



D.C. Office of Risk Management (ORM) FY2016 Performance Accountability Report (PAR)

Introduction

The Performance Accountability Report (PAR) measures each agency's performance for the fiscal year against the agency's performance plan and includes major accomplishments, updates on initiatives' progress and key performance indicators (KPIs).

Mission

The mission of the Office of Risk Management (ORM) is to reduce the probability, occurrence and cost of risk to the District of Columbia government.

Summary of Services

ORM implements its mission through four programs: Risk Identification, Analysis and Control Division (RIAC), Public Sector Workers Compensation Program, Tort Liability Program and the Captive Insurance Agency. An individual summary of services is provided by division in each section. PERFORMANCE PLAN DIVISIONS: Risk Identification, Assessment and Control, Public Sector Workers' Compensation Program, Tort Liability Program, Captive Insurance Agency, Agency Management

Overview – Agency Performance

The following section provides a summary of ORM performance in FY 2016 by listing ORM’s top accomplishments, and a summary of its progress achieving its initiatives and progress on key performance indicators.

Top Agency Accomplishments

Accomplishment	Impact on Agency	Impact on Residents
In FY16, ORM recovered \$175,846.89 in subrogation claims, exceeding the targeted goal of \$80,000 by 45% for the year.	This accomplishment helped ORM meet and exceed it’s subrogation goal for the fiscal year.	Recovering monies owed to the District from the negligent third parties helps to provide for a stronger economy.
The average number of days to resolve a tort claim in FY 16 was reduced to 37 days. The target goal was originally projected for 56 days. In FY 15, ORM’s actual goal for the year was 50.56 days.	The Program continues to makes strides with its internal policies and oversight in the claim handling process. The ultimate goal of settling claims faster will lower the case load per adjuster as new claims are received.	The effort to provide faster closure will result in better customer service and resolution for claimants.
The Captive Insurance Program held ten training sessions with multiple agencies in FY 16, exceeding its target goal of eight. The following areas were addressed: ORM’s purpose, the need for insurance, self insurance programs, the Captive, risk / exposure identification, contract insurance requirements, multiple lines of business and their application, additional insureds, subrogation, Anti-Deficiency Act, indemnification clause, certificates of insurance, contract review, timeline and process for review by ORM.	Aside from sharing the information, these training opportunities allowed us to develop a rapport with contracting staff, which will make it easier for them to address ORM’s Insurance Program team when they need assistance.	This accomplishment reduces the District’s liability by increasing awareness of potential risk and exposures in the insurance and contracting process.

In FY 2016, ORM had 14 Key Performance Indicators. Of those, 0 were neutral. Of the remaining measures, 57% (8 KPIs) were met, 14% (2 KPIs) were nearly met, and 29% (4 KPIs) were unmet. In FY 2016, ORM had 15 Initiatives. Of those, 53% (8) were completed and 7% (1) were nearly completed, and 40% (6) were not completed. The next sections provide greater detail on the specific metrics and initiatives for ORM in FY 2016.

FY16 Objectives

Division	Objective
Agency Management	Oversee the implementation of agency-wide priorities.
Captive Insurance Agency	Increase contractual risk management and awareness of District agencies.
Captive Insurance Agency	Reduce risks to District property.
Captive Insurance Agency	Ensure DC residents have access to affordable health care.
Public Sector Workers' Compensation Program	Improve the management and efficiency of the Public Sector Workers' Compensation Program.
Risk Identification, Assessment and Control (RIAC)	Reduce the level and cost of risk to the District government.
Tort Liability Program	Reduce the number of lawsuits against the District government.
Tort Liability Program	Recover money owed to the District as a result of tortious acts by third parties.
Tort Liability Program	Develop and maintain a Risk Map so that the District can use to take steps to remediate or reduce defects and/or risks that may be consistently occurring in certain parts of the city.

FY16 KPIs

Objective: Improve the management and efficiency of the Public Sector Workers' Compensation Program.

Measure	Target	Freq	Q1	Q2	Q3	Q4	Total	KPI Status	KPI Barriers
Average number of days a claimant receives workers' compensation benefits for claims opened within the fiscal year.	21.17	A					6.5	Met	
Number of employees returning to work and/or participating in job club	709	Q	134	155	118	274	681	Nearly Met	During the fiscal year the Program only had one employee dedicated to Return to Work efforts. In FY17 we have one additional resource and are in the process of bringing on another position in order to bolster these efforts. Moreover, the Program is not always able to control the physical conditions of our employees in order to assist employees in returning to an active duty status.
Total Cost of the Public Sector Workers' Compensation Program (in millions)	16,000,000	Q	5,400,000	4,000,000	5,100,000	4,100,000	18,600,000	Unmet	The actual cost exceeded the projection by a little more than two (2) million dollars, due to the Program becoming more efficient in its payment to vendors and injured workers. Moreover, the Program has been complying with Court Orders and other Settlements which have required additional funds to be expended.

Number of workers' compensation claims per 100 FTEs	5.22	Q	7.1	7.7	7.2	7.9	7.5	Unmet	<p>The Program is working with the Risk Prevention and Safety Division to promote better training and guidance for workplace safety protocols. If agencies begin to practice safer operations we will reduce the likelihood of claims being filed. Moreover, many of the claims incorporated within the supporting data are "report only" filings which should be considered merely an incident report, but were encompassed in the data provided by the TPA.</p>
Average total payment on all claims that are four years or less (in millions)	10.16	Q	10.6	11.6	12.2	12.9	11.8	Unmet	<p>The number of claim closures have decreased. Although a claim may be inactive, it has remained open which is factored in the calculation of the overall average payment of all open claims in the past four years or less resulting in the increase. We are working to resolve the legal challenges associated with closure of reported claims.</p>
Percentage of reconsideration decisions that are decided and issued within thirty (30) days	100	Q	0	100	0	50	12.5	Unmet	<p>Due to a new litigation process this KPI may need to be retailored. The Program has not met this KPI due to a failed notification process which has been corrected and the above litigation review process.</p>

Objective: Increase contractual risk management and awareness of District agencies.

Measure	Target	Freq	Q1	Q2	Q3	Q4	Total	KPI Status	KPI Barriers
Percentage of government real estate property assets insured by private insurance	16	Q	100	100	100	100	100	Met	
Number of contract and insurance risk management training classes offered to agency officials	8	Q	1	2	0	7	10	Met	
Percent of District government vendors in compliance with ORM minimum insurance requirements	100	Q	100	100	100	100	100	Met	

Objective: Recover money owed to the District as a result of tortious acts by third parties.

Measure	Target	Freq	Q1	Q2	Q3	Q4	Total	KPI Status	KPI Barriers
Subrogation Monies Collected	80,000	Q	49,300.80	23,382.40	44,755.9	58,407.8	175,846.90	Met	

Objective: Reduce the level and cost of risk to the District government.

Measure	Target	Freq	Q1	Q2	Q3	Q4	Total	KPI Status	KPI Barriers
Percentage of agencies under the purview of the Mayor that file Cost of Risk reports	60	A					100	Met	
Number of environmental and safety inspections/re-inspections at District Government buildings	615	Q	164	66	86	301	617	Met	
Percentage of eligible facilities for which agencies have submitted an Emergency Response Plan (ERP) for approval by ORM	100	Q	87.39	98.24	96.26	96.55	94.6	Nearly Met	RPS (formerly RIAC) worked with every District agency to obtain completed ERPs. The ERPs not yet submitted have been evaluated by RPS but are missing important emergency information and have not been approved in time for the end of the fiscal year. Agencies without a completed ERP include FEMS, DDS, OS and OUC.

Objective: Reduce the number of lawsuits against the District government.

Measure	Target	Freq	Q1	Q2	Q3	Q4	Total	KPI Status	KPI Barriers
Average number of days to resolve tort claims that were filed in same fiscal year	56	Q	37	47	33	32	37.3	Met	

FY16 Workload Measures

Measure	Freq	Q1	Q2	Q3	Q4	Total
Number of OSHA complaints received by ORM from District agencies	A					27
Number of tort claims filed with ORM	A					2,020
Total number of open worker's compensation claims filed with ORM	A					1,567
Number of insurance inquiries received by ORM from District agencies	A					562

FY16 Initiatives

Title: Implement a Risk Management System (RMS) to provide a comprehensive and centralized database to capture and analyze the core services of the agency.

Description: In FY16, the agency will lay the foundation to implement a risk management application that will allow for a comprehensive and centralized method to manage the agency's operations including public sector workers compensation management, tort claims, insurance and risk identification and analysis.

Complete to Date: 25-49%

Status Update: ORM (via OCTO) brought on board an Enterprise Architect to lay the foundation of the Enterprise Risk Management System (ERMS). ORM held regular meetings with OCTO, DCHR and ORPS to integrate Workers' Compensation payments with PeopleSoft. ORM issued a Request for Interest to gather information for possible solutions for the ERMS and to develop a Request for Proposal

If Incomplete, Explanation: ERMS is expected to be substantially completed in FY 17.

Title: Number of contract risk management and risk awareness seminars conducted for agency officials.

Description: Agencies frequently seek advice from ORM on how to protect the District from risks and liabilities as they carry out agency initiatives, particularly when coordinating special events. Moreover, agency staff is not aware of the steps that they need to take to protect the District from the conduct of vendors who may be providing a contract service on behalf of the District. Consequently, there is a great need to conduct roundtable discussions or seminars to educate agency staff on risk reduction efforts that agencies can take to insulate the District from risk and liability exposures when they either carry out agency work or hire contractors to provide government services

Complete to Date: Complete

Status Update: A training platform was developed by the Insurance Division to review the minimum insurance requirements for contractors and vendors with multiple agencies to address issues. ORM met its performance goal as it relates to round table discussions with partner agencies. However, ORM believes additional conversations and reviews are necessary to continue to minimize the District's exposures

Title: Number of in-house risk management seminar to Captive members.

Description: ORM administers the D.C. Captive, which provides medical malpractice liability insurance to four non-profit community health clinics. By providing subsidized insurance to clinics that are otherwise not able to afford market-rate insurance, the D.C. Captive facilitates thousands of residents' access to affordable health care and wellness education. With the assistance of the Captive Manager and the D.C. Captive Advisory Board, in FY16, ORM plans to continue to conduct in-house risk management seminars at the locations of each insured clinic for all insured staff of each health center in order to cover important risk reduction topics (i.e. securing confidential medical information; use of modern technological equipment to reduce liability risk, reducing at-risk births with new prenatal care outreach efforts).

Complete to Date: Complete

Status Update: In FY 16, the Captive Insurance Agency performed inspections of the four health centers currently covered by the Captive. At the conclusion of those inspections, the outcome and findings to mitigate its exposure were shared with the clinics

Title: Number of District residents who receive medical care at clinics who receive subsidized medical liability insurance from the District.

Description: ORM provides medical malpractice insurance to four clinics in the District of Columbia. ORM will document the number of people who are utilizing the services of these four clinics to determine whether the clinics are providing a useful and important medical service to residents of the city. In addition, ORM will collect information on the number of patients who are being treated by the healthcare facility. This data will help the District determine whether the clinics

are providing a useful service to District residents and whether the volume of medical services provided to District residents support the liability coverage and expenses offered by the City.

Complete to Date: Complete

Status Update: Four clinics renewed their medical malpractice insurance policies. Total patient visits increased from 31,321 to 35,281 visits

Title: Build a stronger District property risk management program through a combination of self-insurance and private insurance.

Description: In FY 14, ORM hired a third-party commercial property insurance broker and purchased commercial property insurance, including terrorism coverage for District-owned Property. In FY16, ORM will continue to review the insurance program to: (1) inform all District agencies of the program and the importance of safeguarding and properly maintaining District-owned property, (2) explore opportunities to leverage the commercial property insurance program to include additional types of insurance coverage.

Complete to Date: Complete

Status Update: Currently the properties are insured, but the contract will be up for renewal at the end of the first quarter in FY 17.

Title: Increase the number of injured workers, who have received medical permission to work in a limited, modified or full duty capacity, to return back to the workforce in some type of work capacity.

Description: In the past, the Public Sector Workers' Compensation Program's (PSWCP) Return-To-Work (RTW) program's main objective was to temporarily place injured workers in alternative modified work assignments, in order to facilitate their transition back to full duty on a permanent basis. In FY14, ORM hired a new RTW Officer for the program, creating new efforts and initiatives for further outreach to injured workers. Efforts include job fairs and program orientations that partner with other agencies and businesses for job placement and training. With increased efforts in the start of FY16, ORM plans to reduce the total number of claimants receiving workers compensation by returning them to limited, modified or full duty capacity work.

Complete to Date: 50-74%

Status Update: The RTW program gained new partnerships with local community colleges, such as UDC and PGCC to increase the marketability and productivity of injured workers. The programs include educational and professional certification training's that appeal to a wide variety of employers. The RTW program has also implemented RTW agency coordinator meetings to keep agency Human Resources (HR) Representatives and Risk Managers abreast of RTW policies and to solicit agency RTW Coordinators for future program initiatives.

If Incomplete, Explanation: During the fiscal year the Program only had one employee dedicated to Return to Work efforts. In FY17 we have one additional resource and are in the process of bringing on another position in order to bolster these efforts. Moreover, the Program is not always able to control the physical conditions of our employees in order to assist employees in returning to an active duty status.

Title: Improve data accuracy, auditing and analysis.

Description: ORM seeks to improve the overall efficiency of the PSWCP by auditing as well as making recommendations for losses or claims that appear to be fraudulent, auditing overpayment files, reviewing payment calculations before checks are issued to claimants, and auditing files to determine whether actions have been taken after the issuance of Additional Medical Examination reports that releases an injured worker to work in some type of limited or full duty capacity. The Program will evaluate files to determine if the Third Party Administrator has committed errors and/or omissions as a result of its performance, and will implement a tracking system to facilitate recovery of monies due to any errors by the TPA. Program staff will work with the TPA to improve in the collection and entry of claim management data and the analyzing of such data. Also, the Program will develop a quality assurance review process or protocol for all certified payments by the Program.

Complete to Date: 50-74%

Status Update: To increase efforts to improve claims management and the recovery of revenues owed to the District, ORM has dedicated additional legal support to examine and evaluate potential overpayments, fraudulent activity and the miscalculations of benefit rates. ORM has teamed up with the Office of the Chief Technology Officer (OCTO) and the Office of Payroll and Retirement Services (OPRS) to administer workers' compensation payments via PeopleSoft. This new effort will ensure that payments are timely and accurate

If Incomplete, Explanation: This is an ongoing process that is being improved as we move forward with better reporting and payment systems.

Title: Issue reconsideration decisions within 30 days of filing of request for reconsideration.

Description: After the PSWCP issues its initial decision on whether to accept or deny a claim for workers' compensation, the injured worker can request that the Program review and reconsider the Program's initial decision that was adverse to the claimant. It is the policy and practice of the PSWCP to review, decide and render reconsideration decisions within thirty days of receipt. However, the Program has never tracked whether it is complying with its policy and to what extent. This initiative will help to facilitate an efficient decision-making process because it will require the agency to collect data to determine whether reconsideration decisions are being issued within 30 days of the program receiving the request.

Complete to Date: 50-74%

Status Update: The Program received a limited amount of requests for reconsideration within the fiscal year and is working to devise a more effective mechanism for the decision making process. ORM began revising current regulations that may potentially eliminate such submission requests for review to the Program

If Incomplete, Explanation: Due to a new litigation process this KPI may need to be retailored. The Program has not met this KPI due to a failed notification process which has been corrected and the above litigation review process.

Title: Reduce the overall number of employees who receive workers compensation benefits, which impacts total cost to the workers' compensation program.

Description: It is important that the program continue to track total program costs, the number of claims filed with the program as well as the number of days that claimants remain on workers' compensation. While ORM has made gains in how it manages the Program, and has identified successful practices that have improved the overall operations, it continues to face challenges. In FY16, PSWCP will continue to conduct audits, roundtable reviews of claims, as well as incorporate other evaluative methods of the TPA to reduce the overall claim count, which will result in a reduction of the total cost to the Program.

Complete to Date: 50-74%

Status Update: ORM continues to monitor and audit the performance of the TPA with quarterly claim file audits and by providing defective performance notices on a monthly basis. The TPA has added additional supervisors and senior claims examiners to improve claims management and to provide a more rigorous claim review workflow. With additional supervision and a more rigorous review and audit of claim files, we intend to bring more claims to proper closure, which will result into an overall reduction of claims and program costs.

If Incomplete, Explanation: The actual cost exceeded the projection by a little more than two (2) million dollars, due to the Program becoming more efficient in its payment to vendors and injured workers. Moreover, the Program has been complying with Court Orders and other Settlements which have required additional funds to be expended.

Title: Assist District Agencies in revising their Continuity of Operation Plan (COOP).

Description: The Office of Risk Management collaborates with all Agency Risk Management Representatives (ARMRs) on emergency response planning. In FY16, ORM will collaborate with the District of Columbia Homeland Security and Emergency Management Agency (HSEMA) to facilitate a state of readiness for a variety of potential emergencies to create a viable Interagency COOP Framework. ORM has assisted in the development of the COOP Framework document

to, in part, to prepare for various emergencies and disasters that may affect District agencies' employees, facilities and other resources. Furthermore, ORM is committed to supporting emergency preparedness by coordinating with HSEMA to ensure participating District agencies are periodically updating, testing, training and exercising the Interagency COOP Framework.

Complete to Date: Complete

Status Update: ORM worked closely with HSEMA throughout FY16 to develop and update COOP plans for District agencies. HSEMA presented two emergency planning and business recovery training sessions on COOP plans at the DCORM Risk Management Council meetings attended by all Agency Risk Management Representatives (ARMRs). ARMRs are responsible for completing their agency's COOP.

Title: Continue to conduct environmental and structural inspections at District Government owned and operated buildings.

Description: The inspections that are conducted by ORM Occupational Safety and Health inspectors are ongoing tasks that cross fiscal years; however, based on FY15 inspection activities, the RIAC Division's main goal is to ensure that building inspections and follow-up inspections are (a) conducted using Occupational Safety and Health Administration's (OSHA) guidelines and (b) communicated to the Directors and Agency Risk Management Representatives (ARMRs) to ensure that the buildings are safe, healthy, and comply with OSHA standards and regulations. In FY16, ORM building inspection plans will focus on facilities with the greatest risk of exposures to employees and visitors.

Complete to Date: Complete

Status Update: RIAC completed 301 inspections in the fourth quarter of FY16 making it possible to exceed our FY16 inspection target of 615.

Title: Achieve 100% participation of all District agencies required to create and submit Emergency Response Plans (ERPs).

Description: In FY15, agencies submitted Emergency Response Plans (ERPs) for 85 percent of the District government buildings that are required to have an ERP, falling short of the 100 percent goal. The majority of the outstanding deliverables (15 percent) are from two District agencies with multiple buildings that require ERPs. In FY16, ORM will continue to assist agencies with the creation of ERPs, with the goal of 100% of District government buildings having an ERP submitted for approval to ORM.

Complete to Date: 75-99%

Status Update: RIAC obtained 95% of the District agency Emergency Response Plans by the end of FY16. District government locations without a completed ERP include FEMS, OUC, OS and DDS.

If Incomplete, Explanation: RIAC worked with every District agency to obtain completed ERPs. The ERPs not yet submitted have been evaluated by RIAC but are missing important emergency information and have not been approved in time for the end of the fiscal year. Agencies without a completed ERP include FEMS, DDS, OS and OUC.

Title: Resolve tort claims more efficiently.

Description: In FY13, ORM implemented several new policies designed to resolve tort claims filed with ORM more effectively and efficiently (i.e. requiring all claims be reviewed by ORM's Tort Liability Manager, enforcing inter-office deadlines for claims resolution, etc.). As a result of the policies implemented, in FY 14, ORM continued to make some progress in the time it took to resolve claims. By the third quarter of FY 15, the average time ORM took to resolve claims has slightly improved from FY 14. In FY 16, ORM will build on the policies established in FY14 and attempt to decrease the number of days it takes to resolve tort claims by five percent. ORM will also analyze the litigation trend and outcome for cases to conduct a cost-benefit analysis of claims that are denied by ORM.

Complete to Date: Complete

Status Update: ORM continued to build on established policies in an effort to effectively and more efficiently resolve claims. We have significantly reduced the average number of days to resolve a Tort claim by modifying the Tort claim process. For example, ORM conducted a closing project to assess and evaluate

older open claims. The closing project lead to lowering adjuster claim counts, which enabled each adjuster to focus on claim resolution more efficiently.

Title: Increase subrogation revenue recovered by the Tort Program.

Description: Within the first three quarters of FY 15, funds recovered through subrogation surpassed the amount projected by approximately \$3,500. For FY 16, ORM plans to further improve subrogation revenue through three approaches. First, ORM looks to launch a District-wide online incident report system through Peoplesoft that would capture all incidents involving DC employees and property. This system will allow ORM to automatically receive notice of incidents involving District property, so the subrogation adjuster can evaluate the incident for subrogation. Second, ORM has requested for all crash reports from September 8, 2012 2015 involving District vehicles (with the exception of MPD and DDOT) from MPD, so they can be evaluated for subrogation. Because the statute of limitations does not apply to the District, the goal is to work in three-year increments backwards to capture all claims that can be pursued for subrogation. Third, ORM is critically analyzing subrogation efforts by agencies with delegated subrogation authority to determine whether agency's subrogation responsibility should be return to ORM.

Complete to Date: Complete

Status Update: ORM staff met weekly to discuss liability on open claims to determine whether subrogation can be collected in our efforts to increase subrogation revenue. ORM continued to review older closed claims in effort to discover uncollected monies owed to the District. ORM reached out to agencies in an effort to determine potential subrogation claims.

Title: Create a District City Risk Map.

Description: In FY 15, ORM sought to create and maintain a District City Risk Map, which will track areas where individuals have had accidents/incidents in the District based on claims that ORM's Tort Liability Programs receives (i.e. motor vehicle accidents, slip/trip and falls and tree falling claims). The map will allow ORM, other District agencies and the public to track alleged incident/accident types in the District by incident/accident type and location. The map will also facilitate the remediation of risks or reduce defects/claims that may be consistently occurring in certain parts of the City. Until a new risk management system is in place, ORM anticipates using an online map-generating website to create a risk map based on data received for each fiscal year. ORM is contemplating the feasibility of creating a live map that will be made available on its website that will be updated weekly.

Complete to Date: 25-49%

Status Update: ORM continued to work towards implementing a Enterprise Risk Management System (ERMS), which in part will contain a risk map capturing current and potential risks in the District. The map will allow ORM to track incidents throughout the District and anticipate potential risks which may lead to corrective measures in order to lower the District's exposure for a claim

If Incomplete, Explanation: The risk map will be a function of the Enterprise Risk Management System which is slated for completion by year end FY 17.