

CITY OF MESA WORKERS' COMPENSATION TRUST FUND

Self-Insurance Trust Fund Board Presentation
February 05, 2018

Statutory Requirements

- ❖ Arizona law requires that all public and private employers provide worker's compensation coverage for their employees.
- ❖ The Industrial Commission of Arizona (ICA):
 - The City of Mesa self-insured - ***July 01, 1982.***
- ❖ The City of Mesa's Workers' Compensation Program provides medical and loss wage compensation benefits to City employees who have a work-related injury or illness.
 - These benefits are also extended to City of Mesa's Official Volunteers, pursuant to City Resolution Number 6491.

WC Trust Funding Mechanisms

- ❖ 100% City Funded

- No employee contributions or premiums are collected.

- ❖ Workers' Compensation Trust Fund:

- General Fund contributions (Department Rates)
- Excess WC Insurance Reimbursements (Stop Loss)
 - **2013: \$491,420**
 - **2014: \$162,602**
 - **2015: \$182,925**
 - **2016: \$234,839**
 - **2017: \$377,797**
- Subrogation Reimbursements
- Trust Fund investments

Workers' Compensation Trust Fund Overview

❖ *From the Workers' Compensation Trust fund, the City pays all:*

- Industrial injury and illness claims,
 - Medical and Lost income/wages
- Legal costs;
- Network access fees – Medical providers
 - (AZ Blue Cross / Blue Shield),
- Self-insurance surety bond costs,
- Special and administrative taxes (ICA),
- Excess workers' compensation insurance premiums (Stop-Loss),
 - Self-Insured Retention (SIR) of \$1 Million per Claim
- Personnel Costs – *Program Administration*

Workers' Compensation Program

Overview cont.

- ❖ Workers' Compensation claims: Claims Adjudication
 - 2013: **434 – new claims**
 - 2014: **437 – new claims**
 - 2015: **407 – new claims**
 - 2016: **397 – new claims**
 - 2017: **426 – new claims**

- ❖ First Contact Program – PT Program Assistant (1)
 - **New injury / Illness:** Phone calls and emails

- ❖ Workers' Compensation Representatives (2)
 - Manage an average of 160 claims each
 - Oldest open claim **September 1985**

- ❖ WC Bill Payment Program – Sr. Program Asst. (2)
 - 2016: **4,465 processed and paid medical bills = \$1,428,167**
 - 2017: **6,005 processed and paid medical bills = \$1,683,161**

Workers' Compensation Program Overview cont.

❖ Cost Containment Programs:

- ❖ Directed-care Policy – requires 1st visit to designated medical facility.

- *Banner Occupational Health Clinics*

- ❖ AZ Blue Cross / Blue Shield Workers' Compensation Network of medical providers

- 2016: **BILLED - \$3,272,051 PAID - \$1,189,874 SAVED - \$2,082,178**
 - 2017: **BILLED - \$3,360,970 PAID - \$1,151,929 SAVED - \$2,209,041**

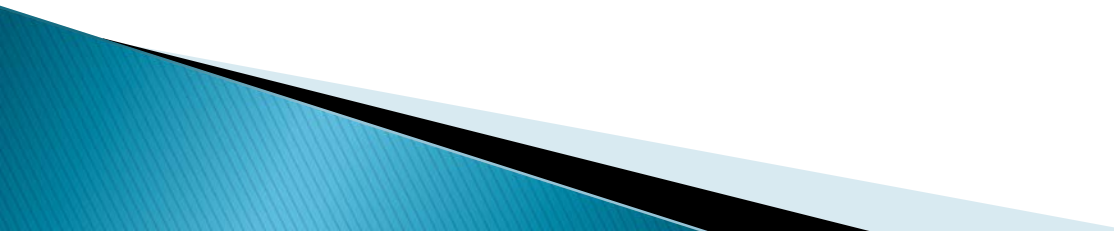
- ❖ WC Prescription Pilot Program – Pharmacy Benefits Manager

- 2016: **BILLED - \$208,040 PAID - \$125,752 SAVED - \$82,288**
 - 2017: **BILLED - \$215,115 PAID - \$123,760 SAVED - \$91,356**

Employee Safety Program Overview: Workplace Safety

❖ Injury Prevention Programs:

Safety Coordinators (2) and Safety Technician (1)

- ❖ Safety Inspections
 - ❖ Ergonomic Evaluations
 - ❖ Safety Training
 - ❖ Safety Program Manuals/Procedures
 - ❖ Safety Committees
 - ❖ Emergency Evacuation Drills
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Employee Safety Program Overview: Workplace Safety

❖ Safety Awareness: City-wide Initiatives:

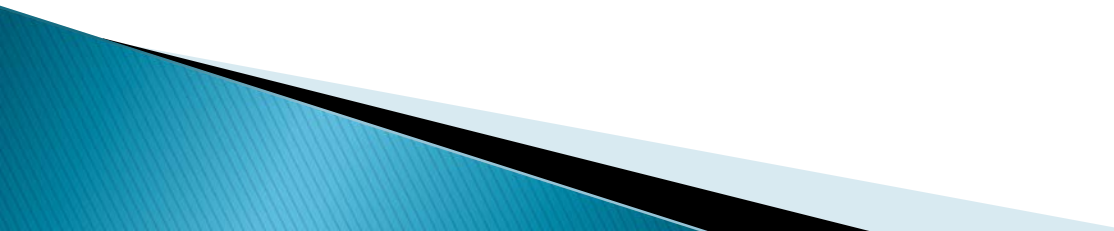
➡ Department Injury Statistics

- *2016 and 2017 Claims by Incident Type*

➡ Safety Program Awareness & Training – by Priority

- *Slips, Trips, and Falls*

- *Strains and Sprains – Lifting and Carrying*



Employee Safety Program Overview: Workplace Safety

❖ *Employee Awareness*

○ *Slips, Trips, and Falls Claims*

- 2016: **\$521,625**
- 2017: **\$415,382**

○ *Lifting and Carrying Claims*

- 2016: **\$ 93,115**
- 2017: **\$108,555**

