

# Memorandum



**Date:** June 25, 2014

**To:** Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners

**From:** Carlos A. Gimenez  
Mayor 

**Subject:** Miami-Dade County Workers' Compensation Program

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Several months ago, members of the Finance Committee discussed workers' compensation claims and comparisons of claims workloads in other governmental agencies. At that meeting, the Administration provided responses to the members' questions. The following report is an update on the County's Workers' Compensation Program

### **Performance Based on Benchmarks**

Several benchmarks are used to measure the performance of our Workers' Compensation Program. Year over year, new and open claims count is a primary, industry-accepted standard measurement of a program's performance. From FY 2008-09 through FY 2012-13, the number of reported new Workers' Compensation claims dropped from 2,979 to 2,513. This measure is also used to measure the percentage of new claims to total employees. This past fiscal year, the County's percentage of new claims to total employees was 9.7 percent. By comparison, Broward County and the City of Miami were nine percent and 17 percent, respectively. It should be noted that more than one new claim can be filed by an employee in any given year.

### **Workload Levels**

Staff reviewed current adjuster workload levels compared to industry standards and other large South Florida public entities. Currently there are 23 County workers' compensation adjusters on staff, averaging approximately 157 open claim files per adjuster at any given time. By comparison, the Miami-Dade County School Board, the City of Miami and Broward County recently reported having 147, 143, and 87 open claims files per adjuster, respectively. In addition to adjusting open workers' compensation claims, the County's adjusters also perform additional duties in administering the County's short and long-term duty disability program. Based on our analysis and additional tasks performed by these individuals, the workload per County workers' compensation adjuster is higher than to those locations compared.

The Board also inquired about calculating the "new claims to total employees" ratio without including Police, Fire and Corrections Department employees. In such a scenario, the County's past fiscal year ratio decreases to 7.6 percent from the 9.7 previously mentioned. Workers' Compensation claims in the Police, Fire Rescue, and Corrections and Rehabilitation departments represent 50 percent of all new claims that were filed in during this past year and make up 64 percent of open claims. Open claims are claims that have not closed regardless of the year when they were reported. The concentration of claims for these departments is directly attributable to an expanded definition of compensable claims for high risk employees as outlined in Florida Workers' Compensation Statutes.

The Internal Services Department (ISD), in conjunction with the Information Technology Department (ITD), generates an annual Workers' Compensation injury summary report for each department. This past January, ISD staff met with department directors and/or their staff, to discuss this internal benchmarking report. The report findings were discussed, along with ways to lower the number of injuries sustained by the department in the prior year. Please see attached the 2013 workers' compensation injuries to hours worked ratio chart (Attachment 1). Also included (Attachment 2) is the FY 2013 current open claims report that was requested at a prior Finance Committee meeting.

The International City Manager's Association (ICMA) recently conducted a study of public entity claims to full time employee (FTE) counts to determine the average of Workers' Compensation claims per FTE. This

study identified that public entities with populations over 1,000,000 had a rate of 12 new claims per every 100 FTEs. Miami-Dade County, using the same criteria as the ICMA study, identified 10.4 new Workers Compensation claims per jurisdiction FTEs.

The National Council on Compensation Insurance (NCCI) uses annual payroll and loss reports to determine "average" loss experience for Workers' Compensation and then compares our loss history against the average of our peers. This information is presented by an Average Experience Modifier, where the average is 1.0 and anything below that figure is better than average. The information below represents the most recent information available from NCCI regarding how the County's Average Experience Modifier compares to other industry groups:

Average Experience Modifier	
Governmental Self- Insurers	1.05
Non-Governmental Self-Insurers	0.94
Insurance Companies	0.98
Miami-Dade County	0.90

On October 1, 2013, the County's average experience modifier, using the most current data, is 0.90, which is better than the average.

#### **Reducing the County's Costs**

Last fiscal year, there was an approximately \$6 million dollar reduction in Workers' Compensation costs. A new management structure was established in the Risk Management Division of ISD in the fall of 2012. The new management team established an "outcome-based philosophy," with an emphasis on safety and loss prevention throughout the County in an effort to eliminate or mitigate the severity of accidental losses and the ultimate payment of claims. Part of this emphasis includes increased departmental communications in order to expand this philosophy to all County Departments.

Operational changes within the Workers' Compensation unit are also allowing each adjuster the ability to arrange for the best care available for our injured employees at the lowest possible cost. This new approach embraces a coordinated effort between the Risk Management Division staff, County departments, our workers' compensation service providers, and the County Attorney's Office. This coordinated effort enhances staff's ability to identify the validity of claims and deny claims not covered under the State's Workers' Compensation Statutes, thus lowering the County's ultimate costs.

It also should be noted that recently the County Attorney's Office was successful in defending the County on several high profile litigated workers' compensation cases. These cases would have carried a substantial financial burden to the County for many years into the future. The County Attorney's Office and Risk Management staff regularly schedule meetings with departments and service providers to discuss ways of achieving positive outcomes for both the employees and the County.

Going forward, we will continue with this approach while continually looking at all options available to ensure continued success in this area.

Should you have any questions or concerns, please contact Lester Sola, Director, Internal Services Department at 305-375-2363.

c: Robert A. Cuevas, Jr., County Attorney  
Office of the Mayor Senior Staff  
Department Directors  
Charles Anderson, Commission Auditor

## 2012 PAID WORKERS' COMPENSATION COSTS PER MAN HOUR

### Comparisons by Miami-Dade Departments

DEPARTMENT	COST PER MAN HOUR
037 FIRE RESCUE	\$1.66
067 TRANSIT	\$1.06
032 MIAMI-DADE POLICE DEPARTMENT	\$1.06
039 CORRECTIONS & REHABILITATION	\$0.93
080 PUBLIC HOUSING & COMMUNITY DEVELOPMENT	\$0.92
380 PUBLIC WORKS AND WASTE MANAGEMENT	\$0.81
036 MIAMI-DADE ANIMAL SERVICES	\$0.72
096 WATER AND SEWER	\$0.66
063 AVIATION	\$0.52
093 PARKS, RECREATION AND OPEN SPACES	\$0.47
379 COMMUNITY ACTION AND HUMAN SERVICES	\$0.43
203 COMMUNITY INFORMATION AND OUTREACH	\$0.38
064 SEAPORT	\$0.35
002 OFFICE OF THE MAYOR	\$0.34
092 VIZCAYA MUSEUM AND GARDENS	\$0.33
014 INFORMATION TECHNOLOGY DEPARTMENT	\$0.28
355 REGULATORY & ECONOMIC RESOURCES	\$0.26
300 INTERNAL SERVICES	\$0.24
016 ELECTIONS	\$0.17
090 LIBRARY	\$0.13
035 MEDICAL EXAMINER	\$0.13
204 LEGAL AID	\$0.12
031 CLERK OF COURTS	\$0.09
071 SOUTH FLORIDA WORKFORCE	\$0.07
006 FINANCE	\$0.04
018 OFFICE OF THE COUNTY ATTORNEY	\$0.01
001 BOARD OF COUNTY COMMISSIONERS	\$0.01
030 JUDICIAL ADMINISTRATION	\$0.01
034 JUVENILE SERVICES	\$0.00
029 STATE ATTORNEYS OFFICE	\$0.00
008 PROPERTY APPRAISER	\$0.00
003 MANAGEMENT AND BUDGET	\$0.00
085 METRO-MIAMI ACTION PLAN	\$0.00

<b>2012-2013</b>	<b>Claim_Count</b>
<b>Organization</b>	
Aviation Department	57
Board Of County Commissioners	4
Clerk Of Courts	35
Community Action And Human Services	33
Community Information And Outreach	10
Corrections & Rehabilitation	392
Cultural Affairs Coordination	2
Elections Department	12
Finance Department	6
Fire Rescue	434
Housing Finance Authority	1
Information Technology Department	13
Internal Services	48
Judicial Administration	3
Library	14
Medical Examiner	3
Miami-Dade Animal Services	18
Miami-Dade Police Department	430
Office Of Management And Budget	2
Office Of The Inspector General	1
Parks, Recreation And Open Spaces	125
Property Appraiser	5
Public Housing & Community Development	32
Public Works And Waste Management	148
Regulatory and Economic Resources	25
Seaport Department	23
South Florida Workforce	4
Transit	435
Vizcaya Museum And Gardens	2
Water And Sewer	196