

D.C. Office of Risk Management FY2018

▼ FY2018 Performance Accountability Report

The Performance Accountability Report (PAR) measures each agency's performance for the fiscal year against the agency's performance plan and includes major accomplishments, updates on initiatives, and key performance indicators (KPIs).

▼ 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.

▼ Summary of Services

ORM implements its mission through four programs: Risk Prevention and Safety Division (RPS), Public Sector Workers' Compensation Program, Tort Liability Program and the Captive Insurance Agency. An individual summary of services is provided by division in each section. PERFORMANCE PLAN DIVISIONS: , Risk Prevention and Safety Division (RPS), Public Sector Workers' Compensation Program, Tort Liability Program, Captive Insurance Agency, and Agency Management

▼ FY18 Top Accomplishments

What is the accomplishment that your agency wants to highlight?	How did this accomplishment impact residents of DC?	How did this accomplishment impact your agency?
Procuring Cyber Insurance: In FY18 ORM's Insurance Division worked closely with OCTO to procure cyber liability insurance for the first time in the District's history. With the rise in cyber threats this insurance procurement will add an additional layer of protection for District government and residents.	With the rise in cyber threats this insurance procurement will add an additional layer of protection for District government and residents.	This initiative assists ORM in enhancing its abilities to mitigate District risk.
ERMS Phase One: ORM worked diligently with OCP, OCTO, DCHR, OCFO and other partner agencies to launch a multi-functional Public Sector Workers' Compensation Program database and payment system. ERisk was launched on August first with a 99% payroll completion rate. While building the new ERisk system ORM worked to add all data from the Third-Party Administrator's database and further integrated with PeopleSoft, SOAR and SOA. In a parallel effort ORM converted over 30 third-party administrator positions into FTEs, expanded office space and implemented new process and procedures to transfer its PSWCP from a third-party administrator to an in-house program. The program continues to train staff weekly and work with agency partners to make improvements. There was no delay in services during the transition and early data indicates program and customer service improvements. In addition to the vendor relations program and enhanced services the Program added a nursing team to assess care and ensure program recipients needs are being met. The Program also procured contracts for bill review and pharmacy and developed its own Provider Relations component to audit and assist the program's medical providers and added an investigation arm to review potentially fraudulent cases.	This effort will result in more efficiency in managing and mitigating risk for the District likely resulting in process improvements and cost savings.	This effort has created more efficiency, better training and management, enhanced data and increase analysis.
Subrogation Fund and ERMS Phase Two: In July ORM's Subrogation legislation was enacted, allowing for ORM to pursue moneys owed to the District while forwarding those recouped funds directly back to the agencies originally effected by the damage from third-parties. This will allow for District property to be restored by using funds gained through subrogation and not an additional budget expense. Between August and September of 2018 ORM's Tort Liability Division worked to create its phase of ERisk to include the housing while making and processing of its claims data. The division	This integration and system update will eventually allow for ORM to better assess tort risks across the District and will also assist the decision in resolving tort claims faster.	This integration and system update has given greater efficiency to the division and has increased its ability to track both tort and subrogation initiatives.

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worked to import all the previously housed ATS data into the new system and making database improvements and enhancements. The agency worked quickly to be train staff and complete data validation. Division services were never interrupted, and the program continues to meet and exceed performance goals.		

2018 Strategic Objectives

Objective Number	Strategic Objective
1	Identify, measure, analyze and mitigate the District government's exposure to risk and liability.
2	Administer the Public Sector Workers' Compensation Program to provide benefits for disability or death of a District Government employee resulting from personal injury sustained while in the performance of his or her duty.
3	Receives and investigates claims against the District government with the goal of negotiating and preparing claims for fair and timely disposition.
4	Collect monies owed to the District as a result of Third Party tortfeasors whose negligence or intentional acts result in damages and losses to the District.
5	Create and maintain a highly efficient, transparent and responsive District government. **

2018 Key Performance Indicators

Measure	Freq	Target	Q1	Q2	Q3	Q4	FY2018	KPI Status	Explanation
1 - Identify, measure, analyze and mitigate the District government's exposure to risk and liability. (3 Measures)									
Percent of agencies under the purview of the Mayor that file Cost of Risk reports for data requested	Annually	100%	Annual Measure	Annual Measure	Annual Measure	Annual Measure	78%	Unmet	Due to new structure and the reliance of other agencies to produce data it has been difficult to meet the 100% goal. For the next Fiscal Year data will be housed in one central location making it easier to analyse and assess.
Percent of eligible facilities for which agencies have submitted an Emergency Response Plan (ERP) for approval by ORM	Quarterly	85	28.4	38.6	85.7	97.5	97.5	Met	
Percent of known and applicable government real estate property assets	Quarterly	100%	100%	100%	100%	100%	100%	Met	

Measure	Freq	Target	Q1	Q2	Q3	Q4	FY2018	KPI Status	Explanation
insured by private insurance									
2 - Administer the Public Sector Workers' Compensation Program to provide benefits for disability or death of a District Government employee resulting from personal injury sustained while in the performance of his or her duty. (6 Measures)									
Improve agency awareness of ORM's Public Sector Workers' Compensation Program by training and providing a presentation to 10 Agencies	Quarterly	10	1	2	2	4	9	Unmet	The program has sustained two management shifts as a result it's been difficult to organize though the Program continues to make an education effort and greater push for continued outreach.
Percent of 9A decisions issued within 30 days of receipt	Quarterly	90%	30.8%	80%	92.9%	90%	77.4%	Unmet	ORM did not meet it's goal due to human error. The legal division met multiple times to streamline and perfect the process and continued to improve. A portion of the process has now been added to the agency's new ERisk system this will assist in limiting human error and will help the division ensure that these matters are followed-up with timely.
Percent of claims opened and assigned (three point contact) within five (5) business days of receipt by ORM's Public Sector Workers' Compensation Program	Quarterly	90%	94%	100%	100%	100%	98.5%	Met	
Percent of compensability decisions conveyed to employees within 30 days	Quarterly	80%	100%	100%	100%	100%	100%	Met	
Dollars recouped in Public Sector Workers' Compensation Subrogation Matters	Annually	\$100,000	Annual Measure	Annual Measure	Annual Measure	Annual Measure	\$177,954.2	Met	
Percentage of A1 decisions issued within 30 days of receipt	Quarterly	90%	66.7%	100%	100%	100%	99.1%	Met	
3 - Receives and investigates claims against the District government with the goal of negotiating and preparing claims for fair and timely disposition. (5 Measures)									

Measure	Freq	Target	Q1	Q2	Q3	Q4	FY2018	KPI Status	Explanation
Percent of claims opened, assigned, and received by adjuster within five (5) business days of receipt by ORM (Tort)	Quarterly	90%	100%	100%	100%	99.5%	99.9%	Met	
Percent of claims where ORM issues an acknowledgement letter within five (5) business days within the claim being opened and assigned	Quarterly	95%	99.7%	100%	99%	99.8%	99.7%	Met	
Amount of monies ORM recovers for the District of Columbia via Subrogation	Quarterly	\$130,000	\$86,455.4	\$112,672	\$61,221.2	\$172,884	\$433,232.5	Met	
The average cost to process a claim per claims specialist	Quarterly	159	113	117	117.2	117.2	116.1	Met	
Number of days it takes to resolve a Tort claim in the same fiscal year excluding extraordinary cases once agency request is received.	Quarterly	25	19.4	15.37	22.07	13.26	17.52	Met	
4 - Collect monies owed to the District as a result of Third Party tortfeasors whose negligence or intentional acts result in damages and losses to the District. (3 Measures)									
Percent of subrogation matters with issuance of lien letter by the Public Sector Workers' Compensation Program within 30 days of subrogation potential identified	Quarterly	75%	20%	56%	25%	62%	40.8%	Unmet	Now that ORM has moved to an internal Risk Management System (ERisk) these letters will go out automatically.
Ratio of open to closed tort subrogation claim files	Quarterly	50	62	59	40	36	49.3	Met	
Percent of claims recovered within the same fiscal year,	Annually	25%	Annual Measure	Annual Measure	Annual Measure	Annual Measure	32.9%	Met	

Measure	Freq	Target	Q1	Q2	Q3	Q4	FY2018	KPI Status	Explanation
excluding extraordinary cases									

**We've revisited a project to standardize District wide measures for the Objective "Create and maintain a highly efficient, transparent and responsive District government." New measures will be tracked in FY18 and FY19 and published starting in the FY19 Performance Plan.

2018 Workload Measures

Measure	Freq	Q1	Q2	Q3	Q4	FY 2018
1 - Conducts site safety inspections of District government properties. (1 Measure)						
Number of environmental and safety inspections at District Government buildings conducted by ORM	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	301
1 - How's My Driving Communication (1 Measure)						
Number of instances when the Risk Prevention and Safety Division communicates with other Agencies regarding "How's My Driving" (Limited to incident reporting and complaints)	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	379
1 - Provide advice to District agencies on risk and insurance policies and practices. (1 Measure)						
Number of contract and insurance risk management training sessions offered to agency officials	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	16
1 - Review of Insurance Contracts (1 Measure)						
Review of insurance contracts in fiscal year (these reviews can include contracts, addendums, certificate of insurance and contract discussions)	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	3036
2 - Manage claims submitted by employees to determine if the injury sustained is compensable. (1 Measure)						
Total new workers' compensation claims processed within fiscal year	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	1666
2 - Ongoing management of accepted claim for medical treatment and/or indemnity payments. (1 Measure)						
Total workers' compensation claims closed by normal claims management process within fiscal year	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	1537
3 - Receive §12-309 notices for alleged claims against the District. (2 Measures)						
Number of new tort claims filed with ORM	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	1941

Measure	Freq	Q1	Q2	Q3	Q4	FY 2018
Total number of claims opened and closed (denied and settled) within the same fiscal year	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	1173
3 - Review the facts and assess the merits of the claims for disposition by way of settlements or denials. (2 Measures)						
Number of tort claims closed by ORM (denied and settled)	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	1790
Total number of claims settled by ORM	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	224
4 - Provide notice to third party tortfeasors of the District's intent to subrogate and pursue recovery of monies owed to the District as a result of damages and losses due to third party tortfeasors actions. (1 Measure)						
Total number of lien notice letters issued by the Public Sector Workers' Compensation Program in fiscal year	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	80
4 - PSWCP Subrogation Claims Pursued (1 Measure)						
Number of new subrogation claims pursued by the Public Sector Workers' Compensation Program in fiscal year	Quarterly	15	33	41	44	133
4 - Recover monies through subrogation efforts either in resolution of a settlement or lawsuit. (3 Measures)						
Number of subrogation claims pursued and collected	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	20
Number of affirmative subrogation demands pursued after issuance of lien letters by the Workers' Compensation Program.	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	25
Number of subrogation claims pursued by the Public Sector Workers' Compensation Program within fiscal year.	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	154
5 - Agency Information Presentations (1 Measure)						
Number of information sessions presented to other Agencies regarding ORM's complete operations and services	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	9
5 - Risk Council Meetings (1 Measure)						
Number of Risk Council Meetings conducted by ORM	Quarterly	1	1	1	3	6

2018 Strategic Initiatives

Title	Description	Complete to Date	Status Update	Explanation

Title	Description	Complete to Date	Status Update	Explanation
CLAIMS EXAMINATION (1 Strategic Initiative)				
Subrogation Legislation Education and Training	Upon the creation of a Subrogation Fund the Tort Division will work with partner agencies to identify and create subrogation claims through education and training. The Division will establish a true framework including a manual to properly educate agencies on the subrogation process. These efforts will substantially increase collections on behalf of the District.	75-99%	The Tort Division has drafted a plan to educate the District with regards to the newly implemented policies and procedures for District subrogation. A tentative structure has been put forth to address educating agency employees on reporting subrogation and methods of collecting the necessary documentation to facilitate the subrogation demand. A newly developed universal subrogation Guidance Manual has been drafted to assist agency staff with the process, answering frequently asked questions while providing a platform to start the process of collections to repair and replaced damaged property.	The Division has created process and procedures as well as training and manuals though they have not yet been able to communicate these with outside agencies. ORM will push to complete it's first round of training and communication by close of calendar year 2018.
CLAIMS EXAMINATION & MGT (3 Strategic initiatives)				
Implement a Risk Management System (RMS)	In Fiscal Year 2016, the agency laid the foundation to implement a risk management application that will allow for a comprehensive and centralized method to manage the agency's operations including public sector workers compensation management, tort claims, insurance and risk identification and analysis. In Fiscal Year 2017, the agency will finalize the requirements for the Risk Management System in order to solicit vendor for the purchase and development of an internal database system. Fiscal Year 2018 will mark the second and final round of the ERMS. The ERMS vendor will begin working to create the system and ORM will work with all stakeholders to ensure system installation and configuration are done effectively to increase workflow productivity within departments.	50-74%	In Q4 of FY18 ORM launched Phase One of the Enterprise Risk Management System ERisk. Phase One included the migration of all previously held PSWCP data from the third party administrator, creation and launch of the workers' compensation ERisk portal and in-housing the Public Sector Workers' Compensation program including staff. ORM then moved to construct and migrate data from the Tort program to ERisk. In FY19 ORM will move to create structures for the Risk Prevention and Safety and Insurance Divisions as well as District-wide incident reporting.	This is a multi-year Capital Improvement project. ORM is on target to finalize the construction of the ERisk system by the end of FY19.
Tort Incident Reporting System	After implementation of the ERMS (Emergency Risk Management System), the ORM Tort Division will initiate a District-wide Incident Reporting System allowing agencies across the government to report incidents involving the District which will immediately notify the appropriate Divisions within ORM. The Incident Reporting System will streamline efforts to manage various types of claims and issues that arise. The collection of this data will not only benefit the Tort Division with adjudicating claims and collection of subrogation monies, it will instantly alert the workers' compensation and	25-49%	The Tort Division has drafted a subrogation manual and plan to start the process of educating agencies with regard to the subrogation process. This plan includes educating agencies on the use and benefits of ERisk and the reporting process. This initial effort will establish a foundation for the incident reporting system. ORM has started the planning process for Phase II of the ERMS Capitol Improvement Project which will encompass the electronic development of District-wide incident reporting. When the incident reporting is	The process of creating a District-wide incident reporting system has been established as "Phase III" of ORM's Enterprise Risk Management System project (a Capitol Improvement Program). There are many more steps to complete and the data portal needs to be created. This will be a multi fiscal

Title	Description	Complete to Date	Status Update	Explanation
	<p>safety programs of potential issues. Obtaining information regarding incidents before they are reported as a claim against the District allows the Tort Division to get in front of the claim and adequately prepare, monitor, and collect supporting documentation to forward subrogation demands timely and efficiently.</p>		<p>fully functional in ERisk, agencies will understand reporting requirements. Understanding the reporting process and recording incidents is the foundation to success with adjudication of Tort and Subrogation claims.</p>	<p>year project that will need continued improvements.</p>
<p>PSWCP Subrogation Returns Process</p>	<p>Improve effectiveness of subrogation returns, safeguard taxpayer dollars, and hold responsible parties accountable by ensuring all accepted claims are reviewed and analyzed for subrogation potential. In addition PSWCP will provide oversight ensuring lien letters are provided to relevant parties within 30 days of claim acceptance.</p>	<p>Complete</p>	<p>The Program recovered \$177,954.23 in FY18. The Program has worked to create an automatic process for initial and subsequent lien notices, automating the process in the new ERisk system. This new process ensures proper collection attempts in a timely and automated process. The Program will continue to train all claims staff in October 2018 working to educate them on properly identifying, investigating, and pursuing subrogation.</p>	
<p>CLAIMS MANAGEMENT (1 Strategic Initiative)</p>				
<p>PSWCP Vendor Protocol</p>	<p>PSWCP will assess and analyze vendors who provide care and services to injured workers, creating an assessment protocol. Providers whose services are considered subpar, non-compliant, medically unnecessary, or with unacceptable customer services, by reviewing their compliance with requests for information, analyzing service provision, customer service reviews, and assessing use of medications will be removed. Through this process the Program will take necessary steps to ensure injured workers receive the best care possible.</p>	<p>Complete</p>	<p>The compliance and vendor relation arm of the Public Sector Workers' Compensation Program has strategically created a vendor relations program and will continue to add and enhance reviews of providers through new process and procedures. The team is also assessing current vendors with a focus on pharmaceuticals flagging potential issues. The program will continue to monitor providers and create program perimeters for the most successful care of Program participants.</p>	