

## D.C. Office of Risk Management FY2017

### FY2017 Performance Accountability Report

The Performance Accountability Report (PAR) measures each agency's performance for the fiscal year against the agency's performance plan and includes major accomplishments, updates on initiatives, and key performance indicators (KPIs).

### 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 Prevention and Safety Division (RPS), 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 Prevention and Safety Division (RPS), Public Sector Workers' Compensation Program, Tort Liability Program, Captive Insurance Agency, and Agency Management

### FY17 Top Accomplishments

Accomplishment	Impact on Agency	Impact on Residents
In FY17 Payments for Public Sector Workers' Compensation was successfully integrated into PeopleSoft. ORM worked to resolve implementation issues by using a combination of system fixes, communication between agencies, and improving data quality business processes.	The integration improved agency process and customer service quality.	The integration improved the payment method for the Public Sector Workers' Compensation Program recipients.
ORM completed Workers' Compensation Reform, an effort to create an effective and efficient administrative framework to equitably provide compensation and care to injured workers while simultaneously discouraging waste and abuse. ORM is drafting a manual for this initiative.	These regulations were needed in order to correct practices that contradict legislation such as healthcare benefits for terminated employees, incorrect indemnity payment calculations due to non-standardized practices, and attorney's fees that are exponentially increasing. Correcting these regulations and practices will result in monetary savings for the District.	These regulations and practices will result in monetary savings for the District.
ORM has worked extensively to train agencies throughout District government on the specific Divisions and Programs within ORM. ORM has held more than 35 training sessions for 21 agencies District-wide on process and procedures for procuring Insurance. ORM has also been given the opportunity by DCHR to present our programs to all new employees during orientation, moreover ORM works to educate other agencies by presenting it's "Road Shows," which were given to seven agencies in FY17.	It's ORM's goal to mitigate risk to the best of it's ability and , in doing so, the agency needs to ensure all partners within District government understand the resources ORM provides, while building relationships, and strengthening communication channels.	This effort assists in ORM's goal to mitigate risk overall for the District, by educating and offering services and support to other agencies.

## 2017 Strategic Objectives

Objective Number	Strategic Objective
1	Identify, measure, analyze and mitigate the District government's exposure to risk and liability.
2	Administer the Public Sector Workers' Compensation Program to provide benefits for disability or death of a District Government employee resulting from personal injury sustained while in the performance of his or her duty.
3	Receives and investigates claims against the District government with the goal of negotiating and preparing claims for fair and timely disposition.
4	Collect monies owed to the District as a result of a Third Party tortfeasors whose negligence or intentional acts result in damages and losses to the District.
5	Create and maintain a highly efficient, transparent and responsive District government. **

## 2017 Key Performance Indicators

Measure	Freq	Target	Q1	Q2	Q3	Q4	FY 2017	KPI Status	Explanation
<b>1 - Identify, measure, analyze and mitigate the District government's exposure to risk and liability. (3 Measures)</b>									
Percentage of eligible facilities for which agencies have submitted an Emergency Response Plan (ERP) for approval by ORM	Quarterly	100%	1.7%	8.3%	54.6%	95.3%	38.9%	Unmet	A total of 307 ERPs (95%) were submitted for review in FY 2017. ORM failed to receive 15 plans. ORM has continued to request these ERPs from agencies and are waiting for responses.
Percentage of agencies under the purview of the Mayor that file Cost of Risk reports	Annually	85%	Annual Measure	Annual Measure	Annual Measure	Annual Measure	0%	Unmet	The Cost of Risk Report (COR) is being recalibrated. Agency data is being collected and calculated, per insurance line, to provide a more detailed report so that ORM may more accurately zero in on the "root" causes of the City's losses and develop measures to mitigate or eliminate them.
Percentage of known and applicable government real estate property assets insured by private insurance	Quarterly	100%	85%	82%	95%	100%	96%	Nearly Met	Currently we have 660 properties to insure: 529 – currently scheduled 69 – insured elsewhere – purchase separate

insurance, leased, etc. 62 – that will be added for the 12/1 renewal or shortly thereafter – when they come off of builders risk policies

Score of 91% for end of FY 2017 with 100% at Q1 of FY 2018.  
 $529 + 69 = 598/660 = 91\%$

**2 - Administer the Public Sector Workers' Compensation Program to provide benefits for disability or death of a District Government employee resulting from personal injury sustained while in the performance of his or her duty. (3 Measures)**

Percentage of employees returning to work compared to the number of claims received	Quarterly	70%	69.6%	75%	81%	71%	74.2%	Met	
Workers' Compensation claim file closing ratio	Quarterly	90	70.9	88	125	117	100.2	Met	
Percentage of claims opened and assigned within five (5) business days of receipt by ORM (PSWCP)	Quarterly	90%	99.7%	100%	100%	100%	99.9%	Met	

**3 - Receives and investigates claims against the District government with the goal of negotiating and preparing claims for fair and timely disposition. (4 Measures)**

Percentage of claims opened and assigned within five (5) business days of receipt by ORM (Tort Liability)	Quarterly	90%	87%	97.7%	99.2%	99.8%	95.9%	Met	
Percentage of claims where ORM issues an acknowledgement letter within five (5) business days within the claim being opened and assigned	Quarterly	95%	88%	97.3%	99.8%	100%	96.3%	Met	
Number of days to close a file from date of opening	Quarterly	25	22.9	24.8	21.2	31.1	100	Met	
The average cost to process a claim per claims specialist	Quarterly	159	153.9	117.9	123.1	111.6	126.6	Met	

**4 - Collect monies owed to the District as a result of a Third Party tortfeasors whose negligence or intentional acts result in damages and losses to the District. (3 Measures)**

Ratio of open to closed tort subrogation claim files	Quarterly	50	100	46.3	43.4	74	65.9	Met	
Ratio of closed to open Workers' Compensation affirmative subrogation actions	Quarterly	25	7.3	4.3	4.8	7.2	22	Met	
Percentage of cases pursued within thirty (30) days of issuance	Quarterly	80%	0%	66%	76%	61%	50.7%	Unmet	This was the first year on record that ORM has

of lien letters in Workers' Compensation

tracked closed subrogation cases, for 2018 we've devised more strategic workload measures to track the progress of this effort.

We've revisited a project to standardize District wide measures for the Objective "Create and maintain a highly efficient, transparent and responsive District government." New measures will be tracked in FY18 and FY19 and published starting in the FY19 Performance Plan.

## 2017 Workload Measures

Measure	Freq	Q1	Q2	Q3	Q4	FY 2017
<b>1 - Conducts site safety inspections of District government properties. (1 Measure)</b>						
Number of environmental and safety inspections/re-inspections at District Government buildings conducted by ORM	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	265
<b>1 - Provide advice to District agencies on risk and insurance policies and practices. (1 Measure)</b>						
Number of contract and insurance risk management training sessions offered to agency officials	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	37
<b>2 - Manage claims submitted by employees to determine if the injury sustained is compensable. (1 Measure)</b>						
Total new workers' compensation claims processed with ORM	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	1548
<b>2 - Ongoing management of accepted claim for medical treatment and/or indemnity payments. (1 Measure)</b>						
Total workers' compensation claims closed	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	2239
<b>2 - Review of existing claims for determination of benefit eligibility. (1 Measure)</b>						
Total number of workers' receiving worker compensation benefits as of Oct 1.	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	1843
<b>3 - Receive §12-309 notices for alleged claims against the District. (2 Measures)</b>						
Number of new tort claims filed with ORM	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	1874
Total number of claims opened and closed (denied and settled) within the same fiscal year	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	1268
<b>3 - Review the facts and assess the merits of the claims for disposition by way of settlements or denials. (3 Measures)</b>						
Number of tort claims closed by ORM (denied and settled)	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	2118
Total number of claims settled by ORM	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	432
Total number of claims processed by ORM	Annually	Annual	Annual	Annual	Annual	2072

	Measure	Measure	Measure	Measure		
<b>4 - Provide notice to third party tortfeasors of the District's intent to subrogate and pursue recovery of monies owed to the District as a result of damages and losses due to third party tortfeasors actions. (1 Measure)</b>						
Number of lien notice letters issued	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	110
<b>4 - Recover monies through subrogation efforts either in resolution of a settlement or lawsuit. (3 Measures)</b>						
Number of subrogation claims pursued and collected	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	28
Number of subrogation claims pursued, uncollected and closed	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	40
Number of affirmative subrogation demands pursued after issuance of lien letters by the Workers' Compensation Program.	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	53
<b>4 - Review District agency incident reports and determine if damages and losses to the District is as a result of negligence or intentional act of a third party. (1 Measure)</b>						
Number of subrogation claims pursued	Annually	Annual Measure	Annual Measure	Annual Measure	Annual Measure	80

## 2017 Strategic Initiatives

Title	Description	Complete to Date	Status Update	Explanation
<b>CLAIMS EXAMINATION &amp; MGT (3 Strategic initiatives)</b>				
Resolve tort claims more efficiently.	ORM will analyze the frequency and severity of claims in an attempt to reduce overall costs associated with the claims management in its entirety. ORM's goal is to reduce the claim count from each agency by developing practices which efficiently and effectively resolve submitted claims in a timely manner by identifying trends and working with agencies to develop solutions.	50-74%	A vital tool the Tort Division utilizes is Lexis Nexus Advance which allows them to assess the claimant and research important issues that may arise during adjudication of claims. The Tort Division has worked diligently to revise the District Tort Manual which will assist the house adjusters with managing their case load more efficiently as well as provide guidance to new claimants regarding how to file a claim and address expectations.	There are always improvements that can be made in efficiency. The Tort Division should complete it's manual in Q1FY18.
Increase subrogation revenue recovered by the Tort Program.	ORM has launched a subrogation task force which meets monthly to evaluate and unify the incident reporting process of each agency, specifically DDOT, MPD and OSSE. The primary objective is to develop a unified subrogation reporting system to record and collect supporting documentation to expedite the collection of subrogation monies due to the District. A proposed uniform policy for subrogation will be completed in FY 17. The finalized policy will be delivered after ORM procures it enterprise	Complete	The Tort Division is constructing a universal guide to subrogation with step by step instructions to properly assist agencies representatives to record and collect pertinent documentation to be forwarded with the demand package to the at fault party. The Tort Division is working closely	The Tort Department will continue to improve the Subrogation process in an effort to gain more monies

	risk management system.		with MPD and other agencies to maximize recoveries. Moreover the Tort Division is establishing guidelines to negotiate outstanding MPD claims in an effort to further advance the process.	for the District.
Implement a Risk Management System (RMS) to provide a comprehensive and centralize database to capture and analyze the core services of the agency.	In Fiscal Year 2016, the agency laid 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. In Fiscal Year 2017, the agency will finalize the requirements for the Risk Management System in order to solicit vendor for the purchase and development of an internal database system.	75-99%	ORM is continuing to implement the next set of enhancements (Phase 1A) to remedy issues with the initial PeopleSoft implementation for indemnity payments with an expected delivery of Winter 2017. ORM is working with OCP and OCTO to finalize the vendor section for the Enterprise Risk Management System.	Deliver of Phase 1A is expected Winter 2017.

**RETURN TO WORK (1 Strategic Initiative)**

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 fiscal 2016, the Program designated a Return Work Coordinator for each agency. Each Coordinator was trained to effectively return employees back to work. In addition to the bi-monthly RTW Orientations and quarterly job fairs, there is regular contact with these Coordinators. Based on these efforts, our goal is to return back to work more employees than the previous fiscal year.	50-74%	This initiative continues to provide challenges in finding workforce placements for workers who need modified duty situations. The Program intends to intensify its efforts to engage entities, including government agencies, not-for-profit groups, and other "alternative" placements for injured workers.	Changes in program management has caused an interruption to this initiative. ORM hopes to formalize a new Return to Work Program in the coming quarters.
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