



Office of Risk Management (*RKO*)

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 and 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 also provides advice to District agencies on risk and insurance policies and practices.

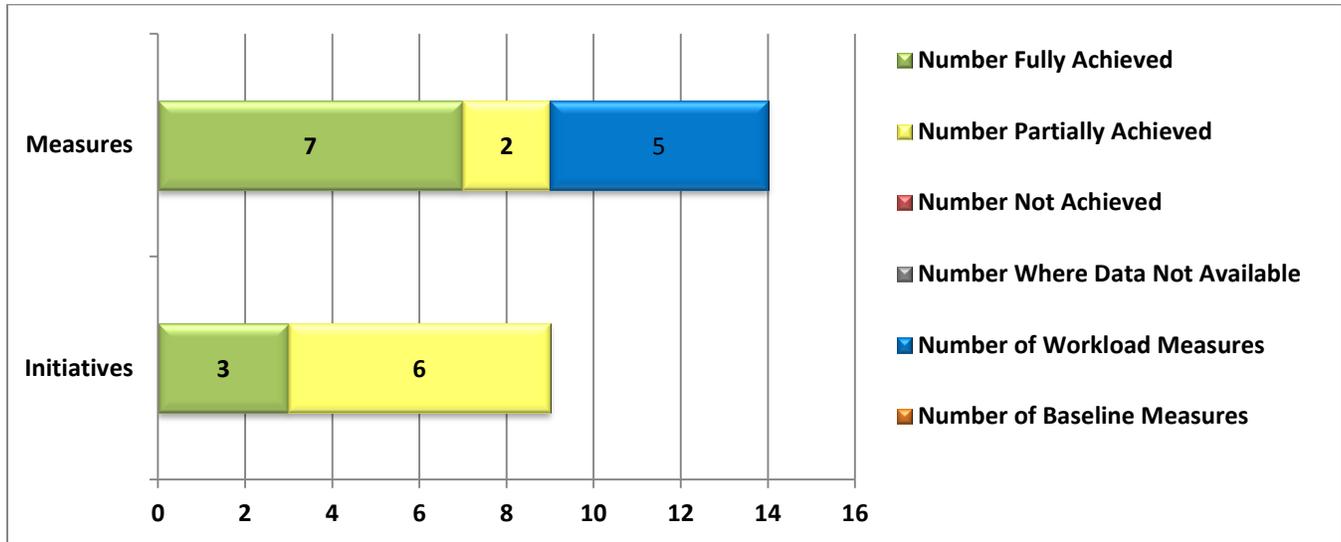
ACCOMPLISHMENTS

- ✓ Increased the number of employees returning to work (583).
- ✓ Increased the Worker's Compensation Program subrogation funds collected (\$168,719.63).
- ✓ Through training, increased contractual risk management and insurance awareness.

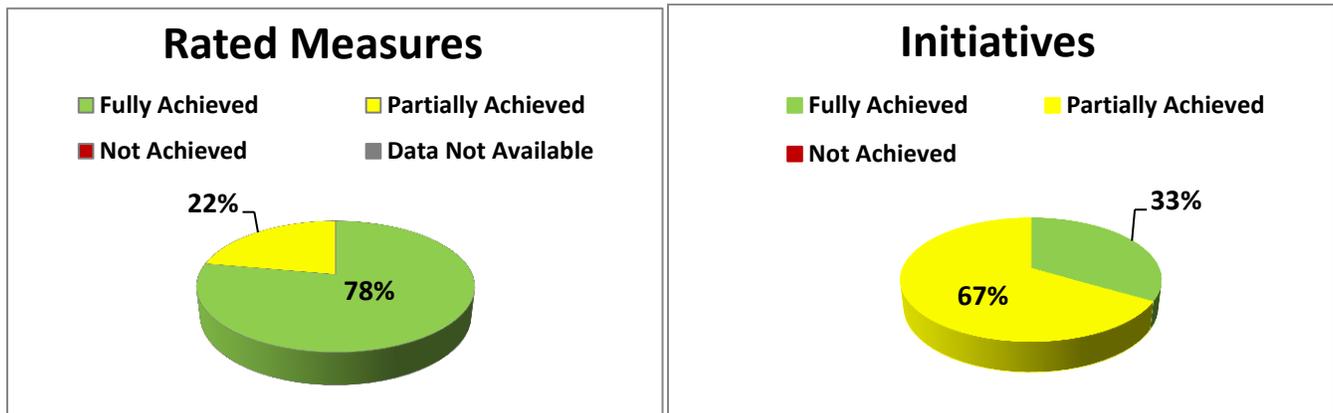


OVERVIEW OF AGENCY PERFORMANCE

TOTAL MEASURES AND INITIATIVES



RATED MEASURES AND INITIATIVES



Note: Workload and Baseline Measurements are not included

Default KPI Rating:	
$\geq 100\%$	Fully Achieved
75 - 99.99%	Partially Achieved
$< 75\%$	Not Achieved



Performance Initiatives – Assessment Details

Performance Assessment Key:

-  Fully achieved  Partially achieved  Not achieved  Data not reported

Agency Management

OBJECTIVE 1: Reduce the level and cost of risk to the District government by increasing occupational safety.

INITIATIVE 1.1: Increase public occupational safety and health awareness District-wide by training 10% of the workforce of each District government agency in OSHA skills.

- This initiative was partially achieved. In FY12, the Office of Risk Management, in partnership with the Department of Human Resources, launched and provided an online Occupational Safety and Health Awareness (OSHA) training course entitled “Introduction to OSHA.” 1,032 District government employees, or six percent of employees under the Mayor’s authority, participated in the training. ORM, however, fell short of the goal of 10 percent of the workforce of each agency receiving the training. While 11 agencies did achieve the goal, 31 agencies did not.

INITIATIVE 1.2: Conduct cost of risk survey to identify total cost associated with the District’s risk management function.

- This initiative was partially achieved. In FY12, ORM completed a draft cost of risk survey. The survey established a comparison of total cost of losses, risk control, risk financing and risk administration expenses from the data submitted by ARMR members of the Risk Management Council for FY10 and FY11. The submitted data, however, is incomplete so it cannot be determined whether there was a trend in the cost of risk between FY10 and FY11. In FY13, ORM will make a renewed effort to get agencies to submit accurate and complete cost of risk data so that a more robust analysis can be done in the future to assist agency directors with budget and management decisions. In the meantime, the draft analysis will be used to advise District government agencies on risk.

INITIATIVE 1.3: Achieve 100% participation of all District agencies required to create and submit Emergency Response Plans (ERPs).

- This initiative was partially achieved. In FY12, agencies submitted Emergency Response Plans (ERPs) for 85 percent of the District government buildings that are required to have an ERP, falling short of the 100 percent goal. The majority of the outstanding deliverables (15 percent) are from two District agencies with multiple buildings that require ERPs. In FY13, ORM will continue to assist agencies with the creation of ERPs, with the goal of 100% of District government buildings having an ERP submitted for approval to ORM.



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.

This initiative was fully achieved. In FY12, ORM launched an enhanced Public Sector Workers' Compensation Program (PSWCP) Return-To-Work program, improved claims management and revised and strengthened the PSWCP's regulations. As a result, the average number of days an employee received temporary total disability (TTD) payments in FY12 (for claims accepted in FY12) decreased from 36.68 in FY11 to 26.02 in FY12. Decreasing the number of days off work for the historic, entire workers' compensation population, however, remains a challenge. In FY11, the total number of days off work was 1778. In FY12, it was 1870. ORM will continue to work to improve this measure in FY13.¹

INITIATIVE 2.2: Launch an enhanced return-to-work (RTW) program.

This initiative was fully achieved. In FY12, ORM launched an enhanced Return-to-Work program by hiring a full time Return-to-Work Officer, expanding the number of agencies that participate in the program, and increasing the number of jobs available for modified duty placement. In addition to placing claimants in a modified duty capacity within their employing agencies, the Return-to-Worker Officer began identifying medium and long-term workers' compensation claimants who can return to work and started referring those claimants to job training and job placement services. ORM also continues to hold weekly roundtable discussions with claims examiners, supervisors, and nursing staff. In FY12, ORM initiated a partnership with the Department of Employment Services for job training and vocational rehabilitation services. In FY 13, these services will include resume workshops, open recruitments, computer basics, Senior Community Services, on- the- job training and interviewing techniques. ORM is also collaborating with the Department of Human Resources (DCHR) for potential employment assignments within the District government for workers who are unable to return to their pre-injury agency positions.

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

INITIATIVE 3.1: Increase the percentage of settled tort claims received by ORM.

This initiative was partially achieved. In FY12, 1,383 tort claims were filed with ORM. Of the total number of claims filed, approximately 125 claims proceeded to litigation, representing 9.03 percent of all claims filed. ORM will use this percentage as a baseline measure when evaluating performance in this area in the future. ORM continues to meet with the Office of the Attorney General Civil Litigation Division on a regular basis in its efforts to decrease the level of unnecessary litigation. It also added one claims specialist to the Tort Liability Program and, in FY13, will add an additional position, bringing the total number of claims specialists to four. In FY13, ORM will continue to improve its claims management practices so that claims are properly and quickly disposed of in a continued effort to decrease the number of claims that proceed to

¹ Because of historic deficiencies in record-keeping within the program that dates back decades, ORM is not able to accurately measure the average number of days on TTD for the entire workers' compensation population. The 54.14 number reported last year was an error. The actual number, according to the records of the Third Party Administrator, was 36.68.



litigation.² The initiative is partially achieved because the agency only has baseline data.

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

INITIATIVE 4.1: Launch city-wide subrogation initiative.

This initiative was partially achieved. In FY12, ORM, through the PSWCP Third Party Administrator, collected \$168,720 in subrogation claims, a 61 percent increase over the FY11 total. It did so by dedicating two PSWCP investigators to all subrogation claims, rather than spreading the subrogation caseload across claims examiners who also handle regular workers' compensation caseloads. ORM has also enhanced collaboration between the PSWCP and Tort Liability Program on subrogation claims, so that any PSWCP claim that may have resulted in damage to District government property is referred to the Tort Liability Program for follow-up action. The Tort Liability Program collected \$27,963 in subrogation claims in FY12. The final reported revenue for FY11 was \$31,890, so there was no increase in FY13. The Tort Liability Program staff has met with numerous District Agency Risk Manager Representatives to discuss ORM's subrogation process in an effort to increase awareness among those agencies about opportunities to increase the number of subrogation claims. In FY13, ORM will continue these efforts and also hire a new claims specialist to work on subrogation claims to enhance revenue for District taxpayers.

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

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

This initiative was fully achieved. The Office of Risk Management met its goal of training a broad base of District employees and agencies in the area of insurance risk management strategies. Specifically, during FY12, ORM initiated the Insurance Risk Management 101 (RM101) training module, established a quarterly Risk Management Roundtable (RMR), hosted an insurance risk management session on private insurance, and reviewed a record number of contracts and certificates of insurance for various District agencies. RM101 is a training module that educates District employees on the implementation and enforcement of OCP 3002, the contract insurance requirement component of OCP's procurement policy. During FY12, ORM provided RM101 training to the Department of General Services and as part of OCP's Agency Contracting Officer training program. As a result of ORM's first RMR, ORM identified potential areas of risk management policy that it will work further with agencies on in FY 13. Finally, during FY12, ORM reviewed 551 contracts and solicitations for compliance with OCP 3002. This exceeds the FY11 total by 352. ORM attributes this increase to more agencies being aware of ORM's insurance risk management services, as well as ORM's being added to the approval stream in PASS for contracts and solicitations over \$100,000.

OBJECTIVE 6: Ensure DC residents' access to affordable health care and wellness education.

² While the percentage of claims proceeding to litigation is slightly higher than the percentage provide by the ICMA, the number is consistent with the number of claims that proceed to litigation in this area. Notably, in 2009 in neighboring Rockville, MD, 11% percent of all claims filed proceed to litigation. Ammons, David N. *Municipal Benchmarks: Assessing Local Performance and Establishing Community Standards*. 3rd ed. New York: M. E. Sharpe, Inc. (2012)



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

This initiative was partially achieved. During FY12, the DC Captive’s membership decreased from seven clinics to four clinics. As part of its efforts to expand, the DC Primary Care Association (DCPCA) agreed, at ORM’s request, to market the DC Captive’s services to its clinical membership. While this outreach did not result in an expanded membership, efforts to do so will be ongoing in FY13. ORM also reached out to various DC agencies that are involved in providing health care services to determine if there may be an opportunity for the DC Captive to provide insurance or risk management services to these agencies. ORM is continuing to analyze this issue to determine whether to pursue a legislative change that would authorize such an expansion of the DC Captive’s mission in FY13.



Key Performance Indicators – Details

Performance Assessment Key:

● Fully achieved
 ● Partially achieved
 ● Not achieved
 ● Data not reported
 ● Workload Measure

		Measure Name	FY2011 YE Actual	FY2012 YE Target	FY2012 YE Revised Target	FY2012 YE Actual	FY2012 YE Rating	Budget Program
●	1.1	Number of Environmental and Safety Inspections	619	615		617	100.33%	RISK IDENTIFICATION & ANALYSIS
●	1.2	Reduce the number of "How Am I Driving?" 311 complaint calls (percent decrease and number of complaints)	1	15		4.89%	306.86%	RISK IDENTIFICATION & ANALYSIS
●	1.3	Number of OSHA complaints received by ORM from District agencies	34	NA		51	WORKLOAD MEASURE	RISK IDENTIFICATION & ANALYSIS
●	2.1	Total Cost of Public Sector Worker's Compensation Program	22,100,000	17,000,000		\$21,798,521.32	77.99%	RISK CONTROL DIVISION
●	2.2	Average Number Of Days (FY12 Claimants)	36.68	51.44		26.02	197.69%	RISK FINANCING DIVISION
●	2.3	Overall Average Number of Days Off Work	1778	1689		1,870.25	90.31%	RISK FINANCING DIVISION
●	2.4	Average Cost Per Injury	10,490.88	9,966.34		4,316.28	230.90%	RISK FINANCING DIVISION



		Measure Name	FY2011 YE Actual	FY2012 YE Target	FY2012 YE Revised Target	FY2012 YE Actual	FY2012 YE Rating	Budget Program
●	2.5	Number Of Employees Participating In the Return To-Work Program	557	529		583	110.21%	RISK FINANCING DIVISION
●	2.6	Number of workers' compensation claims filed with ORM	1,412	NA		1,379	WORKLOAD MEASURE	RISK CONTROL DIVISION
●	3.1	Tort Claims Received	103	100		125.24%	125.24%	RISK CONTROL DIVISION
●	3.2	Number of tort claims filed with ORM	1,638	NA		1,383	WORKLOAD MEASURE	RISK FINANCING DIVISION
●	5.1	Percentage of District Government vendors in compliance with ORM minimum insurance requirements	0	100		100%	100%	RISK IDENTIFICATION & ANALYSIS
●	5.2	Number of insurance inquiries received by ORM from District agencies	199	NA		531	WORKLOAD MEASURE	RISK IDENTIFICATION & ANALYSIS
●	6.1	Number of insurance claims filed against Captive members	1	NA		0	WORKLOAD MEASURE	RISK IDENTIFICATION & ANALYSIS