



## Office of Risk Management (RK0)

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### 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 provides advice to District agencies on risk and insurance policies and practices, and also oversees the Captive Insurance Agency, which provides medical malpractice insurance to non-profit community health centers, as well as property insurance for District government real property assets.

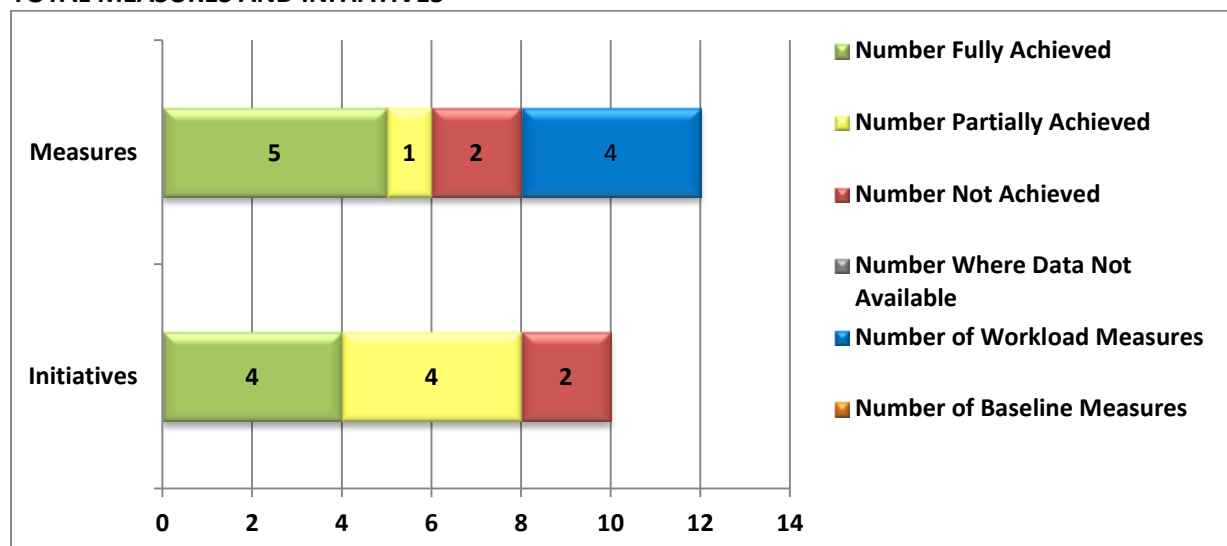
### ACCOMPLISHMENTS

- ✓ Cost savings on workers' compensation
- ✓ Increased subrogation for workers' compensation
- ✓ Captive expansion

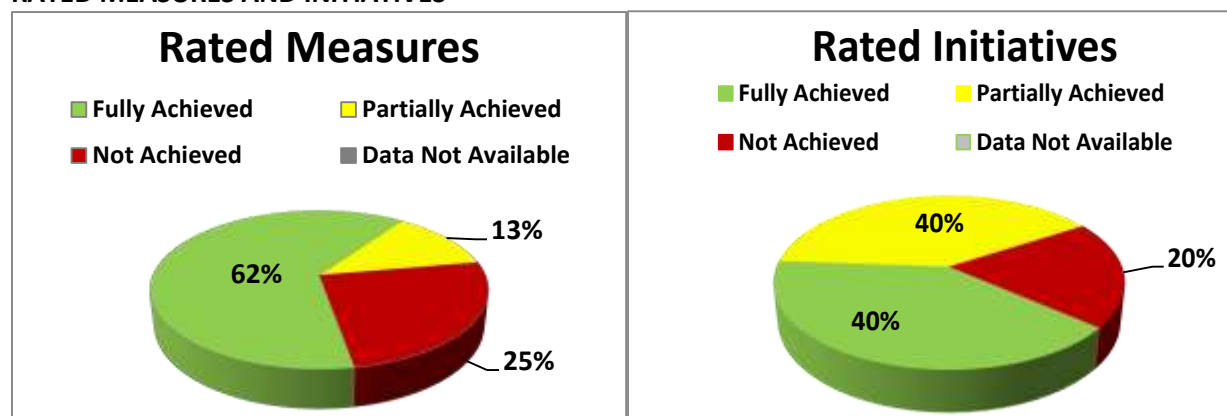


## OVERALL AGENCY PERFORMANCE

### 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.


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

-  **Not achieved:** In FY13, ORM did not complete this initiative because of vacancies and other resource challenges. In FY14, ORM plans to reorganize the responsible division and hire a new manager so it can carry out this initiative. ORM will use the results of the 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. Finally, ORM provided training to agency risk managers on how to collect cost of risk data for each agency, and the agency data will assist ORM in conducting its cost of risk analysis.

##### 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.


-  **Not achieved.** In FY13, ORM did not complete this initiative because of vacancies and other resource challenges. In FY14, ORM plans to reorganize the responsible division and hire a new manager so it can carry out this initiative. In an effort to reduce motor vehicle accidents and injuries in the workforce, ORM will partner with 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 is 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.

##### INITIATIVE 1.3: Improve ORM's management of recommendations to agencies from various sources.

-  **Fully Achieved.** In FY13, ORM partnered with the Office of the City Administrator to develop a Quickbase database to track agency responses to audit recommendations. In FY14, ORM will complete and roll out the database, which is currently in its testing phase. This database will allow ORM to better track open, unresolved audit recommendations and to hold agencies accountable for bringing them to closure.

#### 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.

-  **Fully achieved.** In FY13, ORM further reduced the average number of days an employee was on workers' compensation by 45 percent. This reduction was for claims opened within FY 13 compared to claims opened in FY 12.



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

**Partially achieved:** 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 was 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" was established. Employees that participated in the Job Club in FY 13 returned a weekly Work Plan on their progress each week. Upon identifying the long-term population, Return to Work Orientations were implemented to assist employees with enrolling in programs with the Department of Employment Services (DOES) and employees were encouraged to utilize its 'DC Works' program. ORM also coordinated with the Department of Human Resources' (DCHR) to use its job bank.

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

**Partially achieved:** In FY13, the Compliance Review Officer was instrumental with the review of payment summaries of all expenditures within the program, which helped reduce the overall exposure of claims and increase recovery of money owed to the District. Specifically, the Compliance Review Officer has implemented improved policies for recovering overpayments, reviewing claimant affidavit of earnings, and tracking and reporting errors and omissions by the program's TPA. In FY12, the program recovered a total of \$155,511.38 in overpayments and subrogation. In FY 13, the program recovered a total of \$510,252.64. As a result, the Public Sector Workers' Compensation Program improved its recovery rate by 328 percent. The Program Analyst position was vacant in FY 13 and will be filled in FY 14.

**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.**

**Fully achieved:** In FY 13, ORM's Tort Program implemented several new polices to more efficiently resolve tort claims filed with ORM. Specially, ORM's Tort Manager began reviewing all claims that were filed with the agency for legal sufficiency and instituted deadlines for the resolution of clear liability/ low exposure claims. There was also a stronger emphasis placed on following up with relevant District agencies for all documents/information necessary to resolve claims more efficiently. Finally, the Tort Division held a settlement conference where 23 of 29 claims were resolved within one day. As a result of these and other polices implemented by the program, ORM saw a significant decrease in the number of days necessary to resolve claims it received. Specifically, with regard to those claims opened and subsequently resolved in FY 13, there was an approximately 48 percent decrease in the time necessary to resolve claims.

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

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

**Partially achieved:** While ORM did not increase tort's subrogation revenue in FY 13, it did take several initiatives designed to increase subrogation. ORM's Tort Program developed several new policies to assist with its subrogation efforts. First, its Tort Manager met with all of the District's ARM's to discuss the importance of subrogation to the District and explained the subrogation process to them. Second, the program began tracking the subrogation efforts and monies recovered from the subrogation claims of the District of Columbia Department of Transportation



("DDOT"), the District of Columbia Department of Public Works ("DPW") and the Metropolitan Police Department ("MPD"). Third, ORM's Tort Manager began to review all of the Office of the State Superintendent of Education's ("OSSE") Accident Review Board Collision Reports to attempt to locate incidents where the District could pursue subrogation claims against tortfeasors who have damaged OSSE school buses. As a result of this review, ORM has initiated several subrogation claims against third party tortfeasors or their insured to recover monies owed to the District as a result to damage to OSSE vehicle. In FY 13 ORM has recovered subrogation funds as a result of the efforts. Finally, in September 2013, ORM hired a new claims examiner who will work almost primarily on subrogation claims, which should increase the amount of monies recovered by the ORM in FY 14.

**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.**

**Fully achieved:** ORM has met the requirements of this initiative for FY 13. ORM worked with Department of General Services (DGS), DC Public Schools (DCPS), and Homeland Emergency Management Agency (HSEMA) to conduct policy reviews and to develop policies and procedures for agency specific insurance and risk transfer strategies. In partnership with these agencies, ORM developed risk management policies concerning (1) public use of District-owned buildings for DCPS/DGS, (2) insurance requirements relating to special events occurring on District public space for the Mayor's Special Task Force for Special Events, and (3) minimum insurance requirements for right of entry permits for DGS. In addition, ORM, conducted seven Risk Management Roundtable meetings, and reviewed 717 contracts and solicitations for compliance with OCP policy 3002 to identify areas to improve risk management policies and procedures.

**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").**

**Partially achieved:** In FY 12 and FY 13, despite ORM's cumulative efforts to identify additional health centers to join the DC Captive, no new clinics joined. In FY 13, ORM's focus shifted to expanding the DC Captive to offer property insurance for District government owned property. During FY 13, ORM obtained a comprehensive inventory of all District owned buildings and vehicles. Using this inventory of over 30,000,000 square feet of building space and more than 6,500 vehicles, ORM initiated a process to (1) secure the services of an appraiser to obtain property appraisals for District-owned buildings and secure earthquake insurance coverage for District owned property damaged in the 2011 earthquake. In FY 14, the Captive will secure the services of an insurance broker to represent the District in the private insurance market to obtain comprehensive property insurance for District buildings.



## Key Performance Indicators – Detail

### Performance Assessment Key:

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

	KPI	Measure Name	FY 2012 YE Actual	FY 2013 YE Target	FY 2013 YE Revised Target	FY 2013 YE Actual	FY 2013 YE Rating	Budget Program
●	1.1	Number of OSHA complaints received by ORM from District agencies	51	No Target Required		49	Workload Measure Not Rated	RISK IDENTIFICATION & ANALYSIS
●	1.2	Number of Environmental and Safety Inspections/ <i>Reinspections</i> at District Government Buildings	617	615		624	101.46%	RISK IDENTIFICATION & ANALYSIS
●	1.3	Percentage of Eligible Facilities For Which Agencies Have Submitted An Emergency Response Plan (ERP) For Approval by ORM	85%	100%		76.31%	73.31%	RISK IDENTIFICATION & ANALYSIS
●	2.1	Number of Workers' Compensation Claims Filed With ORM	1,379	No Target Required		1,519	Workload Measure Not Rated	RISK CONTROL DIVISION
●	2.2	Total Cost of the Public Sectors' Workers Compensation Program	\$21,800,000	\$17,000,000		\$15,369,473.09	110.61%	RISK CONTROL DIVISION
●	2.3	Average Number of Days A Claimant Receives WCP Benefits for FY 13	26.02	24.71		11.82	209.14%	RISK FINANCING DIVISION



	KPI	Measure Name	FY 2012 YE Actual	FY 2013 YE Target	FY 2013 YE Revised Target	FY 2013 YE Actual	FY 2013 YE Rating	Budget Program	
	●	2.4	Average Number of Days A Claimant Receives Benefits For All Claims From Onset to Present	1,870	1,777		1,991	89.25%	RISK FINANCING DIVISION
	●	2.5	Number of Employees Returning To Work and/or Participating In Job Club <sup>1</sup>	583	612		309	50.49%	RISK FINANCING DIVISION
	●	2.6	Number of FTE's Compensation Claims Per 100 FTE's	0	15		14.36	104.49%	RISK FINANCING DIVISION
	●	3.1	Number of Tort Claims Filed With ORM	1,383	No Target Required		1,235	Workload Measure Not Rated	RISK FINANCING DIVISION
	●	5.1	Percentage of District Government Vendors In Compliance With ORM Minimum Insurance Requirements	100%	100%		100%	100%	RISK IDENTIFICATION & ANALYSIS
	●	5.2	Number of Insurance Inquiries Received By ORM From District Agencies	531	No Target Required		717	Workload Measure Not Rated	RISK IDENTIFICATION & ANALYSIS

<sup>1</sup> This KPI was not achieved because the Return to Work Officer hired to fulfill this measurement left the agency before the program was fully implemented. A new Return to Work Officer has been hired and will start on December 16, 2013.