D.C. Office of Risk Management FY2016

Agency	D.C. Office of Risk Management
Mission	The mission of the Office of Risk Management (ORM) is to reduce the probability, occurrence and cost of risk to the District of Columbia government.
Summary of Services	ORM implements its mission through four programs: Risk Identification, Analysis and Control Division (RIAC), Public Sector Workers Compensation Program, Tort Liability Program and the Captive Insurance Agency. An individual summary of services is provided by division in each section. PERFORMANCE PLAN DIVISIONS: Risk Identification, Assessment and Control, Public Sector Workers' Compensation Program, Tort Liability Program, Captive Insurance Agency, Agency Management

▼ 2016 Objectives

FY16 Objectives

Objective Number	Objective Description
Agency Management (1 Objective)	
1	Oversee the implementation of agency-wide priorities.
Captive Insurance Agency (3 Objectives)	
1	Increase contractual risk management and awareness of District agencies.
2	Ensure DC residents have access to affordable health care.
3	Reduce risks to District property.
Public Sector Workers' Compensation Program (1 Objective)	
1	Improve the management and efficiency of the Public Sector Workers' Compensation Program.
Risk Identification, Assessment and Control (RIAC) (1 Objective)	
1	Reduce the level and cost of risk to the District government.
Tort Liability Program (3 Objectives)	
1	Reduce the number of lawsuits against the District government.
2	Recover money owed to the District as a result of tortious acts by third parties.
3	Develop and maintain a Risk Map so that the District can use to take steps to remediate or reduce defects and/or risks that may be consistently occurring in certain parts of the city.

▼ 2016 Key Performance Indicators

Measure	Division	Frequency of Reporting	FY 2013	FY 2014	FY 2015	FY 2015 Target	FY 2016 Target
1 - Improve the management and efficiency of the Public Sector Workers' Compensation Program. (6 Measures)							
Total Cost of the Public Sector Workers' Compensation Program (in millions)		Quarterly	15,300,000	11,800,000	16,500,000		16000000

Average number of days a claimant receives workers' compensation benefits for claims opened within the fiscal year.		Annually	11.82	20.5	19.31	21.17
Number of workers' compensation claims per 100 FTEs		Quarterly	14.35	5.7	7.13	5.22
Average total payment on all claims that are four years or less (in millions)		Quarterly	0	11.5	10.18	10.16
Percentage of reconsideration decisions that are decided and issued within thirty (30) days.		Quarterly	0	0	8.33	100
Number of employees returning to work and/or participating in job club		Quarterly	309	504	664	709

1 - Increase contractual risk management and awareness of District agencies. (3 Measures)

Percent of District government vendors in compliance with ORM minimum insurance requirements		Quarterly	100	100	100	100
Number of contract and insurance risk management training classes offered to agency officials		Quarterly	0	0	6	8
Percentage of government real estate property assets insured by private insurance		Quarterly		0	100	16

1 - Reduce the level and cost of risk to the District government. (3 Measures)

Measure	Frequency				
Number of environmental and safety inspections/re-inspections at District Government buildings	Quarterly	624	566	619	615
Percentage of eligible facilities for which agencies have submitted an Emergency Response Plan (ERP) for approval by ORM	Quarterly	76.31	81.93	98	100
Percentage of agencies under the purview of the Mayor that file Cost of Risk reports	Annually	0		98	60

1 - Reduce the number of lawsuits against the District government. (1 Measure)

Measure	Frequency				
Average number of days to resolve tort claims that were filed in same fiscal year	Quarterly	0	79.65	50.46	56

2 - Recover money owed to the District as a result of tortious acts by third parties. (1 Measure)

Measure	Frequency				
Subrogation Monies Collected	Quarterly	0	101,109.13	82,809.93	80000

▼ 2016 Workload Measures

Measure	Frequency of Reporting	FY 2013	FY 2014	FY 2015
Workload Measure (4 Measures)				
Number of OSHA complaints received by ORM from District agencies	Annually	49	55	55
Number of tort claims filed with ORM	Annually	1,235	1,128	2,039
Total number of open worker's compensation claims filed with ORM	Annually		1,676	2,500
Number of insurance inquiries received by ORM from District agencies	Annually		512	823

▼ 2016 Initiatives

Objective Number	Objective Title	Initiative Number	Initiative Title	Initiative Description
Agency Management - 1 (1 Initiative)				

1	Oversee the implementation of agency-wide priorities.	1.1	Implement a Risk Management System (RMS) to provide a comprehensive and centralize database to capture and analyze the core services of the agency.	In FY16, the agency will lay the foundation to implement a risk management application that will allow for a comprehensive and centralized method to manage the agency's operations including public sector workers compensation management, tort claims, insurance and risk identification and analysis.
TOT				

Captive Insurance Agency - 1 (1 Initiative)

1	Increase contractual risk management and awareness of District agencies.	1.1	Number of contract risk management and risk awareness seminars conducted for agency officials.	Agencies frequently seek advice from ORM on how to protect the District from risks and liabilities as they carry out agency initiatives, particularly when coordinating special events. Moreover, agency staff is not aware of the steps that they need to take to protect the District from the conduct of vendors who may be providing a contract service on behalf of the District. Consequently, there is a great need to conduct roundtable discussions or seminars to educate agency staff on risk reduction efforts that agencies can take to insulate the District from risk and liability exposures when they either carry out agency work or hire contractors to provide government services
TOT				

Captive Insurance Agency - 2 (2 Initiatives)

2	Ensure DC residents' access to affordable health care.	2.1	Number of in-house risk management seminar to Captive members.	ORM administers the D.C. Captive, which provides medical malpractice liability insurance to four non-profit community health clinics. By providing subsidized insurance to clinics that are otherwise not able to afford market-rate insurance, the D.C. Captive facilitates thousands of residents' access to affordable health care and wellness education. With the assistance of the Captive Manager and the D.C. Captive Advisory Board, in FY16, ORM plans to continue to conduct in-house risk management seminars at the locations of each insured clinic for all insured staff of each health center in order to cover important risk reduction topics (i.e. securing confidential medical information; use of modern technological equipment to reduce liability risk, reducing at-risk births with new prenatal care outreach efforts).

	2	Ensure DC residents' access to affordable health care.	2.2	Number of District residents who receive medical care at clinics who receive subsidized medical liability insurance from the District.	ORM provides medical malpractice insurance to four clinics in the District of Columbia. ORM will document the number of people who are utilizing the services of these four clinics to determine whether the clinics are providing a useful and important medical service to residents of the city. In addition, ORM will collect information on the number of patients who are being treated by the healthcare facility. This data will help the District determine whether the clinics are providing a useful service to District residents and whether the volume of medical services provided to District residents support the liability coverage and expenses offered by the City.
TOT					

Captive Insurance Agency - 3 (1 Initiative)

	3	Reduce risks to District property.	3.1	Build a stronger District property risk management program through a combination of self-insurance and private insurance.	In FY 14, ORM hired a third-party commercial property insurance broker and purchased commercial property insurance, including terrorism coverage for District-owned Property. In FY16, ORM will continue to review the insurance program to: (1) inform all District agencies of the program and the importance of safeguarding and properly maintaining District-owned property, (2) explore opportunities to leverage the commercial property insurance program to include additional types of insurance coverage.
TOT					

Public Sector Workers' Compensation Program - 1 (4 Initiatives)

	1	Improve the management and efficiency of the Public Sector Workers' Compensation Program.	1.1	Increase the number of injured workers, who have received medical permission to work in a limited, modified or full duty capacity, to return back to the workforce in some type of work capacity.	In the past, the Public Sector Workers' Compensation Program's (PSWCP) Return-To-Work (RTW) program's main objective was to temporarily place injured workers in alternative modified work assignments, in order to facilitate their transition back to full duty on a permanent basis. In FY14, ORM hired a new RTW Officer for the program, creating new efforts and initiatives for further outreach to injured workers. Efforts include job fairs and program orientations that partner with other agencies and businesses for job placement and training. With increased efforts in the start of FY16, ORM plans to reduce the total number of claimants receiving workers compensation by returning them to limited, modified or full duty capacity work.

1	Improve the management and efficiency of the Public Sector Workers' Compensation Program.	1.2	Improve data accuracy, auditing and analysis.	ORM seeks to improve the overall efficiency of the PSWCP by auditing as well as making recommendations for losses or claims that appear to be fraudulent, auditing overpayment files, reviewing payment calculations before checks are issued to claimants, and auditing files to determine whether actions have been taken after the issuance of Additional Medical Examination reports that releases an injured worker to work in some type of limited or full duty capacity. The Program will evaluate files to determine if the Third Party Administrator has committed errors and/or omissions as a result of its performance, and will implement a tracking system to facilitate recovery of monies due to any errors by the TPA. Program staff will work with the TPA to improve in the collection and entry of claim management data and the analyzing of such data. Also, the Program will develop a quality assurance review process or protocol for all certified payments by the Program.
1	Improve the management and efficiency of the Public Sector Workers' Compensation Program.	1.3	Issue reconsideration decisions within 30 days of filing of request for reconsideration.	After the PSWCP issues its initial decision on whether to accept or deny a claim for workers' compensation, the injured worker can request that the Program review and reconsider the Program's initial decision that was adverse to the claimant. It is the policy and practice of the PSWCP to review, decide and render reconsideration decisions within thirty days of receipt. However, the Program has never tracked whether it is complying with its policy and to what extent. This initiative will help to facilitate an efficient decision-making process because it will require the agency to collect data to determine whether reconsideration decisions are being issued within 30 days of the program receiving the request.
1	Improve the management and efficiency of the Public Sector Workers' Compensation Program.	1.4	Reduce the overall number of employees who receive workers compensation benefits, which impacts total cost to the workers' compensation program.	It is important that the program continue to track total program costs, the number of claims filed with the program as well as the number of days that claimants remain on workers' compensation. While ORM has made gains in how it manages the Program, and has identified successful practices that have improved the overall operations, it continues to face challenges. In FY16, PSWCP will continue to conduct audits, roundtable reviews of claims, as well as incorporate other evaluative methods of the TPA to reduce the overall claim count, which will result in a reduction of the total cost to the Program.
TOT				

Risk Identification, Assessment and Control (RIAC) - 1 (3 Initiatives)

1	Reduce the level and cost of risk to the District government.	1.1	Assist District Agencies in revising their Continuity of Operation Plan (COOP).	The Office of Risk Management collaborates with all Agency Risk Management Representatives (ARMRs) on emergency response planning. In FY16, ORM will collaborate with the District of Columbia Homeland Security and Emergency Management Agency (HSEMA) to facilitate a state of readiness for a variety of potential emergencies to create a viable Interagency COOP Framework. ORM has assisted in the development of the COOP Framework document to, in part, to prepare for various emergencies and disasters that may affect District agencies' employees, facilities and other resources. Furthermore, ORM is committed to supporting emergency preparedness by coordinating with HSEMA to ensure participating District agencies are periodically updating, testing, training and exercising the Interagency COOP Framework.
1	Reduce the level and cost of risk to the District government.	1.2	Continue to conduct environmental and structural inspections at District Government owned and operated buildings.	The inspections that are conducted by ORM Occupational Safety and Health inspectors are ongoing tasks that cross fiscal years; however, based on FY15 inspection activities, the RIAC Division's main goal is to ensure that building inspections and follow-up inspections are (a) conducted using Occupational Safety and Health Administration's (OSHA) guidelines and (b) communicated to the Directors and Agency Risk Management Representatives (ARMRs) to ensure that the buildings are safe, healthy, and comply with OSHA standards and regulations. In FY16, ORM building inspection plans will focus on facilities with the greatest risk of exposures to employees and visitors.
1	Reduce the level and cost of risk to the District government.	1.3	Achieve 100% participation of all District agencies required to create and submit Emergency Response Plans (ERPs).	In FY15, agencies submitted Emergency Response Plans (ERPs) for 85 percent of the District government buildings that are required to have an ERP, falling short of the 100 percent goal. The majority of the outstanding deliverables (15 percent) are from two District agencies with multiple buildings that require ERPs. In FY16, ORM will continue to assist agencies with the creation of ERPs, with the goal of 100% of District government buildings having an ERP submitted for approval to ORM.
TOT				

Tort Liability Program - 1 (1 Initiative)

1	Reduce the number of lawsuits against the District government.	1.1	Resolve tort claims more efficiently.	In FY13, ORM implemented several new policies designed to resolve tort claims filed with ORM more effectively and efficiently (i.e. requiring all claims be reviewed by ORM's Tort Liability Manager, enforcing inter-office deadlines for claims resolution, etc.). As a result of the policies implemented, in FY 14, ORM continued to make some progress in the time it took to resolve claims. By the third quarter of FY 15, the average time ORM took to resolve claims has slightly improved from FY 14. In FY 16, ORM will build on the policies established in FY14 and attempt to decrease the number of days it takes to resolve tort claims by five percent. ORM will also analyze the litigation trend and outcome for cases to conduct a cost-benefit analysis of claims that are denied by ORM.
TOT				

Tort Liability Program - 2 (1 Initiative)

2	Recover money owed to the District as a result of tortious acts by third parties.	2.1	Increase subrogation revenue recovered by the Tort Program.	Within the first three quarters of FY 15, funds recovered through subrogation surpassed the amount projected by approximately $3,500. For FY 16, ORM plans to further improve subrogation revenue through three approaches. First, ORM looks to launch a District-wide online incident report system through Peoplesoft that would capture all incidents involving DC employees and property. This system will allow ORM to automatically receive notice of incidents involving District property, so the subrogation adjuster can evaluate the incident for subrogation. Second, ORM has requested for all crash reports from September 8, 2012 – 2015 involving District vehicles (with the exception of MPD and DDOT) from MPD, so they can be evaluated for subrogation. Because the statute of limitations does not apply to the District, the goal is to work in three-year increments backwards to capture all claims that can be pursued for subrogation. Third, ORM is critically analyzing subrogation efforts by agencies with delegated subrogation authority to determine whether agency's subrogation responsibility should be return to ORM.
TOT				

Tort Liability Program - 3 (1 Initiative)

3	Develop and maintain a Risk Map so that the District can use to take steps to remediate or reduce defects and/or risks that may be consistently occurring in certain parts of the city.	3.1	Create a District City Risk Map.	In FY 15, ORM sought to create and maintain a District City Risk Map, which will track areas where individuals have had accidents/incidents in the District based on claims that ORM's Tort Liability Programs receives (i.e. motor vehicle accidents, slip/trip and falls and tree falling claims). The map will allow ORM, other District agencies and the public to track alleged incident/accident types in the District by incident/accident type and location. The map will also facilitate the remediation of risks or reduce defects/claims that may be consistently occurring in certain parts of the City. Until a new risk management system is in place, ORM anticipates using an online map-generating website to create a risk map based on data received for each fiscal year. ORM is contemplating the feasibility of creating a live map that will be made available on its website that will be updated weekly.
TOT				
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