

FORM APPROVED COUNTY COUNSEL  
 BY: *Robert M. Pepper, Jr.*  
 ROBERT M. PEPPER, JR. DATE: 7/21/08

Departmental Concurrence

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
 COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

238



**FROM:** Human Resources Department

**SUBMITTAL DATE:**  
 July 21, 2008

**SUBJECT:** Outside Defense Panel Attorneys and Investigators for Workers' Compensation

**RECOMMENDED MOTION:** That the Board of Supervisors 1) Approve the attached fifteen (15) sets of renewal contracts and one (1) set of new contracts, Agreement for Legal Services (Defense Attorneys) and Agreement for Services (Investigator) contracts effective July 1, 2008 through June 30, 2011; 2) authorize the chairperson to sign four copies (4) of each contract; and 3) retain one (1) copy and return three (3) copies of each executed Agreement to Human Resources for distribution.

**BACKGROUND:** Since the inception of the self-insurance program for Workers' Compensation, the County has utilized outside Defense Attorneys and investigators pursuant to a Board approved panel. The criteria to litigate and investigate workers' compensation claims requires special credentialing and/or training for those who are providing these services. The Defense Attorney and Investigator Panel, working under the direction of the Human Resources Department, Workers' Compensation Division, has been successful in reducing costs while curbing fraud and abuse with regard to workers' compensation claims and Industrial Disability Retirement applications under CalPERS.

*Ronald W. Komers*

Ronald W. Komers  
 Asst. County Executive Officer/Human Resources Dir.

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 2,928,780	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2008/09

<b>SOURCE OF FUNDS:</b>	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:** APPROVE

BY: *Elizabeth J. Olson*  
 Elizabeth J. Olson

County Executive Office Signature

- Policy
- Consent
- Policy
- Consent

Dept's Recomm.:  
 Per Exec. Ofc.:

Prev. Agn. Ref.:      District:      Agenda Number:

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD

3.83

**Form 11 – Outside Defense Panel Attorneys and Investigators for Workers' Compensation**

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**July 29, 2008**

These selected attorneys and investigators (Attachment A) represent those who have demonstrated the skills and expertise to assist the County of Riverside in the provision of benefits to employees while, at the same time, aiding in efforts to reduce costs.

The legal and investigative service agreements are needed to continue working to defend the workers' compensation claims. The attached contracts extend the duration of the agreements to June 30, 2011. These agreements continue to require the attorneys to comply with the County's Litigation Management Guidelines and the HIPAA Business Associate Agreements.

Having skilled attorneys and investigators is one measure that has proven to reduce the costs associated with workers' compensation claims. The Workers' Compensation Division has also implemented additional injury prevention and cost saving measures which have drastically reduced the cost of claims. The Workers' Compensation Division has established such programs as the Injury Intervention Therapy (IIT), a customized Medical Provider Network (MPN), an in-house Utilization Review (UR) program, and a county wide Return to Work Program (RTW). This unique approach to handling workers' compensation claims has resulted in a 49% decrease of \$2,421,000 in the temporary disability (Incl. L.C. 4850) and 33 % or \$1,250,238 (Attachment A-C) in permanent disability costs over the last five years.

In the 2008 actuarial report conducted by Bickmore Risk Services reported County of Riverside loss rate is 15% lower than other large comparison counties. Our current average claim cost is \$8,600, which has been reduced from the average claim cost of \$11,600, reported in 2005. In addition, the premium charged to departments has been reduced by \$14,000,000 over the last three fiscal years. The Workers' Compensation fund is fully funded for all outstanding liabilities reported as of June 30, 2008. There is a three year funding plan in place to bring the reserves to the 70% confidence level.

The successful outcomes noted above are a result of the collaborative team approach of the Human Resources, Workers' Compensation Division, including Claims Adjusters, Defense Counsel, Investigators, IIT Therapists, Utilization Review experts, Return to Work staff, and the customized medical provider network.



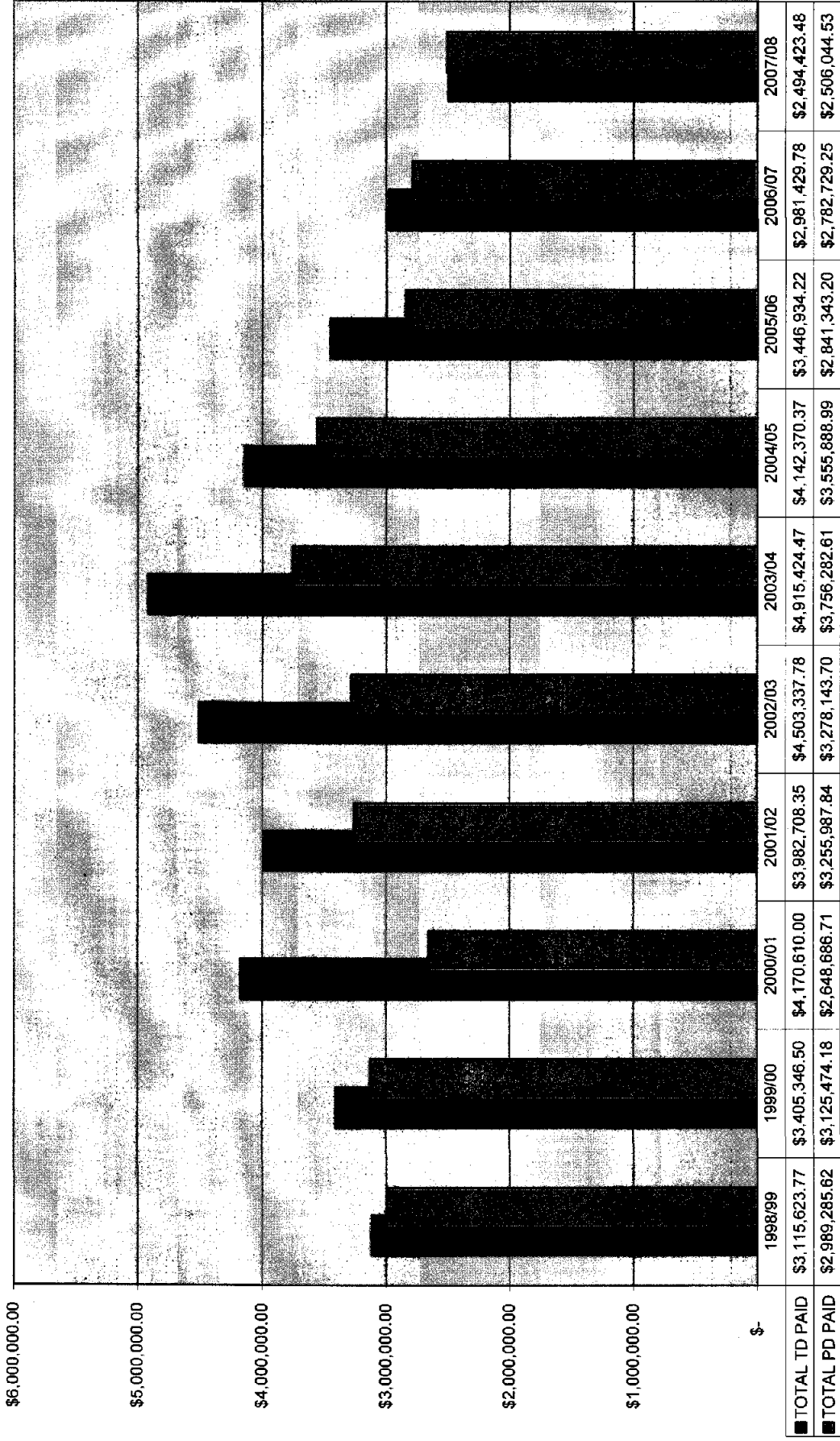
**Riverside County**  
 Workers' Compensation  
 Temporary Disability(TD) and Permanent Disability(PD) Financial summary

All Figures As Of: June 30, 2008

2003/04	\$ 4,915,424.47					
2004/05	\$ 4,142,370.37	\$ (773,054.10)				-16%
2005/06	\$ 3,446,934.22	\$ (695,436.15)			\$ (2,421,000.99)	-17%
2006/07	\$ 2,981,429.78	\$ (465,504.44)				-14%
2007/08	\$ 2,494,423.48	\$ (487,006.30)				-16%
2003/04	\$ 3,756,282.61					
2004/05	\$ 3,555,888.99	\$ (200,393.62)				-5%
2005/06	\$ 2,841,343.20	\$ (714,545.79)			\$ (1,250,238.08)	-20%
2006/07	\$ 2,782,729.25	\$ (58,613.95)				-2%
2007/08	\$ 2,506,044.53	\$ (276,684.72)				-10%

**Riverside County**  
 Workers' Compensation  
 Temporary Disability(TD) and Permanent Disability(PD) Financial Bar Graph

All Figures As Of: June 30, 2008



**Riverside County**  
 Workers' Compensation  
 Financial Summary - Bar Graph

