

RISK MANAGEMENT

FY2017

BUDGET RECOMMENDATION

TO COUNTY COUNCIL

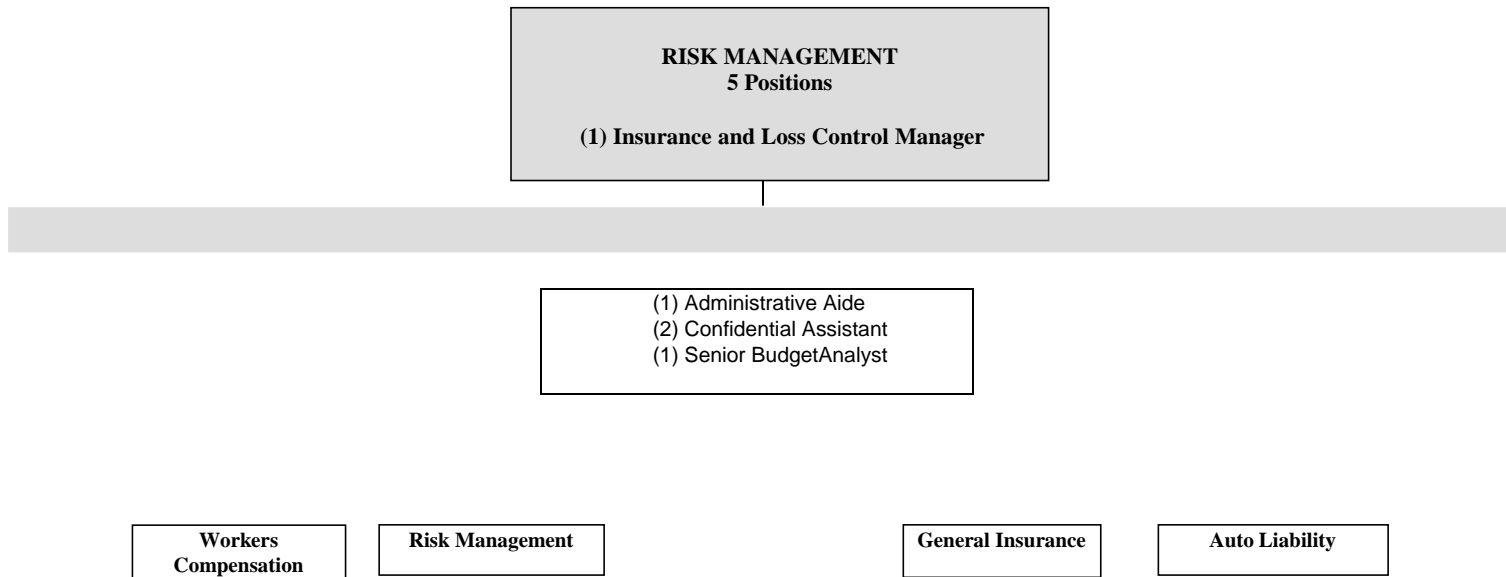
May 9, 2016

MISSION.

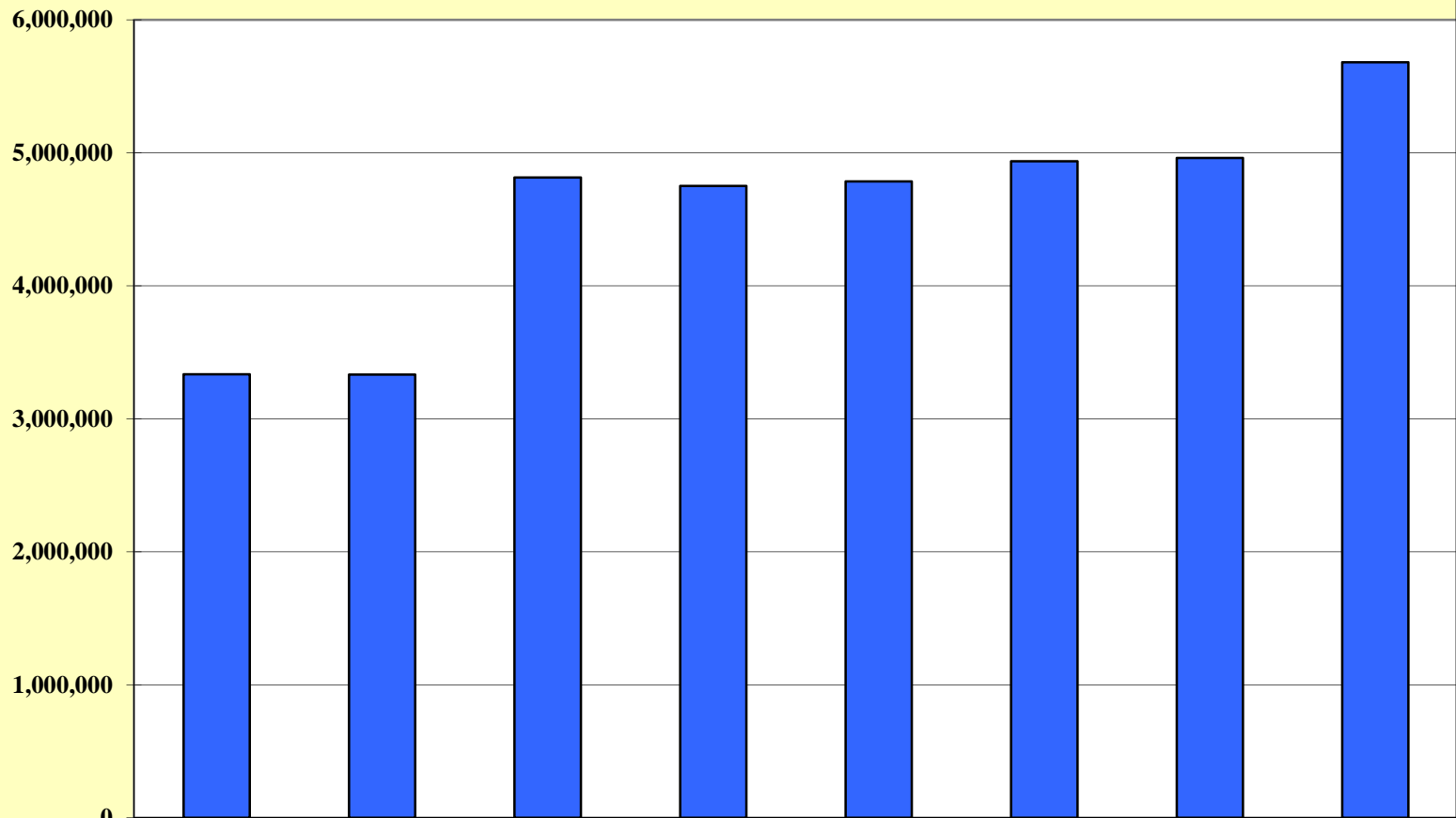
The Risk Management Office's mission is to:

1) clearly define the roles and responsibilities of New Castle County employees and management personnel for reporting occupational and non-occupational injuries/illnesses, (2) to ensure quality treatment of employees, (3) to define the return to work process with special emphasis on demonstrating a caring attitude toward the injured employee.

Risk Management Fiscal Year 2017



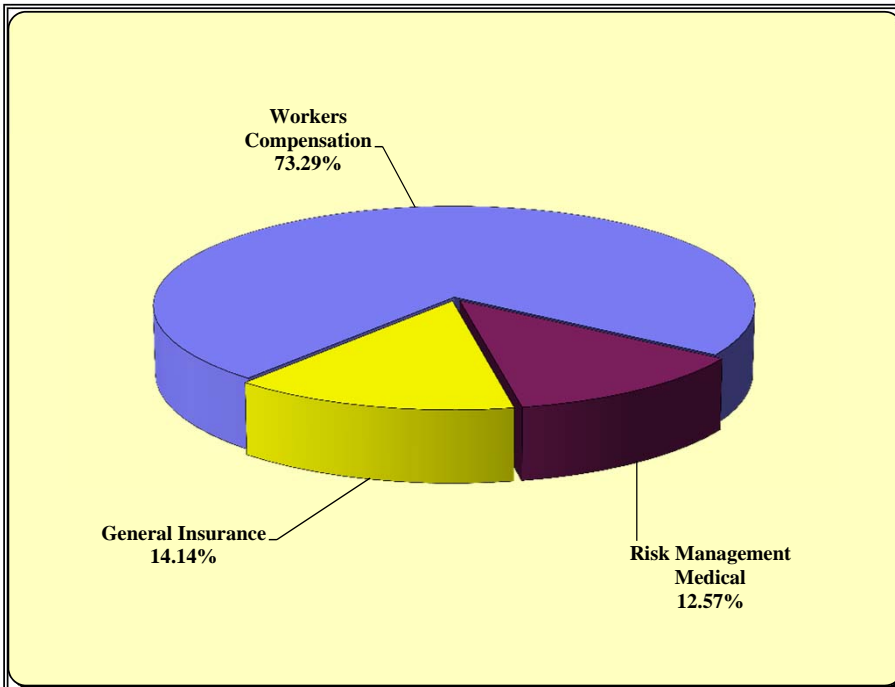
RISK MANAGEMENT
Budget History
FY2010 Approved through FY2017 Recommended
(Excludes IGS Credits)



	FY2010 Approved	FY2011 Approved	FY2012 Approved	FY2013 Approved	FY2014 Approved	FY2015 Approved	FY2016 Approved	FY2017 Recomm'd
Risk Management (w/out IGS)	3,333,562	3,333,097	4,814,280	4,750,168	4,784,673	4,936,060	4,960,974	5,679,677
% Change over PY	-9.40%	-0.01%	44.44%	-1.33%	0.73%	3.16%	0.50%	14.49%

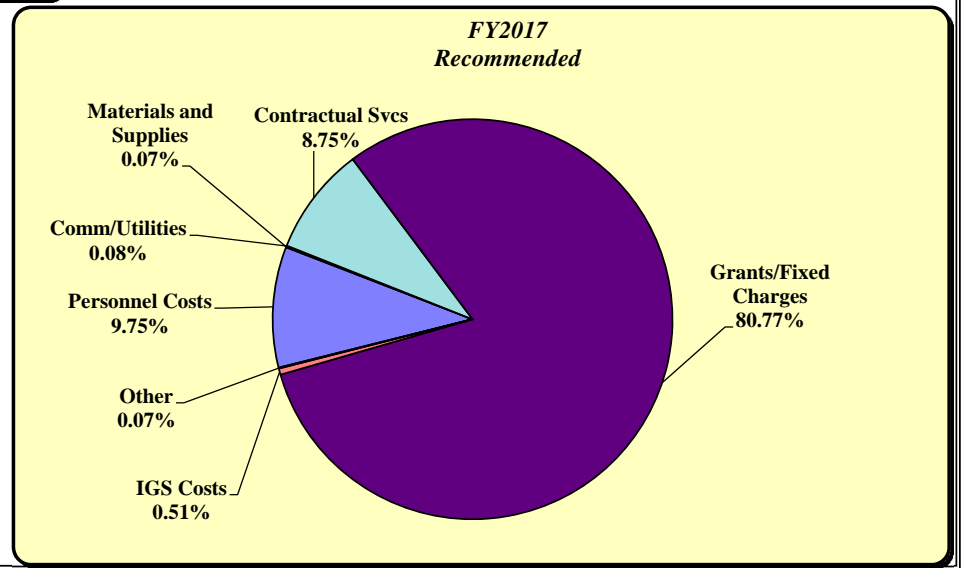


NEW CASTLE COUNTY
RISK MANAGEMENT
FY2017 BUDGET RECOMMENDED



<u>Division</u>	<u>FY2017 Recomm'd</u>
Workers Compensation	4,162,558
Risk Management/Medical	714,119
General Insurance	803,000
Recommended Budget	\$5,679,677
Less IGS Credits (Workers Comp)	(4,162,558)
Total including IGS Credit	\$1,517,119

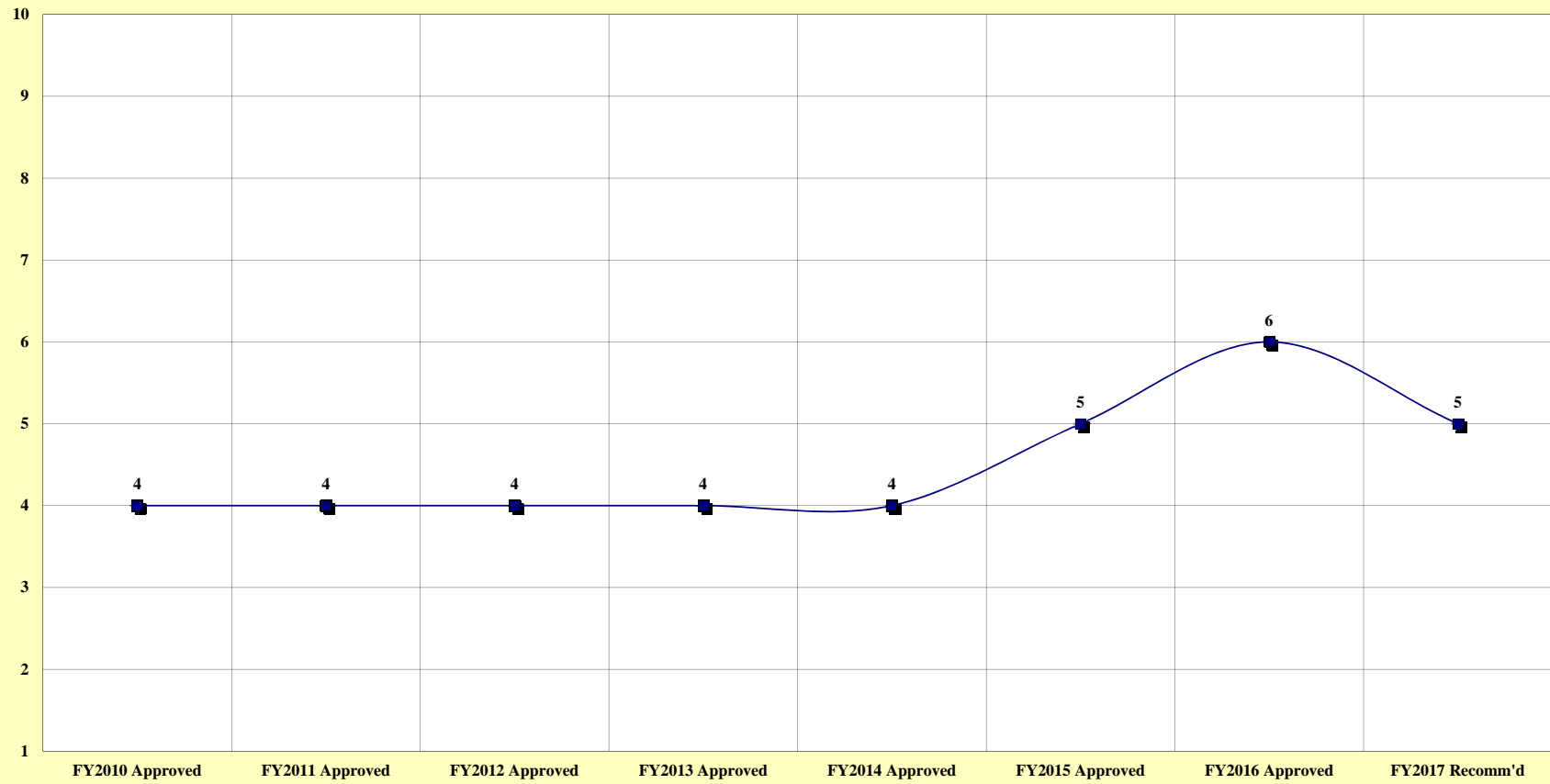
<u>Object Level</u>	<u>FY2017 Recomm'd</u>
Personnel Costs	\$553,774
Comm/Utilities	4,700
Materials and Supplies	3,900
Contractual Svcs	497,180
IGS Costs	29,033
Grants/Fixed Charges	4,587,000
Other	4,090
Recommended Budget	\$5,679,677
Less:	
IGS Credits (Workers Compensation)	(4,162,558)
Total including IGS Credit	\$1,517,119





NEW CASTLE COUNTY
RISK MANAGEMENT
FY2017 BUDGET PRESENTATION

RISK MANAGEMENT
Position History Fiscal Years 2010 through 2017



NEW CASTLE COUNTY
RISK MANAGEMENT
FY2017 BUDGET PRESENTATION

DIVERSITY COMPARISON 2015 - 2013

JOB CATEGORIES		NUMBER OF EMPLOYEES										
		Overall Totals (Sum of Col. B-K)	MALE					FEMALE				
			White (Not of Hispanic Origin)	Black (Not of Hispanic Origin)	Hispanic	Asian or Pacific Islander	American Indian or Alaskan Native	White (Not of Hispanic Origin)	Black (Not of Hispanic Origin)	Hispanic	Asian or Pacific Islander	American Indian or Alaskan Native
A	B	C	D	E	F	G	H	I	J	K		
Officials and Administrators	2015	1					1					
	2014	1										
	2013	1					1					
Professionals	2015	1					1					
	2014	1					1					
	2013	1					1					
Technicians	2015	0										
	2014	0										
	2013	0										
Paraprofessionals	2015	0										
	2014	0										
	2013	0										
Administrative Support	2015	3					3					
	2014	3					3					
	2013	2					2					
Skilled Craft Workers	2015	0										
	2014	0										
	2013	0										
Service-Maintenance	2015	0										
	2014	0										
	2013	0										
Certain Elected/Appointed Officials	2015	1					1					
	2014	1					1					
	2013	1					1					
TOTAL	2015	6	0	0	0	0	6	0	0	0	0	
	2014	6	0	0	0	0	6	0	0	0	0	
	2013	5	0	0	0	0	5	0	0	0	0	

State and Local Government Information (EEO-4) Report Format



**Risk Management
RECOMMENDED BUDGET**

Object Level	FY2016 Approved	FY2017 Recommended	FY2016 Approved vs. FY2017 Recommended	% Incr (Decr) over FY2016 Approved
Salaries and Wages	\$373,743	\$358,429	(15,314)	-4.10%
Employee Benefits	197,338	195,345	(1,993)	-1.01%
Training and Civic Affairs	2,590	2,590	0	0.00%
Communication and Utilities	4,700	4,700	0	0.00%
Materials and Supplies	3,900	3,900	0	0.00%
Contractual Services	491,180	497,180	6,000	1.22%
Equipment Replacement	1,500	1,500	0	0.00%
Fixed Charges	3,860,000	4,587,000	727,000	18.83%
Land/Structures	-		0	
Contingency	-		0	
IGS Costs	26,023	29,033	3,010	11.57%
Total:	\$4,960,974	\$5,679,677	718,703	14.49%
Intragov. Service Credits	(3,917,720)	(4,162,558)	(244,838)	6.25%
<i>Budget Inclusive of IGS Credits:</i>	<i>\$ 1,043,254</i>	<i>\$ 1,517,119</i>	<i>\$ 473,865</i>	<i>45.42%</i>



**NEW CASTLE COUNTY
RISK MANAGEMENT
FY2017 BUDGET DETAILS**

Object Level	FY2017 Recommended	\$ Change	% Change
Salaries and Wages :	\$358,429	(\$15,314)	-4.10%
Net increase attributed to:			
Expenditures in this line reflect the salary for five full time positions. One less position from FY2016.			
Employee Benefits:	\$195,345	(\$1,993)	-1.01%
Net Increase attributed to:			
Salary increases and employee benefit rate of 54.5%. One less position from FY2016.			
Training and Civic Affairs:	\$2,590	\$0	0.00%
Expenditures in this line include: Conference and seminar fees and expenses, membership and dues, mileage and parking fees.			
Communication and Utilities:	\$4,700	\$0	0.00%
Expenditures in this line include: Local postage, overnight express postage, and all telephone service.			
Materials and Supplies:	\$3,900	\$0	0.00%
Expenditures in this line include Books and subscriptions, office supplies, computer and printer cartridges.			
Contractual Services:	\$497,180	\$6,000	1.22%
Net increase attributed to:			
Actuarial Fees and Third Party Administrator in General Insurance Expenditures in this line include: Equipment repair, printing and related expenses, Other Professional Services; Third Party Administrator in General Insurance; Health Care Provider for new employee physicals, return to work, fit for duty assessments, annual and preplacement physicals for EMS and Public Safety, CDL examinations, after hours blood draws, DUI etc.			



**NEW CASTLE COUNTY
RISK MANAGEMENT
FY2017 BUDGET DETAILS**

Object Level	FY2017 Recommended	\$ Change	% Change
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Equipment Replacement:	\$1,500	\$0	0.00%
Expenditures in this line include: Any safety or office equipment replacement.			

Fixed Charges:	\$4,587,000	\$727,000	18.83%
<p>Net increase attributed to: Workers Compensation Indemnity payments, Workers Compensation Medical and Pharmaceutical payments, Workers Compensation Settlements and Delaware Compensation Insurance Tax which is assessed to all self-insured entities and is directly related to salary costs.</p> <p>This request is in line with historical expenditures of prior years in the Workers Compensation line item payments of indemnities, medical payments, pharmaceutical payments, settlements and DE Ins.Tax.</p>			

IGS Costs:	\$29,033	\$3,010	11.57%
<p>Net increase attributed to: Workers Compensation - IS Data Processing charges from \$10,636 to \$9,982. Risk Medical: IS Data Processing from \$10,887. to \$14,551.</p>			

Intragov. Service Credits:	(4,162,558)	(\$244,838)	6.25%
Workers Comp. IGS credits from (\$3,917,720) to (\$4,162,558)			



**NEW CASTLE COUNTY
RISK MANAGEMENT
FY2017 NEW/DELETED PROGRAMS/SERVICES**

NEW PROGRAMS/SERVICES:

N/A

DELETED PROGRAMS/SERVICES:

N/A



NEW CASTLE COUNTY RISK MANAGEMENT ACCOMPLISHMENTS

SIGNIFICANT ACCOMPLISHMENTS FY2016

The Office of Risk Management:

Direct re-pricing and payments of all claims as opposed to a Third Party Administrator.

Risk Management began a pro-active approach to develop a supportive relationship between departments and employees.

Return to work policy was revised to ensure a timely and cost effective return from non-occupational illness/injury.

Established a productive working relationship with our occupational health provider to reduce costs.

Obtained an Investigative Agency to assist in reducing Workers Compensation fraud to promote a zero tolerance policy.

Devised a new and more effective method for Open Enrollment so that employees have a one-on-one session with individual counselors.

Successfully negotiated the Auto/General Insurance Third Party Administrator (TPA) contract at a 5% discount from previous years.

Administered and resolved numerous GL claims in-house regarding tree damage resulting from inclement weather; Total of 25 non-TPA related in-house resolutions from date range 6/01/15 through 10/23/15.

Gathered all pertinent financial and claim information for the annual Actuary report to ensure accurate reporting.



NEW CASTLE COUNTY RISK MANAGEMENT CHALLENGES

FY2017 CHALLENGES/GOALS

Control General Insurance costs by improving education, training and safety programs for New Castle County Employees.

Stabilize costs through analysis of alternative insurance programs and use aggressive control methods.

Continue to work directly with employees to expedite return to full duty employment.

Make a personalized approach in handling each employees case.

Monitor prescription drugs to avoid narcotic abuse/addiction.

Continue to use surveillance technology to prevent fraud/abuse of the NCC Workers Compensation program.

Strive to reduce Workers Compensation costs.

Stabilize insurance costs through analysis of alternative programs and use aggressive risk control methods.



VACANCIES

**New Castle County
Risk Management
VACANCIES**

Department: ADMINISTRATION - RISK MANAGEMENT

Division	Description	Date Vacated	# of positions
N/A			
Risk Management Total			0



CONTRACTUAL SERVICES

New Castle County
DEPARTMENT OF ADMINISTRATION
Risk Management
FY2017 Contractual Services Details

OCA	OCA Title	Obj Level	Object Level 3 Title	FY2017 Budgeted Amount	Explanation	
030501	Law-Workers Compensation					
			5406	Other Professional Services	\$ 40,000	MCO Advantage, Risk Control Program, Investigations
			5408	Attorneys Fees	\$ 40,000	Legal services for defense of cases
			Subtotal Contractual Services		\$ 80,000	
		IGS Costs	5900	IS Contract- Data Processing	\$ 9,982	IS cross charges
			Total 030501	\$ 89,982		
030502	Law-Risk Management Medical					
			5101	Equipment Repairs	\$ 200	Incidental camera repairs
			5200	Service Contracts-other	\$ 180	Fax machine contract
			5300	Printing and Related Costs	\$ 800	Envelopes, business cards, stationary, etc
			5403	Health & Medical Fees	\$ 350,000	HealthCare Provider (New Employee, return to work, fit for duty assessments, annual and preplacement physical, CDL examinations, after hours blood draws, DUI, etc.)
			Subtotal Contractual Services		\$ 351,180	
		IGS Costs	5900	IS Contract- Data Processing	\$ 14,551	IS cross charges
			5901	IS Contract- Photocopies	\$ 4,000	Copier cross charges
			5902	IS Contract- Printing & Dupl.	\$ 500	Printing cross charges
			Subtotal IGS Costs		\$ 19,051	
		Total 030502	\$ 370,231			
030503	Law-General Insurance					
			5402	Actuarial Fees	\$ 16,000	Actuarial report
			5406	Other Professional Services	\$ 10,000	Private Investigator, Surveillance
			5415	Third Party Administrator	\$ 40,000	Third Party Administrator (TPA)
			Subtotal Contractual Services		\$ 66,000	
		Total 030503	\$ 66,000			
Total Contractual Services and Cross Charges				\$ 526,213		



BUDGET BY OBJECT CODE

**New Castle County
RISK MANAGEMENT
FY2017 Budget by Object Code**

OCA	OCA Title	Object Level	Object Level 3 Title	FY2017 Recommended Budget
030501	Law-Workers Compensation			
	Salaries & Wages	1001	Permanent	\$ 142,567
		1008	Overtime	\$ 200
	Salaries & Wages Total			\$ 142,767
	Employee Benefits	1500	Regular	\$ 77,700
		1510	Overtime	\$ 109
	Employee Benefits Total			\$ 77,809
	Communication & Utilities	3210	Cellular service	\$ 1,000
	Communication & Utilities Total			\$ 1,000
	Materials & Supplies	4105	Medical & safety supplies	\$ 500
	Materials & Supplies Total			\$ 500
	Contractual Services	5406	Other Professional Services	\$ 40,000
		5408	Attorney fees	\$ 40,000
		5415	Third Party Administrator	\$ -
	Contractual Services Total			\$ 80,000
	IGS Charges	5900	IS data processing	\$ 9,982
	IGS Charges Total			\$ 9,982
	IGS Credits	5930	IGS Workers Comp charges	\$ (4,162,558)
	IGS Credits Total			\$ (4,162,558)
	Equipment<5000	6160	Equipment	\$ 500
	Equipment Total			\$ 500
	Grants & Fixed Charges	7002	Insurance premiums	\$ 150,000
		7005	WC-Indemnity	\$ 650,000
		7006	WC-Medical	\$ 2,200,000
		7007	WC Insurance Settlements(Legal 1099)	\$ 400,000
		7008	WC Insurance Settlements(Individual)	\$ 35,000
		7009	WC Retentions	\$ 5,000
		7011	WC-Expenses	\$ 50,000
		7012	WC- Employee reimbursement	\$ 5,000
		7013	WC- Self Insured-Damages & Expenses	\$ 75,000
		7015	WC-Pharmaceutical	\$ 130,000
		7150	Tax payments	\$ 150,000
	Grants & Fixed Charges Total			\$ 3,850,000
	Grand Total			\$0

New Castle County
RISK MANAGEMENT
FY2017 Budget by Object Code

OCA	OCA Title	Object Level	Object Level 3 Title	FY2017 Recommended Budget
030502	Law-RM-Medical			
	Salaries & Wages	1001	Permanent	\$ 215,462
		1008	Overtime	\$ 200
	Salaries & Wages Total			\$ 215,662
	Employee Benefits	1500	Regular	\$ 117,427
		1510	Overtime	\$ 109
	Employee Benefits Total			\$ 117,536
	Training & Civic Affairs	2004	Mileage reimbursement	\$ 40
		2006	Parking fees	\$ 100
		2101	Conference fees	\$ 700
		2102	Seminar fees	\$ 1,500
		2301	Membership and dues	\$ 250
	Training & Civic Affairs Total			\$ 2,590
	Communication & Utilities	3100	Postage	\$ 1,000
		3110	Overnight express	\$ 200
		3200	Telephone service	\$ 1,400
		3210	Cellular service	\$ 1,100
	Communication & Utilities Total			\$ 3,700
	Materials & Supplies	4000	Books and subscriptions	\$ 500
		4101	Office supplies	\$ 1,750
		4104	Computer supplies	\$ 1,000
		4105	Medical & safety supplies	\$ 150
	Materials & Supplies Total			\$ 3,400
	Contractual Services	5101	Equipment repair	\$ 200
		5200	Service contracts	\$ 180
		5300	Printing & related costs	\$ 800
		5403	Health & medical fees	\$ 350,000
	Contractual Services Total			\$ 351,180
	IGS Charges	5900	IS data processing	\$ 14,551
		5901	IS photocopies	\$ 4,000
		5902	IS printing & duplication	\$ 500
	IGS Charges Total			\$ 19,051
	Equipment	6111	Safety equipment	\$ 500
		6160	Office Equipment	\$ 500
	Equipment Total			\$ 1,000
	GRAND TOTAL			\$ 714,119

**New Castle County
RISK MANAGEMENT
FY2017 Budget by Object Code**

OCA	OCA Title	Object Level	Object Level 3 Title	FY2017 Recommended Budget
030503	RM- General Insurance			
	Contractual Services	5402	Actuarial Services	\$ 16,000
		5406	Other Professional Services	\$ 10,000
		5415	Third Party Administrator	\$ 40,000
	Contractual Services Total			\$ 66,000
	Grants and Fixed Charges	7002	Insurance Premiums	\$ 500,000
		7003	Insurance Retentions & Fees	\$ 30,000
		7007	Insurance Settlements (Legal 1099)	\$ 175,000
		7008	Insurance Settlements	\$ 25,000
		7013	Self Insurance-damage & expenses	\$ 7,000
	Grants and Fixed Charges Total			\$ 737,000
	GRAND TOTAL			\$ 803,000