

**Priority:** Accountability  
**Program Offer Type:** Existing Operating  
**Related Programs:**

**Lead Agency:** County Management  
**Program Contact:** Mindy Harris

**Program Characteristics:**

**Executive Summary**

The Workers' Compensation Section manages work related employee injury and illness and assists employees in returning to their jobs.

**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 a third-party claims administrator. Staff work with employees, supervisors, physicians, and managed care organizations to accurately and timely process claim benefits for the injured employee. Internal workers' compensation specialists focus on service, cost containment, and compliance efficiency. This section is responsible for the County's return-to-work program and follows state requirements necessary to benefit from the Workers' Compensation Division's Employer-At-Injury reimbursement program.

**Program Justification**

The Workers' Compensation Section manages all phases of the claims process. This provides timely and efficient delivery of services and eliminates duplication within the County. Assigning the administrative process to one section promotes fairness, respect, and consistency across all departments. This section is the direct contact for all parties within the workers' compensation system. This section monitors and positively impacts the quality of service from external providers. This activity directly reduces claim costs by being the advocate for early return to work and appropriate treatment. The workers' compensation staff maintains claims examiner certification to keep up-to-date on regulatory changes and industry standards. This high level of expertise positively impacts service ability and cost containment efforts. This section partners with departments for modified duty return to work placement which reduces claim cost and retains highly trained employees. The section also works with the County's Safety section to keep claims costs down by analyzing historical data and identifying areas to focus safety activity.

**Performance Measures**

Measure Type	Primary Measure	Previous Year Actual (FY05-06)	Current Year Purchased (FY06-07)	Current Year Estimate (FY06-07)	Next Year Offer (FY07-08)
Output	Processing required notices and payments time as measured by OR-WCD	98.0%	95.0%	98.0%	95.0%
Outcome	County Experience Modifier of less than average.	30.0%	30.0%	36.0%	36.0%
Efficiency	Light duty placement success rate	0.0%	90.0%	92.0%	90.0%
Quality	State annual audit of reimbursements for light duty 95% error free	100.0%	95.0%	100.0%	95.0%

**Performance Measure - Description**

- 1) Quarterly claims processing performance as reported by the State Workers' Comp Division-Self insured employers must be above 80% for timely claim filing, timely first payment of time loss compensation, and Accept/Deny determinations. Staying above shows high quality of service.
  - 2) A workers' compensation experience modifier below industry average demonstrates the County's ability to manage claims better than the insurance industry average and thus paying less in total premiums. i.e. we pay 36% less in premiums than the industry average.
  - 3) 90% success rate at placing injured workers in light duty positions aids the department in maintaining services with current trained staff and lowers time loss costs.
  - 4) EAIP (Employer-At-Injury-Program) annual audit produces less than 5% errors, allowing the County to maximize the 50% wage reimbursement opportunity for light duty placement while an employee is healing from a work related injury or illness.
- The state system will subsidize 50% of hourly wage up to 66 working days as long as the light duty position meets the treating physicians' current work restrictions. Administrative Procedure RSK 5 details Multnomah County's light duty program.

## Legal/Contractual Obligation

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. Self Insured employers certify under ORS 656.430 and must meet the qualification described in ORS 656.407.

## Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
<b>Program Expenses</b>	2007	2007	2008	2008
Personnel	\$0	\$234,671	\$0	\$242,834
Contracts	\$0	\$225,000	\$0	\$357,868
Materials & Supplies	\$0	\$2,194,882	\$0	\$2,153,850
Internal Services	\$0	\$65,447	\$0	\$53,160
Subtotal: Direct Exps:	<b>\$0</b>	<b>\$2,720,000</b>	<b>\$0</b>	<b>\$2,807,712</b>
Administration	\$19,995	\$663	\$19,266	\$3,587
Program Support	\$3,005	\$0	\$3,060	\$0
Subtotal: Other Exps:	<b>\$23,000</b>	<b>\$663</b>	<b>\$22,326</b>	<b>\$3,587</b>
Total GF/non-GF:	<b>\$23,000</b>	<b>\$2,720,663</b>	<b>\$22,326</b>	<b>\$2,811,299</b>
Program Total:	<b>\$2,743,663</b>		<b>\$2,833,625</b>	
Program FTE	0.00	2.50	0.00	2.50
<b>Program Revenues</b>				
Fees, Permits & Charges	\$0	\$2,500,000	\$0	\$2,647,712
Other / Miscellaneous	\$0	\$220,000	\$0	\$160,000
Program Revenue for Admin	\$782	\$0	\$3,587	\$0
<b>Total Revenue:</b>	<b>\$782</b>	<b>\$2,720,000</b>	<b>\$3,587</b>	<b>\$2,807,712</b>

## Explanation of Revenues

The Workers' Compensation section receives its revenues through internal service reimbursements assessed using historical data. All liabilities associated with workers' compensation claims are fully funded in a reserve account.

## Significant Program Changes

**Last year this program was:**

#72015 DCM Finance/Risk-Workers' Compensation