



City of Los Angeles
Workers' Compensation Program

OVERVIEW OF WORKERS' COMPENSATION For USC Data Analysis Project

November 2015

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Project Description & Objectives

Description

For the City of Los Angeles and USC to undertake a partnership in the use of advanced data analysis techniques to identify patterns of behavior and practices from workers' compensation claimants and providers, which result in increased and/or inflated costs to the program.

Objectives

- ❑ Identify high risk factors, patterns and anomalies in claim and provider data which results in increased and/or inflated costs to the program.
- ❑ Identify factors, patterns and anomalies in claim and provider data which results in improved outcomes for the program.
- ❑ Apply factors derived from the data analysis to day-to-day claims review procedures.

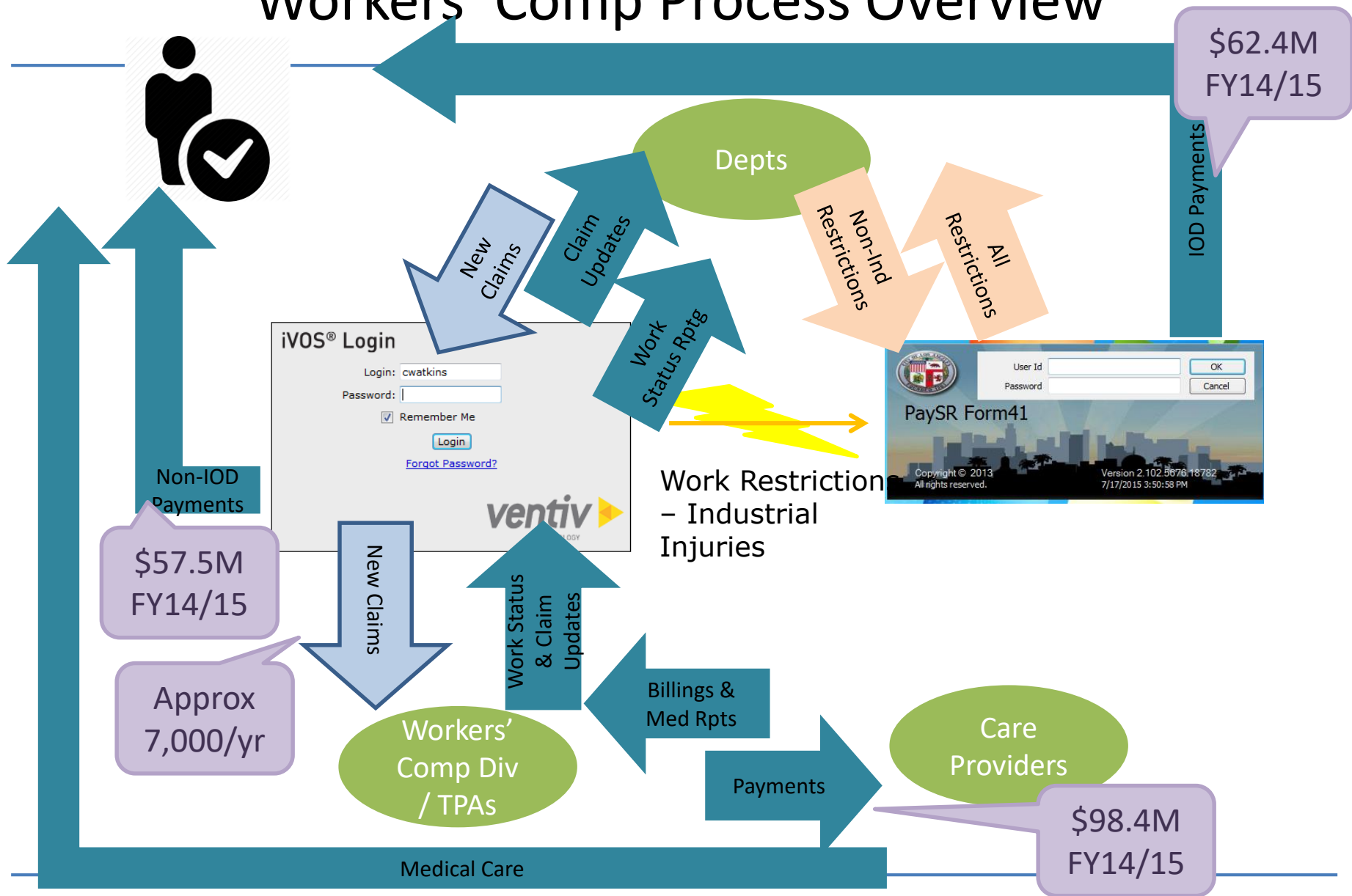
Goals of Workers' Compensation

- ❑ Protect the health and safety of City employees
- ❑ Provide prompt and appropriate care and benefits for injured workers
- ❑ Return injured workers to duty in a productive and timely manner
- ❑ Ensure efficiency and cost effectiveness
- ❑ Prevent fraud

Overview Workers' Compensation Program

- ❑ State Mandated Program
- ❑ Self-Insured
- ❑ Civilian claims are administered by the Workers' Compensation Division within the Personnel Department and a contracted Third Party Administrator (TPA), ACME. There are currently approximately **6,450** open Civilian Claims.
- ❑ Sworn claims are administered by contracted TPAs. Currently Tristar Risk Management administers **7,100** Police sworn claims. AIMS administers **3,000** Fire sworn claims.

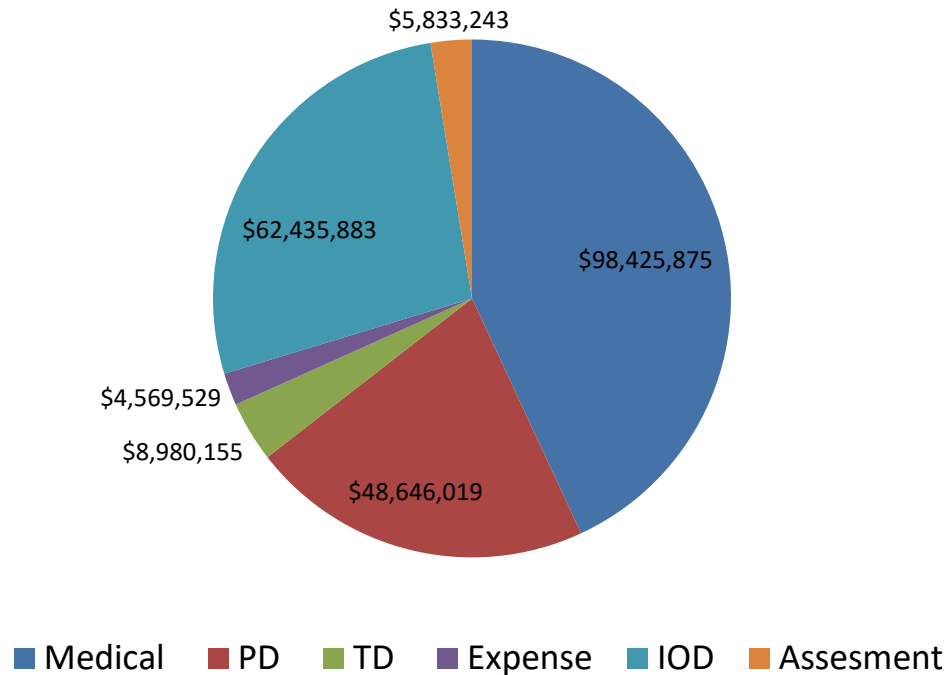
Workers' Comp Process Overview



Types of Workers' Compensation Expenditures

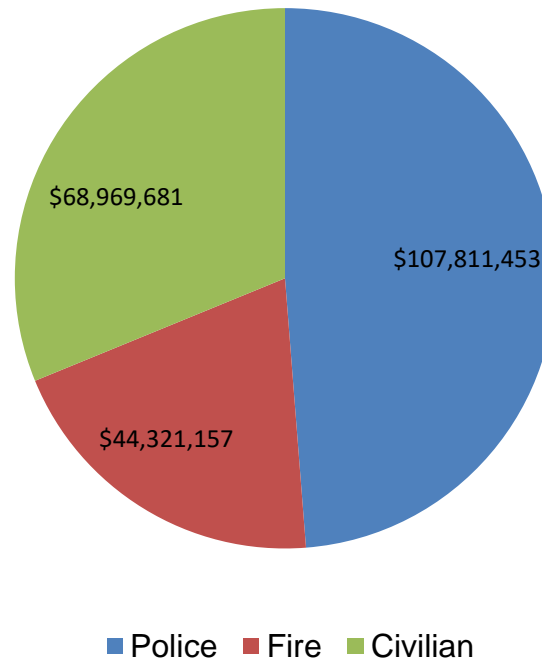
- ❑ **Medical**: Includes all costs for medical treatment. For example, doctor visits, surgery, medications, physical therapy, mileage.
- ❑ **Permanent Disability (PD)**: Any lasting disability (permanent disability) that results in a reduced earning capacity after maximum medical improvement is reached. PD is expressed as a percentage that equates to a monetary award. It is based on the employee's medical condition, date of injury, age when injured, occupation when injured, how much of the disability is caused by the job, and the employee's diminished future earning capacity.
- ❑ **Temporary Disability (TD)**: An indemnity benefit that is payable during the period the injured employee is temporarily incapacitated by the reason of the industrial injury. TD payments continue until the injured worker has recovered sufficiently to return to work or until their condition reaches maximum medical improvement or 104 weeks have elapsed.
- ❑ **Expense**: Non-medical costs related to the claim. Expenses include costs such as deposition fees, copy work charges, defense attorney fees.
- ❑ **State Assessment**: A user fee placed upon all self-insured and insured employers within the State of California. The City's fee was over \$5.8 million dollars for FY 14/15.

FY14/15 Workers' Compensation Costs



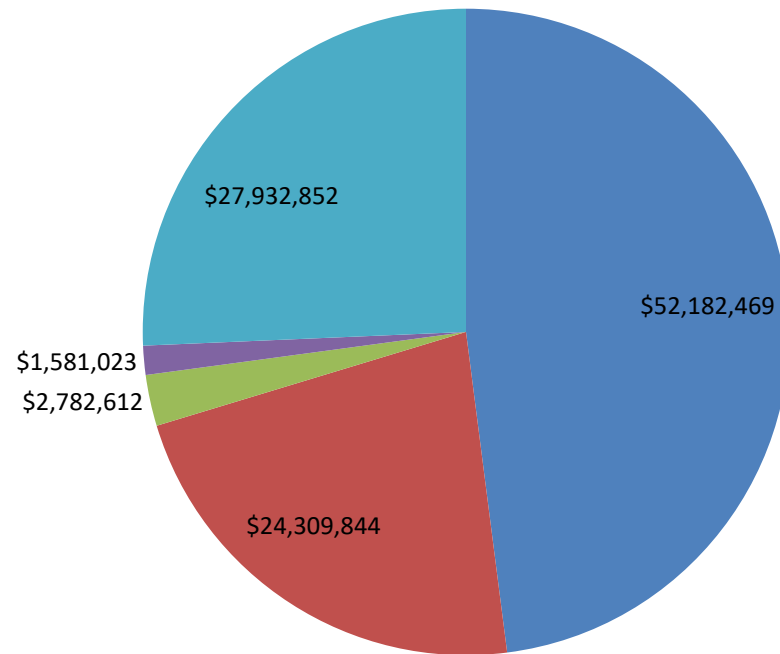
	Medical	PD	TD	Expense	IOD	Assessment	Total
Total Costs	\$98,425,875	\$48,646,019	\$8,980,155	\$4,569,529	\$62,435,883	\$5,833,243	\$228,890,704
Police Sworn	\$52,182,469	\$24,309,844	\$2,782,612	\$1,581,023	\$27,932,852		\$108,788,800
Fire Sworn	\$18,862,996	\$10,242,684	\$920,445	\$213,571	\$15,177,772		\$45,417,468
Civilian	\$27,380,409	\$14,093,491	\$5,277,097	\$2,774,936	\$19,325,259		\$68,851,192

FY14/15 Workers' Compensation Costs



Police	Fire	Civilian	Total
\$107,811,453	\$44,321,157	\$68,969,681	\$221,102,291

FY14/15 Workers' Compensation Cost – Police Sworn

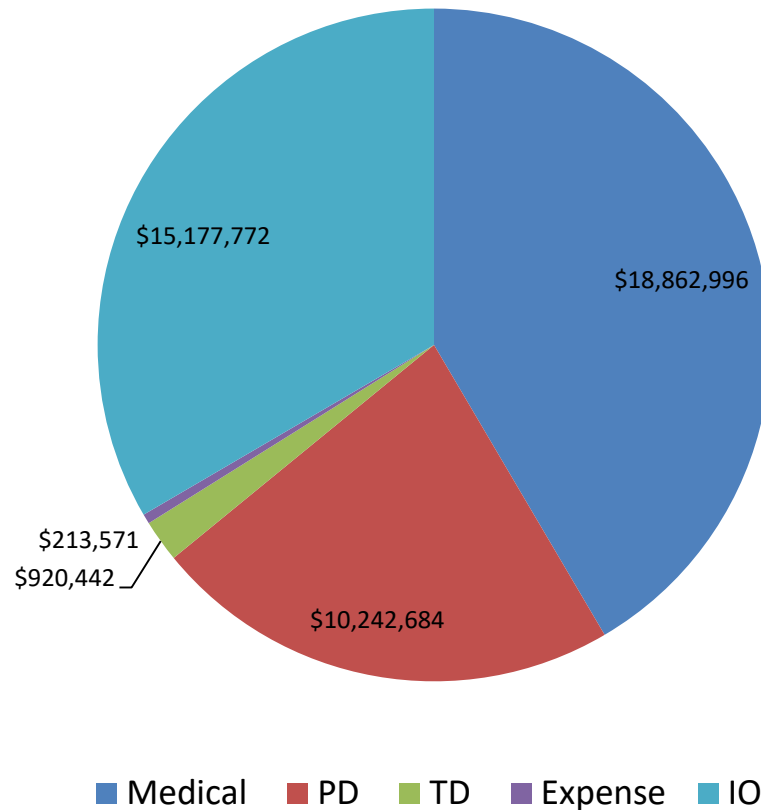


10,000 sworn employees.
Approximately 3,200 new claims per year

■ Medical ■ PD ■ TD ■ Expense ■ IOD

Medical	PD	TD	Expense	IOD	Total
\$52,182,469	\$24,309,844	\$2,782,612	\$1,581,023	\$27,932,852	\$108,788,800

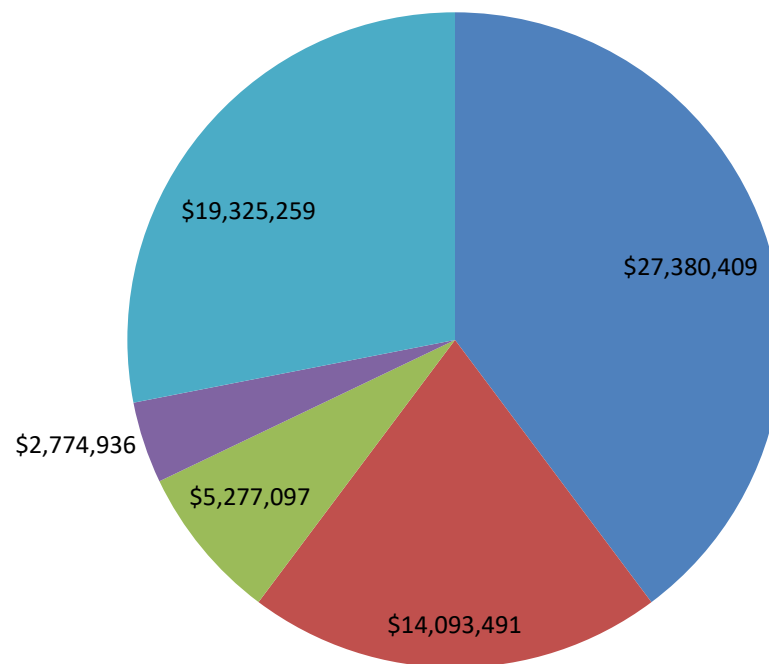
FY14/15 Workers' Compensation Cost – Fire Sworn



3,000 sworn fire employees
Approximately 1,100 new claims per year.

Medical	PD	TD	Expense	IOD	Total
\$18,862,996	\$10,242,684	\$920,442	\$213,571	\$15,177,772	\$45,417,465

FY14/15 Workers' Compensation Cost - Civilian



24,500 civilian employees

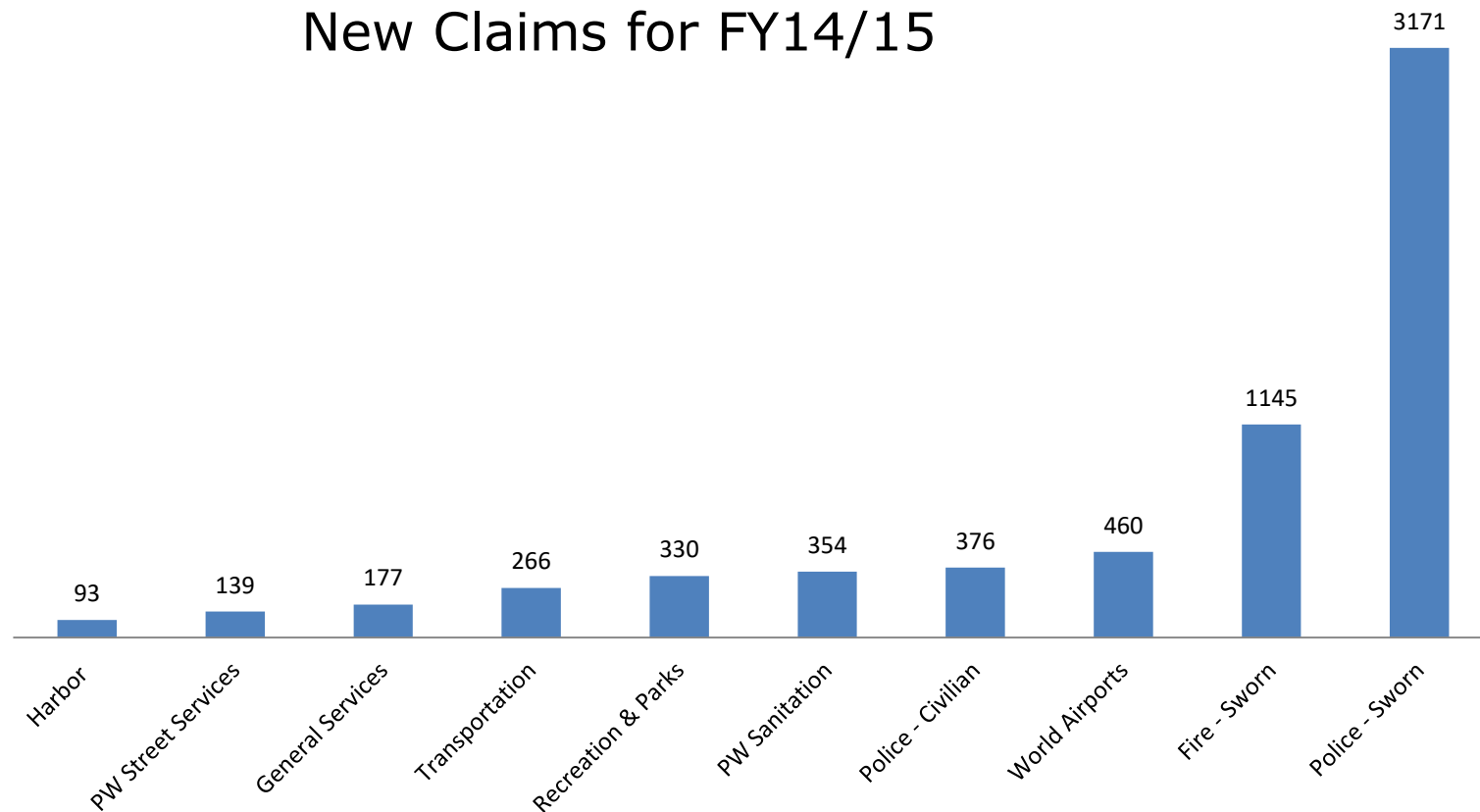
Approximately 2,700 new claims per year

■ Medical ■ PD ■ TD ■ Expense ■ IOD

Medical	PD	TD	Expense	IOD	Total
\$27,380,409	\$14,093,491	\$5,277,097	\$2,774,936	\$19,325,259	\$68,851,192

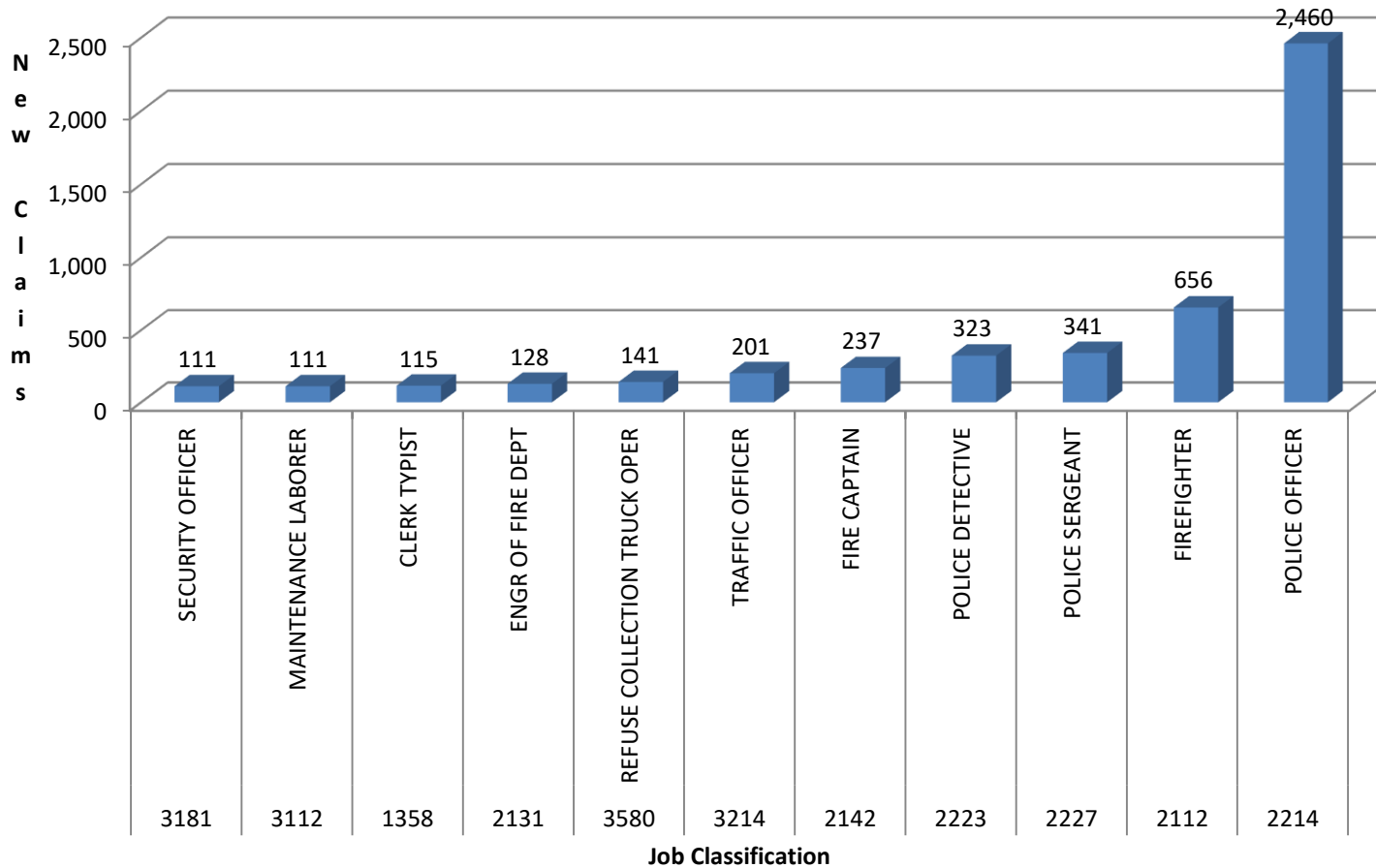
Department New Claims

New Claims for FY14/15



These 9 Departments with approximately 6,500 claims represent 92% of all new claims (7,000 new claims – 2,700 civilian, 3,200 Police Sworn and 1,100 Fire Sworn).

68% of All New Claims in FY2015



Top 6 Claim Causes (FY14/15)

Cause	New Claims	Total Expenditure	Claim Avg
Cumulative	793	\$30,782,014	\$38,817
Other-Misc	594	13,721,203	23,100
Strain or Injury	555	12,999,235	23,422
Lifting	428	11,131,409	26,008
Repetitive Motion	412	8,950,897	21,725
Vehicle Collision	313	13,516,559	43,184

- ❑ Strain or Injury (formerly Overexert Other): A specific injury event that occurs due to one going beyond their personal physical limits. For example, sprain, strain, lifting, or running after a suspect.
- ❑ Contact with Other: A specific injury resulting from physical contact with another person.
- ❑ Cumulative Trauma: An injury that occurs as a result of repetitive, mentally or physically traumatic activities extending over a period of time. For example, long term use of the Sam Brown Belt, repetitious typing or lifting on a daily basis.
- ❑ Struck by Vehicle: A specific injury due to a single incident with a vehicle. For example, a traffic officer hit by vehicle entering intersection.

Expected Project Benefits

- ❑ Utilize a more objective and systematic approach to determine claims with higher risk of increased costs and improved outcomes, offering more actionable information to case managers.
- ❑ Utilize objective data to assist with business process improvement.
- ❑ Provide an objective and efficient process for identifying and justifying costs and cost drivers.