



**OAKLAND UNIFIED  
SCHOOL DISTRICT**

*Community Schools, Thriving Students*

# Worker's Compensation

## Overview of the OUSD Worker's Compensation Program



September 29, 2015

[www.ousd.org](http://www.ousd.org)



@OUSDnews



# What is Worker's Compensation?

---

Worker's Compensation is a non-fault benefit law that guarantees prompt payment of benefits to workers who are injured on the job.

OUSD self-insures for Worker's Compensation benefits.

OUSD Third Party Administrator – Hazelriggs Claims Management Services  
(located on the 4<sup>th</sup> floor of 1000 Broadway).

TPA is responsible for reviewing claims, accepting claims and paying benefits.



# Third Party Administrator

---

- Hazelriggs Claims Management Services – July 1, 2014 to present
- JT2 – July 2002 to June 2014
- TPA responsible for Public Self Insurers TPA Annual Report due every September 30 (OUSD submitted)
- Annual Report details past 5 years claims:
  - Number claims open/close
  - Incurred Liability (Indemnity & Medical)
  - Estimate Future Liability (Indemnity + Medical)



# Why are we Self-Insured for WC?

---

Fully Insured program would cost the District over \$12 million annually and payments would be due quarterly.

## Basic Answer:

- 1) **Costs Less**
- 2) **More Control**

Self-insured program costs the District less than \$7.5 million per year which we pay over time (not in one fiscal year) – we pay as we go.

Self-insured allows us to have control over the claims administrators: aggressive, detailed & involved claims administrators = better claims management = lower claims cost = District savings



# WC Program Details

---

- Current number of open WC claims = 568
- Annual claims per year = 229 for 2014-15 (trending down since 2004)
- Current number of employees on Modified Duty = 61
- Average cost per claim \$24,711 (cost has been going down – 2013/14 cost per claim was \$33,151). Lower cost / claim is result of better program management
- Estimated future Liability (medical & indemnity) = **\$33,354,619**



# Net WC Unfunded Liability

**Net Unfunded Liability: \$18,477,836**

The actuarially determined liability for existing claims (6/30/14) is \$33,354,619. The District has assets on hand (6/30/14) of \$14,876,753. The net liability is \$18,477,836.

The District plans to reduce the liability by (1) increasing the District's assets and (2) decrease the total liability through improvements in the program.

- To increase the assets, the District has increased its charge to payroll to increase the contribution to self-insurance.
- To decrease the liability, the District has hired a disability coordinator to improve return to work and is looking for patterns in claims that can be addressed through workplace safety improvements.

# Return to Work / Reasonable Accommodations



**Norm Peterson  
& Associates  
assist with our  
Return-to-Work  
program**

**Who**: Employees placed on work restrictions who can not (due to restrictions) work in their current position.

**Where**: Any District location – often as “Site Ambassador”

**Why**: Studies show

- total number of injuries go down
- claim cost goes down
- workers return to usual & customary 40% quicker



**EVERY STUDENT THRIVES!**



**OAKLAND UNIFIED  
SCHOOL DISTRICT**  
*Community Schools, Thriving Students*

1000 Broadway, Suite 680, Oakland, CA 94607

[www.ousd.org](http://www.ousd.org)



@OUSDnews