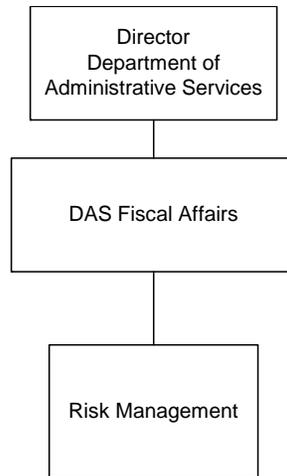


DAS-RISK MANAGEMENT (1150)



MISSION

Provide a comprehensive risk management program to minimize the County's property and casualty liabilities and to ensure the health and safety of employees, residents and guests utilizing County services and facilities.

Budget Summary		
	2013	2012/2013 Change
Expenditures	8,284,745	85,508
Revenue	8,284,745	85,508
Levy	0	0
FTE's	6.0	1.0
<p>Major Programmatic Focus</p> <ul style="list-style-type: none"> Continued implementation of Federal secondary payer reporting requirement related to Medicare/Medicaid and self-insured Work Compensation Program. Continued Implementation of expanded light duty program for employees receiving Worker's Compensation. 		

OBJECTIVES

- Ensure County assets and liabilities are effectively protected through risk management and risk financing programs.
- Provide a safe and healthy environment for County workers and the general public.
- Investigate and process work related injury claims in an efficient manner while minimizing the related costs.
- Educate departments on loss experience and serve as a resource for implementing best practices in reduction, reporting, and mitigation of losses.
- Increase communication to departments related to claim reporting, loss information, and methods of loss control with emphasis on reducing Workers Compensation Claim exposure.
- Enhance coordination of Occupational Health Program with overall loss control efforts.
- Establish and maintain a comprehensive and standardized data collection system for Family Medical Leave Act (FMLA), including ensuring that policies and procedures are in compliance and the program is administered consistent with the law.

COUNTY EXECUTIVE'S 2013 BUDGET

DEPT: DAS-Risk Management

UNIT NO. 1150
FUND: Internal Service - 0040

DEPARTMENTAL PROGRAM DESCRIPTION

Risk Management is divided into five sections: Administration, Loss Control, Self-insurance/Deductibles, Insurance Purchases, and Claims Management.

The **Administration Section** supervises the professional staff, coordinates risk management activities between departments and submits reports. The Risk Manager reviews all professional services contracts to advise departments relative to potential liability to ensure that insurance requirements and opportunity for contractual transfer of risk are in place. The FMLA Specialists ensure that the FMLA policies and Procedures are in compliance and administered consistent with the laws.

The **Loss Control Section** develops and coordinates occupational safety, health and loss control programs and procedures with County Departments. This includes serving as chair of the Joint Safety Committee and consulting on departmental safety issues including Wisconsin Occupational Safety and Health Administration (WI OSHA) compliance and allocating training resources provided through the County's liability insurer. This section also coordinates the property insurance and boiler and machinery program including maintaining building and equipment inventory and property claims management.

The **Self-Insurance Section** is responsible for property, general and automobile liability claim reporting, loss analysis, claim data and financing of self-retained losses.

The **Insurance Policy and Services Section** is responsible for selection of brokers; requests for proposals; determination of appropriate deductibles, limits and insurance coverage; and researching the market as well as negotiating with brokers and companies for insurance policies.

The **Claims Management Section** is responsible for administering the Worker's Compensation claims of employees who sustain job-related injuries for medical-only and lost-time claims, and coordination of the return-to-work efforts. The section is responsible for submitting required State Worker's Compensation reports, claim management recovering payments made from negligent third parties, coordinating return to work program with departments as well as developing and coordinating defense and settlement strategies for litigated claims with Corporation Counsel. In addition, a database is maintained for all Worker's Compensation claims.

2013 BUDGET

Approach and Priorities

- Promote safety and loss prevention to reduce accidents and injuries by serving as a resource for departments.
- Maintain service levels and statutory compliance for Worker's Compensation Claim processing.
- Effectively manage County's Occupational Health activities.
- Utilize a combination of insurance programs, including self-insurance and commercial insurance, to minimize adverse effects from unplanned events.
- Assist departments in expanding light duty and injury prevention programs.
- Develop and implement policies and procedures to maintain compliance with FMLA laws.

Programmatic Impacts

- Risk Management assumes administration of FMLA so that this type of leave as well as leave covered under Worker's Compensation can be administered within a single department.
- Risk Management will utilize claim information to identify departments or activities that could benefit from a targeted loss prevention initiative along with education relating to best practices in claims management. The largest single Risk Management expenditure relates to workplace injuries. Working with departments on items such as prompt claim reporting, return to work initiatives and ownership of the process will both keep employees safe and reduce the overall cost of the County's self-insured program.

COUNTY EXECUTIVE'S 2013 BUDGET

DEPT: DAS-Risk Management

UNIT NO. 1150
FUND: Internal Service - 0040

Budget Highlights¹

Personnel Changes

\$6,874

- 1.0 FTE Human Resources Specialist FMLA is created to reflect the administration of the Family Medical Leave Act within Risk Management for an additional salary and benefit cost of \$84,082. 1.0 FTE of BHD Operations Analyst is abolished within the Behavioral Health Division (Org. Unit 6300) to offset this position action and reflect centralization of FMLA functions within Risk Management.
- 1.0 FTE Claims Adjuster is abolished for a decrease in salary and benefit cost of (\$77,208). This position action reflects anticipated needs in the Worker's Compensation area.

Insurance Services

(\$142,901)

Insurance purchases decrease \$142,901 from \$1,948,686 to \$1,805,785. The decrease in expenditures is expected to result from more favorable rates for insurance coverage. The insurance coverages are currently being bid through a Request for Proposal (RFP), the results of which are expected during late 2012.

Claims Management (Worker's Compensation)

\$0

Workers' Compensation self-insurance expenditures remain at the 2012 budgeted level of \$3,663,545 (excluding appropriations relating to the Contribution from Reserves, see below). The frequency of claims has decreased but the severity, driven primarily by medical costs and permanent partial disability awards, has increased.

Contribution from Reserves/Worker's Compensation Expense

\$0

The 2013 Budget includes a Contribution from the Risk Management Reserve (Reserve) of \$500,000 which funds additional appropriations for Worker's Compensation claims. The 2013 budgeted contribution from the Risk Management Reserve remains at the same level included in the 2012 Budget. In past years, Risk Management has requested a fund transfer in mid-year to cover additional worker's compensation expenses. The Contribution from Reserve will allow Risk Management to postpone the fund transfer until November or December when a more accurate projection of year-end expense can be made. At year-end close, the Comptroller's will review actual Worker's Compensation expenses, any available fund balance, the actuarial report for the Reserve, and return any applicable portion of the budgeted contribution back to the Reserve.

Activity and Statistical Summary

Insurance Premiums and Self Insurance

	2011 Actual	2012 Budget	2013 Budget
Retained Losses (self insured/deductible)	\$759,399	\$956,500	\$956,500
Insurance Premiums	\$1,805,379	\$1,948,686	\$1,805,785

Workers Compensation

	2011 Actual	2012 Budget	2013 Budget
Workers Comp Claims Processed	533	570	540
Dollar Amount of Work Comp Claims Processed	\$4,349,543	\$4,163,545	\$4,163,545

Contract Review

	2011 Actual	2012 Estimate	2013 Estimate
Relative to Insurance Requirements*	375	350	365

*Does not include language for RFP's

¹ As in prior budgets, expenses for Risk Management are fully charged to countywide user departments.

COUNTY EXECUTIVE'S 2013 BUDGET

DEPT: DAS-Risk Management

UNIT NO. 1150
FUND: Internal Service - 0040

BUDGET SUMMARY				
Account Summary	2011 Actual	2012 Budget	2013 Budget	2012/2013 Change
Personal Services (w/o EFB)	\$ 288,529	\$ 361,387	\$ 442,054	\$ 80,667
Employee Fringe Benefits (EFB)	293,799	276,774	303,076	26,302
Services	69,847	141,502	149,950	8,448
Commodities	2,509	7,900	13,400	5,500
Other Charges	7,101,184	7,268,731	7,155,830	(112,901)
Debt & Depreciation	397	1,117	2,234	1,117
Capital Outlay	0	0	0	0
Capital Contra	0	0	0	0
County Service Charges	123,941	141,826	218,201	76,375
Abatements	0	0	0	0
Total Expenditures	\$ 7,880,206	\$ 8,199,237	\$ 8,284,745	\$ 85,508
Direct Revenue	127,256	633,088	596,562	(36,526)
State & Federal Revenue	0	0	0	0
Indirect Revenue	7,362,962	7,566,149	7,688,183	122,034
Total Revenue	\$ 7,490,218	\$ 8,199,237	\$ 8,284,745	\$ 85,508
Direct Total Tax Levy	389,988	0	0	0

PERSONNEL SUMMARY				
	2011 Actual	2012 Budget	2013 Budget	2012/2013 Change
Position Equivalent (Funded)*	5.1	5.0	6.0	1.0
% of Gross Wages Funded	100.0	100.0	100.0	0.0
Overtime (Dollars)	\$ 0	\$ 0	\$ 0	\$ 0
Overtime (Equivalent to Position)	0.0	0.0	0.0	0.0

* For 2011 Actuals, the Position Equivalent is the budgeted amount.

PERSONNEL CHANGES						
Job Title/Classification	Title Code	Action	# of Positions	Total FTE	Division	Cost of Positions (Salary Only)
FMLA Specialist	5329	Create	1	1.0	Risk Management	\$ 56,026
Claims Adjuster	1951	Abolish	(1)	(1.0)	Risk Management	\$ (50,442)
TOTAL						\$ 5,584

All departments are required to operate within their expenditure appropriations and their overall budgets. Pursuant to Section 59.60(12), Wisconsin Statutes, "No payment may be authorized or made and no obligation incurred against the county unless the county has sufficient appropriations for payment. No payment may be made or obligation incurred against an appropriation unless the director first certifies that a sufficient unencumbered balance is or will be available in the appropriation to make the payment or to meet the obligation when it becomes due and payable. An obligation incurred and an authorization of payment in violation of this subsection is void. A county officer who knowingly violates this subsection is jointly and severally liable to the county for the full amount paid. A county employee who knowingly violates this subsection may be removed for cause."