for claims opened within the fiscal year.	36.68	51.44	26.02	27.33	28.70	30.14
Number of workers' compensation claims per 100 FTEs <sup>5</sup>	15	NA	15	14.25	13.54	12.87
Average number of days a claimant receives workers' compensation benefits for all claims beginning from the onset of the claim to the present.	1,778	1,689	1,870	1,777	1,688	1,603
Number of employees returning to work and/or participating in job club <sup>6</sup>	557	529	583	612	643	675

<sup>3</sup> This figure is based on ORM's understanding from OCP that 100% of eligible contracts have been submitted for ORM's review and approval in the PASS system.

<sup>4</sup> This is a new measure in FY13.

<sup>5</sup> Ibid.

<sup>6</sup> This measure was changed for FY 12 to show the number of employees returning to work and/or participating in the job club versus the number of agencies participating in the return to work program.