

Financial Services  
Mrs. Judith M. Marte, Chief Financial Officer

**SUBJECT: SUPPORT THE SUPERINTENDENT'S LOSS PREVENTION INITIATIVE TO REDUCE THE FREQUENCY AND SEVERITY OF WORKPLACE INJURIES, REDUCE WORKERS' COMPENSATION COSTS AND INSTITUTE A CULTURE OF SAFETY**

**COMMITTEE: FISCAL ACCOUNTABILITY**

**LINK TO STRATEGIC BLUEPRINT: EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES**

This is an update regarding the District's Loss Prevention Initiative, an effort that focuses on reducing the frequency and severity of workplace injuries as well as overall workers' compensation costs. The District was projected to spend over \$36 million on direct costs for employee injuries during the 2015-2016 fiscal year. However, as a result of the District embracing a culture of safety and implementing the Loss Prevention Initiative, we have been able to reduce these costs by approximately \$5 million for fiscal year 2015-16. We are forecasted to reduce budgeted workers' compensation costs for the 2016-2017 fiscal year from \$38 million (based on actuarial projections) to \$29 million, representing an overall decrease in expenditures of approximately 22%.

We have continued to reduce workers' compensation costs by identifying school sites with a high frequency of claims as well as school sites with the highest cost per claim. These schools are then visited to determine the root cause for accidents, and plans for preventing further accidents are developed.

We continue to analyze accident trend data and implement programs to prevent accidents. For example, we identified an increase in custodial claims related to stripping and buffing accidents at the end of the school year. As a result, the District provided 3,000 pairs of non-slip footwear for custodians to use when stripping and waxing floors in order to prevent accidents.

The District's workers' compensation program is focused on prevention in that it has incorporated a wellness program in its loss prevention strategy. Branded as "Rebuilding Me", the program aims to create a healthier workforce that is less likely to experience an accident and more likely to have a shortened recovery period.

The Rebuilding Me program targets employee groups with a historically high volume of claim producers. In April 2016, we launched a fitness program at transportation sites and, for the first time, provided an instructor to give employees the ability to work out between their scheduled routes. We started by offering one class a day per week and averaged 14 participants.

The program was so well received that it has expanded to six centers. To date, 167 fitness classes have been conducted for 237 unique participants. We continue to offer health education classes and host health fairs at most transportation centers.

As part of wellness-related initiatives, staff provided transportation employees the opportunity to have an AngioScreen™ study. This is a non-invasive screening that predicts the propensity for heart attacks and strokes. Over 650 of the employees participated and were provided with education and follow-up. Numerous individuals were identified as having severe health issues. Fortunately, as part of this screening, we were able to identify one individual with 100% occlusion of the left carotid artery, and the employee was immediately sent to the emergency room to receive lifesaving care.

Staff also identified an increase in costs related to physicians directly dispensing medications from their offices. In order to curtail this practice, the Office of Risk and Benefits Management held a summit to educate the provider community regarding cost increases. We directed the program's Pharmacy Benefit Manager to institute a new formulary that would limit specific medications and compounds which were previously permitted. Since implementation of this practice, our prescription expenditures are down 32%.

Lastly, we have diligently investigated incidents of workers' compensation fraud. Although the claims are infrequent, each is investigated and accepted or denied as supported by medical and physical evidence. Where appropriate, surveillance is used to monitor employee activity. We have partnered with School Police, the Office of Professional Standards, the Board Attorney's Office, and the Office of the Inspector General to ensure appropriate resolution and disciplinary action for any employee who knowingly commits fraud. Over the past two years, several employees have been suspected of committing fraud and investigations are ongoing. Within that timeframe, two employees were arrested and terminated.

The Chief Financial Officer and her staff are currently working with the Board Attorney to develop a timeline to bring more workers' compensation legal matters in house.

Staff is requesting that Board support the Superintendent's loss prevention initiative to reduce the frequency and severity of workplace injuries, reduce workers' compensation costs and institute a culture of safety.

**RECOMMENDED:** That The School Board of Miami-Dade County, Florida, support the Superintendent's loss prevention initiative to reduce the frequency and severity of workplace injuries, reduce workers' compensation costs and institute a culture of safety.

JMM:mgf