

Judicial Branch Workers' Compensation Program

Advisory Committee Meeting
July 10, 2017



JUDICIAL COUNCIL
OF CALIFORNIA

Call to Order and Roll Call

Monday, July 10, 2017

2:00 PM



JUDICIAL COUNCIL
OF CALIFORNIA



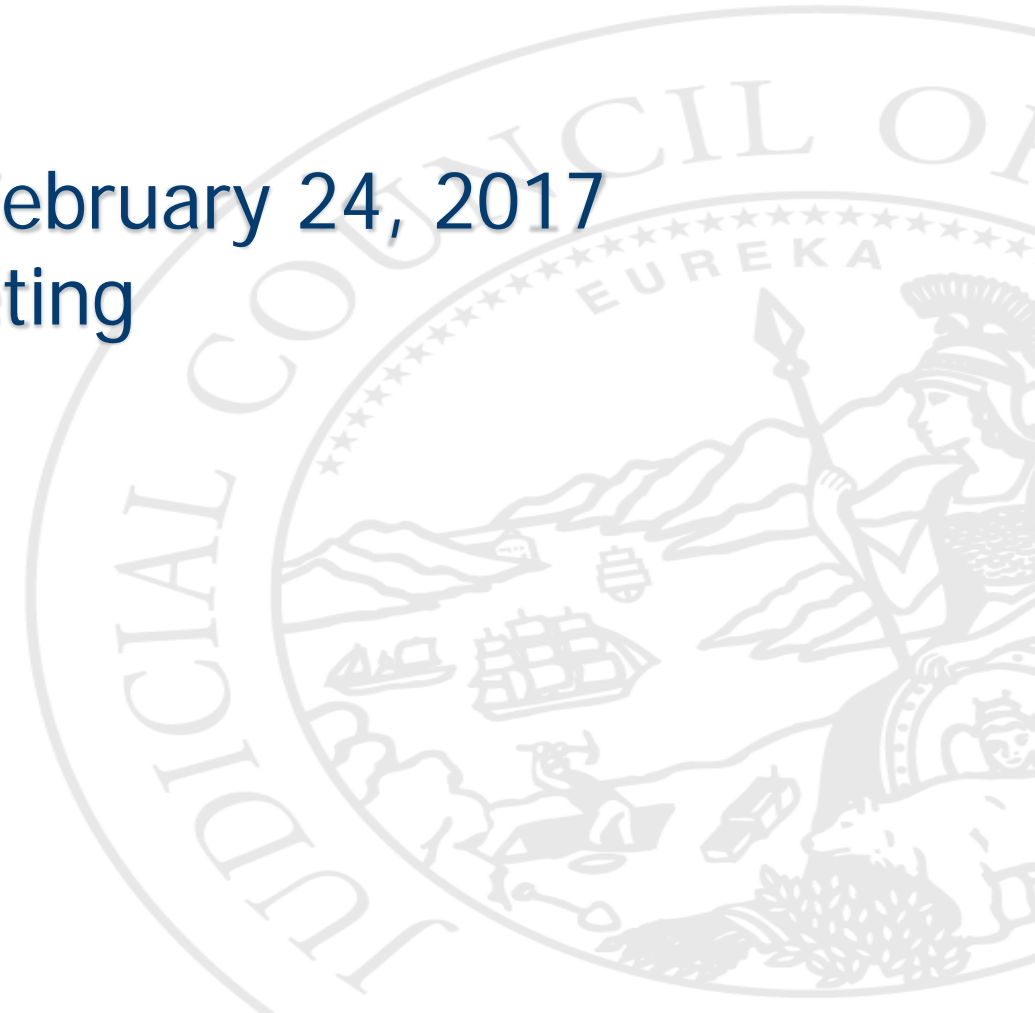
Review and Approval of Minutes

Action Item

Approval of the minutes of the February 24, 2017
JBWCP Advisory Committee Meeting



JUDICIAL COUNCIL
OF CALIFORNIA



Written Comments

This time is reserved to address written comments submitted by members of the public to the Committee.



JUDICIAL COUNCIL
OF CALIFORNIA



Review of Agenda

1. Introductions
2. Current Member Premium Calculations
3. Proposed Methodology
4. Survey Results
5. Next Steps and Timeline



Introduction

- **Tania Ugrin-Capobianco**, Chair, Superior Court of California, County of El Dorado
- Colette M. Bruggman, Court of Appeal, Third Appellate District
- Heather Capps, Superior Court of California, County of Orange
- Hon. Wynne S. Carvill, Superior Court of California, County of Alameda
- Stephanie Cvitkovich, Superior Court of California, County of San Diego
- Kevin Harrigan, Superior Court of California, County of Glenn
- Cindia Martinez, Superior Court of California, County of Sonoma



JUDICIAL COUNCIL OF CALIFORNIA

JUDICIAL BRANCH WORKERS'
COMPENSATION PROGRAM
ADVISORY COMMITTEE

- James Owen, Superior Court of California, County of Santa Cruz
- Shannon Stone, Superior Court of California, County of Contra Costa
- Brian Taylor, Superior Court of California, County of Solano
- Kimberlie Turner, Superior Court of California, County of San Bernardino
- David Yamasaki, Superior Court of California, County of Orange
- T. Michael Yuen, Superior Court of California, County of San Francisco



JUDICIAL COUNCIL
OF CALIFORNIA



JUDICIAL COUNCIL OF CALIFORNIA

ADMINISTRATIVE DIVISION
HUMAN RESOURCES

Program Administration

- Aurora Rezapour, Director, Human Resources
- Patrick Farrales, JBWCP Program Administrator
- Jade Vu, Senior Human Resources Analyst
- Maria Kato, Senior Human Resources Analyst



JUDICIAL COUNCIL
OF CALIFORNIA



Serving Clients is our Purpose.
Client Service is our Passion.

Third Party Administrator Staff

- Carol Azzarito, Program Manager



JUDICIAL COUNCIL
OF CALIFORNIA





Program and Actuarial Staff

- Jeff Johnston, Director, Risk Control Services
- Becky Richard, Manager, Actuarial Services
- Jackie Miller, Manager, Workers' Compensation Program Management



JUDICIAL COUNCIL
OF CALIFORNIA



Current Premium Calculation Methodology

STEP 1:

- Determine the Total Trial Court and State Judiciary Program Costs
 - Loss and ALAE claim costs from actuarial study
 - Claims Handling Fees (TPA Fees) – The total JBWCP TPA Fees allocated to Trial Courts, State Judiciary and Trial Court Judges separately based on:
 - 80% of % Capped Losses
 - 20% of % of Payroll
 - Excess Insurance Premiums – Provided by JBWCP
 - Brokerage/Consulting Fees – The total JBWCP Brokerage/Consulting Fees allocated to Trial Courts, State Judiciary and Trial Court Judges based on
 - 80% of % Capped Losses
 - 20% of % of Payroll



Revised Premium Calculation Methodology

STEP 1:

- Determine the Total Trial Court and State Judiciary Program Costs
 - Loss and ALAE claim costs from actuarial study
 - Claims Handling Fees (TPA Fees) – The total JBWCP TPA Fees allocated to **Trial Courts and State Judiciary (including Trial Court Judges)** based on:
 - 80% of % Capped Losses
 - 20% of % of Payroll
 - Excess Insurance Premiums – Provided by JBWCP
 - Brokerage/Consulting Fees – The total JBWCP Brokerage/Consulting Fees allocated to **Trial Courts and State Judiciary (including Trial Court Judges)** based on
 - % of Payroll



Current Premium Calculation Methodology

STEP 2:

- Determine the Member Premiums:
 - 3 year experience period
 - \$75,000 loss cap
 - The total Trial Court and State Judiciary Loss and ALAE claim costs from actuarial study allocated to members based on weighted average of:
 - Estimated Loss and ALAE Costs based on % of Payroll
 - Estimated Loss and ALAE Costs based on % of Capped Losses
 - Weights based on 3 Year Payroll with largest member receiving 80% weight
 - Claims Handling Fees (TPA Fees) based on 80% of % Capped Losses, and 20% of % Payroll
 - Excess Insurance Premiums based on % of Payroll
 - Brokerage/Consulting Fees based on 80% of % Capped Losses, and 20% of % Payroll



Revised Premium Calculation Methodology

STEP 2:

- Determine the Member Premiums:
 - 3 year experience period
 - \$75,000 loss cap
 - The total Trial Court and State Judiciary Loss and ALAE claim costs from actuarial study allocated to members based on weighted average of:
 - Estimated Loss and ALAE Costs based on % of Payroll
 - Estimated Loss and ALAE Costs based on % of Capped Losses
 - Weights based on 3 Year Payroll with largest member receiving 80% weight
 - Claims Handling Fees (TPA Fees) based on % of Loss and ALAE claim costs
 - Excess Insurance Premiums based on % of Payroll
 - Brokerage/Consulting Fees based on % of Payroll



Summary

Pros of Revised Methodology:

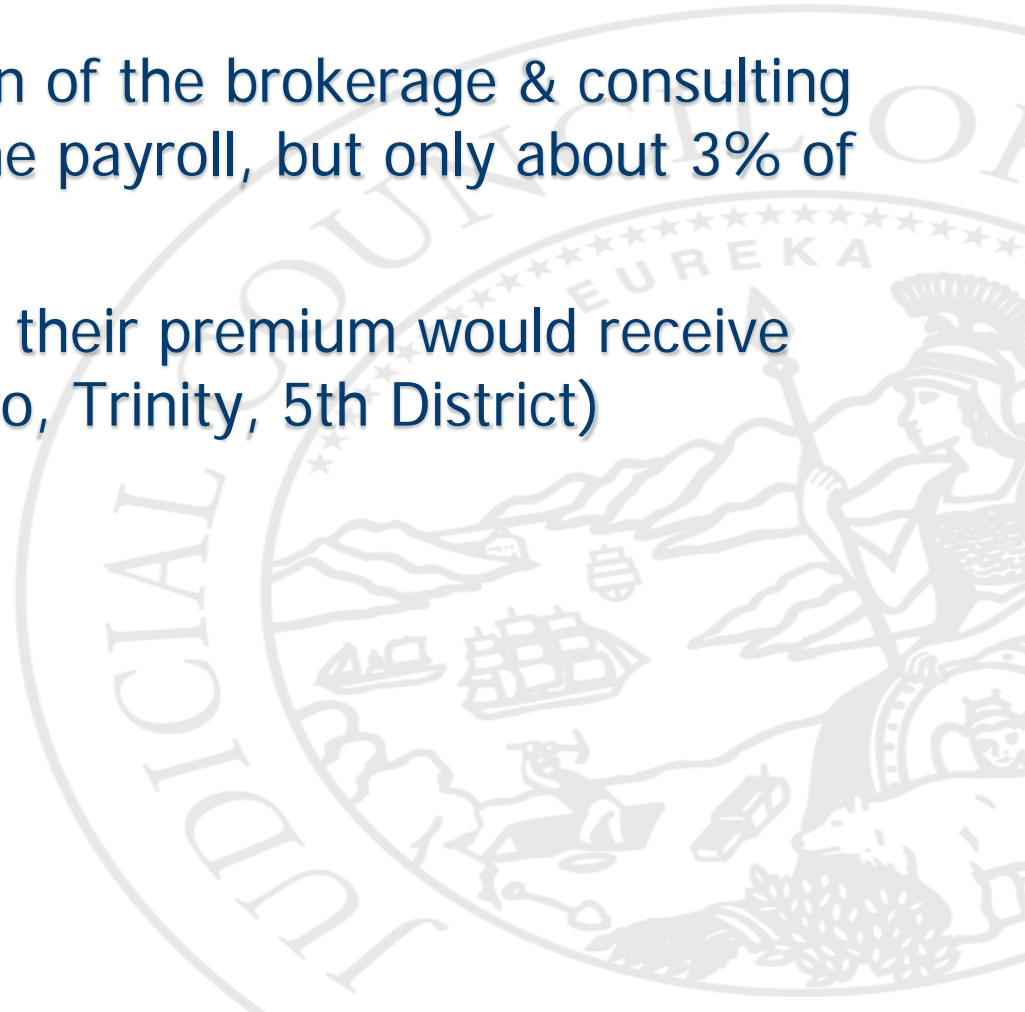
- More equitable distribution of the costs to the individual members
 - Trial Court Judges treated same as all other State Judiciary members
 - TPA fees based on estimated Loss and ALAE costs which the TPA fees support
 - Brokerage/Consulting Fees based on % of payroll since these costs are less based on claims activity
- Less volatility in the member premiums from year to year
 - Brokerage/Consulting Fees based on % of payroll which is less volatile than claims activity
 - Actual 16/17 to 17/18 premium change ranged from -53% to +126%
 - Revised 16/17 to 17/18 premium change would range from -34% to +87%
- Members that experience large increases in their premium would receive smaller increases (ex: Del Norte, Madera, Supreme Court, 4th District)



Summary

Cons of Revised Methodology:

- State Judiciary would receive a larger portion of the brokerage & consulting fees since they are approximately 36% of the payroll, but only about 3% of the losses
- Members that experience large decreases in their premium would receive smaller decreases (ex: Butte, El Dorado, Inyo, Trinity, 5th District)



Impact of TPA and Brokerage/Consulting Change

Division	2013-14 to 2015-16 Payroll (\$000)	Percent Payroll	2013-14 to 2015-16 Incurred Limited to \$75K	Percent Limited Losses	2017-18 Claims Handling	2017-18 Program Admin.	2017-18 Brokerage / Consulting
Current Methodology							
Trial Courts	\$2,463,770	63.65%	\$20,849,252	96.78%	\$2,490,966	\$0	\$514,017
Judiciary	523,532	13.52%	570,792	2.65%	133,304	0	27,508
Trial Court Judges	883,637	22.83%	122,657	0.57%	138,730	0	28,627
Total	\$3,870,938	100.00%	\$21,542,701	100.00%	\$2,763,000	\$0	\$570,152
Alternative Methodology							
Trial Courts	\$2,463,770	63.65%	\$20,849,252	96.78%	\$2,490,966	\$0	\$362,890
State Judiciary	1,407,168	36.35%	693,449	3.22%	272,034	0	207,262
Total	\$3,870,938	100.00%	\$21,542,701	100.00%	\$2,763,000	\$0	\$570,152



Impact to Premiums

<u>Court</u>	2016-2017		2017-2018		2016-2017	2016-2017
	Actual	Revised	Actual	Revised	Actual	Revised
	<u>2016-2017</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2017-2018</u>	to	to
					2017-2018	2017-2018
					<u>Actual</u>	<u>Revised</u>
Del Norte	\$26,954	\$29,960	\$60,903	\$52,886	126%	77%
El Dorado	101,036	100,416	77,020	83,014	-24%	-17%
Orange	1,420,673	1,432,323	1,616,295	1,624,114	14%	13%
Supreme Court	34,867	43,267	75,014	80,827	115%	87%
Trinity	30,763	26,302	15,336	17,281	-50%	-34%
Judicial Council	237,267	252,320	372,261	408,240	57%	62%
6th District Court	11,073	14,768	12,443	17,240	12%	17%



Requested Action

Approve the revised premium methodology for calculating:

- **Claims Handling Fees**

- Allocate based on 80% of percent of losses and 20% of percent of payroll to Trial Courts and State Judiciary, with Trial Court Judges now included with State Judiciary.

- **Brokerage & Consulting Fees**

- Allocate based on percentage of payroll to Trial Courts and State Judiciary, with Trial Court Judges now included with State Judiciary.



JBWCP Survey Results – May 8, 2017

The JBWCP Survey Responses:

- 75 Responses:
 - Court Executive Management – 19
 - Human Resources Staff – 53
 - Other - 3
- Workers' Compensation Expertise:
 - Beginner (0-3 years of experience) - 15
 - Moderate (3-5 years of experience) – 18
 - Expert (5+ years of experience) – 41



JBWCP Survey Results

0-2 – Excellent
2-4 – Very Good
4-6 – Good
6-8 – Fair
8-10 – Poor

Services Provided by the JBWCP

Overall score: 1.93

- Research, review, and resolve members issues
- Responsiveness to emails/calls
- Level of expertise/knowledge
- Level of communication/frequency

Are you aware of the JBWCP Advisory Committee (AC) Initiatives?

- Yes – 33 (55%)
- No – 27 (45%)

Future Types of JBWCP AC Communication

- Training resources for members – 51%
- Recurring program updates – 33%
- Legislative updates - 32%
- Annual program goals - 30%

Future Types of JBWCP AC Communication (Continued)

- Program metrics additional to AIMS monthly reporting – 26%
- Program financial statement (17%)
- All of the above (47%)

WC Forum – If scheduled, would you be interested in attending?

- Yes – 52 (84%)
- No – 10 (16%)

If interested in attending, topics to discuss/review

- Retraining and RTW information (31%)
- Ergonomic (27%)
- Legislative updates (22%)
- Disability ratings (16%)
- All of the above (34%)
- Other



JBWCP Action Plan for FY 2017-2018

- Service
 - Continue to increase member customer service satisfaction
- JBWCP Advisory Committee Initiatives
 - Raise member's awareness from 60% to 70-80%
- Communication
 - Increase training resources to members
 - Send recurring program updates, annual program goals, and legislative updates
 - Provide supplemental program reports and program financial statement
- Workers' Compensation Forum
 - Develop and coordinate a workers' compensation forum with members
 - Share and develop solutions that benefit the entire program during the forum



Bickmore Survey Results

0-2 – Excellent
2-4 – Very Good
4-6 – Good
6-8 – Fair
8-10 – Poor

Quality of WC Oversight Overall score: 2.41*

- Ability to resolve issues raised by members and webinars
- Expertise and assistance to member (*Note: Jackie Miller average score for expertise and assistance - 1.61)

Quality of WC Premium Calculation Process Overall score: 2.39

- Actuarial reports
- Premium calculation reports
- Webinars

Quality of Risk Control Training Overall score: 2.37

- Safety training website
- Safety resources
- Webinars

Evaluation of Presentations at the Annual Advisory Meeting Overall score: 1.93

- Presentation
- Expertise and knowledge

Evaluation of Presentation at Claims Settlement Authority WG Overall score: 1.93

- Presentation
- Expertise and knowledge

Evaluation of Presentation at Alternative Deficit Reduction WG Overall score: 1.67

- Presentation
- Expertise and knowledge



Bickmore Action Plan FY 2017-2018

- **WC Oversight**

- Use webinars, legislative and industry updates, and other publication opportunities to showcase oversight services and assistance to courts
- Develop webinar surveys for immediate feedback to training provided
- Participate in claims reviews with members to provide WC expertise, and continued member focus by understanding of their claims and loss exposure

- **WC Premium Calculation Process**

- Develop a publication to describe the methodology for court personnel
- Determine alternate training and job aid resources

- **Risk Control**

- Incorporate feedback from some individual courts wanting more specific ergonomic exposures covered in webinars and videos
- Provide the level of webinar material in the session description (beginner or advanced)



AIMS Survey Results

0-2 – Excellent
2-4 – Very Good
4-6 – Good
6-8 – Fair
8-10 – Poor

Satisfaction with AIMS' current level of communication. If not, reasons why

- Yes – 76% (35 responses)
- No – 24% (11 responses)
- High AIMS staff turnover
- Delay in response and follow-up
- No claims review

AIMS Primary Strengths

- Level of expertise and knowledge
- Communication and responsiveness with designated claims examiners

AIMS Primary Examiner Responsiveness. If rated fair or poor, how to improve

- Answered – 45
- Average Score: 2.53
- Have consistent examiner to provide continuity
- Current examiner follow up

Rating of the Quality of the Claims Review and Comments Overall Score: 2.18

- Quality of telephone and in-person review, and quality and timeliness of claim review written reports
- Opportunity to obtain and discuss updates, identify cases to close
- Resolving older pending claims

AIMS Supervisors, Primary and Future Medical Examiner

- Communicative quality, timeliness, listening, and overall service
- Supervisors – Average Score: 2.68
- Primary Examiner - 2.39
- Future Medical Examiner – 2.80

What AIMS can do to improve their program

- Staff retention and stability (less turnover)
- Improve communication and response to injured workers, other court departments (e.g. payroll, etc.)
- Consistent primary examiner



AIMS Action Plan for FY 2017-2018

Staffing – Recruiting, Screening, Retention

- Turnover concerns encompassed the vast majority of challenges/issues identified by members, which impact: Communication, Frustration Levels, and Timeliness in moving claims forward

AIMS plans to mitigate the above issues through:

- Updating the recruitment strategy
- Screening
- New hire expectations
- Work environment
- Staff recognition



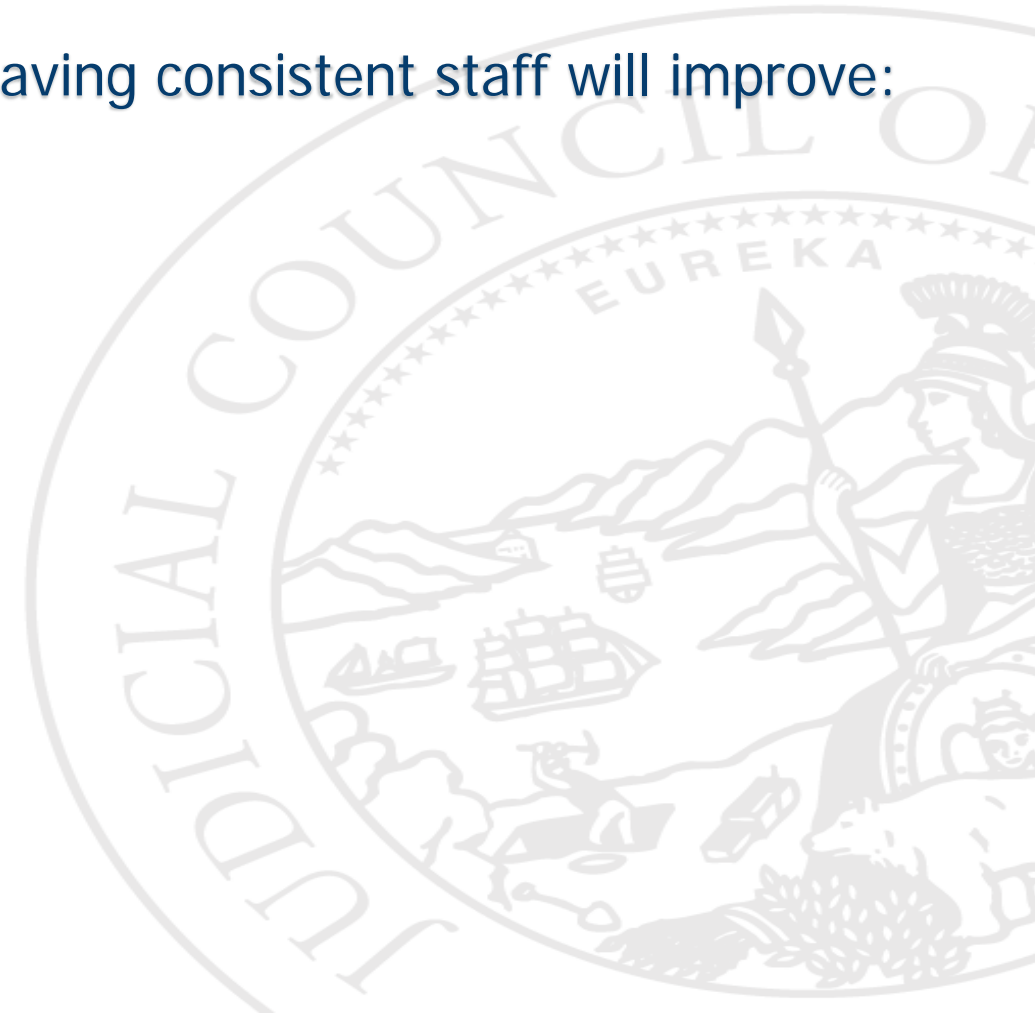
AIMS Action Plan for FY 2017-2018

Communication

- Less turnover of Examiners and Supervisors and having consistent staff will improve:
 - Response delay
 - Frustration levels
 - Relationship-building
 - Claims handling



JUDICIAL COUNCIL
OF CALIFORNIA



Next Steps and Timeline

1. Advisory Committee Review (July 2017)
2. Supreme Court and Appellate Court Executive Management
3. Litigation and Management Committee Review
4. Trial Court Presiding Judges Advisory Committee
5. Court Executive Advisory Committee
6. Executive & Planning Committee
7. Judicial Council Review (November 2017)

