

***CITY OF MESA
WORKERS' COMPENSATION
TRUST FUND***



*Self-Insurance Trust Fund Board Presentation
February 23, 2021*

WORKERS' COMPENSATION PROGRAM OVERVIEW

The City's Workers' Compensation Program provides medical and loss wages benefits to City employees and official volunteers who have a work-related injury or illness.

- **City of Mesa is Self-Insured and Self-Administered**

- Pharmacy benefits
- Network Access fees – Medical Provider Network (Blue Cross/Blue Shield)
- Specialty bill review services – non-Participating Medical Providers
- Legal costs – WC Attorneys
- Self-insurance Surety Bond costs,
- Special and Administrative taxes (AZ ICA),
- Excess Workers' Compensation Stop-Loss Insurance
Self-Insurance Retention (SIR) – 1.25 Million
- Personnel (Staff) Costs – Program Administration

- **Workers' Compensation claims: (6-Year Claim History)**

Calendar Year	# Workers' Compensation Claims
2015	407
2016	397
2017	426
2018	411
2019	448
2020	332
<u>Average</u>	<u>404</u>

- **363** Active and Open Claims
- WC Claims Representative claim Load – Average **182 claims**



The Iceberg Impact

Direct vs. Indirect Costs of Injuries

Direct Costs

Paid by Worker's Comp Insurance

- Medical (doctor visits, physical therapy, etc.)
- Claim mitigation
- Time loss from work

Indirect Costs

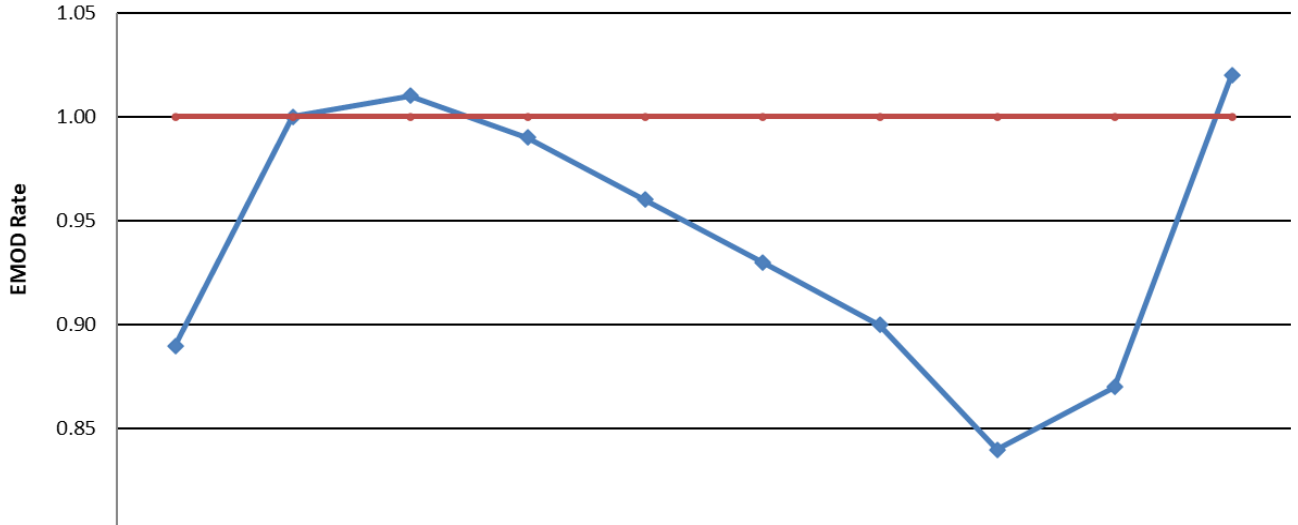
Paid by Businesses

- Reduced or lost productivity
- Lost contracts
- Increased administrative costs
- Lost time at the supervising level
- Costs of training replacements
- Overtime costs
- Potential legal fees
- Equipment repair
- Negative publicity
- Damage to customer relationships
- OSHA investigations or fines
- Increased insurance costs
- More...



WORKERS' COMPENSATION PROGRAM OVERVIEW

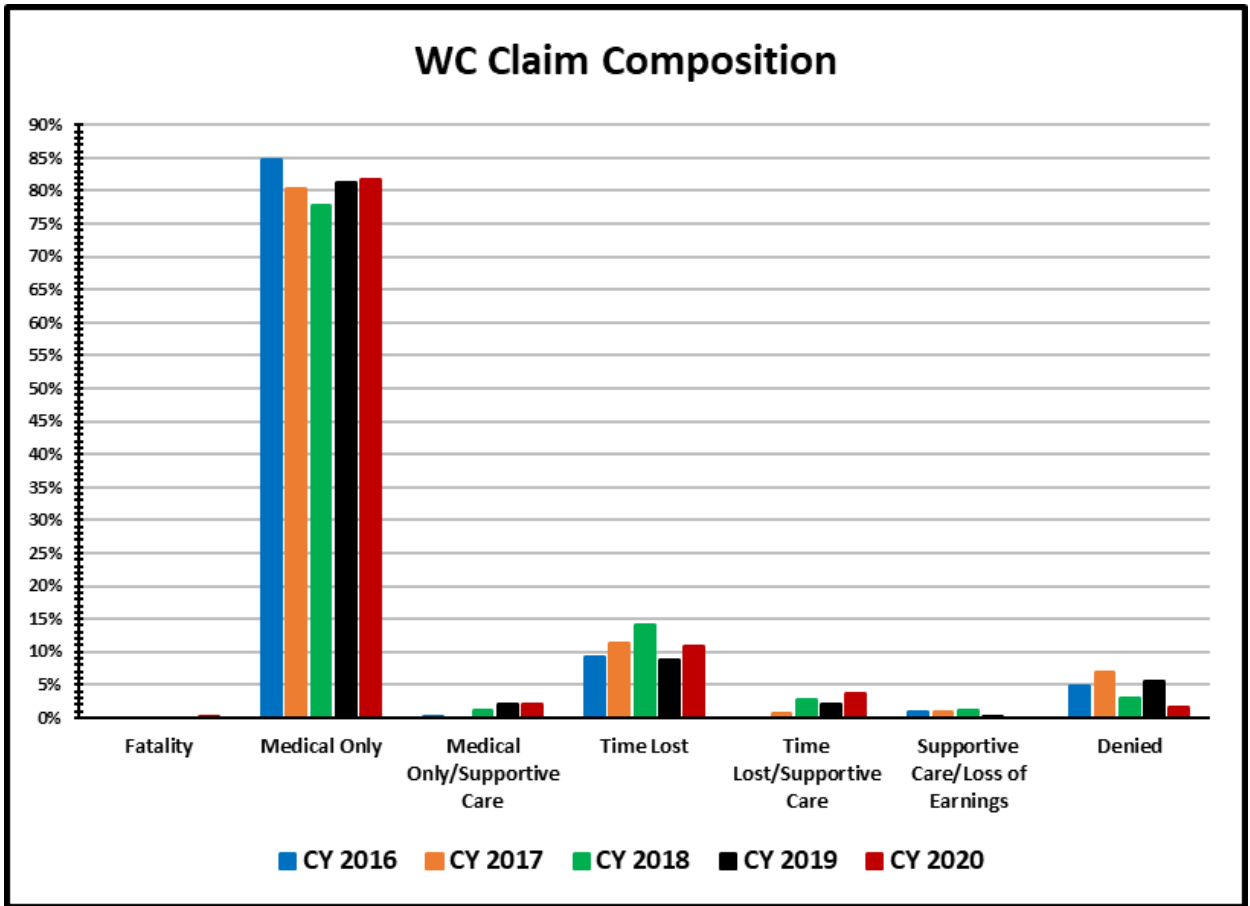
Annual Experience Modification Rate



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
EMOD	0.89	1.00	1.01	0.99	0.96	0.93	0.90	0.84	0.87	1.02
Target	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00



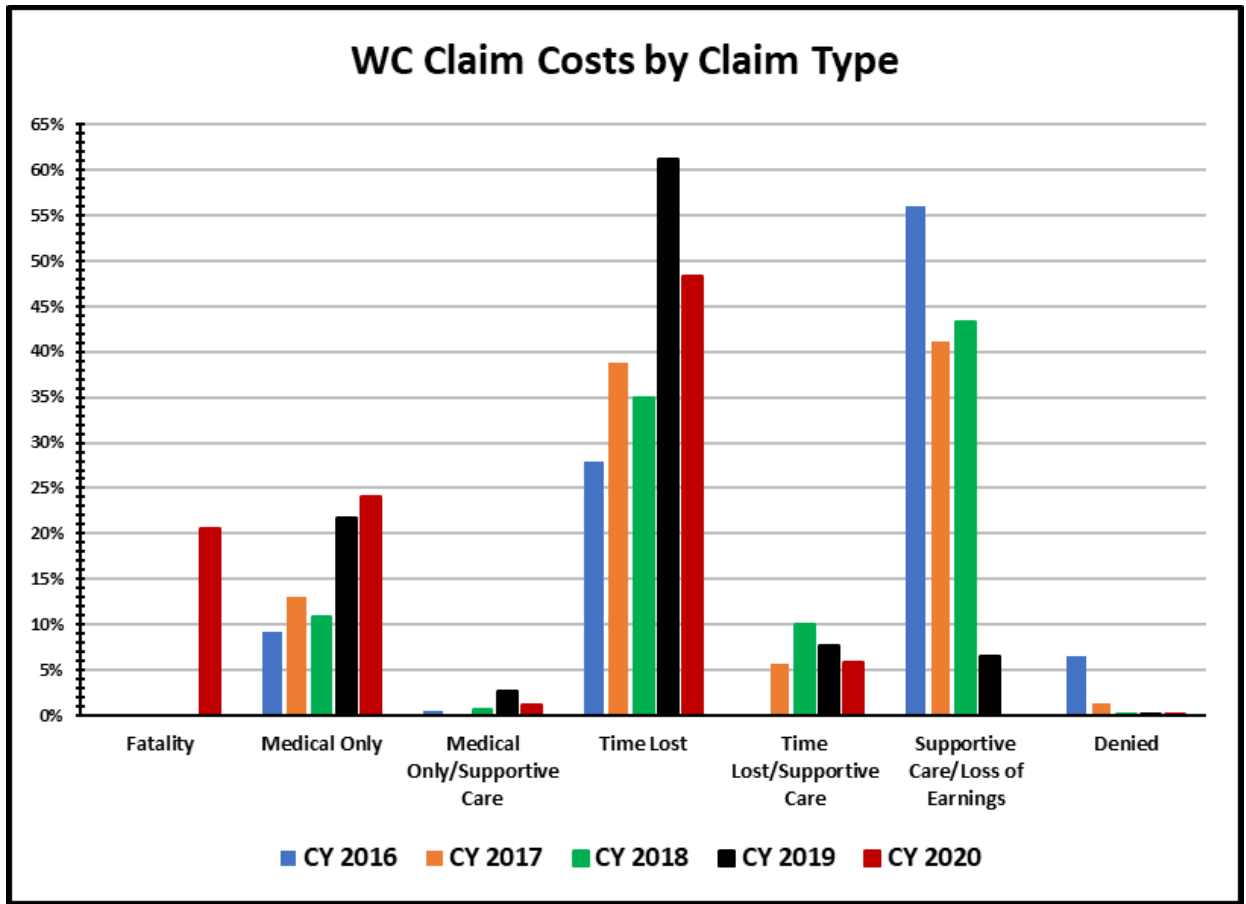
WORKERS' COMPENSATION CLAIMS OVERVIEW



Claim Type	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020
Fatality	0%	0%	0%	0%	0.3%
Medical Only	85%	80%	78%	81%	82%
Medical Only/Supportive Care	0%	0%	1%	2%	2%
Time Lost	9%	11%	14%	9%	11%
Time Lost/Supportive Care	0%	1%	3%	2%	4%
Supportive Care/Loss of Earnings	1%	1%	1%	0%	0%
Denied	5%	7%	3%	6%	2%
Grand Total	100%	100%	100%	100%	100%



WORKERS' COMPENSATION CLAIMS OVERVIEW



Claim Type	2016 \$	2017 \$	2018 \$	2019 \$	2020 \$
Fatality	\$ -	\$ -	\$ -	\$ -	\$ 826,473.15
Medical Only	\$ 291,949.31	\$ 395,838.06	\$ 424,222.15	\$ 724,933.41	\$ 965,798.91
Medical Only/Supportive Care	\$ 15,000.00	\$ -	\$ 27,524.30	\$ 89,652.72	\$ 49,877.87
Time Lost	\$ 896,188.38	\$ 1,174,156.52	\$ 1,373,917.89	\$ 2,043,288.50	\$ 1,939,421.20
Time Lost/Supportive Care	\$ -	\$ 173,242.83	\$ 396,338.46	\$ 254,958.07	\$ 231,921.43
Supportive Care/Loss of Earnings	\$ 1,793,701.84	\$ 1,242,905.94	\$ 1,702,846.91	\$ 217,716.53	\$ -
Denied	\$ 206,455.51	\$ 39,403.25	\$ 2,580.32	\$ 5,525.36	\$ 1,863.21
Grand Total	\$ 3,203,295.04	\$ 3,025,546.60	\$ 3,927,430.03	\$ 3,336,074.59	\$ 4,015,355.77



WORKERS' COMPENSATION PROGRAM OVERVIEW

❖ Injury Prevention Programs: Safety Coordinators (3)

- Safety Inspections
- Safety Training
- Safety Program Manuals/Procedures
- Indoor Air Quality Monitoring
- Special Safety Considerations – Department employee concerns

❖ Safety Committees:

- Citywide Safety Committee – multi-department representation
- Citywide LOTO & Electrical Safety Committee
- Commercial Motor Vehicle Committee
- Department Safety Committees

❖ Safety Awareness: Injury Statistics

- Department Specific & Citywide
 - Slips, Trips, and Falls
 - Lifting & Carrying (strains and sprains)

