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AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: HOWARD A. JORDAN
CHIEF OF POLICE

SUBJECT: OPD Workers' Comp. Reduction Plan

DATE: June 21, 2012

City Administrator

Date

Approval

6/22/12

COUNCIL DISTRICT: City-Wide

RECOMMENDATION

Staff requests that Council accept this supplemental informational Workers' Compensation Report detailing how the Police Department plan to address the increase in Workers' Compensation claims in the department.

REASON FOR SUPPLEMENTAL

At the June 12, 2012 Finance and Management Committee meeting, staff presented a supplemental informational report that details the plan from the Oakland Police Department addressing the projected increase in Workers' Compensation claims. The report listed a number of actions that OPD will take in order to reduce the number of workers who are on light duty and totally temporarily disabled. A number of challenges to implementing those strategies were communicated by staff. This report describes the measures the City will take in order to overcome those challenges and achieve a reduction in injured workers.

OUTCOME

Acceptance of this Information Report will provide information regarding the implementation of the Oakland Police Department's efforts to developing an effective and efficient plan to reduce employee injuries, claims, and improving safe working conditions. The Workers' Compensation Program will focus on reducing claims and preventative cost to the City.

Item: _____
Public Safety Committee
June 26, 2012

BACKGROUND/LEGISLATIVE HISTORY

The City of Oakland Police Department has faced challenges with an increase of injury claims in the past year. The statistics indicate the Oakland Police Department will have a 29% increase compared to the previous year.

The measures that OPD will take to reduce Workers' Compensation claims are:

- Injury avoidance
- Reporting elements and root causes of claims
- Complete analysis of claims to identify a proper response for reduction
- Work site employee wellness programs
- Employee awareness and referrals
- Health and fitness in the work place
- Work site inspections and assessments
- Injury reduction training
- Risk management
- Evaluation of in-service training practices.

As mentioned at the June 12th Public Safety Committee meeting, there are gaps in information-sharing between OPD and DHRM. These gaps will be overcome in order to develop a systematic approach to managing risks related to industrial injuries. Information sharing between OPD and DHRM has been compartmentalized, which will change. For example, OPD Personnel receives reports on injuries as they occur. OPD Training receives a listing of all injuries, with no indication as to severity or lost work time. Taken together, these reports provide valuable information about trends and patterns. Separately, the reports are far less useful.

Although this is a management issue, the main impediment to this type of cross-sectional risk analysis is lack of resources. The Workers' Comp Specialist and the Human Resources Manager positions had existed in OPD, but were eliminated as a result of a series of budget reductions. Over the past several years, budget cuts have taken a toll on OPD resources, particularly in civilian administration. In 2008, there were 371 civilian FTE positions in OPD. In 2010, there were 364. Today, there are 325 civilian FTE positions in OPD. There is no capacity to take on the administration of Workers' Compensation with existing positions, which is why the dedicated Workers' Compensation Analyst is requested in the 2012-13 mid-cycle adjustment. Workers' Compensation specialization is a focused discipline that has legal risks if not performed in accordance with HIPPA and other regulations. Due to the specialized nature of the job, there is little opportunity to provide on the job training to the Workers' Comp Specialist, which also impacts management's ability to fill this position with existing staff.

OPD staff contacted other agencies in order to determine what type of information police departments normally receive to effectively manage risk from industrial injuries, and to

Item: _____
Public Safety Committee
June 26, 2012

maximize resources dedicated to risk analysis. OPD received examples of reports that departments receive in order to identify trends and patterns related to industrial injuries. DHRM is now working with JT2 to determine how comparable information can be provided to OPD. This will also help close information gaps.

ANALYSIS

The Oakland Police Department has been directed to provide a detailed plan addressing how the department plans to address each of the measures described above. During the 2011-13 budget process, two positions were proposed to implement an aggressive Workers' Compensation program in OPD. One is the HR Manager – which will be responsible for overall development and implementation of the program; and the second is the Workers' Compensation Coordinator, which will be responsible for processing and analyzing claims for trends and patterns. The HR Manager was approved in the 2011-13 Adopted Budget, and the Coordinator position is proposed in the 2012-13 mid-cycle. The Coordinator position is essential for the successful implementation of this plan.

Since 2004, Risk Management funded two positions through the Third Party Administrator's (JT2) contract to provide Workers' Compensation coordination for the Police Department. These positions functioned similar to an authorized position in the Public Works Agency. The JT2 employee recently accepted a position within the City, and is no longer available to work as OPD's Workers' Compensation Coordinator. OPD proposes that the funding utilized to pay for the JT2 position be allocated to off-set the cost for a permanent Workers' Compensation Specialist position within OPD. This position is critical to aggressive management and proper administration of Workers' Compensation claims. The position provides the following services:

1. Works with Risk Management and the City's third party administrator to properly record and transmit injury documentation to ensure the proper and timely delivery of Workers' Compensation benefits to injured employees.
2. Provides the appropriate coding block to payroll so that injured workers are paid from the appropriate funding source.
3. Follows up with injured employees and supervisors regarding documentation on injury restrictions and leaves, focusing on quickly returning the employee to work. By not appropriately staffing this function, OPD will likely continue to experience a sharp increase in claims and a reduced return to work rate for injured employees, translating to thousands of dollars spent unnecessarily in Workers' Compensation benefits and overtime pay. This position will also perform quantitative and qualitative analyses of trends and patterns in claims in order to provide management with the tools to reduce future claims.

In addition to filling these positions, OPD is working with DHRM to develop reports that summarize injury information so that DHRM and OPD staff can identify trends and patterns in industrial injuries in order to develop strategies to reduce injuries. For example, if a large number of knee injuries are occurring in defense tactics training, DHRM can work with Training instructors to modify training practices. These reports should be available to OPD staff by mid-July 2012.

OPD will work with DHRM to have both positions filled and dedicated to implementing injury reduction strategies by July 1, 2012.

PUBLIC OUTREACH/INTEREST

This item did not require any additional outreach other than the required posting in the City's website.

COORDINATION

This report was prepared in coordination with the Risk Management Department.

COST SUMMARY/IMPLICATIONS

FISCAL IMPACT: This is an informational report only; there is no fiscal impact.

SUSTAINABLE OPPORTUNITIES

Economic: No direct economic opportunities have been identified.

Environmental: No environmental opportunities have been identified.

Social Equity: No social equity opportunities have been identified.

For questions regarding this report, please contact Gilbert Garcia, Deputy Director, Bureau of Services, (510) 238-6443.

Respectfully submitted,



HJ

HOWARD A. JORDAN
Chief of Police

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Bureau of Services
Deputy Director

Item: _____
Public Safety Committee
June 26, 2012