

Program # 71015A - Workers Compensation

Version 4/25/2005 s

Priority: Accountability
Program Offer Type: Internal Service
Related Programs: 71009, 71013A

Lead Agency: County Business
Program Contact: Dave Boyer

Frameworks:

Executive Summary

The Workers' Compensation Program manages work related employee injury and illnesses claims and assists employees in returning to their job.

Program Description

To provide workers' compensation benefits in accordance with state law. Multnomah County has been self-insured for workers' compensation claims since 1978. Claims are administered through a contract with third-party claims administrators. The County solicits competitive proposals for those services periodically.

Program Justification

The Workers' Compensation Program actively manages and assumes complete responsibility for all phases of the claims process. As an employer, the County is accountable for making sure an injured employee's medical costs are covered and that they can return to work quickly. Services include: compensability evaluations, claims management and supervision of the County's third party administrator; monthly claim status reports for departments and consultation on particularly difficult claims; assistance with return to work issues; and, liaison between the departments, the employee and the employee's physician. All County work-related injuries and illness are tracked as required for the OSHA 300 log and summary as mandated by the US Department of Labor Occupational Safety and Health administration. The program also works with the Safety Program to keep claims cost down. Currently the Workers' Compensation rates are well below the State average and claims may be further reduced as a result of combining active claims management and enhanced efforts in the Safety Program.

Performance Measures

Linked to the Accountability Priority area, the following performance measures indicate the progress of containing costs: 1) Percent change in the total of number of workers compensation claims filed between fiscal years 2) Percent change in number of claims that resulted in time away from work. 3) Average medical cost per worker compensation claim. 4) A workers' compensation experience modifier for the County of less than 1.0.

Summary of last year's program results and this year's expected results

1) Multnomah County experienced a 12% decrease in the number of workers' compensation claims filed for FY 03/04 compared to FY 02/03. The 241 claims filed was the lowest in the last ten fiscal years. 2) The 51 claims that required time away from work represented a 23% decrease from FY 02/03 and is the lowest number of lost claims in five years. 3) Medical expenses have remained consistent over the past 10 years even though rates are rising at near double-digits annually. 4) The County's workers' compensation experience modifier for 2003-04 is .70. The State Department of Consumer and Business Services calculates this modifier. A modifier of less than 1.00 indicates better than average performance.

Program Mandate: 2 Mandated Program with Funding/Service Level Choice

Oregon Revised Statutes Section 656, Oregon Administrative Rules 436, requires workers' compensation coverage be in force for employees. Oregon Administrative Rule 437 outlines Occupational Safety and Health requirements and Multnomah County Code 7.101 (5) also defines the functions and uses of the Risk Management Fund.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
	2005	2005	2006	2006
Program Expenses				
Personnel	\$0	\$298,238	\$0	\$198,192
Contracts	\$0	\$187,000	\$0	\$300,000
Materials & Supplies	\$0	\$2,048,095	\$0	\$1,842,861
Internal Services	\$0	\$56,633	\$0	\$75,841
Subtotal: Direct Exps:	\$0	\$2,589,966	\$0	\$2,416,894
Administration	\$0	\$0	\$0	\$5,685
Program Support	\$0	\$0	\$0	\$0
Subtotal: Other Exps:	\$0	\$0	\$0	\$5,685
Total GF/non-GF:	\$0	\$2,589,966	\$0	\$2,422,579
Program Total:	\$2,589,966		\$2,422,579	
Program FTE	0.00	0.00	0.00	2.00
Program Revenues				
Fees, Permits & Charges	\$0	\$2,589,966	\$0	\$2,282,458
Other / Miscellaneous	\$0	\$200,000	\$0	\$200,000
Program Revenue for Admin	\$0	\$0	\$0	\$5,685
Total Revenue:	\$0	\$2,789,966	\$0	\$2,488,143

Explanation of Revenues

Workers' Compensation rates charged to departments are based on their past experience and provide for adequate funding. The rates have remained fairly constant over the last 10 fiscal years and actually decreased in FY 02/03. The current rates is 1.0%. The reduced rates will continue to be used in FY 05/06. All liabilities associated with workers' compensation claims are fully funded, thus there is no need for large reserves.

Significant Program Changes

None