

WASHOE COUNTY AUDIT COMMITTEE

MEETING MINUTES

**Thursday, December 10, 2015 at 2:00 p.m.
Human Resources Large Conference Room**

Committee Attendees: Marsha Berkgigler, Elaine Alexander, and John Slaughter
Absent: Keith Romwall and Dave Stark
Other Attendees: Alison Gordon

CALL TO ORDER

The meeting was called to order at 2:00 p.m. and Alison Gordon performed the roll call – those listed above were present.

AGENDA

Mr. Slaughter moved to approve the agenda, with a change for item #4 to be removed from the immediate meeting, based on the next meeting date. Ms. Alexander seconded the motion, which carried unanimously with Mr. Romwall and Mr. Stark absent.

PUBLIC COMMENT

There was no one present for public comment.

MINUTES

Mr. Slaughter moved to remove this item from the immediate meeting.

AUDIT REPORT

Worker's Compensation Audit - Ms. Gordon stated that claims have decreased over the years; however, this does not mean a cost decrease. In 2015 there was only 194 claims, but the cost went up exponentially, primarily due to heart claims (life time claims) from the Sheriff's Office.

In 2015 there were two heart claims, one amounting to \$2.3 million at this point and the other about \$3 million. A summary of claims from each department, in page 2, shows that the Sheriff's Department has the most claims. Most of the claims came from two divisions the patrol division and the detention division, as they have the most deputies and also most public and offender contact. The second department with the most claims is Community Service including roads division, animal control, and parks division, due to work presenting potential hazards.

Ms. Alexander asked about the number of employees within the County and Mr. Slaughter stated that we have almost 2600 employees in the County. He also recognized that the first two departments are two of the largest departments in the County, followed by the next 3 departments listed. Sheriff's Department having about 750 employees and Community Services having about 400-500 employees.

Ms. Gordon stated that the Sheriff's Department has 583 claims, 335 of those being multiple claims through fiscal years 2011-2015. Resulting from these claims, the report shows that 57% are multiple claims, which included 3-6 multiple claims, mostly from the detention unit. Ms. Alexander asked if these employees get assaulted and Ms. Gordon confirmed. Mr. Slaughter stated that Social Services has the same problem. Ms. Gordon added that Community Services faces the same situation as they are out and about and have contact with the public.

Ms. Gordon presents that long term claims show that as of June 30, 2015, 81% of their 54 long term claims pertained to the Sheriff's Department, half of these pertain to heart claims. These heart claims are currently estimated to run the County about \$17 million over the life of a claim. Ms. Gordon continues to state that this is the tip of the iceberg. They already have more claims for the Fiscal Year 2016 one or two more. Ms. Gordon references the unfortunate fact in that a lot of the folks filing these claims are fairly young, early 50s.

Ms. Gordon stated that she reached out to other local law enforcement in the North to see what they were doing to address the issue in their own offices, as the Sheriff's Department is not doing anything to fix the problem. Although, Sheriff's Department does state that they used to get a paid hour to go to the gym, they have since given that provision up "to get more".

Ms. Gordon reports that these other Northern Nevada groups are using Specialty Health. Specialty Health has a cardiovascular improvement program that other local law enforcement employees are using. City of Reno has found that it has significantly decreased their claims. Ms. Gordon could not verify this information, so information was not included in this report. Additionally, information was given to Ms. Gordon about how the UNR police department drew up a meal plan or healthy options for their employees. These meal plans are kept in their cars and UNR reports that although claim decrease has not been confirmed, their reports do show that people's cholesterol and insulin problems are coming down.

The Specialty Health cardiovascular program, as it pertains to the Sheriff's Office, works as a follow up during their annual physical exams when persons are identified as having high cholesterol, high pressure, smoking, etc. At this point, these people can attend this program and Specialty Health doctors perform two other tests (LDL particle test/insulin resistance) to determine the kind of trouble the person demonstrates. The program is composed of three different areas: the doctor, the nutritionist, and a fitness coordinator. Ms. Gordon states that our insurance covers the doctor and lab test parts of this program. The nutritionist and fitness coordinator are \$100/hour, with a \$75 initial fee for a 45-minute consultation. This could be offered to the whole County if people are identified as having trouble. Ms. Gordon stated that the Sheriff's Department has a dire need for this program. Ms. Alexander stated that even if health is not a factor the \$17 million cost should be a financial factor to care about. Ms. Gordon stated that the health factor is a big concern. People retire and are having heart attacks at 42.

Ms. Gordon's recommendation is that County Management should consider performing additional outreach regarding wellness services available through Specialty Health. Ms. Alexander asked who would make the recommendation. Ms. Gordon states County Management. Ms. Berkbigler stated that it would probably start with them and then go out to the division, but the Sheriff has to be on board.

Ms. Gordon stated that there is a problem with the employees fearing that their heart claims may be denied in the future if they don't participate. Ms. Gordon states that these measures have been considered in the past without success. Ms. Berkbigler stated the law is clear regarding denying heart claims and stressed the fact that this is about saving their health and not denying their claims. Ms. Gordon states that this all depends on how it's all presented. Ms. Alexander noted that the fact that Sparks, Reno, Truckee Meadows, UNR, and Storey County are using these services, has to speak to other jurisdictions about the need for this program.

Employee compliance with statute, county code and labor agreements. Ms. Gordon points to the first area where it reports about time-frame requirements. Employees are required to submit a report as soon as practical but within 7 days of being hurt, Ms. Gordon states that employees are complying well; however, supervisors are not complying as well. A lot of supervisors are late in submitting their reports. Out of 90 open and closed claims, 11% were submitted late in 2015, a 16% shows the claim was submitted more than 5 days late and 1 instance shows it was 12 days late, despite Celeste's efforts (Worker's Comp person).

Time recording is also a problem. Aside from Sheriff's Department and law enforcement types, County employees under WCEA are to use sick leave when they go to Concentra for their worker's comp claim. Sick leave is not being used when dealing with Worker's Comp claims. Fiscal Year 2014 shows that 14 of 45 or 57% of the claims selected had incorrect time recording, charging regular time, comp time, instead of leave time. An employee inappropriately charged worker's comp for two days after Worker's Comp released him to go back to work. Fiscal Year 2015 shows that 16 of 23 incidents or 70% resulting from WCEA employees were charging time incorrectly. One employee charged 8 hours of worker's comp where the leave wasn't authorized for the day in question. Ms. Alexander asked if perhaps it was a training issue, as to why employees were reporting incorrectly. Ms. Gordon stated that the rules are pretty clear; however, supervisors or persons approving time sheets (i.e. HR representative) are not always aware that people are leaving to go to Concentra. Regardless, it's a problem, and Ms. Gordon recommended providing more training to HR reps and individual departments about recording of time. Ms. Alexander asked if the person approving the timesheet would be able to control time recording, Ms. Gordon said she did not know this information. Mr. Slaughter stated that person approving the time sheet should know.

Mr. Slaughter stated that every department has an assigned person recognized as the HR rep. The HR rep is designated to be the HR expert in that department. Although, there is no consistency as to whom that person is, their classification, or their training, his office is looking into changing HR reps into an actual group with minimum qualification and ongoing training. Mr. Slaughter stated that there has been a discussion as to what the HR reps do and how they need to be trained. Mr. Slaughter stated that he will ensure that HR reps get the training they need, in hopes to prevent the above mentioned issues.

Permanent disability – Ms. Gordon reports that when employees are identified to have a permanent disability and can't continue working in their assigned or any other position in the County an action is required within 30 calendar days to refer employees to other worker's comp benefits such as Vocational Rehabilitation. Departments are not always following these requirements, which set a precedent for future claims with similar circumstances as it does not comply with Worker's Comp statutes. Ms. Gordon states that Departments sometimes take this route to allow employees to remain on the books until retirement. Ms. Alexander asked if they should have a discussion and no comment was rendered.

Next subject referenced the importance to find a Comptroller soon. Ms. Gordon reports that this is causing a transition in leadership over the Risk Management program. Jim Jepson was globally overseeing the whole Risk Management program which included the Worker's Comp. Joey Orduna-Hastings is overseeing this Department now, but there's a need for someone to oversee the program and inform the employees of their responsibilities. Mr. Slaughter states that it has been a difficult recruitment. It goes back to their previous short term Comptroller, but they're getting there. Ms. Alexander asked if the County had an expectation that the Comptroller could also perform as the Risk Manager or would the Risk Manager be a person reporting to the Comptroller. Mr. Slaughter replied that they are looking for a Comptroller that could do that, but if they find a Comptroller that cannot fulfill those requirements than they would look at a different model. Now they have one of the assistant managers acting as the Risk Manager, but Mr. Slaughter stated they are weeks away from finding a Comptroller. He doesn't believe they have to change their model, but cannot expand.

Ms. Gordon informs that a Statement on Standards Attestation Engagements (SSAE) 16 Report is a requirement in the accounting world in order for a review to be done by a third party administrator to make sure that there are controls to properly administer claims. We were not requiring our third party administrator to provide copies, but when Ms. Gordon reached out they provided a copy of a fairly recent report. Ms. Gordon recommended that this requirement be put in place as of the next contract renewal. In the meantime, we would just request a report as oppose to requiring it.

Ms. Gordon recommends a Case Management System for Workers Comp. Currently claims can be accessed and reviewed on the third party administrator's website, but this website does not provide complete information to provide reports to the State. It's all currently on an excel spreadsheet.

Ms. Gordon researched previous programs and those programs do not fulfill the immediate needs for reporting purposes. Technology Services was requested do a case analysis to see if the program can be modified to work for our needs or if there's another option in SAP. SAP does have some options, but it does not really meet the needs. So, Technology Services decided that it would be best to have the existing piece of software updated.

Ms. Gordon recommended that the Workers Comp information available in our website should be in the same location. This information is scattered in different areas of our current intranet system.

Ms. Alexander applauded Ms. Gordon for her concern and humanity in reference to the

immediate matter. Mr. Slaughter recognized that these are actionable recommendations.

Regarding the internet recommendations made by Ms. Gordon, Mr. Slaughter believes the new launch addresses the Workers Comp needs Ms. Gordon is looking to fulfill via the intranet.

Ms. Gordon will be presenting this information on the new safety meeting. Ms. Alexander and Ms. Berkbigler agreed that it would be a great place to start.

Ms. Berkbigler moved to acknowledge this Report and complimented Ms. Gordon on a job well done. Ms. Alexander seconded the motion. The report was acknowledged unanimously with Mr. Romwall and Mr. Stark absent.

CALENDARING NEXT MEETING

Ms. Gordon suggested another meeting mid-February to allow time for the external auditor, Eide Bailly, to make the presentation. Ms. Gordon stated she would send out an email suggesting dates for scheduling the meeting.

AUDIT COMMITTEE MEMBER COMMENTS

There were no comments by the Audit Committee Members.

PUBLIC COMMENT

There was no one present for public comment.

ADJOURNMENT

Mr. Slaughter moved to adjourn, seconded by Ms. Alexander, which motion carried unanimously with Mr. Romwall and Mr. Stark absent.