



Approved 5.28.20

Workers' Compensation Program Committee Meeting

Monterey Marriott
350 Calle Principal
Monterey, California 93940
(831) 649-4234

May 6, 2019

MEMBERS PRESENT

Chairman: David Drake, Rincon del Diablo Municipal Water District
Vice-chair: Thomas A. Cuquet, South Sutter Water District
Scott Alcantara, San Juan Water District
Dennis Erdman, South Coast Water District
Rick Gilmore, Byron-Bethany Irrigation District
Traci Hart, Soquel Creek Water District
Robert Kunde, Wheeler Ridge-Maricopa Water Storage District
Eva Plajzer, Rancho California Water District
Scott Quady, Calleguas Municipal Water District

STAFF PRESENT

See attendance sheet.

OTHERS IN ATTENDANCE

See attendance sheet.

WELCOME

Chairman Drake welcomed everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

Chairman Drake called the meeting to order at 9:46 a.m. He announced there was a quorum.

ANNOUNCEMENT RECORDING OF MINUTES

Chairman Drake announced that the meeting would be recorded to assist in preparation of minutes. Recordings are only kept 30 days following the meeting, as mandated by the California Brown Act.

PUBLIC COMMENT

Chairman Drake noted that, as the agenda stated, members of the public would be allowed to address the Workers' Compensation Program Committee on any agenda item prior to the Committee's decision on that item. Comments on any issues on the

agenda, or not on the agenda, were also welcomed. No comments were brought forward.

INTRODUCTIONS

Chairman Drake introduced the Committee members and JPIA staff in attendance.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

No additions or deletions were noted.

CONSENT AGENDA

Approval of the minutes

Chairman Drake called for approval of the May 7, 2018 minutes.

M/S/C (Erdman/Alcantara) (Alcantara-Yes; Cuquet-Yes; Drake-Yes; Erdman-Yes; Gilmore-Yes; Hart-Yes; Kunde-Yes; Plajzer-Yes; Quady-Yes):
That the Workers' Compensation Program Committee approve the minutes of the May 7, 2018 meeting.

Report on meeting attended on behalf of the JPIA

None reported.

LOSS REPORTS

Review Claims Data

Mr. Sells stated that the claims history for the JPIA Workers' Compensation Program has seen a favorable trend which suggests that the pool is making significant progress. The graphs presented showed that although loss values has moved slightly upward for the policy year of 2012-13, current loss values appear to be stable. The downward trend in number of claims reported suggests that the emphasis the JPIA has placed on workplace safety and management training over the last several years is working. Rates for the current year, 2018-19, remain unchanged from the prior policy period.

After a short discussion was held on exploring charging higher premiums for some districts with large claims, the Committee requested that a range of modifiers report be included at the next meeting to discuss these large claims from a small number of districts.

MEMBERSHIP

Ms. Thesing reported that six new agencies joined the Workers' Compensation Program during the 2018-19 coverage year: South Tahoe Public Utility District, Chino Basin Desalter Authority, Monte Vista Water District, Tri-County Water Authority, South Bay Irrigation District and Ramirez Water District. Alameda County Water District will be joining the Workers' Compensation Program on July 1, 2019. Ms. Thesing also stated that the Workers' Compensation Program is at \$560 million payroll and is continuing to grow.

NEW BUSINESS

Extending Workers' Compensation Benefits to Work Release Participants

Ms. Thesing reported that, as discussed at last years' Committee meeting, some members are contracting with counties to participate in Probation Departments' Work Release Programs, whereby members utilize the labor of individuals in probation programs. Although Work Release individuals perform services under the control and supervision of members' staff, and members are responsible for safety instructions and any required personal protective equipment, it was disclosed that the workers receive no remuneration. The counties' contracts further stipulated that the recipient of these services be solely liable for the entire cost of workers' compensation benefits, including serious & willful claims as well as Labor Code §132a discrimination claims, due to sustaining a workers' compensation injury. The Memorandum of Workers' Compensation (MOWC) does not extend Workers' Compensation benefits to participants in Work Release Programs and staff suggested that if the membership wishes to obtain these services, a premium charge be established. Two options were presented as follows: 1) Exclude Benefits to Work Release Participants or 2) Charge premium for exposure of \$1,000 per capita rate, per quarter.

The Committee asked for clarification regarding the premium rate recommendation, if that means per Work Release Participant or per member district. After it was clarified that the premium rate is per work release participant, the motion as amended to add "per capita rate". The Committee also requested that staff report back on this program at next year's meeting.

M/S/C (Gilmore/Quady) (Alcantara-Yes; Cuquet-Yes; Drake-Yes; Erdman-Yes; Gilmore-Yes; Hart-Yes; Kunde-Yes; Plajzer-Yes; Quady-Yes): That the Workers' Compensation Program Committee recommends to the Executive Committee that a quarterly fee of \$1,000 per capita rate be assessed for members utilizing the Work Release Participant Program, effective July 1, 2019.

Memorandum of Workers' Compensation Coverage

Ms. Kyburz stated that there would be no change to the Memorandum of Workers' Compensation Coverage, effective July 1, 2019.

M/S/C (Gilmore/Alcantara) (Alcantara-Yes; Cuquet-Yes; Drake-Yes; Erdman-Yes; Gilmore-Yes; Hart-Yes; Kunde-Yes; Plajzer-Yes; Quady-Yes): That the Workers' Compensation Program Committee recommends that the Executive Committee approve the Memorandum of Workers' Compensation Coverage, effective July 1, 2019.

Workers' Compensation Excess Insurance Renewal Proposal

Ms. Kyburz stated that at last renewal, staff secured a multi-year rate from Safety National at a cost of \$0.090 per \$100 per payroll and now the JPIA is entering the third year of the deal and will enjoy a further reduction of rate. For the 2019-20 program year, the excess rate is \$0.085 per \$100 per payroll. The program maintains a \$2 million self-

insured layer and then purchases statutory limits through the excess workers' compensation market.

M/S/C (Quady/Erdman) (Alcantara-Yes; Cuquet-Yes; Drake-Yes; Erdman-Yes; Gilmore-Yes; Hart-Yes; Kunde-Yes; Plaizer-Yes; Quady-Yes): That the Workers' Compensation Program Committee recommends that the Executive Committee approve Safety National's excess renewal terms as presented with an effective date of July 1, 2019.

Renewal Pricing

Mr. deBernardi reviewed the various components of the budget that contribute to the renewal pricing. Pricing in the workers' compensation market appears to be trending towards leveling. The decrease in this year's loss rate follows a decrease in the previous year. This is a good trend reflective of the JPIA members' practices.

M/S/C (Gilmore/Erdman) (Alcantara-Yes; Cuquet-Yes; Drake-Yes; Erdman-Yes; Gilmore-Yes; Hart-Yes; Kunde-Yes; Plaizer-Yes; Quady-Yes): That the Workers' Compensation Program Committee recommends that the Executive Committee approve no changes to the pricing for the Workers' Compensation Program, policy year 7/1/19-20.

Workers' Compensation Invoice Timing

Mr. deBernardi reported that the Workers' Compensation Program currently invoices members in arrears on a quarterly basis. Each quarter, members electronically report their payroll by class code, generate their invoice and pay the premium. The due date for these payments is within 30 days after the quarter ends. Currently, the JPIA is in the process of developing a new, customized billing software designed to meet its unique needs. Since both the Liability and Property Programs invoice members annually, in advance of the policy year, staff is evaluating if it would be more effective to have the Workers' Compensation Program invoice annually as well and collect the premium in advance. Presented were advantages to keeping the current billing method vs. advantages to invoicing annually in advance.

After much discussion was held on the effectiveness of this potential change, the Committee showed little interest in a change.

Overview of the Workers' Compensation Program

Ms. Tucker reported that in February 2018, the JPIA partnered with myMatrixx to become the pharmacy benefit management program to assist with the costs of medication, and also to help the injured worker obtain medication with no out of pocket expenses. Ms. Tucker presented the breakdown of costs associated with a workers' compensation injury from medical bills to costs by injury types. She also provided an update on the myMatrixx pharmacy benefit management program.

The Committee thanked the JPIA, specifically the workers' compensation department, for their unwavering diligence in dealing with workers' compensation claims.

A Workers' Compensation Success Story

Mr. Sells stated that due to time constraints, the video will not be shown at this meeting. If time permits, it will be shown at the Executive Committee meeting. The video is an inspirational story of an injured worker from Yuba County Water Agency recounting his work place accident, how this type of accident could have been prevented, and the steps the worker has taken to get back to full-time work within four months.

MISCELLANEOUS

Future Agenda Items

- Online Reporting
- Claims Management Training

Availability for Upcoming Meeting(s)

There are no scheduled meetings for the remainder of the year.

The Workers' Compensation Program Committee meeting adjourned at 10:41 a.m.