



**INDEPENDENT CITIES RISK MANAGEMENT AUTHORITY**

**MINUTES OF THE  
CLAIMS COMMITTEE MEETING  
JANUARY 12, 2017  
9:30 A.M.**

A meeting of the Claims Committee was held on January 12, 2017, in Downey, California.

Name	Member/Agency	Present	Absent
Jill Buchholz	Redondo Beach	X	
Vicki Cross	Glendora	X	
Yvette Abich Garcia	Downey	X	
Sergio Ibarra	Bell		X
Haydee Sainz	Lynwood	X	
Alison Stevens	Hawthorne	X	
Chu Thai	Monterey Park	X	

**Others in Attendance:**

RPA Beth Lyons, Ashley O'Brian  
Tyler LaMantia (via phone)

Johnson Schachter & Lewis Luther Lewis (via phone)

Carl Warren & Company John Beringer, Dwight Kunz, Estelle Freeman, Todd Johnson,  
Sean Rasmussen

Atkinson, Andelson, Loya,  
Ruud & Romo Jay Trinnaman

North Bay Associates Alan Fleming, Bob Hoyle (via phone)

City of Glendora Cecilia Todd  
City of Inglewood Sara Nazir

**1. CALL TO ORDER**

Chair Jill Buchholz called the meeting to order at 9:42 a.m.

**2. ESTABLISHMENT OF QUORUM/INTRODUCTIONS**

Introductions took place and it was determined a quorum was present.

### 3. PUBLIC COMMENTS

There were no public comments.

### 4. APPROVAL OF AGENDA AS POSTED OR AMENDED

*Motion was made by Yvette Garcia, seconded by Vicki Cross, and unanimously carried to approve the agenda as presented.*

### 5. CONSENT CALENDAR

*Motion was made by Yvette Garcia, seconded by Alison Stevens, and unanimously carried to approve the consent calendar as presented.*

### 6. OPEN SESSION

#### A. Consideration of Claims Committee Appointment

*Motion was made by Jill Buchholz, seconded by Yvette Garcia, and unanimously carried to recommend the addition of Sara Nazir, Inglewood to the Committee.*

#### B. WC Claims Audit Results

During the past several months, Alan Fleming and Bob Hoyle have been conducting audits of the three member TPAs (AdminSure, York, and CCMS) in the Workers' Compensation program. The auditors also examined Bickmore's (through June 30, 2016) and Carl Warren's (July 1, 2016 through present) oversight of the workers' compensation program and ICRMA reportable claims. Alan and Bob provided a detailed verbal report of the claims audits. The executive and recommendation summary sections for the individual audit reports for all three member TPAs were included in the agenda packet and are summarized below. The written audit of the ICRMA reportable claims was not completed, but verbal observations were presented.

<b>TPA/Claim Oversight</b>	<b>Provide services for:</b>	<b>Score</b>	<b>Summary of Recommendations</b>
AdminSure	Alhambra, Baldwin Park, Glendora, Hermosa Beach, Huntington Park, Inglewood, Lynwood, Manhattan Beach, Monterey Park, Redondo Beach	81.6%	<ol style="list-style-type: none"><li>1. Review and follow the ICRMA employer contact standard.</li><li>2. Adopt and incorporate ICRMA employee contact standards into the examiners' daily routine.</li><li>3. Going forward, utilize a reserve worksheet, (an ICRMA standard). Files with reserve deficiencies need to be reviewed by the examiner and increased accordingly.</li><li>4. Review and follow ICRMA excess reporting and reimbursement requirements to ensure compliance.</li><li>5. Specifically include review of all claims that are subrogated in claim diary reviews.</li><li>6. Review ICRMA standards for diaries and make a part of the routine claims handling process.</li></ol>

CCMS	San Fernando (former members Azusa & Culver City)	83.3%	<ol style="list-style-type: none"> <li>1. Incorporate ICRMA standards for employee-contact into the examiner's daily routine.</li> <li>2. Review and follow the ICRMA standard for file reconciliation.</li> <li>3. Put a plan into place to ensure files are finalized consistently through more effective and timely claim diary reviews.</li> <li>4. Review ICRMA excess reporting requirements and ensure that initial and follow-up reporting is timely.</li> <li>5. Review ICRMA standards for diary and reserve notes and make part of the routine claims handling process.</li> </ol>
York	El Segundo	79.6%	<ol style="list-style-type: none"> <li>1. Reconcile claims timely and consistently.</li> <li>2. Review reasons for late issuance of benefit notices and plan put in place to effect improvement.</li> <li>3. Review/analyze reserves per the ICRMA standard and ensure that claims are reserved for the most probable outcome.</li> <li>4. Review and follow ICRMA excess reporting requirements.</li> <li>5. Review ICRMA diary standards and make part of the routine claims handling process for examiner and supervisor.</li> </ol>

The auditor noted that every city currently in the program, except for two, are using the same TPA. This is a vast improvement from having six at one point, but multiple TPAs continue to create administrative and claim-handling challenges. In addition, ICRMA vendors are currently monitoring several other TPAs due to tail claims of former members which creates numerous data challenges. Hiring one TPA could result in more efficient claims transactions as well as cost savings. While it was noted that ICRMA attempted the single-TPA concept over a decade ago, the circumstances have changed and the timing may be optimal. The auditors also noted claims administration would be easier if all members had the same SIR.

*The Committee, with support from the auditors, directed staff to explore workers' compensation claims administration using one claims administrator. The audit reports and single TPA concept will be discussed with the Governing Board at its February 9 meeting.*

### C. Biennial Attorney Review

The Board has approved a variety of measures regarding the ICRMA Defense Panel in the past few years, which included the following:

- Conducting a biennial independent audit of panel firms to ensure compliance with Litigation Management Policies and Procedures (LMPP) and evaluate litigation results
- Reducing the size of the approved panel over time, with selection based on qualifications, performance criteria (including audit results), areas of expertise, geography, caseloads, and existing relationships with contract city attorneys. The panel currently includes over 100 attorneys.

Sara Nazir noted that, in her experience, some firms will settle for a higher amount, but charge less, and vice versa. John advised that one way to minimize attorney fees is to efficiently utilize the TPA. This will strengthen the pool's overall performance by keeping costs low. Beth reported the next steps will be to select an auditor to finalize the criteria, review the data sets, interview members and TPA adjusters for feedback, and prepare a report.

*A motion was made by Vicki Cross, seconded by Yvette Abich-Garcia, and unanimously carried to postpone the attorney review until 2018. The Committee also directed staff to continue working with the attorney to ensure compliance with the LMPP, and to ask the liability claims auditor to utilize the LMPP and TPA Performance Standards to establish 2017 fall audit criteria. The updated attorney panel indicating areas of expertise will be presented at the March meeting.*

## **7. CLOSED SESSION**

The Committee convened in closed session at 11:20 a.m. to discuss the following:

- A. Conference with Legal Counsel – Anticipated Litigation. Significant exposure to litigation pursuant to paragraph (2) or (3) of Section 54956.9(d): one potential case.
  - Nakada v. El Monte
- B. Discussion of Open Claims and Conference with Legal Counsel pursuant to Government Code Section 54956.95(a)
  - Downey Firemen's Association v. Downey
  - Lopez v. Lynwood
  - Simental v. Azusa
  - Medina v. El Monte

## **8. REPORT FROM CLOSED SESSION**

The Committee convened in open session at 12:15 p.m. and reported the following:

- A. Nakada v. El Monte – Action was taken to delay a coverage decision based upon the proposed tentative agreement as stated, and to place the issue on hold, without prejudice to the City's or ICRMA's positions.
- B. Simental v. Azusa – The Committee authorized final settlement of ICRMA funds not to exceed \$250,000.

The other items on the agenda were discussed and no action was taken.

## **9. CLOSING COMMENTS**

There were no closing comments.

## **10. ADJOURNMENT**

The meeting was adjourned by general consensus at 12:17 p.m.