

# **RISK MANAGEMENT**

**FISCAL YEAR 2019**

**BUDGET PRESENTATION  
TO COUNTY COUNCIL**

# MISSION

- Minimize the County's cost of risk by:
  - Continuously developing, managing and improving
    - Insurance program
    - Safety/occupational health services
- Provide quality support to employees and constituents
- Maximize protection of County employees
- Maximize protection of County assets
- Protect the County's financial well-being

# FY2018 ACCOMPLISHMENTS

- Modified direct re-pricing for recognized savings
- Increased insurance coverage with no additional costs to the County
- Negotiated TPA contract with no additional costs to the County
- Developed and implemented occupational injury RTW program
- Developed collaborative relationships with HR and Law

# GOALS & CHALLENGES

- Control general insurance costs
- Reduce lost time by employees
- Improve relations with injured employees
- Reduce WC indemnity and medical payments
- Contract w/ providers at rates below fee schedule
- Continue to effectively manage all WC claims in-house
- Proactively administer safety initiatives to reduce occupational injuries

# POSITION HISTORY

FY2014	4
FY2015	5 (Risk took over physicals & benefits)
FY2016	6
FY2017	5
FY2018	5 (shared 1 employee w/ HR; assisted w/ Law's duties)
FY2019	5 (cont. to share 1 employee w/ HR; continue to assist Law)

# FY2019 POSITION ADJUSTMENTS

- No change
- Risk will continue to employ and budget for the salaries and benefits of five (5) employees
- 1 Risk employee will be shared with HR
- Risk will continue to assist with various tasks previously handled by Law

# Current Vacancies

- No current vacancies

# Diversity

## **CY2018**

2 Professionals: 2 white females

3 Administrative Support: 3 white females

## **CY2014-2017**

5 White females

5 White females

4 White females



# BUDGET HISTORY

FY2014 increase	0.73%	
FY2015 increase	3.16%	\$151,387
FY2016 increase	0.50%	\$24,914
FY2017 increase	14.49%	\$718,703
FY2018 increase	17.72%	\$1,006,255
FY2019 decrease	(8.32%)	(\$556,336)

# BUDGET OVERVIEW – 3 DIVISIONS

*Workers' Compensation* 74.70%  
\$4,581,873

*General Insurance* 13.06%  
\$801,000

*Risk Management Medical* 12.24%  
\$750,866

**TOTAL REQUESTED: \$6,133,739**

**IGS Credits (\$4,581,873)**

**TOTAL INCLUDING IGS CREDITS: \$1,551,866**

# BUDGET OVERVIEW – OBJECT LEVEL

Fixed Charges	81.26%	\$4,984,500
Personnel Costs	10.31%	\$632,676
Contractual Services	7.82%	\$479,400
IGS Costs	0.41%	\$24,906
Other	0.20%	\$12,257

Total Requested Budget: \$6,133,739

IGS Credits: (\$4,581,873)

Total Including IGS Credits: \$1,551,866

# SALARIES & WAGES

From \$389,177

To \$395,149

Increase of \$5,972 (1.53%)

Merit increases; CBA increases

# EMPLOYEE BENEFITS

From \$219,970

To \$237,527

Increase of \$17,557 (7.98%)

Salary increases and 60.111% benefit rate

# TRAINING AND CIVIC AFFAIRS

From \$2,590

To \$2,540

Decrease of \$50 (1.93%)

Parking expenses reduced

Includes: mileage \$40, parking \$50,  
seminar/conference fees \$2200, membership and  
dues \$250

# COMMUNICATION/UTILITIES

From \$4,700

To \$2,717

Decrease of \$1,983 (42.19%)

Elimination of cell phone expenses

Includes: postage \$1800 (increase by \$800),  
overnight express \$200, telephone service \$717

# MATERIALS & SUPPLIES

From \$3,900

To \$5,500

Increase of \$1,600 (41.03%)

Increased printing = add'l toner

Includes books and subscriptions \$250 (reduced \$250), office supplies \$1,750, computer supplies \$3,000 (\$2000 increase), medical & safety supplies \$500



# CONTRACTUAL SERVICES

From \$647,180

To \$479,400

Decrease of \$167,780 (25.92%)

Eliminated: WC TPA (\$150,000) and WC Attorney Fees (\$20,000)

Additional detail on next slide.



# **CONTRACTUAL SERVICES – DETAILS BY DIVISION**

## **WORKERS' COMPENSATION**

Other Professionals \$40k (WC software; surveillance)

Attorney Fees \$20k (legal services; defense of cases)

## **RM/MEDICAL**

Health & Medical \$350k (physicals; RTW; fit for duty; psychologicals)

Printing \$300 (envelopes; stationary)

Food Services \$100 (service award ceremony)

## **GENERAL INSURANCE**

Actuarial Fee \$16k (yearly actuary report)

Other Professional \$13k (surveillance)

TPA \$40k (auto, property, etc. – Gallagher Basset)

**TOTAL: \$479,400**

# EQUIPMENT REPLACEMENT

FY2018 \$1,500

FY2019 \$1,500

No change

Safety [\$500] and office equipment [\$1000]  
replacement

# FIXED CHARGES

From \$5,391,738

To \$4,984,500

Decrease of \$407,238 (7.55%)

Reduction of WC medicals from FY18 to \$1.9M  
(\$820,777 less)

Additional detail next slide.



# FIXED CHARGES – DETAILS BY DIVISION

## **WORKERS' COMPENSATION**

Legal settlements \$965k (\$280k increase from FY18)

Insurance premiums \$157,500 (\$7500 increase from FY18)

Indemnities \$750k (\$10k increase from FY18)

WC medicals \$1.9M

Expenses (DMEs, medical records) \$65k (\$24k reduction from FY18)

Self-insurance tax \$165k (\$4k reduction from FY18)

WC settlements (individuals) \$35k

WC Pharmaceuticals \$130k

Damages & expenses \$75k

Employee Reimbursements \$5k

## **RM MEDICAL**

## **GENERAL INSURANCE**

Legal settlements \$200k (\$25k increase from FY18)

Ins. Premiums (Property, Auto, General, Criminal, Umbrella, Bonds, Broker) \$500k

Ins. Retention \$12k

Settlements (individuals) \$5k

Damages & Expenses \$15k

# INTERGOVERNMENTAL SERVICE CHARGES

From \$25,177

To \$24,906

Decrease of \$271 (1.08%)

WC Data charges from \$6,177 to \$6,189

RM Medical data charges from \$14,500 to \$15,002

Copier charges from \$4,000 to \$3,168

Printing & copying \$500 (same)

# INTERGOVERNMENTAL SERVICE CREDITS

From \$5,145,420

To \$4,581,873

Reduction of \$563,547 (10.95%)

Reduction of WC medicals (\$779,739)

Increase in WC indemnity \$70k; WC settlements \$280k; Expenses (DMERs, medical records) \$15k; self-insurance tax \$5k

# REQUESTED BUDGET

FY2018 APPROVED \$6,685,932

FY2019 REQUESTED \$6,133,739

Overall: Reduction from FY2018 of \$552,193 (8.26%)

FY2018 APPROVED w/ IGS Credit \$1,540,512

FY2019 REQUESTED w/ IGS Credit \$1,551,866

w/ change of IGS Credits: Increase of \$11,354 (0.74%)