



Welcome to the San Francisco Workers' Compensation Council Meeting

The meeting will begin at 9:00 AM Pacific.
Please mute your lines!

Report to the San Francisco Workers' Compensation Council

Peggy Sugarman

Workers' Compensation Director

June 6, 2022





Agenda

- Accomplishments, Initiatives & Challenges
- COVID-19 Report
- Performance Quick Facts
- Financials
- Claim Analytics

Accomplishments, Initiatives & Challenges



Accomplishments

- Supplemental Appropriation Ordinance (70-22) approved by the Board of Supervisors and signed by the Mayor on 5/5/2022 to increase department budgets by \$13.1M for Sheriff, Fire, DPH and DEM
- Negotiated FY23-23/FY23-24 budget with the Mayor's Office and preparing for Board Phase and BLA question and answer
- Hired new Temporary Exempt Staff and actively recruiting PCS backfills
- Conditional offer accepted for new Safety Officer to work on injury prevention
- Launched CompTiger knowledge sharing system with Intercare Teams
- Conducted continued staff trainings
- Cleared backlog of the surge of COVID cases
- Collaborated with SFMTA to release RFP for Third Party Administrator services
- Terminated 5 medical providers from the MPN due to multiple concerns, including ongoing billing issues, self-referrals, and charges for unauthorized services
- Preparing implementation of recommendations from G2 Insurance Services assessment of program operations and organizational structure, including:
 - Reserve and payment authorization approval limit increases
 - Case settlement authority increases



Challenges

- High volume of WC cases straining workforce
- Costs for WC Benefits continue to stay at high levels despite some leveling
- COVID-19 illness and outbreaks continue to negatively affect staff, departments, productivity
- Pending state legislation:
 - **AB 1751:** Expected to extend COVID-19 Presumption legislation (Public Safety, Healthcare, Outbreak infections occurring within 14 days of working on site) through 1/1/2025
 - **SB 1127:** Would reduce the time to accept “presumption” claims to 60 days and levy up to \$100,000 against employers for unreasonable denial. This bill would also extend temporary disability benefits to first responders with cancer claims to 240 weeks (currently capped at 104 weeks within a 5-year period)



Initiatives

- Temporary Transitional Work Assignments Policy Development
- Workplace safety and injury prevention program development
- Pre-planning for staffing enhancements and space planning activities necessary to grow in place
- New platforms launching from US Bank to retire the Supplier Prefer Pay Portal in 2022 (technology used for ACH payment instructions); and Change Healthcare for medical provider check printing
- Enhanced reporting and department dashboards for FY2023
- Enhanced investigation into COVID-19 illness, costs, and projections
- Implementing procedures to allow electronic service of medical/legal reports
- Leadership transition planning

COVID-19 Report



Citywide COVID-19 Report

Since last meeting 3/7/2022:

- Omicron surge, come and gone
- Now: B.2 and B2.1.21 variants, highly transmissible
- Highly vaxed and boosted employees = little serious illness, rare hospitalization
- For many employees: rapid resolution of symptoms and able to test after day 5 and return to work
- Oral therapy now widely available and appropriate for some employees



Citywide COVID-19 Report

Noteworthy CCSF policy updates:

- **Broaden access and use of Rapid Antigen tests:** Accelerate earlier return to work after COVID illness, and for required testing after close contact exposures
- **Employee submits by Self Report:** Vaccination/booster dates and COVID testing results (Lab & Rapid Antigen)
- **Outbreak management:**
 - Re-masking required by CalOSHA
 - More than 3 outbreaks in a single building with multiple floors and departments: DHR recommend mask up for all in building, especially in transit/common spaces

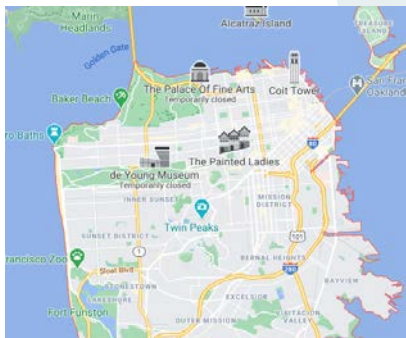


Citywide COVID-19 Report

- SF new cases have climbed: low 82/day in mid- March, 141/day at last WCC meeting, 489/day,
- Test positivity rate: from 3/100, to 5/100 now 11/100
- May be leveling off, await results after Memorial Day holiday
- ServiceNow: no longer can make new records ~5000
- People & Pay totals: 1040
- Suspect number is higher than has been entered into People & Pay



Citywide COVID-19 Report



Total Cases Reported	Total Deaths	Average New Cases Confirmed Daily	Average Tests Collected Daily	Current COVID-19 Hospitalizations
121,637	789	141	5300	89
141,375	879	498	4845	98

Updates daily

Source: <https://data.sfgov.org/>, Data as of 11-29-2021 and 5-25-2022

>6000 CCSF Employee COVID-19 Cases

Source: Service Now Contact Tracing & People & Pay Self-Report Tool, Data as of 5-25-2022

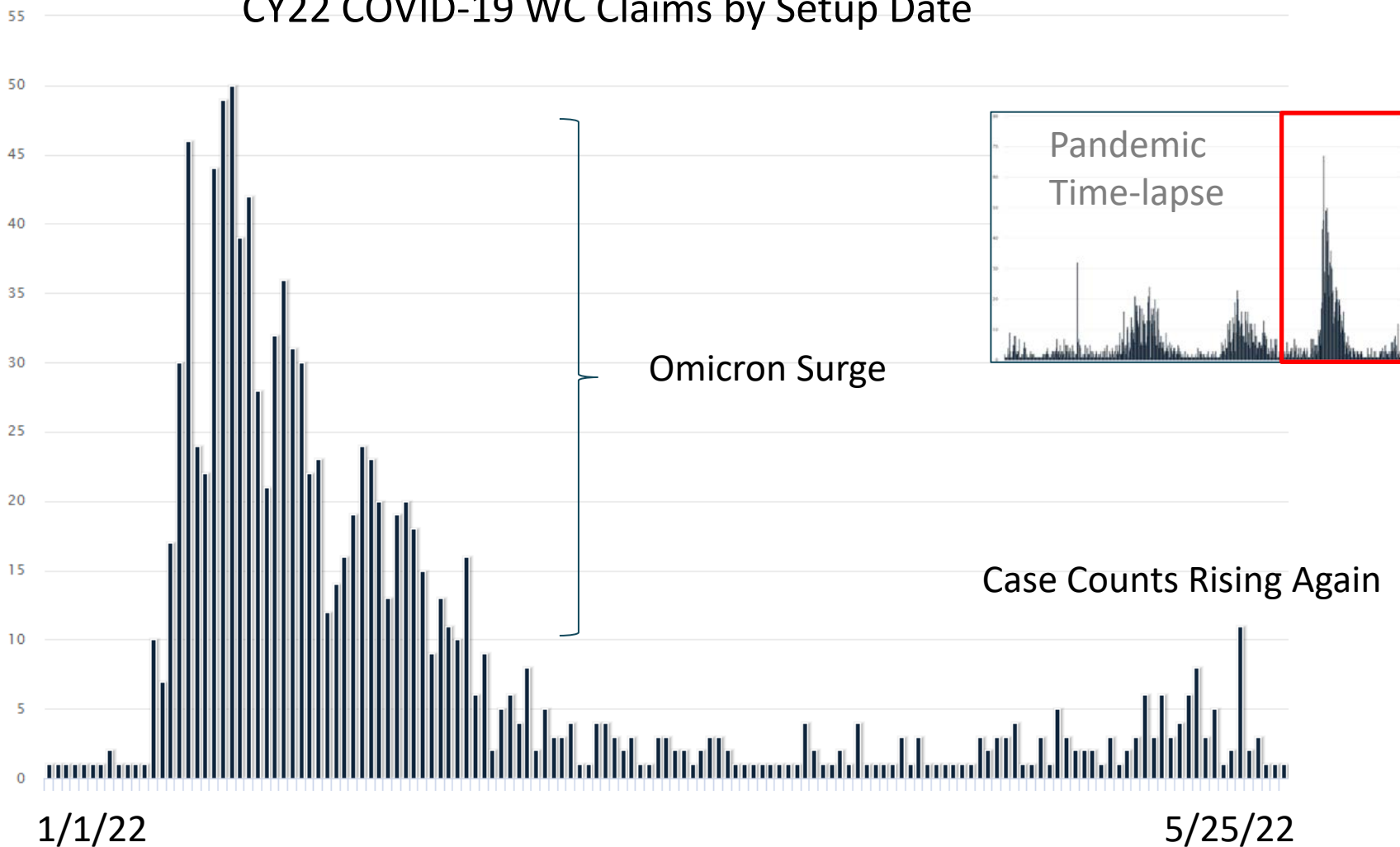
3,484 WC Claims

Source: DHR, Data as of 5-25-2022

3,169 Accepted, 315 Denied

Source: DHR, Data as of 5-25-2022

CY22 COVID-19 WC Claims by Setup Date





Workers' Comp COVID-19 Report

Total Paid on COVID-19 Claims - Citywide				
4850	Expense	Indemnity	Medical	Totals
\$6,220,215	\$296,125	\$1,131,212	\$1,460,663	\$9,108,216

- 3,484 COVID-19 Workers' Compensation Claims as of May 25
 - 27 claims - medical expense >\$10,000; an increase of 10 claims from Q2
 - 87 claims - medical expense >\$2,000
 - 2772 claims - medical expense of \$0
 - 42 claims - total expense >\$50,000, of which 66% of expenditures attributed to 4850 salary continuation benefits
 - Closed claims: Average per-claim expense was \$3,173 for accepted claims with expense as of case closure
 - No additional deaths reported



Workers' Comp COVID-19 Report

Cost of COVID-19 Claims – Top 10 Departments	
Department	Total Expense
Fire Dept	\$3,267,189
Sheriffs Office	\$2,784,532
Police Dept	\$1,568,359
Community Health Network	\$573,832
San Francisco Municipal Railway (MUNI)	\$321,140
Juvenile Probation	\$227,140
Public Works Dept	\$168,521
SF International Airport	\$60,720
Human Services Agency	\$57,203
SF Public Library	\$33,925

Note:

1. Expense reflects total expenses incurred as of 5/25/2022 (all fiscal years.)
2. All other departments have <\$50k in combined COVID-19 WC expense.



Citywide Covid-19 Report

Areas for Further Study:

- COVID costs pre and post vaccine mandate
- What about long COVID?
 - Percent of possible long COVID (out > 3 months)
 - Costs of long COVID: medical vs lost work
- Return to work analysis:
 - Percent returning sooner than 10 days quarantine, through use of home Rapid antigen testing
 - Use of COVID sick time

Performance Quick Facts



FY22 Q3 Performance Quick Facts

Fiscal Health

Ratio of Actuals to Budget

FY22 98.5%

Benchmark: 95%

Budget and actuals as of 5/25/2022 and include Supplemental Appropriation

Claim Volume

Count of New Claims in Period

1163 Indemnity Claims

170 Medical Claims

Benchmark: 413 Indemnity Claims/Quarter
234 Medical Claims/Quarter

Claim Cost

Average Claim Cost in Period

	Indemnity	Medical
FY22Q3	\$7,811	\$844
Benchmark	\$14,082	\$720

Duration

Average Days Open of Claims Closed in Period

158 Days

Benchmark: 217 Days

Notes: All benchmarks based on rolling four-year averages (FY18-21). Fiscal health metric includes overhead and claim expenditures and is based on revised budget, excluding any carryforward. Duration excludes disability retirement and future medical claims.

Financials



Costs by Expenditure Category

	FY20 Actuals	FY21 Actuals	FY22 Projected Actuals As of 2/28/22	FY22 Projected Actuals As of 5/25/2022	YOY Change (%)
INDEMNITY					
Temporary Disability	9,832,786	13,504,622	17,082,286	17,438,857	22.6%
Perm. Disability	15,207,890	14,663,983	18,106,115	18,287,124	19.8%
INDEMNITY SUBTOTAL	25,040,676	28,168,605	35,188,401	35,725,981	21.2%
4850 SALARY CONTINUATION	22,682,962	32,206,988	35,921,457	37,359,251	13.8%
VOCATIONAL REHABILITATION	183,913	159,210	198,341	177,773	10.4%
MEDICAL	27,693,325	28,460,327	36,117,993	35,049,847	18.8%
EXPENSE	3,332,909	3,103,060	3,368,248	3,425,400	9.4%
RECOVERY	(721,335)	(768,520)	(601,203)	(703,833)	-9.2%
GRAND TOTAL	78,212,449	91,329,670	110,193,237	111,034,419	17.7%

Notes:

1. All figures exclude SFMTA



Department Expenditure Trends

Department	FY21 Revised Budget	FY21 Actuals	FY22 Revised Budget	FY22 Proj. Actuals	FY22 Surplus/ (Deficit)	YOY Change
Police	22,698,370	19,790,516	20,588,101	20,594,948	-6,847	804,432
Public Health	13,672,873	14,049,714	18,945,730	18,382,231	563,499	4,332,517
Fire	12,086,813	13,513,107	18,237,015	17,850,488	386,527	4,337,381
Sheriff	6,266,796	6,198,821	9,362,379	8,462,673	899,705	2,263,852
Public Works	4,258,317	3,882,782	5,482,454	5,508,031	-25,577	1,625,249
Recreation & Parks	3,400,630	3,437,084	3,654,373	4,720,837	-1,066,464	1,283,753
Human Services	2,145,873	2,030,203	2,822,301	2,830,777	-8,476	800,574
Airport	3,056,796	2,940,450	3,179,531	4,219,593	-1,040,063	1,279,143
PUC-Water	2,206,452	1,978,327	2,169,646	2,074,423	95,223	96,096
PUC-Wastewater	2,093,076	2,085,008	2,180,588	2,345,365	-164,777	260,357
Total Top Ten Departments	72,724,436	69,085,450	86,622,118	86,989,368	-367,250	17,903,918
Total of All City Departments	82,372,233	77,031,878	97,728,365	96,521,144	1,207,221	19,489,266

Notes:

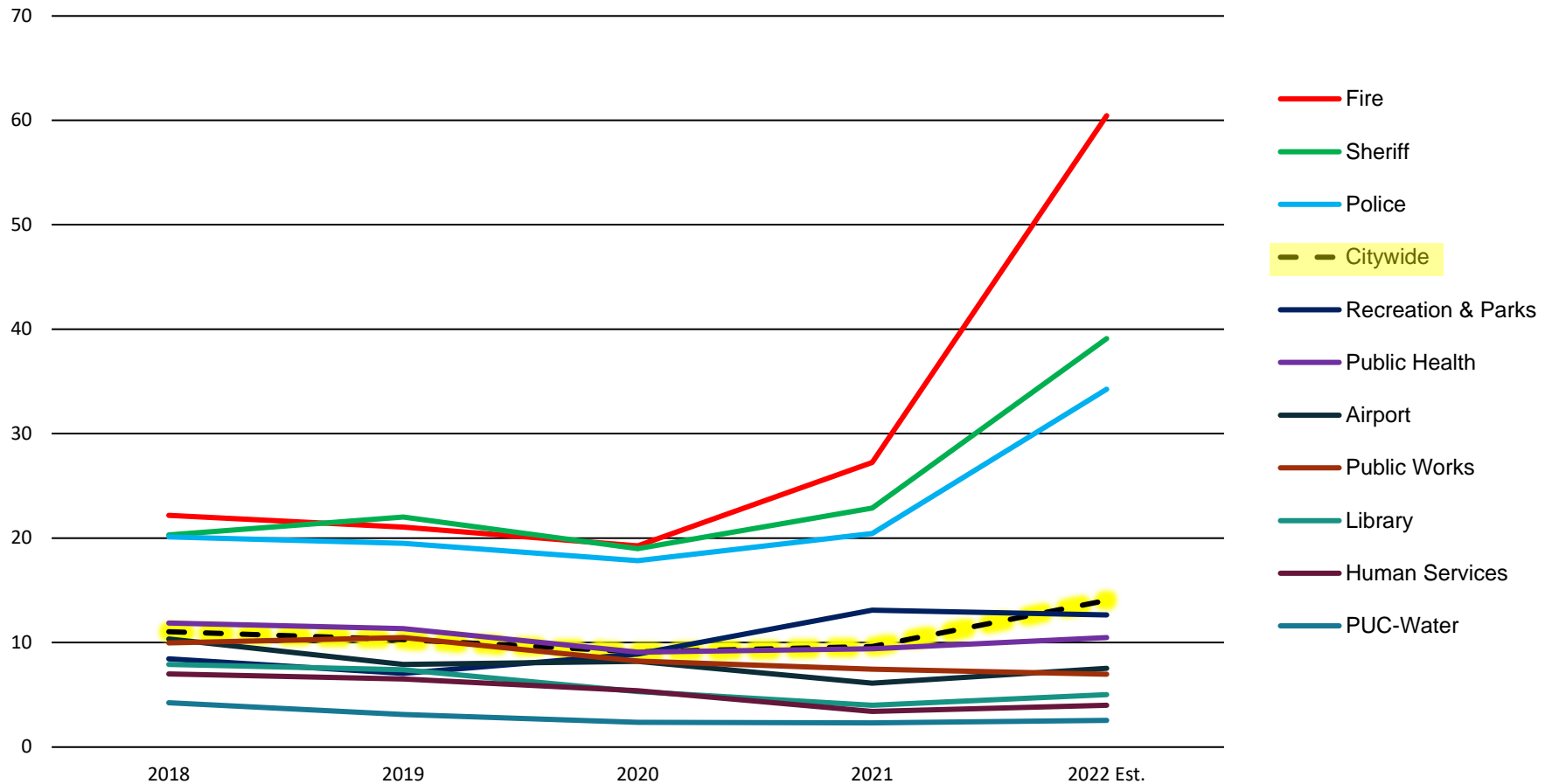
1. Expenditures exclude LC4850 salary continuation benefits and SF Community College, and include program overhead
2. Departments sorted by FY22 Revised Budget
3. FY22 Projections based on adjusted straightline.

Claim Analytics



Claims Incurred Per 100 FTE

Top 10 Departments



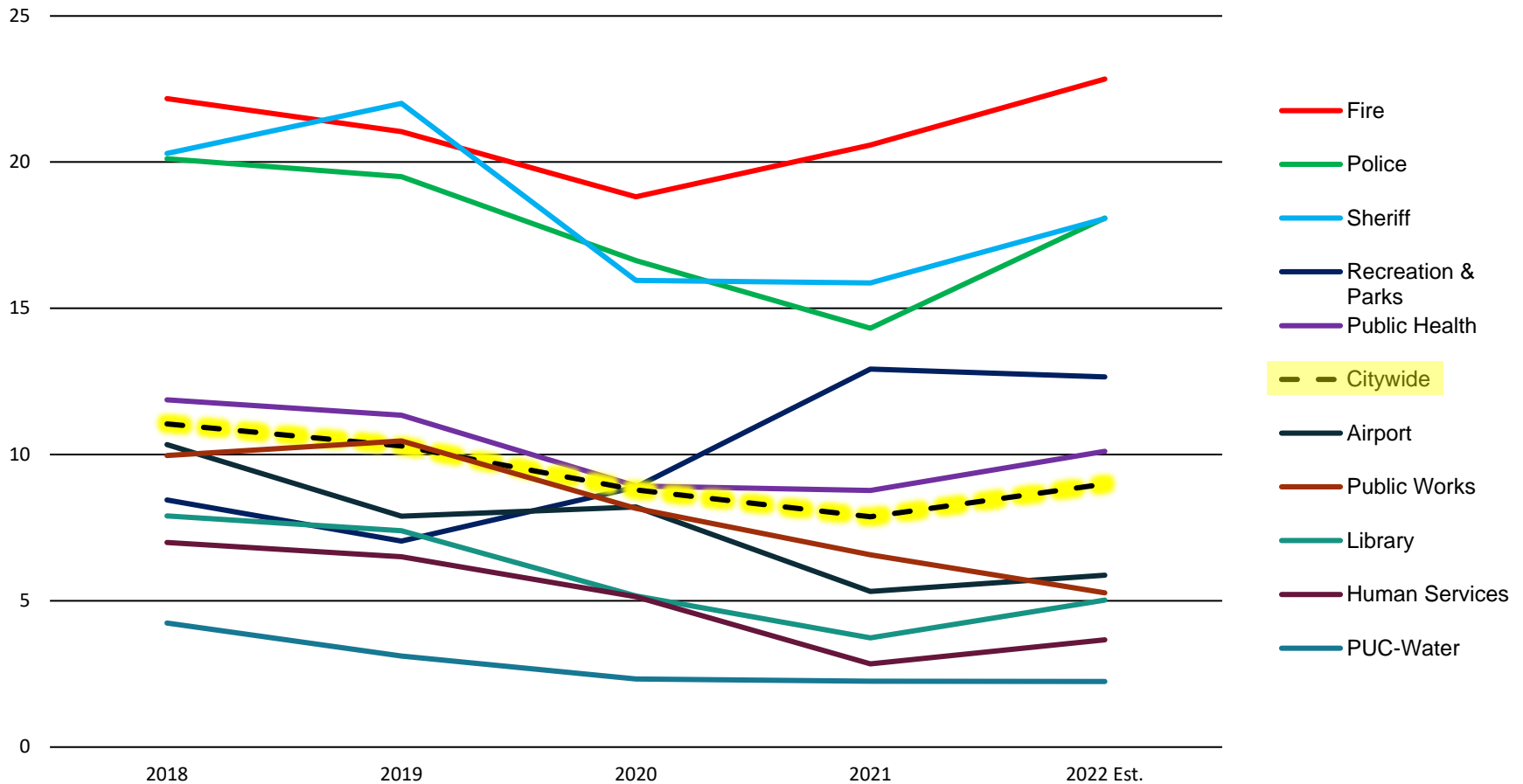
Notes:

1. Report only claims are excluded
2. 2022 Est. reflects a straight line of Q1-Q3 claim volume for the whole fiscal year



Claims Incurred Per 100 FTE

Top 10 Departments w/o COVID



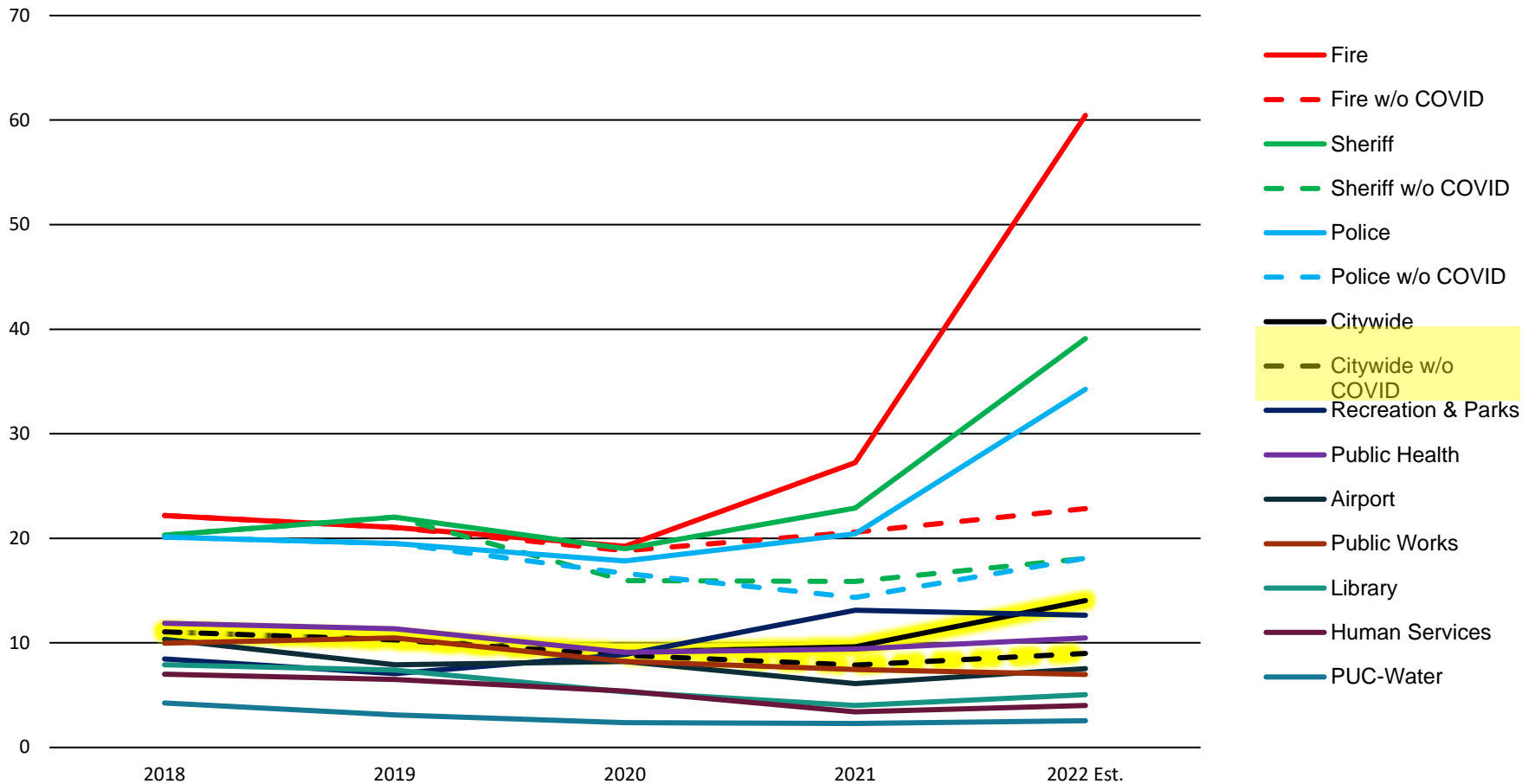
Notes:

- 1. Report only claims are excluded
- 2. 2022 Est. reflects a straight line of Q1-Q3 claim volume for the whole fiscal year



Claims Incurred Per 100 FTE

Top 10 Departments (Top 3: COVID vs w/o COVID)



Notes:

- 1. Report only claims are excluded
- 2. 2022 Est. reflects a straight line of Q1-Q3 claim volume for the whole fiscal year



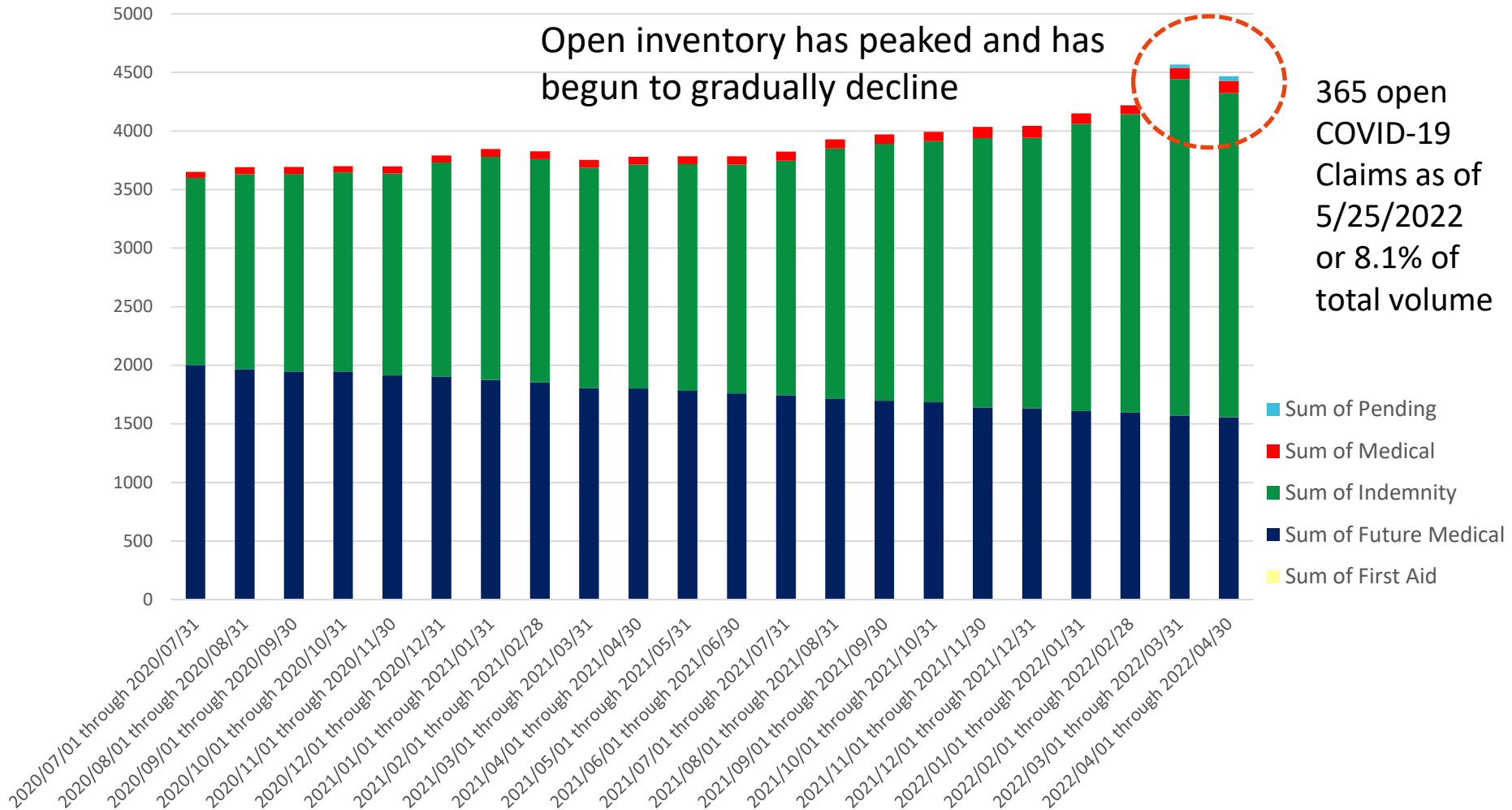
Claim Filing Frequency

	FY18-21			FY22 Q3			FY22 Q3 Increase / Decrease		
Department	Average Indemnity Claims Per Quarter	Average Medical Claims Per Quarter	Average Indemnity + Medical Claims Per Quarter	Total Indemnity Claims	Total Medical Claims	Total Indemnity + Medical Claims	Indemnity	Medical	Indemnity + Medical
Police	85	30	116	390	16	406	305 or 357%	-14 or -47%	291 or 252%
Fire	69	16	84	394	11	405	325 or 475%	-5 or -30%	321 or 380%
Public Health	71	111	182	60	114	174	-11 or -16%	3 or 3%	-8 or -4%
Sheriff	41	7	47	123	4	127	82 or 202%	-3 or -40%	80 or 168%
Airport	21	11	32	36	4	40	16 or 76%	-7 or -64%	9 or 27%
Public Works	15	14	29	25	5	30	10 or 65%	-9 or -65%	1 or 2%
Recreation & Parks	25	12	36	21	6	27	-4 or -15%	-6 or -49%	-9 or -26%
Human Services	24	6	31	22	1	23	-2 or -10%	-5 or -84%	-8 or -25%
PUC-Water	8	6	15	15	3	18	7 or 83%	-3 or -52%	4 or 24%
Library	6	3	9	9	0	9	3 or 41%	-3 or -100%	0 or -3%
Citywide	413	234	648	1163	170	1333	750 or 181%	-64 or -27%	685 or 106%



Open Claim Inventory

7/1/2020 – 4/30/2022





Litigation Statistics

Department	Open Indemnity Claims Added from FY18-FY22Q3	Represented Claims	Represented %	Litigated Claims	Litigated %
Fire	483	130	27%	42	9%
Police	467	184	39%	57	12%
Public Health	353	93	26%	41	12%
Sheriff	329	111	34%	83	25%
Airport	165	42	25%	30	18%
Recreation & Parks	133	42	32%	36	27%
Human Services	122	52	43%	21	17%
Public Works	99	61	62%	28	28%
PUC-Water	55	19	35%	5	9%
Water Pollution Control	48	10	21%	7	15%
Citywide	2555	858	34%	438	17%



Litigated vs Non-Litigated

Average Total Payment / Closed Indemnity Claim

Department	Litigated?	2018	2019	2020	2021	2022 Q3
Fire	Y	\$42,108	\$58,306	\$31,623	\$51,805	\$34,258
	N	\$12,827	\$13,996	\$8,255	\$9,390	\$6,388
Public Health	Y	\$112,290	\$84,972	\$51,115	\$68,177	\$87,295
	N	\$4,362	\$3,340	\$4,879	\$5,274	\$8,593
Public Works	Y	\$50,518	\$47,875	\$28,318	\$85,782	\$58,188
	N	\$2,676	\$4,070	\$10,665	\$10,122	\$8,076
Police	Y	\$125,175	\$72,092	\$124,351	\$135,570	\$60,596
	N	\$15,231	\$7,813	\$18,468	\$10,687	\$9,232
Sheriff	Y	\$34,037	\$24,054	\$125,801	\$74,179	\$59,725
	N	\$16,898	\$13,811	\$8,734	\$14,396	\$16,073
Citywide	Y	\$77,377	\$55,714	\$62,903	\$74,691	\$71,475
	N	\$9,803	\$8,002	\$8,611	\$8,662	\$8,177

Note: Latest fiscal year includes data up to the current reporting quarter.



ADR Litigation Statistics

Department	Fiscal Year	ADR Indemnity Claims Added and Still Open	Represented Claims	Represented %	Litigated Claims	Litigated %
Fire	FY22 Q3	230	26	11%	6	3%
	FY18-21	192	75	39%	7	4%
	All	422	101	24%	13	3%
Police	FY22 Q3	205	48	23%	4	2%
	FY18-21	175	93	53%	22	13%
	All	380	141	37%	26	7%

Notes:

1. The ADR program for both Police and Fire departments commenced on 7/1/2019.
2. Latest fiscal year includes data up to the current reporting quarter.



SFMTA

SFMTA

Municipal
Transportation
Agency

Workers' Compensation Council

June 6, 2022



SFMTA

Agenda

- Accomplishments & Initiatives
- Challenges
- COVID-19 Report
- Performance Quick Facts
- Claim Analytics
- Financials

Accomplishments, Initiatives, & Challenges



Accomplishments & Initiatives

SFMTA

- Reduction of new indemnity claim frequency in Q3 by 8%.
- The team achieved 82% closing ratio in Q3 and 90% fiscal year to date.
- Quarterly claim reviews with SFMTA and the team.
- Completed the transition and rollout of the new managed care vendor for implementation.
- Collaborating with CCSF to enhance the Medical Provider Network (MPN).
- The board approved the funding for the contract to coordinate a joint Request for Proposal for Third Party Claims Administration. This was distributed in the industry and proposals are due electronically by June 1, 2022.
- In process of video access to the claim professional staff.
- Working on electronic workflow for all claim reporting.



SFMTA

Current Challenges

- Rise in Temporary Disability Benefit Maximum is effective 1/1/22 and expected to impact the overall indemnity costs for CY 2022.
- Ongoing Review of Assault Claims.
- Returning injured employees to modified duty.
- Update on WC Manager position for SFMTA.

COVID-19 Report



COVID-19 Report

SFMTA

51 COVID-19 Workers' Compensation Claims filed Q3.

45 Reported claims only.

6 Indemnity claims

4 Accepted Claims.

2 Denied Claims

306 *COVID-19 Workers' Compensation Claims filed as of 3/31/22.*

253 Reported claims only.

49 Indemnity claims reported, of which three claims are litigated.

26 Accepted claims.

23 Denied claims: Negative test or not occupational in nature.

Average paid per indemnity claim = \$5,489.

Average Incurred per indemnity claim = \$13,919.

As of 3/31/22, only 10 claims remained open.

Performance Quick Facts



FY22 Q2 Performance Quick Facts

SFMTA

Fiscal Health

Ratio of Actuals to Budget

FY22 Q3 24%

Benchmark: 25%

Claim Volume

Count of New Claims in Period

133 Indemnity Claims

8 Medical Claims

Benchmark: 138 Indemnity Claims/Quarter

16 Medical Claims/Quarter

Claim Cost

Average Claim Cost in Period

	Indemnity	Benchmark	Medical	Benchmark
SFMTA	\$14,202	\$11,124	\$1,457	\$465

Duration

Average Days Open of Claims Closed in Period

534 Days

Benchmark: 443 Days

Notes: All benchmarks based on rolling five-year averages (FY17-21). Fiscal health metric includes claim expenditures only and is based on the revised budget, excluding any carry forward and excludes TPA fees. Claim volume, cost and duration excludes first aid, disability retirement and future medical claims.

Claim Analytics

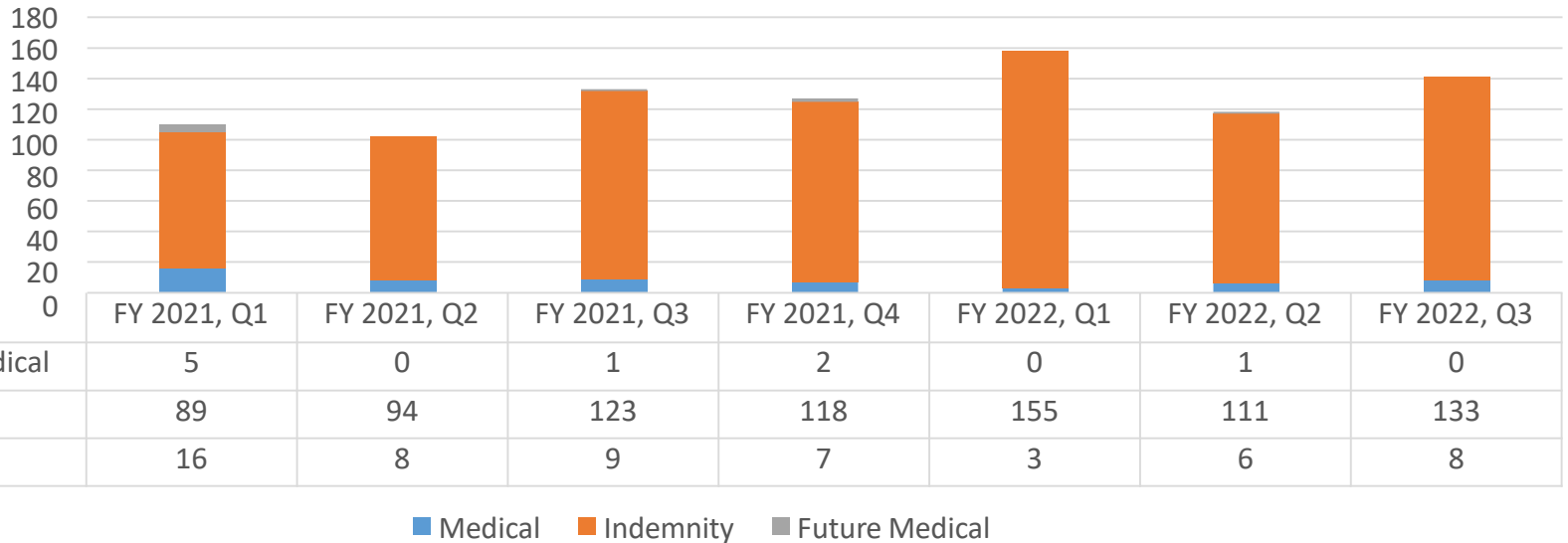


Claim Filing Frequency

SFMTA

Department	FY17-21			FY22 Q3			FY22 Q3 Increase / Decrease		
	Average Indemnity Claims Per Quarter	Average Medical Claims Per Quarter	Average Indemnity + Medical Claims Per Quarter	Total Indemnity Claims	Total Medical Claims	Total Indemnity + Medical Claims	Indemnity	Medical	Indemnity + Medical
SFMTA	138	16	154	133	8	141	-5 or -4%	-8 or -50%	-13 or -8%

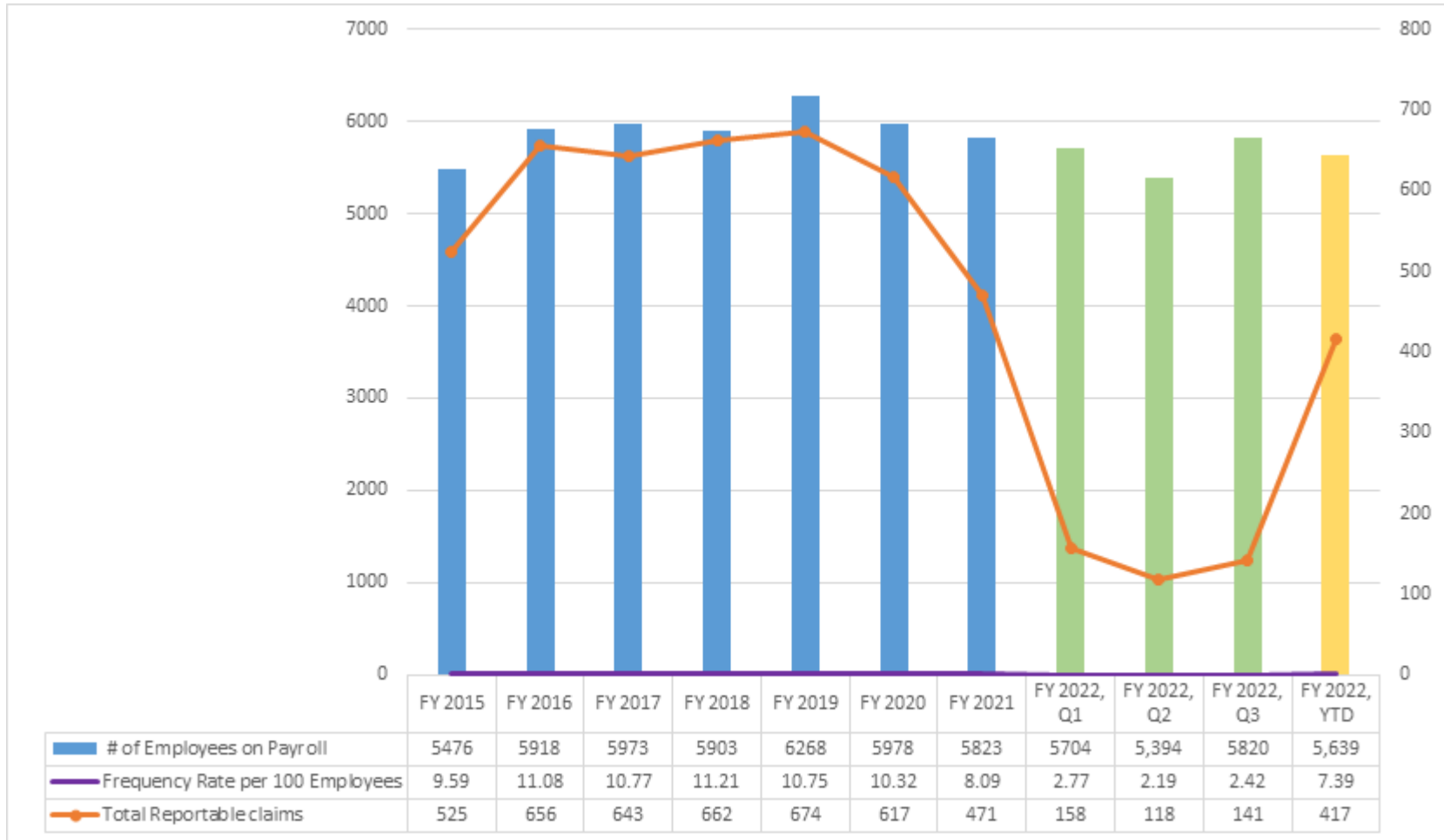
Claims Added 7/1/20 through 3/31/22, valued 3/31/22





Claims Frequency Per 100 FTE

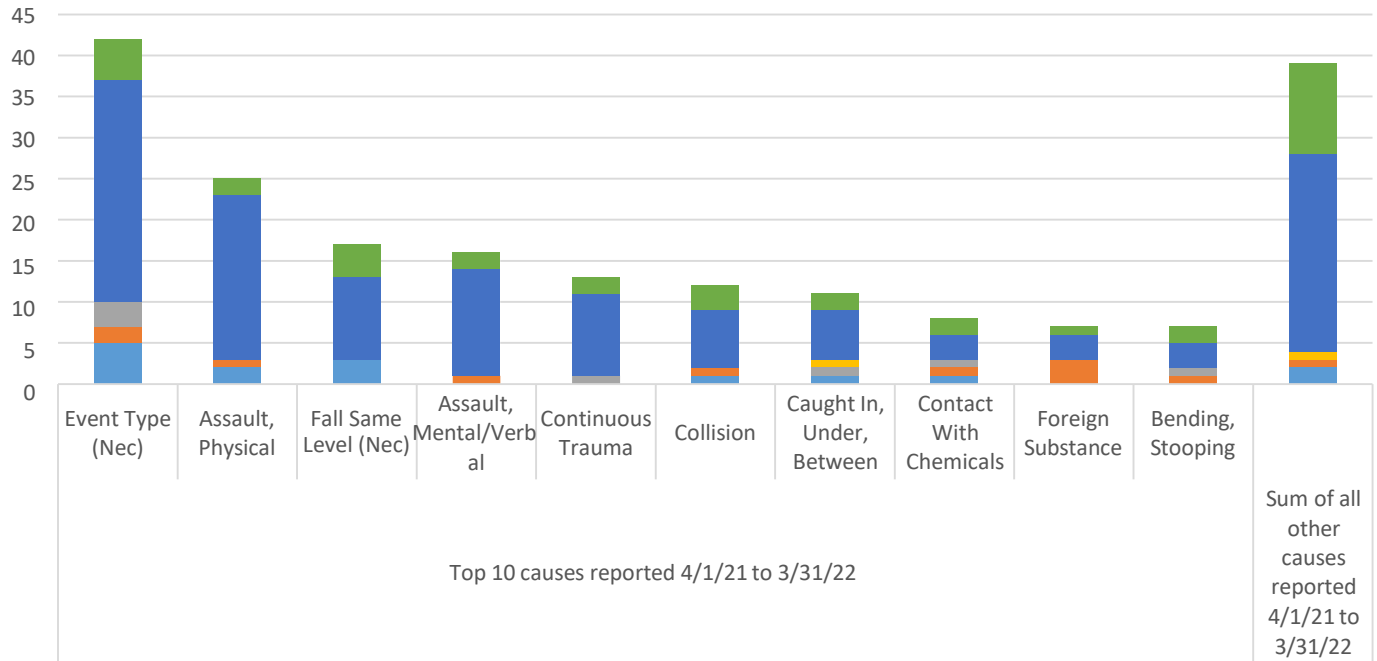
SFMTA





Claim Cause Distribution

SFMTA



Sum of all other Departments	5	2	4	2	2	3	2	2	1	2	11
Transportation Division (Tran)	27	20	10	13	10	7	6	3	3	3	24
Safety, Security & Enforcement	0	0	0	0	0	0	1	0	0	0	1
Maintenance Division	3	0	0	0	1	0	1	1	0	1	0
Islais Creek	2	1	0	1	0	1	0	1	3	1	1
Enforcement Services	5	2	3	0	0	1	1	1	0	0	2

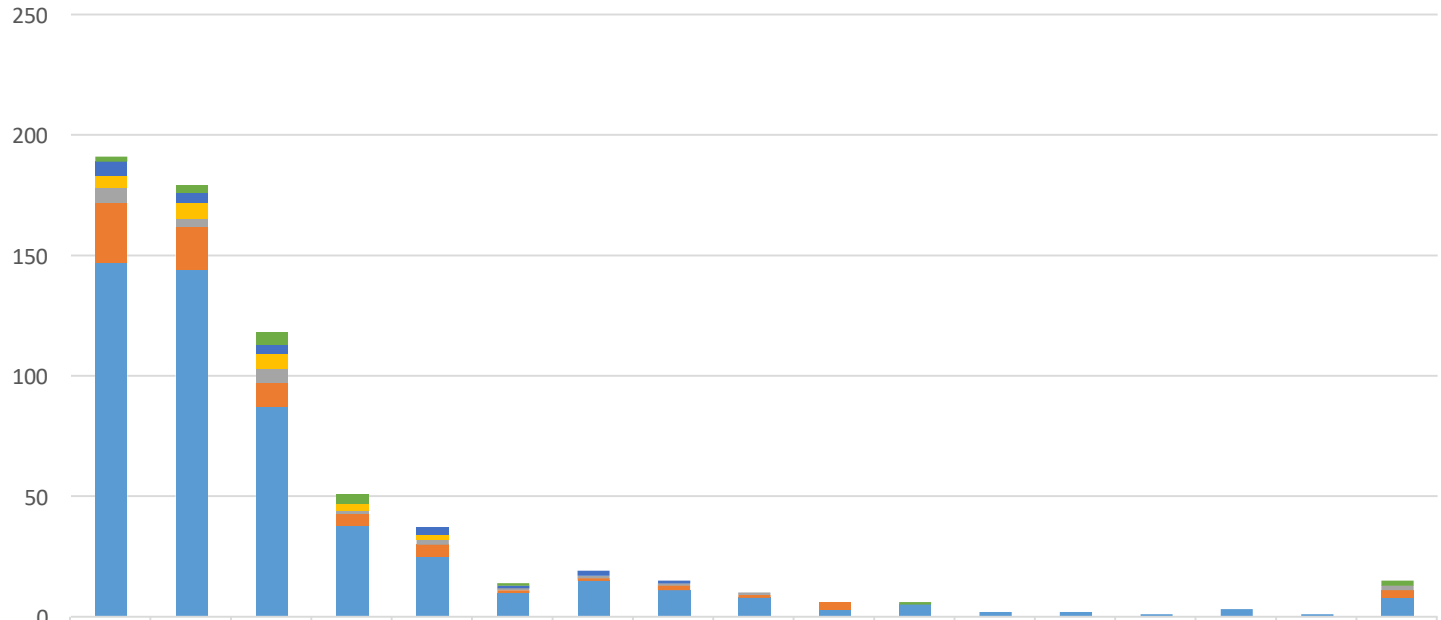
Notes:

1. Claim cause group definitions are listed in Appendix 1



Open Claim Stratification

SFMTA



Division	100K - 150K	150K - 200K	200K - 250K	250K - 300K	300K - 350K	350K - 400K	400K - 450K	450K - 500K	500K - 550K	600K - 650K	700K - 750K	750K - 800K	800K - 850K	850K - 900K	900K - 950K	950K - 1M	Over 1M
Electrical Maintenance	2	3	5	4	0	1	0	0	0	0	1	0	0	0	0	0	2
Maintenance Division	6	4	4	0	3	1	2	1	0	0	0	0	0	0	0	0	0
Safety Security & Enforcement	5	7	6	3	2	0	0	0	0	0	0	0	0	0	0	0	0
Diesel Maintenance	6	3	6	1	2	1	1	1	1	0	0	0	0	0	0	0	2
Enforcement Services	25	18	10	5	5	1	1	2	1	3	0	0	0	0	0	0	3
Transportation Division	147	144	87	38	25	10	15	11	8	3	5	2	2	1	3	1	8

- Notes:**
1. \$100K+ Total Incurred = \$197.8 Million
 2. All policy years for which incurred costs >=\$100k/claim



SFMTA

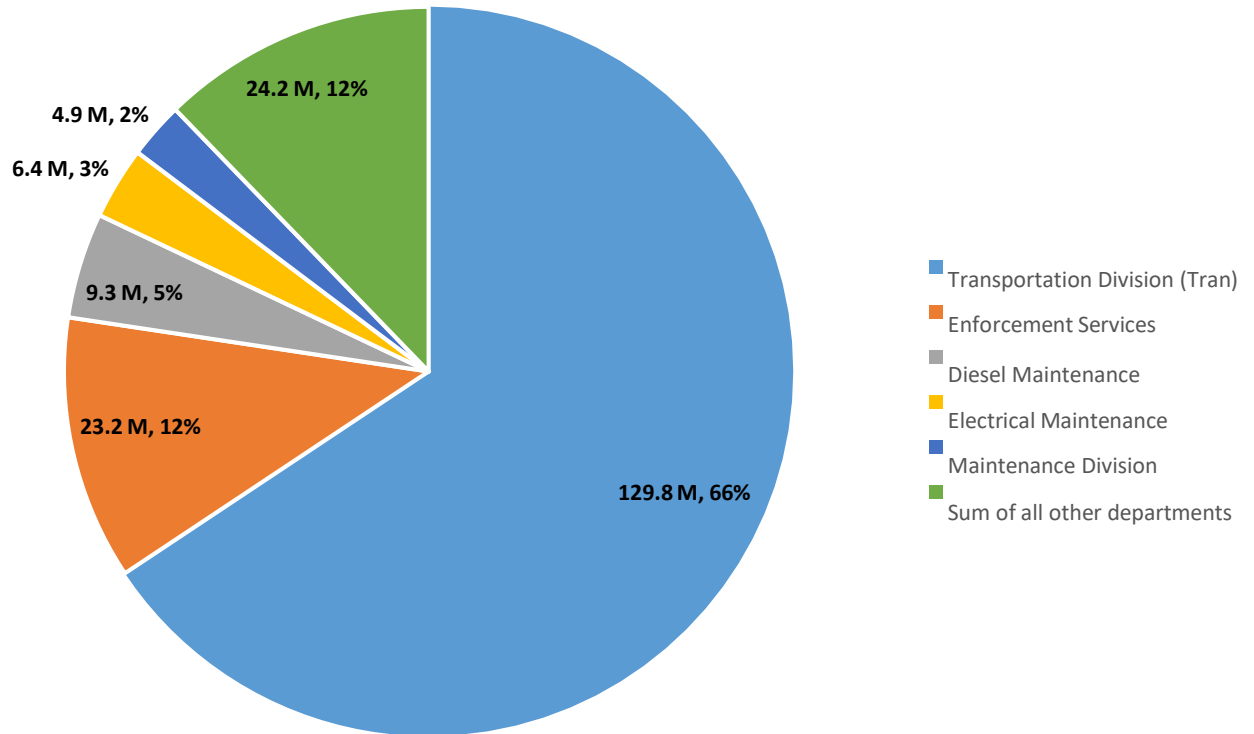
Open Claim Cost Stratification

743 Claims \geq \$100k

\$197.8 Million

Data as of 3/31/2022

Total Incurred



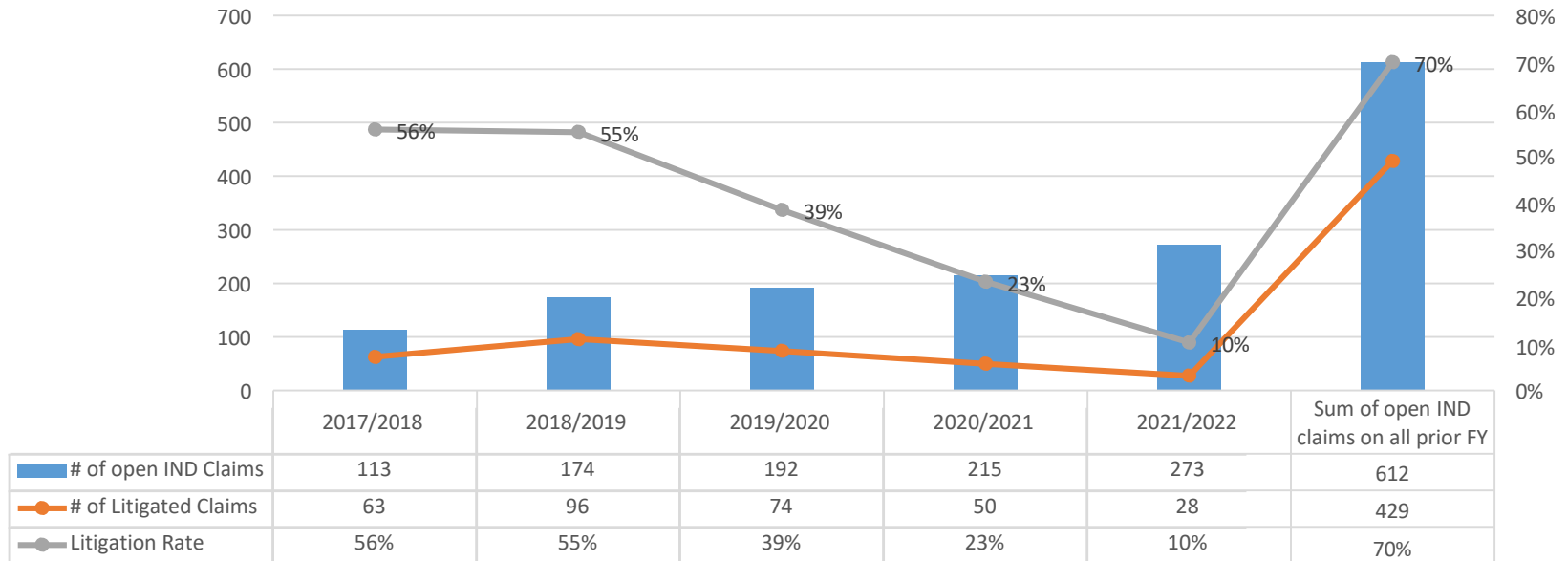
Note: Dollar figures in millions



SFMTA

Litigated vs Non-Litigated

Litigation Rate of Open Indemnity Claims, sorted by Year Reported, valued 3/31/22



Average Paid on Closed Indemnity Claims in the Period

	Litigated?	2017	2018	2019	2020	2021	2022 as of Q3
SFMTA	Y	\$41,560	\$32,164	\$68,881	\$33,979	\$33,343	\$23,697
	N	\$8,755	\$5,751	\$5,225	\$6,865	\$10,765	\$12,475

Note: Latest fiscal year includes data for the current reporting quarter.

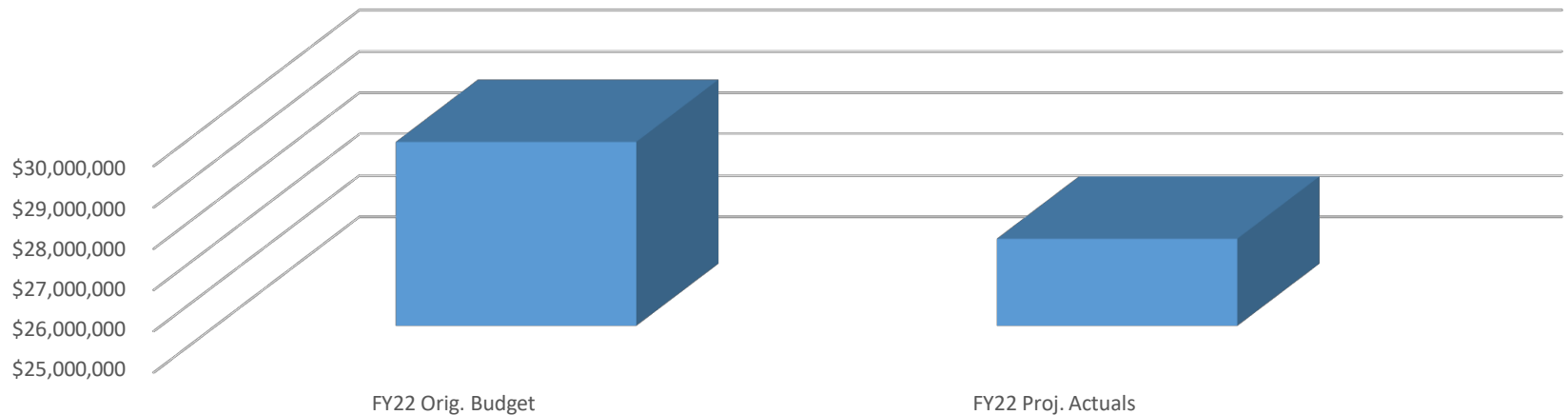
Financials



SFMTA Expenditure Trends

SFMTA

	FY21 Orig. Budget	FY21 Actuals	FY22 Orig. Budget	FY22 Proj. Actuals	FY22 Surplus/ (Deficit)	YOY Change
SFMTA	\$22,128,600	\$28,698,631	\$29,450,537	\$28,198,043	\$1,252,494	--\$500,588





Costs by Expenditure Category

SFMTA

	FY 19-20 Actuals	FY 20-21 Actuals	FY22 Est. YE Actuals	YOY Change (%)
INDEMNITY	\$18,401,620	\$19,147,352	\$18,025,769	-\$1,121,583
Temporary Disability	\$13,132,765	\$13,834,255	\$13,900,582	\$66,327
Permanent Disability	\$5,268,855	\$5,313,097	\$4,125,187	-\$1,187,910
VOCATIONAL REHABILITATION	\$1,243,584	\$33,585	\$35,316	\$1,731
MEDICAL EXPENSE	\$8,724,619	\$8,945,689	\$9,226,923	\$281,234
RECOVERY	<\$264,068>	<\$423,713>	<\$38,501>	\$385,212
GRAND TOTAL	\$28,148,829	\$28,698,631	\$28,159,542	-\$539,089

Notes:

1. Expenditures reflect benefit payments issued through the Claims Financial System, and do not include overhead or salary continuation benefits.



San Francisco Workers' Compensation Council

Our next meeting will be held on
September 12, 2022