

CENTRAL SAN JOAQUIN VALLEY RISK MANAGEMENT AUTHORITY

MINUTES OF THE WORKERS' COMPENSATION SUBCOMMITTEE  
MEETING OF JUNE 25, 2009

A meeting of the Workers' Compensation Subcommittee of the Central San Joaquin Valley Risk Management Authority (CSJVRMA) was held on June 25, 2009, at the Piccadilly Inn-Shaw, Fresno, CA

SUBCOMMITTEE MEMBERS PRESENT: David Elias, Chairperson, Fowler  
Joe Donabed, Hughson  
Kenny Walker, Lindsay  
Cleve Morris, Patterson  
Greg Applegate, Sonora  
Bill Lewis, Woodlake

SUBCOMMITTEE MEMBERS ABSENT: None

OTHERS PRESENT: Jeanette Workman, Administrator  
Mary Ann Reilly, Board Secretary  
Tammy Vitali, Workers' Compensation Manager  
Julie Theirl, Return-to-Work Manager, BRS  
Dominic Russo, AIMS  
Dave Whiteside, AIMS  
Jeff Cardell, Clovis

1. CALL TO ORDER

The meeting was called to order by Dave Elias at 12:02 p.m.

2. INTRODUCTIONS

Introductions of those present took place.

3. APPROVAL OF AGENDA AS POSTED (OR AMENDED)

**Cleve Morris moved to approve the agenda as posted. Seconded by Kenny Walker. Motion passed unanimously.**

4. PUBLIC COMMENTS

None.

5. MINUTES OF THE JANUARY 14, 2009, MEETING

Mr. Jeff Cardell, City of Clovis, noted there were three typos in the minutes and asked that staff make corrections to the errors.

**Mr. Bill Lewis moved to approve the minutes with the corrections. Seconded by Greg Applegate. Motion passed unanimously.**

6. STRUCTURED RETURN-TO-WORK PROGRAM

A. Presentation of Proposed Structured Return-to-Work Program

Ms. Jeanette Workman, Administrator, reported that Bickmore Risk Services (BRS) and Acclamation Insurance Management Services (AIMS) have partnered on Structured Return-to-Work Services (SRTWS). Ms. Workman explained that BRS and AIMS have worked together for over a year in developing the joint product being proposed and met with the Subcommittee in January 2009 to review the services. Ms. Workman noted the aim of the services is to provide a savings vehicle for CSJVRMA members regarding workers' compensation costs.

Ms. Workman reported that at the January meeting, Mr. Cleve Morris, City of Patterson, mentioned that the CSJVRMA had tried a pilot return to work program using nurses sometime in the past with negative results. Mr. Cardell contacted Ms. Workman for details of what went wrong with the program. Ms. Workman reported that the program was discriminatory in that employees were being returned to work to perform tasks in areas that were considered punitive. In addition, the nurses were to be available to CSJVRMA members at any time; however, the nurses traveled as part of their duties and were only reachable by cell phones. The cell phone service the nurses employed was so poor that members were not able to reach them or they were cut off mid-call. The pilot program was not extended.

Ms. Workman then introduced Mr. Dave Whiteside, AIMS, and Ms. Julie Theirl, Return-to-Work (RTW) Manager, BRS, to review the program details with the Subcommittee.

The presentation and services are divided into two sections: Section one is the Telephonic Nurse Triage section which would be a function of AIMS and Section two is the Return-to-Work Coordination which would be a function of BRS.

Mr. Whiteside reported that the nurse triage service uses an accepted medical triage system to assist employees and direct only those employees requiring medical attention to receive such treatment. This would result in a lowering of medical costs. If an employee does require being off work and on disability, the examiner and RTW

Coordinator would work together to ensure the employee is not off work longer than required and would assist the employee in obtaining accommodations if required.

Mr. Whiteside stressed that one way to produce the return on investment is to turn off the temporary disability faucet and the subsequent backfilling expenses which result when an employee is out on temporary disability. Mr. Whiteside reminded the Subcommittee of a presentation by the Oakland Police Department to the Board of Directors the prior year regarding the use of tasers. At that presentation, the savings produced on workers' compensation claims were shown and Mr. Whiteside believes members will see the same type of savings by using the Structured Return-to-Work Services.

Regarding the "Service Goals" slide, Mr. Cardell asked how these services were better than what is in place now. Mr. Cardell also noted that as employers, the health and well being of employees is a main concern and noted the group should be cautious about how to make treatment decisions. Mr. Cardell also noted that he did not see how this plan could serve to improve the reporting process. Mr. Whiteside noted that the program the nurse triage team will be using is the one in use by most ambulance and fire departments to triage injuries. In addition, Mr. Whiteside noted that with the nurse triage system an employee will actually speak with a medical professional far earlier than if visiting a clinic in person. The employee will be directed to a clinic if necessary; however, in either case they will receive recommendations for actions to take regarding their injury, much sooner than visiting in person. As a result, earlier and more accurate reporting of injuries will result. Mr. Kenny Walker, City of Lindsay, stated that his supervisors were regularly asked if an injured employee should seek medical attention. Mr. Cardell noted that the presentation did not differentiate between minor and major injuries. Ms. Theirl reported that the nurse triage team will not deter medical treatment and will not be making the final treatment decision – that decision is always the employee's. Ms. Theirl also noted that the decision to self-treat is not finite and that if the injury worsens the employee can call nurse triage back or visit a doctor. Ms. Theirl noted that in an emergency, the employee should first seek medical attention and when possible follow-up with a call to nurse triage. Results have shown that early intervention results in greater satisfaction for the employee as their injury is being addressed immediately and specifically. It was noted that if medical treatment is not necessary, no claim is opened and no fee is charged. Only when medical treatment is required is a claim opened and a fee is charged to the file.

Mr. Cardell pointed out that AIMS' current contract with the CSJVRMA already addresses return to work services and suggested the current services could be better than they are. Mr. Cardell stressed that education is key to a successful program and recognizing that there is already a return-to-work element in the contract, Mr. Cardell stated he was skeptical about adding additional costs for services that should already be tasked. Mr. Dominic Russo, AIMS, noted the current contract states that AIMS will assist with return-to-work activities. Mr. Russo stated the new services coordinate with the treating physician and the injured worker to help get the employee back to work and this requirement is not in the contract. Mr. Russo stated the current services

are probably not that successful; however, the new services will allow for full-time employees to be assigned these tasks.

Mr. Cardell stated that return-to-work means determining the employee is able to return and claims examiners need to be aggressive and become a thorn in the physician's side to accomplish this. Ms. Theirl noted that she works with the major third party administrators in the state and none included this level of service in their contracts. Mr. Cardell stated a member could request a nurse case manager on a case who would accomplish the same thing. Mr. Whiteside noted this would incur unknown hours of a nurse case manager's time and unknown costs, whereas the services being offered are for a flat fee.

Mr. Greg Applegate, Sonora, noted the goals of the CSJVRMA are to obtain the most efficient and effective services at a manageable cost, a cost that can be defended to the member's city councils. Mr. Applegate also noted that smaller cities have limited staff to work on return-to-work issues. Mr. Applegate stated that if the services are instated, measured and reviewed, and proved to be successful, it will be a prudent move.

Ms. Theirl referred the Subcommittee to the slide showing the results of the program for the Bay Cities Joint Powers Insurance Authority (BCJPIA). The Structured Return-to-Work Services have reduced temporary disability costs by 65%, reduced temporary disability days by 39% and decreased total incurred costs by 15%. Mr. Russo stated he felt AIMS and BRS would be remiss if they did not bring these services to the attention of the CSJVRMA as statistics prove the success rate and subsequent savings to other pools that have put these services into action.

Discussion ensued regarding a pilot program and consensus was reached to recommend starting the services as soon as possible for the entire CSJVRMA and review the services in a year to measure the success and level of savings. It was noted that the services should run at least a year, and possibly two to three years to be able to measure the success of these services on this pool.

Ms. Theirl noted that if an employee is taken off work, the RTW Coordinator will work with the medical facility to ensure they know the employer has light duty available and will stay involved to ensure those medical restrictions are adhered to while getting the employee back to work. Ms. Theirl stated that communication is the key to the success of the services and there will be constant communication with members and clinics. Ms. Theirl noted that refresher training and contacts with clinics and members experiencing out of the norm results will be ongoing.

Ms. Theirl next reviewed Essential Job Functions (EJFs) and noted EJFs are physical job descriptions created for the most common injured positions and the RTW Coordinator will work with members to ensure the EJFs are customized for the CSJVRMA. Once created, EJFs are put on file with the members' occupation clinics. When an employee presents for treatment and their work duties are discussed, the

employee does not have to guess about the physical components of their position such as how much they are required to lift or how often they sit or stand. The EJF process takes the guess work out of the equation and allows the physicians and employers to work with objective work requirements. Some employers also use the EJFs as an attachment to job descriptions as they provide the physical requirements of the position. Ms. Theirl noted the next step in returning an employee to work is Transitional Work Assignments (TWAs). TWAs are task-orientated job assignments designed to help employers provide light duty assignments in cases where an injured employee cannot be placed on modified duty in their current position due to the level of work restrictions. Ms. Theirl reported these tasks are productive and meaningful and while there are many already created, the Return-to-Work Coordinator will create and modify the TWAs to meet CSJVRMA's member needs. Ms. Theirl reported that EJFs and TWAs are two key benefits of the services being offered.

Ms. Theirl next reviewed the cost/benefit analysis included in the agenda packet. Ms. Theirl stated that the return on investment for the Structured Return-to-Work Services is one of the best returns of all the BRS offered services. Ms. Theirl also noted that participating in Structured Return-to-Work Services is taken into account in preparing actuarial studies. Ms. Workman clarified that actuaries are willing to accept participation in these services and reduce the rates for the first year; however, Ms. Workman would recommend the group not reduce the rates the first year, but rather let the services naturally lower the rate as the success of the services is borne out.

Chairperson Elias asked about the service fees as presented and noted that there are different fees per claim for the first three years. Chairperson Elias wondered if there couldn't be a flat per claim fee for all three years. Ms. Workman noted that as the claims decrease, the fees slightly increase to ensure the ability to retain staff necessary to provide the services. Ms. Theirl stated the increase is a 3% cost of living rate. Mr. Russo noted that members are only charged per claim and the services provided for injuries that do not result in a claim are free to members.

Ms. Workman thanked Mr. Cardell for his questions as they helped everyone understand the services being offered better than just reviewing the presentation.

B. Amendment to the Agreement for Risk Management, Financial, and Administrative Services

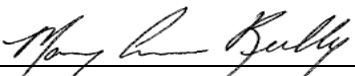
Ms. Workman reported that at the January meeting staff was directed to return with an agreement between AIMS and BRS for the Structured Return-to-Work Services. Ms. Workman reported that included in the agenda packet was an amendment to the BRS contract with the CSJVRMA outlining the BRS responsibilities for the Structured Return-to-Work Services. Ms. Workman also noted that an attachment was included to the amended agreement. The attachment is a Memorandum of Understanding between AIMS and BRS which outlines the respective services and fees for each company. Ms. Workman noted there is not a specific amendment to the AIMS

contract with the CSJVRMA as their contract currently addresses Return-to-Work services. Ms. Workman also noted that Ms. Hemker-Smith, Legal Counsel, will need to review the amendments should they be approved by the Subcommittee.

**Greg Applegate moved to approve the Amendment to the Agreement for Risk Management, Financial, and Administrative Services between BRS and the CSJVRMA, including the Memorandum of Understanding between BRS and AIMS, subject to approval by legal counsel. Seconded by Bill Lewis. Motion passed unanimously.**

7. ADJOURNMENT

The June 25, 2009, CSJVRMA Workers' Compensation Subcommittee meeting adjourned at 1:05 p.m.

  
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Mary Ann Reilly, Board Secretary