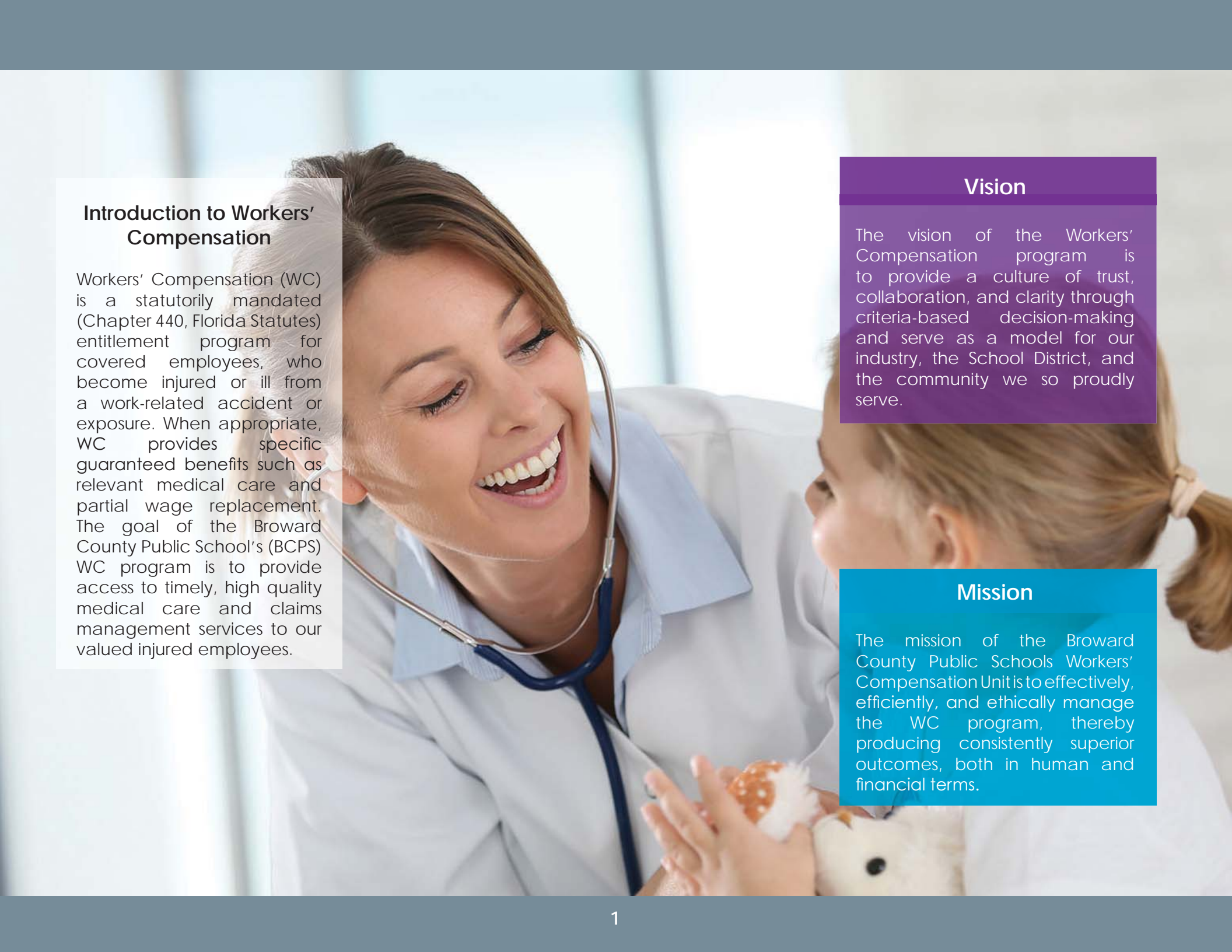


Workers' Compensation



Annual Report 2016-2017





Introduction to Workers' Compensation

Workers' Compensation (WC) is a statutorily mandated (Chapter 440, Florida Statutes) entitlement program for covered employees, who become injured or ill from a work-related accident or exposure. When appropriate, WC provides specific guaranteed benefits such as relevant medical care and partial wage replacement. The goal of the Broward County Public School's (BCPS) WC program is to provide access to timely, high quality medical care and claims management services to our valued injured employees.

Vision

The vision of the Workers' Compensation program is to provide a culture of trust, collaboration, and clarity through criteria-based decision-making and serve as a model for our industry, the School District, and the community we so proudly serve.

Mission

The mission of the Broward County Public Schools Workers' Compensation Unit is to effectively, efficiently, and ethically manage the WC program, thereby producing consistently superior outcomes, both in human and financial terms.

Program History

The BCPS WC Program has been self-insured for several decades and was managed by a Third Party Administrator (TPA) until October 2013. Under the TPA model, BCPS contracted all WC management services to an outsourced organization. During this time, the WC program was compliant with all state statutes; however, the business model proved to be costly. As a result, the program was completely revamped in 2006.

FY 2006 - FY 2012

In fiscal year 2006-07, the WC program was reformed to utilize the Criteria Based Model (CBM™), a comprehensive and global approach to managing claims that features an evidence based, aggressive sports medicine philosophy. The CBM™ focuses on providing high quality medical care with enhanced reimbursement to select providers (Medically Driven), rather than discounting medicine focused on minimizing unit costs (Financially Driven). In addition, the model also includes the assignment of a Medical Case Manager (Registered Nurse) on every claim, rather than task assignments which is the industry standard. BCPS also implemented a Stay-at-Work/Return-to-Work (SAW/RTW) program to quickly restore function to employees and prevent needless disability.

The new CBM™ program immediately yielded remarkable results in all Key Performance Indicators (KPIs) including but not limited to: customer satisfaction, annual claims costs, average incurred cost per net claim, and lost work days. While the program maintained outstanding results initially, several KPIs began to plateau or decline over the next few years. This decline was attributed to divergent interests and misaligned incentives for industry providers, as well as an increase in mergers and acquisitions of TPAs.

FY 2013 - FY 2015

In order to protect BCPS' unique program from the volatile insurance and healthcare industry, BCPS made the decision to move away from an outsourced TPA model to self-administration in February, 2013. This decision shifted the core decision making "in-house" and resulted in the creation of an internal, Self-Administered BCPS WC Unit.

The BCPS Self-Administered WC Program was established on September 3, 2013 in conjunction with the start date of 24 new employees (28 total) in the WC Unit. For six months prior, the Risk Management Staff and BCPS WC consultants developed an organizational structure, 17 job descriptions, and operational procedures. The new WC Unit staff participated in five weeks of training prior to going live on October 7, 2013.

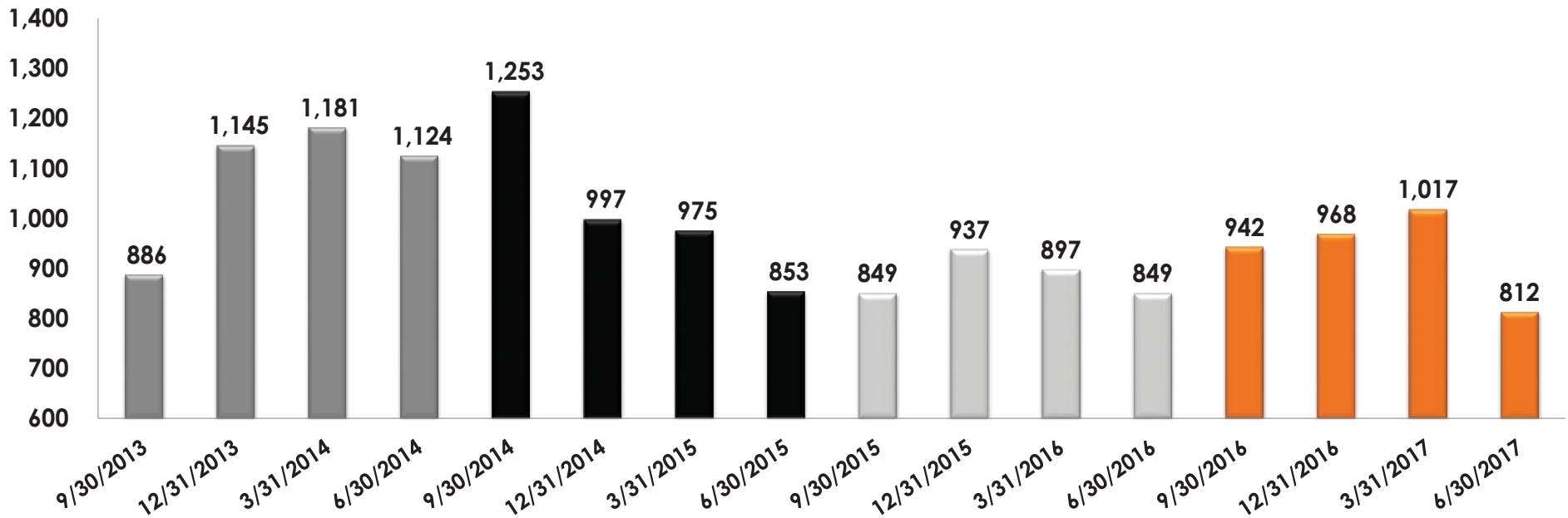
The most significant accomplishment of the first year was the smooth transition to the new self-administered program without an interruption in medical care or other benefits to injured BCPS employees. The initial performance measures and leading indicators were very positive, as shown in the Key Performance Indicators (KPI) section of this report.

Program History

Throughout year one and early into year two, WC leadership identified a significant increase in the daily open claim volume as compared to prior years in the CBM™. Staff focused on the identification of inactive claims through reports and training, as well as a “Legacy Claim Project” which aggressively targeted the closure of older claims. As shown in the graph below, after reaching a program high of 1,253 open claims at the end of the first quarter in FY 2014-15, there was a reduction of 400 claims with a total of 853 open claim at the year's end. The graph also shows the stability of the open claims through the most recent FY 2016-17, where the claim volume remains near or below 1,000 at the end of every quarter.

The implementation of the “Legacy Claim Project” in FY 2014-15 targeted claims that occurred before July 1, 2012, as these claims were at a complexity point which required unique attention in order to facilitate closure efforts. This project resulted in the closure of 100 legacy claims which reduced the outstanding reserves by \$2.1 million for the selected claim years.

Open Claims by Fiscal Quarter



FY 2016

FY 2015-16 marked the centennial celebration of Broward County Public Schools. As the WC program entered the third year in self-administration, the leadership team continued to focus on methods to improve the customary performance measures with an additional emphasis on loss/accident prevention, Special Investigative Unit (SIU) services, and customer/employee satisfaction. WC and Risk Management staff partnered with the BCPS insurance broker, Arthur J. Gallagher (AJG), to conduct risk assessments at high claim frequency locations. The risk assessments begin with a presentation to school/location administration that informs the particular location of their claim volume, costs and top causes for WC claims. Then, the SAW/RTW Specialist reviews WC reporting procedures, educates administration on common “perceived” barriers with SAW/RTW, and discusses any open claims or concerns at the location. The assessment concludes with a walk through of the school/location with administration and facilities staff to identify any factors that may contribute to injuries. In the two years (FY 2015-16 and FY 2016-17) of conducting these risk assessments (approximately 50 locations per year), the incoming claim volume has decreased by 4% when compared to the two years prior (FY 2013-14 and 2014-15).

Furthermore, in comparing the same time frames, lost work days have been reduced 36%. However, this will be discussed in greater detail later in this report, as there was another initiative (Lost Time Meeting) implemented which may be a shared or greater contributor to the decrease in this metric. BCPS and AJG have agreed to continue conducting risk assessments in FY 2017-18.

In 2015-16, the BCPS also placed additional emphasis on Special Investigative Unit (SIU) Services. While the BCPS WC program believes in providing excellent medical care and service to our valued, injured employees, we must recognize the reality of instances of misrepresentation and insurance fraud, in order to be

financially responsible and protect the BCPS' limited resources. At the inception of the Self-Administered WC Unit, BCPS partnered with two organizations to provide SIU services including but not limited to: background checks, recorded statements, social network investigations, medical facility canvases, activity checks, and surveillance. Criteria exists for WC staff to identify red flags or increased probability of fraud or malingering to make an appropriate referral for specific investigative services beyond an adjuster's routine claim investigation when determining compensability. These services allow the District to identify, investigate and appropriately deny any improper claims, while maintaining the WC program's focus on the treatment of legitimate work injuries. Strategic utilization of these SIU strategies should continue to mitigate claims costs for BCPS.

Additionally, in FY 2015-16, the WC staff focused on improving the evaluation method of our injured employee satisfaction. Historically, the primary measurement of employee satisfaction was a survey that was mailed to each employee when the accident was reported. This presented several limitations since it required the employee to mail the survey back (postage pre-paid) and most of the surveys returned (12% overall return rate in first 3 years) were returned shortly after the onset of the claim. In these cases, level of satisfaction was measured on the triage experience and/or first few interactions with BCPS WC staff. At the conclusion of FY 2015-16, WC staff developed an online survey, in effort to increase the number of surveys completed and to receive feedback when the claim is at or near closure. This would accomplish the goal to better rate the employee's overall claim experience. Additional information will be provided in the KPI section of this report.

New in FY 2017

In fiscal year 2016-17, BCPS entered into a new contract with CompServices Inc. (CSI) for select TPA services that include: Claims Information Systems, Medical Bill Review, Medical Credentialing, Bill Payment, Triage, and Vendor Management. Although, the services are generally the same as in the past, the new contract yielded an average savings of \$160,000 per year, over the three-year contract term. This savings was negotiated by WC Leadership, by removing the intermediary organization who was subcontracting services to CSI.

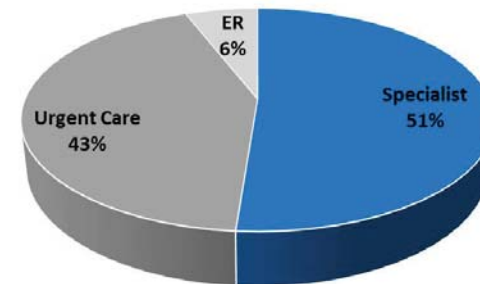
One of the primary changes outlined in the new contract with CSI involved moving the Triage Unit onsite within BCPS. The inherent goal was to increase communication and collaboration in order to provide more timely and optimal direction of initial medical care, at the time an injury is reported.

With WC Leadership agreement, CSI subcontracted this service to a Triage specific company. Due to some delays in availability of space within BCPS, the triage unit was offsite for the initial six months through December 2016. Within this time, BCPS staff determined the philosophy of the subcontracted company did not align with the BCPS WC model. While the BCPS model encourages injured employees to obtain an initial medical evaluation, the triage company focused on providing savings by diverting initial medical care by using an algorithm to provide self-care and first aid measures, where applicable. CSI and BCPS WC leadership worked collaboratively to identify and provide a suitable replacement triage company, which began in January 2017. This start date also coincided with the new Triage staff moving onsite within the BCPS WC unit.

The triage unit directs the majority of initial medical care. Once a specific injury or body part is identified, the Triage unit will direct to the appropriate specialist, urgent care center, or emergency room. In the event of what appears to be a true medical emergency, the triage unit will instruct the location to call 911.

Providing the appropriate initial level of care can expedite the recovery of the injured employee resulting in shorter claim durations and reduced costs.

**Triage Unit Direction of Initial Medical Care
FY 2016-2017**



Stay at Work/Return to Work

As mentioned earlier, the implementation of Risk Assessments of BCPS schools and locations have yielded reductions in new claim volume and lost work days. Both measures assist BCPS to increase staff attendance and consistency (minimizing absences) to support BCPS' primary goal of increasing student achievement.

In September 2016, WC Leadership developed a Lost Time Report, in conjunction with a weekly meeting. The report includes a list of employees who had absences coded to WC in the BCPS payroll system the previous week, as well as employees who were issued indemnity payments from the WC claims system. Each meeting includes a review of the injured employees who are out of work due to their WC injury and discussion about appropriate modifications to accommodate restrictions assigned by their treating WC physicians. These meeting resulted in an increased oversight of lost time claims. These efforts contributed to a 6% reduction in Total Work Days in FY 2016-17 as compared to FY 2015-16, which was previously the lowest measure since the start of the CBM model in 2006. As shown in the table below, lost work days have decreased each year under self-administration. This measure will be evaluated in greater detail in the KPI section of this report.

Absence Type	Fiscal Year		Difference	
	2015-2016	2016-2017	Actual	Percent
<i>WCL (Illness in the Line-of-Duty)</i>	2,183	2,264	81	4%
<i>WCU (Indemnity)</i>	2,004	1,688	-316	-16%
Total	4,187	3,953	-234	-6%

Additional information on the history of the WC program and initial three years in self-administration can be found in the annual reports located here: <http://www.broward.k12.fl.us/rmt/WorkersCompensationAnnualReports.html>

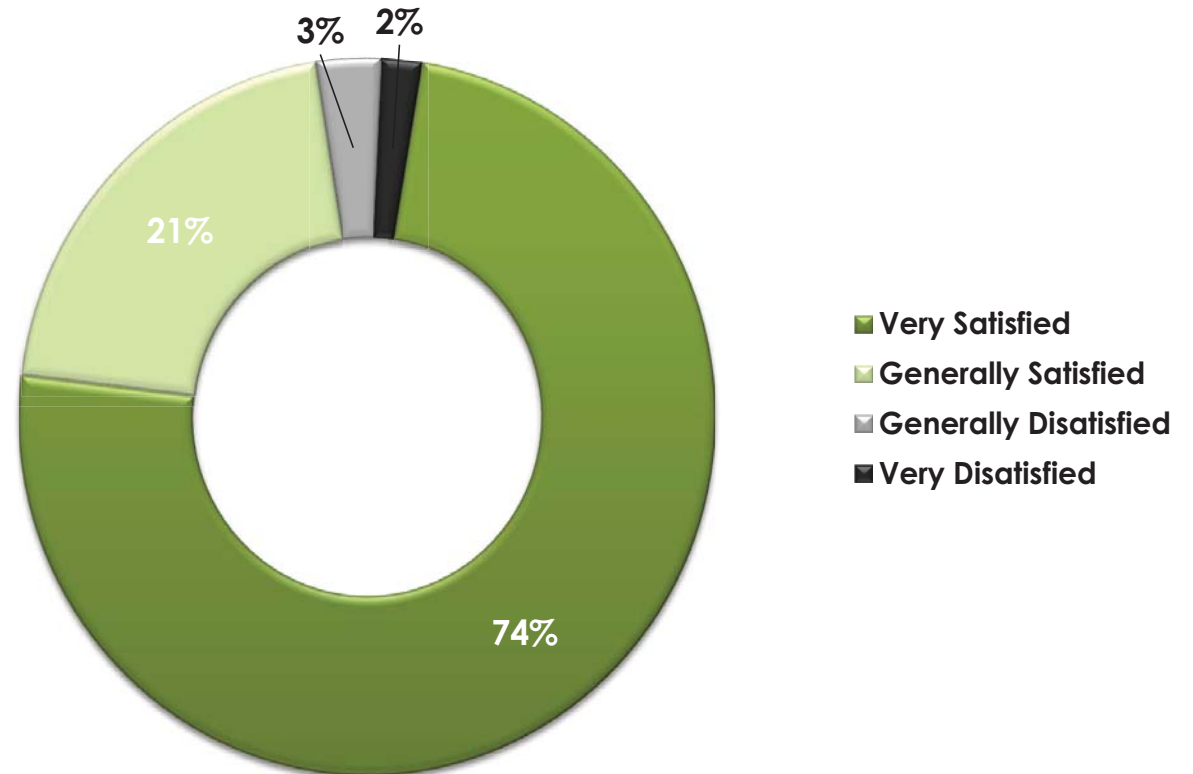
Key Performance Indicators

WC Key Performance Indicators (KPIs) are the standard industry measurements of WC performance. Many KPIs are not set in stone and vary from year to year, until all claims from the year are closed. Industry standards for a number of metrics evaluate data for 24-36 months. With this in mind, a number of the metrics presented in this section may vary slightly throughout the claims lifecycle.

Overall Customer Satisfaction

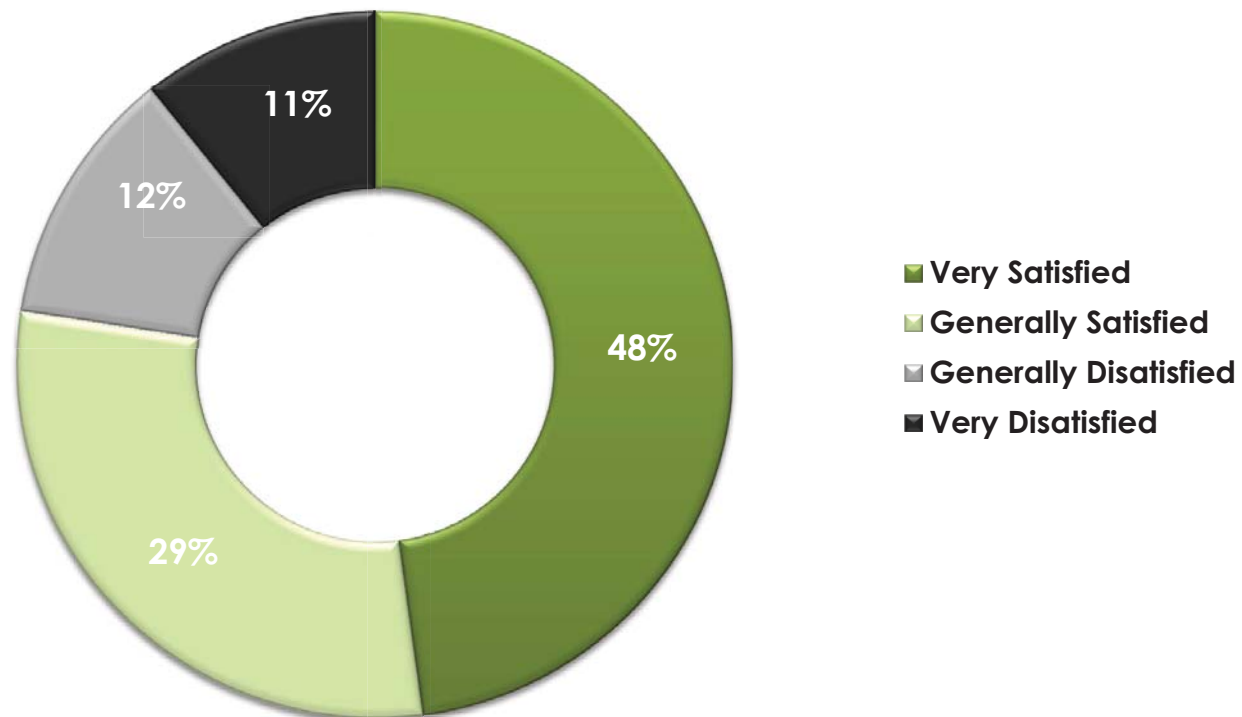
Customer Satisfaction surveys have been implemented to measure how satisfied injured employees are with the medical care and service the BCPS WC program provides. If injured employees are not satisfied with the way they are treated, there is a higher probability of litigation and additional costs.

Triage Satisfaction Survey



In FY 2016-17, injured employees were surveyed on two separate occasions and in two different fashions. At the onset of their injury, shortly after reporting their claim, all injured employees receive an informational booklet which contains a survey specifically regarding their interaction with Triage unit staff. These hardcopy surveys must be returned in the mail with a pre-paid postage included envelope. For this measure, 95% of injured employees stated they were either very satisfied or generally satisfied with the overall services they received, per the graph shown.

FY 2016-2017 Online Customer Satisfaction Survey



In FY 2016-17, employees were offered a second opportunity to provide their feedback via an online survey. An employee is able to rate his or her experience at or near the closure of their claim. While the triage survey is only provided to employees with injuries first reported in the current claim year, the online closure survey can be taken by injured employees who were injured in the current year or any prior year.

As shown, 77% of respondents stated they were very satisfied or generally satisfied, while 23% of respondents stated they were generally dissatisfied or very dissatisfied with their claims experiences. To increase the overall response rate, the WC staff made modifications to the delivery model long with the survey questions for FY 2017-18. These changes will help BCPS identify areas of concern and as well as opportunities for improvement.

Key Performance Indicators

Total Claims Costs

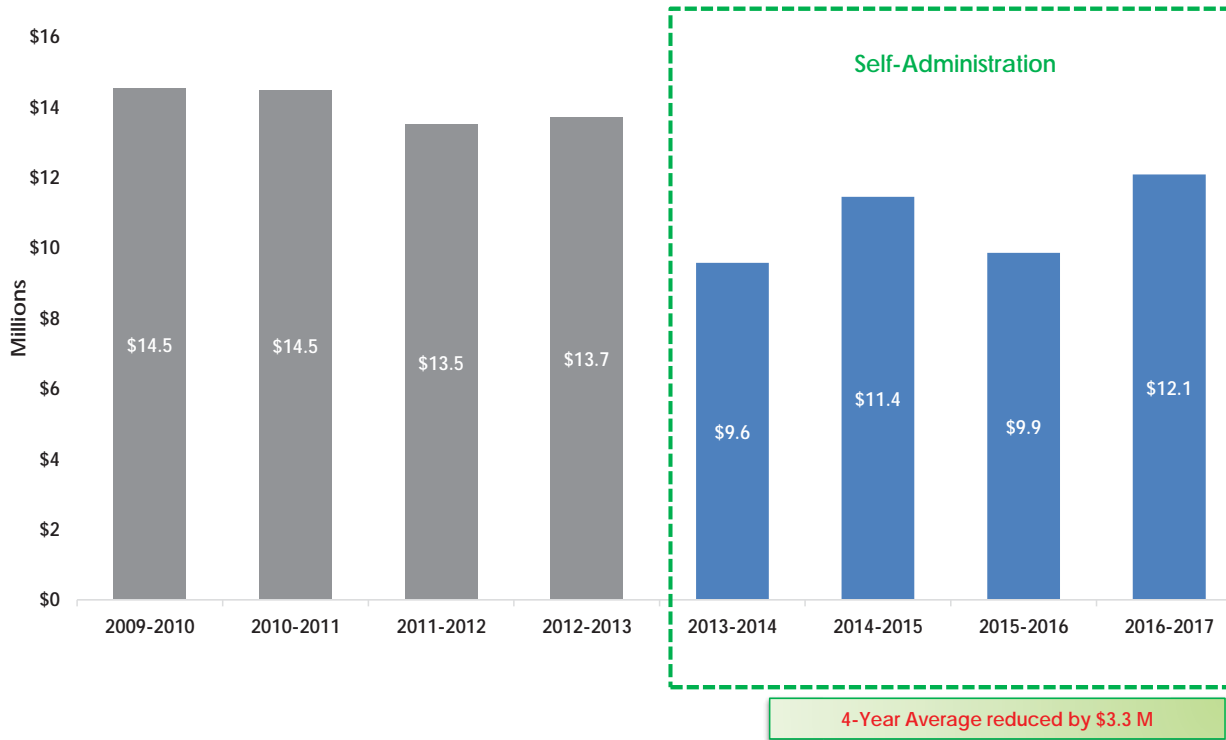
Each fiscal year, a number of claims-related costs are paid from the BCPS Self-Insurance WC Fund to support the Workers' Compensation program. These expenses are a financial liability and directly affect the annual cash flow. Claims costs includes medical benefits, indemnity benefits, legal payments, and other expenses paid from the District's self-insurance fund. It also includes any reimbursements for excess coverage and the Special Disability Trust Fund.

In FY 2016-17, claims costs increased from the prior year by 17% to \$12.1 million. While unfavorable, this increase is consistent with the Florida Office of Insurance Regulation's WC rate increase of 14.5% (originally proposed at 19%). The primary reasons for this increase were two Florida Supreme Court Cases (Castellanos v. Next Door Company and Westphal v City of St. Petersburg) and increases in the Florida WC Health Care Provider Reimbursement Manual.

An increase occurred in all four major components of claims costs (Medical 14%, Compensation 18%, Expense 5%, and Legal 39%). The 39% increase in Legal (defense counsel payments) is linked to the rise in overall litigation this year predominantly prompted by the reestablishment of hourly claimant attorney fees from the "Castellanos" decision.

Fiscal Year	Pre-Transition / Full Service TPA				Post-Transition / Self-Administration			
	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Claims Costs	\$14,526,139	\$14,467,490	\$13,501,523	\$13,700,001	\$9,574,973	\$11,448,855	\$9,858,802	\$12,087,050
4 Year Total	\$56,195,153				\$42,969,681			
4 Year Average	\$14,048,788				\$10,742,420			
Average Reduction					\$3,306,368			

Claims Costs by Fiscal Year



When comparing the average annual claims costs for the first four-years of self-administration to the last four years of outsourcing, there was a \$3.3 million dollar reduction.

The 18% spike in Compensation-related payments can be attributed to an increase in two main subcategories (settlements and claimant attorney fees), which is positively correlated to the increase in litigation. Conversely, there was a 4% reduction in the subcategories that comprise lost work days (Permanent Total Disability, Permanent Total Supplements, Temporary Total Disability, and Temporary Partial Disability). This is consistent with the 6% reduction in total lost work days in FY 2016-17. In addition, Temporary Partial Disability (TPD) payments decreased by more than 7%, which is the best indicator to measure the Stay-at-Work program, as these are days in which there is an opportunity to accommodate an injured employee. WC Leadership continues to analyze this data to implement strategies to reverse trends in each category.

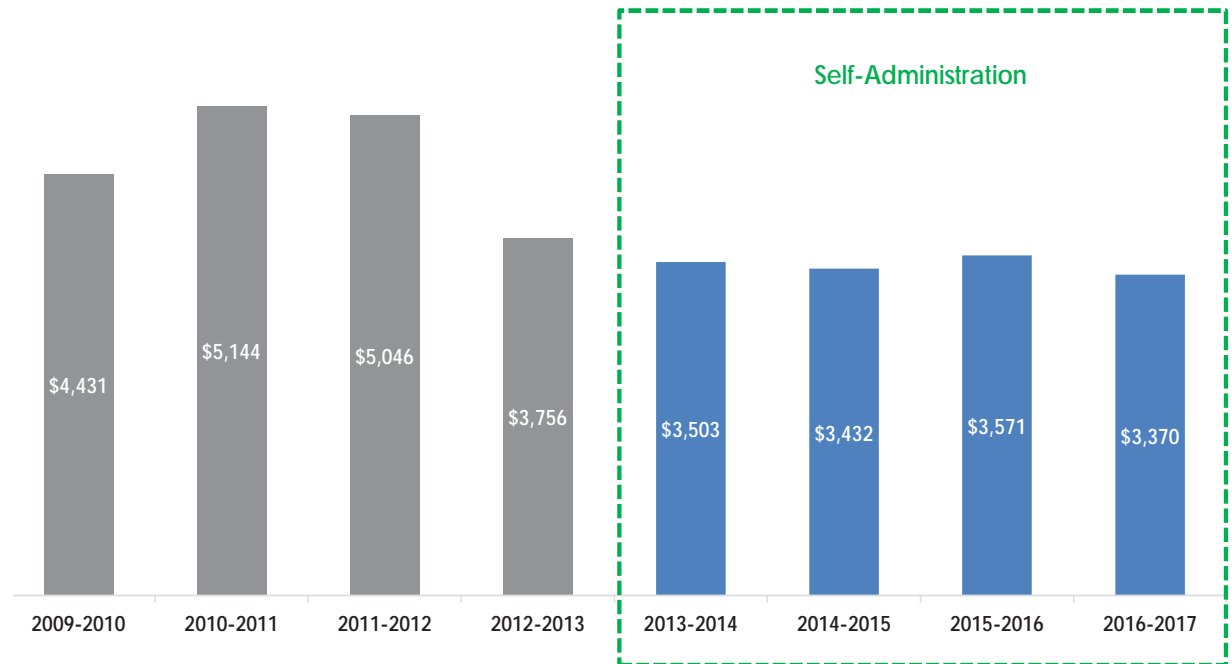
Key Performance Indicators*

Average Cost per Net Claim

The total incurred cost for a WC claim is the amount the BCPS expects to have paid out at the time the claim is closed. For open claims, it is calculated by taking the total paid on a claim added to the outstanding reserve. For closed claims, there is not an outstanding reserve, so the total paid and total incurred are equal.

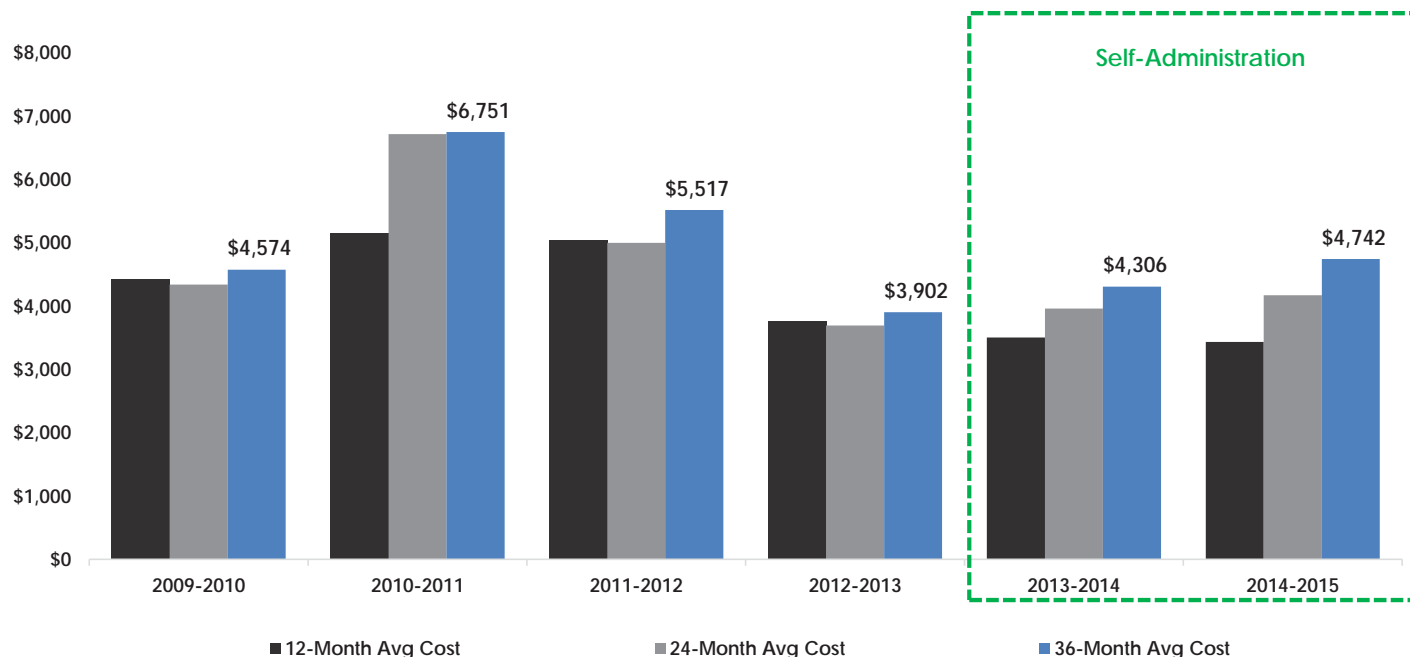
The average incurred cost per net claim measures how much BCPS expects to pay out for each claim filed by injured employees. It is calculated by dividing the Total Incurred Cost of all claims by the total number of net claims. With this KPI, it's important to look at claims at progressive valuations, since each valuation will differ in average cost.

Average Incurred Cost Per Net Claim @ 12 months by Claim Year



The average incurred cost per net claim over the last 8 fiscal years at the 12-month valuation time period is shown above. This is the most accurate statistic to make an “apples to apples” comparison with respect to claim cost since it uses the net claim count to normalize cost. While valuation periods 36 months and later provide a more accurate prediction as more claims close and develop, the 12 month valuation period is valuable leading indicator. In FY 2016-17, the average cost per claim, was \$3,370. This marks the lowest average since 2006.

Average Incurred Cost Per Net Claim @ 36 months by Claim Year



In the fourth year of the self-administration, we are now able to evaluate the average incurred cost per net claim at the 24 and 36 month valuation time periods.

For those claims received in FY 2013-14, the \$3,503 average cost per claim increased 13% at the 24 month mark to \$3,962 and an additional 9% after 36 months to reflect an average cost per claim of \$4,306. This 36 month average reflects a 10% increase when comparing claims received in FY 2013-14 to those received in FY 2012-13.

For claims received in FY 2014-15, the \$3,432 average cost per claim increased 22% at the 24 month mark to \$4,172 and an additional 14% after 36 months to reflect an average cost per claim of \$4,742. This 36 month average reflects a 10% increase when comparing claims received in FY 2014-15 to those received in FY 2013-14.

The average cost of the two years in self-administration (\$4,524) is a reduction of 13% when compared to the prior four-year average in the TPA model (\$5,186). Additionally, the self-administered average is consistent with average of all nine years under the CBM™ (\$4,626). WC staff continually reinforces the importance of proper reserving to predict the ultimate cost of specific claims and overall claim years. Fluctuation of this metric should decrease in future valuation periods (48 months and beyond), as the aggressive BCPS model emphasizes closing claims timely and reserving accurately under the CBM™.

Key Performance Indicators*

Lost Work Days

BCPS measures the numbers of lost work days due to WC in each fiscal year. There are two categories (payroll codes) in which lost days are measured: WCU (WC Unpaid) and WCL (WC Paid).

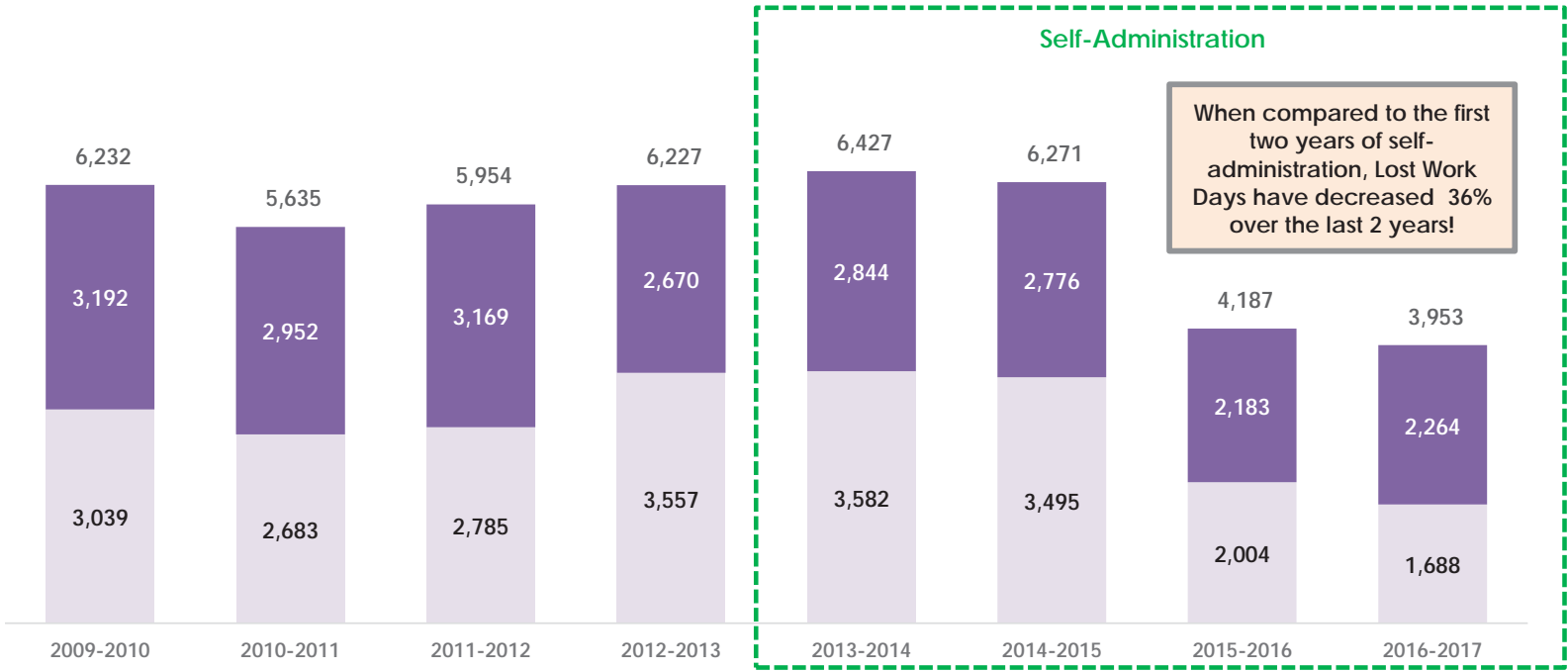
WCU refers indemnity payments made from WC Unit's claim system that are considered unpaid in the BCPS payroll system. WCL refers to illness-in-the-line of duty (ILD) days.

Absence Type	Fiscal Year			
	2013-2014	2014-2015	2015-2016	2016-2017
Total Lost Work Days	6,427	6,271	4,187	3,953

BCPS measures the total lost work days due to WC in each fiscal year. Injured employees may be absent for several reasons such as: (1) having a "no work" restriction from their authorized WC physician; (2) having a temporary work restriction from their WC physician that cannot be accommodated by their location; (3) to attend a medical visit (md visit, physical therapy, diagnostic test, etc.). The Lost Work Days KPI is indirectly linked to the overall financial liability of BCPS and is an indicator of the rate at which employees are returning to work. It also is an indicator of how effective the BCPS Stay at Work/Return to Work (SAW/RTW) program is performing. The lower this measure is, the greater staff attendance is. Ultimately, this results in the district being able to operate more efficiently and effectively while working toward the goal of increasing student achievement. However, it is important to realize that one or several acute or catastrophic claims, where an employee is unable to work for a long period of time can skew this metric.

BCPS has two categories (payroll codes) in which lost days are measured: WCL (WC Paid) and WCU (WC Unpaid). The unpaid for WCU refers to being unpaid from the BCPS payroll system, while it is paid from the WC Unit's claim system. WCL is illness-in-the-line of duty (ILD) days and WCU are the days in which indemnity is paid to the injured employee. However, as these lost days are recorded in the BCPS payroll system, they do not account for indemnity pays that are paid during the summer, winter, and spring breaks. While technically that is not a lost day of work/productivity, it is still accounted for in the indemnity category of claim costs, as reported earlier in this report. Since the inception of the CBM™ model in 2006, there has been a drastic reduction in total lost work days.

Total Lost Work Days



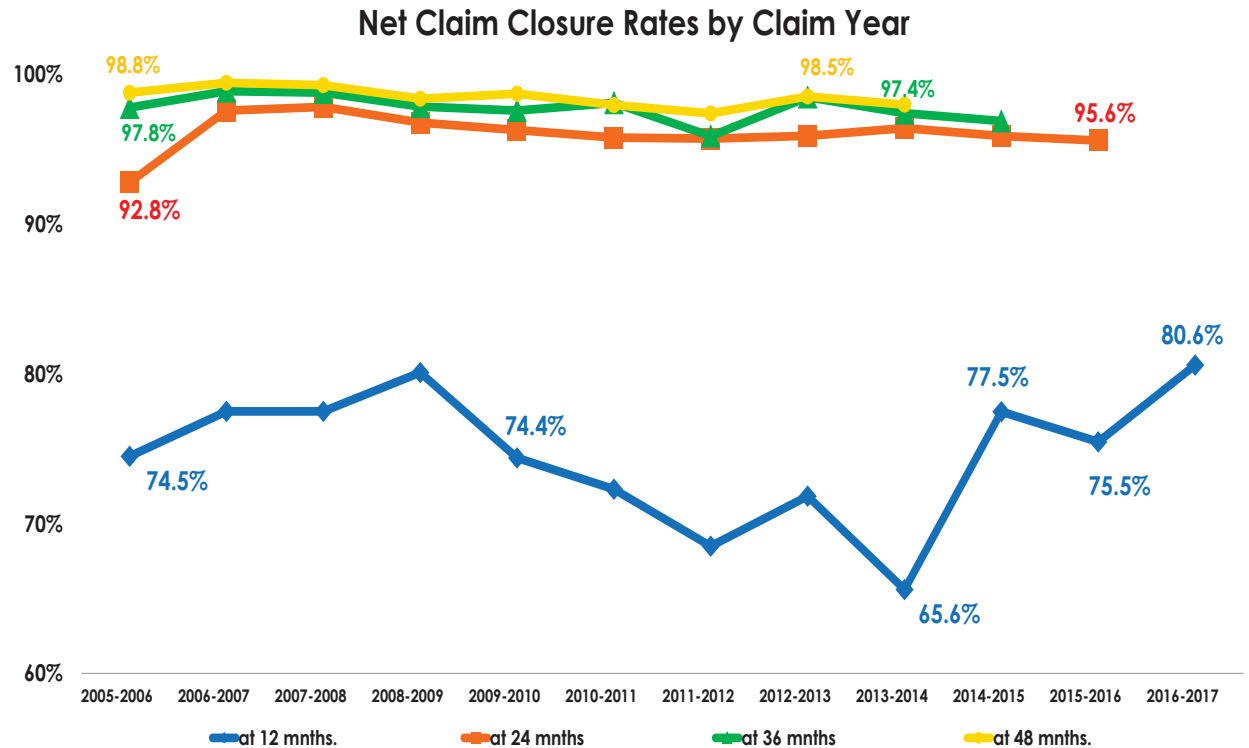
As mentioned earlier, the implementation of Risk Assessments of BCPS schools and locations have yielded reductions in new claim volume and lost work days. Both measures assist BCPS to increase staff attendance and consistency (minimizing absences) to support BCPS' primary goal of increasing student achievement.

Additionally, as shown in the graph, there is a 36% reduction in lost days. Total lost work days is another KPI that has produced the lowest total in the past 11 years. These results show the commitment by BCPS to return employees to work by providing them the "best-in-class" medical care and to accommodate employees who may have temporary restrictions while recovering from their injury.

Key Performance Indicators*

Annual Net Claim Closure Rate

The WC program measures the number of claims closed in each fiscal year. Closing claims is an indicator of the rate and duration at which injuries are being resolved and reduces the overall financial liability of BCPS.



The graph shown displays the net claim closure rates by valuation up to 48 months over the last twelve fiscal years. The net claim closure rate is relatively consistent for each valuation time period, averaging 74.6 % at 12 months with a significant increase at 24 months to an average of 96.1% and almost plateauing at 48 months with an average closure rate of 98.5%. This would suggest that at the 48 month milestone of any fiscal year, there should be little or no change in the total incurred cost associated with that fiscal year. As a result, those costs would be more predictable.

In event that a claim remains open past 48 months, it is likely to have a high total incurred. Time increases probability for higher medical, indemnity, litigation and lost time. A consistent high closure rate would result in less reserves being set aside to pay future claim expenses which translates into more resources that can be reallocated to be spent in other more meaningful areas of BCPS. For FY 2016-17, the closure rate at 12 months was 80.6% which is a 5.1 percentage point increase from the prior year.

Fiscal Year	Experience Modification
2006-2007	2.33
2007-2008	1.99
2008-2009	1.76
2009-2010	1.39
2010-2011	1.21
2011-2012	1.31
2012-2013	1.27
2013-2014	1.25
2014-2015	1.43
2015-2016	1.14
2016-2017	1.16
2017-2018	1.08

Annual Experience Modification

The self-insurance experience modification factor is calculated and promulgated by the National Council on Compensation Insurance (NCCI). WC program provides. If injured employees are not satisfied with the way they are treated, there is a higher probability of litigation and additional costs.

Actual losses are compared to expected losses to determine the experience rating modification factor that will be included in the premium calculation.

Insurance companies and individual self-insurers are required in accordance with sections 440.51 and 440.49(9), Florida Statutes, to pay assessments to the Workers' Compensation Administration Trust Fund (WCATF). These assessments are based on experience modifiers that are used in the pricing of Workers' Compensation Insurance to adjust the premium upward or downward based on the employer's claims history.

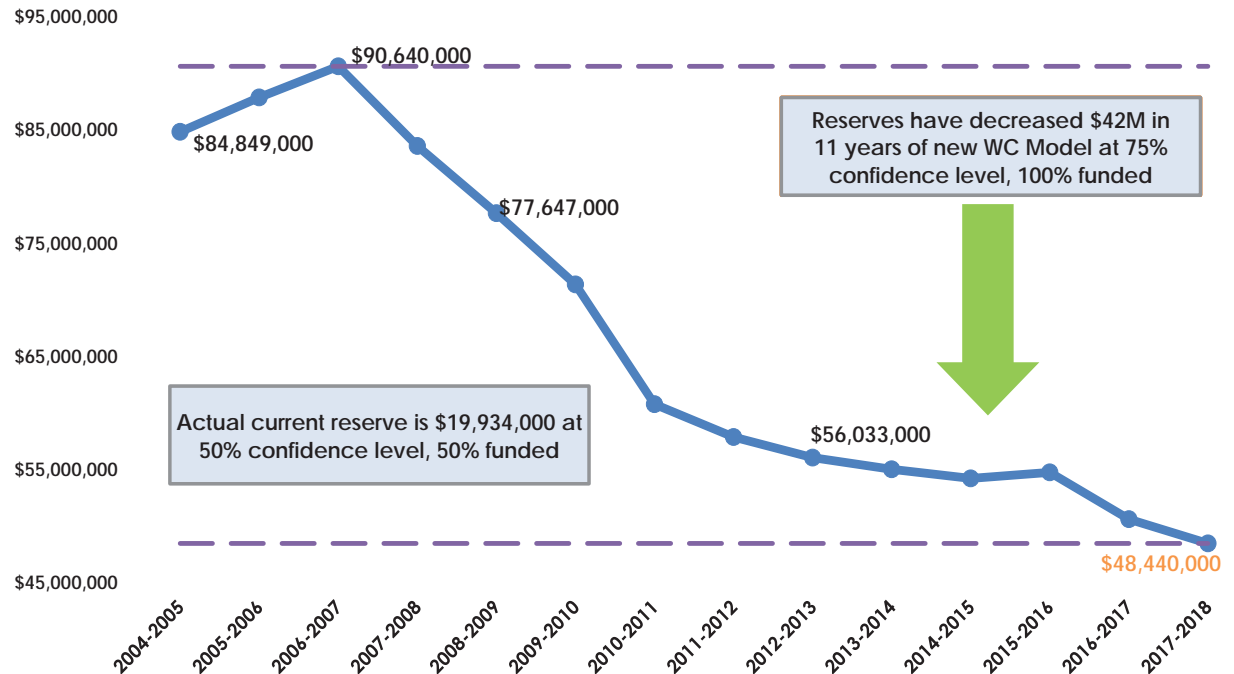
If the actual claim experience is better (less) than expected, the modification factor will be less than 1, and will serve to lower the premium charged. Conversely, if the actual experience is worse (greater) than expected, the modification factor will be greater than 1, and increase the premium charged. This measure is often used to compare the claims performance of similar organizations in the state. The BCPS Experience Modification Factor for FY 2017-18 is 1.08 which is the lowest measure since the transition to the CBM™ in 2006.

Key Performance Indicators*

Annual Total Reserves

Financial reserves are set aside to pay any outstanding workers' compensation claim liabilities at the end of each fiscal year to remain compliant with Government Accounting Standards Board Statement Number 10 ("GASB 10").

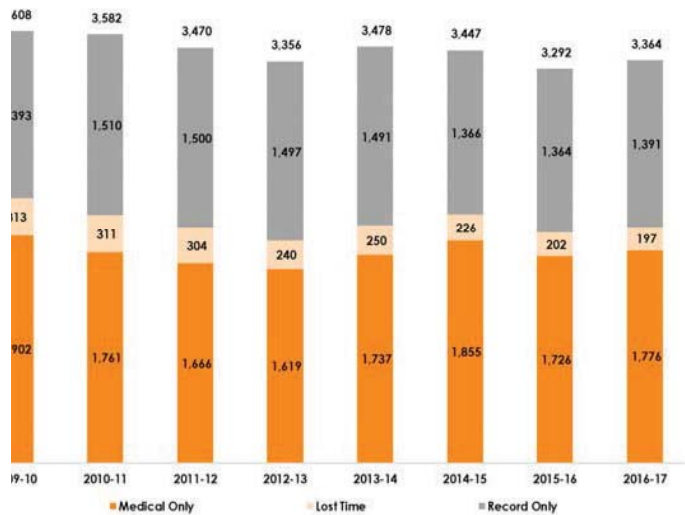
Self-Insured Workers' Compensation Reserves
75% Confidence 100% Funded



BCPS has engaged the services of AMI Risk Consultants, Inc. to perform the Outstanding Workers' Compensation Claim Liability Assessment for its self-insurance WC program. BCPS supplied payroll, historical loss development information (by accident year and by type of coverage) for incurred and paid losses through May 31, 2017.

Based on the current BCPS liabilities with a 75% confidence and 100% funding level adopted prior to 2009, there would have been a \$42 million decrease in WC reserves from 2006 to 2017, as shown in the graph. This is the most accurate way to measure trends in WC reserves and make any legitimate "apples to apples" comparison. This decrease in the reserves is based on the excellent performance and claim outcomes since the implementation of the CBM™ in 2006. Additionally, in the four years under self-administration, there has been a \$4.4 Million decrease to the Self-Insured Reserve after it appeared the metric had plateaued in FY 2015-16. The true reserve based on the current funding (50%) and confidence (50%) level is \$19,934,000.

Claim Volume by Fiscal Year



Total Claim Volume

There are two primary categories of claims: net claims and record only claims. Net claims are claims that an injured employee has received medical treatment. These claims have a dollar value associated with them and require that reserves be set aside for future financial liability. These claims consist of both medical only claims and indemnity claims. Record only claims are claims where the employee does not obtain medical care at the time of reporting the injury.

While the WC program focuses on timely reporting of claims (within 48 hours), claims are occasionally reported after the end of the fiscal year in which the accident occurred. These claims are referred to as Incurred but Not Reported (IBNR) Claims and are usually few in number. These IBNR claims can cause the claim count for any given fiscal year to increase minimally when evaluated yearly.

The graph shown above reflects the annual breakdown of both net claims and report only claims. For the last eight years, claim volume has remained relatively consistent with an average of 3,440 claims per year, with a net claim average of 2,011 (1,755 medical only and 255 indemnity).

While the number of indemnity claims continues to decrease since the implementation of the risk assessments and lost time meetings, the numbers below are not a true comparison. The data represented here are as of a specific point in time, not as of June 30th of the particular claim year. The older the claim year, there is a greater probability that a medical only claim has become an indemnity claim. WC staff remains committed to identifying and implementing new loss prevention initiatives to mitigate accidents/claims.

Key Performance Indicators*

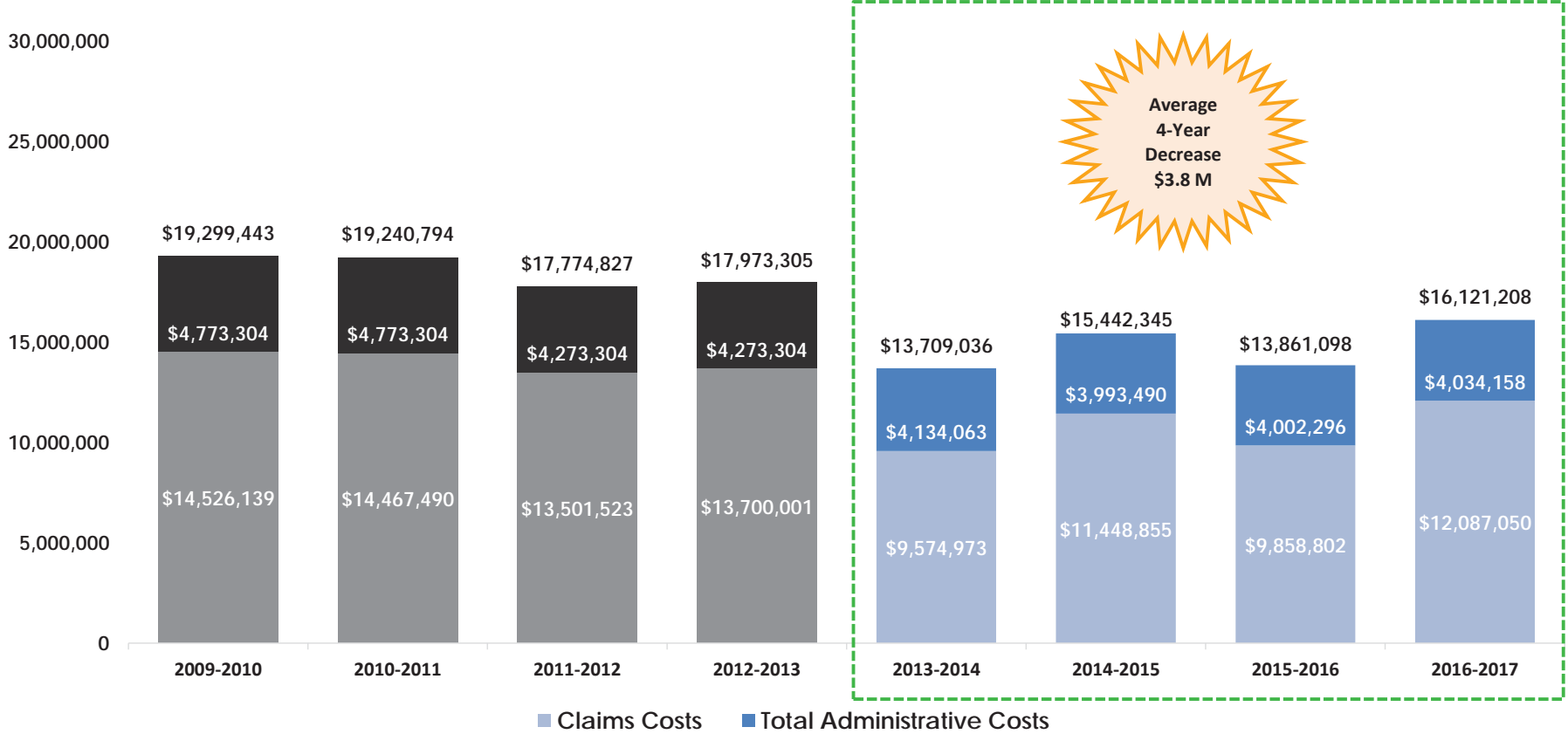
Overall Program Costs

The sum of Claims Costs and Administrative Costs are the total cost of the WC program to BCPS annually.

The overall financial impact of the BCPS Self-Insured, Self- Administered WC Program for FY 2016-17 was \$16,121,208 as shown in the table below. This is an increase of \$2.3 million (15%) from FY 2015-16, with the 17% rise in claims costs being the major factor, as detailed earlier. While this increase is a concern for WC leadership to analyze and address, the current program total remains below any recent fiscal year prior to self-administration. Additionally, there is an annual reduction of \$3.8 million (20%) per year when comparing the average annual cost incurred during the first four years of self-administration to the average of the preceding four years in a TPA model. This is a significant achievement, as this reduction was achieved despite ongoing increases in medical costs, employee salaries/compensation rates, etc. The information and data provided in this report continue to support the decision to Self-Administer our WC program and our commitment to providing a “Best-in-Class” program to BCPS.

Fiscal Year	Pre-Transition / Full Service TPA				Post-Transition / Self-Administration			
	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
TPA Fees	\$4,500,000	\$4,500,000	\$4,000,000	\$4,000,000	\$2,350,000	\$1,800,000	\$1,800,000	\$1,600,000
WC Staff (Salary and Benefits)	\$273,304	\$273,304	\$273,304	\$273,304	\$1,784,063	\$2,193,490	\$2,202,296	\$2,434,158
Total Administrative Costs	\$4,773,304	\$4,773,304	\$4,273,304	\$4,273,304	\$4,134,063	\$3,993,490	\$4,002,296	\$4,034,158
Claims Costs	\$14,526,139	\$14,467,490	\$13,501,523	\$13,700,001	\$9,574,973	\$11,448,855	\$9,858,802	\$12,087,050
Total WC Costs	\$19,299,443	\$19,240,794	\$17,774,827	\$17,973,305	\$13,709,036	\$15,442,345	\$13,861,098	\$16,121,208
Average Cost Per Year	\$18,572,092				\$14,783,422			
4-Year Average reduced by \$3.8 M								

Program Costs by Fiscal Year



This is a significant achievement, as this reduction was achieved despite ongoing increases in medical costs, employee salaries/compensation rates, etc. The information and data provided in this report continue to support the decision to Self-Administer our WC program and our commitment to providing a "Best-in-Class" program to BCPS.



Established 1915
BROWARD
County Public Schools



SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

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**For Questions or Comments
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