

**WARREN COUNTY PURCHASING DEPARTMENT
SUPPORT SERVICES COMMITTEE MEETING
MAY 14, 2012**

1. New Business
 - A. Requesting Resolution to award Managed Print Service contract to National Business Equipment and Supply.
2. Old Business
 - A. None

Warren County Self-Insurance Fund Staffing Analysis 2012

I. Present staffing, claims/caseload, and costs

A. Current Office Staff

- 2 full time employees
 - Insurance Administrator
 - Account Clerk

B. Current Case Load

- 240 new claims filed in 2011
- 138 average open claims 2011

C. Current Plan Costs

- \$1,400,202 total plan expenses 2011
- \$1,265,142 claim expenses 2011
- \$ 135,060 administrative expenses 2011
- Thus administrative expenses = 9.65% of total.

II. Comparison to other County Self-Administered Plans

County	PLAN SIZE Covered Employees	PLAN STAFF Workers' Comp	Equals covered EE's per staff
Suffolk	11000	15	733
Ulster	9700	10	970
Warren	2926	2	1463
Seneca	1905	2	953
Jefferson	1666	2.5	666

III. Work load change analysis

A. Workers' Compensation complexity changes

- ➔ **28% decrease** since 2007 in new claims filed
(result of safety programs)
- ➔ **12% decrease** since 2007 in monthly average open cases
(result of aggressive case management)
- ➔ **66% increase** since 2007 in monthly average of payments processed
(claimants are treating more with medical providers)
- ➔ **105% increase** since 2007 in monthly average of cases that have activity
(more severe cases)
- ➔ **112% increase** since 2007 in the annual number of independent medical exams.
(cases are more complex)

- Increased severity of claims 2007-2011:
 - Medical only claims **increased 42%**
 - Out of work claims **increased 33%**
 - Incident only claims **decreased 37%**

B. Workers' Compensation reporting changes

Effective 2007, Workers' Compensation "reform" complicated the claims handling process

Effective 2008, "Rocket Docket", complicated the claim denial process

Effective 2009, Medicare Reporting – quarterly reporting and continual tracking of claimants for Medicare eligibility.

Effective 2009, Pharmacy Network Vendor – out of network requests require timely response to authorization requests

Effective 2010, Medical Treatment Guidelines – complex variance request forms that require research and response within 5 days

Effective 2012, Diagnostic Network Vendor – scheduling of diagnostic tests within 5 days

Effective 2012, More stringent filing requirements for the C2 forms resulting in penalties for late filing

Coming 2013, Eclaims - No paper filing of claims with the WCB, data entry into a website required

C. Additional Duties

Effective 2009, increased safety programs:

Safety consultant contractor (Needham Risk Management) performs majority of safety work. However, the increased awareness, policy implementation, training and safety programs have resulted in Insurance Administrator time spent on safety items increasing from 5% of work time in 2008 to 19% for the 1st Q 2012.

Effective 2012 increased responsibilities from Human Resources:

Drug Testing

CSL 71, 72, 73

Harassment and other employment policy training

WPV and other safety programs and policies

MC Emergency Action Plan

Employee Safety Committee

207C

Driver License Monitoring

Warren County Self-Insurance Fund Proposed New Staffing

I. Proposed staffing

One additional full time employee

II. Comparison of proposed staffing to other County Self-Administered Plans

County	PLAN SIZE Covered Employees	PLAN STAFF Workers' Comp	Equals covered EE's per staff
Suffolk	11000	15	733
Ulster	9700	10	970
Warren	2926	3	975
Seneca	1905	2	953
Jefferson	1666	2.5	666

Case Examples of Increased Complexity

I. More complex issues:

Cases filed for new injury while research of medical history shows an occurrence prior to the claimed injury.

Cases filed for injury not related to work (injury didn't happen at work, condition is not work related)

Claimants exaggerating symptoms or malingering

WCB examiners requesting improper forms or issuing improper decisions

WCB judges decisions favor employee even though facts favor employer, resulting in more appeals

Legal fees for appeals were 90% of total legal cost for 2011 whereas prior to 2007 appeals were rare

II. An example of how case handling has evolved since 2008

New Case filed, carrier reviews and plans denial.

Prior to 2008:

- Filed 1 page C7 denial form and C2 accident form w/ Workers' Comp Board and waited for a hearing in front of judge to state our case. Issues were usually resolved at the first or second hearing.

Post 2008:

- Upon receipt of claim, send letters to all area medical providers seeking historical medical records
- File C2 accident form w/ Workers' Comp Board
- Ongoing planning / correspondence w/ legal counsel
- Respond to all medical bills as received that payment is pending case investigation
- Assign private investigator, safety investigator, nurse case manager as appropriate
- Review file at least weekly for next step
- Schedule independent medical exam so that it is timely with filing of controversy
- Upon notice of indexing from Workers' Compensation Board 25 days to file denial form
- C7 denial form and Pre-hearing conference statement must now be filed by legal counsel and are 4 pages. All defense items and witness must be listed on these forms and copies of defense items enclosed.
- File C8.1 medical bill denial form along w/ copy of the C7 form to all medical requests and invoices
- Issues addressed in front of Judge at hearing who most always establishes the case against the carrier and returns case to calendar for testimony.
- File appeal to WC Law Judge decision
- Testimony of employee, witness, physicians, etal
- Reserved NOD from WCLJ, again usually unfavorable
- File appeal to WCLJ RNOD
- And so on.....