



CITY OF LONG BEACH

DEPARTMENT OF HUMAN RESOURCES

R-26

333 West Ocean Boulevard 13th Floor • Long Beach, CA 90802

August 4, 2009

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to enter an agreement with the Long Beach Police Officers Association and Long Beach Firefighters Association, to continue the Workers' Compensation Supplemental Dispute Resolution Program for a one-year period, and thereafter, continuing from year to year unless terminated by either party. (Citywide)

DISCUSSION

In October 2007, the City Council approved a one-year pilot Workers' Compensation Supplemental Dispute Resolution Program with the Long Beach Firefighters Association (LBFFA) and the Long Beach Police Officers Association (LBPOA). Following City Council approval, City staff worked with the State of California, the LBFFA and the LBPOA to implement the Program. At that time, the City of Long Beach became the first public entity in the State of California to take advantage of the new provisions in SB899 allowing for the negotiation of "carve-out" programs in the Workers' Compensation system. The primary goal of the City's Supplemental Dispute Resolution (SDR) Program was to reduce delays inherent in the State's system when a medical dispute arose between the City and the employee. During the calendar year of 2008, a total of 55 Police and Fire claims participated in the City's SDR process. The City contracted with 56 physicians in various specialties to serve as Independent Medical Examiners (IME) for the Program.

An analysis of the one-year pilot program demonstrated that the City's SDR Program resulted in shortening the dispute process, reduced City costs and increased employee satisfaction with the handling of their Workers' Compensation claims. Under the State's dispute system, in which the employee had to see an Agreed Medical Examiner (AME) or a Qualified Medical Examiner (QME) to resolve a dispute, the time for resolution was, on average, 234 days for Police Officers and 215 days for Firefighters. Under the City's SDR Program, the time for resolution of the medical dispute was reduced to 59 days for Police Officers and 63 days for Firefighters. In addition, exams for Police-related claims cost 27 percent less when using an IME instead of an AME/QME, and the exams for Fire-related claims cost 7 percent less when using an IME instead of an AME/QME. Under the City's contract, IME's are paid a premium above the State fee schedule to meet the 60-day turnaround time mandated by the contract. Costs of the Program will

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continue to be analyzed as the claim sample increases and the claims mature. In addition, a survey of the SDR participants indicated most of the participants responded positively to the facets of the SDR Program, though the response rate to the survey was relatively small. With the positive results from the first year pilot SDR Program, staff is recommending the Program be continued. Staff will continue to monitor results to insure continued positive performance. In addition, staff will explore extending the Program to other employee associations in the future.

This matter was reviewed by Deputy City Attorney Christina Checel July 14, 2009, and Budget and Performance Management Bureau Manager David Wodynski on July 17, 2009.

TIMING CONSIDERATIONS

City Council action is requested on August 4, 2009 to extend the SDR Program with Long Beach Firefighters Association and Long Beach Police Officers Association to insure positive Program results continue.

FISCAL IMPACT

The Supplemental Dispute Resolution Program is expected to generate savings to the City through decreased litigation and quicker resolution of Workers' Compensation claims while improving service to our injured employees. The City will continue to evaluate costs of this Program as the claims continue to mature and the claim sample enlarges. Costs associated with this Program are paid through the Insurance Fund (IS 390) and the Citywide Activities Department (XC).

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


SUZANNE R. MASON
DIRECTOR OF HUMAN RESOURCES

APPROVED:

SRM:MA


PATRICK H. WEST
CITY MANAGER