

# Finance Department:

## Workers' Compensation Division

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203-946-8357

**Division Head:**

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**Additional Point Person:**

Michael O'Neil, Acting Controller  
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**Positions:** GF- 1

**General Fund Budget:** \$ 9,687,053

**Capital Fund Budget:** \$0

**Special fund Budget:** \$0

### Legal Authority:

The Workers' Compensation Division is organized under Department of Finance and reports directly to the City Controller and must function within the requirements of the CT Workers' Compensation Act to fulfill the City's statutory obligations.

### Mission/Overview:

The Workers' Compensation Division supervises all aspects of the City's Self Insured Workers' Compensation Program. The City is an authorized Self Insurer by the State of Connecticut Workers' Compensation Commission.

The City's Certificate of Self Insurance, which has an effective date of July 1, 1980, was issued by then State of Connecticut Workers' Compensation Chairman Arcudi on November 14, 1980.

**The City's Self Insurance Certificate is on file in the Workers' Compensation Division.**

**Note:** The Certificate of Self Insurance **is critical** to the interests of the City. Without this designation, the Workers' Compensation Commission could compel the City to maintain Excess Workers' Compensation coverage and dictate the level of self retention.

In addition to its responsibilities under the Workers' Compensation Act, the City is also obligated to its sworn Police and Fire personnel under the terms of the Heart and Hypertension (H&H) Act.

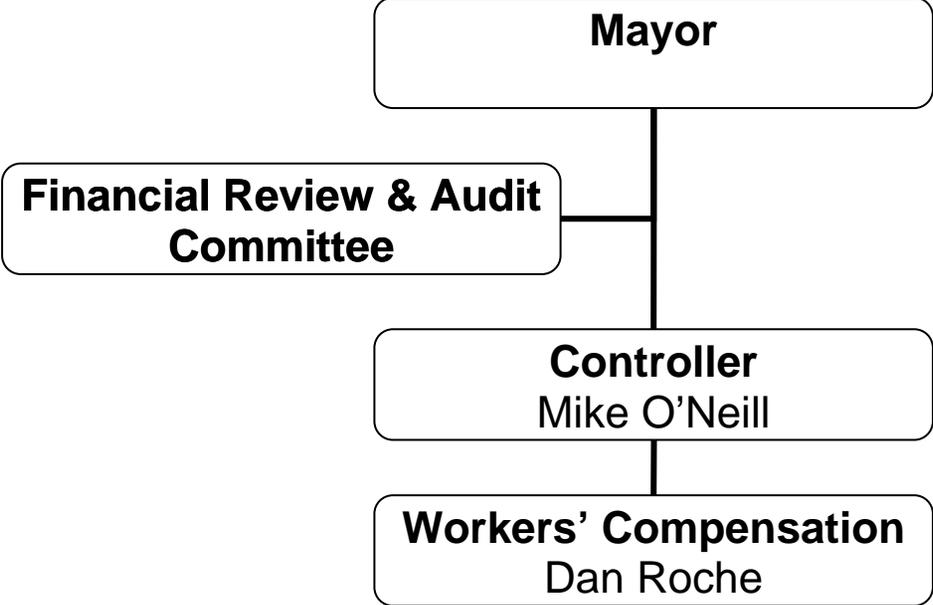
The liabilities under the H&H Act can not be covered by the purchase of insurance and must be self funded.

Link here (<http://wcc.state.ct.us/law/menus/wc-act-2013.htm>) to the CT Workers' Compensation Act and other related statues related to municipal employee, including the Heart and Hypertension Act.

Since 1996, the City has utilized the services of the Connecticut Interlocal Risk Management Agency (CIRMA) to operate as the City's Third Party Administrator for the day to day handling of its workers' compensation and H&H claims.

### **Attention Required by March 31st:**

None, but note the opening comments under the Section entitled "Summary of Open Items"



## **Budget Summary:**

**Salary:** \$76,847 –Workers' Compensation Coordinator (Included in Department of Finance Summary)

**Claim Payments:** \$8,310,206 was budgeted in Fiscal Year 2014 in order to cover payments for Workers' Compensation and Heart and Hypertension to City employees and their medical providers.

**Other Contractual Services:** \$1,300,000 was budgeted in Fiscal Year 2014 to cover contractual services from the City's Workers' Compensation Third Party Administrator (CIRMA) and Risk Management Consultant (PMA). Other obligations paid out this Line Item include Annual and Quarterly Assessments from the Workers' Compensation Commission and the State of Connecticut Second Injury Fund. The City's Excess Workers' Compensation Policy is also paid from this Line Item.

## **Summary of Open Items:**

During Fiscal Year 2012-13, the City transacted a major business item associated with its Workers' Compensation Program.

In January 2013, the City put the administration of its Workers' Compensation Program out to bid for the period starting July 1, 2013 as required by the terms of the 2010 Request For Proposal (RFP).

CIRMA was retained as Third Party Administrator (TPA) and PMA Management Corporation of Meriden was retained to provide Risk Management Consulting Services and Training.

PMA was also a bidder for the TPA Services in 2013 and has been a bidder for these services during each RFP process since 1996. In 2004, PMA was first selected by the City to provide Risk Management Consulting Services and Training. These services are delivered in the areas of regulatory compliance (CONN-OSHA) non-regulatory compliance training such as Defensive Driver Training and Back Safety and Safe Lifting.

Both CIRMA and PMA were awarded an Agreement for Fiscal Year 2014, with four (4) Option Years, with the City holding the Option for these additional years.

**The Fiscal Year 2013 Agreements for CIRMA and PMA are on file in the Workers' Compensation Division.**

This Fiscal Year Agreements are being finalized at this time.

The Implementation of the Memorandum of Agreement that the City reached with a major local Orthopedic Group in response to the conduct of a physician in a workers' compensation case. The Orthopedic Group has committed to Restitution for the costs associated with the physician's actions, agreeing that the physician in question will not treat any new City employees and to improved engagement with CIRMA.

In April, the City's Insurance Consultant begins working with the Workers' Compensation Division and the City's departments to

Prepare for the procurement of the City's Excess Workers' Compensation Policy for the upcoming Fiscal Year. The Excess Workers' Compensation Policy, which has a Self-Retention of \$1.5 M, has protected the City from having to fully self funding catastrophic losses in 2006 and 2008.

**The City's Fiscal Year 2014 Excess Workers' Compensation Policy is on file in the Workers' Compensation Division.**

## **Major Functions / Projects:**

There are several areas from which most of the activity of the Workers' Compensation Division flows. These are Oversight of the City's Third Party Administrator, Management of the City's Return To Work Program and Policy, Oversight of the City's Safety Committee and Sub-Committees and assisting Corporation Counsel in the management of Third Party cases and recoveries.

There has been a concerted and ongoing effort during past two years effort by the Workers' Compensation Division on behalf of the Controller, Chief Administrative Officer, Manager of Human Resources and Benefits, Office of the Corporation Counsel, Office of Labor Relations & the Director of Disability Services to coordinate and manage the components of the Workers' Compensation Program with these other City Agencies.

This activity is coordinated through bi-monthly meetings involving the Workers' Compensation Division and the above noted City agencies.

This effort has resulted in the resolution of dozens protracted workers' compensation cases under the City's Return To Work Policy, the removal of a prominent orthopedic surgeon from the City's Workers' Compensation Preferred Provided Network (PPN) due to his treatment a Department of Public Works employee, the successful termination of the Department of Public Works employee treated by the removed orthopedic doctor and felony conviction for Workers' Compensation Fraud and Restitution to the City in the matter of a Board of Education Custodian who was found to be working while collecting workers' compensation benefits.

In 1996, the Workers' Compensation Commission allowed the City to participate in a Commission approved Workers' Compensation Preferred Provided Network. In exchange, the Commission requires the City to maintain a viable Return To Work Policy and to conduct Quarterly City-wide Health and Safety Committee meetings and Quarterly Sub-Committee meetings for the City's major agencies.

The Workers' Compensation Coordinator is the Chair of the City-wide Committee and the General Government Sub-Committee which addresses the Health and Safety Concerns of City Hall and Hall of Record employees. The Workers' Compensation Coordinator and the City's Risk Management Coordinator are both standing members of the City's nine (9) other Sub-Committees.

In 2011, 2012 and 2013, the City-wide Health and Safety Committee was the sponsor of the City's Health and Wellness Fairs and the Workers' Compensation Coordinator has worked with the City's Safety Committees and the City's Employee Wellness Program Coordinator to deliver Health and Wellness services to City employees.

The City's Employee Wellness Coordinator is employed by Yale New Haven Hospital to meet HIPPA requirements.

The Workers' Compensation Coordinator conducts regular Workers' Compensation/Risk Management meetings consisting of the Controller, Budget Director, Chief Administrative Officer, Manager of Human Resources and Benefits, Corporation Counsel, City's Risk Manager and the City's Insurance and Safety Consultants.

These meetings review the current Fiscal Year financials of the program and the various policy and operational issues related to the program.

The Workers' Compensation Coordinator conducts regular Return To Work meetings with the major Departments that generate 90% of the City's workers' compensation costs (BOE, Fire, Parks, Police and Public Works). These meetings also involve the lead CIRMA adjuster assigned to the department and the Office of Labor Relations. **The current Return To Work Policy can be found on the City's website as part of the Human Resources Department page (Employee Policies).**

The Workers' Compensation Coordinator performs oversight of CIRMA including regular engagement with CIRMA representatives at all levels to ensure delivery of services.

In 2013, the City and CIRMA updated and finalized the **City of New Haven Claims Procedure Manual**. The Procedure Manual came at the request of the City in order to provide consistency and accountability in CIRMA's handling of the City's workers' compensation claims.

**The City's Claims Procedure Manual is on file in the Workers' Compensation Division**

The Workers' Compensation Coordinator is a member of CIRMA's Claims Advisory Committee and serves as the Mayor's Proxy on the CIRMA Board of Directors.

Due to a recent retirement, there is a vacancy in the position of City Risk Management Coordinator. In the interim period, the Workers' Compensation Coordinator has work with PMA and the departmental Safety Sub-Committees to deliver the necessary compliance and non-compliance Safety Training.

The Workers' Compensation Coordinator attends the monthly Roundtables and Workshops offered by CONN-OHSA.

The Workers' Compensation Division supports and assists the Corporation Counsel in the pursuit of the City's subrogation recovery efforts. The City typically recovers \$250,000 in third party recoveries.

On a daily basis, the Workers' Compensation Coordinator monitors the new reported claims and Medical Treatment Summary sent by Yale New Haven Occupational, the City's First Aid Provider for non-emergency work related injuries and illnesses.

## **Key Systems/Processes:**

The City's Return To Work Program and Policy is the most critical process to the Workers' Compensation Division. The workers' compensation cases that are the most complicated and time consuming in terms of bringing to resolution are process under Part 2 of the City's Return To Work Policy.

## **System Deficiencies/Attention Required:**

At the present time, the Workers' Compensation Division can deliver the stated services, but additional support would allow for enhancement and expansion of services. The vacant Risk Management Coordinator position might provide an opportunity for restructuring and improved support.

The Workers' Compensation Program must function within the requirements of the CT Workers' Compensation Act and the State Workers' Compensation Commission, which is the administrative body under the Act. The system is designed to protect employee rights.

The City's Return To Work Program and Policy operates with in the Collective Bargaining system and is also geared to protect employee rights.

As a result, the resolution of a certain workers' compensation cases becomes litigious and protracted.