



# JUDICIAL COUNCIL OF CALIFORNIA

JUDICIAL BRANCH WORKERS'  
COMPENSATION PROGRAM  
ADVISORY COMMITTEE

[www.courts.ca.gov/jbwcp.htm](http://www.courts.ca.gov/jbwcp.htm)  
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## JUDICIAL BRANCH WORKERS' COMPENSATION PROGRAM ADVISORY COMMITTEE

### MINUTES OF OPEN MEETING

March 17, 2016

9 a.m. to 3:30 p.m.

Judicial Council of California - Sacramento

**Advisory Body Members Present:** **Ms. Tania Ugrin-Capobianco, Chair**, Court Executive Officer, Superior Court of California, County of El Dorado, **Ms. Heather Haymaker Capps**, Benefits & Disability Programs Officer, Superior Court of California, County of Orange, **Ms. Tammy L. Grimm**, Court Executive Officer, Superior Court of California, County of Imperial, **Ms. Cindia Martinez**, Assistant Court Executive Officer, Superior Court of California, County of Sonoma, **Ms. Collette M Bruggman**, Assistant Clerk/Administrator, Court of Appeal, Third District, **Hon. Wynne S. Carvill**, Judge, Superior Court of California, County of Alameda, **Ms. Shannon Stone**, Human Resources Officer, Superior Court of California, County of Contra Costa, **Mr. T. Michael Yuen**, Court Executive Officer, Superior Court of California, County of San Francisco, **Ms. Jeanine Bean**, Director of Human Resources, Superior Court of California, County of Stanislaus, **Mr. Brian Taylor**, Court Executive Officer, Superior Court of California, County of Solano, **Ms. Stephanie Cvitkovich**, Senior Human Resources Analyst, Superior Court of California, County of San Diego, **Mr. Kevin Harrigan**, Court Executive Officer, Superior Court of California, County of Glenn, **Mr. James Owen**, Director of Finance & HR, Superior Court of California, County of Santa Cruz.

**Advisory Body Members Absent:** **Ms. Michele Hafner**, Human Resources Director, Superior Court of California, County of Fresno, **Ms. Christine Volkens**, Court Executive Officer, Superior Court of California, County of San Bernardino, **Mr. David H. Yamasaki**, Court Executive Officer, Superior Court of California, County of Santa Clara.

**Others Present:** Ms. Linda Cox, Ms. Lisa M. Bartlow, Ms. Pat Haggerty, Ms. Leah Toala (Judicial Council); Ms. Jacquelyn Miller, Ms. Angela Jean, Mr. Greg Trout, Mr. Mike Harrington (Bickmore); Ms. Tricia Baker, Ms. Lynn Cavalcanti, Ms. Lea Morales Mendez (AIMS); Ms. Arline Lisinki, HR Manager, Superior Court of California, County of Solano. Ms. Ingrid Merriwether (Merriwether and Williams)

### OPEN MEETING

#### Call to Order and Roll Call

Ms. Tania Ugrin-Capobianco (Chair) called the meeting to order at 9:00 a.m. and took roll call.

### **Approval of Minutes**

The advisory body reviewed the minutes from the past meeting on November 4, 2015. There were no comments or changes to the minutes.

### *COMMITTEE ACTION*

*A MOTION WAS MADE BY MR. YUEN (SAN FRANCISCO) AND SECONDED BY MS. MARTINEZ (SONOMA) TO APPROVE THE NOVEMBER 4, 2015 MINUTES. MOTION CARRIED.*

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### **PUBLIC WRITTEN COMMENTS**

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There were no public comments submitted.

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### **DISCUSSION AND POSSIBLE ACTION ITEMS**

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#### **Presentation on Actuarial Report**

##### **Mr. Michael Harrington's Remarks**

Mr. Harrington (Bickmore) provided an overview of the 2016-2017 actuarial report. He also discussed the program's outstanding claim liabilities, self-insured retention (valued at \$2 million per event), and the loss rates for trial court members compared to state judiciary members. Mr. Harrington projected \$79.3 million in outstanding liabilities at the end of the fiscal year 2016-2017, which is down from the prior year's projection of \$82.2 million--a difference of \$2.85 million.

##### ***Question Asked***

##### **Who are the state judiciary?**

The judiciary includes justices and employees of the Supreme Court, justices and employees of the Courts of Appeal, trial court judges (including judges of the Superior Court of California, County of Los Angeles), employees of the Judicial Council of California, employees of the Habeas Corpus Resource Center, employees of the Commission on Judicial Performance, and judges of the assigned judges program.

*NO COMMITTEE ACTION*

#### **Presentation of Allocation Results for Fiscal Year 16-17**

##### **Mr. Michael Harrington's Remarks**

Mr. Harrington (Bickmore) provided an overview of the allocation methodology and member allocations for the fiscal year 2016-2017. Overall the total program liabilities decreased 5.5 percent from the prior year's projection and premium allocation.

*COSTS TO ALLOCATE FOR 2016-2017*

	TRIAL COURTS	JUDICIARY	TOTAL
ULTIMATE LOSS & ALAE	\$15,296,000	\$725,000	\$16,021,000
CLAIMS ADMINISTRATION	\$2,076,058	\$214,342	\$2,290,400
EXCESS INSURANCE	\$501,232	\$181,963	\$683,195
CONSULTING & BROKERAGE	\$443,288	\$45,767	\$489,055
<b>TOTAL</b>	<b>\$18,316,578</b>	<b>\$1,167,072</b>	<b>\$19,483,650</b>

*COMMITTEE ACTION*

*A MOTION WAS MADE BY MR. TAYLOR (SOLANO) AND SECONDED BY MS. MARTINEZ (SONOMA) TO MOVE THE ACTUARIAL REPORT AND ALLOCATION REPORT TO THE JUDICIAL COUNCIL FOR APPROVAL. MOTION CARRIED.*

**Deficit Reductions Options****Mr. Gregory Trout's Remarks**

At a prior meeting of the JBWCP Advisory Committee (Committee), Bickmore noted in its actuarial report that ultimate incurred claims costs were exceeding annual contributions. Mr. Trout (Bickmore) presented an informational paper on potential deficit reduction measures to reduce the program's \$30 million reserve deficit. At the time, Bickmore recommended re-examination of the practice of "cash flow" funding due to concerns that the asset base, which had been initially created and funded since the program's inception, was eroding. Further study later confirmed a reduction in the overall funding position of the program.

To address the program's financial condition, the Committee took action at its April 2015 meeting and approved for recommendation to the Judicial Council a change from the "cash flow" funding methodology to an "ultimate cost" basis. This resulted in an overall increase (approximately \$2 million) in total member contributions for fiscal year 2015-2016.

Mr. Trout (Bickmore) recommended consideration of additional measures for containing program costs. For example, the program could consider measures to reduce the number of repetitive motion/cumulative trauma claims, which are one of the highest loss cost areas. He recommended that the Committee consider claim cost reduction and categorized the options into four parts:

- 1) Claims settlement and resolution;
- 2) Early return to work programs;
- 3) Litigation management; and
- 4) Focused and comprehensive claims closure project.

Mr. Trout (Bickmore) stated that development of a formal settlement policy with a focus on claim resolution for older cases will aid in further reducing program liability. As always, the longer a case remains open, the more costly the claim. Bickmore provided the Committee with a template for a claims closure project for future consideration.

Mr. Trout (Bickmore) further recommended that an assessment plan should be developed if other cost reduction initiatives do not provide the desired results.

**Question Asked**

**If we pay for old claims in 2016-2017 fiscal year, how will it affect the deficit?**

If we implement a focused claims closure project, it will not increase the premium allocation, but will work to reduce the overall program deficit for the program, which can have an impact on future premium allocations.

*FOLLOW UP*

Ms. Linda Cox (Judicial Council) added that the program reduced overall liability by approximately \$2 million a few years ago through a similar claim closure project performed by the former program consultant, Marsh. She further added that cost reduction methods, such as return-to-work policies, are not required for member participation in the program. She recognized that some courts do not have enough staff and resources to warrant a return-to-work policy.

She suggested that the Committee consider formally implementing a return-to-work program and provide training and support to the courts for a mandatory program.

**Annual Agenda**

**On behalf of the Committee Chair, Ms. Linda Cox's Remarks**

Ms. Linda Cox (Judicial Council) presented the proposed annual agenda for review and approval by the Committee before final approval by Litigation Management Committee. Referencing Items 2 and 3 of the annual agenda, she also discussed the need for two ad-hoc working groups to contain program costs.

Ms. Tania Ugrin-Capobianco (Chair) called for volunteers for two working groups. Each group was added to the annual agenda.

**Settlement Authority Group**

- Ms. Tammy L. Grimm, Chair  
Court Executive Officer, Superior Court of California, County of Imperial
- Ms. Jeanine Bean, Human Resources Director, Superior Court of California,  
County of Stanislaus
- Ms. Colette Bruggman, Assistant Clerk/Administrator, Court of Appeal, Third  
Appellate District

- Ms. Heather Capps, Benefits and Disability Programs Officer, Superior Court of California, County of Orange
- Ms. Stephanie Cvitkovich, Senior Human Resources Analyst, Superior Court of California, County of San Diego
- Ms. Cindia Martinez, Assistant Court Executive Officer, Superior Court of California, County of Sonoma
- Ms. Shannon Stone, Human Resources Officer, Superior Court of California, County of Contra Costa

**Alternative Deficit Reduction Group**

- Mr. Kevin Harrigan, Court Executive Officer, Superior Court of California, County of Glenn
- Ms. Colette Bruggman, Assistant Clerk/Administrator, Court of Appeal, Third Appellate District
- Ms. Stephanie Cvitkovich, Senior Human Resources Analyst, Superior Court of California, County of San Diego
- Ms. Cindia Martinez, Deputy Court Executive Officer, Superior Court of California, County of Sonoma
- Mr. Brian Taylor, Court Executive Officer, Superior Court of California, County of Solano
- Mr. T. Michael Yuen, Court Executive Officer, Superior Court of California, County of San Francisco

Ms. Jade Vu (Judicial Council of California) will serve as staff to each working group.

*COMMITTEE ACTION*

*A MOTION WAS MADE BY MS. GRIMM (IMPERIAL) TO MOVE FORWARD WITH THE ANNUAL AGENDA. SECONDED BY MS. STONE (CONTRA COSTA). MOTION CARRIED.*

**Excess Workers' Compensation Insurance Renewal Provided by Merriwether and Williams**

**Ms. Ingrid Merriwether's Remarks**

Ms. Ingrid Merriwether (Merriwether and Williams is a sub-contractor for Bickmore) stated that the program currently has an excess insurance policy with a \$50 million policy limit. Of the carriers that responded to the request for bid, Arch is the only carrier with a zero rate increase proposal based on the program's current risk assessment. Merriwether is negotiating a two-year premium with Arch with no rate increase. They will seek proposals for a reduced self-insured retention rate, with limits at \$1 million and \$1.5 million.

*NO COMMITTEE ACTION*

**Program Focus for 2016-2017**

**Ms. Linda Cox's Remarks**

Ms. Linda Cox (Judicial Council) stated that the following webinars are available through the Judicial Council of California: risk control, ergonomics, work safety, and workers' compensation processes. The program will provide additional information regarding these webinars to members. These webinars offer important informational training sessions for members and are very well attended. Members also have access to the Bickmore Risk Portal, which contains ergonomic information, videos, and other related training that can help minimize future claims through preventive measures.

*NO COMMITTEE ACTION*

**Workers' Compensation Oversight and Customer Satisfaction Survey**

**Ms. Jacquelyn Miller and Ms. Linda Cox's Remarks**

Bickmore audits AIMS every year to ensure adequacy of claims administration as part of the third party administration (TPA) oversight process. This oversight ensures that all vendors are in contractual and regulatory compliance. Bickmore conducted a technical claims audit and a medical case management audit. As defined by agreement, the target TPA performance and compliance score is 95 percent.

AIMS scored 86 percent on the technical claims audit. The audit did not encompass a full year of claims administration service by AIMS. On the medical case management audit, AIMS scored 99 percent for Utilization Review and 73 percent for Nurse Case Management. AIMS received all audit results to assist them in raising their audit score to 95 percent.

Bickmore surveyed JBWCP members on AIMS' service. AIMS received an overall satisfaction score of 3.8 out of 5. The JBWCP contacted each member who responded with low scores. Furthermore, the JBWCP provided AIMS with suggestions on ways to improve customer service with the JBWCP members.

*NO COMMITTEE ACTION*

**Member Claim Statistics**

**Ms. Jacquelyn Miller's Remarks**

Ms. Miller (Bickmore) discussed the program's open inventory and causes of injury. There were approximately 1,229 open claims as of June 2015. Most claims were tied to ergonomics issues, followed by slips and falls by jurors. Of the 1,229 open claims, 429 were from courtroom clerks. However, the courtroom clerk title is widely used and accounts for the greatest number of employees in the membership's workforce.

Eighteen percent of the 1,229 open claims are from multiple claims by long-term employees. Of the 1,229 open claims, 61 percent were less than two years old and 39 percent were greater than

two years old. The number of claims over two years old justifies the need for a claims closure project and a formal claim settlement policy.

The JBWCP litigated claim ratio is 35 percent, which is below the state average of 38 percent.

*NO COMMITTEE ACTION*

### **Third-Party Claims Administrator Stewardship Report**

#### **Ms. Tricia Baker's Remarks**

Ms. Tricia Baker (AIMS) provided their stewardship report. In the last fiscal year, AIMS received 677 new claims and closed 875 open claims (a 125 percent closure rate), which is above the industry standard of 100 percent. Of the 677 new claims, 16 percent were delayed. Of those delayed, 94 percent were denied.

AIMS acknowledged that closure rates can be improved. Ms. Baker stated that the overall cost of claims has increased, but processing times have decreased in the last fiscal year. AIMS further discussed various programs (e.g., medical billing review, Medical Provider Network, and pharmacy networks) that can help reduce costs (see Materials).

#### ***Question Asked***

#### **Can you explain the benefits of medical control and MPN?**

The benefit of a MPN is the ability to control medical treatment and eliminate practitioners who over prescribe. MPN tracks practitioners and can remove providers if they are not performing within the guidelines outlined in the MPN.

*No COMMITTEE ACTION*

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### **ADJOURNMENT**

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Adjourn to Closed Session at 3:00 p.m.

Reconvene from Closed Session 3:30 p.m.

Report from Closed Session

*No COMMITTEE ACTION*