

CCSF WORKERS' COMPENSATION COUNCIL

MINUTES

Regular Meeting

March 2, 2020

9:00 a.m.

ROOM 408, CITY HALL

1 Dr. Carlton B. Goodlett Place

**CALL TO ORDER**

9:00 a.m.

**ROLL CALL**

Micki Callahan, Human Resources Director	Present
Kelly Kirkpatrick, Acting Budget Director	(Represented by Ashley Groffenberger) Present
Naomi Kelly, City Administrator	(Represented by Peter Goldstein) Present
Caryn Bortnick, Deputy Executive Director, San Francisco Employee Retirement System	Present
Todd Rydstrom, Deputy Controller, Controller's Office	(Represented by Michelle Allersma) Present
Lorenzo Donati, Deputy City Attorney	(Represented by Nicole Wolff) Present

**PUBLIC REQUESTS TO SPEAK ON ANY MATTER WITHIN THE JURISDICTION OF THE WORKERS' COMPENSATION COUNCIL APPEARING ON THE AGENDA  
(Item No. 1)**

Speaker: Micki Callahan

Public Comment: None.

Micki requested efficiency when presenting this morning because the city is responding to the Corona Virus emergency declaration by Mayor Breed. Please focus on highlights and changes only. We can always get more information via emails or at a subsequent meeting.

## **APPROVAL WITH POSSIBLE MODIFICATION OF MINUTES (Item No. 2)**

**Action:** Minutes approved for the meeting on December 2, 2019.

**Action:** Minutes approved for the meeting on September 9, 2019.

## **REPORT FROM THE WORKERS' COMPENSATION DIVISION**

Discussion Items: **(Item No. 3)**

**Speaker: Peggy Sugarman, Deputy Director, Workers' Compensation Division**

**Reported on Accomplishments and Initiatives, Performance Quick Facts, Claim Analytics and Financials.**

- Peggy began by discussing a new position which oversees compliance with State and Federal Reporting, Guidelines, Regulations and Statues. Joseph Carrillo was introduced as the employee promoted to this new compliance position. He previously served as our cancer specialist on the Fire Team, and he received the coveted White Helmet Award from the San Francisco Fire Fighters Association. Congratulations to Joseph Carrillo.
- Peggy continued with the Accomplishments slide (page 4.) We passed our state audit, which is limited to our San Francisco in-house operations. A passing score under 1.36 is required and we received a score of 0.88209. No penalties or fees were assessed. The next audit will take place in five years. Congratulations to Julian Robinson, who oversees our claims operations, for a fantastic in-house performance.
- Intercare is audited separately by the state.
- Similarly, our Medical Treatment Audit Review received 100% compliance, which means that all medical treatment requests were handled within the timeframes outlined by state law. Congratulations to the entire WC claims staff for this perfect score,
- State Medical Legal Fee Schedule increases are in the pre-rulemaking process and are scheduled to be adopted later 2020. There had been no increase of fees since 2006. The State Auditor recommended that the State Division of Workers' Compensation increase fees to medical-legal evaluating physicians by 30%. Peggy serves on the State's committee on fee recommendations to pay Qualified Medical Examiners.

- The enactment of Senate Bill 542 has led to an uptick in PTSD claim filings. This bill provides a rebuttable presumption that PTSD is assumed compensable for certain categories (peace officers, first responders, firefighters.)
- Peggy summarized Quick Facts and Fiscal Health. We are seeing an increase in claims, but a decrease in the citywide injury rate.
- This year there is a large deficit within the Sheriff's Department in the amount of \$1.4 million based on the first two quarters. Because this number is trending down in Q3, we estimate about a one-million-dollar deficit. Workers' Compensation continues to investigate claims and work closely with the Sheriff's Department to manage this number. Similarly, but on a smaller scale, Fine Arts Museum looks like it will have a \$200,000 deficit. Workers' Compensation has recently met with Fine Arts Museum to discuss strategies to decrease this amount.
- Citywide, our injury rate is trending down to 10 injuries per 100 full time equivalents, consistent with the WC Division's budget goal. Credit goes to Safety Officers and many departmental efforts to prevent injuries.
- New slides have been included to display litigation rates and statistics. Early results of our Carve Out Alternative Dispute Resolution are presented. Please look at the data for the first two quarters compared to the first two quarters of the last three years. Police filings, where the injured workers are choosing to get an attorney, are similar year to year. However, for Fire, you will see a dramatic drop from 75% average attorney represented claims in the first six months, to 19% attorney represented currently. Micki noted citywide, not litigated, is 36% compared to the number for Alternative Dispute Resolution.
- Financial expenditure trends. We are projecting a \$2.362 million-dollar surplus overall citywide. 1.1% increase which is holding steady.
- Micki Callahan shared that Peggy Sugarman is a recipient of the Good Government Awards receiving top scores in all categories from one of the committees members, and congratulated her on her work and accomplishments.

Public Comment: None

## **REPORT FROM THE SFMTA WORKERS' COMPENSATION DIVISION**

Discussion Item: **(Item No. 4)**

**Speaker: Dan Roach, Municipal Transportation Agency**

- Dan began his presentation by acknowledging the new Director of Transportation Jeffrey Tumin, and new Human Resources Director Kimberly Ackerman. This change of leadership has been a positive transition.
- Dan shared his rolling 12-month report of Workers' Compensation data. This year there is an increase of indemnity claims filed. The monthly average is 51 compared to 46 from the prior fiscal year. This trend predicts an increase of approximately 60 indemnity claims over the year.
- Medical only claims are trending upward. It is good to have a ratio closer to 50/50. We continue to make improvements in the reporting process mainly by encouraging use of the injury reporting hotline.
- The next slide (page 31) shows claim volumes and closed claims. The closing ratio with third party administrator Intercare, stands at 98% for the year. The goal is at least 100% which indicates closing more claims than what comes in. He acknowledges there has been an increase in claim filings.
- Dan continues by reporting on Financials. (Page 32) There is an overall increase in indemnity payments which had been offset by a significant reduction in rehabilitation expenditures.
- Medical has increased to \$417 thousand and indemnity posts at \$2.4M. There is no one specific driver other than an increase in indemnity claims. We continue to focus on resolving claims and settling claims that have been denied. We are paying out lump sums for temporary and permanent disability, resulting in an increase of \$3.1M.
- Litigation statistics for the agency in January are at 38%. Cause analysis breakdown (page 35) shows the top ten claim causes by frequency. Assaults continue to trend upward, totaling 95 in the past year. 72 reports were from operators, 3 from PCO's and the remaining 20 are reported by other employees.

Micki Callahan asked in the event we start receiving claims from individuals who believe they received an infection in the course of their duties; which category would that show up in? This was answered later by Dr. Peggy Sugarman, the category is Exposures.

- Dan continued, (page 36,) looking at the top ten claims caused by severity, the cost driver remains assault claims. The agency has ongoing efforts to reduce causes of frequency and severity of injuries. There is a downtrend in Repeated Motion claim cause.
- Cost Analysis (page 35) breaks down the frequency and ultimate cost of claims based on cause. Dan invited emails with any questions on this informative slide.

- The injury rate is trending up from 11/100 to 11.5/100. We are focusing on reducing this number. Turnover amongst operators, the increase in assaults and other claims have pushed it to 11.5/100.
- Reporting on Denied Claims, Dan shared that 23 were denied in the month of January. His division continues to focus on paying what is owed and disputing what is believed not owed.

#### **OPPORTUNITY TO PLACE ITEMS ON FUTURE AGENDAS**

Discussion Item: **(Item No. 5)**

Council Comment: None

#### **OPPORTUNITY FOR THE PUBLIC TO COMMENT ON ANY MATTERS WITHIN THE COUNCIL'S JURISDICTION**

Discussion Item: **(Item No. 6)**

Council Comment: None

#### **ADJOURNMENT:**

9:26 a.m.

**NEXT REGULAR MEETING: Meeting date is June 1st, 2020 at 9:00 a.m.**