

## County Insurance Fund

### 501-02-Claims and Rehabilitation

Fund/Agency: 501/06	County Insurance Fund	
Personnel Services	\$369,680	<p><b>CAPS Percentage of Agency Total</b></p> <p>A pie chart titled 'CAPS Percentage of Agency Total' showing two segments: a small blue segment representing 'Claims and Rehabilitation' at 4.8%, and a large yellow segment representing 'All Other Agency CAPS' at 95.2%. A legend at the bottom identifies the colors: blue for 'Claims and Rehabilitation' and yellow for 'All Other Agency CAPS'.</p>
Operating Expenses	\$64,384	
Recovered Costs	\$0	
Capital Equipment	\$0	
<b>Total CAPS Cost:</b>	<b>\$434,064</b>	
Federal Revenue	\$0	
State Revenue	\$0	
User Fee Revenue	\$0	
Other Revenue	\$0	
<b>Total Revenue:</b>	<b>\$0</b>	
<b>Net CAPS Cost:</b>	<b>\$434,064</b>	
Positions/SYE involved in the delivery of this CAPS	6/5.75	

#### ► CAPS Summary

The Claims and Rehabilitation Program receives, evaluates, and settles all claims against the County from employees, citizens, and external organizations. This includes overseeing the activities of a third-party administrator for workers' compensation as well as automobile and general liability claims.

County interests are protected by staff investigations of new claims and direct settlement negotiation with citizens and other outside parties. Where settlement is accomplished by a third-party administrator, County staff reviews for approval all decisions on compensability and liability. Under this CAPS, County losses deemed to be caused by someone else are pursued for recovery. We work with federal programs (OFDA and FEMA) to coordinate workers' compensation and liability coverage for Fire and Rescue's Emergency Response Teams.

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Data collection from this program is used in related CAPS to identify areas requiring the attention of the safety officials and agency directors. It is also used for forecasting purposes in determining future expenses and reserve analysis. The program also provides extensive training to County personnel including direct training to agencies, general training for claims contacts, and risk management training as part of the New Employee Orientation Program.

The Claims and Rehabilitation Program is funded entirely by the County Insurance Fund.

The Claims and Rehabilitation Program has consistently provided mandated workers' compensation benefits to County employees in a humane and concerned fashion while maintaining costs at a competitive level. As a result, we have witnessed reduction in lost work-hours due to work-related injuries without commensurate increases in medical costs. This has been accomplished by coordinating a County-wide light duty program to bring employees back to work at modified duties rather than having them stay home for extended periods of time. This provides the double benefit of providing manpower to the agencies for special projects and serving as a form of physical therapy to injured employees to keep them active during the recovery process.

The program has worked diligently to sustain the trust of affected County employees. Through a program of informal dispute resolution, employees have the opportunity to discuss adverse decisions on their claims, thereby improving the decision-making process and greatly improving the claimants' satisfaction. We have been able to maintain a litigation rate in workers' compensation of less than one percent. In the history of this program we have never had an employee pursue litigation following a dispute resolution effort.

The Claims and Rehabilitation Program is responsible for providing reports to upper management. We have taken a proactive approach to this, modifying existing reports to make them more comprehensive and useful, and creating new reports for agency directors to deal with ongoing issues. An example of the latter is the lag time report, an annual report designed to inform agency directors of the average time taken to complete workers' compensation reports.

A near-term initiative is to implement both telephonic and electronic reporting of workers' compensation claims. The intent is to reduce the reporting time from an average of 18 days to 3 to 4 days and to eliminate the majority of forms presently being required. We plan to make all forms available via the Intranet and to allow reporting for first party claims (damage to County owned property) via the Intranet. We also will implement a program for the electronic storage of claims documentation in order to reduce physical storage requirements both within Risk Management as well as at the County Archives. In so doing, we expect a significant reduction in time presently spent locating paper files.

As the administrator for a mandated workers' compensation program, we are directly affected by state legislation. The Commonwealth is moving toward electronic reporting of claims and the County must be positioned to implement this new reporting method.

There is presently a national movement to standardize claims coding to allow for national benchmarking for public entities. We are implementing a new Risk Management Information System that will be compatible with this new program. In addition, the Claims Manager is a member of the working group developing the new coding for workers' compensation.

In 1997, the Claims and Rehabilitation Program was doing business in much the same manner as it had during the previous ten years. Since that time we have worked to improve procedures to make them more efficient and easier to understand, to improve relationships with County agencies and employees, and to implement efficient use of automation.

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We are moving towards a fully automated data system that will allow instant access to claims information by the staff. This will significantly improve services provided to our clients and it will reduce costly physical storage requirements. Important initiatives include document imaging for storage and retrieval, extended access to data systems by key agency contacts, and telephonic reporting of claims.

The Claims and Rehabilitation Program is involved in several initiatives with other program elements of Risk Management. These include a pilot program to install automated external defibrillators in the buildings of the Government Center complex, and the development of a workplace violence program. We are working with the Public Safety Occupational Health Center to expand their program to include workers' compensation, and to better track those services. We have worked with the Department of Vehicle Services to streamline the vehicle repair process. We have begun a program to allow key agency personnel access to claims data systems to provide them with up-to-date information on their claims.

### ► **Method of Service Provision**

Workers' compensation, auto liability, and general liability claims are contracted to a third party administrator, with oversight by the Claims and Rehabilitation Program. First-party claims (damage to County owned property), police liability, public official's liability, employee claims, and others are administered internally by the program staff. The coordination of the rehabilitation and light duty program is administered internally. All other services are dealt with directly by program staff.

### ► **Performance/Workload Related Data**

In order to initiate timely investigations and decisions on claims, we have established a performance measurement of processing 90% of claims within 30 days. We have seen a gradual improvement in meeting this goal over the years. In FY 1998, the average processing time was 22 days. That improved to 21 days in FY 1999 and to 17 days in FY 2000. By revamping the basic system for processing the claims we aim to reduce the time to less than 10 days.

### ► **Mandate Information**

This CAPS is Federally or State mandated. The percentage of this CAPS' resources utilized to satisfy the mandate is 51 - 75%. The specific Federal or State code and a brief description of the code follows:

- Code of Virginia 65.2 Mandatory workers' compensation program.