

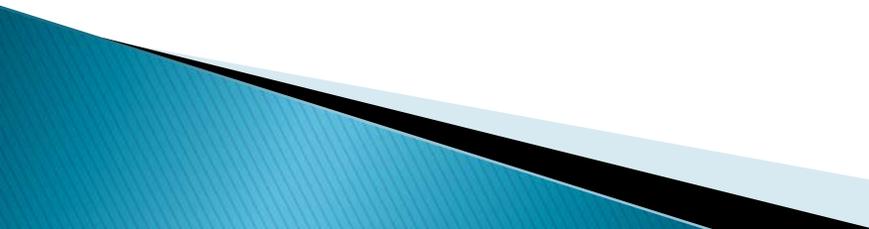
# **City of Mesa Workers' Compensation Trust Fund**

Self-Insurance Trust Fund Board Presentation  
February 11, 2015

# 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) approved the City of Mesa's application to act as a self-insurer on **July 01, 1982**. The Workers' Compensation Trust fund was created pursuant to this authorization.

# WC Trust Funding Mechanisms

- ❖ 100% City Funded
    - No employee contributions or premiums are collected.
  - ❖ Workers' Compensation Trust is funded by:
    - The General Fund contributions
    - Excess WC Insurance Reimbursements
    - Subrogation Reimbursements
    - Trust Fund investment income
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# Workers' Compensation Program

- ❖ The City of Mesa's Workers' Compensation Program provides medical and temporary 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 Resolution Number 6491.
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# Workers' Compensation Trust Fund Expenditures

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

- Industrial injury and illness claims,
  - Medical and lost wages
- Legal costs,
- Provider network access fees,
- Self-insurance surety bond costs,
- Special and administrative taxes (ICA),
- Excess workers' compensation insurance premiums,
  - Self-Insured Retention (SIR) of \$1 Million per Claim
- Personal Services (Administrative) Costs
  - i.e.: Safety Administrator; 2 Workers' Compensation Representatives; 2 Sr. Program Assistants (bill payment/processing)

# Workers' Compensation Program Overview

- ❖ Average approximately 421 new claims a year (4 Year Avg.)
  - ❖ Directed-care Policy – requires visit to designated medical facility. *Banner Occupational Health Clinic*
  - ❖ AZ Blue Cross / Blue Shield Workers' Compensation Network of medical providers
  - ❖ Utilization Reviews – medical necessity
  - ❖ WC Prescription Pilot Program – Pharmacy Benefits Manager
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# Potential Impacts to the Trust

- ❖ National increase in medical costs – 2015: (6% – 8%)
- ❖ Increase in the severity of and types of workplace Injuries and Illnesses

Questions ???

